







**Indicators**

-  NIRs: US\$ 31,054 million on December 24
-  Interbank interest rate at 6.54 percent on December 29
-  Exchange: S/. 3.137 per US dollar on December 29
-  Country risk at 511 bps on December 29
-  LSE fell 5.3 percent as of December 29

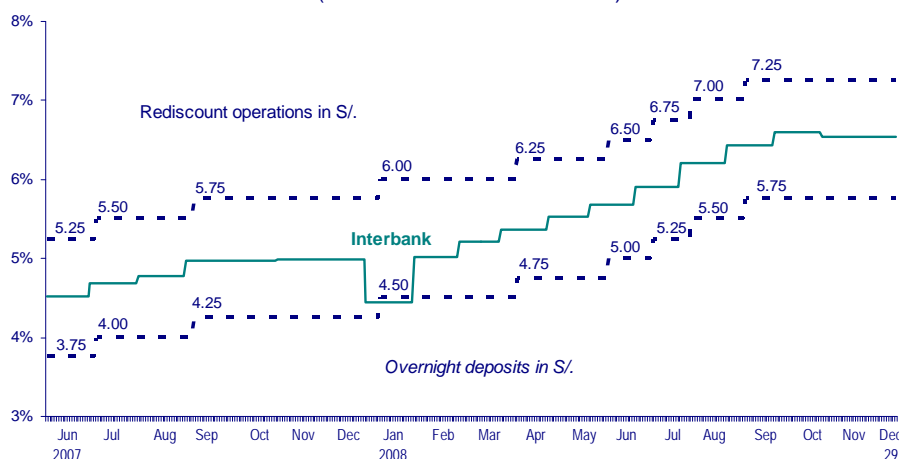
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**Interbank interest rate: 6.54 percent on December 29**

The average daily interbank interest rate in domestic currency on December 29 was 6.54 percent, like the average rate of November (6.54 percent).

**INTEREST RATES IN DOMESTIC CURRENCY**  
(June 2007 - December 2008)

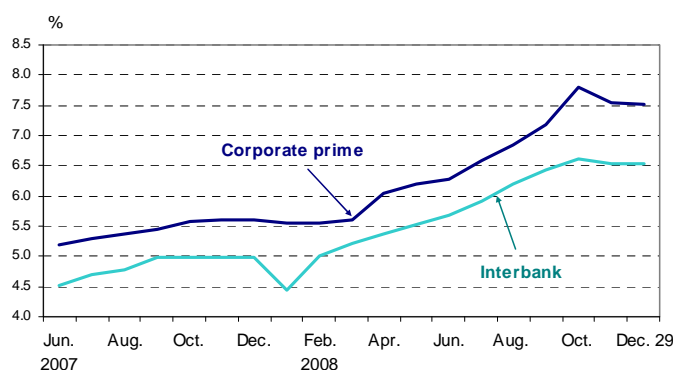


Interbank interest rate (percent)		
	Average	SD
December 2006	4.51%	0.04
December 2007	4.99%	0.02
January 2008	4.44%	1.24
February	5.02%	0.36
March	5.21%	0.21
April	5.37%	0.13
May	5.50%	0.07
June	5.68%	0.13
July	5.91%	0.10
August	6.21%	0.12
September	6.43%	0.13
October	6.60%	0.18
November	6.54%	0.03
December 29	6.54%	0.03

**Interbank corporate rate in nuevos soles rose to 7.52 percent**

Between **December 17 and 29**, the daily average of the 90-day corporate rate in nuevos soles increased from 7.50 to 7.52 percent, while this rate in dollars declined from 5.11 to 4.84 percent.

