



# BANCO CENTRAL DE RESERVA DEL PERÚ

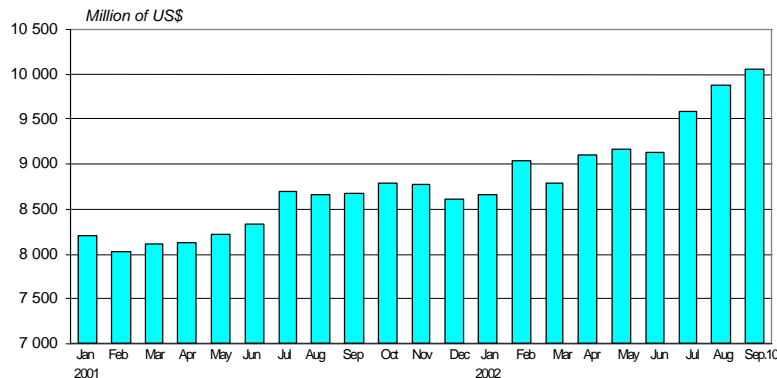
## WEEKLY REPORT N° 37 – September 13, 2002

### Net International Reserves: US\$ 10 053 million

As of September 10, the net international reserves (NIR) of the Central Reserve Bank of Peru amounted to US\$ 10 053 million, up US\$ 168 million from end-July due to the increase of public sector (US\$ 177 million) and financial system deposits (US\$ 89 million) as well as net investment yields and other operations

(US\$ 6 million), which were partially offset by the sales of foreign currency (US\$ 104 million). The increase in public sector deposits is related to the revenues from the concession of Etecen and Etesur. On the other hand, the net international position amounted to US\$ 3 105 million, down US\$ 97 million from end-August.

BCR net international reserves  
(January 2001 – September 2002)



### Banks' current account balance: S/. 220 million

As of September 11, the banks' current account held at the Central Bank averaged S/. 220 million.

Over the period September 5 to 11, banking enterprises met their liquidity requirement through window operations at the BCRP. Thus, there were direct temporary purchases of securities amounting to S/. 72 million on a daily average basis. On September 9, the Bank granted a S/. 58 million monetary regulation credit whereas on September 11, it made a swap operation by US\$ 41,2 million.

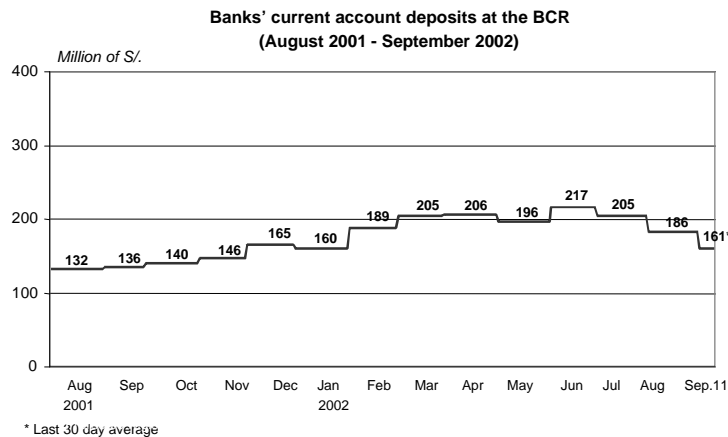
Over this period, the Bank modified the maximum amount of trading direct repos and rediscounts. On September 5 and 6, these maximums were S/. 120 million, and S/. 60 million on September 9. as from September 10, the joint maximum of direct repos plus monetary regulation credits was S/. 60 million. On September 11, these window operations were suspended.

On September 5, 6, 9, 10 and 11, the Central Bank made purchases of foreign currency by US\$ 107 million and auctions of Readjustable Certificates of Deposits on September 5 and 11 by S/.33 and S/. 15 million, respectively.

