



MONETARY PROGRAM FOR OCTOBER 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.

This decision has been made considering high uncertainty regarding the evolution of global economy and its impact on global economic activity, the international prices of our exports and imports, and international financial flows. It should be pointed out that the recent drops observed in the prices of commodities and fuels, as well as the downward trend observed in the prices of imported foodstuffs favor a gradual reduction of inflation in the country.

2. The Board will continue to oversee the development of the national and international economic and financial situation, as well as the evolution of inflation and its determinants in order to adopt any necessary measures required to preserve monetary stability in a context of sustained growth.
3. The Board also approved to maintain the following annual interest rates on active and passive operations (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 November on its session of November 13. The BCRP will publish its next Inflation Report on October 24, 2008.

Lima, October 9, 2008