



### Indicators

	Corporate prime rate in soles at 5.24 percent
	Interbank interest rate at 4.25 percent
	Exchange rate: S/. 2.629 per dollar
	Inflation in Metropolitan Lima: 0.09 percent in July
	Public sector recorded surplus of S/. 1.94 billion in June
	Country risk at 145 bps

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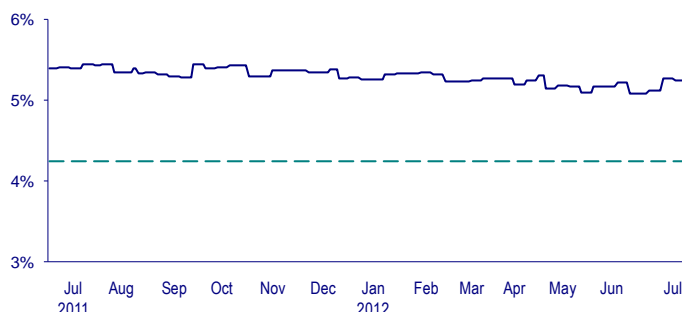
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## Corporate prime rate in nuevos soles at 5.24 percent

Between July 24 and 31, 2012, the average **corporate prime rate** in domestic currency remained at 5.24 percent.

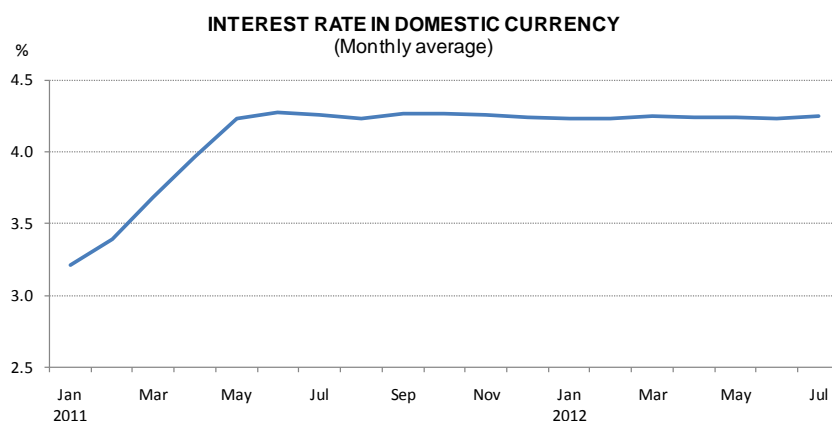
On the other hand, the average corporate interest rate in foreign currency declined from 2.93 to 2.68 percent in the same period.

**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 in July was 4.25 percent.



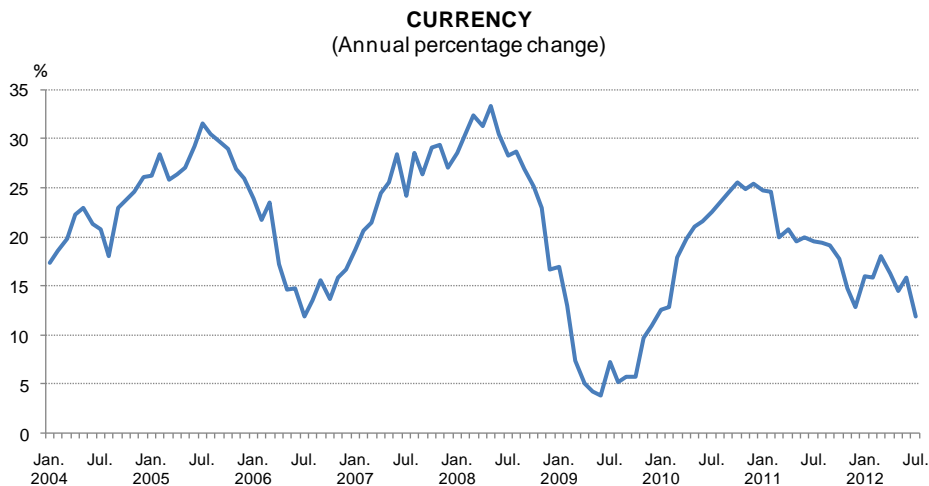
	Average interbank rate	
	Average	S.D
January 2011	3.21%	0.10
February	3.37%	0.13
March	3.68%	0.12
April	3.97%	0.10
May	4.23%	0.15
June	4.28%	0.05
July	4.26%	0.02
August	4.23%	0.03
September	4.27%	0.05
October	4.27%	0.03
November	4.26%	0.02
December	4.24%	0.03
January 2012	4.23%	0.02
February	4.23%	0.02
March	4.25%	0.00
April	4.24%	0.02
May	4.24%	0.01
June	4.23%	0.02
July 31	4.25%	0.02

## Monetary operations

Between July 25 and 31, 2012, the Central Bank made the following **monetary operations**:  
 i) Auctions of 161-day to 351-day BCRP Certificates of Deposit for a daily average of S/. 88 million. The average rate on these operations, which reached a balance of S/. 19.05 billion, was 4.00 percent; ii) Auctions of 1-day and 4-day term deposits in domestic currency for a daily average of S/. 4.82 billion at an average rate of 4.11 percent, reaching a balance of 6.5 billion, and iii) overnight deposits in nuevos soles for a daily average of US\$ 836 million.

