

JANUARY 2007



## BRAZILIAN OVERVIEW

*Brazilian National Treasury*



# Agenda

**Fiscal Outlook**

## Annual Borrowing Plan 2007

**Assumptions and Guidelines**

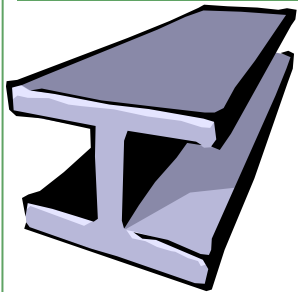
**Strategy and Expected Results**

**Risk Assessment**

## On the path to sustainable growth

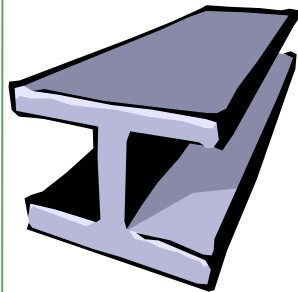
### The Economic Policy Mix Provides a Buffer Against External Shocks

#### Prudent Fiscal Policy



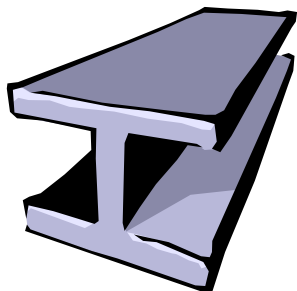
the main pillar of the economic policy

#### Cautious Monetary Stance



macro stability at the core of economic policies

#### External Adjustment



robust export growth and strong external accounts

Lead to...

- ✓ Stable inflationary expectations
- ✓ Lower long-term interest rates
- ✓ Improved debt dynamics
- ✓ Greater fiscal flexibility
- ✓ More credit => more jobs
- ✓ Better Income Distribution

### Sustainable Economic Growth & Improving Social Conditions



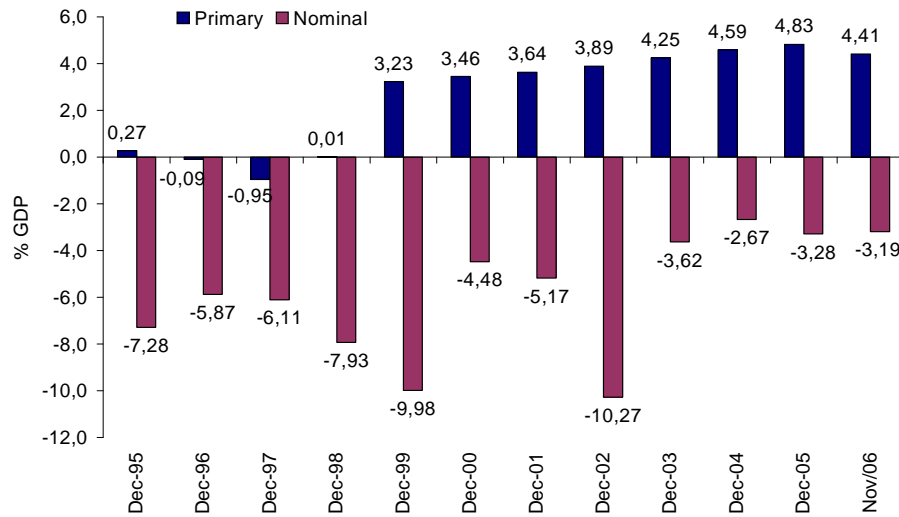
## Reminding key aspects of the Brazilian adjustment

- Back to 1999, the Inflation's Target System was introduced by the Central Bank as an initiative to provide transparency to the monetary policy for the coming years.
- Gradually, market participants were acquiring more information on Central Bank's new framework. Its reputation was built over its serious commitment to the cautious monetary stance and inflation control.
- The flexible FX-rate regime was adopted at that time. Among other factors, this paved the way to the best external trade performance experienced in Brazil, increasing the country's openness.
- Meanwhile, fiscal adjustment was introduced. Brazil managed to create important tools in order to retain its fiscal deficits.
- Debt Management has been very active in the past few years. External exposure was largely mitigated through remarkable improvements in domestic debt profile and external debt indicators.
- Country's risk perception has decreased dramatically.



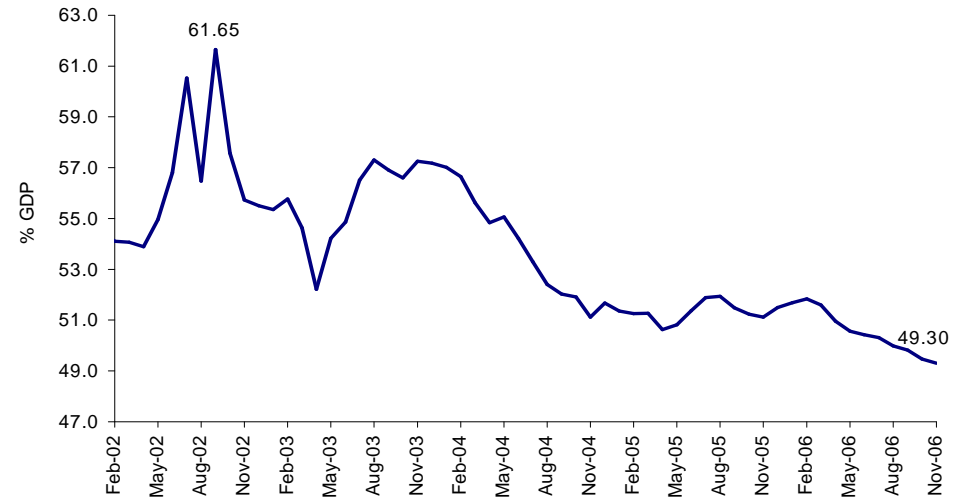
# Reminding key aspects of the Brazilian adjustment

