








Indicators

-  Corporate interest rate at 1.74 percent
-  Interbank interest rate at 1.25 percent
-  Exchange rate: S/. 2.869 per US dollar
-  Country risk at 177 bps on December 7
-  Annual profitability at the LSE: 99 percent

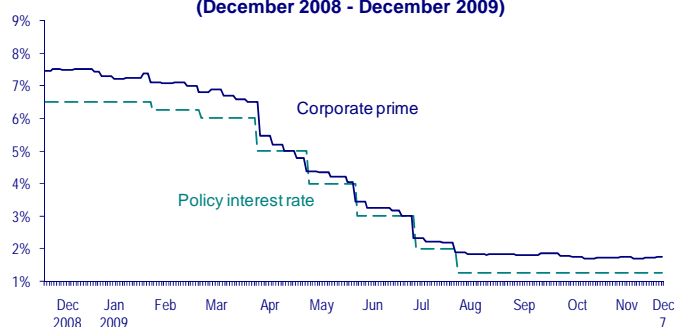
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Corporate interest rate in nuevos soles at 1.74 percent

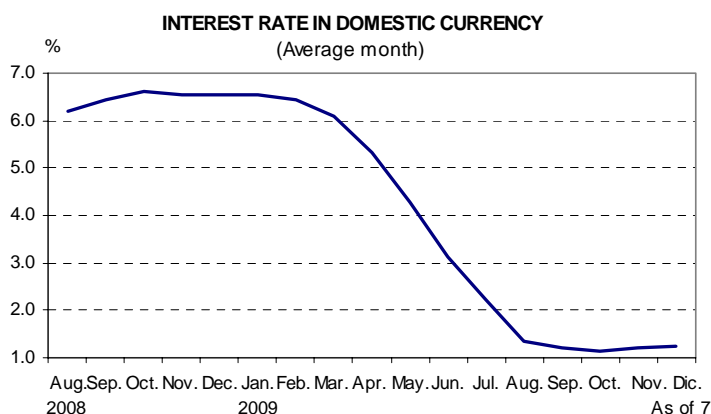
Between **December 1 and 7**, the daily average of the 90-day corporate rate in domestic currency went from 1.72 to 1.74 percent, while this rate in dollars went from 1.06 to 1.09 percent.

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



Average interbank interest rate at 1.25 percent in December

So far this month, the average daily interbank interest rate in domestic currency remains at 1.25 percent, higher than the average rate recorded in November (1.22 percent).



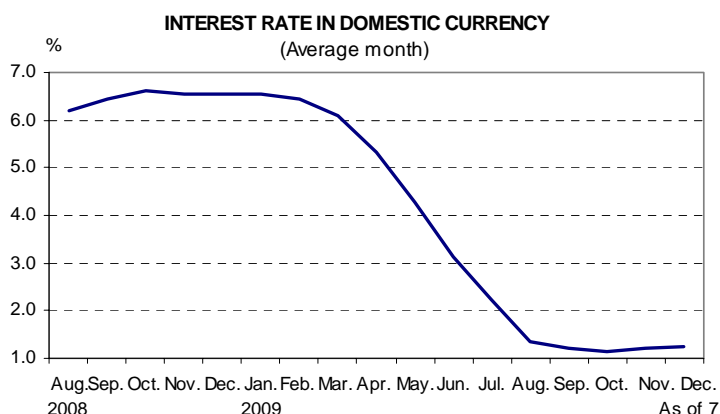
	<u>Average interbank rate</u>	
	<u>Average</u>	<u>S.D</u>
December	6.54%	0.03
January 2009	6.55%	0.15
February	6.44%	0.32
March	6.08%	0.13
April	5.33%	0.47
May	4.29%	0.42
June	3.13%	0.40
July	2.23%	0.49
August	1.34%	0.27
September	1.20%	0.07
October	1.15%	0.07
November	1.22%	0.07
December as of 7	1.25%	0.00

Monetary operations

Between **December 2 and 7**, the BCRP made the following monetary operations: i) auctions of 1-day to up to 182-day CDBCRP for a daily average of S/. 424.8 million. The average interest rate on these operations, which reached a balance of S/. 14,637.3 million, was 1.19 percent; and iii) overnight deposits in domestic currency for a total of S/. 111.0 million.

