








Indicators

-  Corporate prime rate in soles at 5.18 percent
-  Interbank interest rate at 4.25 percent
-  Exchange rate: S/. 2.620 per dollar
-  Trade balance: surplus of US\$ 405 million in June
-  Country risk at 124 bps

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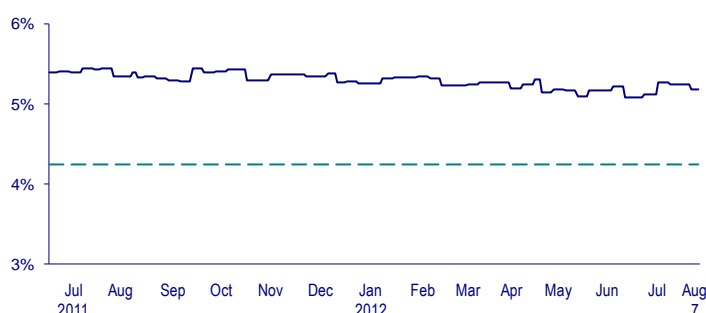
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Corporate prime rate in nuevos soles at 5.18 percent

Between July 31 and August 7, 2012, the average **corporate prime rate** in domestic currency declined from 5.24 to 5.18 percent.

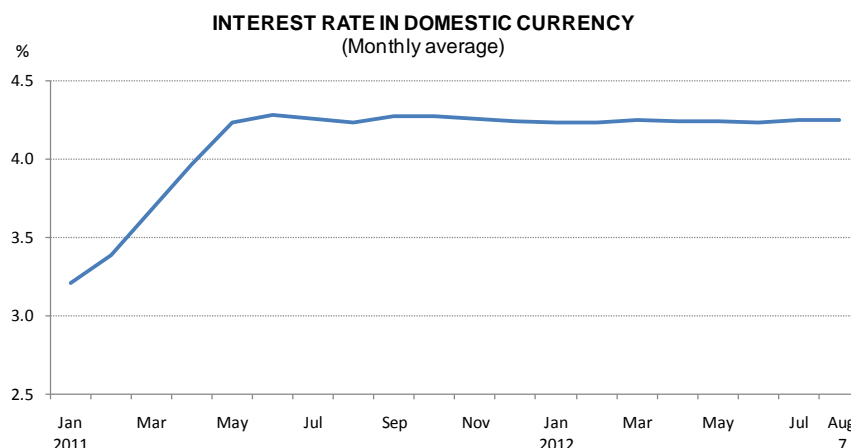
On the other hand, the average corporate interest rate in foreign currency declined from 2.79 to 2.68 percent in the same period.

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



Average interbank interest rate at 4.25 percent

The average **interbank interest rate** in domestic currency at August 7 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	4.25%	0.02
August 7	4.25%	0.04

