



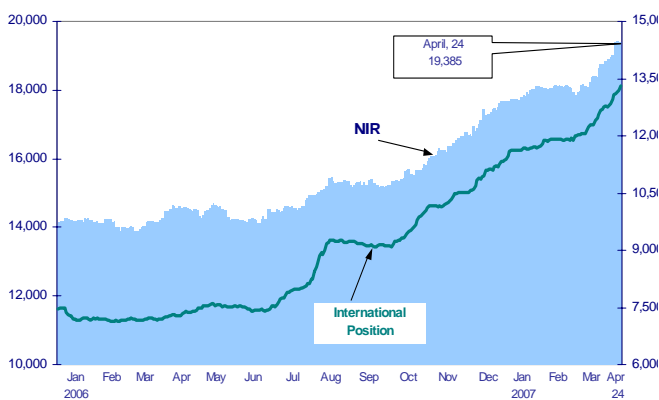
Indicators

- NIRs: US\$ 19,385 million on April 24.
- Exchange rate at S/. 3.176 on April 25.
- Economic surplus of S/. 988 million in March 2007.
- Country risk as of April 25 at 111 bps.
- Lima Stock Exchange (LSE) grew 20.7 percent as of April 25.

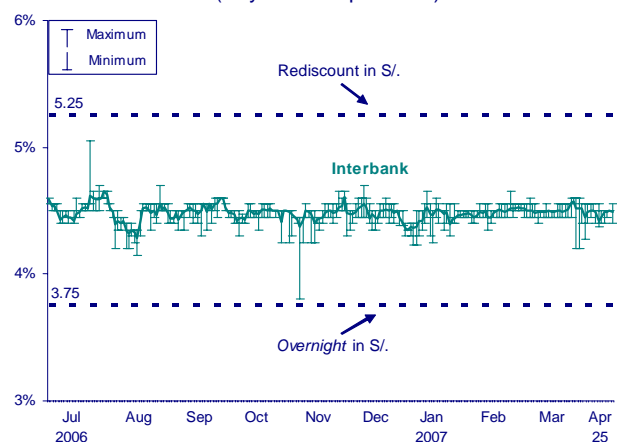
Content

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International Reserve and International Position of the BCRP
January 2006 - April 2007
(Millions of US\$)



Interest Rates in Domestic Currency
(July 2006 - April 2007)



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

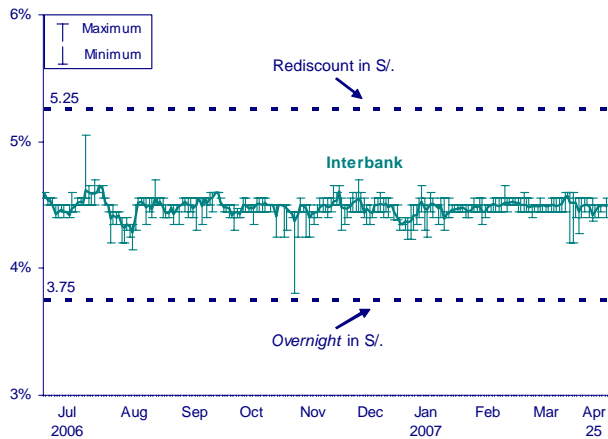
- Monetary Policy in a Dual Currency Environment
- Weekly Report N° 16-2007
- Monetary Policy, Regime Shifts, and Inflation Uncertainty in Peru (1949-2006)
- Dollarization Persistence and Individual Heterogeneity
- Informative note on the Monetary Program: April 2007
- Quarterly charts

Average interbank interest rate on April 25: 4.51 percent

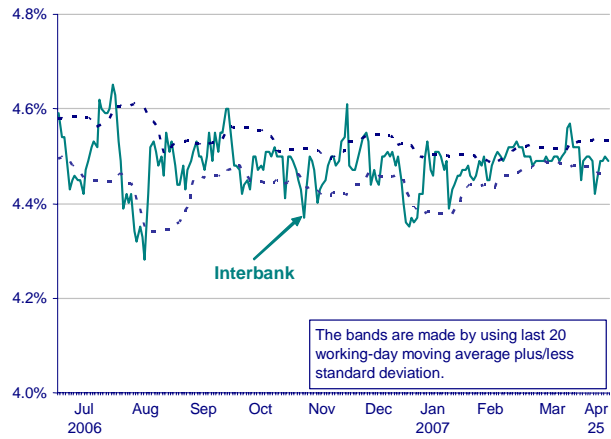
The average interbank interest rate in domestic currency as of April 25 was 4.51 percent, a level higher than the one posted in March (4.50 percent). Between April 18 and 25, this rate increased from 4.42 to 4.49 percent.

