

BANCO CENTRAL DE RESERVA DEL PERÚ

WEEKLY REPORT

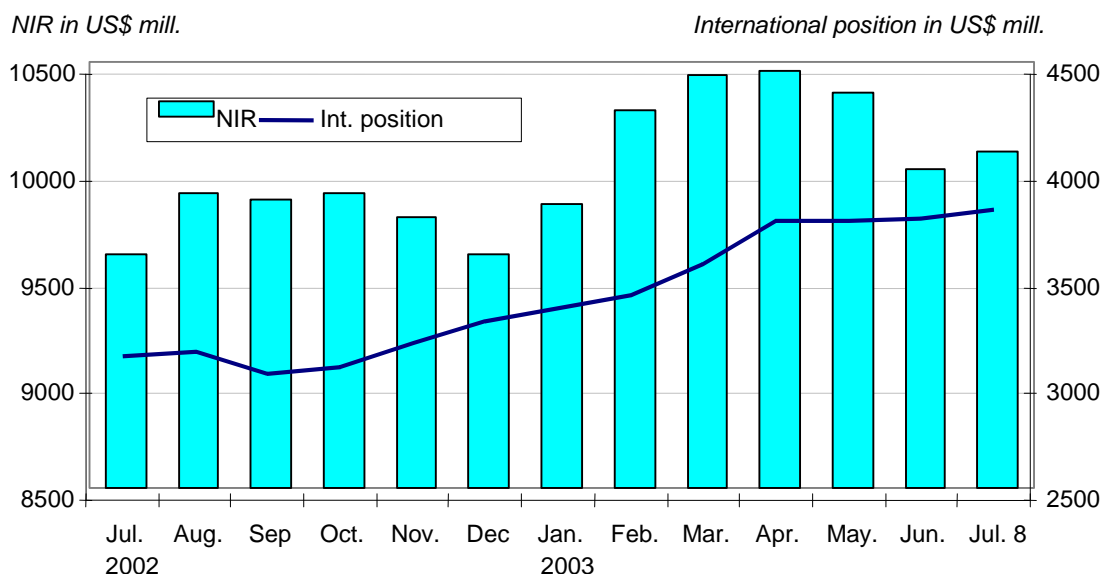
Nº 27 – July 11, 2003

Net international reserves: US\$ 10 084 million

As of **July 8**, net international reserves amounted to US\$ 10 084 million, up US\$ 87 million from end-June, mainly due to the increase of financial system deposits at the Central Bank (US\$ 49 million), higher public sector deposits (US\$ 17 million) and the net purchase of foreign currency (US\$ 36 million). These operations were

partially offset by lower Insurance Deposit Fund deposits (US\$ 4 million) and negative investment yields (US\$ 15 million). In the year, NIR has increased US\$ 486 million, whereas the **Central Bank international position**, which amounted to US\$ 3 862 million is US\$ 521 million higher than end-2002.

**BCR's net international reserve and international position
(July 2002 - July 2003)**

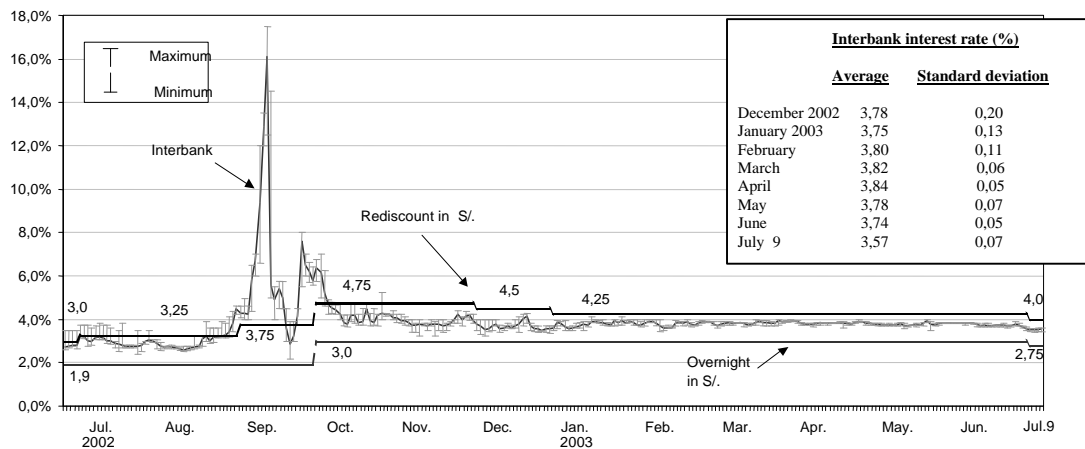


Interbank interest rate at 3,57 percent

As of **July 9**, average interbank interest rate in domestic currency was 3,57 percent, lower than the level recorded in June (3,74 percent). It should be noted that

this rate is in line with reference BCR's interest rates (2,75 percent for deposits and 4,0 percent for loans).

