NATIONAL TREASURY

Public Debt
Annual Financing Plan
2001

Number 1

Brasília
Februarv/2001

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ISSN

Bibliographic reference:
BRASIL. Secretaria do Tesouro Nacional. Dívida Pública: Plano Anual de Financiamento 2001, Brasília, número 1, fevereiro de 2001. Cost free.

Circulation: 2,000 copies.

Dívida Pública: Plano Anual de Financiamento 2001. 1/Ministério da Fazenda, Secretaria do Tesouro Nacional, Brasília: Secretaria do Tesouro Nacional, fevereiro, 2001, número 1.

ISSN

1. Dívida Pública 2. Plano Anual de Financiamento 3. Planejamento 4. Estratégia
I. Brasil. Secretaria do Tesouro Nacional II. Título

In the course of recent years, the Brazilian economy has being experiencing a process of great changes. The success of the Real Plan and the subsequent economic stabilization, showing in the background the fiscal regime structural change, the greater integration with our international partners, and the recent, and successful, implementation of the inflation targets regime, made it possible for Brazil to overcome great challenges. Today, we may say that we are in one of those rare occasions of our recent history where we can glimpse concrete perspectives for the sustained growth of employment and income.

In this context, there are countless small but relevant changes that are in the making, and which should contribute in an effective manner for the achievement of a new level of our economic development.

This document which we are presenting now, is an example of these small changes. Until recently, public debt was seen as an obstacle to our growth due to its cost, maturity profile, and indexing structure. Furthermore, there were always the so-called "easy solutions", those which usually involve contract breaking, offer some relief for the present time, but doom future generations.

Guided by a clear sense of purpose and direction, we have chosen another path for the management of the public debt, observing contracts, making use of market mechanisms, and establishing a transparent relationship with investors and the public in general. This stance has allowed significant progress in all relevant indicators, and reflected in substantial reduction of borrowing cost for the National Treasury, and in the extension of average maturity dates.

This Annual Borrowing Plan which we are now presenting, is an additional instrument of that strategy, which seeks to enhance the forecast capability and transparency in the management of the federal public debt. This Plan shows the progress already achieve, and the path which we still have to follow to consolidate changes and legate to future generations an inheritance better than that which we have received. This is certainly another indicator that Brazil has changed, continues to change, and will keep changing for the better.

Fábio de Oliveira Barbosa
National Treasury Secretary

The satisfactory performance of the Brazilian economy in 2000, made it possible for Brazil to achieve an important progress in the management of the Federal Public Debt. The average maturity term reached practically 30 months as compared to the 27 months average recorded in December of 1999, and the share of maturity under 12 months dropped to 42%, versus 53% in the previous period. As to its composition, it should be highlighted the rise in the share of prefixed securities, from 9% to 15%, in accordance with the strategy of a gradual reduction of the National Treasury exposure to short-term economic variables fluctuation risks.

Significant progress was also achieved in the institutional area. The Law of Fiscal Responsibility has clearly defined the attributions related to the issuance of federal debt securities, thus, representing an important step towards the segregation and transparency of the fiscal and monetary policies. In this connection, a sole legal instrument (Decree nº 3,549 dated July 11, 2000) has consolidated the overall characteristics and issuance format of federal public securities. In addition, a broad restructuring took place in the area of the National Treasury Secretariat, responsible for the management of the public debt.

On the other hand, together with the Central Bank of Brazil, we have implemented a series of measures designed to strengthen the public security secondary market, as well as to secure an increasing level of forecast capability and transparency of market transactions. In this connection, among other measures, we have institutionalized the monthly publication of the National Treasury security issuance schedule and the National Treasury/Central Bank Joint Note which divulges information and comments on the public debt.

This document — Public Debt: Annual Borrowing Plan 2001 — is another important measure in this direction, representing a new milestone in the management of the public debt, and in the relationship of the National Treasury with investors and the public. It incorporates our overall objectives, management strategy, and operational instruments, thus, allowing economic agents access to a higher degree of information for their investment decisions.

It is our understanding that this initiative, together with the improvement of the macroeconomic picture, will contribute significantly to the improvement of the profile, and the gradual but consistent, cost reduction of the federal public debt financing, in connection with the consolidation process of the new Brazilian fiscal regime.

Rubens Sardenberg
National Treasury Assistant Secretary

Executive Summary

The Brazilian economy closed the year 2000 displaying significant progress, especially the GDP growth, inflation control, and improvement of foreign accounts. Following the example of the previous year, the significant results achieved in the fiscal front constituted the basic pillar for supporting this improvement in the economic scene, thus openning the space for a more active management of the public debt.

The basic objective of the management of the public debt is the cost minimization in the long-term, taking into consideration the maintenance of judicious risk levels. With respect to risks, we should highlight refinancing and market risks, the former related to fluctuations in the public debt cost.

With this objective in mind throughout the year 2000, the National Treasury directed its actions based on the following directives:

- Extension of average maturity terms of securities issued through public offer (National Treasury Bills — LTN; Treasury Financial Bills — LFT; and National Treasury Notes — Series C — NTN-C);
- Gradual replacement of Celiac rate yielding securities for prefixed yield securities;
- Additional development of interest rates term structure (prefixed, and price index — IGP-M); and
- Financing instruments standardization, and fungibility for post-fixed securities.

As a result, the percent share of prefixed securities rose from 9% in December 1999 to 15% at the end of 2000. Conversely, Selic rate securities had their share in the debt stock decreased from 57% to 52%, whereas the remaining securities had their percent share basically unchanged.

In the making of the National Treasury borrowing strategy for the year 2000, we considered initially as a basis a trend scenario, where it is anticipated the presence of some growth, combined with price stability, and declining domestic interest rates.

In addition to the above, in the context of fiscal adjustment and rigid compliance of targets established for 2001, the achievement of significant primary surpluses, as well as other government receipts (mainly privatization), constituted a relevant assumption for the design of the borrowing strategy.

Specifically, considering as a basis the projected maturity of the National Treasury debt (R$201.8 billion), and the amount of R$54.4 billion from treasury funds anticipated in the federal budget as a provision for debt redemption, the borrowing requirement for 2001, excluding securities issued and maturing within the same fiscal year, amounts to R$147.4 billion.

As to the domestic debt indexed to the exchange rate, we have adopted as a hypothesis the full rollover of maturities, and with respect to new foreign market issuances, in the amount of US$6 billion, which represents the average point in the established bracket for 2001 (between US$5 billion and US$7 billion).

The **basic strategy,** which anticipates net LTN issuances of R$29 billion, and LFT net redemption in the amount of R$52 billion, bears as assumptions: (i) issuance of prefixed securities up to 36 months (LTN and NTN-F); (ii) additional maturity extensions of Selic rate securities (LFT), for the current maturities of 60 months; (iii) regular offers of price index securities (NTN-C) up to 10 year maturity, and following the example of the successful recent operations, issuance of longer maturities (20 and 30 years).

However, depending upon the macroeconomic context in the current year, with repercussions on the volatility of relevant indicators, alternative strategies in relation to the basic strategy may be put into practice.

In a financial market context less volatile and with a grater demand for risk, more effective actions towards the objectives of maturity extensions and public debt deindexation would be implemented (**alternative strategy I — optimistic scenario**). Under a practical point of view, 24 month LTN would be regularly issued in the first quarter, whereas the NTN-F would be offered up to 60 months during the course of the second quarter. As to 20 and 30 years LFT and NTN-C, the strategy would repeat basically the general lines of the strategy used for a trend scenario, extending however, issuance maturities of regular security batches of the former security for a term around 15 years.

Conversely, less favorable macroeconomic variables would press the implementation of strategies of issuance maturity extension and debt deindexation in a more moderate fashion (**alternative strategy II — conservative scenario**). As a result, prefixed securities would be placed in the market for a maximum maturity of 24 months, whereas LFTs would be regularly offered in the course of 2001[1]. As to NTN-C, regular batches would have their issuance maturity reduced to a maximum of 7 years (10 years under the basic strategy) and longer maturities (20 and 30 years) would be kept unchanged, but with a smaller issuance volume.

Alternative Strategies (Comparative Results)

Indicators	Dec.99	Dec.00	Dec.01 Altern.1 (Optimistic)	Dec.01 Basic	Dec.01 Altern.2 (Conserv.)
DPFi Stock in the Market (R$ bi)	441.4	510.7	543.0	548.4	568.7
DPFi Average Maturity (months)	27.1	29.8	43.2	42.9	44.4
DPFi Length (months)	9.4	10.7	21.2	20.3	18.0
Maturing in 12 months (%)	53.0	42.4	27.3	27.1	28.0
Share of DPFi Stock					
Prefixed (%)	9.0	14.8	23.9	22.4	15.8
Selic Rate (%)	57.0	52.2	40.8	41.6	46.5

To define maximum, medium, and minimum security volumes to be issued in fiscal year 2001, the basic strategy was used as reference, and computing the ceiling and floor of issuance based on the parameter of 20 percent around the average point for each security selected. This parameter was the best fit for the proposed volumes under the optimistic and conservative strategies, in order to allow the National Treasury some flexibility to adjust to eventual changes in economic trends.

[1] Under the basic strategy, LFTs would not be issued in the course of the fourth quarter.

Public Offer Fluctuation Bands in 2001

		LTN/NTN-F	LFT	NTN-C
	Maximum	40,000	14,500	11,000
1st Q	Medium	33,000	12,000	9,000
	Minimum	26,000	9,500	7,000
	Maximum	52,000	19,000	5,500
2nd Q	Medium	43,000	15,500	4,500
	Minimum	35,000	12,000	3,500
	Maximum	48,000	11,500	5,500
3rd Q	Medium	40,000	9,500	4,500
	Minimum	32,000	7,500	3,500
	Maximum	38,500	2,000	3,500
4th Q	Medium	32,000	-	3,000
	Minimum	25,500	-	2,500
	Maximum	38,500	47,000	25,500
In 2001	Medium	32,000	37,000	21,000
	Minimum	25,500	29,000	16,500

It should be highlighted that the choice of the borrowing strategy to be put into practice by the National Treasury in 2001 will depend upon the evolution of domestic and foreign macroeconomic scenarios. However, directives for reducing the public debt stock sensibility to fluctuations of relevant short-term variables (market risk), as well as of thinning out short-term maturities (refinancing risk), will always be considered as an option, as can be observed when comparing the three strategies in relation to the closing of 1999 and 2000.

Finally, it should be clarified that the Annual Borrowing Plan does not assume significant changes in the domestic and foreign economic scenarios. However, in the event of changes we may be forced to revise the strategies already defined. The National Treasury will certainly inform the market and the public in general, in the event that major changes in the present plan become necessary.

I - Introduction

The Brazilian economy closed the year 2000 showing significant progress. The GDP growth was 4.2%, with industrial production expanding 4.8% annually, and a significant drop of unemployment indices, from 6.3% at the end of 1999 to 4.8% in December of last year[2]. Consumer Price Index – Broad Concept (IPCA), measured by IBGE, closed the year at 5.97%, rigorously within the level established by the federal government under the context of the inflation target regime of 6% for 2000.

In the foreign sector, even facing a rather adverse scenario, marked by the volatility of the US exchanges (particularly the Nasdaq exchange), by the international price rise of oil, and also by the heavy decline of commodity prices, results were equally significant. The current account deficit closed 2000 at US$24.6 billion, equivalent to 4.2% of GDP, showing some progress as compared to the 1999 deficit result of US$25.1 billion, equivalent to 4.7% of GDP. In addition, it should be highlighted that this deficit was easily financed by the inflow of direct investments, which reached the record level of US$30.6 billion throughout the course of last year.

Following the example of what happened in 1999, results achieved in the fiscal area constituted the basic pillar that sustained the improvement of the economic picture recorded in 2000. Consolidated public sector recorded a primary surplus of R$38.2 billion (3.54% of GDP), above the R$36.7 billion originally targeted, with the federal government and the federal public enterprises jointly showing a primary surplus of R$30.6 billion, in compliance with the Law of Budgetary Guidelines, and the Law of Fiscal Responsibility. The Net Public Sector Debt – DLSP, by its turn, closed the year with an outstanding balance of R$563 billion (49.5% of GDP), practically unchanged as compared to the result recorded last year, and below the balance of R$584 billion estimated originally.

In connection with the above, some items deserve to be highlighted as indicators of the government commitment to fiscal solvency in the long-term: (i) the definition of primary surplus targets for the consolidated public sector of 3% of GDP for 2001; (ii) approval of the Law of Fiscal Responsibility which marks a new milestone in fiscal management in Brazil; and (iii) the macroeconomic convergence targets defined by the countries integrating the Mercosul (Argentina, Brazil, Paraguay, and Uruguay), and by Chile, and Bolivia, and which were officially approved by the presidents of these six countries in December, 2000.

Significant fiscal results and the consequent improvement of macroeconomic fundamentals, open space for a more active management of the public debt. However, before this item can be further developed, some explanations become necessary.

The Net Public Sector Debt – DLSP represent the responsibility of the public sector (domestic and foreign debts, and monetary base, among others), deducted from its total credits, with the financial system, with the non-financial private sector, and with the rest of the world. The DLSP is brokendown by the debt under the responsibility of the central government (National Treasury, Central Bank, and Social Security), by the state governments, municipal

[2] Open Unemployment Rate measured by IBGE, without seasonal adjustment. If seasonally adjusted, comparison would be 6% (December, 2000) versus 7.8% (December, 1999).

governments, and finally by the public enterprises which integrate these three spheres of government. Economically, it constitutes the major public debt indicator, its sustainability in the course of time, and it is analyzed mainly in relation to the Gross Domestic Product (GDP).

The Net Central Government Debt — DLGC is formed by total domestic and foreign liabilities of the National Treasury responsibility, the Central Bank, and the Social Security, minus its financial credits with the public. These liabilities may be contracted mainly by the signing of financial commitments or by means of securities. Under the DLGC, the domestic and foreign Federal Security Debt is the basic management instrument, and represents the debt that, in the final analysis, dictates the dynamics of the evolution of the composition, the maturities, and the risks of the debt of the Central Government responsibility.

