### Weekly Economic Report N° 1

**January 9, 2009** 

### **Indicators**

	NIRs: US\$ 31,196 million on December 3
¥	Interbank interest rate at 6.52 percent on
	January 6

Exchange: S/. 3.133 per US dollar on January 6

Trade Balance Surplus US\$ 37 million on November

Country risk at 465 bps on January 6

LSE grew 5.5 percent as of January 6

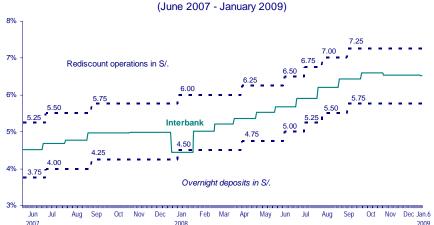
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### Interbank interest rate: 6.52 percent on January 6

The average daily interbank interest rate in domestic currency on January 6 was 6.52 percent, lower than the average rate of December (6.54 percent).



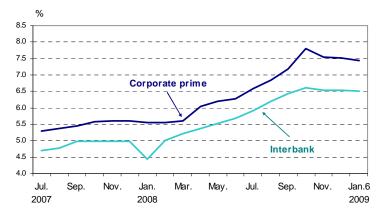


Interbank int	terest rate (per	rcent) SD
	<u>Average</u>	<u>30</u>
December 2006	4.51%	0.04
December 2007	4.99%	0.02
January 2008	4.44%	1.24
February	5.02%	0.36
March	5.21%	0.21
April	5.37%	0.13
May	5.50%	0.07
June	5.68%	0.13
July	5.91%	0.10
August	6.21%	0.12
September	6.43%	0.13
October	6.60%	0.18
November	6.54%	0.03
December	6.54%	0.03
January 6, 2009	6.52%	0,01

## Interbank corporate rate in nuevos soles fell to 7.44 percent

Between December 29, 2008 and January 6, 2009, the daily average of the 90-day corporate rate in nuevos soles decreased from 7.52 to 7.44 percent, while this rate in dollars declined from 4.84 to 4.69 percent.

#### INTEREST RATE IN DOMESTIC CURRENCY

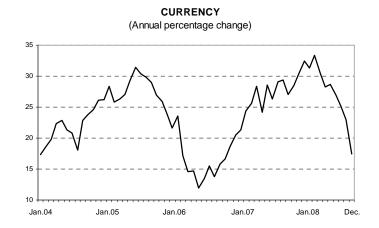


### **Monetary operations**

Between **December 30, 2008 and January 6, 2009**, the BCRP made the following monetary operations: i) auctions of temporary purchases of 1-day, 5-day and 1-week securities for a daily average of S/. 2,030.8 million. The interest rate on these operations, which amounted to S/. 3,989.1 million, was 6.65 percent; ii) auctions of 3-month indexed BCRP Certificates of Deposit (CDR-BCRP) for S/. 400 million on December 30, 2008. The interest rate on these operations, which amounted a balance of S/. 4,525 million, was 1.76 percent; iii) foreign currency sales for a total of US\$ 28 million; and iv) overnight deposits in domestic currency for a total of S/. 348 million.

### **Demand for currency**

Between December 23, 2008 January 5, 2009, currency in circulation decreased by S/. 242 million, due to the seasonal effect after the holidays. The currency increased 10 percent on the month of December, and 17 percent in 2008 (lower than the 27 percent recorded in 2007). This decrease in the growth rate of currency has been observed since May 2008, when it recorded an increase of 34 percent in a 12-month basis, partially related to the higher interest rates in national currency and the dollarization produced by the increase in the exchange rate since September.



# BCRP OPERATIONS (Millions of nuevos soles)

È	illions of fluevos soles)		FI	ows			STOCKS	
1		From 12/23			2009 Annual			
		to 01/05	Dec-08 *	Cummulated		Dec-31-07	Dec-31-08	Jan-05-09
ı.	NET INTERNATIONAL POSITION	-479	1,074	4,114	-494	58,865	67,087	66,593
	(Millions of US\$)	-152	349	1,743		19,622	21,365	21,208
	A. Foreign Exchange Operations	-111	-330	488	0			
	Over the Counter Operations	-79	-289	2,754	0			
	2. Swaps	0	0	0	0			
	<ol><li>Net swaps auctions in FC</li></ol>	0	-10	0	0			
	Public Sector	-33	-33	-2,316	0			
	5. Other operations	0	1	50	0			
	B. Rest of Operations	-41	678	1,256	-157			
II.	NET INTERNAL ASSETS	<u>237</u>	<u>518</u>	<u>-1,515</u>				<u>-49,488</u>
	A. Monetary operations	2,931	3,246	1,361	1,613			
	1. Sterilization	2,451	3,793	-4,051	2,436		,	,
	Public Sector Depostis in soles	-90	_	-6,644	-840	-,-	,	-24,408
	<ul> <li>b. BCRP Certificates of Deposit (CDBCRP)</li> </ul>	3,379		13,737	3,379			-4,342
	<ul> <li>BCRP Indexed Certificates of Deposit (CDR)</li> </ul>	-1,610		-4,425	-100	0	-,	-4,525
	<ul> <li>BCRP Certificates of Deposit with restricted negociation</li> </ul>	0	3,296	-6,483	0	0	-6,483	-6,483
	e. Term Deposists	283	283	0	0	0	-	-
	f. Overnight Deposits	495	79	-3	3	-20		-20
	g. Other operations	-6	0	-232	-6	-312		
	2. Injection	480	-547	5,412		0	-,	
1	a. Repos	480	-	5,412	-823		- ,	,
	b. Rediscount operations	0	0	0		-	-	
	B. Reserve Requirements in DC **	-2,946		-1,932		-2,922	-4,854	-6,916
1	C. Rest	251	-1,972	-944	591			
lii,	CURRENCY **	-242	1,593	2,599	-351	14,857	17,456	17,105
Ι'''	(Monthly percentage change)	-242	1,000	2,000	-551	13.0%		
1	(Acummulated percentage change)					27.1%		
1	(YoY)					27.1%		
	(101)					27.1%	17.4%	18.7%