Interest rate in domestic currency (July 2002 - July 2003)



Monetary operations

As of **July 9**, the daily average balance of banks' liquidity at the Central Bank totaled S/. 332 million, whereas the projected range of that balance for this month was S/. 195 to S/. 215 million. Between July 3 and 9, the Central Bank made the following operations:

- Auctions of CDBCRP by S/. 115 million with a 1 week maturity, S/. 40 million with a 6 month maturity and S/. 90

million with a 3 month maturity. The average interest rates were 3,66; 3,70 and 3,61 percent, respectively.

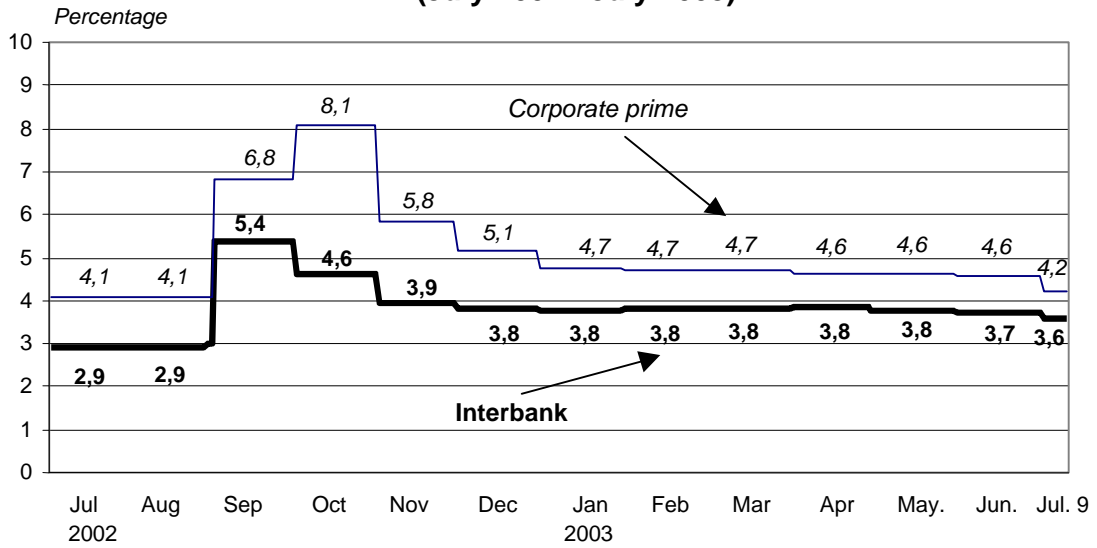
- Purchases of foreign currency amounting to US\$ 40 million, at an average exchange rate of S/. 3,47.
- Finally, the Bank received overnight deposits on July 3 by S/. 45 million.

Corporate prime interest rate at 4,2 percent

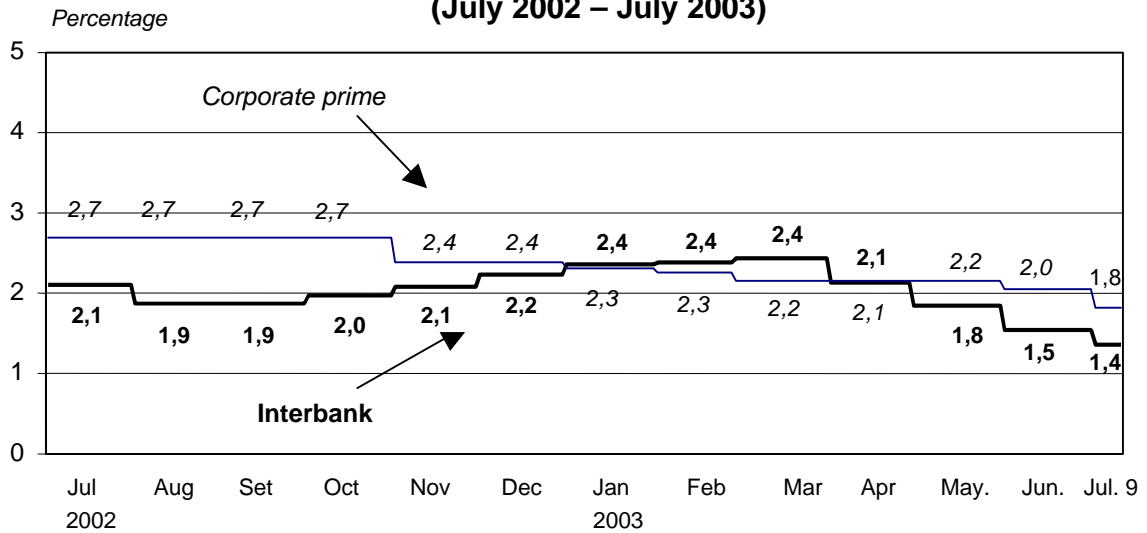
As of July 9 the corporate prime interest rate in local currency averaged 4,2 percent, down from June (4,6 percent), whereas the

rate in dollars decreased from 2,0 to 1,8 percent in the same period.

