

CENTRAL RESERVE BANK OF PERU

WEEKLY REPORT

Nº 02 – January 14, 2005

Net international reserves at US\$ 12 772 million

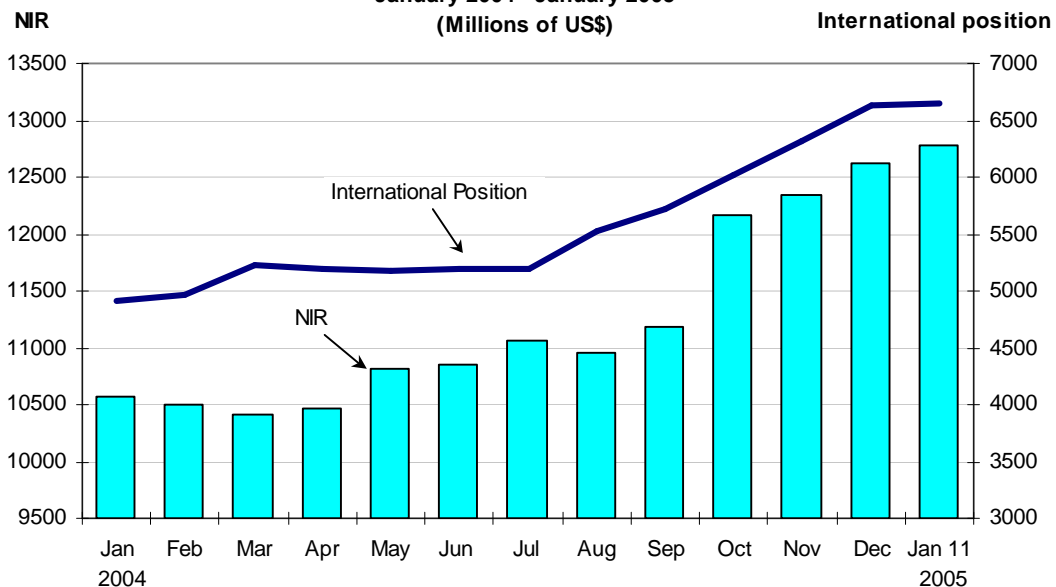
As of **January 11**, net international reserves (NIR) amounted to US\$ 12 772 million, up US\$ 141 million respect to the end 2004. This increase was due higher financial system deposits (US\$ 185 million) and net foreign exchange purchases (US\$ 86 million), which were partially offset by lower public sector deposits (US\$ 58

million), the valuation effect (US\$ 54 million) and foreign exchange sales to the public sector (US\$ 18 million).

To the same date, the **Central Bank's international position** reached US\$ 6 652 million, a year-to-date increase of US\$ 13 million.

Net international reserve and international position of the Central Reserve Bank

January 2004 - January 2005
(Millions of US\$)

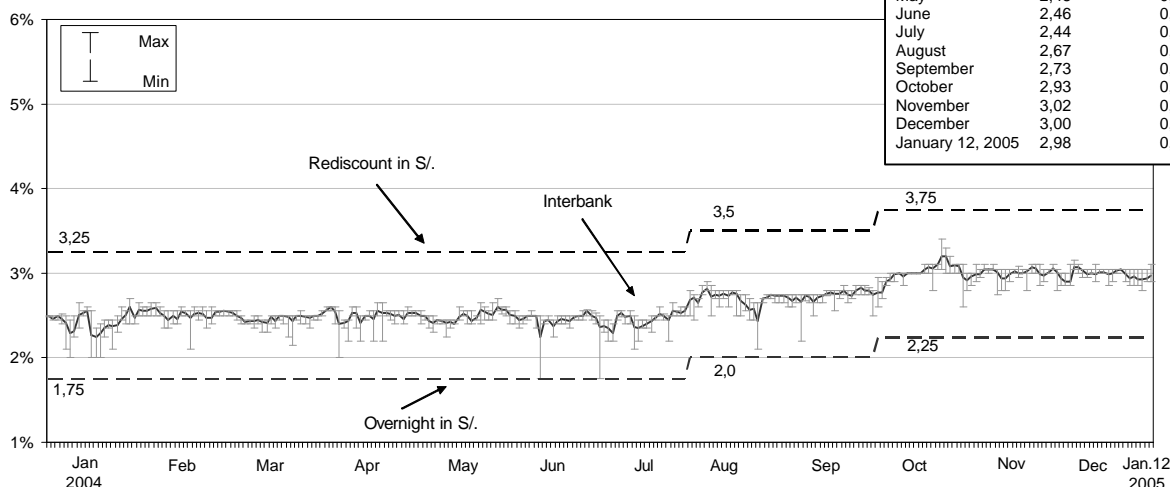


Interbank interest rate at 2,98%

Between **January 1 and 12**, the average interbank interest rate in domestic currency

