



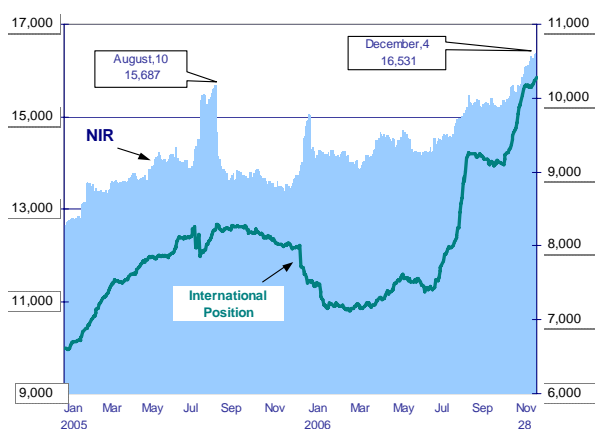
### Indicators

- Average interbank interest rate at 4.55%.
- NIRs at US\$ 16,531million as of December 4.
- Average exchange rate: S/. 3.215 per dollar.
- Trade Surplus of US\$ 613 million
- Country risk at 146 basis points.
- Lima Stock Exchange grew 2.0 per cent.

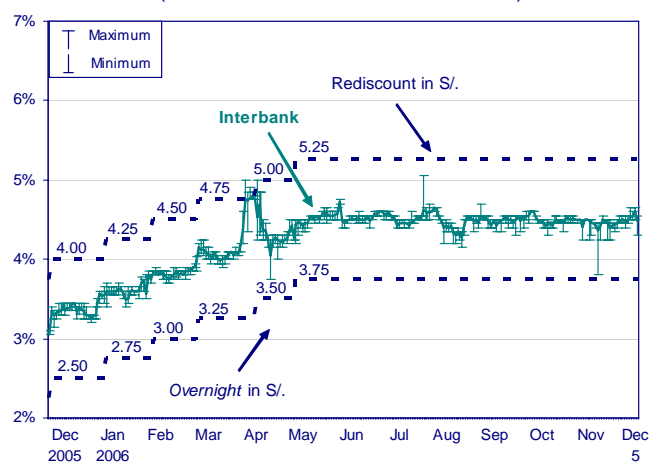
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**International Reserve and International Position of the BCRP**  
January 2005 - December 2006  
(Millions of US\$)



**Interest Rates in Domestic Currency**  
(December 2005 - December 2006)



**Central Reserve Bank of Peru**

**News**

- Weekly Report N° 48-2006
- Informative note on the Monetary Program: November 2006
- Press Release: Statement by an IMF Staff Mission in Peru
- Informative note on the Monetary Program: October 2006
- International Reserves: Composition and Performance - August 2006
- The development of China's Export Performance

**Monetary and Exchange Operations**

**06/12/2006**

**02:45 p.m.** The Central Bank bought US\$ 15 million, at an average exchange rate of S/. 3.2121 per dollar.

**02:30 p.m.** Auction sales of 1-week CDBCRP amounting to S/. 80 million at an average interest rate of 4.53 percent.

**02:00 p.m.** The BCRP announced a 1-week CDBCRP auction sales to S/. 80 million.

**01:45 p.m.** Auction sales of 1-day CDBCRP amounting to S/. 200 million at an average interest rate of 4.41 percent.

**01:00 p.m.** Auction sales of 6-month CDBCRP amounting to S/. 30 million.

**Interbank Exchange Rate (S/. per US\$)**

Dis:06	Dis:05
Maximum: 3.2150	3.2130
Average: 3.2131	3.2119
Minimum: 3.2120	3.2090
12-m. % change: -6.32	-6.36

Source: BCRP

**Interbank Interest Rates in S/.**

Dis:06	Dis:05
Maximum: 4.50%	4.30%
Close day: 4.40%	4.40%
Acc. month: 4.55%	

Source: BCRP

**Domestic Demand and Terms of Trade**

### Our Website

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

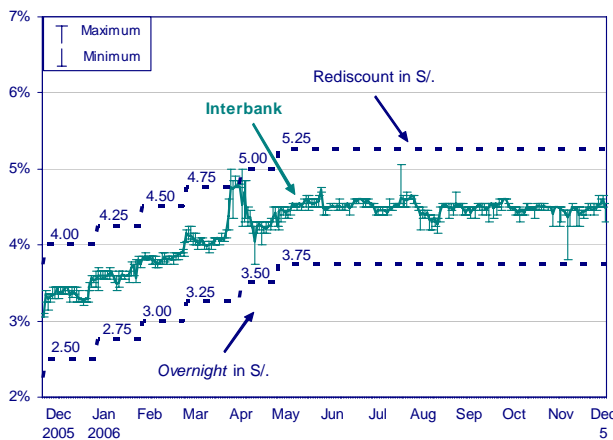
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## Average interbank interest rate as of December 5: 4.55 percent

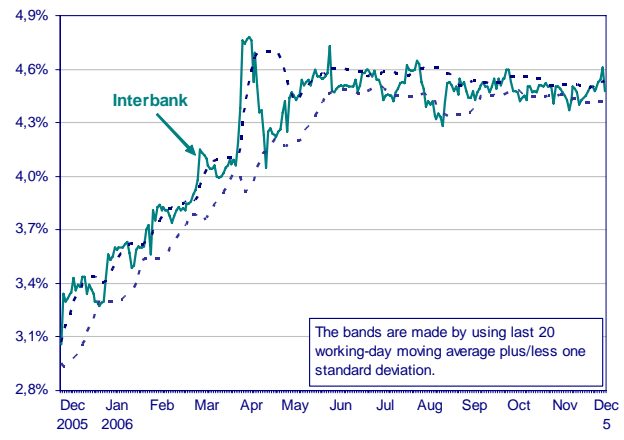
The **average interbank interest rate in domestic currency** decreased from 4.49 percent to 4.48 percent between **November 29 and December 5**. In this period, the daily average interbank interest rate fluctuated between 4.48 and 4.61 per cent. As of December 5, the monthly average interbank interest rate is 4.55 per cent, a level higher than that of November (4.48 per cent).

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
September	4.51	0.04
October	4.50	0.04
November	4.48	0.04
December 1-5	4.55	0.07

**Interest Rates in Domestic Currency**  
(December 2005 - December 2006)

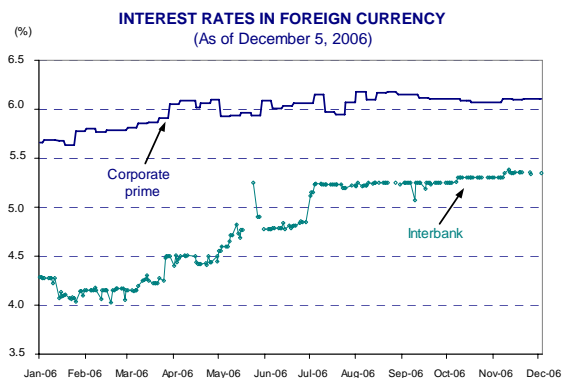
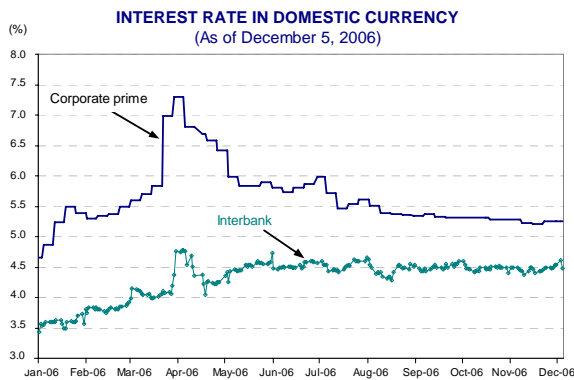


**Interbank Interest Rate in Domestic Currency**  
(December 2005 - December 2006)



## Corporate prime rate in soles remains at 5.26 percent

In the **November 29-December 5** period, the 90-day corporate prime rate in soles remained at 5.26 percent. Similarly, the rate in dollars remained at 6.11 percent.



