









Indicators

-  Credit grew by an annual 14.7 percent in November
-  GDP grew 5.4 percent in October
-  Non-financial public sector: surplus of S/. 79 million in November
-  Corporate interest rate in dollars at 0.93 percent
-  Exchange rate: S/. 2.77 per US dollar
-  Country risk at 177 basis points

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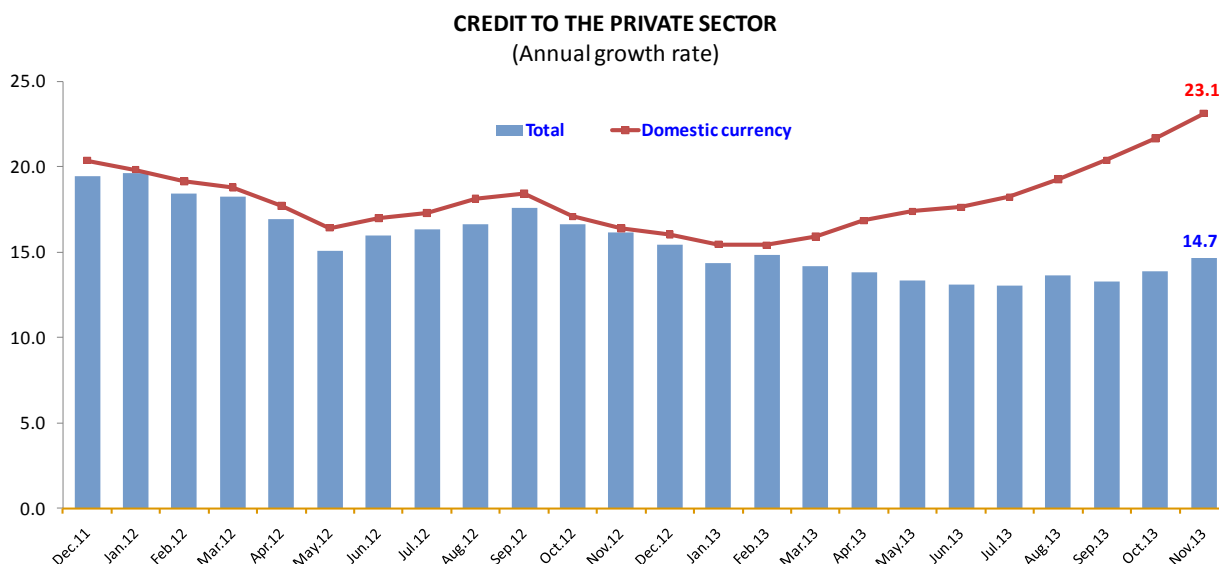
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Liquidity and credit to the private sector at November 30

Total credit of depository institutions to the private sector increased 1.9 percent in November (S/. 3.52 billion), as a result of which it accumulated a growth rate of 14.7 percent compared to November 2012 (13.9 percent in October).

Credit to the private sector refers to the financial resources provided to businesses and households through mechanisms such as loans and purchases of fixed income securities. It includes the total of loans provided by financial depository institutions, including commercial banks, Banco de la Nación, financial companies, municipal savings and credit banks, rural savings and credit banks, and savings and credit unions.

Credit in soles grew 2.7 percent in November (S/. 3.03 billion) and 23.1 percent in the last twelve months (21.7 percent in October). On the other hand, credit in dollars grew 0.7 percent (US\$ 191 million) and 3.5 percent in the last 12 months (3.6 percent in October).



Credit to the private sector continued showing a rising trend in November, especially in the segment of corporate loans. Credit to businesses grew 2.2 percent in November (1.4 percent in October), while credit to households grew 1.3 percent (1.1 percent in October). Moreover, within the segment of credit to individuals, consumer loans registered a monthly growth rate of 1.1

percent in November (1.2 percent in October), while mortgage loans showed a monthly growth rate of 1.6 percent (1.1 percent in October).

