



### Indicators

	Corporate interest rate in soles at 5.08 percent
	Interbank interest rate at 4.25 percent
	Exchange rate: S/. 2.646 per US dollar
	Inflation in Metropolitan Lima: -0.04 percent in June
	Non traditional exports grew 6.4 percent in May
	Country risk at 174 bps

### Content

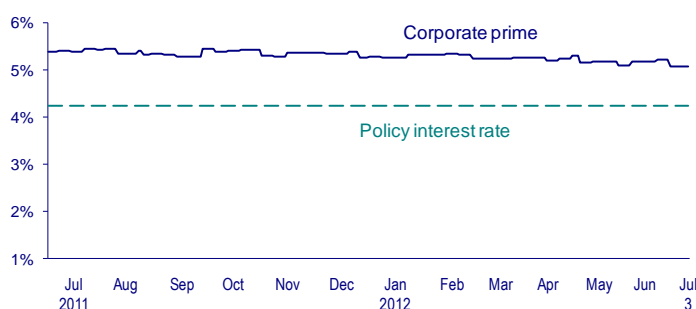
Corporate prime rate in nuevos soles at 5.08 percent	ix
Average interbank interest rate at 4.25 percent	ix
Exchange rate: S/. 2.646 per US dollar	xi
Net international reserves at US\$ 57.22 billion	xi
Liquidity and credit to the private sector at June 15	xii
Inflation in Metropolitan Lima: -0.04 percent in June	xii
Non-traditional exports grow 6.4 percent in May	xiv
Country risk at 174 basis points	xiv
Annual yield at the Lima Stock Exchange reaches 6.7 percent	xvii

## Corporate prime rate in nuevos soles at 5.08 percent

Between June 26 and July 3, 2012, the average **corporate prime rate** in domestic currency remained at 5.08 percent.

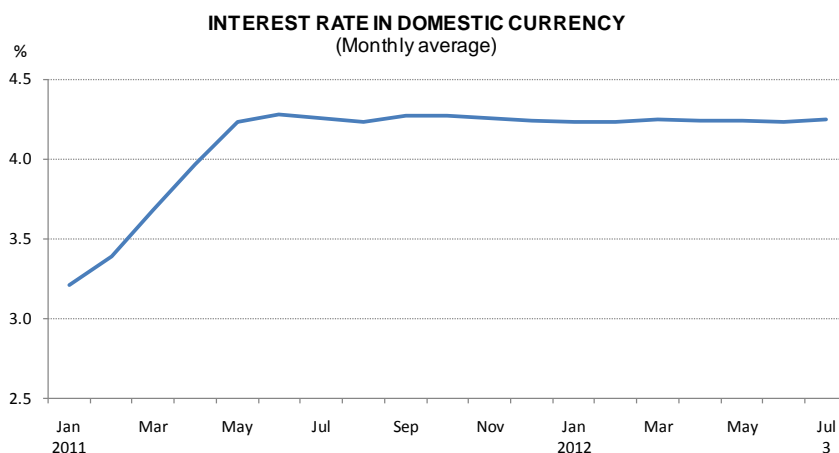
On the other hand, the average corporate interest rate in foreign currency declined from 3.41 to 3.35 percent in the same period.

**INTEREST RATES IN DOMESTIC CURRENCY**  
(July 2011 - July 2012)



## Average interbank interest rate at 4.25 percent

The average **interbank interest rate** in domestic currency at July 3 was 4.25 percent.



