






Indicators

-  Corporate interest rate in soles at 4.2 percent
-  NFPS registered a deficit in May: S/. 417 million
-  WTI oil Price in US\$/bl. 60.1

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Monetary operations and interest rate

So far in June (at June 9), The BCRP 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 continued injecting long-term liquidity in DC to contribute to the substitution of credit in dollars for credit in soles.

- Repos: The balance of repos at June 9 was S/. 1.8 billion, with an average interest rate of 3.76 percent. At the end of May, repos showed a balance of S/. 2.24 billion, with an average rate of 3.94 percent.
- Currency repos: The balance of currency repos increased from S/. 18.97 billion on May 29 to S/. 20.17 billion on June 9, the average rate of these repos lowering from 4.17 percent at the end of May to 4.16 percent. It should be pointed out that, of the balance of currency repos registered at June 9, ordinary currency repos amount to S/. 11.5 billion, repos for credit expansion amount to S/. 4.9 billion, while repos for credit substitution amount to S/. 3.77 billion –maturing between 24 and 48 months to facilitate the conversion of credit in dollars to credit in soles–.
- Auctions of Treasury deposits: Treasury deposits placed through auctions at June 9 showed a balance of S/. 600 million with a rate of 4.60 percent. At the end of May, these operations registered a similar amount and rate that values registered in June 9.
- Auctions of funds of Banco de la Nación: Funds placed through auctions at June 9 showed a balance of S/. 600 million at a rate of 4.54 percent. At the end of May, these operations registered a balance of S/. 300 million at a rate of 4.72 percent.
- BCRP-CDs: The balance of BCRP-CDs at June 9 was S/. 14.58 billion, with an average rate of 3.49 percent. At the end of May, the balance was S/. 13.98 billion, with an average interest rate of 3.50 percent.
- Term deposits: The balance of BCRP-CDs at June 9 was S/. 1.5 billion, similar to the end of May. The interest rate reduced from 2.21 percent (close at May) to 2.12 percent at June 9.
- Overnight deposits: At June 9, overnight deposits showed a balance of S/. 1.63 billion, with an average rate of 2.0 percent. This balance at the end of May was S/. 1.48 billion, with a rate of 2.0 percent.

In June 9, 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 did not intervene in the spot market.
- CDR BCRP: At June 9, these CDs showed a balance of S/. 600 million (US\$ 190 million), with a rate of 0.08 percent, similar amount and rate to the levels registered at the end of May.

- FX Swaps: The balance of these instruments at June 9 was S/. 23.41 billion, with an average rate of -0.51 percent. At the close of May this balance was S/. 24.71 billion, with an average interest rate of -0.56 percent.

On June 9, the interbank interest rate in soles showed a daily rate of 3.25 percent.

Monetary and foreign exchange operations

(Million S/.)

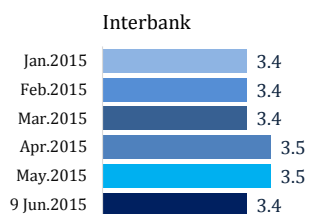
		Balance (Interest rate)		Placement (Interest rate)							Maturity			
		May 31. 2015	Jun 9. 2015	Overnight	1 week	3-month	6-month	12-month	18-month	24-month		36-month		
Monetary operations	Injection	Repos	2,240 (3.94%)	1,800 (3.76%)	3,000 (3.47%)	500 (3.33%)							3,940	
		Currency repos (Ordinary)	11,000 (4.31%)	11,500 (4.29%)				500 (3.94%)						
		Currency repos (Expansion)	4,500 (4.36%)	4,900 (4.38%)							400 (4.61%)			
		Currency repos (Substitution)	3,473 (3.48%)	3,773 (3.45%)								300 (3.03%)		
		Funds of Treasury	600 (4.60%)	600 (4.60%)										
		Funds of Banco de la Nación	300 (4.72%)	600 (4.54%)					300 (4.36%)					
	Sterilization	CD BCRP	13,980 (3.50%)	14,580 (3.49%)				300 (3.17%)	250 (3.22%)	50 (3.42%)				
		Term deposits	1 500 (2.21%)	1,500 (2.12%)	2,800 (2.17%)									2,800
		Overnight deposits	1,476 (2.00%)	1,626 (2.00%)	10,446 (2.00%)									10,296
	Foreign exchange operations	CDR BCRP	600 (0.08%)	600 (0.08%)										
FX-Swaps		24,713 (-0.56%)	23,408 (-0.51%)			1,095 (0.08%)							2,400	

