

BANCO CENTRAL DE RESERVA DEL PERU
WEEKLY REPORT N° 04
January 25, 2002

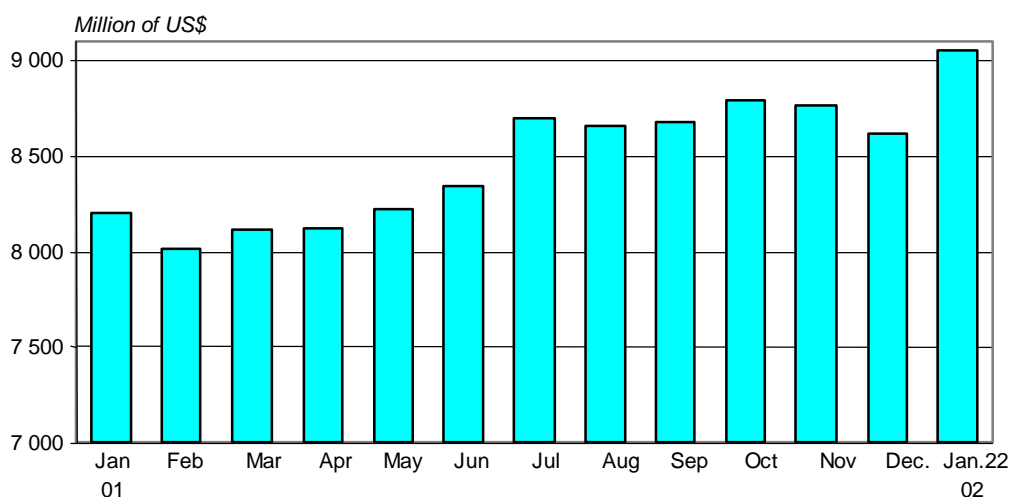
Content

Net International Reserves at US\$ 9 054 million
Banks' current account balance at S/. 183 million
Average monetary base at S/. 5 827 million
Interest rates decrease
Peru's bonds spread at 4,8 percent
Exchange rate at S/. 3,463
General Stock Index increased 6,8 percent

Net International Reserves at US\$ 9 054 million

As January 22, the net international reserves (NIR) of the Central Reserve Bank of Peru amounted to US\$ 9 054 million, up US\$ 441 million from end-December. This increase mainly obeys to higher financial system (US\$ 434 million), investment yields (US\$ 9 million), Treasury bond amortization (US\$ 3 million) and the increase of Insurance Deposit Fund's deposits and others (US\$ 6 million). These operations were partially offset by the withdrawal of public sector deposits (US\$ 11 million). At that time there was Central Bank interventions on the exchange market. On the other hand, the foreign exchange position amounted to US\$ 2 915 million, similar to end-December.

**BCRP net international reserves
(January 2001 - January 2002)**



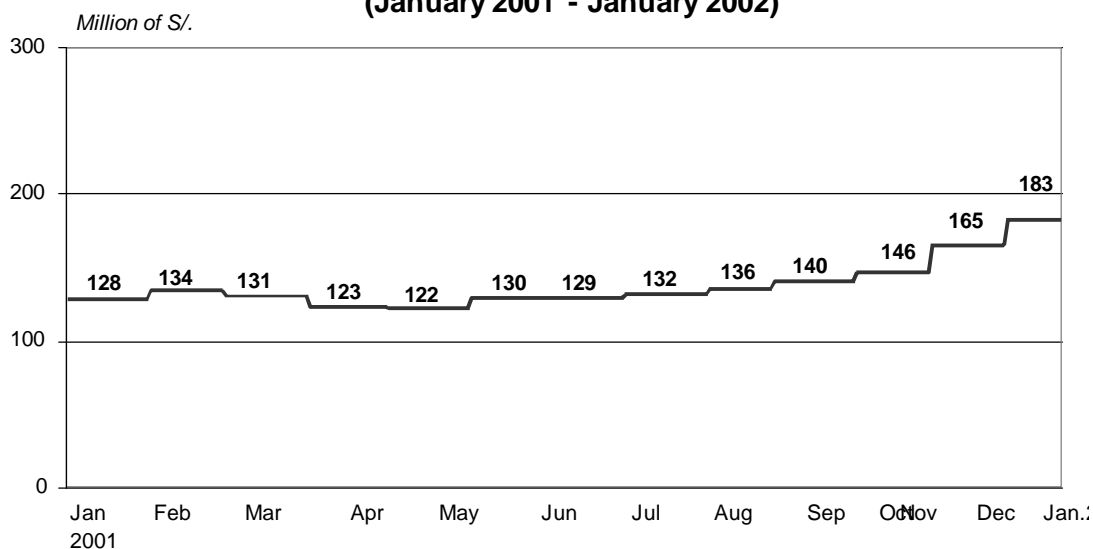
Banks' current account balance at S/. 183 million