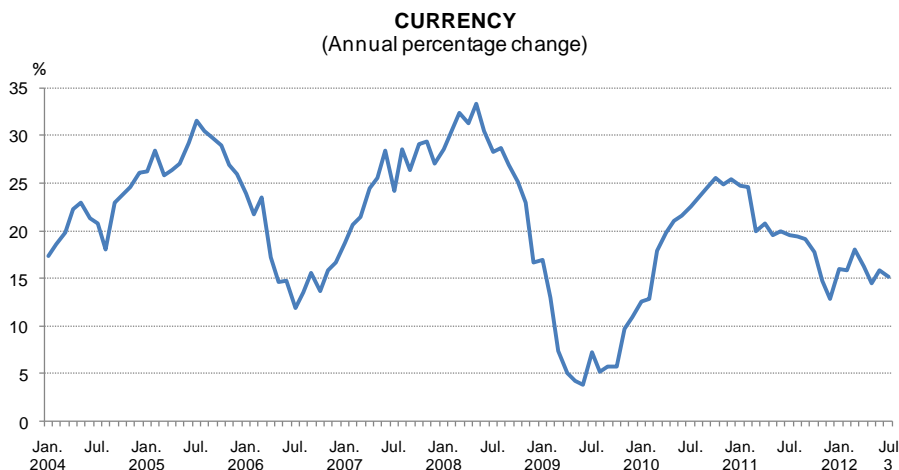
Average interbank rate		
	Average	S.D.
January 2011	3.21%	0.10
February	3.37%	0.13
March	3.68%	0.12
April	3.97%	0.10
May	4.23%	0.15
June	4.28%	0.05
July	4.26%	0.02
August	4.23%	0.03
September	4.27%	0.05
October	4.27%	0.03
November	4.26%	0.02
December	4.24%	0.03
January 2012	4.23%	0.02
February	4.23%	0.02
March	4.25%	0.00
April	4.24%	0.02
May	4.24%	0.01
June	4.23%	0.02
July 3	4.25%	0.00

## Monetary operations

Between June 27 and July 3, 2012, the Central Bank made the following **monetary operations**: i) Auctions of 167-day to 350-day BCRP Certificates of Deposit for a daily average of S/. 67 million. The average rate on these operations, which reached a balance of S/. 20.74 billion, was 4.16 percent; ii) auctions of 1-day repos for a daily average of S/. 2 billion at an average rate of 4.29 percent, reaching a balance of S/. 3 billion, iii) Auctions of 1-day and 4-day term deposits in nuevos soles for a daily average of S/. 2.55 billion and an average rate of 3.83 percent, reaching a balance of 2.9 billion, and iv) overnight deposits in domestic currency for a daily average of US\$ 815 million.

## Currency in circulation: S/. 27.34 billion at July 3

Between June 26 and July 3, 2012, **currency in circulation** increased by S/. 526 million and accumulated an expansion of S/. 273 million so far this month. Moreover, currency in circulation in the last twelve months registered a growth rate of 15.2 percent and a balance of S/. 27.37 billion at July 3.



### BCRP OPERATIONS

(Millions of nuevos soles)

	BALANCE			FLOWS		
	Dec 31, 2011	Jun 30, 2012	Jul 03, 2012	2012*	Jul-12 *	From 06/26 to 07/03
<b>I. NET INTERNATIONAL POSITION</b>	<b>89,910</b>	<b>105,015</b>	<b>104,465</b>	<b>16,756</b>	<b>633</b>	<b>-2,916</b>
(Millions of US\$)**	33,300	39,332	39,570	6,270	239	-1,090
<b>1. Exchange Operations</b>				<b>6,047</b>	<b>0</b>	<b>-1,336</b>
a. Over the counter operations				7,403	0	0
b. Public Sector				-1,361	0	-1,336
c. BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP)				0	0	0
d. Other exchange operations				4	0	0
<b>2. Rest</b>				<b>224</b>	<b>239</b>	<b>246</b>
<b>II. NET DOMESTIC ASSET</b>	<b>-62,663</b>	<b>-77,916</b>	<b>-77,092</b>	<b>-16,630</b>	<b>-359</b>	<b>3,443</b>
<b>1. Monetary Sterilization</b>	<b>-30,592</b>	<b>-39,818</b>	<b>-42,030</b>	<b>-11,452</b>	<b>-2,225</b>	<b>-2,605</b>
a. Certificates and Term deposits						
BCRP Certificates of Deposit (CDBCRP)	-17,217	-25,111	-22,261	-5,044	2,850	750
BCRP Certificates of Deposit Variable in soles (CDV BCRP)	-13,580	-20,691	-20,741	-7,161	-50	-350
Readjustable CDBCRP (CDR BCRP)	0	0	0	0	0	0
BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP)	0	-1,520	-1,520	-1,520	0	0
Term Deposits	-3,637	-2,900	0	3,637	2,900	1,100
b. Reserve requirements in Domestic Currency	-12,720	-13,623	-19,206	-6,486	-5,583	-3,313
c. Otras operaciones monetarias	-655	-1,084	-564	78	508	-42
<b>2. Fiscal Sterilization</b>	<b>-31,940</b>	<b>-40,439</b>	<b>-41,045</b>	<b>-9,105</b>	<b>-606</b>	<b>3,593</b>
<b>3. Other</b>	<b>-130</b>	<b>2,342</b>	<b>5,984</b>	<b>3,927</b>	<b>2,472</b>	<b>2,454</b>
<b>III. CURRENCY ** (I+II)</b>	<b>27,247</b>	<b>27,100</b>	<b>27,373</b>	<b>126</b>	<b>273</b>	<b>526</b>
(Monthly percentage change)	9.2%	1.9%	1.0%			
(Acumulated percentage change)	12.9%	-0.5%	0.5%			
(YoY)	12.9%	15.8%	15.2%			

