





Indicators

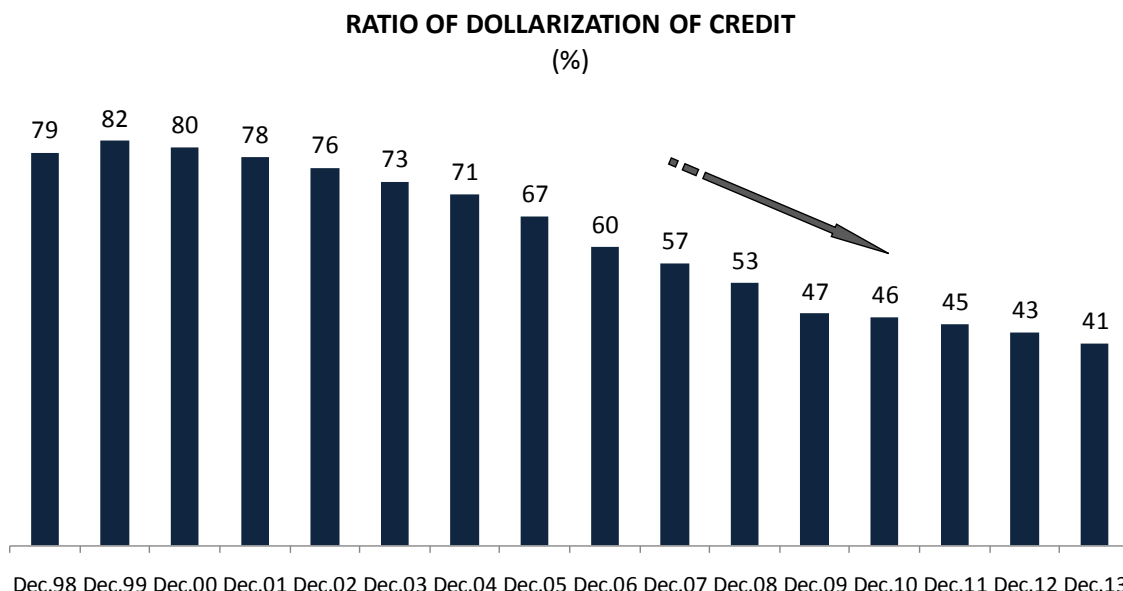
-  The ratio of dollarization of credit declined to 40.8 percent in 2013
-  GDP grew 4.8 percent in November 2013
-  Corporate interest rate in dollars at 0.86 percent
-  Exchange rate: S/. 2.81 per US dollar
-  Country risk at 169 basis points

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The ratio of dollarization of credit fell to 40.8 percent in 2013

The **ratio of dollarization of credit** continued showing a downward trend and dropped 2.2 percentage points between 2012 and 2013 (from 43.0 percent in December 2012 to 40.8 percent in December 2013).



Total credit of depository institutions to the private sector increased 0.6 percent in December (S/. 1.24 billion), as a result of which it accumulated a growth rate of 13.2 percent compared to December 2012 (14.3 percent in November).

Credit in soles continued to be the most dynamic component of credit in December, with a growth rate of 1.2 percent in the month (S/. 1.36 billion) and a rate of 22.5 percent in the last twelve months. On the other hand, credit in dollars declined 0.2 percent (US\$ 45 million) and thus accumulated an annual rate of 2.1 percent.

Credit to businesses grew 0.4 percent in December, while credit to households grew 1.0 percent. Within the segment of credit to individuals, consumer loans registered a monthly growth rate of 1.3 percent in December, while mortgage loans showed a monthly growth rate of 0.6 percent.

TOTAL CREDIT TO THE PRIVATE SECTOR, BY TYPE OF LOAN

	Balance (Million S/.)	Growth rates (%)			
	Dec-13	Dec-12/ Dec-11	Nov-13/ Nov-12	Dec-13/ Dec-12	Dec-13/ Nov-13
Loans to companies 2/	128,352	13.3	14.4	13.1	0.4
Foreign trade	12,827	12.4	25.7	26.6	2.5
Rest	115,525	13.4	13.3	11.8	0.2
Loans to individuals 3/	71,004	19.4	14.0	13.4	1.0
Consumer loans	40,983	15.3	11.5	11.4	1.3
Mortgage	30,021	25.7	17.6	16.2	0.6
Total	199,356	15.4	14.3	13.2	0.6

1/ Balance in foreign currency are valued at exchange rate on December 2013 (S/. 2.80 per US\$).

