



# BANCO CENTRAL DE RESERVA DEL PERÚ

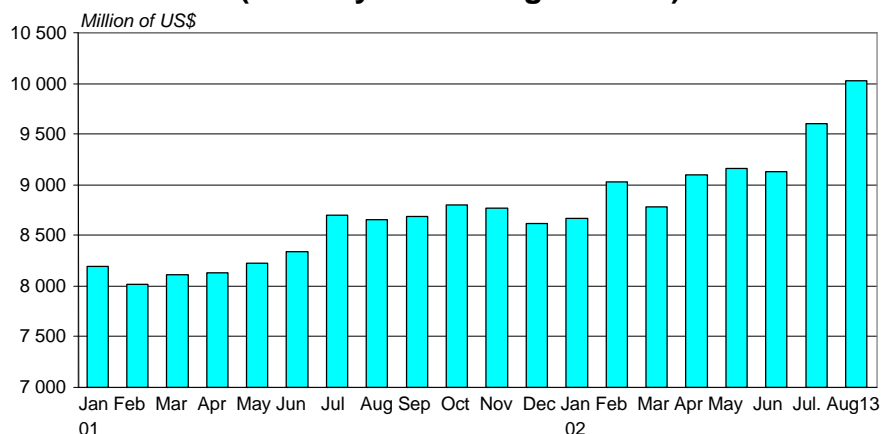
## WEEKLY REPORT N° 33- August 16, 2002

### Net International Reserves: US\$ 10 032 million

As of August 13, the net international reserves (NIR) of the Central Reserve Bank of Peru amounted to US\$ 10 032 million, up US\$ 437 million from end-July due to increase of financial system (US\$ 298 million), public sector (US\$ 101 million) and Insurance

Deposit Fund deposits (US\$ 2 million) as well as investment yields and other operations (US\$ 36 million). On the other hand, the net international position amounted to US\$ 3 192 million, up US\$ 14 million from end-July.

BCR's net international reserve  
(January 2001 - August 2002)

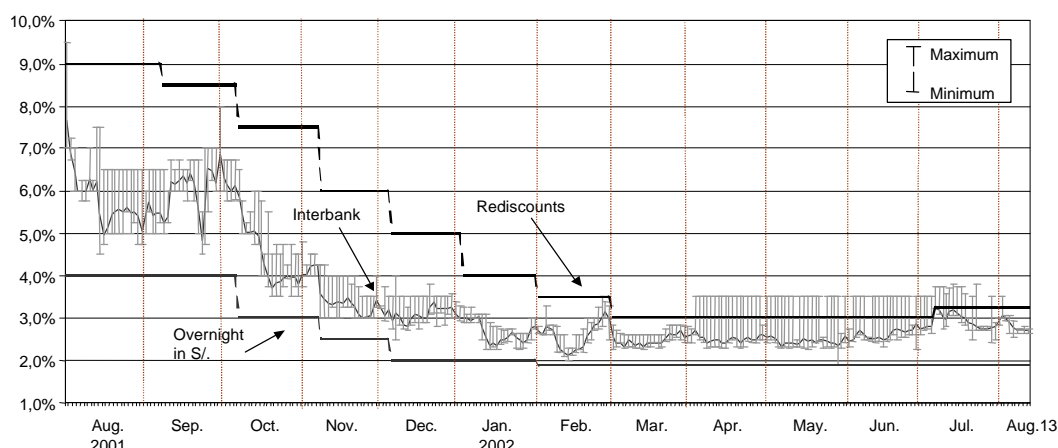


### Interbank interest rate: 2,9 percent

As of August 13, the interbank interest rate was 2,9 percent, similar to the

average rate recorded in the previous month.

## Interest rate in domestic currency (August 2001 - August 2002)



### Banks' current account balance: S/. 280 million

As of August 13, the banks' current account held at the Central Bank averaged S/. 280 million.

