

# BANCO CENTRAL DE RESERVA DEL PERU

## WEEKLY REPORT

### N° 01 – 2001

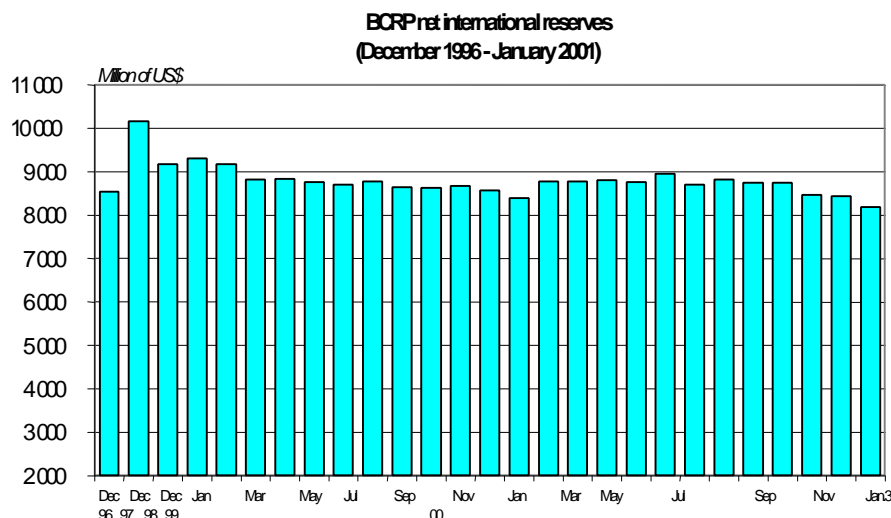
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#### *Net International Reserves at US\$ 8 388 million*

As of January 3, the net international reserves (NIR) of the Central Reserve Bank of Peru increased US\$ 203 million to US\$ 8 388 million. This increase reflects higher banking system deposits (US\$ 268 million), public sector deposits (US\$ 27 million) and other BCRP operations (US\$ 3 million), compensated by the withdrawal of Banco de la Nación deposits (US\$ 85 million) and investment yields (US\$ 5 million).

NIR amounted to US\$ 8 180 million by the end of December, US\$ 262 million lower than end-November. The decrease is due to the withdrawal of deposits of the public sector (US\$ 268 million), the financial system (US\$ 9 million) and the Insurance Deposits Fund (US\$ 52 million) that were partially offset by banking operations (US\$ 37 million), net purchases of foreign currency to the public sector and international organizations (US\$ 21 million) and net investment yields (US\$ 9 million).



In the year 2000, the NIR fell US\$ 224 million, reflecting the withdrawal of deposits of the public sector (US\$ 269 million) and the Insurance Deposit Fund (US\$ 70 million) that were partially offset by net purchases of foreign currency (US\$ 63 million) and lower repo operation in foreign currency with the Treasury (US\$ 47 million). At the end of December, the exchange position amounted to US\$ 2 624 million, up US\$ 86 million from end-1999.

### ***Average monetary base at S/. 5 405 million***

In December, the daily average balance of the monetary base was S/. 5 405 million, 8,5 percent higher than in November. At the end of December, the monetary base amounted to S/. 5 642 million, up 14,6 percent (S/. 718 million) from end-November, reflecting the higher seasonal cash demand due to the end-of-the-year holidays. This increase corresponds to the net redemptions of CDBCRP by S/. 410 million, the withdrawal of public sector deposits (S/. 212 million), purchases of foreign currency to the public sector (S/. 70 million) as well as the withdrawal of Insurance Deposit Fund deposits (S/. 54 million) and interest payments (S/. 30 million). These operations were partially offset by the redemption of temporary purchase of CDBCRP and rediscounts in foreign currency (S/. 30 million and S/. 20 million, respectively) and overnight deposits (S/. 25 million).

