



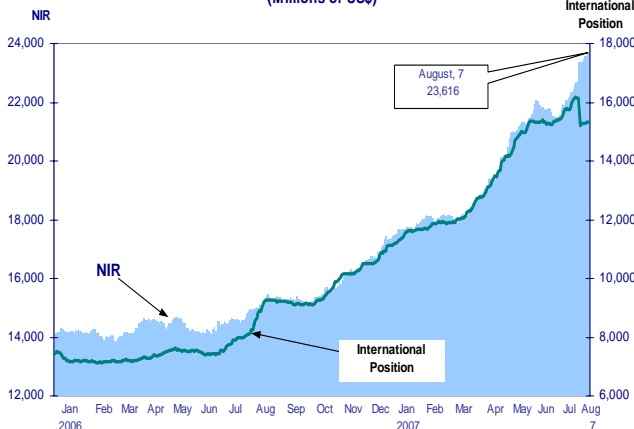
Indicators

- NIRs: US\$ 23,616 million on August 7
- Exchange rate: S/. 3.151 per dollar on August 8
- Interbank interest rate at 4.80 percent on August 8
- Trade surplus of US\$ 879 million in June
- Country risk: 144 bps on August 8
- Lima Stock Exchange decreased 1.6 percent

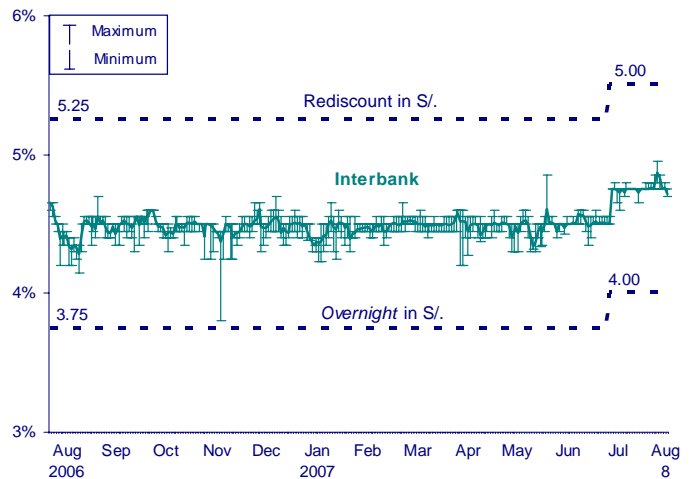
Content

- Average interbank interest rate at 4.80 percent on August 8 x
- Corporate prime rate in soles fell to 5.34 percent x
- International reserves amount to US\$ 23,616 million on August 7 xi
- Exchange rate at S/. 3.151 per dollar xi
- Monetary base on August 7, 2007 xii
- Liquidity and credit to the private sector as of July 15 xii
- Trade surplus of US\$ 879 million in June xiii
- Country risk at 144 basis points on August 8 xv
- Lima Stock Exchange fell 1.6 percent xviii

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



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



News

- Weekly Report N° 31-2007
- Informative note on the Monetary Program August 2007. BCRP maintains the reference interest rate at 4.75%
- International Reserves Management: June 2007
- 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

Monetary and Exchange Operations

08/08/2007
1:45 p.m. Auction sales of 1-day COBCRP amounting to S/. 400,0 million at an average interest rate of 4.74 percent.
1:30 p.m. The Central Bank bought US\$ 70 million, at an average exchange rate of S/. 3.1508 per dollar.
12:15 p.m. The initial liquidity of the banking system was in S/. 700 million.
 The BCRP announced COBCRP auction sale to:
 - 1- day auction sale to S/. 400 million.

