







Indicators

-  Currency grew 8.8 percent in the last twelve months
-  GDP grew 0.9 percent in February
-  Credit in soles grew 9.4 percent in March
-  Ratio of credit dollarization records historical low level: 36.6 percent

Content

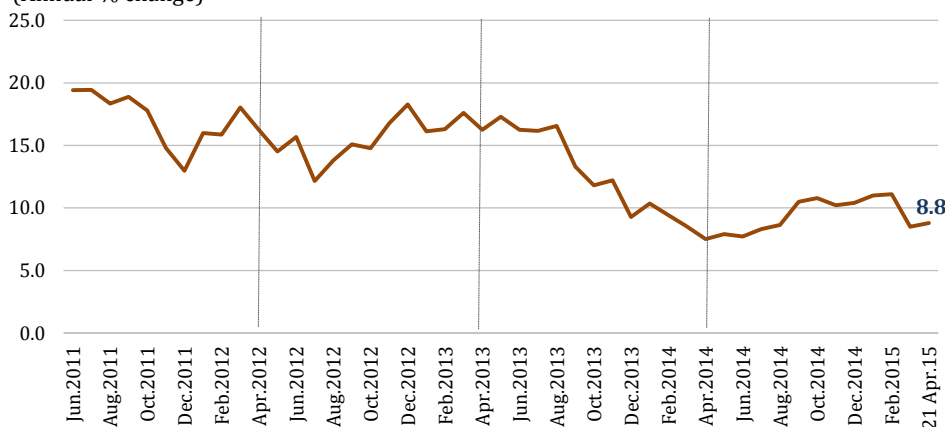
Monetary operations and interest rate	ix
Corporate prime rate in soles at 4.4 percent	x
Foreign exchange rate	xi
International reserves amount to US\$ 62.10 billion on April 21	xii
Gross Domestic Product: February 2015	xii
Credit to the private sector and liquidity: March 2015	xiii
Country risk at 179 basis points	xv

Currency

On April 21, 2015, **currency in circulation** –that is, banknotes and coins held by the public– recorded a growth rate of 8.8 percent in the last 12 months.

Currency in circulation

(Annual % change)



Monetary operations and interest rate

The monetary operations carried out by BCRP so far in April (at April 21) 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 aim 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 21 was S/. 3.24 billion, with an average interest rate of 3.85 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 at April 21 showed a balance of S/. 14.50 billion, with an average rate of 4.15 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 21, repos for credit expansion amount to S/. 3.3 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 21 was S/. 15.43 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 21 the balance of term deposits was S/. 300 million, with an average rate of 2.88 percent. At the end of March, term deposits showed a zero balance.

- Overnight deposits: At April 21, overnight deposits showed a balance of S/. 977 million with an average rate of 2.05 percent. This balance at the end of March was S/. 827 million, with a rate of 2.05 percent.

At April 21, 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\$ 686 million.
- FX Swaps: The balance of these instruments at April 21 was S/. 24.98 billion, with an average rate of -0.96 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 21 showed a balance of S/. 500 million (US\$ 162 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 21, the interbank interest rate in soles showed an average daily rate of 3.33 percent.

Monetary and foreign exchange operations

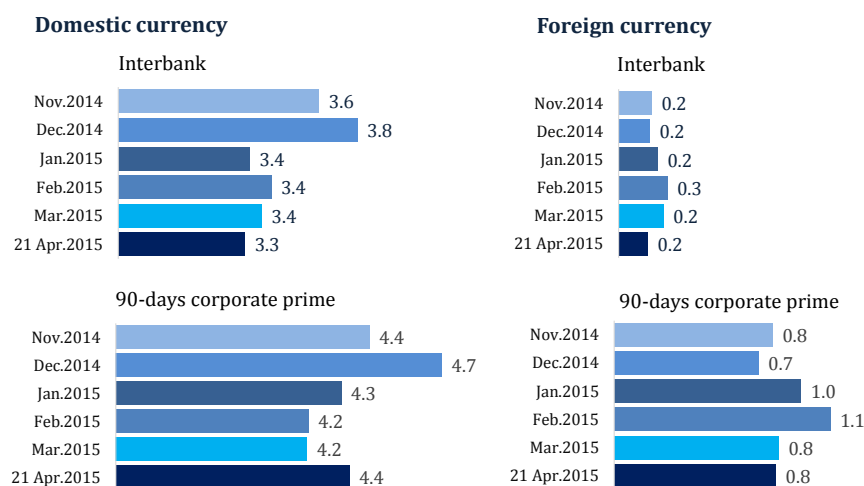
(Million S/.)

