

**March 28<sup>th</sup>, 2002**

*The median of market expectations for the GDP growth increased to 2.42% from 2.40% for 2002 and remained stable at 3.50% for 2003, as tracked by Banco Central do Brasil daily survey.* The forecasts for the net flow of foreign direct investment remained unchanged at US\$17.00 billion for 2002 and elevated to US\$18.00 billion from US\$17.75 billion for 2003. The expectations for the trade balance surplus remained stabilized at US\$4.30 billion for 2002, and at US\$5.00 billion for 2003. The median of the projections for the current account deficit rose to US\$20.28 billion from US\$20.25 billion for 2002 and remained constant at US\$20.00 billion for 2003.

The median of market projections for the IGP-M decreased to 5.81% from 5.82% for 2002, and increased to 4.69% from 4.68% for 2003. The expectations for the INPC increased to 5.76% from 5.71% for 2002 and to 4.13% from 4.08% for 2003. The projections for the IPC-Fipe remained stable at 4.86% for 2002 and at 4.00% for 2003. The forecasts for the Consumer Price Index-Extended - IPCA increased to 5.04% from 5.00% for 2002 and remained unchanged at 4.00% for 2003. The median of expectations for the IGP-DI increased to 5.95% from 5.94% for 2002 and decreased to 4.80% from 4.83% for 2003.

The median of expectations for the exchange rate fell to R\$/US\$2.50 from R\$/US\$2.52 for 2002, showing a decreasing trend and remained stable at R\$/US\$2.68 for 2003. The expectations for the Over-Selic rate remained unchanged at 16.50% p.a. for 2002 and at 14.00% p.a. for 2003. On the fiscal front, the median of expectations for the primary surplus remained constant at 3.50% of the GDP for 2002 and at 3.00% of the GDP for 2003. The projections for the nominal harmonized deficit remained unchanged at 3.50% of the GDP for 2002, and at 3.00% of the GDP 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)	March		April	
	As of March 22	As of today	As of March 22	As of today
IGP-DI	0.35	0.32	0.45	0.45
IGP-M	0.28	-	0.42	0.45
INPC	0.39	0.40	0.32	0.40
IPCA	0.40	0.42	0.40	0.44
IPC-FIPE	0.21	0.20	0.30	0.34
	2002		2003	
IGP-DI	5.94	5.95	4.83	4.80
IGP-M	5.82	5.81	4.68	4.69
INPC	5.71	5.76	4.08	4.13
IPCA	5.00	5.04	4.00	4.00
IPC-FIPE	4.86	4.86	4.00	4.00

**OTHER ECONOMIC INDICATORS – 2002/2003**

	2002		2003	
	As of March 22	As of today	As of March 22	As of today
GDP growth (%)	2.40	2.42	3.50	3.50
Trade Balance (US\$ billion)	4.30	4.30	5.00	5.00
Current Account (US\$ billion)	-20.25	-20.28	-20.00	-20.00
FDI (US\$ billion)	17.00	17.00	17.75	18.00
Fiscal Figures (% of GDP)				
Primary Balance	3.50	3.50	3.00	3.00
Nominal Balance (harmonized)	-3.50	-3.50	-3.00	-3.00
Exchange Rate End of period (R\$/US\$)	2.52	2.50	2.68	2.68
Over-Selic End of period (% p.a.)	16.50	16.50	14.00	14.00

**Table 2**  
**Market Readout**

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

(% change)	March		April	
	As of March 22	As of today	As of March 22	As of today
IGP-DI	0.27	0.27	0.44	0.44
IGP-M	0.30	-	0.40	0.40
IPCA	0.35	0.48	0.40	0.61
	2002		2003	
IGP-DI	5.92	5.92	5.00	5.00
IGP-M	5.78	5.78	5.00	5.00
IPCA	5.15	5.15	4.21	4.21

**Table 3**  
**Market Readout**

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

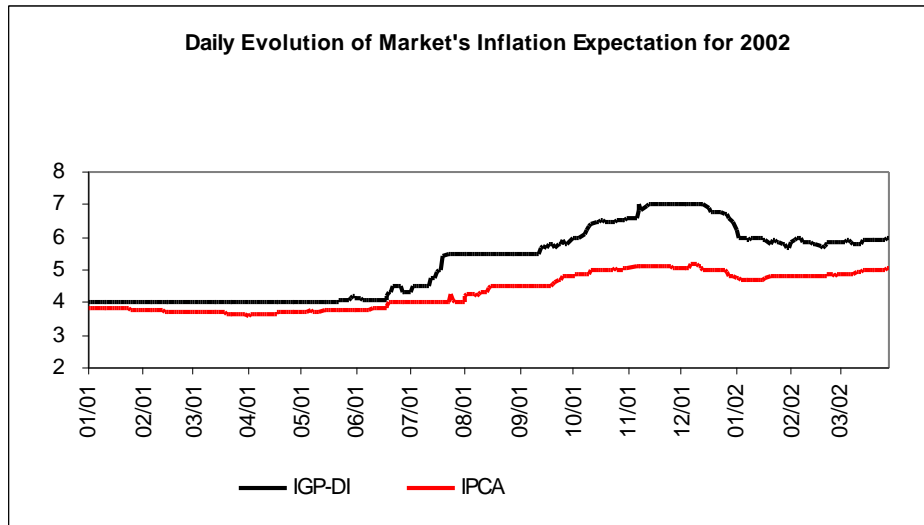
(% change)	March		April	
	As of March 22	As of today	As of March 22	As of today
IGP-DI	0.28	0.28	0.46	0.46
IGP-M	0.30	-	0.41	0.55
IPCA	0.40	0.47	0.35	0.51
	2002		2003	
IGP-DI	5.78	5.78	4.00	4.00
IGP-M	6.14	5.97	4.25	4.25
IPCA	4.82	5.00	3.95	3.95

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

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

(% change)	March		April	
	As of March 22	As of today	As of March 22	As of today
IPCA	0.35	0.35	0.39	0.35
	2002		2003	
IPCA	5.16	5.16	4.50	4.50

**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

