

BANCO CENTRAL DO BRASIL - FOCUS

October 01, 1999

Consensus forecast for the IPCA in 1999 declined to 7.78% from 7.81% over the week. It remained 6.00% (the target for inflation) for the year 2000. Expectations for IPC-FIPE variation increased to 6.70% from 6.50% while for the INPC, the median moved to 7.37% from 7.25% for 1999. Market participants are now expecting an inflation of 14.40% in 1999 and 7.10% in the coming year, as measured by the IGP-DI, and 14.94% in 1999 and 6.30% in 2000 as measured by the IGP-M. Median expectations for GDP growth in 1999 continue at -0.10%, while a growth of 3.40% is expected in 2000. A balanced trade figure is expected in 1999 reverting to a surplus of US\$ 4.4 billion in 2000.

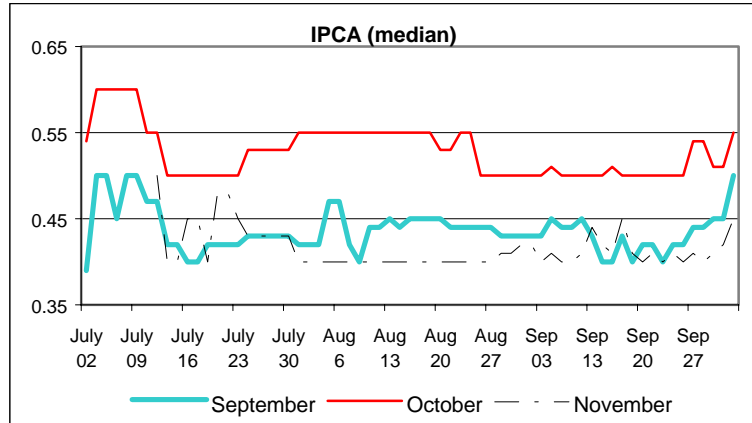
Market Readout

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

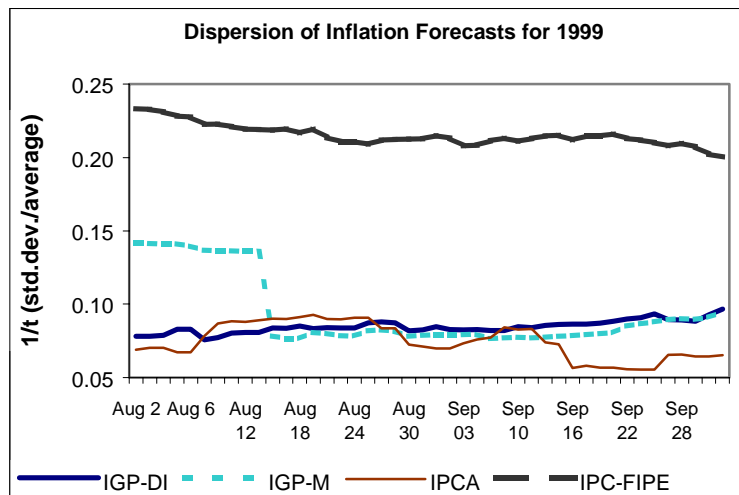
Price indices (% change)	for Oct 1999		for 1999		for 2000	
	as of Sept 24	as of today	as of Sept 24	as of today	as of Sept 24	as of today
IGP-DI	0.50	0.53	14.30	14.40	7.15	7.10
IGP-M	0.52	0.59	14.50	14.94	6.54	6.30
IPC-Fipe	0.50	0.49	6.50	6.70	5.20	5.30
INPC	0.50	0.54	7.25	7.37	5.81	5.81
IPCA	0.50	0.55	7.81	7.78	6.00	6.00

	for 1999		for 2000	
	as of Sept 24	as of today	as of Sept 24	as of today
GDP growth (%)	-0.10	-0.10	3.39	3.40
Trade Balance (US\$ billion)	0.00	0.00	4.50	4.40
Current account (US\$ billion)	-25.60	-25.60	-23.00	-23.10
Fiscal Figures (% of GDP)				
Primary balance	3.00	3.00	3.10	3.10
Nominal balance	-9.50	-9.50	-4.22	-4.22

**Central Bank Daily Survey on Market Expectations
Evolution of Monthly Inflation Expectations**



Dispersion of Inflation Forecasts for 1999



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