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



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



Exchange rate: S/. 3,473

As of **July 9**, the exchange rate of the banking system was S/. 3,473 per dollar, similar to end-June (S/. 3,472). On the other hand, the balance of net forward

sales decreased US\$ 16 million, whereas the exchange position fell US\$ 22 million.

BANKS' EXCHANGE POSITION
(Millions of US\$)

	December	April	May	June	July 9
a. Net sales to the public (i-ii)	905	665	768	722	706
i. Forward sales to the public	1 141	910	974	941	896
ii. Forward purchases to the public	236	245	206	219	190
b. Banks' exchange position	642	625	656	587	565

Banking system monetary accounts as of June 22, 2003

Between May 22 and June 22, liquidity in **domestic currency** fell 1,4 percent (or S/. 262 million) to a S/. 18 471 million balance (up 9,8 percent from a year ago). Credit to the private sector decreased 1,6 percent (or S/. 165 million) to S/. 10 132 million (up 10,8 percent from a year ago).

In **foreign currency**, liquidity grew 0,6 percent (or US\$ 56 million) to US\$ 9 628 million, recording an annual increase of 5,3 percent. Credit to the private sector in the same currency fell 0,3 percent (or US\$ 29 million) to US\$ 9 948 million (down 6,8 percent from a year ago).

END OF PERIOD MONETARY AGGREGATES OF THE BANKING SYSTEM

	MONETARY BASE		LIQUIDITY IN S/		CREDIT IN S/		LIQUIDITY IN US\$		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%
Aug.	-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.22	3,0%	5,5%	-1,4%	9,8%	-1,6%	10,8%	0,6%	5,3%	-2,6%	-39,7%	-0,3%	-6,8%
Memo:												
Balance as of May 22 (Mill.S./or Mill.US\$)	6 145		18 734		10 297		9 572		760		9 977	
Balance as of Jun22 (Mill.S./or Mill.US\$)	6 332		18 471		10 132		9 628		740		9 948	
1/ short term external liabilities of banks.												

Trade surplus: US\$ 58 million

In May, total **exports** amounted to US\$ 750 million, whereas imports totaled US\$ 627 million. As a result, the trade balance recorded a US\$ 123 million surplus. The cumulative surplus in the period January to May came to US\$ 58 million, against the US\$ 179 million deficit recorded in the same period a year ago.

In May, **traditional exports** reached US\$ 556 million, up 10 percent from the same month in 2002, reflecting the higher sales of mining products in US\$ 87 million generated especially by the higher gold production of Yanacocha.

Non traditional products (US\$ 189 million) grew US\$ 19 million (11 percent)

compared to May 2002 originated by the increase of textile exports (US\$ 14 million) due to the preferences given by the ATPDEA framework.

Imports totaled US\$ 627 million, down US\$ 37 million (6 percent) from a year ago, due to the lower acquisitions of intermediate goods (US\$ 41 million), in particular those oriented to the industry, and fuels (US\$ 17 million).

In May, the **terms of trade** recorded a 1,1 percent increase. In May, export prices of lead, tin, gold and copper registered an increase, that was partially offset by the greater import prices of sugar, corn, dairy products and meat.

TRADE BALANCE
(Millions of US dollars)

	May			January-May		
	2002	2003	Var. %	2002	2003	Var. %
EXPORTS	681	750	10,2	2 785	3 407	22,3
Traditional products	506	556	9,9	1 906	2 417	26,8
Fishing	121	82	- 32,7	268	325	21,3
Agricultural	19	11	- 41,7	36	48	34,7
Mineral	323	410	27,0	1 442	1 744	20,9
Petroleum and derivatives	43	53	24,8	160	300	87,3
Non-traditional products	170	189	11,2	852	961	12,8
Agriculture and livestock	36	34	- 4,9	198	203	2,9
Fishing	15	18	18,6	76	91	20,1
Textile	50	64	27,9	254	312	22,8
Timbers and papers, and its manufactures	15	12	- 18,3	68	62	- 8,7
Chemical	22	22	2,2	98	116	18,7
Non-metallic minerals	5	6	20,3	26	27	4,2
Basic metal industries and jewelry	16	16	3,1	80	90	12,6
Fabricated metal products and machinery	7	12	58,6	40	41	1,3
Other products	3	3	11,4	12	18	52,7
Other products	5	6	4,1	27	29	4,8
IMPORTS	664	627	- 5,5	2 965	3 349	13,0
Consumer goods	149	154	3,2	695	734	5,6
Raw materials and intermediate goods	349	308	- 11,9	1 481	1 770	19,5
Capital goods	160	160	- 0,4	748	816	9,0
Other goods	6	7	9,3	40	30	- 26,2
TRADE BALANCE	17	123		-179	58	

