



Indicators

- Corporate interest rate at 1.58 percent
- Interbank interest rate: 1.09 percent
- Exchange rate: S/. 2.854 per US dollar
- GDP grew 4.2 percent in November 2009
- Country risk at 177 bps.
- LSE grew 7.3 percent

Content

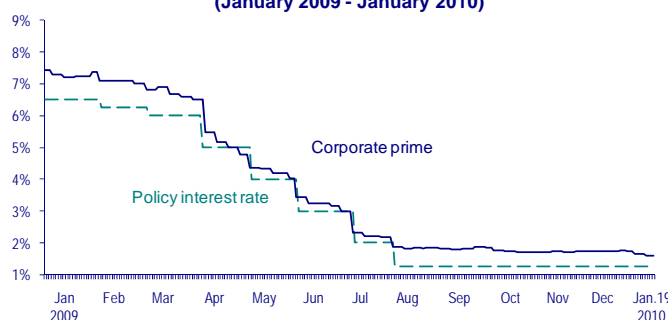
- Corporate interest rate in DC recorded new historical minimum: 1.58 percent
- Exchange rate: US dollar traded at S/. 2.854
- International reserves amounted to US\$ 34.77 billion
- GDP grew 4.2 percent in November
- Country risk at 179 basis points
- Lima Stock Exchange grew 7.3 percent

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Corporate interest rate in DC recorded new historical minimum: 1.58 percent

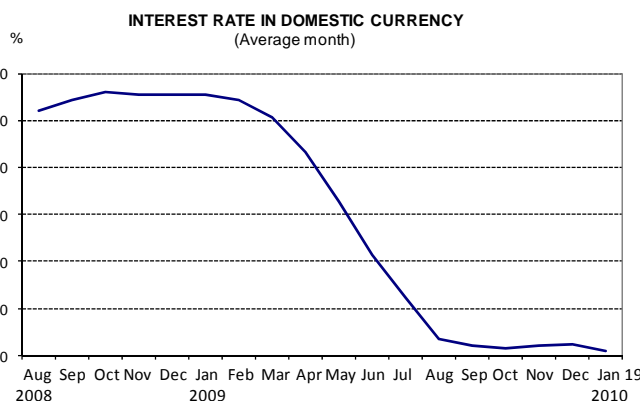
Between **January 12 and 19**, the average 90-day corporate rate in domestic currency went from 1.65 to 1.58 percent, recording a new historical minimum level.

**INTEREST RATES IN DOMESTIC CURRENCY
(January 2009 - January 2010)**



Average interbank interest rate: 1.09 percent

So far this month, the daily average of the interbank interest rate in domestic currency stands at 1.09 percent, lower than the average rate in December (1.24 percent). On January 19, this rate was 1.07 percent.



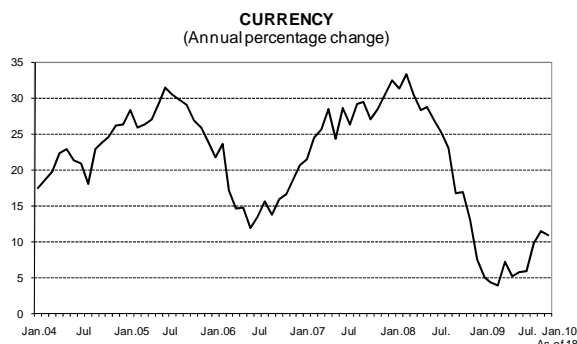
	<u>Average interbank rate</u>	
	<u>Average</u>	<u>S.D</u>
December	6.54%	0.03
January 2009	6.55%	0.15
February	6.44%	0.32
March	6.08%	0.13
April	5.33%	0.47
May	4.29%	0.42
June	3.13%	0.40
July	2.23%	0.49
August	1.34%	0.27
September	1.20%	0.07
October	1.15%	0.07
November	1.22%	0.07
December	1.24%	0.02
January 19, 2010	1.09%	0.19

Monetary operations

Between **January 13 and 19**, the BCRP made the following monetary operations: i) auctions of 1-day to up to 273-day CDBCRP for a daily average of S/. 4,889.2 million. The average interest rate on these operations, which reached a balance of S/. 19,079.5 million, was 1.00 percent; ii) purchases of foreign currency for a total of US\$ 593 million, and iii) overnight deposits in domestic currency for a total of S/. 1,481.5 million.

