

# BANCO CENTRAL DO BRASIL – FOCUS

June 9, 2000

*Inflation expectations continued to fall over the week.* Median of market expectations for consumer price inflation - as tracked by the IPCA - hit the target of 6% in 2000 for the first time since October 1999. For 2001, expectations point to inflation of 4.3%. The median for the IPC-Fipe fell to 5.06%, reaching its lowest level since September 1999. The variation of consumer prices in São Paulo is projected to fall to 4.1% in the coming year. Median expectations for other economic indicators are listed below.

## Market Readout

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

### PRICE INDICES

	June		July	
(% change)	as of June 2	as of today	as of June 2	as of today
IGP-DI	0.60	0.61	0.70	0.70
IGP-M	0.60	0.60	0.68	0.70
IPC-Fipe	0.50	0.38	0.80	0.80
INPC	0.60	0.60	0.74	0.74
IPCA	0.60	0.60	0.73	0.73

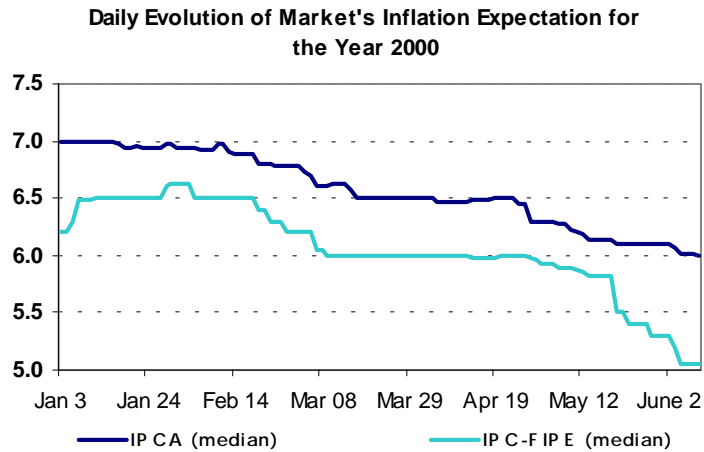
	2000		2001	
IGP-DI	6.80	6.79	4.75	4.50
IGP-M	7.05	7.00	4.50	4.30
IPC-Fipe	5.30	5.06	4.00	4.10
INPC	5.80	5.80	4.00	4.00
IPCA	6.10	6.00	4.30	4.30

### OTHER ECONOMIC INDICATORS

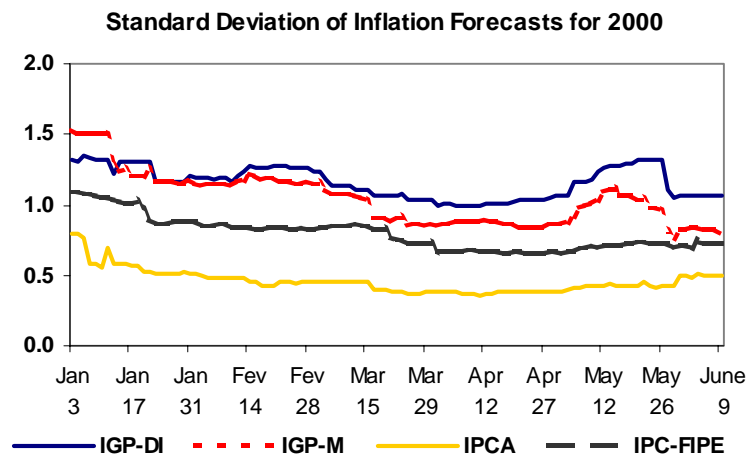
	2000		2001	
	as of June 2	As of today	as of June 2	as of today
GDP growth (%)	3.45	3.45	4.00	4.00
Trade Balance (US\$ billion)	2.60	2.55	4.90	4.90
Current Account (US\$ billion)	-23.70	-23.70	-23.30	-23.30
Fiscal Figures (% of GDP)				
- Primary Balance	3.10	3.10	3.00	3.00
- Nominal Balance	-4.05	-4.00	-3.05	-3.05

## Central Bank Daily Survey on Market Expectations

### Evolution of Median Expectations for Inflation



### Dispersion of Inflation Forecasts for 2000



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