



Indicators

- ➔ Corporate prime rate in soles remained at 5.10 percent
- ➔ Interbank interest rate in soles at 4.20 percent
- ➔ November 2012: Trade surplus of US\$ 147 million
- ➔ Exchange rate: S/. 2.548 per dollar
- ➔ Country risk at 108 basis points at January 8

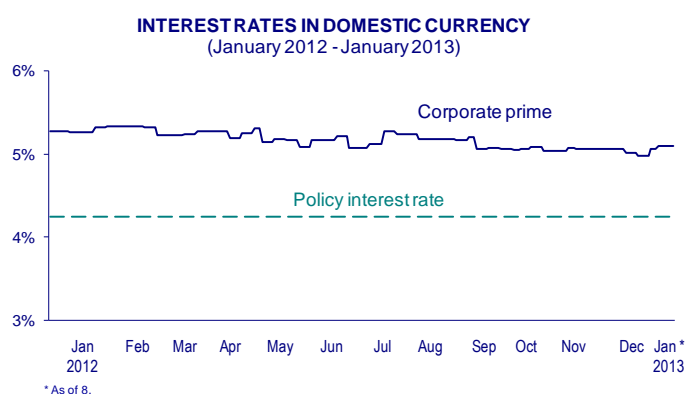
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Corporate prime rate in nuevos soles at 5.10 percent

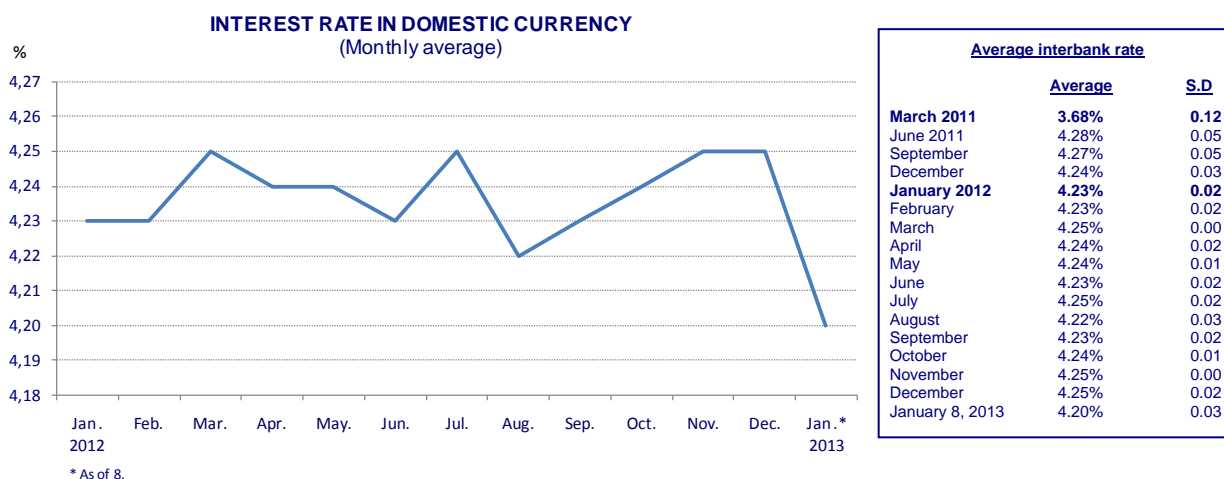
In the period of January 2 – 8, 2013, the average **corporate prime rate** in domestic currency remained at 5.10 percent.

On the other hand, the average corporate interest rate in foreign currency declined from 4.14 to 4.09 percent in the same period.



Average interbank interest rate at 4.20 percent

The average **interbank interest rate** in domestic currency at January 8, 2013, was 4.20 percent.

