

BANCO CENTRAL DE RESERVA DEL PERÚ

WEEKLY REPORT

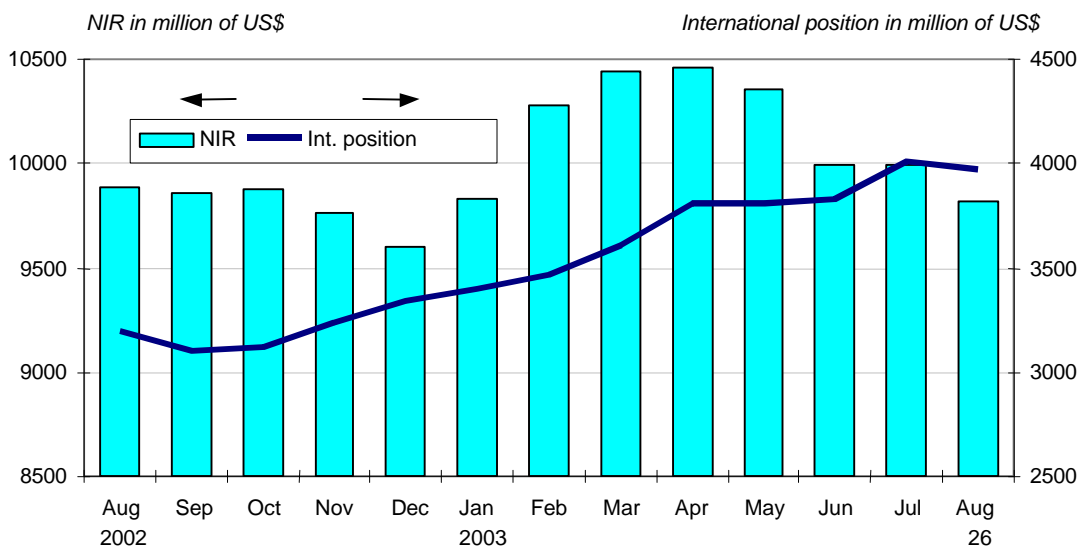
Nº 34 – August 28, 2003

Net international reserves: US\$ 9 822 million

As of **August 26**, net international reserves amounted to US\$ 9 822 million, down US\$ 167 million from end-July. This NIR decrease reflects the withdrawal of public sector deposits at the Central Bank (US\$ 190 million) and foreign currency sales to the public sector (US\$ 45 million), which were partially offset by the increase of

financial system deposits (US\$ 62 million) and purchases of foreign currency at over-the-counter (US\$ 5 million) and net investment yields (US\$ 2 million). In the year NIR has increased US\$ 224 million, whereas the **Central Bank international position**, which reached US\$ 3 978 million is US\$ 637 million higher than end-2002.

