

BANCO CENTRAL DE RESERVA DEL PERÚ

WEEKLY REPORT

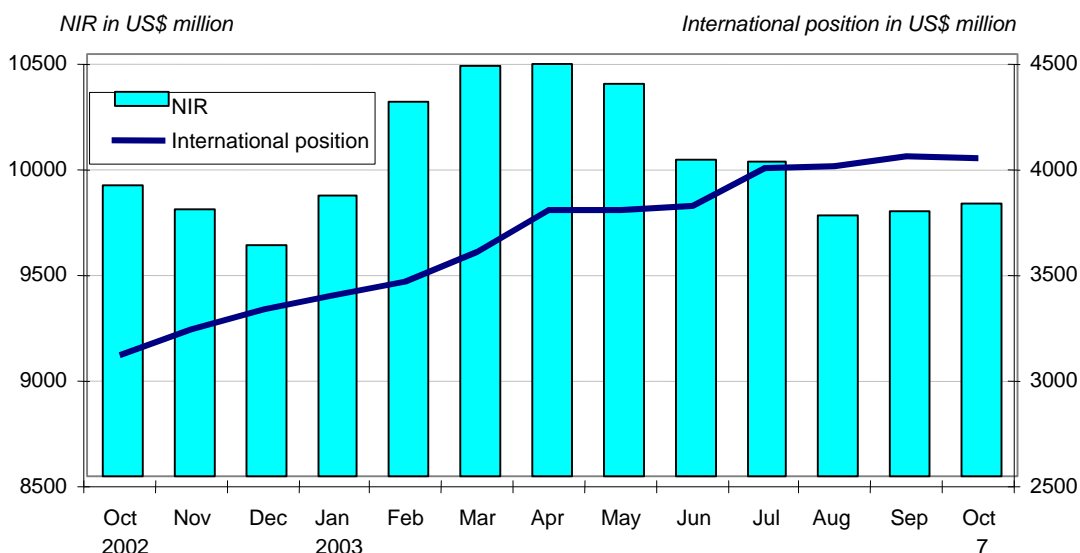
Nº 40 – October 10, 2003

Net international reserves: US\$ 9 788 million

As of **October 7**, net international reserves amounted to US\$ 9 788 million, up US\$ 33 million from end-September due to higher financial system deposits at the Central Bank (US\$ 110 million), that was partially offset by lower public sector and Insurance Deposit Fund deposits (US\$ 64 and 4

million, respectively), valuation effect (US\$ 7 million) and operations with ALADI (US\$ 2 million). In the year, NIR has increased US\$ 190 million, whereas the **Central Bank international position**, increased US\$ 713 million to US\$ 4 054 million over the same period.

