






Indicators

-  Currency grew 11.0 percent in the last twelve months
-  Corporate interest rate in soles fell to 4.3 percent
-  Trade surplus in December: US\$ 142 million
-  Price of gold grew to US\$/oz.tr. 1,264 in January
-  WTI oil quotation decreased to US\$/bl. 47.1 in January

Content

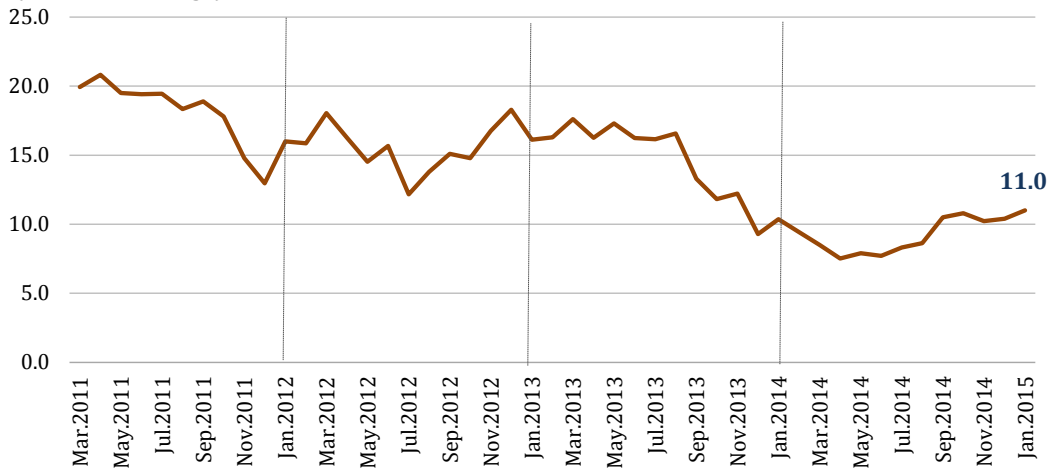
Corporate prime rate in soles at 4.3 percent	ix
Interest rate and monetary operations	x
Exchange rate	xi
International reserves amount to US\$ 62.62 billion at January	xii
Inflation in Metropolitan Lima in January: 0.17 percent	xii
BCRP Survey on Macroeconomic Expectations: December 2015	xiii
Trade balance showed a surplus of US\$ 142 million in December	xv
Credit to the private sector and liquidity at January 15	xv
Country risk at 195 basis points	xvi

Currency

In January 2015, **currency in circulation** –that is, banknotes and coins held by the public–recorded a growth rate of 11.0 percent in the last 12 months.

Currency in circulation

(Annual % change)



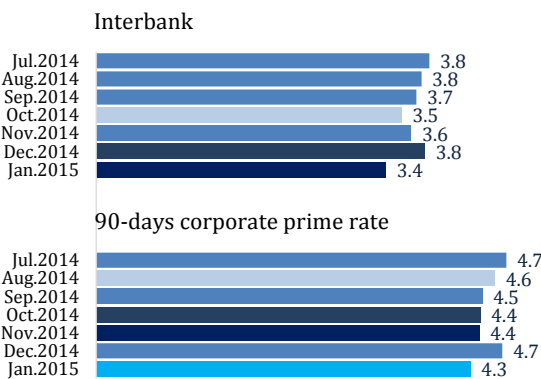
Corporate prime rate in soles at 4.3 percent

In January the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles registered a daily average rate of 4.3 percent (4.7 percent in the previous month). The corporate prime rate in dollars in the same period was 0.9 percent.

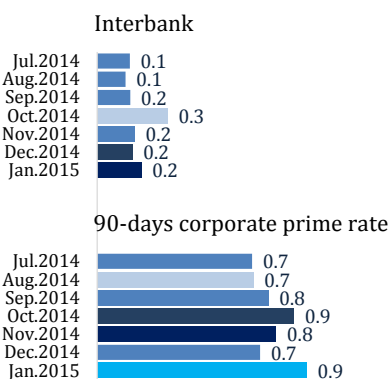
Average interest rate

(%)

Domestic currency



Foreign currency



Interest rate and monetary operations

In January, the interbank interest rate in soles showed a rate of 3.35 percent.

The monetary operations carried out by the Central Bank in the month have been 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 with the purpose of contributing to increase liquidity in the secondary market of these instruments.

