



Indicators

- Currency grew 9.1 percent in the last twelve months
- Inflation expectations are within the target range
- Price of gold rose to US\$ 1,211 per troy ounce
- Country risk fell to 177 bps.

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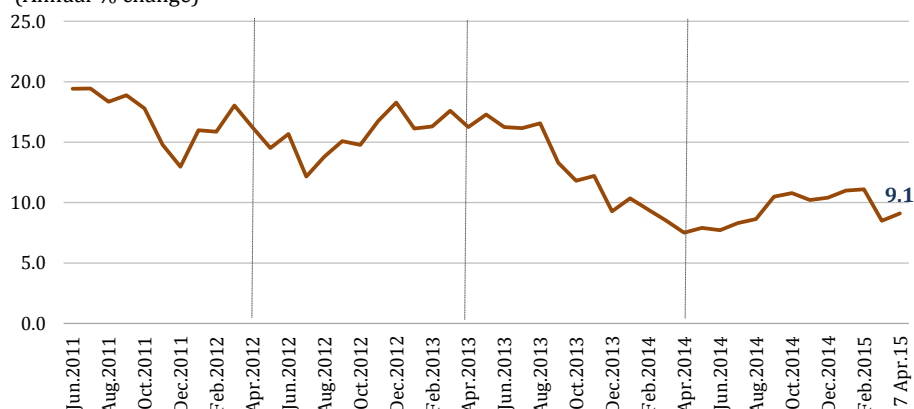
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Currency

On April 7, 2015, **currency in circulation** –that is, banknotes and coins held by the public–showed a growth rate of 9.1 percent in the last 12 months. At the end of March, currency showed an annual growth rate of 8.5 percent.

Currency in circulation

(Annual % change)



Corporate prime rate in soles at 4.3 percent

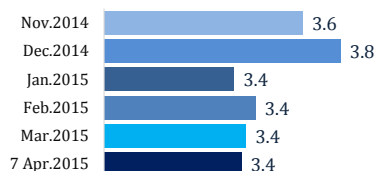
On April 7, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles recorded a daily average rate of 4.3 percent. In the same period, the corporate prime rate in dollars was 0.8 percent.

Average interest rate

(%)

Domestic currency

Interbank

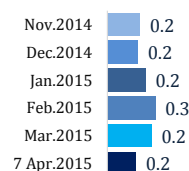


90-days corporate prime

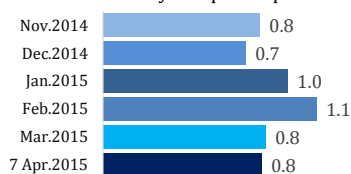


Foreign currency

Interbank



90-days corporate prime



Interest rate and monetary operations

On April 7, the interbank interest rate in soles showed an average daily rate of 3.38 percent.

The monetary operations carried out by the Central Bank so far in April are aimed at injecting liquidity into the market in the short-term to balance the impact of foreign exchange interventions. The Central Bank has continued carrying out its regular placements of BCRP-CDs with the purpose of contributing to increase liquidity in the secondary market of these instruments and has also continued injecting liquidity in soles in the long run to contribute to the substitution of credit in dollars for credit in soles.

- Repos: The balance of repos at April 7 was S/. 4.15 billion, with an average interest rate of 3.55 percent. At the end of March, repos showed a balance of S/. 4.90 billion, with an average rate of 3.84 percent.
- Currency repos: The balance of currency repos at April 7 was S/. 12.8 billion, with an average rate of 4.15 percent. At the end of March this balance was S/. 12.3 billion, with currency repos showing an average rate of 4.14 percent. It should be pointed out that repos for credit expansion amount to S/. 2.7 billion of the balance registered at April 7, while repos for credit substitution, whose maturities range between 24 months and 48 months to ease the conversion of credit in dollars to credit in soles, amount to S/. 1.5 billion of this balance.
- BCRP-CDs: The balance of BCRP-CDs at April 7 was S/. 18.44 billion, with an average rate of 3.56 percent. At the end of March, the balance was S/. 18.34 billion, with an average interest rate of 3.56 percent.
- Overnight deposits: At April 7, overnight deposits showed a balance of S/. 334 million with an average rate of 2.05 percent. The balance of overnight deposits at the end of March was S/. 827 million, with a rate of 2.05 percent.

