



### Indicators

- Corporate interest rate at 5.39 percent
- Interbank interest rate: 4.29 percent
- Exchange rate: S/. 2.750 per dollar
- Inflation recorded 0.10 percent in June
- Trade balance in May: 641 million
- Country risk at 168 bps.

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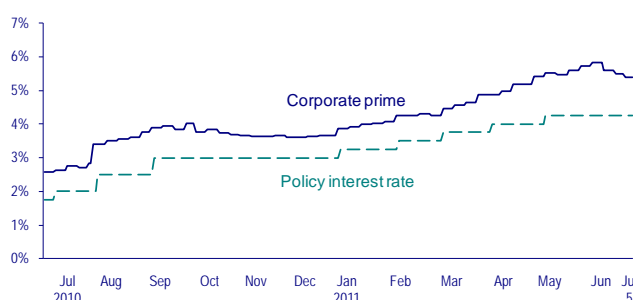
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## Corporate interest rate in nuevos soles at 5.39 percent

Between **June 28 and July 5, 2011**, the average corporate interest rate in domestic currency fell from 5.49 to 5.39 percent.

The average corporate interest rate in foreign currency rose from 2.17 percent to 2.36 percent.

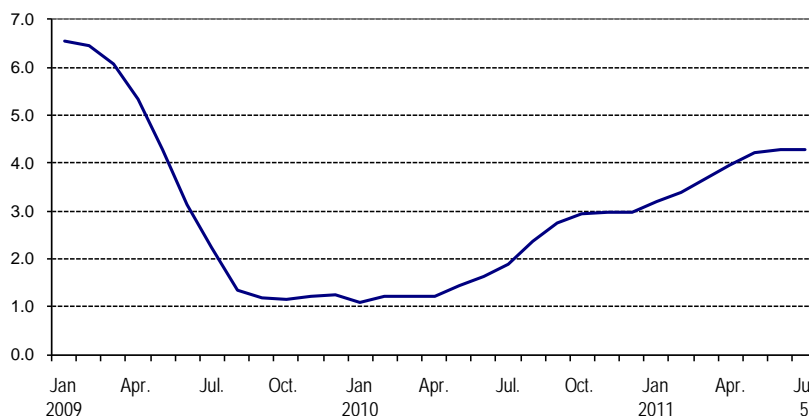
**INTEREST RATES IN DOMESTIC CURRENCY  
(July 2010 - July 2011)**



## Average interbank interest rate: 4.29 percent

The average interbank interest rate in domestic currency at July 5 was 4.29 percent.

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



**Average interbank rate**

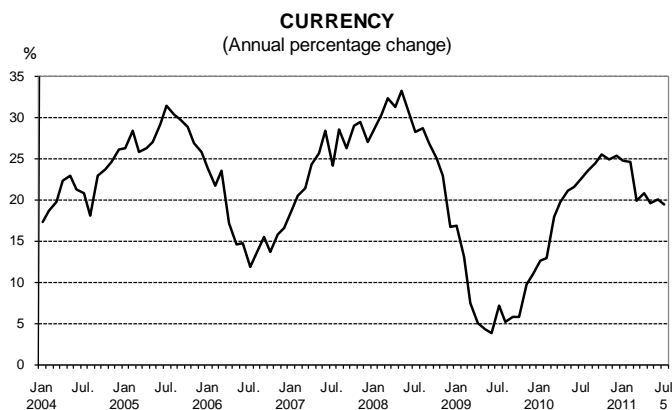
	<b>Average</b>	<b>S.D.</b>
December 2009	1.24%	0.02
January 2010	1.09%	0.16
February	1.21%	0.03
March	1.23%	0.02
April	1.22%	0.02
May	1.45%	0.12
June	1.62%	0.11
July	1.90%	0.12
August	2.38%	0.18
September	2.74%	0.23
October	2.94%	0.15
November	2.97%	0.05
December	2.98%	0.02
January 2011	3.21%	0.10
February	3.37%	0.13
March	3.68%	0.12
April	3.97%	0.10
May	4.23%	0.15
June	4.28%	0.05
July 5	4.29%	0.06

## Monetary operations

Between **June 30 and July 5**, the Central Bank made the following operations: i) Auctions of 189-day to up to 350-day BCRP Certificates of Deposit for a daily average of S/. 40 million. The average rate on these operations, which reached a balance of S/. 2.5 billion, was 4.50 percent; ii) Auctions of 1-day to 7-day repos for a daily average of S/. 2.133 billion at an average rate of 4.39 percent. These auctions reached a balance of S/. 1.9 billion; iii) Auctions of 1-day term deposits in domestic currency for a total of S/. 3.33 billion. The average rate on these operations, which reached a balance of S/. 3.33 billion, was 4.20 percent, and iv) overnight deposits in domestic currency for a daily average of S/ 121 million.

