



BANCO CENTRAL DE RESERVA DEL PERÚ

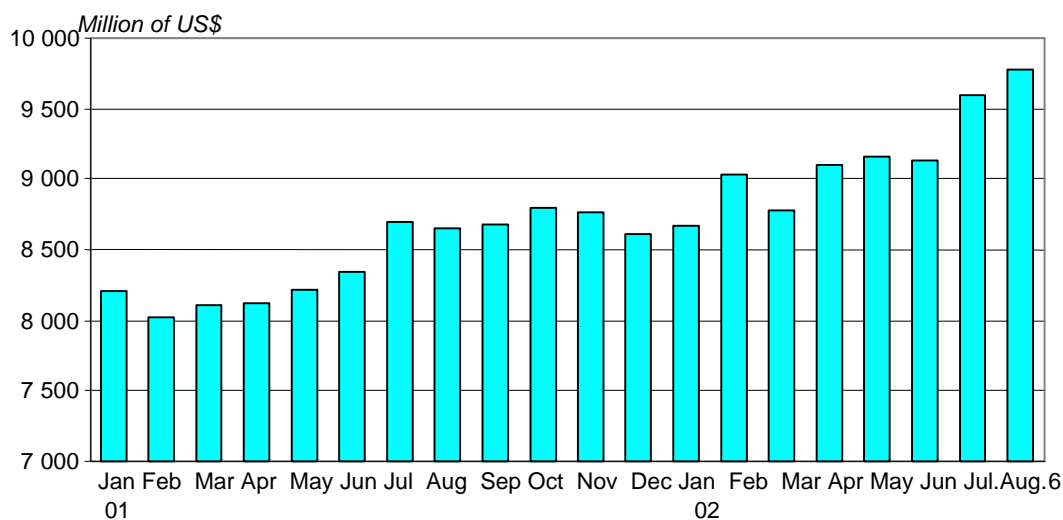
WEEKLY REPORT N° 32- August 9, 2002

Net International Reserves: US\$ 9 774 million

As of August 6, the net international reserves (NIR) of the Central Reserve Bank of Peru amounted to US\$ 9 774 million, up US\$ 180 million from end-July due to increase of public sector (US\$ 121 million), financial system (US\$ 54 million) and Insurance Deposit

Fund deposits (US\$ 2 million) as well as investment yields and other operations (US\$ 3 million). On the other hand, the net international position amounted to US\$ 3 179 million, up US\$ 1 million from end-July.

BCR net international reserves (January 2001 - August 2002)

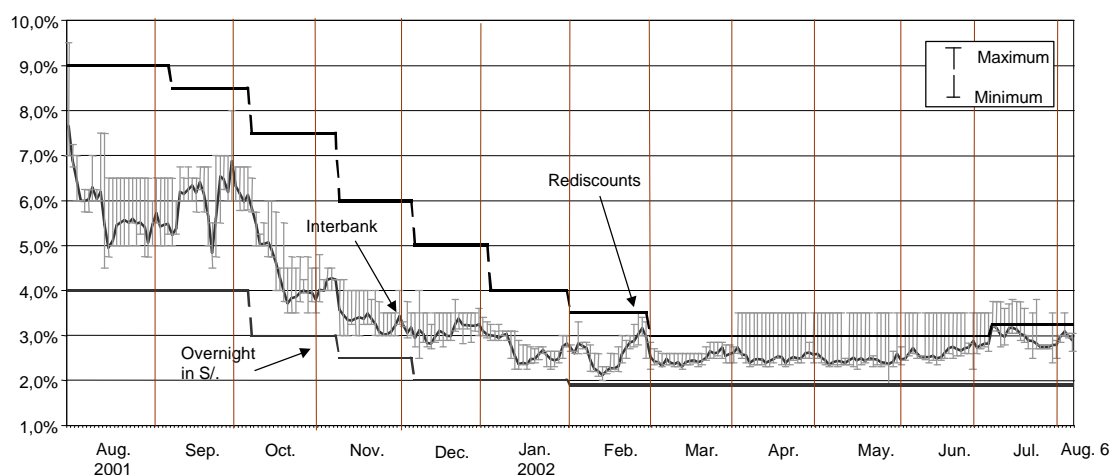


Interbank interest rate: 3,0 percent

As of August 6, the interbank interest rate was 3,0 percent, slightly higher

than the average recorded in July (2,9 percent).

