









**Indicators**

-  Corporate interest rate at 1.69 percent
-  Interbank interest rate: 1.23 percent
-  Exchange rate: S/. 2.838 per US dollar
-  GDP grew 3.6 percent in January 2010
-  Country risk at 160 bps
-  LSE grew 3.3 percent

**Content**

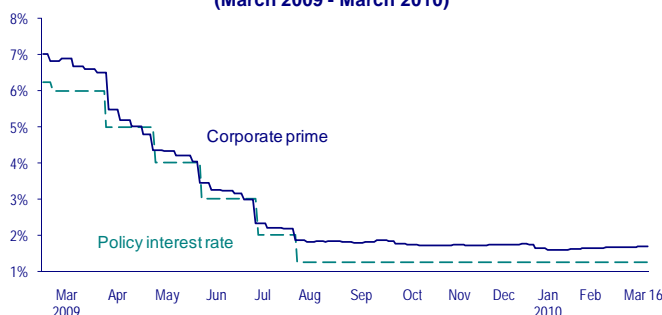
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**Corporate interest rate in nuevos soles at 1.69 percent**

Between **March 10 and 16**, the average corporate interest rate in domestic currency increased 3 basis points and recorded 1.69 percent.

On the other hand, the average corporate interest rate in foreign currency increased 1 basis point compared with the previous week and recorded 1.33 percent.

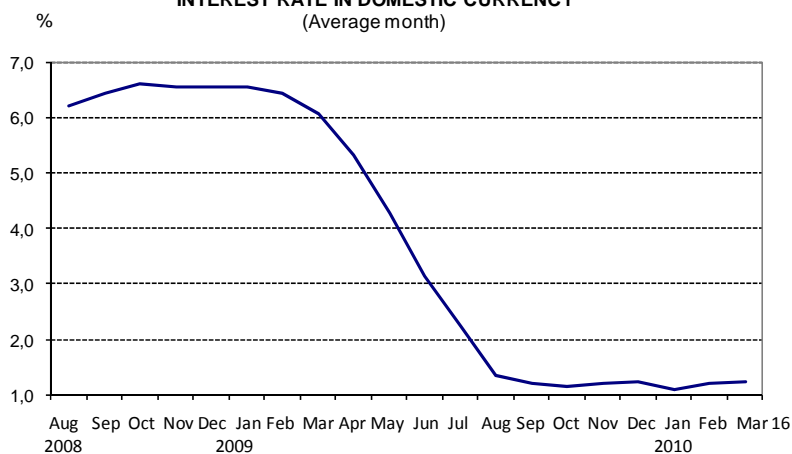
**INTEREST RATES IN DOMESTIC CURRENCY  
(March 2009 - March 2010)**



**Average interbank interest rate in March: 1.23 percent**

The average interbank interest rate in domestic currency so far this month is 1.23 percent. On March 16, this rate also registered 1.23 percent.

**INTEREST RATE IN DOMESTIC CURRENCY  
(Average month)**



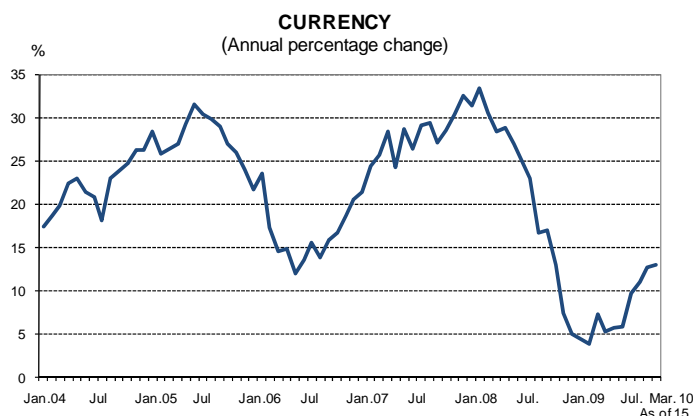
	Average interbank rate	
	Average	S.D
December 2008	6.54%	0.03
January 2009	6.55%	0.15
February	6.44%	0.32
March	6.08%	0.13
April	5.33%	0.47
May	4.29%	0.42
June	3.13%	0.40
July	2.23%	0.49
August	1.34%	0.27
September	1.20%	0.07
October	1.15%	0.07
November	1.22%	0.07
December	1.24%	0.02
January 2010	1.09%	0.16
February	1.21%	0.03
March 16	1.23%	0.02

**Monetary operations**

Between **March 10 and 16**, the BCRP made the following monetary operations: i) Auctions of 1-day to up to 182-day CDBCRP for a daily average of S/. 2,787.3 million. The average interest rate on these operations, which reached a balance of S/. 21,977.4 million, was 1.25 percent; and ii) Purchases of foreign currency for a total of US\$ 351.5 million.

