

April 12th, 2002

The median of market expectations for the IGP-M decreased to 5.64% from 5.72% for 2002 and to 4.67% from 4.68% for 2003, as tracked by Banco Central do Brasil daily survey. The forecasts for the IGP-DI decreased to 5.81% from 5.95% for 2002 and to 4.80% from 4.83% for 2003. The expectations for the Consumer Price Index–Extended - IPCA increased to 5.32% from 5.26% for 2002 and remained unchanged at 4.00% for 2003. The forecasts for the INPC increased to 6.00% from 5.93% for 2002 and remained constant at 4.13% for 2003. The projections for the IPC-Fipe decreased to 4.80% from 4.88% for 2002 and remained stable at 4.00% for 2003.

The median of projections for the GDP growth decreased to 2.40% from 2.42% for 2002 and remained stable at 3.50% for 2003. The forecasts for the current account deficit increased to US\$20.40 billion from US\$20.28 billion for 2002 and remained at US\$20.00 billion for 2003. The expectations for the trade balance surplus decreased to US\$4.25 billion from US\$4.30 billion for 2002 and remained at US\$5.00 billion for 2003. The projections for the net flow of foreign direct investment remained at US\$17.20 billion 2002 and at US\$18.00 billion for 2003.

The median of forecasts for the exchange rate remained unchanged at R\$/US\$2.50 for 2002 and fell to R\$/US\$2.60 from R\$/US\$2.65 for 2003. The expectations for the Over-Selic rate remained unchanged at 16.50% p.a. for 2002 and increased to 14.40% p.a. from 14.25% p.a. for 2003. On the fiscal front, the median of expectations for the primary surplus remained constant at 3.50% of the GDP for 2002 and elevated to 3.20% from 3.13% of the GDP for 2003. The projections for the nominal harmonized deficit remained unchanged at 3.50% of the GDP for 2002 and at 3.00% 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.

Table 1
Market Readout

Banco Central do Brasil Daily Survey on Market Expectations - Median

PRICE INDICES

Median Market Expectations - Price Indices

(% change)	April		May	
	As of April 5	As of today	As of April 5	As of today
IGP-DI	0.46	0.50	0.49	0.50
IGP-M	0.45	0.45	0.48	0.50
INPC	0.54	0.60	0.40	0.40
IPCA	0.60	0.70	0.34	0.35
IPC-FIPE	0.35	0.35	0.35	0.35
	2002		2003	
IGP-DI	5.95	5.81	4.83	4.80
IGP-M	5.72	5.64	4.68	4.67
INPC	5.93	6.00	4.13	4.13
IPCA	5.26	5.32	4.00	4.00
IPC-FIPE	4.88	4.80	4.00	4.00

OTHER ECONOMIC INDICATORS – 2002/2003

Median Market Expectations - Other Economic Indicators

	2002		2003	
	As of April 5	As of today	As of April 5	As of today
GDP growth (%)	2.42	2.40	3.50	3.50
Trade Balance (US\$ billion)	4.30	4.25	5.00	5.00
Current Account (US\$ billion)	-20.28	-20.40	-20.00	-20.00
FDI (US\$ billion)	17.20	17.20	18.00	18.00
Fiscal Figures (% of GDP)				
Primary Balance	3.50	3.50	3.13	3.20
Nominal Balance (harmonized)	-3.50	-3.50	-3.00	-3.00
Exchange Rate End of period (R\$/US\$)	2.50	2.50	2.65	2.60
Over-Selic End of period (% p.a.)	16.50	16.50	14.25	14.40

Table 2
Market Readout

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

Top 5 Forecasting Institutions – Short Run

	April		May	
	As of April 5	As of today	As of April 5	As of today
(% change)				
IGP-DI	0.45	0.53	0.50	0.50
IGP-M	0.40	0.44	0.49	0.49
IPCA	0.63	0.80	0.36	0.41
	2002		2003	
IGP-DI	5.82	5.70	5.00	5.00
IGP-M	5.69	5.43	5.00	5.00
IPCA	5.17	5.36	4.21	4.00

Table 3
Market Readout

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

Top 5 Forecasting Institutions – Medium Run

	April		May	
	As of April 5	As of today	As of April 5	As of today
(% change)				
IGP-DI	0.46	0.50	0.48	0.43
IGP-M	0.50	0.50	0.53	0.53
IPCA	0.70	0.70	0.35	0.40
	2002		2003	
IGP-DI	5.72	5.41	4.00	4.00
IGP-M	5.87	5.87	4.25	4.25
IPCA	5.00	5.46	3.95	3.95

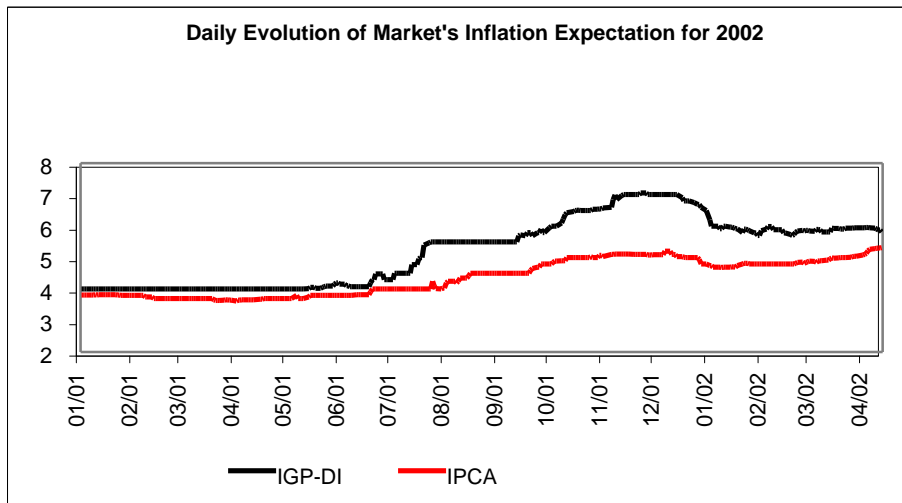
Table 4
Market Readout

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

Top 5 Forecasting Institutions – Long Run

	April		May	
	As of April 5	As of today	As of April 5	As of today
(% change)				
IPCA	0.35	0.35	0.35	0.30
	2002		2003	
IPCA	5.16	5.16	4.50	4.50

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