Interest rate in domestic currency August 2001 - August 2002



Banks' current account balance: S/. 305 million

As of August 6, the banks' current account held at the Central Bank was S/. 305 million.

Over this period, the Central Bank issued S/. 100 million with a 20 week maturity at an average interest rate of

4,0 percent. The Bank also made temporary purchases of CDBCRP and BTP amounting to S/. 240 million, at an average interest rate of 3,0 percent as well as a direct temporary purchase of CDBCRP by S/. 15 million.

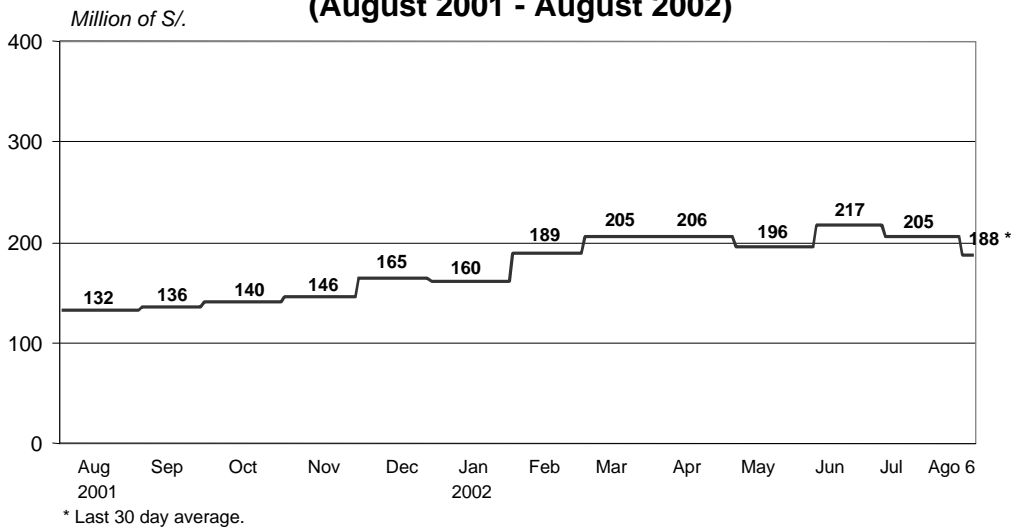
Banks' current account at the Central Bank and monetary operations (Million of S/.)

	August			
	1	2	5	6
1 Current account of the banking system before Central Bank operations	164	207	326	411
2 Central Bank operations	160	80	15	-111
a. Auction of CDBCRP				-100
- Average interest rate				4,0%
- Term				20 weeks
b. Auction of temporary purchase of CDBCRP and BTP	160	80		
- Average interest rate	2,94%	3,10%		
c. Direct temporary purchase of CDBCRP and BTP			15	
d. Overnight deposits				-11
3 Current account of the banking system after Central Bank operations (1+2)	324	287	341	300
Note:				
Last 30 day average of the current account	203	201	192	188

For August, the Board of the Bank approved that the operating target of the current account will be S/. 190 million to S/. 210 million on a daily average

basis. The last 30 day average for this balance as of August 6 was S/. 188 million.

