



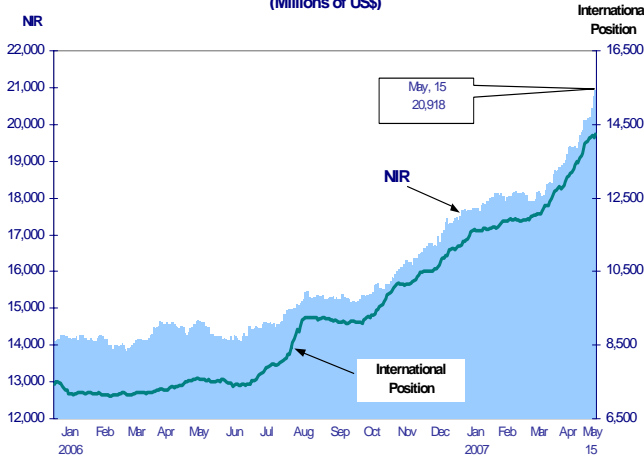
### Indicators

- NIRs: new historic record.
- Exchange rate: S/. 3.165 p/dollar on May 15
- GDP grew 5.6 percent in March.
- Country risk at 113 bps. as of May 16.
- Lima Stock Exchange grew 4.3 percent as of May 16.

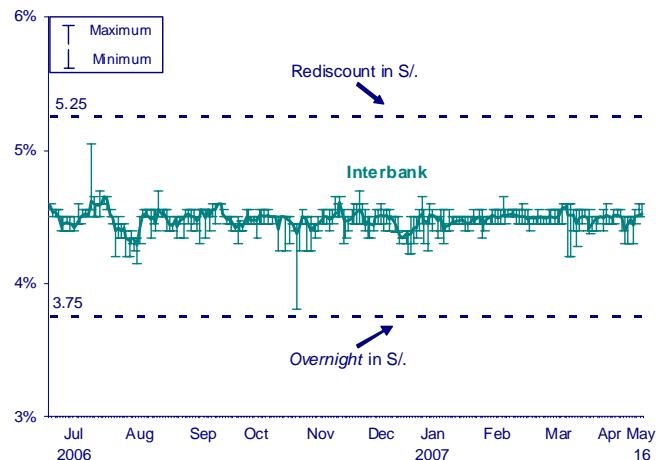
### Content

- Average interbank interest rate on May 16: 4.49 percent x
- Corporate prime rate in soles fell to 5.19 percent x
- International reserves amount to US\$ 20,918 million on May 15 xi
- Exchange rate at S/. 3.165 per dollar xi
- Gross Domestic Product grew 5.6 percent in March 2007 xiii
- Country risk at 113 basis points xvi
- Lima Stock Exchange grew 4.3 percent as of May 16 xix

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



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



**News**

- International Reserves Management: April 2007
- Weekly Report N° 19-2007
- Informative note on the Monetary Program: May 2007
- Monetary Policy in a Dual Currency Environment
- Monetary Policy, Regime Shifts, and Inflation Uncertainty in Peru (1949-2006)
- Dollarization Persistence and Individual Heterogeneity
- Quarterly Charts

**16/05/2007**  
7:00 p.m. The average interbank market interest rate in domestic currency was 4.53 percent, 1 basis point higher than the previous day. The balance of banks' current account at the BCRP at the close of the day amounted to S/. 164 million, while this balance was S/. 1 266.6 million before the BCRP made its monetary operations. These operations included: auctions of 3-year for a total S/. 49.9 million, 3-year for a total S/. 100 million, a 1-day for a total S/. 960 million, purchases of foreign currency for a total of US\$ 85 million; and overnight deposits for a total of S/. 181.6 million.

**1:45 p.m.** Auction sales of 1-day, CDBCRP amounting to S/. 960 million at an average interest rate of 4.49 percent.

**1:30 p.m.** The Central Bank bought US\$ 95 million, at an average change rate of S/. 3.1640 per dollar.

**12:45 p.m.** Auction sales of 3-year, CDBCRP amounting to S/. 100 million at an average interest rate of 5.11 percent.

**12:15 m.** The initial liquidity of the banking system was in S/. 1 260 million. The BCRP announced CDBCRP auction sale to:

- 1-year, auction sale to S/. 100 million.
- 1-day, auction sale to S/. 960 million.

