








Indicators

	Corporate interest rate in dollars at 1.25 percent
	Inflation in October: 0.04 percent
	Trade surplus in September: US\$ 4 million
	Exchange rate at S/. 2.79 per US dollar
	Country risk at 176 basis points

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### Use of electronic payments increased 12 percent during January-September 2013

The monthly average of transfers made through electronic payment instruments in January-September 2013, which amounted to S/. 63.31 billion, has increased 12 percent compared to the same period of 2012.

Thus, the use of electronic payment instruments for retail transactions (credit cards, debit cards, credit transfers, and direct debits) continued to show a rising trend in the period of January-September 2013.

This trend is the result of the efficiency and safety advantages that are generally electronic payment instruments with respect to those carried out in cash.

This increase reflects mainly the increase observed in credit transfers which (11 percent), which account for 90 percent of total electronic payments. Moreover, the dynamism of transactions carried out through direct debits also stands out in this period with a growth rate of 31 percent compared to the same period of 2012.

#### INCREASE IN THE ELECTRONIC PAYMENTS

(%)

	Jan-Sep 13/ Jan-Sep 12
<b>Credit Transfers</b>	<b>11</b>
Processed at the Bank	9
Processed at the ECH	30
<b>Credit Cards</b>	<b>15</b>
<b>Debit Cards</b>	<b>20</b>
<b>Direct Debits</b>	<b>31</b>
<b>TOTAL</b>	<b>12</b>

## Corporate prime rate in dollars at 1.25 percent

On November 5, the **corporate prime rate** –the interest rate commercial banks charge to lower risk businesses– in US dollars showed a daily average rate of 1.25 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.

## Monetary and exchange operations

At November 5, 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\$ 3.85 billion to the public sector. The BCRP net internal assets have increased by S/. 7.45 billion.

### BCRP OPERATIONS

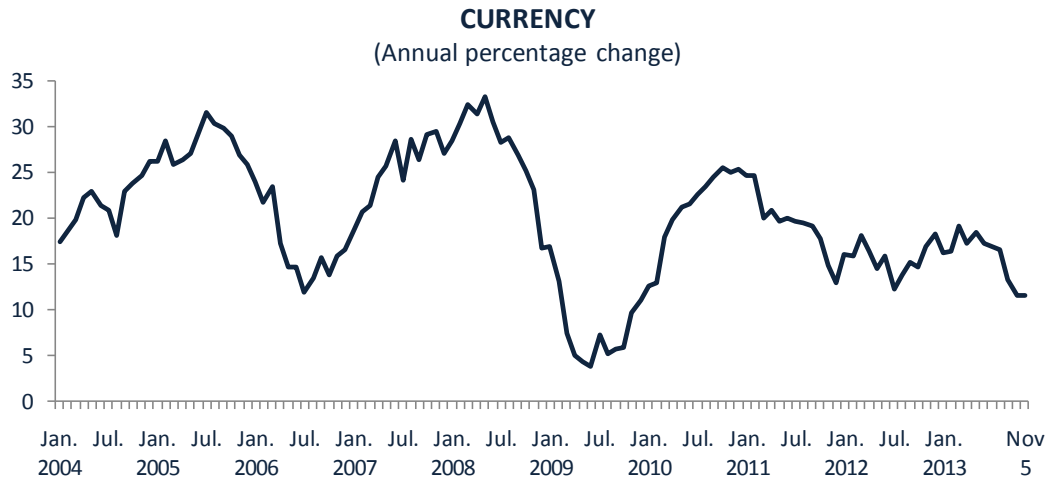
(Million S/.)