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

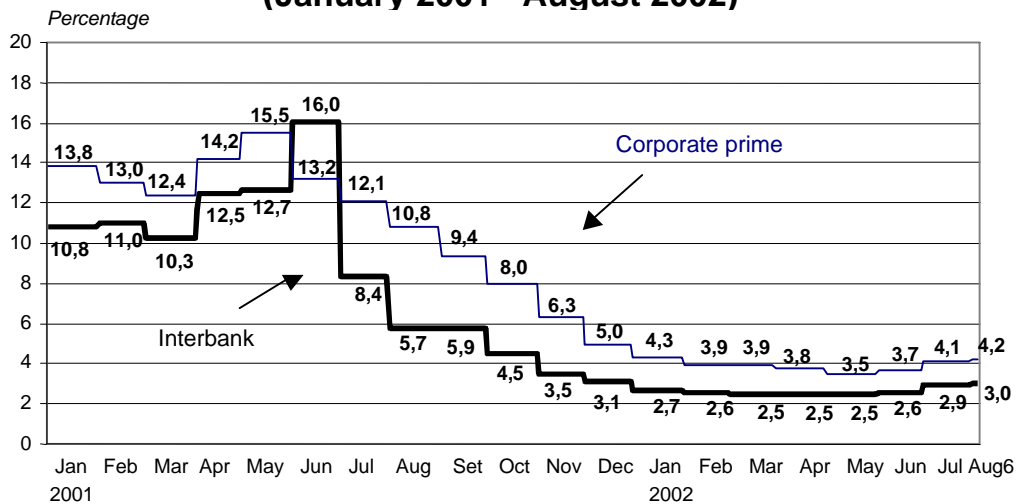


Corporate prime interest rate: 4,2 percent

As of August 6, the corporate prime interest rate in domestic currency was

4,2 percent, slightly higher than the average recorded in July (4,1 percent).

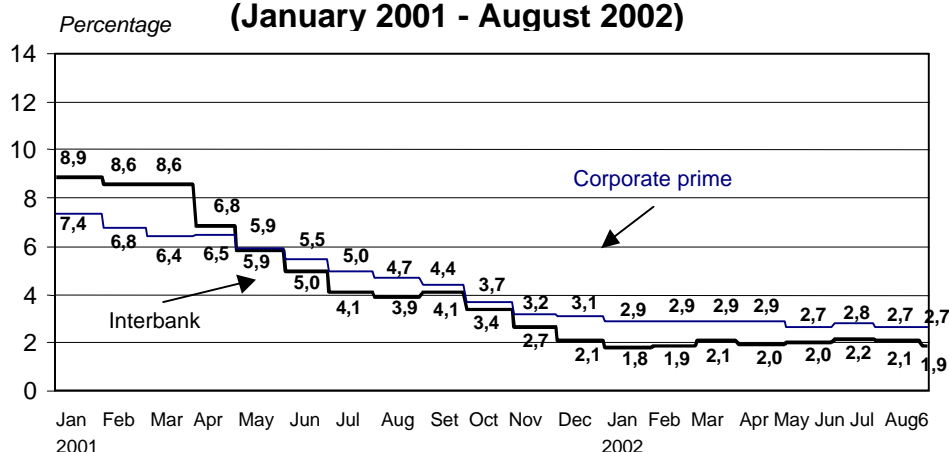
Average interest rate in domestic currency (January 2001 - August 2002)



On the other hand, the corporate prime interest rate in foreign currency as of

August 6 was 2,7 percent, similar to the average rate recorded in July.

Average interest rate in foreign currency (January 2001 - August 2002)



Exchange rate: S/. 3,557

As of August 6, the exchange rate increased 0,2 percent to S/. 3,557. The fluctuation of the exchange rate between S/. 3,554 to S/. 3,557 reflects the regional uncertainty after the fall in Brazilian real and other Latin American currencies. On the other hand, the

balance of forward sales decreased from US\$ 977 million on July 31 to US\$ 925 million on August 6. The banks' covered exchange position remained steady at US\$ 610 million during this period.

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

	December 2001	March	June	July	August 1-6
End-of-period balance:					
a. Net sales to the public (i-ii)	586	683	869	977	925
i. Forward sales to the public	834	1 054	1 210	1 304	1 283
ii. Forward purchases to the public	248	371	341	328	358
b. Banks' exchange position	587	635	645	611	610
Flows:					
I. Forward sales to the public	-4	-3	3	6	-8
- New sales	11	29	42	47	25
- Redemptions	15	32	39	41	33
II. Forward purchases to the public	-3	-1	0	2	4
- New purchases	12	8	13	22	22
- Redemptions	15	9	13	20	18
III. Net spot purchases to the public	3	21	30	23	7
- Purchases	78	111	96	100	69
- Sales	75	90	66	77	62

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

In June 2002, the **gross domestic product** (GDP) grew 3,6 percent, for eleven consecutive months, and a 4,2 percent growth in the period January-June. Seasonally adjusted GDP decreased 2,1 percent in June. In June, primary sectors recorded a 5,7 percent

growth reflecting the dynamism of Antamina mining project and the fishing sector. On the other hand, non-primary sectors increased 3,0 percent due to the growth in non-primary industries, construction and other services.

