

CENTRAL RESERVE BANK OF PERU

WEEKLY REPORT

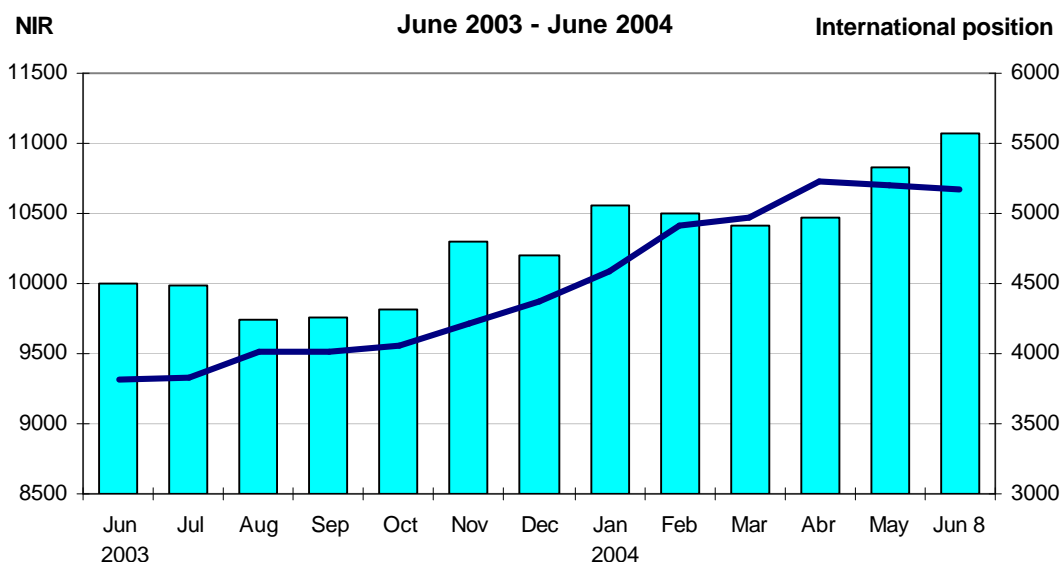
Nº 24 – June 11, 2004

Net international reserves at US\$ 11 067 million

As of **June 8**, net international reserves (NIR) increased US\$ 244 million to a US\$ 11 067 million balance, mainly due to higher financial system and public sector deposits (US\$ 211 and 35 million, respectively), partially offset by a valuation effect (US\$ 1 million).

In the year, NIR have increased US\$ 873 million, whereas the **Central Bank's international position** grew by US\$ 584 million amounting to US\$ 5 167 million.