## Currency in circulation: S/. 28.23 billion at July 31

Between July 24 and 31, 2012, **currency in circulation** increased by S/. 62 million, thus accumulating an expansion of S/. 1.13 billion so far this month. Currency in circulation in the last twelve months registered a growth rate of 11.9 percent and a balance of S/. 28.23 billion at July 31.



### BCRP OPERATIONS

(Millions of nuevos soles)

	BALANCE			FLOWS		
	Dec 31, 2011	Jun 30, 2012	Jul 31, 2012	2012*	Jul-12*	From 07/24 to 07/31
<b>I. NET INTERNATIONAL POSITION</b>	<b>89,910</b>	<b>105,015</b>	<b>106,088</b>	<b>18,764</b>	<b>2,641</b>	<b>650</b>
(Millions of US\$)**	33,300	39,332	40,338	7,038	1,006	247
<b>1. Exchange Operations</b>				<b>6,793</b>	<b>746</b>	<b>0</b>
a. Over the counter operations				8,148	745	0
b. Public Sector				-1,361	0	0
c. BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP)				0	0	0
d. Other exchange operations				6	1	0
<b>2. Rest</b>				<b>245</b>	<b>260</b>	<b>247</b>
<b>II. NET DOMESTIC ASSET</b>	<b>-62,663</b>	<b>-77,916</b>	<b>-77,855</b>	<b>-17,778</b>	<b>-1,507</b>	<b>-588</b>
<b>1. Monetary Sterilization</b>	<b>-30,592</b>	<b>-39,818</b>	<b>-40,051</b>	<b>-9,443</b>	<b>-216</b>	<b>-520</b>
a. Certificates and Term deposits	-17,217	-25,111	-25,551	-8,334	-440	-2,560
BCRP Certificates of Deposit (CDBCRP)	-13,580	-20,691	-19,051	-5,471	1,640	-500
BCRP Certificates of Deposit Variable in soles (CDV BCRP)	0	0	0	0	0	0
Readjustable CDBCRP (CDR BCRP)	0	-1,520	0	0	1,520	740
BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP)	0	0	0	0	0	0
Term Deposits	-3,637	-2,900	-6,500	-2,863	-3,600	-2,800
b. Reserve requirements in Domestic Currency	-12,720	-13,623	-12,780	-60	843	3,168
c. Otras operaciones monetarias	-655	-1,084	-1,720	-1,048	-619	-1,128
<b>2. Fiscal Sterilization</b>	<b>-31,940</b>	<b>-40,439</b>	<b>-41,213</b>	<b>-9,273</b>	<b>-775</b>	<b>560</b>
<b>3. Other</b>	<b>-130</b>	<b>2,342</b>	<b>3,410</b>	<b>938</b>	<b>-516</b>	<b>-628</b>
<b>III. CURRENCY ** (I+II)</b>	<b>27,247</b>	<b>27,100</b>	<b>28,234</b>	<b>986</b>	<b>1,134</b>	<b>62</b>
(Monthly percentage change)	9.2%	1.9%	4.2%			
(Accumulated percentage change)	12.9%	-0.5%	3.6%			
(YoY)	12.9%	15.8%	11.9%			