## Currency in circulation at July 4 amounted to S/. 23.69 billion

Between June 28 and July 4, 2011, **currency in circulation** increased by S/. 161 million and amounted to S/. 23.69 billion. As a result of this, currency in circulation accumulates a decline of S/. 444 million so far this year and registers a growth rate of 19.4 percent in the last 12 months.



### BCRP OPERATIONS

(Millions of nuevos soles)

	FLOWS				BALANCE		
	Jun-11	From 28/06 to 04/07	Cumulated		Dec 31, 2010	Jun 30, 2011	Jul 4, 2011
			Monthly*	Annual*			
<b>I. EXCHANGE OPERATIONS</b>		<b>0</b>	<b>0</b>	<b>-8,705</b>			
(Millions of US\$)		<b>0</b>	<b>0</b>	<b>-3,135</b>			
1. Over the counter operations		0	0	62			
2. Public Sector		0	0	-3,039			
3. Other exchange operations 1/		0	0	-158			
<b>II. MONETARY OPERATIONS</b>	<b>1,402</b>	<b>6,172</b>	<b>5,282</b>	<b>11,242</b>	<b>-52,565</b>	<b>-46,604</b>	<b>-41,322</b>
<b>1. Sterilization</b>	<b>1,032</b>	<b>3,672</b>	<b>3,152</b>	<b>8,742</b>	<b>-52,565</b>	<b>-46,974</b>	<b>-43,822</b>
a. BCRP instruments	1,419	3,520	3,329	11,078	-24,463	-16,714	-13,385
BCRP Certificates of Deposit (CDBCRP)	-850	-180	0	-2,470	-30	-2,500	-2,500
BCRP Certificates of Deposit Variable in soles (CDV BCRP)	1,073	0	0	-5,614	-3,196	-8,810	-8,810
Readjustable CDBCRP (CDR BCRP)	-275	300	0	-2,075	0	-2,075	-2,075
BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP)	0	0	0	450	-450	0	0
Term Deposits	1,471	3,400	3,329	20,788	-20,788	-3,329	0
b. Public Sector Deposits in soles	-761	309	-51	-2,939	-26,726	-29,614	-29,666
c. Other monetary operations 2/	375	-157	-126	603	-1,375	-646	-772
<b>2. Injection (Repos)</b>	<b>370</b>	<b>2,500</b>	<b>2,130</b>	<b>2,500</b>	<b>0</b>	<b>370</b>	<b>2,500</b>
<b>III. RESERVE REQUIREMENTS IN DC</b>	<b>-1,284</b>	<b>-6,083</b>	<b>-5,192</b>	<b>-4,178</b>	<b>-10,077</b>	<b>-9,064</b>	<b>-14,255</b>
<b>IV. OTHER 3/</b>	<b>157</b>	<b>73</b>	<b>73</b>	<b>1,198</b>			
<b>V. CURRENCY **</b>	<b>275</b>	<b>161</b>	<b>163</b>	<b>-444</b>	<b>24,131</b>	<b>23,524</b>	<b>23,687</b>
(Monthly percentage change)					11.0%	1.2%	0.7%
(Accumulated percentage change)					25.4%	-2.5%	-1.8%
(YoY)					25.4%	20.0%	19.4%

\* As of July 4, 2011.

\*\* Preliminary data.

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

2/ Includes overnight deposits and Deposit Insurance Funds.