	Balance			Flows	
	Dec 31, 2012	Oct 31, 2013	Nov 5, 2013	2013*	Nov-13 *
<b>I. NET INTERNATIONAL POSITION</b>	<b>117,462</b>	<b>121,129</b>	<b>121,768</b>	<b>-7,376</b>	<b>-236</b>
(Million US\$)	46,063	43,729	43,644	-2,419	-85
1. Exchange Operations				-1,949	0
a. Over the counter operations				1,880	0
b. Public sector				-3,848	0
2. Rest				-470	-85
<b>II. NET DOMESTIC ASSET</b>	<b>-85,217</b>	<b>-88,771</b>	<b>-89,450</b>	<b>7,449</b>	<b>195</b>
1. Monetary Sterilization	-51,567	-48,214	-48,665	2,902	-451
a. Certificates and Term deposits	-30,053	-26,910	-22,038	8,015	4,872
BCRP Certificates of Deposit (CDBCRP)	-20,805	-20,913	-20,963	-158	-50
CDV BCRP	0	0	0	0	0
CDR BCRP	0	-505	-1,075	-1,075	-570
CDLD BCRP	0	0	0	0	0
Term Deposits	-9,248	-5,492	0	9,248	5,492
b. Reserve requirements in Domestic Currency	-20,491	-20,313	-25,395	-4,904	-5,082
c. Other monetary operations	-1,024	-990	-1,232	-208	-242
2. Fiscal Sterilization	-39,939	-39,186	-38,822	1,117	365
3. Other	6,289	-1,371	-1,964	3,430	282
<b>III. CURRENCY **</b>	<b>32,244</b>	<b>32,358</b>	<b>32,318</b>	<b>73</b>	<b>-41</b>
(Monthly percentage change)	10.6%	0.7%	-0.1%		
(Accumulated percentage change)	33.6%	0.4%	0.2%		
(YoY)	18.3%	11.5%	11.5%		

\* As of November 5, 2013.

\*\* Preliminary data.

**Currency in circulation** at November 5 showed a balance of S/. 32.32 billion and a growth rate of 11.5 percent in the last 12 months.

