

February 22nd, 2002

Banco Central do Brasil is pleased to announce the Top 5 forecasters for the January 2002 inflation (IPCA, IGP-M and IGP-DI), the exchange and interest (Over-Selic) rates.

Table 1
Top 5 - Medium Run Model Forecasters in January 2002

Rank	IGP-DI	IGP-M	IPCA	Exchange Rate	Interest Rate
1	Alfa	Alfa	MCM Consultores	Pebb Corretora	Opportunity Asset
2	Unibanco Asset	CEF	Citibank	BES	Alfa
3	Safra	ABC Brasil	BES	Boreal	Santos
4	HSBC Asset	Unibanco Asset	Santander	BMC	BMC
5	Bradesco	Boreal	Banco do Brasil	BVA	LCA Consultores

Table 2
Top 5 - Short Run Forecasters in January 2002

Rank	IGP-DI	IGP-M	IPCA
1	Boreal	Boreal	Boreal
2	Itaú	Bradesco	BNP Paribas
3	Tendências	BNP Paribas	Votorantim
4	Safra	Pine	BBA Creditanstalt
5	Unibanco Asset	Itaú	MCM Consultores

The median of market expectations for the net flow of foreign direct investment increased to US\$17.00 billion from US\$16.80 billion for 2002 and to US\$17.50 billion from US\$17.00 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 increased to US\$20.06 billion from US\$20.00 billion for 2002 and decreased to US\$19.75 from US\$19.80 billion for 2003.

The forecasts for the GDP growth remained stable at 2.40% for 2002 and at 3.50% for 2003.

The forecasts for the Consumer Price Index–Extended - IPCA increased to 4.85% from 4.80% for 2002 and remained unchanged at 4.00% for 2003. The projections for the IPC-Fipe increased to 4.87% from 4.79% for 2002 and remained stable at 4.00% for 2003. The expectations for the INPC increased to 5.61% from 5.50% for 2002 and remained unchanged at 4.00% for 2003. The expectations for the IGP-M reduced to 5.74% from 5.75% for 2002, and increased to 4.60% from 4.55% for 2003. The median of expectations for the IGP-DI increased to 5.84% from 5.78% for 2002, and to 4.70% from 4.60% 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 increased to 3.10% from 3.00% of the GDP for 2003. The projections for the nominal deficit remained unchanged at 3.50% of the GDP for 2002, and increased to 3.30% from 3.19% 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 reduced to 14.05% p.a. from 14.10% 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 3
Market Readout

Banco Central do Brasil Daily Survey on Market Expectations - Median

PRICE INDICES

(% change)	February		March	
	As of February 15	As of today	As of February 15	As of today
IGP-DI	0.10	0.13	0.33	0.30
IGP-M	0.05	0.05	0.35	0.30
INPC	0.30	0.35	0.30	0.30
IPCA	0.28	0.30	0.30	0.30
IPC-FIPE	0.17	0.19	0.22	0.20
	2002		2003	
IGP-DI	5.78	5.84	4.60	4.70
IGP-M	5.75	5.74	4.55	4.60
INPC	5.50	5.61	4.00	4.00
IPCA	4.80	4.85	4.00	4.00
IPC-FIPE	4.79	4.87	4.00	4.00

OTHER ECONOMIC INDICATORS – 2002/2003

	2002		2003	
	As of February 15	As of today	As of February 15	As of today
GDP growth (%)	2.40	2.40	3.50	3.50
Trade Balance (US\$ billion)	4.75	4.75	5.70	5.70
Current Account (US\$ billion)	-20.00	-20.06	-19.80	-19.75
FDI (US\$ billion)	16.80	17.00	17.00	17.50
Fiscal Figures (% of GDP)				
Primary Balance	3.50	3.50	3.00	3.10
Nominal Balance (harmonized)	-3.50	-3.50	-3.19	-3.30
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	14.10	14.05

Table 4
Market Readout

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

	February		March	
(% change)	As of February 15	As of today	As of February 15	As of today
IGP-DI	-0.10	0.05	0.20	0.15
IGP-M	0.03	-0.02	0.30	0.24
IPCA	0.30	0.28	0.30	0.30
	2002		2003	
IGP-DI	5.05	5.26	4.41	4.41
IGP-M	5.56	5.26	4.00	5.35
IPCA	4.88	4.88	3.75	3.75

Table 5
Market Readout

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

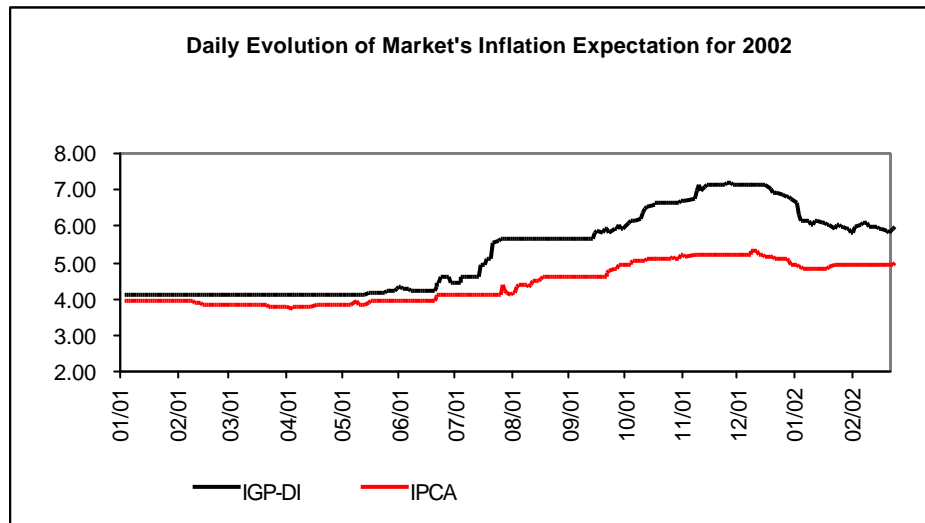
	February		March	
(% change)	As of February 15	As of today	As of February 15	As of today
IGP-DI	0.18	0.10	0.30	0.30
IGP-M	0.03	0.05	0.30	0.35
IPCA	0.30	0.30	0.25	0.30
	2002		2003	
IGP-DI	5.74	6.33	4.75	4.71
IGP-M	5.18	5.54	4.37	4.00
IPCA	4.99	4.82	4.00	4.01

Table 6
Market Readout

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

	February		March	
(% change)	As of February 15	As of today	As of February 15	As of today
IPCA	0.27	0.27	0.28	0.28
	2002		2003	
IPCA	4.96	4.98	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

