BANCO CENTRAL DO BRASIL

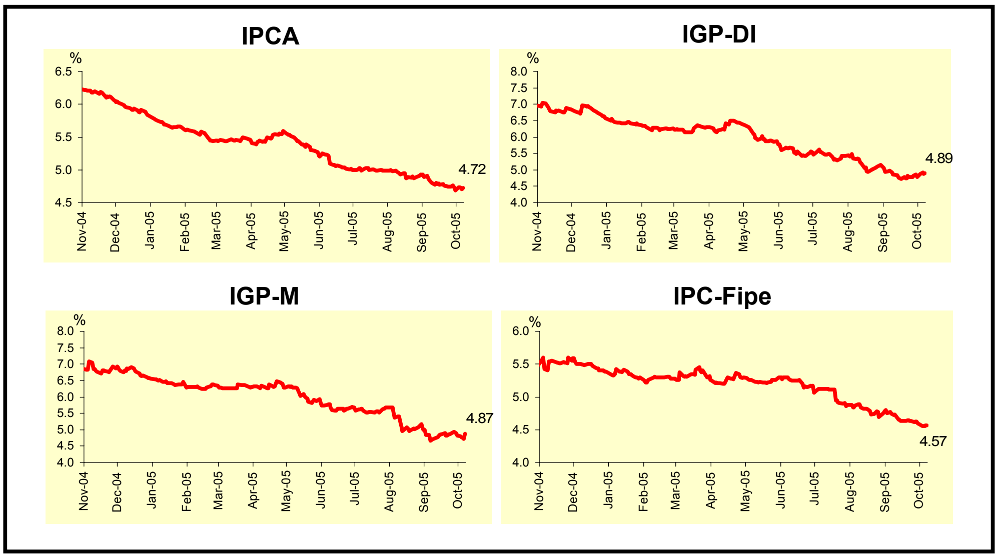
Gerin

Market Readout

October 7, 2005

Market Expectations				
Inflation in the next 12 months - Smoothed				
Median - Aggregate	**4 weeks ago**	**1 week ago**	**Today**	**Weekly trend***
IPCA (%)	4.80	4.69	4.72	▲ (1)
IGP-DI (%)	4.85	4.79	4.89	▲ (1)
IGP-M (%)	4.72	4.81	4.87	▲ (1)
IPC-Fipe (%)	4.73	4.59	4.57	▼ (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								
Median - Aggregate	**Oct/05**				**Nov/05**			
	4 weeks ago	**1 week ago**	**Today**	**Weekly trend***	**4 weeks ago**	**1 week ago**	**Today**	**Weekly trend***
IPCA (%)	0.40	0.41	0.45	▲ (1)	0.42	0.39	0.38	▼ (1)
IGP-DI (%)	0.40	0.35	0.35	= (1)	0.47	0.40	0.40	= (1)
IGP-M (%)	0.30	0.30	0.30	= (1)	0.45	0.40	0.40	= (3)
IPC-Fipe (%)	0.40	0.40	0.41	▲ (1)	0.38	0.38	0.38	= (2)
Exchange rate - end-of-period (R$/US$)	2.39	2.30	2.28	▼ (5)	2.41	2.33	2.30	▼ (6)
Over-Selic Target (% p.a.)	19.00	19.00	19.00	= (5)	18.50	18.50	18.50	= (5)

