



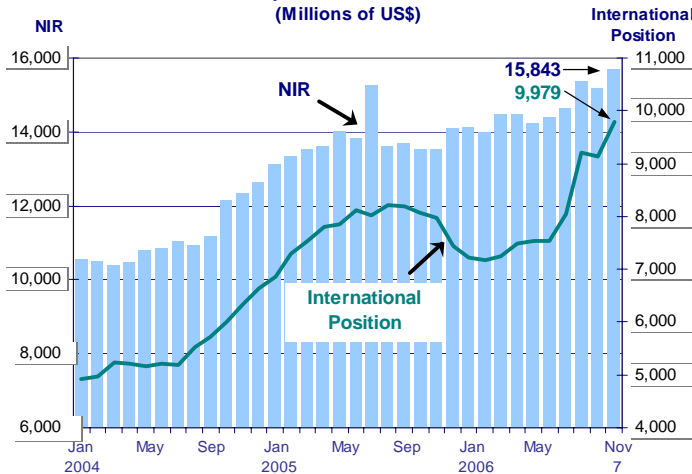
Indicators

- Average interbank interest rate at 4.49%.
- Net International Reserves at historical peak: US\$ 15,843 million.
- Average exchange rate as of November 8: S/. 3.216 per dollar.
- Country risk falls to 143 basis points.
- Lima Stock Exchange grew 4.0 percent.
- Trade surplus of US\$ 935 million in September.

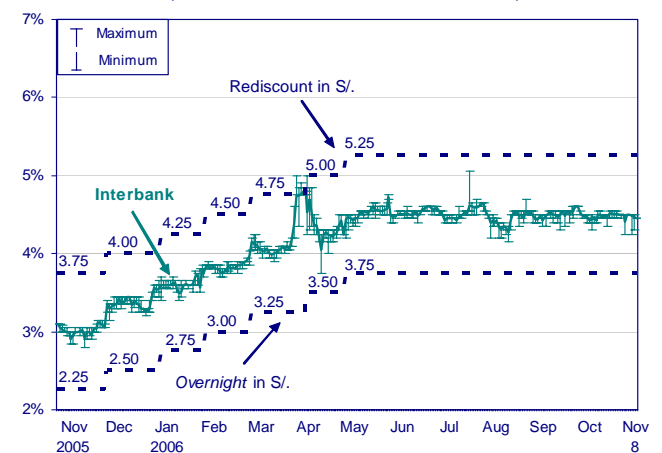
Content

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- Lima Stock Exchange grew 4.0 percent xviii

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



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



Novidades

- Resumen Informativo Semanal N° 44-2006
- Nota Informativa sobre el Programa Monetario Noviembre 2006: BCRP Mantiene la Tasa de Interés de Referencia en 4,50%
- Semifinalistas del Concurso Escolar del BCRP 2006
- Convocatoria: Curso de Extensión Universitaria 2007
- Reporte de inflación: Panorama actual y proyecciones macroeconómicas - setiembre 2006.
- Presentación

Fecha	Tasa
8.Nov	3,2170
7.Nov	3,2150
Promedio:	3,2156
3,2156	3,2173
Mínimo:	3,2120
3,2120	3,2140

Fecha	Tasa
9.Nov	4,45%
8.Nov	4,48%
11:00 AM:	4,45%
Cierre día:	4,45%
Acum. mes:	4,49%