The Central Bank issued S/. 80 million on August 7 with a 6 month maturity and a 4,2 percent interest rate, S/. 30 million on August 8 with a 9 month maturity at 4,2 percent and S/. 40

million on August 13 with a 1 year maturity at 5,0 percent. Additionally, the Bank made 20 week maturity at an average interest rate of 4,0 percent. The Bank also made overnight deposits amounting to S/. 29 million and S/. 107 million on August 9 and 13, respectively.

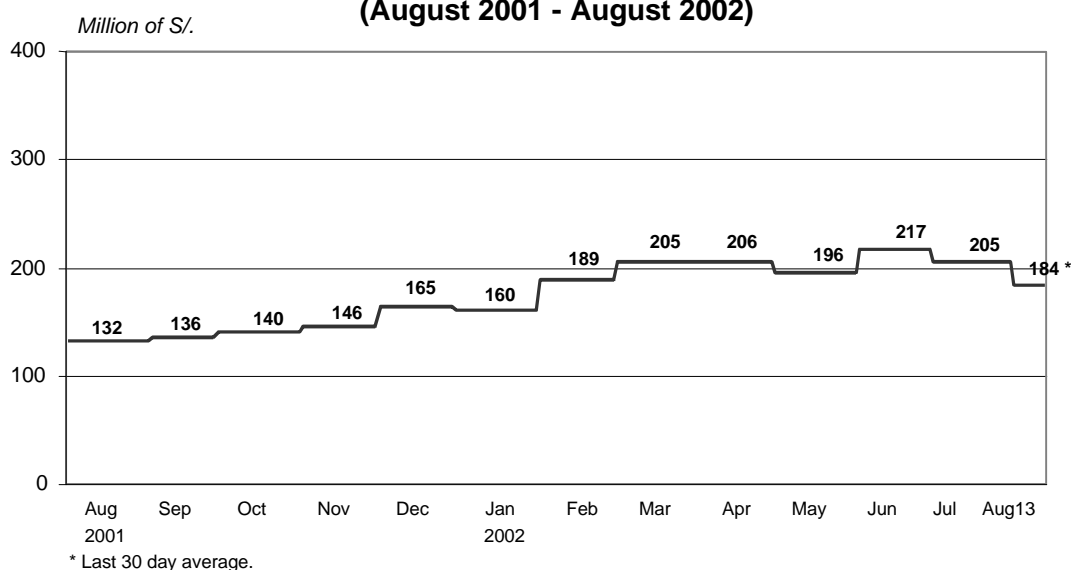
**Banks' current account at the Central Bank and monetary operations**  
(Million of S/.)

	August				
	7	8	9	12	13
1 Current account of the banking system before Central Bank operations	<b>380</b>	<b>305</b>	<b>293</b>	<b>290</b>	<b>307</b>
2 Central Bank operations	-80	-30	-29	0	-147
a. Auction of CDBCRP	-80	-30			-40
- Average interest rate	4,20%	4,24%			5,03%
- Term	6 month	9 month			1 year
b. Overnight deposits			-29		-107
3 Current account of the banking system after Central Bank operations (1+2)	<b>300</b>	<b>275</b>	<b>264</b>	<b>290</b>	<b>160</b>
Note:					
Last 30 day average of the current account	182	179	179	186	184

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 13 was S/. 184 million.

