

CENTRAL RESERVE BANK OF PERU

WEEKLY REPORT

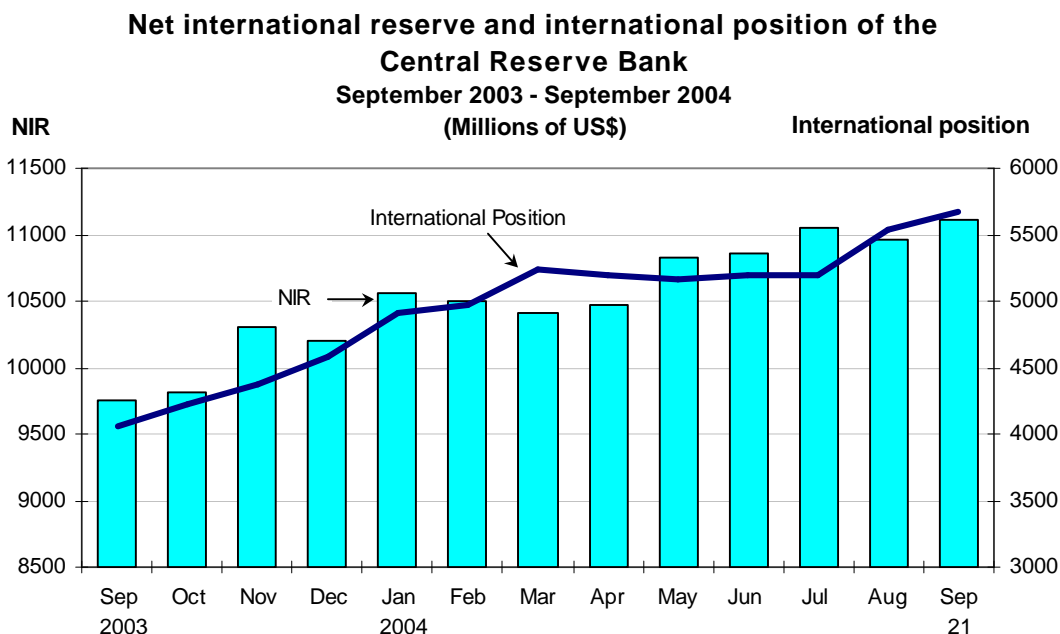
Nº 38 – September 24, 2004

Net international reserves at US\$ 11 105 million

As of **September 21**, net international reserves (NIR) amounted to US\$ 11 105 million, up US\$ 143 million from end-August. This increase was mainly due to purchases of foreign exchange (US\$ 194 million), higher financial system's and Insurance Deposit Fund's deposits (US\$ 26 and US\$ 3 million, respectively) and investment returns (US\$ 19 million) which

were partially offset by foreign exchange sales to the public sector (US\$ 59 million) and lower public sector deposits (US\$ 40 million).

Starting this year, NIRs have increased US\$ 911 million, whereas the **Central Bank's international position** (US\$ 5 677 million) grew by US\$ 1 094 million.

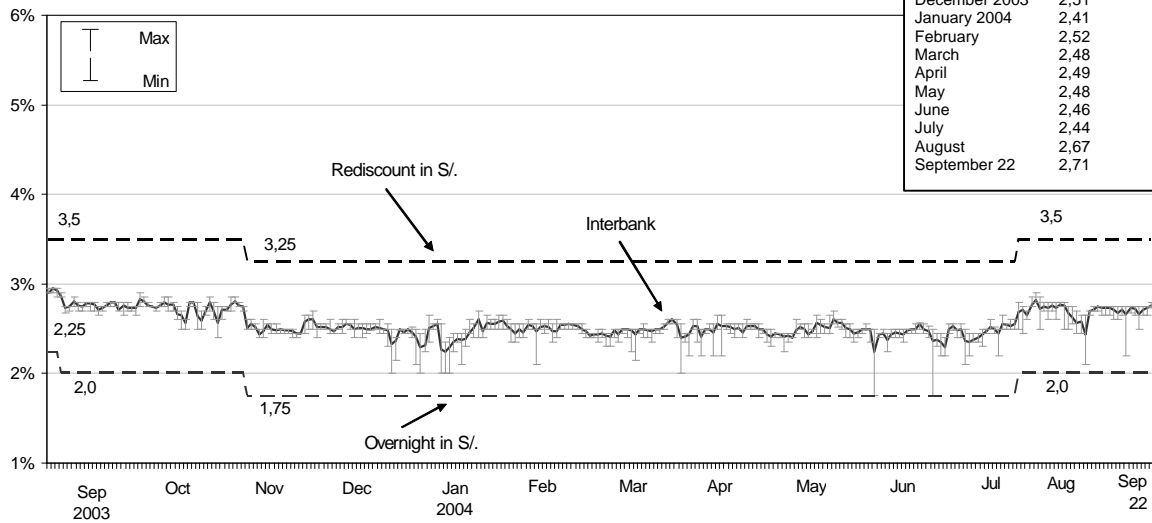


Interbank interest rate at 2,71%

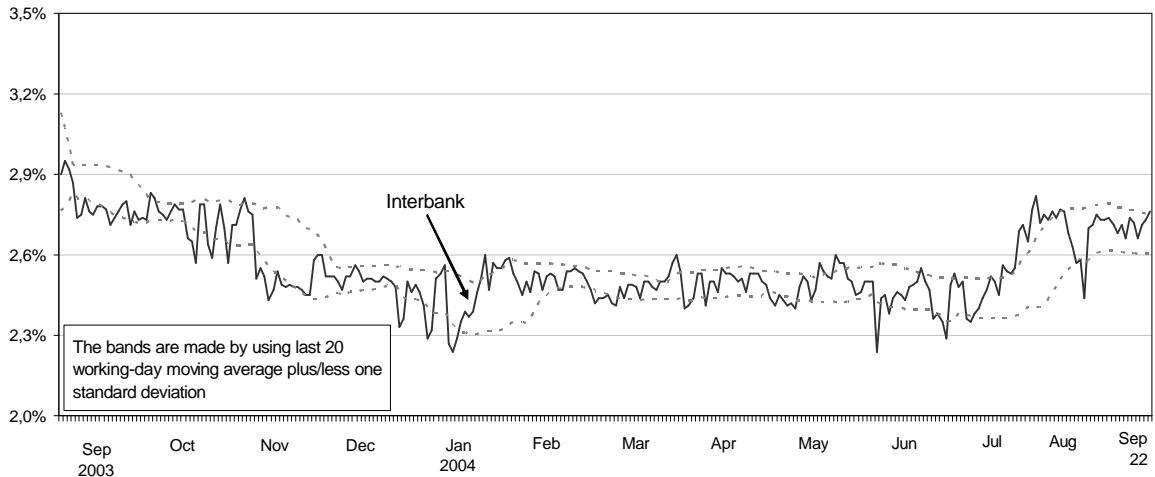
As of **September 22**, the average interbank interest rate in domestic

currency was 2,71%, higher than August's (2,67%).