**INTEREST RATE IN DOMESTIC CURRENCY**

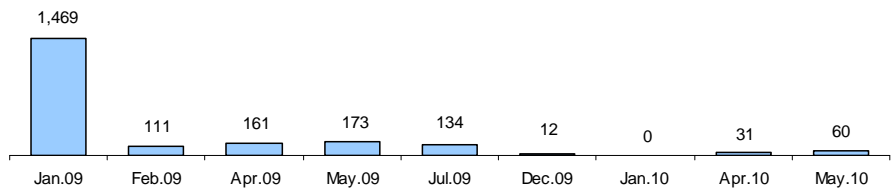


### Monetary operations

Between December **23 and 29**, the BCRP made the following monetary operations: i) auctions of temporary purchases of 1-day and 5-day securities for a daily average of S/. 816.6 million. The interest rate on these operations, which amounted to S/. 4,389.0 million, was 6.63 percent; ii) auctions of 3-month indexed BCRP Certificates of Deposit (CDR-BCRP) for a daily average of S/. 337.5 million. The interest rate on these operations, which amounted to S/. 3,590 million, was 1.87 percent; iii) foreign currency sales for a total of US\$ 51 million; and iv) overnight deposits in domestic currency for a total of S/. 739 million.

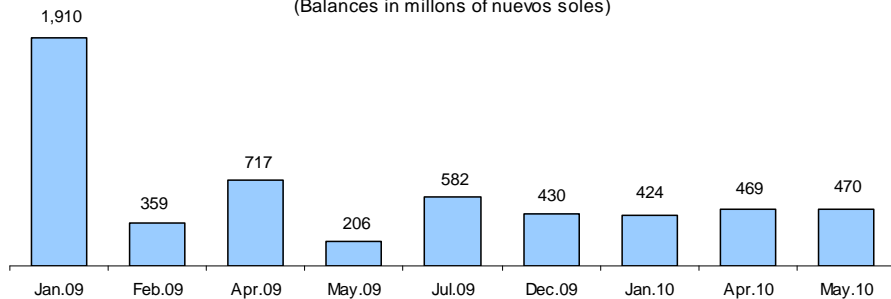
The total balance of CDBCRP amounts to S/. 7,718 million, of which S/. 2,150 million (28 percent) are held by non-residents. Most of these CDs are due in the first four months of 2009.

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



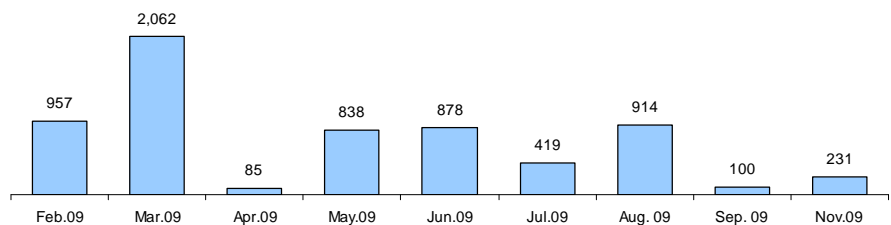
On the other hand, certificates for a total of S/. 5,566 million (72 percent) are held by residents.

**SCHEDULE OF MATURITIES OF CDBCRPs 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/. 6,483 million, of which 46 percent are due in the first quarter of 2009.

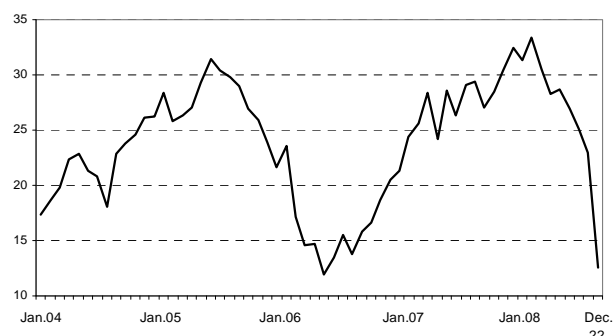
**SCHEDULE OF MATURITIES OF BCRP CERTIFICATES OF DEPOSIT WITH RESTRICTED NEGOCIATION**  
(Balances in millions of nuevos soles)



## Demand for currency

Between December 16 and 22, **currency in circulation** increased by S/. 26 million. This increase of liquidity was the result of banks' lower reserve requirements (which represented an injection of S/. 220 million) and maturities of CDs amounting to S/. 1,122 million. This increase was offset by a reduction of the balance of repo operations (S/. 1,450 million).