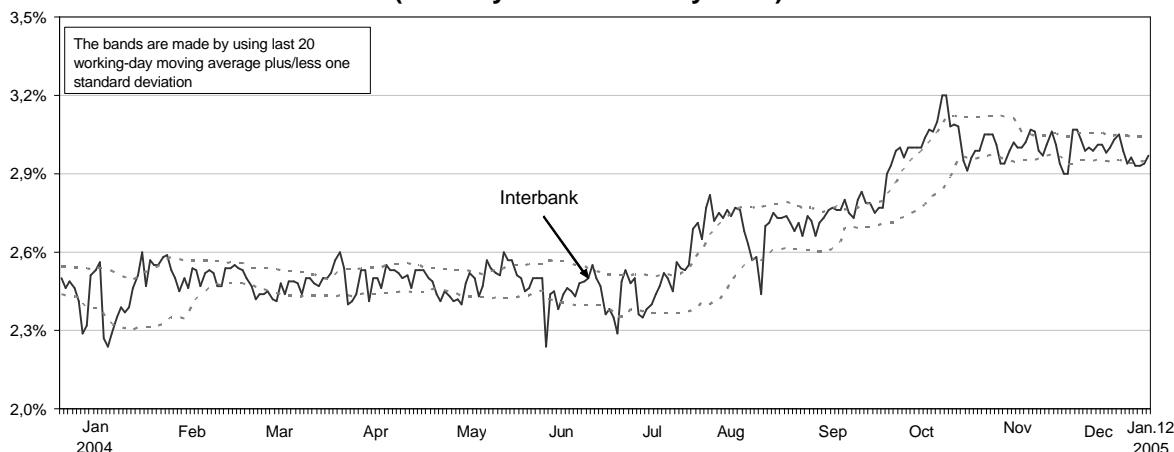
was 2,98%, slightly lower than December's (3,00%).

Interest rates in domestic currency (January 2004 - January 2005)



Interbank interest rate (percent)		
	Average	Standard Deviation
January 2004	2,41	0,10
February	2,52	0,04
March	2,48	0,04
April	2,49	0,06
May	2,48	0,05
June	2,46	0,07
July	2,44	0,07
August	2,67	0,10
September	2,73	0,03
October	2,93	0,12
November	3,02	0,08
December	3,00	0,05
January 12, 2005	2,98	0,04

Interbank interest rate in domestic currency (January 2004 - January 2005)



Monetary operations

As of **January 12**, the daily average balance of banks' liquidity at the Central Bank was S/. 334 million. Between **January 6 and 12**, the Central Bank made the following operations:

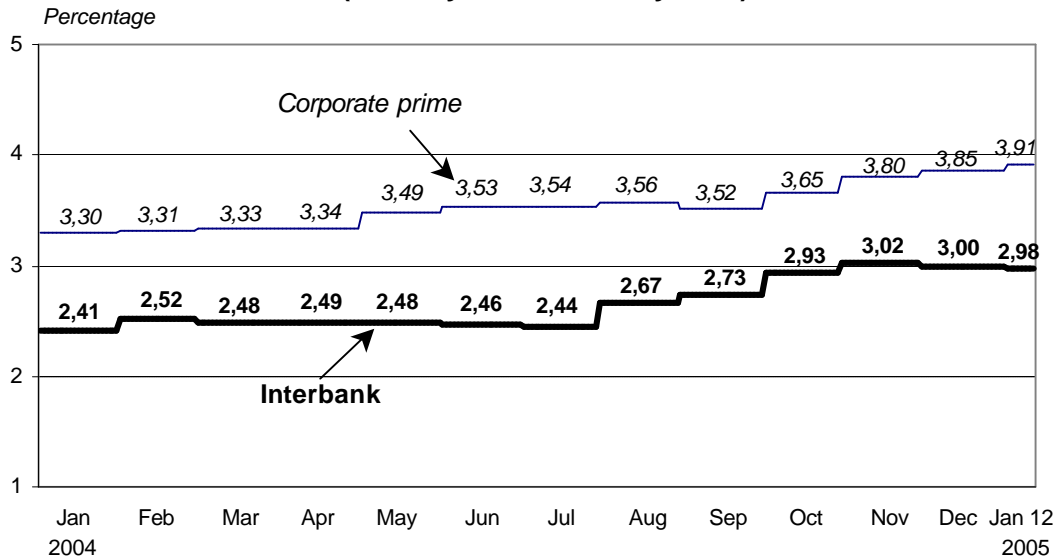
- Auctions of CDBCRP with a: i) 7-day maturity by S/. 40, S/. 50, S/. 50 and S/. 100 million at an average interest rate of 2,98%, 2,97%, 2,93% and 3,04%, respectively; ii) 3-month by S/. 45 million at 3,53%; iii) 6-month by S/. 40 and S/. 70 million at 3,81%; iv) 9-month by S/. 40 million at 4,04%; v) 1-year by S/. 80 million at 4,26%;
- vi) 15-month by S/. 60 million at 4,48%;
- vii) 1,5-year by S/. 30 and S/. 50 million at 4,81%;
- viii) 2-year by S/. 50 and S/. 40 million at 5,21% and 5,27%, respectively and ix) 3-year by S/. 40 and S/. 20 million at 6,27% and 6,38%, respectively.
- Foreign currency purchase over-the-counter mechanism by US\$ 77 million at an average exchange rate of S/. 3,271.
- Overnight deposits on January 10, 11 and 12 by S/. 33, S/. 25 and S/. 27 million, respectively.