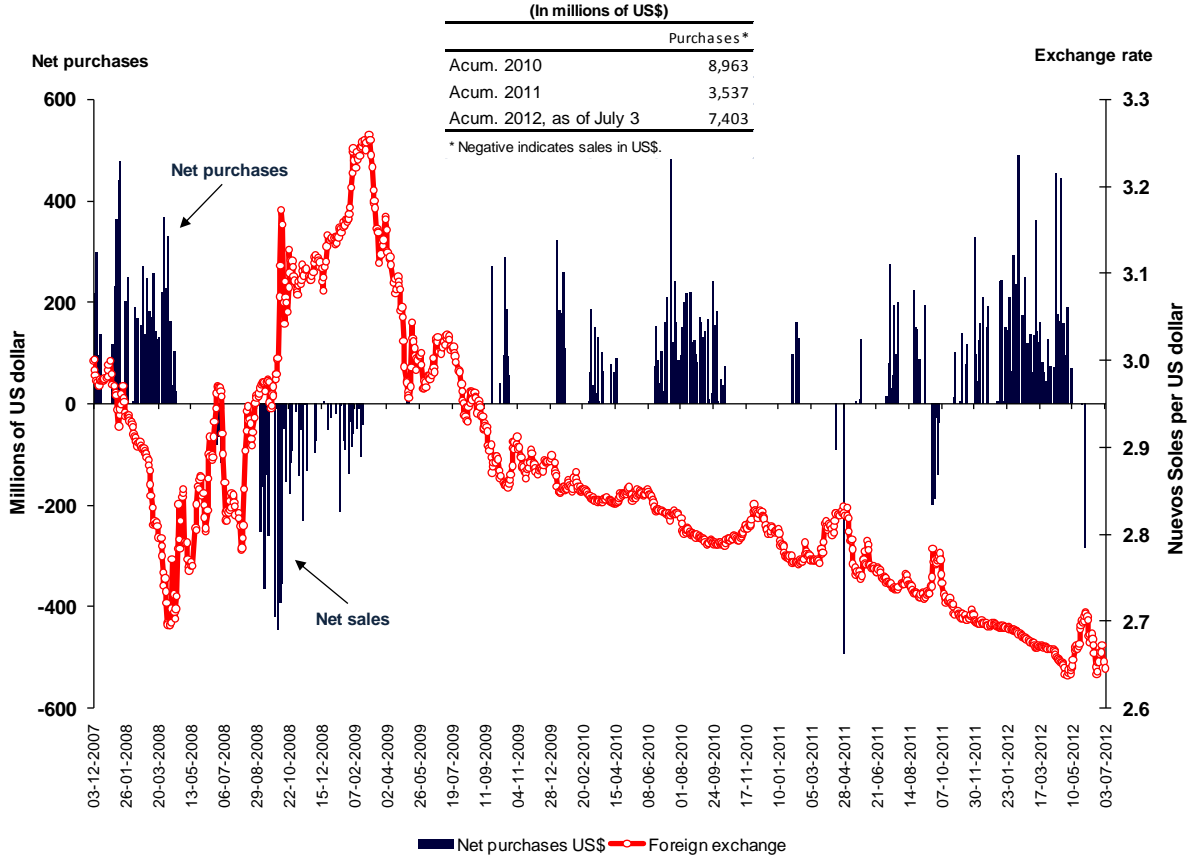
\* As of July 3, 2012.

