
February 8th, 2002

The median of market expectations for the net flow of foreign direct investment increased to US\$16.50 billion from US\$16.20 billion for 2002 and to US\$16.70 billion from US\$16.25 billion for 2003, as tracked by Banco Central do Brasil daily survey. The expectations for the trade balance surplus rose to US\$4.75 billion from US\$4.70 billion for 2002, and reduced to US\$5.70 billion from US\$5.80 billion for 2003. The projections for the current account deficit remained stable at US\$20.15 billion for 2002 and reduced to US\$19.80 billion from US\$19.83 billion for 2003.

The forecasts for the GDP growth increased to 2.43% from 2.40% for 2002 and remained stable at 3.50% for 2003.

The expectations for the IGP-M dropped to 5.70% from 5.78% for 2002, and increased to 4.54% from 4.52% for 2003. The forecasts for the Consumer Price Index–Extended - IPCA remained unchanged at 4.80% for 2002 and at 4.00% for 2003. The median of expectations for the IGP-DI increased to 5.88% from 5.85% for 2002 and remained constant at 4.65% for 2003. The projections for the IPC-Fipe rose to 4.81% from 4.80% for 2002 and remained stable at 4.00% for 2003. The expectations for the INPC increased to 5.48% from 5.25% for 2002 and remained unchanged at 4.00% for 2003.

On the fiscal front, the median of market expectations for the primary surplus remained stable at 3.50% of the GDP for 2002 and reduced to 3.00% from 3.05% of the GDP for 2003. The projections for the harmonized nominal deficit remained unchanged at 3.50% of the GDP for 2002, and increased to 3.30% from 3.00% of the GDP for 2003. The median of expectations for the exchange rate remained stable at R\$/US\$2.55 for 2002 and at R\$/US\$2.70 for 2003. The expectations for the Over-Selic rate remained constant at 17.00% p.a. for the year 2002 and at 14.00% p.a. for 2003. Expectations for the surveyed 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)	February		March	
	As of February 1	As of today	As of February 1	As of today
IGP-DI	0.16	0.15	0.35	0.35
IGP-M	0.15	0.13	0.35	0.34
INPC	0.30	0.30	0.30	0.30
IPCA	0.27	0.27	0.30	0.30
IPC-FIPE	0.25	0.20	0.29	0.25
	2002		2003	
IGP-DI	5.85	5.88	4.65	4.65
IGP-M	5.78	5.70	4.52	4.54
INPC	5.25	5.48	4.00	4.00
IPCA	4.80	4.80	4.00	4.00
IPC-FIPE	4.80	4.81	4.00	4.00

OTHER ECONOMIC INDICATORS – 2002/2003

	2002		2003	
	As of February 1	As of today	As of February 1	As of today
GDP growth (%)	2.40	2.43	3.50	3.50
Trade Balance (US\$ billion)	4.70	4.75	5.80	5.70
Current Account (US\$ billion)	-20.15	-20.15	-19.83	-19.80
FDI (US\$ billion)	16.20	16.50	16.25	16.70
Fiscal Figures (% of GDP)				
Primary Balance	3.50	3.50	3.05	3.00
Nominal Balance (harmonized)	-3.50	-3.50	-3.00	-3.30
Exchange Rate End of period (R\$/US\$)	2.55	2.55	2.70	2.70
Over-Selic End of period (% p.a.)	17.00	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*

	February		March	
(% change)	As of February 1	As of today	As of February 1	As of today
IGP-DI	-0.05	-0.10	0.20	0.18
IGP-M	-0.03	0.03	0.33	0.30
IPCA	0.28	0.30	0.30	0.30
	2002		2003	
IGP-DI	5.07	5.05	4.41	4.41
IGP-M	5.63	5.56	4.00	4.00
IPCA	4.85	4.82	3.75	3.75

Table 3
Market Readout

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

	February		March	
(% change)	As of February 1	As of today	As of February 1	As of today
IGP-DI	0.10	0.18	0.35	0.33
IGP-M	0.00	0.03	0.30	0.30
IPCA	0.27	0.30	0.29	0.29
	2002		2003	
IGP-DI	5.77	5.96	5.00	5.00
IGP-M	5.12	5.18	4.37	4.37
IPCA	5.00	5.00	4.00	4.00

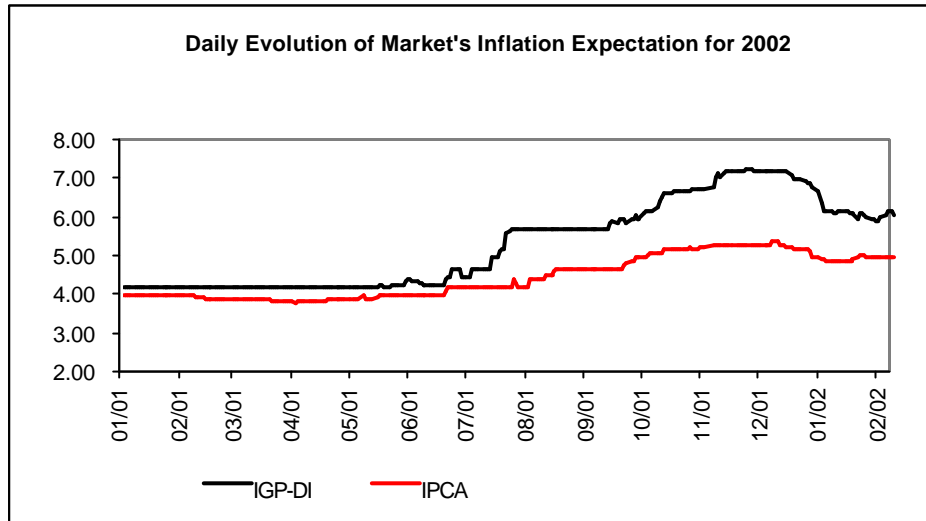
Table 4
Market Readout

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

	February		March	
(% change)	As of February 1	As of today	As of February 1	As of today
IPCA	0.25	0.26	0.33	0.33
	2002		2003	
IPCA	4.93	4.90	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

