

February 15th, 2002

The median of market expectations for the net flow of foreign direct investment increased to US\$16.80 billion from US\$16.50 billion for 2002 and to US\$17.00 billion from US\$16.70 billion for 2003, as tracked by Banco Central do Brasil daily survey. The expectations for the trade balance surplus remained stable at US\$4.75 billion for 2002, and at US\$5.70 billion for 2003. The median of the projections for the current account deficit reduced to US\$20.00 billion from US\$20.15 billion for 2002 and remained stable at US\$19.80 billion for 2003.

The forecasts for the GDP growth reduced to US\$2.40% from 2.43% for 2002 and remained stable at 3.50% for 2003.

The forecasts for the Consumer Price Index–Extended - IPCA remained unchanged at 4.80% for 2002 and at 4.00% for 2003. The projections for the IPC-Fipe reduced to 4.79% from 4.81% for 2002 and remained stable at 4.00% for 2003. The expectations for the INPC increased to 5.50% from 5.48% for 2002 and remained unchanged at 4.00% for 2003. The expectations for the IGP-M increased to 5.75% from 5.70% for 2002, and to 4.55% from 4.54% for 2003. The median of expectations for the IGP-DI reduced to 5.78% from 5.88% for 2002, and to 4.60% from 4.65% for 2003.

On the fiscal front, the median of market expectations for the primary surplus remained stable at 3.50% of the GDP for 2002 and at 3.00% of the GDP for 2003. The projections for the harmonized nominal deficit remained unchanged at 3.50% of the GDP for 2002, and decreased to 3.19% from 3.30% of the GDP for 2003. The median of expectations for the exchange rate remained stable at R\$/US\$2.55 for 2002 and at R\$/US\$2.70 for 2003. The expectations for the Over-Selic rate remained constant at 17.00% p.a. for the year 2002 and increased to 14.10% p.a. from 14.00% p.a. for 2003. Expectations for the surveyed economic indicators, along with median projections for the Top 5 forecasting institutions 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)	February		March	
	As of February 8	As of today	As of February 8	As of today
IGP-DI	0.15	0.10	0.35	0.33
IGP-M	0.13	0.05	0.34	0.35
INPC	0.30	0.30	0.30	0.30
IPCA	0.27	0.28	0.30	0.30
IPC-FIPE	0.20	0.17	0.25	0.22
	2002		2003	
IGP-DI	5.88	5.78	4.65	4.60
IGP-M	5.70	5.75	4.54	4.55
INPC	5.48	5.50	4.00	4.00
IPCA	4.80	4.80	4.00	4.00
IPC-FIPE	4.81	4.79	4.00	4.00

OTHER ECONOMIC INDICATORS – 2002/2003

	2002		2003	
	As of February 8	As of today	As of February 8	As of today
GDP growth (%)	2.43	2.40	3.50	3.50
Trade Balance (US\$ billion)	4.75	4.75	5.70	5.70
Current Account (US\$ billion)	-20.15	-20.00	-19.80	-19.80
FDI (US\$ billion)	16.50	16.80	16.70	17.00
Fiscal Figures (% of GDP)				
Primary Balance	3.50	3.50	3.00	3.00
Nominal Balance (harmonized)	-3.50	-3.50	-3.30	-3.19
Exchange Rate End of period (R\$/US\$)	2.55	2.55	2.70	2.70
Over-Selic End of period (% p.a.)	17.00	17.00	14.00	14.10

Table 2
Market Readout

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

	February		March	
(% change)	As of February 8	As of today	As of February 8	As of today
IGP-DI	-0.10	-0.10	0.18	0.20
IGP-M	0.03	0.03	0.30	0.30
IPCA	0.30	0.30	0.30	0.30
	2002		2003	
IGP-DI	5.05	5.05	4.41	4.41
IGP-M	5.56	5.56	4.00	4.00
IPCA	4.82	4.88	3.75	3.75

Table 3
Market Readout

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

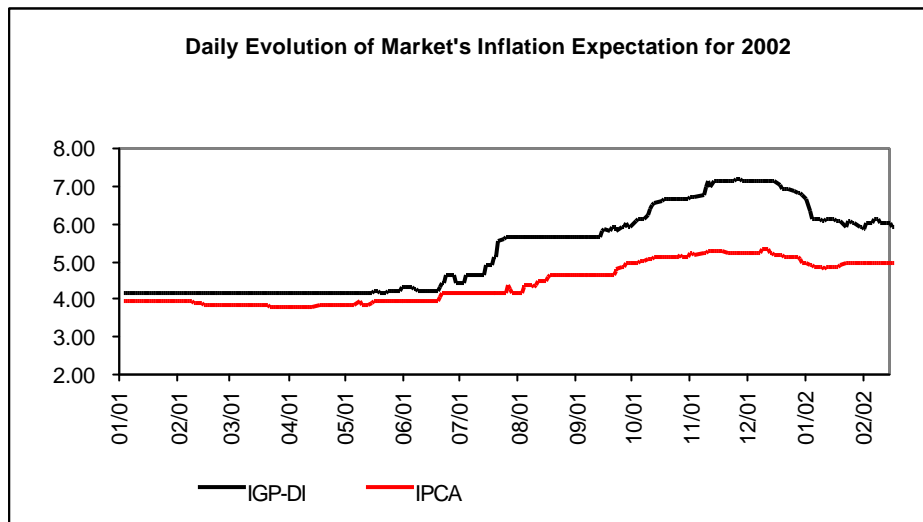
	February		March	
(% change)	As of February 8	As of today	As of February 8	As of today
IGP-DI	0.18	0.18	0.33	0.30
IGP-M	0.03	0.03	0.30	0.30
IPCA	0.30	0.30	0.29	0.25
	2002		2003	
IGP-DI	5.96	5.74	5.00	4.75
IGP-M	5.18	5.18	4.37	4.37
IPCA	5.00	4.99	4.00	4.00

Table 4
Market Readout

*Banco Central do Brasil Daily Survey on Market Expectations - Median
Top 5 – Long Run Forecasting Institutions*

	February		March	
(% change)	As of February 8	As of today	As of February 8	As of today
IPCA	0.26	0.27	0.33	0.28
	2002		2003	
IPCA	4.90	4.96	4.25	4.25

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



Graph 2
Dispersion of Inflation Forecasts for 2002
 Banco Central do Brasil Daily Survey on Market Expectations

