







Indicators

-  Currency grew 8.8 percent in the last twelve months
-  Credit to the private sector grew 9.3 percent
-  Price of copper at US\$ 2.91 per pound
-  Country risk decreased to 165 bps.

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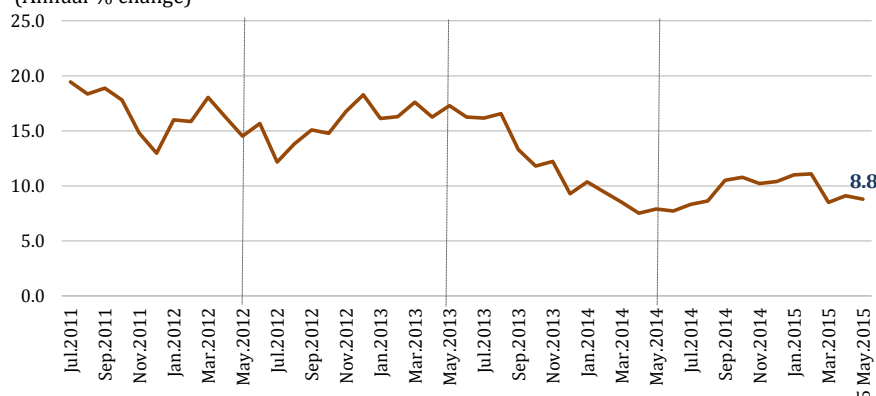
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Currency

On May 5, 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. At the end of April, currency showed an annual growth rate of 9.1 percent.

Currency in circulation

(Annual % change)



Monetary operations and interest rate

The monetary operations carried out by BCRP at May 5 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 credit in soles.

- Repos: The balance of repos at May 5 was S/. 4.06 billion, with an average interest rate of 4.03 percent. At the end of April, repos showed a balance of S/. 3.40 billion, with an average rate of 3.70 percent.
- Currency repos at May 5 showed a balance of S/. 15.55 billion, with an average rate of 4.19 percent (both this balance and the interest rate are the same as the ones recorded at the end of April). It is worth pointing out that, of the balance of currency repos registered at May 5, repos for credit expansion amount to S/. 3.9 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/. 2.15 billion.
- BCRP-CDs: The balance of BCRP-CDs at May 5 was S/. 15.50 billion, with an average rate of 3.54 percent. At the end of April, the balance was S/. 15.45 billion, with an average interest rate of 3.54 percent.
- Overnight deposits: At May 5, overnight deposits showed a balance of S/. 587 million, with an average rate of 2.05 percent. This balance at the end of April was S/. 733 million, with a rate of 2.05 percent.

At May 5, 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 for a total of US\$ 150 million in the spot market.
- FX Swaps: The balance of these instruments at May 5 was S/. 26.52 billion, with an average rate of -0.81 percent. This balance at the close of April was S/. 26.16 billion, with an average interest rate of -0.85 percent.
- CDR BCRP: At May 5, these CDs showed a balance of S/. 300 million (US\$ 97 million), with a rate of 0.01 percent (both this balance and the interest rate are the same as the ones recorded at the end of April).

On May 5, the interbank interest rate in soles showed an average daily rate of 3.78 percent.

Monetary and foreign exchange operations

(Million S/.)

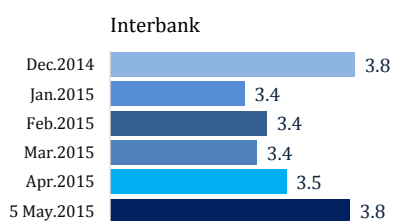
			Balance		Placement					Maturity
			(Interest rate)		(Interest rate)					
			Apr 30. 2015	May 5. 2015	Overnight	1 week	1-month	2-month	6-month	
Monetary operations	Injection	Repos	3 400 (3.70%)	4 060 (4.03%)	3 000 (4.18%)	1 000 (4.20%)	160 (4.23%)			3 500
		Currency repos	15 550 (4.19%)	15 550 (4.19%)						
	Sterilization	CD BCRP	15 455 (3.54%)	15 505 (3.54%)					50 (3.27%)	
		Overnight deposits	733 (2.05%)	587 (2.05%)	1 196 (2.05%)					1 342
Foreign exchange operations		CDR BCRP	300 (0.01%)	300 (0.01%)						
		FX-Swaps	26 165 (-0.85%)	26 525 (-0.81%)				1 860 (-0.49%)		1 500

