

**September 28, 2001**

*The median of market expectations for the trade balance reached US\$0.00 billion from a trade balance deficit of US\$0.20 billion for 2001, while the trade balance surplus increased to US\$2.10 billion from US\$1.12 billion for the next year, as tracked by Banco Central do Brasil daily survey.* Expectations for the current account deficit declined to US\$26.00 billion from US\$26.50 billion for the year 2001 and to US\$24.88 billion from US\$25.50 billion for the year 2002.

Expectations for the GDP growth declined to 1.60% from 1.70% for the year 2001 and to 2.50% from 2.65% for 2002. Expectations for the Consumer Price Index – IPCA rose to 6.60% from 6.50% for the year 2001 and to 4.80% from 4.65% for 2002. Forecasts for the IPC-Fipe remained unchanged at 6.50% and at 4.50% for the year 2001 and for the year 2002 respectively. Projections for the IGP-DI elevated to 9.35% from 9.30% for the year 2001 and to 5.80% from 5.69% for the next year.

The median of market expectations for the Over-Selic increased to 19.00% p.a. from 18.50% p.a. for the year 2001 and remained constant at 16.50% p.a. for 2002. Forecasts for the exchange rate reached R\$/US\$2.70 from R\$/US\$2.60 for 2001 and rose to R\$/US\$2.80 from R\$/US\$2.70 for the year 2002. On the fiscal front, the median of expectations for the primary surplus remained constant at 3.35% of the GDP for the year 2001 and at 3.50% of the GDP for the year 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**

(% change)	September		October	
	As of September 21	As of today	As of September 21	As of today
IGP-DI	0.50	0.44	0.45	0.48
IGP-M	0.46	-	0.50	0.50
IPC-Fipe	0.40	0.40	0.40	0.40
INPC	0.40	0.40	0.38	0.40
IPCA	0.40	0.40	0.39	0.40
	2001		2002	
IGP-DI	9.30	9.35	5.69	5.80
IGP-M	9.30	9.30	6.00	6.00
IPC-Fipe	6.50	6.50	4.50	4.50
INPC	7.27	7.33	4.58	4.52
IPCA	6.50	6.60	4.65	4.80

### OTHER ECONOMIC INDICATORS

	2001		2002	
	As of September 21	As of today	As of September 21	As of today
GDP growth (%)	1.70	1.60	2.65	2.50
Trade Balance (US\$ billion)	-0.20	0.00	1.12	2.10
Current Account (US\$ billion)	-26.50	-26.00	-25.50	-24.88
Fiscal Figures (% of GDP)				
- Primary Balance	3.35	3.35	3.50	3.50
- Nominal Balance (past methodology)	-6.95	-7.46	-4.60	-4.80
Exchange Rate				
End of period (R\$/US\$)	2.60	2.70	2.70	2.80
Over-Selic				
End of period (% p.a.)	18.50	19.00	16.50	16.50

### Table 2 Market Readout

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

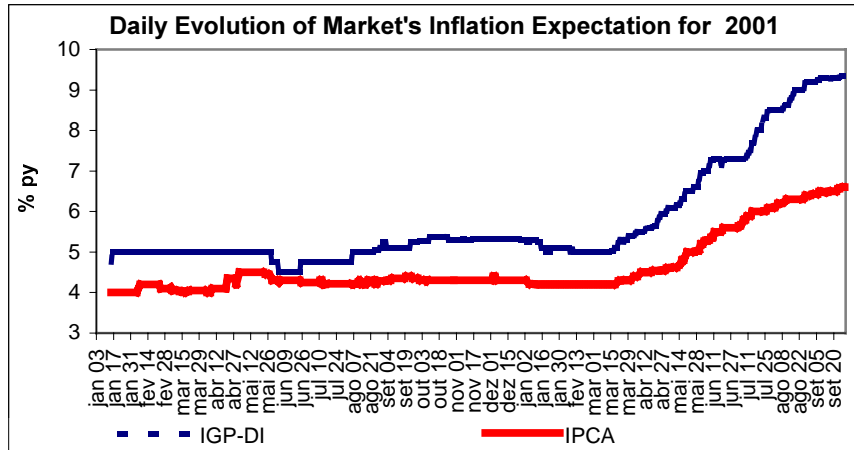
	September		October	
	As of September 21	As of today	As of September 21	As of today
(% change)				
IGP-DI	0.40	0.40	0.40	0.60
IGP-M	0.35	-	0.55	0.53
IPC-Fipe	0.35	0.37	0.24	0.28
IPCA	0.36	0.36	0.37	0.44
	2001		2002	
IGP-DI	9.30	9.40	6.00	6.80
IGP-M	9.30	9.30	5.60	5.70
IPC-Fipe	6.20	6.30	4.46	4.77
IPCA	6.65	6.80	4.60	5.20

### Table 3 Market Readout

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

	September		October	
	As of September 21	As of today	As of September 21	As of today
(% change)				
IGP-DI	0.49	0.45	0.45	0.45
IGP-M	0.46	-	0.51	0.51
IPC-Fipe	0.33	0.33	0.24	0.28
IPCA	0.40	0.40	0.39	0.40
	2001		2002	
IGP-DI	9.33	9.33	5.50	6.53
IGP-M	9.30	9.50	6.00	7.00
IPC-Fipe	6.15	6.50	4.50	4.54
IPCA	6.69	6.69	5.01	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