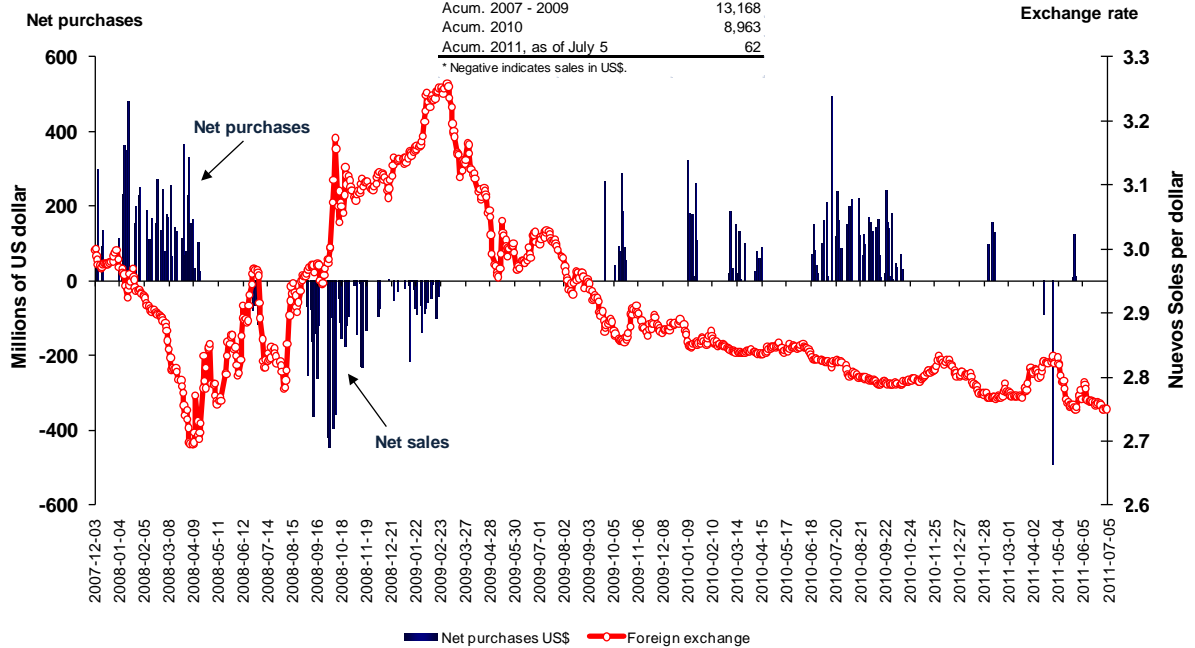
3/ Includes BCRP operative expenses, interest by deposits in the BCRP (overnight, terms and specials), net interest by CDBCRP placements and Central Bank profit transfers to the public sector.

**Exchange rate: US dollar traded at S/. 2.750**

Between June 28 and July 5, the average interbank ask price of the dollar fell from S/. 2.756 to S/. 2.750. The Central Bank 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, as of July 5	62



Between June 28 and July 5, banks' balance of net forward purchases in foreign currency increased by US\$ 118 million. During the month of June, the balance of net forward purchases accumulated an increase of US\$ 134 million.

**BALANCE OF NET FORWARD PURCHASES OF FOREIGN CURRENCY**

(January 2009 - July 2011)