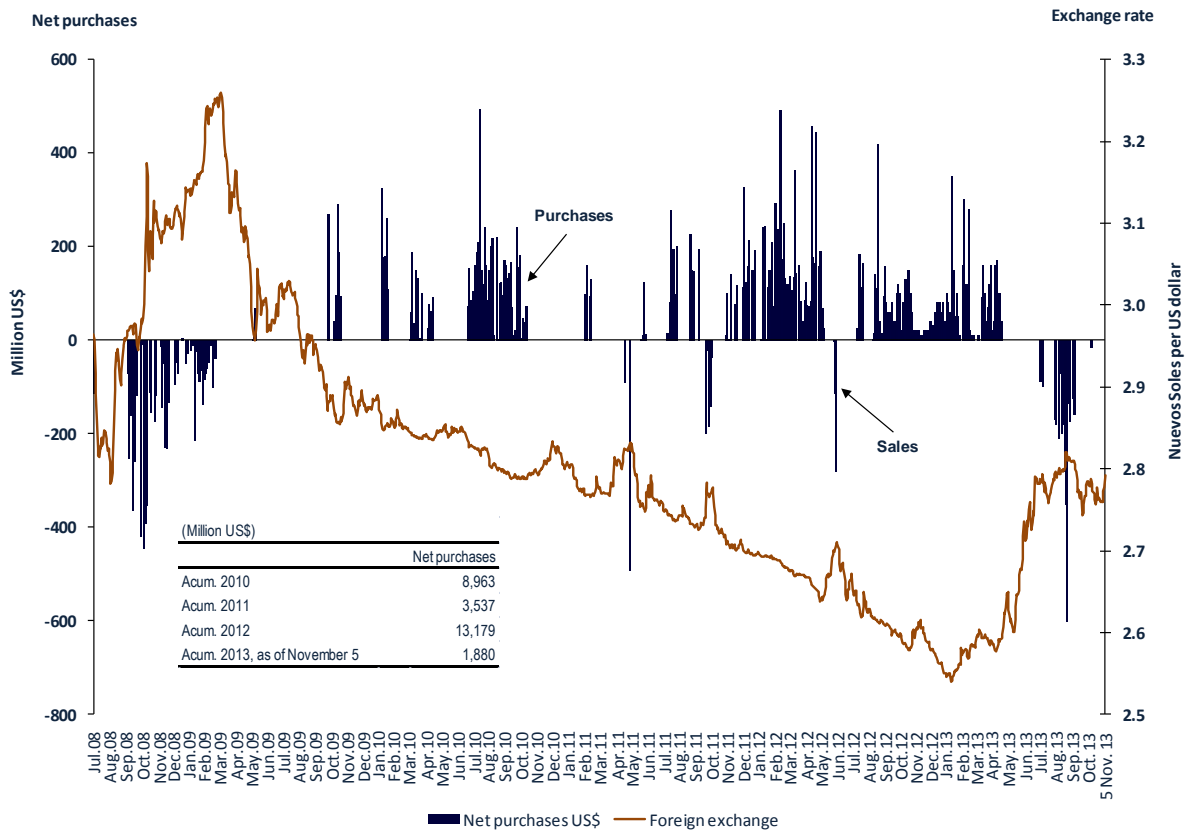


**Exchange rate: S/. 2.79 per US dollar**

On November 5, the average selling price of the dollar in the interbank market was S/. 2.79 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\$ 4.00 billion. In net terms, purchases of foreign currency are higher than sales by US\$ 15.06 billion.

**EXCHANGE RATE AND NET DOLLAR PURCHASE**



## International reserves amount to US\$ 66.50 billion

**International reserves** at November 5, 2013, amounted to US\$ 66.50 billion. This amount of reserves is US\$ 2.50 billion higher than the amount of reserves recorded at end-2012.



## Inflation in Metropolitan Lima: 0.04 percent in October

Showing a lower variation than in September (0.11 percent), the consumer price index in Metropolitan Lima registered a variation of 0.04 percent in October and thus registered a variation of 3.04 in the last 12 months. In the same period, core inflation recorded a rate of 3.69 percent, while inflation without food and energy showed an annual variation of 2.76 percent.

**INFLATION**  
(Annual percentage change)

	Weight 2009=100	Monthly		12-month indicator		
		Sep. 2013	Oct. 2013	Oct. 2012	Sep. 2013	Oct. 2013
<b>CPI</b>	<b>100.0</b>	<b>0.11</b>	<b>0.04</b>	<b>3.25</b>	<b>2.83</b>	<b>3.04</b>
<b>CPI without food and energy</b>	<b>56.4</b>	<b>0.08</b>	<b>0.13</b>	<b>1.99</b>	<b>2.58</b>	<b>2.76</b>
<b>Core inflation</b>	<b>65.2</b>	<b>0.22</b>	<b>0.23</b>	<b>3.32</b>	<b>3.60</b>	<b>3.69</b>
Goods	32.9	0.24	0.21	2.72	3.02	3.03
Services	32.2	0.20	0.24	3.92	4.16	4.35
<b>Non core inflation</b>	<b>34.8</b>	<b>-0.10</b>	<b>-0.32</b>	<b>3.11</b>	<b>1.43</b>	<b>1.83</b>
Food	14.8	-0.53	-0.46	5.22	-0.17	0.83
Fuel	2.8	1.21	-1.58	1.41	3.67	2.08
Transporting	8.9	0.06	0.10	2.16	3.24	3.31
Utilities	8.4	0.05	0.02	0.68	1.84	2.10

Three items contributed with 0.26 percentage points to increase inflation in October: fish (0.16 percentage points), meals outside of the home (0.06 percentage points), and tomatoes (0.04 percentage points). On the other hand, three items contributed with -0.28 percentage points to reduce the inflation rate: chicken meat (-0.16 percentage points), potatoes (-0.07 percentage points), and gasoline and lubricants (-0.05 percentage points).