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
August	4.44	0.01
September	4.51	0.04
October	4.50	0.04
November	4.48	0.04
December	4.51	0.04
January 2007	4.47	0.06
February	4.48	0.02
March	4.50	0.01
April 18	4.51	0.04

Interest Rates in Domestic Currency (July 2006 - April 2007)



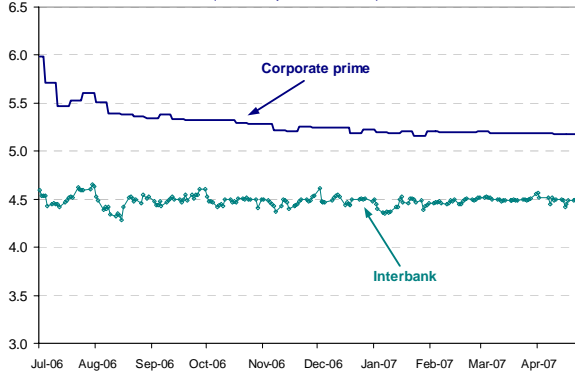
Interbank Interest Rate in Domestic Currency (July 2006 - April 2007)



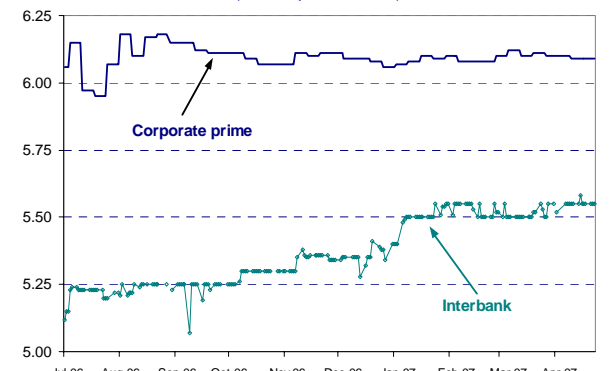
Corporate prime rate in soles continued to be 5.18 percent

In the period between **April 18 and April 25**, the daily average of the 90-day corporate prime rate in domestic currency remained unchanged at 5.18 percent, while this rate in dollars remained at 6.09 percent.

INTEREST RATE IN DOMESTIC CURRENCY (As of April 25, 2007)



INTEREST RATE IN FOREIGN CURRENCY (As of April 25, 2007)



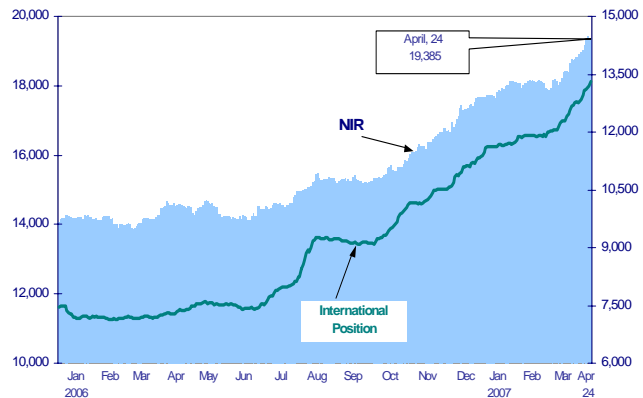
Monetary operations

The Central Bank made the following monetary operations between **April 19 and 25, 2007**: i) auctions of BCRP Certificates of Deposit with 1-day, 3-day, 1-week, 6-month, 12-month, 18-month, 2-year and 3-year maturities for a daily average of S/. 369.6 million, with average interest rate on these operations ranging between 4.38 and 5.51 percent; ii) purchases of foreign currency for a total of US\$ 335 million, at an average exchange rate of S/. 3.177 per dollar; and iii) overnight deposits in domestic currency for a total of S/. 337.7 million.

International reserves on April 24 amount to US\$ 19,385 million

Net international reserves (NIRs) as of **April 24** increased US\$ 958 million relative to end March and amounted to US\$ 19,385 million. This increase in the balance of NIRs was mainly due to BCRP exchange operations (US\$ 1,003 million), to higher public sector deposits (US\$ 177 million), to better prices for other securities (US\$ 93 million), and to higher investment yield (US\$ 20 million). This result was offset by sales of foreign currency to the Public Treasury for the repayment of the external debt (US\$ 200 million), by lower deposits from the financial sector (US\$ 114 million), and by lower deposits from the Deposit Insurance Bank (US\$ 26 million).

