



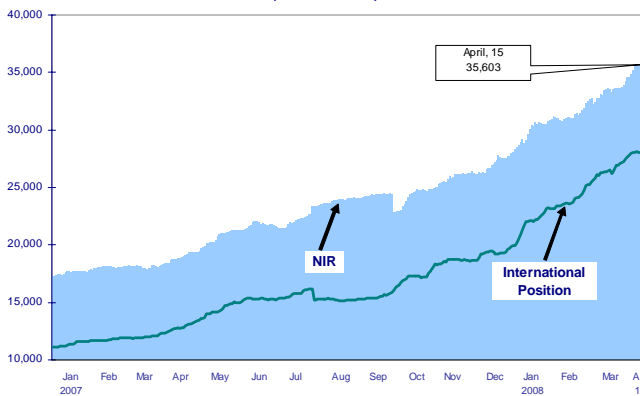
Indicators

- NIRs amounted to US\$ 35,603 million on April 15
- Interbank interest rate at 5.23 percent on April 16
- Exchange: S/. 2.703 per dollar on April 16
- GDP in February 2008: 11.9 percent
- Country risk at 170 bps on April 16
- Lima Stock Exchange grew 1.4 percent as of April 16

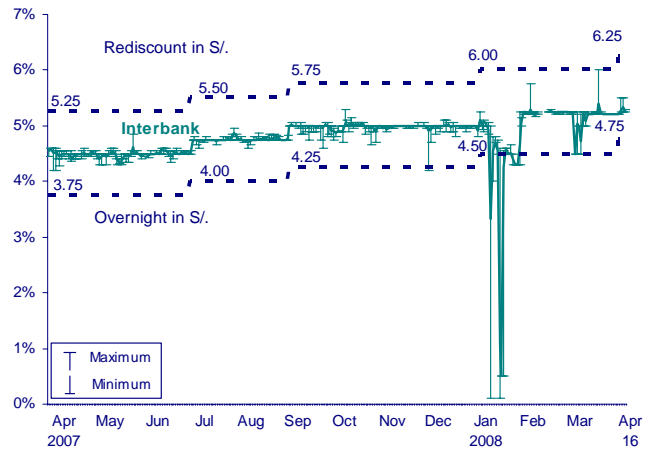
Content

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



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



Our website

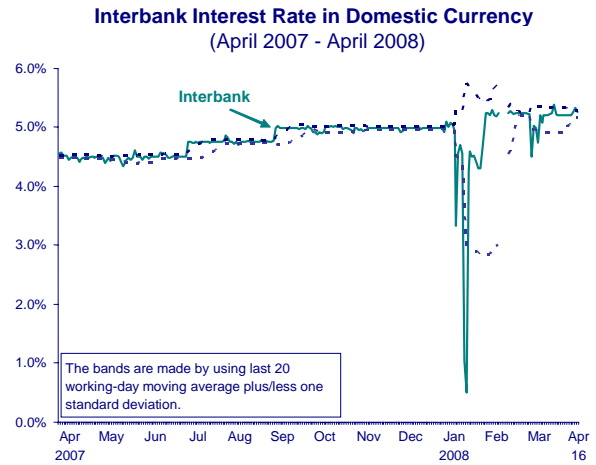
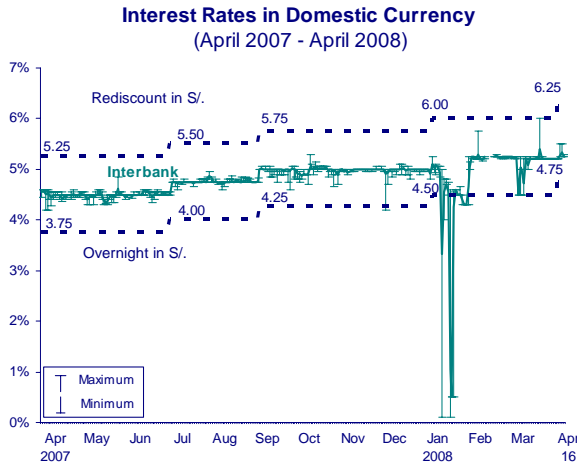
<http://www.bcrp.gob.pe>

