

CENTRAL RESERVE BANK OF PERU

WEEKLY REPORT

Nº 11 – March 12, 2004

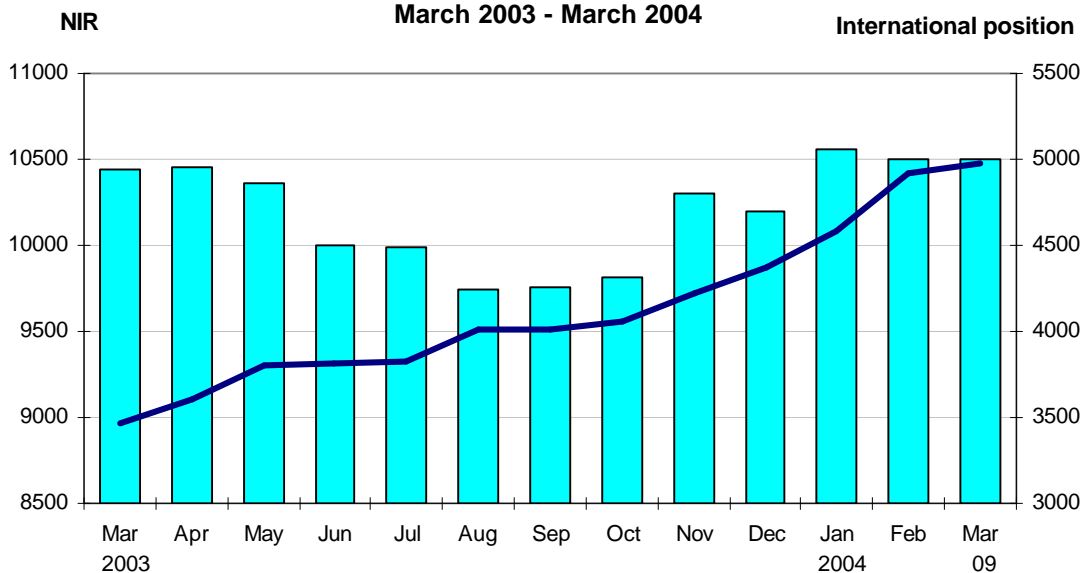
Net international reserves at US\$ 10 498 million

As of **March 9**, net international reserves (NIR) of the Central Reserve Bank decreased US\$ 5 million to a balance of US\$ 10 498 million. This drop was mainly explained by the withdrawal of public sector deposits (US\$ 94 million), partially offset by higher net purchases of foreign currency (US\$ 50 million), increased financial

system deposits (US\$ 29 million) and investment yields (US\$ 10 million).

In the year, NIR have increased US\$ 303 million, whereas the **Central Bank international position** expanded US\$ 445 million, reaching a balance of US\$ 5 028 million.