<b>Banks current account at the BCRP and monetary operations (Million of nuevos soles)</b>					
	<b>September</b>				
	<b>5</b>	<b>6</b>	<b>9</b>	<b>10</b>	<b>11</b>
<b>1. Balance of banks current account before BCRP operations</b>	<b>249,2</b>	<b>113,8</b>	<b>180,8</b>	<b>218,4</b>	<b>129,2</b>
<b>2. BCRP monetary and exchange operations</b>					
a. Auction of temporary purchase of CDBCRP and BTP					
b. Auction of Readjustable Certificates of Deposits (CDR-BCRP)	32,8				15,0
c. Exchange operation at the over the counter					
- Sales (million of S/.)	72,9	107,1	93,9	102,1	12,6
(million of US\$)	\$20	\$30	\$26	\$28	\$4
<b>3. BCRP monetary operations (end of operations)</b>					
a. Temporary purchase of foreign currency (swaps). (million of S/.) (million of US\$)					148,65 41,2
b. Direct temporary purchase of CDBCRP and BTP	48	120	60	59,8	
c. Monetary regulation credit in domestic currency			58		
<b>4. Balance of the banks' current account at the BCR (end of operations)</b>	<b>191,5</b>	<b>126,7</b>	<b>204,9</b>	<b>176,1</b>	<b>250,2</b>
<b>5. Interest rates</b>					
a. Interbank	4,47	4,27	4,29	4,25	5,85
b. Average auction of CDR-BCRP	2,64				2,64
<b>6. Maximum amount of monetary operations</b>					
a. Maximum amount of CDBCRP and BTP (out of auction)	120	120	60	n.a.	n.a.
b. Maximum joint amount of direct repos with CDBCRP and BTP and monetary regulation credit	n.a.	n.a.	n.a.	60	0

For September, the Board of the Bank approved that the operating target of the current account will be S/. 175 million

to S/. 195 million on a daily average basis.

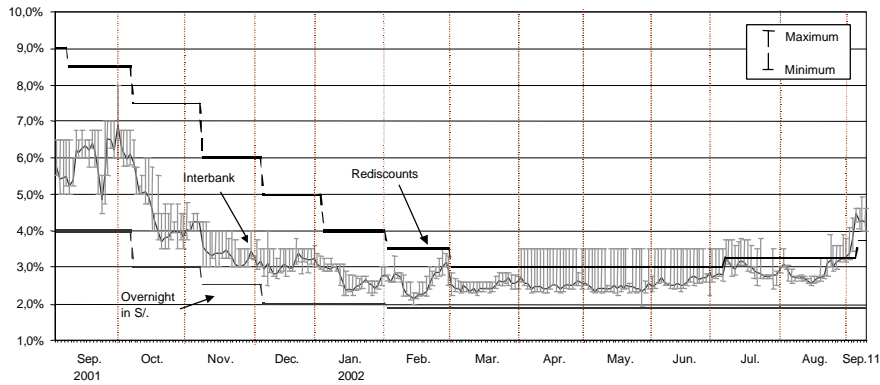


## **Interbank interest rate: 4,1 percent**

As of September 11, the average interbank interest rate was 4,1 percent, higher than the average rate recorded in August (2,9 percent). This rate came to

5,8 percent on September 11, when banking enterprises appealed to window operations with the BCRP in order to meet liquidity requirements.

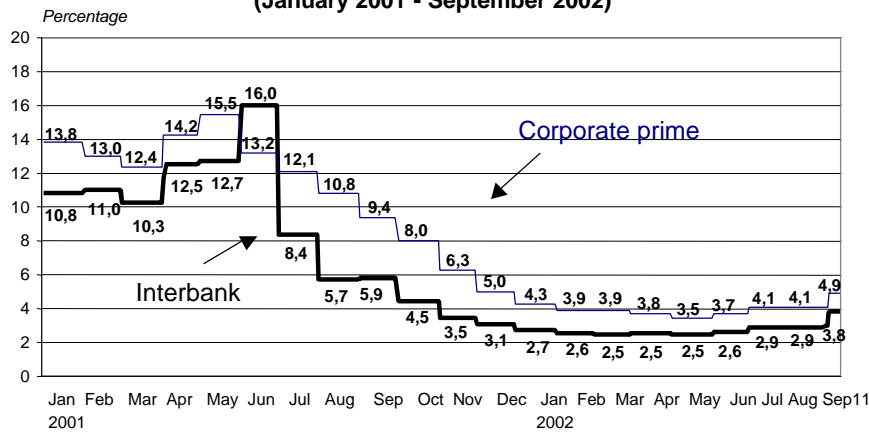
### Interest rates in domestic currency (September 2001 - September 2002)



