









Indicators

-  Corporate interest rate at 3.66 percent
-  Interbank interest rate: 3.00 percent
-  Exchange rate: S/. 2.802 per dollar
-  Inflation in December: 0.18 percent
-  Trade surplus of US\$ 557 million in November
-  Profitability of the LSE in 2010: 65.0 percent

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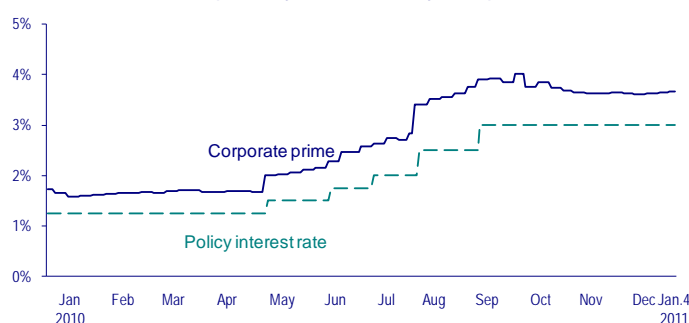
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Corporate interest rate in nuevos soles at 3.66 percent

Between **December 28, 2010** and **January 4, 2011**, the average corporate interest rate in domestic currency rose from 3.65 to 3.66 percent.

On the other hand, the average corporate interest rate in foreign currency rose from 2.14 to 2.19 percent.

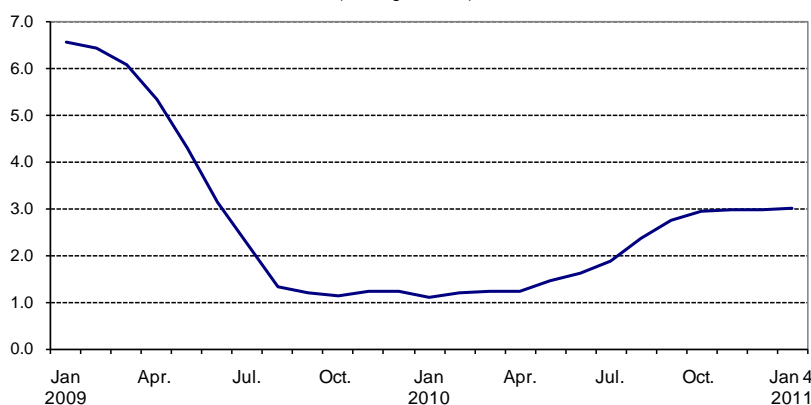
INTEREST RATES IN DOMESTIC CURRENCY
(January 2010 - January 2011)



Average interbank interest rate in January: 3.00 percent

On January 4, the average interest rate in domestic currency recorded 3.00 percent.

INTEREST RATE IN DOMESTIC CURRENCY
(Average month)



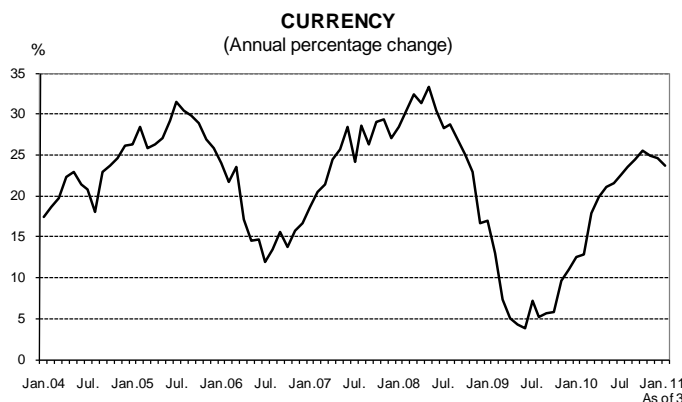
Average interbank rate		
	Average	S.D
December 2009	1.24%	0.02
January 2010	1.09%	0.16
February	1.21%	0.03
March	1.23%	0.02
April	1.22%	0.02
May	1.45%	0.12
June	1.62%	0.11
July	1.90%	0.12
August	2.38%	0.18
September	2.74%	0.23
October	2.94%	0.15
November	2.97%	0.05
December	2.98%	0.02
January 4, 2011	3.00%	0.00

Monetary operations

Between **December 29, 2010** and **January 4, 2011**, the Central Bank made the following monetary operations: i) Auctions of 1-day to up to 7-day Term Deposits in domestic currency for a daily average of S/. 6,474 million at an average rate of 2.99 percent, reaching a balance of S/. 16,594 million, and ii) Overnight deposits in domestic currency for a total of S/. 683 million.