Net international reserve and international position of the Central Reserve Bank

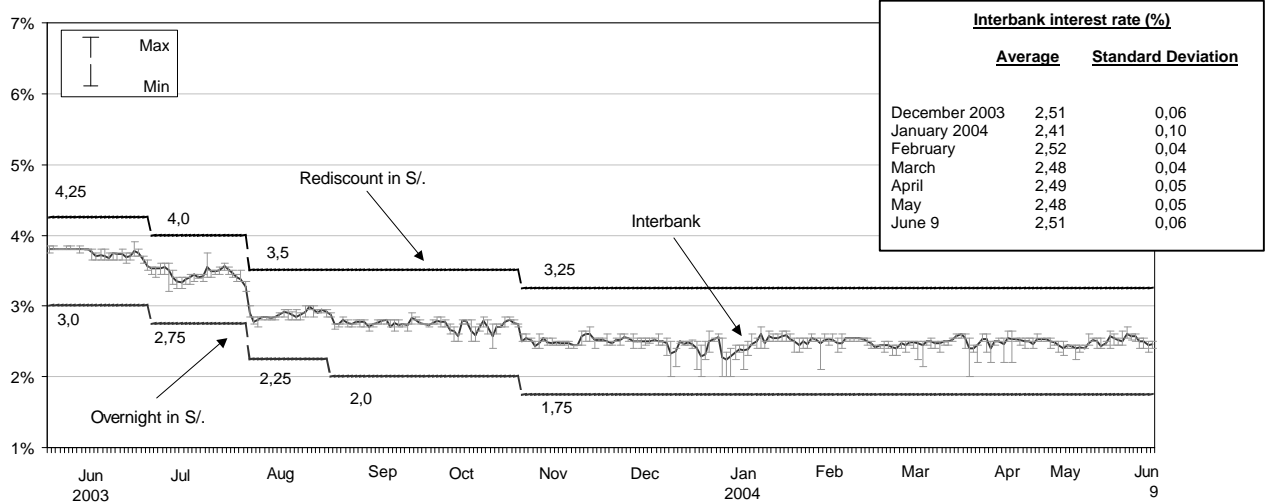


Interbank interest rate at 2,51%

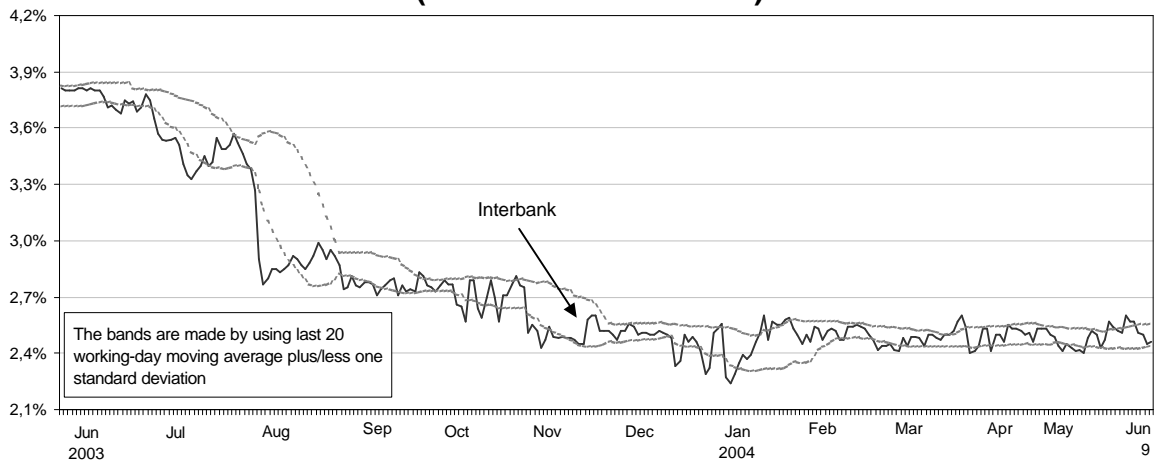
Between **June 1 and 9**, the average interbank interest rate in domestic currency

was 2,51%, slightly higher than in May (2,48%).

**Interest rates in domestic currency
(June 2003 - June 2004)**



**Interbank interest rate in domestic currency
(June 2003 - June 2004)**



Monetary operations

As of **June 9**, the daily average balance of banks' liquidity at the Central Bank was S/. 340 million. Between **June 3 and 9**, the Central Bank made the following operations:

average interest rates of 2,54; 2,42; 2,42 and 2,39%, respectively and with a 3-day maturity by S/. 340 million and a rate of 2,48% on average.

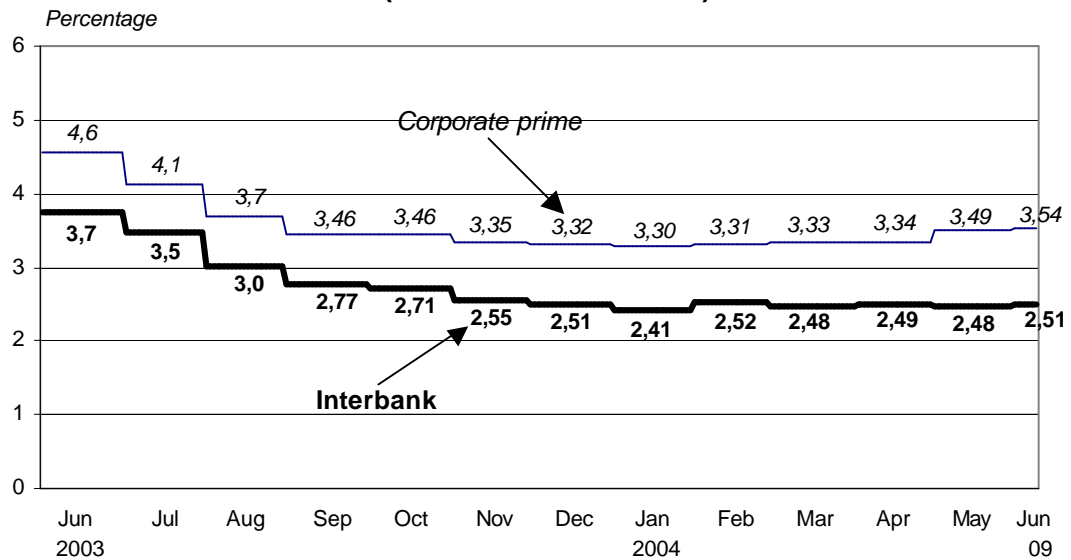
- Auctions of temporary purchase of CDBCRP and BTP with a 1-day maturity by S/. 375, 200, 120 and 25 million at
- Overnight deposits on June 4 by S/. 85 million.

