

BANCO CENTRAL DE RESERVA DEL PERU
WEEKLY REPORT N° 18
May 4, 2001

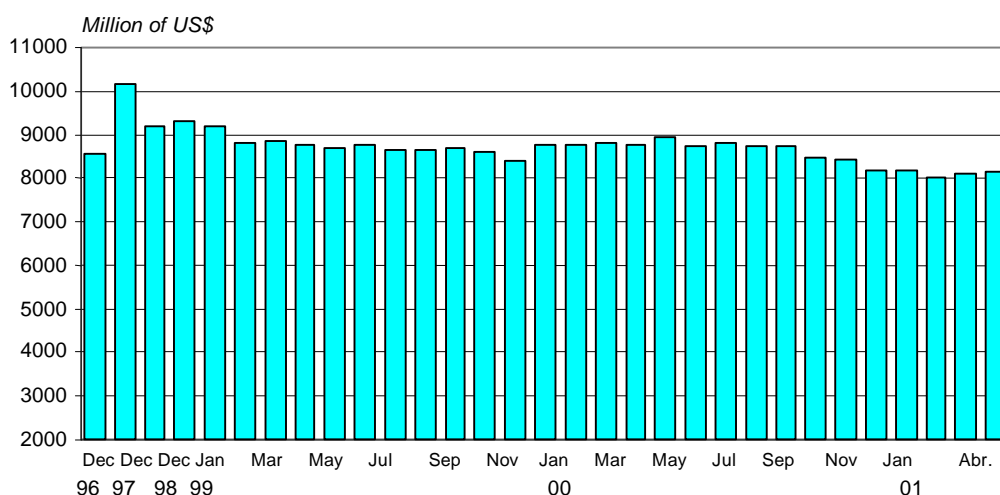
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Net International Reserves increased US\$ 16 million

As of April 30, the net international reserves (NIR) of the Central Reserve Bank of Peru amounted to US\$ 8 127 million, up US\$ 16 million from end-March. This increase is mainly due to the increment in financial system deposits (US\$ 40 million), investment yields and other operations (US\$ 34 million), which were partially offset by sales of foreign currency to the public sector (US\$ 30 million) and through over-the-counter operations (US\$ 27 million) as well as the withdrawal of public sector deposits (US\$ 1 million). On the other hand, the exchange position amounted to US\$ 2 597 million, down US\$ 35 million from end-March level mainly due to sales of foreign currency (US\$ 57 million) that were partially offset by interest and valuation changes (US\$ 22 million).

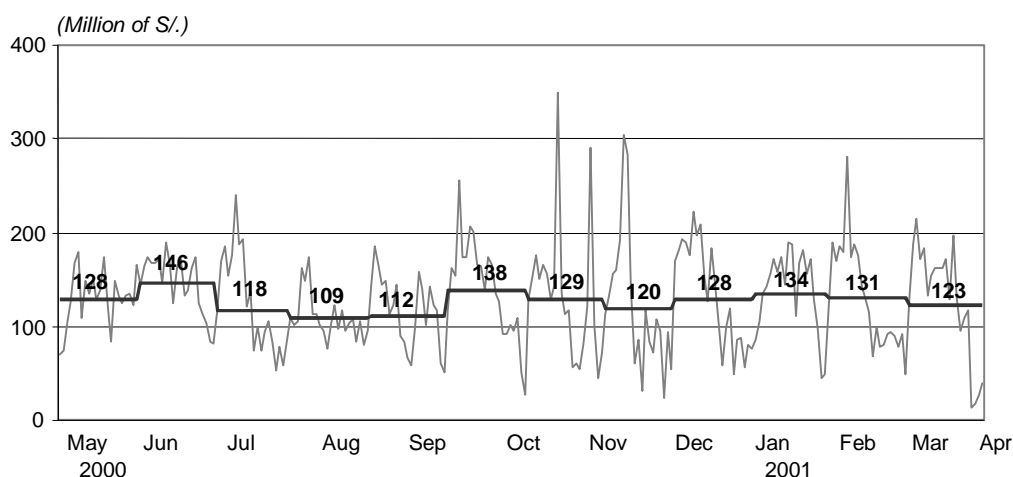
**BCRP Net International Reserves
(December 1996 - April 2001)**



Banks' current account balance at S/. 123 million

During April, the banks' current account was S/. 123 million on a daily average basis, 6,1 percent lower than in March (S/. 131 million) and within the range announced as a target (S/. 120 - S/. 130 million). The former range (S/. 130- S/. 140 million) was modified due to the uncertainty and turmoil in financial markets.

Banks' current account at the BCRP (May 2000 - April 2001)



In April, the Central Bank injected liquidity through 19 auctions of 1-day repurchases of CDBCRP by S/. 368 million on average and at average interest rate of 11,8 percent (versus 10,1 percent in March). On April 9 and 18, the Bank carried out swap operations by US\$ 5 million and US\$ 20 million, respectively. On April 25 and 26, the Bank performed over-the-counter foreign currency sales by US\$ 18 million and US\$ 9 million, respectively.