### Corporate prime interest rates

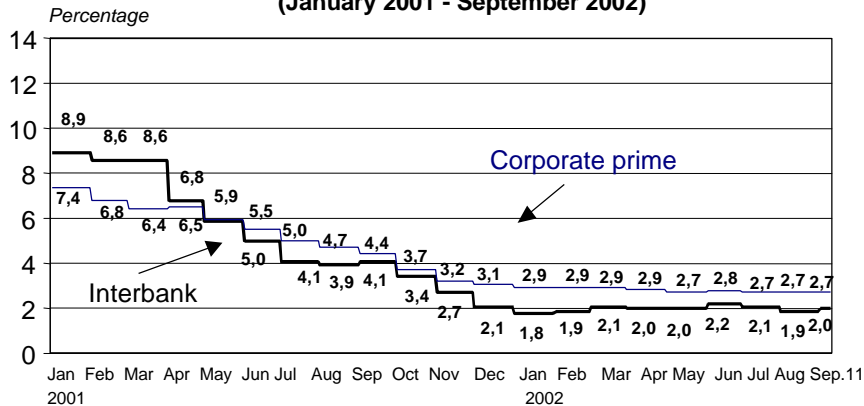
As of September 11, the corporate prime interest rate in domestic currency was 4,9 percent, higher than the average recorded in August (4,1 percent).

Monthly average interest rates in domestic currency  
(January 2001 - September 2002)



On the other hand, the corporate prime interest rate in foreign currency as of September 10 was 2,7 percent, similar to that recorded in August and July.

Monthly average interest rates in foreign currency  
(January 2001 - September 2002)



## Exchange rate: S/. 3,612

As of September 11, the exchange rate was S/. 3,609, down 0,2 percent from a week ago. However, it should be noted than on September 5, the exchange rate reached a maximum of S/. 3,652. since then, the Central Bank intervened with auctions of Readjustable Certificates of

Deposits (S/. 117,8 million) and sales of foreign currency (US\$ 107 million).

As of September 11, he net balance of forward operations of banking enterprises increased US\$ 77 million, whereas the covered exchange position decreased US\$ 12 million.

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

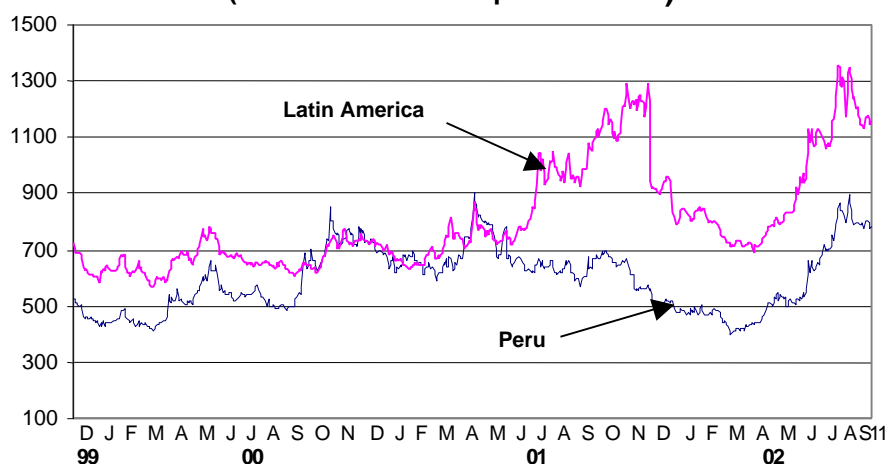
	December 2001	March	June	July	August	September 1-11
<b>End-of-period balance</b>						
<b>a. Net sales to the public (i-ii)</b>	<b>586</b>	<b>683</b>	<b>869</b>	<b>975</b>	<b>969</b>	<b>1 046</b>
i. Forward sales to the public	834	1 054	1 210	1 305	1 308	1 333
ii. Forward purchases to the public	248	371	341	328	338	287
<b>b. Banks' exchange position</b>	<b>587</b>	<b>635</b>	<b>645</b>	<b>611</b>	<b>650</b>	<b>638</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>	<b>9</b>
- New sales	11	29	42	47	34	42
- Redemptions	15	32	39	41	35	32
<b>II. Forward purchases to the public</b>	<b>-3</b>	<b>-1</b>	<b>0</b>	<b>2</b>	<b>-1</b>	<b>0</b>
- New purchases	12	8	13	22	20	12
- Redemptions	15	9	13	20	21	12
<b>III. Net spot purchases to the public</b>	<b>3</b>	<b>21</b>	<b>30</b>	<b>23</b>	<b>14</b>	<b>4</b>
- Purchases	78	111	96	100	83	78
- Sales	75	90	66	77	69	74

