

BANCO CENTRAL DE RESERVA DEL PERU

WEEKLY REPORT

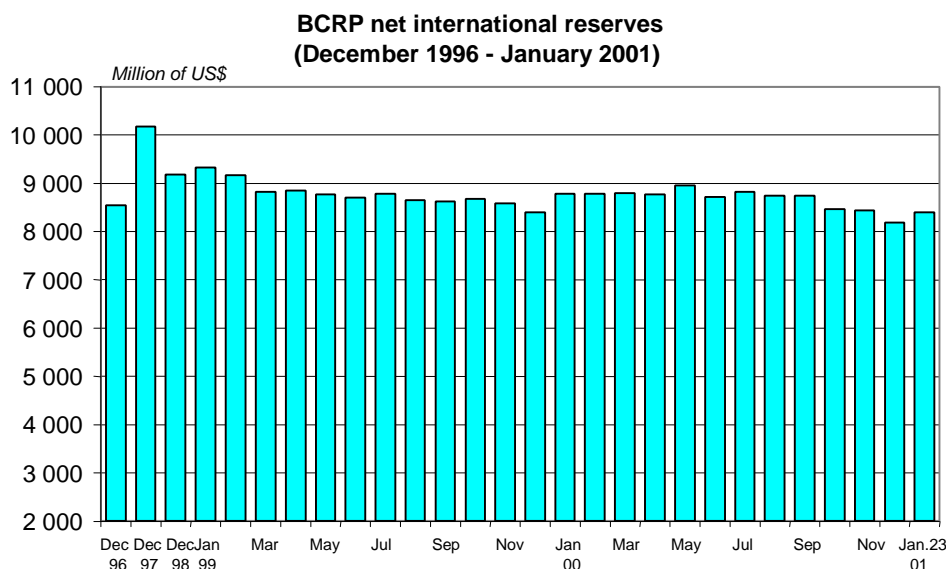
N° 04 – 2001

Content

Net International Reserves at US\$ 8 406 million
Average monetary base at S/. 5 219 million
Banks' current account balance at S/. 147 million
Interbank interest rate in domestic currency at 10,9 percent
Average lending rates in domestic and foreign currency
Spread of PDI Brady bond at 6,4 percent
Exchange rate at S/. 3,52
Monetary accounts: December 2000
General index increases 6,7 percent

Net International Reserves at US\$ 8 406 million

As of January 23, the net international reserves (NIR) of the Central Reserve Bank of Peru increased US\$ 226 million to US\$ 8 406 million. This increase reflects the increase of deposits of financial institutions (US\$ 168 million), the public sector (US\$ 22 million) and the Insurance Deposit Fund (US\$ 9 million) as well as net interest earnings (US\$ 14 million), the redemption of temporary purchases of Treasury bonds (US\$ 7 million), swap operations (US\$ 3 million) and the amortization of Treasury bonds (US\$ 3 million). On the other hand, the exchange position amounted to US\$ 2 622 million, down US\$ 2 million from end-2000.



Average monetary base at S/. 5 219 million

As of January 23, the daily average balance of the monetary base was S/. 5 219 million, 3,4 percent lower than December average. On January 23, the monetary base amounted to S/. 5 109 million, down 9,5 percent (S/. 534 million) from end-December, reflecting

the lower cash demand following the end-of-the-year holidays. This decrease corresponds to the issuance of CDBCRP by S/. 590 million as well as higher public sector deposits (S/. 318 million) that were partially offset by temporary purchases of CDBCRP (S/. 280 million), net interest payments (S/. 37 million), the redemption of overnight deposits (S/. 32 million), and swap operations (S/. 9 million).

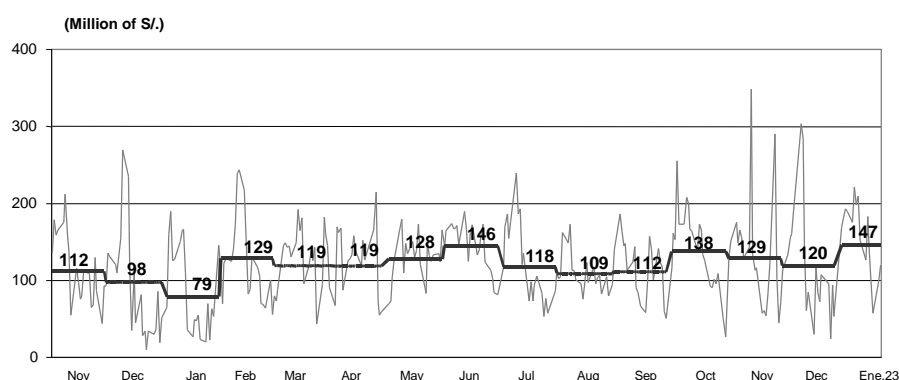
Banks' current account balance at S/. 147 million

From January 17 to 23, the banks' current account was S/. 91 million on a daily average basis. Over this period, the BCRP injected liquidity by S/. 194 million through temporary purchases of CDBCRP and foreign currency.

