

BANCO CENTRAL DE RESERVA DEL PERU
WEEKLY REPORT N° 33
 August 17, 2001

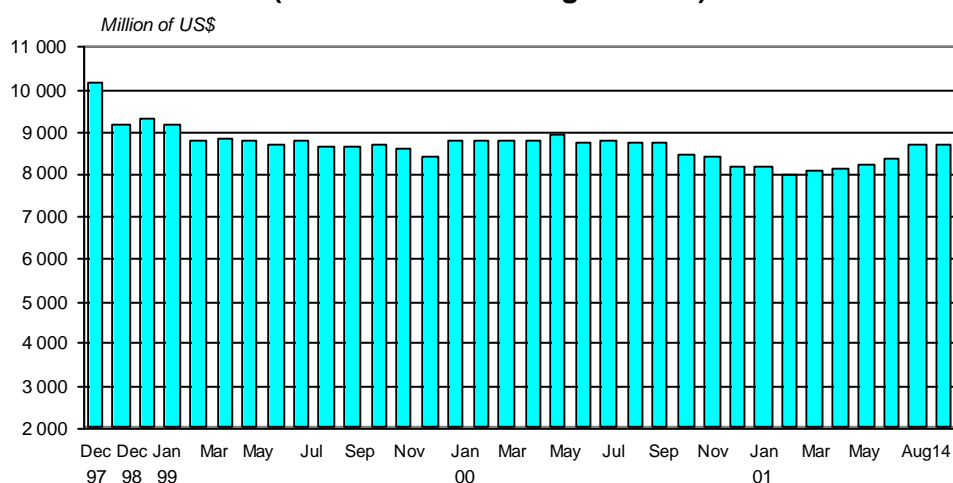
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Net International Reserves amounted to US\$ 8 684 million

As of August 14, the net international reserves (NIR) of the Central Reserve Bank of Peru amounted to US\$ 8 684 million, down US\$ 16 million from end-July. The increase is due to the net withdrawal of public sector deposits at the Central Bank (US\$ 69 million), net interest payments (US\$ 5 million), lower Insurance Deposit Fund deposits (US\$ 1 million) and sales of foreign currency (US\$ 1 million), which were partially offset by higher financial system deposits (US\$ 55 million) and valuation changes (US\$ 6 million). The foreign exchange position amounted to US\$ 2 606 million, up US\$ 4 million from end-July.

**BCRP net international reserves
 (December 1997 - August 2001)**



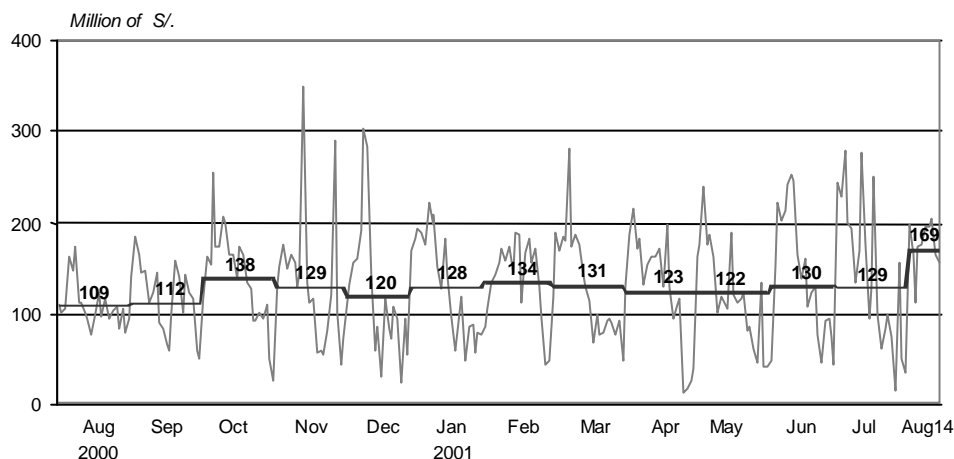
Banks' current account balance at S/. 169 million

As of August 14, the banks' current account held at the Central Bank was S/. 169 million on a daily average basis. For the current month, the range announced by the Bank for the operating target is S/. 130-140 million.

**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		7		
June 2000	149	-18	16	-21	35		-16		13,6
July	117	-48	26	-152	20	-31	155	118	11,3
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	16	-13	37	137	-7	131	10,3
April	124	-73	16	-353	40	-243	368	123	12,5
May	122	-28	14	-157	48	-2	125	122	12,7
June	130	-34	18	-50	37	113	29	130	16,0
July	129	-30	31	-20	25	151	-6	129	8,4
August 14	161	-25	12	18	61	228	-54	169	6,2

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



On August 8 and 9, the Central Bank made 2 auctions of CDBCRPs amounting to S/. 130 million, at an average interest rate of 9,9 percent. As of August 14, the balance of CDBCRPs amounted to S/. 1 810 million.