## Public Sector Balance (in 12 months)



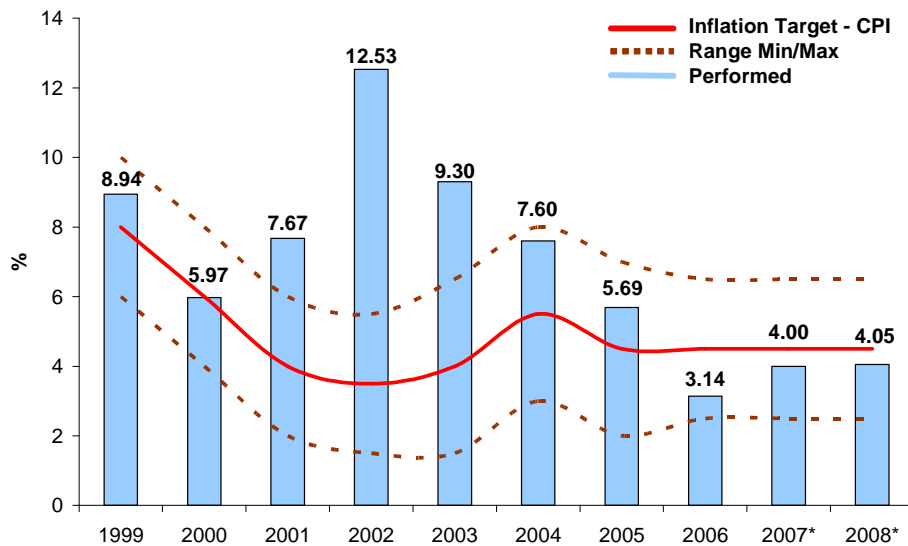
Source: Central Bank

## Public Sector Net Debt (% GDP)



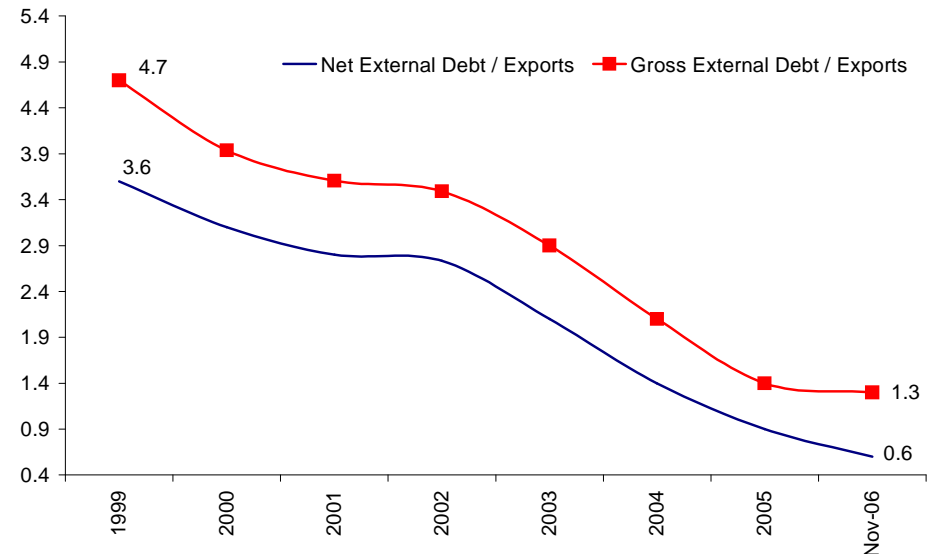
Source: Central Bank

## Annual Inflation - Target and Performed



Source: Central Bank \* Market Expectation - Central Bank/FOCUS - 01/05/07

## Net External Debt/Exports accumulated in 12 months\*



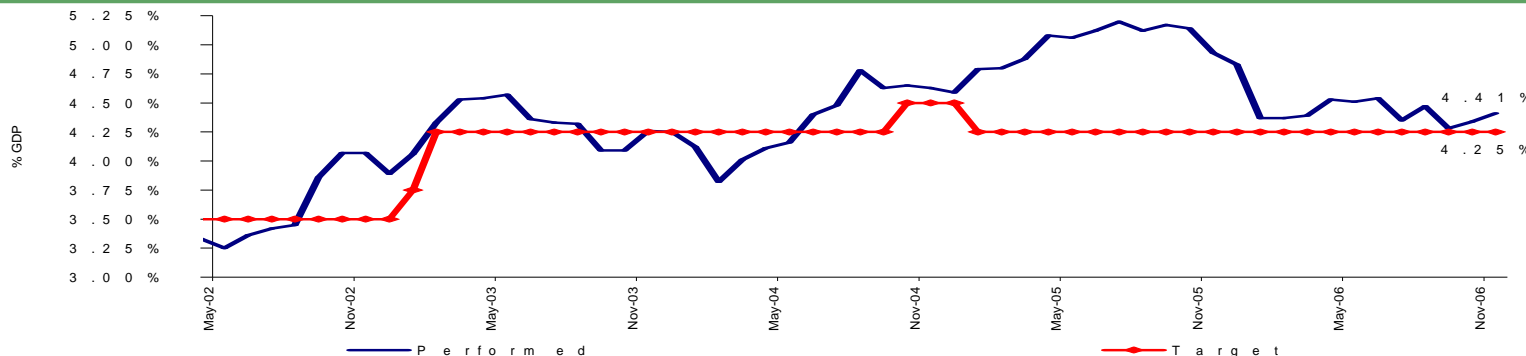
Source: Central Bank. \*Public Debt and Private Debt as a share of export accumulated in 12 months



# Key reasons why we've always achieved fiscal target

- 1997 - 25 states (out of 27) had its outstanding obligations assumed by the federal gov't renegotiated with a 30-y horizon . They were complied to establish a downward trend in the Financial Debt/Net Real Revenue ratio, which forced them to make adjustments in order to generate primary surpluses;
  - By that contract, the federal gov't can access high-quality guarantees, represented by the constitutional transfers and by tax revenue (ICMS). The states had to present a fiscal plan, on an annual basis, that would track the main sub-national account indicators
  - This framework, allied to state's reduction in financial bank activities<sup>1</sup>, has assured the good fiscal performance in local gov'ts, which came from a 0.29% of GDP deficit in 1998 to results higher than 1.10% of GDP in the past few years;
- 2000 - The Fiscal Responsibility Law (LRF) set the conditions to a responsible fiscal management:
  - It limits indebtedness and specific expenditures;
  - Set rules for reaching the primary balance defined in the Budget Guideline Law (BGL);
  - Considered the cornerstone of the Brazilian fiscal adjustment, this law is completing 7 years of existence without any modification, which is particularly important in a democratic environment as found in Brazil.
- 2001 - 180 municipalities (the most indebted ones) also renegotiated its liabilities, under conditions similar to those previously set for states;
- In line with this framework, there is a close follow-up in all levels financing programming, aiming at assuring the primary balance set in the BGL. In case a gov't level doesn't meet its fiscal target, another gov't level must compensate it such that the whole Public Sector is not compromised.

## Public Sector Primary Surplus target of 4.25% of GDP will be achieved in 2006



Source: Ministry of Finance <sup>1</sup> Eliminated an important source of indebtedness used by local state banks at that time.



# Measures adopted to improve the sustainability of the social security system

## Past Important Modifications

- Constitutional Amendment # 20/1998
  - Constrains retirement by labor tenure, eliminating proportional retirement; imposes, to integral retirement, age limits and contribution tenure instead of labor tenure;
  - To public servants, the retirement cannot exceed the value received by the servant by the time of retirement;
  - Federal and local gov'ts are allowed to set, for pension and benefits provided, the same maximum limit established for the Social Security (once their servants are included in complementary pension scheme);
  - Set upper limits for benefits and contributions for the General Regime Social Security (RGPS) in R\$ 1,200.00.
  
- Constitutional Amendment # 41/2003
  - Defines social security contributions for retired public servants;
  - Set upper limit for public servants benefits as high as Supreme Court's remuneration;
  - Vanishes the existing parity between active and inactive incoming public servants;
  - Increases the RGPS upper limit to R\$2,400.00. This limit is corrected by the inflation (INPC).



