

# BANCO CENTRAL DE RESERVA DEL PERU

## Press release



### **MONETARY PROGRAM APPROVED BY THE BOARD OF THE BANK FOR MAY 2002**

1. In April, the daily average balance of the banks' current account was S/. 206 million, within the range announced for that month (S/. 205 million to S/. 215 million). the average interbank interest rate was 2,5 percent in April, similar to the previous month.
2. The Board of the Bank assessed the May monetary policy and established the following:
  - a. The targeted range for the **banks' current account balance held at the Central Bank on a daily average basis will be maintained at S/. 205 million to S/. 215 million.**
  - b. For monetary regulation credits and temporary purchase of CDBCRP and Treadury bonds out of auctions, the effective interest rate remains as **the weighted average of the interbank interest rates, or 3,0 percent, whichever is highest.**
  - c. For overnight deposits in domestic currency held by banks at the Central Bank, the effective interest rate remained at **1,9 percent.**
  - d. For foreign exchange temporary purchase operations (swap operations), the commission which implies an effective annual cost of **3,0 percent** is maintained.
3. The following interest rates will be used in foreign-currency operations:
  - a. The effective annual rate for monetary regulation credits will be **2,75 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. 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, which mean avoiding inflationary or deflationary pressures.

Lima, May 2, 2002

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## Operational target and reference rate approved by the Board of the Bank

	2001											2002				Program
	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May 2002
<b>1. Operational target: current account</b>																
(In million of S/.)																
Range	125-135	128-138	130-140	120-130	125-135	135-145	130-140	130-140	132-142	135-145	150-160	160-170	160-170	185-195	205-215	205-215
Revised			120-130													
Actual	134	131	123	122	130	129	132	136	140	146	165	160	189	205	206	
(Porcentaje del TOSE <sup>1/</sup> )	(1.23)	(1.18)	(1.12)	(1.10)	(1.16)	(1.14)	(1.14)	(1.16)	(1.19)				(1,15 - 1,23)			
<b>2. Reference interest rates</b>																
(In percentages)																
<b>a. Monetary regulation credits, temporary purchase of CDBCRP and Treasury bonds out of auction</b>																
a.1. In domestic currency	12.5	11.5	11.0	11.0	10.5	10.0	9.0	8.5	7.5	6.0	5.0	4.0	3.5	3.0	3.0	3.0
a.2. In foreign currency	8.5	8.5	8.5	7.5	7.0	6.5	6.0	5.5	5.0	4.5	4.5	3.5	3.0	2.75	2.75	2.75
<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	3.0	2.5	2.0	2.0	1.9	1.9	1.9	1.9
b.2. In foreign currency <sup>1/</sup>	5.5	5.3	4.8	4.2	3.9	3.8	3.7	3.2	2.5	2.1	1.8	1.8	1.8	1.8	1.8	<sup>1/</sup>
<b>3. Swap commissions</b>																
Commission	0.0172	0.0165	0.0159	0.0174	0.0171	0.0158	0.0138	0.0134	0.0138	0.0115	0.0089	0.0070	0.0053	0.0033	0.0031	<sup>3/</sup>
Annual percentage rate	12.5	11.5	11.0	11.0	10.5	10.0	9.0	8.5	7.5	6.0	5.0	4.0	3.5	3.0	3.0	3.0

### Note:

Interbank interest rate in domestic currency	11.0	10.3	12.5	12.7	10,6 <sup>2/</sup>	8.4	5.7	5.9	4.5	3.5	3.1	2.7	2.6	2.5	2.5
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<sup>1/</sup> Similar to BCRP international overnight deposits' interest rate abroad.

<sup>2/</sup> June 1 quotation ( 74,3 percent) not included.

<sup>3/</sup> Since October, the swap commission is calculated on a daily average basis and considering international levels.