07/08/2007
07:00 p.m. The average interbank market interest rate in domestic currency was 4.76 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/. 442,0 million, while this balance was positive in S/. 582,0 million before the BCRP made its monetary operations.
01:30 p.m. The Central Bank does not purchase US\$.
11:58 a.m. The initial liquidity of the banking system was positive in

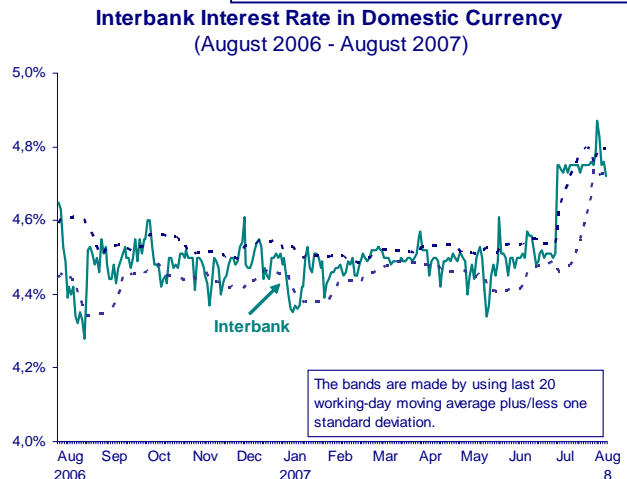
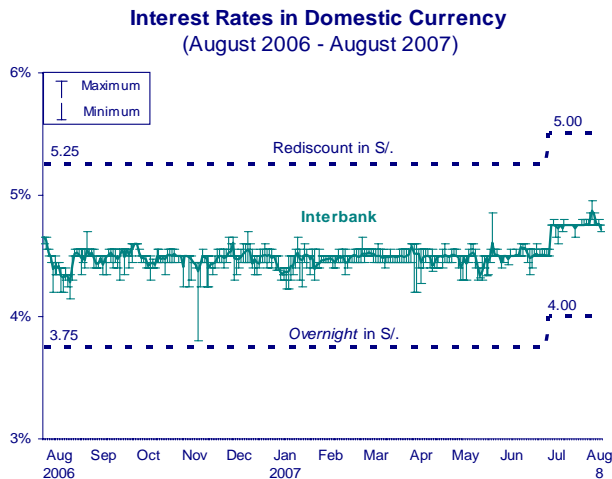
Our website
<http://www.bcrp.gob.pe>

- Weekly Report N° 31-2007
- Informative note on the Monetary Program: August 2007. BCRP maintains the reference interest rate at 4.75%
- International Reserves Management: June 2007
- 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 4.80 percent on August 8

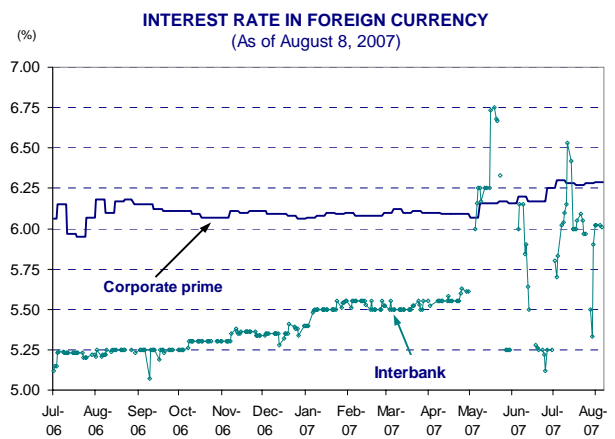
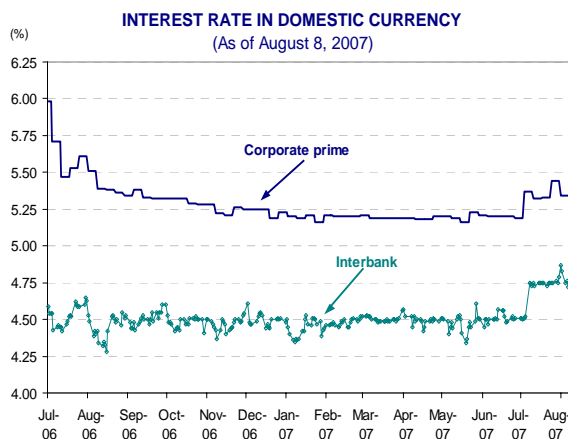
The average interbank interest rate in domestic currency on August 8 was 4.80 percent, higher than the average rate of July (4.69 percent). Between August 1 and 8, this rate decreased from 4.79 to 4.72 percent.