## Peru's bonds spread: 7,7 percent

As of September 11, the average spread of Peruvian sovereign bonds was 7,7 percent, lower than in August (8,1 percent), whereas in end-of-period terms this spread declined from 7,9 to 7,7 percent. The spread of the global

Peruvian bond spread with the 10 year maturity US bond passed from 8,2 percent in August to 7,9 percent in the period September 1 to 11. In end-of-period terms this spread remained at 7,7 percent.

Spread of sovereign bonds  
(December 1999 – September 2002)



## GDP grew 4,1 percent in the period January-July

The **gross domestic product** (GDP) grew 3,8 percent in July and 4,1 percent in the period January-July. Seasonally adjusted GDP decreased 1,0 percent in July.

July growth was based in the higher dynamism of the non-primary sectors

which grew 4,5 percent thanks to the expansion in non-primary industry, construction, trade and other services. Primary sectors also grew (1,1 percent) reflecting the expansion in mining and agriculture.

GROSS DOMESTIC PRODUCT				
(Rates of growth)				
	July		January-July	
	2001	2002	2001	2002
<b>Primary GDP</b>	<b>0,8</b>	<b>1,1</b>	<b>-1,3</b>	<b>7,2</b>
<b>Agriculture and livestock</b>	<b>-2,3</b>	<b>1,2</b>	<b>-2,3</b>	<b>5,6</b>
<i>Agriculture</i>	-6,5	-0,9	-4,6	5,9
<i>Livestock</i>	4,1	4,0	1,6	5,2
<b>Fishing</b>	<b>-31,0</b>	<b>-0,7</b>	<b>-6,9</b>	<b>-7,9</b>
<b>Mining and oil products</b>	<b>17,4</b>	<b>1,8</b>	<b>2,5</b>	<b>17,7</b>
<i>Mining</i>	20,1	2,1	3,2	19,5
<i>Oil products</i>	-2,8	-1,5	-3,7	2,1
<b>Based on raw materials</b>	<b>-8,2</b>	<b>0,0</b>	<b>-2,7</b>	<b>-2,5</b>
<i>Sugar</i>	17,4	17,6	0,4	22,1
<i>Meat products</i>	5,3	4,4	1,4	6,8
<i>Fishmeal</i>	-52,3	27,8	-18,1	-12,8
<i>Canned and frozen fish</i>	17,2	-58,8	17,6	-34,5
<i>Non-ferrous metal</i>	6,9	-11,7	1,9	0,2
<i>Refined petroleum</i>	-1,1	15,9	0,6	-1,1
<b>Non-Primary GDP</b>	<b>-0,6</b>	<b>4,5</b>	<b>-1,5</b>	<b>3,4</b>
<b>Non-primary industries</b>	<b>-0,2</b>	<b>7,0</b>	<b>-1,0</b>	<b>3,8</b>
<i>Food, beverage and tobacco</i>	-1,7	7,1	0,0	4,9
<i>Textile, leather and footwear</i>	4,3	6,3	-3,1	1,1
<i>Paper and paper products</i>	-3,7	36,7	1,3	15,1
<i>Chemical, rubber and plastic products</i>	3,6	9,0	2,2	6,5
<i>Non-metallic minerals</i>	-12,0	16,7	-2,9	6,7
<i>Iron and steel</i>	-4,5	12,5	7,0	-8,1
<i>Metallic products, machinery and equipment</i>	6,4	-12,7	-1,3	-8,5
<i>Miscellaneous manufacturing products</i>	8,0	-11,8	3,1	-1,9
<b>Construction</b>	<b>-8,2</b>	<b>13,5</b>	<b>-10,8</b>	<b>9,6</b>
<b>Trade</b>	<b>-1,4</b>	<b>1,3</b>	<b>-1,4</b>	<b>2,0</b>
<b>Other services</b>	<b>0,3</b>	<b>4,0</b>	<b>-0,7</b>	<b>3,1</b>
<b>GDP</b>	<b>-0,3</b>	<b>3,8</b>	<b>-1,4</b>	<b>4,1</b>
<b>Seasonally adjusted GDP</b>	<b>0,0</b>	<b>-1,0</b>		