**CURRENCY**  
(Annual percentage change)



### BCRP OPERATIONS (Millions of nuevos soles)

	FLOWS				STOCKS		
	From 12/16 to 12/22	Nov-08	Dec-08 *	Annual Cumulative	Dec-31-07	Nov-30-08	Dec-22-08
<b>I. NET INTERNATIONAL POSITION</b>	<b>524</b>	<b>64,736</b>	<b>1,059</b>	<b>70,056</b>	<b>58,865</b>	<b>65,151</b>	<b>66,431</b>
(Millions of US\$)	171	21,017	344	23,148	19,622	21,017	21,360
<b>A. Foreign Exchange Operations</b>	<b>6</b>	<b>-916</b>	<b>-219</b>	<b>599</b>			
1. Over the Counter Operations	5	-810	-210	2,834			
2. Swaps	0	0	0	0			
3. Net swaps auctions in FC	0	-88	-10	0			
4. Public Sector	0	-24	0	-2,284			
5. Other operations	1	6	1	49			
<b>B. Rest of Operations</b>	<b>165</b>	<b>21,933</b>	<b>562</b>	<b>22,549</b>			
<b>II. NET INTERNAL ASSETS</b>	<b>-499</b>	<b>-64,974</b>	<b>-351</b>	<b>-68,361</b>	<b>-44,008</b>	<b>-49,308</b>	<b>-49,878</b>
<b>A. Monetary operations</b>	<b>-236</b>	<b>1,836</b>	<b>1,928</b>	<b>43</b>	<b>-38,714</b>	<b>-40,592</b>	<b>-38,664</b>
<b>1. Sterilization</b>	<b>1,214</b>	<b>3,260</b>	<b>3,778</b>	<b>-4,066</b>	<b>-38,714</b>	<b>-46,551</b>	<b>-42,773</b>
a. Public Sector Deposits in soles	-314	-815	-493	-7,394	-16,924	-23,825	-24,318
b. BCRP Certificates of Deposit (CDBCRP)	0	1,159	1,388	13,737	-21,458	-9,109	-7,721
c. BCRP Indexed Certificates of Deposit (CDR)	0	0	0	-2,915	0	-2,915	-2,915
d. BCRP Certificates of Deposit with restricted nego	1,122	2,339	3,296	-6,483	0	-9,779	-6,483
e. Term Deposits	0	0	0	-283	0	-283	-283
f. Overnight Deposits	406	713	-413	-495	-20	-102	-515
g. Other operations	0	-136	0	-232	-312	-537	-537
<b>2. Injection</b>	<b>-1,450</b>	<b>-1,424</b>	<b>-1,850</b>	<b>4,109</b>	<b>0</b>	<b>5,959</b>	<b>4,109</b>
a. Repos	-1,450	-1,424	-1,850	4,109	0	5,959	4,109
b. Rediscount operations	0	0	0	0	0	0	0
<b>B. Reserve Requirements in DC **</b>	<b>220</b>	<b>620</b>	<b>-647</b>	<b>-1,843</b>	<b>-2,922</b>	<b>-4,118</b>	<b>-4,765</b>
<b>C. Rest</b>	<b>-482</b>	<b>-67,430</b>	<b>-1,632</b>	<b>-66,561</b>	<b>-2,372</b>	<b>-4,597</b>	<b>-6,449</b>
<b>III. CURRENCY **</b>	<b>26</b>	<b>-238</b>	<b>708</b>	<b>1,695</b>	<b>14,857</b>	<b>15,844</b>	<b>16,552</b>
(Monthly percentage change)					13.0%	-1.5%	4.5%
(Accumulated percentage change)					27.1%	6.6%	11.4%
(YoY)					27.1%	23.0%	12.6%