Currency in circulation: S/. 23,777 million on January 3

Between December 28, 2010 and January 3, 2011, **currency in circulation** shrank by S/. 273 million and amounted to S/. 23,777 million. With this, currency in circulation accumulates a decline of S/. 199 million so far this year and registers a growth rate of 23.7 percent in the last 12 months.



BCRP OPERATIONS

(Millions of nuevos soles)

	FLOWS				BALANCE		
	Dec-10	From 12/28 to 01/03	Accumulated		Dec 31, 2009	Dec 31, 2010	Jan 03, 2011
			Monthly*	Annual*			
I. EXCHANGE OPERATIONS	-5	1	0	0			
(Millions of US\$)	-2	0	0	0			
1. Over the counter operations	0	0	0	0			
2. Public Sector	0	0	0	0			
3. Other exchange operations 1/	-2	0	0	0			
II. MONETARY OPERATIONS	6,048	9,574	4,039	4,039	-36,323	-52,565	-44,201
1. Sterilization	6,048	9,574	4,039	4,039	-36,323	-52,565	-44,201
a. BCRP instruments	3,347	7,731	4,194	4,194	-14,121	-24,463	-15,945
BCRP Certificates of Deposit (CDBCRP)	1,140	0	0	0	-14,121	-30	-30
BCRP Certificates of Deposit Variable in soles (CDV BCRP)	-1,073	0	0	0	0	-3,196	-3,196
BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP)	0	0	0	0	0	-450	-450
Term Deposits	3,280	7,731	4,194	4,194	0	-20,788	-12,269
b. Public Sector Deposits in soles	3,293	1,841	-834	-834	-21,006	-26,726	-27,560
c. Other monetary operations 2/	-592	1	679	679	-1,196	-1,375	-696
2. Injection (Repos)	0	0	0	0	0	0	0
III. RESERVE REQUIREMENTS IN DC	-4,002	-9,931	-4,313	-4,313	-4,307	-10,232	-18,867
IV. OTHER 3/	160	84	75	75			
V. CURRENCY**	2,201	-273	-199	-199	19,241	23,976	23,777
(Monthly percentage change)					10.3%	10.1%	-0.8%
(Accumulated percentage change)					29.5%	24.6%	-0.8%
(YoY)					11.0%	24.6%	23.7%

* As of January 3, 2011.

** 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.

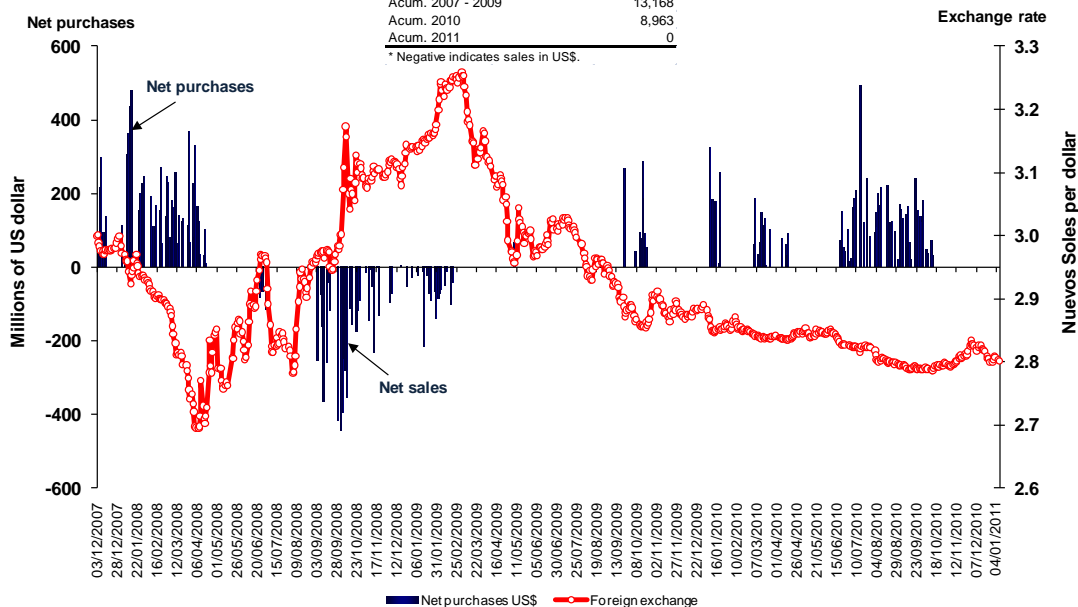
Exchange rate: US dollar traded at S/. 2.802

Between December 28, 2010 and January 4, 2011, the average interbank ask price of the dollar fell from S/. 2.803 to S/. 2.802, which represented an appreciation of the nuevo sol of 0.06 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	8,963
Acum. 2011	0

* Negative indicates sales in US\$.