- Repos: At January the BCRP has placed overnight repos for a daily average of S/. 100 million. The balance of these operations at the end of January was S/. 300 million, with an average interest rate of 4.62 percent.
- Currency repos: The BCRP has placed 18-month currency repos for a total of S/. 300 million, 24-month currency repos for credit expansion for a total of S/. 600 million, and 36-month currency repos for credit substitution for a total of S/. 200 million. The balance of these operations at January was S/. 9.7 billion, with an average interest rate of 4.25 percent.
- BCRP-CDs: The BCRP has placed 3-month BCRP-CDs for a total of S/. 1.83 billion at an average rate of 3.48 percent; 6-month BCRP-CDs for a total of S/. 950 million at an average rate of 3.33 percent; 12-month BCRP-CDs for a total of S/. 800 million at an average rate of 3.51 percent, and 18-month BCRP-CDs for a total of S/. 200 million at an average rate of 3.52 percent. The balance of BCRP-CDs at January was S/. 17.56 billion, with an average rate of 3.61 percent.
- Term deposits: Overnight term deposits for a daily average of S/. 781 million and 1-week term deposit for a daily average of S/. 261 million. The balance of these deposits at this month was S/. 1.36 billion.
- Overnight deposits: Overnight deposits showed a daily average of S/. 752 million. The balance of overnight deposits at January was S/. 360 million.

At January 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, the BCRP sold FC for a total of US\$ 335 million in the spot market at an average exchange rate of S/. 3.029 per dollar.
- FX-Swaps: the BCRP has placed Sell-FX Swaps for a total of S/. 10.9 billion (US\$ 3.62 billion) and maturities amounted to S/. 7.18 billion (US\$ 2.45 billion). The balance of these instruments at January was S/. 20.2 billion.
- CDR BCRP: the Central Bank placed CDR-BCRP for a total of S/. 1.35 billion (US\$ 448 million) and maturities amounted to S/. 1.62 billion (US\$ 554 million). The balance of these operations at January was S/. 2.32 billion (US\$ 776 million).

Monetary and foreign exchange operations

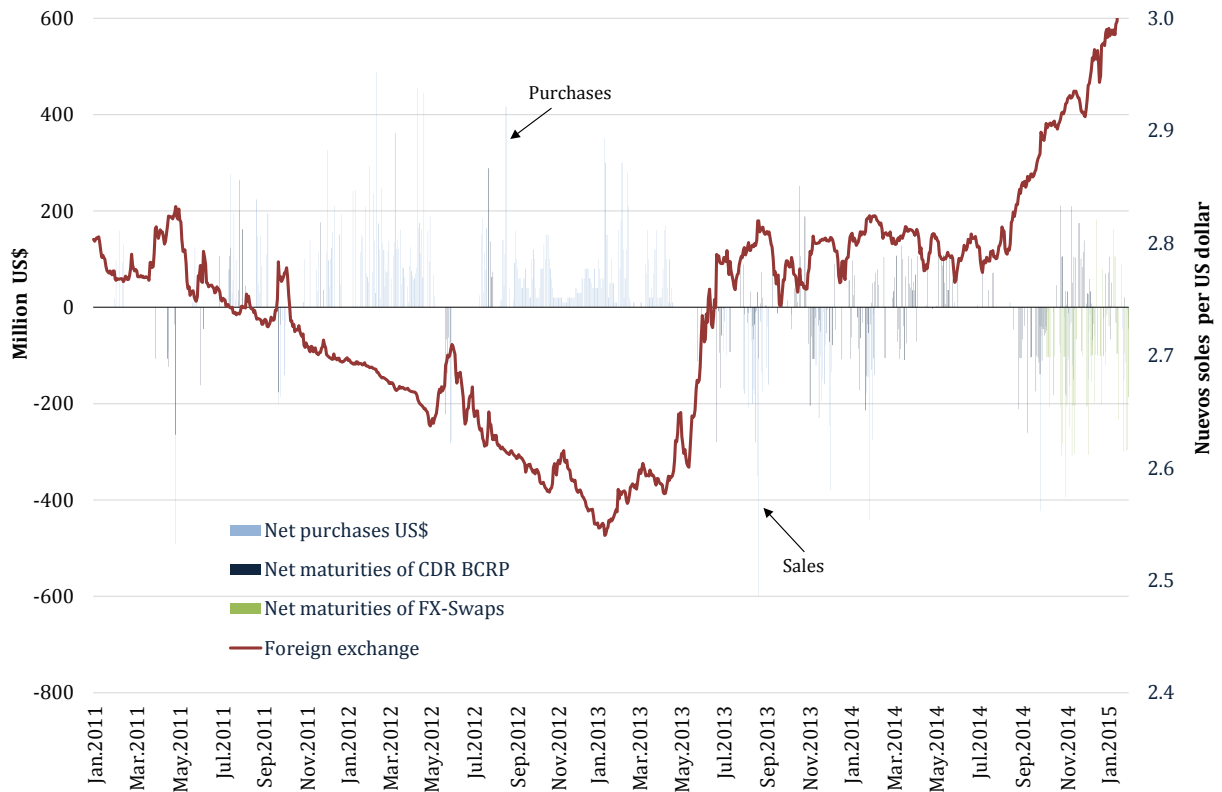
(Million S/.)

