

November 23th, 2001

On November 23th, the median of market expectations for the Consumer Price Index - IPCA for 2001 increased to 7.18% from 7.14% and decreased to 5.10% from 5.11% for 2002. Expectations for the IGP-M rose to 10.57% from 10.41% for the year 2001 and remained unchanged at 7% for next year. Forecasts for the IPC-Fipe augmented to 7.10% from 7.04% for the year 2001 and remained at 5.2% for the year 2002. Projections for the GDP growth remained constant at 1.7% for the year 2001 and 2% for 2002.

Forecasts for the exchange rate declined to R\$/US\$2.66 from R\$/US\$2.70 for 2001 and to R\$/US\$2.75 from R\$/US\$2.80 for the year 2002. The median of market expectations for the Over-Selic rate remained stable at 19% p.a. and at 17% p.a. for the year 2001 and 2002, respectively. On the fiscal front, the median of market expectations for the primary surplus remained unchanged at 3.40% of the GDP for the year 2001 and at 3.50% of the GDP for the year 2002.

The median of market expectations for the trade balance surplus remained unchanged at US\$1.5 billion for 2001 and decreased to US\$4.6 billion from US\$4.9 billion for 2002, as tracked by Banco Central do Brasil daily survey. Forecasts for the current account deficit dropped to US\$ 24.20 billion from US\$ 24.27 billion for the year 2001 and remained stable at US\$ 20.50 billion for the year 2002. Expectations for other economic indicators, along with median projections 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)	November		December	
	As of November 16	As of today	As of November 16	As of today
IGP-DI	0.70	0.80	0.46	0.50
IGP-M	0.90	1.03	0.45	0.50
IPC-Fipe	0.54	0.59	0.30	0.30
INPC	0.60	0.66	0.30	0.35
IPCA	0.56	0.60	0.30	0.31
	2001		2002	
IGP-DI	10.55	10.69	7.00	7.05
IGP-M	10.41	10.57	7.00	7.00
IPC-Fipe	7.04	7.10	5.20	5.20
INPC	8.18	8.36	5.30	5.30
IPCA	7.14	7.18	5.11	5.10

OTHER ECONOMIC INDICATORS

	2001		2002	
	As of November 16	As of today	As of November 16	As of today
GDP growth (%)	1.70	1.70	2.00	2.00
Trade Balance (US\$ billion)	1.50	1.50	4.90	4.60
Current Account (US\$ billion)	-24.27	-24.20	-20.50	-20.50
FDI (US billion)	18.60	18.62	15.00	15.00
Fiscal Figures (% of GDP)				
- Primary Balance	3.40	3.40	3.50	3.50
- Nominal Balance (harmonized)	-3.20	-3.20	-3.50	-3.50
Exchange Rate	2.70	2.66	2.80	2.75
End of period (R\$/US\$)				
Over-Selic	19.00	19.00	17.00	17.00
End of period (% p.a.)				

Table 2
Market Readout

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

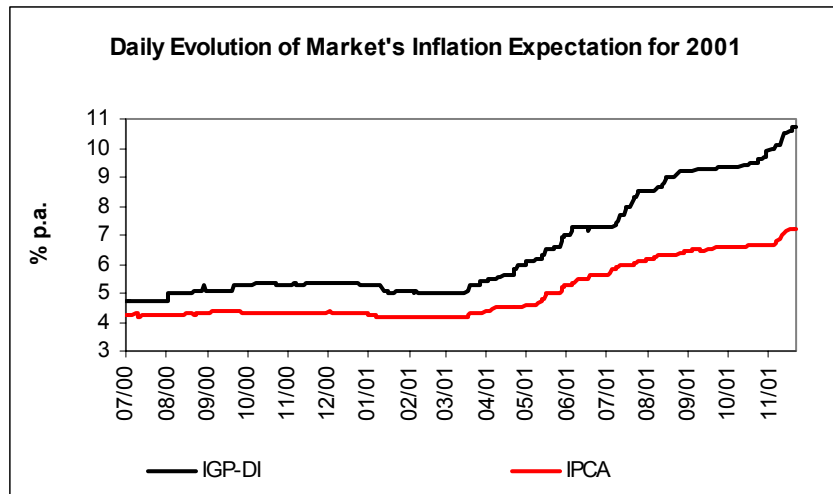
	November		December	
	As of November 16	As of today	As of November 16	As of today
(% change)				
IGP-DI	0.70	0.73	0.50	0.47
IGP-M	0.90	1.10	0.45	0.50
IPC-Fipe	0.41	0.51	0.31	0.31
IPCA	0.55	0.55	0.33	0.37
	2001		2002	
IGP-DI	10.52	10.69	6.60	6.60
IGP-M	10.41	10.68	7.50	7.50
IPC-Fipe	6.81	7.02	4.75	4.75
IPCA	7.10	7.34	5.65	5.50

Table 3
Market Readout

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

	November		December	
	As of November 16	As of today	As of November 16	As of today
(% change)				
IGP-DI	0.70	0.75	0.50	0.47
IGP-M	0.90	1.10	0.50	0.50
IPC-Fipe	0.58	0.58	0.28	0.31
IPCA	0.60	0.65	0.30	0.30
	2001		2002	
IGP-DI	10.74	10.69	6.59	7.10
IGP-M	10.46	10.63	8.02	7.30
IPC-Fipe	7.12	7.14	5.52	5.52
IPCA	7.09	7.24	5.59	5.59

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



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