En nuestra página web

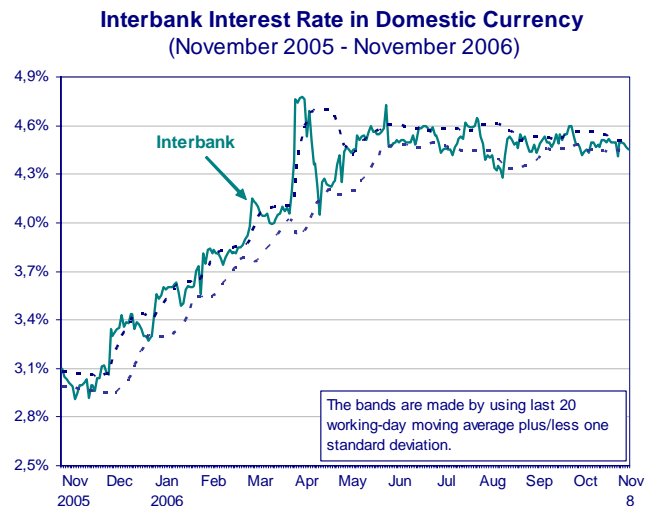
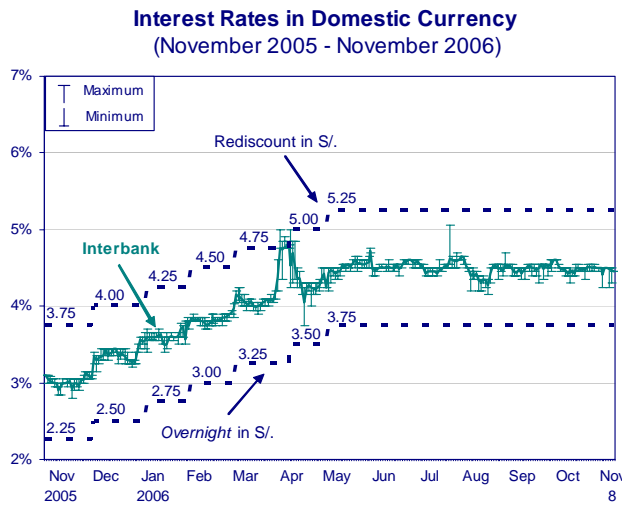
<http://www.bcrp.gob.pe>

- Informative Note on the Monetary Program: November 2006: BCRP keeps Interest rate at 4.50%.
- Semifinalists of Scholastic Aid at BCRP 2006.
- Working Paper "Financial dollarization, portfolio approach and expectation: Evidence to Latin America (1995-2005)".
- Calling: Course of University Extension 2007.

Average interbank interest rate as of November 8 at 4.49 percent

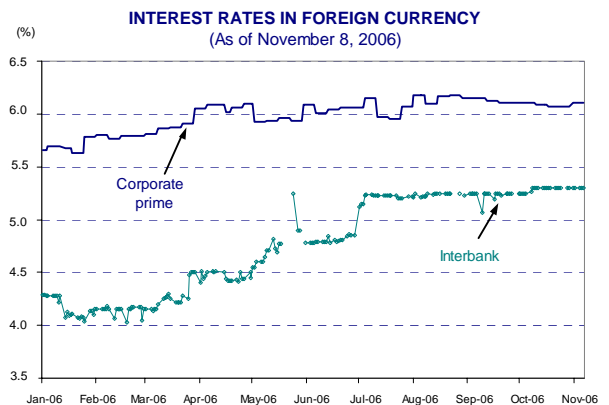
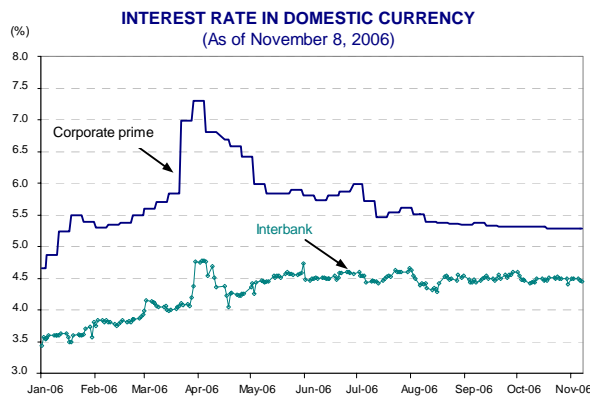
The average interbank interest rate in domestic currency increased from 4.41 percent to 4.45 percent between **October 31 and November 8**, with fluctuations ranging between 4.41 and 4.50 percent. As of November 8, the average interbank rate in the month is 4.49 percent, a level slightly lower than that of October (4.50 percent).

Interbank Interest Rate Average (percent)		
	Average	Standard Deviation
December 2004	3.00	0.05
December 2005	3.34	0.08
March 2006	4.12	0.17
June	4.53	0.07
July	4.50	0.06
August	4.43	0.10
September	4.51	0.04
October	4.50	0.04
November	4.49	0.02



Corporate prime rate in soles remains at 5.29 percent.

In the **November 2-8 period**, the daily average of the 90-day corporate prime rate in soles continued to be at 5.29 percent, while this rate in dollars increased from 6.07 percent to 6.11 percent.



