



Indicators

- Currency grew 11.7 percent in the last twelve months
- GDP grew 0.3 percent in November 2014
- Price of gold rose to US\$1,289 per troy ounce

Content

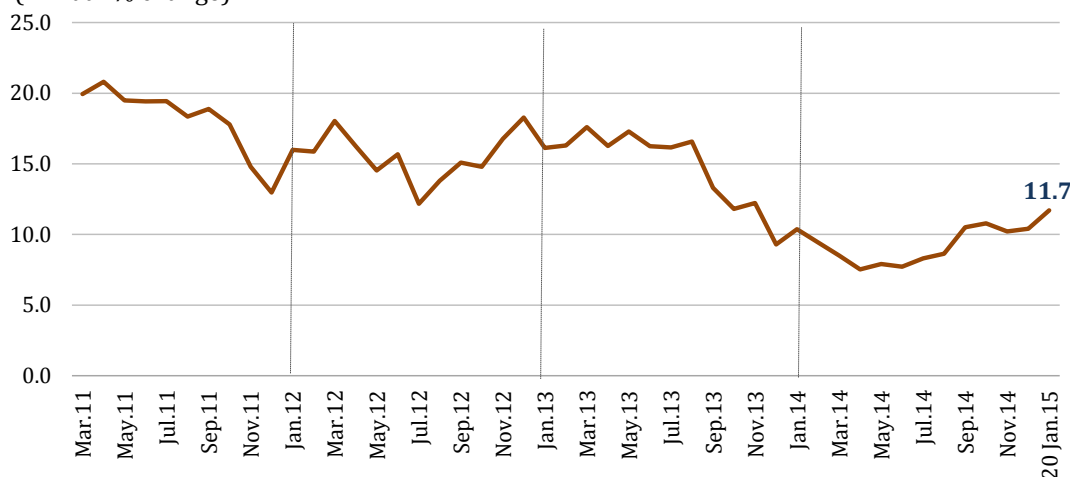
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Currency

On January 20, **currency in circulation** –that is, banknotes and coins held by the public– registered a growth rate of 11.7 percent in the last 12 months.

Currency in circulation

(Annual % change)



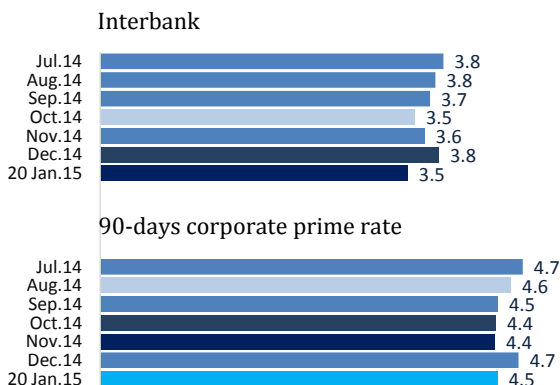
Corporate prime rate in soles at 4.5 percent

On January 20, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles showed a daily average rate of 4.5 percent (4.7 percent in the previous month). The corporate prime rate in dollars in the same period was 0.9 percent.

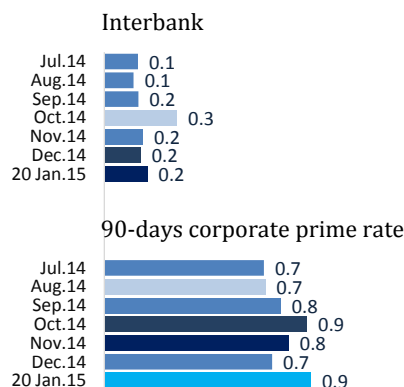
Average interest rate

(%)

Domestic currency



Foreign currency



Interest rate and monetary operations

The interbank interest rate in soles showed a rate of 3.51 percent on January 20.

The monetary operations carried out by the Central Bank at January 20 have been aimed at injecting liquidity into the market in the short-term to meet financial entities' current account requirements. The Central Bank has also continued with its regular placements of BCRP-CDs three times a week with the purpose of contributing to increase liquidity in the secondary market of these instruments.

