

# BANCO CENTRAL DE RESERVA DEL PERÚ

## WEEKLY REPORT

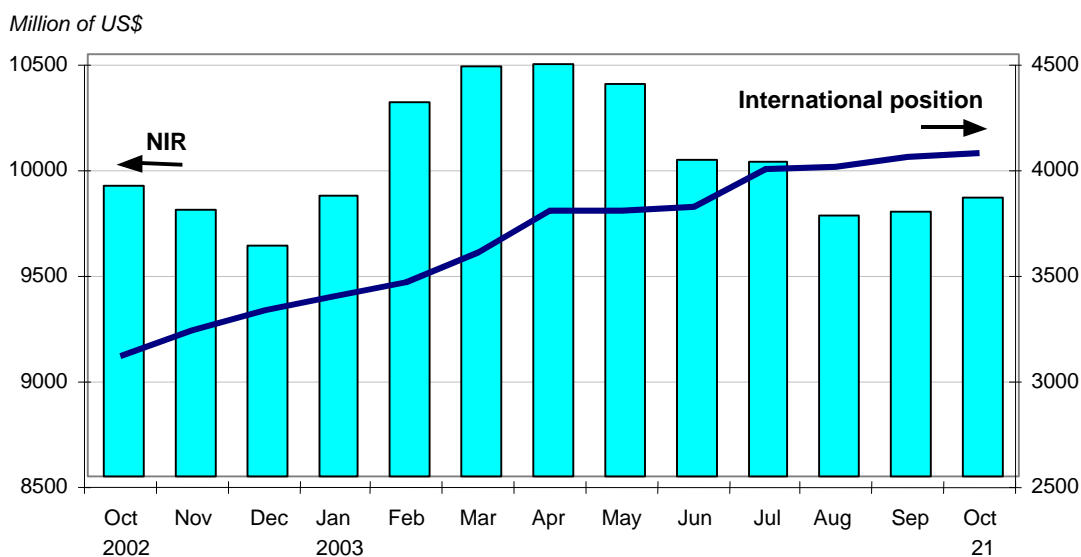
Nº 42 – October 24, 2003

### Net international reserves: US\$ 9 823 million

As of **October 21**, net international reserves amounted to US\$ 9 823 million, up US\$ 68 million from end-September due to higher financial system deposits at the Central Bank (US\$ 68 million), net purchases of foreign currency (US\$ 20 million) and investment yield (US\$ 9 million); that was partially offset by lower

public sector and Insurance Deposit Fund deposits (US\$ 28 million and US\$ 1 million, respectively). In the year, NIR has increased US\$ 225 million, whereas the **Central Bank international position**, increased US\$ 747 million to US\$ 4 088 million over the same period.