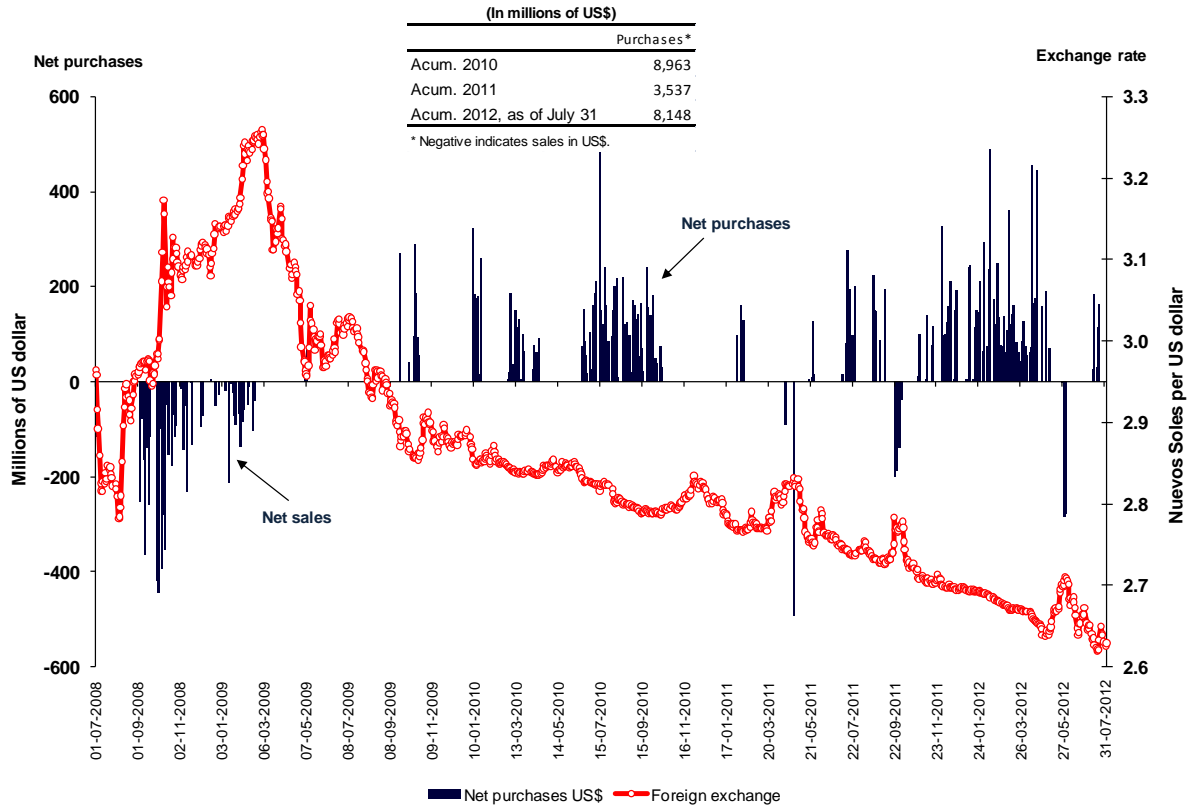
\* As of July 31, 2012.

\*\* Preliminary data.

**Exchange rate: S/. 2.629 per US dollar**

Between July 24 and 31, the average **selling price of the dollar** in the interbank market fell from S/. 2.640 to S/. 2.629 per dollar, which represents an appreciation of the nuevo sol of 0.42 percent. The Central Bank did not intervene in the foreign exchange market in this period.

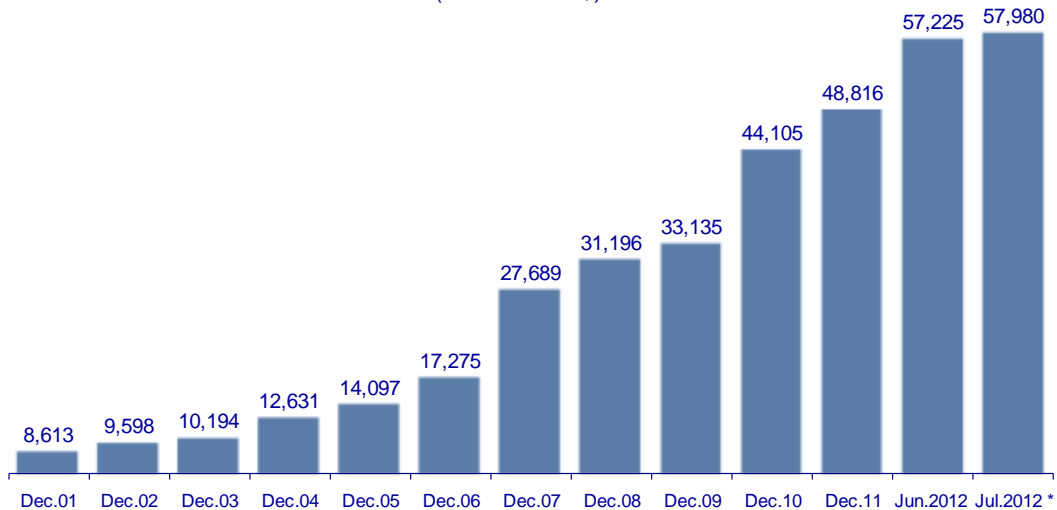
**EXCHANGE RATE AND NET DOLLAR PURCHASE**



**Net international reserves at US\$ 57.98 billion**

At the close of July **net international reserves** (NIRs) amounted to US\$ 57.98 billion. This level of reserves is US\$ 755 million higher than the one recorded at the close of June 2012.

