

We address whether price forecasts of rational economic agents need to coincide in intertemporal perfectly competitive complete markets in order for markets to allocate resources efficiently. We define an efficient temporary equilibrium (ETE) within the framework of a two period economy. Although an ETE allocation is intertemporally efficient and is obtained by perfect competition, it can arise without the agents' forecasts being coordinated on a perfect foresight price. We show that there is a one dimensional set of ETE allocations for generic endowments, and so rational forecasts that support efficient allocations may disagree up to one degree of freedom. Thus, the set of intertemporally efficient allocations that can arise in competitive markets is not only significantly larger than believed erstwhile, but is also structured enough to potentially accommodate economic policy influencing price forecasts.