








## Indicators

-  Corporate interest rate at 3.62 percent
-  Interbank interest rate: 2.96 percent
-  Exchange rate: S/. 2.818 per dollar
-  Trade surplus in October: US\$ 424 million
-  Annual profitability of the LSE: 54.7 percent

## Content

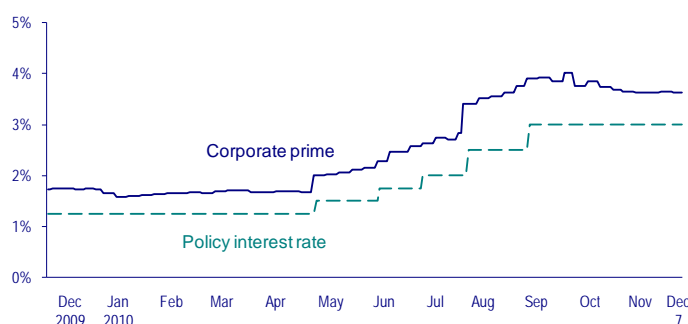
Corporate interest rate in nuevos soles at 3.62 percent	ix
Average interbank interest rate in December: 2.96 percent	ix
International reserves amounted to US\$ 44,667 million	xi
Trade surplus of US\$ 4,989 million between January and October	xii
Country risk at 142 basis points	xiii
Annual profitability of the Lima Stock Exchange reached 54.7 percent	xv

## Corporate interest rate in nuevos soles at 3.62 percent

Between **November 30 and December 7**, the average corporate interest rate in domestic currency fell from 3.65 to 3.62 percent.

On the other hand, the average corporate interest rate in foreign currency remained at 2.08 percent.

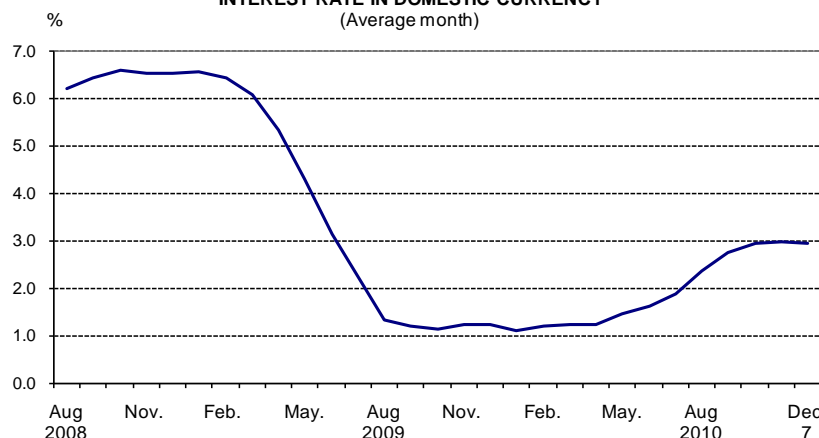
**INTEREST RATES IN DOMESTIC CURRENCY  
(December 2009 - December 2010)**



## Average interbank interest rate in December: 2.96 percent

On December 7, the average interest rate in domestic currency recorded 2.96 percent.

