



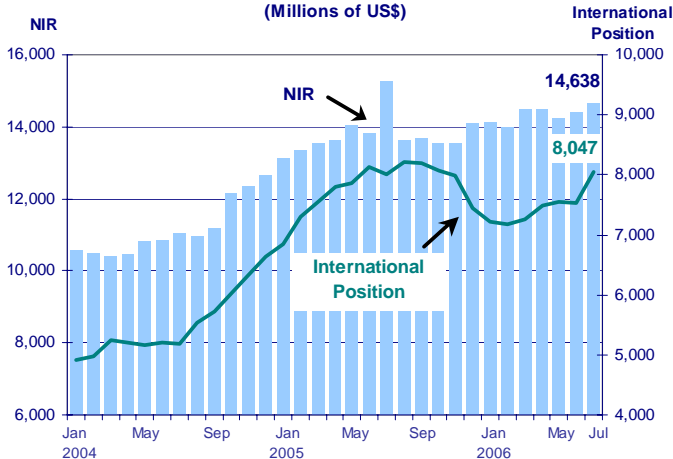
Indicators

- Interbank interest rate at 4.50% in July.
- International Reserves: US\$ 14.638 million.
- Exchange rate at S/. 3.24.
- Country risk decreases to 143 bps.
- Lima Stock Exchange grew 9.6 percent in July.

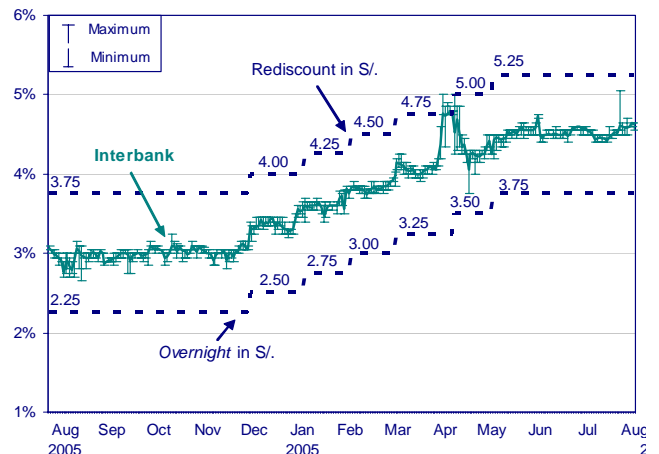
Content

- Interbank interest rate at 4.50 percent in July xii
- International Reserves at US\$ 14,638 million xiii
- Average exchange rate at S/. 3.24 per dollar xiii
- Monetary Accounts of the Banking System by June 30, 2006 xv
- Macroeconomic expectations for August 2006 xvi
- Inflation at -0.17 percent in July xvii
- Lending to the private sector xviii
- Country risk falls to 142 basis points xx
- Rise in metal prices xx
- Lima Stock Exchange grew 9.6 percent in July xxiii

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



Interest Rates in Domestic Currency
(August 2005 - August 2006)



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CENTRAL RESERVE BANK OF PERU

Friday, August 04, 2006

REPUBLICA DEL PERU Central Reserve Bank of Peru

News

- Informative note on the Monetary Program: August 2006
- Weekly Report tiro 30-2006
- Presentation: Economic Outlook for Peru
- International Reserves: Composition and Performance - May 2006
- Inflation report: Recent trends and macroeconomic forecasts - May 2006.

Monetary Policy

- Informative note on the Monetary Program: July 2006
- Inflation reports: Recent trends and macroeconomic forecasts - January 2006.

Publications

- Weekly report
- Annual report 2004
- Special reports
- Weekly Report tiro 29-2006

Economic Indicators

Inflation (12-month)	1.55	July 2006
Core Inflation	1.25	July 2006
Policy Interest Rate	4.50	August 2006
Monetary Aggregation (12-month)	0.4	Aug 3 2006

Interbank Interest Rates in S/.

04/08/2006
Last day: 4.53%
11:00 AM: 4.50%
Accumulated: 4.59%

Interbank Exchange Rate

04/08/2006 Bid Ask

Our website

<http://www.bcrp.gov.pe/bcr/ingles/>

- Informative note on the Monetary Program: August 2006.
- Presentation: Economic Outlook for Peru
- International Reserves: Composition and Performance - May 2006

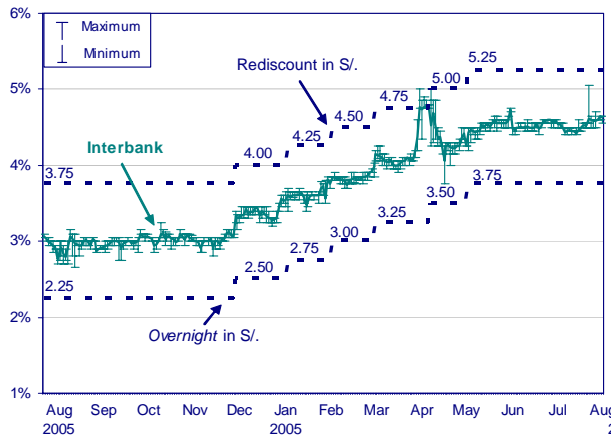
Interbank interest rate at 4.50 percent in July

The average interbank rate in domestic currency was 4.50 percent, a level in line with the BCRP reference rate. So far in August, the average interbank rate has reached 4.64 percent, and has fluctuated between 4.63 percent and 4.65 percent. This rise with respect to July is explained by an increased demand for local currency observed at the beginning of the month.

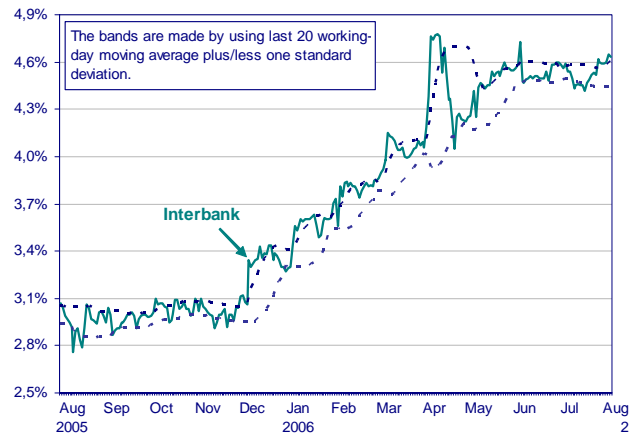
Interbank Interest Rate average (percent)

	<u>Average</u>	<u>Standard Deviation</u>
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	4.53	0.07
July	4.50	0.06
August 2	4.64	0.01

Interest Rates in Domestic Currency
(August 2005 - August 2006)



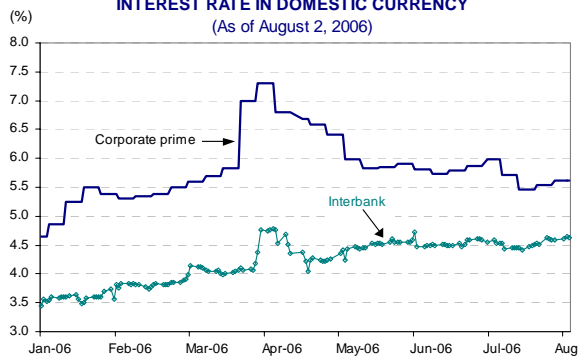
Interbank Interest Rate in Domestic Currency
(August 2005 - August 2006)



