



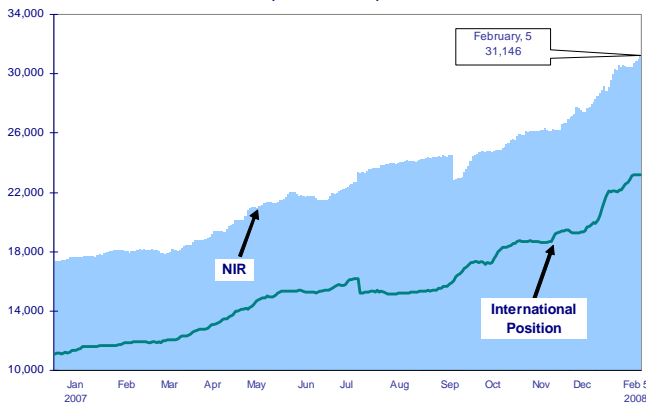
Indicators

- NIRs: US\$ 31,146 million on February 5
- Interbank interest rate at 4.42 percent on February 6
- Exchange rate: S/. 2.923 per dollar on February 6
- Inflation in January: 0.22 percent
- Superávit comercial de diciembre: US\$ 1 019 millones
- Country risk at 210 bps on February 6
- Lima Stock Exchange grew 3.3 percent by February 6

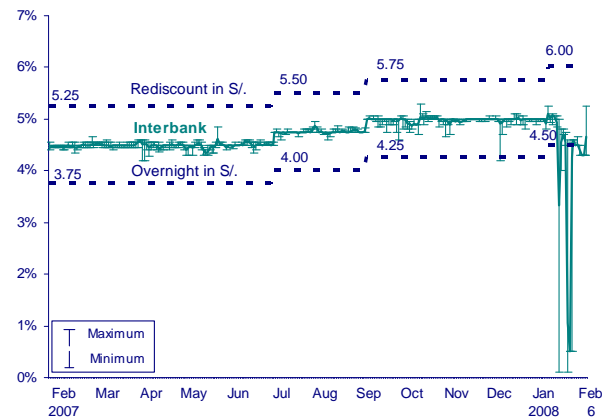
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International Reserve and International Position of the BCRP
January 2006 - February 2008
(Millions of US\$)



Interest Rates in Domestic Currency
(February 2007 - February 2008)



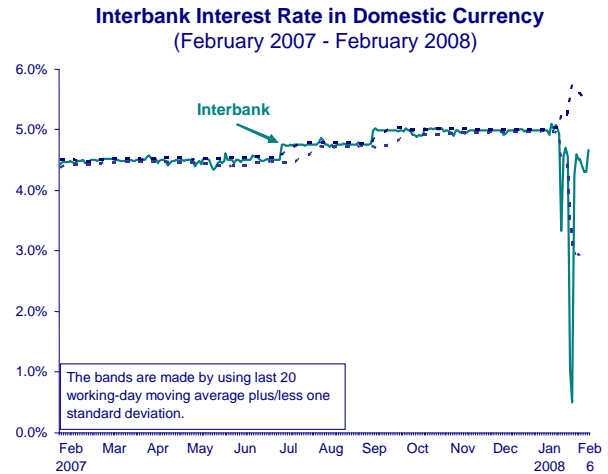
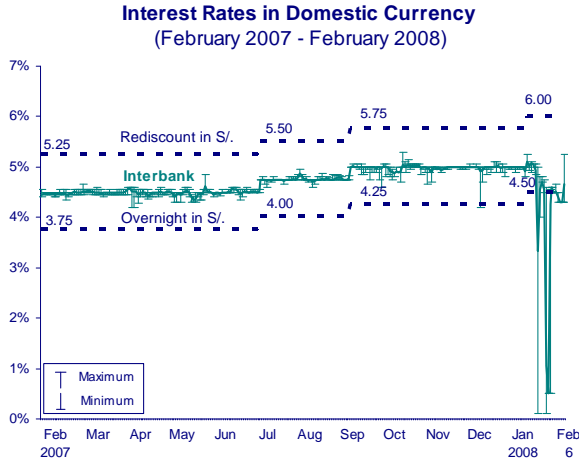
Our website
<http://www.bcrp.gob.pe>

- Weekly Report N° 6-2008
- **Informative note on the Monetary Program: January 2008. BCRP maintains the reference interest rate at 5.25%**
- Working papers N° 2008-003: ¿Can Peru be a New Economic Miracle?
- International Reserves Management: December 2007
- Letter of Intent of the Government of Peru to the IMF (December 2007)
- Inflation Report: Recents trends and macroeconomic forecast - September 2007
- Monetary Policy in a Dual Currency Environment
- Annual Report 2006
- Quarterly Charts

