

BANCO CENTRAL DE RESERVA DEL PERU
WEEKLY REPORT N° 52
December 28, 2001

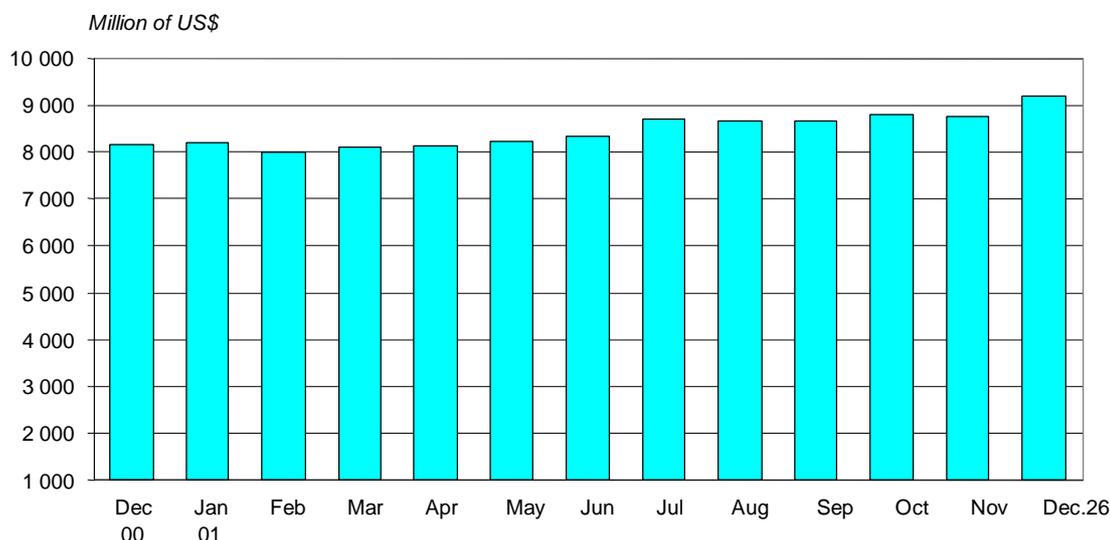
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Net International Reserves at US\$ 9 218 million

As of December 26, the net international reserves (NIR) of the Central Reserve Bank of Peru amounted to US\$ 9 218 million, up US\$ 450 million from end-November and US\$ 1 038 million from end-2000. The increase of NIR during December obeys to higher financial system (US\$ 192 million) and public sector deposits (US\$ 166 million) –which corresponds to privatization revenues funds and CAF disbursements-, purchases of foreign currency (US\$ 79 million) and investment yields (US\$ 15 million). On the other hand, the foreign exchange position amounted to US\$ 2 902 million, up US\$ 74 million from end-November.

**BCRP net international reserves
(December 2000 - December 2001)**



Banks' current account balance at S/. 178 million

As of December 26, the banks' current account held at the Central Bank was S/. 178 million on a daily average basis, reflecting seasonal higher cash demand in order to meet monthly average reserve requirement. For the current month, the range announced by the Bank for the operating target is S/. 150-160 million.

From December 19 to 26, the Central Bank carried out temporary purchase of CDBCRP amounting to S/. 1 089 million at an average interest rate of 3,02 percent. On December 19 and 21 the Bank made purchases of foreign currency (US\$ 3 million each day).

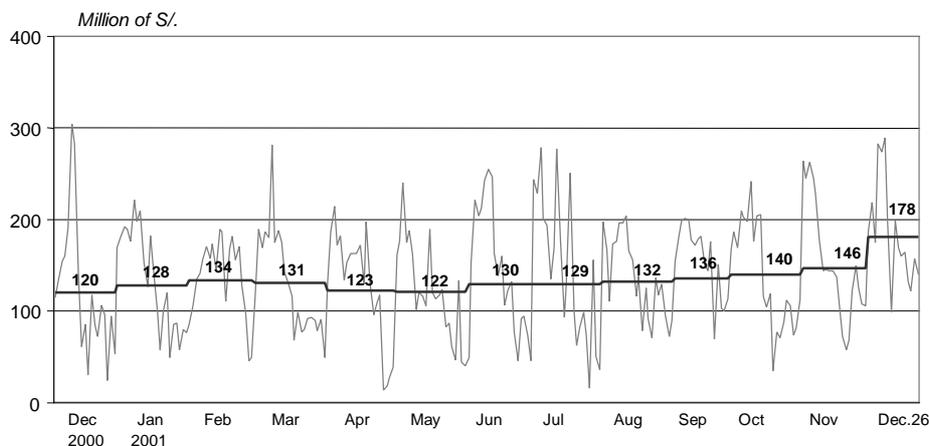
Temporary purchase of CDBCRP

Date	Amount (Million of S/.)	Interest rate (%)
December 19	235	2,81
December 20	180	3,15
December 21	284	3,11
December 24	235	2,93
December 26	155	3,17
Total	1 089	3,02

