

# BANCO CENTRAL DE RESERVA DEL PERU

## WEEKLY REPORT N° 37

September 14, 2001

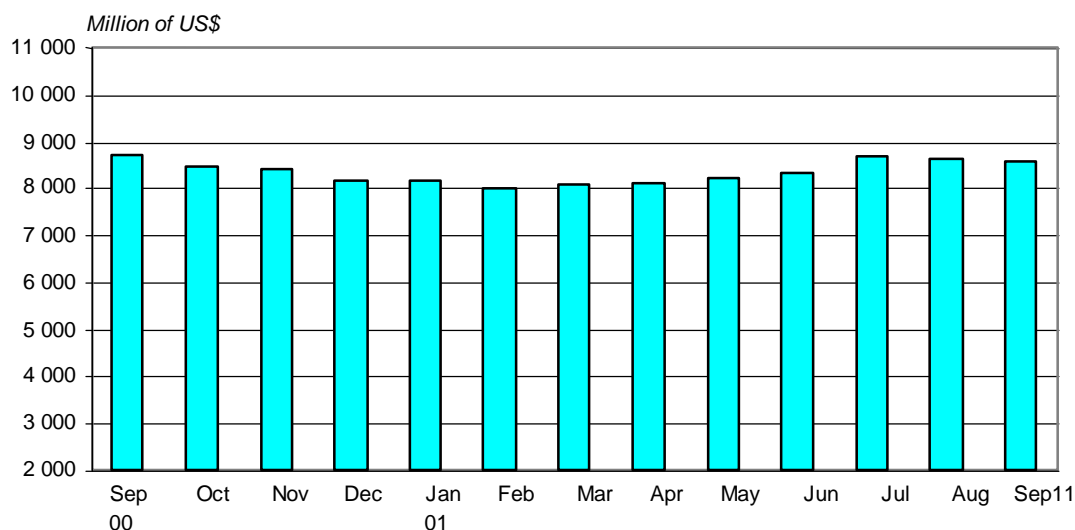
### Content

*Net International Reserves at US\$ 8 598 million*  
*Banks' current account balance at S/. 169 million*  
*Average monetary base at S/. 5 174 million*  
*Interbank interest rates decreased*  
*Peru's bonds spread at 5,9 percent*  
*Exchange rate at S/. 3,48*  
*General Stock Index decreased 4,6 percent*

### *Net International Reserves at US\$ 8 598 million*

As of September 11, the net international reserves (NIR) of the Central Reserve Bank of Peru amounted to US\$ 8 598 million, down US\$ 62 million from end-August. The decrease is due to the withdrawal of public sector deposits (US\$ 79 million) and the Insurance Deposit Fund deposit (US\$ 1 million) as well as net interest payments (US\$ 3 million), which were partially offset by higher financial system deposits (US\$ 18 million) and valuation changes (US\$ 3 million). The foreign exchange position amounted to US\$ 2 630 million, up US\$ 4 million from end-August.

### **BCRP net international reserves (September 2000 - September 2001)**



### *Banks' current account balance at S/. 169 million*

As of September 11, the banks' current account held at the Central Bank was S/. 169 million on a daily average basis. The range announced by the Bank for this variable is S/. 130 million - S/. 140 million.

In order to attain the said range, the Central Bank made 4 auction of CDBCRPs amounting to S/. 175 million from September 5 to 11. The average interest rate of these operations was 8,4 percent, the lowest since last August (9,6 percent).

