



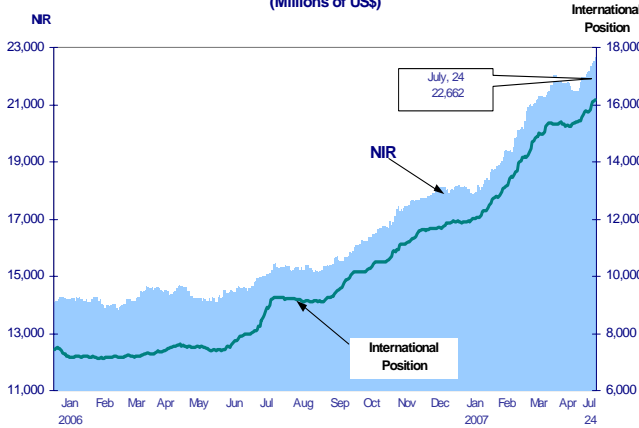
Indicators

- NIRs: US\$ 22,662 million on July 24
- Exchange rate at S/. 3.159 per dollar on July 25
- Interbank interest rate: 4.65 percent
- Country risk at 149 bps on July 25
- Lima Stock Exchange grew 6.5 percent

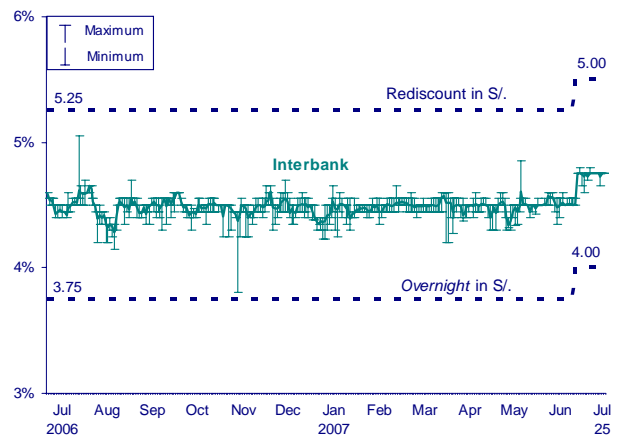
Content

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- Corporate prime rate in soles increased to 5.33 percent x
- International reserves amount to US\$ 22,662 million on July 24 xi
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- Lima Stock Exchange grew 5.6 percent by July 25 xv

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



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



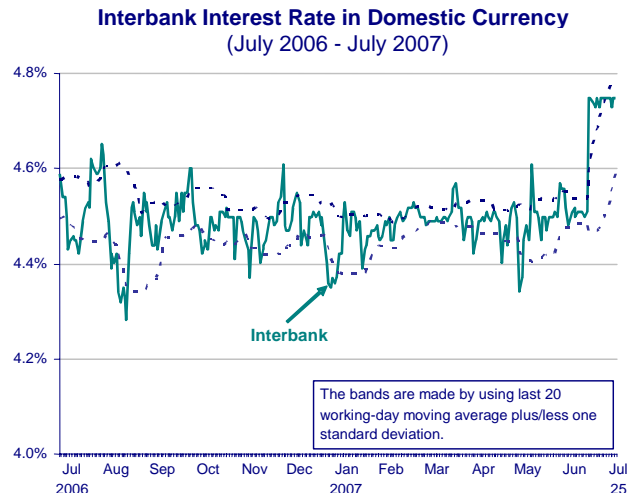
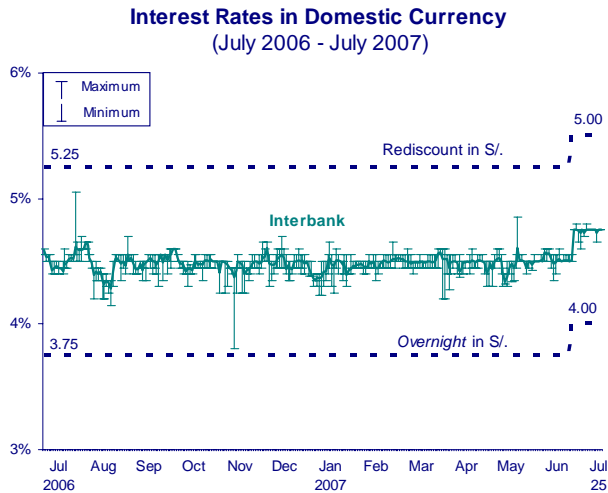
Our website
<http://www.bcrp.gob.pe>

