



Indicators

- Currency grew 9.5 percent in the last twelve months
- Corporate interest rate in soles fell to 4.2 percent
- NFPS recorded a surplus of S/. 764 million in February
- Price of WTI oil in US\$/bl. 48.3

Content

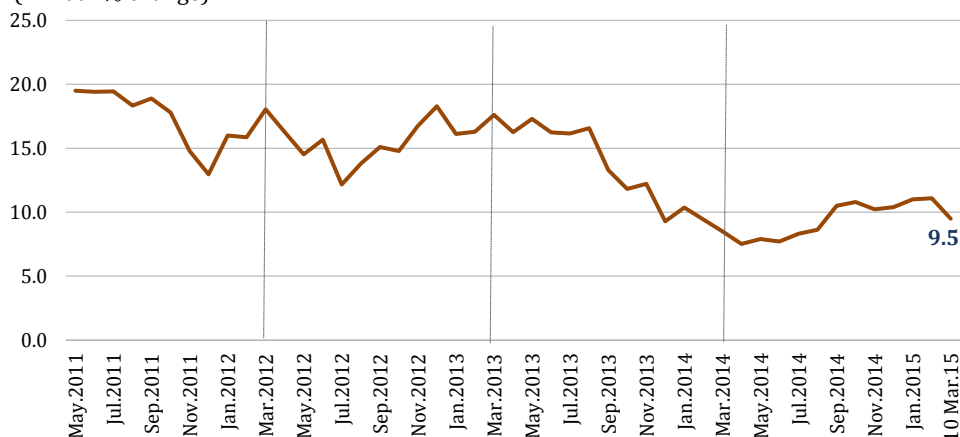
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Currency

On March 10, 2015, **currency in circulation** –that is, banknotes and coins held by the public– recorded a growth rate of 9.5 percent in the last 12 months.

Currency in circulation

(Annual % change)

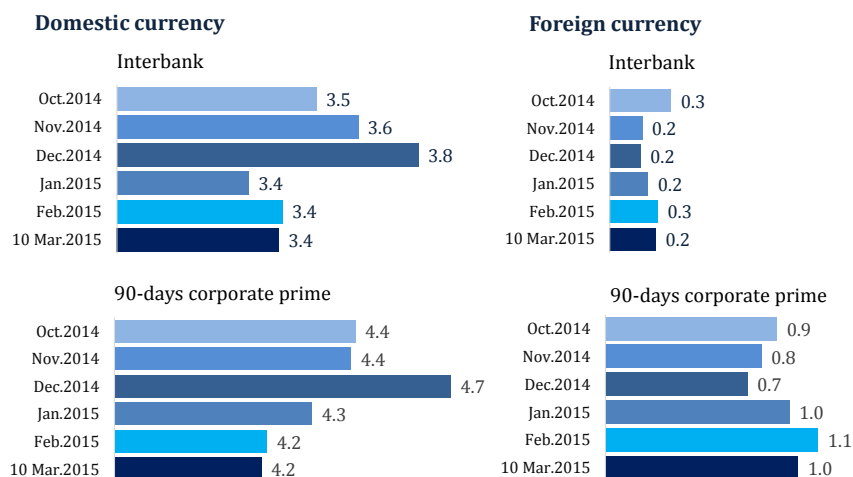


Corporate prime rate in soles at 4.2 percent

On March 10, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles showed a daily average rate of 4.2 percent (similar to the previous month). In the same period, the corporate prime rate in dollars was 1.0 percent.

Average interest rate

(%)



Interest rates and monetary operations

On March 10, the daily average interbank interest rate in soles was 3.30 percent.

The monetary operations carried out by the Central Bank so far this month have been aimed at withdrawing excess liquidity (due to lower reserve requirements) from the market in the short-term. The Central Bank has 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: The balance of repos at March 10 was S/. 4.2 billion, with an average rate of 3.51 percent. At the end of February, the balance was S/. 1.45 billion, with an average interest rate of 3.74 percent.
- Currency repos: The balance of currency repos at March 10 was S/. 11 billion, with an average rate of 4.18 percent. At the end of February the balance was S/. 10.7 billion, with an average rate of 4.19 percent. At the balance on March 10, S/. 1.7 billion corresponds to substitution repos and credit expansion repos was S/. 700 million, with maturities of 24- and 48-months to facilitate changes on credits from dollars to soles.
- BCRP-CDs: The balance of BCRP-CDs at March 10 was S/. 18.56 billion, with an average rate of 3.57 percent. At the end of February, the balance was S/. 18.19 billion, with an average interest rate of 3.58 percent.
- Term deposits: Term deposits showed a zero balance on March 10. At the end of February, this balance was nil.
- Overnight deposits: At March 10, overnight deposits showed a balance of S/. 262 million, with a rate of 2.05 percent. The balance of overnight deposits at end-February was S/. 992 million at a rate of 2.05 percent.