## Monetary operations

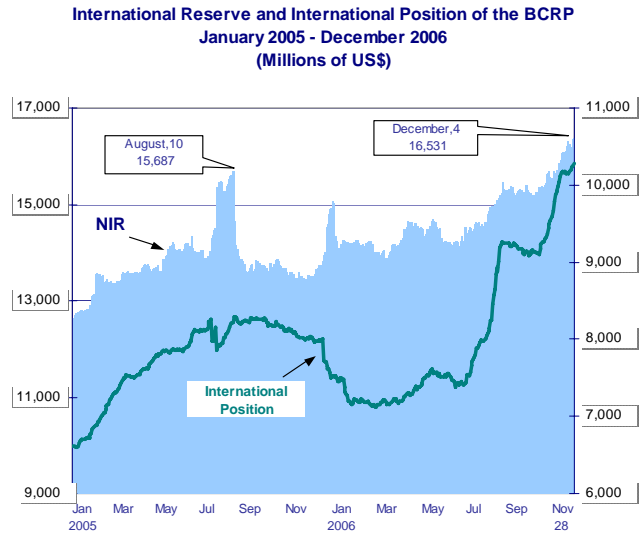
From **November 30 to December 5**, the Central Bank made the following monetary operations:

- i) Auctions of BCRP Certificates of Deposits with 1-day maturity for a daily average of S/. 190 million on November 30 and December 5. The average interest rate on these operations ranged between 4.23 and 5.49 percent;

- ii) Auctions of temporary purchases of securities with 1-day maturity for a daily average of S/. 112.5 million. The average interest rate on these operations, recorded every day in the period, ranged between 4.50 and 4.67 percent;
- iii) Purchases of foreign currency at the Central Bank's Front Office for a total of US\$ 85 million, at an average exchange rate of S/. 3.214 per dollar; and
- iv) Overnight deposits in domestic currency for S/. 207.4 million.

**International Reserves reach historical record of US\$ 16,531 million**

As of **December 4**, net international reserves (NIRs) reached US\$ 16,531 million, a sum US\$ 58 million higher than that of end-November. This new historical record of NIRs –associated with the strengthening of external accounts– was mainly due to BCRP higher net purchases of foreign currency (US\$ 45 million), increased deposits from the financial system (US\$ 19 million) and better prices for gold (US\$ 16 million). This result was offset by lower deposits of the public sector (US\$ 19 million) and decreased investment yield (US\$ 5 million).

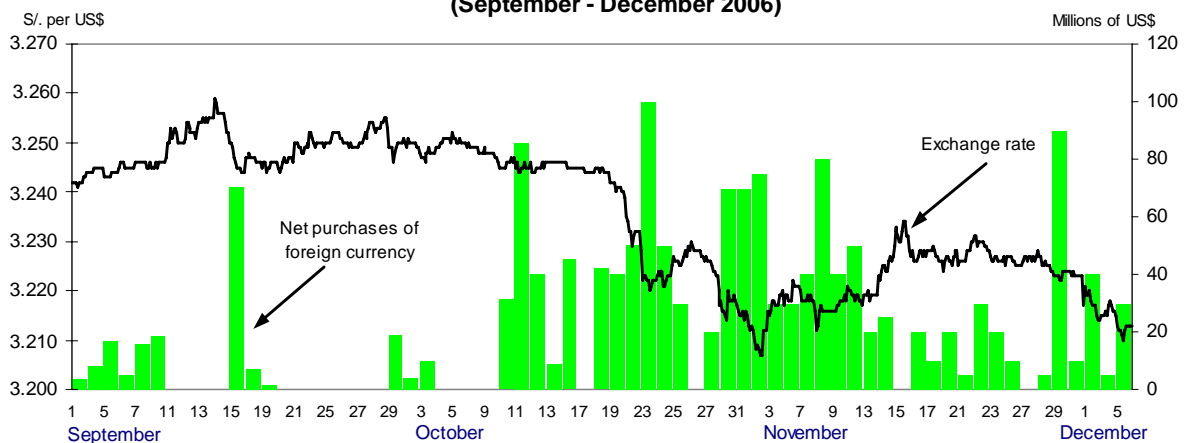


So far this year, NIRs have increased US\$ 2,434 million. As of December 4, the **international position of the BCRP** (US\$ 10,487 million) has increased US\$ 3,037 million with respect to the close of last year.

**Nominal average exchange rate: S/. 3.215 per dollar**

Between **November 29 and December 5**, the average interbank exchange rate decreased from S/. 3.223 to S/. 3.213 per dollar, which represented a 0.3 percent appreciation of the nuevo sol. The average exchange rate as of December 5 (S/. 3.215 per dollar) was 0.2 percent lower than the average rate in November (S/. 3.223 per dollar). As of December 5, the Central Bank intervened in the exchange market purchasing a total of US\$ 75 million at its Front Office.

**Interbank Ask- Exchange Rate and Net Purchases of Foreign Currency (September - December 2006)**



As of December 4, the balance of net forward sales has increased by US\$ 60 million, while banks' exchange position has decreased by US\$ 95 million with respect to the close of November.

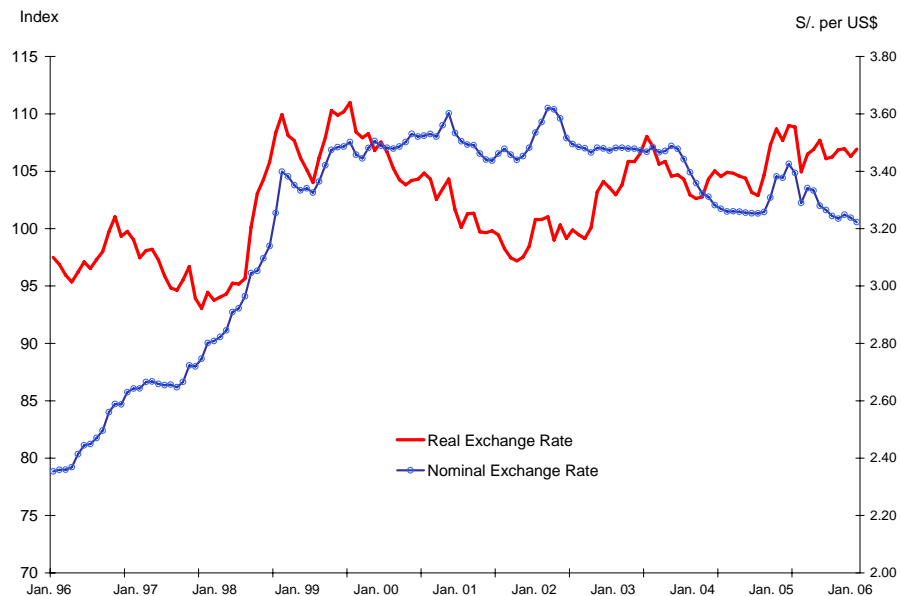
BANK'S EXCHANGE POSITION  
(Millions of US\$)

	December 2005	March	Jun	September	October	November	December
<b>a. Net sales to the public (i-ii)</b>	<b>1,027</b>	<b>1,579</b>	<b>1,706</b>	<b>860</b>	<b>339</b>	<b>206</b>	<b>266</b>
i. Forward sales to the public	1,813	2,426	2,387	2,020	1,939	1,654	1,710
ii. Forward purchases to the public	785	847	681	1,160	1,600	1,448	1,445
<b>b. Bank's exchange position</b>	<b>480</b>	<b>581</b>	<b>450</b>	<b>383</b>	<b>370</b>	<b>418</b>	<b>323</b>

## Real exchange rate increase 0.9 percent

In **real terms**, the exchange rate increased 0.9 percent in the month. It explained because the Nuevo Sol appreciated 0.5 percent in nominal terms, while external and domestic inflation recorded 1.1 and 0.3 percent respectively.