GROSS DOMESTIC PRODUCT
(Rates of growth)

	June		January-June	
	2001	2002	2001	2002
Primary GDP	-2,9	5,7	-1,6	8,2
Agriculture and livestock	-1,4	-2,1	-2,3	6,4
<i>Agriculture</i>	-2,6	-5,7	-4,3	6,9
<i>Livestock</i>	1,2	5,5	1,1	5,5
Fishing	-29,6	26,0	-2,5	-8,9
Mining and oil products	5,8	21,6	0,0	20,9
<i>Mining</i>	7,9	23,0	0,5	23,1
<i>Oil products</i>	-10,5	-7,9	-3,9	2,8
Based on raw materials	-13,3	-4,5	-1,8	-2,9
<i>Sugar</i>	-9,4	28,0	-2,6	23,1
<i>Meat products</i>	0,8	7,0	0,7	7,2
<i>Fishmeal</i>	-40,6	34,0	-12,0	-16,7
<i>Canned and frozen fish</i>	-22,8	-5,7	17,7	-30,1
<i>Non-ferrous metal</i>	2,5	-11,3	1,1	2,5
<i>Refined petroleum</i>	-5,4	-1,1	0,9	-3,8
Non-Primary GDP	-2,1	3,0	-1,6	3,2
Non-primary industries	0,2	2,8	-1,1	3,2
<i>Food, beverage and tobacco</i>	-3,4	4,6	-4,3	0,2
<i>Textile, leather and footwear</i>	9,9	29,8	2,2	11,8
<i>Paper and paper products</i>	1,8	1,0	2,0	6,1
<i>Chemical, rubber and plastic products</i>	-5,4	15,1	-3,5	5,1
<i>Non-metallic minerals</i>	1,2	-16,3	8,7	-10,8
<i>Iron and steel</i>	1,4	-17,7	-2,9	-7,7
<i>Miscellaneous manufacturing products</i>	-10,6	9,0	2,3	-0,1
Construction	-12,4	10,3	-11,2	8,9
Trade	-4,0	0,2	-1,4	2,1
Other services	-1,1	-3,4	-8,0	3,0
GDP	-2,2	3,6	-1,6	4,2
Seasonally adjusted GDP	-1,0	-2,1		

1/ Includes wood based industry and furniture.

June trade balance: US\$ 224 million

In June, the **trade balance** recorded a US\$ 224 million surplus, higher than in May in US\$ 206 million and June 2001 in US\$ 141 million. **Exports** amounted to US\$ 765 million, up US\$ 82 million (12 percent) and US\$ 157 million (26 percent), respectively. The former results from the increase in fishing and textile exports whereas the later from the growth in mining and fishing exports.

Imports totaled US\$ 541 million, US\$ 124 million (19 percent) lower than in May due to lower acquisitions of consumer goods (US\$ 25 million), intermediate goods (US\$ 62 million) and capital goods (US\$ 35 million). Regarding June 2001, imports increased in US\$ 16 million (3 percent) due to higher acquisitions of consumer and intermediate goods that offset the decrease in capital goods.

TRADE BALANCE
(Million of US\$)

	2001	2002		Jun.02/Jun.01		January-June			
	Jun.	May.	Jun.	Flow	Var.%	2001	2002	Flow	Var.%
Trade balance	83	18	224	141	169,0	-206	76	283	137,0
Exports	608	683	765	157	25,8	3403	3558	156	4,6
Traditional products	447	505	543	96	21,5	2267	2448	181	8,0
Mining	152	121	171	19	12,3	533	439	-94	-17,6
Petroleum and derivatives	15	19	21	5	33,9	59	56	-3	-5,3
Agriculture	237	323	307	70	29,3	1452	1749	297	20,4
Fishing	42	42	45	3	6,2	223	203	-19	-8,6
Non-traditional products	155	171	204	49	31,9	1034	1057	23	2,2
Agriculture	24	36	40	16	64,4	181	238	57	31,5
Textile	55	50	61	6	10,6	344	315	-29	-8,4
Fishing	15	15	18	3	20,2	101	93	-8	-7,7
Fabricated metal products	8	7	16	8	102,1	58	56	-2	-3,6
Chemical	18	22	21	3	17,2	121	120	0	-0,3
Based metal industries	15	12	15	0	1,0	105	76	-29	-27,9
Non-metal	4	5	7	3	65,1	27	33	6	23,6
Others	15	22	26	11	70,5	97	125	28	29,2
Others	6	7	17	11	195,4	102	54	-48	-46,9
Imports	525	664	541	16	3,1	3609	3482	-127	-3,5
Consumer goods	113	147	122	9	8,2	735	794	59	8,0
Inputs	260	351	288	28	10,9	1784	1776	-8	-0,4
Capital goods	145	160	125	-19	-13,2	1016	872	-145	-14,3
Others	8	6	5	-2	-31,0	74	41	-33	-44,4