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

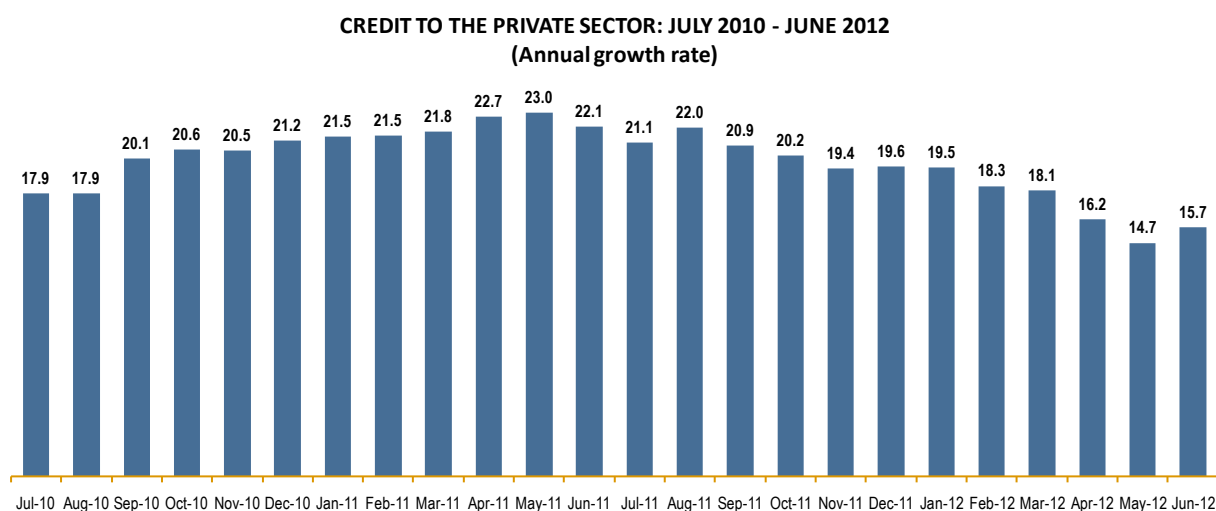


The increase in NIRs registered in July is mainly explained by the Central Bank's net purchases of foreign currency (US\$ 745 million), the higher valuation of investments (US\$ 236 million), increased deposits from the Deposit Insurance Fund (US\$ 20 million), and the increase in investment yield (US\$ 47 million). This was in part offset by the decline in banks' deposits (US\$ 172 million) and by the decline in public sector deposits (US\$ 75 million).

The **foreign exchange position** of the BCRP at the close of July was US\$ 40.34 billion. This figure is US\$ 1.0 billion higher than the one recorded at the close of June 2012.

## Credit to the private sector grew 1.9 percent in June

**Total credit to the private sector** grew 1.9 percent in June (S/. 2.99 billion) and accumulated a growth rate of 15.7 percent in the last 12 months.



Credit to enterprises grew 2.1 percent in June (1.0 percent in May), while credit to individuals grew 1.6 percent, recording a lower growth rate than the one observed in May (2.1 percent). Within the latter segment, consumer loans grew 1.3 percent in June (vs. 2.1 percent in May) and mortgage loans grew 2.0 percent (vs. 2.1 percent in May).

The dollarization ratio of the aggregate credit declined from 45.0 percent in May to 44.6 percent in June 2012.

### TOTAL CREDIT TO THE PRIVATE SECTOR, BY TYPE OF LOAN 1/

	Balance in million of Nuevos Soles			Growth rates (%)			
	Jun.11	May.12	Jun.12	Dec-11/ Dec-10	May-12/ May-11	Jun-12/ Jun-11	Jun-12/ May-12
<b>Loans to companies 1/</b>	<b>91,654</b>	<b>101,752</b>	<b>103,858</b>	<b>17.9</b>	<b>11.5</b>	<b>13.3</b>	<b>2.1</b>
Foreign trade	9,545	8,578	8,937	3.8	-14.2	-6.4	4.2
Rest	82,108	93,174	94,922	19.4	14.7	15.6	1.9
<b>Loans to individuals 2/</b>	<b>47,099</b>	<b>55,860</b>	<b>56,740</b>	<b>23.0</b>	<b>21.1</b>	<b>20.5</b>	<b>1.6</b>
Consumer loans	29,049	33,742	34,184	20.3	18.7	17.7	1.3
Motor vehicle credit	1,347	1,635	1,670	18.2	22.3	24.0	2.1
Credit card	9,657	11,437	11,589	24.0	21.5	20.0	1.3
Rest	18,044	20,670	20,925	18.5	17.0	16.0	1.2
Mortgage	18,050	22,118	22,555	27.4	25.0	25.0	2.0
<b>TOTAL</b>	<b>138,753</b>	<b>157,612</b>	<b>160,598</b>	<b>19.6</b>	<b>14.7</b>	<b>15.7</b>	<b>1.9</b>

1 / Includes loans to legal persons and holdings of corporate bonds, including loans from foreign branches of banks.

2 / Includes persons non profit legal.

**Total liquidity in the private sector** increased 0.3 percent in June (S/. 554 million), thus accumulating a growth rate of 14.9 percent in the last twelve months. Liquidity in soles fell 0.5

percent (negative flow of S/. 484 million) and recorded a growth rate of 24.3 percent in the last 12 months, while liquidity in dollars grew 1.9 percent in June (US\$ 384 million) and recorded a growth rate of 0.5 percent in the last 12 months.

