



**Indicators**

- Corporate interest rate at 1.68 percent
- Interbank interest rate: 1.24 percent
- Exchange rate: S/. 2.839 per US dollar
- Country risk at 132 bps
- LSE grew 3.6 percent

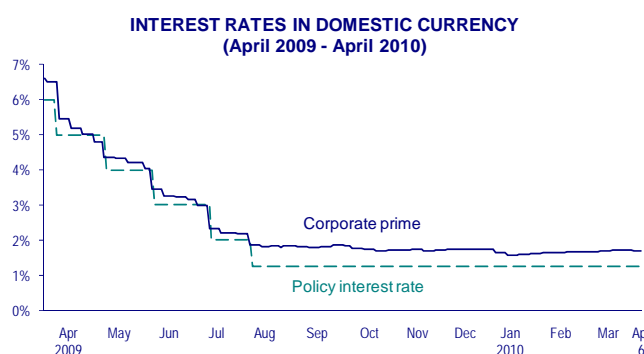
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**Corporate interest rate in nuevos soles at 1.68 percent**

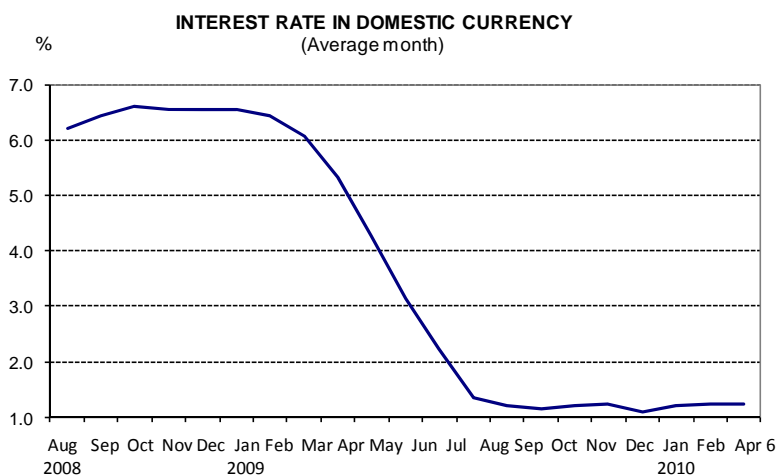
Between **March 30 and April 6**, the average corporate interest rate in domestic currency decreased slightly from 1.69 to 1.68 percent.

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.



**Average interbank interest rate in April: 1.24 percent**

The average interbank interest rate in domestic currency so far this month is 1.24 percent. On April 6, this rate also registered 1.23 percent.



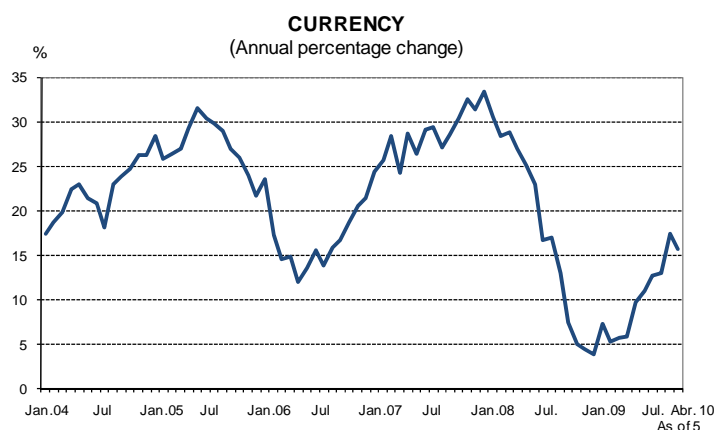
	Average interbank rate	
	Average	S.D
December 2008	6.54%	0.03
January 2009	6.55%	0.15
February	6.44%	0.32
March	6.08%	0.13
April	5.33%	0.47
May	4.29%	0.42
June	3.13%	0.40
July	2.23%	0.49
August	1.34%	0.27
September	1.20%	0.07
October	1.15%	0.07
November	1.22%	0.07
December	1.24%	0.02
January 2010	1.09%	0.16
February	1.21%	0.03
March	1.23%	0.02
April 6	1.24%	0.00

**Monetary operations**

Between **March 30 and April 6**, the BCRP made the following monetary operations: i) Auctions of 1-day to up to 93-day CDBCRP for a daily average of S/. 1,318.1 million. The average interest rate on these operations, which reached a balance of S/. 19,794.7 million, was 1.21 percent; and ii) Overnight deposits in domestic currency for a total of S/. 53.1 million.