At April 7, the Central Bank has also made operations in the spot market to reduce volatility in the foreign exchange rate.

- The BCRP has not made interventions in the spot foreign exchange market in the period of analysis.
- FX Swaps: The balance of these instruments at April 7 was S/. 22.08 billion, with an average rate of -1.04 percent. This balance at the close of March was S/. 21.28 billion, with an average interest rate of -1.07 percent.
- CDR BCRP: These CDs at April 7 showed a balance of S/. 1.48 billion (US\$ 482 million), with a rate of 0.03 percent. At the end of March, this balance was S/. 1.94 billion (US\$ 629 million), with an average rate of 0.02 percent.

Monetary and foreign exchange operations

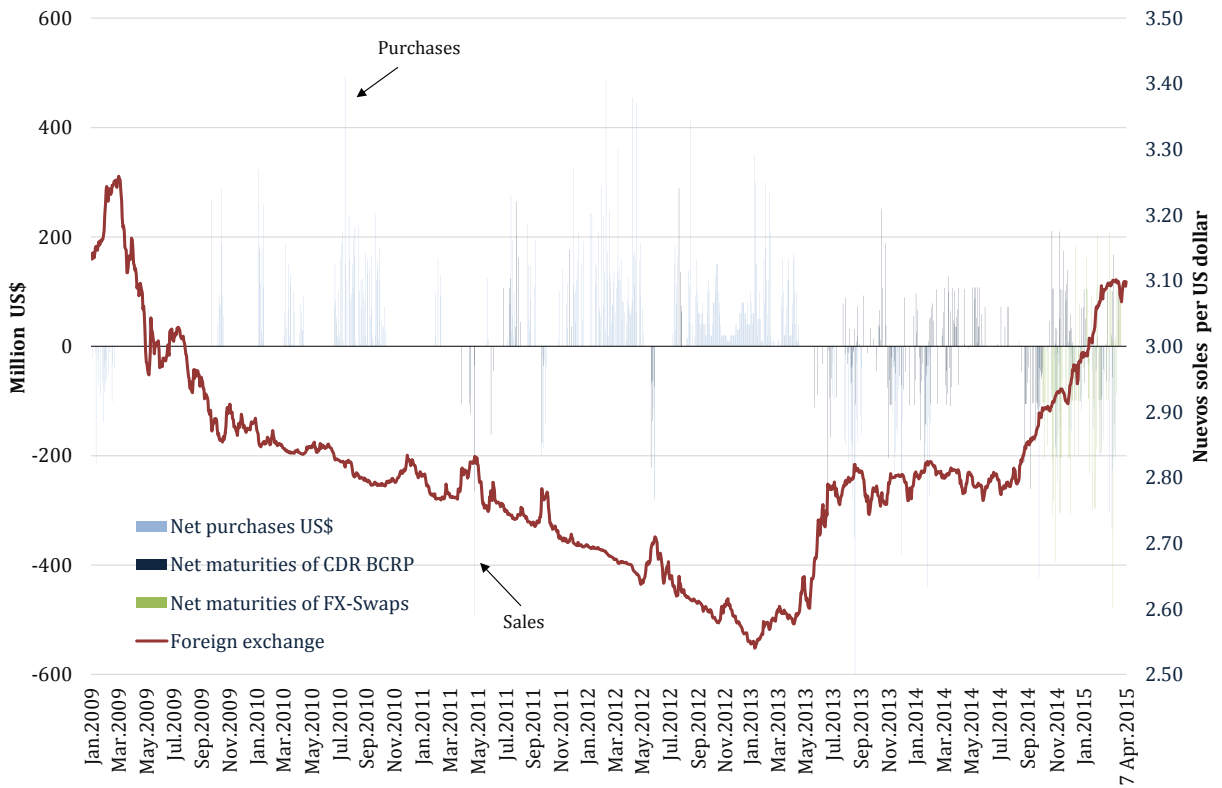
(Million S/.)