Monetary operations

Between **November 2 and 8**, the Central Bank made the following monetary operations:

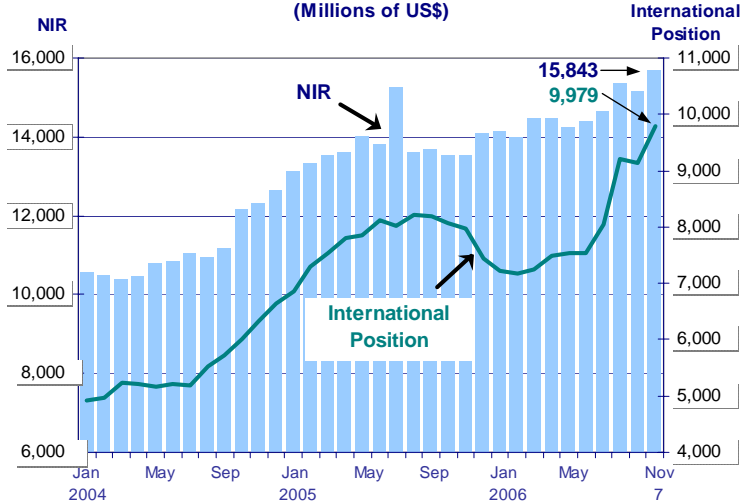
- i) auctions of BCRP Certificates of Deposit with 1-day, 1-week, 1-month, 3month, 6-month, 1-year and 2-year maturities for a daily average of S/. 377.2 million. Average interest rates on these operations range between 4.23 and 5.62 percent;
- ii) purchases of foreign currency at the Central Bank's Front Desk for a total of US\$ 255 million, at an average exchange rate of S/. 3.216 per dollar; and
- iii) overnight deposits in domestic currency for a total of S/. 174.1 million.

International reserves at historical peak of US\$ 15,843 million as of November 7

As of **November 7**, net international reserves (NIRs) amounted to US\$ 15,843 million, a sum US\$ 171 million higher than the one recorded at the close of October. This level of NIRs is a new historical record that is associated with the strengthening of the economy's external accounts.

The increase observed in terms of NIRs as of November 7 was mainly due to net purchases of foreign currency (US\$ 175 million) and better prices for gold (US\$ 22 million). This evolution was offset by banks' lower deposits (US\$ 19 million), lower deposits from the public sector (US\$ 6 million), and lower investment yield (US\$ 2 million).

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

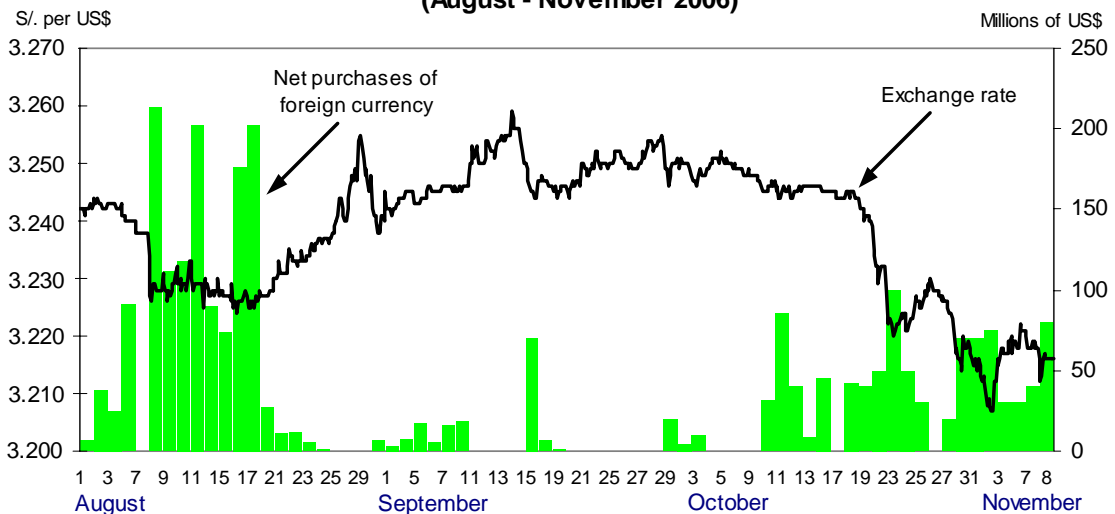


So far this year, NIRs have increased by US\$ 1,746 million. As of November 7, the **international position of the BCRP** (US\$ 9,979 million) has increased by US\$ 2,529 million with respect to the close of 2006.

Average exchange rate at S/. 3.216 per dollar as of November 8

From **October 31 to November 8**, the ask price of the average interbank exchange rate rose from S/. 3.215 to S/. 3.216 per dollar. However, the average exchange rate as of November 8 was lower by 0.7 percent than the average exchange in October, as it decreased from S/. 3.238 to S/. 3.216 per dollar. In the first 8 days of November, the Central Bank intervened in the exchange market purchasing foreign currency for a total of US\$ 255 million.

