



BANCO CENTRAL DE RESERVA DEL PERÚ

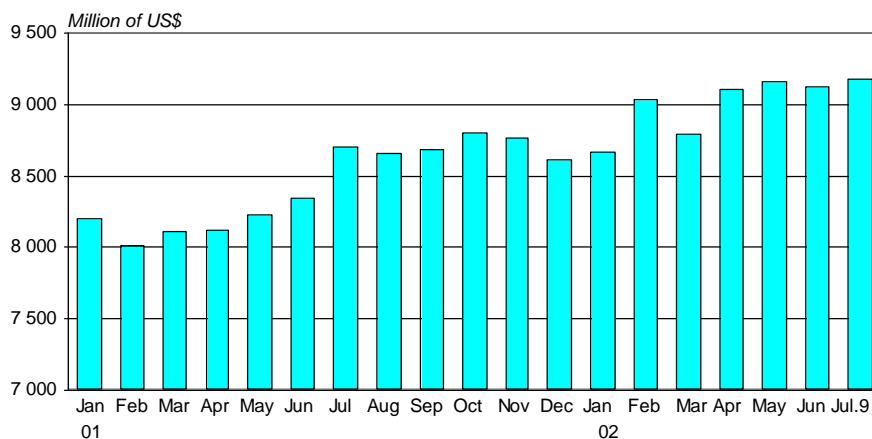
WEEKLY REPORT N° 28 - July 12, 2002

Net International Reserves: US\$ 9 173 million

As of July 9, the net international reserves (NIR) of the Central Reserve Bank of Peru amounted to US\$ 9 173 million, up US\$ 47 million from end-June due to increase of financial system deposits (US\$ 99 million) and investment yields and other operations (US\$ 7 million) which were partially

offset by withdrawal of public sector and Insurance Deposit Fund deposits (US\$ 56 million or US\$ 3 million). On the other hand, the net international position amounted to US\$ 3 186 million, up US\$ 4 million from end-June.

**BCR's net international reserves
(January 2001 - July 2002)**

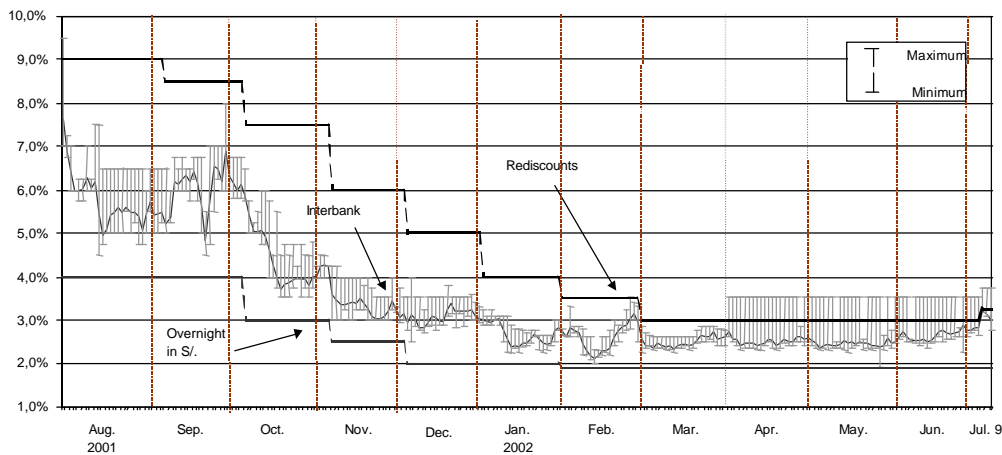


Interbank interest rate: 2,7 percent

Between July 1 to 9, the interbank interest rate was 2,7 percent, higher than in the previous month (2,6 percent) in line with the higher demand for disposable liquidity in order to meet

monthly reserve requirement as well as the increase in the reference BCR interest rate from 3,0 to 3,25 percent since July.

Interest rates in domestic currency (August 2001 - July 2002)



Banks' current account balance: S/. 376 million

Between July 1 to 9, the banks' current account held at the Central Bank was S/. 376 million on a daily average basis, higher than at the beginning of the month reflecting the higher cash demand and banks' claims in order to meet legal reserve requirement.