BALANCE OF NET FORWARD PURCHASES OF FOREIGN CURRENCY
(January 2009 - January 2011)



Between December 28 and January 4, banks' balance of net forward purchases of foreign currency increased by US\$ 201 million. During December the balance of net forward purchases of FC accumulated an increase of US\$ 10 million.

International reserves amount to US\$ 44,594 million

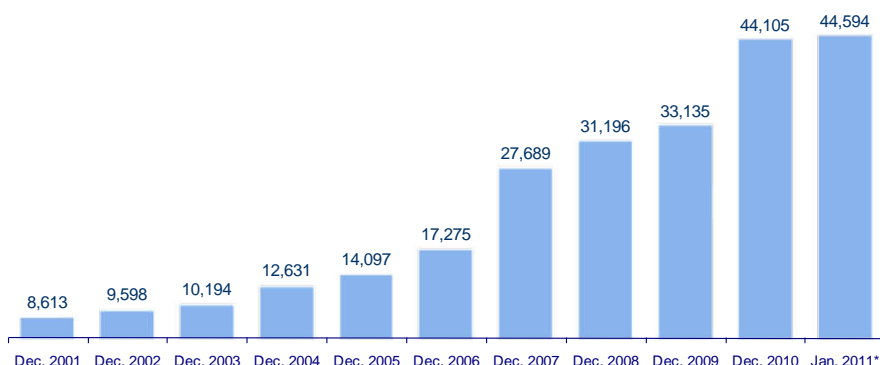
On January 4, net international reserves (NIRs) amounted to US\$ 44,594 million. This level of reserves is US\$ 489 million higher than the one recorded at the close of December 2010.

The rise in NIRs observed so far this month resulted mainly from banks' higher deposits (US\$ 502 million). This was offset by public sector's lower deposits at the Central Bank (down US\$ 11 million) and by the lower valuation of investments (down US\$ 3 million).

The exchange rate position of the BCRP on January 4 was US\$ 32,420 million, a sum US\$ 4 million lower than the one registered at the close of December.

At the end of December 2010, net international reserves amounted to US\$ 44,105 million, up US\$ 10,970 million at the close of 2009 (historical annual accumulation of reserves in one year). This level of NIR represents 29 percent of GDP over the past four quarters.

NET INTERNATIONAL RESERVES
(Millions of US\$)



*As of 4.

Inflation rate in December: 0.18 percent

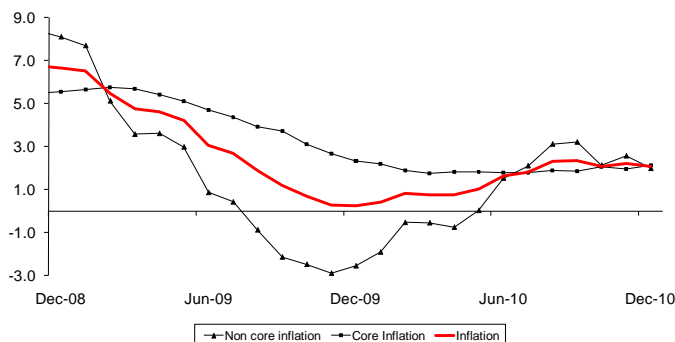
The rate of inflation in December was 0.18 percent, as a result of which inflation accumulated a rate of 2.08 percent in the last 12 months.