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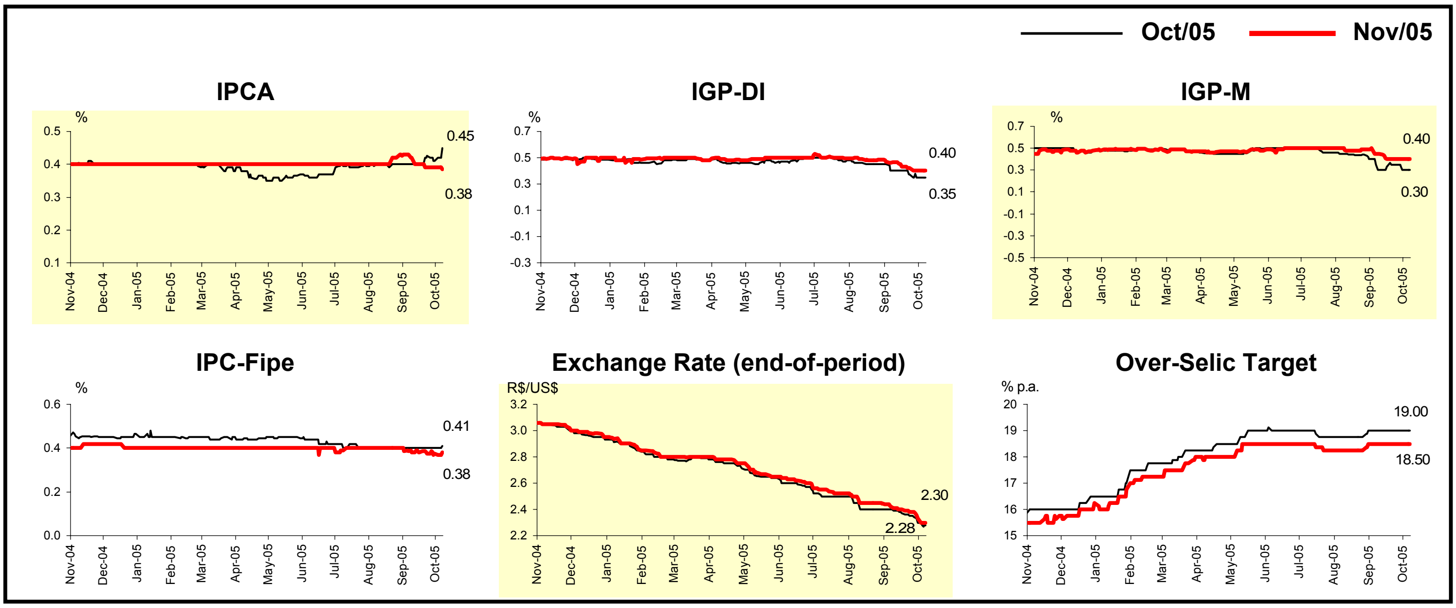

Market Readout

October 7, 2005

Market Expectations										
Median - Aggregate	2005					2006				
	4 weeks ago	1 week ago	Today	Weekly trend*		4 weeks ago	1 week ago	Today	Weekly trend*	
IPCA (%)	5.20	5.21	5.22	▲	(1)	4.80	4.63	4.60	▼	(3)
IGP-DI (%)	1.61	1.40	1.40	=	(1)	5.00	5.00	5.00	=	(4)
IGP-M (%)	1.65	1.35	1.29	▼	(3)	5.00	5.00	4.91	▼	(1)
IPC-Fipe (%)	4.37	4.40	4.51	▲	(2)	4.80	4.80	4.80	=	(5)
Exchange rate - end-of-period (R$/US$)	2.45	2.35	2.35	=	(1)	2.60	2.56	2.56	=	(1)
Exchange rate - average (R$/US$)	2.48	2.46	2.45	▼	(2)	2.59	2.50	2.49	▼	(7)
Over-Selic Target - end-of-period (% p.a.)	18.00	18.00	18.00	=	(9)	15.75	16.00	16.00	=	(2)
Over-Selic Target - average (% p.a.)	19.15	19.15	19.15	=	(4)	16.51	16.50	16.50	=	(1)
Net Public Sector Debt (% of GDP)	51.50	51.50	51.50	=	(4)	50.50	50.50	50.50	=	(7)
GDP growth (%)	3.21	3.29	3.30	▲	(6)	3.50	3.50	3.50	=	(23)
Industrial Production (% growth)	4.18	4.11	4.31	▲	(1)	4.50	4.50	4.50	=	(6)
Current Account (US$ billion)	12.20	13.00	13.00	=	(1)	6.80	6.95	6.70	▼	(2)
Trade Balance (US$ billion)	40.50	41.00	41.54	▲	(2)	34.05	35.00	35.00	=	(1)
Foreign Direct Investment (US$ billion)	16.00	16.00	16.00	=	(5)	16.00	16.00	15.95	▼	(1)
Regulated Prices (%)	6.80	7.38	7.50	▲	(5)	5.00	4.83	4.80	▼	(2)