**10:45 a.m.** Auction sales of 3-year CDBCRP amounting to S/. 49.9

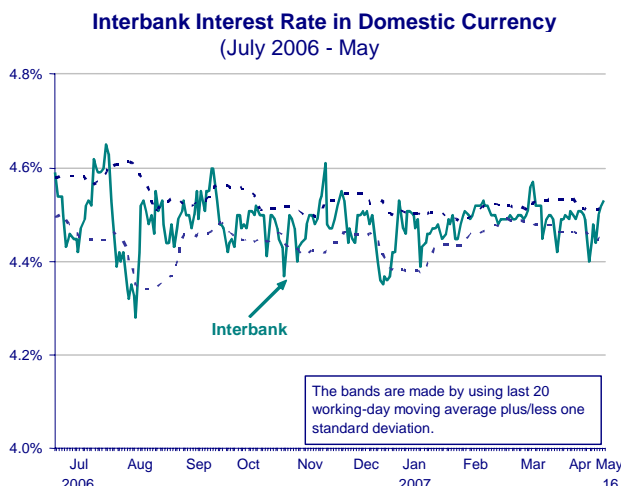
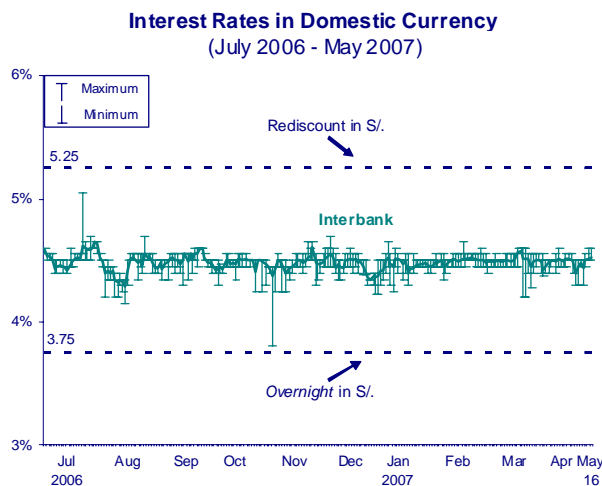
**Our website**  
<http://www.bcrp.gob.pe>

- International Reserves Management: April 2007
- Weekly Report N° 19-2007
- Informative note on the Monetary Program: May 2007 Monetary Policy in a Dual Currency Environment
- Monetary Policy, Regime Shifts, and Inflation Uncertainty in Peru (1949-2006)
- Dollarization Persistence and Individual Heterogeneity
- Quarterly Charts

## Average interbank interest rate on May 16: 4.49 percent

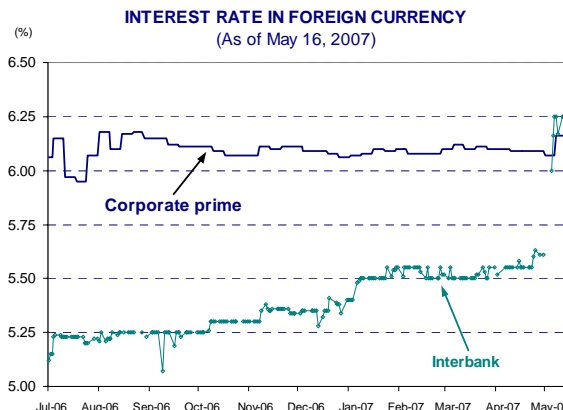
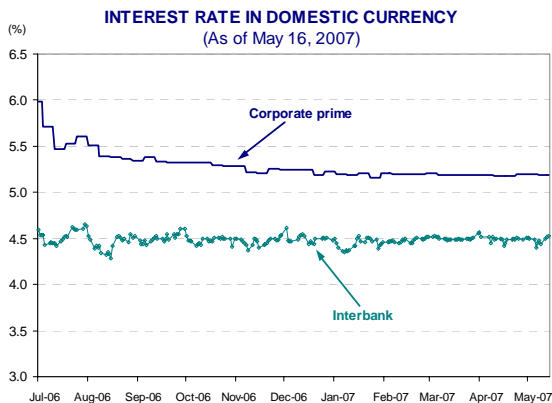
The average interbank interest rate in domestic currency as of May 16 was 4.49 percent, lower than that of April (4.51 percent). Between May 9 and 16, this rate increased from 4.45 to 4.53 percent.

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	4.51	0.03
May 16	4.49	0.04



## Corporate prime rate in soles fell to 5.19 percent

In the **May 9 – 16** period, the daily average of the 90-day corporate prime rate in domestic currency fell from 5.20 to 5.19 percent, while this rate in dollars rose from 6.07 to 6.16 percent.

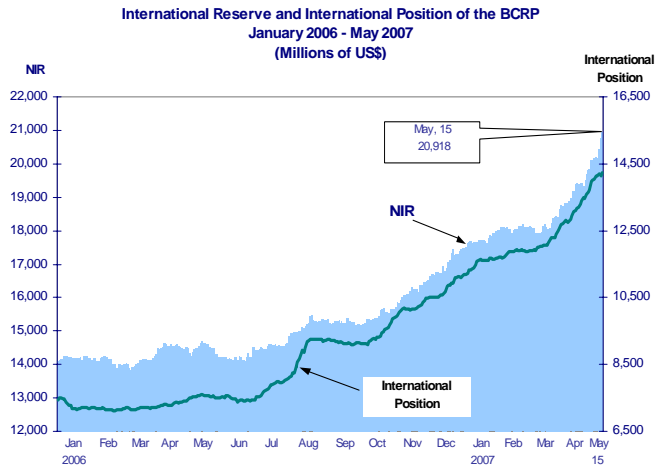


## Monetary operations

Between **May 10 and 16**, 2007, the Central Bank made the following monetary operations: i) auctions of BCRP Certificates of Deposit with 1-day, 3-day, 12-month, 18-month, 2-year and 3-year maturities for a daily average of S/. 1,167 million, with average interest rates on these operations ranging between 4.39 and 5.52 percent; ii) purchases of foreign currency for a total of US\$ 280 million, at an average exchange rate of S/. 3.165 per dollar; iii) sales of foreign currency to the Public Treasury for a total of US\$ 100 million; and iv) overnight deposits in domestic currency for a total of S/. 645.1 million.