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



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



Monetary operations

As of **September 22**, the daily average balance of banks' liquidity at the Central Bank was S/. 234 million. Between **September 16 and 22**, the Central Bank made the following operations:

- Auctions of CDBCRP with a i) 7-day maturity by S/. 70 million at an average interest rate of 2,63%; ii) 8-month by S/. 48 million at 3,99%; iii) 9-month by S/. 50 million at 3,87%; iv) 10-month by S/. 90 million at 4,07%; v) 1-year by S/. 30 million at 4,22%; vi) 15-month by S/. 60 and S/. 30 million at 4,59% and 4,53%, respectively; vii) 18-month by S/. 40 and S/. 30 million at 4,89% and 4,92%, respectively; viii) 2-year by S/.40 million at 5,50% and ix) 3-year by S/. 30 million at 6,55%.
- Auctions of temporary purchase of CDBCRP and Treasury bonds with a

1-day maturity by S/. 40 million at an average interest rate of 2,76%.

at an average exchange rate of S/. 3,3485 per dollar.

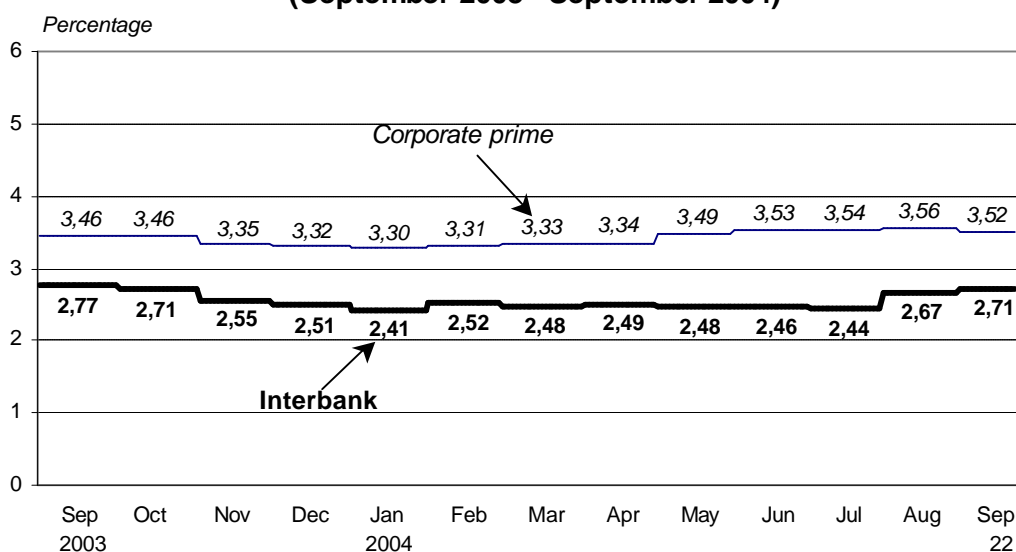
- Foreign currency purchase over-the-counter mechanism by US\$ 41,5 million
- Overnight deposits on August 16, 17, and 20 by S/. 16, S/. 30 and S/. 60 million, respectively.

Corporate prime interest rate at 3,52%

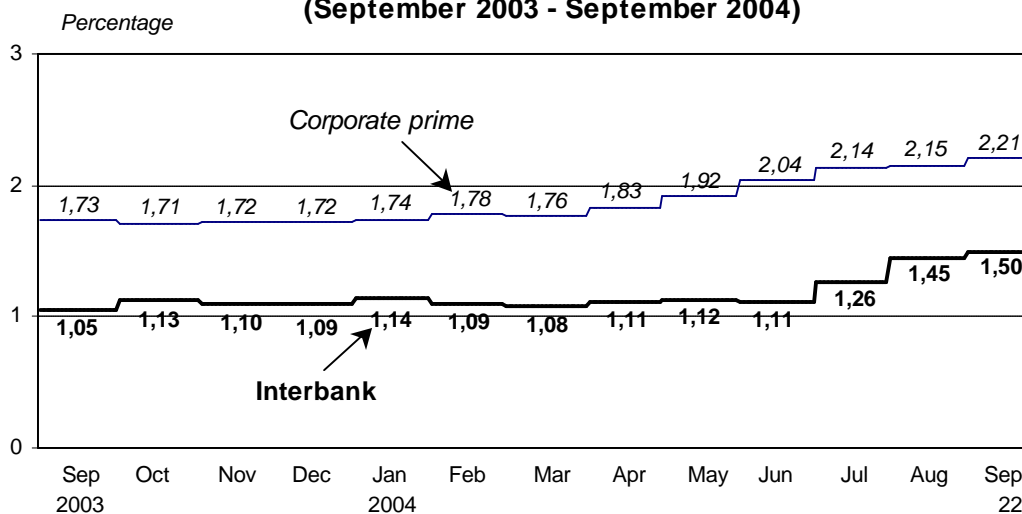
As of **September 22**, the 90-day average corporate prime interest rate in domestic currency dropped from 3,56% in August to

3,52% whereas the rate in dollars was raised from 2,15% to 2,21% over the same period.

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



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



Exchange rate: S/. 3,351

Between **September 15 and 22**, the exchange rate increased slightly from S/. 3,350 to S/. 3,351. Besides, the balance

of net forward sales and the bank's exchange position augmented by US\$ 30 and US\$ 2 million by September 22.

BANKS' EXCHANGE POSITION
(Millions of US\$)

	December 2002	December 2003	August 2004	September 22
a. Net sales to the public (i-ii)	905	607	535	564
i. Forward sales to the public	1 141	834	1 028	1 035
ii. Forward purchases to the public	236	227	493	471
b. Banks' exchange position	643	536	461	462

Monetary base as of September 15, 2004

The monetary base balance as of September 15 was S/. 7 701 million, down 1,2% (S/. 91 million) from end-August. In average terms, the year on year rate of growth of the monetary base was 19,2% compared with 16,9% in August.

The main explanation for this result was net auctions of CDBCRP (S/. 555 million),

higher public sector deposits (S/. 96 million), and foreign currency sales to the public sector (US\$ 43 million or S/. 146 million). These operations were partially offset by foreign currency purchases over-the-counter mechanism (US\$ 152 million or S/. 511 million) and the lower financial enterprises' overnight deposits (S/. 150 million).

Banking system monetary accounts: August 2004

During August, liquidity in **domestic currency** increased 1,6% (S/. 347 million) to a balance of S/. 21 477 million (13,9% for the year). Credit to the private sector in the same currency augmented in 0,9% (S/. 99 million) to S/. 10 732 million. In annual terms this aggregate grew by 6,6%.

Liquidity in **foreign currency** decreased 2,0% (US\$ 190 million) to US\$ 9 556 million, up 0,5% from a year ago. Credit to the private sector in the same currency dropped 1,3% (US\$ 126 million) to US\$ 9 821 million (0,5% year-on-year decrease).