- Weekly Report N° 29-2007
- International Reserves Management: June 2007
- Informative note on the Monetary Program: July 2007. BCRP raises reference interest rate from 4.50% to 4.75%
- IMF Executive Board Completes First Review under Peru's Stand-By Arrangement
- Inflation Report: Recents trends and macroeconomic forecast -May 2007
- Monetary Policy in a Dual Currency Environment
- Quarterly Charts

Average interbank interest rate at 4.65 percent

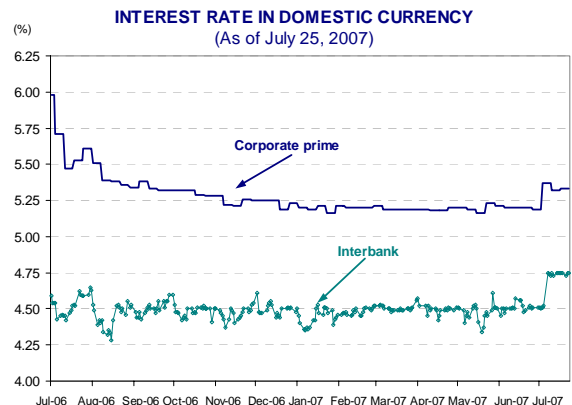
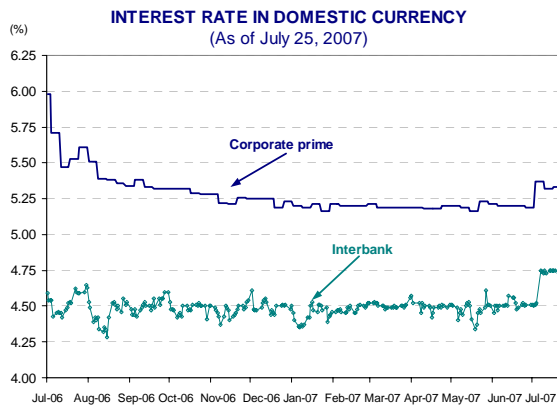
The average interbank interest rate in domestic currency by July 25 was 4.65 percent, a level higher than the one posted in June (4.52 percent). Between July 18 and 25, this rate remained unchanged at 4.75 percent.

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
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	4.49	0.06
Jun	4.52	0.03
Jul 25	4.65	0.10



Corporate prime rate in soles increased to 5.33 percent

From **July 18 to July 25**, the daily average of the 90-day corporate prime rate in domestic currency decreased from 5.37 to 5.32 percent, while this rate in dollars fell from 6.28 to 6.27 percent.

