









Indicators

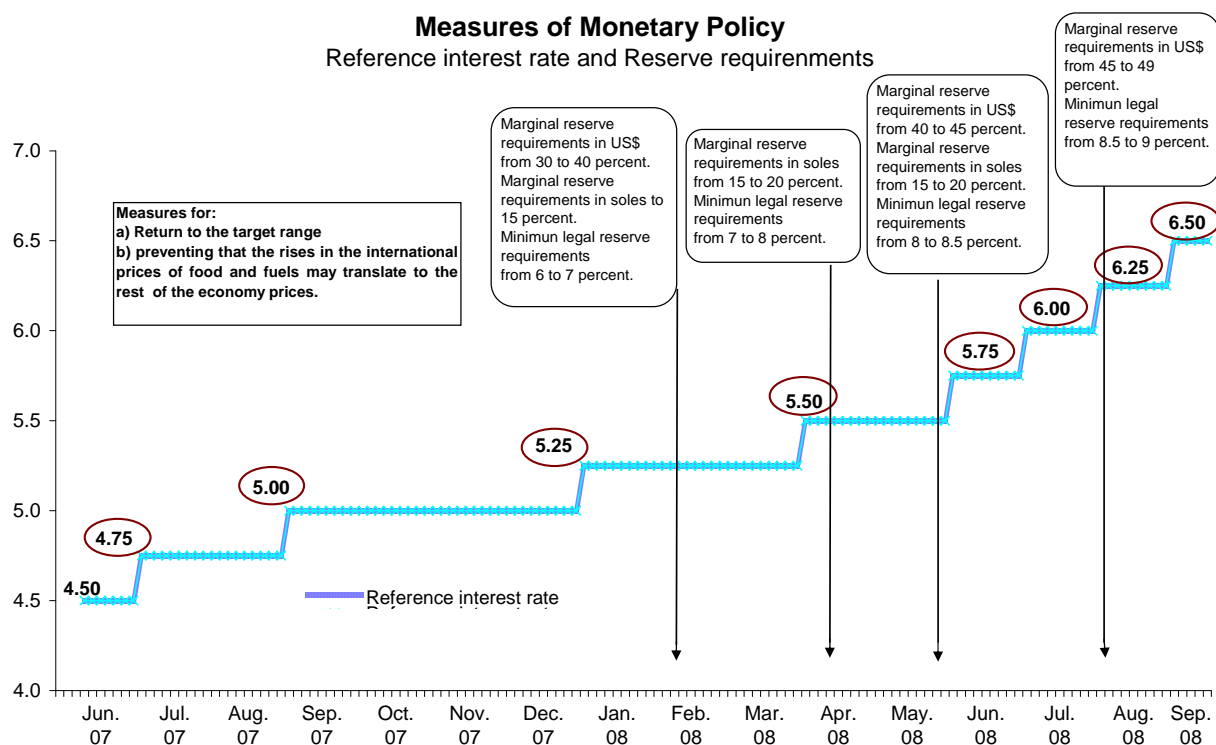
-  NIRs: US\$ 35,170 million on September 9
-  Interbank rate: 6.25 percent on September 9
-  Exchange rate: S/. 2.964 per US\$ on September 12
-  Trade surplus of US\$ 305 million in July
-  Country risk at 231 bps on September 9
-  LSE fell 8.9 percent at September 9

Content

- The BCRP raised the reference interest rate to 6.50 percent ix
- Trade surplus of US\$ 2,686 million in July x
- Interbank interest rate on September 9: 6.25 percent xi
- Corporate interest rate in nuevos soles rose to 7.09 percent xi
- Demand for currency xiii
- International reserves amount to US\$ 35,171 million on September 9 xiii
- Exchange rate: S/. 2.964 per dollar xiv
- Liquidity and credit to the private sector at August 15 xv
- Expectations of inflation and exchange xvi
- Country risk at 231 basis points xvii
- Lima Stock Exchange fell 8.9 percent as of September 9 xix

The BCRP raised the reference interest rate to 6.50 percent

In its monthly meeting to define the monetary program, the Board of the Central Bank approved to raise its reference interest rate by 25 basis points to 6.50 percent, thus accumulating an increase of 200 basis points in this rate since July 2007.



Together with the other monetary adjustments implemented since the beginning of this year, these measures are aimed at steering inflation to gradually return to the target range and at preventing that the rises in the international prices of food and fuels may translate into inflation expectations in a context of a higher growth of domestic demand than that of the potential output.

The Board will approve the Monetary Program for October on its session of October 9. The BCRP will publish its third Inflation Report this year on October 17.

Trade surplus of US\$ 2,686 million in July

Recovering relative to the previous month, the trade balance in July showed a surplus of US\$ 305 million, accumulating with this a surplus of US\$ 2,686 million so far this year.

Exports amounted to US\$ 3,063 million, which represented a nominal increase of 13.8 percent in the last 12 months. Traditional exports, which amounted to US\$ 2,378 million, grew 12.3 percent, mainly due to higher sales of gold (69.1 percent), crude (189.7 percent), fish meal (68.7 percent) and molybdenum (36.6 percent). Moreover, non traditional exports, which amounted to US\$ 655 million, grew 16.5 percent compared to June due to higher sales of agricultural and chemical products.

