

BANCO CENTRAL DE RESERVA DEL PERÚ

WEEKLY REPORT

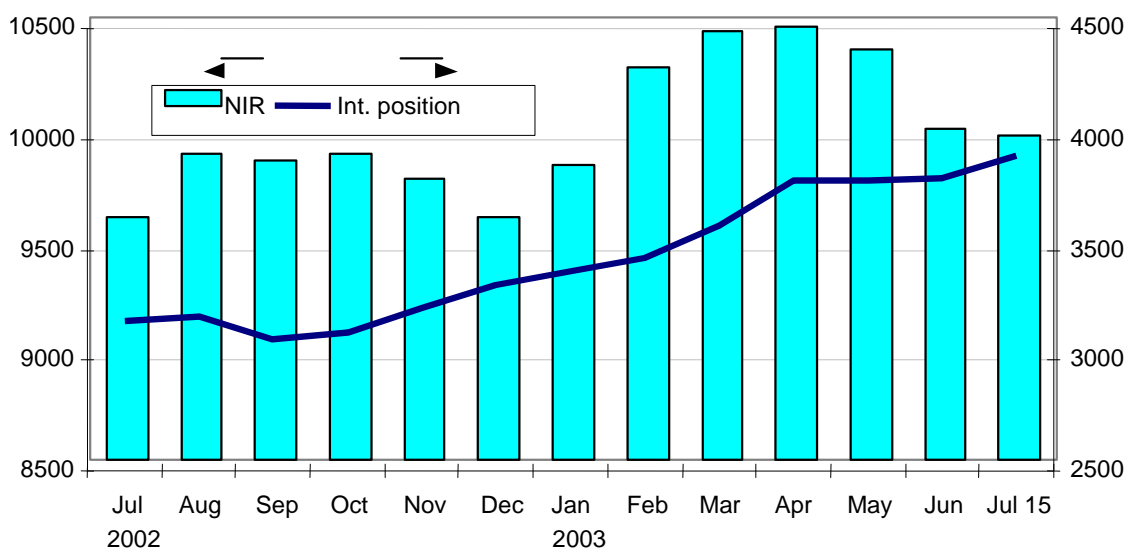
Nº 28 – July 18, 2003

Net international reserves: US\$ 9 971 million

As of **July 15**, net international reserves amounted to US\$ 9 971 million, down US\$ 26 million from end-June, mainly due to the decrease of financial system deposits at the Central Bank (US\$ 40 million), lower public sector deposits (US\$ 82 million) and the negative yield of investments (US\$ 10 million). These operations were partially

offset by net purchases of foreign currency (US\$ 106 million) and the increase of Insurance Deposit Fund deposits (US\$ 1 million). Notwithstanding, in the year NIR has increased US\$ 373 million, whereas the **Central Bank international position**, which reached US\$ 3 926 million is US\$ 585 million higher than end-2002.

