






Indicators

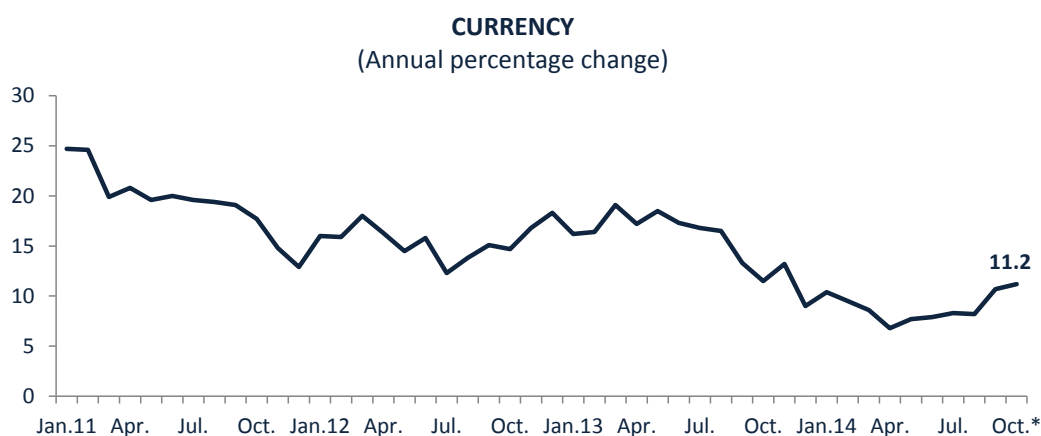
-  Corporate prime rate so far in October: 4.4 percent
-  Interbank interest rate at 3.5 percent so far in October
-  Country risk at 169 bps

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Currency

Currency in circulation on October 28, 2014, showed a balance of S/. 35.60 billion and registered a growth rate of 11.2 percent in the last 12 months.



* As of 28.

Interest rate and monetary operations

At October 28, the **interbank interest rate** in soles showed an average level of 3.50 percent, a similar rate to that of the benchmark interest rate.

At October 28, the monetary operations carried out by the Central Bank so far this month have been aimed at injecting liquidity into the market in the short-term to meet the current account requirements of financial entities. The Central Bank has also continued making its regular placements of BCRP-CDs three times a week and has placed CDs for a total of S/. 1.1 billion with the purpose of contributing to increase liquidity in the secondary market of these instruments.

- Repos: At October 28, the BCRP has placed overnight repos for a daily average of S/. 2.12 billion, as well as 1-week repos for a total of S/. 3.5 billion and 3-month repos for a total of S/. 15 million. The balance of these operations at October 28 was S/. 865 million, with an average interest rate of 3.65 percent.
- FX swaps for a total of S/. 91.5 million at an average interest rate of 3.65 percent have been placed. The balance of these operations at October 28 was S/. 4.39 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 3.51 percent; 12-month BCRP-CDs for a total of S/. 400 million were placed at an average rate of 3.57 percent, and 18-month BCRP-CDs for a total of S/. 300 million were placed at an average rate of 3.54 percent.

- Overnight deposits: At October 28, overnight deposits show a daily average of S/. 974 million. The balance of overnight deposits on this date was S/. 1.36 billion.

In October, the Central Bank has also made operations in the spot foreign exchange market to reduce volatility in the foreign exchange rate.

- CDR BCRP: At October 28, the Central Bank has placed CDR-BCRP for a total of US\$ 231 million (S/. 670 million) at an average interest rate of 0.15 percent. The balance of these operations at October 28 was US\$ 1.92 billion (S/.5.60 billion).
- Interventions in the foreign exchange market: At October 28, the BCRP has sold FC for a total of US\$ 155 million in the spot market at an average rate of S/. 2.91 per US dollar.
- Exchange Swaps: So far this month, the BCRP has placed Sell-Exchange Swaps for a total of S/. 5.19 billion (US\$ 1.78 billion). At October 28, these instruments show a balance of S/. 5.19 billion.

