Focus - Market Readout

Market Expectations					
Inflation in the next 12 months - Smoothed					
Median - Aggregate	4 weeks ago	1 week ago	Today	Weekly trend*	
IPCA (%)	4.51	4.49	4.49	=	(2)
IGP-DI (%)	4.66	4.96	4.86	▼	(2)
IGP-M (%)	4.59	4.85	4.75	▼	(2)
IPC-Fipe (%)	4.41	4.35	4.35	=	(1)

* trend since the last Market Readout; the figures in parenthesis express the number of weeks with the same behavior
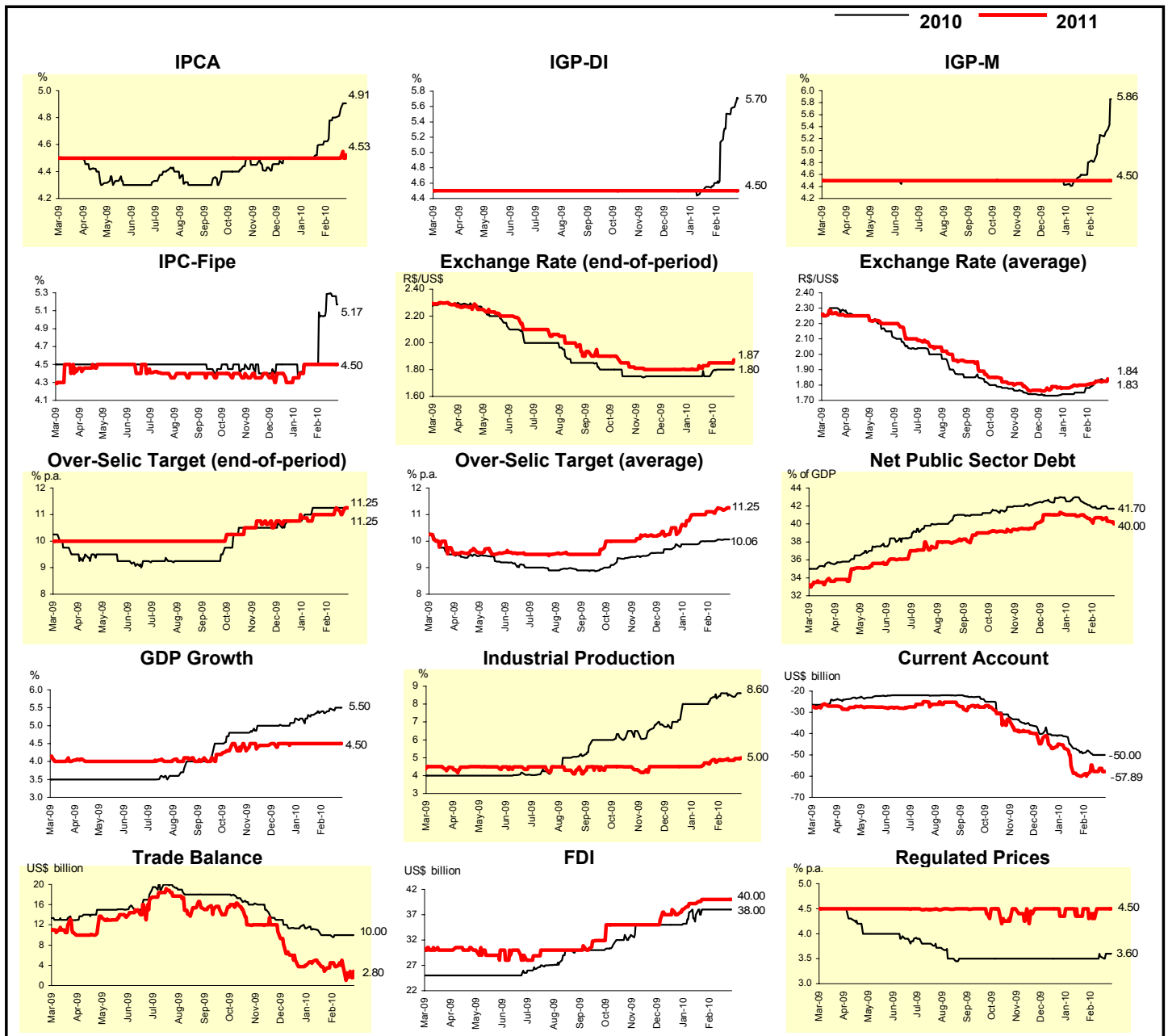(▲increase, ▼decrease or = stability)
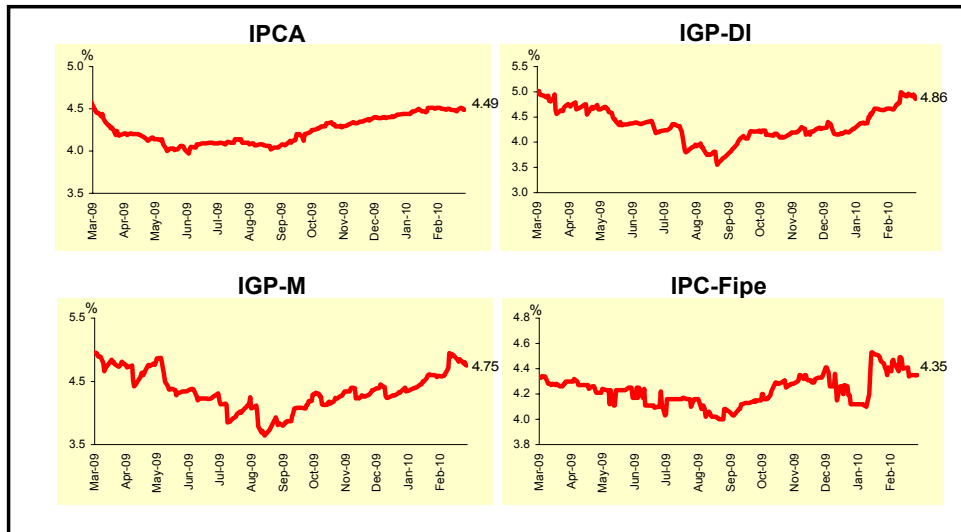
Market Expectations									
	Feb/10					**Mar/10**			
Median - Aggregate	4 weeks ago	1 week ago	Today	Weekly trend*		4 weeks ago	1 week ago	Today	Weekly trend*
IPCA (%)	0.60	0.70	0.75	▲	(4)	0.34	0.35	0.35	= (2)
IGP-DI (%)	0.35	0.76	0.82	▲	(4)	0.30	0.40	0.45	▲ (3)
IGP-M (%)	0.37	0.80	-			0.32	0.40	0.45	▲ (1)
IPC-Fipe (%)	0.40	0.50	0.53	▲	(3)	0.32	0.32	0.32	= (1)
Exchange rate - end-of-period (R$/US$)	1.80	1.85	1.83	▼	(1)	1.78	1.83	1.82	▼ (1)
Over-Selic Target (% p.a.)	-	-	-			8.75	8.75	8.75	= (36)