TOTAL CREDIT TO THE PRIVATE SECTOR, BY TYPE OF LOAN

	Balance in million of Nuevos Soles			Growth rates (%)		
	Nov-12	Oct-13	Nov-13	Oct-13/ Oct-12	Nov-13/ Nov-12	Nov-13/ Oct-13
<u>Loans to companies 1/</u>	<u>106,110</u>	<u>119,334</u>	<u>121,986</u>	<u>13.4</u>	<u>15.0</u>	<u>2.2</u>
Foreign trade	9,099	10,859	11,411	16.6	25.4	5.1
Rest	97,012	108,475	110,576	13.1	14.0	1.9
<u>Loans to individuals 2/</u>	<u>60,238</u>	<u>67,914</u>	<u>68,781</u>	<u>14.6</u>	<u>14.2</u>	<u>1.3</u>
Consumer loans	35,949	39,583	40,005	11.4	11.3	1.1
Mortgage	24,289	28,331	28,776	19.5	18.5	1.6
Total	166,348	187,248	190,767	13.9	14.7	1.9

1 / Includes loans to legal persons and holdings of corporate bonds, including loans from foreign branches of banks.

2 / Includes non-profit organizations.

Total liquidity in the private sector increased 1.3 percent in November (S/. 2.50 billion), as a result of which the annual growth rate of liquidity in the private sector went from 12.8 percent in October to 11.9 percent in November. Liquidity includes notes and coins in circulation and the total resources that businesses and households hold in demand deposits, savings and term deposits, and other financial obligations.

The growth of liquidity in the month is explained both by higher deposits (up 1.4 percent or S/. 2.16 billion) and by the increase of currency in circulation (0.8 percent or S/. 255 million). Moreover, the increase of liquidity in November is explained mainly by higher demand deposits (3.4 percent or S/. 1.55 billion) and by the seasonal payment of CTS -compensation for length of service- (14.8 percent or S/. 1.94 billion), in part offset by lower savings deposits (-1.0 percent, or negative flow of S/. 422 million).

Liquidity in soles grew 1.3 percent in November (S/. 1.61 billion), as a result of which it recorded a growth rate of 10.8 percent in the last twelve months (11.7 percent in October). On the other hand, liquidity in dollars grew 1.5 percent in the month (US\$ 347 million) and 14.4 percent compared to November 2012 (15.1 percent in October).

LIQUIDITY BY TYPE OF LIABILITY

	Balance in million of Nuevos Soles			Growth rates (%)		
	Nov-12	Oct-13	Nov-13	Oct-13/ Oct-12	Nov-13/ Nov-12	Nov-13/ Oct-13
Currency	29,149	32,455	32,710	11.8	12.2	0.8
<u>Deposits</u>	<u>139,053</u>	<u>152,827</u>	<u>154,985</u>	<u>12.6</u>	<u>11.5</u>	<u>1.4</u>
Demand deposits	42,884	45,667	47,215	9.7	10.1	3.4
Saving deposits	38,495	43,748	43,327	15.1	12.6	-1.0
Term deposits	57,674	63,412	64,443	13.1	11.7	1.6
CTS	12,425	13,071	15,010	24.9	20.8	14.8
Securities and others 1/	1,982	2,648	2,730	37.7	37.7	3.1
Total	170,185	187,930	190,425	12.8	11.9	1.3

1/ Includes debt securities and other obligations issued by the depository corporations and by non-financial private sector.

Gross Domestic Product grew 5.4 percent in October

GDP grew 5.4 percent in October, reflecting the performance registered by the sectors of construction, trade, and services. With this, GDP accumulates a growth rate of 4.9 percent in the first ten months of the year.

GROSS DOMESTIC PRODUCT
(Real percentage change respect to the same period of previous year)

