

BANCO CENTRAL DE RESERVA DEL PERÚ

WEEKLY REPORT

Nº 04 – January 23, 2004

Net international reserves: US\$ 10 561 million

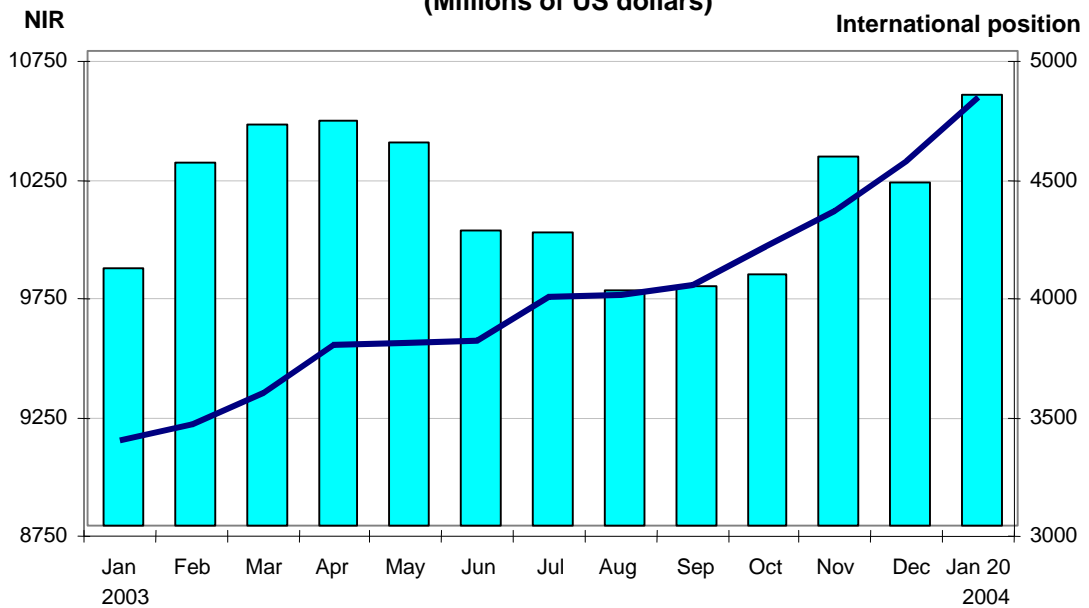
As of **January 20**, the NIR amounted to US\$ 10 561 million, up US\$ 367 million from end-December, due to net purchases of foreign currency (US\$ 269 million), higher deposits of the financial system and the Insurance Deposit Fund (US\$ 159 and US\$ 5 million, respectively), investment

yield (US\$ 6 million), as well as operations with ALADI (US\$ 4 million), which were partially offset by lower public sector deposits (US\$ 76 million). To the same date, the **Central Bank international position** expanded US\$ 266 million, reaching a balance of US\$ 4 849 million.

BCR's net international reserves and international position

January 2003 - January 2004

(Millions of US dollars)

