

BANCO CENTRAL DE RESERVA DEL PERU
WEEKLY REPORT N° 38
September 21, 2001

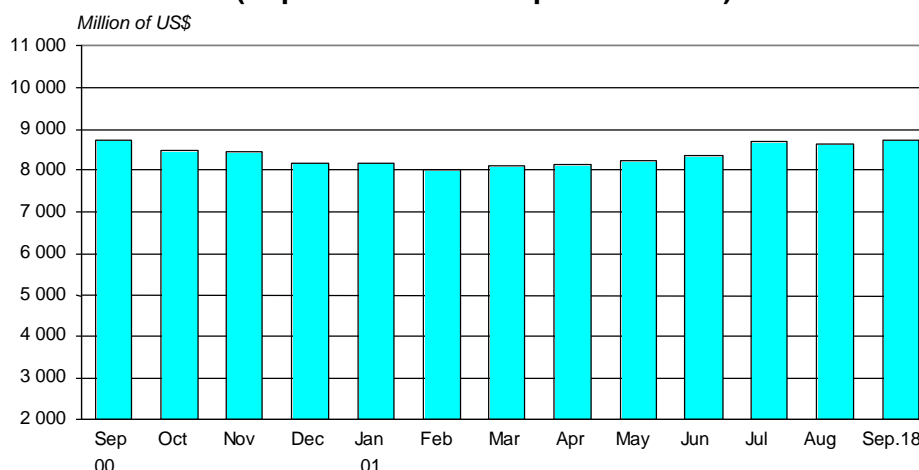
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Net International Reserves increased US\$ 70 million

As of September 18, the net international reserves (NIR) of the Central Reserve Bank of Peru amounted to US\$ 8 730 million, up US\$ 70 million from end-August. The increase is due to higher financial system deposits (US\$ 61 million) and investment yields (US\$ 13 million), which were partially offset by the net withdrawal of public sector deposits (US\$ 3 million) and lower Insurance Deposit Fund deposits (US\$ 1 million). It should be noted that public sector deposit flow in September includes a US\$ 150 million disbursement granted by the Andean Development Corporation -CAF- as well as the withdrawal of US\$ 153 million from other foreign currency accounts. On the other hand, the foreign exchange position amounted to US\$ 2 631 million, up US\$ 4 million from end-August.

**BCRP Net International Reserves
(September 2000 - September 2001)**



Banks' current account balance at S/. 166 million

As of September 18, the banks' current account held at the Central Bank was S/. 166 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.

From September 12 to 18, the Central Bank made 3 temporary purchases of CDBCRPs amounting to S/. 110 million, at an average interest rate of 6,1 percent. Likewise, on September 13 the Central Bank auctioned 14-week-term CDBCRP for S/. 60 million at an average interest rate of 7,9 percent.