	% structure of GDPI 2012 1/	2013				
		September	October		January-October	
		% Chg.	% Chg.	Contribution	% Chg.	Contribution
Agriculture and Livestock 2/	7.3	1.7	3.7	0.2	1.9	0.1
Agriculture	4.4	0.9	4.7	0.1	1.6	0.1
Livestock	2.3	2.6	2.7	0.1	2.2	0.0
Fishing	0.4	-7.1	5.2	0.0	0.6	0.0
Mining and Fuel 3/	4.7	-2.1	5.8	0.3	2.1	0.1
Metallic mining	3.6	-2.5	8.4	0.3	1.4	0.0
Hydrocarbons	0.7	-0.2	-4.4	0.0	5.1	0.0
Manufacture	14.2	3.7	3.0	0.4	1.7	0.2
Based on raw materials	2.4	10.1	-0.2	0.0	2.7	0.1
Non-primary industries	11.7	2.8	3.5	0.4	1.5	0.2
Electricity and water	2.0	6.0	7.1	0.1	5.8	0.1
Construction	7.0	-1.3	6.2	0.5	10.0	0.7
Commerce	15.3	5.5	6.4	0.9	5.6	0.9
Services	39.2	6.6	6.6	2.6	6.2	2.2
Transportation and communications	8.4	5.3	5.4	0.4	5.3	0.4
Financial and insurance	2.8	9.9	10.6	0.3	8.4	0.2
Given to companies	7.4	7.9	7.8	0.5	6.8	0.5
Restaurants and hotels	4.2	7.2	6.3	0.3	6.5	0.3
Government Services	5.4	4.1	4.0	0.2	4.6	0.2
Rest of other services	11.1	5.7	6.3	0.7	5.7	0.6
Taxes	9.9	4.3	2.6	0.3	3.8	0.4
GDP Global	100.0	4.4	5.4	5.4	4.9	4.9
Primary	14.8	1.5	3.8	0.5	2.0	0.3
Non-primary	85.2	4.8	5.7	4.9	5.5	4.6

1/ At 1994 prices.

2/ Includes silviculture sector.

3/ Includes non-metallic mining.

Source: INEI.

Activity in the **agricultural sector** grew 3.7 percent in October as a result of a greater supply of agricultural products for both the domestic and external markets, as well as of a greater supply of livestock products (especially potatoes, cassava, grapes, chicken meat, and eggs). As a result of this, as of October this sector accumulates a growth rate of 1.9 percent.

The sector of **fishing** grew 5.2 percent due to a greater catch of species for human consumption both as fresh fish and canned products. With this, the sector accumulates an increase of 0.6 percent between January and October.

Production in the **mining and hydrocarbons sector** recorded a growth rate of 5.8 percent in October due to a higher extraction of copper, iron, and zinc. In the first ten months of the year, the sector accumulates a growth rate of 2.1 percent.

Manufacturing production grew 3.0 percent, with non-primary manufacturing growing 3.5 percent while activity in primary manufacturing declined 0.2 percent. Increased activity was noteworthy in the industrial branches of basic chemicals, rubber, paper and cardboard containers, electrical machinery, miscellaneous items, other paper and cardboard items, and metal products. Between January and October, the sector accumulates a growth rate of 1.7 percent.

The **construction sector** grew 6.2 percent in October and accumulated a growth rate of 10.0 percent in the period of January–October.

Indicators – November 2013

Preliminary data available to date of indicators on the sectors of fishing, hydrocarbons, electricity, and local dispatches of cement include the following:

- Anchovy catch increased from 94.1 to 1,069.6 thousand tons between November 2012 and November 2013. According to the daily report on industrial fishing of Instituto del Mar del Perú (IMARPE), 47 percent of the 2.3 million ton quota established for the second fishing season of 2013 –from November 2013 to January 2014– was caught in this month.
- The production of hydrocarbons grew 19.7 percent, according to Perupetro.
- The production of electricity increased 5.4 percent according to Comité de Operación Económica del Sistema Interconectado Nacional (COES).
- Local dispatches of cement rose from 892 thousand tons to 897 thousand tons between November 2012 and November 2013, according to Asociación de Productores de Cemento.

Non-Financial Public Sector: surplus of S/. 79 million in November

Contrasting with the deficit of S/. 59 million recorded in November 2012, the non-financial public sector registered a surplus of S/. 79 million in November 2013. The current revenue of the general government grew 9.1 percent due both to increased tax revenues (up 7.6 percent) and non-tax revenues (up 13.9 percent). On the other hand, the non-financial expenditure of the general government grew by a real 8.9 percent, due mainly to increased spending in the national government (16.9 percent), especially for investment (69.6 percent).

OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR 1/
(Million S/.)