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

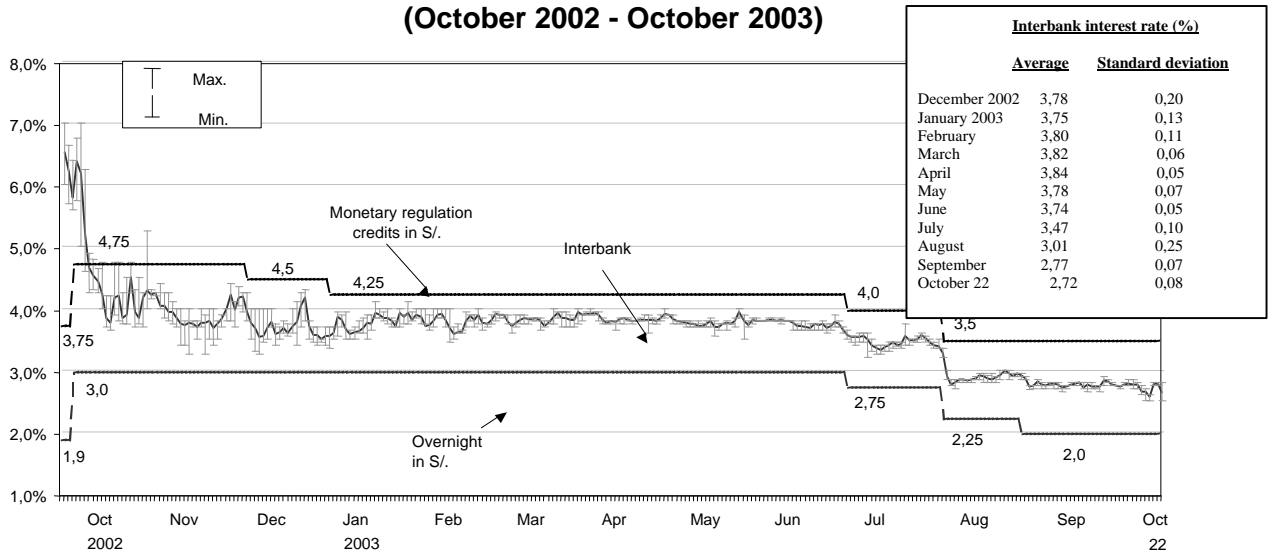


### Interbank interest rate at 2,72 percent

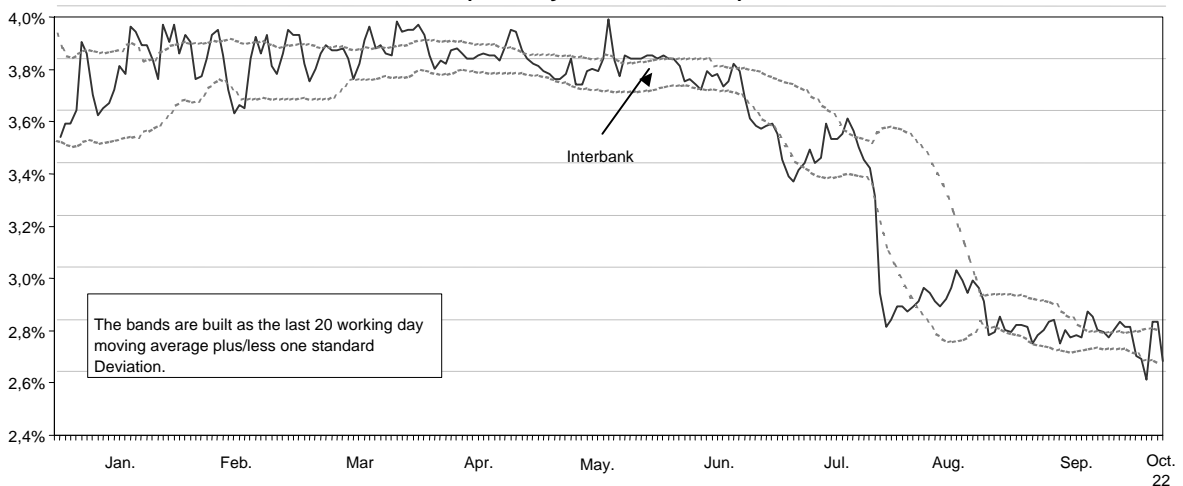
Between **October 1 and 22**, the interbank interest rate in domestic currency was 2,72 percent, slightly lower than in September (2,77 percent). Between October 16 and 22, the interbank rate ranged between 2,57 and 2,79 percent. These low levels were associated to the fast decline in banks'

current account after the surpluses reached and the broadened liquidity following the redemption of S/. 200 million CDBCRP. 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 22, the daily average balance of banks' liquidity at the Central Bank amounted to S/. 225 million, having been projected a balance of S/. 180 to S/. 200 million for that month. Between October 16 and 22, the Central Bank made the following operations:

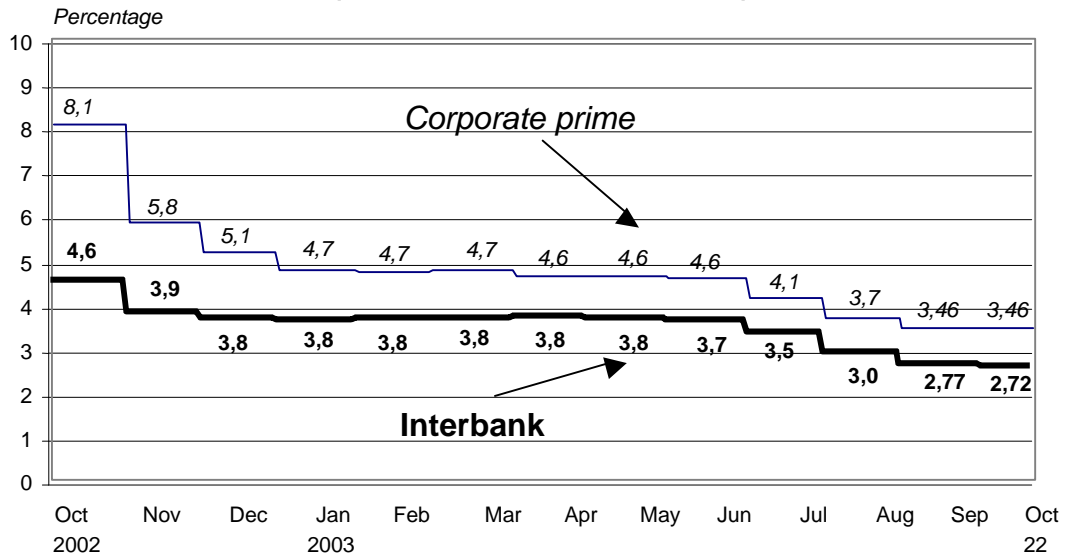
- Auctions of Certificates of Deposits with the following maturities: i) 1 week by S/. 30, 20 and 80 million at average interest rates of 2,64; 2,62 and 2,76 percent; ii) 6 month by S/. 50 and S/. 30 million at average interest rates of 3,03 and 3,11 percent, respectively and iii) 1 year by S/. 60 million at 3,27 percent.
- Auction of temporary purchase of CDBCRP and BTP with a 1 day and 3 day maturities by S/. 35 and S/. 110 million at average interest rates of 2,81 and 2,70 percent, respectively.
- Purchase of foreign currency over the counter totaling US\$ 45 million at an average exchange rate of S/. 3,4785.
- Finally, the Bank received overnight deposits on October 16 and 17 by S/. 34,3 and S/. 18 million, respectively.