In the year 2000, the rate of growth of the average monetary base was 6,0 percent (versus 6,7 percent in 1999). However, the end-of-the-year monetary base contracted by S/. 233 million (4,0 percent), explained by the higher cash demand in December 1999 due to the Y2K effect. Domestic source operations (S/. 450 million) partially offset by external source operations (S/. 217 million) explained this lower base.

### ***Monetary accounts: December 15***

From November 15 to December 15, liquidity in domestic currency increased 5,5 percent to S/. 14 430 and 6,0 percent in annual terms. In the same period, credit to the private sector grew 4,5 percent (S/. 384 million) to S/. 9 000 million. The last-12 month increase was negative in 3,2 percent.

Liquidity in foreign currency grew 2,9 percent (US\$ 271 million) from November 15 to December 15 to US\$ 9 543 million. On the other hand, short-term external liabilities of banking enterprises (US\$ 1 535 million) fell 0,3 percent (US\$ 5 million), whereas credit to the private system grew 1,7 percent (US\$ 194 million). In annual terms credit to the private sector decreased 0,5 percent.

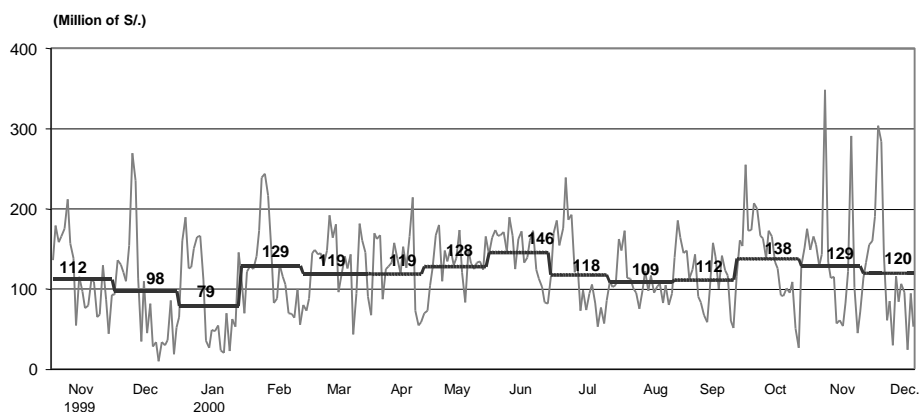
### ***Banks' current account balance at S/. 120 million***

From December 27 to January 2, the banks' current account was S/. 72 million on a daily average basis. Over this period, the BCRP withdrew liquidity by S/. 88 million on a daily average basis. During December, the banks' current account averaged S/. 120 million. It should be noted that this balance includes the intervention effect of the Nuevo Mundo and NBK banks (S/. 6 million).

