









Indicators

-  NIRs: US\$ 34,748 million on September 2
-  Interbank interest rate at 6.26 percent on September 2
-  Exchange rate on September 5: S/. 2.972
-  Inflation in August: 0.59 percent
-  Country risk at 214 bps at September 2
-  LSE grew 0.1 percent as of September 2

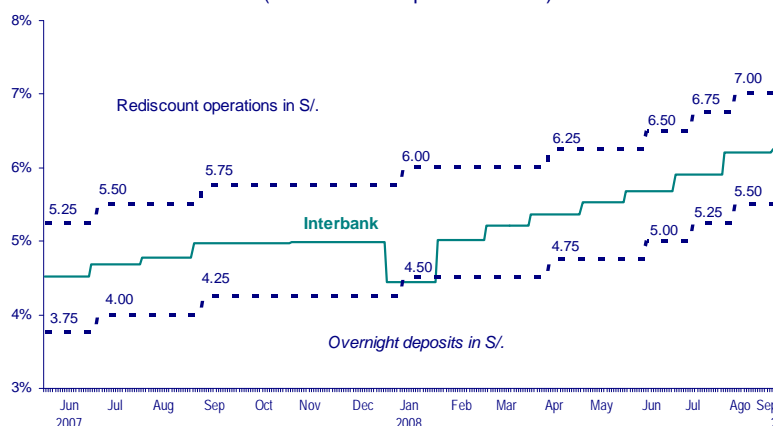
Content

- Interbank interest rate on September 2: 6.26 percent ix
- Corporate prime rate and commercial interest rates in soles rose ix
- Demand for currency xi
- International reserves: US\$ 34,917 million at end August xi
- Nuevo sol shows low volatility xii
- Real exchange rate fell 0.6 percent in August xii
- Inflation in August: 0.59 percent xiii
- Average country risk in August: 195 basis points xiv
- Lima Stock Exchange fell 3.1 percent in August xvi

Interbank interest rate on September 2: 6.26 percent

Between September 1 and 2, the average daily interbank interest rate in domestic currency was 6.26 percent –higher than the average rate of August (6.21 percent). **Between August 26 and September 2**, this rate increased from 6.25 to 6.26 percent.

INTEREST RATES IN DOMESTIC CURRENCY
(June 2007 - September 2008)



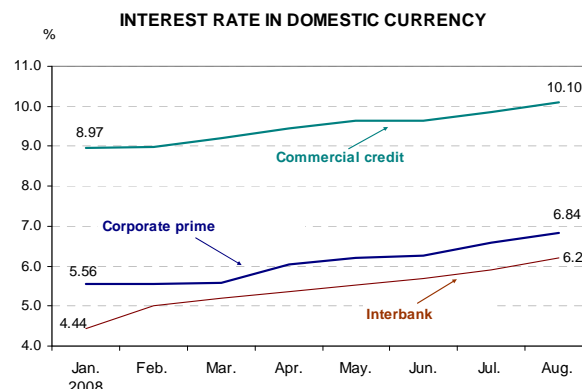
	Interbank interest rate (percent)	
	Average	SD
December 2006	4.51%	0.04
December 2007	4.99%	0.02
January 2008	4.44%	1.24
February	5.02%	0.36
March	5.21%	0.21
April	5.37%	0.13
May	5.50%	0.07
June	5.68%	0.13
July	5.91%	0.10
August	6.21%	0.12
September 2	6.26%	0.00

Corporate prime rate and commercial interest rates in soles rose

Between **August 26 and September 2**, the daily average of the 90-day corporate prime rate in domestic currency increased from 6.91 to 7.07 percent, while this rate in dollars fell from 6.91 to 6.86 percent.

In **August** the monthly average of the 90-day corporate prime rate in nuevos soles rose from 6.59 to 6.84 percent, while this rate in dollars rose from 6.69 to 6.94 percent.

This evolution was also observed in the interest rate on commercial loans in domestic currency, which has shown an upward trend and reached 10.10 percent, in line with the increase seen in the BCRP reference rate for the interbank market.