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

3 / Includes non-profit organizations.

Total liquidity in the private sector grew 2.5 percent in December (S/. 4.86 billion), as a result of which the annual growth rate of liquidity in the private sector was 10.6 percent.

The growth of liquidity in the month resulted from seasonal factors associated with the year-end festivities, which generated an increased demand for currency in circulation (7.7 percent or S/. 2.53 billion) and higher private sector deposits (1.4 percent or S/. 2.30 billion). After the payments of the Christmas bonus, the types of deposits that grew the most were savings (5.5 percent or S/. 2.48 billion) and demand deposits (2.4 percent or S/. 1.18 billion).

Liquidity in soles grew 3.6 percent in December (S/. 4.70 billion), as a result of which it recorded a growth rate of 9.9 percent in the last twelve months. On the other hand, liquidity in dollars grew 0.2 percent in the month (US\$ 57 million) and 11.9 percent compared to December 2012.

LIQUIDITY BY TYPE OF LIABILITY 1/

	Balance (Million S/.)	Growth rates (%)			
	Dec-13	Dec-12/ Dec-11	Nov-13/ Nov-12	Dec-13/ Dec-12	Dec-13/ Nov-13
Currency	35,238	18.3	12.2	9.3	7.7
Deposits	163,281	13.0	11.6	10.5	1.4
Demand deposits	50,372	13.0	10.1	8.6	2.4
Saving deposits	47,190	11.7	12.4	12.4	5.5
Term deposits	65,719	13.8	12.2	10.6	-2.0
CTS	15,566	28.8	21.1	20.8	-0.8
Securities and others 1/	2,768	31.2	37.6	35.7	1.2
Total	201,287	14.1	12.0	10.6	2.5

1/ Balance in foreign currency are valued at exchange rate on December 2013 (S/. 2.80 per US\$).

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

Corporate prime rate in dollars at 0.86 percent

On January 21, the **corporate prime rate** –the interest rate commercial banks charge to lower risk businesses– in US dollars showed a daily average rate of 0.86 percent. On the other hand, the corporate prime rate in soles recorded a daily average rate of 4.53 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

Between January 15 and 21, the Central Bank placed CD BCRP for a total of S/. 950 million, carried out repos for a total of S/. 1 billion, and placed CDR BCRP for a total of S/. 752 billion. As a result of these operations, the balance of placed CD BCRP is S/. 18.04 billion; repos register a balance of S/. 500 million, and placed CDR BCRP register a balance of S/. 4.11 billion. In the same period, the BCRP sold foreign currency for a total of US\$ 1 million.

BCRP OPERATIONS

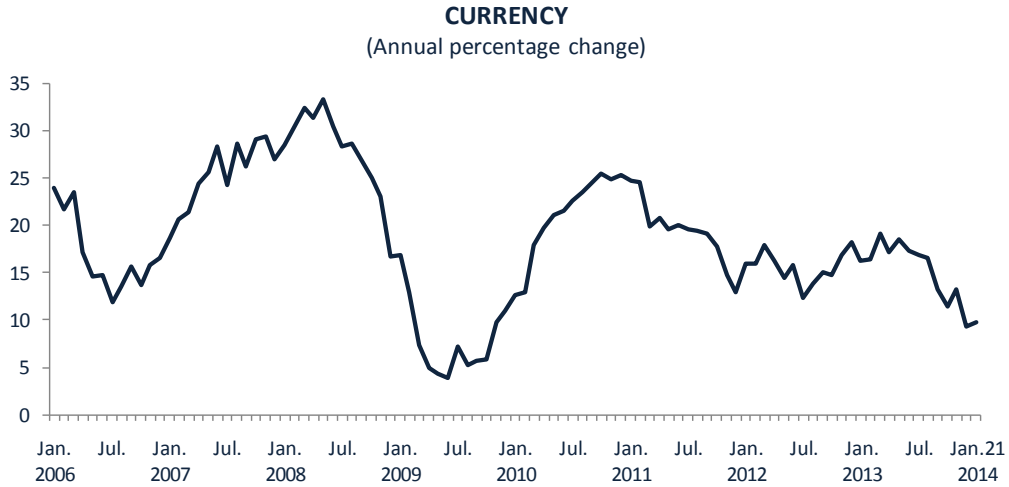
(Million S/.)

