



Indicators

-  Corporate prime interest rate in soles at 5.06 percent
-  Interbank interest rate at 4.25 percent
-  Exchange rate: S/. 2.587 per US dollar
-  Trade balance déficit in August: US\$ 52 millions
-  Country risk at 107 basis points

Content

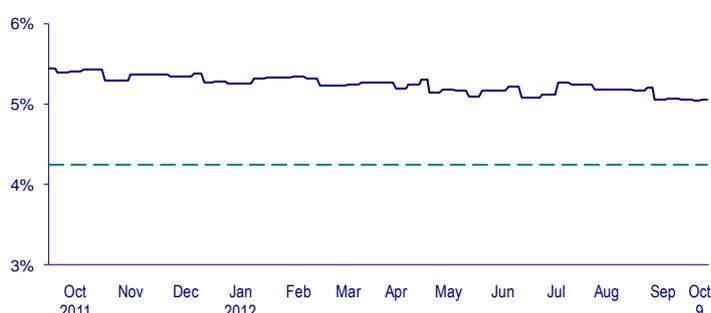
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Corporate prime rate in nuevos soles at 5.06 percent

Between October 3 and 9, 2012, the average **corporate prime rate** in domestic currency rose from 5.05 to 5.06 percent.

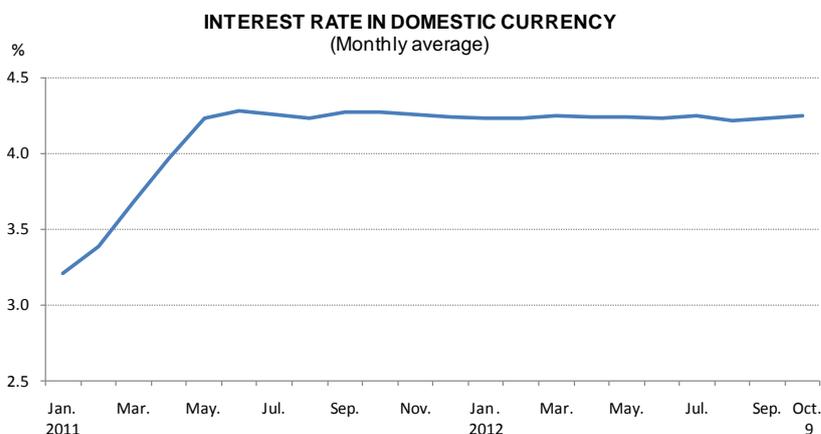
On the other hand, the average corporate interest rate in foreign currency kept at 2.2 percent in the same period.

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 9 was 4.25 percent.



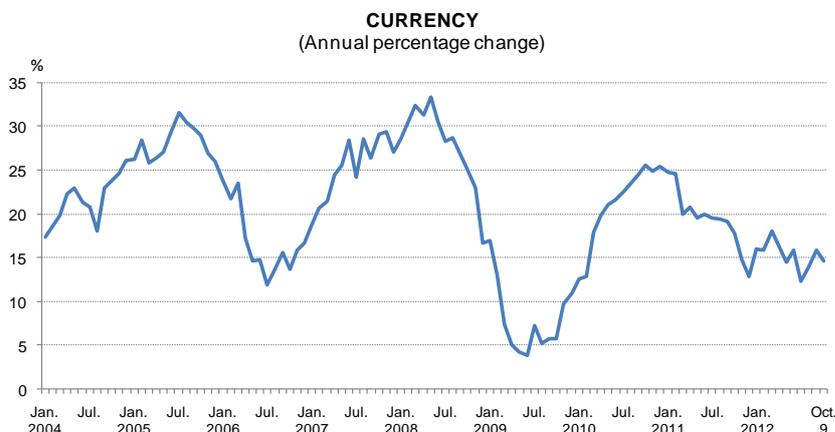
| <u>Average interbank rate</u> | | |
|-------------------------------|----------------|-------------|
| | <u>Average</u> | <u>S.D</u> |
| January 2011 | 3.21% | 0.10 |
| February | 3.37% | 0.13 |
| March | 3.68% | 0.12 |
| April | 3.97% | 0.10 |
| May | 4.23% | 0.15 |
| June | 4.28% | 0.05 |
| July | 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 9 | 4.25% | 0.00 |