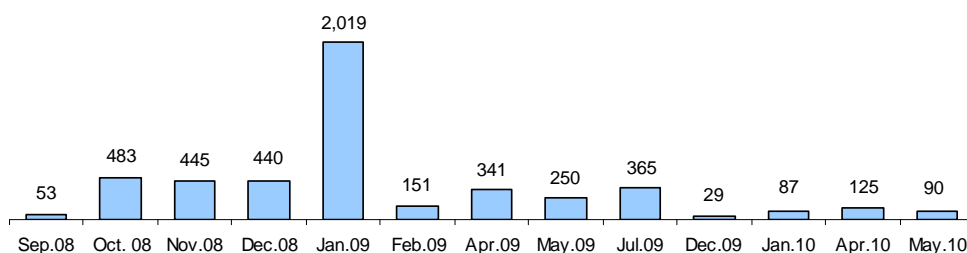


Monetary operations

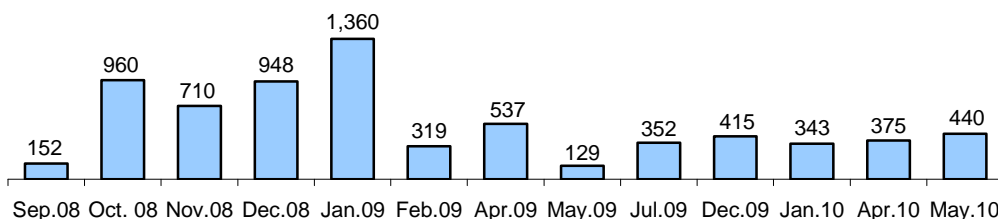
Between **August 27 and September 2**, the Central Bank made the following operations: i) auctions of 1-day, 7-day, 3-month, and 12-month BCRP Certificates of Deposit with Restricted Negotiation (CDBCRP-NR) for a daily average of S/. 2,512 million. The interest rate on these operations, which amounted to S/. 18,680 million, was 6.19 percent, ii) sales of foreign currency (US\$ 100 million) to the public treasury, and iii) overnight deposits in domestic currency for a total of S/. 134 million.

The total balance of BCRP CDs amounts to S/. 11,917 million, of which S/. 4,877 million (41 percent) are held by non-residents and S/. 7,040 million (59 percent) are held by residents. Most of the former are due by January 2009.

SCHEDULE OF MATURITIES OF CDBCRPS HELD BY NON-RESIDENTS
(Balances in millions of nuevos soles)

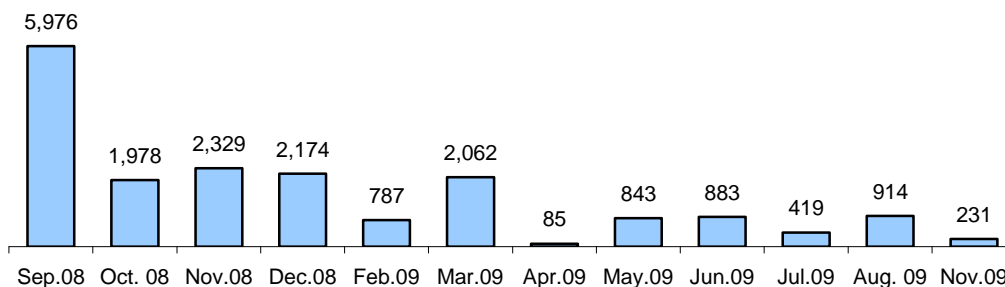


SCHEDULE OF MATURITIES OF BCRPCDs HELD BY RESIDENTS
(Balances in millions of nuevos soles)



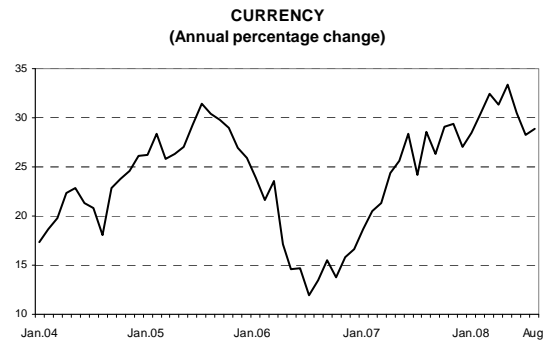
The total balance of BCRP Certificates of Deposit with Restricted Negotiation (CDBCRP-NR) amounted to S/. 18,680 million. Moreover, 67 percent of these CDs are due by December 2008.