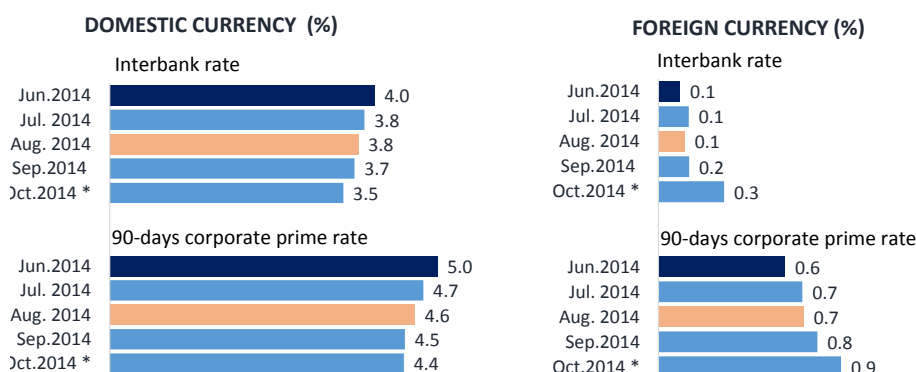
MONETARY AND FOREIGN EXCHANGE OPERATIONS (Million nuevos soles)

		Balance		Placements						Maturities			
		(Interest rate)		(Interest rate)									
		Sep 30	Oct 28	Overnight	1-week	2-month	3-month	6-month	12-month		18-month		
Monetary operations	Sterilization	CD BCRP	17,565 (3.72%)	16,235 (3.69%)					400 (3.51%)	400 (3.57%)	300 (3.54%)	2,430	
		Term deposit											
		Overnight deposits	2,287 (2.30%)	1,361 (2.30%)	18,506								19,432
	Injection	Repos	5,100 (3.92%)	865 (3.65%)	40,332 (3.61%)	3,500 (3.72%)		15 (3.52%)					48,082
		Fx-Swaps	4,700 (4.11%)	4,392 (4.13%)					92 (3.65%)				400
Foreign exchange operations	CDR BCRP	5,955 (0.08%)	5,595 (0.09%)			670 (0.15%)						1,030	
	Exchange swaps		5,185 (0.08%)			5,185 (0.08%)						0	

Corporate prime rate in soles at 4.4 percent

At October 28, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles recorded a daily average rate of 4.4 percent (lower than 4.5 percent registered in the previous month). In the same period, the corporate prime rate in dollars was 0.9 percent.

