

BANCO CENTRAL DO BRASIL – FOCUS

March 24, 2000

Median of market expectations for inflation measured by the IGP-DI for 2000 declined to 7.70% from 7.85% as tracked by Banco Central do Brasil daily survey. Market forecasts for index IGP-M for 2000 moved down to 7.83% from 7.97% last week. Median expectations for the IPCA for 2000 remained at 6.50%. GDP growth expectations remained at 3.00% for 2000 and 4.00% for 2001. Expectations for the trade balance remained unchanged at US\$ 3.72 billion in 2000 increasing to US\$ 5.79 in 2001.

Market Readout

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

PRICE INDICES

| | March | | April | |
|------------|--------------|-------------|--------------|-------------|
| (% change) | as of Mar 17 | as of today | as of Mar 17 | as of today |
| IGP-DI | 0.45 | 0.35 | 0.50 | 0.50 |
| IGP-M | 0.40 | 0.24 | 0.50 | 0.48 |
| IPC-Fipe | 0.30 | 0.20 | 0.55 | 0.55 |
| INPC | 0.40 | 0.35 | 0.45 | 0.43 |
| IPCA | 0.45 | 0.40 | 0.50 | 0.59 |

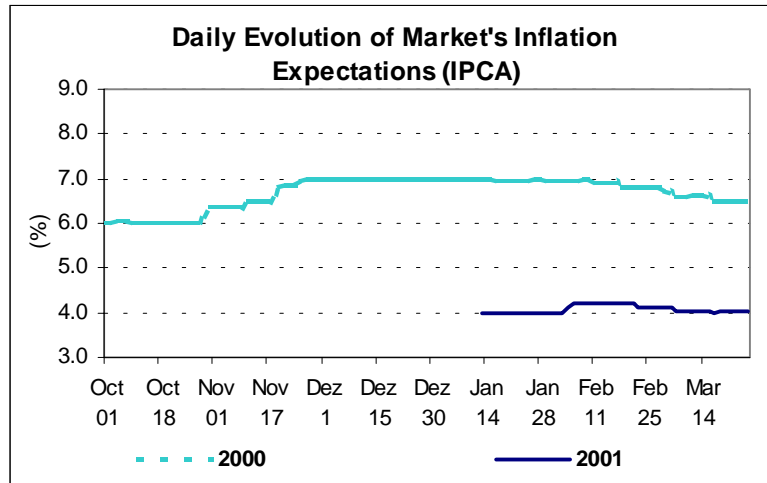
| | 2000 | | 2001 | |
|----------|------|------|------|------|
| IGP-DI | 7.85 | 7.70 | 5.00 | 5.00 |
| IGP-M | 7.97 | 7.83 | 5.00 | 5.00 |
| IPC-Fipe | 6.00 | 6.00 | 4.00 | 4.10 |
| INPC | 6.40 | 6.40 | 4.00 | 4.00 |
| IPCA | 6.50 | 6.50 | 4.03 | 4.05 |

OTHER ECONOMIC INDICATORS

| | 2000 | | 2001 | |
|-----------------------------------|--------------|-------------|--------------|-------------|
| | as of Mar 17 | As of today | as of Mar 17 | as of today |
| GDP growth (%) | 3.00 | 3.00 | 4.00 | 4.00 |
| Trade Balance (US\$ billion) | 3.72 | 3.72 | 5.68 | 5.79 |
| Current Account (US\$ billion) | -23.00 | -23.00 | -22.65 | -22.35 |
| Fiscal Figures (% of GDP) | | | | |
| - Primary Balance | 3.00 | 3.00 | 3.00 | 3.00 |
| - Nominal Balance | -4.50 | -4.50 | -3.00 | -3.00 |

Central Bank Daily Survey on Market Expectations

Evolution of Median Expectations for Inflation



Dispersion of Inflation Forecasts for 2000