As of January 22, the banks' current account held at the Central Bank was S/. 183 million on a daily average basis. The range announced by the Central Bank for the month of January for this variables is S/. 160-S/. 170 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	6=1+2+3+4+5	7	8=6+7	
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	130	-32	5	23	50	180	-44	132	5,7
September	137	-39	14	-31	36	126	18	136	5,8
October	139	-44	16	-84	31	55	84	140	4,5
November	146	-52	14	-10	47	152	1	146	3,5
December	166	-40	34	-89	23	100	70	165	3,1
January 22, 2002	181	-36	1	48	67	258	-78	183	2,8

**Banks' current account at the BCRP
(January 2001 - January 2002)**



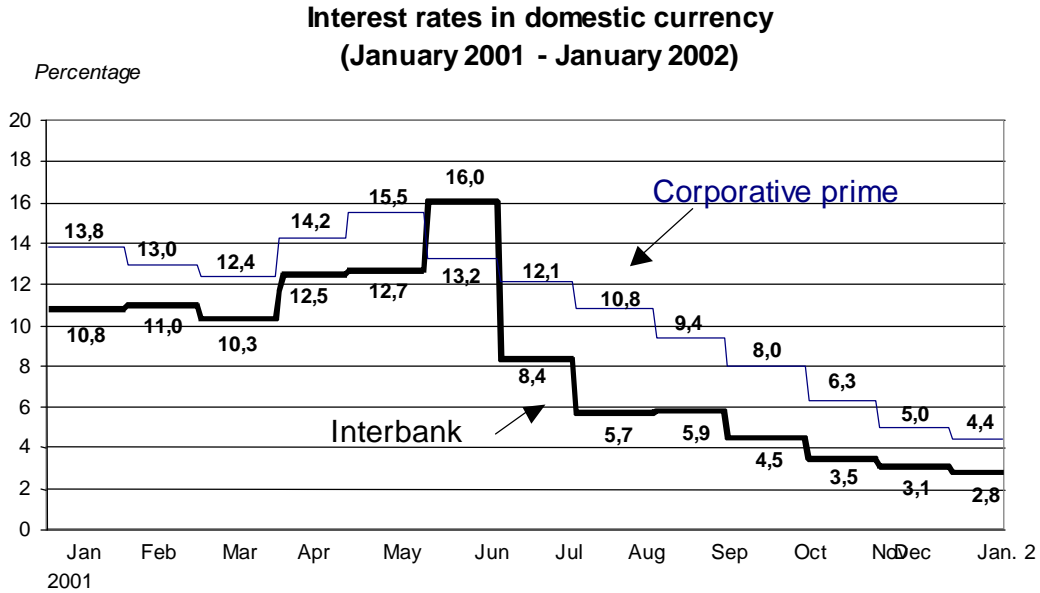
On January 18 and 21, the Central Bank made 2 temporary purchases of bills (S/. 50 million and S/. 40 million at 2,4 and 2,5 percent, respectively). On January 16, the Central Bank made one auction of CDBCRP amounting to S/. 40 million at an average interest rate of 3,4 percent.