**Net international reserves and international position
(July 2002 - July 2003)**

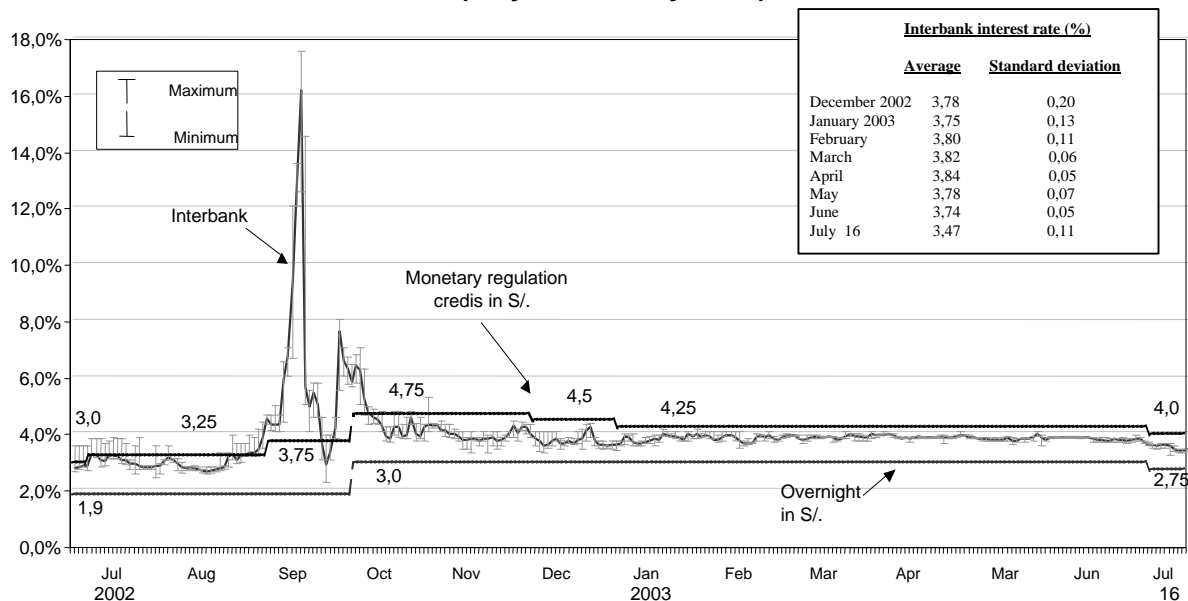


Interbank interest rate at 3,47 percent

As of **July 16**, average interbank interest rate in domestic currency was 3,47 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 overnight deposits and 4,0 percent for monetary regulation credits).

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



Monetary operations

As of **July 16**, the daily average balance of banks' liquidity at the Central Bank totaled S/. 283 million, whereas the projected range of that balance for this month was S/. 195 to S/. 215 million. Between July 10 and 16, the Central Bank made the following operations:

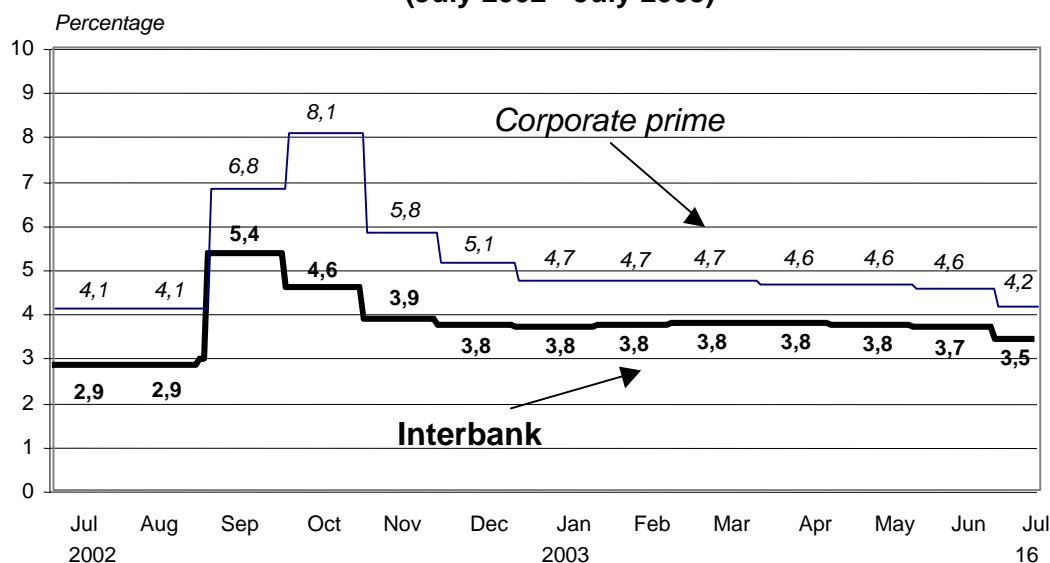
- Auctions of CDBCRP by S/. 60 million and S/. 100 million with a 1 year maturity, S/. 95 million with a 5 month maturity and S/. 200 million with a 1 week maturity. The average interest rates were 3,92; 3,94; 3,67 and 3,33 percent, respectively.
- On July 16, the Bank made a temporary auction of CDBCRP and BTP amounting to S/. 25 million at an interest rate of 3,37 percent.
- Purchases of foreign currency amounting to US\$ 60 million, at an average exchange rate of S/. 3,47.
- Finally, the Bank received overnight deposits by S/. 98 million.

