




Indicators

-  GDP grew 1.8 percent in Q1-2009
-  NIRs amounted to US\$ 31,043 million on May 26
-  Interbank interest rate at 4.33 percent
-  Exchange rate: US dollar at S/. 3.005
-  Economic surplus of S/ 1,748 million in April
-  Country risk at 276 bps.
-  LSE grew 29.0 percent

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MACROECONOMIC REPORT: Q1-2009

GDP grew 1.8 percent in Q1-2009

In a context of a strong slowdown of the global economy and with many countries showing negative growth rates between Q4-2008 and Q1-2009, **Peru's GDP grew 1.8 percent in Q1-2009.**

Conditions of lower demand translated also into a slowdown of private spending in consumption and investment, as well as into firms' reduction of stocks in order to adjust to the new market conditions. As a result of this, domestic demand contracted 0.8 percent in Q1.

GROSS DOMESTIC PRODUCT BY EXPENDITURE
(Annual growth rates)

	Weighted 2008	2008					Year	2009 I Q.
		I Q.	II Q.	III Q.	IV Q.			
Domestic demand 2/	103.8	11.9	14.6	13.7	9.1	12.3	-0.8	
a. Private consumption	67.4	8.4	9.3	9.2	8.0	8.7	3.7	
b. Public consumption	8.1	3.0	3.5	2.4	-1.0	1.8	8.2	
c. Gross domestic investment	28.3	25.3	34.2	30.1	15.4	25.9	-14.5	
Gross fixed investment	27.0	23.7	37.1	31.8	21.2	28.1	4.0	
- Private investment	22.7	19.7	34.0	28.0	21.0	25.6	1.8	
- Public investment	4.3	68.8	60.2	56.8	21.7	42.8	22.2	
Exports	19.7	14.1	11.4	6.5	2.1	8.2	-3.0	
<i>Minus:</i>								
Imports	23.4	21.4	26.3	19.0	14.1	19.9	-13.7	
GDP	100.0	10.3	11.8	10.9	6.5	9.8	1.8	
<i>Memo:</i>								
Public expenditure	12.4	14.6	16.7	17.0	7.3	13.1	11.8	
Private expenditure non inventories	90.0	10.8	14.3	13.7	11.2	12.5	3.2	
Domestic demand non inventories	102.5	11.2	14.6	14.1	10.6	12.6	4.1	

1 / Preliminary data. Updated information by INEI on May 28, 2009.

2 / The domestic demand is obtained from information GDP of INEI and the exports and imports of goods and services and their respective deflators calculated by the Central Bank.

The pace of growth of **private consumption** slowed down from 8.0 percent in Q4-2008 to 3.7 percent in Q1-2009, reflecting the lower growth of **national disposable income** and employment, as well as less favorable consumer expectations.

After having recorded two-digit growth rates for 15 consecutive quarters, **private investment grew 1.8 percent** in Q1. This result would be reflecting the caution with which investors received the first news on the actual impact of the financial crisis on the local economy. However, the progress of an important portfolio of ongoing projects has not been affected by this.

Investment projects worth pointing out in the mining and hydrocarbon sector include Camisea II, which will be oriented to exporting natural gas to Mexico and the United States; Southern's expansion of Toquepala and Cuajone, and the expansion of mine Río Blanco by the Chinese mining company Río Blanco Copper in Piura; Shougang's expansion of Marcona; Yanacocha's Chaquicocha-Tantahuatay project in Cajamarca, and the onset of Chinalco's Toromocho project in Junín. Hydrocarbon projects include Pluspetrol's operations in Lot 88 (Cuzco); BPZ Energy's gas exploitation and oil exploration projects in Piura and Tumbes, and Talisman Energy's investments in lots 64 and 101 in Loreto. Investments in the energy sector include the construction of Santa Rosa (thermal power station) and El Platanal (hydroelectric plant); Enersur's installation of a third turbine in Chilca Uno, and Electrobras' construction of Inambari hydroelectric station in Madre de Dios.

Noteworthy investments in manufacturing include the expansion of cement plants (i.e. Yura, Interoceánicos, Lima, Inversiones Portland, Andino, and Otorongo); of ethanol plants (San Jacinto and Enepe), and of plants manufacturing fish conserves and frozen fish products.

Leading investments in transport and communications include Telefónica del Perú's, Telmex, América Móvil and Nextel investments in fixed and wireless telephony and in Internet. Construction projects include the construction of malls (Fallabela, Mall Aventura Plaza, Jockey Plaza, Real Plaza, and Tiendas Oechsle) and the construction of hotels (Westin Libertador in Lima and other Libertador hotels in Cuzco, as well as projects of the Mexican group Posadas e Inversiones La Rioja, both in Lima and in other cities of the country).

Public consumption grew 8.2 percent in real terms due to the higher purchases of goods and services of regional governments (16.7 percent in real terms) and the national government (16.0 percent), while **public investment** grew 22.2 percent in real terms due to higher investment expenditure in all the government levels. This was offset by the lower investment of state enterprises (9.3 percent).

Real exports declined 3.0 percent, recording their first drop in nearly 8 consecutive years of growth. Lower volumes of traditional mining exports –iron, molybdenum, tin, zinc, and lead– and of fishmeal and fish oil were observed in this quarter. On the other hand, exports of non-traditional exports showed a generalized decline since all the groups recorded lower exports, except for metal-mechanic products. The decline of exports in the iron&steel, textile, and the wood and paper groups was particularly noteworthy.

Real imports dropped 13.7 percent due to the economy's slowdown and to the process of stock reduction.

Deficit in the current account of the balance of payments declined to 1.7 percent of GDP in Q1

The **current account deficit** in Q1 was US\$ 478 million (equivalent to 1.7 percent of GDP), a result US\$ 370 million lower than the one recorded last year (2.8 percent of GDP).

The current account of the balance of payments was affected both in terms of incomes and outlays by the lower international prices of commodities as a result of the international crisis. Thus, exports and remittances recorded lower levels than in Q1-2008, while imports showed a lower pace of growth and profits in firms with foreign shareholding declined. The latter factors compensated lower incomes.

Despite having fallen 22.3 percent relative to Q1-2008, terms of trade recorded an average increase of 1.2 percent compared with Q4-2008.

BALANCE OF PAYMENT
(Millions of US\$)

	2008					2009
	I Q.	II Q.	III Q.	IV Q.	Year	I Q.
I. CURRENT ACCOUNT BALANCE	-848	-1,581	-993	-757	-4,180	-478
<i>Percentage of GDP</i>	-2.8	-4.5	-3.1	-2.5	-3.3	-1.7
1. Trade balance	1,505	920	838	-173	3,090	446
a. Exports	7,771	8,470	8,814	6,474	31,529	5,313
b. Imports	-6,265	-7,550	-7,976	-6,648	-28,439	-4,867
2. Services	-412	-446	-534	-538	-1,929	-278
a. Exports	881	864	978	912	3,637	865
b. Imports	-1,293	-1,310	-1,512	-1,451	-5,566	-1,143
3. Investment income	-2,598	-2,764	-2,020	-762	-8,144	-1,266
a. Private	-2,621	-2,804	-2,092	-740	-8,257	-1,329
b. Public	23	40	72	-22	113	63
4. Current transfers	657	709	722	716	2,803	621
of which: Workers' remittances	572	615	630	621	2,437	536
II. FINANCIAL ACCOUNT	5,655	3,104	1,049	-2,436	7,372	694
1. Private sector	4,392	2,281	1,318	-334	7,657	1,208
a. Assets	343	-245	288	-180	207	-450
b. Liabilities	4,049	2,526	1,029	-154	7,450	1,658
2. Public sector	-1,461	7	-60	110	-1,404	923
a. Assets	90	57	-71	-12	65	-45
b. Liabilities	-1,551	-51	11	122	-1,469	968
3. Short-term capital	2,724	816	-209	-2,213	1,118	-1,437
a. Assets	-817	875	630	533	1,221	127
b. Liabilities	3,540	-58	-839	-2,746	-103	-1,564
III. EXCEPTIONAL FINANCING	24	0	13	19	57	9
IV. NET ERRORS AND OMISSIONS	333	784	-398	-798	-80	-247
V. BCRP NET INTERNATIONAL RESERVES FLOW	5,164	2,307	-330	-3,972	3,169	-22
(V = I + II + III + IV)						
1. Change in Central Bank reserves	5,888	1,942	-817	-3,506	3,507	-266
2. Valuation change and monetization of gold	723	-365	-487	466	338	-244
Note:						
BCRP Assets Reserve Flow	5,887	1,942	-818	-3,499	3,512	-272