	November			January - November		
	2012	2013	Real % Chg.	2012	2013	Real % Chg.
1. General government current revenues	9,291	10,440	9.1	103,683	110,420	3.6
a. Tax revenue	7,076	7,842	7.6	78,631	83,199	2.9
National	6,907	7,657	7.7	76,789	81,069	2.7
Local	169	185	6.1	1,842	2,130	12.6
b. Non-tax revenue	2,215	2,598	13.9	25,052	27,222	5.7
National	1,940	2,299	15.1	21,689	23,884	7.1
Regional	50	54	5.3	851	733	-16.1
Local	225	245	5.7	2,512	2,605	0.9
2. General government non-financial expenditure	8,769	9,827	8.9	80,365	92,166	11.5
a. Current	5,959	6,360	3.7	58,121	65,266	9.2
b. Capital	2,810	3,467	19.9	22,245	26,900	17.6
<i>Of wich: Gross Capital Formation</i>	<i>2,662</i>	<i>3,222</i>	<i>17.6</i>	<i>20,901</i>	<i>24,908</i>	<i>15.9</i>
3. Others 2/	-120	-42		1,331	999	
4. Primary Balance	402	570		24,649	19,253	
5. Interests	462	491	3.4	5,394	5,949	7.3
6. Overall Balance	-59	79		19,255	13,304	

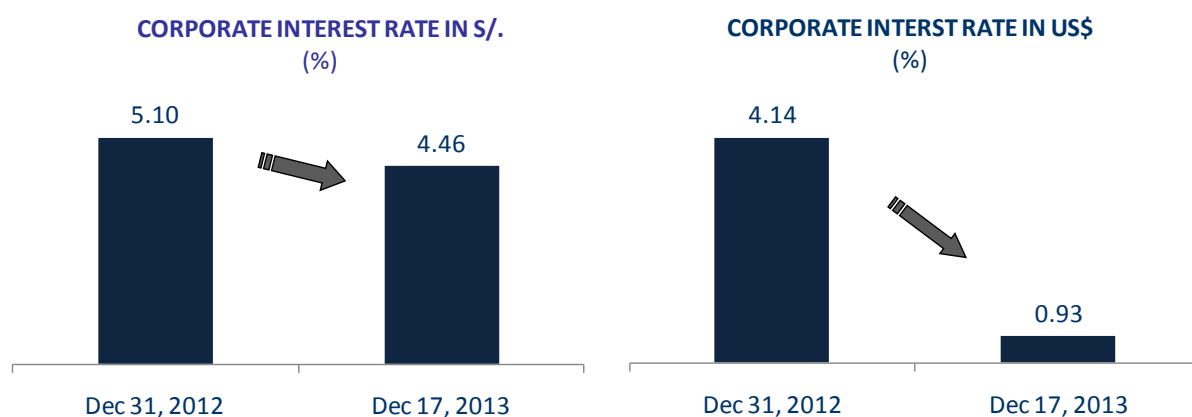
1/ Preliminary.

2/ Includes capital revenues from the General government and primary result of public companies.

Source: MEF, SUNAT, Banco de la Nación, public charities, public institutions and companies.

Corporate prime rate in dollars at 0.93 percent

On December 17, the **corporate prime rate** –the interest rate commercial banks charge to lower risk businesses– in US dollars showed a daily average rate of 0.93 percent. On the other hand, the corporate prime rate in soles recorded a daily average rate of 4.46 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 December 17, the Central Bank has accumulated purchases of FC for a total of US\$ 5,210 million and sales of FC for a total US\$ 5,205 million, thus accumulating purchases of foreign currency for a net total of US\$ 5 million. The Central Bank has also sold FC for a total of US\$ 4.05 billion to the public sector. The BCRP net internal assets have increased by S/.15.42 billion.

BCRP OPERATIONS

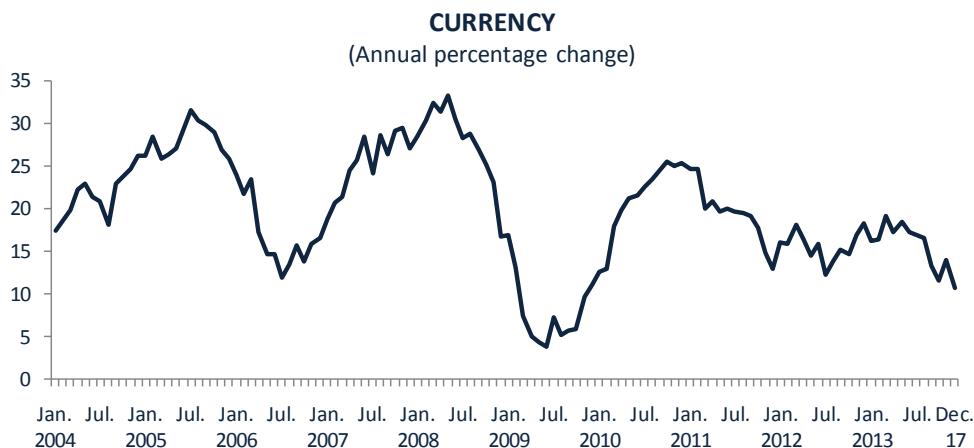
(Million S/.)