Corporate prime interest rate at 3,91%

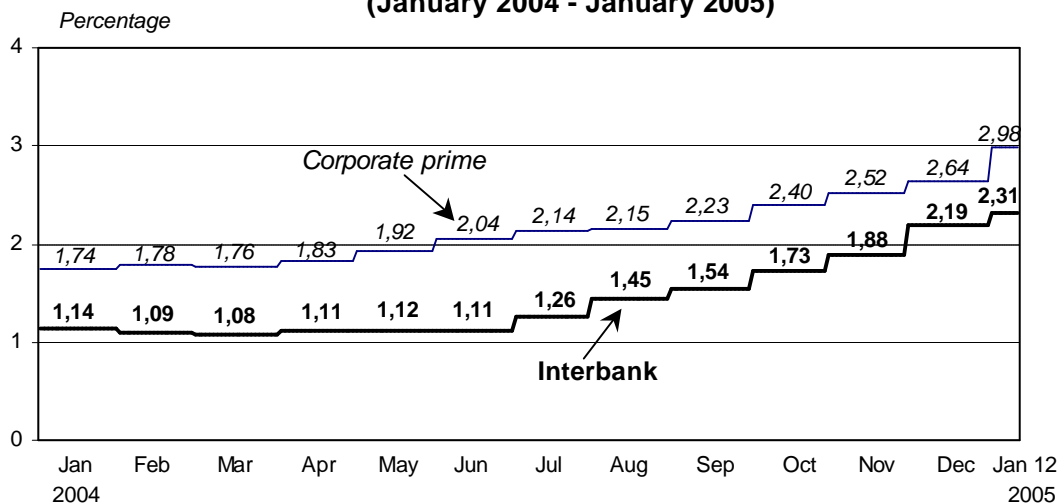
As of **January 12**, the 90-day average corporate prime interest rate in domestic currency raised from 3,85% in December

to 3,91% and the rate in dollars from 2,64% to 2,98% due to the expectation of new rises in the FED's interest rates.

**Monthly average interest rate in domestic currency
(January 2004 - January 2005)**



**Monthly average interest rate in foreign currency
(January 2004 - January 2005)**



Exchange rate: S/. 3,268

Between **December 31 and January 12**, the banking system exchange rate decreased from S/. 3,283 to S/. 3,268 due to the higher demand for domestic currency in the tax payment period. Up to January

12, the **balance of net forward sales** dropped by US\$ 81 million with respect to December 2004 whereas the **bank's exchange position** rose US\$ 1 million.

BANKS' EXCHANGE POSITION
(Millions of US\$)

	December 2003	November 2004	December	January 12 2005
a. Net sales to the public (i-ii)	607	607	651	570
i. Forward sales to the public	834	1 004	1 174	1 166
ii. Forward purchases to the public	227	397	523	596
b. Banks' exchange position	536	512	387	388

Monetary base as of January 7, 2005

By seasonal factors, the **monetary base** balance as of January 7 was S/. 9 226 million down 1,1% (S/. 101 million) from end-December. In average terms, the year on year rate of growth of the monetary base in this period was 24,1% (23,3% in December).

sales of foreign currency to the public sector (US\$ 18 million or S/. 59 million) which were partially offset by lower public sector deposits (S/. 246 million), foreign currency purchases over-the-counter mechanism (US\$ 40 million or S/. 129 million) and lower financial enterprises' overnight deposits (S/. 52 million).

The main explanations for this result were net issue of CDBCRP (S/. 520 million) and

Banking system monetary accounts as of December 22, 2004

Through last 4 weeks, liquidity in **domestic currency** increased 10,2% (S/. 2 441 million) to a balance of S/. 26 264 million. Credit to the private sector in the same currency augmented 2,6% (S/. 295 million) to S/. 11 603 million. However, in annual terms this aggregates grew by 25,6% and 8,4%, respectively.

Liquidity in **foreign currency** rose 0,3% (US\$ 26 million) to US\$ 9 615 million (an annual growth rate of 1,1%). Credit to the private sector in the same currency increased 1,6% (US\$ 160 million) to US\$ 9 885 million (an annual growth rate of 0,5%).