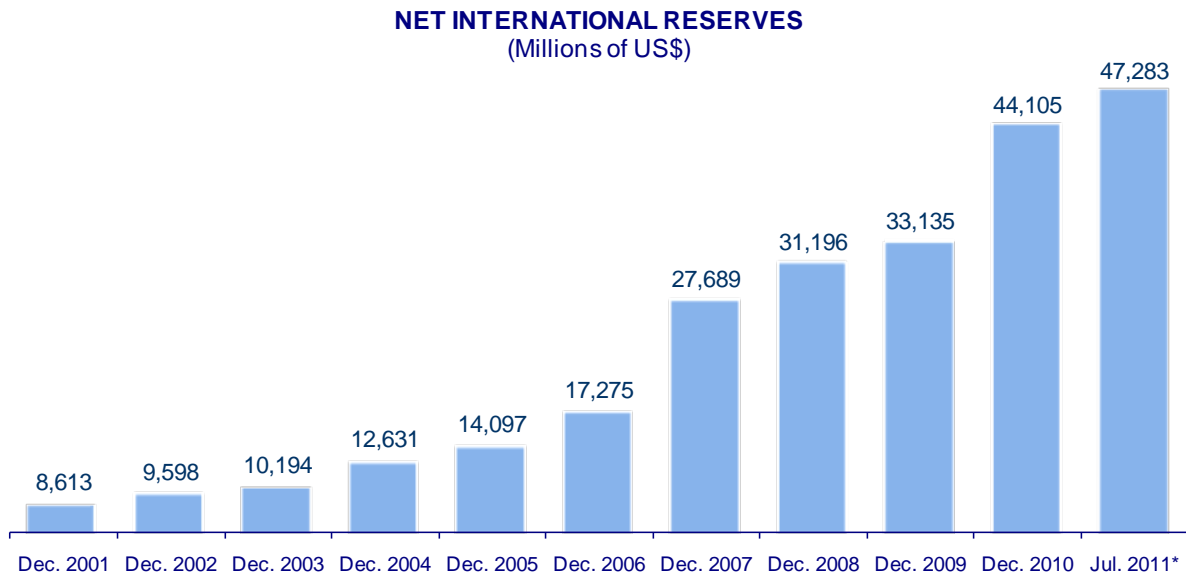


**International reserves reach US\$ 47.28 billion**

Net international reserves (NIRs) at July 5 amounted to US\$ 47.28 billion. This level of reserves is US\$ 131 million higher than the one recorded at the close of June.

The increase of NIRs recorded so far this month was mainly associated with higher deposits from banks and the public sector (up US\$ 157 million and US\$ 16 million, respectively). This was offset by the lower valuation of investments (US\$ 14 million).

The exchange rate position of the BCRP at July 4 was US\$ 30.23 billion, a sum US\$ 16 million lower than the one recorded at the close of June.



\* As of 5.

**Liquidity and credit to the private sector at June 15**

In the last four weeks, **total liquidity in the private sector** increased 1.5 percent (S/. 2.18 billion) and accumulated a growth rate of 22.4 percent in the last twelve months. By currencies, liquidity in soles grew 1.1 percent (S/. 897 million), while liquidity in dollars grew 2.3 percent (US\$ 457 million).

In the same period, **total credit to the private sector** grew 1.8 percent (S/. 2.46 billion), thus recording an annual growth rate of 22.4 percent. By currencies, credit in soles grew 1.4 percent (S/. 1.03 billion), while credit in dollars grew 2.2 percent (US\$ 508 million).

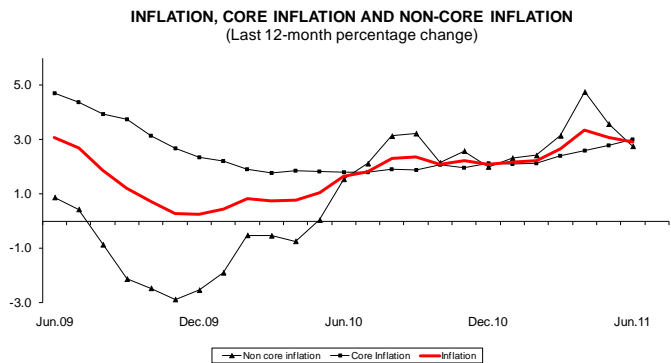
## Inflation recorded a rate of 0.10 percent in June

Inflation showed a rate of 0.10 percent in June and accumulated a rate of 2.91 percent in the last twelve months.

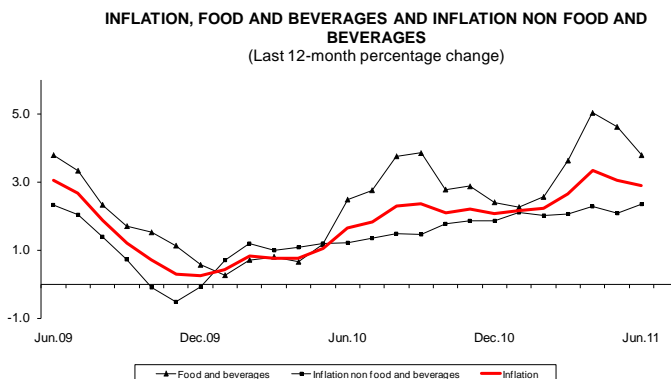
**INFLATION**  
(Accumulated percentage change)