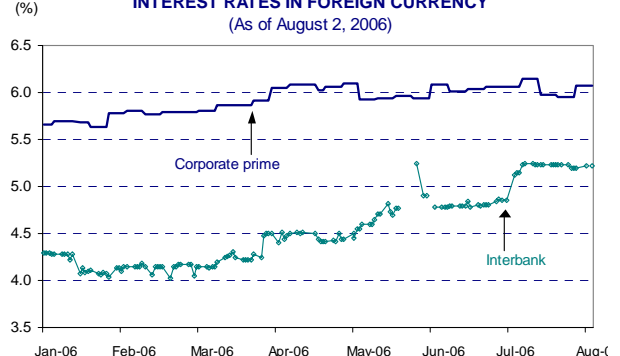
Corporate Prime interest rate fell to 5.64 percent

The 90-day corporate prime rate in soles was 5.64 percent in July, a lower level than the average rate in June (5.80 percent). Continuing with its downward trend, so far in August this rate has reached 5.61 percent. On the other hand, the average rate in dollars was 6.03 percent, a level slightly higher than that of June (6.0 percent). So far in August, this rate is 6.07 percent.

INTEREST RATE IN DOMESTIC CURRENCY
(As of August 2, 2006)



INTEREST RATES IN FOREIGN CURRENCY
(As of August 2, 2006)



Monetary Operations

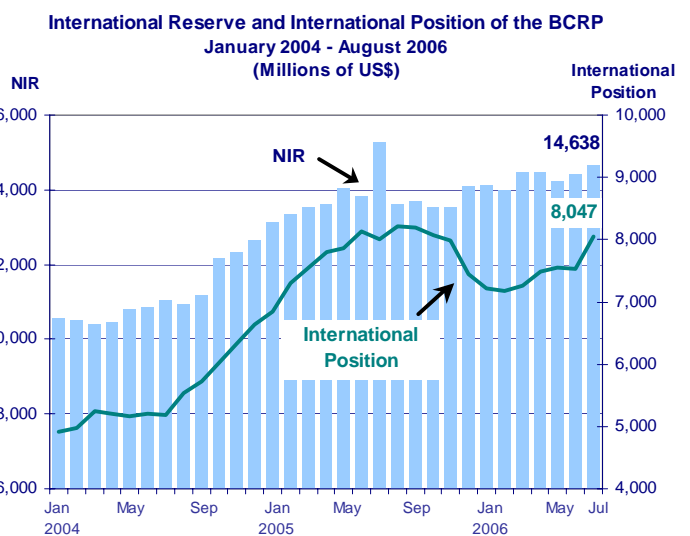
Between **July 27 and August 2**, the Central Bank made the following operations:

- i) Auctions of temporary purchases of BCRP and BTP Certificates of Deposits with 1-day, 4-day, 1-week, and 1-month maturities for a daily average of S/. 644.2 million. The average interest rate of these securities ranged between 4.50 and 4.86 percent.
- ii) Purchases of foreign currency for a total of US\$ 45 million at an average exchange rate of S/. 3.242 per dollar, and
- iii) Overnight deposits in local currency for a total of S/. 37.6 million on July 31.

International Reserves at US\$ 14,638 million

By **July 31**, net international reserves (**NIRs**) reached US\$ 14,638 million, increasing US\$ 222 million with respect to the close of June. This evolution is mainly due to higher purchases of foreign currency (US\$ 692 million), to increased Public Sector deposits (US\$ 181 million), greater investment yield (US\$ 30 million), and better prices for gold (US\$ 22 million).

This evolution was partially offset by lower deposits from the financial system (US\$ 483 million), and by sales of foreign currency to the Public Sector for external debt payments (US\$ 220 million). Up to date, NIRs have increased by 541 million.



In the same period, the Central Bank's **international position** (US\$ 8,047 million) increased US\$ 522 million with respect to the close of June, and US\$ 597 million with respect to the close of 2005.

Average exchange rate at S/. 3.24 per dollar

On August 2, the ask price of the interbank exchange rate closed at S/. 3.243 per dollar, which represented a 0.1 percent depreciation of the nuevo sol with respect to the end of June, an evolution associated with the low amounts transacted during the period of analysis. During the week, the Central Bank intervened in the exchange market on August 1 and 2 purchasing US\$ 7 and US\$ 38 million respectively, thus injecting liquidity in soles into the market.

Interbank Ask- Exchange Rate and Net Purchases of Foreign Currency (June - August 2006)



By July 31, the balance of net forward sales had decreased by US\$ 249 million and banks' foreign exchange position had fallen US\$ 1 million with respect to the close of June.

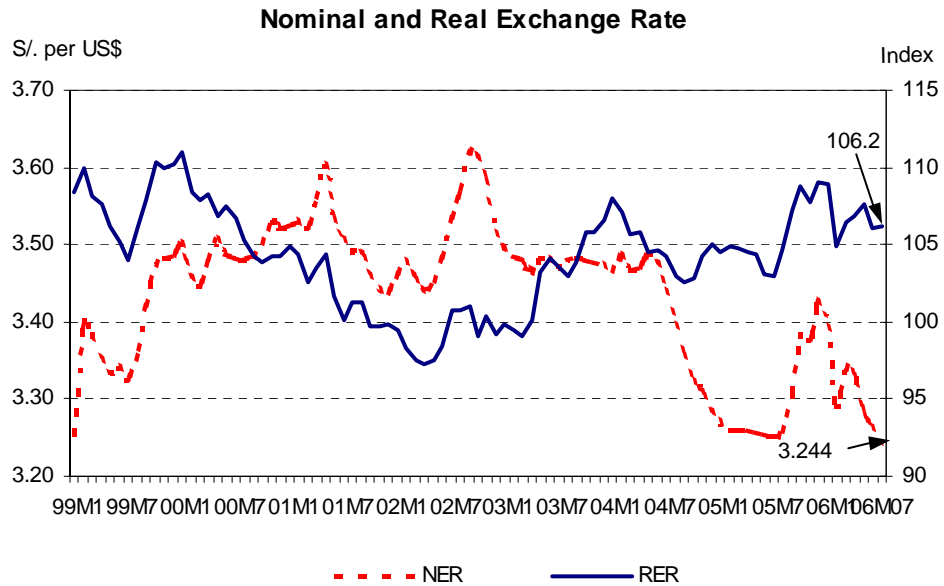
BANK'S EXCHANGE POSITION (Millions of US\$)

	December 2005	January 2006	February	March	April	May	Jun	July
a. Net sales to the public (i-ii)	1,027	1,229	1,109	1,579	1,556	1,446	1,706	1,457
i. Forward sales to the public	1,813	2,092	1,880	2,426	2,060	2,233	2,387	2,149
ii. Forward purchases to the public	785	863	771	847	504	787	681	692
b. Bank's exchange position	480	411	485	581	625	559	450	449

Nuevo sol increased 0.1 percent in real terms in July

In real terms, the nuevo sol increased 0.1 percent in July. The nominal appreciation of the local currency was 0.6 percent, while external inflation and domestic inflation posted levels of 0.6 and -0.2 percent respectively.

