






Indicators

-  Currency grew 9.2 percent in the last twelve months
-  Non-financial public sector: Surplus of S/. 1.18 billion in March
-  Price of oil fell to US\$ 53.3 per barrel

Content

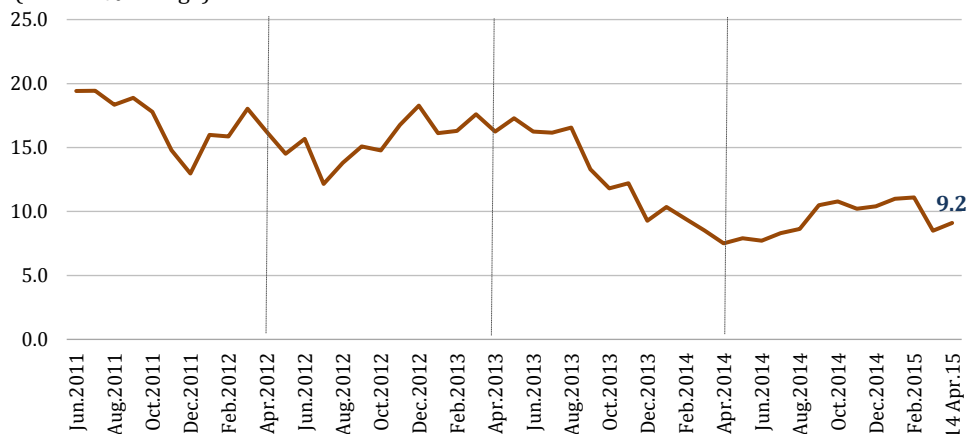
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Currency

On April 14, 2015, **currency in circulation**—that is, banknotes and coins held by the public—showed a growth rate of 9.2 percent in the last 12 months.

Currency in circulation

(Annual % change)



Monetary operations and interest rate

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 long-term liquidity in soles to contribute to the substitution of credit in dollars for soles.

- Repos: The balance of repos at April 14 was S/. 2.50 billion, with an average interest rate of 3.87 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 14 was S/. 13.60 billion, with an average rate of 4.13 percent. This balance at the end of March was S/. 12.3 billion, with currency repos showing an average rate of 4.14 percent. It is worth pointing out that, of the balance of currency repos registered at April 14, repos for credit expansion amount to S/. 2.7 billion, while repos for credit substitution—granted with maturities between 24 and 48 months to facilitate the conversion of credit in dollars to credit in soles— amount to S/. 2.0 billion.
- BCRP-CDs: The balance of BCRP-CDs at April 14 was S/. 16.38 billion, with an average rate of 3.54 percent. At the end of March, the balance was S/. 18.34 billion, with an average interest rate of 3.56 percent.
- Term deposits: On April 14 the balance of term deposits was S/. 200 million, with an average rate of 2.85 percent. The balance at the end of March was zero.

- Overnight deposits: At April 14, overnight deposits showed a balance of S/. 555 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 14, the Central Bank has also made operations in the spot market to reduce volatility in the foreign exchange rate.

- Interventions in the foreign exchange market: In the period of analysis the BCRP sold FC in the spot market for a total of US\$ 188 million.
- FX Swaps: The balance of these instruments at April 14 was S/. 23.88 billion, with an average rate of -1.02 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 14 showed a balance of S/. 630 million (US\$ 204 million), with a rate of 0.06 percent. At the end of March, this balance was S/.1.94 billion (US\$ 629 million), with an average rate of 0.02 percent.

On April 14, the interbank interest rate in soles showed an average daily rate of 3.31 percent.