Issuance of the Federal Security Debt instruments may be placed directly with economic agents involved by means of public offers (auctions). The process of direct issuance, regardless of the existence of overall technical criteria for the efficient selection of financial instruments, should follow the specific norms under each operation. The public security offers, however, constitute, on account of the amounts involved, the most efficient means for the pursuit of the long-term objectives sought by the public debt managers. This component is the central item of the Annual Borrowing Plan of the National Treasury.

The basic objective of the public debt management is the **long-term minimization, taking into consideration the maintenance of judicious levels of risks.** As to the risks involved, special attention should be given to refinancing risks and to market risks. The former refers to the capacity of the debt issuer of refinancing it, and also, subjects the issuer to the cost changes of its refinancing actions due to the concentration of great volumes of debt maturing at specific dates. Its major measurement indices are the debt average maturity and the percent share maturing in the short-term (12 months). The latter refers to the expected costs of certain financial instruments due to market factors, reflected on the effects that interest and exchange rates fluctuations cause on the maturity amounts of the public debt.

II – Debt Management in 2000

II.1 – Major Directives

In the pursuit of the objective aforementioned, the management of the public debt under the responsibility of the National Treasury in the course of 2000 had its actions directed towards the following directives:

- Average maturity extension of securities issued under public offers (National Treasury Bills – LTN, Treasury Financial Bills – LFT, and National Treasury Notes, Series C – NTN-C);
- Gradual Replacement of Selic rate yielding securities for prefixed yield securities;
- Additional development of interest rate term structure (prefixed and price index – IGPM); and
- Financial instruments standardization and fungibility for post-fixed securities (change in legal procedures)

II.1.1 – Extension of Security Maturities

In January 2000, public offers of securities under the responsibility of the National Treasury covered 3 and 6 months LTNs, 12 months LFTs, and 3 and 7 years NTN-Cs. The yield on these securities was based on the price index offered once a month through auction exchange, legal currency was also accepted.

In January, the first firm offer auction took place, for issuance of 12 month LTNs. Due to the good acceptance of this security by the financial market, it became a regular offer item in all auctions since February, replacing 3 month prefixed securities, which were offered for the last time in January 24. In addition, the issuance term of LTNs were extended from 12 to 18 months, and to 24 months in March, and 36 months in April. However, in May and June, due to the foreign scenario volatility, associated with the rising of international oil prices, and expectations over the development of the US monetary policy, issuance of 6 to 12 month LTNs have been suspended for 5 and 7 weeks respectively.

In July, 5 year NTN-Cs began to be issued, and at the end of August the second firm offer auction by the National Treasury took place, when 24-month term prefixed securities were sold. However, the aggravation of some uncertainties in the foreign front postponed a new offer for this security.

As to the Central Bank Notes – Special Series (NBC-E), the issuance terms varied between 24 and 60 months throughout the year, reaching the apex in October. It is worthy mentioning that the decisions about volume and issuance terms of these securities are made by the Central Bank, which makes use of these securities as monetary policy instruments, and they are not, therefore, linked to the federal public debt borrowing strategy conducted by the National Treasury.

It should also be noted the new issuance term extension of LTFs, which at the end of October, was extended to 48 months. This event was of major importance for the maturity profile of the domestic public debt as a whole, since securities indexed to the Selic rate represent a significant portion (52% in December, 2000) of the Net Federal Public Debt – DPFi with the public.

Finally, it is worthy mentioning the issuance in January 1st, 2001 (auction held in December 27 and 28, 2000) of 4.5 million NTN-Cs (around R$4.8 billion) with 30 year term, fully traded for Treasury Financial Bills Series B — LFT-B, and Treasury Financial Certificates Series A — CFT-A in the market. This action can be considered emblematic under the policy of term extension and standardization of financial instruments issued in public offers by the National Treasury

Table 1 - Average Maturity of DPFi with the Public

	Public offer - Months	Total - Months
Dec-99	8.9	27.1
Jan-00	8.5	26.5
Feb-00	9.4	26.6
Mar-00	10.6	27.0
Apr-00	11.6	27.3
May-00	12.8	29.0
Jun-00	13.2	28.9
Jul-00	13.3	29.0
Aug-00	14.5	29.3
Sep-00	14.4	29.0
Oct-00	14.9	29.3
Nov-00	15.6	29.8
Dec-00	15.9	29.8

Source: National Treasury Secretariat and Central Bank of Brazil.

II.1.2 – Debt Deindexation

The process of replacement of the Selic rate debt for prefixed yield securities, used as a long-term directive by the National Treasury, continued to be implemented in the course of 2000.

Based on the strategy to refinance only 80% of LFT maturities with similar securities, it was possible to increase the share, relative to the stock of federal public debt, of prefixed securities, which shifted from 9.0% of the total DPFi in December 1999 to 14.8% in December 2000.

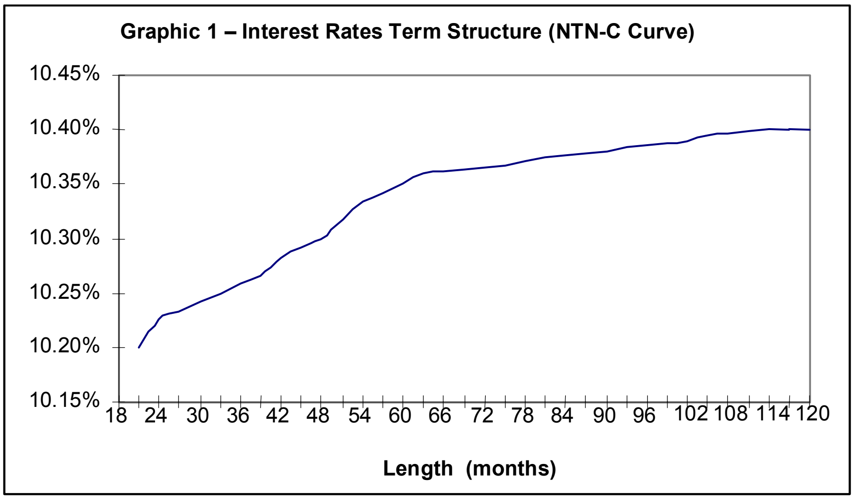
Table 2 - Composition of DPFi with the Public.

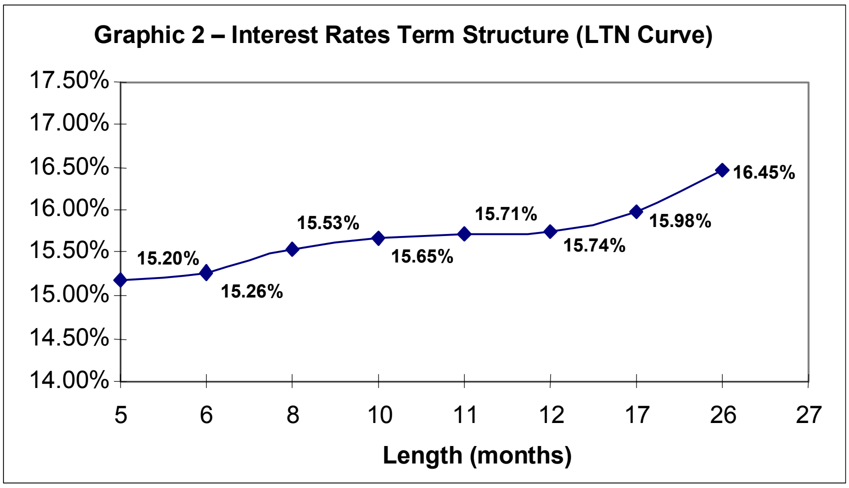
	Prefixed (%)	Selic Rate (%)	Others (%)*
Dec-99	9.0	57.0	34.0
Jan-00	9.5	56.7	33.8
Feb-00	10.4	56.6	33.0
Mar-00	12.2	55.3	32.5
Apr-00	13.7	53.6	32.7
May-00	12.6	54.9	32.5
Jun-00	13.3	54.7	32.0
Jul-00	13.9	54.3	31.8
Aug-00	14.7	53.2	32.2
Sep-00	15.4	52.7	31.9
Oct-00	15.7	52.0	32.3
Nov-00	14.7	52.2	33.2
Dec-00	14.8	52.2	33.0

* Securities yielding price index, exchange rate, TR rate and others.
Source: National Treasury Secretariat and Central Bank of Brazil.

II.1.3 – Improvement of Interest Rates Term Structure

One of the positive effects of the extension of security issuance terms of the public debt, is the improvement of the interest rates term structure. At the present time, we already have log-term parameters for the prefixed curve (until 24 months), for the exchange rate (until 5 years), and for price indices (until 30 years), which were made possible by measures taken throughout 2000 and during the current year, as can be observed in graphics 1 and 2 below. In this connection, it should be highlighted offers of NTNs-C from 3 to 7 years until the month of April, NTNs-C of 5 years after the month of June, and of 30 years in January, 2001, and the issuance of LTNs of 6, 12, and 24 months.





II.1.4 – Financing Instruments Standardization

By means of Decree nº 3,540, dated July 11, 2000, the specific and overall characteristics of all National Treasury instruments were duly defined. Such a consolidation, in addition to shedding more transparency on the matter, allowed the reduction and simplification of public securities in the market, so that it promoted an enhancement of transactions in the second market, and made it easier their control by different agents, and also reduced the cost of the Brazilian federal public debt.

It should be highlighted that, since that date, the concept of fungibility for LFT and NTN-C issuances was adopted, following the example of what already happened to the LTNs[3]. This practice reduces the number of security series, increases the volume of a given security with the same maturity, and as a consequence, stimulate negotiations of all public securities in the secondary market.

Furthermore, the aforesaid Decree has defined that LFTs, LTNs, NTNs-C, NTNs-D, and NTNs-F were the only securities which can be issued by means of public offers. Special issuances would be mainly carried out through the use of Treasury Financial Certificates — CFT, including the securitization process of the National Treasury debts.

Table 3 – National Treasury – Major Securities Issued

Security	Yield	Usual Issuance Practice
LTN	Prefixed	Public Offer
LFT	SELIC	Public offer
NTN-C	IGP-M + interest % p.a.	Public Offer
NTN-D	Exchange + interest % p.a.	Public Offer
NTN-F	Prefixed + interest % p.a.	Public Offer
CFT-A	IGP-DI + interest % p.a.	Direct
CFT-B	TR + interest % p.a.	Direct
CFT-C	SELIC + interest % p.a.	Direct
CFT-D	US$ + interest % p.a.	Direct
CFT-E	IGP-M + interest % p.a.	Direct
CFT-F	Prefixed	Direct

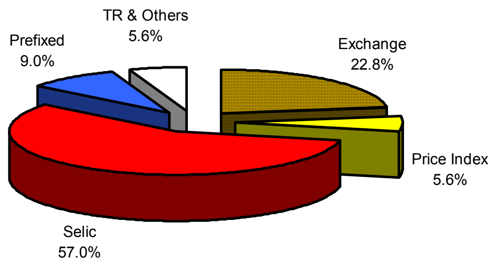
II.2 – Results Achieved

During 2000, the strategy of deindexation of the Net Federal Public Debt — DPFi has shown a positive result, as can be observed in the graphics below. Notwithstanding the disturbances of the foreign scenario, the percent share of prefixed yield securities rose from 9% in December, 1999 to 15% at the end of 2000. On the other hand, Selic rate securities had their share of the

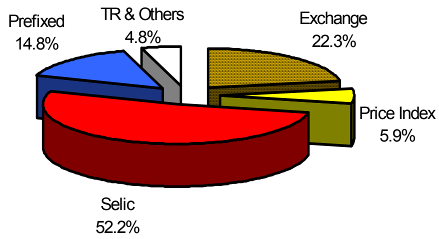
[3] Fungible securities are those that, despite being issued at different dates, have the same characteristics and the same unity price, being therefore, identical at any give time. For this purpose, the concept of base-date was adopted for the issuance of LFTs and NTN-Cs. For example, a LFT issued in August, 2000 and another in January, 2001, with the same reference date (base-date: July 1, 2000), will have the same unit price — PU, at any given time, for computing their actual value.

stock reduced (from 57% to 52% during the same period), whereas the remaining securities had their shares practically unchanged.

