

BANCO CENTRAL DE RESERVA DEL PERÚ

WEEKLY REPORT

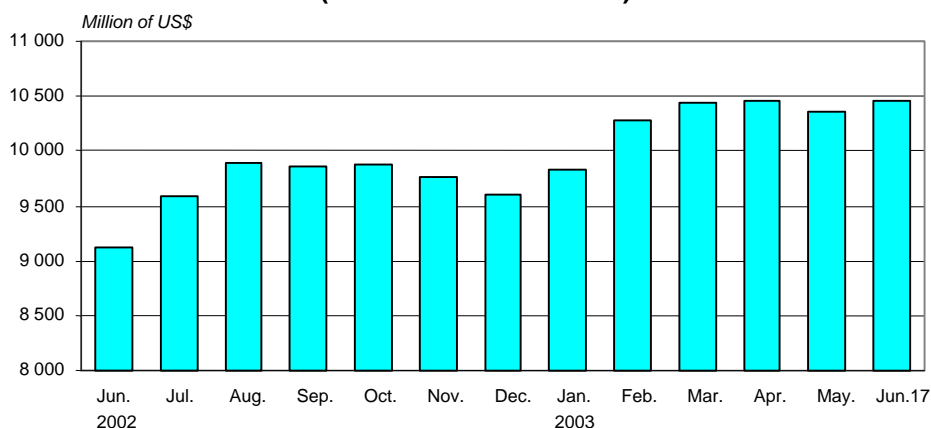
N° 24 – JUNE 20, 2003

Net International Reserves: US\$ 10 455 million

As of **June 17**, the net international reserves (NIR) of the Central Reserve Bank of Peru amounted to US\$ 10 455 million, up US\$ 95 million from end-May due to higher financial system deposits at the BCR (US\$ 161 million), net investment yield

(US\$ 21 million) and the net purchase of foreign currency (US\$ 18 million). These operations were partially offset by the withdrawal of public sector deposits (US\$ 105 million). In the year, NIR has increased US\$ 857 million.

**Net international reserves
(June 2002 - June 2003)**

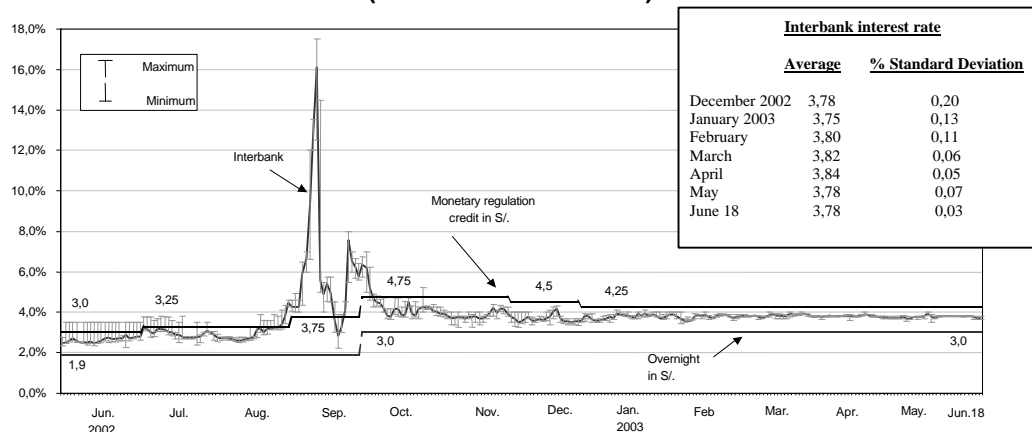


Interbank interest rate at 3,78 percent

As of **June 18**, the average interbank interest rate was 3,78 percent, similar to May. This rate is in line with the reference

interest rates of the BCR's operations with banks: 4,25 percent for loans and 3 percent for deposits.

**Interest rate in domestic currency
(June 2002 – June 2003)**



Monetary operation

As of **June 18**, the banks' current account held at the Central Bank averaged S/. 255 million, whereas the estimated balance range for that month was S/. 190 to S/. 210 million. **Between June 12 to 18**, the Bank made the following operations:

- On June 17, auctions of CDBCRP by S/. 75 million with a 6 month maturity and a 3,99 percent interest rate.

- Auctions of temporary purchases of CDBCRP and BTP totaling S/. 315 million. The average interest rate of these operations was 3,71 percent.

- On June 13, 16 and 18; the Bank made purchase of foreign currency amounting to US\$ 24 million.