## Inflation in Metropolitan Lima: 0.09 percent in July

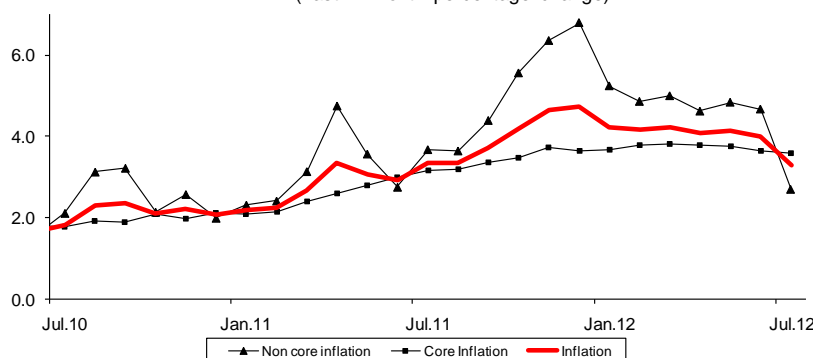
The consumer price index of Metropolitan Lima showed a variation of 0.09 percent in July. The variation in the last 12 months was 3.28 percent.

**INFLATION**  
(Accumulated percentage change)

	Weight 2009=100	Monthly		12-month indicator		
		Jun. 2012	Jul. 2012	Jul. 2011	Jun. 2012	Jul. 2012
<b>CPI</b>	<b>100.0</b>	<b>-0.04</b>	<b>0.09</b>	<b>3.35</b>	<b>4.00</b>	<b>3.28</b>
<b>Core index</b>	<b>65.2</b>	<b>0.20</b>	<b>0.20</b>	<b>3.18</b>	<b>3.64</b>	<b>3.58</b>
Goods	32.9	0.16	0.13	2.47	2.92	2.86
Services	32.2	0.24	0.26	3.89	4.36	4.31
<b>Non core index</b>	<b>34.8</b>	<b>-0.48</b>	<b>-0.11</b>	<b>3.68</b>	<b>4.67</b>	<b>2.70</b>
Food	14.8	-1.00	0.11	5.39	6.91	3.55
Fuel	2.8	-0.16	-2.37	8.26	4.51	0.98
Transporting	8.9	-0.15	0.54	1.93	3.27	3.17
Utilities	8.4	0.08	-0.35	0.66	2.01	1.21
<b>Note.-</b>						
Food and beverages	37.8	-0.26	0.29	4.97	5.97	4.58
CPI non food and beverages	62.2	0.11	-0.04	2.35	2.77	2.44
CPI non food and fuels	56.4	0.13	0.16	2.02	2.46	2.42

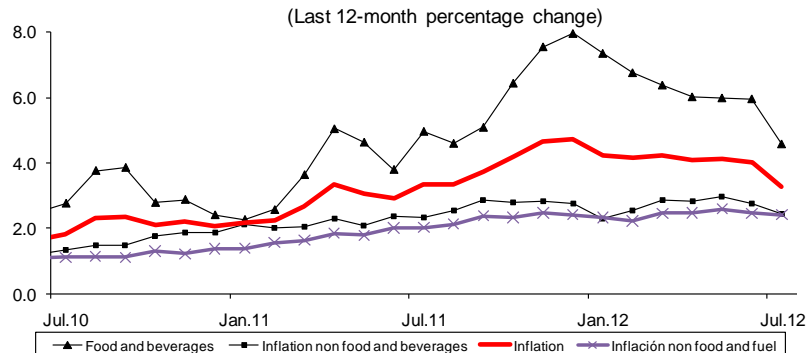
Core inflation showed a monthly rate of 0.20 percent and a rate of 3.58 percent in the last twelve months. Moreover, non-core inflation recorded a monthly rate of -0.11 percent and a rate of 2.70 percent in the last twelve months.

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



Food and beverage inflation registered a monthly rate of 0.29 percent and a rate of 4.58 percent in the last twelve months, while inflation excluding food and beverages registered a monthly rate of -0.04 percent and a rate of 2.44 percent in the last twelve months. Moreover, inflation without food and energy showed a monthly rate of 0.16 percent (2.42 percent in the last twelve months).

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



Three items contributed with 0.22 percentage points to increase inflation in July: onion (0.11 percentage points), meals outside the home (0.07 percentage points), and fresh and frozen fish products (0.04 percentage points). On the other hand, three items contributed with 0.25 percentage points to reduce the rate of inflation in the month: chicken meat (-0.12 percentage points), gasoline and lubricants (-0.09 percentage points), and fresh legumes (-0.04 percentage points).