**Net international reserve and international position of the Central Reserve Bank
March 2003 - March 2004**

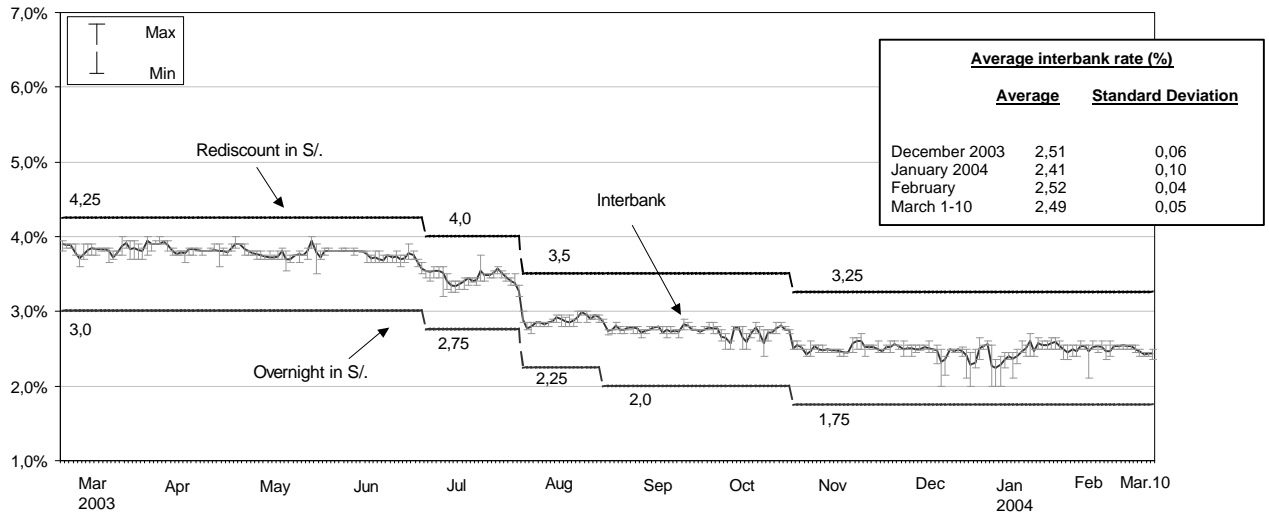


Interbank interest rate at 2,49 percent

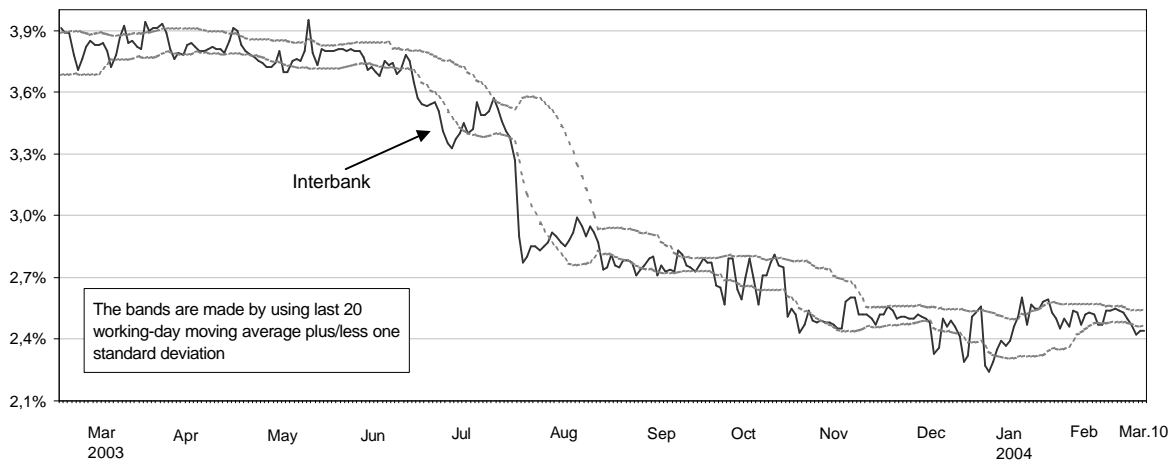
Over the period **March 1 to 10**, the interbank interest rate in domestic currency

averaged 2,49 percent, down from February (2,52 percent).

Interest rates in domestic currency (March 2003 - March 2004)



Interbank interest rate in domestic currency (March 2003 - March 2004)



Monetary operations

As of **March 10**, the daily average balance of banks' liquidity at the Central Bank was S/. 379 million. Between **March 4 and 10**, the Central Bank made the following operations:

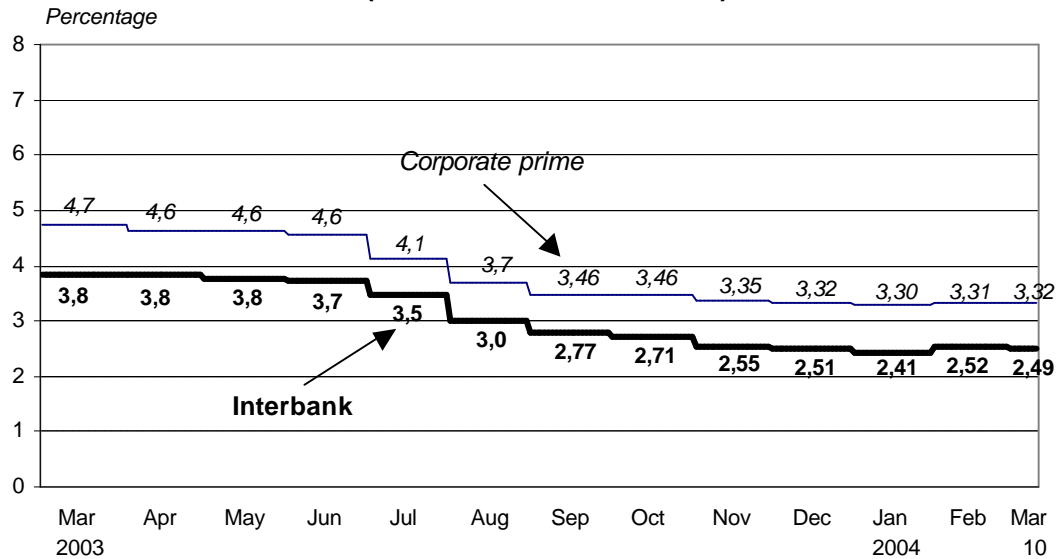
- Auctions of CDBCRP with a 7-day maturity amounting to S/. 120 and S/. 40 million. The average interest rates charged for these operations were 2,61 and 2,55 percent, respectively.
- Auctions of temporary purchase of CDBCRP and BTP with a 1-day maturity amounting to S/. 100 million and with a 3-day maturity by S/. 45 million. The average interest rates of these operations were 2,52 and 2,54 percent respectively.
- Purchases of foreign currency over the counter by US\$ 25 million, at an average exchange rate of S/. 3,468.