Interbank Interest Rate Average (percent)		
	Average	S. D.
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
June	4.52	0.03
July	4.69	0.09
August 8	4.80	0.06



Corporate prime rate in soles fell to 5.34 percent

From **August 1 to 8**, the daily average of the 90-day corporate prime rate in domestic currency decreased from 5.44 to 5.34 percent, while this rate in dollars increased from 6.28 to 6.29 percent.



Monetary operations

Between **August 2 and 8, 2007**, the Central Bank made the following monetary operations: i) auctions of BCRP Certificates of Deposit with 1-day maturity for a total of S/. 400 million at an average interest rate of 4.74 percent; ii) auctions of temporary purchases of securities with 1-day and 3-day maturities for a daily average of S/. 605.4 million, with average interest rates on these operations ranging between 4.76 and 4.91 percent; iii) purchases of foreign currency for a total of

US\$ 70 million, at an average exchange rate of S/. 3.151 per dollar; and iv) overnight deposits in domestic currency for a total of S/. 282 million.

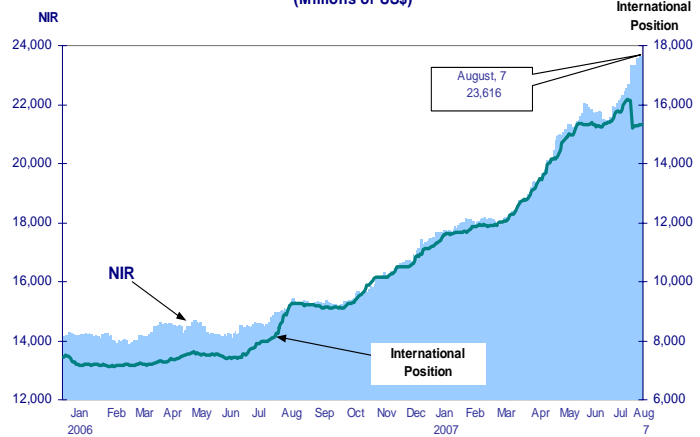
International reserves amount to US\$ 23,616 million on August 7

Net international reserves (NIRs) increased by US\$ 283 million relative to end July and amounted to US\$ 23,616 million on **August 7**. This increase in the balance of NIRs was mainly due to banks' higher deposits (US\$ 287 million) and to the higher value of some securities (US\$ 19 million). However, this result was offset by lower public sector deposits (US\$ 26 million) and by lower investment yield (US\$ 2 million).

It should be pointed out that the BCRP did not intervene in the exchange market during the first week of August.

Moreover, the **international position of the BCRP** on August 7 (US\$ 15,306 million) had increased by US\$ 20 million relative to end July.

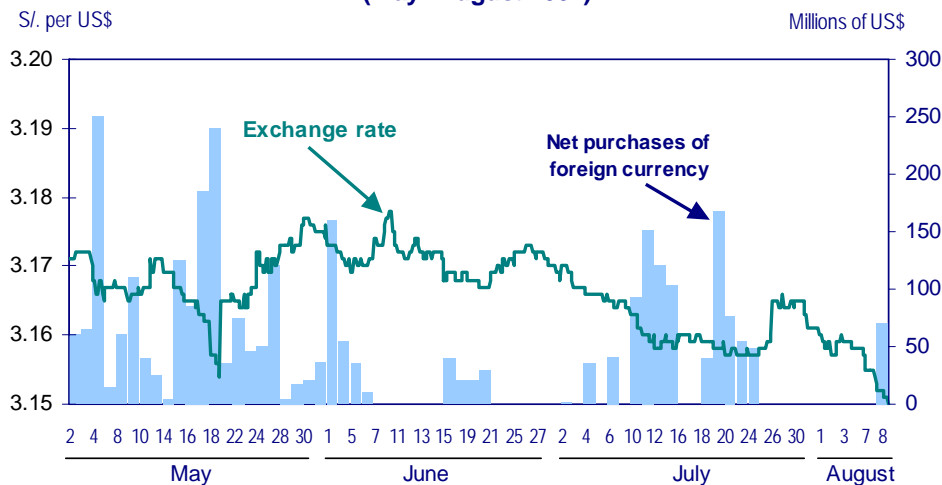
International Reserve and International Position of the BCRP
January 2006 - August 2007
(Millions of US\$)



