Focus - Market Readout

Market Expectations				
Inflation in the next 12 months - Smoothed				
Median - Aggregate	4 weeks ago	1 week ago	Today	Weekly trend*
IPCA (%)	4.32	4.38	4.39	▲ (5)
IGP-DI (%)	4.22	4.26	4.40	▲ (3)
IGP-M (%)	4.40	4.36	4.45	▲ (3)
IPC-Fipe (%)	4.35	4.34	4.26	▼ (1)

* trend since the last Market Readout; the figures in parenthesis express the number of weeks with the same behavior
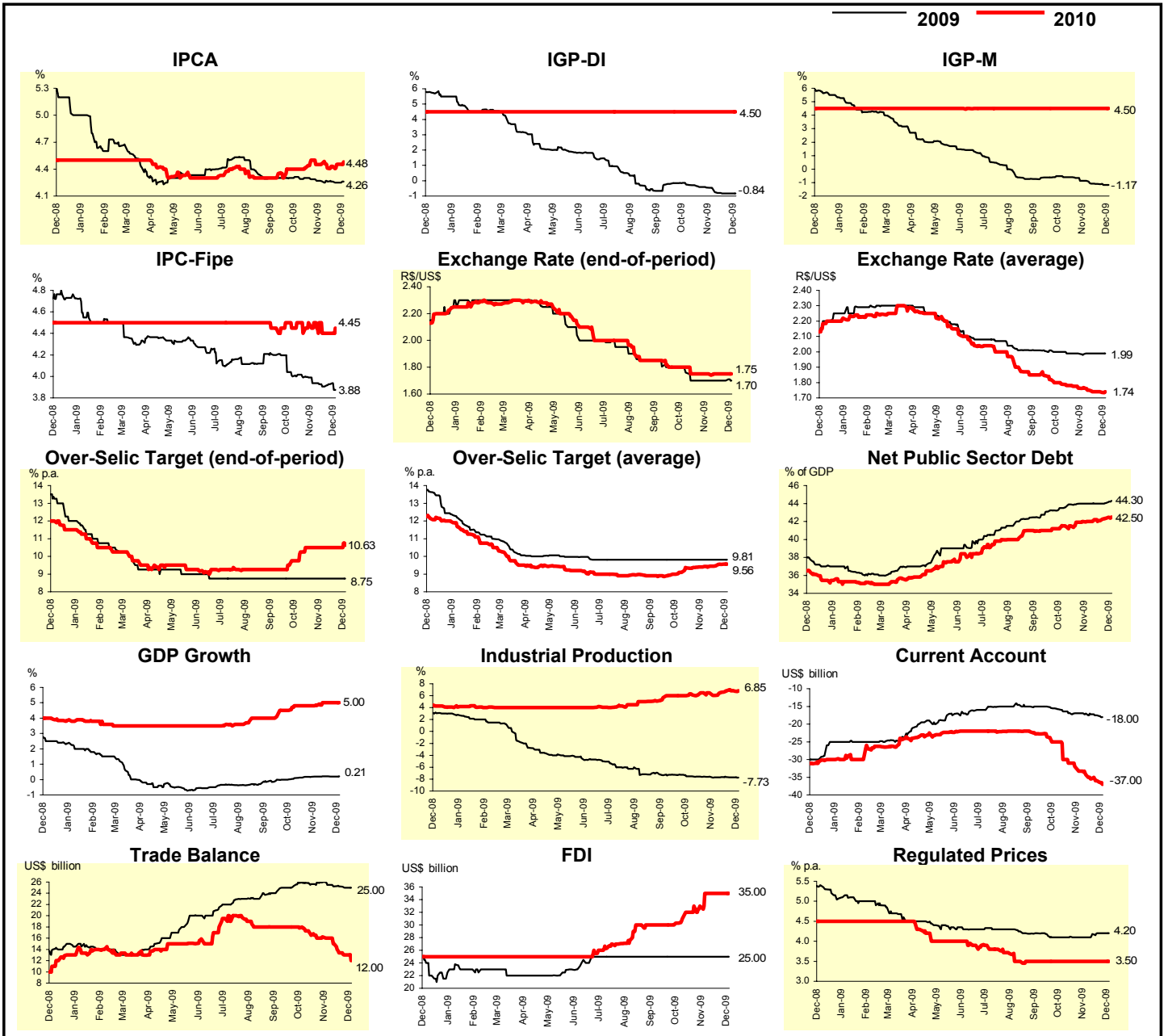(▲increase, ▼decrease or = stability)
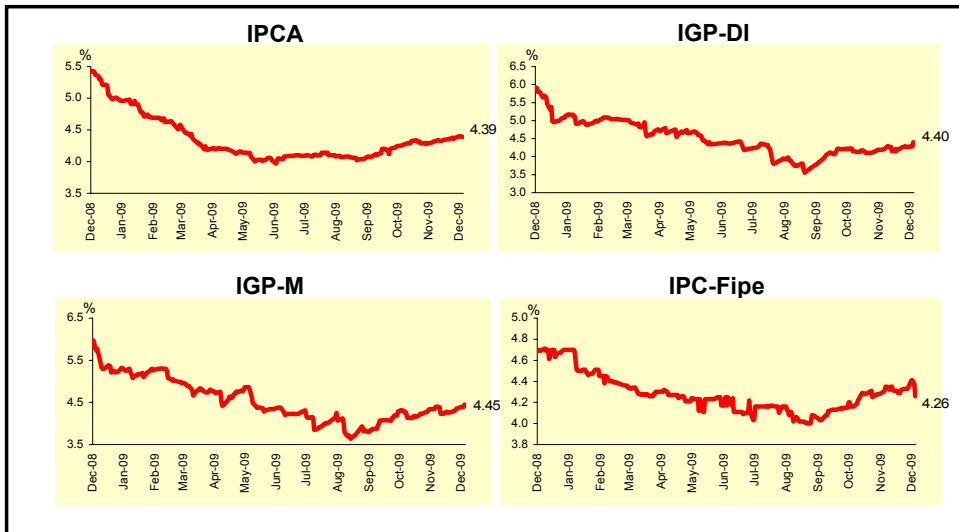
Market Expectations								
	Nov/09				**Dec/09**			
Median - Aggregate	4 weeks ago	1 week ago	Today	Weekly trend*	4 weeks ago	1 week ago	Today	Weekly trend*
IPCA (%)	0.35	0.35	0.35	= (2)	0.40	0.37	0.37	= (1)
IGP-DI (%)	0.34	0.21	0.21	= (2)	0.36	0.34	0.32	▼ (1)
IGP-M (%)	0.30	-	-		0.40	0.30	0.30	= (3)
IPC-Fipe (%)	0.35	0.32	-		0.40	0.40	0.40	= (4)
Exchange rate - end-of-period (R$/US$)	1.71	1.72	-		1.70	1.70	1.70	= (7)
Over-Selic Target (% p.a.)	-	-	-		8.75	8.75	8.75	= (24)