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		
November 2000		-33	21	-139	35		118		14,0
December		-38	41	-107	20		83		11,4
January 2001		-41	10	-84	58		58		10,8
February		-27	27	-30	38		-9		11,0
March		-34	16	-13	37		-7		10,3
April		-73	16	-353	40		368		12,5
May		-28	14	-157	48		125		12,7
June		-34	18	-50	37		29		16,0
July		-30	31	-20	25		-6		8,4
August		-32	5	23	50		-44		5,7
September		-39	14	-31	36		18		5,8
October		-44	16	-84	31		84		4,5
November		-52	14	-10	47		1		3,5
December 1-26		-42	40	-91	13		80		3,1

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



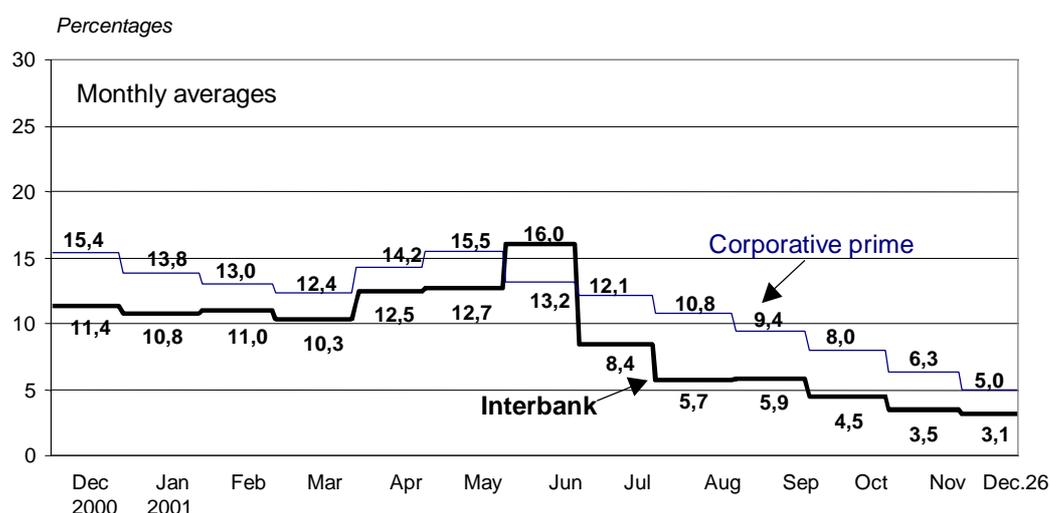
Average monetary base at S/. 5 823 million

As of December 26, the daily average balance of the monetary base was S/. 5 823 million, up 9,9 percent from November. On December 26, the monetary base amounted to S/. 6 302 million, up 18,5 percent (S/. 982 million) from end-November. This increase reflects the usually higher cash demand recorded in the month of December. The operations that explained the higher monetary base were the withdrawal of public sector deposits (S/. 386 million), purchases of foreign currency (S/. 271 million), net redemption of CDBCRP (S/. 185 million), temporary purchases of CDBCRP (S/. 118 million) and other outlays (S/. 22 million).