	Balance			Flows
	Dec 31, 2012	Dec 31, 2013	Jan 21, 2014	Jan-14 *
I. NET INTERNATIONAL POSITION	<u>117,462</u>	<u>115,072</u>	<u>115,321</u>	<u>-163</u>
(Million US\$)	46,063	41,097	41,039	-58
1. Exchange Operations				2
a. Over the counter operations				-1
b. Public sector				0
2. Rest				-60
II. NET DOMESTIC ASSET	<u>-85,217</u>	<u>-79,834</u>	<u>-81,554</u>	<u>-1,308</u>
1. Monetary Sterilization	<u>-51,567</u>	<u>-42,651</u>	<u>-41,183</u>	<u>1,468</u>
a. Certificates and Term deposits	-30,053	-22,103	-22,153	-50
BCRP Certificates of Deposit (CDBCRP)	-20,805	-18,992	-18,042	950
CDR BCRP	0	-3,111	-4,111	-1,000
b. Reserve requirements in Domestic Currency	-20,491	-16,699	-17,092	-394
c. Other monetary operations	-1,024	-3,849	-1,938	1,911
2. Fiscal Sterilization	<u>-39,939</u>	<u>-36,646</u>	<u>-39,231</u>	<u>-2,585</u>
3. Other	<u>6,289</u>	<u>-537</u>	<u>-1,140</u>	<u>-191</u>
III. CURRENCY **	<u>32,244</u>	<u>35,238</u>	<u>33,767</u>	<u>-1,471</u>
(Monthly percentage change)	10.6%	7.5%	-4.2%	
(Acumulated percentage change)	33.6%	9.3%	-4.2%	
(YoY)	18.3%	9.3%	9.7%	

* As of January 21, 2014.

