

BANCO CENTRAL DO BRASIL - FOCUS

October 29, 1999

Inflation expectations were adjusted higher over the week. The median forecast for the IPCA is now at 7.88% for 1999 and 6.35% for the year 2000. The INPC is expected to reach 7.37% in 1999 and 6.00% in 2000, while expectations for the IPC-FIPE are now at 7.55% and 5.50% for 1999 and 2000 respectively. Consensus forecast for the IGP-M for 1999 increased to 16.15% from 15.83%, while 7.00% is expected in 2000.

Expectations for the trade balance were revised to a deficit of US\$640 million in 1999 from a deficit of US\$5 million a week ago, reversing to a surplus of US\$4.1 billion in 2000. A current account deficit of US\$25.70 billion is expected in 1999, and of US\$23.25 in 2000.

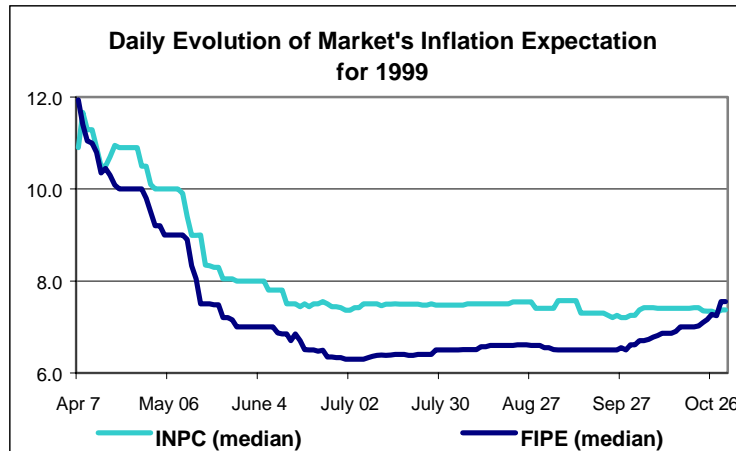
Market Readout

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

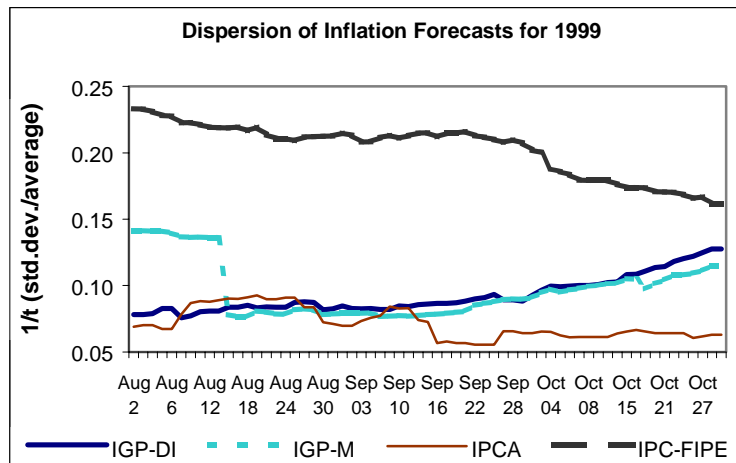
Price indices (% change)	for Nov 1999		for 1999		for 2000	
	as of Oct 22	as of today	as of Oct 22	as of today	as of Oct 22	as of today
IGP-DI	0.53	0.70	15.50	15.85	7.25	7.50
IGP-M	0.48	0.68	15.83	16.15	7.00	7.00
IPC-Fipe	0.50	0.50	7.10	7.55	5.30	5.50
INPC	0.53	0.45	7.35	7.37	5.81	6.00
IPCA	0.45	0.45	7.70	7.88	6.00	6.35

	for 1999		for 2000	
	as of Oct 22	as of today	as of Oct 22	as of today
GDP growth (%)	-0.01	-0.01	3.10	3.10
Trade Balance (US\$ billion)	-0.05	-0.64	4.10	4.10
Current account (US\$ billion)	-25.70	-25.70	-23.24	-23.25
Fiscal Figures (% of GDP)				
Primary balance	3.00	3.00	3.10	3.10
Nominal balance	-9.90	-9.88	-4.22	-4.10

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



Dispersion of Inflation Forecasts for 1999



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