		Balance (Interest rate)		Placement (Interest rate)								Maturity		
		Mar 31. 2015	Apr 21. 2015	Overnight	2-month	3-month	6-month	12-month	18-month	36-month	48-month			
Monetary operations	Injection	Repos	4,900 (3.84%)	3,240 (3.85%)	15,750 (3.59%)								17,410	
		Currency repos	12,300 (4.14%)	14,500 (4.15%)					600 (4.38%)		1 100 (4.39%)	500 (3.53%)		
	Sterilization	CD BCRP	18,343 (3.56%)	15,433 (3.54%)				150 (3.20%)	100 (3.29%)	150 (3.46%)				3,310
		Term deposits		300 (2.88%)	1,700 (2.97%)									1,400
		Overnight deposits	827 (2.05%)	977 (2.05%)	10,611 (2.05%)									10,461
Foreign exchange operations	CDR BCRP	1,935 (0.02%)	500 (0.06%)										1,435	
	FX-Swaps	21,280 (-1.07%)	24,980 (-0.96%)		10,500 (-0.98%)	1,400 (-0.67%)							8,200	

Corporate prime rate in soles at 4.4 percent

On April 21, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles recorded a daily average rate of 4.4 percent. In the same period, the corporate prime rate in dollars was 0.8 percent.

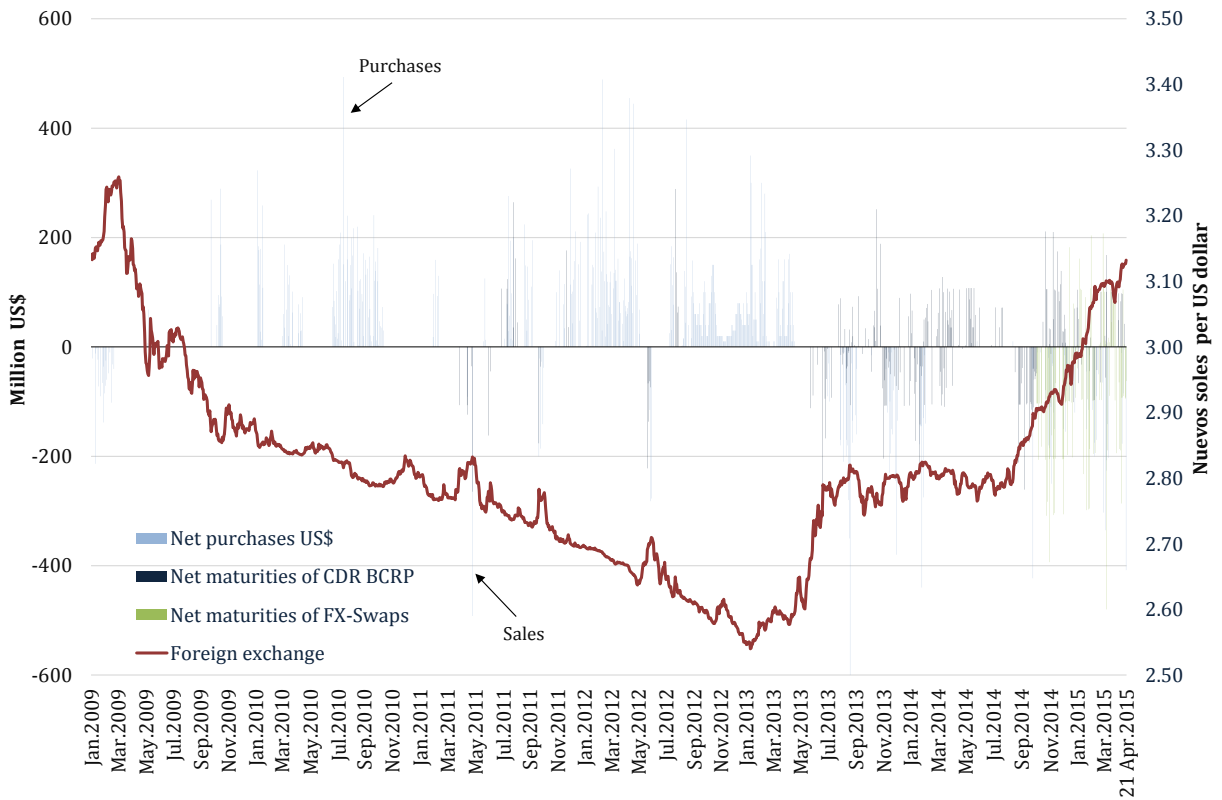
Average interest rate (%)