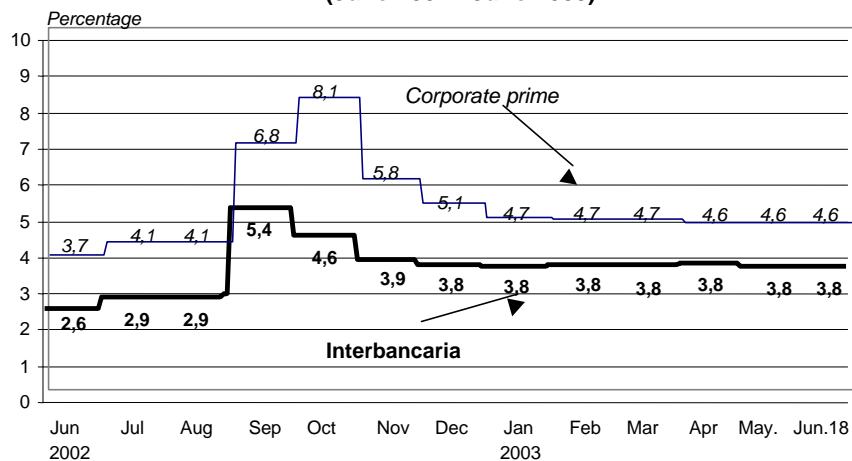
- Additionally, the Bank received overnight deposit on June 16 and 17 by S/. 90 and 52 million, respectively.

Corporate interest rates at 4,6 percent

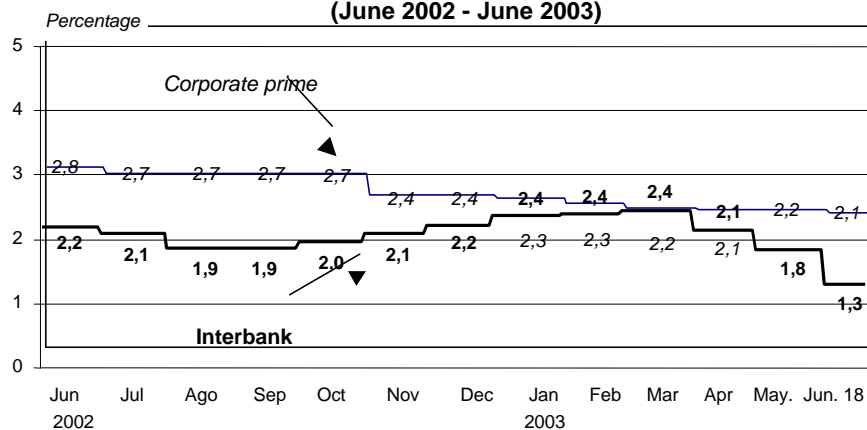
As of **June 18**, the average corporate prime interest rate in domestic currency was 4,6 percent, similar to May; whereas the rate in

foreign currency decreased slightly to 2,1 percent from 2,2 percent in May.

Monthly average interest rate in domestic currency
(June 2002 - June 2003)



Monthly average interest rate in foreign currency
(June 2002 - June 2003)



Exchange rate at S/. 3,473

As of **June 18**, the exchange rate was S/. 3,473, down 0,7 percent from end-May. In the same period, the banks' exchange

position fell by US\$ 38 million whereas the balance of net forward sales decreased US\$ 12 million.

BANKS' EXCHANGE POSITION (Millions of US\$)

	December	January 2003	March	April	May	June 18
a. Net sales to the public (i-ii)	905	923	798	665	768	756
i. Forward sales to the public	1 141	1 167	943	910	974	960
ii. Forward purchases to the public	236	244	145	245	206	204
b. Banks' exchange position	642	616	614	625	656	618

Banking system monetary accounts: May 2003

In May, the banking system liquidity in **domestic currency** increased 1,6 percent (annual growth of 13,8 percent). Credit to the private sector in the same currency grew 0,7 percent (annual growth of 14,6 percent).

In **foreign currency**, banking liquidity decreased 1,2 percent (annual growth of 2,9 percent). Credit to the private sector fell 0,7 percent in May, down 6,7 percent from a year ago.

