








### Indicators

-  Corporate prime rate in soles at 5.21 percent
-  Interbank interest rate at 4.24 percent
-  Exchange rate: S/. 2.609 per US dollar
-  Inflation rate in August: 0.51 percent
-  Country risk at 133 bps

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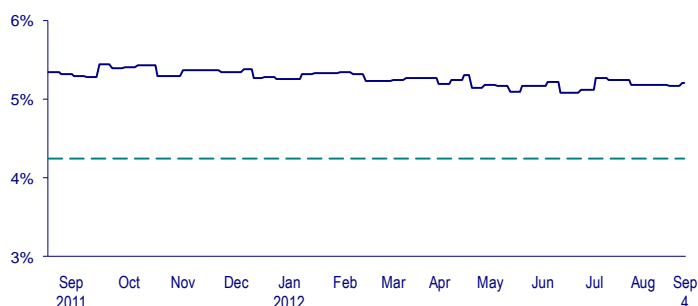
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## Corporate prime rate in nuevos soles at 5.21 percent

Between August 28 and September 4, 2012, the average **corporate prime rate** in domestic currency rose from 5.17 to 5.21 percent.

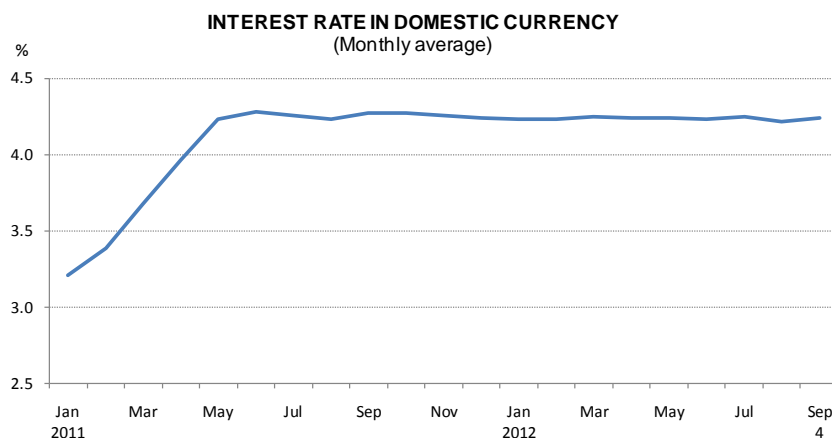
On the other hand, the average corporate interest rate in foreign currency declined from 2.70 to 2.68 percent in the same period.

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



## Average interbank interest rate at 4.24 percent

The average **interbank interest rate** in domestic currency at September 4 was 4.24 percent.



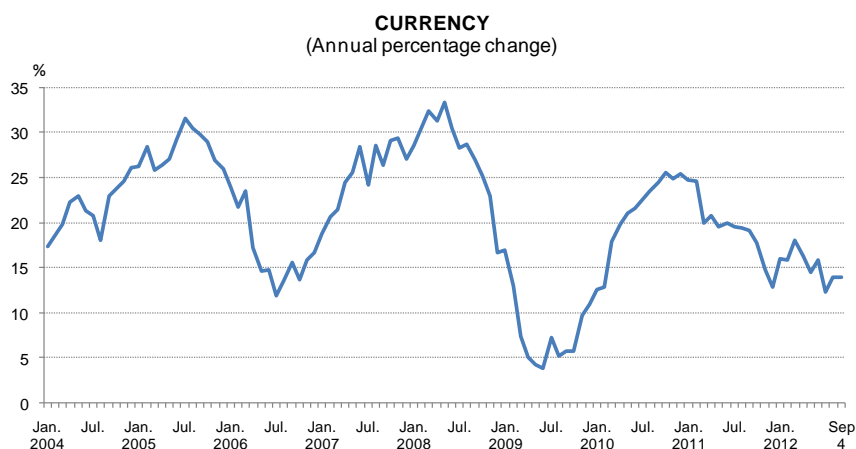
<u>Average interbank rate</u>		
	<u>Average</u>	<u>S.D</u>
<b>January 2011</b>	<b>3.21%</b>	<b>0.10</b>
February	3.37%	0.13
March	3.68%	0.12
April	3.97%	0.10
May	4.23%	0.15
June	4.28%	0.05
July	4.26%	0.02
August	4.23%	0.03
September	4.27%	0.05
October	4.27%	0.03
November	4.26%	0.02
December	4.24%	0.03
<b>January 2012</b>	<b>4.23%</b>	<b>0.02</b>
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	4.22%	0.03
September 4	4.24%	0.01

