



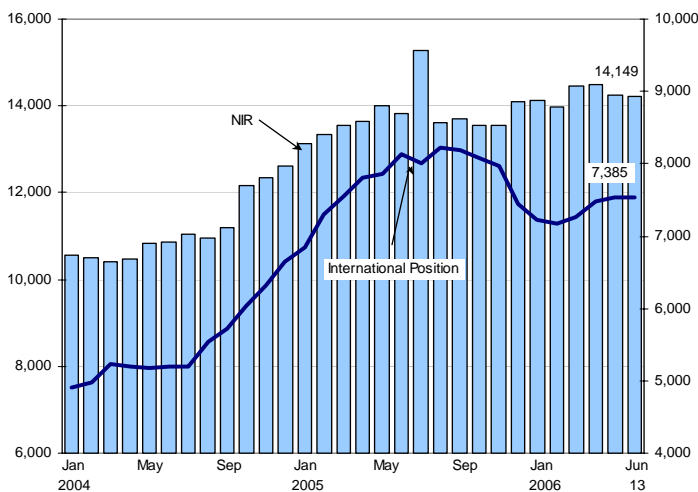
**Indicators**

- ➔ Interbank interest rate around the BCRP reference rate.
- ➔ Interbank interest rate at 4.51%
- ➔ International reserves rise to US\$ 14,149 million.
- ➔ Average exchange rate: S/. 3.26.
- ➔ Lima Stock Exchange grows 6.3%.

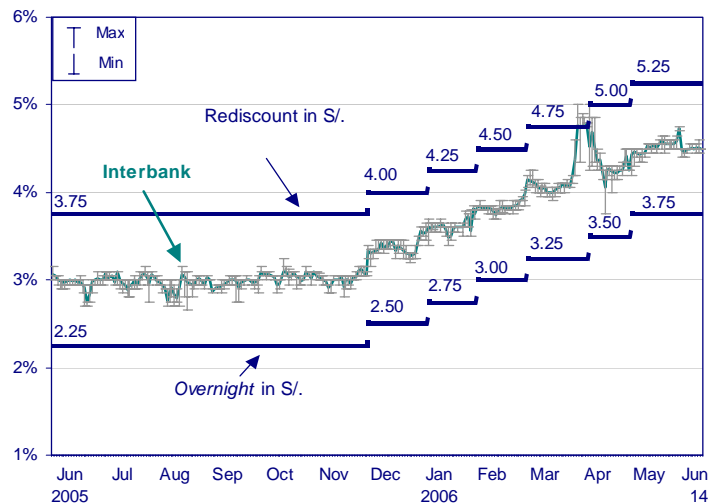
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**Net International Reserve and International Position of the BCRP  
January 2004 - June 2006  
(Millions of US\$)**



**Interes Rate in Domestic Currency  
(June 2005 - June 2006)**



**In our website**  
<http://www.bcrp.gob.pe>

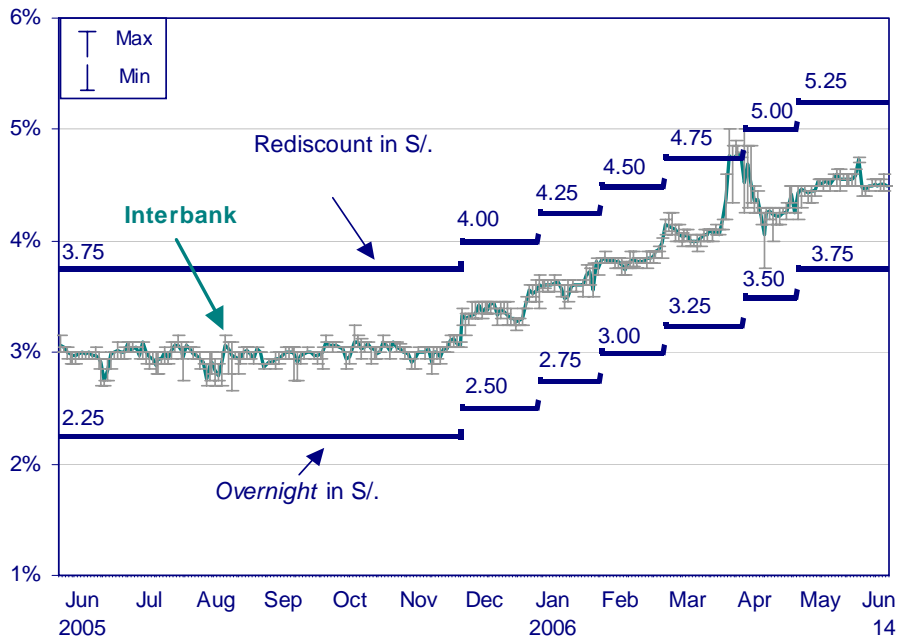
- Informative note on the Monetary Program: June 2006. Central Bank maintains reference interest rate at 4.50%.
- The report "Reserve Management - April 2006."
- Second Monetary Policy Research Workshop.
- The Credit cost in Peru (In Spanish).