Currency in circulation shrank to S/. 18,283 million

Between January 12 and 18, **currency in circulation** shrank by S/. 227 million to S/. 18,283 million, reflecting the lower demand for currency associated with the reversal of the seasonal demand of December. Thus, currency in circulation accumulates a reduction of S/. 1,041 million and records a growth rate of 10.9 percent in the last 12 months.



BCRP OPERATIONS (Millions of nuevos soles)

	FLOWS				BALANCE		
	Dec-09	From 12/01 to 18/01	Cummulated:		31-Dec-08	31-Dec-09	18-Jan-10
			Monthly*	Annual			
I. NET INTERNATIONAL POSITION	-1,001	1,331	3,232	3,232	67,087	66,436	68,745
(Millions of US\$)	-348	467	1,133	1,133	21,365	22,988	24,121
A. Foreign Exchange Operations	85	511	1,018	1,018			
1 Over the counter operations	0	511	1,018	1,018			
2 Net swap auctions in FC	2	0	0	0	0	102	102
3 Public Sector	82	0	0	0			
4 Other operations	1	0	0	0			
B. Rest of operations	-433	-44	114	114			
II. NET INTERNAL ASSETS	2,861	-1,558	-4,273	-4,273	-49,751	-47,111	-50,462
A. Monetary operations	2,421	-2,518	-4,558	-4,558	-37,346	-36,323	-40,881
1 Sterilization	2,421	-2,518	-4,558	-4,558	-42,759	-36,323	-40,881
b. BCRP Certificates of Deposit (CDBCRP)	1,417	-950	-4,209	-4,209	-7,721	-14,121	-18,329
c. BCRP Certificates of Deposit with restricted negotiation	0	0	0	0	-6,483	0	0
d. Overnight Deposits	-729	-40	516	516	-23	-842	-326
e. Public Sector Deposits in soles	1,738	-1,528	-816	-816	-23,568	-21,006	-21,822
f. Other operations	-5	0	-50	-50	-538	-354	-404
2 Injection	0	0	0	0	5,412	0	0
B. Reserve Requirements in DC **	-864	864	561	561	-4,975	-4,223	-3,663
C. Rest	1,305	96	-275	-275			
III. CURRENCY **	1,860	-227	-1,041	-1,041	17,336	19,325	18,283
(Monthly percentage change)					8.9%	10.6%	-5.4%
(Accumulated percentage change)					16.7%	11.5%	-5.4%
(YoY)					16.7%	11.5%	10.9%

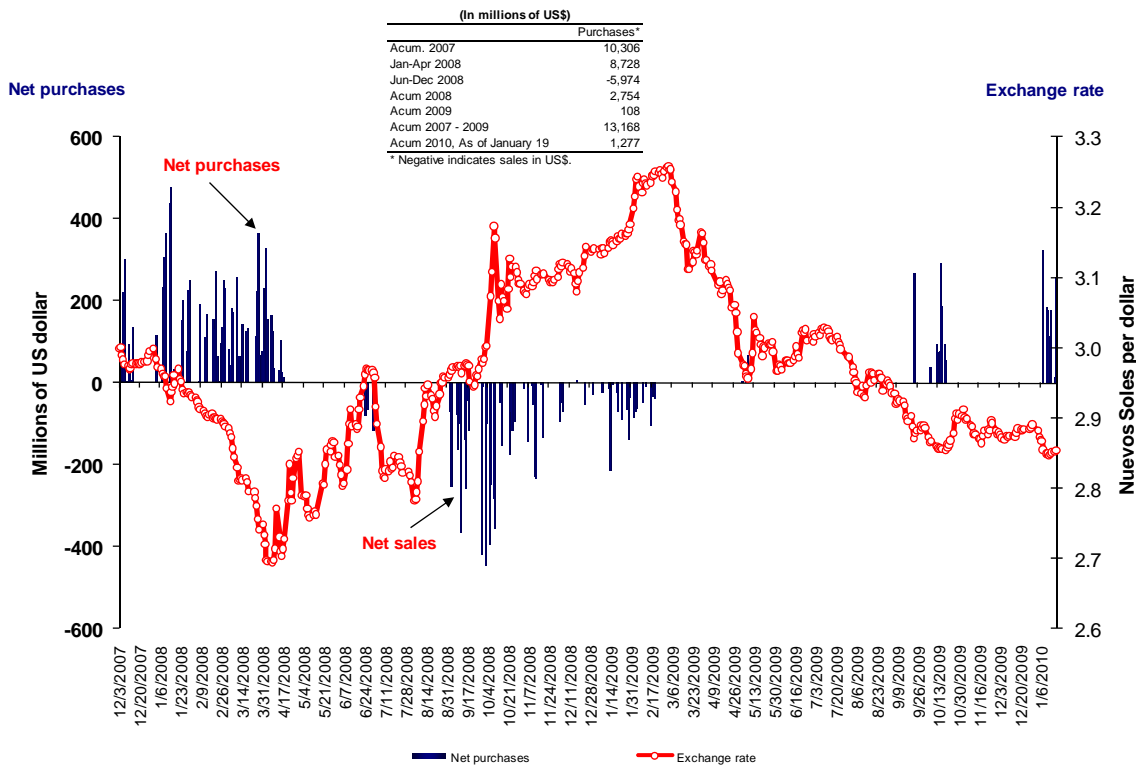
* As of January 18, 2010.