Monetary and foreign exchange operations

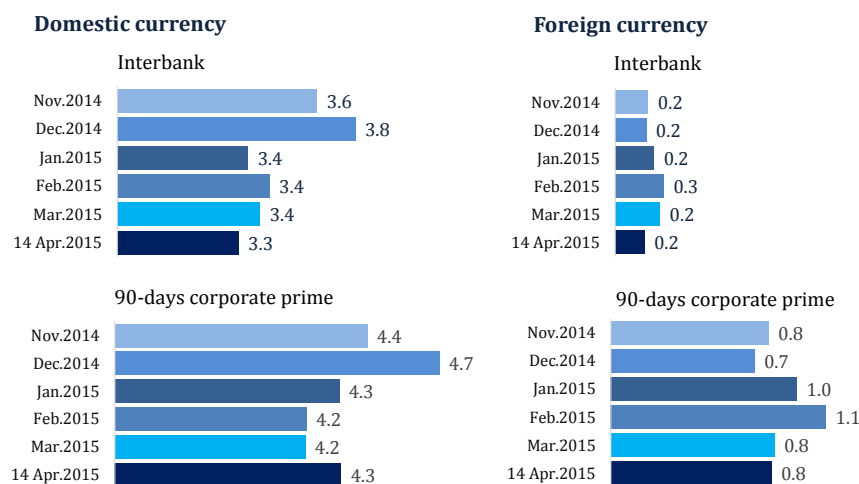
(Million S/.)

			Balance		Placement						Maturity		
			(Interest rate)		(Interest rate)								
			Mar 31. 2015	Apr 14. 2015	Overnight	2-month	6-month	12-month	18-month	36-month		48-month	
Monetary operations	Injection	Repos	4,900 (3.84%)	2,500 (3.87%)	13,200 (3.51%)							15,600	
		Currency repos	12,300 (4.14%)	13,600 (4.13%)				300 (4.50%)		500 (4.22%)	500 (3.53%)		
	Sterilization	CD BCRP	18,343 (3.56%)	16,383 (3.54%)			100 (3.23%)	50 (3.36%)	100 (3.49%)				
		Term deposits		200 (2.85%)	900 (3.05%)								700
		Overnight deposits	827 (2.05%)	555 (2.05%)	3,489 (2.05%)								3,430
Foreign exchange operations	CDR BCRP	1,935 (0.02%)	630 (0.06%)									1,305	
	FX-Swaps	21,280 (-1.07%)	23,880 (-1.02%)		8,400 (-1.06%)							5,800	

Corporate prime rate in soles at 4.3 percent

On April 14, 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.

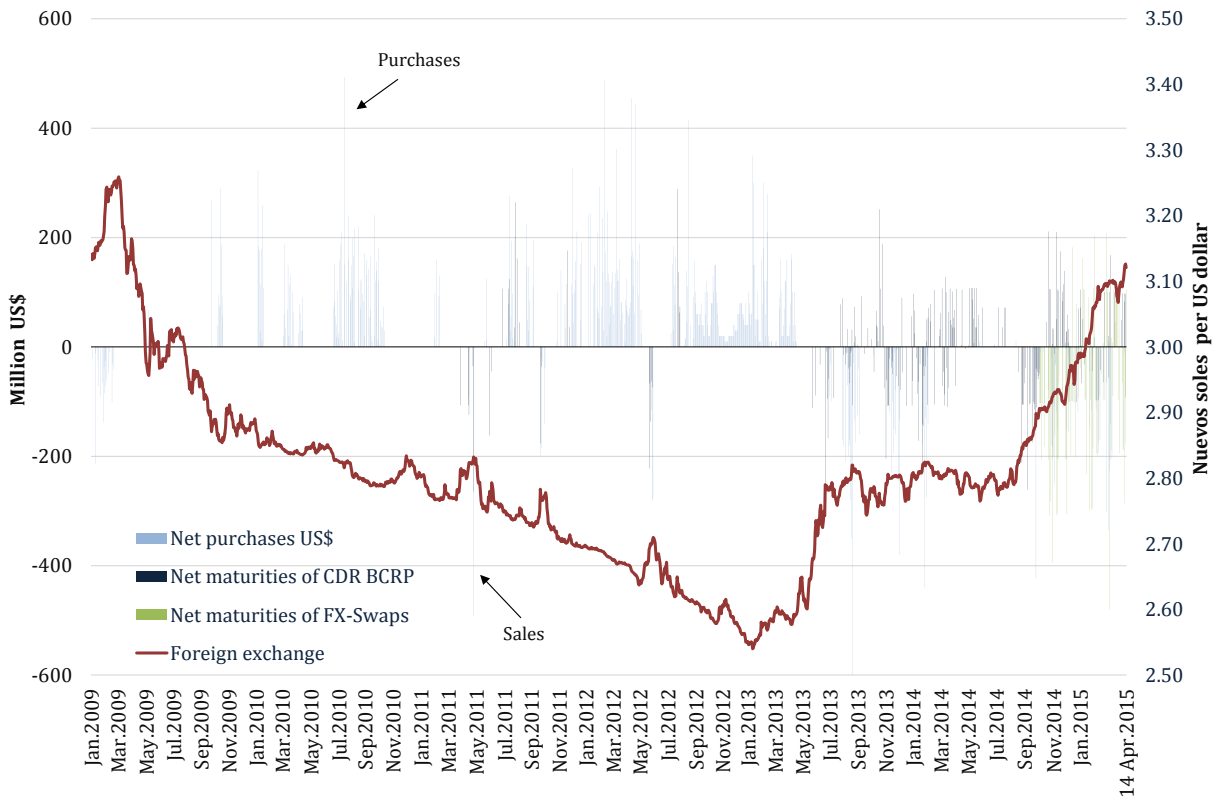
Average interest rate (%)