### National inflation rate

In compliance with the provisions of article 1 of Law 29438 approved by Congress, as from January 2012 the National Institute of Statistics (INEI) publishes the national consumer price index in addition to the consumer price index of Metropolitan Lima. 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 July the rate of national inflation recorded a monthly rate of 0.14 percent and a yearly rate of 1.65 percent. The rises in the prices of the following products are worth pointing out: fish (Pacific bonito, 9.7 percent; Yellowtail amberjack, 6.9 percent, and Pacific jack mackerel, 6.6 percent), fruits like plain apples (21.9 percent), lemon (20.2 percent), and *israel* apples (11.3 percent), and vegetables such as red onion (28.9 percent), *criollo* corn (15.0 percent), and Italian tomato (1.4 percent). On the other hand, it is worth pointing the decline in the prices of the following products: gutted chicken (-3.2 percent), sugar (-0.7 percent), and eggs in bulk (-3.6 percent), as well as the decline in residential electricity rates (-1.2 percent) and in the prices of gasoline (-6.0 percent) and diesel oil (-4.5 percent).

### Public Sector recorded surplus of S/.1.94 billion in June

The operations of the non financial public sector recorded an economic surplus of S/. 1.94 billion in June. This balance, which is higher by S/. 1.36 billion than the one registered in June 2011, is explained by the growth of the current revenues of the general government (5.9 percent) and by the reduction of non-financial expenditure (7.0 percent), especially capital expenditure (23.9 percent).

Among other sources, the growth of revenues is associated with the new mining tax scheme (Special tax on mining activities, Special levy on mining, and mining royalties) and with lower tax returns.

The non-financial expenditure of the national government fell 24.5 percent. This balance reflected extraordinary expenditure in June 2011 which was in part offset by higher spending in local governments (45.1 percent) and regional governments (17.8 percent).

## OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR 1/

(Millions of nuevos soles)

	June			January - June		
	2011	2012	Real % Chg.	2011	2012	Real % Chg.
<b>1. General government current revenues</b>	<b>7,860</b>	<b>8,659</b>	<b>5.9</b>	<b>52,531</b>	<b>57,986</b>	<b>6.0</b>
a. Tax revenue	5,812	6,300	4.2	39,938	44,033	5.9
National	5,699	6,175	4.2	38,973	42,977	5.9
Local	113	125	5.9	965	1,056	5.1
b. Non-tax revenue	2,048	2,360	10.8	12,593	13,953	6.4
National	1,817	2,112	11.7	10,747	12,067	7.8
Local	188	207	5.7	1,201	1,357	8.5
Regional	42	41	- 7.3	646	529	- 21.3
<b>2. General government non-financial expenditure</b>	<b>7,219</b>	<b>6,982</b>	<b>- 7.0</b>	<b>36,486</b>	<b>38,762</b>	<b>2.0</b>
a. Current	4,723	5,005	1.9	28,416	29,314	- 0.9
b. Capital	2,497	1,977	- 23.9	8,070	9,448	12.4
Of wich: Gross Capital Formation	2,261	1,856	- 21.0	7,437	8,979	15.9
<b>3. Others 2/</b>	<b>54</b>	<b>392</b>		<b>378</b>	<b>1,253</b>	
<b>4. Primary Balance</b>	<b>694</b>	<b>2,070</b>		<b>16,423</b>	<b>20,477</b>	
<b>5. Interests</b>	<b>117</b>	<b>128</b>	<b>5.7</b>	<b>2,785</b>	<b>2,734</b>	<b>-5.7</b>
Foreign	67	89	26.8	1,375	1,371	-4.3
Domestic	49	39	-23.2	1,410	1,363	-7.1
<b>6. Overall Balance</b>	<b>578</b>	<b>1,942</b>		<b>13,638</b>	<b>17,743</b>	

1/ Preliminary.

2/ Includes capital revenues from the General government and primary result of public companies.

Source: MEF, SUNAT, Banco de la Nación, public charities, public institutions and companies.

### In July the amount of payment transactions handled through payment systems showed an increase of 41.6 percent in the last 12 months

Funds for a total of S/. 296 billion were transferred between the entities of the financial system through payment systems in July 2012. This amount is 41.6 percent higher than the one recorded in July 2011. This growth was explained mainly by the recovery of funds transferred through the RTGS system, which grew by 44.1 percent in the same month of previous year.

It is worth pointing out that payment systems consist of the real time gross settlement system (RTGS), which is administered by the Central Reserve Bank of Peru; the Multibank Securities Settlement System (MSSS), which is managed by Cavali; and the Cámara de Compensación Electrónica (CCE) or Electronic Clearing House.

The funds transferred through payment systems in the period of January-July 2012 have increased by 5.9 percent in terms of value compared to the ones made in the same period of 2011. This growth is explained mainly by the higher value of the transactions handled through the RTGS system, which handles about 92 percent of the total operations carried out through the payment systems.

On average, a total of 1.2 million orders of funds transfers for S/. 269 billion have been made each month through payment systems in this period. In annual terms, this amount is equivalent to more than 6 times Peru's GDP, which reflects the systemic importance that payment systems have for the country's economy. In the first seven months of 2012, 61 percent of transfers were for operations in local currency and 39 percent in foreign currency.

