








## Indicators

-  Corporate prime interest rate in soles at 5.05 percent
-  Interbank interest rate at 4.25 percent
-  Exchange rate: S/. 2.595 per US dollar
-  Inflation in Metropolitan Lima: 0,54 percent in September
-  Average country risk at 124 bps in September

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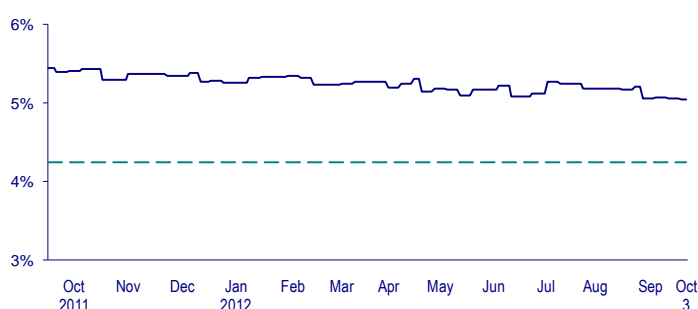
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## Corporate prime rate in nuevos soles at 5.05 percent

Between September 25 and October 3, 2012, the average **corporate prime interest rate** in domestic currency declined from 5.06 to 5.05 percent.

On the other hand, the average corporate interest rate in foreign currency kept to 2.72 percent in the same period.

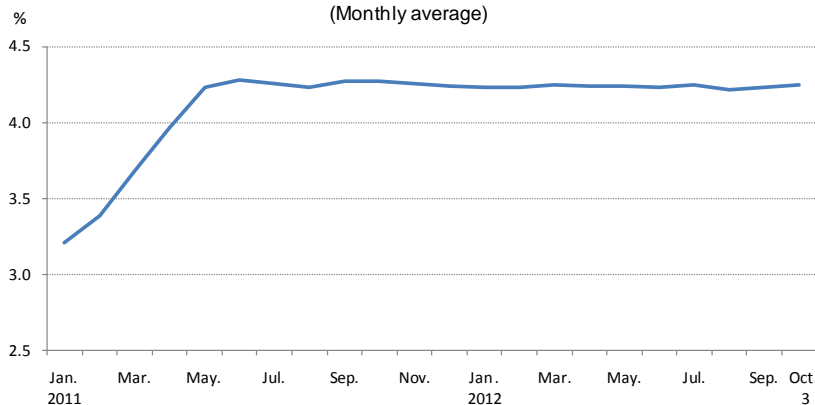
**INTEREST RATES IN DOMESTIC CURRENCY**  
(October 2011 - October 2012)



## Average interbank interest rate at 4.25 percent

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

**INTEREST RATE IN DOMESTIC CURRENCY**  
(Monthly average)



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	4.22%	0.03
September	4.23%	0.02
October 3	4.25%	0.00

