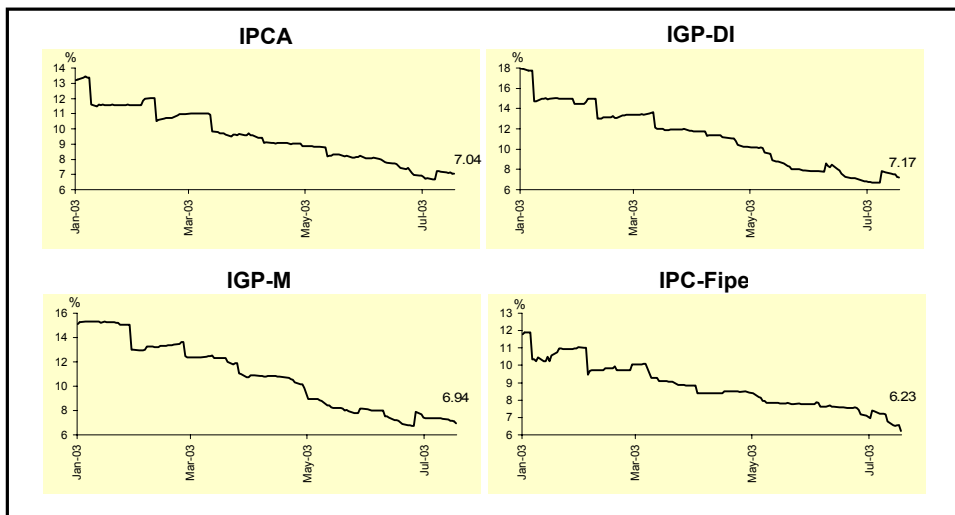


Market Readout

July 18, 2003

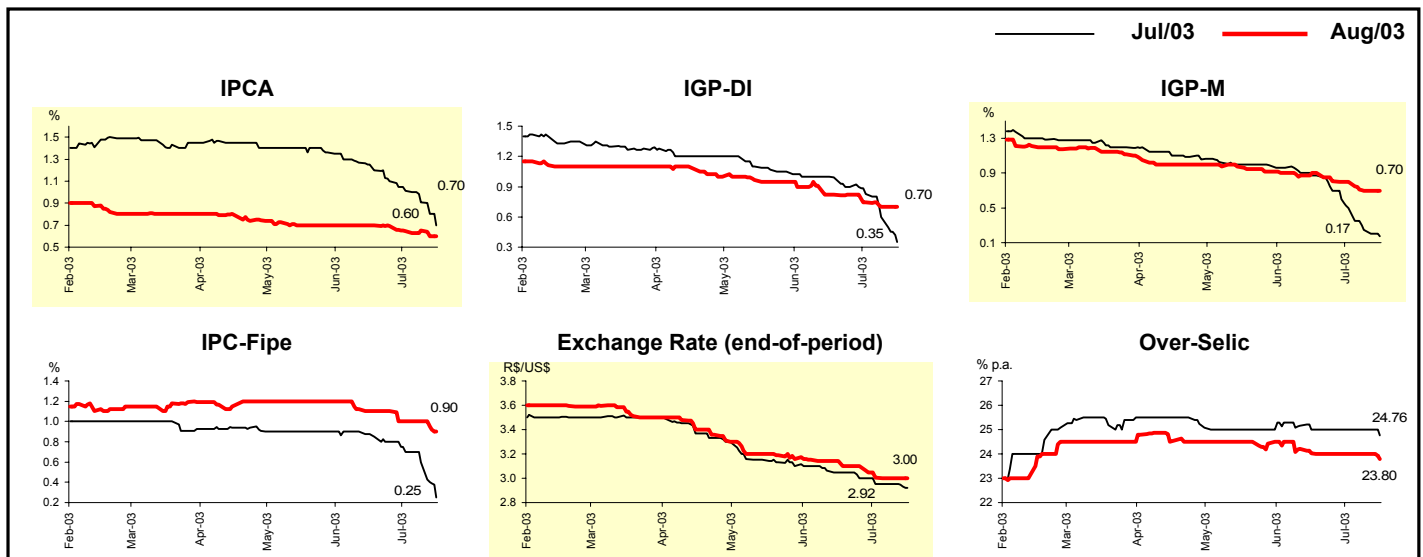
Market Expectations				
Inflation accumulated in the next 12 months				
Median - Aggregate	4 weeks ago	1 week ago	Today	Weekly trend*
IPCA (%)	7.44	7.16	7.04	▼ (1)
IGP-DI (%)	7.26	7.68	7.17	▼ (1)
IGP-M (%)	6.88	7.31	6.94	▼ (3)
IPC-Fipe (%)	7.56	6.78	6.23	▼ (2)