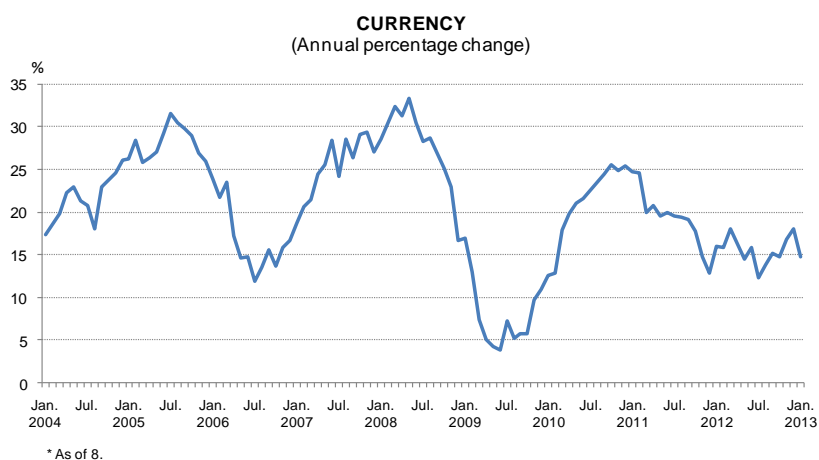


Monetary operations

In January 3 – 8, 2013, the Central Bank made the following **monetary operations**: i) Auctions of 182-day and 371-day BCRP Certificates of Deposit for a daily average of S/. 100 million. The average rate on these operations, which reached a balance of S/. 20.71 billion, was 3.85 percent; ii) auctions of 1-day and 3-day term deposits in domestic currency for a daily average of S/. 3.56 billion at an average rate of 4.02 percent, which reached a balance of S/. 6 billion, and iii) purchases of foreign currency for a total of US\$ 280 million.

Currency in circulation: S/. 30.98 billion at January 8, 2013

Between January 2 and 8, **currency in circulation** declined by S/. 1.18 billion to S/. 30.98 billion, recording a growth rate of 14.8 percent in the last 12 months.



BCRP OPERATIONS

(Millions of nuevos soles)

	BALANCE			FLOWS	
	Dec 31, 2011	Dec 31, 2012	Jan 8, 2013	Jan-13 *	From 1/2 to 1/8
I. NET INTERNATIONAL POSITION	89,910	117,461	118,089	626	626
(Millions of US\$)**	33,300	46,063	46,309	246	246
1. Exchange Operations				320	320
a. Over the counter operations				320	320
b. Public Sector				0	0
c. BCRP Certificate of Deposits Payable in Dollars (CDLD BCRP)				0	0
d. Other exchange operations				0	0
2. Rest				-74	-74
II. NET DOMESTIC ASSET	-62,663	-85,308	-87,114	-1,806	-1,806
1. Monetary Sterilization	-30,592	-51,658	-54,451	-2,793	-2,793
a. Certificates and Term deposits	-17,217	-30,053	-26,705	3,348	3,348
BCRP Certificates of Deposit (CDBCRP)	-13,580	-20,805	-20,705	100	100
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	-9,248	-6,000	3,248	3,248
b. Reserve requirements in Domestic Currency	-12,720	-20,581	-27,198	-6,616	-6,616
c. Otras operaciones monetarias	-655	-1,024	-549	476	476
2. Fiscal Sterilization	-31,940	-39,939	-39,190	749	749
3. Other	-130	6,289	6,526	238	238
III. CURRENCY ** (I+II)	27,247	32,154	30,975	-1,179	-1,179
(Monthly percentage change)	9.2%	10.3%	-3.7%		
(Acumulated percentage change)	12.9%	18.0%	-3.7%		
(YoY)	12.9%	18.0%	14.8%		