# Social Security System

## Social Security Deficit, 2001-2005

| Regime                                 | 2001         |             | 2002         |             | 2003         |             | 2004         |             | 2005         |             |
|--|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|
|  | R\$ Bn       | % GDP       | R\$ Bn       | % GDP       | R\$ Bn       | % GDP       | R\$ Bn       | % GDP       | R\$ Bn       | % GDP       |
| <b>I. Private-sector regime (INSS)</b> | <b>-12,8</b> | <b>-1,1</b> | <b>-17,0</b> | <b>-1,3</b> | <b>-26,4</b> | <b>-1,7</b> | <b>-32,0</b> | <b>-1,8</b> | <b>-37,6</b> | <b>-1,9</b> |
| Net inflow                             | 62,5         | 5,2         | 71,0         | 5,3         | 80,7         | 5,2         | 93,8         | 5,3         | 108,4        | 5,6         |
| Social security benefit                | 75,3         | 6,3         | 88,0         | 6,5         | 107,1        | 6,9         | 125,8        | 7,1         | 146,0        | 7,5         |
| <b>II. Public-Sector Regime</b>        | <b>-34,7</b> | <b>-2,9</b> | <b>-40,1</b> | <b>-3,0</b> | <b>-46,0</b> | <b>-3,0</b> | <b>-46,7</b> | <b>-2,6</b> | <b>-45,9</b> | <b>-2,4</b> |
| Contribution                           | 18,0         | 1,5         | 22,0         | 1,6         | 21,8         | 1,4         | 28,8         | 1,6         | 33,6         | 1,7         |
| Pensions and survival benefits         | 52,7         | 4,4         | 62,1         | 4,6         | 67,8         | 4,4         | 75,5         | 4,3         | 79,5         | 4,1         |
| <b>Federal</b>                         | <b>-21,1</b> | <b>-1,8</b> | <b>-22,3</b> | <b>-1,7</b> | <b>-27,0</b> | <b>-1,7</b> | <b>-29,0</b> | <b>-1,6</b> | <b>-28,6</b> | <b>-1,5</b> |
| Contribution                           | 7,0          | 0,6         | 9,4          | 0,7         | 9,2          | 0,6         | 10,8         | 0,6         | 13,8         | 0,7         |
| Pensions and survival benefits         | 28,1         | 2,3         | 31,7         | 2,4         | 36,2         | 2,3         | 39,8         | 2,3         | 42,4         | 2,2         |
| <b>States</b>                          | <b>-13,6</b> | <b>-1,1</b> | <b>-17,8</b> | <b>-1,3</b> | <b>-19,0</b> | <b>-1,2</b> | <b>-17,7</b> | <b>-1,0</b> | <b>-17,3</b> | <b>-0,9</b> |
| Contribution                           | 11,0         | 0,9         | 12,6         | 0,9         | 12,6         | 0,8         | 18,0         | 1,0         | 19,8         | 1,0         |
| Pensions and survival benefits         | 24,6         | 2,1         | 30,4         | 2,3         | 31,6         | 2,0         | 35,7         | 2,0         | 37,1         | 1,9         |
| <b>Total</b>                           | <b>-47,5</b> | <b>-4,0</b> | <b>-57,1</b> | <b>-4,2</b> | <b>-72,4</b> | <b>-4,7</b> | <b>-78,7</b> | <b>-4,5</b> | <b>-83,5</b> | <b>-4,3</b> |



# Consensus 2007-2010

- High priority: Creating conditions for faster growth;
  - Investing in infrastructure;
  - Decrease current expenditure as % of GDP;
  - Face regulatory issues;
  - AGENDA:
    - Extension of the CPMF;
    - DRU - reducing earmarked revenues from the Gov't;
    - Tax reform - Broader reform include ICMS and unification of the value added tax. This is broader than what is currently under discussion, but depends on state-governors negotiation. The prospect is to present an to pass these in 2007, but the transition period should be long. Fiscal competition is not desirable among states;
    - Political Reform - under discussion: a matter of timing;
    - Social Security Forum: set to debate a reform proposal.
- } Will be presented in 2007
- **Government is aware that fiscal credibility can be lost in the overnight and will not carry on initiatives that would risk that.**

## Challenges

- Tax burden is very high. There is consensus on the need of cutting expenditures in order to extend and deepen the fiscal adjustment. Tax burden growth is unsustainable;
- The more progress is shown in capping expenditures, the more taxes can be cut down, opening room for higher investment and higher growth. The way Brazil pack these is very important, showing people we can benefit from that;
- Primary Surplus and PPI: In 2006, these projects accounted for 0.14% of GDP and the primary is estimated to be above 4.25% of GDP. Project's selection criterion is very rigorous. The gov't will support financially viable projects that would result in very good outcomes in the future;
- GDP growth involves microeconomic aspects, increasing economic openness, stimulating market functioning.



# Agenda

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## Annual Borrowing Plan 2007

**Assumptions and Guidelines**

**Strategy and Expected Results**

**Risk Assessment**



## Annual Borrowing Plan 2007

### The objective of Federal Public Debt - DPF management

***Minimize long-term financing costs, while ensuring the maintenance of prudent risk levels and contributing to the smooth operation of the public securities market.***



## Annual Borrowing Plan 2007

### Guidelines

- Subject to market conditions, the guidelines for the DPF management are to:
  - Lengthen the DPF average maturity, primarily by increasing the average term of the securities issued in auctions;
  - Reduce the share of debt due in 12 months, thus reducing refinancing risk;
  - Gradually replace Selic-linked and FX-linked bonds by fixed rate and price index ones, thus reducing the market risk;
  - Issue foreign currency bonds based on qualitative aspects, observing market conditions;
  - Stimulate the development of the yield curves for federal public securities on domestic and external markets; and
  - Broaden the investor base.



