



Indicators

- Corporate interest rate at 1.72 percent
- Interbank interest rate at 1.25 percent
- Exchange rate: S/. 2.876 per US dollar
- Trade surplus of US\$ 556 million in October
- Country risk at 188 bps
- LSE fell 0.6 percent in November

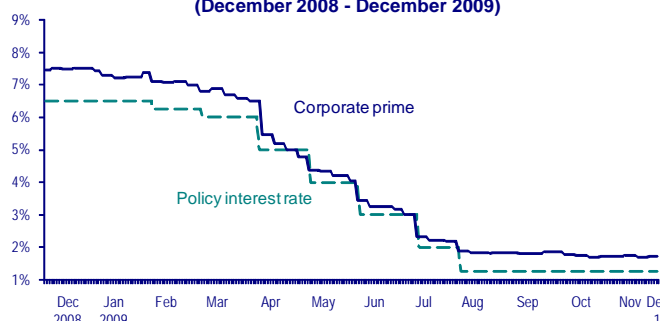
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Corporate interest rate in nuevos soles at 1.72 percent

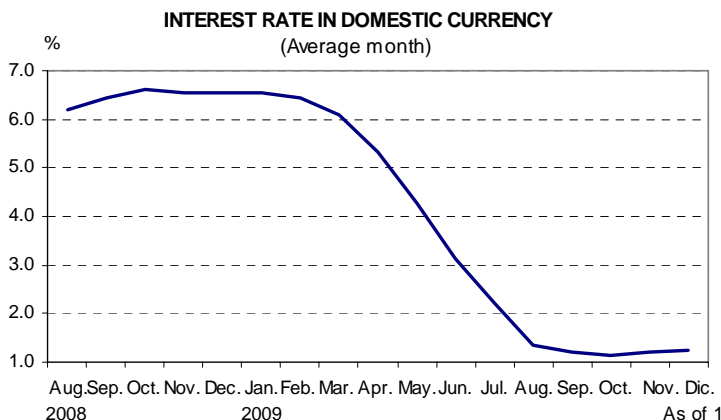
Between **November 24 and December 1**, the daily average of the 90-day corporate rate in domestic currency rose from 1.70 to 1.72 percent, while this rate in dollars dropped from 1.16 to 1.06 percent.

**INTEREST RATES IN DOMESTIC CURRENCY
(December 2008 - December 2009)**



Average interbank interest rate at 1.22 percent

In November, the average daily interbank interest rate in domestic currency is 1.25 percent, higher than the average rate in October (1.22 percent). On December 1, this rate recorded 1.25 percent.



	Average interbank rate	
	Average	S.D
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	4.29%	0.42
June	3.13%	0.40
July	2.23%	0.49
August	1.34%	0.27
September	1.20%	0.07
October	1.15%	0.07
November	1.22%	0.07
December as of 1	1.25%	-,-

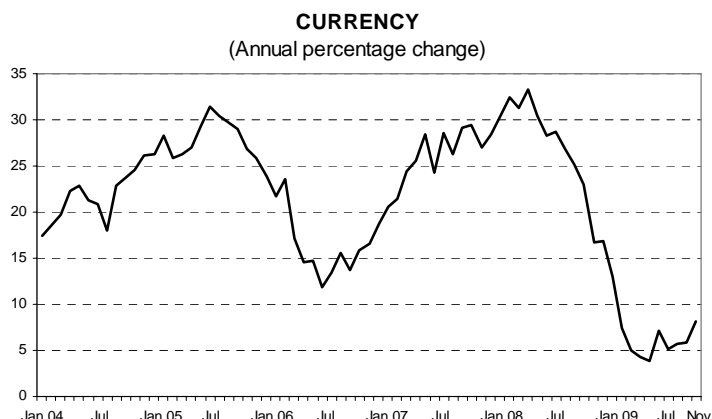
Monetary operations

Between **November 25 and December 2**, the BCRP made the following monetary operations:

- i) auctions of 1-day to up to 172-day CDBCRP for a daily average of S/. 675.7 million. The average interest rate on these operations, which reached a balance of S/. 14,516.0 million, was 1.14 percent;
- ii) direct temporary purchases of securities (not included in auctions) for a total of S/. 250 million, and
- iii) overnight deposits in domestic currency for a total of S/. 382.5 million.

Currency in circulation increased to S/. 17,230 million

Between November 24 and 30, **currency in circulation** increased by S/.79 million to S/. 17,230 million and thus accumulated a reduction of S/.106 million this year. With this, currency in circulation recorded a growth rate of 8.2 percent in the last 12 months, a higher rate than the one observed at end October (5.8 percent).