Spread of Global bond at 4,8 percent

As of **July 9**, the spread of Peruvian Global bond with a 10 year maturity was 4,8 percent, higher than end-June (4,6 percent), whereas the spread of the sovereign bonds increased from 4,9 to 5,2

percent. In average terms, the Global bond spread passed from 4,3 to 4,8 percent, whereas the sovereign bond one from 4,6 to 5,1 percent.

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



International markets

Between **July 2 and 9**, the **gold** quotation declined 2,1 percent to US\$ 344,2 per Troy ounce due to the strengthening of the US

dollar and the higher confidence in the US economy.

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

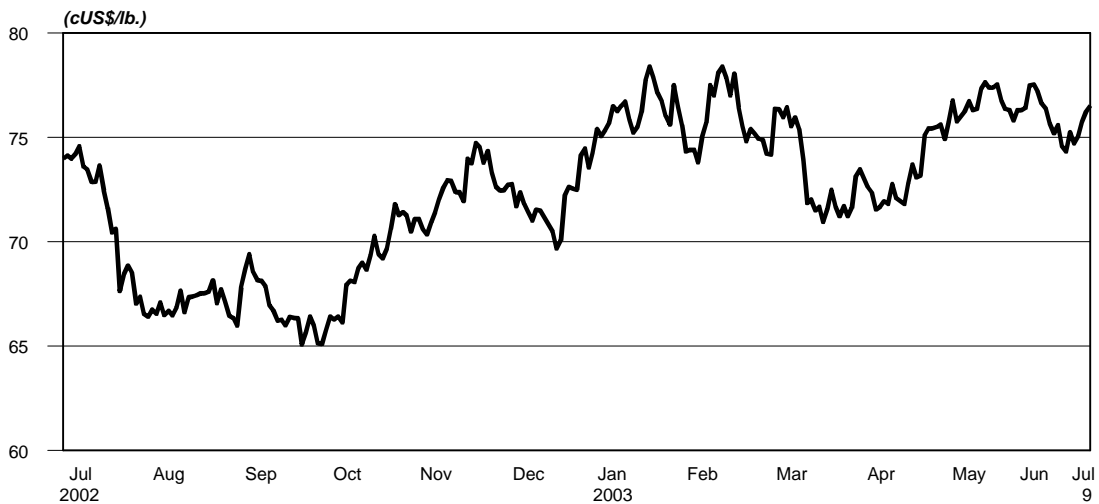


In the same period, the **copper** quotation increased 1,7 percent to US\$ 0,77 per lb, reflecting the expected recovery of the demand given the rapid growth of Asian together with news about the contention of

the SARS breakout. LME inventories fell 2,1 percent to 652 thousand tons. On the other hand, zinc quotation increased 2,5 percent to US\$ 0,37 per lb.

Copper quotation

(July 2002 - July 2003)

