



MONETARY PROGRAM FOR JANUARY 2013

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 rate at 4.25 percent.

This decision is based on the fact that inflation continues to decline due to the reversal of the shocks on the side of supply, in a domestic context characterized by an economic pace of growth close to the economy's potential growth and a still complicated external context.

The Board oversees the inflation forecasts and inflation determinants to consider future adjustments in monetary policy instruments.

2. Inflation in December registered a rate of 0.26 percent, which reflected the seasonal rise observed in transport and food in the period of the year-end festivities. Inflation in the last 12 months fell from 2.66 percent in November to 2.65 percent in December. Core inflation showed a rate of 0.18 percent and thus accumulates a rate of 3.27 percent in the last 12 months. Inflation excluding food and energy showed a monthly rate of 0.40 percent and an annual rate of 1.91 percent.
3. In 2013 inflation would gradually converge to the 2 percent target due to the improvement of food supply conditions and due to a pace of growth of economic activity close to the economy's level of potential output, in a context in which global economic activity continues to show weak indicators.
4. Some current and advanced indicators of activity show that the growth of the Peruvian economy has stabilized around its long-term sustainable level of growth, although the indicators associated with the external market still register a weak performance.
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. Swaps: a commission equivalent to a minimum annual effective cost of 5.05 percent.

6. In 2013, the Monetary Program approved by the Board for each month will be announced according to the following schedule:

February 7	March 7	April 11	May 9
June 13	July 11	August 8	September 12
October 10	November 7	December 12	

7. Moreover, in 2013 the BCRP will publish its Inflation Reports on the following dates:

March 22	June 21	September 20	December 20
----------	---------	--------------	-------------