Foreign exchange rate

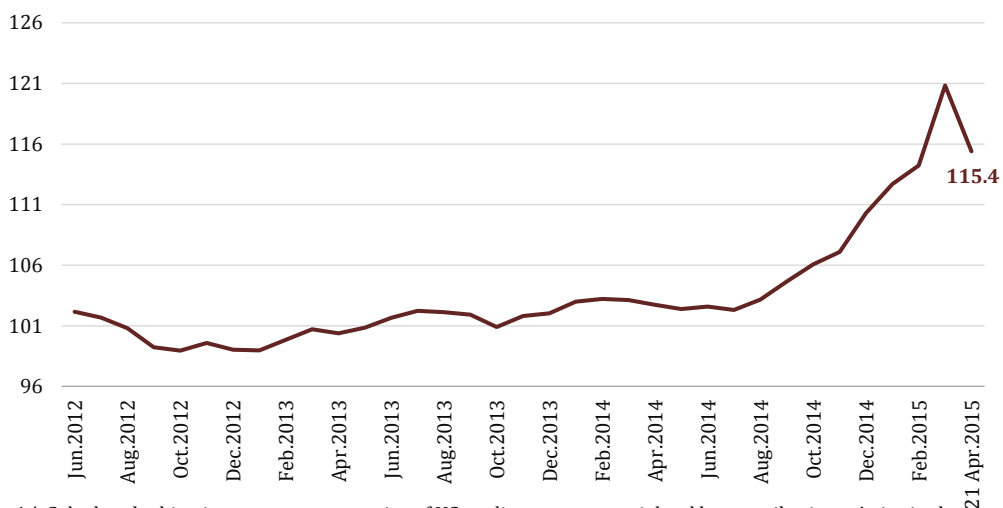
On April 21, the average selling price of the dollar in the interbank market was S/. 3.13 per dollar.

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 21), these currencies have depreciated 8.6 percent on average against the US dollar.

Exchange Rate (Accumulated variation 2015)	
Brazil	14.1%
Peru	5.1%
Mexico	4.6%
Colombia	4.0%
Chile	1.6%

Exchange Rate (Accumulated variation 2015)	
Euro	29.8%
Canada	5.7%
United Kingdom	4.4%
Japan	-0.1%
US Dollar basket	8.6%

International reserves amount to US\$ 62.10 billion on April 21

International reserves increased by US\$ 779 million since the end of March and on April 21 amount to US\$ 62.10 billion. This level of reserves is equivalent to 31 percent of GDP and to 19 months of imports.

Gross Domestic Product: February 2015

GDP grew 0.9 percent in February due to the growth of the non-primary sectors (1.8 percent), especially trade and services. This was offset by lower activity in the primary sectors (-2.5 percent), particularly mining, fishing, and primary manufacturing.