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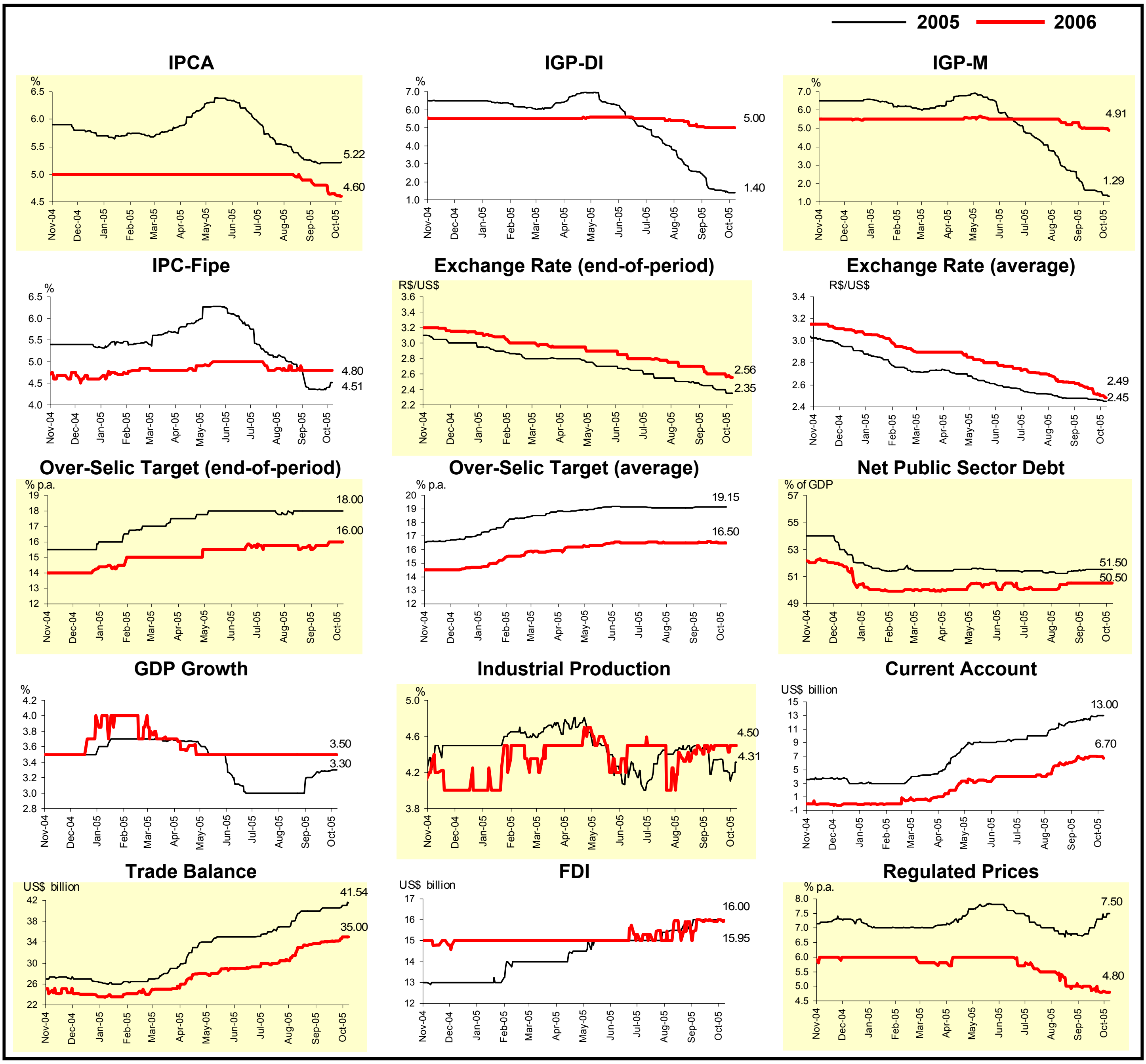