International Reserve and International Position of the BCRP
January 2006 - April 2007
(Millions of US\$)

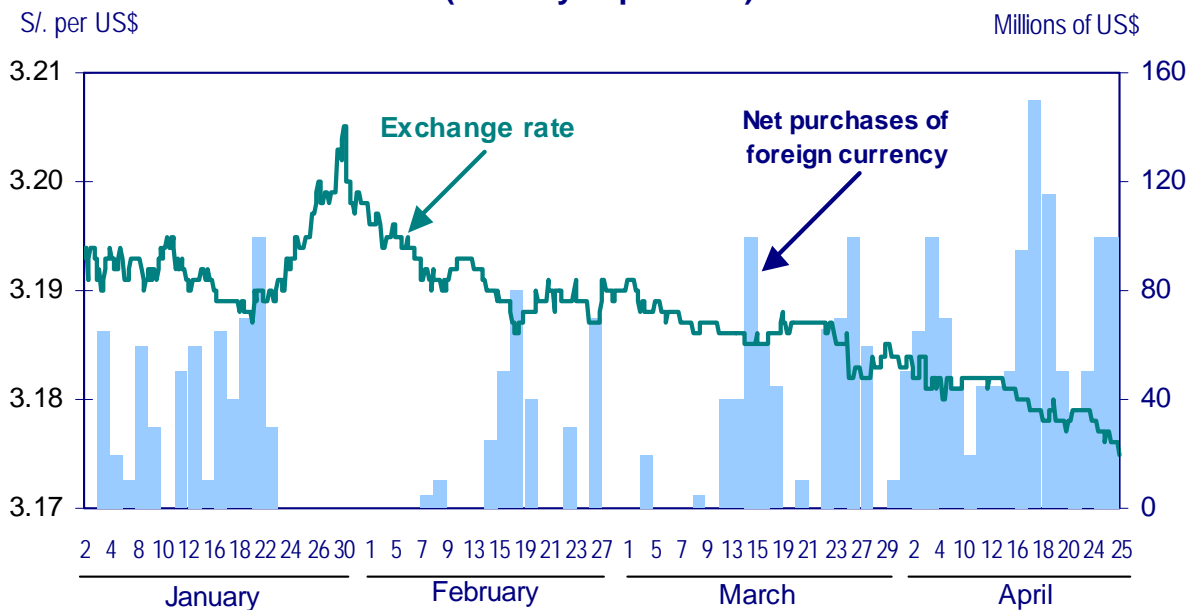


As of April 24, the **international position of the BCRP** (US\$ 13,305 million) has increased by US\$ 902 million relative to end March.

Exchange rate: S/. 3.176 per dollar

Between April 18 and April 25, the average ask price of the interbank exchange rate fell from S/. 3.179 to S/. 3.176 per dollar, as a result of which the nuevo sol has so far appreciated 0.2 percent in this month. Between April 19 and 25, the Central Bank intervened in the exchange market purchasing US\$ 335 million at the Central Bank's Foreign Exchange Desk.

Interbank Ask- Exchange Rate and Net Purchases of Foreign Currency (January - April 2007)



Monetary base as of April 22, 2007

The balance of the **monetary base** as of April 22 (S/.13,398 million) increased 0.8 percent (S/. 105 million) relative to end March. On average, the monetary base grew at an annual rate of 20.8 percent in this period (21.1 percent in March).

By sources, operations contributing to the contraction of the monetary base included purchases of dollars at the Central Bank's Foreign Exchange Desk (US\$ 840 million, or S/. 2,671 million), net maturities of BCRP Certificates of Deposits (S/. 169 million), and banks' lower overnight deposits (S/. 34 million). Conversely, the monetary base contracted due to higher public sector deposits (S/.,2,253 million) and sales of dollars to the public sector (US\$ 200 million, or S/. 636 million).

Liquidity and credit to the private sector as of March 31

In March, liquidity in **domestic currency** increased 3.4 percent (S/. 1,221 million), reaching a balance of S/. 36,723 million (annual growth of 26.3 percent). Credit to the private sector in domestic currency grew 5.1 percent (S/. 1,306 million), thus reaching a balance of S/. 27,124 million (annual growth of 33.9 percent).

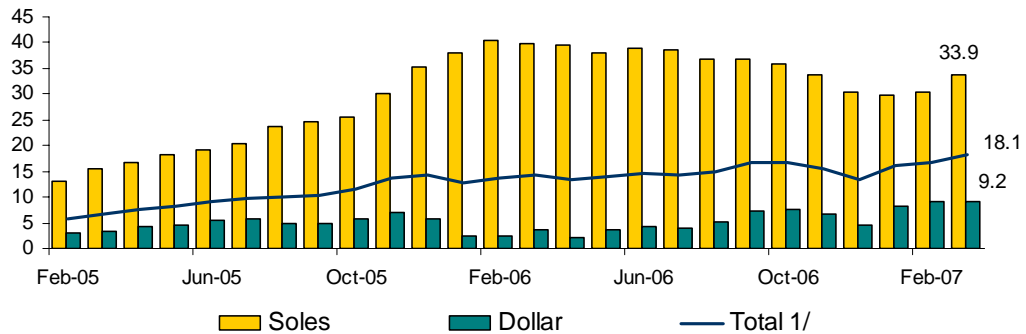
On the other hand, liquidity in **foreign currency** increased 1.6 percent (US\$ 206 million), thus reaching a balance of US\$ 13,298 million (annual growth of 9.4 percent). Credit to the private sector in foreign currency grew 1.7 percent (US\$ 199 million) reaching a balance of US\$ 12,225 million (annual growth of 9.2 percent).