**International reserves amount to US\$ 20,918 million on May 15**

Net international reserves (NIRs) as of **May 15** increased US\$ 1,214 million relative to end April and amounted to US\$ 20,918 million. This increase in the balance of NIRs was mainly due to BCRP exchange operations (US\$ 755 million), to banks' higher deposits (US\$ 559 million), and to higher investment yield (US\$ 4 million). This result was offset by sales of foreign currency to the Public Treasury for the repayment of the external debt (US\$ 100 million), by lower prices for other securities (US\$ 24 million), and by lower deposits from the public sector (US\$ 4 million).

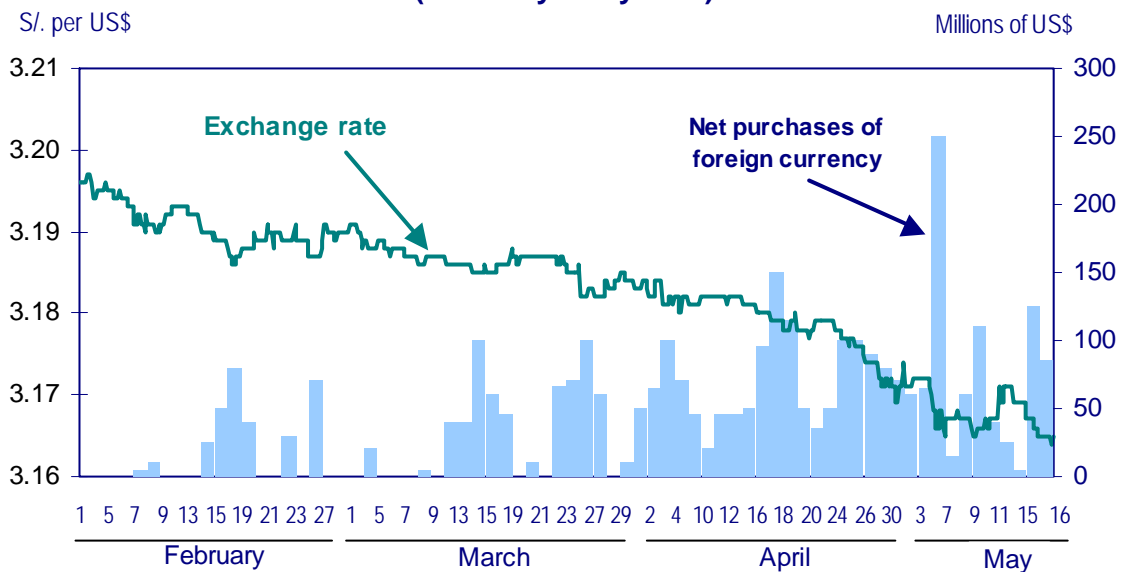


As of May 15, the **international position of the BCRP** (US\$ 14,239 million) has increased by US\$ 650 million relative to end April.

**Exchange rate at S/. 3.165 per dollar**

Between May 9 and 16, the average ask price of the interbank exchange rate fell from S/. 3.166 to S/. 3.165 per dollar, as a result of which the nuevo sol has so far appreciated 0.2 percent in this month. Between May 9 and 16, the Central Bank intervened in the exchange market purchasing US\$ 390 million at the Central Bank's Foreign Exchange Desk.

**Interbank Ask- Exchange Rate and Net Purchases of Foreign Currency (February - May 2007)**



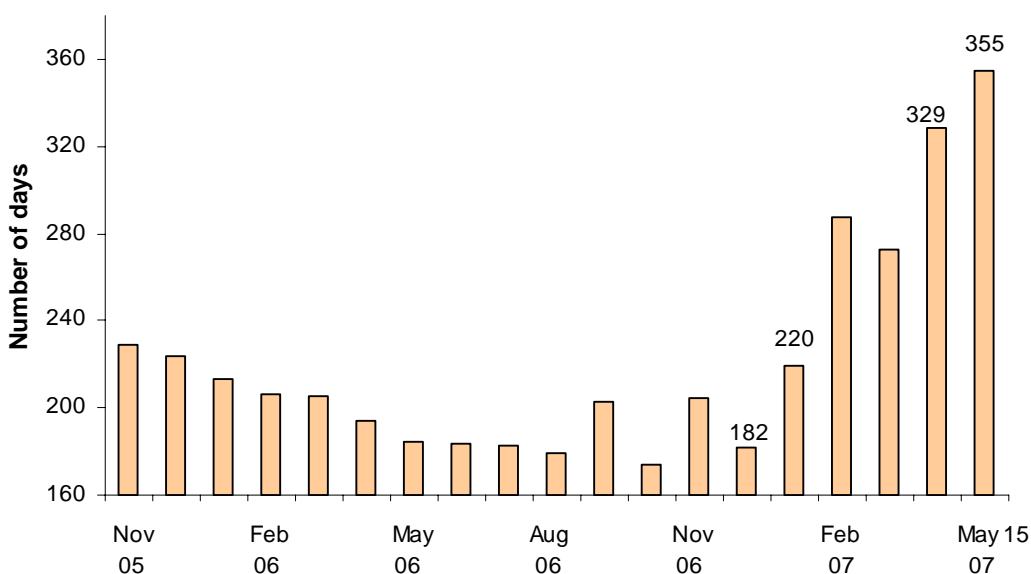
### Monetary base as of May 15, 2007

The balance of the **monetary base** as of May 15 (S/.13,556 million) showed a nil variation rate (S/. 6 million flow) relative to end April. On average, the monetary base grew at an annual rate of 24.7 percent in this period (21.3 percent in April).