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



As of November 7, the balance of net forward sales decreased by US\$ 106 million, and banks' foreign position decreased by US\$ 57 million with respect to end-October.

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

	December 2005	March	Jun	July	August	September	October	November 7
a. Net sales to the public (i-ii)	1,027	1,579	1,706	1,457	815	860	334	228
i. Forward sales to the public	1,813	2,426	2,387	2,149	2,127	2,020	1,939	1,888
ii. Forward purchases to the public	785	847	681	692	1,312	1,160	1,605	1,661
b. Bank's exchange position	480	581	450	449	366	383	375	318

Monetary base as of November 7, 2006

The **monetary base** as of November 7 (S/.12 113 million) increased 3.7 percent (S/. 432 million) with respect to the close of October. In average terms, the monetary base grew at an annual rate of 13.3 percent in this period (13.3 percent in October).

By sources, operations contributing most heavily to the expansion of the monetary base included purchases of foreign currency at the Central Bank's Front Desk (US\$ 175 million, or S/. 563 million), lower deposits of the public sector (S/. 186 million) and lower overnight of the financial system (S/. 79 million). Conversely, the monetary base contracted due to net placements of BCRP Certificates of Deposits (S/. 455 million).

Monetary accounts of the banking system as of October 22, 2006

In the last 4 weeks, liquidity in **domestic currency** increased 0.1 percent (S/. 39 million), thus amounting to S/. 30,520 million (annual growth of 7.6 percent). Credit to the private sector in domestic currency increased by 3.3 percent (S/. 594 million) and totaled S/. 18,349 million (annual growth of 36.9 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
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%
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%	-0.2%
Mar.	0.8%	24.2%	2.1%	8.8%	1.3%	39.2%	2.4%	22.3%	-5.5%	-10.1%	2.5%	1.9%
Apr.	0.3%	18.3%	-4.4%	5.2%	1.3%	38.6%	-2.3%	14.8%	-13.7%	-29.8%	0.6%	0.3%
May.	-1.6%	15.5%	-1.2%	3.9%	0.5%	37.0%	-2.1%	9.4%	1.1%	-27.7%	3.7%	2.1%
Jun.	2.3%	16.0%	0.9%	2.5%	2.1%	38.8%	-0.2%	10.0%	-0.6%	-25.1%	2.0%	2.6%
Jul.	8.0%	11.7%	2.8%	1.8%	1.4%	38.0%	1.4%	12.1%	-15.3%	-40.1%	0.4%	2.4%
Aug.	-4.2%	12.8%	2.1%	5.9%	1.5%	35.5%	-0.3%	11.6%	-0.2%	-37.1%	-0.9%	3.7%
Sep.	0.9%	13.9%	0.7%	7.3%	2.4%	36.0%	-0.1%	9.9%	-10.4%	-37.5%	0.8%	6.0%
Oct.22	1.2%	12.1%	0.1%	7.6%	3.3%	36.9%	2.3%	11.0%	-7.5%	-25.5%	0.5%	6.5%
Memo:												
Balance as of Sep. 22 (Mill.S/. or Mill.US\$)	11,501		30,481		17,755		11,076		602		10,725	
Balance as of Oct. 22 (Mill.S/. or Mill.US\$)	11,634		30,520		18,349		11,328		557		10,780	

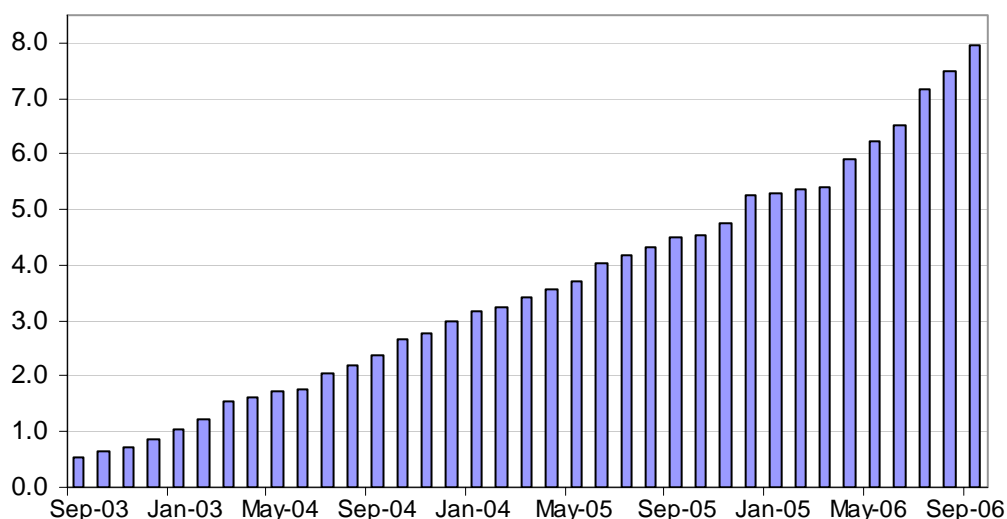
1/ Short term external liabilities of banking enterprises.