**INTEREST RATE IN DOMESTIC CURRENCY  
(Average month)**



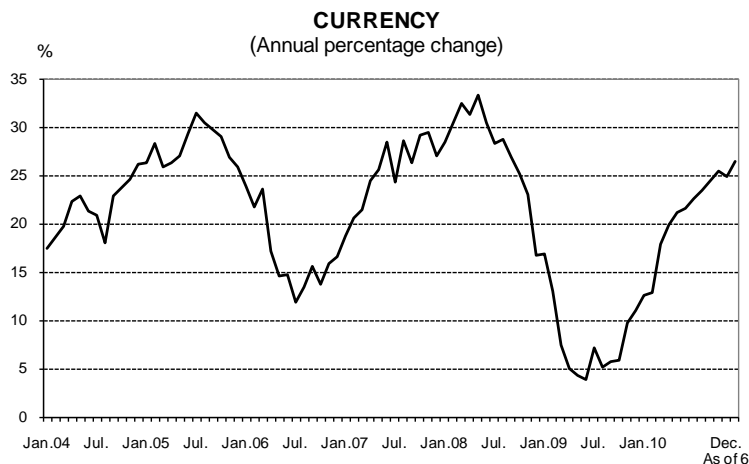
	Average interbank rate	
	Average	S.D
December 2008	6.54%	0.03
March 2009	6.08%	0.13
June	3.13%	0.40
September	1.20%	0.07
December	1.24%	0.02
January 2010	1.09%	0.16
February	1.21%	0.03
March	1.23%	0.02
April	1.22%	0.02
May	1.45%	0.12
June	1.62%	0.11
July	1.90%	0.12
August	2.38%	0.18
September	2.74%	0.23
October	2.94%	0.15
November	2.97%	0.05
December 7	2.96%	0.02

## Monetary operations

Between **December 1 and 7**, the Central Bank made the following monetary operations: i) Auctions of 182-day BCRP Variable Rate Certificates of Deposit for a daily average of S/. 100 million. The average interest rate on these operations, which reached a balance of S/. 2,323 million, was 0.08 percent; ii) Auctions of 1-day to up to 3-day Term Deposits in domestic currency for a daily average of S/. 2,212 million at an average rate of 2.83 percent, reaching a balance of S/. 19,256 million, and iii) Overnight deposits in domestic currency for a total of S/. 903 million.

## Currency in circulation: S/. 22,236 million on December 6

Between November 30 and December 6, **currency in circulation** increased by S/. 542 million and amounted to S/. 22,236 million. Thus, so far this year currency in circulation accumulates an increase of S/. 2,995 million and registers a growth rate of 26.4 percent in the last 12 months.



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

	FLOWS				BALANCE		
	Nov-10	From 11/30 to 12/06	Accumulated		Dec 31, 2009	Nov 30, 2010	Dec 6, 2010
			Monthly*	Annual*			
<b>I. EXCHANGE OPERATIONS</b> (Millions of US\$)	<b>315</b>	<b>0</b>	<b>0</b>	<b>25,367</b>			
1. Over the counter operations	0	0	0	8,963			
2. Public Sector	0	0	0	-50			
3. Other exchange operations 1/	113	0	0	98			
<b>II. MONETARY OPERATIONS</b>	<b>-190</b>	<b>5,611</b>	<b>5,349</b>	<b>-16,940</b>	<b>-36,323</b>	<b>-58,612</b>	<b>-53,263</b>
<b>1. Sterilization</b>	<b>-190</b>	<b>5,611</b>	<b>5,349</b>	<b>-16,940</b>	<b>-36,323</b>	<b>-58,612</b>	<b>-53,263</b>
a. BCRP instruments	619	4,507	4,536	-9,153	-14,121	-27,810	-23,274
BCRP Certificates of Deposit (CDBCRP)	1,141	0	0	12,951	-14,121	-1,170	-1,170
BCRP Certificates of Deposit Variable in soles (CDV BCRP)	-973	-200	-100	-2,223	0	-2,123	-2,223
BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP)	-320	0	0	-450	0	-450	-450
Term Deposits	771	4,707	4,636	-19,431	0	-24,067	-19,431
b. Public Sector Deposits in soles	-826	1,099	718	-8,295	-21,006	-30,019	-29,301
c. Other monetary operations 2/	18	5	95	508	-1,196	-783	-688
<b>2. Injection (Repos)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>III. RESERVE REQUIREMENTS IN DC</b>	<b>56</b>	<b>-5,153</b>	<b>-4,964</b>	<b>-6,895</b>	<b>-4,307</b>	<b>-6,238</b>	<b>-11,202</b>
<b>IV. OTHER 3/</b>	<b>138</b>	<b>84</b>	<b>84</b>	<b>1,463</b>			
<b>V. CURRENCY **</b>	<b>319</b>	<b>542</b>	<b>469</b>	<b>2,995</b>	<b>19,241</b>	<b>21,767</b>	<b>22,236</b>
(Monthly percentage change)					10.3%	1.5%	2.2%
(Accumulated percentage change)					29.5%	13.1%	15.6%
(YoY)					11.0%	24.8%	26.4%