Exchange rate at S/. 3.151 per dollar

Between August 1 and 8, the average ask price of the interbank exchange rate fell from S/. 3.159 to S/. 3.151 per dollar, as a result of which the nuevo sol appreciated 0.3 percent relative to end July. In this same period, the Central Bank only intervened in the exchange market on August 8 when it purchased US\$ 70 million. The BCRP had not intervened in the exchange market since July 24.

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



Monetary base on August 7, 2007

The balance of the **monetary base** on August 7 (S/. 14,909 million) increased 1.0 percent (S/. 151 million) relative to the close of July. In average terms, the annual growth rate of the monetary base in this period was 26.4 percent (25.8 percent in July).

By sources, the operations that contributed most heavily to the expansion of the monetary base included the maturing of BCRP Certificate of Deposits (S/. 284 million), public sector's lower deposits (S/. 192 million), and banks' lower overnight deposits (S/. 51 million). Conversely, the monetary base contracted due to the placement of temporary purchases of securities (S/. 400 million).

Liquidity and credit to the private sector as of July 15

In the last 4 weeks, liquidity in **domestic currency** increased 4.4 percent (S/. 1,711 million), thus amounting to S/. 40,392 million (annual growth of 39.1 percent). Credit to the private sector in domestic currency increased by 3.3 percent (S/. 962 million) and totaled S/. 30,380 million (annual growth of 36.2 percent).

Liquidity in **foreign currency** increased by 0.8 percent (US\$ 112 million), thus amounting to US\$ 14,395 million (annual growth of 19.4 percent). Credit to the private sector in foreign currency increased 1.6 percent (US\$ 200 million) and totaled US\$ 13,031 million (annual growth of 9.3 percent).

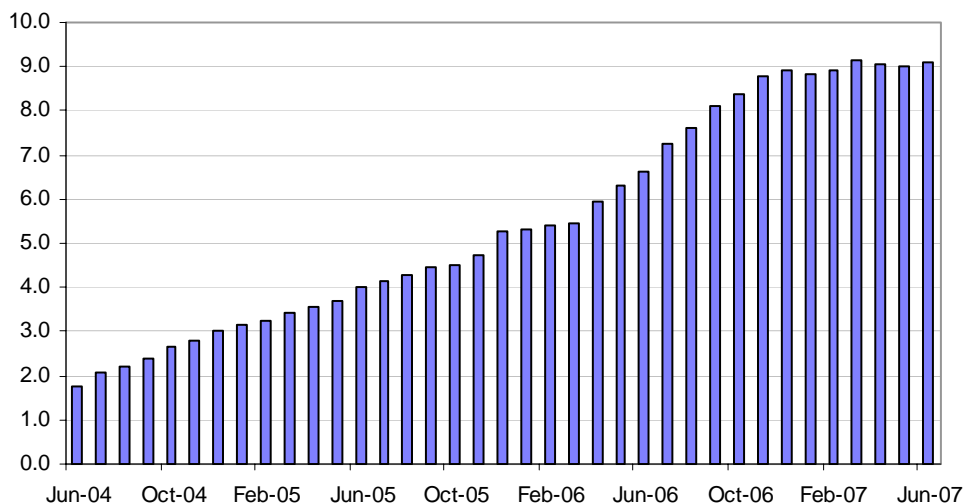
EVOLUTION OF LIQUIDITY AND CREDIT TO THE PRIVATE SECTOR										
	MONETARY BASE		LIQUIDITY IN D/C		CREDIT IN D/C		LIQUIDITY IN F/C		CREDIT IN F/C	
	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR
2005										
Dec.	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%	-4.7%	29.1%	1.8%	38.0%	3.3%	14.5%	-3.5%	2.4%
Feb.	0.3%	22.9%	0.9%	25.0%	2.8%	40.4%	1.7%	17.1%	0.0%	2.5%
Mar.	0.8%	24.2%	2.5%	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%	18.6%	3.2%	30.4%	2.0%	14.6%	-1.8%	4.6%
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%	3.8%	26.7%	4.4%	33.0%	1.9%	9.8%	1.7%	9.2%
Apr.	1.9%	22.7%	0.1%	32.1%	6.1%	39.4%	4.0%	15.4%	1.5%	10.3%
May.	0.4%	25.3%	2.8%	36.1%	2.6%	41.5%	2.3%	19.4%	1.6%	8.4%
Jun.	3.0%	26.2%	3.4%	38.5%	2.9%	42.9%	0.7%	19.8%	4.1%	10.7%
Jul.15	3.9%	26.4%	4.4%	39.1%	3.3%	41.7%	0.8%	19.4%	1.6%	9.3%
Memo:										
Balance as of Jun. 15 (Mill.S/.or Mill.US\$)	13,906		38,681		29,418		14,283		12,831	
Balance as of Jul. 15 (Mill.S/.or Mill.US\$)	14,453		40,392		30,380		14,395		13,031	