SCHEDULE OF MATURITIES OF BCRP CERTIFICATES OF DEPOSIT WITH RESTRICTED NEGOCIATION
(Balances in millions of nuevos soles)



Demand for currency

Between August 26 and September 1, the **demand for currency** increased by S/. 381 million due to higher seasonal demand, which concentrated on August 31 (S/. 416 million). This higher demand was met through net maturities of CDBCRP-NR (S/. 1,411 million) and lower public sector's deposits (S/. 722 million). This was in part compensated by the increase seen in reserve requirements in soles. Moreover, a total of US\$ 100 million (S/. 295.6 million) was sold to the Treasury.



BCRP OPERATIONS
(Millions of nuevos soles)

	FLUJOS						
	From 08/26 to 09/01	Aug-08	Sep-08 *	Annual Cummulated	Dec-31-07	Aug-31-08	Sep-01-08
I. NET INTERNATIONAL POSITION	-256	-1,138	-88	20,436	58,865	78,904	79,083
(Millions of US\$)	-87	-397	-30	7,096	19,622	26,747	26,717
A. Foreign Exchange Operations	-100	-117	0	6,480			
1. Over the Counter Operations	0	0	0	8,449			
2. Swaps	0	0	0	0			
3. Public Sector	-100	-117	0	-2,010			
4. Other operations	0	0	0	40			
B. Rest of Operations	13	-280	-30	616			
II. NET INTERNAL ASSETS	637	1,171	63	-19,214	-44,008	-62,800	-63,004
A. Monetary operations	2,133	-198	3,479	-14,508	-38,714	-56,693	-53,215
1. Sterilization	2,133	-198	3,479	-14,508	-38,714	-56,693	-53,215
a. Public Sector Deposits in soles	722	-1,014	-51	-5,009	-16,924	-21,882	-21,933
b. BCRP Certificates of Deposit (CDBCRP)	0	960	0	9,541	-21,458	-11,917	-11,917
d. BCRP Certificates of Deposit with restricted negotiation	1,411	-635	3,426	-18,680	0	-22,107	-18,680
e. Term Deposits	0	0	0	-283	0	-283	-283
f. Overnight Deposits	0	491	104	20	-20	-104	0
g. Other operations	0	0	0	-96	-312	-401	-401
2. Injection	0	0	0	0	0	0	0
B. Reserve Requirements in DC **	-1,591	403	-3,610	-5,302	-2,922	-4,614	-8,233
C. Rest	96	967	194	595			
III. CURRENCY **	381	33	-25	1,222	14,857	16,104	16,079
(Monthly percentage change)					13.0%	0.2%	-0.2%
(Accumulated percentage change)					27.1%	8.4%	8.2%
(YoY)					27.1%	28.9%	28.9%

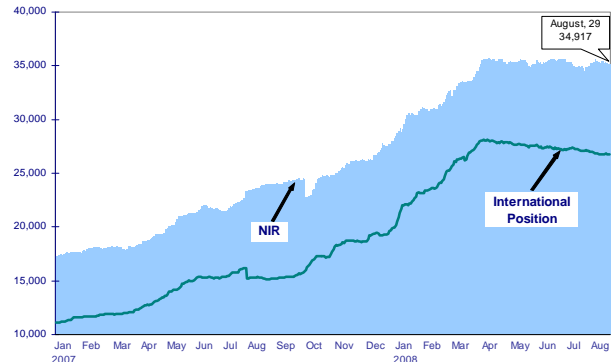
* As of September 1, 2008
** Preliminary data

A total of S/. 53,215 million, equivalent to 331 percent of currency in circulation, was sterilized. This amount is broken down as follows: public sector deposits (S/. 21,933 million), BCRP Certificates of Deposit (S/. 11,917 million), BCRP Certificates of Deposit of restricted negotiation (S/. 18,680 million), and BCRP term deposits (S/. 283 million). The average remaining maturity term for CDBCRP-NR and for total sterilization instruments as of September 1 is 109 days and 144 days respectively.

