



MONETARY PROGRAM FOR NOVEMBER 2008

BCRP MAINTAINS REFERENCE INTEREST RATE AT 6.50%

1. The Board of the Central Reserve Bank of Peru approved to maintain the monetary policy reference interest rate at 6.50 percent.

In October, the rate of inflation reflected the rise in the prices of some foodstuffs (potato) and public utilities (electricity and water). However, in the next months inflation should resume the downward path foreseen in the evolution of inflation, which includes the effects of the recent drops observed in the international prices of food inputs and fuels.

2. The Board will continue to oversee the development of domestic demand and of the national and international economic and financial situation, as well as the evolution of inflation and its determinants, including the impact of public utility rates. The Board also reiterates that the Central Bank will adopt any necessary measures to lead inflation to gradually converge to the target range in a context of sustained growth, including adopting a more flexible monetary stance, should this be required.
3. The Board also approved to maintain the following annual interest rates on active and passive operations in domestic currency (not included in auctions) between the BCRP and the financial system:
 - a. Direct repo and rediscount operations: 7.25 percent.
 - b. Overnight deposits: 5.75 percent.
 - c. Swap: a commission equivalent to a minimum annual effective cost of 7.25 percent.
4. The Board will approve the Monetary Program for December on its session of December 11, 2008.