

April 26th, 2002

The median of market expectations for the IGP-M decreased to 5.62% from 5.65% for 2002 and to 4.60% from 4.63% for 2003, as tracked by Banco Central do Brasil daily survey. The forecasts for the IGP-DI decreased to 5.62% from 5.69% for 2002 and remained stable at 4.80% for 2003. The expectations for the Consumer Price Index–Extended - IPCA remained unchanged at 5.46% for 2002 and at 4.00% for 2003. The forecasts for the INPC increased to 6.30% from 6.16% for 2002 and remained constant at 4.20% for 2003. The projections for the IPC-Fipe increased to 4.78% from 4.76% 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\$20.33 billion for 2002 and remained at US\$20.00 billion for 2003. The expectations for the trade balance surplus increased to US\$4.30 billion from US\$4.20 billion for 2002 and decreased to US\$4.95 billion from US\$5.00 billion for 2003. The projections for the net flow of foreign direct investment increased to US\$17.90 billion from US\$17.35 billion for 2002 and remained unchanged 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 at R\$/US\$2.60 for 2003. The expectations for the Over-Selic rate remained unchanged at 16.50% p.a. for 2002 and at 14.50% 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 at 3.20% 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

(% change)	April		May	
	As of April 19	As of today	As of April 19	As of today
IGP-DI	0.50	0.55	0.50	0.50
IGP-M	0.50	0.60	0.50	0.50
INPC	0.74	0.84	0.40	0.40
IPCA	0.82	0.86	0.35	0.40
IPC-FIPE	0.34	0.30	0.35	0.35
	2002		2003	
IGP-DI	5.69	5.62	4.80	4.80
IGP-M	5.65	5.62	4.63	4.60
INPC	6.16	6.30	4.20	4.20
IPCA	5.46	5.46	4.00	4.00
IPC-FIPE	4.76	4.78	4.00	4.00

OTHER ECONOMIC INDICATORS – 2002/2003

	2002		2003	
	As of April 19	As of today	As of April 19	As of today
GDP growth (%)	2.42	2.40	3.50	3.50
Trade Balance (US\$ billion)	4.20	4.30	5.00	4.95
Current Account (US\$ billion)	-20.33	-20.40	-20.00	-20.00
FDI (US\$ billion)	17.35	17.90	18.00	18.00
Fiscal Figures (% of GDP)				
Primary Balance	3.50	3.50	3.20	3.20
Nominal Balance (harmonized)	-3.50	-3.50	-3.00	-3.00
Exchange Rate End of period (R\$/US\$)	2.50	2.50	2.60	2.60
Over-Selic End of period (% p.a.)	16.50	16.50	14.50	14.50

Table 2
Market Readout

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

	April		May	
(% change)	As of April 19	As of today	As of April 19	As of today
IGP-DI	0.58	0.58	0.50	0.50
IGP-M	0.43	0.48	0.49	0.45
IPCA	0.87	0.83	0.40	0.33
	2002		2003	
IGP-DI	5.70	5.59	5.00	5.00
IGP-M	5.43	5.32	4.51	4.51
IPCA	5.48	5.44	4.00	4.00

Table 3
Market Readout

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

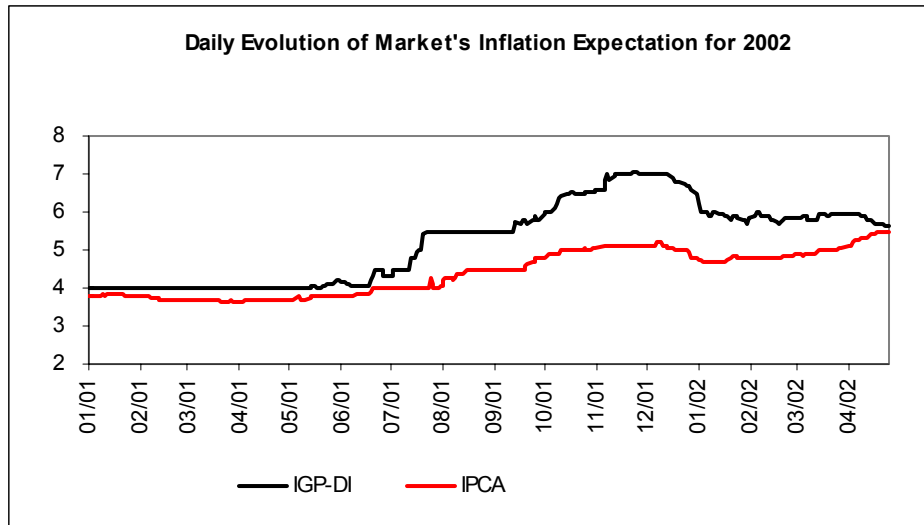
	April		May	
(% change)	As of April 19	As of today	As of April 19	As of today
IGP-DI	0.50	0.65	0.50	0.45
IGP-M	0.50	0.65	0.45	0.45
IPCA	0.70	0.80	0.35	0.40
	2002		2003	
IGP-DI	6.30	5.61	4.25	4.50
IGP-M	5.70	5.65	4.25	4.25
IPCA	5.44	5.45	4.00	4.00

Table 4
Market Readout

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

	April		May	
(% change)	As of April 19	As of today	As of April 19	As of today
IPCA	0.80	0.80	0.30	0.30
	2002		2003	
IPCA	5.57	5.51	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