**Monetary operations  
(Million of S/.)**

	Current account balance at the end of previous day's operations	Net negative clearance + transfers from Banco de la Nación	Redemption of swaps, repos and rediscounts of the Central Bank	Redemption of CDBCRP	Cash transfers that affect the bank's current account balance	Current account of banking system before Central Bank operations	Central bank operations	Current account after Central Bank operations	Interbank interest rate
Average	1	2	3	4	5		7		
<b>December 1999</b>	<b>99</b>	<b>-39</b>	<b>-27</b>	<b>39</b>	<b>10</b>	<b>73</b>	<b>16</b>	<b>98</b>	<b>17,1</b>
<b>June 2000</b>	<b>149</b>	<b>-18</b>	<b>-21</b>	<b>16</b>	<b>35</b>	<b>162</b>	<b>-16</b>	<b>146</b>	<b>14,1</b>
<b>July</b>	<b>118</b>	<b>-49</b>	<b>-152</b>	<b>26</b>	<b>20</b>	<b>-31</b>	<b>155</b>	<b>118</b>	<b>11,5</b>
<b>August</b>	<b>109</b>	<b>-23</b>	<b>-45</b>	<b>10</b>	<b>56</b>	<b>107</b>	<b>2</b>	<b>109</b>	<b>8,5</b>
<b>September</b>	<b>113</b>	<b>-31</b>	<b>-16</b>	<b>31</b>	<b>46</b>	<b>149</b>	<b>-32</b>	<b>112</b>	<b>13,3</b>
<b>October</b>	<b>139</b>	<b>-47</b>	<b>-73</b>	<b>22</b>	<b>32</b>	<b>75</b>	<b>65</b>	<b>138</b>	<b>14,5</b>
<b>November</b>	<b>127</b>	<b>-36</b>	<b>-142</b>	<b>25</b>	<b>34</b>		<b>114</b>		<b>13,7</b>
<b>December</b>	<b>120</b>	<b>-38</b>	<b>-107</b>	<b>41</b>	<b>20</b>		<b>83</b>		<b>11,6</b>
November 29	102	-28	-35	0	-20		25		11,4
November 30	45	-30	-25	0	31		50		8,9
December 1	72	-81	-50	0	-7		180		13,9
December 4	114	2	-180	0	42		155		12,9
December 5	133	-30	-155	0	47		160		12,6
<b>Nov. 29 – Dec. 5</b>	<b>87</b>	<b>-33</b>	<b>-89</b>	<b>0</b>	<b>19</b>		<b>114</b>		<b>11,9</b>
December 27	96	-35	-61	60	154		-190		10,7
December 28	24	-58	150	0	58		-80		10,4
December 29	95	-2	0	0	-7		-32		9,3
January 2	54	-11	32	0	146		-50		11,6
<b>Dec 27- Jan. 2</b>	<b>79</b>	<b>-27</b>	<b>30</b>	<b>15</b>	<b>88</b>		<b>-88</b>		<b>10,5</b>

**Banks' current account deposits at the BCRP  
(November 1999 - December 2000)**



On December 27 and 28 and January 2, the Bank issued CDBCRP by S/. 170 million, at an average interest rate of 13,1 percent, lower that the rate in December for these operations (13,8 percent).

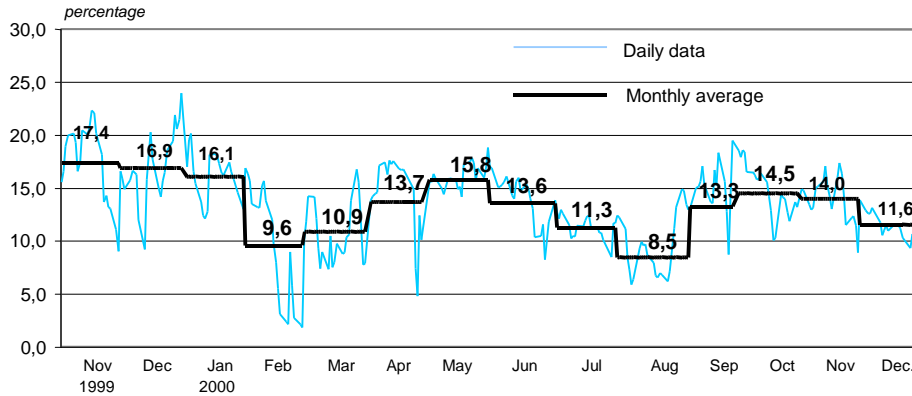
**Auctions of CDBCRP**

Date	Amount (Million of S/.)	Interest rate (%)	Term
December 27	40	13,0	16 weeks
December 28	80	13,0	20 weeks
January 2	50	13,2	6 months

### ***Interbank interest rate in domestic currency at 11,6 percent***

In December, the interbank interest rate in domestic currency averaged 11,6 percent, lower than in November (14,0 percent). On January 2, this rate was 10,9 percent.