- (18/04) Weekly Report N° 16-2008
- Informative note on the Monetary Program: April 2008. BCRP raises reference interest rate from 5.25% to 5.50% and raises reserve requirement rates
- International Reserves Management: February 2008
- Inflation Report: Recent trends and macroeconomic forecasts - January 2008
- Working papers N° 2008-003: ¿Can Peru be a New Economic Miracle?
- Monetary Policy in a Dual Currency Environment
- Quarterly Charts

Interbank interest rate: 5.23 percent on April 16

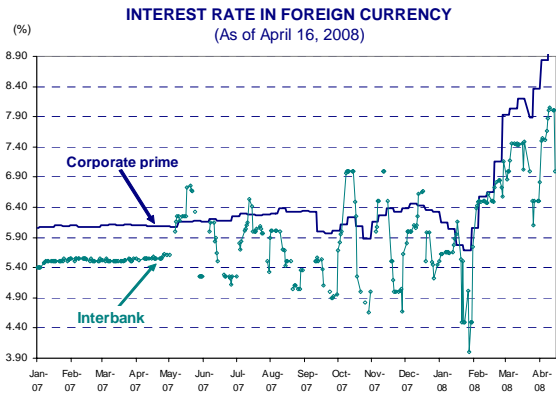
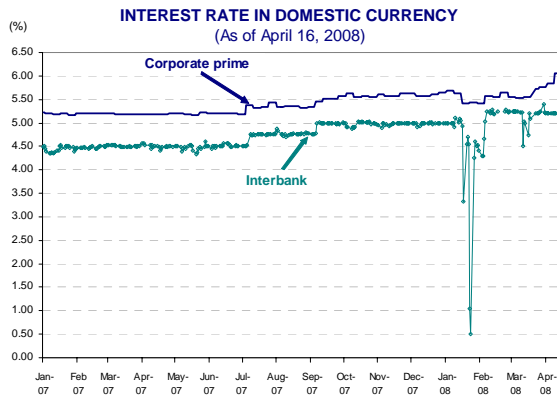
The average interbank interest rate in domestic currency on April 16 was 5.23 percent, higher than the average rate seen in March (5.21 percent). Between **April 9 and 16**, this rate increased from 5.20 percent to 5.26 percent.

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
September	4.97	0.10
November	4.99	0.03
December	4.99	0.02
January 2008	4.44	1.24
February	5.02	0.36
March	5.21	0.21
April 16	5.23	0.04



Corporate prime rate in nuevos soles increased to 6.06 percent

Between **April 9 and 16**, the daily average of the 90-day corporate prime rate in domestic currency increased from 5.85 to 6.06 percent, while this rate in dollars increased from 8.84 to 9.38 percent.

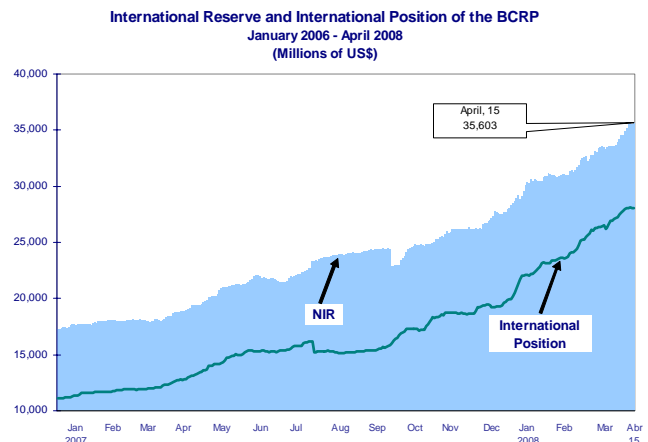


Monetary operations

The Central Bank made the following operations between **April 10 and 16**: i) auctions of 1-day, 3-day, 7-day and 3-months BCRP Certificates of Deposit Subject to Limited Negotiation for a daily average of S/. 4,835.6 million. The interest on these operations, which amounted to S/. 19,811.1 million, is 5.49 percent; ii) purchases of foreign currency for a total of US\$ 192.25 million, 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/. 120 million.

