

CENTRAL RESERVE BANK OF PERU

WEEKLY REPORT

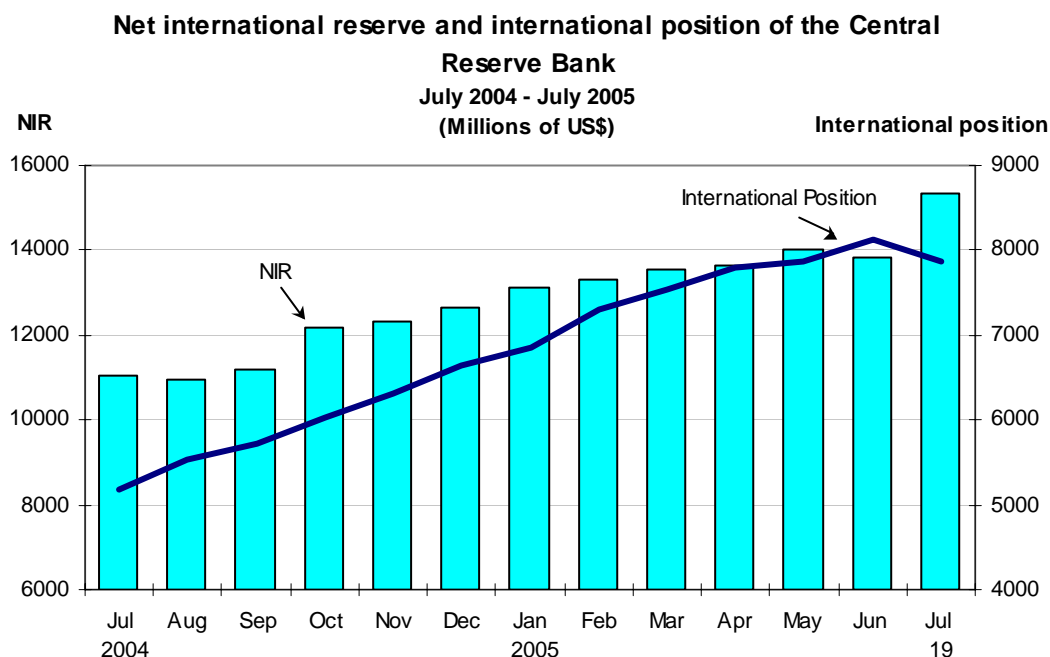
Nº 29 – July 22, 2005

Net international reserves at US\$ 15 340 millions

As of **July 19**, net international reserves (NIR) amounted to US\$ 15 340 millions, up US\$ 1 522 millions from end-June. This increase was mainly due to higher public sector deposits (mainly by the placement of sovereign bonds), financial system and Insurance Fund Deposit deposits in US\$ 1 593 millions, US\$ 167 millions and US\$ 1 million, respectively; purchases of foreign exchange by US\$ 653 millions, and

investment yield in US\$ 20 millions. This evolution was partially offset by sales of foreign currency to the public sector by US\$ 875 millions and changes in the value of currencies and gold in US\$ 37 millions.

Year-to-date, NIRs have increased US\$ 2 709 millions whereas the **Central Bank's international position** (US\$ 7 872 millions), grew by US\$ 1 233 millions.

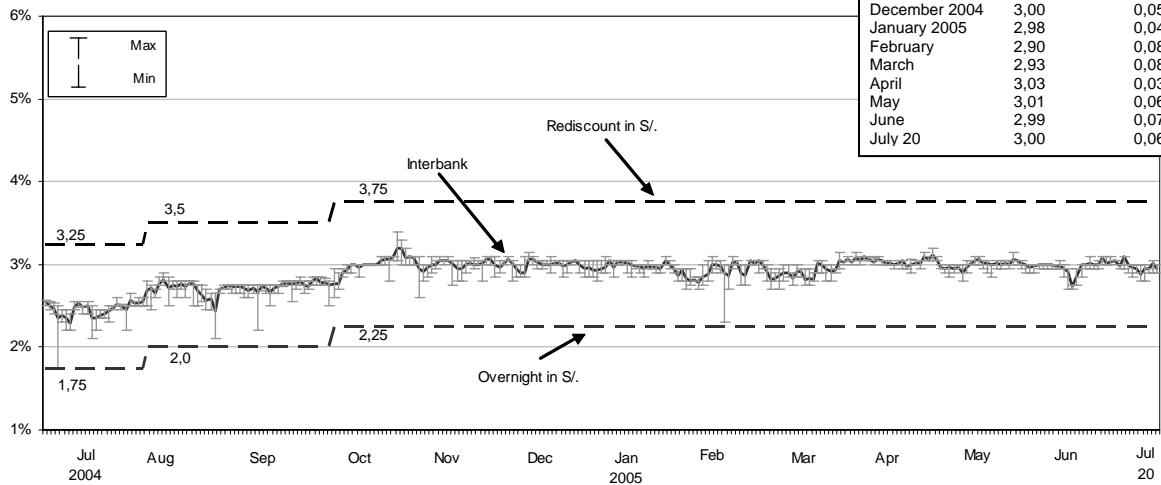


Interbank interest rate at 3,0 percent

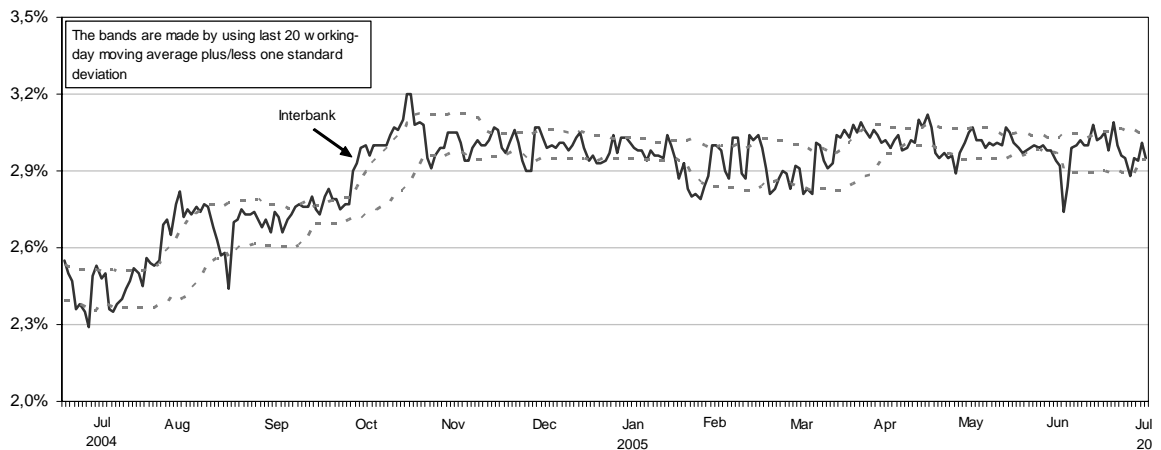
Between **July 1 and 20**, the average interest rate in domestic currency was

3,0 percent.