INFLATION
(Accumulated percentage change)

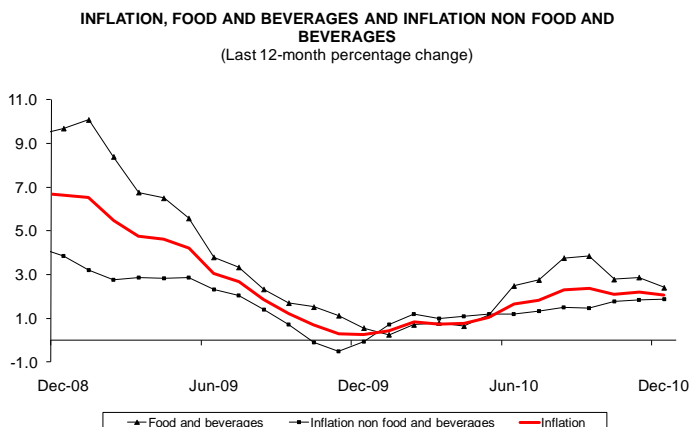
	Weight 2009=100	Monthly		12-month indicator		
		Nov. 2010	Dec. 2010	Dec. 2009	Nov. 2010	Dec. 2010
CPI	100.0	0.01	0.18	0.25	2.22	2.08
Core index	65.2	0.05	0.23	2.35	1.96	2.12
Goods	32.9	0.05	0.21	2.17	1.37	1.53
Services	32.2	0.04	0.24	2.56	2.57	2.72
Non core index	34.8	-0.06	0.09	-2.54	2.58	2.00
Food	14.8	-0.58	-1.10	-1.41	2.69	1.18
Fuel	2.8	1.84	0.26	-12.66	14.51	12.21
Transporting	8.9	-0.27	2.13	0.37	1.15	1.94
Utilities	8.4	0.41	-0.01	-2.31	-0.87	0.01
Note.-						
Food and beverages	37.8	-0.20	-0.26	0.57	2.88	2.41
CPI non food and beverages	62.2	0.14	0.45	-0.07	1.86	1.87

INFLATION, CORE INFLATION AND NON CORE INFLATION
(Last 12-month percentage change)

Core inflation recorded a rate of 0.23 percent in December and a rate of 2.1 percent in the last 12 months. Non core inflation showed a rate of 0.09 percent in the month and a rate of 2.0 percent in the last 12 months.



Food and beverage inflation, which registered a rate of -0.26 percent in December, accumulated a growth of 2.4 percent in the last 12 months. Moreover, inflation excluding food and beverages recorded 0.45 percent in the month and 1.9 percent in the last 12 months.



Three items contributed with 0.23 percentage points to inflation in December: urban fares (0.11 percentage points), domestic transportation (0.08 percentage points), and meals outside the home (0.04 percentage points). On the other hand, three items contributed with -0.18 percentage points to this month's inflation rate: chicken meat (-0.08 percentage points), fresh fish and frozen fish products (-0.06 percentage points), and Peruvian hot pepper (-0.04 percentage points).

BCRP Survey on macroeconomic expectations: December 2010

According to the results of the BCRP survey carried out in December, the three surveyed groups continue to expect a rate of inflation of 2.5 percent in 2011 and forecast that inflation would range between 2.3 and 2.5 percent in 2012. In both cases, these inflation levels are within the Central Bank's target range.

SURVEY OF MACROECONOMIC EXPECTATIONS: INFLATION (%)

	Survey date:		
	Oct.31	Nov.30	Dec.31
FINANCIAL ENTITIES ^{1/}			
2010	2.8	2.4	-
2011	2.5	2.5	2.5
2012	2.5	2.5	2.5
ECONOMIC ANALYSTS ^{2/}			
2010	2.7	2.5	-
2011	2.5	2.5	2.5
2012	2.5	2.5	2.3
NON FINANCIAL FIRMS ^{3/}			
2010	2.5	2.5	-
2011	2.5	2.5	2.5
2012	2.5	2.5	2.5

^{1/} 21 financial entities in October, 20 in November and 19 in December 2010.

^{2/} 22 analysts entities in October, 20 in November and 16 in December 2010.

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

The expected level of GDP growth in 2011 was revised on the upside for the fifth consecutive time by economic analysts and non financial firms –the former raised their forecast from 8.5 to 8.7 percent and the latter from 8.0 to 8.2 percent–, while financial entities maintained the expected level of GDP growth at 8.5 percent. Moreover, GDP is expected to grow between 6.3 and 6.5 percent in 2011 and between 6.0 and 6.5 percent in 2012.