As of April 30, the Central Bank redeemed CDBCRP by S/. 310 million. Since no further auctions of these certificates were carried out, the balance of CDBCRP as of April 30 reached S/. 1 745 million.

Monetary operations: daily average (Million of S/.)

	Current account balance at the end of previous day's operations	Banks' operations with Banco de la Nación	Redemption of CDBCRP	Other banking operations redemption with the Central Bank	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
	1	2	3	4	5	6=1+2+3+4+5	7	8=6+7	
September 2000	113	-31	31	-16	46	149	-32	112	13,3
October	139	-47	22	-73	32	75	65	138	14,5
November	127	-33	21	-139	35	16	118	129	14,0
December	120	-38	41	-107	20	38	83	120	11,4
January 2001	128	-41	10	-84	58	77	58	128	10,8
February	135	-27	27	-30	38	157	-9	134	11,0
March	131	-34	-13	16	37	137	-7	131	10,3
April	124	-73	-353	16	40	-243	368	123	12,5

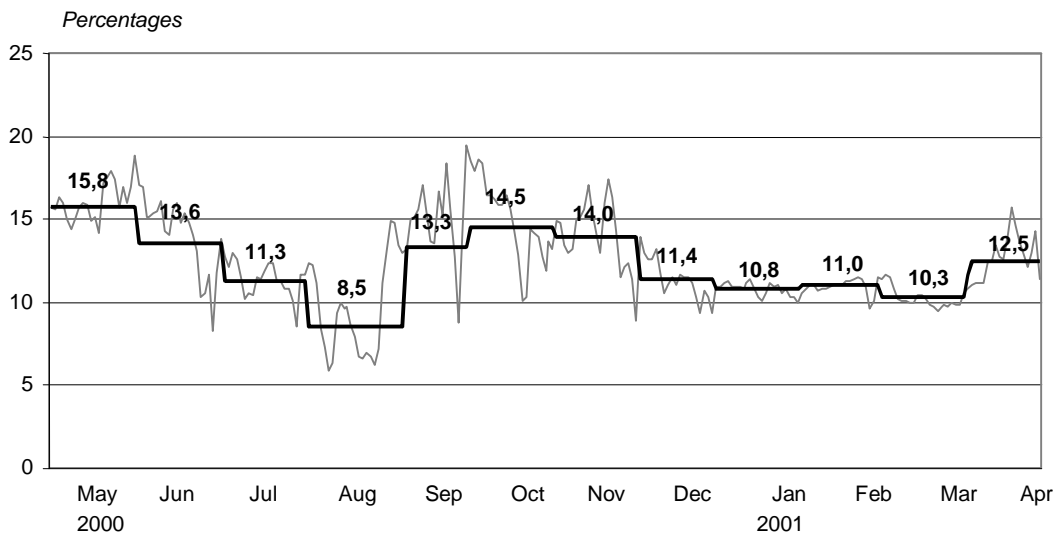
Average monetary base at S/. 5 137 million

In April, the daily average balance of the monetary base was S/. 5 137 million, up 2,4 percent from the March average. On April 30, the monetary base amounted to S/. 5 183 million, up 4,4 percent (S/. 218 million) from end-March, reflecting temporary purchases and redemption of CDBCRP (S/. 365 million and S/. 310 million, respectively), lower overnight deposits (S/. 29 million), the withdrawal of Insurance Deposit Fund deposits (S/. 3 million) and other outlays (S/. 11 million), which were partially offset by higher public sector deposits at the Central Bank (S/. 297 million) and sales of foreign currency to the public sector (S/. 107 million) as well as through over-the-counter sales (S/. 96 million).

Interbank interest rate in domestic currency at 12,5 percent

In April, the interbank interest rate in domestic currency averaged 12,5 percent, higher than in March (10,3 percent).

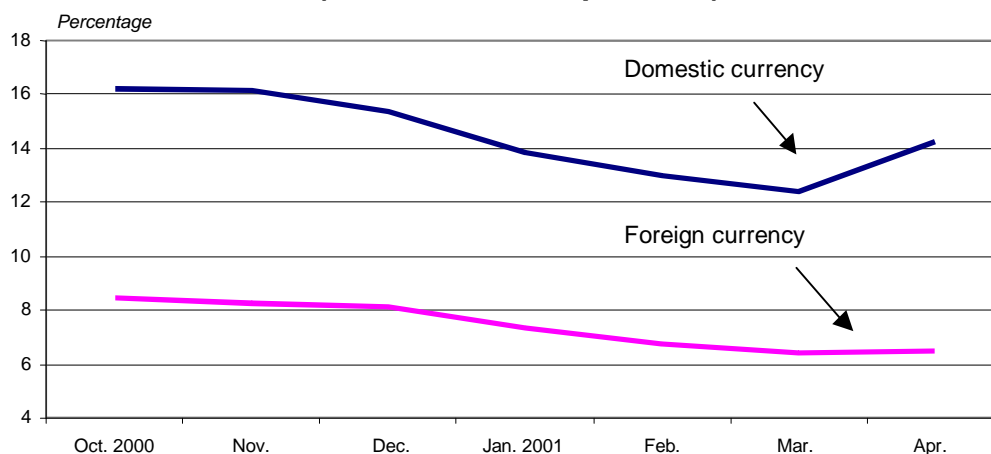
**Interbank interest rate in domestic currency
(May 2000 - April 2001)**



