



Indicators

- ➔ Corporate interest rate at 1.71 percent
- ➔ average interbank interest rate at 1.23 percent
- ➔ Exchange rate on S/. 2.840 per US dollar
- ➔ Country risk at 148 bps
- ➔ LSE grew 8.7 percent

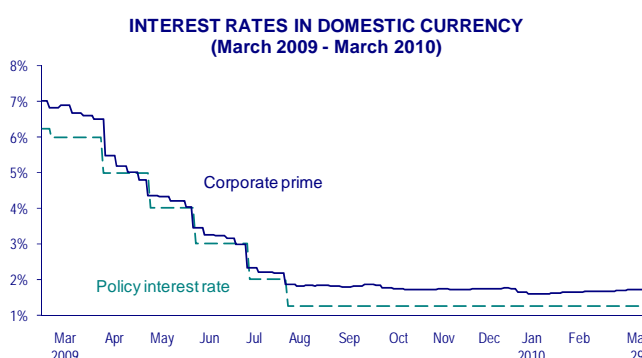
Content

- Corporate interest rate in nuevos soles at 1.71 percent ix
- Average interbank interest rate in March: 1.23 percent ix
- Exchange rate: S/. 2.840 per US dollar x
- International reserves amounted to US\$ 35,127 million on March 29 xi
- Country risk at 148 basis points xi
- Lima Stock Exchange has grown 8.7 percent xiv

### Corporate interest rate in nuevos soles at 1.71 percent

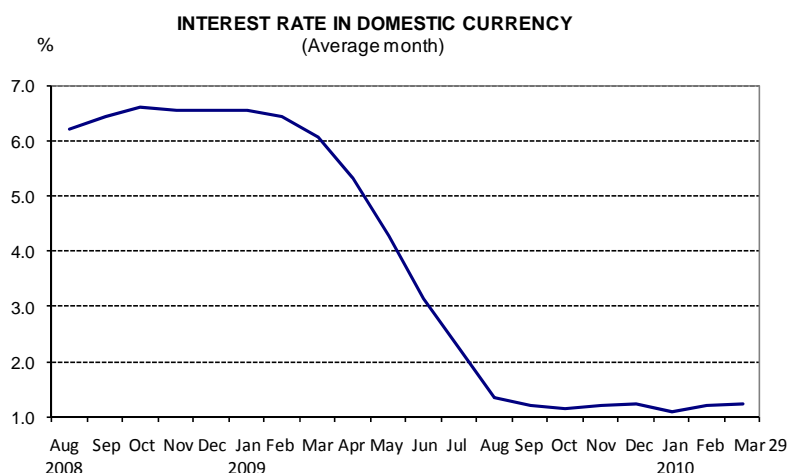
Between **March 24 and 30**, the average corporate interest rate in domestic currency remained at 1.71 percent (respect to that observed in the previous week).

Also, the average corporate interest rate in foreign currency was not deviation from the previous week and remained at 1.32 percent.



### 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 29, this rate registered 1.25 percent.



	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 29	1.23%	0.02

### Monetary Operations

Between **March 24 and 29**, the BCRP made the following monetary operations: i) Auctions of 1-day to up to 91-day CDBCRP for a daily average of S/. 1,873.0 million. The average interest rate on these operations, which reached a balance of S/. 22,686.7 million, was 1.22 percent; ii) Purchases of foreign currency for a total of US\$ 63 million; and iii) Overnight deposits in domestic currency for a total of S/. 90.7 million.