Trade balance recorded surplus of US\$ 446 million

Peru's trade balance recorded a **surplus of US\$ 446 million** in Q1-2009. This result, which represents a recovery in terms of the trade deficit of US\$ 173 million recorded in Q4-2008, partially reflects the improvement of terms of trade –that is, the relationship between export prices and import prices– which showed an increase of 1.2 percent compared with Q4-2008.

By components, the best result was observed in imports, which showed a reduction of US\$ 1,781 million. This reduction was higher than the reduction observed in exports (US\$ 1,161 million).

Compared with the surplus recorded in the same period last year, the Q1-2009 surplus was lower by US\$ 1,059 million. In percentage points, the value of exports fell 31.6 percent due to a 28.0 percent decline of the prices of our main exports, while the volume of exports dropped 5.2 percent. On the other hand, imports showed a reduction of 22.3 percent as a result of a 7.3 percent decline of import prices, while imported volumes declined 16.3 percent.

TRADE BALANCE
(FOB values in millions of US\$)

	2008					2009
	I Q.	II Q.	III Q.	IV Q.	Year	I Q.
I. EXPORTS	7,771	8,470	8,814	6,474	31,529	5,313
Traditional products	5,951	6,562	6,729	4,555	23,796	3,870
Non-traditional products	1,792	1,862	2,007	1,881	7,543	1,415
Other products	28	46	78	39	190	28
2. IMPORTS	6,265	7,550	7,976	6,648	28,439	4,867
Consumer goods	976	1,100	1,187	1,264	4,527	930
Raw materials and intermediate goods	3,438	4,026	4,157	2,933	14,553	2,057
Capital goods	1,821	2,395	2,602	2,420	9,239	1,850
Other goods	30	29	31	30	120	31
3. TRADE BALANCE	1,505	920	838	-173	3,090	446
Year-to-Year % changes: (Año 1994 = 100)						
Export Nominal Price Index	20	13.9	8.9	- 19.8	5.1	- 28.0
Import Nominal Price Index	23	29.3	27.7	6.5	21.2	- 7.3
Terms of Trade	-2	- 11.9	- 14.7	- 24.7	- 13.3	- 22.3
Export Volume Index	13	11.6	7.4	1.6	8.1	- 5.2
Import Volume Index	21	29.8	18.0	10.8	19.6	- 16.3
Export Value Index	35	27.1	16.9	- 18.4	13.1	- 31.6
Import Value Index	49	68.0	50.8	18.7	45.1	- 22.3

When both results are compared by components, we see that the prices of traditional exports fell 36.1 percent. This is mainly explained by the decline of the prices of zinc (59 percent), copper (56 percent), and oil and derivatives (53 percent) in a context of lower global demand and lower international prices. On the other hand, the prices of non-traditional exports showed a lower decline (1 percent).

When these results are compared in terms of volume, we see that despite the global economic slowdown, the volume of traditional exports increased 2 percent. This was mainly associated with larger exported volumes of coffee, copper, and gold, which compensated the lower prices of exports.

EXPORTS: I Quarter 2009: % change indices 1/

	Value	Volume	Price
Total	-31.6	-5.2	-28.0
Traditional products	-35.0	2.0	-36.1
<i>Of which:</i>			
Fishmeal	-5.0	-3.3	-2.2
Coffee	16.0	35.4	-16.6
Copper	-48.9	14.8	-55.5
Gold	5.0	7.2	-1.9
Zinc	-62.7	-9.9	-59.0
Petroleum and derivates	-54.0	-1.0	-52.5
Non-traditional products	-21.0	-20.1	-1.0
<i>Of which:</i>			
Agriculture and livestock	-11.0	-5.5	-5.9
Fishing	-15.9	-21.8	8.0
Textile	-26.5	-30.7	6.2
Chemical	-10.7	-14.6	4.8
Basic metal industries 2/	-60.4	-42.7	-30.8

1 / Corresponds to the monthly Fisher chained index of price and volume.

X: exports, M: Imports.

2 / Includes jewelry.

Moreover, the value of **imports** declined 22.3 percent compared with Q1-2008, due both to lower imported volumes (16.3 percent) and, to a lesser extent, to the lower prices of imports (7.3 percent).

The highest reduction was observed in terms of imported inputs, particularly in the case of imports of oil and derivatives, which declined both in terms of prices –the international price of West Texas Intermediate oil dropped from US\$ 97.94 in Q1-2008 to US\$ 42.95 in Q1-2009– and in terms of volumes –imported volumes declined 31.5 percent following the onset of operations at Camisea’s Lot 56 in Pagoreni (Cusco), which added to Lot 88’s production.

The value of imports of other inputs, mainly raw materials and other industrial materials, declined 24.2 percent mostly as a result of lower volumes (the volume of these imports dropped 31.2 percent) given that prices increased 9.8 percent on average. In a context of a 6.4 percent drop of production in the non-primary manufacturing sector due to a process of reduction of stocks, firms slowed down their pace of production and even gave vacations to their workers until they were able to get rid of their excess of production, like in the iron and steel industry, for instance. Thus, imports of iron and steel products dropped 53.7 percent, while imports of organic chemicals and textiles fell 37.1 percent and 27.6 percent, respectively.

The value of imports of consumer goods fell 4.7 percent due to a 7.1 percent reduction of the prices of foodstuffs and durable goods (i.e. electrical appliances) and non-durable goods (i.e. garments and shoe wear), since the volumes of these imports increased 2.6 percent on average. This conduct was associated with the growth of private consumption and employment in Q1.

IMPORTS: I Quarter 2009: % change indices

	Value	Volume	Price
Total	-22.3	-16.3	-7.3
1. Consumer goods	-4.7	2.6	-7.1
Main foodstuff 1/	-29.1	-18.9	-12.4
Rest 2/	-2.8	4.1	-6.5
2. Raw materials	-40.2	-30.7	-13.8
Main foodstuff 3/	-19.1	-9.8	-9.3
Petroleum and derivatives	-68.8	-31.5	-54.5
3. Capital goods 4/	1.0	5.1	-4.0

1/ Rice, sugar, dairy and meat.

2/ Excludes food.

3/ Wheat, maize and soybeans.

4/ Non construction materials.

Finally, imports of capital goods, excluding construction materials, grew 1.0 percent. It is worth pointing out that the volume of these imports increased 5.1 percent, while prices declined 4.0 percent. This indicator is associated with the evolution of investment, particularly private investment, and reflected in several ongoing projects developed in different economic sectors.

