






Indicators

-  Non-Financial Public Sector: Surplus of S/. 897 million in February
-  Exchange rate: S/. 2.80 per US dollar
-  Country risk at 162 basis points

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Non-Financial Public Sector: Surplus of S/. 897 million in February

The non-financial public sector showed a surplus of S/. 897 million in February. As a result of which the public sector accumulated a surplus of S/. 5.61 billion in the first two months.

Tax revenues of the general government increased 5.6 percent. By the way, the non-financial expenditure grew 14.4 percent. It is worth pointing out that expenditure of the national government (19.2 percent) and the regional governments (14.9 percent).

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

	February			January - February		
	2013	2014	Real % Chg.	2013	2014	Real % Chg.
1. General government current revenues	9,186	9,966	4.5	19,662	21,216	4.4
a. Tax revenue	6,565	7,196	5.6	14,763	16,060	5.2
National	6,190	6,791	5.7	14,227	15,485	5.3
Local	375	404	3.9	536	575	3.6
b. Non-tax revenue	2,620	2,771	1.9	4,899	5,155	1.7
National	2,236	2,357	1.6	4,211	4,424	1.6
Regional	56	61	3.9	113	119	1.9
Local	329	353	3.6	575	612	2.9
2. General government non-financial expenditure	6,707	7,966	14.4	12,164	14,397	14.4
a. Current	5,308	6,199	12.5	9,995	11,733	13.5
b. Capital	1,400	1,767	21.6	2,169	2,664	18.6
<i>Of wich: Gross Capital Formation</i>	<i>1,356</i>	<i>1,663</i>	<i>18.2</i>	<i>2,041</i>	<i>2,508</i>	<i>18.7</i>
3. Others 2/	-336	84		-367	339	
4. Primary Balance	2,143	2,085		7,131	7,158	
5. Interests	1,089	1,188	5.2	1,442	1,546	3.5
6. Overall Balance	1,054	897		5,689	5,612	

1/ Preliminary.

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

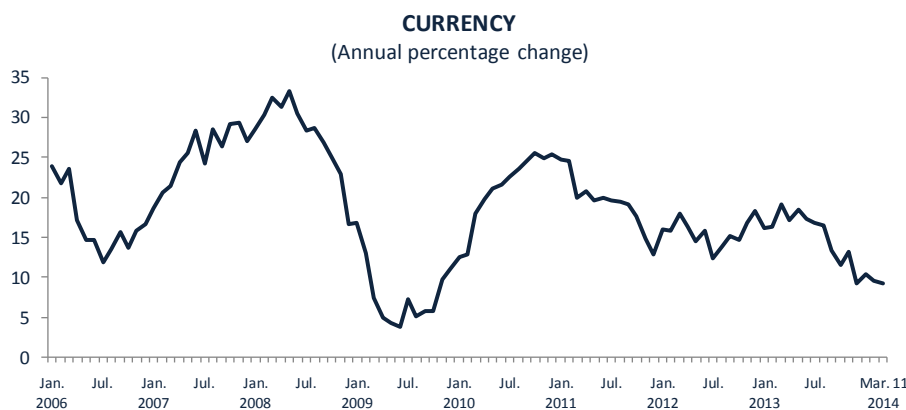
Source: MEF, SUNAT, Banco de la Nación, public charities, public institutions and companies.

Monetary and foreign exchange operations

So far in March, the Central Bank has made the following operations:

1. BCRP CDs: Placements for a total of S/. 120 million at an average rate of 3.80 percent.
2. Repos: Placements for a daily average of S/. 1.77 billion at an average rate of 4.30 percent.
3. CDR BCRP: Placements for a total of S/. 1.35 billion at an average rate of 0.15 percent.
4. Overnight deposits in domestic currency of Depository corporations for a daily average of S/. 986 million (commercial banks for daily average of S/. 259 million).
5. Interventions in the foreign exchange market: The BCRP did not sell foreign currency in the foreign exchange market.