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

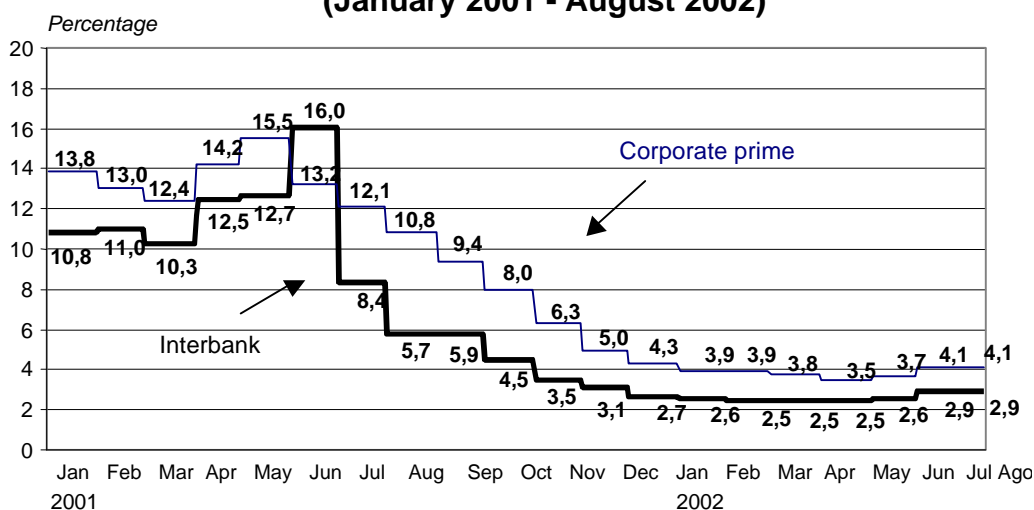


### Corporate prime interest rate: 4,1 percent

As of August 13, the corporate prime interest rate in domestic currency was

4,1 percent, similar to the average recorded in July.

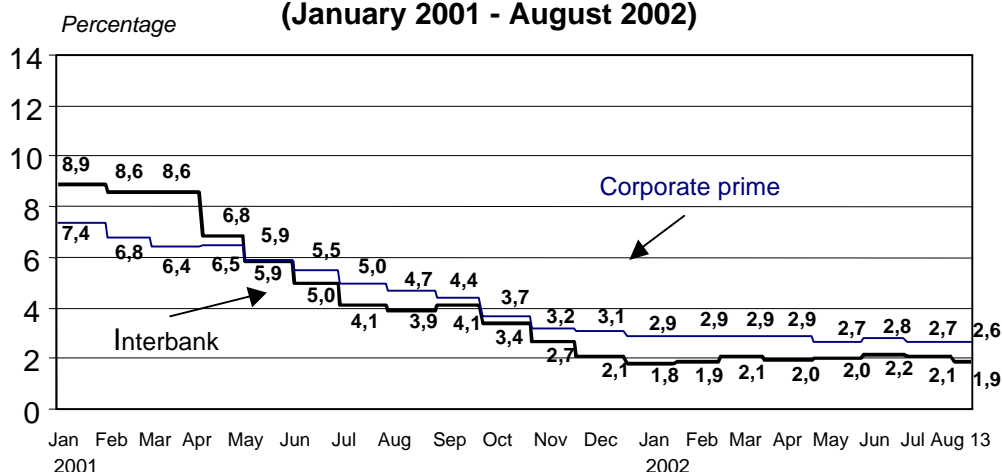
### Average interest rate in domestic currency (January 2001 - August 2002)



On the other hand, the corporate prime interest rate in foreign currency as of August 13 was 2,6 percent, slightly

lower than that recorded in July (2,7 percent).

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



### Exchange rate: S/. 3,574

Between August 7 to 13, the exchange rate increased 0,5 percent to S/. 3,574, reflecting the regional uncertainty. The balance of forward sales decreased from US\$ 977 million on July 31 to US\$ 939

million on August 13. The banks' covered exchange position increased from US\$ 611 million to US\$ 621 million during this period.

