



Indicators

	Corporate interest rate at 2.57 percent
	Interbank interest rate at 1.74 percent
	Exchange rate: S/. 2.824 per US dollar
	Inflation: 0.25 percent in June
	Trade surplus in May: US\$ 238 million
	Annual profitability of the LSE at June 6: -3.1 percent

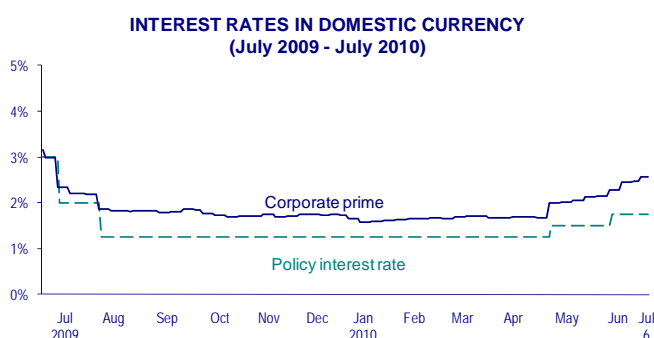
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Corporate interest rate in nuevos soles at 2.57 percent

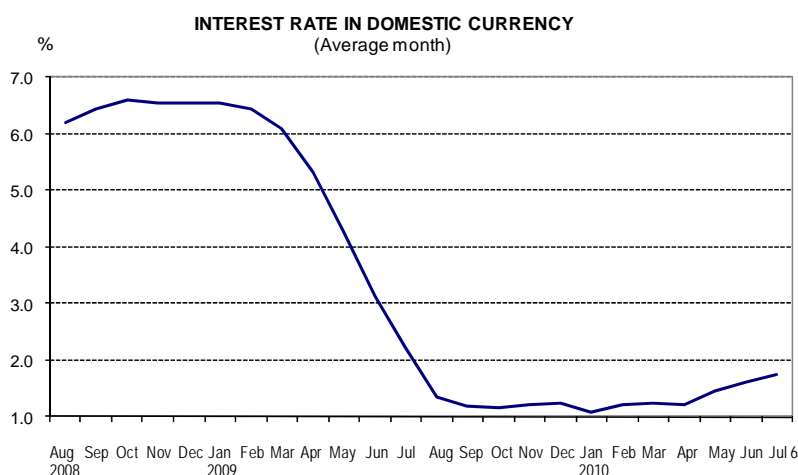
Between **June 30 and July 6**, the average corporate interest rate in domestic currency rose from 2.47 to 2.57 percent.

On the other hand, the average corporate interest rate in foreign currency increased from 1.74 to 1.78 percent.



Average interbank interest rate at 1.74 percent

The average interbank interest rate in domestic currency at July 6 is 1.74 percent. On July 6, this rate recorded 1.75 percent.



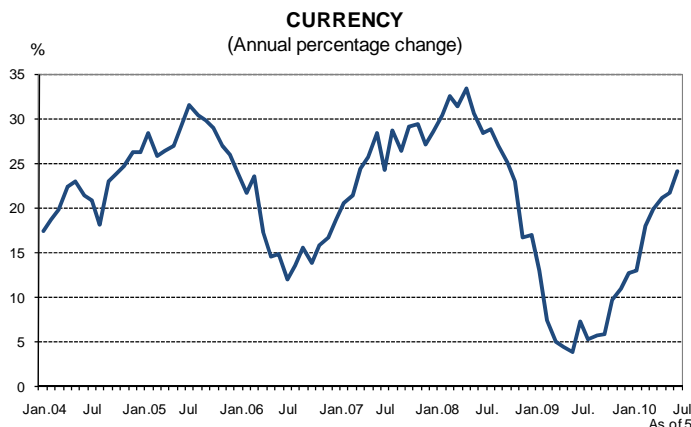
	Average interbank rate	
	Average	S.D
December 2008	6.54%	0.03
March 2009	6.08%	0.13
June	3.13%	0.40
September	1.20%	0.07
December	1.24%	0.02
January 2010	1.09%	0.16
February	1.21%	0.03
March	1.23%	0.02
April	1.22%	0.02
May	1.45%	0.12
June	1.62%	0.11
July 6	1.74%	0.00

Monetary operations

Between **July 1 and 6**, the BCRP made the following monetary operations: i) Auctions of 1-day to up to 92-day CDBCRP for a daily average of S/. 958 million. The average interest rate on these operations, which reached a balance of S/. 17,765 million, was 1.75 percent; and ii) purchases of foreign currency at the BCRP front office (US\$ 200 million).