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	6=1+2+3+4+5	7	8=6+7	
December 1999	99	-39	-27	39	10	73	16	98	17,1
June 2000	149	-18	-21	16	35	162	-16	146	14,1
July	118	-49	-152	26	20	-31	155	118	11,5
August	109	-23	-45	10	56	107	2	109	8,5
September	113	-31	-16	31	46	149	-32	112	13,3
October	139	-47	-73	22	32	75	65	138	14,5
November	127	-36	-142	25	34	16	114	129	13,7
December	120	-38	-107	41	20	42	83	120	11,6
January 1-23, 2001	144	-49	-41	13	70	146	11	147	10,9
January 17	183	-106	-6	0	50	123	20	143	10,4
January 18	143	-178	-20	0	38	-17	115	98	10,1
January 19	98	-150	-115	0	-25	-191	249	58	10,6
January 22	58	-86	-249	0	77	-200	300	100	11,2
January 23	100	-54	-300	0	87	-168	288	120	11,0
January 17-23	111	-115	-138	0	45	-91	194	91	10,7

Banks' current account deposits at the BCRP (November 1999 - January 2001)



From January 17 to 23, the Bank made 5 auctions of temporary purchases of CDBCRP totaling S/. 955 million, at an average interest rate of 9,4 percent, lower than the rate in December for these operations (13,8 percent). On January 19 and 23, the Bank made swap operations by US\$ 2 and 3 million, respectively

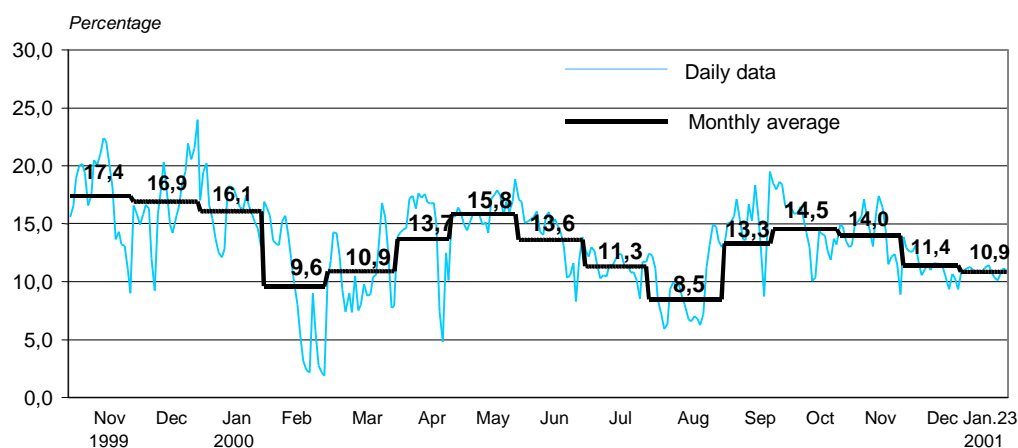
Temporary purchases of CDBCRP

Date	Amount (Million of S/.)	Interest rate (%)
January 17	20	9,5
January 18	115	9,7
January 19	240	9,5
January 22	300	9,4
January 23	280	9,2

Interbank interest rate in domestic currency at 10,9 percent

As of January 23, the interbank interest rate in domestic currency averaged 10,9 percent, lower than in December (11,4 percent).

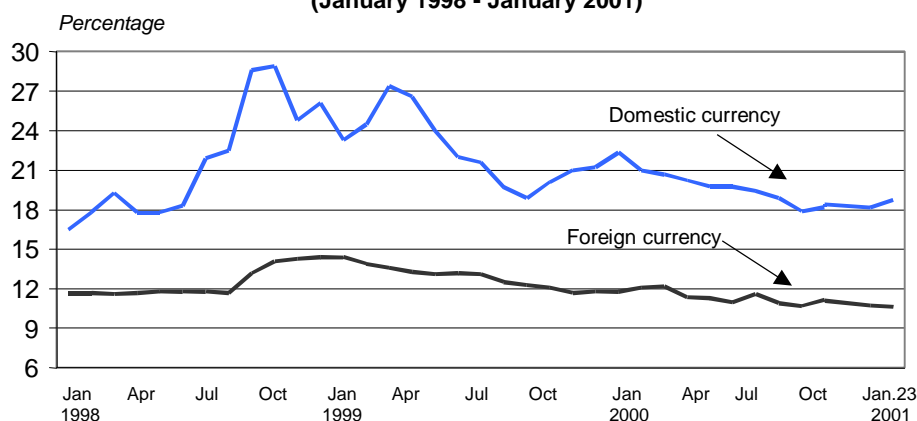
**Interbank interest rate in domestic currency
(November 1999 - January 2001)**



Average lending rates in domestic and foreign currency

As of January 23, the 90-day prime interest rate on soles-denominated loans averaged 18,8 percent, higher than in December (18,2 percent). On the other hand, the rate on dollar-denominated loans fell from 10,7 percent in December to 10,6 percent.