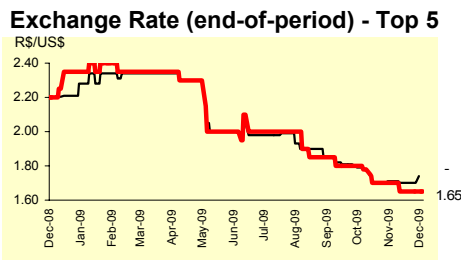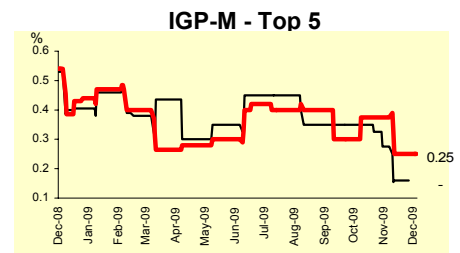| Market Expectations								
Median - Aggregate	**2009**				**2010**			
	4 weeks ago	1 week ago	Today	Weekly trend*	4 weeks ago	1 week ago	Today	Weekly trend*
IPCA (%)	4.27	4.25	4.26	▲ (1)	4.46	4.45	4.48	▲ (3)
IGP-DI (%)	-0.47	-0.84	-0.84	= (2)	4.50	4.50	4.50	= (80)
IGP-M (%)	-0.88	-1.17	-1.17	= (1)	4.50	4.50	4.50	= (24)
IPC-Fipe (%)	3.94	3.93	3.88	▼ (1)	4.50	4.40	4.45	▲ (1)
Exchange rate - end-of-period (R$/US$)	1.70	1.70	1.70	= (7)	1.75	1.75	1.75	= (7)
Exchange rate - average (R$/US$)	1.99	1.99	1.99	= (7)	1.77	1.74	1.74	= (2)
Over-Selic Target - end-of-period (% p.a.)	8.75	8.75	8.75	= (24)	10.50	10.50	10.63	▲ (1)
Over-Selic Target - average (% p.a.)	9.81	9.81	9.81	= (23)	9.43	9.55	9.56	▲ (11)
Net Public Sector Debt (% of GDP)	44.00	44.05	44.30	▲ (2)	42.00	42.35	42.50	▲ (2)
GDP growth (%)	0.20	0.20	0.21	▲ (1)	4.83	5.00	5.00	= (3)
Industrial Production (% growth)	-7.70	-7.72	-7.73	▼ (2)	6.05	6.88	6.85	▼ (1)
Current Account (US$ billion)	-16.90	-17.52	-18.00	▼ (4)	-33.25	-36.00	-37.00	▼ (8)
Trade Balance (US$ billion)	25.50	25.00	25.00	= (1)	16.00	13.00	12.00	▼ (5)
Foreign Direct Investment (US$ billion)	25.00	25.00	25.00	= (23)	35.00	35.00	35.00	= (4)
Regulated Prices (%)	4.10	4.20	4.20	= (2)	3.50	3.50	3.50	= (17)

