



Indicators

- ➔ Exchange rate in 2.80 per US dollar on June 24
- ➔ Country risk at 151 bps

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Monetary and foreign exchange operations

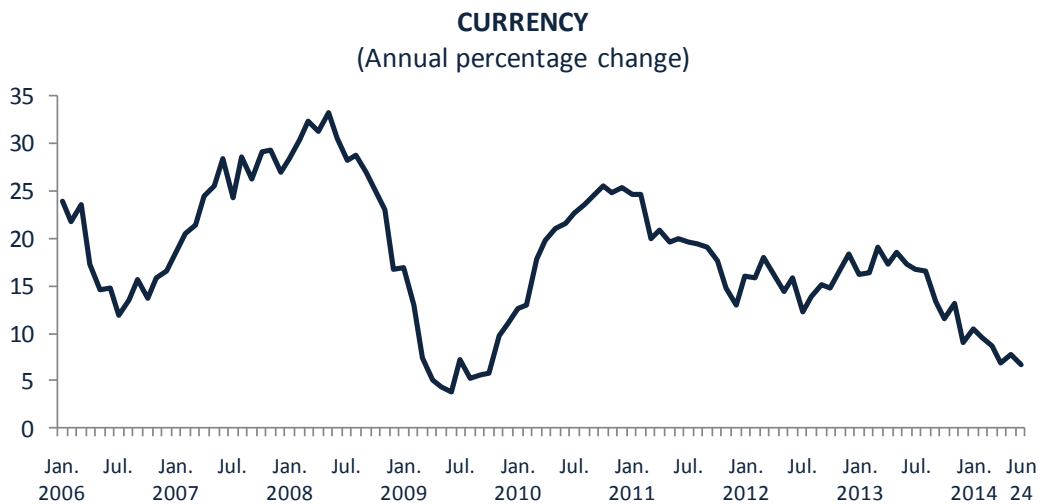
The BCRP monetary and foreign exchange operations at June 24 included the following:

- BCRP-CDs at end-May showed a balance of S/. 17.57 billion with an average interest of 3.84 percent, while BCRP-CDs at June 24 showed a balance of S/. 16.05 billion with an average interest of 3.82 percent.
- Overnight deposits registered a balance of S/. 2.14 billion at the close of May and a balance of S/. 558 million on June 24.
- Repos showed a balance of S/. 100 million at end May with an average interest rate of 4.30 percent. This balance was the same at June 24.
- FX swaps: The balance of these operations at the close of May was S/. 1.90 billion with an average interest rate of 4.48 percent, while the balance of these operations on June 24 was S/. 2.20 billion with an average interest rate of 4.46 percent.
- CDR-BCRP showed a balance of S/. 910 million at end-May with an interest rate of 0.08 percent and a balance of S/. 710 million at June 24 with an average interest rate of 0.09 percent. The last placement of CDR BCRP was on May 21, 2014.
- Interventions in the foreign exchange market: The BCRP did not intervene in the spot market since May 29, 2014.

MONETARY AND FOREIGN EXCHANGE OPERATIONS: JUNE
(Million nuevos soles)