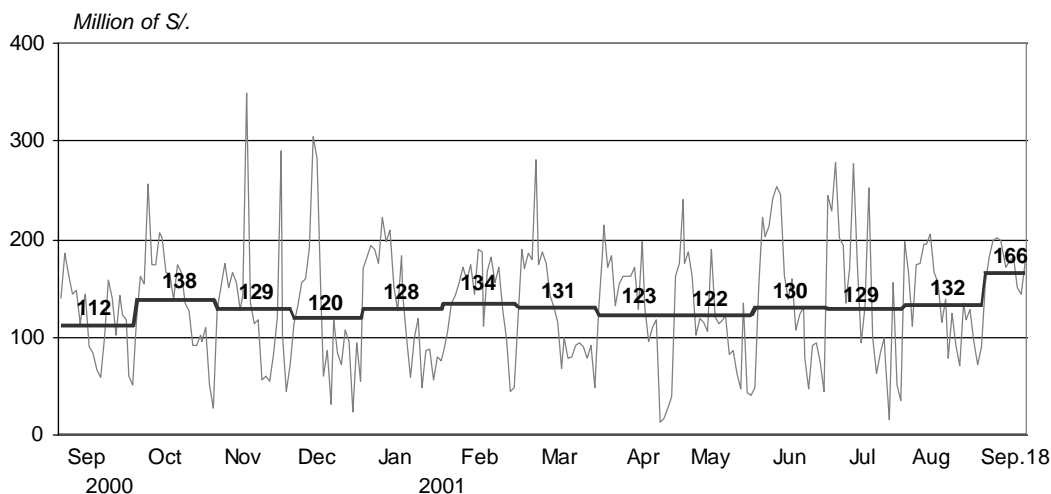
Temporary purchase of CDBCRP

Date	Amount (Million of S/.)	Interest rate (%)	Term (days)
September 14	50	6,0	3
September 17	40	6,1	1
September 18	20	6,2	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
		2	3	4	5		7		
September 2000		-31	31	-16	46		-32		13,3
December		-38	41	-107	20		83		11,4
January 2001	128	-41	10	-84	58	77	58	128	10,8
February		-27	27	-30	38		-9		11,0
March		-34	16	-13	37		-7		10,3
April	124	-73	16	-353	40	-243	368	123	12,5
May		-28	14	-157	48		125		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		-32	5	23	50		-44		5,7
September 1-18	162	-32	18	-13	41	183	-6	166	5,6

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



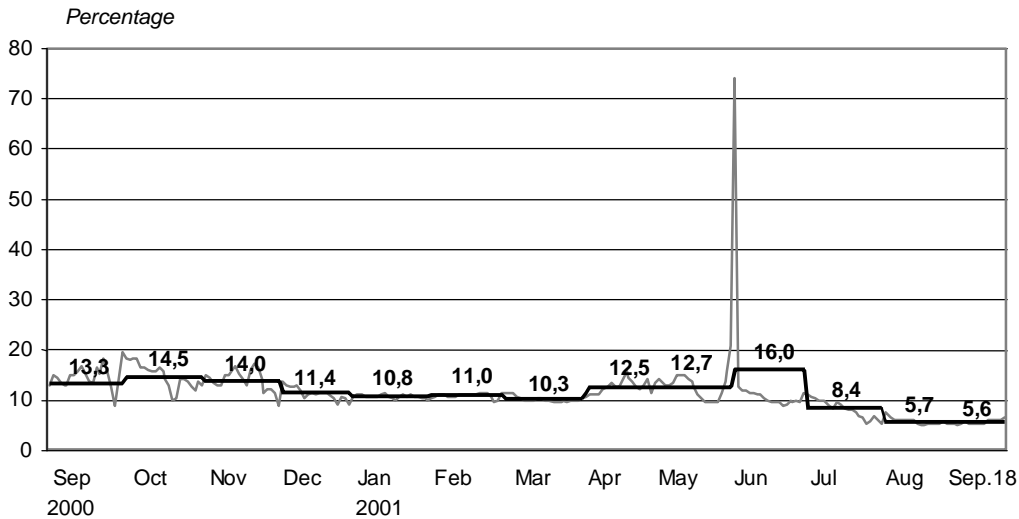
Average monetary base at S/. 5 179 million

As of September 18, the daily average balance of the monetary base was S/. 5 179 million, 2,2 percent lower than in August. On September 18, the monetary base amounted to S/. 5 187 million, down 0,1 percent (S/. 6 million) from end-August, reflecting the net issuance of CDBCRP (S/. 25 million), the redemption of temporary purchase of CDBCRP (S/. 10 million) and higher deposits of the Insurance Deposit Fund (S/. 5 million), which were partially offset by net interest payments and other outlays (S/. 19 million) as well as the redemption of overnight deposits in domestic currency (S/. 15 million).