## Annual Borrowing Plan 2007

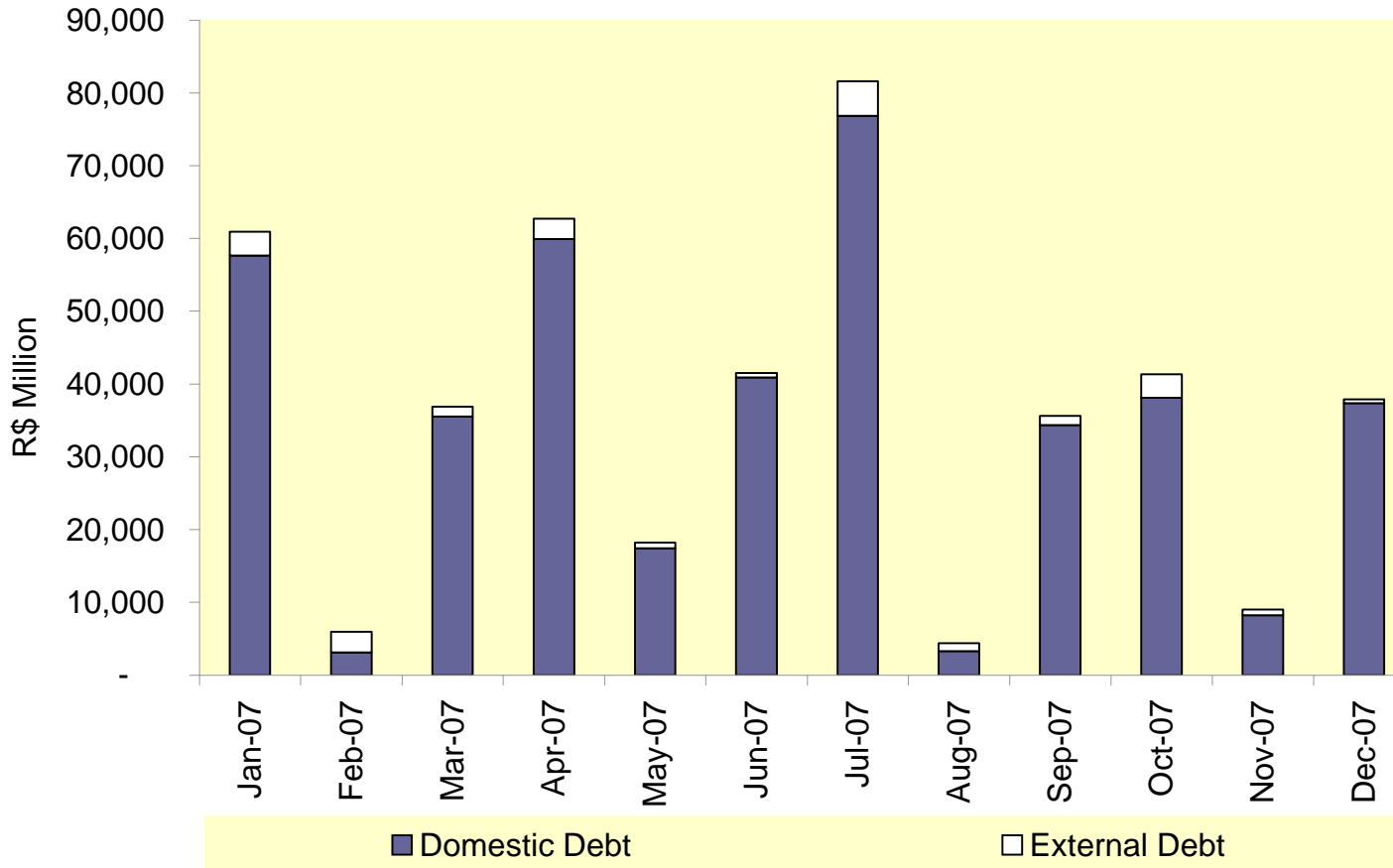
### Scenarios

- The main hypothesis under which the scenarios were designed was the maintenance of the current economic policies, with the correspondent implications in response to different shocks:
  - **Scenario close to market expectations for 2007:**
    - Absence of significant external or domestic shocks;
    - Structural improvement of the Brazilian economy;
    - Maintenance of current fiscal policies;
    - Convergence of inflation to the official target;
    - Gradual reduction in interest rates;
    - Maintenance of a favorable outlook for fiscal and external solvency.
  - Alternative scenarios do not anticipate major external or domestic shocks, although they take into account, on one hand, a stronger slowdown in world economy and a smaller capital flow (conservative scenario), and on the other hand, a sharper drop in the domestic interest rate, under favorable fiscal and external conditions (optimistic scenario).



# Annual Borrowing Plan 2007

## Federal Public Debt - DPF Maturity Profile (Total = R\$ 436.1 billion)



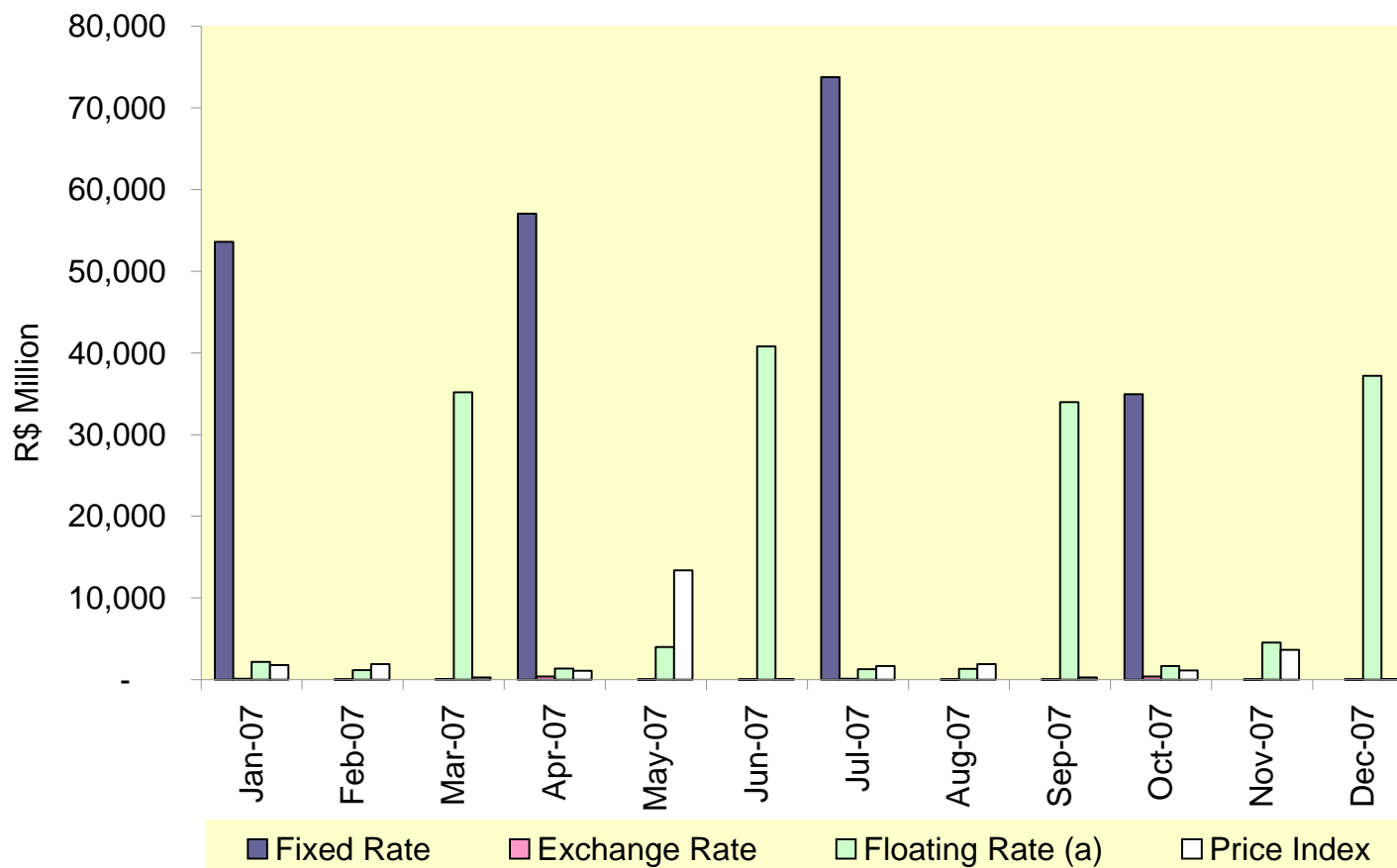
Source: STN/CODIV

- R\$ 320.6 billion corresponds to principal payments and R\$ 115.5 billion corresponds to interest payments.