Corporate prime interest rate at 3,54%

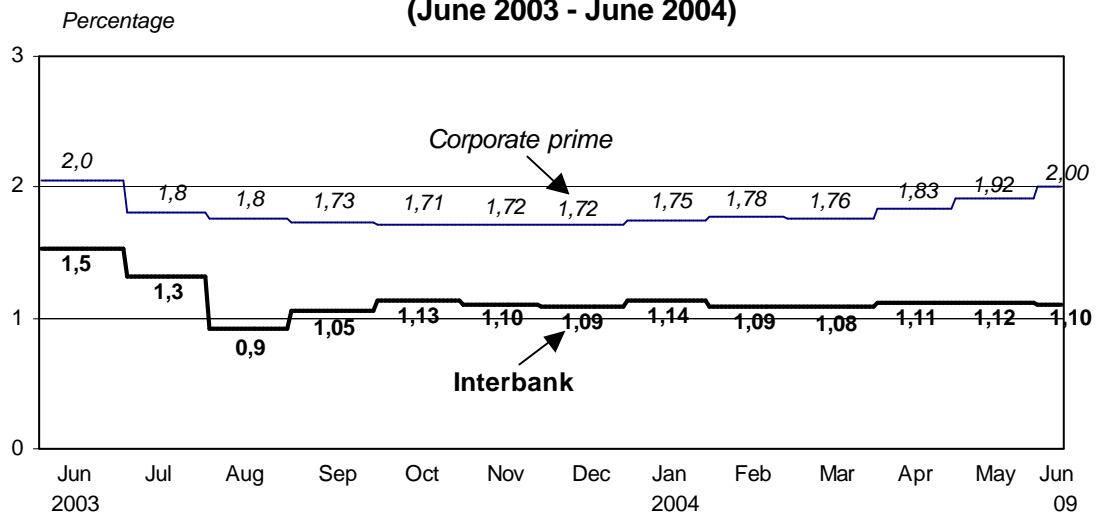
Between **June 1 and 9**, the 90-day average corporate prime interest rate in domestic currency rose to 3,54% from 3,49 in May, whereas the rate in dollars passed, from 1,92 to 2,00% over the same period. The increase in corporate interest rates reflects the

prospect of a interest rate rise in the US. However, the rate in domestic currency recorded a decrease last week from 3,58 to 3,52%, after the Central Bank announced no change in its interest rates.

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



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



Exchange rate: S/. 3,477

Between **June 2 to 9**, the exchange rate passed from S/. 3,488 to S/. 3,477 due to the upgrade in the Peruvian sovereign debt rating.

As of June 9, the **balance of net forward sales** dropped US\$ 10 million, whereas the **bank's exchange position** increased US\$ 15 million.

BANKS' EXCHANGE POSITION (Millions of US\$)

	December 2002	December 2003	May 2004	June 9
a. Net sales to the public (i-ii)	905	607	536	526
i. Forward sales to the public	1 141	834	1 017	1 018
ii. Forward purchases to the public	236	227	481	492
b. Banks' exchange position	642	530	598	583

Monetary base as of June 7, 2004

The **monetary base** balance as of June 7 was S/. 7 678 million, up 3,5% (S/. 256 million) from end-May. In average terms, the year on year rate of growth of the monetary base was 22,8% compared with 18,8 % in May.

The operations that expanded the monetary base were the decrease in public sector deposits (S/. 213 million) and temporary purchases of securities (S/. 40 million).

Banking system monetary accounts: May 22, 2004

Last 4 week liquidity in **domestic currency** rose 0,2% (S/. 37 million) to a balance of S/. 20 679 million. Credit to the private sector in the same currency decreased 0,1% (S/. 8 million) to S/. 10 558 million. In annual terms these aggregates grew by 11,2 and 2,6%, respectively.

On the other hand, **foreign currency** liquidity fell 0,2% (US\$ 22 million) to US\$ 9 240 million, down 3,4% from a year ago. Credit in the same currency to the private sector (US\$ 9 842 million) increased US\$ 193 million (2,0%). In annual terms, this aggregate fell 1,6%.

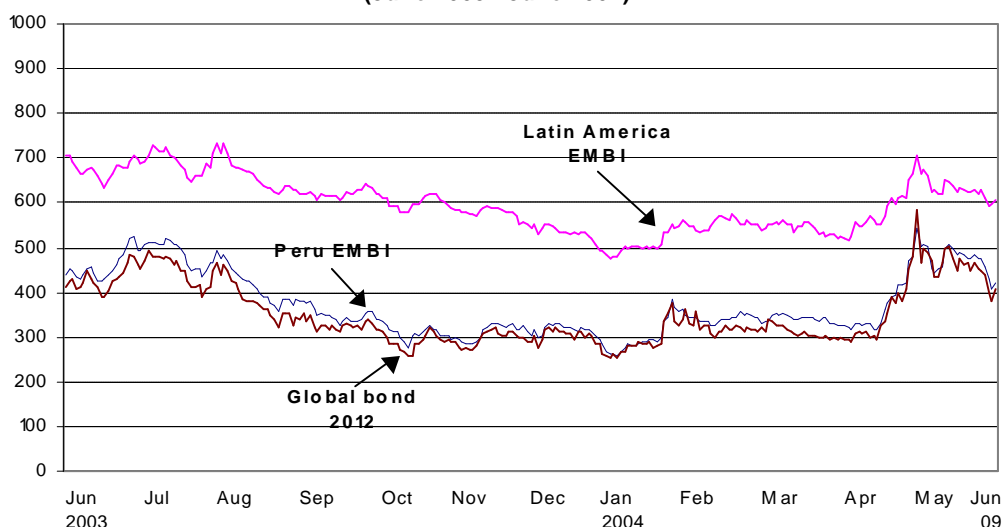
END OF PERIOD MONETARY AGGREGATES OF THE BANKING SYSTEM												
	BASE MONETARY		LIQUIDITY IN D/C		CREDIT IN D/C		LIQUIDITY IN F/C		LIABILITIES 1/		CREDIT IN F/C	
	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	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.	0,7%	14,5%	-0,7%	13,3%	-0,1%	4,5%	-2,7%	-5,3%	1,7%	-3,7%	-0,9%	-4,9%
Mar.	0,7%	16,6%	1,4%	12,9%	3,0%	6,0%	0,0%	-5,1%	-5,0%	8,0%	0,8%	-3,7%
Apr.	4,4%	18,2%	-0,2%	13,0%	0,5%	2,8%	1,0%	-3,6%	10,8%	6,6%	1,2%	-3,5%
May.22	2,6%	19,8%	0,2%	11,2%	-0,1%	2,6%	-0,2%	-3,4%	16,6%	12,8%	2,0%	-1,6%
Memo:												
Balance as of Apr.22 (Mill.S/. or Mill.USS)	7 175		20 641		10 566		9 262		725		9 649	
Balance as of May.22 (Mill.S/. or Mill.USS)	7 363		20 679		10 558		9 240		846		9 842	
1/ Short term external liabilities of banking enterprises.												