Average lending rates in domestic and foreign currency

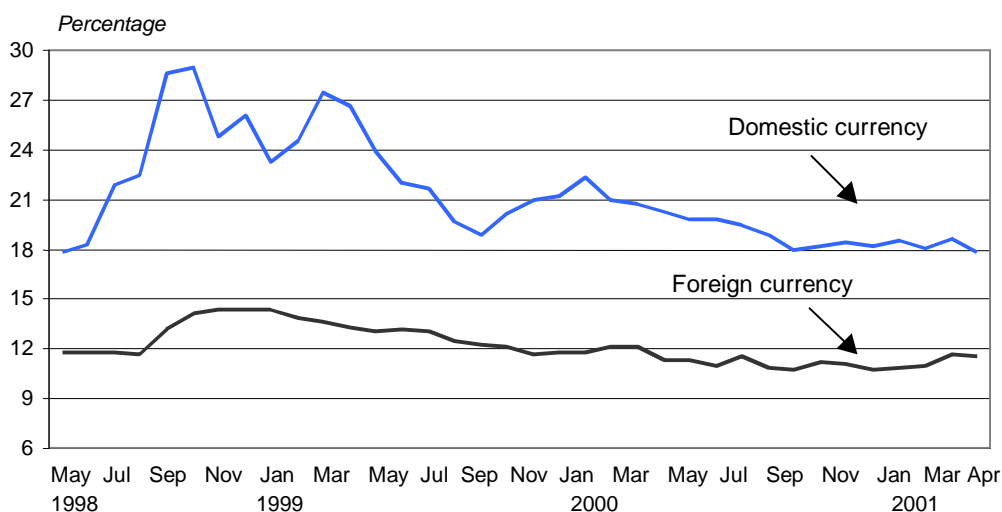
As of April 30, the corporative prime interest rate in domestic currency (for 90-day loans to low-risk clients) was 14,2 percent, higher than in March (12,4 percent). In foreign currency, this rate was 6,5 percent, slightly higher than in March (6,4 percent).

**Corporative prime interest rates in domestic and foreign currency
(October 2000 - April 2001)**



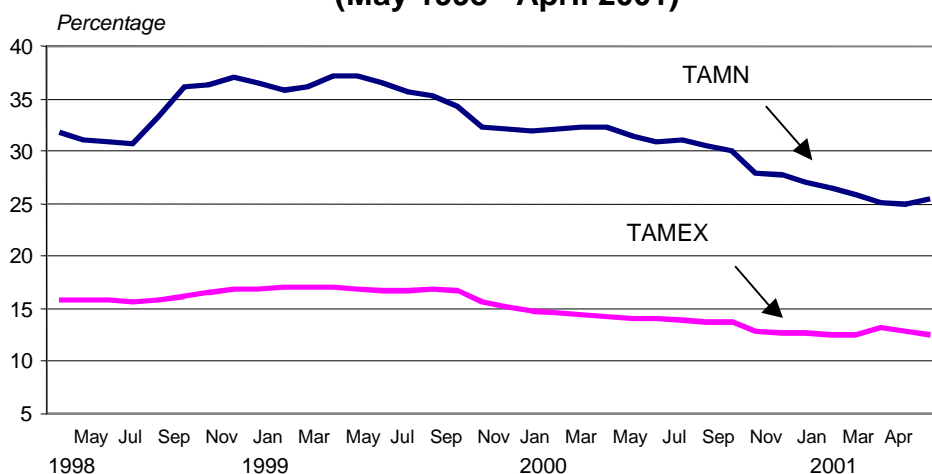
The 90-day prime interest rate on soles-denominated loans averaged 17,9 percent, lower than in March (18,6 percent). On the other hand, the rate on dollar-denominated loans passed from 11,7 to 11,5 percent.

**Prime interest rates
(May 1998 - April 2001)**



On the other hand, the average lending interest rate in domestic currency (TAMN) was 25,4 percent, higher than last month's average (24,9 percent), while the rate in foreign currency (TAMEX) was 12,5 percent, lower than in March (12,9 percent).