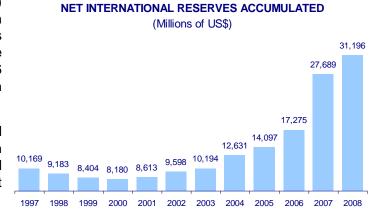
<sup>\*</sup> As of Decemeber 31, 2008

<sup>\*\*</sup> Preliminary data

### International reserves increased US\$ 3,507 million on 2008

Net international reserves (NIRs) amounted to US\$ 31,196 million on **December 31**. This level of NIRs is US\$ 3,507 million higher than the one recorded at end 2007 and US\$ 226 million higher than the one recorded on November 2008.

Since the new Board of Directors started working the NIR has increased more than US\$ 16 billion, twice is prior level and establishing a new record in the amount of international reserves.



This level of international reserves is equal to 3,3 times the one-year debt (short term plus disbursements), 4.4 times the broad money, 13 months of imports and is lightly higher than the total balance of public debt, which reflects the sound financial position of the country.

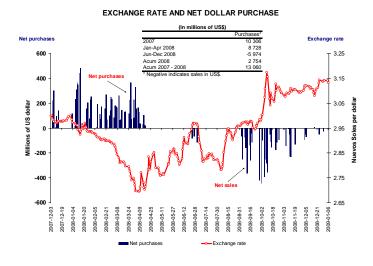
On the other hand, the international position of the BCRP on **December 31** was US\$ **21,365** million, US\$ 1,743 million higher than the one observed at end 2007 and US\$ 349 million higher than the one observed at the close of November.

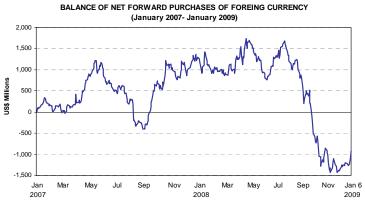
### Exchange rate: S/. 3.133 per US dollar

Between December 29, 2008 and January 6, 2009, the average interbank ask price of the dollar decreased from S/. 3.137 to S/. 3.133, which represented an appreciation of the nuevo sol of 0.15 percent. The BCRP intervened in the exchange market only on December 30, selling US\$ 28 million. So far this month, the nuevo sol has appreciated 0.28 percent compared to the end of December.

In 2008, the Nuevo Sol depreciated 4.8 percent against the dollar.

Between December 30, 2008 and January 6, 2009, banks' balance of net forward purchases of foreign currency increased by US\$ 339.4 million. The balance of net forward purchases has accumulated a decline of US\$ 34.6 million during December.

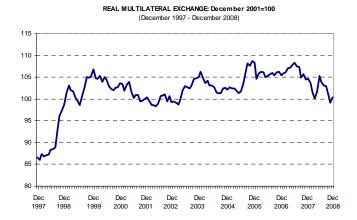




### Real multilateral exchange rate increased 1.3 percent in January

In January, the real multilateral exchange increased 1.5 percent compared with the previous month.

This evolution is explained by a nominal depreciation of 1.3 percent of the nuevo sol against the currency basket of Peru's main trading partners, by an external inflation of 0.3 percent, and by a domestic inflation of 0.1 percent.



### Liquidity and credit to the private sector on December 15

In the last 4 weeks, liquidity in **domestic currency** grew 2.6 percent (S/. 1,417 million) and amounted to S/. 56,695 million (last 12-month growth of 26 percent). Credit to the private sector in domestic currency grew 4.0 percent (S/. 1,865 million) and amounted to S/. 47,960 million (last 12-month growth of 43.8 percent).

Liquidity in **foreign currency** decreased 4.9 percent (negative flow of US\$ 798 million), thus amounting to US\$ 15,474 million (last 12-month growth of 18.4 percent). Credit to the private sector in foreign currency increased 1.5 percent (US\$ 245 million) and amounted to US\$ 17,136 million (last 12-month growth of 18.0 percent).

