






Indicators

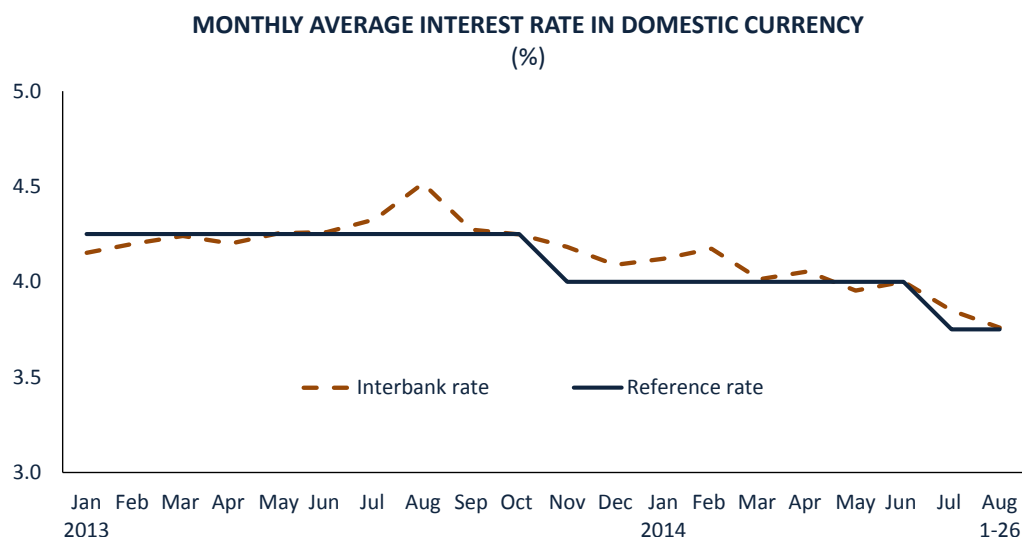
-  Corporate prime rate at 4.6 percent so far in August
-  Country risk at 149 basis points
-  Price of copper rose 2.3 percent to US\$ 3.22/pound

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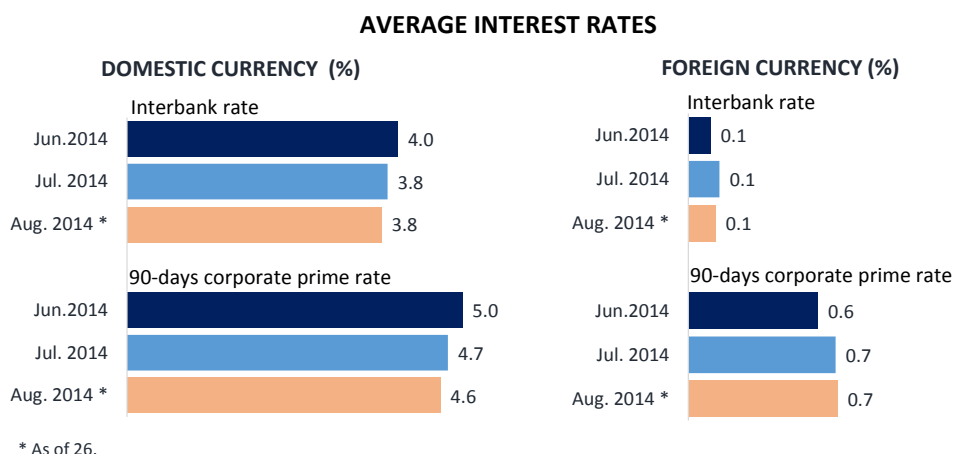
Interbank interest rate in soles at 3.76 percent

On August 26, the interbank interest rate in soles was 3.76 percent, similar to the policy interest rate (3.75 percent). It is worth pointing 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 26, 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.



Monetary and Foreign Exchange Operations

The monetary operations carried out by the Central Bank In August 20 - 26 were aimed at withdrawing liquidity from the market, in line with the lower reserve requirements set in the month, in order to maintain the interbank interest rate close to the benchmark interest rate. The Central Bank placed 1-week term deposit for a total of S/. 1.60 billion to slow down the excess of liquidity. In addition, The BCRP continued with its regular placements of BCRP-CDs three times a week, placing CDs for a total of S/. 300 million with the purpose of contributing to increase liquidity in the secondary market of these instruments.