### Corporate prime interest rate at 3,46 percent

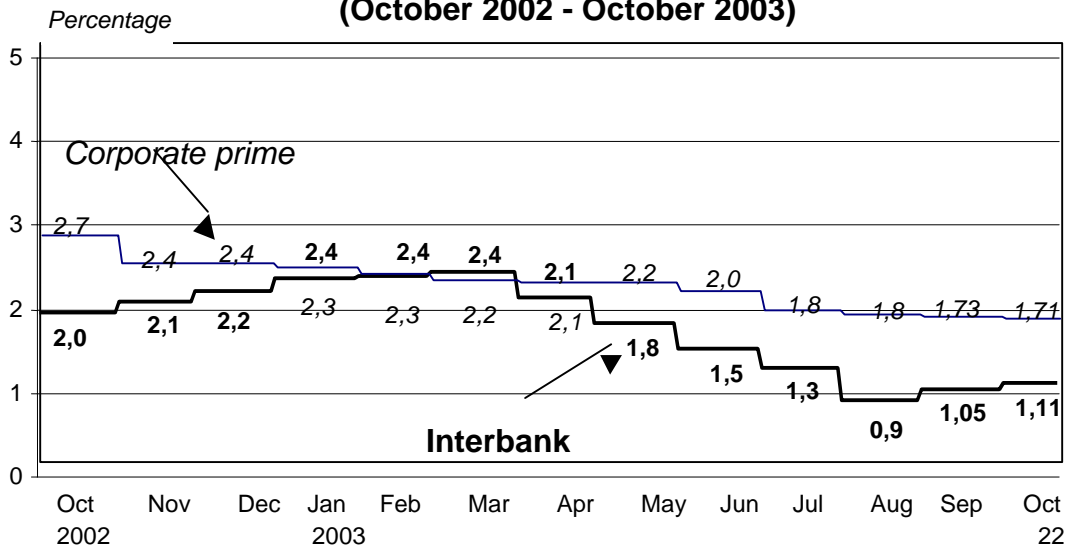
As of **October 22**, the corporate prime interest rate in local currency averaged 3,46 percent, similar to the rate recorded in

September, whereas the rate in foreign currency passed from 1,73 to 1,71 percent.

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



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



### Exchange rate: S/. 3,478

Between **October 15 and 22** the banking system exchange rate decreased slightly from S/. 3,480 to S/. 3,478. The latter reflected higher domestic currency requirement due to the tax season and the better outlook of the Peruvian economy (Fitch changed the Peruvian outlook from

negative to stable, due to its better position to attend finance requirements).

As of October 22, the balance of net forward sales decreased from US\$ 625 to 595 million, whereas the banks' exchange position decreased from US\$ 591 to 586 million.

#### BANKS' EXCHANGE POSITION (Millions of US\$)

	December 2002	January 2003	August	September	October 22
<b>a. Net sales to the public (i-ii)</b>	<b>905</b>	<b>923</b>	<b>678</b>	<b>625</b>	<b>595</b>
i. Forward sales to the public	1 141	1 167	845	844	905
ii. Forward purchases to the public	236	244	168	219	310
<b>b. Banks' exchange position</b>	<b>642</b>	<b>616</b>	<b>660</b>	<b>591</b>	<b>586</b>

### Banking system monetary accounts: September 2003

In September, liquidity in **domestic currency** increased 0,2 percent (equivalent to S/. 46 million) to a S/. 19 077 million balance (up 10,5 percent from a year ago). Credit to the private sector decreased 0,1 percent (S/. 15 million) in this month to S/. 10 050 million (up 7,8 percent from a year ago).