## Currency in circulation amounted to S/. 18,280 million on March 15

Between March 9 and 15, currency in circulation shrank by S/. 152 million to S/. 18,280 million. In this way, currency in circulation accumulates a reduction of S/. 961 million so far this year. With this result, the rate of growth of currency in the last 12 months is 11.4 percent.



### BCRP OPERATIONS

(Millions of nuevos soles)

	FLOWS				BALANCE		
	Feb-10	From 03/09 to 03/15	Cummulated:		31-Dec-09	28-Feb-10	15-Mar-10
			Monthly *	Annual*			
<b>I. NET INTERNATIONAL POSITION</b>							
(Millions of US\$)							
<b>A. Foreign Exchange Operations</b>	<b>0</b>	<b>238</b>	<b>542</b>	<b>1,915</b>			
1. Over the counter operations	0	238	542	1,926			
2. Net swap auctions in FC	0	0	0	-13	102	89	89
3. Public Sector	0	0	0	0			
4. Other operations	0	0	0	2			
<b>B. Rest of operations</b>	<b>-5</b>	<b>3</b>	<b>-15</b>	<b>-95</b>			
<b>II. NET INTERNAL ASSETS</b>	<b>70</b>	<b>-837</b>	<b>-1,736</b>	<b>-6,143</b>	<b>-47,195</b>	<b>-50,680</b>	<b>-52,173</b>
<b>A. Monetary operations</b>	<b>-118</b>	<b>-1,092</b>	<b>-1,048</b>	<b>-6,666</b>	<b>-36,323</b>	<b>-41,940</b>	<b>-42,989</b>
<b>1. Sterilization</b>	<b>-118</b>	<b>-1,092</b>	<b>-1,048</b>	<b>-6,666</b>	<b>-36,323</b>	<b>-41,940</b>	<b>-42,989</b>
a. BCRP Certificates of Deposit (CDBCRP)	-706	-909	-1,575	-7,512	-14,121	-20,058	-21,633
b. Overnight Deposits	185	-3	72	749	-842	-165	-93
c. Public Sector Deposits in soles	410	-180	456	155	-21,006	-21,307	-20,852
d. Other operations	-7	0	-1	-58	-354	-411	-411
<b>2. Injection</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B. Reserve Requirements in DC **</b>	<b>128</b>	<b>250</b>	<b>-769</b>	<b>87</b>	<b>-4,307</b>	<b>-3,451</b>	<b>-4,220</b>
<b>C. Rest</b>	<b>60</b>	<b>5</b>	<b>81</b>	<b>435</b>			
<b>III. CURRENCY **</b>	<b>54</b>	<b>-152</b>	<b>-239</b>	<b>-961</b>	<b>19,241</b>	<b>18,519</b>	<b>18,280</b>
(Monthly percentage change)					10.3%	0.3%	-1.3%
(Accumulated percentage change)					11.0%	-3.8%	-5.0%
(YoY)					11.0%	12.9%	11.4%

\* As of March 15, 2010.

\*\* Preliminary data.