- Repos: At January 20 the BCRP has placed overnight repos for a daily average of S/. 167 million. The balance of these operations at this date was S/. 300 million, with an average interest rate of 4.62 percent.
- Currency repos: At January 20 the BCRP has placed 18-month currency repos for a total of S/. 300 million and 24-month currency repos for credit expansion for a total of S/. 300 million. The balance of these operations at this date was S/. 9.2 billion, with an average interest rate of 4.27 percent.
- BCRP-CDs: The BCRP has placed 3-month BCRP-CDs for a total of S/. 1,630 million at an average rate of 3.52 percent; 6-month BCRP-CDs for a total of S/. 850 million at an average rate of 3.38 percent; 12-month BCRP-CDs for a total of S/. 700 million at an average rate of 3.51 percent, and 18-month BCRP-CDs for a total of S/. 150 million at an average rate of 3.53 percent. The balance of BCRP-CDs at January 20 was S/. 17.05 billion, with an average rate of 3.62 percent.
- Term deposits: Overnight term deposits for a daily average of S/. 842 million. The balance of these deposits at this date was S/. 1.4 billion.
- Overnight deposits: At January 20, overnight deposits showed a daily average of S/. 618 million. The balance of overnight deposits at this date was S/. 1.05 billion.

At January 20 the Central Bank has also made operations in the spot foreign exchange market to reduce volatility in the foreign exchange rate.

- Interventions in the foreign exchange market: In the period of analysis, the BCRP sold FC for a total of US\$ 5 million in the spot market at an average exchange rate of S/. 3.016 per dollar.
- FX-Swaps: the BCRP has placed Sell-FX Swaps for a total of S/. 6.40 billion (US\$ 2.14 billion) and maturities amounted to S/. 6.01 billion (US\$ 2.05 billion). The balance of these instruments at January 20 was S/. 16.86 billion.
- CDR BCRP: the Central Bank placed CDR-BCRP for a total of S/. 900 million (US\$ 301 million) and maturities amounted to S/. 1.26 billion (US\$ 431 million). The balance of these operations at January 20 was S/. 2.23 billion (US\$ 753 million).

Monetary and foreign exchange operations

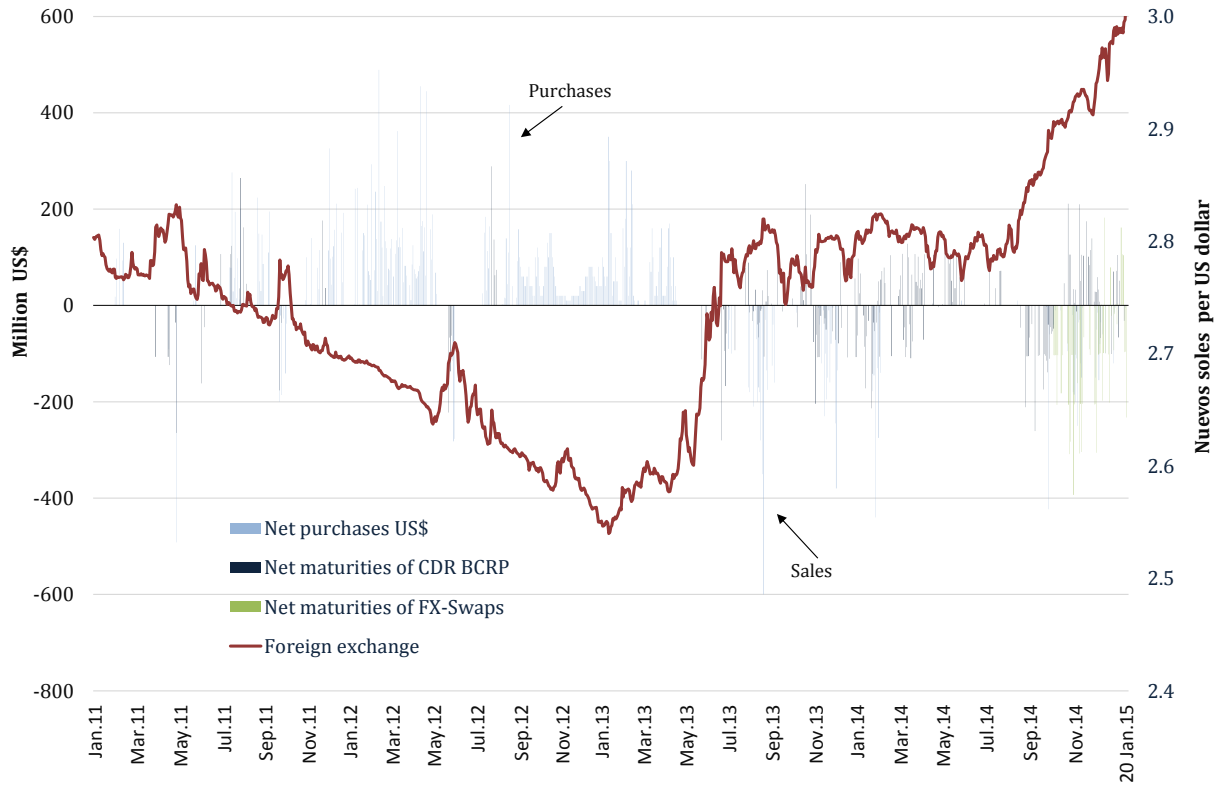
(Million S/.)