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

	<u>Survey date:</u>		
	Oct.31	Nov.30	Dec.31
FINANCIAL ENTITIES ^{1/}			
2010	8.0	8.5	8.5
2011	6.0	6.3	6.5
2012	6.0	6.0	6.0
ECONOMIC ANALYSTS ^{2/}			
2010	8.0	8.5	8.7
2011	6.0	6.0	6.3
2012	6.0	6.1	6.0
NON FINANCIAL FIRMS ^{3/}			
2010	7.5	8.0	8.2
2011	6.5	6.6	6.5
2012	6.5	6.5	6.5

^{1/} 21 financial entities in October, 20 in November and 19 in December 2010.

^{2/} 22 analysts entities in October, 20 in November and 16 in December 2010.

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

As regards the exchange rate, the three surveyed groups expect the US dollar to be traded in the range of S/. 2.75 to S/. 2.81 in 2011 and in the range of S/. 2.70 to S/. 2.87 in 2012.

**SURVEY OF MACROECONOMIC EXPECTATIONS:
EXCHANGE RATE***

	<u>Survey date:</u>		
	Oct.31	Nov.30	Dec.31
FINANCIAL ENTITIES ^{1/}			
2010	2.77	2.80	-
2011	2.76	2.75	2.75
2012	2.79	2.75	2.75
ECONOMIC ANALYSTS ^{2/}			
2010	2.76	2.80	-
2011	2.80	2.78	2.75
2012	2.78	2.72	2.70
NON FINANCIAL FIRMS ^{3/}			
2010	2.80	2.80	-
2011	2.80	2.82	2.81
2012	2.86	2.88	2.87

^{1/} 21 financial entities in October, 20 in November and 19 in December 2010.

^{2/} 22 analysts entities in October, 20 in November and 16 in December 2010.

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

* Exchange rate at the end-of-year.

Trade surplus amounted to US\$ 5,547 million as of November

In November the **trade balance** recorded a surplus of US\$ 557 million and thus accumulated a surplus of US\$ 5,547 million between January and November.

Exports in November amounted to US\$ 3,256 million (an amount higher by 20.9 percent than the one recorded in November 2009). The volume of non traditional exports increased 20.9 percent, with most sectors showing higher exports. The volume of farming exports grew 24.0 percent, chemical exports grew 26.5 percent, iron and steel exports grew 45.8 percent, and fishing exports

grew 13.6 percent. On the other hand, the volume of traditional exports dropped 3.3 percent mainly as a result of lower exports of gold and copper.

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

	2009		2010				% chg. November		January-November		
	Monthly Average	Nov.	Monthly Average			Nov.	Previous months	Last 12 months	2009	2010	% Chg.
			IQ	IIQ	IIIQ						
1. EXPORTS	2,240	2,693	2,636	2,719	3,087	3,256	5.6	20.9	23,943	31,666	32.3
Traditional products	1,714	2,089	2,081	2,097	2,437	2,458	4.5	17.7	18,275	24,656	34.9
Non-traditional products	513	587	534	601	633	770	8.2	31.0	5,533	6,784	22.6
Other products	13	17	21	21	17	28	44.3	68.5	135	226	67.4
2. IMPORTS	1,751	2,015	2,111	2,203	2,607	2,698	1.5	33.9	19,006	26,119	37.4
Consumption goods	330	379	375	417	500	564	0.9	48.6	3,595	4,998	39.0
Raw materials	840	1,055	1,057	1,086	1,247	1,276	- 2.0	20.9	9,095	12,745	40.1
Capital goods	571	571	657	686	844	846	7.7	48.1	6,204	8,192	32.0
Other goods	10	9	22	15	16	13	- 1.7	44.7	112	184	64.4
3. TRADE BALANCE	489	678	525	516	481	557			4,938	5,547	

Imports in November, which amounted to US\$ 2,698 million, were 33.9 percent higher than in November 2009. The total volume of imports increased by 22.5 percent due to higher imports of durable consumer goods (43.0 percent), capital goods (43.5 percent), and non-durable consumer goods (36.2 percent).

Furthermore, the terms of trade in November were 8.8 percent higher than in November 2009 and 0.9 percent higher than the ones observed in the previous month. The prices of exports increased 19.0 percent, while the prices of imports increased 9.3 percent. Thus, terms of trade have recorded an increase of 18.8 percent compared with the same period in 2009 as a result of the higher prices of exports (up 30.4 percent).

International Markets

Country risk at 141 basis points

In **December**, the average country risk, measured by the **EMBIG Peru** spread, rose to 157 basis points from 151 basis points in November.

