





**Indicators**

-  Corporate prime rate at 4.5 percent so far in September
-  Country risk at 149 bps

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**Monetary and foreign exchange operations**

The monetary operations carried out by the Central Bank so far in September (at September 23) have been aimed at injecting liquidity into the market in the medium- and short-term, in line with the high demand for current account liquidity observed at the beginning of the month and with the withdrawal of liquidity as a result of foreign exchange operations for tax payment purposes. The Central Bank continued with its regular placements of BCRP-CDs three times a week, placing CDs for a total of S/. 1 billion with the purpose of contributing to increase liquidity in the secondary market of these instruments.

- Repos: At September 23, the BCRP has placed overnight repos for a daily average of S/. 2.24 billion, as well as 1-week repos for a total of S/. 300 million and 3-month repos for a total of S/. 300 million. The balance of these operations at September 23 was S/. 3.45 billion, with an average interest rate of 3.68 percent.
- FX swaps for a total of S/. 1.20 billion at an average interest rate of 3.79 percent have been placed. The balance of these operations at September 23 was S/. 4.4 billion, with an average interest rate of 4.13 percent.
- BCRP-CDs: 6-month BCRP-CDs for a total of S/. 400 million were placed at an average rate of 3.58 percent; 12-month BCRP-CDs for a total of S/. 300 million were placed at an average rate of 3.58 percent, and 18-month BCRP-CDs for a total of S/. 300 million were placed at an average rate of 3.69 percent.
- Term deposits: no term deposits have been auctioned this month, but the maturities of 1-week deposits amounted to S/. 1.6 billion.
- Overnight deposits: Funds for a total of S/. 11.58 billion were deposited as overnight deposits, and the maturities of this type of deposits amounted to S/. 11.75 billion. The balance of overnight deposits at September 23 was S/. 670 million.

In September the Central Bank has also made operations in the spot foreign exchange market to reduce volatility in the foreign exchange rate:

- CDR BCRP: The Central Bank placed CDR-BCRP for a total of US\$ 1.16 billion (S/. 3.33 billion) at an average interest rate of 0.07 percent. The balance of these operations at September 23 was US\$ 1.62 billion (S/. 4.66 billion).
- Interventions in the foreign exchange market: So far this month, the BCRP has not intervened in the forex market. Its last intervention was on August 15 when it purchased FC for a total of US\$ 10 million in the spot market at an average rate of S/. 2.7940 per US dollar.

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

		Balance			Placements						Maturities		
		(Interest rate)			(Interest rate)								
		Jul 31	Aug 31	Sep 23	Overnight	1-week	2-month	3-month	6-month	12-month		18-month	
Moneatry operations	Sterilization	CD BCRP	16,395 (3.77%)	17,085 (3.74%)	17,265 (3.73%)					400 (3.58%)	300 (3.58%)	300 (3.69%)	
		Term deposit	3,200 (2.99%)	1,600 (3.33%)									1,600
		Overnight deposits	1,502 (2.55%)	839 (2.55%)	670 (2.30%)	11,580							11,749
	Injection	Repos	500 (4.34%)	930 (4.33%)	3,450 (3.68%)	38,130	300 (3.52%)		300 (3.71%)				36,210
		Fx-Swaps	3,200 (4.27%)	3,200 (4.25%)	4,400 (4.13%)				1,200 (3.79%)				0
		CDR BCRP	0	1,330 (0.06%)	4,660 (0.07%)			3,330 (0.07%)					0

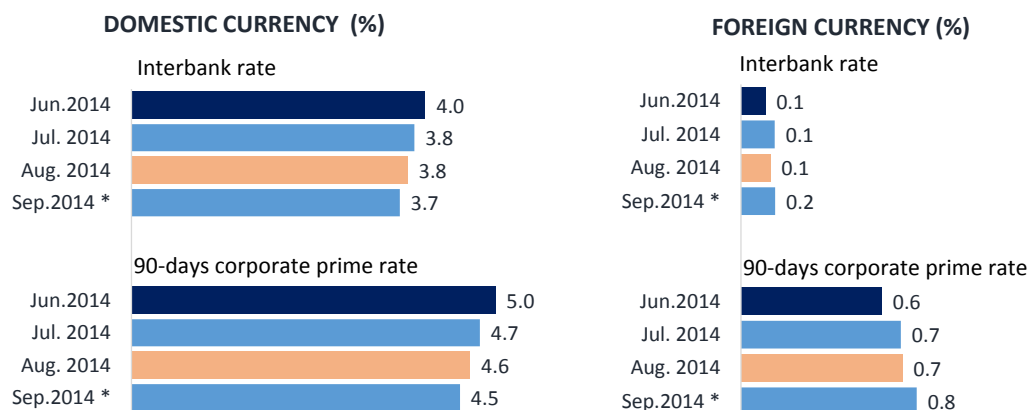
### Interbank interest rate in soles at 3.61 percent

On September 23, the interbank interest rate in soles showed a level of 3.61 percent. It is worth pointing out that the aim of the operations of the Central Bank is that the interbank interest rate be close to the benchmark interest rate.

