



Indicators

- Corporate interest rate at 3.75 percent
- Interbank interest rate: 2.95 percent
- Exchange rate: S/. 2.786 per US dollar
- Trade surplus in August: US\$ 370 million
- Annual profitability of the LSE: 34.1 percent

Content

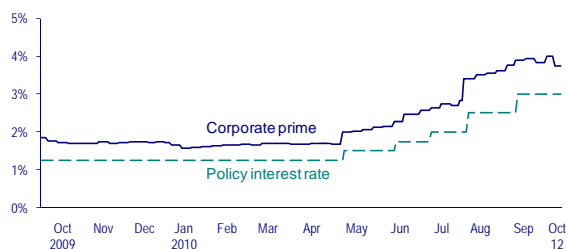
- Corporate interest rate in nuevos soles: 3.75 percent ix
- Average interbank interest rate: 2.95 percent ix
- International reserves amounted to US\$ 43,272 million xi
- Trade balance recorded a surplus of US\$ 370 million in August xii
- Country risk declines to 160 basis points xiii
- Annual profitability of the Lima Stock Exchange reaches 34.1 percent xv

Corporate interest rate in nuevos soles: 3.75 percent

Between **October 5 and 12**, the daily average of the 90-day corporate rate in domestic currency fell from 4.01 to 3.75 percent.

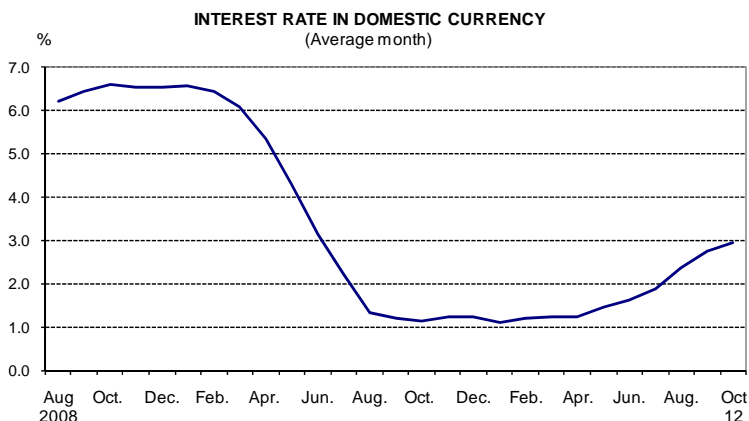
This rate in foreign currency fell from 2.36 percent to 2.32 percent.

INTEREST RATES IN DOMESTIC CURRENCY
(October 2009 - October 2010)



Average interbank interest rate: 2.95 percent

The average interbank interest rate in domestic currency at October 12 is 2.95 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	1.90%	0.12
August	2.38%	0.18
September	2.74%	0.23
October 12	2.95%	0.17

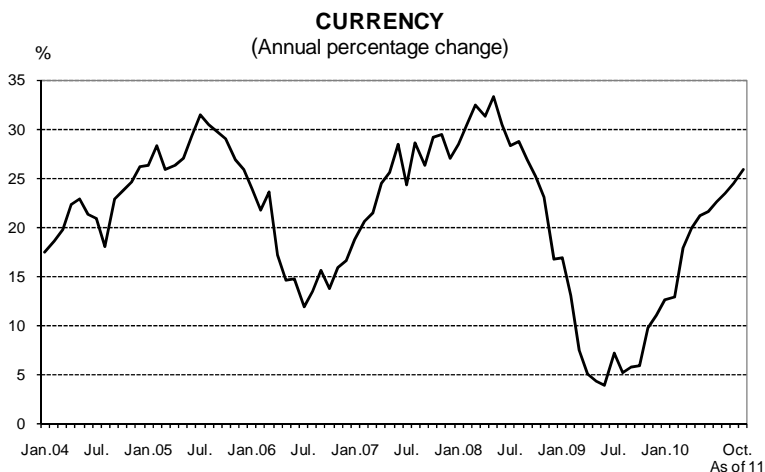
Monetary operations

Between **October 6 and 12**, the BCRP made the following monetary operations:

- i) auctions of 1-day and 4-day CDBCRP for a daily average of S/. 7,994 million. The average interest rate on these operations, which amounted to S/. 10,924 million, was 2.97 percent;
- ii) auctions of 1-day to 31-day term deposits in domestic currency for a daily average of S/. 13,232 million. The average interest rate on these operations, which amounted to S/. 16,463 million, was 3.0 percent;
- iii) auctions of 3-month Variable BCRP Certificates of Deposit in domestic currency (CDVBCRP) for a daily average of S/. 100 million at an average spread rate of 0.09 percent, reaching a balance of S/. 200 million;
- iv) purchases of foreign currency for a total of US\$ 146 million; and
- v) overnight deposits in domestic currency for a total of S/. 780 million.