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
2003												
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%
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%
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%
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%	-0,1%	14,1%	0,8%	3,9%	3,0%	-1,5%	3,4%	28,4%	0,7%	-0,3%
Jul.	9,9%	21,0%	2,6%	10,7%	1,2%	5,1%	2,4%	2,2%	-5,1%	17,6%	0,5%	0,8%
Aug.	-5,2%	18,6%	1,3%	14,0%	0,4%	6,2%	-1,8%	0,6%	-5,2%	20,8%	-1,2%	-0,5%
Sep.	-1,0%	20,5%	2,7%	16,9%	1,6%	8,0%	0,1%	1,5%	7,5%	31,8%	-1,2%	-0,5%
Oct.	4,5%	24,3%	6,2%	23,4%	3,4%	12,3%	-1,0%	-0,1%	-18,0%	2,6%	-0,6%	-1,0%
Nov.	0,6%	21,7%	2,7%	24,6%	0,3%	9,3%	0,0%	0,6%	4,6%	2,9%	1,0%	-0,3%
Dec.22	16,7%	22,2%	10,2%	25,6%	2,6%	8,4%	0,3%	1,1%	6,0%	-3,6%	1,6%	0,5%
Memo:												
Balance as of Nov.22 (Mill.S/. or Mill.U\$)	8 002		23 822		11 308		9 589		700		9 725	
Balance as of Dec.22 (Mill.S/. or Mill.U\$)	9 342		26 264		11 603		9 615		742		9 885	
1/ Short term external liabilities of banking enterprises.												

Spread of Global bond 2012 at 2,36%

As of **January 12**, the spread of the **Peruvian Global Bond 2012** increased from 2,01% to 2,36% respect to the end 2004 and the spread of the **sovereign bonds** rose from 2,20% to 2,51%. The total emerging debt has been seen affected by the investors concern as the FED would rise its interest rate at a higher rhythm than initially expected.

Besides, there is an expectation of several issuances the next days that would enlarge the supply of emerging bonds and would depress its prices, at least in the short run. Finally, it was a profit taking after the important growth of emerging debt prices in the last two months of 2004.

**Country risk indicators
(January 2004 - January 2005)**



International markets

Between **December 31 and January 12**, the **gold** quotation decreased 2,8% to US\$ 427 per troy ounce due to the US

dollar strengthening against the euro during the first week of the year.

Gold quotation



During the same period, the **copper** quotation decreased 4,1% to US\$ 1,43 per pound. As of January 4, after the publication of the December FED meeting's minutes, it was produced a sell-off in basic metals by the investment funds. The FED expressed its concern about the possibility of inflationary

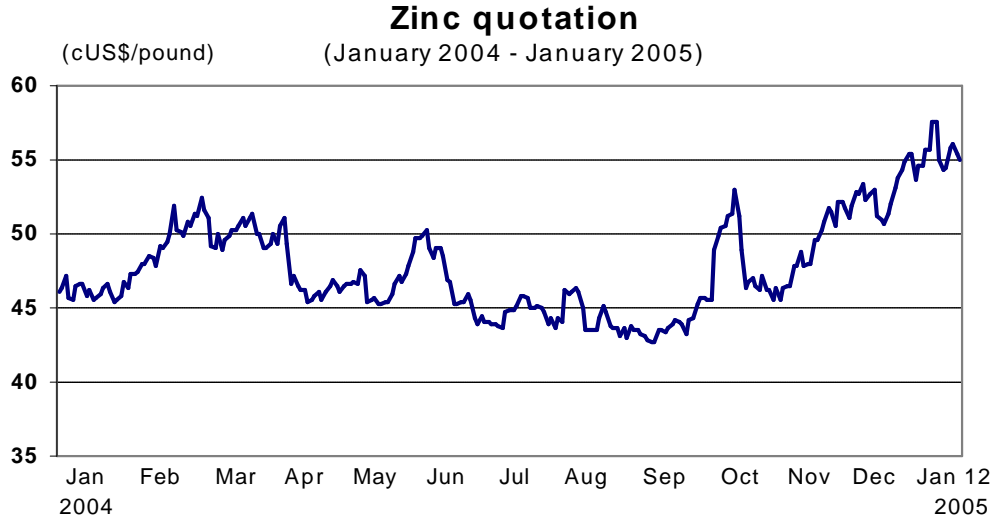
pressures due to the dollar depreciation, the higher costs of energy and the possibility of a smaller growth in productivity. These comments imply that the FED would rise its interest rates more aggressively than expected. This motivated a strengthening of the dollar that affected the metals quotations.