	Weight 2009=100	Monthly		12-month indicator		
		May. 2011	Jun. 2011	Jun. 2010	May. 2011	Jun. 2011
<b>CPI</b>	<b>100.0</b>	<b>-0.02</b>	<b>0.10</b>	<b>1.64</b>	<b>3.07</b>	<b>2.91</b>
<b>Core index</b>	<b>65.2</b>	<b>0.34</b>	<b>0.32</b>	<b>1.79</b>	<b>2.80</b>	<b>2.99</b>
Goods	32.9	0.35	0.28	1.48	2.14	2.30
Services	32.2	0.34	0.36	2.11	3.47	3.70
<b>Non core index</b>	<b>34.8</b>	<b>-0.70</b>	<b>-0.32</b>	<b>1.54</b>	<b>3.57</b>	<b>2.76</b>
Food	14.8	-0.89	-1.43	2.58	5.80	3.12
Fuel	2.8	-0.13	1.48	10.16	7.64	8.97
Transporting	8.9	-0.31	0.15	0.80	1.79	1.99
Utilities	8.4	-1.01	0.61	-4.02	-0.10	0.62
<b>Note.-</b>						
Food and beverages	37.8	-0.01	-0.24	2.49	4.64	3.80
CPI non food and beverages	62.2	-0.03	0.31	1.21	2.10	2.36

Core inflation registered a rate of 0.32 percent in June and a rate of 2.99 percent in the last twelve months. Non core inflation showed a monthly rate of -0.32 percent and a rate of 2.76 percent in the last twelve months.



Food and beverage inflation recorded a rate of -0.24 percent in June and accumulated a rate of 3.8 percent in the last twelve months. Inflation excluding food and beverages showed a rate of 0.31 percent in June (2.36 percent in the last twelve months).



In June three items contributed with 0.18 percentage points to the positive growth of inflation: fresh and frozen fish (0.07 percentage points), meals outside the home (0.06 percentage points), and water rates (0.05 percentage points). On the other hand, three items contributed with 0.3 percentage points to reduce inflation: chicken meat (-0.22 percentage points), onion (-0.06 percentage points), and citrus fruits (-0.02 percentage points).

## BCRP Survey on Macroeconomic Expectations: June 2011

The results of the Survey on Macroeconomic Expectations carried out in June show that financial entities and economic analysts have revised the expected level of inflation on the downside from 3.5 and 3.8 percent to 3.2 and 3.5 percent, respectively, while non financial firms maintained their estimates of inflation at 3.0 percent. Inflation forecasts in 2012 and 2013 range between 2.5 and 3.0 percent.

### SURVEY OF MACROECONOMIC EXPECTATIONS: INFLATION (%)

	Survey date		
	Apr. 30	May. 31	Jun. 30
<b>FINANCIAL ENTITIES 1/</b>			
2011	3.5	3.5	3.2
2012	2.6	2.6	2.7
2013	2.5	2.5	2.5
<b>ECONOMIC ANALYSTS 2/</b>			
2011	3.5	3.8	3.5
2012	2.5	2.7	2.8
2013	2.5	2.5	2.5
<b>NON FINANCIAL FIRMS 3/</b>			
2011	3.0	3.0	3.0
2012	3.0	3.0	3.0
2013	3.0	3.0	3.0

<sup>1/</sup> 24 financial entities in April 2011, 20 in May and 23 in June.

<sup>2/</sup> 30 analysts in April 2011, 36 in May and 33 in June.

<sup>3/</sup> Sample of firms of various economic sectors.

Economic agents expect a GDP growth rate of 6.5 percent in 2011. This projection is slightly lower than the one estimated by financial entities and economic analysts in the previous survey. GDP is expected to grow 6.0 percent in 2012 and 2013.

### SURVEY OF MACROECONOMIC EXPECTATIONS: GDP (%)

	Survey date		
	Apr. 30	May. 31	Jun. 30
<b>FINANCIAL ENTITIES 1/</b>			
2011	7.0	6.6	6.5
2012	6.5	6.3	6.0
2013	6.5	6.0	6.0
<b>ECONOMIC ANALYSTS 2/</b>			
2011	7.0	6.6	6.5
2012	6.5	6.5	6.0
2013	6.3	6.5	6.0
<b>NON FINANCIAL FIRMS 3/</b>			
2011	7.0	6.5	6.5
2012	6.4	6.5	6.0
2013	6.0	6.5	6.0

<sup>1/</sup> 24 financial entities in April 2011, 20 in May and 23 in June.

<sup>2/</sup> 30 analysts in April 2011, 36 in May and 33 in June.

<sup>3/</sup> Sample of firms of various economic sectors.

Finally, financial entities and non financial firms maintained their estimates about the exchange rate at end 2011 at S/. 2.75 and S/. 2.80 per dollar, respectively, while this variable is expected to range between S/. 2.75 and S/. 2.85 in 2012 and in 2013.