**Interest rates in domestic currency
(July 2004 - July 2005)**



**Interbank interest rate in domestic currency
(July 2004 - July 2005)**



Monetary operations

Between **July 14 and 20**, the Central Bank made the following operations:

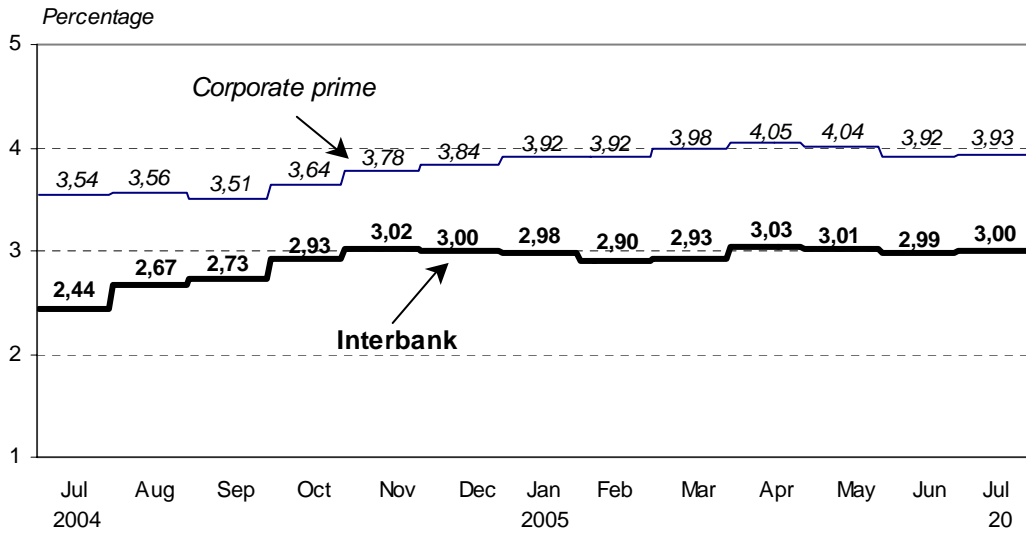
- Auctions of temporary purchase of CDBCRP and BTP with a 1-day maturity by S/. 400, S/. 244 and S/. 150 millions at an average interest rate of 2,97; 2,93 and 3,03 percent, respectively.
- Foreign currency purchase over-the-counter mechanism by US\$ 240,5 millions at an average exchange rate of S/. 3,252.
- Overnight deposits on July 14, 15 and 18 by S/. 310, S/. 357 and S/. 4 millions, respectively.

Corporate prime interest rate at 3,93 percent

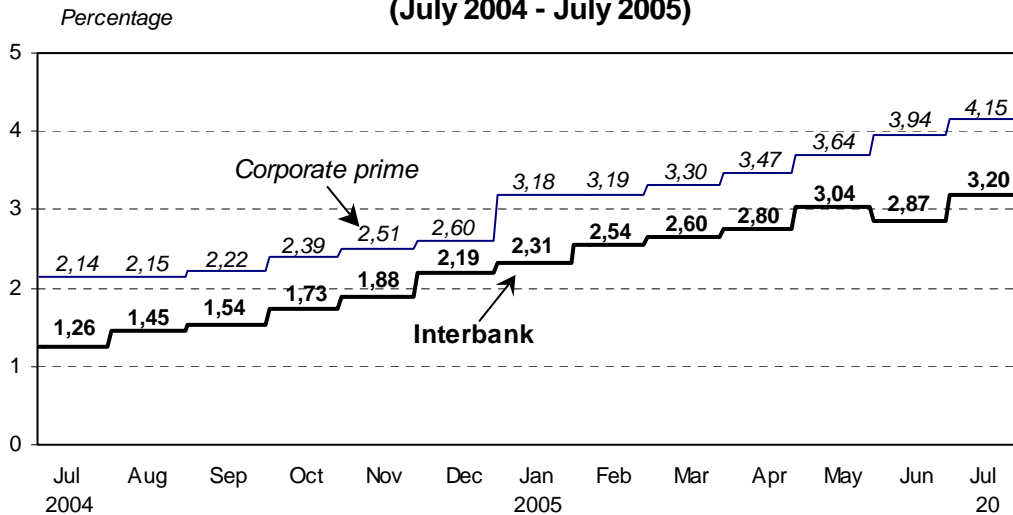
As of **July 20**, the 90-day average corporate prime interest rate in domestic currency slightly increased from 3,92

percent in June to 3,93 percent and the rate in dollars from 3,94 to 4,15 percent.

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



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



Exchange rate: S/. 3,254

Between **July 13 and 20**, the asked banking system exchange rate increased from S/. 3,252 to S/. 3,254 per dollar. Up to July 19, the bank's balance of net forward

sales and the bank's exchange position augmented US\$ 145 and US\$ 30 millions, respectively from end-June.

BANKS' EXCHANGE POSITION
(Millions of US\$)

	December 2003	December 2004	June 2005	July 19
a. Net sales to the public (i-ii)	607	699	490	635
i. Forward sales to the public	834	1 163	1 101	1 337
ii. Forward purchases to the public	227	464	611	701
b. Banks' exchange position	536	340	355	385

Monetary base as of July 15, 2005

The **monetary base** balance as of July 15 was S/. 10 185 millions, up 6,4 percent (S/. 609 millions) from end-June, due to the higher seasonal demand by national holidays. In average terms, the year on year rate of growth of the monetary base in this period was 31,6 percent (28,3 percent in June).

counter mechanism (US\$ 615 millions or S/. 1 999 millions), redemption of CDBCRP's (S/. 452 millions) and lower public sector deposits (S/. 192 millions). These operations were partially offset by sales of foreign currency to the public sector (US\$ 552 millions or S/. 1 795 millions) and higher financial system's overnight deposits (S/. 252 millions).

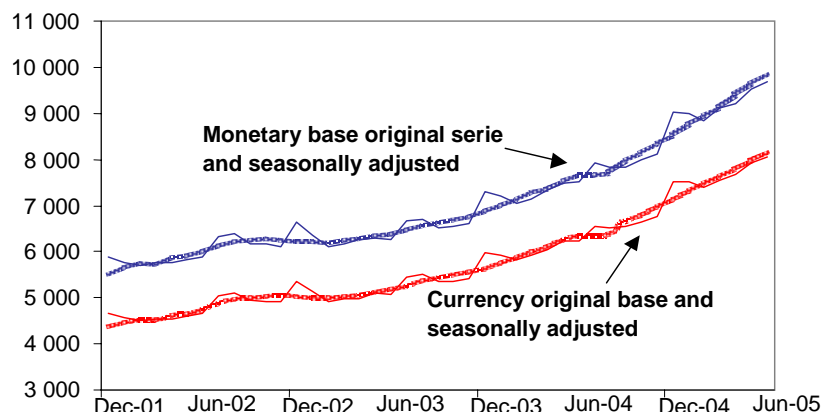
The main explanations for this result were purchases of foreign currency over-the-

Seasonally adjusted monetary aggregates

This report includes seasonally adjusted cash and monetary base series (see table 20). The methodology used is TRAMO/SEATS based on historical data for the period January 1994 to June 2005, adjusted by non-working days in Peru. A

direct method is used in the case of monetary base, since the indirect method (seasonally adjusting of its components –cash and reserve deposits-) had a high seasonality residual. The estimated factors will hold for the rest of the year.