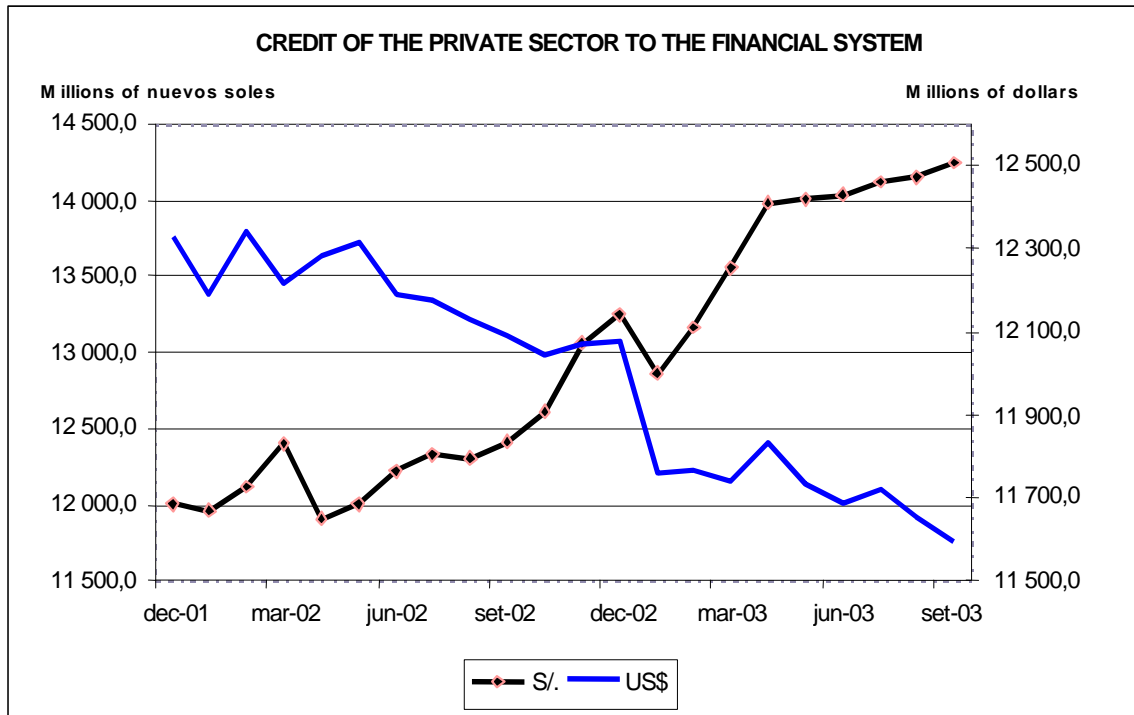
In **foreign currency**, liquidity dropped 0,8 percent (US\$ 80 million) to US\$ 9 344 million, recording an annual contraction of 4 percent. Credit to the private sector in foreign currency fell 0,7 percent (US\$ 65 million) to US\$ 9 784 million (down 5,9 percent from a year ago).

#### 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
<b>2001</b>												
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%
<b>2002</b>												
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%
Set.	-4,1%	18,3%	-2,2%	20,1%	1,8%	7,3%	-1,3%	-0,7%	-1,8%	-0,6%	-1,0%	-3,1%
De.	11,1%	11,0%	6,3%	10,6%	0,8%	7,1%	-2,7%	1,4%	-4,8%	-34,3%	-0,3%	-3,6%
<b>2003</b>												
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%
Aug.	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.	-2,5%	6,0%	0,2%	10,5%	-0,1%	7,8%	-0,8%	-4,0%	-1,9%	-46,0%	-0,7%	-5,9%
Memo:												
Balance as of Aug. 31 (Mill.S./or Mill.US\$)	6 570		19 031		10 065		9 424		651		9 849	
Balance as of Sep. 31 (Mill.S./or Mill.US\$)	6 405		19 077		10 050		9 344		638		9 784	
1/ Short term external liabilities of banking enterprises.												

In September of 2003, the **credit of the financial system to the private sector** in domestic currency grew 0,7 percent

whereas the credit in foreign currency diminished 0,5 percent.



The expansion of the **credit in domestic currency** (S/. 96 million) corresponded mainly to the institutional investors (S/. 96 million), plus the institutions specialized in micro finance (S/. 30 million), attenuated by the fall of the credit of the banking companies (S/. 20 million). In the last twelve months the credit in domestic currency increased in 14,7 percent,

product mainly of the growth of the institutions oriented to the micro finance.

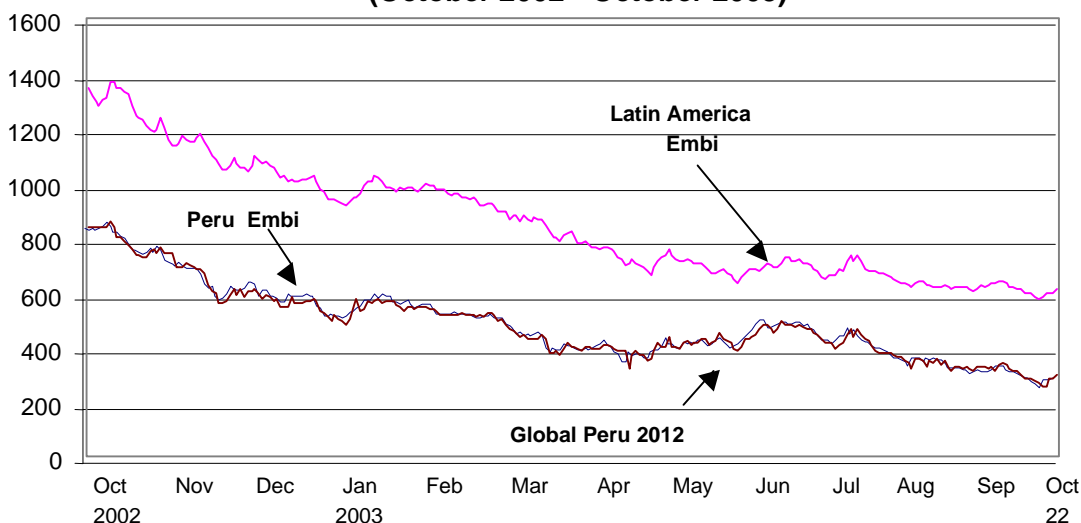
The fall of the **credit in foreign currency** (US\$ 64 million) corresponded fundamentally to the banking companies (US\$ 82 million). In the last 12 months, the credit in foreign currency was reduced in 4,1 percent, due to smaller loans of the banking companies.