Corporate prime rate in soles at 4.4 percent

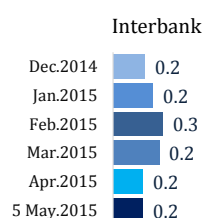
On May 5, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles recorded a daily average rate of 4.4 percent. In the same period, the corporate prime rate in dollars was 0.8 percent.

Average interest rate (%)

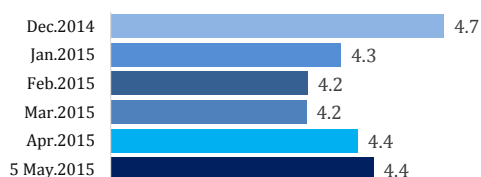
Domestic currency



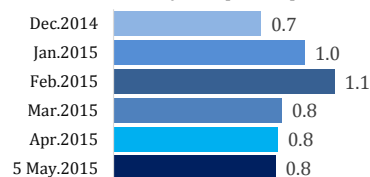
Foreign currency



90-days corporate prime



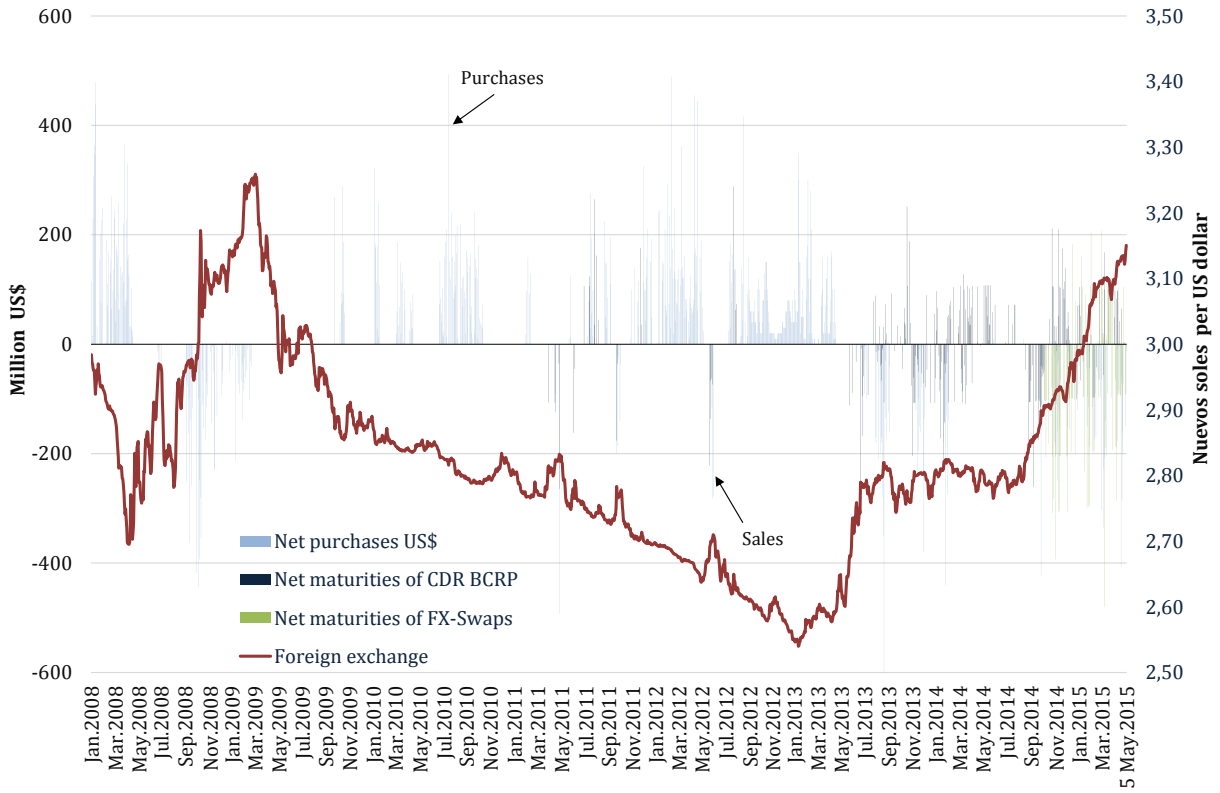
90-days corporate prime



Foreign exchange rate

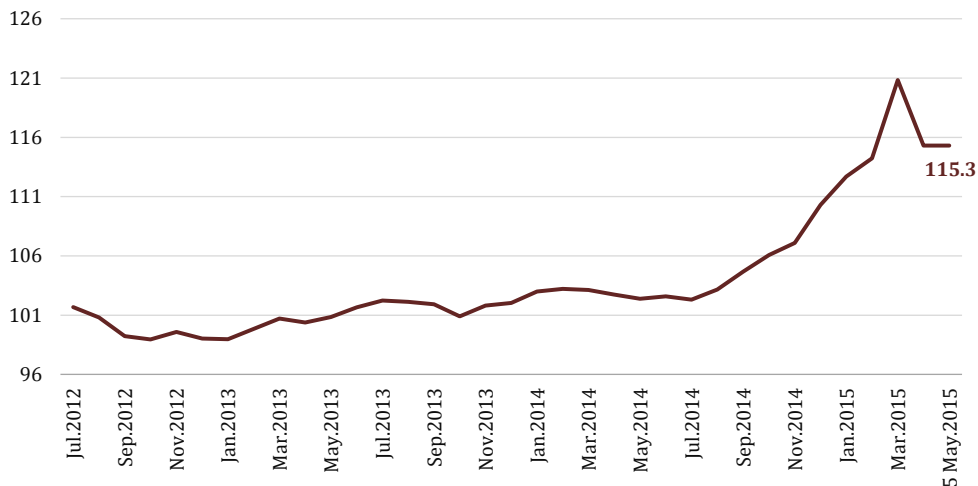
On May 5, the average selling price of the dollar in the interbank market was S/. 3.15 per dollar.

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 May 5), these currencies have depreciated 5.3 percent on average against the US dollar.