Corporate prime rate in soles at 4.2 percent

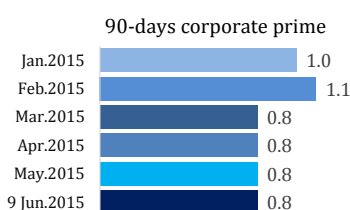
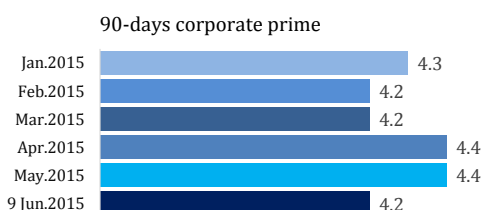
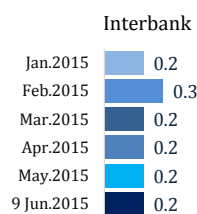
On June 9, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles recorded a rate of 4.2 percent. In the same period, the corporate prime rate in dollars was 0.8 percent.

Average interest rate (%)

Domestic currency



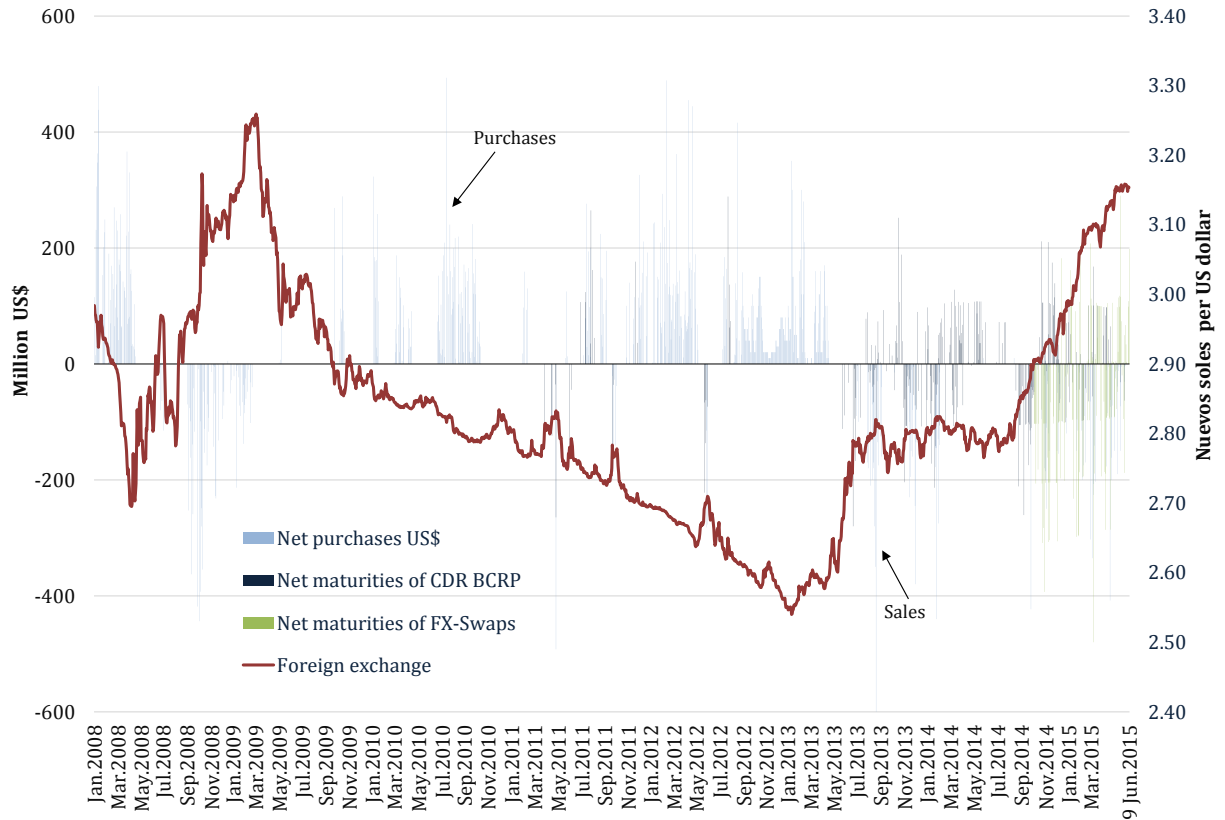
Foreign currency



Foreign exchange rate

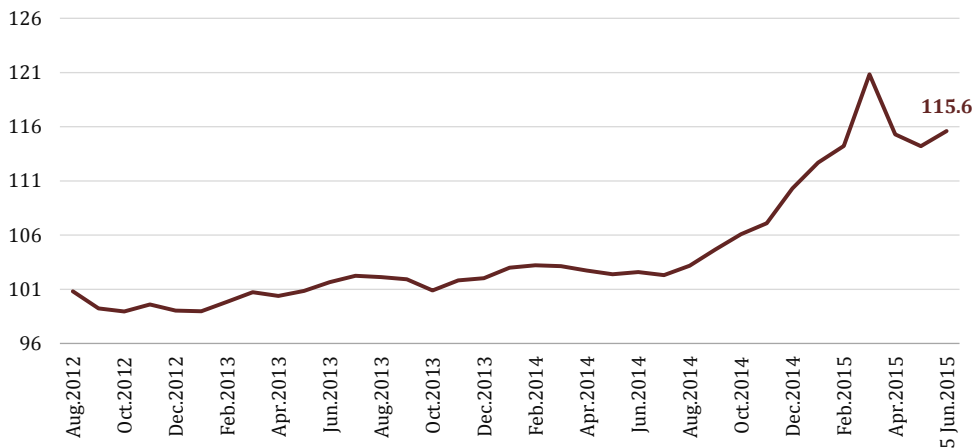
On June 9, the average selling price of the dollar in the interbank market was S/. 3.16 per dollar.

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 June 9), these currencies have depreciated 5.4 percent on average against the US dollar.

Exchange Rate (Accumulated variation 2015)	
Brazil	16.5%
Colombia	7.5%
Peru	5.9%
Mexico	5.6%
Chile	3.1%

Exchange Rate (Accumulated variation 2015)	
Euro	7.2%
Canada	6.2%
Japan	3.8%
United Kingdom	1.3%
US Dollar basket	5.4%

International reserves amount to US\$ 60.46 billion on June 7

At June 7, international reserves amounted to US\$ 60.46 billion mainly made up by liquidity international assets. This level of reserves is equivalent to 30 percent of GDP and to 18 months of imports.

Non-Financial Public Sector operations in May 2015

The operations of the **non-financial public sector** showed a deficit of S/. 417 million in May 2015, as a result of which public sector accumulated a surplus of S/. 9.23 billion at January-May period.

In May, the tax revenues of the general government fell 7.0 percent, while non-financial expenditure of the general government increased 2.3 percent due to the increase of current expenditure (8.2 percent).

Operations of the Non-Financial Public Sector 1/ (Million S/.)