By sources, operations contributing to the expansion of the monetary base included purchases of dollars at the Central Bank's Foreign Exchange Desk (US\$ 755 million, or S/. 2,391 million). Conversely, the monetary base contracted due to net placements of BCRP Certificates of Deposits (S/. 1,570 million), higher public sector deposits (S/. 601 million) and banks' higher overnight deposits (S/. 79 million), and sales of dollars to the public sector (US\$ 100 million, or S/. 317 million).

It should be pointed out that BCRP Certificates of Deposit with maturities between 1 and 3 years continued to be placed during this month, as a result of which the average maturity of CDBCRPs rose from 329 days in end April to 355 days on May 15.

AVERAGE MATURITY OF CDBCRP



### Liquidity and credit to the private sector as of April 22

In the last four weeks, liquidity in **domestic currency** increased 0.2 percent (S/. 56 million), reaching a balance of S/. 36,294 million (annual growth of 30.3 percent). Credit to the private sector in domestic currency grew 4.2 percent (S/. 1,101 million), thus reaching a balance of S/. 27,328 million (annual growth of 33.9 percent).

On the other hand, liquidity in **foreign currency** increased 1.5 percent (US\$ 195 million), thus reaching a balance of US\$ 13,523 million (annual growth of 12.9 percent). Credit to the private sector in foreign currency grew 1.6 percent (US\$ 190 million), reaching a balance of US\$ 12,206 million (annual growth of 7.3 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
<b>2005</b>										
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%
<b>2006</b>										
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%
<b>2007</b>										
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%
Apr.22	2.2%	22.1%	0.2%	30.3%	4.2%	33.9%	1.5%	12.9%	1.6%	7.3%
Memo:										
Balance as of Mar. 22 (Mill.S./or Mill.US\$)	13,113		36,237		26,227		13,328		12,016	
Balance as of Apr. 22 (Mill.S./or Mill.US\$)	13,398		36,294		27,328		13,523		12,206	

## Gross Domestic Product grew 5.6 percent in March 2007

**GDP grew 5.6 percent in March** and accumulated a growth rate of 7.5 percent in the first quarter. In March, the dynamic performance of the sectors of non-primary manufacturing, construction and commerce fueled a 7.6 percent growth of non-primary activities, while activity in primary sectors declined by 1.5 percent as a result of a lower catch of anchovy and giant squid. However, this latter result was offset by the growth seen in the agricultural and mining sectors.

The **agriculture & livestock sector** grew 1.5 percent, mainly as the result of increased activity in the livestock sub-sector, which showed a higher production of poultry, beef, and eggs. Activity in agriculture was affected by a lower production of mango and grapes due to the earlier harvests of these products, but this was offset by a higher production of potato, coffee, hard yellow maize, sugar cane, garlic, lemon, and sweet potato.

The **fishing sector** saw a 17.1 percent decline in activity due to a lower catch of anchovy –as a result of the prohibition period– and to a lower catch of giant squid –as a result of the higher supply of this product in March 2006, which allowed an accumulation of inventories of frozen products over the last months. On the other hand, the increased catch of chub mackerel observed in this period was mostly used for consumption (fresh fish) and, to a lesser extent, for processing (canned products). The fish processing industry was also affected by a lower catch of yellow mackerel and other species.

The **mining and hydrocarbon sector** grew 2.3 percent as a result of increased production of zinc, lead, and iron –with higher contents of mineral–; of copper, due to the expansion of Cerro Verde in Arequipa; of natural gas, due to increased demand for natural gas by the country's thermoelectric companies; and of oil crude, due to the higher production seen this year (relative to March last year, when production was affected by leaks in Camisea's pipelines). These good results compensated by far the lower activity of gold and silver mines (Yanacocha and Ares), of Retamas gold mine, of copper mines (Antamina and Southern) –which generate molybdenum as a subproduct–, and of the only tin mine, which is located in Puno.

