



**Indicators**

- Corporate interest rate at 2.46 percent
- Interbank interest rate: 1.59 percent
- Exchange rate: S/. 2.840 per US dollar
- Non-financial public sector recorded a surplus of S/. 229 million
- Profitability of the LSE at June 22: 1.2 percent

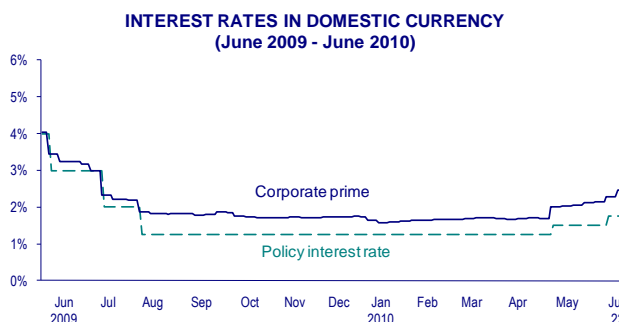
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**Corporate interest rate in nuevos soles at 2.46 percent**

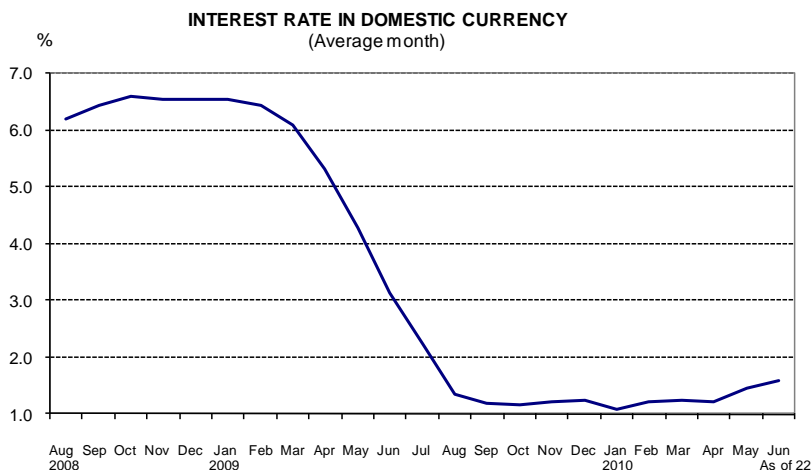
Between **June 15 and 22**, the average corporate interest rate in domestic currency rose from 2.28 to 2.46 percent.

On the other hand, the average corporate interest rate in foreign currency increased from 1.64 to 1.70 percent.



**Average interbank interest rate at 1.59 percent**

So far this month the average interbank interest rate in domestic currency is 1.59 percent. On June 22, this rate recorded 1.74 percent.



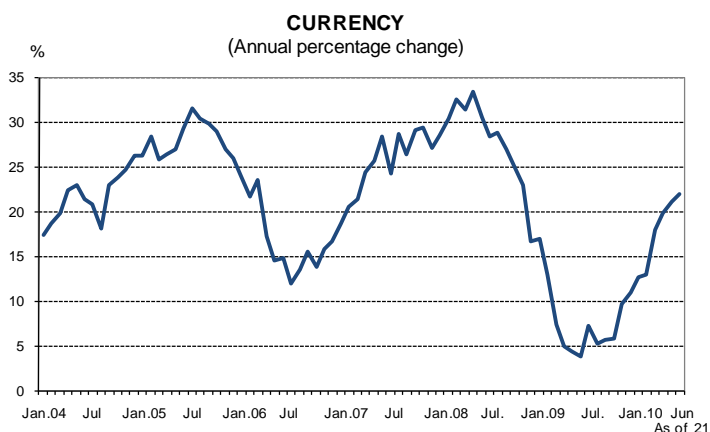
	<u>Average interbank rate</u>	
	<u>Average</u>	<u>S.D</u>
December 2008	6.54%	0.03
January 2009	6.55%	0.15
February	6.44%	0.32
March	6.08%	0.13
April	5.33%	0.47
May	4.29%	0.42
June	3.13%	0.40
July	2.23%	0.49
August	1.34%	0.27
September	1.20%	0.07
October	1.15%	0.07
November	1.22%	0.07
December	1.24%	0.02
January 2010	1.09%	0.16
February	1.21%	0.03
March	1.23%	0.02
April	1.22%	0.02
May	1.45%	0.12
June 22	1.59%	0.10