# Annual Borrowing Plan 2007

## Federal Domestic Public Debt - DPMFi Maturity Profile (Total = R\$ 412.8 billion)



(a) Securities linked to the Selic, TR and TJLP rates.

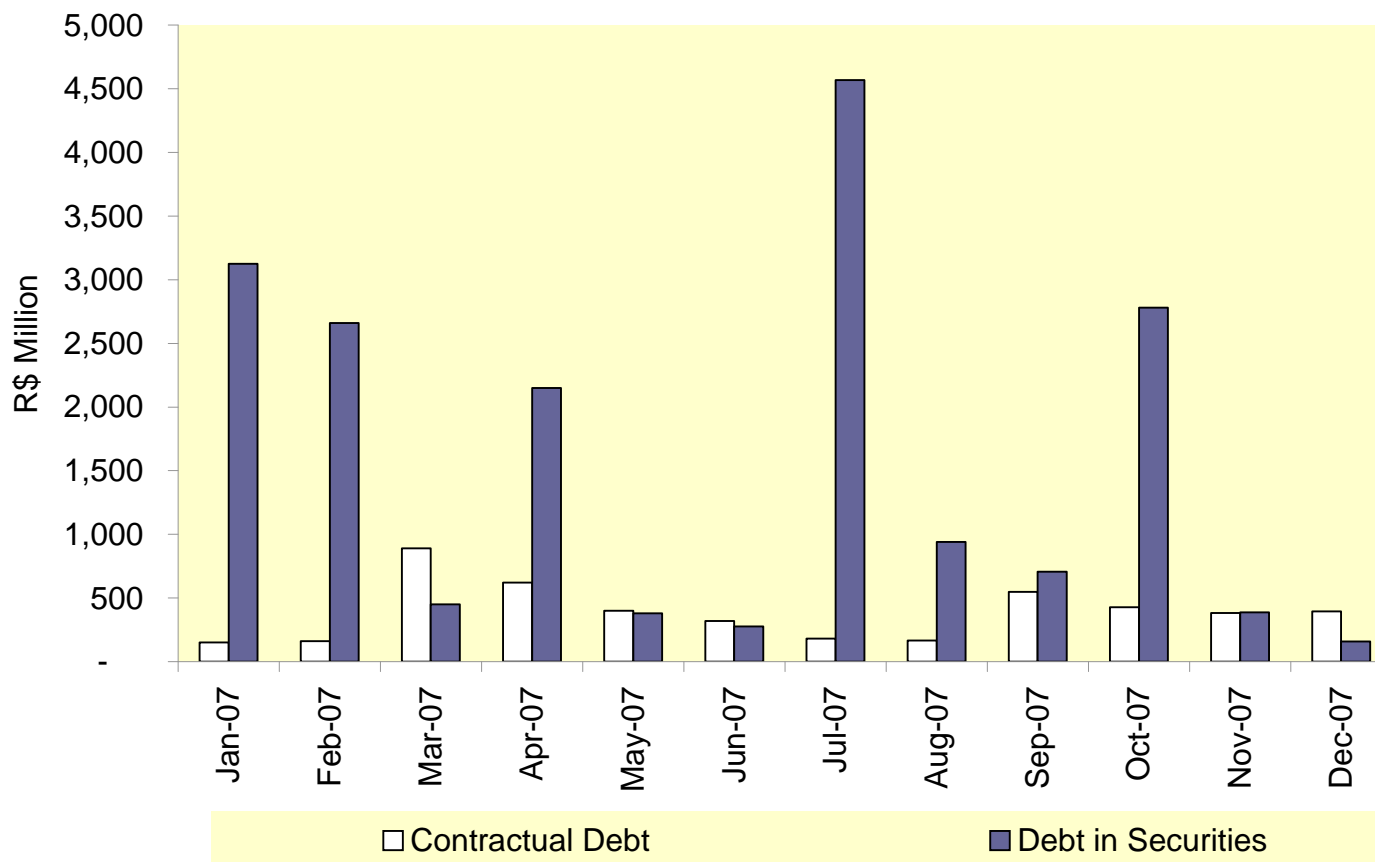
Source: STN/CODIV

■ R\$ 309.4 billion corresponds to principal payments and R\$ 103.4 billion corresponds to interest payments.



# Annual Borrowing Plan 2007

Federal External Public Debt - DPFe Maturity Profile - Total = R\$ 23.2 billion (US\$ 10.6 billion)



Source: STN/CODIV

- R\$ 11.3 billion (US\$ 5.2 billion) corresponds to principal payments and R\$ 11.9 billion (US\$ 5.4 billion) corresponds to interest payments.



# Annual Borrowing Plan 2007

## Federal Government Borrowing Requirements

|       |   | <i>R\$ Billion</i> |
|-------|---|--------------------|
| <hr/> |   |                    |
| A     | Estimated Redemptions                   | <b>459,4</b>       |
|       | National Treasury                       | 412,8              |
|       | <i>Domestic Debt Held by the Public</i> |                    |
|       | <i>Interest due to Central Bank</i>     | 23,3               |
|       | <i>External Debt</i>                    | 23,2               |
| B     | Budgetary Resources                     | <b>88,9</b>        |
| C     | Financing Requirements (A - B)          | <b>370,5</b>       |

Fonte: STN/CODIV

\* The interest payments of the National Treasury bonds held by the Central Bank, according to the Fiscal Responsibility Law, article n° 39, can not be refinanced through the Central Bank.



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## Annual Borrowing Plan 2007

### Domestic Federal Public Securities Debt (DPMFi) Strategy

#### *Fixed Rate*

- Issuance of fixed rate bonds (LTN and NTN-F) in size and maturities that allow a greater share of these bonds on the overall public debt composition and the gradual lengthening of its issuance average maturity;
- The LTN will have benchmarks maturing in 6, 12 and 24 months while the NTN-F will have maturities of 3, 5 and 10 years. This measure aims at contributing to the development of the domestic capital market, besides adjusting the issuance maturities to the ones observed in the international markets, in which medium and long-term fixed rate bonds have intermediate coupon payments.

#### *Price Index*

- Exclusive NTN-B issuance, securities referenced to the Broad National Consumer Price Index - IPCA (similar to CPI);
- There will be no issuance of NTN-C, securities referenced to the General Price Index Market - IGP-M (wholesale price index);
- The NTN-B's existing maturities by end 2006 (3, 5, 10, 20, 30 and 40 years) will be maintained. Nevertheless, new maturity dates may be created for adjustment to the benchmark structure.



## Annual Borrowing Plan 2007

### Domestic Federal Public Securities Debt (DPMFi) Strategy

#### *Floating Rate*

- Net redemptions of Selic-linked securities (LFT);
- Maintenance of average maturities at issuance on similar levels to those observed in 2006 (approximately 44 months);

This strategy will aid to reduce the refinancing risk of the Federal Public Debt on the domestic market, due to the lengthening of its average maturity. In addition, there will be an improvement on the debt composition due to the net redemption of these securities.

#### *Exchange Rate*

- As has happened since 2003, no NTN-D issuance - FX-linked security - is planned for 2007.