Foreign exchange rate

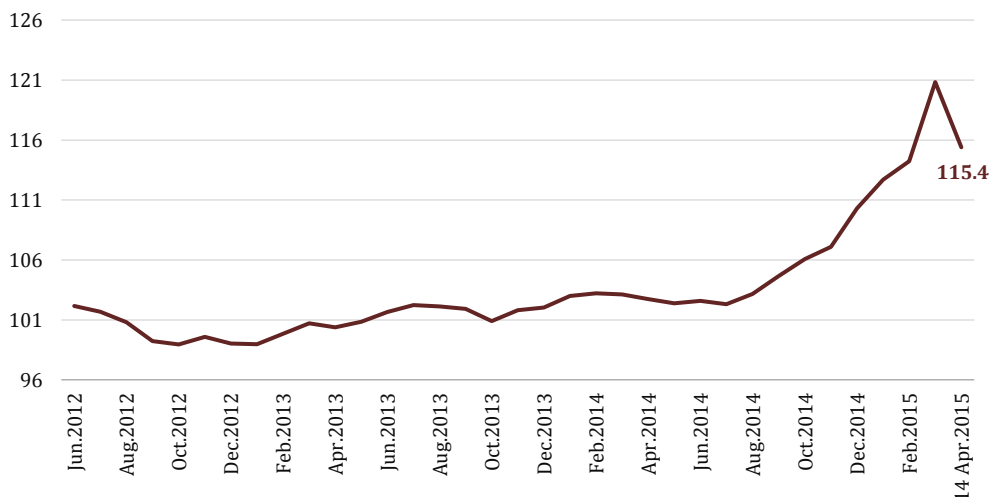
On April 14, the average selling price of the dollar in the interbank market was S/. 3.12 per dollar.

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 14), these currencies have depreciated 9.4 percent on average against the US dollar.

Exchange Rate (Accumulated variation 2015)	
Brazil	15.2%
Colombia	7.5%
Peru	4.7%
Mexico	3.4%
Chile	1.1%

Exchange Rate (Accumulated variation 2015)	
Euro	28.9%
Canada	7.4%
United Kingdom	5.4%
Japan	-0.4%
US Dollar basket	9.4%

International reserves amount to US\$ 61.95 billion on April 14

International reserves increased by US\$ 628 million since the end of March and on April 14 amount to US\$ 61.95 billion. This level of reserves is equivalent to 31 percent of GDP and to 19 months of imports.

Operations of the Non-Financial Public Sector in March: Surplus of S/. 1.18 Billion

The operations of the **non-financial public sector** (NFPS) showed a surplus of S/. 1.18 billion in March 2015 and thus accumulated a surplus of S/. 6.51 billion in the first quarter of the year.

In March, the tax revenues of the national government fell 10.9 percent due to the decline of revenues from both the income tax of individuals and the corporate income tax.

The non-financial expenditure of the general government increased 3.0 percent due to higher current expenditure (14.3 percent), while, on the other hand, gross capital formation fell 29.6 percent compared to March 2014. The non-financial expenditure of the national government increased (22.2 percent) whereas the non-financial expenditure of subnational governments –regional and local governments– declined (19.9 percent).

Operations of the Non-Financial Public Sector 1/

(Million S/.)

