

# BANCO CENTRAL DO BRASIL - FOCUS

August 20, 1999

*Market expectations for GDP growth in 1999 were revised upward over the week.* This was reflected in a move of the median of the forecast to -0.50% from -0.75% recorded last week. Expectation of GDP growth for 2000 remained at 3.50%. The median forecast for the IPCA in 1999 increased to 7.93% from 7.76% as tracked by Banco Central do Brasil daily survey. Forecasts for inflation in September remained stable, reverting the August increase (see figure). For the IGP-M index, the median forecast increased to 13.30% from 13.00% for 1999. Expectations for the trade balance surplus decreased to US\$1.0 billion from US\$1.2 billion. The forecast for the current account deficit increased to US\$ 25.0 billion from US\$ 24.5 billion.

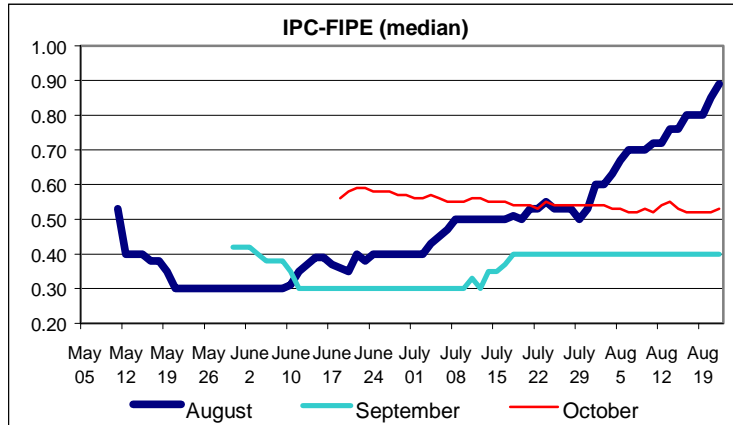
## Market Readout

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

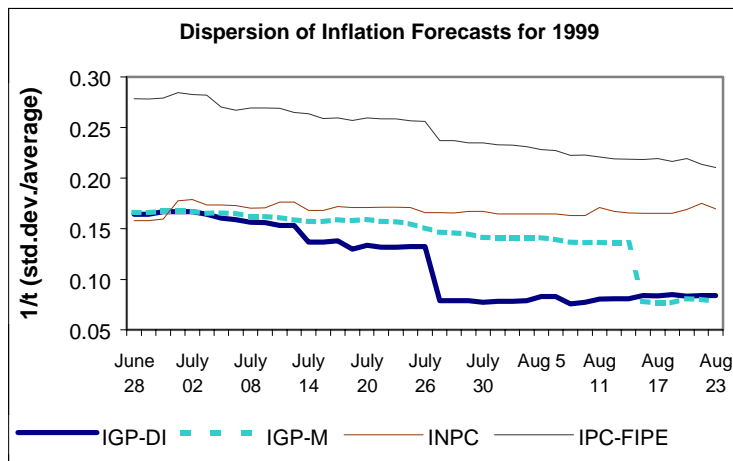
Price indices (% change)	for Sept 1999		for 1999		for 2000	
	as of Aug 13	as of today	as of Aug 13	as of today	as of Aug 13	as of today
IGP-DI	0.48	0.46	13.00	13.00	6.00	6.06
IGP-M	0.50	0.50	13.00	13.30	6.00	6.00
IPC-Fipe	0.40	0.40	6.57	6.60	5.00	5.00
INPC	0.40	0.40	7.50	7.50	5.87	5.94
IPCA	0.45	0.45	7.76	7.93	6.00	6.00

	for 1999		for 2000	
	as of August 13	as of today	as of August 13	as of today
<b>GDP growth (%)</b>	-0.75	-0.50	3.50	3.50
<b>Trade Balance (US\$ billion)</b>	1.20	1.00	5.00	5.00
<b>Current account (US\$ billion)</b>	-24.50	-25.00	-22.45	-22.50
<b>Fiscal Figures (% of GDP)</b>				
Primary balance	3.00	3.00	3.00	3.00
Nominal balance	-9.50	-9.50	-4.22	-4.20

**Central Bank Daily Survey on Market Expectations  
Monthly Inflation Expectations**



**Dispersion of Inflation Forecasts for 1999**




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*Market forecasts are solely informative and not intended to bind Banco Central do Brasil in its monetary policy actions. This information is for unrestricted disclosure and free of any charge.*