## Spread of Global bond at 2,95 percent

On October 22, the spread of the **Global 2012** bond was 2,96 percent, lower than that recorded on end-September (3,31 percent), whereas the EMBI+ spread fell from 3,55 to 3,12 percent. It should be noted that the EMBI+ recorded its minimum

on October 16 (2,77 percent) together with the Emerging Markets EMBI+ (4,79 percent). As from this date, the spreads recorded a rising trend due to higher issuances and expectations on greater US interest rates in the short term.

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



## International markets

Between **October 15 and 22**, the **gold** quotation increased 3 percent to US\$ 384,5 per Troy ounce, reflecting the weakening of the US dollar against the euro and an

increased demand from India and other muslim countries due to Religious celebrations.

**Gold quotation**



Over the same period, the **copper** quotation increased 3,6 percent to US\$ 0,9054 per pound, the highest since September 2000. This increase obeys to greater Chinese and US demand. LME inventories fell 2,56 percent to 540

thousand MT. On the other hand, the zinc quotation increased 3,1 percent to US\$ 0,4246 per pound. In the year, these metals have increased 30 and 24,9 percent, respectively.

**Copper quotation**



In the week, the **WTI oil** quotation dropped 6,3 percent to US\$ 29,74 per barrel due to the expected increase in oil inventories and

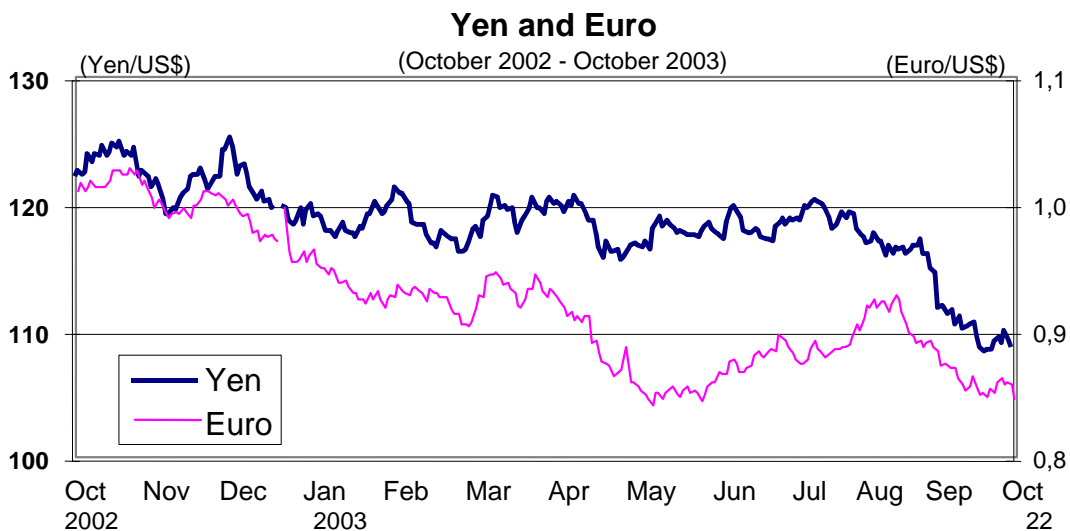
the OPEC announcement of no additional cuts in output quotas.

