

BANCO CENTRAL DE RESERVA DEL PERU
WEEKLY REPORT N° 19
May 11, 2001

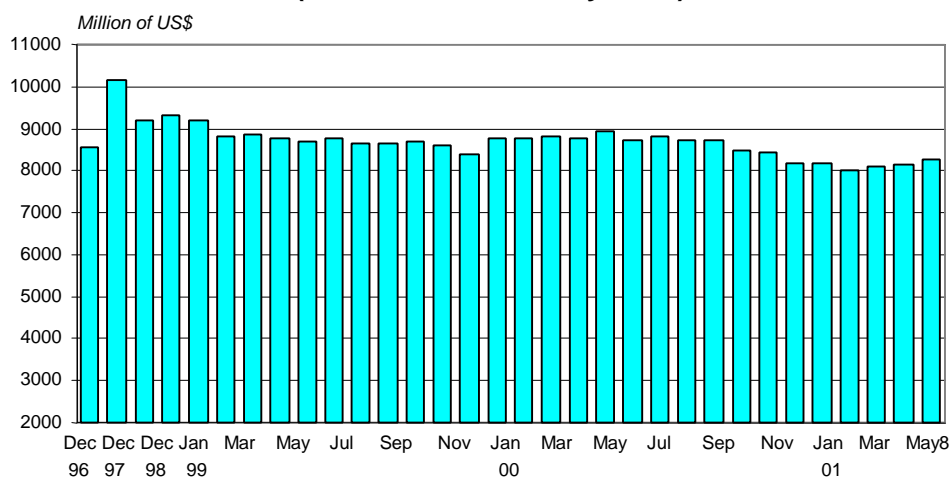
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Net International Reserves increased US\$ 134 million

As of May 8, the net international reserves (NIR) of the Central Reserve Bank of Peru amounted to US\$ 8 261 million, up US\$ 134 million from end-April. This increase was mainly due to the increment in financial system deposits (US\$ 134 million). On the other hand, the exchange position amounted to US\$ 2 596 million, similar to end-April level.

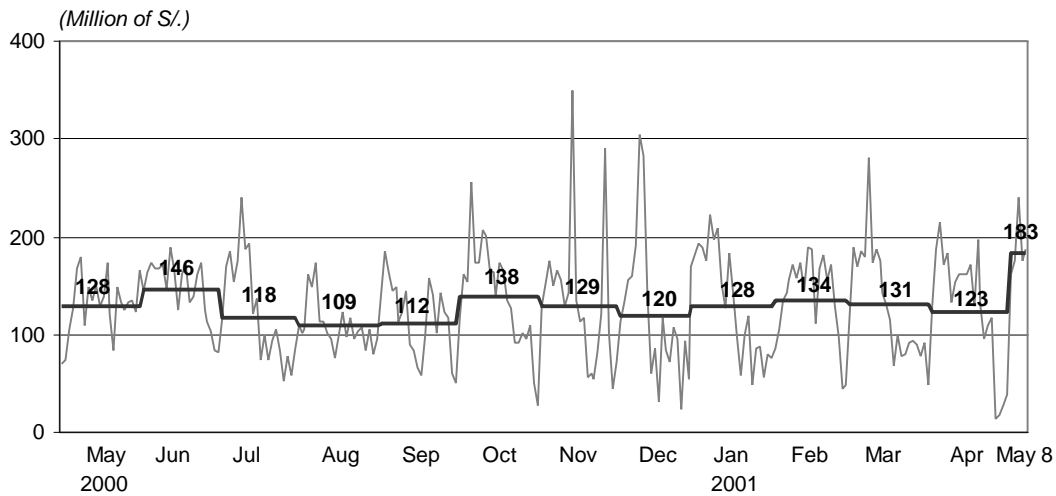
**BCRP net international reserves
(December 1996 - May 2001)**



Banks' current account balance at S/. 183 million

From May 1 to 8, the banks' current account was S/. 183 million on a daily average basis, higher than in April (S/. 163 million).

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



Over this period, the Central Bank injected liquidity through 5 auctions of 1-day repurchases of CDBCRP by S/. 314 million on average and at average interest rate of 13,0 percent (versus 11,8 percent in April). On May 4 and 18, the Bank carried out swap operations by US\$ 25 million and US\$ 3 million, respectively. As of May 8, the balance of CDBCRP kept at S/. 1 745 million.