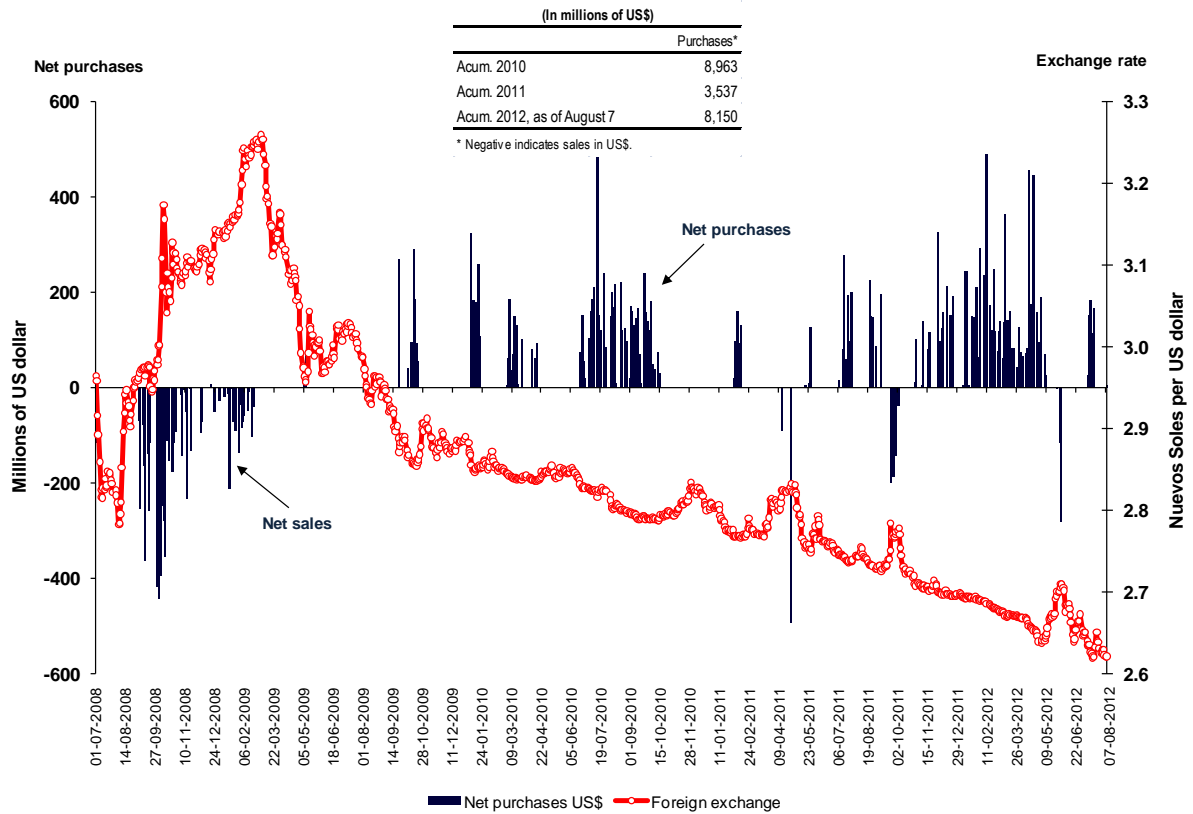
Monetary operations

Between August 1 and 7, the Central Bank made the following **monetary operations**: i) Auctions of 6-month and 12-month BCRP Certificates of Deposit for a daily average of S/. 100 million. The average rate on these operations, which reached a balance of S/. 19.25 billion, was 3.96 percent; ii) Auctions of 1-day term deposits in domestic currency for a total of S/. 1.25 billion at an average rate of 4.07 percent, reaching a balance of 1.25 billion, and iii) purchases of FC for a total of US\$ 2 million.

Exchange rate: S/. 2.620 per dollar

Between July 31 and August 7, the average **selling price of the dollar** in the interbank market fell from S/. 2.629 to S/. 2.620 per dollar, which represents an appreciation of the nuevo sol of 0.32 percent. In this period, the Central Bank intervened in the foreign exchange market purchasing foreign currency for a total of US\$ 2 million.

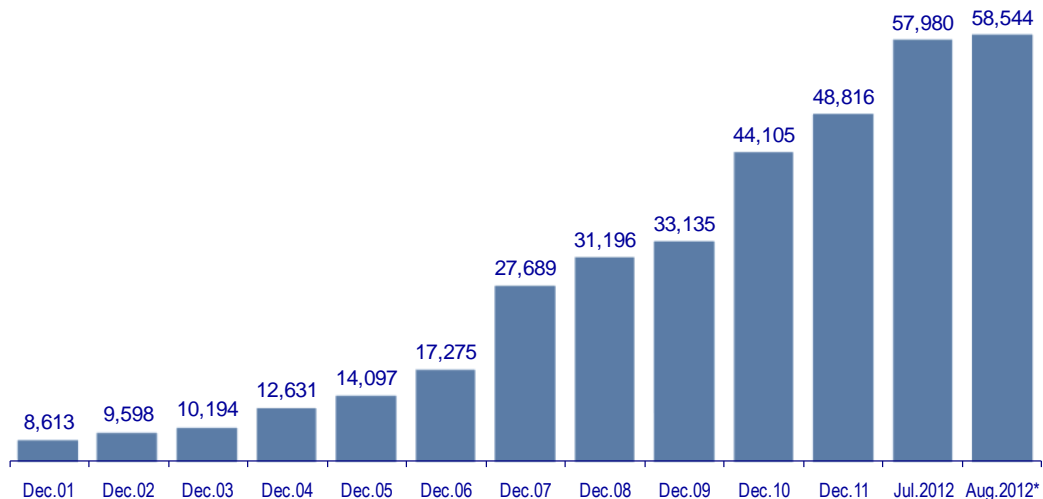
EXCHANGE RATE AND NET DOLLAR PURCHASE



Net international reserves at US\$ 58.54 billion

Net international reserves (NIRs) at August 7 amounted to US\$ 58.54 billion. This amount of reserves is US\$ 564 million higher than the one recorded at the close of July 2012.