\*\* Preliminary data.

**Exchange rate: S/. 2.646 per US dollar**

Between June 26 and July 3, the average **selling price of the dollar** in the interbank market fell from S/. 2.664 to S/. 2.646 per dollar, which represents an appreciation of the nuevo sol of 0.70 percent. The Central Bank did not intervene in the foreign exchange market in this period.

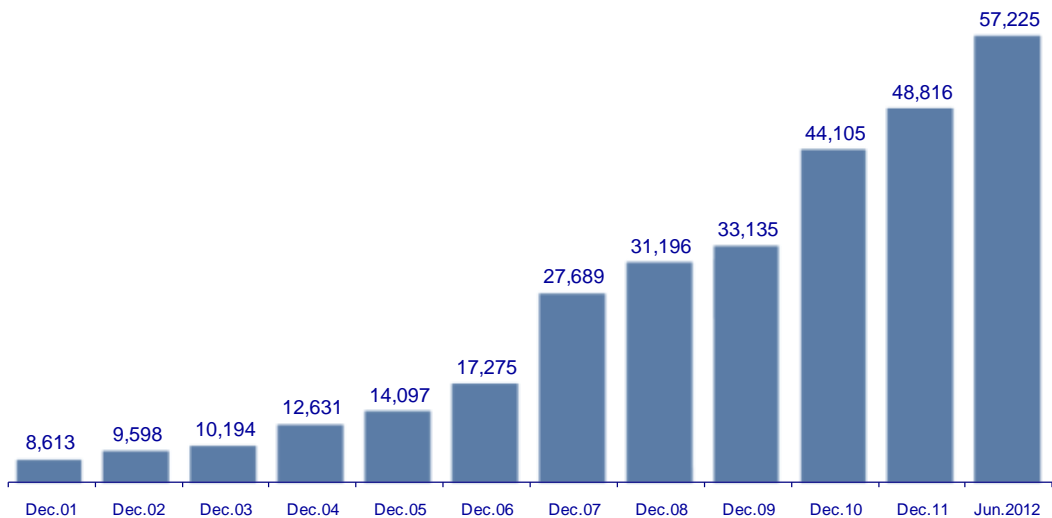
**EXCHANGE RATE AND NET DOLLAR PURCHASE**



**Net international reserves at US\$ 57.22 billion**

**Net international reserves (NIRs)** at the close of June amounted to US\$ 57.22 billion. This level of reserves is US\$ 343 million higher than the one recorded at the end of May 2012.

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



The increase registered in NIRs in June is mainly explained by the increase in public sector deposit (US\$ 1.26 billion) and in banks' deposits (US\$ 280 million), the higher valuation of investments (US\$ 75 million), and the increase in investment yield (US\$ 47 million). This was in part offset by the sale of foreign currency (US\$ 1.34 billion) to the public sector for the Fiscal Stabilization Fund.

The **foreign exchange position** of the BCRP at the close of June was US\$ 39.33 billion. This figure is US\$ 1.2 billion lower than the one observed at the close of May 2012.

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

In the past four weeks **total liquidity in the private sector** increased 1.0 percent (S/. 1.69 billion), thus accumulating a growth rate of 16.5 percent in the last twelve months. By currencies, liquidity in soles grew 0.1 percent (S/. 149 million), while liquidity in dollars grew 2.8 percent (US\$ 571 million).

On the other hand, **total credit to the private sector** increased 1.8 percent (S/. 2.86 billion) in the same period. By currencies, credit in soles grew 0.8 percent (S/. 651 million), while credit in dollars grew 3.4 percent (US\$ 868 million). With this, credit to the private sector accumulates an annual growth rate of 15.7 percent.