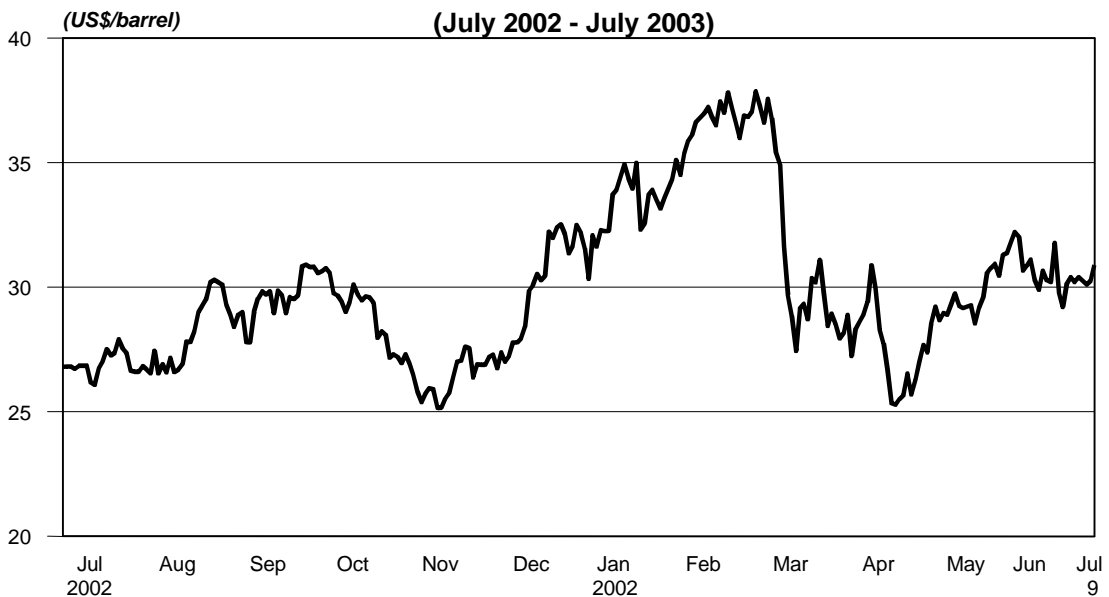


The **WTI oil** quotation increased 2,5 percent in the period under analysis, reflecting the insufficient oil supply in the

US as well as weather conditions in the Mexican Gulf that make difficult the normal supply in that area.

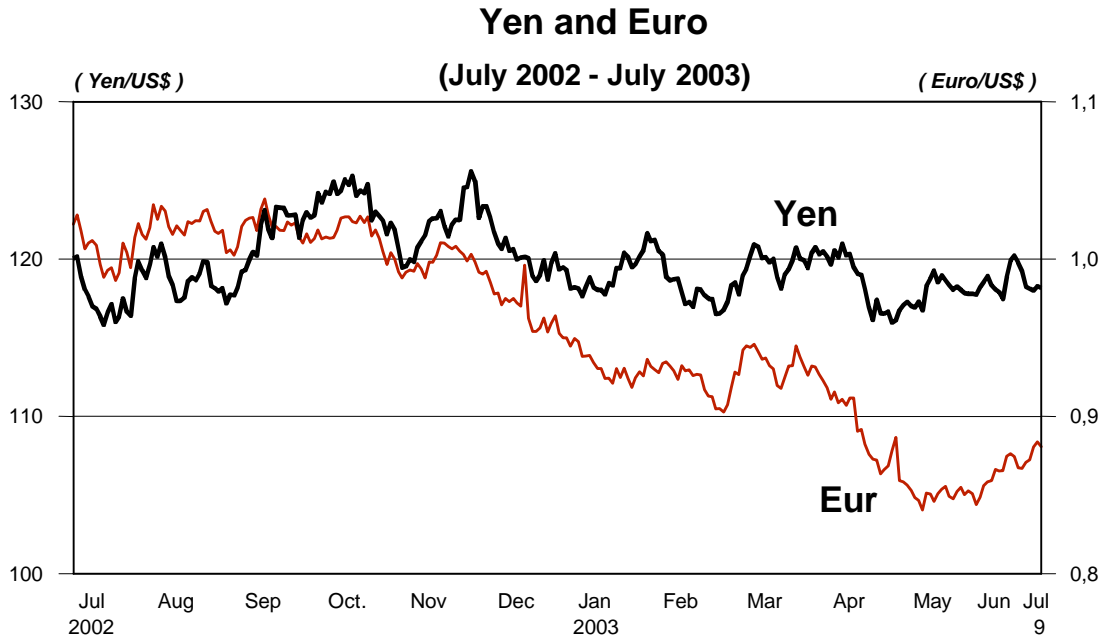
Oil quotation

(July 2002 - July 2003)



Between July 2 and 9, the **US dollar** appreciated 1,6 percent against the euro and depreciated 0,9 percent against the **yen**. It should be noted that dollar