Auctions of CDBCRP

Date	Amount (Million of S/.)	Interest rate (%)	Term
August 8	105	9,8	18 weeks
August 9	25	10,4	1 year

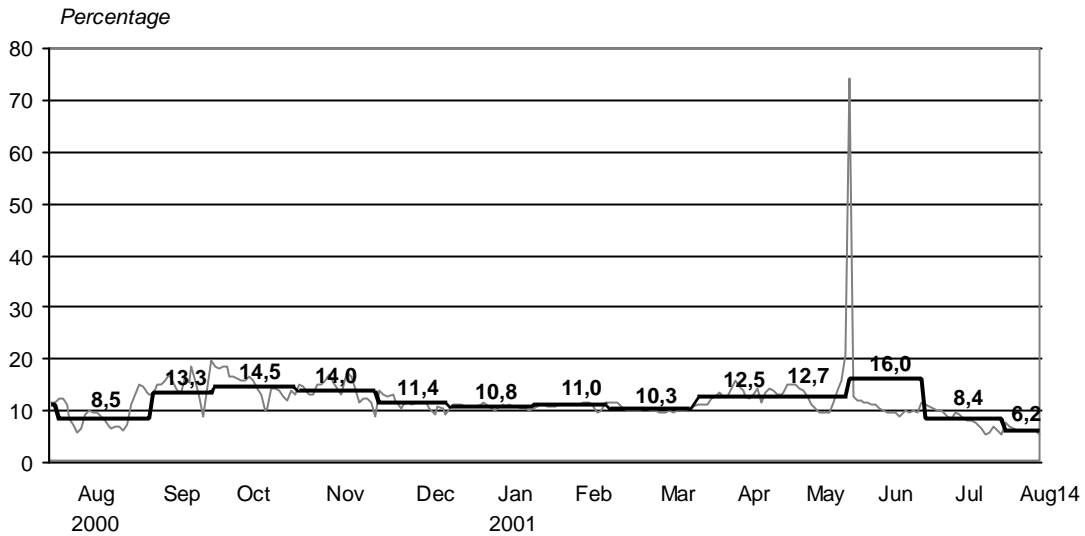
Average monetary base at S/. 5 362 million

As of August 14, the daily average balance of the monetary base was S/. 5 362 million, 0,8 percent higher than in July. On August 14, the monetary base amounted to S/. 5 277 million, down 4,2 percent (S/. 233 million) from end-July, reflecting the net issuance of CDBCRP (S/. 295 million), higher public sector deposits at the Central Bank (S/. 7 million) and the increase of Insurance Deposit Fund deposits (S/. 9 million), which were partially offset by the withdrawal of overnight deposits in domestic currency (S/. 54 million) as well as net interest payments and other outlays (S/. 27 million).

Interbank interest rate in domestic currency decreased

From August 1 to 14, the interbank interest rate in domestic currency was 6,2 percent, lower than in July (8,4 percent). In the same period, the corresponding rate in foreign currency was 4,0 percent, compared with 4,1 percent in July.

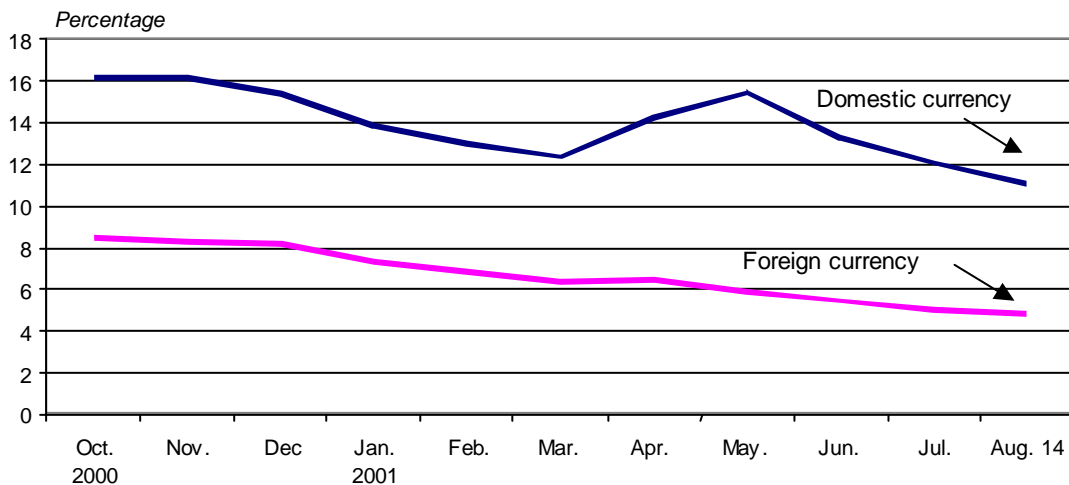
**Interbank interest rate in domestic currency
(August 2000 - August 2001)**