Temporary purchase of CDBCRP

Date	Amount (Million of S/.)	Interest rate (%)	Term (days)
May 2	440	12,7	1
May 3	380	13,2	1
May 4	335	13,8	1
May 5	255	12,6	1
May 8	160	13,0	1

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

	Banks' 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	
March 2000	130	-38	-5	24	40	149	-19	119	10,9
April	120	-52	-42	16	43	94	34	119	13,7
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
May 8	164	14	-379	0	61	-146	334	183	13,3

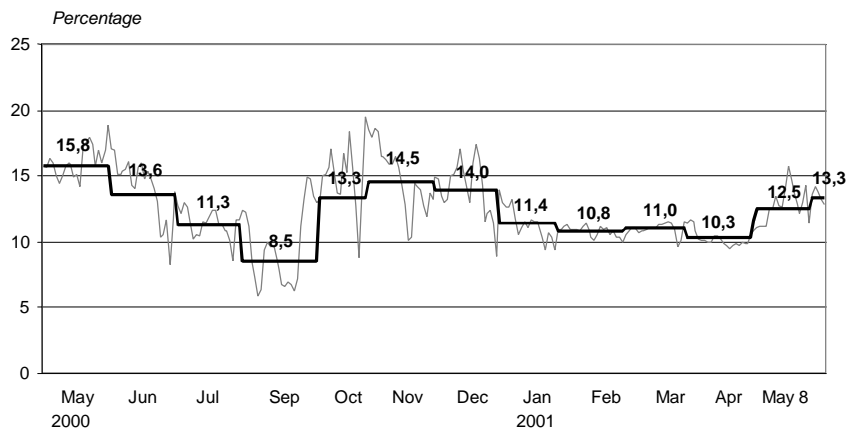
Average monetary base at S/. 5 277 million

From May 1 to 8, the daily average balance of the monetary base was S/. 5 277 million, up 2,7 percent from April average. On May 8, the monetary base amounted to S/. 5 156 million, down 0,5 percent (S/. 27 million) from end-April, reflecting the redemption of temporary purchases of CDBCRP (S/. 235 million), that were partially offset by lower public sector deposits at the Central Bank (S/. 192 million), swap operations (S/. 11 million) and interest payments (S/. 5 million).

Interbank interest rate in domestic currency at 13,3 percent

As of May 8, the interbank interest rate in domestic currency averaged 13,3 percent, higher than in April (12,5 percent).

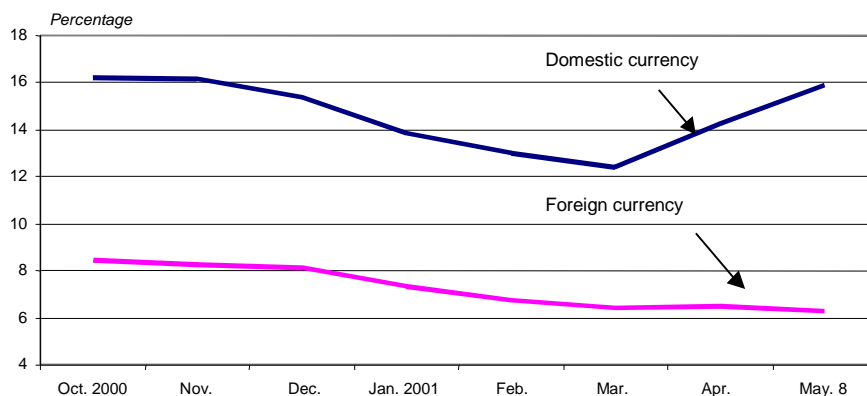
**Interbank interest rate in domestic currency
(May 2000 - May 2001)**