Monetary operations

In October 4-9, the Central Bank made the following **monetary operations**: i) Auctions of 182 to 553-day BCRP Certificates of Deposit for a daily average of S/. 233 million. The average rate on these operations, which reached a balance of S/. 19.64 billion, was 3.93 percent; ii) auctions of 1 and 4-day term deposits in domestic currency for a total of S/. 2.0 billion at an average rate of 4.12 percent, reaching a balance of 3.0 billion, and iii) purchases of foreign currency for a total of US\$ 80 million.

Currency in circulation: S/. 28.30 billion at October 9

Between September 28 and October 9, **currency in circulation** increased by S/. 501 million to S/. 28.30 billion. Currency recorded a rate of growth of 14.6 percent in the last twelve months.



BCRP OPERATIONS

(Millions of nuevos soles)

| | BALANCE | | | FLOWS | |
|--|----------------|----------------|----------------|----------------|---------------------|
| | Dec 31, 2011 | Sep 30, 2012 | Oct 9, 2012 | 2012* | From 09/28 to 10/09 |
| I. NET INTERNATIONAL POSITION | 89,910 | 112,002 | 111,882 | 26,220 | 38 |
| (Millions of US\$)** | 33,300 | 43,078 | 43,198 | 9,898 | 14 |
| 1. Exchange Operations | | | | 9,255 | 140 |
| a. Over the counter operations | | | | 10,599 | 140 |
| b. Public Sector | | | | -1,353 | 0 |
| c. BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP) | | | | 0 | 0 |
| d. Other exchange operations | | | | 9 | 0 |
| 2. Rest | | | | 643 | -126 |
| II. NET DOMESTIC ASSET | -62,663 | -83,534 | -83,587 | -25,172 | 463 |
| 1. Monetary Sterilization | -30,592 | -45,666 | -47,076 | -16,468 | -918 |
| a. Certificates and Term deposits | -17,217 | -25,459 | -25,190 | -7,973 | 3,750 |
| BCRP Certificates of Deposit (CDBCRP) | -13,580 | -19,690 | -19,990 | -6,409 | -150 |
| BCRP Certificates of Deposit Variable in soles (CDV BCRP) | 0 | 0 | 0 | 0 | 0 |
| Readjustable CDBCRP (CDR BCRP) | 0 | 0 | 0 | 0 | 0 |
| BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP) | 0 | 0 | 0 | 0 | 0 |
| Term Deposits | -3,637 | -5,769 | -5,200 | -1,563 | 3,900 |
| b. Reserve requirements in Domestic Currency | -12,720 | -19,025 | -21,420 | -8,700 | -4,582 |
| c. Otras operaciones monetarias | -655 | -1,183 | -466 | 205 | -86 |
| 2. Fiscal Sterilization | -31,940 | -41,751 | -41,071 | -9,131 | 971 |
| 3. Other | -130 | 3,883 | 4,560 | 426 | 410 |
| III. CURRENCY ** (I+II) | 27,247 | 28,468 | 28,295 | 1,048 | 501 |
| (Monthly percentage change) | 9.2% | 1.0% | -0.6% | | |
| (Accumulated percentage change) | 12.9% | 4.5% | 3.8% | | |
| (YoY) | 12.9% | 15.8% | 14.6% | | |