		Balance (Interest rate)		Placement (Interest rate)					Maturity		
		Dec 31, 2014	Jan 20, 2015	Overnight	2-month	3 meses	6-month	12-month		18-month	24-month
Monetary operations	Injection	Repos	1,300 (4.13%)	300 (4.62%)	2,005 (3.60%)						3,005
		Currency repos	8,600 (4.30%)	9,200 (4.27%)					300 (3.94%)	300 (4.02%)	
	Sterilization	CD BCRP	15,575 (3.64%)	17,055 (3.62%)			1,630 (3.52%)	850 (3.38%)	700 (3.51%)	150 (3.53%)	1,850
		Term deposits		1,400 (2.61%)	10,100 (3.01%)						8,700
		Overnight deposits	1,016 (2.30%)	1,047 (2.05%)	7,418 (2.2%)						7,388
Foreign exchange operations	CDR BCRP	2,590 (0.06%)	2,230 (0.03%)		900 (0.00%)					1,260	
	FX-Swaps	16,472 (-0.35%)	16,863 (-0.65%)		4,000 (-0.61%)	2,400 (-1.03%)				6,010	

Exchange rate

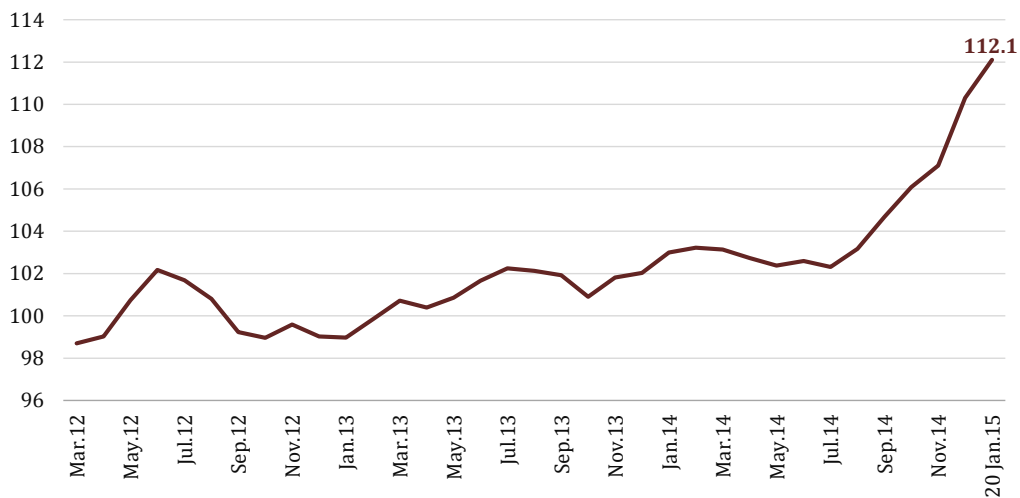
On January 20, the average selling price of the US dollar in the interbank market was S/. 3.011.

Exchange rate and foreign exchange intervention



The dollar has been showing an appreciatory trend against most other currencies in recent months, 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.