** Preliminary data.

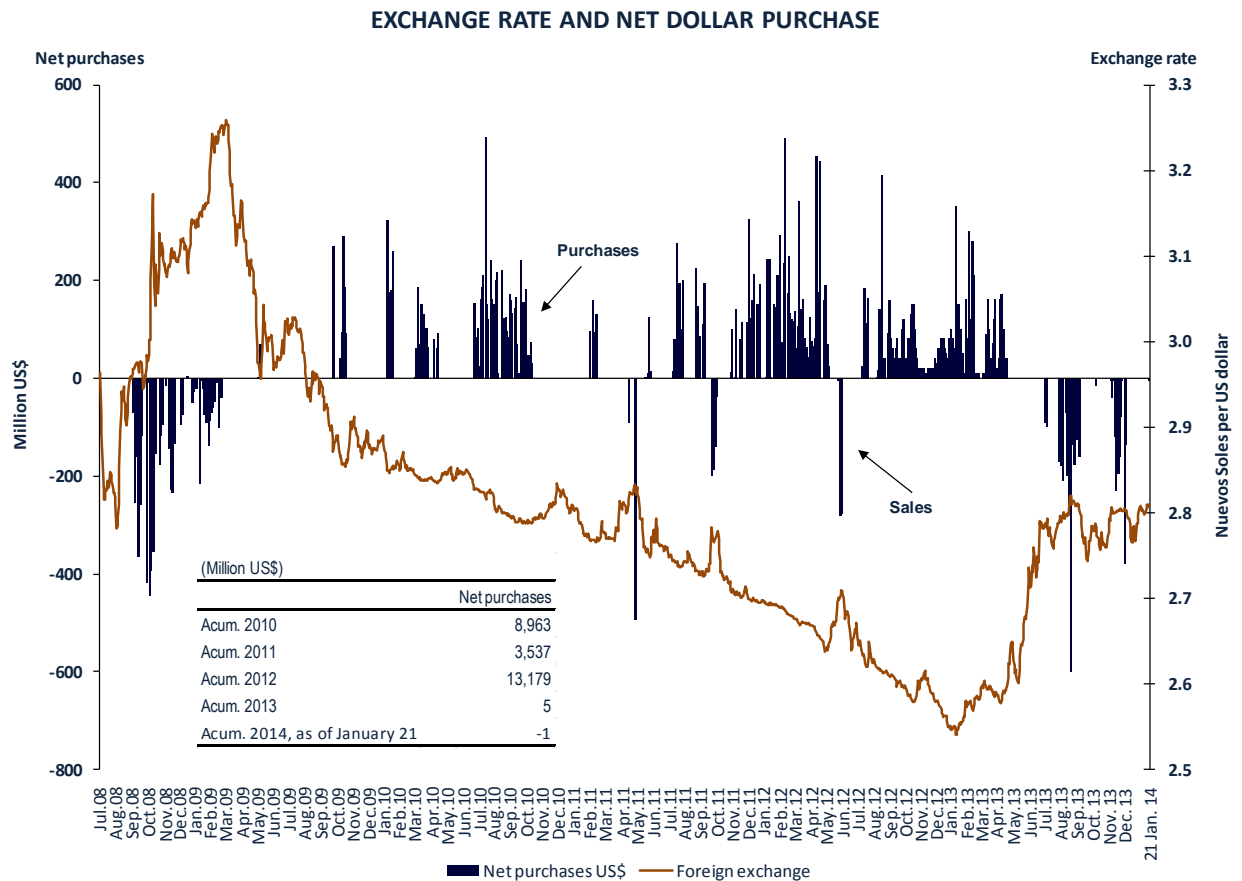
Currency in circulation at January 21, 2014 showed a balance of S/. 33.77 billion and a growth rate of 9.7 percent in the last 12 months.



Exchange rate: S/. 2.81 per US dollar

On January 21, the average selling price of the dollar in the interbank market was S/. 2.81 per dollar.

Since 2012, the Central Bank purchased foreign currency for a total of US\$ 19.06 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. Between January 15 and January 21, the BCRP intervened in the foreign exchange market selling FC for a total of US\$ 1 million.



International reserves amount to US\$ 65.56 billion

At January 21, 2014, **international reserves** amounted to US\$ 65.56 billion and the **foreign exchange position** of the BCRP was US\$ 41.04 billion.

Gross Domestic Product grew 4.8 percent in November 2013

Reflecting the performance of the sectors of trade and services, **GDP grew 4.8 percent** in November. With this, GDP accumulates a growth rate of 4.9 percent in the first eleven months of 2013.

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

	% structure of GDPI 2012 1/	2013				
		October	November		January-November	
		% Chg.	% Chg.	Contribution	% Chg.	Contribution
Agriculture and Livestock 2/	7.3	3.7	3.3	0.2	1.9	0.1
Agriculture	4.4	4.7	2.1	0.1	1.6	0.1
Livestock	2.3	2.7	4.6	0.1	2.4	0.1
Fishing	0.4	5.2	75.3	0.2	5.7	0.0
Mining and Fuel 3/	4.7	5.8	7.8	0.4	2.6	0.1
Metallic mining	3.6	8.4	5.4	0.2	1.7	0.1
Hydrocarbons	0.7	-4.4	19.7	0.1	6.3	0.0
Manufacture	14.2	3.0	-1.1	-0.2	1.4	0.2
Based on raw materials	2.4	-0.1	21.8	0.5	4.4	0.1
Non-primary industries	11.7	3.5	-4.6	-0.6	0.9	0.1
Electricity and water	2.0	7.1	4.9	0.1	5.7	0.1
Construction	7.0	6.2	2.3	0.2	9.2	0.6
Commerce	15.3	6.4	6.7	1.0	5.7	0.9
Services	39.2	6.6	6.9	2.7	6.3	2.2
Transportation and communications	8.4	5.4	5.7	0.4	5.3	0.4
Financial and insurance	2.8	10.6	12.8	0.3	8.8	0.2
Given to companies	7.4	7.8	7.5	0.5	6.8	0.5
Restaurants and hotels	4.2	6.3	6.5	0.3	6.5	0.3
Government Services	5.4	4.0	4.0	0.2	4.5	0.2
Rest of other services	11.1	6.3	6.3	0.7	5.8	0.6
Taxes	9.9	2.6	2.1	0.2	3.6	0.3
GDPI Global	100.0	5.4	4.8	4.8	4.9	4.9
Primary	14.8	3.8	9.3	1.2	2.6	0.4
Non-primary	85.2	5.7	4.1	3.6	5.3	4.5