* trend since the last Market Readout; the figures in parenthesis express the number of weeks with the same behavior
(▲increase, ▼decrease or = stability)

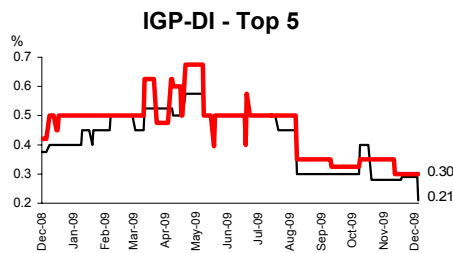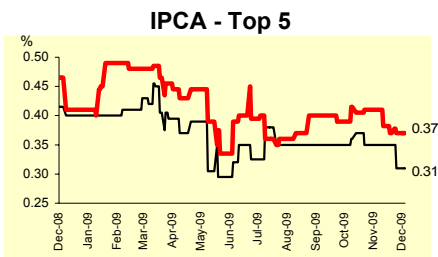| Market Expectations									
Median - Top 5 - Short Term	Nov/09					Dec/09			
	4 weeks ago	1 week ago	Today	Weekly trend*		4 weeks ago	1 week ago	Today	Weekly trend*
IPCA (%)	0.35	0.31	0.31	=	(1)	0.41	0.37	0.37	= (2)
IGP-DI (%)	0.28	0.29	0.21	▼	(1)	0.35	0.30	0.30	= (3)
IGP-M (%)	0.28	-	-			0.38	0.25	0.25	= (3)
Exchange rate - end-of-period (R$/US$)	1.71	1.70	-			1.70	1.65	1.65	= (3)
Over-Selic Target (% p.a.)	-	-	-			8.75	8.75	8.75	= (23)