### Interbank Interest Rate at 4.51 Percent

The **average interbank interest rate in domestic currency** decreased from 4.58 percent at the close of May to 4.50 percent on **June 14**. During the past week, the average interbank interest rate fluctuated between 4.49 and 4.51 percent, and finally settled at 4.51 percent. This evolution is coupled by that of the BCRP reference interest rate, which was maintained at 4.50 percent for the month of June.

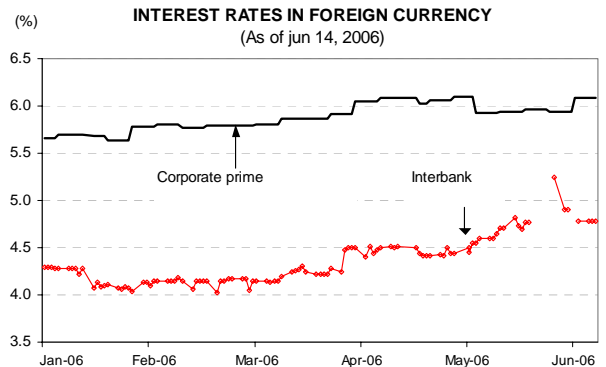
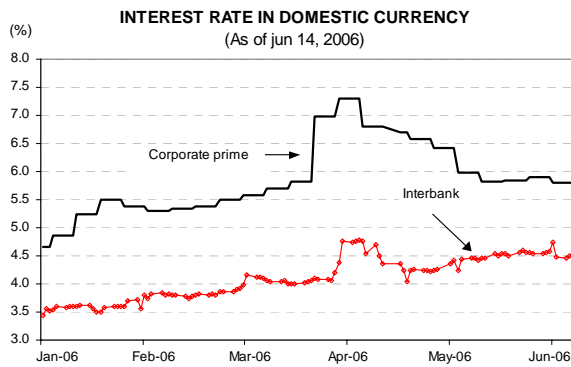
Interbank Interest Rate average (percent)		
	Average	Standard Deviation
December 2004	3.00	0.05
December 2005	3.34	0.08
January 2006	3.58	0.06
February	3.82	0.04
March	4.12	0.17
April	4.42	0.24
May	4.48	0.08
June 14	4.51	0.11

### Interes Rate in Domestic Currency (June 2005 - June 2006)



### Corporate Prime Interest Rate in Soles Decreased to 5.77 Percent

The 90-day corporate prime rate in soles fell from 5.99 in May to 5.77 percent by June 14, while the corporate prime rate in dollars increased from 6.97 in May to 6.05 percent in June.



## Monetary Operations

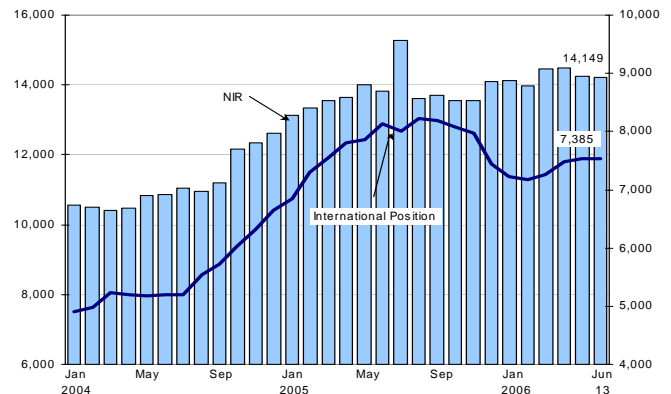
Between **June 8 and 14**, the Central Reserve Bank made the following operations:

- Auctions of temporary purchases of BCRP and BTP Certificates of Deposits for a daily average of S/. 301.6 million with 1 day, 3 day and 1 month maturities. The average interest rate ranged between 4.45 and 4.86 percent.
- Overnight deposits on June 8 and 9 for S/. 107 and S/. 12.5 million respectively.