Spread of Global bond 2012 at 4,05%

As of **June 9**, the spread of the **Peruvian Global bond 2012** was 4,05% (versus 4,46% in May) whereas the spread of the **sovereign bond** reached 4,20% (4,73% in May). On June 8, Standard and Poor's upgraded the rating of the Peruvian sovereign debt in foreign currency from BB- to BB (two levels under the investment

grade frontier). The reasons were the strong fundamentals of the economy and its good prospects in the medium term. On the other hand, Fitch improved the outlook of the Peruvian debt from stable to positive, arguing the good management of the public finance, the external account and a reduced vulnerability of the fiscal financing.

Country risk indicators
(June 2003 - June 2004)



International markets

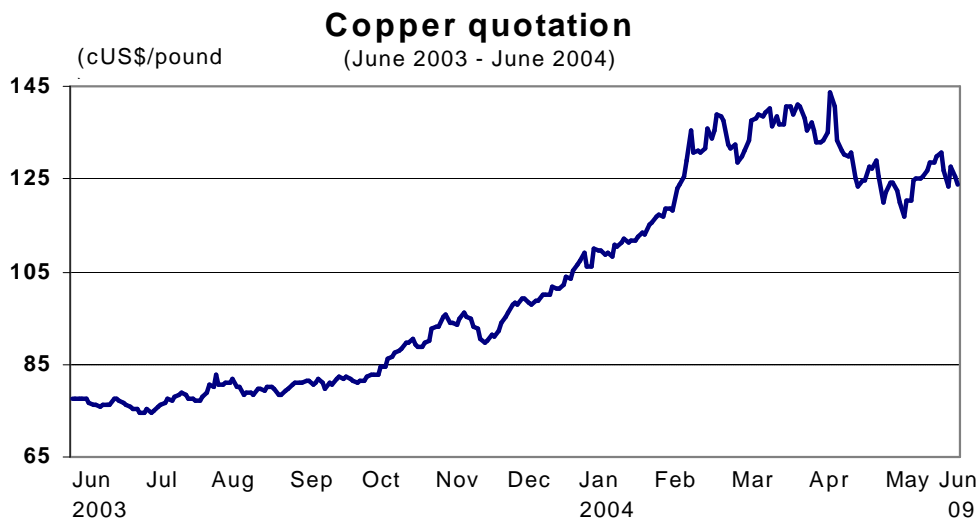
Between **June 2 to 9**, the **gold** quotation decreased 1,6% to US\$ 387 per Troy ounce due to the appreciation of the US dollar that

provoked a lower demand for gold among European and Asian investors.



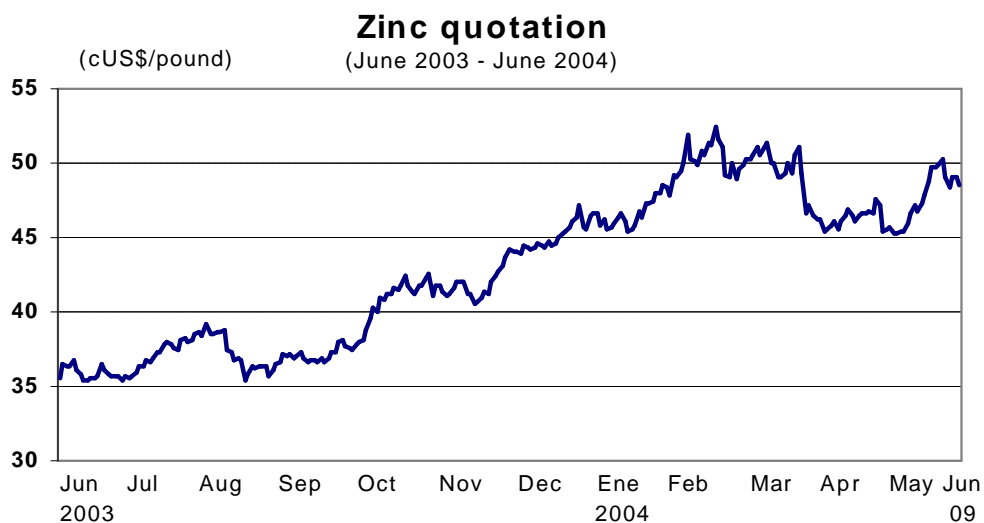
The **copper** quotation fell 5,1% (to US\$ 1,24) due to the fears that a rise in US interest rates might affect the demand from this country. On the other hand, Morgan Stanley revised downward its