1/ At 1994 prices.

2/ Includes silviculture sector.

3/ Includes non-metallic mining.

Source: INEI.

Production in the **agricultural sector** grew 3.3 percent in November. It is worth pointing out the greater supply of grapes and poultry for the external market to meet the increased demand associated with the festivities of the year-end, given that the increased supply of these goods accounts for 87 percent of the result recorded in the month. With this result, the agriculture sector accumulates a growth rate of 1.9 percent at November 2013.

Activity in the **fishing sector** grew 75.3 percent. This growth rate results from a catch volume for industrial ends which represents 91 percent of the quota of 2.3 tons that was approved for the

second fishing season of the year –from November 2013 to January 2014–, as well as from an increased catch of species for human consumption (scallops, hake, and prawns for the production of frozen products; hake and bonito for consumption as fresh fish, and tuna for the production of canned fish products). Between January and November, the sector accumulates an increase of 5.7 percent.

Output in the **mining and hydrocarbons sector** recorded a growth rate of 7.8 percent in November due to a higher extraction of natural gas, zinc, copper, and gold. In January-November the sector accumulated a growth rate of 2.6 percent.

Manufacturing production fell 1.1 percent as a result of lower activity in the non-primary manufacturing subsector, offset by a higher production of primary resources like that observed in the fishing industry. Lower activity was noteworthy in the non-primary manufacturing industrial branches of glass containers, automobile accessories and spare parts, knit garments, rice milling, and asparagus processing. Between January and November, the sector accumulates a growth rate of 1.4 percent.

The **construction sector** grew 2.3 percent in November and accumulated a growth rate of 9.2 percent in the period of January– November.

Indicators – December 2013

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

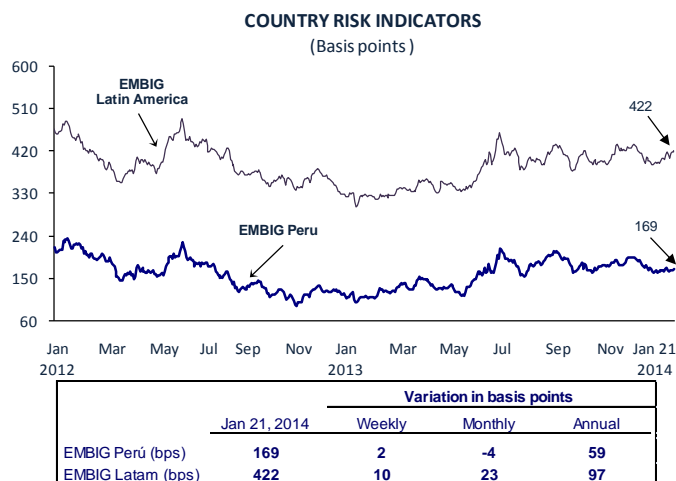
- Anchovy catch increased from 279.4 to 1,057.2 thousand tons between December 2012 and December 2013, according to the daily report on industrial fishing of Instituto del Mar del Perú (IMARPE).
- The production of hydrocarbons increased 4.8 percent, according to Perupetro.
- The production of electricity grew 5.7 percent according to Comité de Operación Económica del Sistema Interconectado Nacional (COES).
- Local dispatches of cement rose from 816 thousand tons to 849 thousand tons between December 2012 and December 2013, according to Asociación de Productores de Cemento.

International Markets

Country risk at 169 basis points

In January 14-21, the country risk indicator, measured by the **EMBIG Peru** spread, rose from 167 to 169 basis points.