In annual terms, the nominal appreciation of the nuevo sol was 0.3 percent, while external inflation recorded 5.1 percent and domestic inflation recorded 1.5 percent. As a result of this, the nuevo sol increased 3.1 percent in real terms.



Monetary base by July 31, 2006

The **monetary base** balance by July 31 (S/. 11,996 million) increased by 8.0 percent (S/. 887 million) with respect to the close of June. In average terms, the annual growth rate of the monetary base in this period was 12.7 percent (14.5 percent in June).

By sources, the operations contributing most heavily to the expansion of the monetary base included purchases of foreign currency at the Central Bank's Front Office (US\$ 660 million, or S/. 2,139 million), the maturities of BCRP Certificate of Deposits (S/. 572 million) and BCRP Readjustable Certificate of Deposits (S/. 30 million), as well as increased temporary purchases of securities (S/. 260 million) and lower overnight deposits from banks (S/. 42 million). Conversely, the monetary base decreased due to higher public sector deposits (S/. 1,584 million) and sales of dollars to the public sector (US\$ 189 million, or S/. 612 million).

Monetary Accounts of the Banking System by June 30, 2006

In June, liquidity in **domestic currency** increased 0.9 percent (S/. 249 million), totaling S/. 28,906 million (annual growth of 3.3 percent). Lending to the private sector in this currency increased 2.1 percent (S/. 350 million), thus totaling S/. 16,976 million (annual growth of 38.8 percent).

Liquidity in **foreign currency** declined 0.1 percent (US\$ 12 million), totaling US\$ 11.066 million (annual growth of 11.0 percent). Lending to the private sector in dollars grew 2.4 percent (US\$ 299 million), thus totaling US\$ 10.703 million (annual growth of 2.3 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												
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%
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%
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%
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												
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%
Jun.	1.9%	28.1%	2.2%	35.4%	0.8%	16.2%	-0.7%	4.9%	-4.0%	4.7%	1.5%	5.7%
Jul.	12.1%	30.6%	3.4%	36.4%	2.0%	17.1%	-0.6%	1.8%	5.9%	16.8%	0.6%	5.8%
Aug.	-5.1%	30.7%	-1.8%	32.3%	3.3%	20.5%	0.2%	3.9%	-5.0%	17.1%	-2.2%	4.8%
Sep.	-0.1%	31.8%	-0.6%	27.9%	2.0%	21.0%	1.5%	5.5%	-9.8%	-0.9%	-1.4%	4.6%
Oct.	1.2%	27.6%	1.1%	21.2%	3.6%	21.2%	0.2%	6.6%	-11.1%	6.3%	0.1%	5.4%
Nov.	0.7%	27.7%	1.6%	19.7%	5.4%	27.2%	2.8%	9.1%	9.9%	12.1%	1.9%	6.3%
Dec.	13.1%	25.7%	5.3%	19.5%	7.0%	34.8%	3.8%	12.4%	33.9%	48.0%	-0.2%	5.0%
2006												
Jan.	-7.2%	25.0%	-4.8%	13.4%	2.5%	38.3%	2.7%	14.8%	-28.8%	-15.5%	-4.1%	0.4%
Feb.	0.3%	22.9%	1.1%	10.5%	2.5%	41.2%	1.4%	17.0%	8.1%	0.8%	0.7%	1.3%
Mar.	0.8%	24.2%	2.1%	8.8%	1.3%	39.2%	2.4%	22.3%	-5.5%	-10.1%	1.1%	1.9%
Apr.	0.3%	18.3%	-3.7%	6.0%	1.3%	38.6%	-2.3%	14.8%	-13.7%	-29.8%	0.6%	0.4%
May.	-1.6%	15.5%	-1.2%	4.7%	0.5%	37.0%	-1.3%	10.3%	1.1%	-27.7%	3.0%	1.4%
Jun.	2.3%	16.0%	0.9%	3.3%	2.1%	38.8%	-0.1%	11.0%	-0.6%	-25.1%	2.4%	2.3%
Memo:												
Balance as of May. 31 (Mill.S/. or Mill.US\$)	10 861		28 657		16 627		11 079		688		10 454	
Balance as of Jun. 30 (Mill.S/. or Mill.US\$)	11 108		28 906		16 976		11 066		684		10 703	

1/ Short term external liabilities of banking enterprises.

Macroeconomic expectations for August 2006

NON FINANCIAL SYSTEM FIRMS (Median 1/ of the sample)

Between July 12 and 31, the Central Reserve Bank of Peru conducted the monthly Macroeconomic Expectations survey among 28 financial system institutions, 22 economic analysts, and 345 non-financial system firms. The results of the survey are shown in the following tables:

	Date of survey:		
	May 31 2/	Jun 28 2/	Jul 31 2/
Inflation (%)			
Annual: 2006	2.0	2.0	2.0
2007	2.0	2.0	2.0
GDP Growth (%)			
Annual: 2006	5.8	6.0	6.0
2007	6.0	6.0	5.8
Exchange rate (S/. per US\$)			
December 2006	3.38	3.35	3.30
December 2007	3.42	3.40	3.35

- 1/ The median indicates the sample central value which reduces any bias caused by extreme values
2/ 345 Non financial firms.

FINANCIAL SYSTEM INSTITUTIONS (Median 1/ of the sample)

	Date of Survey:		
	May 31 2/	Jun 28 2/	Jul 31 2/
Inflation (%)			
August	0.26	0.24	0.20
September	0.24	0.20	0.20
Annual: 2006	2.80	2.66	2.55
2007	2.50	2.50	2.50
GDP Growth (%)			
June	5.0	5.5	5.5
July	5.1	5.4	5.8
Annual: 2006	5.6	5.5	5.6
2007	5.0	5.4	5.4
Exchange rate (S/. per US\$)			
August	3.3	3.27	3.26
September	3.30	3.28	3.25
December 2006	3.30	3.30	3.27
December 2007	3.34	3.35	3.30
Interbank interest rate (%)			
<i>In nuevos soles</i>			
August	4.75	4.50	4.50
September	4.75	4.55	4.50
December 2006	4.86	4.78	4.75
December 2007	5.00	5.00	5.00

1/ The median indicates the sample central value which reduces any bias caused by extreme values
2/ 28 financial institutions.