### Exchange rate: S/. 2.838 per US dollar

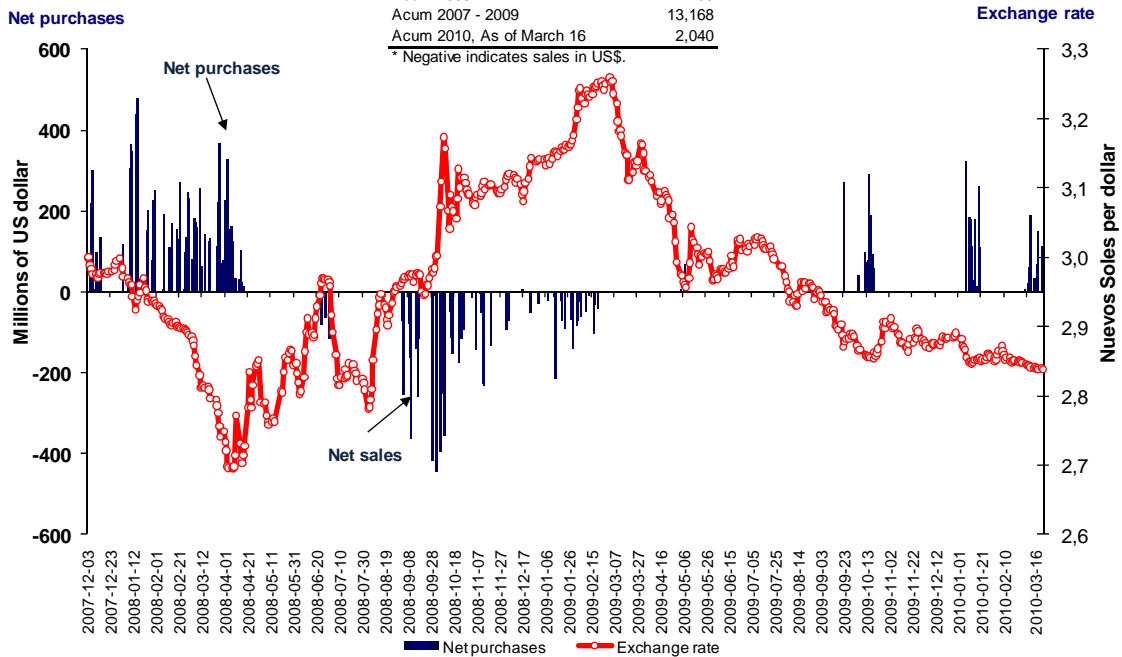
Between March 9 and 16, the average interbank ask price of the dollar went from S/. 2.842 to S/. 2.838, which represented an appreciation of the nuevo sol of 0.13 percent. In this period, the BCRP intervened in the foreign exchange market buying FC for a total of US\$ 352 million.

### EXCHANGE RATE AND NET DOLLAR PURCHASE

(In millions of US\$)

	Purchases*
Acum. 2007	10,306
Jan-Apr 2008	8,728
Jun-Dec 2008	-5,974
Acum 2008	2,754
Acum 2009	108
Acum 2007 - 2009	13,168
Acum 2010, As of March 16	2,040

\* Negative indicates sales in US\$.



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



Between March 9 and 16, banks' balance of net forward purchases of foreign currency increased by US\$ 224 million. Compared with end February, the balance of net forward purchases accumulated an increase of US\$ 283 million.

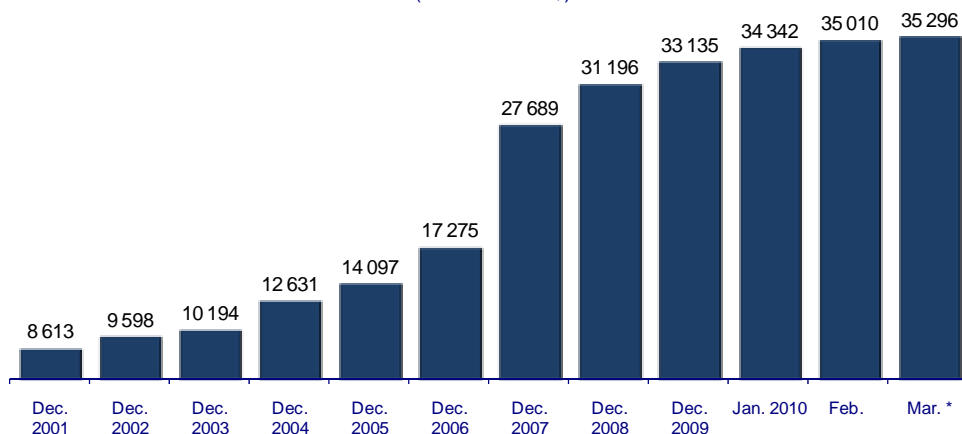
### International reserves amounted to US\$ 35,296 million on March 16

Net international reserves (NIRs) amounted to US\$ 35,296 million on March 16. This amount of reserves is US\$ 287 million higher than the one recorded at end February. Year-to-date, NIRs have accumulated an increase of US\$ 2,161 million.