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

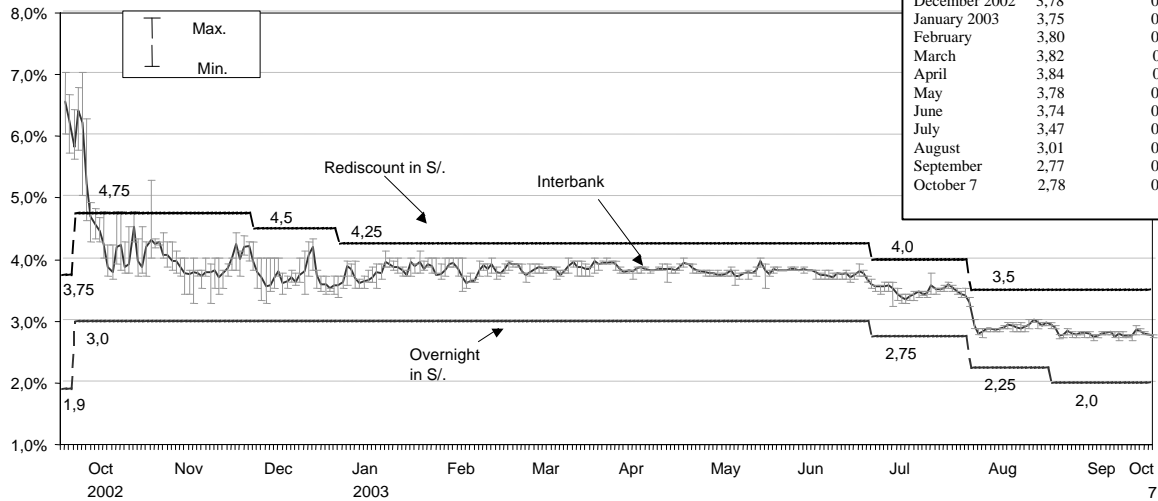


Interbank interest rate at 2,78 percent

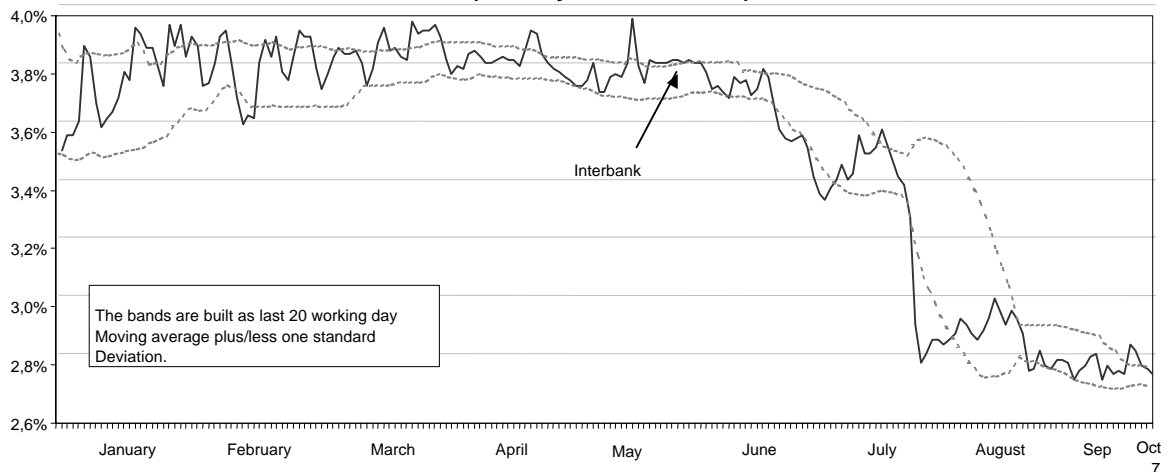
Between **October 2 and 9**, the interbank interest rate in domestic currency was 2,78 percent, slightly higher than in September (2,77 percent). For October the Central

Bank overnight deposit interest rate is 2 percent and the rate monetary regulation credits 3,5 percent.

**Interest rate in domestic currency
(October 2002 - October 2003)**



**Interest rate in domestic currency
(January - October 2003)**



Monetary operations

As of October 7, the daily average balance of banks' liquidity at the Central Bank amounted to S/. 294 million, having been projected a balance of S/. 180 to S/. 200 million for that month. Between October 2 and 7, the Central Bank made the following operations:

- Auctions of Certificates of Deposits with 6 month maturity of S/. 50 and S/. 80

million at average interest rates of 3,07 and 3,13 percent, respectively.

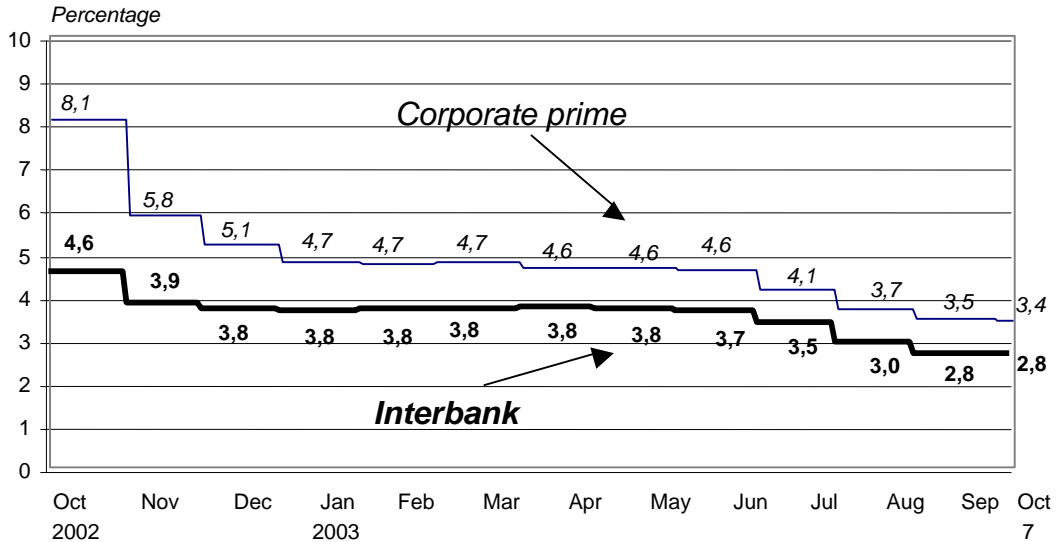
- Auction of temporary purchase of CDBCRP and BTP with a 1 day and 3 day maturities by S/. 240 and S/. 215 million at average interest rates of 2,77 and 2,76 percent, respectively.

