

June 14th, 2002

Banco Central do Brasil announces the Top 5 forecasting institutions participating in the survey carried out on a daily basis by the Investor Relations Group (GCI) in May (Tables 1 and 2).

Table 1
Top 5 - Medium Run Forecasting Institutions
May 2002

Rank	IPCA	IGP-DI	IGP-M	Selic Rate	Exchange Rate
1	Fibra	Lloyds	Lloyds	Lloyds	Itaú
2	Arbi	Rosemberg	Rosemberg	Modal	Santos
3	Bank One	BBV	BBV	WestLB	Lloyds
4	Unibanco AM	Votorantim AM	Santander	Espírito Santo	BBA Creditanstalt
5	HSBC	Votorantim	Unibanco	Votorantim AM	BankBoston

Table 2
Top 5 - Short Run Forecasting Institutions
May 2002

Rank	IPCA	IGP-DI	IGP-M
1	BBM	Bradesco	Rosemberg
2	Boreal	Espírito Santo, ABN Amro	Espírito Santo
3	Fibra	-	Unibanco
4	MCM Consultores, Safrá	Pine, Lloyds	HSBC AM
5	-	-	Itaú

On June 14th, 2002, the median of market expectations for the IPCA decreased to 5.46% from 5.49% for 2002, and remained stable at 4.00% for 2003, as tracked by Banco Central do Brasil daily survey. The forecasts for the INPC decreased to 6.03% from 6.14% for 2002 and increased to 4.25% from 4.20% for 2003. The expectations for the IPC-Fipe decreased to 4.25% from 4.29% for 2002 and remained at 4.00% for 2003. The forecasts for the IGP-DI increased to 6.13% from 5.88% for 2002 and to 4.83% from 4.80% for 2003. The projections for the IGP-M increased to 5.85% from 5.70% for 2002 and to 4.69% from 4.68% for 2003.

The median of projections for the GDP growth decreased to 2.20% from 2.27% for 2002 and remained at 3.50% for 2003. The forecasts for the current account deficit remained at US\$20.50 billion for 2002 and at US\$20.00 billion for 2003. The expectations for the trade balance surplus increased to US\$4.27 billion from US\$4.05 billion for 2002 and remained at US\$5.00 billion for

2003. The projections for the net flow of foreign direct investment increased to US\$17.58 billion from US\$17.50 billion 2002 and remained at US\$18.00 billion for 2003.

The median of forecasts for the exchange rate remained at R\$/US\$2.50 for 2002 and decreased to R\$/US\$2.62 from R\$/US\$2.64 for 2003. The expectations for the Over-Selic rate remained at 17.00% p.a. for 2002 and at 15.00% p.a. for 2003. On the fiscal front, the median of expectations for the primary surplus remained at 3.50% of the GDP for 2002, and increased to 3.10% from 3.00% 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 3
Market Readout

Banco Central do Brasil Daily Survey on Market Expectations - Median

PRICE INDICES

(% change)	June		July	
	As of June 7	As of today	As of June 7	As of today
IGP-DI	0.66	0.80	0.82	0.80
IGP-M	0.60	0.73	0.85	0.85
INPC	0.43	0.45	0.75	0.74
IPCA	0.40	0.41	0.77	0.78
IPC-FIPE	0.35	0.35	0.65	0.60
	2002		2003	
IGP-DI	5.88	6.13	4.80	4.83
IGP-M	5.70	5.85	4.68	4.69
INPC	6.14	6.03	4.20	4.25
IPCA	5.49	5.46	4.00	4.00
IPC-FIPE	4.29	4.25	4.00	4.00

OTHER ECONOMIC INDICATORS – 2002/2003

	2002		2003	
	As of June 7	As of today	As of June 7	As of today
GDP growth (%)	2.27	2.20	3.50	3.50
Trade Balance (US\$ billion)	4.05	4.27	5.00	5.00
Current Account (US\$ billion)	-20.50	-20.50	-20.00	-20.00
FDI (US\$ billion)	17.50	17.58	18.00	18.00
Fiscal Figures (% of GDP)				
Primary Balance	3.50	3.50	3.00	3.10
Nominal Balance (harmonized)	-3.50	-3.50	-3.00	-3.00
Exchange Rate End of period (R\$/US\$)	2.50	2.50	2.64	2.62
Over-Selic End of period (% p.a.)	17.00	17.00	15.00	15.00

Table 4
Market Readout

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

	June		July	
	As of June 7	As of today	As of June 7	As of today
(% change)				
IGP-DI	0.68	0.90	0.83	0.82
IGP-M	0.55	0.88	0.84	0.80
IPCA	0.45	0.45	0.70	0.80
	2002		2003	
IGP-DI	5.90	6.31	5.00	5.00
IGP-M	5.52	6.02	4.60	4.60
IPCA	5.59	5.53	3.85	4.00

Table 5
Market Readout

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

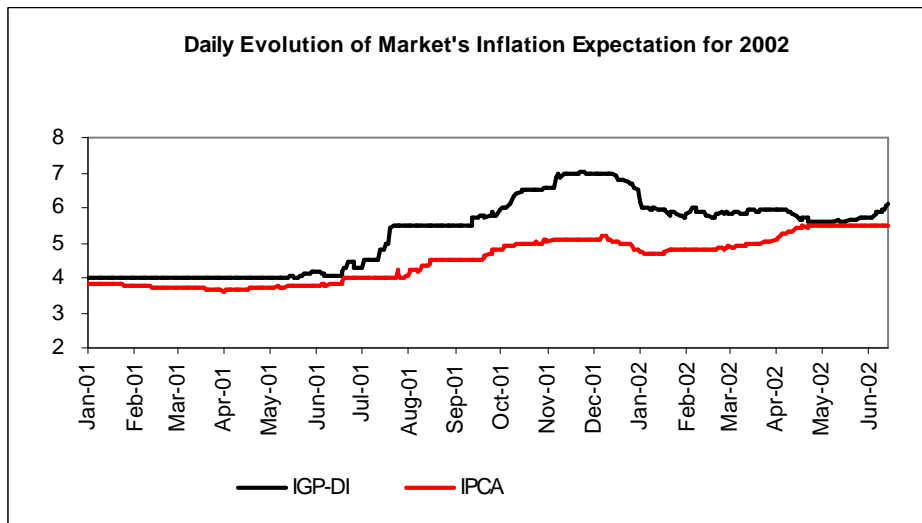
	June		July	
	As of June 7	As of today	As of June 7	As of today
(% change)				
IGP-DI	0.71	0.80	0.83	0.83
IGP-M	0.58	0.80	0.92	0.85
IPCA	0.40	0.38	0.67	0.88
	2002		2003	
IGP-DI	5.95	6.19	5.00	5.00
IGP-M	5.77	6.02	4.95	5.00
IPCA	5.50	5.61	4.50	3.60

Table 6
Market Readout

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

	June		July	
	As of June 7	As of today	As of June 7	As of today
(% change)				
IPCA	0.35	0.45	0.65	0.65
	2002		2003	
IPCA	5.54	5.53	4.00	4.00

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