** Preliminary data.

Exchange rate: US dollar traded at S/. 2.854

Between January 12 and 19, the average interbank ask price of the dollar increased from S/. 2.849 to S/. 2.854, which represented a depreciation of the nuevo sol of 0.17 percent. Between January 13 and 19, the BCRP intervened in the forex market purchasing US\$ 593 million. So far this month, the BCRP has purchased FC for a total of US\$ 1,277 million.

EXCHANGE RATE AND NET DOLLAR PURCHASE



BALANCE OF NET FORWARD PURCHASES OF FOREIGN CURRENCY (January 2008 - January 2010)

Between January 12 and 19, banks' balance of net forward purchases of foreign currency increased by US\$ 429 million.

So far in January, the balance of net forward purchases accumulates an increase of US\$ 1,062 million.



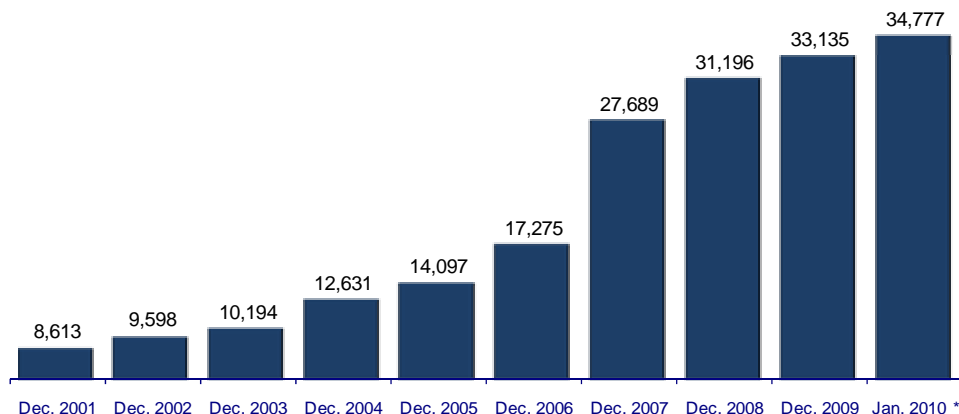
International reserves amounted to US\$ 34.77 billion

Net international reserves (NIRs), which amounted to US\$ 34.77 billion on January 19, have increased by US\$ 1,642 million compared with end 2009.

This result is mainly explained by the BCRP purchases of FC (US\$ 1,277 million), by higher bank deposits (US\$ 182 million) and higher public sector deposits (US\$ 97 million), and by the higher valuation of investments (US\$ 74 million).

The international investment position of the BCRP on January 19 was US\$ 24,343 million, a sum US\$ 1,354 million higher than the one registered at end 2009.

NET INTERNATIONAL RESERVES
(Millions of US\$)



* As of 19.

GDP grew 4.2 percent in November

Recording **4.2 percent** of growth in November –the highest growth rate observed in 2009–, **GDP** accumulated a growth rate of 0.5 percent between January and November. The greater dynamism of GDP in November is explained by the growth of construction (13.8 percent) and by the growth of the sector “other services” (6.7 percent).