Liquidity in **foreign currency** increased by 2.3 percent (US\$ 252 million), thus amounting to US\$ 11,328 million (annual growth of 11.0 percent). Credit to the private sector in foreign currency increased 0.5 percent (US\$ 55 million) and totaled US\$ 10,780 million (annual growth of 6.5 percent).

Trade surplus of US\$ 935 million in September

In **September** 2006, a surplus of US\$ 935 million was recorded in the trade balance. This surplus, which was US\$ 464 million (98 percent) higher than the one posted in September 2005, logs a positive result for 41 consecutive months. A surplus of US\$ 7,961 million was achieved in the last twelve months (between October 2005 and September 2006), a sum increasing by 77 percent the one recorded in a similar period last year.

ANNUAL TRADE BALANCE: SEPTEMBER 2003-SEPTEMBER 2006
(Thousand of millions of US\$ accumulated in the last 12 months)



Exports in September amounted to US\$ 2,159 million, a sum US\$ 667 million (45 percent) higher than the one observed in September last year. As of September, exports accumulated a last-12 months total of US\$ 21,914 million, increasing by 37 percent with respect to the total recorded in a similar period last year.

Traditional exports totaled US\$ 1,761 million, a sum 56 percent (US\$ 633 million) higher than that of September 2005. Products contributing most heavily to this result included copper (US\$ 401 million, up 125 percent), zinc (US\$109 million, up 218 percent), gold (US\$ 69 million, up 23 percent), fish oil (US\$ 35 million, up 67 percent) and coffee (US\$ 21 million, up 56 percent).

Non-traditional exports amounted to US\$385 million, increasing by US\$ 32 million (9 percent) with respect to exports in September 2005. Except for textiles and non-metal minerals, all exports posted increases in September 2006, particularly exports of fish products and steel & metal products.

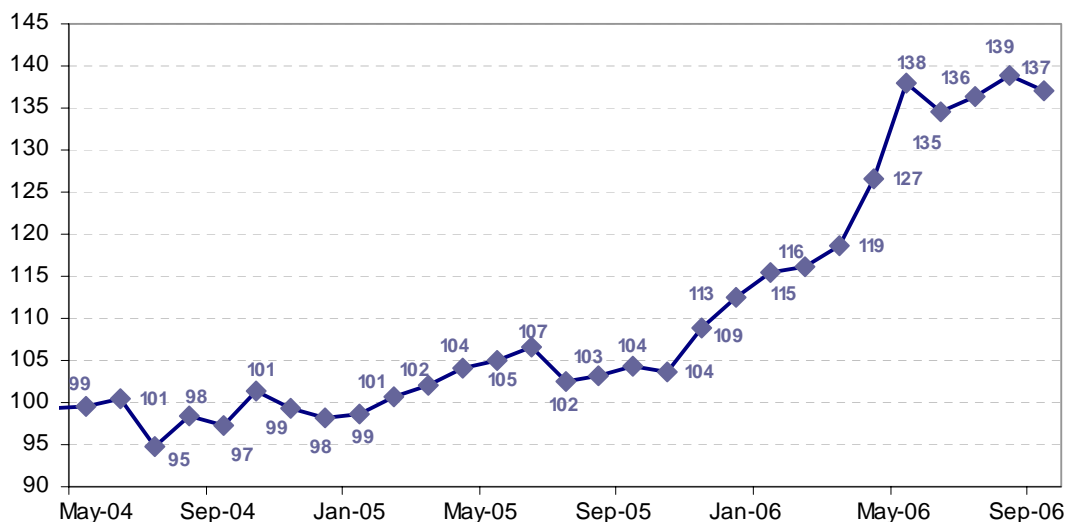
Imports amounted to US\$ 1,225 million in September, increasing by 20 percent with respect to September 2005. Increased purchases of raw materials (16 percent) and of capital goods (15 percent) for industrial purposes accounted for this result. Last 12-month imports amounted to US\$ 13,953 million, a sum 21 percent higher than the one posted in the similar previous period.