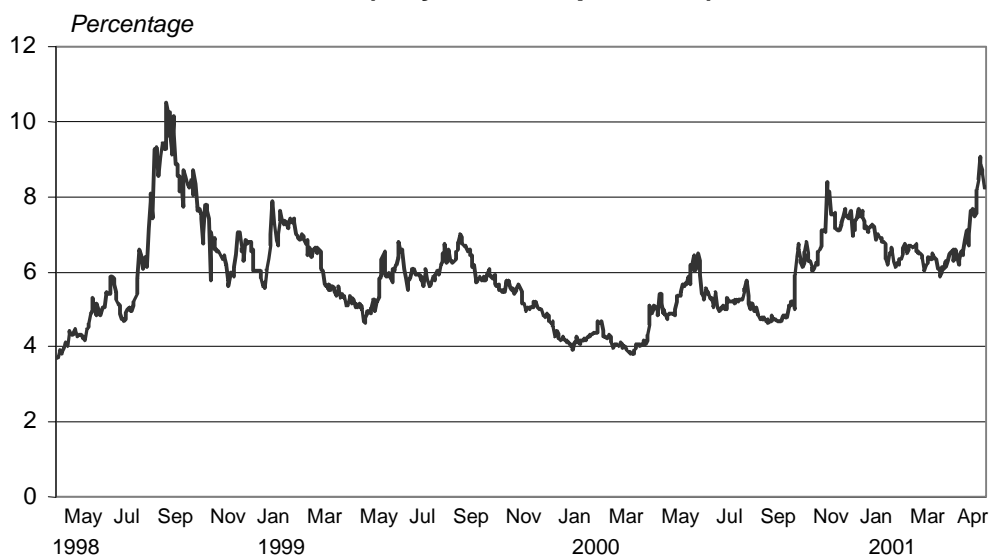
**Lending interest rates in foreign and domestic currency
(May 1998 - April 2001)**



Spread of PDI Brady bond at 7,7 percent

As of April 30, the spread of the Peruvian Past Due Interest Brady bonds relative to the US Treasury bonds (a proxy for the country risk perceived by investors) was 7,7 percent, higher than in March (6,3 percent).

**Stripped spread of PDI Brady bonds
(May 1998 – April 2001)**



Inflation April 2001: -0,4 percent

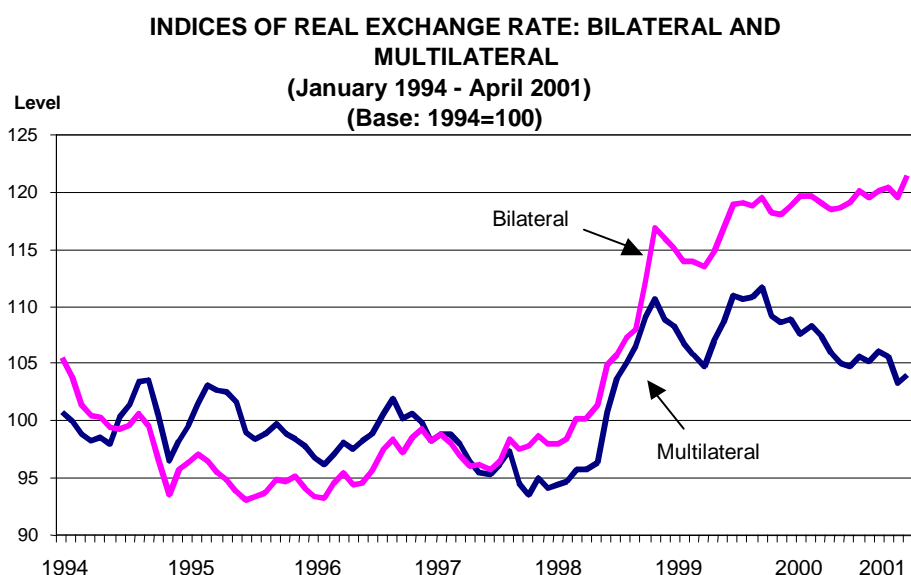
In April, the Consumer Price Index (CPI) decreased 0,42 percent, as a consequence of the fall in fish prices (30 percent) which reflected the high supply of this product. The 12 month inflation was 2,6 percent.

The underlying inflation is a measure of the Consumer Price Index trend, which excludes high volatility products such as non-tradable food, fuel and transportation prices. This variable was 0,47 percent in April and 2,9 percent in the last 12 months (similar to the previous month).

INFLATION (Percentage changes)						
	March			April		
	Month	Jan.-Mar.	12 months	Month	Jan.-Apr..	12 months
GENERAL INDEX	<u>0,51</u>	<u>0,9</u>	<u>3,6</u>	<u>-0,42</u>	<u>0,5</u>	<u>2,6</u>
TRADABLE PRODUCTS	<u>-0,3</u>	<u>-0,2</u>	<u>4,0</u>	<u>0,3</u>	<u>0,1</u>	<u>3,8</u>
Food	-0,8	-1,4	-0,2	1,0	-0,4	0,3
Textile & footwear	0,4	0,7	2,8	0,2	0,9	2,8
Fuel	-1,4	0,3	25,6	-2,1	-1,8	20,5
Electrical appliances	0,1	0,5	3,4	0,5	1,0	2,7
Others	0,3	0,6	4,7	0,4	1,0	4,5
NON-TRADABLE PRODUCTS	<u>1,1</u>	<u>1,8</u>	<u>3,3</u>	<u>-0,9</u>	<u>0,8</u>	<u>1,8</u>
Food	2,6	4,6	2,5	-3,8	0,7	-1,9
Services	0,5	0,6	3,6	0,3	0,9	3,5
Others	-0,4	-0,2	2,4	0,5	0,3	2,7
Memo:						
Underlying inflation	<u>0,15</u>	<u>0,2</u>	<u>2,9</u>	<u>0,47</u>	<u>0,7</u>	<u>2,9</u>