## Currency in circulation amounted to S/. 18,533 million on April 5

Between March 23 and April 5, **currency in circulation** shrank by S/. 194 million to S/. 18,533 million. In this way, currency in circulation accumulates a reduction of S/. 708 million so far this year. Currency has grown 15.6 percent in the last 12 months.



### BCRP OPERATIONS (Millions of nuevos soles)

	FLOWS				BALANCE		
	Feb-10	From 03/23 to 04/05	Cumulated		31-Dec-09	31-Mar-10	05-Apr-10
			March*	Annual*			
<b>I. NET INTERNATIONAL POSITION</b>							
(Millions of US\$)	-16	543	2,520	6,205	66,436	71,476	71,476
<b>A. Foreign Exchange Operations</b>	0	164	956	2,329			
1. Over the counter operations	0	164	956	2,340			
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	1	2			
<b>B. Rest of operations</b>	-5	27	-69	-150			
<b>II. NET INTERNAL ASSETS</b>	47	-349	-2,287	-6,912	-47,195	-52,747	-52,943
<b>A. Monetary operations</b>	-118	1,344	-2,526	-6,381	-36,323	-44,466	-42,704
<b>1. Sterilization</b>	-118	1,344	-2,526	-6,381	-36,323	-44,466	-42,704
a. BCRP Certificates of Deposit (CDBCRP)	-706	1,950	-1,695	-5,717	-14,121	-21,753	-19,838
b. Overnight Deposits	185	-4	80	753	-842	-85	-89
c. Public Sector Deposits in soles	410	-601	-916	-1,366	-21,006	-22,224	-22,373
d. Other operations	-7	0	6	-51	-354	-405	-405
<b>2. Injection</b>	0	0	0	0	0	0	0
<b>B. Reserve Requirements in DC **</b>	105	-2,099	-472	-1,616	-4,307	-3,945	-5,923
<b>C. Rest</b>	60	406	710	1,085			
<b>III. CURRENCY **</b>	31	194	233	-708	19,241	18,729	18,533
(Monthly percentage change)					10.3%	1.3%	-1.0%
(Acumulated percentage change)					11.0%	-2.7%	-3.7%
(YoY)					11.0%	17.3%	15.6%

\* As of April 5, 2010.

\*\* Preliminary data.