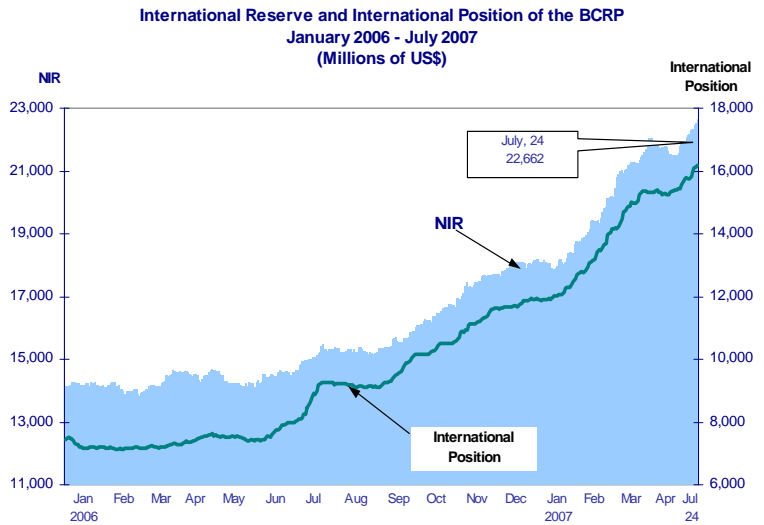


Monetary operations

The BCRP carried out the following monetary operations **between July 19 and July 25, 2007**:
 i) auctions of BCRP Certificates of Deposit with 1-day and 3-day maturities for a daily average of S/. 348 million, with average interest rates on these operations ranging between 4.71 and 4.75 percent; ii) purchases of foreign currency for a total of US\$ 348 million, at an average exchange rate of S/. 3.157 per dollar; and iii) overnight deposits in domestic currency for a total of S/. 129 million.

International reserves amount to US\$ 22,662 million on July 24

Net international reserves (NIRs) increased by US\$ 1,135 million relative to end June and amounted to US\$ 22,662 million on **July 24**. This increase in the balance of NIRs was mainly due to BCRP exchange operations (US\$ 947 million), banks' higher deposits (US\$ 97 million), public sector's higher deposits (US\$ 113 million), and higher investment yield (US\$ 178 million). This result was offset by sales of foreign currency to the Public Treasury for the repayment of the external debt (US\$ 200 million).

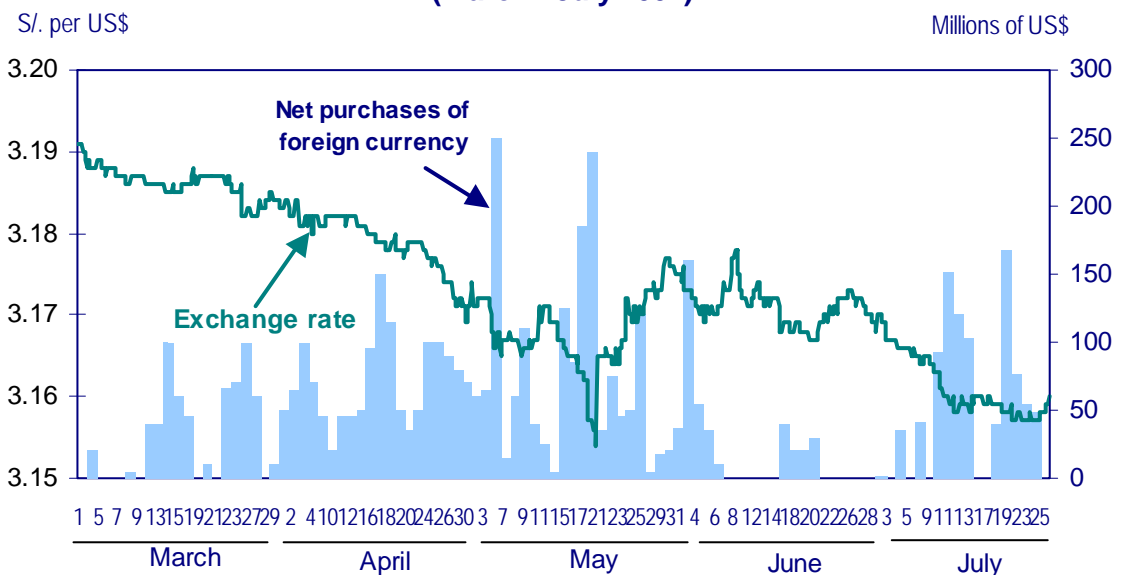


Moreover, the **international position of the BCRP** on July 24 (US\$ 16,185 million) increased by US\$ 880 million relative to end June.

Exchange rate: S/. 3.159 per dollar

Between July 18 and July 25, the average ask price of the interbank exchange rate remained unchanged at S/. 3.159 per dollar, as a result of which the nuevo sol appreciated 0.4 percent. In this same period, the Central Bank intervened in the exchange market purchasing US\$ 348 million at the Central Bank's Foreign Exchange Desk.