International Reserves totaled US\$ 35,603 million on April 15

Net international reserves (NIRs), which increased by US\$ 2,027 million compared to end March and **by US\$ 7,914 million compared to the close of 2007**, amounted to US\$ **35,603 million on April 15**. This increase in the balance of NIRs during March is mainly explained by BCRP exchange operations (US\$ 1,281 million), by higher deposits of the financial system (US\$ 973 million), by public sector's higher deposits (US\$ 45 million), and by higher investment yield (US\$ 5 million). This increase was offset by the sale of foreign currency for the repayment of the external debt (US\$ 200 million) and by the lower valuation of other securities (US\$ 58 million).

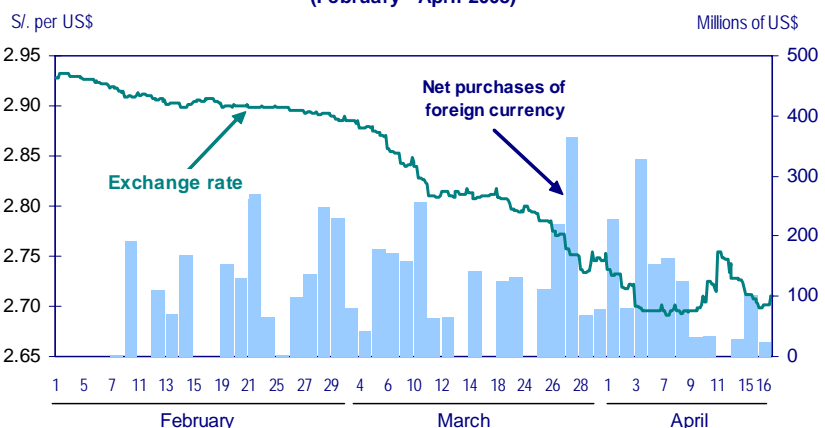


Moreover, the international position of the BCRP on **April 15** was US\$ **28,088 million**, a sum US\$ 1,025 million higher than the one observed at end March.

Exchange rate: S/. 2.703 per dollar

Between **April 9 and 16**, the average ask price of the interbank exchange rate increased from S/. 2.698 to S/. 2.703 per dollar, as a result of which the Nuevo Sol appreciated 1.7 percent compared to end March. In this period, the Central bank intervened in the exchange market buying US\$ 223.2 million.

INTERBANK ASK- EXCHANGE RATE AND NET PURCHASES OF FOREIGN CURRENCY (February - April 2008)



Monetary base as of April 15, 2008

The balance of the **monetary base** as of April 15 (S/. 20,916 million) increased by 14.9 percent (S/. 2,718 million) compared to end March. By uses of the monetary base, this increases responds mainly to higher demand for deposits of the financial institutions in the Central Bank (S/. 2,603). On average terms, the monetary base grew at annual rate of 68.7 percent in this period (47.3 percent in March).

By sources, the operations that contributed most heavily to the growth of the monetary base were the purchases of foreign currency at the Central Bank's front desk (US\$ 1,281 million or S/. 3,465 million), the maturities of BCRP Certificates of Deposit (S/. 2,298 million), banks' lower term deposits (S/. 797 million). Conversely, the monetary base shrank due to net placements of BCRP Certificates of Deposit subject to Limited Negotiation (S/. 1,778 million), to public sector's higher deposits (S/. 1,742 million), and to sales of dollars to the public sector (US\$ 200 million or S/. 562 million).