Positive result in the financial account: US\$ 694 million

The **financial account** of the balance of payments in Q1 was US\$ 694 million, a sum resulting from reinvestments of profits (US\$ 1,119 million), disbursements of long-term loans (US\$ 726 million), and placements of public sector bonds (US\$ 1,000 million). This result was offset by a reduction of short-term liabilities (US\$ 1,564 million).

The inflow of **long-term capitals to the private sector** in this period is mainly explained by increased **liabilities** (US\$ 1,658 million), particularly reinvestment of profits, which amounted to US\$ 1,119 million in Q1. Moreover, direct foreign investment, which included capital contributions and parent companies' net loans for a total of US\$ 273 million, was particularly noteworthy in the mining and hydrocarbon sectors.

The negative flow for short-term capitals was mainly associated with the maturity of BCRP securities (US\$ 506 million) and the amortization of short-term liabilities of the non-financial sector (US\$ 598 million). Banks reduced their assets abroad given that they reduced their external liabilities.

Non-Financial Public Sector recorded surplus of 2.2 percent of GDP

The operations of the **non-financial public sector** generated an **economic surplus of 2.2 percent of GDP**, although this result was 2.1 percentage points lower than the one recorded in the same period last year.

NON-FINANCIAL PUBLIC SECTOR OPERATIONS
(Percentage of GDP)

	2008					2009	Last 4
	I Q.	II Q.	III Q.	IV Q.	Year	I Q.	Quarters
1. General government current revenue	20.9	21.9	21.1	19.5	20.8	19.3	20.5
Real percentage change	13%	2%	11%	-1%	6%	-11%	0%
2. General government non-financial expenditure	14.3	15.2	18.3	21.2	17.3	16.6	17.8
Real percentage change	16%	20%	19%	3%	13%	12%	13%
Current expenditure	12.1	12.0	14.1	14.6	13.2	13.5	13.5
Real percentage change	10%	12%	13%	-4%	7%	8%	7%
Capital expenditure	2.2	3.2	4.2	6.6	4.1	3.1	4.3
Real percentage change	70%	64%	44%	25%	42%	35%	38%
3. General Government Capital Revenue	0.1	0.1	0.2	0.1	0.1	0.1	0.1
4. General Government Primary balance	6.7	6.8	2.9	-1.6	3.7	2.8	2.8
5. State companies Primary balance	-0.3	-0.3	0.2	0.3	0.0	1.1	0.3
6. NFPS Primary balance	6.4	6.5	3.1	-1.3	3.7	3.9	3.1
7. Interest payments	2.1	1.1	1.7	1.4	1.6	1.8	1.5
8. NFPS Overall balance	4.3	5.4	1.4	-2.7	2.1	2.2	1.6
9. Net financing	-4.3	-5.4	-1.4	2.7	-2.1	-2.2	-1.6
- External	-4.6	0.6	0.4	-0.5	-0.9	2.5	0.8
- Domestic	0.3	-6.0	-1.8	3.1	-1.2	-4.7	-2.3

The **current incomes** of the general government in Q1-2009 were equivalent to 19.3 percent of GDP, a result 1.6 of a percentage point lower than the one recorded in Q1-2008 explained mainly by the drop of the central government current incomes (from 18.0 to 16.4 percent of GDP).

The **non-financial expenditure** of the general government, equivalent to 16.6 percent of GDP, showed a real increase of 12.0 percent. This result is explained by the growth of capital spending (35.0 percent), especially due to increased gross capital formation in the central government, local governments, and EsSalud.

Economic surplus of S/. 1,748 million in April 2009

The operations of the **Non-Financial Public Sector (NFPS)** recorded an **economic surplus of S/. 1,748 million in April**. This result, which is S/. 1,795 million lower than the one recorded in the same period last year, is explained by the higher non-financial expenditure of the central government (S/. 1,272 million), as well as by lower current revenue (S/. 985 million) due mainly to a real decline of tax revenue (17.8 percent) and non-tax revenue (7.9 percent).

NON FINANCIAL PUBLIC SECTOR OPERATIONS ^{1/}

(Millions of nuevos soles)

	April			January - April		
	2008	2009	Var. % real	2008	2009	Var. % real
I. Central Government Primary Balance (1-2)	4,029	1,788		9,850	4,170	
1. Total Revenue (a+b)	7,826	6,857	-16.3	23,661	21,564	-13.5
a. Currente revenue	7,804	6,819	-16.5	23,545	21,453	-13.5
Tax revenue	6,793	5,844	-17.8	20,316	18,870	-11.8
Non tax revenue	1,011	975	-7.9	3,229	2,583	-24.1
b. Capital revenue	21	38	70.4	116	111	-8.9
2. Non Financial Expenditure	3,797	5,069	27.6	13,811	17,394	19.5
Current	3,246	3,442	1.4	12,334	14,054	8.2
Wages	1,052	1,160	5.4	4,517	4,762	0.1
Good and services	895	1,022	9.2	2,808	3,466	17.1
Transfers	1,299	1,261	-7.2	5,008	5,826	10.4
Capital	551	1,627	182.2	1,478	3,340	114.5
Gross Formation Capital	490	714	39.4	1,202	1,832	44.7
Other	61	912	1323.0	276	1,508	418.6
II. Other	-275	136		-491	1,250	
Local governments	-227	311		-380	171	
State Companies	-168	-184		-412	800	
Rest of entities ^{2/}	121	8		301	280	
III. NFPS Primary Balance (I+II)	3,755	1,924		9,359	5,420	
IV. Interests	-212	-175	-21.0	-2,059	-1,755	-19.1
External	-110	-100	-13.1	-1,021	-880	-18.2
Domestic	-102	-75	-29.5	-1,038	-874	-20.0
V. Overall Balance (III-IV)	3,543	1,748		7,300	3,665	

1/ Preliminary.

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

Source: MEF, BN, Sunat, EsSalud, public welfare agencies, state companies and public institutions.

The operations of the central government recorded an economic surplus of S/. 1,626 million, a result lower by S/. 2,224 million than the one observed in April 2008. This is explained by lower current revenues (16.5 percent) and higher non-financial expenditure (27.6 percent). Excluding transfers to other public entities, non-financial expenditure increased by a real 13.8 percent.

CENTRAL GOVERNMENT OPERATIONS

(Millions of Nuevos soles)

	April			January - April		
	2008	2009	Real %chg.	2008	2009	Real %chg.
1. CURRENT REVENUE	7,804	6,819	-16.5	23,545	21,453	-13.5
2. NON-FINANCIAL EXPENDITUI	3,797	5,069	27.6	13,811	17,394	19.6
3. CAPITAL REVENUE	21	38	70.4	116	111	-9.2
4. PRIMARY BALANCE	4,029	1,788		9,850	4,170	
5. INTEREST PAYMENTS	179	162	-13.8	1,813	1,652	-13.6
6. OVERALL BALANCE	3,850	1,626		8,037	2,518	
7. NET FINANCING	-3,850	-1,626		-8,037	-2,518	
1. External	-9	-69		-4,356	2,988	
A. Disbursements	129	118		748	3,798	
B. Amortizations	-139	-188		-5,103	-810	
2. Domestic	-3,841	-1,557		-3,681	-5,506	

Source: MEF and SUNAT.

The current revenue of the central government (S/. 6,819 million) declined 16.5 percent in real terms relative to the same month of 2008. A lower collection was recorded in terms of both tax and non-tax revenue. Tax revenue (S/. 5,844 million) dropped by a real 17.8 percent, mainly due to a lower collection of income tax (21.0 percent) and import VAT (27.5 percent).

The non-financial expenditure net of transfers to other public entities (S/. 3,480 million) grew by a real 13.8 percent, with current expenditure (S/. 2,758 million) accounting for an increase of 8.3 percent.