	March			Q1		
	2014	2015	Real % chg.	2014	2015	Real % chg.
1. General government current revenues	11,485	10,514	-11.1	32,871	31,389	-7.2
a. Tax revenues	9,005	8,264	-10.9	25,054	24,087	-6.6
b. Non-tax revenues	2,480	2,249	-11.9	7,816	7,302	-9.2
2. General government non-financial expenditure	8,355	8,866	3.0	22,768	23,344	-0.4
a. Current	5,994	7,058	14.3	17,750	18,985	3.9
b. Capital	2,361	1,808	-25.7	5,019	4,359	-15.6
<i>of which:</i>						
<i>Gross capital formation</i>	2,184	1,585	-29.6	4,685	3,439	-28.7
<i>National government</i>	502	641	23.9	1,411	1,733	19.3
<i>Regional governments</i>	651	279	-58.5	1,405	710	-50.9
<i>Local governments</i>	1,030	665	-37.3	1,868	996	-48.3
<i>Other capital expenditure</i>	177	223	22.3	334	921	169.0
3. Other 2/	-291	27		-4	593	
4. Primary Balance (=1-2+3)	2,839	1,675		10,099	8,637	
5. Interests	407	495	18.0	1,965	2,129	5.3
6. Overall Balance (=4-5)	2,432	1,180		8,134	6,509	

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.

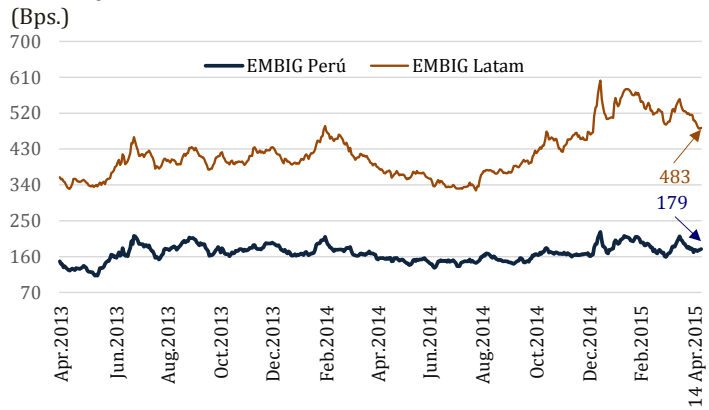
International Markets

Country risk at 179 basis points

In the week of April 7-14, the country risk indicator –measured by the **EMBIG Peru** spread– rose from 177 bps to 179 bps.

On the other hand, the **EMBIG LatAm** spread fell 18 basis points amid positive signals of economic activity in the Eurozone and mixed indicators of activity in China.

Country Risk Indicator



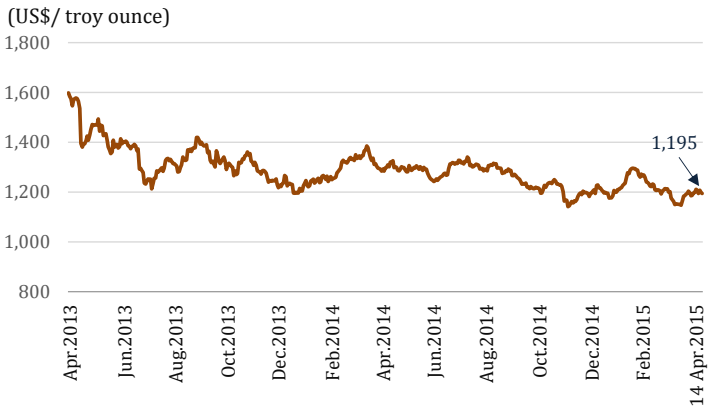
	Variation in basis points			
	14 Apr.15	Weekly	Monthly	Annual
EMBIG Perú (bps)	179	2	-13	25
EMBIG Latam (bps)	483	-18	-54	109

Price of gold at US\$ 1,194.8 per troy ounce

In the same period, the price of **gold** fell 1.3 percent to US\$ 1,194.8 per troy ounce.

