







Indicators

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International reserves amount to US\$ 66.51 billion

International reserves at October 29, 2013, total US\$ 66.51 billion. This amount of reserves is US\$ 2.52 billion higher than the amount of reserves recorded at end-2012.



Corporate prime rate in dollars at 1.23 percent

On October 29, the **corporate prime rate** –the interest rate commercial banks charge to lower risk businesses– in US dollars showed a daily average rate of 1.23 percent. On the other hand, the corporate prime rate in soles recorded a daily average rate of 4.68 percent.

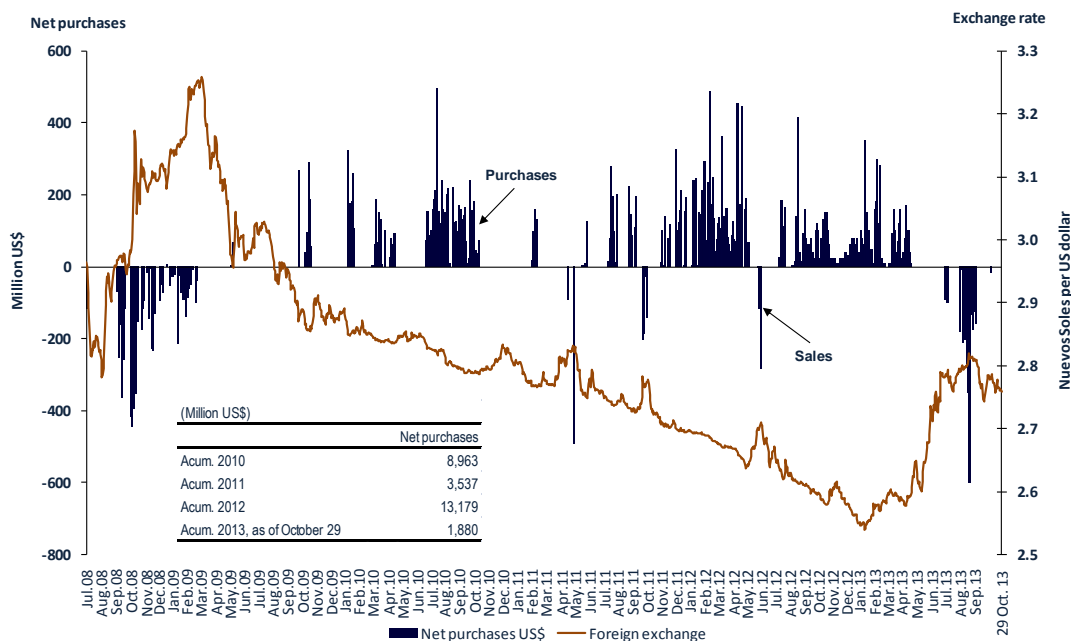
The corporate prime rate in soles is the closest in level to the rate of the Central Bank’s reference interest rate and tends to be the first to respond to the movements of and expectations about the monetary policy rate.

Exchange rate: S/. 2.76 per US dollar

On October 29, the average selling price of the dollar in the interbank market was S/. 2.76 per dollar.

Between 2012 and 2013, the Central Bank purchased foreign currency for a total of US\$ 19.07 billion and sold foreign currency for a total of US\$ 4.01 billion. In net terms, purchases of foreign currency are higher than sales by US\$ 15.06 billion.

EXCHANGE RATE AND NET DOLLAR PURCHASE



Monetary and exchange operations

Year-to-date (at October 29, 2013), the Central Bank has accumulated purchases of FC for a total of US\$ 5.21 billion and sales of FC for a total US\$ 3.33 billion, thus accumulating purchases of foreign currency for a net total of US\$ 1.88 billion. The Central Bank has also sold FC for a total of US\$ 3.80 billion to the public sector. The BCRP net internal assets have increased by S/. 6.74 billion, mainly as a result of net maturities of certificates of deposit (CDBCRP) and overnight deposits and changes in reserve requirements in domestic currency.