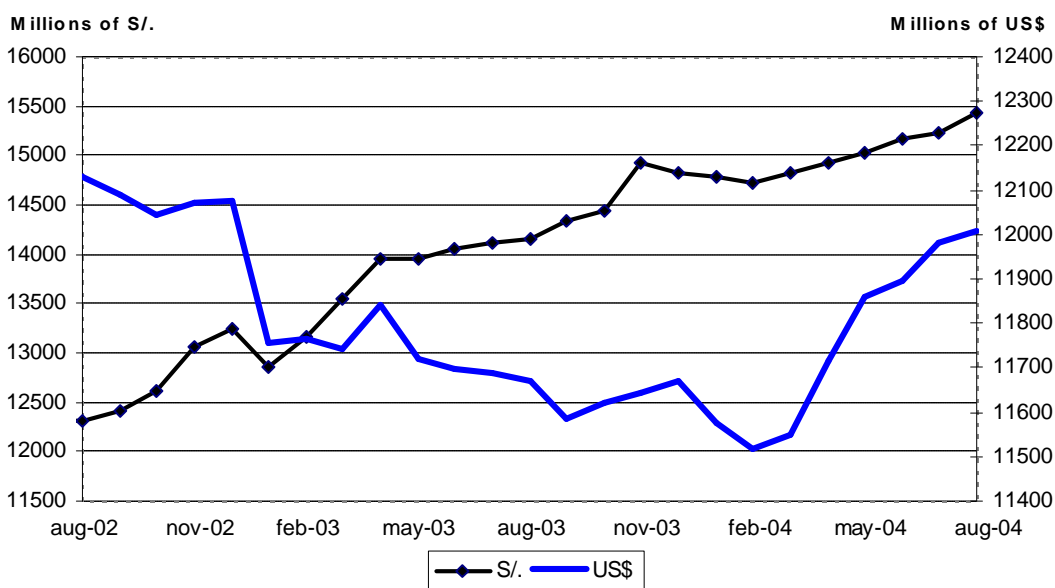
END OF PERIOD MONETARY AGGREGATES OF THE BANKING SYSTEM												
	BASE MONETARY		LIQUIDITY IN D/C		CREDIT IN D/C		LIQUIDITY IN F/C		LIABILITIES 1/		CREDIT IN F/C	
	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	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%	2,6%	17,0%	-0,2%	8,8%	-0,2%	-2,7%	1,4%	4,8%	-1,0%	-4,0%
Feb.	0,7%	14,5%	-0,6%	13,3%	-0,5%	4,2%	-2,7%	-5,3%	1,9%	-3,3%	-0,9%	-4,6%
Mar.	0,7%	16,6%	1,5%	12,9%	3,6%	6,3%	0,0%	-5,2%	-4,7%	8,8%	0,5%	-3,7%
Apr.	4,4%	18,2%	-0,6%	12,6%	0,0%	2,6%	0,9%	-3,8%	7,4%	4,0%	1,2%	-3,5%
May.	0,7%	20,3%	0,5%	12,3%	-0,2%	1,9%	-0,4%	-3,3%	13,6%	20,7%	1,5%	-1,2%
Jun.	0,7%	19,2%	-0,4%	13,8%	0,8%	3,9%	3,1%	-1,4%	3,5%	28,6%	0,7%	-0,4%
Jul.	9,9%	21,0%	2,5%	10,3%	1,0%	4,9%	2,4%	2,3%	-5,5%	17,2%	0,5%	0,9%
Aug.	-5,2%	18,6%	1,6%	13,9%	0,9%	6,6%	-2,0%	0,5%	-5,1%	20,6%	-1,3%	-0,5%
Memo:												
Balance as of Jul.31 (Mill.S/. or Mill.US\$)	8 217		21 130		10 633		9 746		825		9 947	
Balance as of Aug.31 (Mill.S/. or Mill.US\$)	7 792		21 477		10 732		9 556		783		9 821	
1/ Short term external liabilities of banking enterprises.												

Financial system credit to the private sector: August 2004

Over August 2004, financial system credit to the private sector increased 1,2% in soles and 0,3% in foreign currency as it did

through all of the last semester. The annual rate of growth was 9,1% in soles and 2,9% in dollars.

FINANCIAL SYSTEM CREDIT TO THE PRIVATE SECTOR



In August the increase of soles-denominated credit (S/. 190 million) obeyed to the expansion to that of the commercial banks (S/. 71 million), institutional investors (S/. 65 million) and Banco de la Nación (S/. 53 million). Through last 12 months, credit has expanded in S/. 1 281 million:

S/. 573 million from institutional investors; S/. 437 million from microfinance institutions; S/. 396 million from Banco de la Nación and S/. 21 million from commercial banks; partially offset by leasing companies and others (S/. 147 million).

FINANCIAL SYSTEM CREDIT TO THE PRIVATE SECTOR IN LOCAL CURRENCY

	Millions of nuevos soles			Percentage change	
	Aug 03	Jul 04	Aug 04	Aug 04/ Aug 03	Aug 04/ Jul 04
Commercial banks 1/	8 117	8 067	8 138	0,3	0,9
Banco de la Nación	472	815	868	83,9	6,5
Microfinance institutions	3 336	3 772	3 773	13,1	0,0
Banks (microfinance credits)	680	966	960	41,2	-0,6
Local government S&Ls	972	1 184	1 184	21,8	--
Rural S&Ls	161	215	222	38,1	2,9
Cooperatives	423	451	451	6,6	--
Edpymes	151	186	189	25,1	1,7
Financial companies	949	770	767	-19,2	-0,4
Institutional investors 2/	1 796	2 304	2 369	31,9	2,8
AFPS	1 223	1 498	1 510	23,5	0,8
Insurance companies	496	628	699	41,0	11,3
Mutual funds	77	178	160	107,5	-9,8
Leasing companies and others	426	280	279	-34,5	-0,4
Total Financial System	14 147	15 238	15 428	9,1	1,2

1/ Excludes microfinance credits.

2/ Mainly securities issued by the private sector.

The expansion of dollar-denominated credit (US\$ 29 million) was mainly due to bond purchases by institutional investors (US\$ 143 million), particularly bonds of Transportadora de Gas del Peru, which were partially offset by commercial banks credit (US\$ 128 million). Through last 12

month, credit in dollars increased US\$ 340 million, due to the expansion of institutional investors credit (US\$ 267 million), microfinance institutions (US\$ 110 million) that counteracted the fall of leasing companies and others (US\$ 32 million).