BCRP OPERATIONS (Millions of nuevos soles)

	FLOW				BALANCE		
	Oct-09	From 11/24 to 11/30	Cummulated:		31-Dec-09	31-Oct-09	30-Nov-09
			Monthly *	Annual			
I. NET INTERNATIONAL POSITION	2,638	311	1,021	5,377	67,087	66,644	67,204
(Millions of US\$)	924	108	354	1,970	21,365	22,981	23,335
A. Foreign Exchange Operations	816	0	3	-132			
1. Over the counter operations	910	0	0	108			
2. Net swap auctions in FC	6	0	1	100	0	99	100
3. Public Sector	-100	0	0	-342			
4. Other operations	-1	0	2	2			
B. Rest of operations	109	108	351	2,102			
II. NET INTERNAL ASSETS	-2,305	-232	-826	-5,482	-49,751	-49,609	-49,974
A. Monetary operations	-2,176	-85	234	-1,397	-37,346	-38,978	-38,744
1. Sterilization	-2,121	-85	419	4,015	-42,759	-39,162	-38,744
a. BCRP Indexed Certificates of Deposit (CDR)	105	0	0	4,425	-4,425	0	0
b. BCRP Certificates of Deposit (CDBCRP)	-3,900	-740	362	-7,816	-7,721	-15,899	-15,537
c. BCRP Certificates of Deposit with restricted negotiation	0	0	230	6,483	-6,483	-230	0
d. Overnight Deposits	45	-38	-34	-90	-23	-80	-113
e. Public Sector Deposits in soles	1,651	693	-112	823	-23,568	-22,632	-22,745
f. Other operations	-21	0	-28	190	-538	-320	-348
2. Injection	-55	0	-184	-5,412	5,412	184	0
a. Repos	-55	0	-184	-5,412	5,412	184	0
B. Reserve Requirements in DC **	121	189	-101	1,381	-4,975	-3,493	-3,594
C. Rest	-250	-335	-960	-5,466			
III. CURRENCY **	333	79	195	-106	17,336	17,035	17,230
(Monthly percentage change)					8.9%	2.0%	1.1%
(Accumulated percentage change)					16.7%	-1.7%	-0.6%
(YoY)					16.7%	5.8%	8.2%

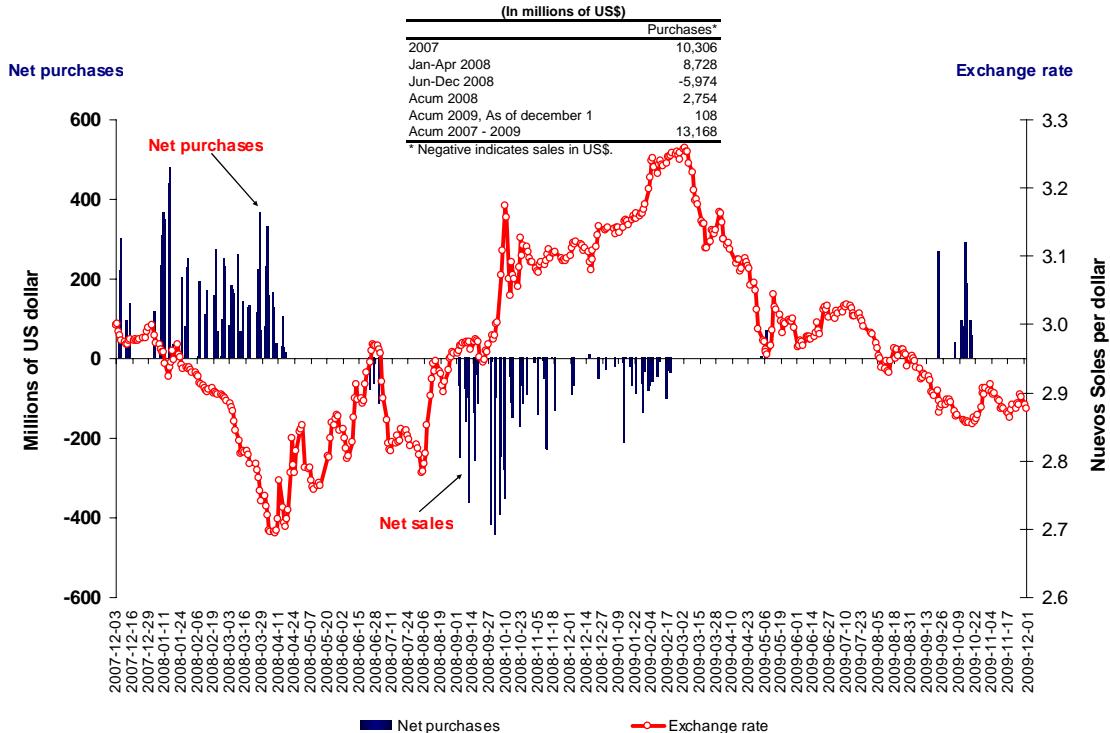
* As of November 30, 2009.