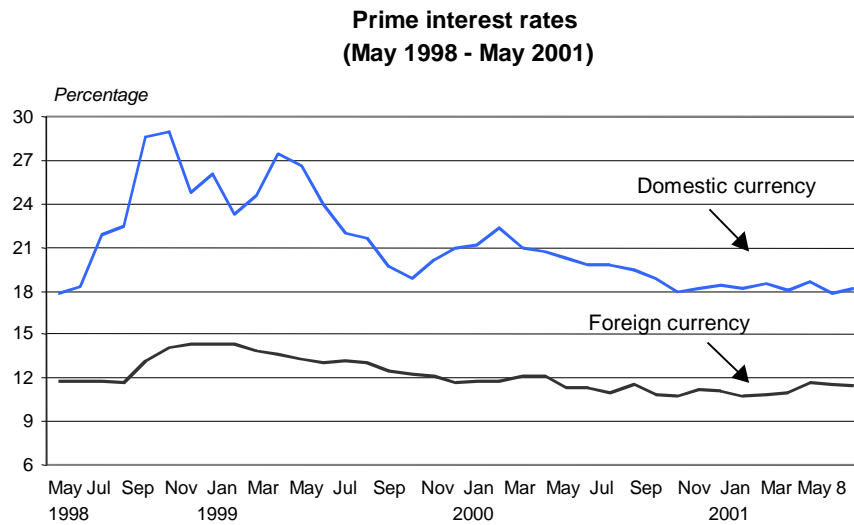
Average lending rates in domestic and foreign currency

As of May 8, the corporative prime interest rate in domestic currency (for 90-day loans to low-risk clients) was 15,9 percent, higher than in April (14,2 percent). In foreign currency, this rate was 6,3 percent, lower than in April (6,5 percent).

**Corporative prime interest rate in domestic and
foreign currency
(October 2000 - May 2001)**

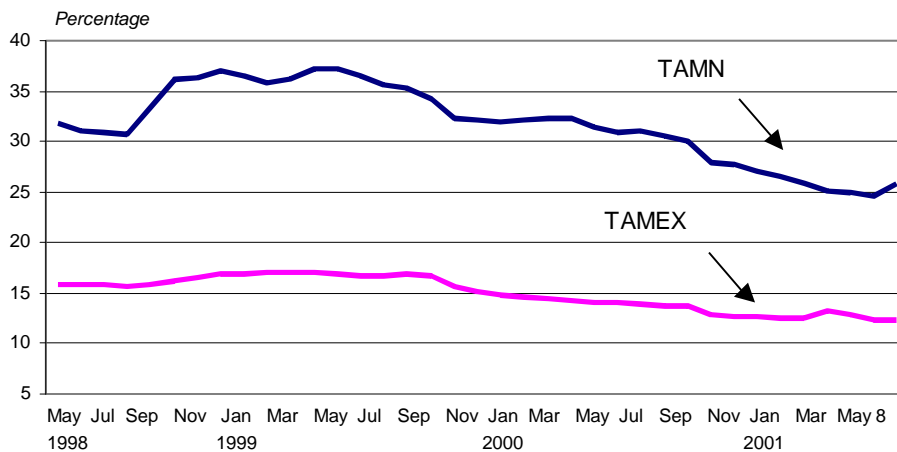


The 90-day prime interest rate on soles-denominated loans averaged 18,2 percent, higher than in April (17,9 percent). On the other hand, the rate on dollar-denominated loans remained at 11,5 percent.



On the other hand, the average lending interest rate in domestic currency (TAMN) was 25,6 percent, higher than last month's average (25,4 percent), while the rate in foreign currency (TAMEX) was 12,4 percent, slightly lower than in April (12,5 percent).

**Average lending interest rates in domestic and foreign currency
(May 1998 - May 2001)**



Spread of PDI Brady bond at 8,0 percent

As of May 8, 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 8,0 percent, higher than in April (7,7 percent), but lower than April's last week level (8,6 percent).

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



Exchange rate at S/. 3,60

From May 1 to 8, the average ask exchange rate in the banking system rose 0,42 percent to S/. 3,60.

Over this period, the balance of sales of foreign currency in the forward market exceeded redemptions by US\$ 2 million, whereas new purchases exceeded redemptions by US\$ 4 million. In the spot market, net sales to the public averaged US\$ 11 million, lower than in April (US\$ 13 million).

