





Indicators

-  Exchange rate in S/. 2.79 por dólar at May 27
-  NIR rose US\$ 337 millions respect to the end of April

Content

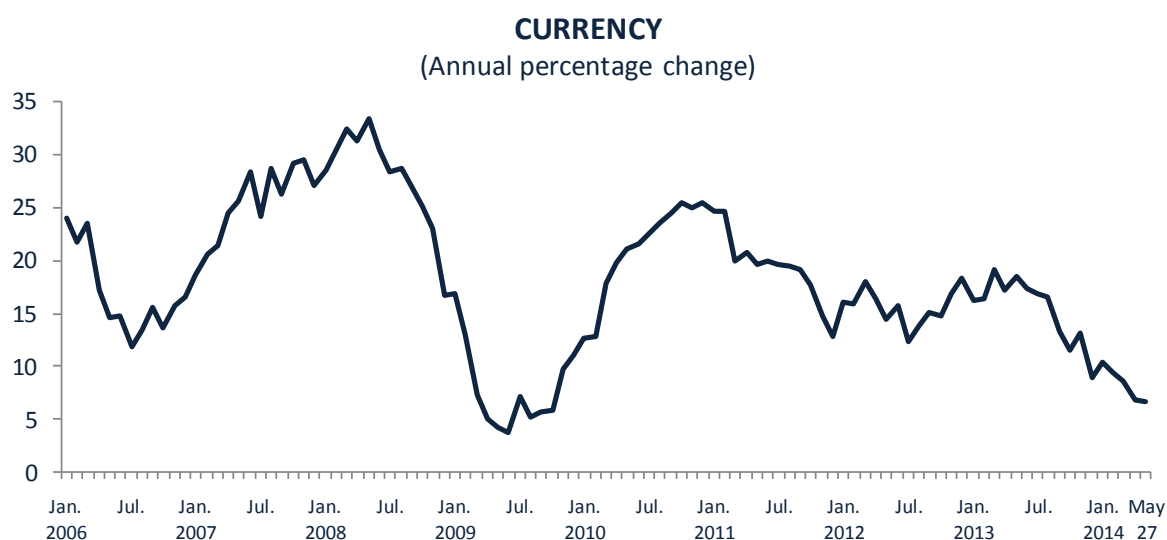
- Exchange rate: S/. 2.79 per US dollar x
- Net international reserves amount to US\$ 65.07 billion at May 27 x
- Country risk in 155 basis points xi

Monetary operations

So far in May (at May 27), the Central Bank has made the following operations:

1. CDBCRP: Balance of S/. 12.76 billion at the end of April (average rate of 3.83 percent), and balance of S/. 17.20 billion at May 27 (average rate of 3.84 percent).
2. Overnight deposits: From a balance of S/. 1.30 billion at the end of April to balance of S/. 862 million at May 27.
3. Repos: Nil balance at the end of April and balance of S/. 100 million at May 27 (average rate of 4.30 percent). The Central Bank made 5 auctions of 1-day and 1 auction of 3-month.
4. Temporary purchase of foreign currency, under repurchase agreements (*fx swaps*): From a balance of S/. 900 million at the end of April (average rate of 4.41 percent) to balance of S/. 1.60 billion at May 27 (average rate of 4.52 percent). The Central Bank made 1 auction of 3-month, 1 auction of 18-month, and 1 auction of 24-month.
5. CDRBCRP: Balance of S/. 3.19 billion at the end of April (average rate of 0.10 percent), and balance of S/. 910 million at May 27 (average rate of 0.08 percent). The Central Bank made 4 auctions of 2-month.