EVOLUTION OF LIQUIDITY AND CREDIT TO THE PRIVATE SECTOR										
	MONETARY BASE		LIQUIDITY IN D/C		CREDIT IN D/C		LIQUIDITY IN F/C		CREDIT IN F/C	
	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR
2005										
Mar.	-0.2%	25.7%	4.2%	35.5%	2.8%	15.5%	-1.3%	3.8%	0.4%	3.2%
Jun.	1.9%	28.1%	1.8%	34.1%	1.2%	19.0%	0.4%	5.0%	1.5%	5.5%
Sep.	-0.1%	31.8%	0.6%	39.5%	2.5%	24.6%	0.5%	4.8%	-1.2%	4.9%
Dec.	13.1%	25.7%	8.0%	33.7%	5.8%	35.4%	2.9%	10.5%	0.2%	5.9%
2006										
Jan.	-7.2%	25.0%	-4.4%	29.1%	1.1%	38.0%	3.3%	14.5%	-3.4%	2.4%
Feb.	0.3%	22.9%	0.9%	25.1%	2.8%	40.4%	1.7%	17.1%	0.0%	2.5%
Mar.	0.8%	24.2%	2.4%	22.9%	2.3%	39.7%	1.7%	20.7%	1.7%	3.7%
Apr.	0.3%	18.3%	-4.0%	19.0%	1.2%	39.5%	-1.0%	16.1%	0.5%	2.3%
May.	-1.6%	15.5%	-0.2%	18.2%	1.0%	38.1%	-1.1%	12.8%	3.3%	3.6%
Jun.	2.3%	16.0%	1.6%	18.0%	1.9%	39.0%	0.4%	12.9%	2.0%	4.1%
Jul.	8.0%	11.7%	2.6%	12.1%	1.6%	38.7%	1.0%	14.9%	0.5%	3.9%
Aug.	-4.2%	12.8%	1.2%	13.3%	2.0%	36.7%	0.9%	14.4%	-0.6%	5.2%
Sep.	0.9%	13.9%	1.1%	14.0%	2.5%	36.7%	0.8%	14.7%	0.9%	7.4%
Oct.	0.8%	13.5%	2.6%	15.2%	3.4%	35.7%	1.8%	15.9%	0.4%	7.6%
Nov.	2.6%	15.6%	4.2%	16.2%	3.1%	33.6%	2.4%	15.6%	1.3%	6.7%
Dec.	15.7%	18.3%	10.2%	19.0%	3.2%	29.5%	2.0%	14.6%	-1.8%	4.7%
2007										
Jan.	-6.8%	18.8%	0.7%	25.4%	1.4%	29.9%	-0.1%	10.9%	0.0%	8.4%
Feb.	1.5%	20.2%	0.6%	25.1%	3.2%	30.4%	0.5%	9.6%	0.8%	9.2%
Mar.	1.3%	20.7%	3.4%	26.3%	5.1%	33.9%	1.6%	9.4%	1.7%	9.2%
Memo:										
Balance as of Feb. 28 (Mill.S/.or Mill.US\$)	13,120		35,502		25,818		13,092		12,026	
Balance as of Mar. 31 (Mill.S/.or Mill.US\$)	13,293		36,723		27,124		13,298		12,225	

Evolution of credit to the private sector

In March **credit to the private sector** increased 2.8 percent (S/. 1,818 million), as a result of which the annual growth of credit to the private sector relative to March 2006 was 14.0 percent (18.1 percent if a constant exchange rate is considered).

CREDIT TO THE PRIVATE SECTOR
(annual growth)



1/ The total calculates to constant exchange rate

Credit to the private sector **in soles** grew at a rate of 5.1 percent (S/. 1,306 million) in March. By type of institution, this growth was mainly driven by banks (4.1 percent, or S/. 743 million), investment mutual funds (25 percent, or S/. 363 million), and state banks (8.3 percent, or S/. 136 million).

The last-12 month rate of growth was 33.9 percent (S/. 6 864 million), with banks accounting mostly for this result (S/. 4,902 million).