Gross Domestic Product: February 2008

In February the GDP grew 11.9 percent, accumulating 11,0 percent in the first two months of the year. Growth was led by **non-primary activities which increased 12.4 percent**, and especially by non-primary manufacturing (13.1 percent) and construction (22.5 percent).

GROSS DOMESTIC PRODUCT
(Real percentage change respect to the same period of previous year)

	Weighted 2006	2007			2008	
		Feb.	Jan - Feb	Year	Feb	Jan - Feb
Agriculture and Livestock	8.3	8.9	9.5	3.1	2.7	3.3
Agriculture	5.0	8.6	9.2	2.1	3.5	3.8
Livestock	3.0	9.3	9.9	4.7	1.8	2.6
Fishing	0.5	27.2	24.8	6.9	-2.0	-0.3
Mining and Fuel	6.2	-2.8	-3.6	2.1	14.7	8.5
Metallic mining	5.2	-3.7	-4.7	1.7	15.1	9.2
Natural gas and oil	0.5	5.2	7.9	6.5	10.6	2.4
Manufacturing	15.4	7.8	10.1	10.6	13.4	11.6
Based on raw materials	3.2	-1.8	3.6	-0.5	15.3	10.1
Non-primary	12.1	9.6	11.4	12.9	13.1	11.9
Electricity	1.6	8.8	9.1	9.7	14.5	11.7
Water	0.4	1.2	1.0	0.3	0.7	-0.9
Construction	5.2	5.2	8.1	16.5	22.5	21.7
Commerce	14.4	14.1	8.1	10.5	12.0	12.4
Other services	38.1	8.8	9.5	9.3	11.0	10.8
GDP Global	100.0	8.7	9.5	9.0	11.9	11.0
Primary sector	18.3	3.4	4.0	2.3	8.7	6.2
Non-primary sector	72.0	9.8	10.7	10.8	12.4	11.9

The **agriculture and livestock sector** grew 2.7 percent, mainly due to crops directed to industry and exports, which grew together 18.3 percent. On February, the growth was explained mainly due to the higher production of mango, hard maize, coffee, asparagus and cotton, compared with the decrease of production for the local market of onion, garlic, mandarina and sweet potatoes. On the other hand, there was also higher production of milk and chicken meat.

The **fishing sector** decreased 2.0 percent due to a lower catch of anchovy, and lower ship landings of yellow mackerel to produce frozen fish. On the other hand, there was an increase of fish for human consumption and canned products, which included species such as yellow mackerel, bonito, and striped mullet.

The **mining and hydrocarbon sector** grew 14.7 percent due to the higher production of copper (26.4 percent), mainly due to start of operations of the expansion of Cerro Verde in Arequipa, and gold (17.3 percent) due to higher production of Yanacocha. This results were partially of by lower production of iron ore (-8.9 percent) and tin (-3.4 percent).

The **manufacturing sector** grew 13.4 percent due mainly to the higher production of non-primary manufacturing (13.1 percent), which increased due to the high growth of consumption and private investment. On the other hand, production in industry based on raw materials grew 15.3 percent due to the higher production refined non-ferrous metals and refined oil; as well as, an increase of the production of meat products and sugar, which offset the decrease in the fishing industry.

Industries with higher increases

CIIU	February	
	%Chg.	Contrib. % 1/
Canned food, chocolates and alcoholic beverages	81.5	1.7
Glass	123.9	1.7
Transport equipment	83.2	1.2
Wood and furniture	30.0	1.0
Metal products	16.6	0.9
Manufacture of basic iron and steel	19.5	0.8
Construction materials	17.7	0.7
Basic chemicals	32.2	0.7
Explosives, chemical and natural scents	24.7	0.5
Beer and malt	22.3	0.5
Paint, varnishers and lacquers	47.9	0.5
Subtotal	34.7	10.2
Total	13.1	

1/ Percent contribution to non primary manufacturing

Source: Ministerio de la Producción.