- BCRP-CDs: 6-month BCRP-CDs for a total of S/. 100 million were placed at an average rate of 3.51 percent; 12-month BCRP-CDs for a total of S/. 100 million were placed at an average rate of 3.59 percent, and 18-month BCRP-CDs for a total of S/. 100 million were placed at an average rate of 3.60 percent. BCRPCDs maturities amounted to S/. 1.11 billion. The balance of these operations at August 26 was S/. 17.01 billion, with an average interest rate of 3.74 percent.
- Term deposits: 1-week deposits for a total of S/. 1.6 billion were placed in this period. Term deposits maturing overnight amounted to S/. 3.2 billion.
- Overnight deposits: The balance of overnight deposits at August 26 was S/. 576 million.

No monetary operation injection was carried out during the week.

- Repos: The balance of these operations at August 26 was S/. 650 million, with an average interest rate of 4.13 percent.
- FX swaps: The balance of these operations at August 26 was S/. 3.2 billion, with an average interest rate of 4.25 percent.

At August 26 the Central Bank has made some operations in the spot foreign exchange market to reduce the volatility of the foreign exchange rate:

- The Central Bank did not intervene in the foreign exchange market in the week of August 20-26. The BCRP last intervened in the spot market on August 15, when it purchased FC for a total of US\$ 10 million at an average exchange rate of S/. 2.7940 per US dollar.
- CDR-BCRP: At August 26 the balance of CDR-BCRP was S/. 130 million. On August 20, the Central Bank placed CDR-BCRP for a total of S/. 130 million. Compared to the end-of-2013, the balance of these certificates has declined by S/. 2.98 billion (or US\$ 1.07 billion).

MONETARY AND FOREIGN EXCHANGE OPERATIONS

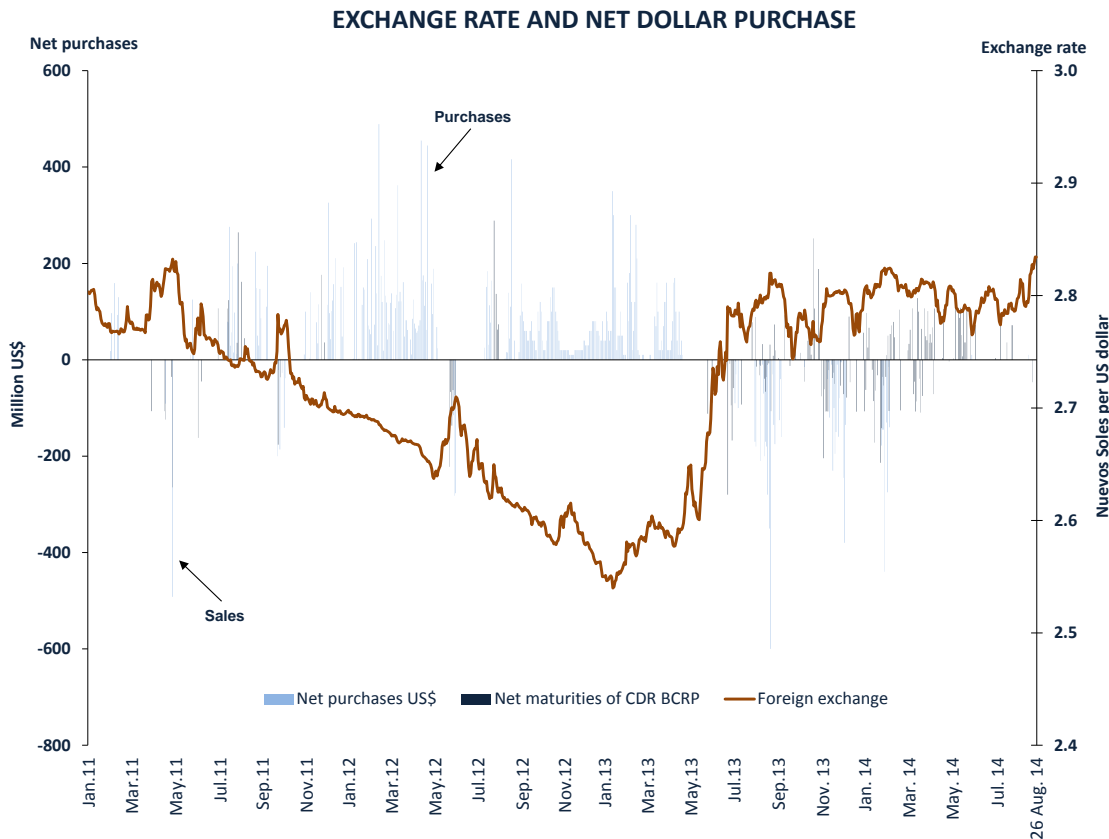
(Million nuevos soles)