CREDIT TO THE PRIVATE SECTOR IN LOCAL CURRENCY

	Balance of millions of nuevos soles			Growth rate	
	Mar06	Feb07	Mar07	Mar.07/ Mar.06	Mar.07/ Feb.07
Commercial banks	14,156	18,315	19,058	34.6	4.1
State bank	1,562	1,625	1,761	12.7	8.3
Microfinance institutions	2,987	3,684	3,735	25.0	1.4
Financial companies	1,208	1,404	1,416	17.2	0.9
Mutual funds	347	791	1,154	232.4	45.9
TOTAL	20,260	25,818	27,124	33.9	5.1
<u>Memo:</u>					
Financial system credit to the private sector	23,833	29,619	30,918	29.7	4.4

Credit to the private sector **in dollars** grew 1.7 percent (US\$ 199 million) in March. This outcome is explained mainly by an increase in the loans granted by banks (US\$ 190 million).

Over the last 12 months, credit in foreign currency grew at a rate of 9.2 percent (US\$ 1,030 million). Banks and mutual funds accounted for this growth with loans granted for a total of US\$ 786 million and US\$ 152 million respectively.

CREDIT TO THE PRIVATE SECTOR IN FOREIGN CURRENCY

	Balance of millions of nuevos soles			Growth rate	
	Mar06	Feb07	Mar07	Mar.07/ Mar.06	Mar.07/ Feb.07
Commercial banks	9,795	10,391	10,581	8.0	1.8
State bank	184	173	173	-5.8	-0.0
Microfinance institutions	538	632	636	18.3	0.7
Financial companies	40	45	43	7.7	-5.0
Mutual funds	639	784	791	23.9	0.9
TOTAL	11,195	12,026	12,225	9.2	1.7
Memo:					
Financial system credit to the private sector	12,605	13,824	14,056	11.5	1.7

Central Government Operations: economic surplus of S/. 988 million in March

Central government operations showed an economic surplus of S/. 988 in March, increasing by S/. 182 million with respect to the surplus recorded in March 2006, due to the higher real growth of current revenues (6 percent) relative to the evolution of non-financial expenditure (3 percent).

CENTRAL GOVERNMENT OPERATIONS

(Millions of Nuevos Soles)

	2006		2007		% Chg Real		
	Mar	Feb	Mar	1 month	12 month	Acum.12m	
1. CURRENT REVENUES	4,367	3,805	4,639	21.5	5.9	20.7	
A. TAX REVENUE	3,600	3,241	3,931	20.8	8.9	21.5	
B. NON TAX REVENUE	767	564	708	25.1	-7.9	15.8	
2. NON-FINANCIAL EXPENDITURE	3,237	3,395	3,339	-2.0	2.9	10.6	
A. CURRENT EXPENDITURE	2,982	3,194	3,046	-5.0	1.9	9.1	
B. CAPITAL EXPENDITURE	255	201	293	45.1	14.4	21.2	
3. CAPITAL REVENUES	21	6	6	-7.5	-71.4	-23.4	
4. PRIMARY BALANCE	1,151	416	1,306				
5. INTEREST PAYMENTS	345	826	318	-61.7	-8.2	2.4	
6. OVERALL BALANCE	806	-410	988				
7. NET FINANCING	-806	410	-988				
1. External	-338	-383	-330				
A. Disbursements	91	20	7 449				
B. Amortizations	-429	-404	-7 779				
2. Domestic	-471	737	-665				
3. Privatization	3	56	7				
Memo:							
Net non-financial expenditures of transfers to other public entities	2,337	2,512	2,417	-4.1	3.1	6.8	

In March, the current revenues of the central government (S/. 4,639 million) increased 6 percent in real terms relative to March 2006, an evolution explained by a 9 percent increase of tax revenues (S/. 3,931 million) in real terms. This growth was partially offset by lower non-tax revenues, which fell 8 percent, given that a higher transfer from public enterprises (S/. 76 million) was observed in 2006. The increase of tax revenues resulted mainly from higher payments of income tax (28 percent) and of value-added tax -VAT- (11 percent).

In March non-financial expenditure (S/. 3,339 million) grew 3 percent in real terms relative to the same month last year. By group of expenditure, this increase is mainly explained by an increase of non-financial current expenditure (S/. 64 million) and capital expenditure (S/. 38 million). By line of expenditure, wages and salaries increased 5 percent and current transfers increased 3 percent in real terms, while goods and services decreased 3 percent.