Copper quotation



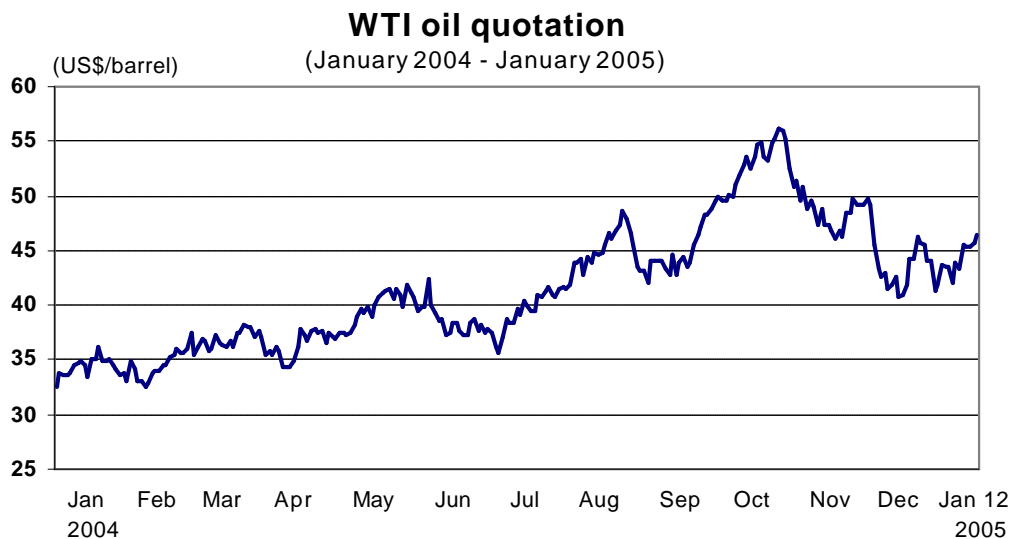
In the same period, the **zinc** price dropped 4,6% to US\$ 0,55 per pound due to

investment funds reaction to the publication of the FED meeting's minutes.



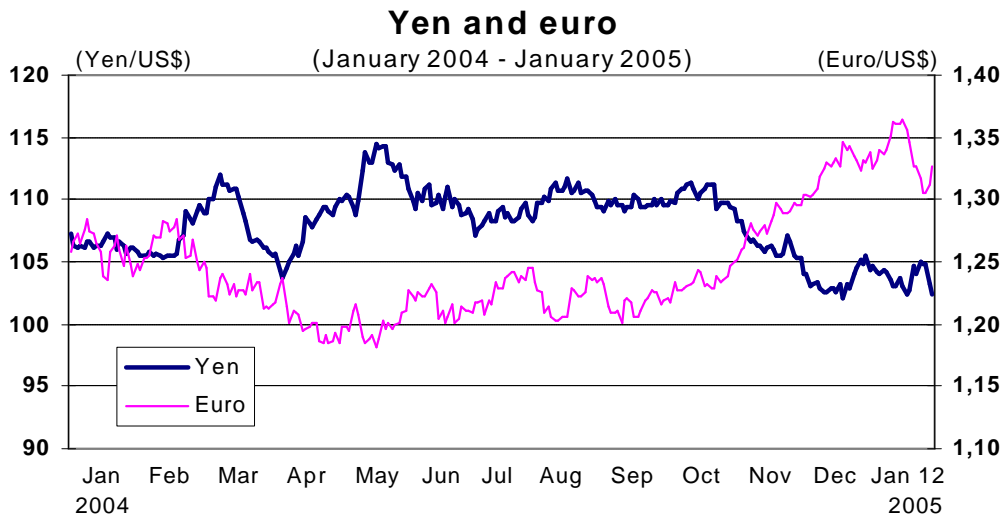
Between **December 31 and January 12**, the **WTI oil** price increased 6,7% to US\$ 46,4 per barrel due to the concern of new cuts in the OPEC quotas, a labor

dispute in Venezuela and by the lower production of the Royal Dutch/Shell and Statoil ASA group in Norway, due to weather problems.



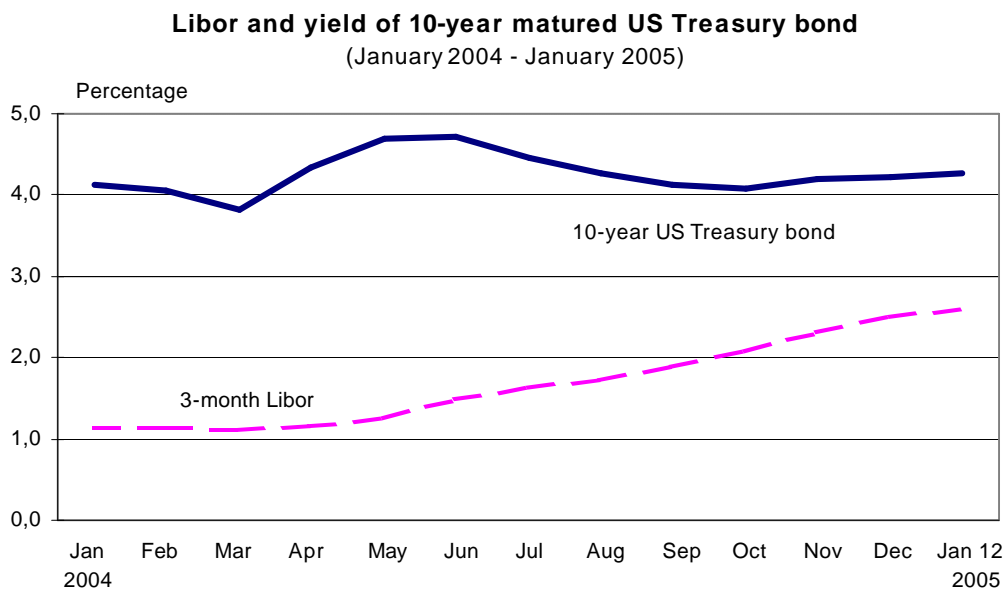
During this week, the **US dollar** appreciated by 2,2% against **euro** and it did not register a significant variation with respect to **yen**. After the strengthening during the first week, the dollar has partially corrected its quotation. The

correction was accentuated with the diffusion that the US trade deficit reached in November a new record of US\$ 60 billion, over the US\$ 56 billion October and to the expected US\$ 54 billion.



