

July 12th, 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 June (Tables 1 and 2).

Table 1
Top 5 - Medium Run Forecasting Institutions
June 2002

Rank	IPCA	IGP-DI	IGP-M	Selic Rate	Exchange Rate
1	Arbi	Pactual	Lloyds	Pine	Itaú AMC
2	BMC	Lloyds	Pactual	Nossa Caixa	Pine
3	Votorantim	CSFB	Nobel	Alfa	CSFB
4	Ing Barings	Unibanco AM	Unibanco AM	Rosenberg	Votorantim AM
5	HSBC AM	Votorantim AM	Votorantim AM	Nobel	Rosenberg

Table 2
Top 5 - Short Run Forecasting Institutions
June 2002

Rank	IPCA	IGP-DI	IGP-M
1	Fibra	Boreal	Espírito Santo Inv.
2	Boreal	BBV	Rosenberg
3	BBM	Telefônica	Safra
4	Nobel	Citibank, Espírito Santo Inv.	Unibanco
5	Safra, Icatu DTVM	-	Pictet Modal AM

On July 12th, 2002, the median of market expectations for the trade balance surplus increased to US\$4.50 billion from US\$4.47 billion for 2002 and remained at US\$5.00 billion for 2003, as tracked by Banco Central do Brasil daily survey.

The expectations for the IPC-Fipe increased to 4.21% from 4.14% for 2002 and remained at 4.00% for 2003. The forecasts for the IPCA increased to 5.81% from 5.72% for 2002 and to 4.20% from 4.00% for 2003. The median of expectations for the INPC increased to 6.24% from 6.08% for 2002 and remained at 4.50% for 2003. The forecasts for the IGP-M increased to 7.16% from 6.83% for 2002 and remained at 5.00% for 2003. The median of expectations for the IGP-DI increased to 7.27% from 7.05% for 2002 and remained at 5.00% for 2003.

The median of market forecasts for the GDP growth remained at 2.00% for 2002 and decreased to 3.45% from 3.50% for 2003.

The forecasts for the current account deficit declined to US\$20.30 billion from US\$20.45 billion for 2002 and increased to US\$20.10 billion from US\$19.90 for 2003. The expectations for the net flow of foreign direct investment declined to US\$17.30 billion from US\$17.40 billion for 2002 and remained at US\$18.00 billion for 2003.

On the fiscal front, the median of expectations for the primary surplus remained at 3.75% of the GDP for 2002 and at 3.50% of the GDP for 2003. The median of forecasts for the nominal harmonized deficit remained at 3.50% of the GDP for 2002 and at 3.00% of the GDP for 2003. The expectations for the Over-Selic rate remained at 17.00% p.a. for 2002 and at 15.00% p.a. for 2003. The median of forecasts for the exchange rate increased to R\$/US\$2.60 from R\$/US\$2.59 for 2002 and remained at R\$/US\$2.69 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)	July		August	
	As of July 5	As of today	As of July 5	As of today
IGP-DI	0.92	1.10	0.69	0.66
IGP-M	1.01	1.21	0.77	0.80
INPC	0.85	0.87	0.48	0.50
IPCA	0.85	1.00	0.44	0.45
IPC-FIPE	0.68	0.70	0.80	0.80
	2002		2003	
IGP-DI	7.05	7.27	5.00	5.00
IGP-M	6.83	7.16	5.00	5.00
INPC	6.08	6.24	4.50	4.50
IPCA	5.72	5.81	4.00	4.20
IPC-FIPE	4.14	4.21	4.00	4.00

OTHER ECONOMIC INDICATORS – 2002/2003

	2002		2003	
	As of July 5	As of today	As of July 5	As of today
GDP growth (%)	2.00	2.00	3.50	3.45
Trade Balance (US\$ billion)	4.47	4.50	5.00	5.00
Current Account (US\$ billion)	-20.45	-20.30	-19.90	-20.10
FDI (US\$ billion)	17.40	17.30	18.00	18.00
Fiscal Figures (% of GDP)				
Primary Balance	3.75	3.75	3.50	3.50
Nominal Balance (harmonized)	-3.50	-3.50	-3.00	-3.00
Exchange Rate End of period (R\$/US\$)	2.59	2.60	2.69	2.69
Over-Selic End of period (% p.a.)	17.00	17.00	15.00	15.00

Table 2
Market Readout

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

	July		August	
	As of July 5	As of today	As of July 5	As of today
(% change)				
IGP-DI	0.92	1.20	0.61	0.60
IGP-M	1.50	1.50	0.77	0.73
IPCA	0.81	0.98	0.45	0.47
	2002		2003	
IGP-DI	7.07	6.98	5.00	5.00
IGP-M	7.69	7.52	4.55	4.56
IPCA	6.00	5.81	4.50	4.00

Table 3
Market Readout

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

	July		August	
	As of July 5	As of today	As of July 5	As of today
(% change)				
IGP-DI	0.85	1.26	0.80	0.83
IGP-M	1.30	1.60	0.74	0.95
IPCA	0.90	0.80	0.40	0.50
	2002		2003	
IGP-DI	7.20	7.34	5.00	5.00
IGP-M	7.53	7.68	5.50	5.00
IPCA	5.68	5.68	3.60	3.50

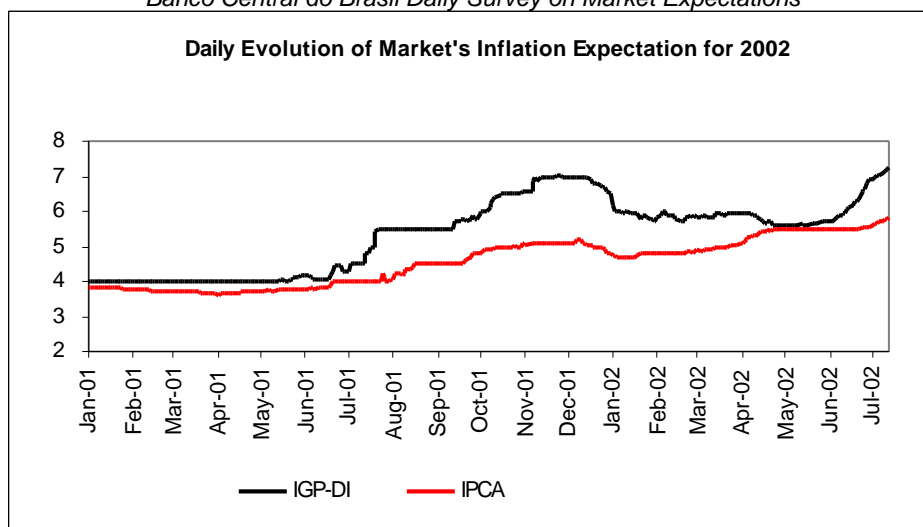
Table 4
Market Readout

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

	July		August	
(% change)	As of July 5	As of today	As of July 5	As of today
IPCA	0.90	0.90	0.45	0.45
	2002		2003	
IPCA	5.50	5.50	4.75	4.75

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