Average monetary base at S/. 5 827 million

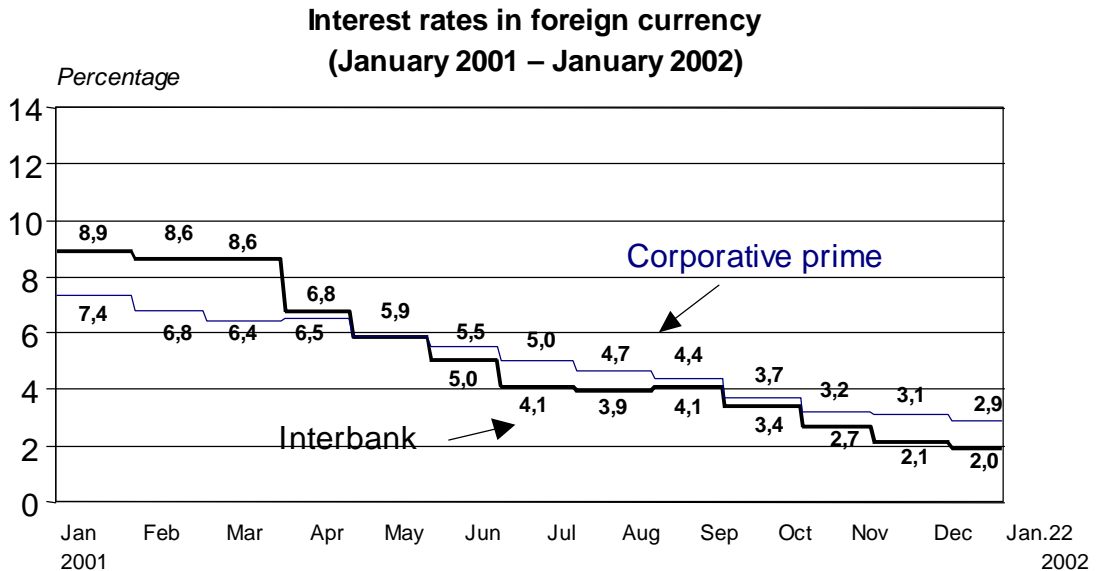
As of January 22, the daily average balance of the monetary base was S/. 5 827 million, down 1,0 percent from December. On January 22, the monetary base amounted to S/. 5 704 million, down 6,3 percent (S/. 383 million) from end-December reflecting the lower seasonal cash demand after the end-of-the-year holidays. The operations that explained the lower monetary base were the net issuance of CDBCRP (S/. 440 million), higher Insurance Deposit Fund's deposits (S/. 7 million) and overnight deposits (S/. 3 million), which were partially offset by the direct purchases of bills (S/. 22 million), the withdrawal of public sector deposits (S/. 18 million) and other outlays (S/. 26 million).

Interest rates decrease

As of January 22, the interbank interest rate in domestic currency decreased from 3,1 percent in December to 2,8 percent, whereas the corporate prime interest rate declined from 5,0 percent in December to 4,4 percent.