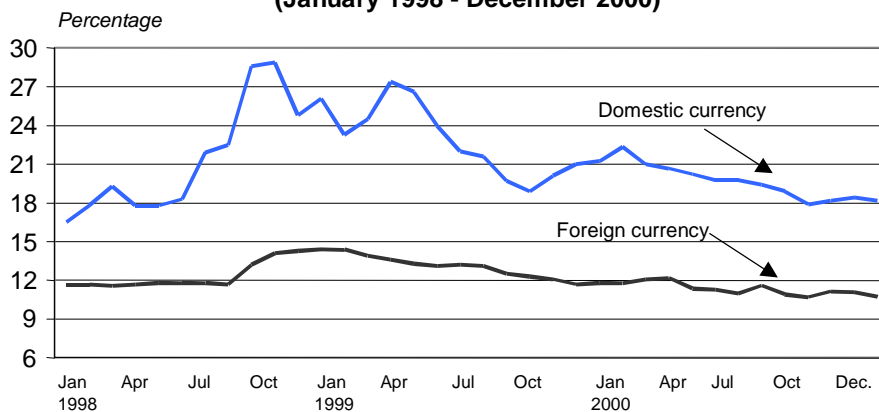
**Interbank interest rate in domestic currency  
(November 1999 - December 2000)**



### ***Prime interest rates decline***

In December, the 90-day prime interest rate on soles-denominated loans averaged 18,2 percent, slightly lower than in November (18,4 percent). On the other hand, the rate on dollar-denominated loans fell from 11,1 percent in November to 10,7 percent. As of January 2, these rates were 16,6 and 9,8 percent, respectively.

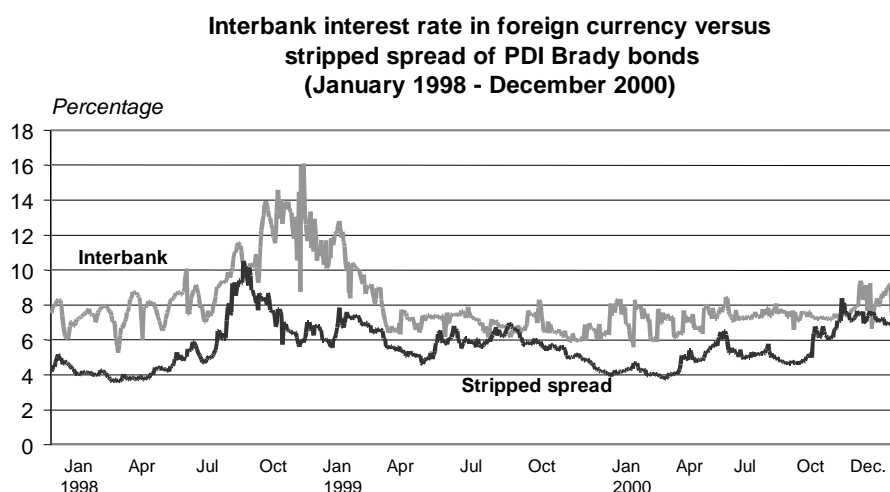
**Prime interest rates  
(January 1998 - December 2000)**



The average lending interest rate in soles (TAMN) was 26,6 percent in December, lower than in the previous month (27,1 percent), while the rate in foreign currency (TAMEX) remained at 12,6 percent. As of January 2 the TAMN was 26,4 percent and the TAMEX 12,5 percent.

## *Spread of PDI Brady bond at 7,1 percent*

In December, the spread of the Peruvian Past Due Interest Brady bonds with respect to Treasury bonds (a proxy for the country risk perceived by investors) was 7,1 percent, lower than in November (7,4 percent). On January 2 and 3 this spread was 6,8 and 6,3 percent, respectively.



## *Inflation: December 2000*

In December the rate of inflation was 0,15 percent higher than in November (0,06 percent). The annual inflation was 3,7 percent, which is within the 2000 Monetary Program range announced (3,5 – 4,0 percent). In December, tradable product prices grew 0,3 percent, whereas non-tradable product prices remained unchanged.

In the year, the most important price increases were recorded in fuel (30,3 percent), in line with the international trend. Food prices recorded the lowest increases (0,3 percent tradable and 0,2 percent non-tradable).

