

BANCO CENTRAL DO BRASIL – *FOCUS*

June 2, 2000

Median of market expectations for inflation measured by composite prices indices declined last week. For 2000, expectations for the IGP-DI decreased to 6.8% from 7.0% while median forecasts for the IGP-M were revised to 7.05% from 7.14%. Inflation expectations for 2001 reduced to 4.75% and 4.5%, respectively. GDP growth expectations for 2000 continued on its upward path, reaching 3.45% from 3% recorded on April 7. For the year 2001, a 4% growth rate is expected. Trade balance surplus is now expected to be at US\$2.6 billion in 2000 from US\$3 billion last week. Median of forecasts for the current account deficit increased to US\$23.7 billion from US\$23.6 billion for this 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

	May		June	
--	------------	--	-------------	--

(% change)	as of May 26	as of today	as of May 26	as of today
IGP-DI	0.40	0.39	0.65	0.60
IGP-M	0.32	-	0.60	0.60
IPC-Fipe	0.05	0.05	0.55	0.50
INPC	0.27	0.20	0.60	0.60
IPCA	0.29	0.20	0.60	0.60

	2000		2001	
--	-------------	--	-------------	--

IGP-DI	7.00	6.80	5.00	4.75
IGP-M	7.14	7.05	5.00	4.50
IPC-Fipe	5.40	5.30	4.00	4.00
INPC	5.80	5.80	4.00	4.00
IPCA	6.10	6.10	4.45	4.30

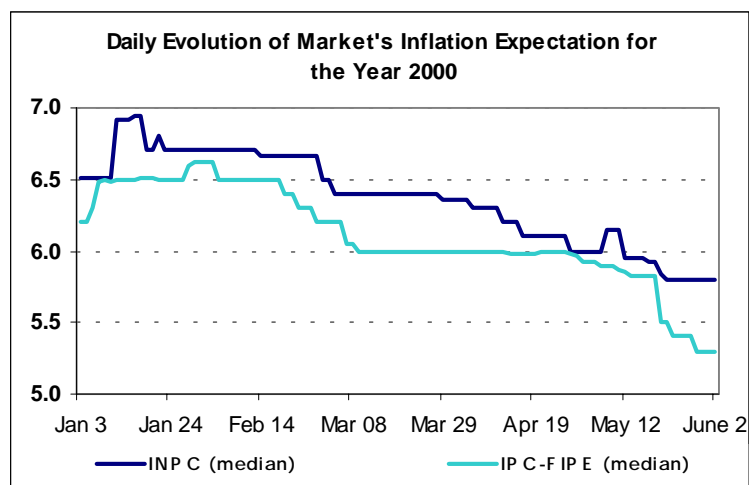
OTHER ECONOMIC INDICATORS

	2000		2001	
--	-------------	--	-------------	--

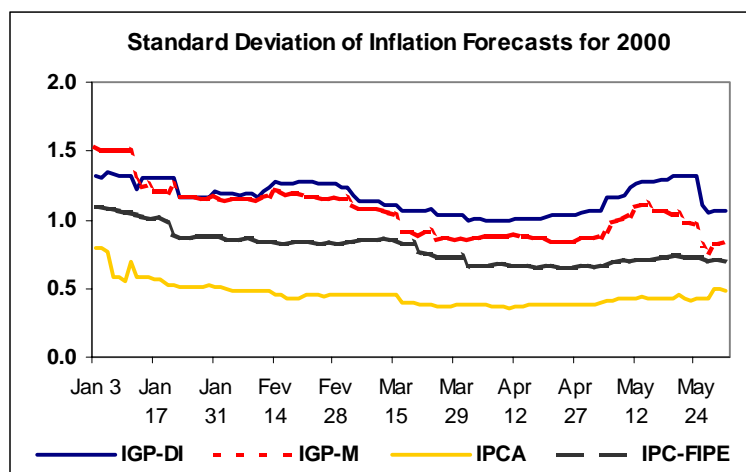
	as of May 26	As of today	as of May 26	as of today
GDP growth (%)	3.35	3.45	4.00	4.00
Trade Balance (US\$ billion)	3.00	2.60	4.90	4.90
Current Account (US\$ billion)	-23.60	-23.70	-23.30	-23.30
Fiscal Figures (% of GDP)				
- Primary Balance	3.10	3.10	3.00	3.00
- Nominal Balance	-4.00	-4.05	-3.00	-3.05

Central Bank Daily Survey on Market Expectations

Evolution of Median Expectations for Inflation



Dispersion of Inflation Forecasts for 2000



Information for unrestricted disclosure. It is not intended to bind Banco Central do Brasil in its monetary or foreign exchange policy actions. Contact information for e-mail distribution at gci.bacen@bcb.gov.br