		Balance		Auctions							Placements			
		(Interest rate)		Overnight	(Interest rate)									
		Jul.31	Aug.26		1-week	2-month	3-month	4-month	6-month			12-month	18-month	
Monetary operations	Sterilization	CD BCRP	16,395 (3.77%)	17,015 (3.71%)					200 (3.55%)	800 (3.52%)	300 (3.53%)	300 (3.62%)	1,110	
		Term deposit	3,200 (2.99%)	1,600 (3.33%)		1,600 (3.33%)							3,200	
		Overnight deposits	1,502 (2.55%)	576 (2.55%)	19,767 (2.55%)									20,693
	Injection	Repos	500 (4.34%)	650 (4.13%)	6,500 (3.81%)			250 (3.78%)						6,600
		Fx-Swaps	3,200 (4.27%)	3,200 (4.25%)				100 (3.82%)						100
		Foreign exchange operations	0	130 (0.08%)			130 (0.08%)							0

Exchange rate: S/. 2.83 per US dollar

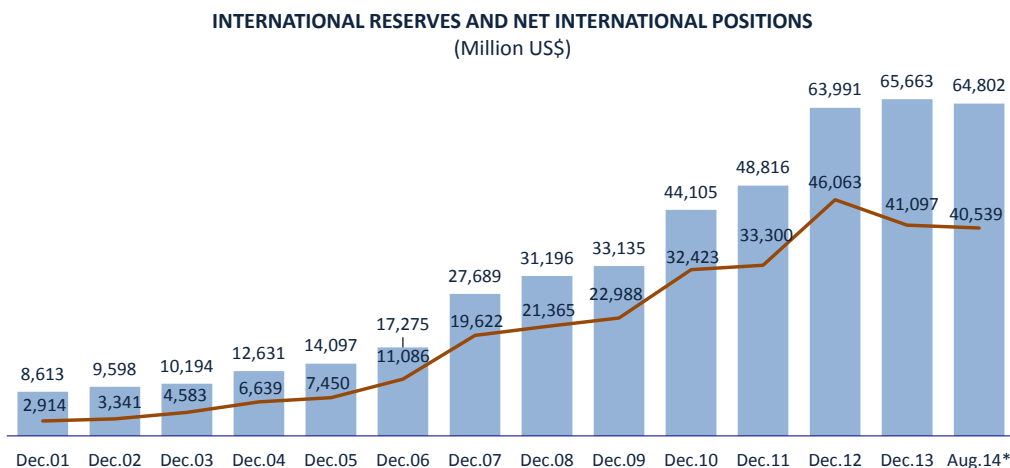
On August 26, the average selling price of the dollar in the interbank market was S/. 2.83 per dollar.

Since 2012, the Central Bank has purchased foreign currency for a total of US\$ 19.09 billion and sold foreign currency for a total of US\$ 7.35 billion. In net terms, purchases of foreign currency are higher than sales of foreign currency by US\$ 11.73 billion.