Currency in circulation increased to S/. 17,777 million

Between December 1 and 7, **currency in circulation** increased by S/. 316 million to S/. 17,777 million and thus accumulated an increase of S/. 441 million. With this, currency in circulation records a growth rate of 9.2 percent in the last 12 months, a lower rate than the one observed at end November (9.7 percent).



BCRP OPERATIONS (Millions of nuevos soles)

	FLOW				BALANCE		
	Nov-09	From 12/01 to 12/07	Cummulated:		31-Dec-08	30-Nov-09	07-Dec-09
			Monthly *	Annual			
I. NET INTERNATIONAL POSITION	1,026	-396	-396	4,987	67,087	67,210	66,581
(Millions of US\$)	356	-138	-138	1,834	21,365	23,337	23,199
A. Foreign Exchange Operations	3	0	0	-133			
1. Over the counter operations	0	0	0	108			
2. Net swap auctions in FC	1	0	0	100	0	100	100
3. Public Sector	0	0	0	-342			
4. Other operations	2	0	0	2			
B. Rest of operations	353	-138	-138	1,966			
II. NET INTERNAL ASSETS	-601	712	712	-4,546	-49,751	-49,749	-48,804
A. Monetary operations	234	1,590	1,590	193	-37,346	-38,744	-37,154
1. Sterilization	419	1,590	1,590	5,605	-42,759	-38,744	-37,154
a. BCRP Indexed Certificates of Deposit (CDR)	362	900	900	-6,916	-7,721	-15,537	-14,637
b. BCRP Certificates of Deposit with restricted negotiation	230	0	0	6,483	-6,483	0	0
c. Overnight Deposits	-34	29	29	-61	-23	-113	-84
d. Public Sector Deposits in soles	-112	661	661	1,484	-23,568	-22,745	-22,084
e. Other operations	-28	0	0	190	-538	-348	-349
2. Injection	-184	0	0	-5,412	5,412	0	0
a. Repos	-184	0	0	-5,412	5,412	0	0
B. Reserve Requirements in DC **	130	-1,308	-1,308	303	-4,975	-3,364	-4,672
C. Rest	-965	430	430	-5,042			
III. CURRENCY **	425	316	316	441	17,336	17,460	17,777
(Monthly percentage change)					8.9%	2.5%	1.8%
(Accumulated percentage change)					16.7%	0.7%	2.5%
(YoY)					16.7%	9.7%	9.2%

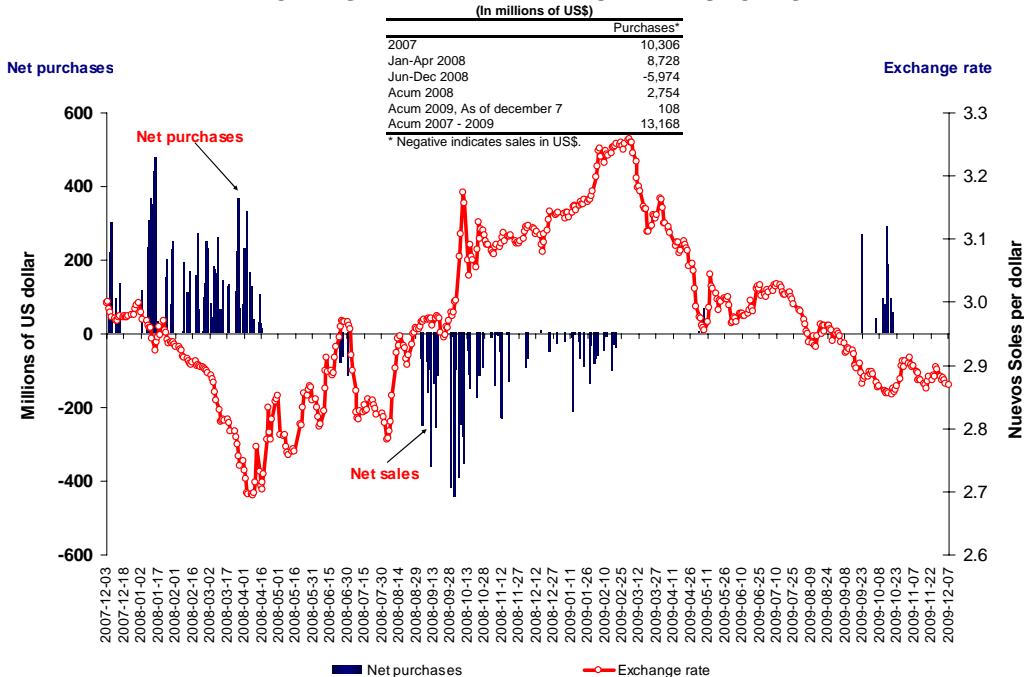
* As of December 7, 2009.