			Balance		Placement				Maturity
			(Interest rate)		(Interest rate)				
			Mar 31, 2015	Apr 7, 2015	Overnight	2-month	6-month	18-month	
Monetary operations	Injection	Repos	4,900 (3.84%)	4,150 (3.55%)	8,800 (3.50%)				9,550
		Currency repos	12,300 (4.14%)	12,800 (4.15%)				500 (4.22%)	
	Sterilization	CD BCRP	18,343 (3.56%)	18,443 (3.56%)			50 (3.25%)	50 (3.49%)	
		Overnight deposits	827 (2.05%)	334 (2.05%)	866 (2.05%)				1,360
Foreign exchange operations		CDR BCRP	1,935 (0.02%)	1,485 (0.03%)					450
		FX-Swaps	21,280 (-1.07%)	22,080 (-1.04%)		2,400 (-1.08%)			1,600

Foreign exchange rate

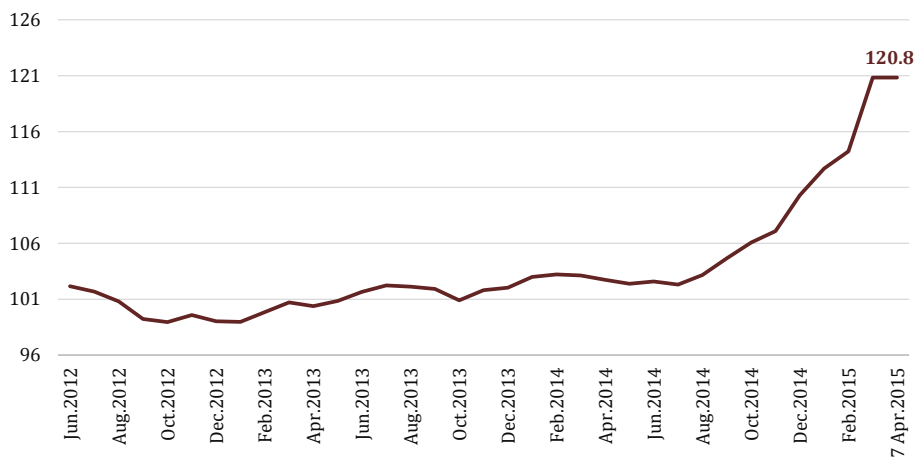
On April 7, the average selling price of the dollar in the interbank market was S/. 3.10 per dollar.

Exchange rate and foreign exchange intervention



The US dollar has been appreciating 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 Latin American currencies –including the Peruvian nuevo sol– and the world’s major currencies have depreciated against the US dollar.

Year-to-day (at April 7), these currencies have depreciated 8.4 percent on average against the US dollar.

Exchange Rate (Accumulated variation 2015)	
Brazil	17.7%
Colombia	5.7%
Peru	4.0%
Mexico	1.2%
Chile	0.6%

Exchange Rate (Accumulated variation 2015)	
Euro	30.8%
Canada	7.6%
United Kingdom	5.2%
Japan	0.4%
US Dollar basket	8.4%