Interbank interest rate on February 6: 4.42 percent

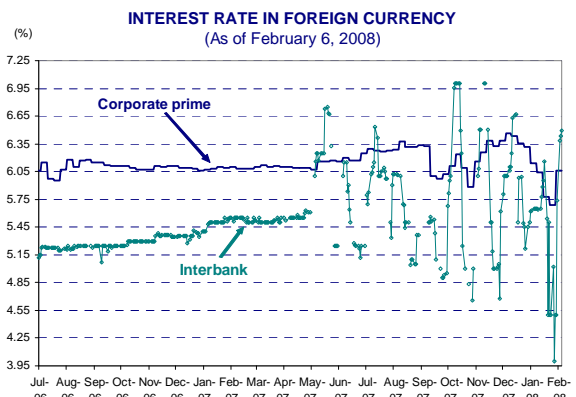
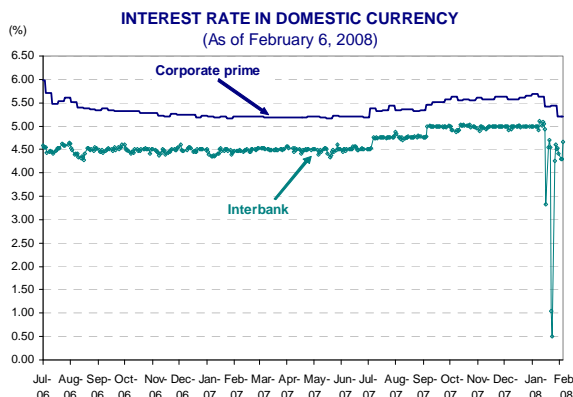
The average interbank interest rate in domestic currency on February 6 was 4.42 percent, lower than the average rate seen in January (4.44 percent). Between January 30 and February 6, this rate increased from 4.50 to 4.67 percent.

Interbank Interest Rate Average (percent)		
	Average	S.D
December 2005	3.34	0.08
December 2006	4.51	0.04
March 2007	4.50	0.01
June	4.52	0.03
July	4.69	0.09
August	4.77	0.04
September	4.97	0.10
October	4.98	0.05
November	4.99	0.03
December	4.99	0.02
January 2008,	4.44	1.27
February 6	4.42	0.17



Corporate prime rate in nuevos soles increased to 5.20 percent

Between **January 30** and **February 6**, the daily average of the 90-day corporate prime rate in domestic currency decreased from 5.43 to 5.20 percent, while this rate in dollars increased from 5.69 to 6.06 percent.

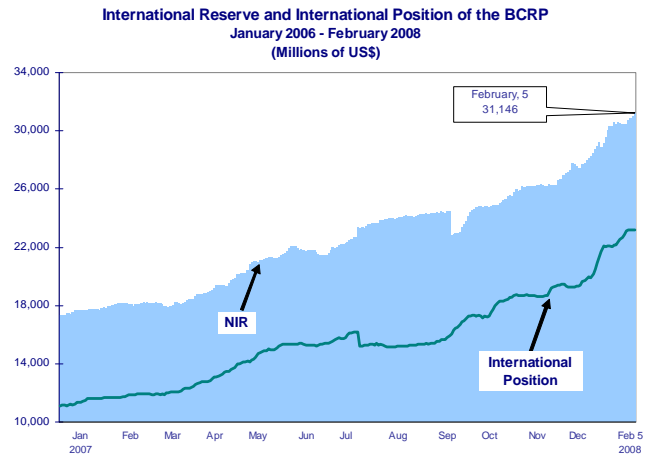


Monetary operations

Between **January 31** and **February 6**, the Central Bank made the following monetary operations: i) auctions of 1-day, 1-week, and 11-month term deposits in domestic currency for S/. 5,383 million on January 31 with an average interest rate of 4.60 percent; ii) auctions of BCRP Certificates of Deposit with restricted negotiation (CDBCRP-NR) with 1-day, 1-week, 1-year for a daily average of S/. 3,189 million with an average interest rate of 4.93 percent; and iii) overnight deposits in domestic currency for a total of S/. 3,290 million.

NIRs reach new historical record of US\$ 31,146 million on February 5

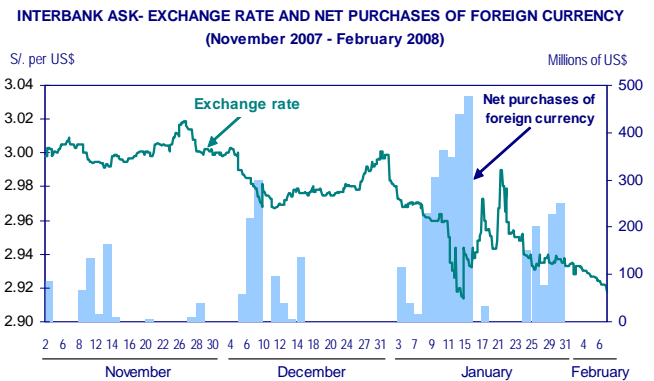
Net international reserves (NIRs) increased by US\$ 409 million compared to end January and amounted to US\$ **31,146** million on **February 5**. This increase in the balance of NIRs is mainly explained by banks' higher deposits (US\$ 485 million). This increase was offset by lower valuation of other securities (US\$ 37 million), public sector's lower deposits (US\$ 30 million), and by lower investment yield (US\$ 12 million).



Moreover, the international position of the BCRP on **February 5** (US\$ **23,166** million) increased by US\$ 37 million compared to end January.