## International Reserves at US\$ 14,149 million

By **June 13**, international reserves (NIR) amounted to 14,149 million, having decreased by US\$ 86 million with respect to the level posted at the close of May. This is mainly explained by the decline in the price of gold and currencies (US\$ 150 million), and by lower deposits made by the Deposit Insurance Fund (US\$ 10 million). This evolution was partially offset by banks' increased deposits in the BCRP for a total of US\$ 69 million, investment yield for US\$ 4 million, and purchases of foreign currency at the Negotiation Table for US\$ 2,5 million.

Net International Reserve and International Position of the BCRP  
January 2004 - June 2006  
(Millions of US\$)



So far this year, NIRs have increased by US\$ 52 million. By June 13, the Central Bank's **international position** (US\$ 7,385 million) had decreased US\$ 156 million with respect to May, having accumulated US\$ 65 million year-to-date.

## Average Exchange Rate at S/. 3.28 per Dollar

By **June 14**, the interbank exchange rate closed at S/. 3.265 per dollar, which represented a 1.1 percent appreciation of the nuevo sol with respect to the end of May. However, during the week the exchange rate showed a slight increase (0.1 percent), due to banks' purchases of foreign currency in the interbank market to cover forward sale operations with the public.

Interbank Ask-Exchange Rate  
April - June 2006



By June 13, the balance of net forward sales had increased by US\$ 83 million, and the banks' foreign exchange position has decreased by US\$ 94 million with respect to the close of May.

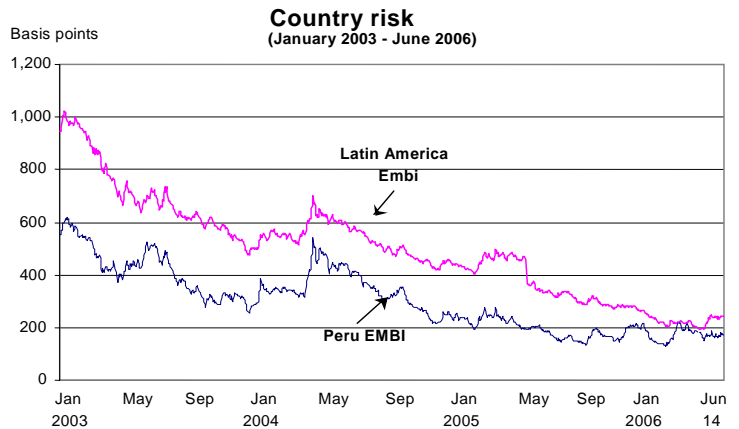
BANK'S EXCHANGE POSITION  
(Millions of US\$)

	December 2005	January 2006	February	March	April	May	Jun. 14
<b>a. Net sales to the public (i-ii)</b>	<b>1,027</b>	<b>1,229</b>	<b>1,109</b>	<b>1,579</b>	<b>1,556</b>	<b>1,446</b>	<b>1,529</b>
i. Forward sales to the public	1,813	2,092	1,880	2,426	2,060	2,233	2,405
ii. Forward purchases to the public	785	863	771	847	504	787	876
<b>b. Bank's exchange position</b>	<b>480</b>	<b>411</b>	<b>485</b>	<b>581</b>	<b>625</b>	<b>559</b>	<b>465</b>

## International Markets

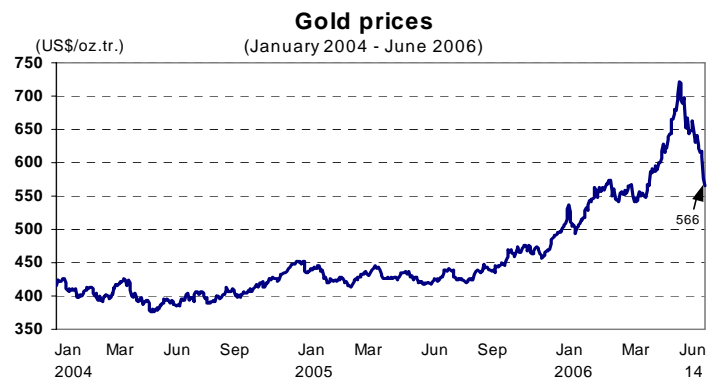
### Country Risk Grew to 171 Basis Points

In the June 7-14 period, the country risk measured by the **EMBI+ Peru** spread increased 7 points and reached 171 basis points on June 14. This evolution in the spread of Peruvian sovereign bonds reflects mainly the general drop in the prices of metals so far this month, as well as some uncertainty associated with the composition of the new economic team that will accompany president-elect Alan García.



