








### Indicators

-  Corporate prime rate at 4.6 percent so far in August
-  Country risk at 154 basis points
-  GDP grew 1.7 percent in Q2-2014
-  Economic surplus of 3.2 percent of GDP in Q2-2014
-  Monetization coefficient of credit: 37.4 percent of GDP

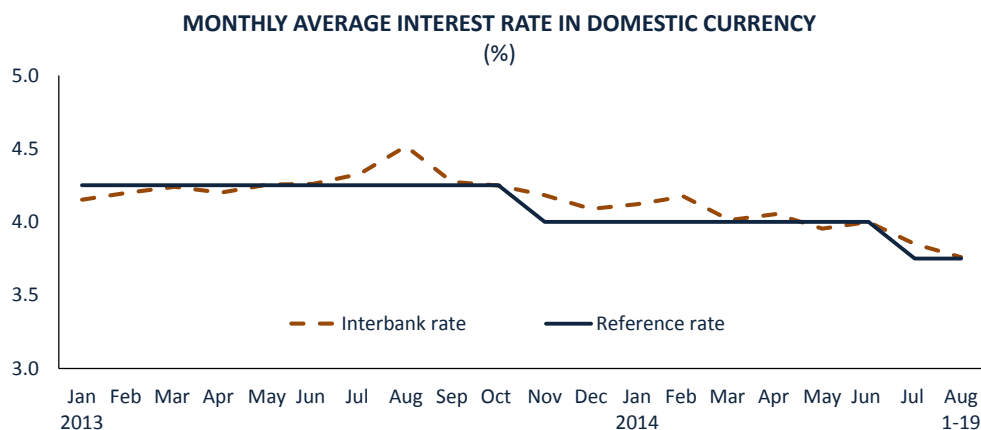
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## WEEKLY REPORT

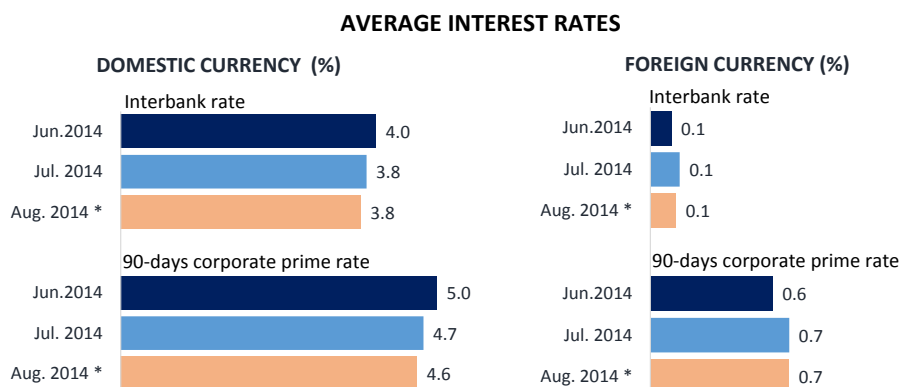
### Interbank interest rate in soles at 3.76 percent

On August 19, the interbank interest rate in soles was 3.76 percent (3.77 percent in the previous week). It should be pointed out that the aim of the operations of the Central Bank is that the interbank interest rate is close to the benchmark interest rate.



### Corporate prime rate in soles at 4.6 percent

On August 19, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles recorded a daily average rate of 4.6 percent (4.7 percent in the previous week). In the same period, the corporate prime rate in dollars was 0.7 percent.



\* As of 19.

## Monetary and Foreign Exchange Operations

The monetary operations carried out by the Central Bank as of August 19 were aimed at providing the financial system with liquidity through overnight Repos and term Fx-Swap operations to meet the increased demand for liquidity observed at the beginning of each month.

- Repos: Overnight repos for a total of S/. 6.5 billion at an average rate of 3.81 percent and 3-month repos for a total of S/. 250 million at an average rate of 3.78 percent have been placed at August 19. Repos maturities amounted to S/. 6.6 billion. The balance of these operations at August 19 was S/. 650 million, with an average interest rate of 4.13 percent.
- FX swaps for a total of S/. 100 million at an average interest rate of 3.82 percent were placed in the period of analysis, and fx swaps maturities amounted to S/. 100 million. The balance of these operations at August 19 was S/. 3.2 billion, with an average interest rate of 4.25 percent.

The BCRP has continued with its regular placements of BCRP-CDs three times a week, placing CDs for a total of S/. 700 million with the purpose of contributing to increase liquidity in the secondary market of these instruments. In addition, the Central Bank has placed 4-month to 6-month BCRP-CDs for a total of S/. 400 million to slow down the excess of liquidity resulting from the maturity of BCRP-CDs in the month.

- BCRP-CDs: 4-month BCRP-CDs for a total of S/. 200 million were placed at an average rate of 3.55 percent; 6-month BCRP-CDs for a total of S/. 700 million were placed at an average rate of 3.52 percent; 12-month BCRP-CDs for a total of S/. 200 million were placed at an average rate of 3.50 percent, and 18-month BCRP-CDs for a total of S/. 200 million were placed at an average rate of 3.63 percent. BCRP-CDs maturities amounted to S/. 1.11 billion. The balance of these operations at August 19 was S/. 16.58 billion, with an average interest rate of 3.74 percent.
- Term deposits: No term deposits have been placed in August. Term deposits maturing overnight amounted to S/. 3.2 billion.
- Overnight deposits: The balance of overnight deposits at August 19 was S/. 825 million.

The Central Bank made some operations in the spot foreign exchange market to reduce the volatility of the foreign exchange rate:

- Interventions in the foreign exchange market: On August 15, the BCRP purchased FC for a total of US\$ 10 million in the spot market at an average rate of S/. 2.7940 per US dollar.
- CDR-BCRP registered no balance at August 19. On August 20, Central Bank has placed CDR-BCRP for S / . 130 million. Respect to the end-of-2013, the balance of these certificates has dropped in S / . 2.98 billion (equivalent to US\$ 1.07 billion).

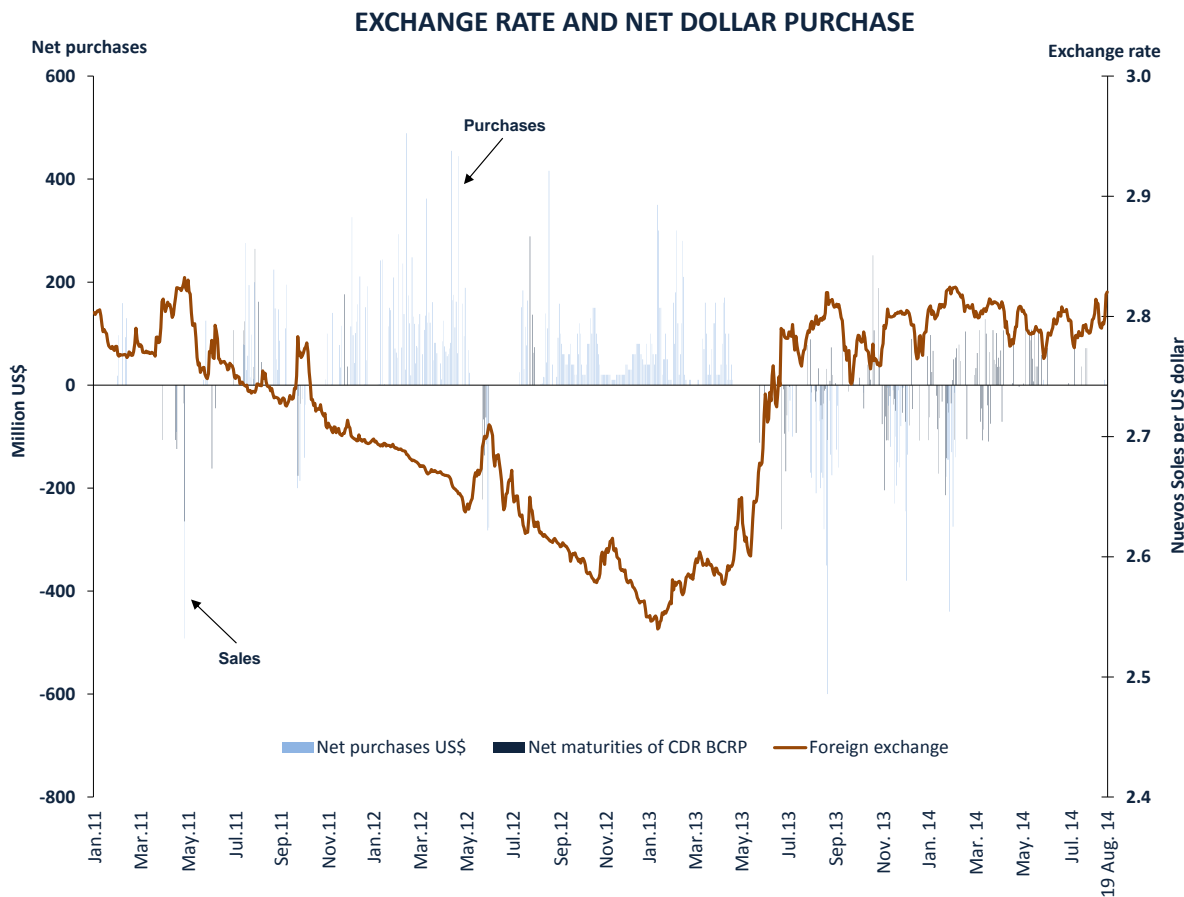
**MONETARY AND FOREIGN EXCHANGE OPERATIONS**  
(Million nuevos soles)