## Monetary operations

Between August 29 and September 4, the Central Bank made the following **monetary operations**: i) Auctions of 189-day BCRP Certificates of Deposit for a total of S/. 50 million. The average rate on these operations, which reached a balance of S/. 19.28 billion, was 4.02 percent; ii) auctions of 5-day term deposits in domestic currency for a total of S/. 8.1 billion at an average rate of 4.15 percent, reaching a balance of 8.0 billion; iii) purchases of foreign currency for a total of US\$ 338 million, and iv) overnight deposits in domestic currency for a total of S/. 924 million.

## Currency in circulation: S/. 28.43 billion at September 4

Between August 28 and September 4, **currency in circulation** grew by S/. 353 million to S/. 28.43 billion, thus accumulating an increase of S/. 212 million so far this month. Currency recorded a rate of growth of 13.9 percent in the last twelve months.



### BCRP OPERATIONS

(Millions of nuevos soles)

	BALANCE			FLOWS		
	Dec 31, 2011	Aug 31, 2012	Sep 4, 2012	2012*	Sep-12 *	From 08/28 to 09/04
<b>I. NET INTERNATIONAL POSITION</b>	<b>89,910</b>	<b>108,300</b>	<b>108,914</b>	<b>22,399</b>	<b>614</b>	<b>1,345</b>
(Millions of US\$)**	33,300	41,494	41,729	8,430	235	516
<b>1. Exchange Operations</b>				<b>8,027</b>	<b>180</b>	<b>430</b>
a. Over the counter operations				9,379	180	430
b. Public Sector				-1,361	0	0
c. BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP)				0	0	0
d. Other exchange operations				9	0	0
<b>2. Rest</b>				<b>403</b>	<b>55</b>	<b>86</b>
<b>II. NET DOMESTIC ASSET</b>	<b>-62,663</b>	<b>-80,083</b>	<b>-80,485</b>	<b>-21,218</b>	<b>-401</b>	<b>-993</b>
<b>1. Monetary Sterilization</b>	<b>-30,592</b>	<b>-43,553</b>	<b>-42,916</b>	<b>-12,308</b>	<b>637</b>	<b>-559</b>
a. Certificates and Term deposits	-17,217	-27,331	-19,281	-2,064	8,050	7,400
BCRP Certificates of Deposit (CDBCRP)	-13,580	-19,231	-19,281	-5,701	-50	200
BCRP Certificates of Deposit Variable in soles (CDV BCRP)	0	0	0	0	0	0
Readjustable CDBCRP (CDR BCRP)	0	0	0	0	0	0
BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP)	0	0	0	0	0	0
Term Deposits	-3,637	-8,100	0	3,637	8,100	7,200
b. Reserve requirements in Domestic Currency	-12,720	-14,821	-23,134	-10,414	-8,314	-8,063
c. Otras operaciones monetarias	-655	-1,401	-501	171	900	104
<b>2. Fiscal Sterilization</b>	<b>-31,940</b>	<b>-40,671</b>	<b>-41,617</b>	<b>-9,677</b>	<b>-946</b>	<b>-272</b>
<b>3. Other</b>	<b>-130</b>	<b>4,140</b>	<b>4,048</b>	<b>767</b>	<b>-92</b>	<b>-161</b>
<b>III. CURRENCY ** (I+II)</b>	<b>27,247</b>	<b>28,217</b>	<b>28,429</b>	<b>1,182</b>	<b>212</b>	<b>353</b>
(Monthly percentage change)	9.2%	-0.4%	0.8%			
(Accumulated percentage change)	12.9%	3.6%	4.3%			
(YoY)	12.9%	13.9%	13.9%			