### Commodity Prices Dropped

Between June 7 and June 14, the quotation of gold decreased 9.0 percent as it fell from US\$ 622 to US\$ 566 per troy ounce. The price of gold fell seven days in a row, reaching its lowest level since July 2004, due to the strengthening of the dollar, to the fall in the prices of oil, to concerns about rises in the interest rates, and to lesser geopolitical tensions.



In the same period of analysis, the price of **copper** logged a drop of 9.5 percent, thus falling from US\$ 3.37 to US\$ 3.05 per pound. During this week, the price of copper posted its strongest 3-day decline since October 2004 in the London Metal Exchange (LME), due to expectations of higher global rates that will reduce economic growth and, therefore, the global demand for this metal.

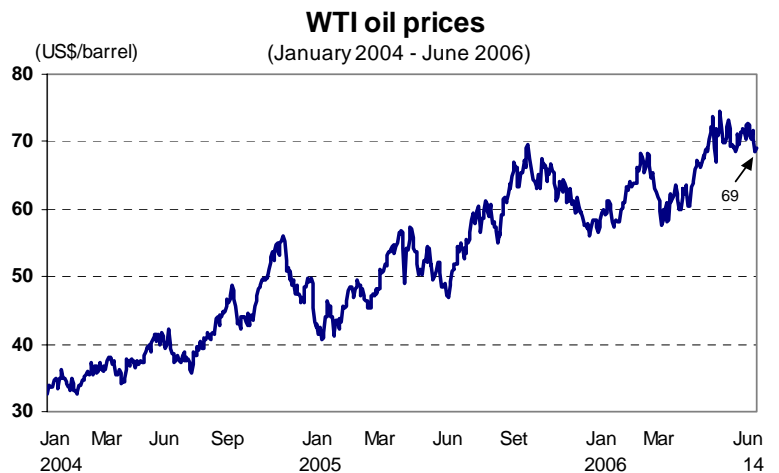


Furthermore, Codelco decreased its output forecasts for 2020 to 2.5 million MT; the International Copper Study Group (ICSG) estimated total refined copper at 930,000 MT –less than a month’s consumption–; and the London Metal Exchange (LME) reduced its level of inventories to 111,100 MT at the beginning of June. In addition, the latest reports on China show that industrial production is growing at a two-digit rate that would contribute to push metals upwards in the future.

In June 7 - 14, the price of **zinc** decreased from US\$ 1.62 to US\$ 1.39 per pound (14.0 percent), and continued with a downward trend due to investors' greater profit-take given the increases produced in terms of global interest rates. However, the level of inventories of this metal saw new drops, thus reinforcing market expectations that shortages will occur in 2006.



In this week, the price of **WTI oil** fell 2.4 percent to US\$ 69.14 per barrel. The main factors determining this price were greater concerns on the slow down of world economic growth and energy consumption as a result of central banks' raising their interest rates. Moreover, US government reports show that gasoline inventories would have grown and that refineries would have increased their production in order to meet demand requirements this summer.

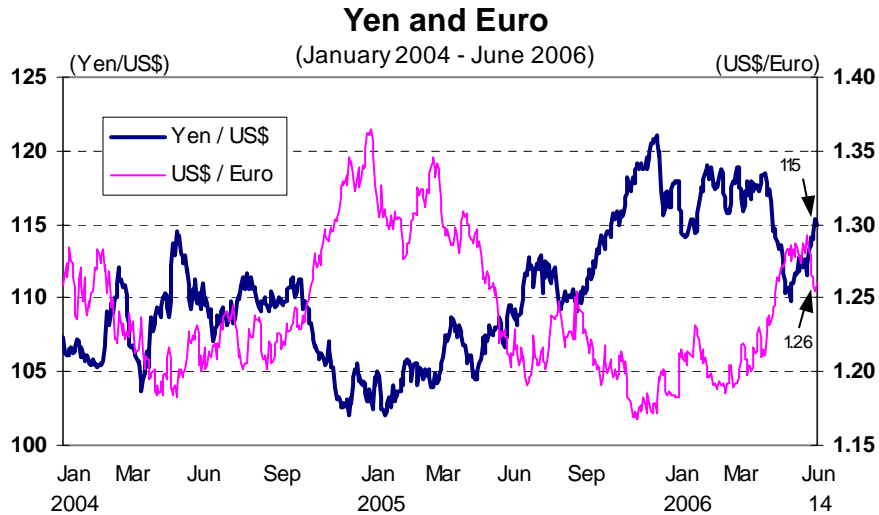


The International Energy Agency (IEA) decreased its estimate on the annual growth of oil demand from previous month's forecast of 1.25 million barrels per day to 1.24 million barrels per day.