The monetary operations over this period were the auctions of temporary

purchases amounting to S/. 100 million at an average interest rate of 2,8 percent on July 3 and auctions of CDBCRP totaling S/. 290 million at an average interest rate of 3,5 percent. On the other hand, there were direct temporary purchases of CDBCRP and BTP on July 5 and 8 by S/. 108 million and S/. 60 million, respectively.

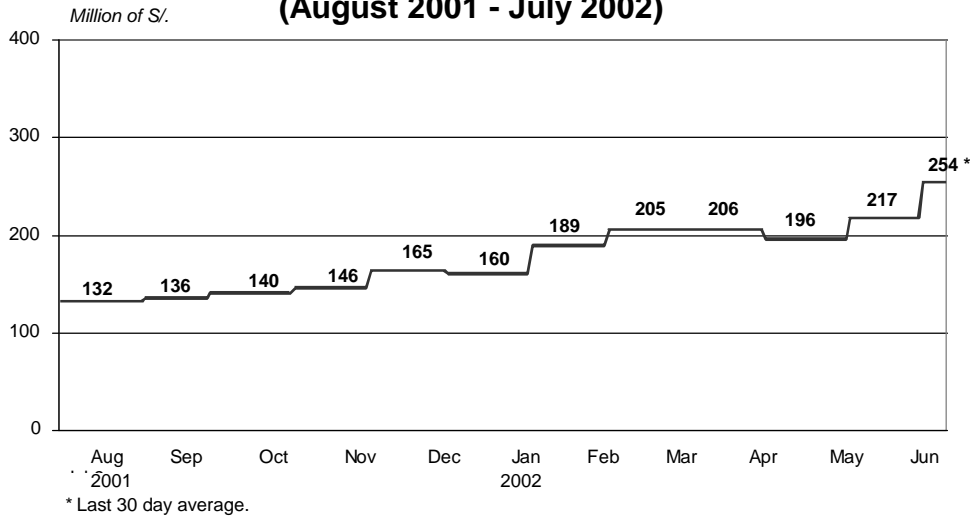
(Million of S/.)

	July							
	3	4	5	8	9			
1 Current account of the banking system before Central Bank operations	241	381	340	520	459			
2 Central Bank operations	100	-65	93	-40	-110			
a. Auction of CDBCCRP and BTP		-35	-30	-15	-20	-80	-60	-50
- Average interest rate		2,69%	3,04%	4,49%	3,13%	3,63%	3,20%	4,13%
- Term		1	14	9	1	14	6	5
		week	weeks	months	week	weeks	weeks	months
b. Auction of temporary purchase of CDBCRP and BTP	100							
- Average interest rate	2,77%							
c. Direct temporary purchase of CDBCRP and BTP			108	60				
3 Current account of the banking system after Central Bank operations (1+2)	341	316	433	480	349			
Note:								
Last 30 day average of the current account	235	236	241	254	254			

For July the Board of the Bank approved that the operating target of the current account will be S/. 205 million

to S/. 215 million on a daily average basis. The last 30 day average for this balance as of July 9 was S/. 254 million.

Banks' current account at the BCR (August 2001 - July 2002)

