

# ***BANCO CENTRAL DO BRASIL - FOCUS***

**August 27, 1999**

*Market expectations for inflation in 1999 measured by consumer price indices increased slightly over the week.* The median forecast of market participants for the IPCA increased to 7.97% from 7.93% % as tracked by Banco Central do Brasil daily survey. For the INPC, the median moved to 7.54% from 7.50%. Median expectation of the IPC-FIPE index remained unchanged. Forecasts for the IGP-M increased to 13.57% from 13.30%, while for the IGP-DI, the median changed to 13.10% from 13.00% recorded last week. Expectations for the trade balance surplus in 1999 decreased to US\$700 millions from US\$1.0 billion. The median forecast for the current account deficit in the current year remained at US\$ 25.0 billion.

## ***Market Readout***

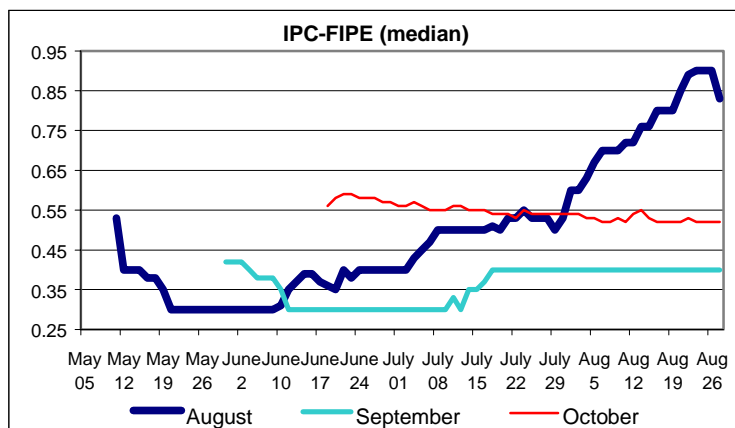
***Central Bank Daily Survey on Market Expectations  
Market Median Forecasts***

	for Sept 1999		for 1999		for 2000	
	as of Aug 20	as of today	as of Aug 20	as of today	as of Aug 20	as of today
Price indices (% change)						
IGP-DI	0.46	0.48	13.00	13.10	6.06	6.06
IGP-M	0.50	0.51	13.30	13.57	6.00	6.00
IPC-Fipe	0.40	0.40	6.60	6.60	5.00	5.00
INPC	0.40	0.42	7.50	7.54	5.94	5.87
IPCA	0.45	0.44	7.93	7.97	6.00	6.00

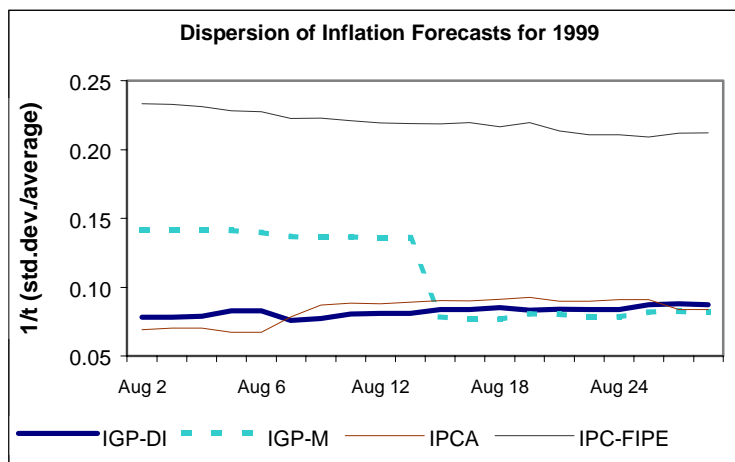
	for 1999		for 2000	
	as of August 20	as of today	as of August 13	as of today
GDP growth (%)	-0.50	-0.50	3.50	3.50
Trade Balance (US\$ billion)	1.00	0.70	5.00	5.00
Current account (US\$ billion)	-25.00	-25.00	-22.50	-22.80
Fiscal Figures (% of GDP)				
Primary balance	3.00	3.00	3.00	3.00
Nominal balance	-9.50	-9.50	-4.20	-4.20

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

### Evolution of Monthly Inflation Expectations



### Dispersion of Inflation Forecasts for 1999



*Market forecasts are solely informative and not intended to bind Banco Central do Brasil in its monetary policy actions. This information is for unrestricted disclosure and free of any charge.*