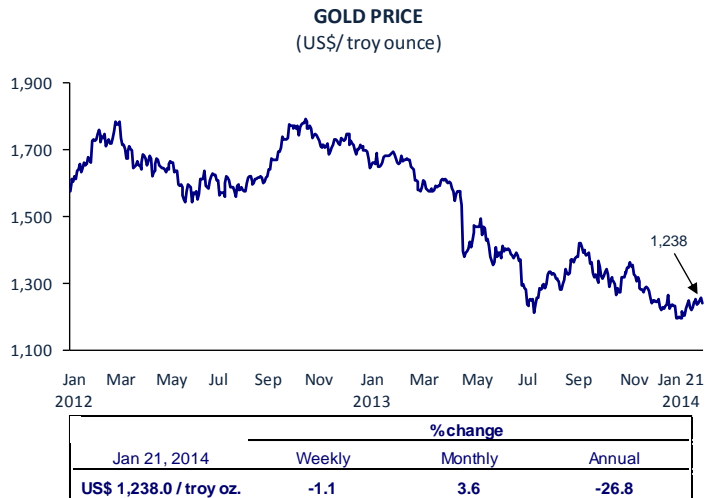
On the other hand, the EMBIG Latin America spread rose 10 bps amid expectations that the U.S. Federal Reserve will reduce again its asset purchase program.



Price of gold at US\$ 1,238.0 per troy ounce

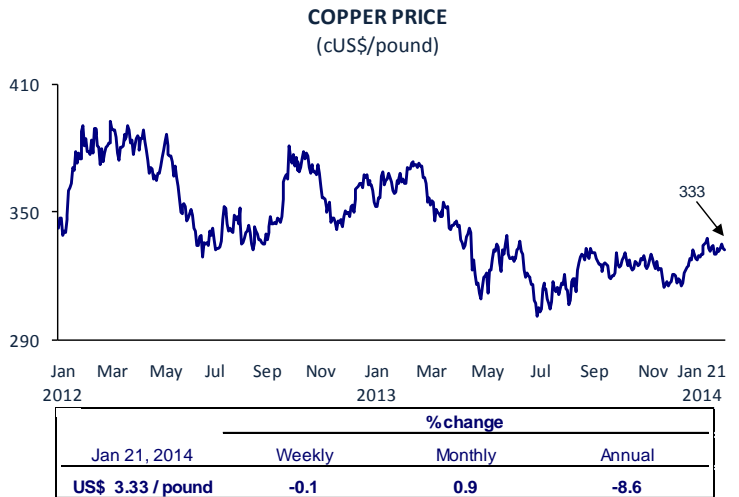
In the same period, the price of **gold** fell 1.1 percent to US\$ 1,238.0 per troy ounce.

The fall in the price of gold was influenced by expectations that the Federal Reserve will reduce again its monthly bond-buying program and by the appreciation of the dollar against the euro, which reduced the appeal of gold as an investment option.



In January 14-21, the price of **copper** fell 0.1 percent to US\$ 3.33 per pound.

The decline in the price of copper was influenced by prospects of a weak demand from China. However, this decline was offset by a low availability of copper for immediate consumption due to port strikes in Chile.



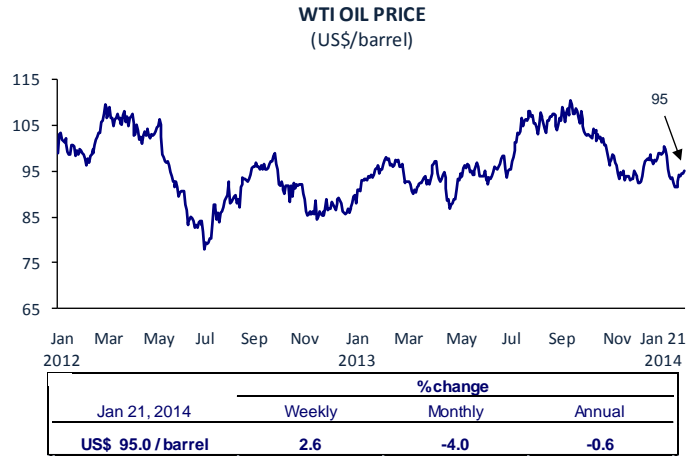
Between January 14 and January 21, the price of **zinc** fell 1.3 percent to US\$ 0.94 per pound.