**BCR's net international reserves and international position
(August 2002 - August 2003)**

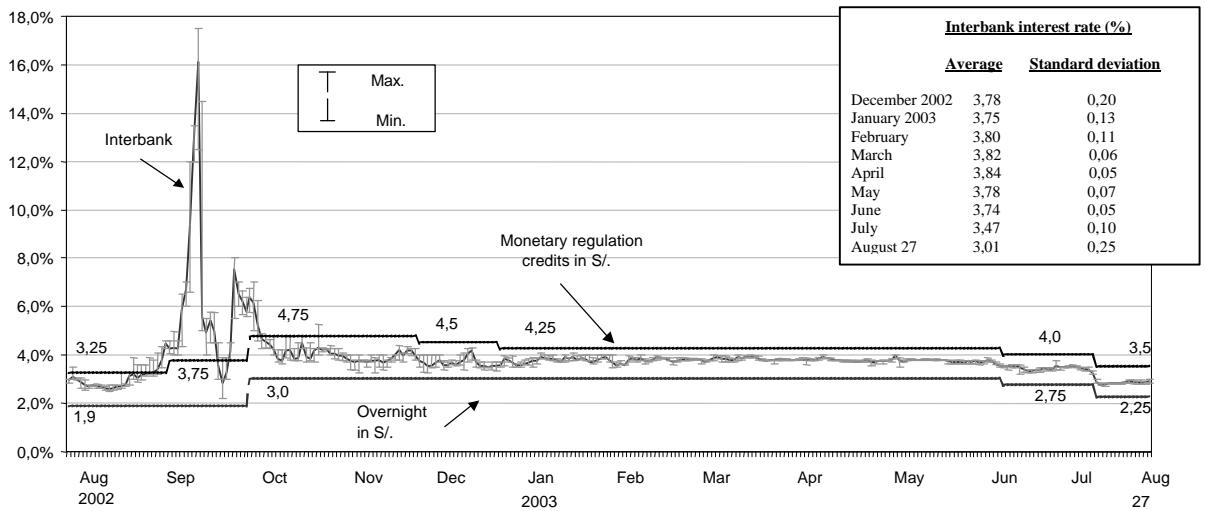


Interbank interest rate at 3,01 percent

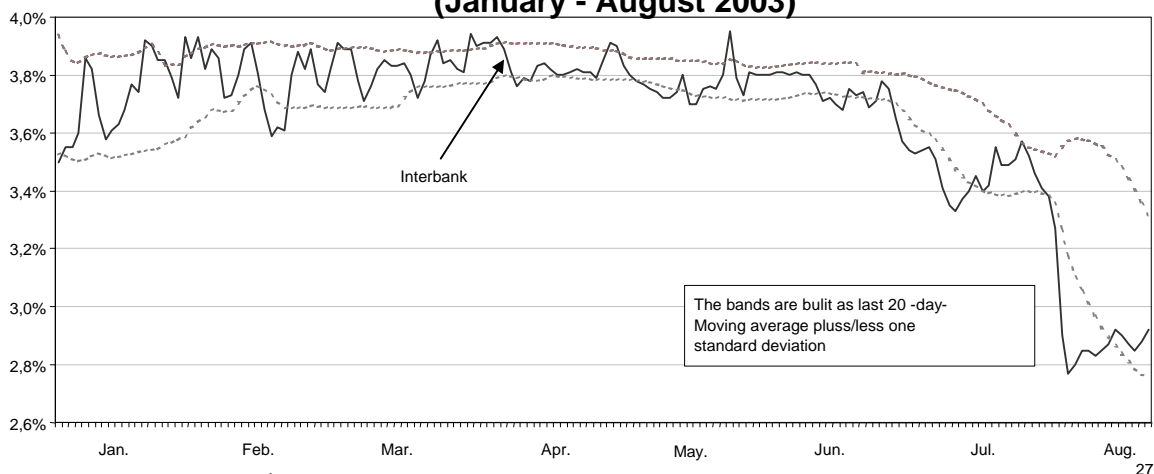
As of August 27, the monthly cumulative average of the interbank interest rate in domestic currency was 3,01 percent, down from July (3,47 percent), reflecting last BCR's reference interest rate reduction (50

basis points on August 8). It should be noted that this rate is in line with reference BCR's interest rates (2,25 percent for overnight deposits and 3,5 percent for monetary regulation credits).

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



Interest rate in domestic currency (January - August 2003)



Monetary operations

As of **August 27**, the daily average balance of banks' liquidity at the Central Bank amounted to S/. 206 million. The projected balance for August is S/. 190 to S/. 210 million. Between **August 21 and 27**, the Central Bank made the following operations:

- Auctions of CDBCRP and BTP with the following maturities: i) 1 day amounting

to S/. 220 million at average interest rates of 2,84 percent; S/. 170 million at 2,82 percent and S/. 90 million at 2,88 percent and ii) 3 days amounting to S/. 240 million at 2,79 percent.

