








Indicators

	Corporate interest rate at 5.27 percent
	Interbank interest rate: 4.25 percent
	Exchange rate: S/. 2.696 per US dollar
	Inflation in December: 0.27 percent
	Country risk at 206 bps

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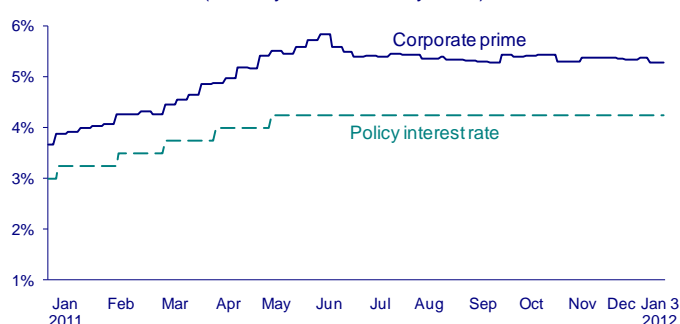
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Corporate interest rate in nuevos soles at 5.27 percent

Between December 27 and January 3, 2012 the average **corporate interest rate** in domestic currency declined from 5.38 to 5.27 percent.

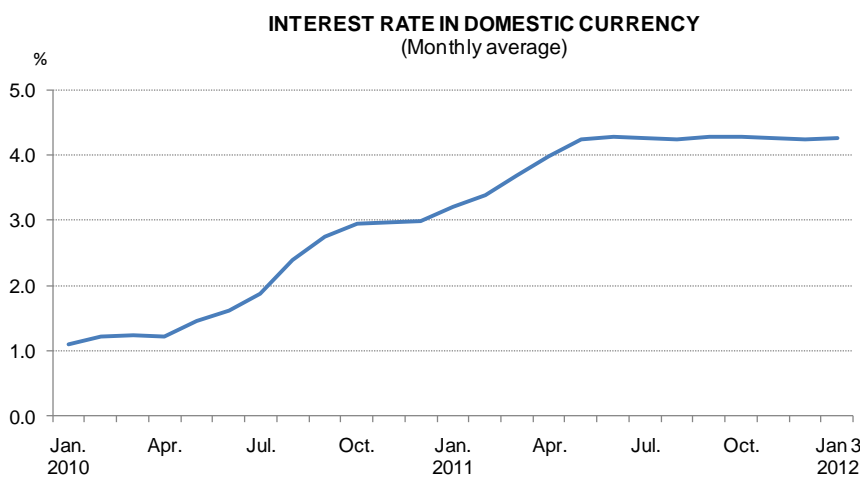
On the other hand, the average corporate interest rate in foreign currency rose from 2.60 to 2.64 percent.

INTEREST RATES IN DOMESTIC CURRENCY
(January 2011 - January 2012)



Average interbank interest rate at 4.25 percent

The average **interbank interest rate** in domestic currency at January 3, 2012 was 4.25 percent.



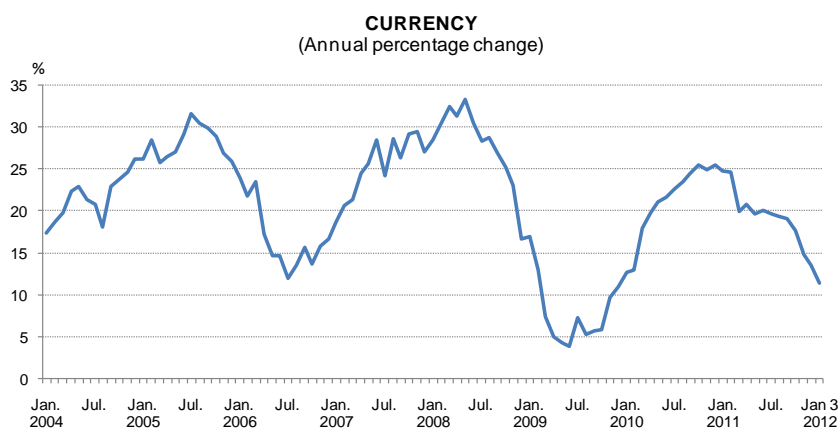
Average interbank rate		
	Average	S.D
July 2010	1.90%	0.12
August	2.38%	0.18
September	2.74%	0.23
October	2.94%	0.15
November	2.97%	0.05
December	2.98%	0.02
January 2011	3.21%	0.10
February	3.37%	0.13
March	3.68%	0.12
April	3.97%	0.10
May	4.23%	0.15
June	4.28%	0.05
July	4.26%	0.02
August	4.23%	0.03
September	4.27%	0.05
October	4.27%	0.03
November	4.26%	0.02
December	4.25%	0.03
January 3 2012	4.25%	0.00