Gross Domestic Product

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

	% structure of GDP 2014 1/	2014	2015			
		Year % Chg.	January % Chg.	February % Chg.	January-February % Chg.	Contrib.
Agriculture and Livestock 2/	5.3	1.4	-3.0	2.8	-0.1	0.0
Agriculture	3.5	0.2	-8.0	0.4	-3.9	-0.1
Livestock	1.6	3.3	3.9	5.9	4.9	0.1
Fishing	0.4	-27.9	-23.5	-11.8	-18.3	-0.1
Mining and Fuel 3/	11.7	-0.8	5.6	-2.4	1.6	0.2
Metallic mining	7.4	-2.1	5.8	-1	2.4	0
Hydrocarbons	2.0	4.0	5.1	-7.3	-1.0	0
Manufacture	14.2	-3.3	-5.5	-4.3	-4.9	-0.7
Based on raw materials	2.9	-9.7	-15.8	-10.5	-13.3	-0.4
Non-primary industries 4/	11.3	-1.0	-1.8	-2.3	-2.0	-0.2
Electricity and water	1.8	4.9	4.3	3.3	3.8	0.1
Construction	6.8	1.7	-3.0	-9.9	-6.6	-0.4
Commerce	11.2	4.4	3.6	3.4	3.5	0.4
Other services	40.0	5.8	5.2	4.7	5.0	2.0
Transportation	5.4	2.7	1.5	0.8	1.2	0.1
Restaurants and hotels	3.2	4.5	4.0	2.1	3.1	0.1
Communications	4.1	6.5	9.6	9.5	9.6	0.4
Financial and insurance	5.2	12.6	9.9	9.1	9.5	0.5
Given to companies	4.7	6.6	4.6	4.7	4.6	0.2
Government Services	4.5	4.0	3.3	3.2	3.3	0.2
Other services	13.6	4.6	4.5	4.2	4.3	0.6
Import duties and other taxes	8.6	0.8	-2.6	0.8	-0.9	-0.1
GDP Global	100.0	2.4	1.7	0.9	1.3	1.3
Primary	20.3	-2.3	-0.6	-2.5	-1.6	-0.3
Non-primary	79.7	3.6	2.3	1.8	2.1	1.6

1/ At 2007 prices.

2/ Includes silviculture.

3/ Includes non- metallic mining.

4/ Excluding rice.

Source: INEI.

The **agriculture sector** grew 2.8 percent due to a higher supply of export crops (i.e. mangoes, grapes, coffee, asparagus, and cocoa) and products of the livestock sub-sector (poultry and eggs). This growth was offset by delays in rice harvests and by the decline registered in tomato cultivation in Ica due to lower industrial demand, as well as by the decline of cotton cultivation in Ica due to the substitution of this crop for hard yellow maize.

Activity in the fishing sector dropped 11.8 percent due to the low scallop landings for the industry of frozen products.

The output in the **mining and hydrocarbons sector** fell 2.4 percent in February reflecting mainly a lower extraction of copper and a lower production of oil.

The **manufacturing production** declined 4.3 percent, reflecting lower primary activity in the industries of frozen seafood, refining of non-ferrous metals, rice milling and sugar manufacturing, and, to a lesser extent, lower activity in the branches of non-primary manufacturing such as miscellaneous food products, printing activities, garments, knit products for export, toilette and cleaning products, and paper and cardboard containers.

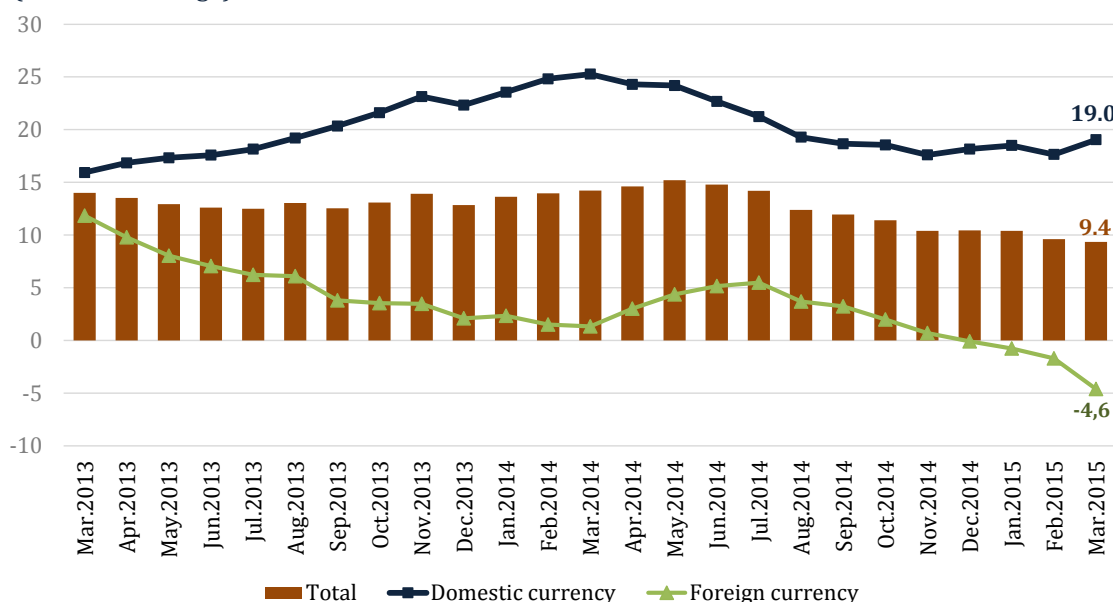
Activity in the **construction sector** dropped 9.9 percent, which reflected both the lower domestic consumption of cement and lower physical progress in the implementation of public works.