1/ Includes wood based industry and furniture.

## July trade balance: US\$ 46 million

In July, the **trade balance** recorded a US\$ 46 million surplus, lower than in June (US\$ 224 million) and July 2001 (US\$ 81 million) as a result of a greater imports (25 percent and 7 percent, respectively).

**Exports** amounted to US\$ 720 million, down US\$ 45 million (6 percent) from June due to the fall in fishing exports. However, they were US\$ 7 million (1 percent) higher than in July 2001, thanks to greater mining exports.

**Imports** totaled US\$ 674 million, US\$ 134 million (25 percent) higher

than in June due to higher acquisitions of consumer (US\$ 20 million), intermediate (US\$ 76 million) and capital goods (US\$ 38 million). Compared with July 2001, the acquisitions of consumer and intermediate goods increased US\$ 9 and 43 million, respectively, whereas capital goods declined US\$ 9 million.

In July 2002, terms of trade rose 4 percent due to the increase in export prices (7 percent) that exceeded the rise in import prices (2 percent).

	TRADE BALANCE (Million of US\$)					
	July			January-July		
	2001	2002	Var.%	2001	2002	Var.%
<b>Trade balance</b>	81	46	-43,9	-125	104	183,4
<b>Exports</b>	713	720	0,9	4116	4278	3,9
<b>Traditional products</b>	<b>477</b>	<b>521</b>	<b>9,2</b>	<b>2744</b>	<b>2968</b>	<b>8,2</b>
Fishing	150	137	-8,7	683	576	-15,6
Agriculture	21	27	24,4	81	83	2,6
Mining	282	326	15,8	1734	2075	19,7
Petroleum and derivatives	24	31	30	246	235	-4,8
<b>Non-traditional products</b>	<b>225</b>	<b>182</b>	<b>-19,2</b>	<b>1259</b>	<b>1238</b>	<b>-1,6</b>
Agriculture	34	36	7,7	214	274	27,7
Textile	61	56	-9,4	405	371	-8,5
Fishing	16	13	-20,8	118	106	-9,6
Fabricated metal products	50	15	-69,4	108	71	-34
Chemical	21	22	8,2	141	143	0,9
Based metal industries	16	13	-18,4	122	89	-26,7
Non-metal	4	5	18,7	31	38	23
Others	23	21	-6	120	146	22,5
<b>Others</b>	<b>12</b>	<b>18</b>	<b>48,9</b>	<b>114</b>	<b>72</b>	<b>-36,8</b>
<b>Imports</b>	<b>632</b>	<b>674</b>	<b>6,7</b>	<b>4241</b>	<b>4174</b>	<b>-1,6</b>
Consumer goods	133	142	6,7	868	951	9,6
Inputs	321	364	13,5	2104	2141	1,7
Capital goods	172	163	-5,1	1189	1037	-12,8
Others	6	5	-18,7	80	46	-42,9

## July primary deficit: S/. -514 million

In July, the central government primary balance recorded a deficit of S/. 514 million, reflecting the Holidays bonus granted in July. Current revenues remained steady in real terms, but recorded an S/. 75 million increase with respect to the previous month, due to higher duties on foreign trade.

Non-financial expenditure (S/. 2 861 million) increased 12 percent with respect to July 2001, of which, capital expenditure, associated to Foncodes and road maintenance programs, increased 20 percent.