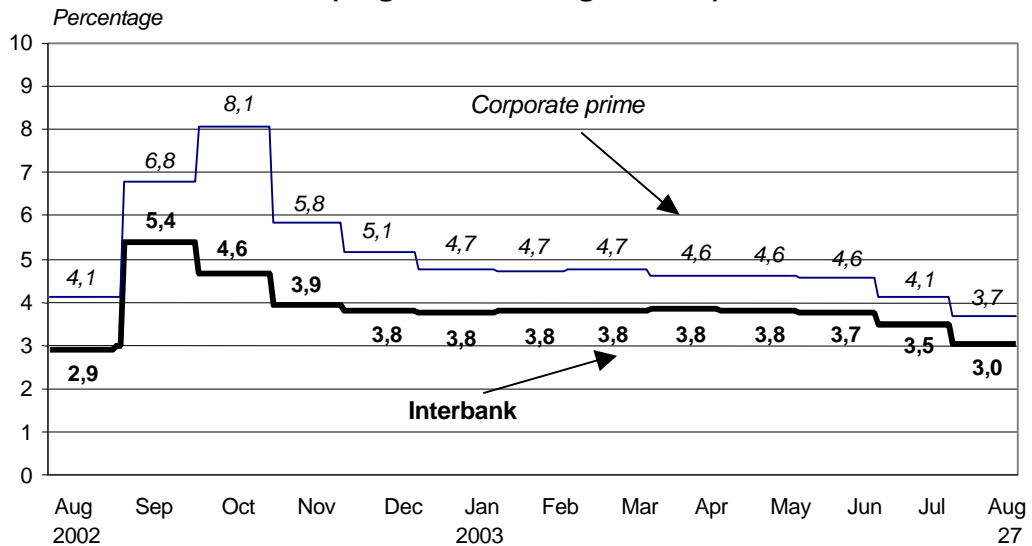
- Purchases of foreign currency totaling US\$ 13 million at an average exchange rate of S/. 3,48.

Corporate prime interest rate at 3,7 percent

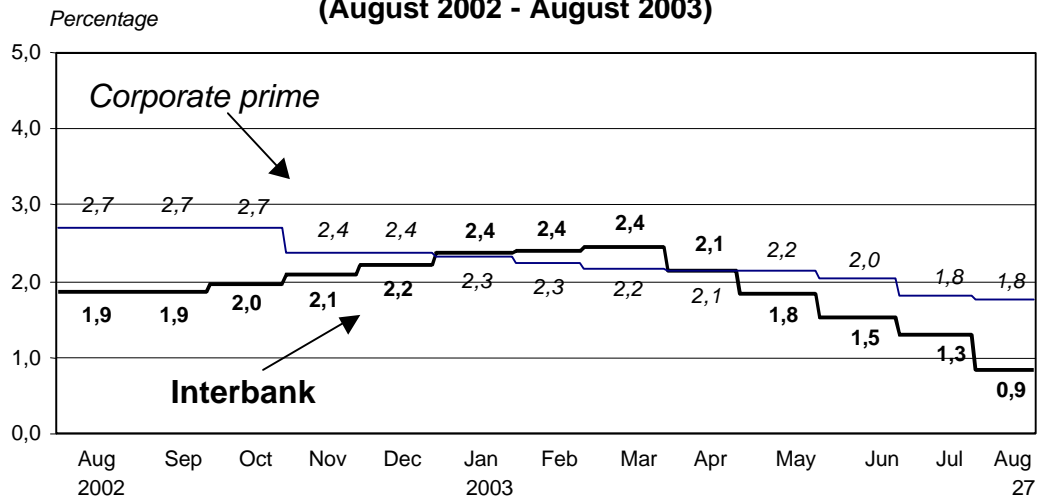
As of **August 27**, the corporate prime interest rate in local currency averaged 3,7 percent, down from July (4,1 percent) and in line with Central Bank's reference interest

rate decrease. On the other hand, the rate in dollars remained at 1,8 percent in the same period.

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



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



Exchange rate: S/. 3,481

Between **August 19 to 26**, the average exchange rate fell slightly from S/. 3,482 to S/. 3,481 per dollar, reflecting the higher preference for domestic currency linked to the tax period. On the other hand, the

balance of net forward sales fell from US\$ 715 to 681 million, whereas the banks' exchange position increased from US\$ 589 to 651 million over the same period.

BANKS' EXCHANGE POSITION (Millions of US\$)

	December	January 2003	June	July	August 26
a. Net sales to the public (i-ii)	905	923	722	715	681
i. Forward sales to the public	1 141	1 167	941	901	835
ii. Forward purchases to the public	236	244	219	186	154
b. Banks' exchange position	642	616	587	589	651

Central government operations: July 2003

In July, the **central government operations** recorded a **primary deficit** of S/. 385 million, S/. 130 million lower than the deficit recorded a year ago. Interest amounted to S/. 216 million (up S/. 57 million from July 2002); therefore, July **overall deficit** reached S/. 601 million.

Current revenue (S/. 2 446 million) increased 7 percent compared with July 2002 due to the payment in advance of income tax, a greater excise and value added tax collection.