Between April 2006 and March 2007, the operations of the central government accumulated a primary surplus of S/. 9,820 million (S/. 4,846 million between April 2005 and March 2006). This result is explained by higher current revenues which increased by S/. 9,880 million (20.7 percent in real terms), whereas non-financial expenditure increased by S/. 4,813 million (10.6 percent in real terms). Accumulated interest in this period grew 2.4 percent in real terms. As a result of this, the economic surplus amounted to S/. 4,389 million, a sum contrasting with the S/. 387 million deficit observed between April 2005 and March 2006.

CENTRAL GOVERNMENT OPERATIONS

(Millions of Nuevos Soles, accumulated 12 month) *

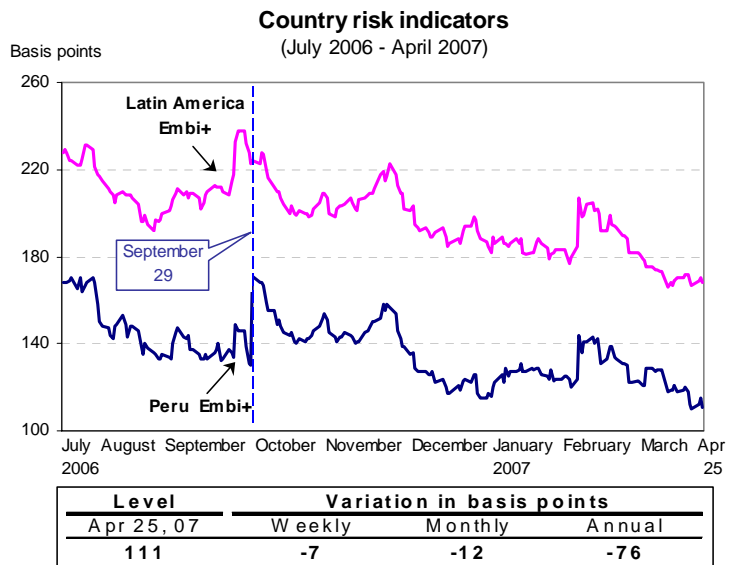
	Periods of 12 meses				% Chg Real	
	Apr 2005	Mar 2006	Apr 2006			
	Mar 2006	Feb 2007	Mar 2007	C/A	C/B	
	A	B	C			
1. CURRENT REVENUES	43,820	53,428	53,700	20.7	0.5	
A. TAX REVENUE	37,682	46,159	46,490	21.5	0.7	
B. NON TAX REVENUE	6,138	7,269	7,210	15.8	-0.8	
2. NON-FINANCIAL EXPENDITURE	39,390	44,102	44,203	10.6	0.2	
A. CURRENT EXPENDITURE	34,465	38,079	38,143	9.1	0.1	
B. CAPITAL EXPENDITURE	4,926	6,023	6,061	21.2	0.6	
3. CAPITAL REVENUES	416	338	323	-23.4	-4.4	
4. PRIMARY BALANCE	4,846	9,664	9,820			
5. INTEREST PAYMENTS	5,232	5,458	5,430	2.4	-0.5	
6. OVERALL BALANCE	-387	4,206	4,389			
7. NET FINANCING	387	-4,206	-4,389			
1. External	-4,786	-1,957	-1,949			
A. Disbursements	7,166	1,871	9,229			
B. Amortizations	-11,952	-3,828	-11,178			
2. Domestic	4,998	-2,606	-2,799			
3. Privatization	174	356	360			
Memo:						
Net non-financial expenditures of transfers to other public entities	31,069	33,599	33,678	6.8	6.6	

* To avoid the volatility of monthly series, this chart presents the annual accumulated result. This series are in the chart of Weekly Report

International Markets

Country Risk at 111 basis points

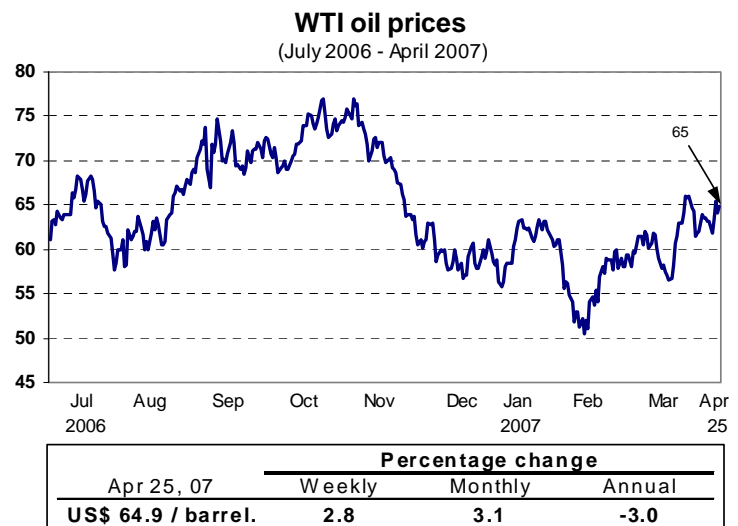
From April 18 to March 21 to 25, the country risk indicator, measured by the **EMBI+ Peru** spread, decreased from 118 to 111 basis points, following the trend of spreads in the region. This evolution is associated with the high demand for sovereign bonds given high global liquidity, with the greater dynamism of the Peruvian economy, with lower pessimism about the growth of the global economy, and with expectations of moderate interest rate increases by the US Federal Reserve.