Corporate prime interest rate at 3,4 percent

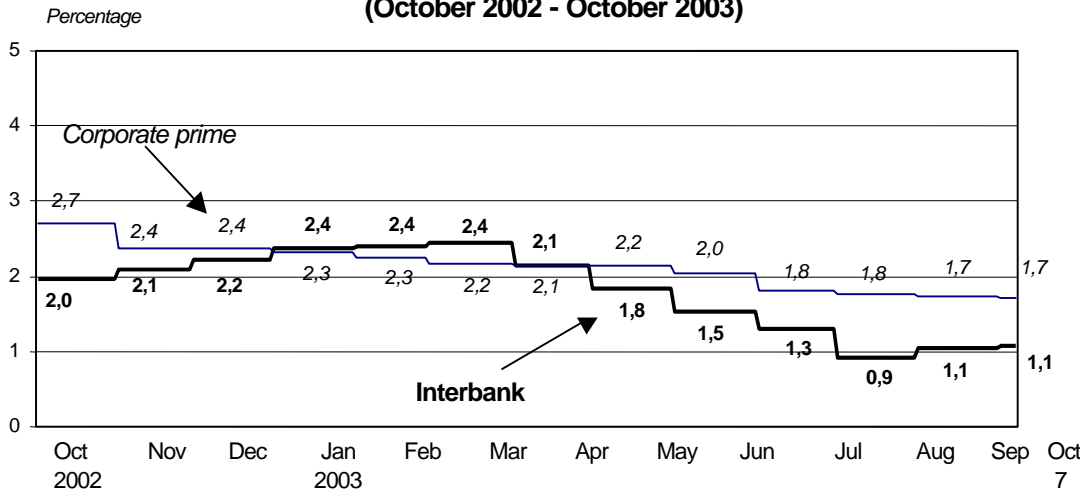
As of **October 7**, the corporate prime interest rate in local currency averaged 3,4 percent, down from September (3,5

percent), whereas the rate in foreign currency remained at 1,7 percent.

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



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



Exchange rate: S/. 3,48

As of **October 7** the banking system exchange rate was S/. 3,4814, down 0,05 percent from September 30, reflecting lower devaluation expectations (1,9 percent according to 3-month forward operations), the redemption of net forward sales by S/. 61 million and higher domestic currency

requirement due to Treasury bond placement (S/. 110,75 million with a 4 year maturity). the same period, the balance of net forward sales decreased from US\$ 625 to 605 million, whereas the banks' exchange position decreased from US\$ 591 to 581 million.

BANKS' EXCHANGE POSITION
(Millions of US\$)

	December 2002	January 2003	August	September	October 7
a. Net sales to the public (i-ii)	905	923	678	625	605
i. Forward sales to the public	1 141	1 167	845	844	820
ii. Forward purchases to the public	236	244	168	219	215
b. Banks' exchange position	642	616	660	591	581

August trade balance

In **August**, the **trade balance** recorder a surplus of US\$ 99 million. The cumulative balance in the period January-August is positive in US\$ 339 million.

Exports totaled US\$ 755 million in August, up 5 percent from a year ago. Non-traditional exports reached US\$ 219 million, 19 percent higher than in August 2002, due to larger exports of chemical (an increase of 44 percent), textile (13 percent) and agriculture products (14 percent). In the period January-August traditional exports recorded a 17 percent increase, whereas non-traditional exports expanded 13 percent in the same period. It should be noted the 25 percent growth in textile exports.