		Balance (Interest rate)		Placement (Interest rate)									Maturity
		Dec 31, 2014	Jan 31, 2015	Overnight	1 week	2-month	3-month	6-month	12-month	18-month	24-month	36-month	
Monetary operations	Injection	Repos	1,300 (4.13%)	300 (4.62%)	2,005 (3.60%)								3,005
		Currency repos	8,600 (4.30%)	9,700 (4.25%)						300 (3.94%)	600 (3.92%)	200 (3.56%)	
	Sterilization	CD BCRP	15,575 (3.64%)	17,555 (3.61%)				1,830 (3.48%)	950 (3.33%)	800 (3.51%)	200 (3.52%)		1,850
		Term deposits		1,362 (3.06%)	15,626 (2.87%)	261 (2.81%)							18,245
		Overnight deposits	1,016 (2.30%)	360 (2.05%)	11,447 (2.14%)								12,104
Foreign exchange operations	CDR BCRP	2,590 (0.06%)	2,320 (0.02%)			1,350 (0.00%)						1,620	
	FX-Swaps	16,472 (-0.35%)	20,198 (-0.81%)			5,500 (-0.74%)	5,400 (-1.10%)					7,175	

Exchange rate

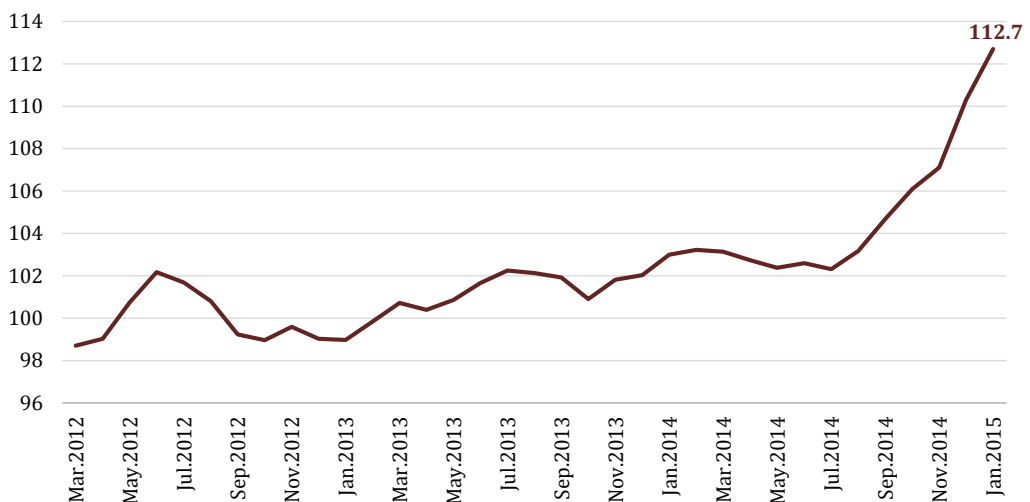
On January 30, the average selling price of the dollar in the interbank market closed at S/. 3.059 per dollar.

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.