AVERAGE INTEREST RATES

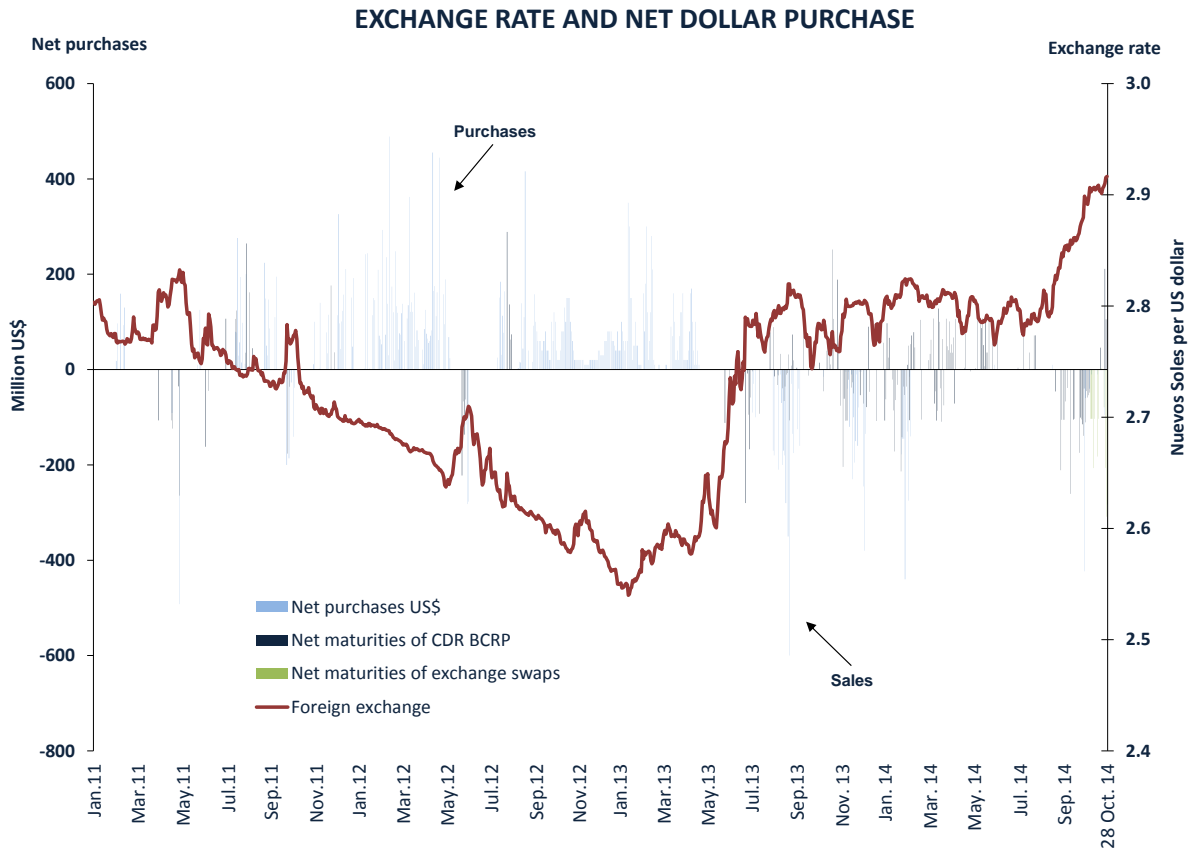


* As of 28.

Exchange rate and exchange operations

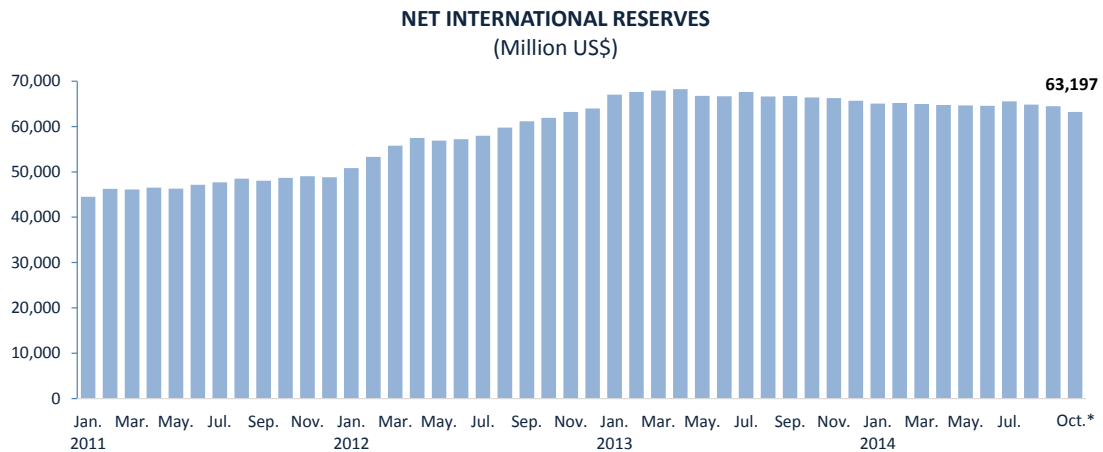
On October 28, the average selling price of the dollar in the interbank market was S/. 2.92 per dollar.

Since 2012 the Central Bank has purchased FC for a total of US\$ 19.09 billion and sold FC for US\$ 8.03 billion. In net terms, the BCRP purchases of foreign currency are US\$ 11.05 billion higher than the BCRP sales of foreign currency.



International reserves amount to US\$ 63.20 billion on October 28

International reserves on October 28, 2014, amounted to US\$ 63.20 billion. On the same date, the foreign exchange position of the BCRP was US\$ 39.93 billion.