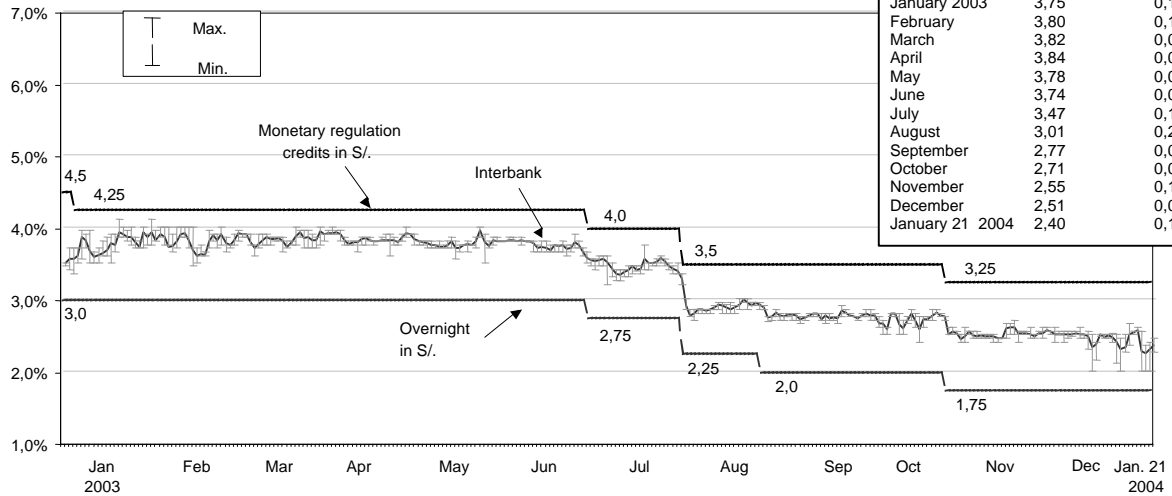


Interbank interest rate at 2,40 percent

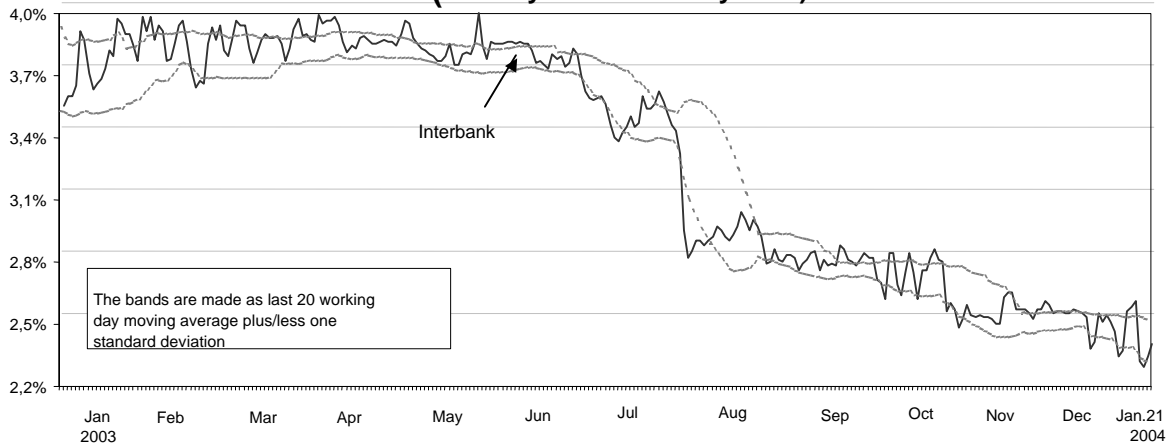
Between **January 1 and 21**, the average interbank interest rate in domestic currency decreased to 2,40 from 2,51 percent in December. It should be noted that this rate

is between the reference interest rates of BCR's operations for monetary regulation credits (3,25 percent) and overnight deposits (1,75 percent).

Interbank rate in domestic currency (January 2003 - January 2004)



Interest rate in domestic currency (January 2003 - January 2004)



Monetary operations

As of **January 21**, the daily average balance of banks' liquidity at the Central Bank amounted to S/. 222 million. The balance projected for that month was S/. 170 to S/. 190 million. Between **January 15 and 21**, the Central Bank made the following operations:

- Auctions of CDBCRP: i) 7-day maturity by S/. 30 and S/. 20 million at an average interest rate of 2,55 and 2,53 percent, respectively; ii) 3-month by S/. 50 and S/. 25 million at 2,72 and 2,62 percent, respectively; iii) 4-month by S/. 90 million at 2,85 percent; iv) 9-month by S/. 100 million at 3,22 percent; iv) 1-year by S/. 100 million at

3,38 percent and v) 18-month by S/. 100 million at 3,72 percent.

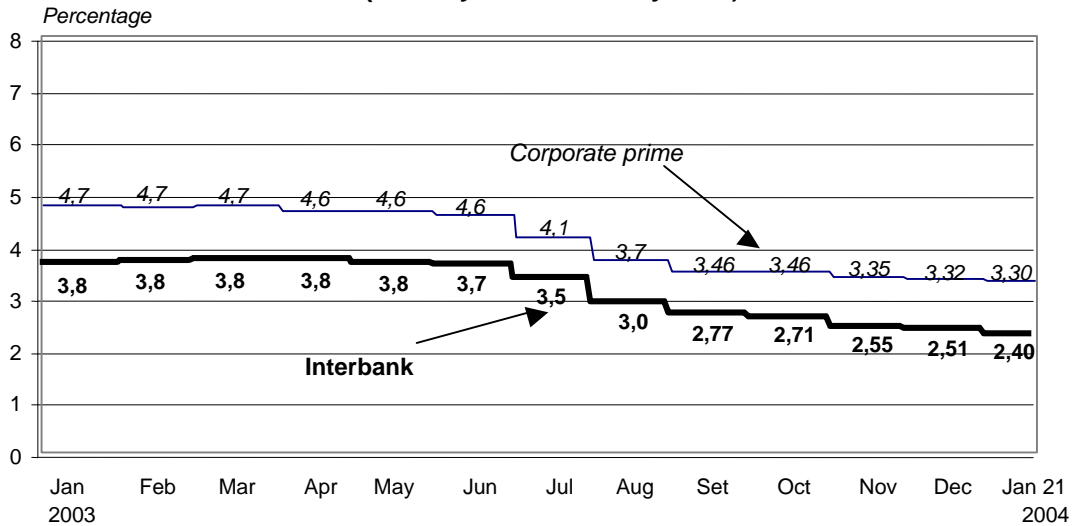
- Auctions of temporary purchase of CDBCRP and BTP with a 1-day maturity by S/. 140 million at an average interest rate of 2,55 percent.
- Purchase of foreign currency over the counter totaling US\$ 125 million at an average exchange rate of S/. 3,457.
- Overnight deposits by S/. 98,5 and S/. 5 million in January 16 and 19, respectively.