Non-financial expenditure in July (S/. 2 903 million) was S/. 36 million higher than in July 2002, due to the increase of current expenditure in S/. 158 million (6 percent), partially offset by the decrease of capital expenditure in S/. 122 million (29

percent). The former was explained by the increase in wages and salaries (S/. 117 million) and transfers (S/. 34 million).

In the period **January-July**, central government operations recorded a S/. 739 million surplus, against the S/. 251 million deficit during the same period in 2002, thanks to the 13 percent increase of current revenues that exceeded the growth of non-financial expenditure in 7 percent. The latter due to higher current expenditure.

In July, **external financing** was negative in S/. 27 million. Disbursements amounted to US\$ 23 million and amortization to US\$ 31 million. **Domestic financing** totaled S/. 624 million, including S/. 225 million of sovereign bonds.

CENTRAL GOVERNMENT OPERATIONS (Millions of Nuevos Soles)

	2002		2003		Var %		January - July		
	Jul	Jun	Jul	1 month	12 months	2002	2003	Var %	
1. CURRENT REVENUES	2 278	2 463	2 446	-0,7	7,4	15 656	17 746	13,3	
2. NON-FINANCIAL EXPENDITURE	2 867	2 390	2 903	21,5	1,3	16 053	17 122	6,7	
A. CURRENT EXPENDITURE	2 448	2 032	2 606	28,3	6,5	14 017	15 216	8,6	
B. CAPITAL EXPENDITURE	419	359	297	-17,1	-29,1	2 037	1 906	-6,4	
3. CAPITAL REVENUES	73	8	73	850,0	-1,0	145	116	-20,5	
4. PRIMARY BALANCE	-515	81	-385			-251	739		
5. INTEREST PAYMENTS	159	641	216	-66,3	35,9	2 002	2 212	10,5	
6. OVERALL BALANCE	-674	-560	-601			-2 253	-1 473		
7. NET FINANCING	674	560	601			2 253	1 473		
1. EXTERNAL	928	-513	-27			2 817	1 280		
A. DISBURSEMENTS	1 146	137	80			7 631	3 268		
B. AMORTIZATIONS	-218	-650	-106			-4 814	-1 988		
2. DOMESTIC	-258	1 069	624			-985	155		
3. PRIVATIZATION	4	4	4			421	38		

Banking system monetary accounts as of July 31, 2003

In July, liquidity in **domestic currency** grew 5,5 percent (or S/. 1 016 million) to a S/. 19 341 million balance (up 8,3 percent from a year ago). Credit to the private sector increased 0,2 percent (or S/. 24 million) to S/. 10 142 million (up 10,5 percent from a year ago).

In **foreign currency**, liquidity fell 1,4 percent (US\$ 138 million) to US\$ 9 477 million, recording an annual fall of 2,1 percent. Credit to the private sector decreased 0,6 percent (US\$ 60 million) to US\$ 9 871 million (down 6,7 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.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	
	Month	Year	Month	Year	Month	Year	Month	Year	Month	Year	Month	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%	-3,6%	5,4%	0,0%	2,8%	-11,0%	-40,5%	-2,9%	-5,2%	
Feb.	-0,3%	8,3%	2,6%	11,3%	3,8%	7,5%	-0,1%	2,8%	10,5%	-38,0%	-0,2%	-6,7%	
Mar.	-1,1%	5,0%	1,8%	10,6%	1,6%	6,3%	-0,1%	4,4%	-15,3%	-44,9%	-0,4%	-6,1%	
Apr.	3,1%	9,5%	0,5%	11,9%	3,7%	14,7%	-0,5%	3,5%	13,9%	-34,9%	0,8%	-5,9%	
May.	-1,1%	8,4%	1,9%	14,1%	0,7%	14,4%	-1,4%	2,2%	-2,0%	-38,1%	-0,8%	-6,9%	
Jun.	1,7%	6,5%	-2,4%	9,0%	-1,6%	11,0%	1,2%	3,1%	-2,8%	-41,8%	-0,1%	-6,5%	
Jul.	8,3%	2,8%	5,5%	8,3%	0,2%	10,5%	-1,4%	-2,1%	2,9%	-42,4%	-0,6%	-6,7%	
Memo:													
Balance as of Jun30 (Mill. S/. or Mill. US\$)	6 271		18 325		10 118		9 615		689		9 931		
Balance as of Jul31 (Mill. S/. or Mill. US\$)	6 793		19 341		10 142		9 477		709		9 871		
1/ Banks' short term external liabilities.													