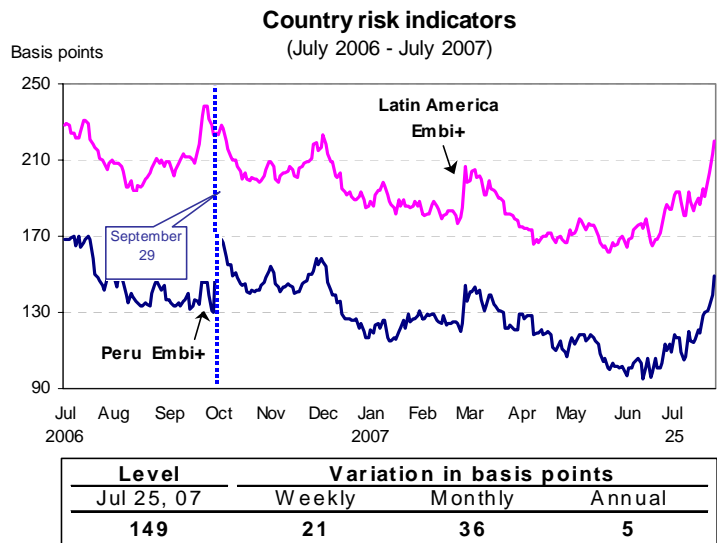
Interbank Ask- Exchange Rate and Net Purchases of Foreign Currency (March - July 2007)



International markets

Country risk at 149 basis points

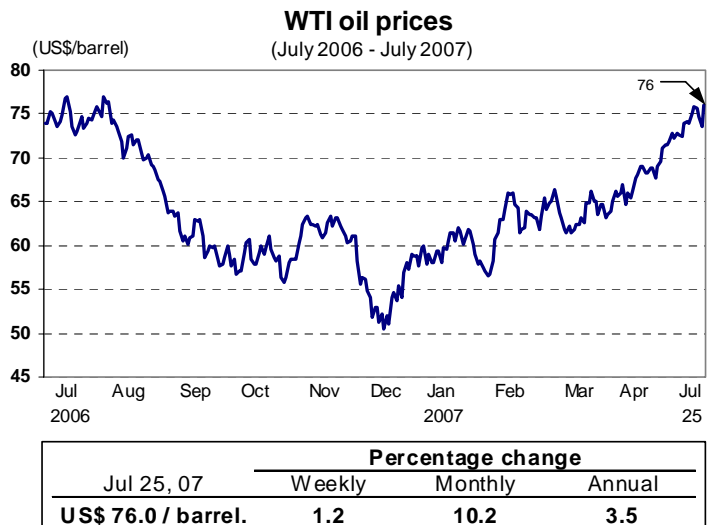
Between July 18 and 25, the country risk indicator –measured by the **EMBI+ Peru** spread– increased from 128 to 149 basis points, following the trend of spreads in the region. This indicator was affected by greater concerns that losses in the US subprime mortgage market might reduce growth in the United States. During the week of analysis, the president of the Federal Reserve said that losses for loans in the subprime market could range between US\$ 50 and 100 billion.



On the other hand, it should be pointed out that Standard & Poor’s upgraded Peru’s credit outlook from stable to positive, as a result of which Peru is a step closer to obtaining an investment grade rating.

