

**September 14, 2001**

*The median of market expectations for the GDP growth remained unchanged at 1.70% for the year 2001 and rose to 2.93% from 2.88% for 2002, as tracked by Banco Central do Brasil daily survey.* Expectations for the Consumer Price Index – IPCA declined to 6.48% from 6.49% for the year 2001 and remained stable at 4.50% for 2002. Forecasts for the IPC-Fipe reached 6.47% from 6.46% for 2001 and remained constant at 4.50% for the year 2002. Projections for the IGP-DI elevated to 9.29% from 9.24% for the year 2001 and to 5.73% from 5.50% for 2002.

The median of market expectations for the trade balance deficit reduced to US\$0.30 billion from US\$0.50 billion for 2001, while the trade balance surplus increased to US\$1.03 billion from US\$1.00 billion for next year. Expectations for the current account deficit decreased to US\$26.50 billion from US\$26.80 billion for the year 2001 and declined to US\$25.50 billion from US\$25.99 billion for the year 2002. The median of market expectations for the Over-Selic rose to 18.50% p.a. from 18.25% p.a. for the year 2001 and remained stable at 16.00% p.a. for 2002. Forecasts for the exchange rate reached R\$/US\$2.50 from R\$/US\$2.45 for 2001 and remained constant at R\$/US\$2.60 for the year 2002. On the fiscal front, the median of expectations for the primary surplus remained unchanged at 3.35% of the GDP for the year 2001 and at 3.50% of the GDP for 2002. Expectations for other economic indicators, along with median forecasts for the Top 5 forecasters are quoted in the tables and figures below.

**Table 1**  
**Market Readout**

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

**PRICE INDICES**

	<b>September</b>		<b>October</b>	
	As of September 6	As of today	As of September 6	As of today
(% change)				
IGP-DI	0.50	0.50	0.45	0.45
IGP-M	0.55	0.50	0.45	0.46
IPC-Fipe	0.40	0.40	0.35	0.35
INPC	0.40	0.40	0.38	0.38
IPCA	0.39	0.40	0.35	0.35
	<b>2001</b>		<b>2002</b>	
IGP-DI	9.24	9.29	5.50	5.73
IGP-M	9.17	9.18	5.75	6.00
IPC-Fipe	6.46	6.47	4.50	4.50
INPC	7.11	7.15	4.50	4.55
IPCA	6.49	6.48	4.50	4.50

### OTHER ECONOMIC INDICATORS

	2001		2002	
	As of September 6	As of today	As of September 6	As of today
GDP growth (%)	1.70	1.70	2.88	2.93
Trade Balance (US\$ billion)	-0.50	-0.30	1.00	1.03
Current Account (US\$ billion)	-26.80	-26.50	-25.99	-25.50
Fiscal Figures (% of GDP)				
- Primary Balance	3.35	3.35	3.50	3.50
- Nominal Balance	-6.43	-6.50	-4.40	4.50
Exchange Rate End of period (R\$/US\$)	2.45	2.50	2.60	2.60
Over-Selic End of period (% p.a.)	18.25	18.50	16.00	16.00

**Table 2**

### Market Readout

*Banco Central do Brasil Daily Survey on Market Expectations - Median  
Top 5 – Short Run Forecasters*

(% change)	September		October	
	As of September 6	As of today	As of September 6	As of today
IGP-DI	0.50	0.40	0.40	0.40
IGP-M	0.58	0.50	0.43	0.48
IPC-Fipe	0.35	0.35	0.18	0.24
IPCA	0.35	0.36	0.30	0.32
	2001		2002	
IGP-DI	9.50	9.20	6.00	6.00
IGP-M	9.16	9.25	5.65	5.70
IPC-Fipe	6.25	6.20	4.49	4.46
IPCA	6.53	6.65	4.50	4.60

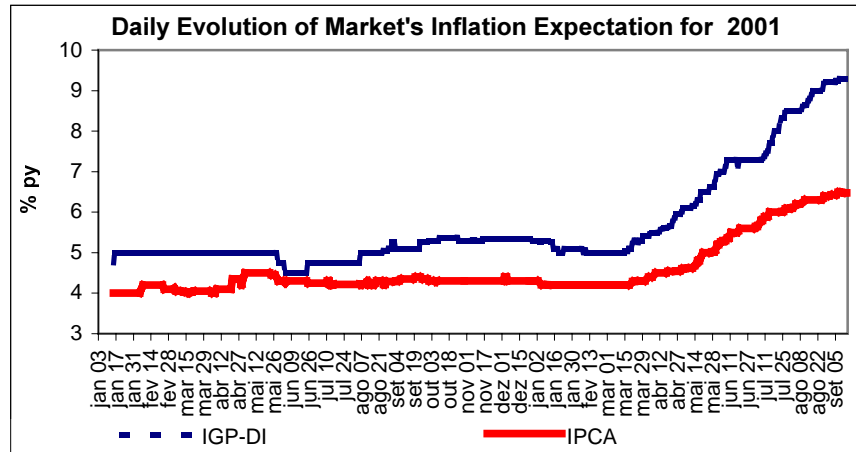
**Table 3**

### Market Readout

*Banco Central do Brasil Daily Survey on Market Expectations - Median  
Top 5 – Medium Run Model Forecasters*

(% change)	September		October	
	As of September 6	As of today	As of September 6	As of today
IGP-DI	0.50	0.51	0.50	0.45
IGP-M	0.70	0.52	0.55	0.48
IPC-Fipe	0.59	0.50	0.40	0.40
IPCA	0.40	0.43	0.33	0.35
	2001		2002	
IGP-DI	9.40	9.10	5.75	5.76
IGP-M	9.22	9.10	6.27	6.00
IPC-Fipe	6.57	6.50	4.50	4.50
IPCA	6.53	6.43	4.50	5.01

**Figure 1**  
**Evolution of Median Expectations for Inflation**  
 Banco Central do Brasil Daily Survey on Market Expectations



**Figure 2**  
**Dispersion of Inflation Forecasts for 2001**  
 Banco Central do Brasil Daily Survey on Market Expectations