Credit to the private sector and liquidity: March 2015

Total credit of depository institutions to the non-financial private sector –including the loans placed by local banks’ branch offices in other countries– increased 0.9 percent in March 2015 (S/. 2.13 billion) and 9.4 percent compared to March 2014.

Credit in Soles grew 3.4 percent in the month (S/. 4.82 billion) and 19.0 percent in the last twelve months. On the other hand, credit in dollars fell 3.2 percent (negative flow of US\$ 901 million) and 4.6 percent in the last 12 months.

Credit to the Private Sector
(Annual % change)



Moreover, credit to individuals grew 1.1 percent in March, while corporate credit grew 0.8 percent in the month. In the segment of personal credit, consumer loans grew 1.2 percent while mortgage loans grew 1.0 percent.

Credit to the private sector by type of loan

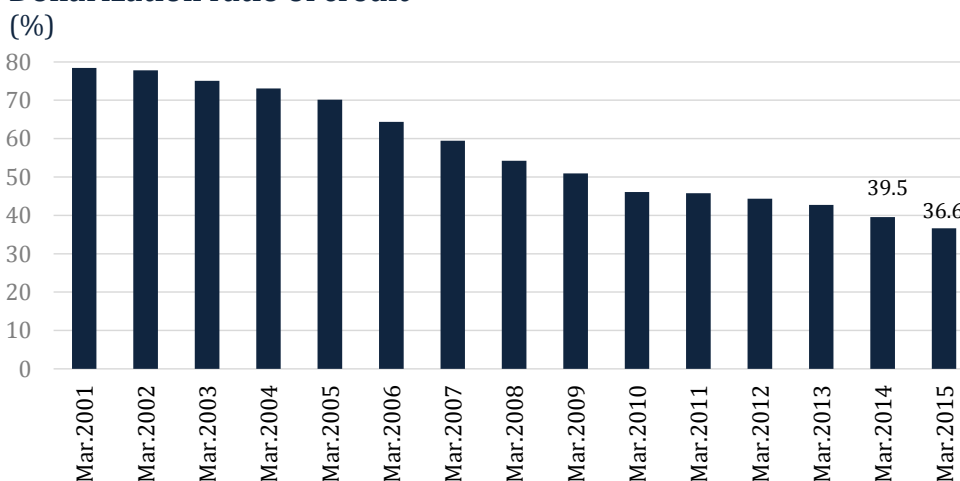
	Monthly % change		12-month % change	
	Feb.15	Mar.15	Feb.15	Mar.15
Loans to companies 1/	9.3	0.8	8.4	8.0
Loans to individuals 3/	12.8	1.1	11.7	11.9
TOTAL	10.6	0.9	9.6	9.4

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

2 / Includes non-profit organizations.

In March 2015, credit to the private sector showed a **dollarization ratio** of 36.6 percent, a rate 2.9 percentage points lower than in March 2014.

Dollarization ratio of credit



Total liquidity in the private sector decreased 0.5 percent in March (negative flow of S/. 1.13 billion) and thus recorded an annual growth rate of 5.2 percent. This decline of liquidity in March is explained by a lower demand for currency (-2.3 percent) and lower private sector deposits (-0.3 percent), especially lower term deposits (-2.2 percent), offset in part by increased securities and other assets.