June primary deficit: S/. 9 million

In June, the central government primary balance recorded a deficit of S/. 9 million, lower than in the same period in 2001 (S/. 263 million). Current revenues increased 7 percent in real terms, but recorded and S/. 28 million decreased with respect to the previous month, due to lower duties and non-tax revenues. On the other hand, non-

financial expenditure (S/. 2 220 million) decreased 6 with respect to June 2001 and in S/. 153 million with respect to May. This lower expenditure obeys to the contraction in capital expenditure (S/. 123 million), even though gross fixed capital expenditure decreased in S/. 16 million (from S/. 289 million to S/. 273 million).

CENTRAL GOVERNMENT OPERATIONS
(Million of S/.)

	June			January-June		
	2001	2002	Var% real	2001	2002	Var% real
1. CURRENT REVENUE	2 041	2 191	7,3	13 548	13 376	-0,8
2. NON FINANCIAL EXPENDITURE	2 350	2 220	-5,5	13 247	13 348	1,2
<i>a. Current</i>	1 896	1 926	1,6	11 352	11 625	2,9
<i>b. Capital</i>	453	293	-35,3	1 895	1 724	-8,7
<i>from which: Investment</i>	319	273	-14,3	1 560	1 507	-3
3. OTHER OPERATIONS	46	20	-56,8	116	92	-20,1
4. PRIMARY BALANCE (1-2+3)	-263	-9		416	120	
5. INTEREST	688	596	-13,3	2 030	1 833	-9,2
6. OVERALL BALANCE (4-5)	-950	-605		-1 613	-1 713	

July Public Treasury's cash flow: S/. -542 million

In July, the Public Treasury cash flow in **domestic currency** was negative in S/. 542 million. Revenues amounted to S/. 1 735 million and cash payments to S/. 2 278 million. The difference was financed with a sovereign bond issuance of S/. 50 million and a Banco de la Nación overdraft (S/. 492 million). As a

result, the Treasury balance at the Banco de la Nación amounted to S/. 941 million. July collection amounted to S/. 1 994 million, down S/. 12 million from July 2001, whereas non-financial expenditure amounted to S/. 2 154 million, S/. 85 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	1 754	1 735	-1,1	12 074	12 403	2,7
II. PAYMENTS	-2 259	-2 278	0,8	-12 551	-13 326	6,2
III. PURCHASE (-) / SELLING (+) of foreign currency	0	0		-360	0	
IV. <u>OVERALL BALANCE</u> (I+II+III)	<u>-505</u>	<u>-542</u>		<u>-837</u>	<u>-923</u>	
Bonds	151	50		501	690	
Banco de la Nación overdraft	354	492		336	233	
Note:						
Deposits of Public Treasury in domestic currency	-612	-941				
Floating debt	538	837				
Bonds stock	500	1 885				
B. FOREIGN CURRENCY (Millions of US dollars)						
I. REVENUES	35	34	-1,5	181	156	-13,8
II. PURCHASE (+) / SELLING (-) of foreign currency	0	0		102	0	
III. PAYMENTS	-91	-85	-7,0	-929	-895	-3,6
IV. <u>OVERALL BALANCE</u> (I+II+III)	<u>-56</u>	<u>-50</u>		<u>-646</u>	<u>-739</u>	
Disbursements and bonds	99	280		593	1 011	
Privatization	13	2		80	30	
Cash flow	-56	-231		-27	-301	
Note:						
<u>Deposits of Public Treasury in foreign currency</u>	<u>695</u>	<u>711</u>				
Privatization and Promcepri	212	38				
Other available accounts	294	412				
Stabilization Fiscal Fund	108	186				
Other intangible accounts	81	75				