International reserves amounted to US\$ 64.80 billion at August 26

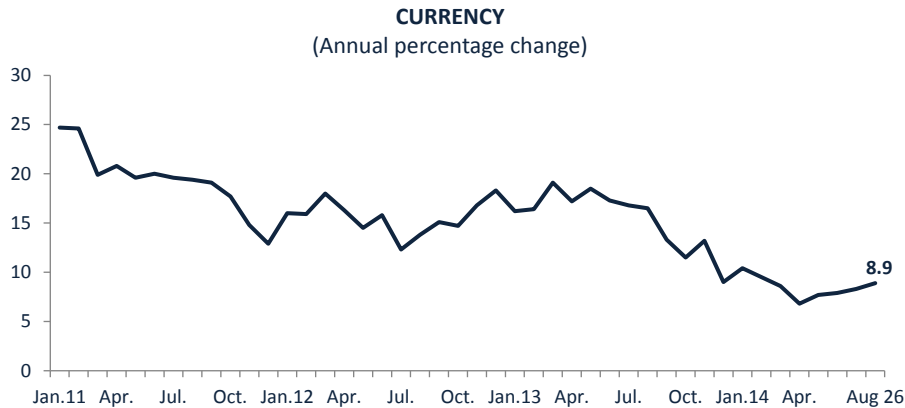
International reserves at August 26, 2014, amounted to US\$ 64.80 billion and the foreign exchange position of the BCRP was US\$ 40.54 billion.



* As of 26.

Currency

Currency in circulation at August 26, 2014, showed a balance of S/. 35.45 billion and a growth rate of 8.9 percent in the last 12 months.

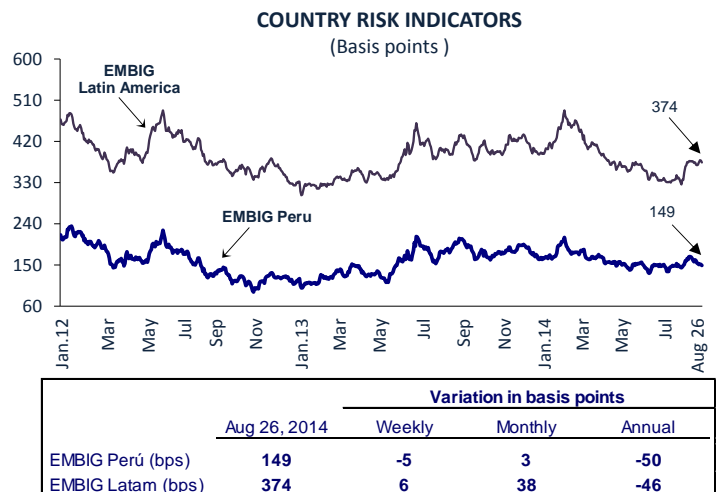


International Markets

Country risk at 149 basis points

In August 19-26, the country risk indicator, measured by the **EMBIG Peru** spread, fell from 154 to 149 basis points.

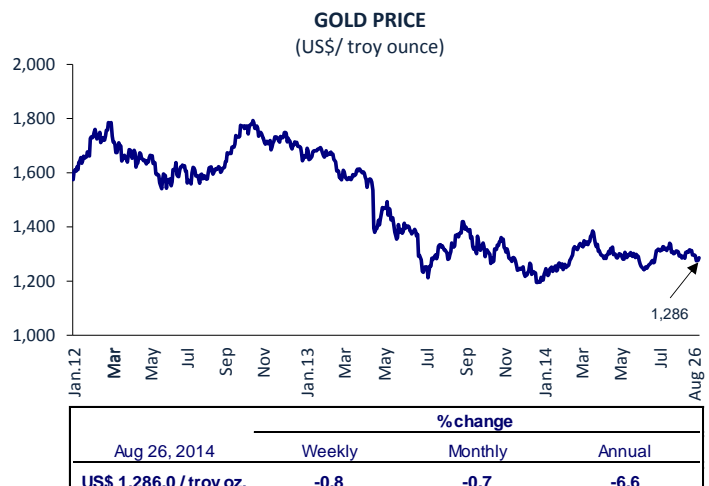
On the other hand, the **EMBIG Latin America** spread rose 6 basis points, amid concerns about the slower pace of economic recovery observed in the Eurozone and worries about geopolitical tensions in the Middle East and Ukraine.