Corporate prime interest rate at 4,2 percent

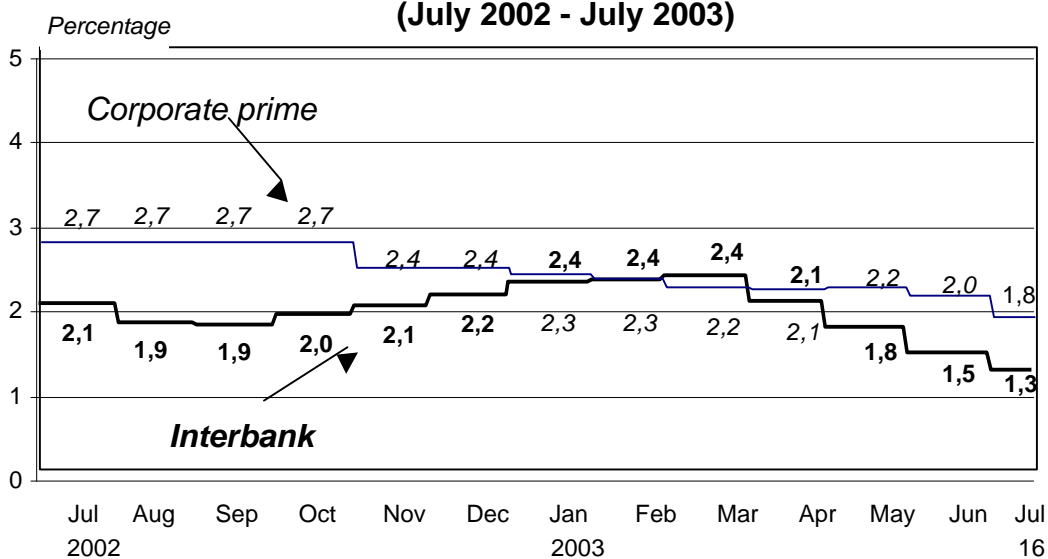
As of July 16 the corporate prime interest rate in local currency averaged 4,2 percent, down from June (4,6 percent), whereas the

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/. 3,471

As of **July 16**, the exchange rate of the banking system was S/. 3,471 per dollar, similar to end-June (S/. 3,472). On the other hand, the balance of net forward

sales remained at US\$ 722 million, whereas the exchange position fell US\$ 29 million.

BANKS' EXCHANGE POSITION
(Millions of US\$)

	December	January 2003	April	May	June	July 16
a. Net sales to the public (i-ii)	905	923	665	768	722	722
i. Forward sales to the public	1 141	1 167	910	974	941	892
ii. Forward purchases to the public	236	244	245	206	219	169
b. Banks' exchange position	642	616	625	656	587	558

Gross Domestic Product: May 2003

In May, the gross domestic product (GDP) grew 1,8 percent. The cumulative growth in the period January-May reached 4,3 percent, whereas domestic demand recorded an expansion similar to that in the same period the year before.

Agriculture output recorded an 0,8 percent expansion in May and 2,2 percent in the period January-May. The former reflected the increase in sugar cane and hard yellow corn production that offset the decrease in rice, poultry, cotton and beef meat.