TRADE BALANCE
(Millions of US\$)

	Monthly data			Annual data				
	September 2005	September 2006	% chg.	Oct.2004 Sep.2005	Sep.2005 Aug.2006	Oct.2005 Sep.2006	% chg.	% chg.
				A	B	C	C/A	C/B
EXPORTS	<u>1,493</u>	<u>2,159</u>	<u>44.7</u>	<u>16,052</u>	<u>21,247</u>	<u>21,914</u>	<u>36.5</u>	<u>3.1</u>
Traditional products	1,128	1,761	56.1	11,810	16,250	16,883	42.9	3.9
Non-traditional products	353	385	9.0	4,102	4,841	4,873	18.8	0.7
Other products	12	14	17.7	140	156	158	13.2	1.3
IMPORTS	<u>1,021</u>	<u>1,225</u>	<u>-19.9</u>	<u>11,551</u>	<u>13,750</u>	<u>13,953</u>	<u>20.8</u>	<u>-1.5</u>
Consumer goods	209	208	- 0.2	2,282	2 474	2,474	8.4	- 0.0
Raw materials and intermediate goods	529	688	30.2	6,331	7,440	7,599	20.0	2.1
Capital goods	276	322	16.9	2,842	3,715	3,762	32.4	1.3
Other goods	9	6	- 31.7	96	120	117	22.5	- 2.3
TRADE BALANCE	<u>471</u>	<u>935</u>	<u>98.4</u>	<u>4,501</u>	<u>7,497</u>	<u>7,961</u>	<u>76.9</u>	<u>6.2</u>

The **terms of trade** in September increased 31 percent due to the increase observed in the average prices of exports (38 percent) as a result of better international prices for the main commodities. On the other hand, the prices of imports increased 5 percent. Moreover, exported volumes increased 5 percent.

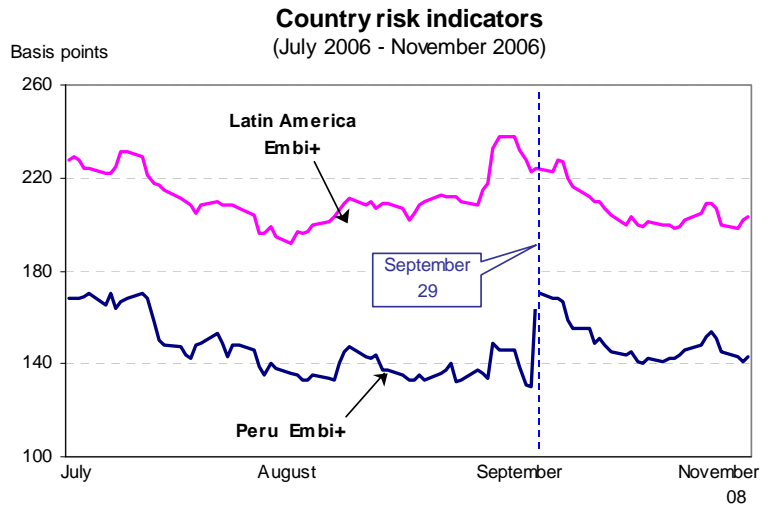
TERMS OF TRADE
(1994=100)



International Markets

Country risk fell to 143 basis points

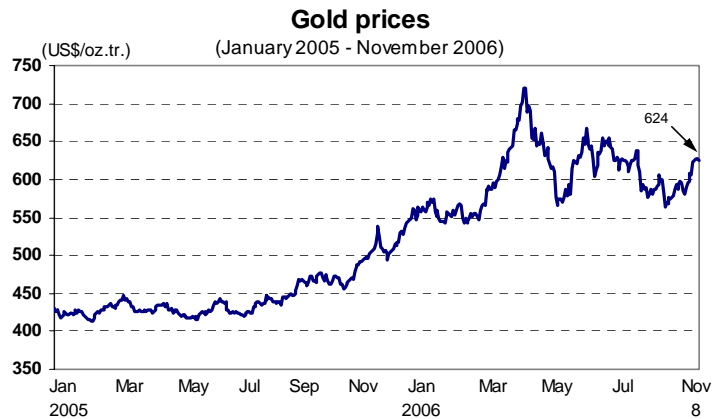
From November 1 to 8, the country risk indicator –measured by the **EMBI+ Peru** spread– decreased from 154 to 143 basis points following the same trend observed in the region. Furthermore, the agency Moody's Investors Service decided to raise its outlook on Peru's credit rating to positive from stable, given the significant reduction observed in terms of the country's vulnerability to external economic problems.