Seasonally adjusted monetary aggregates (Millions of nuevos soles)



Banking system monetary accounts as of June 30, 2005

In June, liquidity in **domestic currency** increased 2,2 percent (S/. 612 millions), to a balance of S/. 27 994 millions. Credit to the private sector in the same currency augmented 1,0 percent (S/. 122 millions), to S/. 12 245 millions. However, in annual terms this aggregates grew by 35,5 and 16,3 percent, respectively.

Liquidity in **foreign currency** decreased 0,7 percent (US\$ 68 millions) to US\$ 10 003 millions (an annual growth rate of 5,2 percent). Credit to the private sector in the same currency augmented 1,6 percent (US\$ 163 millions), to US\$ 10 481 millions (an annual growth rate of 5,9 percent).

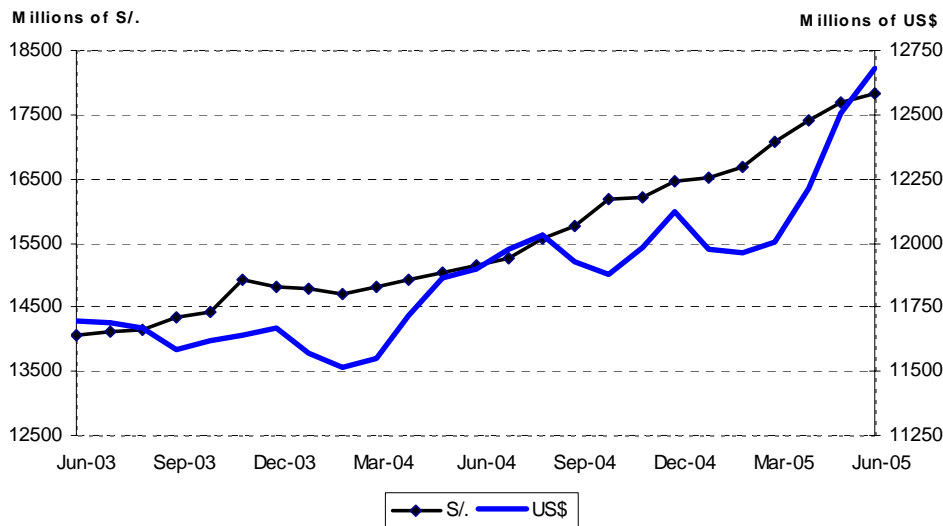
END OF PERIOD MONETARY AGGREGATES OF THE BANKING SYSTEM												
	BASE MONETARY		LIQUIDITY IN D/C		CREDIT IN D/C		LIQUIDITY IN F/C		LIABILITIES 1/		CREDIT IN F/C	
	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR
2003												
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%	2,8%	17,0%	1,6%	8,0%	-0,1%	1,3%	6,5%	30,6%	-1,2%	-0,6%
Oct.	4,5%	24,3%	6,7%	24,1%	3,5%	12,3%	-0,9%	-0,1%	-17,1%	2,8%	-0,7%	-1,1%
Nov.	0,6%	21,7%	2,9%	25,6%	0,4%	9,4%	0,4%	1,1%	4,2%	2,7%	1,0%	-0,4%
Dec.	14,9%	25,3%	5,7%	28,1%	1,0%	11,9%	0,8%	1,4%	1,6%	4,5%	1,1%	1,3%
2005												
Jan.	-6,7%	25,0%	0,3%	25,3%	-0,2%	11,9%	0,5%	2,1%	24,7%	28,4%	0,3%	2,7%
Feb.	2,0%	26,7%	3,8%	30,8%	0,4%	12,9%	-0,5%	4,3%	-9,4%	14,1%	-0,1%	3,5%
Mar.	-0,2%	25,7%	3,7%	33,6%	2,8%	12,1%	-2,0%	2,2%	6,0%	27,0%	0,4%	3,4%
Apr.	5,2%	26,6%	-1,1%	32,9%	1,6%	13,9%	5,3%	6,6%	11,1%	31,3%	2,1%	4,3%
May.	0,8%	26,7%	0,1%	32,3%	1,7%	16,1%	1,9%	9,1%	-2,1%	13,2%	2,1%	5,0%
Jun.	1,9%	28,1%	2,2%	35,5%	1,0%	16,3%	-0,7%	5,2%	-8,2%	0,5%	1,6%	5,9%
Memo:												
Balance as of May.31 (Mill.S/. or Mill.US\$)	9 402		27 382		12 123		10 071		954		10 318	
Balance as of Jun.22 (Mill.S/. or Mill.US\$)	9 576		27 994		12 245		10 003		876		10 481	
1/ Short term external liabilities of banking enterprises.												

Financial system credit to the private sector: June 2005

During **June**, following the trend initiate in March, the financial system credit to the private sector grow in **soles** (0,7 percent) and in **dollars** (1,4 percent). In this

manner, the annual rate of growth of the credit in soles stayed around 17 percent y and the growth rate in dollars passed from 5,4 to 6,6 percent.

FINANCIAL SYSTEM CREDIT TO THE PRIVATE SECTOR



The increment of the credit in soles, during June obeyed to commercial banks (S/. 118 millions), mainly by higher consumer credits (S/. 92 millions) and to microfinance institutions (S/. 22 millions). Is worth to noting that during June an operation of securitization of the portfolio of Financiera CMR took place by S/. 60

millions and slowed the growth of rate of the microfinance credits. With these results, the annual growth rate of the private sector's credit from commercial banks (excluding microfinance credits) increased from 11,4 percent in May to 12,6 percent.

FINANCIAL SYSTEM CREDIT TO THE PRIVATE SECTOR IN LOCAL CURRENCY

	Millions of S/.			Percentage change	
	Jun04	May05	Jun05	Jun.05/ Jun.04	Jun.05/ May.05
Commercial banks 1/	8 042	8 937	9 055	12,6	1,3
Banco de la Nación	772	1 157	1 149	48,8	-0,7
Microfinance institutions	3 763	4 725	4 747	26,2	0,5
Banks (microfinance credits)	961	1 234	1 262	31,4	2,3
Local government S&Ls	1 179	1 518	1 543	30,9	1,6
Rural S&Ls	211	279	283	33,8	1,4
Cooperatives	451	526	526	16,7	--
Edpymes	180	249	252	40,0	1,2
Financial companies	782	919	882	12,8	-4,1
Institutional investors 2/	2 306	2 565	2 565	11,3	0,0
AFPS	1 494	1 527	1 481	-0,9	-3,0
Insurance companies	624	817	817	31,0	--
Mutual funds	188	220	267	42,1	21,3
Leasing companies and others	276	318	317	15,0	-0,4
Total Financial System	15 159	17 702	17 833	17,6	0,7

1/ Excludes microfinance credits.

2/ Mainly securities issued by the private sector.

June's increased in dollar denominated credit was due to higher credit of commercial banks (US\$ 153 millions), explained by higher credits of foreign trade

(US\$ 118 millions); higher credit of institutional investors (US\$ 16 millions), and of microfinance institutions (US\$ 9 millions).