Mining sector recorded a 14 percent growth thanks to the higher gold production of Yanacocha and Barrik-Pierina, as well as higher zinc volumes

from Antamina. On the other hand, hydrocarbon production declined 3,1 percent due to lower crude output. In the period January-May, mining activities recorded a 7,1 percent expansion.

Manufacturing output fell 0,5 percent, due to the lower dynamism of the manufacturing or primary resources, in particular fish-meal. However, non-primary manufacturing grew 1,3 percent reflecting the growth in textile, pharmaceutical metal-based activities.

Finally, independent house building and Mi Vivienda Fund programs made possible that the construction sector expand 3,4 percent in May (3,2 percent in the period January-May).

GROSS DOMESTIC PRODUCT (Rates of growth)

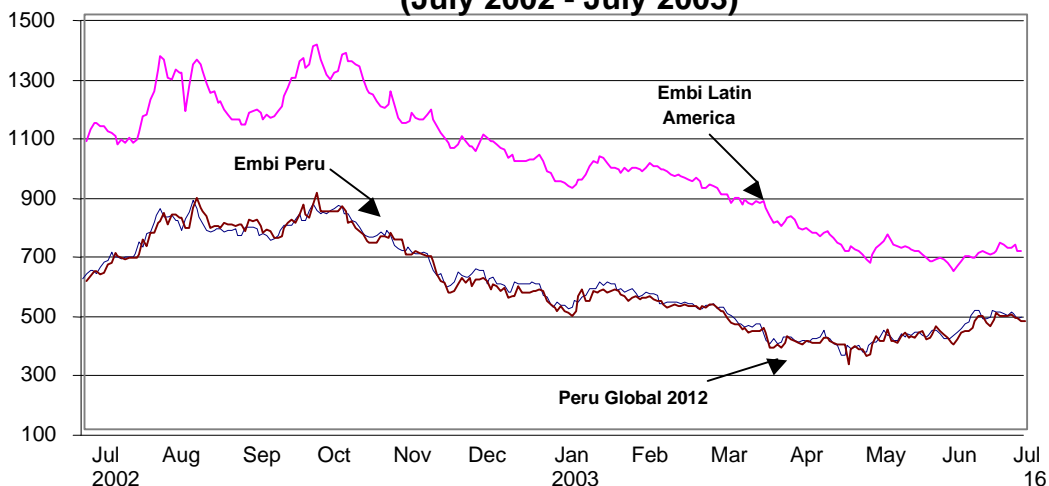
	May.		January-May	
	2002	2003	2002	2003
Agriculture and Livestock	11,2	0,8	8,6	2,2
Agriculture	12,1	-0,3	11,4	1,2
Livestock	9,1	3,4	4,3	3,9
Fishing	11,9	-26,8	-12,4	-13,8
Mining and fuel	15,2	14,0	22,4	7,1
Metals	17,2	15,8	24,2	8,3
Fuel	-4,5	-3,1	1,8	-4,5
Manufacturing	1,5	-0,5	1,6	2,9
Based on raw materials manufacturing	-3,5	-6,6	-4,3	-2,7
Non-primary manufacturing	3,2	1,3	3,3	4,4
Construction	5,2	3,4	9,0	3,2
Commerce	8,3	-1,6	4,1	3,9
Services	4,4	3,3	3,4	4,8
Electricity and water	6,0	4,0	6,7	4,2
Other services	4,3	3,3	3,3	4,8
<u>GROSS AGGREGATED VALUE</u>	<u>6,2</u>	<u>1,9</u>	<u>5,1</u>	<u>4,0</u>
Taxes on products and import duties	0,8	0,2	1,3	7,1
<u>GDP</u>	<u>5,7</u>	<u>1,8</u>	<u>4,7</u>	<u>4,3</u>
Primary sectors gross aggregated value	9,5	2,0	9,3	2,5
Non- primary sectors gross aggregated value	5,1	1,9	3,9	4,4
<u>DOMESTIC DEMAND INDICATOR</u>	<u>3,9</u>	<u>0,0</u>	<u>3,3</u>	<u>3,3</u>

Spread of Global bond at 4,7 percent

As of **July 16**, the spread of Peruvian Global bond with a 10 year maturity was 4,7 percent, slightly higher than end-June (4,6 percent), whereas the spread of the sovereign bonds increased from 4,9 to 5,0

percent. In average terms, the Global bond spread passed from 4,3 to 4,7 percent, whereas the sovereign bond one from 4,5 to 5,1 percent.