		Balance			Placements					Maturity			
		(Interest rate)			Overnight	3-month	(Interest rate)						
		Jun 30	Jul 31	Aug 19			4-month	6-month	12-month		18-month		
Monetary operations	Sterilization	CD BCRP	16,345 (3.82%)	16,395 (3.77%)	16,585 (3.74%)			200 (3.55%)	700 (3.52%)	200 (3.50%)	200 (3.63%)	1,110	
		Term deposit	0	3,200 (2.99)	0							3,200	
		Overnight deposits	3,117 (2.80%)	1,502 (2.55%)	825 (2.55%)	14,652 (2.55%)							15,330
	Injection	Repos	100 (4.30%)	500 (4.34%)	650 (4.13%)	6,500 (3.81%)	250 (3.78%)						6,600
		Fx-Swaps	2,500 (4.40%)	3,200 (4.27%)	3,200 (4.25%)		100 (3.82%)						100
		CDR BCRP	700 (0.09%)	0	0								0
Foreign exchange operations													

**Exchange rate: S/. 2.82 per US dollar**

On August 19, the average selling price of the dollar in the interbank market was S/. 2.82 per dollar.

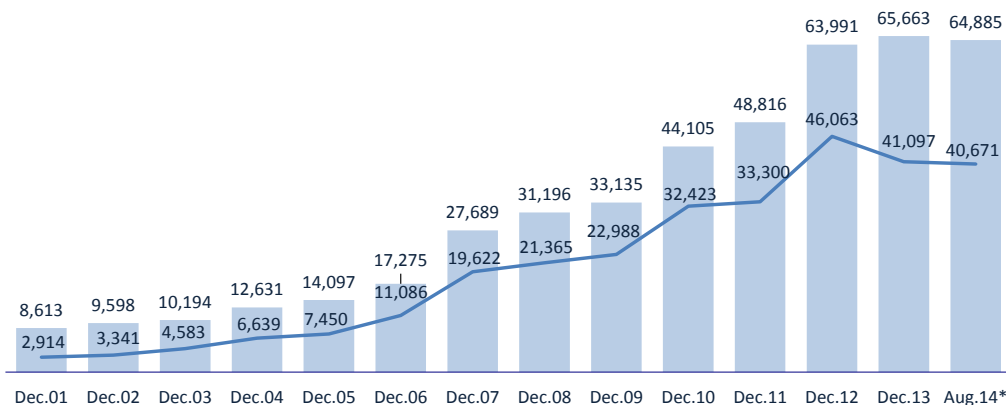
Since 2012, the Central Bank has purchased foreign currency for a total of US\$ 19.08 billion and sold foreign currency for a total of US\$ 7.35 billion. In net terms, purchases of foreign currency are higher than sales by US\$ 11.73 billion.



**International reserves amounted to US\$ 64.88 billion at August 19**

International reserves at August 19, 2014, amounted to US\$ 64.88 billion and the foreign exchange position of the BCRP was US\$ 40.67 billion.

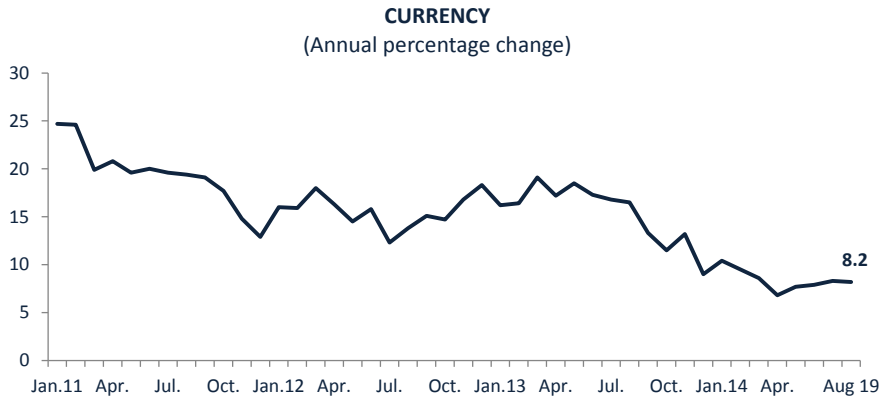
**INTERNATIONAL RESERVES AND NET INTERNATIONAL POSITIONS**  
(Million US\$)



\* As of 19.

## Currency

**Currency in circulation** at August 19, 2014, showed a balance of S/. 35.21 billion and a growth rate of 8.2 percent in the last 12 months.

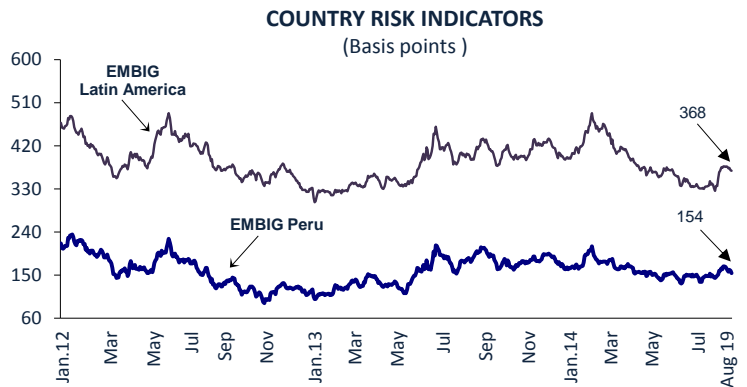


## International Markets

### Country risk at 154 basis points

In August 12-19, the country risk indicator, measured by the **EMBIG Peru** spread, fell from 164 to 154 basis points.

On the other hand, the **EMBIG Latin America** spread fell 9 basis points. Financial markets showed a favorable evolution due to the decline of geopolitical stresses in Ukraine and due to the positive economic data reported in the United States.