### Corporate prime rate in soles at 4.5 percent

On September 23, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles recorded a daily average rate of 4.5 percent (4.6 percent in the previous month). In the same period, the corporate prime rate in dollars was 0.8 percent.

#### AVERAGE INTEREST RATES

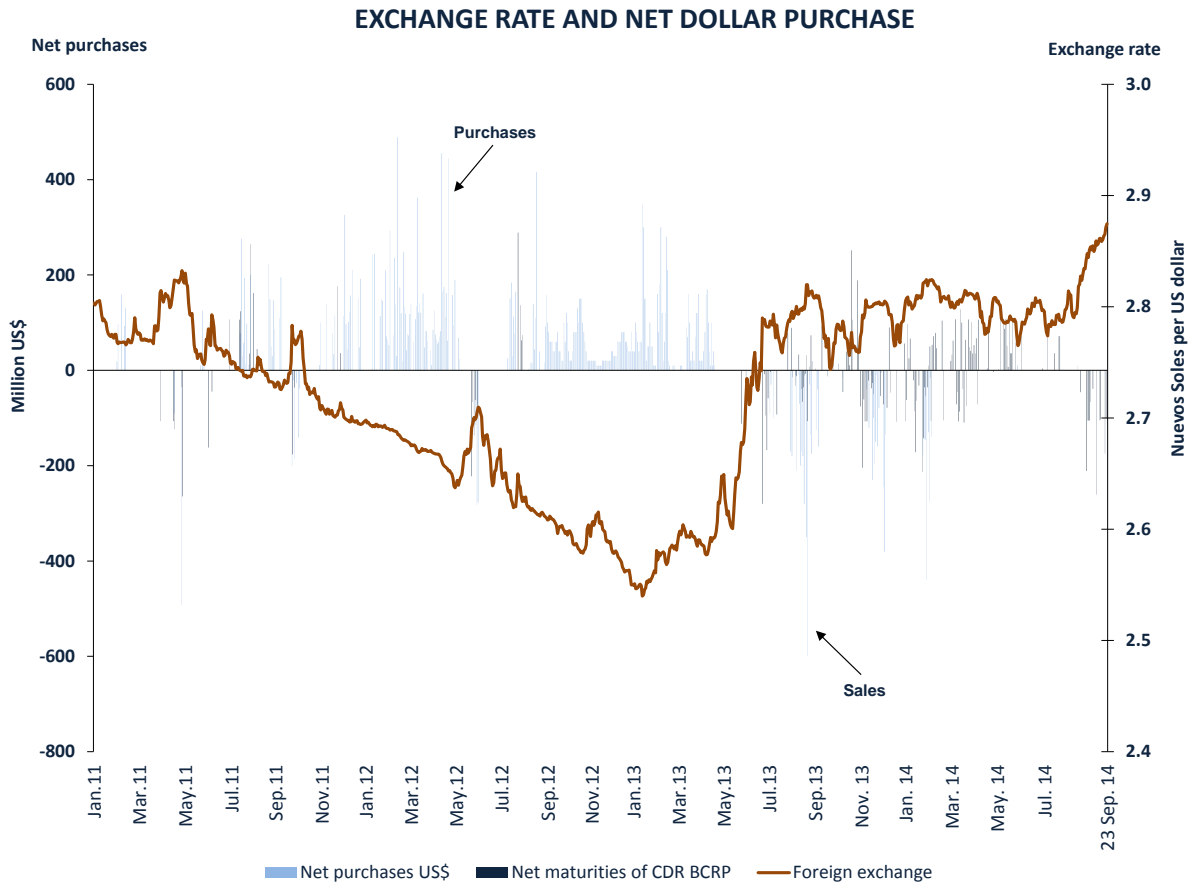


\* As of 23.