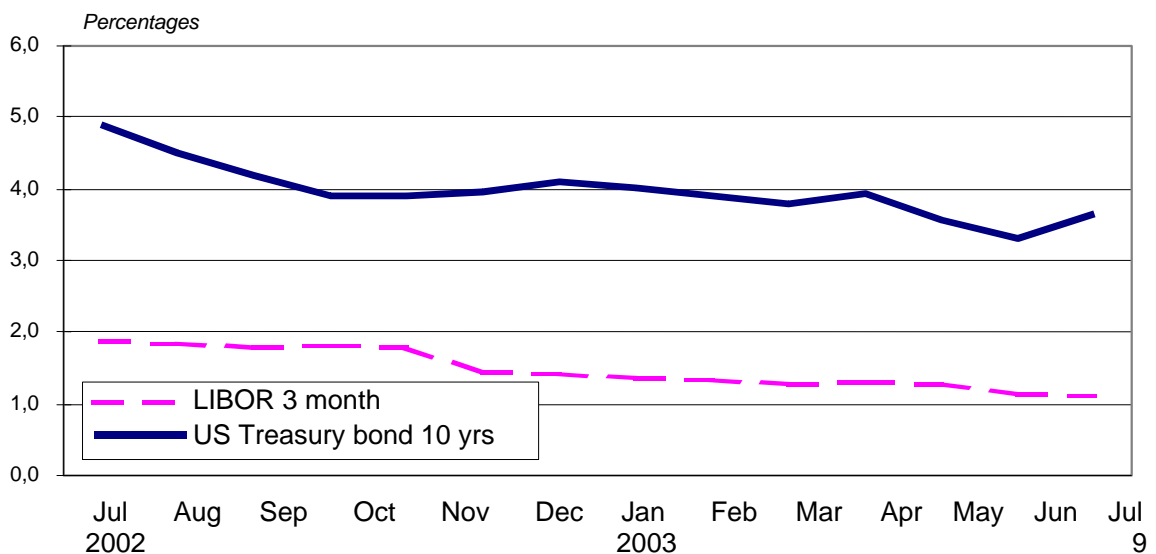
cumulative depreciation in the year against the euro is 7,7 percent and 0,7 percent against the yen.



The 3 month **Libor** remained at 1,11 percent in the period under analysis, whereas the **yield of US Treasury bonds**

with a 10 year maturity passed from 3,54 to 3,68 percent.

Libor and yield of US Treasury bonds with a 10 year maturity
(July 2002 - July 2003)

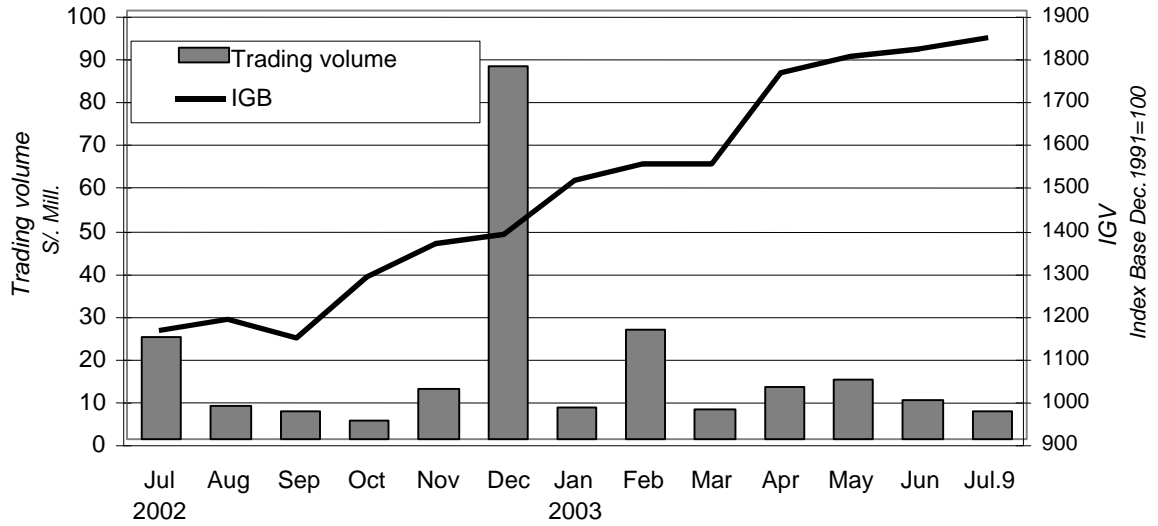


Lima Stock Exchange

As of **July 9**, the General Index of LSE increased 1,5 percent, whereas the Blue Chip Index expanded 2,3 percent. The cumulative

increase in the year is 33,1 percent for the General Index and 31,8 percent for the Blue Chip.