Graphic 3 - DPFi Composition (December/99)

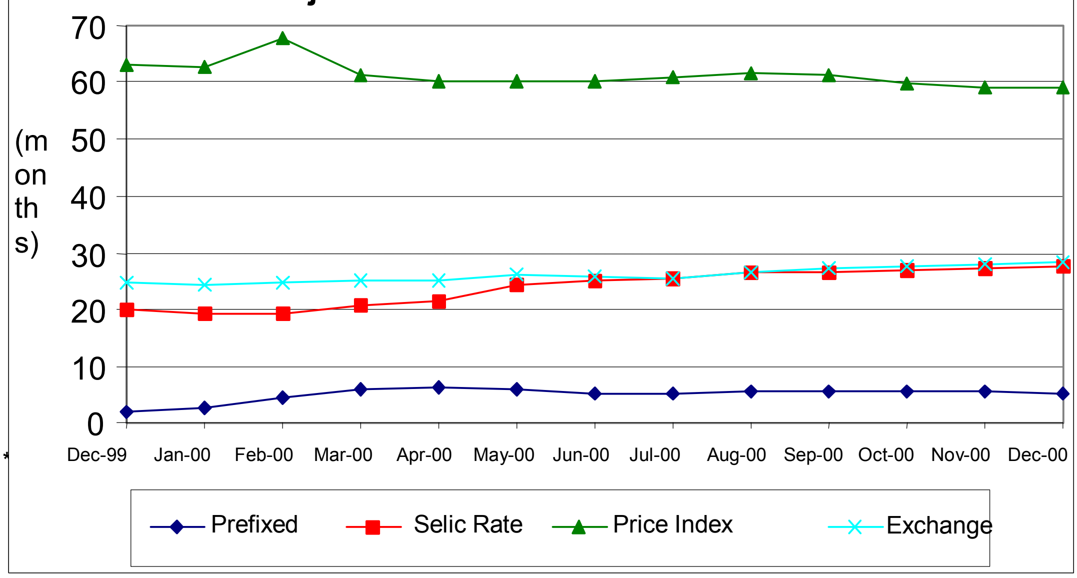


Graphic 4 - DPFi Composition (December/00)

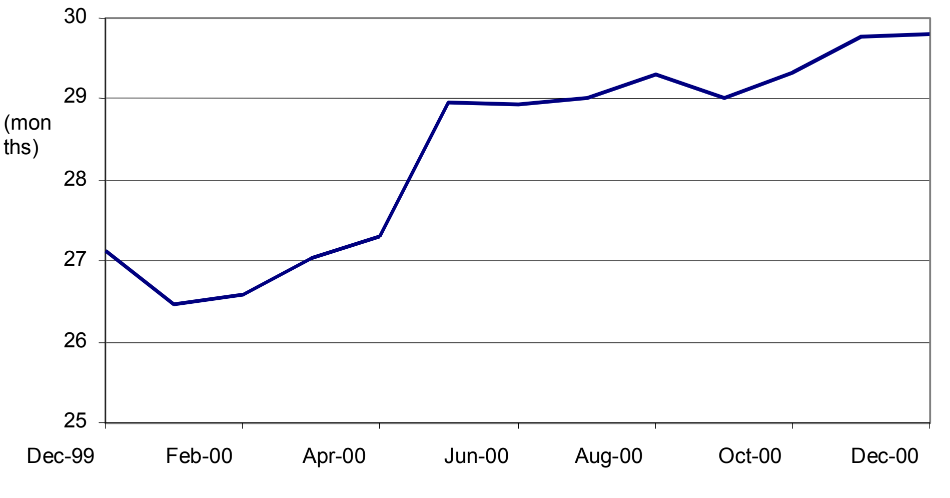


The average maturity of DPFi stock, by its turn, showed an almost constant increase during 2000, reaching the apex of 29.8 months in December, 2000, versus 27.1 months at the end of 1999, per graphics 5 and 6 below. This increase can be ascribed to the extension of the maturity profile of Selic rate securities, to exchange rate change, and also to those prefixed yield securities. Broadly, these instruments issued through public offer, followed the strategy designed by the National Treasury, except exchange rate indexed securities, whose management is carried out by the Central Bank of Brazil.

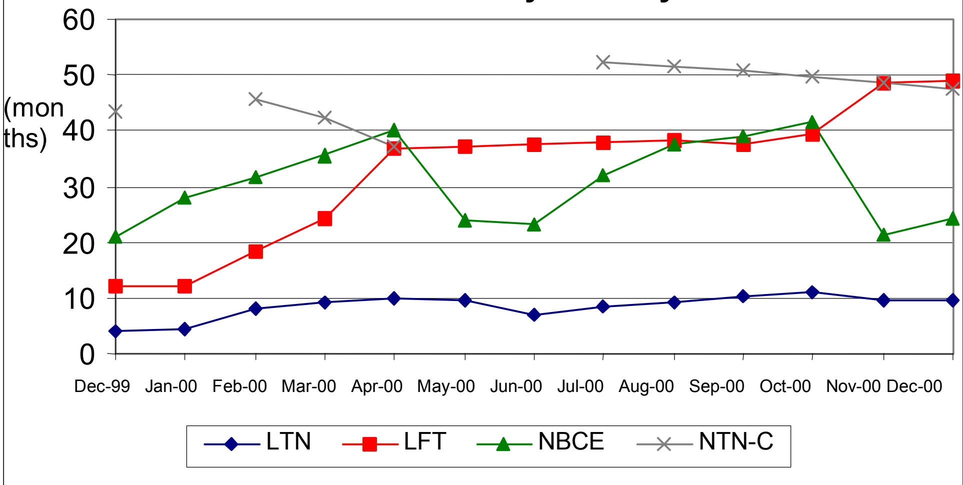
Graphic 5 – Average Maturity of DPFi* Stock
Major Yield Factors



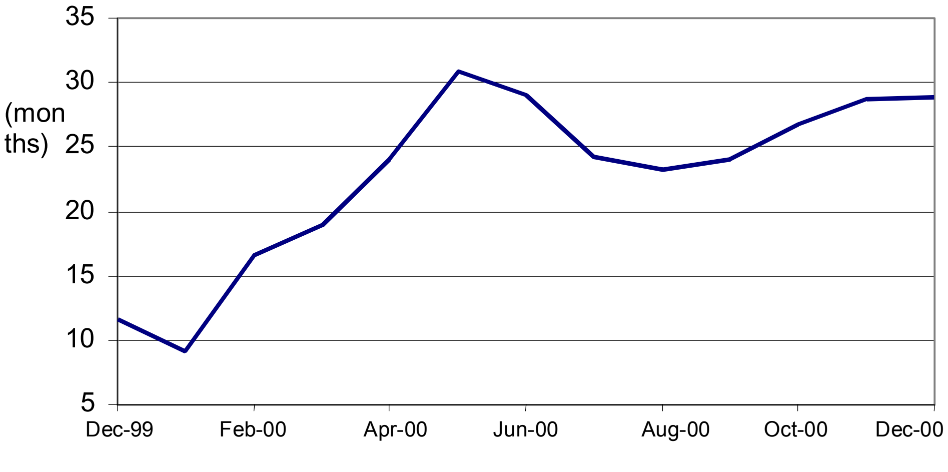
Graphic 6 – Average Maturity of DPFi Stock



Graphic 7 – Average Issuance Maturity Public Offer – by Security



Graphic 8 – Average Issuance Maturity Public Offer*



* Includes LTN, LFT, NTN-C and NBC-E

II.3 – Foreign Debt Management

During 2000, the Central Bank of Brazil, on behalf of the National Treasury, carried out nine transactions in the foreign market. As a result, US$5.8 billion was issued for borrowing new resources, and US$ 6.1 billion to trade for old restructured debts.

As to new resources, US$2.6 billion were borrowed from US dollar markets, US$2.1 billion from the Euro market, and US$1.1 billion from the Yen market. Transactions related to the debt restructuring, by their turn, were borrowed exclusively from the US dollar market.

Table 4 – Characteristics of Foreign Market Issuances in 2000

Securit.	Date of Issuance	Currenc Origin	Amount (issuance)			Term	*Spread* (**)
			In local currency $thousand	USD thous. (*) Res. SF nº 51/97	Res. SF nº 69/96		
Euro 2010	02/04/00	EUR	750,000	738,975		10 years	563
Global 2020	01/26/00	USD	1,000,000	1,000,000		20 years	650
Global 2030	0306/00	USD	1,000,000	1,000,000		30 years	679
Reopening	03/29/00		600,000		600,000		635
Samurai 2003	04/17/00	JPY	60,000,000	573,943		3 years	359
Euro 2005	07/05/00	EUR	750,000	714,375		5 years	417
Global 2007	07/26/00	USD	1,000,000	611,940	388,60	7 years	610
Global 2040	08/17/00	USD	5,157,311		5,157,311	40 years	788
Euro 2007 1st. Tranche	10/05/00	EUR	500,000	434,700		7 years	446
Euro 2007 2nd.Tranche			250,000 (Reopening)	217,350			436
Samurai 2006	12/22/00[1]	JPY	60,000,000	532,104		5,3 years	355
Total				**5,823,387**	**6,145,371**		

(*) Converted at the prevailing rate on issuance date.

(**) Basic points (local currency), as of issuance date.

[1] Coupon payment dates for Samurai 2006 are: March 22 and September 22 of each year. Maturity is March 22, 2006.

Remarks: Full amortization on maturity date for all securities ("bullet").

III – Planning for 2001

III.1 – Assumptions and Directives Selected

For the design of the borrowing strategy of the National Treasury relative to fiscal year 2001, a macroeconomic trend scenario was initially used, considering as most probable some major monitored variables. Generally speaking, the so-called Basic Scenario contemplates a growth stance, together with price stability and the continuation of declining domestic interest rates.

After strong pressure of rising prices recorded in July and August, due to the reduction of agricultural crops, and government administered prices adjustment, inflation measured by the concept of general indices and consumer index dropped significantly in the last quarter of 2000, irrespective of pressures from exchange rates, which shifted from R$1.84 per US dollar at the end of September, to approximately R$1.96 per US dollar in December 31(change of 6.5% in the period).

Closing the month of December, 2000 recording an annual change of 5.97%, the 12-month cumulative IPCA should still reflect, during the first half of 2001, the effects of inflation measured in July and August of the previous year (1.61% and 1.31% respectively). However, as of the second half-year, the index declining trend should be compatible with the change of approximately 4% between January and December of 2001[4], thus, in harmony with inflation targets. Under a broader viewpoint, we can expect some convergence among inflation indices with general price indices, after they recorded a positive change around 10% in 2000, and should retreat to approximately 5%[5] in 2001 [6].

These inflation indices changes consider as assumptions in the foreign context, (i) lighter pressures originated from international oil prices; (ii) a softening trend of monetary policy practices in the US; (iii) a gradual recovery of the Argentine economy, after the release of the IMF economic aid package; and (iv) recovery of the Euro currency and the European economy, with a positive reflection on emergent countries exports.

Thus, given the favorable constellation of economic fundamentals (GDP growth, continuity of direct investment inflows, compliance of inflationary targets, and sovereign risk reduction), there is a broadening of space for the improvement of the process of the public debt management.

Furthermore, within a context of fiscal adjustment and rigorous compliance with the objectives targeted for 2001, the achievement of significant primary surpluses, as well as of other government receipts (mainly privatizations), play an important role in the trend of the public debt/GDP ratio, and also represent relevant assumptions for the design of the borrowing strategy.

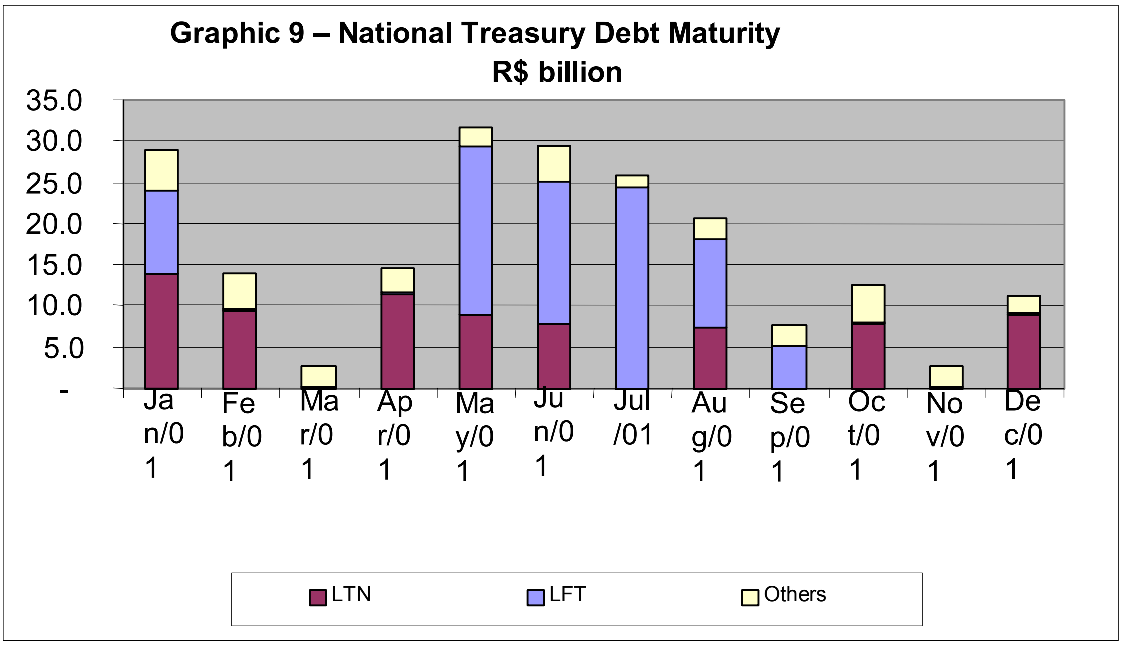
The 2001 maturity schedule, by its turn, anticipates monthly disbursements as follows:

[4]Source: Central Bank of Brazil – FOCUS, Market expectations in 01/19/01.
[5] Source: Central Bank of Brazil – FOCUS, Market expectations in 01/19/01
[6] General price indices, being a compounded weighted average (among others, by the Wholesale Price Index (60%), with a considerable share of tradable goods) are much more sensible to the fluctuations of the exchange rate.

Table 5 - Debt Maturity under the Responsibility of the National Treasury - R$ million.

	LTN	LFT	NTN-D	NTN-C / Sec.Credit	Others*	TOTAL
Jan-01	13,853	10,108	1,711	1,590	1,791	29,054
Feb-01	9,490	215	2,515	295	1,467	13,983
Mar-01	0	217	864	362	1,275	2,718
Apr-01	11,463	219	81	402	2,388	14,552
May-01	8,959	20,363	46	134	2,038	31,540
Jun-01	7,951	17,252	839	1,705	1,687	29,435
Jul-01	0	24,491	46	319	872	25,728
Aug-01	7,432	10,689	815	196	1,421	20,554
Sep-01	0	5,138	822	566	1,115	7,641
Oct-01	7,902	232	82	2,410	1,976	12,602
Nov-01	0	234	797	223	1,419	2,674
Dec-01	8,864	236	792	367	1,026	11,286
2001	**75,913**	**89,396**	**9,411**	**8,570**	**18,477**	**201,767**

* Includes: remaining domestic debt securities (basically those issued directly), foreign debt (minus budgetary resources appropriated for its payment and the resources originated from new issuances in the international market), and interest on National Treasury securities with the Central Bank.



Thus, taking as a basis the projected maturity for the debt under the responsibility of the National Treasury (R$201.8 billion), and the amount appropriated in the budget of R$54.4

billion, representing Treasury resources destined for its payment[7], the borrowing requirement for 2001, not including maturities of securities issued in the fiscal year, amounts to R$147.4 billion.

III.2 – Strategy for 2001

III.2.1 – Basic Strategy

Prior to the planning of competitive issuances for 2001, hypothesis on the management of the domestic debt indexed to the exchange rate, and the anticipated new issuances in the foreign market should be considered.