END OF PERIOD MONETARY AGGREGATES OF THE BANKING SYSTEM												
	Monetary base ^{1/}		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
2001												
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%	-0,6%	15,1%	-3,8%	2,2%	0,3%	-1,3%	-3,8%	-21,7%	0,5%	-3,1%
May.	-0,1%	14,5%	-0,2%	16,8%	0,9%	4,1%	-0,2%	-1,4%	3,1%	-16,0%	0,3%	-3,4%
Jun.	3,5%	17,2%	2,3%	20,8%	1,4%	6,0%	0,2%	-2,0%	4,8%	-17,1%	-0,5%	-3,8%
Jul.	12,2%	19,9%	6,3%	22,9%	0,6%	6,4%	4,1%	1,1%	3,8%	-20,7%	-0,4%	-3,2%
Aug.	-4,6%	21,4%	-1,2%	22,7%	-0,2%	5,7%	1,6%	1,8%	-1,4%	-15,6%	-0,7%	-2,8%
Sep.	-4,1%	18,3%	-2,2%	19,9%	1,8%	7,4%	-1,6%	-0,3%	-0,6%	1,1%	-1,0%	-3,0%
Oct.	1,0%	13,8%	-1,7%	15,5%	1,6%	7,8%	1,3%	0,9%	-2,8%	-6,2%	-1,0%	-3,4%
Nov.	-0,4%	14,3%	0,4%	12,4%	1,5%	8,0%	1,5%	2,5%	-30,9%	-33,6%	0,4%	-2,6%
Dec.	11,1%	11,0%	5,7%	9,9%	0,8%	7,2%	-2,8%	1,5%	-4,7%	-34,0%	-0,3%	-3,5%
2003												
Jan.	-9,2%	9,4%	-2,7%	10,5%	-2,8%	6,1%	0,1%	2,4%	-4,0%	-34,8%	-2,8%	-5,2%
Feb.	-0,3%	8,3%	2,8%	11,4%	3,5%	7,9%	0,4%	3,0%	-9,3%	-32,6%	-0,4%	-6,7%
Mar.	-1,1%	5,0%	1,9%	10,9%	1,6%	6,8%	0,1%	4,7%	-14,2%	-39,0%	-0,1%	-5,7%
Apr.	3,1%	9,5%	0,2%	11,8%	3,4%	14,8%	-0,4%	3,9%	12,6%	-28,5%	0,6%	-5,7%
May.	-1,1%	8,4%	1,6%	13,8%	0,7%	14,6%	-1,2%	2,9%	-1,8%	-31,9%	-0,7%	-6,7%
Memo:												
Balance as of Apr.30 (Mill.S./or Mill.US\$)	6 236		18 421		10 376		9 606		795		10 086	
Balance as of May 31 (Mill.S./or Mill.US\$)	6 167		18 723		10 448		9 493		781		10 013	
1/ Short term external liabilities of banks.												

Gross domestic product

In April 2003, the gross domestic product (GDP) grew 2,5 percent. The cumulative growth in the period January-April reached 4,4 percent. Over this period, the most

dynamic sectors were agriculture and fisheries, whereas non-primary activities recorded a lower growth 1,6 percent.

GROSS DOMESTIC PRODUCT				
(Rates of growth)				
	April		January - April	
	2002	2003	2002	2003
Agriculture and livestock	10,9	4,7	7,7	2,8
<i>Agriculture</i>	14,1	4,4	11,0	1,8
<i>Livestock</i>	5,2	5,2	3,1	4,1
Fishing	-16,6	8,1	-19,9	-9,7
Mining and oil	19,7	8,2	24,3	5,4
<i>Metal mining</i>	21,6	9,1	26,1	6,4
<i>Oil and derivatives</i>	-1,1	-0,8	3,6	-4,9
Manufacturing	8,7	-0,6	1,6	3,2
<i>Raw material processing</i>	-7,1	9,2	-4,6	-1,8
<i>Non-primary industry</i>	13,8	-3,2	3,4	4,5
Construction	8,5	2,0	9,9	3,1
Trade	9,5	2,4	2,8	5,1
Services	7,7	2,6	3,2	4,3
<i>Energy and water</i>	9,3	2,7	6,9	4,4
<i>Others</i>	7,6	2,6	3,0	4,3
<u>GROSS VALUE ADDED</u>	<u>9,0</u>	<u>2,7</u>	<u>4,7</u>	<u>4,0</u>
<i>taxes and import rights</i>	10,6	0,5	1,4	8,8
GDP	<u>9,2</u>	<u>2,5</u>	<u>4,4</u>	<u>4,4</u>
Primary GDP	8,7	6,5	9,2	2,5
Non-primary GDP	9,1	1,6	3,6	4,4
Memo:				
Domestic demand	10,1	0,4	3,4	3,7

The agriculture & livestock sector expanded 4,7 percent in April, thanks to the higher production of potato, yellow corn, sugarcane, rice and other agricultural products (such as apple, tangerine, papaya, onion, cacao and marigol). **Fisheries** increased 8,1 percent, reflecting the higher catch in human and industrial oriented fishing. The latter responding to a higher catch of anchovy after the end of the ban and the greater number of worked days in April 2003 against April 2002 (28 versus 22). The **mining** sector grew 8,2 percent due to the higher production of gold, zinc and silver, that exceeded the decline in copper and tin. On the other hand, **oil and gas** output decreased 0,8 percent.

Manufacturing activities recorded a 0,6 percent contraction after the decline in non-primary industries (3,2 percent), which was partially offset by the 9,2 percent increase in raw material processing. The setback in non-primary industry obeys to the lower output of chemical, rubber and plastic; metallic; machinery and equipment and foodstuffs, beverages and tobacco activities. **Construction** grew 2 percent in April. It should be noted the 14,7 percent in road building, in particular that of the Inter-oceanic corridor in Southern Peru and Rioja-Tarapoto and Olmos-Corral Quemado highways.