## Inflation in Metropolitan Lima: -0.04 percent in June

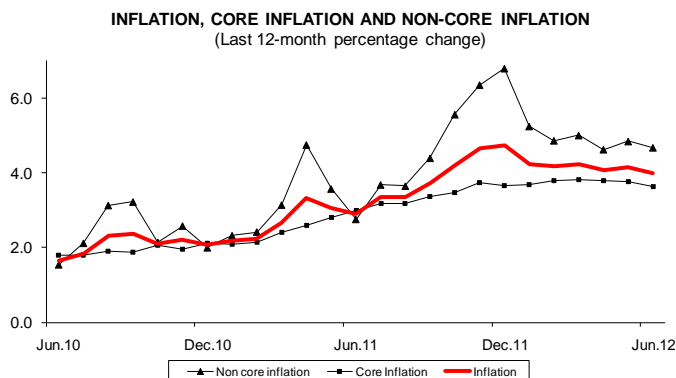
The variation in the consumer price index of Metropolitan Lima in the month of June was -0.04 percent, lower than the rate recorded in May (0.04 percent) and the lowest rate recorded since January of this year (-0.10 percent). The variation in the last twelve months was 4.00 percent.

**INFLATION**  
(Accumulated percentage change)

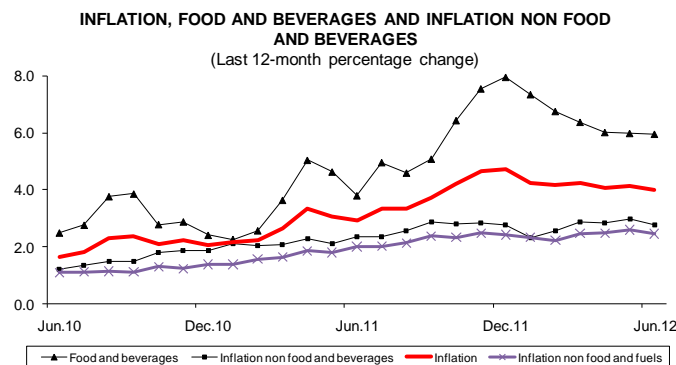
	Weight 2009=100	Monthly		12-month indicator		
		May. 2012	Jun. 2012	Jun. 2011	May. 2012	Jun. 2012
<b>CPI</b>	<b>100.0</b>	<b>0.04</b>	<b>-0.04</b>	<b>2.91</b>	<b>4.14</b>	<b>4.00</b>
<b>Core index</b>	<b>65.2</b>	<b>0.33</b>	<b>0.20</b>	<b>2.99</b>	<b>3.77</b>	<b>3.64</b>
Goods	32.9	0.31	0.16	2.30	3.05	2.92
Services	32.2	0.35	0.24	3.70	4.48	4.36
<b>Non core index</b>	<b>34.8</b>	<b>-0.50</b>	<b>-0.48</b>	<b>2.76</b>	<b>4.84</b>	<b>4.67</b>
Food	14.8	-0.83	-1.00	3.12	6.45	6.91
Fuel	2.8	-0.09	-0.16	8.97	6.22	4.51
Transporting	8.9	-0.19	-0.15	1.99	3.58	3.27
Utilities	8.4	-0.34	0.08	0.62	2.55	2.01
<b>Note.-</b>						
Food and beverages	37.8	-0.04	-0.26	3.80	5.99	5.97
CPI non food and beverages	62.2	0.09	0.11	2.36	2.97	2.77
CPI non food and fuels	56.4	0.23	0.13	2.01	2.59	2.46

Source: INEI.

Core inflation showed a monthly rate of 0.20 percent and a rate of 3.64 percent in the last twelve months. Moreover, non-core inflation recorded a monthly rate of -0.48 percent and a rate of 4.67 percent in the last twelve months.



Food and beverage inflation registered a monthly rate of -0.26 percent and a rate of 5.97 percent in the last twelve months, while inflation excluding food and beverages registered a monthly rate of 0.11 percent and a rate of 2.77 percent in the last twelve months. Moreover, inflation without food and energy showed a monthly rate of 0.13 percent and a rate of 2.46 percent in the last twelve months.



Three items contributed with 0.12 percentage points to increase the rate of inflation in the month: meals outside the home, chicken meat (0.05 percentage points each), and onion (0.02 percentage points). On the other hand, three items contributed to reduce the monthly rate of inflation by 0.14 percentage points: eggs (-0.06 percentage points), tomato and other fresh fruits (-0.04 percentage points each).