Remunerations increased 5.4 percent, while goods and services and transfers to the private sector increased 9.2 percent and 13.3 percent, respectively. The latter included transfers to actions oriented to improving citizen participation, to food programs for the poor (*Programa de Apoyo Directo a los más Pobres*), and contributions and assistance to private institutions.

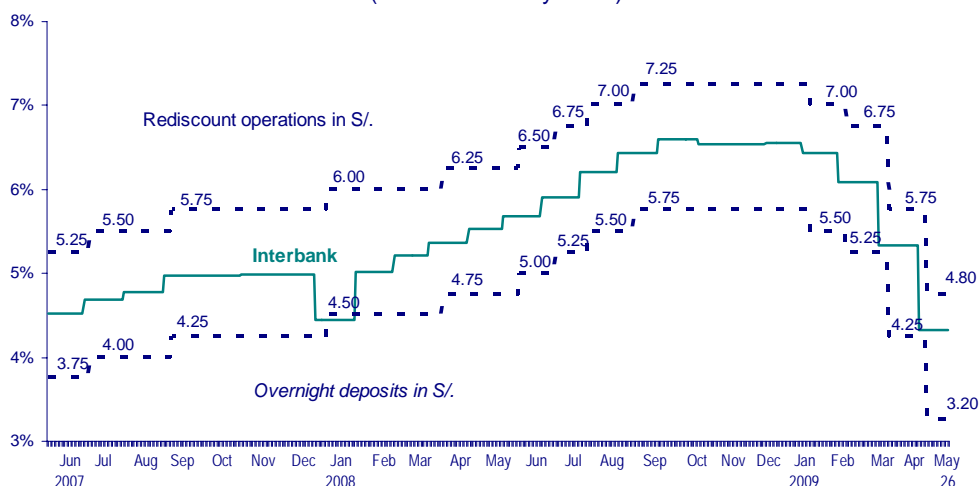
Capital expenditure grew 40.6 percent due to the increase of gross capital formation (39.4 percent).

WEEKLY REPORT

Interbank interest rate at 4.00 percent on May 26

So far this month, the average daily interbank interest rate is 4.33 percent, lower than the average rate of April (5.33 percent). On May 26, the interbank interest rate in domestic currency was 4.00 percent.

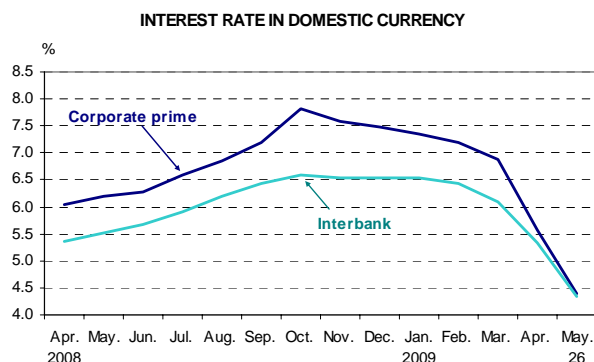
INTEREST RATES IN DOMESTIC CURRENCY
(June 2007 - May 2009)



Interbank interest rate (percent)		
	Average	SD
May 2008	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	6.08%	0.13
April	5.33%	0.47
May 26	4.33%	0.49

Corporate interest rate in nuevos soles declined to 4.20 percent

Between **May 19 and 26**, the daily average of the 90-day corporate rate in domestic currency declined from 4.34 to 4.20 percent, while this rate in dollars fell from 2.32 to 2.25 percent.

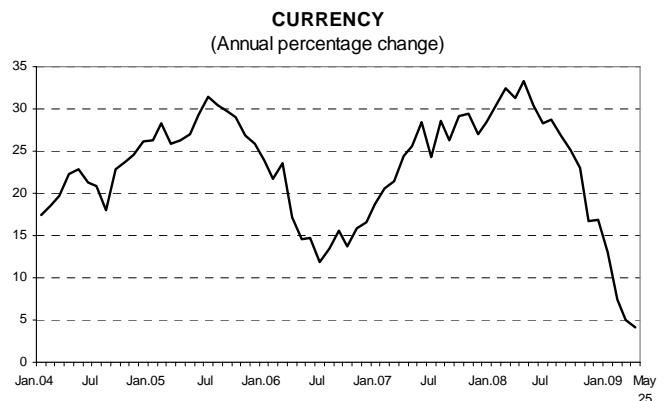


Monetary operations

Between **May 20 and 26, 2009**, the Central Bank made the following operations: i) auctions of temporary purchases of 1-day, 3-day, and 2-week securities for a daily average of S/. 187.5 million. The average interest rate on these operations, which amounted to S/. 1,989.1 million, was 4.37 percent; and ii) overnight deposits in domestic currency for a total of S/. 314.9 million.

Currency at S/. 15,716 million on May 25, 2009

Between May 19 and 25, **currency in circulation** shrank by S/. 126 million. Year-to-date, currency in circulation has shrank by S/. 1,620 million, thus recording a growth rate of 4.2 percent in the last 12 months – a lower rate than the one observed at the close of April (5 percent).



BCRP OPERATIONS
(Millions of nuevos soles)

	FLOWS			STOCKS		
	From 05/19 to 05/25	Monthly cummulated	Annual Cummulated	Dec 31, 2008	Apr 30, 2009	25-May-09
I. NET INTERNATIONAL POSITION	539	700	-2,857	67,087	60,569	61,487
(Millions of US\$)	180	238	-870	21,365	20,257	20,496
A. Foreign Exchange Operations	0	-104	-1,151			
1. Over the counter operations	0	77	-1,072			
2. Net swaps auctions in FC	0	-231	0	0	231	0
3. Public Sector	0	50	-63			
4. Other operations	0	0	-17			
B. Rest of Operations	180	342	282			
II. NET INTERNAL ASSETS	-665	-1,028	1,237	-49,751	-44,525	-45,770
A. Monetary operations	7	371	311	-37,346	-37,406	-37,035
1. Sterilization	-343	3,101	4,644	-42,759	-41,215	-38,114
a. Public Sector Deposits in soles	-782	-627	-3,573	-23,568	-26,515	-27,141
b. BCRP Certificates of Deposit (CDBCRP)	0	379	5,106	-7,721	-2,995	-2,616
c. BCRP Indexed Certificates of Deposit (CDR)	407	1,462	-849	-4,425	-6,736	-5,274
d. BCRP Certificates of Deposit with restricted negotiation	0	838	3,942	-6,483	-3,379	-2,542
e. Overnight Deposits	32	1,050	-67	-23	-1,140	-90
f. Other operations	0	0	87	-538	-451	-451
2. Injection	350	-2,730	-4,333	5,412	3,809	1,079
a. Repos	350	-2,730	-4,333	5,412	3,809	1,079
b. Rediscount operation	0	0	0	0	0	0
B. Reserve Requirements in DC **	-106	-409	1,113	-4,975	-3,452	-3,862
C. Rest	-566	-990	-187	-7,430	-3,666	-4,873
III. CURRENCY **	-126	-328	-1,620	17,336	16,045	15,716
(Monthly percentage change)				8.9%	0.6%	-2.0%
(Accumulated percentage change)				16.7%	-7.4%	-9.3%
(YoY)				16.7%	5.0%	4.2%
MEMO						
BCRP Certificates Stocks net of Repos of banking system				8,798	7,983	8,437