### Exchange rate: S/. 2.87 per US dollar

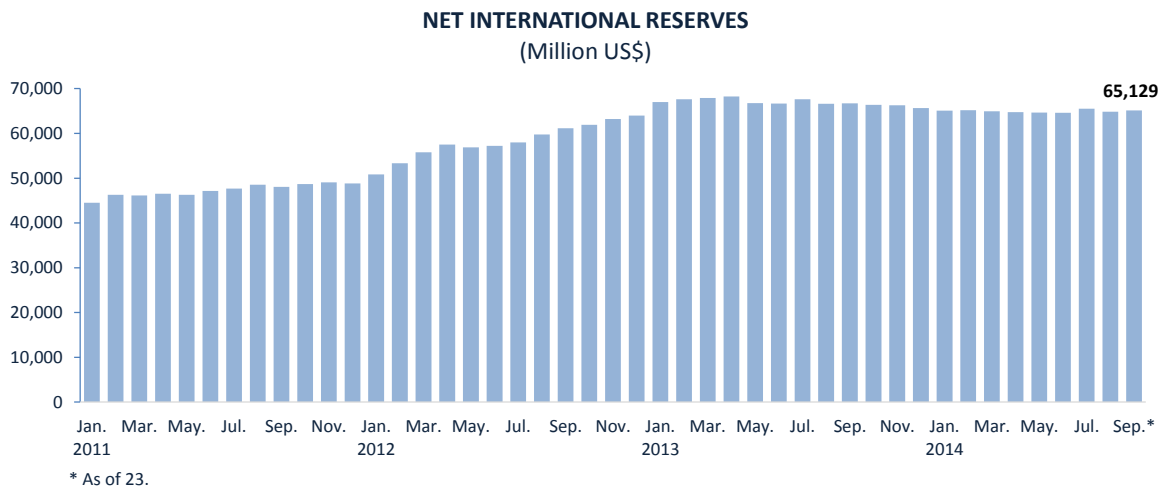
On September 23, the average selling price of the dollar in the interbank market was S/. 2.87 per dollar.

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



### International reserves at September 23: US\$ 65.13 billion

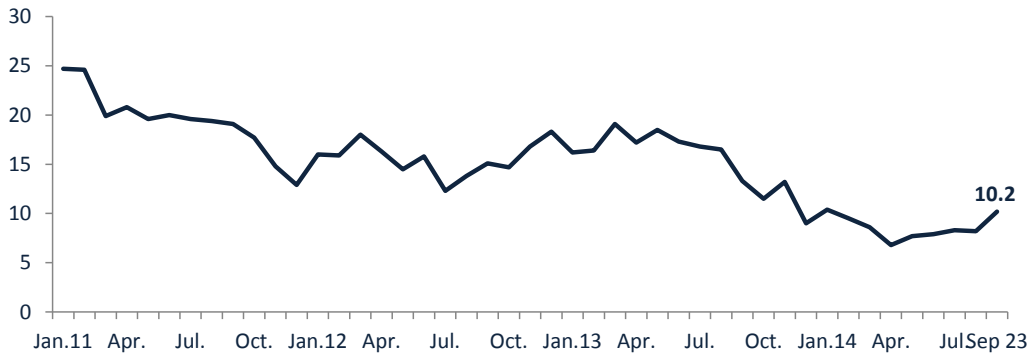
International reserves at September 23, 2014, amounted to US\$ 65.13 billion. On the same date, the foreign exchange position of the BCRP was US\$ 40.53 billion.



### Currency

**Currency in circulation** at September 23, 2014, showed a balance of S/. 35.36 billion and registered a growth rate of 10.2 percent in the last 12 months.

**CURRENCY**  
(Annual percentage change)



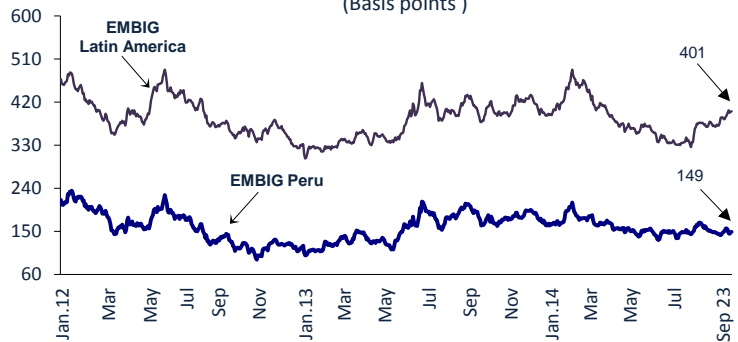
**International Markets**

**Country risk at 149 basis points**

In September 16-23, the country risk indicator, measured by the **EMBIG Peru** spread, fell from 156 to 149 basis points.