	INFLATION (Percentage changes)							
	1999				2000			
	Oct.	Nov.	Dec.	Year	Oct.	Nov.	Dec.	Year
<b>GENERAL INDEX</b>	-0,12	0,28	0,43	3,73	0,23	0,06	0,15	3,73
<b>TRADABLE PRODUCTS</b>	0,5	0,4	0,0	3,9	0,5	0,8	0,3	4,7
<b>FOOD</b>	-0,2	-0,1	-0,2	-1,1	-0,1	-0,1	-0,1	0,3
<b>TEXTILE &amp; FOOTWEAR</b>	0,4	0,2	0,3	6,7	0,2	0,2	0,4	2,6
<b>FUEL</b>	2,7	1,7	0,2	25,9	4,2	6,1	1,8	30,3
<b>ELECTRICAL APPLIANCES</b>	1,1	0,6	-0,1	7,2	0,4	0,6	0,2	1,8
<b>OTHERS</b>	0,8	0,8	0,1	4,8	0,3	0,7	0,4	5,1
<b>NON-TRADABLE PRODUCTS</b>	-0,5	0,2	0,7	3,6	0,1	-0,5	0,0	3,1
<b>FOOD</b>	-2,8	-0,4	0,0	-5,1	-0,4	-2,8	-0,8	0,2
<b>SERVICES</b>	0,5	0,5	1,1	8,0	0,3	0,6	0,4	4,3
<b>OTHERS</b>	0,2	0,1	0,3	3,9	0,3	0,3	0,1	3,5

### ***Exchange rate at S/. 3,52***

In December, the ask-exchange rate in the banking system averaged S/. 3,52, down 0,26 percent from November. In real terms, the exchange rate fell 0,1 percent.

In the year 2000, the average exchange rate was S/. 3,49, 3,1 percent higher than in the previous year and -1,2 percent in real terms. In 1999 and 1998, the real exchange rate increased 10,8 and 0,5 percent, respectively

In December, the daily average sales of foreign currency in the forward market were lower than redemptions by US\$ 1 million, whereas new purchases were lower than redemptions as well by US\$ 2 million. In the spot market, net purchases to the public passed from US\$ 6 million in November to US\$ 2 million.

**Banks' exchange market operations to the public: Daily average  
(Million of US\$)**

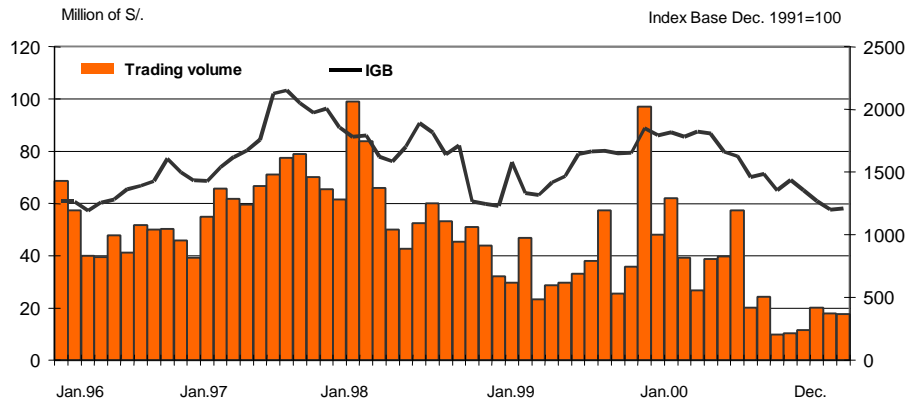
	October	November	December	2000
<u>i. Forward sales to the public</u>	<u>2</u>	<u>-3</u>	<u>-1</u>	<u>0</u>
- Purchase	16	12	11	16
- Sales	14	16	12	16
<u>ii. Forward purchases to the public</u>	<u>2</u>	<u>-1</u>	<u>-2</u>	<u>0</u>
- New purchases	5	9	6	8
- Redemptions	3	10	8	8
<u>iii. Net spot purchases to the public</u>	<u>7</u>	<u>6</u>	<u>2</u>	<u>9</u>
- Purchases	65	80	80	74
- Sales	58	75	78	65

In the year as a whole, forward sales and purchases operations to the public equaled redemption, while in the spot market, net purchases to the public averaged US\$ 9 million.