average price forecast in 7%, whereas BHP Billiton and Phelps Dodge Corp. announced a production increase. However, LME inventories decreased from 131 to 124 thousand MT.



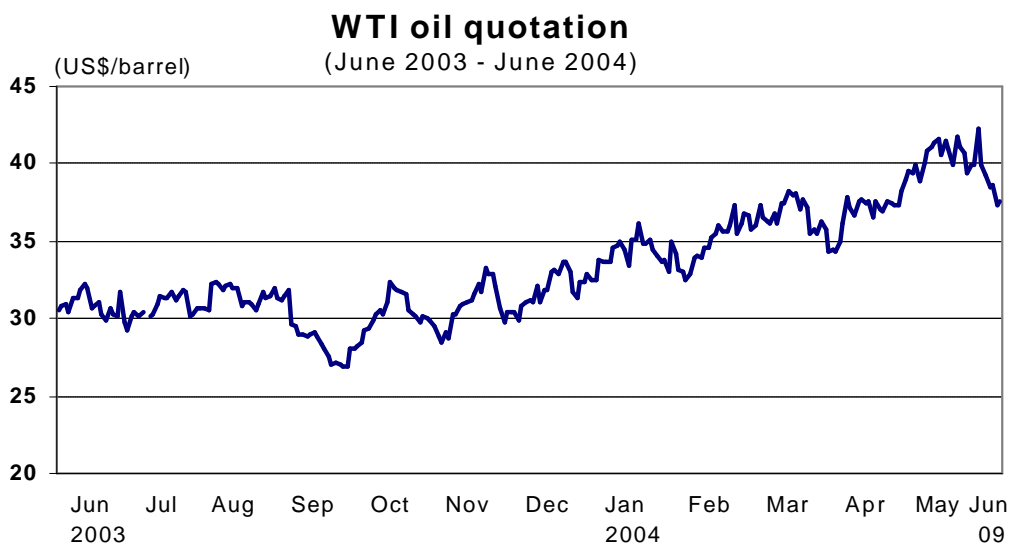
In the period under analysis, the **zinc** quotation decreased 3,4% to US\$ 0,49 per pound following the trend of the other

metals. LME inventories decreased from 726 to 716 thousand MT.



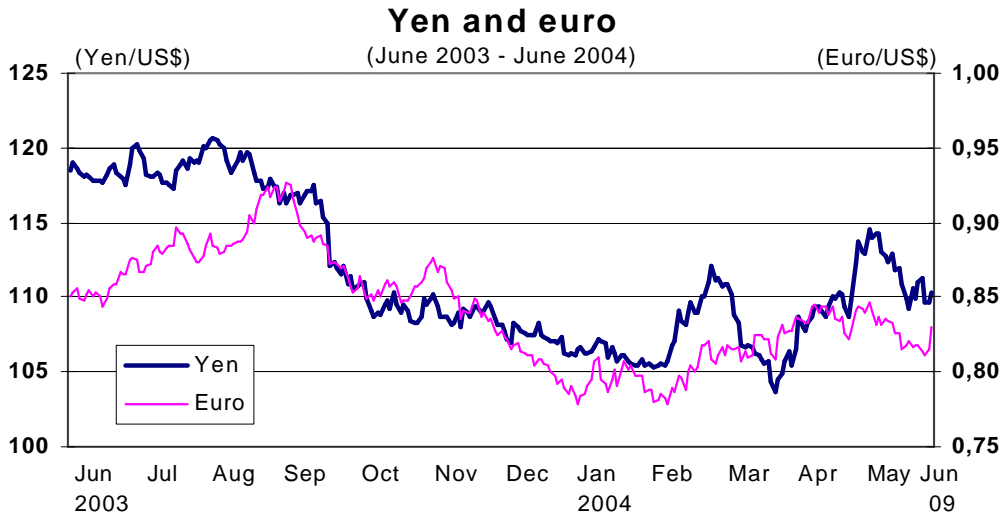
The **WTI oil** price dropped 6,1% (to US\$ 37,5 per barrel) after the OPEC announced an increase of supply of 2 million barrels per day since July and 500 thousand more in August. On the other

hand, US inventories reached its maximum level of last 2 years lowering the concern of a lack of supply during the boreal summer.