Spread of Global bond at 3,2 percent

As of **August 27**, the spread of the **Global 2012** bond reached an historic minimum of 3,2 percent, down from end-July (4,1

percent), whereas the spread of the **sovereign bonds** passed from 4,7 to 3,6 percent over the same period.

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



International markets

Between **August 20 and 27**, the **gold** quotation increased 2,1 percent to US\$ 371,3 per troy ounce, reflecting the higher

speculative demand that followed the terrorist attacks in the Middle East.

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



Over the same period, the **copper** quotation decreased 1,8 percent to US\$ 0,78 per pound linked to the higher production of BHP in Chile. LME inventories

remained at 624 thousand MT. On the other hand, the zinc quotation decreased 1,9 percent to US\$ 0,36 per pound.

Copper quotation



The **WTI oil** quotation increased 4,1 percent to US\$ 31,4 per barrel, reflecting

the reduction the greater demand and the lower inventories in the United States.

Oil quotation

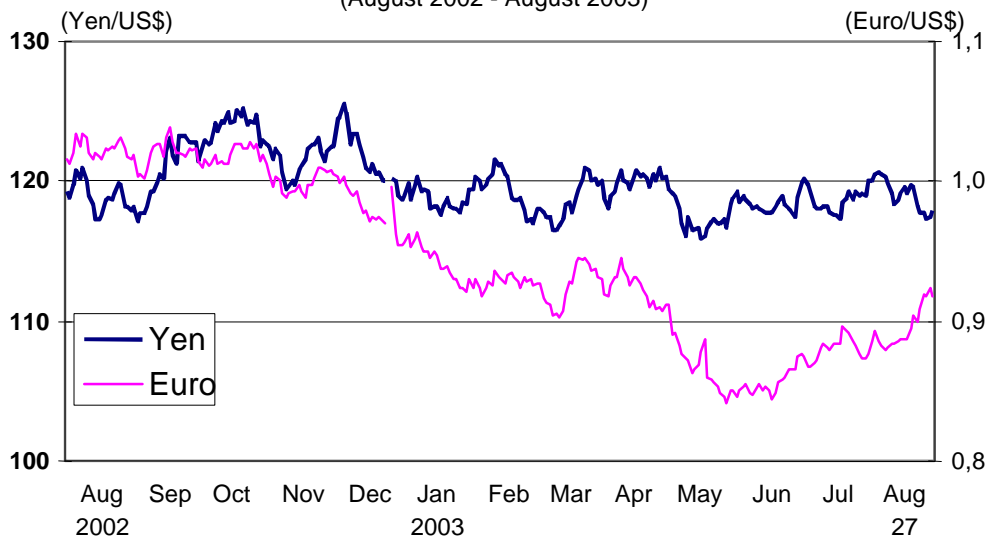


In the period under analysis, the **US dollar** appreciated 2,2 percent against the euro and depreciated 0,6 percent against the

yen. In the year, the US dollar has depreciated 3,5 percent against the euro and 1,2 percent against the yen.

Yen and Euro

(August 2002 - August 2003)