## Monetary operations

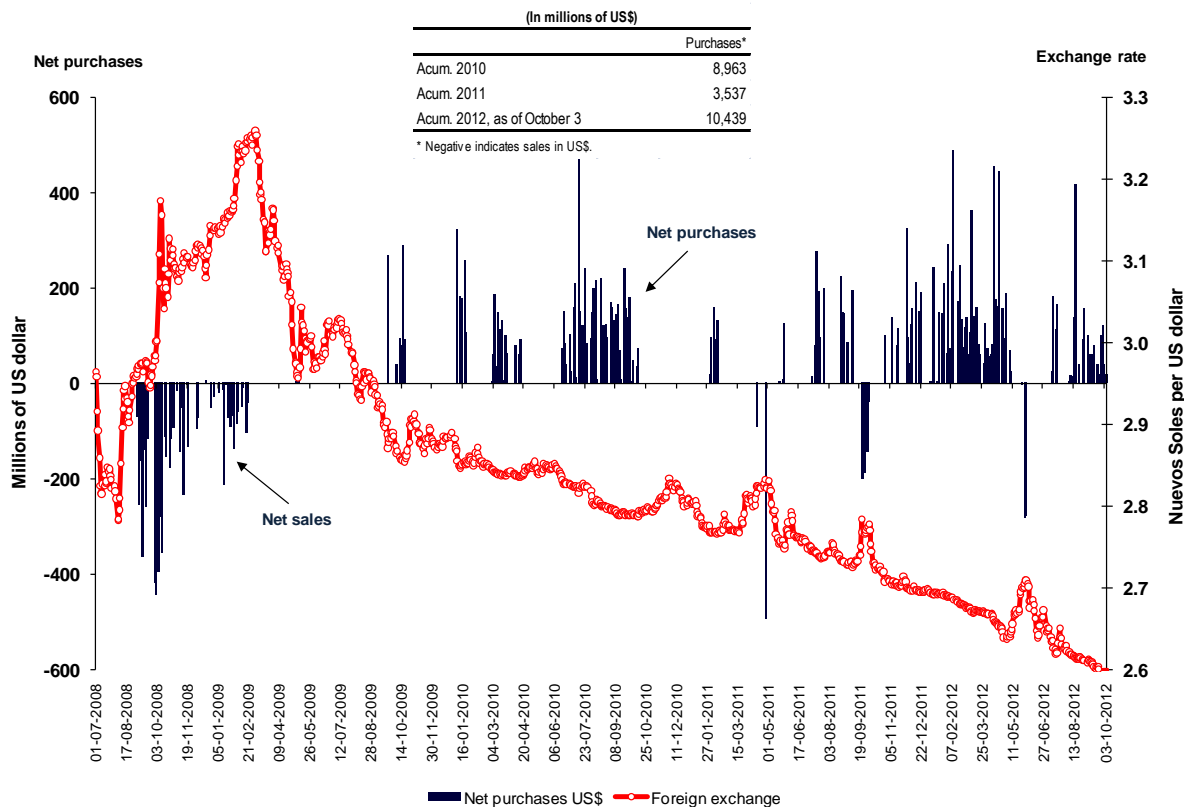
Between September 26 and October 3, the Central Bank made the following **monetary operations**: i) Auctions of 286 to 533 days BCRP Certificates of Deposit for a daily average of S/. 283 million. The average rate on these operations, which reached a balance of S/. 19.69 billion, was 3.96 percent; ii) auctions of 1 to 5-day term deposits in domestic currency for a total of S/. 6.36 billion at an average rate of 4.20 percent, reaching a balance of 5.77 billion; iii) purchases of foreign currency for a total of US\$ 280 million, and iv) overnight deposits in domestic currency for a total of S/. 732 million.



## Exchange rate: S/. 2.599 per dollar

Between September 25 and October 3, the average **selling price of the dollar** in the interbank market rose from S/. 2.596 to S/. 2.599 per dollar, which represented an depreciation of the nuevo sol of 0.09 percent. In this period, the Central Bank intervened in the foreign exchange market buying foreign currency for a total of US\$ 340 million.

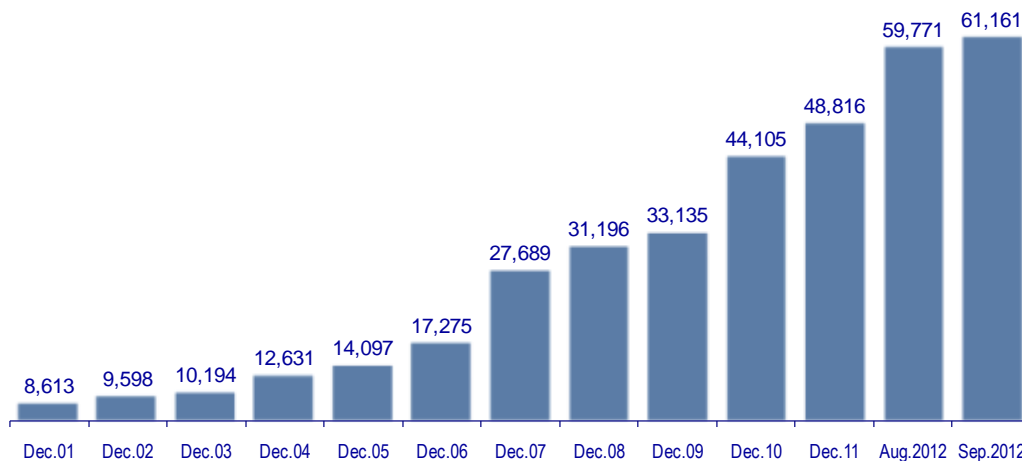
### EXCHANGE RATE AND NET DOLLAR PURCHASE



## Net international reserves at US\$ 61.16 billion

**Net international reserves** (NIRs) at the close of September 2012 amounted to US\$ 61.16 billion. This amount of reserves is higher by US\$ 1.39 billion than the one recorded at the close of August.