**Monetary operations**

Between **June 16 and 22**, the BCRP made the following monetary operations: i) Auctions of 1-day to up to 84-day CDBCRP for a daily average of S/. 1,878 million. The average interest rate on these operations, which reached a balance of S/. 17,023 million, was 1.76 percent; ii) Purchases of foreign currency for a total of US\$ 309 million; and iii) Overnight deposits in domestic currency for a total of S/. 186 million.

**Currency in circulation amounted to S/. 19,394 million on June 21, 2010**

Between June 15 and 21, **currency in circulation** increased by S/. 141 million. In this way, currency in circulation accumulates an increase of S/. 153 million so far this year and records a growth rate of 22.0 percent in the last 12 months.



**BCRP OPERATIONS**  
(Millions of nuevos soles)

	FLOWS				BALANCE		
	May-10	From 06/15 to 06/21	Cummulated		31-Dec-09	31-May-10	21-Jun-10
			Monthly*	Annual*			
<b>I. NET INTERNATIONAL POSITION</b>	<b>-746</b>	<b>769</b>	<b>676</b>	<b>7,216</b>	<b>66,436</b>	<b>71,814</b>	<b>72,237</b>
(Millions of US\$)	-262	271	239	2,537	22,988	25,287	25,526
<b>A. Foreign Exchange Operations</b>	<b>0</b>	<b>225</b>	<b>226</b>	<b>2,869</b>			
1. Over the counter operations	0	225	225	2,880			
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	3			
<b>B. Rest of operations</b>	<b>-262</b>	<b>46</b>	<b>13</b>	<b>-332</b>			
<b>II. NET INTERNAL ASSETS</b>	<b>961</b>	<b>-628</b>	<b>-722</b>	<b>-7,064</b>	<b>-47,195</b>	<b>-52,374</b>	<b>-52,844</b>
<b>A. Monetary operations</b>	<b>223</b>	<b>-928</b>	<b>-467</b>	<b>-9,194</b>	<b>-36,323</b>	<b>-45,051</b>	<b>-45,517</b>
<b>1. Sterilization</b>	<b>223</b>	<b>-928</b>	<b>-467</b>	<b>-9,194</b>	<b>-36,323</b>	<b>-45,051</b>	<b>-45,517</b>
a. BCRP Certificates of Deposit (CDBCRP)	1,337	-218	466	-3,146	-14,121	-17,733	-17,267
b. Overnight Deposits	-27	7	52	767	-842	-127	-75
c. Public Sector Deposits in soles	-1,054	-717	-984	-6,669	-21,006	-26,692	-27,676
d. Other operations	-34	0	-1	-146	-354	-499	-499
<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>-54</b>	<b>418</b>	<b>-275</b>	<b>392</b>	<b>-4,307</b>	<b>-3,641</b>	<b>-3,915</b>
<b>C. Rest</b>	<b>792</b>	<b>-117</b>	<b>19</b>	<b>1,739</b>			
<b>III. CURRENCY **</b>	<b>216</b>	<b>141</b>	<b>-47</b>	<b>153</b>	<b>19,241</b>	<b>19,440</b>	<b>19,394</b>
(Monthly percentage change)					10.3%	1.1%	-0.2%
(Acummulated percentage change)					29.5%	1.0%	0.8%
(YoY)					11.0%	21.1%	22.0%

\* As of Jun 21, 2010.