Monetary operations

Between December 28 and January 3, 2012, the Central Bank made the following **monetary operations**: i) Auctions of 191-day to 350-day BCRP Certificates of Deposit for a daily average of S/. 100 million. The average rate on these operations, which reached a balance of S/. 13.68 billion, was 4.21 percent; ii) auctions of 1-day term deposits in soles for a daily average of S/. 3.87 billion at an average rate of 4.16 percent, reaching a balance of S/. 3.64 billion and iii) overnight deposits in DC for a daily average of S/. 78 million.

Currency in circulation: S/. 26.94 billion at January 3

Between December 27 and January 3, 2012, **currency in circulation** decreased by S/. 409 million and amounted to S/. 26.94 billion, thus accumulating a decrease of S/. 451 million so far this month. Currency in circulation registers a growth rate of 11.4 percent in the last twelve months.



BCRP OPERATIONS

(Millions of nuevos soles)

	BALANCE			FLOWS	
	Dec 31, 2010	Dec 31, 2011	Jan 3, 2012	Jan-12 *	From 12/27 to 01/03
I. NET INTERNATIONAL POSITION	91,106	89,914	90,399	484	256
(Millions of US\$)	32,422	33,302	33,481	179	95
1. Exchange Operations				0	0
a. Over the counter operations				0	0
b. Public Sector				0	0
c. BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP)				0	0
d. Other exchange operations				0	0
2. Rest				179	95
II. NET DOMESTIC ASSET	-66,975	-62,521	-63,456	-935	-665
1. Monetary Sterilization	-35,915	-30,446	-30,609	-163	-2,272
a. Certificates and Term deposits	-24,463	-17,217	-13,680	3,537	2,900
BCRP Certificates of Deposit (CDBCRP)	-30	-13,580	-13,680	-100	-500
BCRP Certificates of Deposit Variable in soles (CDV BCRP)	-3,196	0	0	0	0
Readjustable CDBCRP (CDR BCRP)	0	0	0	0	0
BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP)	-450	0	0	0	0
Term Deposits	-20,788	-3,637	0	3,637	3,400
b. Reserve requirements in Domestic Currency	-10,077	-12,574	-16,217	-3,643	-5,000
c. Other monetary operations	-1,375	-655	-711	-56	-172
2. Fiscal Sterilization	-26,726	-31,940	-31,610	-354	1,762
3. Other	-4,334	-135	-1,237	-418	-155
III. CURRENCY ** (I+II)	24,131	27,393	26,943	-451	-409
(Monthly percentage change)	11.0%	9.7%	-1.6%		
(Acumulated percentage change)	25.4%	13.5%	-1.6%		
(YoY)	25.4%	13.5%	11.4%		