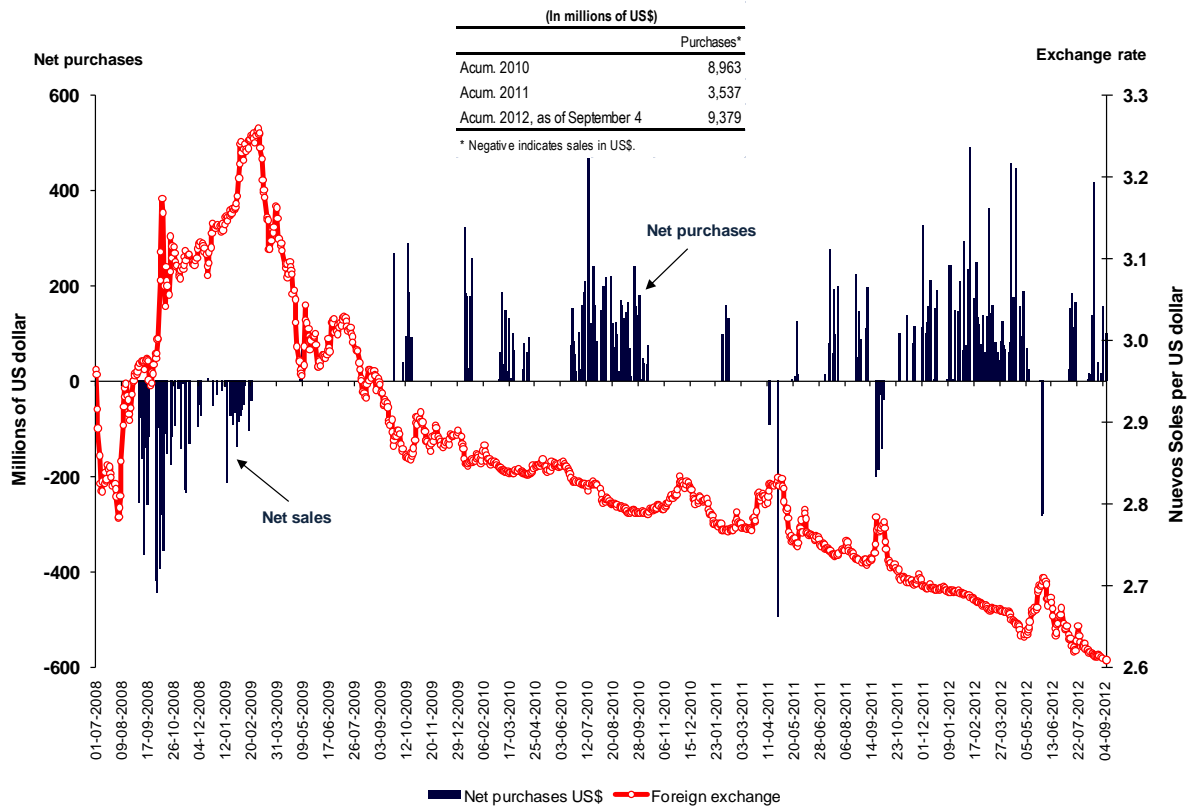
\* As of September 4, 2012.

\*\* Preliminary data.

**Exchange rate: S/. 2.609 per dollar**

Between August 28 and September 4, the average **selling price of the dollar** in the interbank market fell from S/. 2.611 to S/. 2.609 per dollar, which represented an appreciation of the nuevo sol of 0.10 percent. In this period, the Central Bank intervened in the foreign exchange market buying foreign currency for a total of US\$ 430 million.

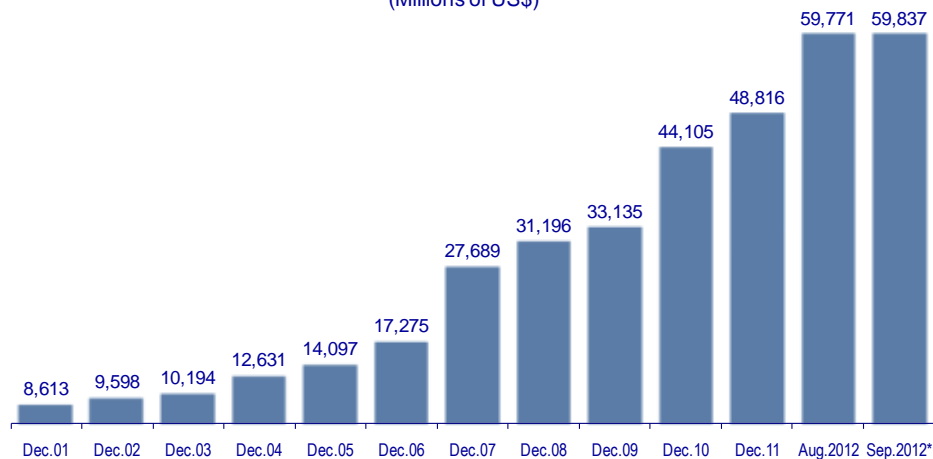
**EXCHANGE RATE AND NET DOLLAR PURCHASE**