Exchange rate at S/. 3,56

In April, the average ask exchange rate in the banking system rose 1,1 percent to S/. 3,56. Real appreciation was 0,6 percent considering a domestic inflation of -0,4 percent and an external inflation of -0,9 percent. The latter reflects the depreciation of our main trade partners' currencies against the US dollar.



In April, the balance of sales of foreign currency in the forward market rose from US\$ 789 to US\$ 990 million, whereas the balance of purchases passed from US\$ 352 million to US\$ 403 million, so the net forward sales balance increased US\$ 150 million in this month.

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

	January	February	March	April
i. Forward sales to the public	<u>5</u>	<u>-1</u>	<u>3</u>	<u>7</u>
- New sales	18	17	19	26
- Redemptions	13	18	16	19
ii. Forward purchases to the public	<u>5</u>	<u>1</u>	<u>1</u>	<u>0</u>
- New purchases	15	10	11	13
- Redemptions	10	9	10	13
iii. Net spot purchases to the public	<u>2</u>	<u>10</u>	<u>9</u>	<u>11</u>
- Purchases	84	90	92	105
- Sales	82	80	83	94
Memo:				
Close balance as of:				
- Forward sales	747	704	789	990
- Forward purchases	307	290	352	403

Central government operations: March 2001

In March, the central government recorded an overall deficit of S/. 274 million, S/. 700 million lower than in March 2000 (S/. 974 million). In the period January-March, the overall deficit was S/. 273 million, compared with the S/. 1 365 million deficit in the same period a year ago.

Current revenues amounted to S/. 2 251 million in March, up 1,6 percent in real terms from March 2000, whereas non-financial expenditures totaled S/. 2 058 million, 25,9 percent lower than a year ago in real terms.

CENTRAL GOVERNMENT OPERATIONS
(Million of S/.)

	March			January – March		
	2000	2001	Real % change	2000	2001	Real % change
1. CURRENT REVENUE	2 209	2 251	- 1,6	6 565	6 727	- 1,2
2. NON FINANCIAL EXPENDITURE	2 680	2 058	- 25,9	7 024	6 059	- 16,8
<i>a. Current</i>	2 282	1 772	- 25,1	5 859	5 263	- 13,3
<i>b. Capital</i>	398	287	- 30,5	1 164	796	- 34,1
3. OTHER OPERATIONS	17	19	5,1	52	56	4,2
4. INTERESTS	520	485	- 9,8	958	996	0,4
5. TRANSFERS OF STATE-OWNED ENTERPRISES	0	0		0	0	
6. <u>OVERALL BALANCE (1+2++3+4+5)</u>	<u>- 974</u>	<u>- 274</u>		<u>- 1 365</u>	<u>- 273</u>	

The overall deficit was funded mainly with external resources by S/. 181 million (or US\$ 52 million as a result of the difference of disbursements –US\$ 151 million– and amortization –US\$ 99 million–). Furthermore, privatization income was recorded by S/. 105 million (US\$ 29,8 million).

Monetary accounts: April 7

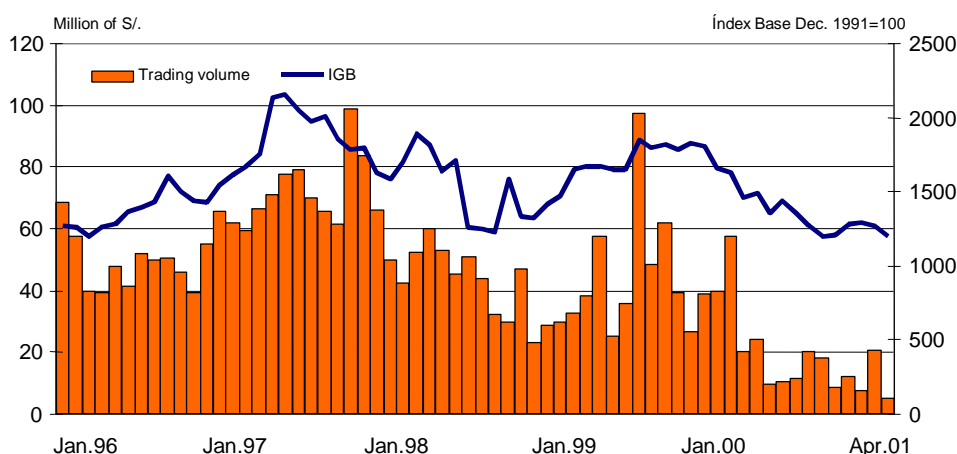
From March 7 to April 7, liquidity in domestic currency rose 1,0 percent (S/. 132 million) to S/. 13 845 million. In annual terms, this aggregate grew 4,2 percent. On the other hand, credit to the private sector in domestic currency rose 1,2 percent (S/. 105 million) to S/. 8 953 million but grew 2,9 percent in the last 12 months.