## National inflation rate

As from January 2012 the National Institute of Statistics (INEI) publishes the national consumer price index (CPI) in compliance with the provisions of article 1 of Law 29438 approved by Congress. This index provides information on the prices of a basket of 758 goods and services based on the data collected each month using a sample of 117 food markets and 21,200 commercial and services establishments in the country. Approximately 115,790 price data are collected each month.

The index provides information on the prices paid by consumers in the urban areas of 26 of the country's major cities, which includes twenty-four departmental capital cities and two non-capital cities (Chimbote and Tarapoto).

The base period for the new national consumer price index is December 2011 = 100. The weights reflect the importance of households' expenditure in goods and services relative to their total consumption based on the data collected in the 2008-2009 consumption survey (ENAPREF 2008-2009).

In June the rate of national inflation recorded a monthly rate of -0.06 percent and a yearly rate of 1.50 percent. The reduction in the prices of foodstuffs such as vegetables (Italian tomato -19.3 percent; lettuce -13.7 percent; green beans -9.7 percent, and carrot -6.4 percent), tubers (color potato -3.3 percent and white potato -2.1 percent), milk, cheese, and eggs (eggs -8.3 percent and evaporated milk -0.6 percent), and fruits (strawberry -33.3 percent and papaya -6.3 percent) is worth pointing out. On the other hand, rises were observed in the prices of chicken meat (chicken breasts, 0.9 percent and gutted chicken, 0.8 percent).

## Non-traditional exports grew 6.4 percent in May

In May 2012, non-traditional exports grew 6.4 percent in annual terms due to higher foreign sales of agricultural products and chemicals, while traditional exports declined by 22.7 percent due to lower shipments of gold and fishmeal.

In the same period, imports of consumer goods and capital increased 34.8 and 14.7 percent respectively.

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

	2011	2012		May % Chg.		January - May		
	May.	Apr.	May.	Previous months	12 month	2011	2012	% Chg.
<b>EXPORTS</b>	<b>4,098</b>	<b>3,057</b>	<b>3,416</b>	<b>11.7</b>	<b>-16.6</b>	<b>17,646</b>	<b>18,153</b>	<b>2.9</b>
Traditional products	3,262	2,246	2,522	12.3	-22.7	13,686	13,762	0.6
Non-traditional products	811	779	863	10.8	6.4	3,832	4,237	10.6
Other	26	32	32	-2.2	23.0	128	154	20.2
<b>IMPORTS</b>	<b>3,230</b>	<b>3,201</b>	<b>3,578</b>	<b>11.8</b>	<b>10.8</b>	<b>14,529</b>	<b>16,343</b>	<b>12.5</b>
Consumption goods	513	568	692	21.7	34.8	2,437	3,106	27.5
Raw materials	1,603	1,539	1,640	6.6	2.3	7,285	7,715	5.9
Capital goods	1,075	1,073	1,233	14.9	14.7	4,640	5,416	16.7
Other goods	40	21	13	-37.0	-66.4	167	106	-36.3
<b>TRADE BALANCE</b>	<b>868</b>	<b>-144</b>	<b>-162</b>			<b>3,117</b>	<b>1,810</b>	

Source: BCRP, SUNAT and companies.

## International Markets

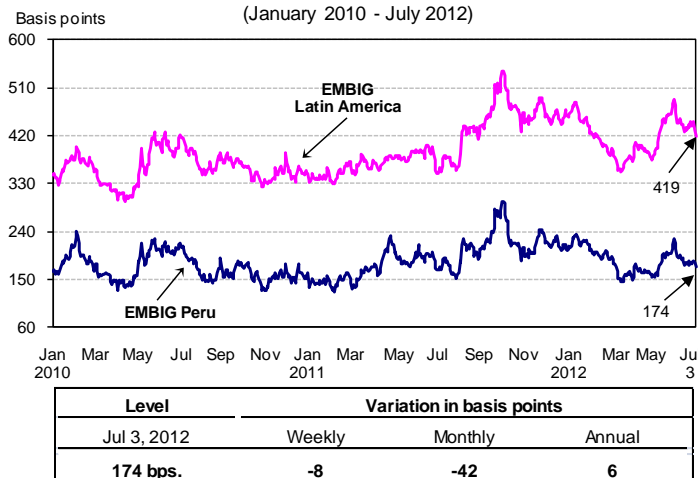
### Country risk at 174 basis points

On July 3, the **EMBIG Peru** indicator recorded 174 basis points.