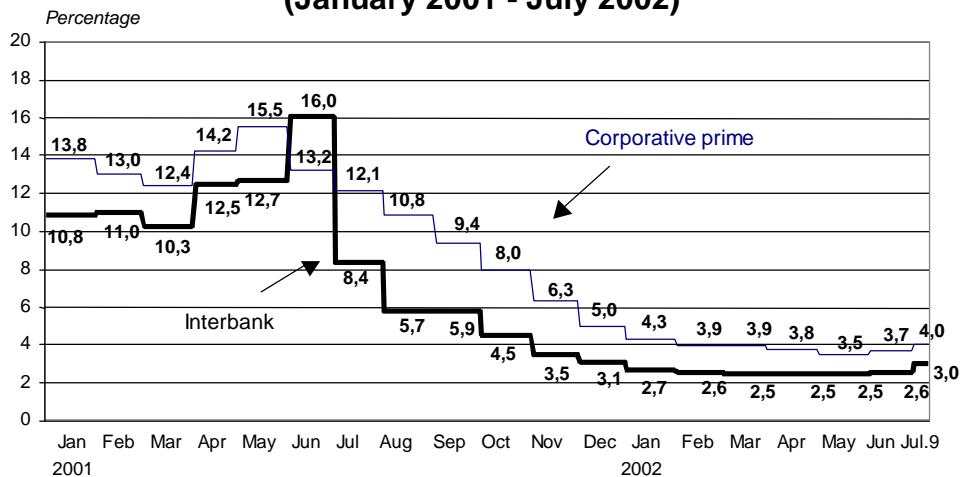


Corporate prime interest rate: 4,0 percent

As of July 9, the corporate prime interest rate in domestic currency was

4,0 percent, higher than in June (3,7 percent).

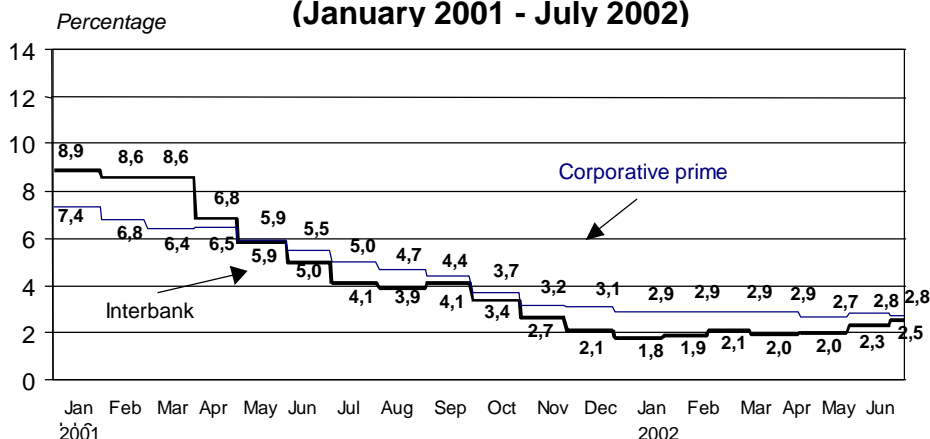
Interest rates in domestic currency (January 2001 - July 2002)



In foreign currency, the corporate prime interest rate in foreign currency as of

July 9 was 2,8 percent, similar to June level.

Average interest rates in foreign currency (January 2001 - July 2002)



Exchange rate: S/. 3,540

As of July 9, the exchange rate recorded a 0,7 percent increase. Whereas on July 8, the exchange rate reached its maximum level of the year (S/. 3,540).

In the period July 1 to 9, the net balance of net forward sales decreased US\$ 28 million, whereas the banks' covered exchange position diminished US\$ 38 million.

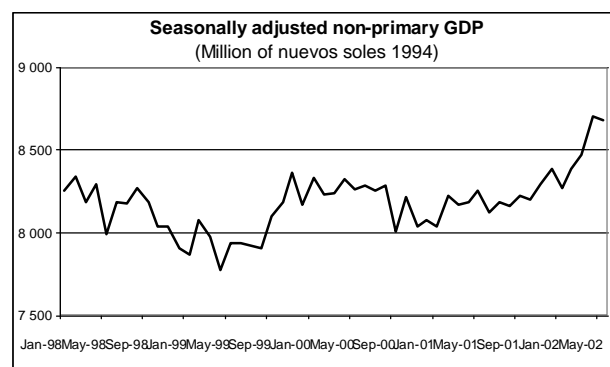
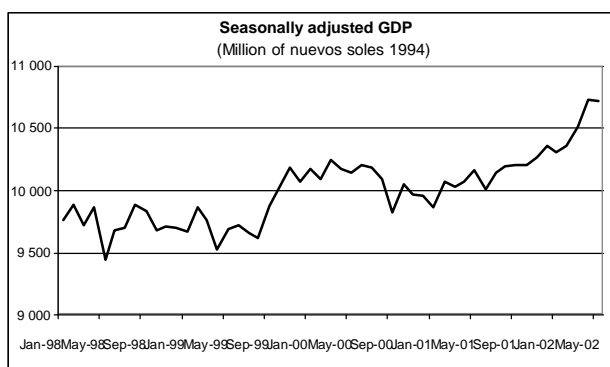
Banks' exchange market operations to the public: Daily average (Million of US\$)