Liquidity in domestic currency rose 0,7 percent (US\$ 65 million) to US\$ 9 500 million, whereas short-term external liabilities of the banking system increased 4,1 percent (US\$ 64 million) to US\$ 1 626 million. Credit to the private sector (US\$ 11 416 million) increased 0,9 percent in the last 4 weeks but decreased in a similar amount in annual terms.

General index decreases 5,9 percent

As of April 30, the Lima Stock Exchange decreased with respect to end-March by 5,9 percent in the General Index and 3,8 percent in the Blue Chip Index. In the year, these indices have decreased 1,0 and 0,1 percent, respectively.

**Stock market indicators
(January 1996 - April 30, 2001)**



Lima, May 4, 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).

BCRP - Indicadores Económicos / Economic Indicators	2000						2001						ABR.	
	SET.	OCT.	NOV.	DIC.	ENE.	FEB.	MAR.	24 Abr.	25 Abr.	26 Abr.	27 Abr.	30 Abr.		
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES (Mills. of US\$)							Var.						Var.	
Posición de cambio / Net international position	2 555	2 567	2 582	2 624	2 626	2 637	2 632	2 610	2 593	2 585	2 581	2 597	-35	
Reservas internacionales netas / Net international reserves	8 744	8 465	8 442	8 180	8 201	8 018	8 111	8 337	8 275	8 281	8 259	8 127	16	
Depósitos del sistema financiero en el BCRP / Financial system deposits at BCRP	3 297	3 066	2 960	2 952	2 910	2 787	2 895	3 148	3 103	3 098	3 077	2 935	40	
Empresas bancarias / Banks	3 057	2 928	2 806	2 762	2 782	2 657	2 778	3 011	2 963	2 971	2 939	2 784	6	
Banco de la Nación / Banco de la Nación	216	115	130	168	107	104	93	110	112	100	110	123	30	
Sector privado / Private sector	23	24	25	22	21	26	24	28	28	27	28	28	4	
Depósitos del sector público en el BCRP / Public sector deposits at BCRP	2 910	2 826	2 961	2 694	2 723	2 678	2 650	2 643	2 641	2 645	2 648	2 648	-1	
Depósitos de privatización	306	262	277	159	171	165	180	183	183	185	185	185	5	
Otros depósitos / Other *	2 604	2 564	2 684	2 535	2 552	2 514	2 469	2 460	2 458	2 460	2 463	2 463	-6	
OPERACIONES CAMBIARIAS BCRP (Mill. US\$)/BCRP FOREIGN OPERATIONS (Millions US\$)	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	
Origen externo de la emisión primaria / External origin of the monetary base	2	0	0	21	0	-1	0	0	-18	-9	0	0	-57	
Compras netas en Mesa de Negociación / Over-the-counter net purchases of foreign currency	0	0	0	0	0	0	0	0	-18	-9	0	0	-27	
Operaciones swaps netas / Net swap operations	0	0	0	1	0	0	0	0	0	0	0	0	0	
Operaciones con el Sector Público / Public sector	0	0	0	20	0	0	0	0	0	0	0	0	-30	
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	
Compra interbancario/Interbank bid	Promedio / Average	3,485	3,500	3,529	3,519	3,523	3,528	3,520	3,591	3,592	3,592	3,591	3,582	3,560
Apertura / Opening	3,486	3,502	3,530	3,520	3,524	3,530	3,521	3,590	3,605	3,594	3,593	3,585	3,560	
Venta Interbancario	Mediodía / Midday	3,486	3,502	3,531	3,521	3,524	3,530	3,521	3,594	3,592	3,593	3,592	3,584	3,562
Interbank Ask	Cierre / Close	3,486	3,502	3,531	3,520	3,524	3,529	3,520	3,596	3,592	3,594	3,591	3,584	3,561
	Promedio / Average	3,486	3,502	3,530	3,520	3,524	3,529	3,521	3,593	3,594	3,593	3,592	3,584	3,561
Sistema bancario	Compra / Bid	3,484	3,499	3,527	3,518	3,521	3,528	3,519	3,587	3,590	3,589	3,589	3,584	3,557
Banking System	Venta / Ask	3,486	3,502	3,530	3,521	3,524	3,530	3,521	3,592	3,593	3,593	3,593	3,589	3,560
Índice de tipo de cambio real (1994=100) / Real exchange rate index (1994=100)		105,1	104,7	104,9	105,2	106,1	105,6	103,3						104,0
INDICADORES MONETARIOS / MONETARY INDICATORS														
Moneda nacional / Domestic currency														
Emisión Primaria	(Var. % mensual) / (% monthly change)	-5,2	2,0	-0,7	14,6	-10,2	-2,1	0,1					4,4	4,4
Monetary base	(Var. % últimos 12 meses) / (% 12-month change)	1,9	-0,1	-1,0	-4,0	-0,3	4,0	1,6						
Oferta monetaria	(Var. % mensual) / (% monthly change)	1,2	0,0	-0,1	6,3	-3,7	-0,9	1,5						
Money Supply	(Var. % últimos 12 meses) / (% 12-month change)	3,0	3,2	3,0	3,5	4,3	6,0	4,6						
Crédito sector privado	(Var. % mensual) / (% monthly change)	1,7	-0,9	3,9	1,0	-0,6	-0,6	0,8						
Credit to the private sector	(Var. % últimos 12 meses) / (% 12-month change)	-7,2	-6,7	-2,8	2,3	1,8	0,8	2,2						
TOSE saldo promedio (Var % mensual) / TOSE average balance (% monthly change)		0,1	-1,6	2,5	1,3	1,7	1,2	0,8	-0,9	-0,6	-2,5	-2,4	-1,8	-1,8
Superavit de encaje promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)		0,5	0,7	0,8	1,3	1,0	0,8	0,6	1,1	1,1	1,1	0,9	0,9	0,9
