



Indicators

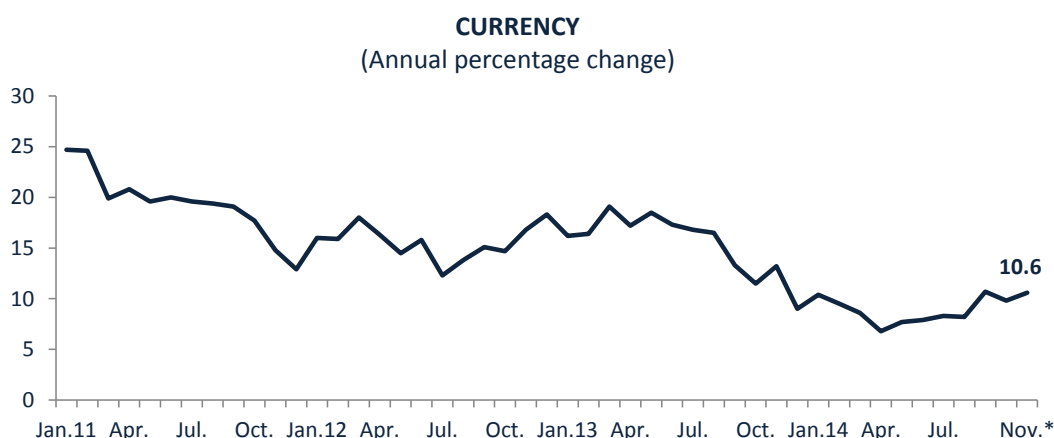
- ➔ Average corporate prime rate: 4.4 percent so far in November
- ➔ Net international reserves total US\$ 64.97 billion
- ➔ Country risk at 165 bps

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Currency

On November 11, 2014, **currency in circulation** –that is, banknotes and coins held by the public– showed a growth rate of 10.6 percent in the last 12 months.

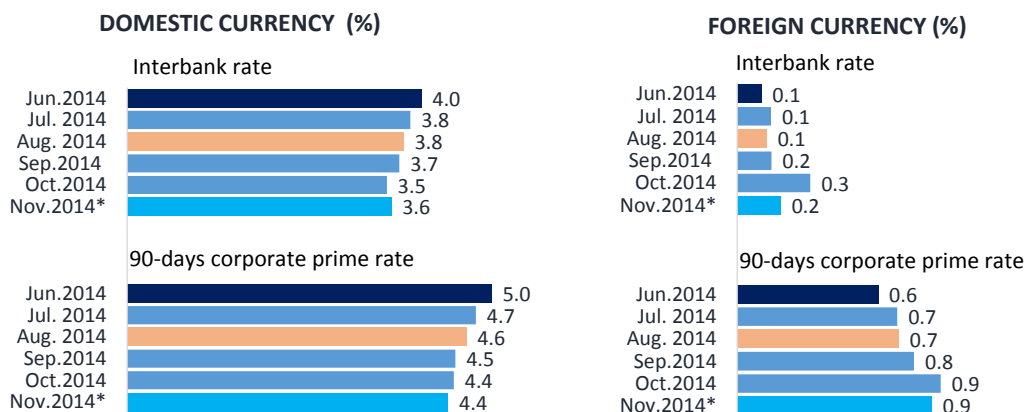


* As of 11.

Corporate prime rate in soles at 4.4 percent

On November 11, 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 (a similar rate to the one observed in the previous month). In the same period, the corporate prime rate in dollars was 0.9 percent.

AVERAGE INTEREST RATES



* As of 11.

Interest rate and monetary operations

On November 11, the interbank interest rate in soles showed a rate of 3.50 percent, a similar level to that of the Central Bank's benchmark interest rate.

The monetary operations carried out by the Central Bank at November 11 were aimed at injecting liquidity into the market in the short-term to meet financial entities' current account requirements. The Central Bank also continued with its regular placements of BCRP-CDs three times a week, placing CDs for a total of S/. 400 million with the purpose of contributing to increase liquidity in the secondary market of these instruments.