* trend since the last Market Readout; the figures in parenthesis express the number of weeks with the same behavior
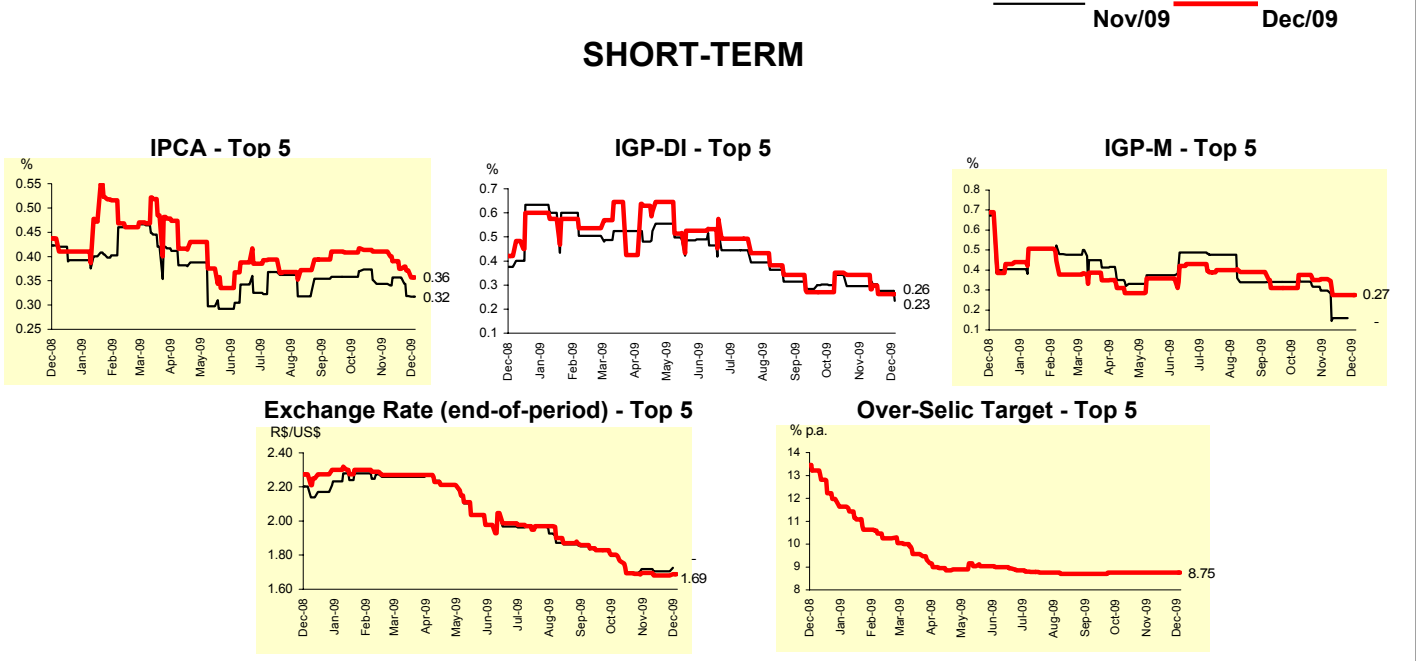(▲increase, ▼decrease or = stability)