This higher level of NIRs compared with end February is mainly due to purchases of FC (US\$ 656 million) and to the higher valuation of investments (US\$ 24 million). This result was in part offset by lower deposits from banks (US\$ 286 million) and from the public sector (US\$ 120 million).

The international investment position of the BCRP on March 16 was US\$ 24,963 million, a sum US\$ 682 million higher than the one observed at end February.

**NET INTERNATIONAL RESERVES**  
(Millions of US\$)



\* As of 16.

**GDP grew 3.6 percent in January 2010**

GDP in January 2010 has grown **3.6 percent** compared with January 2009. This evolution is associated with growth in non-primary sectors, particularly in “other services” –where the contribution of financial services was noteworthy– and in the sectors of construction and commerce.

**GROSS DOMESTIC PRODUCT**

(Percentage change compared with the same period of the previous year)

	Weight. 2009 1/	2009	January 2010	
			Percentage Change (%)	Contribution
<b>Agriculture and Livestock</b>	<b>7.8</b>	<b>2.3</b>	<b>6.0</b>	<b>0.4</b>
Agriculture	4.7	0.9	8.3	0.3
Livestock	2.4	4.4	3.5	0.3
<b>Fishing</b>	<b>0.4</b>	<b>-7.9</b>	<b>-27.1</b>	<b>-0.1</b>
<b>Mining and Fuel</b>	<b>5.7</b>	<b>0.6</b>	<b>1.3</b>	<b>0.1</b>
Metallic mining	4.7	-1.4	0.6	0.0
Natural gas and oil	0.6	16.1	6.2	0.0
<b>Manufacture</b>	<b>14.3</b>	<b>-7.2</b>	<b>0.2</b>	<b>0.0</b>
Based on raw materials	2.8	0.0	-9.9	-0.3
Non-primary industries	11.4	-8.5	2.3	-0.3
<b>Electricity and water</b>	<b>2.0</b>	<b>1.2</b>	<b>5.1</b>	<b>0.1</b>
<b>Construction</b>	<b>6.2</b>	<b>6.1</b>	<b>10.2</b>	<b>0.6</b>
<b>Commerce</b>	<b>14.9</b>	<b>-0.4</b>	<b>5.6</b>	<b>0.9</b>
<b>Other services</b>	<b>38.0</b>	<b>4.2</b>	<b>8.2</b>	<b>0.8</b>
<b>Other services 2/</b>	<b>48.6</b>	<b>3.1</b>	<b>3.4</b>	<b>1.6</b>
Transport and communications	7.5	0.4	2.4	0.2
Finance and insurance	1.8	13.9	10.0	0.2
Business services	7.1	1.4	1.5	0.1
Restaurants and hotels	4.2	2.3	5.8	0.2
Government Services	6.3	10.6	2.6	0.2
Other services	12.3	3.7	4.6	0.6
Taxes	9.7	-1.2	1.4	0.1
<b>GDP Global</b>	<b>100.0</b>	<b>0.9</b>	<b>3.6</b>	<b>3.6</b>
<b>Primary</b>	<b>16.8</b>	<b>1.0</b>	<b>0.3</b>	<b>0.0</b>
<b>Non-primary</b>	<b>83.2</b>	<b>0.8</b>	<b>4.3</b>	<b>3.6</b>

1/ At 1994 prices.

2/ Distributed according to the weight 1994.

In January, the agricultural sector grew 6.0 percent as a result of greater production (8.3 percent), which reflected earlier harvesting of mango due to the likelihood that heavier rains could affect farming in the northern departments of the country. Moreover, a higher production of potato was also observed compared with January 2009 due to the delay of the rain cycle in the Sierra. On the other hand, the livestock sub-sector grew 3.5 percent as a result of a greater production of poultry and eggs.

Production in the fishing sector declined 27.1 percent, mainly as a result of the lower catch of giant squid for the production of frozen seafood products and of the lower catch of species –Pacific chub mackerel and yellow mackerel– oriented to consumption, both as fresh and frozen products.

The mining and hydrocarbon sector grew 1.3 percent due to the higher production of hydrocarbons (6.2 percent) and to the higher extraction of gold (14.0 percent) which offset the lower production of other metals.