FINANCIAL SYSTEM CREDIT TO THE PRIVATE SECTOR IN FOREIGN CURRENCY

	Millions of US\$			Percentage change	
	Jun04	May05	Jun05	Jun.05/ Jun.04	Jun.05/ May.05
Commercial banks 1/	9 566	9 940	10 093	5,5	1,5
Banco de la Nación	22	22	22	-0,5	-0,1
Microfinance institutions	560	689	698	24,8	1,3
Banks (microfinance credits)	98	140	146	48,1	4,1
Local government S&Ls	212	261	263	23,6	0,8
Rural S&Ls	47	54	54	15,6	-,-
Cooperatives	130	152	152	16,9	-,-
Edpymes	43	50	51	18,2	1,0
Financial companies	29	32	33	14,1	2,3
Institutional investors 2/	1 142	1 205	1 221	6,9	1,3
AFPS	553	636	641	15,8	0,8
Insurance companies	59	96	96	62,4	-,-
Mutual funds	529	473	484	-8,6	2,3
Leasing companies and others	608	648	646	6,2	-0,3
Total Financial System	11 899	12 504	12 680	6,6	1,4

1/ Excludes microfinance credits.

2/ Mainly securities issued by the private sector.

Gross domestic product grew by 7,1 percent in May

May GDP grew by 7,1 percent with a record 47 months of expansion in a row. The growth was widespread among all sectors, mainly in non-primary activities such non-primary industry.

Agriculture and livestock 3 percent, thanks to the higher production of potato – better weather conditions in the highlands; cotton –in Lima and Ica-; and poultry –in La Libertad, Ica and San Martin-. Conversely, there was a contraction in the production of rice, sugarcane and olive.

The **fishing** sector expanded 7,2 percent, due to higher industry-oriented catch of anchovy and human consumption-oriented catch of giant shrimp, merluza, mackerel and other fresh varieties into a context of favorable weather conditions.

Mining and oil sector rose 4,8 percent due to the higher production of crude oil, natural gas liquefied as well as copper and gold, the latter in response to rising quotations (18,9 and 9,8 percent over the period May 2004-May 2005).

Manufacturing grew by 9,5 percent, mainly for the 11,2 percent expansion of non-primary manufacturing, whereas raw material based activities grew by 4,1 percent. Among the more dynamic stood out chemical products, rubber and plastics, paper and paperboard, textile, leather and footwear, metal-based products, machinery and equipment and beverages and tobacco. Raw material based activities were also propelled by the higher catch of anchovy.

GROSS DOMESTIC PRODUCT

(Annual growth rates)

	May		January - May	
	2004	2005	2004	2005
Agriculture and Livestock	-3,2	3,0	-1,2	4,6
Agriculture	-5,1	2,5	-3,1	5,3
Livestock	1,1	4,2	1,9	3,6
Fishing	46,1	7,2	26,1	0,9
Mining and Fuel	0,1	4,8	9,8	1,4
Metallic mining	0,5	2,0	11,0	-1,2
Natural gas and oil	-5,2	38,5	-5,6	36,0
Manufacturing	6,7	9,5	5,5	6,4
Based on raw materials	12,7	4,1	4,0	-1,0
Non-primary	4,9	11,2	5,9	8,1
Electricity and water	4,4	6,2	4,9	4,3
Construction	3,0	8,0	5,5	5,3
Commerce	1,5	8,5	2,9	6,9
Other services	2,5	7,5	3,7	6,4
<u>GROSS VALUE ADDED (GVA)</u>	<u>2,4</u>	<u>7,2</u>	<u>4,0</u>	<u>5,8</u>
Taxes on products and import duties	16,7	6,0	6,7	7,7
<u>GDP</u>	<u>3,6</u>	<u>7,1</u>	<u>4,2</u>	<u>6,0</u>
Primary sector GVA	1,4	3,8	3,8	2,5
Non-primary sector GVA	2,7	8,3	4,0	6,7
Domestic demand indicator	4,1	7,0	3,3	5,3

By items, it should be noted the higher activity recorded in knitted fabrics oriented to the external market, metal-based products due to construction and mining

requirements, paper and paperboard and chemical substances such as natural and chemical essences and caustic soda.

**Industries with higher increases
May 2005**

CIU	Var. %	
	Year	Contrib. % 1/
Knitted fabrics	26,8	1,1
Manufacture of structural metal products	43,0	0,9
Other paper and paperboard products	37,2	0,9
Dairy products	24,5	0,8
Basic chemicals	33,0	0,8
Manufacture of basic iron and steel	22,3	0,6
Other fabricated metal products	15,2	0,5
Explosives and natural and chemical essences	15,1	0,4
Plastics	12,5	0,4
Pharmaceutical products	18,9	0,3

1/ Percent contribution to non primary manufacturing

Source: Ministerio de la Producción.

Conversely, there was a decrease in furniture, grain mills and bakery products and electrical wires.

**Industries with higher decreases
May 2005**

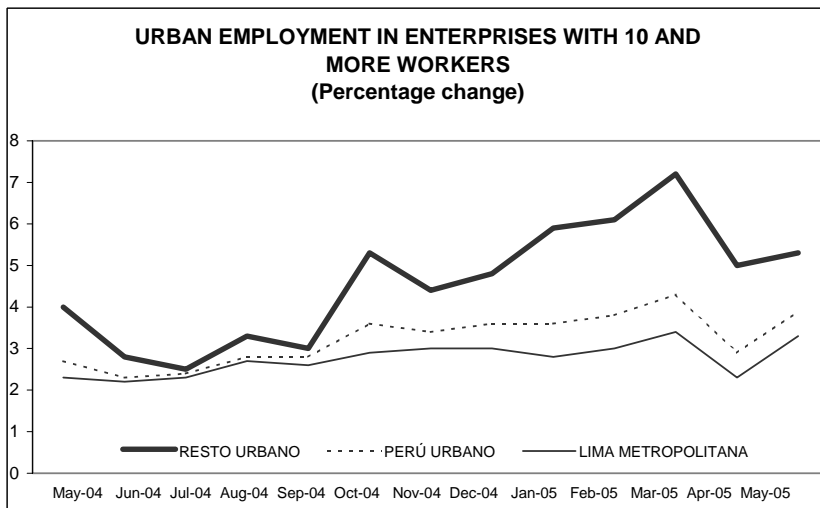
CIU	Var. %	
	Year	Contrib. % 1/
Furniture	-12,8	-0,4
Grain mill and bakery products	-8,3	-0,4
Insulated wire and cable	-19,1	-0,2
Cutlery, hand tools and general hardware	-28,4	-0,2
Manufacture of articles of concrete, cement and plaster	-13,8	-0,2

1/ Percent contribution to non primary manufacturing
Source: Ministerio de la Producción.

Construction sector recorded a 8 percent expansion in May, due to the higher development of self-building projects as well as housing investments propelled for both the public and private sector, partially offset by lower road building and maintenance.

Employment in enterprises with 10 or more workers in urban areas grew by 3,9

percent. This increase was widespread in all economic activities, namely 5,1 percent for manufacturing and 3,6 percent for services. In Metropolitan Lima employment grew by 3,3 percent, mainly in extractive activities (10,3 percent), manufacturing (6,6 percent) and transport and communications (5,2 percent).



