

BANCO CENTRAL DE RESERVA DEL PERÚ

WEEKLY REPORT

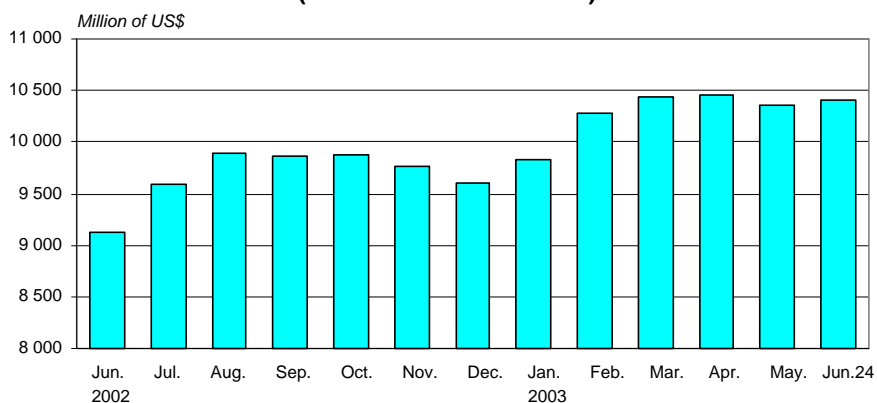
N° 25 – JUNE 27, 2003

Net International Reserves: US\$ 10 403 million

As of **June 24**, the net international reserves (NIR) of the Central Reserve Bank of Peru amounted to US\$ 10 403 million, up US\$ 43 million from end-May due to higher financial system deposits at the BCR (US\$ 118 million), net investment yield (US\$ 4 million)

and the net purchase of foreign currency (US\$ 4 million). These operations were partially offset by the withdrawal of public sector deposits (US\$ 83 million). In the year, NIR has increased US\$ 805 million.

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

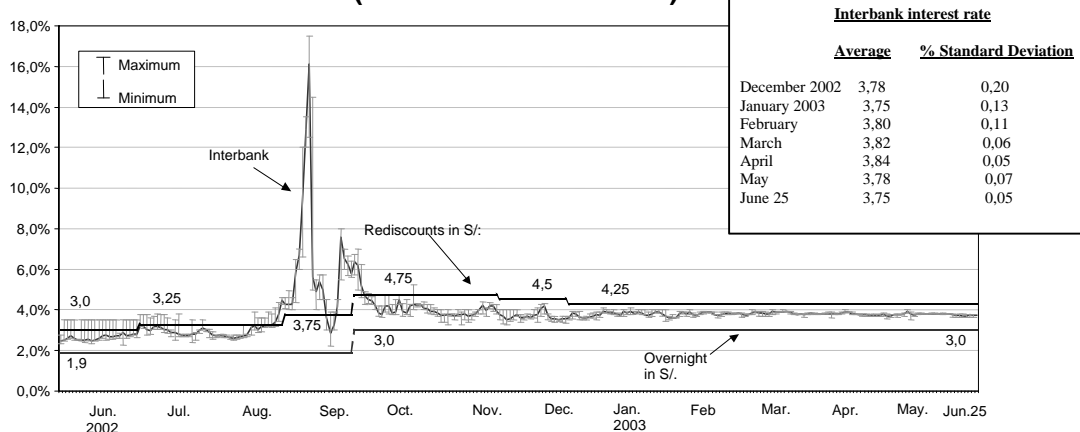


Interbank interest rate at 3,75 percent

As of **June 25**, the average interbank interest rate was 3,75 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 25**, the banks' current account held at the Central Bank averaged S/. 226 million, whereas the estimated balance range for that month was S/. 190 to S/. 210 million. **Between June 19 to 25**, the Bank made the following operations:

- Auctions of temporary purchases of CDBCRP and BTP totaling S/. 255 million. The average interest rate of these operations was 3,73 percent.