### Dollar Appreciated Against the Yen and the Euro

In June 7 – 14, the US dollar appreciated 1.5 percent against the **euro** and 1.3 percent against the **yen**. For seven consecutive days, the dollar continued to recover positions against the euro as a result of greater speculations on whether the inflation report would cause the Federal Reserve to raise its interest rates for the seventeenth consecutive time or not. This evolution was also associated with the fall of the euro following a report that showed that the confidence index in Germany, the soundest European economy, had reached its lowest level since July 2005.

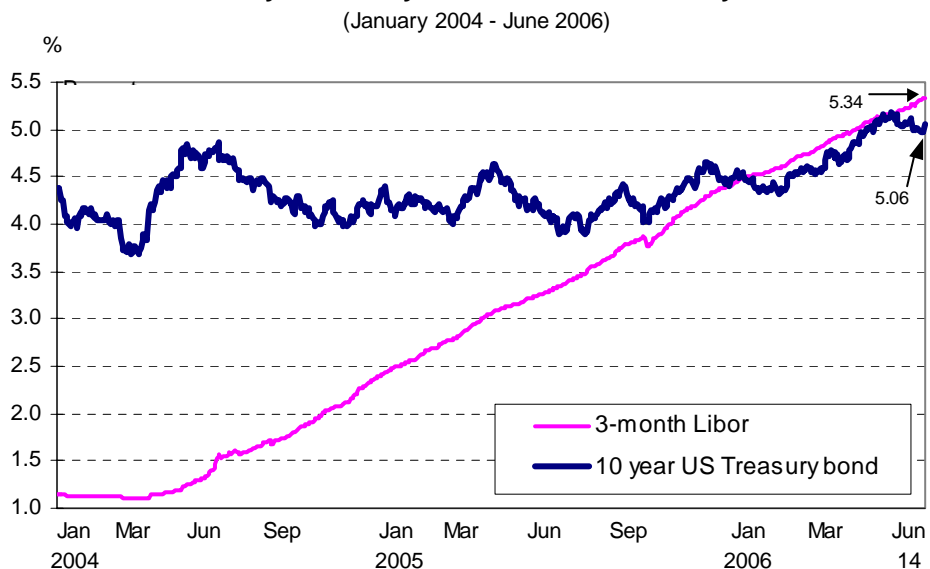
On the other hand, the dollar also appreciated against the yen after Japan's stock exchange dropped to its lowest level since September 2001, thus fueling the concerns of foreign investors trying to leave Japanese assets for other alternatives. This was also associated with market's deceleration given news on corruption actions that also involved some authorities. The yen's fall had then a smaller impact when Japanese reports showed that the economy had grown at a faster pace than estimated by the government in the first quarter.



### Yield of US Treasuries with a 10-Year- Maturity Increased to 5.06 Percent

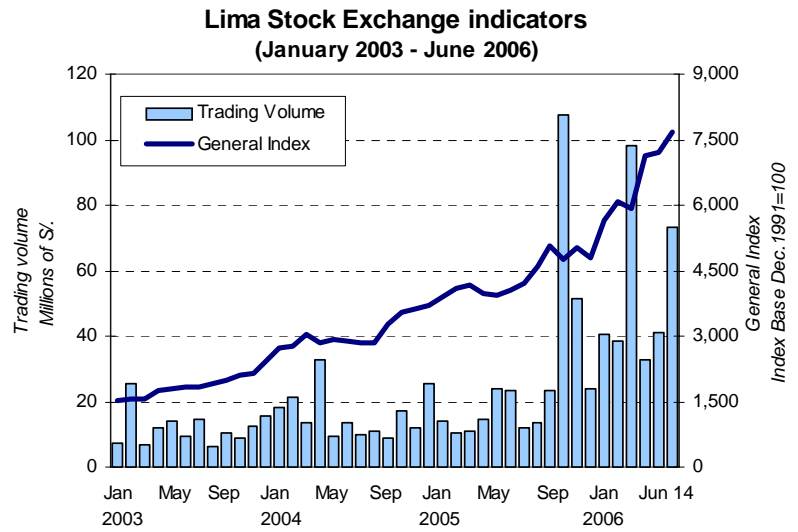
Between **June 10 and 17**, the **3-month Libor** increased from 5.28 to 5.34 percent, whereas the **yield of the US Treasuries with a 10-year maturity** increased slightly from 5.02 to 5.06 percent. The price of US Treasuries initiated a downward trend due to higher expectations that the Federal Reserve would raise its interest rates given the statements of six of its members, including the president Ben Bernanke, expressing their discontent with the latest inflation reports. However, yields were offset by the fall of main stock exchange markets in the world and of prices of commodities which have led investors to replace assets involving greater risks by other fixed rate bonds offered by the American market.