\* As of December 22, 2008

\*\* Preliminary data

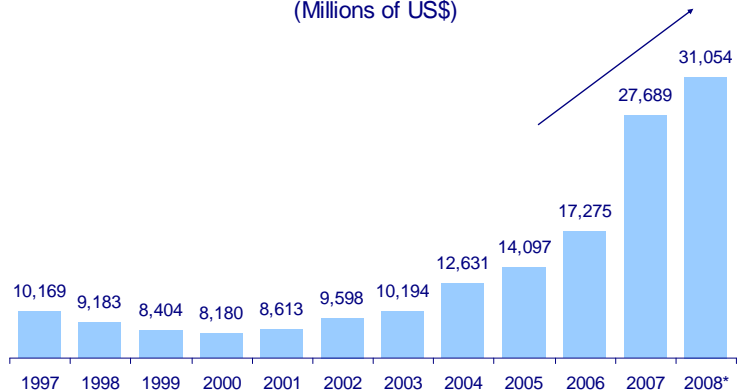
In this way, a total of S/. 42,773 million, equivalent to 258 percent of currency in circulation, was sterilized. This amount is broken down as follows: public sector deposits (S/. 24,318 million), BCRP Certificates of Deposit (S/. 7,721 million), BCRP Certificates of Deposit of restricted negotiation (S/. 6,483 million), BCRP indexed certificates of deposit (S/. 2,915 million), and BCRP term deposits (S/. 283 million).

## International reserves increased US\$ 84 million on December

Net international reserves (NIRs) amounted to US\$ **31,054** million on **December 24**. This level of NIRs is US\$ 84 million higher than the one recorded last month and US\$ 3,365 million higher than the one recorded at end 2007.

On the other hand, the international position of the BCRP on **December 24** was US\$ **21,326** million, US\$ 309 million higher than the one observed at the close of November and US\$ 1,704 million higher than the one observed at end 2007.

**NET INTERNATIONAL RESERVES ACCUMULATED**  
(Millions of US\$)

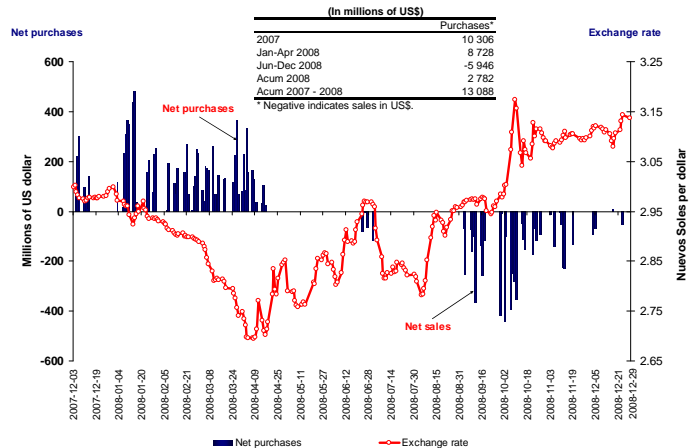


\* As of December 24.

## Exchange rate: S/. 3.137 per US dollar

Between **December 22 and 29**, the average interbank ask price of the dollar rose from S/. 3.114 to S/. 3.137, which represented a depreciation of the nuevo sol of 0.77 percent. The BCRP intervened in the exchange market only on December 24, selling US\$ 51 million. So far this month, the nuevo sol has depreciated 1.30 percent compared to the end of November.

**EXCHANGE RATE AND NET DOLLAR PURCHASE**



Between **December 17 and 24**, banks' balance of net forward purchases of foreign currency increased by US\$ 95.6 million. The balance of net forward purchases has accumulated a decline of US\$ 34.6 million during December.