International reserves amount to US\$ 61.49 billion on April 7

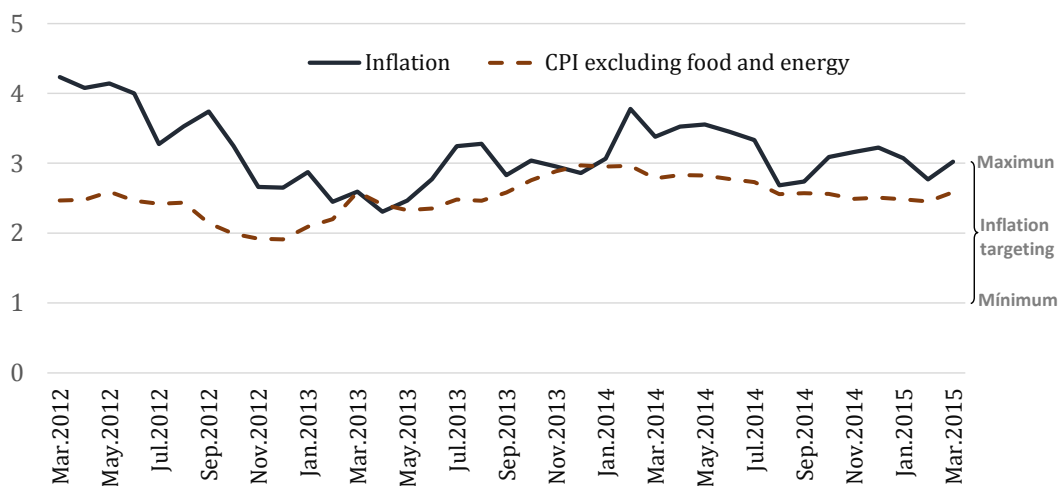
International reserves amounted to US\$ 61.49 billion on April 7, 2015. This level of reserves is equivalent to 30 percent of GDP and 18 months of imports.

Inflation in Metropolitan Lima: 0.76 percent in March

In March the consumer price index in Metropolitan Lima showed a rate of 0.76 percent, as a result of which inflation in the last 12 months registered 3.02 percent. Inflation without food and energy showed a rate of 0.91 percent in the month and a rate of 2.58 percent in the last 12 months.

Inflación

(Variación % últimos 12 meses)



Inflation

(% change)

	Weight 2009=100	February 2015		March 2015	
		Month	12 month	Month	12 month
CPI	100.0	0.30	2.77	0.76	3.02
1. CPI excluding food and energy	56.4	0.16	2.45	0.91	2.58
i. Goods	21.7	0.4	2.6	0.3	2.7
ii. Services	34.8	0.0	2.4	1.3	2.5
<i>Of which:</i>					
Education	9.1	0.1	4.3	4.0	4.5
Rent	2.4	0.6	3.1	0.2	3.2
Health	1.1	0.6	5.0	0.7	5.6
2. Food and energy	43.6	0.48	3.14	0.60	3.54
i. Food	37.8	0.6	4.6	0.5	5.0
ii. Energy	5.7	-0.3	-6.2	1.5	-5.9

Source: INEI.

The items that contributed the most to increase the rate of inflation in the month were education costs (0.37 percentage points), meals outside the home (0.08 percentage points), and gasoline (0.07 percentage points). On the other hand, the items that contributed the most to reduce the rate of inflation were chicken meat (-0.06 percentage points), tomatoes, and citrus fruits (-0.03 percentage points each).

BCRP Survey on Macroeconomic Expectations: March 2015

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

Survey of Macroeconomic Expectations: Inflation (%)

	Jan 30, 2015	Survey date:	
		March 2, 2015	March 31, 2015
Economic analysts 1/			
2015	2.5	2.5	2.7
2016	2.6	2.5	2.5
2017		2.5	2.5
Financial entities 2/			
2015	2.5	2.5	2.8
2016	2.5	2.5	2.7
2017		2.5	2.7
Non-financial firms 3/			
2015	3.0	3.0	2.9
2016	3.0	3.0	3.0
2017		3.0	3.0

1/ 20 analysts in January, and 21 in February and March 2015.

2/ 22 financial entities in January, and 21 in February and March 2015.

3/ 323 non-financial firms in January, 329 in February, and 338 in March 2015.

The BCRP survey also shows that economic agents expect GDP to grow between 3.5 and 4.0 percent in 2015.