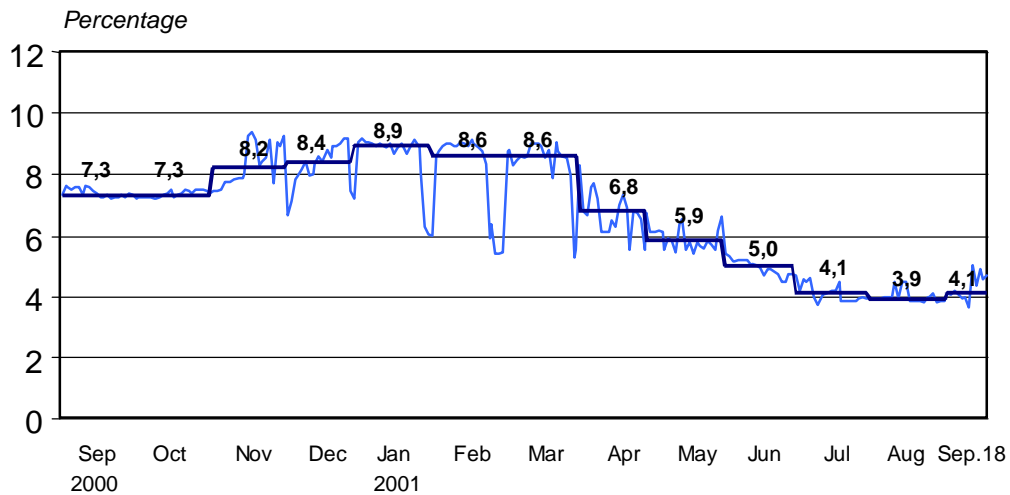
Interbank interest rates decreased

As of September 18, the interbank interest rate in domestic currency was 5,6 percent, slightly lower than in August (5,7 percent). In the same period, the corresponding rate in foreign currency passed from 3,9 to 4,1 percent. On September 18, these rates were 6,4 and 4,7 percent, respectively, higher than the corresponding levels in August (5,5 and 3,9 percent), reflecting the financial markets turmoil after the events of September 11.

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



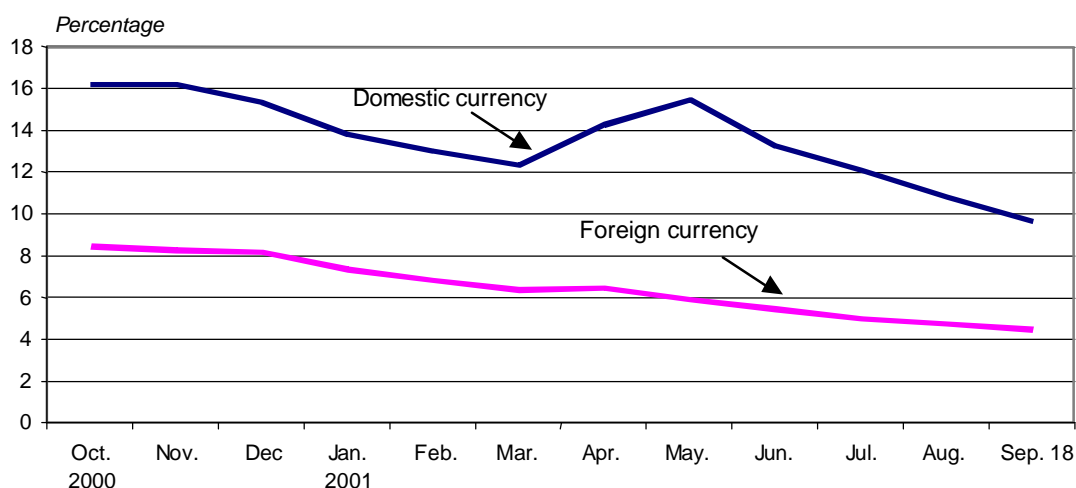
**Interbank interest rate in foreign currency
(September 2000 - September 2001)**



