









### Indicators

-  Corporate interest rate in soles at 5.37 percent
-  Interbank interest rate at 4.25 percent
-  Exchange rate: S/. 2.698 per dollar
-  Inflation in November: 0.43 percent
-  Trade surplus of US\$ 623 million in October
-  Country risk at 211 bps

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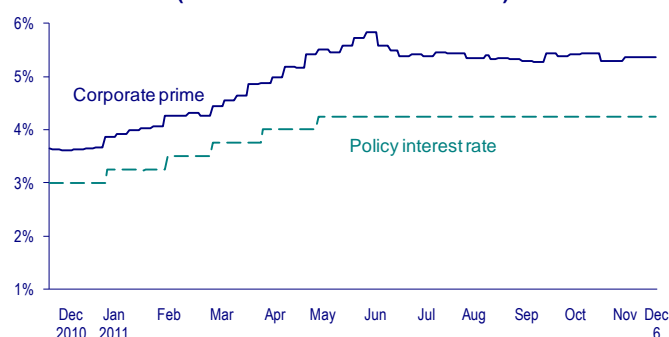
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## Corporate interest rate in nuevos soles at 5.37 percent

Between November 29 and December 6, the average **corporate interest rate** in domestic currency remained at 5.37 percent.

On the other hand, the average corporate interest rate in foreign currency rose from 2.16 to 2.17 percent.

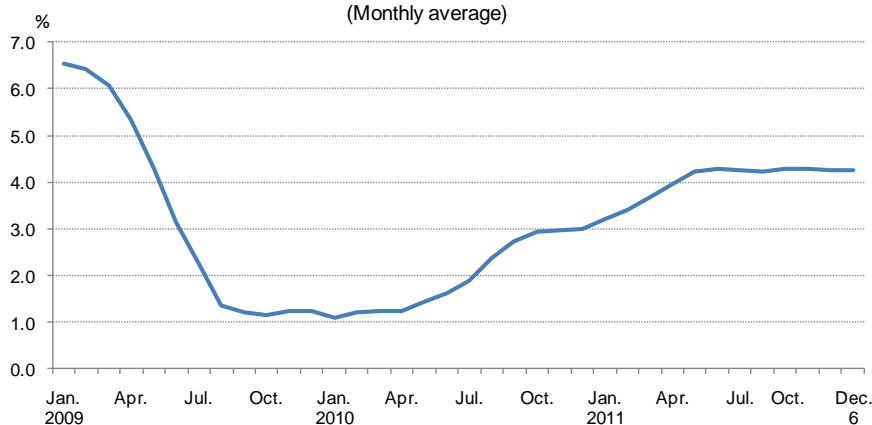
**INTEREST RATES IN DOMESTIC CURRENCY  
(December 2010 - December 2011)**



## Average interbank interest rate at 4.25 percent

The average **interbank interest rate** in domestic currency at December 6 was 4.25 percent.

**INTEREST RATE IN DOMESTIC CURRENCY  
(Monthly average)**



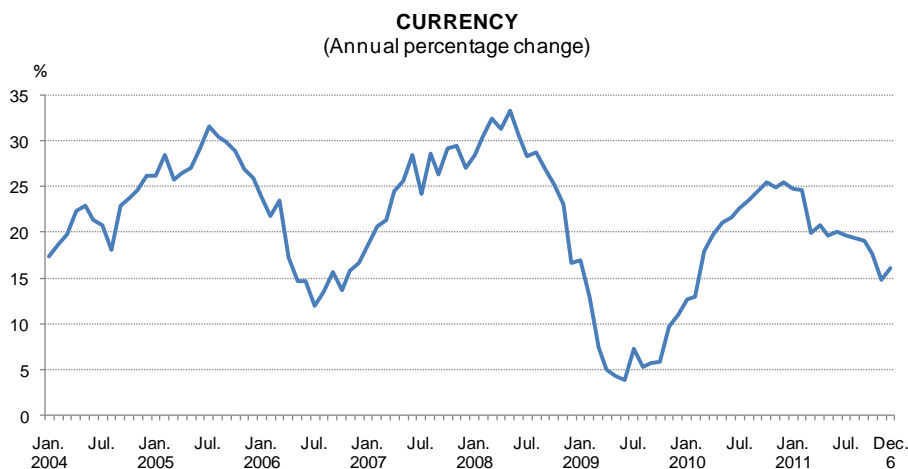
	Average interbank rate	
	Average	S.D
January 2010	1.09%	0.16
February	1.21%	0.03
March	1.23%	0.02
April	1.22%	0.02
May	1.45%	0.12
June	1.62%	0.11
July	1.90%	0.12
August	2.38%	0.18
September	2.74%	0.23
October	2.94%	0.15
November	2.97%	0.05
December	2.98%	0.02
January 2011	3.21%	0.10
February	3.37%	0.13
March	3.68%	0.12
April	3.97%	0.10
May	4.23%	0.15
June	4.28%	0.05
July	4.26%	0.02
August	4.23%	0.03
September	4.27%	0.05
October	4.27%	0.03
November	4.26%	0.02
December 6	4.25%	0.00