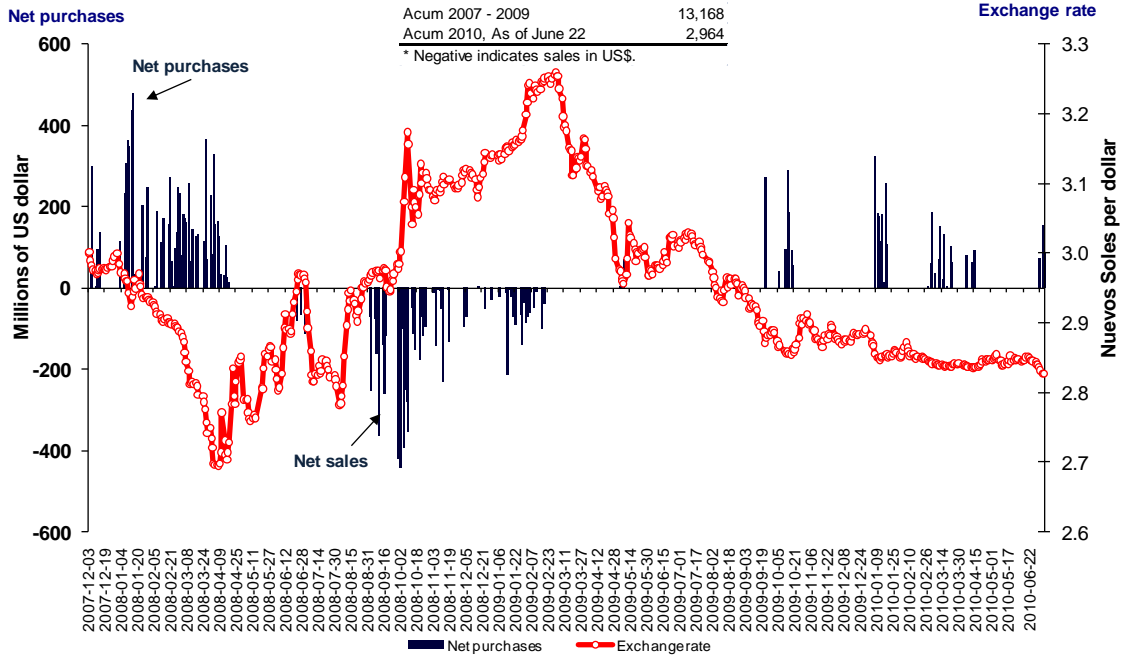
\*\* Preliminary data.

**Exchange rate: S/. 2.827 per US dollar**

Between June 15 and 22, the average interbank ask price of the dollar declined from S/. 2.840 to S/. 2.827, which represented an appreciation of the nuevo sol of 0.43 percent. In this period, the BCRP intervened in the foreign exchange market purchasing S/. 309 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 June 22	2,964



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



Between June 15 and 22, banks' balance of net forward purchases of foreign currency increased by US\$ 58 million. So far in June, the balance of net forward purchases accumulates an increase of US\$ 99 million.

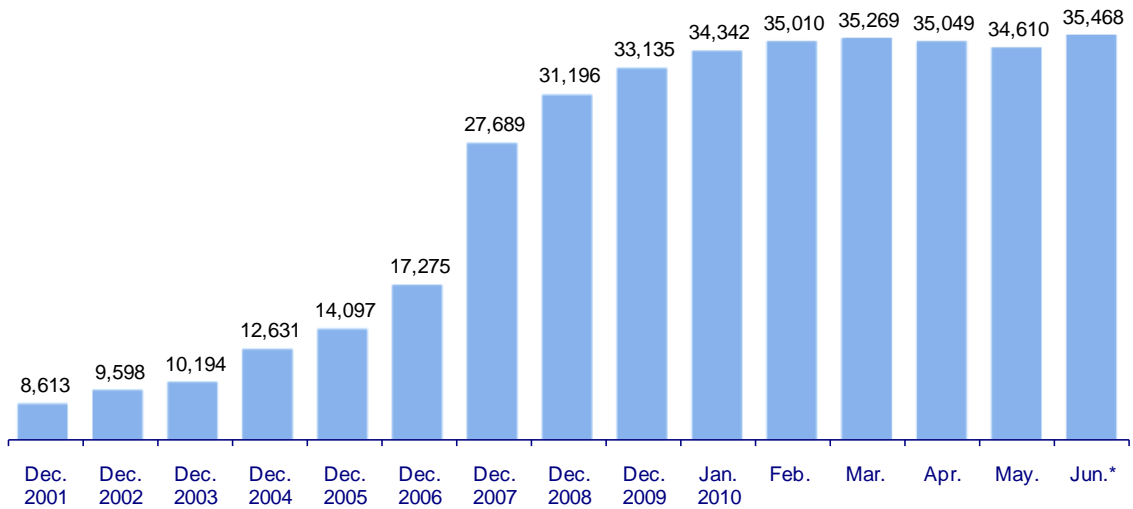
**International reserves amounted to US\$ 35,468 million on June 22**