Cuenta corriente de los bancos (saldo mill. S.)/Banks' current account (balance mills. of S.)		112	138	129	120	128	134	131	118	13	18	27	39	123
Créditos por regulación monetaria (millones de S.) / Rediscounts (Millions of S.)		0	0	20	0	0	0	0	0	0	0	0	0	0
Depósitos del sector público en el BCRP (saldo Mill. S.) / Public sector deposits at the BCRP (Balance m		299	509	531	319	599	515	475	767	854	923	858	773	773
Certificados de Depósitos BCRP (saldo Mill. S.) / CDBCRP balance (Millions of S.)		2 050	1 755	1 770	1 360	1 950	1 995	2 055	1 865	1 745	1 745	1 745	1 745	1 745
Operaciones de reporte con CDBCRP (saldo Mill. S.) / CDBCRP repos (Balance millions of S.)		40	41	30	0	210	20	30	375	298	415	435	395	395
TAMN / Average		27,9	27,7	27,1	26,5	25,9	25,2	24,9	25,9	25,9	25,9	25,6	24,6	24,4
Interbancario / Interbank		13,3	14,5	14,0	11,4	10,8	11,0	10,3	12,8	12,2	13,0	14,3	11,4	12,5
Tasa de interés (%)	Preferencial para descuento 90 días / Prime rate (90 days)	17,9	18,2	18,4	18,2	18,5	18,1	18,6	19,8	17,0	19,3	17,3	17,3	17,9
Interest rates (%)	Operaciones de reporte con CDBCRP / CDBCRP repos	20,0	10,8	8,1	s.m.	9,2	11,4	10,4	12,1	11,7	11,6	11,9	12,2	13,2
	Créditos por regulación monetaria / Rediscounts	s.m.	s.m.	14,0	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.
	Del saldo de CDBCRP / CDBCRP balance	13,6	13,5	13,8	13,5	13,3	13,9	12,6	12,6	12,6	12,6	12,6	12,6	12,6
Moneda extranjera / foreign currency														
Crédito sector privado	(Var. % mensual) / (% monthly change)	-0,5	-0,8	1,4	1,2	-0,3	-0,2	0,8						
Credit to the private sector	(Var. % últimos 12 meses) / (% 12-month change)	-2,4	-3,6	-1,8	-2,3	-1,9	-1,1	0,2						
TOSE saldo promedio (Var % mensual) / TOSE average balance (% monthly change)		-0,8	-2,5	-0,7	1,9	-0,7	0,4	0,6	1,4	1,3	1,8	1,6	1,2	1,2
Superavit de encaje promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)		0,1	0,1	0,1	0,2	0,1	0,1	0,1	1,2	1,2	1,1	0,3	0,1	0,1
Créditos por regulación monetaria (millones de US dólares) / Rediscounts (millions of US\$)		0	0	50	0	0	14	0	15	15	0	0	0	0
TAMEX / Average		12,9	12,7	12,6	12,6	12,6	13,2	12,9	12,5	12,5	12,4	12,4	12,4	12,5
Interbancario / Interbank		7,3	7,3	8,2	8,4	8,9	8,6	8,6	6,8	6,8	6,6	5,5	6,8	6,8
Tasa de interés (%)	Preferencial para descuento 90 días / Prime rate (90 days)	10,7	11,2	11,1	10,7	10,8	11,0	11,7	12,3	11,4	11,2	11,1	10,9	11,5
Interest rates (%)	Créditos por regulación monetaria / Rediscounts	s.m.	s.m.	8,5	s.m.	s.m.	8,5	s.m.	8,5	8,5	s.m.	s.m.	s.m.	s.m.
INDICADORES BURSÁTILES / STOCK MARKET INDICES	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.
Índice General Bursátil (Var. %) / General Index (% change)		-5,7	-6,3	-5,5	0,7	6,0	0,9	-1,5	-0,5	-0,3	-0,8	-0,3	0,3	-5,9
Índice Selectivo Bursátil (Var. %) / Blue Chip Index (% change)		-3,8	-5,1	-5,2	-0,6	7,5	-1,0	-2,3	-0,4	-0,5	-0,8	0,5	0,6	-3,8
Monto negociado en acciones (Mill. S.) - Prom. diario		11,5	20,3	17,9	8,7	12,2	7,6	20,5	5,7	3,3	3,9	5,9	13,1	5,6
INFLACION (%) / INFLATION (%)														
Inflación mensual / Monthly		0,56	0,23	0,06	0,15	0,19	0,25	0,51						-0,42
Inflación últimos 12 meses / % 12 months change		3,88	4,25	4,02	3,73	3,86	3,61	3,58						2,62
GOBIERNO CENTRAL (Mill. S.) / CENTRAL GOVERNMENT (Mills. Of S.)														
Resultado primario / Primary balance		32	641	95	-571	466	46	211						
Ingresos corrientes / Current revenue		2 186	2 824	2 180	2 317	2 271	2 205	2 251						
Gastos no financieros / Non-financial expenditure		2 175	2 204	2 106	2 909	1 823	2 178	2 058						
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. Of US\$)														
Balanza Comercial / Trade balance		-1	-26	-96	8	-42	-91							
Exportaciones / Exports		553	680	539	607	549	550							
Importaciones / Imports		554	707	636	599	590	641							
PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT (1994=100)														
Variaz. %, respecto al mismo mes del año anterior / Annual rate of growth		0,1	0,5	0,3	-1,8	-1,7	-2,5							
COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.
LIBOR a tres meses (%) / LIBOR 3-month (%)		6,7	6,8	6,8	6,5	5,7	5,3	5,0	4,4	4,3	4,3	4,3	4,3	4,6
Dow Jones (Var. %) / (% change)		-5,0	3,0	-5,1	3,6	0,9	-3,6	-6,0	-0,7	1,6	0,6	1,1	-0,7	8,7
Rendimiento de los U.S. Treasuries (30 años) / U.S. Treasuries yield (30 years)		5,8	5,8	5,8	5,5	5,5	5,5	5,3	5,8	5,8	5,7	5,8	5,8	5,7
Stripped spread de los bonos PDI (pts) / PDI bond stripped spread (basis points)		570	692	735	711	647	642	630	885	869	860	826	822	775
Bonos Brady (%)	FLIBB	60,1	54,9	53,9	56,6	59,6	60,7	62,5	53,1	52,9	53,9	54,4	53,8	57,2
Brady bonds (%)	PDI	66,2	61,9	60,9	63,1	66,5	67,2	68,3	59,6	59,9	60,4	61,3	61,4	63,4