BCRP OPERATIONS

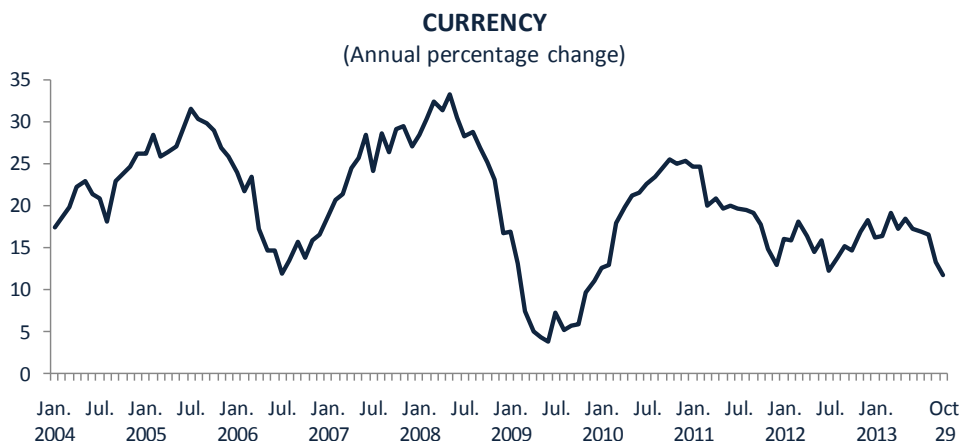
(Million S./.)

| | Balance | | | Flows | |
|--|----------------|----------------|----------------|---------------|-------------|
| | Dec 31, 2012 | Sep 30, 2013 | Oct 29, 2013 | 2013* | Oct-13* |
| I. NET INTERNATIONAL POSITION | 117,462 | 121,516 | 120,923 | -6,908 | 279 |
| (Million US\$) | 46,063 | 43,711 | 43,813 | -2,251 | 102 |
| 1. Exchange Operations | | | | -1,899 | -113 |
| a. Over the counter operations | | | | 1,880 | -15 |
| b. Public sector | | | | -3,798 | -100 |
| 2. Rest | | | | -351 | 215 |
| II. NET DOMESTIC ASSET | -85,217 | -89,270 | -88,852 | 6,735 | -454 |
| 1. Monetary Sterilization | -51,567 | -47,521 | -48,003 | 3,564 | -482 |
| a. Certificates and Term deposits | -30,053 | -27,847 | -28,968 | 1,084 | -1,121 |
| BCRP Certificates of Deposit (CDBCRP) | -20,805 | -20,913 | -20,713 | 92 | 200 |
| CDR BCRP | 0 | -2,284 | -295 | -295 | 1,989 |
| Term Deposits | -9,248 | -4,650 | -7,960 | 1,288 | -3,310 |
| b. Reserve requirements in Domestic Currency | -20,491 | -17,775 | -18,273 | 2,218 | -497 |
| c. Other monetary operations | -1,024 | -1,899 | -762 | 262 | 1,136 |
| 2. Fiscal Sterilization | -39,939 | -40,155 | -39,809 | 129 | 345 |
| 3. Other | 6,289 | -1,594 | -1,039 | 3,042 | -317 |
| III. CURRENCY ** | 32,244 | 32,246 | 32,072 | -173 | -175 |
| (Monthly percentage change) | 10.6% | -1.9% | -0.5% | | |
| (Accumulated percentage change) | 33.6% | 0.0% | -0.5% | | |
| (YoY) | 18.3% | 13.3% | 11.7% | | |

* As of October 29, 2013.

** Preliminary data.

Currency in circulation at October 29 showed a balance of S/. 32.07 billion and a growth rate of 11.7 percent in the last 12 months.



Credit to the private sector and liquidity at October 15

At October 15, **total credit to the private sector** has grown 1.3 percent (S/. 2.36 billion) in the last four weeks. By currencies, credit in soles has grown 2.2 percent (S/. 2.36 billion), while credit in dollars registers a nil percentage change (negative flow of US\$ 2 million). With this, total credit to the private sector shows an annual growth rate of 13.2 percent.