Spread of global bond at 4,0 percent

On June 18, the spread of the **Global Peruvian bond 2012** was 4,0 percent, against 4,1 percent on May 31, whereas the spread of the **sovereign bonds** remained at 4,4 percent during the same period. In

average terms, the spread of the Global bond increased from 3,9 to 4,2 percent, whereas the spread of the sovereign bonds passed from 4,1 to 4,4 percent.

Country risk indicators (June 2002 - June 2003)

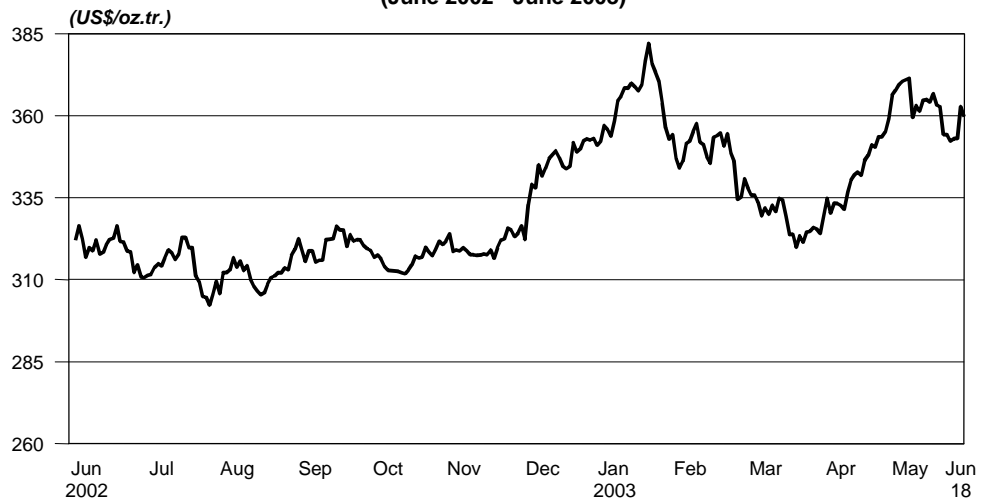


International markets

Between **June 11 to 18**, the **gold** quotation increased 1,6 percent to US\$ 359,8 per Troy ounce, reflecting the expectation on a

FED's interest rate decrease. On the other hand, the silver quotation rose 1,8 percent to US\$ 4,59 per Troy ounce.

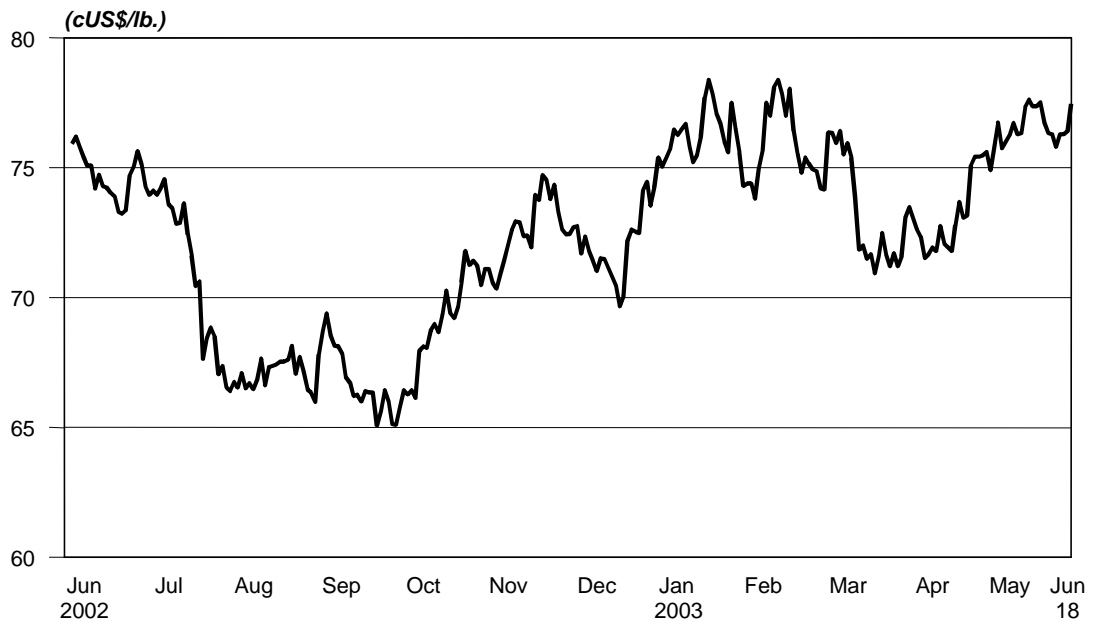
Gold quotation (June 2002 - June 2003)



In the same period, the **copper** quotation increased 1,5 percent to US\$ 0,77 per lb, as a response to the manufacturing output growth in the US and the expected higher

demand from China. On the other hand, the **zinc** quotation recorded a 3,1 percent rise to US\$ 0,37 per lb.

