

## CENTRAL RESERVE BANK OF PERU

### WEEKLY REPORT

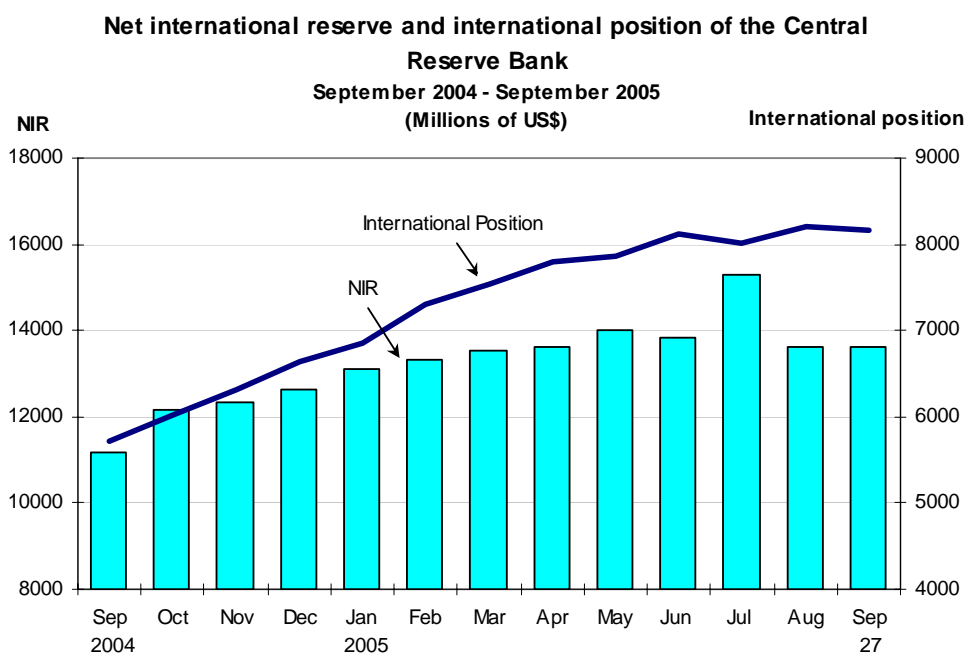
Nº 39 – September 30, 2005

#### Net international reserves at US\$ 13 623 million

As of **September 27**, net international reserves (NIR) amounted to US\$ 13 623 million, down US\$ 3 million from end-August. This decrease was due to lower public sector deposits in US\$ 137 million, sales of foreign currency to the public sector by US\$ 58 million and changes in the value of currencies and gold in US\$ 30 million. This evolution was