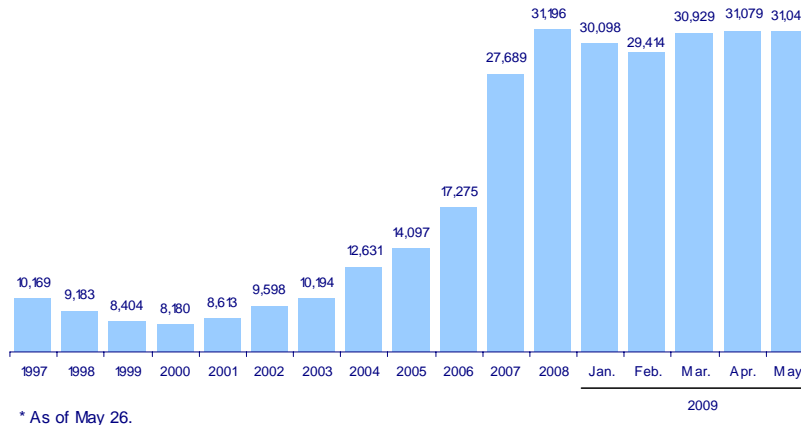
* As of May 25, 2009

** Preliminary data

International reserves amounted to US\$ 31,043 million

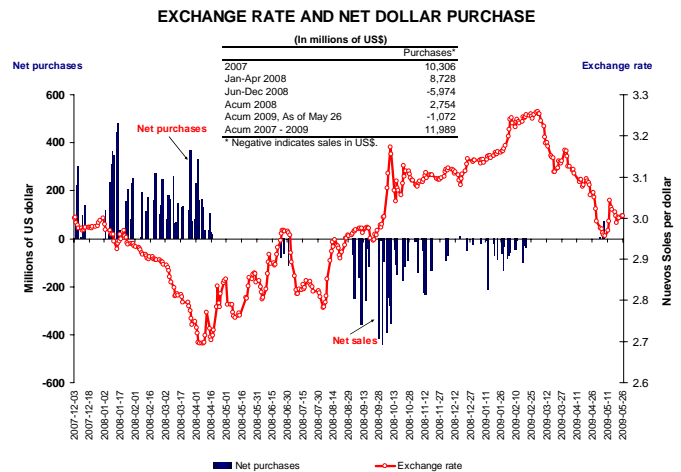
On May 26 NIRs amounted to US\$ 31,043 million. This level of NIRs, which is equivalent to 14 months of imports, 4.8 times the monetary base, and 1.6 times the foreign public debt, is US\$ 36 million lower than the one recorded at end April. On the other hand, the international investment position of the BCRP on May 26 (US\$ 20,470 million) is US\$ 212 million higher than the one recorded on April 30.

NET INTERNATIONAL RESERVES ACCUMULATED
(Millions of US\$)

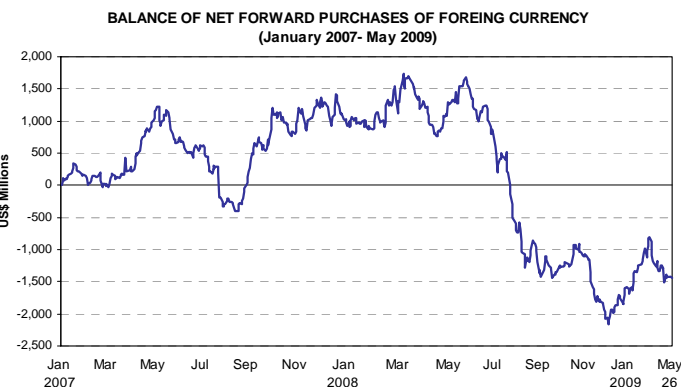


Exchange rate: US dollar at S/. 3.005

Between May 19 and 26, 2009, the average interbank ask price of the dollar remained unchanged at S/. 3.005. The BCRP has not intervened in the exchange market since May 8.



In the same period, banks' balance of net forward purchases of foreign currency increased by US\$ 3.5 million. So far this month, the balance of net forward purchases has accumulated a reduction of US\$ 231.9 million.



Credit to the private sector grew 0.9 percent

In the last four weeks, **total liquidity in the private sector** increased 1.1 percent (equivalent to S/. 1,161 million), mainly due to an increase in the soles component (S/. 867 million). As a result of this, total liquidity in the private sector accumulated a variation of 13.8 percent in the last 12 months.

Credit to the private sector grew 0.9 percent (equivalent to S/. 924 million) and accumulated an annual growth rate of 20.3 percent.

EVOLUTION OF BROAD MONEY AND CREDIT TO THE PRIVATE SECTOR												
	BROAD MONEY IN D/C		BROAD MONEY IN F/C		BROAD MONEY 1/		CREDIT IN D/C		CREDIT IN F/C		TOTAL CREDIT 1/	
	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR
2007												
Dec.	5.2%	33.6%	2.7%	18.3%	4.0%	26.0%	2.9%	37.9%	2.9%	29.5%	2.9%	33.0%
2008												
Mar.	5.2%	47.5%	0.0%	11.3%	3.0%	29.9%	2.4%	38.5%	0.7%	30.5%	1.4%	33.9%
Apr.	3.4%	55.3%	1.1%	9.2%	2.5%	32.3%	4.3%	38.8%	0.6%	29.6%	2.3%	33.6%
May.	1.1%	53.9%	-0.6%	5.8%	0.4%	29.9%	3.6%	40.5%	1.2%	29.1%	2.2%	34.1%
Jun.	1.6%	52.1%	0.7%	7.7%	1.2%	30.3%	3.8%	41.9%	1.3%	25.0%	2.4%	32.3%
Jul.	0.8%	46.8%	5.7%	11.5%	2.8%	29.7%	2.8%	41.7%	2.8%	26.9%	2.8%	33.4%
Aug.	1.1%	45.2%	2.3%	11.2%	1.6%	28.7%	2.5%	43.3%	0.3%	25.8%	1.3%	33.4%
Set.	-0.8%	44.5%	8.2%	18.3%	2.9%	31.6%	2.3%	40.7%	2.6%	25.9%	2.5%	32.4%
Oct.	-0.1%	36.5%	8.6%	26.4%	3.8%	31.7%	5.6%	46.0%	2.1%	25.9%	3.7%	34.8%
Nov.	-0.1%	29.4%	-2.7%	21.0%	-1.3%	25.5%	4.5%	46.8%	1.7%	19.9%	3.0%	31.6%
Dec.	2.3%	26.5%	-3.1%	18.1%	1.7%	22.6%	-3.8%	46.4%	2.0%	16.7%	1.3%	29.6%
2009												
Jan.	-3.2%	19.9%	0.7%	20.7%	-1.5%	20.2%	1.5%	45.4%	-0.6%	14.0%	0.4%	27.7%
Feb.	1.7%	14.0%	0.7%	27.2%	1.2%	19.7%	1.5%	44.1%	-0.8%	12.8%	0.3%	26.6%
Mar.	-0.6%	7.8%	1.2%	28.7%	0.2%	16.5%	2.0%	43.7%	-1.4%	10.5%	0.3%	25.2%
Abr.	-1.9%	2.2%	2.0%	29.8%	-0.1%	13.5%	1.2%	39.4%	-0.9%	8.8%	0.2%	22.7%
May.15	1.6%	4.8%	0.6%	25.9%	1.1%	13.8%	1.4%	38.7%	0.4%	9.5%	0.9%	20.3%
Memo:												
Balance as of Apr.15 (Mill.S/.or Mill.US\$)	54,444		15,967		102,185		51,155		16,385		100,145	
Balance as of May.15 (Mill.S/.or Mill.US\$)	55,311		16,065		103,345		51,896		16,446		101,069	

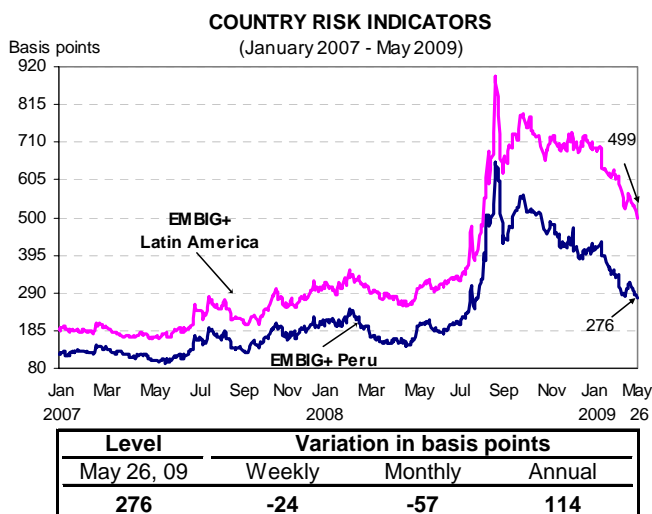
1/ Foreign-currency-denominated stocks (credit and deposits) are converted into domestic currency at the constant exchange rate in April, 2009.