**URBAN EMPLOYMENT IN ENTERPRISE
WITH 10 AND MORE WORKERS
(Percentage change)**

	Metropolitan Lima	Other urban	Urban area
2004	2.6	3.8	3.0
May	2,3	4,0	2,7
June	2,2	2,8	2,3
July	2,3	2,5	2,4
August	2,7	3,3	2,8
September	2,6	3,0	2,8
October	2,9	5,3	3,6
November	3,0	4,4	3,4
December	3,0	4,8	3,6
2005			
January	2,8	5,9	3,6
February	3,0	6,1	3,8
March	3,4	7,2	4,3
April	2,3	5,0	2,9
May	3,3	5,3	3,9

Employment grew in 18 out of 20 cities according to Ministry of Labor's statistics; for instance: Talara (22,7 percent), Ica (14,5 percent), Chincha and Iquitos (12,3 percent) due to oil-related activities

(digging, maintenance and exploration), asparagus, olive and tangerine export activities as well as wood-based and tourist-related tasks.

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

	May 2005/ May 2004	January-May 05/ January - May 04
Urban area	3,9	3,7
Metropolitan Lima	3,3	3,0
Other urban	5,3	5,9
Talara	22,7	23,5
Ica	14,5	23,2
Chincha	12,3	10,0
Iquitos	12,3	13,2
Piura	8,8	11,6
Sullana	8,3	24,9
Puno - Juliaca	6,9	1,7
Cajamarca	5,7	3,2
Tarapoto	5,0	2,8
Trujillo	4,5	5,4
Arequipa	4,3	2,8
Pisco	4,3	7,4
Huancayo	3,8	3,7
Tacna	3,5	0,3
Paita	2,9	-8,1
Cusco	2,4	4,5
Pucallpa	2,4	2,7
Chiclayo	0,4	1,0
Chimbote	-1,5	-2,4
Huaraz	-13,3	-7,2

Source: MTPE, Monthly Statistical Report.

June outlook

According to preliminary data, in June:

- Anchovy catch would decline 16 percent (Imarpe).
- Oil crude production increased 30,4 percent, whereas natural gas output expanded 80,1 percent (Perupetro).
- Local sales of cement increased 9 percent (Asocem).
- Electricity generation grew by 5,3 percent (COES).
- Excise tax collection fell 27,8 percent due to the oil-tax reduction. However, excise tax on imports grew by 11,7 percent according to Sunat.

Central government primary surplus at S/. 515 million in June

Central government operations over **last 12 months** recorded a surplus of S/. 3 268 million (versus S/. 2 239 million over the period July 2003-June 2004). Current revenue soared 15 percent (S/. 4 994 million), whereas non-financial expenditure increased 12 percent (S/. 3 813 million). Interests totaled S/. 4 417 million, up 1 percent from the previous period, therefore the overall deficit reached S/. 1 149 million, down S/. 983 million from the previous period.

In **June**, the government recorded an overall deficit of S/. 47 million, down S/. 117 million from a year ago. Primary balance was positive in S/. 515 million, up S/. 100 million from June 2004, reflecting the growth of current revenue (11 percent), which exceeded the increase in non-financial expenditure (9 percent). Interest totaled S/. 562 million, down 3 percent from a year ago.

CENTRAL GOVERNMENT OPERATIONS

(Millions of Nuevos Soles)

	Monthly data			12-month period			C / A	C / B
	June		% var.	Jul03 /	Jun04 /	Jul04 /		
	2004	2005		Jun04	May05	Jun05		
			A	B	C			
1. CURRENT REVENUES	2 929	3 241	10,6	33 578	38 261	38 572	14,9	0,8
A. TAX REVENUE	2 627	2 758	5,0	29 450	33 637	33 768	14,7	0,4
B. NON TAX REVENUE	302	483	59,9	4 127	4 624	4 805	16,4	3,9
2. NON-FINANCIAL EXPENDITURE	2 517	2 732	8,6	31 729	35 327	35 542	12,0	0,6
A. CURRENT EXPENDITURE	2 233	2 442	9,3	28 040	30 967	31 176	11,2	0,7
B. CAPITAL EXPENDITURE	284	291	2,4	3 690	4 360	4 366	18,3	0,2
3. CAPITAL REVENUES	3	7	120,8	391	234	238	-39,1	1,6
4. PRIMARY BALANCE	415	515		2 239	3 168	3 268		
5. INTEREST PAYMENTS	579	562	-3,0	4 370	4 434	4 417	1,1	-0,4
6. OVERALL BALANCE	-164	-47		-2 132	-1 266	-1 149		
7. NET FINANCING	164	47		2 132	1 266	1 149		
1. External	-290	-721		3 083	3 300	2 869		
A. Disbursements	370	38		7 408	7 943	7 612		
B. Amortizations	-660	-759		-4 324	-4 643	-4 743		
2. Domestic	447	759		-1 355	-2 270	-1 959		
3. Privatization	7	9		404	236	239		

Current revenue in June 2005 totaled S/. 3 421 million, up 11 percent from a year ago. **Tax revenues** amounted to S/. 2 758 million, up 5 percent due to higher collection of income tax (13 percent), tariffs (12 percent), VAT (5 percent) and other taxes (52 percent) –the latter includes the Temporary Tax on Net Assets- which were partially offset by lower excise tax collection (28 percent), reflecting the reduction on oils in the second half of 2004, as well as higher tax refunds (12 percent) and the ending of the Extraordinary Solidarity Tax (S/. 38 million collection as of December 2004). In general, higher tax revenues reflects higher activity, imports and terms of trade as well as the effects of the Financial Transaction Tax and Temporary Tax on Net Assets.

Non-tax revenues amounted to S/. 483 million, up 60 percent from a year ago due to royalties and canon on oil and gas (172 percent) and new mining royalties (S/. 63

million, including 2004 second semester clearance).

In June 2005, **non-financial expenditure** amounted to S/. 2 732 million, up S/. 215 million from June 2004 or 9 percent. This increase obeys mainly to higher current expenditure (S/. 209 million). Transfers and wages and salaries increased 18 and 10 percent, whereas expenditure in goods and services dropped 2 percent. Capital expenditure rose S/. 6 million (to S/. 291 million), due to the increase in gross capital formation (S/. 4 million).

External financing was negative in S/. 721 million (US\$ 221 million) –disbursements amounted to US\$ 12 million and amortization to US\$ 233 million. On the other hand, **domestic financing** was positive in S/. 759 million. This month the government placed sovereign bonds by S/. 238 million, made amortizations by S/. 297 million and deposit withdrawals by S/. 841 million.

EMBI+ Peru's spread decreased to 1,84 percent

Between **July 13 and 20**, the spread of the **2012 global bond's** spread diminished from 1,81 to 1,72 percent, whereas the **EMBI + Peru's** spread fell from 1,90 to 1,84 percent, reaching a new historic

minimum. The country risk continued reacting favorably to the Standard & Poor's upgrade from stable to positive of Peru's foreign currency long-term debt perspective.