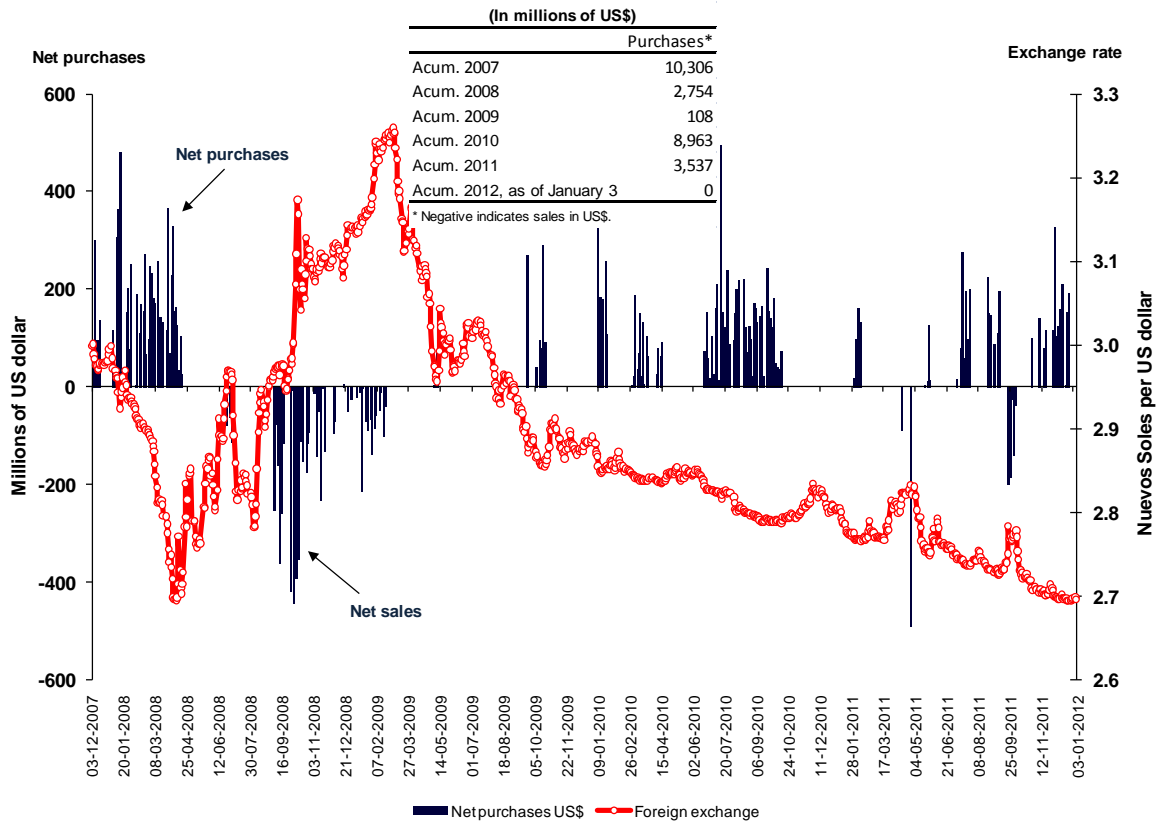
* As of January 3, 2012.

** Preliminary data.

Exchange rate: S/. 2.696 per dollar

Between December 27 and January 3, 2012, the average **selling price of the dollar** in the interbank market rose from S/. 2.695 to S/. 2.696, which represented a depreciation of the nuevo sol of 0.02 percent. In this period the Central Bank did not intervene in the foreign exchange market.

EXCHANGE RATE AND NET DOLLAR PURCHASE



Between December 27 and January 3, 2012, banks' balance of **net forward purchases in foreign currency** increased by US\$ 35 million. In December 2011, the balance of net forward purchases accumulated an increase of US\$ 704 million.

BALANCE OF NET FORWARD PURCHASES OF FOREIGN CURRENCY
(January 2010 - January 2012)



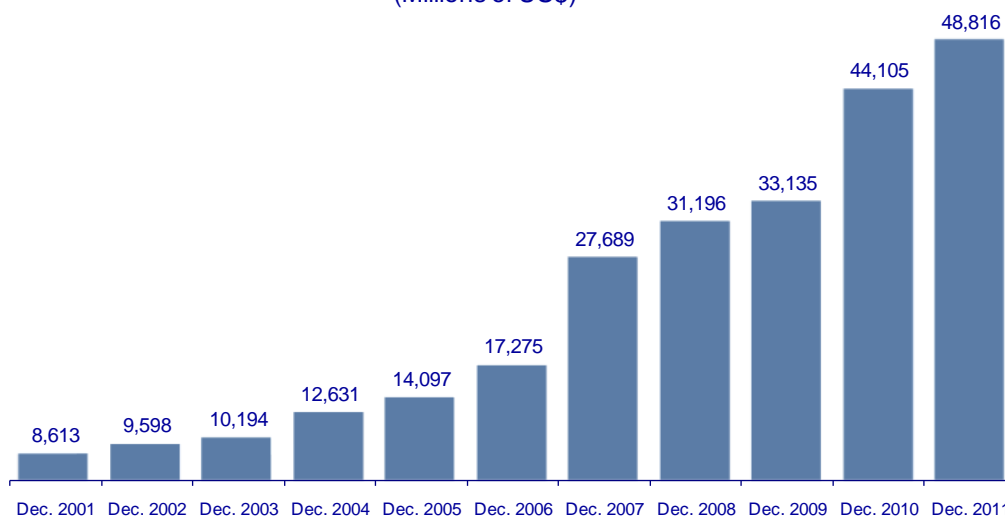
International reserves amounts to US\$ 48.82 billion

Net international reserves (NIRs) at the end of 2011 amounted to US\$ 48.82 billion. This level of reserves is US\$ 4.71 billion higher than the one recorded at the close of December 2010.