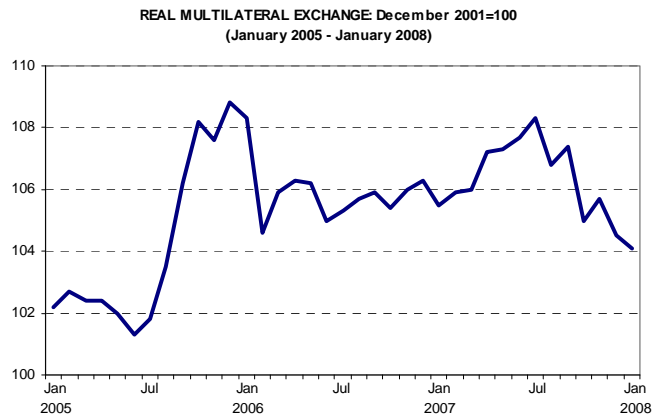
Exchange rate: S/. 2.923 per dollar

Between January 30 and February 6, the average ask price of the interbank exchange rate decreased from S/. 2.937 to S/. 2.923 per dollar, as a result of which the nuevo sol appreciated by 0.4 percent compared to end January. Between January 30 and 6, the Central Bank intervened in the exchange market buying US\$ 249 million.



Real exchange rate decreased 0.4 percent in January

The real multilateral exchange rate in January decreased 0.4 percent compared to end December 2007. This result is explained by a 0.5 percent nominal appreciation of the nuevo sol against the currency basket of our main trading partners, by a 0.4 percent external inflation, and by a 0.2 percent domestic inflation. The real exchange rate declined 1.3 percent in the last 12 months.



Monetary base by January 31, 2008

The balance of the **monetary base** by January 31 (S/. 16,722 million) decreased 5.9 percent (S/. 1,057 million) compared to end December, 2007. On average, the annual growth rate of the monetary base in this period was 36.1 percent (26.4 percent in December).

By sources, the operations that contributed most heavily to the contraction of the monetary base were higher banks' sterilization deposits (S/. 6,692 million) and deposits from the public sector (S/. 1,323 million), net placements of BCRP Certificates of Deposit (S/. 2513 million), sales of dollars to the public sector (US\$ 200 million, or S/. 585 million). Conversely, the operations that contributed to the expansion of the monetary base were the purchases of foreign currency at the Central Bank's front desk (US\$ 3,270 million, or S/. 9,626 million).

Liquidity and credit to the private sector by January 15

In the last four weeks, liquidity in **domestic currency** decreased 1.8 percent (S/. 801 million), thus amounting to S/. 44,455 million (annual growth of 31.1 percent). Credit to the private sector in domestic currency increased by 1.2 percent (S/. 384 million) and totaled S/. 33,331 million (annual growth of 36.6 percent).

Liquidity in **foreign currency** increased by 3.2 percent (US\$ 420 million), thus amounting to US\$ 13,595 million (annual growth of 24.6 percent). Credit to the private sector in foreign currency increased 1.5 percent (US\$ 214 million) and totaled US\$ 14,546 million (annual growth of 30.1 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
2006										
Mar.	0.8%	24.2%	2.7%	21.7%	2.3%	39.4%	2.1%	21.6%	2.2%	2.1%
Jun.	2.3%	16.0%	1.4%	17.5%	2.0%	39.4%	0.2%	13.1%	2.1%	2.8%
Sep.	0.9%	13.9%	1.0%	13.7%	2.2%	36.8%	0.5%	13.9%	0.9%	6.3%
Dec.	15.7%	18.3%	10.6%	17.9%	3.3%	30.2%	1.8%	12.7%	-2.1%	3.9%
2007										
Jan.	-6.8%	18.8%	1.0%	25.4%	0.9%	28.8%	-1.2%	7.9%	-0.3%	7.9%
Feb.	1.5%	20.2%	0.1%	24.4%	2.6%	28.5%	0.1%	6.3%	0.5%	8.8%
Mar.	1.3%	20.7%	2.9%	24.6%	3.1%	29.5%	1.2%	5.5%	1.7%	8.3%
Apr.	1.9%	22.7%	-1.7%	27.5%	4.1%	33.1%	3.0%	9.9%	1.3%	9.2%
May.	0.4%	25.3%	1.9%	30.3%	2.2%	34.8%	2.6%	14.0%	1.6%	7.3%
Jun.	3.0%	26.2%	2.9%	32.1%	2.8%	35.8%	-1.0%	12.6%	4.7%	10.0%
Jul.	5.3%	23.0%	4.5%	34.4%	2.9%	37.7%	2.1%	14.3%	1.3%	10.9%
Aug.	0.8%	29.5%	2.2%	36.0%	1.3%	37.0%	2.6%	16.5%	1.2%	13.1%
Sep.	-1.8%	26.1%	-0.4%	34.0%	4.2%	39.6%	1.7%	17.9%	2.6%	14.9%
Oct.	4.1%	30.3%	5.8%	38.3%	1.8%	37.3%	1.7%	18.1%	2.1%	17.0%
Nov.	2.3%	29.9%	5.3%	40.2%	4.0%	38.6%	3.0%	18.8%	6.8%	23.2%
Dec.	14.3%	28.2%	4.8%	33.0%	2.3%	37.3%	2.4%	19.6%	3.0%	29.6%
2008										
Jan. 15	3.4%	30.5%	-1.8%	31.1%	1.2%	36.6%	3.2%	24.6%	1.5%	30.1%
Memo:										
Balance as of Dec. 15 (Mill.S./or Mill.US\$)	16,559		45,256		32,947		13,175		14,332	
Balance as of Jan. 15 (Mill.S./or Mill.US\$)	17,121		44,455		33,331		13,595		14,546	