Corporate prime interest rate at 3,30 percent

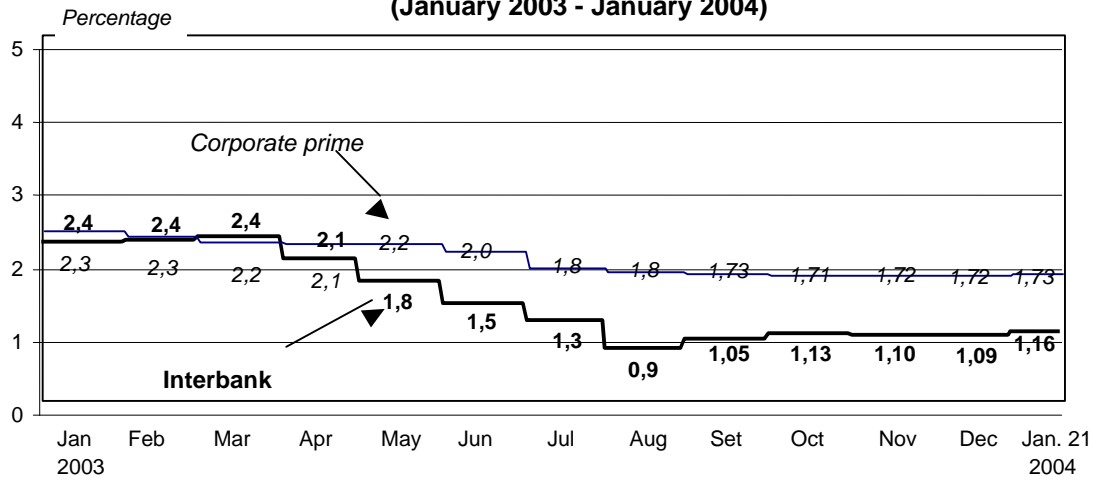
Between **January 1 and 21**, the corporate prime interest rate in local currency averaged 3,30 percent, lower than the rate recorded in

December (3,32 percent), whereas the rate in foreign currency passed from 1,72 to 1,73 percent over the same period.

Monthly average interest rate in domestic currency
(January 2003 - January 2004)



Monthly average interest rate in foreign currency
(January 2003 - January 2004)



Exchange rate: S/. 3,464

Between **January 14 and 21**, the exchange rate of the banking system increased from S/. 3,459 to S/. 3,464 by the resetting of the positions in foreign currency in some commercial's bank.

As of January 21, the **balance of net forward sales** decreased US\$ 141 million mainly by forward purchases whereas the **banks' exchange position** increased US\$ 43 million.

BANKS' EXCHANGE POSITION
(Millions of US\$)

	December 2002	January 2003	November	December	January 21 2004
a. Net sales to the public (i-ii)	905	923	613	607	466
i. Forward sales to the public	1 141	1 167	885	834	869
ii. Forward purchases to the public	236	244	272	227	403
b. Banks' exchange position	642	616	648	530	573

Monetary base: January 15, 2004

By seasonal factors, the balance of the **monetary base** as of January 15 was S/. 7 169 million, down 3,7 percent (S/. 273 million) from end-December. In average terms, the monetary base recorded an annual rate of increase of 12,8 percent (10,3 percent en December).