** Preliminary data.

Exchange rate: S/. 2.876 per US dollar

Between November 24 and December 1, the average interbank ask price of the dollar fell from S/. 2.884 to S/. 2.876, which represented an appreciation of the nuevo sol of 0.3 percent. The BCRP did not intervene in the forex market in this period.

EXCHANGE RATE AND NET DOLLAR PURCHASE



Between November 24 and December 1, banks' balance of net forward purchases of foreign currency declined by US\$ 240 million.

In November, the balance of net forward purchases has accumulated a decline of US\$ 128 million.

BALANCE OF NET FORWARD PURCHASES OF FOREIGN CURRENCY

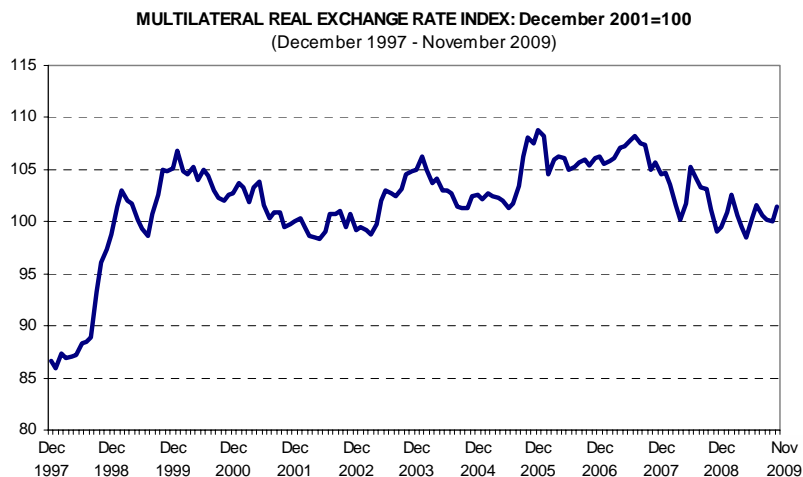
(January 2008 - November 2009)



Real exchange rate increased 1.5 percent in November

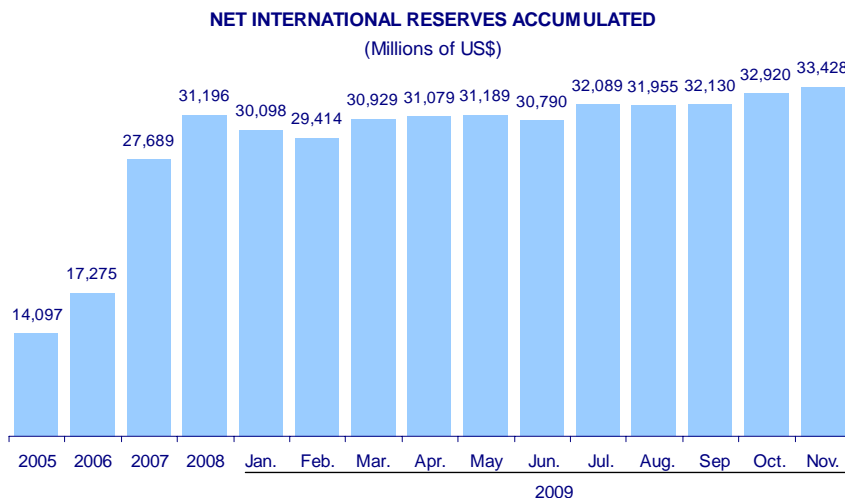
The real multilateral exchange rate increased 1.5 percent compared with the previous month and 0.2 percent compared with December 2008.

This result is explained by a nominal depreciation of the New Sol of 1.1 percent (in terms of 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.



International reserves: US\$ 33,428 million on November 30

Net international reserves (NIRs), which amounted to US\$ 33,428 million on November 30, have increased by US\$ 508 million relative to the close of October. This increase is mainly explained by banks' higher deposits (US\$ 326 million), by the higher valuation of investments (US\$ 289 million), and by a higher investment yield (US\$ 66 million). This was offset by lower public sector deposits (down US\$ 170 million) and by the lower deposits of the Deposit Insurance Fund (down US\$ 7 million).



The international investment position of the BCRP on November 30 was US\$ 23,337 million, a sum US\$ 356 million higher than the one observed at end October.