	December 2001	March	June	July 1-9
End-of-period balance:				
a. Net sales to the public (i-ii)	586	683	869	841
i. Forward sales to the public	834	1 054	1 210	1 251
ii. Forward purchases to the public	248	371	342	410
b. Banks' exchange position	587	635	645	607
Flows:				
I. Forward sales to the public	-4	-3	3	2
- New sales	11	29	42	42
- Redemptions	15	32	39	40
II. Forward purchases to the public	-3	-1	0	6
- New purchases	12	8	13	15
- Redemptions	15	9	13	9
III. Net spot purchases to the public	3	21	30	20
- Purchases	78	111	96	89
- Sales	75	90	66	69

GDP grew 4,2 percent in the period January-May

In the period January-May the **gross domestic product** (GDP) grew 4,2 percent thanks to the expansion of primary sectors (8,6 percent). Non-primary sectors grew 3,2 percent reflecting the higher dynamism in construction (8,7 percent) and non-

primary industry (3,2 percent). After the March growth (2,1 percent), the seasonally adjusted GDP decreased 0,1 percent following the lower activity of non-primary industry (3,6 percent relative to April).



GROSS DOMESTIC PRODUCT
(Rates of growth)

	Seasonally adjusted % change		Annual rates of growth			
	May		May		January-May	
	2001	2002	2001	2002	2001	2002
Primary GDP	-0,8	0,4	0,4	7,3	-1,3	8,6
Agriculture and livestock	1,6	-0,8	-2,5	8,1	-2,6	8,2
<i>Agriculture</i>	3,2	-0,9	-4,3	10,2	-4,8	10,1
<i>Livestock</i>	-0,9	-1,0	1,7	3,2	1,1	5,5
Fishing	-5,2	19,0	6,0	2,5	5,0	-14,7
Mining and oil products	-1,8	-1,6	4,4	14,0	-1,1	20,8
<i>Mining</i>	-1,5	-1,8	4,6	16,3	-1,0	23,1
<i>Oil products</i>	-4,2	0,0	2,8	-4,5	-2,5	1,8
Based on raw materials	-4,5	5,2	3,9	-3,5	0,9	-4,3
<i>Sugar</i>	9,0	-5,1	-12,6	36,2	-1,0	23,1
<i>Meat products</i>	-5,3	0,5	1,7	3,7	0,6	7,2
<i>Fishmeal Canned and frozen fish</i>	-1,9	39,3	10,3	-14,7	0,3	-30,8
<i>Non-ferrous metal</i>	1,4	-8,8	4,4	1,2	0,8	6,7
<i>Refined petroleum</i>	-18,8	15,4	-1,6	-4,2	2,3	-4,4
Non-Primary GDP	2,7	-0,3	-0,6	3,5	-1,5	3,2
Non-primary industries	9,9	-3,6	1,0	2,7	-1,4	3,2
<i>Food, beverage and tobacco</i>	4,9	-0,1	-0,8	5,8	0,3	5,5
<i>Textile, leather and footwear</i>	7,1	0,2	-5,7	6,1	-4,5	-0,2
<i>Paper and paper products</i>	16,2	5,7	-2,7	19,5	0,8	7,0
<i>Chemical, rubber and plastic products</i>	9,6	-8,2	10,4	-1,3	2,1	7,2
<i>Non-metallic minerals</i>	7,5	0,9	-0,1	8,0	-3,1	4,8
<i>Iron and steel</i>	-0,5	-14,2	4,3	-16,6	10,1	-9,8
<i>Metallic products, machinery and equipment</i>	10,0	-11,7	8,9	-20,4	-3,7	-6,4
<i>Miscellaneous manufacturing products</i>	45,0	-12,1	5,9	-1,0	4,8	-6,5
<i>Others 1/</i>	21,7	-12,3	-5,2	23,6	-14,8	27,8
Construction	-4,4	-2,2	-6,5	3,8	-11,0	8,7
Trade	3,2	1,3	-1,5	4,3	-0,9	2,3
Other services	1,8	0,2	-0,1	3,4	-0,8	2,9
GDP	2,1	-0,1	-0,4	4,3	-1,5	4,2

1/ Includes wood based industry and furniture.