The outlook on Peru's foreign currency bonds –rated Ba3– shows a fall in the indicators of Peruvian external debt that strengthens the country's external position and provides evidence on the growth of exports, said the agency Moody's Investors Service in a report.

Quotation of metals

In November 1-8, the **gold** quotation increased 1.4 percent to US\$ 624 per troy ounce, due to increased inflationary risks in the U.S., expectations of weakening of the dollar and advances in the price of oil. Additionally, a profit-take by investment funds was recently recorded.



In the same period, the price of **copper** fluctuated between US\$ 3.28 and US\$ 3.35 per pound, recording US\$ 3.30 per pound on November 8. Factors contributing importantly to this evolution included expectations of increased demand in China, higher levels of inventories in the London Metal Exchange during the week (inventories grew 6.7 percent to 144 thousand MT), and the renewal of dialogue between Codelco (the world's largest producer of copper) and the trade union leadership of its Chuquicamata mining center located in the north of Chile.

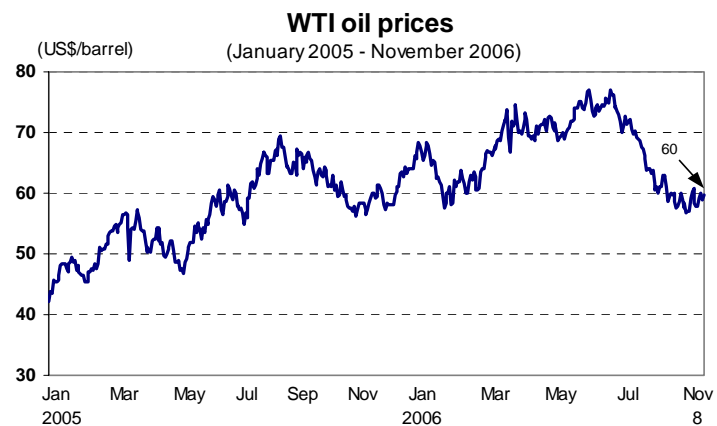


Between November 1 and 8, the price of **zinc** increased 6.4 percent to US\$ 2.07 per pound – a new historical record price – after inventories at the London Metal Exchange (LME) reached their lowest level ever in the last 15 years. These inventories have decreased nearly 79 percent over the past 12 months, posting a level of 97,725 MT as of November 8.



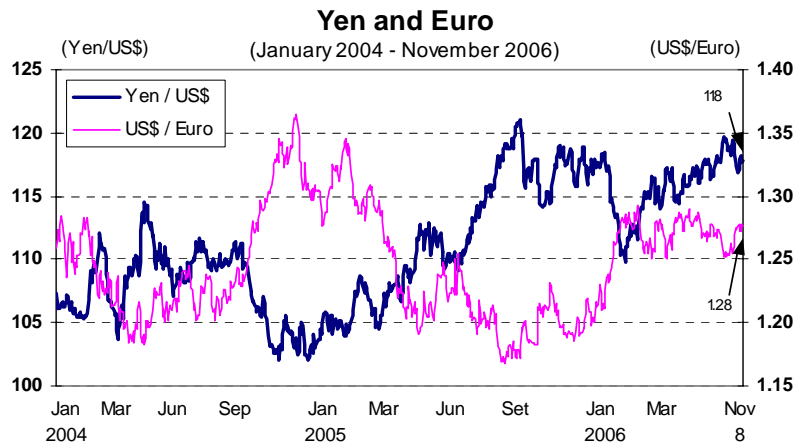
On the other hand, Beijing Antaike Information Development –the leading information provider for the mining and metals industries in China– announced that China's demand for zinc is expected to outpace supply by 400 thousand MT in 2006.

Between November 1 and 8, the price of **WTI oil** increased 2.2 percent to US\$ 60 per barrel. This evolution was associated with the possibility that new cuts of production quotas of OPEC member countries be approved in the organization's next meeting and with warnings of possible rebel attacks on Nigeria oil installations (this country is the largest oil producer in Africa). Moreover, another factor contributing to the oil price rise was the low inventories of distillate fuels, a category of fuels including the heating oil and diesel. Inventories fell by 2.68 million barrels to 138.6 million barrels per day.