## Annual Borrowing Plan 2007

### Domestic Federal Public Securities Debt (DPMFi) Strategy

#### ***Additional Actions:***

- The Treasury intends to continue the organization policy for new bonds maturity dates, obeying to the following rules:

#### ***Fixed Rate***

- LTN - maturity dates in the first day of January, April, July and October (first month of every quarter);
- NTN-F - maturity dates in the first day of January, except for the 3 year benchmark, that may also have maturity date in July.

#### ***Price Index***

- NTN-B - principal payments in August for bond maturing in even years, with coupon payments in February and August; principal payment in May for bonds maturing in odd years, with coupon payments in May and November. This combination generates a quarterly payment flow, through the association of NTN-B maturing in even and odd years. The short term maturing NTN-B are exceptions to this rule, and may have principal payments in November for bonds maturing in odd years.

#### ***Floating Rate***

- LFT - maturity dates in the third month of every quarter.



## Annual Borrowing Plan 2007

### Domestic Federal Public Securities Debt (DPMFi) Strategy

#### *Additional Actions:*

- According to the concentration reduction policy, the National Treasury anticipates the permanence of the short-term bonds early redemptions program, as well as the exchange operations, in which short-term bond are exchanged for longer ones;
- Additionally, the medium and long-term bonds early redemptions program will continue, as well as the NTN-B coupon early redemptions, in order to increase liquidity in the secondary market of these bonds;
- As occurred in former years, the National Treasury may act in moments of high volatility, through public securities simultaneous buy and sell operations, to provide pricing parameters to the market.



## Annual Borrowing Plan 2007

### Federal External Public Debt (DPFe) Strategy

Foreign currency issuances in 2007-2008 will be qualitative in nature, observing market conditions, aiming at consolidating the foreign yield curve, by means of construction and maintenance of benchmarks in the main bond markets.

Main aspects:

- Development of the *Real* yield curve in the external market;
- Creation and refining of benchmark points on the dollar yield curve; and
- Maintenance of the buy-back program, observing market conditions, as well as the strategy of correcting the foreign yield curve distortions.

THE PROGRAM, NOW IN A PERMANENT BASIS, WILL COVER ALL FEDERAL EXTERNAL PUBLIC DEBT BONDS, INDEPENDENTLY OF THEIR MATURITIES.

As from 2007, the Early Redemption Program will be carried out by the National Treasury's operations desk



## Annual Borrowing Plan 2007

### Quantitative Targets for the Federal Public Debt - DPF in 2007

| Indicators   | Dec/06 | PAF-2007 |         |
|--|--------|----------|---------|
|  |        | Minimum  | Maximum |
| <b>Stock of DPF held by the public (R\$ billion)</b> | 1237,0 | 1370     | 1450    |
| <b>Average Maturity (months)</b>                     | 36,6   | 37       | 42      |
| <b>% Due in 12 months</b>                            | 33,3   | 27       | 31      |
| <b>Share of DPF</b>                                  |        |          |         |
| <b>Fixed Rate (%)</b>                                | 31,9   | 33       | 39      |
| <b>Price Index (%)</b>                               | 19,9   | 20       | 24      |
| <b>Floating Rate (%)</b>                             | 33,4   | 26       | 32      |
| <b>Exchange Rate (%)</b>                             | 12,7   | 10       | 12      |
| <b>Others (%)</b>                                    | 2,0    | 1        | 3       |

- To lengthen the average maturity;
- To reduce the percentage due in 12 months, that may reach levels below **30%** of the DPF at the end of 2007;
- Emphasis in the increase of the fixed rate and inflation linked securities share in the public debt stock.



## Annual Borrowing Plan 2007

### Quantitative Targets for the Federal Domestic Securities Debt - DPMFi in 2007

| Indicators   | Dec/06 | PAF-2007 |         |
|--|--------|----------|---------|
|  |        | Minimum  | Maximum |
| <b>Stock of DPMFi held by the public (R\$ billion)</b> | 1093,5 | 1230     | 1300    |
| <b>Average Maturity (months)</b>                       | 31,1   | 32       | 36      |
| <b>% Due in 12 months</b>                              | 35,7   | 29       | 33      |
| <b>Share of DPMFi</b>                                  |        |          |         |
| <b>Fixed Rate (%)</b>                                  | 36,1   | 37       | 43      |
| <b>Price Index (%)</b>                                 | 22,5   | 23       | 27      |
| <b>Floating Rate (%)</b>                               | 37,8   | 29       | 36      |
| <b>Exchange Rate (%)</b>                               | 1,3    | 1        | 2       |
| <b>Others (%)</b>                                      | 2,2    | 2        | 4       |

- The percentage of the sum of fixed rate and inflation linked securities will surpass **60%** of the DPMFi;
- Fixed rate securities will become the **most representative share** in the DPF profile.



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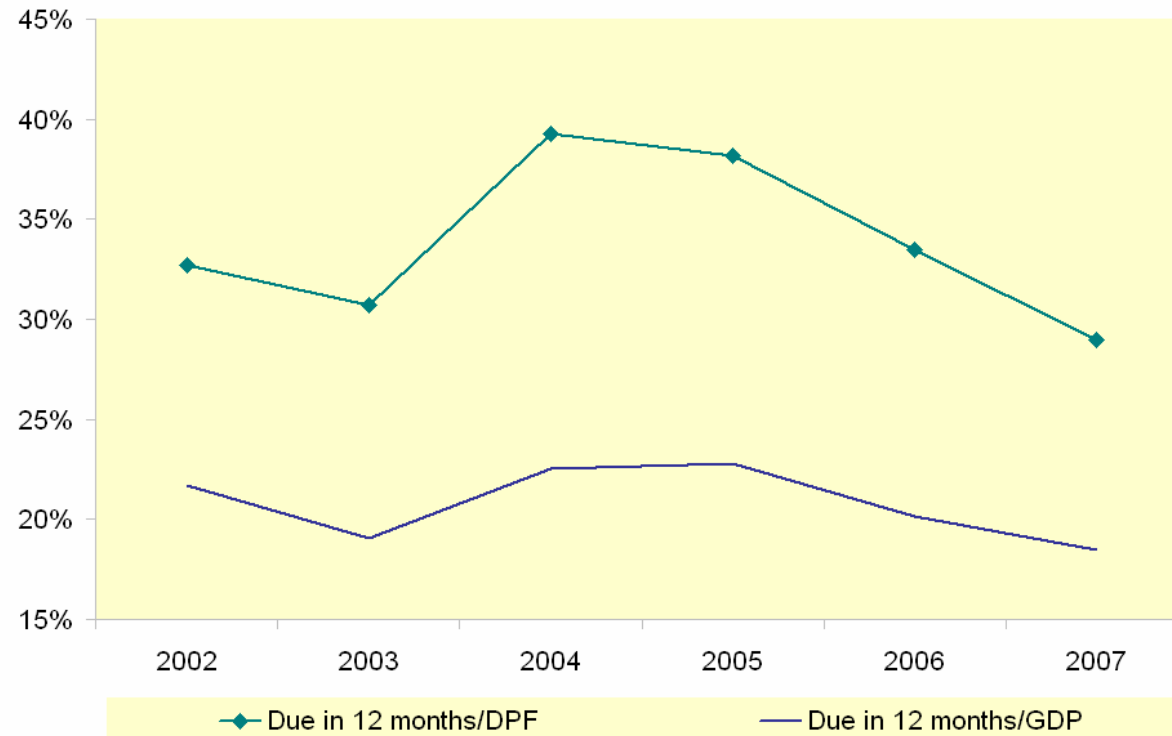
**Risk Assessment**