As to the domestic exchange debt, within the context of the monetary policy carried out by the Central Bank, we have consider the perspective of 100 percent refinancing of principal amounts on maturity dates of NTNs-D and NBCs-E by means of security issuances under the responsibility of the Monetary Authority (NBCs-E). This exercise becomes fundamental only as to the analysis of the system liquidity, since, under the cash viewpoint, the National Treasury will fully redeem NTNs-D maturing in 2001. In this connection, total net supply of exchange securities in the market, will be of sole responsibility of the Central Bank of Brazil.

With respect to the sovereign transactions in the international market during 2001, simulated exercises contemplate transactions totaling US$6 billion, considering the bracket average point released to the market by the Central Bank (borrowing between US$5 billion and US$7 billion).

Once these work hypotheses are accepted, and considering the National Treasury borrowing requirement for 2001, we can actually formulate its borrowing strategy.

Specifically, in the period between January and December 2001, we can project net issuances of LTNs in the amount of R$29 billion, and net redemption of LFTs in the amount of R$52 billion.

In terms of issuance maturities, considering the success of the last prefixed securities (18 months for regular supply and 27 months for firm supply), we have planned to place in the market securities up to 36 months (LTNs and NTNs-F), whereas issuances of Selic rate securities would be additionally extended in relation to their current 60 months, always depending upon favorable market conditions.

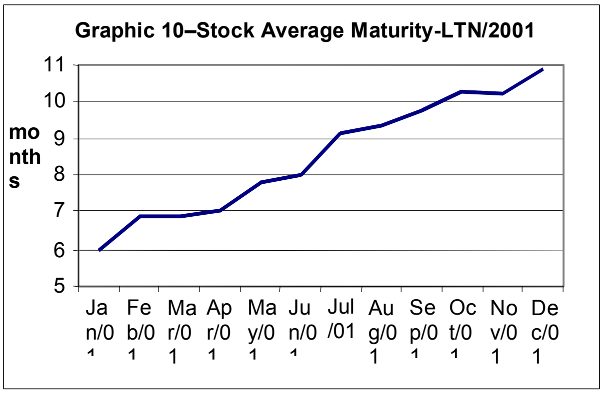
As to NTNs-C, regular batches will contemplate maturities of a maximum of 10 years, with a significant share destined for trading for other National Treasury securities in the market. Issuance of securities with longer maturities (20 and 30 years), following the example of successful transactions carried out recently, should be repeated throughout the year, with the acceptance, in the event of trade, of LFTs and CFTs in the market. With reference to securities indexed to price indices, we may offer securities indexed by the IPCA, probably with minimum issuance maturities longer than 5 years.

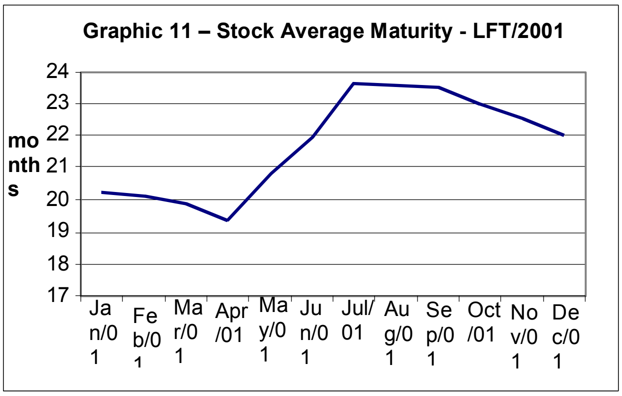
As a result, in the context of the basic scenario, the National Treasury should redeem net securities[8], of its own responsibility in the market, around R$47.8 billion. DPFi stock with the

[7] In the amount of R$ 54.4 billion, are included: resources from the primary surplus, from privatizations, from yields on the resources available under the Union Sole Account, and from refunds of states and municipalities under federal debts, among other receipts.

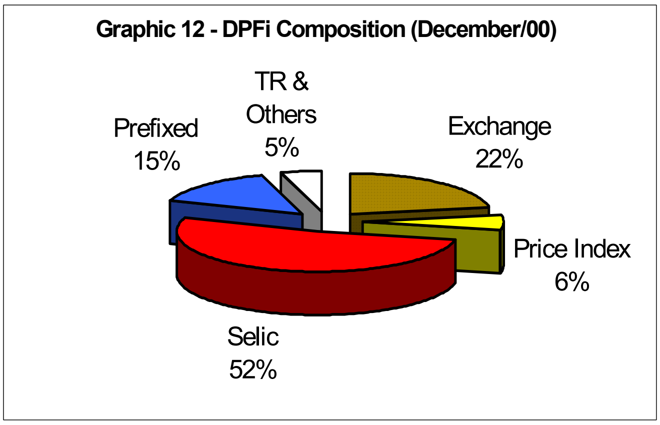
public, by its turn, should increase approximately 7.4% (from R$510.7 billion in December, 2000 to R$548.4 billion in December, 2001), with its average maturity being extended from 29.8 months up to 42.9 months during the same period. It should be noticed that the extension of the debt profile not only becomes safer due to the directive of debt deindexation, increasing the share of prefixed securities in the borrowing strategy, but also replaces securities with a longer average issuance maturity (LFTs) for other securities bearing shorter maturities (LTNs).

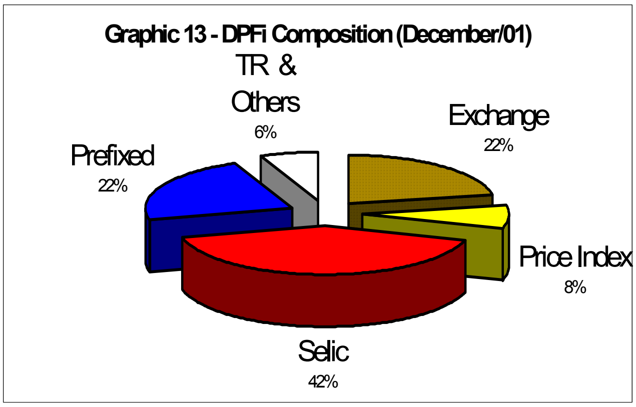
Evolution of average maturity of LTN and LFT stocks (major securities issued by means of public offer), and the composition of DPFi with the public, should develop as follows:





[8] It should be highlighted that, in spite of net redemption, the DPFi should increase in nominal terms, due to the appropriation of interest and financial charges accruing on its stock.





III.2.2 – Alternative Strategies

Depending upon the macroeconomic environment evolution in the current year, with a repercussion on the volatility of relevant economic indicators, alternative strategies may be placed into effect in lieu of the basic strategy.

Hypothesis previously considered for issuances in the foreign market, and the management of the domestic exchange debt were held, and also, no changes were made in the forecast for National Treasury receipts destined for the payment of the public debt service (R$54.4 billion). Therefore, the occurrence of differentiated scenarios in the current year, will only cause impact in the process of deindexation and extension of the public debt.

Alternative Strategy I : Optimistic Scenario

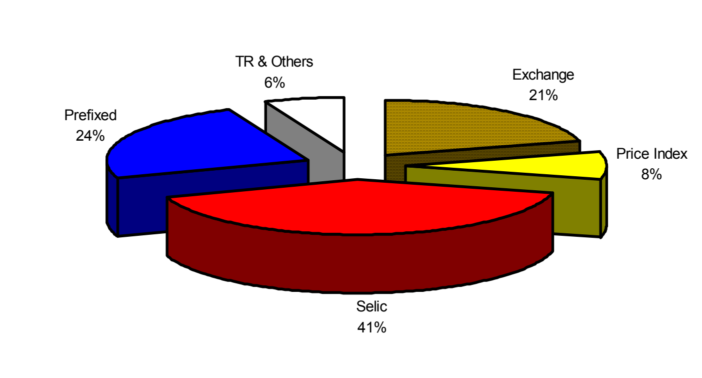
The implementation of the National Treasury borrowing strategy, within a context of a less volatile financial market and a greater appetite towards risks, would make it possible more effective actions towards log-term objectives of extension and deindexation of the public debt.

Under a practical viewpoint, following the example noticed in the basic strategy, 24 month LTNs would be issued regularly in the market from February on. 36 month prefixed securities (NTNs-F), by their turn, would be issued as of March, furthermore, supply of 60 month maturities would be planned in the course of the second half-year, which would represent an important milestone in the Brazilian public debt management. As to LFTs, issuance maturity would repeat, the same basic lines of the strategy contemplated under the basic scenario.

With regard to NTNs-C, the basic strategy would be followed in relation to the supply of 20 and 30-year maturities. For regular batches, however, security maturities could be extended to terms around 15 years.

Finally, it should be highlighted that the present strategy would bring as a result, at the end of 2001, a net redemption of securities under the responsibility of the National Treasury in the domestic market of around R$44.6 billion. DPFi stock with the public would reach R$543.0 billion, while its average maturity would be extended to 43.2 months, this would lead very likely, in December 2001, the following composition by yield factor:

Graphic 14 - DPFi Composition (December/01)



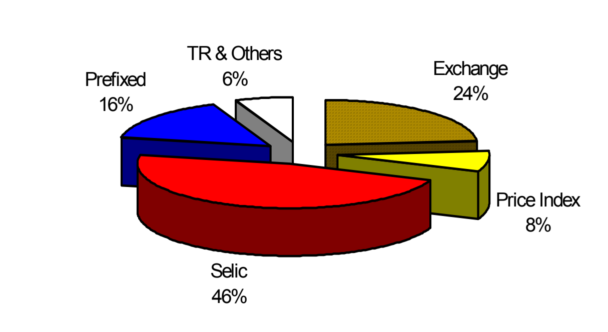
Alternative Stratagy II – Conservative Scenario

Due to less favorable macroeconomic variables, strategies for the extension of issuance maturities and deindexation of the debt placed in the market by public offer, would be carried out in a more moderate fashion. As a consequence, prefixed securities would be offered bearing a maximum maturity of 24 months[9], while LFTs would be regularly issued in the course of 2001[10].

With regard to NTNs-C, fortuitous issuances with maturities of 20 and 30 years would not be interrupted, but there would be a reduction of offered volumes. Regular batches, by their turn, bearing maturities up to 10 years according to the basic scenario, would be offered with a maximum maturity of 7 years.

As a result, this strategy would lead to net redemption of securities under the responsibility of the National Treasury in the domestic market of approximately R$43.6 billion in 2001. The stock and average maturity of the DPFi would reach R$568.7 billion (increase of 11.4% as compared to December, 2000), and 44.4 months (29.8 months in December, 2000) respectively, whereas its composition by yield factor would be as follows[11] :

Graphic 15 - DPFi Compsition (December/2001)



[9] Under the basic strategy, issuance maturity of prefixed securities is extended until 36 months.
[10] Under the basic strategy, LFTs would not be issued during the fourth quarter.
[11] Here, it should be highlighted, that the longer average debt maturity under the alternative strategy II (44.4 months), as compared to the basic strategy (42.9 months), is a result of an anticipated higher volume of LFTs, with a reduction, however, in the length of the debt.

III.2.3 – Comparative Analysis

Once the basic strategy is defined, appropriate changes will depend upon the evolution of the domestic and foreign macroeconomic scenarios. However, directives for reducing the sensibility of the public debt stock to the short-term fluctuations of the relevant variables (market risks), as well as of spreading out maturities in the short-term (refinancing risk), will always be contemplated.

Specifically, implementation of alternative strategy I (optimistic scenario) lead, in relation to the basic strategy, to more positive results in terms of increase of prefixed maturities share in the stock and extension of the debt profile. However, this strategy depends upon several trend factors which may lead to the interruption in the placement of average Selic rate securities, in the middle of the second half-year, and the placement of prefixed securities bearing maturity of up to 60 months.

Implementation of the basic strategy, by its turn, would lead to significant progress in the public debt profile. Under a scenario of macroeconomic trend (most likely), market and refinancing risks are strongly reduced due to the increase of the share of prefixed securities (from 15% to 22%), to the extension of the stock average maturity (from 29.8 months to 42.9 months), and to the percent reduction of the outstanding debt in the following twelve months (from 42.4% to 27.1%).
The alternative strategy II (conservative scenario), by its turn, represents the most modest strategy in terms of composition of the final debt, but reveals a longer stock average maturity as compared to the one resulting from the implementation of the basic and optimistic strategies. This fact, as previously explained, is due to the forecast of a larger LFT issuance volume, with longer maturities, chiefly in comparison with prefixed securities.

Table 6 - Alternative Strategies (Comparative Results)

Indicators	Dec.99	Dec.00	Dec.01 Altern.1 (Optmistic)	Dec.01 Basic	Dec.01 Altern.2 (Conserv.)
DPFi Stock with the Market (R$ bi)	441.4	510.7	543.0	548.4	568.7
DPFi Average Maturity (months)	27.1	29.8	43.2	42.9	44.4
DPFi Length (months)	9.4	10.7	21.2	20.3	18.0
Maturing in 12 Months (%)	53.0	42.4	27.3	27.1	28.0
Share in DPFi Stock					
Prefixed (%)	9.0	14.8	23.9	22.4	15.8
Selic (%)	57.0	52.2	40.8	41.6	46.5

Per the above table, in December, 2001, there is an increase of the length and the average maturity of the stock, and a percent reduction of the debt maturing in the next twelve months, as compared to the closing date of the two previous years, under the context of any of the strategies in question. Here, we should highlight the major function played by the Selic rate securities in the course of recent years.

Considering a scenario of real interest rates above the long-term expectation, and consolidation of the new exchange regime, a profile of the public debt more concentrated around the above mentioned securities, is mainly justified by two aspects. The first, refers to the fact that, under a context of restricted market demand for prefixed securities with longer maturity, the financial risk due to the short length of Selic rate securities, becomes acceptable due to the spreading out of maturities in the short-term, which is caused by these securities. The second aspect, refers to the lower cost of these securities during periods of consolidation of long-term fiscal stability, when there is no full consensus about this theme among market agents.

As described in the foregoing chapters, due to the progress recently achieved by the Brazilian economy, and expectations of a more positive scenario in 2001, the National Treasury has found space for more effective actions on the public debt deindexation, together with the implementation of strategies towards the extension of its average maturity. Thus, as we can notice in the analysis of the three strategies, the public debt shall be, at the end of the current year, less vulnerable to market risk, and especially to the risk of refinancing.