Net international reserves (NIRs) amounted to US\$ 35,468 million on June 22. This amount of reserves is US\$ 2,333 million higher than the one recorded at end 2009 and US\$ 858 million higher than the one recorded at the close of May.

This increase of NIRs in June compared to the level of NIRs at the close of May, which resulted mainly from banks' higher deposits (US\$ 590 million), BCRP's purchases of foreign currency (US\$ 309 million) and the higher valuation of investments (US\$ 13 million), was in part offset by public sector's lower deposits (US\$ 56 million).

The foreign exchange position of the BCRP on June 22 was US\$ 25,620 million, a sum US\$ 2,632 million higher than the one recorded at end 2009 and US\$ 333 million higher than the one recorded at the close of May.

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



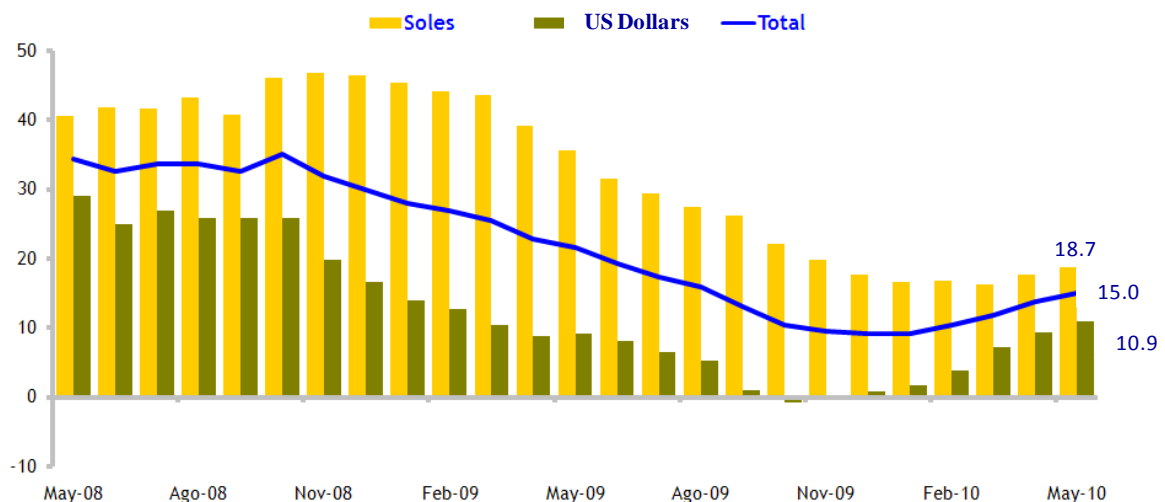
\* As of 22.

**Liquidity and credit to the private sector at May 31**

In May, total **liquidity in the private sector** grew 2.2 percent (S/. 2,609 million) and thus accumulated an annual increase of 15.1 percent. Liquidity in soles increased 2.1 percent (S/. 1,411 million), while liquidity in dollars grew 2.5 percent (US\$ 414 million).

On the other hand, **total credit to the private sector** grew 2.3 percent in May (S/. 2,630 million). Credit in soles grew 1.8 percent in the month (S/. 1,079 million), while credit in dollars grew 3.0 percent (US\$ 537 million). With this, the rate of growth of total credit in the last 12 months was 15 percent (13.7 percent in April).

