

March 15<sup>th</sup>, 2002

*Banco Central do Brasil is pleased to announce the Top 5 Forecasters for the February 2002 inflation (IGP-DI, IGP-M and IPCA - short and medium run), the exchange and interest rates - Over-Selic (medium run).*

**Table 1**  
**Top 5 - Medium Run Forecasters in February 2002**

Rank	IGP-DI	IGP-M	IPCA
1	HSBC Brain Asset Mgt	Unibanco Asset Mgt	Bco Itaú
2	MCM Consultores Bco Société Générale do Brasil	Bco Boreal	Bco Pactual
3	-	Bco Itaú - Mercado de Capitais	Banco do Brasil
4	Bco ABC Brasil	BBV Banco	Bco Nossa Caixa MCM Consultores
5	Bco Boreal	Bco Bradesco	-
Rank	Exchange Rate	Interest Rate	
1	Pebb Corretora de Valores	Bco de Invest CSFB Garantia	
2	Banco BVA	Banco Pine	
3	Bco Espirito Santo de Invest	Fator Doria Atherino S.A. Corretora	
4	BankBoston	Bco Nossa Caixa	
5	Bco Boreal	LCA Consultores SC	

**Table 2**  
**Top 5 - Short Run Forecasters in February 2002**

Rank	IGP-DI	IGP-M	IPCA
1	Bco Itaú	Bco Itaú	Unibanco
2	Bco Industrial e Comercial	Bco Boreal	Bco BBA Creditanstalt Votorantim Asset Mgt DTVM
3	Bco Alfa	Bco Citibank	-
4	Bco BNL do Brasil	Bco ABN Amro Real	Bco Boreal
5	Bco Modal	Bco BNP Paribas Brasil	Barclays Capital Bco BBM

*The median of market expectations for the INPC decreased to 5.77% from 5.88% for 2002 and increased to 4.08% from 4.00% for 2003, as tracked by Banco Central do Brasil daily survey. The forecasts for the Consumer Price Index–Extended - IPCA increased to 4.98% from 4.90% for 2002 and remained unchanged at 4.00% for 2003. The projections for the IPC-Fipe increased to 4.88% from 4.83% for 2002 and remained stable at 4.00% for 2003. The expectations for the IGP-M increased to 5.81% from 5.80% for 2002, and reduced to 4.67% from 4.68% for 2003. The median of expectations for the IGP-DI increased to 5.93% from 5.81% for 2002, and remained constant at 4.80% for 2003.*

The forecasts for the net flow of foreign direct investment remained stable at US\$17.00 billion for 2002 and decreased to US\$17.50 billion from US\$17.75 billion for 2003. The expectations for the trade balance surplus decreased to US\$4.30 billion from US\$ 4.50 billion for 2002, and to US\$5.00 billion from R\$ 5.35 billion for 2003. The median of the projections for the current account deficit increased to US\$20.40 billion from US\$20.01 billion for 2002 and to US\$20.00 from US\$19.82 billion for 2003.

The median of market expectations for the GDP growth remained stable at 2.40% for 2002 and at 3.50% 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 nominal deficit increased to 3.50% from 3.49% of the GDP for 2002, and to 3.15% from 3.00% 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\$2.68 for 2003. The expectations for the Over-Selic rate remained constant at 16.50% p.a. for 2002 and at 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 3**  
**Market Readout**

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

**PRICE INDICES**

(% change)	March		April	
	As of March 8	As of today	As of March 8	As of today
IGP-DI	0.35	0.35	0.40	0.42
IGP-M	0.30	0.32	0.40	0.40
INPC	0.33	0.35	0.40	0.35
IPCA	0.30	0.35	0.35	0.35
IPC-FIPE	0.20	0.23	0.30	0.30
	2002		2003	
IGP-DI	5.81	5.93	4.80	4.80
IGP-M	5.80	5.81	4.68	4.67
INPC	5.88	5.77	4.00	4.08
IPCA	4.90	4.98	4.00	4.00
IPC-FIPE	4.83	4.88	4.00	4.00

**OTHER ECONOMIC INDICATORS – 2002/2003**

	2002		2003	
	As of March 8	As of today	As of March 8	As of today
GDP growth (%)	2.40	2.40	3.50	3.50
Trade Balance (US\$ billion)	4.50	4.30	5.35	5.00
Current Account (US\$ billion)	-20.01	-20.40	-19.82	-20.00
FDI (US\$ billion)	17.00	17.00	17.75	17.50
Fiscal Figures (% of GDP)				
Primary Balance	3.50	3.50	3.00	3.00
Nominal Balance (harmonized)	-3.49	-3.50	-3.00	-3.15
Exchange Rate End of period (R\$/US\$)	2.55	2.55	2.68	2.68
Over-Selic End of period (% p.a.)	16.50	16.50	14.00	14.00

**Table 4**  
**Market Readout**

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

	March		April	
(% change)	As of March 8	As of today	As of March 8	As of today
IGP-DI	0.30	0.43	0.30	0.50
IGP-M	0.24	0.31	0.40	0.46
IPCA	0.30	0.42	0.33	0.33
	2002		2003	
IGP-DI	5.42	5.69	4.41	4.64
IGP-M	5.26	5.75	5.35	5.35
IPCA	4.84	4.87	3.75	3.80

**Table 5**  
**Market Readout**

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

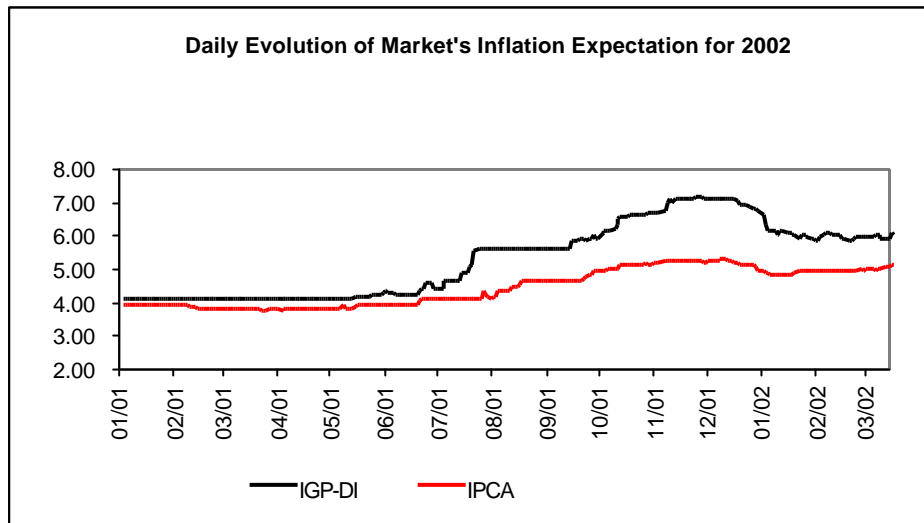
	March		April	
(% change)	As of March 8	As of today	As of March 8	As of today
IGP-DI	0.30	0.40	0.25	0.45
IGP-M	0.35	0.35	0.30	0.35
IPCA	0.36	0.43	0.35	0.42
	2002		2003	
IGP-DI	6.33	6.63	4.71	4.82
IGP-M	5.54	5.75	4.00	4.00
IPCA	4.91	5.05	4.00	3.90

**Table 6**  
**Market Readout**

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

	March		April	
(% change)	As of March 8	As of today	As of March 8	As of today
IPCA	0.32	0.32	0.35	0.37
	2002		2003	
IPCA	5.06	5.18	4.75	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 2002**  
 Banco Central do Brasil Daily Survey on Market Expectations