International reserves: US\$ 34,917 million at end August

Net international reserves (NIRs), which increased by US\$ 75 million compared to end July and by US\$ 7,229 million compared to end 2007, amounted to US\$ **34,917** million at **end August**. This increase in the balance of NIRs is mainly explained by banks' higher deposits (up US\$ 544 million) and by higher investment yield (up US\$ 97 million). This result was in part offset by the lower valuation of reserve assets (down US\$ 378 million), by the BCRP exchange operations (US\$ 77 million) and by public sector's lower deposits (down US\$ 76 million). In the same period, the international position of the BCRP was US\$ **26,747** million, a figure US\$ 397 million lower than the one registered at the close of July.

NET INTERNATIONAL RESERVES AND THE BCRP INTERNATIONAL POSITION
January 2007 - August 2008
(Millions of US\$)



NIRs on **September 2** amounted to US\$ 34,748 million, a sum US\$ 170 million lower than that of end August, while the foreign exchange position was US\$ 26,696 million, a sum US\$ 52 million lower than at end August.

Nuevo sol shows low volatility

At September 5, the nuevo sol has depreciated 0.5 percent against the dollar. So far this year, the nuevo sol has appreciated 1.0 percent, showing a volatility of 1.30 as measured with the variability ratio.

This level of volatility has been lower than the one observed in other countries in the region in the same period (i.e. the Chilean peso showed a volatility of 1.59 and the Colombian peso showed a volatility of 1.86). This level of volatility has been associated mainly with the evolution of international financial markets, influenced early this year by the weakness of the dollar and recently by the recovery of the dollar, as well as by the evolution of the prices of commodities.

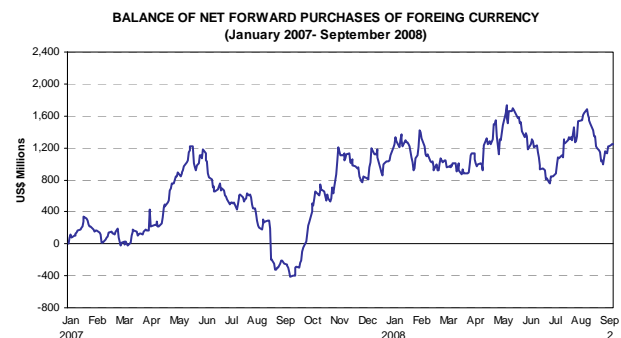
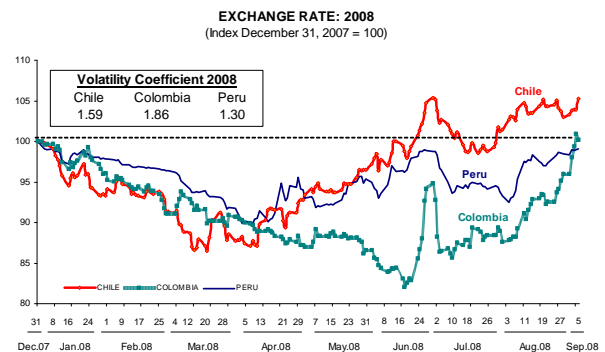
The nuevo sol showed a reduced volatility during strong appreciation trends (first trimester) and, depreciation periods.

Between August 26 and September 2, banks' balance of net forward purchases of foreign currency increased by US\$ 92.1 million. In August, the balance of net forward purchases accumulated a reduction of US\$ 385.7 million.

The balance of net forward purchases as of **September 2** amounted to US\$ 1,236 million, of which US\$ 1,046 million (85 percent) are operations with maturities due in September, October and November 2008.

