

# BANCO CENTRAL DE RESERVA DEL PERÚ

## Monetary Program for 2001- Information Note: May 2001

*The BCRP maintains its reference interest rate at 11,0 percent and set the benchmark for monetary operations at S/. 120-130 million. The Bank also reduces the interest rate for liquidity credits in foreign currency from 8,5 to 7,5 percent*

1. For the month of April, the Board of the Bank decided to maintain the range for the average daily balance of the current accounts held by banks at the Central Bank to **S/. 120 - S/. 130 million as a daily average**. In April, the balance was S/. 123 million, within the range (S/. 120 - S/. 130 million). It should be noted that this range was revised downwards from S/. 130 - S/. 140 million as a consequence of the uncertainty and turmoil in financial markets associated with external and domestic events.
2. The Central Bank Board of Directors also decided to maintain the interest and commission rates used in domestic-currency Central Bank operations:
  - a. For monetary regulation credits in domestic currency, the effective interest rate would be **the average of the top-decile interbank interest rates, or 11,0 percent, whichever is highest**. This rate is effective since April 6.
  - b. For overnight deposits in domestic currency held by banks at the Central Bank, the effective interest rate will be **4,0 percent**. This rate is effective since March 2.
  - c. For foreign exchange temporary purchase operations (swap operations), the commission will be 0,0174 percent, equivalent to an effective **11,0 percent** annual cost. This rate is effective since April 6.
3. The following interest rates will be used in foreign-currency operations:
  - a. The effective annual rate for monetary regulation credits will be **7,5 percent**. This rate is lower to that effective since November 17, 2000 (8,5 percent). The reduction follows the trend in international interest rates along the year.
  - b. For overnight deposits held by banks at the Central Bank, the rate is equivalent to the average obtained by the Central Bank for similar deposits abroad.
4. If justified by financial conditions, the values mentioned above could be modified in order to ensure the attainment of the objective to preserve monetary stability.

Lima, May 4, 2001