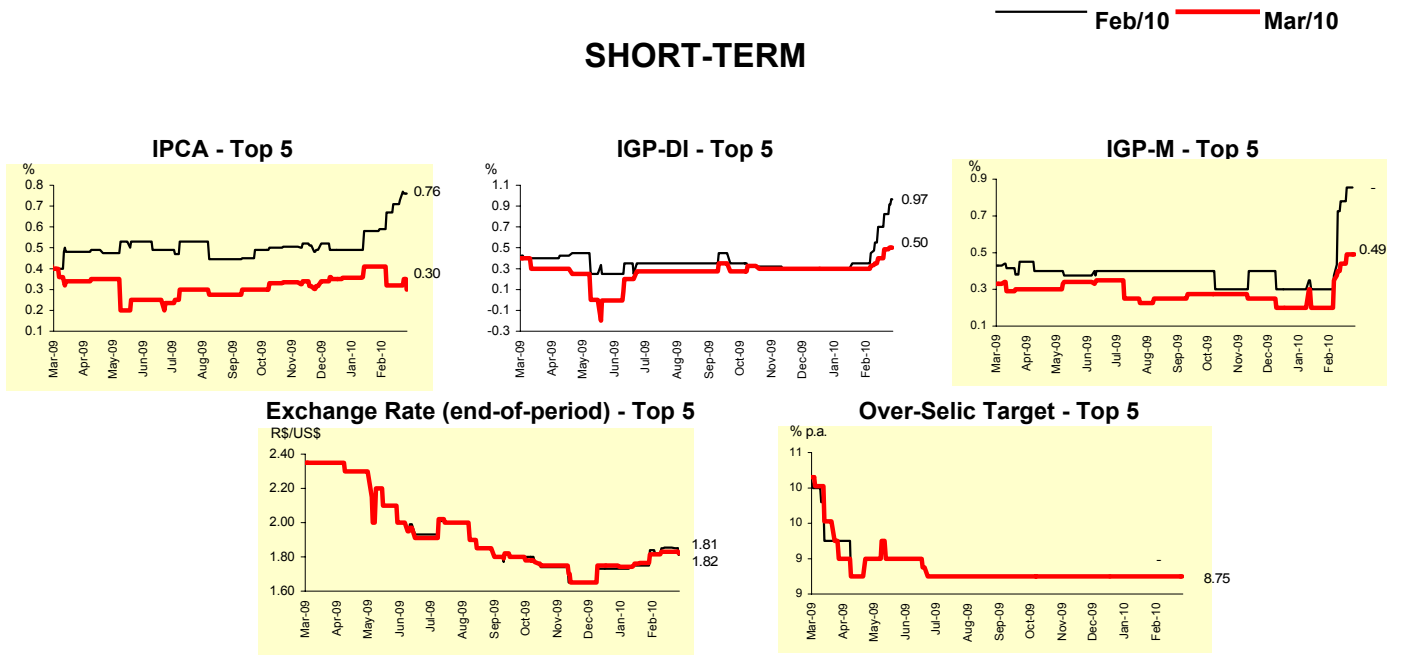| Market Expectations								
Median - Aggregate	**2010**				**2011**			
	4 weeks ago	1 week ago	Today	Weekly trend*	4 weeks ago	1 week ago	Today	Weekly trend*
IPCA (%)	4.62	4.86	4.91	▲ (6)	4.50	4.50	4.53	▲ (1)
IGP-DI (%)	4.60	5.58	5.70	▲ (7)	4.50	4.50	4.50	= (78)
IGP-M (%)	4.80	5.30	5.86	▲ (7)	4.50	4.50	4.50	= (89)
IPC-Fipe (%)	4.50	5.26	5.17	▼ (2)	4.50	4.50	4.50	= (6)
Exchange rate - end-of-period (R$/US$)	1.76	1.80	1.80	= (3)	1.85	1.85	1.87	▲ (1)
Exchange rate - average (R$/US$)	1.78	1.84	1.83	▼ (1)	1.80	1.83	1.84	▲ (1)
Over-Selic Target - end-of-period (% p.a.)	11.25	11.25	11.25	= (6)	11.00	11.00	11.25	▲ (1)
Over-Selic Target - average (% p.a.)	10.00	10.06	10.06	= (2)	11.10	11.16	11.25	▲ (1)
Net Public Sector Debt (% of GDP)	42.00	41.70	41.70	= (1)	40.50	40.30	40.00	▼ (3)
GDP growth (%)	5.35	5.50	5.50	= (1)	4.50	4.50	4.50	= (12)
Industrial Production (% growth)	8.30	8.41	8.60	▲ (1)	4.75	4.95	5.00	▲ (2)
Current Account (US$ billion)	-49.30	-50.00	-50.00	= (1)	-59.74	-56.41	-57.89	▼ (1)
Trade Balance (US$ billion)	10.00	10.00	10.00	= (5)	4.50	1.60	2.80	▲ (1)
Foreign Direct Investment (US$ billion)	38.00	38.00	38.00	= (5)	40.00	40.00	40.00	= (5)
Regulated Prices (%)	3.50	3.60	3.60	= (1)	4.30	4.50	4.50	= (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 - Top 5 - Short Term	Feb/10				Mar/10				
	4 weeks ago	1 week ago	Today	Weekly trend*	4 weeks ago	1 week ago	Today	Weekly trend*	
IPCA (%)	0.59	0.73	0.76	▲ (5)	0.41	0.32	0.30	▼ (1)	
IGP-DI (%)	0.35	0.82	0.97	▲ (4)	0.30	0.49	0.50	▲ (4)	
IGP-M (%)	0.30	0.86	-		0.20	0.49	0.49	= (1)	
Exchange rate - end-of-period (R$/US$)	1.84	1.86	1.81	▼ (1)	1.82	1.83	1.82	▼ (1)	
Over-Selic Target (% p.a.)	-	-	-		8.75	8.75	8.75	= (35)	