**CENTRAL GOVERNMENT OPERATIONS**  
(Million of S/.)

	July			January-July		
	2001	2002	Real % var.	2001	2002	Real % var.
<b>1. CURRENT REVENUES</b>	<b>2 261</b>	<b>2 266</b>	<b>0,4</b>	<b>15 809</b>	<b>15 643</b>	<b>- 0,7</b>
<b>2. NON FINANCIAL EXPENDITURE</b>	<b>2 567</b>	<b>2 861</b>	<b>11,6</b>	<b>15 814</b>	<b>16 206</b>	<b>2,9</b>
<i>a. Current</i>	2 232	2 460	10,4	13 585	14 078	4,0
<i>b. Capital</i>	334	401	20,2	2 229	2 128	- 4,3
<i>from which: Investment</i>	323	345	7,0	1 883	1 852	- 1,3
<b>3. CAPITAL REVENUES</b>	<b>13</b>	<b>82</b>	<b>509,5</b>	<b>130</b>	<b>174</b>	<b>34,7</b>
<b>4. PRIMARY BALANCE (1-2+3)</b>	<b>-292</b>	<b>-514</b>		<b>124</b>	<b>-389</b>	
<b>5. INTEREST</b>	<b>193</b>	<b>161</b>	<b>- 16,5</b>	<b>2 223</b>	<b>2 009</b>	<b>- 9,2</b>
<b>6. OVERALL BALANCE (4-5)</b>	<b>-485</b>	<b>-675</b>		<b>-2 099</b>	<b>-2 398</b>	

## August Public Treasury's cash flow: S/. -41 million

In August, the Public Treasury cash flow in **domestic currency** was negative in S/. 41 million. Revenues amounted to S/. 1 845 million and cash payments to S/. 1 886 million. The difference was financed with a sovereign bond issuance of S/. 49 million. August tax collection amounted to S/. 2 074 million, 9 percent higher than a year ago, whereas non-financial expenditure (S/. 1 776 million) grew 7 percent.

In **foreign currency**, the cash flow was negative in US\$ 172 million. Revenues amounted to US\$ 16 million whereas the external debt service amounted to US\$ 187 million. In August, it was recorded a US\$ 112 million deposit oriented to the Ancash Development Fund. As a result, the balance of the Public Treasury accounts at the Central Bank amounted to US\$ 652 million (of which US\$ 40 million correspond to privatization, US\$ 240 million to other available accounts and US\$ 372 million to intangibles).

### PUBLIC TREASURY CASH FLOW

	July			January-July		
	2001	2002	Var %	2001	2002	Var %
<b>A. DOMESTIC CURRENCY (Millions of Nuevos Soles)</b>						
I. REVENUES	1 715	1 845	7,6	13 789	14 248	3,3
II. PAYMENTS	-1 721	-1 886	9,6	-14 272	-15 212	6,6
III. PURCHASE (-) / SELLING (+) of foreign currency	0	0		-360	0	
IV. <u>OVERALL BALANCE</u> (I+II+III)	<u>-6</u>	<u>-41</u>		<u>-843</u>	<u>-963</u>	
Bonds	0	49		501	739	
Cash flow	6	-8		342	225	
Note:						
Deposits of Public Treasury in domestic currency	-618	-933				
Floating debt	545	770				
Bonds stock	500	1 934				
<b>B. FOREIGN CURRENCY (Millions of US dollars)</b>						
I. REVENUES	9	16	72,3	190	172	-9,7
II. PURCHASE (+) / SELLING (-) of foreign currency 1/	0	0		102	0	
III. PAYMENTS	-112	-187	66,6	-1041	-1082	4,0
IV. <u>OVERALL BALANCE</u> (I+II+III)	<u>-103</u>	<u>-172</u>		<u>-749</u>	<u>-911</u>	
Disbursements and bonds	0	0		593	1 011	
Privatization	3	1		83	31	
Cash flow	101	171		73	-130	
Note:						
<u>Deposits of Public Treasury in foreign currency</u>	<u>595</u>	<u>652</u>				
Privatization and Promcepri	215	40				
Other available accounts	190	240				
Stabilization Fiscal Fund	110	186				
Other intangible accounts	80	185				

1/ Negative sign indicates sale.

## Liquidity in domestic currency decreased 0,6 percent

As of August 22, liquidity in **domestic currency** decreased 0,6 percent (S/. 109 million) in the last 4 weeks to S/. 17 524 million (recording an annual increase of 22,8 percent). Credit to the private sector in domestic currency increased 0,8 percent (S/. 73 million) amounting to S/. 9 313 million (annual growth of 5,8 percent).