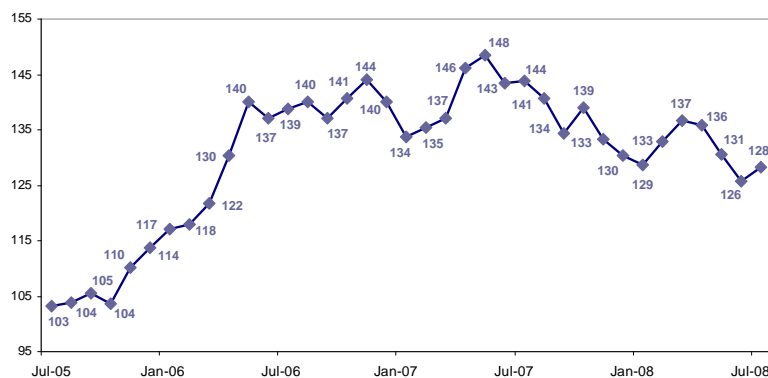
On the other hand, imports in July totaled US\$ 2,759 million, a sum 56.5 percent higher than that of July 2007, mainly due to higher imports of inputs (up 63.0 percent) and capital goods (up 52.7 percent). Imports of fuels, lubricants and related products increased significantly (up 107.2 percent) mainly due to the higher prices of crude in the international market. In terms of consumer goods, the growth of imports of durable goods (up 60.7 percent) should be highlighted.

TRADE BALANCE
(Millones de US\$)

	Monthly Data		January - July	
	2008		2007	2008
	Jun.	Jul.		
EXPORTS	2,803	3,063	15,180	19,248
Traditional products	2,151	2,378	11,705	14,831
Non-traditional products	629	655	3,389	4,284
Other products	23	30	87	133
IMPORTS	2,764	2,759	10,467	16,562
Consumption goods	364	394	1,700	2,470
Raw materials	1,457	1,509	5,498	8,965
Capital goods	933	848	3,218	5,068
Other goods	11	8	51	60
TRADE BALANCE	38	305	4,713	2,686

The terms of trade fell 10.9 percent relative to July 2007. The average prices of exports increased 15.0 percent, while the prices of imports increased 29.0 percent. The latter was mainly associated with the higher prices of inputs such as iron and steel (up 39.7 percent), chemical products (17.2 percent) and plastics (up 15.9 percent). The price imports of oil and derivatives increased in 91.0 percent. The volume of exports declined 1.1 percent due mainly to lower embarkments of traditional products (2.2 percent), copper, and oil derivatives.

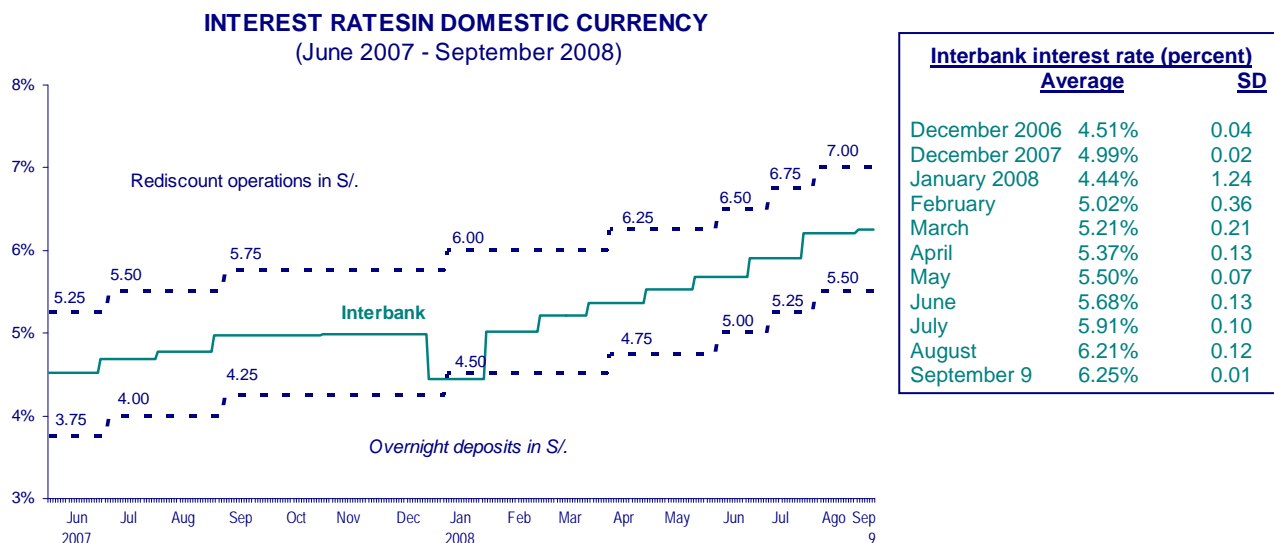
TERMS OF TRADE: 2005 - 2008*
(1994=100)



* As of July.

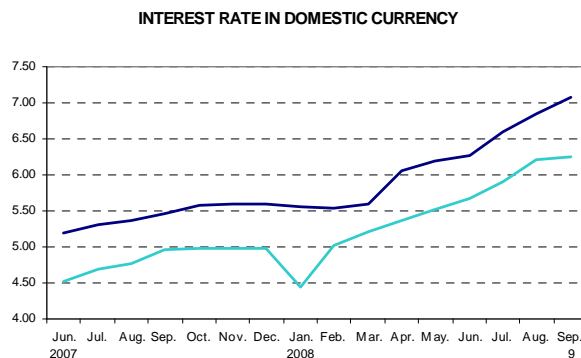
Interbank interest rate on September 9: 6.25 percent

Between September 1 and 9, the average daily interbank interest rate in domestic currency was 6.25 percent –higher than the average rate of August (6.21 percent).



Corporate interest rate in nuevos soles rose to 7.09 percent

Between September 2 and 9, the daily average of the 90-day corporate prime rate in domestic currency rose from 7.07 to 7.09 percent, while this rate in dollars fell from 6.86 to 6.81 percent.