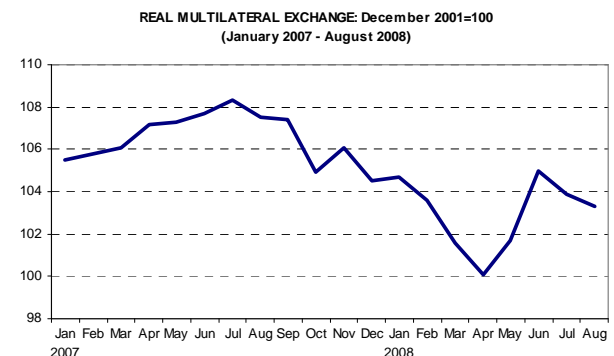
Real exchange rate in August

In August, the real multilateral exchange rate fell 0.6 percent relative to July. This evolution is explained by a 0.6 percent rate of domestic inflation, a 0.1 percent rate of external inflation, and a 0.1 percent nominal appreciation of the nuevo sol against the currency basket of Peru's main trading partners. In the last 12 months real exchange has declined 3.9 percent.



MATURITIES OF BANKS' FORWARD WITH THE PUBLIC
(In thousands of US Dollars)

Month	Purchased (P)	Sold (S)	Net Purchases (P) - (S)
From september 3 to 30	2,837	2,569	268
October	1,000	494	506
November	755	482	272
December	572	286	285
January 2009	621	626	-5
From February 2009 to October 2010	1,012	1,102	-90
Balance as of september 2, 2008	6,796	5,560	1,236



Inflation in August: 0.59 percent

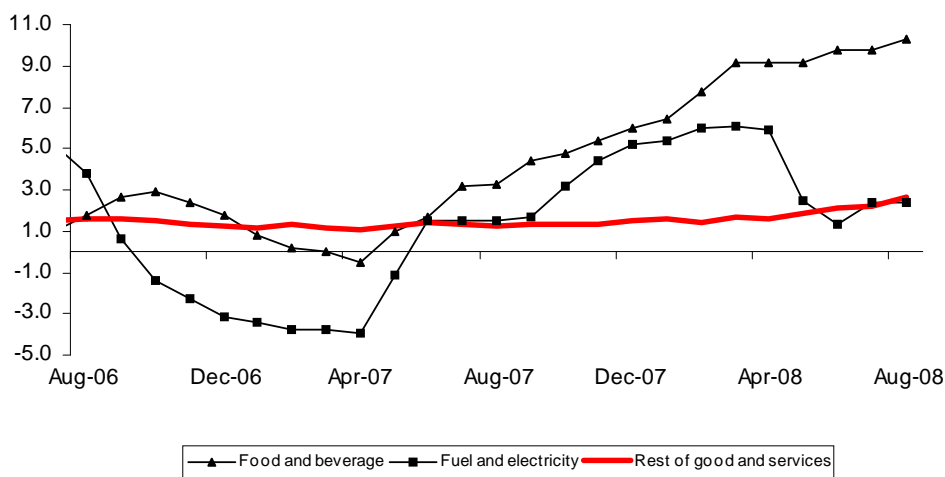
Inflation showed a rate of 0.59 percent in August, and thus accumulated 6.27 percent in the last 12 months. Three items contributed with 0.44 percentage points to this result: chicken meat (0.25 percentage points), citrus fruits (0.11 points) and meals outside the home (0.08 points). On the other hand, three items contributed with -0.17 percentage points to this month's inflation rate: other vegetables (-0.08 points), fresh legumes (-0.05 points) and onion (-0.04 points).

INFLATION
(Accumulated percentage change)

	Weight	Monthly	12-month indicator			Annual average indicator		
		Aug. 2008	Aug. 2007	Jul. 2008	Aug. 2008	Aug. 2007	Jul. 2008	Aug. 2008
CPI	100.0	0.59	2.20	5.79	6.27	1.22	4.37	4.71
Food and beverage	47.5	0.71	3.28	9.73	10.31	1.60	7.11	7.70
Energy	6.2	0.47	1.50	2.41	2.40	-1.48	3.77	3.84
Fuel	3.9	0.53	2.55	4.46	4.94	0.03	5.34	5.54
Electricity	2.2	0.30	-1.31	-3.38	-4.66	-5.32	-0.45	-0.73
Rest of good and services	46.3	0.50	1.24	2.19	2.64	1.29	1.59	1.71
Goods	21.0	0.21	1.40	2.25	2.32	0.84	1.79	1.87
Transports	8.4	0.54	0.82	1.32	2.17	0.64	0.91	1.03
Public services	2.4	2.18	-4.85	2.30	4.50	0.11	-0.61	0.18
Other services	14.5	0.56	2.06	2.55	3.04	2.46	2.06	2.14

Inflation associated with food and beverages was 0.71 percent, and accumulated 10.3 percent in the last 12 months. Moreover, **inflation associated with fuels and electricity** was 0.47 percent and accumulated 2.4 percent in the last 12 months. **Inflation in the rest of goods and services** was 0.50 percent (2.6 percent in the last 12 months).

