



MONETARY PROGRAM FOR JUNE 2011

BCRP MAINTAINS THE REFERENCE INTEREST RATE AT 4.25%

1. The Board of the Central Reserve Bank of Peru approved to maintain the monetary policy reference at 4.25 percent.

This measure takes into account the moderation of increases in consumer prices and in some indicators of activity. Future adjustments in the reference rate will depend on new information on the evolution of inflation and its determinants.

2. Inflation in May showed a negative rate of 0.02 percent, as a result of which annual inflation recorded a rate of 3.07 percent. Core inflation, which registered 0.34 percent, accumulated an annual growth of 2.8 percent. Inflation excluding food and energy showed a rate of 0.12 percent and an accumulated annual rate of 1.80 percent.
3. Some current and advanced indicators of activity show lower growth compared with previous months. On the other hand, indicators of global activity show signs of weakness in Japan and the United States, and uncertainty is still observed due to the persistence of risks such as those associated with the fiscal situation of some industrialized countries and the crisis in the Middle East and North Africa.
4. The Board continues to oversee the projection of inflation and its determinants and stands ready to adopt future adjustments in monetary policy instruments in order to ensure that inflation falls within the target range.
5. The Board also approved to maintain the annual interest rates on lending and deposit operations in domestic currency (not included in auctions) between the BCRP and the financial system, as described below:
 - a. Overnight deposits: 3.45 percent.
 - b. Direct repo and rediscount operations: 5.05 percent.
 - c. Swap: a commission equivalent to a minimum annual effective cost of 5.05 percent.
6. The Board will approve the Monetary Program for July on its session of July 7, 2011.