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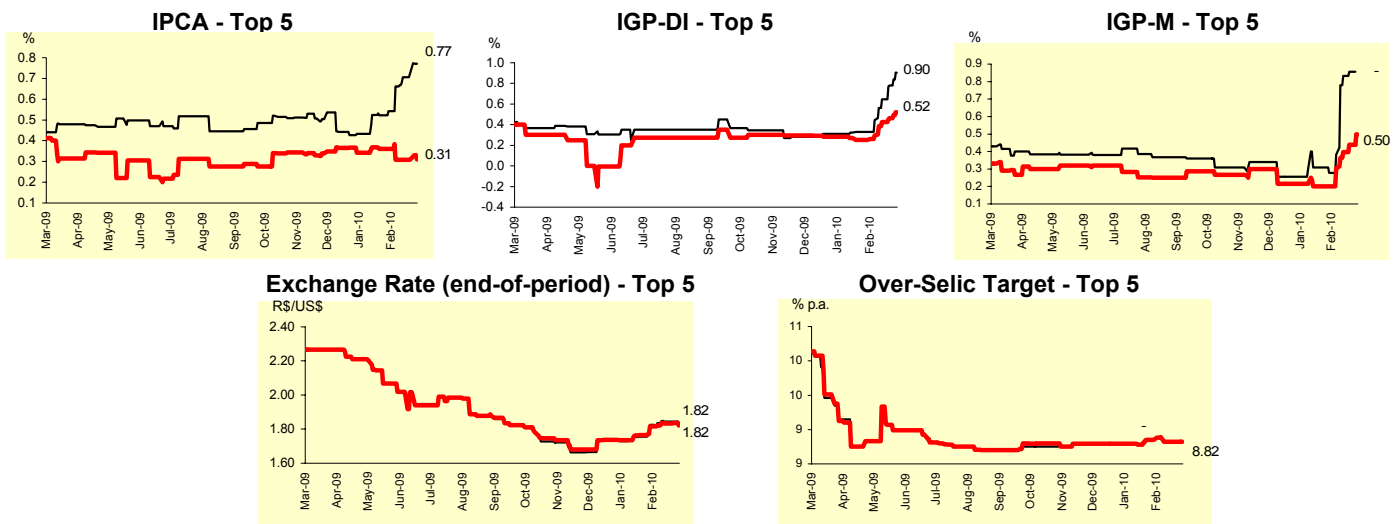(▲increase, ▼decrease or = stability)