Country risk indicators
(July 2004 - July 2005)



International markets

Between **July 13 and 20** the **gold** price diminished 0,4 percent to US\$ 423 per Troy ounce due to the decrease of

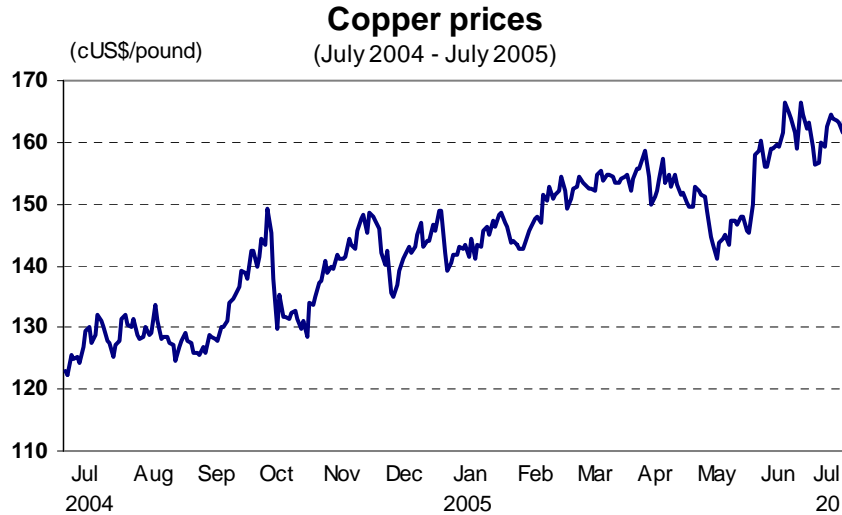
petroleum prices and to the smaller trade deficit of the United States in May.

Gold prices



Over similar period, the **copper** price rose 1,4 percent to US\$ 1,66 per pound due to speculations about the United States and Zambia standstill mines would accelerate

the fall of the inventories. The inventories in the London Metal Exchange were around 27 thousand MT, their smaller level since July of 1974.



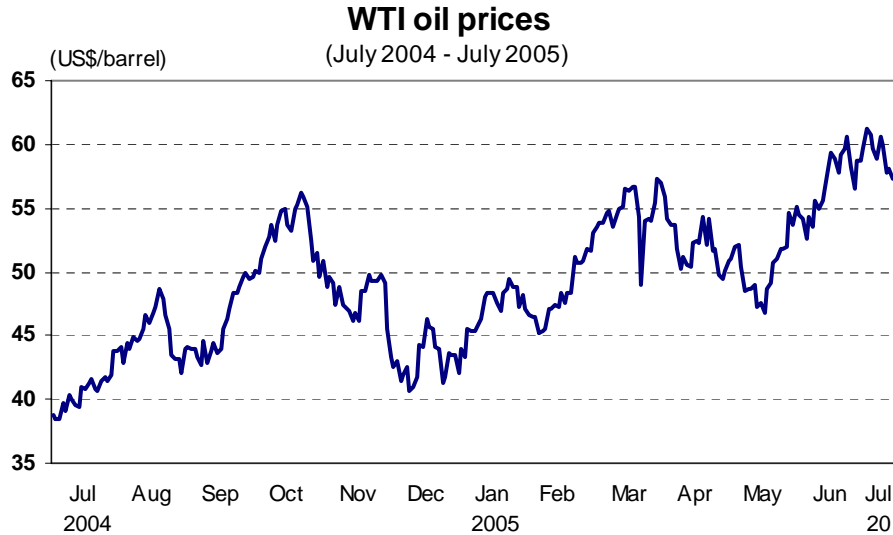
The **zinc** price diminished 0,4 percent to US\$ 0,54 per pound affected by technical sales of investment funds. Nevertheless, in the last days the price slightly recovered

due to the strike in the Trail mining complex (Canada) property of Teck-Cominco.



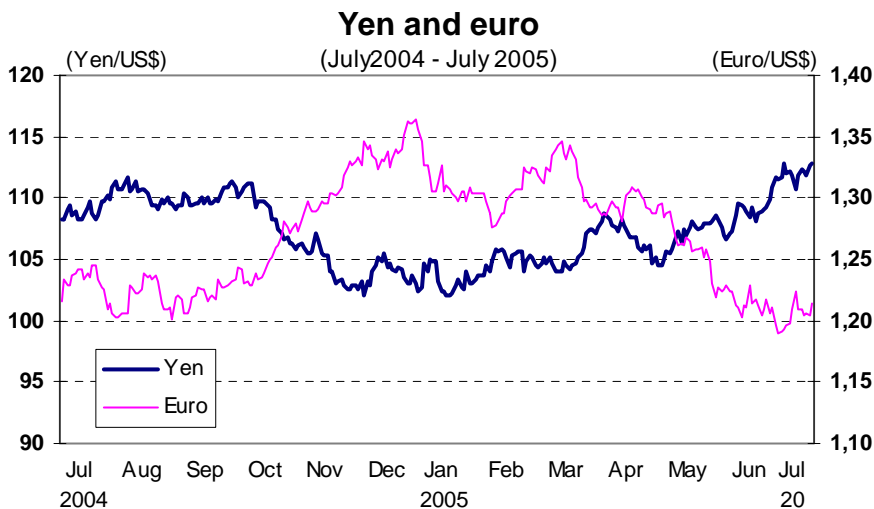
The **WTI oil** price dropped 5,5 percent to US\$ 56,7 per barrel after a smaller fall than it was expected of the United States

inventories, reflecting a smaller impact of storms in the petroleum activities in Mexico gulf.



Between July 13 and 20, the **US dollar** depreciated 0,4 percent against the **euro** and 0,9 percent against the **yen**. The trade deficit of the United States in May diminished 2,7 percent with respect to April to US\$ 55,3 billion. Besides, the net capital inflows rose to US\$ 60 billion, the highest level in 3 months and in line with expectations. On the other hand, in China,

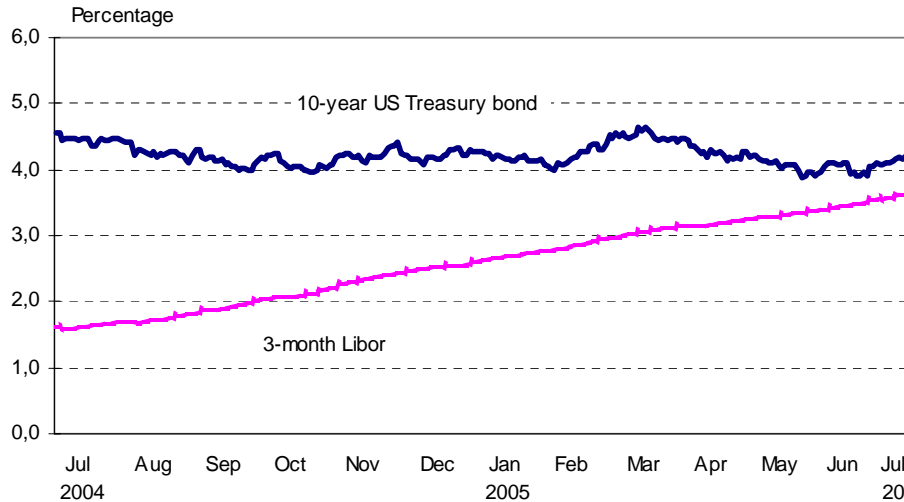
the government revalued the yuan in 2,1 percent from 8,28 to 8,11 yuanes per dollar, thus abandoning the fixed exchange rate that established for a decade. From now on, the value of the yuan will be connected with a basket of currencies of the China's main trade partners and will fluctuate in a band of +/- 0,3 percent.