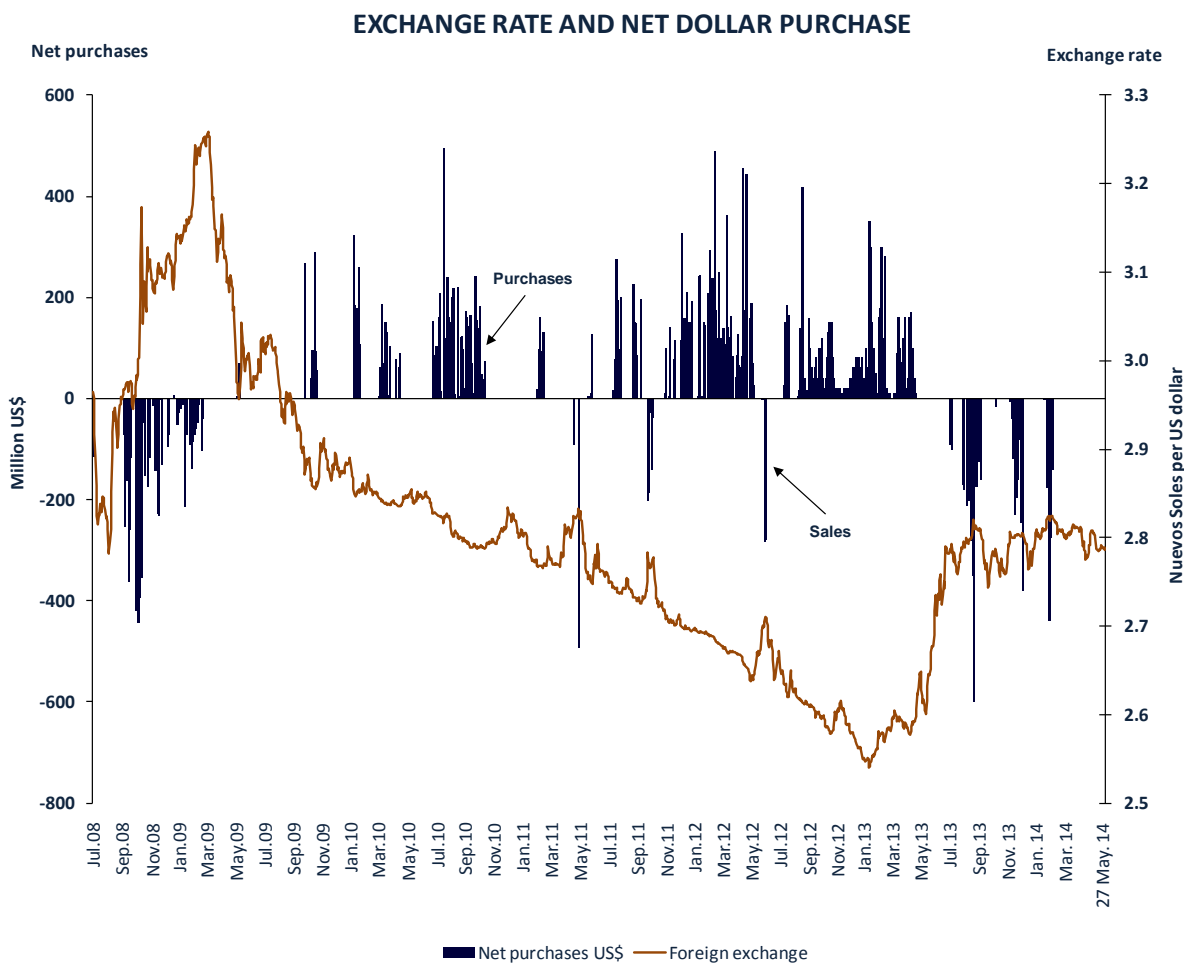
Currency in circulation at May 27, 2014, showed a balance of S/. 33.51 billion and a growth rate of 6.6 percent in the last 12 months.



Exchange rate: S/. 2.79 per US dollar

On May 27, the average selling price of the dollar in the interbank market was S/. 2.79 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 May 21–27, the BCRP did not intervene in the foreign exchange market.



Net international reserves amount to US\$ 65.07 billion at May 27

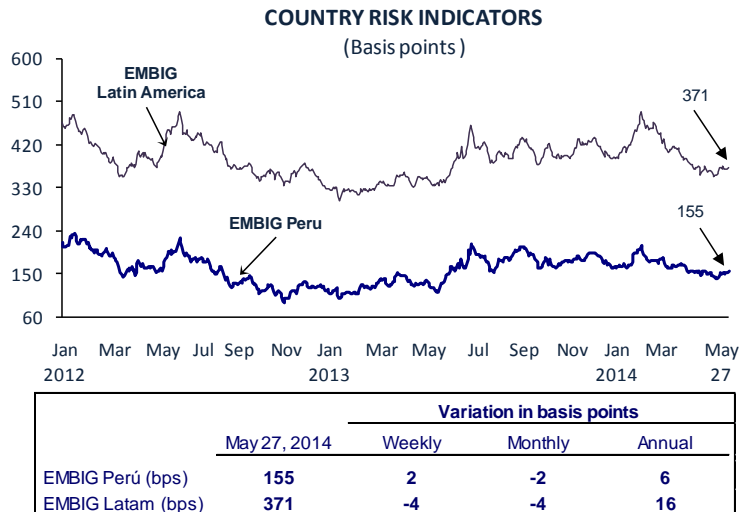
Net international reserves (NIRs) at May 27, 2014, totaled US\$ 65.07 billion. This amount of reserves is higher by US\$ 337 million than the one recorded at end of April. Moreover, the foreign exchange position of BCRP on May 27 was US\$ 40.69 billion, US\$ 231 million higher than at end of April.