By sources, the operations that expanded the monetary base were the purchases of

foreign currency over the counter by US\$ 177 million (S/. 612 million), the temporary purchase of CDBCRP and BTP (Repos) by S/. 140 million and the withdrawal of public sector deposits by S/. 90 million. This operations were offset by the net issuance of CDBCRP by S/. 1 208 million.

GDP grew 0,9 percent in November

Gross domestic product grew 0,9 percent in November, with a cumulative growth of 4,0 percent for the period January-November. The sectors showed a differentiated behavior, emphasizing the

increase of mining and electricity and water, that was attenuated by the reduction of the agricultural activity and the manufacturing based on raw materials.

GROSS DOMESTIC PRODUCT
(Annual growth rates)

	November		January - November	
	2002	2003	2002	2003
Agriculture and Livestock	8,6	-1,7	5,6	2,7
Agriculture	9,6	-3,7	5,9	2,2
Livestock	7,4	0,4	5,5	3,3
Fishing	61,0	-0,4	1,8	-10,6
Mining and fuel	2,8	4,5	13,0	7,0
Metals	2,5	5,3	13,8	8,2
Fuel	0,6	-4,1	1,2	-4,7
Manufacturing	6,7	0,7	3,6	2,4
Based on raw materials	16,9	-2,3	-2,3	-1,5
Non-primary manufacturing	4,0	1,5	5,3	3,4
Electricity and water	5,0	5,0	5,1	4,6
Construction	2,0	0,1	8,2	3,4
Commerce	5,3	-1,4	4,4	3,7
Other services	5,6	0,9	4,1	4,1
GROSS AGGREGATED VALUE	5,8	0,6	5,0	3,7
Taxes on products and import duties	7,8	2,9	3,3	6,8
GDP	6,0	0,9	4,9	4,0
Primary sectors gross aggregated value	9,0	0,5	6,4	3,1
Non-primary sectors gross aggregated value	5,0	0,7	4,7	3,9
Memo:				
Domestic demand indicator	6,4	0,5	4,0	3,8

The 1,7 percent decreased in **agriculture & livestock** reflected the smaller production of potato, yellow corn and other agricultural products such as citric and alfalfa. These reductions could not be compensated by the increase of cotton and rice. In the year, this sector recorded a cumulative growth of 2,7 percent.

The **fishing** sector decreased 0,4 percent, due to the reduction of the fishing for human consumption, attenuated by the increase of the activity for industrial consumption. In the period January-November this sector has declined 10,6 percent.

Mining and oil activities expanded 4,5 percent due to higher zinc production of and copper production by the expansion of Southern and the resumption of operations of Tintaya. On the other side, fuels fell 4,1 percent by the smaller oil extraction that partially was compensated by the higher

gas production. In the January-November period the sector grew 7,0 percent.

The 0,7 percent increase in **manufacturing** was associate with the higher activity of the non-primary manufacturing that grew 1,5 percent, whereas the manufacturing based on raw materials decreased 2,3 percent. The latter decreased by the smaller conserve and congealed fish production and the lower refined oil. The non-primary manufacturing increased due to the dynamism in the branches of bakery, wood and furniture, milky products, gaseous drinks, oils and fats and transport material. In the year, cumulative growth is 2,4 percent.

Construction grew 0,1 percent, due to the 3,6 percent increase in cement sales, related to the dynamism in housing construction and Camisea project. Cumulative growth as of November is 3,4 percent.

Spread of Global bond at 2,85 percent

On **January 21**, the spread of the **Global 2012** bond was 2,85 percent, lower than that recorded on end-December (3,01 percent), whereas the spread of sovereign bonds decreased from 3,12 to 2,89

percent. After the EMBI+Latin reached a minimum historic (476 bps) in January 8, spreads has shown an increasing trend due to the greater emissions of bonds by companies and countries of the region.

Country risk indicators
(January 2003 - January 2004)



International markets

Between January 14 and 21, the gold quotation diminished 2,4 percent, to US\$ 409,3 per Troy ounce. In January 21, the Bundesbank announced that it plans to

sell, in the next 5 years, between 400 to 600 metric tons of gold that maintains like reserve restraining by this way the recovery of the gold prices.

Gold quotation

(January 2003 - January 2004)



Over this period, the copper quotation increased 2,1 percent to US\$ 1,11 per pound due to the threat of strike in Highland Valley, a Canadian mine and to the reduction in the inventories of the

London Metals Exchange to 392 thousand metric tons in January 21. On the other hand, the quotation of zinc increased 1,1 percent to US\$ 0,46 per pound.