FINANCIAL SYSTEM CREDIT TO THE PRIVATE SECTOR IN FOREIGN CURRENCY

	Millions of US dollars			Percentage change	
	Aug 03	Jul 04	Aug 04	Aug 04/ Aug 03	Aug 04/ Jul 04
Commercial banks 1/	9 487	9 612	9 484	-0,0	-1,3
Banco de la Nación	23	22	22	-1,2	-0,0
Microfinance institutions	462	567	572	23,7	0,8
Banks (microfinance credits)	87	101	105	20,7	4,2
Local government S&Ls	153	217	217	41,6	--
Rural S&Ls	44	48	48	9,1	1,0
Cooperatives	106	130	130	22,0	--
Edpymes	36	43	43	19,7	0,2
Financial companies	36	29	29	-19,2	-0,7
Institutional investors 2/	1 034	1 158	1 301	25,8	12,3
AFPS	510	572	706	38,4	23,3
Insurance companies	45	68	75	67,3	9,7
Mutual funds	479	518	521	8,7	0,6
Leasing companies and others	663	621	631	-4,9	1,6
Total Financial System	11 669	11 980	12 009	2,9	0,2

1/ Excludes microfinance credits.

2/ Mainly securities issued by the private sector.

Gross domestic product grew by 3,8% in July

GDP recorded a 3,8% growth in July, for 37 months in a row, driven by the non-primary sectors, in particular by non-primary manufacturing and other services. On the contrary, the primary

sectors decelerated as agriculture and livestock and mining industries contracted their production. On the January-July period, manufacturing and fishing industries outperformed other sectors.

GROSS DOMESTIC PRODUCT

(Annual growth rates)

	July		January - July	
	2003	2004	2003	2004
Agriculture and Livestock	3,8	-2,3	3,4	-2,1
Agriculture	2,7	-5,8	2,6	-4,9
Livestock	5,5	2,9	4,1	2,6
Fishing	-24,3	58,8	-14,8	25,5
Mining and Fuel	12,2	-1,9	8,1	5,9
Metallic mining	13,6	-2,4	8,8	6,8
Natural gas and oil	-4,0	3,2	-3,8	-3,7
Manufacturing	0,4	8,8	2,7	6,0
Based on raw materials	-7,0	17,8	-2,4	6,4
Non-primary	2,6	6,6	4,1	5,8
Electricity and water	5,9	2,6	4,5	4,2
Construction	1,6	0,8	4,5	5,0
Commerce	3,6	1,2	5,3	2,2
Other services	3,9	6,1	4,3	4,9
<u>GROSS AGGREGATED VALUE (GAV)</u>	<u>3,6</u>	<u>4,2</u>	<u>4,3</u>	<u>4,0</u>
Taxes on products and import duties	0,4	-0,5	5,4	5,3
<u>GDP</u>	<u>3,3</u>	<u>3,8</u>	<u>4,4</u>	<u>4,1</u>
Primary sector GAV	3,9	2,0	3,4	2,4
Non-primary sector GAV	3,6	4,8	4,5	4,5
Domestic demand indicator	3,1	0,9	3,8	3,3

Agriculture and livestock output dropped 2,3%, as a consequence of lower production of yellow maize, caused by a lack of rains during the farming and harvest seasons and be sooner harvest in Amazonas, Ica and Lima. In Piura and Lamayeque rice production lowered for lack of rains. Conversely, production of cotton, fruits and livestock increased, in particular bird meet.

The **fishing** sector grew by 58,8% during June due to the higher extraction for industrial and human consumption. The first thanks to a higher volume of grown-up

population of anchovy that lead to an increase in total catch. Human consumption was influenced by an increase in the catch for frozening and fresh fish.

The **mining and fuel** sector recorded a 1,9% decrease, due to smaller production of gold in Yanacocha as mineral concentration was lower and because Pierina's plans to reduce production. Zinc production was also lower explained by smaller mineral concentration in Antamina. These reductions were offset by higher production of copper in Antamina, BHP

Billinton Tintaya (reopened) and Southern Peru. As for fuel production, production was favored by the start of Camisea project.

Manufacturing grew by 8,8%, due to the increased production in both, primary and non-primary industries by 17,8% and 6,6%, respectively. The first was favored by oil and fish meal and in a lower extend by petroleum refining. These increases compensated the reduction in sugar. Non-primary manufacturing was impuled by construction and non-metalic mining,

woods and furniture, electric machinery and chemicals. An increase in exports favored textil, leather and shoe industries. Chemical production and foods, beverages and tobacco.

Among manufacturing industries, the highlights where: knitted fabrics thanks to higher exports; energy distribution due to a higher activity by Asea Brown Boveri associated to energetic projects and higher exports. Paper and carton boards by an expansion in domestic demand by Kimberly Clark.

Industries with higher increases July 2004

CIIU	Var. %	
	Year	Contrib. % 1/
Knitted fabrics	33,3	1,2
Manufacture of electricity distribution and control apparatus	549,4	1,1
Other paper and paperboard articles	53,4	0,8
Miscellaneous manufacturing products	38,8	0,8
Yarns, threads and finished textiles	16,8	0,7
Paper and paperboard	40,5	0,5
Cement	11,7	0,5
Manufacture of basic iron and steel	16,2	0,5
Furniture	15,0	0,4
Dairy products	10,5	0,3
Toilet and cleaning products	12,4	0,3
Explosives and natural and chemical essences	10,7	0,3

1/ Percent contribution to non primary manufacturing

Source: Ministerio de la Producción.

The branches that showed lower production where pharmaceuticals, diverse

food products (especially coffee) and jewelry and other related products.

Industries with higher decreases July 2004

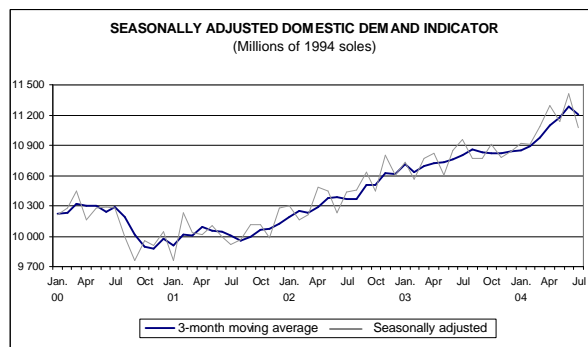
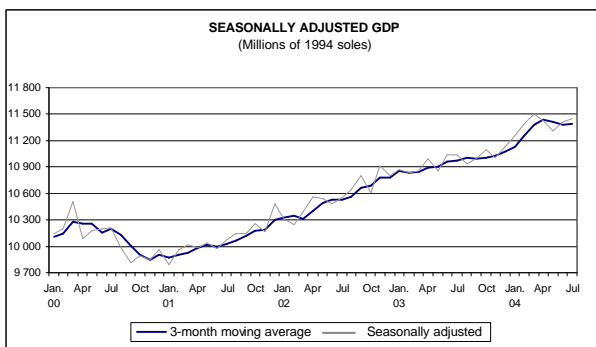
CIIU	Var. %	
	Year	Contrib. % 1/
Pharmaceutical products	-36,4	-0,9
Other food products	-27,2	-0,5
Jewellery and related articles	-40,5	-0,4
Other metallic products	-8,2	-0,3
Plastics	-8,6	-0,3
Cutlery, hand tools and general hardware	-23,5	-0,2

1/ Percent contribution to non primary manufacturing

Source: Ministerio de la Producción.

Construction augmented by 8,0% thanks to home building and projects in the northern part of the country.