Exchange Rate (Accumulated variation 2015)	
Brazil	14.9%
Peru	5.7%
Mexico	4.0%
Colombia	0.5%
Chile	0.5%

Exchange Rate (Accumulated variation 2015)	
Euro	8.2%
Canada	3.9%
United Kingdom	2.6%
Japan	0.0%
US Dollar basket	5.3%

International reserves amount to US\$ 61.52 billion on May 5

On May 5, international reserves amount to US\$ 61.52 billion. This level of reserves is equivalent to 30 percent of GDP and to 18 months of imports.

Inflation in Metropolitan Lima: 0.39 percent in April

In April the consumer price index in Metropolitan Lima showed a variation of 0.39 percent, as a result of which inflation in the last 12 months registered a rate of 3.02 percent. Inflation without food and energy showed a rate of 0.34 percent in the month and a rate of 2.74 percent in the last 12 months.

Inflation

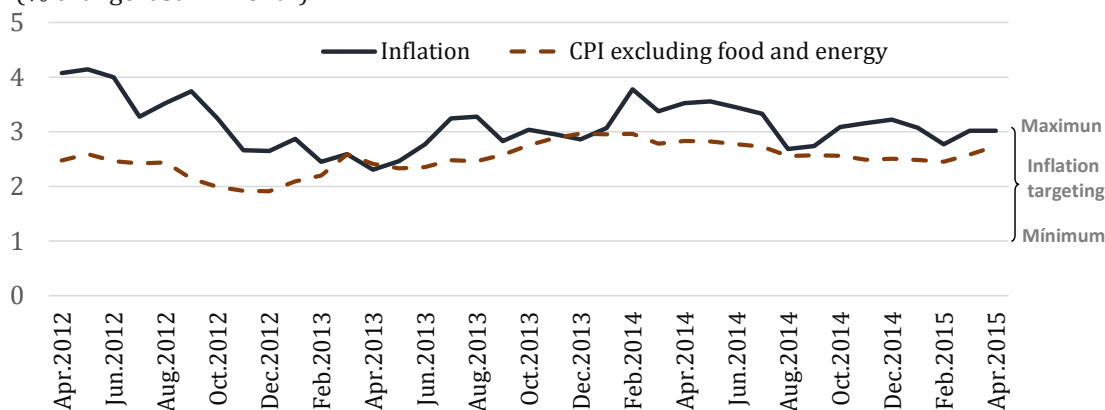
(% change)