Petroleum quotation increased to US\$ 76.0 per barrel

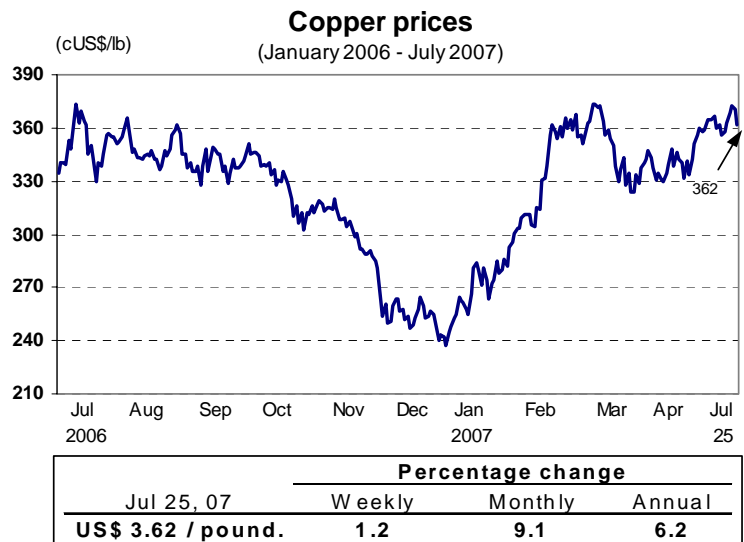
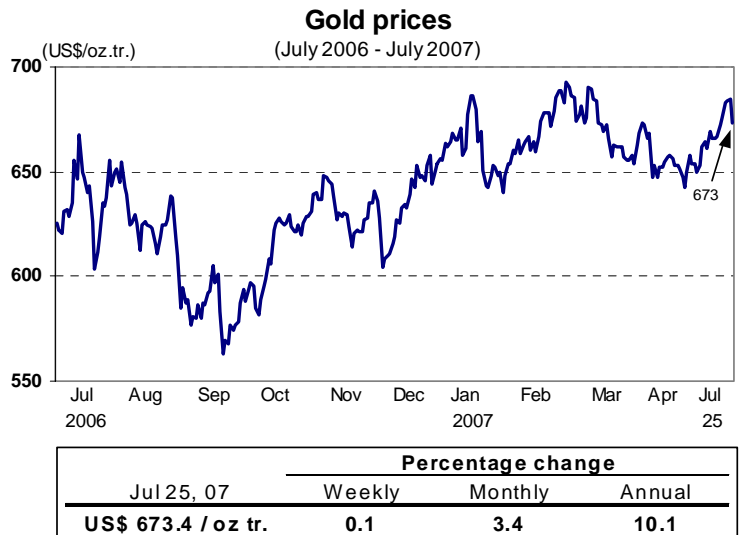
The price of **WTI oil** increased 1.2 percent to US\$ 76.0 per barrel between July 18 and July 25. This evolution was associated with an increased demand for fuel in the US and China, as well as with a 1.1 million barrel reduction of oil inventories (to 351 million barrels) seen in the week ended July 20. However, this result was partially offset by a 91.7 percent increase in the capacity of refining operations (the highest rate observed since September 2006) and by increased expectations that the OPEC will raise its production quota given the high prices of oil and their negative impact on the global economy.



The price of **gold** increased 0.1 percent to US\$ 673.35 per ounce troy between July 18 and July 25. This price rise was due to inflationary expectations given the increase seen in both oil prices and in the long-term speculative positions of hedging funds. However, this rise was offset by reports indicating that some European central banks had increased their sales of gold –the European Central Bank reported that three member banks had sold gold for a total of US\$ 288 million in the last week– and by the appreciation of the dollar against the euro.