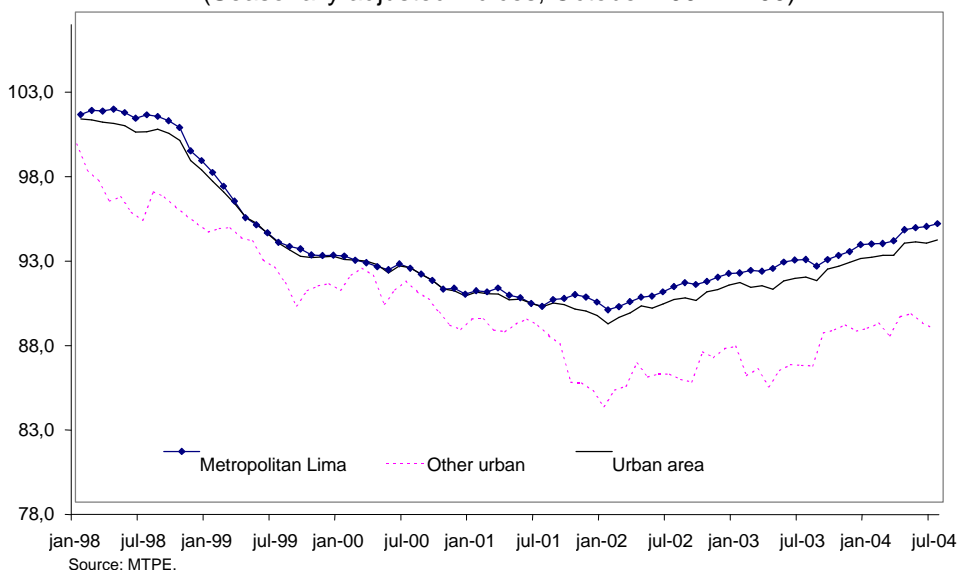
Seasonally adjusted GDP grew by 0,4% during July. Domestic demand fell 2,9% in seasonally adjusted terms.



During July, urban **employment** in firms with 10 or more workers grew by 2,4%, in urban areas according to the Ministry of Labor. This increase stood out in

manufacturing (2,2%), services (3,7%). During the same period, employment in Lima grew by 2,3%.

Urban employment in enterprises with 10 and more workers
(Seasonally adjusted indices, October 1997 = 100)



Urban areas not including Metropolitan Lima experienced an 2,5% increase in employment. In Piura grew by 8,8% due to a more dynamic industry transport and service activity. In Paita growth in

employment was 9,6% thanks to more manufacturing and services. Arequipa achieved 3,97% growth lead by textile related industries. Chimbote was favored by the impulse in fishing industry.

**URBAN EMPLOYMENT BY MAIN CITIES IN
ENTERPRISES WITH 10 AND MORE WORKERS**
(Annual percentage change)

	July 2004/ July 2003	Jan. - Jul. 2004/ Jan. - Jul. 2003
Urban Peru	2,4	2,3
Metropolitan Lima	2,3	2,1
Other Urban	2,5	3,1
Arequipa	3,7	2,3
Cajamarca	4,0	4,0
Chiclayo	-1,9	-0,6
Chimbote	0,3	4,6
Chincha	2,8	3,8
Cusco	0,0	-0,4
Huancayo	2,5	2,6
Ica	5,2	7,6
Iquitos	7,0	4,2
Paita	9,6	11,9
Pisco	1,8	-1,6
Piura	8,4	6,3
Pucallpa	1,3	-0,8
Puno	-2,8	-5,3
Tacna	-8,7	-3,5
Tarapoto	-2,2	-0,9
Trujillo	1,6	5,1

Source: MTPE, Monthly Statistical Report.

August outlook

Preliminary data for August indicates that:

- According to Perupetro, oil production grew 6,4% while gas extraction increased by 87,1%.
- Local sales of cement increased 3,2%.
Source: Asocem.
- Energy production grew by 5,9%, according to COES.
- Sunat reported that the excise tax collection fell 2,9%, whereas duty collection increased 15,9%.

Central Government primary fiscal surplus of S/. 283 million in August

As of August 2004, **central government operations** through last 12 months recorded a S/. 2 258 million primary surplus, compared with the S/. 323 million surplus over the period August 2002 - July 2003. The improvement was explained by the S/. 3 573 million increase of current revenue (12%) that exceeded the expansion of non-financial expenditure in S/. 1 756 million (6%). Cumulative interests (S/. 4 391 million) grew by 3%; hence, the overall deficit: S/. 2 133 million, was S/. 1 820 million lower than a year ago.

In August, central government operations recorded a S/. 313 million overall deficit (deficit of S/. 378 million in August of 2003). The primary result was positive in S/. 283 million higher in S/. 48 compared to August 2003, due to the increase in current revenue (7%), against the increase of non-financial expenses (6%). On the other hand, interest payments amounted to S/. 597 million, down 3% from a year ago.

CENTRAL GOVERNMENT OPERATIONS

(Millions of Nuevos Soles)

	Monthly data			Sep 2002	Aug 2003	Sep 2003	C/A	C/B
	August		Aug 2003	Jul 2004	Aug 2004			
	2003	2004	% var.	A	B	C		
1. CURRENT REVENUES	2 779	2 971	6,9	30 580	33 961	34 154	11,7	0,6
2. NON-FINANCIAL EXPENDITURE	2 549	2 696	5,7	30 547	32 157	32 303	5,8	0,5
A. CURRENT EXPENDITURE	2 236	2 355	5,3	26 680	28 389	28 508	6,8	0,4
B. CAPITAL EXPENDITURE	313	341	9,0	3 866	3 768	3 796	-1,8	0,7
3. CAPITAL REVENUES	6	8	37,2	289	406	408	41,0	0,5
4. <u>PRIMARY BALANCE</u>	<u>235</u>	<u>283</u>		<u>323</u>	<u>2 210</u>	<u>2 258</u>		
5. INTEREST PAYMENTS	613	597	-2,7	4 276	4 408	4 391	2,7	-0,4
6. <u>OVERALL BALANCE</u>	<u>-378</u>	<u>-313</u>		<u>-3 953</u>	<u>-2 197</u>	<u>-2 133</u>		
7. NET FINANCING	378	313		3 953	2 197	2 133		
1. External	-152	-236		2 382	3 119	3 035		
A. Disbursements	303	241		5 940	7 509	7 447		
B. Amortizations	-455	-476		-3 558	-4 391	-4 412		
2. Domestic	506	543		431	-1 330	-1 293		
3. Privatization	23	6		1 139	409	391		

Within August **current revenue**, tax revenue (S/. 2 553 million) increased 11%, due to higher collection of import duties (16%), Income Tax (14%), IGV (13%) and other revenues (58%) which were partially offset by lower excise taxes (3%) and higher tax devolutions (31%). This expansion in government revenues is explained by a greater economic activity, improvements in terms of trade, higher investments and the impact of the financial transactions tax.