In December, there was a reduction of banks' deposits (US\$ 1.16 billion), the lower valuation of investments (US\$ 497 million), the reduction of deposits of the Insurance Deposit Fund (US\$ 50 million) at the Central Bank and swap operations for US\$ 19 million, that was partially offset by BCRP net purchases of foreign currency (US\$ 1.45 billion), taking to a lower level of NIRs at US\$ 234 million than the one recorded at the end of November.

The **foreign exchange position** of the BCRP at the end of December was US\$ 33.3 billion. This amount is US\$ 877 million higher than the one recorded at end of December 2010.

NET INTERNATIONAL RESERVES
(Millions of US\$)



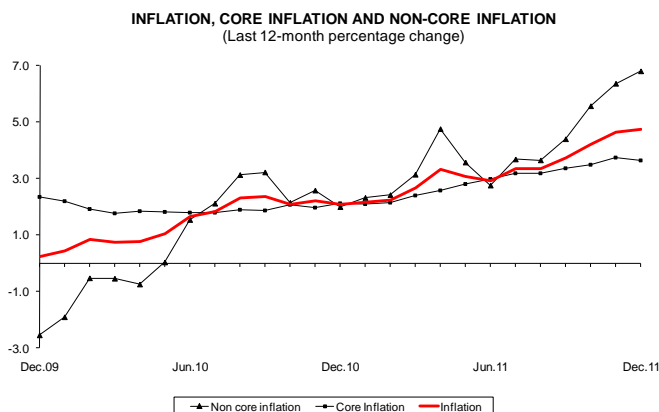
Inflation in December: 0.27 percent

Inflation recorded a rate of 0.27 percent in December and thus accumulated a rate of 4.74 percent in the last twelve months.

INFLATION
(Accumulated percentage change)

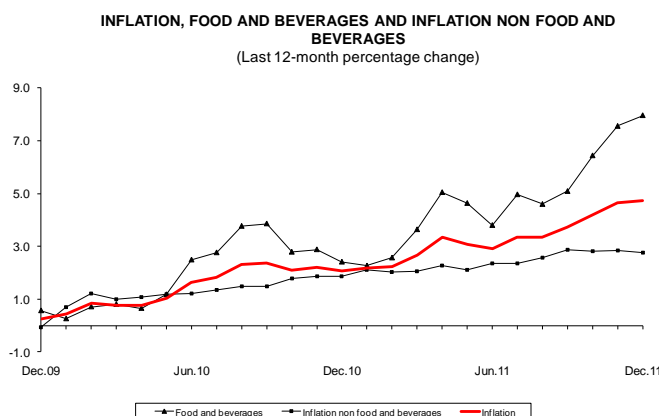
	Weight 2009=100	Monthly		12-month indicator		
		Nov. 2011	Dec. 2011	Dec. 2010	Nov. 2011	Dec. 2011
CPI	100.0	0.43	0.27	2.08	4.64	4.74
Core index	65.2	0.29	0.14	2.12	3.73	3.65
Goods	32.9	0.36	0.11	1.53	3.28	3.17
Services	32.2	0.22	0.18	2.72	4.19	4.13
Non core index	34.8	0.69	0.51	2.00	6.35	6.79
Food	14.8	1.30	-0.10	1.18	10.39	11.50
Fuel	2.8	0.89	-0.08	12.21	7.91	7.54
Transporting	8.9	0.20	2.24	1.94	3.49	3.61
Utilities	8.4	-0.05	0.03	0.01	1.46	1.50
Note.-						
Food and beverages	37.8	0.85	0.12	2.41	7.56	7.97
CPI non food and beverages	62.2	0.17	0.37	1.87	2.84	2.76

Core inflation registered a monthly rate of 0.14 percent and a rate of 3.65 percent in the last twelve months, while non core inflation recorded a monthly rate of 0.51 percent and a rate of 6.79 percent in the last twelve months.



Food and beverage inflation in December showed a monthly rate of 0.12 percent and a rate of 7.97 percent in the last twelve months.

Excluding food and beverages, the rate of inflation in December was 0.37 percent (2.76 percent in the last twelve months).