- Repos: At November 11, the BCRP has placed overnight repos for a daily average of S/. 3.10 billion. The balance of these operations at November 11 was S/. 3.16 billion, with an average interest rate of 3.61 percent.
- FX Swaps: No auctions of FX Swaps have been made this month. The balance of these operations at November 11 was S/. 4.29 billion, with an average interest rate of 4.13 percent.
- BCRP-CDs: 6-month BCRP-CDs for a total of S/. 200 million were placed at an average rate of 3.30 percent; 12-month BCRP-CDs for a total of S/. 100 million were placed at an average rate of 3.35 percent, and 18-month BCRP-CDs for a total of S/. 100 million were placed at an average rate of 3.36 percent.
- Overnight deposits: At November 11, overnight deposits show a daily average of S/. 482 billion. The balance of overnight deposits at this date was S/. 640 million.

In the period of November 1 to November 11, the Central Bank also made operations in the spot foreign exchange market to reduce volatility in the foreign exchange rate.

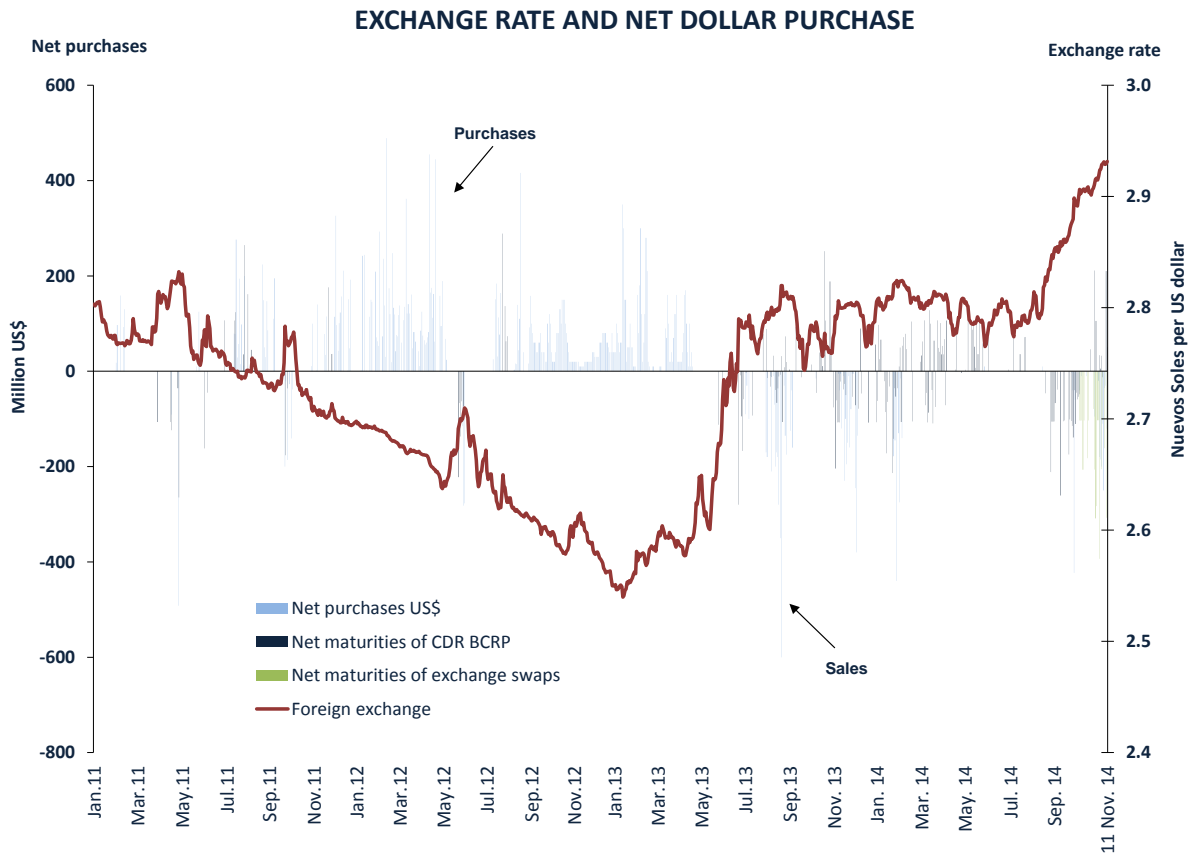
- Interventions in the foreign exchange market: the BCRP sold FC for a total of US\$ 930 million in the spot market at an average exchange rate of S/. 2.93 per US dollar.
- FX Swaps: the BCRP placed Sell-FX Swaps for a total of S/. 2.87 billion (US\$ 981 million). The balance of these instruments at November 11 was S/. 9.81 billion.
- CDR BCRP: the Central Bank placed CDR-BCRP for a total of US\$ 290 million (S/. 850 million) at an average interest rate of 0.06 percent. The balance of these operations at November 11 was US\$ 1.61 billion (S/. 4.71 billion).