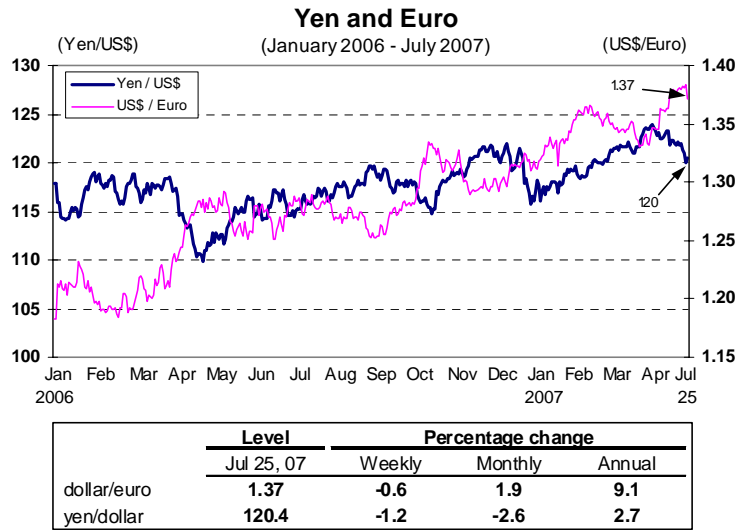
In the same period of analysis, the price of **copper** rose to US\$ 3.62 per pound (up 1.2 percent) due to speculations that China's demand for copper would increase –China's economic growth in the second quarter of 2007 showed the highest pace of growth observed in the last 12 years– and to information published by the International Copper Study Group (ICSG) showing that the demand for copper had been 265 thousand MT higher than production in the first four months of the year. However, the rise in the price of copper was in part offset by the drop of residence construction in the US and by the resolution of mining strikes in Chile.

Between July 18 and 25 the price of **zinc** increased to US\$ 1.69 per pound (up 5.6 percent), due mainly to the reduction of inventories at the London Metal Exchange –inventories decreased 4.0 percent to 66,600 MT– and to renewed speculations that China's demand will increase, given the high pace of growth observed in this country in the second quarter of this year.



Dollar depreciated against the yen

In the July 18-25 period, the **dollar** appreciated 0.6 percent against the **euro** and depreciated 1.2 percent against the **yen**. The dollar lost ground against the yen due to expectations that the crisis of the US subprime mortgage market might extend to economic activity in general and to reports indicating that the sales of existing homes dropped 3.8 percent –recording its lowest level since November 2002.



The yen was favored by the reversal of carry trade operations given investors' increased aversion to risk as a result of persistent concerns about the subprime mortgage market in the United States.

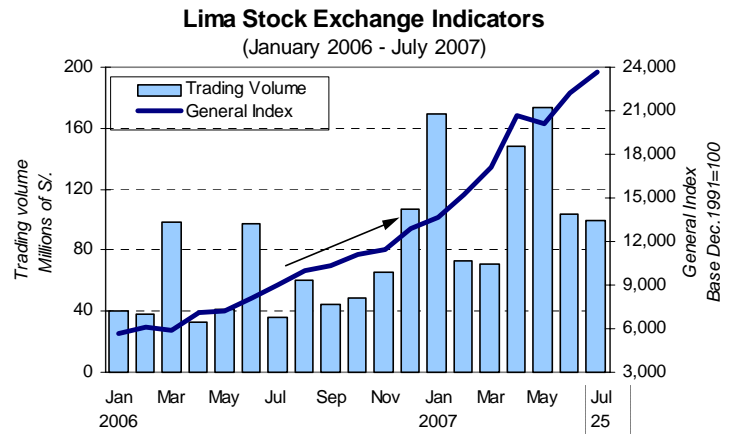
Yield on 10-year US Treasuries decreased to 4.90 percent

Between July 18 and 25, the **3-month Libor** remained at 5.36 percent. On the other hand, the yield on the 10-year US **Treasury bond** decreased from 5.03 to 4.90 percent. This result was due to increased risk aversion resulting from concerns that the crisis of the subprime segment might extend to the overall economic activity, which increased demand for low-risk assets.



Lima Stock Exchange grew 5.6 percent by July 25

The **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) grew 5.6 and 6.5 percent respectively by July 25. This evolution was associated with selective purchases of agricultural, industrial and mining stocks, as well as with the higher international prices of basic and precious metals. However, a higher rise in the indices was prevented by investors' caution a few days before the season of announcements of firms' financial results ended.



	As of:		Percentage change	
	Jul 25, 07	Weekly	Jun. 07	Dec. 06
General Index	23,619.0	0.2	5.6	83.3
Blue Chip index	41,872.0	0.7	6.5	89.0

So far this year, the indices at the LSE have grown 83.3 and 89.0 percent respectively.