At March 10 the Central Bank has also made operations in the spot foreign exchange market to reduce volatility in the foreign exchange rate.

- Interventions in the FX market: In the period of analysis, the BCRP sold FC for a total of US\$ 1.21 billion in the spot market at an average exchange rate of S/. 3.097 per dollar.
- FX Swaps: The balance of these instruments at March 10 was S/. 22.30 billion, with an average rate of -0.95 percent. At the close of February, this balance was S/. 20.80 billion, with an average interest rate of -0.79 percent.
- CDR BCRP: At March 10 these certificates showed a balance of S/. 2.24 billion (US\$ 729 million), with a rate of 0.02 percent. At the end of February, this balance was S/. 2.92 billion (US\$ 962 million), with an average rate of 0.02 percent.

Monetary and foreign exchange operations

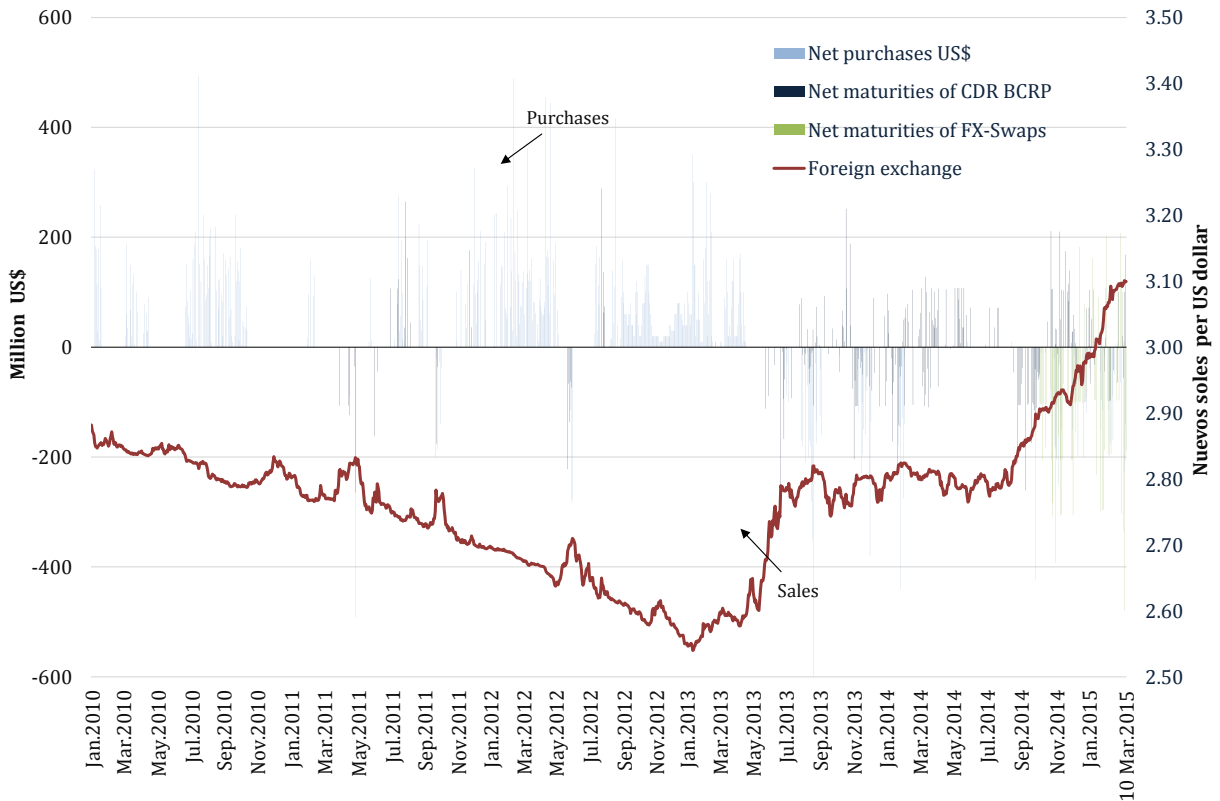
(Million S/.)

