

BANCO CENTRAL DO BRASIL - FOCUS

January 7, 2000

Median of market expectations for inflation measured by the IPCA in 1999 remained stable at 9.0%. For the year 2000, the median remains at 7.0%. Market forecasts for IGP-DI for 1999 were revised to 20.1% from a median of 20.0% recorded last week. For the next year, expectations remained at 8.5%. Inflation expectations for the first two months of 2000 were reduced for all indices except for the IPCA. December figures of IPCA and INPC are expected to be released by IBGE on Monday, January 10. GDP growth expectations for 1999 remained at 0.25%. For the next year, a growth rate of 3.00% is expected. Expectations point out to a trade surplus of US\$ 4.00 billion in 2000, with a current account deficit of US\$ 23.0 billion. Expectations for other economic indicators are quoted in the tables below and in the figures on the next page.

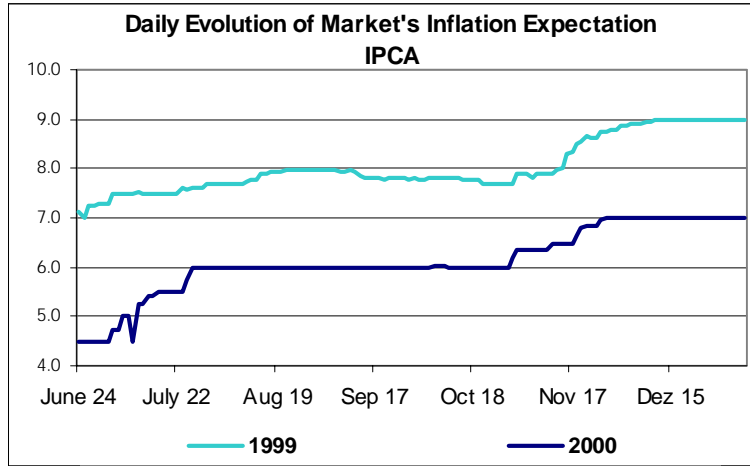
Market Readout

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

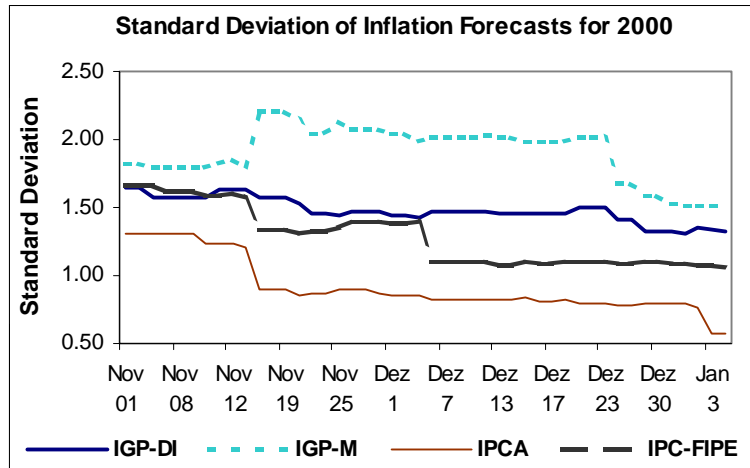
Price indices	for 1999		for 2000	
	as of Dec 31	as of today	as of Dec 31	as of today
(% change)				
IGP-DI	20.01	20.08	8.50	8.50
IGP-M			8.00	8.00
IPC-Fipe			6.20	6.48
INPC	8.33	8.29	6.51	6.51
IPCA	9.00	8.99	7.00	7.00
	for January		for February	
(% change)	as of Dec 31	as of today	as of Dec 31	as of today
IGP-DI	1.00	0.90	0.68	0.61
IGP-M	0.97	0.93	0.67	0.61
IPC-Fipe	0.74	0.70	0.50	0.48
INPC	0.88	0.60	0.60	0.60
IPCA	0.80	0.80	0.60	0.60
	for 1999		for 2000	
	as of Dec 31	as of today	as of Dec 31	as of today
GDP growth (%)	0.25	0.25	3.00	3.00
Trade Balance (US\$ billion)			4.05	4.00
Current account (US\$ billion)			-23.00	-23.00
Fiscal Figures (% of GDP)				
Primary balance	3.03	3.08	3.00	3.00
Nominal balance	-10.00	-10.00	-4.40	-4.50

Central Bank Daily Survey on Market Expectations

Evolution of Median Expectations for Inflation



Dispersion of Inflation Forecasts for 2000



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