Average lending rates in domestic and foreign currency decreased

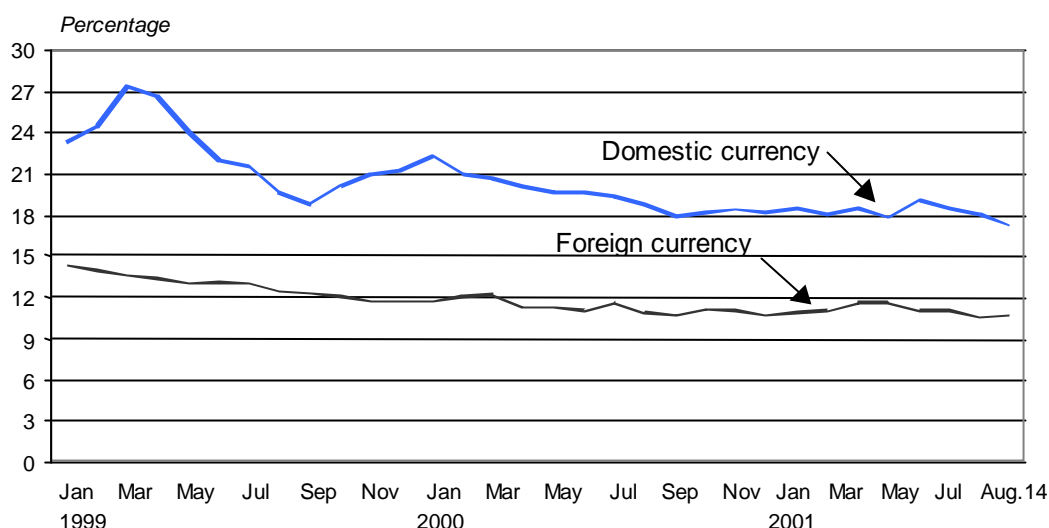
The corporate prime interest rate in domestic currency (on 90-day loans to low-risk clients) declined from 12,1 percent in July to 11,1 percent as of August 14. The rate in foreign currency also decreased from 5,0 percent last month to 4,8 percent.

**Corporate prime interest rates in domestic and
foreign currency
(Octubre 2000 - Agosto 2001)**



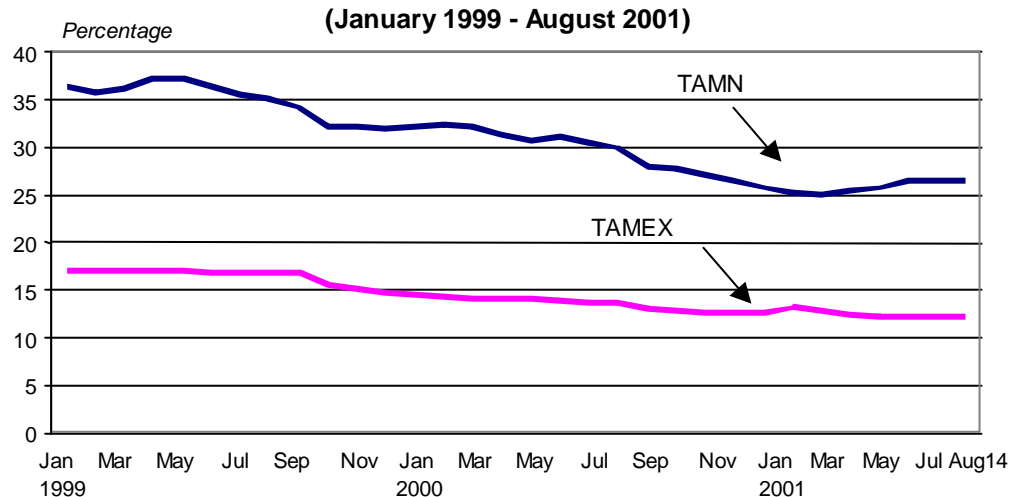
The 90-day prime interest rate on soles-denominated loans averaged 17,2 percent, lower than the July average (18,1 percent). On the other hand, the rate on dollar-denominated loans increased slightly from 10,6 to 10,7 percent.

Prime interest rates (January 1999 – August 2001)



The average lending interest rate in domestic currency (TAMN) was 26,6 percent, similar to last month's average. Over that period, the rate in foreign currency (TAMEX) passed from 12,4 percent to 12,2 percent.