### Exchange rate: S/. 2.839 per US dollar

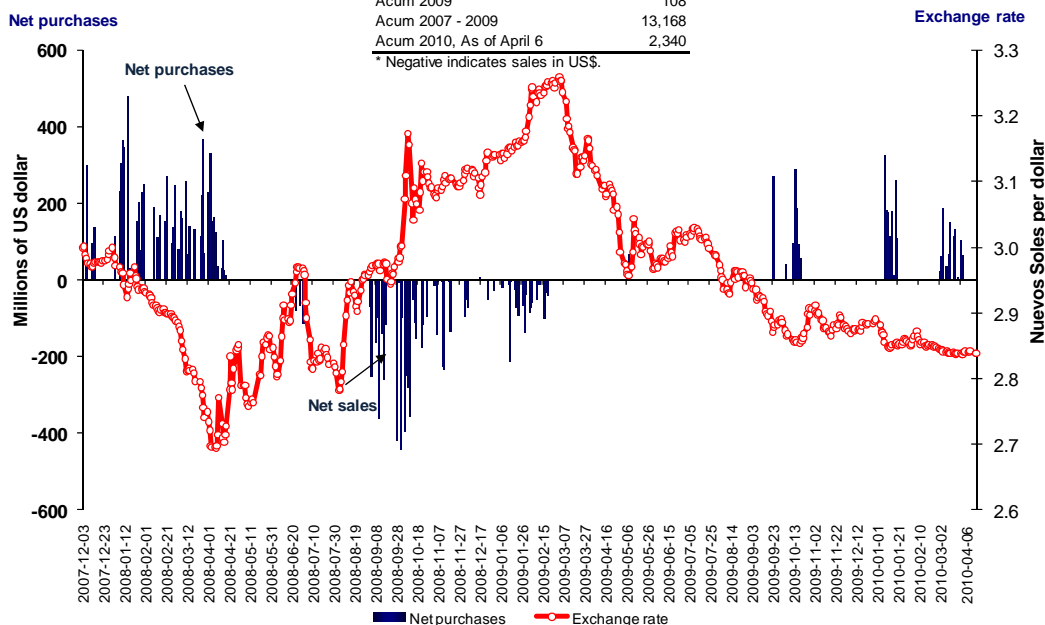
Between March 29 and April 6, the average interbank ask price of the dollar went from S/. 2.840 to S/. 2.839, which represented an appreciation of the nuevo sol of 0.06 percent. In this period, the BCRP did not intervene in the foreign exchange market.

**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 April 6	2,340

\* Negative indicates sales in US\$.



Between March 30 and April 6, banks' balance of net forward purchases of foreign currency decreased by US\$ 37 million. Compared with end March, the balance of net forward purchases accumulated an increase of US\$ 194 million.

**BALANCE OF NET FORWARD PURCHASES OF FOREIGN CURRENCY**

(January 2008 - April 2010)



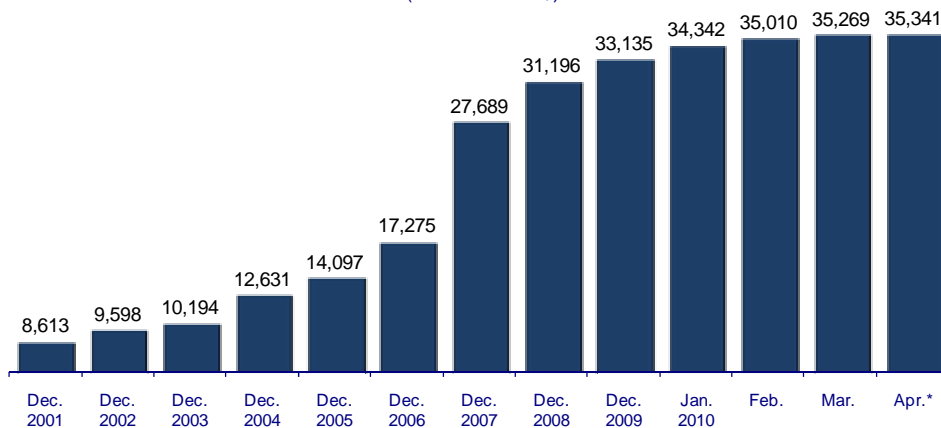
**International reserves amounted to US\$ 35,341 million on April 6**

Net international reserves (NIRs) amounted to US\$ 35,341 million on April 6. This amount of reserves is US\$ 73 million higher than the one recorded at end March. Year-to-date, NIRs have accumulated an increase of US\$ 2,206 million.

This higher level of NIRs compared with end March is mainly due higher deposits from banks (US\$ 105 million) and from the public sector (US\$ 14 million). This result was partially offset by the lower valuation of investments (US\$ 50 million).

The international investment position of the BCRP on April 6 was US\$ 25,122 million..

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



\* As of 6.

**Liquidity and credit to the private sector at March 15**

In the last four weeks, **total liquidity to the private sector** grew 0.9 percent (S/. 1,028 million), mainly due to the 1.8 percent increase of liquidity in soles (S/. 1,184 million). With this, overall liquidity has accumulated an increase of 13.6 percent in the last 12 months.