The price of zinc was affected by fears of a lower demand from Asia and by increased inventories at the warehouses of the London Metal Exchange (LME).



The price of **WTI crude oil** rose 2.6 percent to US\$ 95.0 per barrel between January 14 and January 21.

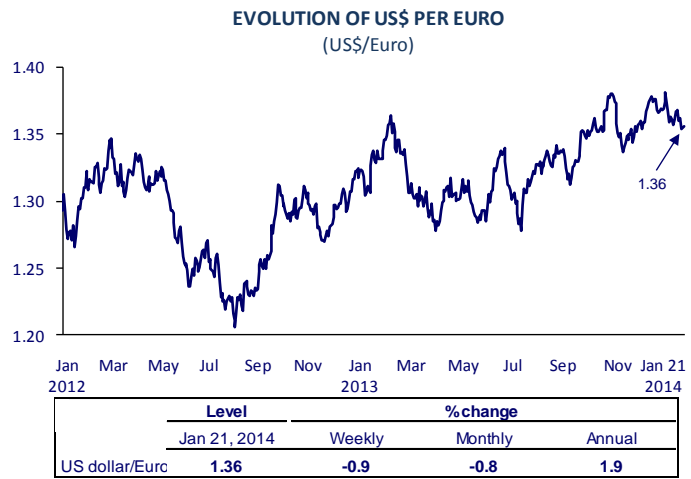
The rise in the price of crude was associated with a higher-than-expected fall in crude inventories in the USA and with a higher demand for heating fuels due to the wave of cold temperatures in this country. However, the rise in the price of crude oil was offset by expectations of a greater supply from Libya and Iran.



Dollar appreciated 0.9 percent against the euro

In January 14-21, the **dollar** appreciated 0.9 percent against the **euro**.

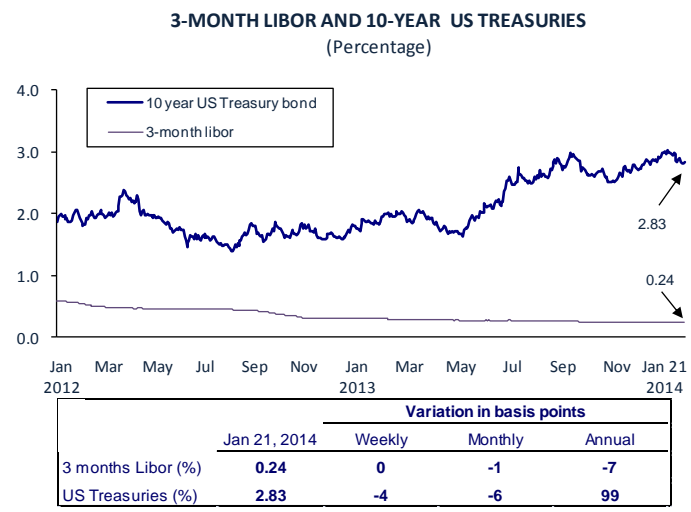
The dollar strengthened against the euro due to the better economic outlook for the U.S. economy after reports indicated that the U.S. industrial production has recently shown its fastest pace of growth in three and a half year.



Yield on 10-year U.S. Treasuries at 2.83 percent

In the week of January 14 to January 21, the **3-month Libor** remained at 0.24 percent.

In the same period, the yield on the **10-year US Treasury bonds** fell from 2.87 percent to 2.83 percent.