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

	Survey date		
	Apr. 30	May. 31	Jun. 30
<b>FINANCIAL ENTITIES 1/</b>			
2011	2.80	2.75	2.75
2012	2.78	2.75	2.76
2013	2.77	2.71	2.77
<b>ECONOMIC ANALYSTS 2/</b>			
2011	2.80	2.78	2.79
2012	2.79	2.77	2.75
2013	2.80	2.80	2.75
<b>NON FINANCIAL FIRMS 3/</b>			
2011	2.82	2.80	2.80
2012	2.85	2.80	2.80
2013	2.90	2.85	2.85

<sup>1/</sup> 24 financial entities in April 2011, 20 in May and 23 in June.

<sup>2/</sup> 30 analysts in April 2011, 36 in May and 33 in June.

<sup>3/</sup> Sample of firms of various economic sectors.

\* Exchange rate at the end-of-year.

**Non- traditional exports grew 48.7 percent in May**

In May 2011 the **trade balance** showed a positive balance of US\$ 641 million and accumulated a surplus of US\$ 2.76 billion.

**Exports**, which amounted to US\$ 3.91 billion, grew 63.0 percent compared to May 2010. The volume of exports grew 32.4 percent and prices grew 23.1 percent. The higher volume of exports of fishmeal and the higher price of coffee exports stands out in among traditional exports, while the higher volume of farming and fishing products stands out in terms of non traditional exports.

**TRADE BALANCE**  
(Millions of US\$)

	2010		2011			May % change	January - May		
	Monthly Average	May.	1st Quarter	Apr.	May.	Last 12 months	2010	2011	% Chg.
<b>EXPORTS</b>	<b>2,964</b>	<b>2,402</b>	<b>3,339</b>	<b>3,380</b>	<b>3,914</b>	<b>63.0</b>	<b>12,981</b>	<b>17,311</b>	<b>33.4</b>
Traditional products	2,306	1,852	2,575	2,606	3,094	67.1	10,150	13,426	32.3
Non-traditional products	637	534	737	751	795	48.7	2,729	3,757	37.7
Other products	21	16	26	23	26	61.3	103	128	24.8
<b>IMPORTS</b>	<b>2,401</b>	<b>2,088</b>	<b>2,729</b>	<b>3,095</b>	<b>3,273</b>	<b>56.8</b>	<b>10,652</b>	<b>14,554</b>	<b>36.6</b>
Consumption goods	457	376	475	495	530	40.9	1,917	2,451	27.8
Raw materials	1,169	1,029	1,340	1,656	1,629	58.3	5,354	7,305	36.4
Capital goods	756	673	885	911	1,074	59.7	3,277	4,639	41.6
Other goods	19	10	29	32	40	288.5	104	159	53.5
<b>TRADE BALANCE</b>	<b>562</b>	<b>314</b>	<b>610</b>	<b>285</b>	<b>641</b>		<b>2,329</b>	<b>2,757</b>	

Showing a growth rate of 56.8 percent compared to May 2010, **imports** in May amounted to US\$ 3.27 billion. The volume of imports was 33.7 percent higher, while the average price of imports was 18.4 percent higher. The growth of imports of capital goods and industrial inputs was noteworthy, with growth rates of 59.7 percent and 53.9 percent, respectively, compared to May 2010.

The **terms of trade** grew 4.1 percent compared to May 2010. The prices of exports grew 23.1 percent, while the prices of imports grew 18.3 percent.

## International Markets

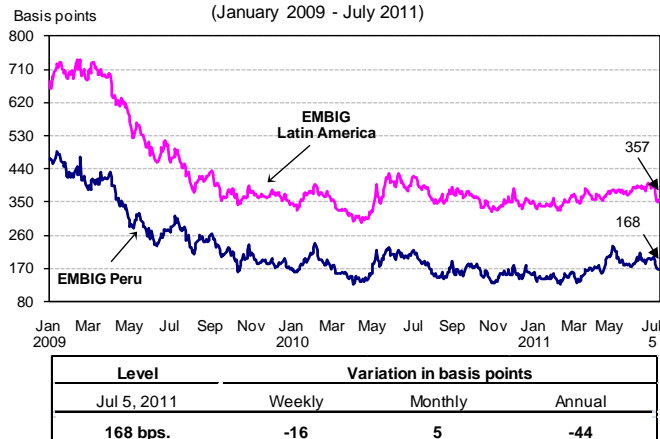
### Country risk rose to 168 basis points

In **July 5**, the **EMBIG Peru** located at 168 basis points.