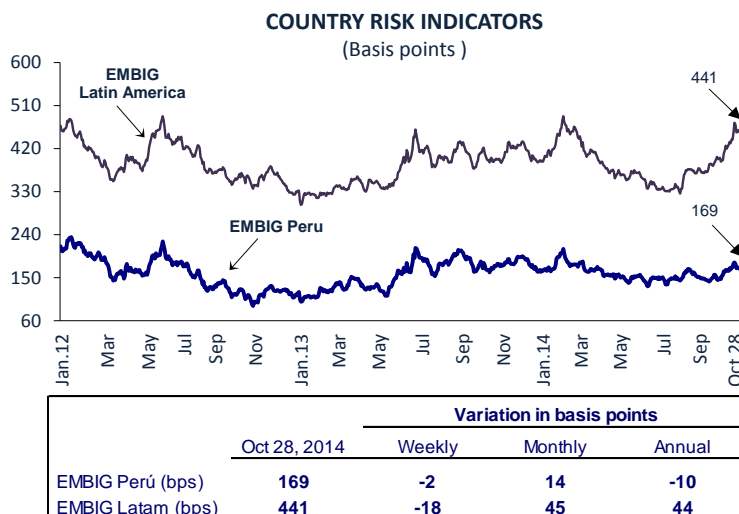
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International Markets

Country risk at 169 basis points

In October 21-28, the country risk indicator, measured by the **EMBIG Peru** spread, fell from 171 bps to 169 bps.

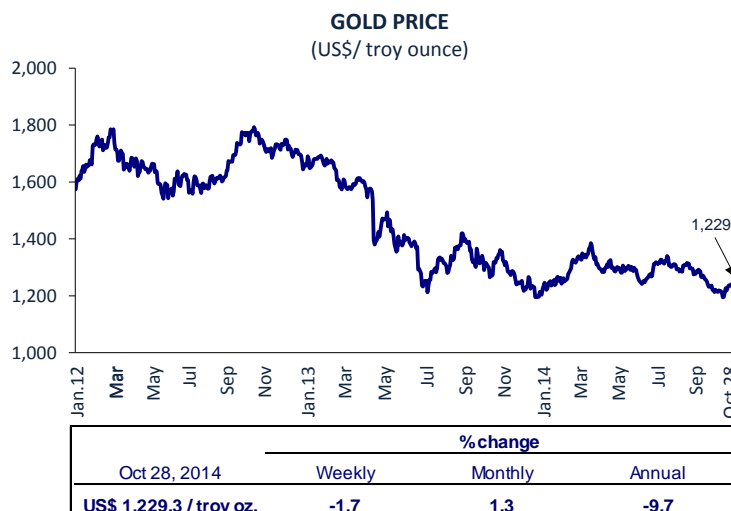
Also, the **EMBIG Latin America** spread declined 18 bps amid positive activity indicators, mainly in USA, and Eurozone and China.



Price of gold at US\$ 1,229.3 per troy ounce

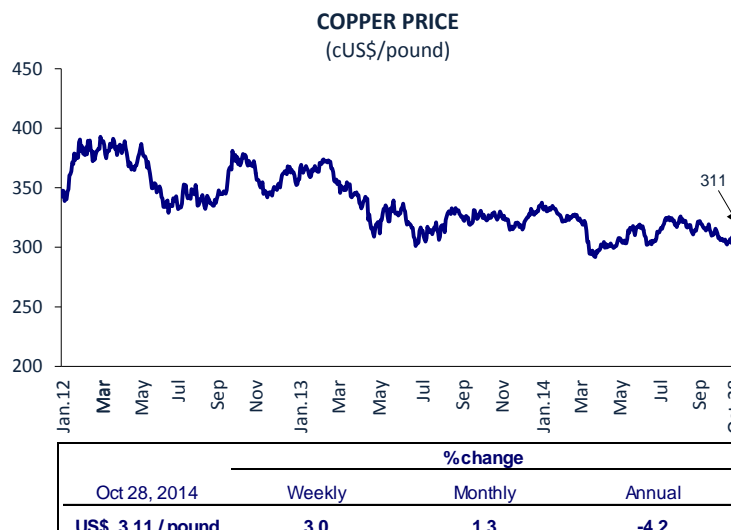
In the same period, the price of **gold** fell 1.7 percent to US\$ 1,229.3 per troy ounce.