\* As of December 6, 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: S/. 2.818 per dollar**

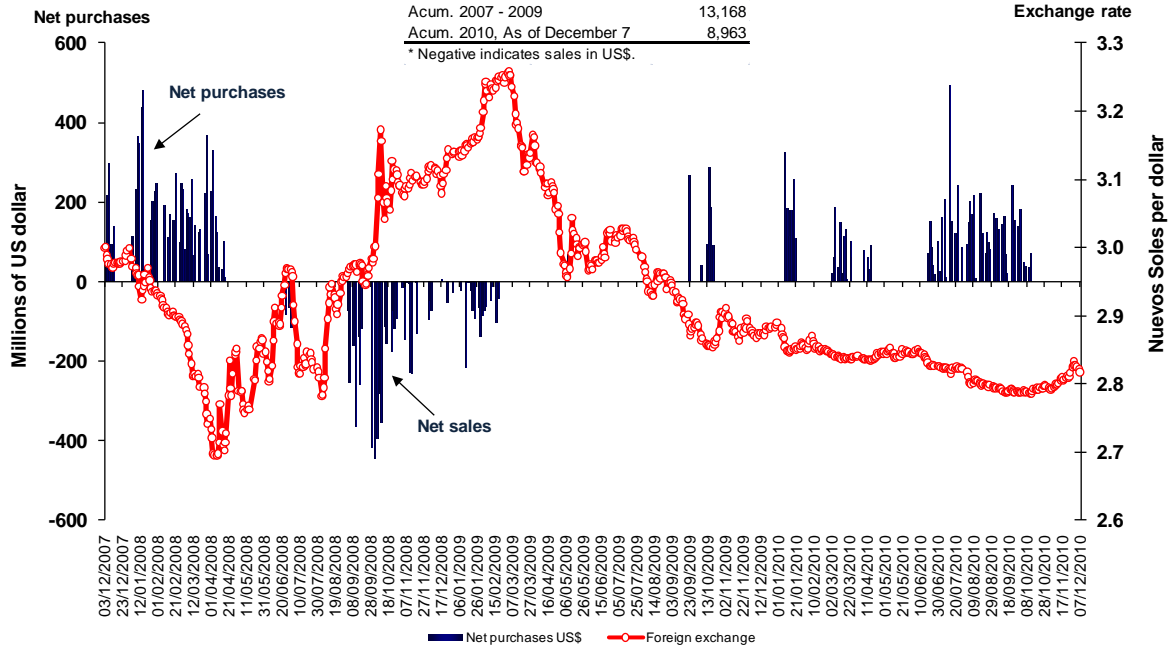
Between November 30 and December 7, the average interbank ask price of the dollar fell from S/. 2.834 to S/. 2.8184, which represented an appreciation of the nuevo sol of 0.55 percent. The BCRP did not intervene in the foreign exchange market in this period.

**EXCHANGE RATE AND NET DOLLAR PURCHASE**

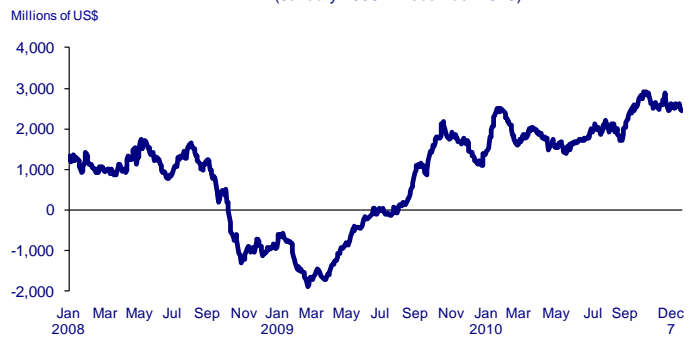
(In millions of US\$)

	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 December 7	8,963

\* Negative indicates sales in US\$.