* Incluye depósitos de Promocri, Fondo de Estabilización Fiscal (FEF), Cofide, fondos administrados por la CNP, y otros depósitos del MEF. El detalle se presenta en el cuadro No 15 del Boletín Semanal.

Monetary Program for 2001- Information Note: May 2001

The BCRP maintains its reference interest rate at 11,0 percent and set the benchmark for monetary operations at S/. 120-130 million. The Bank also reduces the interest rate for liquidity credits in foreign currency from 8.5 to 7,5 percent

1. For the month of April, the Board of the Bank decided to maintain the range for the average daily balance of the current accounts held by banks at the Central Bank to **S/. 120 - S/. 130 million as a daily average**. In April, the balance was S/. 123 million, within the range (S/. 120 - S/. 130 million). It should be noted that this range was revised downwards from S/. 130 - S/. 140 million as a consequence of the uncertainty and turmoil in financial markets associated with external and domestic events.
2. The Central Bank Board of Directors also decided to maintain the interest and commission rates used in domestic-currency Central Bank operations:
 - a. For monetary regulation credits in domestic currency, the effective interest rate would be **the average of the top-decile interbank interest rates, or 11,0 percent, whichever is highest**. This rate is effective since April 6.
 - b. For overnight deposits in domestic currency held by banks at the Central Bank, the effective interest rate will be **4,0 percent**. This rate is effective since March 2.
 - c. For foreign exchange temporary purchase operations (swap operations), the commission will be 0,0174 percent, equivalent to an effective **11,0 percent** annual cost. This rate is effective since April 6.
3. The following interest rates will be used in foreign-currency operations:
 - a. The effective annual rate for monetary regulation credits will be **7,5 percent**. This rate is lower to that effective since November 17, 2000 (8,5 percent). The reduction follows the trend in international interest rates along the year.
 - b. For overnight deposits held by banks at the Central Bank, the rate is equivalent to the average obtained by the Central Bank for similar deposits abroad.
4. If justified by financial conditions, the values mentioned above could be modified in order to ensure the attainment of the objective to preserve monetary stability.

Lima, May 3, 2001