



MONETARY PROGRAM FOR MARCH 2009

BCRP REDUCED THE REFERENCE INTEREST RATE TO 6.0%

1. The Board of the Central Reserve Bank of Peru approved to reduce the monetary policy reference interest rate from 6.25 to 6.0 percent. With this decision, the Central Bank continues to loosen its monetary policy stance given that lower inflationary pressures and declining inflation expectations are being observed in a context of lower growth in the global economy. Should this trend persist, the Bank will continue to loosen its monetary policy stance.
2. The Board continues to oversee the evolution of inflation and its determinants, particularly in terms of the development of domestic demand and of the international economic and financial situation.
3. Inflation in February showed a rate of -0.07 percent, as a result of which last 12-month inflation, which has declined for the fourth consecutive month, was 5.49 percent. Inflation and economic agents' expectations about inflation are expected to continue declining in the following months, thus allowing inflation's convergence to the target range in the fourth quarter of this year.
4. 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: 6.75 percent.
 - b. Overnight deposits: 5.25 percent.
 - c. Swap: a commission equivalent to a minimum annual effective cost of 6.75 percent.
5. The Board will approve the Monetary Program for the next month on its session of April 8, 2009.