



Indicators

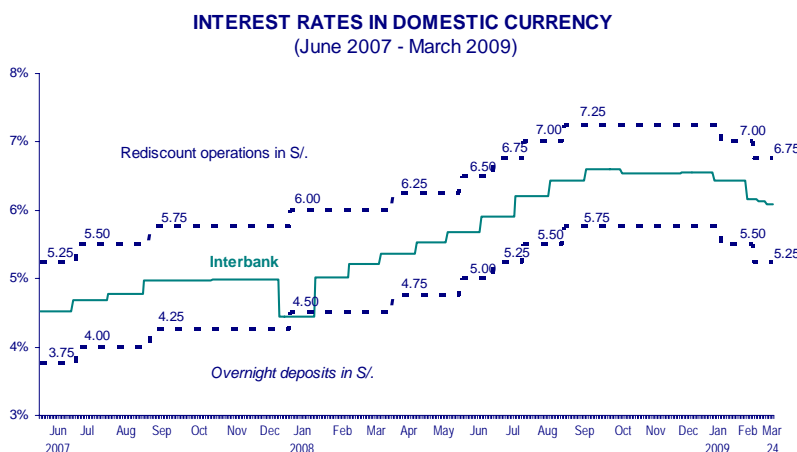
- NIRs amounted to US\$ 30,146 million on March 24
- Interbank interest rate at 6.09 percent on March 24
- Exchange rate: S/. 3.138 per dollar on March 24
- Non Financial Public Sector deficit: S/. 644 million in February
- Country risk at 418 bps on March 24
- LSE grew 30.6 percent as of March 24

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Interbank interest rate at 6.09 percent

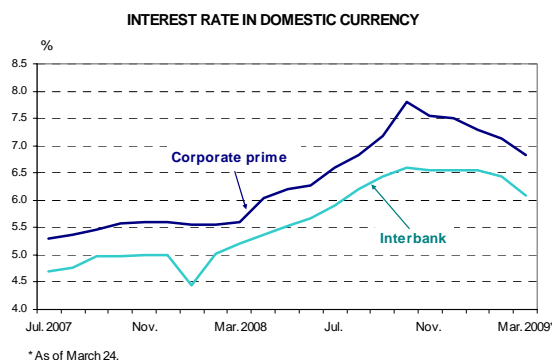
On March 24, the interbank interest rate in domestic currency was 6.01 percent. So far in March, the average daily interbank interest rate was 6.09 percent, lower than the average rate of February (6.44 percent).



| | Interbank interest rate (percent) | |
|---------------|-----------------------------------|------|
| | Average | SD |
| 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 2009 | 6.55% | 0.15 |
| February | 6.44% | 0.32 |
| March 24 | 6.09% | 0.15 |

Interbank corporate rate in nuevos soles decreased to 6.69 percent

Between **March 17 and 24, 2009**, the daily average of the 90-day corporate rate in domestic currency decreased from 6.89 to 6.69 percent, while this rate in dollars fell from 3.18 to 3.01 percent.

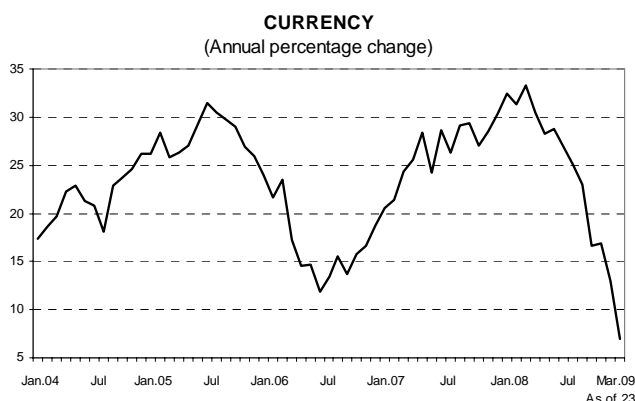


Monetary operations

Between **March 18 and 24, 2009** the BCRP made the following monetary operations: i) auctions of temporary purchases of 1-day, 3-day, 1-week and 1-month securities for a daily average of S/. 1,202.4 million. The average interest rate on these operations, which amounted to S/. 5,739.1 million, was 6.03 percent; and ii) Net swaps auctions in foreign currency of 1-week and 1-month for a daily average of S/. 236 million. The interest rate on these operations was 6.03 percent; and iii) overnight deposits in domestic currency for a total of S/. 1,487.3 million.