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



Between November 30 and December 7, banks' balance of net forward purchases of foreign currency declined by US\$ 137 million. In November, the balance of net forward purchases of FC accumulated a growth of US\$ 54 million.

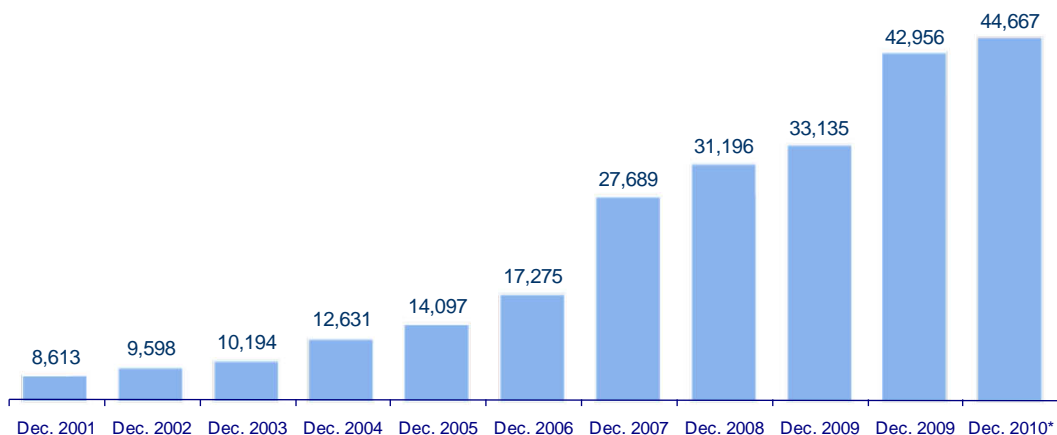
**International reserves amounted to US\$ 44,667 million**

On December 7, net international reserves (NIRs) amounted to US\$ 44,667 million. This level of reserves is US\$ 562 million higher than the one recorded at end November.

The increase of NIRs so far this month resulted mainly from banks' higher deposits (US\$ 442 million), the higher valuation of investments (US\$ 106 million), and public sector's higher deposits (US\$ 18 million).

The exchange rate position of the BCRP at December 7 was US\$ 32,456 million, a sum higher by US\$ 106 million than the one registered at the close of November.

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



\* As of 7.

**Trade surplus of US\$ 4,989 million between January and October**

The **trade balance**, which showed a positive result of US\$ 424 million in October, accumulated a surplus of US\$ 4,989 million between January and October.

Exports in October amounted to US\$ 3,083 million, a sum 22.1 percent higher than the one recorded in October 2009. The volume of exports of non traditional products increased 23.5 percent as a result of higher shipments of farming products (up 24.6 percent), chemicals (up 21.5 percent), steel and metal products (up 35.5 percent), and textiles (up 9.4 percent). On the other hand, the volume of exports of traditional products declined 4.7 percent.