Credit to the private sector has grown 2 percent

In the last four weeks, **total liquidity in the private sector** has increased 0.1 percent (S/. 133 million), thus accumulating a growth of 7.4 percent in the last 12 months.

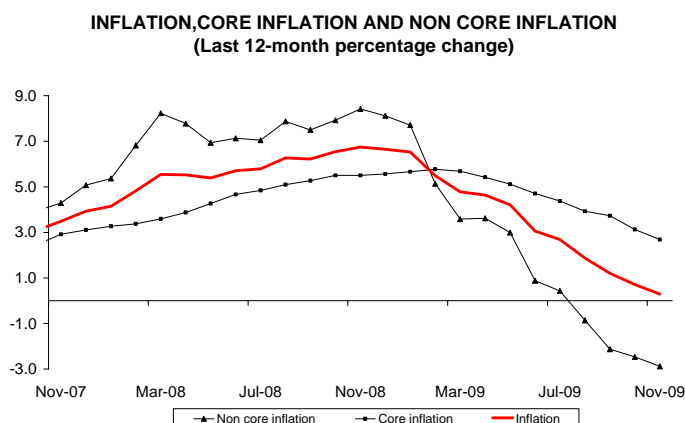
On the other hand, **total credit to the private sector** has increased 2.0 percent (S/. 2,087 million), thus accumulating a growth of 7.9 percent in the last 12 months. By currencies, credit in soles has increased 2.8 percent (S/. 1,504 million), while credit in dollars has increased 1.2 percent (US\$ 201 million).

Inflation: -0.11 percent in November

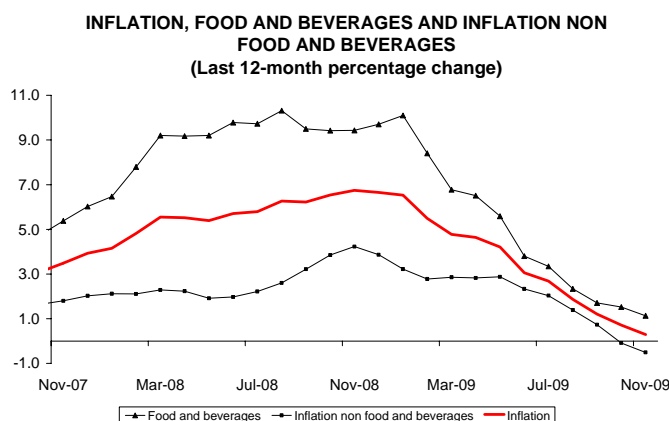
Inflation recorded a rate of -0.11 percent in November and thus accumulated 0.29 percent in the last twelve months.

INFLATION (Accumulated percentage change)						
	Weight	Monthly		12-month indicator		
		Oct. 2009	Nov. 2009	Dec. 2008	Oct. 2009	Nov. 2009
CPI	100.0	0.12	-0.11	6.65	0.71	0.29
1. Food and beverages	47.5	0.36	-0.29	9.70	1.52	1.13
2. Rest of items	52.5	-0.11	0.07	3.86	-0.08	-0.51
a. Fuel and electricity	6.2	-0.62	0.05	1.65	-13.15	-13.52
Fuel	3.9	0.05	-0.09	-0.04	-19.26	-17.01
Electricity	2.2	-2.13	0.37	6.31	5.12	-4.30
b. Transports	8.4	0.03	-0.03	5.86	-0.02	-0.14
c. Public services	2.4	0.20	0.12	8.68	4.17	0.39
d. Other goods and services	2.4	-0.07	0.09	3.51	2.69	2.34
Note.-						
Core inflation	60.6	-0.02	0.16	5.56	3.13	2.68
Non core inflation	39.4	0.32	-0.49	8.11	-2.47	-2.88

Core inflation showed a rate of 0.16 percent in November and a rate of 2.7 percent in the last twelve months, continuing with the downward trend observed in recent months. Furthermore, non-core inflation recorded -0.49 percent in the month and -2.9 percent in the last twelve months.