Demand for currency

Between March 17 and 23, **currency in circulation** drop S/. 195 million, reflecting the seasonal return of currency after the school campaign in February. So far this year, currency in circulation has shrank by S/. 1,588 million, as a result of which currency has accumulated a growth rate of 7 percent in the last 12 months –lower than the growth rate observed in February (13 percent) and January (16.9 percent).



BCRP OPERATIONS

(Millions of nuevos soles)

| | FLOWS | | STOCKS | | |
|---|---------------------|-------------------|----------------|----------------|----------------|
| | From 03/17 to 03/23 | Annual Cummulated | Dec-31-08 | Feb-28-09 | Mar-23-09 |
| I. NET INTERNATIONAL POSITION | 2,058 | -2,702 | 67,087 | 64,437 | 64,045 |
| (Millions of US\$) | 657 | -838 | 21,365 | 19,827 | 20,527 |
| A. Foreign Exchange Operations | 378 | -846 | | | |
| 1. Over the counter operations | 0 | -1,149 | | | |
| 3. Net swaps auctions in FC | 378 | 378 | | | |
| 4. Public Sector | 0 | -63 | | | |
| 5. Other operations | 0 | -12 | | | |
| B. Rest of Operations | 279 | 8 | | | |
| II. NET INTERNAL ASSETS | -2,252 | 1,114 | -49,751 | -48,028 | -48,297 |
| A. Monetary operations | -1,448 | -526 | -37,346 | -36,472 | -37,879 |
| 1. Sterilization | -310 | -1,153 | -42,759 | -44,349 | -43,918 |
| a. Public Sector Deposits in soles | -538 | -1,404 | -23,568 | -24,069 | -24,972 |
| b. BCRP Certificates of Deposit (CDBCRP) | 0 | 3,849 | -7,721 | -3,872 | -3,872 |
| c. BCRP Indexed Certificates of Deposit (CDR) | 0 | -6,491 | -4,425 | -10,351 | -10,916 |
| d. BCRP Certificates of Deposit with restricted negotiation | 0 | 3,019 | -6,483 | -5,526 | -3,464 |
| f. Overnight Deposits | 237 | -212 | -23 | -78 | -235 |
| g. Other operations | -9 | 86 | -538 | -453 | -459 |
| 2. Injection | -1,138 | 627 | 5,412 | 7,877 | 6,039 |
| a. Repos | -1,138 | 627 | 5,412 | 7,877 | 6,039 |
| b. Rediscount operations | 0 | 0 | 0 | 0 | 0 |
| B. Reserve Requirements in DC ** | 71 | 1,141 | -4,975 | -3,314 | -3,834 |
| C. Rest | -875 | 500 | | | |
| III. CURRENCY ** | -195 | -1,588 | 17,336 | 16,408 | 15,748 |
| (Monthly percentage change) | | | 9.4% | 0.3% | -4.0% |
| (Acumulated percentage change) | | | 16.7% | -5.3% | -9.2% |
| (YoY) | | | 16.6% | 13.0% | 7.0% |
| MEMO | | | | | |
| BCRP Certificates Stocks net of Repos | | | 13,217 | 11,872 | 12,213 |
| BCRP Certificates Stocks net of Repos of banking system | | | 8,798 | 9,856 | 10,551 |
| Disposable BCRP Certificates Stocks of banking system | | | 8,620 | 9,616 | 10,390 |