**Oil quotation**



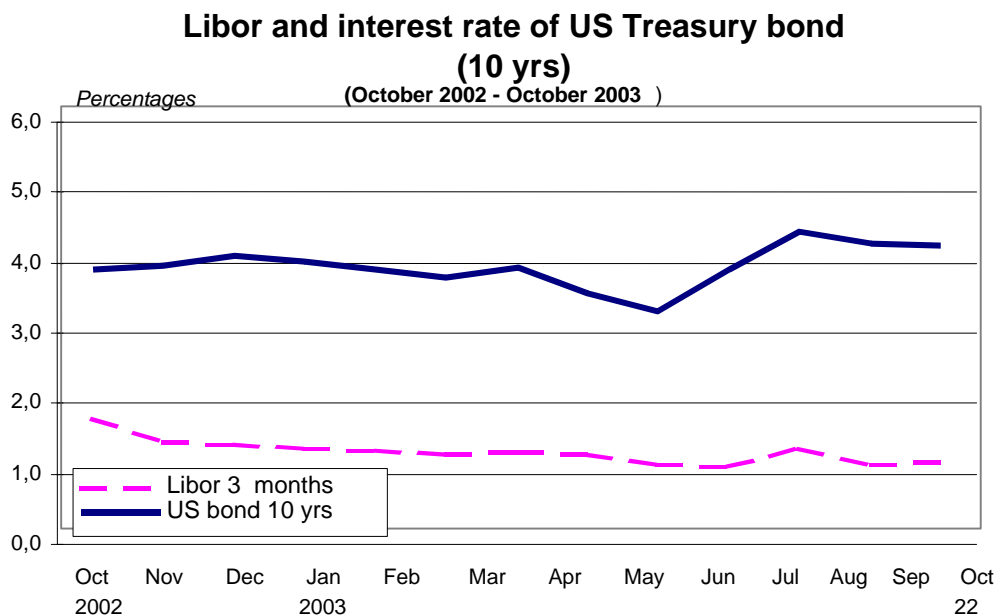
In the period under analysis, the **US dollar** depreciated 1,5 percent against the **euro** and 0,5 percent against the **yen**, reflecting

the uncertainty of the US economy and the poor performance of stock markets.



Between October 15 and 22, the **Libor** increased 1,15 to 1,17 percent, whereas the **yield of US Treasury bonds** with a 10 year

maturity passed from 4,399 to 4,253 percent reflecting the expected FED interest rate rise next week.



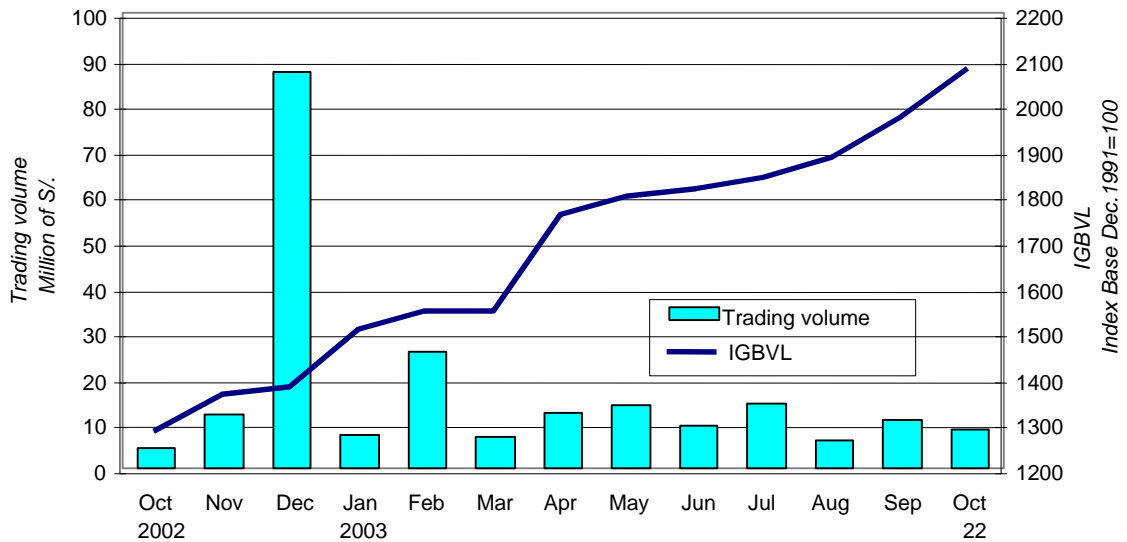


## Lima Stock Exchange

As of **October 22**, both the General Index and Blue Chip Index of Lima Stock Exchange (LSE) increased 5,6 percent.

The cumulative increase in the year is 50,3 percent for the General Index and 49,7 percent for the Blue Chip index.