The price of gold was mainly influenced by lower demand for this metal as a hedge by reduction of risk aversion in the financial markets.



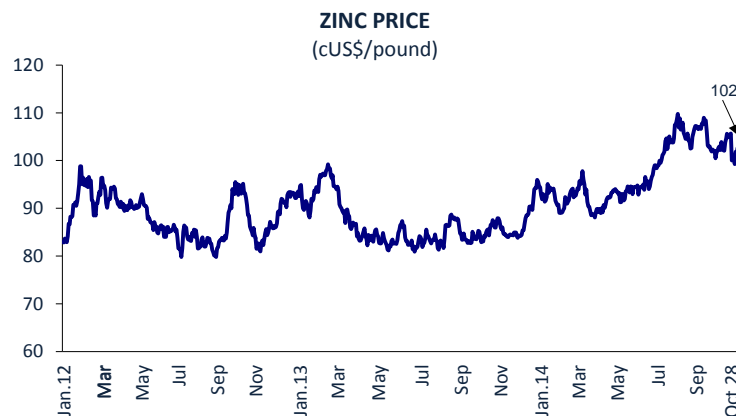
In the week of October 21-October 28, the price of **copper** increased 3.0 percent to US\$ 3.11 per pound.

The price of copper rose due to concerns on the supply after the strikes at two major mines; as well as expectations of higher demand from China.



In the same period, the price of **zinc** increased 2.9 percent to US\$ 1.02 per pound.

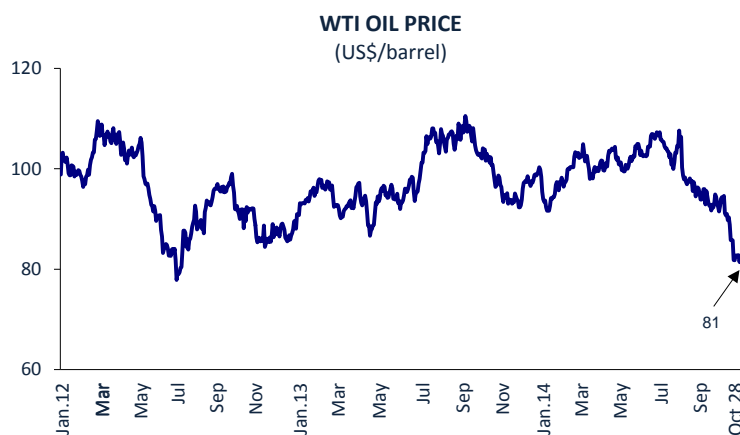
The rise in the price of zinc reflected the report of the International Study Group of Zinc and Lead (ILZSG) which noted a deficit in global refined zinc market for 2014 and 2015.



Oct 28, 2014	% change		
	Weekly	Monthly	Annual
US\$ 1.02 / pound	2.9	-0.8	17.1

In October 21 – 28, the price of **WTI oil** fell 1.7 percent to US\$ 81.4 per barrel.

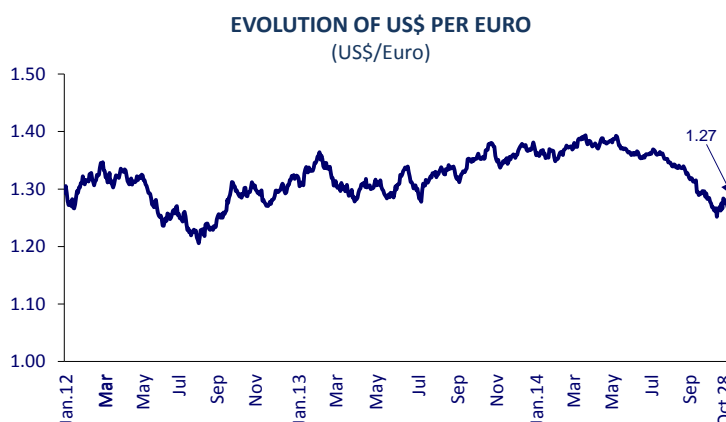
The price of crude was influenced by the increase of weekly inventories of US crude for the third consecutive week, reaching maximum levels since July 4.