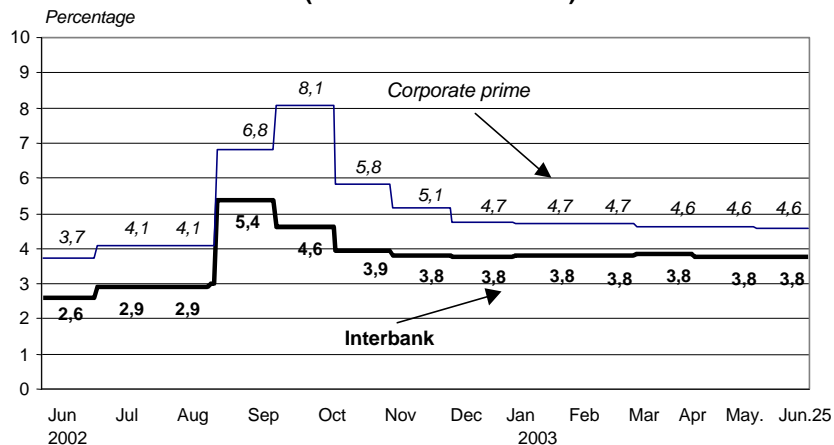
- On June 19, 20 and 24; the Bank made purchase of foreign currency amounting to US\$ 30 million at an average interest rate of S/. 3,472.
- Additionally, the Bank received overnight deposit on June 19, 23 and 25 by S/. 80 million.

Corporate interest rates at 4,6 percent

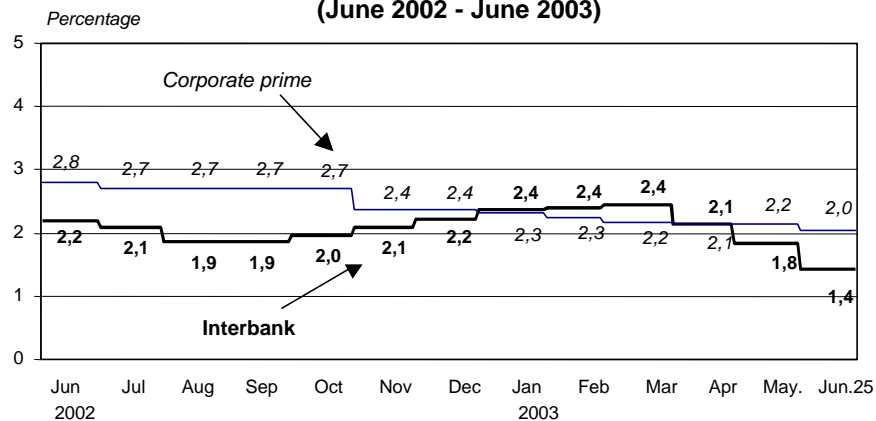
As of **June 25**, the average corporate prime interest rate in domestic currency was 4,6 percent, similar to May; whereas the rate in foreign currency decreased to 2,0 percent from 2,2 percent in May. On the other hand, interest rates of domestic capital markets

have decreased along the year. Likewise, on June 17, Telefónica placed S/. 70 million with a 2 year maturity at a 5,25 percent interest rate, against 6,28 percent in April and 7,90 percent in July 2002

Interbank interest rate in domestic currency (June 2002 - June 2003)



Interbank interest rate in foreign currency (June 2002 - June 2003)



Exchange rate at S/. 3,476

As of **June 25**, the exchange rate was S/. 3,476, down 0,6 percent from end-May. In the same period, the banks' exchange

position fell by US\$ 40 million whereas the balance of net forward sales decreased US\$ 13 million.

BANKS' EXCHANGE POSITION (Millions of US\$)

	December	January 2003	March	April	May	June 25
a. Net sales to the public (i-ii)	905	923	798	665	768	755
i. Forward sales to the public	1 141	1 167	943	910	974	979
ii. Forward purchases to the public	236	244	145	245	206	224
b. Banks' exchange position	642	616	614	625	656	616

Central government operations: May 2003

In May 2003, **central government primary balance** recorded a S/. 111 million surplus (against a S/. 134 million deficit a year ago), as a consequence of the improvement in current revenues and the lower dynamism of capital expenditure. Interest payments amounted to S/. 247 million, therefore the May overall balance reached a S/. 135 million deficit.

External financing was negative in S/. 123 million, reflecting disbursement by US\$ 21 million and amortization by US\$ 57 million. on the other hand, domestic financing amounted to S/. 253 million and privatization receipts to US\$ 1,2 million. Additionally, the government placed S/. 225 million in sovereign bonds.