	EVOLU1	TION OF	LIQUIDI	TY AND (	CREDIT	TO THE I	PRIVATE	SECTO	R	
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	MONETA	RY BASE	LIQUIDI	TY IN D/C	CREDI	T IN D/C	LIQUIDI <sup>*</sup>	TY IN F/C	CREDI	T IN F/C
	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)	VAR.(%)
	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR	MONTH	YEAR
<u>2006</u>										
Dec.	15.7%	18.3%	10.6%	17.9%	3.3%	30.2%	1.8%	12.7%	-2.1%	3.9%
<u>2007</u>										
Mar.	1.3%	20.7%	2.9%	24.6%	3.1%	29.5%	1.2%	5.5%	1.7%	8.3%
Jun.	3.0%	26.2%	2.9%	32.1%	2.8%	35.8%	-1.0%	12.6%	4.7%	10.0%
Sep.	-1.8%	26.1%	-0.4%	34.0%	4.2%	39.6%	1.7%	17.9%	2.6%	14.9%
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%	1.6%	52.1%	3.8%	41.9%	0.7%	7.7%	1.3%	25.0%
Jul.	0.2%	42.9%	0.8%	46.8%	2.8%	41.7%	5.8%	11.6%	2.8%	26.9%
Aug.	-1.8%	39.3%	1.1%	45.2%	2.5%	43.3%	2.3%	11.2%	0.3%	25.8%
Sep.	-2.8%	37.8%	-0.8%	44.5%	2.1%	40.4%	8.1%	18.2%	3.0%	26.3%
Oct.	3.4%	36.8%	-0.1%	36.6%	5.6%	45.7%	8.7%	26.3%	2.3%	26.6%
Nov.	-4.1%	28.3%	-0.2%	29.3%	4.6%	46.6%	-2.7%	21.0%	1.8%	20.7%
Dec.15	-4.2%	29.9%	2.6%	26.0%	4.0%	43.8%	-4.9%	18.4%	1.5%	18.0%
Memo:	1.270	_5.070	2.070	_5.070	070	.5.070	070	. 3. 170		.0.07
Balance as of Nov 15. (Mill.S/.or Mill.US\$)	. 22,4	154	55,2	278	46,0	095	16,2	272	16,8	390
Balance as of Dec 15. (Mill.S/.or Mill.US\$)	21,5	512	56,6	695	47,9	960	15,4	174	17,	136

### Inflation in December: 0.36 percent

**Inflation** in December showed a rate of 0.36 percent and thus accumulated 6.65 percent in the last 12 months. Three items contributed with 0.32 percentage points to this month's inflation rate: chicken meat (0.18 percentage points), onions (0.07 points), and beef (0.07 points). Conversely, three items contributed with -0.18 percentage points to inflation in December: gasoline (-0.10 points), gas (-0.05 points) and fish (-0.03 points).

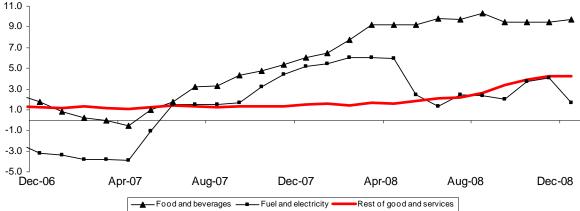
INFLATION (Accumulated percentage change)

	Weight	Monthly	12-mo	nth indicate	or	Annual a	verage indi	cator
		Dec.	Dec.	Nov.	Dec.	Dec.	Nov.	Dec.
		2008	2007	2008	2008	2007	2008	2008
<u>CPI</u>	<u>100.0</u>	<u>0.36</u>	3.93	<u>6.75</u>	<u>6.65</u>	<u>1.78</u>	<u>5.56</u>	<u>5.79</u>
Food and beverages	47.5	0.77	6.02	9.43	9.70	2.50	8.85	9.15
Energy	6.2	-2.33	5.21	4.06	1.65	0.23	3.89	3.59
Fuel	3.9	-2.78	6.45	2.80	-0.04	1.59	5.58	5.03
Electricity	2.2	-1.14	1.92	7.54	6.31	-3.32	-0.70	-0.33
Rest of good and services	46.3	0.39	1.49	4.26	4.25	1.28	2.34	2.57
Goods	21.0	0.22	1.79	3.33	3.21	1.24	2.18	2.30
Transports	8.4	0.82	0.82	6.32	5.86	0.57	2.36	2.79
Public services	2.4	0.07	-1.44	8.61	8.68	-1.72	2.21	3.07
Other services	14.5	0.34	2.03	3.80	3.91	2.23	2.58	2.73

**Inflation in food and beverages** in December was 0.77 percent and accumulated 9.7 percent in the last 12 months. **Inflation in fuels and electricity** was -2.33 percent and thus showed an accumulated rate of 1.7 percent in the last 12 months. On the other hand, the rate of **inflation in the rest of goods and services** was 0.39 percent (4.3 percent in the last 12 months).

# FOOD AND BEVERAGES, FUEL AND ELECTRICITY AND REST OF GOOD AND SERVICES

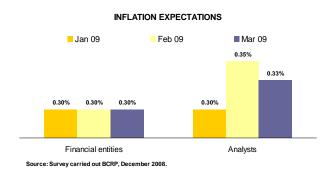
(Last 12-month percentage change)



### Expectations regarding prices and the exchange rate: December 2008

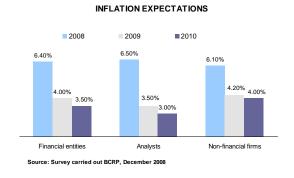
Between December 5 and 30, the BCRP conducted its Monthly Survey on Macroeconomic Expectations among 21 financial entities, 23 economic analysts, and 365 non-financial firms. The results of the survey in terms of expectations of inflation, exchange rate and prices of end products and inputs are analyzed below.

Financial entities project that inflation will show a rate of 0.30 percent in each of the first three months of 2009, while analysts estimate a rate of 0.30 percent in January, of 0.35 percent in February and of 0.33 percent in March.

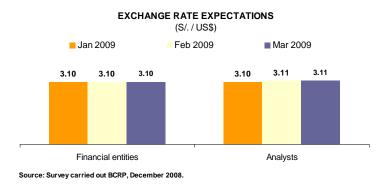


For 2009, financial entities forecast that the rate of inflation will be 4.00 percent, while economic analysts project a rate of 3.50 percent and non-financial firms a rate of 4.20 percent.