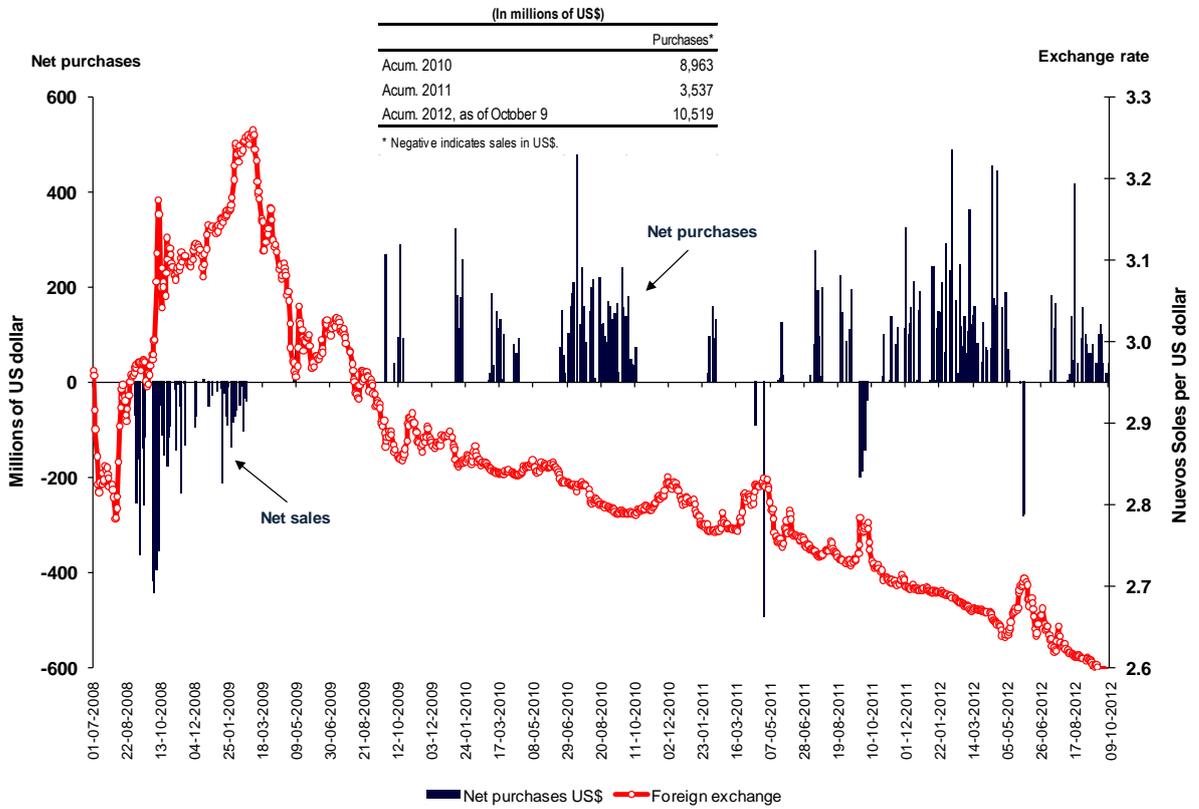
* As of October 9, 2012.

** Preliminary data.

Exchange rate: S/. 2.587 per dollar

Between October 3 and 9, the average **selling price of the dollar** in the interbank market fell from S/. 2.599 to S/. 2.587 per dollar, which represented an appreciation of the nuevo sol of 0.43 percent. In this period, the Central Bank intervened in the foreign exchange market buying foreign currency for a total of US\$ 100 million.