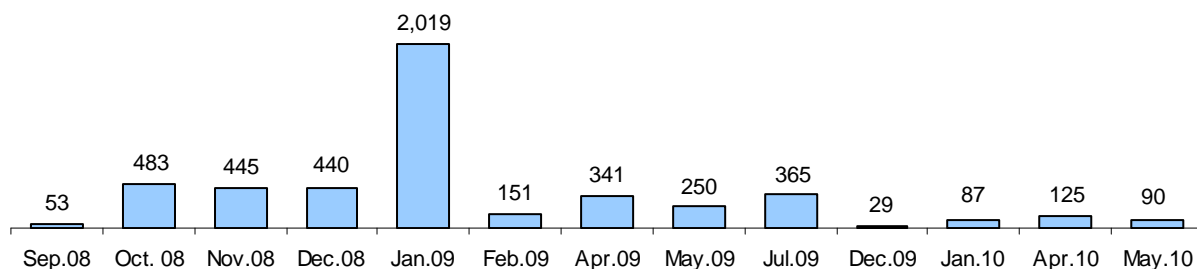


Monetary operations

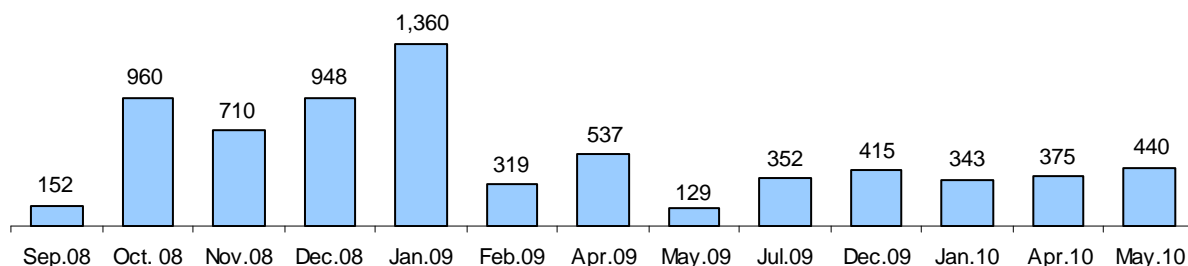
Between September 3 and 9, the Central Bank made the following operations: i) auctions of 1-day, 7-day, 3-month, and 12-month BCRP Certificates of Deposit of Restricted Negotiation (CDBCRP-NR) for a daily average of S/.559 million. The interest rate on these operations, which amounted to S/. 19,477 million, was 6.39 percent, ii) sales of foreign currency (US\$ 561 million) to the public treasury, and iii) overnight deposits in domestic currency for a total of S/.253 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)

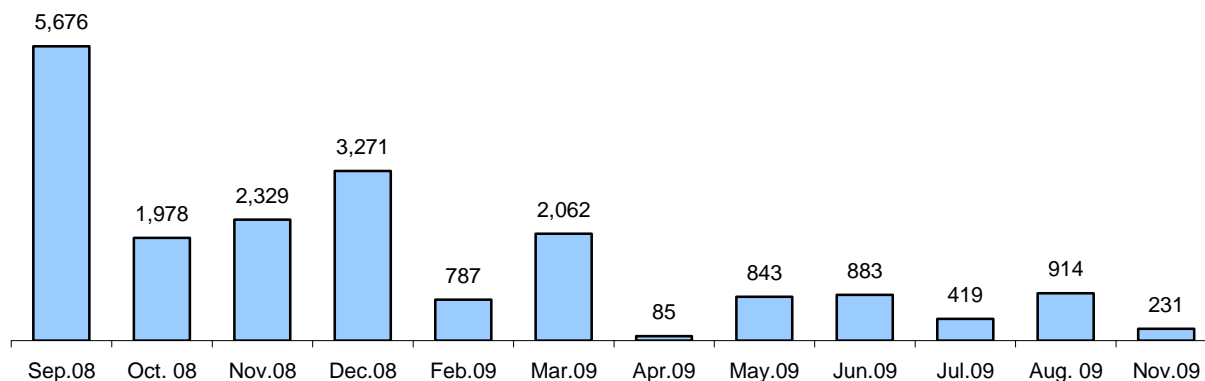


SCHEDULE OF MATURITIES OF BCRPCDs HELD BY RESIDENTS
(Balances in millions of nuevos soles)



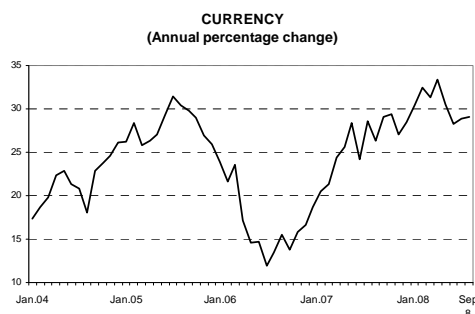
The total balance of BCRP Certificates of Deposit of Restricted Negotiation (CDBCRP-NR) amounted to S/. 19,478 million. Moreover, 68 percent of these CDs are due by December 2008.

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



Demand for currency

Between September 2 and 8, the **demand for currency** declined by S/. 279 million. The Central Bank made net placements of BCRP Certificates of Deposit of Restricted Negotiation for a total of S/. 500 million and sales of foreign currency for a total of US\$ 399 million (S/. 1,184 million), which allowed withdrawing excess liquidity in the interbank market given an important reduction in reserve requirements funds (S/. 1,321 million).