Currency in circulation amounted to S/. 19,924 million on July 5, 2010

Between June 30 and July 5, **currency in circulation** grew by S/. 389 million and amounted to S/. 19,924 million. In this way, currency in circulation accumulates an increase of S/. 683 million so far this year and records a growth rate of 24.1 percent in the last 12 months.



BCRP OPERATIONS (Millions of nuevos soles)

	FLOWS				BALANCE		
	Jun-10	From 06/30 to 07/05	Cumulated		31-Dec-09	30-Jun-10	05-Jul-10
			Monthly*	Annual			
I. NET INTERNATIONAL POSITION	1,617	1,044	901	9,059	66,436	73,180	73,820
(Millions of US\$)	572	370	319	3,189	22,988	25,858	26,177
A. Foreign Exchange Operations	536	302	200	3,380			
1. Over the counter operations	526	302	200	3,381			
2. Net swap auctions in FC	0	0	0	-13	102	89	89
3. Public Sector	0	0	0	0			
4. Other operations	10	0	0	12			
B. Rest of operations	36	67	119	-191			
II. NET INTERNAL ASSETS	-1,419	-656	-645	-8,376	-47,195	-53,512	-53,896
A. Monetary operations	-1,014	2,062	2,537	-7,205	-36,323	-46,065	-43,528
1. Sterilization	-1,028	2,062	2,551	-7,205	-36,323	-46,079	-43,528
a. BCRP Certificates of Deposit (CDBCRP)	163	962	1,348	-2,101	-14,121	-17,570	-16,222
b. Overnight Deposits	-61	61	118	772	-842	-188	-70
c. Public Sector Deposits in soles	-1,132	1,039	1,085	-5,732	-21,006	-27,823	-26,738
d. Other operations	2	-1	-1	-144	-354	-497	-498
2. Injection	14	0	-14	0	0	14	0
B. Reserve Requirements in DC **	-368	-2,568	-2,885	-2,558	-4,307	-3,979	-6,865
C. Rest	-37	-150	-296	1,387			
III. CURRENCY **	198	389	256	683	19,241	19,668	19,924
(Monthly percentage change)					10.3%	1.0%	1.3%
(Accumulated percentage change)					29.5%	2.2%	3.5%
(YoY)					11.0%	21.6%	24.1%

* As of July 5, 2010.