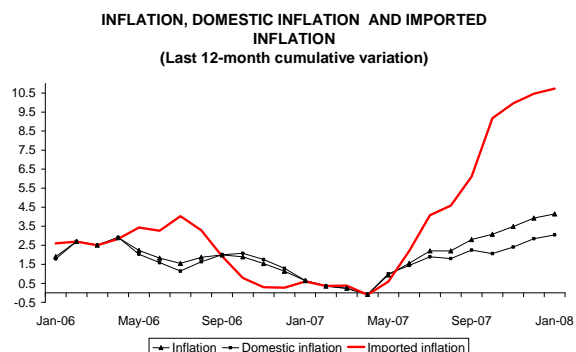
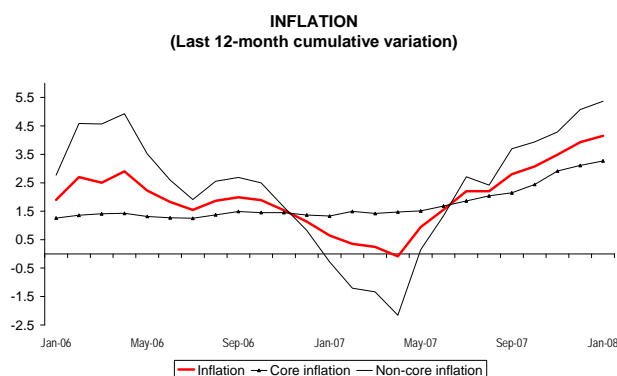
Inflation rate: 0.22 percent in January

Inflation in January recorded a rate of 0.22 percent and accumulated 4.15 percent over the last twelve months. Three items contributed with 0.21 percentage points to the inflation rate this month: potatoes (0.08 percentage points), “eating out” meals (0.07 points) and rice (0.06 points). Conversely, three other items contributed to reduce the inflation rate by -0.28 percentage points this month: chicken (-0.16 points), fish (-0.06 points), and eggs (-0.06 points).

INFLATION
(Annual percentage change)

	Weighting	Monthly	12-month indicator			Annual average indicator		
		Jan. 2008	Jan. 2007	Dec. 2007	Jan. 2008	Jan. 2007	Dec. 2007	Jan. 2008
I. CORE INFLATION	60.6	0.25	1.33	3.11	3.27	1.37	1.95	2.35
Goods	34.0	0.26	0.92	3.30	3.43	0.87	1.74	2.18
Food	13.0	0.47	1.43	5.82	6.07	1.18	2.57	3.32
Textile and footwear	7.6	0.18	1.98	2.82	2.73	1.48	2.53	2.81
Electrical appliances	1.0	-0.03	-1.25	-1.50	-1.52	-0.21	-1.56	-1.72
Other industrial goods	12.5	0.10	-0.11	1.26	1.41	0.24	0.62	0.86
Services	26.6	0.24	1.83	2.88	3.08	2.00	2.21	2.55
Restaurants	12.0	0.67	1.40	3.94	4.39	1.23	2.19	2.77
Education	5.1	0.08	3.52	3.57	3.66	3.43	3.62	3.94
Health	1.3	0.09	1.13	0.41	0.85	0.74	0.81	0.86
Renting	2.3	-0.20	-1.17	-1.97	-2.08	0.68	-0.83	-0.99
Other services	5.9	-0.30	2.39	2.38	2.21	3.01	2.33	2.44
II. NON CORE INFLATION	39.4	0.18	-0.28	5.07	5.37	2.61	1.54	2.56
Food	22.5	0.53	0.30	7.25	7.60	3.53	2.62	3.93
Fuel	3.9	0.00	-1.73	6.45	6.72	4.21	1.59	3.32
Transportation	8.4	-0.60	0.84	0.82	0.87	1.20	0.57	0.64
Utilities	4.6	0.00	-3.75	0.24	0.64	-1.40	-2.53	-2.14
III. CPI	100.0	0.22	0.64	3.93	4.15	1.90	1.78	2.44
Note.-								
Imported Inflation	12.1	0.50	0.60	10.46	10.74	2.15	4.04	5.95
Core Inflation	47.6	0.19	1.30	2.38	2.52	1.43	1.79	2.08
Total foods	33.2	0.51	0.62	6.93	7.26	2.69	2.62	3.76

Core inflation in January was 0.25 percent and accumulated 3.3 percent in the last twelve months, while **non-core inflation** recorded 0.18 percent and accumulated 5.4 percent in the last twelve months. Moreover, **core inflation excluding food products and beverages** showed a rate of 0.19 percent (2.5 percent in the last twelve months). Furthermore, the rate of **imported inflation** in December was 0.50 percent (10.7 percent in the last twelve months).



Trade surplus of US\$ 1,019 million in December

The trade balance showed a surplus of US\$ 1,019 million in December. Exports (US\$ 2,822 millions) increased 10.9 percent and imports (US\$ 1,802 millions) were higher by 26,3 percent. With these results, the trade surplus in 2007 amounted to US\$ 8,356 millions.