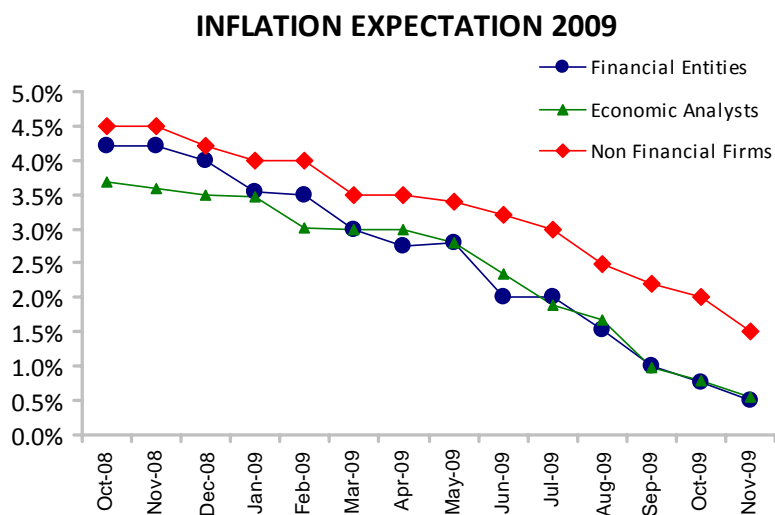
Price inflation in food and beverages in November was -0.29 percent (1.1 percent in the last twelve months), while the rate of inflation without food and beverages was 0.07 percent (-0.5 percent in the last twelve months).



In month, three items contributed with -0.39 percentage points to this month's rate of inflation: onion (-0.26 percentage points), potato (-0.07 points), and rice (-0.06 points). On the other hand, three items contributed with 0.17 percentage points to this month's rate of inflation: sugar (0.08 percentage points), citrus fruits (0.06 points), and corn (0.03 points).

BCRP survey on macroeconomic expectations: November 2009

According to the survey on macroeconomic expectations conducted by the BCRP in November, economic agents have continued to revise their projections of inflation in 2009 on the downside. Thus, financial entities now expect a rate of inflation of 0.5 percent, while economic analysts expect a rate of 0.6 percent and non-financial firms a rate of 1.5 percent.



Source: BCRP Survey on Macroeconomic Expectations.

Moreover, inflation in 2010 and 2011 is expected to fall within the monetary target range.

SURVEY OF MACROECONOMIC EXPECTATIONS: INFLATION

	<u>Survey date:</u>		
	Sep 30	Oct 30	Nov 30
FINANCIAL ENTITIES ^{1/}			
2009	1.0	0.8	0.5
2010	2.2	2.2	2.2
2011	2.5	2.5	2.5
ECONOMIC ANALYSTS ^{2/}			
2009	1.0	0.8	0.6
2010	2.0	2.0	2.0
2011	2.1	2.2	2.0
NON-FINANCIAL FIRMS ^{3/}			
2009	2.2	2.0	1.5
2010	3.0	3.0	2.5
2011	3.0	3.0	2.5

^{1/} 22 financial entities in September, 24 in October, and 22 in November 2009.

^{2/} 25 analysts in September, 23 in October, and 27 in November 2009.

^{3/} Sample of firms of various economic sectors.

Financial entities and non-financial firms have maintained their expectations about the exchange rate in 2009 at S/. 2.88 and S/. 2.90 per dollar, respectively, while economic analysts have lowered them from S/. 2.90 to S/. 2.88 per dollar.

Moreover, financial entities and economic analysts now expect a lower exchange rate in 2010: the former have reduced their estimates S/. 2.90 to S/. 2.88 per dollar and the latter have reduced

them from S/. 2.91 to S/. 2.90 per dollar, while non financial firms have maintained their projections unchanged at S/. 3.00 per dollar.

In 2011 economic agents expect the US dollar to be traded at between S/. 2.85 and S/. 3.00.

SURVEY OF MACROECONOMIC EXPECTATIONS: EXCHANGE RATE

	<u>Survey date:</u>		
	Sep 30	Oct 30	Nov 30
FINANCIAL ENTITIES ^{1/}			
2009	2.90	2.88	2.88
2010	2.90	2.90	2.88
2011	2.90	3.00	2.90
ECONOMIC ANALYSTS ^{2/}			
2009	2.90	2.90	2.88
2010	3.00	2.91	2.90
2011	2.91	2.87	2.85
NON FINANCIAL FIRMS ^{3/}			
2009	2.95	2.90	2.90
2010	3.00	3.00	3.00
2011	3.10	3.05	3.00

^{1/} 22 financial entities in September, 24 in October, and 22 in November 2009.

^{2/} 25 analysts in September, 23 in October, and 27 in November 2009.

^{3/} Sample of firms of various economic sectors.

The survey results show that the three groups expect a lower rate of GDP growth in 2009: financial entities have lowered their forecasts on GDP growth from 1.5 to 1.1 percent; economic analysts have reduced them from 1.5 to 1.1 percent, and non financial firms have lowered them from 2.0 to 1.6 percent.

The three groups coincide in their projections on GDP growth in 2010 and 2011: GDP is expected to grow 4.0 percent in 2010 and 5.0 percent in 2011.