Trade balance: May 2002

In May, the **trade balance** recorded a US\$ 19 million surplus, compared with the deficits of April 2002 and May

2001, due to the growth of exports that exceeded the increase in imports. Exports totaled US\$ 683 million,

US\$ 151 million (28 percent) higher than in the previous month and US\$ 90 million (15 percent) higher than a year ago. This increase obeys to higher external sales of fishmeal and mining exports.

Imports totaled US\$ 664 million, higher in US\$ 10 million (2 percent) than in April and in US\$ 13 million (2 percent) than a year ago. The former obeys to higher acquisitions of intermediate and capital goods whereas the latter is due to higher consumer and intermediate goods imports.

TRADE BALANCE						
(Million of US\$)						
	2001	2002		January-May		
	May	April	May	2001	2002	Var. %
Trade balance	- 57,8	- 121,1	19,3	- 289,4	- 142,8	50,6
Exports	592,9	532,0	682,8	2 794,6	2 789,5	- 0,2
Traditional products	403,8	353,6	504,1	1 819,6	1 902,2	4,5
Mining	112,6	40,5	120,9	380,6	267,5	- 29,7
Petroleum and derivatives	13,2	2,8	19,0	44,0	35,6	- 19,2
Agriculture	248,6	281,8	322,8	1 214,8	1 441,6	18,7
Fishing	29,4	28,6	41,3	180,2	157,5	- 12,6
Non-traditional products	179,9	170,1	170,4	879,1	850,5	- 3,3
Agriculture	28,9	35,0	36,2	156,6	197,4	26,1
Textile	55,9	49,4	49,9	289,0	253,4	- 12,3
Fishing	20,0	15,6	15,7	86,5	75,9	- 12,3
Fabricated metal products	13,8	9,9	7,2	50,1	39,6	- 20,9
Chemical	21,5	19,8	22,2	102,7	98,6	- 4,0
Based metal industries	15,5	11,5	12,3	90,0	60,4	- 32,9
Non-metal	5,4	6,3	5,4	22,5	26,1	15,7
Others	18,9	22,6	21,6	81,5	99,1	21,5
Others	9,2	8,3	8,4	96,0	36,8	- 61,6
Imports	650,6	653,1	663,5	3 084,0	2 932,3	- 4,9
Consumer goods	131,1	161,3	147,1	622,3	671,5	7,9
Inputs	337,9	332,2	350,4	1 524,0	1 484,8	- 2,6
Capital goods	170,1	150,7	160,2	871,9	745,8	- 14,5
Others	11,5	8,9	5,8	65,8	30,2	- 54,1

Primary balance January-May: S/. 135 million

In the period January-May, the central government primary balance recorded a deficit of S/. 135 million, lower than in the same period in 2001 (S/. 679 million) due to the reduction of current revenues (-3,1 percent) and the increase

of non-financial expenditure in 1,8 percent. It should be noted that non-financial expenditure increased 2,4 percent whereas capital expenditure diminished 2,3 percent.

CENTRAL GOVERNMENT OPERATIONS

(Million of S/.)

	May			January-May		
	2001	2002	Var% real	2001	2002	Var% real
1. CURRENT REVENUE	2 213	2 206	- 0,5	11 507	11 148	- 2,6
2. NON FINANCIAL EXPENDITURE	2 316	2 373	2,3	10 898	11 095	2,3
<i>a. Current</i>	1 954	1 956	0,0	9 456	9 687	3,0
<i>b. Capital</i>	362	417	15,0	1 442	1 408	- 1,9
<i>from which: Investment</i>	350	289	- 17,5	1 241	1 234	- 0,1
3. OTHER OPERATIONS	12	20	67,9	70	82	18,0
4. PRIMARY BALANCE (1-2+3)	- 91	- 148		679	135	
5. INTEREST	175	201	14,4	1 342	1 231	- 7,6
6. OVERALL BALANCE (4-5)	- 266	- 348		- 663	-1 095	