International Markets

Country risk in 155 basis points

In May 20-27, the country risk indicator, measured by the **EMBIG Peru** spread, rose from 153 to 155 basis points.

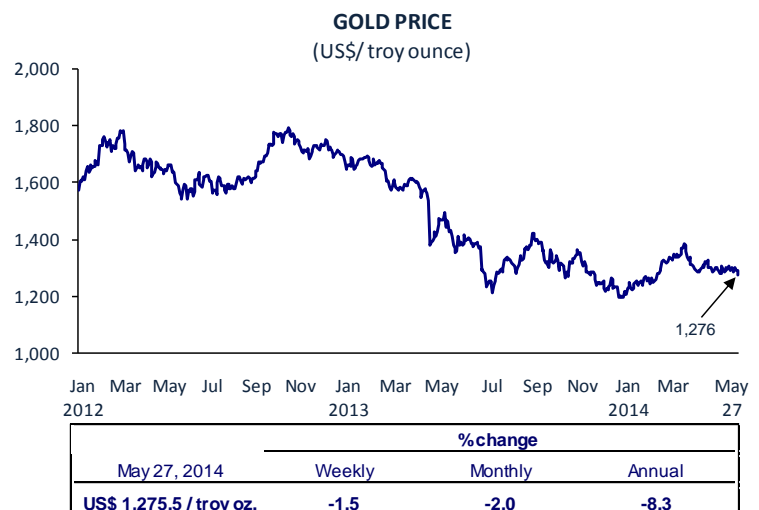
On the other hand, the **EMBIG Latin America** spread decreased 4 basis points due to positive signals in the Minute of the Fed meeting supported by favorable indicators of activity in USA.



Price of gold down to US\$ 1,275.5 per troy ounce

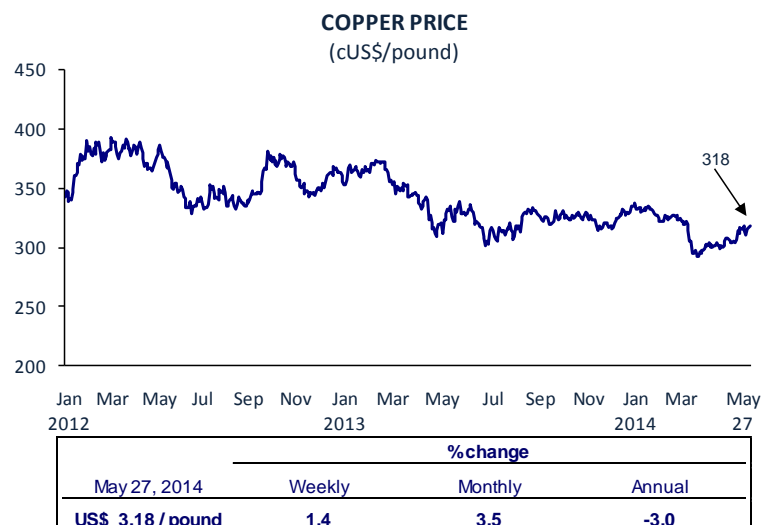
In the same period, the price of **gold** dropped 1.5 percent to US\$ 1,275.5 per troy ounce.

The price of gold continued to be affected by the appreciation of the dollar against the euro and World Gold Council report about a greater demand in 2014.



In May 20-27, the price of **copper** rose 1.4 percent to US\$ 3.18 per pound.

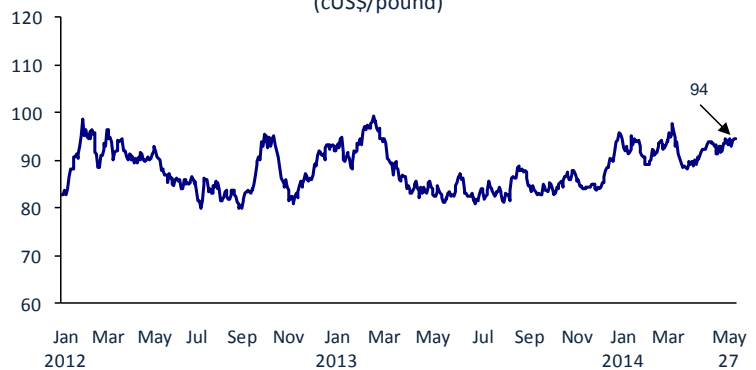
The declining trend of copper was explained by an increase in seasonal China's demand and by data compiled by the International Copper Study Group (ICSG) that showed a global market for refined copper metal in deficit by 5kt over February.