Survey of Macroeconomic Expectations: GDP growth (%)

	Jan 30, 2015	Survey date:	
		March 2, 2015	March 31, 2015
Economic analysts 1/			
2015	4.0	3.9	3.6
2016	5.0	4.9	4.8
2017		5.0	5.0
Financial entities 2/			
2015	4.0	4.0	3.5
2016	5.0	4.5	4.5
2017		5.0	5.0
Non-financial firms 3/			
2015	4.0	4.0	4.0
2016	4.5	4.2	4.2
2017		5.0	5.0

1/ 20 analysts in January, and 21 in February and March 2015.

2/ 22 financial entities in January, and 21 in February and March 2015.

3/ 323 non-financial firms in January, 329 in February, and 338 in March 2015.

As for the US dollar/nuevo sol exchange rate, the economic agents surveyed expect an exchange rate of S/.3.20 per US dollar at end-2015.

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

	Jan 30, 2015	Survey date:	
		March 2, 2015	March 31, 2015
Economic analysts 1/			
2015	3.15	3.20	3.20
2016	3.20	3.22	3.25
2017		3.21	3.24
Financial entities 2/			
2015	3.13	3.20	3.20
2016	3.20	3.20	3.30
2017		3.20	3.30
Non-financial firms 3/			
2015	3.10	3.15	3.20
2016	3.20	3.20	3.20
2017		3.24	3.24

1/ 20 analysts in January, and 21 in February and March 2015.

2/ 22 financial entities in January, and 21 in February and March 2015.

3/ 323 non-financial firms in January, 329 in February, and 338 in March 2015.

* Exchange rate at end of year.

Credit to the private sector and liquidity at March 15, 2015

In the last four weeks, **total credit to the private sector** increased 0.2 percent (S/. 498 million). By currencies, credit in soles grew 2.0 percent (S/. 2.76 billion), while credit in dollars declined by 2.7 percent (negative flow of US\$ 760 million). As a result, credit to the private sector showed an annual growth rate of 9.3 percent.

In the same period, **total liquidity in the private sector** grew 0.4 percent (S/. 992 million), as a result of which liquidity in the private sector accumulated a growth rate of 6.6 percent in the last twelve months. By currencies, liquidity in soles declined 0.4 percent (negative flow of S/. 536 million), while liquidity in dollars grew 2.0 percent (US\$ 513 million).

Trade Balance – February 2015

In February, exports amounted to US\$ 2.57 billion, with non-traditional exports accounting for US\$ 880 and exports of traditional products accounting for US\$ 1.68 billion.

On the other hand, imports in February totaled US\$ 2.81 billion, with imports of inputs amounting to US\$ 1.21 billion, imports of capital goods to US\$ 876 million, and imports of consumer goods to US\$ 662 million.

Thus, imports were US\$ 245 million higher than exports, US\$ 92 million lower than January.

Trade balance

(Million US\$)

	2014		2015		February	
	Feb.	Jan.	Feb.	% Chg. Prev. month	Var. % Chg. 12 month	
1. Exports	3,330	2,810	2,567	-8.6	-22.9	
Traditional products	2,363	1,882	1,681	-10.7	-28.9	
<i>of which:</i>						
<i>Fish meal</i>	194	66	29	-56.0	-85.0	
<i>Oil and derivatives</i>	305	149	161	8.0	-47.2	
Non-traditional products	947	921	880	-4.4	-7.0	
Other	20	6	6	-4.9	-71.9	
2. Imports	2,970	3,147	2,812	-10.6	-5.3	
Consumer goods	662	691	662	-4.1	0.1	
Inputs	1,318	1,428	1,206	-15.5	-8.4	
Capital goods	982	1,010	876	-13.3	-10.8	
Other goods	9	18	68	274.9	656.0	
3. TRADE BALANCE	360	-337	-245			

Source: Sunat and BCRP.

Moreover, the **terms of trade** declined 2.9 percent compared to the same period of 2014 due to the lower export prices of copper, gold, and crude oil.