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



International markets

Between **July 9 and 16**, the **gold** quotation declined 0,3 percent to US\$ 343,2 per Troy ounce due to the

strengthening of the US dollar and the higher confidence in the US economy.

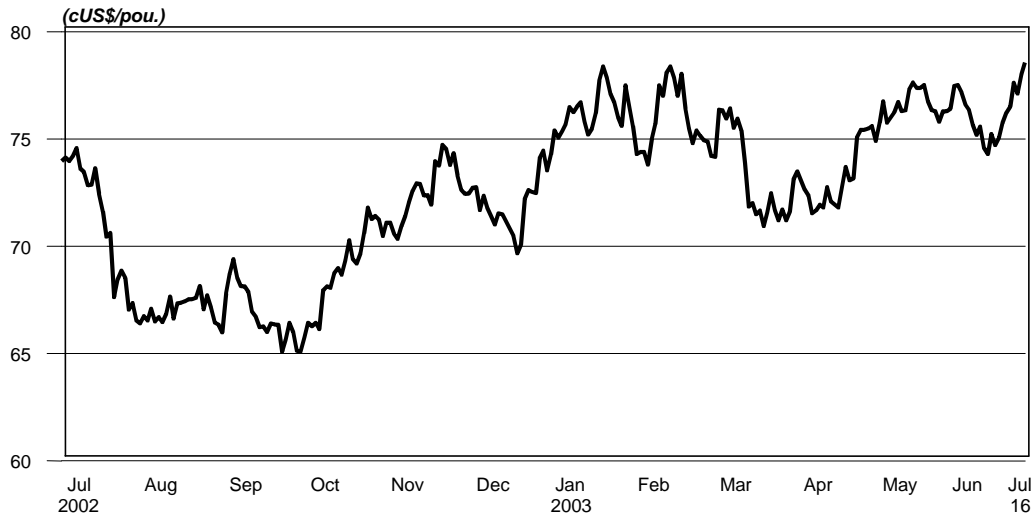
**Gold quotation
(July 2002 - July 2003)**



In the same period, the **copper** quotation increased 3 percent to US\$ 0,79 a pound, the maximum since March 16, 2001. This increase was propelled by decreased inventories after the higher demand from

China. On the other hand, LME inventories fell 0,78 percent to 647 thousand tons. The zinc quotation increased 2,5 percent, reaching US\$ 0,38 a pound.

Copper quotation
(July 2002 - July 2003)



The **WTI oil** quotation increased 1,1 percent to US\$ 31,2 a barrel, reflecting the difficult weather conditions in the Mexican