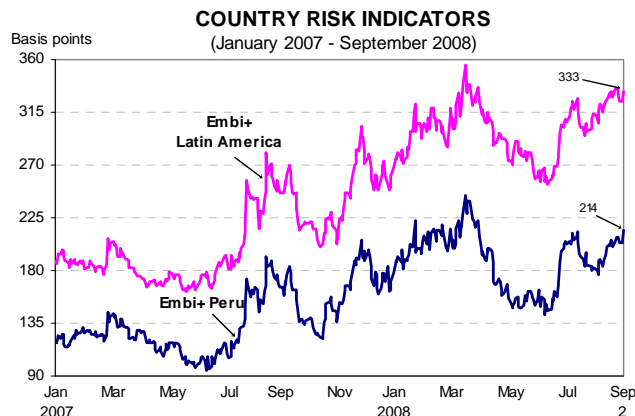
**FOOD AND BEVERAGE, FUEL AND ELECTRICITY AND OTHER
GOODS AND SERVICES**
(Las 12-month percentage change)



International Markets

Average country risk in August: 195 basis points

In **August**, the average country risk, measured by the **EMBI+ Peru** spread, fell from 198 to 195 basis points, while the EMBI+ Latin America rose from 309 to 324 basis points. Peru's country risk was favored by the better rating assigned to the Peruvian debt by Moody's, which upgraded the debt in foreign currency from Ba2 to Ba1, just a level away from investment grade.

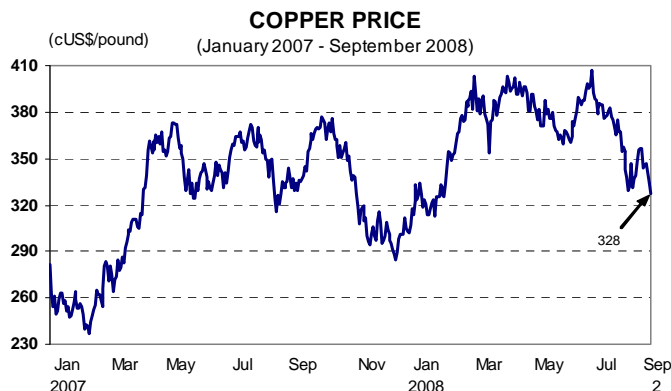


Level	Change in basis points		
	Weekly	Monthly	Annual
Sep 2, 08	5	32	48

On **September 2**, the **EMBI+ Peru** posted 214 basis points amid increased concern about global slowdown.

Average price of copper dropped to US\$ 3.47 per pound in August

In August the average price of copper fell 9.3 percent, from US\$ 3.83 to US\$ 3.47 per pound. This evolution is associated with the level of inventories at the London Metal Exchange, which reached their maximum high in the last six months, and with persistent concerns regarding the lower demand of China, the world's major consumer of this basic metal. Moreover, investors took profit in most stock markets due to the strengthening of the dollar against other currencies.



Sep 2, 08	Percentage change		
	Weekly	Monthly	Annual
US\$ 3.28 / pound	-4.7	-10.8	3.7

At **September 2**, the price of **copper** had fallen to US\$ 3.28 per pound due to continued risks of a higher price correction due to global slowdown and the slowing of demand.