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



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The increase in NIRs registered in September is explained mainly by the Central Bank's net purchases of foreign currency (US\$ 1.22 billion), by the higher valuation of investments (US\$ 379 million), and by investment yield (US\$ 46 million). This increase was offset by the decline of deposits of both the public sector (US\$ 139 million) and banks (US\$ 4 million).

The **foreign exchange position** of the BCRP at the close of September was US\$ 43.08 billion. This amount is US\$ 1.58 billion higher than the one recorded at the close of August 2012.

## Inflation in Metropolitan Lima: 0.54 percent in September

Showing a higher variation than in August (0.51 percent), the consumer price index of Metropolitan Lima registered a variation of 0.54 percent in August. Moreover, the last 12-month variation was 3.74 percent.

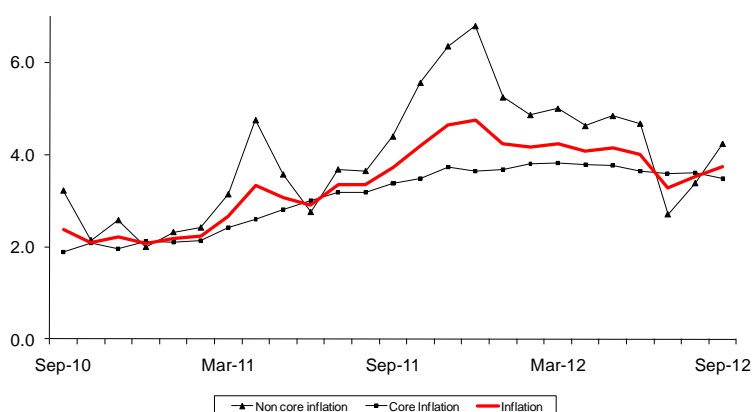
### INFLATION

(Accumulated percentage change)

	Weight 2009=100	Monthly		12-month indicator		
		Aug. 2012	Sep. 2012	Sep. 2011	Aug. 2012	Sep. 2012
<b>CPI</b>	<b>100.0</b>	<b>0.51</b>	<b>0.54</b>	<b>3.73</b>	<b>3.53</b>	<b>3.74</b>
<b>Core index</b>	<b>65.2</b>	<b>0.27</b>	<b>0.19</b>	<b>3.37</b>	<b>3.60</b>	<b>3.47</b>
Goods	32.9	0.27	0.19	2.80	2.94	2.80
Services	32.2	0.27	0.18	3.94	4.26	4.14
<b>Non core index</b>	<b>34.8</b>	<b>0.96</b>	<b>1.20</b>	<b>4.39</b>	<b>3.38</b>	<b>4.24</b>
Food	14.8	1.66	2.55	5.35	4.86	7.48
Fuel	2.8	0.41	1.65	9.20	1.00	1.68
Transporting	8.9	-0.06	0.03	3.29	3.15	2.23
Utilities	8.4	0.91	-0.40	1.97	1.67	1.13
<b>Note.-</b>						
Food and beverages	37.8	0.93	1.31	5.09	5.19	6.21
CPI non food and beverages	62.2	0.23	0.04	2.88	2.46	2.17
CPI non food and fuels	56.4	0.15	-0.04	2.38	2.44	2.14

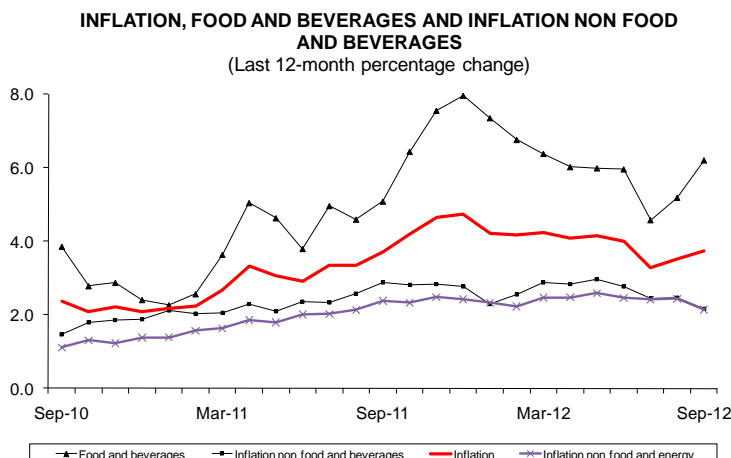
Source: INEI.