Currency in circulation: S/. 21,011 million on October 11

Between October 5 and 11, **currency in circulation** shrank by S/. 219 million. Year to date, currency has accumulated an increase of S/. 1,770 million and thus records a growth rate of 25.8 percent in the last 12 months.



BCRP OPERATIONS

(Millions of nuevos soles)

	FLOWS				BALANCE		
	Sep-10	From 10/05 to 10/11	Accumulated		Dec 31, 2009	Sep 30, 2010	Oct 11, 2010
			Monthly*	Annual*			
I. EXCHANGE OPERATIONS	5,261	335	346	24,653			
(Millions of US\$)	1,887	120	124	8,756			
1. Over the counter operations	1,914	120	124	8,860			
2. Public Sector	0	0	0	-50			
3. Other exchange operations 1/	-27	0	0	-55			
II. MONETARY OPERATIONS	-5,343	-1,758	4,932	-18,376	-36,323	-59,631	-54,699
1. Sterilization	-5,343	-1,758	4,932	-18,376	-36,323	-59,631	-54,699
a. BCRP Certificates of Deposit (CDBCRP)	-4,516	11,038	17,244	1,597	-14,121	-29,768	-12,524
b. Public Sector Deposits in soles	-547	686	895	-6,986	-21,006	-28,888	-27,993
c. Other monetary operations 2/	-280	-13,483	-13,207	-12,987	-1,196	-975	-14,183
2. Injection (Repos)	0	0	0	0	0	0	0
III. RESERVE REQUIREMENTS IN DC	-179	1,192	-5,138	-5,725	-4,307	-4,893	-10,032
IV. OTHER 3/	120	12	76	1,218			
V. CURRENCY**	-141	-219	215	1,770	19,241	20,796	21,011
(Monthly percentage change)					10.3%	-0.7%	1.0%
(Accumulated percentage change)					29.5%	8.1%	9.2%
(YoY)					11.0%	24.5%	25.8%

* As of October 11, 2010.

** Preliminary data.

1/ Includes Swaps auctions in FC and operations outside the counter.

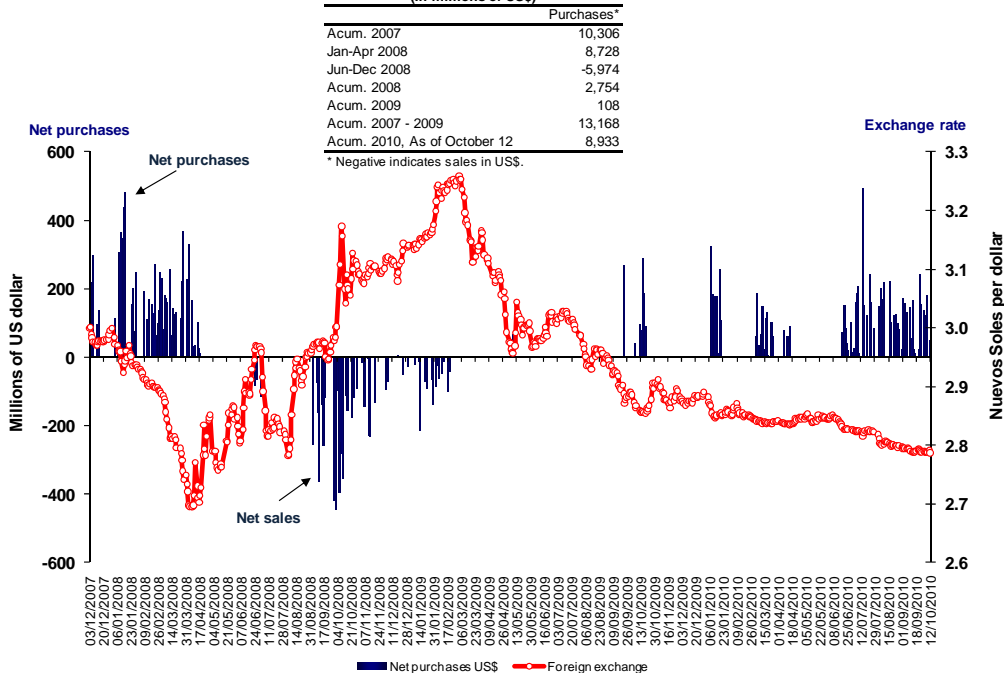
2/ Includes overnight deposits and Deposit Insurance Funds.