Between **December 31** and **January 12**, the **3-month Libor** raised from 2,56% to 2,64%, whereas the yield of **US Treasury**

bonds with a 10-year maturity increased from 4,22% to 4,24%.

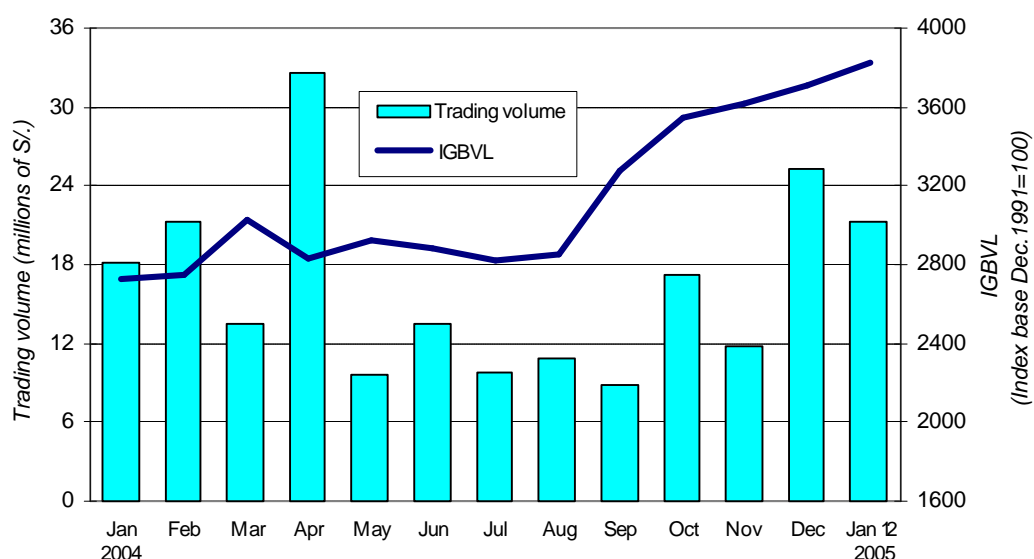


Lima Stock Exchange (LSE)

As of **January 12**, the LSE increased 3,1% and 3,2% in its **General Index** and its **Blue Chip Index**, respectively due to the investors' positive expectation with respect to the next publication of the 2004 financial statements.

Up to the year, it can be highlighted the performance of the shares related to the domestic demand (*Alicorp* and *Aceros Arequipa*) and of the zinc mining companies (*Perubar*, *Atacocha*, *Morocochoa*, *Milpo* and *Volcan*).

LSE indicators
(January 2004 - January 2005)



