

April 5th, 2002

The median of market expectations for the IGP-M decreased to 5.72% from 5.81% for 2002 and to 4.68% from 4.69% for 2003, as tracked by Banco Central do Brasil daily survey. The forecasts for the IGP-DI remained stable at 5.95% for 2002 and increased to 4.83% from 4.80% for 2003. The expectations for the Consumer Price Index–Extended - IPCA increased to 5.26% from 5.04% for 2002 and remained unchanged at 4.00% for 2003. The forecasts for the INPC increased to 5.93% from 5.76% for 2002 and remained constant at 4.13% for 2003. The projections for the IPC-Fipe elevated to 4.88% from 4.86% for 2002 and remained stabilized at 4.00% for 2003.

The median of projections for the GDP growth remained stable at 2.42% for 2002 and at 3.50% for 2003. The forecasts for the current account deficit remained constant at US\$20.28 billion for 2002 and at US\$20.00 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 projections for the net flow of foreign direct investment increased to US\$17.20 billion from US\$17.00 billion for 2002 and remained constant at US\$18.00 billion for 2003.

The median of forecasts for the exchange rate remained unchanged at R\$/US\$2.50 for 2002 and fell to R\$/US\$2.65 from R\$/US\$2.68 for 2003. The expectations for the Over-Selic rate remained unchanged at 16.50% p.a. for 2002 and increased to 14.25% p.a. from 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 elevated to 3.13% from 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 28	As of today	As of March 28	As of today
IGP-DI	0.32	0.30	0.45	0.46
IGP-M	-	-	0.45	0.45
INPC	0.40	0.40	0.40	0.54
IPCA	0.42	0.45	0.44	0.60
IPC-FIPE	0.20	-	0.34	0.35
	2002		2003	
IGP-DI	5.95	5.95	4.80	4.83
IGP-M	5.81	5.72	4.69	4.68
INPC	5.76	5.93	4.13	4.13
IPCA	5.04	5.26	4.00	4.00
IPC-FIPE	4.86	4.88	4.00	4.00

OTHER ECONOMIC INDICATORS – 2002/2003

	As of March 28	As of today	As of March 28	As of today
GDP growth (%)	2.42	2.42	3.50	3.50
Trade Balance (US\$ billion)	4.30	4.30	5.00	5.00
Current Account (US\$ billion)	-20.28	-20.28	-20.00	-20.00
FDI (US\$ billion)	17.00	17.20	18.00	18.00
Fiscal Figures (% of GDP)				
Primary Balance	3.50	3.50	3.00	3.13
Nominal Balance (harmonized)	-3.50	-3.50	-3.00	-3.00
Exchange Rate End of period (R\$/US\$)	2.50	2.50	2.68	2.65
Over-Selic End of period (% p.a.)	16.50	16.50	14.00	14.25

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 28	As of today	As of March 28	As of today
IGP-DI	0.27	0.20	0.44	0.45
IGP-M	-	-	0.40	0.40
IPCA	0.48	0.48	0.61	0.63
	2002		2003	
IGP-DI	5.92	5.82	5.00	5.00
IGP-M	5.78	5.69	5.00	5.00
IPCA	5.15	5.17	4.21	4.21

Table 3
Market Readout

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

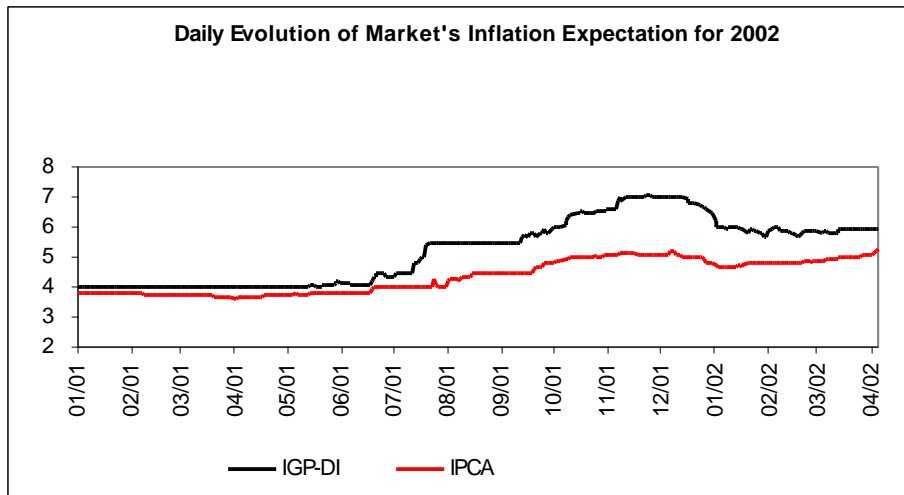
(% change)	March		April	
	As of March 28	As of today	As of March 28	As of today
IGP-DI	0.28	0.25	0.46	0.46
IGP-M	-	-	0.55	0.50
IPCA	0.47	0.47	0.51	0.70
	2002		2003	
IGP-DI	5.78	5.72	4.00	4.00
IGP-M	5.97	5.87	4.25	4.25
IPCA	5.00	5.00	3.95	3.95

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 28	As of today	As of March 28	As of today
IPCA	0.35	0.35	0.35	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