In June, the average country risk indicator, measured by the **EMBIG Peru** spread, rose from 180 to 188 basis points.

Likewise, the region's spread rose 19 basis points due to increased risk aversion associated with uncertainty about the potential contagion of the debt crisis in Europe. However, this risk was partially offset following the measures announced by European leaders on the summit held on June 28 and 29.

### COUNTRY RISK INDICATORS (January 2010 - July 2012)



## Price of gold registered US\$ 1,619.8 per troy ounce

On July 3, the price of **gold** was US\$ 1,619.8/troy ounce.

In **June**, the price of **gold** registered an increase of 0.6 percent and closed at an average price of US\$ 1,599.2 per troy ounce.

The recent upward conduct observed in the price of gold is mainly explained by higher risk aversion in financial markets, offset partially by the strengthening of the dollar against the euro.



On July 3 the price of **copper** recorded US\$ 3.53 per pound.

The price of **copper** fell 6.6 percent in June and registered an average level of US\$ 3.36 per pound.

The price of this metal was affected by the increase of inventories in the major global metal exchange markets and by negative economic data in USA and Europe. Nonetheless, this price drop was offset by China's increased imports of copper in May.



On July 3 **zinc** posted a price of US\$ 0.86 per pound.

The price of **zinc** fell 4.0 percent in June and registered a monthly average price of US\$ 0.84/pound.

The accumulation of inventories at the London Metal Exchange (LME) and reports of the International Lead and Zinc Study Group (ILZSG) indicating that the supply of this basic metal had exceeded demand in the first four months of the year accounted for the fall in the price of zinc.

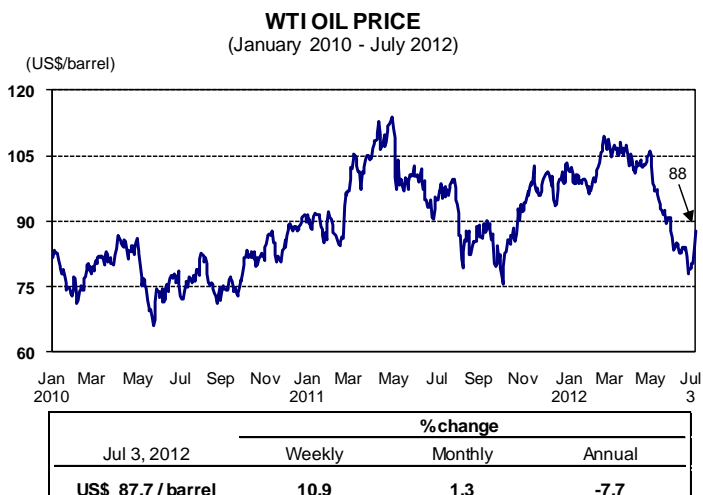




On July 3, the price of **WTI oil** was US\$ 87.7 per barrel.

The price of **WTI oil** contracted 12.9 percent in June and registered an average level of US\$ 82.4 per barrel.

This decline in the price of crude was due to the increase in US inventories of crude and gasoline, to the drop in the financial margins of refineries in this country, and to the increased supply of crude by the OPEC.

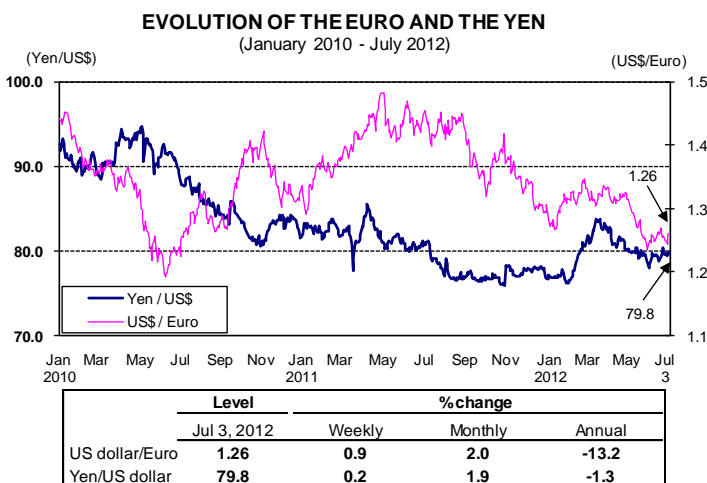


## On average, the dollar appreciated against the euro in June

In June the **US dollar** appreciated 1.9 percent on average against the **euro**.