GROSS DOMESTIC PRODUCT

	Weighted 2008	November		Jan - Nov	
		% chg.	Contrib.	% chg.	Contrib.
Agriculture and Livestock	7.6	2.3	0.2	2.3	0.2
Agriculture	4.7	2.5	0.1	1.0	0.1
Livestock	2.3	2.1	0.1	4.3	0.1
Fishing	0.5	-5.7	0.0	-7.6	0.0
Mining and Fuel	5.7	-1.1	-0.1	1.0	0.1
Metallic mining	4.8	-1.6	-0.1	-0.9	0.0
Natural gas and oil	0.5	2.6	0.0	17.6	0.0
Manufacture	15.5	-2.5	-0.4	-8.2	-1.3
Based on raw materials	2.9	-3.4	-0.1	0.6	0.0
Non-primary industries	12.5	-2.3	-0.3	-9.8	-1.3
Electricity and water	2.0	5.1	0.1	1.0	0.0
Construction	5.9	13.8	0.9	4.8	0.3
Commerce	15.0	2.7	0.4	-0.8	-0.1
Other services 1/	47.7	6.7	3.2	3.0	1.4
GDP Global	100.0	4.2	4.2	0.5	0.5
Primary	16.8	-0.3	0.0	1.3	0.2
Non-primary	83.2	5.1	4.2	0.4	0.3

1/ Includes import rights and other goods taxes.

In November, the **sector of agriculture** grew 2.3 percent compared with the same month of the previous year, accumulating a growth rate of 2.3 percent in 2009. This month’s result reflects mainly the higher production of rice and poultry.

Activity in the **fishing sector** declined 5.7 percent in November and 7.6 percent between January and November. The production of fish conserves and frozen fish products contracted by 34.2 percent due to the lower availability of South Pacific hake and giant squid.

The **mining and hydrocarbon sector** recorded a contraction of 1.1 percent compared with the same month in 2008, but accumulated a growth rate of 1.0 percent between January and November due to the expansion of the sub-sector of hydrocarbons. This month's result is explained by the lower production of copper and gold, although this was offset by Antamina's higher production of zinc and by the higher production of liquid hydrocarbons in Pluspetrol's Lot 88 due to the onset of operations at the Cashiriari deposit last July.

Non primary manufacturing declined 2.3 percent, even though the number of industrial branches with negative growth decreased from 22 in October to 18 in November and although the index of installed capacity was higher than the one recorded in November 2008 (73.9 percent and 73.2 percent, respectively).

The **construction** sector grew for the fifth consecutive month, recording two-digit growth rates for the second time this year (13.8 percent, after having grown 10.7 percent in October). This result reflects the higher dynamism of local dispatches of cement (12.4 percent), as well as the greater number of road construction and rehabilitation works carried out by Provias Nacional and Provias Descentralizado (48.7 percent).

Indicators

Preliminary data available to date of indicators on the sectors of fishing, mining and hydrocarbons, construction, electricity and water, relevant for economic activity include the following:

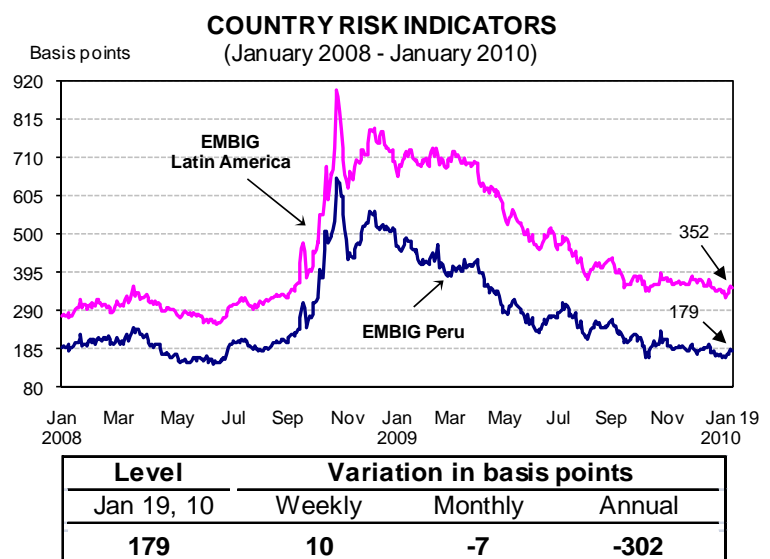
- According to IMARPE, the volume of anchovy caught in December was 935 thousand tons, as a result of which the accumulated volume at December is 5,823.8 thousand tons.
- The production of hydrocarbons increased 2.7 percent in December, according to the Ministry of Energy and Mining.
- According to ASOCEM, local dispatches of cement increased from 580 to 648 thousand tons between December 2008 and December 2009 (up 11.7 percent).
- At January 18, the production of electricity has increased 6.4 percent, according to the Comité de Operación Económica del Sistema Interconectado Nacional (COES).