** Preliminary data.

Exchange rate: US dollar traded at S/. 2.824

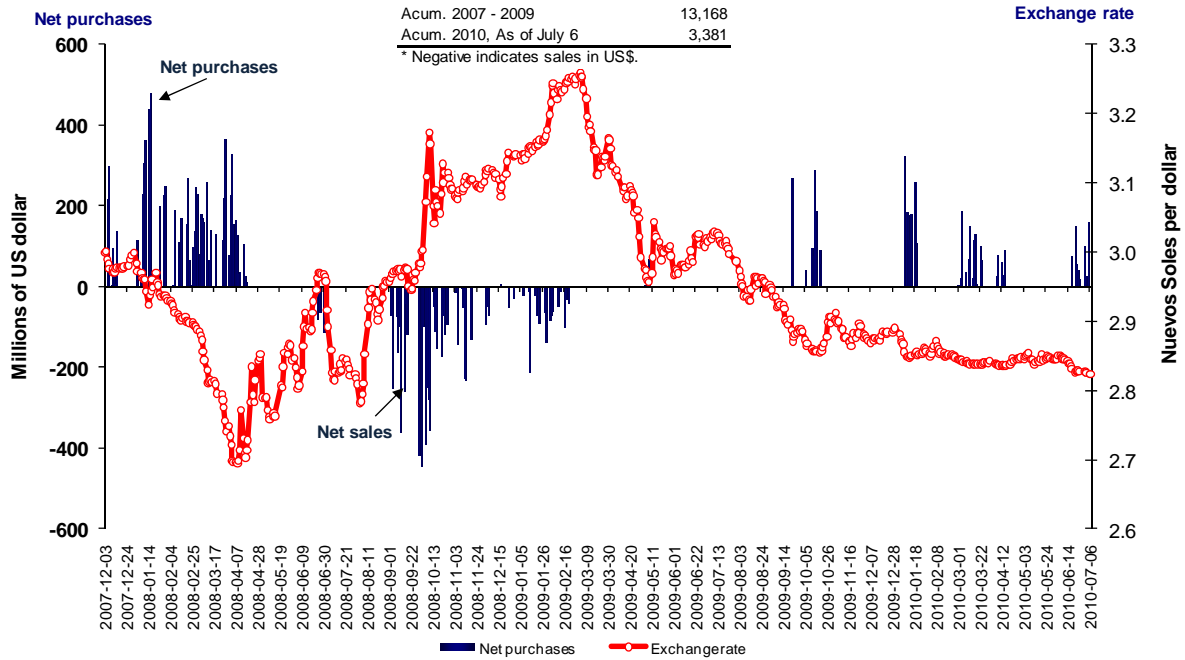
Between June 30 and July 6, the average interbank ask price of the dollar declined from S/. 2.827 to S/. 2.824. In this period, which represented an appreciation of the Nuevo Sol of 0.11 percent. The BCRP intervened in the foreign exchange market buying FC for a total of S/. 302 million. Thus, purchases of FC so far this month accumulate a total of S/. 200 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 July 6	3,381

* Negative indicates sales in US\$.



Between June 30 and July 6, banks' balance of net forward purchases of foreign currency increased by US\$ 57 million. In June, the balance of net forward purchases accumulated an increase of US\$ 258 million.

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

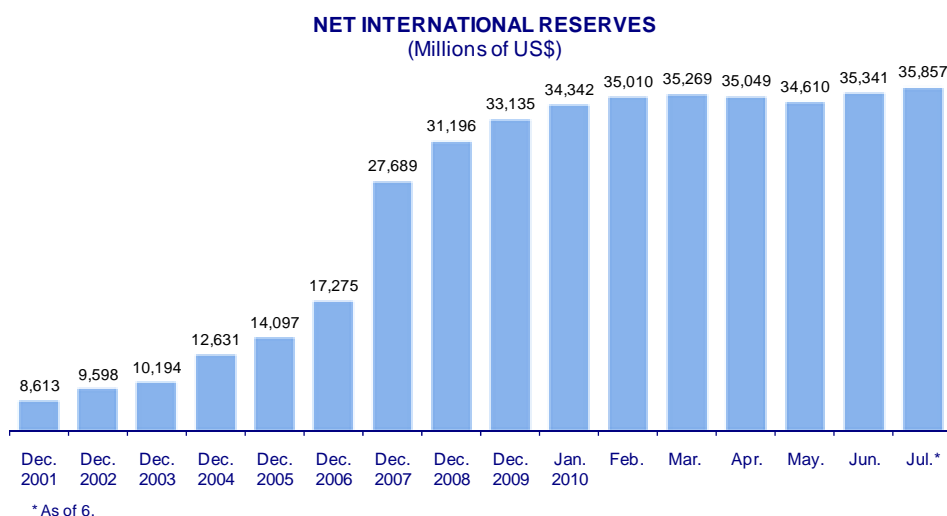


International reserves amounted to US\$ 35,857 million on July 6

Net international reserves (NIRs) amounted to US\$ 35,857 million on July 6. This amount of reserves is US\$ 2,722 million higher than the one recorded at end 2009 and US\$ 516 million higher than the one recorded at the close of June.