		Balance (Interest rate)		Placement (Interest rate)									Maturity
		Feb 28, 2015	Mar 10, 2015	Overnight	1 week	1-month	2-month	3-month	6-month	12-month	18-month	24-month	
Monetary operations	Injection	Repos	1,454 (3.74%)	4,200 (3.51%)	14,890 (3.46%)	3,000 (3.52%)	500 (3.44%)	300 (3.63%)					15,943
		Currency repos	10,700 (4.19%)	11,000 (4.18%)								300 (3.87%)	
	Sterilization	CD BCRP	18,185 (3.58%)	18,555 (3.57%)					200 (3.26%)	100 (3.33%)	70 (3.41%)		1,070
		Term deposits											
		Overnight deposits	992 (2.05%)	262 (2.05%)	1,718 (2.05%)								2,447
Foreign exchange operations	CDR BCRP	2,915 (0.02%)	2,235 (0.02%)				300 (0.01%)					980	
	FX-Swaps	20,799 (-0.79%)	22,299 (-0.95%)			3,400 (-1.53%)	2,100 (-1.44%)					4,000	

Exchange rate

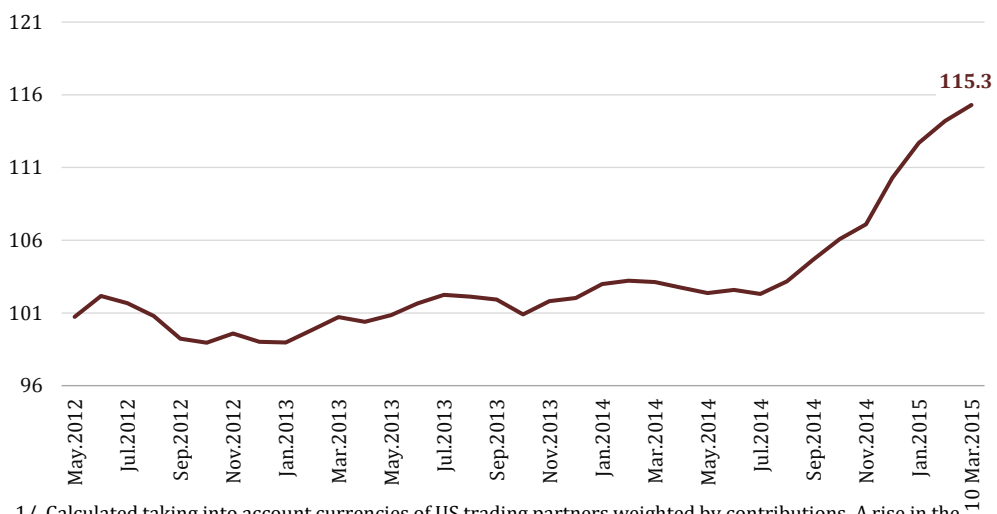
On March 10, the average selling price of the US dollar in the interbank market was S/. 3.099 per dollar.

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.

So far this year, most of the Latin American currencies –including the Peruvian nuevo sol– and the major currencies have depreciated against the US dollar.

Year-to-date, these currencies have depreciated 9.2 percent on average against the US dollar.

Exchange Rate (Accumulated variation 2015)	
Brazil	16.7%
Colombia	10.7%
Mexico	5.9%
Chile	4.7%
Peru	4.0%

Exchange Rate (Accumulated variation 2015)	
Euro	13.1%
Canada	9.2%
United Kingdom	3.4%
Japan	1.1%
US Dollar basket	9.2%

International reserves amount to US\$ 61.45 billion on March 10

On March 10, international reserves amounted to US\$ 61.45 billion, which is equivalent to 31 percent of GDP and 18 months of imports.

Fiscal surplus on the NFPS in February 2015: S/. 764 million

The operations of the non-financial public sector showed a surplus of S/. 764 million in February and a surplus of S/. 5.40 billion in January-February 2015.

The tax revenue of the general government in February was S/. 7.19 billion and the non-tax revenue recorded S/. 2,79 billion.

On the other hand, the non-financial expenditure of the general government decreased 2.4 percent in real terms due to lower spending in the local and regional government as a result of lesser capital spending.

Operations of the Non-Financial Public Sector 1/

(Million S/.)