Imports reached US\$ 656 million, 7 percent higher than a year ago, mainly due to the 26

percent increase in capital goods acquisitions. Imports of intermediate goods increased 2 percent whereas consumer goods imports dropped 3 percent. Excluding Camisea project related imports (US\$ 24 million), capital goods acquisitions would only increased 11 percent. In the period January-August, imports grew 13 percent, reflecting higher acquisitions of intermediate-, capital- and consumer-goods (16, 13 and 6 percent, respectively).

Terms of trade expanded 1,8 percent in August. Export prices increased 6,6 percent on average, whereas import prices grew 4,8 percent. In the period January-August, terms of trade dropped 0,7 percent, since import prices increase (6,8 percent) exceeded the growth of export prices (6,0 percent).

TRADE BALANCE 1/
(Millions of U.S. dollars)

	August			January-August		
	2002	2003	% Var	2002	2003	% Var
1. EXPORTS	716,8	754,7	5,3	4 970,3	5 742,1	15,5
Traditional products	526,9	528,9	0,4	3 502,6	4 086,5	16,7
Non-traditional products	183,2	218,8	19,4	1 421,4	1 607,4	13,1
Other products	6,8	7,0	3,5	46,3	48,1	4,0
2. IMPORTS	615,5	655,9	6,6	4 794,1	5 403,4	12,7
Consumer goods	152,0	147,2	-3,1	1 115,2	1 184,2	6,2
Raw materials and intermediate goods	311,4	318,9	2,4	2 441,5	2 835,8	16,2
Capital goods	146,3	183,8	25,6	1 181,4	1 334,0	12,9
Other goods	5,8	6,0	1,9	56,1	49,3	-12,2
3. TRADE BALANCE	101,3	98,8	-2,5	176,2	338,7	92,3

1/ Preliminary

Banking system monetary accounts as of September 22, 2003

Between August 22 and September 22, liquidity in **domestic currency** decreased 2,8 percent (equivalent to S/. 544 million) to a S/. 18 735 million balance (up 9,7 percent from a year ago). Credit to the private sector increased 0,7 percent (S/. 71 million) in last 4 week to S/. 10 010 million (up 7,5 percent from a year ago).

In **foreign currency**, liquidity increased 0,1 percent (US\$ 8 million) to US\$ 9 497 million, recording an annual contraction of 1,5 percent. Credit to the private sector in foreign currency fell 0,7 percent (US\$ 69 million) to US\$ 9 822 million (down 6,8 percent from a year ago).

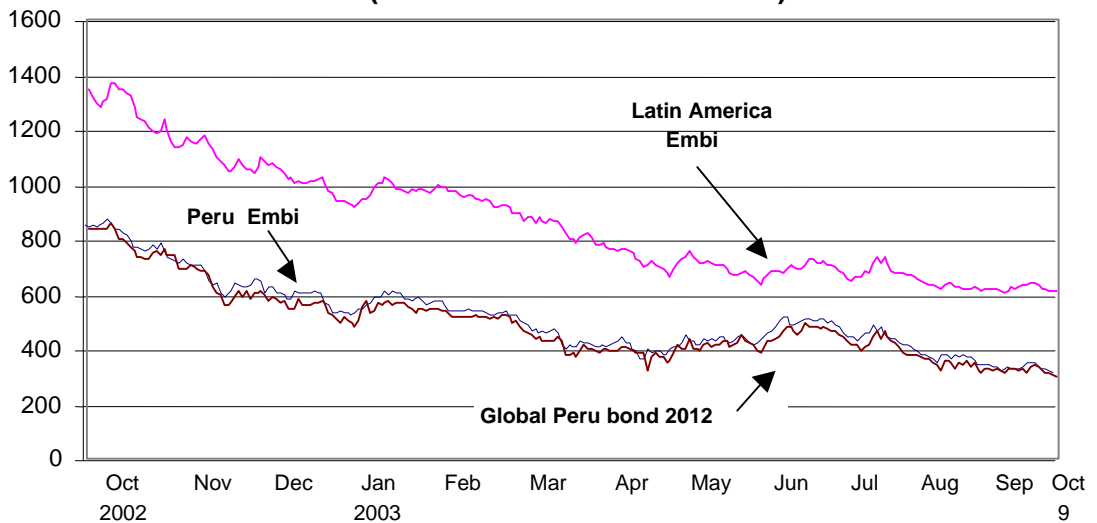
END OF PERIOD MONETARY AGGREGATES OF THE BANKING SYSTEM												
	Monetary base		Liquidity in S/.		Credit in S/.		Liquidity in US\$		Liabilities 1/		Credit in US\$	
	VAR.(%) Month	VAR.(%) Year	VAR.(%) Month	VAR.(%) Year	VAR.(%) Month	VAR.(%) Year	VAR.(%) Month	VAR.(%) Year	VAR.(%) Month	VAR.(%) Year	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												
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%
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%
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%
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%
Aug.	-3,3%	4,2%	-1,6%	7,8%	-0,8%	9,9%	-0,6%	-4,4%	-8,2%	-45,9%	-0,2%	-6,2%
Sep. 22	-3,4%	2,3%	-2,8%	9,7%	0,7%	7,5%	0,1%	-1,5%	-5,5%	-47,0%	-0,7%	-6,8%
Memo:												
Balance as of Aug.22. (Mill.S/.or Mill.US\$)	6 652		19 279		9 939		9 489		709		9 891	
Balance as of Sep.22 (Mill.S/.or Mill.US\$)	6 428		18 735		10 010		9 497		670		9 822	
1/ Short term external liabilities of the banking system.												