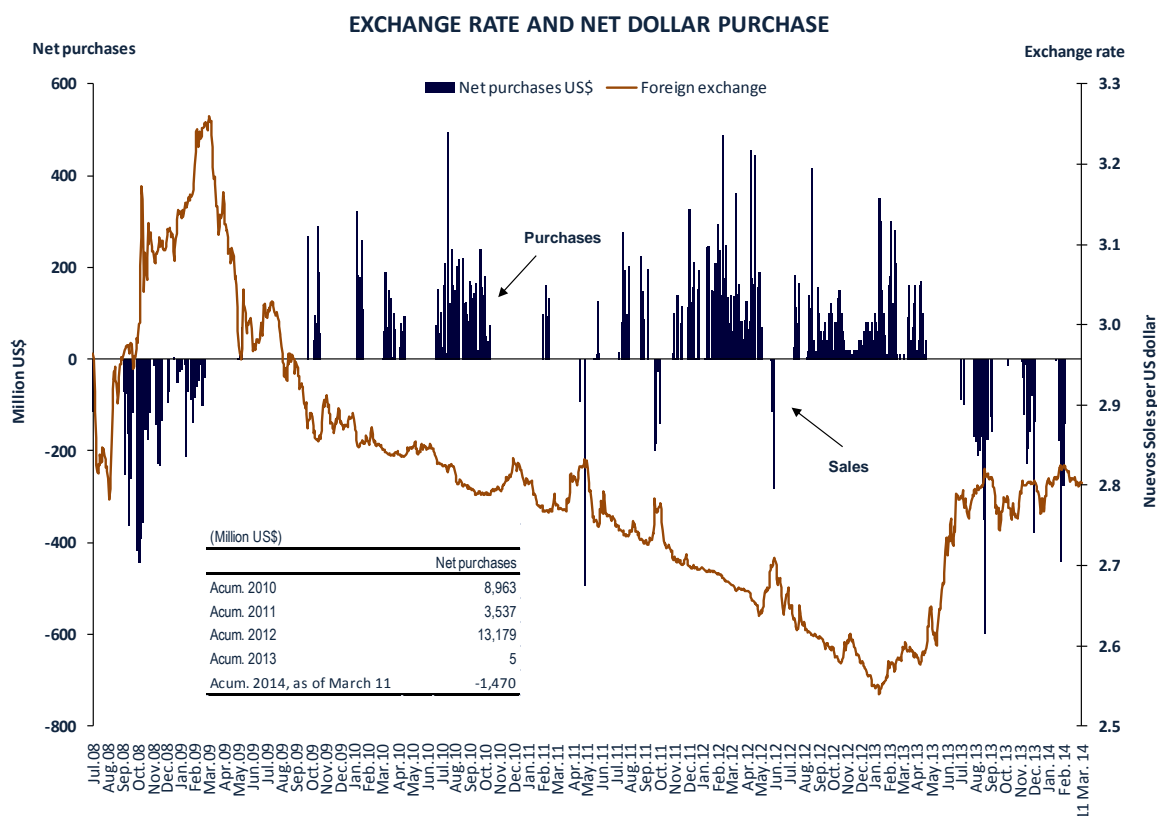
Currency in circulation at March 11, 2014, showed a balance of S/. 33.72 billion and a growth rate of 9.2 percent in the last 12 months.



Exchange rate: S/. 2.80 per US dollar

On March 11, the average selling price of the dollar in the interbank market was S/. 2.80 per dollar.

Since 2012, the Central Bank has purchased foreign currency for a total of US\$ 19.07 billion and sold foreign currency for a total of US\$ 7.35 billion. In net terms, purchases of foreign currency are higher than sales by US\$ 11.71 billion. In the week of March 4 – March 11, the BCRP did not intervene in the foreign exchange market.



International reserves amount to US\$ 64.83 billion

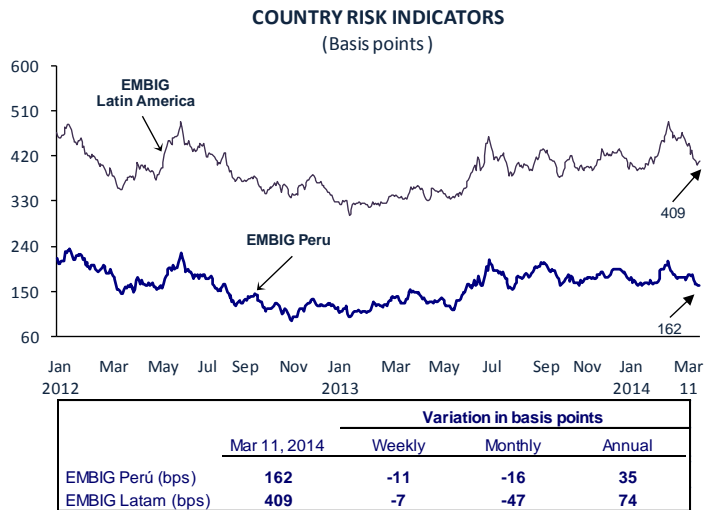
At March 11, 2014, **international reserves** amounted to US\$ 64.83 billion and the foreign exchange position of the BCRP was US\$ 39.94 billion.