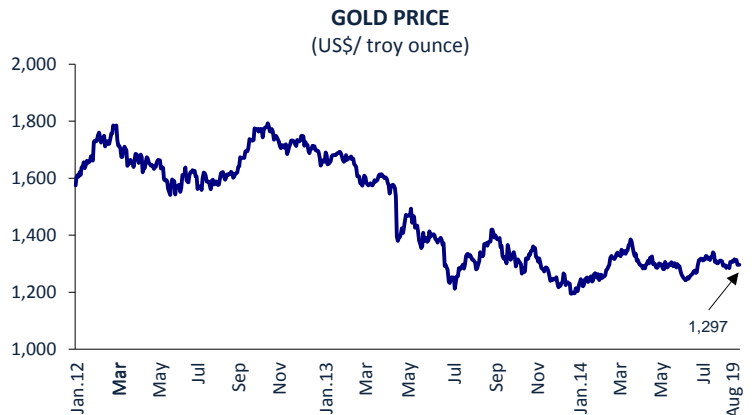


	Variation in basis points			
	Aug 19, 2014	Weekly	Monthly	Annual
EMBIG Perú (bps)	154	-10	7	-39
EMBIG Latam (bps)	368	-9	29	-34

### Price of gold: US\$ 1,296.5 per troy ounce

In the same period, the price of **gold** dropped 1.5 percent to US\$ 1,296.5 per troy ounce.

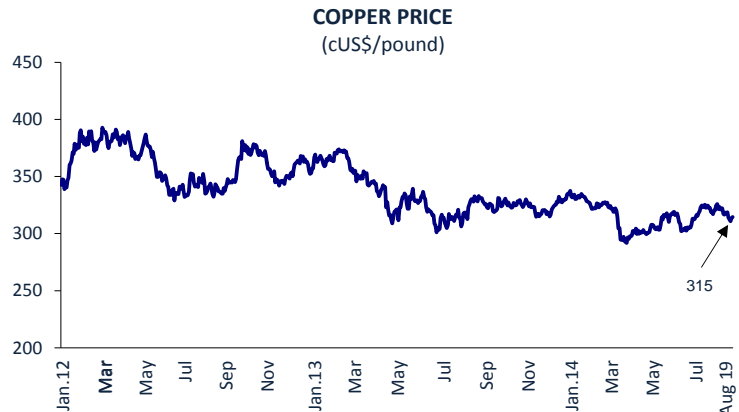
The decline in the price of gold was supported by the appreciation of the dollar against the euro and by the report of the World Gold Council (WGC), which showed that the global demand for this metal had fallen 16 percent in annual terms in Q2-2014.



	% change			
	Aug 19, 2014	Weekly	Monthly	Annual
US\$ 1,296.5 / troy oz.		-1.5	-0.8	-5.0

In August 12 - 19, the price of **copper** fell 1.3 percent to US\$ 3.15/pound.

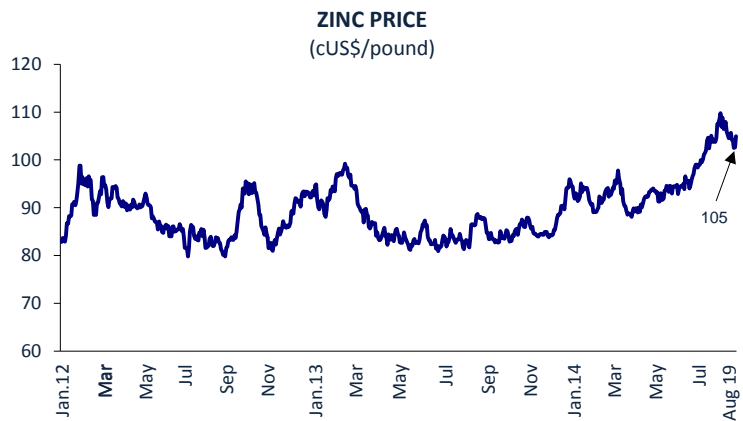
The downward trend in the price of copper is explained mainly by expectations of a lower demand associated with concerns about the economic performance of China and the Eurozone.



Aug 19, 2014	% change		
	Weekly	Monthly	Annual
<b>US\$ 3.15 / pound</b>	<b>-1.3</b>	<b>-1.3</b>	<b>-4.8</b>

In the same period, the price of **zinc** fell 0.7 percent to US\$ 1.05 per pound.

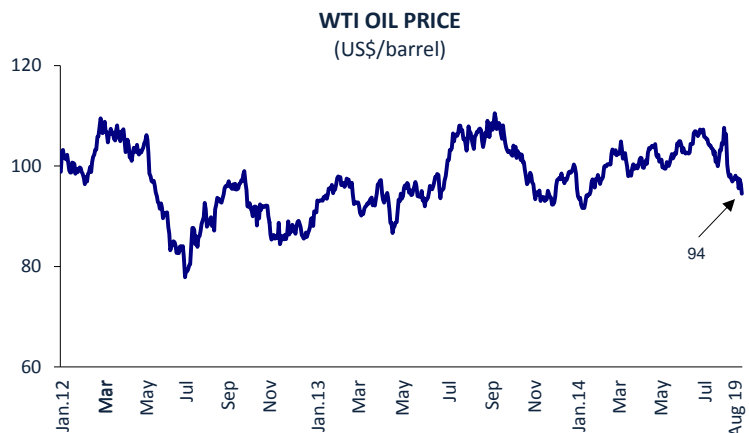
This price fall reflected the increase of inventories at the London Metal Exchange and expectations of a greater supply in the second half of the year.



Aug 19, 2014	% change		
	Weekly	Monthly	Annual
<b>US\$ 1.05 / pound</b>	<b>-0.7</b>	<b>1.1</b>	<b>18.3</b>

In August 12 - 19, the price of **WTI oil** dropped 5 percent to US\$ 94.5 per barrel.

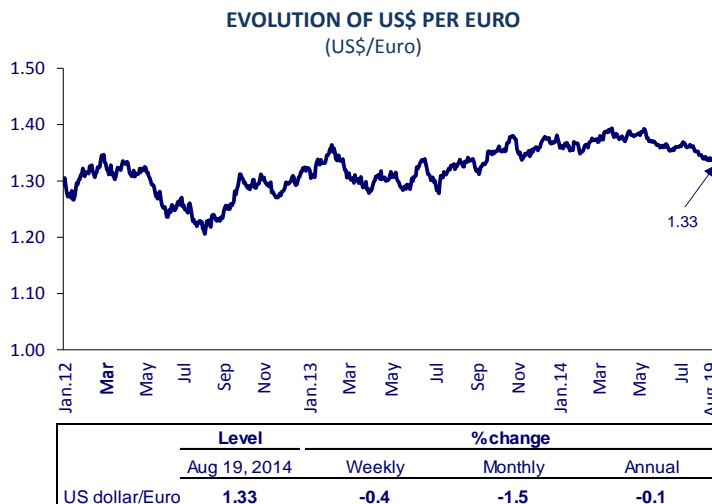
The decline in the price of crude oil was supported by the weakening of global demand and by the sharp growth of global supply observed after the record production registered in Saudi Arabia, the growth of production in the USA, and the resumption of crude production in Libya.



Aug 19, 2014	% change		
	Weekly	Monthly	Annual
<b>US\$ 94.5 / barrel</b>	<b>-3.0</b>	<b>-8.4</b>	<b>-11.8</b>

### Dollar appreciated against the euro

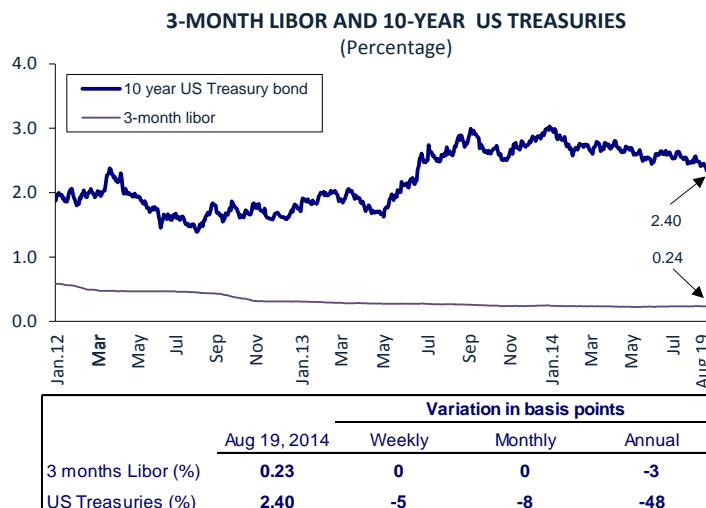
In August 12 – 19, the **dollar** appreciated 0.4 percent against the **euro**, in a context of positive data about the real estate sector in the United States, which contrasted with weak data in the Eurozone.