Copper quotation (June 2002 - June 2003)



The **WTI oil quotation** increased 5,9 percent to US\$ 30,3 per barrel, once it was known the recovery of industrial countries'

oil inventories. Additionally, it should be the resume of Iraq's oil shipments (9,5 million of barrels).

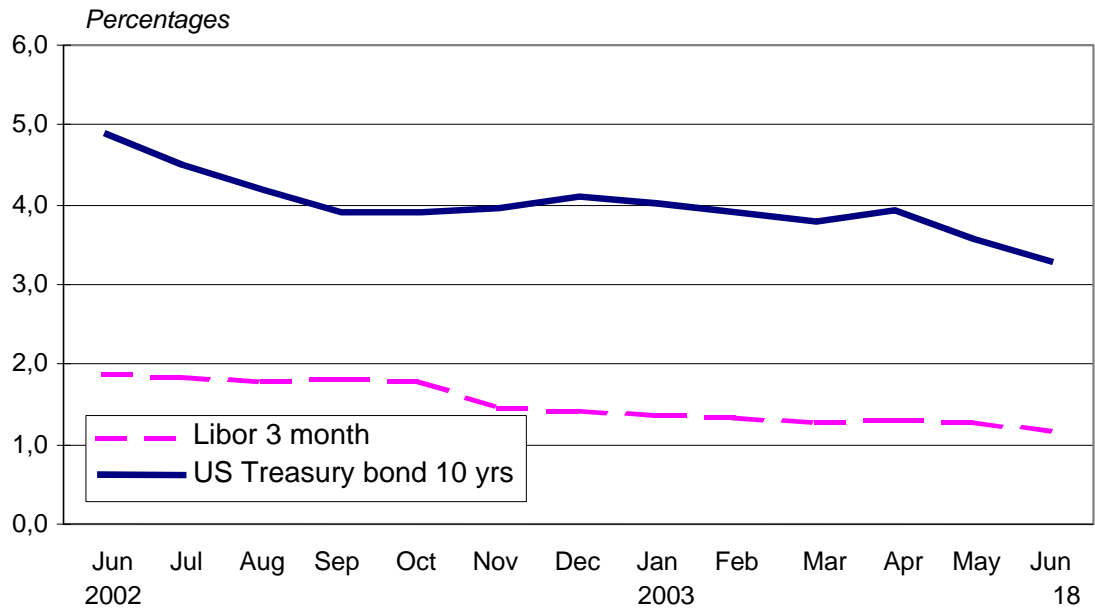
Oil quotation (June 2002 - June 2003)



Between June 11 to 18, the **3-month Libor** decreased from 1,14 to 1,03 percent, whereas the **yield of the US Treasury**

bond with a 10 year maturity passed from 3,21 to 3,32 percent.

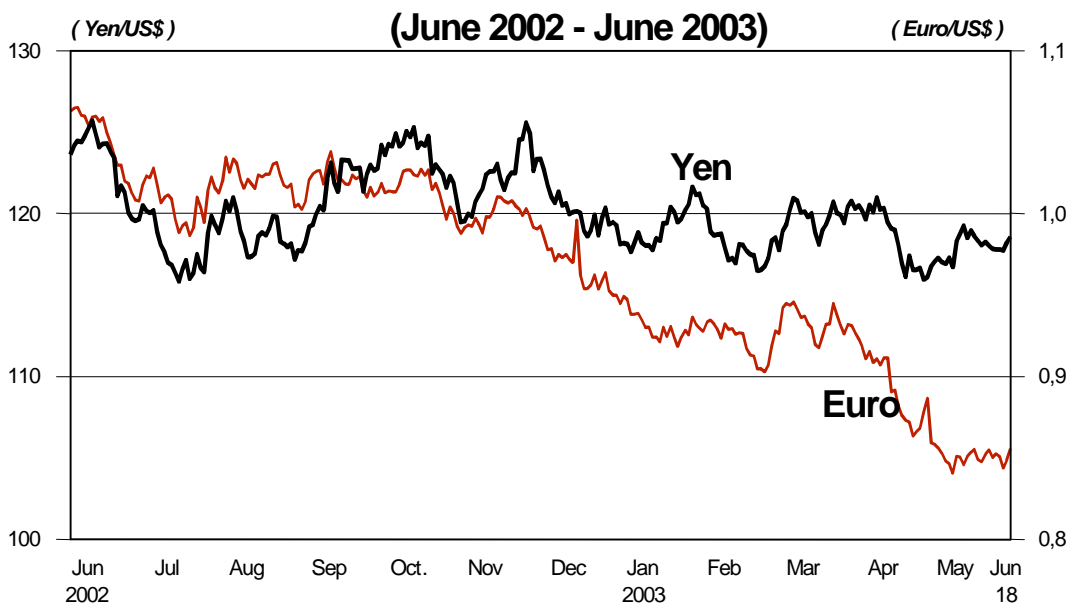
Libor and yield of 10 year matured US Treasury bonds (June 2002 - June 2003)



In the period under analysis, the **US dollar** appreciated 0,7 percent against the **euro** and 0,6 percent against the **Yen** into a context of mixed macroeconomic indicators (a lower consumer confidence in June, the

decrease in producer price index, the expectation of a FED interest rate decrease, a higher industrial production in May and the increase of new buildings).