SURVEY OF MACROECONOMIC EXPECTATIONS: GDP GROWTH

	<u>Survey date:</u>		
	Sep 30	Oct 30	Nov 30
FINANCIAL ENTITIES ^{1/}			
2009	1.6	1.5	1.1
2010	4.2	4.2	4.0
2011	5.0	5.0	5.0
ECONOMIC ANALYSTS ^{2/}			
2009	1.5	1.5	1.0
2010	4.0	4.3	4.0
2011	4.8	5.0	5.0
NON.FINANCIAL FIRMS ^{3/}			
2009	2.0	2.0	1.6
2010	4.0	4.2	4.0
2011	5.0	5.0	5.0

^{1/} 22 financial entities in September, 24 in October, and 22 in November 2009.

^{2/} 25 analysts in September, 23 in October, and 27 in November 2009.

^{3/} Sample of firms of various economic sectors.

Trade balance reached a surplus of US\$ 556 million in October

The trade balance recorded a surplus of US\$ 556 million in October by ninth consecutive month and reached US\$ 556 million. In this way accumulated a trade surplus of US\$ 4 136 million so far this year.

Exports, which increased 3.9 percent compared with the previous month, amounted to US\$ 2,502 million. This result is mainly explained by the increase observed in terms of average prices (3.0 percent) and exported volumes (0.8 percent).

On the other hand, imports –which increased 5.6 percent compared with September 2009– amounted to US\$ 1,946 million. In October, it is pointing out the dynamism of purchases of capital goods and inputs, which increased by 7.1 and 6.9 percent respectively.

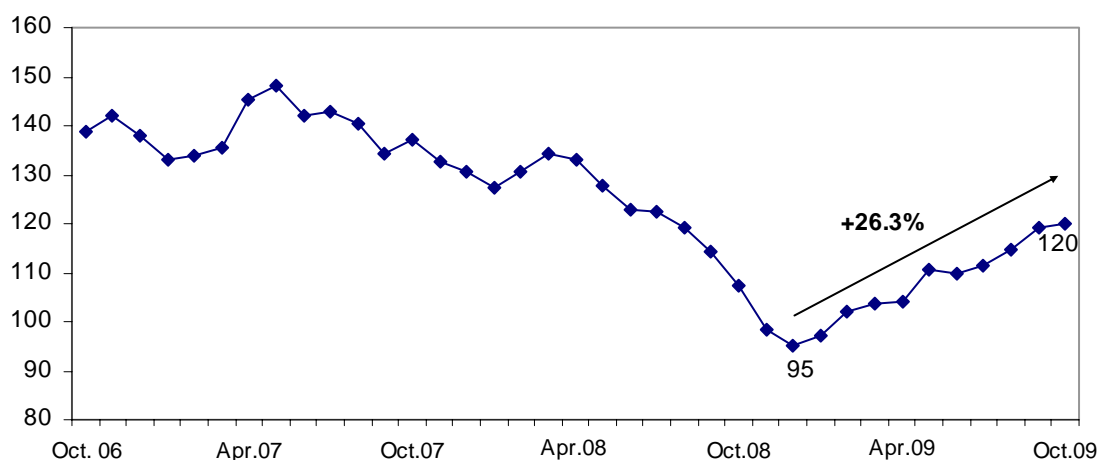
TRADE BALANCE

(Value FOB in millions of US\$)

	2009					Oct.09/Sep.09		Jan.-Oct.
	IQ	IIQ	IIIQ	Sep.	Oct.	Flow	% Chg.	
1. EXPORTS	5,398	6,144	7,072	2,408	2,502	93	3.9	21,116
Traditional products	3,934	4,704	5,492	1,882	1,978	96	5.1	16,107
Non-traditional products	1,436	1,403	1,546	514	505	- 9	-1.8	4,890
Other products	28	38	34	12	19	7	54.7	119
2. IMPORTS	4,883	4,826	5,326	1,842	1,946	104	5.6	16,981
Consumption goods	930	904	1,010	368	372	4	1.0	3,215
Raw materials	2,072	2,301	2,654	942	1,007	65	6.9	8,034
Capital goods	1,848	1,590	1,634	522	558	37	7.1	5,631
Other goods	33	30	28	10	8	- 2	-19.4	100
3. TRADE BALANCE	515	1,319	1,746	566	556			4,136

In October, terms of trade increased 0.9 percent compared with September 2009 and 26.3 percent compared with December 2008.