	May			January - May		
	2014	2015	Real % chg.	2014	2015	Real % chg.
1. General government current revenues	9,781	9,414	-6.9	55,758	53,232	-7.3
a. Tax revenues	7,375	7,087	-7.0	42,573	40,316	-8.1
b. Non-tax revenues	2,406	2,328	-6.4	13,185	12,916	-4.9
2. General government non-financial expenditure	8,840	9,346	2.3	40,493	42,184	1.1
a. Current	6,470	7,234	8.2	30,690	33,478	5.8
b. Capital	2,370	2,112	-13.8	9,803	8,705	-13.8
<i>of which:</i>						
<i>Gross capital formation</i>	2,185	1,900	-15.8	9,189	7,436	-21.5
<i>National government</i>	667	880	27.6	3,038	3,570	14.0
<i>Regional governments</i>	477	372	-24.7	2,223	1,543	-32.7
<i>Local governments</i>	1,040	649	-39.7	3,928	2,322	-42.7
<i>Other capital expenditure</i>	185	211	10.4	614	1,270	101.6
3. Other 2/	121	149		141	1,117	
4. Primary Balance (=1-2+3)	1,061	218		15,406	12,166	
5. Interests	588	635	4.4	2,700	2,938	5.6
6. Overall Balance (=4-5)	473	-417		12,706	9,228	

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.

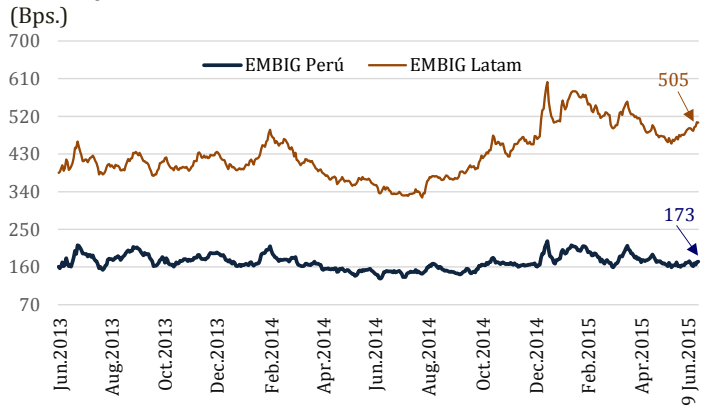
International Markets

Country risk at 173 basis points

In the week of June 2-9, the average country risk –measured by the **EMBIG Peru** spread– rose from 164 to 173 bps.

Meanwhile, the **EMBIG LatAm** spread rose 17 basis points amid uncertainty about Greece and expectations of increasing interest rates by the Fed from this year.

Country Risk Indicator



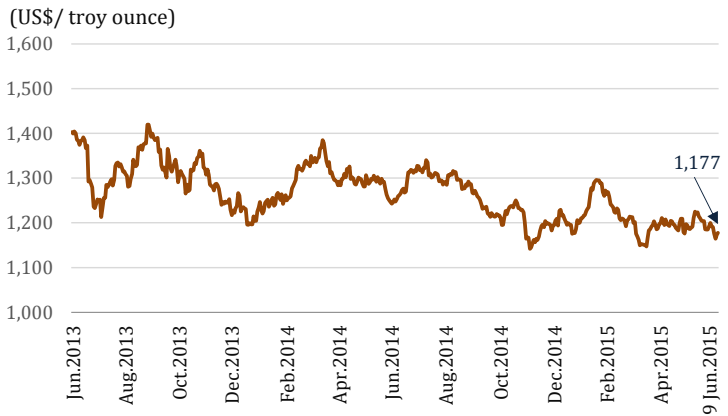
	Variation in basis points			
	9 Jun.15	Weekly	Monthly	Annual
EMBIG Perú (bps)	173	9	8	41
EMBIG Latam (bps)	505	17	45	169

Price of gold at US\$ 1,177.4 per troy ounce

In the same period, the price of **gold** fell 1.3 percent to US\$ 1,177.4 per troy ounce.