This increase of NIRs in July compared to the level of NIRs at the close of June resulted mainly from banks' higher deposits (US\$ 235 million), higher purchases of foreign currency (US\$ 200 million), and the higher valuation of investments (US\$ 89 million). This was in part offset by lower public sector deposits (US\$ 10 million).

The foreign exchange position of the BCRP on July 6 was US\$ 26,189 million, a sum US\$ 3,201 million higher than the one recorded at end 2009 and US\$ 331 million higher than the one recorded at the close of June.



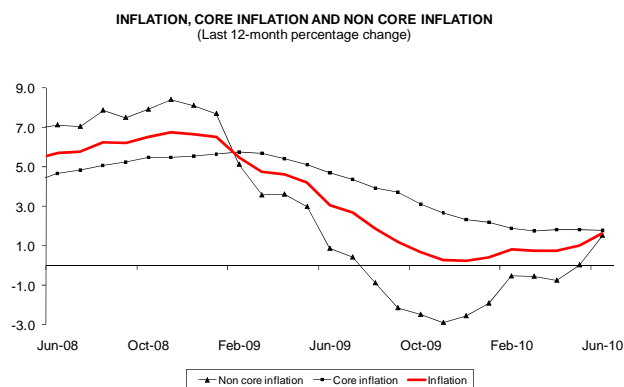
Inflation in June: 0.25 percent

Inflation recorded a rate of 0.25 percent in June and accumulated a rate of 1.64 percent in the last twelve months.

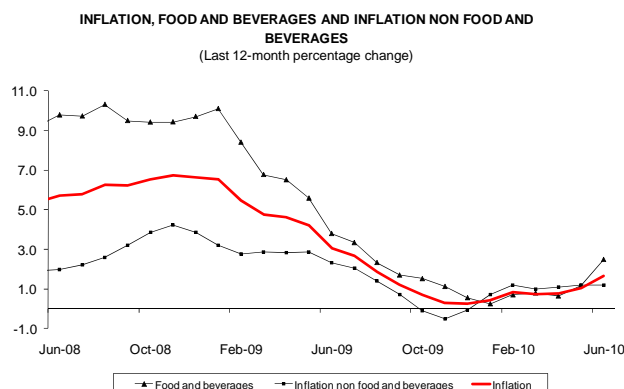
INFLATION
(Accumulated percentage change)

	Weight 2009=100	Monthly		12-month indicator		
		May. 2010	Jun. 2010	Jun. 2009	May. 2010	Jun. 2010
CPI	100.0	0.24	0.25	3.06	1.04	1.64
Core index	65.2	0.14	0.13	4.70	1.81	1.79
Goods	32.9	0.05	0.13	4.74	1.48	1.48
Services	32.2	0.23	0.14	4.67	2.17	2.11
Non core index	34.8	0.43	0.47	0.87	0.04	1.54
Food	14.8	0.55	1.14	1.84	-0.18	2.58
Fuel	2.8	2.52	0.24	-17.75	10.12	10.16
Transporting	8.9	0.22	-0.04	5.16	0.72	0.80
Utilities	8.4	-0.32	-0.10	12.89	-4.61	-4.02
Note.-						
Food and beverages	37.8	0.39	0.57	3.80	1.17	2.49
CPI non food and beverages	62.2	0.15	0.06	2.33	1.20	1.21

Core inflation in June was 0.13 percent and 1.8 percent in the last 12 months. Moreover, non-core inflation in the month recorded 0.47 percent in the month and 1.5 percent in the last 12 months.



Food and beverage inflation in June showed a rate of 0.57 percent and accumulated 2.5 percent in the last 12 months. Inflation without food and beverages recorded a rate of 0.06 percent in the month and 1.2 percent in the last 12 months.