International Markets

Country risk at 179 basis points

Between January 12 and 19, the country risk indicator, measured by the **EMBIG Peru** spread, showed a slight increase, rising from 169 to 179 basis points.

The region's debt spread increased by 16 basis points.



Price of gold dropped to US\$ 1,133.7/troy ounce

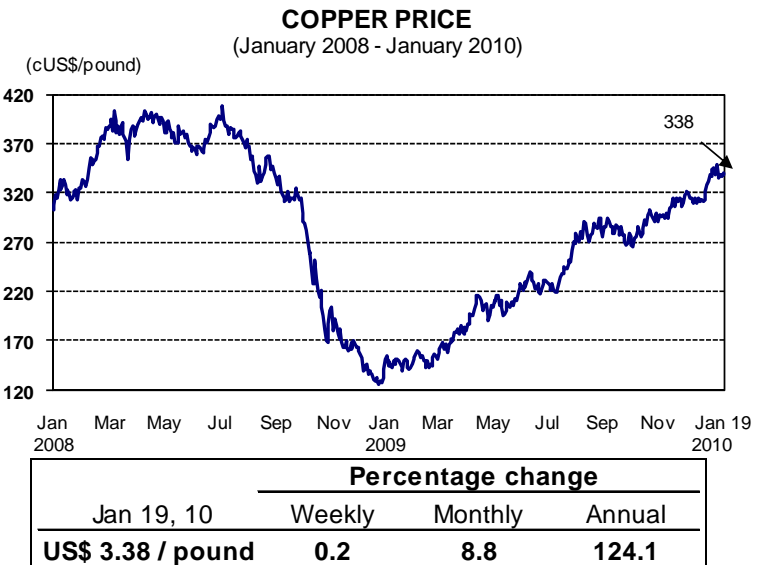
In the same period, the price of **gold** dropped 1.3 percent to US\$ 1,133.7/troy ounce.

The price of gold declined after the dollar appreciated against the euro, reducing the metal's appeal as a hedge asset.



In the week of analysis, the price of **copper** increased slightly (0.2 percent), posting US\$ 3.38 on January 19.

This increase in the price of copper was associated with good prospects for this metal given China's demand, but was partially compensated by the appreciation of the dollar.



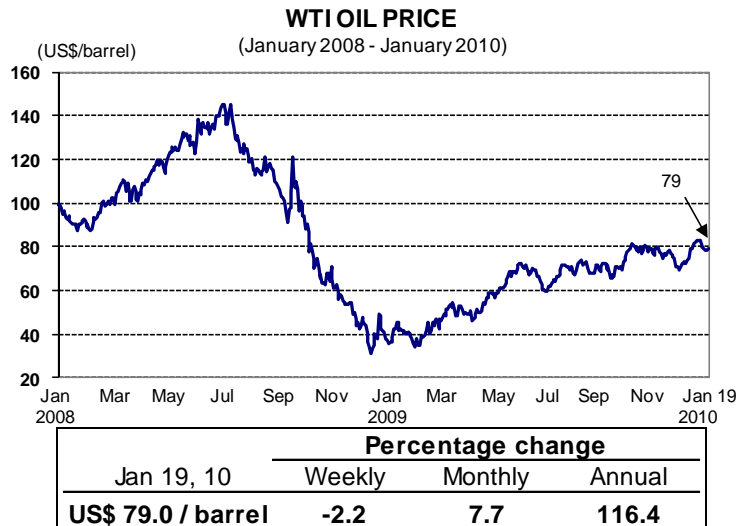
Between January 12 and 19, the price of **zinc** fell 1.1 percent to US\$ 1.12 a pound.

The recovery of the dollar against the euro generated downward pressures on the prices of basic metals.



The price of **WTI oil** fell 2.2 percent between January 12-19 and reached US\$ 79.0/barrel on January 19.

A warmer weather in the United States and crude inventories that remain at high levels contributed to reduce the price of oil.