	Weight 2009=100	March 2015		April 2015	
		Month	12 month	Month	12 month
CPI	100.0	0.76	3.02	0.39	3.02
1. CPI excluding food and energy	56.4	0.91	2.58	0.34	2.74
i. Goods	21.7	0.3	2.7	0.5	2.8
ii. Services	34.8	1.3	2.5	0.3	2.7
<i>Of which:</i>					
Education	9.1	4.0	4.5	0.2	4.8
Rent	2.4	0.2	3.2	0.4	3.6
Health	1.1	0.7	5.6	0.3	5.2
2. Food and energy	43.6	0.60	3.54	0.45	3.35
i. Food	37.8	0.5	5.0	0.5	4.9
ii. Energy	5.7	1.5	-5.9	0.0	-6.6

Source: INEI.

Inflation

(% change last 12 month)



The items that contributed the most to increase the rate of inflation in the month were meals outside the home, fish (0.06 percentage points each), and tomatoes (0.05 percentage points). On the other hand, the items that contributed the most to reduce the rate of inflation were citrus fruits (-0.05 percentage points), potatoes (-0.04 percentage points), and papaya (-0.02 percentage points).

BCRP Survey on Macroeconomic Expectations: April 2015

The results of the BCRP Survey on Macroeconomic Expectations show that the rate of inflation at end-2015 is expected to be between 2.9 and 3.0 percent, within the Central Bank's inflation target range.

Survey of Macroeconomic Expectations: Inflation (%)

	Feb 27, 2015	Survey date:	
		March 31, 2015	April 30, 2015
Economic analysts 1/			
2015	2.5	2.7	2.9
2016	2.5	2.5	2.6
2017	2.5	2.5	2.5
Financial entities 2/			
2015	2.5	2.8	2.9
2016	2.5	2.7	2.8
2017	2.5	2.7	2.9
Non-financial firms 3/			
2015	3.0	2.9	3.0
2016	3.0	3.0	3.0
2017	3.0	3.0	3.0

1/ 21 analysts in February, March and April 2015.

2/ 21 financial entities in February and March, and 20 in April 2015.

3/ 329 non-financial firms in February, 338 in March, and 361 in April 2015.

The BCRP survey also shows that the different economic agents surveyed expect GDP to grow between 3.0 and 3.5 percent in 2015 and that economic activity is expected to show a more dynamic pace of growth in the coming years.

Survey of Macroeconomic Expectations: GDP growth (%)

	Feb 27, 2015	Survey date:	
		March 31, 2015	April 30, 2015
Economic analysts 1/			
2015	3.9	3.6	3.1
2016	4.9	4.8	4.2
2017	5.0	5.0	5.0
Financial entities 2/			
2015	4.0	3.5	3.0
2016	4.5	4.5	4.0
2017	5.0	5.0	4.8
Non-financial firms 3/			
2015	4.0	4.0	3.5
2016	4.2	4.2	4.0
2017	5.0	5.0	4.5

1/ 21 analysts in February, March and April 2015.

2/ 21 financial entities in February and March, and 20 in April 2015.

3/ 329 non-financial firms in February, 338 in March, and 361 in April 2015.

Finally, economic agents expect an exchange rate between S/.3.20 and S/.3.25 per US dollar at the end of 2015.

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

	Feb 27, 2015	Survey date:	
		March 31, 2015	April 30, 2015
Economic analysts 1/			
2015	3,20	3,20	3,25
2016	3,22	3,25	3,30
2017	3,21	3,24	3,30
Financial entities 2/			
2015	3,20	3,20	3,22
2016	3,20	3,30	3,25
2017	3,20	3,30	3,25
Non-financial firms 3/			
2015	3,15	3,20	3,20
2016	3,20	3,20	3,25
2017	3,24	3,24	3,30

1/ 21 analysts in February, March and April 2015.