Non-financial expenditure totaled S/. 2 696 million, up S/. 147 million from August 2003, reflecting the increase in

current non financial expenditures (S/. 119 million or 5%) as a consequence of an increase in goods and services (18%) and wages (12%). These were partially offset by lower transfers S/. 75 million.

External financing was negative in S/. 236 million (US\$ 69 million) because US\$ 71 were received as disbursements and US\$ 140 million were paid as amortization. Meanwhile, **internal financing** was positive in S/. 543 million. Issues of sovereign bonds amounted S/. 100 million and Treasury deposits were reduced by US\$ 183 million.

Spread of Global bond 2012 at 2,79%

Between **September 15 and 22**, the spread of the Peruvian Global bond 2012 increased from 2,78% to 2,79% whereas the spread of the sovereign bonds were reduced from 3,1% to 3,0%; maintaining its lower level since January 2004. This has

reflected a positive attitude by foreign investors towards emerging markets sovereign debt thanks to the improvement in the rating of Brazilian and Venezuelan debt by Standard & Poor's and Fitch's.

**Country risk indicators
(September 2003 - September 2004)**



International Markets

Between **September 15 and 22**, the **gold** quotation increased 0,4% to US\$ 406 per

Troy ounce due to the weakening of the US dollar against the Euro.

Gold quotation



The **copper** quotation raised 5,1% to US\$ 1,34 per pound (higher quotation in 5 months) because of higher demand in

China (copper imports grew 36% in august). Over this week, LME inventories reduced from 104 to 101 thousand MT.



In similar period, the **zinc** price raised 0,4% to US\$ 0,44 per pound explained by the dropped of 51% in Chinese zinc exports during August. Also, the International Lead and Zinc Study Group

reported that the global zinc market passed from a surplus of 7 000 MT in the period January-July of 2003 to a deficit of 16 000 MT in similar period of 2004.



The **WTI oil** price grew 10,9% to US\$ 48,4 per barrel due to the possible canceled of shipments to China by Yukos as a consequence of tributary disputes with the Russian government. Equally,

Gulf of Mexican production suffered from hurricane Ivan which generated an 8 week consecutive fall in US crude inventories that end up in 270 million barrels.

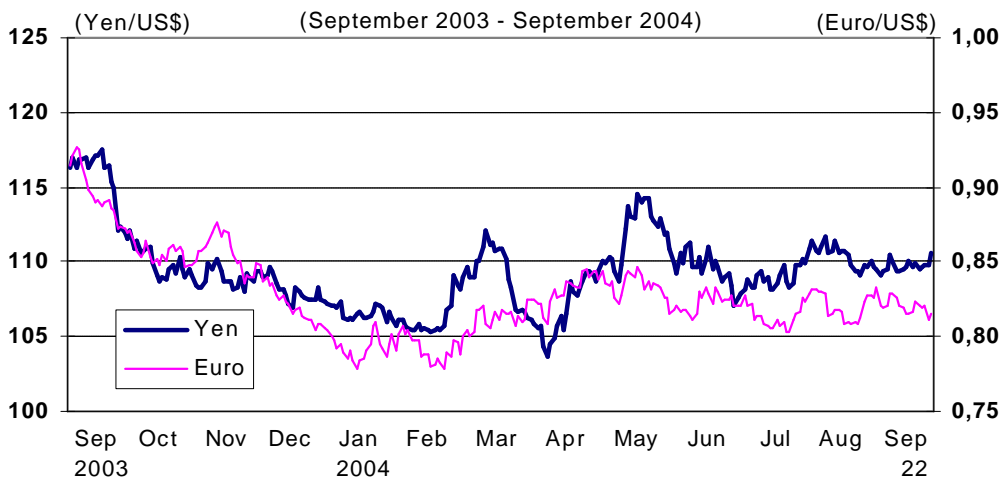
WTI oil quotation



The **US dollar** depreciated by 0,9% against the **euro** and appreciated 0,5% against the **yen**. Regarding the euro, the US dollar weakened due to the unexpected announcement by the OECD

of reducing growth perspectives for the US for 2004 from 4,7% to 4,3% and by the improvement of Euro zone and Japanese growth to 2,0% and 4,4% respectively.

Yen and euro



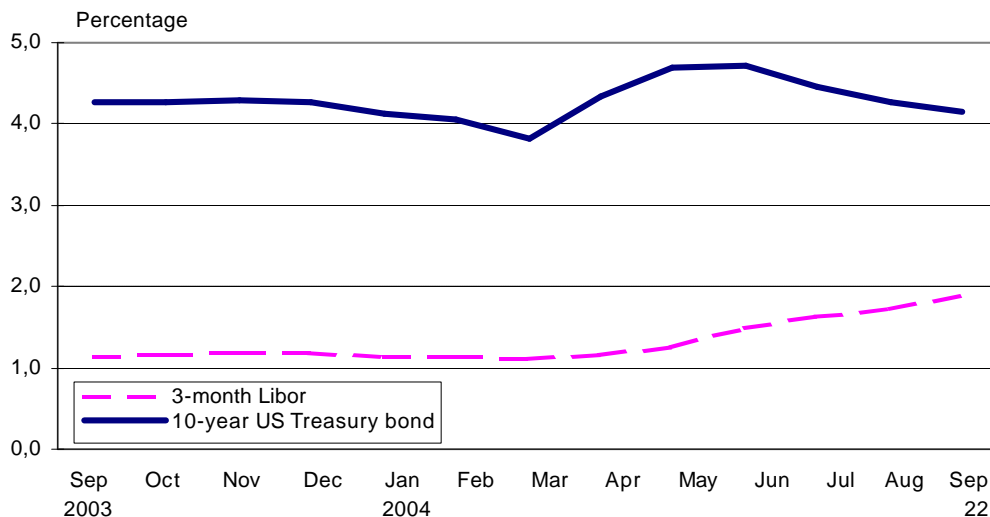
The past week, the **3-month Libor** raised from 1,89% to 1,94%, whereas the **yield of US Treasury bonds with a 10 year maturity** decreased from 4,17% to 3,98% due to higher demand after the low

inflation in August and the increase in petroleum prices that could harm economic growth. Tuesday 21, the FED augmented for a third consecutive time in 25 bps the Fed Fund rates leaving it at

1,75%. The FED joint declaration expressed that inflation and inflation expectative are easing, even though the growth in oil prices. Besides that, it was

stated that the economy is regaining traction after a deceleration in the middle of the year.