SHORT-TERM

━━━ **Nov/09** ━━━ **Dec/09**

IPCA - Top 5

IGP-DI - Top 5

IGP-M - Top 5

Exchange Rate (end-of-period) - Top 5

Over-Selic Target - Top 5
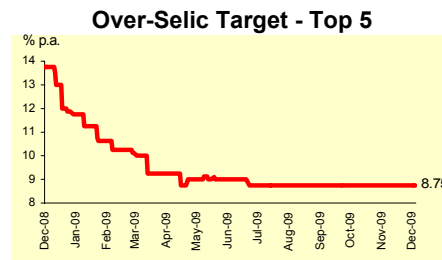
Market Expectations									
Median - Top 5	2009					2010			
	4 weeks ago	1 week ago	Today	Weekly trend*		4 weeks ago	1 week ago	Today	Weekly trend*
Short Term									
IPCA (%)	4.24	4.21	4.21	=	(1)	4.31	4.40	4.40	= (3)
IGP-DI (%)	-0.54	-0.81	-0.81	=	(2)	4.98	3.98	3.98	= (3)
IGP-M (%)	-0.88	-1.22	-1.22	=	(1)	4.00	4.45	4.45	= (3)
Exchange rate - end-of-period (R$/US$)	1.70	1.65	1.65	=	(3)	1.83	1.77	1.75	▼ (1)
Over-Selic Target - end-of-period (% p.a.)	8.75	8.75	8.75	=	(23)	10.50	10.75	10.75	= (3)
Medium Term									
IPCA (%)	4.24	4.28	4.28	=	(1)	4.70	4.40	4.40	= (1)
IGP-DI (%)	-0.54	-0.89	-0.89	=	(1)	4.50	4.06	4.06	= (3)
IGP-M (%)	-0.88	-1.22	-1.27	▼	(1)	4.27	4.23	4.23	= (3)
Exchange rate - end-of-period (R$/US$)	1.65	1.70	1.70	=	(1)	1.60	1.68	1.68	= (1)
Over-Selic Target - end-of-period (% p.a.)	8.75	8.75	8.75	=	(21)	11.25	11.25	10.75	▼ (1)

* trend since the last Market Readout; the figures in parenthesis express the number of weeks with the same behavior
(▲increase, ▼decrease or = stability)

Market Expectations									
Average - Top 5 - Short Term	**Nov/09**				**Dec/09**				
	4 weeks ago	1 week ago	Today	Weekly trend*	4 weeks ago	1 week ago	Today	Weekly trend*	
IPCA (%)	0.34	0.32	0.32	= (1)	0.41	0.37	0.36	▼ (1)	
IGP-DI (%)	0.30	0.28	0.23	▼ (1)	0.34	0.26	0.26	= (2)	
IGP-M (%)	0.30	-	-		0.35	0.27	0.27	= (3)	
Exchange rate - end-of-period (R$/US$)	1.72	1.71	-		1.70	1.68	1.69	▲ (1)	
Over-Selic Target (% p.a.)	-	-	-		8.75	8.75	8.75	= (10)	

* trend since the last Market Readout; the figures in parenthesis express the number of weeks with the same behavior
(▲increase, ▼decrease or = stability)

Nov/09 ——— Dec/09

SHORT-TERM

IPCA - Top 5 | IGP-DI - Top 5 | IGP-M - Top 5

Exchange Rate (end-of-period) - Top 5 | Over-Selic Target - Top 5

Market Expectations									
Average - Top 5	**2009**				**2010**				
	4 weeks ago	1 week ago	Today	Weekly trend*	4 weeks ago	1 week ago	Today	Weekly trend*	
Short Term									
IPCA (%)	4.28	4.22	4.20	▼ (3)	4.24	4.22	4.22	= (2)	
IGP-DI (%)	-0.58	-0.86	-0.90	▼ (1)	4.99	3.87	3.87	= (3)	
IGP-M (%)	-0.92	-1.19	-1.19	= (1)	3.92	4.47	4.47	= (3)	
Exchange rate - end-of-period (R$/US$)	1.70	1.68	1.69	▲ (1)	1.89	1.76	1.75	▼ (1)	
Over-Selic Target - end-of-period (% p.a.)	8.75	8.75	8.75	= (10)	10.65	10.73	10.73	= (3)	
Medium Term									
IPCA (%)	4.21	4.25	4.25	= (2)	4.71	4.40	4.40	= (2)	
IGP-DI (%)	-0.65	-0.88	-0.88	= (1)	4.89	4.56	4.56	= (3)	
IGP-M (%)	-0.81	-1.20	-1.23	▼ (2)	4.49	4.26	4.35	▲ (1)	
Exchange rate - end-of-period (R$/US$)	1.64	1.72	1.72	= (1)	1.60	1.67	1.67	= (1)	
Over-Selic Target - end-of-period (% p.a.)	8.75	8.75	8.75	= (12)	11.31	10.95	10.85	▼ (1)	

* trend since the last Market Readout; the figures in parenthesis express the number of weeks with the same behavior
(▲increase, ▼decrease or = stability)