Spread of Global bond at 2,95 percent

On October 9, the spread of the **Global 2012** bond was 3,4 percent, lower than that recorded on end-September (3,31 percent),

whereas the EMBI+ spread fell from 3,56 to 3,19 percent, the minimum ever recorded.

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



International markets

Between **October 2 and 9**, the **gold** quotation dropped 3 percent to US\$ 370,6 per Troy ounce, reflecting the improvement in US capital market and investors' sales.

Gold quotation



Over the same period, the **copper** quotation increased 2,8 percent to US\$ 0,8459 per pound, reflecting favorable US indicators of employment and construction as well as the higher German industrial sector's demand for a second successive month. LME inventories fell 1,69 percent to 570 thousand MT. On the other hand, the zinc quotation increased 5,8 percent to US\$ 0,4023 per pound.

Copper quotation



In the week, the **WTI oil** quotation increased 3,2 percent to US\$ 30,8 per barrel due to the uncertainty that the higher seasonal US demand would not be covered by OPEC quotas as well as a the menace

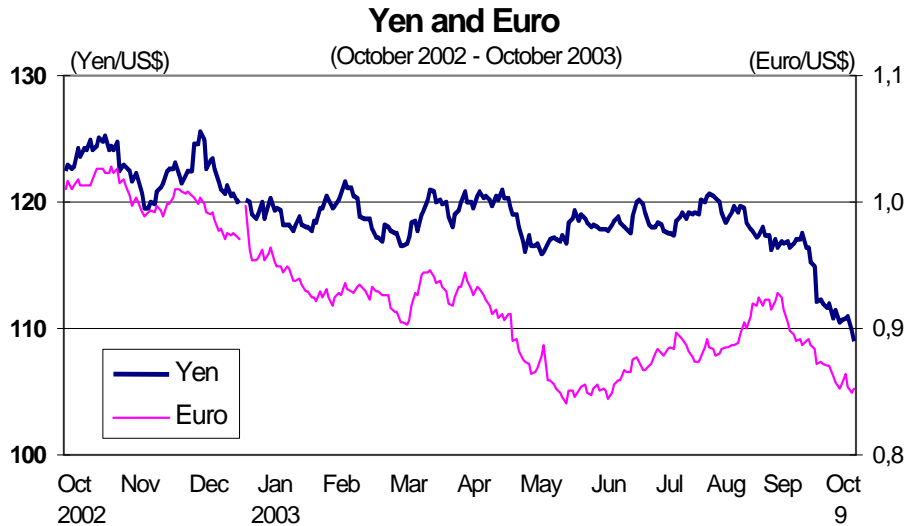
of Nigerian oil workers strike early this week. However, the US Energy Agency announced an inventory increase last week.