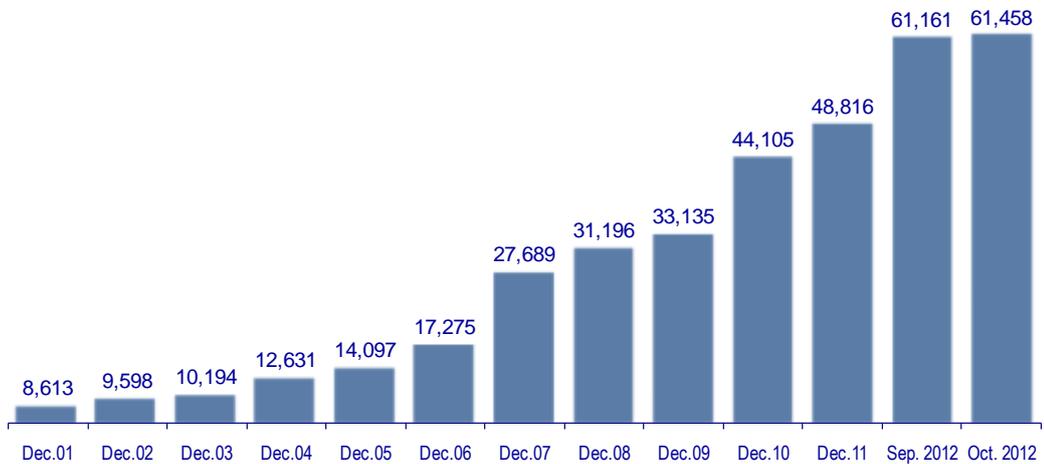
EXCHANGE RATE AND NET DOLLAR PURCHASE



Net international reserves at US\$ 61.46 billion

Net international reserves (NIRs) at October 9, 2012 amounted to US\$ 61.46 billion. This amount of reserves is higher by US\$ 298 million than the one recorded at the close of September 2012.

NET INTERNATIONAL RESERVES
(Millions of US\$)



* As of 9.

The increase registered in NIRs so far this month is explained mainly higher deposits of the public sector (US\$ 248 million), as well as higher banks' deposits (US\$ 27 million), and the Central Bank's net purchases of foreign currency (US\$ 100 million). This increase was offset by lower valuation of investments (US\$ 78 million).

The **foreign exchange position** of the BCRP at October 9 was US\$ 43.10 billion. This amount is US\$ 24 million higher than the one recorded at the close of September 2012.

Liquidity and credit to the private sector at September 15

In the last four weeks, **total credit to the private sector** grew 2.5 percent (S/. 4.11 billion). Credit in soles grew 2.0 percent (S/. 1.79 billion) while credit in dollars increased 3.2 percent (US\$ 840 million). With this, credit to the private sector accumulates a growth rate of 18.0 percent in the last 12 months.

On the other hand, **total liquidity** rose 0.9 percent (S/. 1.53 billion) in the same period, and accumulated a growth rate of 14.5 percent in the last 12 months. Liquidity in soles showed a variation of (up by S/. 1.32 billion) and liquidity in dollars grew 0.4 percent (up by US\$ 79 million).

Trade balance registered a deficit of US\$ 52 million in August

In August, the **trade balance** registered a deficit of US\$ 52 million. Exports, which amounted to US\$ 3.73 billion, were lower by US\$ 914 million than the ones recorded in the same month of the last year, while imports, which amounted to US\$ 3.78 billion, were higher by US\$ 323 million than in August 2011. With this balance, the trade balance in the period of January-August registers a surplus of US\$ 2.22 billion.

The value of **exports** in August 2012 declined 19.7 percent compared to August 2011. Moreover, the volume of exports dropped 10.3 percent, while average prices declined 10.5 percent. It should be pointed out that exports of gold dropped (13.1 percent), and that the volume of exports of copper (down by 17.4 percent) and crude oil and derivatives (down by 30.7 percent). However, this was in part offset by higher exports of zinc (29.7 percent) and non-traditional products (4.7 percent).

TRADE BALANCE
(Millions of US\$)

| | 2011 | 2012 | | August % Chg. | | January - August | | |
|--------------------------|--------------|--------------|--------------|-----------------|--------------|------------------|---------------|-------------|
| | Aug. | Jul. | Aug. | Previous months | 12 months | 2011 | 2012 | % Chg. |
| EXPORTS | 4,642 | 3,428 | 3,728 | 8.7 | -19.7 | 30,771 | 29,266 | -4.9 |
| Traditional products | 3,701 | 2,509 | 2,771 | 10.4 | -25.1 | 24,121 | 22,013 | -8.7 |
| Non-traditional products | 916 | 895 | 934 | 4.3 | 1.9 | 6,444 | 7,027 | 9.1 |
| Other | 24 | 23 | 23 | -0.7 | -5.6 | 207 | 226 | 9.4 |
| IMPORTS | 3,457 | 3,700 | 3,780 | 2.2 | 9.3 | 24,267 | 27,043 | 11.4 |
| Consumption goods | 651 | 714 | 750 | 5.0 | 15.1 | 4,166 | 5,241 | 25.8 |
| Raw materials | 1,745 | 1,770 | 1,786 | 0.9 | 2.3 | 12,118 | 12,699 | 4.8 |
| Capital goods | 1,033 | 1,195 | 1,230 | 2.9 | 19.0 | 7,727 | 8,943 | 15.7 |
| Other goods | 28 | 22 | 14 | -33.2 | -48.0 | 256 | 160 | -37.4 |
| TRADE BALANCE | 1,184 | -272 | -52 | | | 6,504 | 2,223 | |