Public Treasury's cash flow: June 2002

In June, the Public Treasury cash flow in **domestic currency** was positive in S/. 12 million. Revenues amounted to S/. 1 765 million and cash payments to S/. 1 754 million. Besides, there was a sovereign bond issuance of S/. 50 million. As a result, the Treasury balance at the Banco de la Nacion

amounted to S/. 449 million. May collection amounted to S/. 1 946 million, up S/. 102 million from June 2001, whereas non-financial expenditure amounted to S/. 1 735 million, S/. 22 million higher than a year ago.

PUBLIC TREASURY CASH FLOW

	June			January-June		
	2001	2002	Var %	2001	2002	Var %
A. DOMESTIC CURRENCY (Millions of Nuevos Soles)						
I. REVENUES	1 554	1 765	13,6	10 320	10 668	3,4
II. PAYMENTS	-1 694	-1 754	3,5	-10 292	-11 049	7,4
III. PURCHASE (-) / SELLING (+) of foreign currency	0	0		-360	0	
IV. OVERALL BALANCE (I+II+III)	-140	12		-332	-360	
Note:						
Deposits of Public Treasury in domestic currency	-258	-449				
Floating debt	617	872				
Bonds stock	350	1 835				
B. FOREIGN CURRENCY (Millions of US dollars)						
I. REVENUES	24	13	-45,5	146	122	-16,6
II. PURCHASE (+) / SELLING (-) of foreign currency	0	0		102	0	
III. PAYMENTS	-292	-282	-3,4	-837	-810	-3,2
IV. OVERALL BALANCE (I+II+III)	-268	-269		-590	-689	
Note:						
Deposits of Public Treasury in foreign currency	640	480				
Privatization and Promcepri	195	31				
Other available accounts	255	188				
Stabilization Fiscal Fund	108	185				
Other intangible accounts	82	76				

In **foreign currency**, the cash flow was negative in US\$ 269 million. Revenues amounted to US\$ 13 million whereas the external debt service amounted to US\$ 282 million. As a result, the balance of the Public Treasury accounts

at the Central Bank amounted to US\$ 480 million (of which US\$ 31 million correspond to privatization, US\$ 188 million to other available accounts and US\$ 261 million to intangibles).

Liquidity and credit: June 15

As of June 15, liquidity in domestic currency increased 0,8 percent (S/. 130 million) in the last 4 weeks to S/. 16 623 million. In annual terms, this aggregate grew 17,7 percent. On the other hand, credit to the private sector in domestic currency grew 0,6 percent (S/. 54 million) totaling S/. 9 107 million (annual growth of 2,0 percent).

weeks to US\$ 9 223 million (increase of 1,6 percent in annual terms). On the other hand, short-term external liabilities fell US\$ 49 million (3,5 percent) to US\$ 1 358 million. Credit to the private sector in foreign currency (US\$ 10 771 million) increased US\$ 83 million (0,8 percent) in the last 4 weeks event though it fell 3,7 percent in annual terms.