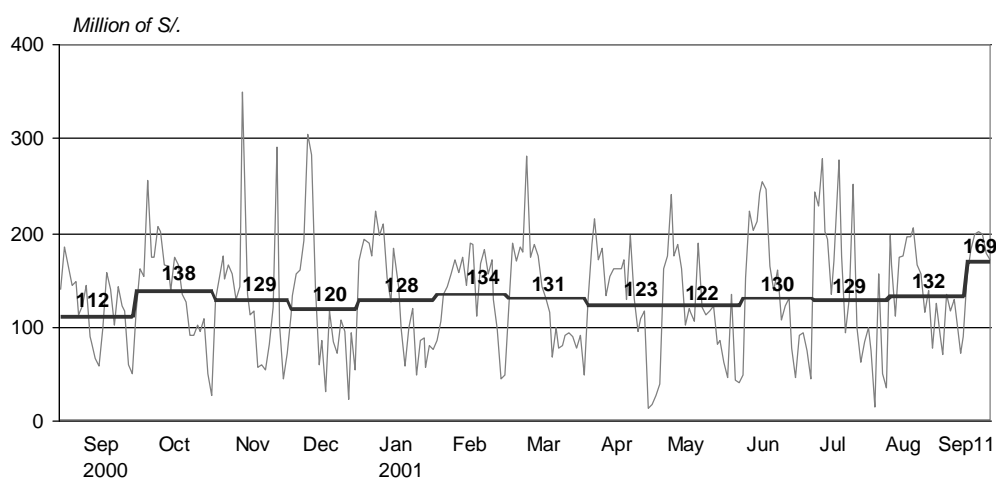
### Auctions of CDBCRP

Date	Amount (Million of S/.)	Interest rate (%)	Term
September 5	30	9,2	1 year
September 6	40	8,2	6 months
September 7	80	8,0	6 months
September 10	25	9,0	1 year

### 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
		2	3	4	5		7		
September 2000		-31	31	-16	46		-32		13,3
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		-73	16	-353	40		368		12,5
May	122	-28	14	-157	48	-2	125	122	12,7
June		-34	18	-50	37		29		16,0
July		-30	31	-20	25		-6		8,4
August	130	-32	5	23	50	180	-44	132	5,7
September 1-11		-28	19	-9	49		-18		5,4

### Banks' current account at the BCRP (September 2000 - September 2001)



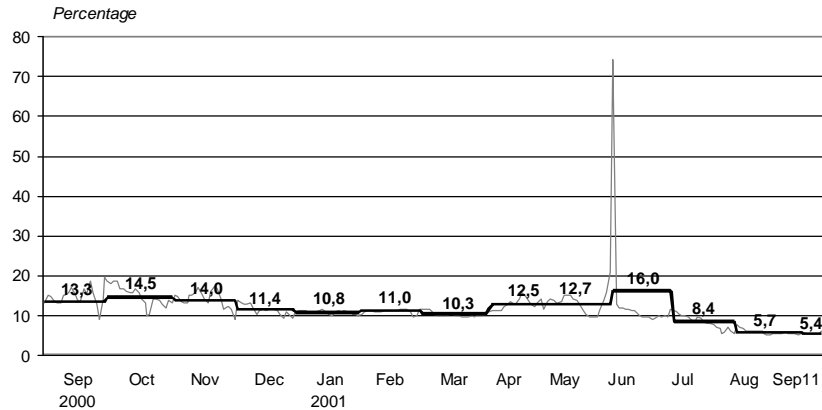
### *Average monetary base at S/. 5 174 million*

As of September 11, the daily average balance of the monetary base was S/. 5 174 million, 2,3 percent higher than in August. On September 11, the monetary base amounted to S/. 5 136 million, down 1,1 percent (S/. 57 million) from end-August, reflecting the net issuance of CDBCRP (S/. 45 million), the redemption of temporary purchases of CDBCRP (S/. 30 million), higher public sector deposits (S/. 5 million) and Insurance Deposit Fund deposits (S/. 5 million) which were partially offset by the redemption of overnight deposits in domestic currency (S/. 15 million), interest payments and other outlays (S/. 11 million) and purchases of foreign currency to international entities (S/. 2 million).