In annual terms, the multilateral real exchange rate decreased in November 0.4 percent because of nominal appreciation of the Nuevo Sol was 4.6 percent, while external inflation was 5.7 percent and domestic inflation was 1.5 percent.



## Inflation at -0.28 percent in November

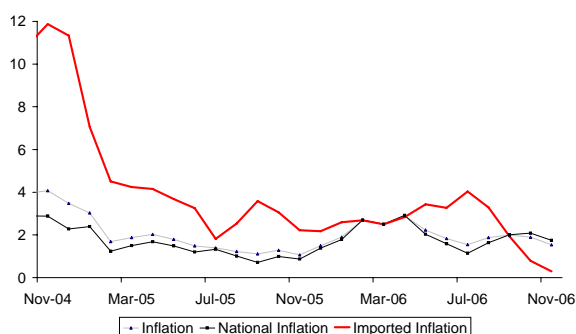
**Inflation** posted a rate of -0.28 percent in November, and accumulated a last-12 month rate of 1.5 percent. Three products contributed with -0.40 percentage points to inflation this month: onion (-0.20 points), chicken meat (-0.13 points), and potato (-0.07 points). Conversely, three other products contributed with 0.07 percentage points to November's inflation: chilli (0.03 points), tomato (0.02 points) and eggs (0.02 points).

**INFLATION RATE**  
(Annual percentage change)

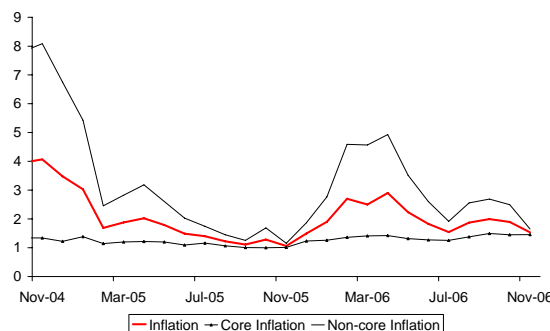
	Weighting	Monthly	12-month indicator			Average annual indicator		
		Nov. 2006	Nov. 2005	Oct. 2006	Nov. 2006	Nov. 2005	Oct. 2006	Nov. 2006
<b>I. CORE INFLATION</b>	<b>60.6</b>	<b>0.13</b>	<b>1.01</b>	<b>1.45</b>	<b>1.45</b>	<b>1.14</b>	<b>1.32</b>	<b>1.36</b>
<b>Goods</b>	<b>34.0</b>	<b>0.18</b>	<b>0.57</b>	<b>0.95</b>	<b>1.02</b>	<b>0.89</b>	<b>0.81</b>	<b>0.85</b>
Food	13.0	0.27	0.23	1.69	1.84	1.86	0.91	1.05
Textile and footwear	7.6	0.24	1.54	1.47	1.62	1.50	1.40	1.41
Electrical appliances	1.0	-0.33	-1.99	-0.33	-0.93	-3.07	-0.22	-0.13
Other industrial goods	12.5	0.07	0.52	-0.05	-0.07	-0.19	0.41	0.36
<b>Services</b>	<b>26.6</b>	<b>0.08</b>	<b>1.55</b>	<b>2.06</b>	<b>1.99</b>	<b>1.46</b>	<b>1.95</b>	<b>1.99</b>
Restaurants	12.0	0.02	0.90	1.32	1.34	1.27	1.13	1.16
Education	5.1	0.09	2.44	3.62	3.62	3.42	3.15	3.25
Health	1.3	0.20	1.91	0.39	0.59	1.84	0.86	0.75
Renting	2.3	0.00	0.79	-0.30	-0.20	-1.31	1.30	1.22
Other services	5.9	0.19	2.30	3.38	2.91	1.01	3.04	3.09
<b>II. NON CORE INFLATION</b>	<b>39.4</b>	<b>-0.85</b>	<b>1.16</b>	<b>2.49</b>	<b>1.65</b>	<b>2.68</b>	<b>2.92</b>	<b>2.96</b>
Food	22.5	-1.26	0.37	4.28	3.27	0.75	3.48	3.72
Fuel	3.9	-0.48	6.85	0.26	-0.88	10.63	6.42	5.74
Transportation	8.4	0.20	1.60	0.91	0.90	3.47	1.30	1.24
Utilities	4.6	-1.22	-2.49	-0.75	-2.02	2.32	-1.04	-1.00
<b>III. CPI</b>	<b>100.0</b>	<b>-0.28</b>	<b>1.06</b>	<b>1.89</b>	<b>1.54</b>	<b>1.78</b>	<b>1.99</b>	<b>2.03</b>
<b>Note.-</b>								
<b>Imported inflation</b>	<b>12.1</b>	<b>-0.22</b>	<b>2.22</b>	<b>0.79</b>	<b>0.29</b>	<b>4.22</b>	<b>2.64</b>	<b>2.48</b>
<b>Core inflation excluding food</b>	<b>47.6</b>	<b>0.09</b>	<b>1.22</b>	<b>1.39</b>	<b>1.35</b>	<b>0.95</b>	<b>1.43</b>	<b>1.44</b>
<b>Total food</b>	<b>33.2</b>	<b>-0.79</b>	<b>0.54</b>	<b>3.14</b>	<b>2.49</b>	<b>1.17</b>	<b>2.63</b>	<b>2.79</b>

**Core inflation** was 0.13 percent, and accumulated 1.5 percent over the last 12 months. **Non-core inflation** was -0.85 percent in November, and accumulated 1.6 percent over the last 12 months. **Core inflation (excluding food and beverage products)** was 0.09 percent (1.3 percent in the last 12 months). On the other hand, **imported inflation** in the month was -0.22 percent (0.3 percent in the last 12 months).

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



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



## Macroeconomic Expectations

Between November 13 and 30, the Central Reserve Bank of Peru conducted the monthly Macroeconomic Expectations survey among 27 financial organizations, 22 economic analysts and 394 non-financial companies. The results of the surveys are presented below:

### FINANCIAL SYSTEM INSTITUTIONS

(Median<sup>1/</sup> of the sample)

	Date of the survey		
	Sep 29 2/	Oct 31 2/	Nov 30 3/
<b>Inflation (%)</b>			
Monthly: Dec	0.25	0.22	0.22
Annual: 2006	2.10	2.00	2.00
2007	2.50	2.50	2.30
<b>GDP growth (%)</b>			
Monthly: Oct	6.00	6.80	7.00
Nov	5.90	6.20	6.50
Annual: 2006	6.45	7.00	7.10
2007	5.70	6.00	6.00
<b>Exchange rate (S/. per US\$)</b>			
Monthly: Dec	3.25	3.24	3.22
December 2006	3.25	3.23	3.23
December 2007	3.30	3.25	3.25
<b>Interbank interest rate (%)</b>			
<i>In nuevos soles</i>			
Monthly: Dec	4.50	4.50	4.50
December 2006	4.50	4.50	4.50
December 2007	4.50	4.50	4.55

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

2/ 28 financial institutions.