Corporate prime interest rate at 3,32 percent

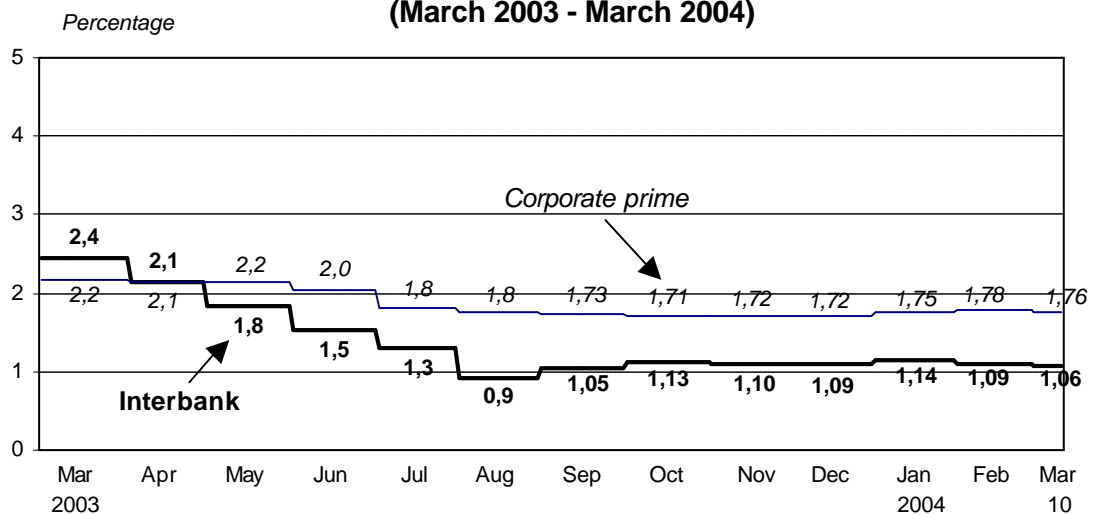
Over the period **March 1 to 10**, the average corporate prime interest rate in domestic currency increased to 3,32 from 3,31 percent

in February. Over the same period, the rate in dollars passed from 1,78 to 1,76 percent.

**Monthly average interest rates in domestic currency
(March 2003 - March 2004)**



**Monthly average interest rates in foreign currency
(March 2003 - March 2004)**



Exchange rate: S/. 3,466

Over the period **March 3 to 10**, the exchange rate decreased from S/. 3,476 to S/. 3,466, reflecting higher domestic currency requirement during the tax season. On March 10, the **balance of net**

forward sales was down US\$ 34 million from end-February, whereas the **banks' exchange position** dropped US\$ 11 million over the same period.

BANKS' EXCHANGE POSITION
(Millions of US\$)

	December 2002	December 2003	February 2004	March 10
a. Net sales to the public (i-ii)	905	607	591	557
i. Forward sales to the public	1 141	834	1 005	931
ii. Forward purchases to the public	236	227	414	374
b. Banks' exchange position	642	530	550	539

Monetary base as of March 7, 2004

The balance of the **monetary base** as of March 7 was S/. 7 401 million, up 5,6 percent from end-February. In average terms, the year on year rate of growth of the monetary base passed from 15,5 percent in February to 18,5 percent this period.

The expanding operations of the monetary base were the withdrawal of public sector

deposits (S/. 267 million), the net purchases of foreign currency over the counter (US\$ 40 million or S/. 139 million) and the clearance of financial system overnight deposits (S/. 25 million). These operations were partially counteracted by the redemption of temporary purchases of securities (S/. 40 million).

Banking system monetary accounts as of February 22, 2004

As of February 15, liquidity in **domestic currency** increased 0,1 percent (S/. 19 million) through last 4 weeks and 15,1 percent in annual terms, reaching a balance of S/. 20 241 million. Credit to the private sector expanded 0,1 percent over last 4 weeks to a balance of S/. 10 114 million, up 5,5 percent from a year ago.

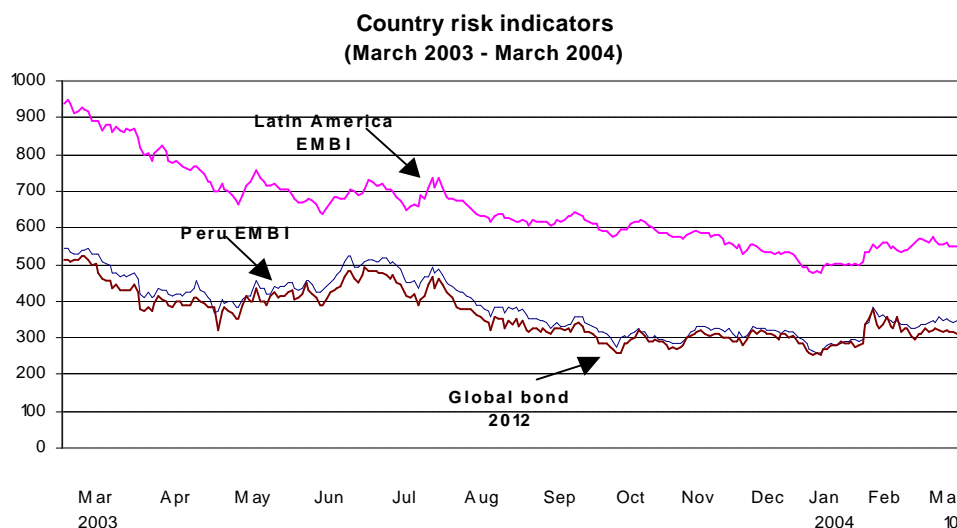
In **foreign currency**, liquidity increased US\$ 13 million over last 4 weeks to US\$ 9 474 million, down 2,7 percent from a year ago, whereas credit to the private system in the same currency (US\$ 9 547 million) fell 0,4 percent over last 4 weeks and 4,4 percent over the year.