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

On the other hand, **imports** in this month of August grew 9.3 percent compared to August 2011. The volume of imports grew 8.4 percent by increased purchases of most items, especially, capital and consumer goods. The average price of imports rose 0.9 percent, reflecting the increase registered in the prices of capital goods, inputs especially in foodstuffs and crude oil and derivatives, offset by lower prices of foods and industrial inputs.

The **terms of trade** declined 11.2 percent compared to August 2011 due to the lower prices of metals such as copper and zinc.

BCRP Survey on Macroeconomic Expectations: September 2012

According to the results of the Survey on Macroeconomic Expectations conducted in September, the level of inflation estimated by financial entities for 2012 remain within the 1-3 percent target range, while economic analysts and non financial firms placed it over. 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 | | |
|-------------------------------|-------------|---------|---------|
| | Jul. 31 | Aug. 31 | Sep. 30 |
| FINANCIAL ENTITIES 1/ | | | |
| 2012 | 3.1 | 3.0 | 3.0 |
| 2013 | 2.8 | 2.8 | 2.7 |
| 2014 | 2.5 | 2.5 | 2.5 |
| ECONOMIC ANALYSTS 2/ | | | |
| 2012 | 3.2 | 3.0 | 3.3 |
| 2013 | 2.5 | 2.8 | 2.8 |
| 2014 | 2.5 | 2.5 | 2.5 |
| NON FINANCIAL FIRMS 3/ | | | |
| 2012 | 3.2 | 3.2 | 3.2 |
| 2013 | 3.0 | 3.0 | 3.0 |
| 2014 | 3.0 | 3.0 | 3.0 |

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

2/ 22 analysts in July 2012, 23 in August, and 21 in September.

3/ Sample of firms of various economic sectors.

As regards the expected level of GDP growth, almost all the economic agents expect a growth rate of 6 percent in 2012 and in the next two years.

SURVEY OF MACROECONOMIC EXPECTATIONS: GDP (%)

| | Survey date | | |
|-------------------------------|-------------|---------|---------|
| | Jul. 31 | Aug. 31 | Sep. 30 |
| 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 | 5.7 | 5.8 | 6.1 |
| 2013 | 6.0 | 5.9 | 6.0 |
| 2014 | 6.0 | 6.0 | 6.0 |
| NON FINANCIAL FIRMS 3/ | | | |
| 2012 | 5.6 | 6.0 | 6.0 |
| 2013 | 6.0 | 6.0 | 6.0 |
| 2014 | 6.0 | 6.0 | 6.0 |

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

2/ 22 analysts in July 2012, 23 in August, and 21 in September.

3/ Sample of firms of various economic sectors.

In general, economic agents have revised down the exchange rate they expect for this year. This trend of the domestic currency will continue to be observed in 2013 and 2014.

SURVEY OF MACROECONOMIC EXPECTATIONS: EXCHANGE RATE*

| | Survey date | | |
|-------------------------------|-------------|---------|---------|
| | Jul. 31 | Aug. 31 | Sep. 30 |
| FINANCIAL ENTITIES 1/ | | | |
| 2012 | 2.61 | 2.60 | 2.59 |
| 2013 | 2.60 | 2.59 | 2.57 |
| 2014 | 2.60 | 2.58 | 2.55 |
| ECONOMIC ANALYSTS 2/ | | | |
| 2012 | 2.62 | 2.61 | 2.60 |
| 2013 | 2.61 | 2.60 | 2.57 |
| 2014 | 2.60 | 2.60 | 2.55 |
| NON FINANCIAL FIRMS 3/ | | | |
| 2012 | 2.65 | 2.62 | 2.60 |
| 2013 | 2.67 | 2.65 | 2.62 |
| 2014 | 2.70 | 2.67 | 2.65 |

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

2/ 22 analysts in July 2012, 23 in August, and 21 in September.