Oil quotation



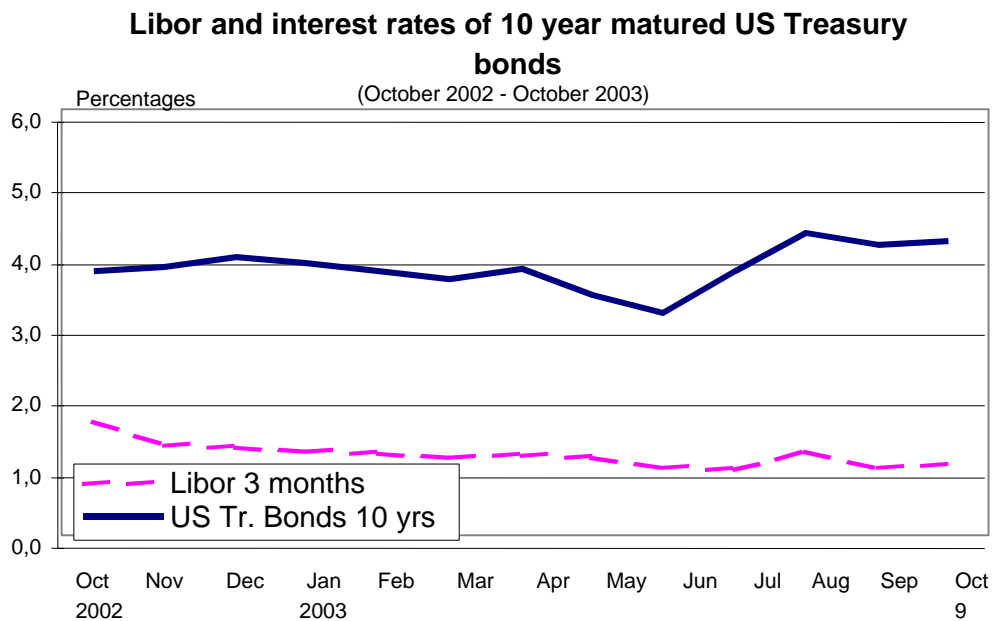
In the period under analysis, the **US dollar** depreciated 0,3 percent against the **euro** and 1,5 percent against the **yen**, reflecting the expansion of European manufacturing

sector and the increased entrepreneurial confidence in Japan, together with ECB chairman statement that dollar depreciation is unavoidable.



Between October 2 to 9, the **Libor** remained at 1,15 percent, whereas the **yield of US Treasury bonds** with a 10 year maturity passed from 3,995 to 4,318 percent

reflecting world economy recovery and stock market earnings that were determinant in lower Treasury bond quotations.

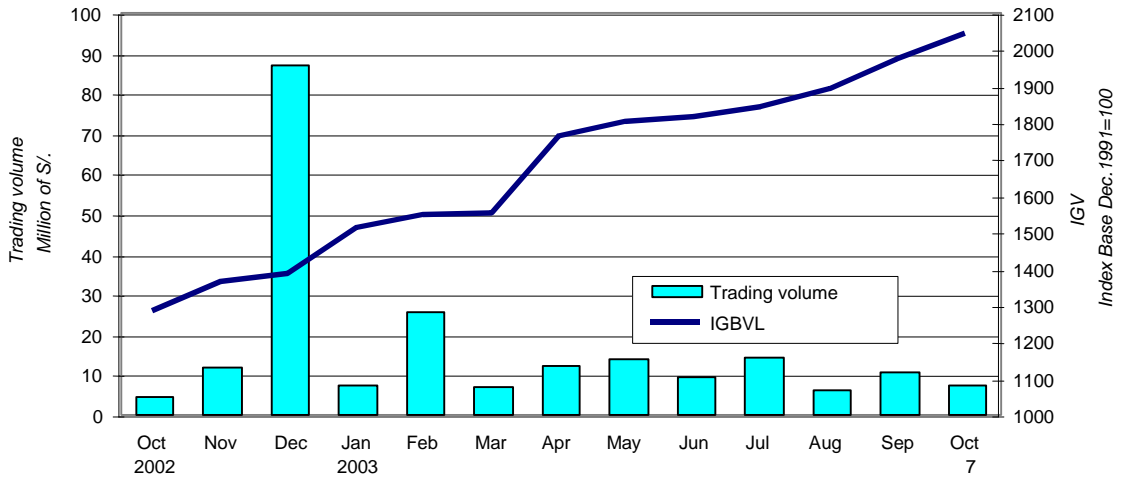


Lima Stock Exchange

As of **October 9**, the General Index and Blue Chip Index of Lima Stock Exchange (LSE) increased 4,4 and 4,3 percent,

respectively. The cumulative increase in the year is 48,5 percent for the General Index and 47,7 percent for the Blue Chip.