3/ Includes BCRP operative expenses, interest by deposits in the BCRP (overnight, terms and specials), net interest by CDBCRP placements and Central Bank profit transfers to the public sector.

Exchange rate: US dollar traded at S/. 2.786

Between October 5 and 12, the average interbank ask price of the dollar fell from S/. 2.788 to S/. 2.786, which represented an appreciation of the nuevo sol of 0.03 percent. In this period the BCRP intervened in the foreign exchange market buying FC for a total of US\$ 193 million.

EXCHANGE RATE AND NET DOLLAR PURCHASE
(In millions of US\$)



Between October 5 and 12, banks' balance of net forward purchases of foreign currency increased by US\$ 45 million. So far in October, the balance of net forward purchases of FC has accumulated an increase of US\$ 204 million.

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



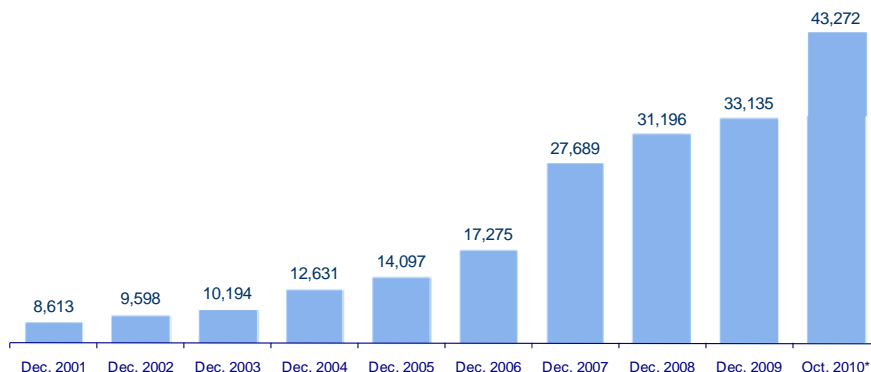
International reserves amounted to US\$ 43,272 million

On October 12 net international reserves (NIRs) amounted to US\$ 43,272 million. This level of reserves is US\$ 807 million higher than the one observed at end September.

The increase of NIRs recorded so far this month was mainly due to banks' higher deposits (US\$ 300 million), to purchases of FC at the Central Bank's Front Office (US\$ 197 million), the higher valuation of investments (US\$ 197 million) and to public sector's higher deposits at the Central Bank (US\$ 110 million).

The international exchange position of the BCRP on October 12 was US\$ 32,606 million, higher by US\$ 394 million than the one recorded at the close of September.

NET INTERNATIONAL RESERVES
(Millions of US\$)



* As of 12.

Trade balance recorded a surplus of US\$ 370 million in August

In August, the **trade balance** registered a positive result of US\$ 370 million, lower than the previous month (US\$ 445 million).

In nominal terms, exports in August (US\$ 2,952 million) were 27.2 percent higher than in August 2009. The average prices of exports increased by 22.8 percent due to the higher prices of mining and fishing commodities, while the volume of exports grew 3.6 percent due to increased shipments of traditional exports (2.8 percent), such as copper (up 17.2 percent) and zinc (up 14.8 percent). Exports in the January-August period amounted to US\$ 21,947 million, up 35.2 percent compared to the same period of 2009, which mainly reflects the increase of prices (35.0 percent) of mining commodities and fishing products.

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

	2009		2010				% chg. August		January-August		
	Monthly Average	Aug.	IQ Average	IIQ Average	Jul.	Aug.	Previous months	Last 12 months	2009	2010	% Chg.
1. EXPORTS	2,240	2,321	2,635	2,709	2,964	2,952	- 0.4	27.2	16,233	21,947	35.2
Traditional products	1,714	1,793	2,081	2,095	2,312	2,340	1.2	30.5	12,273	17,179	40.0
Non-traditional products	513	518	533	593	636	597	- 6.1	15.1	3,873	4,610	19.0
Other products	13	10	21	21	16	15	- 5.6	57.8	87	159	82.0
2. IMPORTS	1,751	1,738	2,112	2,203	2,519	2,582	2.5	48.5	13,198	18,045	36.7
Consumption goods	330	322	376	416	463	501	8.2	55.6	2,474	3,340	35.0
Raw materials	840	876	1,057	1,085	1,270	1,230	- 3.1	40.4	6,088	8,927	46.6
Capital goods	571	530	657	687	773	831	7.5	56.7	4,552	5,634	23.8
Other goods	10	10	22	15	13	20	47.0	93.7	84	144	71.0
3. TRADE BALANCE	489	583	523	506	445	370			3,035	3,902	