ANALYSTS (Median 1/ of the sample)

	Date of survey:		
	May 31 2/	Jun 28 2/	Jul 31 3/
Inflation (%)			
August	0.22	0.20	0.18
September	0.18	0.20	0.20
Annual: 2006	2.60	2.50	2.50
2007	2.50	2.50	2.50
GDP Growth (%)			
June	5.3	5.3	6.20
July	5.0	5.0	5.90
Annual: 2006	5.3	5.5	5.80
2007	5.0	5.0	5.10
Exchange rate (S/. per US\$)			
August	3.30	3.27	3.27
September	3.30	3.28	3.26
December 2006	3.32	3.30	3.29
December 2007	3.35	3.35	3.34
Interbank interest rate (%)			
<i>In nuevos soles</i>			
August	4.50	4.50	4.50
September	4.50	4.50	4.50
December 2006	4.50	4.73	4.66
December 2007	4.50	5.00	4.88

1/ The median indicates the sample central value which reduces any bias caused by extreme values
2/ 24 analysts.
3/ 22 analysts.

Inflation at -0.17 percent in July

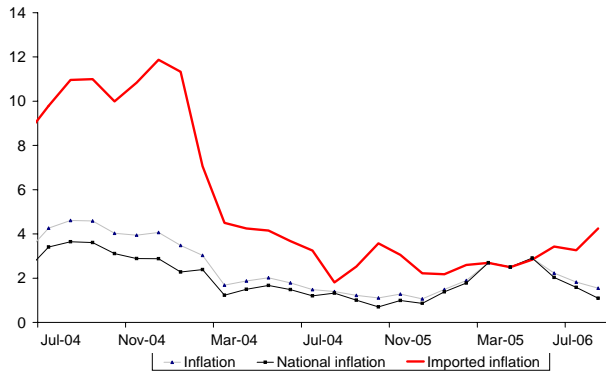
In the month of July, the **inflation rate** was -0.17 percent, with an accumulated last 12-month rate of 1.55 percent. Four items contributed with a total of -0.19 percentage points to this evolution: fish (-0.07 points), potato (-0.06 points), chicken meat and rice (with -0.03 points each). On the other hand, two other items contributed with 0.10 percentage points to increase July's inflation: transport fares (0.07 points), and citric fruits (0.03 points).

INFLATION RATE (Annual percentage change)

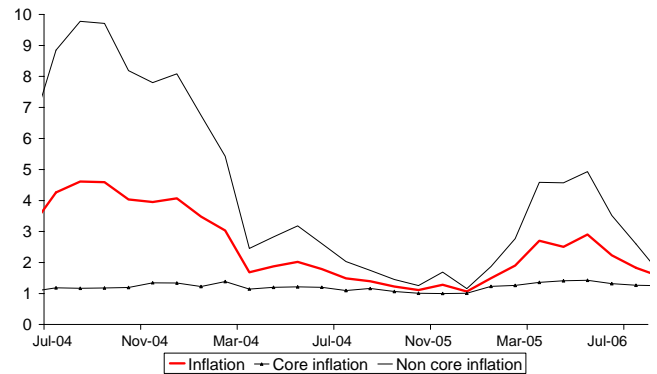
	Weighting	Monthly			12-month indicator			Average annual indicator		
		Jul. 2006	Jun. 2006	Jul. 2006	Jul. 2005	Jun. 2006	Jul. 2006	Jul. 2005	Jun. 2006	Jul. 2006
I. CORE INFLATION	60.6	0.05	1.16	1.27	1.25	1.22	1.21	1.22	1.21	1.22
Goods	34.0	-0.09	0.98	0.68	0.60	0.94	0.81	0.94	0.81	1.22
Food	13.0	-0.35	1.73	0.92	0.69	2.63	0.83	2.63	0.83	0.74
Textile and footwear	7.6	0.16	1.57	1.35	1.36	1.42	1.47	1.42	1.47	1.45
Electrical appliances	1.0	-0.16	-2.67	0.34	0.12	-3.16	-1.02	-3.16	-1.02	-0.78
Other industrial goods	12.5	0.04	0.12	0.04	0.06	-0.73	0.51	-0.73	0.51	0.51
Services	26.6	0.21	1.39	1.99	2.07	1.57	1.71	1.57	1.71	1.77
Restaurants	12.0	0.02	1.12	1.23	1.14	1.59	1.05	1.59	1.05	1.05
Education	5.1	0.09	3.29	3.45	3.45	3.89	2.94	3.89	2.94	2.95
Health	1.3	-0.08	3.30	0.36	-0.44	1.30	1.95	1.30	1.95	1.63
Renting	2.3	-0.20	-1.57	1.40	1.20	-1.52	0.82	-1.52	0.82	1.05
Other services	5.9	0.94	0.86	2.80	3.59	0.66	2.21	0.66	2.21	2.43
II. NON CORE INFLATION	39.4	-0.50	1.74	2.60	1.91	4.98	2.64	4.98	2.64	2.65
Food	22.5	-1.24	0.10	2.84	1.09	4.41	2.28	4.41	2.28	2.36
Fuel	3.9	0.12	5.98	6.89	9.11	12.91	7.69	12.91	7.69	7.95
Transportation	8.4	0.81	3.80	1.52	1.69	2.99	2.07	2.99	2.07	1.90
Utilities	4.6	0.10	1.80	-1.88	-1.96	3.20	-0.42	3.20	-0.42	-0.72
III. CPI	100.0	-0.17	1.40	1.83	1.55	2.77	1.80	2.77	1.80	1.82
Note.-										
Imported inflation	12.1	-0.04	1.81	3.27	4.03	6.85	2.73	6.85	2.73	2.91
Core inflation excluding food	47.6	0.15	1.01	1.36	1.41	0.85	1.31	0.85	1.31	1.34
Total food	33.2	-1.01	0.62	2.22	0.84	3.93	1.91	3.93	1.91	1.92

Core inflation during this month was 0.5 percent, which represents a last 12-month accumulated rate of 1.3 percent. On the other hand, **non-core inflation** was -0.50 percent in July, which represents an accumulated growth of 1.9 percent over the last 12 months. Core inflation, without foodstuffs and beverages, totaled 0.15 percent (1.4 percent over the last 12 months). In addition, imported inflation this month was -0.04 percent (4.0 percent over the last 12 months).

INFLATION AND IMPORTED INFLATION
(Last 12-month cumulative variation)

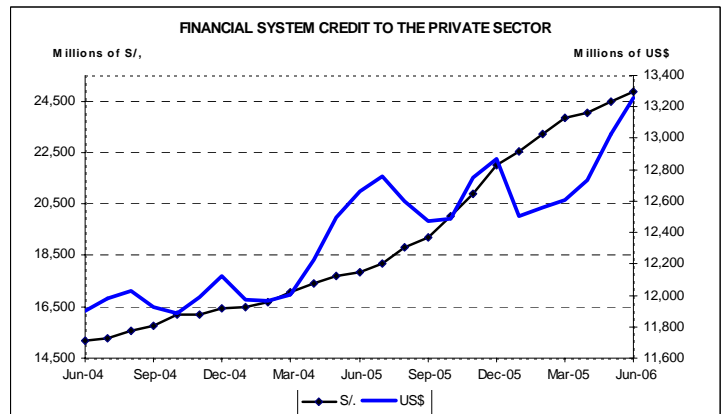


INFLATION AND CORE INFLATION
(Last 12-month cumulative variation)



Lending to the private sector

Banks' lending to the private sector in domestic currency increased 1.6 percent (S/. 393 million) in June, which represented a last 12-month growth of 39.5 percent (S/. 7,046 million). Lending in foreign currency increased 1.8 percent (US\$ 233 million), which in annual terms represented a growth of 4.7 percent (US\$ 593 million).