Trade surplus of US\$ 879 million in June

The trade balance in June 2007 showed a surplus of US\$ 879 million, a sum US\$ 95 million (12 percent) higher than the one observed in the same month last year. As a result of this, the trade balance between January and June this year amounted to US\$ 3,622 million.

ANNUAL TRADE BALANCE: JUNE 2004 - JUNE 2007

(Billions of US\$ accumulated in the last 12 months)



Exports in June totaled US\$ 2,401 million –a sum 17 percent higher than in June last year–, as a result of which exports increased by 18 percent in the first half of this year. Moreover, last 12-month exports amounted to US\$ 25,670 million. **Traditional exports** totaled US\$ 1,865 million, a sum 16 percent higher than in June 2006 (traditional exports have increased 18 percent so far this year). Factors contributing to this result included larger sales abroad of zinc (US\$ 190 million, up 107 percent), copper (US\$ 172 million, up 36 percent) and lead (US\$ 38 million, up 128 percent).

Non-traditional exports in June amounted to US\$ 523 million –a sum 24 percent higher than in June last year. Non-traditional exports grew 19 percent in the first half of this year. Exports contributing to this result included agricultural products (41 percent), textiles (17 percent) and chemical products (28 percent).

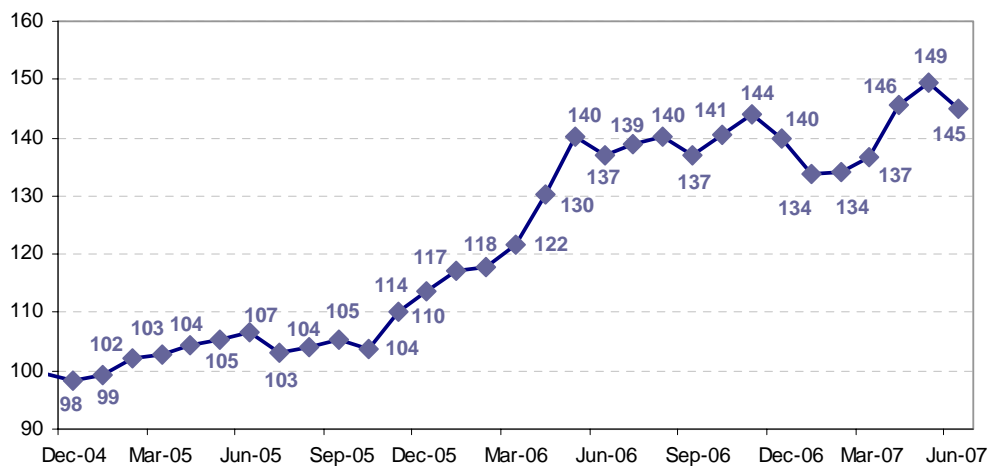
On the other hand, **imports** in June totaled US\$ 1,522 million –a sum 20 percent higher than in June 2006–, as a result of which imports have increased by 24 percent so far this year. Higher imports were observed in all types of products, particularly in capital goods (up 35 percent) and especially in capital goods for industry (37 percent). Furthermore, imports of raw materials increased 14 percent –particularly those for industry (27 percent)–, while imports of consumer goods increased 19 percent.