Imports in August amounted to US\$ 2,582 million, up 48.5 percent relative to August 2009. The total volume of imports increased by 38.6 percent compared with August 2009, with the growth of the following being noteworthy: durable consumer goods (70.6 percent), capital goods (53.4 percent), and industrial inputs (38.4 percent). The average price of imports grew 7.1 percent compared with August 2009 due to the higher prices of oil and derivatives and industrial inputs.

The terms of trade in August were 14.6 percent higher than the ones observed in the same period in the previous year and 2.7 percent higher than the ones observed in the previous month. The prices of exports increased by 22.8 percent while the prices of imports increased by 7.1 percent.

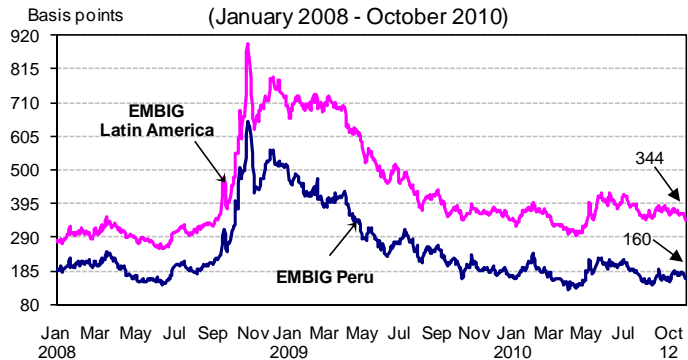
International Markets

Country risk declines to 160 basis points

Between October 5 and 12, the country risk indicator, measured by the **EMBIG Peru** spread, fell from 178 to 160 basis points.

The spread of the Latin American debt fell 17 basis points (from 361 to 344 basis points) due to lower risk aversion in financial markets.

COUNTRY RISK INDICATORS
(January 2008 - October 2010)



Level	Variation in basis points		
	Weekly	Monthly	Annual
Oct 12, 2010	160 bps.	-18	-3

Price of gold rose to US\$ 1,347.7/troy ounce

In the same period, the price of **gold** rose 0.6 percent to US\$ 1,347.7 per troy ounce.

The price of gold continues recording new record levels (US\$ 1,348.0/troy ounce on October 11) in a context of depreciation of the dollar in financial markets, which boosted gold as a hedge asset. Expectations that possible central banks' interventions would also boost demand contributed to this as well.

GOLD PRICE

(January 2008 - October 2010)



Oct 12, 2010	% change		
	Weekly	Monthly	Annual
US\$ 1,348 / troy oz.	0.6	7.9	27.3

COPPER PRICE

(January 2008 - October 2010)



Oct 12, 2010	% change		
	Weekly	Monthly	Annual
US\$ 3.75 / pound	1.7	9.8	32.6

Between October 5 and 12, the price of **copper** rose to US\$ 3.75 a pound (1.7 percent).

The price of this basic metal rose again during the week amid expectations of greater quantitative easing. In addition to this, the soundness of some indicators also generated positive expectations regarding the recovery of demand.

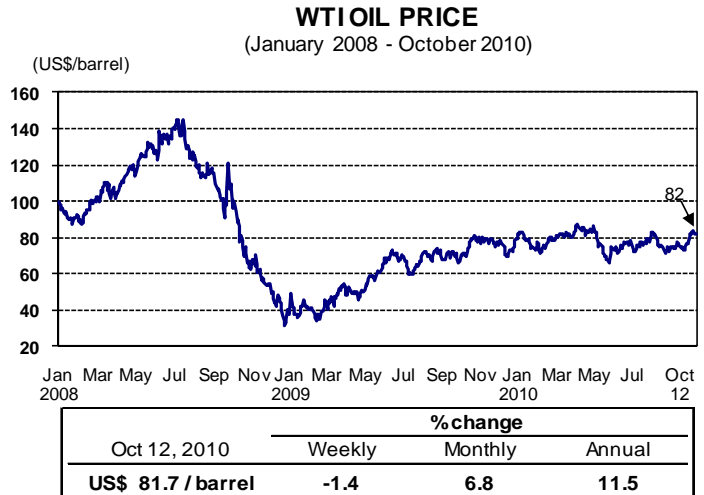
In the week of analysis, the price of **zinc** rose 2.2 percent to US\$ 1.05 per pound, reaching its highest level since April of this year.