In **foreign currency**, the cash flow was negative in US\$ 50 million. Revenues amounted to US\$ 34 million whereas the external debt service amounted to US\$ 85 million. In July, disbursements amounted to US\$ 280 million (US\$ 200 million from DIB and US\$ 80 million

from CAF). As a result, the balance of the Public Treasury accounts at the Central Bank amounted to US\$ 711 million (of which US\$ 38 million correspond to privatization, US\$ 412 million to other available accounts and US\$ 261 million to intangibles).

Liquidity in domestic currency increased 4,0 percent

Between June 15 and July 15, liquidity in domestic currency increased 4,0 percent (S/. 670 million) to S/. 17 293 million (recording and annual increase of 21,1 percent). Credit to the private sector in domestic currency grew 2,3 percent (S/. 210 million) totaling S/. 9 317 million as of July 15 (annual growth of 7,2 percent).

Liquidity in foreign currency increased 4,2 percent (US\$ 385 million) to US\$ 9 608 million in the last four weeks and 1,4 percent in annual terms. Short-term external liabilities increased 3,9 percent (US\$ 52 million) totaling US\$ 1 410 million. Credit to the private sector in foreign currency (US\$ 10 739 million) decreased 0,3 percent (US\$ 32 million) in the last 4 weeks and 3,3 percent in annual terms.

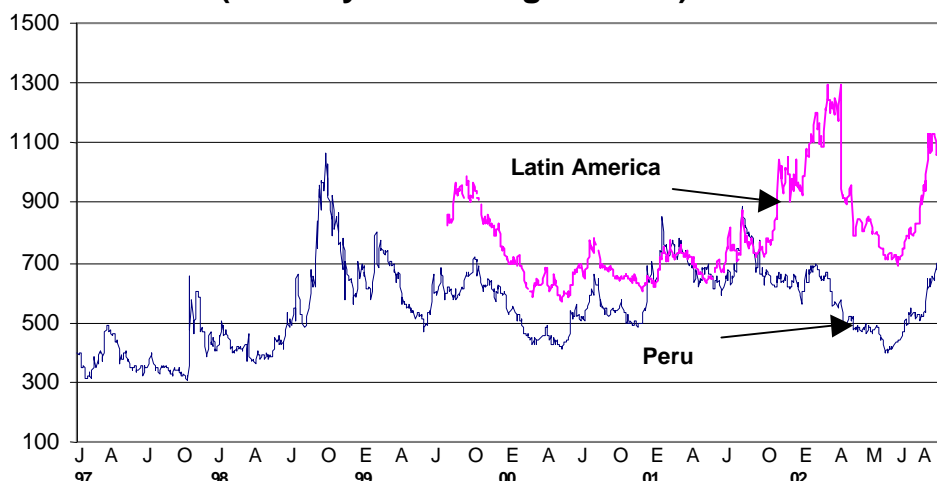
MONETARY AGGREGATES (end of period)												
	Monetary base		Liquidity in S/.		Credit in S/.		Liquidity in US\$		Short-term liabilities ^{1/}		Credit in US\$	
	VAR.(%) Month	VAR.(%) Year	VAR.(%) Month	VAR.(%) Year	VAR.(%) Month	VAR.(%) Year	VAR.(%) Month	VAR.(%) Year	VAR.(%) Month	VAR.(%) Year	VAR.(%) Month	VAR.(%) Year
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.	3,5%	17,2%	1,6%	20,1%	1,7%	6,4%	0,0%	-2,4%	4,3%	-10,1%	-0,1%	-3,0%
Jul.15	4,7%	19,9%	4,0%	21,1%	2,3%	7,2%	4,2%	1,4%	3,9%	-15,9%	-0,3%	-3,3%
Memo:												
Balance as of Jun.15 (Mill.S/.or Mill.US\$)	5 945		16 623		9 107		9 223		1 358		10 771	
Balance as of Jul. 15 (Mill.S/.or Mill.US\$)	6 227		17 293		9 317		9 608		1 410		10 739	
1/ Short term external liabilities of banking enterprises.												