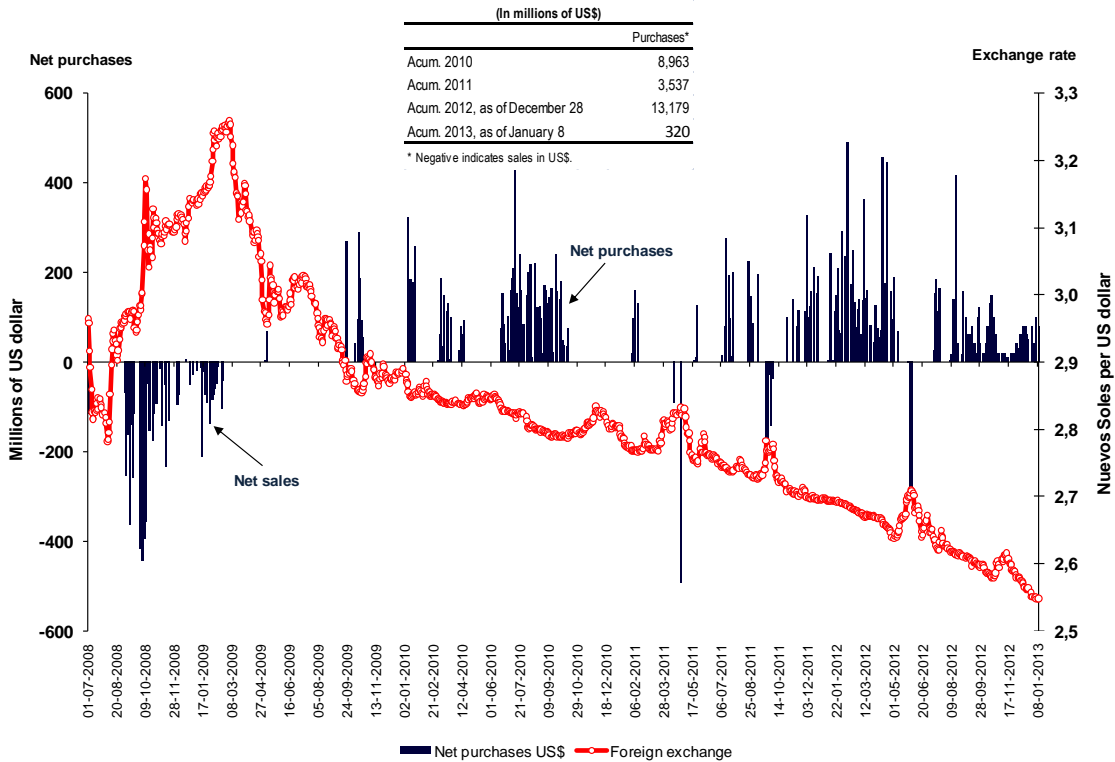
* As of January 8, 2012.

** Preliminary data.

Exchange rate: S/. 2.548 per US dollar

In January 2 - 8, the average **selling price of the dollar** in the interbank market fell from S/. 2.550 to S/. 2.548 per dollar, which represented an appreciation of the nuevo sol of 0.08 percent. In this period, the Central Bank intervened in the foreign exchange market buying foreign currency for a total of US\$ 320 million.

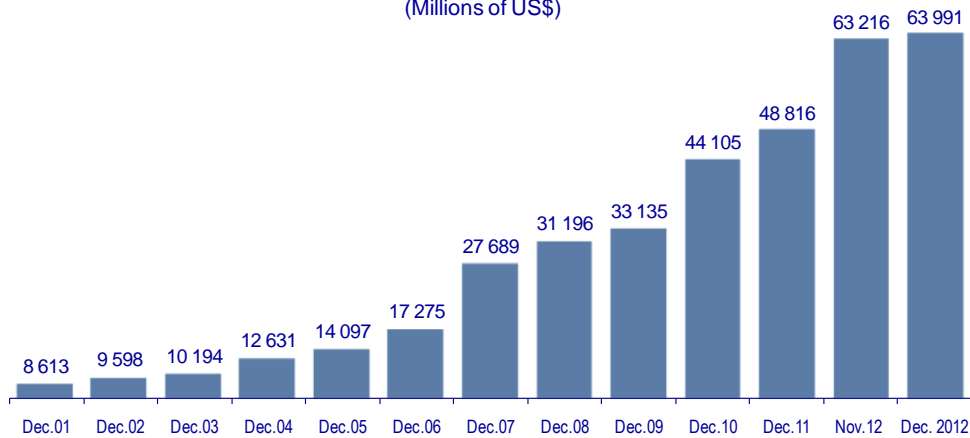
EXCHANGE RATE AND NET DOLLAR PURCHASE



Net international reserves at US\$ 63.99 billion

Net international reserves (NIRs) at December 31, 2012, amounted to US\$ 63.99 billion. This amount of reserves is US\$ 775 million higher than the one recorded at the end of November 2012 and US\$ 15.18 billion than the one recorded at end December 2011.

NET INTERNATIONAL RESERVES
(Millions of US\$)



This level of NIRs, which equivalent to 33.1 percent of GDP, 19 months of imports, and 5.6 times the short-term external debt, is higher than the level of reserves of other countries in the region.

The increase in NIRs in December is explained mainly by the Central Bank's net purchases of foreign currency (US\$ 990 million) and by investment yield (US\$ 56 million). This increase was in part offset by the decline registered in both banks' deposits (US\$ 162 million) and in public sector deposits (US\$ 18 million).

