

---

**February 1<sup>st</sup>, 2002**

*The median of market expectations for the Consumer Price Index - IPCA remained stable at 4.80% for 2002 and at 4.00% for 2003, as tracked by Banco Central do Brasil daily survey.*

Forecasts for the IPC-Fipe remained stable at 4.80% for the year 2002 and at 4.00% for the year 2003. Expectations for the INPC increased to 5.25% from 5.17% for the year 2002 and remained unchanged at 4.00% for the year 2003. Forecasts for the IGP-DI remained unchanged at 5.85% for the year 2002 and increased to 4.65% from 4.58% for 2003. Expectations for the IGP-M decreased to 5.78% from 5.84% for the year 2002 and to 4.52 from 4.60% for the next year.

The median of market expectations for the GDP growth decreased to 2.40% from 2.44% for the year 2002 and remained unchanged at 3.5% for the year 2003. Forecasts for the current account deficit increased to US\$ 20.15 billion from US\$ 20.00 for the year 2002 and remained constant at US\$ 19.83 billion for the year 2003. Expectations for the trade balance surplus dropped to US\$ 4.70 billion from US\$ 4.80 billion for 2002 and declined to US\$ 5.8 billion from US\$ 6.0 billion for 2003.

The median of market expectations for the exchange rate dropped to R\$/US\$ 2.55 from R\$/US\$ 2.58 for end-2002 and remained constant at R\$/US\$ 2.70 for end-2003. Forecasts for the Over-Selic rate rose to 17.00% from 16.51% p.a. for the year 2002 and remained stable at 14.00% p.a. for the year 2003. On the fiscal front, the median of market expectations for the primary surplus remained unchanged at 3.50% for the year 2002 and at 3.05% of the GDP for the year 2003. Expectations for other economic indicators, along with median projections for the Top 5 forecasting institutions 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)	January		February	
	As of January 25	As of today	As of January 25	As of today
IGP-DI	0.15	0.20	0.20	0.16
IGP-M	0.25	-	0.15	0.15
INPC	0.50	0.60	0.30	0.30
IPCA	0.40	0.45	0.25	0.27
IPC-FIPE	0.45	0.55	0.25	0.25
	2002		2003	
IGP-DI	5.85	5.85	4.58	4.65
IGP-M	5.84	5.78	4.60	4.52
INPC	5.17	5.25	4.00	4.00
IPCA	4.80	4.80	4.00	4.00
IPC-FIPE	4.80	4.80	4.00	4.00

**OTHER ECONOMIC INDICATORS – 2002/2003**

	2002		2003	
	As of January 25	As of today	As of January 25	As of today
GDP growth (%)	2.44	2.40	3.50	3.50
Trade Balance (US\$ billion)	4.80	4.70	6.00	5.80
Current Account (US\$ billion)	-20.00	-20.15	-19.83	-19.83
FDI (US\$ billion)	16.00	16.20	16.25	16.25
Fiscal Figures (% of GDP)				
Primary Balance	3.50	3.50	3.05	3.05
Nominal Balance (harmonized)	-3.30	-3.50	-3.00	-3.00
Exchange Rate End of period (R\$/US\$)	2.58	2.55	2.70	2.70
Over-Selic End of period (% p.a.)	16.51	17.00	14.00	14.00

**Table 2**  
**Market Readout**

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

(% change)	January		February	
	As of January 25	As of today	As of January 25	As of today
IGP-DI	0.00	0.10	0.00	-0.05
IGP-M	0.18	-	-0.05	-0.03
IPCA	0.40	0.41	0.25	0.28
	2002		2003	
IGP-DI	5.06	5.07	4.01	4.41
IGP-M	5.52	5.63	4.00	4.00
IPCA	4.85	4.85	3.75	3.75

**Table 3**  
**Market Readout**

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

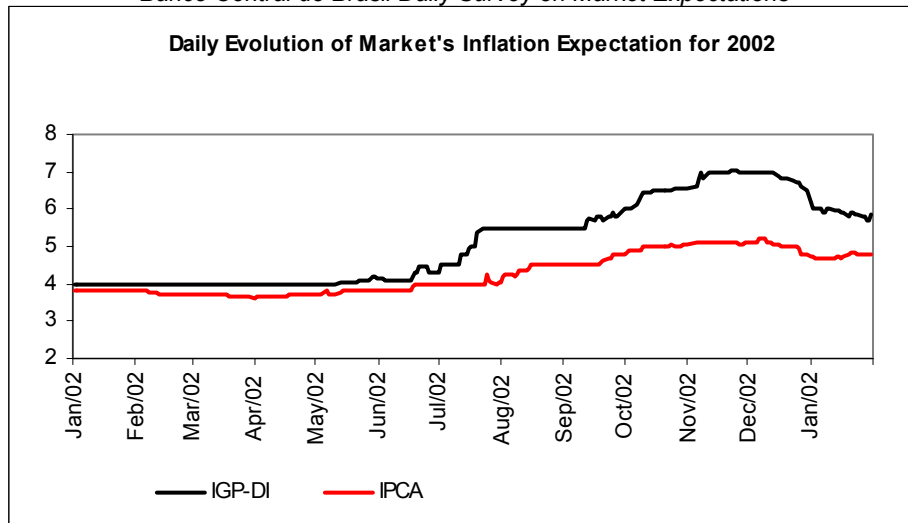
(% change)	January		February	
	As of January 25	As of today	As of January 25	As of today
IGP-DI	-0.05	0.00	0.05	0.10
IGP-M	0.20	-	0.00	0.00
IPCA	0.40	0.45	0.27	0.27
	2002		2003	
IGP-DI	5.61	5.77	5.00	5.00
IGP-M	5.09	5.12	4.15	4.37
IPCA	4.96	5.00	4.00	4.00

**Table 4**  
**Market Readout**

*Banco Central do Brasil Daily Survey on Market Expectations - Median  
Top 5 – Long Run Forecasting Institutions*

(% change)	January		February	
	As of January 25	As of today	As of January 25	As of today
IPCA	0.35	0.38	0.25	0.25
	2002		2003	
IPCA	4.91	4.93	4.25	4.25

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



**Graph 2**  
**Dispersion of Inflation Forecasts for 2002**  
 Banco Central do Brasil Daily Survey on Market Expectations