2/ 21 financial entities in February and March, and 20 in April 2015.

3/ 329 non-financial firms in February, 338 in March, and 361 in April 2015.

* Exchange rate at end of year.

Trade Balance – March 2015

Exports amounted to US\$ 2.69 billion in March, cumulating US\$ 8.09 billion in the first quarter of this year. The exports of traditional products amounting to US\$ 1.82 billion and exports of non-traditional products to US\$ 865 million.

Imports totaled US\$ 3.21 billion in the month and US\$ 9.18 billion in the first quarter. Most of the imports in March were inputs (US\$ 1.36 billion), followed by capital goods (US\$ 1.06 billion) and consumer goods (US\$ 757 million).

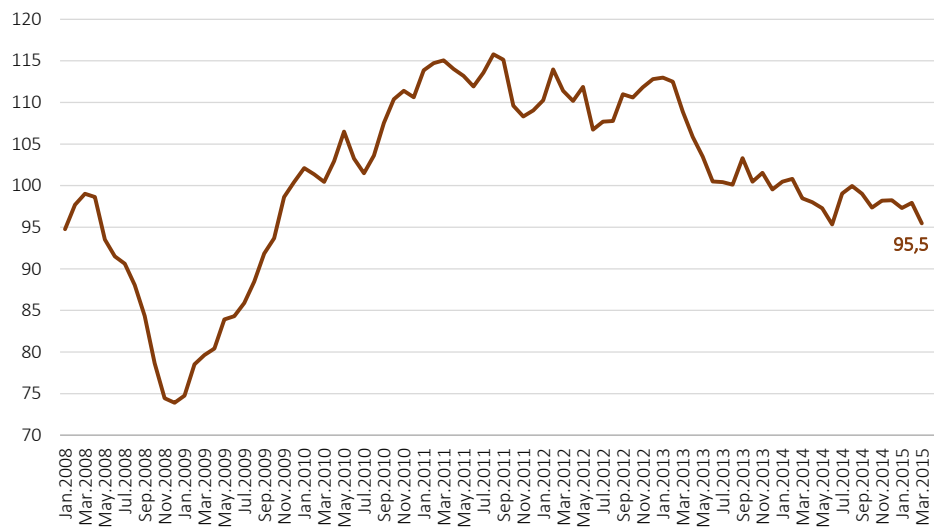
Trade balance (Million US\$)

	2015		
	Feb	Mar	March 12 months % change
1. Exports	2 592	2 692	-17,9
Traditional products	1 689	1 819	-19,8
<i>of which: Gold</i>	495	641	10,1
<i>Cooper</i>	587	584	-3,4
Non-traditional products	898	865	-12,2
<i>of which: Agriculture and livestock</i>	329	301	1,9
Other	6	8	-68,6
2. Imports	2 820	3 214	-4,7
Consumer goods	665	757	1,3
Inputs	1 212	1 360	-15,8
Capital goods	876	1 057	5,5
Other goods	68	40	-,-
3. TRADE BALANCE	-228	-522	0,0

Source: Sunat, BCRP and firms.

The **terms of trade** declined 3.1 percent compared to the same period of 2014.

Terms of trade (Year 2007=100)



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

In the last four weeks, **total credit to the private sector** decreased 0.4 percent (negative flow of S/. 887 million). By currencies, credit in soles grew 1.1 percent (S/. 1.60 billion), while credit in dollars declined by 3.0 percent (negative flow of US\$ 835 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** declined 2.6 percent (negative flow of S/. 5.77 billion), as a result of which liquidity in the private sector accumulated a growth rate of 4.5 percent in the last twelve months. By currencies, liquidity in soles declined 2.7 percent (negative flow of S/. 3.98 billion), while liquidity in dollars declined 2.4 percent (negative flow of US\$ 623 million).