Liquidity by type of liability

	Monthly % change		12-month % change	
	Feb.2015	Mar.2015	Feb.2015	Mar.2015
Currency	10.8	-2.3	11.7	8.5
Deposits	5.8	-0.3	4.6	4.3
Securities and others 1/	15.1	7.6	14.6	19.2
TOTAL	6.8	-0.5	5.9	5.2

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

Liquidity in soles fell 1.4 percent in March (negative flow of S/. 2.05 billion), thus recording an annual growth rate of 7.6 percent, while liquidity in dollars increased 1.2 percent in the month (US\$ 310 million) and thus recorded a rate of 0.9 percent in annual terms.

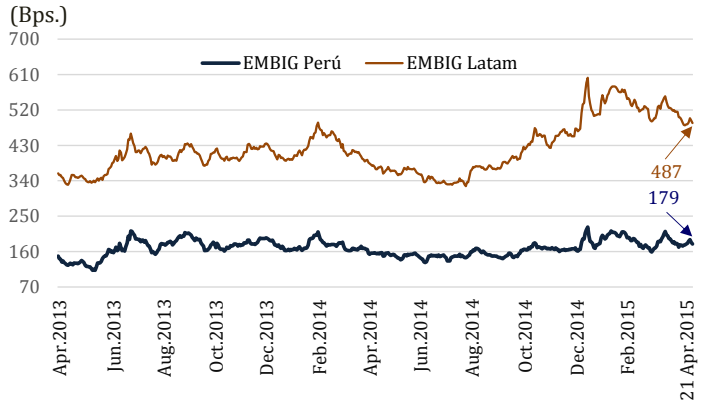
International Markets

Country risk at 179 basis points

In the week of April 14-21, the country risk indicator –measured by the **EMBIG Peru** spread– remained at 179 bps.

On the other hand, the **EMBIG LatAm** spread rose 4 basis points amid negative data of economic activity in the USA and China and uncertainty about Greece.

Country Risk Indicator

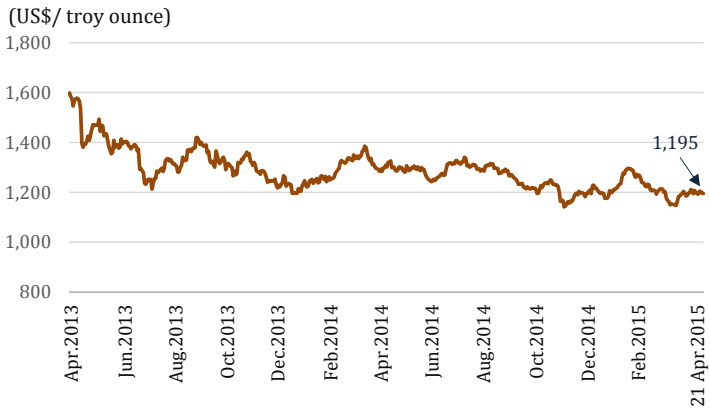


	Variation in basis points			
	21 Apr.15	Weekly	Monthly	Annual
EMBIG Perú (bps)	179	0	-21	31
EMBIG Latam (bps)	487	4	-44	129

Price of gold at US\$ 1,195.3 per troy ounce

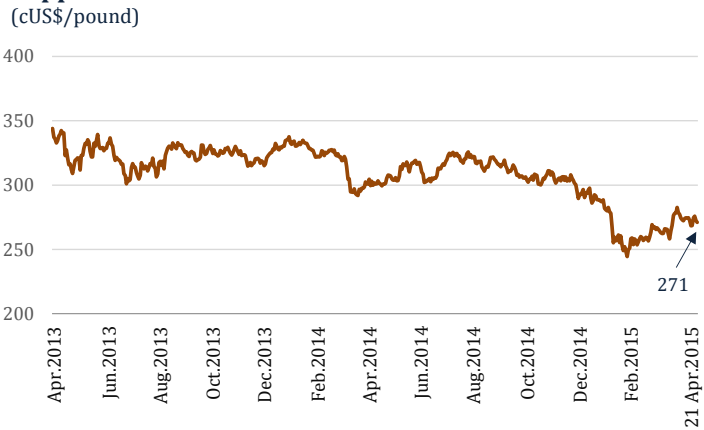
Without showing great variation, the price of **gold** registered US\$ 1,195.3 per troy ounce in the same period, amid a slow recovery of China's physical demand for gold and the depreciation of the dollar against its major counterparts.