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



Core inflation showed a monthly rate of 0.19 percent and a rate of 3.47 percent in the last twelve months. Non-core inflation, on the other hand, recorded a monthly rate of 1.20 percent and a rate of 4.24 percent in the last twelve months.

Food and beverage inflation registered a monthly rate of 1.31 percent and a rate of 6.21 percent in the last twelve months, while inflation excluding food and beverages registered a monthly rate of 0.04 percent and a rate of 2.17 percent in the last twelve months. Furthermore, inflation without food and energy showed a monthly rate of -0.04 percent (2.14 percent in the last twelve months).



In September, three items contributed with 0.29 percentage points to increase inflation: potato (0.16 percentage points), fresh legumes (0.07 percentage points), and citrus fruits (0.06 percentage points). On the other hand, three items contributed with -0.07 percentage points to reduce the rate of inflation in the month: papaya (-0.03 percentage points) and telephone rate and domestic transportation (-0.02 percentage points, each one).

**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 September national inflation recorded a monthly rate of 0.48 percent and a yearly rate of 2.66 percent. Price rises in this month worth pointing out included the rise in the prices of fresh legumes like Criollo green peas (28.0 percent) and American green peas (22.9 percent), bean and green beans (13.1 percent, each one), and tubercules like yellow potato and (37.0 percent) and white potato (7.0 percent). As well as the increase of fuels for transports, gasoline (3.7 percent) and diesel (2.8 percent).

On the other hand, it is worth pointing the decline in the prices of telephone rates, long distance national (-2.0 percent) and residential (-1.9 percent), as well as the decline in residential electricity rates (-0.3 percent).

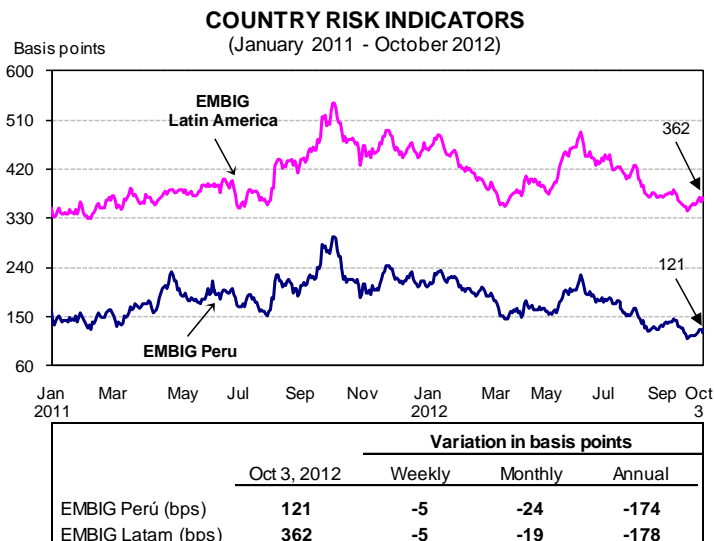
## International Markets

### Average country risk at 124 basis points in September

In **September**, the average country risk indicator, measured by the **EMBIG Peru** spread, fell from 133 to 124 basis points.

Likewise, the EMBIG Latin America spread fell 15 basis points as a result of lower global risk aversion due to monetary stimulus by the Federal Reserve (QE3), as well as measures announced by the European Central Bank.

On **October 3**, the **EMBIG Peru** spread registered 121 basis points.