* As of March 23, 2009

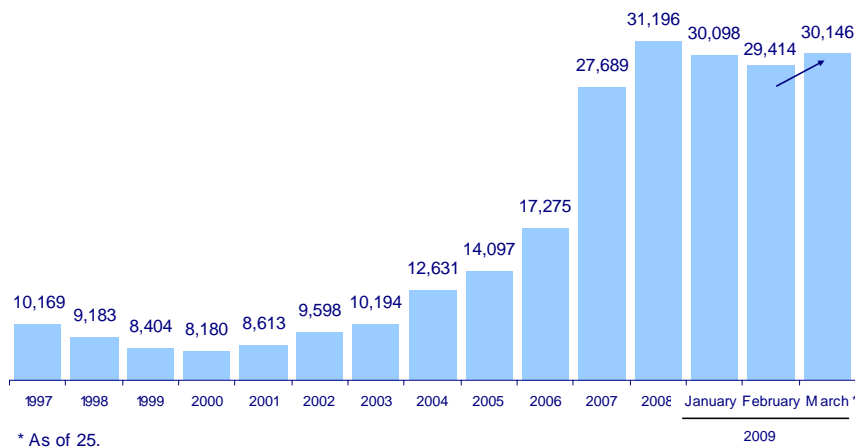
** Preliminary data

International reserves amounted to US\$ 30,146 million

During this month the net international reserves (NIRs) has recover and amounted over US\$ 30 billion. As of **March 25**, the NIRS amounted to US\$ **30,146** million, US\$ 734 million higher the end of February. This level of NIRs is equivalent to 13 months of imports, to 4.8 times the monetary base and to 1.6 public external debt.

Moreover, the international investment position of the BCRP on March 25 was US\$ 20,455 million, US\$ 629 million higher than the end of February.

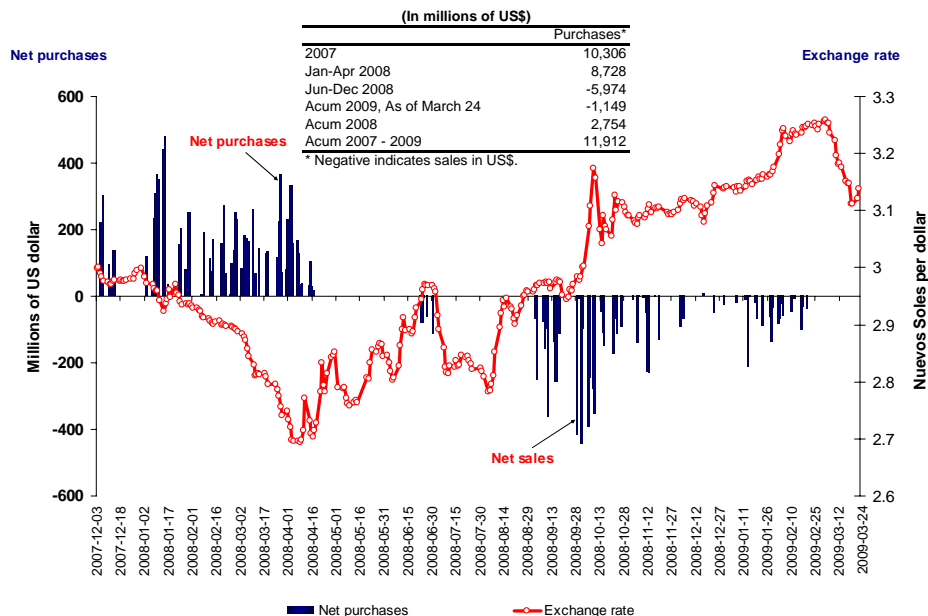
NET INTERNATIONAL RESERVES ACCUMULATED
(Millions of US\$)