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



Market Expectations								
Indicator	Jul/03				Aug/03			
	4 weeks ago	1 week ago	Today	Weekly trend*	4 weeks ago	1 week ago	Today	Weekly trend*
Median - Aggregate								
IPCA (%)	1.20	0.90	0.70	▼ (8)	0.70	0.65	0.60	▼ (1)
IGP-DI (%)	1.00	0.60	0.35	▼ (4)	0.82	0.70	0.70	= (1)
IGP-M (%)	0.88	0.25	0.17	▼ (8)	0.90	0.70	0.70	= (1)
IPC-Fipe (%)	0.85	0.60	0.25	▼ (5)	1.10	1.00	0.90	▼ (1)
Exchange rate - end-of-period (R\$/US\$)	3.05	2.95	2.92	▼ (1)	3.10	3.00	3.00	= (1)
Over-Selic - end-of-period (% p.a.)	25.00	25.00	24.76	▼ (1)	24.00	24.00	23.80	▼ (1)

* 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*
Median - Aggregate								
IPCA (%)	11.59	10.81	10.62	▼ (7)	7.39	6.98	6.55	▼ (2)
IGP-DI (%)	10.64	9.35	8.96	▼ (15)	7.74	7.47	7.30	▼ (6)
IGP-M (%)	11.84	10.39	10.14	▼ (14)	7.50	7.30	7.25	▼ (2)
IPC-Fipe (%)	10.45	9.63	9.13	▼ (7)	7.00	6.49	6.40	▼ (2)
Exchange rate - end-of-period (R\$/US\$)	3.30	3.20	3.20	= (2)	3.50	3.50	3.48	▼ (1)
Exchange rate - average (R\$/US\$)	3.23	3.17	3.16	▼ (1)	3.43	3.38	3.35	▼ (5)
Over-Selic - end-of-period (% p.a.)	21.00	20.50	20.13	▼ (2)	16.50	16.00	16.00	= (3)
Net Public Sector Debt (% of GDP)	55.00	54.70	54.90	▲ (1)	53.35	53.35	53.60	▲ (1)
GDP growth (%)	1.80	1.70	1.59	▼ (1)	3.00	3.00	3.00	= (30)
Current Account (US\$ billion)	-3.90	-3.45	-3.00	▲ (4)	-4.95	-5.05	-5.00	▲ (1)
Trade Balance (US\$ billion)	16.50	17.00	17.30	▲ (1)	15.50	15.24	15.15	▼ (2)
Foreign Direct Investment (US\$ billion)	10.00	9.70	9.00	▼ (2)	13.75	13.00	12.60	▼ (1)
Regulated Prices (%)	15.05	14.60	14.07	▼ (2)	9.00	9.00	8.65	▼ (2)
Median - Top 5 - Short Term								
IPCA (%)	12.11	11.00	10.98	▼ (1)	7.00	7.00	7.00	= (5)
IGP-DI (%)	10.22	8.81	8.81	= (1)	7.00	7.44	7.44	= (1)
IGP-M (%)	11.91	9.22	9.22	= (1)	6.00	6.00	6.00	= (1)
Exchange rate - end-of-period (R\$/US\$)	3.30	3.20	3.15	▼ (3)	3.50	3.50	3.50	= (11)
Over-Selic - end-of-period (% p.a.)	20.00	20.25	20.25	= (1)	16.00	15.50	15.50	= (1)

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