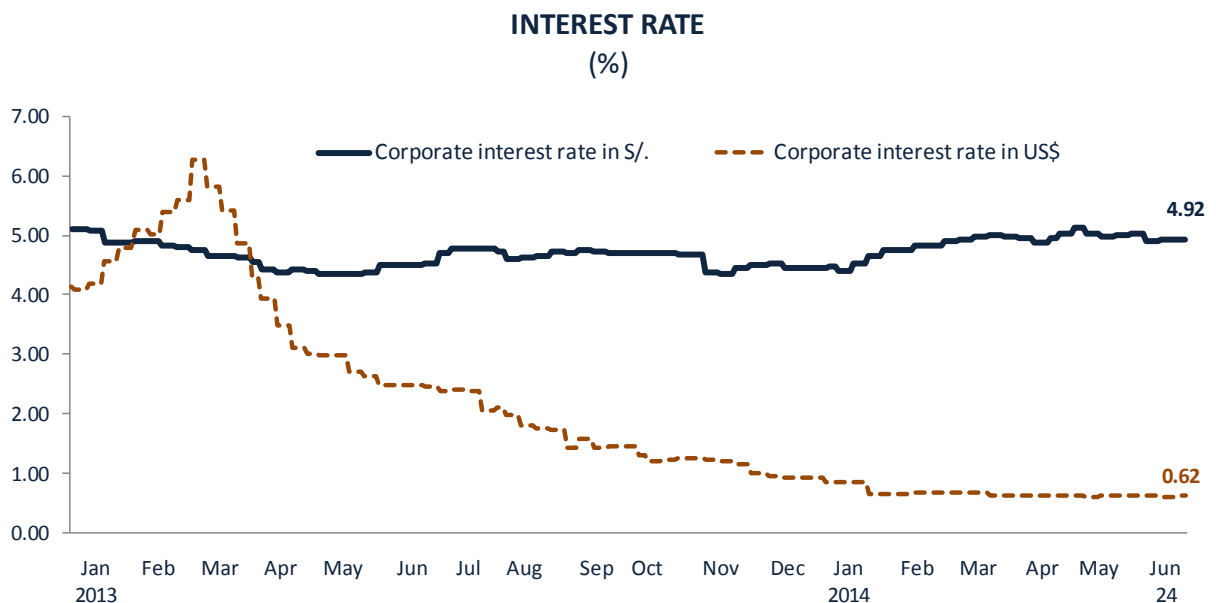
		Balance			Auctions						Placements	
		(Interest rate)			(Interest rate)							
		April 30	May 31	June 24	Overnight	1 month	3 months	6 months	12 months	18 months		24 months
Monetary operations	Sterilization	CD BCRP	12,757 (3.83%)	17,566 (3.84%)	16,045 (3.82%)		600 (3.79%)	400 (3.75%)	500 (3.79%)	300 (3.80%)	300 (3.87%)	3,621
		Overnight deposits	1,300 (2.80%)	2,139 (2.80%)	558 (2.80%)	11,777 (2.80%)						13,358
	Injection	Repos		100 (4.30%)	100 (4.30%)	5,000 (4.06%)						5,000
		Fx-Swaps	900 (4.41%)	1,900 (4.48%)	2,200 (4.46%)						300 (4.37%)	
Foreign exchange operations		CDR BCRP	3,186 (0.10%)	910 (0.08%)	710 (0.09%)							200

Currency in circulation at June 24, 2014, showed a balance of S/. 33.33 billion and a growth rate of 6.7 percent in the last 12 months.



Corporate prime rate in dollars at 0.62 percent

On June 24, the **corporate prime rate** –the interest rate commercial banks charge to lower risk businesses– in US dollars showed a daily average rate of 0.62 percent. On the other hand, the corporate prime rate in soles recorded a daily average rate of 4.92 percent.