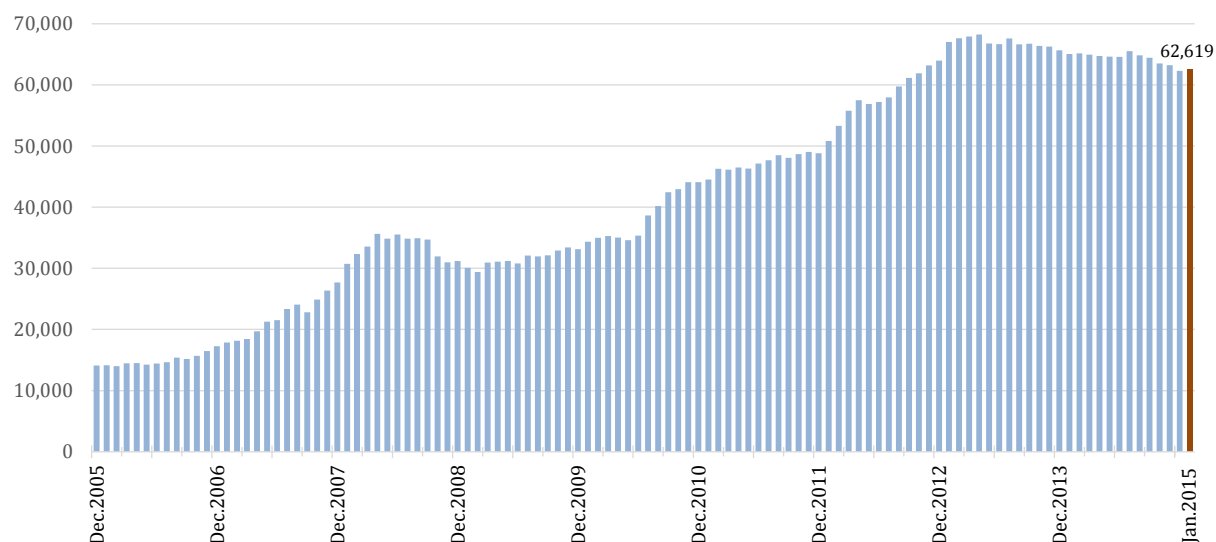
Source: FED.

International reserves amount to US\$ 62.62 billion at January

International reserves at the end of January 2015 amounted to US\$ 62.62 billion. This level of international reserves is equivalent to 31 percent of GDP and to 18 months of imports.

Net International Reserves

(Million US\$)



Inflation in Metropolitan Lima in January: 0.17 percent

The consumer price index in Metropolitan Lima in January showed a rate of 0.17 percent, as a result of which inflation in the last 12 months recorded 3.07 percent. Inflation without food and energy showed a rate of 0 percent in the month and a rate of 2.48 percent in the last 12 months.

Inflation

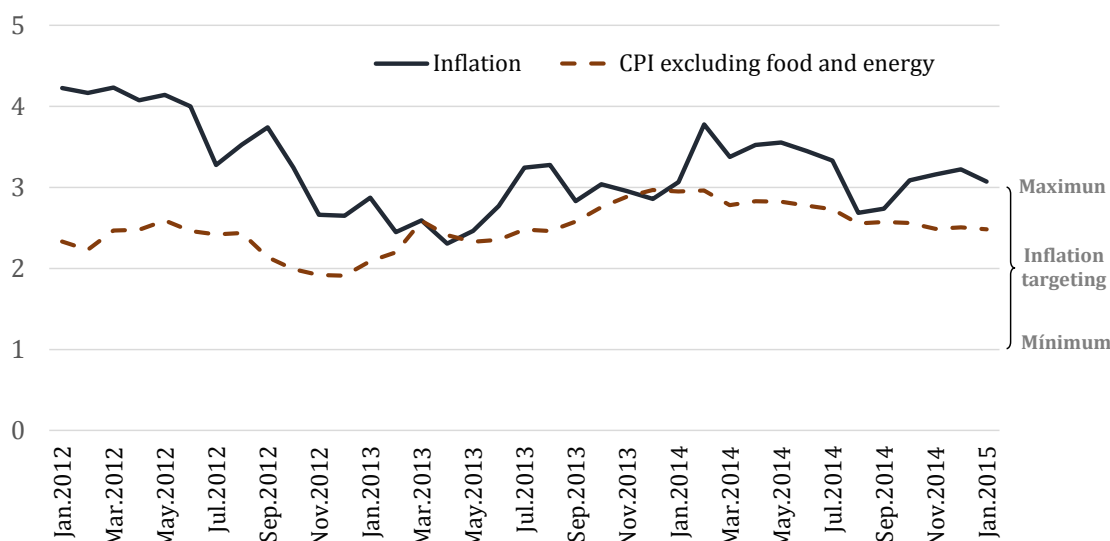
(% change)

