
January 18th, 2002

The median of market expectations for the GDP growth remained stable at 1.80% for the year 2001, at 2.40% for 2002 and at 3.5% for the year 2003 on the previous week, as tracked by Banco Central do Brasil daily survey. Forecasts for the current account deficit reduced to US\$ 23.20 billion from US\$ 23.40 billion for the year 2001, remained unchanged at US\$ 20.00 billion for the year 2002 and elevated to US\$ 20.00 billion from US\$ 19.83 billion for the year 2003. Expectations for the trade balance surplus declined to US\$ 4.80 billion from US\$ 5.0 billion for 2002 and remained constant at US\$ 6.0 billion for 2003.

The median of market expectations for the Consumer Price Index - IPCA for 2002 increased to 4.75% from 4.70% and remained unchanged at 4.00% for 2003. Forecasts for the IGP-DI fell to 5.92% from 6.00% for the year 2002 and to 4.65% from 4.85% for 2003. Expectations for the IGP-M declined to 5.96% from 6.00% for the year 2002 and to 4.60% from 4.65% for the next year. Forecasts for the IPC-Fipe increased to 4.68% from 4.59% for the year 2002 and remained unchanged at 4.00% for the year 2003. Expectations for the INPC elevated to 5.10% from 5.00% for the year 2002 and remained stable at 4.00% for the year 2003.

The median of market expectations for the Over-Selic rate remained stable at 17.00% p.a. and at 14.00% p.a. for the years 2002 and 2003, respectively. Forecasts for the exchange rate remained unchanged at R\$/US\$ 2.60 and at R\$/US\$ 2.70 for end-2002 and for end-2003, respectively. On the fiscal front, the median of market expectations for the primary surplus remained unchanged at 3.50% for the years 2001 and 2002 and at 3.00% 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

(% change)	January		February	
	As of January 11	As of today	As of January 11	As of today
IGP-DI	0.15	0.15	0.20	0.20
IGP-M	0.25	0.25	0.15	0.15
INPC	0.40	0.45	0.32	0.30
IPCA	0.28	0.39	0.27	0.25
IPC-FIPE	0.25	0.40	0.25	0.25
	2002		2003	
IGP-DI	6.00	5.92	4.85	4.65
IGP-M	6.00	5.96	4.65	4.60
INPC	5.00	5.10	4.00	4.00
IPCA	4.70	4.75	4.00	4.00
IPC-FIPE	4.59	4.68	4.00	4.00

OTHER ECONOMIC INDICATORS - 2001

	2001	
	As of January 11	As of today
GDP growth (%)	1.80	1.80
Current Account (US\$ billion)	-23.40	-23.20
FDI (US\$ billion)	20.10	20.50
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 11	As of today	As of January 11	As of today
GDP growth (%)	2.40	2.40	3.50	3.50
Trade Balance (US\$ billion)	5.00	4.80	6.00	6.00
Current Account (US\$ billion)	-20.00	-20.00	-19.83	-20.00
FDI (US\$ billion)	16.00	16.00	16.00	16.50
Fiscal Figures (% of GDP)				
Primary Balance	3.50	3.50	3.00	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 11	As of today	As of January 11	As of today
IGP-DI	0.10	0.05	0.10	0.10
IGP-M	0.20	0.20	0.15	0.15
IPC-FIPE	0.23	0.33	0.30	0.30
IPCA	0.28	0.40	0.11	0.37
	2002		2003	
IGP-DI	5.70	5.70	4.40	4.00
IGP-M	5.90	5.90	4.00	4.00
IPC-FIPE	5.20	5.26	3.50	3.50
IPCA	4.88	4.88	4.00	4.00

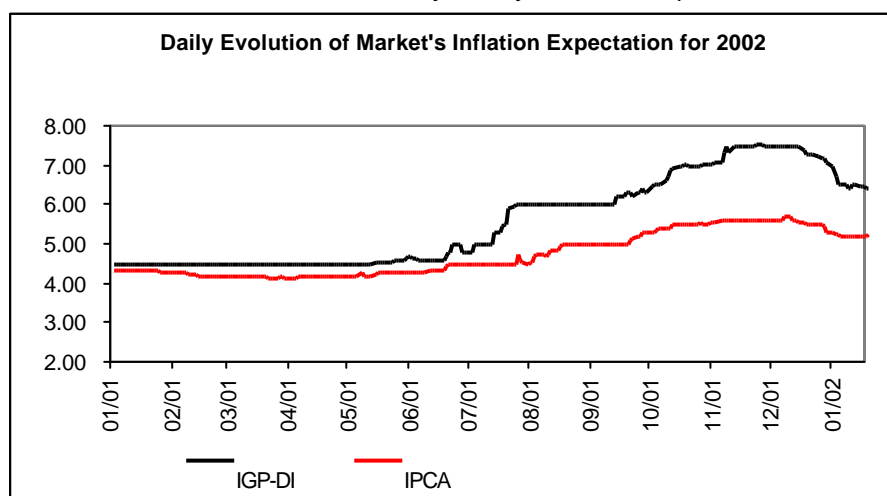
Table 3
Market Readout

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

(% change)	January		February	
	As of January 11	As of today	As of January 11	As of today
IGP-DI	0.05	0.15	0.20	0.20
IGP-M	-0.05	0.15	0.15	0.16
IPC-FIPE	0.19	0.38	0.30	0.30
IPCA	0.25	0.33	0.26	0.15
	2002		2003	
IGP-DI	5.70	5.70	4.50	4.50
IGP-M	6.75	6.42	4.56	4.56
IPC-FIPE	4.83	4.83	4.24	4.24
IPCA	4.51	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