MONETARY AND FOREIGN EXCHANGE OPERATIONS
(Million nuevos soles)

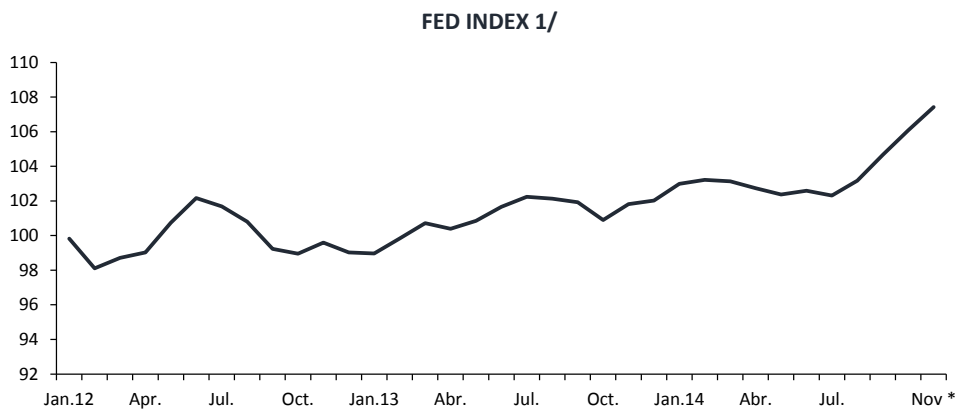
		Balance		Placements				Maturities	
		(Interest rate)		(Interest rate)					
		Nov 11	Overnight	2-month	6-month	12-month	18-month		
Monetary operations	Injection	Repos	3,165 (3.61%)	21,713 (3.68%)				19,513	
		Fx-Swaps	4,292 (4.13%)					100	
	Sterilization	CD BCRP	14,835 (3.67%)			200 (3.30%)	100 (3.35%)	100 (3.36%)	2,000
		Overnight deposits	640 (2.30%)	3,376					4,016
Foreign exchange operations	CDR BCRP	4,710 (0.10%)		850 (0.06%)				1,645	
	Exchange swaps	9,808 (0.05%)		2,873 (0.01%)					

Exchange rate and foreign exchange operations

On November 11, the average selling price of the dollar in the interbank market was S/. 2.932 per dollar, which represents a rise of 0.2 percent in the exchange rate in the past week.



The dollar has been showing an appreciatory trend against most other currencies, as reflected in the evolution of the FED index since January 2013. This appreciation of the dollar is associated with expectations that the Federal Reserve (Fed) will start normalizing its interest rates after it decided to end its quantitative easing program in October.