Stock market indicators
(October 2002 - October 2003)



Indicadores Económicos / Economic Indicators

	2002			2003							
	DIC.	JUL.	AGO.	30 Set.	SET.	2 Oct.	3 Oct.	6 Oct.	7 Oct.	OCT.	
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES											
										Var.	
Posición de cambio / <i>Net international position</i>	3 341	4 010	4 015	4 062	4 062	4 060	4 043	4 049	4 054	-8	
Reservas internacionales netas / <i>Net international reserves</i>	9 598	9 989	9 739	9 755	9 755	9 816	9 761	9 790	9 788	33	
Depósitos del sistema financiero en el BCR / Financial system deposits at BCR											
<i>Empresas bancarias / Banks</i>											
Banco de la Nación / <i>Banco de la Nación</i>	291	196	198	185	185	185	178	220	235	34	
Sector privado / <i>Private sector</i>	42	50	49	49	49	50	50	51	50	1	
Depósitos del sector público en el BCR / Public sector deposits at BCR											
Depósitos de privatización	2 900	2 656	2 479	2 456	2 456	2 464	2 448	2 404	2 392	-52	
Otros depósitos / <i>Other *</i>	24	12	18	19	19	19	19	19	8	0	
	2 875	2 644	2 461	2 437	2 437	2 445	2 429	2 385	2 384	-52	
OPERACIONES CAMBIARIAS BCR (MILL. US\$) / BCR FOREIGN OPERATIONS											
										Acum.	
Origen externo de la emisión primaria / <i>External origin of the monetary base</i>	49	164	-31	0	14	0	0	0	0	0	
Compras netas en Mesa de Negociación / <i>Net purchases of foreign currency</i>	5	153	15	0	53	0	0	0	0	0	
Operaciones swaps netas / <i>Net swap operations</i>	0	-5	0	0	0	0	0	0	0	0	
Operaciones con el Sector Público / <i>Public sector</i>	45	15	-45	0	-39	0	0	0	0	0	
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE											
										Prom.	
Compra interbancario/ <i>Interbank bid</i>	Promedio / <i>Average</i>	3,513	3,471	3,480	3,483	3,481	3,482	3,481	3,481	3,475	3,480
<i>Apertura / Opening</i>		3,516	3,471	3,481	3,483	3,481	3,483	3,482	3,481	3,481	3,482
Venta Interbancario	Mediodía / <i>Midday</i>	3,515	3,471	3,481	3,483	3,481	3,483	3,481	3,481	3,482	3,482
<i>Interbank Ask</i>		3,515	3,471	3,481	3,483	3,481	3,482	3,482	3,481	3,481	3,482
<i>Cierre / Close</i>		3,515	3,471	3,481	3,483	3,481	3,483	3,481	3,481	3,481	3,482
<i>Promedio / Average</i>		3,515	3,471	3,481	3,483	3,481	3,483	3,481	3,481	3,481	3,482
Sistema Bancario (SBS)	Compra / <i>Bid</i>	3,513	3,471	3,480	3,482	3,480	3,481	3,480	3,480	3,480	3,480
<i>Banking System</i>		3,515	3,472	3,481	3,483	3,482	3,483	3,482	3,481	3,481	3,482
<i>Venta / Ask</i>		3,515	3,472	3,481	3,483	3,482	3,483	3,482	3,481	3,481	3,482
<i>Índice de tipo de cambio real (1994 = 100) / Real exchange rate Index (1994 = 100)</i>											
	100,4	104,5	103,9								
INDICADORES MONETARIOS / MONETARY INDICATORS											
Moneda nacional / Domestic currency											
<i>Emisión Primaria (Var. % mensual) / (% monthly change)</i>											
										11,1	
<i>Monetary base (Var. % últimos 12 meses) / (% 12-month change)</i>											
										11,0	
<i>Oferta monetaria (Var. % mensual) / (% monthly change)</i>											
										6,3	
<i>Money Supply (Var. % últimos 12 meses) / (% 12-month change)</i>											
										10,6	
<i>Crédito sector privado (Var. % mensual) / (% monthly change)</i>											
										0,8	
<i>Crédit to the private sector (Var. % últimos 12 meses) / (% 12-month change)</i>											
										7,1	
<i>TOSE saldo fin de período (Var. % acum. en el mes) / TOSE balance (% change)</i>											
										2,9	
<i>Superávit de encaje promedio (% respecto al TOSE)/Average reserve surplus (% of TOSE)</i>											
										0,2	
<i>Cuenta corriente de los bancos (saldo mill. S./) / Banks' current account (balance)</i>											
										191	
<i>Créditos por regulación monetaria (millones de S./) / Rediscounts (Millions of S./)</i>											
										s.m.	
<i>Depósitos públicos en el BCR (millones S./)/Public sector deposits at the BCR (Mills.S./)</i>											