Active lending interest rates in domestic (TAMN) and foreign (TAMEX) currency (January 1999 - August 2001)



Exchange rate at S/. 3,50

From August 8 to 14, the ask exchange rate in the banking system averaged S/. 3,50, down 0,23 percent from last week.

The balance of net foreign currency sales in the forward market decreased from US\$ 599 million in July to US\$ 544 million as of August 14, whereas the banks' exchange position passed from US\$ 463 million to US\$ 487 million over the same period.

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

	December 2000	June	July	August		
				1-7	8-14	1-14
i. Forward sales to the public	0	-2	4	-1	-7	-4
- New sales	12	16	19	6	11	8
- Redemptions	12	18	14	7	18	12
ii. Forward purchases to the public	-2	2	0	7	-5	1
- New purchases	6	13	10	22	10	16
- Redemptions	8	11	10	15	15	15
iii. Net spot purchases to the public	0	6	3	-12	3	-4
- Purchases	87	84	80	68	77	73
- Sales	87	78	77	80	74	77
Memo:						
Close balance as of:						
a. Forward sales to the public	653	979	1 122	1 123	1 090	
b. Forward purchases to the public	213	470	523	567	546	
c. Net sales to the public (a-b)	440	509	599	556	544	
d. Banks' exchange position	630	600	463	487	500	

Monetary accounts: July

During July, liquidity in domestic currency increased 3,6 percent (S/. 518 million) to S/. 14 736 million. In annual terms, this aggregate increased 6,8 percent. On the other hand, credit to the private sector in domestic currency decreased 0,3 percent (S/. 27 million) to S/. 8 864 million. Growth in the last 12 months for this variable was 4,5 percent.

Liquidity in foreign currency decreased slightly (US\$ 3 million) to US\$ 9 613 million, whereas last-12 month growth for this variable was 1,1 percent. Short-term external liabilities amounted to US\$ 1 557 million, up US\$ 100 million (6,8 percent) from end-July. Finally, credit to the private sector (US\$ 11 378 million) decreased 0,2 percent (US\$ 24 million) in the last 4 weeks and 0,8 percent in annual terms.

Peru's bonds spread at 6,2 percent

As of August 14, the spread between the yield of Peruvian bonds and the interest rate on US Treasury bills (a proxy for the country risk perceived by investors) was 6,2 percent, lower than in July (6,4 percent). Conversely, the average for Latin American bonds rose from 9,5 percent in July to 9,8 percent as of August 14.

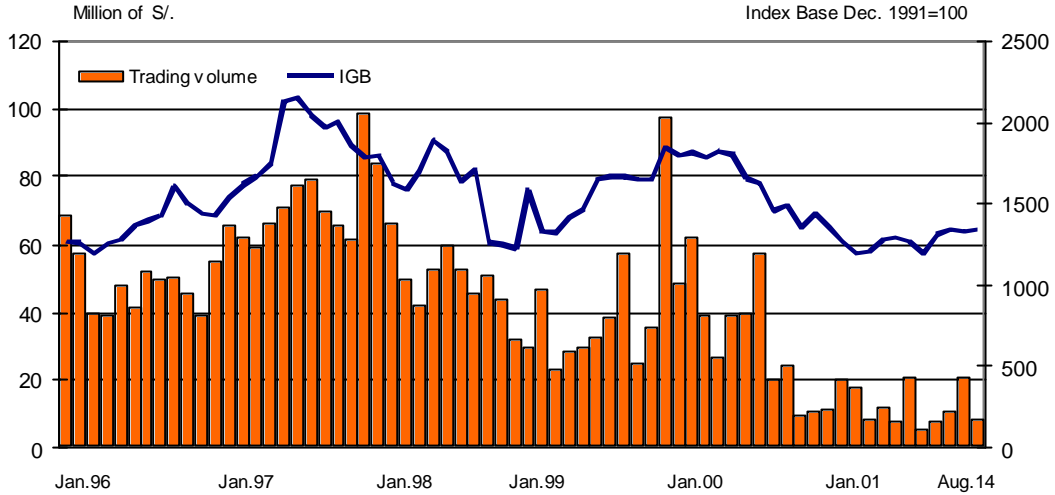
**Peru's bonds spread
(January 1999 - August 2001)**



General Index increases 1,4 percent

As of August 14, the Lima Stock Exchange increased relative to end-July by 1,4 percent in the General Index and 1,2 percent in the Blue Chip Index. In the year, these indices have increased 11,7 percent and 7,7 percent, respectively.

Stock market indicators (January 1996 - August 2001)



Lima, August 17, 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 (acorales@bcp.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).