	February			January-February		
	2014	2015	Real % chg.	2014	2015	Real % chg.
1. General government current revenues	9,985	9,978	-2.8	21,386	20,875	-5.2
a. Tax revenues	7,185	7,191	-2.6	16,049	15,817	-4.3
b. Non-tax revenues	2,800	2,787	-3.2	5,337	5,058	-7.9
2. General government non-financial expenditure	7,982	8,008	-2.4	14,413	14,602	-1.5
a. Current	6,222	6,576	2.9	11,755	11,981	-1.0
b. Capital	1,761	1,432	-20.9	2,658	2,621	-4.1
<i>of which:</i>						
<i>Gross capital formation</i>	1,656	1,268	-25.5	2,501	1,924	-25.2
<i>National government</i>	513	669	26.9	909	1,161	24.1
<i>Regional governments</i>	499	316	-38.3	754	431	-44.4
<i>Local governments</i>	644	283	-57.2	838	331	-61.6
<i>Other capital expenditure</i>	105	163	51.2	157	698	333.7
3. Other 2/	314	67		287	520	
4. Primary Balance (=1-2+3)	2,316	2,037		7,260	6,793	
5. Interests	1,193	1,273	3.9	1,558	1,393	-13.1
6. Overall Balance (=4-5)	1,124	764		5,702	5,400	

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.

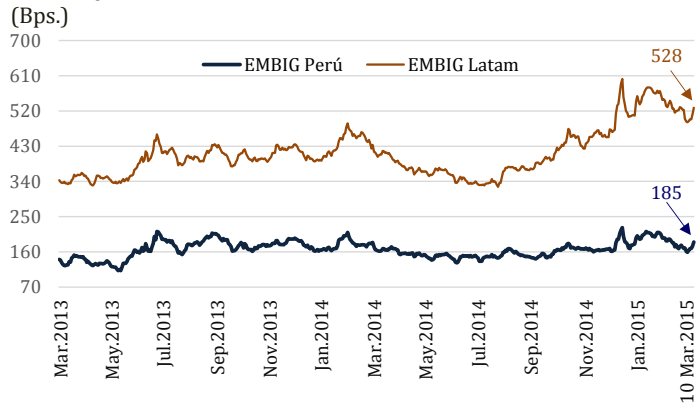
International Markets

Country risk at 185 basis points

In March 3-10, the country risk indicator, measured by the **EMBIG Peru** spread, rose to 185 bps.

Similarly, the **EMBIG Latin America** spread increased to 528 bps in a context of expectations about the Fed would increase its rate earlier than expected, signals of slowdown in China and uncertainty about Greece.

Country Risk Indicator



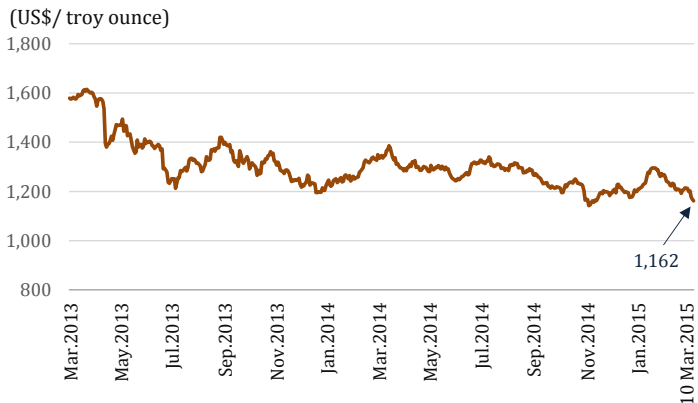
	Variation in basis points			
	10 Mar.15	Weekly	Monthly	Annual
EMBIG Perú (bps)	185	26	-8	23
EMBIG Latam (bps)	528	37	-10	121

Price of gold: US\$ 1,162.0 per troy ounce

In the same period, the price of **gold** fell 4.2 percent to US\$ 1,162.0 per troy ounce.

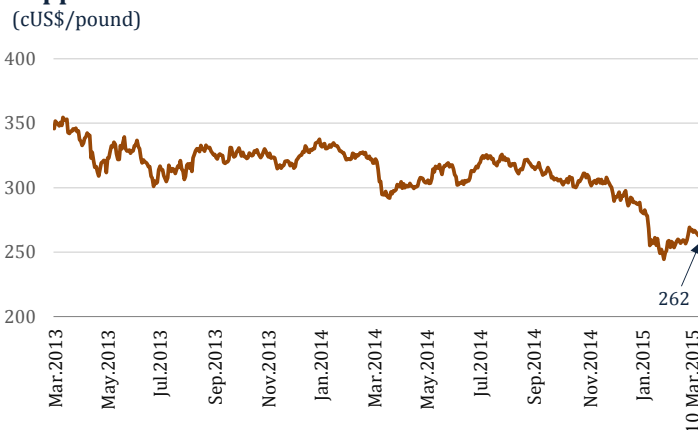
The fall in the price of gold was driven by appreciation of the dollar against main currencies and greater sales by investors.