In 2010 non-financial firms expect a rate of inflation of 3.50 percent, while economic analysts and financial entities expect rates of 3.00 percent and 4.00 percent, respectively.



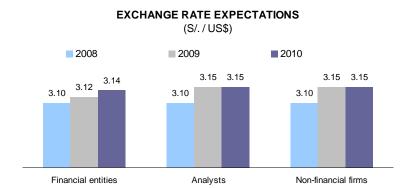
On the other hand, financial entities and analysts expect an exchange rate of S/. 3.10 per dollar in January. They estimate an exchange rate of 3.10 and 3.11 per dollar in February and March, respectively.



For 2009, financial entities forecast an exchange rate of S/. 3.12 per dollar, while analysts and non financial firms project S/. 3.15 per dollar.

# resumen informativo

For 2010, economic analysts and non-financial firms estimate a rate of S/. 3.15, while financial entities estimate that the dollar-nuevo sol exchange rate will be at S/. 3.14.



Source: Survey carried out BCRP, December 2008

Compared with the results of previous surveys, in December a lower percentage of firms (15 percent) saw an increase in the prices of their inputs in the last month.

### **INPUT PRICES (December 2008 / November 2008)**

(As a percentage of the companies that responded)

Sector	Higher	Same	Lower
Agriculture and Fishing	22	78	0
Mining and Fuel	10	76	14
Manufacture	11	65	24
Electricity, Water and Gas	50	25	25
Construction	18	64	18
Transport and Telecommunications	25	71	4
Services	0	100	0
Total	15	69	16
Memo:			
November 2008	21	63	16
October 2008	35	55	10
September 2008	37	58	6

Source: Survey on Macroeconomic Expectations, BCRP December 2008.

Moreover, also compared with the results of previous surveys, in December a lower percentage of firms (6 percent) increased the sale price of their products in the last month. In contrast, a higher proportion of firms (19 percent) experienced price reductions, especially in the mining and hydrocarbon sector.

#### SALE PRICES (December 2008 / November 2008)

Sector         Higher         Same         Lower           Agriculture and Fishing         11         78         11           Mining and Fuel         5         33         62           Manufacture         5         75         20           Electricity, Water and Gas         25         67         8           Construction         5         86         9           Commerce         4         76         20           Transport and Telecommunications         17         77         7           Services         0         100         0           Total         6         74         19	SALE PRICES (Decen (As a percentage of th	nber 2008 / Noven e companies that re		
Mining and Fuel       5       33       62         Manufacture       5       75       20         Electricity, Water and Gas       25       67       8         Construction       5       86       9         Commerce       4       76       20         Transport and Telecommunications       17       77       7         Services       0       100       0	Sector	Higher	Same	Lower
Mining and Fuel       5       33       62         Manufacture       5       75       20         Electricity, Water and Gas       25       67       8         Construction       5       86       9         Commerce       4       76       20         Transport and Telecommunications       17       77       7         Services       0       100       0	Agriculture and Fishing	11	78	11
Electricity, Water and Gas       25       67       8         Construction       5       86       9         Commerce       4       76       20         Transport and Telecommunications       17       77       7         Services       0       100       0		5	33	62
Construction         5         86         9           Commerce         4         76         20           Transport and Telecommunications         17         77         7           Services         0         100         0	Manufacture	5	75	20
Commerce47620Transport and Telecommunications17777Services01000	Electricity, Water and Gas	25	67	8
Transport and Telecommunications 17 77 7 Services 0 100 0	Construction	5	86	9
Services 0 100 0	Commerce	4	76	20
	Transport and Telecommunication	ns 17	77	7
Total 6 74 19	Services	0	100	0
	Total	6	74	19
	November 2008	14	69	17
November 2008 14 69 17	October 2008	12	73	15
	September 2008	16	72	12

Source: Survey on Macroeconomic Expectations, BCRP December 2008.

Compared with previous months, a higher proportion of firms had to pay lower prices for their inputs than in the last 3 or 4 months.

INPUT PRICES (Last 3 to 4 months) / December 2008 (As a percentage of the companies that responded)

					Percei	ntage of in	creased	
Sector	higher	Same	Lower	Less than 3%	<3% 5%]	<5% 7%]	<7% 10%]	More than 10%
Agriculture and Fishing	33	44	22	33	0	33	0	33
Mining and Fuel	14	76	10	67	33	0	0	0
Manufacture	26	51	23	33	27	24	6	9
Electricity, Water and Gas	64	36	0	29	14	0	29	29
Construction	24	62	14	60	20	20	0	0
Transport and Telecommunications	21	75	4	17	33	17	17	17
Services	38	56	6	67	33	0	0	0
Total	26	56	17	38	25	17	8	11
Memo:								
November 2008	39	48	12	45	19	12	16	7
October 2008	56	36	9	38	29	14	9	10
September 2008	55	40	5	30	30	19	14	7

Source: Survey on Macroeconomic Expectations, BCRP December 2008.

Furthermore, 21 percent of the surveyed firms reduced their prices. This percentage has been increasing in the last surveys.