Three items contributed with 0.26 percentage points to the growth of inflation in December: urban fares (0.11 percentage points), domestic transportation (0.09 percentage points), and citrus fruits (0.06 percentage points). On the other hand, three items contributed to reduce inflation by 0.09 percentage points in December: fresh and frozen fish products (-0.05 percentage points), chicken meat and tomato (-0.02 percentage points each).

BCRP Survey on macroeconomic expectations: December 2011

According to the BCRP Survey on Macroeconomic Expectations carried out in December, the three surveyed groups expect an inflation rate around 3.0 percent in 2012 and forecast that inflation would range between 2.5 and 3.0 percent in 2013.

SURVEY OF MACROECONOMIC EXPECTATIONS: INFLATION (%)

	Survey date		
	Oct. 31	Nov. 30	Dec. 31
FINANCIAL ENTITIES 1/			
2012	2.6	2.7	3.0
2013	2.5	2.5	2.6
ECONOMIC ANALYSTS 2/			
2012	2.6	2.8	3.0
2013	2.5	2.5	2.5
NON FINANCIAL FIRMS 3/			
2012	3.0	3.0	3.2
2013	3.0	3.0	3.0

^{1/} 20 financial entities in October, 23 in November, and 22 in December 2011.

^{2/} 29 analysts in October, 30 in November, and 24 in December 2011.

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

Financial entities and non financial firms maintained the expected level of GDP growth at 5.5 percent and 6.0 percent, respectively; while economic analysts revised on the downside their forecast from 5.4 to 5.3 percent. Moreover, GDP is expected to grow between 5.5 and 6.0 percent in 2013.

SURVEY OF MACROECONOMIC EXPECTATIONS: GDP (%)

	<u>Survey date</u>		
	Oct. 31	Nov. 30	Dec. 31
FINANCIAL ENTITIES 1/			
2012	5.5	5.5	5.5
2013	5.9	6.0	6.0
ECONOMIC ANALYSTS 2/			
2012	5.5	5.4	5.3
2013	5.9	5.5	5.5
NON FINANCIAL FIRMS 3/			
2012	6.0	6.0	6.0
2013	6.0	6.0	6.0

^{1/} 20 financial entities in October, 23 in November, and 22 in December 2011.

^{2/} 29 analysts in October, 30 in November, and 24 in December 2011.

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

As regards the exchange rate, financial entities maintained the expected US dollar to be traded in S/. 2,70, while economic analysts and non-financial firms revised on the downside their forecast to S/. 2,65 and S/. 2,70, respectively. To 2013, the three surveyed groups revised on the downside their forecast respect to previous month.

SURVEY OF MACROECONOMIC EXPECTATIONS: EXCHANGE RATE *

	<u>Survey date</u>		
	Oct. 31	Nov. 30	Dec. 31
FINANCIAL ENTITIES 1/			
2012	2.68	2.70	2.70
2013	2.68	2.70	2.68
ECONOMIC ANALYSTS 2/			
2012	2.70	2.70	2.65
2013	2.70	2.67	2.64
NON FINANCIAL FIRMS 3/			
2012	2.78	2.75	2.70
2013	2.80	2.78	2.75

^{1/} 20 financial entities in October, 23 in November, and 22 in December 2011.

^{2/} 29 analysts in October, 30 in November, and 24 in December 2011.

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

* Exchange rate at the close of year.

International Markets

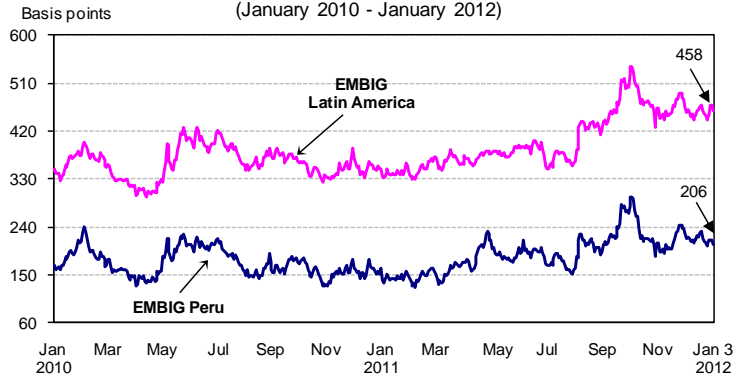
Country risk at 206 basis points

On **January 3** the **EMBIG Peru** recorded 206 basis points.