Furthermore, production grew in 33 of the 38 industrial groups. The groups that contributed most heavily to growth included

- **Food conserves, chocolate products, and alcoholic beverages (81.5 percent)**, due to the higher production of fruit juices and beverages, frozen and canned asparagus, and chocolate products.
- **Glass (123.9)**, due to the higher production of beer containers.
- **Transport materials (83.2 percent)**, due to increased activity in the assembly of buses and in the production of car spare parts.
- **Wood and furniture (30.0 percent)**, due to the higher demand for mattresses, due to sales promotions.
- **Metal products (16.6 percent)**, due to the increased demand for metal structures for mining, construction, and commerce, and to the higher demand for metal containers for dairy products.
- **Iron and steel (19.5 percent)**, due to the increased demand for construction bars and flat products for the metal-mechanical industry.
- **Construction materials (17.7 percent)** due to a greater production of pre-mixed concrete and asbestos-cement sheets.
- **Basic chemical substances (32.2 percent)** due to a higher demand for industrial gases and sulfuric acid.
- **Explosives, natural and chemical essences (24.7 percent)**, due to increased demand for explosives in the mining sector.
- **Beer and malt (22.3 percent)** due to increased of sales in provinces.
- **Paints, varnishes and lacquers (47.9 percent)** due to higher orders of the construction sector
- **Cement (13.0 percent)**, due to increased domestic demand.

The **construction sector** grew 22.5 percent in February, reflecting the increase seen in the construction of homes, offices, commercial and industrial facilities, as well as the construction of mining and energy projects. Local dispatches of cement in February increased 16.8 percent.

Domestic demand

In February the domestic demand grew 13.3 percent, accumulating 12.6 percent in the first two months of the year. Private consumption was propelled by the increase in employment rates and banking credit. The last increased 35.2 in February.

New familiar car selling grew 73.3 percent in february, while heavy duty trucks do the same in 113.1 percent. All vehicles selling increased 76 percent. On the other hand, it was recorded higher demand of juices, floor wax, milk, shampoo, beer, ogurt, drinkable water, soap and noodle.

Private investment grew 28.2 percent due to higher imports of capital goods (28.2 percent) and cement selling (21.6 percent). In this month leasing contracts increased 52 percent mainly in manufacturing, transportation, commerce and public services.

Outlook on March 2008

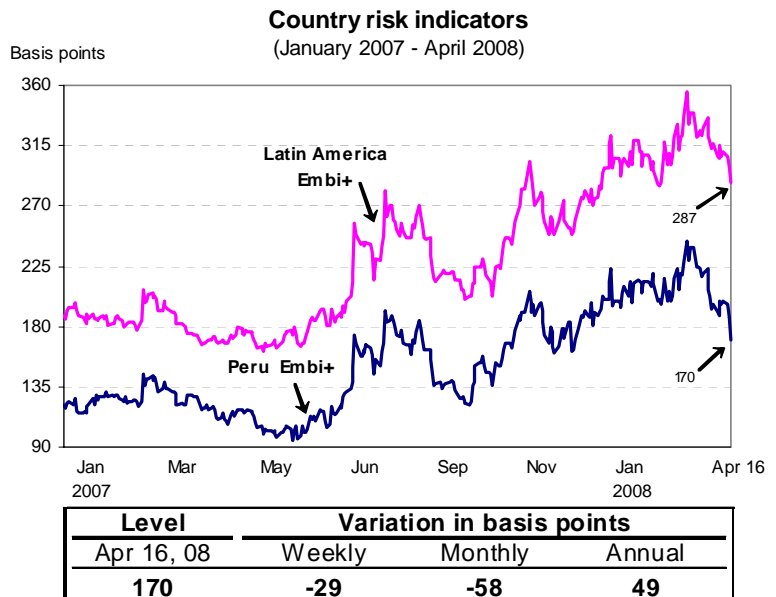
Currently available preliminary data on indicators relevant for economic activity in the sectors of fisheries, mining and hydrocarbons, construction, electricity and water include the following:

- According to IMARPE, the caught of anchovy grew 38.2 percent.
- According to the Ministry of Energy and Mines, the production of petroleum and natural gas increased 1.3 percent.
- The production of electricity increased by 8.0 percent, according to the *Comité de Operación Económica del Sistema Interconectado Nacional (COES)*.