Average lending rates in domestic and foreign currency decreased

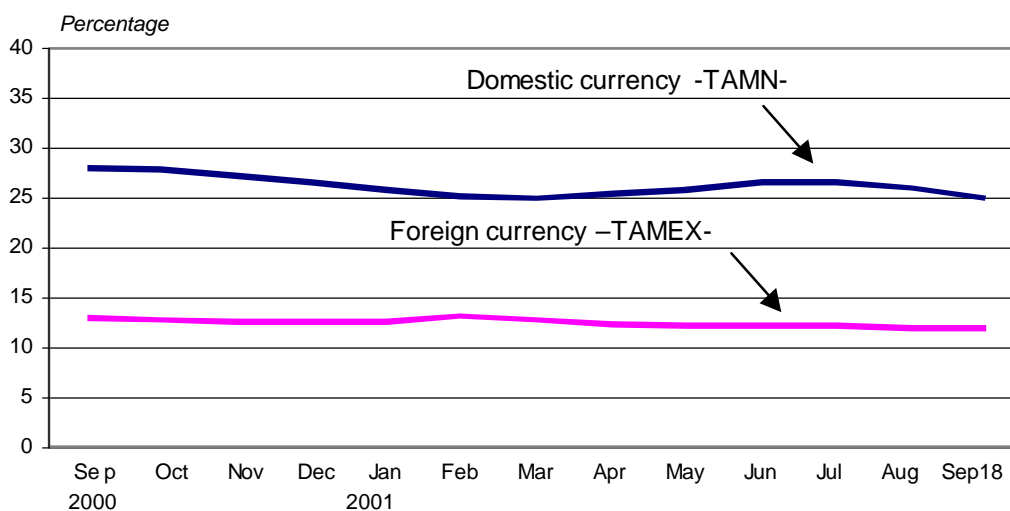
The corporate prime interest rate in domestic currency (on 90-day loans to low-risk clients) declined from 10,8 percent in August to 9,6 percent as of September 18. The rate in foreign currency also decreased from 4,7 percent last month to 4,5 percent.

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



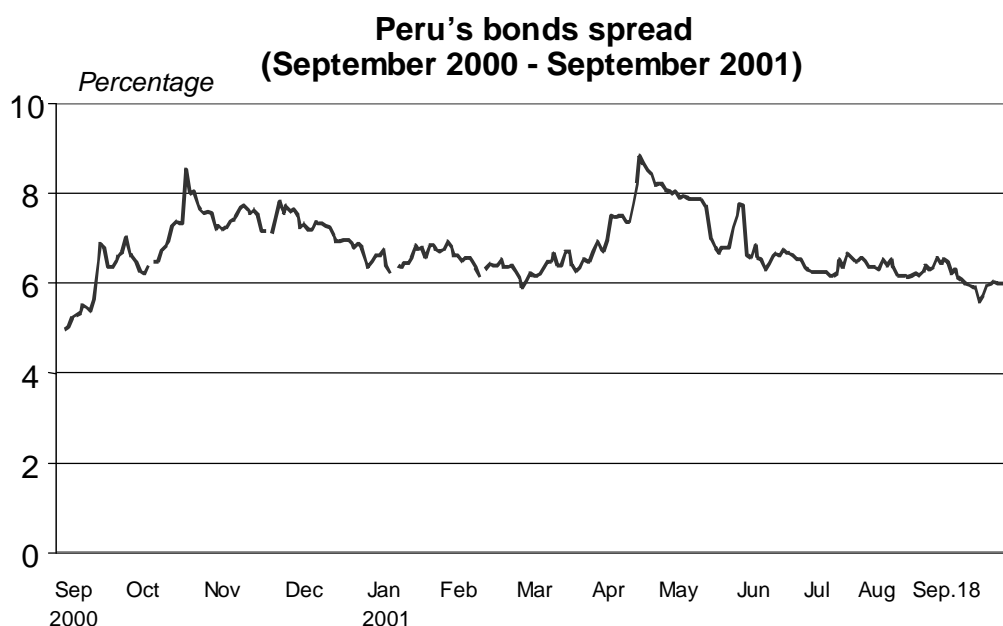
The average lending interest rate in domestic currency (TAMN) was 25,1 percent, slightly lower than last month's average (26,1 percent). Over that period, the rate in foreign currency (TAMEX) passed from 12,1 percent to 12,0 percent.

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



Peru's bonds spread at 6,0 percent

As of September 18, 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 6,0 percent, lower than in August (6,3 percent). Conversely, the average for Latin American bonds rose from 9,7 percent to 9,9 percent over this period.