The **foreign exchange position** of the BCRP at December 31 was US\$ 46.06 billion. This amount is higher by US\$ 1.07 billion than the one recorded at the close of November 2012 and higher by US\$ 12.76 billion than the one recorded at end December 2011.

Liquidity and credit to the private sector at December 15, 2012

In the past four weeks, **total credit to the private sector** grew 2.0 percent (S/. 3.32 billion) and thus accumulated a growth rate of 17.3 percent in the last 12 months. By currencies, credit in soles grew 2.0 percent (S/. 1.89 billion), while credit in dollars grew 1.9 percent (US\$ 529 million).

Total liquidity grew 2.8 percent (S/. 4.75 billion) and thus accumulated an annual growth rate of 17.3 percent. By currencies, liquidity in soles grew 3.4 percent (S/. 3.88 billion), while liquidity in dollars grew 1.5 percent (US\$ 318 million).

Transfers through payment systems grew 15 percent in 2012

Between January and December 2012, the payment systems in the Peruvian financial system handled 1.2 million orders of fund transfers for an average monthly value of S/. 283 billion. It is worth highlighting that the amount of transfers in 2012 grew 15 percent compared to the number of transfers carried out in 2011. .

TRANSFERS IN THE PAYMENT SYSTEMS: 2012

(Millions of Nuevos Soles)

	Monthly average			
	January - November		January - December	
	Amount	% Chg.	Monto	% Chg.
RTGS System	261,185	14%	261,686	16%
Electronic Clearing House	17,903	7%	17,861	5%
Checks	13,857	1%	13,729	-1%
Transfers of credit	4,046	30%	4,132	29%
MSS System	3,059	17%	3,460	30%
TOTAL	282,148	14%	283,006	15%

High value fund transfers processed through the Real Time Gross Settlement System (RTGS) –the most important of the three payments systems– account for 92 percent of the total amount transferred through these payment systems in 2012. Moreover, the largest number of transactions (94 percent) was processed through the Electronic Clearing House or *Cámara de Compensación Electrónica* (CCE).

The payment systems include the Real Time Gross Settlement System (RTGS), administered by the Central Bank; the Multibank Security Settlement System –*Sistema de Liquidación Multibancaria de Valores* (SLMV)–, administered by Cavali, and the Electronic Clearing House – *Cámara de Compensación Electrónica* (CCE)– which is used for payments using checks and credit transfers.

The amount transferred through payment systems in 2012 is equivalent to 6.7 times the country's GDP and therefore reflects the systemic importance of payments systems in the Peruvian economy.

BCRP Survey on Macroeconomic Expectations: December 2012

The results of the BCRP Survey on Macroeconomic Expectations carried out in December show that economic analysts and financial entities expect lower inflation levels than in November: 2.5 percent and 2.6 percent, respectively. These expected levels of inflation are within the Central Bank's target range.

SURVEY OF MACROECONOMIC EXPECTATIONS: INFLATION (%)

	Survey date		
	Oct. 31	Nov. 30	Dec. 31
ECONOMIC ANALYSTS 1/			
2012	3.3	3.0	-
2013	2.8	2.6	2.5
2014	2.5	2.5	2.4
FINANCIAL ENTITIES 2/			
2012	3.2	3.0	-
2013	2.8	2.8	2.6
2014	2.5	2.5	2.5
NON FINANCIAL FIRMS 3/			
2012	3.3	3.2	-
2013	3.0	3.0	3.0
2014	3.0	3.0	3.0

^{1/} 21 analysts in October 2012, 21 in November, and 20 in December.

^{2/} 21 financial entities in October 2012, 20 in November, and 19 in December.

^{3/} Sample of firms of various economic sectors.

Moreover, economic analysts have raised their estimates of the GDP growth rate at end 2012 to 6.3 percent. In 2013, analysts and financial entities expect an average growth rate of 6.1 percent.

SURVEY OF MACROECONOMIC EXPECTATIONS: GDP (%)

	Survey date		
	Oct. 31	Nov. 30	Dec. 31
ECONOMIC ANALYSTS 1/			
2012	6.2	6.2	6.3
2013	6.0	6.0	6.1
2014	6.0	6.0	6.3
FINANCIAL ENTITIES 2/			
2012	6.1	6.2	6.2
2013	6.0	6.0	6.1
2014	6.0	6.0	6.0
NON FINANCIAL FIRMS 3/			
2012	6.0	6.0	6.0
2013	6.0	6.0	6.0
2014	6.0	6.0	6.0

^{1/} 21 analysts in October 2012, 21 in November, and 20 in December.