International markets

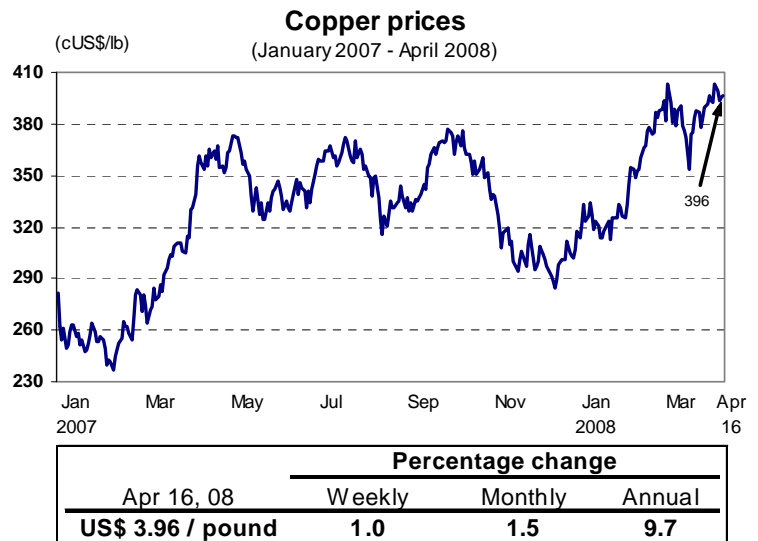
Country risk at 170 basis points

Between April 9 and 16, the country risk indicator –measured by the **EMBI+ Perú** spread– fell from 199 to 170 basis points, showing a similar evolution to the one observed in spreads in the region (the EMBI+ Latin America declined from 315 to 287 basis points). This decrease in the country risk of Peru was due to the increased risk appetite among investors following the release of corporate results, above expectations, in the United States. This rise in Wall Street supported the increased global demand for high-yielding assets.



Price of copper rose to US\$ 3.96 per pound

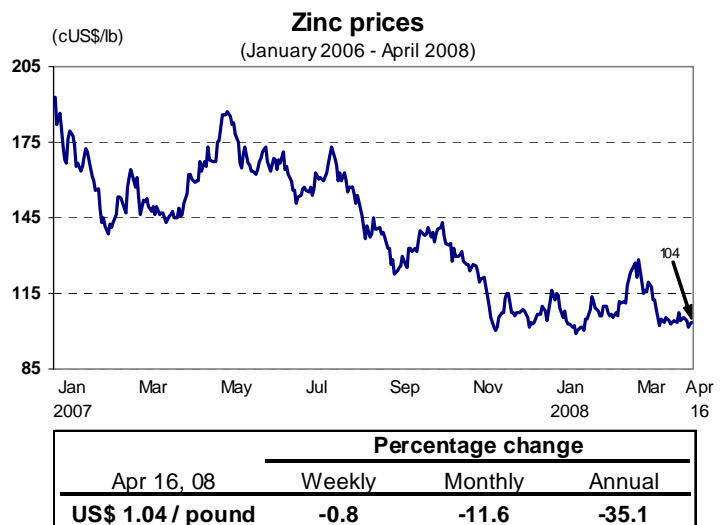
Between April 9 and 16, the price of **copper** increased 1.0 percent to US\$ 3.96 per pound. This evolution reflects the weakening of the dollar and news of higher imports by China. Also, the news that two producing units of the Chilean state-owned company Codelco, the world's largest copper producer, who stopped its production after the protest of its workers, which influenced the increase of the metal price. This increase was partially offset by the higher inventories on the London Metal Exchange (0.5 percent to 116,150 MT).