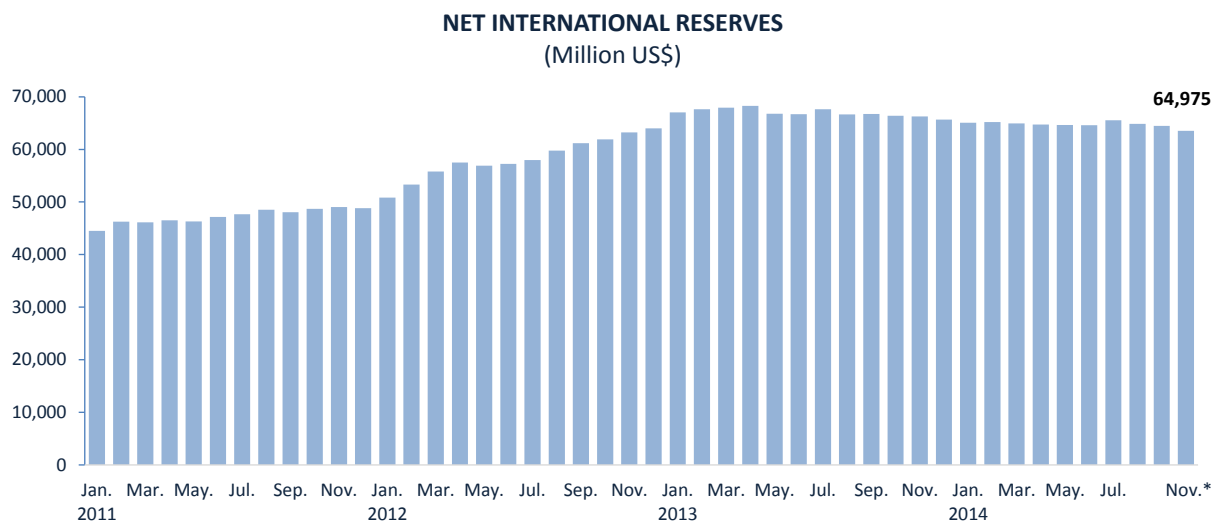


* As of 11.
 1/ Calculated taking into account currencies of US trading partners weighted by contributions. A rise in the index represents an appreciation of the US dollar. .
 Source: FED.

Over the past week (at November 11), the BCRP sold FC for a total of US\$ 545 million in the foreign exchange market and placed FX Swaps-Sell for a net total of S/. 1.97 billion (US\$ 673 million) to reduce volatility in the foreign exchange rate.

International reserves amount to US\$ 64.97 billion on November 11

International reserves on November 11, 2014, amounted to US\$ 64.97 billion. On the same date, the foreign exchange position of the BCRP was US\$ 38.32 billion.



* As of 11.

Non-Financial Public Sector: October 2014

In October, the operations of the non-financial public sector registered a deficit of S/. 1.04 billion and thus accumulated a surplus of S/. 8.99 billion in the period of January-October. The general government's current revenues decreased 1.8 percent, while non-financial expenditure increased 0.9 percent.

OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR 1/
(Million S/.)

	October			January - October		
	2013	2014	Real % Chg.	2013	2014	Real % Chg.
1. General government current revenues	9,877	9,995	-1.8	99,719	106,024	3.0
a. Tax revenues	7,646	7,766	-1.5	75,362	80,467	3.4
b. Non-tax revenues	2,230	2,229	-3.1	24,357	25,557	1.6
2. General government non-financial expenditure	10,012	10,417	0.9	82,384	91,888	8.0
a. Current	6,633	7,196	5.2	58,920	67,656	11.2
b. Capital	3,378	3,221	-7.5	23,465	24,231	0.1
<i>of which:</i>						
<i>Gross capital formation</i>	3,137	3,071	-5.0	21,692	22,043	-1.5
<i>National government</i>	998	1,390	35.1	6,646	7,425	8.2
<i>Regional governments</i>	785	381	-52.9	5,241	4,741	-12.2
<i>Local governments</i>	1,354	1,300	-6.9	9,805	9,877	-2.5
<i>Other capital expenditure</i>	242	150	-39.9	1,773	2,189	19.7
3. Other 2/	42	54		1,118	319	
4. Primary Balance	-93	-367		18,453	14,456	
5. Interests	295	671	120.8	5,451	5,461	-3.0
6. Overall Balance	-388	-1,038		13,002	8,994	

1/ Preliminary.

2/ Includes capital revenues from the General government and primary result of public companies.