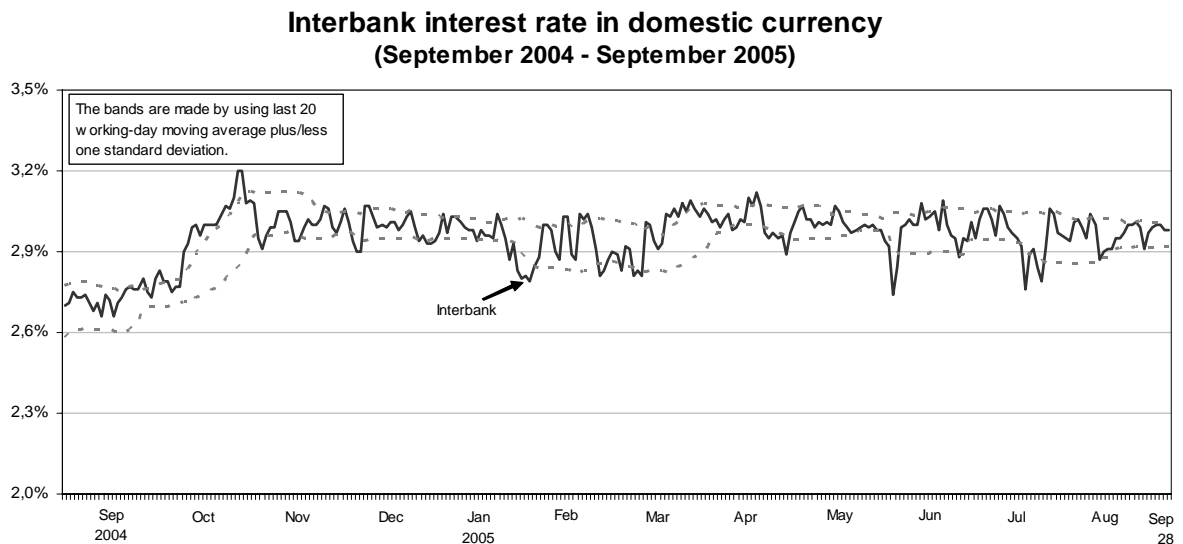
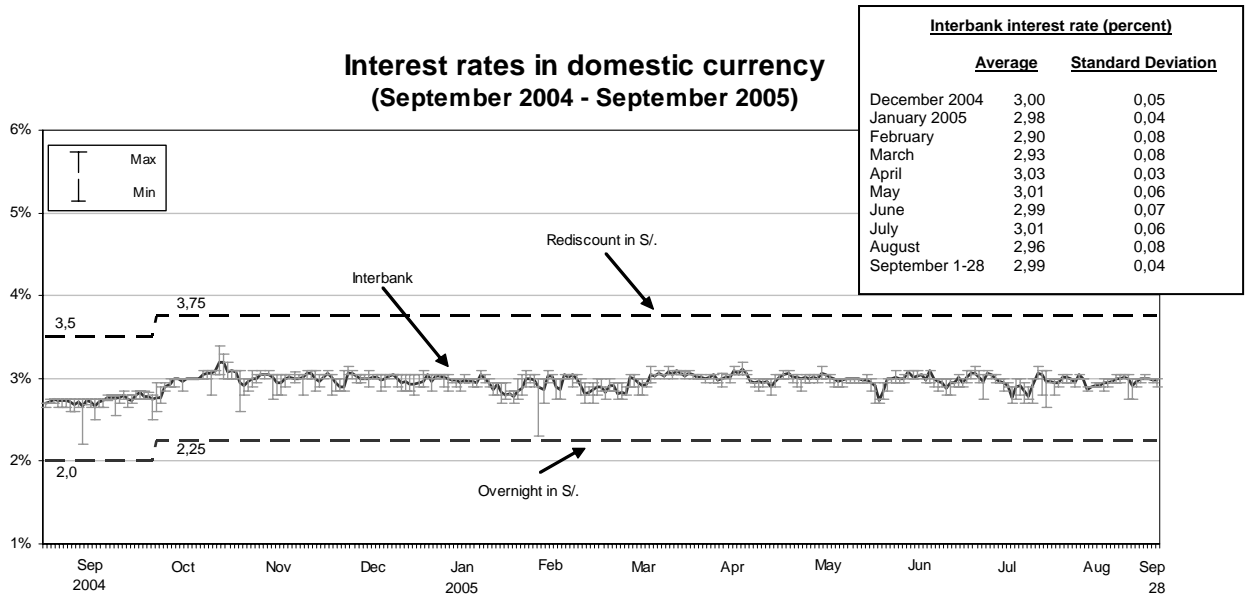
partially offset by higher financial system deposits in US\$ 155 million, net purchases over-the-counter mechanism by US\$ 33 million and net interests by US\$ 33 million.

Year-to-date, NIRs have increased US\$ 992 million, whereas the **Central Bank's international position** (US\$ 8 167 million), grew by US\$ 1 528 million.



#### Interbank interest rate at 2,99 percent

Between **September 1 and 28**, the average interest rate in domestic currency was 2,99 percent.