In June, credit expansion in domestic currency was mainly associated with financial entities, which accounted for a 2.4 percent increase (S/. 301 million) in credit due to increased consumer loans (S/. 156 million), commercial loans (S/. 93 million) and mortgage loans (S/. 60 million). Likewise, credit also grew due to the loans provided by microfinance institutions that rose by 1.2 percent (S/. 75 million) and institutional investors that rose 0.6 percent (S/. 23 million).

FINANCIAL SYSTEM CREDIT TO THE PRIVATE SECTOR IN LOCAL CURRENCY

	Millions of S/.			Percentage change	
	Jun05	May06	Jun06	Jun.06/ Jun.05	Jun.06/ May.06
Commercial banks 1/	9,033	12,797	13,098	45.0	2.4
Banco de la Nación	1,149	1,387	1,371	19.4	-1.1
Microfinance institutions	4,774	6,370	6,445	35.0	1.2
Banks (microfinance credits)	1,262	1,690	1,691	34.0	0.1
Local government S&Ls	1,540	2,023	2,046	32.9	1.1
Rural S&Ls	286	394	398	39.1	1.0
Cooperatives	550	646	646	17.4	--
Edpymes	254	400	414	63.2	3.5
Financial companies	882	1,218	1,250	41.7	2.6
Institutional investors 2/	2,556	3,480	3,503	37.0	0.6
AFPS	1,481	2,367	2,399	62.0	1.4
Insurance companies	808	777	777	-3.9	--
Mutual funds	267	336	326	22.2	-2.9
Leasing companies and others	316	446	458	45.0	2.7
Total Financial System	17,828	24,481	24,874	39.5	1.6

1/ Excludes microfinance credits.

2/ Mainly securities issued by the private sector.

On the other hand, credit expansion in dollars was mainly associated with higher loans granted by banks (2.4 percent, or US\$ 242 million), given the greater dynamism observed in terms of commercial loans (US\$ 187 million), particularly those for manufacturing (US\$ 65 million) and for commerce (US\$ 48 million).

FINANCIAL SYSTEM CREDIT TO THE PRIVATE SECTOR IN FOREIGN CURRENCY

	Millions of US\$			Percentage change	
	Jun05	May06	Jun06	Jun.06/ Jun.05	Jun.06/ May.06
Commercial banks 1/	10,074	9,964	10,206	1.3	2.4
Banco de la Nación	22	22	22	-0.9	-0.1
Microfinance institutions	701	817	824	17.4	0.9
Banks (microfinance credits)	146	179	183	25.3	2.2
Local government S&Ls	266	304	308	15.5	1.3
Rural S&Ls	54	55	55	1.7	0.2
Cooperatives	151	182	182	20.2	--
Edpymes	51	55	56	8.7	0.9
Financial companies	33	42	41	24.9	-3.5
Institutional investors 2/	1,220	1,608	1,595	30.8	-0.8
AFPS	641	809	789	23.1	-2.5
Insurance companies	95	151	151	58.7	--
Mutual funds	484	648	655	35.5	1.1
Leasing companies and others	649	614	613	-5.5	-0.2
Total Financial System	12,666	13,026	13,259	4.7	1.8

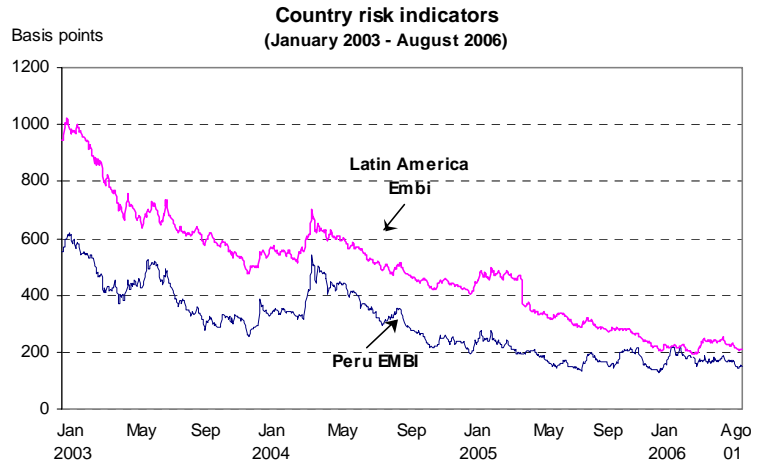
1/ Excludes microfinance credits.

2/ Mainly securities issued by the private sector.

International Markets: favorable international context for Peru

Country risk falls to 142 basis points

The country risk measured by the **EMBI+ Peru** spread, decreased from 169 basis points on June 30 to 153 basis points on July 31. This evolution reflected the favorable climate vis-à-vis the new administration, as well as the positive figures of economic fundamentals. In addition, the spreads of other emerging markets posted positive results, given greater expectations that the Federal Reserve (FED) will make larger pauses in its cycle of interest rate rises.

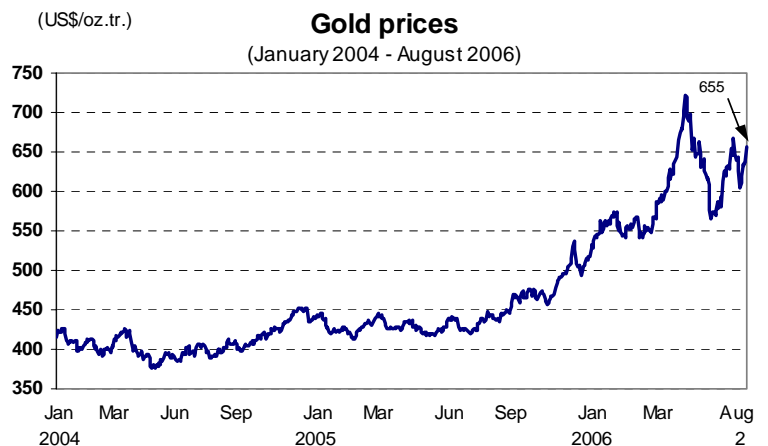


By August 2, the country risk had decreased to 142 basis points, an evolution reinforced by the program of reforms that the new administration intends to implement.

Rise in metal prices

In **July**, the **average gold quotation** rose from US\$ 613.5 to US\$.633.2 per troy ounce. This 3.2 percent increase in the quotation of gold was associated with the increasing geopolitical uncertainty generated by the Middle East conflict and, to a lesser degree, with the depreciation of the U.S. currency, which contributed to this trend.

By August 2, the price of gold had risen to US\$ 655 per ounce, due to the increased seasonal demand for this metal for jewelry purposes given the proximity of festivities in Asia, and the heightening of tensions in the Middle East.