SALE PRICES (Last 3 to 4 months) / December 2008 (As a percentage of the companies that responded)

					Percei	ntage of ir	ncreased	
Sector	higher	Same	Lower	Less than 3%	<3% 5%]	<5% 7%]	<7% 10%]	More than 10%
Agriculture and Fishing	22	22	56	100	0	0	0	0
Mining and Fuel	0	43	57	0	0	0	0	0
Manufacture	18	65	18	57	26	13	0	4
Electricity, Water and Gas	50	42	8	33	0	17	17	33
Construction	4	91	4	100	0	0	0	0
Commerce	14	59	27	14	57	14	0	14
Transport and Telecommunications	13	63	23	0	75	25	0	0
Services	6	94	0	100	0	0	0	0
Total	15	64	21	45	30	14	2	9
Memo:								
November 2008	25	61	14	53	27	10	3	8
October 2008	23	62	16	48	22	9	13	9
September 2008	30	59	12	40	26	12	13	9

Source: Survey on Macroeconomic Expectations, BCRP December 2008.

Only 17 percent of the surveyed firms expect the price of their inputs to increase in the next quarter; in contrast, 28 percent considers that the prices of their inputs will be lower, especially in the sectors of agriculture, fishing, and mining and hydrocarbons.

AVERAGE INPUT PRICES (next 3 to 4 months): November 2008

Sector	higher	Same	Lower
Agriculture and Fishing	0	33	67
Mining and Fuel	24	43	33
Manufacture	14	54	32
Electricity, Water and Gas	25	50	25
Construction	26	57	17
Commerce	0	71	29
Transport and Telecommunications	21	69	10
Services	19	75	6
Total	17	56	28
Memo:		55	21
Memo: November 2008	24		12
	24 34	53	14
November 2008		53 54	5

Source: Survey on Macroeconomic Expectations, BCRP December 2008.

As regards the sale price, 25 percent of the firms expect to reduce them and only 12 percent expect to increase them.

AVERAGE SALE PRICES (next 3 to 4 months): December 2008

(As a percentage of the companies that responded)

Sector	higher	Same	Lower
Agriculture and Fishing	0	67	33
Mining and Fuel	19	62	19
Manufacture	12	57	31
Electricity, Water and Gas	0	67	33
Construction	9	73	18
Commerce	20	57	22
Transport and Telecommunications	3	77	20
Services	18	76	6
Total	12	62	25
Memo:			
November 2008	19	65	16
October 2008	29	56	16
September 2008	34	60	6
December 2007	32	63	5

Source: Survey on Macroeconomic Expectations, BCRP December 2008.

### Trade balance: surplus of US\$ 2,932 million between January and November

Between January and November, the **trade balance** accumulated a positive balance of US\$ 2,932 million. In this period, exports showed an accumulated growth of 17.3 percent, while imports grew 49.2 percent.

In November, the trade balance showed a surplus of US\$ 37 million.

Exports in November amounted to US\$ 2,075 million, even though they were 12.1 percent lower than in November 2007. This reduction of exports resulted mainly from lower sales of mining products (-24.8 percent), particularly copper (-38.6 percent) because of the drop of the price of this metal.

Non traditional exports grew 27.5 percent, especially as a result of greater exports of agricultural and textile products.

Imports amounted to US\$ 2,039 million, a sum 15.1 percent to the one recorded in November 2007. Imports of consumer and capital goods increased 35.2 percent and 48.2 percent, respectively. On the hand, imports of raw materials declined 8.6 percent, mainly due to lower imports of fuels.

TRADE BALANCE (Millions de US\$)

	20	2008 January - November			nber		
	Oct Nov		2007	2008	% chg.		
EXPORTS	2,436	2,075	25,134	29,488	17.3		
Traditional products	1,745	1,432	19,387	22,303	15.0		
Non-traditional products	668	625	5,586	6,945	24.3		
Other products	23	19	161	240	48.8		
IMPORTS	2,729	2,039	17,797	26,556	49.2		
Consumption goods	451	432	2,888	4,141	43.4		
Raw materials	1,354	864	9,512	13,840	45.5		
Capital goods	916	734	5,298	8,474	59.9		
Other goods	9	10	100	102	2.1		
TRADE BALANCE	-293	37	7,337	2,932			

In November terms of trade declined 19.4 percent relative to November 2007. The prices of exports dropped 24.7 percent, while the prices of imports fell 6.5 percent. With this, terms of trade accumulate a reduction of 9.2 percent in the last 12 months.



<sup>\*</sup> As of November.

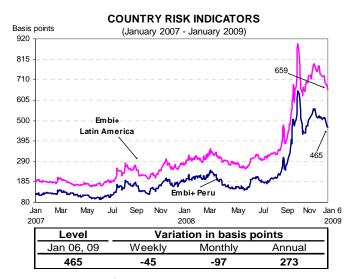
### International markets

### Country risk at 465 basis points

In **December**, the average country risk indicator –measured by the **EMBI+ Peru** spread– was 524 basis points. Peru's country risk indicator showed a similar evolution to that of the spread of the region and increased 54 bps in this period.

Increased risk aversion due to concerns about global recession led the emerging debt spreads to widen.

On **January 6**, the **EMBI+ Perú** recorded 465 basis points.

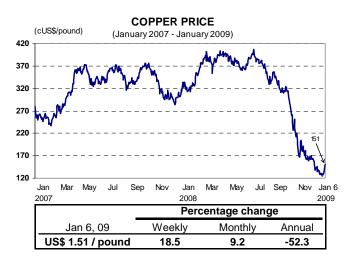


### Average price of copper fell to US\$ 1.39 per pound in December

In **December**, the average price of **copper** fell 17.4 percent, from US\$ 1.69 to US\$ 1.39 per pound.