3/ 27 financial institutions.

### ANALYSTS

(Median<sup>1/</sup> of the sample)

	Date of the survey		
	Sep 29 2/	Oct 31 3/	Nov 30 3/
<b>Inflation (%)</b>			
Monthly: Dec	0.27	0.30	0.25
Annual: 2006	2.10	2.10	1.90
2007	2.50	2.50	2.40
<b>GDP growth (%)</b>			
Monthly: Oct	6.35	6.50	7.00
Nov	6.00	6.50	6.80
Annual: 2006	6.50	7.00	7.00
2007	5.50	5.80	5.90
<b>Exchange rate (S/. per US\$)</b>			
Monthly: Dec	3.25	3.23	3.23
December 2006	3.25	3.24	3.24
December 2007	3.30	3.29	3.26
<b>Interbank interest rate (%)</b>			
<i>In nuevos soles</i>			
Monthly: Dec	4.50	4.50	4.50
December 2006	4.50	4.50	4.50
December 2007	4.50	4.50	4.50

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

2/ 25 analysts.

3/ 22 analysts.

### NON-FINANCIAL SYSTEM FIRMS

(Median<sup>1/</sup> of the sample)

	Date of the survey		
	Sep 31 2/	Oct 31 3/	Nov 30 3/
<b>Inflation (%)</b>			
Annual: 2006	2.00	1.90	1.60
2007	2.00	2.00	1.80
<b>GDP growth (%)</b>			
Annual: 2006	6.20	6.50	6.50
2007	6.00	6.20	6.50
<b>Exchange rate (S/. per US\$)</b>			
December 2006	3.28	3.27	3.24
December 2007	3.32	3.30	3.28

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

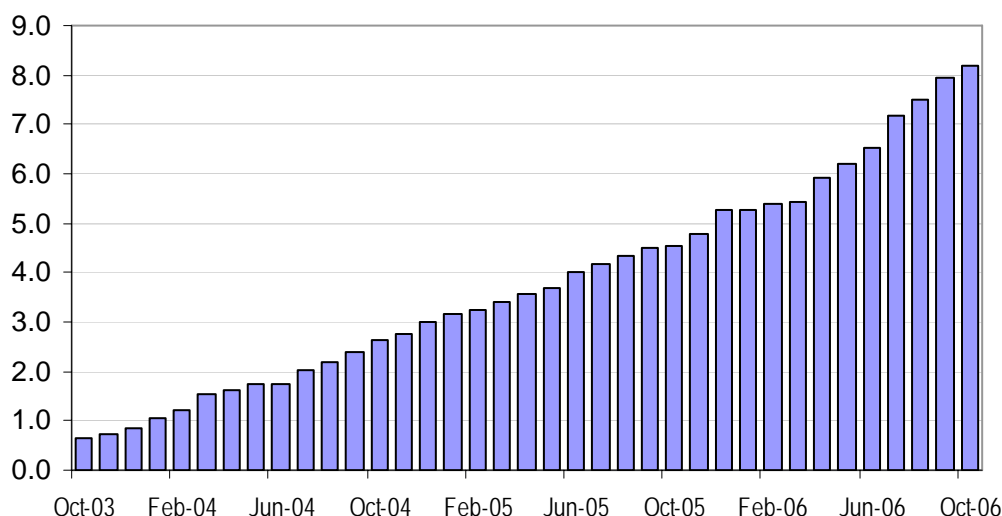
2/ 345 non-financial institutions.

3/ 394 non-financial institutions.

## Trade surplus of US\$ 613 million in October and favorable prospects for November

In **October** 2006, the trade balance recorded a surplus of US\$ 613 million, a sum US\$ 229 million (60 percent) higher than the one recorded in October 2005. In this way, the trade balance has posted a positive result over 42 consecutive months. A surplus of US\$ 8,190 million was achieved in the last 12 months (November 2005 through October 2006). This figure is 80 percent higher than the one posted in the same period last year.

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



**Exports** in October amounted to 2,012 million, increasing by US\$ 538 million (37 percent) with respect to exports in October last year. Exports in the November 2005-October 2006 period totaled US\$ 22,452 million, a sum 38 percent higher than the one posted in the same period last year.

**Traditional exports** amounted to US\$ 1,462 million, increasing by 37 percent (US\$ 391million) with respect to October 2005. Traditional exports contributing most heavily to this evolution included copper (US\$ 194 million, or 64 percent), zinc (US\$ 114 million, or 149 percent), lead (US\$ 65 million, or 207 percent), and coffee (US\$ 52 million, or 148 percent).

**Non-traditional exports** reached a record level similar to US\$ 540 million, increasing by US\$ 148 million (38 percent) with respect to non-traditional exports in October 2005. Although all non-traditional exports posted some growth, it is worth highlighting the particularly positive evolution of exports in the sectors of basic metal industries, agriculture and livestock, and textiles.

**Imports** amounted to US\$ 1,399 million in October, which represented a 28 percent increase with respect to October 2005. This result is explained by higher purchases of raw materials for industrial uses (55 percent) and of capital goods for industry (38 percent). Last-12 months imports totaled US\$ 14,262 million, a sum 21 percent higher than the one recorded in the same period last year.

## TRADE BALANCE

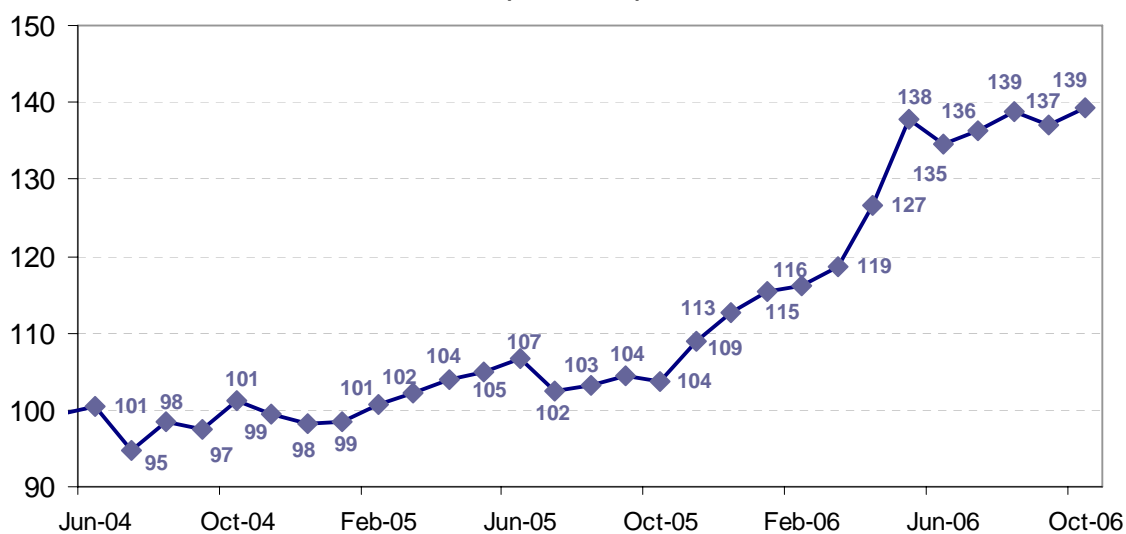
(Millions of US\$)