### Yield on 10-year US Treasuries at 2.40 percent

In August 12 – 19, the **3-month Libor** remained at 0.23 percent.

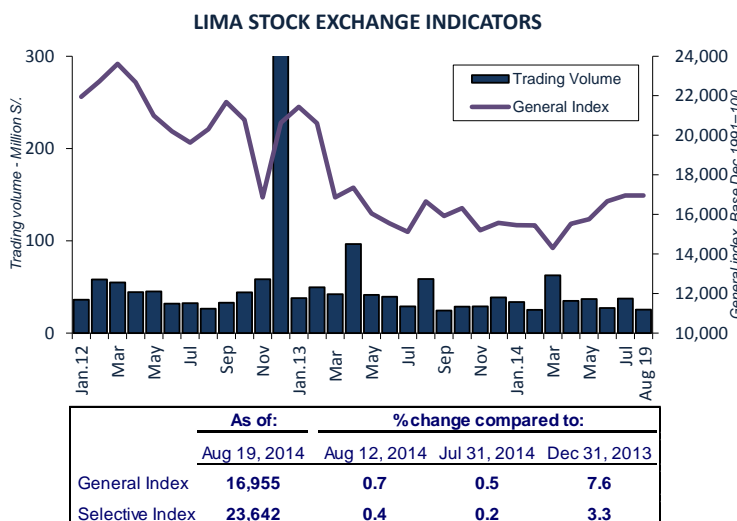
On the other hand, the yield on the **10-year US Treasuries** declined 5 points to 2.40 percent, in a context of increased demand for these bonds as hedge assets given worries about the economic performance of China and the Eurozone.



### Lima Stock Exchange

So far this month (at August 19), the indices of the Lima Stock Exchange rose 0.5 and 0.2 percent, respectively.

In the week of August 12 to August 19, the General Index rose 0.7 percent and the Selective Index rose 0.4 percent, in line with the positive results observed in the stock markets in the region and favored by the positive performance of mining and industrial shares.



Year-to-date, the General Index has risen 7.6 percent, while the Selective Index has risen 3.3 percent.

## MONTHLY REPORT

### Gross domestic product: June 2014

Reflecting an expansion of 3.3 percent in non-primary activities and a decline of 9.2 percent in primary activities, **GDP showed a growth rate of 0.3 percent** in June. In the first half of the year, GDP accumulated a growth rate of 3.3 percent.

#### GROSS DOMESTIC PRODUCT

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

	% structure of GDP 2013 1/	2013	2014	
		Year	June	H1
		% Chg.	% Chg.	% Chg.
<b>Agriculture and Livestock 2/</b>	<b>5.3</b>	<b>1.5</b>	<b>-5.6</b>	<b>0.0</b>
Agriculture	3.6	1.0	-8.9	-1.4
Livestock	1.6	2.5	2.4	2.7
<b>Fishing</b>	<b>0.5</b>	<b>18.1</b>	<b>-30.7</b>	<b>-4.2</b>
<b>Mining and Fuel 3/</b>	<b>12.1</b>	<b>4.9</b>	<b>-5.9</b>	<b>0.1</b>
Metallic mining	7.8	4.2	-6.8	-0.5
Hydrocarbons	2.0	7.2	-2.6	2.2
<b>Manufacture</b>	<b>15.1</b>	<b>5.5</b>	<b>-8.3</b>	<b>0.4</b>
Based on raw materials	3.2	8.7	-22.6	2.2
Non-primary industries	11.9	4.4	-1.4	-0.1
<b>Electricity and water</b>	<b>1.7</b>	<b>5.5</b>	<b>4.9</b>	<b>5.3</b>
<b>Construction</b>	<b>6.9</b>	<b>8.9</b>	<b>3.1</b>	<b>2.4</b>
<b>Commerce</b>	<b>11.0</b>	<b>5.9</b>	<b>5.5</b>	<b>4.8</b>
<b>Services</b>	<b>38.7</b>	<b>6.3</b>	<b>5.7</b>	<b>6.1</b>
Transportation	5.3	6.6	1.2	2.9
Restaurants and hotels	3.1	6.4	4.5	5.5
Communications	3.9	8.3	8.4	6.5
Financial and insurance	4.8	10.5	12.5	13.3
Given to companies	4.5	6.1	5.9	6.9
Government Services	4.4	5.2	3.5	4.2
Other services	13.3	4.7	4.3	4.8
<b>Import duties and other taxes</b>	<b>8.8</b>	<b>4.8</b>	<b>-0.1</b>	<b>1.7</b>
<b>GDP Global</b>	<b>100.0</b>	<b>5.8</b>	<b>0.3</b>	<b>3.3</b>
<b>Primary</b>	<b>21.1</b>	<b>4.8</b>	<b>-9.2</b>	<b>0.3</b>
<b>Non-primary</b>	<b>78.9</b>	<b>6.0</b>	<b>3.3</b>	<b>4.1</b>

1/ At 2007 prices.

2/ Includes silviculture.

3/ Includes non- metallic mining.

Source: INEI.

The output in the **agriculture sector** dropped 5.6 percent in June, due mainly to the lower production of rice as a result of water deficits during the sowing season in the north of the country, as well as due to the lower production of coffee associated with the impact of the coffee rust plague.

Activity in the **fishing sector** shrank 30.7 percent due to the lower catch of anchovy for industrial consumption caused by the arrival of warm waters between April and June.

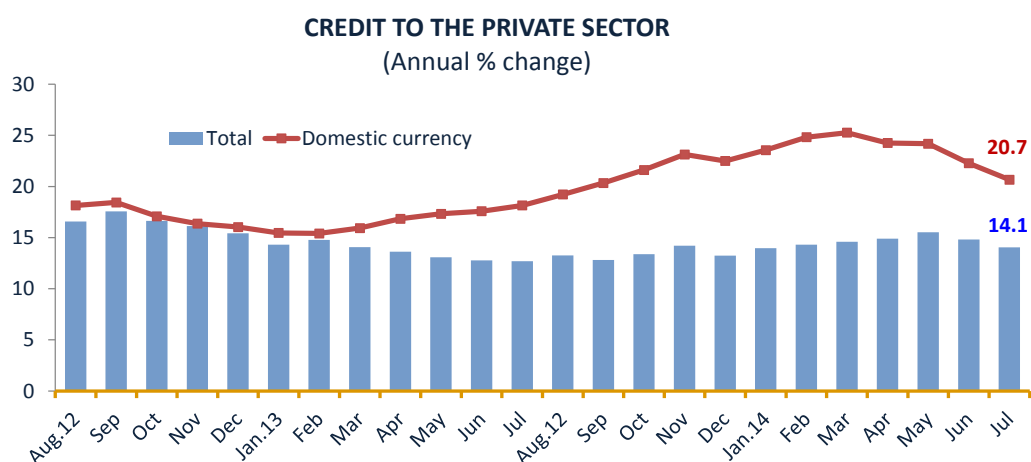
Production in the **mining and hydrocarbons sector** declined by 5.9 percent due to a lower production of gold at Yanacocha and Barrick Misquichilca's mines, after the latter's mining unit of Pierina closed after sixteen years of production, as well as due to the lower production of zinc at Antamina.