**CREDIT TO THE PRIVATE SECTOR**  
**MAY 2008 - MAY 2010**  
(Annual growth rate)



## Non-financial public sector recorded a surplus of S/. 229 million in May

In May, the operations of the non-financial public sector continued to reflect the growth in tax revenues observed since November 2009, as well as non-financial costs. There was an economic surplus of S/. 229 million, higher than the S/. 287 million result observed in May 2009. By government levels, the surplus was mainly associated with the operations of national government (S/. 117 million) and state enterprises (S/. 279 million), which reflected transfers to the Fuel Price Stabilization Fund (FPEF) for the partial payment of the debt with importers and refineries.

### NON FINANCIAL PUBLIC SECTOR OPERATIONS (NFPS) 1/

(Millions of nuevos soles)

	MAY			JAN-MAY		
	2009	2010	Real % chg.	2009	2010	Real % chg.
<b>1. General Government Revenue</b>	<b>5,654</b>	<b>6,589</b>	<b>15.3</b>	<b>30,970</b>	<b>36,825</b>	<b>18.0</b>
a. Tax revenue	3,930	4,974	25.3	23,303	28,501	21.4
National	3,819	4,874	26.3	22,694	27,866	21.9
Local	111	100	- 10.9	608	635	3.6
b. Non tax revenue	1,724	1,614	- 7.3	7,667	8,324	7.7
National	1,171	1,297	9.6	6,053	7,152	17.3
Local	175	150	- 15.4	1,018	840	- 18.1
Regional	377	167	- 56.1	597	332	- 44.8
<b>2. General Non Financial Expenditure</b>	<b>5,402</b>	<b>6,193</b>	<b>13.5</b>	<b>25,668</b>	<b>29,399</b>	<b>13.7</b>
a. Current	4,093	4,496	8.7	20,155	21,827	7.5
<i>of which: FEPC</i>	0	300		1,000	475	- 82.6
b. Capital	1,309	1,697	28.3	5,513	7,572	36.3
<i>Of which: Gross Capital Formation</i>	1,158	1,633	39.5	5,032	6,887	35.8
<b>3. Other 2/</b>	<b>153</b>	<b>293</b>	<b>89.6</b>	<b>1,155</b>	<b>-171</b>	<b>- 114.7</b>
<b>4. Primary Balance</b>	<b>405</b>	<b>689</b>		<b>6,457</b>	<b>7,255</b>	
<b>5. Interests</b>	<b>462</b>	<b>459</b>	<b>-1.7</b>	<b>2,222</b>	<b>2,589</b>	<b>15.6</b>
External	385	354	-8.9	1,265	1,532	20.2
Domestic	78	105	34.0	957	1,057	9.6
<b>6. NFPS Overall Balance</b>	<b>-58</b>	<b>229</b>		<b>4,235</b>	<b>4,666</b>	

1/ Preliminary.

2/ Includes Capital revenue of General Government and state companies primary balance.

Source: MEF, BN, Sunat, EsSalud, public welfare agencies, state companies and public institutions.

The general government current revenues in May amounted to S/. 6,589 million –which represents a real growth of 15.3 percent compared to the same period last year– as a result of higher tax revenues (S/. 935 million). Current revenues grew 18.0 percent in the January-May period.