**Total credit to the private sector** grew 1.4 percent (S/. 1,484 million) and accumulated a growth of 10.1 percent in the last 12 months. By currencies, credit in soles has grown 1.9 percent (S/. 1,112 million), while credit in dollars has grown 0.8 percent (US\$ 129 million).

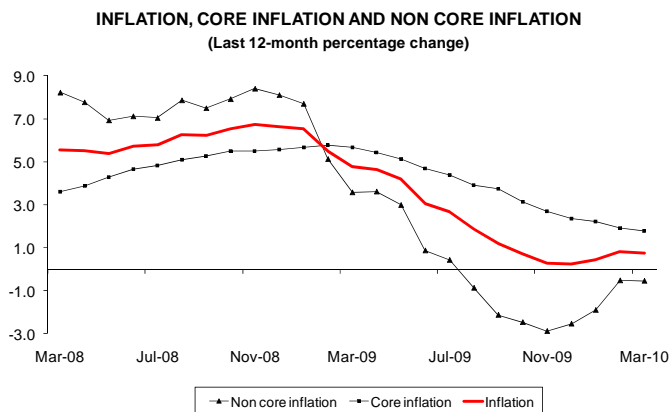
**Inflation in March: 0.28 percent**

The rate of inflation in February was 0.28 percent. With this, last-12 month inflation accumulates a rate of 0.76 percent.

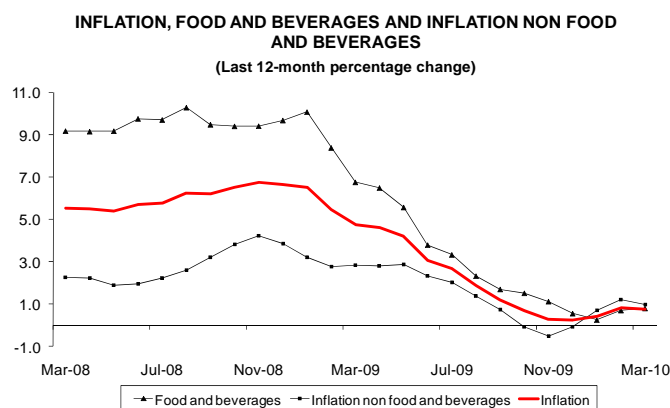
**INFLATION**  
(Accumulated percentage change)

	Weight 2009=100	Monthly		12-month indicator		
		Feb. 2010	Mar. 2010	Mar. 2009	Feb. 2009	Mar. 2010
<b>CPI</b>	<b>100.0</b>	<b>0.32</b>	<b>0.28</b>	<b>4.78</b>	<b>0.84</b>	<b>0.76</b>
<b>Core index</b>	<b>65.2</b>	<b>0.17</b>	<b>0.33</b>	<b>5.69</b>	<b>1.91</b>	<b>1.77</b>
Goods	32.9	0.23	0.15	5.52	1.76	1.71
Services	32.2	0.11	0.51	5.89	2.13	1.83
<b>Non core index</b>	<b>34.8</b>	<b>0.61</b>	<b>0.20</b>	<b>3.58</b>	<b>-0.52</b>	<b>-0.54</b>
Food	14.8	1.05	0.56	5.97	-0.80	-0.66
Fuel	2.8	0.54	-0.02	-14.59	4.55	5.60
Transporting	8.9	-0.09	0.30	5.56	0.33	0.71
Utilities	8.4	0.59	-0.51	9.87	-2.41	-3.77
<b>Note.-</b>						
Food and beverages	37.8	0.69	0.33	6.77	0.71	0.81
CPI non food and beverages	62.2	0.10	0.25	2.85	1.21	1.00

Core inflation showed a rate of 0.33 percent in the month and a rate of 1.8 percent in the last 12 months. Non-core inflation recorded 0.20 percent in the month and -0.5 percent in the last 12 months.