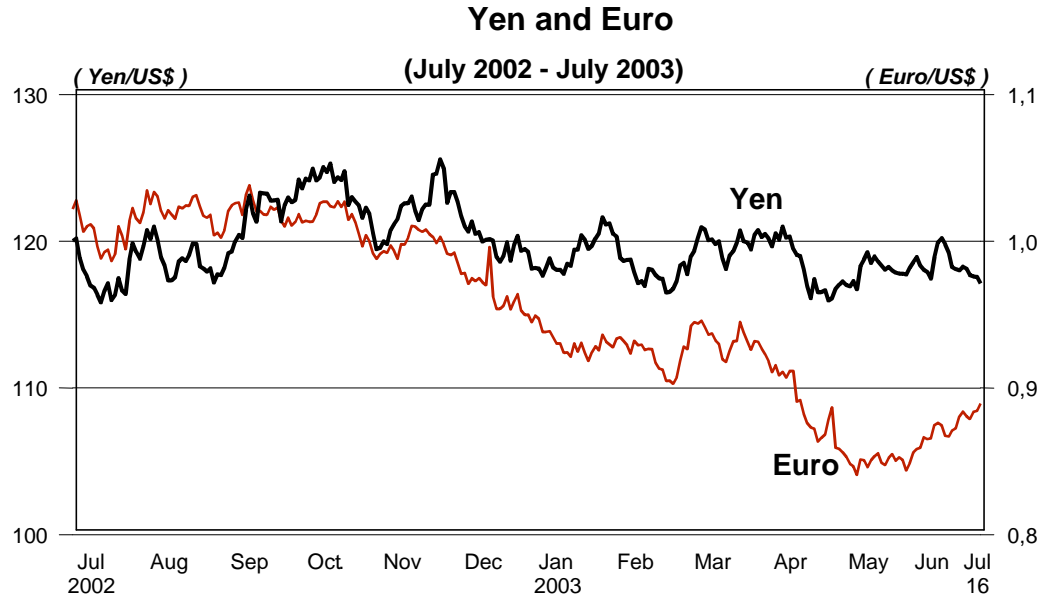
Gulf that make uneasy the normal supply in this area.

Oil quotation
(July 2002 - July 2003)



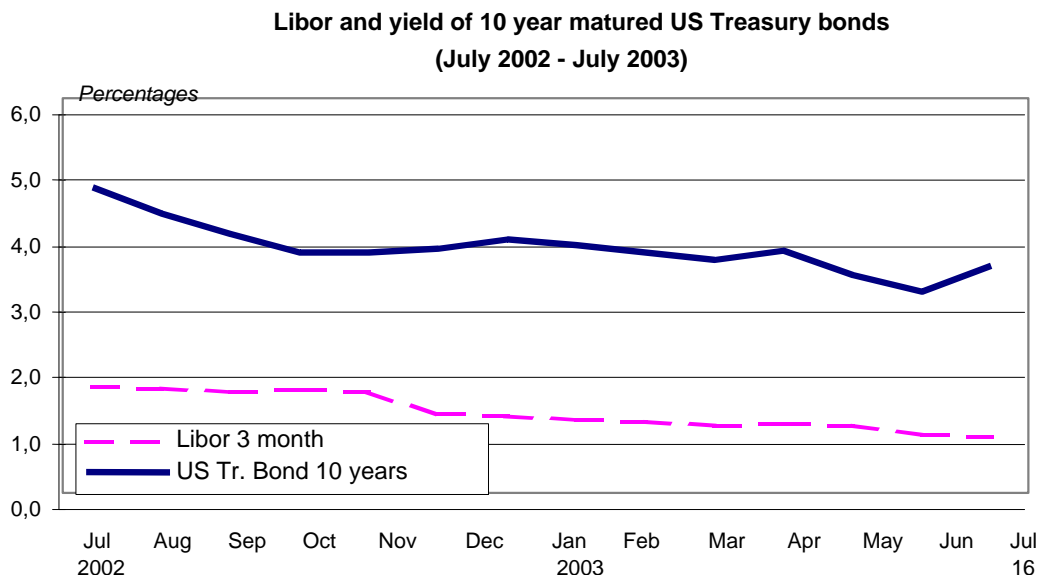
In the period under analysis, the **US dollar** appreciated 1,8 percent against the euro and 0,3 percent against the **yen**. This rise obeys to the improved economic indicators in the US and the weaker prospects of the

Euro-zone economy, mainly in Germany and France In the year the dollar cumulative depreciation against the euro is 5,8 percent and 0,2 percent against the yen.