Fed index 1/



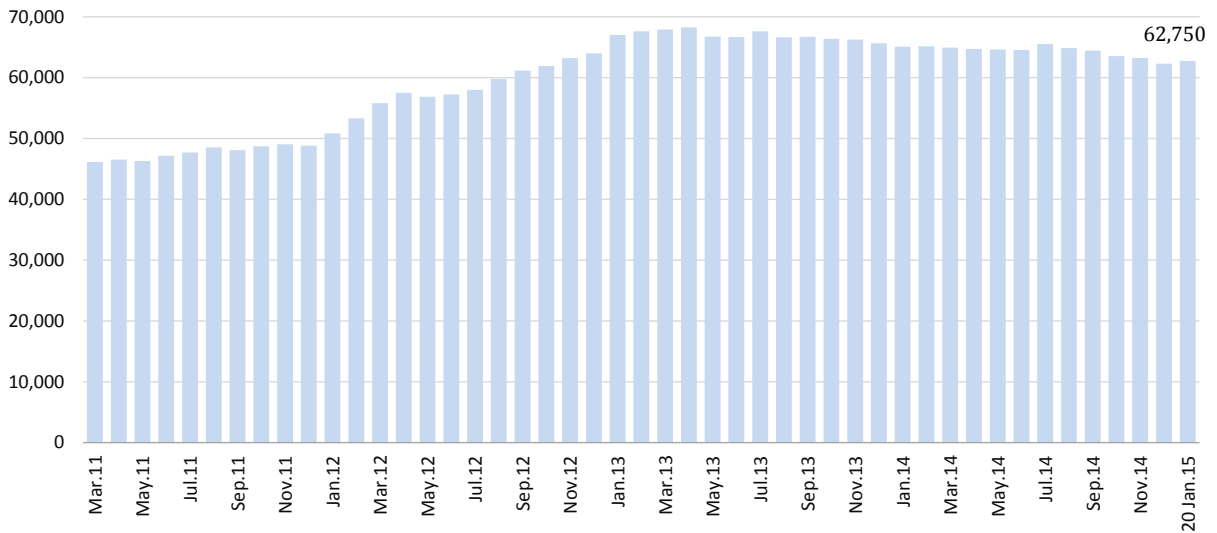
1/ Calculated taking into account currencies of US trading partners weighted by contributions. A rise in the index represents an appreciation of the US dollar.
Source: FED.

International reserves at US\$ 62.75 billion on January 20

International reserves at January 20 amounted to US\$ 62.75 billion. This level of international reserves is equivalent to 31 percent of GDP and to 18 months of imports.

Net International Reserves

(Million US\$)



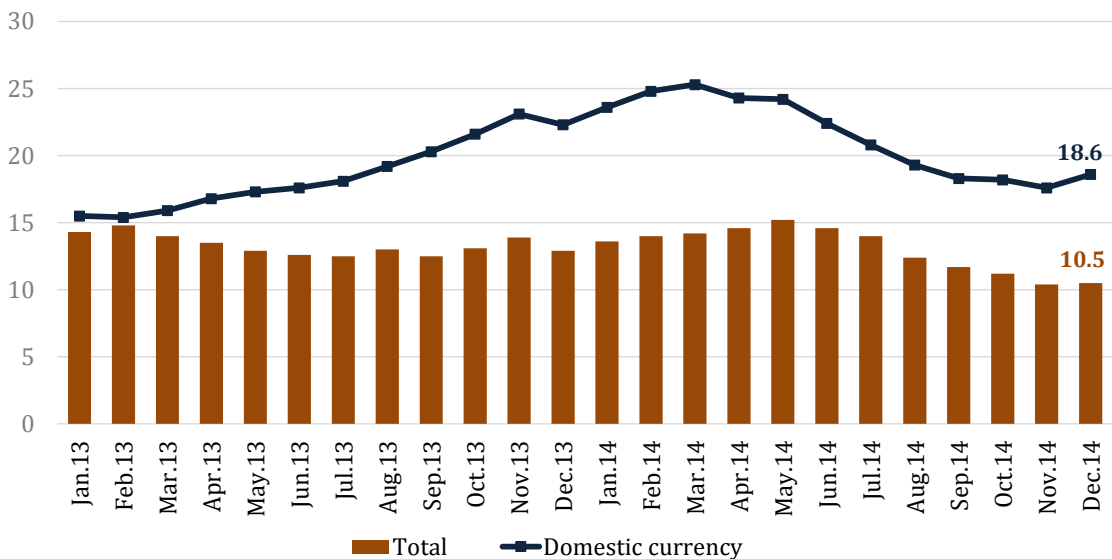
Liquidity and credit to the private sector: December 2014

Total credit of depository institutions to the non-financial private sector –including the loans placed by local banks’ branch offices in other countries– increased 0.7 percent in December 2014 (S/. 1.56 billion), as a result of which the annual growth rate of credit to the private sector was 10.5 percent.

Credit in soles grew 2.0 percent in the month (S/. 2.71 billion) and 18.6 percent in the last twelve months, while credit in dollars fell 1.3 percent (negative flow of US\$ 388 million) and thus fell 0.6 percent compared to December 2013.