Three items contributed with 0.15 percentage points to the rate of inflation in this month: onion (0.08 percentage points), chicken meat (0.04 percentage points), and corn (0.03 percentage points). On the other hand, three items contributed with -0.07 percentage points to inflation in this month: sugar (-0.03 percentage points), citrus fruits, and telephone rates (-0.02 percentage points each).

BCRP Survey on Macroeconomic Expectations: June 2010

According to the Survey on Macroeconomic Expectations conducted by the BCRP in June, non-financial firms continue expecting a rate of inflation of 2.2 percent in 2010, while economic analysts and financial entities expect a rate of 2.5 percent. The three surveyed groups expect a rate of inflation of 2.5 percent in 2011 and estimate that inflation would range between 2.5 and 2.7 percent in 2012.

SURVEY OF MACROECONOMIC EXPECTATIONS: INFLATION

	Survey date:		
	Apr.30	May.31	Jun.30
FINANCIAL ENTITIES ^{1/}			
2010	2.5	2.5	2.5
2011	2.5	2.5	2.5
2012	3.0	2.5	2.7
ECONOMIC ANALYSTS ^{2/}			
2010	2.5	2.5	2.5
2011	2.5	2.5	2.5
2012	2.2	2.5	2.5
NON FINANCIAL FIRMS ^{3/}			
2010	2.2	2.2	2.2
2011	2.5	2.5	2.5
2012	2.5	2.5	2.5

^{1/} 18 financial entities in April, 21 in May and 22 in June 2010.

^{2/} 23 analysts entities in April, 29 in May and 25 in June 2010.

^{3/} Sample of firms of various economic sectors.

Economic agents also maintained their expectations about the exchange rate: economic analysts and financial entities estimate that the US dollar will be traded at S/. 2.80 at the close of 2010, while non financial firms expect the dollar to be traded at S/. 2.85. The exchange rate is expected to be between S/. 2.81 and S/. 2.90 per dollar in 2011 and between S/. 2.80 and S/. 2.95 per dollar in 2012.

SURVEY OF MACROECONOMIC EXPECTATIONS: EXCHANGE RATE*

	<u>Survey date:</u>		
	Apr.30	May.31	Jun.30
FINANCIAL ENTITIES ^{1/}			
2010	2.80	2.80	2.80
2011	2.80	2.80	2.81
2012	2.80	2.80	2.83
ECONOMIC ANALYSTS ^{2/}			
2010	2.80	2.80	2.80
2011	2.80	2.80	2.82
2012	2.80	2.80	2.80
NON FINANCIAL FIRMS ^{3/}			
2010	2.85	2.85	2.85
2011	2.90	2.90	2.90
2012	3.00	3.00	2.95

^{1/} 18 financial entities in April, 21 in May and 22 in June 2010.

^{2/} 23 analysts entities in April, 29 in May and 25 in June 2010.

^{3/} Sample of firms of various economic sectors.

* Exchange rate at the end-of-year.

Finally, economic analysts and non financial firms revised their estimates on GDP growth in 2010 from 6.0 to 6.5 percent and from 5.0 to 6.0 percent, respectively, and both groups revised their estimates on GDP growth in 2011 from 5.5 to 6.0 percent. The estimate of GDP growth in 2012 remains at 6.0 percent.

SURVEY OF MACROECONOMIC EXPECTATIONS: GDP GROWTH (%)

	<u>Survey date:</u>		
	Apr.30	May.31	Jun.30
FINANCIAL ENTITIES ^{1/}			
2010	5.5	6.0	6.0
2011	5.2	6.0	5.5
2012	5.8	6.0	6.0
ECONOMIC ANALYSTS ^{2/}			
2010	5.5	6.0	6.5
2011	5.4	5.5	6.0
2012	6.0	6.0	6.0
NON FINANCIAL FIRMS ^{3/}			
2010	5.0	5.0	6.0
2011	5.0	5.5	6.0
2012	5.9	6.0	6.0

^{1/} 18 financial entities in April, 21 in May and 22 in June 2010.

^{2/} 23 analysts entities in April, 29 in May and 25 in June 2010.