Recording a positive variation for two consecutive months, production in non-primary manufacturing grew 2.3 percent. The construction sector continued showing the dynamic growth observed in the last months of last year and recorded a growth rate of 10.2 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:

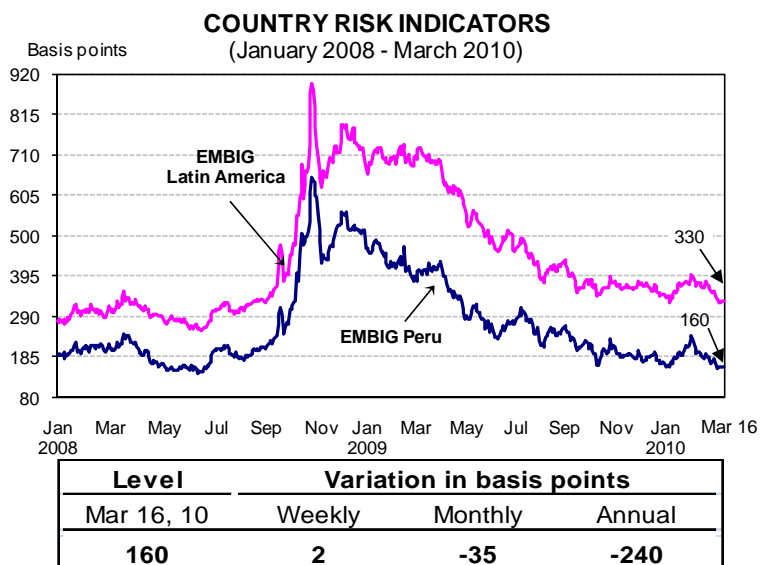
- According to IMARPE, 76.6 thousand tons of anchovy was caught in February 2010. This volume of anchovy is 158.9 percent higher than the one caught in February 2009.
- The production of hydrocarbons in February 2010 grew 17.6 percent, according to the Ministry of Energy and Mining.
- According to ASOCEM, local dispatches of cement increased from 518 to 591 thousand tons between February 2009 and February 2010 (up 14.0 percent).
- The production of electricity at March 15 had increased 9.1 percent, according to the Comité de Operación Económica del Sistema Interconectado Nacional (COES).

**International Markets**

**Country risk at 160 basis points**

Between March 9 and 16, the country risk indicator, measured by the **EMBIG Peru** spread, increased slightly (from 158 to 160 basis points).

On the other hand, the spread of the region's debt fell 1 basis point, amid investors' optimism as a result of better prospects for the financial rescue of Greece.



## Price of gold rose to US\$ 1,126.7 per troy ounce

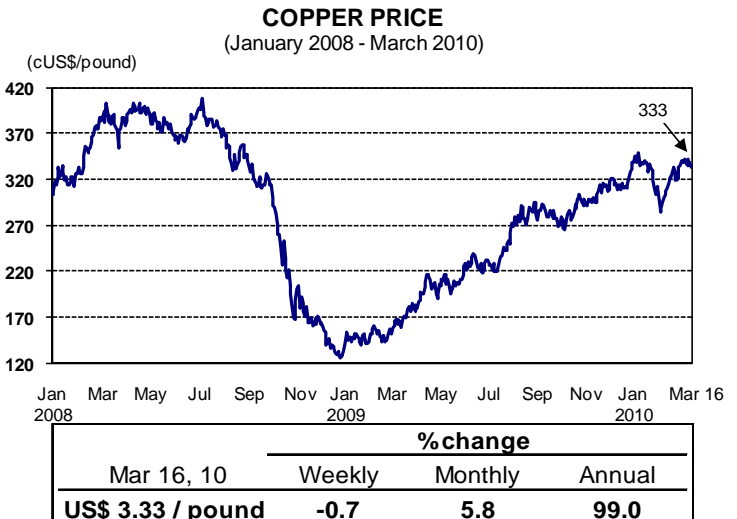
Between March 9 and 16, the price of **gold** increased 0.9 percent, reaching US\$ 1,126.7 per troy ounce as a result of the depreciation of the dollar against the euro in financial markets.

