

BANCO CENTRAL DO BRASIL - FOCUS

September 24, 1999

Consensus forecast for wholesale price indices increased over the week. Market participants are now expecting an inflation of 14.30% in 1999 and 7.15% in the coming year, as measured by the IGP-DI. For the IPCA, the median forecast kept stable at 7.81% for 1999 and 6.00% for the year 2000. Expectations for GDP growth in 1999 remained at -0.10%, decreasing to 3.39% for 2000, compared to 3.50% recorded last week. A balanced trade figure and a current account deficit of US\$ 25.60 billion in 1999 are now expected. On the fiscal side, consensus forecast points out to a primary surplus of 3.0% in 1999 and 3.1% in 2000.

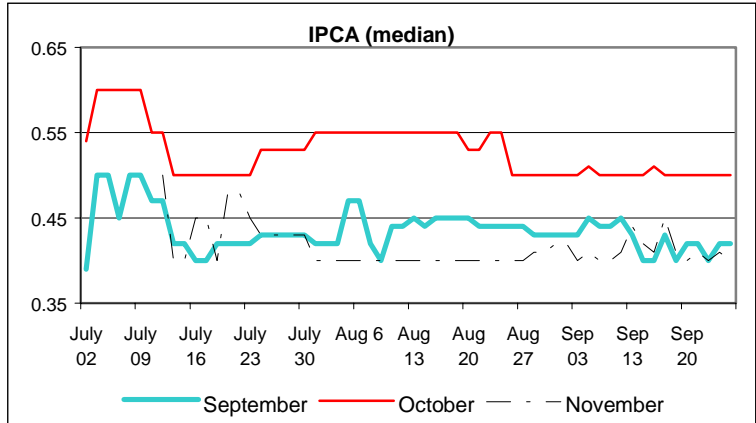
Market Readout

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

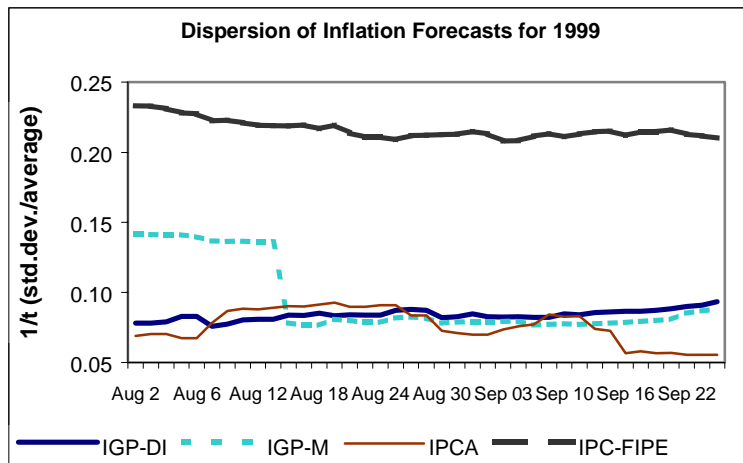
Price indices (% change)	for Sept 1999		for 1999		for 2000	
	as of Sept 17	as of today	as of Sept 17	as of today	as of Sept 17	as of today
IGP-DI	0.70	0.93	13.93	14.30	7.00	7.15
IGP-M	0.79	1.20	14.03	14.50	6.10	6.54
IPC-Fipe	0.40	0.50	6.50	6.50	5.00	5.20
INPC	0.43	0.43	7.30	7.25	5.66	5.81
IPCA	0.40	0.42	7.81	7.81	6.00	6.00

	for 1999		for 2000	
	as of Sept 17	as of today	as of Sept 17	as of today
GDP growth (%)	-0.10	-0.10	3.50	3.39
Trade Balance (US\$ billion)	0.05	0.00	4.95	4.50
Current account (US\$ billion)	-25.40	-25.60	-23.00	-23.00
Fiscal Figures (% of GDP)				
Primary balance	3.00	3.00	3.00	3.10
Nominal balance	-9.50	-9.50	-4.26	-4.22

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



Dispersion of Inflation Forecasts for 1999



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