## Monetary operations

Between November 30 and December 6, the Central Bank made the following **monetary operations**: i) Auctions of 189-day to 378-day BCRP Certificates of Deposit for a daily average of S/. 180 million. The average rate on these operations, which reached a balance of S/. 10.78 billion, was 3.96 percent; ii) auctions of 1-day term deposits in soles for a daily average of S/. 1.99 billion at an average rate of 4.20 percent, reaching a balance of S/. 650 million; iii) purchases of FC for a total of US\$ 681 million, and iv) overnight deposits in DC for a total of US\$ 30 million.

## Currency in circulation: S/. 25.71 billion at December 6

Between November 29 and December 6, 2011, **currency in circulation** increased by S/. 741 million and amounted to S/. 25.71 billion, thus accumulating an increase of S/. 750 million so far this month. Currency in circulation registers a growth rate of 16.1 percent in the last twelve months.



### BCRP OPERATIONS

(Millions of nuevos soles)

	BALANCE			FLOWS	
	Dec 31, 2010	Nov 30, 2011	Dec 6, 2011	Dec-11 *	From 11/29 to 12/6
<b>I. NET INTERNATIONAL POSITION</b>	<b>91,106</b>	<b>87,252</b>	<b>88,723</b>	<b>1,470</b>	<b>2,546</b>
(Millions of US\$)	32,422	32,316	32,860	545	943
<b>1. Exchange Operations</b>				<b>567</b>	<b>681</b>
a. Over the counter operations				567	681
b. Public Sector				0	0
c. BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP)				0	0
d. Other exchange operations				0	0
<b>2. Rest</b>				<b>-22</b>	<b>262</b>
<b>II. NET DOMESTIC ASSET</b>	<b>-66,975</b>	<b>-62,287</b>	<b>-63,009</b>	<b>-721</b>	<b>-1,805</b>
<b>1. Monetary Sterilization</b>	<b>-35,915</b>	<b>-26,934</b>	<b>-27,951</b>	<b>-1,017</b>	<b>-1,823</b>
a. Certificates and Term deposits	-24,463	-15,891	-11,780	4,111	3,049
BCRP Certificates of Deposit (CDBCRP)	-30	-11,720	-10,780	940	740
BCRP Certificates of Deposit Variable in soles (CDV BCRP)	-3,196	-800	-300	500	500
Readjustable CDBCRP (CDR BCRP)	0	0	0	0	0
BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP)	-450	-50	-50	0	0
Term Deposits	-20,788	-3,320	-650	2,670	1,809
b. Reserve requirements in Domestic Currency	-10,077	-10,233	-15,452	-5,219	-4,895
c. Other monetary operations	-1,375	-810	-719	92	23
<b>2. Fiscal Sterilization</b>	<b>-26,726</b>	<b>-33,744</b>	<b>-33,600</b>	<b>144</b>	<b>627</b>
<b>3. Injection (Repos)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>4. Other</b>	<b>-4,334</b>	<b>-1,610</b>	<b>-1,458</b>	<b>152</b>	<b>-610</b>
<b>III. CURRENCY ** (I+II)</b>	<b>24,131</b>	<b>24,965</b>	<b>25,714</b>	<b>750</b>	<b>741</b>
(Monthly percentage change)	11.0%	-1.3%	3.0%		
(Accumulated percentage change)	25.4%	3.5%	6.6%		
(YoY)	25.4%	14.8%	16.1%		