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



**Indicadores Económicos / Economic Indicators**

	2002					2003						Var.
	DIC.	JUL.	AGO.	30 Set.	SET.	16 Oct.	17 Oct.	20 Oct.	21 Oct.	22 Oct.	OCT.	
<b>RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES</b>												
Posición de cambio / <i>Net international position</i>	3 341	4 010	4 015	4 062	4 062	4 057	4 067	4 074	4 088			26
Reservas internacionales netas / <i>Net international reserves</i>	9 598	9 989	9 739	9 755	9 755	9 773	9 824	9 821	9 823			68
Depósitos del sistema financiero en el BCR / <i>Financial system deposits at BCR</i>												
Empresas bancarias / <i>Banks</i>	3 048	3 088	3 028	3 034	3 034	3 014	3 058	3 044	3 038			4
Banco de la Nación / <i>Banco de la Nación</i>	291	196	198	185	185	258	256	249	244			59
Sector privado / <i>Private sector</i>	42	50	49	49	49	52	53	54	54			5
Depósitos del sector público en el BCR / <i>Public sector deposits at BCR</i>												
Depósitos de privatización	2 900	2 656	2 479	2 456	2 456	2 420	2 419	2 428	2 428			-28
Otros depósitos / <i>Other *</i>	24	12	18	19	19	27	22	0	6			-13
	2 875	2 644	2 461	2 437	2 437	2 393	2 397	2 428	2 421			-15
<b>OPERACIONES CAMBIARIAS BCR (MILL. US\$) / BCR FOREIGN OPERATIONS</b>												
	Acum.	Acum.	Acum.		Acum.							Acum.
Origen externo de la emisión primaria / <i>External origin of the monetary base</i>	49	164	-31	0	14	10	10	5	5	35		55
Compras netas en Mesa de Negociación / <i>Net purchases of foreign currency</i>	5	153	15	0	53	10	10	5	5	15		60
Operaciones swaps netas / <i>Net swap operations</i>	0	-5	0	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	20		-5
<b>TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE</b>												
	Prom.	Prom.	Prom.		Prom.							Prom.
Compra interbancario / <i>Interbank bid</i>	3,513	3,471	3,480	3,483	3,481	3,479	3,479	3,479	3,479	3,477		3,479
	Apertura / <i>Opening</i>	3,516	3,471	3,481	3,483	3,481	3,479	3,480	3,479	3,479		3,480
	Mediodía / <i>Midday</i>	3,515	3,471	3,481	3,483	3,481	3,479	3,480	3,479	3,479		3,480
	Cierre / <i>Close</i>	3,515	3,471	3,481	3,483	3,481	3,480	3,479	3,479	3,479		3,480
	Promedio / <i>Average</i>	3,515	3,471	3,481	3,483	3,481	3,479	3,480	3,479	3,479		3,480
Sistema Bancario (SBS) / <i>Banking System</i>	3,513	3,471	3,480	3,482	3,480	3,478	3,479	3,479	3,478	3,477		3,479
	Compra / <i>Bid</i>	3,513	3,471	3,480	3,482	3,480	3,478	3,479	3,479	3,478		3,479
	Venta / <i>Ask</i>	3,515	3,472	3,481	3,483	3,482	3,479	3,480	3,479	3,480		3,481
Índice de tipo de cambio real (1994 = 100) / <i>Real exchange rate Index (1994 = 100)</i>	100,4	104,8	104,1		104,8							
<b>INDICADORES MONETARIOS / MONETARY INDICATORS</b>												
<b>Moneda nacional / Domestic currency</b>												
Emisión Primaria / <i>Monetary base</i>	(Var. % mensual) / (% monthly change)	11,1	8,3	-3,3	-2,5	-2,5						
	(Var. % últimos 12 meses) / (% 12-month change)	11,0	2,8	4,2	6,0	6,0						
Oferta monetaria / <i>Money Supply</i>	(Var. % mensual) / (% monthly change)	6,3	5,5	-1,6	0,2	0,2						
	(Var. % últimos 12 meses) / (% 12-month change)	10,6	8,3	7,8	10,5	10,5						
Crédito sector privado / <i>Crédit to the private sector</i>	(Var. % mensual) / (% monthly change)	0,8	0,2	-0,8	-0,1	-0,1						
	(Var. % últimos 12 meses) / (% 12-month change)	7,1	10,5	9,9	7,8	7,8						
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>		2,9	2,6	-0,2	1,1	1,1	0,3	-0,1	0,4			
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>		0,2	0,1	0,4	0,2	0,2	0,2	0,8	0,7			
Cuenta corriente de los bancos (saldo mill. S/) / <i>Banks' current account (balance)</i>		191	194	188	58	175	146	72	75	107	99	
Créditos por regulación monetaria (millones de S/) / <i>Rediscounts (Millions of S/)</i>		s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	
Depósitos públicos en el BCR (millones S/) / <i>Public sector deposits at the BCR (Mills.S/)</i>		275	1 176	1 150	945	945	707	611	600	645	n.d.	
Certificados de Depósitos BCRP (saldo Mill.S/) / <i>CDBCRP balance (Millions of S/)</i>		1 635	3 075	3 570	3 810	3 810	3 960	4 070	4 150	4 150	4 150	
