






Indicators

-  Corporate prime rate in soles at 4.1 percent
-  Inflation: 0.33 percent in June
-  Annual growth rate of credit to the private sector: 9.6 percent

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Monetary operations and interest rate

In June, the BCRP has also 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 30 was S/. 2.6 billion, with an average interest rate of 4.35 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 31 to S/. 20.91 billion on June 30, the average rate of these repos lowering from 4.17 percent at the end of May to 4.14 percent. It should be pointed out that, of the balance of currency repos registered at June 30, ordinary currency repos amount to S/. 11.5 billion, repos for credit expansion amount to S/. 5.1 billion, while repos for credit substitution amount to S/. 4.31 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 30 showed a balance of S/. 1.4 billion with a rate of 4.49 percent. At the end of May, these operations registered a balance of S/. 600 million with a rate of 4.60 percent.
- Auctions of funds of Banco de la Nación: Funds placed through auctions at June 30 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 30 was S/. 16.58 billion, with an average rate of 3.43 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 30 was nil. The balance, at the end of May, was S/. 1.50 billion, with an average interest rate of 2.21 percent.
- Overnight deposits: At June 30, overnight deposits showed a balance of S/. 686 million, 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, 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 US\$ 643 million in the spot market.
- CDR BCRP: At June 30, these CDs showed a balance of S/. 1.14 billion (US\$ 360 million), with a rate of 0.20 percent. This balance at the end of May was S/. 600 million (US\$ 190 million), with a rate of 0.08 percent.

- FX Swaps: The balance of these instruments at June 30 was S/. 23.13 billion, with an average rate of -0.02 percent. At the close of May this balance was S/. 24.71 billion, with an average interest rate of -0.56 percent.

In June, the interbank interest rate in soles showed an average daily rate of 3.42 percent.

Monetary and foreign exchange operations
(Million S/.)

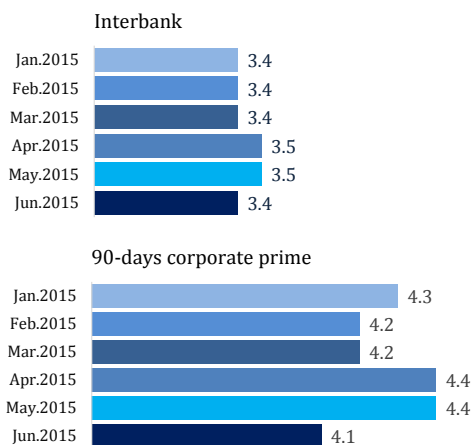
		Balance (Interest rate)		Placement (Interest rate)								Maturity			
		May 31, 2015	Jun 30, 2015	Overnight	1 week	1-month	2-month	3-month	6-month	12-month	18-month		24-month		
Monetary operations	Injection	Repos	2,240 (3.94%)	2,631 (4.35%)	3,982 (3.56%)	1,700 (4.11%)		2,100 (4.29%)	150 (4.52%)					6,541	
		Currency repos (Ordinary)	11,000 (4.31%)	11,500 (4.29%)						500 (3.94%)					
		Currency repos (Expansion)	4,500 (4.36%)	5,100 (4.39%)										600 (4.64%)	
		Currency repos (Substitution)	3,473 (3.48%)	4,305 (3.41%)										832 (3.12%)	
		Funds of Treasury	600 (4.60%)	1,400 (4.49%)						500 (4.47%)	300 (4.30%)				
		Funds of Banco de la Nación	300 (4.72%)	600 (4.54%)							300 (4.36%)				
	Sterilization	CD BCRP	13,980 (3.50%)	16,583 (3.43%)			400 (2.45%)	1,079 (3.23%)	1,430 (3.34%)	400 (3.28%)	195 (3.48%)			900	
		Term deposits	1,500 (2.21%)		17,074 (2.34%)									18,574	
		Overnight deposits	1,476 (2.00%)	686 (2.00%)	21,349 (2.00%)									22,139	
	Foreign exchange operations	CDR BCRP	600 (0.08%)	1,140 (0.20%)				240 (0.15%)	300 (0.48%)						
FX-Swaps		24,713 (-0.56%)	23,127 (-0.02%)		300 (0.08%)	3,277 (0.10%)	6,837 (0.33%)						12,000		