Gold Price



	% change			
	10 Mar.15	Weekly	Monthly	Annual
US\$ 1,162 / troy oz.	-4.2		-5.9	-13.5

Copper Price



	% change			
	10 Mar.15	Weekly	Monthly	Annual
US\$ 2.62 / pound	-1.2		3.4	-13.9

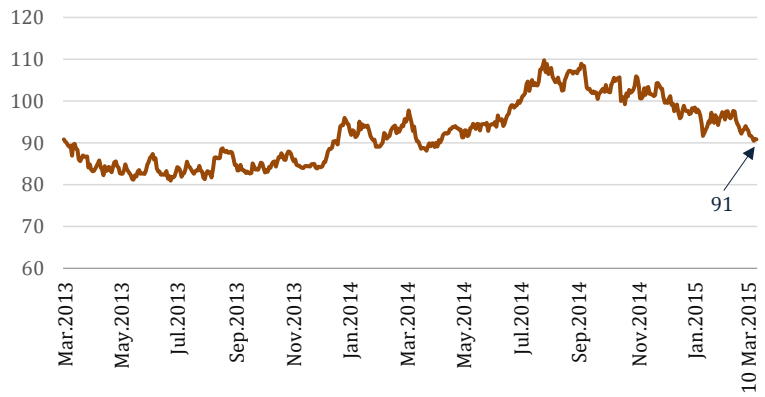
In the week of March 3-10, the price of **copper** fell 1.2 percent to US\$ 2.62 per pound.

The price of copper was affected by lower demand in China, reflected both lesser imports of copper and the increase of inventories in the Shanghai stock market.

In the same period, the price of **zinc** decreased 1.1 percent to US\$ 0.91 per pound.

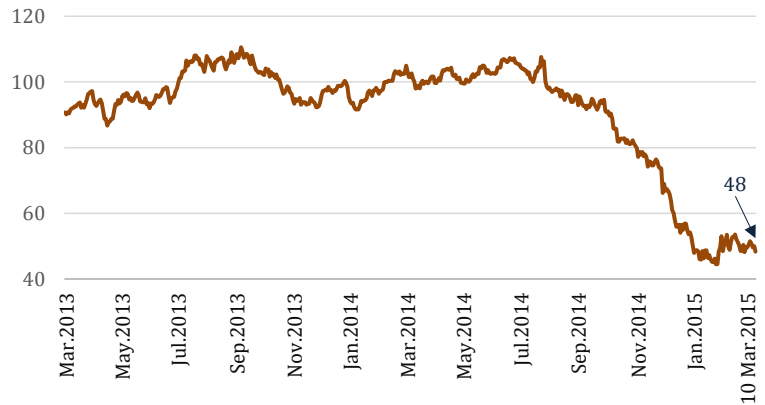
The fall in the price of zinc was supported by concerns about weak demand from China.

Zinc Price
(cUS\$/pound)



10 Mar.15	% change		
	Weekly	Monthly	Annual
US\$ 0.91 / pound	-1.1	-5.6	-2.2

WTI Oil Price
(US\$/barrel)



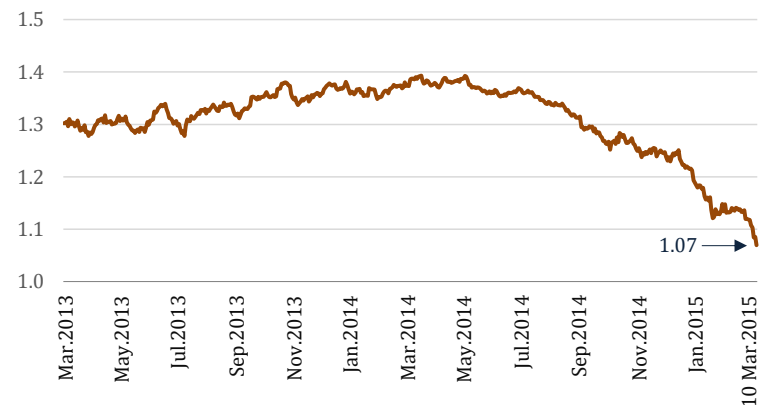
10 Mar.15	% change		
	Weekly	Monthly	Annual
US\$ 48.3 / barrel	-4.4	-3.5	-52.2

In March 3-10, the price of **WTI** oil decreased 4.4 percent to US\$. 48.3 per barrel.