Food and beverage inflation, which recorded a rate of 0.33 percent in March, accumulated 0.8 percent in the last 12 months. Moreover, inflation without food and beverages recorded a rate of 0.25 percent in the month and a rate of 1.0 percent in the last 12 months.



In March, three items contributed with 0.25 percentage points to this month's inflation rate: school tuition and pension (0.14 points), sugar (0.08 points), and carrots (0.03 points). On the other hand, three items contributed with -0.06 percentage points to inflation this month: fresh vegetables (-0.04 percentage points), citrus fruits and seasonings (-0.01 points each).

### BCRP survey on macroeconomic expectations: March 2010

According to the BCRP Survey on Macroeconomic Expectations carried out in March, non-financial firms continue expecting a rate of inflation of 2.0 percent; analysts have decreased their estimates from 2.2 to 2.0 percent; while financial firms increased their expectations from 2.1 to 2.4. The surveyed groups expect an inflation rate of 2.5 for 2011 and between 2.3 and 2.5 percent for 2012.

#### SURVEY OF MACROECONOMIC EXPECTATIONS: INFLATION

	Survey date:		
	Jan.29	Feb.26	Mar.31
<b>FINANCIAL ENTITIES <sup>1/</sup></b>			
2010	2.1	2.1	2.4
2011	2.5	2.5	2.5
2012	--	2.7	2.5
<b>ECONOMIC ANALYSTS <sup>2/</sup></b>			
2010	2.1	2.2	2.0
2011	2.5	2.5	2.5
2012	--	2.5	2.3
<b>NON FINANCIAL FIRMS <sup>3/</sup></b>			
2010	2.0	2.0	2.0
2011	2.5	2.5	2.5
2012	--	2.5	2.5

<sup>1/</sup> 19 financial entities in January, 20 in February, and 18 in March 2010.

<sup>2/</sup> 24 analysts entities in January, 22 in February, and 24 in March 2010.

<sup>3/</sup> Sample of firms of various economic sectors.

According to the March survey, financial entities expectations of growth of GDP in 2010 remained unchanged at 5.0 percent, while economic analysts improved their expectation from 4.5 to 4.9 and non financial firms improved from 4.5 to 5.0 percent. For 2011 the analysts and non financial firms expect a growth rate of 5.0 percent, while financial entities expect 5.3 percent; and all the surveyed agents expect and economic growth between 5.5 and 5.8 percent for 2012.

## SURVEY OF MACROECONOMIC EXPECTATIONS: GDP GROWTH (%)

	Survey date:		
	Jan.29	Feb.26	Mar.31
<b>FINANCIAL ENTITIES <sup>1/</sup></b>			
2010	4.5	5.0	5.0
2011	5.0	5.0	5.3
2012	--	5.5	5.6
<b>ECONOMIC ANALYSTS <sup>2/</sup></b>			
2010	4.5	4.5	4.9
2011	5.0	5.0	5.0
2012	--	5.6	5.8
<b>NON FINANCIAL FIRMS <sup>3/</sup></b>			
2010	4.5	4.5	5.0
2011	5.0	5.0	5.0
2012	--	5.5	5.5

<sup>1/</sup> 19 financial entities in January, 20 in February, and 18 in March 2010.

<sup>2/</sup> 24 analysts entities in January, 22 in February, and 24 in March 2010.

<sup>3/</sup> Sample of firms of various economic sectors.

For 2010, economic analysts and non financial firms lowered their expectations of the exchange rate from S/. 2.85 to S/. 2.80 per dollar and S/. 2.90 S/. 2.85 per dollar, respectively; on the other hand financial institutions stood at S/. 2.80 per dollar. For 2011, economic agents expect an exchange rate of S/. 2.78 and S/. 2.90 per dollar, while for 2012 they expected to be located between S/. 2.80 and S/. 3.00 per dollar.