										275	
<i>Certificados de Depósitos BCRP (saldo Mill.S./) / CDBCRP balance (Millions of S./)</i>											
										1 635	
<i>Operaciones de reporte (saldo Mill. S./) / repos (Balance millions of S./)</i>											
										170	
<i>Préstamos y descuentos hasta 360 días / Loans & discount</i>											
										14,8	
<i>Interbancaria / Interbank</i>											
										3,80	
<i>Tasa de interés (%) (Var. % mensual) / (% monthly change)</i>											
										-2,2	
<i>Operaciones de reporte con CDBCRP / CDBCRP repos</i>											
										3,6	
<i>Créditos por regulación monetaria / Rediscounts</i>											
										4,5	
<i>Del saldo de CDBCRP / CDBCRP balance</i>											
										4,6	
Moneda extranjera / foreign currency											
<i>Crédito sector privado (Var. % mensual) / (% monthly change)</i>											
										-0,3	
<i>Crédit to the private sector (Var. % últimos 12 meses) / (% 12-month change)</i>											
										-3,6	
<i>TOSE saldo fin de período (Var. % acum. en el mes) / TOSE balance (% change)</i>											
										-1,9	
<i>Superávit de encaje promedio (% respecto al TOSE)/Average reserve surplus (% of TOSE)</i>											
										0,1	
<i>Créditos por regulación monetaria (millones de US dólares) / Rediscounts</i>											
										s.m.	
<i>Préstamos y descuentos hasta 360 días / Loans & discount</i>											
										8,1	
<i>Interbancaria / Interbank</i>											
										2,2	
<i>Tasa de interés (%) (Var. % mensual) / (% monthly change)</i>											
										-0,3	
<i>Operaciones de reporte con CDBCRP / CDBCRP repos</i>											
										2,4	
<i>Créditos por regulación monetaria / Rediscounts ***</i>											
										2,5	
INDICADORES BURSÁTILES / STOCK MARKET INDICES											
										Acum.	
<i>Índice General Bursátil (Var. %) / General Index (% change)</i>											
										1,4	
<i>Índice Selectivo Bursátil (Var. %) / Blue Chip Index (% change)</i>											
										1,7	
<i>Monto negociado en acciones (Mill. S./) - Prom. diario</i>											
										67,1	
INFLACIÓN (%) / INFLATION (%)											
<i>Inflación mensual / Monthly</i>											
										-0,03	
<i>Inflación últimos 12 meses / % 12 months change</i>											
										1,52	
GOBIERNO CENTRAL (Mill. S./) / CENTRAL GOVERNMENT (Mills. of S./)											
<i>Resultado primario / Primary balance</i>											
										-232	
<i>Ingresos corrientes / Current revenue</i>											
										2 779	
<i>Gastos no financieros / Non-financial expenditure</i>											
										3 140	
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)											
<i>Balanza Comercial / Trade balance</i>											
										71	
<i>Exportaciones / Exports</i>											
										746	
<i>Importaciones / Imports</i>											
										675	
PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT											
<i>Variac. %, respecto al mismo mes del año anterior / Annual rate of growth</i>											
										6,5	
COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS											
										Prom.	
<i>LIBOR a tres meses (%) / LIBOR 3-month (%)</i>											
										1,4	
<i>Dow Jones (Var %) / (% change)</i>											
										-5,9	
<i>Rendimiento de los U.S. Treasuries (10 años) / U.S. Treasuries yield (10 years)</i>											
										4,0	
<i>Stripped spread del EMBI+ PERÚ (pbs) / EMBI+ PERU stripped spread (basis points)</i>											
										620	
<i>Bono Global 2012 - Perú (en pbs) / Global Bond 2012 - Peru (basis points)</i>											
										576	

* 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.

*** Las tasas de interés para los créditos de regulación monetaria en dólares serán a la tasa Libor a un mes más un punto porcentual.

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