Copper quotation

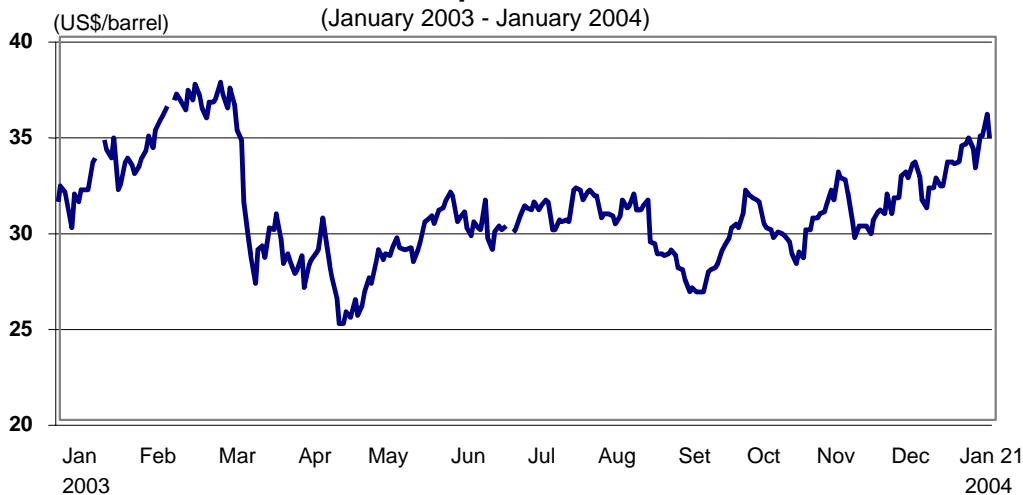
(January 2003 - January 2004)



The **WTI oil** quotation raised 1,1 percent to US\$ 34,8 per barrel. The low temperatures in the northeast of the United States have impelled the demand until taking the inventories of crude at their lower level in almost 30 years.

Additionally, pressed the prices the explosion in a port of Algeria that would limit its petroleum boardings and the intention of the OPEC to cut its quotas production in the meeting of February.

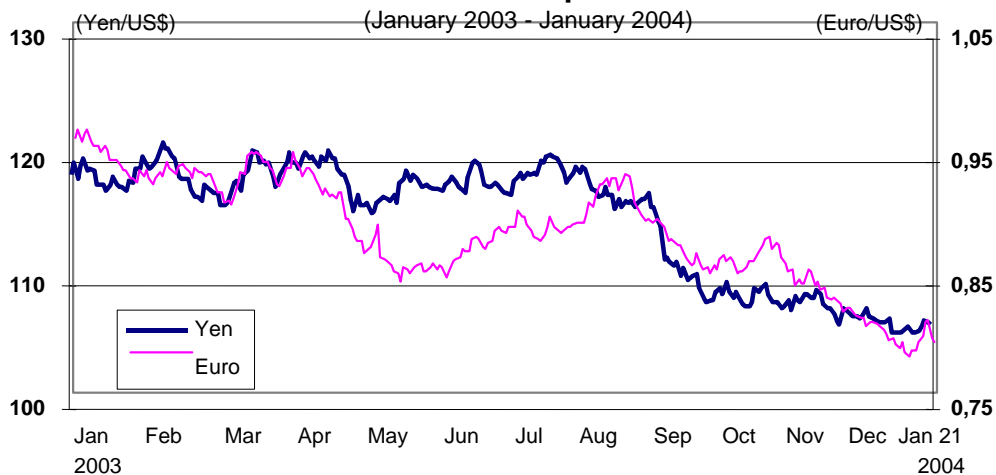
Oil quotation



During the week under analysis, the **US dollar** appreciated 0,1 and 0,6 percent against the **euro** and the **yen**, respectively. In January 20, the dollar backed down against the euro after the

main economist of the European Central Bank, Otmar Issing, says that the present value of euro don't deserve a diminution of the interest rates in the Euro zone.