Liquidity in **foreign currency** increased 0,8 percent (US\$ 80 million) to US\$ 9 691 million between July 22 and August 22 and 2,0 percent in annual terms. Short-term external liabilities increased 2,0 percent (US\$ 28 million) totaling US\$ 1 396 million. Credit to the private sector in foreign currency decreased 1,5 percent (US\$ 165 million) to US\$ 10 574 million (annual contraction of 2,4 percent).

MONETARY AGGREGATES (End of period)												
	Monetary base		Liquidity in S/.		Credit in S/.		Liquidity in US\$		Short term ext. liabilities. <sup>1/</sup>		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
<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.	12,2%	19,9%	6,2%	22,1%	0,5%	6,7%	4,5%	1,1%	3,6%	-14,1%	-0,6%	-2,6%
Aug.22	-0,2%	23,3%	-0,6%	22,8%	0,8%	5,8%	0,8%	2,0%	2,0%	-13,0%	-1,5%	-2,4%
Memo:												
Balance as of Jul. 22	6 421		17 633		9 240		9 611		1 368		10 739	
(Mill.S/ or Mill.US\$)												
Balance as of Aug. 22	6 412		17 524		9 313		9 691		1 396		10 574	
(Mill.S/ or Mill.US\$)												
1/ Short term external liabilities of banking enterprises.												

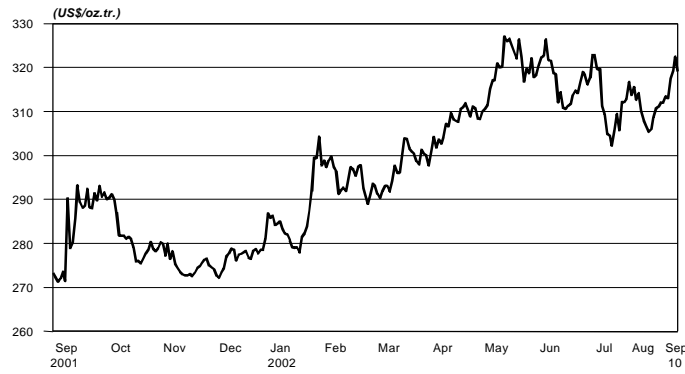
## International markets

Between September 3 to 10, the gold international quotation (US\$ 319,1 per once troy) increased 1,8 percent. The potential military conflict in the Middle East has impacted the markets, pushing the international prices up. However,

this trend reverted on September 10 due to the recovery of the European stock markets. On the other hand, the silver quotation was US\$ 4,6 per once Troy, up 1,6 percent from a week ago.



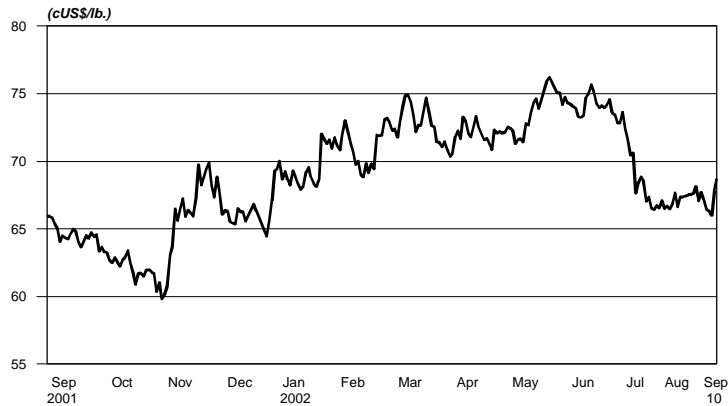
**Gold quotation**  
(September 2001 - September 2002)



The copper quotation averaged US\$ 0,69 per lb, up 2,2 percent from last week, whereas LME inventories decreased 0,4 percent to 892 thousand

metric tones. On the other hand, the zinc quotation rose 1,7 percent to US\$ 0,35 per lb.