**GROSS DOMESTIC PRODUCT**

(Annual growth rates)

	March		I Quarter	
	2006	2007	2006	2007
<b>Agriculture and Livestock</b>	<b>8.1</b>	<b>1.5</b>	<b>4.7</b>	<b>4.5</b>
Agriculture	8.9	-0.1	2.4	5.1
Livestock	7.2	3.6	7.4	3.9
<b>Fishing</b>	<b>66.2</b>	<b>-17.1</b>	<b>31.9</b>	<b>-1.2</b>
<b>Mining and Fuel</b>	<b>10.4</b>	<b>2.3</b>	<b>6.1</b>	<b>-1.6</b>
Metallic mining	12.0	1.1	6.4	-2.7
Natural gas and oil	-9.5	16.6	0.4	10.6
<b>Manufacturing</b>	<b>11.0</b>	<b>6.5</b>	<b>7.3</b>	<b>8.4</b>
Based on raw materials	16.2	-13.6	9.0	-4.5
Non-primary	9.9	10.8	6.9	11.1
<b>Electricity and water</b>	<b>7.9</b>	<b>8.5</b>	<b>7.2</b>	<b>8.3</b>
<b>Construction</b>	<b>20.1</b>	<b>10.6</b>	<b>16.3</b>	<b>9.0</b>
<b>Commerce</b>	<b>19.7</b>	<b>5.1</b>	<b>11.7</b>	<b>10.2</b>
<b>Other services</b>	<b>10.0</b>	<b>6.9</b>	<b>7.2</b>	<b>8.4</b>
<b><u>GROSS VALUE ADDED (GVA)</u></b>	<b><u>12.3</u></b>	<b><u>5.8</u></b>	<b><u>8.3</u></b>	<b><u>7.6</u></b>
Taxes on products and import duties	11.1	3.8	6.2	6.2
<b><u>GDP</u></b>	<b><u>12.2</u></b>	<b><u>5.6</u></b>	<b><u>8.0</u></b>	<b><u>7.5</u></b>
Primary sector GVA	11.6	-1.5	6.6	0.6
Non-primary sector GVA	12.5	7.6	8.7	9.4
Domestic demand indicator	16.2	6.6	11.2	10.4

The **manufacturing sector** grew 6.5 percent due to the higher production of non-primary manufacturing –which grew 10.8 percent, driven mainly by a dynamic domestic demand. This result compensated the lower production of manufacturing based on raw materials, which decreased 13.6 percent as a result of the lower production observed in the refining of non-ferrous metals, in fishmeal and fish oil, and in oil refining.

The **manufacturing sector** grew 6.5 percent due to the higher production of non-primary manufacturing –which grew 10.8 percent, driven mainly by a dynamic domestic demand. This result compensated the lower production of manufacturing based on raw materials, which decreased 13.6 percent as a result of the lower production observed in the refining of non-ferrous metals, in fishmeal and fish oil, and in oil refining.

- **Toilet and cleaning products (40.6 percent)**, contributing to growth with 1.1 percentage points, mainly due to the introduction of new toilet products
- **Food conserves, chocolate products and alcoholic beverages (37.3 percent)**, which contributed 1.0 percentage point to the growth of non-primary manufacturing due to the higher production of juices, soft drinks and chocolate products as a result of increased internal demand.
- **Miscellaneous manufacturing products (34.8 percent)**, which accounted for 1.0 percentage point of growth of non-primary manufacturing due to increased exports of zippers and to an increased demand for bijouterie or costume jewellery.
- **Iron and steel products (20.5 percent)**, contributing 0.9 percentage points to growth of non-primary manufacturing given the higher demand of these products by the construction sector.



- **Construction materials (16.7 percent)**, accounting for 0.8 percentage points of growth due to a higher production of fiber-cement plates and majolica tiles.
- **Metal products (10.7 percent)**, contributing with 0.7 percentage points to growth mainly due to the higher demand for products for the construction sector, containers for the food industry, and metal structures for the sectors of mining, construction, and commerce.
- **Other paper and paperboard products (22.7 percent)**, which contributed with 0.7 percentage points to growth as a result of increased demand for diapers and of increased exports.
- **Other garments (7.1 percent)**, accounting for 0.6 percentage points of growth due to increased domestic demand.
- **Wood and furniture (11.8 percent)**, contributing 0.5 percentage points to growth due to increased domestic demand, which was fueled by promotional campaigns.
- **Electric machinery (19.6 percent)**, representing 0.5 percentage points of growth as a result of the increased demand for electric panels and wires.
- **Beer and malt beverages (17.6 percent)**, contributing with 0.5 percentage points to growth due to increased domestic demand resulting from promotional campaigns.
- **Basic chemicals (16.3 percent)**, accounting for 0.4 percentage points, due to increased demand for industrial gases by iron&steel industries.
- **Paper and paperboard products (24.4 percent)**, contributing 0.4 percentage points to growth as a result of a statistical effect given that one of the main enterprises in this sector logged a minimum level in March 2006.

#### Industries with higher increases

CIU	March 2007	
	Var. %	Contrib. % 1/
Cleaning and polishing products	40.6	1.1
Canned food, chocolates and alcoholic beverages	37.3	1.0
Manufacture diverse	34.8	1.0
Manufacture of basic iron and steel	20.5	0.9
Construction materials	16.7	0.8
Metal products	10.7	0.7
Other articles of paper and cardboard	22.7	0.7
Textile garments for internal market	7.1	0.6
Wood and furniture	11.8	0.5
Manufacture of electrical machinery	19.6	0.5
Beer and malt	17.6	0.5
<b>Subtotal</b>	<b>18.4</b>	<b>8.3</b>
<b>Total</b>	<b>10.8</b>	

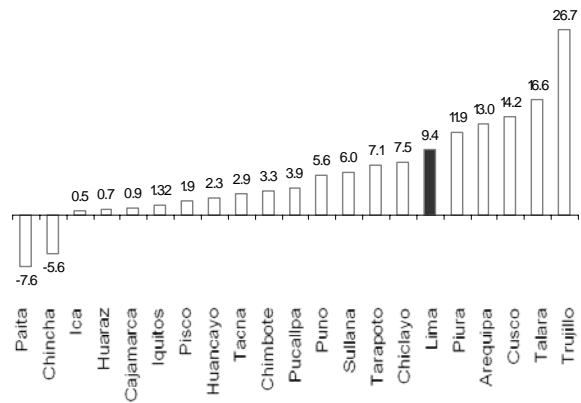
1/ Percent contribution to non primary manufacturing  
 Source: Ministerio de la Producción.