	Monthly data			Annual data				
	October 2005	October 2006	% chg.	Nov.2004 Oct.2005	Oct.2005 Sep.2006	Nov.2005 Oct.2006	% chg. C/A	% chg. C/B
				A	B	C		
<b>EXPORTS</b>	<b>1,475</b>	<b>2,012</b>	<b>36.5</b>	<b>16,334</b>	<b>21,914</b>	<b>22,452</b>	<b>37.5</b>	<b>2.5</b>
Traditional products	1,070	1,462	36.6	12,015	16,883	17,274	43.8	2.3
Non-traditional products	392	540	37.9	4,180	4,873	5,021	20.1	3.0
Other products	12	10	- 14.9	140	158	156	11.9	- 1.2
<b>IMPORTS</b>	<b>1,091</b>	<b>1,399</b>	<b>28.3</b>	<b>11,787</b>	<b>13,953</b>	<b>14,262</b>	<b>21.0</b>	<b>2.2</b>
Consumer goods	204	260	27.7	2,298	2,474	2,530	10.1	2.3
Raw materials and intermediate goods	628	770	22.5	6,491	7,599	7,741	19.3	1.9
Capital goods	253	363	43.5	2,901	3,762	3,872	33.5	2.9
Other goods	6	7	13.4	97	117	118	21.8	0.7
<b>TRADE BALANCE</b>	<b>384</b>	<b>613</b>	<b>59.7</b>	<b>4,547</b>	<b>7,961</b>	<b>8,190</b>	<b>80.1</b>	<b>2.9</b>

The **terms of trade** in October grew 34 percent with respect to October 2005. This growth is due to an increase in the average prices of exports (35 percent) based on better international prices for the main commodities. The prices of imports, on the other hand, increased by 1 percent, and exported volumes increased by 1 percent.

## TERMS OF TRADE

(1994=100)





## Monetary base as of November 30, 2006

The **monetary base** as of November 30 (S/.11,983 million) increased 2.6 percent (S/. 302 million) with respect to the close of October. In average terms, the annual growth of the monetary base in this period was 14.5 percent (13.3 percent in October).

By sources, the operations that contributed most heavily to the expansion of the monetary base were purchases of foreign currency at the Front Desk of the Central Bank (US\$ 610 million, or S/. 1,964 million) and higher temporary purchases of securities (S/. 40 million). Conversely, the primary base contracted as a result of net placements of BCRP Certificates of Deposits (S/. 678 million), sales of foreign currency to the public sector (US\$ 150 million, or S/. 484 million) and higher deposits from the public sector (S/. 597 million) as well as overnight deposits from the financial system (S/. 67 million).

## Monetary Accounts of the Banking System as of November 15, 2006

In the last 4 weeks, liquidity in **domestic currency** increased 3.7 per cent (S/. 1,143 million), thus totaling S/. 31,917 million (annual growth of 10.4 per cent). Credit to the private sector in domestic currency increased by 3.5 per cent (S/. 633 million), thus totaling S/. 18,758 million (annual growth of 36.0 per cent).

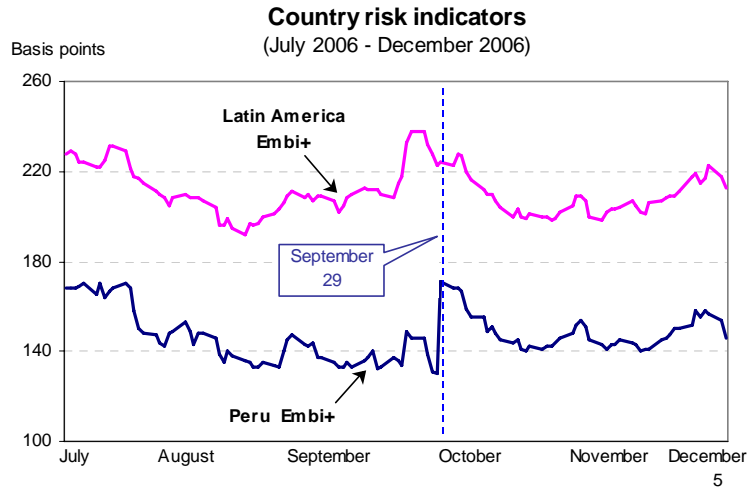
Liquidity in **foreign currency** increased 1.5 per cent (US\$ 166 million), totaling US\$ 11,352 million (annual growth of 10.8 per cent). Credit to the private sector in foreign currency increased 0.5 per cent (US\$ 55 million), thus totaling US\$ 10,846 million (annual growth of 6.5 per cent).

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>2004</b>												
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%
<b>2005</b>												
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%
<b>2006</b>												
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%	2.6%	6.4%	1.5%	35.5%	-0.3%	11.6%	-0.2%	-37.1%	-0.9%	3.7%
Sep.	0.9%	13.9%	0.7%	7.8%	2.4%	36.0%	-0.1%	9.9%	-10.4%	-37.5%	0.8%	6.0%
Oct.	0.8%	13.5%	1.9%	8.6%	3.4%	35.8%	1.2%	11.0%	26.4%	-11.1%	0.3%	6.2%
Nov.15	1.5%	15.1%	3.7%	10.4%	3.5%	36.0%	1.5%	10.8%	24.9%	-2.5%	0.5%	6.5%
Memo:												
Balance as of Oct. 15 (Mill.S/. or Mill.USS)	11,756		30,774		18,125		11,186		549		10,792	
Balance as of Nov. 15 (Mill.S/. or Mill.USS)	11,934		31,917		18,758		11,352		686		10,846	
1/ Short term external liabilities of banking enterprises.												

## International Markets

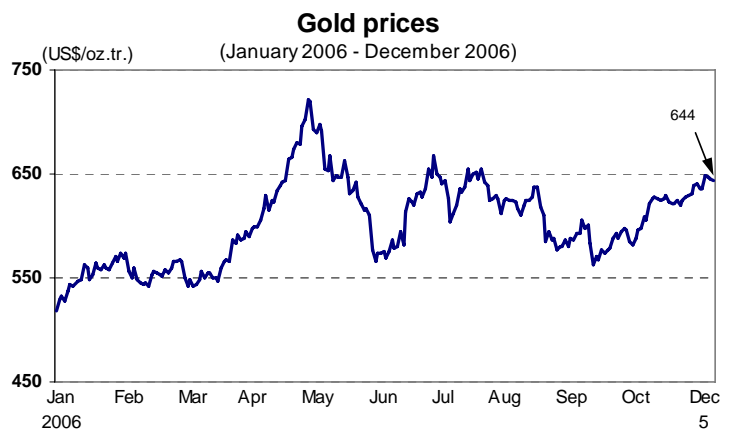
### Country risk at 146 basis points

On average, the country risk indicator –measured by the **EMBI+ Peru** spread– decreased from 149 basis points in October to 147 basis points in November, following the evolution of the spread of the rest of emerging economies and of the region. It is also worth mentioning that the rating agency Standard & Poor's upgraded the rating of Peruvian sovereign bonds and raised its outlook to stable, as a result of the continuous growth of economic activity, of more robust external accounts, and of expectations that the positive policies implemented will continue to be applied in the future.