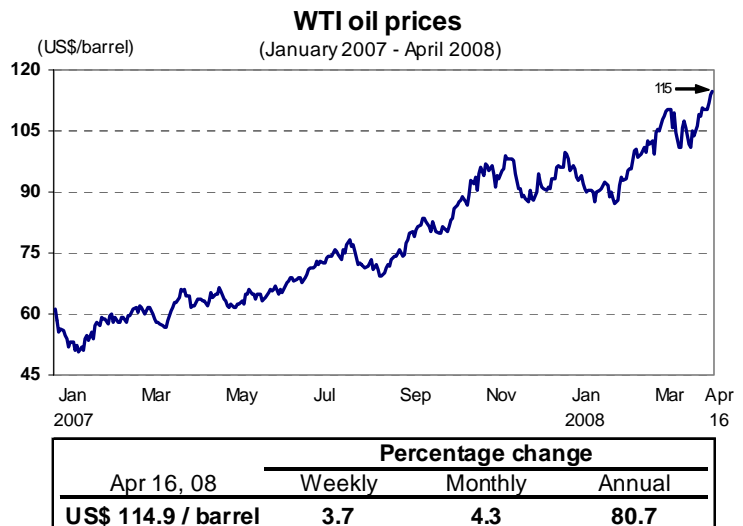
In the same period of analysis, the price of **gold** rose 2.4 percent to US\$ 947.8 per troy ounce. This increase was generated by the fall of the dollar to a record low against the euro and by increased purchases of precious metal after an advance in oil prices sparked inflationary concerns. However, one profit taking recorded at the beginning of the week of analysis, limited the advance in the price of gold.



Between April 9 and 16, the price of **zinc** decreased 0.8 percent to US\$ 1.04 per pound. The fall in the price of zinc was influenced mainly due to higher inventories of the metal on the London Metal Exchange (2.0 percent to 129,850 MT), and by expectations of lower consumption and an expansion of the production capacity in China. Finally, the unexpectedly low profits of one of the largest companies in the world encouraged fears about the demand, which influenced the decrease of the price of the base metal.



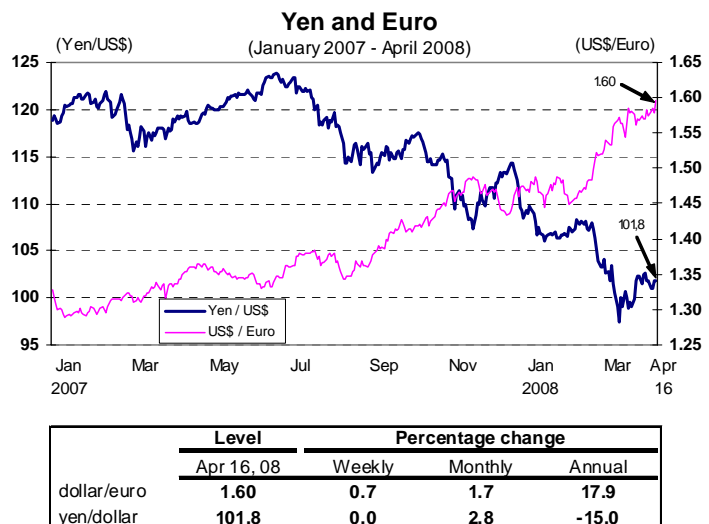
The price of **WTI oil** rose 3.7 percent to US\$ 114.9 per barrel between April 9 and 16. The increase in the price of crude was influenced by the further weakening of the dollar and the decrease reported in the United States crude oil and gasoline inventories. Furthermore, the interruption of supply in Nigeria, the increased demand for diesel in China and the estimation of the International Energy Agency (IEA) on a sharp reduction in oil production in Russia, gave support to the increase of the price.



Dollar depreciated against the euro

Between April 9 and 16, the **dollar** depreciated 0.7 percent against the **euro**, suggesting further cuts in of the Federal Reserve interest rates. In contrast, the high inflation in the Eurozone confirmed the outlook for the European Central Bank will not cut its interest rates in the near future.