The spread of the Latin American debt rose by 4 basis points in this period (from 346 to 350 basis points) in a context of increased risk aversion associated with the sovereign debt crisis in the Eurozone peripheral countries.

On **January 4** the **EMBIG Peru** recorded 141 basis points.

COUNTRY RISK INDICATORS
(January 2009 - January 2011)



Gold traded at US\$ 1,384.7 an ounce

In **December** the average price of **gold** rose from US\$ 1,369.6 in November to US\$ 1,391.6 a troy ounce (1.6 percent).

Factors accounting for this rise included funds' higher purchases at the end of the year, the seasonal demand for gold for jewelry in India, and investors' still high demand for gold in a context of uncertainty in European financial markets.

On **January 4**, the price of gold recorded US\$ 1,384.7 an ounce.

GOLD PRICE

(January 2009 - January 2011)



Jan 4, 2011	% change		
	Weekly	Monthly	Annual
US\$ 1,385 / troy oz.	-1.4	1.6	23.3

In **December**, the average price of **copper** rose 8.2 percent, from US\$ 3.84 in November to US\$ 4.16/pound.

Supply constraints in Chile (technical problems in mine Collahuasi), indicators of higher demand in USA and China (higher imports of concentrates), and the decline of inventories in the main metal exchange markets contributed to this price rise.

On **January 4** the price of **copper** rose to US\$ 4.42 a pound (historical record level).

COPPER PRICE

(January 2009 - January 2011)



Jan 4, 2011	% change		
	Weekly	Monthly	Annual
US\$ 4.42 / pound	3.9	8.2	30.7

The average price of **zinc** registered a drop of 0.5 percent in December when this price fell from US\$ 1.04 in November to US\$ 1.03/pound.

The rise of inventories at the London Metal Exchange –zinc inventories increased by 11 percent to 700 thousand tons– and reports of the International Lead and Zinc Study Group (ILZSG) confirming a surplus in this market (data as of October) supported the decline in the price of this basic metal.

On **January 4** the price of **zinc** registered US\$ 1.12 a pound.

ZINC PRICE

(January 2009 - January 2011)

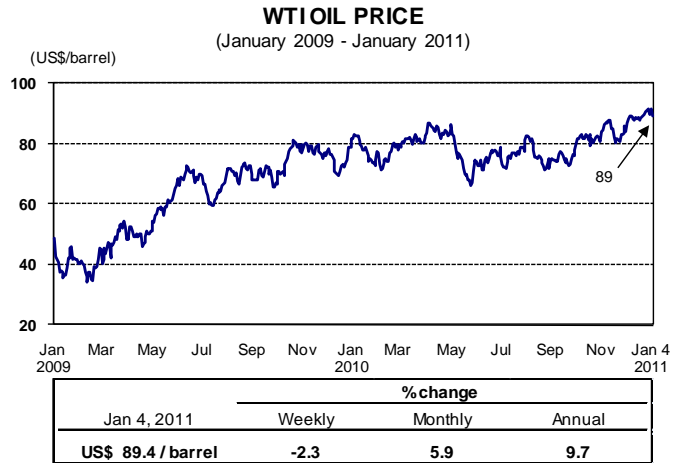


Jan 4, 2011	% change		
	Weekly	Monthly	Annual
US\$ 1.12 / pound	8.7	-0.5	-4.0

The average price of **WTI oil** increased from US\$ 84.2 in November to US\$ 89.2 per barrel in **December** (5.9 percent).

This rise in the price of crude was associated with an increased consumption of fuels due to intense cold weather conditions in Europe and in Eastern USA and with the drop of crude inventories to their lowest level in recent years.

On **January 4**, the price of WTI oil rose to US\$ 89.4 per barrel.

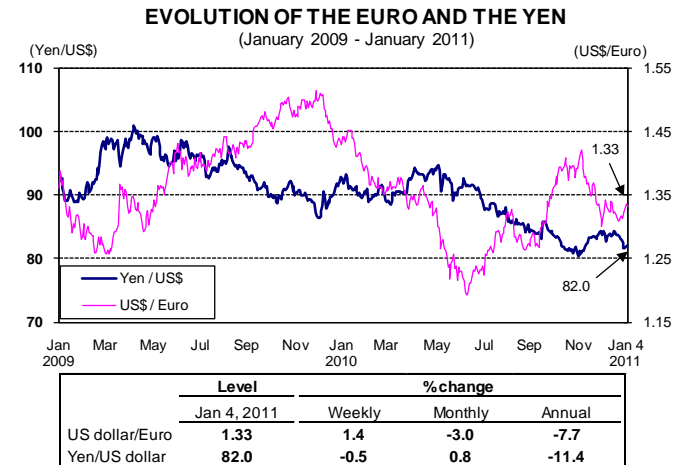


On average the US dollar appreciated against the euro and the yen in December

In **December**, the **dollar** appreciated 3.0 percent on average against the **euro** and 0.8 percent on average against the **yen**.