Corporate prime rate in soles at 4.1 percent

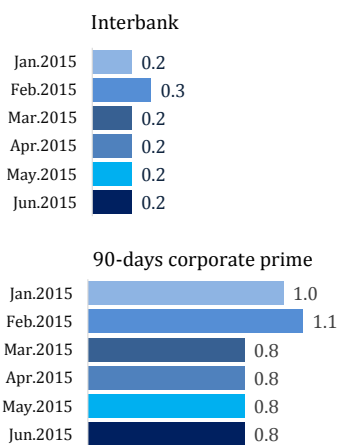
In June, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles recorded a rate of 4.1 percent. In the same period, the corporate prime rate in dollars was 0.8 percent.

Average interest rate (%)

Domestic currency



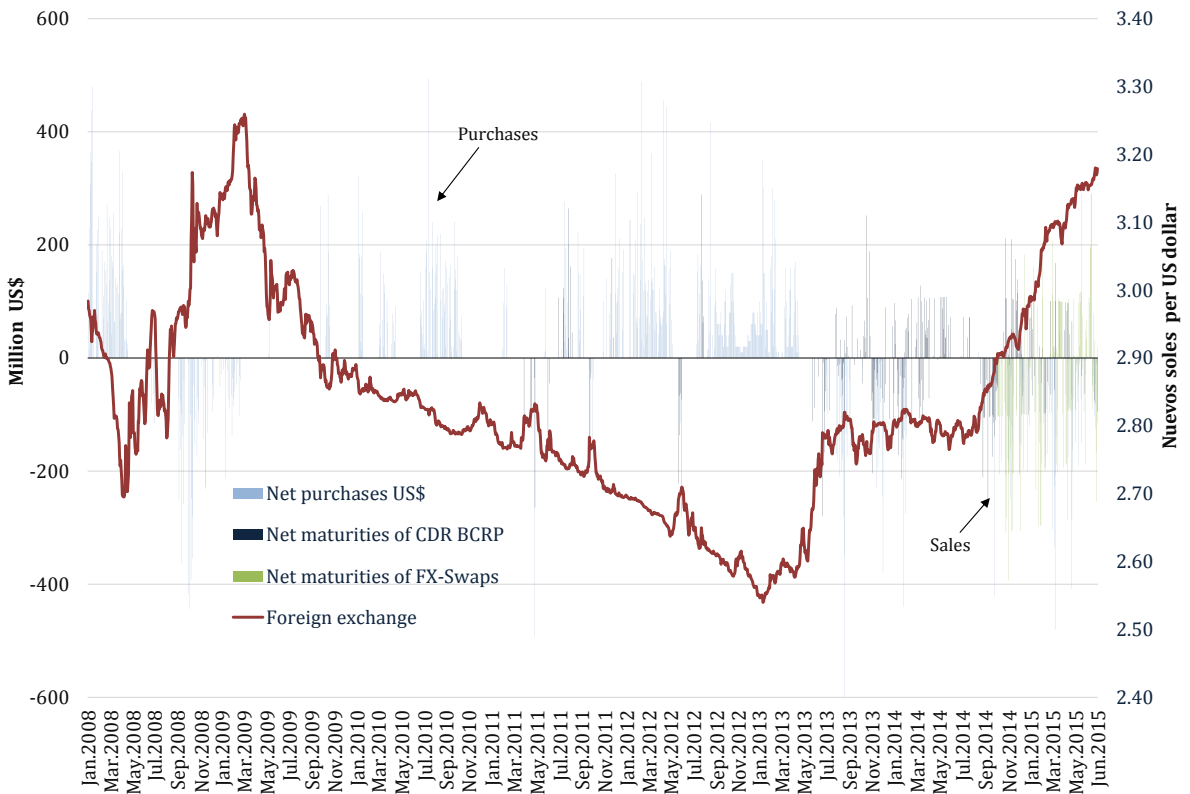
Foreign currency



Foreign exchange rate

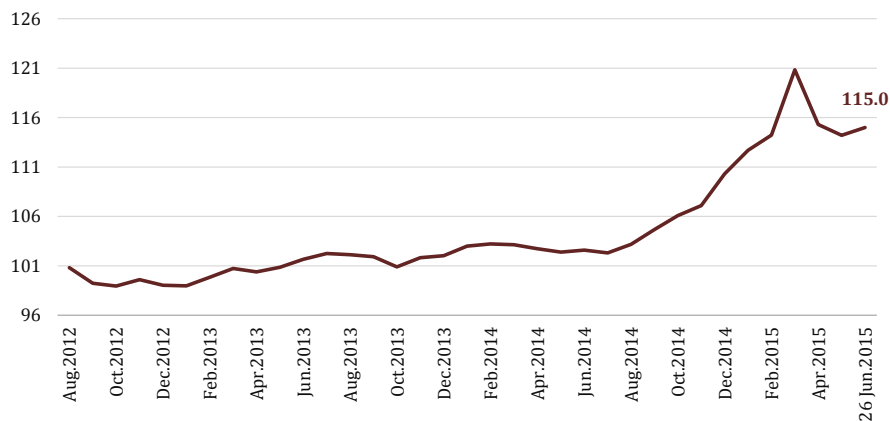
At June 30, the average selling price of the dollar in the interbank market was S/. 3.18 per dollar.

Exchange rate and foreign exchange intervention



In the last months, 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 30), these currencies have depreciated 5.8 percent on average against the US dollar.

Exchange Rate (Accumulated variation 2015)	
Brazil	16.7%
Colombia	9.6%
Peru	6.7%
Mexico	6.7%