Gold Price



	% change			
	21 Apr.15	Weekly	Monthly	Annual
US\$ 1,195.3 / troy oz.	0.0	1.0	-8.0	

Copper Price



	% change			
	21 Apr.15	Weekly	Monthly	Annual
US\$ 2.71 / pound	1.0	0.9	-9.9	

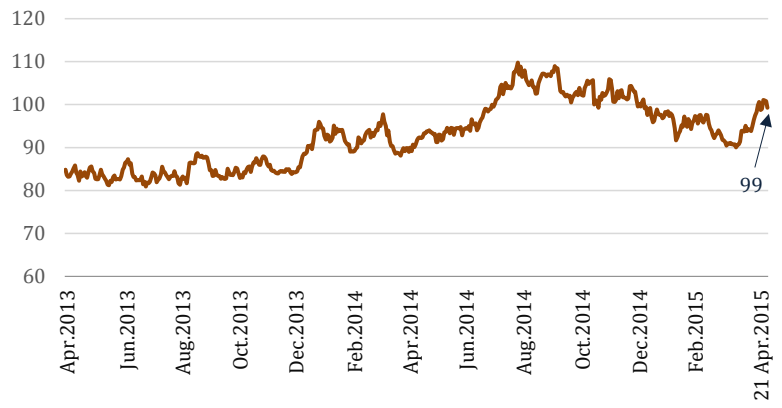
In April 14-21, the price of **copper** rose 1.0 percent to US\$ 2.71 per pound.

The price of copper was favored by an increase in China's demand after the stimulus measures adopted by the government recently.

In the same period, the price of **zinc** rose 0.6 percent to US\$ 0.99 per pound.

The rise in the price of zinc was influenced by expectations of a supply deficit and by the continued decline of zinc reserves.

Zinc Price
(cUS\$/pound)

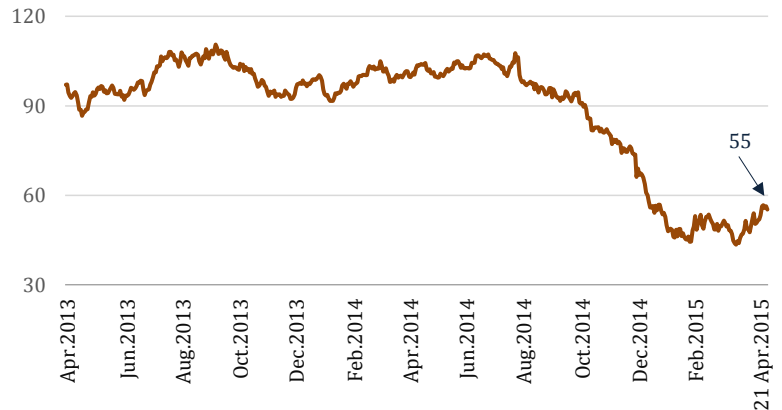


21 Apr.15	% change		
	Weekly	Monthly	Annual
US\$ 0.99 / pound	0.6	8.6	6.4

In the week of April 14 to April 21, the price of **WTI** oil increased 3.7 percent to US\$. 55.3 per barrel.

The rise in the price of crude was associated with geopolitical tensions in the Middle East and with the reduction of the number of oil platforms in the United States.

WTI Oil Price
(US\$/barrel)

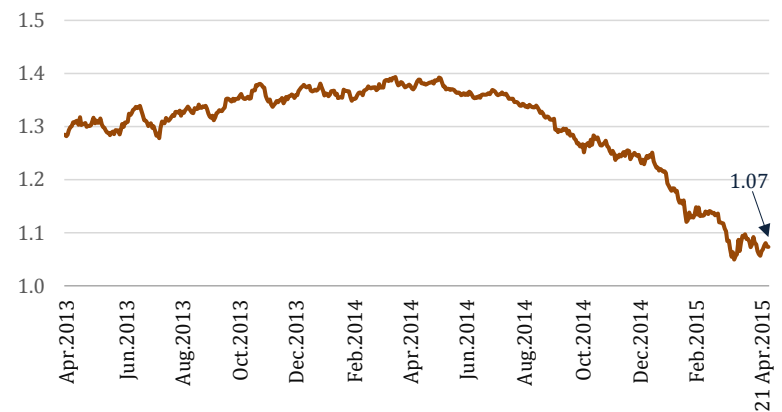


21 Apr.15	% change		
	Weekly	Monthly	Annual
US\$ 55.3 / barrel	3.7	20.9	-47.1

US Dollar depreciated against the euro

In the same period, the **US dollar** depreciated 0.8 percent against the **euro** in a context in which reports indicated weak macroeconomic data in the United States.

