

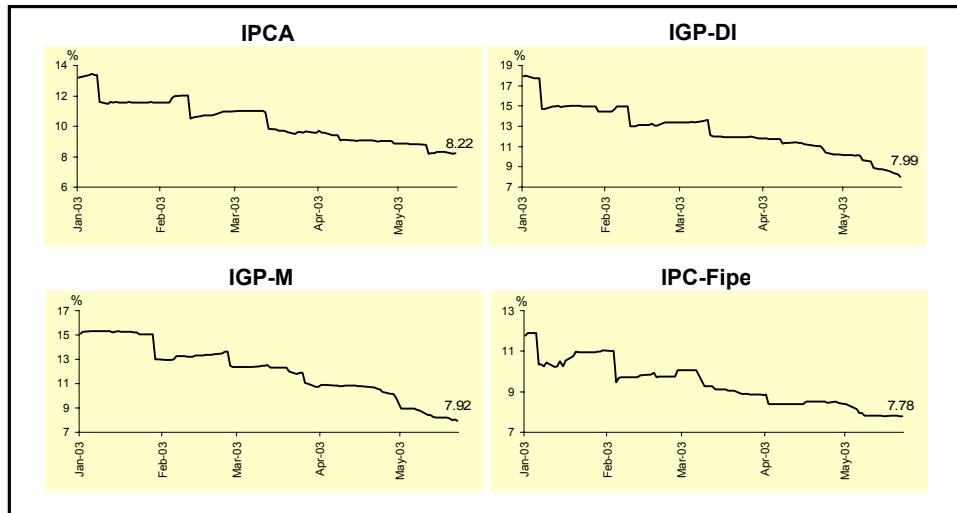
# Market Readout

May 23, 2003

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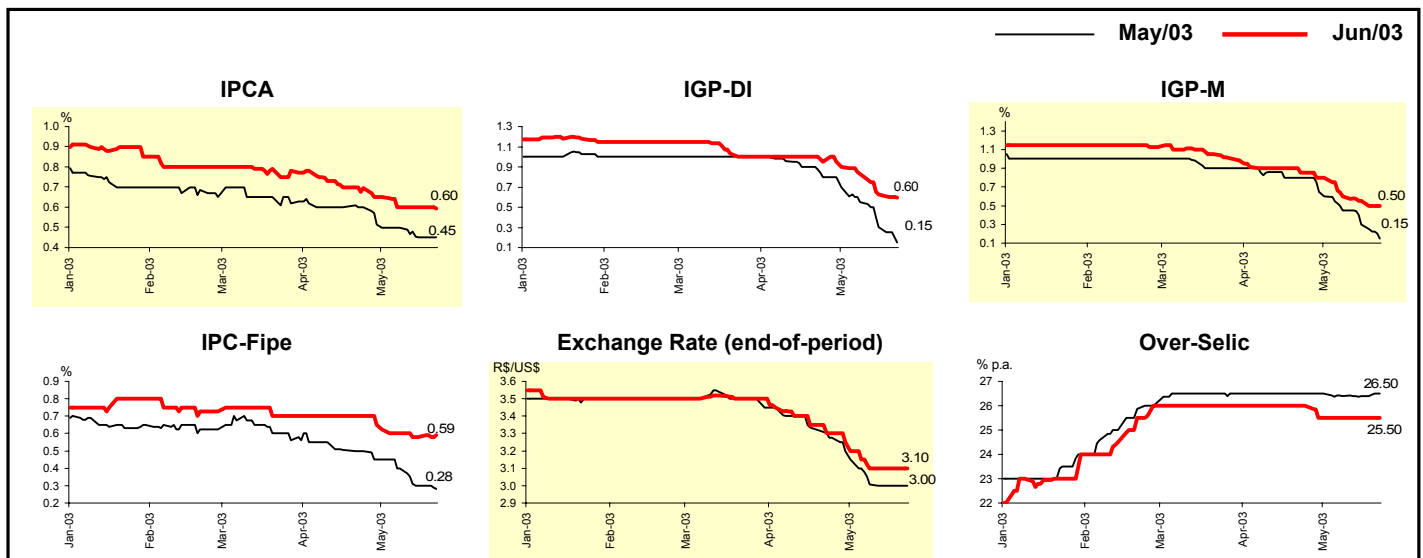
Market Expectations				
Inflation accumulated in the next 12 months				
Median - Aggregate	4 weeks ago	1 week ago	Today	Weekly trend*
IPCA (%)	9.03	8.30	8.22	▼ ( 8 )
IGP-DI (%)	10.44	8.77	7.99	▼ ( 8 )
IGP-M (%)	10.31	8.22	7.92	▼ ( 11 )
IPC-Fipe (%)	8.46	7.80	7.78	▼ ( 5 )