## SURVEY OF MACROECONOMIC EXPECTATIONS: EXCHANGE RATE\*

	Survey date:		
	Jan.29	Feb.26	Mar.31
<b>FINANCIAL ENTITIES <sup>1/</sup></b>			
2010	2.85	2.80	2.80
2011	2.80	2.82	2.78
2012	--	2.85	2.80
<b>ECONOMIC ANALYSTS <sup>2/</sup></b>			
2010	2.80	2.85	2.80
2011	2.85	2.82	2.80
2012	--	2.80	2.83
<b>NON FINANCIAL FIRMS <sup>3/</sup></b>			
2010	2.90	2.90	2.85
2011	3.00	2.95	2.90
2012	--	3.00	3.00

<sup>1/</sup> 19 financial entities in January, 20 in February, and 18 in March 2010.

<sup>2/</sup> 24 analysts entities in January, 22 in February, and 24 in March 2010.

<sup>3/</sup> Sample of firms of various economic sectors.

\* Exchange rate at the end-of-year.

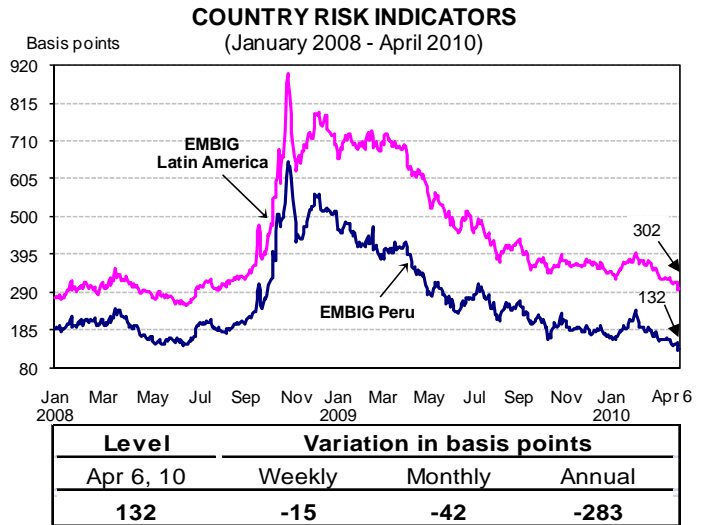
## International Markets

### Country risk at 132 basis points

On **April 6**, the country risk indicator, measured by the **EMBIG Peru** fell to 132 basis points.

In **March**, the average country risk measured by the spread of **EMBIG Peru** declined from 200 in February to 158 basis points, similar to the behavior of spread in the region declined by 45 basis points.

The decline in emerging market debt spreads was explained by lower risk aversion in the markets.



### Price of gold dropped to US\$ 1,138.2/troy ounce

On **April 6**, the price of **gold** increased to US\$ 1,138.2 per troy ounce.

In **March**, the average gold price increased 1.6 percent from US\$ 1,097.2 in February to US\$ 1,115.3 per troy ounce.

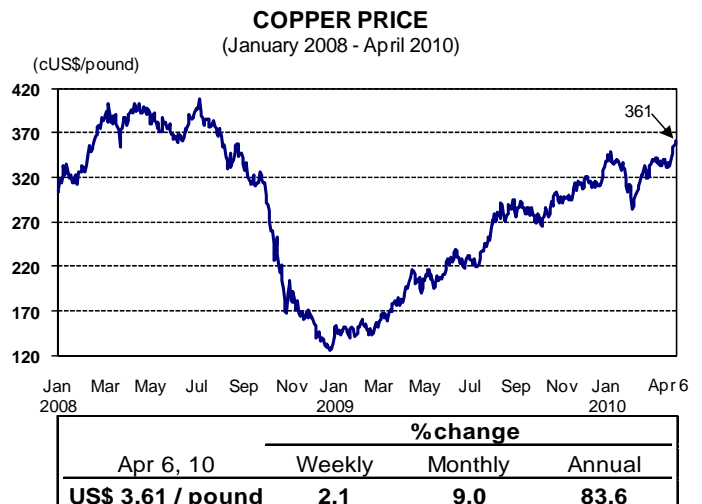
The rise in the price of gold was associated with greater purchases of gold as a refuge and the prospects of a good physical demand, although the dollar's appreciation against the euro and the yen partially offset the rise of precious metals prices.