Liquidity in foreign currency rose 1,3 percent (US\$ 116 million) in the last 4

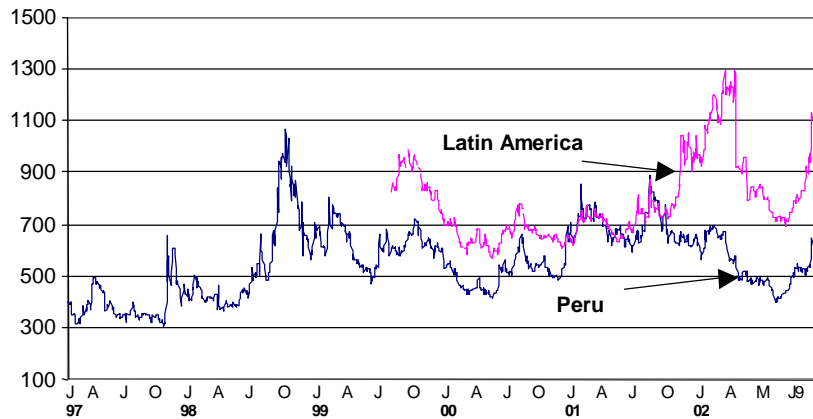
MONETARY AGGREGATES (End of period)													
	MONETARY BASE		LIQUIDITY IN S/.		CREDIT IN S/.		LIQUIDITY IN \$		Short-term liabilities ^{1/}		CREDIT IN \$		
	VAR.(%) MES	VAR.(%) AÑO	VAR.(%) MES	VAR.(%) AÑO	VAR.(%) MES	VAR.(%) AÑO	VAR.(%) MES	VAR.(%) AÑO	VAR.(%) MES	VAR.(%) AÑO	VAR.(%) MES	VAR.(%) AÑO	
1998													
Dec.	12,8%	5,5%	3,9%	-2,4%	2,2%	6,6%	0,3%	1,3%	-13,0%	-3,5%	-0,6%	8,1%	
1999													
Dec.	18,1%	17,0%	5,8%	11,6%	-4,1%	-5,3%	-1,9%	2,4%	1,3%	-36,3%	1,7%	-1,6%	
2000													
Dec.	14,6%	-4,0%	5,4%	2,5%	-0,3%	0,9%	0,5%	1,5%	4,6%	-17,2%	-1,0%	-4,5%	
2001													
Mar.	0,1%	0,5%	2,5%	3,7%	0,9%	1,0%	0,7%	-1,7%	3,8%	-4,1%	0,8%	-3,4%	
Jun.	1,1%	1,6%	-1,1%	3,6%	-0,5%	1,2%	0,8%	-1,2%	6,2%	-4,9%	-0,2%	-3,7%	
Sep.	-1,6%	5,1%	0,0%	4,8%	0,2%	1,1%	0,5%	3,1%	-17,1%	-17,3%	-0,7%	-3,9%	
Dec.	14,4%	7,9%	8,0%	13,5%	1,6%	2,7%	-1,9%	1,2%	-4,0%	-21,8%	0,7%	-3,8%	
2002													
Jan.	-7,8%	10,8%	-3,2%	14,5%	-1,8%	1,1%	-0,8%	1,2%	-2,8%	-21,4%	-1,1%	-3,2%	
Feb.	0,7%	13,9%	1,9%	18,2%	1,7%	3,6%	-0,2%	1,2%	5,7%	-15,8%	1,2%	-1,8%	
Mar.	2,0%	16,1%	2,4%	18,2%	2,7%	5,5%	-1,5%	-1,0%	-5,2%	-23,1%	-1,1%	-3,6%	
Apr.	-1,2%	9,9%	-0,8%	14,9%	-3,4%	2,7%	0,1%	-1,5%	4,8%	-14,7%	1,2%	-2,5%	
May.	-0,1%	14,5%	0,1%	16,9%	0,6%	4,2%	-0,3%	-1,6%	3,2%	-8,4%	0,0%	-3,1%	
Jun.15	1,7%	17,8%	0,8%	17,7%	0,6%	2,0%	1,3%	-1,6%	-3,5%	-11,2%	0,8%	-3,7%	
Memo:													
Balance as of May.15 (Mill.S/.or Mill.US\$)	5 845		16 493		9 053		9 107		1 407		10 688		
Balance as of June 15 (Mill.S/.or Mill.US\$)	5 945		16 623		9 107		9 223		1 358		10 771		
1/ Short term external liabilities of banking enterprises.													

Peru's bonds spread: 6,5 percent

As of July 9, the spread between the yield of Peruvian Brady bonds and the interest rate on US Treasury bills (a proxy for the country risk perceived by investors) was 6,5 percent, higher than

in June (5,7 percent). The spread of the global Peruvian bond spread with the 10 year maturity US bond passed from 6,1 percent as of end-June to 6,7 percent as of July 9.