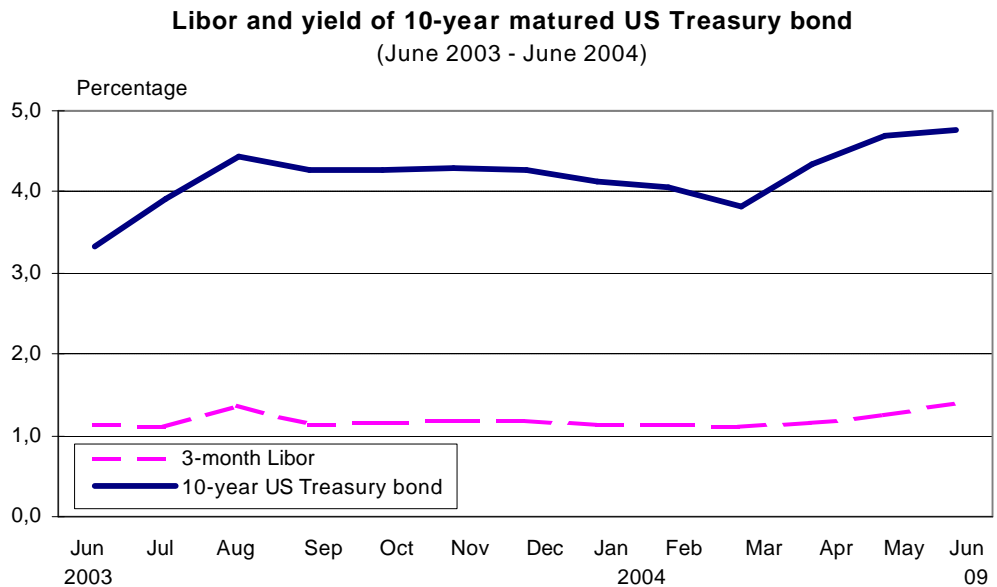
The **US dollar** appreciated 1,5% against the **euro** and 0,4% against the **yen**, following the comments of Alan Greenspan, who

emphasized that the FED will maintain inflation under control.



The **3-month Libor** passed from 1,34% to 1,43%, whereas the yield of **US Treasury bonds with a 10 year maturity** rose from 4,74 to 4,81%. The labor market saw an increase in non-farm payrolls (248 thousand new jobs) whereas March and April data

were revised upward. This fact along with a increasing concern about inflation has taken the market to consider that the FED's adjustments of interest rates can be higher than the predicted ones.

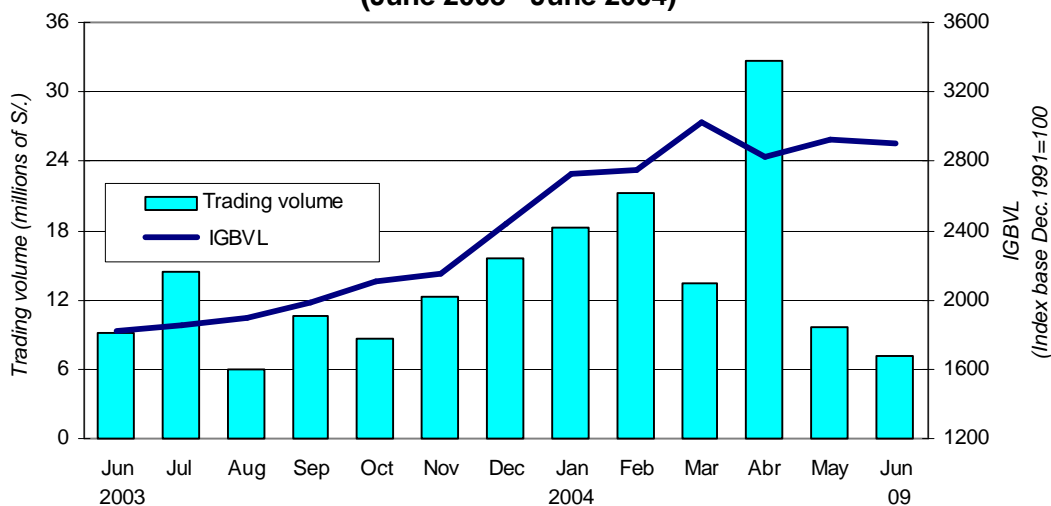


Lima Stock Exchange (LSE)

As of **June 9**, the LSE decreased 0,7% in its **General Index** and 1,9% in the **Blue Chip Index** due to the lower expected

profitability of the mining sector. In the year these indices record cumulative increases of 19,4% and 20,7%, respectively.