In **December**, the average country risk, measured by the **EMBIG Peru** spread, rose from 214 basis points in October to 217 basis points.

Likewise, the spread of the Latin American bonds fell 10 basis points amid the volatile of risk perception on financial markets after better indicators of activity in the US and uncertainty about the settlement of the European debt crisis.

COUNTRY RISK INDICATORS
(January 2010 - January 2012)



Level	Variation in basis points		
	Weekly	Monthly	Annual
206 bps.	-1	-21	45

Price of gold reached US\$ 1,604.9 per troy ounce

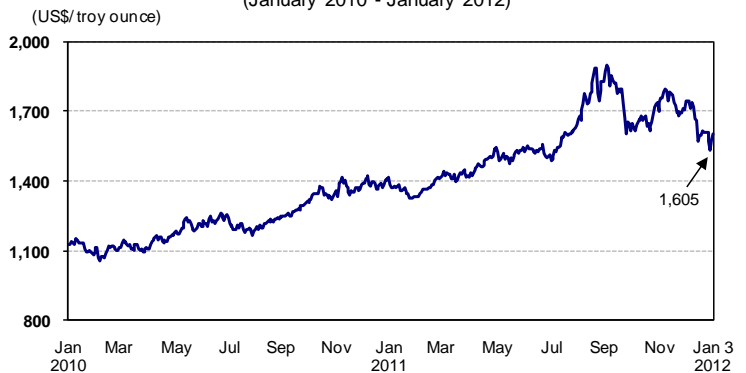
The price of **gold** on **January 3** was US\$ 1,604.9/troy ounce.

In **December** the price of gold fell 5.6 percent and reached an average level of US\$ 1,642.4/troy ounce. Also, gold reached a minimum level (US\$/ 1,531 troy ounce) on 29 day, level has not seen since July 2011.

This downward trend observed during December was mainly associated with the appreciation of the dollar against the euro and with hedge funds' liquidation of non-commercial positions to cover losses in other markets.

GOLD PRICE

(January 2010 - January 2012)



Jan 3, 2012	% change		
	Weekly	Monthly	Annual
US\$ 1,605 / troy oz.	-0.1	-8.2	13.1

COPPER PRICE

(January 2010 - January 2012)



Jan 3, 2012	% change		
	Weekly	Monthly	Annual
US\$ 3.47 / pound	0.9	-2.9	-21.3

On **January 3** the price of copper registered US\$ 3.47 a pound.

In December the average price of copper increased 0.2 percent to an average of US\$ 3.43/pound.

The rise in the price of copper was by decreased inventory levels in main metal exchanges in the world and better expectations of metals demand by favorable economic data in the United States.

The price of **zinc** on **January 3** registered US\$ 0.83/pound.

In **December** the average price of **zinc** declined 0.2 percent to US\$ 0.87 a pound.

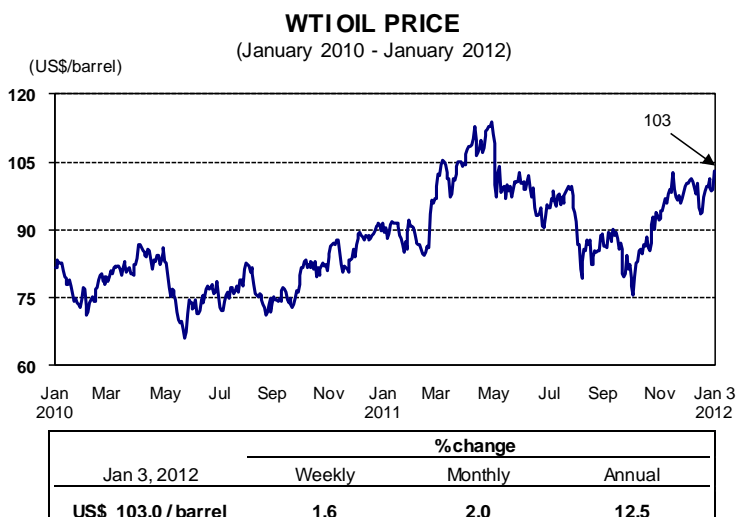
The rise of inventories at the London Metal Exchange and massive liquidation of non-commercial positions, influenced the decrease in the price of zinc.



On **January 3** the price of **WTI oil** posted US\$ 103.0 per barrel.

