

BANCO CENTRAL DO BRASIL – FOCUS

May 26, 2000

Median of market expectations for prices indices declined last week as tracked by Banco Central do Brasil daily survey. For 2000, expectations for IGP-DI decreased to 7.00% from 7.40%; median forecasts for the IGP-M were revised to 7.14% from 7.38%; expectations for the IPC-Fipe moved to 5.40% from 5.82%, forecasts for inflation measured by IPCA declined to 6.10% from 6.13%. GDP growth in 2000 increased to 3.35%, from 3.20% recorded last week. For year 2001, 4% GDP growth is expected. Trade balance surplus is now expected to be at US\$4.9 billion in 2001 from US\$5.11 billion last week. Median of forecasts for the current account deficit increased to US\$23.6 billion from US\$23.4 billion for 2000 and to US\$23.3 billion from US\$ 23.2 billion 2001.

Market Readout

*Banco Central do Brasil Daily Survey on Market Expectations
Median of Market Expectations*

PRICE INDICES

	May		June	
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(% change)	as of May 19	as of today	as of May 19	as of today
IGP-DI	0.34	0.40	0.64	0.65
IGP-M	0.30	0.32	0.60	0.60
IPC-Fipe	0.19	0.05	0.59	0.55
INPC	0.32	0.27	0.60	0.60
IPCA	0.34	0.29	0.60	0.60

	2000		2001	
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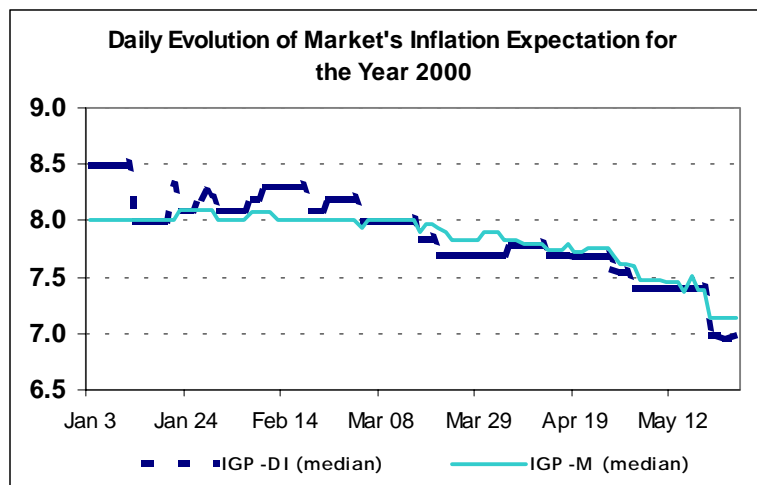
IGP-DI	7.40	7.00	5.00	5.00
IGP-M	7.38	7.14	5.00	5.00
IPC-Fipe	5.82	5.40	4.10	4.00
INPC	5.92	5.80	4.00	4.00
IPCA	6.13	6.10	4.50	4.45

OTHER ECONOMIC INDICATORS

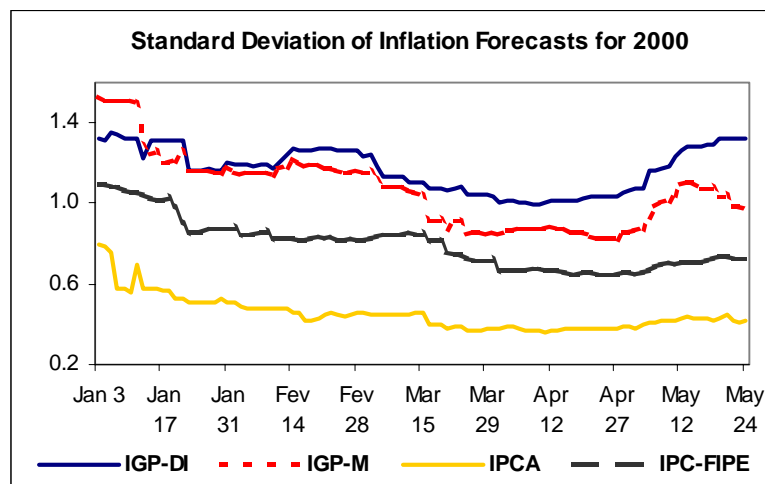
	2000		2001	
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	as of May 19	As of today	as of May 19	as of today
GDP growth (%)	3.20	3.35	4.00	4.00
Trade Balance (US\$ billion)	3.00	3.00	5.11	4.90
Current Account (US\$ billion)	-23.40	-23.60	-23.20	-23.30
Fiscal Figures (% of GDP)				
- Primary Balance	3.10	3.10	3.00	3.00
- Nominal Balance	-4.00	-4.00	-3.00	-3.00

Central Bank Daily Survey on Market Expectations
Evolution of Median Expectations for Inflation



Dispersion of Inflation Forecasts for 2000



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