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

*The median of market expectations for the GDP growth increased to 2.44% from 2.40% for 2002 and remained stable at 3.50% for 2003, as tracked by Banco Central do Brasil daily survey.* The expectations for the Over-Selic rate reduced to 16.53% p.a. from 17.00% p.a. for the year 2002 and to 14.00% p.a. from 14.05% p.a. for 2003.

The forecasts for the Consumer Price Index–Extended - IPCA rose to 4.89% from 4.85% for 2002 and remained unchanged at 4.00% for 2003. The forecasts for the IGP-M increased to 5.78% from 5.74% for 2002 and remained stable at 4.60% for 2003. The median for market expectations for the IPC-Fipe reduced to 4.85% from 4.87% for 2002 and remained constant at 4.00% for 2003. The forecasts for the IGP-DI remained at 5.84% for 2002 and rose to 4.73% from 4.70% for 2003. The projections for the INPC remained constant at 5.61% and at 4.00% for 2002 and for 2003, respectively.

The net flow of foreign direct investment remained unchanged at US\$17.00 billion for 2002 and increased to US\$18.00 billion from US\$17.50 billion for 2003. The expectations for the trade balance surplus reduced to US\$4.55 billion from US\$4.75 billion for 2002 and to US\$5.60 billion from US\$5.70 billion for 2003. The median of the projections for the current account deficit rose to US\$20.10 billion from US\$20.06 billion for 2002 and to US\$19.82 billion from US\$19.75 billion for 2003. The median of forecasts for the exchange rate remained stable at R\$/US\$2.55 for 2002 and at R\$/US\$2.70 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 3.05% from 3.10% of the GDP for 2003. The projections for the harmonized nominal deficit remained unchanged at 3.50% of the GDP for 2002 and at 3.30% of the GDP 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.

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

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

**PRICE INDICES**

	February		March	
(% change)	As of February 22	As of today	As of February 22	As of today
IGP-DI	0.13	0.13	0.30	0.30
IGP-M	0.05	-	0.30	0.30
INPC	0.35	0.35	0.30	0.30
IPCA	0.30	0.32	0.30	0.30
IPC-FIPE	0.19	0.22	0.20	0.20
	2002		2003	
IGP-DI	5.84	5.84	4.70	4.73
IGP-M	5.74	5.78	4.60	4.60
INPC	5.61	5.61	4.00	4.00
IPCA	4.85	4.89	4.00	4.00
IPC-FIPE	4.87	4.85	4.00	4.00

**OTHER ECONOMIC INDICATORS – 2002/2003**

	2002		2003	
	As of February 22	As of today	As of February 22	As of today
GDP growth (%)	2.40	2.44	3.50	3.50
Trade Balance (US\$ billion)	4.75	4.55	5.70	5.60
Current Account (US\$ billion)	-20.06	-20.10	-19.75	-19.82
FDI (US\$ billion)	17.00	17.00	17.50	18.00
Fiscal Figures (% of GDP)				
Primary Balance	3.50	3.50	3.10	3.05
Nominal Balance (harmonized)	-3.50	-3.50	-3.30	-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	16.53	14.05	14.00

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

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

	<b>February</b>		<b>March</b>	
(% change)	As of February 22	As of today	As of February 22	As of today
IGP-DI	0.05	0.05	0.15	0.28
IGP-M	-0.02	-	0.24	0.24
IPCA	0.28	0.35	0.30	0.30
	<b>2002</b>		<b>2003</b>	
IGP-DI	5.26	5.28	4.41	4.41
IGP-M	5.26	5.26	5.35	5.35
IPCA	4.88	4.84	3.75	3.75

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

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

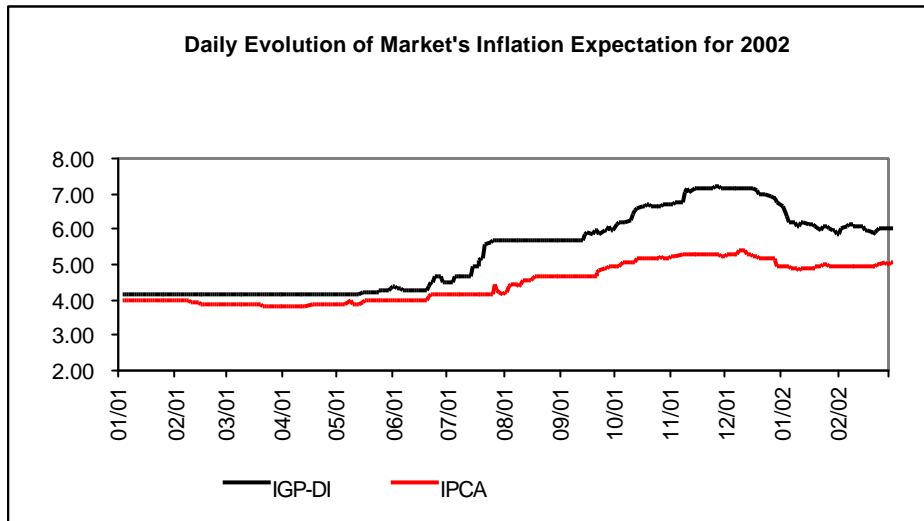
	<b>February</b>		<b>March</b>	
(% change)	As of February 22	As of today	As of February 22	As of today
IGP-DI	0.10	0.10	0.30	0.30
IGP-M	0.05	-	0.35	0.35
IPCA	0.30	0.30	0.30	0.30
	<b>2002</b>		<b>2003</b>	
IGP-DI	6.33	6.33	4.71	4.71
IGP-M	5.54	5.54	4.00	4.00
IPCA	4.82	4.82	4.01	4.01

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

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

	<b>February</b>		<b>March</b>	
(% change)	As of February 22	As of today	As of February 22	As of today
IPCA	0.27	0.27	0.28	0.28
	<b>2002</b>		<b>2003</b>	
IPCA	4.98	4.98	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