The 3 month **Libor** remained at 1,11 percent over this period, whereas the **yield**

of US Treasury bonds with a 10 year maturity passed from 3,78 to 3,92 percent.

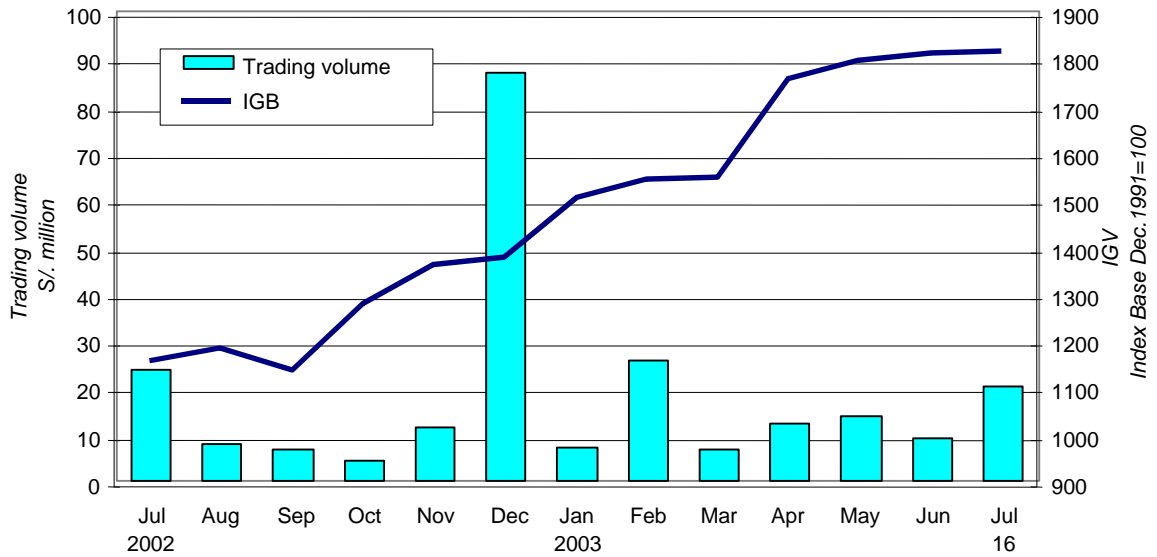


Lima Stock Exchange

As of **July 16**, the General Index of Lima Stock Exchange (LSE) increased 0,2 percent, whereas the Blue Chip Index expanded 0,9 percent. The cumulative

increase in the year is 31,4 percent for the General Index and 30,0 percent for the Blue Chip.