Interest rates decrease

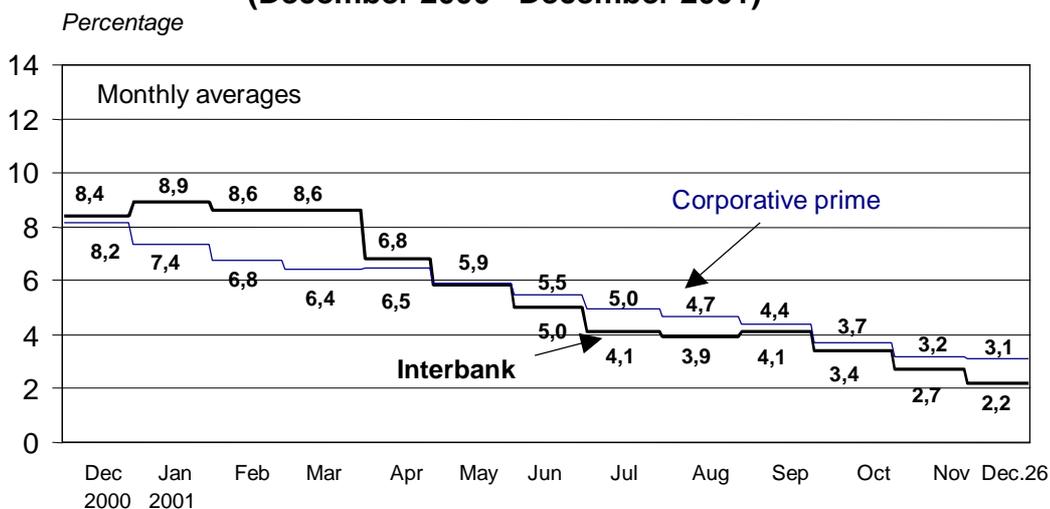
As of December 26, the interbank interest rate in domestic currency decreased from 3,5 percent in November to 3,1 percent, whereas the corporate prime interest rate declined from 6,3 percent in November to 5,0 percent. Conversely, the average lending interest rate in domestic currency (TAMN) increased slightly from 22,8 to 22,9 percent.

**Interest rates in domestic currency
(December 2000 - December 2001)**

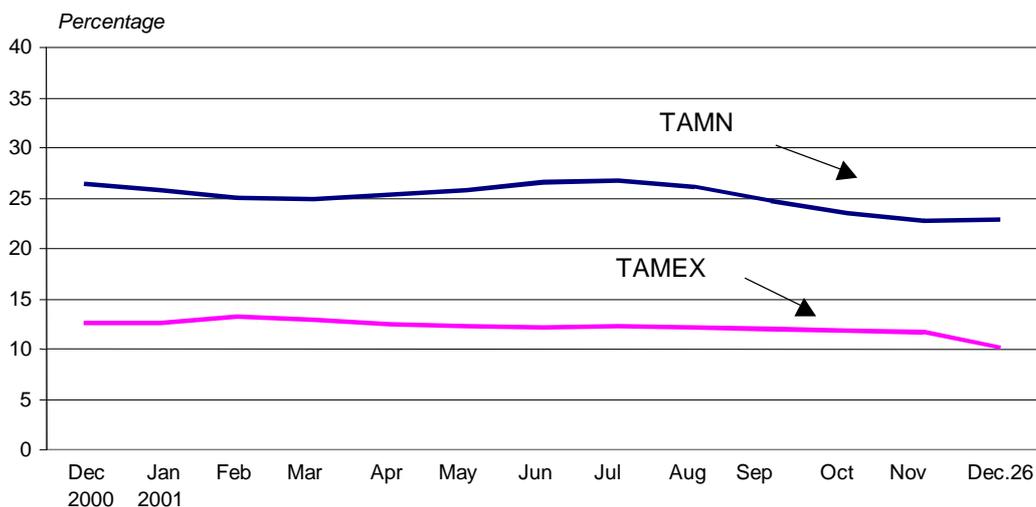


In foreign currency, the interbank rate passed from 2,7 percent in November to 2,2 percent as of December 26. The corporate prime interest rate in foreign currency declined from 3,2 percent to 3,1 percent. In the same period, the average lending interest rate in foreign currency (TAMEX) also declined from 11,7 to 10,2 percent.

Interest rates in foreign currency (December 2000 - December 2001)



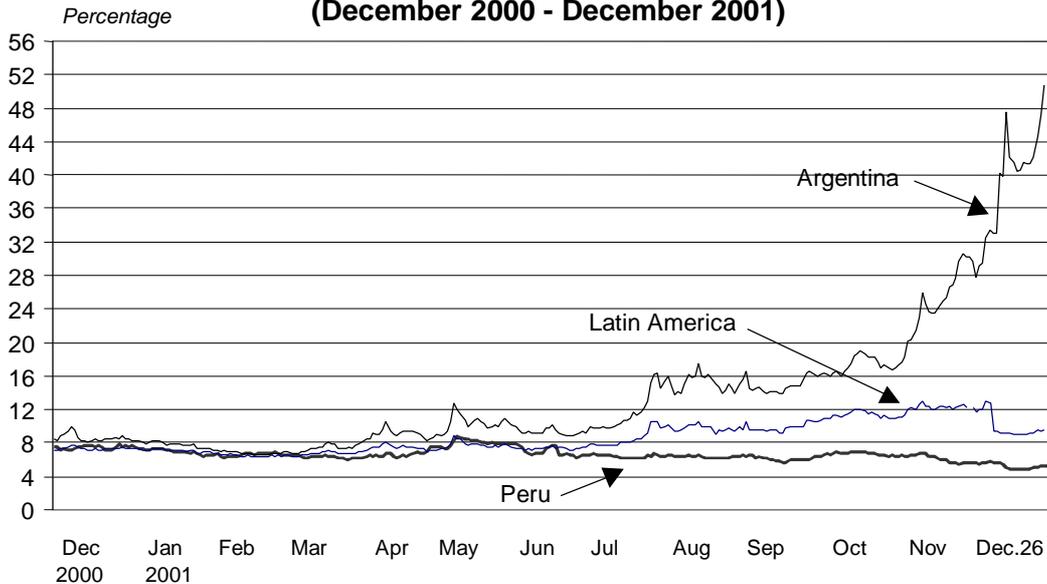
Active lending interest rates (December 2000 - December 2001)