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



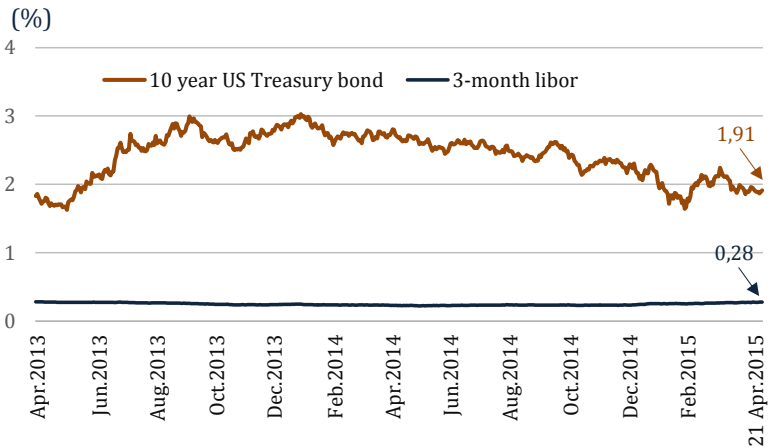
21 Apr.15	% change			
	Weekly	Monthly	Annual	
US dollar/Euro	1.07	0.8	-0.8	-22.2

Yield on 10-year US Treasuries at 1.91 percent

In April 14-21, the **3-month Libor** remained at 0.28 percent.

On the other hand, the yield on the **10-year US Treasury bonds** rose 1 basis point to 1.91 percent despite lower-than-expected data of economic activity in the United States.

3-Month Libor and 10-Year US Treasuries



	21 Apr. 15	Variation in basis points		
		Weekly	Monthly	Annual
3 months Libor (%)	0.28	0	1	5
US Treasuries (%)	1.91	1	-2	-81

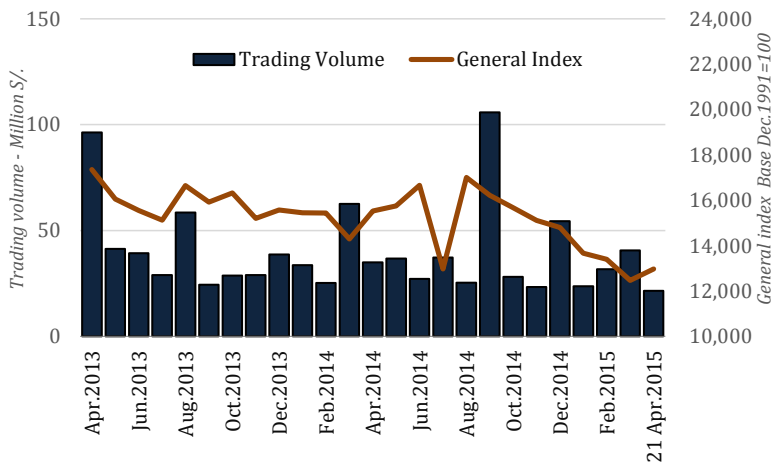
Lima Stock Exchange

In April 14-21 the **General Index** of the Lima Stock Exchange (LSE) rose 0.3 percent while the **Selective Index** fell 0.3 percent.

The LSE indices showed this mixed conduct in response to the rise in the international prices of metals, on the one hand, and investors' caution prior to the publication of financial results, on the other hand.

Year-to-date, the General Index has dropped 12.4 percent and the Selective Index has dropped 10.2 percent.

Lima Stock Exchange Indicators



	As of:	% change compared to:		
	21 Apr. 15	14 Apr. 15	31 Mar. 15	31 Dec. 14
General Index	12,967	0.3	4.1	-12.4
Selective Index	18,189	-0.3	4.8	-10.2