^{2/} 21 financial entities in October 2012, 20 in November, and 19 in December.

^{3/} Sample of firms of various economic sectors.

As regards the foreign exchange rate, reflecting the appreciation trend observed in the nuevo sol, all the economic agents estimate a lower foreign exchange rate at end 2013.

SURVEY OF MACROECONOMIC EXPECTATIONS: EXCHANGE RATE*

	Survey date		
	Oct. 31	Nov. 30	Dec. 31
ECONOMIC ANALYSTS 1/			
2012	2.58	2.58	-
2013	2.53	2.53	2.50
2014	2.50	2.50	2.50
FINANCIAL ENTITIES 2/			
2012	2.58	2.58	-
2013	2.55	2.55	2.51
2014	2.53	2.50	2.50
NON FINANCIAL FIRMS 3/			
2012	2.60	2.60	-
2013	2.60	2.60	2.55
2014	2.60	2.60	2.60

^{1/} 21 analysts in October 2012, 21 in November, and 20 in December.

^{2/} 21 financial entities in October 2012, 20 in November, and 19 in December.

^{3/} Sample of firms of various economic sectors.

* Exchange rate at end of year.

Trade balance: Surplus of US\$ 147 million in November

In November the **trade balance** registered a surplus of US\$ 147 million. This balance was US\$ 19 million lower than the one observed in November 2011 given that although exports grew 13.4 percent in terms of value, imports grew at a higher rate (14.8 percent), driven by increased purchases of consumer goods. In the period January-November 2012, the trade balance showed a surplus of US\$ 3.79 billion. This surplus is lower by US\$ 4.36 billion than the one registered in the same period of 2011.

TRADE BALANCE (Millions of US\$)

	2011	2012		% chg. November		January - November		
	Nov.	Oct.	Nov.	Previous month	12 months	2011	2012	% chg.
EXPORTS	3,299	3,864	3,741	-3.2	13.4	41,884	41,768	-0.3
Traditional products	2,341	2,884	2,738	-5.1	17.0	32,484	31,406	-3.3
Non-traditional products	935	949	973	2.6	4.1	9,128	10,049	10.1
Other	23	31	30	-2.3	28.5	271	313	15.5
IMPORTS	3,132	3,796	3,595	-5.3	14.8	33,733	37,979	12.6
Consumption goods	653	809	810	0.1	24.0	6,104	7,575	24.1
Raw materials	1,507	1,821	1,663	-8.6	10.4	16,605	17,883	7.7
Capital goods	958	1,120	1,099	-1.9	14.7	10,693	12,274	14.8
Other goods	14	47	23	-50.8	64.9	330	247	-25.1
TRADE BALANCE	166	67	147			8,151	3,789	

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

Exports in November 2012, which amounted to US\$ 3.74 billion, were higher by 13.4 percent (US\$ 442 million) than exports in November 2011. This result is mainly associated with the growth of exports in terms of volume (12.9 percent) since the average price of exports grew only 0.5 percent. On their side, **imports**, which amounted to US\$ 3.60 billion, were higher by 14.8 percent than imports in November 2011 reflecting increased volumes of imports of consumer durable goods, industrial inputs, and capital goods.

In November, the **terms of trade** increased 2.2 percent compared to the same month in 2011 due mainly to the higher prices of copper and lead.

International Markets

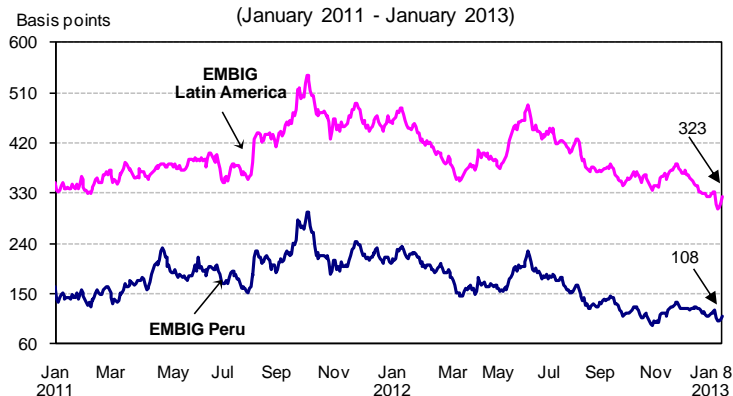
Country risk at 108 basis points

Between January 2 and 8, the country risk indicator, measured by the **EMBIG Peru** spread, rose from 105 to 108 basis points.