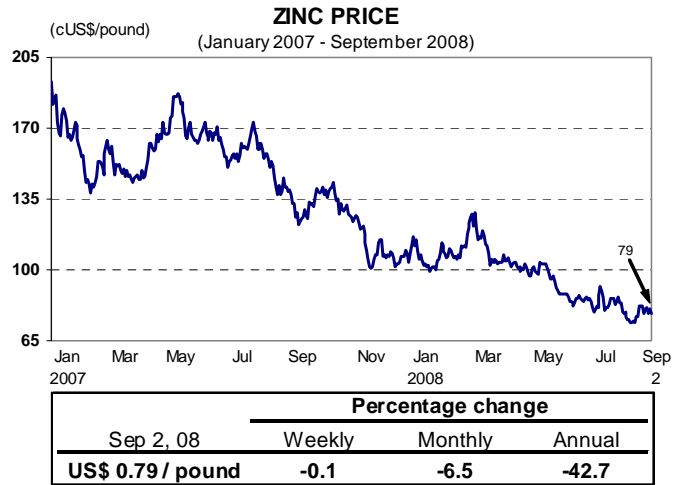
In **August**, the average price of **gold** dropped from US\$ 941.6 to US\$ 838.4 per troy ounce (11.0 percent). The main factors contributing to this drop were the strength of the dollar and the decline of the price of crude. Furthermore, fears of global slowdown led investors to take profit, which offset the strong physical demand for jewelry observed during this month.



Sep 2, 08	Percentage change		
	Weekly	Monthly	Annual
US\$ 798.1 / troy ounce	-3.5	-12.8	18.1

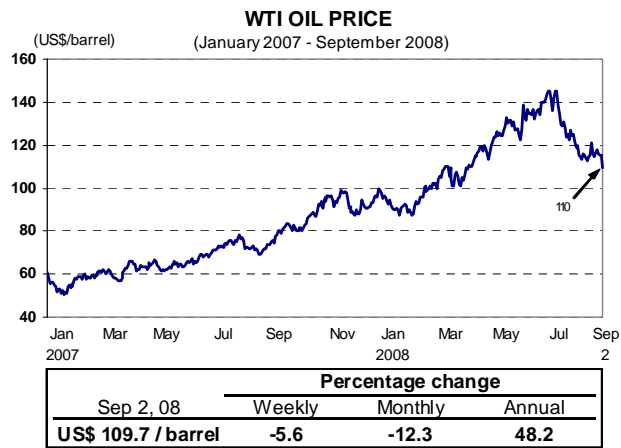
As of **September 2** the price of **gold** had fallen to US\$ 798.1 per troy ounce, despite agents' upward positions due to the high demand for jewelry and gold coins observed in India and Switzerland.

The average price of **zinc** showed a reduction of 6.7 percent in **August**, when zinc price fell from US\$ 0.84 to US\$ 0.79 per pound. This lower price was influenced by the increase of inventories at the London Metal Exchange and by the strengthening of the dollar, which encouraged a market take-profit given China's weak demand. Another factor contributing to this evolution was persistent concerns about demand for this metal in the Eurozone.



The price of zinc at **September 2** was set at US\$ 0.79 per pound amid the lower production of several mining companies due to recent lower prices.

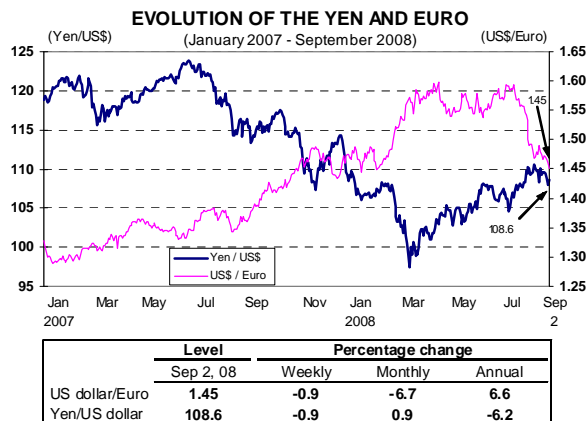
In **August**, the average price of **WTI oil** dropped from US\$ 134.9 to US\$ 116.7 per barrel (13.5 percent). This drop is associated with the dollar's renewed strength and with concerns about global economic growth, which affected expectations of demand. The downward pressure stemming from these factors offset fears of supply associated with geopolitical tensions between Russia and the US.