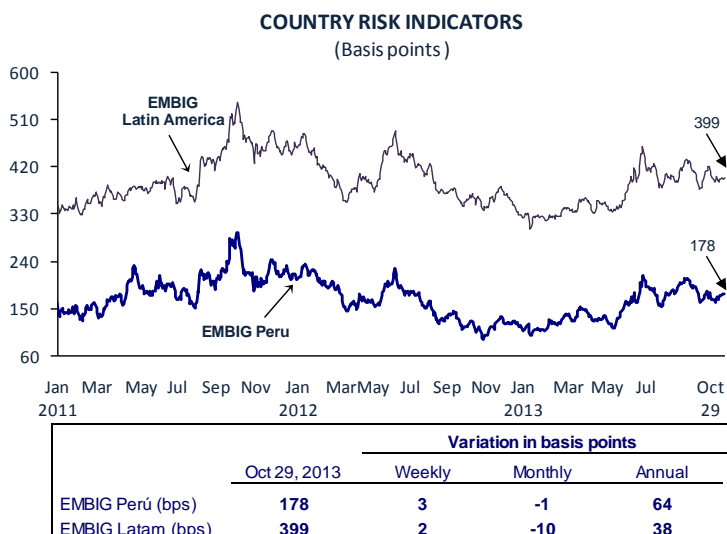
In the same period, **total liquidity in the private sector** decreased 0.9 percent (negative flow of S/. 1.69 billion) and thus registered an annual growth rate of 13.3 percent. By currencies, liquidity in soles declined 1.5 percent (negative flow of S/. 1.91 billion), while liquidity in dollars grew 0.4 percent (US\$ 87 million).

International Markets

Country risk at 178 basis points

In October 22-29, the country risk indicator, measured by the **EMBIG Peru** spread, rose from 175 to 178 basis points.

The EMBIG Latin America spread rose 2 basis points amid investors' expectations associated with the publication of economic data in the United States and with the following meeting of the Federal Reserve.



Price of gold rose to US\$ 1,349.3 per troy ounce

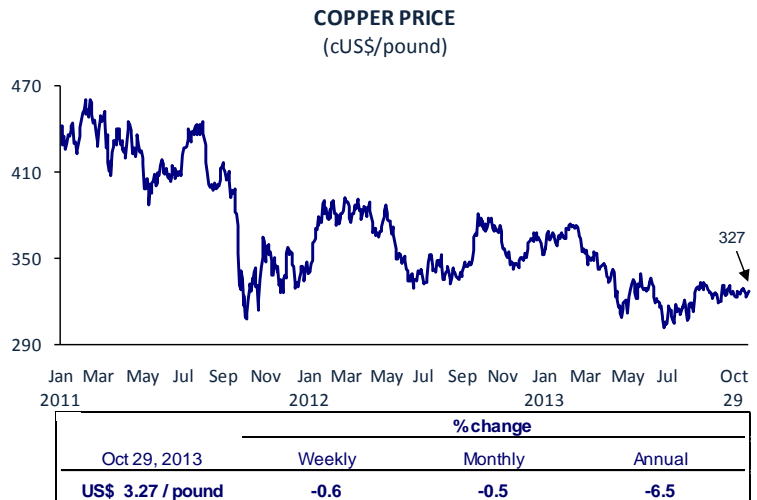
In the same period, the price of **gold** increased 1.2 percent to US\$ 1,349.3 per troy ounce.

The rise in the price of gold was influenced mainly by expectations that the Federal Reserve will not initiate the withdrawal of quantitative easing until 2014.



Between October 22 and 29, the price of **copper** fell 0.6 percent to US\$ 3.27 per pound.

The price of copper was affected by concerns of a lower demand associated with the slowdown of China's energy sector in Q4, as well as with the increase of inventories in this country. China's copper inventories have reached levels close to 3 months of production.



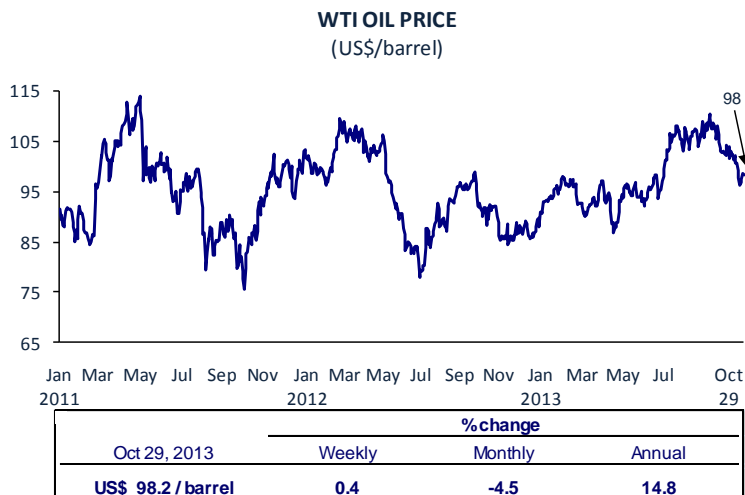
In the week of October 22 to 29, the price of **zinc** rose 0.5 percent to US\$ 0.88 per pound.