Yen and Euro

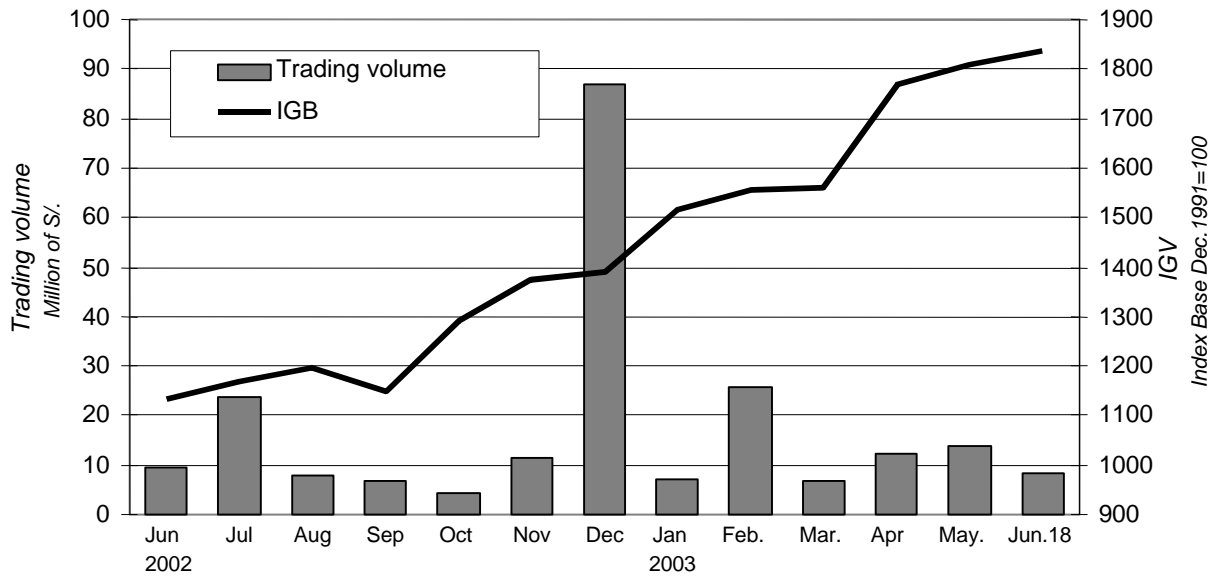


Lima Stock Exchange

As of **June 18**, the Lima Stock Exchange recorded an increase of 1,5 percent in the **General Index** and 1,1 percent in the **Blue**

Chip Index. In the year both indexes have increased 31,8 and 29,5 percent, respectively.