TERMS OF TRADE: 2006 - 2009
(1994 = 100)



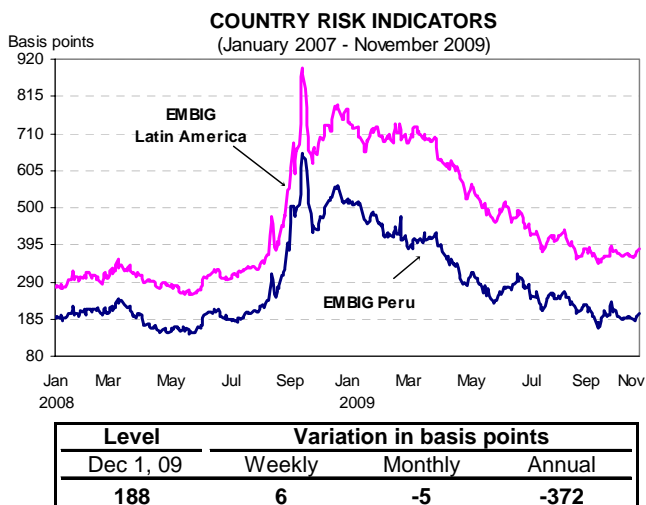
International Markets

Country risk at 188 basis points

The **EMBIG Peru** fell to 188 basis points on December 1.

In November, the average country risk, measured by the **EMBIG Peru** spread, fell from 197 basis points to 191 basis points, whereas the debt spread of the region increased 4 basis points in this period.

The **EMBIG Peru** maintained a downward trend since reports with favorable indicators of activity in the U.S. and the Eurozone originated lower risk aversion.



Price of gold rose to US\$ 1,197.1/troy ounce on December 1

On **December 1** the price of **gold** was US\$ 1,197.1 per troy ounce.

In **November**, the average price of gold increased 8.1 percent, climbing from US\$ 1,044.1 in October to US\$ 1,128.7 a troy ounce.

This increase is associated with the higher demand for gold as a financial asset (given the depreciation of the dollar) and as a hedge asset against probable inflationary pressures. Another factor contributing to this increase is the lower supply of gold after production in South Africa fell in October.



On **December 1**, the price of **copper** rose to US\$ 3.17 a pound.

In November, the average price of **copper** increased 6.2 percent to US\$ 3.03 from US\$ 2.85 in October.

Supply constraints (strikes in Chile) and better prospects for demand given favorable indicators of economic activity in China, Japan, and the U.S. accounted for this increase.



On **December 1**, the price of **zinc** climbed to US\$ 1.05 a pound.

The average price of **zinc** rose from US\$ 0.94 a pound in October to US\$ 0.99 a pound in **November** (5.9 percent).

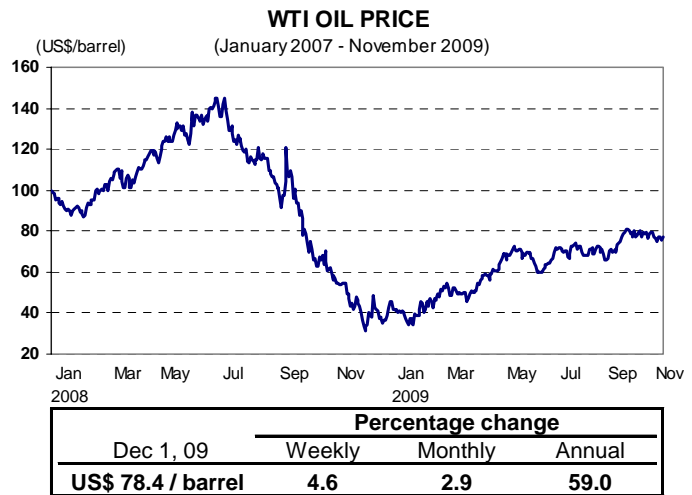
Concerns that bad weather may interrupt the supply of zinc in China and greater optimism regarding the prospects of economic recovery favored the rise of the price of this basic metal.



The price of **WTI oil** recorded US\$ 78.4 a barrel on **December 1**.

In **November** the average price of **WTI oil** rose 2.9 percent, from US\$ 75.8 per barrel in October to US\$ 78.0 per barrel.

Lower inventories of crude in the U.S. and forecasts of growth of demand in 2009 and 2010 from the U.S. Energy Department have led the price of petroleum to increase. These factors had a more important effect on the evolution of the price of crude than Saudi Arabia's announcement that it would increase its supply of crude to Asian countries during December.