END OF PERIOD MONETARY AGGREGATES OF THE BANKING SYSTEM												
	MONETARY BASE		LIQUIDITY IN M/N		CREDIT IN M/N		LIQUIDITY IN M/E		LIABILITIES 1/		CREDIT IN M/E	
	VAR.(%) Month	VAR.(%) Year	VAR.(%) Month	VAR.(%) Year	VAR.(%) Month	VAR.(%) Year	VAR.(%) Month	VAR.(%) Year	VAR.(%) Month	VAR.(%) Year	VAR.(%) Month	VAR.(%) Year
2002												
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%	4,1%	-15,3%	-44,9%	-0,4%	-6,1%
Apr.	3,1%	9,5%	-0,3%	11,1%	3,6%	14,6%	-0,6%	3,4%	12,4%	-35,8%	1,0%	-5,7%
May.	-1,1%	8,4%	0,8%	12,1%	0,4%	14,0%	-0,9%	2,7%	-2,2%	-39,1%	-0,9%	-6,8%
Jun.	1,7%	6,5%	-1,7%	7,8%	-1,1%	11,2%	1,1%	3,5%	-2,8%	-42,7%	-0,2%	-6,5%
Jul.	8,3%	2,8%	5,8%	7,3%	0,1%	10,5%	-1,3%	-1,6%	3,7%	-42,8%	-0,7%	-6,8%
Aug.	-3,3%	4,2%	-1,6%	6,8%	-0,7%	9,9%	-0,2%	-3,6%	-7,8%	-46,1%	0,1%	-6,0%
Sep.	-2,5%	6,0%	0,1%	9,3%	-0,1%	7,9%	-0,8%	-3,1%	-1,5%	-45,9%	-1,1%	-6,0%
Oct.	1,4%	6,4%	0,7%	11,9%	-0,5%	5,7%	0,5%	-3,9%	5,4%	-41,4%	-0,1%	-5,3%
Nov.	2,8%	9,7%	1,7%	13,3%	3,0%	7,2%	-0,7%	-5,7%	4,3%	-12,3%	0,2%	-5,5%
Dec.	11,5%	10,1%	3,6%	10,5%	-1,2%	5,1%	0,5%	-2,6%	-0,1%	-8,0%	-0,6%	-5,8%
2004												
Jan.	-6,4%	13,4%	2,7%	17,1%	-0,3%	8,7%	-0,1%	-2,7%	1,3%	4,7%	-1,3%	-4,3%
Feb.22	-0,4%	14,1%	0,1%	15,1%	0,1%	5,5%	0,1%	-2,7%	-9,3%	-7,1%	-0,4%	-4,4%
Memo:												
Balance as of Jan. 22 (Mill.S/ or Mill.US\$)	6 963		20 222		10 103		9 461		813		9 582	
Balance as of Feb. 22 (Mill.S/ or Mill.US\$)	6 938		20 241		10 114		9 474		738		9 547	
1/ Short term external liabilities of banking enterprises.												

Spread of Global bond 2012 at 3,39 percent

On **March 10**, the spread of the **Peruvian Global bond 2012** was 3,39 percent, up from February (3,23 percent), whereas the spread of the **sovereign bond** decreased from 3,56 to 3,34 percent over the same

period. It should be noted the reduction in the Argentine spread, after this country avoided default by honoring a US\$ 3 100 million amortization payment to the IMF on March 9.



International Markets

Between **March 3 and 10**, the **gold** quotation increased 1,9 percent to US\$ 399,0 per Troy. On March 8, fifteen European central banks announced the

extension of limits on gold sales, notwithstanding their annual limit was increased from 400 to 500 metric tones.

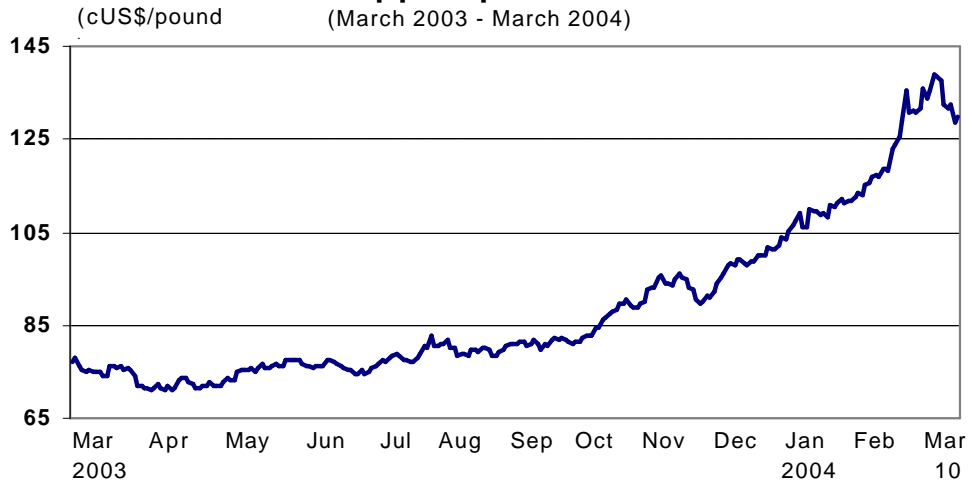
Gold quotation



Over this period, the **copper** quotation fell 5,6 percent to US\$ 1,30 per pound, reflecting lower demand expectations, following the release of disappointing figures