Credit to the Private Sector

(Annual % change)



Credit to businesses grew 0.7 percent in December, supported mainly by higher credit to the segment of medium-sized businesses. Personal credit grew 0.7 percent in the same period. Within the latter, consumer loans grew 0.8 percent in the month, while mortgage loans grew 0.5 percent.

Credit to the private sector by type of loan

	Monthly % change		12-month % change		
	Nov.14	Dec.14	Dec.13	Nov.14	Dec.14
<u>Loans to companies 1/</u>	<u>1.0</u>	<u>0.7</u>	<u>12.6</u>	<u>9.6</u>	<u>10.0</u>
Corporate and large companies	0.8	0.6	20.2	12.3	12.7
Medium-sized enterprises	1.6	2.2	10.1	13.5	13.6
Small businesses	0.9	-0.9	2.4	0.4	1.0
<u>Loans to individuals 3/</u>	<u>1.2</u>	<u>0.7</u>	<u>13.4</u>	<u>11.9</u>	<u>11.3</u>
Consumer loans	1.2	0.8	11.8	11.6	10.7
Of which:					
Car loans	1.6	1.5	14.3	5.2	6.3
Credit cards	2.1	2.2	8.3	14.9	14.8
Rest	0.8	-	13.4	10.4	9.0
Mortgage	1.2	0.5	15.7	12.4	12.2
TOTAL	1.1	0.7	12.9	10.4	10.5

1 / Includes loans to legal persons and holdings of corporate bonds, including loans from foreign branches of banks.

2 / Includes non-profit organizations.

Total liquidity in the private sector increased 3.3 percent in December (S/. 7.09 billion) in December and thus recorded an annual growth rate of 6.0 percent. This growth of liquidity was associated with an increased seasonal demand for currency (9.0 percent) and with an increase in total deposits (2.7 percent).

Liquidity in soles increased 5.4 percent in the month (S/. 7.64 billion) and 9.4 percent in the last twelve months, while liquidity in dollars decreased 0.8 percent in December (-US\$ 184 million) and thus fell 0.4 percent compared to December 2013.

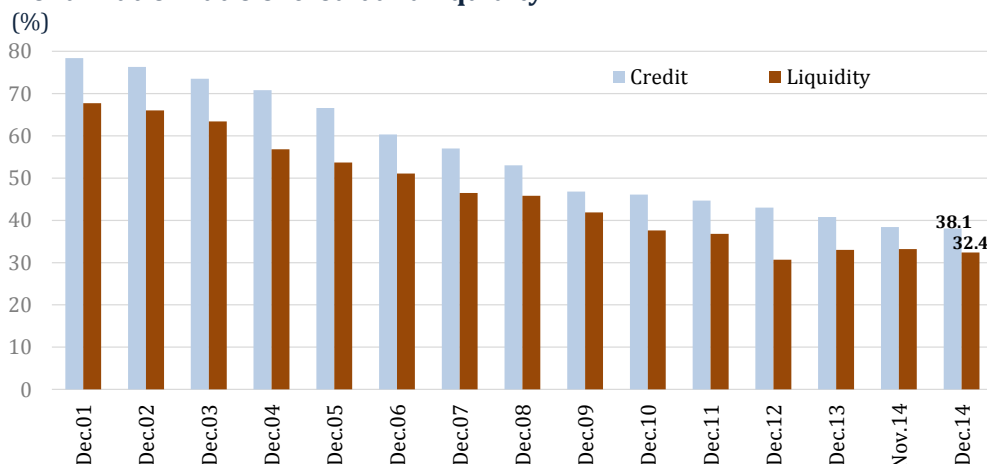
Liquidity by type of liability

	Monthly % change		12-month % change		
	Nov.14	Dec.14	Dec.13	Nov.14	Dec.14
Currency	0.4	9.0	9.0	10.2	11.8
<u>Deposits</u>	<u>-0.5</u>	<u>2.7</u>	<u>11.7</u>	<u>4.2</u>	<u>4.7</u>
Demand deposits	0.4	6.6	8.7	3.4	7.8
Saving deposits	0.2	6.9	13.0	14.6	15.3
Term deposits	-1.8	-3.6	13.3	-2.1	-5.1
CTS	11.9	-21.6	20.2	4.2	-17.6
Securities and others 1/	1.5	-18.0	26.4	35.9	12.6
TOTAL	-0.3	3.3	11.5	5.7	6.0

1/ Includes debt securities and other obligations issued by the depository corporations and by non-financial private sector.