** Preliminary data.

Exchange rate: S/. 2.869 per US dollar

In the period **December 1 to December 7**, the average interbank ask price of the dollar fell from S/. 2.876 to S/. 2.869, which represented an appreciation of the nuevo sol of 0.3 percent. The BCRP made no interventions in the foreign exchange market in this period.

EXCHANGE RATE AND NET DOLLAR PURCHASE



BALANCE OF NET FORWARD PURCHASES OF FOREIGN CURRENCY

(January 2008 - December 2009)

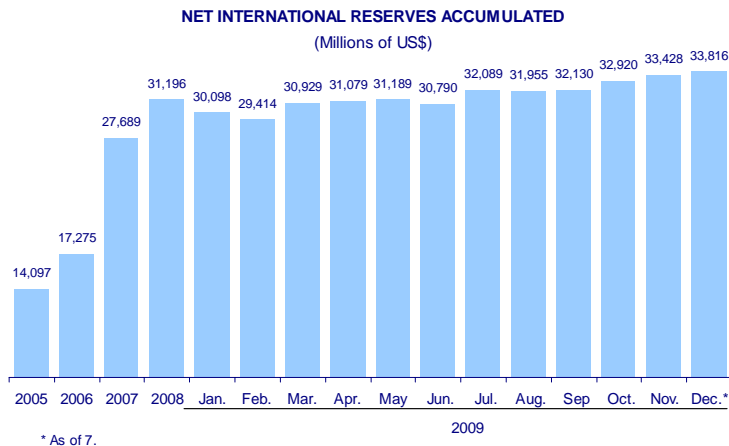


Between December 1 and 7, banks' balance of net forward purchases of foreign currency declined by US\$ 103 million.

The balance of net forward purchases accumulated a decline of US\$ 304 million compared with end November.

International reserves totaled US\$ 33,816 million on December 7

Net international reserves (NIRs), which amounted to US\$ 33,816 million on December 7, have increased by US\$ 388 million compared with end November. This increase is mainly explained by banks' higher deposits (up US\$ 342 million) and by public sector's higher deposits (up US\$ 175 million).



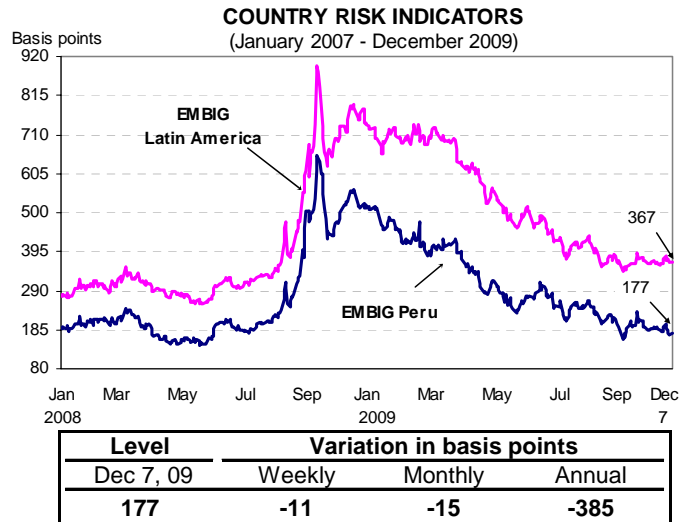
The international investment position of the BCRP on December 7 was US\$ 23,199 million.

International Markets

Country risk at 177 basis points

Between December 1 and 7, the country risk indicator, measured by the **EMBIG Peru** spread, fell from 188 basis points to 177 basis points, showing a similar evolution to the one of the region spread which fell 6 basis points.

The emerging debt spreads showed a downward correction compared with last week as a result of favorable indicators of activity in the U.S. and lower concerns of a debt crisis in Dubai.