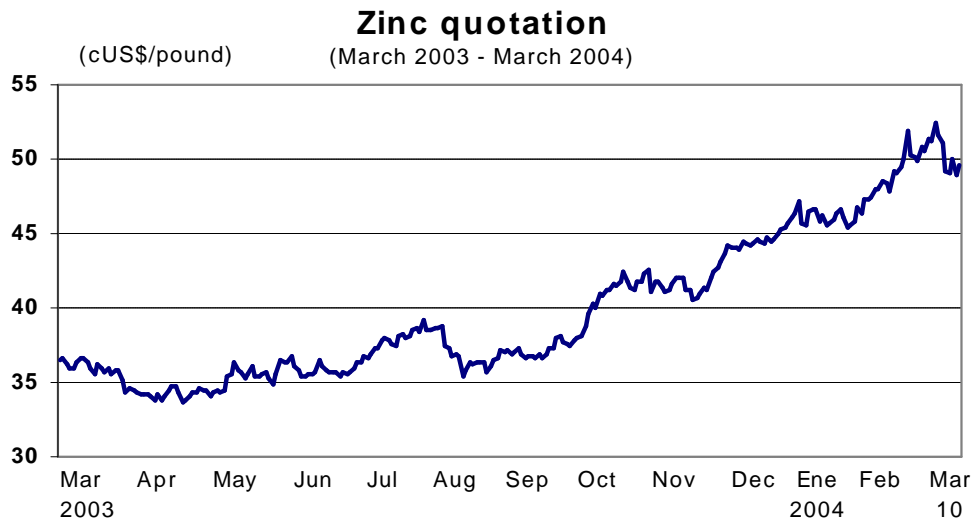
of US labor market and German industrial production. However, LME inventories decreased once again from 275 thousand MT last week to 256 thousand MT.

Copper quotation



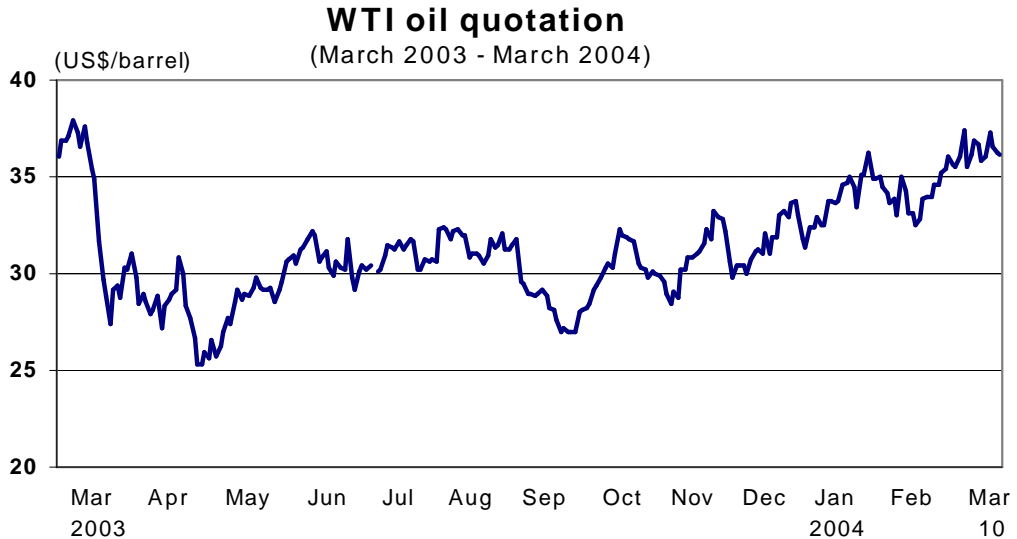
Zinc quotation dropped 3,1 percent to US\$ 0,50 per pound due to profit-takings and long-position clearances, despite the fall

in LME inventories from 719 to 711 thousand MT.