International Markets

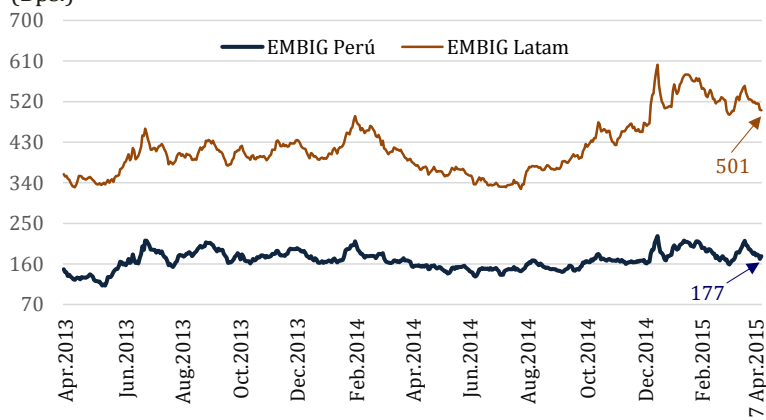
Country risk fell to 177 basis points

In the week of March 31-April 7, the country risk indicator –measured by the **EMBIG Peru** spread– fell from 181 bps to 177 bps.

Similarly, the **EMBIG LatAm** spread fell 15 basis points amid increased expectations that the Federal Reserve will maintain low interest rates for a longer period of time and positive data of economic activity in the Eurozone.

Country Risk Indicator

(Bps.)



	Variation in basis points			
	7 Apr.15	Weekly	Monthly	Annual
EMBIG Perú (bps)	177	-4	8	21
EMBIG Latam (bps)	501	-15	2	122

Price of gold rose to US\$ 1,211.0 per troy ounce

In the same period, the price of **gold** increased 2.0 percent to US\$ 1,211.0 per troy ounce.

The rise in the price of gold was favored by the strengthening of the dollar against the major currencies and with expectations that the Federal Reserve will not raise its interest rate until the end of the year.

Gold Price
(US\$/ troy ounce)

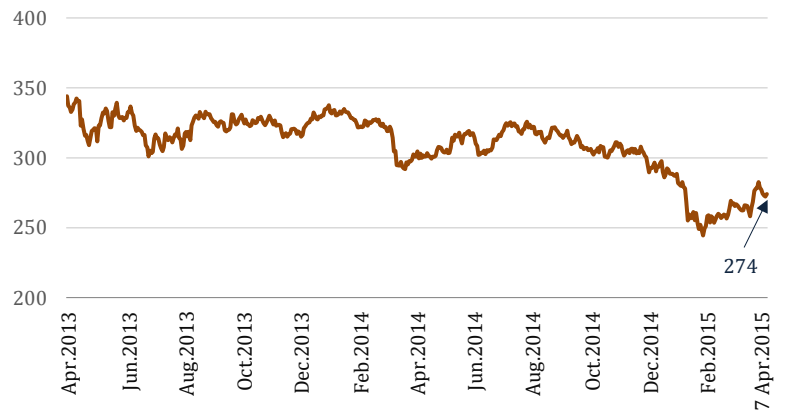


7 Apr.15	% change		
	Weekly	Monthly	Annual
US\$ 1,211.0 / troy oz.	2.0	3.0	-6.8

Copper Price
(cUS\$/pound)

In March 31-April 7, the price of **copper** fell 0.2 percent to US\$ 2.74 per pound.

The price of copper was influenced by expectations of a lower demand from China after reports indicated that the earnings of China's largest industrial companies had dropped in February.