**Net international reserves at US\$ 59.77 billion**

**Net international reserves (NIRs)** at the close of August 2012 amounted to US\$ 59.77 billion. This amount of reserves is higher by US\$ 1.79 billion than the one recorded at the close of July. On September 4 NIRs amounted to US\$ 59.84 billion.

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



\* As of 4.

The increase in NIRs registered in August is explained mainly by the Central Bank's net purchases of foreign currency (US\$ 1.05 billion), by the higher deposits of both banks (US\$ 711 million) and the public sector (US\$ 26 million), by the higher valuation of investments (US\$ 81 million), and by investment yield (US\$ 47 million). This increase was offset by the decline of deposits in the Deposit Insurance Fund (US\$ 20 million).

The **foreign exchange position** of the BCRP at the close of August was US\$ 41.21 billion. This amount is US\$ 1.16 billion higher than the one recorded at the close of July 2012. On September 4, the foreign exchange position of the BCRP was US\$ 41.73 billion.

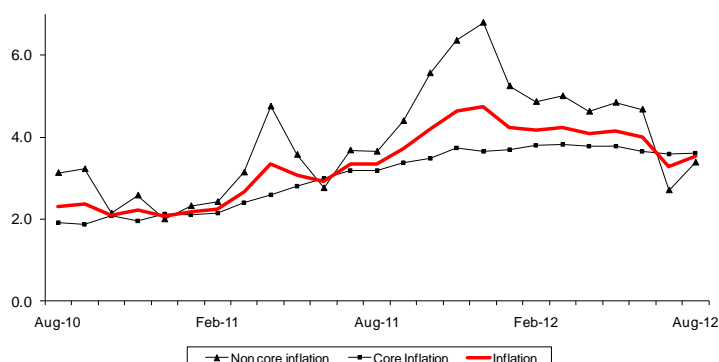
## Inflation in Metropolitan Lima: 0.51 percent in August

Showing a higher variation than in July (0.09 percent), the consumer price index of Metropolitan Lima registered a variation of 0.51 percent in August. Moreover, the last 12-month variation was 3.53 percent.

**INFLATION**  
(Accumulated percentage change)

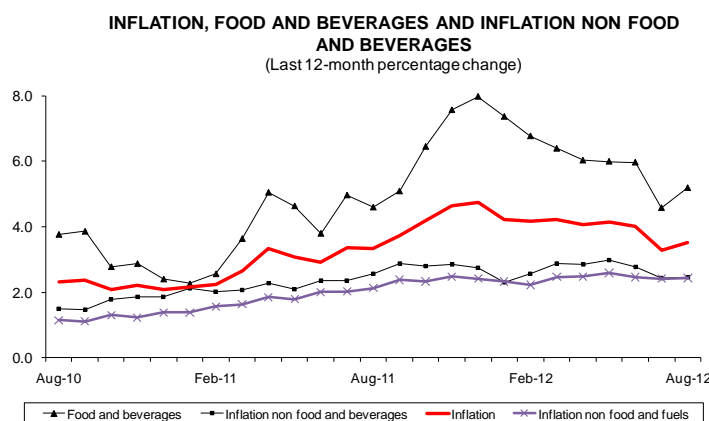
	Weight 2009=100	Monthly		12-month indicator		
		Jul. 2012	Aug. 2012	Aug. 2011	Jul. 2012	Aug. 2012
<b>CPI</b>	<b>100.0</b>	<b>0.09</b>	<b>0.51</b>	<b>3.35</b>	<b>3.28</b>	<b>3.53</b>
<b>Core index</b>	<b>65.2</b>	<b>0.20</b>	<b>0.27</b>	<b>3.19</b>	<b>3.58</b>	<b>3.60</b>
Goods	32.9	0.13	0.27	2.41	2.86	2.94
Services	32.2	0.26	0.27	3.98	4.31	4.26
<b>Non core index</b>	<b>34.8</b>	<b>-0.11</b>	<b>0.96</b>	<b>3.65</b>	<b>2.70</b>	<b>3.38</b>
Food	14.8	0.11	1.66	4.67	3.55	4.86
Fuel	2.8	-2.37	0.41	8.65	0.98	1.00
Transporting	8.9	0.54	-0.06	2.25	3.17	3.15
Utilities	8.4	-0.35	0.91	1.34	1.21	1.67
<b>Note.-</b>						
Food and beverages	37.8	0.29	0.93	4.60	4.58	5.19
CPI non food and beverages	62.2	-0.04	0.23	2.57	2.44	2.46
CPI non food and fuels	56.4	0.16	0.15	2.13	2.42	2.44