^{3/} Sample of firms of various economic sectors.

Trade balance recorded a surplus of US\$ 2,171 million in the January-May period

In May the trade balance showed a positive result of US\$ 238 million and accumulated a surplus of US\$ 2,171 million in the first five months of the year.

The value of exports traded between May 12 and May 22 was affected by a strike of port workers at Callao Customs. Thus, the average daily value of exports –considering only the number of business days in that period– declined from US\$ 99 million before the strike to US\$ 66 million during the strike, while the average daily value of imports declined from US\$ 109 million to US\$ 82 million.

In spite of the strike, **exports** in May (US\$ 2,340 million) grew 8.8 percent compared to May 2009. The average prices of exports were 36.6 percent higher, both in the case of traditional exports (45.2 percent) –particularly fish meal, copper, and zinc– and in the case of non traditional exports (10.0 percent), especially fishing and iron&steel products. The decline in the volume of traditional exports is mainly explained by lower shipments of fish meal, copper, gold, and zinc. The exported volume of non traditional exports remained stable.

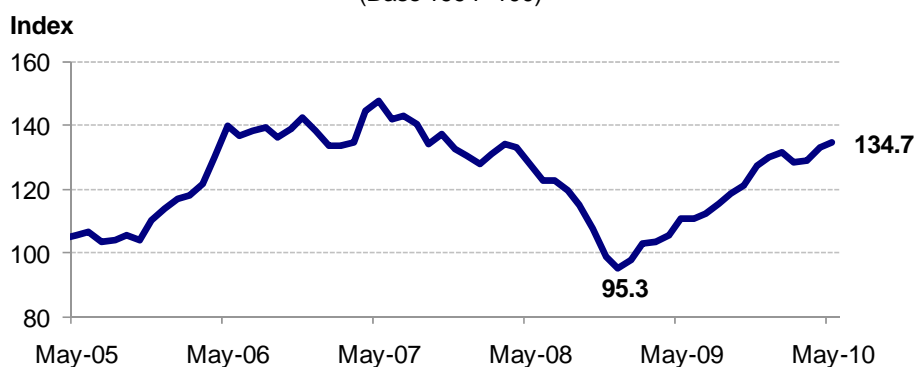
TRADE BALANCE
(Value FOB in millions of US\$)

	2009	2010					%Chg. May		January-May		
	May	Jan	Feb	Mar	Apr	May	Monthly	Last 12 months	2009	2010	% Chg.
1. EXPORTS	2,151	2,410	2,644	2,778	2,644	2,340	- 11.5	8.8	9,360	12,816	36.9
Traditional products	1,675	1,898	2,095	2,187	2,042	1,816	- 11.1	8.4	6,979	10,038	43.8
Non-traditional products	461	495	531	569	578	508	- 12.0	10.2	2,326	2,680	15.2
Other products	14	18	18	22	24	16	- 32.5	10.2	56	98	74.7
2. IMPORTS	1,486	2,074	1,873	2,375	2,222	2,102	- 5.4	41.4	8,044	10,645	32.3
Consumption goods	292	337	352	436	414	376	- 9.2	28.9	1,526	1,916	25.6
Raw materials	678	1,058	930	1,173	1,151	1,043	- 9.3	53.9	3,537	5,355	51.4
Capital goods	507	639	580	751	634	673	6.2	32.7	2,927	3,276	11.9
Other goods	9	40	10	15	24	9	- 59.9	1.2	55	99	80.9
3. TRADE BALANCE	665	336	771	403	421	238			1,317	2,171	

Imports in May (US\$ 2,102 million) increased 41.4 percent. The volume of imports was 26.0 percent higher than in May 2009. Imports of durable consumer goods grew 30.2 percent, while imports of capital goods and inputs grew 28.5 percent and 27.8 percent, respectively. Imports of iron and steel (92.4 percent), paper (42.2 percent), textiles (23.4 percent), and plastics (22.4 percent) were noteworthy in this period.

