

**August 31, 2001**

*The median of market expectations for the GDP growth declined to 1.80% from 1.85% for the year 2001 and to 2.86% from 2.90% for 2002, as tracked by Banco Central do Brasil daily survey.*

Expectations for the Consumer Price Index – IPCA increased to 6.43% from 6.32% for the year 2001 and remained unchanged at 4.50% for 2002. Forecasts for the IPC-Fipe rose to 6.36% from 6.30% for 2001 and to 4.50% from 4.40% for the year 2002. Projections for the IGP-DI elevated to 9.20% from 9.04% for the year 2001 and remained constant at 5.50% for 2002.

The median of market expectations for the trade balance deficit reduced to US\$0.80 billion from US\$1.00 billion for 2001, with the trade balance surplus for the year 2002 being revised to US\$1.00 billion from US\$0.90 billion for the next year. Expectations for the current account deficit decreased to US\$26.90 billion from US\$27.00 billion for the year 2001 and rose to US\$25.77 billion from US\$25.60 billion for the year 2002. Median of market expectations for the Over-Selic declined to 18.18% p.a. from 18.50% p.a. for the year 2001 and remained stable at 16.00% p.a. for 2002. Forecasts for the exchange rate increased to R\$/US\$2.45 from R\$/US\$2.41 for 2001 and to R\$/US\$2.57 from R\$/US\$2.55 for the year 2002. On the fiscal front, the median of expectations for the primary surplus remained unchanged at 3.35% of the GDP for the year 2001 and at 3.50% of the GDP for 2002. Expectations for other economic indicators, along with median forecasts for the Top 5 forecasters are quoted in the tables and figures below.

**Table 1**  
**Market Readout**

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

**PRICE INDICES**

	<b>August</b>		<b>September</b>	
	As of August 24	As of today	As of August 24	As of today
(% change)				
IGP-DI	1.00	1.03	0.50	0.50
IGP-M	1.26	-	0.55	0.55
IPC-Fipe	1.10	1.10	0.40	0.40
INPC	0.65	0.68	0.40	0.40
IPCA	0.70	0.70	0.40	0.40
	<b>2001</b>		<b>2002</b>	
IGP-DI	9.04	9.20	5.50	5.50
IGP-M	8.97	9.09	5.50	5.63
IPC-Fipe	6.30	6.36	4.40	4.50
INPC	6.90	7.08	4.50	4.50
IPCA	6.32	6.43	4.50	4.50

### OTHER ECONOMIC INDICATORS

	2001		2002	
	As of August 24	As of today	As of August 24	As of today
GDP growth (%)	1.85	1.80	2.90	2.86
Trade Balance (US\$ billion)	-1.00	-0.80	0.90	1.00
Current Account (US\$ billion)	-27.00	-26.90	-25.60	-25.77
Fiscal Figures (% of GDP)				
- Primary Balance	3.35	3.35	3.50	3.50
- Nominal Balance	-6.45	-6.45	-4.22	-4.30
Exchange Rate End of period (R\$/US\$)	2.41	2.45	2.55	2.57
Over-Selic End of period (% p.a.)	18.50	18.18	16.00	16.00

**Table 2**

### Market Readout

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

(% change)	August		September	
	As of August 24	As of today	As of August 24	As of today
IGP-DI	1.00	1.20	0.43	0.45
IGP-M	1.35	-	0.55	0.53
IPC-Fipe	1.20	1.10	0.30	0.30
IPCA	0.70	0.70	0.37	0.33

	2001		2002	
	As of August 24	As of today	As of August 24	As of today
IGP-DI	9.30	9.30	5.50	6.00
IGP-M	9.02	9.16	5.50	5.65
IPC-Fipe	6.00	6.00	4.55	4.40
IPCA	6.50	6.50	4.50	4.50

**Table 3**

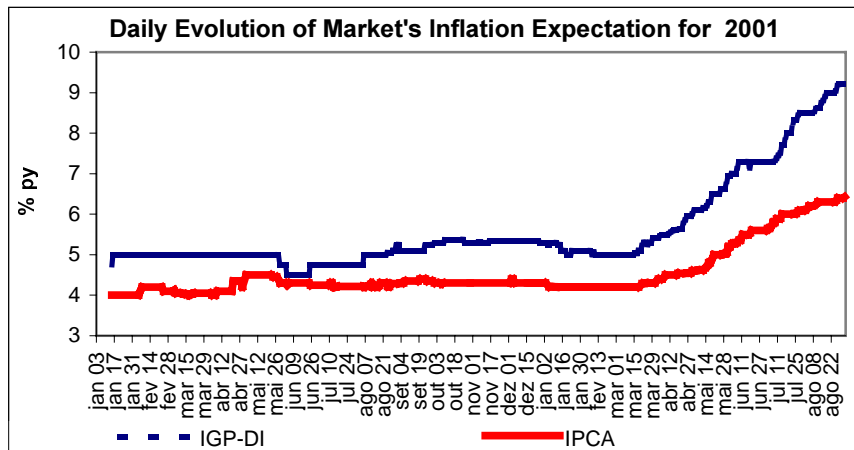
### Market Readout

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

(% change)	August		September	
	As of August 24	As of today	As of August 24	As of today
IGP-DI	1.08	1.10	0.50	0.50
IGP-M	1.20	-	0.55	0.60
IPC-Fipe	1.14	1.14	0.40	0.40
IPCA	0.65	0.70	0.40	0.40

	2001		2002	
	As of August 24	As of today	As of August 24	As of today
IGP-DI	9.29	9.40	5.26	5.26
IGP-M	8.97	9.22	6.50	6.39
IPC-Fipe	6.36	6.50	4.50	4.50
IPCA	6.30	6.53	4.50	4.50

**Figure 1**  
**Evolution of Median Expectations for Inflation**  
 Banco Central do Brasil Daily Survey on Market Expectations



**Figure 2**  
**Dispersion of Inflation Forecasts for 2001**  
 Banco Central do Brasil Daily Survey on Market Expectations