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



Core inflation showed a monthly rate of 0.27 percent and a rate of 3.60 percent in the last twelve months. Non-core inflation, on the other hand, recorded a monthly rate of 0.96 percent and a rate of 3.38 percent in the last twelve months.

Food and beverage inflation registered a monthly rate of 0.93 percent and a rate of 5.19 percent in the last twelve months, while inflation excluding food and beverages registered a monthly rate of 0.23 percent and a rate of 2.46 percent in the last twelve months. Furthermore, inflation without food and energy showed a monthly rate of 0.15 percent (2.44 percent in the last twelve months).



In August, three items contributed with 0.27 percentage points to increase inflation: citrus fruits (0.14 percentage points), onion (0.08 percentage points), and electricity rates (0.05 percentage points). On the other hand, three items contributed with 0.08 percentage points to reduce the rate of inflation in the month: chicken meat (-0.05 percentage points), domestic transportation (-0.02 percentage points), and beans (-0.01 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 consumer prices in the urban areas of 26 of the country's major cities, including 24 departmental capital cities and 2 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 August national inflation recorded a monthly rate of 0.51 percent and a yearly rate of 2.17 percent. Price rises in this month worth pointing out included the rise in the prices of fruits like lemon (52.5 percent), avocado Fuerte (15.7 percent), and plain apples (8.5 percent); in vegetables such as red onion (15.2 percent), *criollo* corn (15.1 percent), cucumber (13.9 percent), and whole garlic (4.1 percent), and in items such as yellow potato (9.1 percent), evaporated milk (1.9 percent), and bread rolls (*pan francés*) (0.7 percent). Moreover, electricity rates rose 1.5 percent and university tuition rose 0.8 percent.

On the other hand, it is worth pointing the decline in the prices of gutted chicken (-0.8 percent) and sugar (-0.2 percent), as well as the decline in LPG gas for cars (-1.7 percent), diesel oil (-0.2 percent), and natural gas for cars (-0.1 percent).

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

In the last four weeks, **total liquidity in the private sector** declined 0.1 percent (down by S/. 194 million) and accumulated a growth rate of 14.2 percent in the last 12 months. Liquidity in soles showed a nil variation (down by S/. 45 million) and liquidity in dollars declined 0.3 percent (down by US\$ 55 million).

**Total credit to the private sector** grew 0.3 percent (S/. 566 million) in the same period. Credit in soles grew 0.9 percent (S/. 785 million) while credit in dollars declined by 0.3 percent (down by US\$ 81 million). With this, credit to the private sector accumulates a growth rate of 16.1 percent in the last 12 months.

## Use of electronic payments increased in July

A growing trend continued to be observed in July in the public's use of electronic payment instruments due to the greater advantages that these instruments (debit and credit cards, direct credit and debit transfers) have in general in terms of efficiency and safety compared to paper-based payment means (cash and checks).

Payments in domestic currency made with electronic instruments in July amounted to S/. 41.52 billion, a figure 20.7 percent higher than the one registered in the same month of last year. Payments with credit cards increased by 24.2 percent, those made with debit cards increased 22.8 percent, and credit transfers increased 19.9 percent. Credit transfers, especially those made between different accounts within the same financial entity or bank, are the most important electronic instrument.