The appreciatory conduct of the dollar reflected increased market aversion in a context strongly marked by uncertainty about the possibility of contagion of the debt crisis in Europe, even though markets showed a positive evolution after the measures announced at the summit of European leaders on June 28-29.

On the other hand, the dollar depreciated 0.4 percent against the **yen**.

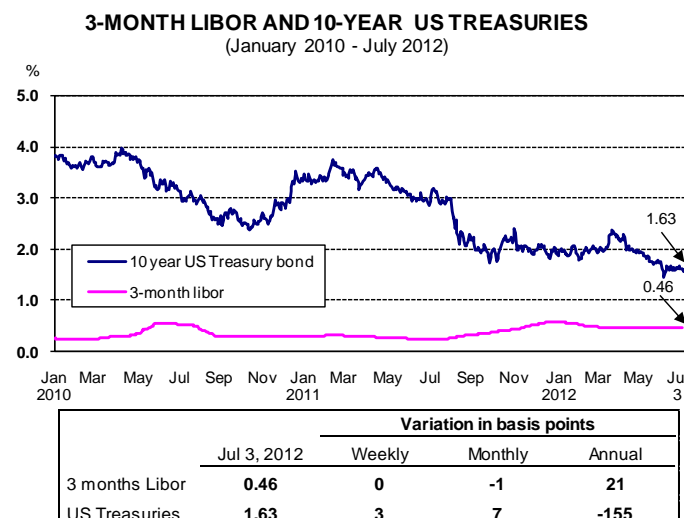


On July 3, the exchange rate was US\$1.26 per 1 euro and 79.8 yens per dollar.

## Yield on 10-year US Treasuries fell to 1.61 percent on average in June

On average terms, the **3-month Libor** remained at 0.47 percent, while the yield on the 10-year **US Treasury bonds** declined by 18 basis points to 1.61 percent in June.

Increased risk aversion in financial markets generated investors' greater appetite for safe assets like the US Treasuries



On July 3, the **3-month Libor** recorded 0.46 percent, while the yield on the 10-year **US Treasury bonds** recorded 1.63 percent.

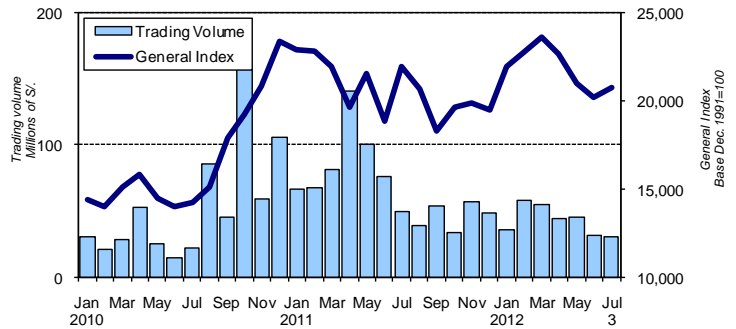


**Annual yield at the Lima Stock Exchange reaches 6.7 percent**

In June, the **General** Index of the Lima Stock Exchange (LSE) fell 3.8 percent and the **Selective** Index fell 2.7 percent.

The negative results observed in the stock indices during the month were associated with weak economic data in the United States, volatility in external markets, and the decline in the prices of commodities.

**LIMA STOCK EXCHANGE INDICATORS**  
(January 2010 - July 2012)



	As of:			
	Jul 3, 2012	Jun 26, 2012	Jun 30, 2012	Dec 31, 2011
General Index	20,777	2.0	2.8	6.7
Selective Index	30,391	2.4	3.1	11.2

Year-to-date (at **July 3**), the indices of the LSE accumulate gains of 6.7 and 11.2 percent, respectively.