On the other hand, the EMBIG Latin America spread rose 12 basis points due to higher risk aversion associated with growing concerns regarding the forthcoming debate in the U.S. Congress on raising the U.S. debt ceiling as well as with signals that the Federal Reserve may withdraw its asset purchase program before than expected.

COUNTRY RISK INDICATORS

(January 2011 - January 2013)



	Variation in basis points			
	Jan 8, 2013	Weekly	Monthly	Annual
EMBIG Perú (bps)	108	3	-14	-103
EMBIG Latam (bps)	323	12	-19	-138

Price of gold fell to US\$ 1,655.0 per troy ounce

In the same period, the price of **gold** fell 2.1 percent to US\$ 1,655.0 per troy ounce.

This decline in the price of gold is explained by the strengthening of the dollar against the euro and by the possibility that the Federal Reserve will decide to terminate its asset purchase program before than expected.

GOLD PRICE

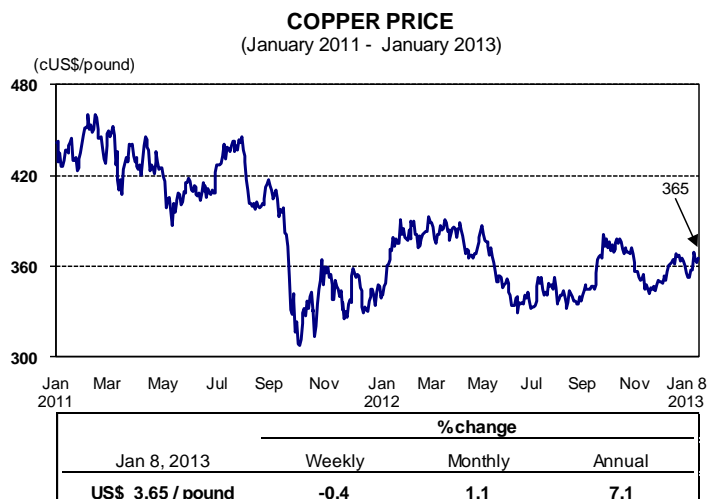
(January 2011 - January 2013)



	% change			
	Jan 8, 2013	Weekly	Monthly	Annual
US\$ 1,655.0 / troy oz.		-2.1	-2.8	2.0

In the period of January 2 - 8, the price of **copper** fell 0.4 percent to US\$ 3.65 per pound.

The decline in the price of this basic metal was due to the increase of inventories in the major global stock exchange markets and to the FED signals indicating that it might end its asset purchase program earlier than expected. However, this decline was offset by the improvement observed in China's growth outlook.



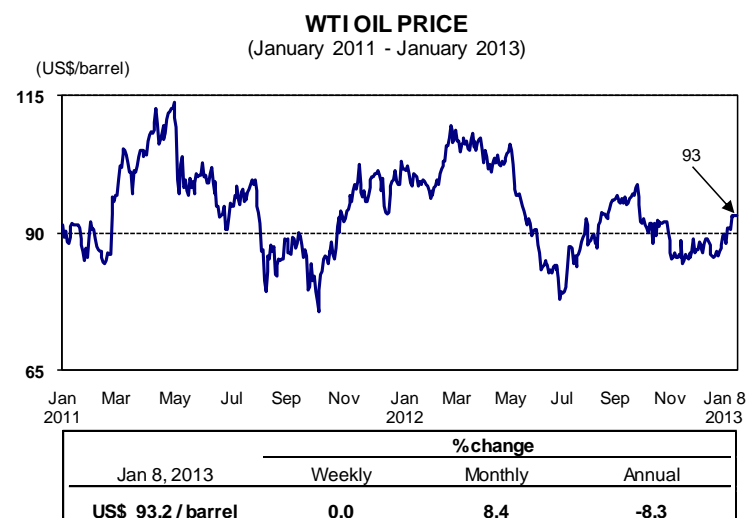
In the same period of analysis, the price of **zinc** dropped 5.3 percent to US\$ 0.90 per pound.