The price of gold rose despite China's announcement that it would reduce its official purchases of gold during 2010. The IMF had announced in previous days that it would continue selling its remaining 193 tons of gold.



In the same period, the price of **copper** fell 0.7 percent to US\$ 3.33 a pound.

The decline of the price of copper was influenced by investors' concerns that a potential monetary adjustment in China might reduce demand in this country, which is the world's largest consumer of basic metals. Another factor contributing to this decline was the increase of inventories at the London Metal Exchange.



In March 9-16, the price of **zinc** dropped 1.7 percent to US\$ 1.03 a pound.

The price of zinc was also corrected downwards in a context of renewed concerns of a slowdown of China's demand as credit constraint measures continue being adopted in that country. Investors' take-profit also contributed to this price drop.



In the same period of analysis, the price of **WTI oil** rose 0.3 percent, reaching US\$ 81.7 a barrel.

This increase in the price of oil was mainly associated with the decline of crude and gasoline inventories in the United States. However, concerns of a deceleration of demand in China (credit constraint policies continue being implemented) offset this price increase.

**WTI OIL PRICE**  
(January 2008 - March 2010)



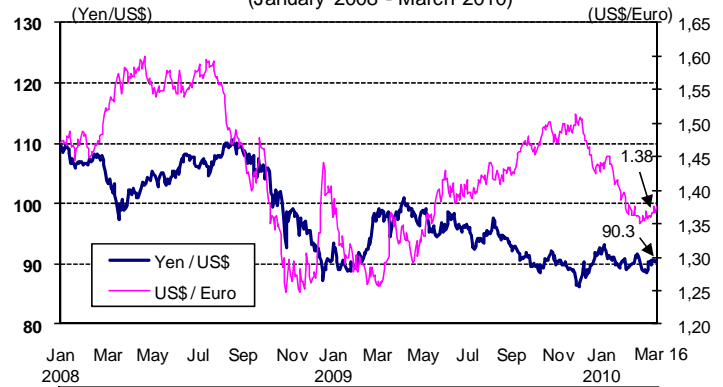
Mar 16, 10	%change		
	Weekly	Monthly	Annual
<b>US\$ 81.7 / barrel</b>	<b>0.3</b>	<b>6.1</b>	<b>72.5</b>

**US dollar depreciated against the euro**

Between March 9 and 16, the **dollar** depreciated 1.2 percent against the **euro** and appreciated 0.3 percent against the **yen**.

This evolution of the dollar was mainly associated with lower risk aversion while investors await the monetary policy decisions of the US Federal Reserve (Fed) and the Bank of Japan (BoJ).

**EVOLUTION OF THE YEN AND EURO**  
(January 2008 - March 2010)



	Level	%change		
	Mar 16, 10	Weekly	Monthly	Annual
US dollar/Euro	<b>1.38</b>	<b>1.2</b>	<b>0.0</b>	<b>6.2</b>
Yen/US dollar	<b>90.3</b>	<b>0.3</b>	<b>0.2</b>	<b>-8.0</b>

**Yield on 10-year US Treasuries declined to 3.65 percent**

In the March 9-16 week, the **3-month Libor** increased 1 basis point to 0.26 percent, while the yield on the **10-year Treasury bond** fell from 3.70 to 3.65 percent.

**3-MONTH LIBOR AND 10-YEARS US TREASURIES**  
(January 2008 - March 2010)



	Mar 16, 10	%change		
		Weekly	Monthly	Annual
Libor 3 months	<b>0.26</b>	<b>0</b>	<b>0</b>	<b>-105</b>
US Treasuries	<b>3.65</b>	<b>-5</b>	<b>-1</b>	<b>70</b>

## Lima Stock Exchange has grown 3.3 percent at March 16

The **General** and the **Selective** indices of the Lima Stock Exchange (LSE) have grown 3.3 and 2.2 percent, respectively so far this month (at March 16).

During the week of analysis (March 9 to 16), both indices showed mixed results: the General Index rose 0.4 percent and the Selective Index fell 0.5 percent, in a context of a mixed evolution of the international prices of commodities and favorable results in the stock markets in the region.

Year-to-date, the General and the Selective Indices of the LSE accumulate gains of 2.1 and 0.0 percent, respectively.

**LIMA STOCK EXCHANGE INDICATORS**  
(January 2008 - March 2010)