In December, credit to the private sector showed a **dollarization ratio** of 38.1 percent, while liquidity showed a dollarization ratio of 32.4 percent.

Dollarization ratio of credit and liquidity



Gross Domestic Product: November 2014

GDP recorded a growth rate of 0.3 percent in November and growth rate of 2.5 percent in the period of January-November. GDP in the primary sector shrank 9.2 percent due to the decline of the output in fishing, metal mining, and primary manufacturing, while GDP in the non-primary sector grew 2.9 percent, due mainly to increased activity in the sectors of construction, trade and services.

Gross Domestic Product

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

	% structure of GDP 2013 1/	2013		2014		
		Year	October	November	January-November	Contribution
		% chg.	% chg.	% chg.	% chg.	
Agriculture and Livestock 2/	5.3	1.6	1.6	5.3	1.3	0.1
Agriculture	3.6	1.0	0.2	6.6	0.3	0.0
Livestock	1.6	2.5	3.5	3.5	3.0	0.0
Fishing	0.5	18.1	-9.7	-68.8	-16.9	-0.1
Mining and Fuel 3/	12.1	4.9	3.8	0.4	-0.3	0.0
Metallic mining	7.8	4.3	0.2	-1.0	-1.5	-0.1
Hydrocarbons	2.0	7.2	17.6	5.7	3.9	0.1
Manufacture	15.0	5.1	-3.1	-13.0	-2.2	-0.3
Based on raw materials	3.3	8.2	-11.2	-40.5	-6.3	-0.2
Non-primary industries 4/	11.7	3.9	-0.7	-1.3	-0.8	-0.1
Electricity and water	1.7	5.5	4.7	4.4	4.9	0.1
Construction	6.9	8.9	-3.2	3.7	0.8	0.1
Commerce	11.0	5.9	4.2	3.8	4.4	0.5
Other services	38.7	6.5	5.5	5.2	5.7	2.2
Transportation	5.3	6.9	2.6	1.2	2.4	0.1
Restaurants and hotels	3.1	6.4	3.1	3.2	4.6	0.1
Communications	4.0	9.3	7.7	6.4	6.3	0.3
Financial and insurance	4.8	10.3	10.4	11.4	12.5	0.6
Given to companies	4.5	6.1	6.7	6.2	6.6	0.3
Government Services	4.4	5.2	3.7	3.6	3.9	0.2
Other services	13.3	4.7	4.8	4.5	4.6	0.6
Import duties and other taxes	8.8	4.8	-0.7	0.1	0.7	0.1
GDP Global	100.0	5.8	2.4	0.3	2.5	2.5
Primary	21.2	4.8	0.7	-9.2	-1.2	-0.3
Non-primary	78.8	6.0	2.8	2.9	3.5	2.8

1/ At 2007 prices.

2/ Includes silviculture.

3/ Includes non-metallic mining.

4/ Excluding rice.

The **agriculture sector** grew 5.3 percent in November. This rate reflects the greater output obtained in rice and onion crops for the domestic market, as well as in the production of grapes for foreign markets.

Activity in the **fishing sector** dropped 68.8 percent given that no anchovy fishing was carried out in the North-Central Coast areas.

Production in the **mining and hydrocarbons sector** showed an increase of 0.4 percent, reflecting the higher production of crude oil, natural gas, and zinc, offset by a lower extraction of copper.

The output in the **manufacturing sector** declined 13.0 percent, which reflected the anchovy fishing ban and the lower output recorded in refining non-ferrous metals.

Activity in the **construction sector** grew 3.7 percent as a result of a higher domestic consumption of cement and the physical advance of public works.

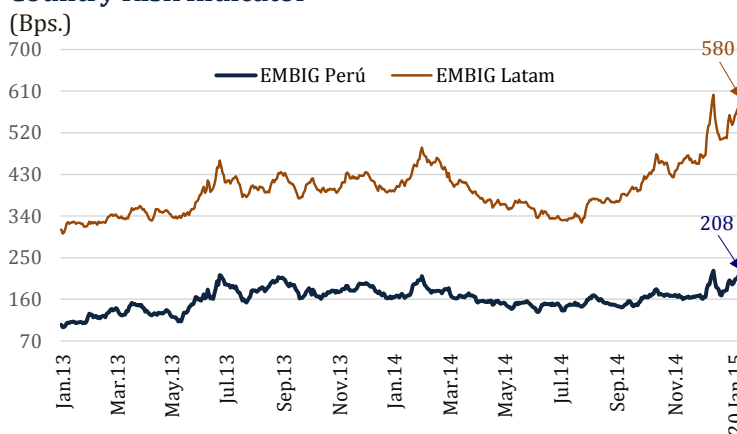
International Markets

Country risk at 208 basis points

In January 13-20, the country risk indicator, measured by the **EMBIG Peru** spread, rose from 204 bps to 208 bps.