	Balance			Flows	
	Dec 31, 2012	Nov 30, 2013	Dec 17, 2013	2013*	Dic-13 *
I. NET INTERNATIONAL POSITION	117,462	118,308	114,142	-13,789	-2,513
(Million US\$)	46,063	42,253	41,356	-4,708	-897
1. Exchange Operations				-4,023	-810
a. Over the counter operations				5	-760
b. Public sector				-4,048	-50
2. Rest				-684	-87
II. NET DOMESTIC ASSET	-85,217	-85,533	-80,269	15,417	3,610
1. Monetary Sterilization	-51,567	-45,524	-44,288	7,279	1,236
a. Certificates and Term deposits	-30,053	-22,689	-21,718	8,334	971
BCRP Certificates of Deposit (CDBCRP)	-20,805	-20,013	-18,742	2,062	1,271
CDR BCRP	0	-2,676	-2,976	-2,976	-300
Term Deposits	-9,248	0	0	9,248	0
b. Reserve requirements in Domestic Currency	-20,491	-19,863	-20,368	122	-505
c. Other monetary operations	-1,024	-2,972	-2,202	-1,177	770
2. Fiscal Sterilization	-39,939	-39,409	-40,068	-130	-659
3. Other	6,289	-600	4,087	8,268	3,033
III. CURRENCY **	32,244	32,775	33,872	1,628	1,098
(Monthly percentage change)	10.6%	1.0%	3.3%		
(Accumulated percentage change)	33.6%	1.6%	5.0%		
(YoY)	18.3%	13.9%	10.6%		

* As of December 10, 2013.

** Preliminary data.

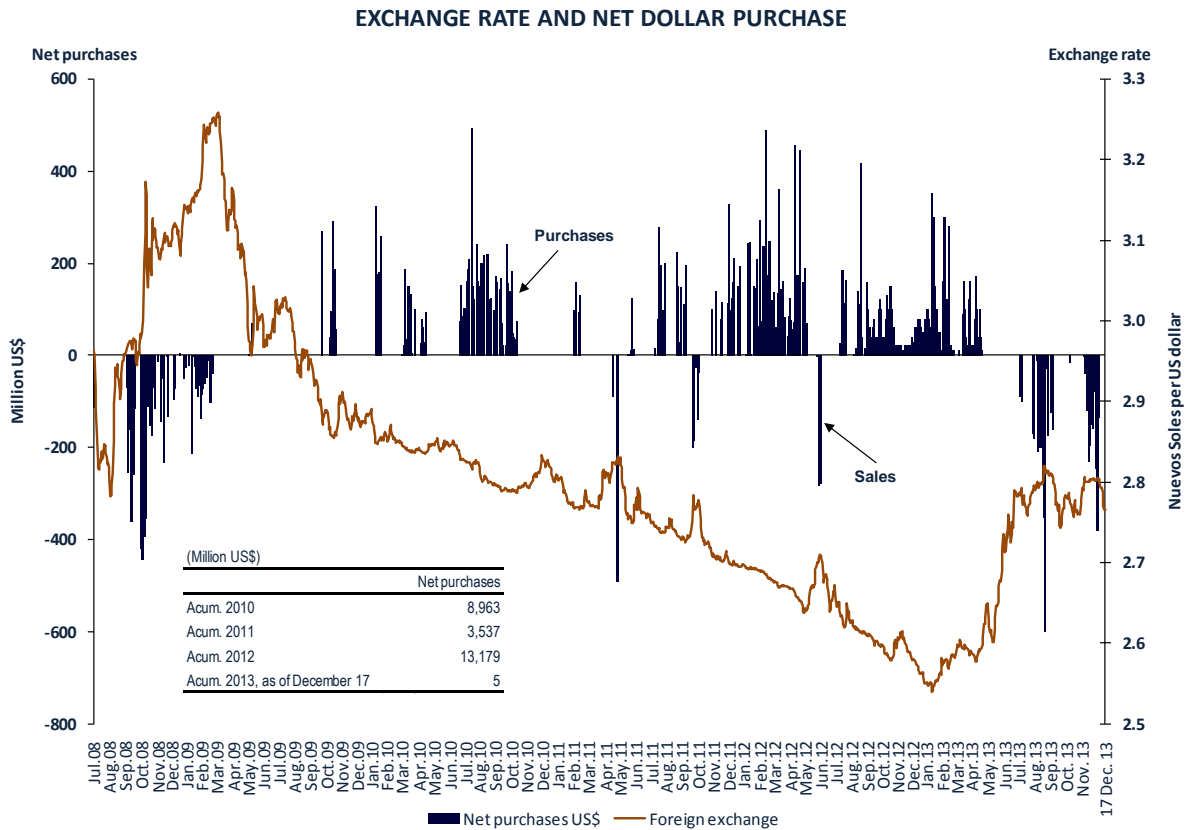
Currency in circulation at December 17 showed a balance of S/. 33.87 billion and recorded a growth rate of 10.6 percent in the last 12 months.