**LSE indicators
(June 2003 - June 2004)**



Indicadores Económicos / Economic Indicators

	2003			2004									
	DIC.	MAR.	ABR.	31 May.	MAY.	2 Jun.	3 Jun.	4 Jun.	7 Jun.	8 Jun.	9 Jun.	JUN.	
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES					Var.							Var.	
Posición de cambio / <i>Net international position</i>	4 583	5 235	5 201	5 169	-32	5 167	5 164	5 168	5 172	5 167		-2	
Reservas internacionales netas / <i>Net international reserves</i>	10 194	10 411	10 471	10 824	353	10 933	10 949	11 002	11 027	11 067		244	
Depósitos del sistema financiero en el BCR / <i>Financial system deposits at BCR</i>	2 892	2 776	2 831	2 804	-27	2 923	2 934	2 984	3 018	3 015		211	
Empresas bancarias / <i>Banks</i>	2 687	2 611	2 661	2 619	-42	2 744	2 750	2 793	2 831	2 823		204	
Banco de la Nación / <i>Banco de la Nación</i>	154	113	115	134	19	123	128	134	131	137		4	
Resto de instituciones financieras / <i>Other financial institutions</i>	52	52	55	52	-3	56	56	56	56	56		4	
Depósitos del sector público en el BCR / <i>Public sector deposits at BCR</i>	2 761	2 433	2 473	2 896	423	2 888	2 896	2 896	2 881	2 931		35	
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>	175	223	11	0	-60	0	0	-1	0	0	0	-1	
Compras netas en Mesa de Negociación / <i>Net purchases of foreign currency</i>	176	255	151	0	0	0	0	0	0	0	0	0	
Operaciones swaps netas / <i>Net swap operations</i>	0	0	0	0	0	0	0	0	0	0	0	0	
Operaciones con el Sector Público / <i>Public sector</i>	0	-32	-140	0	-60	0	0	0	0	0	0	0	
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE	Prom.	Prom.	Prom.		Prom.							Prom.	
De intervención en la Mesa de Negociación / <i>BCRP intervention</i>													
Compra interbancario / <i>Interbank bid</i>	Promedio / <i>Average</i>	3,471	3,464	3,469	3,486	3,487	3,487	3,487	3,486	3,485	3,479	3,475	3,484
Apertura / <i>Opening</i>	3,472	3,466	3,470	3,488	3,488	3,488	3,488	3,488	3,485	3,485	3,484	3,474	3,485
Mediodía / <i>Midday</i>	3,471	3,466	3,471	3,487	3,488	3,488	3,487	3,487	3,488	3,488	3,479	3,475	3,485
Cierre / <i>Close</i>	3,471	3,465	3,471	3,488	3,488	3,486	3,489	3,485	3,488	3,479	3,478	3,478	3,484
Promedio / <i>Average</i>	3,472	3,466	3,470	3,487	3,488	3,488	3,488	3,487	3,486	3,480	3,476	3,485	
Sistema Bancario (SBS) / <i>Banking System</i>	Compra / <i>Bid</i>	3,470	3,464	3,469	3,486	3,486	3,487	3,486	3,485	3,485	3,480	3,475	3,484
Venta / <i>Ask</i>	3,472	3,466	3,470	3,489	3,488	3,488	3,487	3,487	3,486	3,482	3,477	3,485	
Índice de tipo de cambio real (1994 = 100) / <i>Real exchange rate Index (1994 = 100)</i>	106,7	105,7	105,9		104,6								

INDICADORES MONETARIOS / MONETARY INDICATORS

Moneda nacional / Domestic currency													
Emisión Primaria / <i>Monetary base</i>	(Var. % mensual) / (% monthly change)	11,5	0,7	4,4	0,7	0,7							
	(Var. % últimos 12 meses) / (% 12-month change)	10,1	16,6	18,2	20,3	20,3							
Oferta monetaria / <i>Money Supply</i>	(Var. % mensual) / (% monthly change)	3,6	1,4	-0,2									
	(Var. % últimos 12 meses) / (% 12-month change)	10,5	12,9	13,0									
Crédito sector privado / <i>Crédit to the private sector</i>	(Var. % mensual) / (% monthly change)	-1,2	3,0	0,5									
	(Var. % últimos 12 meses) / (% 12-month change)	5,1	6,0	2,8									
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>		-0,8	3,2	-3,7	1,7	1,7	0,2	0,8	0,3	0,6			
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>		0,2	0,2	0,4	0,5	0,5	2,3	2,3	1,8	1,8			
Cuenta corriente de los bancos (saldo mill. S./) / <i>Banks' current account (balance)</i>		192	182	197	60	169	461	466	316	318	277	151	
Créditos por regulación monetaria (millones de S./) / <i>Rediscounts (Millions of S./)</i>		0	0	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>		1 196	2 000	2 389	2 254	2 254	2 122	2 087	2 062	2 041	2 059	n.d.	
Certificados de Depósitos BCRP (saldo Mill.S./) / <i>CDBCRP balance (Millions of S./)</i>		4 097	5 998	5 743	5 348	5 348	5 348	5 348	5 348	5 348	5 348	5 348	
Operaciones de reporte (saldo Mill. S./) / <i>repos (Balance millions of S./)</i>		0	70	440	160	160	400	375	340	200	120	25	
Tasa de interés (%) / <i>Interest rates (%)</i>	Préstamos y descuentos hasta 360 días / <i>Loans & discount Interbankaria / Interbank</i>	13,97	14,76	14,21	14,59	14,49	14,77	14,70	14,71	14,68	14,68	n.d.	14,72
	Interbancaria / <i>Interbank</i>	2,51	2,48	2,49	2,51	2,48	2,57	2,57	2,51	2,50	2,45	2,46	2,51
	Preferencial corporativa a 90 días / <i>Corporate Prime</i>	3,30	3,32	3,34	3,58	3,49	3,58	3,52	3,52	3,52	3,52	3,52	3,54
	Operaciones de reporte con CDBCRP / <i>CDBCRP repos</i>	s.m.	2,6	2,5	2,5	2,5	2,5	2,5	2,5	2,4	2,4	2,4	
	Créditos por regulación monetaria / <i>Rediscounts</i>	3,3	3,3	3,3	3,3	3,3	3,3	3,3	3,3	3,3	3,3	3,3	3,3
	Del saldo de CDBCRP / <i>CDBCRP balance</i>	3,9	3,6	3,7	3,7	3,7	3,7	3,7	3,7	3,7	3,7	3,7	