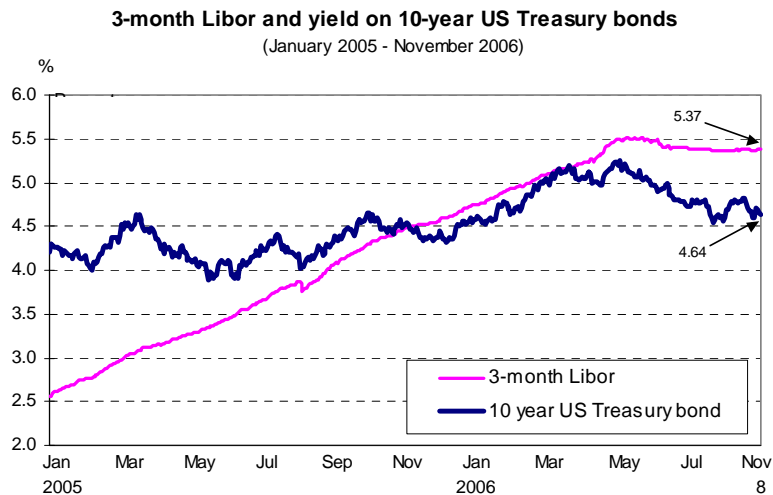
The dollar appreciated against the yen

In the period of analysis, the **dollar** recorded no variation against the **euro**, but posted a 0.7 appreciation against the **yen**. The dollar gained ground after Federal Reserve Bank of Chicago chief Michael Moscow warned that inflationary risks in the U.S. economy were still high and that additional interest-rate increases may be needed to keep inflation in check. On the other hand, the dollar strengthened against the yen after representatives of the Bank of Japan (BOJ) declared that interest rates would not necessarily be raised this year. In the Eurozone, the euro also strengthened after the European Commission increased the forecast on growth (from 1.8 to 2.1 percent) and reduced the inflation forecast (from 2.2 to 2.1 percent) for next year. Another factor contributing to this result was that European Central Bank authorities highlighted the importance of keeping "strong vigilance" on inflationary pressures.



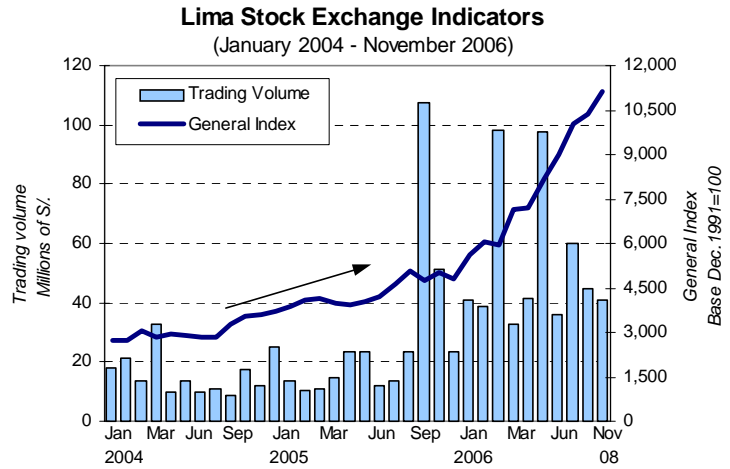
Yield of 10-year US Treasuries increases to 4.64 percent.

Between November 1 and 8, the **3-month Libor** remained at 5.37 percent and the yield of the **10-year US Treasuries** increased from 4.57 to 4.64 percent due to a higher-than-expected increase in labor costs (3.8 percent) and to the expansion of demand in the manufacturing sector observed in September (3.5 percent). Moreover, unemployment posted a rate of 4.40 percent, the minimum level recorded over the past 5 years. As a result of all these factors, the probabilities that the Federal Reserve will reduce its reference interest rates have decreased.



Lima Stock Exchange grew 4.0 percent

As of November 8, the **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) posted 4.0 and 3.9 percent respectively. During the week, transactions at the LSE were boosted by institutional investors' acquisition of mining shares following the publication of the good economic results obtained during the third quarter. Another factor that contributed to these higher indices was the price rise of zinc and the rise of precious metals in the international market.



So far this year, the **General** and **Blue Chip** Indices at the Lima Stock Exchange have increased 131.7 and 149.9 percent respectively.