Exports in December amounted to US\$ 2,822 million, reaching an annual total of US\$ 27,956 million (up 17.5 percent). **Traditional exports in December** amounted to US\$ 2,106 million – a sum 3.4 percent higher than the one observed in December 2006–, particularly due to greater exports of gold (57.0 percent) and petroleum derivatives (76.5 percent). Traditional exports in the **year** amounted to US\$ 21,493 millions, mainly due to higher sales of copper, zinc, and petroleum derivatives.

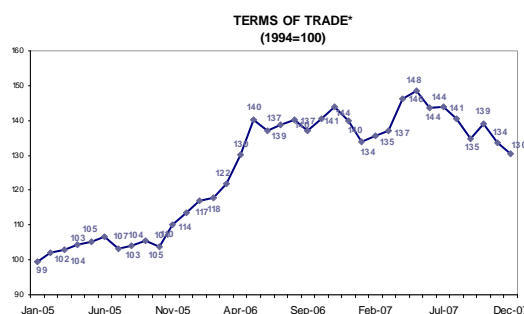
Non- traditional exports amounted to US\$ 702 millions in December, a sum higher in 40.7 percent than the one observed in December 2006. This increase was mainly associated with the normalization of activities at the Port of Callao after the port workers' strike of last November. During the **year**, non-traditional exports reached US\$ 6,288, particularly due to greater exports of the sectors of agriculture and livestock, textiles and chemical products.

On the other hand, **imports** increased by 26.3 percent compared to December 2006 (31.8 percent on a year to year basis) and amounted to US\$ 1,802 million in December. This increase was mainly explained by higher purchases of supplies –mainly inputs for industrial activity– and capital goods (up 27.3 and 28.7 percent respectively). Imports of consumption goods increased 206 percent.

TRADE BALANCE
(Millions of US dollars)

	Datos mensuales					Annual			
	Dec.	Nov.	Dec.	Dec.07/Dec.06		2006	2007	Flow	% Chg.
	2006	2007	2007	Flow	% Chg.				
1. EXPORTS	2,545	2,361	2,822	277	10.9	23,800	27,956	4,156	17.5
Traditional products	2,036	1,856	2,106	70	3.4	18,374	21,493	3,119	17.0
Non-traditional products	499	490	702	203	40.7	5,271	6,288	1,017	19.3
Other products	9	16	13	4	38.5	156	175	19	12.1
2. IMPORTS	1,427	1,772	1,802	375	26.3	14,866	19,599	4,733	31.8
Consumer goods	252	319	303	52	20.6	2,611	3,191	580	22.2
Raw materials and interr	711	945	905	194	27.3	7,987	10,416	2,430	30.4
Capital goods	457	495	588	131	28.7	4,145	5,885	1,740	42.0
Other goods	9	12	6	-2	- 24.3	122	106	-16	- 13.3
3. TRADE BALANCE	1,117	590	1,019	-98	- 8.8	8,934	8,356	-578	- 6.5

The **terms of trade** in December fell 6.8 percent, given that the increase in the average prices of exports (8.7 percent) was offset by the increase seen in the prices of imports (16.6 percent) in a context of high prices of petroleum and food products. The volume of exports increased 2.0 percent due to greater shipments of non-traditional exports (26.9 percent).



Survey on macroeconomic expectations: February 2008

Between January 14 and 31, the BCRP conducted its Monthly Survey on Macroeconomic Expectations among 24 financial entities, 23 economic analysts, and 358 non-financial firms.

The survey results show that inflation in 2008 is expected to show rates ranging between 2.95 and 3.60 percent. In other words, inflation is expected to be lower than in 2007 (3.93 percent). However, the three surveyed groups coincided in increasing their inflation forecasts for this year.

Forecasts on the growth of GDP this year range between 7.0 and 7.4 percent. The group of financial entities and the group of economic analysts coincided in increasing their forecasts compared to the forecasts they expressed last month, while the group of non-financial entities maintained their forecasts unchanged.

Finally, according to the survey results, the exchange rate at end 2008 would be between S/. 2.90 and S/. 2.98 per US dollar.

FINANCIAL SYSTEM INSTITUTIONS (Median1/ of the sample)

	Date of the survey		
	Nov.30 2/	Dec.31 3/	Jan.31 4/
Inflation (%)			
February 2008	0.21	0.20	0.22
March	0.20	0.20	0.22
Annual: 2008	2.80	3.00	3.60
2009	2.50	2.70	3.20
2010	--	2.50	3.00
GDP growth (%)			
December	7.1	7.6	8.0
January 2008	6.8	7.1	7.5
Annual: 2008	6.5	6.7	7.0
2009	6.3	6.1	6.5
2010	--	6.0	6.1
Exchange rate (S/. per US\$)			
February 2008	3.00	2.98	2.94
March	3.00	2.97	2.93
Annual: 2008	3.00	2.97	2.90
2009	3.05	3.00	2.90
2010	--	3.00	3.00
Interbank interest rate (%)			
February 2008			
March	5.00	5.00	5.00
Annual: 2008	5.00	5.00	5.00
2009	5.25	5.25	5.25
2010	5.50	5.50	5.25
2010	--	5.50	5.50

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

2/ 22 financial institutions.

3/ 21 financial institutions.

4/ 24 financial institutions.