Market Expectations									
Median - Top 5 - Short Term	**Oct/05**				**Nov/05**				
	4 weeks ago	**1 week ago**	**Today**	**Weekly trend***	**4 weeks ago**	**1 week ago**	**Today**	**Weekly trend***	
IPCA (%)	0.37	0.54	0.53	▼ (1)	0.45	0.35	0.35	= (2)	
IGP-DI (%)	0.30	0.30	0.40	▲ (1)	0.40	0.25	0.30	▲ (1)	
IGP-M (%)	0.25	0.40	0.40	= (1)	0.40	0.30	0.30	= (2)	
Exchange rate - end-of-period (R$/US$)	2.35	2.30	2.25	▼ (3)	2.40	2.31	2.27	▼ (4)	
Over-Selic Target (% p.a.)	19.00	19.00	19.25	▲ (1)	18.50	18.50	18.75	▲ (1)	

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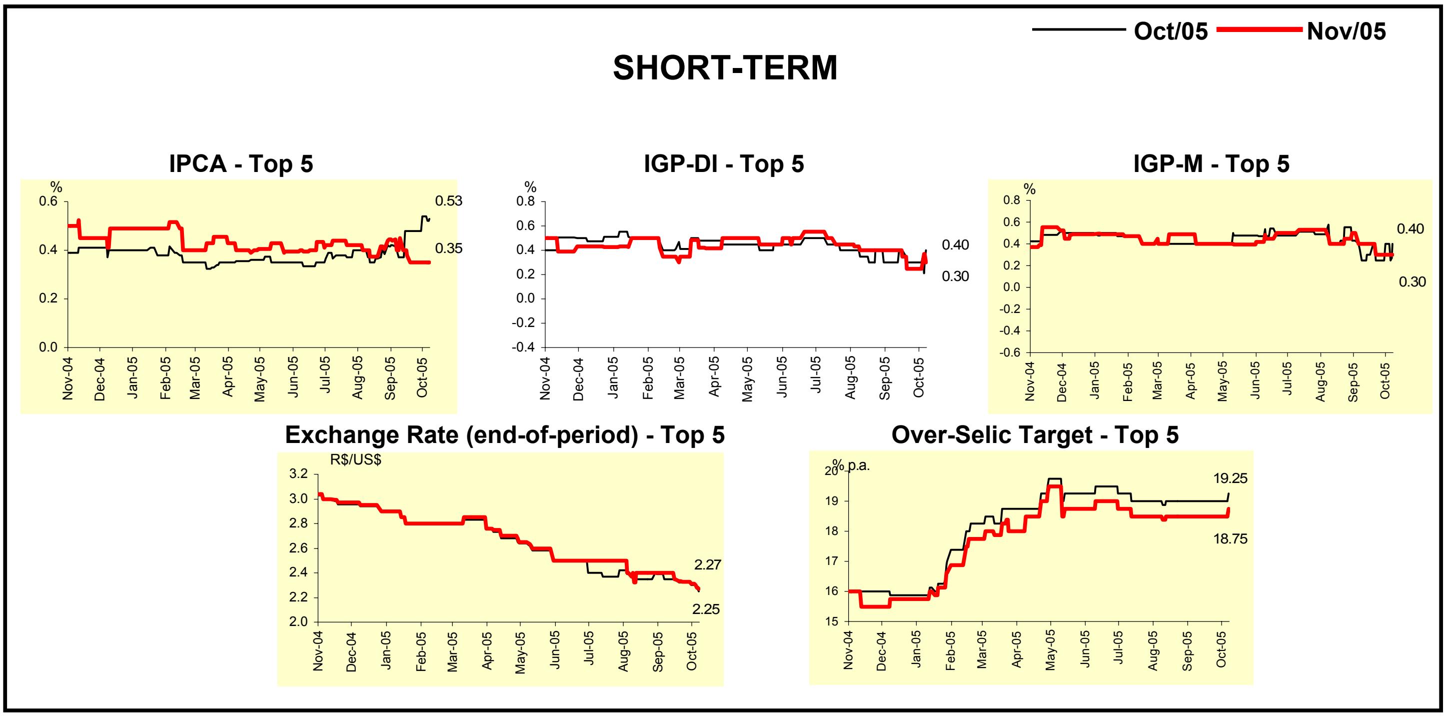