Peru's bonds spread: 8,3 percent

As of August 6, 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 8,3 percent, higher than in July (7,0 percent). On August 6, that spread was 8,2 percent lower than as of end-July (8,7 percent).

The spread of the global Peruvian bond spread with the 10 year maturity US bond passed from 7,2 percent in July to 8,5 percent in August and from 8,5 to 8,6 percent in end-of-period terms.

Spread of sovereign bonds (January 1997 - August 2002)



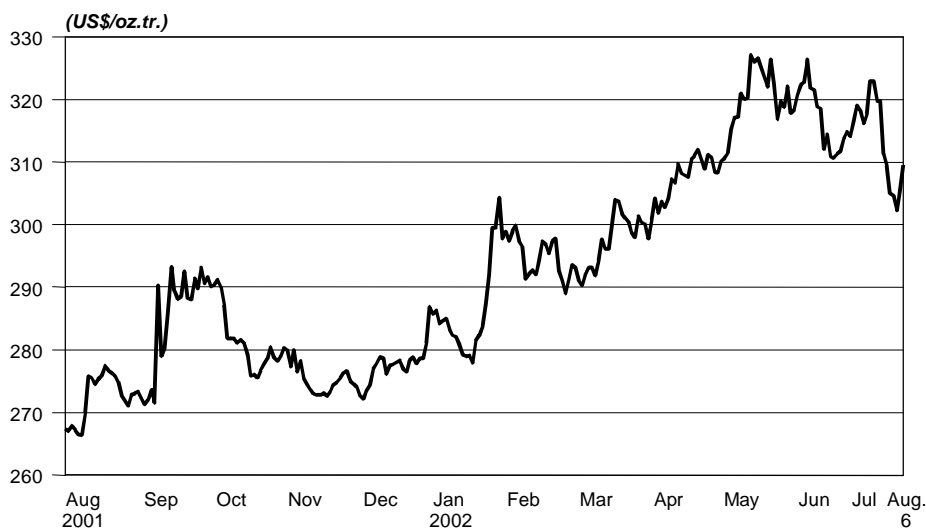
International markets

As of August 6, the gold international quotation (US\$ 305,7 per once troy) up 0,4 percent from end-July due to the contraction of sales after the stock market difficulties in the US as well as

the news about the repurchase of forward sales of Newmont as part of its coverage operations. On the other hand, the silver quotation (US\$ 4,7 per once Troy), up 0,2 percent from end-July.

Gold quotation

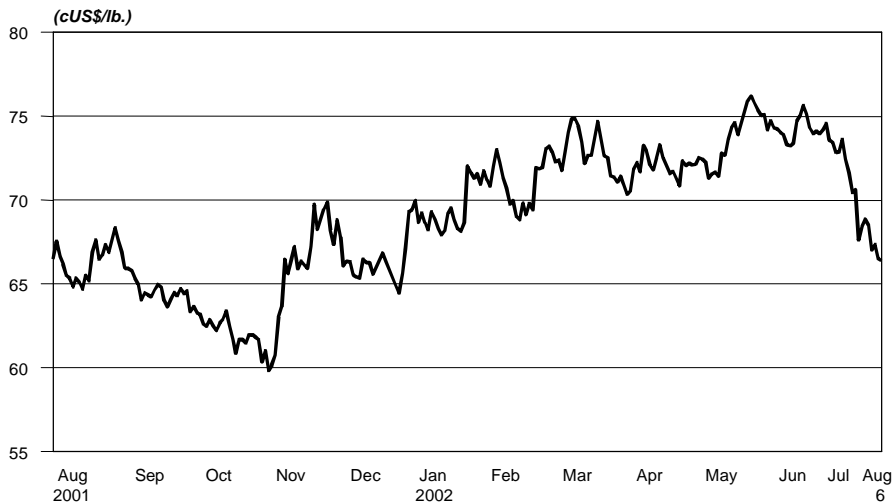
(August 2001 - August 2002)



The copper quotation closed at cUS\$ 66,4 per lb, down 3,1 percent from end-July, due to the low prospects about a US economic recovery as well as higher

LME inventories, which increased to 891 900 MT. On the other hand, the zinc quotation fell 2,1 percent to cUS\$ 33,6 per lb.