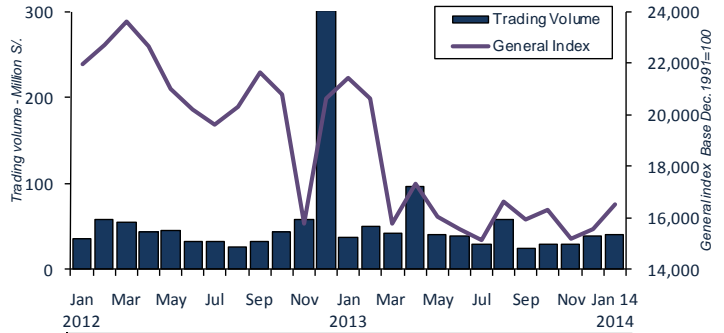


Lima Stock Exchange

During the week of January 14-21, the **General Index** and the **Selective Index** of the Lima Stock Exchange (LSE) increased 2.5 and 2.8 percent, respectively.

The indices of the LSE rose as investors took positions on several stocks due to the favorable evolution of global markets and expectations of a sound growth in the local economy.

LIMA STOCK EXCHANGE INDICATORS



	As of:		%change compared to:	
	Jan 21, 2014	Jan 14, 2014	Dec 31, 2013	Dec 31, 2012
General Index	16,530	2.5	4.9	-19.9
Selective Index	24,268	2.8	6.1	-21.7

So far this year, the indices of the LSE accumulate increases of 4.9 and 6.1 percent, respectively.

Resumen de Indicadores Económicos / Summary of Economic Indicators

Table with columns for years 2011, 2012, 2013, 2014 and months from Dic to Ene. Rows include Reservas Internacionales, Depósitos del sistema financiero, and Operaciones Cambiarias BCR.

INDICADORES MONETARIOS / MONETARY INDICATORS

Moneda nacional / Domestic currency

Table of domestic currency indicators including Emisión Primaria, Oferta monetaria, Crédito sector privado, TOSE saldo fin de período, Superávit de encaje promedio, Cuenta corriente de los bancos, and Tasa de interés.

Moneda extranjera / Foreign currency

Table of foreign currency indicators including Crédito sector privado, TOSE saldo fin de período, Superávit de encaje promedio, Operaciones de reporte en ME, Tasa de interés, and Compras con compromiso de recompras en ME (neto).

INDICADORES BURSÁTILES / STOCK MARKET INDICES

Table of stock market indices including Índice General Bursátil, Índice Selectivo Bursátil, and Monto negociado en acciones.

INFLACIÓN (%) / INFLATION (%)

Table showing Inflación mensual and Inflación últimos 12 meses.

GOBIERNO CENTRAL (MILL. S/.) / CENTRAL GOVERNMENT (Mills. of S/.)

Table of central government data including Resultado primario, Ingresos corrientes, and Gastos no financieros.

COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)

Table of foreign trade data including Balanza Comercial, Exportaciones, and Importaciones.

PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT

Table showing Variac. % respecto al mismo mes del año anterior (Annual rate of growth).

COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS

Table of international quotations including LIBOR a tres meses, Dow Jones, Rendimiento de los U.S. Treasuries, Spread del EMBIG PERÚ, and Credit Default Swaps PERÚ.

* Incluye depósitos de Prompepfi, Fondo de Estabilización Fiscal (FEF), Cofide, fondos administrados por la ONP, y otros depósitos del MEF. El detalle se presenta en el cuadro No.12 de la Nota Semanal.

** A partir del 18 de enero de 2008, el BCRP utiliza los depósitos a plazo en moneda nacional como instrumento monetario.

*** A partir del 6 de octubre de 2010, el BCRP utiliza Certificado de Depósito en Moneda Nacional con Tasa de Interés Variable (CDV BCRP) y CD Liquidables en Dólares (CDLDBCRP) como instrumentos monetarios.

**** Las empresas reportan a la SBS información más segmentada de las tasas de interés. Estos cambios introducidos por la SBS al reporte de tasas activas (Res. SBS N° 11356-2008; Oficio Múltiple N° 24719-2010-SBS) son a partir de julio de 2010.

***** A partir del 7 de noviembre de 2013, esta tasa bajó a 4,80%.

***** Las tasas de interés para los créditos de regulación monetaria en dólares serán a la tasa Libor a un mes más un punto porcentual.

Fuente: BCRP, INEI, Banco de la Nación, BVL, Sunat, SBS, Reuters y Bloomberg.

Elaboración: Departamento de Publicaciones Económicas.