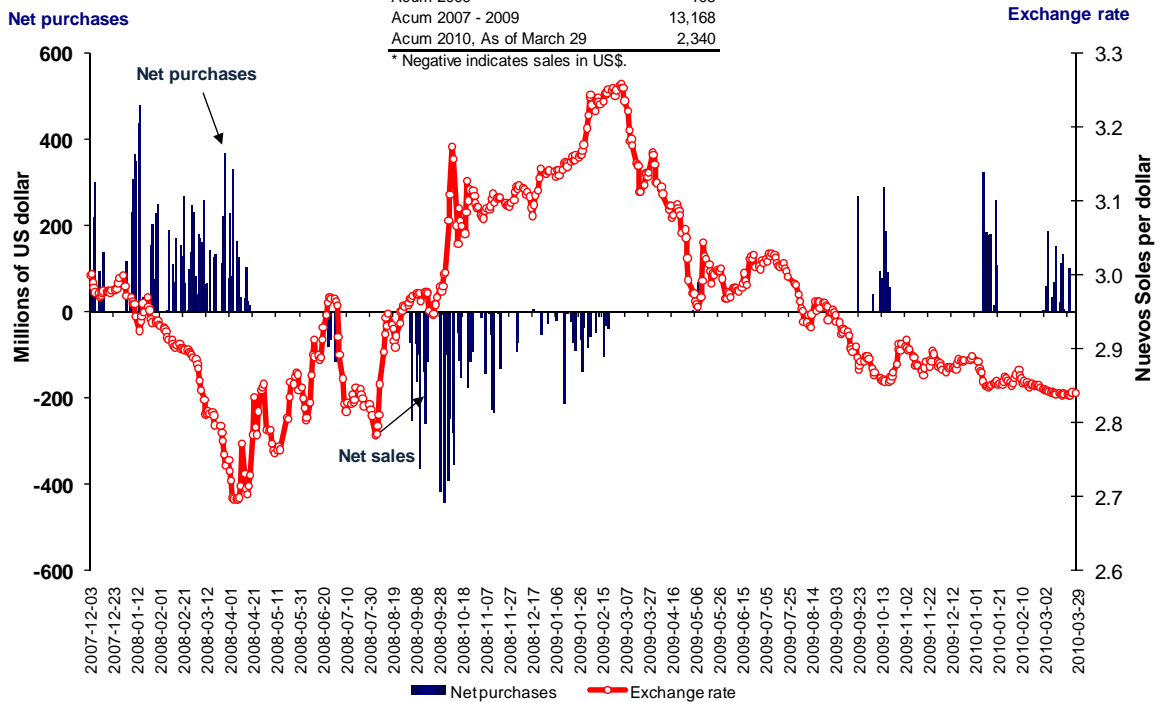
**Exchange rate: S/. 2.840 per US dollar**

Between March 23 and 29, the average interbank ask price of the dollar went from S/. 2.837 to S/. 2.840, which represented a depreciation of the nuevo sol of 0.12 percent. In this period, the BCRP intervened in the foreign exchange market buying FC for a total of US\$ 164 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 29	2,340



Between March 22 and 29, banks' balance of net forward purchases of foreign currency decreased by US\$ 102 million. Compared with end February, the balance of net forward purchases accumulated an increase of US\$ 209 million.

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

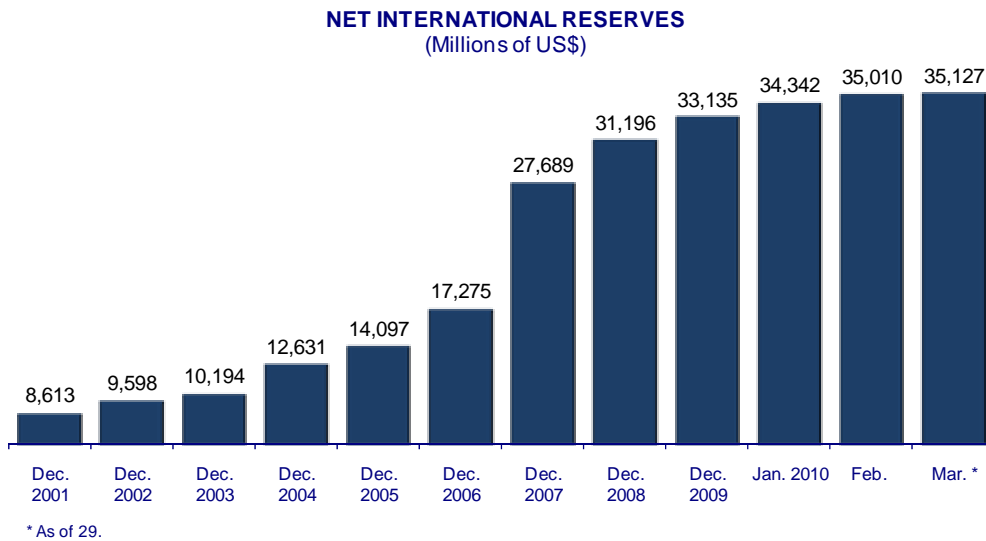


**International reserves amounted to US\$ 35,127 million on March 29**

Net international reserves (NIRs) amounted to US\$ 35,127 million on March 29. This amount of reserves is US\$ 117 million higher than the one recorded at end February. Year-to-date, NIRs have accumulated an increase of US\$ 1,992 million.

This higher level of NIRs compared with end February is mainly due to purchases of FC (US\$ 956 million). This result was in part offset by lower deposits from banks (US\$ 403 million) and from the public sector (US\$ 366 million), and to the lower valuation of investments (US\$ 144 million).

The international investment position of the BCRP on March 29 was US\$ 25,098 million, a sum US\$ 818 million higher than the one observed at end February.