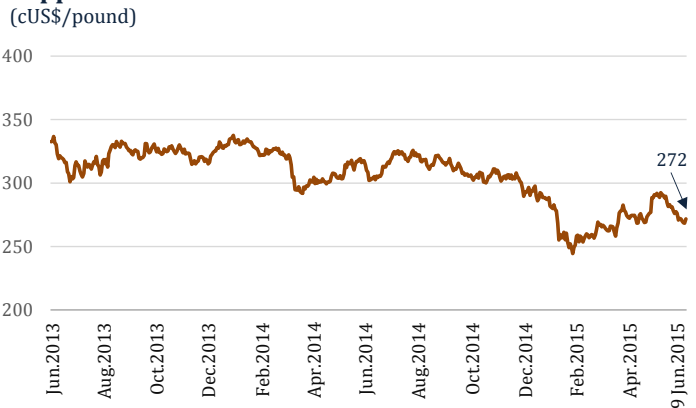
The fall in the price of gold was associated with expectations of increasing interest rates by the Fed and lower demand from China.

Gold Price



	% change			
	9 Jun.15	Weekly	Monthly	Annual
US\$ 1,177.4 / troy oz.	-1.3	-0.7	-0.7	-6.1

Copper Price



	% change			
	9 Jun.15	Weekly	Monthly	Annual
US\$ 2.72 / pound	-0.2	-0.2	-6.4	-10.2

In June 2-9, the price of **copper** fell 0.2 percent to US\$ 2.72 per pound.

The price of copper was influenced by fears of a seasonal slowdown in Chinese demand; but partially offsetting by the continued decline in inventories in the LME.

In the same period, the price of **zinc** increased 1.3 percent to US\$ 0.98 per pound.

The rise in the price of zinc is associated with lower inventories in main metal exchange markets and the depreciation of the dollar.

Zinc Price
(cUS\$/pound)

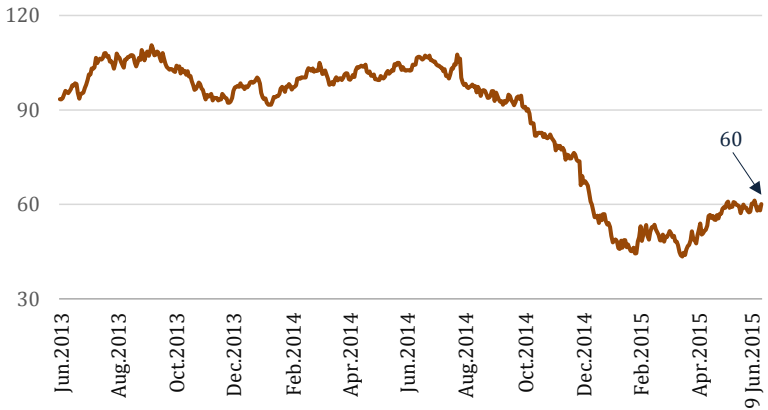


	% change			
	9 Jun.15	Weekly	Monthly	Annual
US\$ 0.98 / pound		1.3	-9.1	1.7

In June 2-9, the price of **WTI oil** dropped 1.8 percent to US\$ 60.1 per barrel.

The price of oil fell due to the OPEC's decision to maintain unchanged its quota at 30 mbd and falling oil imports from China.

WTI Oil Price
(US\$/barrel)

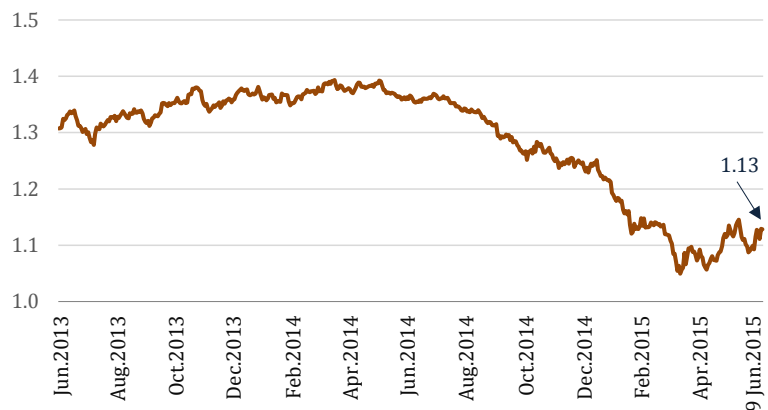


	% change			
	9 Jun.15	Weekly	Monthly	Annual
US\$ 60.1 / barrel		-1.8	1.3	-42.4

Dollar depreciated against the euro

In June 2-9, the **US dollar** depreciated 1.2 percent against the **euro** amid higher expectations of GDP growth for the Eurozone.