CENTRAL GOVERNMENT OPERATIONS (Million of Nuevos Soles)

	2002	2003		Var%		January - May		
	May	April	May	Month	12 months	2002	2003	Var %
1. CURRENT REVENUES	2 224	2 944	2 515	-14,6	13,1	11 182	12 791	14,4
2. NON FINANCIAL EXPENDITURE	2 367	2 825	2 411	-14,7	1,9	10 982	11 898	8,3
<i>a. Current</i>	1 948	2 499	2 168	-13,2	11,3	9 651	10 645	10,3
<i>b. Capital</i>	419	326	243	-25,6	-42,1	1 331	1 252	-5,9
3. CAPITAL REVENUES	9	7	7			67	25	
4. PRIMARY BALANCE (1-2+3)	-134	126	111			267	918	
5. INTEREST	213	110	247			1 247	1 357	
6. OVERALL BALANCE (4-5)	-347	16	-135			-980	-439	
7. FINANCING	347	-16	135			9 055	439	
a. External	318	-60	-123			1 953	1 820	
- Disbursements	573	91	75			6 099	3 052	
- Amortization	-255	-150	-197			-4 146	-1 232	
b. Domestic	-211	39	253			-1 365	-1 411	
c. Privatization	240	4	5			392	31	

Current revenue amounted to S/. 2 515 million, up 13 percent from May 2002. This increase reflects the additional income tax clearance, the administrative measures implemented in the second half of 2002 and the increase in VAT collection.

Non financial expenditure amounted to S/. 2 411 million, up 2 percent (S/. 44

million) from a year ago, due to the 11 percent increase in current expenditure, partially offset by the decrease in capital outlays (42 percent or S/. 176 million). The higher current expenditure obeyed to the increase in goods and services, transfers and wages and salaries.

Banking system monetary accounts as of June 7 2003

Between May 7 and June 7, the banking system liquidity in **domestic currency** increased 1,3 percent (annual growth of 12,3 percent). In the last 4 weeks, credit to the private sector in domestic currency remained steady (recording an annual growth of 13,3 percent).

In **foreign currency**, banking liquidity increased 0,2 percent (annual growth of 4 percent). Credit to the private sector fell 0,5 percent in the last 4 weeks and 6,3 percent in the last 12 month.