### ***General index increases 0,7 percent***

At the end of December, the Lima Stock Exchange General Index increased with respect to end-November by 0,7 percent, but the Blue Chip Index fell 0,6 percent. In the year, the General and the Blue Chip indices have decreased 34,2 and 27,3 percent, respectively.

**Stock market indicators  
(January 1996 - December 2000)**



*Lima, January 5, 2001*

The weekly report releases economic information to be published (with broader detail) in the weekly bulletin the following Monday. The weekly report published on Fridays is released via facsimile for a charge or free via email ([acorrales@bcpr.gov.pe](mailto:acorrales@bcpr.gov.pe)). A subscription can be requested to telephone (51-1) 4266250 ext. 3817 or email. The monthly fee for the facsimile is S/. 12 (Peru only) and US\$ 49 (overseas).

**BCRP - Indicadores Económicos / Economic Indicators**

	1999		2000							2001	
	DIC	AGO	SET	OCT.	30 Nov	NOV	28 Dic	29 Dic	DIC	2 Ene	
<b>RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES (Mills. of US\$)</b>	Var.										
Posición de cambio / Net international position	2 538	2 543	2 555	2 567	2 582	15	2 619	2 624	42	2 624	
Reservas internacionales netas / Net international reserves	8 404	8 748	8 744	8 465	8 442	-22	8 600	8 180	-262	8 395	
<b>Depósitos del sistema financiero en el BCRP / Financial system deposits at BCRP</b>	2 964	3 470	3 297	3 066	2 960	-105	3 202	2 952	-9	3 163	
Empresas bancarias / Banks	2 920	3 275	3 057	2 928	2 806	-122	3 005	2 762	-44	3 030	
Banco de la Nación / Banco de la Nación	23	170	216	115	130	15	173	168	38	110	
Sector privado / Private sector	22	25	23	24	25	1	23	22	-3	22	
Depósitos del sector público en el BCRP / Public sector deposits at BCRP	2 963	2 743	2 910	2 826	2 961	135	2 870	2 694	-268	2 700	
Depósitos de privatización	975	392	306	262	277	15	288	159	-118	168	
Otros depósitos / Other *	1 988	2 351	2 604	2 564	2 684	120	2 582	2 535	-150	2 532	
<b>OPERACIONES CAMBIARIAS BCRP (Mill. US\$) / BCRP FOREIGN OPERATIONS (Millions US\$)</b>	Acum.										
Origen externo de la emisión primaria / External origin of the monetary base	50	41	2	0	0	0	0	0	21	0	
Compras netas en Mesa de Negociación / Over-the-counter net purchases of foreign currency	0	0	0	0	0	0	0	0	0	0	
Operaciones swaps netas / Net swap operations	0	-1	0	0	0	0	0	0	1	0	
Operaciones con el Sector Público / Public sector	50	42	0	0	0	0	0	0	20	0	
<b>TIPO DE CAMBIO (S/ por US\$) / EXCHANGE RATE</b>	Prom.										
Compra interbancario / Interbank bid	3,483	3,477	3,485	3,500	3,529	3,529	3,531	3,524	3,519	3,519	
Promedio / Average	3,483	3,477	3,485	3,500	3,529	3,529	3,531	3,524	3,519	3,519	
Apertura / Opening	3,485	3,478	3,486	3,502	3,530	3,530	3,539	3,524	3,520	3,520	
Mediodía / Midday	3,485	3,479	3,486	3,502	3,530	3,531	3,536	3,528	3,521	3,520	
Cierre / Close	3,485	3,478	3,486	3,502	3,529	3,531	3,528	3,526	3,520	3,522	