Libor and yield of 10-year matured US Treasury bond
(September 2003 - September 2004)

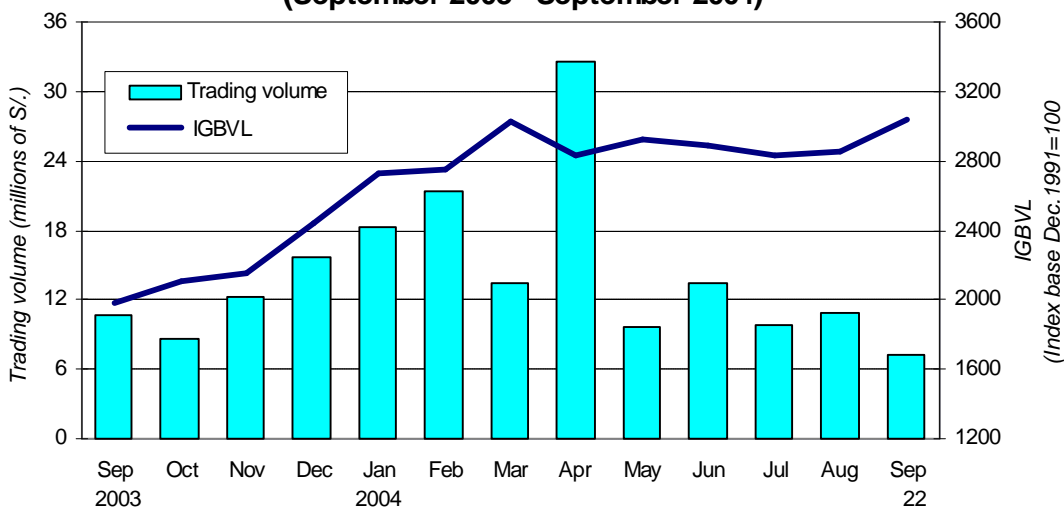


Lima Stock Exchange (LSE)

As of **September 22**, the LSE increased 6,5% and 6,8% in its **General Index** and its **Blue Chip Index**, respectively thanks to an

increase in basic metal prices. In the year, these indexes record cumulative increases of 24,7% and 26,1%, respectively.

LSE indicators
(September 2003 - September 2004)



