

# BANCO CENTRAL DE RESERVA DEL PERÚ

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

*The BCRP reduces its reference interest rate from 9,0 to 8,5 percent in domestic currency and from 6,0 to 5,5 percent in foreign currency and set the operating target range at S/. 130 - S/. 140 million*

1. For the month of September, the Board maintained the range for its operating target at **S/. 130 - S/. 140 million as a daily average**. In August, the said balance was S/. 132 million, which fell within the announced range (S/. 130 – S/. 140 million).
2. The Central Bank Board of Directors also established that the following interest and commission rates would be used in domestic-currency Central Bank operations since September 7:
  - a. For monetary regulation credits in domestic currency, the effective interest rate would be **the weighted average of the interbank interest rates, or 8,5 percent, whichever is highest**. It should be noted that this is the fourth consecutive month in which the Bank reduced this rate. In August, the said rate was 9,0 percent.
  - 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 0,0134 percent, equivalent to an effective **8,5 percent** annual cost. This cost is lower than that effective since August 3 (9,0 percent).
3. The following interest rates will be used in foreign-currency operations:
  - a. The effective annual rate for monetary regulation credits will be **5,5 percent**. This rate implied a reduction with respect to the rate effective since August 3 (6,0 percent).
  - 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. The Central Bank grants monetary regulation credits in domestic and foreign currency on a regular basis.
5. 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, September 6, 2001

Operational target and reference interest rates approved by the Board of Directors of the Central Bank: 2001

	2001							Program September
	February	March	April	May	June	July	August	
<b>1. Operational target: Current account (In million of S/.)</b>								
Range	125-135	128-138	130-140	120-130	125-135	135-145	130-140	130-140
Revision			120-130					
Actual	134	131	123	122	130	129	132	
(As a percentage of TOSE)	(1,23)	(1,18)	(1,12)	(1,10)	(1,16)	(1,14)	(1,14)	(1,11-1,20)
<b>2. Reference interest rates (In percentage)</b>								
<b>a. Monetary regulation credits</b>								
b.1. In domestic currency	12,5	11,5	11,0	11,0	10,5	10,0	9,0	8,5
b.2. In foreign currency	8,5	8,5	8,5	7,5	7,0	6,5	6,0	5,5
<b>b. Overnight deposits</b>								
b.1. In domestic currency	4,5	4,0	4,0	4,0	4,0	4,0	4,0	4,0
b.2. In foreign currency	5,5	5,3	4,8	4,2	3,9	3,8	3,7	
<b>3. Swaps commission</b>								
Commission	0,0172	0,0165	0,0159	0,0174	0,0171	0,0158	0,0138	0,0134
Annual percentage rate	12,5	11,5	11,0	11,0	10,5	10,0	9,0	8,5
<b>Note:</b>								
Interbank interest rate in domestic currency		11,0	10,3	12,5	12,7	10,6	8,4	5,7