

**May 3<sup>rd</sup>, 2002**

*The median of market expectations for the IPC-Fipe decreased to 4.72% from 4.78% for 2002 and remained stable at 4.00% for 2003, as tracked by Banco Central do Brasil daily survey.* The expectations for the Consumer Price Index–Extended - IPCA remained unchanged at 5.46% for 2002 and at 4.00% for 2003. The forecasts for the IGP-DI remained stable at 5.62% for 2002 and at 4.80% for 2003. The forecasts for the INPC increased to 6.32% from 6.30% for 2002 and decreased to 4.18% from 4.20% for 2003. The median of market expectations for the IGP-M increased to 5.63% from 5.62% for 2002 and to 4.63% from 4.60% for 2003.

The median of projections for the GDP growth remained stable at 2.40% for 2002 and at 3.50% for 2003. The forecasts for the current account deficit remained constant at US\$20.40 billion for 2002 and at US\$20.00 billion for 2003. The expectations for the trade balance surplus remained unchanged at US\$4.30 billion for 2002 and at US\$4.95 billion for 2003. The projections for the net flow of foreign direct investment remained stable at US\$17.90 billion for 2002 and 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 increased to 16.60% p.a. from 16.50% p.a. for 2002 and decreased to 14.45% p.a. from 14.50% 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 3.20% 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 1**  
**Market Readout**

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

**PRICE INDICES**

(% change)	April		May	
	As of April 26	As of today	As of April 26	As of today
IGP-DI	0.55	0.55	0.50	0.50
IGP-M	0.60	-	0.50	0.50
INPC	0.84	0.85	0.40	0.40
IPCA	0.86	0.86	0.40	0.40
IPC-FIPE	0.30	0.24	0.35	0.35
	2002		2003	
IGP-DI	5.62	5.62	4.80	4.80
IGP-M	5.62	5.63	4.60	4.63
INPC	6.30	6.32	4.20	4.18
IPCA	5.46	5.46	4.00	4.00
IPC-FIPE	4.78	4.72	4.00	4.00

**OTHER ECONOMIC INDICATORS – 2002/2003**

	2002		2003	
	As of April 26	As of today	As of April 26	As of today
GDP growth (%)	2.40	2.40	3.50	3.50
Trade Balance (US\$ billion)	4.30	4.30	4.95	4.95
Current Account (US\$ billion)	-20.40	-20.40	-20.00	-20.00
FDI (US\$ billion)	17.90	17.90	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	16.60	14.50	14.45

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

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

(% change)	April		May	
	As of April 26	As of today	As of April 26	As of today
IGP-DI	0.58	0.65	0.50	0.50
IGP-M	0.48	-	0.45	0.45
IPCA	0.83	0.81	0.33	0.34
	2002		2003	
IGP-DI	5.59	5.61	5.00	5.00
IGP-M	5.32	5.64	4.51	4.51
IPCA	5.44	5.46	4.00	4.00

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

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

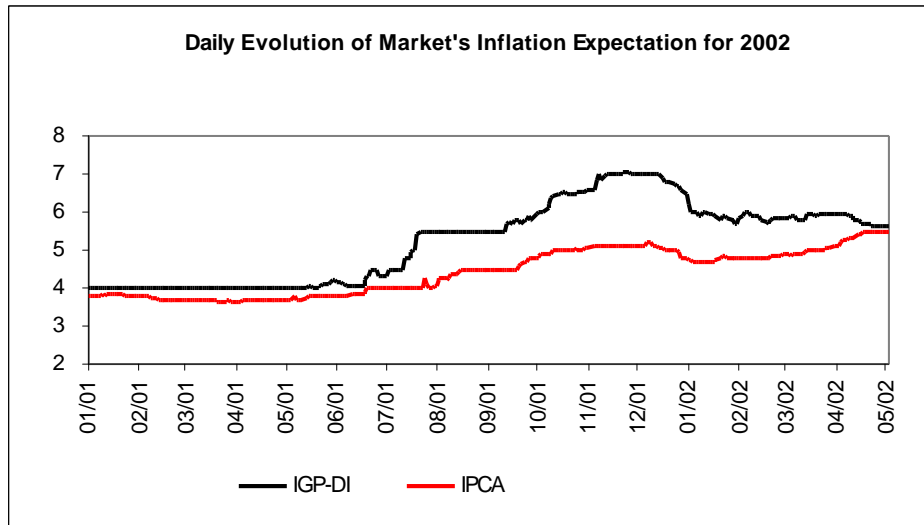
(% change)	April		May	
	As of April 26	As of today	As of April 26	As of today
IGP-DI	0.65	0.65	0.45	0.45
IGP-M	0.65	-	0.45	0.45
IPCA	0.80	0.80	0.40	0.40
	2002		2003	
IGP-DI	5.61	5.61	4.50	4.50
IGP-M	5.65	5.61	4.25	4.25
IPCA	5.45	5.46	4.00	4.00

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

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

(% change)	April		May	
	As of April 26	As of today	As of April 26	As of today
IPCA	0.80	0.80	0.30	0.30
	2002		2003	
IPCA	5.51	5.51	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