END OF PERIOD MONETARY AGGREGATES OF THE BANKING SYSTEM												
	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
2001												
Dec.	14,4%	7,9%	8,0%	13,6%	1,6%	2,9%	-2,0%	2,9%	-2,8%	-23,8%	0,7%	-3,7%
2002												
Jan.	-7,8%	10,8%	-3,2%	14,5%	-2,0%	0,9%	-1,4%	1,4%	-1,7%	-22,6%	-1,2%	-3,3%
Feb.	0,7%	13,9%	2,1%	18,4%	1,7%	3,4%	0,0%	1,6%	6,0%	-16,9%	1,3%	-1,9%
Mar.	2,0%	16,1%	2,5%	18,4%	2,7%	5,3%	-1,4%	-0,6%	-4,8%	-23,7%	-1,1%	-3,7%
Apr.	-1,2%	9,9%	-0,7%	15,2%	-3,9%	2,0%	0,1%	-1,1%	-3,5%	-22,1%	0,5%	-3,1%
May.	-0,1%	14,5%	-0,1%	17,0%	0,9%	3,9%	-0,2%	-1,0%	3,1%	-16,5%	0,3%	-3,5%
Jun.	3,5%	17,2%	2,2%	21,0%	1,4%	5,8%	0,3%	-1,5%	3,4%	-18,7%	-0,5%	-3,8%
Jul.	12,2%	19,9%	6,2%	23,0%	0,7%	6,3%	3,8%	0,3%	3,8%	-21,7%	-0,4%	-3,2%
Ago.	-4,6%	21,4%	-1,2%	22,8%	-0,2%	5,6%	1,8%	0,9%	-2,2%	-16,3%	-0,8%	-2,8%
Sep.	-4,1%	18,3%	-2,2%	20,1%	1,8%	7,3%	-1,3%	-0,7%	-1,8%	-0,6%	-1,0%	-3,1%
Oct.	1,0%	13,8%	-1,7%	15,6%	1,6%	7,7%	1,3%	0,7%	-2,9%	-6,5%	-1,0%	-3,5%
Nov.	-0,4%	14,3%	0,4%	12,4%	1,5%	7,9%	1,2%	2,1%	-30,3%	-33,0%	0,4%	-2,6%
Dec.	11,1%	11,0%	6,3%	10,6%	0,8%	7,1%	-2,7%	1,4%	-4,8%	-34,3%	-0,3%	-3,6%
2003												
Jan.	-9,2%	9,4%	-3,1%	10,8%	-3,1%	5,9%	0,3%	3,1%	-9,5%	-39,5%	-2,8%	-5,2%
Feb.	-0,3%	8,3%	2,6%	11,3%	3,5%	7,8%	-0,4%	2,8%	8,7%	-37,9%	-0,4%	-6,7%
Mar.	-1,1%	5,0%	1,9%	10,8%	1,6%	6,6%	0,2%	4,4%	-15,5%	-44,9%	-0,1%	-5,8%
Apr.	3,1%	9,5%	0,3%	11,9%	3,5%	14,8%	-0,6%	3,7%	14,1%	-34,9%	0,6%	-5,8%
May.	-1,1%	8,4%	1,9%	14,1%	0,7%	14,5%	-1,3%	2,5%	-2,0%	-38,1%	-0,7%	-6,7%
Jun. 7	-0,2%	7,3%	1,3%	12,3%	0,0%	13,3%	0,2%	4,0%	-2,8%	-41,9%	-0,5%	-6,3%
Memo:												
Balance as of May 7 (Mill.S./or Mill.US\$)	6 330		18 292		10 203		9 653		788		10 030	
Balance as of Jun7 (Mill.S./or Mill.US\$)	6 319		18 528		10 201		9 673		766		9 980	
1/ Banks' short term external liabilities.												

Spread of global bond at 4,2 percent

On June 24, the spread of the **Global Peruvian bond 2012** was 4,7 percent, against 4,1 percent on May 31, whereas the spread of the **sovereign bonds** increased from 4,4 to 5,2 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 4,5 percent.

**Country risk indicators
(June 2002 - June 2003)**



International markets

Between **June 18 to 25**, the **gold** quotation declined 3,2 percent to US\$ 348,1 per Troy

ounce, reflecting the strengthening of the US dollar against the euro.

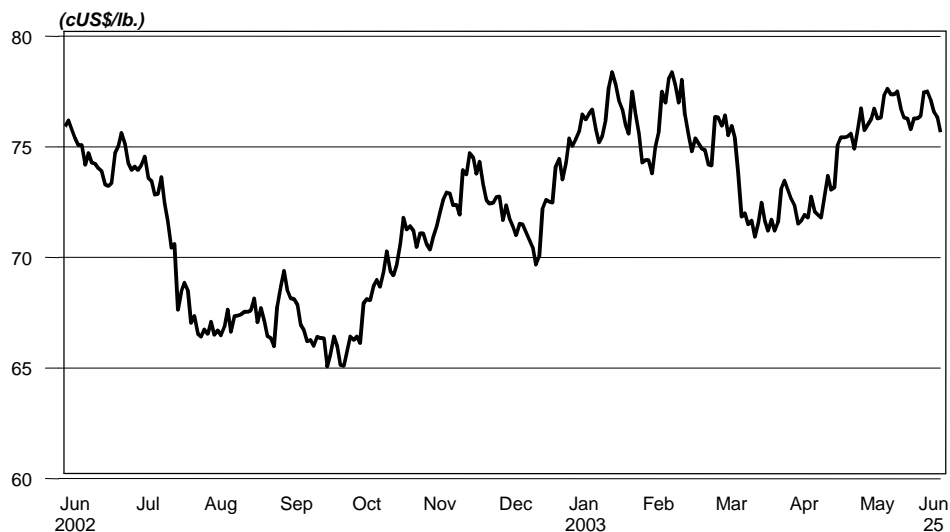
**Gold quotation
(June 2002 - June 2003)**



In the same period, the **copper** quotation decreased 2,3 percent to US\$ 0,76 per lb, as a response to the lower European

demand for electrical appliances. On the other hand, the **zinc** quotation recorded a 2,3 percent rise to US\$ 0,36 per lb.