The output in the **manufacturing sector** fell 8.3 percent in the month as a result of lower manufacturing activity in the industries based on the processing of raw materials. Thus, the output in the fishing sectors dropped due to the lower catch of anchovy and squid for the industries of fishmeal and frozen sea food products, respectively; to the lower production of sugar cane for the production of sugar, and to the lower output of zinc and lead to produce refined zinc and refined lead products. Other factors contributing to this decline to a lesser extent included the drop in the output of non-primary manufacturing, due mainly to lower activity in rice milling and processing, the lower production of explosives for mining, and the lower manufacturing of garments for both the domestic market and external markets.

Activity in the **construction sector** grew 3.1 percent in the month due to the continuity of construction works in housing projects, shopping malls, and road infrastructure projects.

### Liquidity and credit to the private sector: July 2014

Depository institutions' **total credit** to the private sector –including the loans placed by the branch offices of local banks in other countries– increased 0.6 percent in July (S/. 1.31 billion), as a result of which the annual growth rate of credit to the private sector was 14.1 percent in July.



Credit to businesses grew 0.9 percent in the month, with the increase observed in the segments of corporate credit and credit to large enterprises standing out, while credit to individuals grew 0.1 percent. In the segment of personal credit, mortgage loans grew 0.4 percent whereas consumer loans declined 0.2 percent in the month.

#### TOTAL CREDIT TO THE PRIVATE SECTOR, BY TYPE OF LOAN 1/

	Balance in million Nuevos Soles			Growth rates (%)			
	Jul-13	Jun-14	Jul-14	Dec-13/ Dec-12	Jun-14/ Jun-13	Jul-14/ Jul-13	Jul-14/ Jun-14
<b>Loans to companies 2/</b>	<b>119,649</b>	<b>136,175</b>	<b>137,419</b>	<b>13.1</b>	<b>15.8</b>	<b>14.9</b>	<b>0.9</b>
Corporate and large companies	56,728	65,397	67,224	21.6	22.0	18.5	2.8
Medium-sized enterprises	30,916	38,127	37,527	10.5	21.8	21.4	-1.6
Small businesses	32,005	32,652	32,669	2.2	0.0	2.1	0.1
<b>Loans to individuals 3/</b>	<b>66,986</b>	<b>75,384</b>	<b>75,450</b>	<b>13.4</b>	<b>13.0</b>	<b>12.6</b>	<b>0.1</b>
Consumer loans	38,615	43,313	43,242	11.5	12.2	12.0	-0.2
Of which:							
Car loans	2,112	2,299	2,274	14.5	8.8	7.7	-1.1
Credit cards	12,431	14,006	13,899	8.2	12.2	11.8	-0.8
Mortgage	28,371	32,070	32,208	16.2	14.1	13.5	0.4
<b>TOTAL</b>	<b>186,635</b>	<b>211,559</b>	<b>212,870</b>	<b>13.2</b>	<b>14.8</b>	<b>14.1</b>	<b>0.6</b>

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.



Credit in soles grew 0.5 percent in the month (S/. 670 million) and 20.7 percent in the last twelve months, while credit in dollars grew 0.8 percent (US\$ 229 million) and thus accumulated an annual growth rate of 5.3 percent.

**TOTAL CREDIT TO THE PRIVATE SECTOR IN DOMESTIC CURRENCY, BY TYPE OF LOAN**

	Balance in million Nuevos Soles			Growth rates (%)		
	Jul-13	Jun-14	Jul-14	Jun-14/ Jun-13	Jul-14/ Jul-13	Jul-14/ Jun-14
<b>Loans to companies</b>	<b>55,340</b>	<b>67,333</b>	<b>67,857</b>	<b>25.1</b>	<b>22.6</b>	<b>0.8</b>
Foreign trade	578	1,701	1,640	295.6	183.6	-3.6
Rest	54,762	65,633	66,217	22.9	20.9	0.9
<b>Loans to individuals</b>	<b>50,794</b>	<b>60,063</b>	<b>60,210</b>	<b>19.2</b>	<b>18.5</b>	<b>0.2</b>
Consumer loans	34,569	39,218	39,165	13.6	13.3	-0.1
Car loans	460	651	651	43.5	41.7	0.0
Credit cards	11,518	13,046	12,940	12.7	12.3	-0.8
Rest	22,592	25,521	25,574	13.4	13.2	0.2
Mortgage	16,225	20,845	21,045	31.4	29.7	1.0
<b>TOTAL</b>	<b>106,135</b>	<b>127,397</b>	<b>128,067</b>	<b>22.3</b>	<b>20.7</b>	<b>0.5</b>

**TOTAL CREDIT TO THE PRIVATE SECTOR IN FOREIGN CURRENCY, BY TYPE OF LOAN**

	Balance in million US\$			Growth rates (%)		
	Jul-13	Jun-14	Jul-14	Jun-14/ Jun-13	Jul-14/ Jul-13	Jul-14/ Jun-14
<b>Loans to companies</b>	<b>22,967</b>	<b>24,586</b>	<b>24,844</b>	<b>8.0</b>	<b>8.2</b>	<b>1.0</b>
Foreign trade	3,747	4,276	4,498	14.9	20.0	5.2
Rest	19,220	20,311	20,346	6.6	5.9	0.2
<b>Loans to individuals</b>	<b>5,783</b>	<b>5,471</b>	<b>5,443</b>	<b>-6.0</b>	<b>-5.9</b>	<b>-0.5</b>
Consumer loans	1,445	1,463	1,456	0.8	0.8	-0.4
Car loans	590	588	580	-0.7	-1.8	-1.5
Credit cards	326	343	343	5.0	5.1	0.1
Rest	529	532	534	0.0	0.9	0.4
Mortgage	4,338	4,009	3,987	-8.3	-8.1	-0.6
<b>TOTAL</b>	<b>28,750</b>	<b>30,058</b>	<b>30,287</b>	<b>5.1</b>	<b>5.3</b>	<b>0.8</b>

**Total liquidity in the private sector** increased 1.5 percent in July (S/. 3.14 billion), thus showing an annual growth rate of 6.9 percent. The growth registered in liquidity in July is explained by the increased demand for currency in circulation (5.0 percent) due to seasonal factors associated with Fiestas Patrias and with increased saving deposits (4.3 percent) as a result of the July bonus given to workers every July. On the other hand, the decline in term deposits (down 0.2 percent) is explained in part by lower severance indemnities deposits –or Compensation for Time of Service (CTS)- after the Government reduced the amount considered intangible deposits.

**LIQUIDITY BY TYPE OF LIABILITY 1/**

	Balance in million Nuevos Soles			Growth rates (%)		
	Jul-13	Jun-14	Jul-14	Jun-14/ Jun-13	Jul-14/ Jul-13	Jul-14/ Jun-14
Currency	32,862	33,907	35,594	7.7	8.3	5.0
<b>Deposits</b>	<b>157,726</b>	<b>165,984</b>	<b>167,440</b>	<b>8.2</b>	<b>6.2</b>	<b>0.9</b>
Demand deposits	45,528	49,906	49,434	9.9	8.6	-0.9
Saving deposits	44,739	48,494	50,567	12.2	13.0	4.3
Term deposits	67,460	67,584	67,439	4.4	-0.0	-0.2
CTS	14,026	16,621	16,094	16.8	14.7	-3.2
Securities and others 1/	3,102	3,957	3,951	23.4	27.4	-0.2
<b>TOTAL</b>	<b>193,690</b>	<b>203,849</b>	<b>206,985</b>	<b>8.4</b>	<b>6.9</b>	<b>1.5</b>

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.

