

Brazil Stocks Will Jump 30% in 2006, Says Money Expert

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Sergio Goldman, equity strategist at Unibanco, says the Brazilian stock market will rise by at least 30% in 2006 as the economy continues to accelerate.

He also believes the current economic policy will continue, regardless of who wins the next presidential election and does not exclude the prospect of President Luiz Inácio Lula da Silva standing for re-election.

Goldman also expects interest rates to continue their downward trend but to remain above 10% in real terms, and the real to depreciate gradually toward R\$2.40/US\$ by the end of 2006.

In a wide-ranging interview with Brazil Political Comment, a site which covers the Brazilian political and business scene, Goldman also discusses how foreign investors have reacted to the ongoing political crisis, Central Bank independence, how Brazilian companies are preparing for the Sarbannes-Oxley Act and explains why foreign investors should buy shares in Brazilian companies.

The interview is available in English and Portuguese at www.brazilpoliticalcomment.com.br

You can also read John Fitzpatrick's article "Sitting in the Shadow of Sarney and Magalhães" in which he compares the methods used by the Workers Party (PT) to cling to power with those used by two of Brazil's veteran politicians, José Sarney and Antonio Carlos Magalhães. Here is an excerpt:

"During his recent testimony to the Senate economic committee the Finance Minister, Antonio Palocci, must have felt like a rose between two thorns. To his left sat former President José Sarney while on the far right of the podium sat Senator Antonio Carlos Magalhães.

"Both these veterans are former chairmen of the Senate and were active in politics when Palocci was still in his pram and President Luiz Inácio Lula da Silva was an apprentice metal worker. They sat there like bodyguards, a reminder that the session would go according to their wishes and that Palocci was not to be given too rough a ride."

Former Brazilian Finance Minister Mailson da Nóbrega also discusses his latest book "O Futuro Chegou - Instituições e Desenvolvimento no Brasil" (The Future has Arrived - Institutions and Development in Brazil) in which he foresees Brazil boosted by a new development model based on democracy, a market-oriented economy and strong economic institutions.

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