**Stock market indicators
(June 2002 - June 2003)**



Indicadores Económicos / Economic Indicators

	2002					2003					
	DIC.	MAR.	ABR.	30 May.	MAY.	12 Jun.	13 Jun.	16 Jun.	17 Jun.	18 Jun.	JUN.
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES					Var						Var
Posición de cambio / <i>Net international position</i>	3 341	3 609	3 808	3 813	5	3 800	3 816	3 828	3 832	3 779	-34
Reservas internacionales netas / <i>Net international reserves</i>	9 598	10 443	10 457	10 360	-97	10 370	10 400	10 398	10 455	10 408	48
Depósitos del sistema financiero en el BCR / <i>Financial system deposits at BCR</i>	3 381	3 581	3 465	3 494	29	3 599	3 614	3 601	3 655	3 601	108
Empresas bancarias / <i>Banks</i>	3 048	3 349	3 251	3 242	-9	3 360	3 372	3 355	3 405	3 353	111
Banco de la Nación / <i>Banco de la Nación</i>	291	185	168	204	36	191	194	198	202	199	-5
Sector privado / <i>Private sector</i>	42	48	46	47	2	49	48	48	48	49	2
Depósitos del sector público en el BCR / <i>Public sector deposits at BCR</i>	2 900	3 256	3 187	3 063	-124	2 981	2 979	2 959	2 958	3 017	-46
Depósitos de privatización	24	3	4	5	1	6	6	6	6	6	0
Otros depósitos / <i>Other *</i>	2 875	3 253	3 183	3 058	-126	2 975	2 974	2 953	2 953	3 012	-46
OPERACIONES CAMBIARIAS BCR (Mill. US\$) / BCR FOREIGN OPERATIONS	Acum.	Acum.	Acum.		Acum.						Acum.
Origen externo de la emisión primaria / <i>External origin of the monetary base</i>	49	146	182	0	-45	0	10	9	0	-45	-27
Compras netas en Mesa de Negociación / <i>Net purchases of foreign currency</i>	5	118	184	0	0	0	10	9	0	5	24
Operaciones swaps netas / <i>Net swap operations</i>	0	0	0	0	0	0	0	0	0	0	0
Operaciones con el Sector Público / <i>Public sector</i>	45	28	-3	0	-45	0	0	0	0	-50	-50
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE	Prom.	Prom.	Prom.		Prom.						Prom.
Compra interbancario / <i>Interbank bid</i>	3,513	3,479	3,464	3,495	3,481	3,480	3,472	3,466	3,472	3,472	3,481
Promedio / <i>Average</i>											
Venta Interbancario / <i>Interbank Ask</i>	3,516	3,480	3,465	3,497	3,482	3,483	3,478	3,469	3,470	3,475	3,483
Apertura / <i>Opening</i>											
Mediodía / <i>Midday</i>	3,515	3,480	3,465	3,495	3,482	3,481	3,473	3,467	3,476	3,473	3,482
Cierre / <i>Close</i>	3,515	3,480	3,465	3,496	3,482	3,477	3,473	3,468	3,475	3,471	3,481
Promedio / <i>Average</i>	3,515	3,479	3,465	3,496	3,482	3,481	3,473	3,467	3,474	3,473	3,482
Sistema bancario (SBS) / <i>Banking System</i>	3,513	3,478	3,464	3,494	3,480	3,480	3,473	3,468	3,471	3,472	3,481
Compra / <i>Bid</i>	3,515	3,480	3,465	3,496	3,482	3,481	3,474	3,471	3,472	3,473	3,482
Venta / <i>Ask</i>											
Índice de tipo de cambio real (1994 = 100) / <i>Real exchange rate Index (1994 = 100)</i>	100,0	100,4	101,4		104,6						
INDICADORES MONETARIOS / MONETARY INDICATORS											
Moneda nacional / Domestic currency											
Emisión Primaria (Var. % mensual) / <i>(% monthly change)</i>	11,1	-1,1	3,1	-1,1	-1,1						
Monetary base (Var. % últimos 12 meses) / <i>(% 12-month change)</i>	11,0	5,0	9,5	8,4	8,4						
Oferta monetaria (Var. % mensual) / <i>(% monthly change)</i>	5,7	1,9	0,2								
Money Supply (Var. % últimos 12 meses) / <i>(% 12-month change)</i>	9,9	10,9	11,8								
Crédito sector privado (Var. % mensual) / <i>(% monthly change)</i>	0,8	1,6	3,4								
Crédit to the private sector (Var. % últimos 12 meses) / <i>(% 12-month change)</i>	7,2	6,8	14,8								
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>	2,9	1,3	-2,5	3,5	3,5	-0,5	-1,1	-0,7	-0,6	-1,5	
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>	0,3	0,5	0,3	0,3	0,3	0,6	0,6	0,6	0,5	0,5	
Cuenta corriente de los bancos (saldo mill. S./) / <i>Banks' current account (balance)</i>	191	200	211	70	188	241	282	187	128	178	
Créditos por regulación monetaria (millones de S./) / <i>Rediscounts (Millions of S./)</i>	0	0	3	0	0	0	0	0	0	0	
Depósitos públicos en el BCR (millones S./) / <i>Public sector deposits at the BCR (Mills. S./)</i>	275	754	1 370	1 332	1 332	1 452	1 420	1 308	1 380	1 369	
Certificados de Depósitos BCRP (saldo Mill. S./) / <i>CDBCRP balance (Millions of S./)</i>	1 635	3 135	2 970	2 975	2 975	2 915	2 915	2 915	2 940	2 850	