International Markets

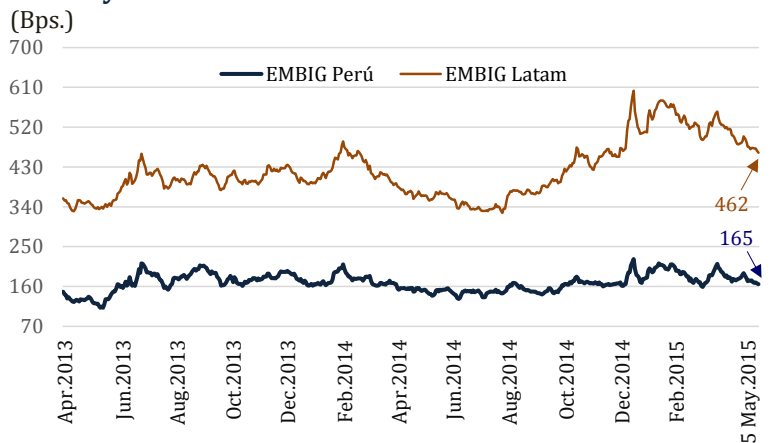
Country risk at 165 basis points

On **May 5**, the **EMBIG Peru** registered 165 bps and the **region** debt spread recorded 462 bps.

In **April**, the average country risk indicator –measured by the **EMBIG Peru** spread– declined from 184 to 177 bps.

In the same month, the **EMBIG LatAm** spread declined 33 basis points to 489 bps amid expectations that the Federal Reserve will maintain low interest rates for a longer period of time.

Country Risk Indicator



	Variation in basis points			
	5 May.15	Weekly	Monthly	Annual
EMBIG Perú (bps)	165	-5	-4	13
EMBIG Latam (bps)	462	-11	-10	96

Price of gold at US\$ 1,197.0 per troy ounce

On **May 5**, the price of **gold** registered US\$ 1,197.0 per troy ounce.

In **April**, gold showed an average price of US\$ 1,198.0 per troy ounce, a price level 1.6 percent higher than in March.

The recovery of Asia's physical demand for gold and expectations that the Federal Reserve will hold off on interest rate increases were determining factors for this price rise.

Gold Price

(US\$/ troy ounce)



% change			
5 May.15	Weekly	Monthly	Annual
US\$ 1,197.0 / troy oz.	-0.2	-0.1	-6.6

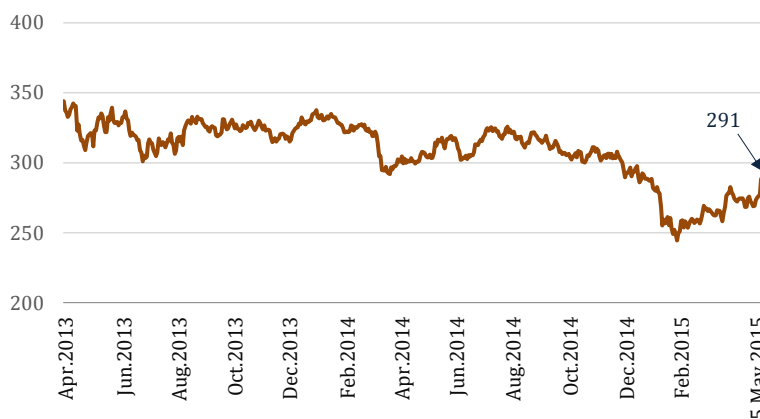
On **May 5 copper** was quoted at US\$ 2.91 per pound.

In **April**, the price of **copper** showed an average price of US\$ 2.73 per pound, a price level 1.7 percent higher than in March.

This rise in the price of copper was favored by the decline of inventories in the Shanghai exchange market and by expectations of a greater demand from China after the recent stimulus measures adopted in this country.

Copper Price

(cUS\$/pound)



% change			
5 May.15	Weekly	Monthly	Annual
US\$ 2,91 / pound	5.8	6.8	-4.3

The price of **zinc** on **May 5** recorded US\$ 1.09 per pound.

Moreover, the average price of **zinc** in April was US\$ 1.10 per pound, 8.8 percent higher than in the previous month.

This higher price of zinc reflects expectations of a tight supply, a continued decline of inventories, and the partial closure of some mines.