The price of oil fell after a cut in forecasting demand growth in 2015 and expectations that OPEC will maintain its current production.

US dollar appreciated against the euro

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



10 Mar.15	% change		
	Weekly	Monthly	Annual
US dollar/Euro	1.07	-4.3	-22.9

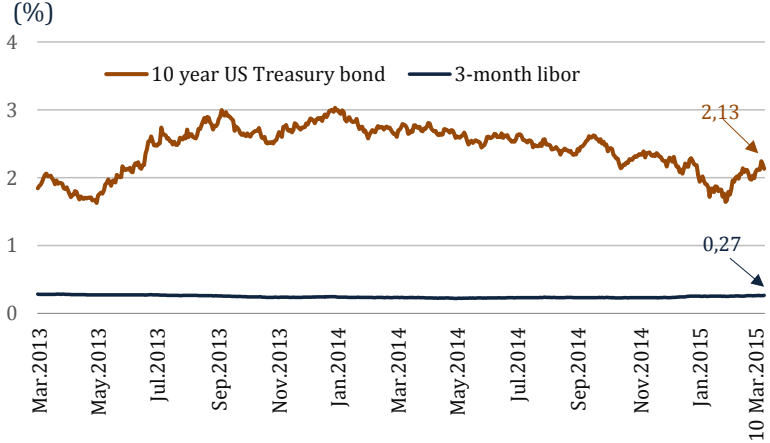
In March 3-10, the **dollar** appreciated 4.3 percent against the **euro** amid higher expectations about Fed begins to increase its rate earlier than expected, against the start of quantitative easing (QE) by ECB.

Yield on 10-year US Treasuries: 2.13 percent

In March 3-10, the **3-month Libor** rose 1 bps to 0.27 percent.

The yield on the **10-year US Treasuries** rose 1 bps to 2.13 percent amid employment data better than expected in the United States.

3-Month Libor and 10-Year US Treasuries



	Variation in basis points			
	10 Mar.15	Weekly	Monthly	Annual
3 months Libor (%)	0.27	1	1	3
US Treasuries (%)	2.13	1	13	-65

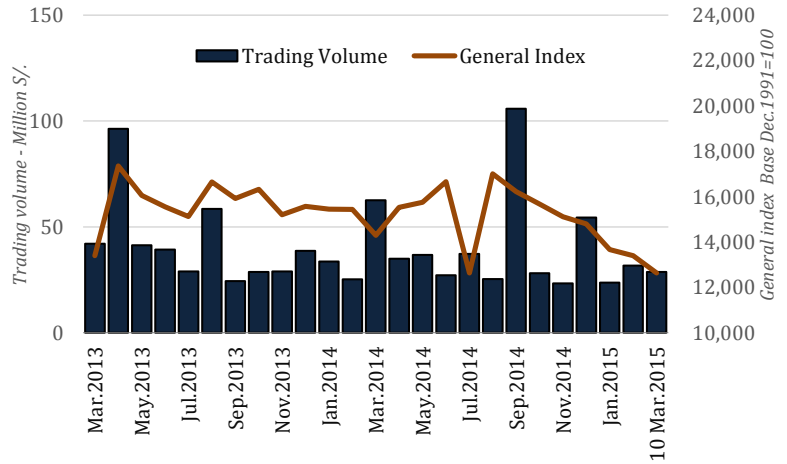
Lima Stock Exchange

In March 3-10, the **General Index** of the Lima Stock Exchange (LSE) fell 5.5 percent and the **Selective Index** fell 5.4 percent.

The LSE indices fell influenced by the decline in the international price of commodities and unfavorable earnings reports from some companies.

Year-to-date, the LSE indices have fallen 14.6 and 13.4 percent, respectively.

Lima Stock Exchange Indicators



	As of:	% change compared to:		
	10 Mar.15	3 Mar.15	27 Feb.15	31 Dec.14
General Index	12,634	-5.5	-5.7	-14.6
Selective Index	17,544	-5.4	-5.7	-13.4