TRADE BALANCE
(Millions of US dollars)

	Monthly data					January-June			
	Jun. 2006	May. 2007	Jun. 2007	Jun.07/Jun.06	Flujo	2006	2007	Flujo	Var.%
EXPORTS	2,048	2,133	2,401	353	17.2	10,464	12,334	1,870	17.9
Traditional products	1,613	1,652	1,865	252	15.6	8,028	9,450	1,422	17.7
Non-traditional products	421	468	523	101	24.1	2,356	2,811	455	19.3
Other products	13	14	13	0	-1.7	80	74	-7	-8.5
IMPORTS	1,264	1,485	1,522	258	20.4	7,018	8,712	1,694	24.1
Consumer goods	198	262	235	38	19.2	1,181	1,421	240	20.3
Raw materials and intermediate goods	718	724	818	100	13.9	3,855	4,574	719	18.7
Capital goods	341	492	462	121	35.4	1,908	2,675	766	40.2
Other goods	7	7	6	-1	-10.6	74	42	-31	-42.7
TRADE BALANCE	784	648	879	95	12.1	3,446	3,622	176	5.1

Terms of trade in June 2007 grew 6 percent relative to June 2006, due to the increase seen in the average prices of exports (up 11 percent) as a result of the evolution of the international prices of the main commodities. On the other hand, imports increased 5 percent. Moreover, in terms of volumes, exports grew 5 percent, mainly as a result of larger dispatches of copper and zinc and larger shipments of non-traditional products, particularly agricultural, chemical and textile products.

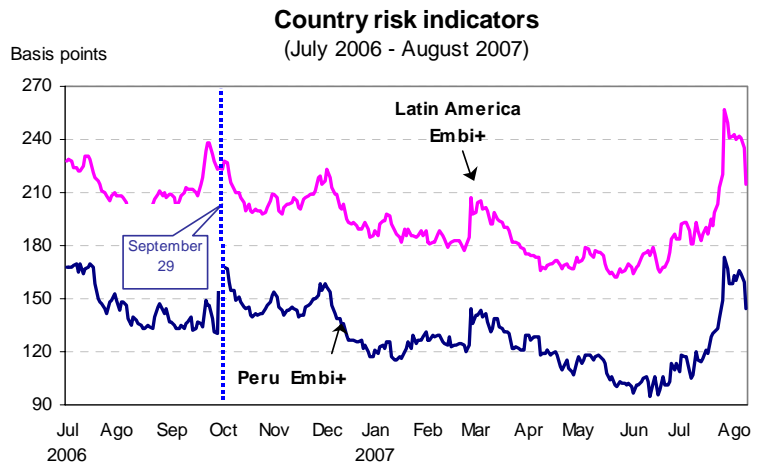
TERMS OF TRADE
(1994=100)