NET INTERNATIONAL RESERVES (Millions of US\$)



* As of 7.

The increase in NIRs registered so far this month is mainly explained by higher deposits of both banks (US\$ 530 million) and the public sector (US\$ 33 million), by the higher valuation of investments (US\$ 19 million), and by the Central Bank's net purchases of foreign currency (US\$ 2 million). This increase was in part offset by the decline of deposits in the Deposit Insurance Fund (US\$ 20 million).

The **foreign exchange position** of the BCRP at August 7 was US\$ 40.36 billion. This amount is US\$ 21 million higher than the one recorded at the close of July 2012.

Liquidity and credit to the private sector at July 15

Between June 15 and July 15, **total liquidity in the private sector** increased 1.1 percent (S/. 1.75 billion) and accumulated a growth rate of 16.8 percent in the last twelve months. By currencies, liquidity in soles grew 1.1 percent (S/. 1.2 billion), while liquidity in dollars grew 1.0 percent (US\$ 202 million).

Total credit to the private sector grew 2.1 percent (S/. 3.41 billion) in the same period. Credit in soles grew 2.6 percent (S/. 2.24 billion) while credit in dollars grew 1.6 percent (US\$ 436 million). With this, credit to the private sector accumulates a growth rate of 17.1 percent in the last 12 months.

BCRP Survey on Macroeconomic Expectations: July 2012

According to the results of the Survey on Macroeconomic Expectations conducted in July, inflation in 2012 is expected to close near the target range and in 2013 it is expected to fall again within the target range (between 1 and 3 percent).

SURVEY OF MACROECONOMIC EXPECTATIONS: INFLATION (%)

	<u>Survey date</u>		
	May. 31	Jun. 30	Jul. 31
FINANCIAL ENTITIES 1/			
2012	3.3	3.2	3.1
2013	2.8	3.0	2.8
2014	2.5	2.5	2.5
ECONOMIC ANALYSTS 2/			
2012	3.2	3.0	3.2
2013	2.8	2.8	2.5
2014	2.5	2.5	2.5
NON FINANCIAL FIRMS 3/			
2012	3.2	3.0	3.2
2013	3.0	3.0	3.0
2014	3.0	3.0	3.0

1/ 24 financial entities in May 2012, 24 in June, and 24 in July.

2/ 24 analysts in May 2012, 22 in June, and 22 in July.

3/ Sample of firms of various economic sectors.

As regards expectations of GDP growth, financial entities continue to estimate a growth rate of 6.0 percent in 2012, while economic analysts and non-financial firms estimate growth rates of 5.7 and 5.6 percent, respectively. Moreover, in the following two years GDP is expected to grow around 6.0 percent on average.

SURVEY OF MACROECONOMIC EXPECTATIONS: GDP (%)

	<u>Survey date</u>		
	May. 31	Jun. 30	Jul. 31
FINANCIAL ENTITIES 1/			
2012	6.0	6.0	6.0
2013	6.0	6.0	6.0
2014	6.0	6.0	6.0
ECONOMIC ANALYSTS 2/			
2012	6.0	5.9	5.7
2013	6.0	6.1	6.0
2014	6.2	6.3	6.0
NON FINANCIAL FIRMS 3/			
2012	6.0	6.0	5.6
2013	6.0	6.0	6.0
2014	6.0	6.0	6.0

1/ 24 financial entities in May 2012, 24 in June, and 24 in July.

2/ 24 analysts in May 2012, 22 in June, and 22 in July.

3/ Sample of firms of various economic sectors.

The expectations of economic analysts about the exchange rate have remained constant, whereas financial entities and non-financial firms have revised them to S/. 2.61 and S/. 2.65 per dollar, respectively.