Finally, we should clarify that the Annual Borrowing Plan does not assume significant changes in the domestic and international economic pictures. However, eventual changes may force us to revise these defined strategies. The National Treasury pledges hereby, to inform the market and the public in general, about the need for eventual significant changes in the implementation of the plan described herein.

IV – Issuance Estimated Volumes

To define the maximum, medium, and minimum volumes to be issued, we have considered as a reference the basic strategy, computing the issuance ceiling and floor values based on the approximate figure of 20% around the average points for each defined security. This percent value was the best fit for proposed volumes under the optimistic and conservative strategies, in order to allow some flexibility to the National Treasury to make adjustments due to eventual changes in the macroeconomic scenario, and which will be reflected in the debt management.

Table 7 - Public Offers Flactuation Bands in 2001

		LTN / NTN-F	LFT	NTN-C
	Mximum	40,000	14,500	11,000
1° Quarter	Medium	33,000	12,000	9,000
	Minimum	26,000	9,500	7,000
	Maximum	52,000	19,000	5,500
2° Quarter	Medium	43,500	15,500	4,500
	Minimum	35,000	12,000	3,500
	Maximum	48,000	11,500	5,500
3° Quarter	Medium	40,000	9,500	4,500
	Minimum	32,000	7,500	3,500
	Maximum	38,500	2,000	3,500
4° Quarter	Medium	32,000	-	3,000
	Minimum	25,500	-	2,500
	Maximum	178,500	47,000	25,500
In 2001	Midium	148,500	37,000	21,000
	Minimum	118,500	29,000	16,500

It should be highlighted that, for the analysis of the impact of issuances in relation to the outstanding volumes in the market, it should be added to the anticipated original maturity for 2001 (R$201.8 billion), the amount of R$16.4 billion, per the basic strategy, relative to LTNs which should be issued during the year and which matures in that same year.

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Annex I – Schedule of Events

The National Treasury, with the objective of allowing better transparency of the events related to the management of the debt under its responsibility, discloses below, its anticipated agenda for fiscal year 2001:

(i) In the area of implementation of measures related to the development of the secondary market for public securities, the National Treasury will continue to release, **in the last week of each month, the schedule of issuances for the following month;**

(ii) In order to inform the characteristics of the securities to be offered, as well as the overall conditions for holding traditional auctions, the National Treasury will release on **Fridays**, after market closing**, the ordinance covering the auction procedures for securities to be placed the following week;**

(iii) **Traditional auctions** will continue to be held on **Tuesdays**, with issuance and financial settlement of securities on Wednesdays. **In the event that the issuance date falls on a holiday**, the financial settlement should take place on the first working day after the auction was held;

(iv) If the National Treasury decides to offer additional borrowing instruments to the market, or to extend maturities of securities already issued, new **firm supply auctions** may be held. Such events should take place on **Thursdays**, with the first stage in the morning and the second stage in the afternoon. Issuance and financial settlement of securities are programmed for the following day (Fridays);

(v) In order to reduce concentration of security maturities under its responsibility, the National Treasury may held **purchase auctions** on **Mondays**, with redemption on Tuesdays;

(vi) In view of the directives on the extension of the public debt average maturity, and the development of the interest rate term structure, **competitive auctions of price index securities (NTNs-C)** are duly programmed. Such events would take place, preferentially, during the **two last working days of each month,** the first stage (legal currency) will take place in the penultimate working day of the month, and the second stage (trade of securities circulating in the market) will take place in the last working day of the month. Security issuance will take place on the 1^{st} day of the following month, and the financial settlement will take place on the first working day of the following month.

vii) In order to divulge information related to the evolution of the domestic federal public debt — DPFi, the **"Nota à Imprensa — Dívida Pública Federal Interna"** published by the National Treasury and the Central Bank of Brazil, will be released **during the third week of each month;**

(viii) In order to disclose information, in an accessible language, regarding the major events that, directly or indirectly, bears on the public debt management, the National Treasury will release the newsletter **"Dívida Pública", on a quarterly basis**, **during the first fifteen days following each calendar quarter**.

Annex II – Improvement Measures for the Security Market

During the second half-year of 1999, the National Treasury and the Central Bank of Brazil designated a task force with the objective of preparing a diagnosis covering the problems related to the security public debt and the Brazilian open market.

Since then, it was recommended the necessary reorganization of current procedures, and the introduction of new instruments and norms aiming at the recovery of the security market dynamism. The objective was to promote, on the side of demand, improvements, innovations, and strategies, to be carried out by the DPFi managers. This was the starting seed for a constellation of measures, products, and projects directed to the public debt primary and secondary markets, whose contents were released on the 4th of November of the same year.

Among the actions selected, the following are worth mentioning:

- Reduction in the number of maturities of the domestic federal security debt;
- Concentration of LTN redemption at the first week, and post-fixed securities (LFTs and NBCs-E, the former under the responsibility of the Central Bank) at the middle of each month;
- Use of the re-supply mechanism: successive issuances of securities with the same maturity date;
- Reduction in the number of public offers, in the initial period, only on Tuesdays of each week;
- Prior release, by the National Treasury, of monthly schedules for the issuance of securities through public offers;
- Public offer of longer maturity securities, with prefixed returns, after receiving bids from financial institutions through firm purchase proposals;
- Promotion of public security purchase auctions;
- Regular releases to the press, covering information and comments on the public security market, and on liquidity conditions; and
- Regular meetings with dealers, institutional investors, class associations, and risk rating agencies.

Up to the present time, in terms of liquidity support for the secondary market, the results from measures undertaken have been rather favorable, with the reduction in the number of security series in the market, and the increase of maturity concentration. These improvement measures should be repeated throughout the current year (tables nº 8 and 9):

Table 8 – Number of Series in the Market

	LFT *	LTN	NTN-C
Oct/1999	47	21	2 **
Dec/2000	49	12	3
Dec/2001	40	14	6

* Only for LFTs issued through public offers.
** Data as of December/1999.

Table 9 – Maturity Concentration
(R$ billion)

	LFT	LTN	NTN-C
Oct/1999	3.8	3.3	0.6
Dec/2000	5.1	6.7	2.9
Dec/2001	6.2	7.0	3.3

Note: Maturity values good for security redemption date.

Additionally to the actions aforementioned, the National Treasury has been seeking to find new market niches, mainly with respect to longer dots in prefixed and price index curves.

Regarding NTNs-C, with the public offer for 30 years launched at the end of 2000, an important mark in the interest rate term structure has been established. It is rather likely that intermediary dots in the price index curve, will be well accepted, especially by institutional investors.

Annex III – Tables and Graphics [12]

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[12] Other data, including historical series, on the public debt, are available at the home page below: **http://www.tesouro.fazenda.gov.br**.

I-A – COMPOSITION OF THE DPFi WITH THE PUBLIC – BY RETURNS

R$ billion

Month	Prefixed		SELIC Rate		Price Index		Exchange		TR		Others		Total	
December/99	39.75	9.00%	251.68	57.02%	24.63	5.58%	100.71	22.82%	23.97	5.43%	0.67	0.15%	441.41	100.00%
January/00	42.80	9.45%	257.07	56.73%	24.73	5.46%	102.05	22.52%	25.69	5.67%	0.78	0.17%	453.13	100.00%
February	47.29	1.,35%	258.75	56.64%	25.64	5.61%	98.57	21.57%	25.86	5.66%	0.76	0.17%	456.86	100.00%
March	56.68	1.21%	256.92	55.34%	25.79	5.56%	98.16	21.14%	25.96	5.59%	0.73	0.16%	464.25	100.00%
April	64.8	13.68%	253.50	53.60%	26.21	5.54%	10.51	21.46%	26.34	5.57%	0.71	0.15%	472.95	100.00%
May	61.27	12.58%	267.32	54.88%	26.72	5.48%	104.56	21.47%	26.56	5.45%	0.68	0.14%	487.10	100.00%
June	65.44	13.31%	268.90	54.68%	26.72	5.43%	103.65	21.08%	26.44	5.38%	0.66	0.13%	491.81	100.00%
July	68.62	13.86%	269.09	54.34%	27.77	5.61%	102.75	20.75%	26.38	5.33%	0.61	0.12%	495.21	100.00%
August	72.56	14.69%	262.57	53.15%	28.50	5.77%	104.92	21.24%	24.87	5.03%	0.58	0.12%	494.00	100.00%
September	77.43	15.40%	264.76	52.67%	28.93	5.76%	106.01	21.09%	24.97	4.97%	0.55	0.11%	502.65	100.00%
October	79.59	15.70%	263.54	51.98%	29.59	5.84%	109.87	21.67%	24.00	4.73%	0.42	0.08%	507.00	100.00%
November	74.54	14.70%	264.38	52.15%	29.85	5.89%	113.77	22.44%	24.01	4.74%	0.39	0.08%	506.93	100.00%
December/00	75.40	14.76%	266.81	52.24%	30.32	5.94%	113.74	22.27%	24.07	4.71%	0.36	0.07%	510.70	100.00%

SOURCE: NATIONAL TREASURY AND CENTRAL BANK OF BRAZIL
Note: Values computed based on the portfolio position valued by the price of security curve of intrinsic yielding.

I-B – COMPOSITION OF THE DPFi WITH THE PUBLIC – BY TYPE

R$ billion

Month	National Treasury						Central Bank				Total							
	Negotiable				Non-negotiable		Negotiable				Non-negotiable				Non-negotiable		Total	
	Public Offer		Directly				Public Offer		Directly		Public Offer		Directly					
December/99	249.81	56.59%	114.15	25.86%	14.75	3.34%	62.05	14.06%	0.65	0.15%	311.87	70.65%	114.80	26.01%	14.75	3.34%	441.41	100.00%
January/00	256.98	56.71%	117.90	26.02%	14.82	3.27%	63.01	13.90%	0.42	0.09%	319.99	70.62%	118.32	26.11%	14.82	3.27%	453.13	100.00%
February	262.97	57.56%	116.64	25.53%	14.91	3.26%	62.13	13.60%	0.21	0.05%	325.10	71.16%	116.85	25.58%	14.91	3.26%	456.86	100.00%
March	271.95	58.58%	114.47	24.66%	15.00	3.23%	62.73	13.51%	0.10	0.02%	334.68	72.09%	114.57	24.68%	15.00	3.23%	464.25	100.00%
April	277.81	58.74%	113.65	24.03%	15.07	3.19%	66.41	14.04%	0.02	0.00%	344.21	72.78%	113.67	24.03%	15.07	3.19%	472.95	100.00%
May	276.55	56.77%	126.71	26.01%	15.44	3.17%	68.39	14.04%	0.02	0.00%	344.94	70.81%	126.72	26.02%	15.44	3.17%	487.10	100.00%
June	281.11	57.16%	125.10	25,44%	16.67	3.39%	68.93	14.02%	-	0.00%	350.04	71.17%	125.10	25.44%	16.67	3.39%	491.81	100.00%
July	284.54	57.46%	123.99	25,04%	16.92	3.42%	69.77	14.09%	-	0.00%	354.31	71.55%	123.99	25.04%	16.92	3.42%	495.21	100.00%
August	281.51	56.99%	126.18	25.54%	14.75	2.99%	71.56	14.49%	-	0.00%	353.07	71.47%	126.18	25.54%	14.75	2.99%	494.00	100.00%
September	288.18	57.33%	126.38	25.14%	14.80	2.94%	73.29	14.58%	-	0.00%	361.47	71.91%	126.38	25.14%	14.80	2.94%	502.65	100.00%
October	289.79	57.16%	125.04	24.66%	14.87	2.93%	77.30	15.25%	-	0.00%	367.08	72.40%	125.04	24.66%	14.87	2.93%	507.00	100.00%
November	283.78	55.98%	125.61	24.78%	14.99	2.96%	82.54	16.28%	-	0.00%	366.33	72.26%	125.61	24.78%	14.99	2.96%	506.93	100.00%
December/00	284.15	55.64%	125.79	24.63%	15.07	2.95%	85.69	16.78%	-	0.00%	369.84	72.42%	125.79	24.63%	15.07	2.95%	510.70	100.00%

SOURCE: NATIONAL TREASURY AND CENTRAL BANK OF BRAZIL
Note: Values computed based on the portfolio position valued by the price of the security curve of intrinsic yielding

II-A – AVERAGE MATURITY OF DPFi WITH THE PUBLIC – BY RETURNS

Months

Month	Prefixed	SELIC Rate	Price Index	Exchange	TR	Others	Total
December/99	2.00	19.88	63.02	24.71	118.58	11.27	27.13
January/00	2.53	19.28	62.88	24.35	111.78	12.72	26.45
February	4.37	19.39	67.65	24.90	105.17	12.24	26.58
March	5.79	20.70	61.42	25.06	109.52	11.76	27.02
April	6.38	21.58	60.12	25.22	109.60	11.34	27.30
May	5.94	24.25	60.33	26.39	108.56	10.78	28.97
June	5.05	25.07	60.02	25.83	108.66	10.31	28.94
July	4.96	25.61	60.84	25.54	106.77	10.17	29.02
August	5.53	26.79	61.44	26.52	100.46	9.71	29.30
September	5.31	26.54	61.10	27.20	99,.6	9.33	29.02
October	5.48	27.04	59.62	27.80	103.36	11.04	29.32
November	5.56	27.51	58.94	27.94	102.66	10.97	29.78
December/00	5.15	27.61	59.11	28.50	101.82	11.04	29.85