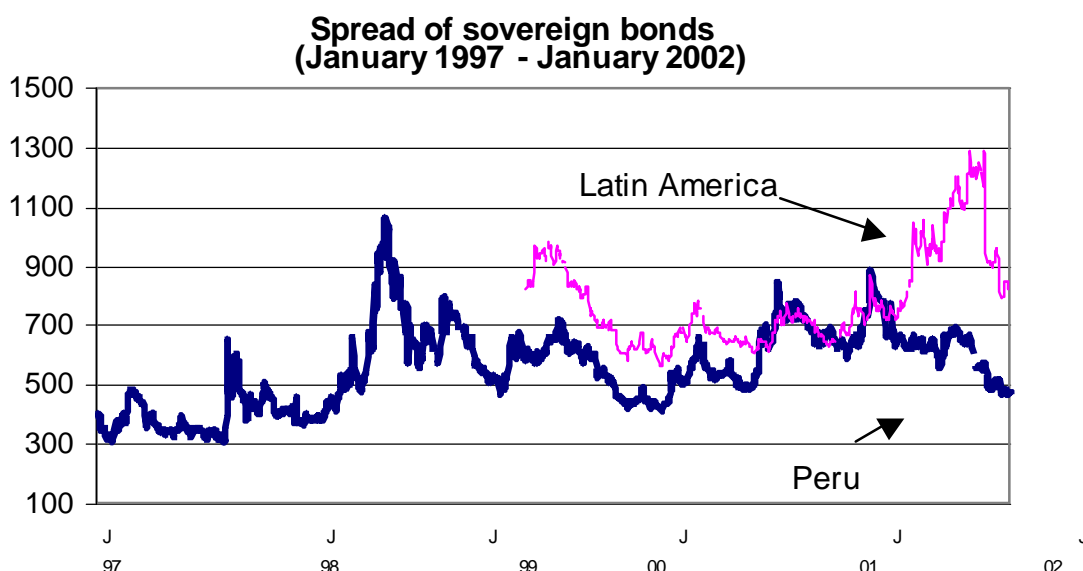


In foreign currency, the interbank rate passed from 2,1 percent in December to 2,0 percent as of January 22. The corporate prime interest rate in foreign currency declined from 3,1 percent to 2,9 percent.



Peru's bonds spread at 4,8 percent

As of January 22, 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 4,8 percent, lower than the levels in December (5,1 percent), November (5,8 percent) and October (6,7 percent).



Exchange rate at S/. 3,463

As of January 22, the ask exchange rate in the banking system was S/. 3,463 (0,5 percent) higher than on December 31 (S/. 3,446), reflecting the regional uncertainty due to the Argentine crisis.

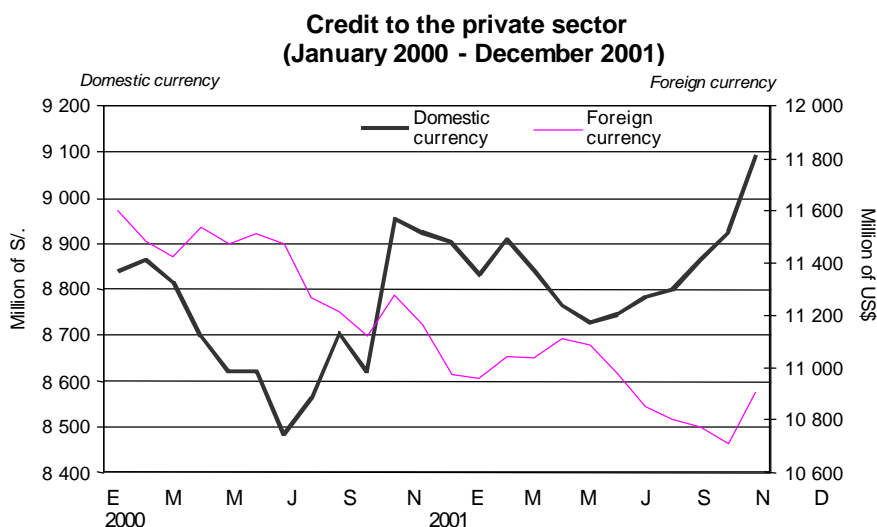
The balance of foreign currency sales in the forward market increased slightly from US\$ 834 million in December to US\$ 974 million as of January 22, whereas the banks' exchange position decreased from US\$ 587 million to US\$ 606 million.