Copper quotation
(June 2002 - June 2003)



The **WTI oil quotation** increased 4,8 percent to US\$ 32 per barrel, once it was known the increase of US oil imports

oriented to attend the higher fuel demand during the summer.

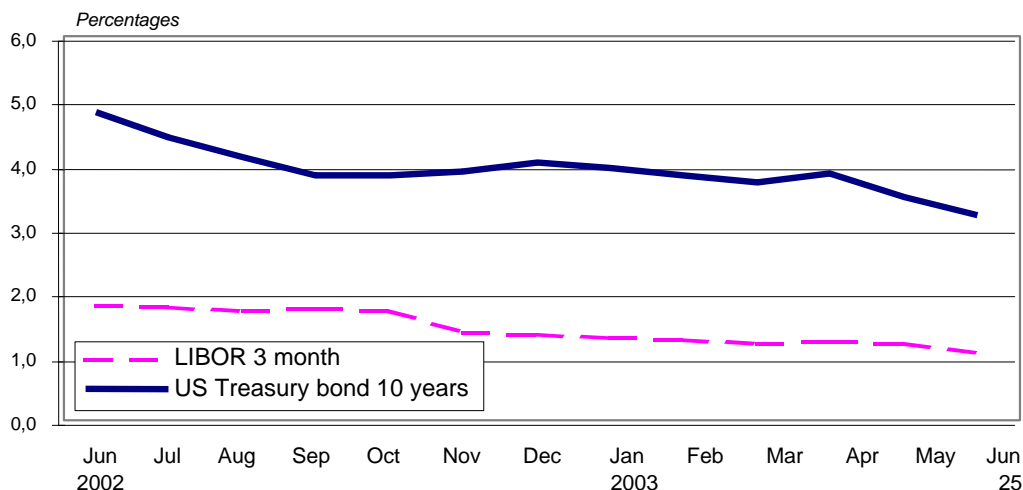
Oil quotation
(June 2002 - June 2003)



Between June 11 to 18, the **3-month Libor** decreased from 1,065 to 1,000 percent, whereas the **yield of the US Treasury bond**

with a 10 year maturity passed from 3,364 to 3,405 percent.

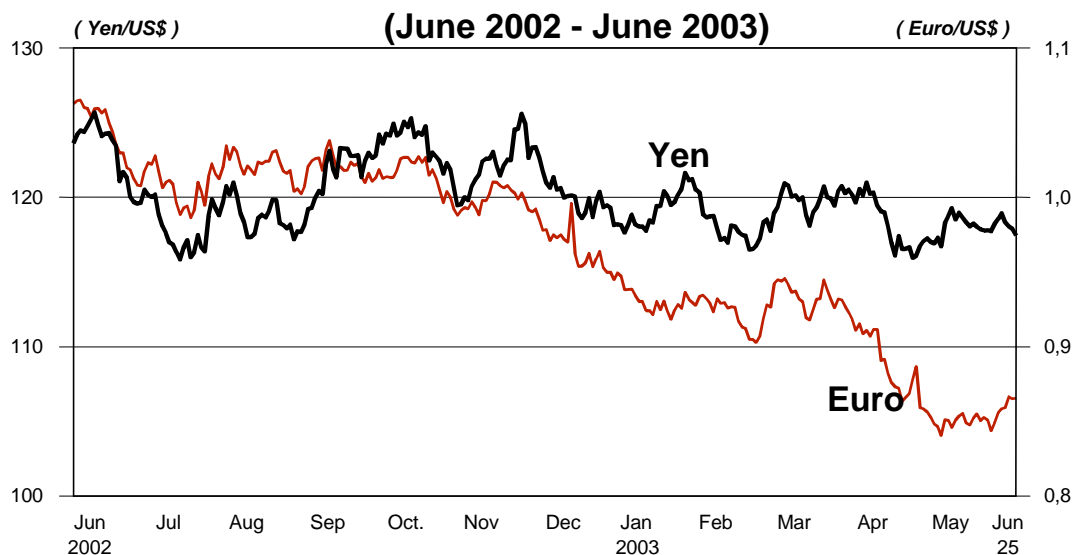
Libor and yield of 10 year matured US Treasury bonds
(June 2002 – June 2003)



In the period under analysis, the **US dollar** appreciated 1,1 percent against the **euro** and depreciated 0,9 percent against the **Yen**. The increase in US production and consumption

offset the impact of the increasing fiscal and current account deficits.