Indicadores Económicos / Economic Indicators

	2003		2004						2005							
	DIC.	MAR.	JUN.	SET.	OCT.	NOV.	31 Dic.	DIC.	5 Ene.	6 Ene.	7 Ene.	10 Ene.	11 Ene.	12 Ene.	ENE.	
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES																
Posición de cambio / Net international position	4 583	5 235	5 199	5 721	6 022	6 320	6 639	319	6 608	6 599	6 597	6 612	6 652		13	
Reservas internacionales netas / Net international reserves	10 194	10 411	10 855	11 187	12 166	12 337	12 631	294	12 722	12 737	12 765	12 765	12 772		141	
Depósitos del sistema financiero en el BCRP / Financial system deposits at BCRP	2 892	2 776	3 087	3 094	2 910	2 900	2 915	14	3 106	3 129	3 139	3 127	3 100		185	
Empresas bancarias / Banks	2 687	2 611	2 884	2 929	2 823	2 788	2 811	23	2 988	3 031	3 048	3 038	3 009		198	
Banco de la Nación / Banco de la Nación	154	113	147	106	31	51	45	-6	56	36	31	28	29		-17	
Resto de instituciones financieras / Other financial institutions	52	52	56	59	56	61	58	-3	62	62	60	61	62		3	
Depósitos del sector público en el BCRP / Public sector deposits at BCRP	2 761	2 433	2 614	2 403	3 274	3 162	3 120	-42	3 053	3 053	3 072	3 069	3 062		-58	
OPERACIONES CAMBIARIAS BCR (MILL. US\$) / BCRP FOREIGN OPERATIONS																
Origen externo de la emisión primaria / External origin of the monetary base	175	223	22	155	265	239		306	2	5	10	12	34	16	84	
Compras netas en Mesa de Negociación / Net purchases of foreign currency	176	255	21	224	296	278		345	20	5	10	13	34	16	102	
Operaciones swaps netas / Net swap operations	0	0	0	0	0	0		0	0	0	0	0	0	0	0	
Operaciones con el Sector Público / Public sector	0	-32	0	-70	-31	-40		-40	-18	0	0	0	0	0	-18	
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE																
Compra interbancario / Interbank bid	Promedio / Average	3,471	3,464	3,476	3,357	3,319	3,309	3,280	3,281	3,273	3,274	3,274	3,273	3,273	3,266	3,274
Apertura / Opening	3,472	3,466	3,495	3,358	3,321	3,310	3,282	3,283	3,278	3,275	3,275	3,275	3,276	3,276	3,277	
Mediodía / Midday	3,471	3,466	3,477	3,359	3,321	3,310	3,278	3,281	3,275	3,276	3,275	3,273	3,275	3,266	3,276	
Cierre / Close	3,471	3,465	3,477	3,358	3,321	3,310	n.d.	3,282	3,275	3,276	3,275	3,274	3,269	3,267	3,274	
Promedio / Average	3,471	3,466	3,478	3,358	3,321	3,311	3,282	3,282	3,275	3,276	3,276	3,274	3,274	3,267	3,276	
Sistema Bancario (SBS) / Banking System	Compra / Bid	3,471	3,464	3,476	3,357	3,320	3,309	3,280	3,281	3,273	3,275	3,275	3,273	3,272	3,266	3,274
Venta / Ask	3,472	3,466	3,478	3,358	3,322	3,311	3,283	3,283	3,274	3,276	3,277	3,275	3,273	3,268	3,276	
Índice de tipo de cambio real (1994 = 100) / Real exchange rate Index (1994 = 100)		106,5	105,5	104,5	102,5	104,1		105,1								
INDICADORES MONETARIOS / MONETARY INDICATORS																
Moneda nacional / Domestic currency																
Emisión Primaria / Monetary base	(Var. % mensual) / (% monthly change)	11,5	0,7	0,7	-1,0	4,5	0,6	14,9	14,9							
(Var. % últimos 12 meses) / (% 12-month change)		10,1	16,6	19,2	20,5	24,3	21,7	25,3	25,3							
Oferta monetaria / Money Supply	(Var. % mensual) / (% monthly change)	3,6	1,5	-0,1	2,7	6,2	2,7									
(Var. % últimos 12 meses) / (% 12-month change)		10,5	12,9	14,1	16,9	23,4	24,6									
Crédito sector privado / Credit to the private sector	(Var. % mensual) / (% monthly change)	-1,2	3,6	0,8	1,6	3,4	0,3									
(Var. % últimos 12 meses) / (% 12-month change)		5,1	6,3	3,9	8,0	12,3	9,3									
TOSE saldo fin de período (Var. % acum. en el mes) / TOSE balance (% change)		-0,8	3,2	0,4	1,1	4,3	1,5	-0,4	-0,4	0,4	0,9	0,9	1,3			
Superávit de encaje promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)		0,2	0,2	0,5	0,8	0,4	0,5	0,4	0,4	1,8	1,8	1,6	1,5			
Cuenta corriente de los bancos (saldo mill. S./) / Banks' current account (balance)		192	182	196	197	218	238	208	267	433	364	337	194	319	146	
Créditos por regulación monetaria (millones de S./) / Rediscounts (Millions of S./)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Depósitos públicos en el BCRP (millones S./) / Public sector deposits at the BCRP (Mills.S./)		1 196	2 000	2 286	2 112	2 289	2 393	1 918	1 918	1 707	1 710	1 672	1 665	1 611	n.d.	
Certificados de Depósitos BCRP (saldo Mill.S./) / CDBCRP balance (Millions of S./)		4 097	5 998	5 188	6 730	7 385	7 794	8 255	8 255	8 515	8 675	8 775	9 045	9 180	9 270	
Operaciones de reporte (saldo Mill.S./) / repos (Balance millions of S./)		0	70	75	0	165	0	0	0	0	0	0	0	0	0	