Operaciones de reporte (saldo Mill. S./) / <i>repos (Balance millions of S./)</i>	0	210	80	80	80	115	190	40	40	90	
Tasa de interés (%) / <i>Interest rates (%)</i>											
Préstamos y descuentos hasta 360 días / <i>Loans & discount</i>	14,8	14,3	13,9	13,6	13,6	14,1	14,0	13,9	14,0	13,9	13,9
Interbancaria / <i>Interbank</i>	3,8	3,8	3,8	3,7	3,8	3,8	3,8	3,8	3,7	3,7	3,8
Preferencial corporativa a 90 días / <i>Corporate Prime</i>	5,2	4,7	4,6	4,6	4,6	4,6	4,6	4,6	4,6	4,6	4,6
Operaciones de reporte con CDBCRP / <i>CDBCRP repos</i>	s.m.	4,0	3,9	3,9	3,9	3,8	3,8	3,8	3,8	3,7	
Créditos por regulación monetaria / <i>Rediscounts</i>	s.m.	s.m.	4,3	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	
Del saldo de CDBCRP / <i>CDBCRP balance</i>	4,7	4,6	4,7	4,7	4,7	4,7	4,7	4,7	4,7	4,7	
Moneda extranjera / foreign currency											
Crédito sector privado (Var. % mensual) / <i>(% monthly change)</i>	-0,3	-0,1	0,6								
Crédit to the private sector (Var. % últimos 12 meses) / <i>(% 12-month change)</i>	-3,5	-5,7	-5,7								
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>	-2,0	0,2	-0,7	-0,9	-0,9	0,8	0,5	1,0	1,3	1,0	
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>	0,1	0,1	0,1	0,1	0,1	-0,1	-1,6	-1,7	-1,5	-1,3	
Créditos por regulación monetaria (millones de US dólares) / <i>Rediscounts</i>	0	0	0	0	0	0	0	0	0	0	
Tasa de interés (%) / <i>Interest rates (%)</i>											
Préstamos y descuentos hasta 360 días / <i>Loans & discount</i>	8,1	8,8	9,0	8,2	8,6	7,8	7,8	7,8	7,9	7,9	7,9
Interbancaria / <i>Interbank</i>	2,2	2,4	2,1	1,3	1,8	s.m.	s.m.	s.m.	s.m.	s.m.	1,3
Preferencial corporativa a 90 días / <i>Corporate Prime</i>	2,4	2,2	2,1	2,2	2,2	2,1	2,1	2,1	2,1	2,0	2,1
Créditos por regulación monetaria / <i>Rediscounts</i>	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	
INDICADORES BURSÁTILES / STOCK MARKET INDICES	Acum.	Acum.	Acum.		Acum.						Acum.
Índice General Bursátil (Var. %) / <i>General Index (% change)</i>	1,0	0,2	13,5	0,0	2,3	0,5	0,0	-0,9	-1,0	0,4	1,5
Índice Selectivo Bursátil (Var. %) / <i>Blue Chip Index (% change)</i>	1,2	0,0	13,5	-0,1	2,5	0,8	-0,1	-1,0	-1,0	0,5	1,1
Monto negociado en acciones (Mill. S./) - Prom. diario	86,8	6,8	12,1	14,4	14,0	5,1	6,2	5,5	7,6	8,1	8,0
INFLACIÓN (%) / INFLATION (%)											
Inflación mensual / <i>Monthly</i>	-0,03	1,12	-0,05		-0,03						
Inflación últimos 12 meses / <i>% 12 months change</i>	1,52	3,39	2,59		2,42						
GOBIERNO CENTRAL (Mill. S./) / CENTRAL GOVERNMENT (Mills. of S./)											
Resultado primario / <i>Primary balance</i>	-201	468	140								
Ingresos corrientes / <i>Current revenue</i>	2 779	2 726	2 940								
Gastos no financieros / <i>Non-financial expenditure</i>	3 108	2 266	2 806								
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)											
Balanza Comercial / <i>Trade balance</i>	80	-61	-58								
Exportaciones / <i>Exports</i>	748	647	629								
Importaciones / <i>Imports</i>	668	707	687								
PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT											
Variac. %, respecto al mismo mes del año anterior / <i>Annual rate of growth</i>	6,3	5,5	2,5								
COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS	Prom.	Prom.	Prom.		Prom.						Prom.
LIBOR a tres meses (%) / <i>LIBOR 3-month (%)</i>	1,4	1,3	1,3	1,3	1,3	1,1	1,1	1,1	1,1	1,1	1,2
Dow Jones (Var %) / <i>(% change)</i>	-5,9	1,3	6,1	1,6	4,4	0,2	-0,9	2,2	0,0	-0,3	5,0
Rendimiento de los U.S. Treasuries (10 años) / <i>U.S. Treasuries yield (10 years)</i>	4,0	3,8	3,9	3,4	3,5	3,2	3,1	3,2	3,3	3,4	3,3
Stripped spread del EMBI+ PERU (pbs) / <i>EMBI+ PERU stripped spread (basis points)</i>	620	511	426	441	411	442	411	424	425	445	436
Bono Global 2012 - Perú (en pbs) / <i>Global Bond 2012 - Peru (basis points)</i>	575	476	396	414	389	422	422	391	387	402	416

* Incluye depósitos de Promocpi, Fondo de Estabilización Fiscal (FEF), Cofide, fondos administrados por la ONP; y otros depósitos del MEF. El detalle se presenta en el cuadro No.21 de la Nota Semanal.

Fuente: BCR, INEI, Aduanas, Banco de la Nación, BVL, Sunat, SBS, Reuters y Bloomberg.