SOURCE: NATIONAL TREASURY AND CENTRAL BANK OF BRAZIL

II-B – AVERAGE MATURITY OF DPFi WITH THE PUBLIC – BY TYPE

Months

Month	National Treasury			Central Bank		Total			Total
	Negotiable		Non-negotiable	Negotiable		Non-negotiable		Non-negotiable	
	Public Offer	Directly		Public Offer	Directly	Public Offer	Directly		
December	8.27	68.35	95.34	11.26	1.57	8.87	67.97	95.34	27.13
January/00	7.82	66.66	94.88	11.32	1.08	8.51	66.42	94.88	26.45
February	8.35	65.89	95.19	13.57	1.14	9.35	65.77	95.19	26.58
March	9.74	66.26	94.97	14.11	0.79	10.56	66.21	94.97	27.02
April	10.91	65.98	94.56	14.42	1.63	11.59	65.97	94.56	27.30
May	12.15	65.04	93.74	15.50	0.53	12.82	65.03	93.74	28.97
June	12.71	64.90	90.66	14.96	0.00	13.15	64.90	90.66	28.94
July	12.94	65.15	93.62	14.70	0.00	13.29	65.15	93.62	29.02
August	13.99	62.40	101.55	16.27	0.00	14.45	62.40	101.55	29.30
September	13.73	62.41	100.65	17.13	0.00	14.42	62.41	100.65	29.02
October	14.19	63.22	99.83	17.67	0.00	14.92	63.22	99.83	29.32
November	15.05	62.90	98.65	17.49	0.00	15.60	62.90	98.65	29.78
December	15.36	62.54	98.42	17.81	0.00	15.93	62.54	98.42	29.85

SOURCE: NATIONAL TREASURY AND CENTRAL BANK OF BRAZIL

III – FEDERAL SECURITIES WITH THE PUBLIC MATURING IN 12 MONTHS – BY RETURNS

R$ billion

Month	Prefixed		Selic Rate		Price Index		Exchange		TR		Others		Total	
December/99	39.75	100.00%	97.88	38.89%	0.36	1.47%	46.91	46.58%	0.91	3.78%	0.02	3.34%	234.00	53.01%
January/00	42.80	100.00%	109.04	42.42%	0.37	1.49%	47.63	46.68%	1.48	5.74%	0.10	12.23%	242.82	53.59%
February	47.29	100.00%	138.74	53.62%	0.36	1.41%	47.40	48.09%	1.49	5.77%	0.10	12.70%	235.37	51.52%
March	51.22	90.37%	115.33	44.89%	0.36	1.41%	47.41	48.30%	1.50	5.78%	0.10	13.22%	215.92	46.51%
April	62.18	96.13%	99.51	39.25%	0.46	1.75%	48.99	48.26%	1.51	5.74%	0.10	13.79%	212.74	44.98%
May	61.27	100.00%	104.26	39.00%	0.43	1.62%	45.33	43.35%	1.53	5.74%	0.48	70.81%	213.29	43.79%
June	65.44	100.00%	108.36	40.30%	1.59	5.95%	48.11	46.41%	1.54	5.82%	0.46	69.37%	225.48	45.85%
July	66.08	96.30%	120.07	44.62%	1.61	5.80%	48.60	47.30%	1.55	5.89%	0.43	69.95%	238.34	48.13%
August	69.61	95.93%	112.99	43.03%	1.66	5.81%	48.69	46.41%	1.57	6.31%	0.40	68.31%	234.90	47.55%
September	70.22	90.69%	114.91	43.40%	1.67	5.78%	49.03	46.25%	1.58	6.34%	0.37	68.38%	237.78	47.31%
October	74.15	93.17%	106.06	40.25%	1.68	5.66%	49.87	45.39%	1.31	5.44%	0.30	71.82%	233.36	46.03%
November	66.50	89.21%	99.20	37.52%	1.52	5.09%	49.72	43.70%	1.31	5.45%	0.27	69.25%	218.51	43.10%
December	72.95	96.75%	95.12	35.65%	1.53	5.04%	45.12	39.67%	1.31	5.45%	0.24	66.47%	216.27	42.35%
January/01	64.57	87.16%	84.05	31.90%	1.55	4.35%	43.08	37.35%	1.32	5.47%	0.21	65.83%	194.77	37.97%

SOURCE: NATIONAL TREASURY AND CENTRAL BANK OF BRAZIL

Note: Values computed based on the portfolio position valued by the price of the security curve of intrinsic yielding

Percent in relation to total securities maturing with the same yield return.

IV – SHARE OF ISSUANCES THROUGH PUBLIC OFFERS

	LTN			LFT					NTN-C		
	6 MONTHS	12 MONTHS	24 MONTHS	12 MONTHS	18 MONTHS	24 MONTHS	36 MONTHS	48MONTHS	36 MONTHS	60 MONTHS	84MONTHS
January/00	68.41%	23.57%	8.02%	100%	-	-	-	-	-	-	-
February	77.55%	22.45%	-	-	100%	-	-	-	55.76%	-	44.24%
March	69.85%	30.15%	-	-	-	100.00%	-	-	61.86%	-	38.14%
April	51.60%	48.40%	-	-	-	-	100.00%	-	74.70%	-	25.30%
May	51.87%	48.13%	-	-	-	-	100.00%	-	-	-	-
June	88.06%	11.94%	-	-	-	-	100.00%	-	-	-	-
July	61.89%	38.11%	-	-		-	100.00%	-	-	100.00%	-
August	52.05%	47.95%	-	-	-	-	100.00%	-	-	100.00%	-
September	49.63%	45.88%	4.49%	-	-	-	100.00%	-	-	100.00%	-
October	47.44%	52.56%	-	-	-	-	85.67%	14.33%	-	100.00%	-
November	52.11%	47.89%	-	-	-	-	-	100.00%	-	100.00%	-
December/00	52.86%	47.14%	-	-	-	-	-	100.00%	-	100.00%	-

SOURCE: NATIONAL TREASURY AND CENTRAL BANK OF BRAZIL

V – AVERAGE MATURITIES OF ISSUANCES THROUGH PUBLIC OFFERS

Months

Month	LTN	LFT	NBCE	NTN-C	Total
December/99	4.12	12.13	22.48	50.35	12.25
January	4.58	12.13	31.75	-	9.49
February	8.23	18.57	36.76	53.91	17.69
March	9.20	24.44	41.93	49.93	19.67
April	9.82	36.70	48.37	43.08	24.98
May	9.59	37.14	26.94	-	31.53
June	6.98	37.59	25.84	-	29.25
July	8.48	37.85	36.97	60.80	24.78
August	9.40	37.98	45.25	59.83	24.79
September	10.34	37.50	47.23	58.80	26.08
October	11.14	39.30	52.03	57.80	28.53
November	9.67	48.47	24.83	56.77	29.80
December/00	9.73	48.81	27.59	55.77	30.31

SOURCE: NATIONAL TREASURY AND CENTRAL BANK OF BRAZIL

VI – AUCTIONS HELD – BY SECURITIES

(to be continued)

Issuance Maturity	1/4/00	1/11/00	1/18/00	1/21/00	1/24/00	2/1/00	2/3/00	2/15/00	2/22/00	2/29/00	3/9/00	3/14/00	3/21/00	3/28/00	4/1/00	4/11/00	4/18/00	4/25/00	5/2/00	5/9/00
3 Mo. LTNs																				
Volume Offered (thousand sec.)	2,000	2,500	3,I000	-	3,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Volume Sold (thousand sec.)	2,000	2,500	3,000	-	3,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount Collected (R$ million)	1,918	2,390	2,871	-	3,351	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Average Yield (per year)	20.07%	19.68%	19.24%	-	19.32%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Yield (per year)	20.10%	19.72%	19.31%	-	19.33%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	84	63	63	-	91	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Mo. LTNs																				
Volume Offered (thousand sec.)	-	1,000	1,500	-	1,500	4,000	3,500	3,000	4,000	3,000	1.500	3,500	3,000	3,000	2,000	2,000	2,000	2,000	1,500	500
Volume Sold (thousand sec.)	-	1,000	1,500	-	1,500	4,000	3,500	3,000	4,000	3,000	1.500	3,500	3,000	3,000	2,000	2,000	2,000	2,000	1,500	-
Amount Collected (R$ million)	-	901	1,361	-	1,366	3,594	3,170	2,675	3,585	2,700	1.338	3,132	2,701	2,683	1,794	1,793	1,786	1,790	1,347	-
Average Yield (per year)	-	20.68%	19.90%	-	19.91%	20.44%	19.52%	19.94%	19.61%	19.54%	19.26%	19.10%	18.63%	18.23%	18.29%	19.00%	19.78%	19.89%	19.84%	20.76%
Maximum Yield (per year)	-	20.72%	19.97%	-	19.95%	20.55%	19.54%	19.96%	19.63%	19.55%	19.27%	19.15%	18.65%	18.24%	18.33%	19.04%	19.82%	19.92%	19.90%	20.80%
Maturity (days)	-	203	196	-	189	210	203	231	224	217	236	231	224	245	238	231	231	224	217	210
12 Mo. LTNs																				
Volume Offered (thousand sec.)	-	-	-	1,500	-	1,000	1,000	1,000	1,500	1,000	1,000	1,500	1,500	1,500	1,500	2,000	1,500	3,000	1,500	500
Volume Sold (thousand sec.)	-	-	-	1,500	-	1,000	1,000	1,000	1,500	1,000	1,000	1,500	1,500	1,500	1,500	2,000	1,500	3,000	1,500	-
Amount Collected (R$ million)	-	-	-	1,234	-	828	838	839	1.266	821	827	1,245	1,258	1,267	1,271	1,690	1,263	2,496	1,250	-
Average Yield (per year)	-	-	-	21.18%	-	21.12%	20.03%	20.35%	20.00%	19.91%	19.65%	19.44%	18.65%	18.21%	18.28%	19.03%	19.83%	20.13%	20.29%	21.68%
Maximum Yield (per year)	-	-	-	21.24%	-	21.14%	20.05%	20.38%	20.02%	20.06%	19.69%	19.46%	18.67%	18.22%	18.38%	19.04%	19.88%	20.19%	20.31%	21.72%
Maturity (days)	-	-	-	373	-	364	357	350	343	399	390	385	378	371	364	357	350	371	364	357
18 Mo. LTNs																				
Volume Offered (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Volume Sold (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount Collected (R$ million)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Average Yield (per year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Yield (per year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maturity (days)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Mo. LTNs																				
Volume Offered (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Volume Sold (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount Collected (R$ million)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Average Yield (per year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Yield (per year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maturity (days)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LFT																				
Volume Offered (thousand sec.)	2,000	2,500	2,000	-	2,000	2,000	3,500	3,000	3,500	4.000	4,500	4,000	3,500	4,000	2,500	3,500	2,500	2,500	3,500	3,000
Volume Sold (thousand sec.)	2,000	2,500	2,000	-	2,000	2,000	3,500	3,000	3,500	4,000	4,500	4,000	3,500	4,000	2,500	3,500	2,500	2,500	3,500	3,000
Amount Collected (R$ million)	1,996	2,496	1,998	-	1,999	2,000	3,499	2,999	3,499	3,999	4,499	3,999	3,499	3,999	2,499	3,499	2,499	2,499	3,498	2,998
Average Yield (per year)	0.20%	0.18%	0.11%	-	0.04%	0.01%	0.02%	0.02%	0.01%	0.01%	0.01%	0.02%	0.02%	0.01%	0.01%	0.01%	0.02%	0.01%	0.02%	0.02%
Maximum Yield (per year)	0.21%	0.18%	0.11%	-	0.05%	0,02%	0.04%	0.03%	0.02%	0.02%	0.02%	0.02%	0.02%	0.01%	0.01%	0.02%	0.02%	0.02%	0.02%	0.02%
Maturity (months)	12	12	12	-	12	18	18	18	18	24	24	24	24	24	36	36	36	36	36	36
TOTAL																				

Source: STN/BACEN

Note: Yield corresponds to the effective rate

VI – AUCTIONS HELD – BY SECURITY (continued)

(to be continued)

Issuance Maturity	5/16/00	5/23/00	5/30/00	6/6/00	13/6/00	20/6/00	27/6/00	4/7/00	11/7/00	18/7/00	25/7/00	1/8/00	8/8/00	15/8/00	22/8/00	29/8/00	31/8/00	5/9/00	12/9/00	19/9/00
3 Mo. LTNs																				
Volume Offered (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Volume Sold (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount Collected (R$ million)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Average Yield (per year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Yield (per year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maturit. (days)	-	-	-	-																
6 Mo. LTNs																				
Volume Offered (thousand sec.)	-	-	-	-	1,000	1,500	1,000	2,500	1,500	500	1,500	1,500	1,500	1,500	1,500	2,000	-	1,500	1,500	1,000
Volume Sold (thousand sec.)	-	-	-	-	1,000	1,500	1,000	2,500	1,500	500	1,500	1,500	1,500	1,500	1,500	2,000	-	1,500	1,500	1,000
Amount Collected (R$ million)	-	-	-	-	908	1,,70	918	2.,306	1,370	458	1,382	1,370	1,.377	1,384	1,388	1,855	-	1,395	1.,362	909
Average Yield (per year)	-	-	-	-	19.35%	18.70%	18.08%	17.86%	17.90%	17.86%	17.39%	17.45%	17.01%	16.53%	16.62%	16.86%	-			
																		16.84%	16.90%	17.25%
Maximum Yield (per year)	-	-	-	-	19.38%	18.71%	18.09%	17.89%	17.95%	17.86%	17.39%	17.46%	17.03%	16.55%	16.63%	16.88%	-	16.85%	16.92%	17.26%
Maturity (days)	-	-	-	-	203	196	189	182	203	196	189	210	203	196	189	182	-	175	231	224
12 Mo. LTN s																				
Volume Offered (thousand sec.)	-	-	-	-	-	-	500	1,000	1,500	500	1,000	1,500	1,500	1,500	1,500	2,000	-	1,500	1,500	1,000
Volume Sold (thousand sec.)	-	-	-	-	-	-	500	1,000	1,500	500	1,000	1,500	1,500	1,500	1,500	2,000	-	1,500	1,500	1,000
Amount Collected (R$ million)	-	-	-	-	-	-	434	872	1,256	420	848	1,274	1,282	1,293	1,268	1,683	-	1,267	1,272	847
Average Yield (per year)	-	-	-	-	-	-	18.67%	18.42%	18.46%	18.44%	17.80%	17.96%	17.80%	16.92%	17.10%	17.25%	-	17.16%	17.08%	17.52%
Maximum Yield (per year)	-	-	-	-	-	-	18.69%	18.44%	18.50%	18.47%	17.82%	17.97%	17.62%	16.94%	17.12%	17.28%	-	17.18%	17.10%	17.55%
Maturity (days)	-	-	-	-	-	-	308	301	385	378	371	364	357	350	406	399	-	392	385	378
18 Mo. LYNs																				
Volume Offered (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Volume Sold (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount Collected (R$ million)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Average Yield (per year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Yield (per year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maturity (days)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Mo. LTNs																				
Volume Offered (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500	-	-	-
Volume Sold (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500	-	-	-
Amount Collected (R$ million)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	373	-	-	-
Average Yield (per year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.56%	-	-	-
Maximum Yield (per year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.58%	-	-	-
Maturity (days)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	670	-	-	-
LFT																				
Volume Offered (thousand sec.)	5,000	2,000	2,000	4,500	2,500	2,500	1,000	1,500	3,500	1,500	2.000	3,500	2,000	-	-	2,500	-	1,000	1,000	1,000
Volume Sold (thousand sec.)	5,000	2,000	2,000	4,500	2,500	2,500	1,000	1,500	3,500	1,500	2,000	3,500	2,000	-	-	2,500	-	1,000	1,000	1,000
Amount Collected (R$ million)	4,997	1,997	1,996	3,489	2,492	2,489	997	1,496	3,493	1,497	1,996	3,540	2,027	-	-	2,495	-	1,027	1,030	1,030
Average Yield (per year)	0.02%	0.04%	0.06%	0,08%	0.10%	0.14%	0.10%	0.09%	0.06%	0.06%	0.06%	0.08%	0.11%	-	-	0.06%	-	0.05%	0.05%	0.05%
Maximum Yield (per year)	0.03%	0.05%	0.07%	0,10%	0.13%	0.15%	0.12%	0.10%	0.07%	0.07%	0.07%	0.15%	0.13%	-	-	0.07%	-	0.06%	0.06%	0.06%
Maturity (months)	36	36	36	36	36	36	36	36	36	36	36	36	36	-	-	36	-	36	36	36
TOTAL																				