BCRP OPERATIONS (Millions of nuevos soles)

	FLOWS						
	From 09/02 to 09/08	Aug-08	Sep-08 *	Annual Cumulated	Dec-31-07	Aug-31-08	Sep-08-08
I. NET INTERNATIONAL POSITION (Millions of US\$)	-1,521	-1,138	-1,609	18,915	58,865	78,904	77,829
A. Foreign Exchange Operations	-399	-117	-399	6,081	19,622	26,747	26,205
1. Over the Counter Operations	-399	0	-399	8,050			
2. Swaps	0	0	0	0			
3. Public Sector	0	-117	0	-2,010			
4. Other operations	0	0	0	41			
B. Rest of Operations	-113	-280	-143	503			
II. NET INTERNAL ASSETS	1,242	1,171	1,367	-17,910	-44,008	-62,800	-61,967
A. Monetary operations	-438	-198	3,040	-14,946	-38,714	-56,693	-53,615
1. Sterilization	-438	-198	3,040	-14,946	-38,714	-56,693	-53,615
a. Public Sector Deposits in soles	107	-1,014	56	-4,902	-16,924	-21,882	-21,826
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	-500	-635	2,926	-19,181	0	-22,107	-19,181
e. Term Deposits	0	0	0	-283	0	-283	-283
f. Overnight Deposits	-45	491	59	-25	-20	-104	-45
g. Other operations	0	0	0	-96	-312	-401	-401
2. Injection	0	0	0	0	0	0	0
B. Reserve Requirements in DC **	1,321	403	-2,227	-3,919	-2,922	-4,614	-6,841
C. Rest	360	967	554	955			
III. CURRENCY **	-279	33	-242	1,005	14,857	16,104	15,863
(Monthly percentage change)					13.0%	0.2%	-1.5%
(Accumulated percentage change)					27.1%	8.4%	6.8%
(YoY)					27.1%	28.9%	29.1%

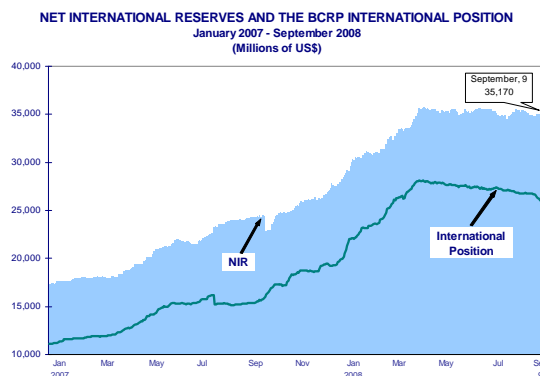
* As of September 8, 2008

** Preliminary data

A total of S/. 53,653 million, equivalent to 338 percent of currency in circulation, was sterilized. This amount is broken down as follows: public sector deposits (S/. 21,826 million), BCRP Certificates of Deposit (S/. 11,917 million), BCRP Certificates of Deposit of restricted negotiation (S/. 19,181 million), and BCRP term deposits (S/. 283 million). The average remaining maturity term for CDBCRP-NR and for total sterilization instruments as of September 8 is 104 days and 137 days respectively.

International reserves amount to US\$ 35,171 million on September 9

Net international reserves (NIRs), which increased by US\$ 253 million compared to end August and by US\$ 7,482 million compared to end 2007, amounted to US\$ **35,171** million at **September 9**. This increase in the balance of NIRs relative to last month is mainly explained by banks' higher deposits (up US\$ 790 million), by public sector's higher deposits (up US\$ 189 million), and by higher investment yield (up US\$ 2 million). This result was in part offset by the lower valuation of reserve assets (down US\$ 165 million) and by the BCRP exchange operations (US\$ 562 million).

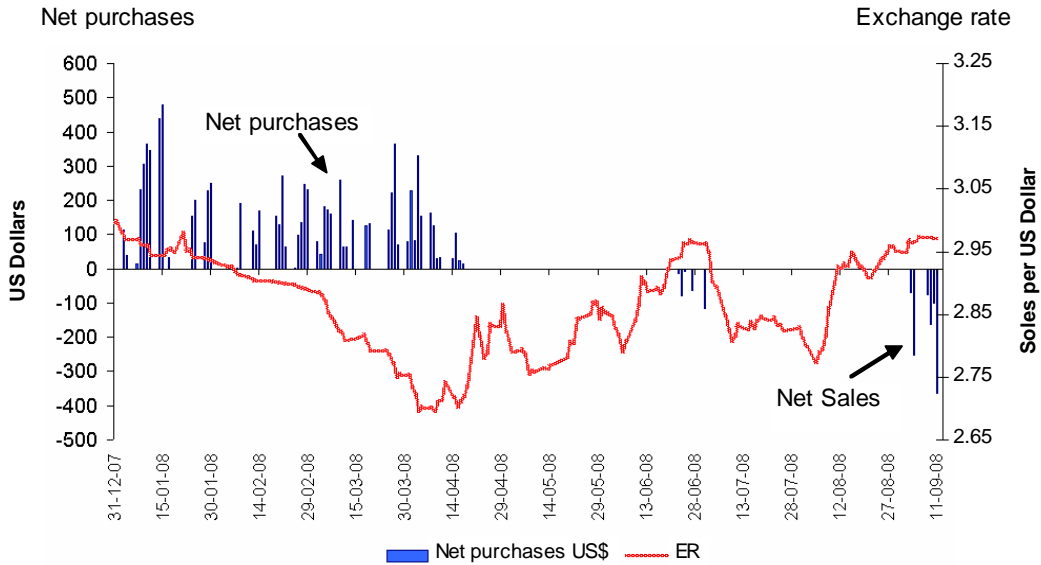


Moreover, the international position of the BCRP was US\$ **26,022** million, a figure US\$ 725 million lower than the one registered at the close of August.