## Monetary operations

Between **September 22 and 28**, the Central Bank made the following operations:

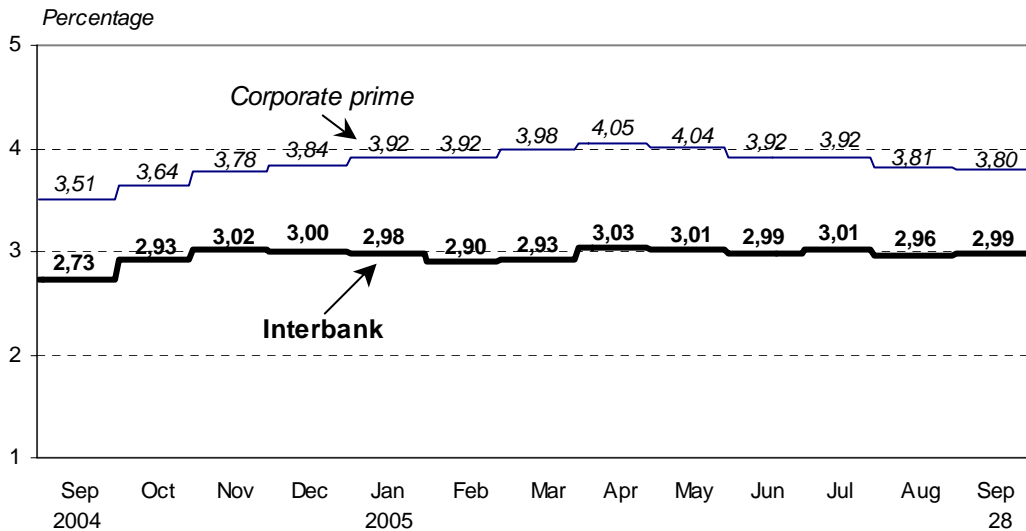
- Auctions of CDBCRP with a: i) 1-week maturity by S/. 48 and S/. 67 million at 3,08 percent and ii) 1-year by S/. 20 million at an average interest rate of 4,17 percent.
- Auctions of temporary purchase of CDBCRP and BTP with a: i) 1-day maturity by S/. 90 million at 2,98 percent and ii) 3-day by S/. 140 million at 3,0 percent.
- Overnight deposits on September 22, 26, 27 and 28 by S/. 9,9; S/. 4,5; S/. 59,3 and S/. 31 million, respectively.

## Corporate prime interest rate at 3,80 percent

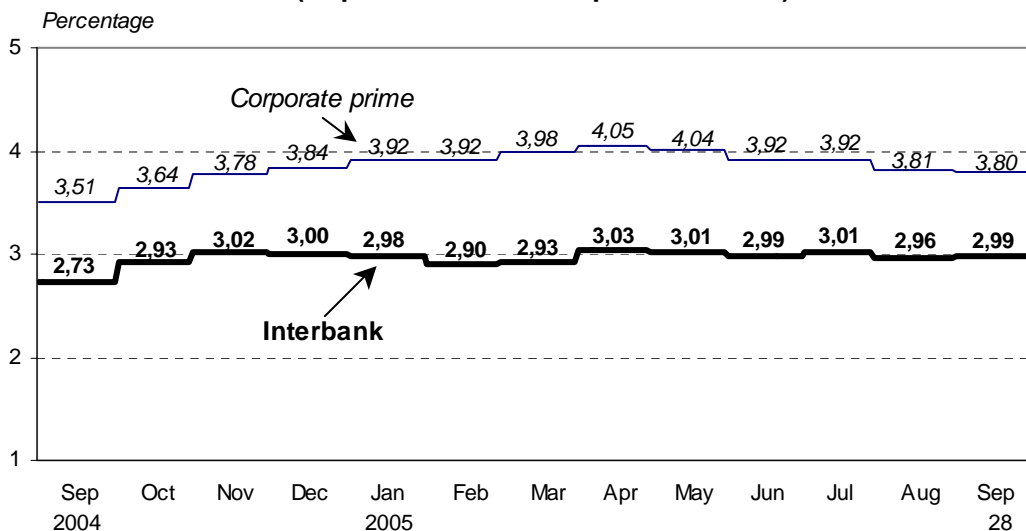
As of **September 28**, the 90-day average corporate prime interest rate in domestic currency decreased from 3,81 in August to 3,80 percent meanwhile the rate in dollars

increased from 4,31 to 4,39 percent, influenced by the rise of the federal funds interest rate to 3,75 percent.

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



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



### Exchange rate: S/. 3,333

Between **September 21 and 28**, the asked banking system exchange rate increased from S/. 3,305 to S/. 3,333 due to a higher demand of dollars from commercial banks and some institutional investors. Up to

September 27, the bank's balance of net forward sales diminished in US\$ 60 million and the bank's exchange position in US\$ 14 million, from end-August.