Exchange rate: US dollar traded at S/. 3.138

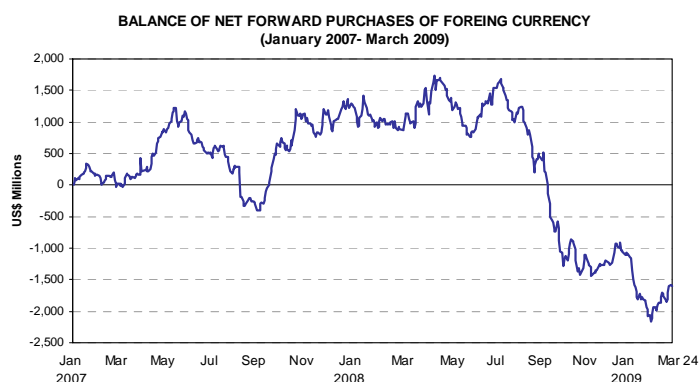
Between **March 17 and 24, 2009**, the average interbank ask price of the dollar fell from S/. 3.148 to S/. 3.138 per dollar, which represented an appreciation of the nuevo sol of 0.33 percent. In this period the BCRP did not intervene in the exchange market. So far this month, the nuevo sol has appreciated 3.47 percent compared to end February.

EXCHANGE RATE AND NET DOLLAR PURCHASE



Between March 17 and 24, banks' balance of net forward purchases of foreign currency increased by US\$ 245.2 million.

During March, the balance of net forward purchases accumulated an increase of US\$ 333.8 million.



Liquidity and credit to the private sector as of February 28

In the last four weeks, liquidity in **domestic currency** increased 1.6 percent (flow of S/. 884 million) and reached a balance of S/. 55,796 million (last 12-month growth of 13.9 percent). Credit to the private sector in domestic currency grew 1.5 percent (S/. 724 million) and reached a balance of S/. 50,287 million (last 12-month growth of 44.1 percent).

Liquidity in **foreign currency** increased 1.0 percent (US\$ 154 million), thus reaching a balance of US\$ 15,702 million (last 12-month growth of 27.5 percent). Credit to the private sector in foreign currency declined 0.8 percent (negative flow of US\$ 138 million), reaching a balance of US\$ 16,712 million (last 12-month growth of 12.7 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 |
| 2007 | | | | | | | | | | |
| Dec. | 14.3% | 28.2% | 5.2% | 33.6% | 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% | 2.3% | 40.7% | 8.2% | 18.3% | 2.6% | 25.9% |
| Oct. | 3.4% | 36.8% | -0.1% | 36.5% | 5.6% | 46.0% | 8.6% | 26.4% | 2.1% | 25.9% |
| Nov. | -4.1% | 28.3% | -0.1% | 29.4% | 4.5% | 46.8% | -2.7% | 21.0% | 1.7% | 19.9% |
| Dec. | 11.8% | 25.5% | 2.9% | 26.5% | 2.6% | 46.4% | 0.2% | 18.1% | 0.1% | 16.7% |
| 2009 | | | | | | | | | | |
| Jan. | -9.5% | 20.7% | -3.5% | 19.9% | 1.5% | 45.4% | 0.7% | 20.7% | -0.6% | 14.0% |
| Feb. | -2.3% | 10.1% | 1.6% | 13.9% | 1.5% | 44.1% | 1.0% | 27.5% | -0.8% | 12.7% |
| Memo: | | | | | | | | | | |
| Balance as of Jan. 31. (Mill.S/.or Mill.US\$) | 20,189 | | 54,911 | | 49,563 | | 15,548 | | 16,850 | |
| Balance as of Feb. 28. (Mill.S/.or Mill.US\$) | 19,724 | | 55,796 | | 50,287 | | 15,702 | | 16,712 | |

Economic deficit of S/. 644 million in February 2009

The operations of the Non-Financial Public Sector (NFPS) showed a deficit of S/. 644 million in February. This deficit, which is higher than the one recorded in the same period last year (S/. 515 million), is explained by the central government's higher non-financial expenditure (S/. 480 million), including both capital and current expenditure (up 76.6 percent and 1.5 percent in real terms, respectively). On the other hand, lower current revenue (down S/. 321 million) resulting mainly from the decline of tax revenues (10.7 percent) also contributed to this result.