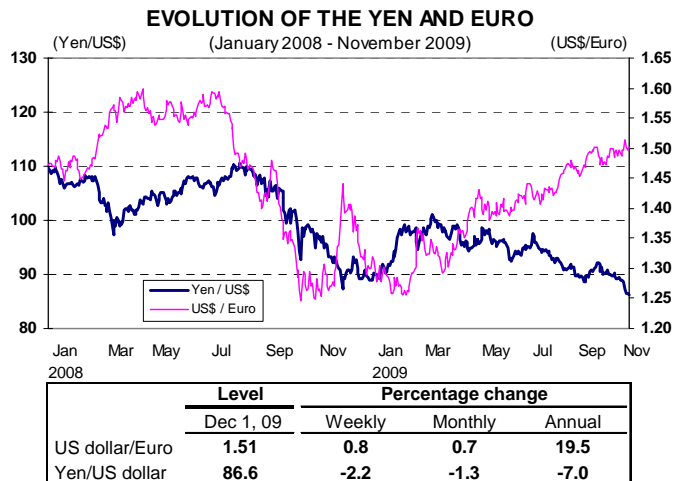


Dollar depreciated on average against the euro and the yen in November

In **November**, the **dollar** depreciated on average 0.7 percent against the **euro** and 1.3 percent against the **yen**.

This evolution of the U.S. currency reflected the lower demand for the dollar as a hedge asset. Favorable data of economic activity in the U.S. and in the Eurozone influenced lower risk aversion among economic agents.

On **December 1**, the exchange rate was US\$ 1.51 per euro and 86.6 yen per US dollar.

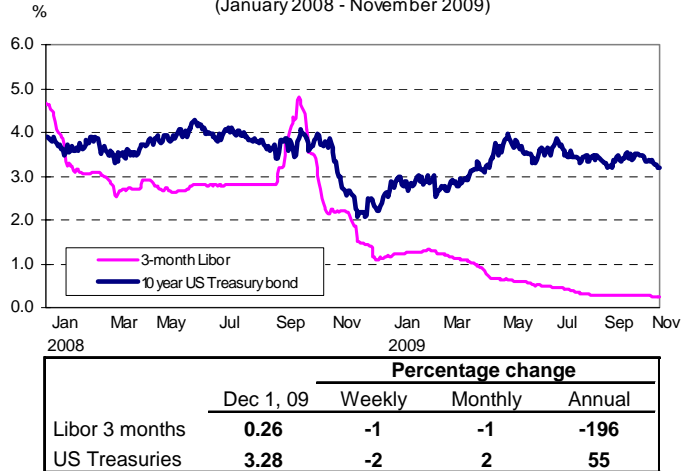


Yield on U.S. Treasuries increased on average to 3.39 percent in November

In **November**, on average terms the **3-month Libor** fell from 0.28 in October to 0.27 percent, while the yield on the **10-year Treasury bond** increased from 3.37 to 3.39 percent.

The yield on the Treasury bond increased as the demand for safe assets declined due to lower risk aversion as a result of the optimism associated with favorable indicators of activity in the United States.

3-MONTH LIBOR AND 10-YEARS US TREASURIES
(January 2008 - November 2009)



On **December 1**, the **3-month Libor** posted 0.26 percent and the yield on the 10-year Treasury bond posted 3.28 percent.

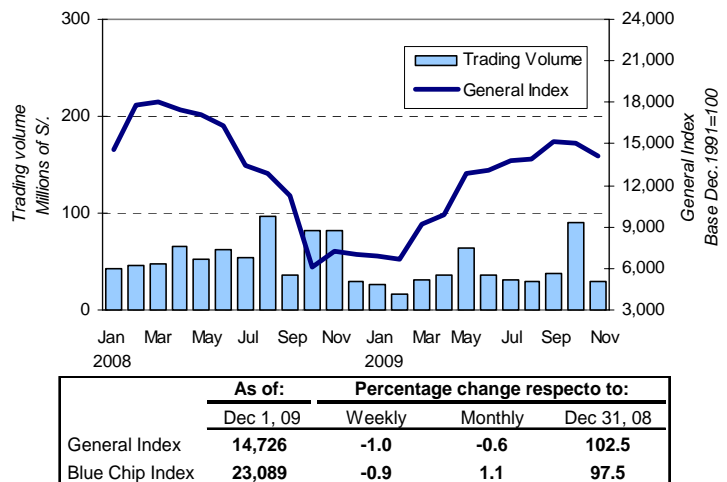
Lima Stock Exchange grew 1.0 percent

The **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) have grown 1.0 percent and 1.3 percent, respectively, at **December 1**.

In **November**, the General and the Blue Chip indices showed mixed conducts: the former fell 0.6 percent, while the latter increased 1.1 percent.

This result was observed in a context of rising international prices of commodities and amid the expectations generated by the possibility that gains in this market will be subject to a tax on capital gains as from 2010.

LIMA STOCK EXCHANGE INDICATORS
(January 2007 - November 2009)



Year-to-date, the indices of the LSE have accumulated gains of 102.5 and 97.5 percent, respectively.

