



MONETARY PROGRAM FOR JANUARY 2010

BCRP MAINTAINS THE REFERENCE INTEREST RATE AT 1.25%

1. The Board of the Central Reserve Bank of Peru approved to maintain the monetary policy reference interest rate at 1.25 percent.

This decision is based on the sustained reduction of annual inflation and on the continuous reduction of inflation expectations.

2. Inflation in December recorded a rate of 0.3 percent due to seasonal factors and to the rise of fuel prices on December 3. As a result of this, annual inflation recorded 0.25 percent –rate below the target–, in line with the Central Bank forecasts. This result was mainly influenced by the reversal of the increase observed in the prices of food and fuels last year. Core inflation, which isolates transitory changes in inflation, recorded 2.35 percent (within the target range). Advanced indicators of economic activity show clear signs of a recovery of the dynamism of production, but no signals of inflationary pressures in the short term. Unless important changes were to be observed in inflation forecasts and in inflation determinants, no new adjustments of the reference rate are foreseen.
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 as described below:
 - a. Direct repo and rediscount operations: 2.05 percent.
 - b. Overnight deposits: 0.45 percent.
 - c. Swap: a commission equivalent to a minimum annual effective cost of 2.05 percent.

4. In 2010, the Board will approve the Monetary Program for each month on the sessions to be held on the following dates:

February 11	March 11	April 8	May 6
June 10	July 8	August 5	September 9
October 7	November 11	December 9	

5. The BCRP will publish its **Inflation Report** on the following dates:

March 26	June 18	September 17	December 17
----------	---------	--------------	-------------

Lima, January 7, 2010.