On the other hand, the **EMBIG Latin America** spread rose 8 basis points amid geopolitical stresses in the Middle East and increased signals of an economic slowdown in China.

**COUNTRY RISK INDICATORS**  
(Basis points)



	Variation in basis points			
	Sep 23, 2014	Weekly	Monthly	Annual
EMBIG Perú (bps)	149	-7	-3	-14
EMBIG Latam (bps)	401	8	22	20

**Price of gold: US\$ 1,222.0 per troy ounce**

In the same period, the price of **gold** fell 0.8 percent to US\$ 1,222.0 per troy ounce.

The price of gold was affected by the strengthening of the dollar against the euro. Moreover, speculations that the Federal Reserve will start implementing a cycle of interest rate cuts earlier than expected encouraged sales of this precious metal.

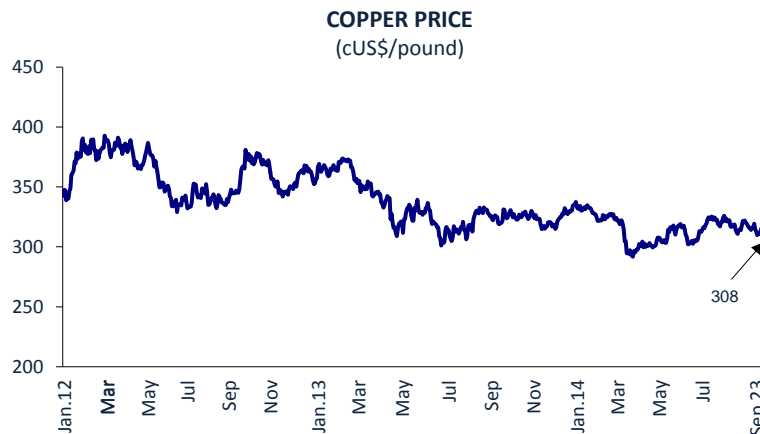
**GOLD PRICE**  
(US\$/ troy ounce)



	% change			
	Sep 23, 2014	Weekly	Monthly	Annual
US\$ 1,222.0 / troy oz.		-0.8	-4.3	-7.6

In the week of September 16-23, the price of **copper** dropped 1.4 percent to US\$ 3.08 per pound.

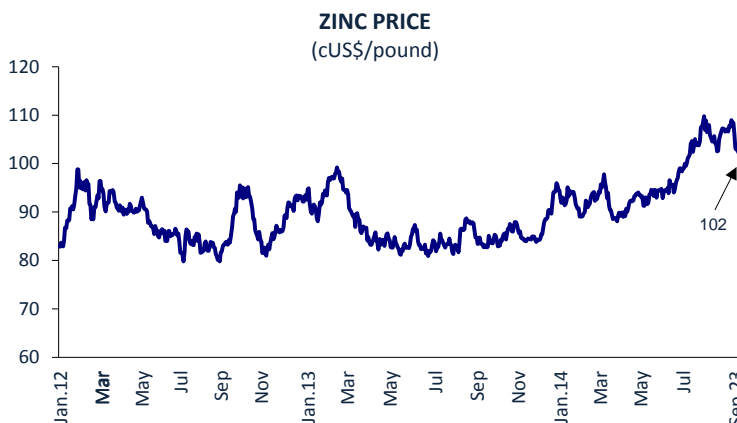
The decline in the price of copper was influenced by worries about the deceleration of China's demand and the increase of inventories in the major exchange markets.



Sep 23, 2014	% change		
	Weekly	Monthly	Annual
<b>US\$ 3.08 / pound</b>	<b>-1.4</b>	<b>-4.1</b>	<b>-5.3</b>

Between September 16 and September 23, the price of **zinc** fell 0.2 percent to US\$ 1.02 per pound.

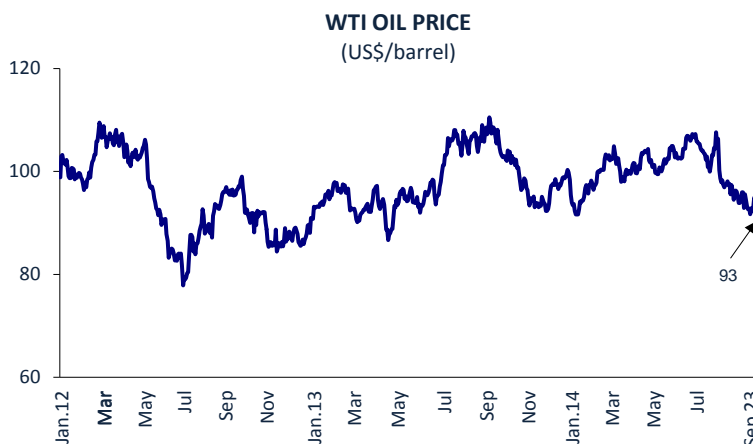
This price fall reflected mainly concerns about increased signals of an economic slowdown in China.