# Risk Assessment

## Refinancing Risk

### Concentration of Short-term Federal Public Debt Maturities



The reduction in the **refinancing risk** is reinforced by:

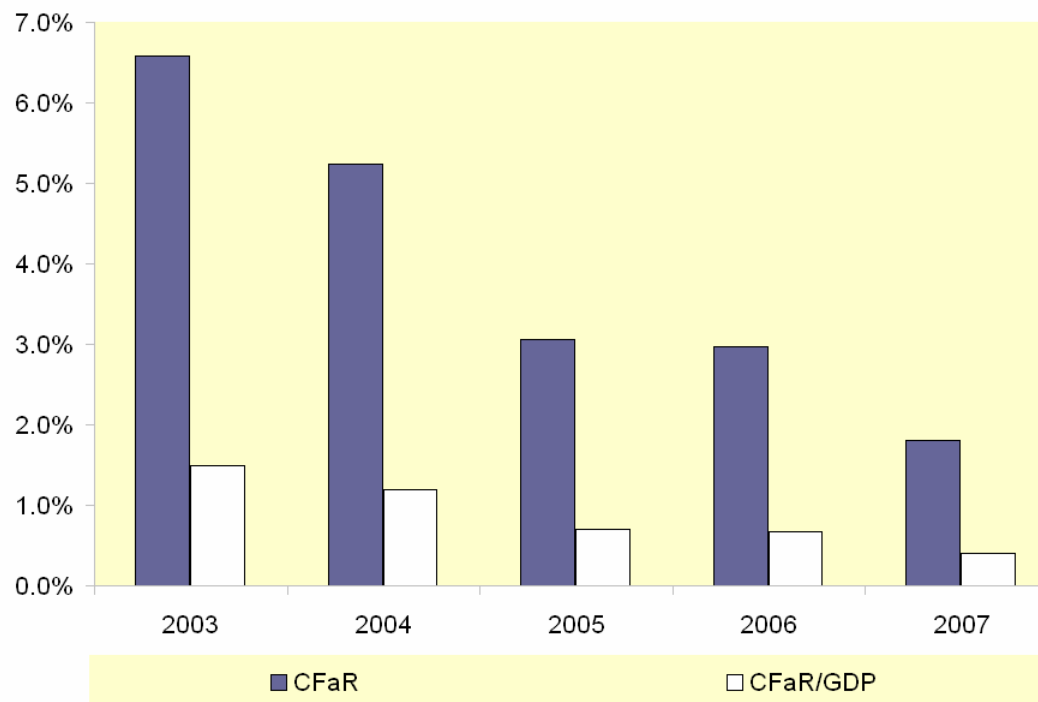
- High levels of cash reserves;
- Decrease in the % due in 12 months;
- Exchanging of short-term securities for longer term ones; and
- Early redemption of short-term securities.



# Risk Assessment

## Refinancing Risk

*Federal Public Debt Relative Cashflow-at-Risk*



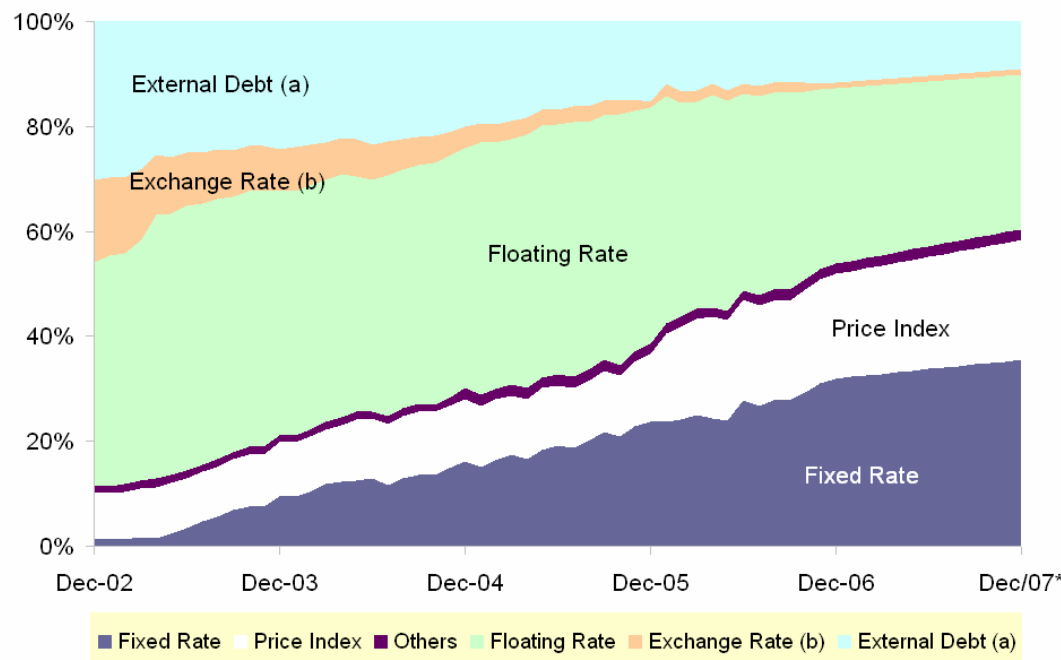
- The Federal Public Debt - DPF's relative CfaR (possible percentage of increase in debt service in the event of a shock) has been reduced since 2003 and, for 2007, its value corresponds approximately to 27% of its projected value under the hypothesis of a maturing composition equivalent to the one observed in 2003;
- Such result is part of the benefits of a greater relative participation of fixed rate bonds in the DPF, which is reflected in the 2/3 reduction in the payment flows volatility.



# Risk Assessment

## Market Risk

### Federal Public Debt Profile



\* Projected profile for 2007 takes due account of the midpoint of the indicative limits of this PAF.

(a) Debt denominated in FX-rate (it does not consider the the external debt issued in Reais, that are incorporated in the fixed rate ratio)

(b) Domestic FX-linked debt.

Improvements in the debt profile are helping to reduce market risks:

- Increase of the fixed rate and price index securities share and reduction of the FX-linked and floating rate securities;
- Result: reduction of the volatility of the maturity expected values throughout the year and less sensitivity of the DPF stock value to macroeconomic shocks.