International Markets

Country risk at 276 basis points

Between May 19 and 26, the country risk indicator –measured by the **EMBIG+ Peru** spread– fell from 300 to 276 basis points, showing a similar evolution to the one seen in the region’s spread, which fell 36 basis points in this period.

Lower risk aversion associated with optimism in global markets was reflected in the drop of the region’s spreads.



Gold price rose to US\$ 951.7 a troy ounce

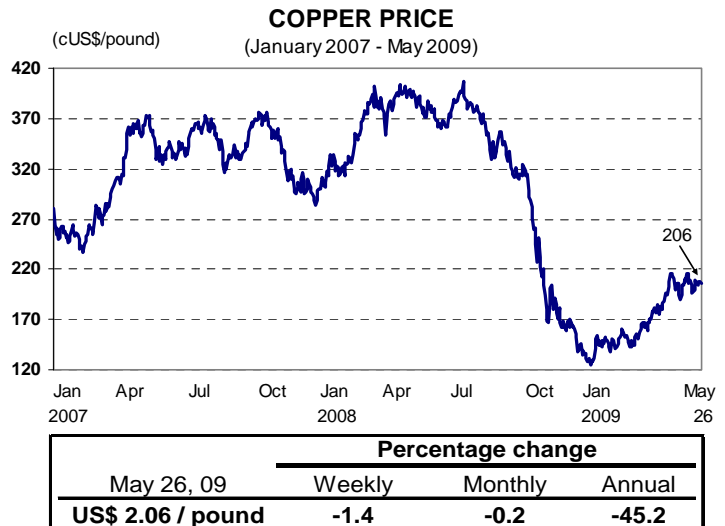
In the same period, the price of gold rose 2.8 percent to US\$ 951.7 a troy ounce.

The rise in the price of gold was associated with the weakening of the dollar against the euro and the yen. In this context, investors increased their demand for gold as a hedge asset. According to the World Gold Council, the demand for gold increased 38 percent in annual terms in Q1-2009, boosted by investors' purchases.



Between May 19 and 26, the price of **copper** fell 1.4 percent to US\$ 2.06 a pound.

A technical correction of the price of this metal following a recent climb was the factor that prevailed in the lower quote of copper. However, this price fall was partially compensated by lower inventories at the London Metal Exchange.



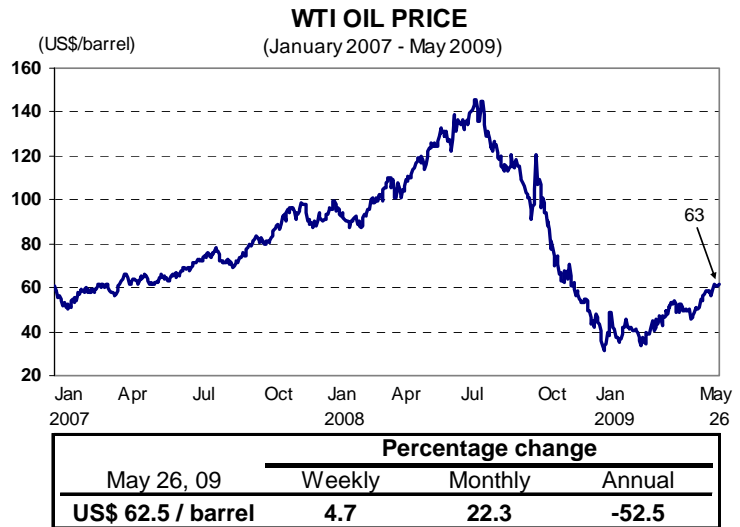
Between May 19 and 26, the price of **zinc** dropped 3.9 percent to US\$ 0.66 the pound.

A 0.7 percent increase of inventories at the London Metal Exchange (to 322,275 tons) and persistent fears about the demand for industrial metals due to uncertainty about the global economy contributed to this price drop.



The price of **WTI oil** rose 4.7 percent between May 19 and 26, and reached US\$ 62.5 the barrel.

This price rise was influenced by the decline of crude inventories in the United States for the second consecutive week. Moreover, geopolitical tensions in Nigeria after combats between the armed forces and militants escalated also reduced exports of crude from this country.

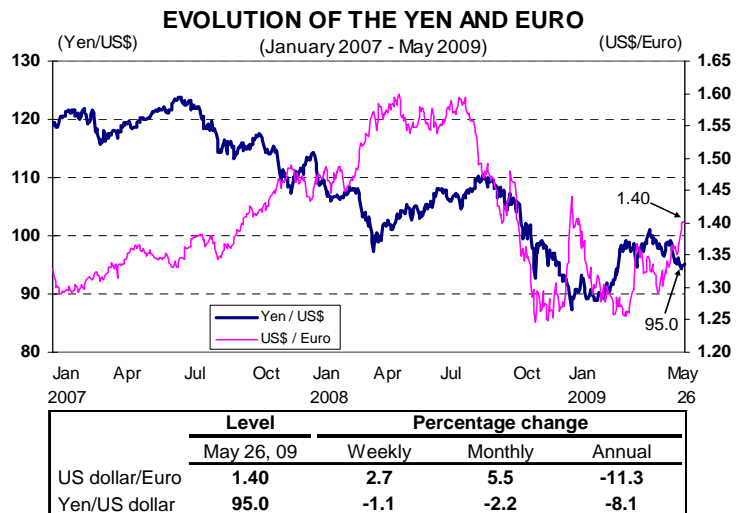


Dollar depreciated against the euro and the yen

Between May 19 and 26, the **dollar** depreciated 2.7 percent against the **euro**.

The negative evolution of the dollar was explained by lower risk aversion –given optimistic views about the global economy observed during the week–, which reduced the demand for the dollar as a hedge asset.

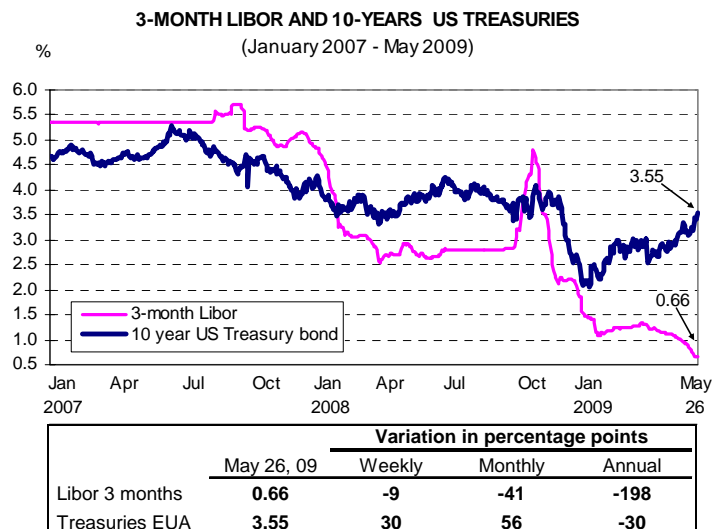
The dollar depreciated 1.1 percent against the **yen**.