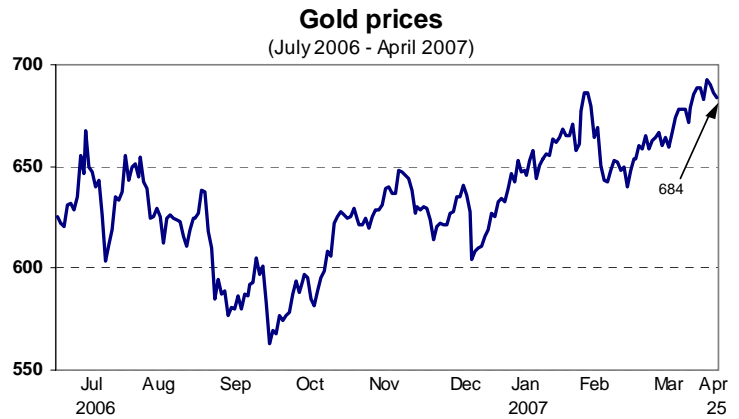
It should be pointed out that Peru's country risk indicator posted a new historical minimum record of 110 basis points on April 20.

Oil quotation increased to US\$ 64.9 per barrel

Between April 18 and 25, the price of **WTI oil** increased 2.8 percent to US\$ 64.9 per barrel. This evolution was due to a higher than expected fall in US inventories of gasoline, to increased fears of an interruption of Nigeria's supply of crude due to an upscale of violence in the country following the electoral process, and to China's lower growth of oil production relative to the rate growth expected by the government.



From April 18 to 25, the quotation of **gold** decreased 0.4 percent to US\$ 685.3 per troy ounce. This result was due to a profit-taking that took place in the period of analysis as a result of the high prices of gold observed over the past few weeks. However, this price decrease was partially offset by inflationary concerns generated by the rise in the oil quotation and by the higher demand of China in 2006 (which increased 29 percent). As a result of this, China has become the world's second largest buyer of gold, following India.



Apr 25, 07	Percentage change		
	Weekly	Monthly	Annual
US\$ 685.3 / oz tr.	-0.4	3.4	8.0

In the same period, the price of **copper** fell 2.9 percent to US\$ 3.55 per pound. This evolution is associated with the end of the strike at Freeport-McMoRan's Grasberg mine in Indonesia –the strike had generated concerns that copper supplies would decline– and to reports of the International Copper Study Group (ICSG) indicating that copper production in the US had been nearly 40 thousand MT higher than consumption during the month of January.



25 Abr-07	Variación %		
	Semanal	Mensual	Anual
US\$ 3,55 / lb.	-2,9	14,0	9,4

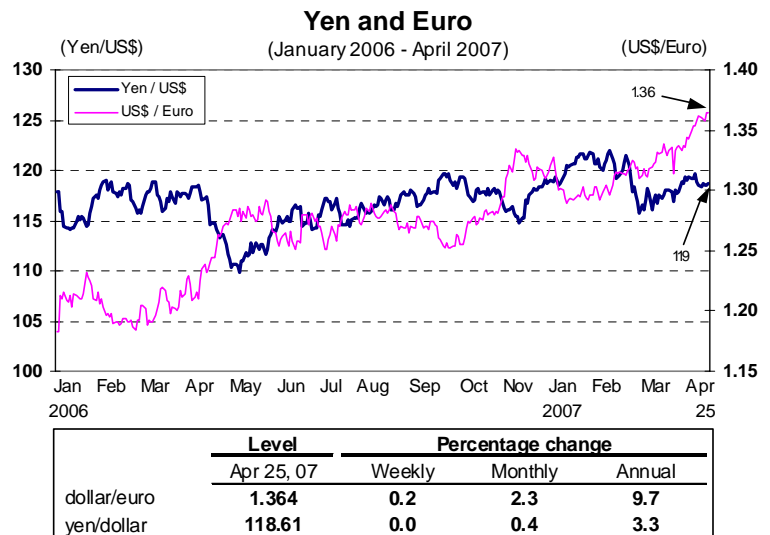
However, this fall in the price of copper was partially offset by an inventory drop at the London Metal Exchange –inventories recorded their lowest levels ever since December 7, 2006– and by China's continuous robust demand –China's imports of copper have increased to 208 thousand MT, that is, 142 percent more than in 2006.