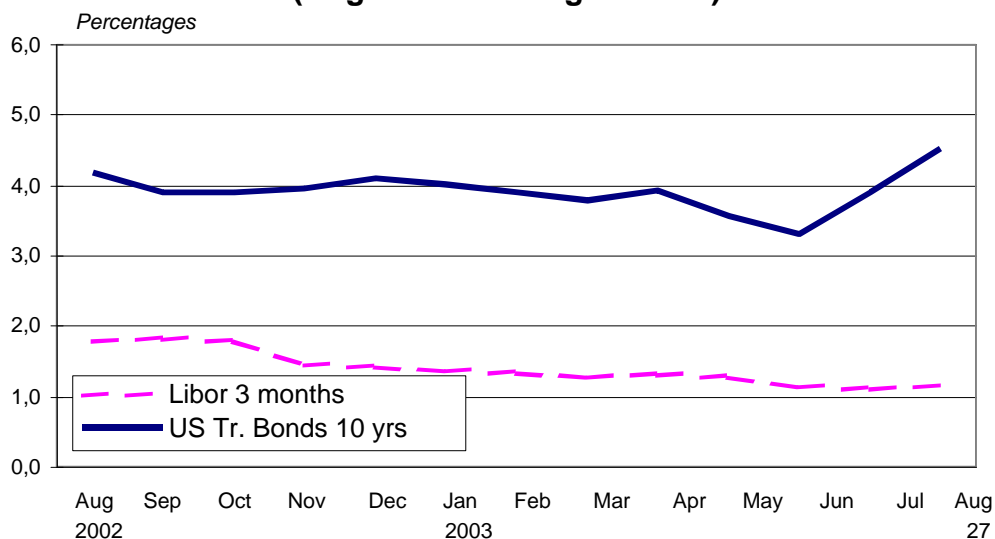


Between August 20 and 27, the **Libor** increased from 1,13 to 1,14 percent whereas the **yield of US Treasury bonds**

with a 10 year maturity passed from 4,42 to 4,54 percent.

Libor and yield of 10 year matured US Treasury bonds

(August 2002 - August 2003)

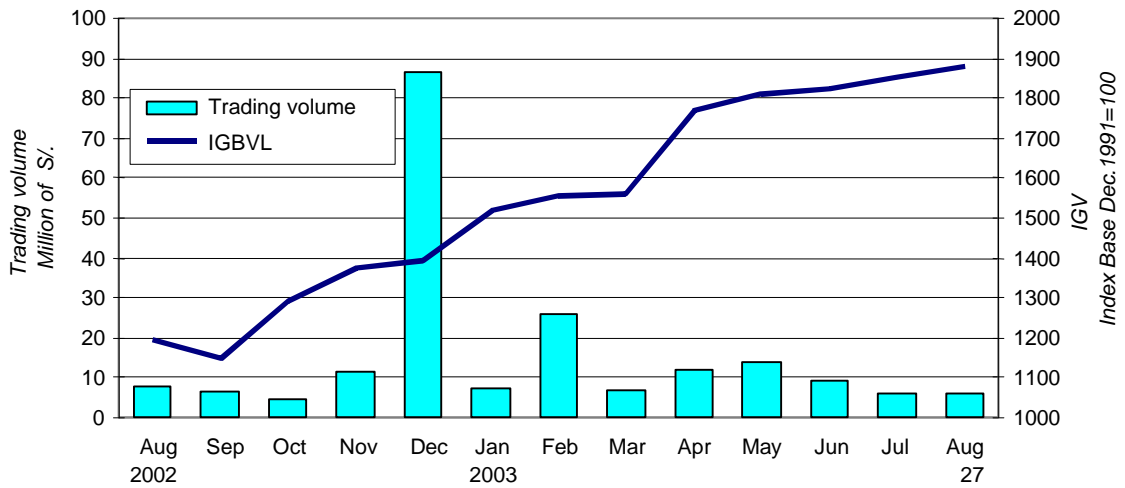


Lima Stock Exchange

As of **August 27**, the General Index and Blue Chip Index of Lima Stock Exchange (LSE) increased 1,7 and 0,9 percent,

respectively. The cumulative increase in the year is 35,1 percent for the General Index and 34,1 percent for the Blue Chip.