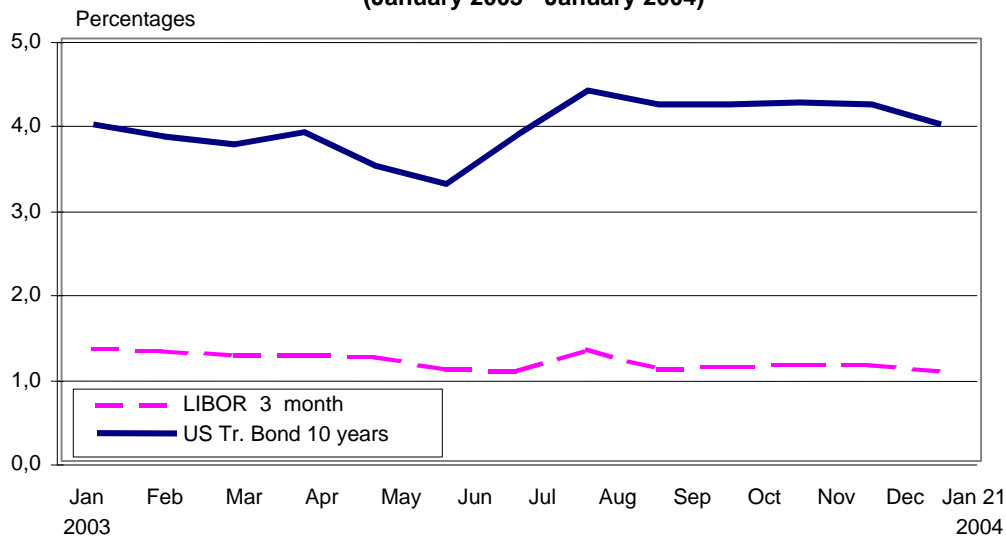
Yen and Euro quotation



Between **January 14 to 21**, the **Libor** stayed in 1,12 percent, whereas the **yield of US Treasury bonds** with a 10 year maturity increased from 4,00 to 4,02

percent. The demand for US Treasury bonds decreased after it was known that the Consumer Confidence Index reaches its highest value in 3 years.

Libor and interest rate of US Treasury bond with a 10 year maturity
(January 2003 - January 2004)

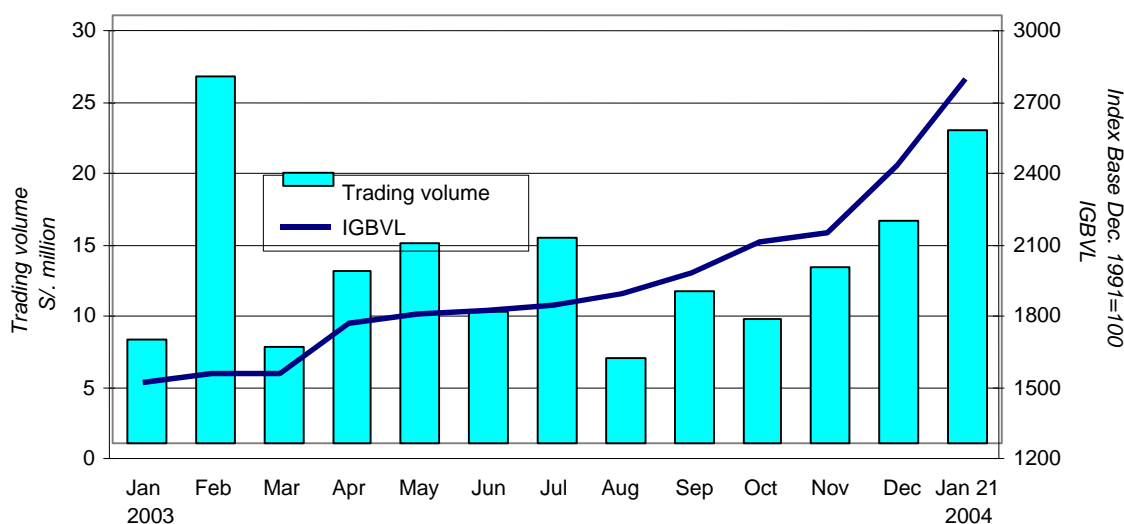


Lima Stock Exchange

As of **January 21**, the **General (IGBVL)** and **Blue chip (ISBVL)** indices increased

14,8 percent and 14,4 percent, respectively.