Chile	5.4%

Exchange Rate (Accumulated variation 2015)	
Euro	8.6%
Canada	7.5%
Japan	2.3%
United Kingdom	-0.8%
US Dollar basket	5.8%

International reserves amount to US\$ 60.02 billion at the end of June

In June, international reserves amounted to US\$ 60.02 billion mainly made up by liquidity international assets. This level of reserves is equivalent to 30 percent of GDP and to 19 months of imports.

Inflation in Metropolitan Lima: 0.33 percent in June

In June the consumer price index in Metropolitan Lima showed a variation of 0.33 percent, as a result of which inflation in the last 12 months registered a rate of 3.54 percent. Inflation without food and energy showed a rate of 0.26 percent in the month and a rate of 3.0 percent in the last 12 months.

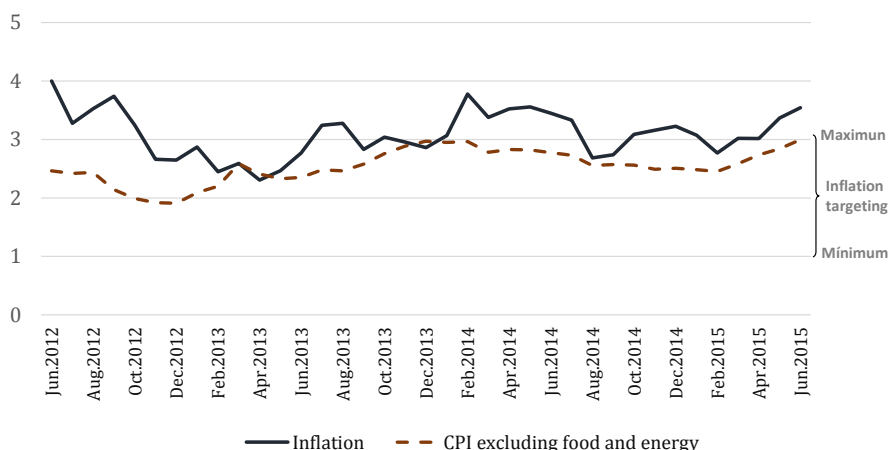
Inflation (% change)