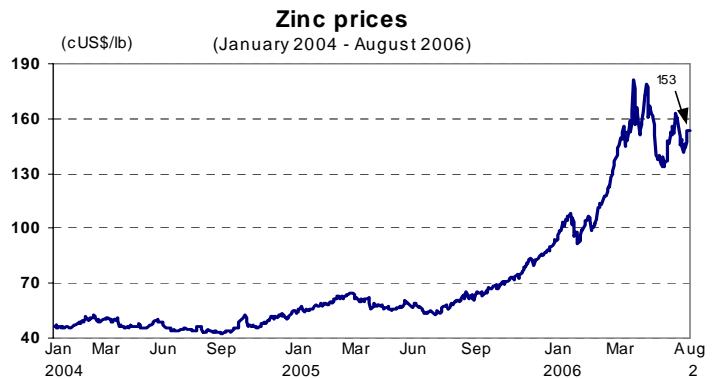


In July, the **average price of copper** rose 4.7 percent. This price increase from US\$ 3.40 to US\$ 3.56 per pound was due to the lower supply of this metal caused by strikes at mines La Caridad, the second largest, and at La Escondida, the world's biggest copper mine; as well as by the collapse of one of Codelco's main mines (Codelco produces around 12 percent of the world's production of this metal). Moreover, in July, copper inventories decreased by 282 tons, according to Nymex reports.



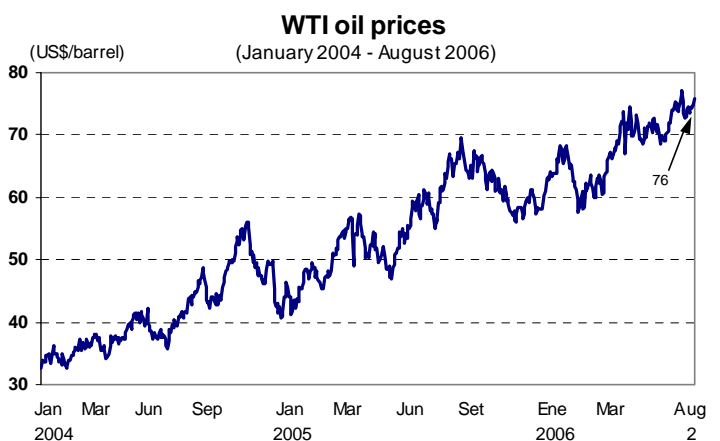
In the first two days of August, the quotation of copper increased to US\$ 3.55 when no satisfactory agreement was reached between La Escondida workers' union and the owner company BHP Billiton.

The price of **zinc** increased 3.7 percent, rising from US\$ 1.48 to US\$ 1.53 per pound due to investors' greater profit-take given the 11.3 percent economic growth rate recorded by China in the last quarter, and investment banks' forecasts of a supply deficit because of low levels of exploration.



In addition to this, the price of this basic metal rose to US\$ 1.53 per pound on August 2 due to supply interruptions caused by a strike in a mine in Turkey.

In the week of analysis, the **WTI oil** price increased slightly 0.6 percent, from US\$ 73.93 per barrel to US\$ 74.4 per barrel due to greater concerns that the conflict between Israel and Lebanon will extend to the rest of the Middle East. Furthermore, the supply of crude oil from Nigeria was interrupted due to subversive attacks to the oil facilities in that country of the fourth European oil producer, and to failures produced in one of the main oil pipelines in Russia.

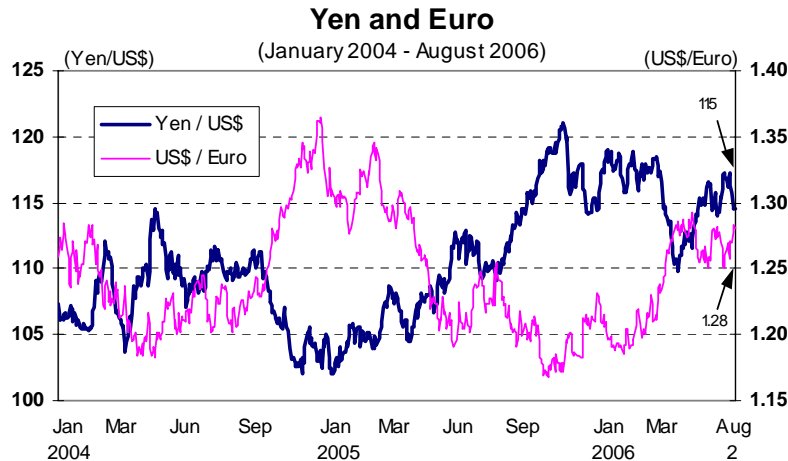


In the first days of August, the WTI oil price rose to maximum of US\$ 75.81 per barrel as a result of the arrival of the tropical storm Chris, which threatened to turn into a hurricane, according to the latest forecasts of the National Hurricane Center. The price of oil was also boosted upwards by a rise in the price of natural gas, given increased demand of this product due to the extremely high temperatures affecting the U.S., which have reached 38 degrees Celsius.

Dollar depreciates 0.2 percent against the euro in July

In average terms, the **dollar** depreciated 0.2 percent against the **euro** and appreciated 0.9 percent against the **yen** due to the greater demand of U.S. currency as a hedging instrument against effects of global political instability.

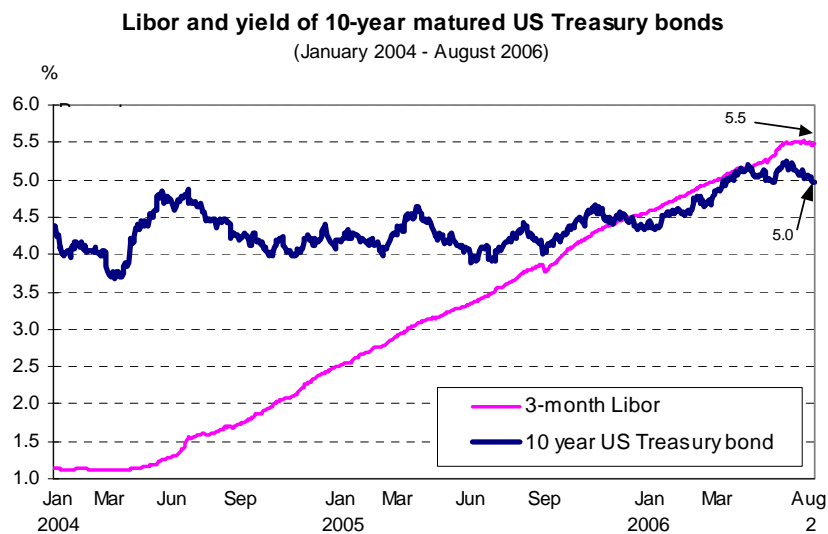
By August 2, the quotation was 1.28 euro and 114.6 yen per dollar.