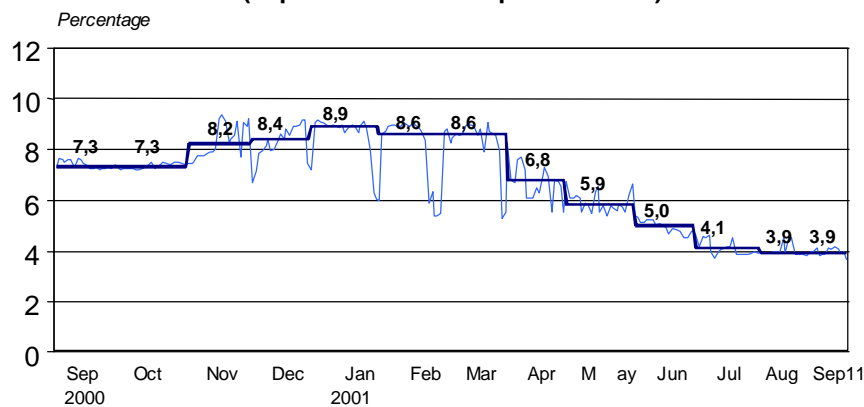
### *Interbank interest rate in domestic currency decreased*

As of September 11, the interbank interest rate in domestic currency was 5,4 percent, lower than in August (5,7 percent). In the same period, the corresponding rate in foreign currency remained at 3,9 percent.

**Interbank interest rates in domestic currency  
(September 2000 - September 2001)**



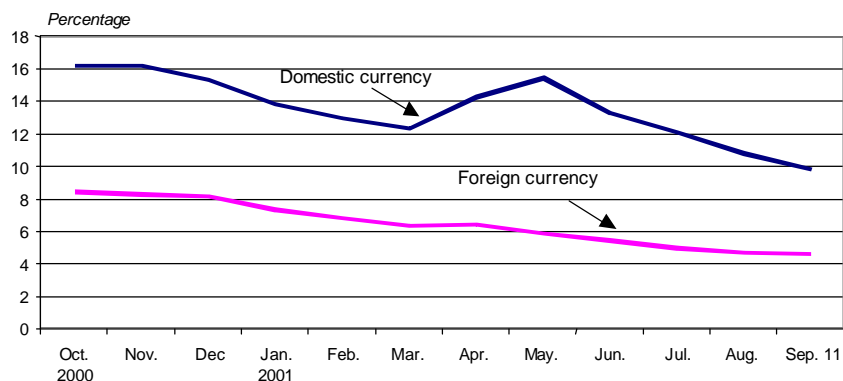
**Interbank interest rates in foreign currency  
(September 2000 - September 2001)**



### *Lower corporative prime rates in domestic and foreign currency*

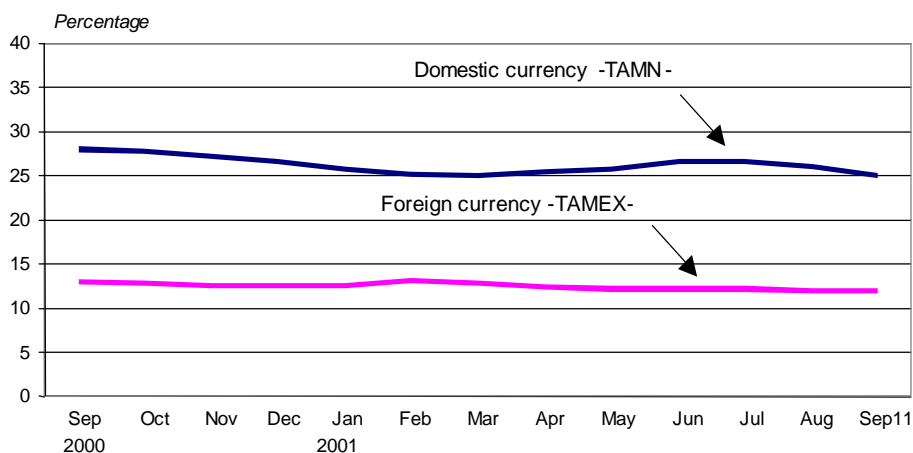
The corporate prime interest rate in domestic currency (on 90-day loans to low-risk clients) declined from 10,8 percent in August to 9,8 percent as of September 11. The rate in foreign currency also decreased from 4,7 percent last month to 4,6 percent.

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



The average lending interest rate in domestic currency (TAMN) was 25,1 percent as of September 11, lower than last month's average (26,1 percent). The rate in foreign currency (TAMEX) also decreased passed from 12,1 percent to 12,0 percent.