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



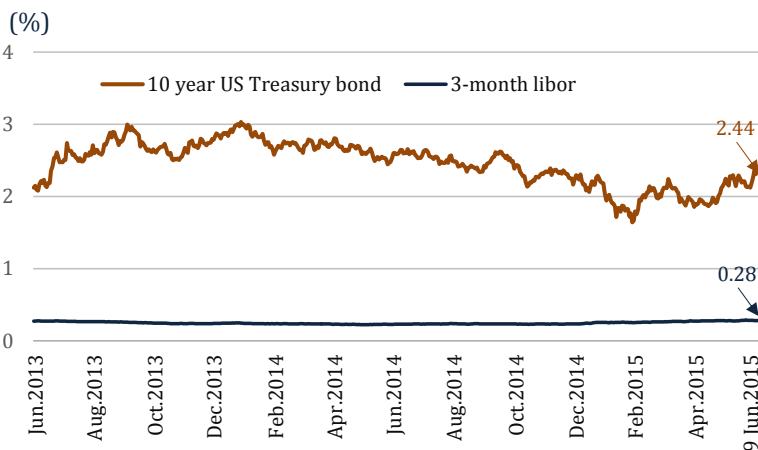
	Level	% change		
	9 Jun.15	Weekly	Monthly	Annual
US dollar/Euro	1.13	1.2	0.7	-17.0

Yield on 10-year US Treasuries at 2.44 percent

Between June 2 and 9 the **3-month Libor** remained unchanged at 0.28 percent.

On the other hand, the yield on the 10-year US Treasury bonds rose 18 bps to 2.44 percent, after expectations of increasing interest rates by the Fed, particularly after the jobs report.

3-Month Libor and 10-Year US Treasuries



	Variation in basis points			
	9 Jun.15	Weekly	Monthly	Annual
3 months Libor (%)	0.28	0	0	5
US Treasuries (%)	2.44	18	29	-17

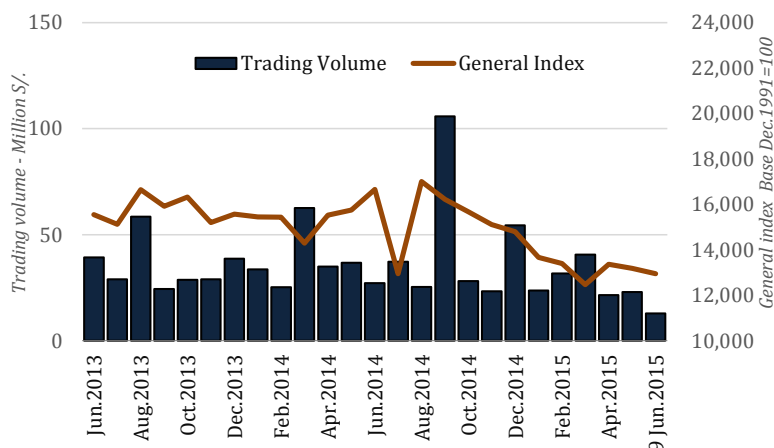
Lima Stock Exchange

In June 2-9 the **General Index** of the Lima Stock Exchange (LSE) fell 2.1 percent and the **Selective Index** fell 0.6 percent.

The indices of the LSE were in line of performance of markets in the region, and influenced by uncertainty in Greece and the fall of commodity prices.

Year-to-date, the General Index has fallen 12.5 percent and the Selective Index has fallen 7.0 percent.

Lima Stock Exchange Indicators



	As of:	% change compared to:		
	9 Jun.15	2 Jun.15	29 May.15	31 Dec.14
General Index	12,946	-2.1	-1.8	-12.5
Selective Index	18,847	-0.6	-1.6	-7.0