Stock markets indicators
(January 2003 - January 2004)



Indicadores Económicos / Economic Indicators

	2002		2003				2004				Var.
	DIC.	OCT.	NOV.	31 Dic.	DIC.	16 Ene.	19 Ene.	20 Ene.	21 Ene.	Ene.	
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES					Var.						Var.
Posición de cambio / <i>Net international position</i>	3 341	4 221	4 367	4 583	216	4 798	4 818	4 849			266
Reservas internacionales netas / <i>Net international reserves</i>	9 598	9 810	10 303	10 194	-109	10 533	10 532	10 561			367
Depósitos del sistema financiero en el BCR / <i>Financial system deposits at BCR</i>	3 381	3 179	3 069	2 892	-177	3 079	3 062	3 051			159
Empresas bancarias / <i>Banks</i>	3 048	2 970	2 851	2 687	-164	2 880	2 872	2 863			176
Banco de la Nación / <i>Banco de la Nación</i>	291	157	166	154	-12	144	135	134			-20
Sector privado / <i>Private sector</i>	42	53	53	52	-1	55	55	55			3
Depósitos del sector público en el BCR / <i>Public sector deposits at BCR</i>	2 900	2 449	2 915	2 761	-154	2 681	2 677	2 685			-76
Depósitos de privatización	24	7	12	1	-11	2	2	2			1
Otros depósitos / <i>Other *</i>	2 875	2 442	2 903	2 760	-143	2 679	2 676	2 682			-77
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>	49	142	115	6	175	40	21	20	25		295
Compras netas en Mesa de Negociación / <i>Net purchases of foreign currency</i>	5	135	79	6	176	40	15	20	20		272
Operaciones swaps netas / <i>Net swap operations</i>	0	0	0	0	0	0	0	0	0		0
Operaciones con el Sector Público / <i>Public sector</i>	45	7	35	0	0	0	6	0	5		23
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE	Prom.	Prom.	Prom.		Prom.						Prom.
Compra interbancario / <i>Interbank bid</i>	3,513	3,478	3,477	3,463	3,471	3,452	3,457	3,460	3,463		3,460
Medio / <i>Average</i>	3,516	3,478	3,478	3,465	3,472	3,452	3,456	3,460	3,462		3,459
Venta Interbancario / <i>Interbank Ask</i>	3,515	3,478	3,478	3,462	3,471	3,454	3,459	3,461	3,463		3,460
Cierre / <i>Close</i>	3,515	3,478	3,478	n.d.	3,471	3,454	3,460	3,461	3,467		3,459
Medio / <i>Average</i>	3,515	3,478	3,478	n.d.	3,472	3,452	3,458	3,460	3,464		3,459
Sistema Bancario (SBS) / <i>Banking System</i>	3,513	3,478	3,477	3,461	3,470	3,452	3,457	3,460	3,463		3,459
Compra / <i>Bid</i>	3,515	3,479	3,478	3,464	3,472	3,453	3,458	3,461	3,464		3,460
Venta / <i>Ask</i>											
Índice de tipo de cambio real (1994 = 100) / <i>Real exchange rate Index (1994 = 100)</i>	100,4	107,0	106,9		107,7						
INDICADORES MONETARIOS / MONETARY INDICATORS											
Moneda nacional / Domestic currency											
Emisión Primaria (Var. % mensual) / <i>(% monthly change)</i>	11,1	1,4	2,8	11,5	11,5						
Monetary base (Var. % últimos 12 meses) / <i>(% 12-month change)</i>	11,0	6,4	9,7	10,1	10,1						
Oferta monetaria (Var. % mensual) / <i>(% monthly change)</i>	6,3	1,0	2,2								
Money Supply (Var. % últimos 12 meses) / <i>(% 12-month change)</i>	10,6	12,1	14,1								
Crédito sector privado (Var. % mensual) / <i>(% monthly change)</i>	0,8	0,0	2,7								
Crédit to the private sector (Var. % últimos 12 meses) / <i>(% 12-month change)</i>	7,1	6,0	7,3								
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>	2,9	-2,2	3,4	-0,8	-0,8	2,7	1,5				
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>	0,2	0,1	0,2	0,2	0,2	1,0	0,9				
Cuenta corriente de los bancos (saldo mill. S./) / <i>Banks' current account (balance)</i>	191	176	175	60	192	271	116	120	116		
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.		
Depósitos públicos en el BCR (millones S./) / <i>Public sector deposits at the BCR (Mills.S./)</i>	275	981	1 609	1 196	1 196	935	1 004	1 031	n.d.		
Certificados de Depósitos BCRP (saldo Mill.S./) / <i>CDBCRP balance (Millions of S./)</i>	1 635	4 190	4 175	4 097	4 097	5 285	5 588	5 678	5 723		