### Libor and yield of 10-year matured US Treasury bonds



## Lima Stock Exchange Grew by 6.3 Percent

By **June 14**, the **General** and **Blue Chip** indices of the Lima Stock Exchange fell 1.0 and 2.0 percent respectively. This evolution was influenced by the drop in the price of commodities and by renewed fears that the FED will raise interest rates, which brought about a fall in mining and agricultural shares, the former of which showed a negative evolution. So far this month, the Lima Stock Exchange has increased by 6.3 percent.





**Resumen de Indicadores Económicos / Summary of Economic Indicators**

	2005						2006												
	MAR.	JUN.	SET.	OCT.	NOV.	DIC.	Ene.	Feb.	Mar.	Abr.	31 May.	May.	8 Jun.	9 Jun.	12 Jun.	13 Jun.	14 Jun.	Jun.	
<b>RESERVAS INTERNACIONALES (Mils. US\$) / INTERNATIONAL RESERVES</b>																			
Posición de cambio / <i>Net international position</i>	7 545	8 127	8 192	8 077	7 976	7 450	7 220	7 180	7 257	7 485	7 541	56	7 471	7 465	7 456	7 385			-156
Reservas internacionales netas / <i>Net international reserves</i>	13 555	13 818	13 695	13 547	13 543	14 097	14 139	13 989	14 472	14 493	14 235	-258	14 137	14 152	14 230	14 149			-86
Depósitos del sistema financiero en el BCRP / <i>Financial system deposits at BCRP</i>	2 854	2 836	2 984	3 040	3 234	4 165	4 543	4 630	5 129	4 860	4 367	-493	4 357	4 404	4 492	4 436			69
Empresas bancarias / <i>Banks</i>	2 748	2 684	2 876	2 922	3 155	4 076	4 446	4 452	4 964	4 620	4 167	-453	4 147	4 173	4 257	4 200			33
Banco de la Nación / <i>Banco de la Nación</i>	46	96	56	58	18	33	31	117	99	178	133	-45	131	151	153	154			21
Resto de instituciones financieras / <i>Other financial institutions</i>	60	56	52	59	61	57	66	61	67	62	67	5	79	80	82	82			16
Depósitos del sector público en el BCRP / <i>Public sector deposits at BCRP *</i>	3 199	2 913	2 572	2 498	2 407	2 533	2 433	2 246	2 129	2 186	2 375	189	2 366	2 341	2 340	2 375			0
<b>OPERACIONES CAMBIARIAS BCR (MIL. US\$) / BCRP FOREIGN OPERATIONS</b>																			
	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.
Compras netas en Mesa de Negociación / <i>Net purchases of foreign currency</i>	260	265	-25	-125	-109	-581	-377	-2	1	1	0	1	0	0	0	0	0	0	2
Operaciones swaps netas / <i>Net swap operations</i>	360	365	33	-34	-53	-345	-355	59	0	0	0	1	0	0	0	0	0	0	3
Operaciones con el Sector Público / <i>Public sector</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	-100	-100	-58	-91	-56	-237	-22	-60	0	0	0	0	0	0	0	0	0	0	0
<b>TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE</b>																			
	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.
Compra interbancario / <i>Interbank / Average</i>	3,258	3,252	3,306	3,379	3,376	3,423	3,391	3,287	3,338	3,329	3,293	3,277	3,263	3,260	3,261	3,263	3,263	3,263	3,261
Venta Interbancario / <i>Interbank Ask</i>	3,260	3,253	3,308	3,381	3,377	3,427	3,397	3,291	3,343	3,338	3,302	3,283	3,265	3,265	3,261	3,265	3,265	3,266	3,266
Sistema Bancario (SBS) / <i>Banking System</i>	3,260	3,254	3,309	3,382	3,378	3,425	3,394	3,289	3,343	3,332	3,294	3,279	3,266	3,262	3,262	3,266	3,266	3,266	3,264