3/ Sample of firms of various economic sectors.

* Exchange rate at end of year.

International Markets

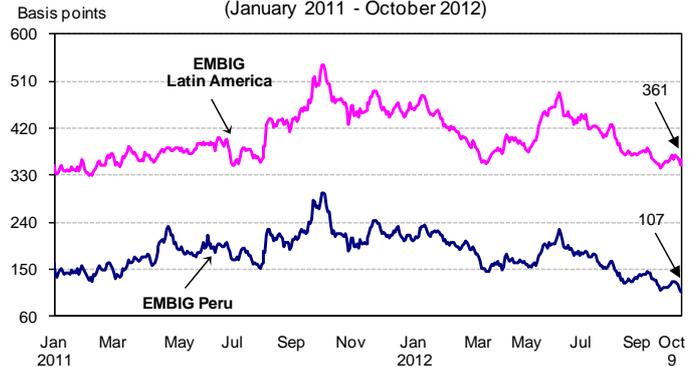
Country risk down at 107 basis points

In October 2-9, the country risk indicator, measured by the **EMBIG Peru** spread, fell from 124 to 107 basis points.

Likewise, the **EMBIG Latin America** spread fell 4 basis points as a result of relatively lower global risk aversion due to positive employment data in the United States.

COUNTRY RISK INDICATORS

(January 2011 - October 2012)



| | Variation in basis points | | | |
|-------------------|---------------------------|--------|---------|--------|
| | Oct 9, 2012 | Weekly | Monthly | Annual |
| EMBIG Perú (bps) | 107 | -17 | -24 | -154 |
| EMBIG Latam (bps) | 361 | -4 | 2 | -145 |

Price of gold fell to US\$ 1,764.4 per troy ounce

In the same period, the price of **gold** declined 0.8 percent to US\$ 1,764.4 per troy ounce.

The fall in the price of gold was due to the reduction of appeal of the metal as a haven-asset and investment by the appreciation of the dollar against the euro and the lower risk aversion in the markets.

GOLD PRICE

(January 2011 - October 2012)

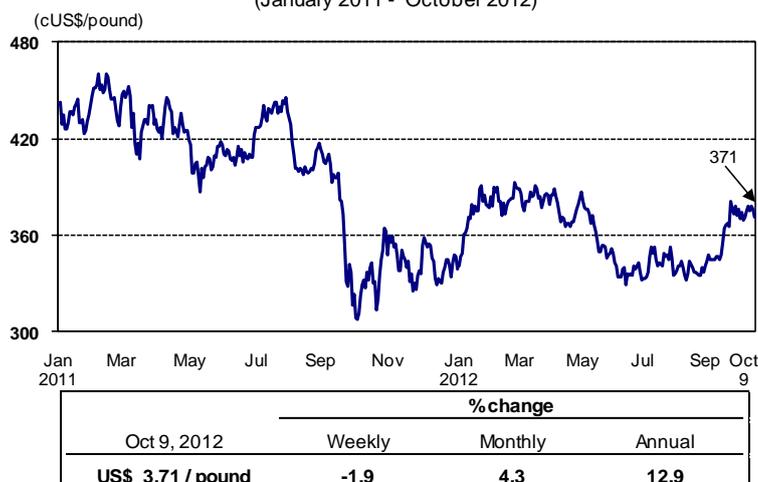


| | % change | | | |
|-----------------------|-------------|--------|---------|--------|
| | Oct 9, 2012 | Weekly | Monthly | Annual |
| US\$ 1,764 / troy oz. | -0.8 | 1.5 | 6.8 | |

Between October 2 and 9, the price of **copper** decreased 1.9 percent to US\$ 3.71 per pound.

The downward trend registered in the price of copper this week was associated with the low volume of transactions by the Chinese holiday and fears of slower global growth, especially in China, after the release of negative activity indicators data in this country.