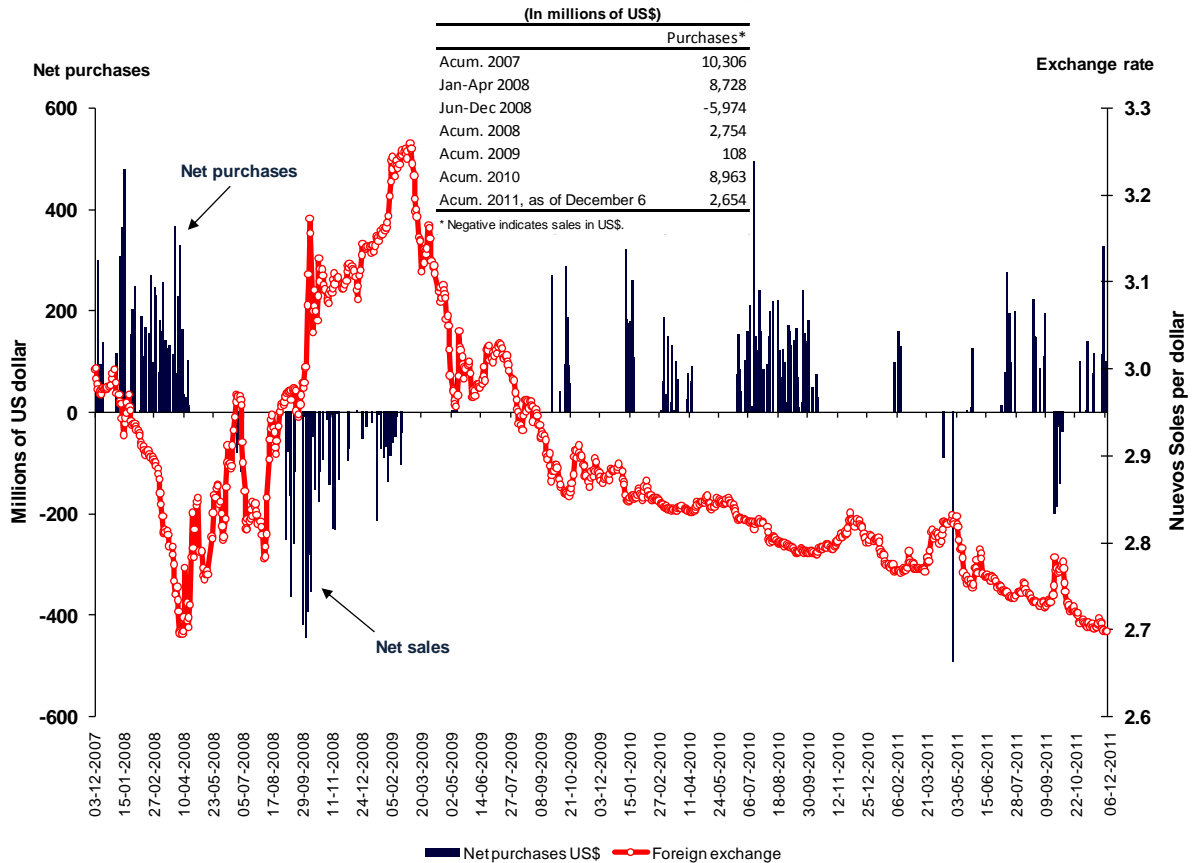
\* As of December 6, 2011.

\*\* Preliminary data.

**Exchange rate: S/. 2.698 per dollar**

Between November 29 and December 6, the average **selling price of the dollar** in the interbank market fell from S/. 2.707 to S/. 2.698, which represented an appreciation of the nuevo sol of 0.34 percent. In this period the Central Bank intervened in the foreign exchange market buying US\$ 681 million.

**EXCHANGE RATE AND NET DOLLAR PURCHASE**



Between November 29 and December 6, banks' balance of **net forward purchases in foreign currency** increased by US\$ 593 million. In November, the balance of net forward purchases accumulated a decline of US\$ 267 million.