NON FINANCIAL PUBLIC SECTOR OPERATIONS 1/ (Millions of nuevos soles)

| | January | | | February | | |
|--|---------------|---------------|--------------|---------------|---------------|--------------|
| | 2008 | 2009 | Real % Chg. | 2008 | 2009 | Real % Chg. |
| I. Central Government Primary Balance (1-2) | 3,018 | 1,591 | | 1,039 | 234 | |
| 1. Total Revenues (a+b) | 6,033 | 5,445 | -15.3 | 4,623 | 4,296 | -11.9 |
| a. CURRENT REVENUES | 5,970 | 5,380 | -15.4 | 4,614 | 4,293 | -11.8 |
| <i>Tax revenue</i> | 5,036 | 4,861 | -9.4 | 3,948 | 3,720 | -10.7 |
| <i>Non tax revenue</i> | 934 | 519 | -47.8 | 665 | 573 | -18.4 |
| b. CAPITAL REVENUES | 63 | 65 | -4.4 | 9 | 4 | -62.7 |
| 2. Non Financial Expenditure | -3,015 | -3,854 | 20.0 | -3,583 | -4,063 | 7.5 |
| Current | -2,908 | -3,692 | 19.2 | -3,296 | -3,528 | 1.5 |
| <i>Wages</i> | -1,185 | -1,103 | -12.6 | -1,263 | -1,353 | 1.6 |
| <i>Good and services</i> | -474 | -590 | 17.0 | -720 | -830 | 9.3 |
| <i>Transfers</i> | -1,250 | -1,999 | 50.1 | -1,313 | -1,344 | -3.0 |
| Capital | -106 | -162 | 43.0 | -287 | -535 | 76.6 |
| <i>Investments</i> | -99 | -120 | 13.5 | -237 | -343 | 37.4 |
| <i>Others</i> | -7 | -43 | 433.0 | -50 | -192 | 260.9 |
| II. Other | 188 | 1,135 | | -142 | 52 | |
| <i>Local governments</i> | 11 | 178 | | -29 | -139 | |
| <i>State Companies</i> | -62 | 619 | | -48 | 231 | |
| <i>Rest of entities 2/</i> | 239 | 338 | | -66 | -41 | |
| III. NFPS Primary Balance (I+II) | 3,207 | 2,726 | | 897 | 286 | |
| IV. Interests | -434 | -353 | -23.7 | -1,026 | -930 | -14.1 |
| External | -283 | -251 | -16.8 | -344 | -294 | -19.0 |
| Domestic | -151 | -102 | -36.6 | -683 | -636 | -11.7 |
| V. Overall Balance (III-IV) | 2,772 | 2,372 | | -129 | -644 | |

1/ Preliminary.

2/ Includes: Regulators and Registration Offices, ONP, EsSalud, Welfare Societies, FCR, and Fonahpu.

The operations of the central government recorded an economic deficit of S/. 686 million, which represented a deterioration of S/. 784 million compared with the result recorded in February 2008, with lower current revenue (11.8 percent) and higher non-financial expenditure (7.5 percent) accounting for this. Excluding transfers to other public entities, non-financial expenditure grew by a real 9.4 percent.

The current revenue of the central government (S/. 4,293 million) declined 11.8 percent in real terms relative to the same month last year, due to lower collection of both tax and non-tax revenues. Recording four months of contraction, tax revenues (S/. 3,720 million) dropped 10.7 percent in real terms, mainly due to lower revenues from the income tax (19.5 percent). This lower collection of income tax is basically associated with lower revenues from corporate income tax, especially due to the lower incomes of mining companies as a result of the lower international prices of metals and the lower international demand associated with the international financial crisis.