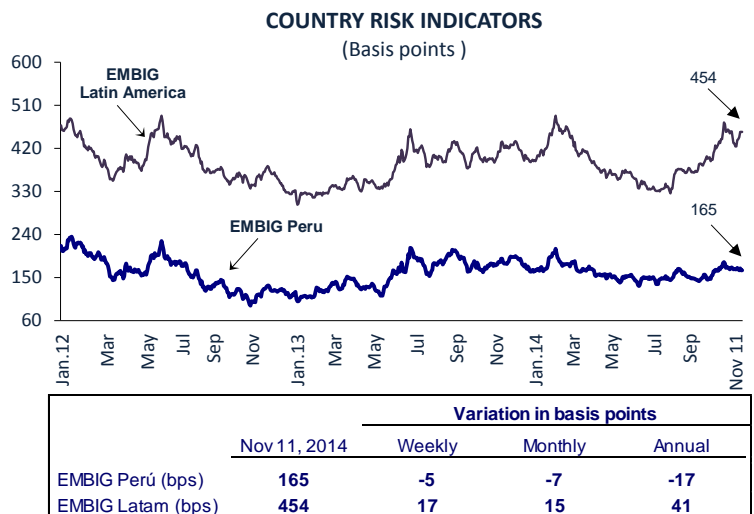
Source: MEF, SUNAT, Banco de la Nación, public charities, public institutions and companies.

International markets

Country risk at 165 basis points

Between November 4 and November 11, the country risk indicator, measured by the **EMBIG Peru** spread, fell from 170 bps to 165 bps.

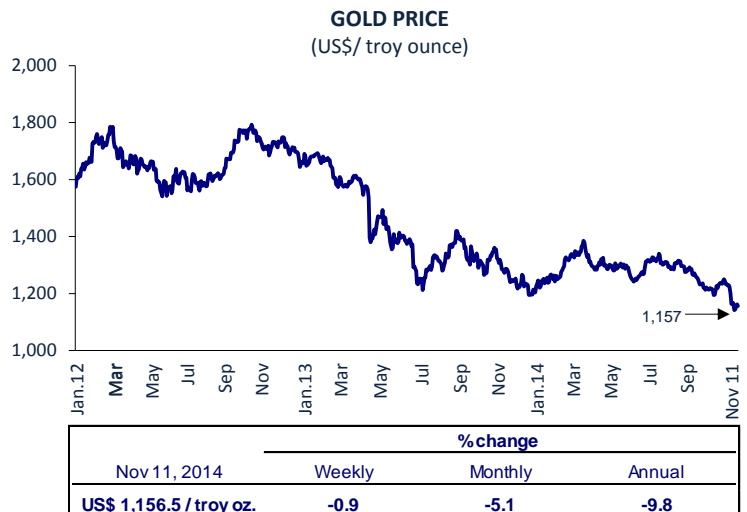
On the other hand, the **EMBIG LatinAmerica** spread rose 17 bps in a context of concerns about growth in China and the Eurozone.



Price of gold: US\$ 1,156.5 per troy ounce

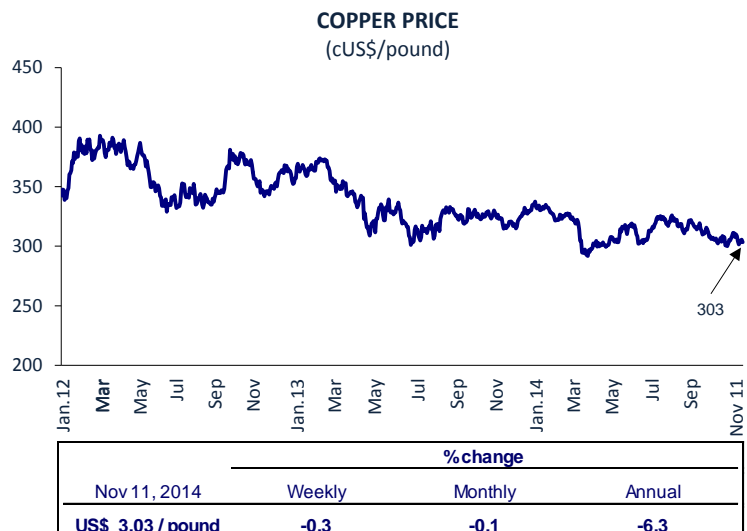
In the same period, the price of **gold** fell 0.9 percent to US\$ 1,156.5 per troy ounce.