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

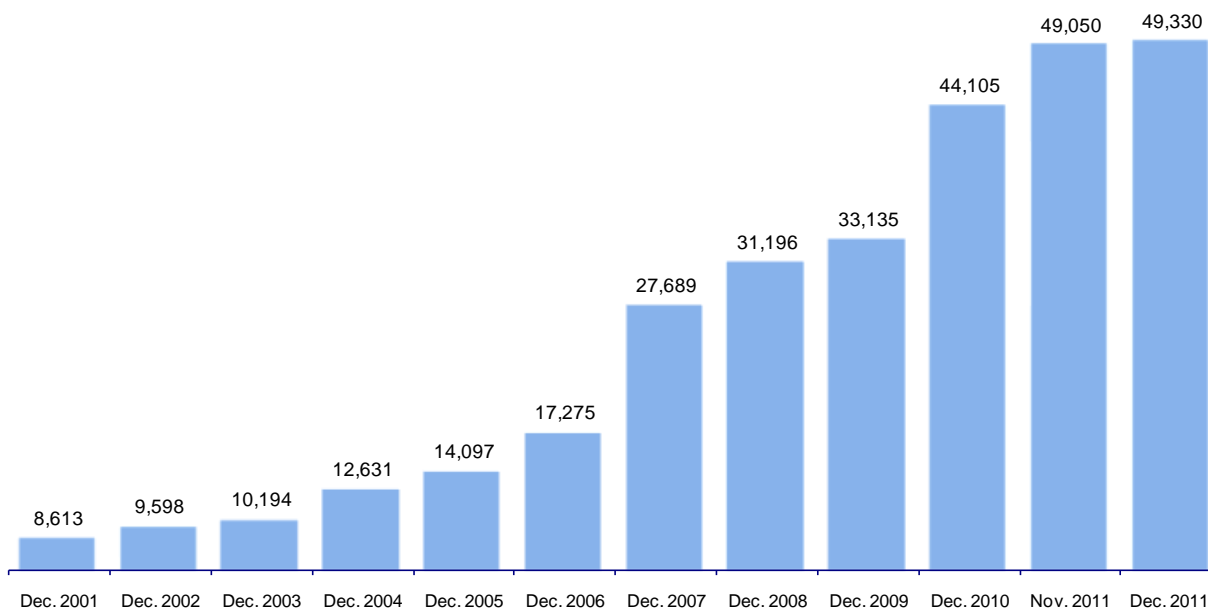


**International reserves amount to US\$ 49.33 billion**

**Net international reserves (NIRs)** at December 7 amounted to US\$ 49.33 billion. This level of reserves is US\$ 280 million higher than the one recorded at the close of November.

The increase registered in NIRs so far this month resulted mainly from BCRP net purchases of foreign currency (US\$ 690 million) and from public sector's higher deposits at the Central Bank (US\$ 28 million). This was partially offset by the reduction of banks' deposits (US\$ 388 million) and by the reduction of deposits of the Insurance Deposit Fund (US\$ 50 million) at the Central Bank.

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



\* As of 7.

The **foreign exchange position** of the BCRP at December 7 was US\$ 33.0 billion. This amount is US\$ 688 million higher than the one recorded at end November.

**Credit and liquidity at November 15**

In the last four weeks **total liquidity in the private sector** increased 1.7 percent (S/. 2.56 billion) and thus accumulated a growth rate of 19.1 percent in the last twelve months. By currencies, liquidity in soles grew 0.9 percent (S/. 793 million), while liquidity in dollars grew 3.0 percent (US\$ 628 million).

In the same period, **total credit to the private sector** grew 1.0 percent (S/. 1.44 billion). By currencies, credit in soles grew 2.2 percent (S/. 1.71 billion), while credit in dollars fell 0.4 percent (negative flow of US\$ 96 million). With this, total liquidity to the private sector records an annual growth rate of 19.5 percent.

## Inflation in November: 0.43 percent

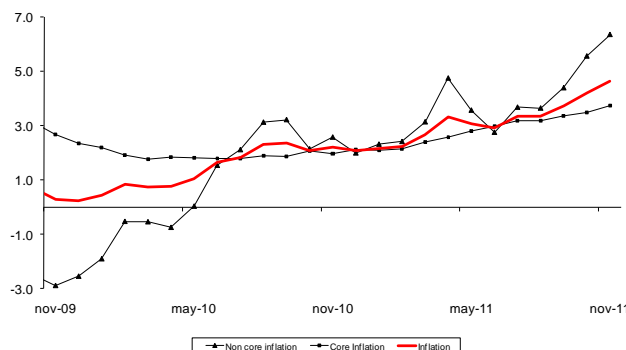
Inflation recorded a rate of 0.43 percent in November and thus accumulated a rate of 4.46 percent in the last twelve months.