On **April 6**, the price of **copper** increased to US\$ 3.61 per pound.

In **March**, the average price of **copper** rose 9.0 percent from US\$ 3.11 in February to US\$ 3.39 per pound.

The price of copper was driven by growth prospects in developed economies, especially for favorable indicators of activity in the US and Europe, as well as by falling inventories in London Metal Exchange.



On **April 6**, the price of **zinc** increased to US\$ 1.08 per pound.

The average price of **zinc**, an increase of 5.5 percent in **March** from US\$ 0.98 in February to US\$ 1.03 per pound.

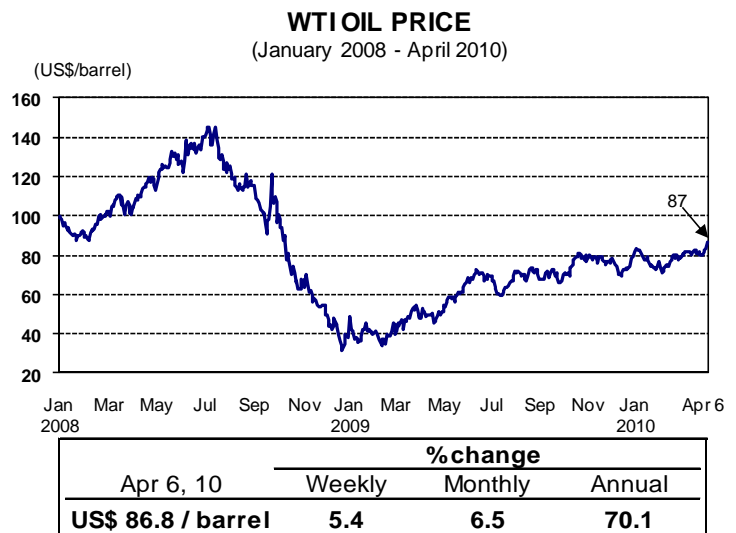
The drop in inventories in major world markets and expectations that demand will improve in the coming months, explained the rise in the price of the base metal.



On **April 6**, the price of **WTI oil** increased to US\$ 86.8 per barrel.

The average price of **WTI oil** rose 6.5 percent from US\$ 76.3 in February to US\$ 81.3 per barrel in **March**.

Among the main factors behind the rise in oil prices include: the higher expectations of economic recovery in the US, the decline in crude and gasoline inventories in the United States and the increasing demand of investors that are taking positions in this commodity.

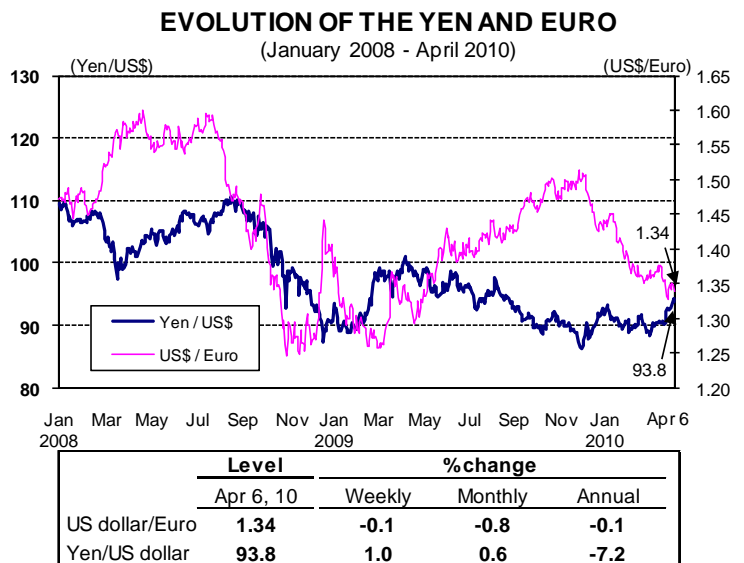


**Dollar appreciated against the euro and yen**

In **March** the **dollar** appreciated in average 0.8 percent against the **euro** and 0.6 percent against the **yen**.