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

	December 2001	March	June	July	August 1-13
<b>End-of-period balance:</b>					
<b>a. Net sales to the public (i-ii)</b>	<b>586</b>	<b>683</b>	<b>869</b>	<b>977</b>	<b>939</b>
i. Forward sales to the public	834	1 054	1 210	1 304	1 342
ii. Forward purchases to the public	248	371	341	328	403
<b>b. Banks' exchange position</b>	<b>587</b>	<b>635</b>	<b>645</b>	<b>611</b>	<b>621</b>
<b>Flows:</b>					
<b>I. Forward sales to the public</b>	<b>-4</b>	<b>-3</b>	<b>3</b>	<b>6</b>	<b>1</b>
- New sales	11	29	42	47	47
- Redemptions	15	32	39	41	46
<b>II. Forward purchases to the public</b>	<b>-3</b>	<b>-1</b>	<b>0</b>	<b>2</b>	<b>8</b>
- New purchases	12	8	13	22	50
- Redemptions	15	9	13	20	42
<b>III. Net spot purchases to the public</b>	<b>3</b>	<b>21</b>	<b>30</b>	<b>23</b>	<b>-1</b>
- Purchases	78	111	96	100	133
- Sales	75	90	66	77	134

### Liquidity in domestic currency increased 5,2 percent

Between June 22 and July 22, liquidity in **domestic currency** increased 5,2 percent (S/. 874 million) to S/. 17 633 million (recording and annual increase of 22,8 percent). Credit to the private sector in domestic currency grew 0,9 percent (S/. 83 million) totaling S/. 9 240 million as of July 22 (annual growth of 5,2 percent).

Liquidity in **foreign currency** increased 5,6 percent (US\$ 514 million) to US\$ 9 611 million in the last four weeks and 0,8 percent in annual terms. Short-term external liabilities increased 3,3 percent (US\$ 44 million) totaling US\$ 1 368 million. Credit to the private sector in foreign currency increased 0,3 percent (US\$ 34 million) to US\$ 10 739 million.

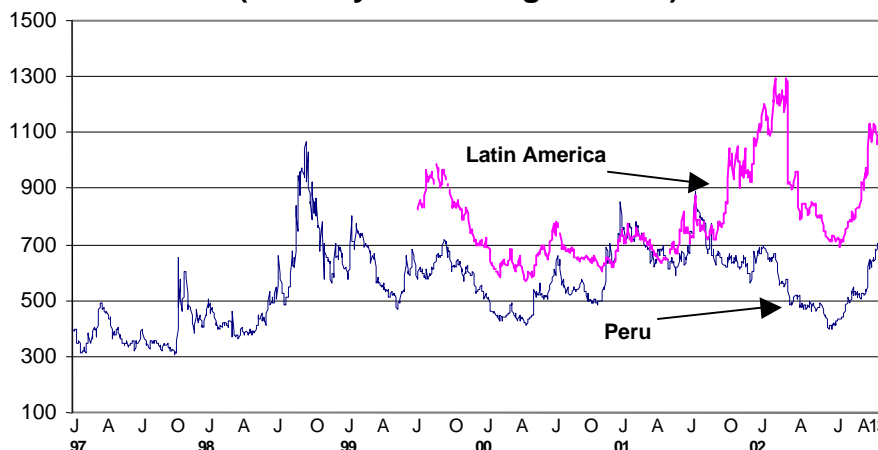
MONETARY AGGREGATES (End of period)												
	Monetary base		Liquidity in S/		Credit in S/		Liquidity in US\$		Short term liabilities 1/		Credit in US\$	
	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)
	Month	Year	Month	Year	Month	AÑO	Month	Year	Month	Year	Month	Year
<b>1998</b>												
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%
<b>1999</b>												
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%
<b>2000</b>												
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%
<b>2001</b>												
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%
<b>2002</b>												
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.22	7,0%	16,7%	5,2%	22,8%	0,9%	5,2%	5,6%	0,8%	3,3%	-20,6%	0,3%	-3,4%
Memo:												
Balance as of June 22 (Mill.S/ or Mill.US\$)	6 003		16 759		9 157		9 097		1 324		10 705	
Balance as of July 22 (Mill.S/ or Mill.US\$)	6 421		17 633		9 240		9 611		1 368		10 739	
1/ Short term external liabilities of banking enterprises.												