**INFLATION**  
(Accumulated percentage change)

	Weight 2009=100	Monthly		12-month indicator		
		Oct. 2011	Nov. 2011	Nov. 2010	Oct. 2011	Nov. 2011
<b>CPI</b>	<b>100.0</b>	<b>0.31</b>	<b>0.43</b>	<b>2.22</b>	<b>4.20</b>	<b>4.64</b>
<b>Core index</b>	<b>65.2</b>	<b>0.28</b>	<b>0.29</b>	<b>1.96</b>	<b>3.48</b>	<b>3.73</b>
Goods	32.9	0.28	0.36	1.37	2.96	3.28
Services	32.2	0.28	0.22	2.57	4.00	4.19
<b>Non core index</b>	<b>34.8</b>	<b>0.38</b>	<b>0.69</b>	<b>2.58</b>	<b>5.56</b>	<b>6.35</b>
Food	14.8	0.67	1.30	2.69	8.34	10.39
Fuel	2.8	0.22	0.89	14.51	8.92	7.91
Transporting	8.9	0.10	0.20	1.15	3.01	3.49
Utilities	8.4	0.20	-0.05	-0.87	1.93	1.46
<b>Note.-</b>						
Food and beverages	37.8	0.60	0.85	2.88	6.44	7.56
CPI non food and beverages	62.2	0.13	0.17	1.86	2.81	2.84

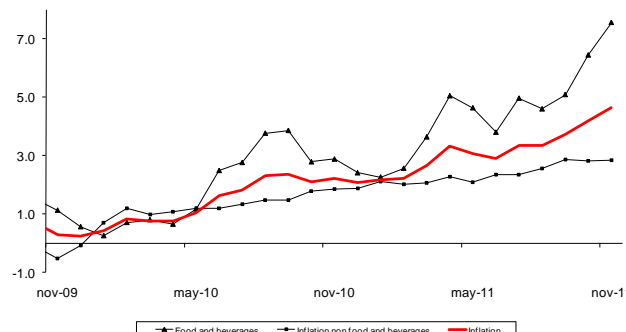
Core inflation registered a monthly rate of 0.29 percent and a rate of 3.73 percent in the last twelve months, while non core inflation recorded a monthly rate of 0.69 percent and a rate of 6.35 percent in the last twelve months.

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



Food and beverage inflation in November showed a monthly rate of 0.85 percent and a rate of 7.56 percent in the last twelve months.

**INFLATION, FOOD AND BEVERAGES AND INFLATION NON FOOD AND BEVERAGES**  
(Last 12-month percentage change)



Excluding food and beverages, the rate of inflation in November was 0.17 percent (2.84 percent in the last twelve months).

Three items contributed with 0.13 percentage points to the growth of inflation in November: meals outside the home (0.06 percentage points), citrus fruits (0.04 percentage points), and fish (0.03 percentage points). On the other hand, three items contributed to reduce inflation by 0.03 percentage points in November: pumpkin, rice, and house rents (-0.01 percentage points each).

## BCRP Survey on Macroeconomic Expectations: November 2011

According to the results of the Survey on Macroeconomic Expectations carried out in November, economic agents estimate a rate of inflation of around 4 percent for this year. Inflation is expected to converge again to the inflation target in 2012 and 2013.

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

	<u>Survey date</u>		
	Sep. 30	Oct. 31	Nov. 30
<b>FINANCIAL ENTITIES 1/</b>			
2011	3.5	3.6	4.2
2012	2.7	2.6	2.7
2013	2.5	2.5	2.5
<b>ECONOMIC ANALYSTS 2/</b>			
2011	3.5	4.0	4.5
2012	2.5	2.6	2.8
2013	2.5	2.5	2.5
<b>NON FINANCIAL FIRMS 3/</b>			
2011	3.3	3.5	3.8
2012	3.0	3.0	3.0
2013	3.0	3.0	3.0

<sup>1/</sup> 21 financial entities in in September 2011, 20 in October, and 23 in November.

<sup>2/</sup> 29 analysts in September 2011, 29 in October, and 30 in November.