Promedio / Average	3,485	3,478	3,486	3,502	3,529	3,530	3,534	3,526	3,520	3,521	
Sistema bancario / Banking System	3,482	3,476	3,484	3,499	3,527	3,527	3,531	3,523	3,518	3,515	
Compra / Bid	3,486	3,479	3,486	3,502	3,531	3,530	3,534	3,527	3,521	3,523	
Venta / Ask											
Índice de tipo de cambio real (1994=100) / Real exchange rate Index (1994=100)	110,7	105,9	105,0	104,6		104,9				104,8	
<b>INDICADORES MONETARIOS / MONETARY INDICATORS</b>											
<b>Moneda nacional / Domestic currency</b>											
Emisión Primaria (Var. % mensual) / (% monthly change)	18,1	-8,6	-5,2	2,0	-0,7	-0,7		14,0	14,0		
Monetary base (Var. % últimos 12 meses) / (% 12-month change)	16,9	3,9	1,9	-0,1	-1,0	-1,0		-4,0	-4,0		
Oferta monetaria (Var. % mensual) / (% monthly change)	5,8	-1,6	1,6	-0,3	0,0	0,0					
Money Supply (Var. % últimos 12 meses) / (% 12-month change)	11,6	3,7	3,5	3,4	3,3	3,3					
Crédito sector privado (Var. % mensual) / (% monthly change)	-4,1	0,9	1,6	-0,9	3,6	3,6					
Credit to the private sector (Var. % últimos 12 meses) / (% 12-month change)	-5,3	-8,8	-7,2	-6,8	-5,1	-5,1					
TOSE saldo promedio (Var. % mensual) / TOSE average balance (% monthly change)	1,0	0,6	0,1	-1,6	2,5	2,5	1,7	1,3	1,3	1,3	
Superávit de encaje promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)	1,2	0,2	0,5	0,7	0,8	0,8	1,3	1,3	1,3	1,6	
Cuenta corriente de los bancos (saldo mill. S/ / Banks' current account (balance milli. of S/))	98	109	112	138	72	129	95	54	120	169	
Créditos por regulación monetaria (millones de S/) / Rediscunts (Millions of S/)	11	0	0	0	20	20	0	0	0	0	
Depósitos del sector público en el BCRP (saldo Mill. S/) / Public sector deposits at the BCRP (Balance m)	378	329	299	509	531	531	362	319	319	326	
Certificados de Depósitos BCRP (saldo Mill. S/) / CDBCRP balance (Millions of S/)	399	1 655	2 050	1 755	1 770	1 770	1 360	1 360	1 360	1 410	
Operaciones de reporte con CDBCRP (saldo Mill. S/ / CDBCRP repos (Balance millions of S/))	0	0	40	41	30	30	0	0	0	0	
TAMN / Average	32,0	30,0	27,9	27,7	26,7	27,1	26,2	26,3	26,6	26,4	
Interbancaria / Interbank	16,9	8,5	13,3	14,5	8,9	14,0	10,4	9,3	11,6	10,9	
Tasa de interés (%) / Interest rates (%)	21,2	18,9	17,9	18,2	16,5	18,4	17,8	17,0	18,2	16,6	
Preferencial para descuento 90 días / Prime rate (90 days)	s.m.	s.m.	20,0	10,8	8,1	8,1	s.m.	s.m.	s.m.	s.m.	
Operaciones de reporte con CDBCRP / CDBCRP repos	17,8	s.m.	s.m.	8,m	14,0	14,0	s.m.	s.m.	s.m.	s.m.	
Créditos por regulación monetaria / Rediscunts	17,4	14,1	13,6	13,5	13,8	13,8	13,5	13,5	13,5	13,5	
Del saldo de CDBCRP / CDBCRP balance											
<b>Moneda extranjera / foreign currency</b>											
Crédito sector privado (Var. % mensual) / (% monthly change)	1,7	-1,8	-0,1	-0,3	1,2	1,2					
Credit to the private sector (Var. % últimos 12 meses) / (% 12-month change)	-1,6	-2,5	-2,0	-2,9	-1,2	-1,2					
