



## **MONETARY PROGRAM FOR MAY 2008**

### **BCRP MAINTAINS THE REFERENCE INTEREST RATE AT 5.50%**

1. The Board of the Central Reserve Bank of Peru (BCRP) approved to maintain the monetary policy reference rate at 5.5 percent.

The Board continues to oversee the effects of both the previous increases of the reference rate and the reserve requirement measures approved in January, March, and April on the evolution of inflation. The Board reiterates that the necessary adjustments will be implemented to ensure inflation's gradual convergence to the target range in a context in which price rises are mainly explained by food supply shocks.

2. The Board also approved to maintain the annual interest rates on the following active and passive operations between the BCRP and the financial system:
  - a. Direct repo and rediscount operations: 6.25 percent.
  - b. Overnight deposits: 4.75 percent.
  - c. Swap: a commission equivalent to a minimum annual effective cost of 6.25 percent.
3. The Board will approve the Monetary Program for June on its session of June 12. Moreover, the following Inflation Report will be published on June 13.