Indicadores Económicos / Economic Indicators

	2003												2004											
	DIC.	ABR.	MAY.	JUN.	JUL.	31 Ago.	AGO.	15 Set.	16 Set.	17 Set.	20 Set.	21 Set.	22 Set.	SET.	Var.									
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES																								
Posición de cambio / <i>Net international position</i>	4 583	5 201	5 169	5 199	5 189	5 534	345	5 641	5 639	5 668	5 667	5 677			143									
Reservas internacionales netas / <i>Net international reserves</i>	10 194	10 471	10 824	10 855	11 057	10 962	-94	11 126	11 133	11 112	11 122	11 105			143									
Depósitos del sistema financiero en el BCR / <i>Financial system deposits at BCR</i>	2 892	2 831	2 804	3 087	3 225	3 001	-224	3 082	3 047	3 053	3 055	3 027			26									
Empresas bancarias / <i>Banks</i>	2 687	2 661	2 619	2 884	3 026	2 830	-195	2 871	2 839	2 866	2 871	2 848			17									
Banco de la Nación / <i>Banco de la Nación</i>	154	115	134	147	143	110	-32	151	148	126	124	120			9									
Resto de instituciones financieras / <i>Other financial institutions</i>	52	55	52	56	57	61	3	59	60	60	60	60			-1									
Depósitos del sector público en el BCR / <i>Public sector deposits at BCR</i>	2 761	2 473	2 896	2 614	2 686	2 464	-222	2 425	2 424	2 413	2 423	2 424			-40									
OPERACIONES CAMBIARIAS BCR (Mill. US\$) / BCR FOREIGN OPERATIONS	Acum.	Acum.	Acum.	Acum.	Acum.		Acum.								Acum.									
Origen externo de la emisión primaria / <i>External origin of the monetary base</i>	175	11	-60	22	-12	103	313	14	42	-16	0	0	0	0	135									
Compras netas en Mesa de Negociación / <i>Net purchases of foreign currency</i>	176	151	0	21	38	103	321	30	42	0	0	0	0	0	194									
Operaciones swaps netas / <i>Net swap operations</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
Operaciones con el Sector Público / <i>Public sector</i>	0	-140	-60	0	-50	0	-7	-15	0	-16	0	0	0	0	-59									
TIPO DE CAMBIO (\$/ por US\$) / EXCHANGE RATE	Prom.	Prom.	Prom.	Prom.	Prom.		Prom.								Prom.									
Compra interbancario / <i>Interbank bid</i>	3,471	3,469	3,487	3,476	3,440	3,357	3,394	3,348	3,347	3,350	3,350	3,350	3,351	3,351	3,361									
Venta Interbancario / <i>Interbank Ask</i>	Apertura / <i>Opening</i>	3,472	3,470	3,488	3,495	3,443	3,357	3,397	3,349	3,349	3,352	3,351	3,351	3,354	3,362									
	Mediodía / <i>Midday</i>	3,471	3,471	3,488	3,477	3,442	3,358	3,395	3,348	3,349	3,352	3,352	3,352	3,352	3,363									
	Cierre / <i>Close</i>	3,471	3,471	3,488	3,477	3,441	3,370	3,395	3,349	3,349	3,351	3,350	3,354	3,351	3,362									
	Promedio / <i>Average</i>	3,471	3,470	3,488	3,478	3,442	3,359	3,396	3,350	3,349	3,352	3,351	3,352	3,352	3,362									
Sistema Bancario (SBS) / <i>Banking System</i>	Compra / <i>Bid</i>	3,471	3,469	3,486	3,476	3,440	3,355	3,395	3,349	3,348	3,350	3,348	3,350	3,350	3,361									
	Venta / <i>Ask</i>	3,472	3,470	3,488	3,478	3,442	3,358	3,396	3,350	3,349	3,351	3,351	3,351	3,351	3,362									
Índice de tipo de cambio real (1994 = 100) / <i>Real exchange rate Index (1994 = 100)</i>	106,5	105,7	104,4	104,5	104,2		102,8																	
INDICADORES MONETARIOS / MONETARY INDICATORS																								
Moneda nacional / Domestic currency																								
Emisión Primaria / <i>Monetary base</i>	(Var. % mensual) / <i>(% monthly change)</i>	11,5	4,4	0,7	0,7	9,9	-5,2	-5,2																
	(Var. % últimos 12 meses) / <i>(% 12-month change)</i>	10,1	18,2	20,3	19,2	21,0	18,6	18,6																
Oferta monetaria / <i>Money Supply</i>	(Var. % mensual) / <i>(% monthly change)</i>	3,6	-0,6	0,3	-0,3	2,5																		
	(Var. % últimos 12 meses) / <i>(% 12-month change)</i>	10,5	12,6	12,1	13,6	10,1																		
Crédito sector privado / <i>Crédit to the private sector</i>	(Var. % mensual) / <i>(% monthly change)</i>	-1,2	0,0	-0,2	0,8	1,0																		
	(Var. % últimos 12 meses) / <i>(% 12-month change)</i>	5,1	2,6	2,0	3,9	4,9																		
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>		-0,8	-3,7	1,7	0,4	-0,9	3,3	3,3	-0,1	-0,1	1,0	1,3												
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>		0,2	0,4	0,5	0,5	0,5	0,9	0,9	1,4	1,3	1,2	1,1												
Cuenta corriente de los bancos (saldo mill. \$.) / <i>Banks' current account (balance)</i>		192	197	169	196	186	98	189	186	178	179	70	82	97										
Créditos por regulación monetaria (millones de \$.) / <i>Rediscounts (Millions of \$.)</i>		0	0	0	0	0	0	0	0	0	0	0	0	0	0									
Depósitos públicos en el BCR (millones \$.) / <i>Public sector deposits at the BCR (Mills.\$.)</i>		1 196	2 389	2 254	2 286	1 886	2 003	2 003	2 099	2 107	1 984	1 983	2 033	n.d.										
Certificados de Depósitos BCRP (saldo Mill.\$.) / <i>CDBCRP balance (Millions of \$.)</i>		4 097	5 743	5 348	5 188	4 961	6 100	6 100	6 655	6 745	6 720	6 790	6 800	6 800										
Operaciones de reporte (saldo Mill. \$.) / <i>repos (Balance millions of \$.)</i>		0	440	160	75	175	0	0	0	0	0	0	0	0	40									
Tasa de interés (%) / <i>Interest rates (%)</i>	Préstamos y descuentos hasta 360 días / <i>Loans & discount Interbankaria / Interbank</i>	13,97	14,21	14,49	14,74	14,49	14,36	14,41	14,37	14,28	14,27	14,23	14,24	14,20	14,30									
	Preferencial corporativa a 90 días / <i>Corporate Prime</i>	2,51	2,49	2,48	2,46	2,44	2,44	2,67	2,74	2,72	2,66	2,71	2,73	2,76	2,71									
	Operaciones de reporte con CDBCRP / <i>CDBCRP repos</i>	3,32	3,34	3,49	3,53	3,54	3,50	3,56	3,52	3,51	3,51	3,51	3,51	3,51	3,52									
	Créditos por regulación monetaria / <i>Rediscounts **</i>	s.m.	2,54	2,53	2,51	3,29	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	2,76									
	Del saldo de CDBCRP / <i>CDBCRP balance</i>	3,25	3,25	3,25	3,25	3,25	3,50	3,50	3,50	3,50	3,50	3,50	3,50	3,50	3,50									
		3,91	3,70	3,71	3,76	3,71	3,85	3,85	3,72	3,67	3,55	3,52	3,52	3,52	3,52									
Moneda extranjera / foreign currency																								
Crédito sector privado / <i>Crédit to the private sector</i>	(Var. % mensual) / <i>(% monthly change)</i>	-0,6	1,2	1,4	0,7	0,5																		
	(Var. % últimos 12 meses) / <i>(% 12-month change)</i>	-5,8	-3,5	-1,2	-0,4	0,9																		
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>		0,2	1,3	0,2	3,4	2,9	-2,0	-2,0	0,2	-0,6	-1,5	-1,1												
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>		0,1	0,1	0,1	0,1	0,2	0,1	0,1	2,3	2,3	2,5	2,5												
Créditos por regulación monetaria (millones de US dólares) / <i>Rediscounts</i>		0	0	0	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 Interbancaria / Interbank</i>	7,26	7,10	6,91	6,67	6,68	7,01	6,93	7,40	7,42	7,42	7,40	7,40	7,41	7,38									
	Preferencial corporativa a 90 días / <i>Corporate Prime</i>	1,09	1,11	1,12	1,11	1,26	1,57	1,45	1,52	1,53	1,54	1,56	1,73	1,66	1,50									
	Operaciones de reporte con CDBCRP / <i>CDBCRP repos</i>	1,72	1,83	1,92	2,04	2,14	2,17	2,15	2,20	2,25	2,25	2,25	2,25	2,25	2,21									
	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.	s.m.	s.m.									
INDICADORES BURSÁTILES / STOCK MARKET INDICES	Acum.	Acum.	Acum.	Acum.	Acum.		Acum.								Acum.									
Índice General Bursátil (Var. %) / <i>General Index (% change)</i>	13,4	-6,9	3,5	-1,4	-2,1	0,0	0,9	1,5	-0,5	0,6	-0,3	0,6	0,7	6,5										
Índice Selectivo Bursátil (Var. %) / <i>Blue Chip Index (% change)</i>	16,2	-9,0	3,7	-2,7	-1,9	-0,2	0,6	1,6	-0,6	0,6	-0,3	0,9	0,8	6,8										
Monto negociado en acciones (Mill. \$.) - Prom. diario	15,7	32,6	9,6	13,5	9,8	3,2	10,9	11,2	10,6	8,3	3,0	17,1	7,0	7,3										
INFLACIÓN (%) / INFLATION (%)																								
Inflación mensual / <i>Monthly</i>	0,56	-0,02	0,35	0,56	0,19																			
Inflación últimos 12 meses / <i>% 12 months change</i>	2,48	2,78	3,18	4,26	4,61										-0,01									
GOBIERNO CENTRAL (Mill. \$.) / CENTRAL GOVERNMENT (Mills. of \$.)																								
Resultado primario / <i>Primary balance</i>	-740	438	479	407	-399										283									
Ingresos corrientes / <i>Current revenue</i>	2 963	3 259	2 995	2 912	2 846										2 971									
Gastos no financieros / <i>Non-financial expenditure</i>	3 827	2 855	2 528	2 516	3 327										2 696									
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)																								
Balanza Comercial / <i>Trade balance</i>	184	52	216	135	328																			
Exportaciones / <i>Exports</i>	909	881	976	959	1 114																			
Importaciones / <i>Imports</i>	726	829	759	823	786																			
PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT																								
Variac. %, respecto al mismo mes del año anterior / <i>Annual rate of growth</i>	3,4	3,7	4,0	3,0	3,8																			
COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS	Prom.	Prom.	Prom.	Prom.	Prom.		Prom.								Prom.									
LIBOR a tres meses (%) / <i>LIBOR 3-month (%)</i>	1,17	1,15	1,25	1,50	1,62	1,80	1,73	1,89	1,91	1,91	1,92	1,93	1,94	1,88										
Dow Jones (Var %) / <i>(% change)</i>	6,53	-1,28	-0,36	2,42	-2,83	0,51	0,34	-0,84	0,13	0,39	-0,77	0,39	-1,33	0,70										
Rendimiento de los U.S. Treasuries (10 años) / <i>U.S. Treasuries yield (10 years)</i>	4,26	4,34	4,70	4,73	4,47	4,12	4,27	4,17	4,07	4,11	4,06	4,04	3,98	4,15										
Stripped spread del EMBI+ PERÚ (pbs) / <i>EMBI+ PERU stripped spread (basis points)</i>	318	338	475	438	424	357	370	310	308	308	295	301	300	322										
Bono Global 2012 - Perú (en pbs) / <i>Global Bond 2012 - Peru (basis points)</i>	304	314	463	411	398	333	341	278	280	275	267	274	279	294										

* 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.

** Corresponde a la mayor tasa entre 3,25% o la tasa interbancaria del día.

*** 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.