Yield of US Treasuries with a 10-year maturity decreased to 4.98 percent

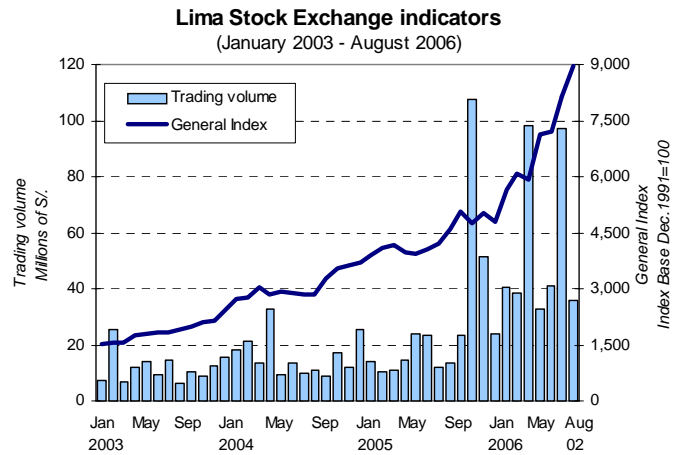
In the week of analysis, the **3-month Libor** decreased from 5.48 to 5.46 percent, and the **yield of the US Treasuries with a 10-year maturity** decreased from 5.14 to 4.98 percent. The yield of the US Treasuries was affected by the escalation of violence in the Middle East, which led speculating agents to look for more secure assets to invest in. Another factor contributing to this evolution relates to the statements made by the Governor of the Federal Reserve who said that the FED is expecting lower levels of economic growth to revert the faster pace of inflation. This has generated greater expectations the FED will interrupt its cycle of interest rate rises.

By August 2, the 3-month Libor was 5.47 percent, while the yield of the US Treasuries with a 10-year maturity was 4.97 percent.



Lima Stock Exchange grew 9.6 percent in July

In the week of analysis, the **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) increased 9.6 percent and 12.5 percent respectively. The month's balance was positive, mainly due to the good financial results showed by businesses in the second quarter –particularly mining companies–, the high prices of metals, and expectations of a pause in the FED's cycle of interest rate rises.



However, the indices showed a different trend during the first two days of August. The General index was negative, -0,3 percent, given uncertainty vis-à-vis a rise in the FED's interest rate, whereas the Blue Chip index showed positive results, 0.1 percent, due to good financial results by mining companies given the higher quotations of gold and silver.

So far this year, the General and the Blue Chip Indices of the LSM have accumulated gains for 86.1 and 103.0 percent respectively.