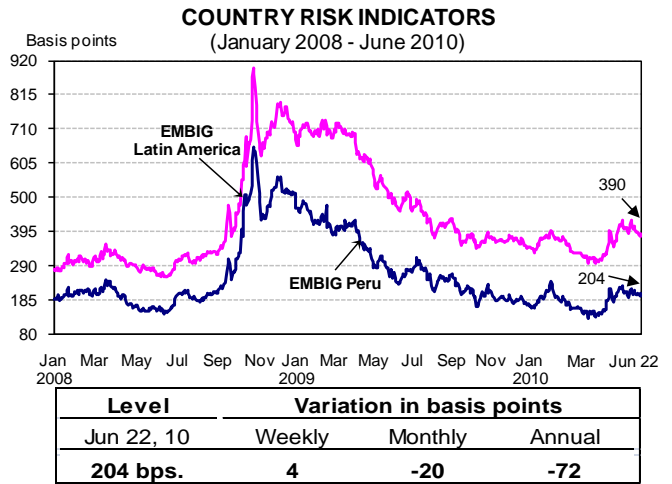
The non-financial expenditure of the general government (S/. 6,193 million) recorded a real growth of 13.5 percent. This was mainly associated with higher capital expenditures (28.3 percent) and with higher expenditure in goods and services (11.0 per cent). Non-financial expenditures recorded a real growth of 13.7 percent in the January-May period.

## International Markets

### Country risk increased to 204 basis points

Between June 15 and 22, the country risk indicator, measured by the **EMBIG Peru** spread, increased from 200 to 204 basis points.

The Latin American debt spread fell 3 basis points in a context of mixed indicators of economic activity in the United States.



### Price of gold rose to US\$ 1,239.8 /troy ounce

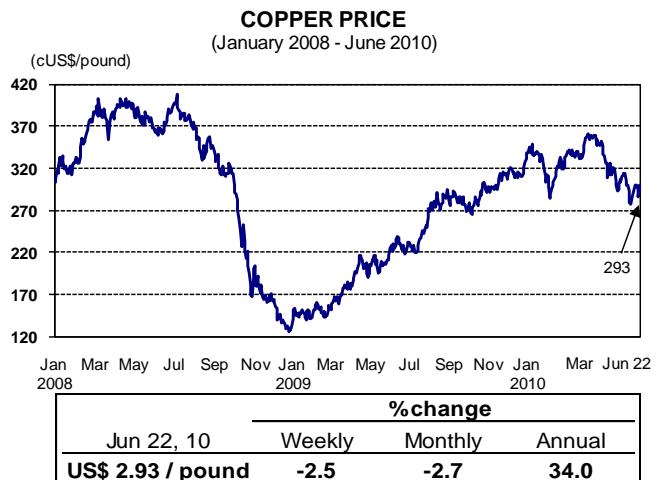
In the same period, the price of **gold** rose 1.1 percent to US\$ 1,239.8 per troy ounce.

The rise in the precious metal price was supported by increased purchases of gold as a safe haven given continuous uncertainty in the Eurozone, in addition to the deceleration of economic recovery in the US.



Between June 15 and 22, the price of **copper** dropped 2.5 percent to US\$ 2.93 a pound.

The drop in the price of this metal was explained by lower purchases of refined copper from China and by an unfavorable outlook for global demand given the higher-than-expected decline of sales of new homes in the US.



Between June 15 and 22, the price of **zinc** dropped 2.6 percent to US\$ 0.78 a pound.

The drop in the price was mainly associated with higher inventories of zinc in the London Metal Exchange and with the ILZSG (International Lead and Zinc Study Group) report indicating that the zinc market recorded a supply surplus between January and April 2010 due to China and Australia's higher supply.

**ZINC PRICE**

(January 2008 - June 2010)



Jun 22, 10	%change		
	Weekly	Monthly	Annual
<b>US\$ 0.78 / pound</b>	<b>-2.6</b>	<b>-6.9</b>	<b>15.9</b>

In the same period, the price of **WTI oil** recorded an increase of 0.4 percent reaching US\$ 77.2 per barrel.

The price of oil rose after the report on crude and gasoline inventories in the US showed a decline of these inventories during the week. China's increased demand for oil in May would have also contributed to this price rise.