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

	2009		2010			%chg. October			January-October		
	Monthly Average	Oct.	Monthly Average			Oct.	Previous months	Last 12 months	2009	2010	%Chg.
			IQ	IIQ	IIIQ						
<b>1. EXPORTS</b>	<b>2,240</b>	<b>2,524</b>	<b>2,636</b>	<b>2,719</b>	<b>3,087</b>	<b>3,083</b>	- 6.0	<b>22.1</b>	<b>21,250</b>	<b>28,410</b>	<b>33.7</b>
Traditional products	1,714	1,973	2,081	2,097	2,437	2,352	- 10.2	19.2	16,187	22,197	37.1
Non-traditional products	513	532	534	601	633	711	11.0	33.7	4,945	6,014	21.6
Other products	13	19	21	21	17	19	- 3.2	0.4	119	199	67.2
<b>2. IMPORTS</b>	<b>1,751</b>	<b>1,951</b>	<b>2,111</b>	<b>2,203</b>	<b>2,607</b>	<b>2,659</b>	- 1.4	<b>36.3</b>	<b>16,991</b>	<b>23,421</b>	<b>37.8</b>
Consumption goods	330	373	375	417	500	559	5.0	49.8	3,216	4,435	37.9
Raw materials	840	1,011	1,057	1,086	1,247	1,302	5.9	28.8	8,040	11,469	42.7
Capital goods	571	559	657	686	844	785	- 14.8	40.5	5,633	7,346	30.4
Other goods	10	8	22	15	16	13	- 4.8	59.2	103	171	66.1
<b>3. TRADE BALANCE</b>	<b>489</b>	<b>574</b>	<b>525</b>	<b>516</b>	<b>481</b>	<b>424</b>			<b>4,259</b>	<b>4,989</b>	

Imports, which amounted to US\$ 2,659 million in October, grew 46.3 percent compared with October 2009. Total imports increased 27.7 percent as a result of higher imports of durable consumer goods (up 41.3 percent), non durable consumer goods (up 38.1 percent), and capital goods (up 35.7 percent).

Furthermore, the terms of trade in October were 13.6 percent higher than the ones registered in the previous year and 1.8 percent higher than in the previous month. The prices of exports grew 21.3 percent while the prices of imports grew 6.7 percent. The terms of trade between January and October 2010 were 20.1 percent higher than the ones registered in the same period in the previous year due to the higher prices of exports (up 31.8 percent).

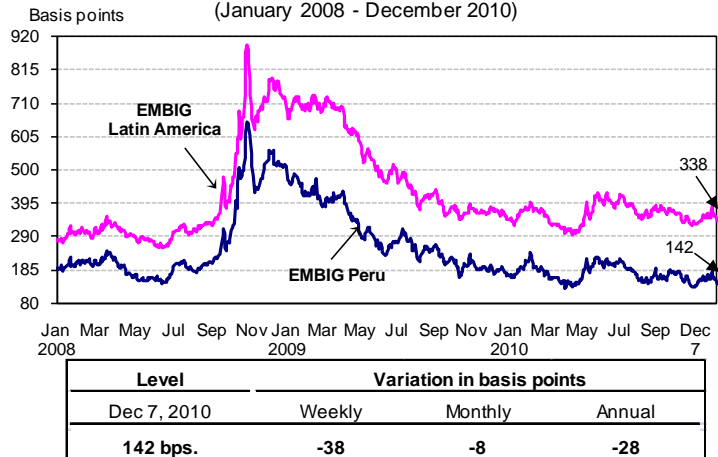
## International Markets

### Country risk at 142 basis points

Between November 30 and December 7, the country risk indicator, measured by the **EMBIG Peru** spread, fell to 142 basis points from 180 basis points.

The spread of the Latin American debt fell 50 basis points due to a drastic rise in the yield on US Treasuries and due to lower risk aversion in financial markets.

**COUNTRY RISK INDICATORS**  
(January 2008 - December 2010)



### Price of gold recorded new record level of US\$ 1,420/troy ounce

In the same period, the price of **gold** rose 2.5 percent, registering a new record level of US\$ 1,420/troy ounce.

The price of gold showed an upward trend due to investors' increased purchases at the end of the year and due to the depreciation of the dollar in financial markets, which increased the appeal of the precious metal as an investment asset.