**Active lending interest rates in domestic and foreign currency  
(September 2000 - September 2001)**



***Peru's bonds spread at 5,9 percent***

As of September 11, 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 5,9 percent, lower than in August (6,3 percent). The average for Latin American bonds passed from 9,7 percent to 9,5 percent during the same period.

**Peru's bonds spread  
(September 2000 - September 2001)**



***Exchange rate at S/. 3,48***

From September 4 to 11, the ask exchange rate in the banking system averaged S/. 3,48, down 0,4 percent from last week. During the week, the exchange rate remained steady around S/. 3,48. However, on September 11, after the terrorist attack on two American cities, the exchange rate climbed to S/. 3,49. A similar pattern was also observed in other regional currencies.

The balance of net foreign currency sales in the forward market decreased from US\$ 596 million in August to US\$ 593 million as September 11, whereas the banks' exchange position passed from US\$ 446 million to US\$ 438 million over the same period.

**Banks' exchange market operations to the public: Daily average**

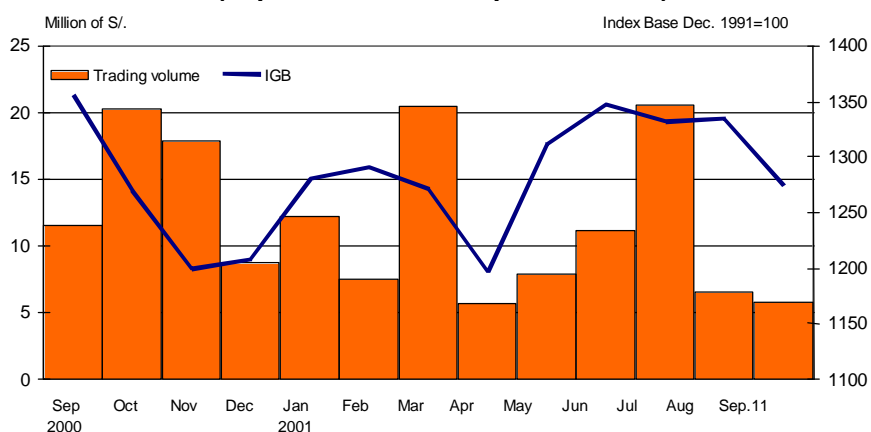
(Million of US\$)

	December 2000	June		August	September 1-11
<b>End-of-period balance :</b>					
<b>a. Net sales to the public (i -ii)</b>	<b>440</b>	<b>509</b>	<b>599</b>	<b>596</b>	<b>593</b>
i. Forward sales to the public	653	979	1 122	1 065	1 055
ii. Forward purchases to the public	213	470	523	470	462
<b>b. Banks' exchange position</b>	<b>630</b>	<b>600</b>	<b>463</b>	<b>446</b>	<b>438</b>
<b>Flows :</b>					
<b>I. Forward sales to the public</b>	<b>0</b>	<b>-2</b>	<b>4</b>	<b>-3</b>	<b>-1</b>
- New sales	12	16	19	12	12
- Redemptions	12	18	14	15	13
<b>II. Forward purchases to the public</b>	<b>-2</b>	<b>2</b>	<b>0</b>	<b>-3</b>	<b>-1</b>
- New purchases	6	13	10	9	20
- Redemptions	8	11	10	12	21
<b>III. Net spot purchases to the public</b>	<b>0</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>-9</b>
- Purchases	87	84	80	76	77
- Sales	87	78	77	73	86

***General Index decreased 4,6 percent***

As of September 11, the Lima Stock Exchange increased relative to end-August by 4,6 percent in the General Index and 4,1 percent in the Blue Chip Index. In the year, these indices have increased 5,4 percent and 2,2 percent, respectively. On September 11, the General Index stepped back 3,6 percent, reflecting the turmoil in financial markets after the terrorist attacks on US targets.

**Stock market indicators  
(September 2000 - September 2001)**



***Lima, September 14, 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) 4276250 ext. 3817 or email. The monthly fee for the facsimile is S/. 12 (Peru only) and US\$ 49 (overseas).