

January 11th, 2002

The median of market expectations for the Consumer Price Index - IPCA remained stable at 4.70% for the year 2002 and at 4.00% for the year 2003, as tracked by Banco Central do Brasil daily survey. Expectations for the GDP growth remained unchanged at 1.80% for the year 2001, at 2.40% for 2002, and at 3.50% for the year 2003. Forecasts for the IGP-DI remained constant at 6.00% for the year 2002 and increased to 4.85% from 4.65% for 2003. Expectations for the IGP-M dropped to 6.00% from 6.10% for the year 2002 and to 4.65% from 4.70% for the year 2003.

The median of market expectations for the trade balance surplus remained unchanged at US\$5.00 billion for 2002 and at US\$ 6.0 billion for 2003. Forecasts for the current account deficit reduced to US\$23.40 billion from US\$23.45 billion for the year 2001, remained stable at US\$20 billion for the year 2002 and increased to US\$19.83 billion from US\$19.75 billion for the year 2003.

The median of market expectations for the Over-Selic rate remained stable at 17% p.a. for the year 2002 and at 14% for the year 2003 (end-of-period figures). Forecasts for the exchange rate remained unchanged at R\$/US\$2.60 for end-2002 and at R\$/US\$2.70 for end-2003. On the fiscal front, the median of market expectations for the primary surplus remained constant at 3.50% of the GDP for the years 2001 and 2002 and fell to 3.00% from 3.10% of the GDP for the year 2003. Expectations for other economic indicators, along with median projections 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 (% Variation)

(% change)	January		February	
	As of January 4	As of today	As of January 4	As of today
IGP-DI	0.19	0.15	0.25	0.20
IGP-M	0.10	0.25	0.20	0.15
INPC	0.40	0.40	0.34	0.32
IPCA	0.20	0.28	0.27	0.27
IPC-FIPE	0.19	0.25	0.25	0.25
	2002		2003	
IGP-DI	6.00	6.00	4.65	4.85
IGP-M	6.10	6.00	4.70	4.65
INPC	5.00	5.00	4.00	4.00
IPCA	4.70	4.70	4.00	4.00
IPC-FIPE	4.55	4.59	4.00	4.00

OTHER ECONOMIC INDICATORS – 2001

	2001	
	As of January 4	As of today
GDP growth (%)	1.80	1.80
Current Account (US\$ billion)	-23.45	-23.40
FDI (US\$ billion)	19.95	20.10
Fiscal Figures (% of GDP)		
Primary Balance	3.50	3.50
Nominal Balance (harmonized)	-3.10	-3.10

OTHER ECONOMIC INDICATORS – 2002/2003

	2002		2003	
	As of January 4	As of today	As of January 4	As of today
GDP growth (%)	2.40	2.40	3.50	3.50
Trade Balance (US\$ billion)	5.00	5.00	6.00	6.00
Current Account (US\$ billion)	-20.00	-20.00	-19.75	-19.83
FDI (US\$ billion)	16.00	16.00	16.00	16.00
Fiscal Figures (% of GDP)				
Primary Balance	3.50	3.50	3.10	3.00
Nominal Balance (harmonized)	-3.30	-3.30	-3.00	-3.00
Exchange Rate End of period (R\$/US\$)	2.60	2.60	2.70	2.70
Over-Selic End of period (% p.a.)	17.00	17.00	14.00	14.00

**Table 2
Market Readout**

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

(% change)	January		February	
	As of January 4	As of today	As of January 4	As of today
IGP-DI	-0.40	0.10	0.30	0.10
IGP-M	0.10	0.20	0.20	0.15
IPC-FIPE	0.20	0.23	0.25	0.30
IPCA	0.28	0.28	0.29	0.11
	2002		2003	
IGP-DI	5.70	5.70	4.40	4.40
IGP-M	5.90	5.90	4.00	4.00
IPC-FIPE	5.20	5.20	3.50	3.50
IPCA	4.88	4.88	4.00	4.00

Table 3
Market Readout

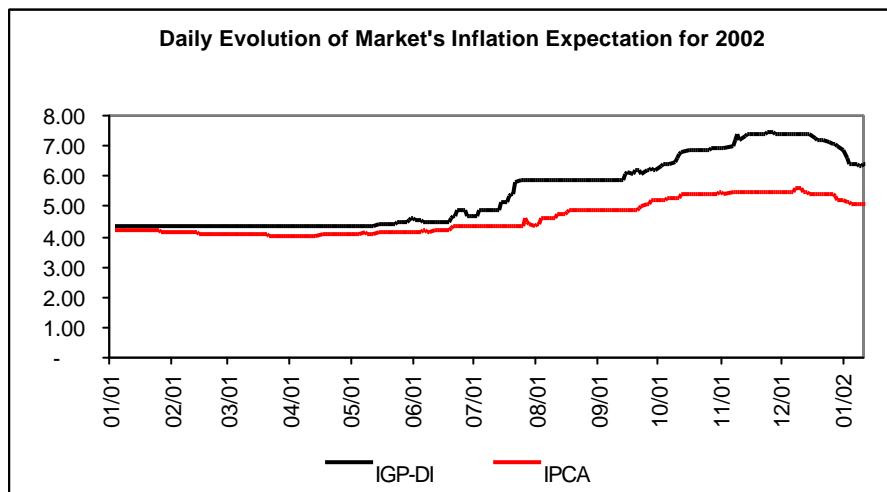
*Banco Central do Brasil Daily Survey on Market Expectations - Median
Top 5 – Medium Run Model Forecasters*

(% change)	January		February	
	As of January 4	As of today	As of January 4	As of today
IGP-DI	0.05	0.05	0.28	0.20
IGP-M	0.30	-0.05	0.29	0.15
IPC-FIPE	0.19	0.19	0.30	0.30
IPCA	0.20	0.25	0.25	0.26
	2002		2003	
IGP-DI	5.59	5.70	4.49	4.50
IGP-M	7.01	6.75	4.56	4.56
IPC-FIPE	4.83	4.83	4.24	4.24
IPCA	4.46	4.51	4.49	4.49

Graph 1

Evolution of Median Expectations for Inflation

Banco Central do Brasil Daily Survey on Market Expectations



Graph 2

Dispersion of Inflation Forecasts for 2001

Banco Central do Brasil Daily Survey on Market Expectations