**BANKS' EXCHANGE POSITION**  
(Millions of US\$)

	December 2003	December 2004	August 2005	September 27
<b>a. Net sales to the public (i-ii)</b>	<b>607</b>	<b>699</b>	<b>352</b>	<b>292</b>
i. Forward sales to the public	834	1 163	1 256	1 425
ii. Forward purchases to the public	227	464	904	1 132
<b>b. Banks' exchange position</b>	<b>536</b>	<b>340</b>	<b>358</b>	<b>343</b>

### Monetary base as of September 22, 2005

The **monetary base** balance as of September 22 was S/. 10 039 million down 1,4 percent (S/. 145 million) from end-August. In average terms, the year on year rate of growth of the monetary base in this period was 31,5 percent (32,4 percent in August).

million). These operations were partially offset by lower financial system overnight deposits (S/. 182 million), CDBCRP's net redemptions (S/. 137 million), purchases of foreign currency over-the-counter mechanism (US\$ 33 million or S/. 108 million) and temporary purchases of securities (S/. 90 million).

The main explanations for this result were higher public sector deposits (S/. 708

### Banking system monetary accounts as of September 7, 2005

Through last 4 weeks, liquidity in **domestic currency** decreased 2,5 percent (S/. 733 million) to a balance of S/. 28 330 million. Credit to the private sector in the same currency augmented 2,9 percent (S/. 359 million), to S/. 12 926 million. However, in annual terms this aggregates grew by 29,5 and 20,8 percent, respectively.

Liquidity in **foreign currency** increased 1,6 percent (US\$ 162 million) to a balance of US\$ 10 173 million (an annual growth rate of 6,7 percent). Credit to the private sector in the same currency diminished 1,7 percent (US\$ 173 million) to US\$ 10 238 million (an annual growth rate of 4,4 percent).

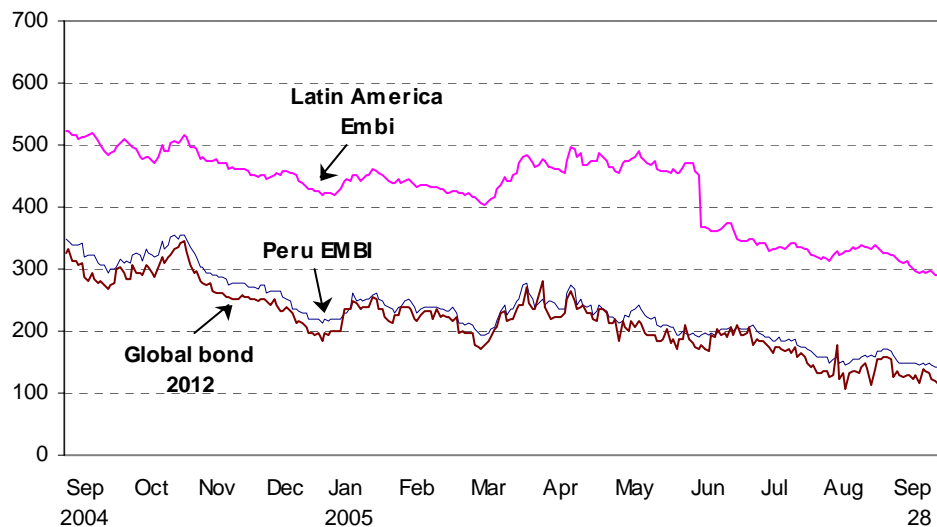
END OF PERIOD MONETARY AGGREGATES OF THE BANKING SYSTEM												
	BASE MONETARY		LIQUIDITY IN D/C		CREDIT IN D/C		LIQUIDITY IN F/C		LIABILITIES 1/		CREDIT IN F/C	
	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR
<b>2003</b>												
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%
<b>2004</b>												
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%
<b>2005</b>												
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%
Abr.	5,2%	26,6%	-1,2%	32,9%	1,7%	14,0%	4,0%	5,4%	11,1%	31,3%	2,2%	4,4%
May.	0,8%	26,7%	0,1%	32,2%	1,7%	16,2%	2,8%	8,8%	-2,1%	13,2%	1,9%	4,9%
Jun.	1,9%	28,1%	2,2%	35,4%	0,8%	16,2%	-0,7%	4,9%	-8,2%	0,5%	1,6%	5,7%
Jul.	12,1%	30,6%	3,4%	36,4%	2,0%	17,1%	-0,6%	1,8%	2,7%	10,1%	0,6%	5,8%
Ago.	-5,1%	30,7%	-1,8%	32,3%	3,9%	21,2%	1,7%	5,4%	-7,7%	7,3%	-2,2%	4,8%
Sep. 7	-4,4%	31,4%	-2,5%	29,5%	2,9%	20,8%	1,6%	6,7%	-9,7%	4,5%	-1,7%	4,4%
Memo:												
Balance as of Ago. 7 (Mill.S/. or Mill.USS)	10 898		29 063		12 567		10 011		936		10 412	
Balance as of Sep. 7 (Mill.S/. or Mill.USS)	10 421		28 330		12 926		10 173		845		10 238	
1/ Short term external liabilities of banking enterprises.												

