

BANCO CENTRAL DO BRASIL - FOCUS

November 12, 1999

Inflation expectations increased over the week. Median expectation for inflation, measured by the IPCA, increased to 8.00% in 1999 and to 6.49% in 2000, from 7.88% and 6.00% respectively. For the INPC, the median moved to 7.63% from 7.40% in 1999, continuing unchanged at 6.00% for the year 2000. A flat GDP figure is expected for this year, against an increase of 3.25% in the coming year.

Expectations for the trade balance point out to a US\$ 1.1 billion deficit in 1999, reversing to a surplus of US\$ 4.1 billion in 2000. For the current account deficit, market participants expect US\$ 25.75 billion for 1999 and US\$ 23.00 for 2000.

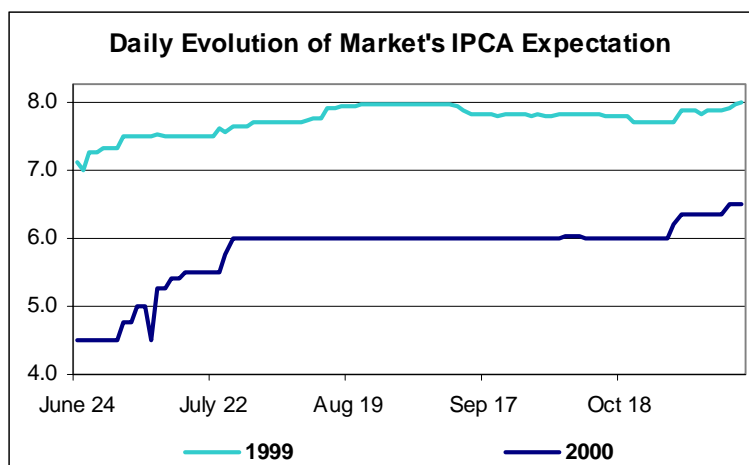
Market Readout

Central Bank Daily Survey on Market Expectations
Market Median Forecasts

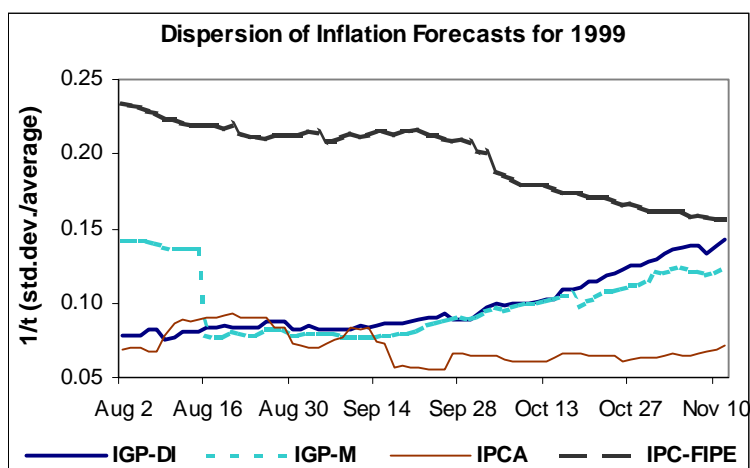
Price indices	for 1999		for 2000			
	as of Nov 05	as of today	as of Nov 05	as of today		
(% change)						
IGP-DI	16.39	16.72	7.50	7.50		
IGP-M	16.50	16.95	7.20	7.73		
IPC-Fipe	7.57	7.86	5.50	5.50		
INPC	7.40	7.63	6.00	6.00		
IPCA	7.88	8.00	6.35	6.49		
	for November		for December		for January	
(% change)	as of Nov 05	as of today	as of Nov 05	as of today	as of Nov 05	as of today
IGP-DI	0.80	1.00	0.70	0.80	0.80	0.80
IGP-M	0.85	1.00	0.70	0.70	0.86	0.85
IPC-Fipe	0.50	0.70	0.50	0.50	0.68	0.68
INPC	0.45	0.55	0.50	0.53	0.75	0.80
IPCA	0.50	0.55	0.50	0.50	0.75	0.80
	for 1999		for 2000			
	as of Nov 05	as of today	as of Nov 05	as of today		
GDP growth (%)	-0.01	0.00	3.32	3.25		
Trade Balance (US\$ billion)	-0.80	-1.10	4.20	4.06		
Current account (US\$ billion)	-25.65	-25.75	-23.20	23.00		
Fiscal Figures (% of GDP)						
Primary balance	3.00	3.00	3.05	3.10		
Nominal balance	-9.81	-9.81	-4.11	-4.17		

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.