	Weigth 2009=100	December 2014		January 2015	
		Month	12 month	Month	12 month
CPI	100.0	0.23	3.22	0.17	3.07
1. CPI excluding food and energy	56.4	0.49	2.51	0.00	2.48
i. Goods	21.7	0.2	2.4	0.2	2.4
ii. Services	34.8	0.7	2.6	-0.1	2.5
<i>Of which:</i>					
Education	9.1	0.0	4.5	0.0	4.5
Rent	2.4	0.2	2.6	0.3	2.7
Health	1.1	0.6	4.4	0.9	4.6
2. Food and energy	43.6	-0.08	4.08	0.37	3.78
i. Food	37.8	0.3	4.8	0.8	4.8
ii. Energy	5.7	-2.8	-0.9	-2.5	-3.3

Source: INEL.

Inflation

(% change last 12 month)



In January, the items that contributed the most to increase the rate of inflation were potato (0.15 percentage points), poultry meat and meals outside the home (0.06 percentage points, each one). On the other hand, the items that contributed the most to reduce the rate of inflation were gasoline (-0.15 percentage points), gas (-0.08 percentage points), and eggs (-0.05 percentage points).

BCRP Survey on Macroeconomic Expectations: December 2015

The results of the BCRP Survey on Macroeconomic Expectations carried out in January show that inflation expectations for 2015 and 2016 remain within the Central Bank's target range.

Survey of Macroeconomic Expectations: Inflation

(%)

	Nov 28, 2014	Survey date:	
		Dec 31, 2014	Jan 30, 2015
Economic analysts 1/			
2015	2.8	2.7	2.5
2016	2.6	2.5	2.6
Financial entities 2/			
2015	2.6	2.5	2.5
2016	2.6	2.5	2.5
Non-financial firms 3/			
2015	3.0	3.0	3.0
2016	3.0	3.0	3.0

1/ 24 analysts in November, 20 in December 2014, and 20 in January 2015.

2/ 21 financial entities in November and December 2014, and 22 in January 2015.

3/ 324 non-financial firms in November, 346 in December 2014, and 323 in January 2015.

The BCRP survey also shows that all of the economic agents expect GDP to grow 4.0 percent in 2015; and between 4.5 and 5.0 percent in 2016.

Survey of Macroeconomic Expectations: GDP growth (%)

	Nov 28, 2014	Survey date:	
		Dec 31, 2014	Jan 30, 2015
Economic analysts 1/			
2015	4.8	4.5	4.0
2016	5.3	5.2	5.0
Financial entities 2/			
2015	4.7	4.5	4.0
2016	5.3	5.0	5.0
Non-financial firms 3/			
2015	4.5	4.5	4.0
2016	5.0	5.0	4.5

1/ 24 analysts in November, 20 in December 2014, and 20 in January 2015.

2/ 21 financial entities in November and December 2014, and 22 in January 2015.

3/ 324 non-financial firms in November, 346 in December 2014, and 323 in January 2015.

For the US dollar-nuevo sol exchange rate at the end of 2015, all economic agents estimate an exchange rate between S/. 3.10 and S/. 3.15 per US dollar.

Survey of Macroeconomic Expectations: Exchange rate (S/. per US\$)*

	Nov 28, 2014	Survey date:	
		Dec 31, 2014	Jan 30, 2015
Economic analysts 1/			
2015	3.05	3.10	3.15
2016	3.10	3.15	3.20
Financial entities 2/			
2015	3.00	3.10	3.13
2016	3.10	3.15	3.20
Non-financial firms 3/			
2015	3.00	3.00	3.10
2016	3.00	3.10	3.20

1/ 24 analysts in November, 20 in December 2014, and 20 in January 2015.

2/ 21 financial entities in November and December 2014, and 22 in January 2015.

3/ 324 non-financial firms in November, 346 in December 2014, and 323 in January 2015.

* Exchange rate at enf of year.

Trade balance showed a surplus of US\$ 142 million in December

In December 2014, the trade balance showed a surplus of US\$ 142 million

In this month, exports of non-traditional products totaled US\$ 1.09 billion, while traditional exports totaled US\$ 2.15 billion. As a result, in December total exports amounted to US\$ 3.24 billion, a US\$ 195 million higher than the one recorded in the previous month.