Operaciones de reporte (saldo Mill. S./) / <i>repos (Balance millions of S./)</i>	170	s.m.	380	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.		
Préstamos y descuentos hasta 360 días / <i>Loans & discount</i>	14,8	14,0	14,0	14,4	14,0	14,3	14,6	14,5	14,5		14,5
Interbancaria / <i>Interbank</i>	3,80	2,71	2,55	2,36	2,51	2,27	2,24	2,29	2,35		2,40
Preferencial corporativa a 90 días / <i>Corporate Prime</i>	5,1	3,5	3,4	3,3	3,3	3,3	3,3	3,3	3,3		3,3
Operaciones de reporte con CDBCRP / <i>CDBCRP repos</i>	3,6	s.m.	2,6	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.		s.m.
Créditos por regulación monetaria / <i>Rediscounts</i>	4,5	3,5	3,3	3,3	3,3	3,3	3,3	3,3	3,3		3,3
Del saldo de CDBCRP / <i>CDBCRP balance</i>	4,6	4,1	4,0	3,9	3,9	3,8	3,7	3,7	3,7		3,7
Moneda extranjera / foreign currency											
Crédito sector privado (Var. % mensual) / <i>(% monthly change)</i>	-0,3	0,5	0,2								
Crédit to the private sector (Var. % últimos 12 meses) / <i>(% 12-month change)</i>	-3,6	-4,6	-4,8								
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>	-1,9	0,1	0,1	0,2	0,2	-0,5	-0,8				
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>	0,1	0,1	0,1	0,1	0,1	-0,7	-0,5				
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.
Préstamos y descuentos hasta 360 días / <i>Loans & discount</i>	8,1	7,0	6,9	7,2	7,3	7,2	7,4	7,4	7,4		7,3
Interbancaria / <i>Interbank</i>	2,22	1,13	1,10	0,99	1,09	1,10	1,15	1,13	1,10		1,16
Preferencial corporativa a 90 días / <i>Corporate Prime</i>	2,4	1,7	1,7	1,7	1,7	1,8	1,8	1,8	1,8		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.
INDICADORES BURSÁTILES / STOCK MARKET INDICES	Acum.	Acum.	Acum.		Acum.						
Índice General Bursátil (Var. %) / <i>General Index (% change)</i>	1,4	6,5	2,0	s.m.	13,4	1,8	1,2	0,1	-1,0		14,8
Índice Selectivo Bursátil (Var. %) / <i>Blue Chip Index (% change)</i>	1,7	6,1	4,1	s.m.	16,2	1,9	1,1	0,3	-1,1		14,4
Monto negociado en acciones (Mill. S./) - Prom. diario	67,1	8,7	12,3	s.m.	15,7	14,5	9,2	11,7	10,8		21,9
INFLACIÓN (%) / INFLATION (%)											
Inflación mensual / <i>Monthly</i>	-0,03	0,05	0,17		0,56						
Inflación últimos 12 meses / <i>% 12 months change</i>	1,52	1,30	1,88		2,48						
GOBIERNO CENTRAL (MILL. S./) / CENTRAL GOVERNMENT (Mills. of S./)											
Resultado primario / <i>Primary balance</i>	-230	-356	359								
Ingresos corrientes / <i>Current revenue</i>	2 781	2 513	2 819								
Gastos no financieros / <i>Non-financial expenditure</i>	3 140	2 874	2 463								
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)											
Balanza Comercial / <i>Trade balance</i>	71	57	66								
Exportaciones / <i>Exports</i>	746	785	750								
Importaciones / <i>Imports</i>	675	729	684								
PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT											
Variac. %, respecto al mismo mes del año anterior / <i>Annual rate of growth</i>	4,7	4,1	0,9								
COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS	Prom.	Prom.	Prom.		Prom.						Prom.
LIBOR a tres meses (%) / <i>LIBOR 3-month (%)</i>	1,41	1,16	1,17	1,15	1,17	1,12	1,12	1,12	1,12		1,13
Dow Jones (Var %) / <i>(% change)</i>	-5,90	5,67	-0,19	0,31	6,53	0,44	n.d.	-0,68	0,87		1,59
Rendimiento de los U.S. Treasuries (10 años) / <i>U.S. Treasuries yield (10 years)</i>	4,02	4,26	4,29	4,25	4,26	4,03	n.d.	4,06	4,02		4,14
Stripped spread del EMBI+ PERÚ (pbs) / <i>EMBI+ PERÚ stripped spread (basis points)</i>	620	317	309	312	318	282	280	285	289		278
Bono Global 2012 - Perú (en pbs) / <i>Global Bond 2012 - Peru (basis points)</i>	576	296	296	301	304	281	281	290	285		272

* Incluye depósitos de Promocri, 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.

** El 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.