**Spread of sovereign bonds
(January 1997 - July 2002)**



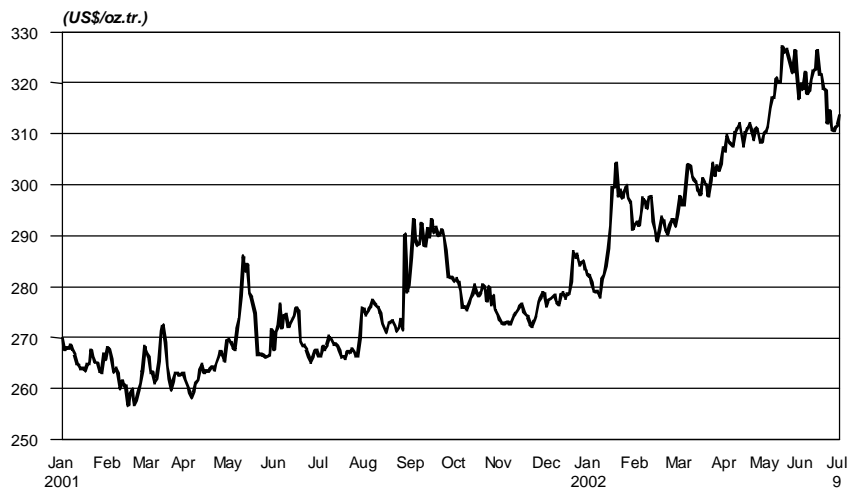
International markets

As of July 9, the gold international quotation (US\$ 313,8 per once troy) decreased 1,3 percent, reflecting the recovery of the US dollar after the last FED intervention, as well as positive

results in European stock markets. On the other hand, the silver quotation increased 1,6 percent to US\$ 5,06 per once Troy.

Gold quotation

(January 2001-July 2002)



The copper quotation closed to cUS\$ 74,19 per lb, down 1,3 percent from June, due to the low demand of the US, reflecting the sluggishness of the market during the summers. On the other hand,

LME inventories reached 883,675 MT, a decrease of 0,8 percent. On the other hand, zinc quotation increased 1,4 percent cUS\$ 36,83 per lb.

Copper quotation
(January 2001-July 2002)



The WTI oil quotation was US\$ 26,09 per barrel, 2,5 percent lower than in

June given a tense calm due to the menace of terrorist attacks on July 4.

Oil quotation
(January 2001 - July 2002)



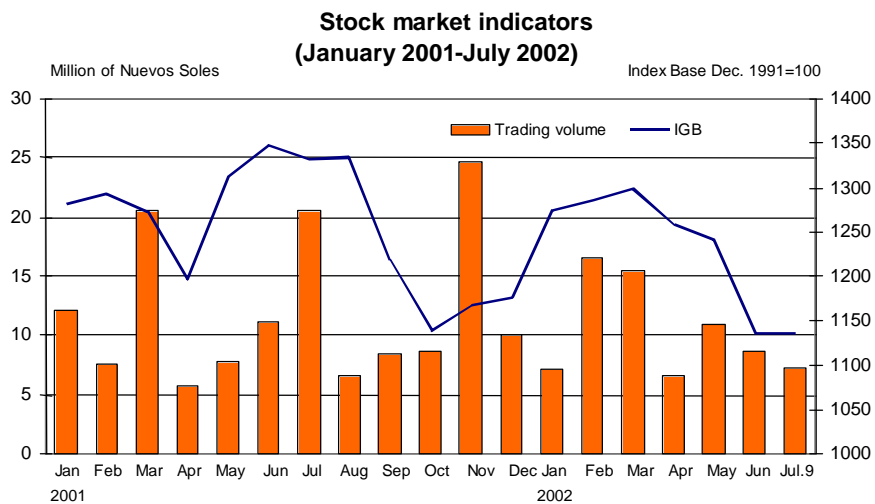
The 3-month Libor decreased 1,9 percent. On the other hand, the yield of the US Treasury bond with a 10 year maturity passed from 4,7 percent on

July 2 to 4,8 percent as of July 9, reflecting the recovery of the US stock market.

General Index decreased 1,7 percent

As of July 9, the General Index remained steady whereas the Blue Chip Index decreased 0,1 percent relative to

end-June. In the year, these indices have decreased 3,6 and 6,7 percent, respectively.



Lima, July 12, 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 (mreyes@bcpr.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).