CENTRAL GOVERNMENT OPERATIONS (Millions of Nuevos soles)

| | February | | | January - February | | |
|---|--------------|-------------|------------|--------------------|--------------|------------|
| | 2008 | 2009 | Real %chg. | 2008 | 2009 | Real %chg. |
| 1. CURRENT REVENUES | 4,614 | 4,293 | -11.8 | 10,583 | 9,673 | -13.8 |
| A. Tax revenue | 3,948 | 3,720 | -10.7 | 8,984 | 8,581 | -10.0 |
| B. Non tax revenue | 665 | 573 | -18.4 | 1,599 | 1,092 | -35.6 |
| 2. NON-FINANCIAL EXPENDITURE | 3,583 | 4,063 | 7.5 | 6,598 | 7,917 | 13.2 |
| A. Non financial expenditure net to the Transfers | 2,884 | 3,328 | 9.4 | 5,240 | 6,228 | 12.2 |
| - Non financial current expenditure | 2,631 | 2,921 | 5.2 | 4,892 | 5,672 | 9.4 |
| - Capital expenditure | 253 | 407 | 52.7 | 348 | 556 | 51.0 |
| B. Transfers to other public entities | 699 | 735 | -0.4 | 1,359 | 1,689 | 17.3 |
| - Non financial current expenditure | 665 | 607 | -13.5 | 1,313 | 1,548 | 11.2 |
| - Capital expenditure | 34 | 127 | 253.8 | 45 | 141 | 193.5 |
| 3. CAPITAL REVENUES | 9 | 4 | -62.7 | 73 | 68 | -11.7 |
| 4. PRIMARY BALANCE | 1,039 | 234 | | 4,058 | 1,824 | |
| 5. INTEREST PAYMENTS | 941 | 919 | | 1,349 | 1,253 | |
| 6. OVERALL BALANCE | 98 | -686 | | 2,709 | 572 | |
| 7. NET FINANCING | -98 | 686 | | -2,709 | -572 | |
| 1. External | -279 | -137 | | -1,783 | -229 | |
| A. Disbursements | 508 | 129 | | 558 | 137 | |
| B. Amortizations | -787 | -266 | | -2,342 | -367 | |
| 2. Domestic | 161 | 823 | | -945 | -343 | |
| 3. Privatization | 19 | 0 | | 20 | 0 | |

Source: MEF and SUNAT.

Non-financial expenditure net of transfers to other public entities (S/. 3,328 million) increased by a real 9.4 percent, with current expenditure (S/. 2,921 million) accounting for 5.2 percent of this increase. By groups of expenditure, spending in goods and services grew 9.3 percent; transfers to the private sector (including *Programa Nacional Wawa Wasi*, the food and nutrition *Programa de Apoyo Directo a los más Pobres*, and contributions and assistance to private institutions, among other transfers) increased 7.8 percent, and expenditure in remunerations increased 1.6 percent. Moreover, capital expenditures grew 52.7 percent due to the increase recorded in gross capital formation (37.4 percent).

International Markets

Country risk at 418 basis points

Between March 17 and 24, the average country risk –measured by the **EMBI+ Peru** spread– increased from 399 to 418 basis points, showing a similar evolution to the one seen in the region’s spread, which increased slightly.

The spreads of emerging debt increased despite the positive impulse derived from the FED’s announcement that it will buy long term debt in the next six months.

COUNTRY RISK INDICATORS

(January 2007 - March 2009)



| Level | Variation in basis points | | |
|-------|---------------------------|---------|--------|
| | Weekly | Monthly | Annual |
| 418 | 19 | 1 | 193 |

Price of copper rose to US\$ 1.77 the pound

In the same week, the price of **copper** increased from 4.0 percent to US\$ 1.77 the pound.