International Markets

Country risk at 144 basis points on August 8

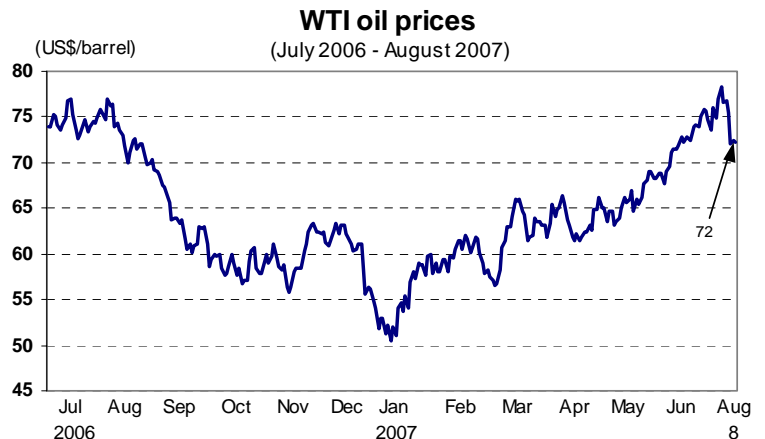
Between August 1 and 8, the country risk indicator –measured by the **EMBI+ Peru** spread–decreased from 163 to 144 basis points. This reduction in Peru’s country risk indicator was consistent with the reduction of spreads in the region (the **EMBI+ Latin America** fell from 243 to 215 basis points).



Level	Variation in basis points		
	Weekly	Monthly	Annual
Aug 8, 07	-19	-14	5

The price of petroleum dropped to US\$ 72.2 per barrel

The price of **WTI petroleum** decreased 5.7 percent to US\$ 72.2 per barrel between August 1 and 8. This drop was mainly associated with concerns of a lower demand in the United States, following the negative indicators of production (lower than expected ISM indices for manufacturing and services) and employment published during the week.

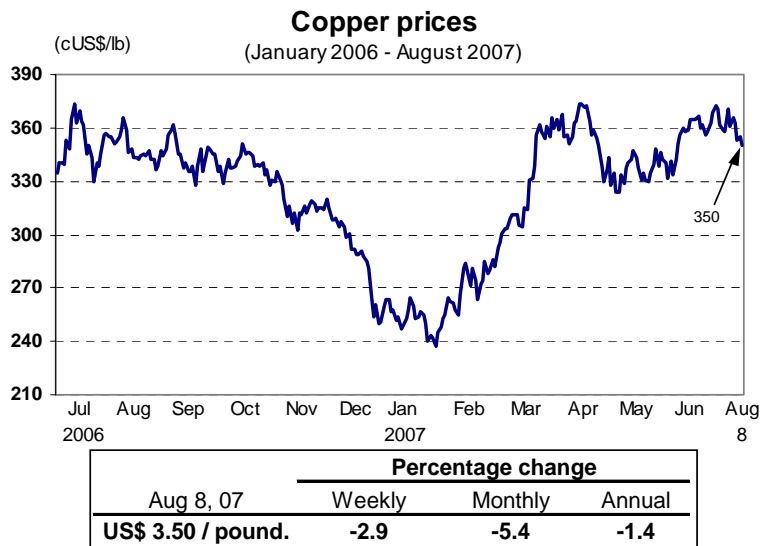


Aug 8, 07	Percentage change		
	Weekly	Monthly	Annual
US\$ 72.2 / barrel.	-5.7	-6.2	-5.5

In the same period of analysis, the price of **gold** increased 0.6 percent to US\$ 675.5 per ounce troy. This increase was associated with the depreciation of the dollar against the euro, as well as with the uncertainty generated by the drop of financial assets associated with the real estate market in the US, which increased the appeal of gold as a hedge. However, the rise in the price of gold was offset by lower expectations that the FED will reduce its interest rates in the forthcoming months after the FED's last session, as well as by the recent sales of gold carried out by European central banks.

Between August 1 and 8, the price of **copper** fell 2.9 percent to US\$ 3.50 per pound. Factors contributing to this result included the increase of global inventories of copper to their highest level since 2005; the suspension of strike-related problems in Mexico and Chile; and the lower demand for copper derivatives in the US real estate sector.