On the other hand, total imports in December totaled US\$ 3.10 billion, with imports of inputs amounting to US\$ 1.38 billion, imports of capital goods to US\$ 990 million, and imports of consumer goods to US\$ 725 million. Imports decreased US\$ 153 million compared to November.

As a result of this, exports in 2014 amounted to US\$ 38.25 billion, US\$ 2.55 billion lower than imports that recorded US\$ 40.81 billion in this period.

Trade balance

(Million US\$)

	2014		January-December			
	Nov.	Dec.	2013	2014	Flow	% Chg.
1. Exports	3,046	3,241	42,177	38,252	-3,924	-9.3
Traditional products	1,996	2,148	30,954	26,464	-4,490	-14.5
Non-traditional products	1,041	1,086	10,985	11,618	633	5.8
Other	9	7	238	170	-67	-28.3
2. Imports	3,252	3,099	42,217	40,807	-1,410	-3.3
Consumer goods	830	725	8,837	8,891	54	0.6
Inputs	1,395	1,376	19,512	18,819	-694	-3.6
Capital goods	1,005	990	13,654	12,911	-743	-5.4
Other goods	21	8	213	185	-28	-13.0
3. TRADE BALANCE	-206	142	-40	-2,554		

Source: Sunat and BCRP.

The **terms of trade** declined 2.3 percent in December 2014 compared to the same period in 2013 due to the lower price of copper exports, offset in part by the lower import prices of crude oil and oil derivatives. So, The terms of trade in 2014 declined 5.7 percent.

Credit to the private sector and liquidity at January 15

In the last four weeks, **total credit to the private sector** increased 0.1 percent (S/. 245 million). By currencies, credit in soles grew 1.1 percent (S/. 1.47 billion), while credit in dollars declined by 1.4 percent (negative flow of US\$ 410 million). Thus, credit to the private sector showed an annual growth rate of 10.5 percent.

On the other hand, **total liquidity in the private sector** grew 0.6 percent (S/. 1.23 billion) and thus showed an annual growth rate of 6.5 percent. By currencies, liquidity in soles grew 0.2 percent (S/. 291 million) while liquidity in dollars increased 1.3 percent (US\$ 314 million).

International Markets

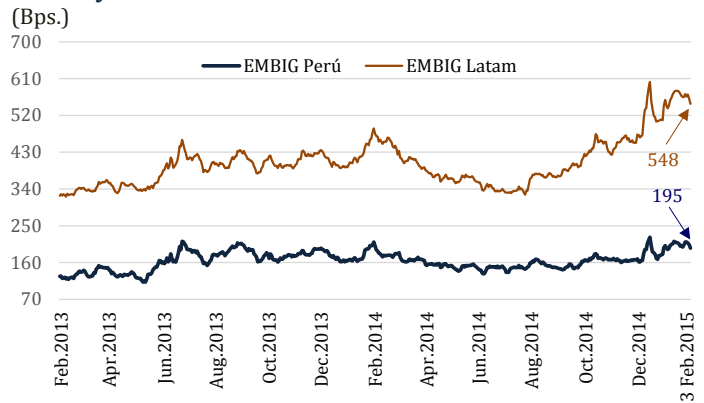
Country risk at 195 basis points

On **February 3**, the **Embig Peru** recorded 195 bps and the **Latin America** spread recorded 548 bps.

In **January**, the average **EMBIG Peru** spread rose from 182 bps in December to 202 bps.

Moreover, the **Latin American** spread rose 45 bps to 561 bps in the month in a context marked by uncertainty in Europe and the World Bank and IMF's cut of the global growth outlook.

Country Risk Indicator



	Variation in basis points			
	3 Feb.15	Weekly	Monthly	Annual
EMBIG Perú (bps)	195	-9	15	-15
EMBIG Latam (bps)	548	-17	40	60