Liquidity in soles grew 2.2 percent in July (S/. 3.04 billion) and 5.3 percent in the last twelve months. On the other hand, liquidity in dollars grew 0.1 percent in the month (US\$ 34 million) and 10.2 percent relative to July 2013.

## MACROECONOMIC REPORT: Q2-2014

### Gross Domestic Product

In Q2-2014, GDP grew 1.7 percent, with **non-primary sectors** showing a growth rate of 3.1 percent. The sectors that contributed the most to this growth were the sectors of trade (4.4 percent) and services (4.9 percent).

On the other hand, **primary sectors** showed a decline of 3.2 percent in their levels of production compared to the ones recorded in the same period of 2013. This result is associated mainly with the lower output observed in the sectors of metal mining (5.9 percent) and primary manufacturing (4.1 percent), as well as with the decline observed in the output of the agriculture and fishing sectors (0.5 percent and 7.0 percent, respectively).

Domestic demand showed an expansion of 2.2 percent in Q2-2014, a lower rate than the one recorded in Q2-2013 (7.1 percent). This result was associated with the decline of investment.

#### GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE

(Annual growth rates )

	% structure of GDP 2013 1/	2013					2014	
		Q1	Q2	Q3	Q4	Year	Q1	Q2
<b>I. Domestic Demand</b>	<b>102.2</b>	<b>10.0</b>	<b>7.1</b>	<b>5.0</b>	<b>6.3</b>	<b>7.0</b>	<b>4.0</b>	<b>2.2</b>
<b>1. Private expenditure</b>	<b>85.3</b>	<b>10.0</b>	<b>6.0</b>	<b>4.2</b>	<b>6.9</b>	<b>6.7</b>	<b>3.1</b>	<b>2.3</b>
Consumption	60.8	5.0	5.3	5.1	5.9	5.3	5.1	4.2
Fixed private investment	22.8	10.9	10.0	4.7	1.1	6.4	0.9	-3.9
<b>2. Public expenditure</b>	<b>16.8</b>	<b>9.7</b>	<b>13.4</b>	<b>9.1</b>	<b>3.9</b>	<b>8.4</b>	<b>9.3</b>	<b>1.9</b>
Consumption	11.1	8.0	7.8	5.9	5.2	6.7	9.8	4.9
Investment	5.7	15.2	27.6	15.9	2.1	12.1	7.9	-4.5
<b>II. Exports</b>	<b>25.3</b>	<b>-11.4</b>	<b>2.3</b>	<b>2.4</b>	<b>3.1</b>	<b>-0.9</b>	<b>3.0</b>	<b>-5.1</b>
<b>III. Imports</b>	<b>27.5</b>	<b>7.7</b>	<b>6.0</b>	<b>1.7</b>	<b>-0.3</b>	<b>3.6</b>	<b>-0.7</b>	<b>-2.1</b>
<b>GDP (I +II- III)</b>	<b>100.0</b>	<b>4.3</b>	<b>6.2</b>	<b>5.2</b>	<b>7.2</b>	<b>5.8</b>	<b>5.1</b>	<b>1.7</b>

1/ At 2007 prices.

### Balance of Payments

In Q2-2014, the **current account of the balance of payments** showed a deficit of US\$ 3.74 billion (equivalent to 7.3 percent of GDP). In Q2, **exports** amounted to US\$ 8.78 billion –a figure 12.3 percent lower than the one recorded in Q2- 2013– due to the effect of both lower prices (down 6.0 percent), especially in the case of exports of copper and gold, and lower volumes of exports (down 6.7 percent), especially in the case of shipments of gold products.

**BALANCE OF PAYMENT**  
(Million US\$)

	2013					2014	
	Q1	Q2	Q3	Q4	Year	Q1	Q2
<b>I. CURRENT ACCOUNT BALANCE</b>	<b>-2,696</b>	<b>-2,593</b>	<b>-2,742</b>	<b>-1,095</b>	<b>-9,126</b>	<b>-2,720</b>	<b>-3,738</b>
<i>(As % of GDP)</i>	<b>-5.6</b>	<b>-5.1</b>	<b>-5.5</b>	<b>-2.0</b>	<b>-4.5</b>	<b>-5.7</b>	<b>-7.3</b>
1. Trade balance	48	-525	16	422	-40	-611	-1,591
a. Exports FOB	10,278	10,004	11,143	10,752	42,177	9,346	8,777
b. Imports FOB	-10,230	-10,529	-11,128	-10,331	-42,217	-9,957	-10,369
2. Services	-498	-450	-406	-447	-1,801	-470	-337
3. Investment income	-3,022	-2,439	-3,156	-2,014	-10,631	-2,530	-2,681
4. Current transfers	776	821	804	945	3,346	891	871
of which: Workers' remittances	637	687	675	708	2,707	633	660
<b>II. FINANCIAL ACCOUNT</b>	<b>6,200</b>	<b>2,699</b>	<b>2,613</b>	<b>-105</b>	<b>11,407</b>	<b>1,002</b>	<b>2,515</b>
1. Private sector	5,781	4,164	4,564	373	14,881	2,506	536
2. Public sector	282	-1,209	226	-650	-1,350	-673	704
3. Short-term capital	137	-257	-2,176	172	-2,125	-831	1,275
<b>III. EXCEPTIONAL FINANCING</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>1</b>	<b>6</b>
<b>IV. NET ERRORS AND OMISSIONS</b>	<b>734</b>	<b>-239</b>	<b>-284</b>	<b>411</b>	<b>622</b>	<b>867</b>	<b>732</b>
<b>V. TOTAL</b>	<b>4,239</b>	<b>-133</b>	<b>-412</b>	<b>-787</b>	<b>2,907</b>	<b>-850</b>	<b>-485</b>
<i>(V = I + II + III + IV)</i>							

Source: BCRP, MEF, SBS, SUNAT, Ministry of Foreign Affairs, Cofide, ONP, FCR, Tacna Free Trade Zone, Banco de la Nación, Cavali S.A. ICLV, Proinversión, Bank for International Settlements (BIS), and companies.

## Non-Financial Public Sector

In Q2-2014, the operations of the **non-financial public sector** (NFPS) recorded an **economic surplus** of 3.2 percent of GDP, a deficit 0.9 percentage points lower than that of Q2-2013. This outcome is associated with the higher current expenditure of the general government (up 0.6 percentage points) and with the balance of state enterprises.

**OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR 1/**  
(% GDP)

	2013					2014	
	Q1	Q2	Q3	Q4	Year	Q1	Q2
<b>1. General government current revenues</b>	<b>24.1</b>	<b>22.8</b>	<b>21.1</b>	<b>20.9</b>	<b>22.1</b>	<b>24.5</b>	<b>22.9</b>
a. Tax revenue	18.1	17.0	16.1	16.0	16.8	18.6	17.3
b. Non-tax revenue	6.0	5.8	5.0	4.8	5.4	5.9	5.6
<b>2. General government non-financial expenditure</b>	<b>15.9</b>	<b>18.6</b>	<b>19.9</b>	<b>26.4</b>	<b>20.5</b>	<b>16.9</b>	<b>18.7</b>
a. Current	12.4	13.2	13.8	17.5	14.3	13.2	13.8
b. Capital	3.5	5.4	6.1	9.0	6.1	3.7	5.0
<i>which: Gross Capital Formation</i>	3.3	5.0	5.5	8.2	5.6	3.5	4.7
<b>3. Others 2/</b>	<b>-0.2</b>	<b>0.8</b>	<b>0.1</b>	<b>0.5</b>	<b>0.3</b>	<b>0.0</b>	<b>-0.4</b>
<b>4. Primary Balance</b>	<b>8.0</b>	<b>5.0</b>	<b>1.3</b>	<b>-5.1</b>	<b>2.0</b>	<b>7.5</b>	<b>3.8</b>
<b>5. Interest</b>	<b>1.5</b>	<b>1.0</b>	<b>1.5</b>	<b>0.6</b>	<b>1.1</b>	<b>1.5</b>	<b>0.6</b>
Foreign	0.5	0.8	0.5	0.5	0.6	0.5	0.4
Domestic	1.0	0.2	1.0	0.2	0.6	1.0	0.2
<b>6. Overall Balance</b>	<b>6.5</b>	<b>4.1</b>	<b>-0.1</b>	<b>-5.7</b>	<b>0.9</b>	<b>6.1</b>	<b>3.2</b>
<b>7. Financing</b>	<b>-6.5</b>	<b>-4.1</b>	<b>0.1</b>	<b>5.7</b>	<b>-0.9</b>	<b>-6.1</b>	<b>-3.2</b>
Foreign	-0.6	-3.0	0.2	0.1	-0.8	0.2	0.4
Domestic	-5.9	-1.0	-0.1	5.7	-0.1	-6.3	-3.6