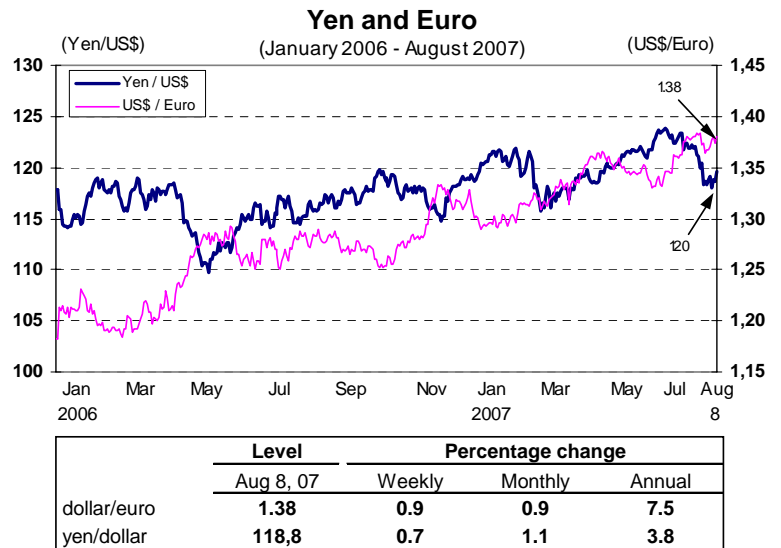
In this same period, the price of **zinc** dropped 1.6 percent to US\$ 1.57 per pound. This result was influenced by expectations of a lower demand for zinc in the US market associated with the real estate sector and by a slight increase in inventories of zinc at the London Metal Exchange (LME). However, a recent report of an investment bank indicating that this basic metal could show a good performance in the short-term – given expectations of China's lower exports of zinc as well as expectations of a higher demand for this metal– prevented the price of zinc from falling even further.



Dollar depreciated against the euro and appreciated against the yen

Between August 1 and 8, the **dollar** depreciated 0.9 percent against the **euro** and appreciated 0.7 percent against the **yen**.

The dollar lost ground against the euro due to concerns of a greater economic slowdown in the US due to the persistence of problems in the mortgage market and to reports showing lower results than the ones expected in the labor market.



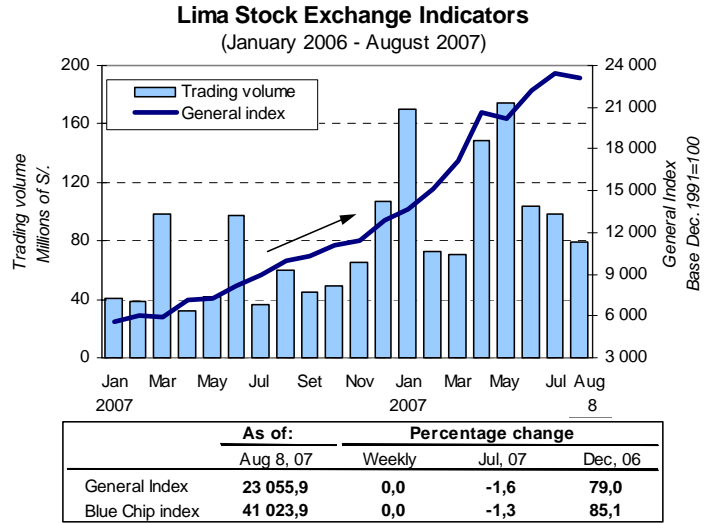
Yield on 10-year US Treasuries increased to 4.88 percent

Between August 1 and 8, the **3-month Libor** rose from 5.36 to 5.38 percent. On the other hand, the yield on the 10-year US **Treasury bond** increased from 4.79 to 4.88 percent. This result was influenced by the fact that the FED reiterated its anti-inflationary approach, giving clear signs that its interest rates would not be reduced in the near future. Another factor contributing to this result was a journalistic report indicating that China could sell its holdings of US Treasuries if the United States imposed trade sanctions on this country.



Lima Stock Exchange fell 1.6 percent

In the week between August 1 and 8, the **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) decreased 1.6 and 1.3 percent respectively, mainly as a result of the decline seen in the prices of mining stocks due to the lower prices of copper and zinc. Another factor contributing to this result was the lower indices observed in global stock exchange markets at the beginning of the month due to persistent concerns regarding the US subprime market. This result was partially offset by the FED's estimates of a moderate growth in the US despite credit constraints.



Year-to-date, the General and Blue Chip indices at the LSE have grown 79.0 and 85.1 percent respectively.