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



Indicadores Económicos / Economic Indicators

	2003											
	MAR.	ABR.	MAY.	30 Jun.	JUN.	3 Jul.	4 Jul.	7 Jul.	8 Jul.	9 Jul.	JUL.	
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES												
Posición de cambio / <i>Net international position</i>	3 609	3 808	3 813	3 827	14	3 858	3 863	3 867	3 862		34	
Reservas internacionales netas / <i>Net international reserves</i>	10 443	10 457	10 360	9 997	-363	10 077	10 076	10 077	10 084		87	
Depósitos del sistema financiero en el BCR / <i>Financial system deposits at BCR</i>	3 581	3 465	3 494	3 439	-54	3 481	3 476	3 475	3 488		49	
Empresas bancarias / <i>Banks</i>	3 349	3 251	3 242	3 205	-38	3 242	3 244	3 241	3 256		51	
Banco de la Nación / <i>Banco de la Nación</i>	185	168	204	185	-19	190	183	186	183		-2	
Sector privado / <i>Private sector</i>	48	46	47	50	3	49	49	49	49		-1	
Depósitos del sector público en el BCR / <i>Public sector deposits at BCR</i>	3 256	3 187	3 063	2 728	-335	2 749	2 748	2 746	2 745		17	
Depósitos de privatización	3	4	5	7	1	11	11	11	11		4	
Otros depósitos / <i>Other *</i>	3 253	3 183	3 058	2 722	-336	2 738	2 738	2 735	2 735		13	
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>	146	182	-45	15	33	10	5	11	0	15	51	
Compras netas en Mesa de Negociación / <i>Net purchases of foreign currency</i>	118	184	0	10	79	10	5	10	0	15	55	
Operaciones swaps netas / <i>Net swap operations</i>	0	0	0	5	5	0	0	0	0	0	-5	
Operaciones con el Sector Público / <i>Public sector</i>	28	-3	-45	0	-50	0	0	0	0	0	0	
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE	Prom.	Prom.	Prom.		Prom.						Prom.	
Compra interbancario / <i>Interbank bid</i>	Promedio / <i>Average</i>	3,479	3,464	3,481	3,469	3,478	3,467	3,470	3,470	3,474	3,471	3,470
Apertura / <i>Opening</i>	3,480	3,465	3,482	3,472	3,480	3,467	3,470	3,470	3,476	3,474	3,471	
Mediodía / <i>Midday</i>	3,480	3,465	3,482	3,470	3,479	3,468	3,471	3,471	3,475	3,472	3,471	
Cierre / <i>Close</i>	3,480	3,465	3,482	3,468	3,478	3,470	3,471	3,471	3,473	3,472	3,471	
Promedio / <i>Average</i>	3,479	3,465	3,482	3,470	3,479	3,468	3,471	3,470	3,475	3,472	3,471	
Sistema bancario (SBS) / <i>Banking System</i>	Compra / <i>Bid</i>	3,478	3,464	3,480	3,469	3,478	3,468	3,469	3,469	3,475	3,471	3,470
Venta / <i>Ask</i>	3,480	3,465	3,482	3,472	3,480	3,469	3,470	3,471	3,475	3,473	3,472	
Índice de tipo de cambio real (1994 = 100) / <i>Real exchange rate Index (1994 = 100)</i>	100,4	101,3	104,5		105,6							
INDICADORES MONETARIOS / MONETARY INDICATORS												
Moneda nacional / Domestic currency												
Emisión Primaria (Var. % mensual) / <i>(% monthly change)</i>	-1,1	3,1	-1,1	1,7	1,7							
Monetary base (Var. % últimos 12 meses) / <i>(% 12-month change)</i>	5,0	9,5	8,4	6,5	6,5							
Oferta monetaria (Var. % mensual) / <i>(% monthly change)</i>	1,9	0,2										
Money Supply (Var. % últimos 12 meses) / <i>(% 12-month change)</i>	10,9	11,8										
Crédito sector privado (Var. % mensual) / <i>(% monthly change)</i>	1,6	3,4										
Crédit to the private sector (Var. % últimos 12 meses) / <i>(% 12-month change)</i>	6,8	14,8										
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>	1,3	-2,5	3,5	-2,7	-2,7	0,2	0,4	1,7	2,8			
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>	0,5	0,3	0,3	0,1	0,1	1,1	1,1	1,2	1,2			
Cuenta corriente de los bancos (saldo mill. S./) / <i>Banks' current account (balance)</i>	200	211	188	134	204	257	316	416	357	360		
Créditos por regulación monetaria (millones de S./) / <i>Rediscounts (Millions of S./)</i>	0	3	0	0	0	0	0	0	0	0	0	
Depósitos públicos en el BCR (millones S./) / <i>Public sector deposits at the BCR (Mills.S./)</i>	754	1 370	1 332	1 463	1 463	1 280	1 229	1 159	1 220	1 301		
Certificados de Depósitos BCRP (saldo Mill.S./) / <i>CDBCRP balance (Millions of S./)</i>	3 135	2 970	2 975	2 850	2 850	2 930	2 930	2 985	2 985	2 985		