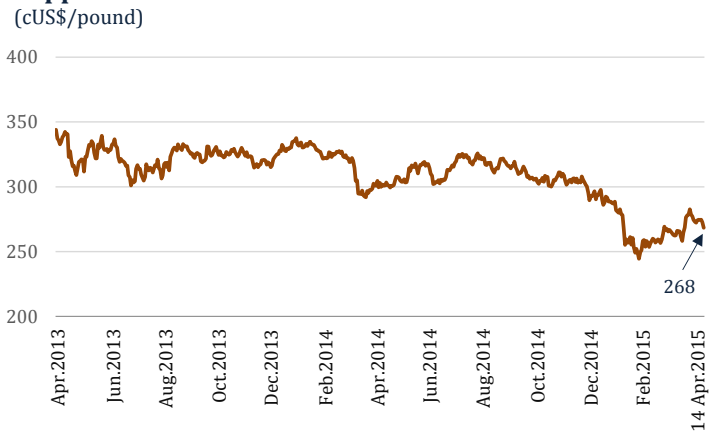
The price of gold was affected by the appreciation of the dollar against the world's major currencies and by fears of a reduction of India's demand for gold in 2015.

Gold Price



	% change			
	14 Apr.15	Weekly	Monthly	Annual
US\$ 1,194.8 / troy oz.	-1.3	3.7	-9.9	

Copper Price



	% change			
	14 Apr.15	Weekly	Monthly	Annual
US\$ 2.68 / pound	-2.1	1.0	-11.0	

In April 7-14, the price of **copper** fell 2.1 percent to US\$ 2.68 per pound.

The price of copper was influenced by weak prospects for demand, although losses were in part offset by an increase in China's imports.

In the same period, the price of **zinc** rose 2.4 percent to US\$ 0.99 per pound.

The rise in the price of zinc was favored by the decline of zinc inventories in the London Metal Exchange.

Zinc Price
(cUS\$/pound)

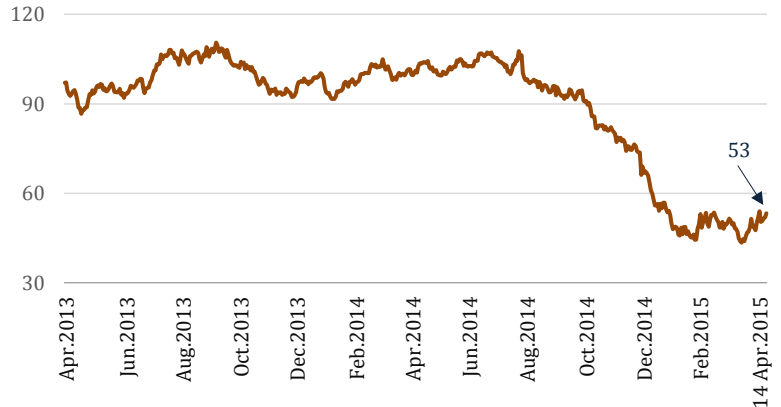


14 Apr.15	% change		
	Weekly	Monthly	Annual
US\$ 0.99 / pound	2.4	8.8	7.1

In the week of April 7 to April 14, the price of **WTI** oil dropped 1.3 percent to US\$. 53.3 per barrel.

The price of crude oil continued to be affected by signals of an oversupply in the oil market, which was reflected in the increase of crude inventories in the United and the increased production of crude in Saudi Arabia.

WTI Oil Price
(US\$/barrel)

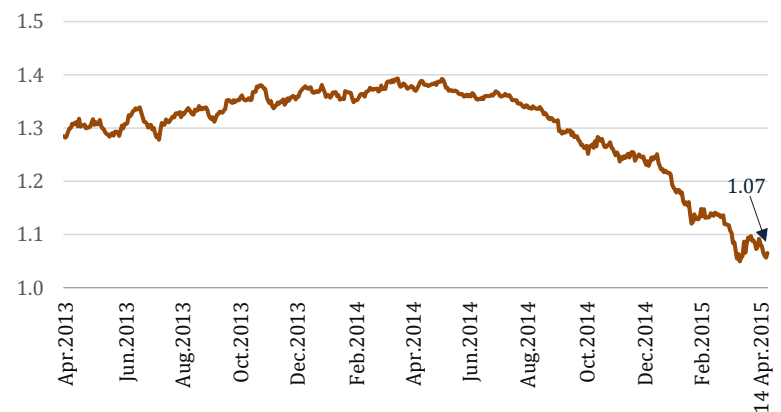


14 Apr.15	% change		
	Weekly	Monthly	Annual
US\$ 53.3 / barrel	-1.3	18.8	-48.8

US Dollar appreciated against the euro

In the same period, the **US dollar** appreciated 1.5 percent against the **euro** in a context in which expectations that the Federal Reserve will raise its interest rates remained unchanged after the publication of the Federal Reserve minutes showed that Fed members are divided on when to raise the rates.