**GOLD PRICE**

(January 2008 - December 2010)

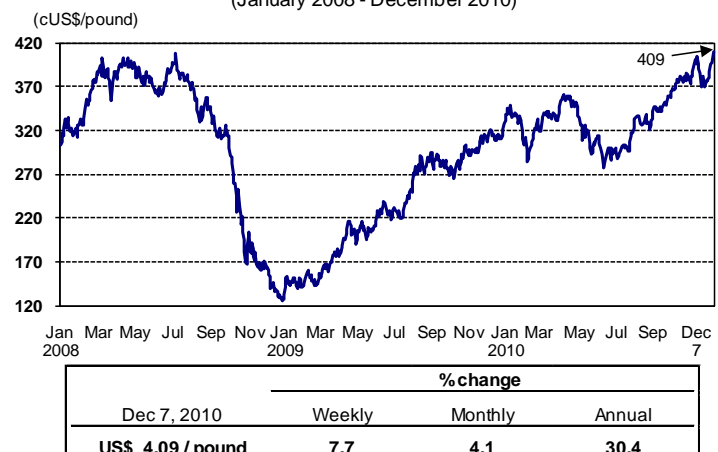


Between November 30 and December 7, the price of **copper** rose 7.7 percent to US\$ 4.09 a pound.

The rise in the price of this metal was associated with better growth prospects in the US and China, as well as with the decline of copper inventories at the London Metal Exchange (copper inventories dropped 1.2 percent to 351 thousand tons).

**COPPER PRICE**

(January 2008 - December 2010)



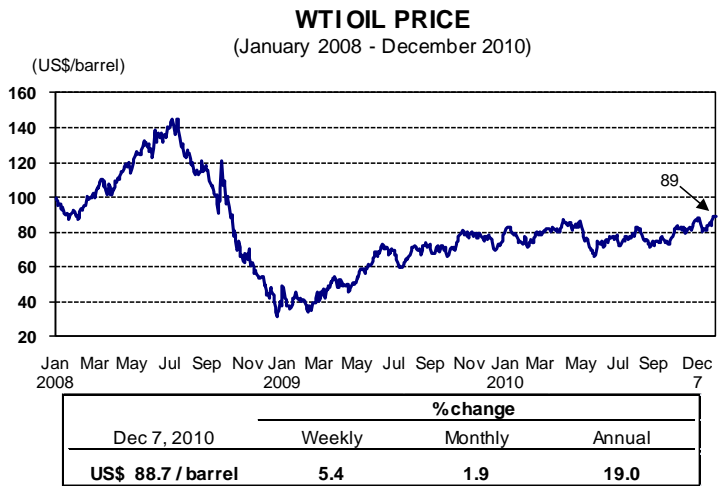
Between November 30 and December 7, the price of **zinc** rose 10.0 percent to US\$ 1.05 per pound.

The price of this basis metal rose again during the week influenced mainly by the better outlook for global demand. The drop of zinc inventories in the main metal exchange markets also contributed to this rise.



In the same period of analysis, the price of **WTI oil** rose 5.4 percent to US\$ 88.7 per barrel.

This rise in the price of crude is explained by signals of economic acceleration in China and by the extremely harsh winter experienced in the northern hemisphere, which has boosted additionally the demand for heating oil in parts of Europe and in the United States.

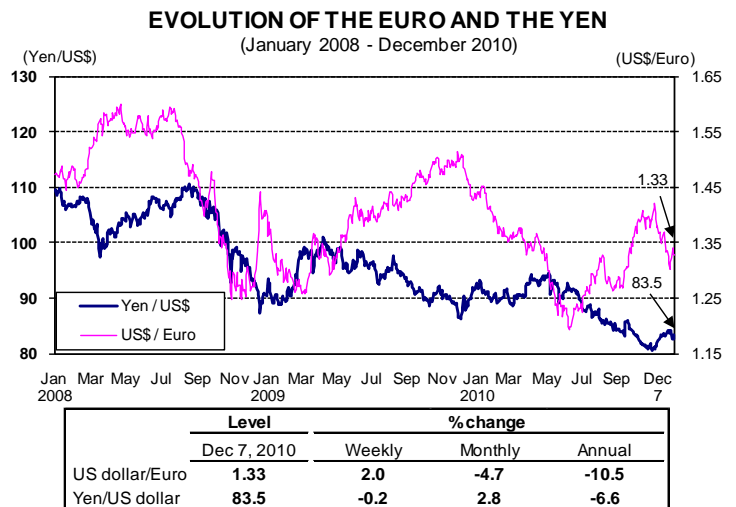


**US dollar depreciated against the euro and the yen**

Between November 30 and December 7, the **dollar** depreciated 2.1 percent against the **euro**.