**WTI OIL PRICE**

(January 2008 - June 2010)



Jun 22, 10	%change		
	Weekly	Monthly	Annual
<b>US\$ 77.2 / barrel</b>	<b>0.4</b>	<b>13.5</b>	<b>15.4</b>

**Dollar appreciated against the euro**

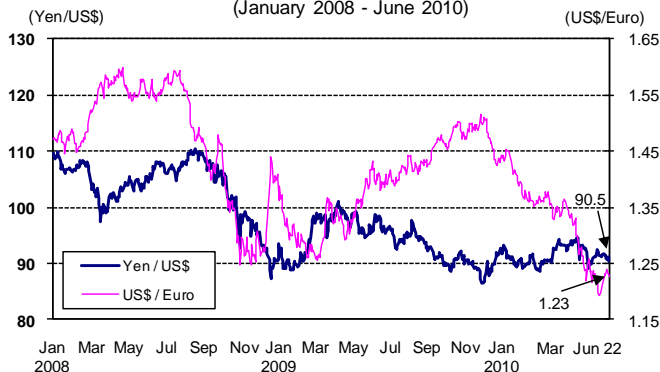
Between June 15 and 22, the **dollar** appreciated 0.5 percent against the **euro**.

The European currency continued to present a downside trend against the dollar due to renewed concerns about Spain's financial system and credit, which reduced confidence in the Eurozone.

On the other hand, the dollar depreciated 1.1 percent against the **yen**.

**EVOLUTION OF THE YEN AND EURO**

(January 2008 - June 2010)



	Level	%change		
	Jun 22, 10	Weekly	Monthly	Annual
US dollar/Euro	<b>1.23</b>	<b>-0.5</b>	<b>-2.5</b>	<b>-11.6</b>
Yen/US dollar	<b>90.5</b>	<b>-1.1</b>	<b>0.5</b>	<b>-5.7</b>

**Yield on 10-year US Treasuries decreased to 3.17 percent**

Between June 15 and 22, the **3-month Libor** remained at 0.54 percent, while the yield on the **10-year Treasury bond** fell from 3.30 to 3.17 percent.

During the week, the yield on the US Treasury bond declined due to investors' search for safe assets given weak data on the real estate sector in the US and high volatility in the stock market.

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

(January 2008 - June 2010)



	% change			
	Jun 22, 10	Weekly	Monthly	Annual
Libor 3 months	<b>0.54</b>	<b>0</b>	<b>4</b>	<b>-7</b>
US Treasuries	<b>3.17</b>	<b>-14</b>	<b>-7</b>	<b>-52</b>

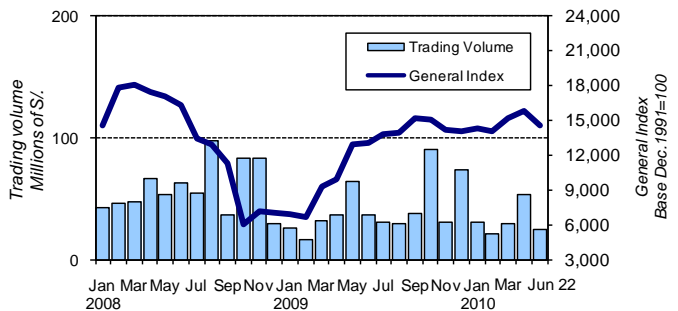
**Profitability of the Lima Stock Exchange reaches 1.2 percent at June 22**

So far this month (at June 22), the **General** and **Selective** indices of the Lima Stock Exchange (LSE) have fallen 1.0 and 1.7 percent, respectively.

During the week (June 15-22), the General Index and the Selective Index dropped 0.6 and 1.3 percent, respectively, affected by the decline of the prices of basic metals and in line with the negative performance of stock markets in the US.

**LIMA STOCK EXCHANGE INDICATORS**

(January 2008 - June 2010)



	As of:		% change	
	Jun 22, 10	Jun 15, 10	May 31, 10	As of Dec.09
General Index	<b>14,338</b>	<b>-0.6</b>	<b>-1.0</b>	<b>1.2</b>
Blue Chip Index	<b>21,226</b>	<b>-1.3</b>	<b>-1.7</b>	<b>-5.4</b>

Year-to-date, the General Index has recorded a gain of 1.2 percent, while the Selective Index has accumulated a decline of 5.4 percent.