**BALANCE OF NET FORWARD PURCHASES OF FOREIGN CURRENCY**  
(January 2007- December 2008)



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

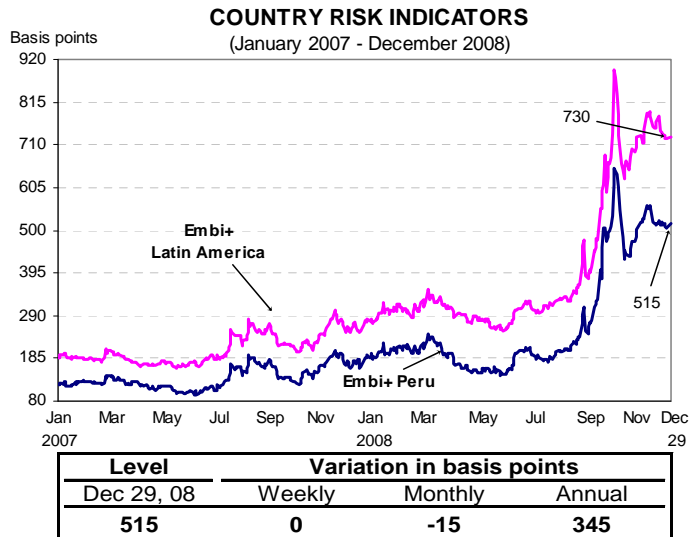
Month	Purchased (P)	Sold (S)	Net Purchases (P) - (S)
From 30 to 31 December	587	627	-40
January 2009	1,372	1,769	-397
February 2009	265	333	-68
From March 2009 to October 2010	1,632	1,838	-206
<b>Balance as of December 29, 2008</b>	<b>3,857</b>	<b>4,567</b>	<b>-710</b>

According to preliminary information as of **December 29**, the balance of net forward purchases amounted to US\$ 634 million, of which US\$ 350 million (55 percent) are operations with maturities due in January 2009.

**International markets**

**Country risk at 515 basis points**

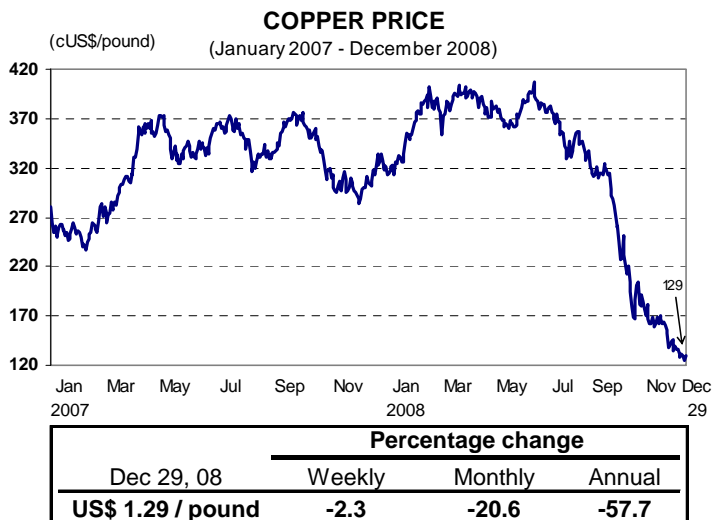
Between December 22 and 29, the country risk indicator –measured by the **EMBI+ Peru** spread– remained at 515 basis points, although showing slight fluctuations during the week. The spread in the region declined 4 basis points (the EMBI+ Latin America fell from 734 to 730 basis points).



**Price of copper dropped to US\$ 1.29 per pound**

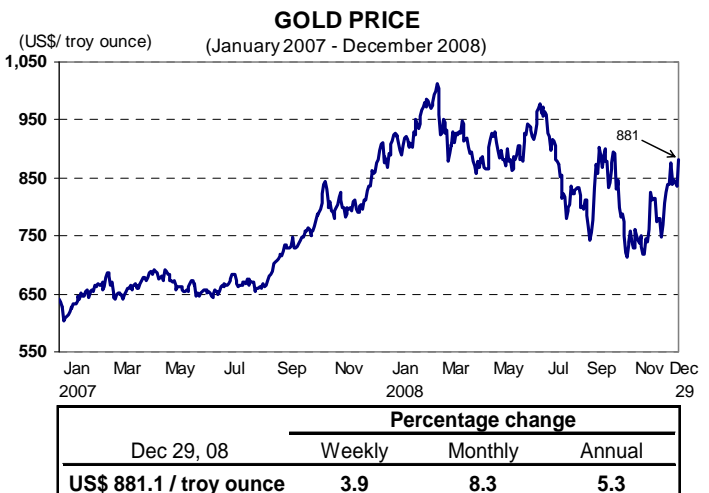
Between December 22 and 29, the price of **copper** dropped 2.3 percent to US\$ 1.29 per pound. The lower demand due to the deterioration of the global economic outlook generated downward pressures on the price of copper.