## EMBI+ Peru bond's spread at 1,40 percent

Between **September 21 and 28**, the **EMBI+ Peru's** spread decreased from 1,46 to 1,40 percent, achieving a new historic minimum. The Peruvian papers follow the

trend registered by the emerging markets whose demand increased once it was known the lower than expected damage caused by hurricane Rita.

Country risk indicators  
(September 2004 - September 2005)



**International markets**

Between **September 21 and 28**, the **gold's** price dropped 0,8 percent to US\$ 465 per Troy ounce, reflecting

greater supply, the step back in oil prices and the strengthening of the US dollar.

**Gold prices**



The **copper's** price soared 2,9 percent to US\$ 1,80 per pound, picking a new maximum on September 23, due to the higher demand of China (in August Chinese imports grew by 19 percent

against July and 64 percent against August 2004). Besides, Shanghai Metal Exchange inventories reached a last-3-week minimum (33 thousand MT).

**Copper prices**



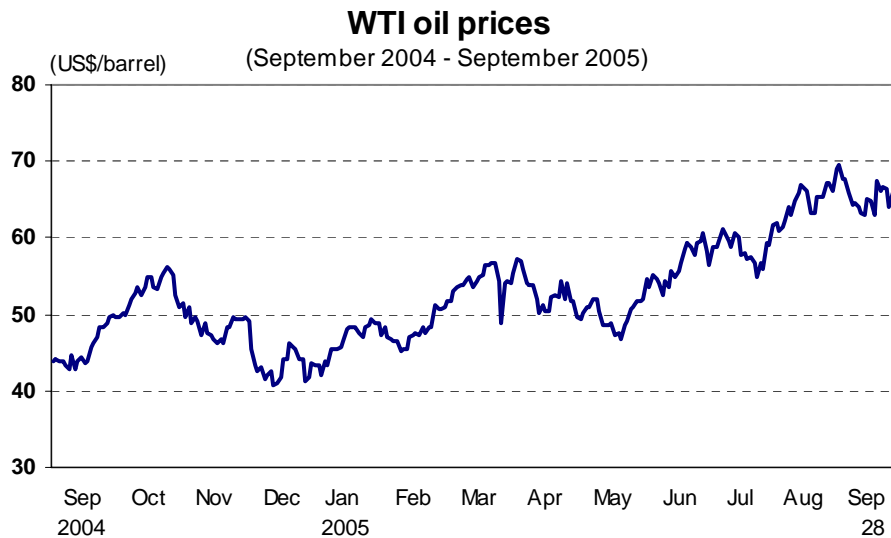
The **zinc's** price remained at US\$ 0,65 per pound, despite the drop in LME

inventories, from 548 to 537 thousand MT.