The price of gold was affected by the strengthening of the dollar against the euro, a lower physical demand for this metal in China, and the rise of stock indices.



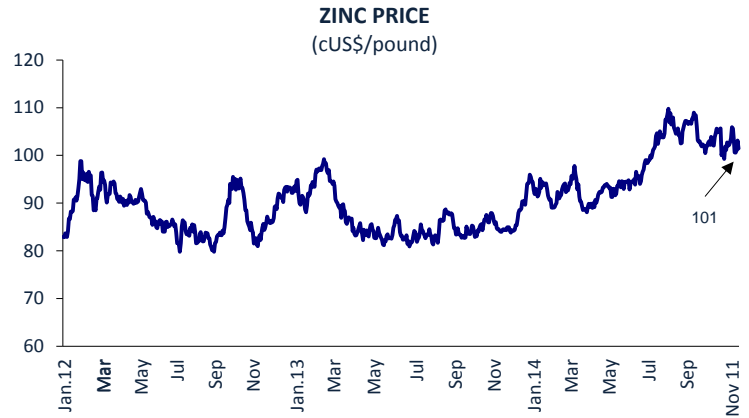
In the week of November 4-11, the price of **copper** dropped 0.3 percent to US\$ 3.03 per pound.

This price fall reflected mainly concerns about a weak demand in Asia and reflected also, to a lesser extent, expectations that the supply will be higher next year.



Between November 4 and November 11, the price of **zinc** fell 2.1 percent to US\$ 1.01 per pound.

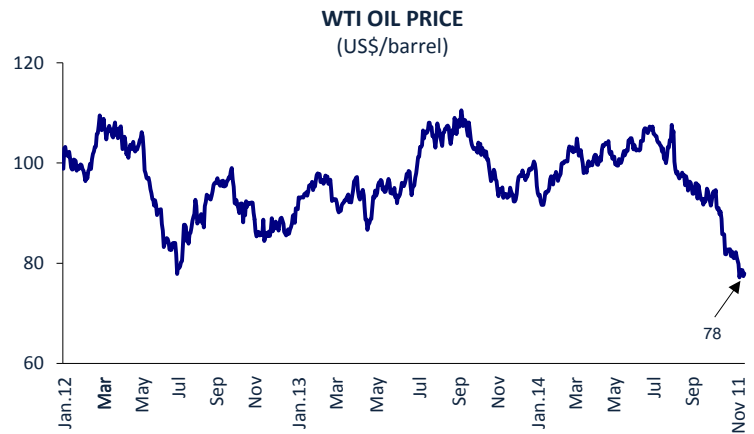
This price fall reflected mainly concerns about increased signals of an economic slowdown in China and expectations of greater supply.



Nov 11, 2014	% change		
	Weekly	Monthly	Annual
US\$ 1.01 / pound	-2.1	-3.2	20.0

In the same period, the price of **WTI oil** rose 1.0 percent to US\$ 77.9 per barrel.

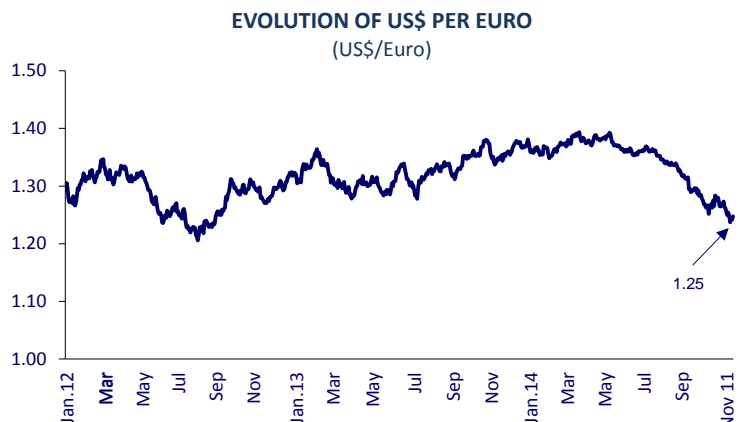
The price of crude oil increased amid expectations of a possible reduction in oil production due to conflicts in Libya and Ukraine.



