

November 14, 2002

The median of market forecasts for the current account deficit reduced to US\$ 11.00 billion from US\$11.10 billion for 2002 and to US\$8.00 billion from US\$8.57 billion for 2003, as tracked by the daily survey carried out by Banco Central do Brasil's Investor Relations Group.

The median of the market expectations for the trade balance surplus increased to US\$12.00 billion from US\$11.50 billion for 2002 and remained at US\$15.00 billion for 2003. The expectations for the net flow of foreign direct investment declined to US\$15.00 billion from US\$15.15 for 2002 and remained at US\$13.00 billion for 2003.

The expectations for the GDP growth increased to 1.22% from 1.20% for 2002 and to 2.00% from 1.90% for 2003.

The forecasts for the IPCA increased to 9.39% from 8.76% for 2002 and to 9.81% from 9.00% for 2003. The median of the expectations for the INPC increased to 10.56% from 9.72% for 2002 and to 10.00% from 8.60% for 2003. The expectations for the IPC-Fipe increased to 7.43% from 6.65% for 2002 and to 8.00% from 7.00% for 2003. The median of the expectations for the IGP-DI increased to 21.10% from 20.39% for 2002 and to 13.45% from 11.20% for 2003. The forecasts for the IGP-M increased to 21.10% from 20.09% for 2002 and to 13.80% from 12.77% for 2003.

The expectations for the Over-Selic rate remained at 21.00% p.a. for 2002 and at 18.00% p.a. for 2003. The median of the forecasts for the exchange rate remained at R\$/US\$3.50 for 2002 and increased to R\$/US\$3.60 from R\$/US\$3.59 for 2003.

On the fiscal front, the median of the expectations for the primary surplus increased to 3.90% of GDP from 3.88% of the GDP for 2002 and remained at 3.75% of the GDP for 2003. The median of the forecasts for the nominal harmonized deficit remained at 3.50% of the GDP for 2002 and increased to 3.30% of the GDP from 3.20% 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-a
Market Readout**

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

(% change)	November		December	
	As of November 8	As of today	As of November 8	As of today
IGP-DI	2.45	2.85	1.50	1.60
IGP-M	2.92	3.50	1.60	1.75
INPC	1.10	1.50	0.80	0.90
IPCA	1.12	1.46	0.80	0.85
IPC-FIPE	0.88	1.40	0.60	0.78
	2002		2003	
IGP-DI	20.39	21.10	11.20	13.45
IGP-M	20.09	21.10	12.77	13.80
INPC	9.72	10.56	8.60	10.00
IPCA	8.76	9.39	9.00	9.81
IPC-FIPE	6.65	7.43	7.00	8.00

**Table 1-b
Market Readout**

*Banco Central do Brasil Daily Survey on Market Expectations - Median
OTHER ECONOMIC INDICATORS – 2002/2003*

	2002		2003	
	As of November 8	As of today	As of November 8	As of today
GDP growth (%)	1.20	1.22	1.90	2.00
Trade Balance (US\$ billion)	11.50	12.00	15.00	15.00
Current Account (US\$ billion)	-11.10	-11.00	-8.57	-8.00
FDI (US\$ billion)	15.15	15.00	13.00	13.00
Fiscal Figures (% of GDP)				
Primary Balance	3.88	3.90	3.75	3.75
Nominal Balance (harmonized)	-3.50	-3.50	-3.20	-3.30
Exchange Rate End of period (R\$/US\$)	3.50	3.50	3.59	3.60
Over-Selic End of period (% p.a.)	21.00	21.00	18.00	18.00

Table 2
Market Readout

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

(% change)	November		December	
	As of November 8	As of today	As of November 8	As of today
IGP-DI	2.20	3.50	1.60	1.65
IGP-M	3.55	4.08	2.44	2.70
IPCA	1.46	2.00	0.95	1.35
	2002		2003	
IGP-DI	19.44	21.57	7.50	15.45
IGP-M	21.05	22.41	10.75	13.00
IPCA	9.53	10.52	11.15	11.00

Table 3
Market Readout

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

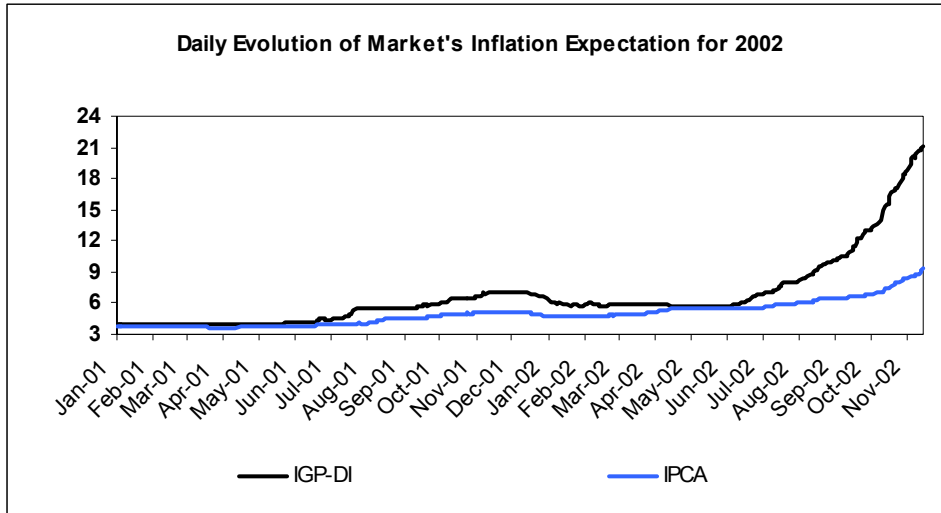
(% change)	November		December	
	As of November 8	As of today	As of November 8	As of today
IGP-DI	1.40	3.40	0.95	1.80
IGP-M	3.10	3.80	1.60	2.00
IPCA	0.75	1.84	0.66	1.03
	2002		2003	
IGP-DI	18.29	21.69	9.15	13.20
IGP-M	20.44	21.73	11.50	10.00
IPCA	7.97	10.15	5.00	9.20

Table 4
Market Readout

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

(% change)	November		December	
	As of November 8	As of today	As of November 8	As of today
IPCA	1.22	1.53	0.84	0.94
	2002		2003	
IPCA	8.91	9.48	10.00	10.00

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