The **3-month Libor** increased from 3,60 to 3,63 percent, whereas the yield of the **10-year matured US Treasury** passed from 4,16 to 4,20 percent, due to the

interest rates rise expectation after the publication of economic indicators showing the soundness of the economic growth in the United States.

Libor and yield of 10-year matured US Treasury bond
(July 2004 - July 2005)

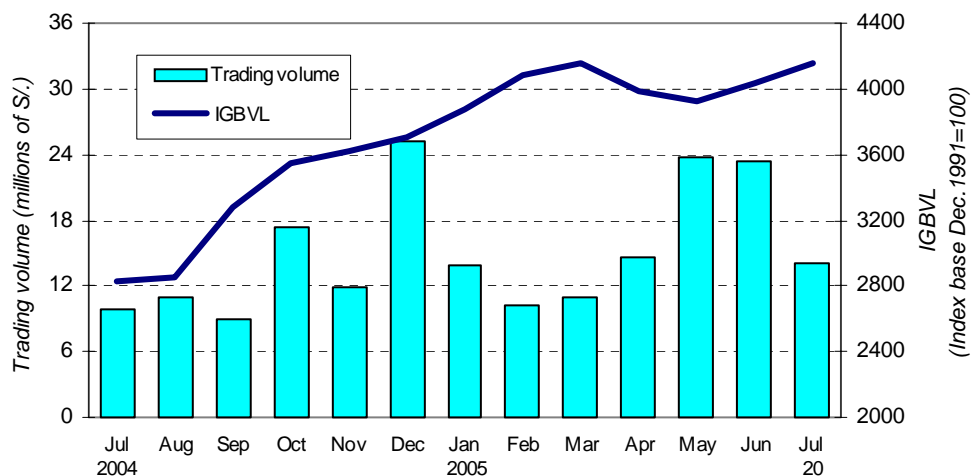


Lima Stock Exchange

As of **July 20**, the **General** and **Blue Chip** Indices of the Lima Stock Exchange increased both 3,0 percent. Among the first financial statements emphasizes the growth of the net utility in the second quarter of 2005 with respect to similar

quarter of the previous year, of the mines Corona (in 85 percent), Southern Peru (in 28 percent) and Atacocha (in 17 percent). In the year, these indices accumulate profits of 12,1 and 10,5 percent, respectively.

LSE indicators
(July 2004 - July 2005)