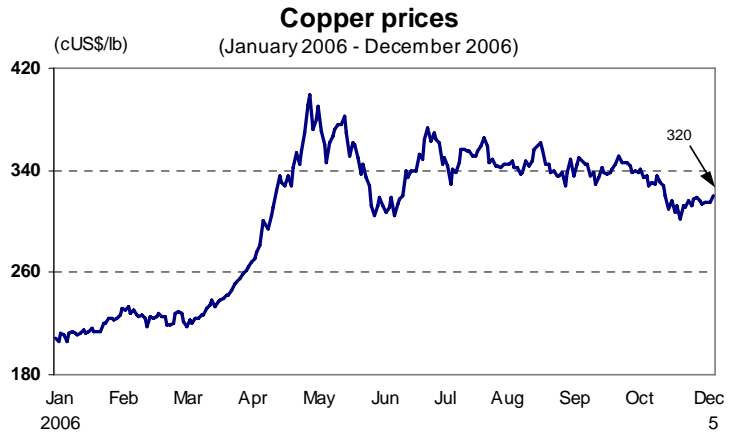
### Metal quotations

In **November**, the average price of **gold** increased from US\$ 586.8 to US\$ 628.9 per troy ounce (7.2 percent) due to a greater physical demand for this metal –given the season of religious festivities in India–, the weakness of the dollar and the rise in oil prices. All of these factors contributed to increase the appeal of gold both as a hedging instrument and as an investment asset.



As of **December 5**, the quotation of gold increased to US\$ 643.7 per troy ounce due to the continuous depreciation of the dollar against other currencies and also due to the higher prices of oil.

In November, the average quotation of **copper** decreased from US\$ 3.40 to US\$ 3.18 per pound (6.4 percent) due to a 19 percent increase of inventories in the London Metal Exchange, as a result of which inventories amounted to 155 thousand MT at the close of the month. Another factor contributing to the price fall was the decline of China's imports of copper concentrates observed in October.



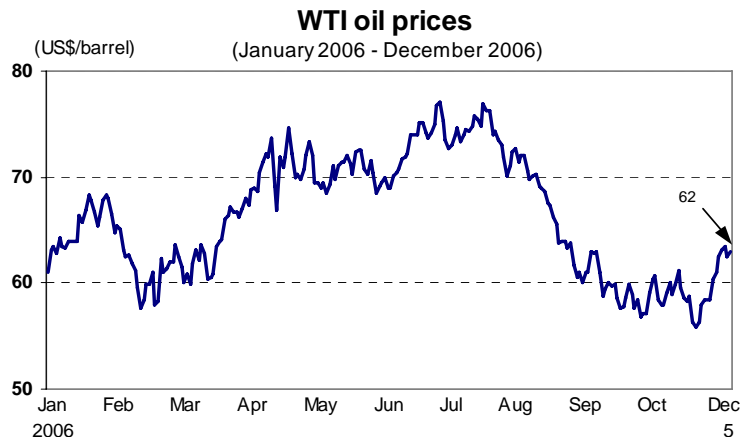
As of **December 5**, the copper quotation reached US\$ 3.20 per pound, given expectations of a sound demand in China and of a higher demand in Europe –a sign reflecting economic acceleration in Europe, following reports that the service industry had grown in November at its fastest pace over the past four months.

In **November**, the average price of **zinc** increased 14.8 percent when it rose from US\$ 1.73 to US\$ 1.99 per pound. Factors contributing to this result included a 20 percent decrease of zinc inventories at the London Metal Exchange (LME), which lowered them to a level of 86 thousand MT. However, investors' profit-take during the month partly offset the price rise. A maximum historical record price of US\$ 2.10 per pound was reached on November 24.



The price of zinc rose to US\$ 2.09 per pound as of **December 5** due to the continuous reduction of inventories at the LME.

In **November**, the average quotation of **WTI oil** increased 0.5 percent from US\$ 58.9 to US\$ 59.2 per barrel. This evolution was due to a drop of inventories of gasoline and distilled products (including heating oil and diesel), which decreased by 1.7 and 6 percent respectively, as well as to expectations that lower-than-usual temperatures will occur this winter in the United States. However, during the month, the International Energy Agency reduced its demand forecast for 2006 from 1.2 to 1.1 percent.

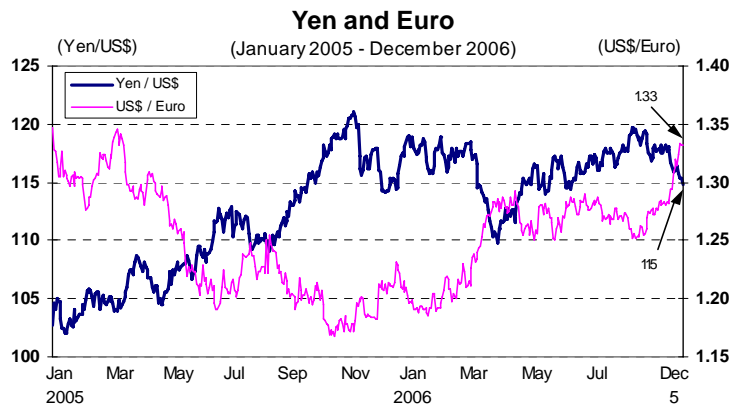


As of **December 5**, the price of **WTI** oil rose to US\$ 62.4 per barrel due to expectations that inventories of heating oil would continue to decrease given lower temperatures in the United States. Another factor contributing to this evolution is persistent expectations that the OPEC countries will consider cutting off their production quotas for the second time this year in their next meeting of December 14.

### Dollar depreciates against the euro and the yen

During **November**, the dollar depreciated 2.2 percent in average terms against the **euro** and 1.1 percent against the **yen**. The dollar lost ground against these currencies due to an expected lower differential between interest rates in the US and in the Eurozone, as a result of greater speculations that the Federal Reserve would reduce its reference rate for 2007, of the weakening of the real estate and manufacturing sectors, and of a decrease in consumers' confidence. On the other hand, higher expectations that the European Central Bank will adjust its rates given inflationary pressures and positive indicators of economic activity supported the euro even further.

So far in **December**, the dollar has depreciated 0.6 percent against the euro and 0.8 percent against the yen. This depreciation of the dollar is explained by recent negative indicators of economic activity in the US: the ISM manufacturing index fell for the first time in three years in November and industrial orders in October fell more than expected. In the Eurozone, on the other hand, the Euro strengthened against the dollar given that the manufacturing index grew for seventeen consecutive months and that the rate of unemployment dropped to its lowest level in 8 months.



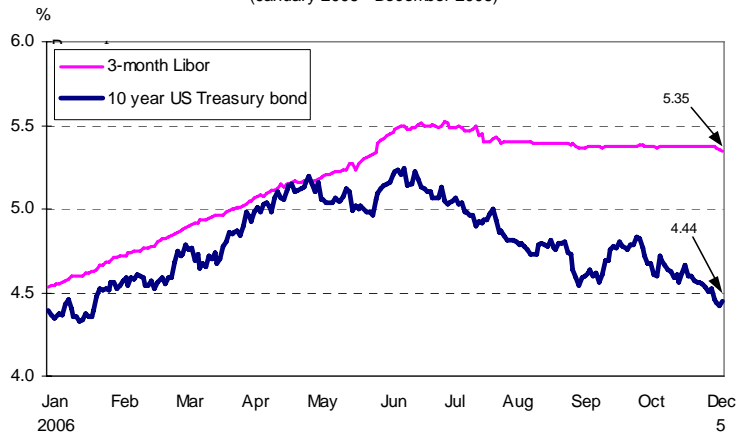
### Yield of 10-year US Treasuries decreased by 4.59 percent on average in November

In average terms, the **3-month Libor** remained at 5.37 percent in November, while the yield on the 10-year US Treasuries decreased from 4.72 to 4.59 percent. This evolution is explained by fears of a greater slowdown in the US economy following reports of negative indicators of economic activity.

As of **5 de diciembre**, the **3-month Libor** decreased to 5.35 percent, and the yield on the 10-year US Treasuries decreased to 4.44 percent amidst expectations that the US economy will show a slow pace of growth in the coming months.