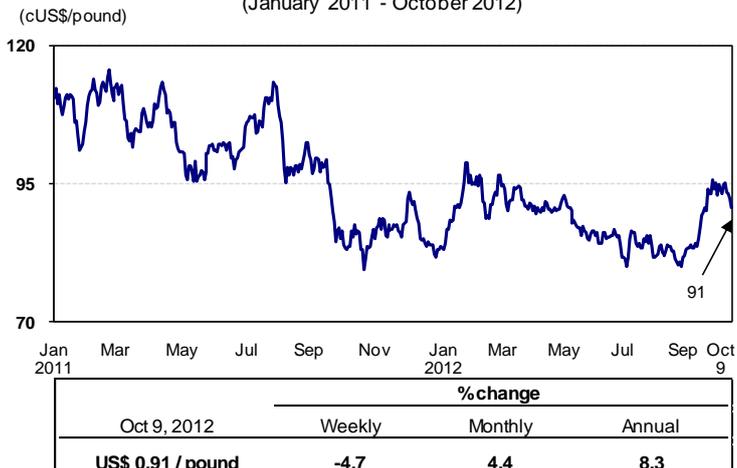
COPPER PRICE
(January 2011 - October 2012)



Between October 2 and 9, the price of **zinc** decreased 4.7 percent to US\$ 0.91/pound.

This fall in the price of zinc took place amidst an increase in zinc inventories in the London Metal Exchange and concerns about a slowdown in China, the world's biggest consumer of the metal.

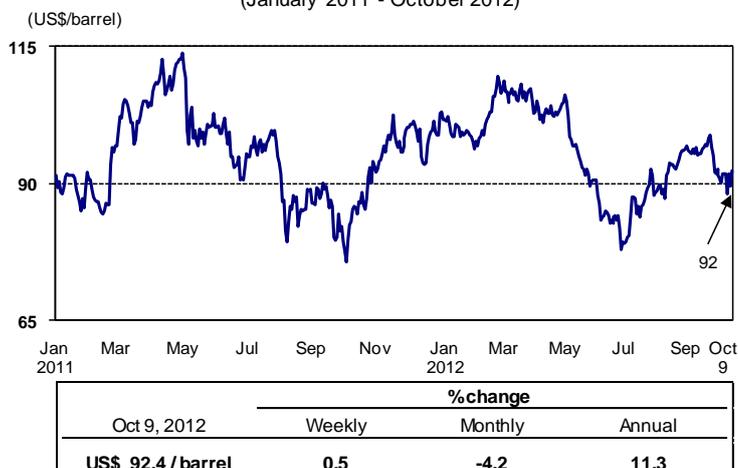
ZINC PRICE
(January 2011 - October 2012)



Between October 2 and 9, the price of **WTI oil** rose 0.5 percent to US\$ 92.4 per barrel.

The evolution of crude is explained by the fear of oil cut supplies to the increasing geopolitical tensions in the Middle East. The publication of unfavorable PMIs in Europe and China, partially offset this increase.

WTI OIL PRICE
(January 2011 - October 2012)



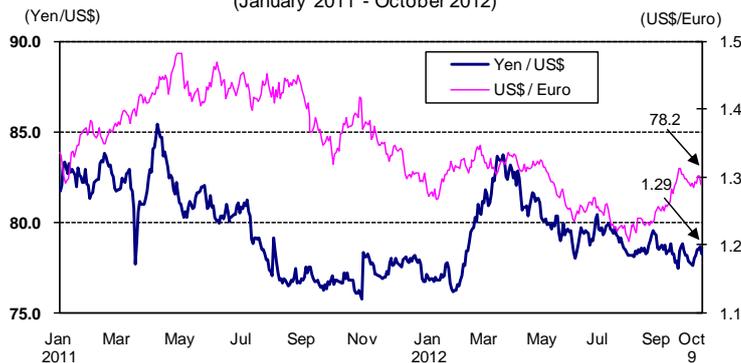
US dollar appreciated against the euro and yen

In October 2-9, the **dollar** appreciated 0.3 percent against the **euro**.

