

BANCO CENTRAL DO BRASIL - FOCUS

November 5, 1999

Expectations for GDP growth in 2000 increased to 3.32% from 3.10%. For this year, a flat figure is expected. Median expectations for composite price indices (IGP-DI and IGP-M) increased over the week, while consumer price indices kept almost unaffected. For the IPCA the median forecast of market participants remains at 7.88% for 1999 and 6.35% for the year 2000. Consensus for the IGP-M in 1999 increased to 16.50% from 16.15%, while 7.50% is expected in 2000.

Expectations for the trade balance point out to a US\$ 800 million deficit in 1999, reversing to a surplus of US\$ 4.2 billion in 2000. For the current account deficit, market participants expect US\$ 25.65 billion for 1999 and US\$ 23.20 for 2000.

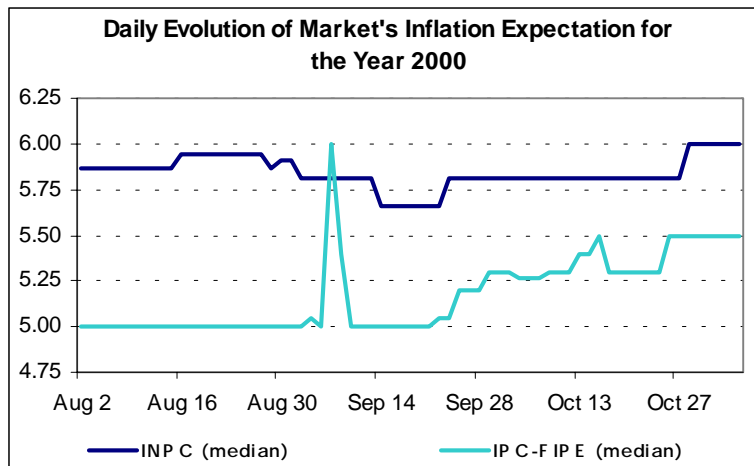
Market Readout

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

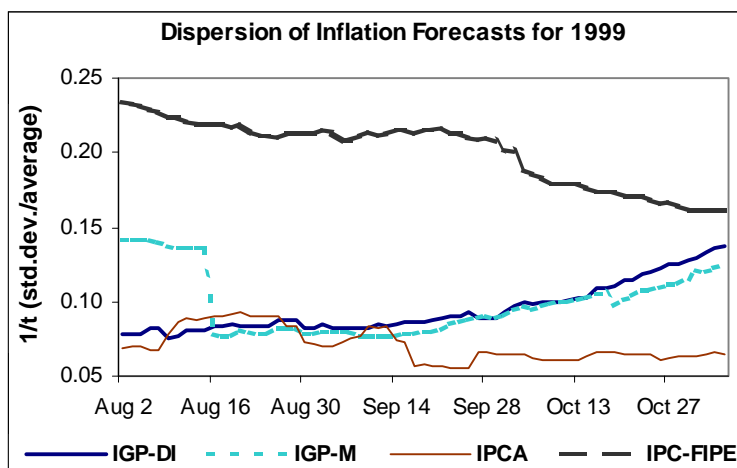
| Price indices | for Nov 1999 | | for 1999 | | for 2000 | |
|---------------------------------------|--------------|-------------|--------------|-------------|--------------|-------------|
| | as of Oct 29 | as of today | as of Oct 29 | as of today | as of Oct 29 | as of today |
| (% change) | | | | | | |
| IGP-DI | 0.70 | 0.80 | 15.85 | 16.39 | 7.50 | 7.50 |
| IGP-M | 0.68 | 0.85 | 16.15 | 16.50 | 7.00 | 7.20 |
| IPC-Fipe | 0.50 | 0.50 | 7.55 | 7.57 | 5.50 | 5.50 |
| INPC | 0.45 | 0.45 | 7.37 | 7.40 | 6.00 | 6.00 |
| IPCA | 0.45 | 0.50 | 7.88 | 7.88 | 6.35 | 6.35 |
| | | | for 1999 | | for 2000 | |
| | | | as of Oct 29 | as of today | as of Oct 29 | as of today |
| GDP growth (%) | | | -0.01 | -0.01 | 3.10 | 3.32 |
| Trade Balance (US\$ billion) | | | -0.64 | -0.80 | 4.10 | 4.20 |
| Current account (US\$ billion) | | | -25.70 | -25.65 | -23.25 | -23.20 |
| Fiscal Figures (% of GDP) | | | | | | |
| Primary balance | | | 3.00 | 3.00 | 3.10 | 3.05 |
| Nominal balance | | | -9.88 | -9.81 | -4.10 | -4.11 |

Central Bank Daily Survey on Market Expectations

Evolution of Inflation Expectations



Dispersion of Inflation Forecasts for 1999



Information for unrestricted disclosure. It is not intended to bind Banco Central do Brasil in its monetary or foreign exchange policy actions.