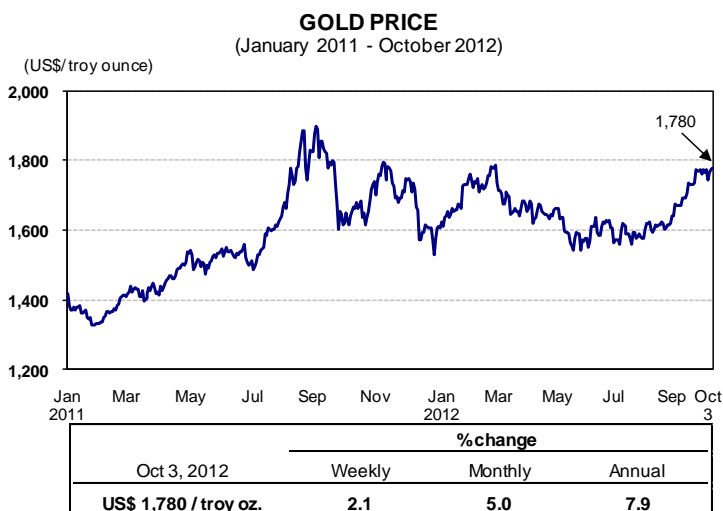


### Average price of gold at US\$ 1,745.3 per troy ounce in September

In **September**, the average price of **gold** rose 7.0 percent to US\$ 1,745.3 per troy ounce.

This upward trend was associated with the weakening of the dollar against the euro and the latest stimulus measures implemented by the Federal Reserve and the Bank of Japan, amid concerns of increased inflation in some countries.

On **October 3**, the price of gold was US\$ 1,779.6 per troy ounce.



The average price of **copper** fell 7.6 percent to US\$ 3.66 per pound in **September**.

The increase in the price of copper was associated with the reduction of inventories in the major stock exchange markets and by optimism about the measures recently announced of economic stimulus in China and in the United States to boost demand for metals.

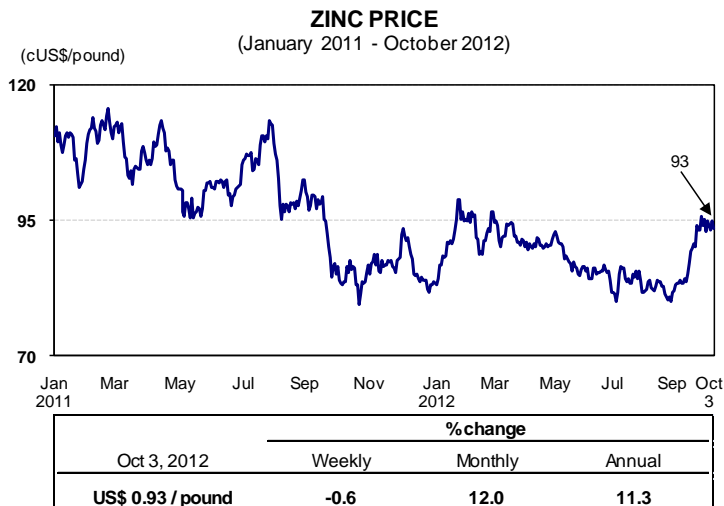
On **October 3**, the price of **copper** recorded US\$ 3.75 per pound.



The price of **zinc** rose 10.3 percent in **September** and registered a monthly average price of US\$ 0.91/pound.

Expectations about the higher demand due to the announcements of infrastructure stimulus measures in China and economic stimulus in Japan and in the United States, accounted for the rise in the price of zinc.

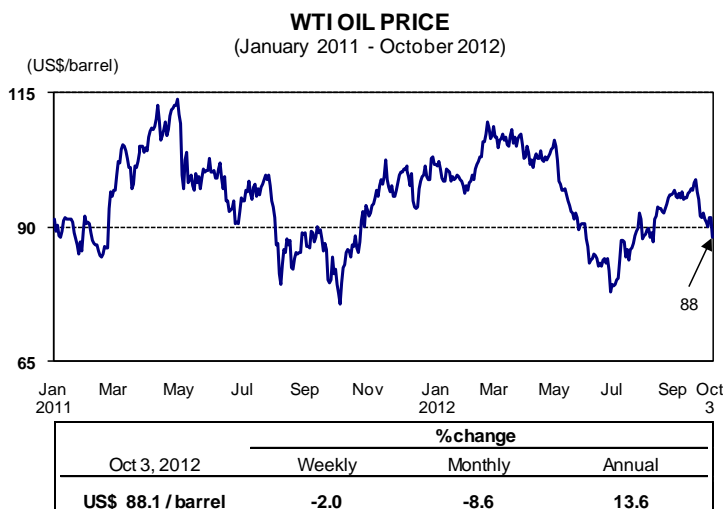
On **October 3**, the price of zinc was US\$ 0.93 per pound.