Terms of trade in May were 21.7 percent higher than the ones recorded in the same period in 2009. The prices of exports increased 36.6 percent, while the prices of imports increased 12.2 percent.

TERMS OF TRADE: 2005 - 2010
(Base 1994=100)



International Markets

Country risk at 212 basis points on July 6

On **July 6**, the **EMBIG Peru** spread recorded 212 basis points.

In **June**, the average country risk, measured by the **EMBIG Peru** spread, rose to 207 basis points from 201 in May.

On the other hand, the region spread increased by 18 basis points in this period as a result of higher risk aversion and unfavorable indicators in the real estate sector in the United States.

COUNTRY RISK INDICATORS
(January 2008 - July 2010)



Level	Variation in basis points		
	Weekly	Monthly	Annual
Jul 6, 10	-7	4	-70

Average price of gold at US\$ 1,193.8/troy ounce on July 6

The price of **gold** posted US\$ 1,193.8/troy ounce on **July 6**.

In **June**, the average price of **gold** rose 2.7 percent –from US\$ 1,201.8 in May to US\$ 1,233.7 per troy ounce– and reached a record price of US\$ 1,259.7/troy ounce on June 18.

This price increase was basically supported by the higher demand for this metal as a hedge asset in a context of increased risk aversion originated by the problems in Europe.

GOLD PRICE
(January 2008 - July 2010)



Jul 6, 10	%change		
	Weekly	Monthly	Annual
US\$ 1,193.8 / troy oz.	-2.0	-1.0	29.2

The price of **copper** reached US\$ 2.96 a pound on **July 6**.

In **June**, the average price of **copper** fell 5.9 percent, from US\$ 3.13 in May to US\$ 2.95/pound.

This price fall was associated with unfavorable indicators of economic activity in several regions, with reports of expansion of future supply (Codelco plans to expand its production in the next years), and with China's lower purchases of refined copper.

COPPER PRICE
(January 2008 - July 2010)



Jul 6, 10	%change		
	Weekly	Monthly	Annual
US\$ 2.96 / pound	2.7	1.1	34.2

The price of the pound of **zinc** posted US\$ 0.82 on **July 6**.

The average price of **zinc** recorded a drop of 12.9 percent in **June**, declining from US\$ 0.91 in May to US\$ 0.79 per pound.

This price drop was influenced by the unfavorable outlook for the demand for this metal, as well as by reports of the ILZSG that said that the zinc market had recorded a surplus in its supply-demand balance in the January-April period due to higher production in China and Australia.

ZINC PRICE

(January 2008 - July 2010)



Jul 6, 10	%change		
	Weekly	Monthly	Annual
US\$ 0.82 / pound	5.1	8.9	21.2

The price of **WTI oil** recorded US\$ 72.0 per barrel on **July 6**.

The average price of **WTI oil** increased from US\$ 73.6 in May to US\$ 75.4 per barrel in **June** (2.4 percent).

Factors contributing to this upward trend included a lower availability of inventories in the U.S., China's higher imports, and fears of a lower supply due to a tropical storm in the Gulf area.

WTI OIL PRICE

(January 2008 - July 2010)



Jul 6, 10	%change		
	Weekly	Monthly	Annual
US\$ 72.0 / barrel	-1.3	0.7	12.4

US dollar appreciated on average against the euro in June

On **July 6**, the dollar/euro exchange rate was US\$ 1.26 per euro and the yen/dollar exchange rate was 87.5 yen per US\$.

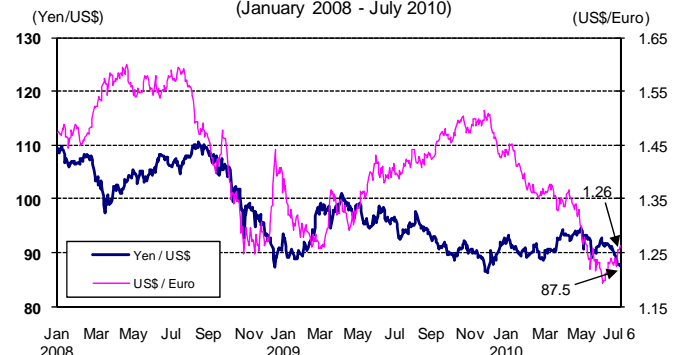
In **June**, the **dollar** appreciated on average 2.6 percent against the **euro**.