Yen and Euro

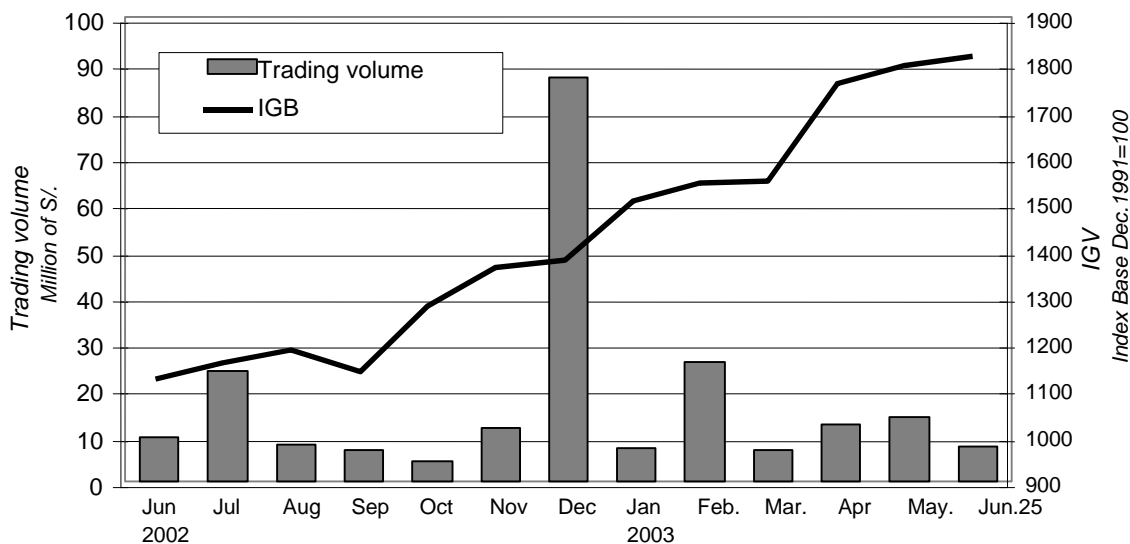


Lima Stock Exchange

As of **June 25**, the Lima Stock Exchange recorded an increase of 1,2 percent in the **General Index** and 1,0 percent in the **Blue**

Chip Index. In the year both indexes have increased 31,5 and 29,3 percent, respectively.