The price of **WTI oil** rose 1.5 percent in **December** to an average price of US\$ 98.5 a barrel.

The rise in the price of crude is explained by lower crude inventories in the United States and concerns about supply problems in Iran (nuclear program). Downward revision of the forecasts for the demand for crude in 2012 partially offset the rise.

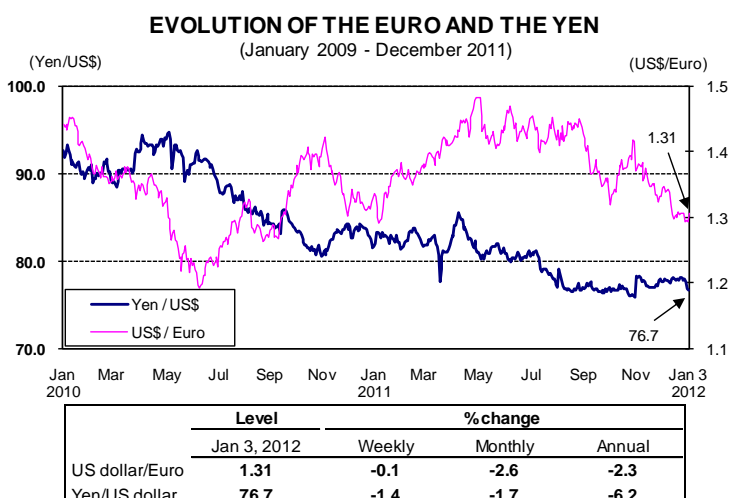


Dollar appreciated on average against the euro in December

In **December** the **dollar** appreciated 3.8 percent on average against the **euro**.

The strength of the US currency against the euro reflected the persistent uncertainty about the resolution of the European debt crisis despite measures taken by major central banks.

The dollar also appreciated 0.4 percent against the **yen**.



The exchange rate on **January 3** was US\$ 1.31 per euro and 76.7 yens per US dollar.

Yield on US Treasuries dropped on average to 1.97 percent in December

On average terms, the **3-month Libor** raised 8 basis points in **December**, while the yield on the 10-year **US Treasury bond** dropped by 3 basis points to a rate of 1.97 percent.

Concerns about the European crisis, partially offset by the good published data on the US economy, led to a greater demand for Treasury bonds of the United States.

3-MONTH LIBOR AND 10-YEAR USTREASURIES

(January 2010 - January 2012)



	Variation in basis points			
	Jan 3, 2012	Weekly	Monthly	Annual
3 months Libor	0.58	1	5	28
US Treasuries	1.95	-6	-9	-139

On **January 3**, the 3-month Libor registered 0.58 percent, while the yield on the 10-year US Treasury bond recorded 1.95 percent.

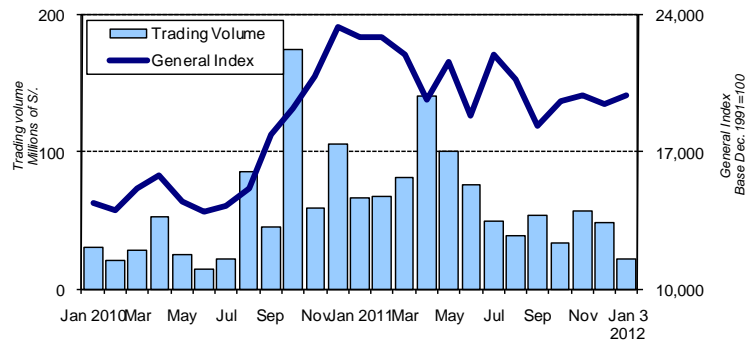
Lima Stock Exchange

In **December**, the **General Index** and the **Selective Index** of the Lima Stock Exchange (LSE) registered declines of 2.2 and 1.9 percent, respectively, following the trend of the main stock markets in the region.

The results observed in these indices in the month were associated with Uncertainty about Europe's economic future and mix evolution of commodity prices.

LIMA STOCK EXCHANGE INDICATORS

(January 2010 - January 2012)



	As of:	%change compared to:		
	Jan 3, 2012	Dec 27, 2011	Dec 31, 2011	Dec 31.10
General Index	19,887	2.5	2.1	-14.9
Selective Index	27,905	2.5	2.1	-12.9

Year-to-date (at January 3), the indices of the LSE accumulate rises of 2.1 percent, in both cases.