The dollar gained ground against the euro in a context of diffusion of some indicators of positive activity in the U.S. and given the uncertainty about the European debt crisis.

Also, the dollar appreciated 0.1 percent against the **yen**.

EVOLUTION OF THE EURO AND THE YEN
(January 2011 - October 2012)



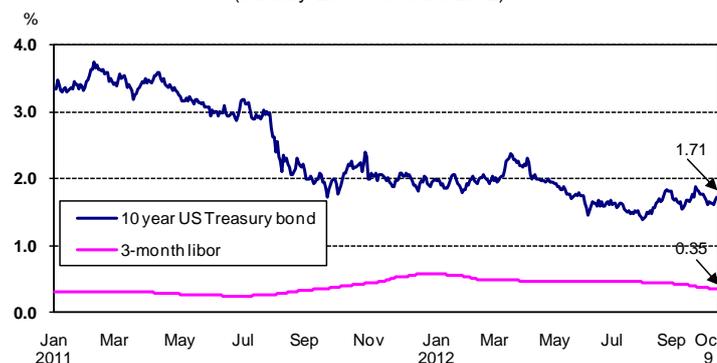
| | Level | | % change | | |
|----------------|-------------|--------|----------|--------|--|
| | Oct 9, 2012 | Weekly | Monthly | Annual | |
| US dollar/Euro | 1.29 | -0.3 | 0.5 | -3.7 | |
| Yen/US dollar | 78.2 | 0.1 | 0.0 | 2.0 | |

Yield on 10-year US Treasuries reached 1.71 percent

Between October 2 and 9, the **3-month Libor** kept to 0.36 percent, while the yield on the **10-year US Treasury bonds** raised 9 basis points to 1.71 percent.

The yield on the US Treasuries increased during the week due to positive indicators of employments in U.S., in a context of relatively lower global risk aversion.

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



| | Variation in basis points | | | |
|--------------------|---------------------------|--------|---------|--------|
| | Oct 9, 2012 | Weekly | Monthly | Annual |
| 3 months Libor (%) | 0.35 | 0 | -6 | -4 |
| US Treasuries (%) | 1.71 | 9 | 4 | -36 |

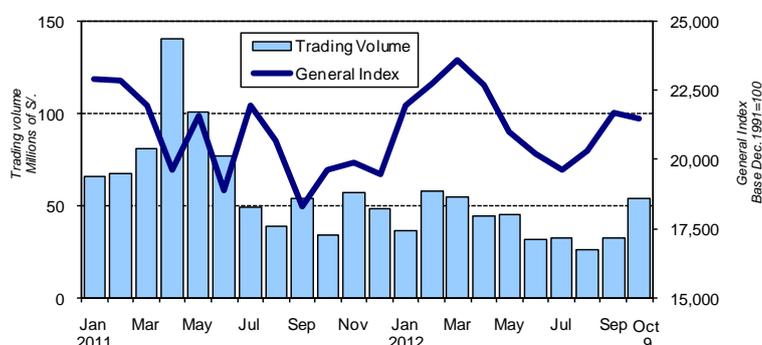
Accumulated profitability at the Lima Stock Exchange: 10.4 percent

During the week of analysis (October 2 and 9), the indices of the LSE had mixed results. While the **General Index** fell 0.8 percent, the **Selective** rose 0.1 percent.

This behavior of the LSE occurred in a context in which commodity prices fell and foreign markets had positive developments.

Year-to-date, the indices of the LSE accumulate gains of 10.4 and 16.6 percent, respectively.

LIMA STOCK EXCHANGE INDICATORS
(January 2011 - October 2012)



| | As of: | | % change compared to: | | |
|-----------------|-------------|-------------|-----------------------|--------------|--|
| | Oct 9, 2012 | Oct 2, 2012 | Sep 28, 2012 | Dec 31, 2011 | |
| General Index | 21,508 | -0.8 | -0.8 | 10.4 | |
| Selective Index | 31,862 | 0.1 | 0.1 | 16.6 | |