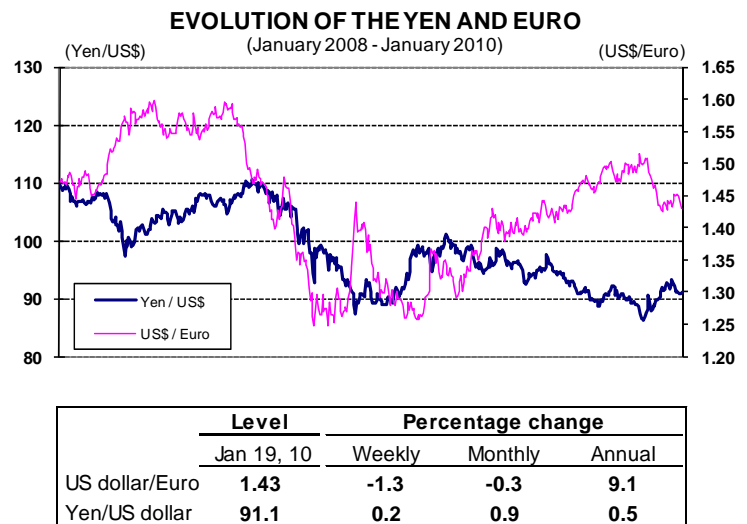


Dollar appreciated against the euro

Between January 12 and 19, the **dollar** appreciated 1.3 percent against the **euro**.

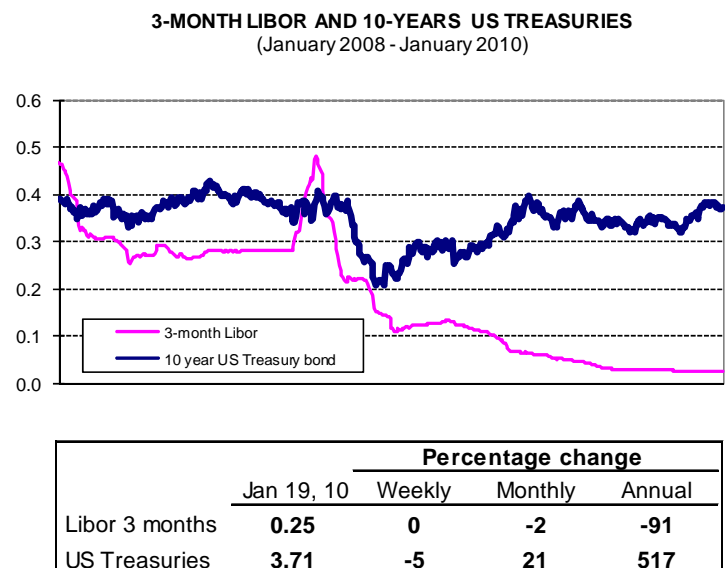
The dollar appreciated against the euro due to lower risk aversion associated with concerns of restrictive policies in China.

On the other hand, the dollar appreciated 0.2 percent against the **yen**.



Yield on 10-year US Treasuries remained at 3.71 percent

In the same period, the **3-month Libor** remained at 0.25 percent and the yield on the **10-year Treasury bond** remained at 3.71 percent.

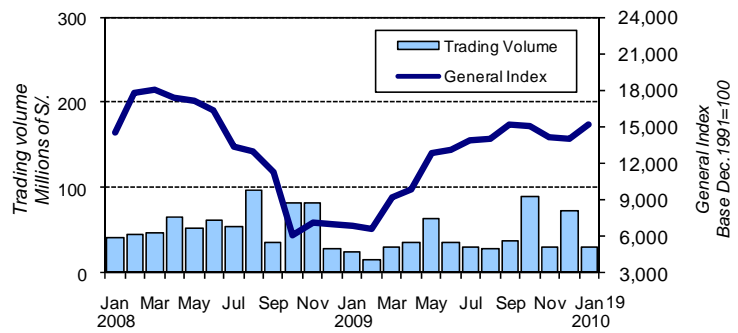


Lima Stock Exchange grew 7.3 percent

So far this month (at January 15), the **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) have increased 7.3 percent and 8.5 percent, respectively.

During the week of analysis (January 12-19), both indices declined: the General Index fell 2.6 percent and the Selective Index fell 2.9 percent. This evolution was influenced by the publication of negative data on corporate profits in the U.S.

LIMA STOCK EXCHANGE INDICATORS
(January 2008 - January 2010)



	As of:		% change	
	Jan 19, 09	Jan 12, 09	As of Dec.09	As of Dec.08
General Index	15,195	-2.6	7.3	115.6
Blue Chip Index	24,350	-2.9	8.5	108.3