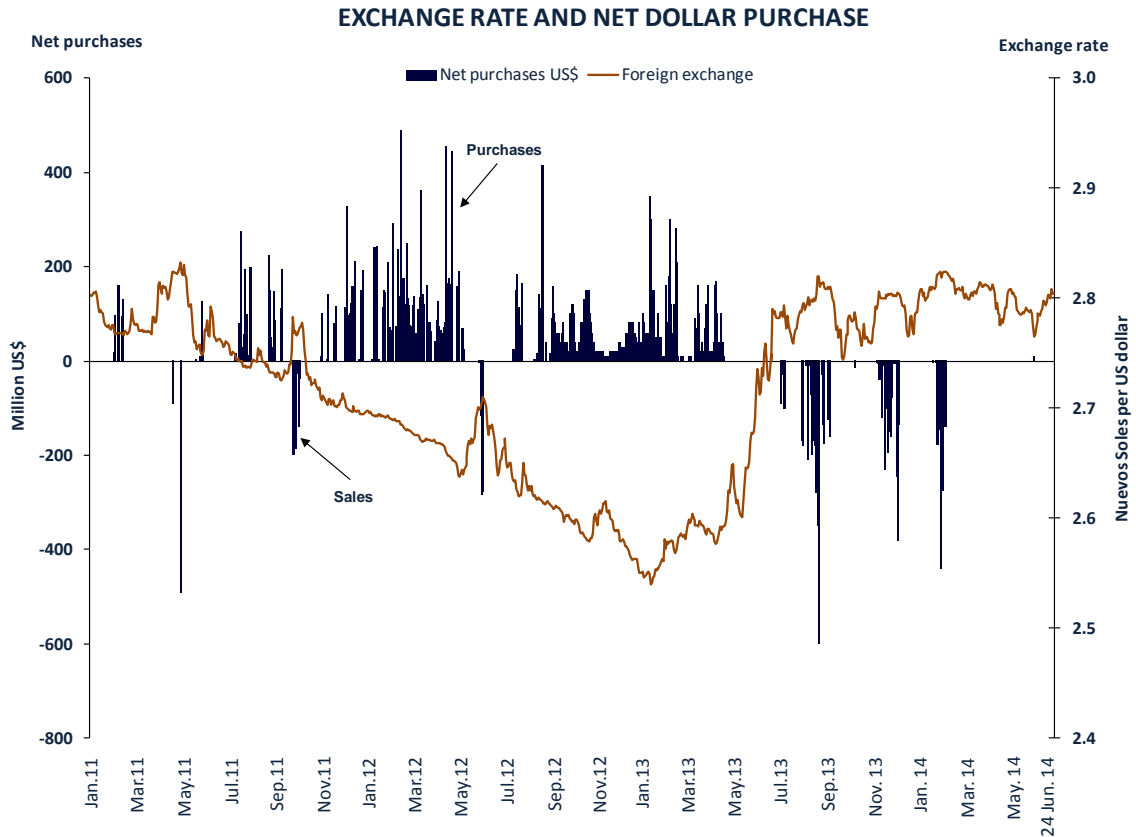


The corporate prime rate in soles is the closest in level to the rate of the Central Bank’s reference interest rate and tends to be the first to respond to the movements of and expectations about the monetary policy rate.

Exchange rate: S/. 2.80 per US dollar

On June 24, 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\$ 19.08 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\$ 11.72 billion.



International reserves amount to US\$ 64.80 billion

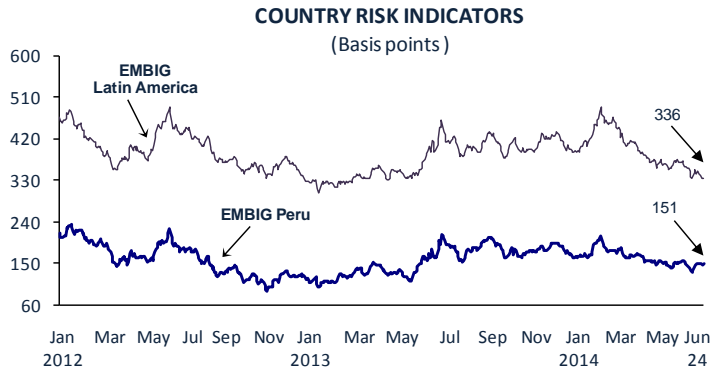
At June 24, 2014, net international reserves amounted to US\$ 64.80 billion and the foreign exchange position of the BCRP was US\$ 40.36 billion.

International Markets

Country risk at 151 basis points

In June 17-24, the country risk indicator, measured by the **EMBIG Peru** spread, rose from 149 to 151 basis points.

On the other hand, the **EMBIG Latin America** spread fell 13 basis points due to favorable evolution of financial market by signals that Fed would keep interest rate low.



	Variation in basis points			
	Jun 24, 2014	Weekly	Monthly	Annual
EMBIG Perú (bps)	151	2	-2	-61
EMBIG Latam (bps)	336	-13	-33	-124

Price of gold at US\$ 1,318.5 per troy ounce

In the same period, the price of **gold** rose 4.0 percent to US\$ 1,318.5 per troy ounce.

The price of gold was favored by higher demand for hedge assets resulting from geopolitical tensions in Iraq and by the Fed's announcement about keeping interest rate low.

GOLD PRICE
(US\$/troy ounce)



Jun 24, 2014	% change		
	Weekly	Monthly	Annual
US\$ 1,318.5 / troy oz.	4.0	2.1	2.5

In June 17-24, the price of **copper** increased 2.8 percent to US\$ 3.13 per pound.