———— Feb/10 ———— Mar/10

SHORT-TERM

IPCA - Top 5

IGP-DI - Top 5

IGP-M - Top 5

Exchange Rate (end-of-period) - Top 5

Over-Selic Target - Top 5

Market Expectations									
Median - Top 5	2010				2011				
	4 weeks ago	1 week ago	Today	Weekly trend*	4 weeks ago	1 week ago	Today	Weekly trend*	
Short Term									
IPCA (%)	4.57	5.01	5.15	▲ (1)	4.39	4.50	4.50	= (3)	
IGP-DI (%)	4.52	6.10	6.43	▲ (4)	3.90	4.50	4.50	= (3)	
IGP-M (%)	4.78	6.09	6.63	▲ (5)	4.50	4.75	4.75	= (3)	
Exchange rate - end-of-period (R$/US$)	1.77	1.82	1.82	= (2)	1.81	1.76	1.76	= (3)	
Over-Selic Target - end-of-period (% p.a.)	11.25	11.25	11.25	= (6)	11.25	10.00	10.00	= (3)	
Medium Term									
IPCA (%)	4.72	4.87	5.01	▲ (1)	4.50	4.50	4.50	= (11)	
IGP-DI (%)	4.56	5.38	5.59	▲ (2)	4.40	4.50	4.50	= (3)	
IGP-M (%)	4.59	5.36	5.81	▲ (6)	4.40	4.50	4.50	= (3)	
Exchange rate - end-of-period (R$/US$)	1.70	1.80	1.80	= (3)	1.68	1.90	1.90	= (3)	
Over-Selic Target - end-of-period (% p.a.)	11.25	11.25	11.25	= (5)	10.00	10.25	10.25	= (3)	

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

Focus - Market Readout

Market Expectations									
Average - Top 5 - Short Term	Feb/10				Mar/10				
	4 weeks ago	1 week ago	Today	Weekly trend*		4 weeks ago	1 week ago	Today	Weekly trend*
IPCA (%)	0.54	0.72	0.77	▲	(5)	0.36	0.31	0.31	= (3)
IGP-DI (%)	0.33	0.78	0.90	▲	(4)	0.25	0.46	0.52	▲ (4)
IGP-M (%)	0.28	0.86	-			0.20	0.44	0.50	▲ (4)
Exchange rate - end-of-period (R$/US$)	1.83	1.84	1.82	▼	(1)	1.82	1.83	1.82	▼ (1)
Over-Selic Target (% p.a.)	-	-	-			8.85	8.82	8.82	= (2)

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

Feb/10 ——— Mar/10 ———

SHORT-TERM

IPCA - Top 5

IGP-DI - Top 5

IGP-M - Top 5

Exchange Rate (end-of-period) - Top 5

Over-Selic Target - Top 5

Market Expectations									
Average - Top 5	2010					2011			
	4 weeks ago	1 week ago	Today	Weekly trend*		4 weeks ago	1 week ago	Today	Weekly trend*
Short Term									
IPCA (%)	4.55	5.01	5.05	▲	(5)	4.64	4.49	4.49	= (3)
IGP-DI (%)	4.07	5.85	6.36	▲	(4)	3.90	4.77	4.77	= (3)
IGP-M (%)	4.73	6.15	6.66	▲	(5)	4.63	5.13	5.13	= (3)
Exchange rate - end-of-period (R$/US$)	1.78	1.82	1.82	=	(2)	1.80	1.90	1.90	= (3)
Over-Selic Target - end-of-period (% p.a.)	11.18	11.21	11.21	=	(2)	10.92	10.39	10.39	= (1)
Medium Term									
IPCA (%)	4.81	4.88	4.95	▲	(1)	4.57	4.55	4.55	= (3)
IGP-DI (%)	4.62	5.43	5.47	▲	(7)	4.08	4.13	4.13	= (3)
IGP-M (%)	4.23	5.69	6.31	▲	(6)	4.08	4.42	4.30	▼ (1)
Exchange rate - end-of-period (R$/US$)	1.69	1.82	1.84	▲	(1)	1.67	1.87	1.89	▲ (2)
Over-Selic Target - end-of-period (% p.a.)	11.20	11.17	11.13	▼	(1)	10.55	10.58	10.71	▲ (1)

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