Market Expectations								
Median - Top 5	**2005**				**2006**			
	4 weeks ago	**1 week ago**	**Today**	**Weekly trend***	**4 weeks ago**	**1 week ago**	**Today**	**Weekly trend***
Short Term								
IPCA (%)	5.18	5.35	5.34	▼ (1)	4.65	4.50	4.50	= (2)
IGP-DI (%)	1.03	1.13	1.24	▲ (1)	4.75	4.50	4.50	= (3)
IGP-M (%)	1.28	1.36	1.12	▼ (1)	4.05	4.00	4.00	= (2)
Exchange rate - end-of-period (R$/US$)	2.40	2.33	2.30	▼ (2)	2.58	2.54	2.41	▼ (1)
Over-Selic Target - end-of-period (% p.a.)	18.00	18.00	18.25	▲ (1)	15.88	16.00	16.00	= (2)
Medium Term								
IPCA (%)	5.26	5.21	5.21	= (3)	4.65	4.50	4.59	▲ (1)
IGP-DI (%)	1.03	1.18	0.85	▼ (1)	4.10	4.00	4.00	= (3)
IGP-M (%)	0.99	1.01	0.86	▼ (2)	4.00	4.00	4.00	= (4)
Exchange rate - end-of-period (R$/US$)	2.40	2.30	2.25	▼ (3)	2.55	2.50	2.40	▼ (1)
Over-Selic Target - end-of-period (% p.a.)	18.25	18.00	18.25	▲ (1)	16.00	16.00	16.00	= (4)

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

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Average - Top 5 - Short Term	Market Expectations							
	Oct/05				Nov/05			
	4 weeks ago	1 week ago	Today	Weekly trend*	4 weeks ago	1 week ago	Today	Weekly trend*
IPCA (%)	0.41	0.53	0.54	▲ (4)	0.46	0.36	0.36	= (1)
IGP-DI (%)	0.30	0.27	0.34	▲ (1)	0.39	0.22	0.23	▲ (1)
IGP-M (%)	0.33	0.34	0.32	▼ (1)	0.43	0.26	0.23	▼ (5)
Exchange rate - end-of-period (R$/US$)	2.36	2.30	2.25	▼ (5)	2.39	2.34	2.27	▼ (5)
Over-Selic Target (% p.a.)	19.08	19.00	19.16	▲ (1)	18.63	18.50	18.69	▲ (1)