Exchange rate at S/. 3,49

From September 12 to 18, the ask exchange rate in the banking system (S/. 3,50) increased 0,2 percent with respect to last week.

The balance of net foreign currency sales in the forward market increased from US\$ 596 million in August to US\$ 576 million as of September 18, whereas the banks' exchange position passed from US\$ 446 million to US\$ 481 million over the same period.

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

	December 2000	June		August	September 1-18
End-of-period balance:					
a. Net sales to the public (i-ii)	440	509	599	596	576
i. Forward sales to the public	653	979	1 122	1 065	1046
ii. Forward purchases to the public	213	470	523	470	470
b. Banks' exchange position	630	600	463	446	481
Flows:					
I. Forward sales to the public	0	-2	4	-3	-2
- New sales	12	16	19	12	14
- Redemptions	12	18	14	15	16
II. Forward purchases to the public	-2	2	0	-3	-1
- New purchases	6	13	10	9	13
- Redemptions	8	11	10	12	14
III. Net spot purchases to the public	0	6	3	3	4
- Purchases	87	84	80	76	80
- Sales	87	78	77	73	76

Monetary accounts: August

In August, liquidity in domestic currency decreased 0,5 percent (S/. 70 million) to S/. 14 666 million. However, in annual terms this aggregate increased 7,9 percent. On the other hand, credit to the private sector in domestic currency increased 1,1 percent (S/. 98 million) to S/. 8 962 million. Growth in the last 12 months for this variable was 4,7 percent.

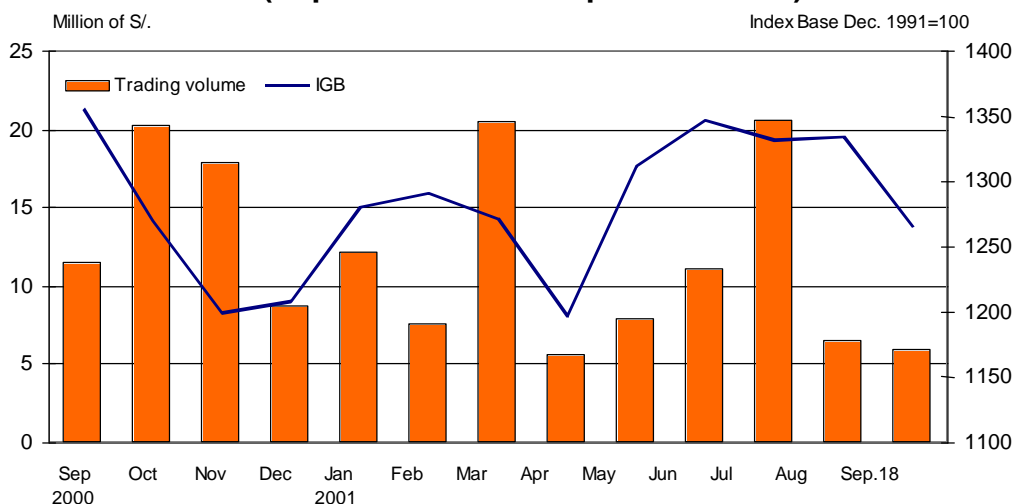
Liquidity in foreign currency rose 0,6 percent (US\$ 59 million) to US\$ 9 672 million, whereas last-12 month growth for this variable was 2,2 percent. Short-term external

liabilities amounted to US\$ 1 431 million, down US\$ 126 million (8,1 percent) from end-July. Finally, credit to the private sector (US\$ 11 222 million) decreased 1,4 percent (US\$ 156 million) in the last 4 weeks and 0,4 percent in annual terms.

General Index decreased 5,2 percent

As of September 18, the Lima Stock Exchange decreased relative to end-August by 5,2 percent in the General Index and 4,6 percent in the Blue Chip Index. However, in the year these indices have increased 4,7 percent and 1,6 percent, respectively.

Stock market indicators (September 2000 - September 2001)



Lima, September 21, 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).