Nov 11, 2014	% change		
	Weekly	Monthly	Annual
US\$ 77.9 / barrel	1.0	-9.2	-18.1

US dollar appreciated against the euro

In November 4-11, the **dollar** appreciated 0.6 percent against the **euro**, supported by speculations that the Federal Reserve will increase interest rates by favorable indicators of GDP growth in the United States.



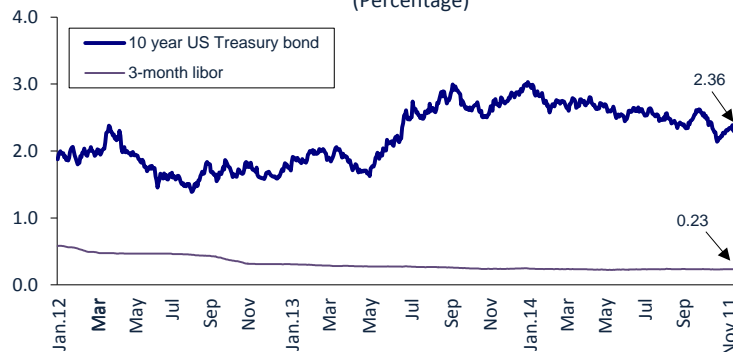
Nov 11, 2014	Level	% change		
	Weekly	Monthly	Annual	
US dollar/Euro	1.25	-0.6	-1.2	-7.0

Yield on 10-year US Treasuries: 2.36 percent

Between November 4 and November 11, the **3-month Libor** remained at 0.23 percent.

On the other hand, the yield on the **10-year US Treasuries** increased 3 basis points to 2.36 percent in a context marked by favorable data indicating a recovery in the US economy.

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



	Variation in basis points			
	Nov 11, 2014	Weekly	Monthly	Annual
3 months Libor (%)	0.23	0	0	-1
US Treasuries (%)	2.36	3	8	-39

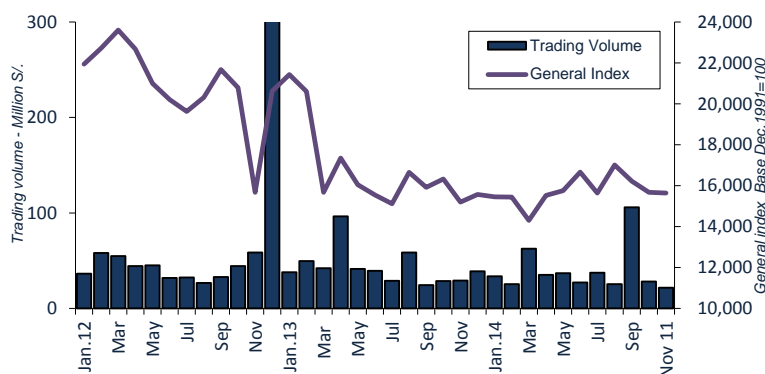
Lima Stock Exchange

In the week of November 4-11, the **General Index** of the Lima Stock Exchange (LSE) rose 1.3 percent and the **Selective Index** rose 1.7 percent.

The LSE was favored by the rising performance of agricultural and Industrial shares and by the advance of stocks in global markets.

Year-to-date (at **November 11**), the General Index and the Selective Index have fallen 0.7 percent and 5.3 percent, respectively.

LIMA STOCK EXCHANGE INDICATORS



	% change compared to:			
	As of: Nov 11, 2014	Nov 4, 2014	Oct 31, 2014	Dec 31, 2013
General Index	15,642	1.3	-0.2	-0.7
Selective Index	21,660	1.7	0.1	-5.3