## Peru's bonds spread: 8,4 percent

As of August 13, 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 8,4 percent, higher than in July (7,2 percent). On August 13, that spread was 8,9 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 7,0 percent in July to 8,2 percent in August and from 8,3 to 8,8 percent in end-of-period terms.

### Spread of sovereign bonds (January 1997 - August 2002)

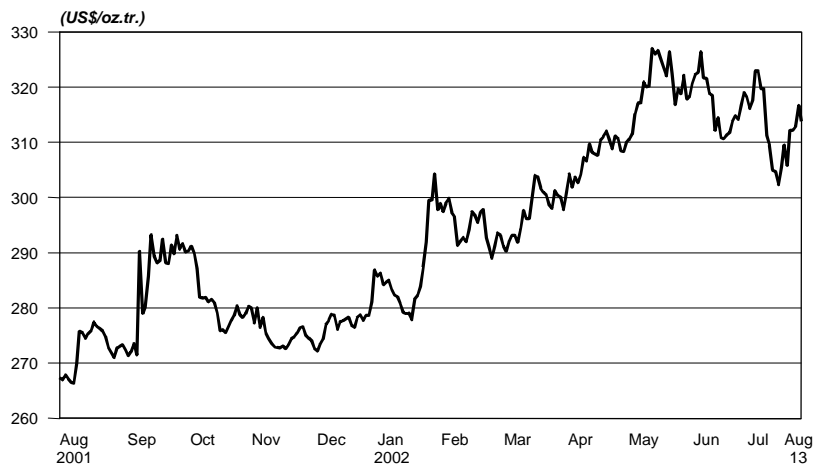


## International markets

Between August 6 to 13, the gold international quotation (US\$ 313,8 per once troy) increase 2,6 percent due to

the weakness of US dollar. Conversely, the silver quotation (US\$ 4,6 per once Troy), decreased 0,2 percent.

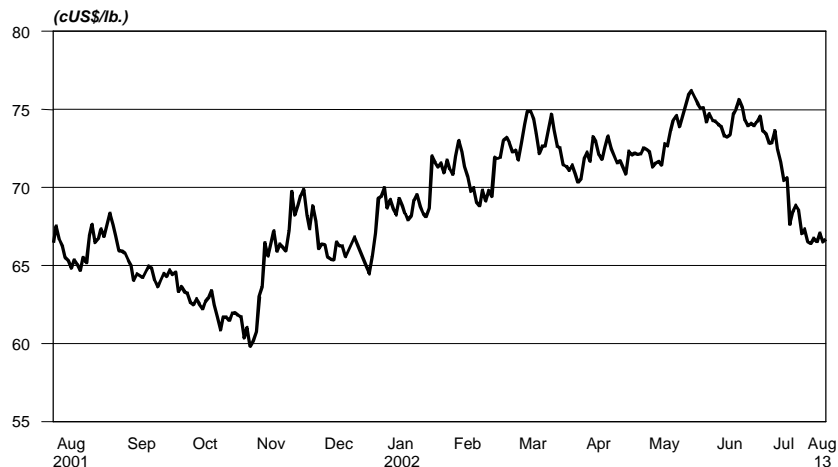
**Gold quotation**  
(August 2001 - August 2002)



The copper quotation closed at US\$ 0,67 per lb, up 0,4 percent from August 6, down 2,3 percent from a week ago. LME inventories decreased

0,3 percent to 889 000 metric tones. On the other hand, the zinc quotation fell 2,1 percent to US\$ 0,33 per lb.

**Copper quotation**  
(August 2001 - August 2002)



The WTI oil quotation was US\$ 27,8 per barrel, up 2,2 percent from August 6 due to the conflicting situation in the

Middle East together with the lower inventories according to the American Institute of Energy.