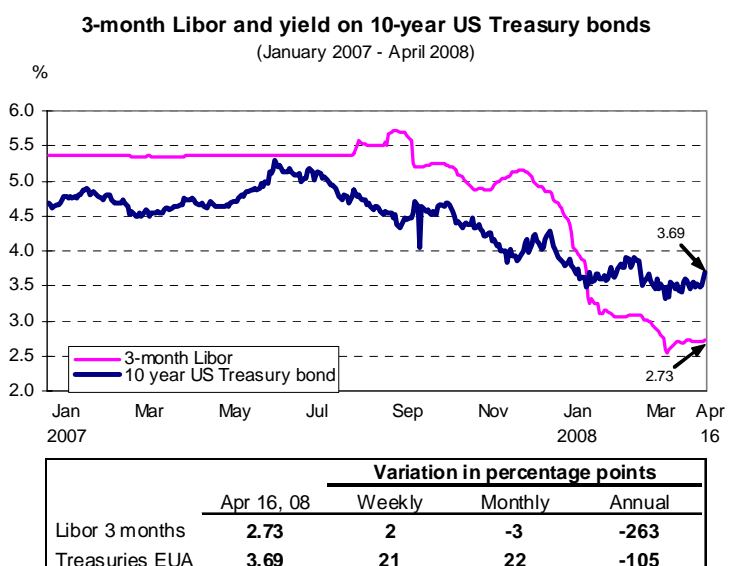
Against the **yen**, the dollar remained relatively stable.



Yield on 10-year US Treasuries increased to 3.69 percent

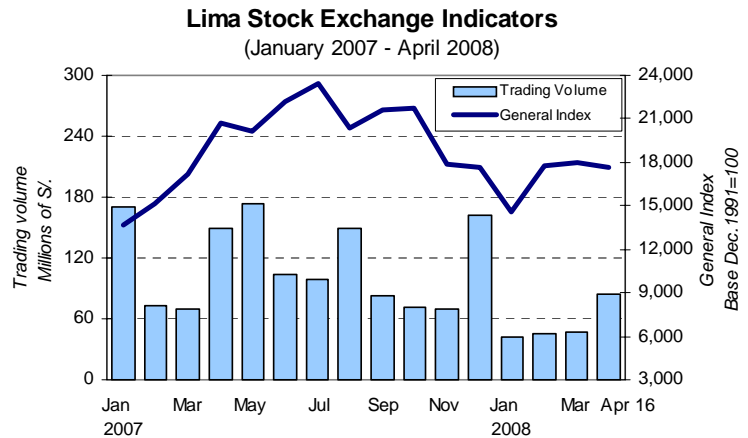
Between April 9 and 16, the **3-month Libor** increased from 2.72 to 2.73 percent, and the yield on the **10-year Treasury bond** increased from 3.48 to 3.69 percent.

In the case of Treasury bond, the increase in the yield was due to a strong advance in the stock market that reduce the attractiveness of Treasury securities. The corporate results above expectations in the United States during the week, encouraged investors to take positions in the US stock market.



Lima Stock Exchange increased 1.4 percent as of April 16, 2008

The **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) rose 1.4 and 1.5 percent respectively as of April 16. However, during the week (between April 9 and 16), both indices took a downturn, with drops of 2.3 and 2.7 percent respectively, due to the caution of investors, who expect the first quarter statements of the companies listed on the LSE. The fall in mining shares influenced by the lower price of base metals, such as zinc, was also another factor that influenced negatively on the indexes.



	As of:			
	Apr 16, 08	Weekly	To Mar 08	To Dec 07
General Index	17,628	-2.3	1.4	0.6
Blue Chip index	29,344	-2.7	1.5	1.1

Year-to-date, the General and the Blue Chip indices of the LSE have accumulated gains of 0.6 and 1.1 percent respectively.