On the other hand, electronic payments in foreign currency, which amounted to US\$ 7.12 billion (S/. 18.76 billion), were 14.3 percent higher than in July 2011.

### PAYMENTS THROUGH ELECTRONIC INSTRUMENTS

	(Value in millions)			
	July 2011		% Chg. (Jul.12-Jul.11)	
	DC	FC (US\$)	DC	FC (US\$)
Debit cards	668	137	22.8	-16.5
Credit cards	2,046	206	24.2	67.5
<b>Credit transfers</b>	<b>36,727</b>	<b>6,694</b>	<b>19.9</b>	<b>13.6</b>
Processed at the Bank	33,360	6,269	18.2	12.4
Processed at the ECH	3,367	425	40.2	33.2
Direct Debits	2,081	79	31.6	83.7
<b>Total</b>	<b>41,522</b>	<b>7,116</b>	<b>20.7</b>	<b>14.3</b>

The increased use of virtual channels (the internet, telephone banking, mobile banking and other channels) to make payments is also worth pointing out. The payments in domestic currency made using these channels grew 28 percent in July, while those in foreign currency grew 26 percent in the same month.

## BCRP Survey on Macroeconomic Expectations: August 2012

According to the results of the Survey on Macroeconomic Expectations conducted in August, the level of inflation estimated by economic analysts and financial entities for 2012 has returned to be within the target range. Moreover, all the economic agents expect that inflation will remain within the 1-3 percent target range in the next two years.

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

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

1/ 24 financial entities in June 2012, 24 in July, and 22 in August.

2/ 22 analysts in June 2012, 22 in July, and 23 in August.

3/ Sample of firms of various economic sectors.

As regards the expected level of GDP growth, financial entities continue to estimate a growth rate of 6.0 percent in 2012, while economic analysts and non-financial firms have revised their growth estimates on the upside to 5.8 and 6.0 percent, respectively. In the next two years, GDP is expected to grow around 6.0 percent on average.

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

	<u>Survey date</u>		
	Jun. 30	Jul. 31	Aug. 31
<b>FINANCIAL ENTITIES 1/</b>			
2012	6.0	6.0	6.0
2013	6.0	6.0	6.0
2014	6.0	6.0	6.0
<b>ECONOMIC ANALYSTS 2/</b>			
2012	5.9	5.7	5.8
2013	6.1	6.0	5.9
2014	6.3	6.0	6.0
<b>NON FINANCIAL FIRMS 3/</b>			
2012	6.0	5.6	6.0
2013	6.0	6.0	6.0
2014	6.0	6.0	6.0

1/ 24 financial entities in June 2012, 24 in July, and 22 in August.

2/ 22 analysts in June 2012, 22 in July, and 23 in August.

3/ Sample of firms of various economic sectors.

In general, economic agents have revised down the exchange rate they expect for this year. Economic analysts and financial entities expect that a slight appreciatory trend of the domestic currency will continue to be observed in 2012 and 2013.

### SURVEY OF MACROECONOMIC EXPECTATIONS: EXCHANGE RATE\*

	<u>Survey date</u>		
	Jun. 30	Jul. 31	Aug. 31
<b>FINANCIAL ENTITIES 1/</b>			
2012	2.62	2.61	2.60
2013	2.60	2.60	2.59
2014	2.60	2.60	2.58
<b>ECONOMIC ANALYSTS 2/</b>			
2012	2.62	2.62	2.61
2013	2.62	2.61	2.60
2014	2.62	2.60	2.60
<b>NON FINANCIAL FIRMS 3/</b>			
2012	2.66	2.65	2.62
2013	2.70	2.67	2.65
2014	2.70	2.70	2.67

1/ 24 financial entities in June 2012, 24 in July, and 22 in August.

2/ 22 analysts in June 2012, 22 in July, and 23 in August.

3/ Sample of firms of various economic sectors.

\* Exchange rate at the end of year.