This price drop was influenced by the announcement made by some investment banks, such as Credit Suisse, about an increase in the primary supply of Latin America, Russia, Turkey, and China, as well as by the increase of inventories at the London Metal Exchange.



In the week of January 2 to 8, the price of **WTI oil** remained at US\$ 93.2 per barrel.

The rise of weekly inventories of crude in the United States and expectations of a higher demand generated by China's favorable indicators of activity in manufacturing and services offset the effect of the trend that the oil price showed during the week.



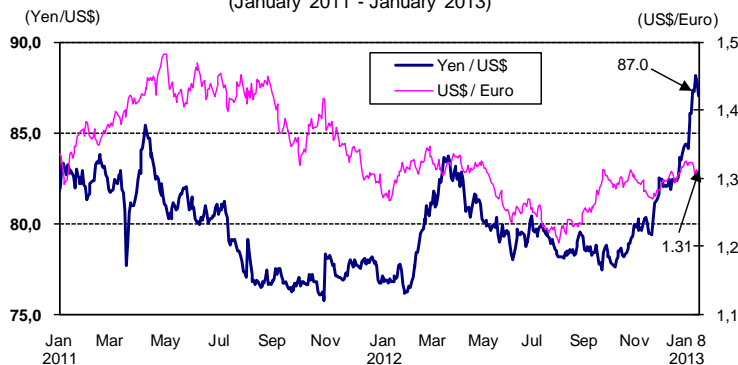
US dollar appreciated against the euro

Between January 2 and January 8, the **dollar** appreciated 0.8 percent against the **euro**.

Uncertainty associated with the debates over whether the U.S. Congress should raise the debt limit in the United States encouraged the demand for the dollar.

On the other hand, the dollar depreciated 0.4 percent against the **yen**.

EVOLUTION OF THE EURO AND THE YEN
(January 2011 - January 2013)



	Level	% change		
	Jan 8, 2013	Weekly	Monthly	Annual
US dollar/Euro	1.31	-0.8	1.2	2.8
Yen/US dollar	87.0	-0.4	5.5	13.1

Yield on 10-year US Treasuries rose to 1.87 percent

Between January 2 and 8, the **3-month Libor** remained at 0.31 percent, while the yield on the **10-year US Treasury bonds** rose 3 basis points to 1.87 percent.

The yield on the US Treasury bonds registered a slight rise during the week following the FED's signals of a possible withdrawal of its asset purchase program before than expected.

3-MONTH LIBOR AND 10-YEAR US TREASURIES
(January 2011 - January 2013)



	Variation in basis points			
	Jan 8, 2013	Weekly	Monthly	Annual
3 months Libor (%)	0.31	0	0	-28
US Treasuries (%)	1.87	3	25	-9

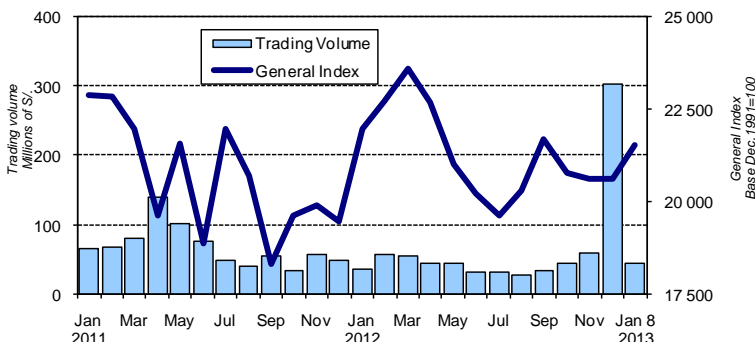
Accumulated profitability at the Lima Stock Exchange: 4.4 percent

In the week of January 2-8, the **General Index** and the **Selective Index** of the Lima Stock Exchange (LSE) rose 2.5 and 2.0 percent, respectively.

The increase in the Indices of the LSE was influenced by the positive performance of mining and industrial shares, favored by the growth of domestic demand.

So far this year (at January 8), the indices of the LSE register gains of 4.4 and 3.6 percent, respectively.

LIMA STOCK EXCHANGE INDICATORS
(January 2011 - January 2013)



	As of:	% change compared to:		
	Jan 8, 2013	Jan 2, 2013	Dec 31, 2012	Dec 31, 2011
General Index	21,545	2.5	4.4	10.6
Selective Index	32,130	2.0	3.6	17.5