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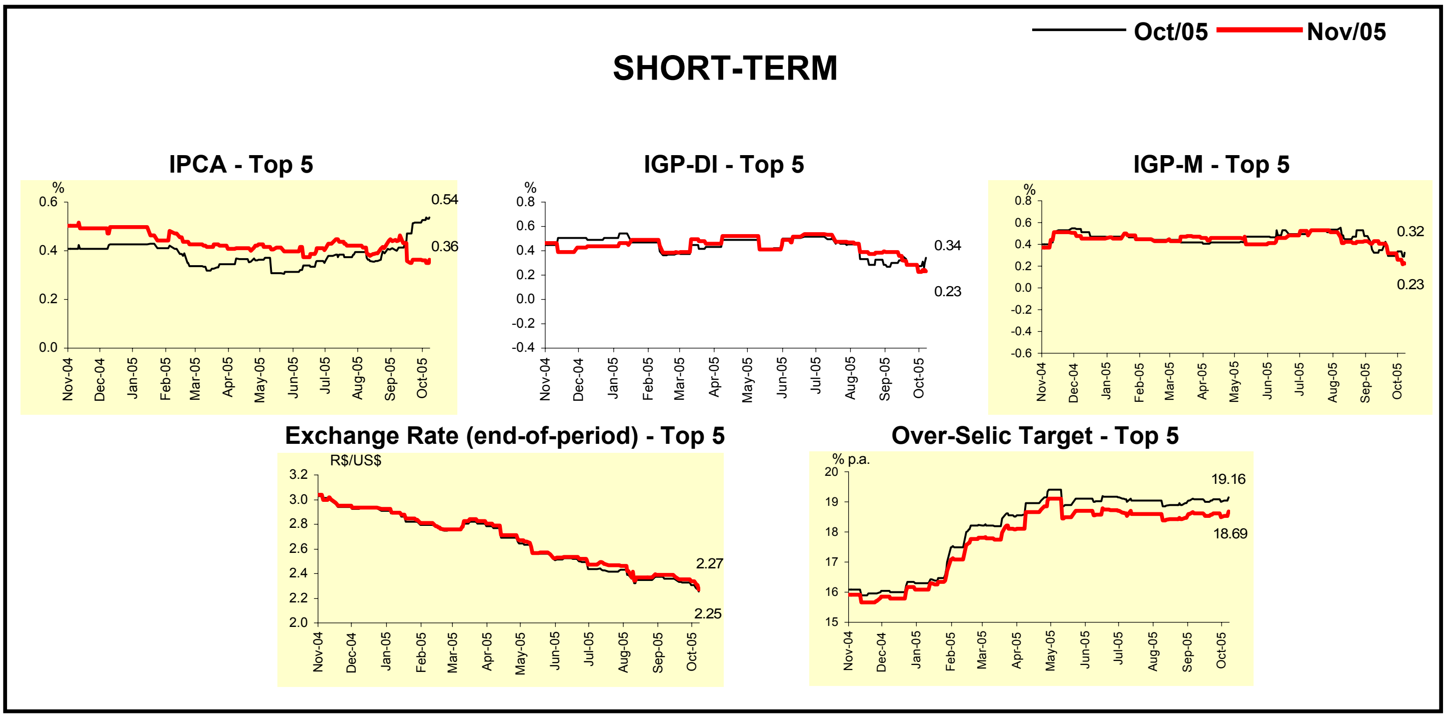

Average - Top 5	Market Expectations							
	2005				2006			
	4 weeks ago	1 week ago	Today	Weekly trend*	4 weeks ago	1 week ago	Today	Weekly trend*
Short Term								
IPCA (%)	5.16	5.29	5.30	▲ (4)	4.53	4.42	4.38	▼ (1)
IGP-DI (%)	1.15	1.02	1.03	▲ (1)	4.75	4.50	4.53	▲ (1)
IGP-M (%)	1.35	1.14	1.07	▼ (3)	4.44	4.24	4.24	= (2)
Exchange rate - end-of-period (R$/US$)	2.43	2.37	2.29	▼ (4)	2.57	2.52	2.42	▼ (1)
Over-Selic Target - end-of-period (% p.a.)	18.17	18.00	18.18	▲ (1)	15.83	16.21	15.83	▼ (1)
Medium Term								
IPCA (%)	5.22	5.22	5.19	▼ (1)	4.60	4.52	4.51	▼ (1)
IGP-DI (%)	1.17	1.04	0.84	▼ (3)	4.18	4.05	4.28	▲ (1)
IGP-M (%)	1.27	0.97	0.84	▼ (3)	4.35	4.19	4.19	= (2)
Exchange rate - end-of-period (R$/US$)	2.38	2.31	2.25	▼ (3)	2.51	2.45	2.42	▼ (3)
Over-Selic Target - end-of-period (% p.a.)	18.30	18.25	18.17	▼ (2)	16.05	16.05	15.90	▼ (1)

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