3-month Libor and yield on 10-year US Treasury bonds

(January 2006 - December 2006)

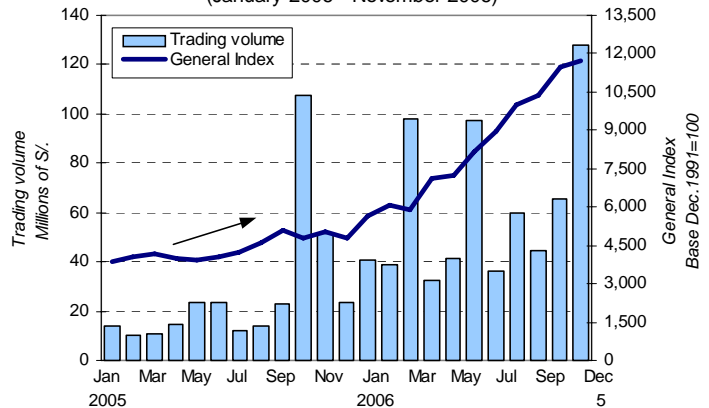


### Lima Stock Exchange grew 2.0 percent in December

In **November**, the **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) increased 7.4 and 7.1 percent respectively, boosted by the greater dynamism of mining and bank stocks. The greater interest of investors in agriculture businesses also had a positive effect in the LSE, given expectations of future investments in the field of ethanol—a type of fuel with great potential in the country.

Lima Stock Exchange Indicators

(January 2006 - November 2006)



It should also be pointed out that the stocks of the mining company Volcan also increased significantly in this month following positive reports, including the partial prepayment of a loan granted by the Credit Suisse Bank.

So far this month, the General and Blue Chip Indices at the Lima Stock Exchange have grown 2.0 and 2.6 percent respectively, boosted by mining stocks as a result of higher prices of metals in the international market—the prices of copper and zinc pushed mining stocks upwards at the LSE. Year-to-date, the General and Blue Chip Indices at the Lima Stock Exchange have accumulated gains for 144.0 and 164.2 percent respectively.