International Markets

Country risk fell to 162 basis points

In March 4-11, the country risk indicator, measured by the **EMBIG Peru** spread, decreased from 173 to 162 basis points.

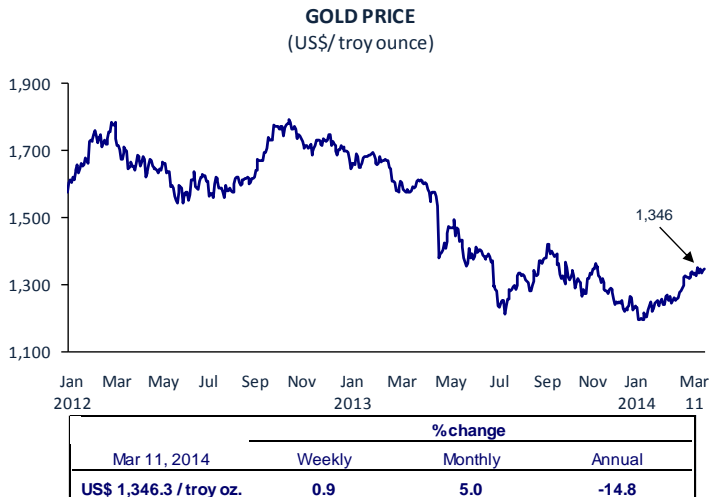
Likewise, the EMBIG Latin America spread fell 7 bps amid labor market recovery in the United States and European Central Bank's decision to keep the interest rate.



Price of gold up to US\$ 1,346.3 per troy ounce

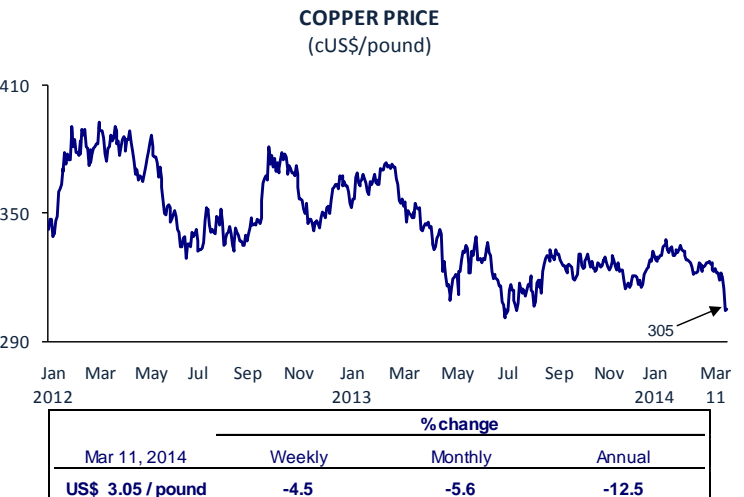
In the same period, the price of **gold** rose 0.9 percent to US\$ 1,346.3 per troy ounce.

The price of gold rose due to the depreciation of the dollar against the euro and to new geopolitical tensions in Ukraine.



In March 4-11, the price of **copper** fell 4.5 percent to US\$ 3.05 per pound.

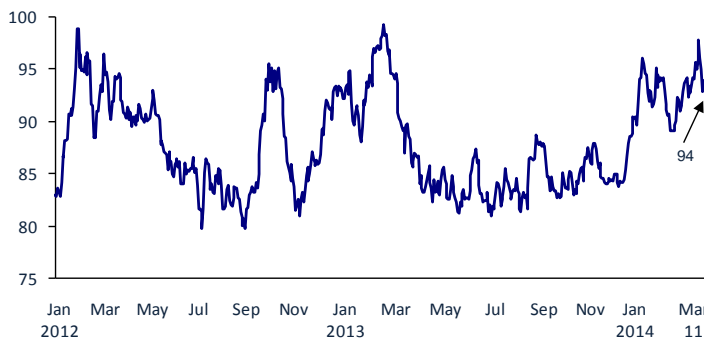
The fall in the price of copper was associated with concerns about the demand after the publication of negative trade and credit data in China.



Between March 4 and March 11, the price of **zinc** reduced 2.0 percent to US\$ 0.94 per pound.

The price of zinc decreased driven by the increase of inventories at the London Metal Exchange and fears of lower economic growth in China.