This increase was favored by expectations of greater demand in China in response to favorable manufacturing data in June and by lower inventories in the London Metal Exchange.

COPPER PRICE
(cUS\$/pound)

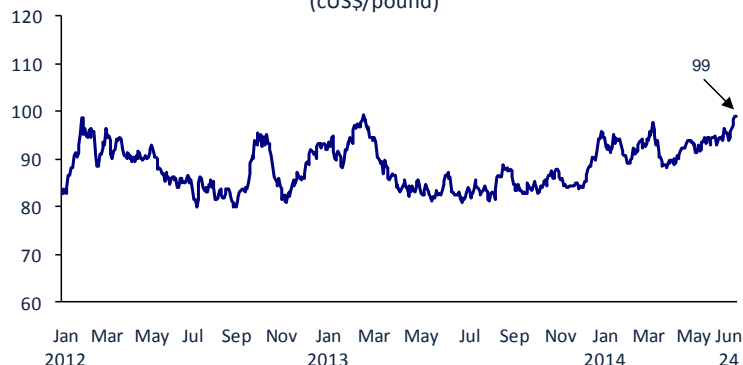


Jun 24, 2014	% change		
	Weekly	Monthly	Annual
US\$ 3.13 / pound	2.8	-1.3	3.9

In the same period, the price of **zinc** rose 3.3 percent to US\$ 0.99 per pound.

The rising conduct in the price of this metal reflected the stoppages of various mine operations and signals of higher growth in China

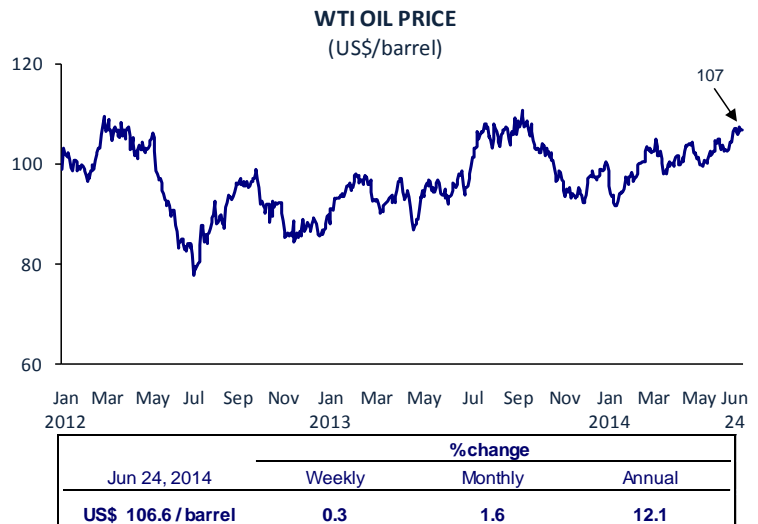
ZINC PRICE
(cUS\$/pound)



Jun 24, 2014	% change		
	Weekly	Monthly	Annual
US\$ 0.99 / pound	3.3	4.8	22.3

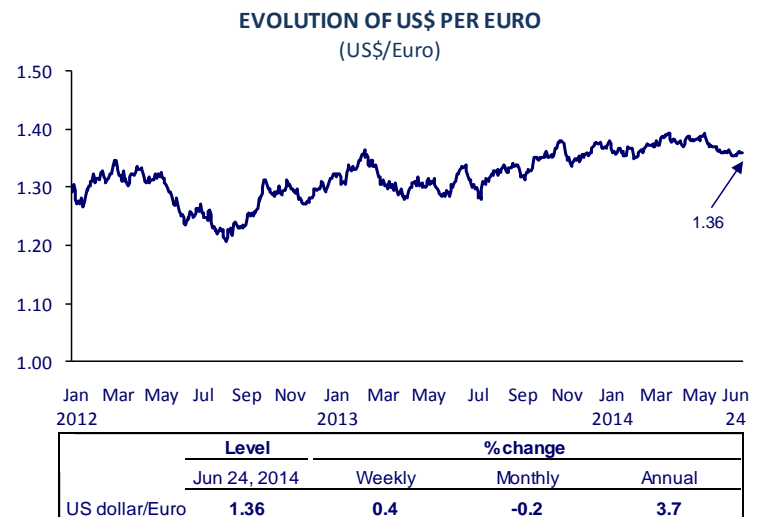
The price of **WTI oil** rose 0.3 percent to US\$ 106.6 per barrel between June 17 and June 24.