Tasa de interés (%) / Interest rates (%)	Préstamos y descuentos hasta 360 días / Loans & discount	13,97	14,76	14,74	14,27	14,17	14,16	15,15	14,68	15,22	15,28	15,33	15,33	15,36	15,29	15,26
Interbancaria / Interbank	2,51	2,48	2,46	2,73	2,93	3,02	3,03	3,00	2,94	2,96	2,93	2,93	2,94	2,97	2,98	
Preferencial corporativa a 90 días / Corporate Prime	3,32	3,33	3,53	3,52	3,65	3,80	3,90	3,85	3,90	3,91	3,91	3,91	3,91	3,91	3,91	
Operaciones de reporte con CDBCRP / CDBCRP repos	s.m.	2,55	2,51	s.m.	3,08	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	
Créditos por regulación monetaria / Rediscounts **	3,25	3,25	3,25	3,50	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	
Del saldo de CDBCRP / CDBCRP balance	3,91	3,64	3,76	4,04	4,18	4,24	4,46	4,46	4,49	4,50	4,49	4,48	4,48	4,48	4,49	
Moneda extranjera / foreign currency																
Crédito sector privado / Credit to the private sector	(Var. % mensual) / (% monthly change)	-0,6	0,5	0,7	-1,2	-0,6	1,0									
(Var. % últimos 12 meses) / (% 12-month change)		-5,8	-3,7	-0,3	-0,5	-1,0	-0,3									
TOSE saldo fin de período (Var. % acum. en el mes) / TOSE balance (% change)		0,2	0,3	3,4	-0,5	-1,8	1,3	1,2	1,2	-0,6	-7,9	-7,2	-7,1			
Superávit de encaje promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)		0,1	0,1	0,1	0,1	0,1	0,1	0,6	0,6	2,1	2,6	3,3	3,5			
Créditos por regulación monetaria (millones de US dólares) / Rediscounts		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Préstamos y descuentos hasta 360 días / Loans & discount		7,26	7,30	6,67	7,40	7,57	7,65	7,72	7,66	7,44	7,74	7,75	7,74	7,74	7,73	7,73
Interbancaria / Interbank	1,09	1,08	1,11	1,54	1,73	1,88	2,30	2,19	2,28	2,28	2,28	2,29	2,29	2,31	2,31	
Preferencial corporativa a 90 días / Corporate Prime	1,72	1,76	2,04	2,23	2,40	2,52	2,85	2,64	2,85	3,05	3,05	3,05	3,05	3,05	2,98	
Créditos por regulación monetaria / Rediscounts ***	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.	s.m.	
INDICADORES BURSÁTILES / STOCK MARKET INDICES																
Índice General Bursátil (Var. %) / General Index (% change)	Acum.	13,4	10,5	-1,4	15,0	8,1	2,0	n.d.	2,6	0,2	-0,5	1,1	1,1	1,0	-0,3	3,1
Índice Selectivo Bursátil (Var. %) / Blue Chip Index (% change)	Acum.	16,2	12,4	-2,7	16,4	6,7	2,0	n.d.	3,1	0,1	-0,5	1,2	1,2	1,0	-0,5	3,2
Monto negociado en acciones (Mill. S./) - Prom. diario	Acum.	15,7	17,2	13,5	8,9	17,3	11,8	n.d.	25,3	10,7	7,4	22,5	18,1	57,0	16,6	21,2
INFLACIÓN (%) / INFLATION (%)																
Inflación mensual / Monthly		0,56	0,46	0,56	0,02	-0,02	0,29									
Inflación últimos 12 meses / % 12 months change		2,48	2,76	4,26	4,03	3,95	4,07		-0,01							
GOBIERNO CENTRAL (Mills. S./) / CENTRAL GOVERNMENT (Mills. of S./)																
Resultado primario / Primary balance		-740	282	383	-91	56	-101									
Ingresos corrientes / Current revenue		2 963	2 898	2 889	2 993	2 932	2 882									
Gastos no financieros / Non-financial expenditure		3 827	2 623	2 517	3 094	2 896	2 995									
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)																
Balanza Comercial / Trade balance		184	218	134	262	284	169									
Exportaciones / Exports		909	994	960	1 114	1 138	1 072									
Importaciones / Imports		726	776	826	852	853	903									
PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT																
Variac. %, respecto al mismo mes del año anterior / Annual rate of growth		3,4	5,9	3,0	4,5	2,1										
COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS																
LIBOR a tres meses (%) / LIBOR 3-month (%)	Prom.	1,17	1,11	1,50	1,90	2,08	2,31	2,56	2,50	2,59	2,61	2,61	2,62	2,63	2,64	2,60
Dow Jones (Var. %) / (% change)		6,53	-2,14	2,42	-0,92	-0,52	3,99	-0,16	3,40	-0,31	0,24	-0,18	0,16	-0,61	0,58	-1,53
Rendimiento de los U.S. Treasuries (10 años) / U.S. Treasuries yield (10 years)		4,26	3,81	4,73	4,12	4,08	4,19	4,22	4,22	4,28	4,26	4,27	4,27	4,24	4,24	4,26
Stripped spread del EMBI+ PERÚ (pbs) / EMBI+ PERU stripped spread (basis points)		318	344	438	320	334	282	220	236	228	228	240	260	250	251	237
Bono Global 2012 - Perú (en pbs) / Global Bond 2012 - Peru (basis points)		304	315	411	294	311	260	201	216	235	237	235	247	246	236	230

* Incluye depósitos de Promecprej, 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: BCRP, INEI, Aduanas, Banco de la Nación, BVL, Sunat, SBS, Reuters y Bloomberg.