Peru's bonds spread at 5,1 percent

As of December 26, 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 5,1 percent, lower than the levels in November (5,8 percent) and October (6,7 percent). It should be noted that the current spread is the lowest rate since March 2000.

Spread of sovereign bonds (December 2000 - December 2001)



Exchange rate at S/. 3,445

On December 26, the ask exchange rate in the banking system was S/. 3,445, 0,2 percent higher than on December 19 (S/. 3,439) and 0,3 percent higher than end-November (S/. 3,435). Central Bank intervention in the spot market along this period amounted to US\$ 6 million and US\$ 58 million in December.

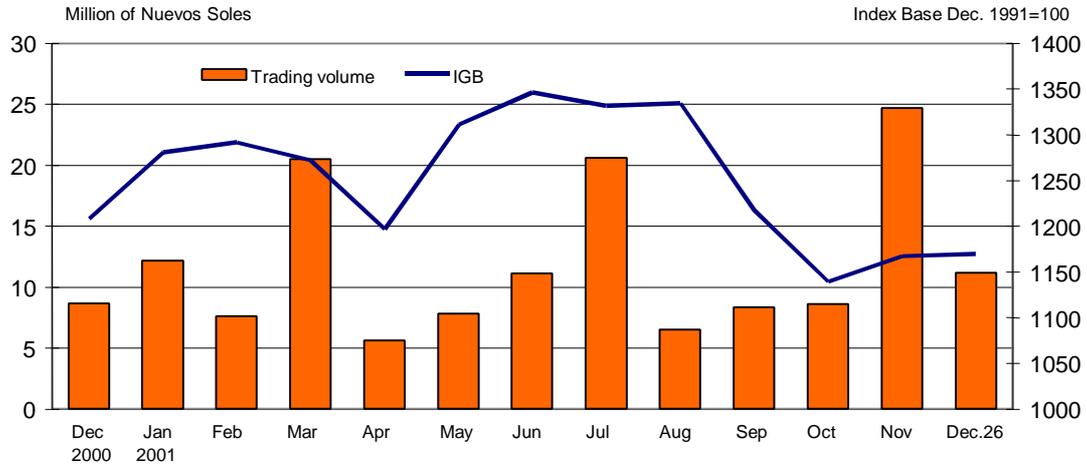
The balance of foreign currency sales in the forward market increased slightly from US\$ 943 million in November to US\$ 867 million as of December 26, whereas the banks' exchange position increased from US\$ 585 million to US\$ 608 million.

Banks' exchange market operations to the public: Daily average (Million of US\$)						
	December 2000	August 2001	September	October	November	December 1-26
End-of-period balance:						
a. Net sales to the public (i-ii)	440	596	572	595	618	607
i. Forward sales to the public	653	1 065	1 068	1 039	943	867
ii. Forward purchases to the public	213	470	496	441	325	261
b. Banks' exchange position	630	446	667	527	585	608
Flows:						
I. Forward sales to the public	0	-3	-1	-1	-4	-4
- New sales	12	12	12	15	16	11
- Redemptions	12	15	13	16	20	15
II. Forward purchases to the public	-2	-3	-1	-2	-5	-3
- New purchases	6	9	9	8	8	12
- Redemptions	8	12	10	10	13	15
III. Net spot purchases to the public	0	3	4	6	16	3
- Purchases	87	76	78	85	91	78
- Sales	87	73	74	79	75	75

General Index decreased 0,3 percent

As of December 26, the Lima Stock Exchange decreased relative to end-November by 0,3 percent in the General Index and 0,1 percent in the Blue Chip Index. In the year, the General and Blue Chip index have decreased 2,9 and 6,8 percent, respectively.

Stock market indicators (December 2000 - December 2001)



Lima, December 28, 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).