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

Economic analysts have revised their forecasts on GDP growth in 2011 on the upside to 6.8 percent, while financial entities and non financial firms continue to estimate a GDP growth rate of 6.5 percent. Economic activity in 2012 and 2013 is expected to grow at rates higher than 5.0 percent.

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

	<u>Survey date</u>		
	Sep. 30	Oct. 31	Nov. 30
<b>FINANCIAL ENTITIES 1/</b>			
2011	6.0	6.5	6.5
2012	5.5	5.5	5.5
2013	5.8	5.9	6.0
<b>ECONOMIC ANALYSTS 2/</b>			
2011	6.2	6.5	6.8
2012	5.3	5.5	5.4
2013	5.5	5.9	5.5
<b>NON FINANCIAL FIRMS 3/</b>			
2011	6.0	6.5	6.5
2012	6.0	6.0	6.0
2013	6.0	6.0	6.0

<sup>1/</sup> 21 financial entities in in September 2011, 20 in October, and 23 in November.

<sup>2/</sup> 29 analysts in September 2011, 29 in October, and 30 in November.

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

As regards the exchange rate, the three surveyed groups coincide in estimating that the US dollar will be traded at S/. 2.70 at the end of this year. In the next two years the US dollar/nuevo sol exchange rate is expected to range between S/. 2.67 and S/. 2.78 per dollar.

SURVEY OF MACROECONOMIC EXPECTATIONS: EXCHANGE RATE \*

	Survey date		
	Sep. 30	Oct. 31	Nov. 30
<b>FINANCIAL ENTITIES 1/</b>			
2011	2.74	2.70	2.70
2012	2.72	2.68	2.70
2013	2.70	2.68	2.70
<b>ECONOMIC ANALYSTS 2/</b>			
2011	2.71	2.71	2.70
2012	2.70	2.70	2.70
2013	2.70	2.70	2.67
<b>NON FINANCIAL FIRMS 3/</b>			
2011	2.75	2.75	2.70
2012	2.76	2.78	2.75
2013	2.80	2.80	2.78

<sup>1/</sup> 21 financial entities in in September 2011, 20 in October, and 23 in November.

<sup>2/</sup> 29 analysts in September 2011, 29 in October, and 30 in November.

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

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

**Trade balance showed surplus of US\$ 623 million in October**

In October 2011, the **trade balance** registered a positive balance of US\$ 623 million and thus accumulated a surplus of US\$ 7.57 billion in the January-October period.

**Exports** reached US\$ 3.75 billion (19.0 percent higher than in October 2010). Traditional exports (20.5 percent) due to higher prices (9.8 percent) and higher volumes (9.7 percent). Highlighted the exports of fishmeal and gold, and non-traditional exports, whose export volume rose 6.9 percent by favorable evolution of the fishing and chemical industry. So far this year, the amount exported was US\$ 38.20 billion, 33.8 percent higher than the same period of 2010.

**TRADE BALANCE**

(Millions of US\$)

	October			January - October		
	2010	2011	% change	2010	2011	% change
<b>EXPORTS</b>	<b>3,152</b>	<b>3,752</b>	<b>19.0</b>	<b>28,540</b>	<b>38,197</b>	<b>33.8</b>
Traditional products	2,408	2,900	20.5	22,279	29,856	34.0
Non-traditional products	725	829	14.3	6,062	8,093	33.5
Other products	19	23	20.7	199	248	24.8
<b>IMPORTS</b>	<b>2,663</b>	<b>3,129</b>	<b>17.5</b>	<b>23,425</b>	<b>30,623</b>	<b>30.7</b>
Consumption goods	560	625	11.6	4,437	5,446	22.7
Raw materials	1,305	1,519	16.4	11,476	15,132	31.9
Capital goods	785	966	22.9	7,336	9,734	32.7
Other goods	13	20	50.3	176	311	77.1
<b>TRADE BALANCE</b>	<b>489</b>	<b>623</b>		<b>5,115</b>	<b>7,574</b>	

**Imports**, which amounted to US\$ 3.13 billion, were 17.5 percent higher than in October 2010 due to higher prices (11.4 percent) and higher volumes (5.5 percent). The volume increase was explained by a greater amount of imported consumer durables goods (19.9 percent) and capital goods excluding construction materials (25.7 percent). In the year, imports accumulated US\$ 30.62 billion, 30.7 percent higher than last year.