The evolution of the US currency against the euro was associated with favorable expectations regarding the measures that the ECB would take to face the debt crisis in the Eurozone and Bernanke's comments about a possible increase in the FED's liquidity injection program.

In the same period, the dollar depreciated 0.2 percent against the **yen**.

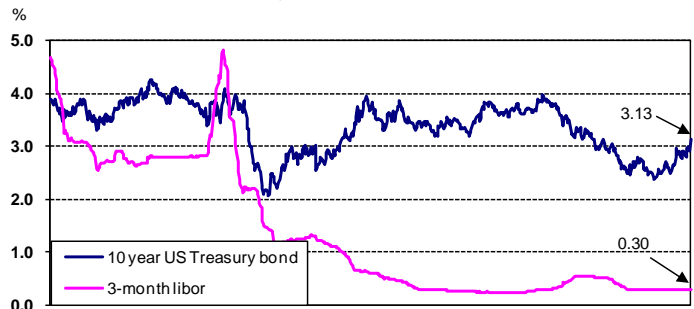


**The yield on the 10-year US Treasury bonds rose to 3.13 percent**

Between November 30 and December 7, the **3-month Libor** remained at 0.30 percent, while the yield on the **10-year US Treasury bonds** rose from 2.80 percent to 3.13 percent.

During the week of analysis, the yield on the US Treasury bond increased due to the possible injection of liquidity by the FED and due to the US government proposal of extending tax reductions, which generated greater concerns about inflation and increased growth expectations.

**3-MONTH LIBOR AND 10-YEARS US TREASURIES**  
(January 2008 - December 2010)



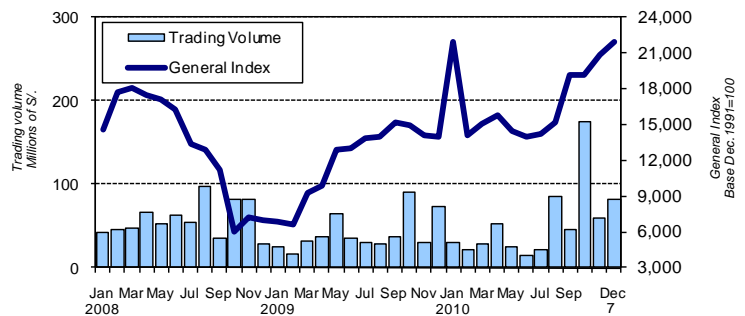
	% change			
	Dec 7, 2010	Weekly	Monthly	Annual
3 months Libor	0.30	0	2	5
US Treasuries	3.13	32	58	-32

**Annual profitability of the Lima Stock Exchange reached 54.7 percent**

So far this month (at November 7), the **General Index** and the **Selective Index** of the Lima Stock Exchange (LSE) have grown 5.1 and 5.9 percent, respectively, favored by the persistent rises observed in the international prices of metals and by expectations of growth in the economic sectors associated with domestic consumption.

The rise in the LSE indices was offset by a drop in agriculture shares after a planned sale of state-owned farming shares was suspended.

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



	As of:	% change compared to:		
	Dec 7, 2010	Nov 30, 2010	Oct 30, 10	Dec.09
General Index	21,915	5.1	14.0	54.7
Selective Index	30,706	5.9	9.5	36.9

Year-to-date, the General and the Selective Indices of the LSE have accumulated gains of 54.7 percent and 36.9 percent, respectively.