The price of copper was also affected by reports of the International Copper Study Group (ICSG) that showed a 67 percent surplus of refined copper between January and September.



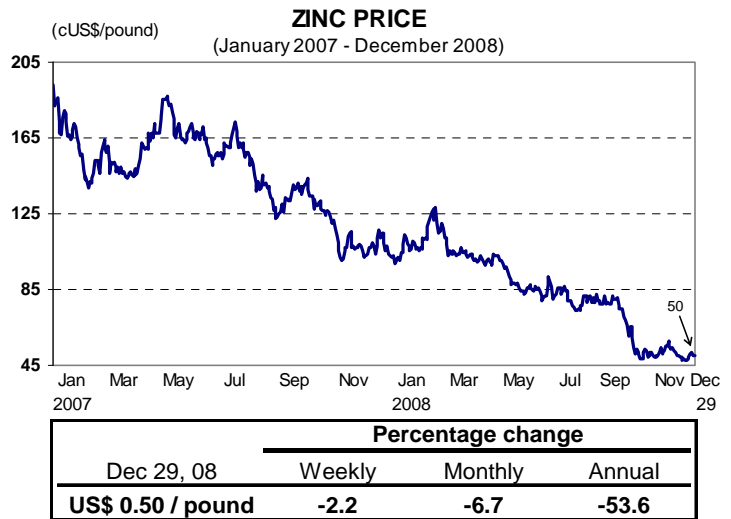
In the same period of analysis, the price of **gold** rose 3.9 percent to US\$ 881.1 per troy ounce.

This rise in the price of copper was associated with the weakening of the dollar against the euro and with the strong rebound of the price of crude during the week, which increased the attraction of gold as a hedge asset.



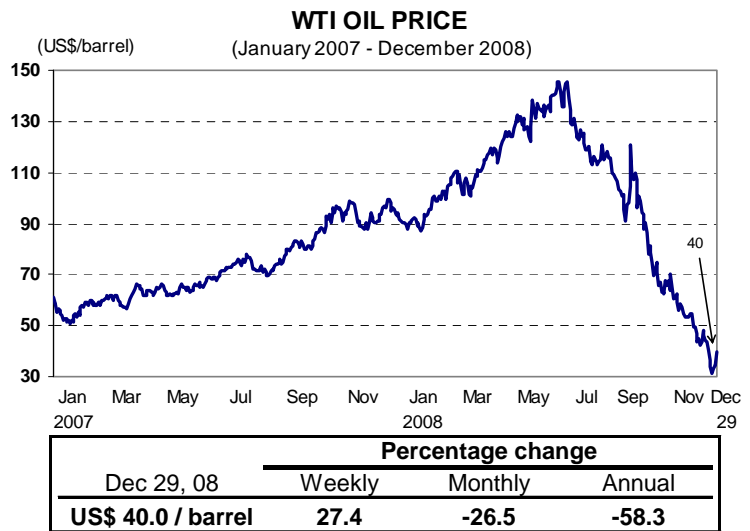
Between December 22 and 29, the price of **zinc** fell 2.2 percent to US\$ 0.50 per pound.

The price of this basic metal declined due to the increase of inventories at the London Metal Exchange (the stock of zinc increased 8.1 percent to 254 thousand tons) and to concerns about demand given the unfavorable economic outlook.



The price of **WTI oil** rose 27.4 percent to US\$ 40.0 per barrel between December 22 and 29.