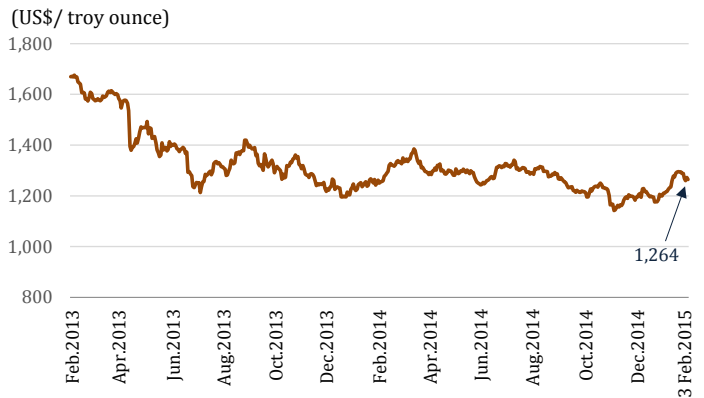
Price of gold at US\$ 1,264.3 per troy ounce

The price of **gold** on **February 3** was US\$ 1,264.3 per troy ounce.

In **January**, the average price of **gold** was US\$ 1,249.2 per troy ounce, 4.0 percent higher than in December.

In this period the rise in the price of gold was favored by a greater physical demand of China and India, and demand for safe asset.

Gold Price



	% change			
	3 Feb.15	Weekly	Monthly	Annual
US\$ 1,264.3 / troy oz.		-1.9	5.4	0.2

On **February 3**, the price of **copper** registered US\$ 2.58 per pound.

In **January**, the average price of **copper** was US\$ 2.66/pound, 8.6 percent lower than in December.

The price of copper fell in a context of signs of low growth in China and increased production of refined copper in the same country.

Copper Price



	% change			
	3 Feb.15	Weekly	Monthly	Annual
US\$ 2.58 / pound		2.5	-10.4	-19.7

On **February 3**, the price of **zinc** was US\$ 0.97 per pound.

The average price of **zinc** in **January** was US\$ 0.96 per pound, 2.8 percent lower than in December.

The decline in the price of this metal was influenced mainly by slowdown in China, particularly in the construction sector.

Zinc Price
(cUS\$/pound)



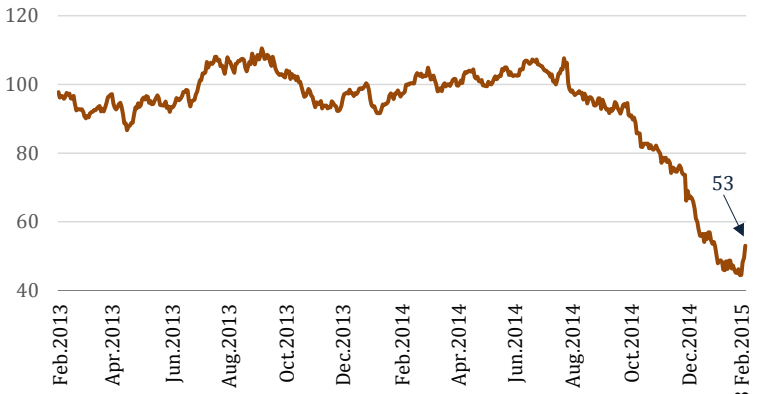
3 Feb.15	% change		
	Weekly	Monthly	Annual
US\$ 0.97 / pound	0.7	-0.9	9.3

The price of **WTI oil** on **February 3** was US\$ 53.1 per barrel.

In **January**, **WTI oil** registered an average price of US\$ 47.5 per barrel, a price level 20.5 percent lower than in December.

The drop in the price of crude oil was supported by oversupply of crude and OPEC's decision to maintain its current oil production.

WTI Oil Price
(US\$/barrel)



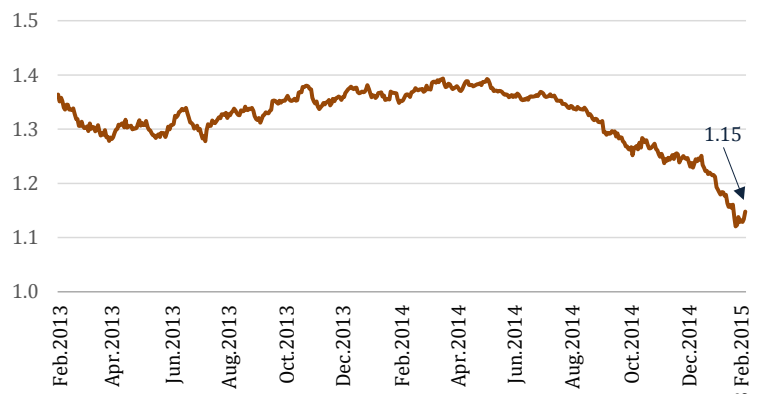
3 Feb.15	% change		
	Weekly	Monthly	Annual
US\$ 53.1 / barrel	14.8	0.5	-45.0

US dollar-euro exchange rate: US\$ 1.15 per euro

On **February 3**, the dollar-euro exchange rate was US\$ 1.15 per euro.