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

	2005				2006												
	JUN.	SET.	DIC.	Mar.	Jun.	Jul.	Ago.	Set.	Oct.	29 Nov.	30 Nov.	Nov.	1 Dic.	4 Dic.	5 Dic.	Dic.	
<b>RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES</b>																	Var.
Posición de cambio / <i>Net international position</i>	8 127	8 192	7 450	7 257	7 525	8 047	9 201	9 139	9 782	10 352	10 426	644	10 486	10 487		61	
Reservas internacionales netas / <i>Net international reserves</i>	13 818	13 695	14 097	14 472	14 415	14 638	15 379	15 172	15 672	16 370	16 473	801	16 494	16 531		58	
Depósitos del sistema financiero en el BCRP / <i>Financial system deposits at BCRP</i>	2 836	2 984	4 165	5 129	4 731	4 248	3 828	3 675	3 511	3 575	3 643	132	3 610	3 662		19	
Empresas bancarias / <i>Banks</i>	2 684	2 876	4 076	4 964	4 543	4 072	3 692	3 522	3 297	3 372	3 423	126	3 375	3 422		-1	
Banco de la Nación / <i>Banco de la Nación</i>	96	56	33	99	118	94	63	75	141	126	145	4	157	156		11	
Resto de instituciones financieras / <i>Other financial institutions</i>	56	52	57	67	70	82	73	78	73	77	75	2	77	84		9	
Depósitos del sector público en el BCRP / <i>Public sector deposits at BCRP *</i>	2 913	2 572	2 533	2 129	2 208	2 389	2 411	2 408	2 443	2 488	2 478	35	2 476	2 460		-18	
<b>OPERACIONES CAMBIARIAS BCR (Mill. US\$) / BCRP FOREIGN OPERATIONS</b>	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>	265	-25	-581	0	2	472	1 116	-34	577	90	10	460	40	5	29	74	
Operaciones swaps netas / <i>Net swap operations</i>	365	33	-345	0	3	660	1 410	166	696	90	10	610	40	5	30	75	
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	
	-100	-58	-237	0	0	-189	-293	-200	-120	0	0	-150	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.	
Compra interbancario / <i>Interbank</i>	Promedio / <i>Average</i>	3,252	3,306	3,423	3,356	3,262	3,242	3,233	3,247	3,237	3,222	3,222	3,222	3,216	3,214	3,211	3,213
Apertura / <i>Opening</i>	3,253	3,308	3,427	3,350	3,266	3,245	3,235	3,249	3,240	3,225	3,224	3,223	3,221	3,210	3,215	3,215	
Mediodía / <i>Midday</i>	3,254	3,309	3,425	3,361	3,265	3,244	3,235	3,249	3,238	3,224	3,223	3,223	3,217	3,218	3,213	3,216	
Cierre / <i>Close</i>	3,253	3,309	3,424	3,371	3,265	3,244	3,236	3,249	3,238	3,224	3,223	3,223	3,214	3,215	3,213	3,214	
Promedio / <i>Average</i>	3,253	3,300	3,426	3,342	3,266	3,244	3,235	3,249	3,238	3,223	3,223	3,223	3,218	3,215	3,213	3,215	
Sistema Bancario (SBS) / <i>Banking System</i>	Compra / <i>Bid</i>	3,252	3,307	3,423	3,356	3,263	3,243	3,234	3,247	3,237	3,222	3,221	3,222	3,216	3,215	3,211	3,214
	Venta / <i>Ask</i>	3,253	3,308	3,425	3,358	3,265	3,244	3,235	3,248	3,238	3,223	3,223	3,223	3,218	3,216	3,213	3,216
Índice de tipo de cambio real (1994 = 100) / <i>Real exchange rate Index (1994 = 100)</i>		103,2	107,3	109,1	106,5	106,2	106,3	107,0	107,0	106,4		107,3					
<b>INDICADORES MONETARIOS / MONETARY INDICATORS</b>																	
<b>Moneda nacional / Domestic currency</b>																	
Emisión Primaria / <i>Monetary base</i>	(Var. % mensual) / (% monthly change)	1,9	-0,1	13,1	0,8	2,3	8,0	-4,2	0,9	0,8	3,0	2,6	2,6				
	(Var. % últimos 12 meses) / (% 12-month change)	28,1	31,8	25,7	24,2	16,0	11,7	12,8	13,9	13,5		15,6					
Oferta monetaria / <i>Money Supply</i>	(Var. % mensual) / (% monthly change)	2,2	-0,6	5,3	2,1	0,9	2,8	2,6	0,7	1,9							
	(Var. % últimos 12 meses) / (% 12-month change)	35,4	27,9	19,5	8,8	2,5	1,8	6,4	7,8	8,6							
Crédito sector privado / <i>Crédit to the private sector</i>	(Var. % mensual) / (% monthly change)	0,8	2,0	7,0	1,3	2,1	1,4	1,5	2,4	3,4							
	(Var. % últimos 12 meses) / (% 12-month change)	16,2	21,0	34,8	39,2	38,8	38,0	35,5	36,0	35,8							
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>		3,2	0,5	-0,7	5,9	1,9	0,2	6,1	0,0	1,1	3,1	4,2	4,2	-0,6			
Superávit de encaje promedio (Var. % acum. en el mes) / <i>Average reserve surplus (% of TOSE)</i>		0,6	1,0	1,0	1,2	1,2	1,2	1,2	1,1	1,0	0,9	0,9	2,9				
Cuenta corriente de los bancos (saldo Mill. S.) / <i>Banks' current account (balance)</i>		278	286	312	275	229	250	244	260	259	135	74	263	698	921	875	
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	
Depósitos públicos en el BCRP (millones S.) / <i>Public sector deposits at the BCRP (Mills. S.)</i>		4 985	5 169	4 738	6 685	7 847	9 431	9 392	9 700	9 872	10 572	10 470	10 470	10 421	10 305	n.d.	
Certificados de Depósitos BCRP (saldo Mill. S.) / <i>CDBCRP balance (Millions of S.)</i>		10 465	9 738	7 676	5 491	3 796	3 224	5 470	4 776	6 307	6 906	6 986	6 986	6 686	6 486	6 566	
CD Reajustables BCRP (saldo Mill. S.) / <i>CDBRCP balance (Millions of S.)</i>		0	0	1 202	1 197	700	670	670	670	670	670	670	670	670	670	670	
Operaciones de reporte (saldo Mill. S.) / <i>repos (Balance millions of S.)</i>		0	0	2 850	3 050	2 092	2 352	354	264	0	0	40	200	130	80		
TAMN / <i>Average lending rates in domestic currency</i>		25,99	25,59	23,63	24,28	24,34	24,14	24,05	23,90	23,38	22,75	23,10	23,10	23,12	23,01	23,11	23,08
Préstamos y descuentos hasta 360 días / <i>Loans &amp; discount</i>		15,51	14,67	13,93	14,60	14,92	14,85	14,67	14,69	14,55	13,82	13,94	14,13	14,07	14,01	14,01	14,05
Interbancaria / <i>Interbank</i>		2,99	2,99	3,34	4,12	4,53	4,50	4,44	4,51	4,50	4,49	4,53	4,48	4,54	4,61	4,48	4,55
Preferencial corporativa a 90 días / <i>Corporate Prime</i>		3,92	3,80	4,37	5,92	5,80	5,67	5,45	5,34	5,31	5,26	5,26	5,24	5,26	5,26	5,26	5,26
Operaciones de reporte con CDBCRP / <i>CDBCRP repos</i>		s.m.	s.m.	3,25	4,56	4,88	4,82	4,86	4,76	s.m.	s.m.	4,50	4,50	4,60	4,67	4,56	
Créditos por regulación monetaria / <i>Rediscounts ***</i>		3,75	3,75	4,00	4,75	5,25	5,25	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	4,86	4,95	5,03	5,11	5,23	5,14	5,21	5,20	5,23	5,25	5,25	5,24	
<b>Moneda extranjera / Foreign currency</b>																	
Crédito sector privado / <i>Crédit to the private sector</i>	(Var. % mensual) / (% monthly change)	1,5	-1,4	-0,2	2,5	2,0	0,4	-0,9	0,8	0,3							
	(Var. % últimos 12 meses) / (% 12-month change)	5,7	4,6	5,0	1,9	2,6	2,4	3,7	6,0	6,2							
TOSE saldo fin de período (Var. % acum. en el mes) / <i>TOSE balance (% change)</i>		-0,5	1,1	7,5	2,8	2,9	1,4	-0,2	-0,7	2,1	0,3	-0,3	-0,3	0,1			
Superávit de encaje promedio (Var. % acum. en el mes) / <i>Average reserve surplus (% of TOSE)</i>		0,3	0,4	0,4	0,1	0,3	0,3	0,3	0,3	0,3	0,6	0,1	0,1	3,8			
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	
TAMEX / <i>Average lending rates in foreign currency</i>		9,67	10,01	10,41	10,62	10,55	10,66	10,67	10,64	10,72	10,73	10,80	10,72	10,99	10,89	10,84	10,91
Préstamos y descuentos hasta 360 días / <i>Loans &amp; discount</i>		8,31	8,90	9,37	9,73	9,70	9,82	9,88	9,95	10,03	10,14	10,14	10,06	10,15	10,14	10,15	10,15
Interbancaria / <i>Interbank</i>		2,87	3,52	4,19	4,25	4,80	5,22	5,23	5,24	5,28	s.m.	s.m.	5,34	s.m.	5,35	5,35	
Preferencial corporativa a 90 días / <i>Corporate Prime</i>		3,94	4,39	5,51	5,85	6,00	6,03	6,14	6,13	6,09	6,11	6,11	6,10	6,11	6,11	6,11	6,11
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.	
<b>INDICADORES BURSÁTILES / STOCK MARKET INDICES</b>	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	
Índice General Bursátil (Var. % / <i>General Index (% change)</i>		2,9	10,0	-4,6	-2,6	13,1	9,6	11,6	3,8	2,9	0,7	0,7	7,4	0,5	1,0	0,5	2,0
Índice Selectivo Bursátil (Var. % / <i>Blue Chip Index (% change)</i>		1,6	9,6	-4,9	-2,4	13,1	12,5	14,2	2,9	0,8	0,4	0,8	7,1	0,9	0,9	0,8	2,6
Monto negociado en acciones (Mill. S.) - Prom. diario		23,4	23,2	23,7	98,1	97,4	36,1	59,7	44,7	40,6	40,8	63,4	65,5	365,9	24,2	156,1	182,1
<b>INFLACIÓN (%) / INFLATION (%)</b>																	
Inflación mensual / <i>Monthly</i>		0,26	-0,09	0,42	0,46	-0,13	-0,17	0,14	0,03	0,04							
Inflación últimos 12 meses / <i>% 12 months change</i>		1,48	1,11	1,49	2,50	1,83	1,55	1,87	1,99	1,89							
<b>GOBIERNO CENTRAL (Mill. S.) / CENTRAL GOVERNMENT (Mills. of S.)</b>																	
Resultado primario / <i>Primary balance</i>		487	178	-2 451	1 154	833	569	533	345	565							
Ingresos corrientes / <i>Current revenue</i>		3 230	3 443	3 674	4 364	3 993	4 489	4 177	3 989	4 202							
Gastos no financieros / <i>Non-financial expenditure</i>		2 753	3 281	6 173	3 231	3 185	3 998	3 662	3 660	3 650							
<b>COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)</b>																	
Balanza Comercial / <i>Trade balance</i>		480	471	924	447	780	1 148	745	935	613							
Exportaciones / <i>Exports</i>		1 435	1 493	1 975	1 733	2 044	2 347	1 997	2 160	2 012							
Importaciones / <i>Imports</i>		956	1 021	1 051	1 286	1 264	1 199	1 251	1 225	1 399							
<b>PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT</b>																	
Variac. % respecto al mismo mes del año anterior / <i>Annual rate of growth (12 months)</i>		5,3	6,3	7,2	11,6	7,2	9,2	9,5	7,3								
<b>COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS</b>	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>		3,42	3,90	4,49	4,92	5,38	5,49	5,42	5,39	5,37	5,37	5,37	5,37	5,35	5,35	5,36	
Dow Jones (Var. % / <i>% change</i> )		-1,84	1,44	-0,82	1,07	-1,74	0,32	1,75	2,62	3,44	0,74	-0,04	1,17	-0,36	0,73	0,39	0,90
Rendimiento de los U.S. Treasuries (10 años) / <i>U.S. Treasuries yield (10 years)</i>		3,99	4,19	4,37	4,72	5,10	5,09	4,87	4,71	4,72	4,52	4,46	4,59	4,44	4,43	4,44	4,43
Stripped spread del EMBI+ PERÚ (pbs) / <i>EMBI+ PERU stripped spread (basis points) ****</i>		199	150	185	182	173	160	140	138	149	155	158	147	157	154	146	152