Price of gold at US\$ 1,142.5 a troy ounce

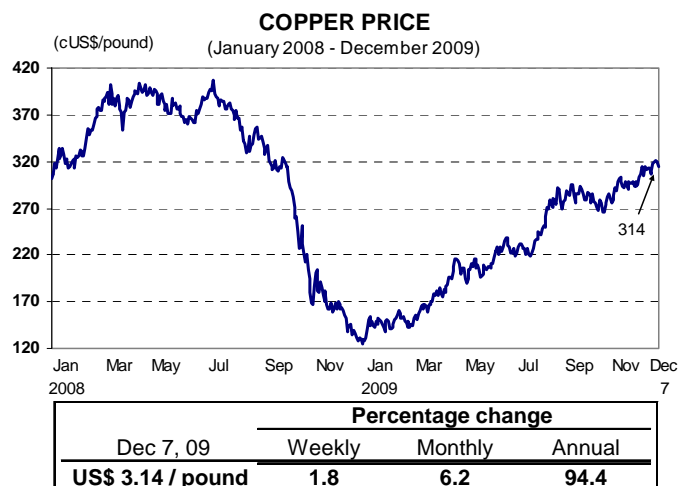
In the same period, the price of **gold** fell 4.6 percent to US\$ 1,142.5 per troy ounce.

Both the strengthening of the dollar and investors' profit-taking led the price of gold to decline. Official declarations of the Central Banks of China and Korea in the sense that the price of gold would be significantly higher than its level in the long-term also contributed to this evolution.



Between December 1 and 7, the price of **copper** fell 1.0 percent to US\$ 3.14 a pound.

This price fall is associated with higher inventories in several metal stock exchange markets: inventories have increased 3.2 percent, from 611 to 631 thousand tons (which is equivalent to 12.6 days of consumption).



In the same period, the price of **zinc** showed a slight fall, posting US\$ 1.04 a pound (down 0.1 percent).

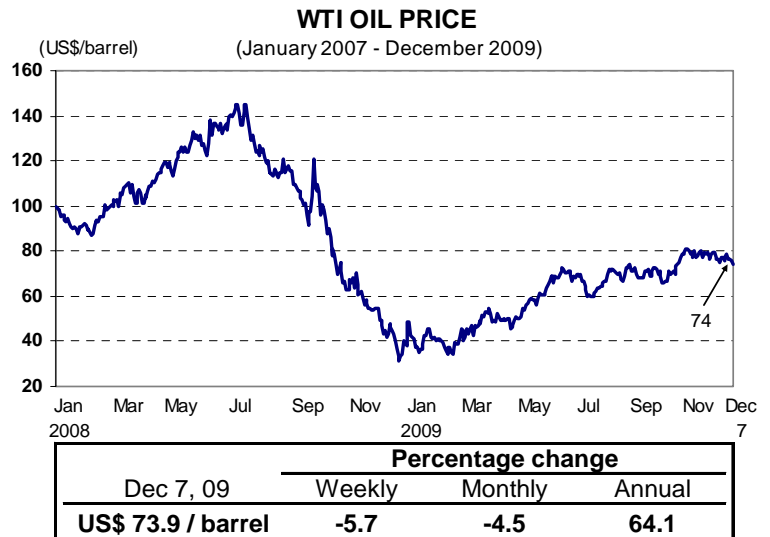
Positive indicators of economic activity in China and Europe (mainly in the manufacturing sector) and higher inventory levels in stock markets offset this trend during the week.



The price of **WTI oil** dropped 5.7 percent to US\$ 73.9 a barrel between December 1 and 7.

This drop in the price of petroleum was associated with higher levels of inventories in the U.S. (inventories of crude increased 0.6 percent compared with the last week of November).

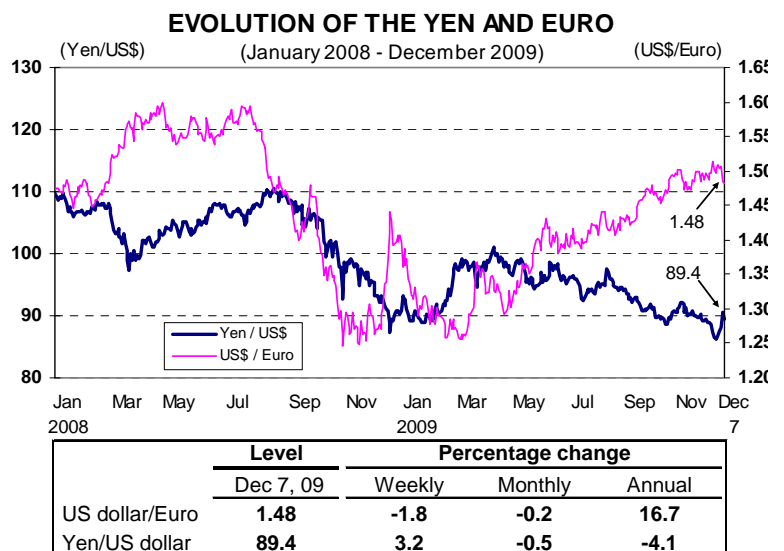
Moreover, Saudi Aramco –the largest state oil enterprise in the world– announced that it would lower selling prices for its European clients.