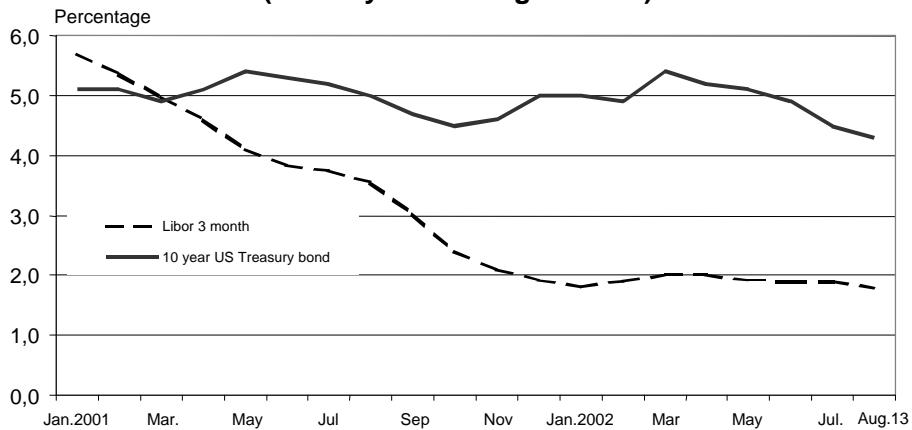
### Oil quotation (August 2001 - August 2002)



The 3-month Libor decreased slightly from 1,758 percent to 1,750 percent between August 6 and 13, whereas the yield of the US Treasury bond with a 10

year maturity passed from 4,326 percent to 4,086 percent in the same period due to the expectation about an slow US economic recovery.

### Libor and yield of 10-year US Treasury bond (January 2001 - August 2002)

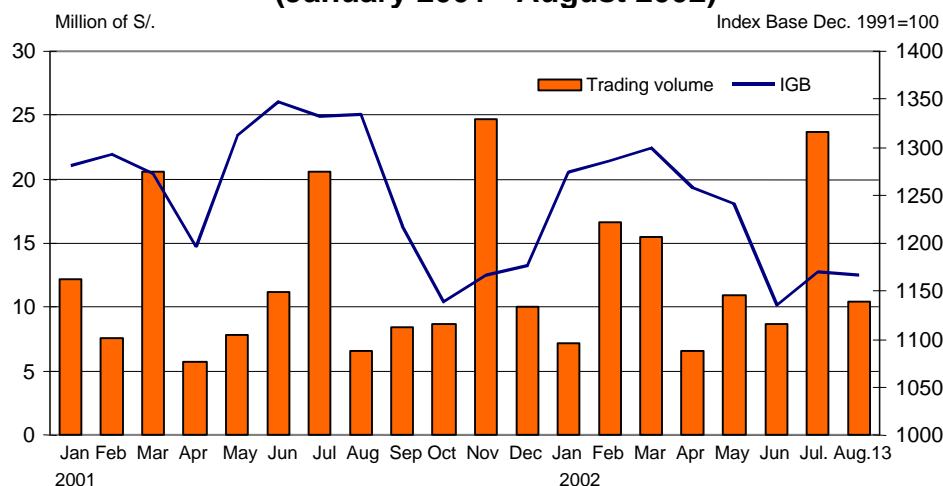


### General Index decreased 0,2 percent

As of August 13, the Lima Stock Exchange decreased 0,2 and 0,7 percent in the General and Blue Chip Index,

respectively. In the year these indices have decreased 0,8 and 4,6 percent, respectively.

## Stock market indicators (January 2001 - August 2002)



### Modifications to the marginal reserve requirement regime in domestic currency

The Board of the Bank has approved the modifications to the reserve requirement regime in domestic currency. As from September, the required reserve rate will be computed as the average balance of domestic currency funds in vault of the previous month.

Thereby, banking system enterprises will be able to know in advance the cash

levels in vaults in order to compute the required reserve and make liquidity management easier. At aggregate level, this measure will guarantee a greater stability in the operating target of the Central Bank by reducing current account variability resulting from changes in cash balances in vaults.

*Lima, August 16, 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).