This positive evolution of the US currency against the euro and the yen was caused by higher risk aversion associated with the expansion of the sovereign debt crisis to the Eurozone peripheral countries, as well as by the impact generated by the fact that the Central Bank of China raised its rates.

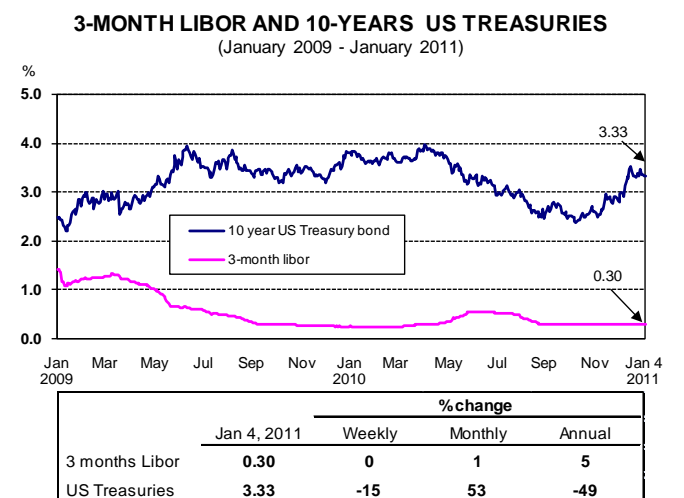
On **January 4**, the euro was traded at US\$ 1.33 and the dollar was traded at 82.0 yens.



The yield on the US Treasury bond rose to 3.28 on average in December

On average terms, the **3-month Libor** increased to 0.30 percent in December (from 0.29 percent in November), while the yield on the 10-year **US Treasury bond** rose to 3.28 percent from 2.75 percent.

The yield on the US Treasury bond increased due to reports of positive indicators of activity in USA and due to a better growth outlook in this country as a result of the extension of tax incentives for two more years.



On **January 4**, the **3-month Libor** recorded 0.30 percent and the yield on the 10-year **US Treasury** recorded 3.33 percent.

Profitability of the Lima Stock Exchange: 65 percent in 2010

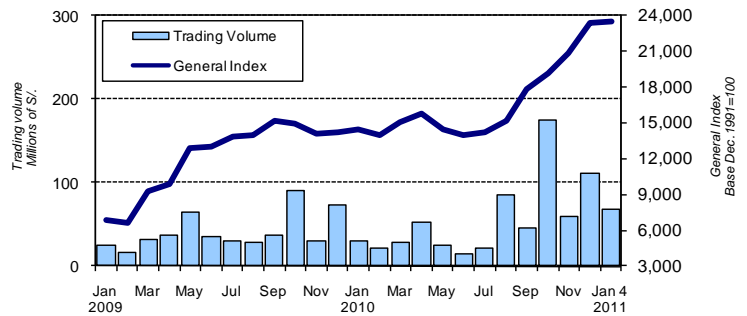
In **December**, the **General** Index and the **Selective** Index of the Lima Stock Exchange (LSE) grew 12.1 and 10.6 percent, respectively.

The rise in the LSE indices was influenced by the higher prices of metals, expectations of higher growth in the economic sectors associated with domestic consumption, and the approval of a bill that will contribute to the merger of the stock markets of Lima, Chile and Colombia.

So far this month (as of **January 4**), these indices have grown 0.5 and 0.2 percent, respectively.

In 2010, the General and the Selective Indices of the LSE accumulated gains of 65.0 percent and 42.9 percent, respectively.

LIMA STOCK EXCHANGE INDICATORS
(January 2009 - January 2011)



	As of:		%change compared to:		
	Jan 4, 2011	Dec 28, 2010	Dec 30, 10	Dec 31.09	
General Index	23,490	1.9	0.5	65.0	
Selective Index	32,110	1.5	0.2	42.9	