The rise in the price of crude was associated with worries due to disruptions in the supply from Iraq, partially offset by the increase production in United States.



US Dollar depreciated against euro

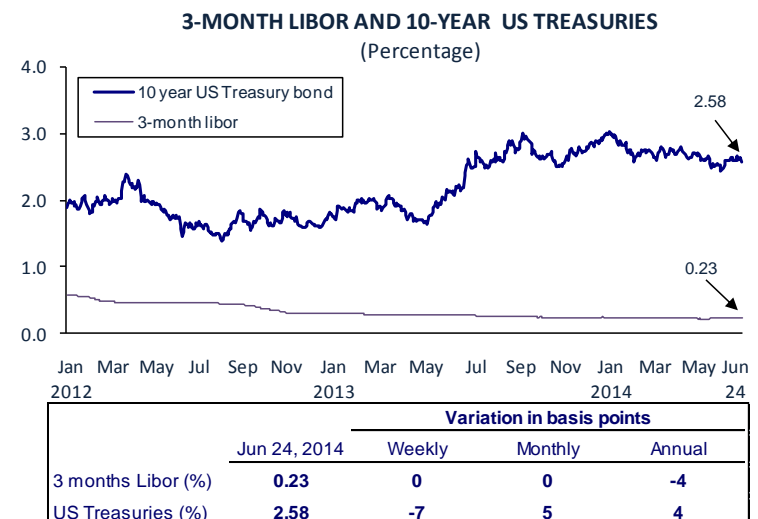
In the week of June 17-24, US **dollar** depreciated 0.4 percent against **euro** in a context of signals that Fed would keep interest rate low, in spite of recent inflation data.



Yield on 10-year U.S. Treasuries at 2.58 percent

In June 17-24, the **3-month Libor** rate remained at 0.23 percent.

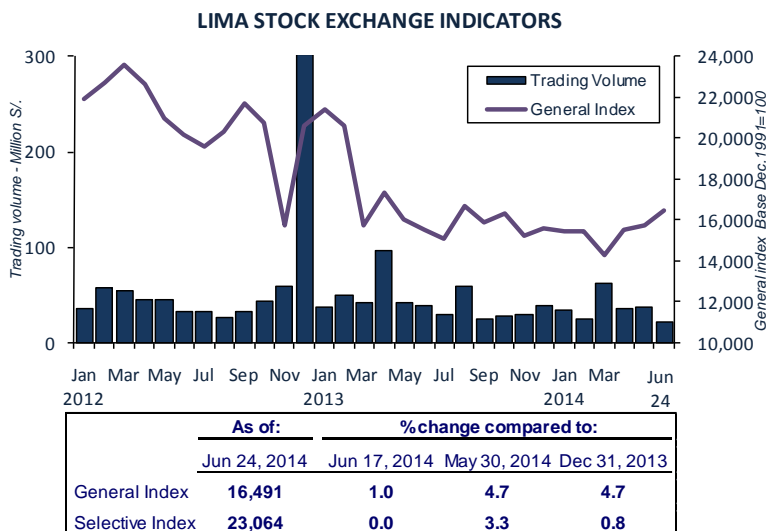
Moreover, the yield on the **10-year US Treasury bonds** reduced 7 bps to 2.58 percent, in a context of worries in some investors about geopolitical tensions in Iraq.



Lima Stock Exchange

So far this month (at June 17), the **General Index** of the Lima Stock Exchange (LSE) rose 4.7 percent and the **Selective Index** rose 3.3 percent.

During the week of analysis, the General index rose 1.0 percent, while Selective index kept neutral, amid the improvement of metal prices in international markets.



So far this year, the General Index of the LSE has increased 4.7 percent and the Selective Index has increased 0.8 percent.