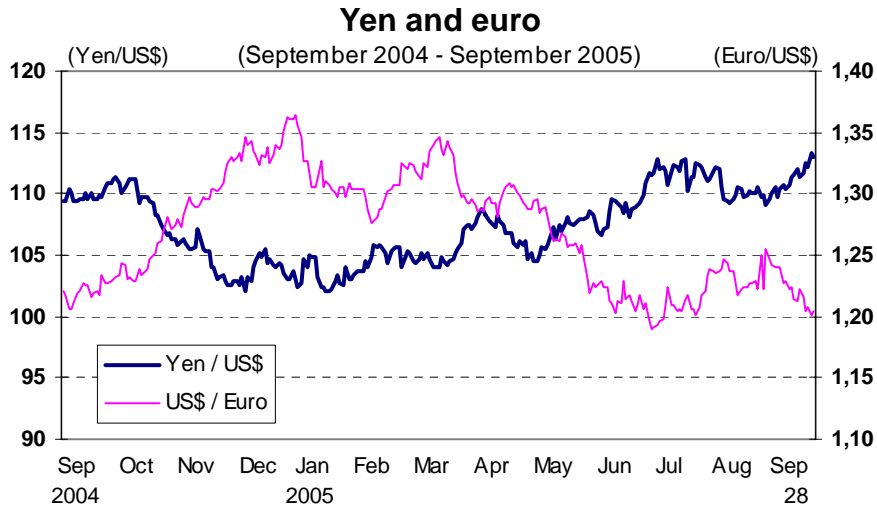
The **WTI oil** price fell 0,4 percent to US\$ 66,4 per barrel due to low damages caused by Rita. On the other hand, US

gasoline inventories increased from 4,4 to 199,8 million of barrels.



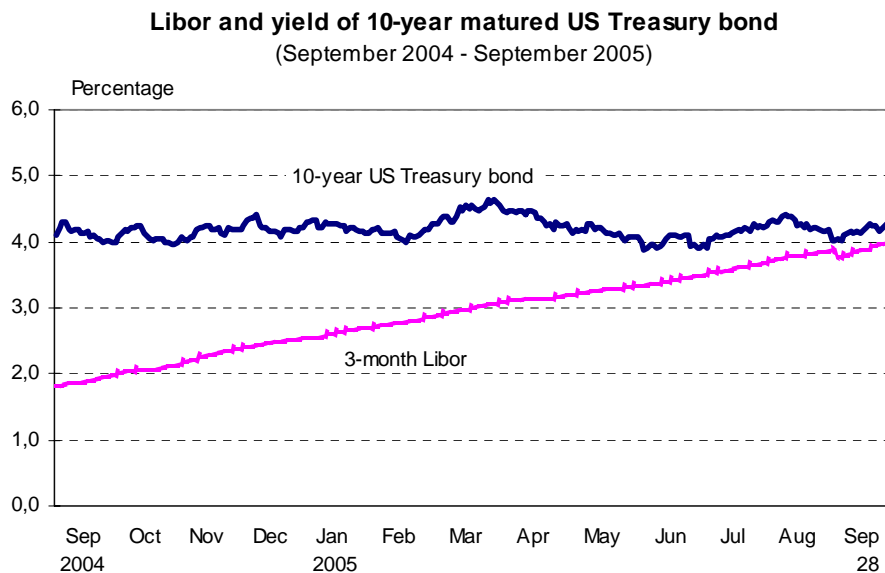
The **US dollar** appreciated 1,4 percent against the **euro** and 1,6 percent against the **yen** reflecting the higher spread between US interest rates after the FED's

raise (to 3,75 percent). On the other hand, Japanese trade deficit grew for a fifth month in a row, reflecting dearer oil prices.



Between **September 21 and 28**, the **3-month Libor** increased from 3,96 to 4,02 percent, whereas the **yield of the**

**10-year-matured US Treasury** passed from 4,17 to 4,46 percent anticipating new FED's interest rates raises.





### Lima Stock Exchange

As of **September 28**, the **General** and **Blue Chip** indices of the Lima Stock Exchange increased 9,1 and 8,2 percent, both reaching record levels (over 5 000 points in the case of the General Index) and due to

the good performance of textile, mining and industrial enterprises. In the year, these indices have increased 35,6 and 28,4 percent, respectively.

**LSE indicators**  
(September 2004 - September 2005)