## National inflation rate

In October inflation at the national level registered a rate of 0.05 percent (3.01 percent in the last 12 months). Price rises worth pointing out included the rise in the prices of bonito, mackerel, Italian tomatoes, meals outside the home, and quinoa. The impact of these increases was offset by the lower prices of eviscerated chicken, white potatoes, gasoline, eggs, and lemons.

## BCRP Survey on Macroeconomic Expectations – October 2013

The results of the BCRP Survey on Macroeconomic Expectations carried out in October show that the rate of inflation expected for 2013 and for the next two years remains within the Central Bank's target range.

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

	Survey date		
	Aug.31	Sep.30	Oct.31
<b>ECONOMIC ANALYSTS 1/</b>			
2013	2.7	3.0	3.0
2014	2.5	2.5	2.6
2015	2.4	2.5	2.5
<b>FINANCIAL ENTITIES 2/</b>			
2013	2.8	3.0	2.9
2014	2.5	2.7	2.6
2015	2.5	2.6	2.5
<b>NON-FINANCIAL FIRMS 3/</b>			
2013	3.0	3.0	3.0
2014	3.0	3.0	3.0
2015	3.0	3.0	3.0

<sup>1/</sup> 21 analysts in August, 18 in September, and 19 in October} 2013.

<sup>2/</sup> 22 financial entities in August, 22 in September, and 19 in October 2013.

<sup>3/</sup> 321 non-financial firms in August, 325 in September, and 333 in October 2013.

In 2013, Peru is expected to show a GDP growth rate between 5.2 and 5.4 percent, while in 2014 and 2015 the country is expected to grow between 5.5 and 6.0 percent.

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

	Survey date		
	Aug.31	Sep.30	Oct.31
<b>ECONOMIC ANALYSTS 1/</b>			
2013	5.5	5.5	5.2
2014	5.8	5.8	5.7
2015	6.0	6.0	6.0
<b>FINANCIAL ENTITIES 2/</b>			
2013	5.5	5.5	5.3
2014	5.7	5.6	5.5
2015	5.9	5.6	6.0
<b>NON-FINANCIAL FIRMS 3/</b>			
2013	5.5	5.5	5.4
2014	5.6	5.6	5.5
2015	6.0	5.9	5.8

<sup>1/</sup> 21 analysts in August, 18 in September, and 19 in October} 2013.

<sup>2/</sup> 22 financial entities in August, 22 in September, and 19 in October 2013.

<sup>3/</sup> 321 non-financial firms in August, 325 in September, and 333 in October 2013.

Economic analysts and financial entities expect an exchange rate of S/. 2.78 per dollar at en-2013, while non-financial firms expect an exchange rate of 2.79 per dollar.

## SURVEY OF MACROECONOMIC EXPECTATIONS: EXCHANGE RATE\*

	Survey date		
	Aug.31	Sep.30	Oct.31
<b>ECONOMIC ANALYSTS 1/</b>			
2013	2.80	2.80	2.78
2014	2.85	2.85	2.85
2015	2.85	2.90	2.88
<b>FINANCIAL ENTITIES 2/</b>			
2013	2.80	2.79	2.78
2014	2.80	2.81	2.80
2015	2.82	2.85	2.80
<b>NON-FINANCIAL FIRMS 3/</b>			
2013	2.80	2.80	2.79
2014	2.82	2.80	2.80
2015	2.90	2.85	2.85

<sup>1/</sup> 21 analysts in August, 18 in September, and 19 in October 2013.

<sup>2/</sup> 22 financial entities in August, 22 in September, and 19 in October 2013.

<sup>3/</sup> 321 non-financial firms in August, 325 in September, and 333 in October 2013.

\* Exchange rate at end of year.

## Trade surplus of US\$ 4 million in September

The trade balance registered a surplus of US\$ 4 million in September. As a result of this, imports are higher than exports by US\$ 932 million in the first nine months of the year.