Similarly, the **EMBIG Latin America** spread rose 18 bps in a context marked by uncertainty in Europe and the IMF's cut of the global growth outlook.

Country Risk Indicator



	Variation in basis points			
	20 Jan.15	Weekly	Monthly	Annual
EMBIG Perú (bps)	208	4	24	40
EMBIG Latam (bps)	580	18	60	161

Price of gold: US\$ 1,288.8 per troy ounce

In the same period, the price of **gold** rose 4.6 percent to US\$ 1,288.8 per troy ounce.

The rise in the price of gold was driven by increased risk aversion in financial markets and investors' search for safer assets after the decline of European stocks.

Gold Price



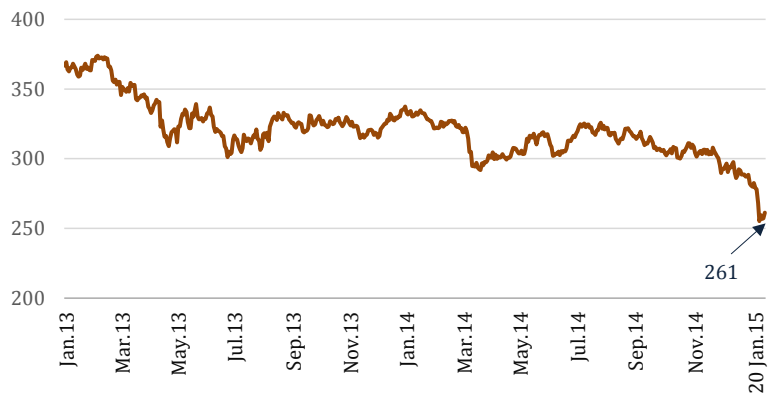
	% change			
	20 Jan.15	Weekly	Monthly	Annual
US\$ 1,288.8 / troy oz.	4.6	7.8	2.6	

In the week of January 13-20, the price of **copper** fell 2.6 percent to US\$ 2.61 per pound.

The price of copper was affected by expectations of a decline in demand after the IMF revised down the outlook of global growth in 2015.

Copper Price

(cUS\$/pound)



% change			
20 Jan.15	Weekly	Monthly	Annual
US\$ 2.61 / pound	-2.6	-10.6	-21.5

In the same period, the price of **zinc** rose 0.7 percent to US\$ 0.95 per pound.

The rise in the price of zinc was supported by a report of the International Zinc and Lead Study Group (IZLSG) that showed there had been a deficit of refined zinc in January-November 2014.

Zinc Price

(cUS\$/pound)



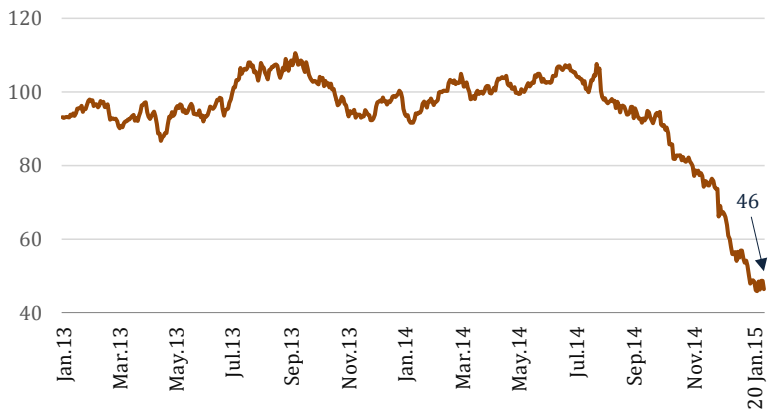
% change			
20 Jan.15	Weekly	Monthly	Annual
US\$ 0.95 / pound	0.7	-2.8	1.1

In January 13-20, the price of **WTI oil** rose 1.1 percent to US\$. 46.4 per barrel.

The price of oil rose after the OPEC and the International Energy Agency revised down the forecast of the oil output in non-OPEC countries.