Concerns about weak demand and rising inventories in the world stock markets pushed prices down.

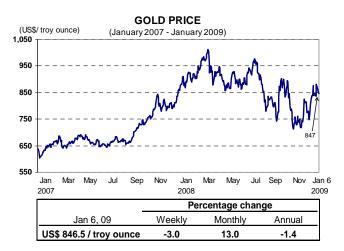
The price of this metal was also affected by the dissemination of a report by the International Copper Study Group indicating a global surplus of refined copper of 67 percent between January and September.



On January 6, the price of copper reached US\$ 1.51 per pound.

In **December**, the average price of **gold** rose from US\$ 762.2 to US\$ 820.5 per troy ounce (7.7 percent).

This price rise is explained by the weakening of the dollar against the euro, which raised the appeal of the metal as a hedge asset, as well as by a purchasing wave given concerns about the financial and automotive sectors.



The price of gold posted US\$ 846.5 per troy ounce on January 6.

The average price of **zinc** showed a decrease of 4.5 percent in **December**, as the price fell from US\$ 0.52 to US\$ 0.50 per pound.

The lower price of the basic metal was underpinned by the prospect of a weak demand and higher inventories of zinc in the various metal exchanges in the world.

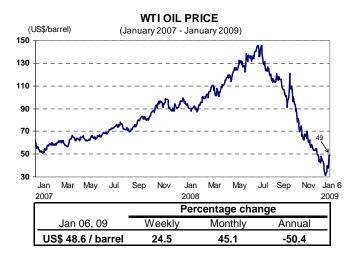
However, expectations that China will purchase zinc for strategic reserves eased the fall of the price.



On **January 6**, the price of zinc posted US\$ 0.58 per pound amid supply problems after the largest zinc mine in Europe (Boliden AB of Sweden) announced that it had temporarily closed some units in Ireland.

In **December**, the average price of **WTI oil** fell from US\$ 57.3 to US\$ 41.4 per barrel (27.7 percent).

The sharp drop observed in the price of oil was associated with the contraction of demand —mainly in Asia (China and Japan)— and with the increase of stocks of crude oil and derivatives in the US, which offset the agreement of the OPEC to cut its production level.



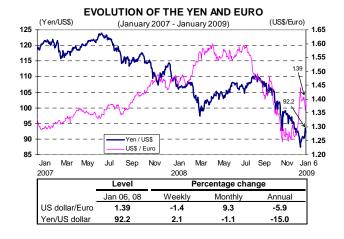
On **January 6**, the price of **WTI oil** increased to US\$ 48.6 per barrel amid supply problems influenced by increased geopolitical tensions in the Middle East and supply problems between Russia and Ukraine.

### On average, the dollar depreciated against the euro and yen in December

In **December**, the **dollar** depreciated 4.8 percent on average against the **euro** and 5.7 percent on average against the **yen**.

The higher than expected reduction in the Fed interest rate, in a context of recession and lower inflationary pressures, explained the depreciation of the US currency.

The Federal Reserve cut rates to a record low range of between zero and 0.25 percent.

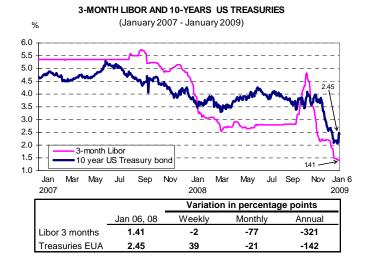


On **January 6**, the exchange rate was US\$ 1.39 per euro and 92.2 yen per US dollar, amid expectations of rate cuts in Europe.

### Yield on 10-year US Treasuries declined to 2.39 percent on average in December

On average terms, the **3-month Libor** fell from 2.31 to 1.79 percent, and the yield on the **10-year Treasury bond** declined from 3.48 to 2.39 percent in **December**.

The fall in the yield of US Treasury bonds was due to increased demand for safe assets and concerns about the depth of the current recession.



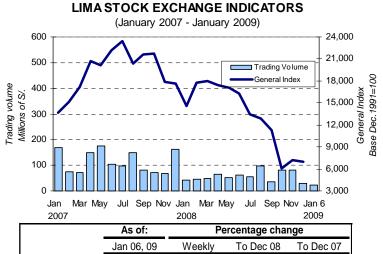
On **January 6** the yield on the **3-month Libor** and the **10-year Treasury bond** was 1.41 and 2.45 percent, respectively.

### Lima Stock Exchange dropped 4.82 percent in December

In **December**, the **General Index** and the **Blue Chip** index of the Lima Stock Exchange (LSE) showed negative results (-4.82 and -4.75 percent, respectively).

The LSE recorded losses due to a fall in mining rights after the decline seen in the international prices of metals and the perception of a global economic slowdown.

At **January 6**, the **General Index** had accumulated a gain of 5.51 percent while the **Blue Chip** index had accumulated a gain of 6.16 percent. Positive expectations after the announcement of a plan to stimulate the US economy would have contributed to this evolution.