### TRANSFERS IN PAYMENT SYSTEMS

(Monthly average January-July 2012)

	Amount		Number Thousands	Participation	
	Millions of S/.	% in US\$		Amount	Number
<b>RTGS</b>	247,706	39.9%	56	92.1%	4.8%
<b>MSS</b>	3,125	10.9%	22	1.2%	1.9%
<b>Electronic Clearing House</b>	18,156	31.2%	1,096	6.7%	93.3%
<b>Checks</b>	14,277	32.5%	677	5.3%	57.6%
<b>Transfers of Credit</b>	3,879	26.5%	419	1.4%	35.7%
<b>TOTAL</b>	<b>268,987</b>	<b>39.0%</b>	<b>1,174</b>	<b>100.0%</b>	<b>100.0%</b>

RTGS: Real Time Gross Settlement.

MSS: Multibank Security Settlement.

## International Markets

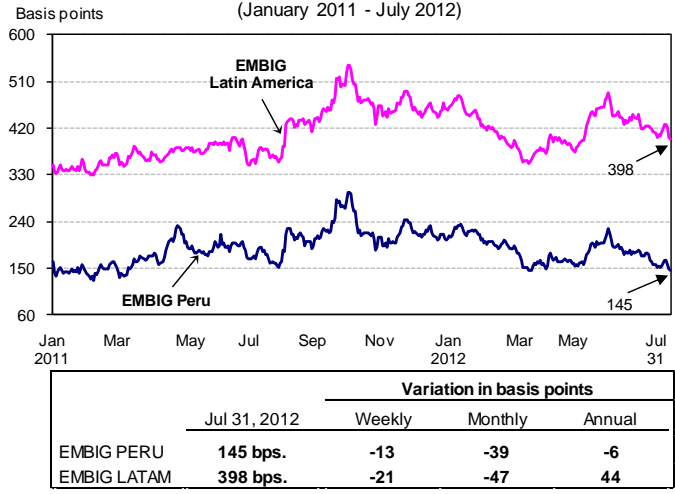
### Country risk at 145 basis points

On **July 31**, the **EMBIG Peru** indicator registered 145 basis points.

In **July**, In June, the average country risk indicator, measured by the **EMBIG Peru** spread, fell from 188 in June to 163 basis points.

Moreover, the Latin American debt spread dropped 28 basis points, reflecting mainly the decline observed last week due to expectations of additional stimulus measures by the European Central Bank and due to higher-than-expected growth data in the United States in the 2Q.

**COUNTRY RISK INDICATORS**  
(January 2011 - July 2012)



### Price of gold: US\$ 1,621.9 per troy ounce

On **July 31**, the price of **gold** was US\$ 1,621.9/troy ounce.

In **July**, the price of **gold** fell 0.3 percent and registered an average price of US\$ 1,594.9 per troy ounce.

This downward conduct in the price of gold observed during the month was associated with the strengthening of the dollar against the euro, which reduced investors' interest in the precious metal.

**GOLD PRICE**  
(January 2011 - July 2012)



On **July 31** the price of **copper** recorded US\$ 3.44 per pound.

The price of **copper** rose 2.4 percent in July and registered an average level of US\$ 3.44 per pound.

The price of copper rose due to expectations that new measures of economic stimulus will be implemented in China and due to reports of the International Copper Study Group that show that the global market of refined copper recorded a deficit between January and April 2012.

**COPPER PRICE**  
(January 2011 - July 2012)





On **July 31** the price of **zinc** posted a level of US\$ 0.84 per pound.

The price of **zinc** declined 0.2 percent in **July** and registered a monthly average of US\$ 0.84 per pound.

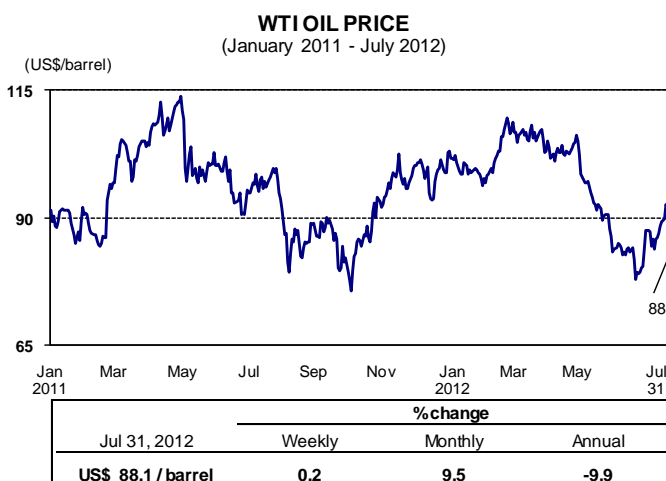
This decline in the price of zinc is explained by higher inventories in the London Metal Exchange, where they reached levels of over one million tons for the first time in 17 years. However, expectations of a recovery in China's demand as from the second semester of this year offset the drop in the price of this metal.



On **July 31**, the price of **WTI oil** was US\$ 88.1 per barrel.

The price of **WTI oil** increased 6.7 percent in **July** and reached an average level of US\$ 87.9 per barrel.