WTI Oil Price

(US\$/barrel)



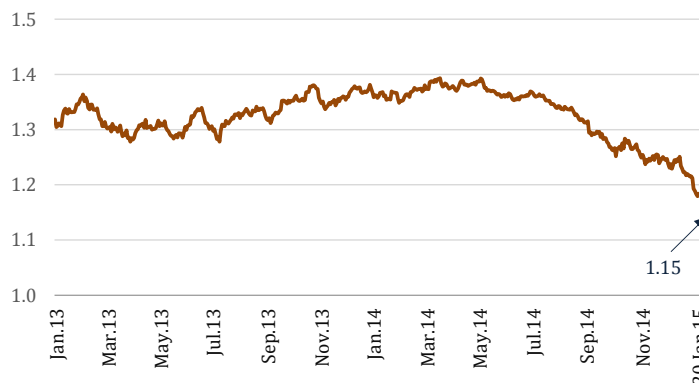
% change			
20 Jan.15	Weekly	Monthly	Annual
US\$ 46.4 / barrel	1.1	-17.9	-50.8

US dollar appreciated against the euro

In January 13-20, the **dollar** appreciated 1.9 percent against the **euro** amid expectations that the European Central Bank will announce a quantitative easing program (bond purchase program).

Evolution of US\$ per Euro

(US\$/Euro)



	Level	% change		
	20 Jan.15	Weekly	Monthly	Annual
US dollar/Euro	1.15	-1.9	-5.5	-14.8

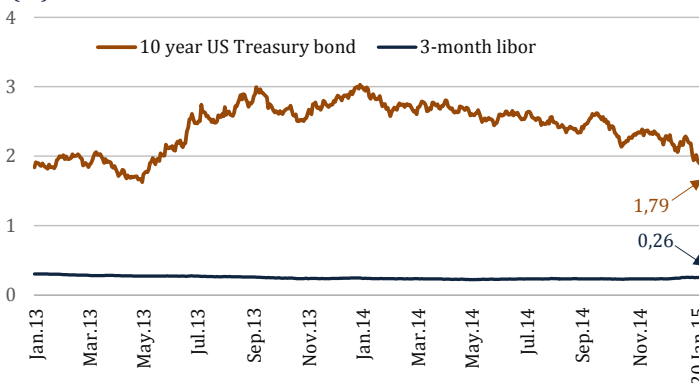
Yield on 10-year US Treasuries: 1.79 percent

In January 13-20, the **3-month Libor** rose to 0.26 percent.

On the other hand, the yield on the **10-year US Treasuries** declined 11 bps to 1.79 percent after the IMF revised down its forecasts for global growth in 2015 and 2016.

3-Month Libor and 10-Year US Treasuries

(%)



	20 Jan.15	Variation in basis points		
		Weekly	Monthly	Annual
3 months Libor (%)	0.26	1	0	2
US Treasuries (%)	1.79	-11	-37	-103

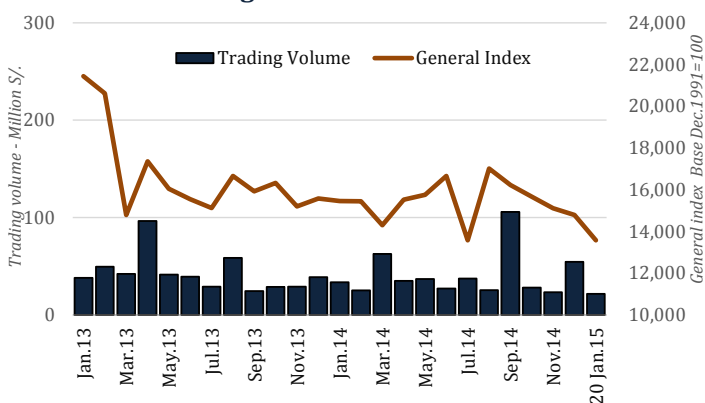
Lima Stock Exchange

In January 13-20, the **General Index** of the Lima Stock Exchange (LSE) fell 3.1 percent and the **Selective Index** fell 3.3 percent.

The LSE indices fell influenced by the decline in the international price of copper and the cut in the outlook for global growth.

Year-to-date, the LSE indices have fallen 8.2 and 7.5 percent, respectively.

Lima Stock Exchange Indicators



	As of:	% change compared to:		
	20 Jan.15	13 Jan.15	31 Dec.14	31 Dec.13
General Index	13,582	-3.1	-8.2	-13.8
Selective Index	18,737	-3.3	-7.5	-18.1