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



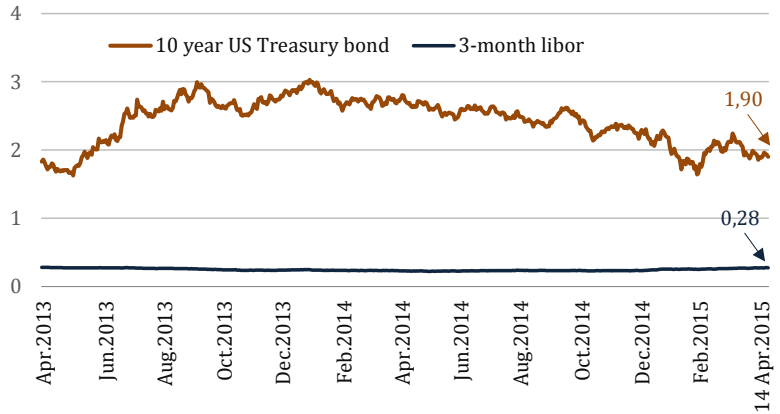
14 Apr.15	% change			
	Weekly	Monthly	Annual	
US dollar/Euro	1.07	-1.5	1.5	-22.9

Yield on 10-year US Treasuries at 1.90 percent

In April 7-14, the **3-month Libor** rose 1 basis point to 0.28 percent.

Similarly, the yield on the **10-year US Treasury bonds** rose 1 basis point to 1.90 percent in a context of lower concerns about the Greek crisis.

3-Month Libor and 10-Year US Treasuries
(%)



	Variation in basis points			
	14 Apr.15	Weekly	Monthly	Annual
3 months Libor (%)	0.28	1	0	5
US Treasuries (%)	1.90	1	-22	-75

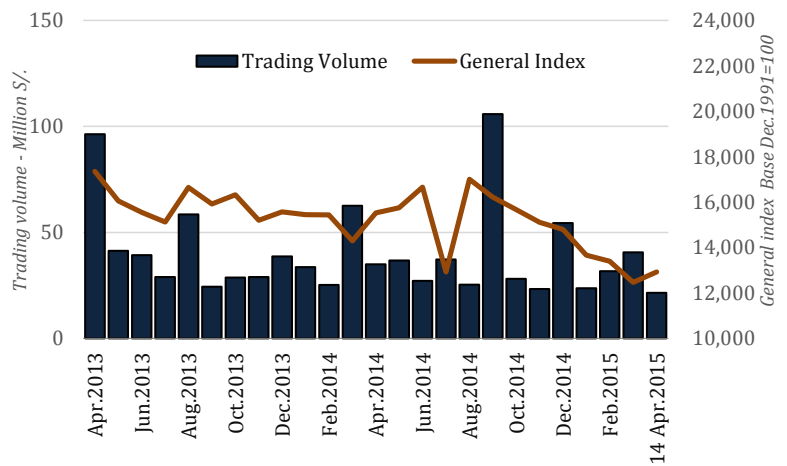
Lima Stock Exchange

In April 7-14 the **General Index** of the Lima Stock Exchange (LSE) rose 0.4 percent and the **Selective Index** rose 0.9 percent.

This rise in the LSE indices, which was in line with the positive performance of some regional markets, was driven by the dynamism of industrial and miscellaneous securities.

Year-to-date, the General Index has dropped 12.6 percent and the Selective Index has fallen 10.0 percent.

Lima Stock Exchange Indicators



	As of:	% change compared to:		
	14 Apr.15	7 Apr.15	31 Mar.15	31 Dec.14
General Index	12,932	0.4	3.8	-12.6
Selective Index	18,238	0.9	5.1	-10.0