**International Markets**

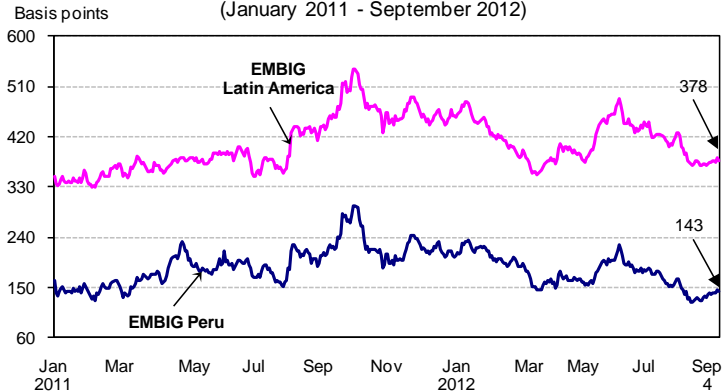
**Average country risk at 133 basis points in August**

In **August**, the average country risk indicator, measured by the **EMBIG Peru** spread, fell from 163 to 133 basis points.

Likewise, the EMBIG Latin America spread fell 40 basis points as a result of the decline of tensions in financial markets, even though uncertainty about the Eurozone crisis remains.

On **September 4**, the **EMBIG Peru** spread registered 143 basis points.

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



	Variation in basis points			
	Sep 4, 2012	Weekly	Monthly	Annual
EMBIG Perú (bps)	143	4	13	-64
EMBIG Latam (bps)	378	2	2	-59

**Average price of gold at US\$ 1,630.8 per troy ounce in August**

In **August**, the price of **gold** rose 2.3 percent to US\$ 1,630.8 per troy ounce.

This upward conduct was associated with the weakening of the dollar and with expectations of a new round of quantitative easing in the United States. This rise in the price of gold was also influenced by concerns about supply in South Africa due to strikes in this country's gold industry.

On **September 4**, the price of gold was US\$ 1,694.5 per troy ounce.

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



	%change			
	Sep 4, 2012	Weekly	Monthly	Annual
US\$ 1,695 / troy oz.		1.4	5.8	-9.6

The price of **copper** fell 1.2 percent to US\$ 3.40 per pound in **August**.

The decline in the price of copper was associated with expectations of lower growth in China, the world's major buyer of this metal. However, this price decline was offset by the 29 percent upward revision of the projected global demand for copper made by the World Bureau of Metal Statistics.

On **September 4**, the price of **copper** recorded US\$ 3.47 per pound.

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



	%change			
	Sep 4, 2012	Weekly	Monthly	Annual
US\$ 3.47 / pound		0.5	4.3	-15.6



The price of **zinc** fell 2.0 percent in **August** and registered a monthly average price of US\$ 0.82/pound.

Fears of a lower global demand for metals after the publication of negative indicators of activity in Japan and China and the accumulation of inventories in the London Metal Exchange accounted for the fall in the price of zinc.

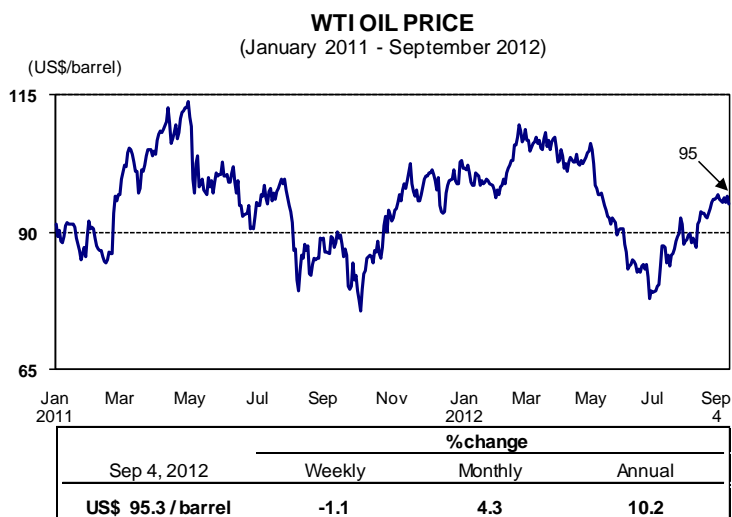
On **September 4**, the price of zinc was US\$ 0.84 per pound.