Indicadores Económicos / Economic Indicators

	2003		2004		2005											
	DIC.	DIC.	ENE.	FEB.	MAR.	ABR.	MAY.	30 Jun.	JUN.	14 Jul.	15 Jul.	18 Jul.	19 Jul.	20 Jul.	JUL.	
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES																
Posición de cambio / <i>Net international position</i>	4 583	6 639	6 847	7 304	7 545	7 807	7 858	8 127	270	8 066	8 162	7 863	7 872		Var.	
Reservas internacionales netas / <i>Net international reserves</i>	10 194	12 631	13 125	13 328	13 555	13 629	14 016	13 818	-198	14 466	14 499	14 510	15 340		1 522	
Depósitos del sistema financiero en el BCRP / <i>Financial system deposits at BCRP</i>	2 892	2 915	3 102	2 721	2 854	2 673	3 013	2 836	-177	3 011	2 953	2 931	3 003		167	
Empresas bancarias / <i>Banks</i>	2 687	2 811	2 996	2 636	2 748	2 575	2 902	2 684	-218	2 840	2 821	2 802	2 877		193	
Banco de la Nación / <i>Banco de la Nación</i>	154	45	49	25	46	39	50	96	46	112	73	71	67		-30	
Resto de instituciones financieras / <i>Other financial institutions</i>	52	58	57	60	60	59	61	56	-5	59	59	59	59		4	
Depósitos del sector público en el BCRP / <i>Public sector deposits at BCRP</i>	2 761	3 120	3 217	3 344	3 199	3 195	3 207	2 913	-294	3 440	3 430	3 757	4 506		1 593	
OPERACIONES CAMBIARIAS BCR (Mills. US\$) / BCRP FOREIGN OPERATIONS																
Origen externo de la emisión primaria / <i>External origin of the monetary base</i>	175	306	259	412	260	254	151	0	265	98	102	-302	15	5	-217	
Compras netas en Mesa de Negociación / <i>Net purchases of foreign currency</i>	176	345	327	462	360	353	251	10	365	98	102	21	15	5	656	
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	-40	-68	-50	-100	-100	-100	-100	-100	0	0	-323	0	0	-875	
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE																
Compra interbancario / <i>Interbank bid</i>	Promedio / <i>Average</i>	3.471	3.276	3.266	3.258	3.258	3.257	3.254	3.252	3.252	3.251	3.252	3.252	3.252	3.251	
Apertura / <i>Opening</i>	3.472	3.283	3.270	3.260	3.260	3.259	3.255	3.255	3.255	3.252	3.252	3.253	3.253	3.253	3.252	
Mediodía / <i>Midday</i>	3.471	3.281	3.268	3.260	3.260	3.259	3.255	3.255	3.254	3.252	3.252	3.253	3.253	3.253	3.252	
Cierre / <i>Close</i>	3.471	3.282	3.269	3.260	3.260	3.258	3.255	3.254	3.253	3.253	3.253	3.253	3.253	3.253	3.252	
Promedio / <i>Average</i>	3.471	3.284	3.271	3.260	3.260	3.259	3.255	3.255	3.253	3.252	3.252	3.253	3.253	3.253	3.252	
Sistema Bancario (SBS) / <i>Banking System</i>	Compra / <i>Bid</i>	3.471	3.280	3.267	3.258	3.258	3.257	3.254	3.252	3.252	3.252	3.252	3.252	3.252	3.251	
Venta / <i>Ask</i>	3.472	3.282	3.269	3.260	3.260	3.259	3.256	3.254	3.253	3.253	3.253	3.254	3.253	3.254		
Índice de tipo de cambio real (1994 = 100) / <i>Real exchange rate Index (1994 = 100)</i>		106.6	105.0	104.5	104.9	104.8	104.5	104.3		103.2						
INDICADORES MONETARIOS / MONETARY INDICATORS																
Moneda nacional / Domestic currency																
Emisión Primaria / <i>Monetary base</i>	(Var. % mensual) / <i>(% monthly change)</i>	11.5	14.9	-6.7	2.0	-0.2	5.2	0.8	1.9	1.9						
(Var. % últimos 12 meses) / <i>(% 12-month change)</i>	10.1	25.3	25.0	26.7	25.7	26.6	26.7	28.1	28.1							
Oferta monetaria / <i>Money Supply</i>	(Var. % mensual) / <i>(% monthly change)</i>	3.6	5.7	0.3	3.8	3.7	-1.1	0.1	2.2	2.2						
(Var. % últimos 12 meses) / <i>(% 12-month change)</i>	10.5	28.1	25.3	30.8	33.6	32.9	32.3	35.5	35.5							
Crédito sector privado / <i>Crédit to the private sector</i>	(Var. % mensual) / <i>(% monthly change)</i>	-1.2	1.0	-0.2	0.4	2.8	1.6	1.7	1.0	1.0						
(Var. % últimos 12 meses) / <i>(% 12-month change)</i>	5.1	11.9	11.9	12.9	12.1	13.9	16.1	16.3	16.3							
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>	-0.8	-0.4	2.0	2.2	8.7	-4.6	2.0	3.2	2.8	2.2	2.1					
Superávit de encaje promedio (w respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>	0.2	0.4	0.6	0.7	0.5	0.6	0.6	0.6	2.5	1.9	1.7	1.4				
Cuenta corriente de los bancos (saldo Mill. S./) / <i>Banks' current account (balance)</i>	192	267	231	216	271	275	276	53	278	200	146	181	88	121		
Créditos por regulación monetaria (millones de S./) / <i>Rediscouts (Millions of S./)</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Depósitos públicos en el BCRP (millones S./) / <i>Public sector deposits at the BCRP (Mills.S./)</i>	1 196	1 918	2 470	2 406	2 619	4 665	5 091	4 985	4 985	4 727	4 793	4 771	4 715	n.d.		
Certificados de Depósitos BCRP (saldo Mill.S./) / <i>CDBCRP balance (Millions of S./)</i>	4 097	8 255	9 259	10 396	11 261	9 960	9 573	10 465	10 465	10 013	10 013	9 788	9 788	9 588		
Operaciones de reporte (saldo Mill. S./) / <i>repos (Balance millions of S./)</i>	0	0	0	0	0	385	0	0	0	0	0	400	244	150		
Tasa de interés (%) / <i>Interest rates (%)</i>	Préstamos y descuentos hasta 360 días / <i>Loans & discount Interbankaria / Interbank</i>	13.97	14.68	15.14	15.34	15.54	14.92	15.13	15.84	15.51	15.86	15.68	15.66	15.58	15.60	
Preferencial corporativa a 90 días / <i>Corporate Prime</i>	2.51	3.00	2.98	2.90	2.93	3.03	3.01	3.00	2.99	2.88	2.95	2.94	3.01	2.95		
Operaciones de reporte con CDBCRP / <i>CDBCRP repos</i>	3.32	3.84	3.92	3.92	3.98	4.05	4.04	3.90	3.92	3.93	3.93	3.93	3.93	3.93		
Créditos por regulación monetaria / <i>Rediscouts ***</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.		
Del saldo de CDBCRP / <i>CDBCRP balance</i>	3.25	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75		
	3.91	4.46	4.50	4.50	4.48	4.59	4.61	4.59	4.61	4.61	4.62	4.62	4.62	4.65		
Moneda extranjera / foreign currency																
Crédito sector privado / <i>Crédit to the private sector</i>	(Var. % mensual) / <i>(% monthly change)</i>	-0.6	1.1	0.3	-0.1	0.4	2.1	2.1	1.6	1.6						
(Var. % últimos 12 meses) / <i>(% 12-month change)</i>	-5.8	1.3	2.7	3.5	3.4	4.3	5.0	5.9	5.9							
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>	0.2	1.2	1.4	-4.6	1.1	4.1	1.3	-0.5	-0.5	-1.4	0.4	0.0				
Superávit de encaje promedio (w respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>	0.1	0.6	0.1	0.2	0.1	0.2	0.1	0.3	1.8	1.7	1.4	1.4				
Créditos por regulación monetaria (millones de US dólares) / <i>Rediscouts</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 Interbankaria / Interbank</i>	7.24	7.66	7.78	8.01	8.26	8.19	8.25	8.35	8.31	8.60	8.61	8.57	8.58		
Preferencial corporativa a 90 días / <i>Corporate Prime</i>	1.09	2.19	2.31	2.54	2.60	2.80	3.04	3.10	2.87	s.m.	3.25	2.96	2.96			
Créditos por regulación monetaria / <i>Rediscouts ***</i>	1.72	2.60	3.18	3.19	3.30	3.47	3.64	4.10	3.94	4.20	4.20	4.20	4.20			
	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. %) / <i>General Index (% change)</i>	13.4	2.6	4.6	5.1	2.0	-4.2	-1.4	-0.1	2.9	0.7	-0.3	0.0	-0.1	0.7		
Índice Selectivo Bursátil (Var. %) / <i>Blue Chip Index (% change)</i>	16.2	3.1	3.9	5.3	1.9	-4.4	-0.7	-0.1	1.6	0.8	-0.3	0.0	-0.2	1.0		
Monto negociado en acciones (Mill. S./) - Prom. diario	15.7	25.3	13.9	10.2	10.9	14.7	23.7	11.0	23.4	7.5	8.9	4.6	6.4	21.1		
INFLACIÓN (%) / INFLATION (%)																
Inflación mensual / <i>Monthly</i>	0.56	-0.01	0.10	-0.23	0.65	0.12	0.13		0.26							
Inflación últimos 12 meses / <i>% 12 months change</i>	2.48	3.48	3.03	1.68	1.88	2.02	1.79		1.48							
GOBIERNO CENTRAL (Mills. S.) / CENTRAL GOVERNMENT (Mills. of S.)																
Resultado primario / <i>Primary balance</i>	-740	-1 165	991	-15	815	1 945	392		515							
Ingresos corrientes / <i>Current revenue</i>	2 963	3 322	3 093	2 747	3 493	4 755	3 259		3 241							
Gastos no financieros / <i>Non-financial expenditure</i>	3 827	4 489	2 173	2 763	2 683	2 831	2 869		2 732							
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)																
Balanza Comercial / <i>Trade balance</i>	184	410	335	319	395	186	346									
Exportaciones / <i>Exports</i>	909	1 380	1 253	1 126	1 328	1 246	1 353									
Importaciones / <i>Imports</i>	726	970	918	807	933	1 060	1 007									
PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT																
Variac. %, respecto al mismo mes del año anterior / <i>Annual rate of growth</i>	3.6	8.7	5.4	6.7	4.0	6.4	7.1									
COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS																
LIBOR a tres meses (%) / <i>LIBOR 3-month (%)</i>	1.17	2.50	2.66	2.82	3.02	3.15	3.28	3.52	3.42	3.61	3.61	3.62	3.63	3.64		
Dow Jones (Var. %) / <i>(% change)</i>	6.53	3.40	-2.72	2.86	-2.44	-2.96	2.70	-0.96	-1.84	0.68	0.11	-0.62	0.68	0.40		
Rendimiento de los U.S. Treasuries (10 años) / <i>U.S. Treasuries yield (10 years)</i>	4.26	4.22	4.21	4.16	4.46	4.32	4.13	3.92	3.99	4.18	4.17	4.22	4.18	4.16		
Stripped spread del EMBI+ PERÚ (pbs) / <i>EMBI+ PERU stripped spread (basis points)</i>	318	236	242	235	226	244	222	203	198	191	185	184	189	184		
Bono Global 2012 - Perú (en pbs) / <i>Global Bond 2012 - Peru (basis points)</i>	304	216	232	222	212	234	203	210	188	175	163	174	173	172		

* Incluye depósitos de Promceprei, 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.