NON-FINANCIAL SYSTEM FIRMS (Median1/ of the sample)

	Date of the survey		
	Nov.30 2/	Dec.31 3/	Jan.31 4/
Inflation (%)			
Annual: 2008	2.00	2.20	3.10
2009	2.00	2.20	3.00
2010	--	2.00	3.00
GDP growth (%)			
Annual: 2008	7.0	7.0	7.4
2009	7.0	7.0	7.0
2010	--	7.0	7.0
Exchange rate (S/. per US\$)			
December 2008	3.10	3.05	2.98
December 2009	3.15	3.10	3.00
December 2010	--	3.15	3.10

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

2/ 375 non-financial institutions.

3/ 365 non-financial institutions.

4/ 358 non-financial institutions.

ANALYSTS (Median1/ of the sample)

	Date of the survey		
	Nov.30 2/	Dec.31 3/	Jan.31 3/
Inflation (%)			
February 2008	0.19	0.17	0.23
March	0.17	0.20	0.30
Annual: 2008	2.50	2.70	2.95
2009	2.35	2.50	2.50
2010	--	2.50	2.10
GDP growth (%)			
December	7.5	8.0	8.0
January 2008	7.2	7.3	7.7
Annual: 2008	6.6	7.0	7.0
2009	6.2	6.5	6.2
2010	--	6.2	6.2
Exchange rate (S/. per US\$)			
February 2008	3.01	2.98	2.94
March	3.00	2.97	2.93
Annual: 2008	3.03	3.00	2.90
2009	3.00	3.00	2.95
2010	--	3.05	3.00
Interbank interest rate (%)			
February 2008			
March	5.00	5.00	5.25
Annual: 2008	5.00	5.00	5.25
2009	5.00	5.00	5.50
2010	5.00	5.18	5.25
2010	--	5.00	5.00

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

2/ 25 analysts.

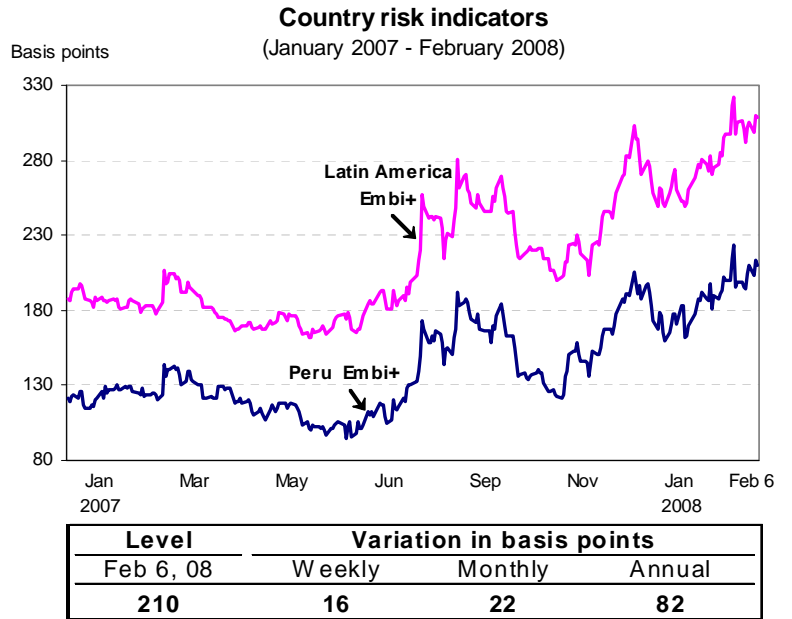
3/ 23 analysts.

International Markets

Country risk at 210 basis points

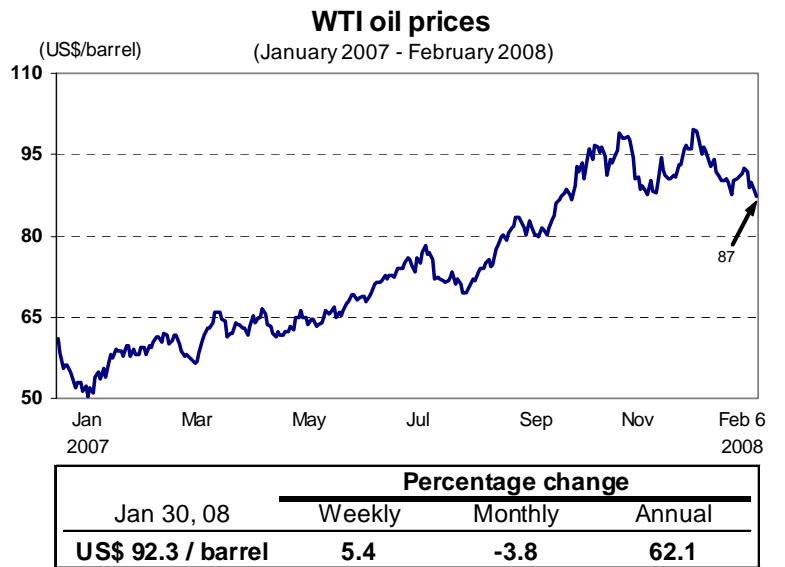
In **January**, the country risk indicator, measured by the **EMBI+ Peru** spread, increased from 175 to 195 basis points, following the evolution of spreads in the region (the EMBI+ Latin America increased from 262 to 290 basis points). This increase in the country risk indicator was due to higher risk aversion due to concerns about a recession in the US economy.