	Weigth 2009=100	June 2015	
		Month	12 month
CPI	100.0	0.33	3.54
1. CPI excluding food and energy	56.4	0.26	3.00
i. Goods	21.7	0.2	2.8
ii. Services	34.8	0.3	3.1
<i>Of which:</i>			
Education	9.1	0.1	5.1
Rent	2.4	0.2	3.5
Health	1.1	0.4	5.6
2. Food and energy	43.6	0.42	4.19
i. Food	37.8	0.1	4.8
ii. Energy	5.7	2.3	-0.1

Source: INEL.

Inflation

(% change last 12 month)



The items that contributed the most to increase the rate of inflation in the month were domestic gas (0.09 percentage points), sugar (0.06 percentage points), and meals outside the home (0.05 percentage points each). On the other hand, the items that contributed the most to reduce the rate of inflation were poultry meat (-0.06 percentage points), potatoes (-0.04 percentage points), and citrus fruits (-0.02 percentage points).

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

In the last four weeks, at June 15, 2015, **total credit to the private sector** increased 1.0 percent (S/. 2.37 billion). By currencies, credit in soles grew 1.8 percent (S/. 2.71 billion), while credit in dollars declined by 0.4 percent (negative flow of US\$ 115 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** fell 0.5 percent (negative flow of S/. 1.15 billion), as a result of which liquidity in the private sector accumulated a growth rate of 6.4 percent in the last twelve months. By currencies, liquidity in soles decreased 0.7 percent (negative flow of S/. 1.06 million) and liquidity in dollars fell 0.1 percent (negative flow of US\$ 29 million).

BCRP Survey on Macroeconomic Expectations: June 2015

Inflation expectations kept to the Central Bank's inflation target.

Survey of Macroeconomic Expectations: Inflation (%)

	April 30, 2015	Survey date:	
		May 29, 2015	June 30, 2015
Economic analysts 1/			
2015	2.9	2.9	3.0
2016	2.6	2.6	2.8
Financial entities 2/			
2015	2.9	2.9	3.0
2016	2.8	2.8	2.8
Non-financial firms 3/			
2015	3.0	3.0	3.0
2016	3.0	3.0	3.0

1/ 21 analysts in April, 23 in May, and 18 in June 2015.

2/ 20 financial entities in April, 19 in May, and 18 in June 2015.

3/ 361 non-financial firms in April 364 in May, and 330 in June 2015.

The BCRP survey also shows that financial entities expected a GDP growth of 3.4 percent in 2015 and non-financial firms 3.5 percent. Besides, economic analysts kept their expectation in 3.0 percent.

Survey of Macroeconomic Expectations: GDP growth (%)

	April 30, 2015	Survey date:	
		May 29, 2015	June 30, 2015
Economic analysts 1/			
2015	3.1	3.0	3.0
2016	4.2	4.2	4.2
Financial entities 2/			
2015	3.0	3.0	3.4
2016	4.0	4.2	4.0
Non-financial firms 3/			
2015	3.5	3.1	3.5
2016	4.0	4.0	4.0

1/ 21 analysts in April, 23 in May, and 18 in June 2015.

2/ 20 financial entities in April, 19 in May, and 18 in June 2015.

3/ 361 non-financial firms in April 364 in May, and 330 in June 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\$)*

	April 30, 2015	Survey date:	
		May 29, 2015	June 30, 2015
Economic analysts 1/			
2015	3.25	3.25	3.25
2016	3.30	3.30	3.40
Financial entities 2/			
2015	3.22	3.25	3.25
2016	3.25	3.30	3.34
Non-financial firms 3/			
2015	3.20	3.20	3.20
2016	3.25	3.30	3.30

1/ 21 analysts in April, 23 in May, and 18 in June 2015.