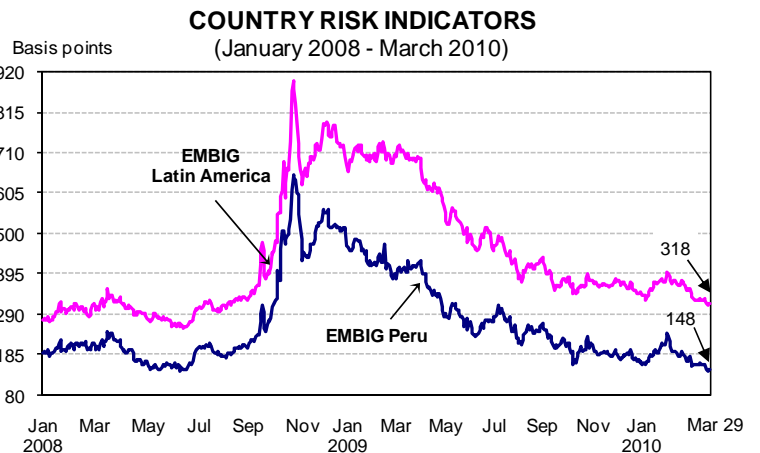


**International Markets**

**Country risk at 148 basis points**

Between March 22 and 29, the country risk indicator, measured by the **EMBIG Peru** spread, fell from 159 to 148 basis points.

Moreover, the spread of the debt of the Latin American region fell 12 basis points by a sharp rise in the yields on the US Treasuries.



Level	Variation in basis points			
	Mar 29, 10	Weekly	Monthly	Annual
	<b>148</b>	<b>-11</b>	<b>-31</b>	<b>-265</b>

**Price of gold rose to US\$ 1,114.3 / troy ounce**

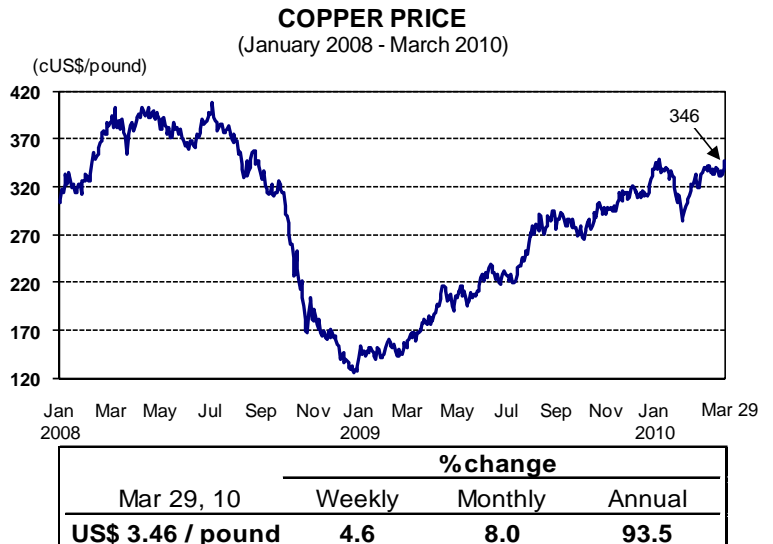
The price of **gold** rose 1.3 percent to US\$ 1,114.3 a troy ounce in the same period.

The higher price of gold was associated with greater safe-haven purchases due to fears about sovereign debt of Greece and the outlook of a good physical demand. However, dollar's strength partly offset this price increase.



Between March 22 and 29, the price of **copper** increased 4.6 percent to US\$ 3.46/pound.

The increase in the price of this basic metal was mainly associated with the signals of a higher demand, as well as the recent reduction of inventories at the London Metal Exchange (LME) that would be reflected in higher demand outside of China.



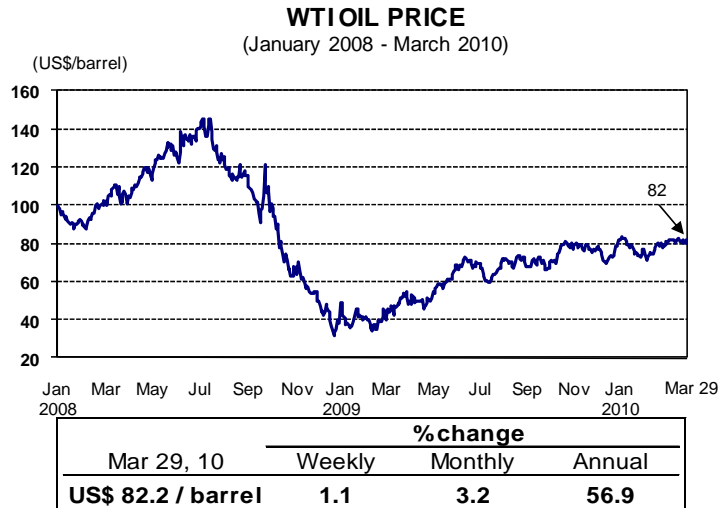
Between March 22 and 29, the price of **zinc** increased 2.7 percent to US\$ 1.03 per pound.