In the same period, the price of **zinc** kept to US\$ 0.94 per pound.

These results are consistent with the decrease of global inventories and lower demand outlook by expectations of deceleration in the real estate in China.

ZINC PRICE
(cUS\$/pound)



May 27, 2014	%change		
	Weekly	Monthly	Annual
US\$ 0.94 / pound	0.0	1.0	14.2

The price of **WTI oil** increased 1.6 percent to US\$ 104.1 per barrel between May 20 and May 27.

The recovery in the price of crude oil was associated with decreased inventories of crude in Cushing Oklahoma, the lowest level in six years, and geopolitical tensions in Libya and Ukraine.

WTI OIL PRICE
(US\$/barrel)



May 27, 2014	%change		
	Weekly	Monthly	Annual
US\$ 104.1 / barrel	1.6	3.2	10.9

U.S. dollar appreciated 0.5 percent against the euro

In May 20-27, the **dollar** appreciated 0.5 percent against the **euro**, due to positive economic data in the United States and expectations of greater stimulus from European Central Bank (ECB).

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



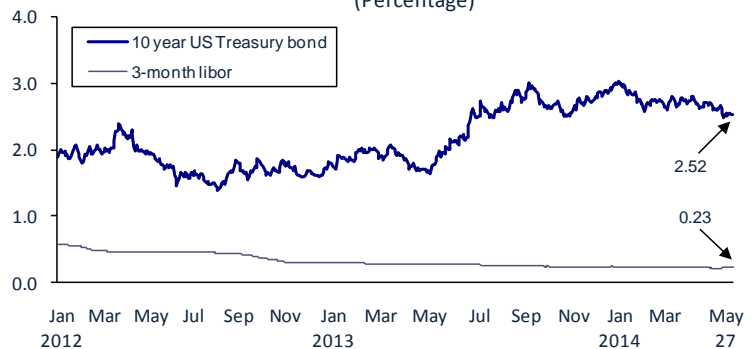
May 27, 2014	Level	%change		
	Weekly	Monthly	Annual	
US dollar/Euro	1.36	-0.5	-1.4	5.4

Yield on 10-year US Treasuries at 2.52 percent

In May 20-27, the **3-month Libor** hold at 0.23 percent

The yield on the **10-year US Treasury bonds** rose from 2.51 to 2.52 percent, amid better evolution expected in the U.S. economy due to positive economic data.

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



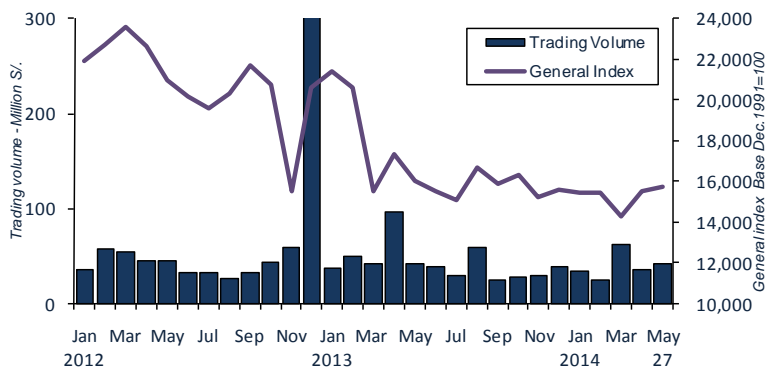
	Variation in basis points			
	May 27, 2014	Weekly	Monthly	Annual
3 months Libor (%)	0.23	0	0	-4
US Treasuries (%)	2.52	1	-15	51

Lima Stock Exchange

So far this month (at May 27), the **General** of the Lima Stock Exchange (LSE) has risen 1.6 percent, while the **Selective Index** has fallen 0.8 percent.

During the week of May 20-27, the General index rose 0.6 percent and Selective fell 0.7 percent amid a positive evolution observed in the main global exchange stocks, a decrease of gold price, and higher quotation of copper.

LIMA STOCK EXCHANGE INDICATORS



	% change compared to:			
	As of: May 27, 2014	May 20, 2014	Apr 30, 2014	Dec 31, 2013
General Index	15,770	0.6	1.6	0.1
Selective Index	22,247	-0.7	-0.8	-2.8

So far this year, the General index rose 0.1 percent and Selective declined 2.8 percent.