The **construction sector** grew 10.6 percent. This growth was reflected in both the indicators on the domestic consumption of cement and the indicators on mortgage loans, including loans for self-construction projects, as well as for the construction of offices, residential and commercial projects.

**Employment** in firms of 10 or more workers in urban areas grew 9.2 percent in March. Metropolitan Lima accounted for 9.4 percent of this growth, while the rest of urban areas accounted for 7.9 percent of employment's growth.

In terms of cities, employment grew particularly in Trujillo, mainly due to the development of agro industry (artichoke, asparagus, and red pepper); in Talara, due to oil perforation and oil extraction-related activities; in Cuzco, due to increased financial activities (Cajas Municipales and Edpymes); in Arequipa, where employment grew both as the result of the expansion of Cerro Verde copper mine and also as the result of increased financial activities; in Piura and Lima, due to higher activity in the sectors of industry, commerce and services.

Employment percent variation by city  
March 2007 / March 2006



On the other hand, employment declined in Paíta due to a lower availability of giant squid for the industry of frozen sea products, and in Chinchá, due to the lower yield of crops such as asparagus and grapes, which had earlier harvesting periods due to warmer temperatures in this province.

**Outlook for April 2007**

Available preliminary data of relevant indicators on the fishing, construction, electricity, and water sectors point to the following evolutions in April:

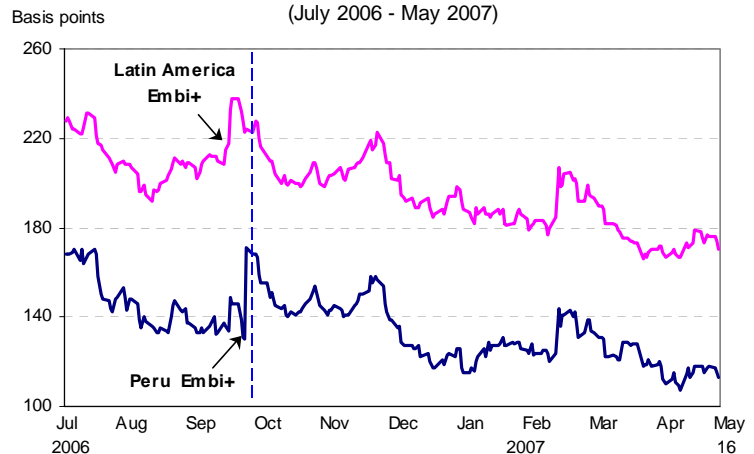
- According to IMARPE, anchovy catch would increase by 1.5 percent.
- Sales of cement should increase by 16.7 percent, according to Asocem. This figure does not include the amount of cement used in Yanacocha’s productive process.
- The production of electricity would grow 11.3 percent, according to the *Comité de Operación Económica del Sistema Interconectado Nacional Nacional (COES)*.

**International Markets**

**Country risk at 113 basis points**

From May 9 to 16, the country risk indicator, measured by the **EMBI+ Peru** spread, decreased from 115 to 113 basis points, following the trend of spreads in the region. The region’s general rating would have improved due to the latest risk rating (BB+) given to Brazil by Standard and Poor’s, as well as by Fitch.

Country risk indicators  
(July 2006 - May 2007)