In **June**, the average country risk indicator, measured by the EMBIG Peru spread, rose from 187 to 192 basis points, similar to the behavior of the region index that increased 9 basis points.

This increase in the debt spreads was explained by higher risk aversion due to the uncertainty around the global growth and the fiscal situation of Greece.

**COUNTRY RISK INDICATORS**  
(January 2009 - July 2011)



### Price of gold rose to US\$ 1,509.4/troy ounce on average

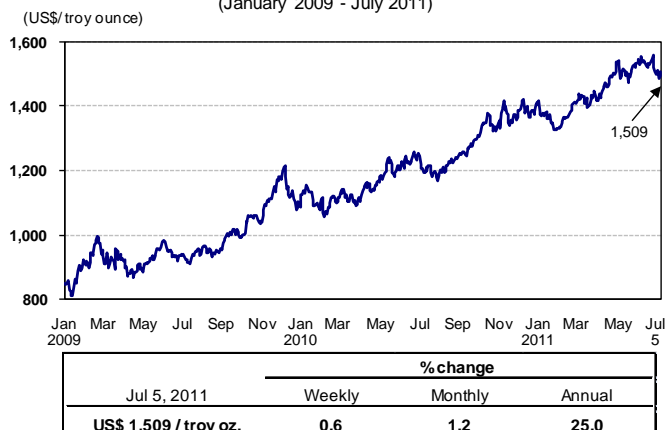
In **July 5**, the price of **gold** was US\$ 1,509.4 a troy ounce.

In **June**, the average price of **gold** rose 1.2 percent, reaching an average level of US\$ 1,529.7 a troy ounce.

This upward behavior during the month was associated with more active demand of gold as a hedge against the depreciation of the dollar against the euro and increased uncertainty about the recovery in global activity and the debt problem in Europe.

**GOLD PRICE**

(January 2009 - July 2011)



In **July 5**, the price of **copper** was US\$ 4.27 per pound.

In **June**, the average price of **copper** rose 1.2 percent, reaching an average level of US\$ 4.10 per pound.

The price of copper corrected upwards mainly due to supply constraints in Chile. La Escondida mine (Codelco) was operating at 70 Percent of capacity and the El Teniente mine (BHP Billiton) was temporarily closed due to inclement weather.

**COPPER PRICE**

(January 2009 - July 2011)





In **July 5**, the price of **zinc** was US\$ 1.07 per pound.

The average price of **zinc** recorded an increase of 3.0 percent in **June**, reaching an average level of US\$ 1.01 per pound.

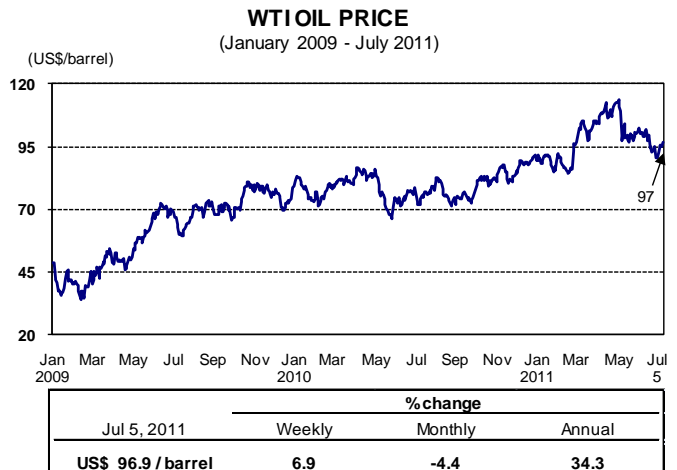
The weak dollar and falling inventories reported in the most important metal exchanges in the world, explained the rise in the price of the base metal.



In **July 5**, the price of **WTI oil** was US\$ 96.9 per barrel.

The average price of **WTI oil** fell 4.4 percent in **June**, reaching an average level of US\$ 96.3 per barrel.

The evolution of oil was explained by the uncertainty about the evolution of global demand, the announcement by Saudi Arabia to increase its production after the OPEC meeting and the decision of the IEA to release 2 million barrels a day to supplement the supply of Libya (60 million barrels within 30 days).