At **September 2**, the price of **WTI oil** had fallen to US\$ 109.7 per barrel given that fears that hurricane Gustav could severely affect the energy sector in the US subsided when the intensity of the hurricane weakened near the coast of Louisiana.

On average, the dollar appreciated against the euro and the yen in August

On average, the dollar appreciated 5.2 percent against the **euro** and 2.5 percent against the **yen** in August. The strength of the dollar was explained by increased fears of a global slowdown. Moreover, increased evidences of economic difficulties in Europe and Asia have reduced the possibilities of higher interest rates outside the US, thus strengthening the demand for dollars.

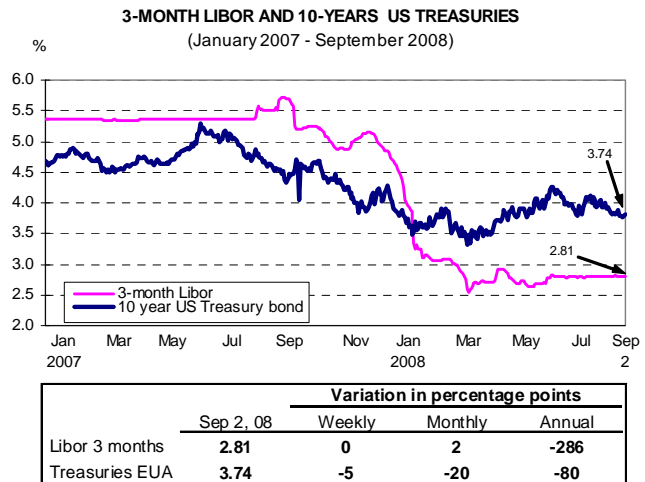


On **September 2**, the euro was traded at 1.45 dollars, while the US dollar was traded at 108.6 yens, maintaining the trend observed in the previous period.

Yield on the 10-year US Treasuries declined 3.89 percent on average in August

On average terms, the **3-month Libor** increased to 2.81 from 2.79 percent, while the yield on the **10-year Treasury bond** fell from 3.97 to 3.89 percent **in August**. This fall in the latter was associated with increased demand for safe assets following the losses seen by the financial sector in Wall Street, and with new concerns regarding the credit crunch and global slowdown.

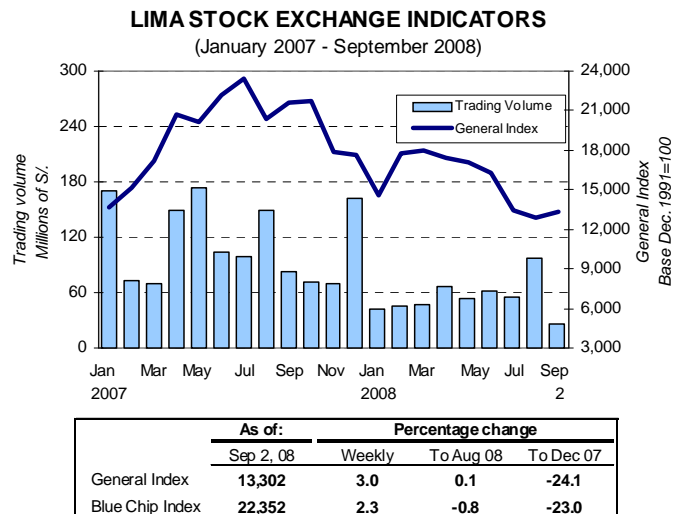
On **September 2**, the **3-month Libor** posted 2.81 percent, while the yield on the **10-year Treasury bond** registered 3.74 percent.



Lima Stock Exchange fell 3.1 percent in August

In **August**, the **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) showed mixed results recording -3.1 and 1.0 percent, respectively. The drop in the General Index was due to the strong decline of metal prices in the international market and to the higher risks of global slowdown. This generated uncertainty among investors, who preferred to reduce their exposure to stocks.

However, both indices were favored by the market's increased liquidity due to foreign investors' acquisition of mining shares.



So far in **September**, the **General Index** has accumulated a slight gain of 0.1 percent, while the **Blue Chip Index** of the LSE has fallen -0.8 percent. Year-to-date, both indices have accumulated losses of 24.1 and 23.0 percent, respectively.