This rise in the price of zinc was due to falling inventories in main metal exchange markets and expectations that demand will improve in the coming months.



The price of **WTI oil** increased 1.1 percent to US\$ 82.2/barrel between March 22 and 29.

The decline higher than expected of crude oil and gasoline inventories in the United States and better expectations about the demand due to positive data in the US were the main factors that pushed oil prices higher.

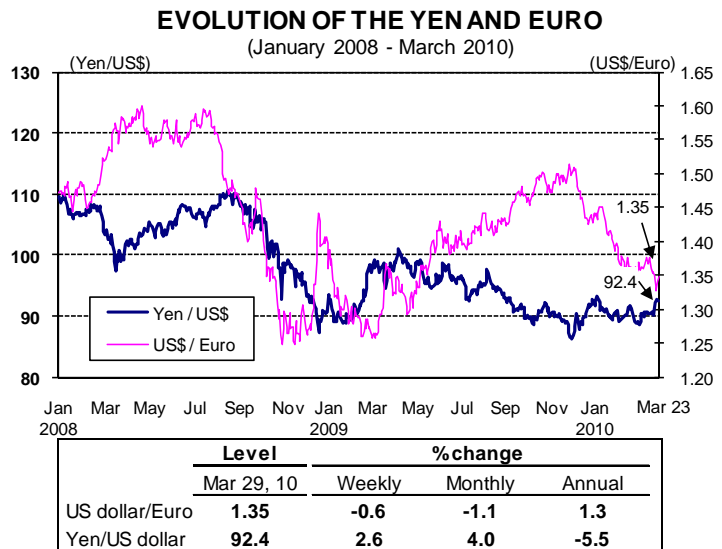


## Dollar appreciated against the euro and the yen

In the same period, the **dollar** appreciated 0.6 percent against the **euro**.

The strength of the dollar against the euro was due to the downgrade the credit rating of Portugal by the Fitch Ratings agency which deepened doubts about the economy of the Eurozone.

Against the **yen**, the dollar appreciated 2.6 percent, due to the extensive sales of the Japanese currency before the beginning of new fiscal year in Japan.



## Yield on 10-year US Treasuries increased to 3.87 percent

Between March 22 and 29, the **3-month Libor** rose 1 basis point at 0.29 percent, while the yield on the 10-year **US Treasury** bond increased from 3.66 to 3.87 percent.

The yield on the US Treasury rose due to the higher placement of debt bonds of United States.



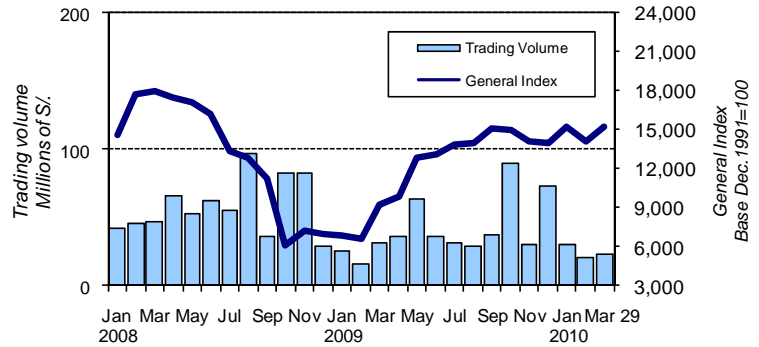
**Lima Stock Exchange has grown 8.7 percent**

So far this month (at March 29), the **General** and the **Blue Chip** indices of the Lima Stock Exchange (LSE) have grown 8.7 and 6.3 percent, respectively.

During the week of analysis (March 22 to 29), both the General index and the Blue Chip index increased (3.1 and 2.6 percent, respectively), influenced by industrial shares linked to the construction (given the positive performance showed by this sector) and by the improvement in international prices of metals.

So far this year, the General and the Selective indices of the LSE have accumulated gains of 7.4 and 3.9 percent, respectively.

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



	As of:		% change	
	Mar 29, 10	Mar 22, 10	Feb 26, 10	As of Dec.09
General Index	15,220	3.1	8.7	7.4
Blue Chip Index	23,316	2.6	6.3	3.9