The price of zinc continued showing an upward trend associated with prospects of a lower future supply due to the closure of mines foreseen in the short- and medium-terms due to the end of their production cycle.



The price of **WTI crude oil** rose 0.4 percent to US\$ 98.2 per barrel in the week of October 22-29.

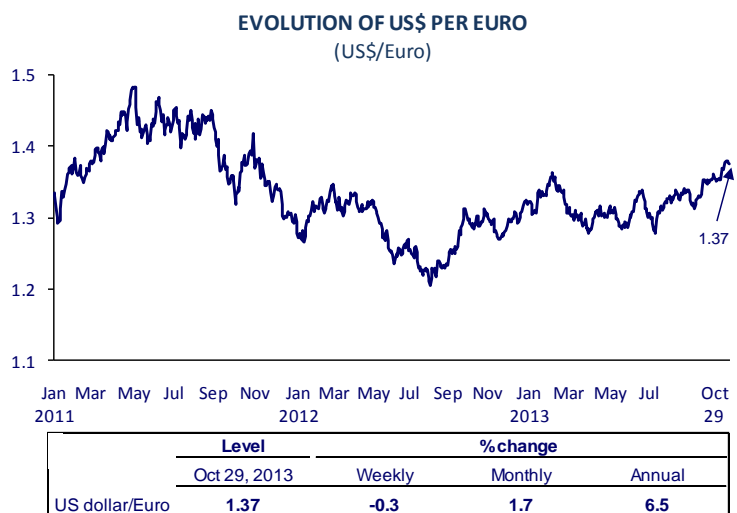
The price of crude rose influenced by concerns on the side of supply due to unplanned energy cuts and the closure of some refineries for maintenance. Lower geopolitical risks and the increase of crude inventories in the USA offset this price rise.



US dollar appreciated against the euro

Between October 22 and 29, the **dollar** appreciated 0.3 percent against the **euro**.

The dollar strengthened against the euro amid investors' expectations associated with the publication of economic data in the United States and with the following meeting of the Federal Reserve.



Yield on 10-year US Treasuries at 2.50 percent

Between October 22 and 29, the **3-month Libor** remained at 0.24 percent.

In the same period, the yield on the **10-year US Treasury bonds** fell 1 basis point to 2.50 percent amid expectations that the Federal Reserve will maintain monetary stimulus during the rest of the year.

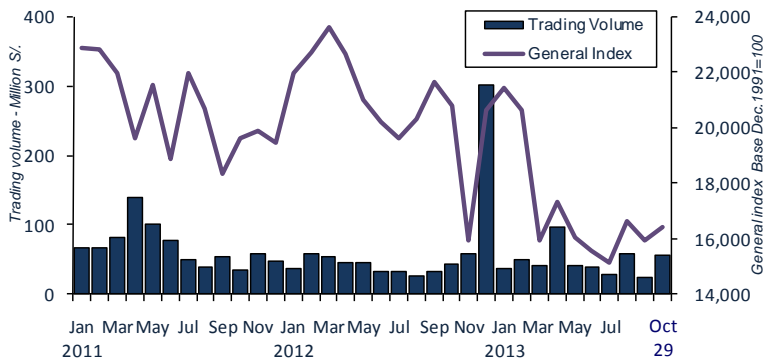


Lima Stock Exchange

So far this month, at October 29, the **General Index** of the Lima Stock Exchange (LSE) has increased 3.0 percent and the **Selective Index** of the LSE has increased 2.7 percent.

In the week of October 22-29, the General Index rose 0.7 percent and the Selective Index rose 0.3 percent due to expectations that the FED will maintain monetary stimulus and expectations of positive corporate financial balances in the United States.

LIMA STOCK EXCHANGE INDICATORS



| | As of: | | | |
|-----------------|---------------|--------------|--------------|--------------|
| | Oct 29, 2013 | Oct 22, 2013 | Sep 30, 2013 | Dec 31, 2012 |
| General Index | 16,394 | 0.7 | 3.0 | -20.5 |
| Selective Index | 23,916 | 0.3 | 2.7 | -22.9 |

Year-to-date, the indices of the LSE accumulate losses of 20.5 and 22.9 percent, respectively.