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



Indicadores Económicos / Economic Indicators

	2002				2003						
	DIC.	JUN.	31 Jul.	JUL.	21 Ago.	22 Ago.	25 Ago.	26 Ago.	27 Ago.	AGO.	
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES											
				Var						Var	
Posición de cambio / <i>Net international position</i>	3 341	3 827	4 010	183	4 006	4 005	4 008	3 978		-33	
Reservas internacionales netas / <i>Net international reserves</i>	9 598	9 997	9 989	-8	9 818	9 785	9 792	9 822		-167	
Depósitos del sistema financiero en el BCR / <i>Financial system deposits at BCR</i>	3 381	3 439	3 334	-105	3 435	3 406	3 427	3 396		62	
Empresas bancarias / <i>Banks</i>	3 048	3 205	3 088	-117	3 192	3 168	3 175	3 134		46	
Banco de la Nación / <i>Banco de la Nación</i>	291	185	196	11	195	189	203	213		17	
Sector privado / <i>Private sector</i>	42	50	50	0	49	49	49	49		-1	
Depósitos del sector público en el BCR / <i>Public sector deposits at BCR</i>	2 900	2 728	2 656	-73	2 398	2 397	2 375	2 466		-190	
Depósitos de privatización	24	7	12	5	17	17	17	17		5	
Otros depósitos / <i>Other *</i>	2 875	2 722	2 644	-78	2 382	2 380	2 359	2 449		-195	
OPERACIONES CAMBIARIAS BCR (MILL. US\$) / BCR FOREIGN OPERATIONS											
Origen externo de la emisión primaria / <i>External origin of the monetary base</i>	Acum.	Acum.		Acum.						Acum.	
	49	83	0	164	0	0	0	-27	10	-31	
Compras netas en Mesa de Negociación / <i>Net purchases of foreign currency</i>	5	79	0	153	0	0	0	3	10	15	
Operaciones swaps netas / <i>Net swap operations</i>	0	5	0	-5	0	0	0	0	0	0	
Operaciones con el Sector Público / <i>Public sector</i>	45	0	0	15	0	0	0	-30	0	-45	
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE											
	Prom.	Prom.		Prom.						Prom.	
Compra interbancario/ <i>Interbank bid</i>	Promedio / <i>Average</i>	3,513	3,478	3,472	3,471	3,481	3,481	3,481	3,480	3,479	3,480
Apertura / <i>Opening</i>	3,516	3,480	3,472	3,471	3,482	3,482	3,482	3,481	3,479	3,481	
Mediodía / <i>Midday</i>	3,515	3,479	3,473	3,471	3,482	3,482	3,481	3,481	3,479	3,481	
Cierre / <i>Close</i>	3,515	3,478	3,473	3,471	3,482	3,482	3,481	3,479	3,480	3,481	
Interbank Ask	Promedio / <i>Average</i>	3,515	3,479	3,473	3,471	3,482	3,482	3,481	3,480	3,479	3,481
Sistema Bancario (SBS) / <i>Banking System</i>	Compra / <i>Bid</i>	3,513	3,478	3,472	3,471	3,481	3,480	3,480	3,479	3,478	3,480
	Venta / <i>Ask</i>	3,515	3,480	3,473	3,472	3,482	3,482	3,481	3,481	3,480	3,481
Índice de tipo de cambio real (1994 = 100) / <i>Real exchange rate Index (1994 = 100)</i>	100,4	105,3		104,7							
INDICADORES MONETARIOS / MONETARY INDICATORS											
Moneda nacional / Domestic currency											
Emisión Primaria / <i>Monetary base</i>	(Var. % mensual) / (% monthly change)	11,1	1,7	8,3	8,3						
	(Var. % últimos 12 meses) / (% 12-month change)	11,0	6,5	2,8	2,8						
Oferta monetaria / <i>Money Supply</i>	(Var. % mensual) / (% monthly change)	6,3	-2,4	5,5	5,5						
	(Var. % últimos 12 meses) / (% 12-month change)	10,6	9,0	8,3	8,3						
Crédito sector privado / <i>Crédit to the private sector</i>	(Var. % mensual) / (% monthly change)	0,8	-1,6	0,2	0,2						
	(Var. % últimos 12 meses) / (% 12-month change)	7,1	11,0	10,5	10,5						
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>		2,9	-2,7	2,5	2,5	0,6	0,2	1,1	0,5		
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>		0,3	0,1	0,1	0,1	0,7	0,6	0,6	0,5		
Cuenta corriente de los bancos (saldo mill. S/) / <i>Banks' current account (balance)</i>		191	204	51	51	208	121	83	104	76	
Créditos por regulación monetaria (millones de S/) / <i>Rediscounts (Millions of S/.)</i>		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>		275	1 463	1 176	1 176	1 083	1 134	1 179	1 071	1 080	