SURVEY OF MACROECONOMIC EXPECTATIONS: EXCHANGE RATE*

	<u>Survey date</u>		
	May. 31	Jun. 30	Jul. 31
FINANCIAL ENTITIES 1/			
2012	2.65	2.62	2.61
2013	2.61	2.60	2.60
2014	2.60	2.60	2.60
ECONOMIC ANALYSTS 2/			
2012	2.65	2.62	2.62
2013	2.62	2.62	2.61
2014	2.60	2.62	2.60
NON FINANCIAL FIRMS 3/			
2012	2.65	2.66	2.65
2013	2.70	2.70	2.67
2014	2.70	2.70	2.70

1/ 24 financial entities in May 2012, 24 in June, and 24 in July.

2/ 24 analysts in May 2012, 22 in June, and 22 in July.

3/ Sample of firms of various economic sectors.

* Exchange rate at the end of year.

Trade surplus of US\$ 405 million in June

The **trade balance** registered a surplus of US\$ 405 million in June. Exports, which amounted to US\$ 3.61 billion, were US\$ 600 million lower than the ones recorded in June 2011, while imports, which amounted to US\$ 3.21 billion, were US\$ 34 million lower than in the same month of 2011. With this surplus, the trade balance accumulates a surplus of US\$ 2.55 billion in the first semester.

Because the figures of previous months have been revised by Customs due to the regularizations that are periodically made by companies, the trade balance in the month of May has been corrected from a deficit of US\$ 162 million to a surplus of US\$ 2 million.

The volume of exports in June declined 5.3 percent, while average prices declined 9.4 percent. The decline in the volume of exports was mainly associated with lower exports of gold (30.0 percent, especially of the gold exports of Barrick (35.1 percent) and gold traders, as well as with lower exports of copper (14.0 percent) and fishmeal (29.1 percent). This was in part offset by higher exports of non-traditional agricultural and fishing exports (22.7 percent and 7.0 percent, respectively).

TRADE BALANCE (Millions of US\$)

	2011	2012		June % Chg.		January - June		
	Jun.	May.	Jun.	Previous months	12 months	2011	2012	% Chg.
EXPORTS	4,212	3,584	3,612	0.8	-14.2	21,858	22,111	1.2
Traditional products	3,388	2,671	2,687	0.6	-20.7	17,074	16,733	-2.0
Non-traditional products	793	882	899	2.0	13.4	4,625	5,198	12.4
Other	31	32	26	-18.9	-17.9	160	180	12.7
IMPORTS	3,241	3,582	3,207	-10.5	-1.0	17,770	19,563	10.1
Consumption goods	545	695	667	-4.0	22.4	2,982	3,777	26.7
Raw materials	1,586	1,639	1,426	-13.0	-10.1	8,871	9,143	3.1
Capital goods	1,091	1,234	1,100	-10.9	0.8	5,731	6,519	13.7
Other goods	19	13	14	2.1	-27.2	186	124	-33.1
TRADE BALANCE	971	2	405			4,088	2,547	

Source: BCRP, SUNAT, Zofratacna, Banco de la Nación and companies.

Imports amounted to US\$ 3.21 billion, a figure 1.0 percent lower than the one recorded in June 2011. The volume of imports dropped 0.1 percent due to lower purchases of crude and derivatives and capital goods, excluding construction materials, while the average prices of imports declined 0.9 percent, reflecting the drop in the prices of inputs.

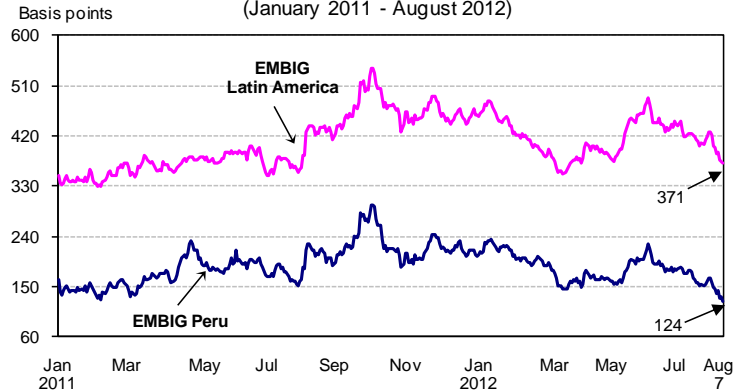
International Markets

Country risk fell to 124 basis points

Between July 31 and August 7, the country risk indicator, measured by the **EMBIG Peru** spread, fell from 145 to 124 basis points.