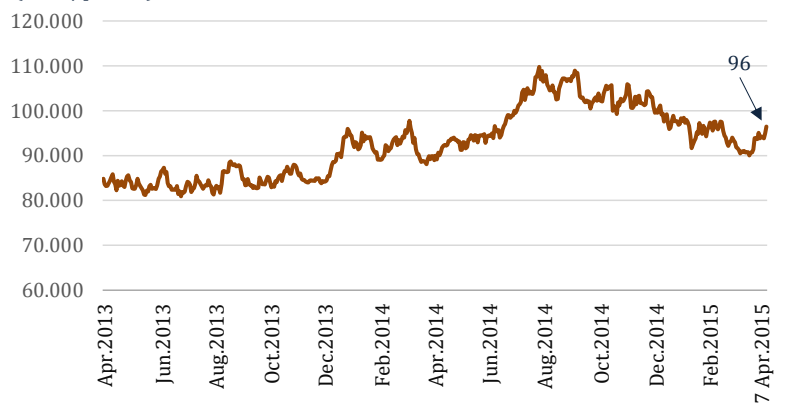


7 Apr.15	% change		
	Weekly	Monthly	Annual
US\$ 2.74 / pound	-0.2	3.7	-8.6

Zinc Price
(cUS\$/pound)

In the same period, the price of **zinc** rose 2.5 percent to US\$ 0.96 per pound.

The rise in the price of zinc was associated mainly with the continuous fall of inventories in the major metal exchange markets and with the partial closure of some mines.



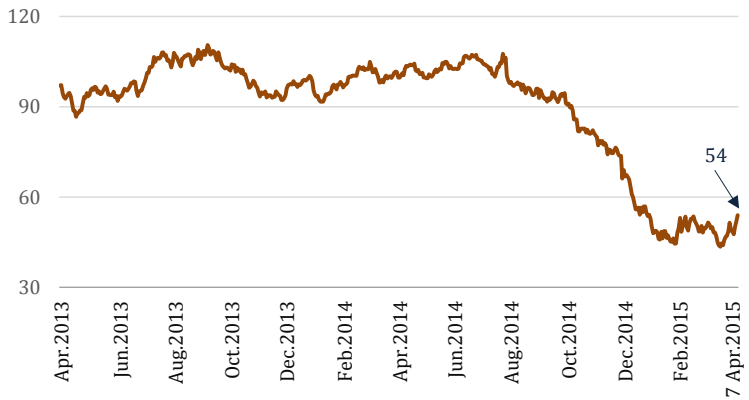
7 Apr.15	% change		
	Weekly	Monthly	Annual
US\$ 0.96 / pound	2.5	6.6	7.1

In the week of March 31 to April 7 the price of **WTI** oil rose 13.4 percent to US\$. 54.0 per barrel.

The price of crude oil rose due to the resurgence of geopolitical tensions. Expectations of seeing a more equilibrated market in the following months after new reductions were announced in the number of oil platforms operating in the United States was another factor that contributed to this rise in the price of crude oil.

WTI Oil Price

(US\$/barrel)



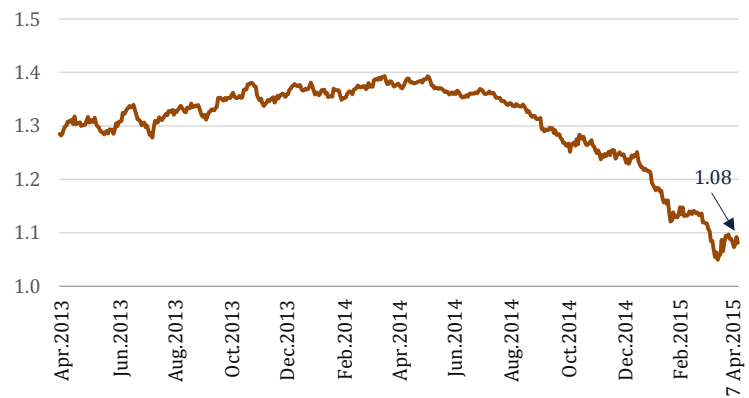
	% change			
	7 Apr.15	Weekly	Monthly	Annual
US\$ 54.0 / barrel		13.4	8.8	-46.3

US Dollar depreciated against the euro

In the same period, the **US dollar** depreciated 0.8 percent against the **euro** amid expectations that the Federal Reserve will not raise its rates until the end of the year after data showed that new jobs in the U.S. economy had grown less than expected in March.