Exchange rate: S/. 2.964 per dollar

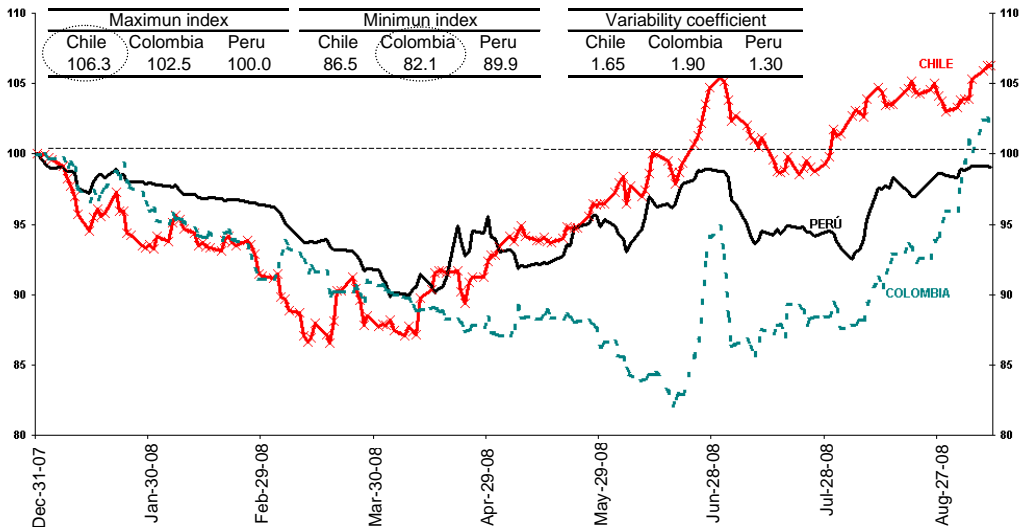
So far this month, the nuevo sol has depreciated 0.3 percent, reaching an average ask price of the interbank exchange rate of S/. 2.964 per dollar. In this period, the Central Bank intervened in the exchange market selling US\$ 1,023 million through its front office. It is pointing out that on 12 September the BCRP didn't intervene in the foreign exchange market. The Central Bank's interventions in the exchange market this year were aimed at reducing the volatility of exchange, both in the period when strong appreciatory pressures were observed (first quarter) and in the period when these pressures reversed.

EXCHANGE RATE AND NET PURCHASES

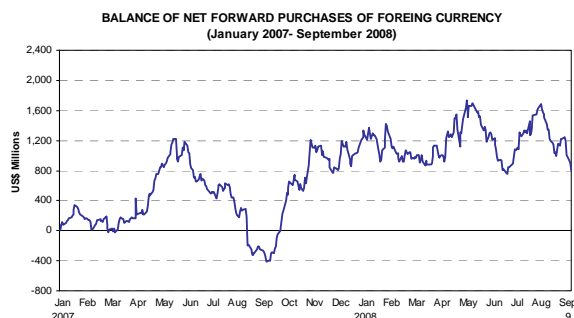


So far this year, the Peruvian currency has shown a rate of variability of 1.30, reflecting a lower variability in exchange than the one observed in other countries in the region. In the same period, for example, the volatility of the Chilean peso and the Colombian peso was 1.65 and 1.90, respectively. This volatility was mainly associated with the evolution of international financial markets, which were influenced at the beginning of the year by the weakness of the dollar and recently by the recovery of the US currency, as well as by the evolution of the prices of commodities.

EXCHANGE RATE: 2008
(Index December 31, 2007= 100)



Between September 2 and 9, banks' balance of net forward purchases of foreign currency declined by US\$ 441.0 million. During the month of September, the balance of net forward purchases accumulated a reduction of US\$ 421.4 million.



The balance of net forward purchases at September 9 amounted to US\$ 794 million, of which US\$ 616 million (78 percent) are operations with maturities due in September, October, and November 2008.

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

Mes	Compra (C)	Venta (V)	Compras Netas (C) - (V)
From september 10 to 30	1,993	2,060	-67
October	1,292	910	382
November	805	504	301
December	579	298	282
January 2009	622	631	-9
From February 2009 to October 2010	1,012	1,107	-95
Balance as of september 9, 2008	6,304	5,510	794

Liquidity and credit to the private sector at August 15

As of August 15, liquidity in domestic currency increased 0.3 percent (S/. 149 million) and amounted to S/. 55,777 million (last 12-month growth of 45.2 percent). Credit to the private sector in domestic currency increased 2.8 percent (S/. 1,137 million) and amounted to S/. 41,635 million (last 12-month growth of 41.5 percent).

Liquidity in foreign currency grew 2.9 percent (US\$ 378 million), thus amounting to US\$ 13,307 million (last 12-month growth of 9.8 percent). Credit to the private sector in foreign currency increased 0.3 percent (US\$ 51 million) and amounted to US\$ 15,750 million (last 12-month growth of 24.7 percent).

