

# BANCO CENTRAL DO BRASIL – FOCUS

June 23, 2000

*Median of market expectations for inflation measured by the IPCA remained at the 6% target for 2000, reducing to 4.25% in 2001 – 25 bp above the target.* For the IPC-Fipe, the median rose to 5.16%, from 5.09% in 2000, declining to 4% in 2000. Median expectations for GDP growth in 2000 remained unchanged at 3.45%, while a growth of 4% is expected for 2001. Forecasts for the trade balance surplus reduced to US\$2.2 billion in 2000, and to US\$ 4.8 billion in 2001. This year's current account deficit is expected to reach US\$ 23.9 billion, falling to US\$ 23.3 billion in 2001. Expectations for other economic indicators are quoted in the tables below and in the figures on the next page.

## Market Readout

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

### PRICE INDICES

	June		July	
(% change)	as of June 16	As of today	as of June 16	as of today
IGP-DI	0.65	0.70	0.74	0.75
IGP-M	0.60	0.69	0.70	0.73
IPC-Fipe	0.30	0.30	0.77	0.75
INPC	0.45	0.45	0.74	0.74
IPCA	0.50	0.50	0.78	0.79

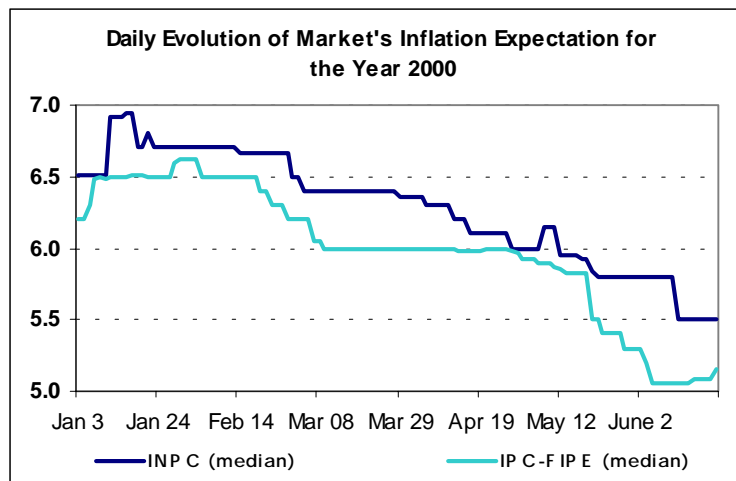
	2000		2001	
IGP-DI	6.80	6.90	4.50	4.75
IGP-M	7.00	7.00	4.30	4.30
IPC-Fipe	5.09	5.16	4.10	4.00
INPC	5.50	5.50	4.00	4.00
IPCA	6.00	6.00	4.30	4.25

### OTHER ECONOMIC INDICATORS

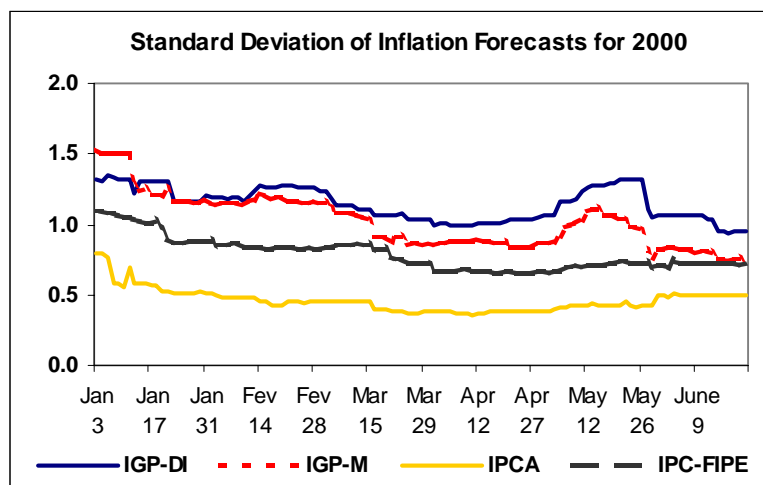
	2000		2001	
	as of June 16	As of today	as of June 16	as of today
GDP growth (%)	3.45	3.45	4.00	4.00
Trade Balance (US\$ billion)	2.55	2.20	4.90	4.85
Current Account (US\$ billion)	-23.85	-23.90	-23.30	-23.30
Fiscal Figures (% of GDP)				
- Primary Balance	3.10	3.10	3.00	3.00
- Nominal Balance	-4.00	-4.00	-3.05	-3.10

## Central Bank Daily Survey on Market Expectations

### Evolution of Median Expectations for Inflation



### Dispersion of Inflation Forecasts for 2000



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