Banks' exchange market operations to the public : Daily average (Million of US\$)					
	December 2000	October	November	December 2001	January 1-22
End-of-period balance:					
a. Net sales to the public (fii)	440	595	618	586	643
i. Forward sales to the public	653	1 039	943	834	974
ii. Forward purchases to the public	213	441	325	248	331
b. Banks' exchange position	630	527	585	587	606
Flows:					
I. Forward sales to the public	0	-1	-4	-4	8
- New sales	12	15	16	11	16
- Redemptions	12	16	20	15	8
II. Forward purchases to the public	-2	-2	-5	-3	5
- New purchases	6	8	8	12	15
- Redemptions	8	10	13	15	10
III. Net spot purchases to the public	0	6	16	3	1
- Purchases	87	85	91	78	75
- Sales	87	79	75	75	74

Monetary accounts: December

In December, liquidity in **domestic currency** increased 7,7 percent (S/. 1 179 million) recording an annual growth of 14 percent. Money grew 7,6 percent during 2001 (versus a decrease of 1,7 percent in 2000). Quasimoney expanded 20,6 percent (versus 7,1 percent in 2000), reflecting the higher public's preference for domestic currency deposits. On the other hand, credit to the private sector in domestic currency increased 1,9 percent (S/. 170 million) to S/. 9 094 million. Annual growth for this variable was 1,9 percent.

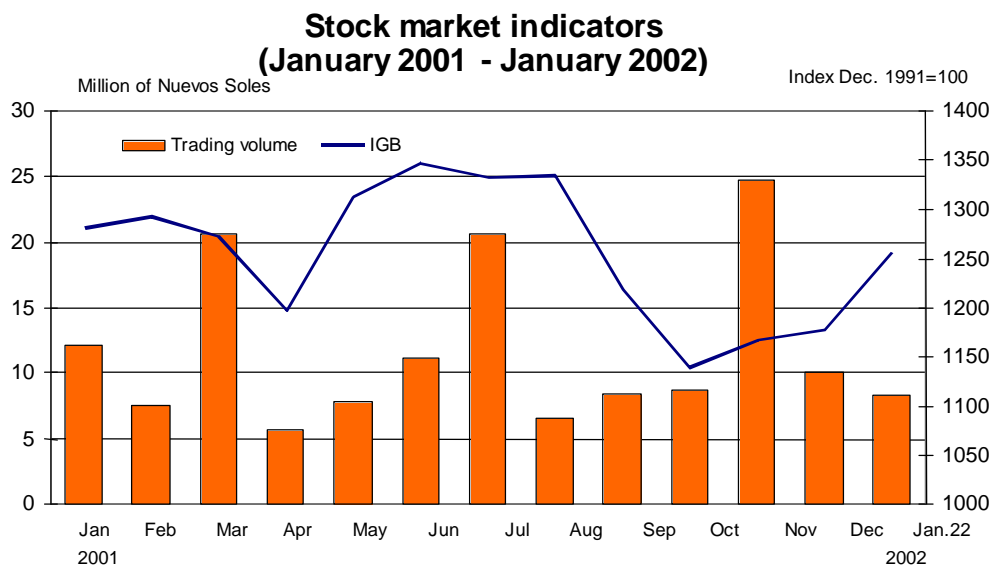
The rate of liquidity in foreign currency as a percentage of total liquidity was 3 points lower in 2001 than last year (from 69,5 percent in 2000 to 69,5 percent in 2001).



In the same period, liquidity in foreign currency decreased US\$ 186 million to US\$ 9 518 million, recording an annual growth of 1,9 percent. Short -term external liabilities decreased 4,0 percent (US\$ 50 million) to US\$ 1 189 million. Credit to the private sector in foreign currency (US\$ 10 856 million) rose 1,8 percent (US\$ 194 million) in December, but decreased 2,7 percent in the last 12 months.

General Index increased 6,8 percent

As of January 22, the Lima Stock Exchange increased relative to end -December by 6,8 percent in the General Index and 4,5 percent in the Blue Chip Index.



Lima, January 25, 2002

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).