Price of gold: US\$ 1,286.0 per troy ounce

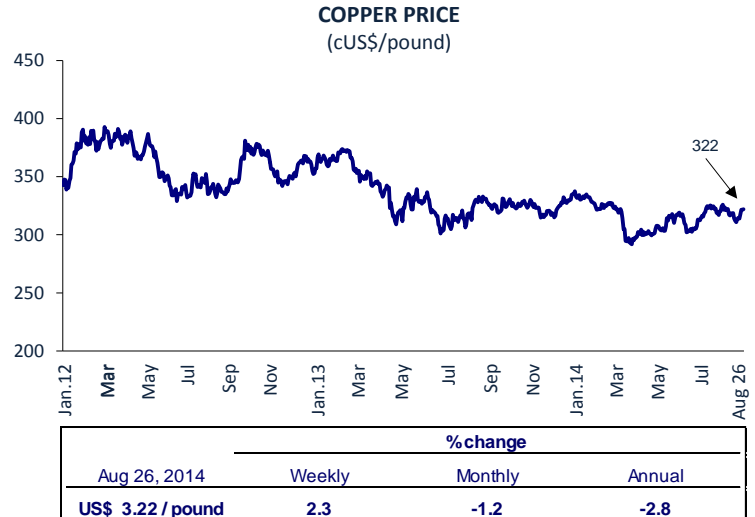
In the same period, the price of **gold** fell 0.8 percent to US\$ 1,286.0 per troy ounce.

The lower price of gold was supported by the strengthening of the dollar against the euro and by increased expectations that the Federal Reserve will raise its interest rate earlier than expected.



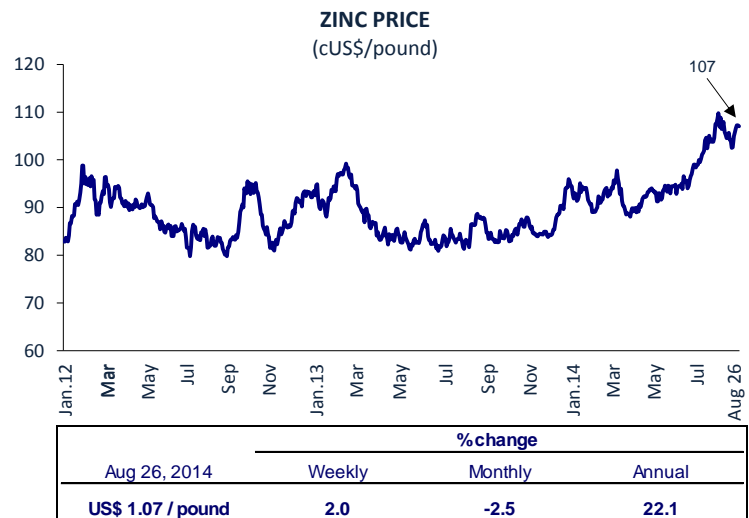
In the week of August 19 to August 26, the price of **copper** rose 2.3 percent to US\$ 3.22 per pound.

The rise in the price of copper was mainly influenced by the report of the International Copper Study Group (ICSG) that showed that there had been a deficit of refined copper of 466 thousand tons in the first five months of the year.



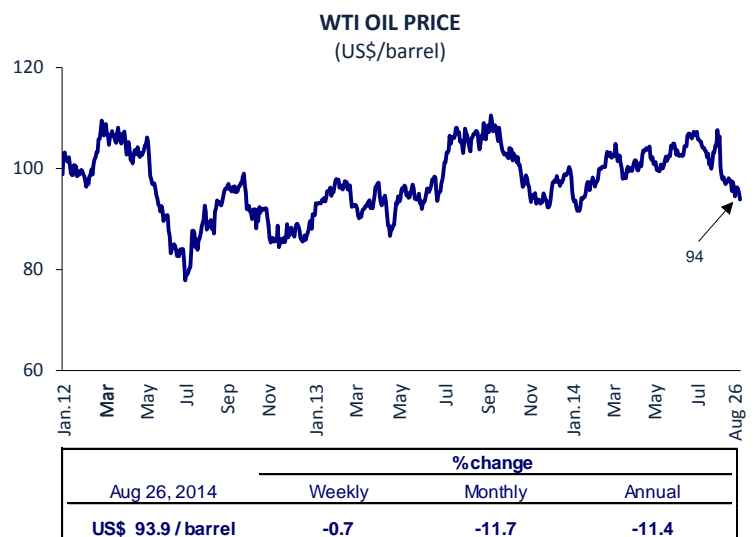
In the same period, the price of **zinc** rose 2.0 percent to US\$ 1.07 per pound.