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

	December 2000	January 2001	February	March	April	May 1-8
i. <u>Forward sales to the public</u>	<u>0</u>	<u>5</u>	<u>-1</u>	<u>3</u>	<u>7</u>	<u>2</u>
- New sales	12	18	17	19	26	15
- Redemptions	12	13	18	16	19	13
ii. <u>Forward purchases to the public</u>	<u>-2</u>	<u>4</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>4</u>
- New purchases	6	15	10	11	13	18
- Redemptions	8	11	9	10	13	14
iii. <u>Net spot purchases to the public</u>	<u>0</u>	<u>2</u>	<u>10</u>	<u>9</u>	<u>13</u>	<u>-11</u>
- Purchases	87	84	90	92	110	75
- Sales	87	82	80	83	97	86
Memo:						
Close balance as of:						
a. Forward sales to the public	653	747	704	789	990	993
b. Forward purchases to the public	213	303	290	352	403	411
c. Net sales to the public (a-b)	440	444	414	437	587	582
d. Banks' exchange position	630	584	599	598	573	537

Gross domestic product fell 3,6 percent in March

In March, the gross domestic product fell 3,6 percent compared with March 2000 (when it increased 7,4 percent). Primary sectors decreased 6,3 percent, reflecting the drop in fishing and agriculture, whereas non-primary sectors fell 3,0 percent due to the lower activity recorded in non-primary industry, construction and services.

GROSS DOMESTIC PRODUCT				
(Rates of growth)				
	March		January - March	
	2000	2001	2000	2001
Agriculture and livestock	6,6	-3,0	4,5	-1,0
<i>Agriculture</i>	10,9	-7,2	4,8	-4,0
<i>Livestock</i>	1,0	3,2	4,1	2,7
Fishing	131,4	-30,3	36,9	-12,6
Mining and oil products	-0,7	0,7	4,0	-3,5
<i>Mining</i>	0,6	1,3	6,3	-3,4
<i>Oil products</i>	-8,7	-4,0	-10,1	-4,8
Manufacturing	17,7	-6,3	12,9	-3,4
<i>Based on raw materials</i>	44,4	-16,5	17,0	-5,6
<i>Non-primary industries</i>	10,5	-2,7	11,8	-2,8
Construction	0,4	-16,2	5,2	-16,4
Trade	9,5	-3,5	8,4	-1,7
Other	4,5	-1,6	4,3	-1,2
GDP	<u>7,4</u>	<u>-3,6</u>	<u>6,3</u>	<u>-2,6</u>
<i>Primary sectors</i>	13,9	-6,3	7,5	-3,1
<i>Non primary sectors</i>	6,0	-3,0	6,1	-2,5

Trade deficit in March: US\$ 53 million

In March, the trade balance recorded a deficit of US\$ 53 million, down US\$ 7 million from March 2000.

Exports totaled US\$ 543 million, US\$ 20 million (3,6 percent) lower than a year ago, since the increase in non-traditional exports (US\$ 17 million or 11 percent) was offset by the fall in traditional exports (US\$ 49 million or 12,2 percent). Within non-traditional exports, the increase in manufactured metal products (107 percent), non-metal products (27 percent) and fishing exports (22 percent) were the most vigorous.

Imports decreased US\$ 27 million (4,3 percent) to US\$ 596 million, reflecting lower acquisitions of capital goods (US\$ 40 million or 20,5 percent), that were partially offset by higher imports of intermediate goods (US\$ 20 million or 7,2 percent) and consumer goods (US\$ 9 million or 7,4 percent).

The terms of trade decreased 4 percent in March, due to the drop in average export prices (6 percent), partially offset by the fall in import prices (2 percent).

TRADE BALANCE
(Million of US\$)