The price of **WTI oil** rose 7.1 percent in **August** and reached an average price of US\$ 94.1 per barrel.

The rise in the price of crude is explained by growing geopolitical concerns in the Middle East, by a higher-than-expected drop of crude and gasoline inventories in the United States, and by disruptions in the production of crude in the Gulf of Mexico due to hurricane Isaac.

On **September 4**, the price of WTI oil registered US\$ 95.3 per barrel.

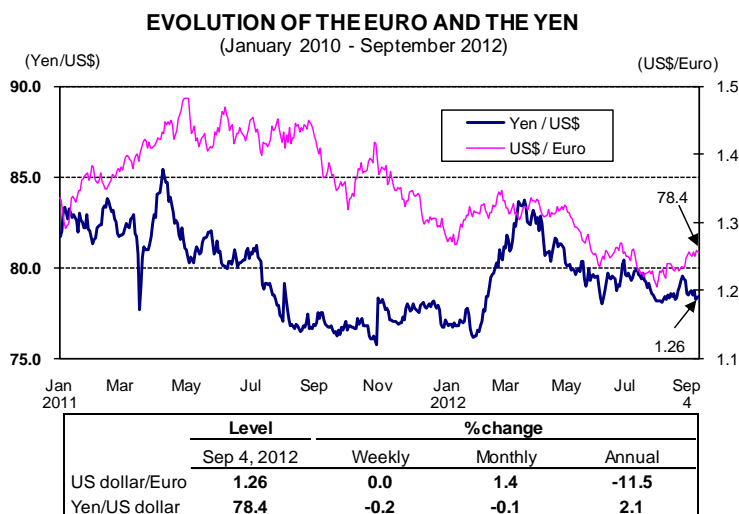


## US dollar depreciated on average against the euro

In **August**, the **dollar** depreciated 0.9 percent on average against the **euro**.

This depreciation of the dollar against the euro coincided with the release of the minutes of the Federal Reserve which raised the possibility of a third round of monetary stimulus measures.

The dollar depreciated 0.4 percent against the **yen**.



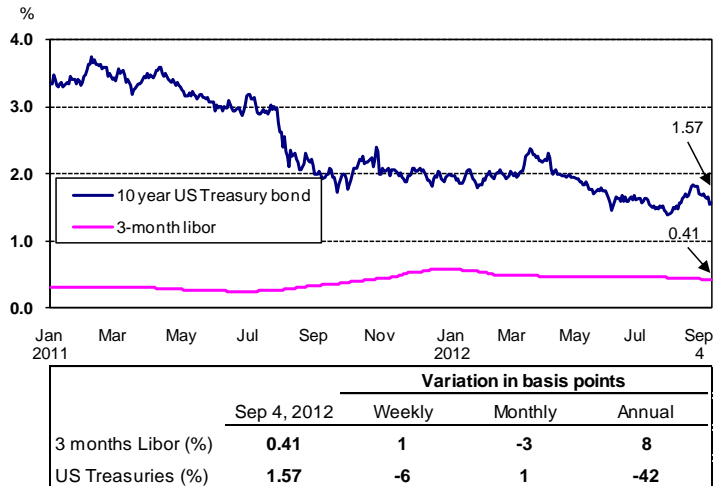
On **September 4**, the exchange rate was US\$ 1.26 per euro and 78.4 yen per US dollar.

**Average yield on 10-year US Treasuries in August: 1.67 percent**

In August, on average terms the **3-month Libor** declined 2 basis points to 0.43 percent, while the yield on the **10-year US Treasury bonds** rose 16 basis points to 1.67 percent.

The yield on the US Treasuries rose due to the lower demand for safe assets after the publication of mostly favorable economic data in the United States.

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



On **September 4**, the **3-month Libor** registered 0.41 percent and the yield on the **10-year US Treasury bonds** registered 1.57 percent.

**Accumulated profitability at the Lima Stock Exchange: 2.6 percent**

In **August**, the **General Index** and the **Selective Index** of the LSE grew 3.5 and 2.3 percent, respectively.

The positive results observed in the LSE during the month were associated with increased optimism in international markets and with the favorable evolution of the prices of precious metals.

So far this year, the indices of the LSE accumulate gains of 2.6 and 6.2 percent, respectively.

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