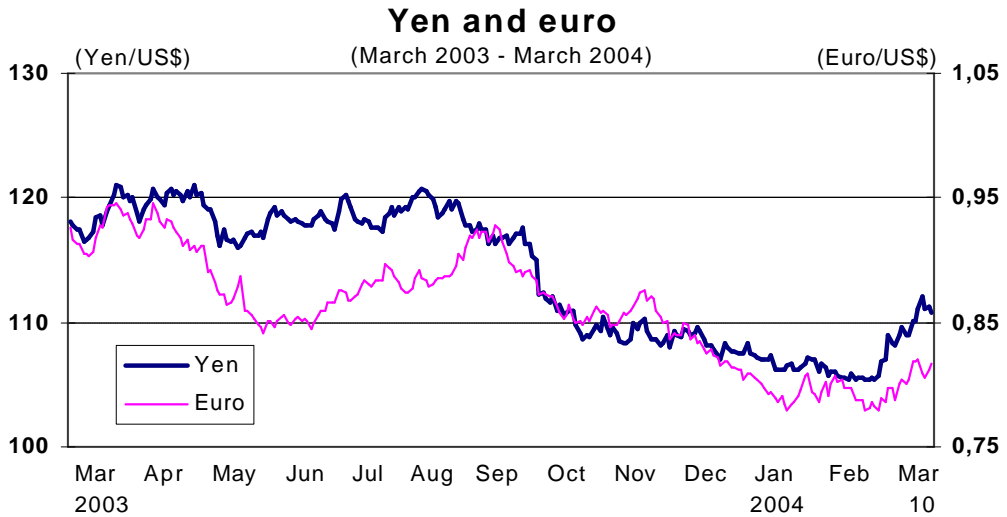
In the period under analysis the **WTI oil** price rose 0,8 percent to US\$ 36,1 per barrel, reflecting the fears of an

interruption in Venezuelan oil shipments to the US due to political concerns.



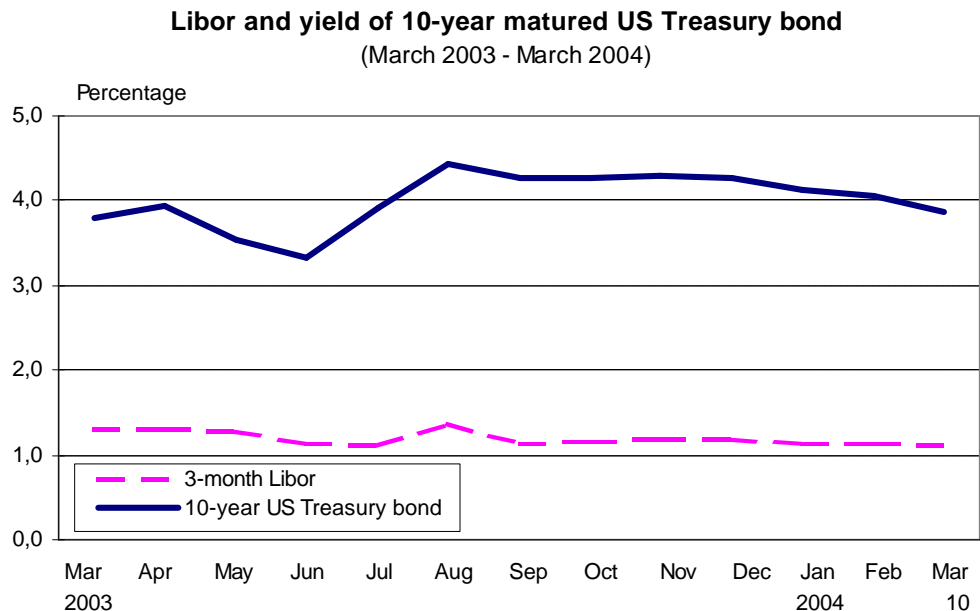
The **US dollar** depreciated 0,2 percent against the **euro** and appreciated 0,6 percent against the **yen**. The latter mainly reflected larger Bank of Japan (BoJ)

interventions and the intention of the Japanese government to get its currency devaluated.



Over the period **March 3 to 10**, the **3-month Libor** decreased to 1,11 percent, from 1,12 percent. On the other hand, the yield of **US Treasury bonds with a 10 year maturity** fell from 4,05 to 3,73 percent, the lowest

level since September 2002, due to the weakness of the US labor market and the expectations that the FED might not modify its interest rates.