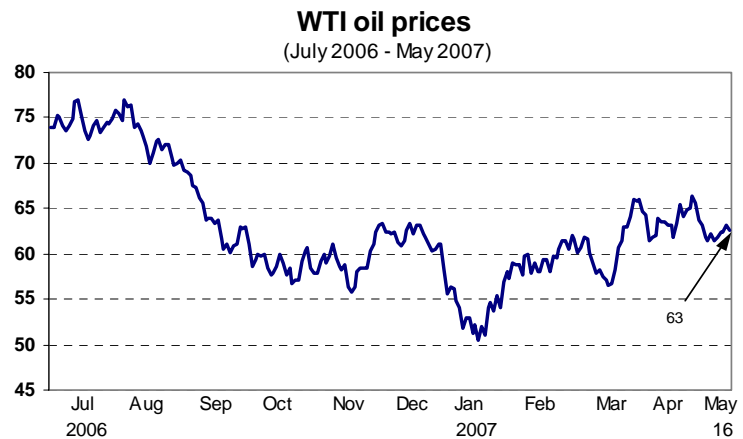


Level	Variation in basis points		
May 16, 07	Weekly	Monthly	Annual
113	-2	-8	-52



### Oil quotation increased to US\$ 62.2 per barrel

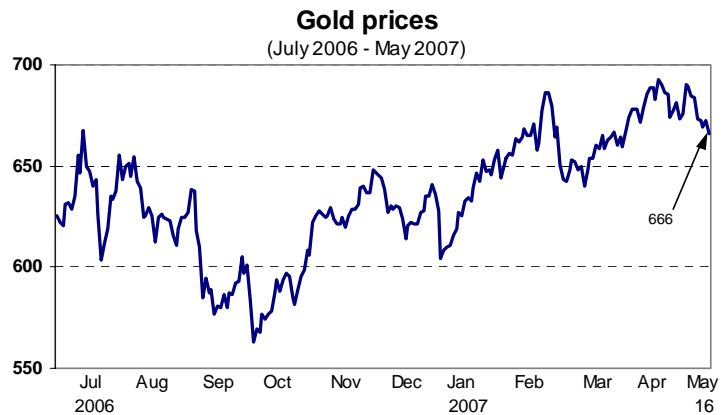
Between May 9 and 16, the price of **WTI oil** increased 1.6 percent to US\$ 62.6 per barrel due to continuous concerns that Nigeria's oil supply might be interrupted as a result of the recent social problems that affected the country (three pipelines operated by a local company were recently damaged); to a lower production of gas in US refineries (given the temporary interruption of production in a refinery of Texas and in another refinery in Delaware); and to concerns that supply might also be affected by the arrival of the first subtropical storm this year.



May 16, 07	Percentage change		
	Weekly	Monthly	Annual
<b>US\$ 62.6 / barrel.</b>	<b>1.6</b>	<b>-1.7</b>	<b>-10.0</b>

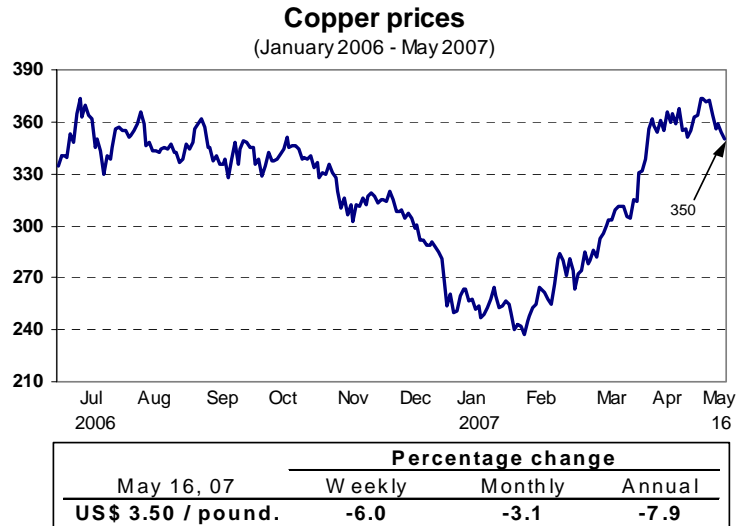
However, this rise in the price of oil was partially offset by an increase of US inventories, which rose from 1.06 million to 342.2 million barrels in the week ended May 11 and reached the highest level of inventories observed since June 2006.

In the same week of analysis, the price of **gold** fell 2.6 percent to US\$ 665.9 per troy ounce. This evolution was associated with an appreciation of the dollar against the other main currencies, which reduced the gold appeal as an investment instrument; with the end of the mining strike in Peru, which reduced concerns about the supply of gold; and with the jewelry industry's lower demand for this metal last week, when the price of gold hit its highest level so far this year.



May 16, 07	Percentage change		
	Weekly	Monthly	Annual
<b>US\$ 665.9 / oz tr.</b>	<b>-2.6</b>	<b>-2.8</b>	<b>-3.4</b>

In the same period, the price of **copper** fell 6.0 percent to US\$ 3.50 per pound. This result was influenced by an increase of inventories at the Shanghai Stock Exchange, which implied an increase in global inventories of copper. Other factors contributing to this result included the possibility that China's demand might slow down, given the lower level of copper imports seen in April; the reduction of speculative transactions in the market of futures; and the termination of the mining strike in Peru.