Moneda extranjera / foreign currency

Crédito sector privado / <i>Crédit to the private sector</i>	(Var. % mensual) / (% monthly change)	-0,6	0,8	1,2									
	(Var. % últimos 12 meses) / (% 12-month change)	-5,8	-3,7	-3,5									
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>		0,2	0,3	1,3	0,2	0,2	0,5	1,2	1,4	1,5			
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>		0,1	0,1	0,1	0,1	0,1	1,4	1,5	1,8	1,8			
Créditos por regulación monetaria (millones de US dólares) / <i>Rediscounts</i>		0	0	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 Interbankaria / Interbank</i>	7,26	7,30	7,10	6,63	6,91	6,69	6,72	6,71	6,72	6,69	n.d.	6,70
	Interbancaria / <i>Interbank</i>	1,09	1,08	1,11	1,05	1,12	1,11	1,15	1,10	1,11	1,09	1,05	1,10
	Preferencial corporativa a 90 días / <i>Corporate Prime</i>	1,72	1,77	1,82	1,95	1,92	1,95	2,02	2,02	2,02	2,02	2,02	2,00
	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.	s.m.	s.m.	s.m.
	Del saldo de CDBCRP / <i>CDBCRP balance</i>	s.m.	s.m.	s.m.	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>	13,4	10,5	-6,9	0,4	3,5	-0,4	-0,8	0,0	1,0	-0,2	-0,7	-0,7
Índice Selectivo Bursátil (Var. %) / <i>Blue Chip Index (% change)</i>	16,2	12,4	-9,0	0,2	3,7	-0,8	-0,9	-0,5	1,3	-0,5	-1,0	-1,9
Monto negociado en acciones (Mill. S.) - Prom. diario	15,7	13,4	32,6	2,6	9,6	6,3	11,3	5,1	3,0	9,2	9,5	7,2

INFLACIÓN (%) / INFLATION (%)

Inflación mensual / <i>Monthly</i>	0,56	0,46	-0,02	0,35
Inflación últimos 12 meses / <i>% 12 months change</i>	2,48	2,76	2,78	3,18

GOBIERNO CENTRAL (Mills. S./) / CENTRAL GOVERNMENT (Mills. of S./)

Resultado primario / <i>Primary balance</i>	-740	242	371
Ingresos corrientes / <i>Current revenue</i>	2 963	2 862	3 278
Gastos no financieros / <i>Non-financial expenditure</i>	3 827	2 626	2 914

COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)

Balanza Comercial / <i>Trade balance</i>	184	193	46
Exportaciones / <i>Exports</i>	909	966	870
Importaciones / <i>Imports</i>	726	774	824

PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT

Variac. %, respecto al mismo mes del año anterior / <i>Annual rate of growth</i>	3,2	5,5
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COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS

	Prom.	Prom.	Prom.		Prom.							
LIBOR a tres meses (%) / <i>LIBOR 3-month (%)</i>	1,17	1,11	1,15	n.d.	1,25	1,34	1,36	1,37	1,40	1,41	1,43	1,38
Dow Jones (Var %) / (% change)	6,53	-2,14	-1,28	-0,16	-0,36	0,59	-0,65	0,46	1,45	0,40	-0,61	1,77
Rendimiento de los U.S. Treasuries (10 años) / <i>U.S. Treasuries yield (10 years)</i>	4,26	3,81	4,34	4,65	4,70	4,74	4,71	4,77	4,76	4,76	4,81	4,75
Stripped spread del EMBI+ PERÚ (pbs) / <i>EMBI+ PERU stripped spread (basis points)</i>	318	344	338	473	475	476	476	458	431	405	420	450
Bono Global 2012 - Perú (en pbs) / <i>Global Bond 2012 - Peru (basis points)</i>	304	315	314	446	463	452	449	439	400	381	405	428

* Incluye depósitos de Promcepi, 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.