

BANCO CENTRAL DO BRASIL - FOCUS

June 18, 1999

The median of the market forecasts for Brazil's GDP in 1999 maintained its upward trend being revised to -1.00% from -1.10% over the week as tracked by the Banco Central do Brasil Daily Survey on Market Expectations. Forecasts of the IPC-FIPE fell to 6.51% from 6.85%. The INPC fell to 7.50% from 7.80%. Expectations for the trade balance surplus were lowered to US\$3.20 billion from US\$3.45 billion. Forecasts for the current account deficit were increased to US\$22.70 billion from US\$22.25 billion over the week.

Market Readout

**Central Bank Daily Survey on Market Expectations
Market Median Forecasts**

| | for June 1999 | | for 1999 | | for 2000 | |
|--------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | as of June 11 | As of today | as of June 11 | as of today | as of June 11 | as of today |
| Price indices (% change) | | | | | | |
| IGP-DI | 0,43 | 0.50 | 11.90 | 11.90 | 6.05 | 6.20 |
| IGP-M | 0.40 | 0.35 | 12.00 | 12.00 | 5.00 | 5.00 |
| IPC-Fipe | 0.30 | 0.25 | 6.85 | 6.51 | 4.45 | 4.50 |
| INPC | 0.37 | 0.35 | 7.80 | 7.50 | 4.50 | 5.00 |

| | For 1999 | | for 2000 | |
|--------------------------------|---------------|-------------|---------------|-------------|
| | as of June 11 | As of today | as of June 11 | as of today |
| GDP growth (%) | -1.10 | -1.00 | 4.00 | 3.95 |
| Trade Balance (US\$ billion) | 3.45 | 3.20 | 5.50 | 5.15 |
| Current account (US\$ billion) | -22.25 | -22.70 | -22.40 | -22.40 |
| Fiscal Figures (% of GDP) | | | | |
| Primary balance | 3.00 | 3.00 | 3.10 | 3.10 |
| Nominal balance | -9.04 | -9.00 | -4.10 | -3.98 |

Market forecasts are solely informative, and not intended to bind Banco Central do Brasil in its monetary policy actions.