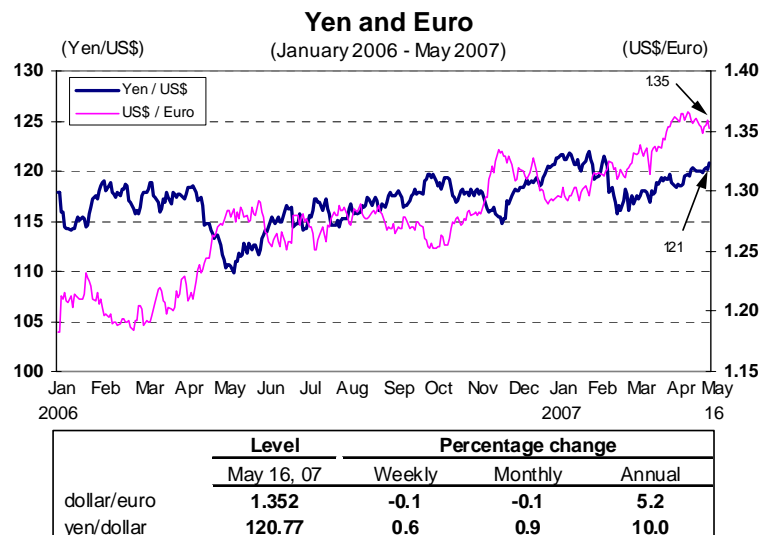


Between May 9 and 16, the price of **zinc** fell 6.4 percent to US\$ 1.75 per pound. This evolution was associated with a higher production of zinc, with an investors' profit-take, and with the end of the mining strike in Peru. However, this fall in the price of zinc was offset by reports elaborated by the International Lead and Zinc Study Group (ILZSG) indicating that the zinc's trade balance will continue to show a deficit in 2007 and that inventories of zinc at the London Metal Exchange had dropped 4.74 percent to 82,800 MT.



## Dollar appreciated against the euro and the yen

In the same week of analysis, the **dollar** appreciated 0.1 percent against the **euro** and 0.6 percent against the **yen**. The dollar strengthened against the euro due to persistent inflationary concerns that reduced expectations that the FED might decrease the interest rates, as well as to higher than expected positive indicators of industrial activity. However, this result was partially offset by negative data on retail sales and by the increase seen in the trade deficit.

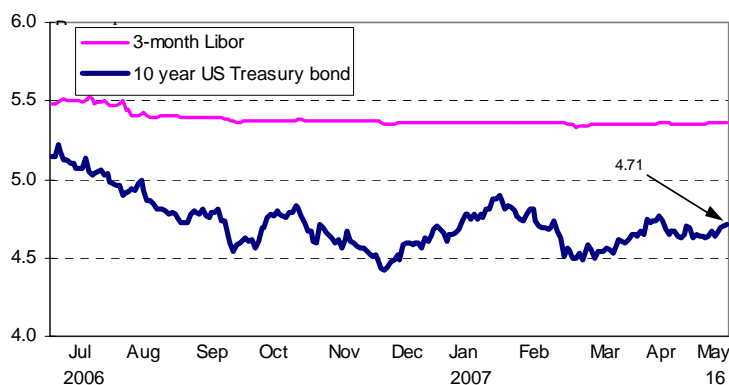


On the other hand, the yen lost ground against the dollar due to an increase of currency speculative operations (carry trade) generated by the increased differentials in the interest rates on these currencies relative to the yen, and due to expectations that the Bank of Japan will not raise its interest given indications of an economic slowdown in this country.

### Yield on 10-year US Treasuries increased to 4.71 percent

Between May 9 and 16, the **3-month Libor** remained unchanged at 5.36 percent, and the yield on the **10-year US Treasury bond** increased from 4.67 to 4.71 percent. This evolution is associated with favorable indicators of activity, as well as with the fact that the Federal Reserve contributed to calm down concerns of a major economic slowdown in the US. However, the concerns generated by a higher than expected trade deficit in March and the drop of retail sales seen in April prevented a further increase of the yield on these bonds.

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

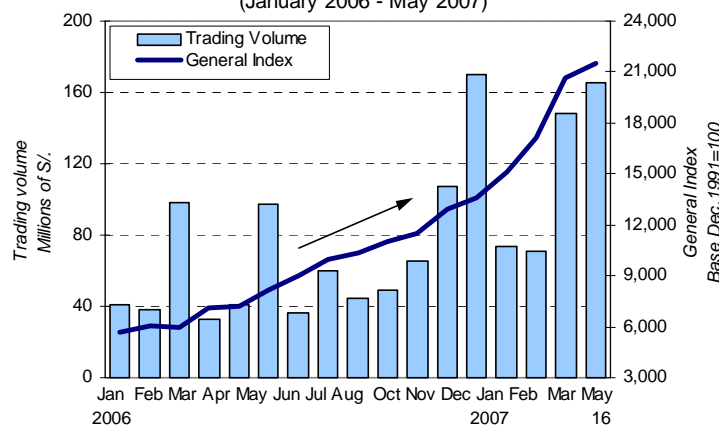


	Variation in percentage points			
	May 16, 07	Weekly	Monthly	Annual
Libor 3-months	5.36	0	0	19
Treasuries 10Y	4.71	5	-3	-39

### Lima Stock Exchange grew 4.3 percent as of May 16

As of May 16, the **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) grew 4.3 and 6.9 percent respectively. Between May 9 and May 16, the Lima Stock Exchange showed an important drop due to corrections made in the mining sector and agro-industrial stocks. The mining sector was affected mainly by a reduction in the price levels of both basic and precious metals, while the agro-industrial sector saw a profit take of investors given the slight reduction observed in the international prices of sugar.

Lima Stock Exchange Indicators (January 2006 - May 2007)



	As of:	Percentage change		
	May 16, 07	Weekly	Apr. 07	Dec. 06
General Index	21,556.2	-6.3	4.3	67.3
Blue Chip index	37,394.4	-6.0	6.9	68.8

During the week, the Lima Stock Exchange showed a different evolution from the ones observed in the main markets of the region, which closed with slightly positive indicators.

So far this year, the indices of the Lima Stock Exchange have grown 67.3 and 68.8 percent respectively, with outstanding results in global terms.