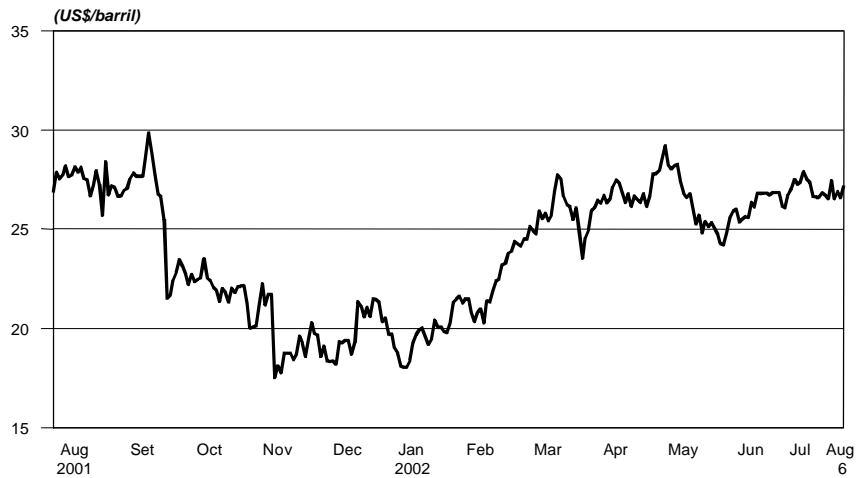
Copper quotation
(August 2001 - August 2002)



The WTI oil quotation was US\$ 26,8 per barrel, down 2,3 percent from June, reflecting the fears about a US slow economic recovery, as well as the

campaign of Nigeria and Argelia that pursue to increase their output quota in the next Oil Export Countries Organization summit.

Oil quotation
(August 2001 - August 2002)



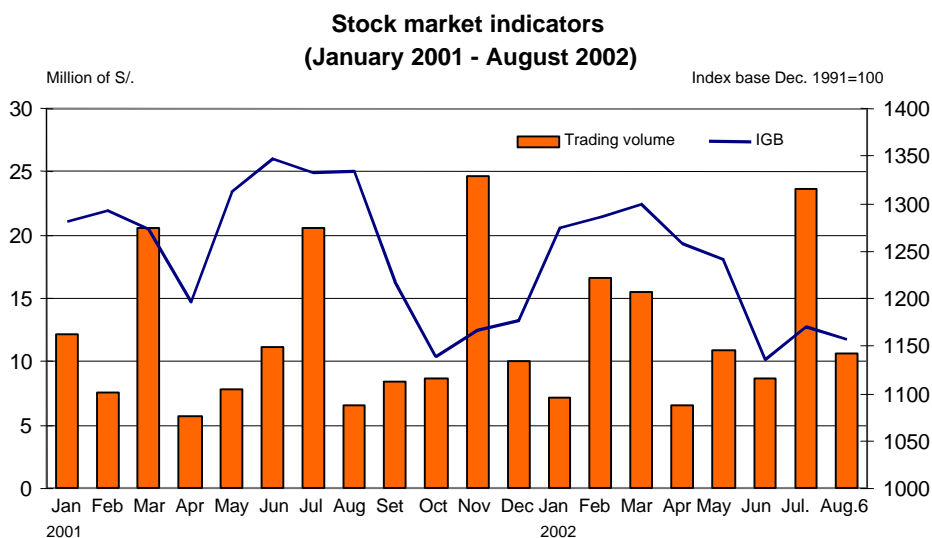
The 3-month Libor decreased from 1,85 percent in June to 1,75 percent as of August 6, whereas the yield of the US Treasury bond with a 10 year maturity

passed from 4,46 percent to 4,32 percent, into a context where the bonds with 2 and 5 year maturities recorded its minimum yields in the history.

General Index increased 1,1 percent

As of August 6, the Lima Stock Exchange decreased 1,1 and 1,5 percent in the General and Blue Chip Index,

respectively. In the year these indices have decreased 1,7 and 5,4 percent, respectively.



Lima, August 9, 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@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).