The price of **WTI oil** rose 0.5 percent in **September** and reached an average price of US\$ 94.6 per barrel.

The rise in the price of crude is mainly explained by geopolitical concerns in the Middle East. However this rise was offset by an unexpected increase in crude oil and gasoline inventories in the United States.

On **October 3**, the price of WTI oil registered US\$ 88.1 per barrel.

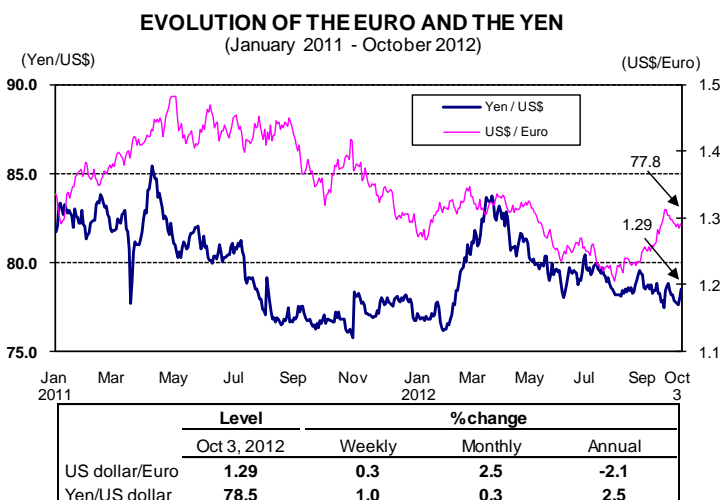


**US dollar depreciated on average against the euro in September**

In **September**, the **dollar** depreciated 3.8 percent on average against the **euro**.

This depreciation of the dollar against the euro was due to implementation of a new monetary stimulus by the Federal Reserve (QE3), as well as measures announced by the European Central Bank.

The dollar depreciated 0.6 percent against the **yen**.



On **October 3**, the exchange rate was US\$ 1.29 per euro and 78.5 yen per US dollar.



**Average yield on 10-year US Treasuries in September: 1.70 percent**

In September, on average terms the **3-month Libor** declined 5 basis points to 0.39 percent, while the yield on the **10-year US Treasury bonds** rose 3 basis points to 1.70 percent.

The yield on the US Treasuries rose during the month due to the announcement of new monetary stimulus from the Federal Reserve (QE3), in a context of relatively lower global risk aversion.

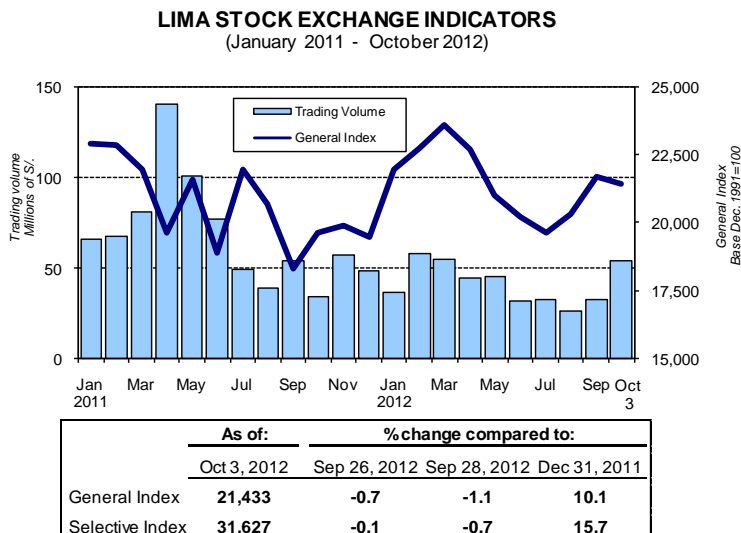


On **October 3**, the **3-month Libor** registered 0.35 percent and the yield on the **10-year US Treasury bonds** registered 1.62 percent.

**Accumulated profitability at the Lima Stock Exchange: 10.1 percent**

In **September**, the **General Index** and the **Selective Index** of the LSE grew 6.7 and 8.0 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 commodities.



So far this year, the indices of the LSE accumulate gains of 10.1 and 15.7 percent, respectively.