The spread of the Latin American debt fell by 27 basis points, reflecting lower global risk aversion after the publication of positive job data in the United States in the month of July.

COUNTRY RISK INDICATORS
(January 2011 - August 2012)



	Variation in basis points			
	Aug 7, 2012	Weekly	Monthly	Annual
EMBIG PERU	124 bps.	-21	-55	-92
EMBIG LATAM	371 bps.	-27	-54	-56

Price of gold at US\$ 1,610.6 per troy ounce

In the same period, the price of **gold** fell 0.7 percent to US\$ 1,610.6 per troy ounce.

This decline in the price of gold was associated mainly with lower risk aversion in financial markets.

GOLD PRICE
(January 2011 - August 2012)



	%change			
	Aug 7, 2012	Weekly	Monthly	Annual
US\$ 1,611 / troy oz.	-0.7	1.4	-3.2	

In July 31-August 7, the price of **copper** dropped 0.2 percent to US\$ 3.43 per pound.

The price of this basic metal declined due to worries about demand after the weak growth of manufacturing in China which recorded a three-year low in July. However, the price drop was offset by the positive expectations generated by the recovery of employment in USA in July.

COPPER PRICE
(January 2011 - August 2012)



	%change			
	Aug 7, 2012	Weekly	Monthly	Annual
US\$ 3.43 / pound	-0.2	-0.4	-17.7	

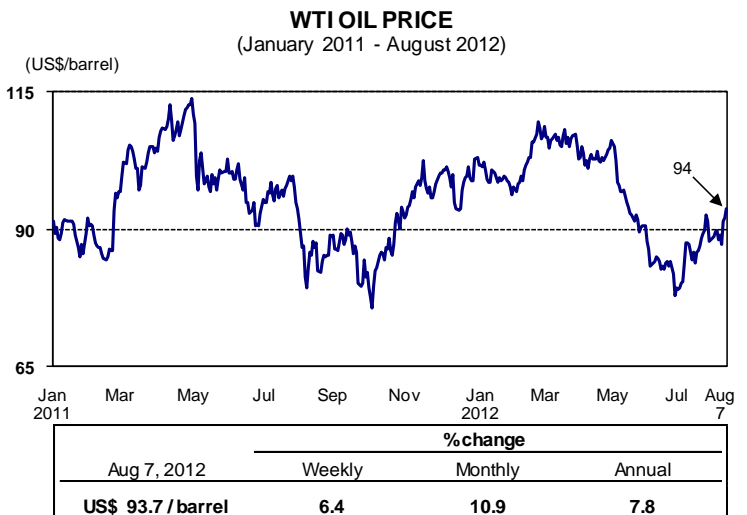
Between July 31 and August 7, the price of **zinc** fell slightly (0.1 percent) to US\$ 0.84 per pound.

This fall in the price of zinc took place amidst a decline of inventories in the major metal exchange markets and amidst fears of a lower demand following the weak manufacturing production registered in China in July.



In the period of July 31-August 7 the price of **WTI oil** registered a rise of 6.4 percent and reached US\$ 93.7 per barrel.

The rise in the price of oil was favored by positive expectations of a higher demand for crude as a result of the recovery of employment in the USA, as well as by expectations of a lower supply from the North Sea (due to maintenance) and from the Middle East (due to the explosion of the Iraq-Turkey pipeline).