Operaciones de reporte (saldo Mill. S./) / <i>repos (Balance millions of S./)</i>	210	80	80	50	50	0	0	0	0	0	0	
Tasa de interés (%) / <i>Interest rates (%)</i>												
Préstamos y descuentos hasta 360 días / <i>Loans & discount</i>	14,3	13,9	13,6	14,0	14,0	14,2	14,2	14,3	14,2	14,2	14,2	
Interbancaria / <i>Interbank</i>	3,8	3,8	3,8	3,8	3,7	3,6	3,5	3,5	3,5	3,6	3,6	
Preferencial corporativa a 90 días / <i>Corporate Prime</i>	4,7	4,6	4,6	4,5	4,6	4,3	4,3	4,3	4,3	4,3	4,3	
Operaciones de reporte con CDBCRP / <i>CDBCRP repos</i>	4,0	3,9	3,9	3,9	3,9	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	
Créditos por regulación monetaria / <i>Rediscounts</i>	s.m.	4,3	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	
Del saldo de CDBCRP / <i>CDBCRP balance</i>	4,6	4,7	4,7	4,7	4,7	4,7	4,7	4,6	4,6	4,6	4,6	
Moneda extranjera / foreign currency												
Crédito sector privado (Var. % mensual) / <i>(% monthly change)</i>	-0,1	0,6										
Crédit to the private sector (Var. % últimos 12 meses) / <i>(% 12-month change)</i>	-5,7	-5,7										
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>	0,2	-0,7	-0,9	1,0	1,0	-0,1	-0,6	-0,5	-0,3			
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>	0,1	0,1	0,1	0,1	0,1	0,2	3,1	3,5	3,7			
Créditos por regulación monetaria (millones de US dólares) / <i>Rediscounts</i>	0	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>	8,8	9,0	8,6	7,7	7,9	7,6	7,6	7,6	7,6	7,6	7,6	
Interbancaria / <i>Interbank</i>	2,4	2,1	1,8	1,5	1,5	s.m.	1,5	0,9	1,1	1,1	1,4	
Preferencial corporativa a 90 días / <i>Corporate Prime</i>	2,2	2,1	2,2	1,9	2,0	1,8	1,8	1,8	1,8	1,8	1,8	
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.	s.m.	
INDICADORES BURSÁTILES / STOCK MARKET INDICES	Acum.	Acum.	Acum.		Acum.						Acum.	
Índice General Bursátil (Var. %) / <i>General Index (% change)</i>	0,2	13,5	2,3	-0,1	0,9	0,4	-0,1	0,4	-0,3	0,5	1,5	
Índice Selectivo Bursátil (Var. %) / <i>Blue Chip Index (% change)</i>	0,0	13,5	2,5	-0,1	0,6	0,6	-0,1	0,5	-0,5	0,7	2,3	
Monto negociado en acciones (Mill. S./) - Prom. diario	6,8	12,1	14,0	24,6	9,2	9,6	3,2	3,1	11,4	5,8	6,6	
INFLACIÓN (%) / INFLATION (%)												
Inflación mensual / <i>Monthly</i>	1,12	-0,05	-0,03		-0,47							
Inflación últimos 12 meses / <i>% 12 months change</i>	3,39	2,59	2,42		2,17							
GOBIERNO CENTRAL (Mill. S./) / CENTRAL GOVERNMENT (Mills. of S./)												
Resultado primario / <i>Primary balance</i>	431	126	111									
Ingresos corrientes / <i>Current revenue</i>	2 692	2 944	2 515									
Gastos no financieros / <i>Non-financial expenditure</i>	2 266	2 825	2 411									
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)												
Balanza Comercial / <i>Trade balance</i>	-61	-58	123									
Exportaciones / <i>Exports</i>	647	629	750									
Importaciones / <i>Imports</i>	707	687	627									
PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT												
Variac. %, respecto al mismo mes del año anterior / <i>Annual rate of growth</i>	5,5	2,5										
COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS	Prom.	Prom.	Prom.		Prom.						Prom.	
LIBOR a tres meses (%) / <i>LIBOR 3-month (%)</i>	1,3	1,3	1,3	1,1	1,1	1,1	1,1	1,1	1,1	1,1	1,1	
Dow Jones (Var %) / <i>(% change)</i>	1,3	6,1	4,4	0,0	1,5	-0,8	s.m.	1,6	0,1	-0,7	1,9	
Rendimiento de los U.S. Treasuries (10 años) / <i>U.S. Treasuries yield (10 years)</i>	3,8	3,9	3,5	3,5	3,3	3,7	s.c.	3,7	3,7	3,7	3,6	
Stripped spread del EMBI+ PERÚ (pbs) / <i>EMBI+ PERU stripped spread (basis points)</i>	511	426	411	485	455	519	s.c.	515	517	521	511	
Bono Global 2012 - Perú (en pbs) / <i>Global Bond 2012 - Peru (basis points)</i>	476	396	389	461	430	491	s.c.	481	480	478	475	

* Incluye depósitos de Promcepri, 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.