The **terms of trade** in October 2011 fell 2.2 percent compared to their level in October 2012. The prices of exports grew 9.8 percent while the prices of imports grew 11.4 percent.

## International Markets

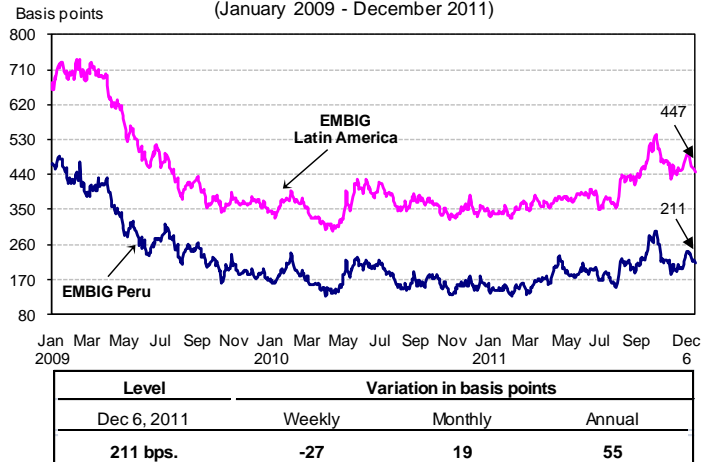
### Country risk at 211 basis points

On **December 6** the **EMBIG Peru** recorded 211 basis points.

In **November**, the average country risk, measured by the **EMBIG Peru** spread, declined from 233 basis points in October to 214 basis points.

Likewise, the spread of the Latin American bonds fell 20 basis points due to the reduction of global risk aversion as a result of positive indicators of activity in the United States, as well as due to the provision of liquidity coordinated between the world's major central banks.

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



### Price of gold reached US\$ 1,710.4 per troy ounce

The price of **gold** on **December 6** was US\$ 1,710.4/troy ounce.

In **November** the price of gold rose 4.4 percent and reached an average level of US\$ 1,739.5/troy ounce.

This upward trend observed during November was mainly associated with investors' increased non-commercial positions in a context of high liquidity. The rise in the price of gold. Was offset by the appreciation of the dollar against the euro.

**GOLD PRICE**  
(January 2009 - December 2011)



On **December 6** the price of copper registered US\$ 3.52 a pound.

In November the average price of copper increased 2.8 percent to an average of US\$ 3.43/pound.

The rise in the price of copper was influenced by the prospects of global economic recovery and the drop of inventories in the major stock exchange markets.

**COPPER PRICE**  
(January 2009 - December 2011)





The price of **zinc** on **December 6** registered US\$ 0.91/pound.

In **November** the average price of **zinc** rose 3.1 percent to US\$ 0.87 a pound.

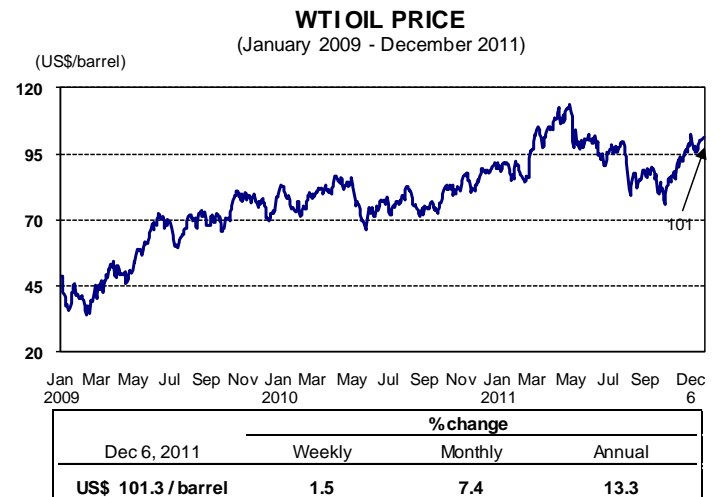
Factors contributing to this rise in the price of this basic metal included expectations of higher demand due to positive US data, favorable indicators in several regions, and supply constraints in some markets.



On **December 6** the price of **WTI oil** posted US\$ 101.3 per barrel.