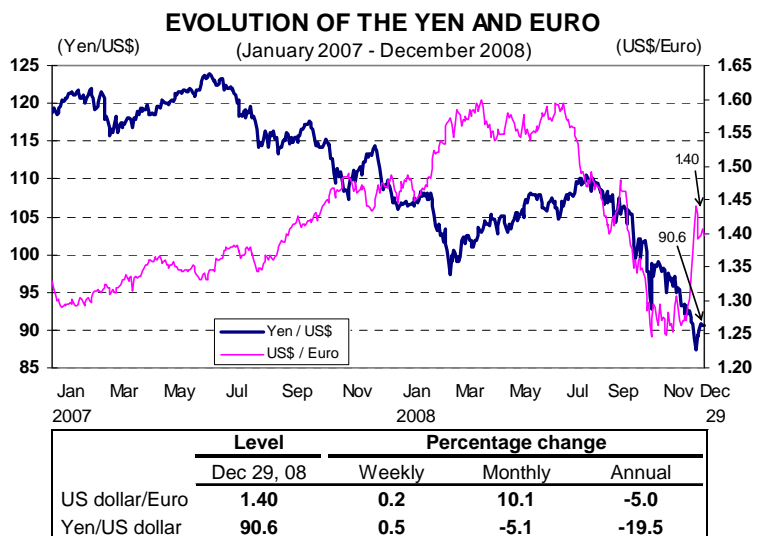
The price of crude showed an upward correction due to geopolitical tensions in the Middle East. The United Arab Emirates also joined the group of countries that will reduce their production of crude since 2009.



**Dollar depreciated against the euro**

Between December 22 and 29, the **dollar** depreciated 02 percent against the **euro**. This evolution of the US currency was associated with concerns about the depth of the recession in the United States after it was confirmed that the economy had shrunk in the third quarter.

In this period, the dollar appreciated 0.5 percent against the **yen**, after data showed a strong decline in industrial production and inflation in Japan.



**Yield on 10-year US Treasuries declined to 2.13 percent**

Between December 22 and 29, the **3-month Libor** fell from 1.47 to 1.44 percent and the yield on the **10-year Treasury bond** fell from 2.17 to 2.13 percent.

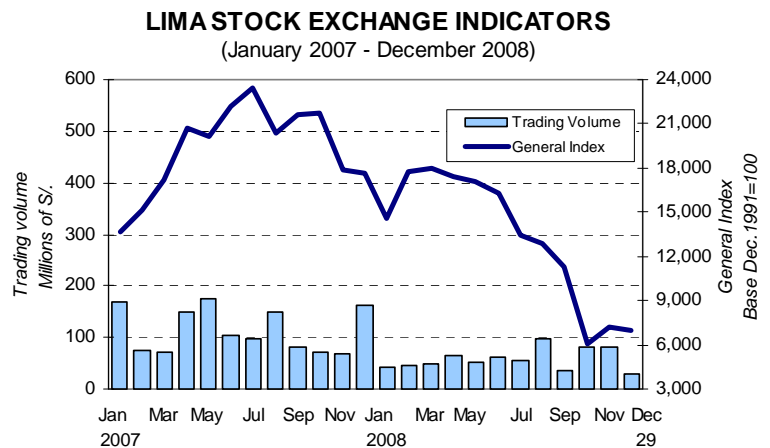
This decline in the yield on the Treasury bond was due to increased demand for safe assets and concerns about the depth of the current recession.



	Variation in percentage points			
	Dec 29, 08	Weekly	Monthly	Annual
Libor 3 months	1.44	-3	-78	-329
Treasuries EUA	2.13	-4	-79	-194

**Lima Stock Exchange fell 5.3 percent as of December 29, 2008**

As of **December 29**, the **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) fell 5.3 and 5.9 percent, respectively. However, during the week of analysis (December 22 to 29), both the General index and the Blue Chip index showed gains of 1.7 and 2.3 percent, respectively, driven by the positive performance of stock markets in the region and by the improvement of the shares associated with precious metals, especially gold.



	Percentage change			
	As of: Dec 29, 08	Weekly	To Nov 08	To Dec 07
General Index	7,016	1.7	-5.3	-60.0
Blue Chip Index	11,555	2.3	-5.9	-60.2

Year-to-date, the indices of the LSE have accumulated losses of 60.0 and 60.2 percent, respectively.