Exchange rate: S/. 2.77 per US dollar

On December 17, the average selling price of the dollar in the interbank market was S/. 2.77 per dollar.

Between 2012 and 2013, the Central Bank has purchased foreign currency for a total of US\$ 19.07 billion and sold foreign currency for a total of US\$ 5.88 billion. In net terms, purchases of foreign currency are higher than sales by US\$ 13.18 billion.



International reserves amount to US\$ 65.38 billion

International reserves at December 17, 2013, totaled US\$ 65.38 billion. This amount of reserves is US\$ 1.39 billion higher than the amount of reserves recorded at end-2012.

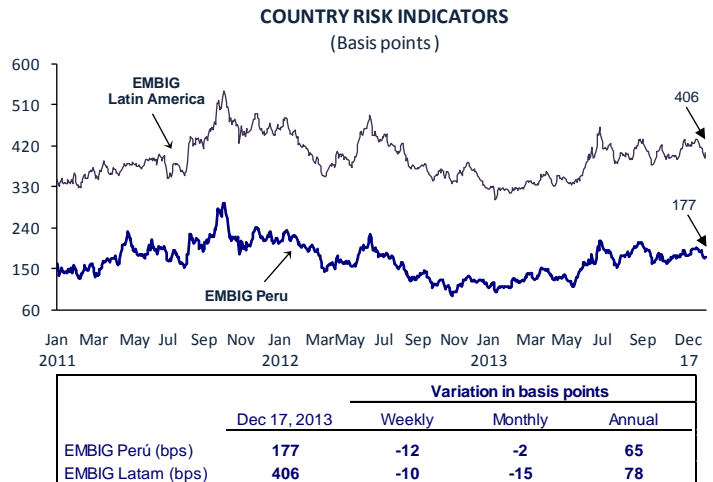


International Markets

Country risk fell to 177 basis points

In December 10-17, the country risk indicator, measured by the **EMBIG Peru** spread, fell from 189 to 177 basis points.

The EMBIG Latin America spread fell 10 basis points given China's better economic prospects and given positive data of economic activity in the Eurozone (PMI indices).



Price of gold at US\$ 1,231.8 per troy ounce

In the same period, the price of **gold** dropped 2.7 percent to US\$ 1,231.8 per troy ounce.

The price of gold declined due to expectations that the FED will start tapering sooner than expected and due to the net sales of gold carried out by Exchange- Traded Funds (ETFs) given that investors prefer more profitable options such as those offered by stock markets.



In December 10-17, the price of **copper** rose 1.7 percent to US\$ 3.30 per pound.

The price of copper rose influenced by positive economic data, including positive indicators of industrial production in the USA and manufacturing indices in Europe, both of which have improved the outlook for the demand of this metal. This price rise was also supported by the reduced physical availability of copper for deliveries in the short run.