\* trend since the last Market Readout; the figures in parenthesis express the number of weeks with the same behavior (▲increase, ▼decrease or = stability)



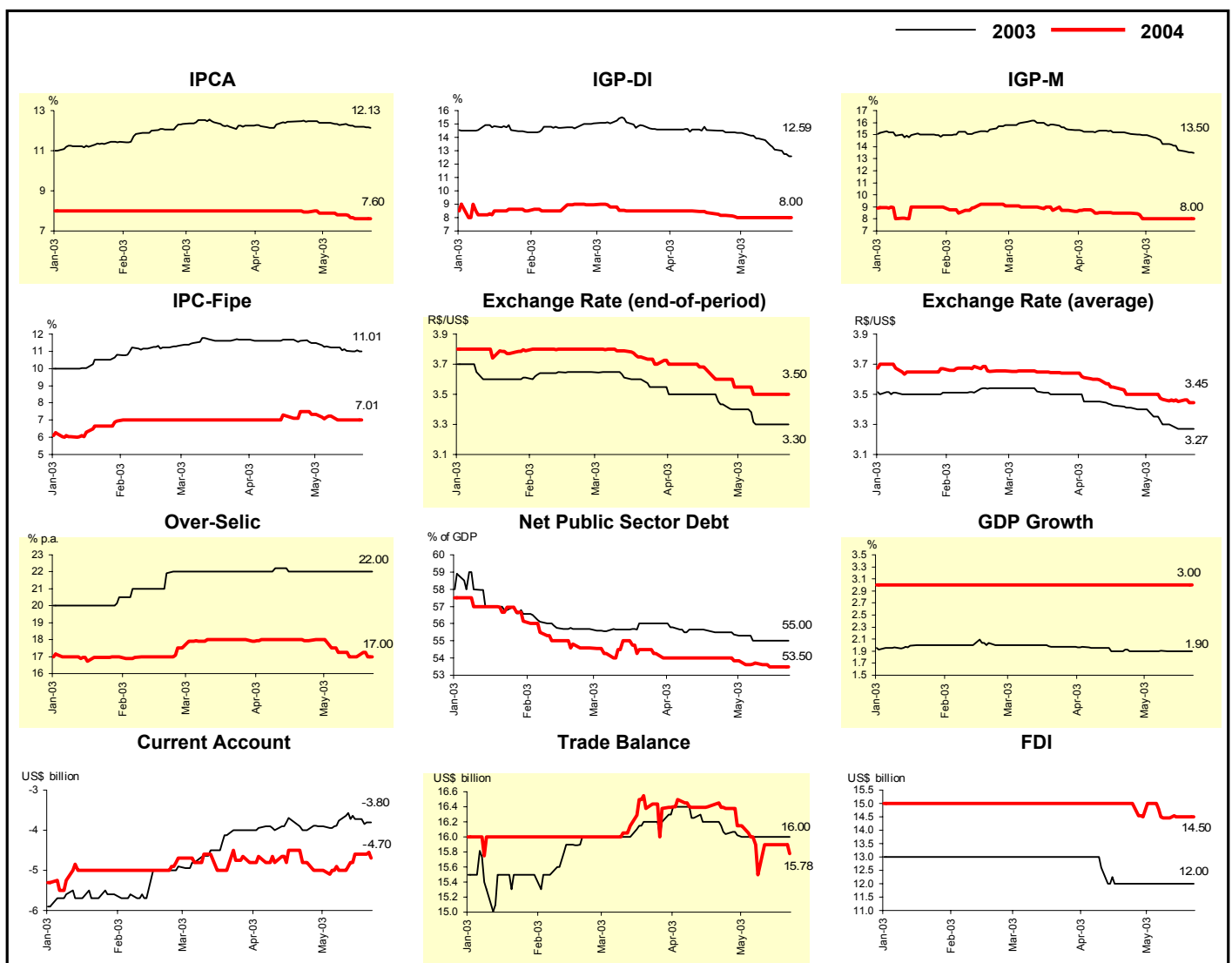
Indicador	Market Expectations							
	May/03				Jun/03			
	4 weeks ago	1 week ago	Today	Weekly trend*	4 weeks ago	1 week ago	Today	Weekly trend*
<b>Median - Aggregate</b>								
IPCA (%)	0.60	0.45	0.45	= ( 1 )	0.69	0.60	0.60	= ( 2 )
IGP-DI (%)	0.80	0.30	0.15	▼ ( 7 )	0.95	0.63	0.60	▼ ( 5 )
IGP-M (%)	0.80	0.30	0.15	▼ ( 4 )	0.85	0.55	0.50	▼ ( 5 )
IPC-Fipe (%)	0.50	0.30	0.28	▼ ( 6 )	0.70	0.58	0.59	▲ ( 1 )
Exchange rate - end-of-period (R\$/US\$)	3.28	3.00	3.00	= ( 1 )	3.30	3.10	3.10	= ( 2 )
Over-Selic - end-of-period (% p.a.)	26.50	26.40	26.50	▲ ( 1 )	26.00	25.50	25.50	= ( 3 )