On **February 6**, the **EMBI+ Peru** spread reached 210 basis points.



Oil price increased to US\$ 93.0 per barrel

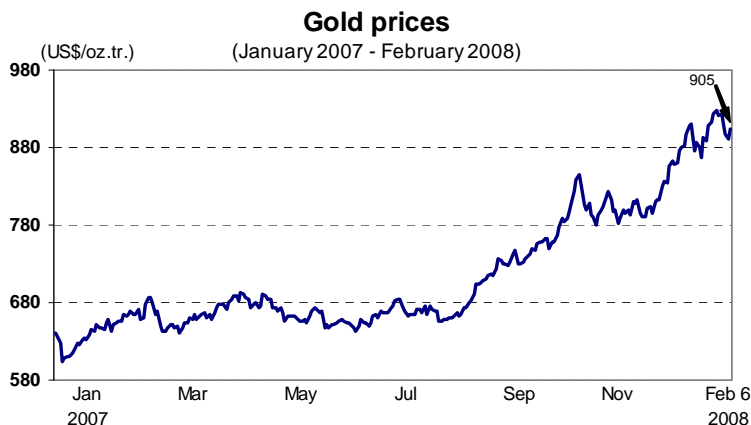
The price of **WTI** oil increased 1.8 percent from US\$ 91.4 to US\$ 93.0 per barrel in **January**. The increase in the price of oil was associated with cuts in oil production in Nigeria, with political tensions in the Middle East, and with concerns that the OPEC will not raise its production quota. This increase was partially offset by concerns of a recession in the US during January.



On **February 6**, the price of **WTI** oil decreased to US\$ 87.1 per barrel due to expectations of a lower demand for oil –explained by the economic slowdown in the US– and higher oil inventories.

In **January**, the price of gold rose 10.5 percent from US\$ 806.4 to US\$ 891.0 per ounce troy. This higher price was associated with inflation expectations (due to the higher price of oil) and with reports of a lower production in South Africa.

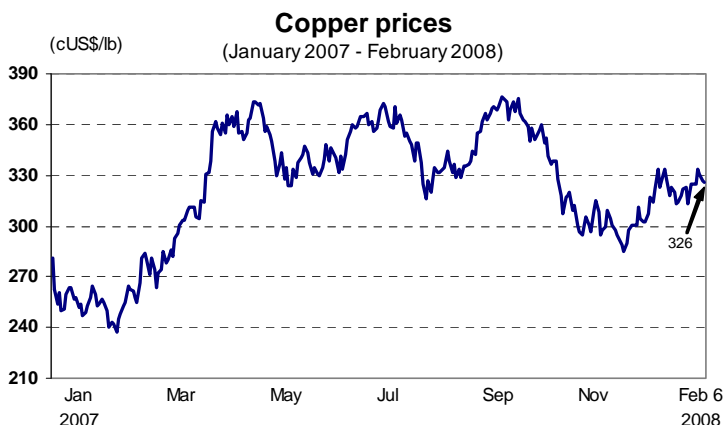
On **February 6**, the price of gold reached US\$ 904.9 per ounce troy.



Feb 6, 08	Percentage change		
	Weekly	Monthly	Annual
US\$ 904.9 / oz tr.	-1.8	5.3	38.5

In **January**, the price of **copper** rose from US\$ 2.99 to US\$ 3.20 per pound (7.2 percent). This price rise is explained by expectations that China's demand will increase (following the publication of China's statistics on its imports in 2007), by strikes in the mines of Chile and Zambia, and by lower global inventories.

On **February 6**, the price of copper reached US\$ 3.26 per pound due to constraints in the supply of China and Zambia (due to energy problems).



Feb 6, 08	Percentage change		
	Weekly	Monthly	Annual
US\$ 3.26 / pound	0.2	3.8	34.1

In **January**, the price of **zinc** fell from US\$ 1.07 to US\$ 1.06 per pound (0.6 percent). This price fall was explained by higher inventories at the London Metal exchange and by investors' profit taking given expectations that the slowdown in global economic growth will reduce the demand for basic metals. This result was partially offset by a report of the ILZSG (International Lead and Zinc Study Group) that showed that the world market had a deficit of 35 thousand MT between January and November 2007



Feb 6, 08	Percentage change		
	Weekly	Monthly	Annual
US\$ 1.08 / pound	3.1	-3.7	-25.3

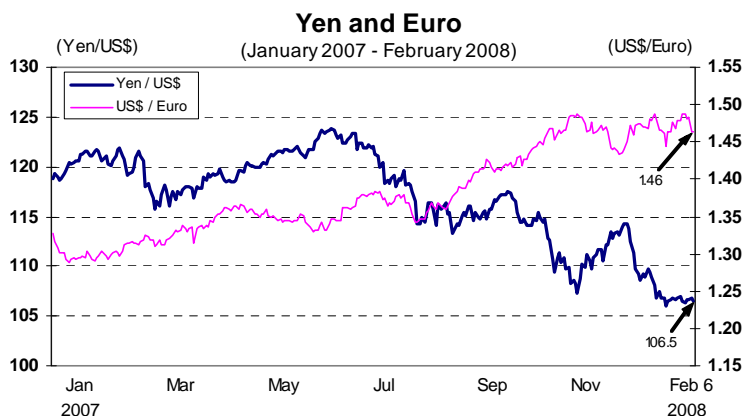
On **February 6**, despite the increase of inventories at the London Metal Exchange –inventories reached their highest level in 15 months–, the price of zinc reached US\$ 1.08 per pound.