Evolution of US\$ per Euro

(US\$/Euro)



	% change			
	7 Apr.15	Weekly	Monthly	Annual
US dollar/Euro	1.08	0.8	-0.3	-21.3

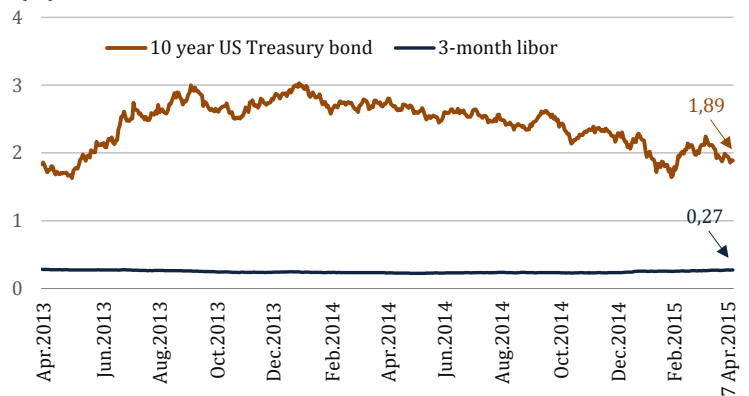
Yield on 10-year US Treasuries at 1.89 percent

In March 31-April 7, the **3-month Libor** remained at 0.27 percent.

On the other hand, the yield on the **10-year US Treasury bonds** fell 4 bps to 1.89 percent in a context marked by unfavorable employment data in the United States in March as well as by uncertainty associated with Greece and new geopolitical events.

3-Month Libor and 10-Year US Treasuries

(%)



	Variation in basis points			
	7 Apr.15	Weekly	Monthly	Annual
3 months Libor (%)	0.27	0	1	4
US Treasuries (%)	1.89	-4	-36	-82

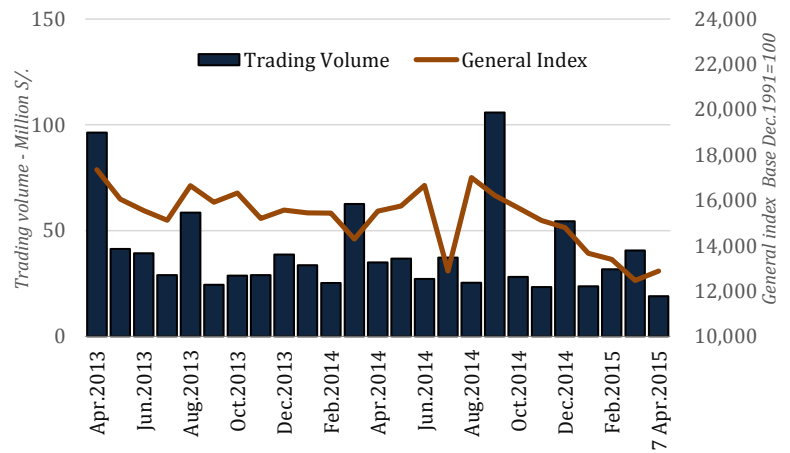
Lima Stock Exchange

In March 31-April 7 the **General Index** of the Lima Stock Exchange (LSE) rose 3.3 percent and the **Selective Index** rose 4.1 percent.

This rise in the LSE indices is in line with the performance of some regional markets and the rise observed in the international prices of metals.

Year-to-date, the General Index has fallen 13.0 percent and the Selective Index has fallen 10.8 percent.

Lima Stock Exchange Indicators



	As of:	% change compared to:		
	7 Apr.15	31 Mar.15	27 Feb.15	31 Dec.14
General Index	12,878	3.3	-3.9	-13.0
Selective Index	18,071	4.1	-2.9	-10.8