Yield on 10-year US Treasuries increased to 3.55 percent

Between May 19 and 26, the **3-month Libor** fell from 0.75 to 0.66 percent, while the yield on the **10-year Treasury bond** increased from 3.25 to 3.55 percent.

This increase in the yield on the US Treasury bond was associated with fears about new debt issues and with the rise of stocks which reduced the demand for safe assets.

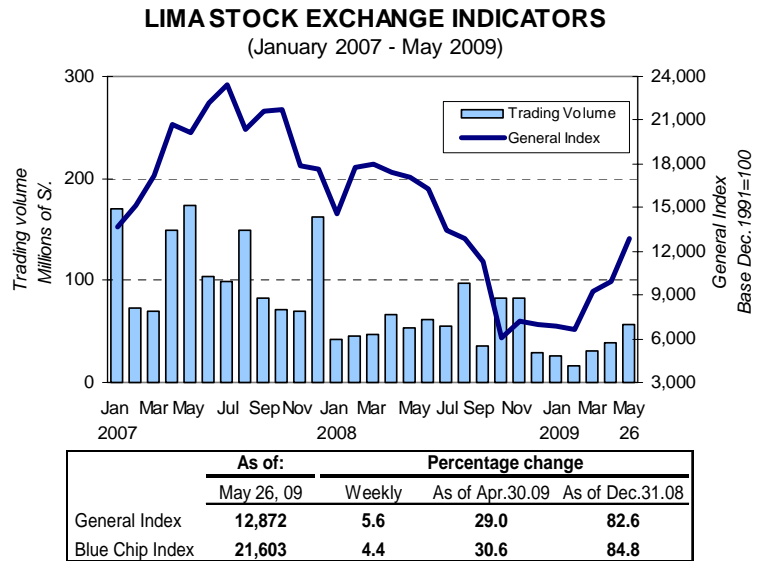


Lima Stock Exchange has grown 29.0 percent at May 26

So far this month (at May 26), the **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) have grown 29.0 and 30.6 percent, respectively.

Both indices showed positive evolutions during the week of analysis (May 19-26) and grew 5.6 and 4.4 percent, respectively, in line with the positive performance of Wall streets and stock markets in the region. These rises in the LSE indices were influenced by the growth of industrial and mining shares, after reports showed better economic results than expected in the United States.

Year-to-date, these indices have accumulated gains of 82.6 and 84.8 percent, respectively.