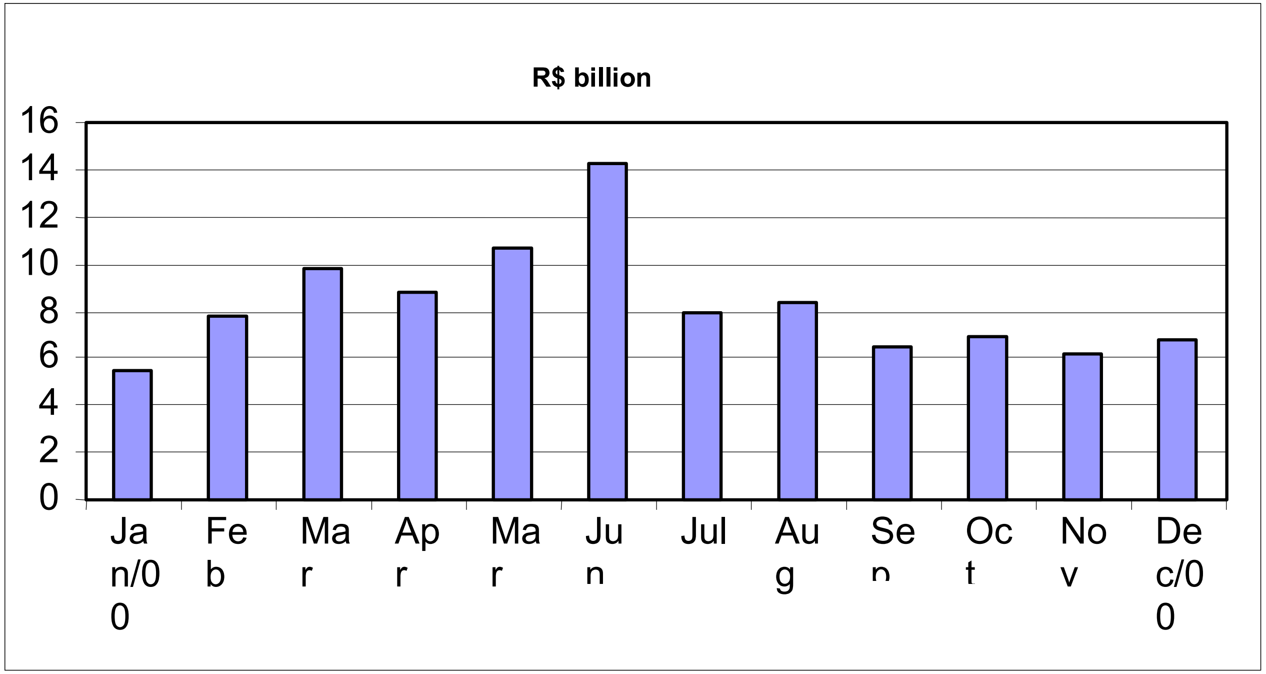
Source:National Treasury/BACEN
Note: Yield corresponds to the effective rate

VI – Auctions Held – By Security (continued)

Issuance Maturity	9/26/00	10/3/00	10/10/00	10/17/00	10/24/00	10/31/00	11/7/00	11/14/00	11/21/00	11/28/00	12/5/00	12/12/00	19/12/00	1/2/01	1/9/01	1/16/01	1/23/01	1/30/01
3 Mo. LTNs																		
Volume Offered (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Volume Sold (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount Collected (R$ million)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Average Yield (per year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Yield (per year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maturity (days)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Mo. LTNs																		
Volume Offered (thousand sec.)	500	2,500	1,500	1,000	-	1,000	500	-	500	1,000	1,000	500	1,000	2,000	-	-	-	-
Volume Sold (thousand sec.)	500	2,500	1,500	1,000	-	1,000	500	-	500	1,000	1,000	500	1,000	2,000	-	-	-	-
Amount Collected (R$ million)	457	2,256	1,358	907	-	911	455	-	459	918	911	459	922	1,856	-	-	-	-
Average Yield (per year)	16.96%	16.91%	16.83%	17.06%	-	17.42%	18.18%	-	17.27%	18.12%	17.74%	16.99%	16.64%	16.16%	-	-	-	-
Maximum Yield (per year)	16.97%	16.92%	16.83%	17.09%	-	17.43%	18.35%	-	17.27%	18.14%	17.75%	16.99%	16.69%	16.18%	-	-	-	-
Maturity (days)	217	245	238	231	-	217	210	-	196	189	210	203	196	182	-	-	-	-
12 Mo. LTNs																		
Volume Offered (thousand sec.)	500	2.500	1.500	1.000	1.000	1.000	500	-	500	1.000	1,000	500	1,000	2,000	1,500	1,000	1,000	3,000
Volume Sold (thousand sec.)	500	2.500	1.500	1.000	1.000	1.000	500	-	500	1.000	928	500	1,000	2,000	1,500	1,000	1,000	3,000
Amount Collected (R$ million)	426	2.082	1.254	836	836	838	417	-	423	843	775	421	849	1,711	1,293	854	860	2,595
Average Yield (per year)	17,22%	17,16%	17,11%	17,32%	17,64%	17,77%	18,60%	-	17,72%	18,44%	18.21%	17.55%	17.10%	16.68%	16.20%	16.23%	15.77%	15.45%
Maximum Yield (per year)	17,23%	17,17%	17,12%	17,36%	17,66%	17,79%	18,64%	-	17,72%	18,53%	18.25%	17.57%	17.11%	16.72%	16.21%	16.24%	15.78%	15.49%
Maturity (days)	371	427	420	413	406	399	392	-	378	371	399	392	385	371	364	385	378	371
18 Mo. LTNs																		
Volume Offered (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000	1,000	1,000	2,000
Volume Sold (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000	1,000	1,000	2,000
Amount Collected (R$ million)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	800	803	810	1,631
Average Yield (per year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.47%	16.40%	15.92%	15.61%
Maximum Yield (per year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16.48%	16.42%	15.95%	15.62%
Maturity (days)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	539	532	525	518
24 Mo. LTNs																		
Volume Offered (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Volume Sold (thousand sec.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount Collected (R$ million)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Average Yield (per year)	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-
Maximum Yield (per year)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maturity (days)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LFT																		
Volume Offered (thousand sec.)		500	2.000	1,000	3,000	1,000	2,500	1,000	500	500	2,000	2,000	2,000	1,000	2,000	2,000	2,000	2,000 1
Volume Sold (thousand sec.)		500 2,000	1,000	3,000	1,000	2,445	874	500	500	2,000	2,000	2,000	1,000	2,000	2,000	2,000	2,000	1,000
Amount Collected (R$ million)	518	2,079	1,042	3,137	1,047	2,578	878	528	529	2,123	2,128	2,134	1,070	2,150	2,150	2,164	2,169	1,086
Average Yield (per year)	0.05%	0.06%	0.06%	0.04%	0.07%	0.09%	0.11%	0.09%	0.09%	0.09%	0.09%	0.10%	0.10%	0.10%	0.10%	0.09%	0.08%	0.05%
Maximum Yield (per year)	0.05%	0.07%	0.06%	0.06%	0.08%	0.11%	0.13%	0.10%	0.09%	0.09%	0.00%	0.12%	0.11%	0.11%	0.10%	0.09%	0.08%	0.05%
Maturity (months)	36	36	36	36	48	48	48	48	48	48	48	48	48	48	48	48	60	60
TOTAL																		