**Prime interest rates
(January 1998 - January 2001)**

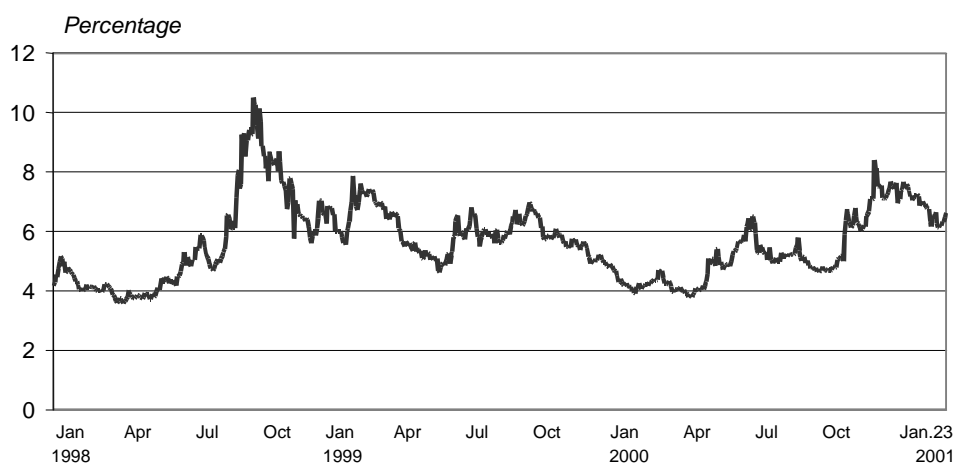


The average lending interest rate in soles (TAMN) was 26,0 percent as of January 23, lower than in the previous month (26,5 percent), while the rate in foreign currency (TAMEX) passed from 12,6 percent in December to 12,5 percent.

Spread of PDI Brady bond at 6,4 percent

As of January 23, 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 6,4 percent, lower than in December (7,1 percent).

Stripped spread of PDI Brady bonds
(January 1998 - January 2001)



Exchange rate at S/. 3,52

As of January 23, the ask-exchange rate in the banking system averaged S/. 3,52. From January 17 to 23, the daily average sales of foreign currency in the forward market exceeded redemptions by US\$ 12 million, whereas, new purchases were lower than redemptions by US\$ 3 million. In the spot market, net purchases to the public averaged US\$ 9 million.

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

	November	December	January 2001		
			1-9	10-16	17-23
i. Forward sales to the public	-3	-1	-2	6	12
- Purchase	12	11	12	14	22
- Sales	16	12	14	8	10
ii. Forward purchases to the public	-1	-2	14	1	-3
- New purchases	9	6	19	9	9
- Redemptions	10	8	5	8	12
iii. Net spot purchases to the public	6	2	1	12	9
- Purchases	80	80	63	84	85
- Sales	75	78	62	72	76

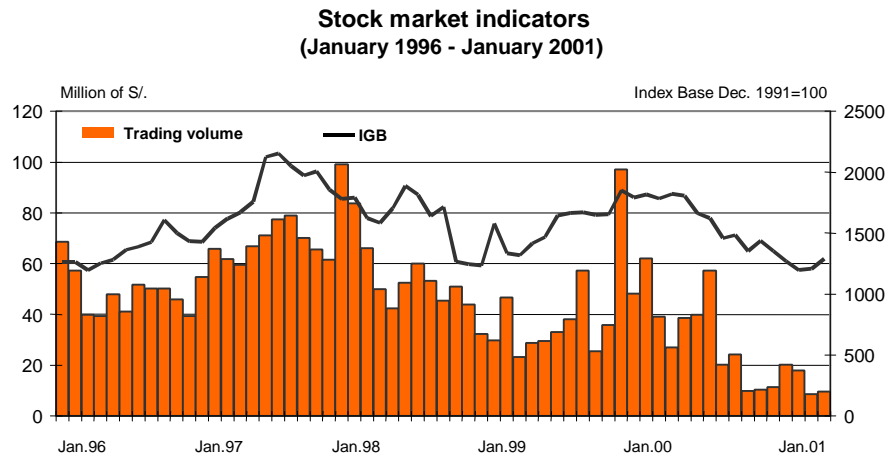
Monetary accounts: December 2000

In December, liquidity in domestic currency grew 6,6 percent to S/. 14 682. In annual term this aggregate rose 4,1 percent. On the other hand, credit to the private sector in domestic currency increased 0,9 percent (S/. 80 million) in December and 1,9 percent in the year 2000. The end-of-the-year balance reached S/. 9 103 million.

Liquidity in domestic currency rose 1,5 percent (US\$ 139 million) during December to US\$ 9 401 million, whereas short-term external liabilities of the banking system augmented 6,7 percent (US\$ 95 million) to US\$ 1 523 million. Credit to the private sector rose 1,2 percent (US\$ 141 million) in December, but decreased 2,0 percent in annual terms.

General index increases 6,7 percent

As of January 23, the Lima Stock Exchange increased with respect to end-December by 6,7 percent in the General Index and 7,6 percent in the Blue Chip Index.



Lima, January 26, 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@bcrp.gob.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).