**LSE indicators
(July 2002 - July 2003)**



Indicadores Económicos / Economic Indicators

	2003										
	MAR.	ABR.	MAY.	30 Jun.	JUN.	10 Jul.	11 Jul.	14 Jul.	15 Jul.	16 Jul.	JUL.
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES					Var						Var
Posición de cambio / <i>Net international position</i>	3 609	3 808	3 813	3 827	14	3 887	3 897	3 909	3 926		99
Reservas internacionales netas / <i>Net international reserves</i>	10 443	10 457	10 360	9 997	-363	10 117	10 058	9 965	9 971		-26
Depósitos del sistema financiero en el BCR / <i>Financial system deposits at BCR</i>	3 581	3 465	3 494	3 439	-54	3 499	3 488	3 408	3 399		-40
Empresas bancarias / <i>Banks</i>	3 349	3 251	3 242	3 205	-38	3 267	3 257	3 161	3 170		-34
Banco de la Nación / <i>Banco de la Nación</i>	185	168	204	185	-19	184	182	198	180		-5
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	2 740	2 682	2 653	2 646		-82
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	2 730	2 672	2 643	2 636		-86
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	83	10	10	10	25	15	120
Compras netas en Mesa de Negociación / <i>Net purchases of foreign currency</i>	118	184	0	10	79	10	10	10	15	15	115
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	0	0	0	0	10	0	10
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	3,473	3,472	3,470	3,470	3,470
Apertura / <i>Opening</i>	3,480	3,465	3,482	3,472	3,480	3,474	3,472	3,471	3,471	3,471	3,471
Mediodía / <i>Midday</i>	3,480	3,465	3,482	3,470	3,479	3,473	3,473	3,471	3,470	3,471	3,471
Cierre / <i>Close</i>	3,480	3,465	3,482	3,468	3,478	3,473	3,472	3,472	3,471	3,470	3,471
Venta Interbancario / <i>Interbank Ask</i>	Promedio / <i>Average</i>	3,479	3,465	3,482	3,470	3,479	3,473	3,473	3,471	3,470	3,471
Apertura / <i>Opening</i>	3,480	3,465	3,482	3,472	3,480	3,474	3,472	3,471	3,471	3,471	3,471
Mediodía / <i>Midday</i>	3,480	3,465	3,482	3,470	3,479	3,473	3,473	3,471	3,470	3,471	3,471
Cierre / <i>Close</i>	3,480	3,465	3,482	3,468	3,478	3,473	3,472	3,472	3,471	3,470	3,471
Sistema bancario (SBS) / <i>Banking System</i>	Compra / <i>Bid</i>	3,478	3,464	3,480	3,469	3,478	3,473	3,473	3,470	3,470	3,471
Venta / <i>Ask</i>	3,480	3,465	3,482	3,472	3,480	3,474	3,474	3,471	3,471	3,471	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	1,3	1,4	3,1	2,2		
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>	0,5	0,3	0,3	0,1	0,1	1,2	1,0	1,0	0,9		
Cuenta corriente de los bancos (saldo mill. S./) / <i>Banks' current account (balance)</i>	200	211	188	134	204	329	225	188	186	159	
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	1 367	1 332	1 120	1 111	1 179	
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	3 195	3 195	3 195	
Operaciones de reporte (saldo Mill. S./) / <i>repos (Balance millions of S./)</i>	210	80	80	50	50	0	0	0	0	25	
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	14,3	14,2	14,3	14,2	14,2
Interbancaria / <i>Interbank</i>	3,8	3,8	3,8	3,8	3,7	3,5	3,4	3,4	3,3	3,4	3,5
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.	3,4
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	-0,7	0,3	-1,2	-1,1		
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>	0,1	0,1	0,1	0,1	0,1	3,8	4,0	3,9	2,7		
Créditos por regulación monetaria (millones de US dólares) / <i>Rediscounts</i>	0	0	0	0	0	0	0	0	0	0	0
Préstamos y descuentos hasta 360 días / <i>Loans & discount</i>	8,8	9,0	8,6	7,7	7,9	7,6	7,6	7,5	7,5	7,5	7,6
Interbancaria / <i>Interbank</i>	2,4	2,1	1,8	1,5	1,5	1,2	1,2	1,5	1,5	1,5	1,3
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	-0,3	0,2	-0,4	-0,5	0,7
Índice Selectivo Bursátil (Var. %) / <i>Blue Chip Index (% change)</i>	0,0	13,5	2,5	-0,1	0,6	-0,5	-0,3	0,5	-0,5	-0,5	1,4
Monto negociado en acciones (Mill. S./) - Prom. diario	6,8	12,1	14,0	24,6	9,2	3,9	3,3	4,4	5,2	176,0	19,9
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	1,8								
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	-1,3	0,9	0,6	-0,5	-0,4	1,2
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	3,6	3,7	4,0	3,9	3,7
Stripped spread del EMBI+ PERÚ (pbs) / <i>EMBI+ PERU stripped spread (basis points)</i>	511	426	411	485	455	503	517	512	494	499	507
Bono Global 2012 - Perú (en pbs) / <i>Global Bond 2012 - Peru (basis points)</i>	476	396	389	461	430	486	478	474	463	468	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.