Source: NationalTreasury/BACEN
Note: Yield corresponds to the effective rate

VII – VOLUME OF SECURITIES NEGOTIATED IN THE SECONDARY MARKET



VIII – NATIONAL TREASURY FOREIGN DEBT

R$ million

	Dec/1999	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec/2000
ECURITY DEBT	**89,184.6**	**89,551.4**	**89,075.7**	**89,622.9**	**96,043.5**	**97,257.6**	**94,501.7**	**95,198.3**	**97,331.3**	**97,784.9**	**101,421.9**	**103,813.1**	**105,519.3**
I. RENEGOTIATION BONDS	**60,665.6**	**59,371.9**	**58,255.1**	**56,380.1**	**61,040.7**	**61,682.3**	**59,296.8**	**57,728.5**	**49,463.2**	**49,732.6**	**50,797.5**	**51,888.0**	**51,776.8**
Brazil Investment Bond (BIB)	1,503.0	1,505.9	1,477.5	1,407.7	1,455.5	1,455.1	1,434.0	1,348.8	1,246.4	981.9	1,016.7	788.9	787.2
Interest Due and Unpaid (IDU)	4,434.6	2,978.6	2,922.5	2,887.5	2,985.7	3,018.5	1,487.3	1,466.5	1,506.6	1,523.4	1,577.4	1,619.2	1,615.7
Par Bond (PB)	6,922.2	6,974.ç1	6,842.9	6,365.8	6,544.4	6,602.2	6,506.1	6,415.0	5,427.3	5,487.7	5,682.1	5,832.7	5,820.2
Discount Bond (DB)	7,061.5	7,114.4	6,980.6	6,556.2	6,779.1	6,853.7	6,753.9	6,659.4	6,247.7	6,317.3	6,541.1	6,714.4	6,700.0
Front-Loaded Interest Reduction Bond (FLIRB)	3,108.2	3,132.0	3,073.1	2,887.8	2,985.9	3,018.8	2,974.9	2,787.7	1,163.4	1,176.3	1,218.0	1,250.3	1,247.6
Front-Loaded Interest Reduction Bond with Capitalization (C-Bond)	11,903.1	11,741.2	11,520.4	11,625.6	14,802.6	14,965.6	14,k747.7	14,541.2	12,859.2	13,002.3	13,110.2	13,457.7	13,428.9
Debt Conversion Bond (DCB)	14,352.7	14,460.2	14,188.2	13,960.5	14,435.1	14,594.1	14,381.6	14,180.2	11,631.8	11,758.3	12,174.8	12,496.3	12,469.5
New Money Bond (NMB)	4,005.7	4,035.7	3,959.8	3,912.3	4,045.3	4,089.9	4,030.3	3,776.5	3,271.7	3,308.1	3,425.2	3,516.0	3,508.5
Eligible Interest (EI)	7,374.6	7,429.8	7,290.1	6,776.7	7,007.1	7.084.2	6,981.1	6,553.2	6,109.1	6,177.1	6,052.0	6,212.4	6,199.1
I.2.BORROWING BONDS	**28,519.0**	**30,179.6**	**30,820.7**	**33,242.8**	**35,002.8**	**35,575.3**	**35,204.9**	**37,469.8**	**47,868.2**	**48,052.3**	**50,624.3**	**51,925.1**	**53,742.5**
Deutch Mark Bond (DM Bond)	-	-	-	-	-	-	-	-	-	-	-	-	-
Samurai Bonds	522.7	502.4	480.5	509.8	500.3	507.7	508.7	485.7	511.9	510.6	524.1	531.3	511.5
Caravella Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Eurosterling Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Global Bonds	1,341.8	1,351.8	1,326.4	1,310.5	1,355.0	1,370.0	1,350.0	1,331.1	1,367.6	1,382.8	1,431.8	1,469.7	1,466.6
2007 Deutch Mark Bonds	922.0	894.1	872.0	868.6	898.1	908.0	894.8	882.2	906.4	916.5	948.9	873.9	939.7
Franc Parallel Bonds	274.9	266.6	260.0	254.6	251.1	261.0	261.5	250.6	246.8	248.2	246.9	260.6	280.2
Guilder Parallel Bonds	327.3	317.4	309.6	303.1	299.0	310.8	311.4	298.ç4	293.9	295.5	294.0	310.3	333.6
Shilling Parallel Bonds	262.1	254.2	247.9	246.5	254.9	257.7	253.9	250.4	257.2	260.1	269,3	248.4	267.1
2027 Global Bonds	6.261.5	6,308.4	6,189.8	6,115.6	6,323.5	6,393.1	6,300.0	6,211.8	6,381.9	6,453.0	6.681.5	6,858.6	6,843.9
Eurolira Bonds	698.5	677.4	660.5	658.0	680.4	687.9	677.8	668.3	686.6	694.3	718.9	662.0	711.9
2007 Eurosterling Bonds	434.0	437.3	419.3	418.1	421.3	412.0	410.2	399.6	396.5	408.7	415.4	419.6	438.7
2003 Euro Bonds	903.4	876.1	854.5	836.8	825.4	857.8	859.5	823.6	811.2	815.8	811.6	856.5	920.9
2008 Global Bonds	691.5	670.6	654.0	651.4	673.6	681.0	671.1	661.7	679.8	687.4	711.7	655.5	704.8
2008 Deutch Mark Bonds	2,236.3	2.253.0	2,210.6	2,184.1	2,258.4	2,283.3	2,250.0	2,218.5	2,279.3	2,304.6	2,386.3	2,449.5	2,444.3
2004 Global Bonds	5,367.0	5.407.2	5,305.5	5,241.9	5,420.1	5,479.8	5,400.0	5,324.4	5,470.2	5,531.1	5,727.0	5,878.8	5,866.2
2002 Euro Bonds	1,445.5	1,401.8	1,367.1	1,338.8	1,320.7	1,372.5	1,375.2	1,317.7	1,297.9	1,305.3	1,298.6	1,370.4	1,473.4
2004 Euro Bonds	903.4	876.1	854.4	836.8	825.4	857.8	859.5	823.6	811.2	815.8	811.6	856.5	920.9
2009 Global Bonds	3,578.0	3,604.8	3,537.0	3,494.6	3,613.4	3,653.2	3,600.0	3,5496.	3,646.8	3,687.4	3,818.0	3,919.2	3,910.8
2006 Euro Bonds	1,264.8	1,226.6	1,196.2	1,171.5	1,155.6	1,201.0	1,203.3	1,153.0	1,424.2	1,142.1	1,136.3	1,199.1	1,289.2
2001 Euro Bonds	1,084.1	1,051.4	1,025.3	1,004.1	990.5	1,029.4	1,031.4	988.3	973.4	978.9	974.0	1,027.8	1,105.0
2020 Global Bonds	-	1,802.4	1,768.5	1,747.3	1,806.7	1,826.6	1,800.0	1,774.8	1,823.4	1,843.7	1,909.0	1,959.6	1,955.4
2010 Euro Bonds	-	-	1,281.7	1,255.1	1,238.2	1,286.8	1,289.2	1,235.3	1,216.8	1,223.7	1,217.5	1,284.7	1,381.3
2030 Global Bonds	-	-	-	2,795.7	2,890.7	2,922.6	2,880.0	2,839.7	2,917.4	2,949.9	3,054.4	3,135.4	3,128.6
2003 Samurai Bonds	-	-	-	-	1,000.5	1,015.5	1,017.5	971.5	1,023.9	1,021.1	1,048.3	1,062.6	1,023.0
2005 Euro Bonds	-	-	-	-	-	-	-	1,235.3	1,216.8	1,223.7	1,217.5	1,284.7	1,381.3
2007 Global Bonds	-	-	-	-	-	-	-	1,774.8	1,823.4	1,843.7	1,909.0	1,959.6	1,955.4
2040 Global Bonds	-	-	-	-	-	-	-	-	9,403.8	9,508.5	9,845.3	10,106.3	10,084.6
2007 Euro Bonds	-	-	-	-	-	-	-	-	-	-	1,217.5	1,284.7	1,381.3
2006 Samurai	-	-	-	-	-	-	-	-	-	-	-	-	1,023.0
II. DEPOSITS OF COLLATERAL SECURITIES	**(4,495.7)**	**(4,535.8)**	**(4,694.6)**	**(4,837.1)**	**(4,515.6)**	**(4,506.1)**	**(4,504.1)**	**(4,542.8)**	**(4,816.4)**	**(4,707.2)**	**(4,368.6)**	**(4,589.5)**	**(4,674.9)**
III. CONTRACT DEBT	**32,903.6**	**33,277.2**	**32,227.1**	**32,751.3**	**34,724.2**	**35,073.3**	**35,290.8**	**34,990.8**	**35,841.9**	**36,092.9**	**37,028.8**	**37,711.1**	**37,274.7**
IV. FUNDS AVAILABLE, AUTARCHIES AND FOUNDATIONS	**(823.3)**	**(807.9)**	**(785.9)**	**(812.5)**	**(824.3)**	**(835.8)**	**(949.3)**	**(952.1)**	**(976.3)**	**(864.5)**	**(889.0)**	**(986.3)**	**(938.2)**
V. TOTAL (I+II+III+IV)	**116,769.1**	**117,485.0**	**115,822.3**	**116,724.6**	**125,427.8**	**126,988.9**	**124,339.1**	**124,694.2**	**127,380.5**	**128,306.1**	**133,193.0**	**135,948.3**	**137,180.9**
TOTAL FOREIGN DEBT/PIB	**12.2%**	**12.1%**	**11.7%**	**11.7%**	**12.5%**	**12.5%**	**12.1%**	**12.0%**	**12.1%**	**12.1%**	**12.5%**	**12.7%**	**12.8%**

Source:STN

IX – CENTRAL GOVERNMENT PRIMARY RESULT

R$ million

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total 2000
I. TOTAL RECEIPTS	**18,501.3**	**17,152.1**	**20,219.9**	**19,120.1**	**19,316.7**	**18,200.1**	**18,627.6**	**20,779.0**	**18,853.5**	**19,979.1**	**20,148.6**	**25,618.8**	**236,516.8**
I.1. Treasury Receipts	**14,555.3**	**13,069.1**	**15,886.6**	**14,950.7**	**14,944.5**	**13,780.4**	**14,081.0**	**16,117.3**	**14,352.9**	**15,483.9**	**15,631.3**	**17,948.6**	**180,801.7**
I.1.1Gross Receipts	15,159.4	13,305.5	16,239.1	15,173.1	15,196.4	14,960.2	15,312.1	17,737.8	14,745.3	16,123.5	16,069.0	18,479.9	188,501.2
- Taxes	7,153.9	6,371.8	7,865.1	6,998.5	6,533.5	6,824.3	7,290.9	7,178.6	6,965.8	7,424.9	7,365.2	9,169.3	87,142.0
- Contributions	6,877.9	6,050.7	7,136.7	6,255.2	6,338.7	6,503.5	6,402.0	6,679.6	6,598.9	7,293.4	7,620.0	7,732.4	81,489.1
- Others	1,127.6	883.0	1,237.2	1,919.3	2,324.2	1,632.4	1,619.2	3,879.6	1,180.6	1,405.2	1,083.8	1,578.1	19,870.2
I.1.2. (-) Refund	(532.6)	(108.2)	(246.8)	(135.7)	(179.0)	(1,127.2)	(1,143.6)	(1,508.0)	(327.5)	(568.4)	(367.9)	(459.6)	(6,704.4)
I.1.3. (-) Fiscal Incentives	(71.4)	(128.2)	(105.7)	(86.7)	(72.9)	(52.6)	(87.6)	(112.6)	(64.9)	(71.3)	(69.7)	(71.7)	(995.1)
I.2. Social Security Receipts	**3,946.0**	**4,083.1**	**4,333.3**	**4,169.4**	**4,372.2**	**4,419.7**	**4,546.6**	**4,661.7**	**4,500.6**	**4,495.2**	**4,517.3**	**7,670.2**	**55,715.1**
II. TRANSFERS TO STATES AND MUNICIPALITIES	**3,377.5**	**3,185.1**	**3,412.3**	**3,382.2**	**3,446.3**	**2,943.9**	**3,238.8**	**3,380.0**	**3,286.4**	**3,287.0**	**3,724.6**	**3,619.0**	**40,283.1**
II.1. Constitutional Transfers	2,708.4	2.542.5	2,735.4	2,860.1	2,732..5	2,252.1	2,142.5	2,385.8	2,404.4	2,545.3	2,754.4	3,088.3	31,151.6
II.2.Complement. Law 87/96	278.4	271.8	255.0	259.5	292.6	274.0	274.7	551.6	481.3	389.7	292.4	195.0	3,816.1
II.3. Others	390.7	370.7	421.9	262.5	421.2	417.7	821.6	442.6	400.8	352.1	677.8	335.7	5,315.4
III. TOTAL NET RECEIPTS (I-II)	**15,123.8**	**13,967.1**	**16,807.6**	**15,737.9**	**15,870.4**	**15,256.2**	**15,388.8**	**17,399.0**	**15,567.0**	**16,692.0**	**16,424.0**	**21,999.8**	**196,233.7**
IV.TOTAL EXPENDIT.	**13,597.4**	**12,412.0**	**12,734.3**	**11,742.0**	**12,903.7**	**13,671.7**	**14,973.6**	**14,100.9**	**13,940.9**	**15,616.8**	**15,057.4**	**23,852.5**	**174,603.1**
IV.1.Personnel and Social Charg.	**5,407.9**	**4,282.3**	**4,196.2**	**4,062.0**	**4,194.0**	**4,486.5**	**5,111.5**	**4,175.0**	**4,221.5**	**4,326.1**	**4,441.2**	**6,725.7**	**55,629.8**
IV.1.1. INSS	272.2	268.6	234.0	255.7	235.7	275.8	318.3	224.8	254.2	263.0	263.6	409.5	3,275.2
IV.1.2. Others	5,135.7	4,013.7	3,962.2	3,806.3	3,958.3	4,210.8	4,793.2	3,950.2	3,967.3	4,063.1	4,177.6	6,316.1	52,354.6
IV.2. Social Security Benefits	**4,671.8**	**4,670.7**	**4,781.3**	**4,810.7**	**4,995.4**	**5,056.7**	**5,199.7**	**5,260.5**	**5,334.2**	**5,405.5**	**5,885.5**	**9,715.0**	**65,787.1**
IV.3.Cap.& Current Exp	**3,517.7**	**3,459.0**	**3,756.7**	**2,869.3**	**3,714.3**	**4,128.5**	**4,662.4**	**4,665.4**	**4,385.1**	**5,885.2**	**4,730.7**	**7,411.9**	**53,186.2**
IV.3.1.FAT Expenditures	315.0	436.9	653.6	214.7	627.7	374.4	506.2	558.9	472.9	555.1	344.9	430.9	5,491.1
- Bonus & Unemp. Insurance	291.6	390.8	361.5	158.5	604.5	337.6	462.0	502.1	437.0	482.5	226.3	381.7	4,636.1
- Other FAT Expenditures	23.4	46.1	292.1	56.2	23.3	36.8	44.1	56.8	36.0	72.5	118.6	49.2	855.0
IV.3.2. Subsidies & Economic Subventions	24.7	101.1	267.3	167.5	213.7	136.1	235.4	364.2	265.5	1,287.5	195.0	380.2	3,638.3
- Official Credit Operations	22.8	48.3	183.3	91.4	118.4	63.1	150.7	336.6	214.2	1,237.6	123.2	329.1	2,918.7
- Subventions to Regional Funds	2.0	52.9	83.9	76.1	95.3	73.0	84.7	27.6	51.3	49.9	71.8	51.0	719.6
IV.3.3. Other Capital & Current Expenditures	3,178.0	2,921.0	2,835.9	2,487.1	2,872.8	3,618.0	3,920.8	3,742.3	3,646.6	4,042.7	4,190.8	6,600.8	44,056.8
V. FEDERAL GOVERNMENT PRIMARY RESULTS (III - IV)	**1,526.4**	**1,555.1**	**4,073.3**	**3,995.9**	**2,966.7**	**1,584.5**	**415.2**	**3,298.1**	**1,626.2**	**1.075,2**	**1,366.6**	**(1,852.7)**	**21,630.6**
V.1. National Treasury	2,252.2	2,142.7	4,521.3	4,637.3	3,589.9	2,221.6	1,068.4	3,896.9	2,459.9	1,985.6	2,734.8	192.1	31,702.6
V.2 Soc. Sec. (Overall System) (1)	(725.8)	(587.6)	(448.0)	(641.4)	(623.2)	(637.0)	(653.1)	(598.8)	(833.7)	(910.[illegible])	(1.368.[illegible])	(2.044.8)	(10.071.[illegible])
VI. CENTRAL BANK PRIMARY RESULTS (2)	**(43.1)**	**(62.0)**	**(49.2)**	**(43.0)**	**(82.2)**	**59.8**	**(55.2)**	**(24.2)**	**0.3**	**(45.7)**	**(261)**	**(106.8)**	**(477.4)**
VII. CENTRAL GOVERNMENT PRIMARY RESULTS (V + VI)	**1,483.2**	**1,493.1**	**4,024.1**	**3,952.9**	**2,884.5**	**1,644.4**	**360.0**	**3,273.9**	**1,626.5**	**1,029.5**	**1,340.5**	**(1,959.5)**	**21,153.3**
VIII. STATISTICAL DISCREPANCIES	**(338.2)**	**888.6**	**927.9**	**(1,783.8)**	**305.2**	**151.3**	**37.0**	**1,379.9**	**142.9**	**(2,510.8)**	**694.2**	**(613.5)**	**(719.3)**
IX. CENTRAL GOVERNMENT PRIMARY RESULTS (3)	**1,145.0**	**2,381.7**	**4,952.0**	**2,169.1**	**3,189.7**	**1,795.6**	**397.0**	**4,653.8**	**1,769.5**	**(1,481.3)**	**2,034.7**	**(2,572.9)**	**20,434.0**
X. NOMINAL INTER. (3)	**(2,885.8)**	**(3,362.4)**	**(2,936.8)**	**(6,919.4)**	**(6,548.5)**	**(3.286.1)**	**(2,682.2)**	**(5,949.6)**	**(2,927.4)**	**(7,998.9)**	**(6,330.2)**	**(3,102.5)**	**(54,929.7)**
XI. CENTRAL GOVERNMENT NOMINAL RESULTS (3)	**(1,740.7)**	**(980.7)**	**2,015.2**	**(4,750.3)**	**(3,358.7)**	**(1,490.4)**	**(2,285.2)**	**(1,295.8)**	**(1,157.9)**	**(9,480.2)**	**(4,295.5)**	**(5,675.4)**	**(34,495.7)**

Source: STN – Note: Revised data, subject to change

(1) Contribution Receipts minus Soc. Security Benefits

(2) Net Administrative Expenditures

(3) Below the line concept - Source Central Bank of Brazil