ZINC PRICE
(cUS\$/pound)

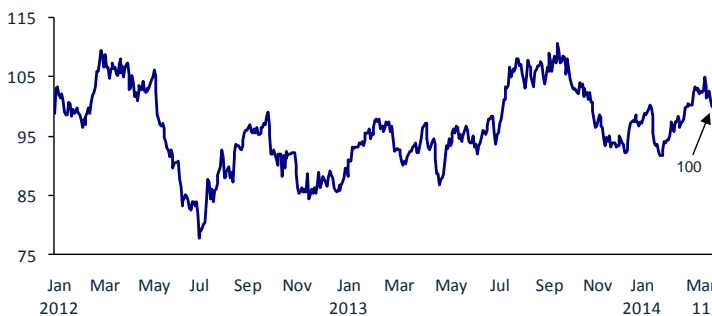


Mar 11, 2014	%change		
	Weekly	Monthly	Annual
US\$ 0.94 / pound	-2.0	3.2	8.1

The price of **WTI oil** decreased 3.2 percent to US\$ 100.0 per barrel between March 4 and March 11.

The fall in the price of crude is explained by the announcement of the Energy Information Administration about lower global oil demand in 2014 and a drop in demand for heating oil after moderating cold temperatures in the United States.

WTI OIL PRICE
(US\$/barrel)



Mar 11, 2014	%change		
	Weekly	Monthly	Annual
US\$ 100.0 / barrel	-3.2	0.1	8.7

U.S. dollar depreciated 0.9 percent against the euro

In the week of March 4-11, the **dollar** depreciated 0.9 percent against the **euro**.

This positive evolution of the euro against the dollar was associated with European Central Bank's announcement to keep interest reference rates unchanged. On the other hand, positive jobs data in the United States partially offset the appreciation of euro.

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



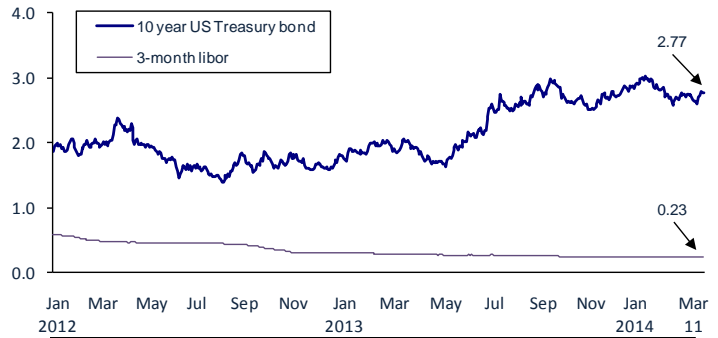
Mar 11, 2014	Level	%change		
	Weekly	Monthly	Annual	
US dollar/Euro	1.39	0.9	1.6	6.3

Yield on 10-year U.S. Treasuries increased to 2.77 percent

In March 4-11, the **3-month Libor** fell 1 basis point to 0.23 percent, while the yield on the **10-year US Treasury bonds** rose from 2.70 percent to 2.77 percent.

The yields on the US Treasury bonds rose as a result of a report showing a job growth better than expected.

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



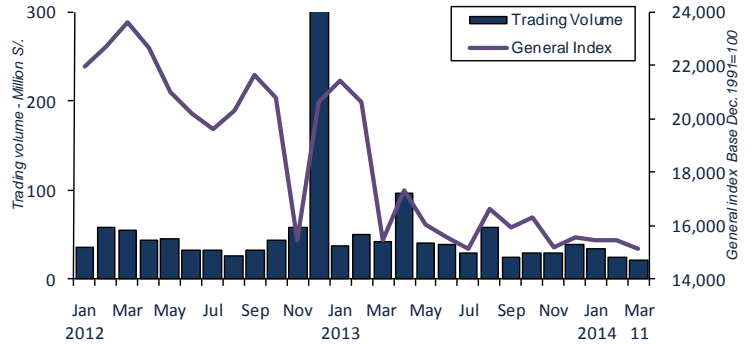
	Variation in basis points			
	Mar 11, 2014	Weekly	Monthly	Annual
3 months Libor (%)	0.23	-1	0	-5
US Treasuries (%)	2.77	7	4	71

Lima Stock Exchange

So far this month (at March 11), the **General Index** and the **Selective Index** of the Lima Stock Exchange (LSE) have fallen 2.1 and 1.6 percent, respectively.

During the week of March 4-11, the indices of the LSE fell 0.7 and 0.6 percent, respectively, driven by the fall observed in the international prices of metals and concerns about China economic slowdown.

LIMA STOCK EXCHANGE INDICATORS



	%change compared to:			
	As of: Mar 11, 2014	Mar 4, 2014	Feb 28, 2014	Dec 31, 2013
General Index	15,110	-0.7	-2.1	-4.1
Selective Index	22,068	-0.6	-1.6	-3.5