Dollar appreciated during the week

Between December 1 and 7, the **dollar** appreciated 1.8 percent against the **euro** and 3.2 percent against the **yen**.

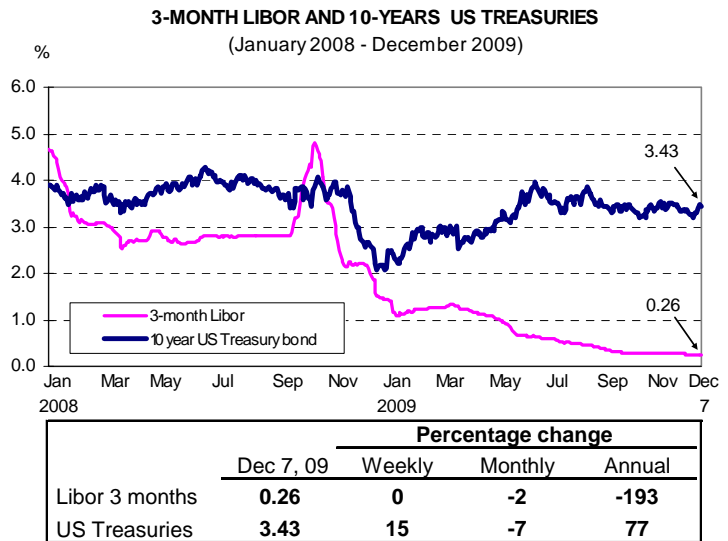
The appreciation of the dollar was basically influenced by expectations that the Federal Reserve will raise its rates given reports of a favorable evolution of employment, in contrast with the Central European Bank and Bank of Japan's decisions of maintaining their rates unchanged.



Yield on 10-year U.S. Treasuries increased to 3.43 percent

In the same period, the **3-month Libor** remained at 0.26 percent, while the yield on the **10-year Treasury bond** increased from 3.28 to 3.43 percent.

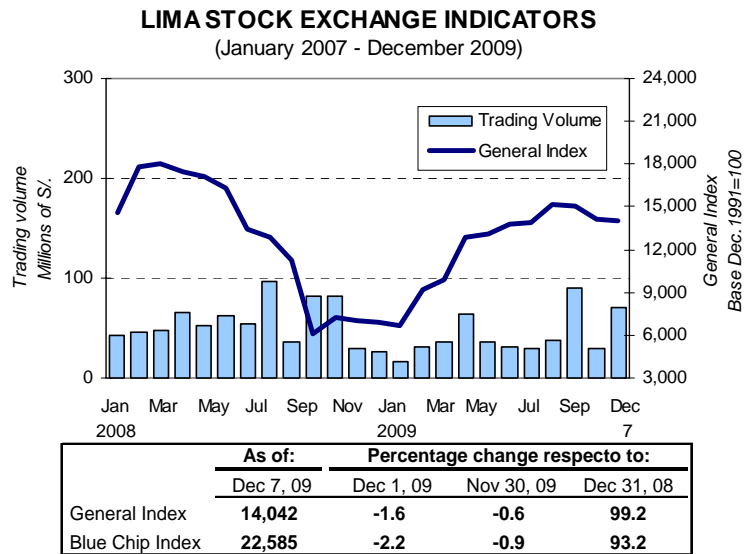
The increase observed in terms of the yield on the Treasury bonds is basically associated with favorable employment indicators in the United States.



Profitability ratio at the Lima Stock Exchange reaches 99.2 percent

The **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) fell 0.6 and 0.9 percent, respectively, compared with the end of November.

In addition to this, during the week of analysis (December 1 to 7), both the General and the Blue Chip indices dropped (1.6 and 2.2 percent, respectively) due to the decline of agricultural and mining shares. The latter were affected by the drop of metal prices in international markets.



Year-to-date, these indices have accumulated gains of 99.2 and 93.2 percent, respectively.