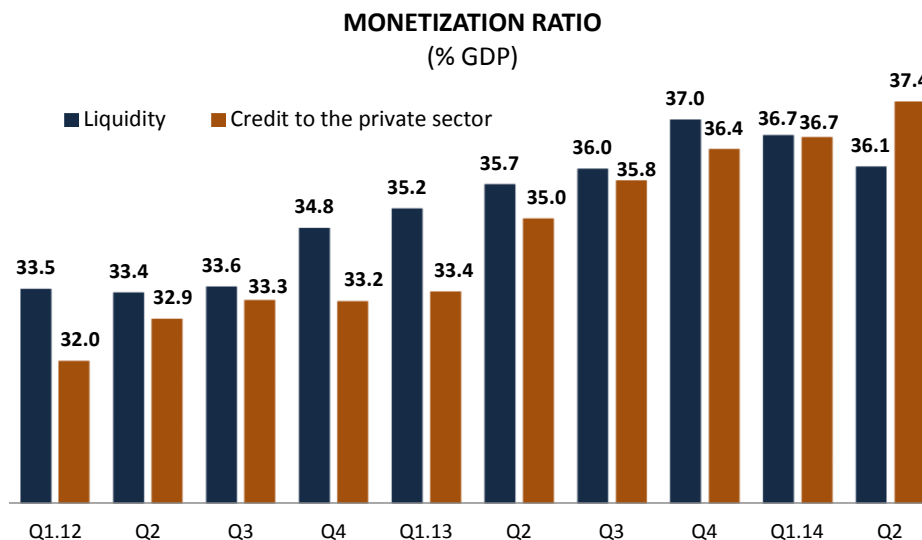
1/ Preliminary.

2 / Includes capital revenues of the General Government and state enterprises primary result.

Source: MEF, BN, Sunat, EsSalud, public charities, state enterprises and public institutions.

### Monetization coefficients

The monetization coefficients, which measure the level of liquidity and the level of credit to the private sector as a percentage of GDP, showed a mixed behavior during Q2-2014. The monetization coefficient of credit maintained its upward trend with a level equivalent to 37.4 percent of GDP, while the monetization coefficient of liquidity showed a slight decline in Q2-2014 to a level of 36.1 percent of GDP.