	March				January-March			
	2000	2001	Flow	Var. %	2000	2001	Flow	Var. %
Trade balance	- 59,5	- 52,7	6,8	11,4	- 133,9	- 179,7	- 45,8	- 34,2
Exports	563,0	542,8	- 20,3	- 3,6	1 650,8	1 648,0	- 2,8	- 0,2
Traditional products	399,6	350,9	- 48,7	- 12,2	1 128,1	1 044,1	- 84,0	- 7,4
Mining	292,7	269,6	- 23,1	- 7,9	804,1	731,8	- 72,3	- 9,0
Petroleum and derivatives	37,2	25,5	- 11,7	- 31,5	91,3	96,4	5,1	5,5
Agriculture	10,9	10,1	- 0,8	- 7,3	23,7	22,1	- 1,5	- 6,5
Fishing	58,8	45,7	- 13,1	- 22,3	209,0	193,8	- 15,2	- 7,3
Non-traditional products	157,1	174,5	17,3	11,0	490,1	537,7	47,6	9,7
Agriculture	22,7	23,2	0,5	2,1	103,1	101,7	- 1,5	- 1,4
Textile	55,1	58,5	3,4	6,1	162,9	177,7	14,9	9,1
Fishing	17,8	21,8	3,9	22,0	48,2	56,7	8,5	17,7
Fabricated metal products	5,5	11,3	5,9	107,0	15,5	24,1	8,5	54,8
Chemical	19,4	20,1	0,7	3,5	51,8	61,2	9,4	18,1
Based metal industries	16,6	15,8	- 0,8	- 4,7	55,8	54,9	- 0,9	- 1,7
Non-metal	3,6	4,5	0,9	26,6	9,6	13,4	3,8	39,6
Others	16,4	19,2	2,9	17,5	43,1	48,0	4,9	11,4
Others	6,3	17,4	11,1	177,0	32,6	66,2	33,6	103,2
Imports	622,5	595,5	- 27,0	- 4,3	1 784,7	1 827,7	43,0	2,4
Consumer goods	127,7	137,2	9,4	7,4	332,2	360,7	28,5	8,6
Inputs	279,4	299,6	20,2	7,2	832,0	885,7	53,8	6,5
Capital goods	192,7	153,2	- 39,5	- 20,5	561,8	556,5	- 5,3	- 0,9
Others	22,8	5,6	- 17,2	- 75,6	58,7	24,8	- 34,0	- 57,8

Monetary accounts: April 22

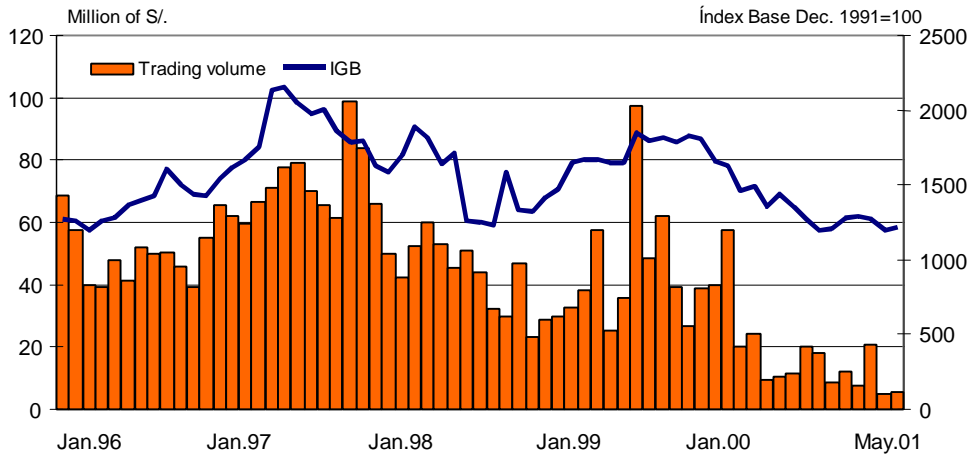
From March 22 to April 22, liquidity in domestic currency rose 0,5 percent (S/. 74 million) to S/. 14 042 million. In annual terms, this aggregate grew 4,5 percent. On the other hand, credit to the private sector in domestic currency dropped by S/. 2 million to S/. 8 913 million but grew 3,5 percent in the last 12 months.

Liquidity in domestic currency rose 0,4 percent (US\$ 41 million) to US\$ 9 509 million, whereas short-term external liabilities of the banking system increased 5,5 percent (US\$ 87 million) to US\$ 1 662 million. Credit to the private sector (US\$ 11 479 million) increased 1,6 percent in the last 4 weeks but decreased 0,3 percent in annual terms.

General index increases 2,2 percent

As of May 8, the Lima Stock Exchange decreased with respect to end-March by 2,2 percent in the General Index and 2,7 percent in the Blue Chip Index. In the year, these indices have increased 1,2 and 2,8 percent, respectively.

**Stock market indicators
(January 1996 – May 8, 2001)**



Lima, May 11, 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).