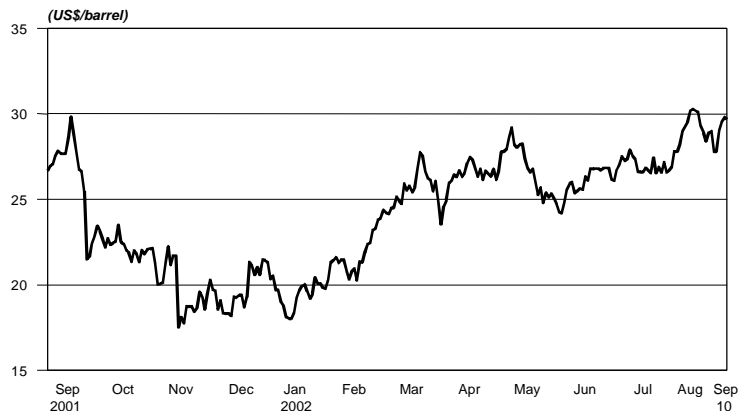
**Copper quotation**  
(September 2001 - September 2002)



The WTI oil quotation was US\$ 30,0 per barrel, up 7,7 percent from a week ago, due to the potential US escalation

on Iraq, which could compromise the normal supply of crude oil.

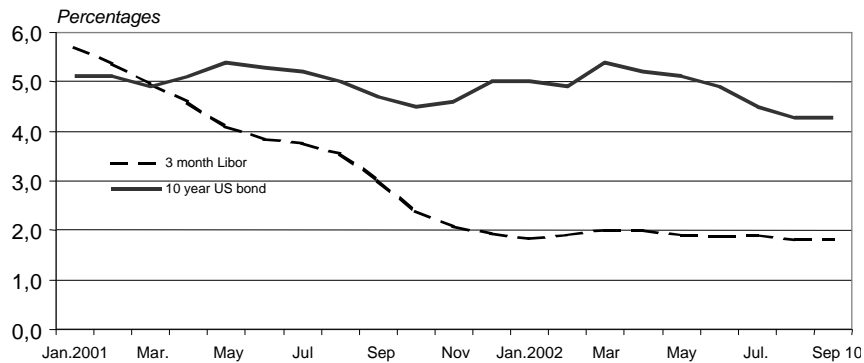
**Oil quotation**  
(September 2001 - September 2002)



The 3-month Libor increased from 1,80 to 1,82 percent between September 3 to 10, whereas the yield of the US

Treasury bond with a 10 year maturity passed from 3,965 to 3,995 percent over the same period.

**Libor and US Treasury bonds with a 10 year maturity  
(January 2001 - September 2002)**

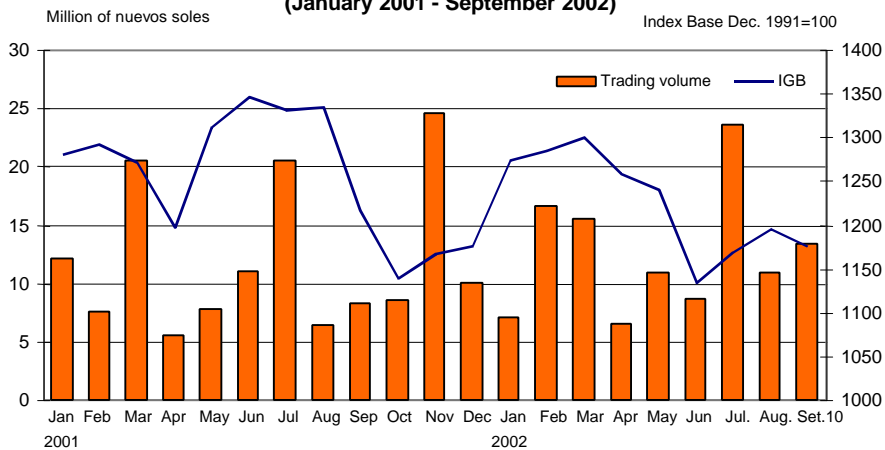


### General Index decreased 1,6 percent

As of September 10, the Lima Stock Exchange decreased 1,6 and 2,0 percent in the General and Blue Chip Index,

respectively. In the year these indices have decreased 0,1 and 3,2 percent.

**Stock market indicators  
(January 2001 - September 2002)**



### Lima, September 13, 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 (jcava@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).