In **January**, the dollar appreciated 5.7 percent on average against the **euro** amid signals of signals pointing to a stronger economic situation in the USA and announcement of the European Central Bank for a new quantitative easing program (bond purchase program).

Evolution of US\$ per Euro
(US\$/Euro)



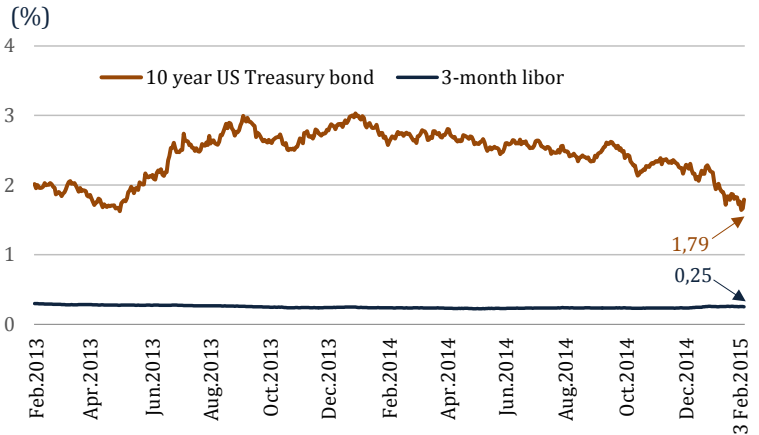
	Level	% change		
	3 Feb.15	Weekly	Monthly	Annual
US dollar/Euro	1.15	0.9	-5.3	-15.1

Yield on 10-year US Treasuries at 1.79 percent

On **February 3**, the **3-month Libor** registered 0.25 percent and the yield on the **10-year US Treasury bonds** registered 1.79 percent.

In **January**, the **3-month Libor** recorded 0.25 percent while the yield on the **10-year US Treasury bonds** showed a rate of 1.88 percent –down 33 bps relative to December– amid the World Bank and IMF’s cut of the global growth outlook.

3-Month Libor and 10-Year US Treasuries



	3 Feb.15	Variation in basis points		
		Weekly	Monthly	Annual
3 months Libor (%)	0.25	0	0	2
US Treasuries (%)	1.79	-3	-39	-79

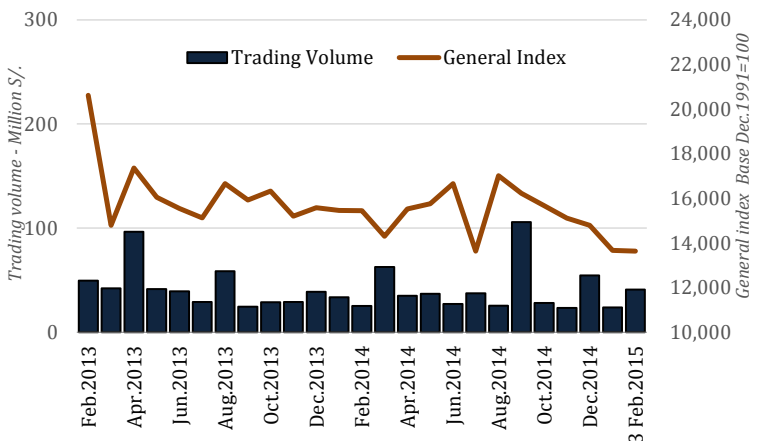
Lima Stock Exchange

In **January**, the General Index fell 7.6 percent and the Selective Index fell 6.2 percent.

The evolution of the LSE indices was influenced by the drop in the prices of basic metals and cut in the outlook for global growth.

So far this year (at **February 3**), the **General Index** of the Lima Stock Exchange (LSE) has fallen 7.8 percent and the **Selective Index** has fallen 6.5 percent.

Lima Stock Exchange Indicators



	As of:	% change compared to:		
		3 Feb.15	27 Jan.15	31 Dec.14
General Index	13,634	-0.8	-7.8	-13.5
Selective Index	18,943	-0.2	-6.5	-17.2