Operaciones de reporte (saldo Mill. S/) / <i>repos (Balance millions of S/)</i>		170	s.m.	240	45	45	0	0	0	35	110	
Tasa de interés (%) / <i>Interest rates (%)</i>		14,8	14,3	14,4	14,0	14,3	13,9	13,9	13,9	13,8	13,9	13,8
	Préstamos y descuentos hasta 360 días / <i>Loans &amp; discount Interbankaria / Interbank</i>	3,80	3,47	3,01	2,73	2,80	2,65	2,57	2,79	2,79	2,64	2,72
	Preferencial corporativa a 90 días / <i>Corporate Prime</i>	5,2	4,2	3,9	3,4	3,6	3,5	3,5	3,5	3,5	3,5	3,4
	Operaciones de reporte con CDBCRP / <i>CDBCRP repos</i>	3,6	3,5	3,0	2,7	2,7	s.m.	s.m.	s.m.	2,8	2,7	
	Créditos por regulación monetaria / <i>Rediscounts</i>	4,5	4,0	3,5	3,5	3,5	3,5	3,5	3,5	3,5	3,5	
	Del saldo de CDBCRP / <i>CDBCRP balance</i>	4,6	4,6	4,4	4,3	4,3	4,2	4,1	4,1	4,1	4,1	
<b>Moneda extranjera / foreign currency</b>												
Crédito sector privado / <i>Crédit to the private sector</i>	(Var. % mensual) / (% monthly change)	-0,3	-0,6	-0,2	-0,7	-0,7						
	(Var. % últimos 12 meses) / (% 12-month change)	-3,6	-6,7	-6,2	-5,9	-5,9						
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>		-1,9	-1,9	-0,9	-0,8	-0,8	-0,4	-0,6	-0,5			
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>		0,1	0,1	0,1	0,1	0,1	-0,9	0,1	0,3			
Créditos por regulación monetaria (millones de US dólares) / <i>Rediscounts</i>		s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	
Tasa de interés (%) / <i>Interest rates (%)</i>		8,1	7,4	6,9	6,9	6,9	7,0	7,0	7,0	6,9	7,0	7,0
	Préstamos y descuentos hasta 360 días / <i>Loans &amp; discount Interbankaria / Interbank</i>	2,2	1,3	0,9	1,0	1,0	1,1	1,4	1,0	s.m.	1,0	1,1
	Preferencial corporativa a 90 días / <i>Corporate Prime</i>	2,4	1,8	1,8	1,7	1,8	1,7	1,7	1,7	1,7	1,7	1,7
	Créditos por regulación monetaria / <i>Rediscounts ***</i>	2,5	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	
<b>INDICADORES BURSÁTILES / STOCK MARKET INDICES</b>												
	Acum.	Acum.	Acum.		Acum.							Acum.
Índice General Bursátil (Var. %) / <i>General Index (% change)</i>	1,4	1,4	2,5	-0,3	4,4	0,6	-0,7	0,1	0,0	0,0		5,6
Índice Selectivo Bursátil (Var. %) / <i>Blue Chip Index (% change)</i>	1,7	3,1	1,5	-0,3	5,0	0,8	-0,9	0,2	0,1	0,3		5,6
Monto negociado en acciones (Mill. S/) - Prom. diario	67,1	13,1	6,0	10,0	10,6	7,0	4,6	2,6	4,0	17,9		8,4
<b>INFLACIÓN (%) / INFLATION (%)</b>												
Inflación mensual / <i>Monthly</i>	-0,03	-0,15	0,01		0,56							
Inflación últimos 12 meses / % 12 months change	1,52	1,98	1,89		1,98							
<b>GOBIERNO CENTRAL (Mill. S/) / CENTRAL GOVERNMENT (Mills. of S/)</b>												
Resultado primario / <i>Primary balance</i>	-232	-386	281									
Ingresos corrientes / <i>Current revenue</i>	2 779	2 429	2 787									
Gastos no financieros / <i>Non-financial expenditure</i>	3 140	2 896	2 512									
<b>COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)</b>												
Balanza Comercial / <i>Trade balance</i>	71	54	99									
Exportaciones / <i>Exports</i>	746	782	755									
Importaciones / <i>Imports</i>	675	728	656									
<b>PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT</b>												
Variac. %, respecto al mismo mes del año anterior / <i>Annual rate of growth</i>	6,5	3,4	3,1									
<b>COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS</b>												
	Prom.	Prom.	Prom.		Prom.							Prom.
LIBOR a tres meses (%) / <i>LIBOR 3-month (%)</i>	1,4	1,1	1,1	1,2	1,1	1,2	1,2	1,2	1,2	1,2		1,2
Dow Jones (Var %) / (% change)	-5,9	2,8	2,0	-1,1	-1,5	-0,1	-0,7	0,6	-0,3	-1,5		3,5
Rendimiento de los U.S. Treasuries (10 años) / <i>U.S. Treasuries yield (10 years)</i>	4,0	3,9	4,4	3,9	4,260	4,5	4,4	4,4	4,3	4,3		4,3
Stripped spread del EMBI+ PERU (pbs) / <i>EMBI+ PERU stripped spread (basis points)</i>	620	482	423	355	353	277	303	307	305	312		317
Bono Global 2012 - Perú (en pbs) / <i>Global Bond 2012 - Peru (basis points)</i>	576	449	393	336	328	258	257	285	284	296		293

\* 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.

\*\* Lo 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.