The price of **WTI oil** rose 12.3 percent in **November** to an average price of US\$ 97.1 a barrel.

The rise in the price of crude is explained by expectations of lower inventories in the United States (plans to reconnect a key pipeline to supply oil to global markets) and by concerns about supply due to geopolitical risks in the Middle East and North Africa.

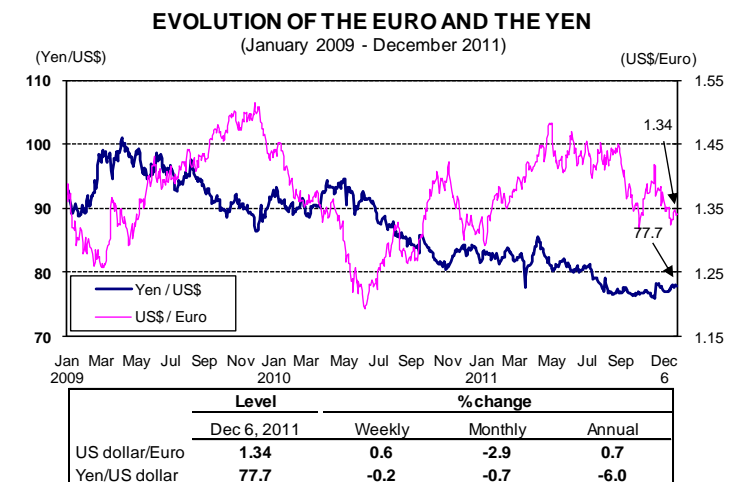


**Dollar appreciated on average against the euro in November**

In **November** the **dollar** appreciated 1.3 percent on average against the **euro**.

The strength of the US currency against the euro reflected positive US data of economic activity (employment and manufacture in November) as well as uncertainty about the Eurozone debt crisis.

The dollar also appreciated 1.1 percent against the **yen**.



The exchange rate on **December 6** was US\$ 1.34 per euro and 77.7 yens per US dollar.

**Yield on US Treasuries dropped on average to 1.99 percent in November**

On average terms, the **3-month Libor** rose 7 basis points in **November**, while the yield on the **10-year US Treasury bond** dropped by 14 basis points to a rate of 1.99 percent.

Increased demand for safer assets in a context of uncertainty about the Eurozone debt crisis translated into a reduction in the yield on the US Treasury bonds.

**3-MONTH LIBOR AND 10-YEAR US TREASURIES**  
(January 2009 - December 2011)



	Variation in basis points			
	Dec 6, 2011	Weekly	Monthly	Annual
3 months Libor	0.54	1	10	23
US Treasuries	2.09	10	6	-83

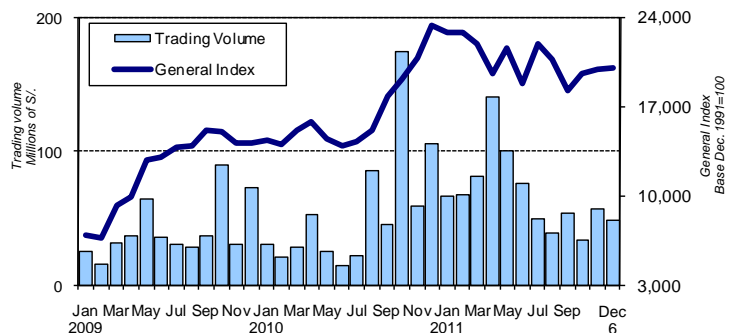
On December 6, the **3-month Libor** registered 0.54 percent, while the yield on the 10-year US Treasury bond recorded 2.09 percent.

**Lima Stock Exchange**

In **November**, the **General Index** and the **Selective Index** of the Lima Stock Exchange (LSE) registered rises of 1.4 and 1.8 percent, respectively.

The results observed in these indices in the month were associated with the rise in the price of both basic and precious metals, as well as with the publication of positive indicators of activity in the United States.

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



	As of:	% change compared to:		
	Dec 6, 2011	Nov 29, 2011	Oct 31, 2011	Dec 31.10
General Index	20,090	4.4	2.3	-14.1
Selective Index	28,045	3.9	2.5	-12.5

Year-to-date (at December 6), the indices of the LSE accumulate declines of 14.1 and 12.5 percent, respectively.