On average terms, the dollar depreciated against the euro and yen

In **January**, the dollar depreciated on average terms 1.2 percent against the **euro** and 4.1 percent against the **yen**. The dollar weakened against the euro due to a smaller spread of interest rates between the US and the Eurozone. In January, the Federal Reserve (FED) reduced its interest rate in 125 basis points to 3.0 percent, while the interest rate of the European Central Bank (ECB) remained unchanged at 4.0 percent.

On the other hand, the dollar depreciated against the yen due to higher risk aversion (reversal of carry trade operations) given concerns regarding the US economy.

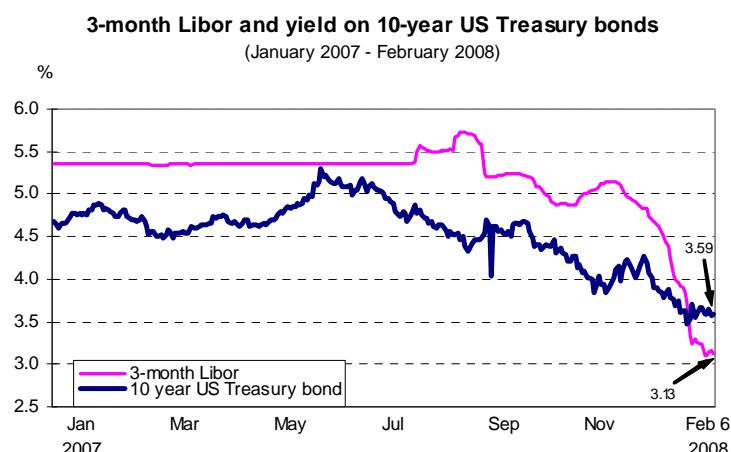
On **February 6**, the exchange rates for these currencies were 1.46 dollars per euro and 106.5 yen per dollar after the negative statistics of employment and activity in the US increased fears of a recession in the United States.



	Level	Percentage change		
	FEb 6, 08	Weekly	Monthly	Annual
dollar/euro	1.46	-1.7	-0.5	12.6
yen/dollar	106.5	0.0	-2.5	-11.4

Yield on 10-year US Treasuries decreased to 3.71 percent on average terms in January

In **January**, the **3-month Libor** fell from 4.97 to 3.92 percent and the yield on the **10-year Treasury bond** decreased from 4.10 to 3.71 percent. The decrease in the Treasury bond yield may be explained by a higher demand for less risky assets (flight to quality) given the possibility that the US economy might go into recession. Moreover, the fall in the price of stocks in the US and in global stock markets contributed to the decrease of the yield on the Treasury Bond.

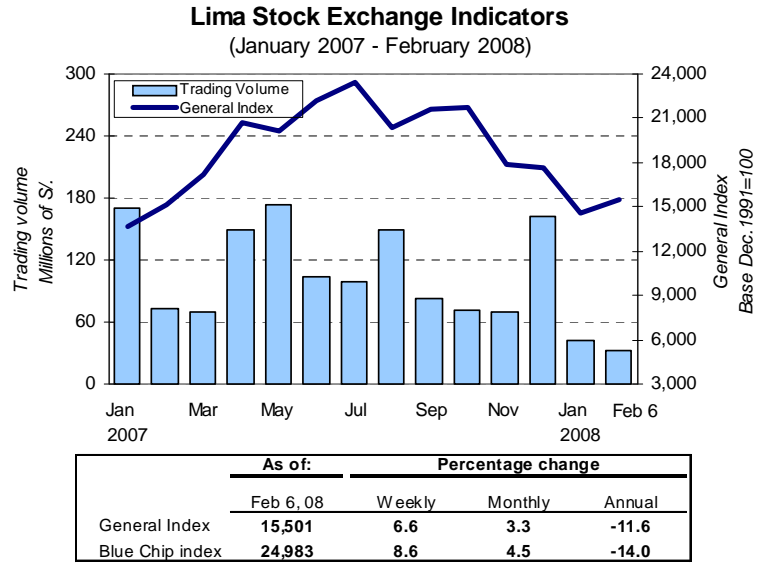


	Variation in percentage points			
	Feb 6, 08	Weekly	Monthly	Annual
Libor 3 months	3.13	-11	-142	-224
Treasuries EUA	3.59	-8	-24	-118

On February 6, the **3-month Libor** reached 3.13 percent and the yield on the **10-year Treasury bond** decreased to 3.59 percent, following profit taking given the higher yields observed around mid-2007, as well as relative stability in the price of stocks.

Lima Stock Exchange fell 14.0 percent in January

In **January**, the **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) have fallen 14.4 and 17.6 percent respectively, due to profit taking by local investors, influenced by expectations of recession in the US economy. However, during the last week of January the indices showed a positive behavior influenced by the FED's reduction of its reference rate.



So far this month, the **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) have increased 3.3 and 4.5 respectively, given the positive results observed in financial statements in the fourth quarter of 2007. Year-to-date, the **General** and **Blue Chip** indices have accumulated losses of 11.6 and 14.0 respectively.