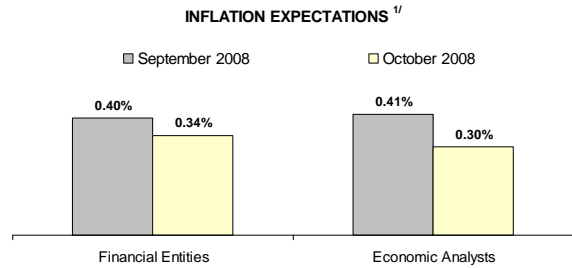
EVOLUTION OF LIQUIDITY AND CREDIT TO THE PRIVATE SECTOR

	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										
Dec.	15,7%	18,3%	10,6%	17,9%	3,3%	30,2%	1,8%	12,7%	-2,1%	3,9%
2007										
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%	5,4%	40,4%	4,0%	38,5%	1,6%	17,2%	6,8%	23,2%
Dec.	14,3%	28,2%	5,6%	34,1%	2,9%	37,9%	2,7%	18,3%	2,9%	29,5%
2008										
Jan.	-5,9%	29,4%	1,8%	35,1%	2,2%	39,7%	-1,4%	18,1%	1,7%	32,1%
Feb.	7,2%	36,6%	6,9%	44,3%	2,4%	39,4%	-4,5%	12,6%	0,3%	31,9%
Mar.	1,6%	36,9%	5,2%	47,5%	2,4%	38,5%	0,0%	11,3%	0,7%	30,5%
Apr.	9,2%	46,7%	3,4%	55,3%	4,3%	38,7%	1,1%	9,2%	0,7%	29,6%
May.	4,0%	51,8%	1,1%	53,9%	3,6%	40,5%	-0,6%	5,8%	1,2%	29,1%
Jun.	1,8%	50,1%	1,8%	52,3%	3,5%	41,5%	0,6%	7,7%	1,4%	25,0%
Jul.	0,2%	42,9%	-0,3%	45,4%	2,8%	41,4%	7,1%	12,9%	3,2%	27,4%
Aug.15	3,0%	50,4%	0,3%	45,2%	2,8%	41,5%	2,9%	9,8%	0,3%	24,7%
Memo:										
Balance as of Jul 15. (Mill.S/.or Mill.USS)	21,145		55,628		40,498		12,929		15,699	
Balance as of Aug 15. (Mill.S/.or Mill.USS)	21,785		55,777		41,635		13,307		15,750	

Expectations of inflation and exchange

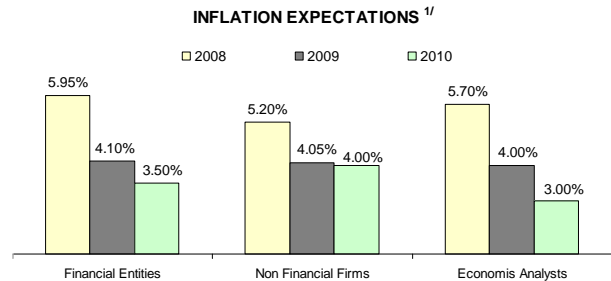
Between August 12 and 29, the BCRP carried out its Monthly Survey on Macroeconomic Expectations among 25 financial entities, 23 economic analysts, and 365 non financial firms. The results of this survey are discussed below.

While financial entities project a level of inflation of 0.40 percent for **September**, economic analysts expect a rate of inflation of 0.41 percent. In October, financial entities expect inflation to decline to 0.34 percent, while analysts estimate a rate of inflation of 0.30 percent.



1/ Survey carried out BCRP between August 12 and 29.

According to non financial firms, inflation **at end 2008** should show a rate of 5.20 percent, while analysts project a rate of 5.70 percent and financial entities expect a rate of 5.95 percent.

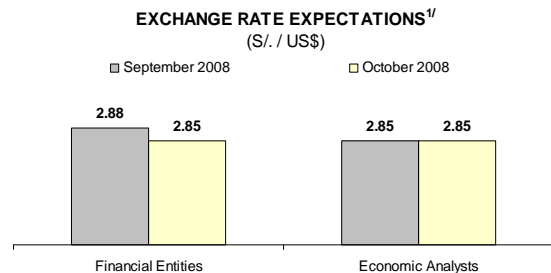


1/ Survey carried out BCRP between August 12 and 29.

All the groups expect inflation to decline in 2009. Analysts estimate a rate of 4.00 percent, non financial entities expect a rate of 4.05 percent, and financial entities expect a rate of 4.10 percent.

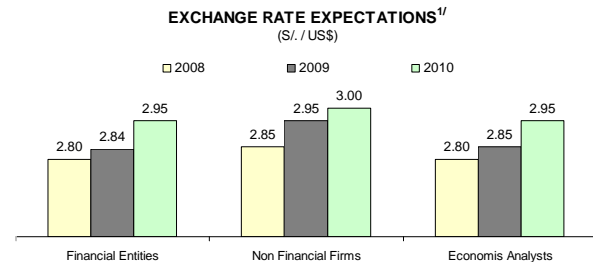
Finally, inflation in 2010 should reach 3.00 percent, 3.50 percent and 4.00 percent according to the projections of economic analysts, financial entities, and non financial firms respectively.

As regards the **rate of exchange** at end September, analysts expect a level of S/. 2.85 per dollar, while financial entities expect S/. 2.88 per dollar. Both analysts and financial institutions expect an exchange rate of S/. 2.85 for October.



1/ Survey carried out BCRP between August 12 and 29.

Moreover, analysts and financial entities coincide in expecting a rate of S/. 2.80 per dollar at **end 2008**, while non financial firms project a level of S/. 2.85 per dollar.



1/ Survey carried out BCRP between August 12 and 29.