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



Indicadores Económicos / Economic Indicators

	2002					2003						
	DIC.	MAR.	ABR.	30 May.	MAY.	18 Jun.	19 Jun.	20 Jun.	23 Jun.	24 Jun.	JUN.	
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES						Var						Var
Posición de cambio / Net international position	3 341	3 609	3 808	3 813	5	3 779	3 793	3 801	3 796		-16	
Reservas internacionales netas / Net international reserves	9 598	10 443	10 457	10 360	-97	10 408	10 456	10 420	10 407		47	
Depósitos del sistema financiero en el BCR / Financial system deposits at BCR	3 381	3 581	3 465	3 494	29	3 601	3 637	3 624	3 616		123	
Empresas bancarias / Banks	3 048	3 349	3 251	3 242	-9	3 353	3 388	3 381	3 379		137	
Banco de la Nación / Banco de la Nación	291	185	168	204	36	199	200	195	189		-15	
Sector privado / Private sector	42	48	46	47	2	49	49	49	48		1	
Depósitos del sector público en el BCR / Public sector deposits at BCR	2 900	3 256	3 187	3 063	-124	3 017	3 017	2 985	2 983		-80	
Depósitos de privatización	24	3	4	5	1	6	6	7	7		1	
Otros depósitos / Other *	2 875	3 253	3 183	3 058	-126	3 012	3 012	2 979	2 977		-81	
OPERACIONES CAMBIARIAS BCR (MILL. US\$) / BCR FOREIGN OPERATIONS	Acum.	Acum.	Acum.		Acum.						Acum.	
Origen externo de la emisión primaria / External origin of the monetary base	49	146	182	0	-45	-45	10	15	0	5	3	
Compras netas en Mesa de Negociación / Net purchases of foreign currency	5	118	184	0	0	5	10	15	0	5	54	
Operaciones swaps netas / Net swap operations	0	0	0	0	0	0	0	0	0	0	0	
Operaciones con el Sector Público / Public sector	45	28	-3	0	-45	-50	0	0	0	0	-50	
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE	Prom.	Prom.	Prom.		Prom.						Prom.	
Compra interbancario/Interbank bid	3,513	3,479	3,464	3,495	3,481	3,472	3,471	3,470	3,475	3,476	3,479	
Promedio / Average												
Venta Interbancario	3,516	3,480	3,465	3,497	3,482	3,475	3,473	3,470	3,476	3,477	3,481	
Apertura / Opening												
Mediodía / Midday	3,515	3,480	3,465	3,495	3,482	3,473	3,471	3,471	3,476	3,476	3,480	
Cierre / Close	3,515	3,480	3,465	3,496	3,482	3,471	3,471	3,474	3,475	3,478	3,479	
Promedio / Average	3,515	3,479	3,465	3,496	3,482	3,473	3,472	3,471	3,476	3,476	3,480	
Sistema bancario (SBS)	3,513	3,478	3,464	3,494	3,480	3,472	3,471	3,470	3,473	3,475	3,479	
Compra / Bid												
Venta / Ask	3,515	3,480	3,465	3,496	3,482	3,473	3,472	3,471	3,475	3,476	3,480	
Índice de tipo de cambio real (1994 = 100) / Real exchange rate Index (1994 = 100)	100,0	100,4	101,4		104,6							
INDICADORES MONETARIOS / MONETARY INDICATORS												
Moneda nacional / Domestic currency												
Emisión Primaria (Var. % mensual) / (% monthly change)	11,1	-1,1	3,1	-1,1	-1,1							
Monetary base (Var. % últimos 12 meses) / (% 12-month change)	11,0	5,0	9,5	8,4	8,4							
Oferta monetaria (Var. % mensual) / (% monthly change)	5,7	1,9	0,2									
Money Supply (Var. % últimos 12 meses) / (% 12-month change)	9,9	10,9	11,8									
Crédito sector privado (Var. % mensual) / (% monthly change)	0,8	1,6	3,4									
Crédit to the private sector (Var. % últimos 12 meses) / (% 12-month change)	7,2	6,8	14,8									
TOSE saldo fin de período (Var. % acum. en el mes) / TOSE balance (% change)	2,9	1,3	-2,5	3,5	3,5	-1,5	-1,9	-1,4	-1,8	-1,7		
Superávit de encaje promedio (% respecto al TOSE)/Average reserve surplus (% of TOSE)	0,3	0,5	0,3	0,3	0,3	0,5	0,4	0,3	0,3	0,3		
Cuenta corriente de los bancos (saldo mill. S./) / Banks' current account (balance)	191	200	211	70	188	178	117	201	135	131		
Créditos por regulación monetaria (millones de S./) / Rediscounts (Millions of S./)	0	0	3	0	0	0	0	0	0	0		