Exports in September amounted to US\$ 3.42 billion. By types of products, a decline was observed in the volumes of traditional exports (except fishmeal) and non-traditional exports, especially textiles and iron and steel products. On the other hand, imports amounted to US\$ 3.42 billion and showed an increase of 2.6 percent in terms of volume, which reflected higher acquisitions of non-durable consumer goods and industrial inputs.

In September, the terms of trade recovered by 3.6 percent compared to the previous month reflecting the higher prices of export products, such as copper and zinc particularly, and the lower prices of imports of inputs.

## TRADE BALANCE

(Million US\$)

	2012	2013		% chg. September		January - September		
	Sep.	Aug.	Sep.	Previous month	12 months	2012	2013	% chg.
<b>Exports</b>	<b>4,061</b>	<b>4,053</b>	<b>3,418</b>	<b>-15.7</b>	<b>-15.8</b>	<b>34,171</b>	<b>30,953</b>	<b>-9.4</b>
Traditional products	3,142	3,117	2,565	-17.7	-18.4	25,792	22,969	-10.9
Non-traditional products	895	918	837	-8.9	-6.6	8,126	7,786	-4.2
Other	23	18	16	-9.7	-29.5	253	198	-21.7
<b>Imports</b>	<b>3,491</b>	<b>3,949</b>	<b>3,415</b>	<b>-13.5</b>	<b>-2.2</b>	<b>30,591</b>	<b>31,885</b>	<b>4.2</b>
Consumption goods	704	771	783	1.6	11.2	5,957	6,488	8.9
Raw materials	1,665	1,918	1,568	-18.2	-5.9	14,400	14,821	2.9
Capital goods	1,106	1,223	1,057	-13.6	-4.4	10,056	10,420	3.6
Other goods	16	37	7	-82.1	-58.3	178	156	-12.4
<b>Trade balance</b>	<b>569</b>	<b>104</b>	<b>4</b>			<b>3,580</b>	<b>-932</b>	

Source: SUNAT.

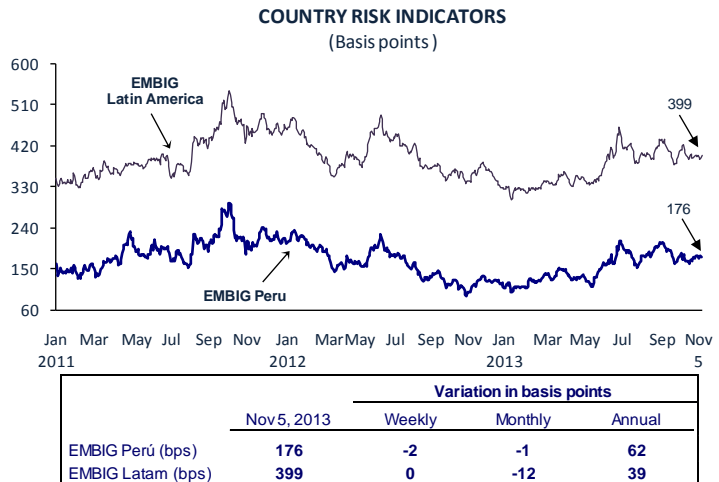
## International Markets

### Country risk at 176 basis points

On **November 5**, the **EMBIG Peru** indicator registered 176 bps and the EMBIG Latam was 399 bps.

In **October**, the average country risk, measured by the **EMBIG Peru** spread, fell from 182 bps in September to 173 bps.

Besides, the average spread of the region fell 2 bps to 401 bps amid negotiations to reach a political agreement about the fiscal issue in the United States and expectations that the FED will not initiate the withdrawal of QE until 2014.



### Price of gold at US\$ 1,307.3 per troy ounce

On **November 5**, the price of **gold** was US\$ 1,307.3 per troy ounce.

In **October**, the average price of **gold** was US\$ 1,316.2 per troy ounce, 2.4 percent lower than in the previous month.