Resumen de Indicadores	Económicos / Summary of Economic Indicators	2007					2008					_
DECEDVAC INTEDNACIONAL	LES (Mills, US\$) / INTERNATIONAL RESERVES	Dic Acum.	Mar Acum.	Jun Acum.	Set Acum.	Oct Acum.	Nov Acum.	29 Dic.	30 Dic.	31 Dic.	Dic Var.	5
Posición de cambio / Net interna	tional position	19 622	27 063	27 299	24 585	21 541	21 017	21 395	21 354	21 365	349	
	Net international reserves en el BCRP / Financial system deposits at BCRP	27 689 4 635	33 576 4 031	35 518 5 311	34 702 6 956	31 933 7 168	30 970 6 792	30 976 6 316	30 902 6 297	31 196 6 581	-226 -211	_
Empresas bancarias / Banks Banco de la Nación / Banco de		4 396 174	3 669 315	179	169	6 962 175	6 567 196	6 075 213	6 071 197	6 297 255	-270 59	
	eras / Other financial institutions   BCRP / Public sector deposits at BCRP *	65 3 407	46 2 486		32 3 164	30 3 204	29 3 182	29 3 290	29 3 277	29 3 274	92	
OPERACIONES CAMBIARIAS	S BCR (Mill. US\$) / BCRP FOREIGN OPERATIONS	Acum. 656	Acum. 1 767	Acum. -413	Acum. -2 106	Acum. -2 639	Acum916	-33	-28	0	Acum331	_
Compras netas en Mesa de Nego Operaciones swaps netas / Net sv	ciación / Net purchases of foreign currency van operations	854 0	2 266	-164 0		-2 588 0	-810 0	0	-28 0	0		
	ompras en ME (neto) / Net swaps auctions in FC	-200	-500	-250	-100	97 -150	10 -24	0 -33	0	0	-10 -33	
TIPO DE CAMBIO (S/. por US\$	i) / EXCHANGE RATE	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.		-	Ü	Prom.	_
Compra interbancario/Interbank	Apertura / Opening	2,980 2,930	2,810 2,818	2,889 2,895	2,964 2,969	3,068 3,098	3,090 3,099	3,132 3,150	3,138 3,138	3,139 3,146	3,113 3,117	_
	Mediodía / <i>Midda</i> y Cierre / <i>Close</i>	2,982 2,983	2,812	2,893 2,894	2,968 2,967	3,077 3,069	3,093 3,093	3,140 3,138	3,141 3,143	3,137 3,136	3,115 3,117	
Sistema Bancario (SBS)	Promedio / Average Compra / Bid	2,982 2,980	2,810	2,894 2,890	2,968 2,965	3,083 3,073	3,094 3,091	3,137 3,133	3,140 3,137	3,141 3,137	3,116 3,113	_
Índice de tipo de cambio real (20	Venta / Ask 01 = 100) / Real exchange rate Index (2001 = 100)	2,982 104,5	2,812 101,6	2,893 105,2	2,967 103,0	3,077 100,9	3,093 100,1	3,135	3,140	3,142	3,115 100,4	_
INDICADORES MONETARIO Moneda nacional / Domestic cu		-										
Emisión Primaria  Monetary base	(Var. % mensual) / (% monthly change) (Var. % últimos 12 meses) / (% 12-month change)	14,3 28,2	1,6 36,9	1,8 50,1	-2,8 37,8	3,4 36,8	-4,1 28,3				11,8 25,5	
Oferta monetaria Money Supply	(Var. % mensual) / (% monthly change) (Var. % últimos 12 meses) / (% 12-month change)	4,5 34,5	5,6 56,1		-4,6 47,3	-3,4 35,5	-2,0 25,9					
Crédito sector privado	(Var. % mensual) / (% monthly change) (Var. % últimos 12 meses) / (% 12-month change)	2,4 43,1	1,0			6,2 45,9	4,6 46,7					
TOSE saldo fin de período (	Var.% acum. en el mes) / TOSE balance (% change) o (% respecto al TOSE)Average reserve surplus (% of TOSE)	0,0 0,4	5,0 0,3	-1,8 0,1	-0,2 0,1	0,4 0,2	0,3 0,1	1,4 1,1	0,9 1,0	0,8 1,0	0,8 1,0	
Cuenta corriente de los banc	os (saldo mill. S/.) / Banks' current account (balance) etaria (millones de S/.) / Rediscounts (Millions of S/.)	531	2 253	2 973	2 884	479 0	2 600	354 0	459 0	944 0		
Depósitos públicos en el BCI	RP (millones S/.))Public sector deposits at the BCRP (Mills.S/.) CRP (saldo Mill.S/.) / CDBCRP balance (Millions of S/.)	16 924 21 458	17 780 20 455	21 036 14 653	23 446 11 712	23 010 10 269	23 825 9 109	23 841 7 721	23 800 7 721	23 568 7 721	23 568 7 721	2
	ll S/.)/ Time Deposits Auctions (Millions of S/.)** Restringida (Saldo Mill S/.)/ CDBCRP-NR balance (Millions of S/.		283 18 298	283 20 007	283 14 844	283 12 118	283 9 779	0 6 483	0 6 483	0 6 483	0 6 483	
	do Mill.S/.) / CDRBCRP balance (Millions of S/.)  o Mill. S/.) / repos (Balance millions of S/.)	0	0	0	0	2 915 7 383	2 915 5 959	3 590 4 389	3 590 4 589	3 990 5 412	3 990 5 412	