\* trend since the last Market Readout; the figures in parenthesis express the number of weeks with the same behavior (▲increase, ▼decrease or = stability)



indicator	Market Expectations							
	2003				2004			
	4 weeks ago	1 week ago	Today	Weekly trend*	4 weeks ago	1 week ago	Today	Weekly trend*
<b>Median - Aggregate</b>								
IPCA (%)	12.47	12.19	12.13	▼ (4)	7.95	7.60	7.60	= (1)
IGP-DI (%)	14.38	13.07	12.59	▼ (7)	8.15	8.00	8.00	= (3)
IGP-M (%)	15.05	13.73	13.50	▼ (6)	8.50	8.00	8.00	= (3)
IPC-Fipe (%)	11.60	11.04	11.01	▼ (5)	7.50	7.00	7.01	▲ (1)
Exchange rate - end-of-period (R\$/US\$)	3.44	3.30	3.30	= (2)	3.60	3.50	3.50	= (2)
Exchange rate - average (R\$/US\$)	3.41	3.27	3.27	= (1)	3.50	3.45	3.45	= (1)
Over-Selic - end-of-period (% p.a.)	22.00	22.00	22.00	= (5)	17.95	17.00	17.00	= (1)
Net Public Sector Debt (% of GDP)	55.50	55.00	55.00	= (2)	54.00	53.50	53.50	= (1)
GDP growth (%)	1.90	1.90	1.90	= (1)	3.00	3.00	3.00	= (22)
Current Account (US\$ billion)	-4.00	-3.72	-3.80	▼ (1)	-4.80	-4.60	-4.70	▼ (1)
Trade Balance (US\$ billion)	16.04	16.00	16.00	= (3)	16.38	15.90	15.78	▼ (1)
Foreign Direct Investment (US\$ billion)	12.00	12.00	12.00	= (5)	15.00	14.50	14.50	= (1)
<b>Median - Top 5 - Short Term</b>								
IPCA (%)	13.00	12.41	12.35	▼ (2)	8.00	8.00	8.00	= (4)
IGP-DI (%)	14.36	13.47	12.52	▼ (2)	8.00	7.90	7.00	▼ (2)
IGP-M (%)	14.91	15.02	14.95	▼ (1)	7.25	6.80	6.55	▼ (2)
Exchange rate - end-of-period (R\$/US\$)	3.45	3.30	3.30	= (2)	3.60	3.50	3.50	= (3)
Over-Selic - end-of-period (% p.a.)	22.50	21.00	21.00	= (1)	17.50	17.00	17.00	= (1)

\* trend since the last Market Readout; the figures in parenthesis express the number of weeks with the same behavior (▲ increase, ▼ decrease or = stability)



**Distribution of the market expectations for IPCA for 2003 and 2004**