TOSE saldo promedio (Var. % mensual) / TOSE average balance (% monthly change)	0,0	0,1	-0,8	-2,5	-0,7	-0,7	2,4	1,9	1,9	1,6	
Superávit de encaje promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)	0,3	0,1	0,1	0,1	0,1	0,1	0,6	0,2	0,2	n.d.	
Créditos por regulación monetaria (millones de US dólares) / Rediscunts (millions of US\$)	0	0	0	0	50	50	0	0	0	0	
TAMEX / Average	14,8	13,8	12,9	12,7	12,6	12,6	12,5	12,5	12,6	12,5	
Interbancaria / Interbank	6,6	7,5	7,3	7,3	6,7	8,2	7,4	7,2	8,5	9,0	
Tasa de interés (%) / Interest rates (%)	11,8	10,9	10,7	11,2	10,5	11,1	12,0	10,3	10,7	9,8	
Preferencial para descuento 90 días / Prime rate (90 days)	s.m.	s.m.	s.m.	s.m.	8,5	8,5	s.m.	s.m.	s.m.	s.m.	
Créditos por regulación monetaria / Rediscunts											
<b>INDICADORES BURSÁTILES / STOCK MARKET INDICES</b>	Acum.										
Índice General Bursátil (Var. %) / General Index (% change)	0,9	5,7	-5,7	-6,3	-0,5	-5,5	1,3	s.m.	0,7	0,5	
Índice Selectivo Bursátil (Var. %) / Blue Chip Index (% change)	1,7	4,0	-3,8	-5,1	-0,3	-5,2	0,3	s.m.	-0,6	0,7	
Monto negociado en acciones (Mill. S/) - Prom. diario	31,6	10,5	11,5	20,3	8,8	17,9	20,1	s.m.	8,7	3,4	
<b>INFLACIÓN (%) / INFLATION (%)</b>											
Inflación mensual / Monthly	0,43	0,47	0,56	0,23		0,06				0,15	
Inflación últimos 12 meses / % 12 months change	3,73	3,70	3,88	4,25		4,02				3,73	
<b>GOBIERNO CENTRAL (Mill. S/) / CENTRAL GOVERNMENT (Millions of S/)</b>											
Resultado primario / Primary balance	-603	-96	25	636							
Ingresos corrientes / Current revenue	2 526	2 246	2 179	2 776							
Gastos no financieros / Non-financial expenditure	3 146	2 363	2 175	2 161							
<b>COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)</b>											
Balanza Comercial / Trade balance	-60	18	2	-31							
Exportaciones / Exports	595	643	554	672							
Importaciones / Imports	655	625	552	702							
<b>PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT (1994=100)</b>											
Varia. % respecto al mismo mes del año anterior / Annual rate of growth	3,7	4,9	-0,1	0,2							
<b>COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS</b>	Prom.										
LIBOR a tres meses (%) / LIBOR 3-month (%)	6,1	6,7	6,7	6,8	6,7	6,8	6,4	5,7	6,5	6,4	
Dow Jones (Var. %) / (% change)	4,8	6,6	-5,0	3,0	-2,0	-5,1	0,6	-0,8	3,6	-1,3	
Rendimiento de los U.S. Treasuries (30 años) / U.S. Treasuries yield (30 years)	6,4	5,7	5,8	5,8	5,6	5,8	5,5	5,5	5,5	5,3	
Striped spread de los bonos PDI (pbs) / PDI bond stripped spread (basis points)	436	476	574	696	748	736	681	687	711	677	
Bonos Brady (%) / FLIRB	61,6	64,2	60,1	54,9	54,1	53,9	58,9	58,8	56,8	59,3	
Brady bonds (%) / PDI	65,1	70,1	66,2	61,9	61,2	60,9	64,5	65,1	63,1	65,3	

\* Incluye depósitos de Promocorp, Fondo de Estabilización Fiscal (FEF), Cofide, fondos administrados por la ONP, y otros depósitos del MEF. El detalle se presenta en el cuadro No.13 del Boletín Semanal.