Depósitos públicos en el BCR (millones S./)/Public sector deposits at the BCR (Mills.S./)	275	754	1 370	1 332	1 332	1 369	1 401	1 271	1 357	1 400		
Certificados de Depósitos BCRP (saldo Mill.S./) / CDBCRP balance (Millions of S./)	1 635	3 135	2 970	2 975	2 975	2 850	2 850	2 850	2 850	2 850		
Operaciones de reporte (saldo Mill. S./) / repos (Balance millions of S./)	0	210	80	80	80	90	90	40	50	0		
Tasa de interés (%)	14,8	14,3	13,9	13,6	13,6	13,9	14,0	14,1	14,1	14,0	14,0	
Interbankaria / Interbank	3,8	3,8	3,8	3,7	3,8	3,7	3,7	3,7	3,8	3,7	3,8	
Preferencial corporativa a 90 días / Corporate Prime	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 / CDBCRP repos	s.m.	4,0	3,9	3,9	3,9	3,7	3,7	3,7	3,8	s.m.		
Créditos por regulación monetaria / Rediscounts	s.m.	s.m.	4,3	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.		
Del saldo de CDBCRP / CDBCRP balance	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) / (% monthly change)	-0,3	-0,1	0,6									
Crédit to the private sector (Var. % últimos 12 meses) / (% 12-month change)	-3,5	-5,7	-5,7									
TOSE saldo fin de período (Var. % acum. en el mes) / TOSE balance (% change)	-2,0	0,2	-0,7	-0,9	-0,9	1,0	1,3	0,9	0,5	0,8		
Superávit de encaje promedio (% respecto al TOSE)/Average reserve surplus (% of TOSE)	0,1	0,1	0,1	0,1	0,1	-1,3	-1,0	-0,4	-0,4	-0,4		
Créditos por regulación monetaria (millones de US dólares) / Rediscounts	0	0	0	0	0	0	0	0	0	0		
Tasa de interés (%)	8,1	8,8	9,0	8,2	8,6	7,9	7,9	7,9	7,8	7,8	7,9	
Interbankaria / Interbank	2,2	2,4	2,1	1,3	1,8	s.m.	s.m.	1,2	1,7	2,0	1,4	
Preferencial corporativa a 90 días / Corporate Prime	2,4	2,2	2,1	2,2	2,2	2,0	2,0	2,0	2,0	2,0	2,1	
Créditos por regulación monetaria / Rediscounts	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. %) / General Index (% change)	1,0	0,2	13,5	0,0	2,3	0,4	-0,9	1,7	-0,8	-0,7	0,8	
Índice Selectivo Bursátil (Var. %) / Blue Chip Index (% change)	1,2	0,0	13,5	-0,1	2,5	0,5	-1,2	1,9	-0,8	-0,5	0,5	
Monto negociado en acciones (Mill. S./) - Prom. diario	86,8	6,8	12,1	14,4	14,0	8,1	9,1	5,1	5,3	5,6	7,6	
INFLACIÓN (%) / INFLATION (%)												
Inflación mensual / Monthly	-0,03	1,12	-0,05		-0,03							
Inflación últimos 12 meses / % 12 months change	1,52	3,39	2,59		2,42							
GOBIERNO CENTRAL (MILL. S./) / CENTRAL GOVERNMENT (Mills. of S./)												
Resultado primario / Primary balance	-232	431	126		111							
Ingresos corrientes / Current revenue	2 779	2 692	2 944		2 515							
Gastos no financieros / Non-financial expenditure	3 140	2 266	2 825		2 411							
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)												
Balanza Comercial / Trade balance	80	-61	-58									
Exportaciones / Exports	748	647	629									
Importaciones / Imports	668	707	687									
PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT												
Variac. %, respecto al mismo mes del año anterior / Annual rate of growth	6,3	5,5	2,5									
COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS	Prom.	Prom.	Prom.		Prom.						Prom.	
LIBOR a tres meses (%) / LIBOR 3-month (%)	1,4	1,3	1,3	1,3	1,3	1,1	1,0	1,0	1,0	1,0	1,1	
Dow Jones (Var %) / (% change)	-5,9	1,3	6,1	1,6	4,4	-0,3	-1,2	0,2	-1,4	0,4	2,9	
Rendimiento de los U.S. Treasuries (10 años) / U.S. Treasuries yield (10 years)	4,0	3,8	3,9	3,4	3,5	3,4	3,3	3,4	3,3	3,3	3,3	
Stripped spread del EMBI+ PERU (pbs) / EMBI+ PERU stripped spread (basis points)	620	511	426	441	411	445	458	471	473	482	444	
Bono Global 2012 - Perú (en pbs) / Global Bond 2012 - Peru (basis points)	575	476	396	414	389	402	419	431	434	436	419	

* Incluye depósitos de Promocpepi, 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.