The price of zinc corrected upwards in a context of lower inventories at the London Metal Exchange (inventories declined 0.6 percent to 610 thousand tons).



Between October 5 and 12, the price of **WTI oil** dropped 1.4 percent to US\$ 81.7 per barrel.

The decline in the price of oil was associated with the increase of inventories of crude in the United States during the week and with prospects of a lower demand given unfavorable reports about the evolution of employment in the United States in September.

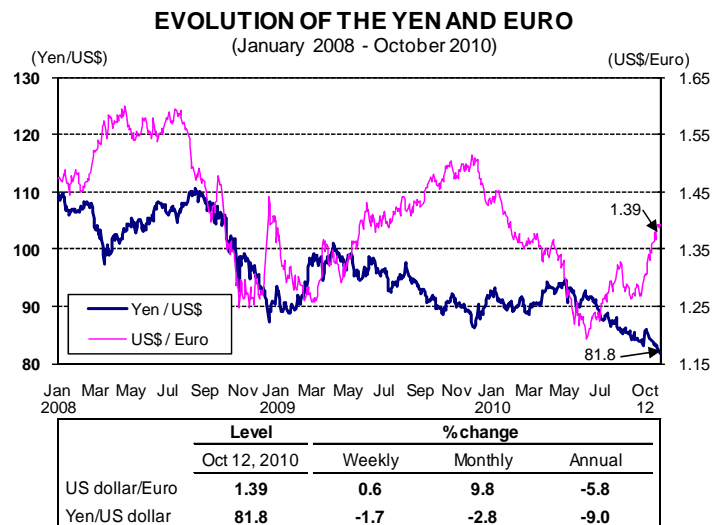


US dollar depreciated against the euro and the yen

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

This evolution was influenced by the unfavorable result of employment in the US and by increased expectations of greater quantitative easing from the Federal Reserve.

Moreover, the dollar depreciated 1.7 percent against the **yen**.



Yield on 10-year US Treasuries declined to 2.43 percent

Between October 5 and 12, the **3-month Libor** remained at 0.29 percent, while the yield on the **10-year Treasury bond** fell from 2.47 to 2.43 percent.

The yield on the US T-bond declined due to expectations that the Federal Reserve's quantitative easing will be extended and due to the unfavorable evolution of employment in September.

3-MONTH LIBOR AND 10-YEARS US TREASURIES

(January 2008 - October 2010)



	Oct 12, 2010	% change		
		Weekly	Monthly	Annual
3 months Libor	0.29	0	0	0
US Treasuries	2.43	-4	-36	-95

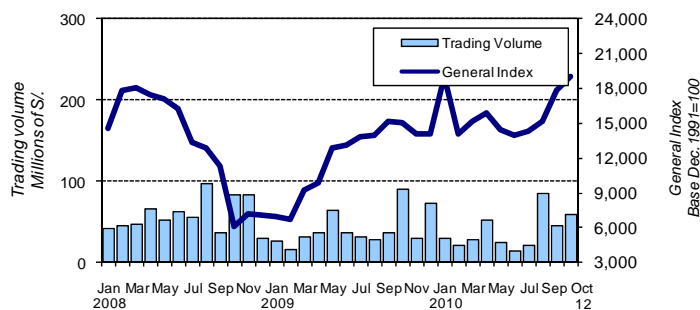
Annual profitability of the Lima Stock Exchange reaches 34.1 percent

So far this month (at October 12), the **General Index** of the LSE has risen 6.3 percent and the **Selective Index** has risen 5.8 percent

During the week of analysis (October 5-12) both indices showed positive results, increasing 1.0 and 1.2 percent, respectively, boosted by mining stocks as a result of the rise in the international prices of metals. The indices of the LSE increased, in line with the performance of the main bourses in the region.

LIMA STOCK EXCHANGE INDICATORS

(January 2008 - October 2010)



	As of:	% change compared to:		
		Oct 12, 2010	Oct 5, 2010	Sep 30, 10
General Index	18,996	1.0	6.3	34.1
Selective Index	27,566	1.2	5.8	22.9

So far this year, the General Index has accumulated a gain of 34.1 percent and the Selective Index has accumulated a gain of 22.9 percent.