This increase in the price of zinc reflected the reduction of inventories in the major metal exchange markets, as well as expectations of a higher demand following the publication of some positive data in the United States.



In August 19 - 26, the price of **WTI oil** dropped 0.7 percent to US\$ 93.9 per barrel.

The price of crude oil declined in a well-supplied market as a result of the fast pace of growth observed in Libya's production of crude, Iraq's announcement that it will increase its oil production, and higher inventories in the United States due to the lower demand for crude from Kansas refineries.



Dollar appreciated against the euro

In August 19 – 26, the **dollar** appreciated 1.1 percent against the **euro** after Mario Draghi declared in the central banking meeting carried out in Jackson Hole that, should it be necessary, the ECB would increase monetary stimulus to support economic recovery in the Eurozone.

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



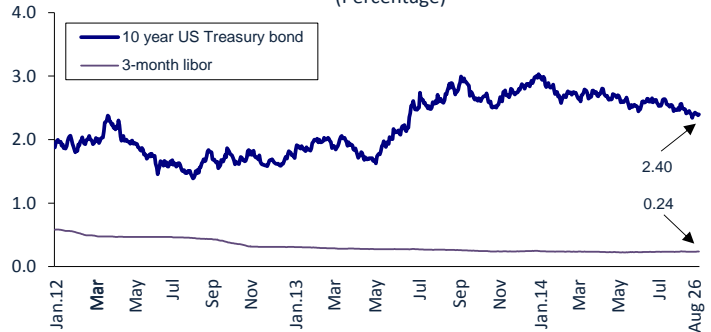
	Level	%change		
	Aug 26, 2014	Weekly	Monthly	Annual
US dollar/Euro	1.32	-1.1	-2.0	-1.5

Yield on 10-year US Treasuries at 2.40 percent

Between August 19 and August 26, the **3-month Libor** rose 1 basis point to 0.24 percent.

On the other hand, the yield on the **10-year US Treasury bonds** remained at 2.40 percent, amid increased expectations that the Federal Reserve will raise its interest rates earlier than expected.

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



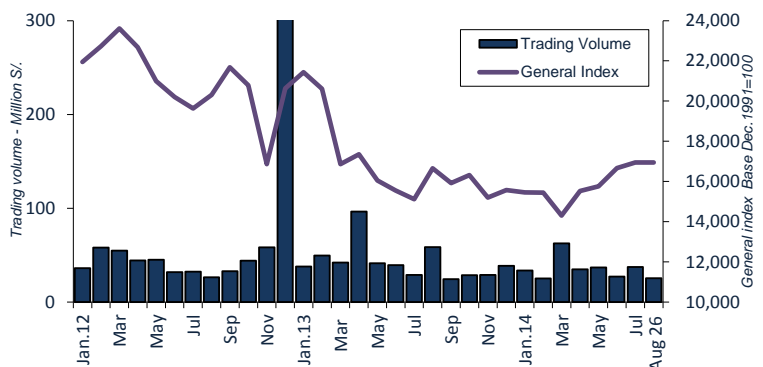
	Variation in basis points			
	Aug 26, 2014	Weekly	Monthly	Annual
3 months Libor (%)	0.24	1	0	-2
US Treasuries (%)	2.40	0	-7	-39

Lima Stock Exchange

So far this month (at August 26), the **General Index** and the **Selective Index** of the Lima Stock Exchange have risen 0.5 and 0.1 percent, respectively.

In the week of August 19 to August 26, both indices fell 0.1 percent, in a context marked by a mixed conduct in the international prices of metals and by investors' caution in response to the global economic context.

LIMA STOCK EXCHANGE INDICATORS



	As of:	%change compared to:		
	Aug 26, 2014	Aug 19, 2014	Jul 31, 2014	Dec 31, 2013
General Index	16,942	-0.1	0.5	7.5
Selective Index	23,612	-0.1	0.1	3.2

So far this year, the General Index has risen 7.5 percent and the Selective Index has risen 3.2 percent.