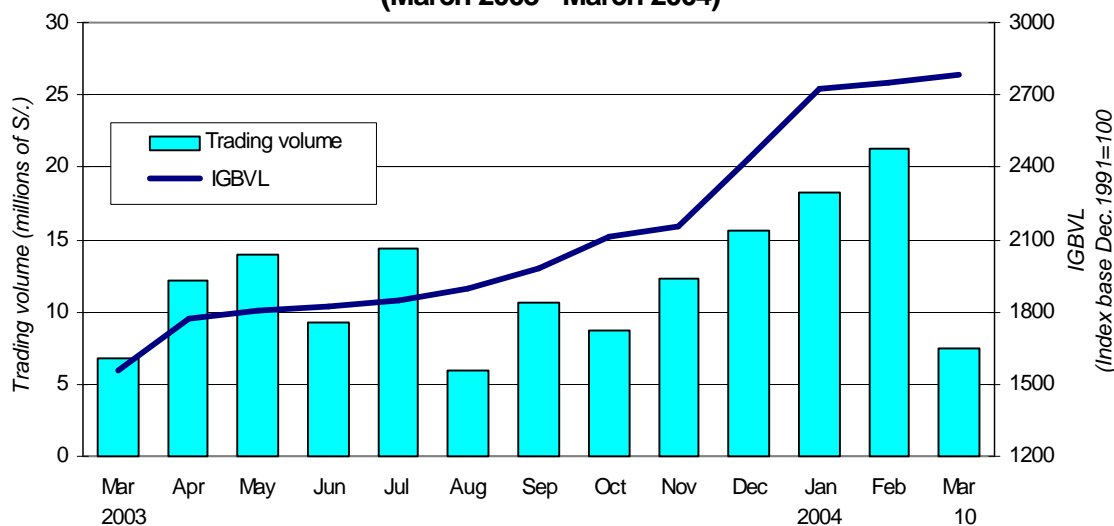


Bolsa de Valores de Lima

On **March 10**, the LSE recorded a 1,2 percent monthly increase in the **General Index** (IGBVL) and a 0,9 percent expansion in the **Blue Chip Index** (ISBVL).

In the year, these indices register cumulative increases of 14,3 percent and 17,2 percent, respectively.

LSE indicators
(March 2003 - March 2004)