Certificados de Depósitos BCRP (saldo Mill.S/) / <i>CDBCRP balance (Millions of S/.)</i>		1 635	2 850	3 075	3 075	3 570	3 570	3 570	3 570	3 570	
Operaciones de reporte (saldo Mill. S/) / <i>repos (Balance millions of S/.)</i>		0	50	s.m.	s.m.	220	240	200	170	90	
Tasa de interés (%) / <i>Interest rates (%)</i>	Préstamos y descuentos hasta 360 días / <i>Loans & discount</i>	14,8	14,0	14,4	14,3	14,5	14,4	14,5	14,6	14,4	14,4
	Interbancaria / <i>Interbank</i>	3,8	3,7	3,6	3,5	2,9	2,9	2,9	2,9	2,9	3,0
	Preferencial corporativa a 90 días / <i>Corporate Prime</i>	5,2	4,6	4,1	4,1	3,7	3,7	3,7	3,7	3,6	3,7
	Operaciones de reporte con CDBCRP / <i>CDBCRP repos</i>	s.m.	3,9	s.m.	s.m.	2,8	2,8	2,8	2,8	2,9	
	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.	
	Del saldo de CDBCRP / <i>CDBCRP balance</i>	4,7	4,7	4,6	4,6	4,4	4,4	4,4	4,4	4,4	
Moneda extranjera / foreign currency											
Crédito sector privado / <i>Crédit to the private sector</i>	(Var. % mensual) / (% monthly change)	-0,3	-0,1	-0,6	-0,6						
	(Var. % últimos 12 meses) / (% 12-month change)	-3,6	-6,5	-6,7	-6,7						
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>		-2,0	1,0	-1,9	-1,9	0,3	0,3	-0,1	-0,6		
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>		0,1	0,1	0,1	0,1	-0,2	0,4	0,5	0,4		
Créditos por regulación monetaria (millones de US dólares) / <i>Rediscounts</i>		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	7,9	7,1	7,4	6,8	6,9	6,9	6,8	6,8	7,0
	Interbancaria / <i>Interbank</i>	2,2	1,5	1,0	1,3	s.m.	0,8	1,0	0,9	s.m.	0,9
	Preferencial corporativa a 90 días / <i>Corporate Prime</i>	2,4	2,0	1,8	1,8	1,7	1,7	1,7	1,7	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.	
INDICADORES BURSÁTILES / STOCK MARKET INDICES											
Índice General Bursátil (Var. %) / <i>General Index (% change)</i>	Acum.	Acum.		Acum.						Acum.	
Índice Selectivo Bursátil (Var. %) / <i>Blue Chip Index (% change)</i>	1,0	0,9	0,1	1,4	0,3	0,3	-1,0	-0,3	0,8	1,7	
Monto negociado en acciones (Mill. S/) - Prom. diario	1,2	0,6	0,4	3,1	-0,1	0,3	-1,5	-0,7	0,9	0,9	
	86,8	9,2	4,4	14,4	9,7	3,7	4,5	5,1	16,0	6,0	
INFLACIÓN (%) / INFLATION (%)											
Inflación mensual / <i>Monthly</i>		-0,03	-0,47		-0,15						
Inflación últimos 12 meses / % 12 months change		1,52	2,17		1,98						
GOBIERNO CENTRAL (MILL. S/) / CENTRAL GOVERNMENT (Mills. of S/.)											
Resultado primario / <i>Primary balance</i>		-232	81		-385						
Ingresos corrientes / <i>Current revenue</i>		2 779	2 463		2 446						
Gastos no financieros / <i>Non-financial expenditure</i>		3 140	2 390		2 903						
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)											
Balanza Comercial / <i>Trade balance</i>		71	142								
Exportaciones / <i>Exports</i>		746	802								
Importaciones / <i>Imports</i>		675	660								
PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT											
Variac. %, respecto al mismo mes del año anterior / <i>Annual rate of growth</i>		6,5	5,3								
LIBOR a tres meses (%) / <i>LIBOR 3-month (%)</i>		1,4	1,1	1,1	1,1	1,1	n.d.	1,1	1,1	1,1	
Dow Jones (Var %) / (% change)		-5,9	1,5	0,4	2,8	0,3	-0,8	-0,3	0,2	-0,1	1,2
Rendimiento de los U.S. Treasuries (10 años) / <i>U.S. Treasuries yield (10 years)</i>		4,0	3,3	4,4	3,9	4,5	4,5	4,5	4,5	n.d.	4,4
Stripped spread del EMBI+ PERÚ (pbs) / <i>EMBI+ PERU stripped spread (basis points)</i>		620	455	468	488	389	387	377	372	356	427
Bono Global 2012 - Perú (en pbs) / <i>Global Bond 2012 - Peru (basis points)</i>		575	430	414	449	361	360	349	340	321	397

* 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.

** Los tipo de cambio del Sistema Bancario son adelantados.

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