Índice de tipo de cambio real (1994 = 100) / <i>Real exchange rate Index (1994 = 100)</i>	104,9	103,2	107,3	108,8	107,8	109,1	108,9	105,0	106,5	107,1		107,5							
<b>INDICADORES MONETARIOS / MONETARY INDICATORS</b>																			
<b>Moneda nacional / Domestic currency</b>																			
Emisión Primaria (Var. % mensual) / <i>Monetary base (Var. % últimos 12 meses)</i>	-0,2	1,9	-0,1	1,2	0,7	13,1	-7,2	0,3	0,8	0,3	-1,6	-1,6							
Oferta monetaria (Var. % mensual) / <i>Money Supply (Var. % últimos 12 meses)</i>	3,7	2,2	-0,6	1,1	1,8	5,3	-4,8	1,1	2,1	-3,7									
Crédito sector privado (Var. % mensual) / <i>Credit to the private sector (Var. % últimos 12 meses)</i>	2,8	0,8	2,0	3,6	5,4	7,0	2,5	2,5	1,3	1,3									
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>	8,7	3,2	0,5	0,0	2,3	-0,7	-0,4	1,7	5,9	-6,0	1,2	1,2	1,5	1,7	2,6				
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>	0,5	0,6	1,0	0,9	0,9	1,0	1,3	1,3	1,2	1,4	1,3	1,3	3,0	2,3	2,2				
Cuenta corriente de los bancos (saldo Mill. S.) / <i>Banks' current account (balance)</i>	271	278	286	294	295	312	315	257	275	341	68	242	106	158	202	231	174		
Créditos por regulación monetaria (millones de S.) / <i>Rediscounts (Millions of S.)</i>	0	0	0	0	0	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 (Millions S.)</i>	2 619	4 985	5 169	5 180	5 484	4 738	5 190	5 115	6 685	7 570	7 222	7 222	7 807	7 750	7 932	7 998	n.d.		
Certificados de Depósitos BCRP (saldo Mill.S.) / <i>CDBCRP balance (Millions of S.)</i>	11 261	10 465	9 738	9 045	8 616	7 676	6 991	6 321	5 491	4 986	4 436	4 436	4 146	4 146	4 146	4 146	4 146	4 146	4 146
CD Reajustables BCRP (saldo Mill.S.) / <i>CDBCRP balance (Millions of S.)</i>	0	0	0	170	170	1 202	1 232	1 232	1 197	1 197	1 197	1 197	1 197	1 197	1 197	958	958	958	
Operaciones de reporte (saldo Mill. S.) / <i>repos (Balance millions of S.)</i>	0	0	0	65	180	2 850	3 035	2 304	3 050	3 617	2 365	2 365	2 680	2 617	2 535	2 606	2 580		
TAMN / <i>Average lending rates in domestic currency</i>	26,24	25,99	25,59	24,61	24,49	23,63	24,14	24,08	24,28	24,26	24,52	24,38	24,35	24,25	24,08	24,14	24,26	24,37	24,37
Préstamos y descuentos hasta 360 días / <i>Loans &amp; discount</i>	15,54	15,51	14,67	14,42	14,43	13,93	14,04	14,33	14,60	14,54	14,91	14,87	14,95	14,91	14,90	14,91	14,85	14,85	14,93
Interbancaria / <i>Interbank</i>	2,93	2,99	2,99	3,04	3,02	3,34	3,58	3,82	4,12	4,42	4,58	4,48	4,51	4,50	4,51	4,51	4,50	4,51	4,51
Preferencial corporativa a 90 días / <i>Corporate Prime</i>	3,98	3,92	3,80	3,96	4,00	4,37	5,13	5,38	5,92	6,84	5,90	5,99	5,73	5,73	5,73	5,73	5,73	5,73	5,77
Operaciones de reporte con CDBCRP / <i>CDBCRP repos</i>	s.m.	s.m.	s.m.	3,18	3,19	3,25	3,71	3,91	4,56	4,79	4,71	4,71	4,85	4,85	4,86	4,86	4,86	4,86	4,86
Créditos por regulación monetaria / <i>Rediscounts **</i>	3,75	3,75	3,75	3,75	3,75	4,00	4,25	4,50	4,75	5,00	5,25	5,25	5,25	5,25	5,25	5,25	5,25	5,25	5,25
Del saldo de CDBCRP / <i>CDBCRP balance</i>	4,48	4,59	4,64	4,68	4,68	4,72	4,80	4,83	4,86	4,87	4,90	4,90	4,94	4,94	4,94	4,94	4,94	4,94	4,94
<b>Moneda extranjera / Foreign currency</b>																			
Crédito sector privado (Var. % mensual) / <i>Credit to the private sector (Var. % últimos 12 meses)</i>	0,4	1,5	-1,4	0,1	1,9	-0,4	-3,9	0,7	1,1	0,6									