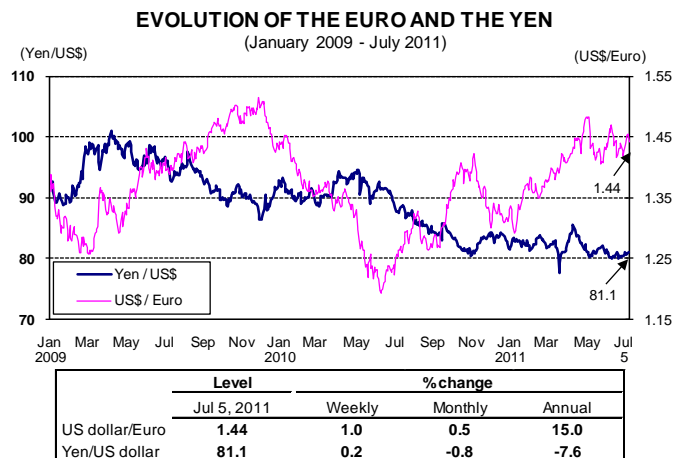


**US dollar depreciated on average against the euro and yen in June**

In **June**, the **dollar** depreciated 0.5 percent on average against the **euro** and 0.8 percent on average against the **yen**.

This evolution of the dollar was a reflection of evidence of moderating US economy and monetary policy signals from the Fed.

As of **July 5**, the price of exchange rate was 1.44 US dollar per euro and 81.1 yen per US dollar.

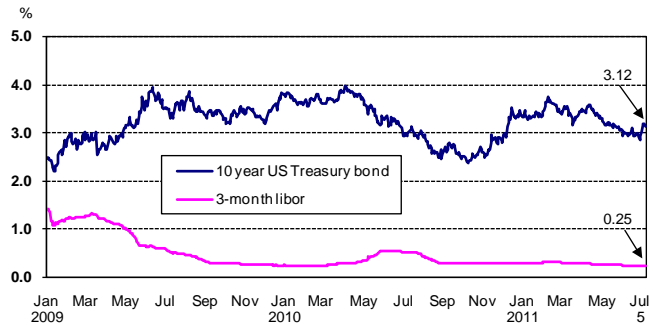


**Yield on US Treasuries dropped to 2.99 percent on average in June**

On average terms, the **3-month Libor** fell from 1 basis point in June, while the yield on the **10-year US Treasury bonds** fell from 17 basis points reaching an average rate of 2.99 percent.

Initial signs of uncertainty regarding the adoption of adjustment measures in Greece caused a greater preference for US Treasuries.

**3-MONTH LIBOR AND 10-YEARS US TREASURIES**  
(January 2009 - July 2011)



	% change			
	Jul 5, 2011	Weekly	Monthly	Annual
3 months Libor	0.25	0	-1	-29
US Treasuries	3.12	19	-17	15

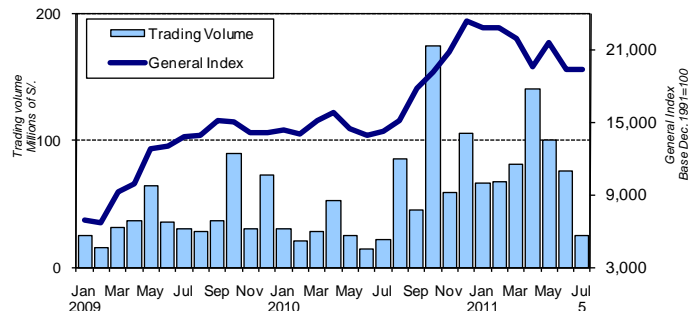
As of July 5, the **3-month Libor** was 0.25 percent and the yield of the **10-year US Treasury bond** was 3.12 percent.

**Lima Stock Exchange**

In **June**, the **General Index** and the **Selective Index** of the Lima Stock Exchange (LSE) showed a negative performance, recording a drop of 12.5 and 13.2 percent, respectively.

The results of the indices during the month were explained by the speculation on the electoral vote at the beginning of the month and the still lingering uncertainty among investors about possible future actions of the next administration.

**LIMA STOCK EXCHANGE INDICATORS**  
(January 2009 - July 2011)



	As of:	% change compared to:		
	Jul 5, 2011	Jun 28, 2011	Jun 30, 2011	Dec 31, 10
General Index	19,375	3.5	2.6	-17.1
Selective Index	26,830	4.1	3.8	-16.3

Year-to-date, the indices of the LSE have accumulated losses of 17.1 and 16.3 percent, respectively.

