

April 19<sup>th</sup>, 2002

*Banco Central do Brasil announces the Top 5 forecasting institutions participating in the survey carried out on a daily basis by the Investor Relations Group (GCI) in March (Tables 1 and 2).*

**Table 1**  
**Top 5 - Medium Run Forecasting Institutions**  
March 2002

Rank	IPCA	IGP-DI	IGP-M	Selic Rate	Exchange Rate
1	Citibank	Unibanco	Unibanco	Sudameris	PEBB
2	LCA Consultores	Pactual	ABN Amro	Modal	BVA
3	CSFB Garantia	ABN Amro	BMC	Deutsche Bank	BankBoston
4	Rosemberg	CEF	Boreal	Nossa Caixa	Unibanco AM
5	Nossa Caixa	BMC	Cruzeiro do Sul	Interamex	Sogeral

**Table 2**  
**Top 5 - Short Run Forecasting Institutions**  
March 2002

Rank	IPCA	IGP-DI	IGP-M
1	BBM	Bradesco	Itaú
2	Icatu DTVM	Itaú	Sudameris
3	Boreal	Alfa	Pine
4	Unibanco, Nobel, MCM Consultores	Pactual, LCA Consultores, Bic Banco	ABN Amro
5	-	-	Fibra

*On April 19<sup>th</sup>, 2002, the median of market expectations for the IGP-M remained practically constant for 2002, moving to 5.65% from 5.64% , and reduced to 4.63% from 4.67% for 2003, as tracked by Banco Central do Brasil daily survey.* The forecasts for the IGP-DI decreased to 5.69% from 5.81% for 2002 and remained stable at 4.80% for 2003. The expectations for the Consumer Price Index–Extended - IPCA increased to 5.46% from 5.32% for 2002 and remained unchanged at 4.00% for 2003. The forecasts for the INPC increased to 6.16% from 6.00% for 2002 and to 4.20% from 4.13% for 2003. The projections for the IPC-Fipe decreased to 4.76% from 4.80% for 2002 and remained stable at 4.00% for 2003.

The median of projections for the GDP growth increased to 2.42% from 2.40% for 2002 and remained stable at 3.50% for 2003. The forecasts for the current account deficit reduced to US\$20.33 billion from US\$20.40 billion for 2002 and remained at US\$20.00 billion for 2003. The

expectations for the trade balance surplus decreased to US\$4.20 billion from US\$4.25 billion for 2002 and remained at US\$5.00 billion for 2003. The projections for the net flow of foreign direct investment increased to US\$17.35 billion from US\$17.20 billion 2002 and remained unchanged 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 at R\$/US\$2.60 for 2003. The expectations for the Over-Selic rate remained unchanged at 16.50% p.a. for 2002 and increased to 14.50% p.a. from 14.40% 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 at 3.20% 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 3**  
**Market Readout**

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

**PRICE INDICES**

(% change)	April		May	
	As of April 12	As of today	As of April 12	As of today
IGP-DI	0.50	0.50	0.50	0.50
IGP-M	0.45	0.50	0.50	0.50
INPC	0.60	0.74	0.40	0.40
IPCA	0.70	0.82	0.35	0.35
IPC-FIPE	0.35	0.34	0.35	0.35
	2002		2003	
IGP-DI	5.81	5.69	4.80	4.80
IGP-M	5.64	5.65	4.67	4.63
INPC	6.00	6.16	4.13	4.20
IPCA	5.32	5.46	4.00	4.00
IPC-FIPE	4.80	4.76	4.00	4.00

**OTHER ECONOMIC INDICATORS – 2002/2003**

	2002		2003	
	As of April 12	As of today	As of April 12	As of today
GDP growth (%)	2.40	2.42	3.50	3.50
Trade Balance (US\$ billion)	4.25	4.20	5.00	5.00
Current Account (US\$ billion)	-20.40	-20.33	-20.00	-20.00
FDI (US\$ billion)	17.20	17.35	18.00	18.00
Fiscal Figures (% of GDP)				
Primary Balance	3.50	3.50	3.20	3.20
Nominal Balance (harmonized)	-3.50	-3.50	-3.00	-3.00
Exchange Rate End of period (R\$/US\$)	2.50	2.50	2.60	2.60
Over-Selic End of period (% p.a.)	16.50	16.50	14.40	14.50

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

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

(% change)	April		May	
	As of April 12	As of today	As of April 12	As of today
IGP-DI	0.53	0.65	0.50	0.50
IGP-M	0.44	0.45	0.49	0.53
IPCA	0.80	0.87	0.41	0.40
	2002		2003	
IGP-DI	5.70	5.71	5.00	5.00
IGP-M	5.43	5.43	5.00	4.51
IPCA	5.36	5.48	4.00	4.00

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

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

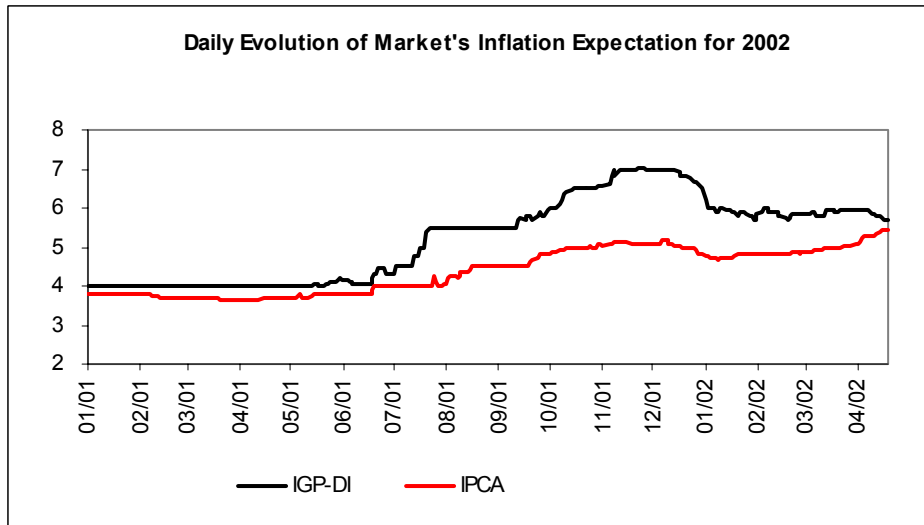
(% change)	April		May	
	As of April 12	As of today	As of April 12	As of today
IGP-DI	0.50	0.50	0.43	0.50
IGP-M	0.50	0.50	0.53	0.45
IPCA	0.70	0.70	0.40	0.35
	2002		2003	
IGP-DI	5.41	6.30	4.00	4.25
IGP-M	5.87	5.70	4.25	4.25
IPCA	5.46	5.44	3.95	4.00

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

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

(% change)	April		May	
	As of April 12	As of today	As of April 12	As of today
IPCA	0.35	0.80	0.30	0.30
	2002		2003	
IPCA	5.16	5.57	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