Resumen de Indicadores Económicos / Summary of Economic Indicators

	2005			2006												
	JUN.	SET.	DIC.	Ene.	Feb.	Mar.	Abr.	May.	Jun.	26 Jul.	27 Jul.	31 Jul.	Jul.	1 Ago.	2 Ago.	Ago.
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES																
Posición de cambio / <i>Net international position</i>	8 127	8 192	7 450	7 220	7 180	7 257	7 485	7 541	7 525	7 997	8 008	8 047	522	8 078		31
Reservas internacionales netas / <i>Net international reserves</i>	13 818	13 695	14 097	14 139	13 989	14 472	14 493	14 235	14 415	14 565	14 635	14 638	222	14 794		157
Depósitos del sistema financiero en el BCRP / <i>Financial system deposits at BCRP</i>	2 836	2 984	4 165	4 543	4 630	5 129	4 860	4 367	4 731	4 163	4 232	4 248	-483	4 374		126
Empresas bancarias / <i>Banks</i>	2 684	2 876	4 076	4 446	4 452	4 964	4 620	4 167	4 543	3 992	4 067	4 072	-471	4 202		130
Banco de la Nación / <i>Banco de la Nación</i>	96	56	33	31	117	99	178	133	118	90	85	94	-24	85		-9
Resto de instituciones financieras / <i>Other financial institutions</i>	56	52	57	66	61	67	62	67	70	81	80	82	12	87		5
Depósitos del sector público en el BCRP / <i>Public sector deposits at BCRP *</i>	2 913	2 572	2 533	2 433	2 246	2 129	2 186	2 375	2 208	2 430	2 419	2 389	181	2 390		1
OPERACIONES CAMBIARIAS BCR (MILL. US\$) / BCRP FOREIGN OPERATIONS	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.
	265	-25	-581	-377	-2	1	1	1	2	-4	0	0	472	7	38	45
Compras netas en Mesa de Negociación / <i>Net purchases of foreign currency</i>	365	33	-345	-355	59	0	0	1	3	35	0	0	660	7	38	45
Operaciones swaps netas / <i>Net swap operations</i>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operaciones con el Sector Público / <i>Public sector</i>	-100	-58	-237	-22	-60	0	0	0	0	-38	0	0	-189	0	0	0
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE																
	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.
Compra interbancario / <i>Interbank Promedio / Average</i>	3,252	3,306	3,423	3,391	3,287	3,338	3,328	3,277	3,262	3,239	3,241	3,240	3,242	3,241	3,242	3,241
Apertura / <i>Opening</i>	3,253	3,308	3,427	3,397	3,291	3,343	3,338	3,283	3,266	3,241	3,241	3,241	3,245	3,241	3,244	3,243
Mediodía / <i>Midday</i>	3,254	3,309	3,425	3,394	3,289	3,343	3,332	3,279	3,265	3,241	3,242	3,242	3,244	3,242	3,242	3,242
Cierre / <i>Close</i>	3,253	3,309	3,424	3,392	3,289	3,342	3,333	3,279	3,265	3,242	3,242	3,241	3,244	3,243	3,243	3,243
Promedio / <i>Average</i>	3,253	3,309	3,426	3,395	3,289	3,342	3,333	3,280	3,266	3,241	3,242	3,241	3,244	3,242	3,243	3,242
Sistema Bancario (SBS) / <i>Banking System</i>	3,252	3,307	3,423	3,392	3,288	3,338	3,331	3,278	3,263	3,239	3,240	3,237	3,243	3,242	3,242	3,241
Compra / <i>Bid</i>	3,253	3,308	3,425	3,394	3,290	3,340	3,332	3,280	3,265	3,241	3,242	3,242	3,244	3,242	3,243	3,243
Venta / <i>Ask</i>																
Índice de tipo de cambio real (1994 = 100) / <i>Real exchange rate Index (1994 = 100)</i>	103,2	107,3	109,1	108,9	105,0	106,5	106,9	107,6	106,1				106,3			
INDICADORES MONETARIOS / MONETARY INDICATORS																
Moneda nacional / Domestic currency																
Emisión Primaria / <i>Monetary base</i>	1,9	-0,1	13,1	-7,2	0,3	0,8	0,3	-1,6	2,3							8,0
(Var. % mensual) / <i>(% monthly change)</i>																
(Var. % últimos 12 meses) / <i>(% 12-month change)</i>	28,1	31,8	25,7	25,0	22,9	24,2	18,3	15,5	16,0							11,7
Oferta monetaria / <i>Money Supply</i>	2,2	-0,6	5,3	-4,8	1,1	2,1	-3,7	-1,2	0,9							
(Var. % mensual) / <i>(% monthly change)</i>																
(Var. % últimos 12 meses) / <i>(% 12-month change)</i>	35,4	27,9	19,5	13,4	10,5	8,8	6,0	4,7	3,3							
Crédito sector privado / <i>Crédit to the private sector</i>	0,8	2,0	7,0	2,5	2,5	1,3	1,3	0,5	2,1							
(Var. % mensual) / <i>(% monthly change)</i>																
(Var. % últimos 12 meses) / <i>(% 12-month change)</i>	16,2	21,0	34,8	38,3	41,2	39,2	38,6	37,0	38,8							
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>	3,2	0,5	-0,7	-0,4	1,7	5,9	-6,0	1,2	1,9	-0,2	-0,1	0,2	0,2			
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>	0,6	1,0	1,0	1,3	1,3	1,2	1,4	1,3	1,2	1,4	1,2	1,2	1,2			
Cuenta corriente de los bancos (saldo mill. S/) / <i>Banks' current account (balance)</i>	278	286	312	315	257	275	341	242	229	35	40	105	250	707	563	
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
Depósitos públicos en el BCRP (millones S/) / <i>Public sector deposits at the BCRP (Mills. S.)</i>	4 985	5 169	4 738	5 190	5 115	6 685	7 570	7 222	7 847	9 536	9 377	9 431	9 431	9 440	n.d.	
Certificados de Depósitos BCRP (saldo Mill.S.) / <i>CDBCRP balance (Millions of S.)</i>	10 465	9 738	7 676	6 991	6 321	5 491	4 986	4 436	3 796	3 224	3 224	3 224	3 224	3 224	3 224	3 224
CD Reajustables BCRP (saldo Mill.S.) / <i>CDBCRP balance (Millions of S.)</i>	0	0	1 202	1 232	1 232	1 197	1 197	1 197	700	670	670	670	670	670	670	670
Operaciones de reporte (saldo Mill. S.) / <i>repos (Balance millions of S.)</i>	0	0	2 850	3 035	2 304	3 050	3 617	2 365	2 092	2 379	2 278	2 352	2 352	2 781	2 540	
TAMN / <i>Average lending rates in domestic currency</i>	25,99	25,59	23,63	24,14	24,08	24,28	24,26	24,38	24,34	24,07	23,73	23,67	24,14	23,97	24,01	23,99
Préstamos y descuentos hasta 360 días / <i>Loans & discount</i>	15,51	14,67	13,93	14,04	14,33	14,60	14,54	14,87	14,92	14,64	14,62	14,63	14,85	14,62	14,62	14,62
Interbancaria / <i>Interbank</i>	2,99	2,99	3,34	3,58	3,82	4,12	4,42	4,48	4,53	4,59	4,59	4,60	4,50	4,65	4,63	4,64
Preferencial corporativa a 90 días / <i>Corporate Prime</i>	3,92	3,80	4,37	5,13	5,38	5,92	6,84	5,99	5,80	5,53	5,61	5,61	5,67	5,61	5,61	5,61
Operaciones de reporte con CDBCRP / <i>CDBCRP repos</i>	s.m.	s.m.	3,25	3,71	3,91	4,56	4,79	4,71	4,88	4,82	4,82	4,82	4,82	4,82	4,82	4,79
Créditos por regulación monetaria / <i>Rediscounts **</i>	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>	4,59	4,64	4,72	4,80	4,83	4,86	4,87	4,90	4,95	5,03	5,03	5,03	5,03	5,03	5,03	5,03
Moneda extranjera / foreign currency																
Crédito sector privado / <i>Crédit to the private sector</i>	1,5	-1,4	-0,4	-4,1	0,7	1,1	0,6	3,0	2,4							
(Var. % mensual) / <i>(% monthly change)</i>																
(Var. % últimos 12 meses) / <i>(% 12-month change)</i>	5,7	4,6	4,8	0,4	1,3	1,9	0,4	1,4	2,3							
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>	-0,5	1,1	7,5	-1,6	0,0	2,8	-2,8	-2,7	2,9	2,9	2,1	1,4	1,4			
Superávit de encaje promedio (% respecto al TOSE) / <i>Average reserve surplus (% of TOSE)</i>	0,3	0,4	0,4	0,1	0,2	0,1	0,3	0,2	0,3	3,3	0,5	0,3	0,3			
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
TAMEX / <i>Average lending rates in foreign currency</i>	9,67	10,01	10,41	10,60	10,63	10,62	10,49	10,56	10,55	10,62	10,67	10,65	10,66	10,69	10,71	10,70
Préstamos y descuentos hasta 360 días / <i>Loans & discount</i>	8,31	8,90	9,37	9,66	9,82	9,73	9,67	9,73	9,70	9,50	9,85	9,85	9,82	9,89	9,89	9,89
Interbancaria / <i>Interbank</i>	2,87	3,52	4,19	4,14	4,12	4,25	4,46	4,84	4,80	5,20	5,20	5,22	5,22	s.m.	5,22	5,22
Preferencial corporativa a 90 días / <i>Corporate Prime</i>	3,94	4,39	5,51	5,69	5,79	5,85	6,05	5,97	6,00	5,95	6,07	6,07	6,03	6,07	6,07	6,07
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.
INDICADORES BURSÁTILES / STOCK MARKET INDICES																
Índice General Bursátil (Var. %) / <i>General Index (% change)</i>	2,9	10,0	-4,6	17,3	7,9	-2,6	20,7	1,0	13,1	1,4	0,2	1,2	9,6	-0,7	0,3	-0,4
Índice Selectivo Bursátil (Var. %) / <i>Blue Chip Index (% change)</i>	1,6	9,6	-4,9	22,0	7,6	-2,4	23,3	0,4	13,1	1,5	0,7	1,7	12,5	-0,5	0,6	0,1
Monto negociado en acciones (Mill. S.) - Prom. diario	23,4	23,2	23,7	40,7	38,6	98,1	32,6	41,2	97,4	29,9	26,1	20,5	36,1	23,5	24,5	24,0
INFLACIÓN (%) / INFLATION (%)																
Inflación mensual / <i>Monthly</i>	0,26	-0,09	0,42	0,50	0,55	0,46	0,51	-0,53	-0,13							
Inflación últimos 12 meses / <i>% 12 months change</i>	1,48	1,11	1,49	1,90	2,70	2,50	2,90	2,23	1,83							-0,17
GOBIERNO CENTRAL (MILL. S.) / CENTRAL GOVERNMENT (Mills. of S.)																
Resultado primario / <i>Primary balance</i>	487	177	-2 451	1 958	541	1 095	3 478	716	796							
Ingresos corrientes / <i>Current revenue</i>	3 230	3 442	3 674	4 314	3 396	4 313	6 518	4 095	3 999							
Gastos no financieros / <i>Non-financial expenditure</i>	2 753	3 281	6 173	2 435	2 868	3 238	3 076	3 390	3 227							
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)																
Balanza Comercial / <i>Trade balance</i>	474	461	879	347	413	416	625	662								
Exportaciones / <i>Exports</i>	1 432	1 484	1 932	1 431	1 447	1 689	1 739	1 912								
Importaciones / <i>Imports</i>	958	1 023	1 053	1 084	1 034	1 273	1 114	1 250								
PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT																
Variac. %, respecto al mismo mes del año anterior / <i>Annual rate of growth (12 months)</i>	5,3	6,3	7,2	5,0	4,9	10,3	3,6	6,5								
COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS																
	Prom.	Prom.	Prom.	P												