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>	1,1	-0,5	1,1	-0,1	2,8	7,5	-1,6	0,0	2,8	-2,8	-2,7	-2,7	1,8	1,5	1,6				
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>	0,1	0,3	0,4	0,3	0,2	0,4	0,1	0,2	0,1	0,3	0,2	0,2	0,2	0,2	0,2				
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	0	0	0	0	0
TAMEX / <i>Average lending rates in foreign currency</i>	9,62	9,67	10,01	10,14	10,28	10,41	10,60	10,63	10,62	10,49	10,58	10,55	10,56	10,55	10,56	10,53	10,53	10,56	10,56
Préstamos y descuentos hasta 360 días / <i>Loans &amp; discount</i>	8,30	8,31	8,90	9,01	9,23	9,37	9,66	9,82	9,73	9,67	9,67	9,73	9,66	9,67	9,70	9,68	9,71	9,67	9,67
Interbancaria / <i>Interbank</i>	2,60	2,87	3,52	3,59	4,04	4,19	4,14	4,12	4,25	4,46	s.m.	4,74	4,79	4,79	4,79	4,79	4,79	4,79	4,79
Preferencial corporativa a 90 días / <i>Corporate Prime</i>	3,30	3,94	4,39	4,79	5,07	5,51	5,69	5,79	5,85	6,05	5,94	5,97	6,01	6,01	6,01	6,01	6,01	6,01	6,05
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.	s.m.	s.m.	s.m.	s.m.	s.m.
<b>INDICADORES BURSÁTILES / STOCK MARKET INDICES</b>																			
Índice General Bursátil (Var. % / <i>General Index (% change)</i>	2,0	2,9	10,0	-6,0	5,7	-4,6	17,3	7,9	-2,6	20,7	-1,3	1,0	-1,3	1,9	-0,4	-1,3	0,2	6,3	
Índice Selectivo Bursátil (Var. % / <i>Blue Chip Index (% change)</i>	1,9	1,6	9,6	-5,6	6,8	-4,9	22,0	7,6	-2,4	23,3	-2,0	0,4	-2,0	1,9	-0,7	-1,5	0,4	5,6	
Monto negociado en acciones (Mill. S.) - Prom. diario	10,9	23,4	23,2	107,6	51,3	23,7	40,7	38,6	98,1	32,6	72,8	41,2	115,4	78,3	33,6	49,5	53,0	73,2	
<b>INFLACIÓN (%) / INFLATION (%)</b>																			
Inflación mensual / <i>Monthly</i>	0,65	0,26	-0,09	0,14	0,07	0,42	0,50	0,55	0,46	0,51									
Inflación últimos 12 meses / <i>% 12 months change</i>	1,88	1,48	1,11	1,28	1,06	1,49	1,90	2,70	2,50	2,90			-0,53						
																			2,23
<b>GOBIERNO CENTRAL (MIL. S.) / CENTRAL GOVERNMENT (Mills. of S.)</b>																			
Resultado primario / <i>Primary balance</i>	811	487	177	161	300	-2 504	1 958	541	1 095	3 553									
Ingresos corrientes / <i>Current revenue</i>	3 494	3 230	3 442	3 423	3 523	3 629	4 314	3 396	4 313	6 597									
Gastos no financieros / <i>Non-financial expenditure</i>	2 687	2 753	3 281	3 280	3 242	6 182	2 435	2 868	3 238	3 067									
<b>COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)</b>																			
Balanza Comercial / <i>Trade balance</i>	416	474	461	379	418	879	347	413	416	625									
Exportaciones / <i>Exports</i>	1 351	1 432	1 484	1 466	1 525	1 932	1 431	1 447	1 689	1 739									
Importaciones / <i>Imports</i>	936	958	1 023	1 088	1 107	1 053	1 084	1 034	1 273	1 114									
<b>PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT</b>																			
Varic. %, respecto al mismo mes del año anterior / <i>Annual rate of growth (12 months)</i>	5,0	5,4	6,5	7,8	8,3	7,0	5,4	5,3	10,7	3,6									
<b>COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS</b>																			
	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.
LIBOR a tres meses (%) / <i>LIBOR 3-month (%)</i>	3,02	3,42	3,90	4,16	4,34	4,49	4,60	4,76	4,92	5,07	5,24	5,19	5,30	5,31	5,32	5,33	5,34	5,34	5,29
Dow Jones (Var % / <i>(% change)</i>	-2																		