Resumen de Indicadores Económicos / Summary of Economic Indicators

	2012				2013				2014											
	Dic	Mar	Jun	Set	Dic	Mar	Jun	Jul	12 Ago	13 Ago	14 Ago	15 Ago	18 Ago	19 Ago	Ago					
<b>RESERVAS INTERNACIONALES (Mils. US\$) / INTERNATIONAL RESERVES</b>	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.					
Posición de cambio / Net international position	46 063	48 397	46 775	43 711	41 097	40 075	40 614	40 621	40 687	40 704	40 722	40 747	40 714	40 671	51					
Reservas internacionales netas / Net international reserves	63 991	67 918	66 683	66 729	65 663	64 954	64 581	65 536	66 045	65 565	64 937	64 851	64 948	64 885	-651					
Depósitos del sistema financiero en el BCRP / Financial system deposits at BCRP	10 068	10 522	10 946	13 550	14 383	15 038	13 811	14 823	15 247	14 752	14 118	14 027	14 152	14 132	-691					
Empresas bancarias / Banks	9 648	10 078	10 637	13 257	13 994	14 552	13 201	14 138	14 568	14 043	13 474	13 392	13 470	13 469	-670					
Banco de la Nación / Banco de la Nación	250	253	120	53	93	125	197	260	215	228	222	213	206	198	-62					
Resto de instituciones financieras / Other financial institutions	169	191	189	240	297	361	412	425	465	481	422	422	476	466	41					
Depósitos del sector público en el BCRP / Public sector deposits at BCRP *	8 198	9 613	9 546	10 049	10 759	10 429	10 767	10 692	10 706	10 706	10 698	10 691	10 691	10 695	3					
<b>OPERACIONES CAMBIARIAS BCR (MIL US\$) / BCRP FOREIGN OPERATIONS</b>	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.					
Origen externo de la emisión primaria / External origin of monetary base	1 382	518	-1 136	-474	-1 058	112	-321	254	0	0	0	10	0	2	12					
Compras netas en Mesa de Negociación / Net purchases of foreign currency	1 380	1 010	0	-325	-760	0	0	0	0	0	0	10	0	0	10					
Operaciones swaps netas / Net swap operations	0	0	0	0	0	0	0	108	0	0	0	0	0	0	0					
Compras con compromiso de recompras en ME (neto) / Net swaps auctions in FC	0	0	0	0	0	107	215	144	0	0	0	0	0	0	0					
Operaciones con el Sector Público / Public sector	0	-492	-1 136	-150	-299	0	-539	0	0	0	0	0	0	0	0					
<b>TIPO DE CAMBIO (S/ por US\$) / EXCHANGE RATE</b>	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.					
Compra interbancario/Interbank	Promedio / Average	2.568	2.593	2.748	2.777	2.786	2.806	2.794	2.786	2.789	2.794	2.792	2.798	2.815	2.819					
Apertura / Opening	2.569	2.594	2.753	2.780	2.788	2.807	2.795	2.788	2.789	2.790	2.792	2.798	2.818	2.818	2.802					
Venta Interbancario	Mediodía / Midday	2.569	2.594	2.749	2.779	2.787	2.808	2.795	2.787	2.794	2.796	2.797	2.799	2.820	2.819					
Interbank Ask	Cierre / Close	2.568	2.595	2.752	2.779	2.788	2.808	2.796	2.787	2.791	2.794	2.795	2.804	2.816	2.826					
	Promedio / Average	2.569	2.595	2.751	2.779	2.788	2.807	2.795	2.787	2.790	2.795	2.794	2.799	2.818	2.820					
Sistema Bancario (SBS)	Compra / Bid	2.568	2.593	2.747	2.777	2.785	2.806	2.793	2.785	2.789	2.793	2.793	2.796	2.815	2.818					
Banking System	Venta / Ask	2.569	2.595	2.748	2.780	2.787	2.807	2.795	2.787	2.790	2.794	2.795	2.798	2.818	2.820					
Índice de tipo de cambio real (2009 = 100) / Real exchange rate Index (2009 = 100)		89.5	89.9	93.9	94.3	94.9	94.6	94.5	94.1											
<b>INDICADORES MONETARIOS / MONETARY INDICATORS</b>																				
<b>Moneda nacional / Domestic currency</b>																				
Emisión Primaria (Var. % mensual) / (% monthly change)	8.0	-3.6	-4.6	-7.8	-1.3	-4.6	1.0	2.4												
Monetary base (Var. % últimos 12 meses) / (% 12-month change)	31.9	33.8	30.3	5.3	-1.5	-14.3	-10.9	-5.3												
Oferta monetaria (Var. % mensual) / (% monthly change)	4.6	0.5	-0.1	-1.8	-4.2	0.2	0.7	2.2												
Money Supply (Var. % últimos 12 meses) / (% 12-month change)	23.1	22.7	20.3	14.1	10.8	5.7	5.5	5.3												
Crédito sector privado (Var. % mensual) / (% monthly change)	1.8	1.8	2.3	2.5	1.2	2.2	0.7	0.5												
Credit to the private sector (Var. % últimos 12 meses) / (% 12-month change)	16.0	15.9	17.6	20.3	22.5	25.3	22.3	20.7												
TOSE saldo fin de período (Var. % acum. en el mes) / TOSE balance (% change)	0.6	0.6	0.0	-0.2	-0.8	1.7	1.8	-0.5	2.1	0.4	-0.2	-0.9	-1.5							
Superávit de encaje promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)	0.1	0.5	0.6	0.1	0.3	0.1	0.1	0.1	2.0	2.0	1.8	1.7	1.5							
Cuenta corriente de los bancos (saldo Mill. S.) / Banks' current account (balance)	12 391	15 018	10 604	10 921	9 729	6 633	6 301	6 017	7 099	6 381	5 409	5 271	5 442	4 924						
Créditos por regulación monetaria (millones de S.) / Rediscounts (Millions of S.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Depósitos públicos en el BCRP (millones S.) / Public sector deposits at the BCRP (Millions S.)	39 399	38 995	40 244	40 155	36 646	40 819	43 793	43 026	42 095	43 629	44 217	44 326	44 364	44 789						
Certificados de Depósito BCRP (saldo Mill.S.) / CDBCRP balance (Millions of S.)	20 805	23 335	27 261	20 913	18 992	14 613	16 345	16 395	15 685	15 985	16 285	16 285	16 385	16 585						
Subasta de Depósitos a Plazo (saldo Mill S.) / Time Deposits Auctions (Millions of S.)**	9 248	12 700	6 400	4 650	0	0	3 200	0	0	0	0	0	0	0	0					
CDBCRP con Negociación Restringida (Saldo Mill S.) / CDBCRP-NR balance (Millions of S.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
CDBCRP-MN con Tasa Variable (CDV BCRP) (Saldo Mill S.) / CDVBCRP- balance (Millions of S.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Operaciones en Dólares del BCRP (Saldo Mill S.) / CDLD BCRP- balance (Millions of S.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
CD Reajustables BCRP (saldo Mill.S.) / CDRBCRP balance (Millions of S.)	0	0	2 323	2 284	3 111	3 871	700	0	0	0	0	0	0	0	0					
Operaciones de reporte (saldo Mill.S.) / repos (Balance millions of S.)	0	0	0	0	950	500	100	500	500	500	500	650	650	650						
TAMN / Average lending rates in domestic currency	19.11	19.06	18.81	17.61	15.91	15.61	16.02	15.90	15.77	15.78	15.80	15.76	15.80	15.71	15.79					
Préstamos hasta 360 días / Loans up to 360 days ****	17.24	16.07	14.90	13.02	12.19	11.65	12.01	11.80	11.70	11.70	11.72	11.68	11.75	11.56	11.74					
Interbancaria / Interbank	4.25	4.24	4.26	4.29	4.11	4.01	4.00	3.85	3.75	3.71	3.74	3.77	3.75	3.71	3.76					
Preferencial corporativa a 90 días / Corporate Prime	5.03	4.66	4.52	4.72	4.48	4.96	4.93	4.70	4.66	4.66	4.65	4.65	4.65	4.65	4.64					
Operaciones de reporte con CDBCRP / CDBCRP repos	s.m.	s.m.	s.m.	s.m.	4.80	4.11	4.30	4.36	3.78	3.78	3.78	3.78	3.78	3.78	3.78					
Créditos por regulación monetaria / Rediscounts *****	5.05	5.05	5.05	5.05	4.80	4.80	4.80	4.55	4.55	4.55	4.55	4.55	4.55	4.55	4.55					
Del saldo de CDBCRP / CDBCRP balance	4.00	3.91	3.87	3.89	3.87	3.85	3.82	3.77	3.75	3.75	3.75	3.75	3.74	3.74	3.74					
Del saldo de depósitos a Plazo / Time Deposits	4.13	4.04	4.13	4.17	s.m.	s.m.	s.m.	2.99	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.					
Del saldo de CDBCRP-NR / CDBCRP-NR balance	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.					
Del saldo de CDLD BCRP / CDLD BCRP- balance	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.					
Spread del saldo del CDV BCRP - MN / Spread CDV BCRP	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.					
<b>Moneda extranjera / foreign currency</b>																				
Crédito sector privado (Var. % mensual) / (% monthly change)	1.4	0.0	1.0	-0.7	0.1	-0.2	1.8	0.7												
Credit to the private sector (Var. % últimos 12 meses) / (% 12-month change)	16.4	12.7	7.7	4.4	2.9	2.2	5.6	5.8												
TOSE saldo fin de período (Var. % acum. en el mes) / TOSE balance (% change)	0.8	1.1	0.8	-0.3	2.4	-0.4	0.2	-1.4	-0.6	-1.3	-3.2	-3.0	-2.7							
Superávit de encaje promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)	0.5	1.3	1.0	0.4	0.4	0.3	0.2	0.6	3.6	3.6	3.6	3.5	3.4							
Operaciones de reporte en ME (saldo Mill. US\$) / repos in US\$ (Balance millions of US\$)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
Créditos por regulación monetaria (millones de US dólares) / Rediscounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
TAMEX / Average lending rates in foreign currency	8.15	8.68	8.60	8.28	8.02	7.81	7.33	7.27	7.31	7.31	7.29	7.28	7.28	7.25	7.30					
Préstamos hasta 360 días / Loans up to 360 days ****	6.51	7.36	7.14	6.57	6.10	5.72	5.04	5.00	5.05	5.04	5.03	5.02	5.02	4.98	5.05					
Interbancaria / Interbank	1.10	2.15	0.28	0.15	0.15	0.15	0.11	0.15	0.13	0.12	0.12	0.12	0.12	0.13	0.13					
Preferencial corporativa a 90 días / Corporate Prime	4.00	5.56	2.47	1.47	0.95	0.65	0.62	0.72	0.71	0.71	0.71	0.71	0.71	0.71	0.70					
Créditos por regulación monetaria / Rediscounts *****	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.					
Compras con compromiso de recompras en ME (neto)	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.					
Ratio de dolarización de la liquidez (%) / Liquidity dollarization ratio (%)	30.7	29.7	31.4	34.0	33.0	34.2	33.4	32.9												
Ratio de dolarización de los depósitos (%) / Deposits dollarization ratio (%)	38.0	36.4	38.1	41.5	40.6	41.7	40.6	40.4												
<b>INDICADORES BURSÁTILES / STOCK MARKET INDICES</b>	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.					
Índice General Bursátil (Var. % / General Index (% change)	2.9	-3.7	-5.5	-4.4	3.6	-7.4	5.8	1.2	0.0	-0.2	0.0	-0.3	1.2	0.0	0.5					
Índice Selectivo Bursátil (Var. % / Blue Chip Index (% change)	3.3	-2.0	-5.4	-7.2	3.5	-7.7	5.1	0.5	0.1	-0.3	0.1	-0.4	1.2	-0.3	0.2					
Índice negociaciones de acciones (Var. % / Blue Chip Index trading volume - Average daily (mill. of S.))	301.8	42.0	38.0	24.4	38.7	62.6	26.7	37.8	51.6	28.8	122.1	34.4	23.4	32.2	40.6					
<b>INFLACIÓN (%) / INFLATION (%)</b>																				
Inflación mensual / Monthly	0.26	0.91	0.26	0.11	0.17	0.52	0.16	0.43												
Inflación últimos 12 meses / % 12 months change	2.65	2.59	2.77	2.83	2.86	3.38	3.45	3.33												