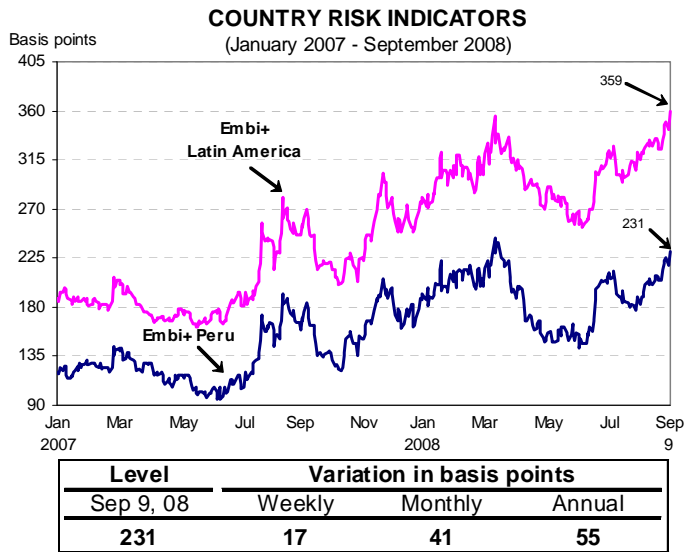
On the other hand, financial entities expect an exchange rate of S/. 2.84; analysts expect a rate of S/. 2.85, while firms expect a rate of S/. 2.95 for 2009.

Both financial entities and analysts project an exchange rate of S/. 2.95 for 2010, while non-financial firms estimate a rate of S/. 3.00 per US dollar.

International markets

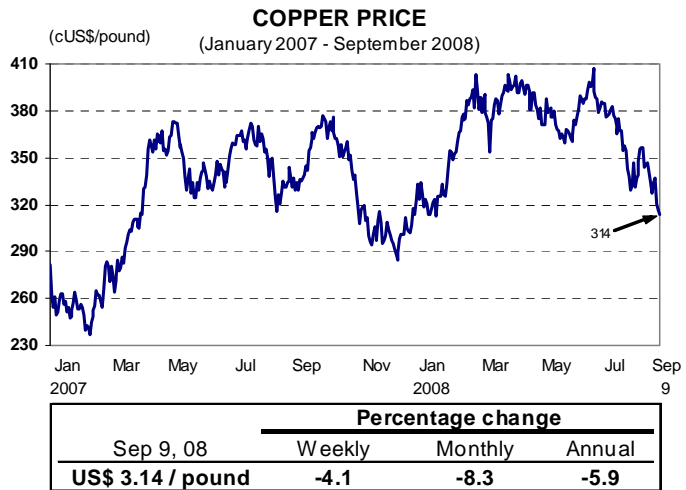
Country risk at 231 basis points

Between September 2 and 9, the country risk indicator, measured by the **EMBI+ Peru** spread, increased from 214 to 231 basis points, showing a similar trend to that of the region (the EMBI+ Latin America rose 26 basis points). Higher risk aversion generated by concerns regarding global economic slowdown and the drop of the price of most commodities influenced an increase in the spreads between the yield of bonds in emerging markets and that of the US Treasuries.



Price of copper fell to US\$ 3.14 per pound

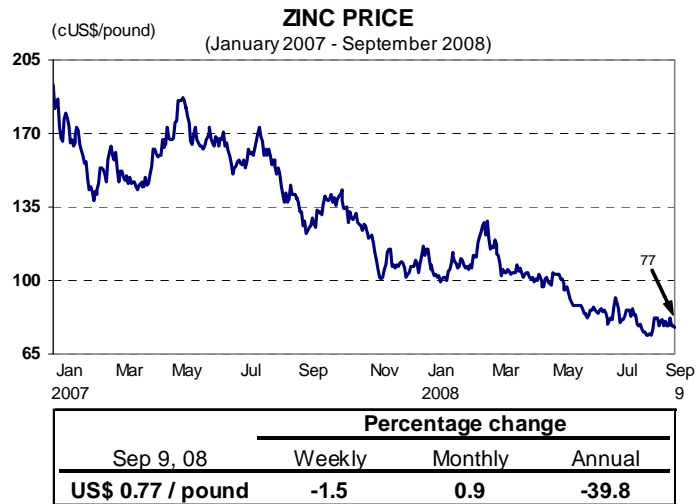
Between September 2 and 9, the price of **copper** fell 4.1 percent to US\$ 3.14 per pound. The price of this basic metal reached its minimum level in almost seven months after inventories at the LSE increased considerably. Other factors contributing to reduce the price of copper were the strengthening of the dollar against the euro and fears of lower demand due to a possible slowdown in Europe and Asia.



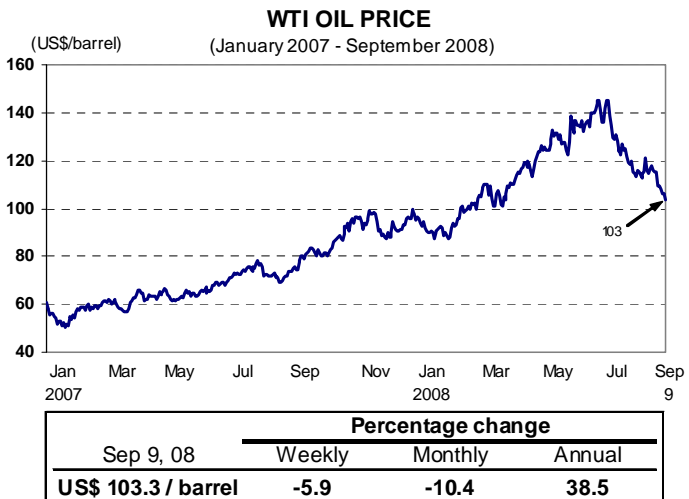
In the same period, the price of **gold** dropped 1.7 percent to US\$ 784. per troy ounce. This decline in the price of gold is explained by the strengthening of the dollar against the euro and by the strong drop of the price of crude observed during the week, although this was offset by India's strong demand for gold.



Between September 2 and 9, the price of **zinc** fell 1.5 percent to US\$ 0.77 per pound. This evolution was influenced by investors' take-profit due to both demand concerns given the limited prospects of global recovery and the strong increase of inventories observed in the main stock exchange markets.