Between April 18 and 25, the price of **zinc** rose 0.4 percent to US\$ 1.68 per pound. This increase in the price of zinc was due to lower inventories at the London Metal Exchange (inventories declined by 5.0 percent to 97,875 MT), to fear that mining workers would go on strike in Peru, and to China's higher levels of demand (imports of concentrated zinc have increased three-fold relative to last year's levels of imports).



Dollar depreciated against the euro

In the same period of analysis, the **dollar** depreciated 0.2 percent against the **euro** and showed no variation against the **yen**. The dollar lost ground against the euro given unfavorable reports regarding the sale of new houses and the consumer confidence index. However, this was partially offset by positive results regarding the sale of existing houses and durable goods.

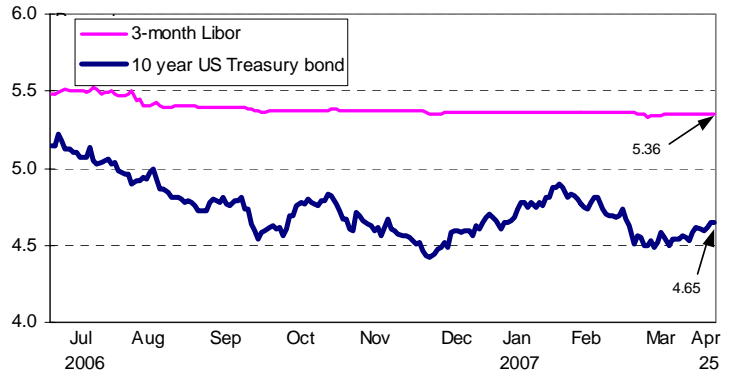


The euro remains strong due to signals indicating that interest rates will be raised to contain inflationary concerns, after the positive data of economic activity exhibited by the Eurozone.

Yield on 10-year US Treasuries remained unchanged at 4.65 percent

Between April 18 and 25, the **3-month Libor** remained unchanged at 5.36 percent. The yield on the **10-year US Treasury bond** also remained unchanged at 4.65 percent, due to mixed indicators on economic activity –new orders of durable goods increased 3.4 percent in March, while in April the consumer confidence index fell to its lowest level since August 2006 (from 108.2 to 104.0)– and on the real estate market –with negative data on the sale of new houses and positive data on the sale of existing houses.

3-month Libor and yield on 10-year US Treasury bonds
(July 2006 - April 2007)

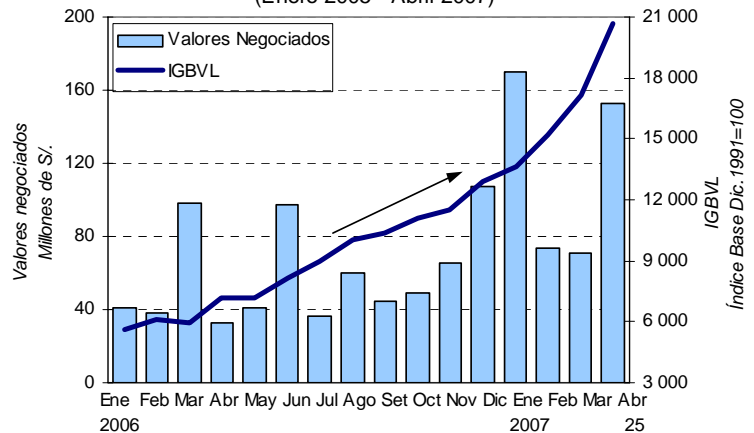


	Apr 25, 07	Variation in percentage points		
		Weekly	Monthly	Annual
Libor 3-months	5.36	0	1	25
Treasuries 10Y	4.65	0	5	-42

Lima Stock Exchange grew 20.7 percent as of April 25

As of April 25, the **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) grew 20.7 and 23.3 percent respectively, driven by expectations associated with corporate results in the first quarter of 2007. This growth was fueled by the advance of mining stocks (after the rise in the international prices of metals, especially zinc), industrial stocks (given the country's good economic context), and agriculture stocks (given better prospects in this sector). Moreover, on April 25 the LSE closed operations showing slight losses due to investors' profit-taking in leading stocks of the sectors of mining and massive consumption products.

Indicadores Bursátiles
(Enero 2005 - Abril 2007)



	Nivel at 25 Abr-07	Variación % acumulada		
		Semanal	Mar 07	Dic 06
IGBVL	20 703,4	0,2	20,7	60,7
ISBVL	35 406,4	1,9	23,3	59,8

So far this year, the **General** and **Blue Chip** indices of the Lima Stock Exchange have grown 60.7 and 59.8 percent respectively.