# Risk Assessment

## Market Risk

| Indicators    | Share of DPF (%) |             |             |             |             |             | Stress Impact (R\$ billion) |                          |                          |                         |                         |                         |
|---------------|------------------|-------------|-------------|-------------|-------------|-------------|-----------------------------|--------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
|               | 2002             | 2003        | 2004        | 2005        | 2006        | 2007*       | 2002                        | 2003                     | 2004                     | 2005                    | 2006                    | 2007                    |
| Floating Rate | 42.4             | 46.5        | 45.7        | 43.9        | 33.4        | 29.0        | 52.7<br>(3.3%)              | 57.8<br>(3.6%)           | 56.8<br>(3.1%)           | 54.6<br>(2.8%)          | 41.5<br>(2.0%)          | 36.1<br>(1.6%)          |
| Exchange Rate | 45.8             | 32.4        | 24.2        | 17.6        | 12.7        | 11.0        | 299.4<br>(18.9%)            | 211.9<br>(13.3%)         | 158.2<br>(8.5%)          | 115.0<br>(5.9%)         | 83.0<br>(3.9%)          | 71.9<br>(3.1%)          |
| <b>Total</b>  | <b>88.2</b>      | <b>78.9</b> | <b>69.9</b> | <b>61.5</b> | <b>46.1</b> | <b>40.0</b> | <b>352.1<br/>(22.2%)</b>    | <b>269.7<br/>(16.9%)</b> | <b>215.0<br/>(11.6%)</b> | <b>169.6<br/>(8.7%)</b> | <b>124.5<br/>(5.9%)</b> | <b>108.0<br/>(4.7%)</b> |

Note: Stress tests consider 3-standard deviation shocks on the interest rate (7,8 percentage points) and *Real* devaluation (56,6%), persisting for a year.

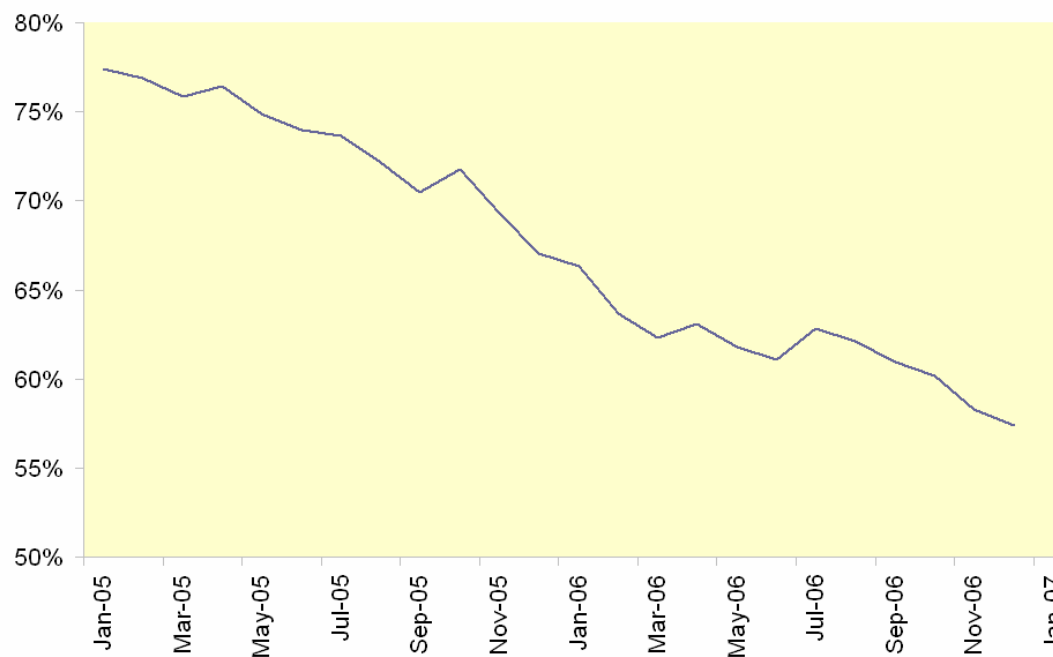
- The stress analysis demonstrates that the impact in the Federal Public Debt - DPF of a shock of extreme ratios and substantial persistence (i.e., at least one year) in the interest rates and exchange rates would be only 4.7% of the GDP;
- If the DPF structure were the same as in 2002, this impact would be of 22.2% of the GDP. This represents a reduction of almost 80% of the impact in the DPF between 2002 and 2007;
- If we take into account that, since mid 2006, the level of international reserves is superior to the Federal Government total debt indexed to exchange rate, one can say that the foreign exchange risk is null. In this case, the total impact would be merely 1.6% of the GDP.



# Risk Assessment

## Market Risk

### Interest Rate Risk: Selic-linked Debt + Fixed Rate Domestic Debt maturing in less than 12 months



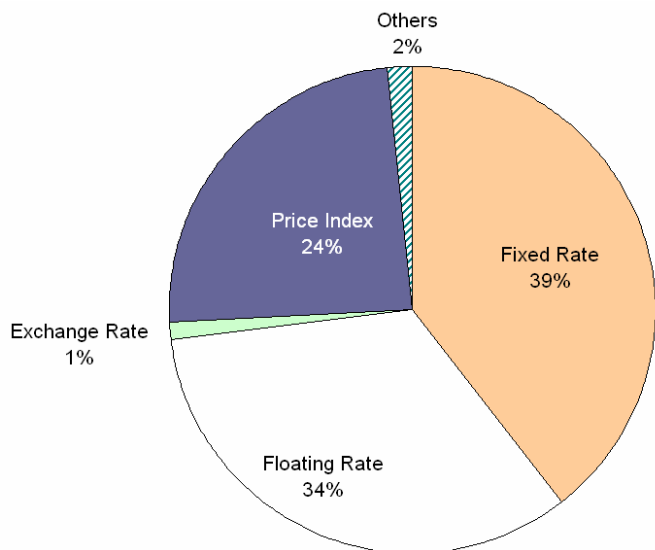
- If we take the sum of the Selic-linked debt to the fixed rate domestic debt maturing in less than 12 months as a conservative indicator of interest rate risk, we note that the Domestic Federal Public Debt exposure has decreased since the beginning of 2005;
- Such result is consistent with the policy of lengthening the issuance average maturity and the consolidation of benchmarks in the fixed rate securities market.



# Risk Assessment

## Strategy Risk

### Simulation of Domestic Federal Public Debt - DPMFi Profile at end 2007



| PAF-2007          |         |         |
|-------------------|---------|---------|
| DPMFi Composition | Minimum | Maximum |
| Fixed Rate (%)    | 37      | 43      |
| Price Index (%)   | 23      | 27      |
| Floating Rate (%) | 29      | 36      |
| Exchange Rate (%) | 1       | 2       |
| Others (%)        | 2       | 4       |

Note: This result reflects only the extrapolation of the issuances profiles in the second semester of 2006 and, therefore, has no direct relation with any specific issue strategy set down in PAF 2007.

- The permanence of the issuance pattern observed in the second semester of 2006, which could be extended to 2007 without pressing on the debt market, would take every DPMFi profile indicator to the center of the predetermined boundaries;
- This simulation strengthens the confidence that, from the perspective of issuance shares, there will not be significant obstacles for the new strategy to be implemented.



**For additional information access  
Brazilian National Treasury site :**

**[www.tesouro.fazenda.gov.br](http://www.tesouro.fazenda.gov.br)**

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