This evolution of the US currency against the euro reflected increased risk aversion given fears of contagion of the debt crisis of peripheral countries of the Eurozone to other countries in Europe.

The dollar depreciated on average 1.2 percent against the **yen**.

EVOLUTION OF THE YEN AND EURO

(January 2008 - July 2010)



	Level Jul 6, 10	%change		
		Weekly	Monthly	Annual
US dollar/Euro	1.26	0.9	5.4	-9.7
Yen/US dollar	87.5	-0.2	-4.8	-8.2

Yield on 10-year US Treasuries fell on average to 3.19 percent in June

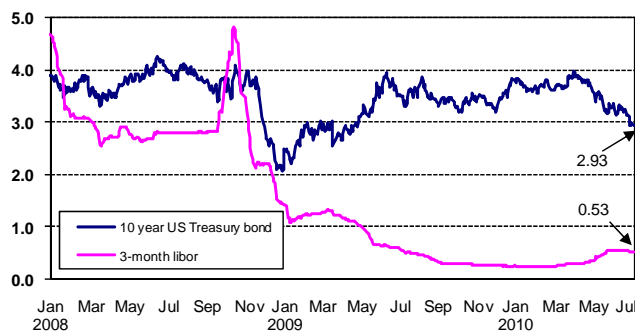
On **June 6**, the **3-month Libor** recorded 0.5 percent, while the yield on the **10-year Treasury bond** fell from 3.40 in May to 3.19 percent.

In **June**, in average terms the **3-month Libor** rose from 0.46 percent to 0.54 percent, while the yield on the **10-year Treasury bond** dropped from 3.40 percent in May to 3.19 percent.

The yields on U.S. Treasury bonds declined given that investors sought hedge assets due to increased risk aversion in financial markets.

3-MONTH LIBOR AND 10-YEARS US TREASURIES

(January 2008 - July 2010)



	% change			
	Jul 6, 10	Weekly	Monthly	Annual
Libor 3 months	0.53	0	-1	-2
US Treasuries	2.93	-2	-27	-58

Lima Stock Exchange fell 3.1 percent as of July 6

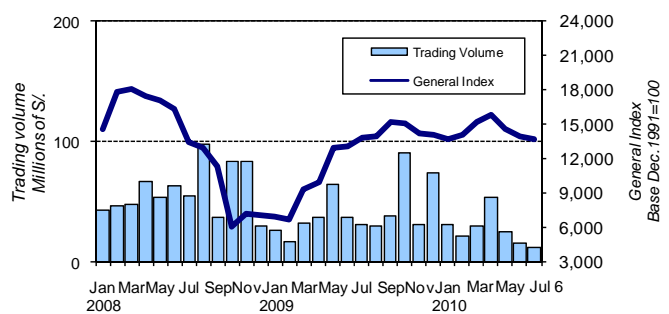
At **July 6**, the General and Selective indices of the LSE had fallen 1.8 and 2.1 percent, respectively.

In **June**, both the **General** and **Selective** indices of the LSE recorded negative performances, declining 3.5 and 4.0 percent, respectively.

This evolution of the stock indices during the month was associated with the decline in the prices of basic metals, as well as with concerns about the pace of recovery of the U.S. economy.

LIMA STOCK EXCHANGE INDICATORS

(January 2008 - July 2010)



	% change			
	As of: Jul 6, 10	Jun 25, 10	May 31, 10	As of Dec.09
General Index	13,734	-1.8	-5.2	-3.1
Blue Chip Index	20,302	-2.1	-6.0	-9.5

So far this year, the indices of the LSE have fallen 3.1 and 9.5 percent, respectively.