Resumen de Indicadores Económicos / Summary of Economic Indicators

	2008						2009						May
	Set	Dic	Ene	Feb	Mar	Abr	20 May.	21 May.	22 May.	25 May.	26 May.		
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.							Var.
Posición de cambio / Net international position	24 585	21 365	20 361	19 827	20 334	20 257	20 420	20 474	20 500	20 496	20 470		212
Reservas internacionales netas / Net international reserves	34 702	31 196	30 098	29 412	30 929	31 079	31 010	31 075	31 035	31 032	31 043		-36
Depósitos del sistema financiero en el BCRP / Financial system deposits at BCRP	6 956	6 581	6 528	6 495	6 587	6 719	6 605	6 619	6 556	6 556	6 616		-103
Empresas bancarias / Banks	6 755	6 297	6 340	6 161	6 192	6 312	6 151	6 144	6 104	6 099	6 130		-182
Banco de la Nación / Banco de la Nación	169	255	160	285	341	360	391	411	389	393	422		63
Resto de instituciones financieras / Other financial institutions	32	29	28	49	54	47	62	64	63	63	63		16
Depósitos del sector público en el BCRP / Public sector deposits at BCRP *	3 164	3 274	3 235	3 116	4 034	4 128	3 999	3 996	3 993	3 994	3 972		-156
OPERACIONES CAMBIARIAS BCR (Mills. US\$) / BCRP FOREIGN OPERATIONS	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.							Acum.
Compras netas en Mesa de Negociación / Net purchases of foreign currency	-2 106	-331	-690	-521	223	-58	0	0	0	0	0		-103
Operaciones swaps netas / Net swap operations	0	0	0	0	0	0	0	0	0	0	0		77
Compras con compromiso de recompras en ME (neto) / Net swaps auctions in FC	0	0	0	0	0	0	0	0	0	0	0		0
Operaciones con el Sector Público / Public sector	-100	-33	-17	-33	-13	-50	0	0	0	0	0		-231
Operaciones con el Sector Público / Public sector	-100	-33	-17	-33	-13	-50	0	0	0	0	0		50
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.							Prom.
Compra interbancario / Interbank bid	2,964	3,113	3,150	3,235	3,173	3,083	2,986	2,999	2,998	3,004	3,003		2,991
Promedio / Average	2,964	3,113	3,150	3,235	3,173	3,083	2,986	2,999	2,998	3,004	3,003		2,991
Apertura / Opening	2,969	3,117	3,153	3,239	3,181	3,094	2,991	3,006	2,998	3,004	3,011		2,994
Mediodía / Midday	2,968	3,115	3,153	3,238	3,176	3,084	2,988	2,997	3,006	3,008	3,004		2,995
Cierre / Close	2,967	3,117	3,154	3,237	3,175	3,083	2,986	2,995	3,003	3,009	3,007		2,996
Promedio / Average	2,968	3,116	3,152	3,238	3,176	3,086	2,988	3,002	3,000	3,006	3,005		2,994
Sistema Bancario (SBS) / Banking System	2,965	3,113	3,151	3,235	3,174	3,084	2,987	2,999	3,000	3,004	3,003		2,992
Compra / Bid	2,967	3,115	3,152	3,237	3,175	3,086	2,988	3,000	3,001	3,006	3,004		2,993
Venta / Ask	2,967	3,115	3,152	3,237	3,175	3,086	2,988	3,000	3,001	3,006	3,004		2,993
Índice de tipo de cambio real (2001 = 100) / Real exchange rate Index (2001 = 100)	103,2	99,5	100,9	102,6	100,6	99,5							
INDICADORES MONETARIOS / MONETARY INDICATORS													
Moneda nacional / Domestic currency													
Emisión Primaria / Monetary base	-2,8	11,8	-9,5	-2,3	-1,2	0,0							
(Var. % mensual) / (% monthly change)	-2,8	11,8	-9,5	-2,3	-1,2	0,0							
(Var. % últimos 12 meses) / (% 12-month change)	37,8	25,5	20,7	10,1	7,1	-1,9							
Oferta monetaria / Money Supply	-4,6	2,2	-3,4	-1,1	-0,5	0,1							
(Var. % mensual) / (% monthly change)	-4,6	2,2	-3,4	-1,1	-0,5	0,1							
(Var. % últimos 12 meses) / (% 12-month change)	47,3	23,1	10,2	-0,4	-6,2	-9,6							
Crédito sector privado / Crédito to the private sector	1,9	2,5	1,5	-1,0	2,3	0,5							
(Var. % mensual) / (% monthly change)	1,9	2,5	1,5	-1,0	2,3	0,5							
(Var. % últimos 12 meses) / (% 12-month change)	39,7	46,9	42,9	38,2	40,0	34,8							
TOSE saldo fin de período (Var. % acum. en el mes) / TOSE balance (% change)	-0,2	0,8	-0,3	-0,3	-0,5	-0,7	1,6	1,7	1,5				
Superávit de encaje promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)	0,1	1,0	0,1	0,3	0,2	0,1	0,3	0,3	0,2				
Cuenta corriente de los bancos (saldo mill. S./) / Banks' current account (balance)	2 884	1 779	1 201	881	913	598	635	668	551	634	512		
Créditos por regulación monetaria (millones de S./) / Rediscounts (Millions of S./)	0	0	0	0	0	0	0	0	0	0	0		0
Depósitos públicos en el BCRP (millones de S./) / Public sector deposits at the BCRP (Mills. S./)	23 446	23 568	25 698	24 069	24 909	26 515	26 918	26 851	27 146	27 141	n.d.		2 994
Certificados de Depósitos BCRP (saldo Mill.S./) / CDBCRP balance (Millions of S./)	11 712	7 721	4 342	3 872	3 872	2 995	2 616	2 616	2 616	2 616	2 616		2 616
Depósitos a Plazo (saldo Mill.S./) / Time Deposits Auctions (Millions of S./)**	283	0	0	0	0	0	0	0	0	0	0		0
CDBCRP con Negociación Restringida (Saldo Mill.S./) / CDBCRP-NR balance (Millions of S./)	14 844	6 483	6 483	5 526	3 464	3 379	2 542	2 542	2 542	2 542	2 542		2 542
CD Reajustables BCRP (saldo Mill.S./) / CDRBCRP balance (Millions of S./)	0	3 990	5 515	10 351	10 091	6 736	5 681	5 496	5 416	5 274	5 242		5 242
Operaciones de reporte (saldo Mill. S./) / repos (Balance millions of S./)	0	5 412	5 239	7 877	5 989	3 589	1 129	929	1 129	1 079	929		929
TAMN / Average lending rates in domestic currency	24,34	23,04	22,91	22,91	22,64	21,87	20,68	20,63	20,69	20,64	20,65		20,73
Préstamos y descuentos hasta 360 días / Loans & discount	14,44	15,25	15,51	15,40	14,18	13,79	n.d.	n.d.	n.d.	n.d.	n.d.		13,27
Interbancaria / Interbank	6,43	6,54	6,55	6,44	6,08	5,33	4,00	4,00	4,00	4,00	4,00		4,33
Preferencial corporativa a 90 días / Corporate Prime	7,18	7,51	7,30	7,13	6,79	5,56	4,34	4,20	4,20	4,20	4,20		4,39
Operaciones de reporte con CDBCRP / CDBCRP repos	s.m.	6,96	7,01	6,55	6,27	5,76	5,47	5,79	5,47	5,54	5,79		5,79
Créditos por regulación monetaria / Rediscounts ***	7,25	7,25	7,25	7,00	6,75	5,75	4,75	4,75	4,75	4,75	4,75		4,75
Del saldo de CDBCRP / CDBCRP balance	5,84	5,87	5,72	5,73	5,73	5,77	5,83	5,83	5,83	5,83	5,83		5,83
Del saldo de depósitos a Plazo / Time Deposits	5,96	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.		s.m.
Del saldo de CDBCRP-NR / CDBCRP-NR balance	6,40	7,27	6,27	7,31	6,54	6,54	6,60	6,60	6,60	6,60	6,60		6,60
Moneda extranjera / foreign currency													
Crédito sector privado / Crédito to the private sector	1,7	0,4	-0,5	-0,8	-1,4	-0,9							
(Var. % mensual) / (% monthly change)	1,7	0,4	-0,5	-0,8	-1,4	-0,9							
(Var. % últimos 12 meses) / (% 12-month change)	27,4	17,4	15,2	13,8	11,5	8,8							
TOSE saldo fin de período (Var. % acum. en el mes) / TOSE balance (% change)	2,8	-1,1	-1,7	-1,1	2,0	-2,4	-0,5	-1,1	-0,6				
Superávit de encaje promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)	0,4	1,0	0,3	0,4	0,2	0,3	1,8	1,7	1,2				
Créditos por regulación monetaria (millones de US dólares) / Rediscounts	0	0	0	0	0	0	0	0	0	0	0		0
TAMEX / Average lending rates in foreign currency	10,80	10,55	10,38	10,23	10,14	10,10	9,90	9,86	9,81	9,79	9,81		9,96
Préstamos y descuentos hasta 360 días / Loans & discount	10,30	9,86	9,64	9,30	9,16	9,00	n.d.	n.d.	n.d.	n.d.	n.d.		8,78
Interbancaria / Interbank	2,62	1,01	0,46	0,34	0,19	0,26	s.m.	s.m.	s.m.	s.m.	s.m.		0,16
Preferencial corporativa a 90 días / Corporate Prime	6,49	5,09	4,12	3,52	3,14	2,75	2,32	2,25	2,25	2,25	2,25		2,36
Créditos por regulación monetaria / Rediscounts ****	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.		s.m.
Compras con compromiso de recompras en ME (neto)	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	5,05	s.m.	s.m.	s.m.	s.m.		s.m.
INDICADORES BURSÁTILES / STOCK MARKET INDICES	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.							Acum.
Índice General Bursátil (Var. %) / General Index (% change)	-15,8	-4,8	-2,1	-3,4	38,5	8,0	1,5	-1,1	2,0	-0,3	3,5		29,0
Índice Selectivo Bursátil (Var. %) / Blue Chip Index (% change)	-16,1	-4,8	-3,0	-3,9	34,7	12,5	1,4	-1,5	1,1	-0,6	3,9		30,6
Monto negociado en acciones (Mill. S.) - Prom. diario	36,0	29,2	25,5	15,8	31,2	36,7	44,4	34,6	80,2	55,3	109,8		57,1
INFLACIÓN (%) / INFLATION (%)													
Inflación mensual / Monthly	0,57	0,36	0,11	-0,07	0,36	0,02							
Inflación últimos 12 meses / % 12 months change	6,22	6,65	6,53	5,49	4,78	4,64							
GOBIERNO CENTRAL (Mills. S.) / CENTRAL GOVERNMENT (Mills. of S.)													
Resultado primario / Primary balance	1 207	-1 467	1 608	232	526								
Ingresos corrientes / Current revenue	5 861	5 230	5 403	4 297	4 924								
Gastos no financieros / Non-financial expenditure	4 666	6 718	3 854	4 071	4 402								
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)													
Balanza Comercial / Trade balance	6	37	-159	260	344								
Exportaciones / Exports	2 753	1 948	1 613	1 791	1 909								
Importaciones / Imports	2 747	1 911	1 772	1 531	1 565								
PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT													
Variac. %, respecto al mismo mes del año anterior / Annual rate of growth (12 months)	11,6	4,9	2,9	0,1	3,1								
COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.							Prom.
LIBOR a tres meses (%) / LIBOR 3-month (%)	3,12	1,79	1,20	1,24	1,27	1,11	0,72	0,66	0,66	0,66	0,66		0,83
Dow Jones (Var %) / (% change)	-5,30	-0,60	-8,84	-0,63	7,73	7,35	-0,62	-1,54	-0,18	s.m.	2,37		3,74
Rendimiento de los U.S. Treasuries (10 años) / U.S. Treasuries yield (10 years)	3,68	2,39	2,48	2,86	2,81	2,90	3,19	3,37	3,45	3,42	3,55		3,25
Striped spread del EMBI+ PERÚ (pbs) / EMBI+ PERÚ stripped spread (basis points) *****	255	524	460	422	409	358	299	293	283	283	276		295

* Incluye depósitos