Key factors influencing this increase included expectations of a recovery of global demand due to the economic rescue plan implemented in the United States and the tightness of supply (reduction of production of copper concentrates in Australia and of refined copper in Europe). The price of copper was also favored by data showing a strong increase of China’s imports of refined copper.

COPPER PRICE

(cUS\$/pound) (January 2007 - March 2009)



| Mar 24, 09 | Percentage change | | |
|-------------------|-------------------|---------|--------|
| | Weekly | Monthly | Annual |
| US\$ 1.77 / pound | 4.0 | 22.6 | -49.8 |

Between March 17 and 24, the price of **gold** increased 0.6 percent and posted US\$ 924.1 per troy ounce.

This increase in the price of gold was associated with the depreciation of the dollar against the euro and with renewed concerns that inflation might rebound as a result of the higher injections of liquidity into the economy.

GOLD PRICE

(US\$/ troy ounce) (January 2007 - March 2009)



| Mar 24, 09 | Percentage change | | |
|-------------------------|-------------------|---------|--------|
| | Weekly | Monthly | Annual |
| US\$ 924.1 / troy ounce | 0.6 | -5.2 | 0.1 |

In the same period of analysis, the price of **zinc** fell 0.3 percent to US\$ 0.55 the pound.

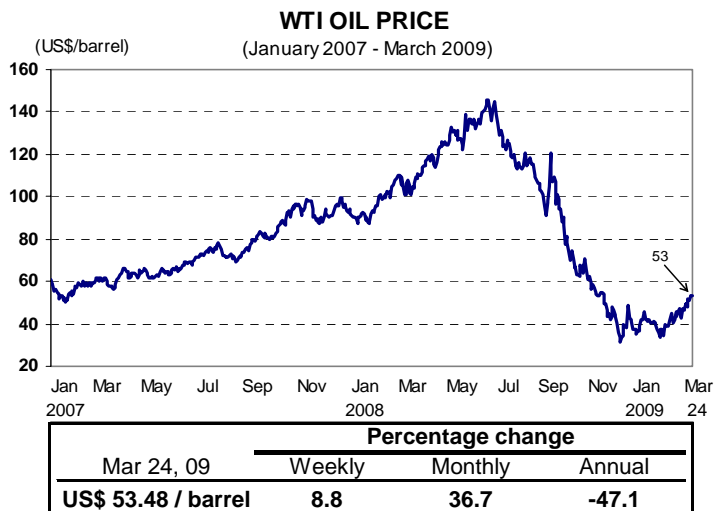
The price of this basic metal was affected by the increase of inventories at the London Metal Exchange, which indicates a greater weakness of demand.

This higher accumulation of stocks offset the better prospects of demand after the FED announced that it will purchase bonds.



The price of **WTI oil** rose 8.8 percent between March 17 and 24, reaching US\$ 53.5 per barrel.

The main factors contributing to this rise increase included expectations of a recovery of global demand (generated by the US rescue plan) and to the lower production reported in Mexico, Russia and the North Sea. Moreover, speculations about production interruptions in Brazil and Nigeria also contributed to that.

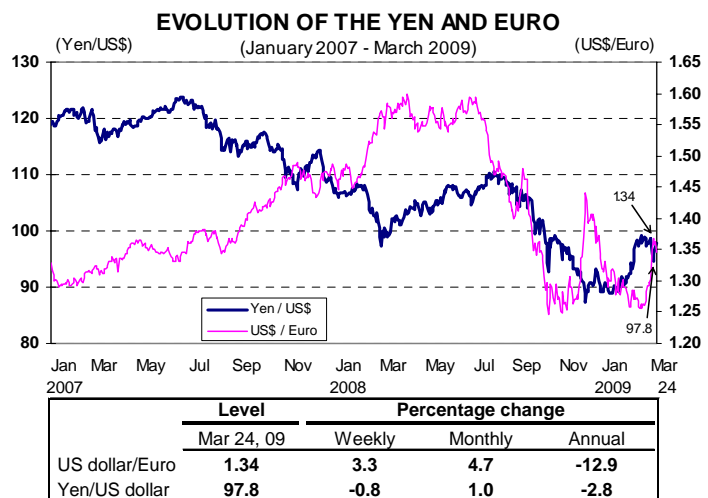


Dollar depreciated against the euro and yen

Between March 17 and 24, the **dollar** depreciated 3.3 percent against the **euro**.