Oct 28, 2014	% change		
	Weekly	Monthly	Annual
US\$ 81.4 / barrel	-1.7	-13.0	-17.5

US dollar depreciated against the euro

Between October 21 and October 28, the **dollar** depreciated 0.2 percent against the **euro**, amid expectations that Federal Reserve announced that interest rates will remain low for an extended period.

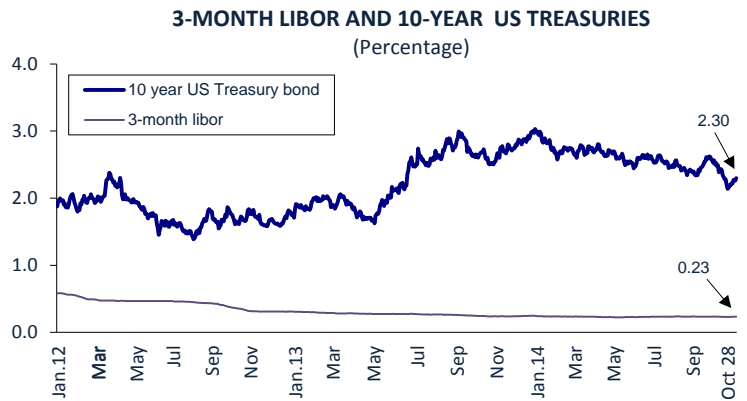


Oct 28, 2014	Level	% change		
	Weekly	Monthly	Annual	
US dollar/Euro	1.27	0.2	0.4	-7.6

Yield on 10-year US Treasuries at 2.30 percent

Between October 21 and October 28, the **3-month Libor** remained at 0.23 percent.

On the other hand, the yield on the **10-year US Treasuries** rose 7 basis points to 2.30 percent after dissemination of positive indicators about employment and consumer confidence in the United States.

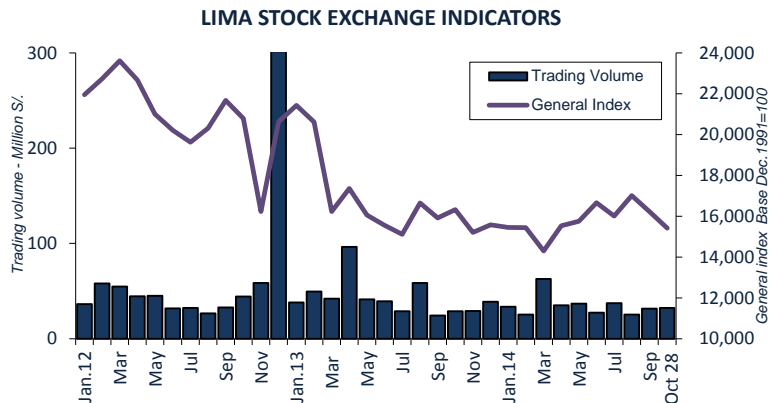


	Variation in basis points			
	Oct 28, 2014	Weekly	Monthly	Annual
3 months Libor (%)	0.23	0	0	0
US Treasuries (%)	2.30	7	-23	-23

Lima Stock Exchange

In the week of October 21-October 28, the **General Index** of the Lima Stock Exchange (LSE) grew 1.5 percent and the **Selective Index** grew 1.6 percent.

The behavior of both indices was favored by industrial and service stocks, in the context of improving leading indicators of the domestic economy and good performance of the US stock exchange.



	% change compared to:			
	As of: Oct 28, 2014	Oct 21, 2014	Sep 30, 2014	Dec 31, 2013
General Index	16,004	1.5	-1.4	1.6
Selective Index	22,110	1.6	-1.0	-3.4

Year-to-date, the General Index has risen 1.6 percent and the Selective Index has fallen 3.4 percent.