	TAMN / Average lending rates in domestic currency Préstamos y descuentos hasta 360 días / Loans & discount	22,27 13,24	23,87 13,31	23,75 13,78	24,34 14,44	24,06 14,82	23,55 15,31	22,87 15,31	22,95 15,36	23,12 15,44	23,04 15,25	
Tasa de interés (%) Interest rates (%)	Interbancaria / <i>Interbank</i> Preferencial corporativa a 90 días / Corporate <i>Prime</i>	4,99 5,60	5,21 5,59	5,68 6,27	6,43 7,18	6,60 7,81	6,54 7,55	6,52 7,52	6,55 7,52	6,54 7,52	6,54 7,44	
	Operaciones de reporte con CDBCRP / CDBCRP repos Créditos por regulación monetaria / Rediscounts ***	s.m. 5,75	s.m. 6,00	s.m. 6,50	s.m. 7,25	6,90 7,25	6,80 7,25	7,02 7,25	7,01 7,25	6,96 7,25	6,96 7,25	
	Del saldo de CDBCRP / CDBCRP balance Del saldo de depósitos a Plazo/ Time Deposits	5,46	5,70 5,96		5,84 5,96	5,82 5,96	5,85 5,96	5,87 s.m.	5,87 s.m.	5,87 s.m.	5,87 s.m.	
Moneda extranjera / foreign cu	Del saldo de CDBCRP-NR/CDBCRP-NR balance		5,56	6,08		6,39	6,38	6,27	6,27	6,27	7,27	-
	(Var. % mensual) / (% monthly change) (Var. % últimos 12 meses) / (% 12-month change)	3,8 32,0	0,6 32,6	27,6	27,9	2,2 28,1	2,0 21,9					
Superávit de encaje promedio	Var.% acum. en el mes) / TOSE balance (% change)  (% respecto al TOSE)Average reserve surplus (% of TOSE)	6,1 0,3	-0,8 0,1	0,6		1,2 0,6	-1,2 0,7	-0,8 0,6	-1,1 0,4	-1,1 1,0	-1,1 1,0	_
	etaria (millones de US dólares) / Rediscounts TAMEX / Average lending rates in foreign currency	10,46	10,31	11,03		10,73	10,68	10,42	10,44	10,41	10,55	_
Tasa de interés (%) Interest rates (%)	Préstamos y descuentos hasta 360 días / Loans & discount Interbancaria / Interbank	9,68 5,92	9,76 7,32	4,28		10,18 3,21	10,20 0,91	9,78 0,10	9,78 0,06	9,71 0,01	9,86 1,01	
	Preferencial corporativa a 90 días / Corporate Prime  Créditos por regulación monetaria / Rediscounts ****	6,41 s.m.	8,02 s.m.	8,42 s.m.	6,49 s.m.	6,77 s.m.	5,39 s.m.	4,84 s.m.	4,84 s.m.	4,84 s.m.	5,09 s.m.	_
INDICADORES BURSÁTILES	Compras con compromiso de recompras en ME (neto)  / STOCK MARKET INDICES	Acum.	Acum.	Acum.	Acum.	6,55 Acum.	6,63 Acum.	s.m.	s.m.	s.m.	s.m.	_
Índice General Bursátil (Var. %) Índice Selectivo Bursátil (Var. %	/ General Index (% change)	-4,0 -5,5	-1,9 -0,4		-15,8 -16,1	-37,3 -39,7	5,0 7,4	0,3 0,6	0,0 0,3	0,4 0,9	-4,8	_
Monto negociado en acciones (M INFLACIÓN (%) / INFLATION	lill. S/.) - Prom. diario	161,3	47,2		36,0	77,2	82,7	13,0	16,8	17,5		_
Inflación mensual / Monthly		0,45	1,04	0,77	0,57	0,61	0,31			ſ	0,36	
Inflación últimos 12 meses / % I GOBIERNO CENTRAL (Mill. S	2 months change (i.)   CENTRAL GOVERNMENT (Mills. of S/.)	3,93	5,55	5,71	6,22	6,54	6,27				6,65	
Resultado primario / Primary ba Ingresos corrientes / Current rev	lance	-2 534 4 953	1 759 5 167	1 463 5 561	1 201 5 870	1 049 5 674	816 4 778					
Gastos no financieros / Non-fina	ncial expenditure	7 527	3 430		4 681	4 680	3 964					
Balanza Comercial / Trade balan	s. US\$) / FOREIGN TRADE (Mills. of US\$) ace	1 019	564		-15	-293	37					
Exportaciones / Exports Importaciones / Imports		2 822 1 802	2 760 2 195		2 732 2 748	2 436 2 729	2 075 2 039					
	(Índice 1994=100) / GROSS DOMESTIC PRODUCT s del año anterior / Annual rate of growth (12 months)	10.0		12.1	0.0	0.5						
	onales / International Quotations	10,1 Prom.	6,2 Prom.	12,1 Prom.	9,9 Prom.	8,7 Prom.	Prom.				Prom.	
LIBOR a tres meses (%) / LIBOR Dow Jones (Var %) / (% change	)	4,97 -0,16	2,78 0,07	2,77 -10,57	3,12 -5,30	4,04 -14,06	2,31 -5,32	1,44 -0,37	1,44 2,17	1,43 1,25	1,79 -0,60	-
Rendimiento de los U.S. Treasur Stripped spread del EMBI+ PER	ies (10 años) / U.S. Treasuries yield (10 years) Ú (pbs) / EMBI+ PERU stripped spread (basis points ) *****	4,10 175	3,48 221	4,08 160	3,68 255	3,78 502	3,52 478	2,13 515	2,06 510	2,10 513	2,39 526	_
* Incluye depósitos de Promcepri,	Fondo de Estabilización Fiscal (FEF), Cofide, fondos administrados p RP utiliza los depósitos a plazo en moneda nacional como instrumento	or la ONP;	y otros o									