The evolution of the US currency was explained by the negative news on the FED plan to purchase long-term US Treasury bonds, leading to an excess of currency supply.

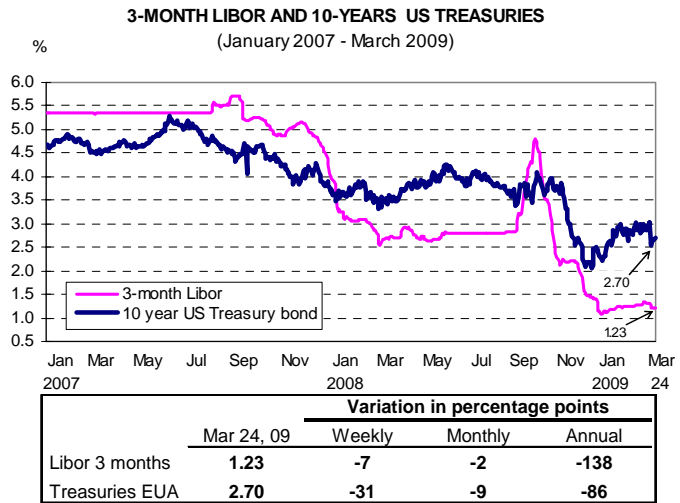
The dollar depreciated 0.8 percent against the **yen**.



Yield on 10-year US Treasuries decreased to 2.70 percent

Between March 17 and 24, the **3-month Libor** decreased from 1.30 to 1.23, while the yield on the **10-year Treasury bond** decreased from 3.01 to 2.70 percent.

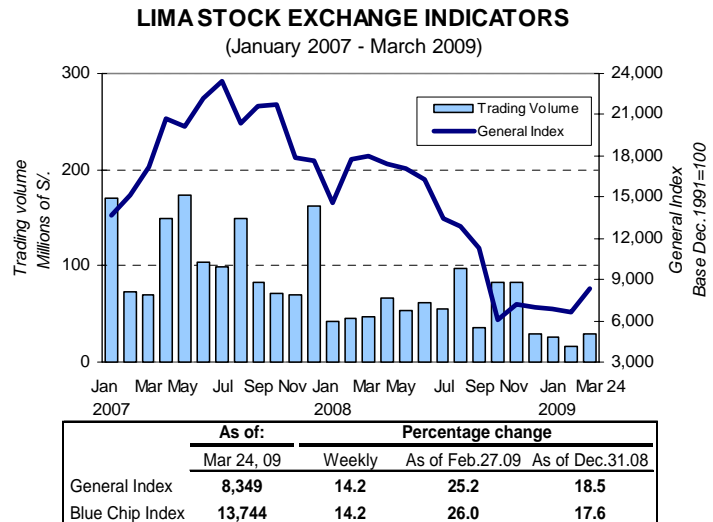
The yield of US Treasuries was produced amid the announcement that the FED will purchase long-term US Treasury bonds, to boost the US economy.



Lima Stock Exchange has increased 30.6 percent as of March 24, 2009

So far this month (until March 24), the **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) have increased 30.6 and 30.3 percent, respectively.

Moreover, in the week of analysis (March 17 to 24), both the General and Blue Chip indices increased 14.2 percent, due to the improvement of the international price of the metals and the good results of the stocks indices in the world, amid news that the FED will purchase long-term US Treasury bonds.



So far this year, the LSE indices have accumulated gains of 18.5 and 17.6 percent, respectively.