The rise in the price of oil was associated with fears of a lower supply of crude due to the worsening of the crisis in the Middle East and with the increased demand for crude reported in South Korea and Japan during the month of June.



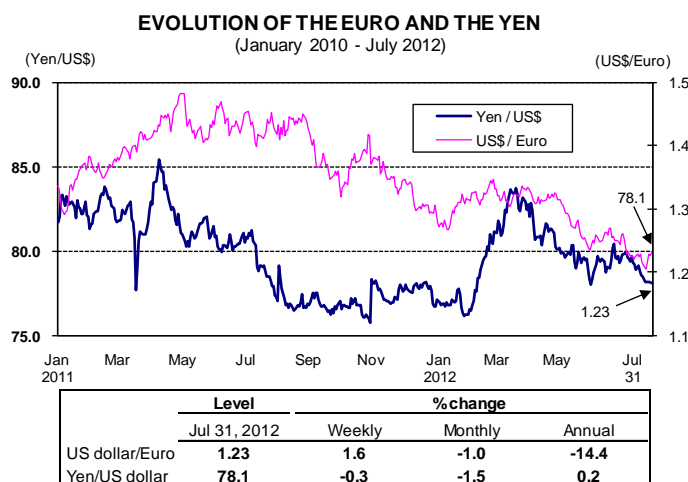
## The dollar appreciated against the euro on average in July

On **July 31**, the exchange rate was US\$1.23 per one euro and 78.1 yens per dollar.

In **July** the **US dollar** appreciated 2.0 percent on average against the **euro**.

The appreciation of the dollar against the euro reflected the continued uncertainty generated by the debt crisis in the Eurozone. In this context, European central banks adopted monetary stimulus measures.

On the other hand, the dollar depreciated 0.5 percent against the **yen**.



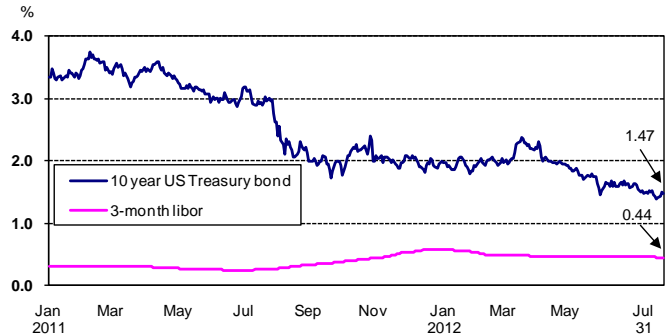
**Yield on US Treasuries dropped to 1.50 percent on average in July**

On **July 31**, the **3-month Libor** recorded 0.44 percent, while the yield on the **US Treasury bonds** recorded 1.47 percent.

In **July**, on average terms the **3-month Libor** declined 2 basis points to 0.45 percent.

Likewise, the yield on the 10-year **US Treasury bonds** declined by 10 basis points to 1.50 percent on average due to the higher demand for safe assets given continued risk aversion in financial markets.

**3-MONTH LIBOR AND 10-YEAR US TREASURIES**  
(January 2011 - July 2012)



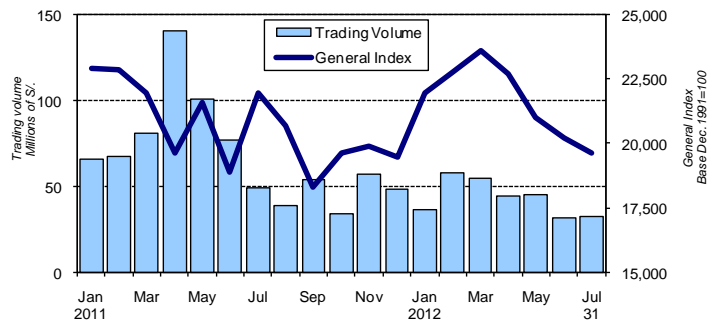
	Variation in basis points			
	Jul 31, 2012	Weekly	Monthly	Annual
3 months Libor	0,44 %	-1	-2	19
US Treasuries	1,47 %	5	-10	-151

**Accumulated profitability in the Lima Stock Exchange recorded 0.8 percent**

In **July**, the **General Index** of the Lima Stock Exchange (LSE) fell 2.9 percent and the **Selective Index** fell 2.2 percent.

The results observed in the stock indices during the month were mainly associated with the mixed performance of commodities and with investors' caution given that investors waited until the financial results of both US and local firms in Q2 were released.

**LIMA STOCK EXCHANGE INDICATORS**  
(January 2011 - July 2012)



	% change compared to:			
	Jul 31, 2012	Jul 24, 2012	Jun 28, 2012	Dec 31, 2011
General Index	19,628	0.5	-2.9	0.8
Selective Index	28,824	0.8	-2.2	5.4

So far this year (at July 31), the indices of the LSE accumulate gains of 0.8 and 5.4 percent, respectively.