This evolution of the US currency was a reflection of doubts about the economy in the Eurozone after Fitch Ratings downgraded the credit rating of Portugal, as well as for the extensive sales of the Japanese currency before the start of new fiscal year in Japan.

On **April 6**, exchange rates were US\$ 1.34 per euro and 93.8 yen per US dollar.





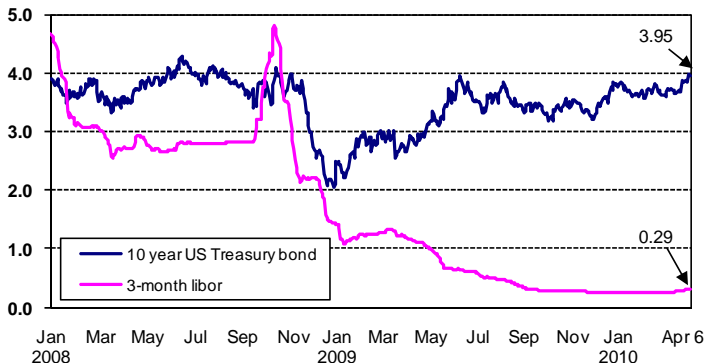
**Yield on 10-year US Treasuries rose to 3.72 percent in March**

In **March**, in average terms the **3-month LIBOR** rate rose from 0.25 in February to 0.27 percent and the yield on the benchmark **10-year US Treasury bond** rose from 3.68 in February to 3.72 percent.

The yield of the US Treasury bonds increased due to lower risk aversion of investors in a context of positive indicators of economic activity in the United States and a higher placement of debt securities of the United States.

**3-MONTH LIBOR AND 10-YEARS US TREASURIES**

(January 2008 - April 2010)



	%change			
	Apr 6, 10	Weekly	Monthly	Annual
Libor 3 months	0.29	0	0	-86
US Treasuries	3.95	9	4	103

As of **April 6**, the **3-month Libor** rate rose to 0.29 percent and the yield on the benchmark 10-year US Treasury bond rose to 3.95 percent.

**Lima Stock Exchange has grown 3.6 percent as of April 6**

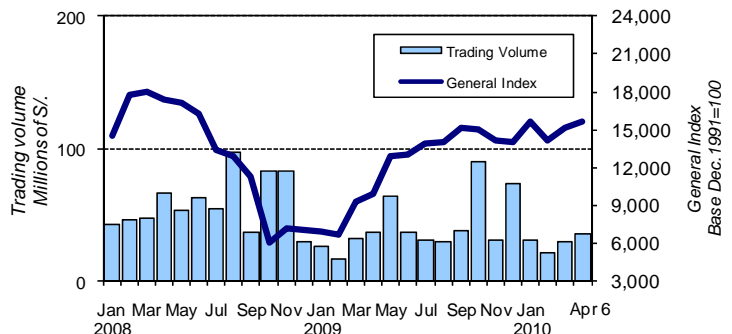
On **April 6**, the **General** and the **Blue Chip** indices rose 3.6 and 4.1 percent respectively.

In **March**, the **General** and the **Blue Chip** indices of the Lima Stock Exchange (LSE) showed positive behavior of 8.1 and 5.1 percent respectively.

The results of stock indices during the month were due to the good performance of mining and industrial stocks and to positive expectations of the first-quarter financial results and the recovery in prices of base and precious metals.

**LIMA STOCK EXCHANGE INDICATORS**

(January 2008 - April 2010)



	% change			
	As of: Apr 6, 10	Mar 30, 10	Mar 31, 10	As of Dec.09
General Index	15,669	3.0	3.6	10.6
Blue Chip Index	23,997	2.9	4.1	7.0

Year-to-date, these indices have accumulated gains of 10.6 and 7.0 percent, respectively.