Sep 23, 2014	% change		
	Weekly	Monthly	Annual
<b>US\$ 1.02 / pound</b>	<b>-0.2</b>	<b>-5.2</b>	<b>21.6</b>

In the same period, the price of **WTI oil** dropped 2.4 percent to US\$ 92.6 per barrel.

The price of crude oil dropped amid worries about the weak demand and the excess of reserves after the unexpected increase of crude inventories in the United States.



Sep 23, 2014	% change		
	Weekly	Monthly	Annual
<b>US\$ 92.6 / barrel</b>	<b>-2.4</b>	<b>-3.6</b>	<b>-10.7</b>

### US dollar appreciated against the euro

In September 16-23, the **dollar** appreciated 0.9 percent against the **euro**, supported by expectations that the Federal Reserve will start adjusting its interest rates earlier than expected.

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



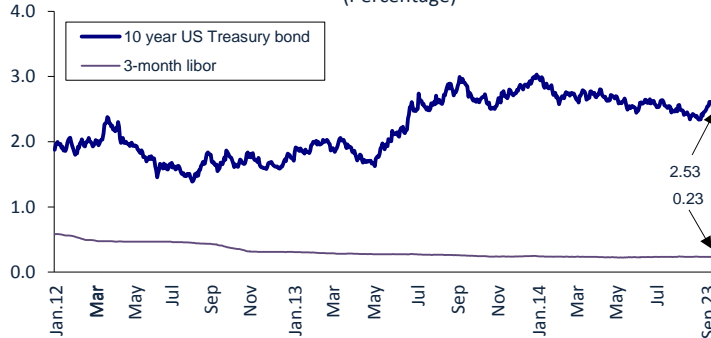
	Level	%change		
	Sep 23, 2014	Weekly	Monthly	Annual
US dollar/Euro	1.28	-0.9	-3.0	-4.8

### Yield on 10-year US Treasuries: 2.53 percent

Between September 16 and September 23, the **3-month Libor** remained at 0.24 percent.

On the other hand, the yield on the **10-year US Treasuries** declined 6 basis points to 2.53 percent in a context marked by a demand for hedge assets due to geopolitical tensions in the Middle East.

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



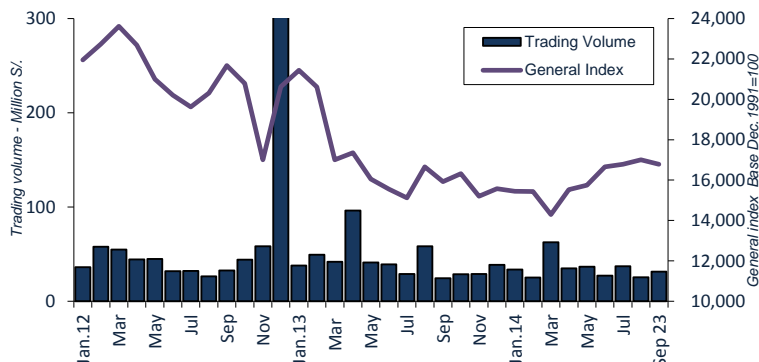
	Variation in basis points			
	Sep 23, 2014	Weekly	Monthly	Annual
3 months Libor (%)	0.24	0	0	-2
US Treasuries (%)	2.53	-6	13	-17

### Lima Stock Exchange

So far this month (at September 23), the **General Index** of the Lima Stock Exchange (LSE) has fallen 1.3 percent and the **Selective Index** has fallen 1.8 percent.

In the week of September 16-23, these indices fell 1.7 and 1.4 percent, respectively, due to the decline observed in the international prices of metals and to investors' caution regarding the economic health of China.

LIMA STOCK EXCHANGE INDICATORS



	As of:	%change compared to:		
	Sep 23, 2014	Sep 16, 2014	Aug 29, 2014	Dec 31, 2013
General Index	16,788	-1.7	-1.3	6.6
Selective Index	23,263	-1.4	-1.8	1.7

So far this year, the General Index has grown 6.6 percent and the Selective Index has grown 1.7 percent.