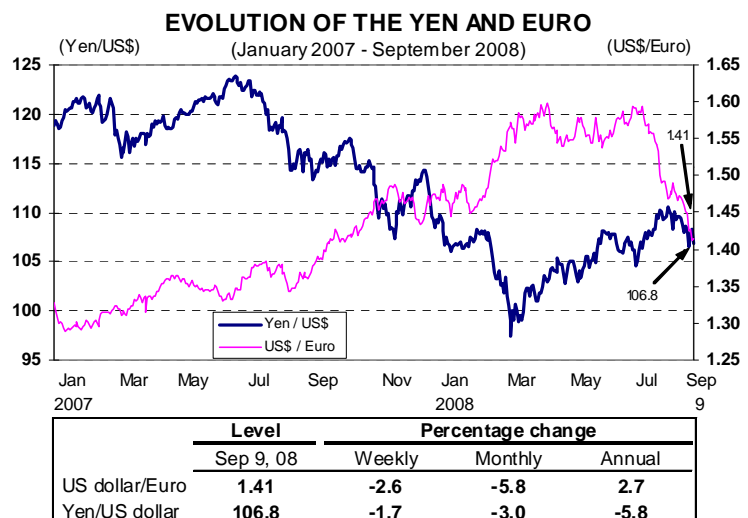
The price of **WTI oil** dropped 5.9 percent to US\$ 103.3 per barrel between September 2 and 9, despite the unexpected drop seen in crude oil inventories in the United States. The lower price of oil was influenced by a weakening of demand in the US and by corrections of expectations regarding the impact of hurricane Gustav. On the other hand, the recent arrival of hurricane Ike temporarily altered oil supply in the Gulf of Mexico.



Dollar appreciated against the euro

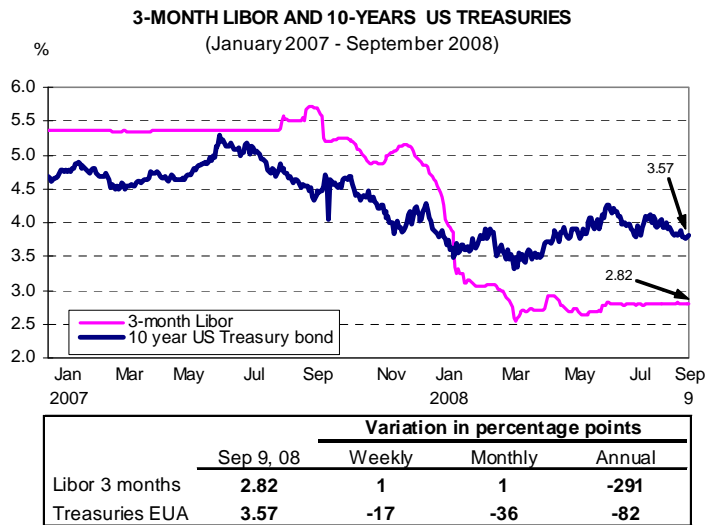
Between September 2 and 9, the **dollar** appreciated 2.6 percent against the **euro**. The strength of the dollar against the euro was associated with unfavorable indicators of economic activity in Europe and particularly with lower forecasts of growth in the second quarter. On the other hand, the announcement that the US government would bailout two of the main mortgage institutions in the US contributed to strengthen the dollar.

In this period, the dollar depreciated 1.7 percent against the **yen** due to the reversal of carry trade operations.



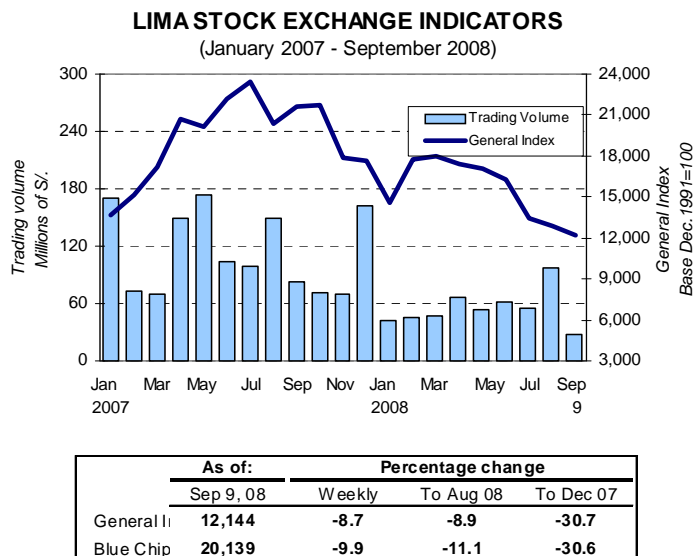
Yield on 10-year US Treasuries fell to 3.58 percent

Between September 2 and 9, the **3-month Libor** increased from 2.81 to 2.82 percent, while the yield on the **10-year Treasury bond** fell from 3.74 to 3.58 percent. The drop in the yield of the Treasury bond was explained by increased demand for safe assets, following the losses observed in stock markets. Wall Street was led to negative results due to fears about economic prospects given unfavorable indicators.



Lima Stock Exchange fell 8.9 percent as of September 9

As of September 9, the **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) have fallen 8.9 and 11.1 percent, respectively. During the week (September 2 to 9), both the General and the Blue Chip indices showed strong losses of 8.7 and 9.9 percent, respectively, due to low liquidity in the local market and to the drop seen in the international prices of basic and precious metals. The drop observed at the LSE is in line with the drops seen in world markets.



So far this year, the General and the Blue Chip indices have accumulated losses of 30.7 and 30.6 percent, respectively.