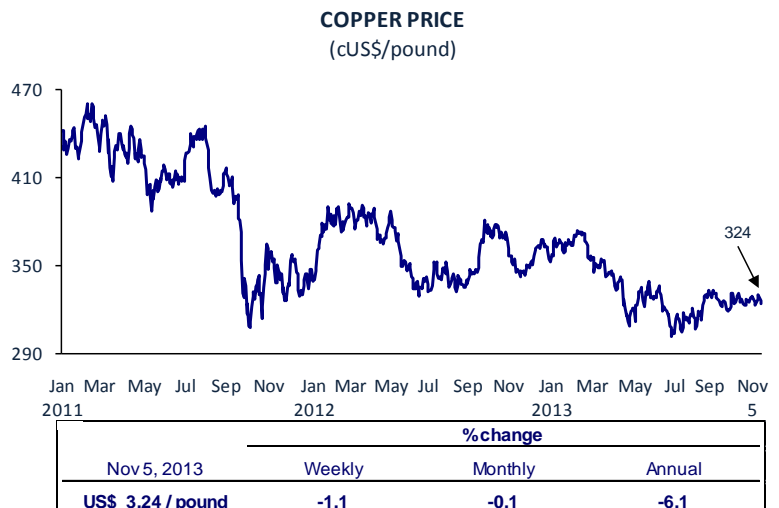
The price was influenced by the liquidation of non-commercial positions in gold and by a weak physical demand despite the period of increased seasonal demand in India due to the festivals. However, the decline in the price was offset by the temporary of the agreement on the fiscal issue in United State.



The price of **copper** on **November 5** was US\$ 3.24 per pound.

In **October**, the price of copper rose 0.4 percent relative to the previous month and showed an average price of US\$ 3.26 per pound.

The increase in the price of copper is explained by China's increased imports of this metal, which reached their maximum level in 18 months, as well as by the decline of copper inventories at the London Metal Exchange (LME) to their lowest level since March.



On **November 5**, the price of **zinc** was US\$ 0.86 per pound.

A similar average was observed in **October** (up 1.9 percent from the previous month).

The higher price of zinc was associated with prospects of a lower future supply due to the closing of mines which have completed their production cycle and due to prospects of an increased demand associated with the perception that China will recover in Q4.

**ZINC PRICE**  
(cUS\$/pound)



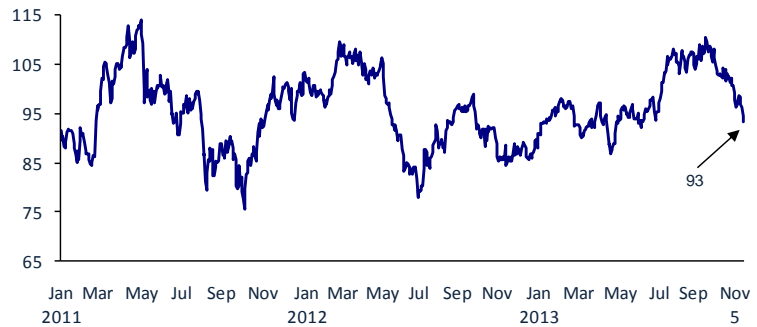
Nov 5, 2013	% change		
	Weekly	Monthly	Annual
US\$ 0.86 / pound	-2.7	3.0	4.0

On **November 5**, the price of **WTI crude oil** was US\$ 93.4 per barrel.

The average price of **WTI oil** in **October** was US\$ 100.5/barrel, a price level 5.4 percent lower than in the previous month.

This decline in the price of crude is explained by an increase in production which has resulted in a higher-than-expected rise in the level of inventories in the United States. In addition, lower geopolitical risks due to relative stability in Libya, Nigeria, Iraq, and Syria contributed also to this decline.

**WTI OIL PRICE**  
(US\$/barrel)



Nov 5, 2013	% change		
	Weekly	Monthly	Annual
US\$ 93.4 / barrel	-4.9	-10.1	9.0

## Dollar/euro exchange rate: US\$ 1.35 per euro

On **November 5**, the **euro** was traded at 1.35 US dollars.