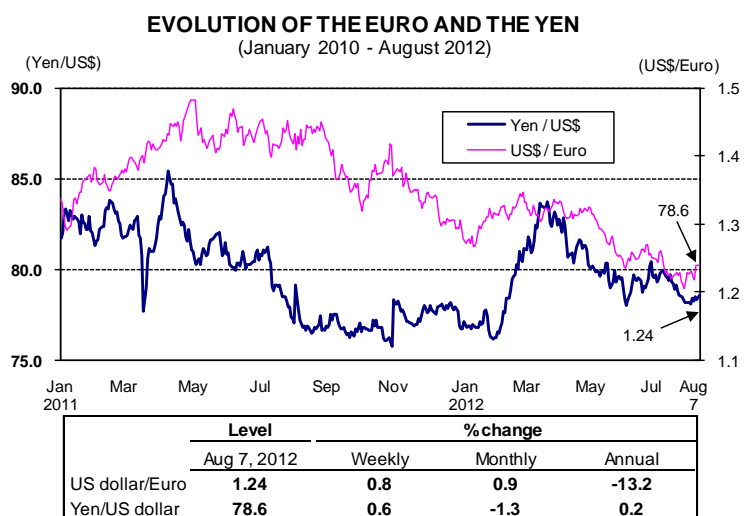


Dollar depreciated against the euro

In the same period, the **dollar** depreciated 0.8 percent against the **euro**.

The dollar lost ground against the euro due to lower risk aversion associated with positive job data in the United States and with the European Central Bank's announcement that it will reinstate its sovereign bond purchase program.

On the other hand, the dollar appreciated 0.6 percent against the **yen**.

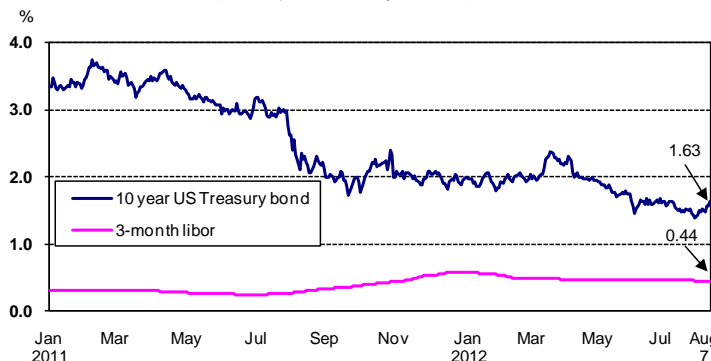


Yield on 10-year US Treasuries rose to 1.63 percent

Between July 31 and August 7, the **3-month Libor** remained at 0.44 percent, while the yield on the **10-year US Treasury bonds** rose 16 basis points to 1.63 percent.

The yield on the US Treasuries rose during the week due to the lower demand for securities as a result of higher confidence generated by favorable employment data in the USA.

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



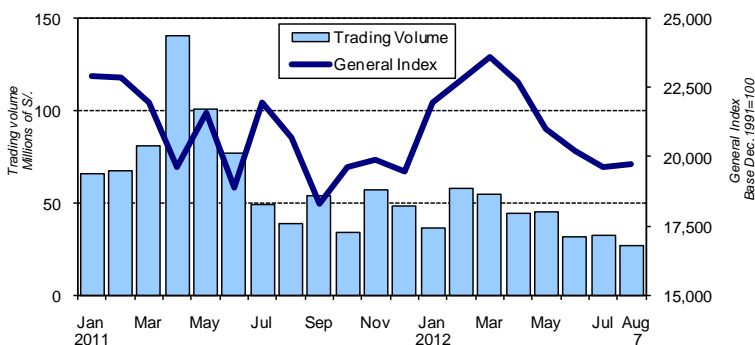
	Variation in basis points			
	Aug 7, 2012	Weekly	Monthly	Annual
3 months Libor	0,44 %	0	-2	17
US Treasuries	1,63 %	16	8	-93

Accumulated profitability at the Lima Stock Exchange: 1.4 percent

In July 31-August 7, the **General** and **Selective** indices of the Lima Stock Exchange (LSE) rose 0.6 and 0.3 percent, respectively.

This positive evolution at the LSE was favored by the improvement of employment data in the United States and by the reports of local enterprises of sectors associated both with domestic demand and with the mining sector, which registered lower profits than the ones observed in Q2.

LIMA STOCK EXCHANGE INDICATORS
(January 2011 - August 2012)



	As of:	% change compared to:		
	Aug 7, 2012	Jul 31, 2012	Jun 28, 2012	Dec 31, 2011
General Index	19,754	0.6	-2.2	1.4
Selective Index	28,918	0.3	-1.9	5.8

Year-to-date, the indices of the LSE have accumulated increases of 1.4 and 5.8 percent, respectively.