In the same period of analysis, the price of **zinc** rose 2.6 percent to US\$ 0.90 per pound.

The price of this basic metal was favored by signals indicating that China's demand for commodities in 2013 will be higher-than-anticipated and by lower inventories in the main global metal exchange markets.

ZINC PRICE
(cUS\$/pound)



Dec 17, 2013	%change		
	Weekly	Monthly	Annual
US\$ 0.90 / pound	2.6	7.0	-2.9

The price of **WTI crude oil** declined 1.3 percent to US\$ 97.2 per barrel between December 10 and 17.

The drop in the price of crude is associated with expectations of a well-supplied market, reinforced by the EIA's announcement that the US production of crude oil had registered in December its highest level since October 1988.

WTI OIL PRICE
(US\$/barrel)



Dec 17, 2013	%change		
	Weekly	Monthly	Annual
US\$ 97.2 / barrel	-1.3	3.6	11.5

Dollar depreciated against the euro

In December 10-17, the **dollar** depreciated 0.1 percent against the **euro**.

The dollar depreciated slightly against the euro amid data indicating a rebound of business activity in Eurozone and expectations that the FED will begin tapering after the fiscal agreement reached in the USA and some positive indicators of activity.

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



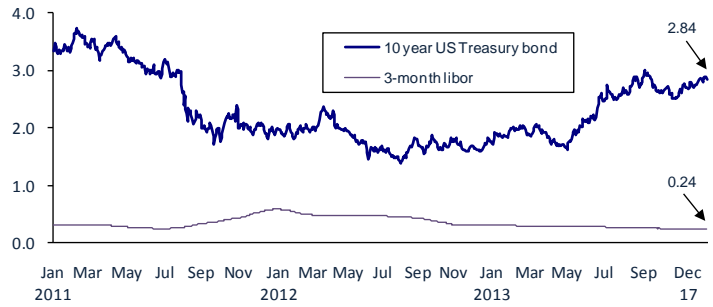
Dec 17, 2013	Level	%change		
	Weekly	Monthly	Annual	
US dollar/Euro	1.38	0.1	2.0	4.6

Yield on 10-year U.S. Treasuries rose to 2.84 percent

In the week of December 10 to December 17, the **3-month Libor** remained at 0.24 percent, while the yield on the **10-year US Treasuries** rose from 2.80 to 2.84 percent.

During the week, the yield on the US Treasury bonds rose due to increased expectations that the Federal Reserve will start tapering of QE in December.

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



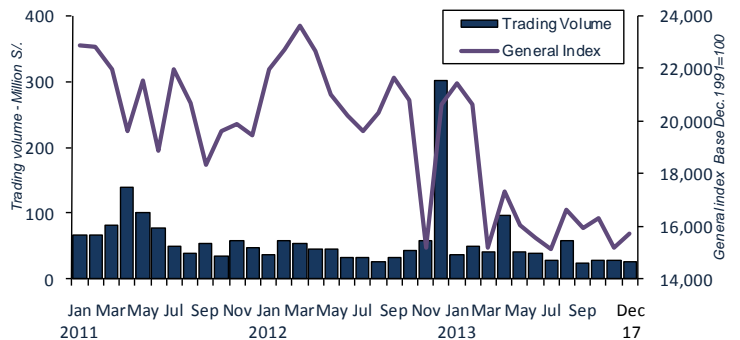
	Variation in basis points			
	Dec 17, 2013	Weekly	Monthly	Annual
3 months Libor (%)	0.24	0	1	-6
US Treasuries (%)	2.84	3	13	106

Lima Stock Exchange

So far this month (at December 17), the **General Index** and the **Selective Index** of the Lima Stock Exchange (LSE) increased 3.4 and 3.7 percent, respectively.

During the week of December 10-17, these indices rose 4.5 and 4.7 percent, respectively, due to the better prospects of institutional and private investors as well as due to the positive performance of basic metals.

LIMA STOCK EXCHANGE INDICATORS



	%change compared to:			
	As of: Dec 17, 2013	Dec 10, 2013	Nov 30, 2013	Dec 31, 2012
General Index	15,717	4.5	3.4	-23.8
Selective Index	22,928	4.7	3.7	-26.0

So far this year, the indices of the LSE accumulate losses of 23.8 and 26.0 percent, respectively.