In October, the **dollar** depreciated on average 2.1 percent against the **euro**, amid nearly a total certainty that the Federal Reserve will not initiate the withdrawal of monetary stimulus programs until 2014 given signals of some slowdown in the United States after negative data of employment. Another factor that contributed to the depreciation of the dollar was the postponement of the fiscal impasse until the first months of next year.

**EVOLUTION OF US\$ PER EURO**  
(US\$/Euro)



US dollar/Euro	Level	% change		
	Nov 5, 2013	Weekly	Monthly	Annual
1.35	-2.0	-0.6	5.3	

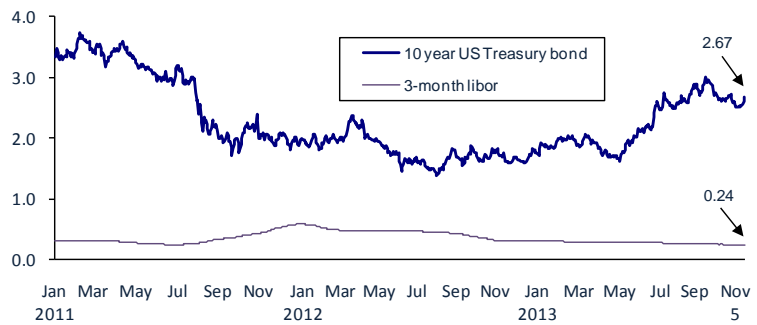


## Yield on 10-year US Treasuries at 2.67 percent

On **November 5**, the **3-month Libor** registered 0.24 percent and the yield on the **10-year US Treasury bonds** registered 2.67 percent.

In **October**, the **3-month Libor** fell 1 basis point to an average of 0.24 percent and the yield on the **10-year US Treasury bonds** recorded an average level of 2.60 (down 20 bps from the previous month) given expectations that the Federal Reserve will maintain monetary stimulus during the rest of the year.

**3-MONTH LIBOR AND 10-YEAR US TREASURIES**  
(Percentage)



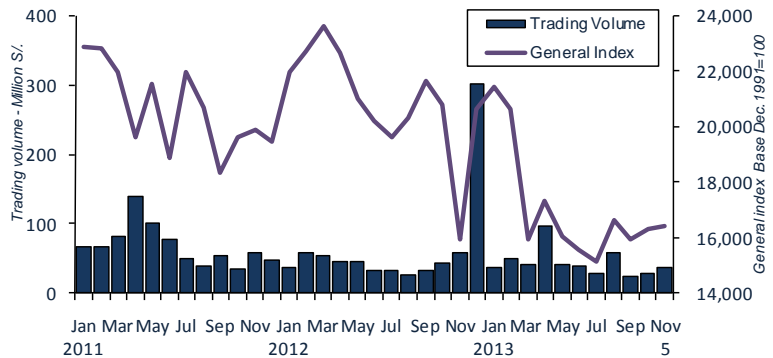
	Variation in basis points			
	Nov 5, 2013	Weekly	Monthly	Annual
3 months Libor (%)	0.24	0	-1	-7
US Treasuries (%)	2.67	17	3	99

## Lima Stock Exchange

In **October**, the **General Index** of the Lima Stock Exchange (LSE) increased 2.5 percent and the **Selective Index** increased 2.4 percent.

The positive results of the LSE indices were associated with opportunity purchases of leading mining stocks, positive indicators regarding local corporate balance reports, and expectations that the FED will maintain monetary stimulus.

**LIMA STOCK EXCHANGE INDICATORS**



	% change compared to:			
	As of: Nov 5, 2013	Oct 29, 2013	Sep 30, 2013	Dec 31, 2012
General Index	16,436	0.3	3.2	-20.3
Selective Index	24,016	0.4	3.2	-22.5

Year-to-date, at November 5, the indices of the LSE have fallen 20.3 and 22.5 percent, respectively.