Indicadores Económicos / Economic Indicators

	2002	2003	2004								
	DIC.	DIC.	ENE.	FEB.	4 Mar.	5 Mar.	8 Mar.	9 Mar.	10 Mar.	MAR.	
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES										Var.	
Posición de cambio / <i>Net international position</i>	3 341	4 583	4 914	4 972	5 002	5 015	5 016	5 028		55	
Reservas internacionales netas / <i>Net international reserves</i>	9 598	10 194	10 564	10 503	10 441	10 466	10 484	10 498		-5	
Depósitos del sistema financiero en el BCR / <i>Financial system deposits at BCR</i>	3 381	2 892	3 033	2 969	2 971	2 982	3 000	2 998		29	
Empresas bancarias / <i>Banks</i>	3 048	2 687	2 857	2 792	2 810	2 814	2 830	2 828		36	
Banco de la Nación / <i>Banco de la Nación</i>	291	154	120	124	106	112	116	115		-9	
Resto de instituciones financieras / <i>Other financial institutions</i>	42	52	56	53	55	55	55	55		2	
Depósitos del sector público en el BCR / <i>Public sector deposits at BCR</i>	2 900	2 761	2 652	2 595	2 500	2 501	2 500	2 501		-94	
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	175	339	55	5	0	0	10	10	60	
Compras netas en Mesa de Negociación / <i>Net purchases of foreign currency</i>	5	176	317	96	5	0	0	10	10	60	
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	0	23	-40	0	0	0	0	0	0	
TIPO DE CAMBIO (\$/ por US\$) / EXCHANGE RATE	Prom.	Prom.	Prom.	Prom.						Prom.	
Compra interbancario / <i>Interbank</i>	Promedio / <i>Average</i>	3,513	3,471	3,468	3,483	3,475	3,474	3,471	3,466	3,465	3,471
Venta Interbancario / <i>Interbank Ask</i>	Apertura / <i>Opening</i>	3,516	3,472	3,467	3,485	3,476	3,475	3,474	3,469	3,466	3,472
	Mediodía / <i>Midday</i>	3,515	3,471	3,468	3,483	3,475	3,474	3,471	3,466	3,468	3,472
	Cierre / <i>Close</i>	3,515	3,471	3,468	3,483	3,475	3,474	3,469	3,466	3,466	3,471
	Promedio / <i>Average</i>	3,515	3,472	3,468	3,484	3,475	3,474	3,472	3,466	3,466	3,472
Sistema Bancario (SBS) / <i>Banking System</i>	Compra / <i>Bid</i>	3,513	3,470	3,467	3,483	3,474	3,473	3,471	3,466	3,465	3,471
	Venta / <i>Ask</i>	3,515	3,472	3,468	3,484	3,475	3,474	3,472	3,467	3,466	3,472
Índice de tipo de cambio real (1994 = 100) / <i>Real exchange rate Index (1994 = 100)</i>		100,4	107,9	109,2	108,2						
INDICADORES MONETARIOS / MONETARY INDICATORS											
Moneda nacional / Domestic currency											
Emisión Primaria (Var. % mensual) / (% monthly change)		11,1	11,5	-6,4	0,7						
Monetary base (Var. % últimos 12 meses) / (% 12-month change)		11,0	10,1	13,4	14,5						
Oferta monetaria (Var. % mensual) / (% monthly change)		6,3	3,6	2,7							
Money Supply (Var. % últimos 12 meses) / (% 12-month change)		10,6	10,5	17,1							
Crédito sector privado (Var. % mensual) / (% monthly change)		0,8	-1,2	-0,3							
Crédit to the private sector (Var. % últimos 12 meses) / (% 12-month change)		7,1	5,1	8,7							
TOSE saldo fin de período (Var. % acum. en el mes) / TOSE balance (% change)		2,9	-0,8	1,6	-0,6	1,7	2,0	3,0			
Superávit de encaje promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)		0,2	0,2	0,5	0,5	1,6	1,7	1,7			
Cuenta corriente de los bancos (saldo Mill. S./) / Banks' current account (balance)		191	192	172	184	422	399	427	380	319	
Créditos por regulación monetaria (millones S./) / Rediscounts (Millions of S./)		0	0	0	0	0	0	0	0	0	
Depósitos públicos en el BCR (millones S./) / Public sector deposits at the BCR (Mills.S./)		275	1 196	1 549	1 756	1 565	1 489	1 427	1 523	n.d.	
Certificados de Depósitos BCRP (saldo Mill.S./) / CDBCRP balance (Millions of S./)		1 635	4 097	5 789	5 489	5 489	5 489	5 513	5 553	5 553	
Operaciones de reporte (saldo Mill. S./) / repos (Balance millions of S./)		170	0	312	85	100	45	0	0	0	
Tasa de interés (%) / Interest rates (%)	Préstamos y descuentos hasta 360 días / Loans & discount	14,84	13,97	14,47	14,89	14,89	14,92	14,89	14,90	14,91	14,90
	Interbancaria / Interbank	3,80	2,51	2,41	2,52	2,50	2,47	2,42	2,44	2,44	2,49
	Preferencial corporativa a 90 días / Corporate Prime	5,10	3,30	3,30	3,31	3,32	3,32	3,32	3,32	3,32	3,32
	Operaciones de reporte con CDBCRP / CDBCRP repos	3,6	s.m.	2,5	2,6	2,5	2,5	s.m.	s.m.	s.m.	
	Créditos por regulación monetaria / Rediscounts	4,5	3,3	3,3	3,3	3,3	3,3	3,3	3,3	3,3	3,3
	Del saldo de CDBCRP / CDBCRP balance	4,6	3,9	3,7	3,7	3,7	3,7	3,7	3,7	3,7	3,7
Moneda extranjera / foreign currency											
Crédito sector privado (Var. % mensual) / (% monthly change)		-0,3	-0,6	-1,3							
Crédit to the private sector (Var. % últimos 12 meses) / (% 12-month change)		-3,6	-5,8	-4,3							
TOSE saldo fin de período (Var. % acum. en el mes) / TOSE balance (% change)		-1,9	0,2	-0,3	-3,1	0,5	1,0	1,2			
Superávit de encaje promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)		0,1	0,1	0,1	0,1	-1,1	0,4	-0,1			
Créditos por regulación monetaria (millones de US dólares) / Rediscounts		0	0	0	0	0	0	0	0	0	
Tasa de interés (%) / Interest rates (%)	Préstamos y descuentos hasta 360 días / Loans & discount	8,13	7,26	7,30	7,14	7,34	7,35	7,32	7,34	7,32	7,33
	Interbancaria / Interbank	2,22	1,09	1,14	1,09	1,10	1,01	1,03	1,05	1,05	1,06
	Preferencial corporativa a 90 días / Corporate Prime	2,38	1,72	1,71	1,78	1,76	1,76	1,76	1,76	1,76	1,77
	Créditos por regulación monetaria / Rediscounts **	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.						Acum.	
Índice General Bursátil (Var. %) / General Index (% change)		1,4	13,4	12,1	0,7	0,0	0,6	0,2	-0,3	0,6	1,2
Índice Selectivo Bursátil (Var. %) / Blue Chip Index (% change)		1,7	16,2	11,9	3,8	0,2	0,5	0,3	-0,5	0,5	0,9
Monto negociado en acciones (Mill. S./) - Prom. diario		67,1	15,7	18,2	21,3	6,9	3,7	3,9	4,2	11,3	7,5
INFLACIÓN (%) / INFLATION (%)											
Inflación mensual / Monthly		-0,03	0,56	0,54	1,09						
Inflación últimos 12 meses / % 12 months change		1,52	2,48	2,80	3,43						
GOBIERNO CENTRAL (Mill. S./) / CENTRAL GOVERNMENT (Mills. of S./)											
Resultado primario / Primary balance		-230	-821	739							
Ingresos corrientes / Current revenue		2 781	2 933	2 701							
Gastos no financieros / Non-financial expenditure		3 140	3 867	1 965							
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)											
Balanza Comercial / Trade balance		71	178	140							
Exportaciones / Exports		746	894	838							
Importaciones / Imports		675	716	698							
PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT											
Variac. %, respecto al mismo mes del año anterior / Annual rate of growth		4,7	3,1								
COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS	Prom.	Prom.	Prom.	Prom.						Prom.	
LIBOR a tres meses (%) / LIBOR 3-month (%)		1,41	1,17	1,13	1,12	1,12	1,12	1,11	1,11	1,11	
Dow Jones (Var %) / (% change)		-5,90	6,53	0,33	0,91	-0,05	0,07	-0,62	-0,69	-1,53	
Rendimiento de los U.S. Treasuries (10 años) / U.S. Treasuries yield (10 years)		4,02	4,26	4,13	4,06	4,02	3,85	3,77	3,72	3,73	
Stripped spread del EMBI+ PERÚ (pbs) / EMBI+ PERU stripped spread (basis points)		620	318	288	346	343	345	332	335	334	
Bono Global 2012 - Perú (en pbs) / Global Bond 2012 - Peru (basis points)		576	304	282	328	315	312	323	310	339	

* Incluye depósitos de Promcepari, 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.

** 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.