Zinc Price

(cUS\$/pound)



% change			
5 May.15	Weekly	Monthly	Annual
US\$ 1.09 / pound	5.2	14.6	19.3

The price of **WTI oil** on **May 5** was US\$ 60.4 per barrel.

In April, the average price of **WTI oil** was US\$ 54.4 per barrel, 13.9 percent higher than in March.

The price of crude rose influenced by geopolitical tensions in the Middle East and by the reduction of the number of operating oil platforms in the United States.

WTI Oil Price
(US\$/barrel)



5 May.15	% change		
	Weekly	Monthly	Annual
US\$ 60,4 / barrel	6.0	15.8	-39.3

USD-Euro exchange rate: US\$ 1.12 per euro

On May 5, the exchange rate was US\$ 1.12 per euro.

In **April**, the **US dollar** appreciated 0.4 percent on average against the **euro** amid expectations that the Federal Reserve will delay raising its interest rate following the publication of weaker than anticipated macroeconomic data in the United States.

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



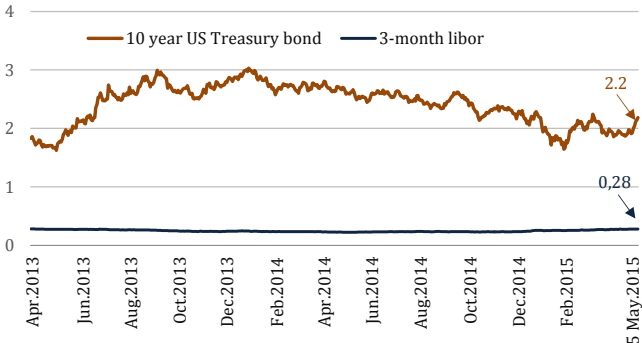
5 May.15	% change		
	Weekly	Monthly	Annual
US dollar/Euro	2.7	2.4	-19.4

Yield on 10-year US Treasuries at 2.19 percent

On May 5 the **3-month Libor** was 0.28 percent and the yield on the **10-year US Treasury bonds** was 2.19 percent.

In April, the **3-month Libor** rate was 0.28 percent, while the yield on the **10-year US Treasury bonds** showed a rate of 1.93 percent –11 basis points lower than in the previous month– amid uncertainty associated with Greece and with new geopolitical events.

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



5 May.15	Variation in basis points		
	Weekly	Monthly	Annual
3 months Libor (%)	0	1	6
US Treasuries (%)	26	29	-42

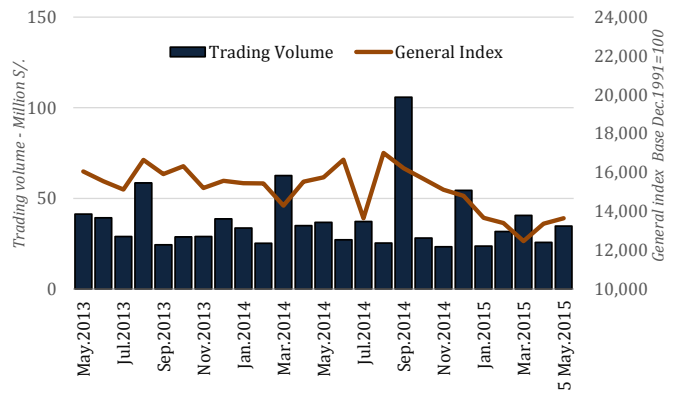
Lima Stock Exchange

In **April**, the **General Index** of the Lima Stock Exchange (LSE) rose 7.3 percent and the **Selective Index** rose 7.9 percent.

The rise in the LSE indices, in line with the positive evolution registered by the stock markets in the region, is explained by the increase registered in the prices of metals in international markets.

Year-to-date (at **May 5**), the General Index has fallen 7.8 percent and the Selective Index has fallen 5.2 percent.

Lima Stock Exchange Indicators



	As of:	% change compared to:		
	5 May.15	28 Apr.15	30 Apr.15	31 Dec.14
General Index	13,640	3.2	2.0	-7.8
Selective Index	19,219	3.4	2.6	-5.2