2/ 20 financial entities in April, 19 in May, and 18 in June 2015.

3/ 361 non-financial firms in April 364 in May, and 330 in June 2015.

* Exchange rate at end of year.

Trade Balance – May 2015

Trade deficit improved US\$ 430 million respect to April, due to major traditional exports (US\$ 145 million) and non-traditional (US\$ 110 million). In the first case, the increase reflects higher shipments of fishmeal and copper; and the non-traditional, agricultural shipments highlighted. Imports fell US\$ 161 million.

Trade balance

(Million US\$)

	2015		
	April	May	January - May
1. Exports	2,357	2,626	13,077
Traditional products	1,631	1,777	8,752
<i>of which:</i>			
Crude oil and derivatives	168	153	824
Copper	547	566	2,861
Non-traditional products	718	828	4,276
<i>of which:</i>			
Textiles	96	106	547
Other	7	21	48
2. Imports	3,018	2,857	15,065
Consumer goods	657	612	3,386
Inputs	1,328	1,266	6,595
Capital goods	1,014	966	4,926
Other goods	19	13	157
3. TRADE BALANCE	-661	-231	-1,988

Source: Sunat, BCRP and firms.

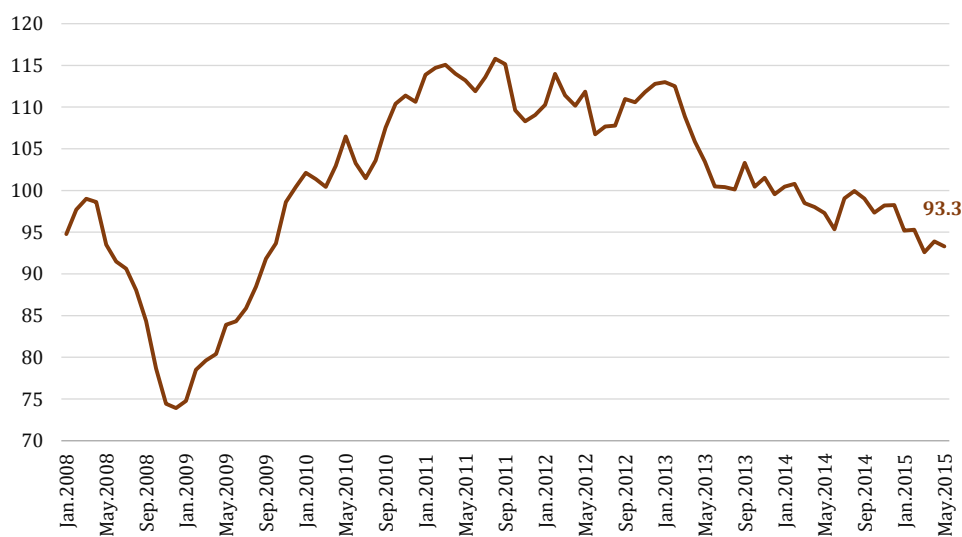
Total exports amounted to US\$ 2.63 billion in May and thus accumulated US\$ 13.08 billion between January-May of this year. Besides, exports of traditional products totaled US\$ 1.78 billion while exports of non-traditional products totaled US\$ 828 million.

On the other hand, imports amounted to US\$ 2.86 billion in the month and to US\$ 15.07 billion in the first five months of this year. Most of imports in May were inputs (US\$ 1.23 billion), followed by capital goods (US\$ 966 million), and consumer goods (US\$ 612 million).

Thus, imports were US\$ 231 million higher than exports.

The **terms of trade** declined 4.1 percent compared to the same period of 2014 due to lower export prices like copper, gold, and oil; although partially offset by the decline of import prices.

Terms of trade (Year 2007=100)



International Markets

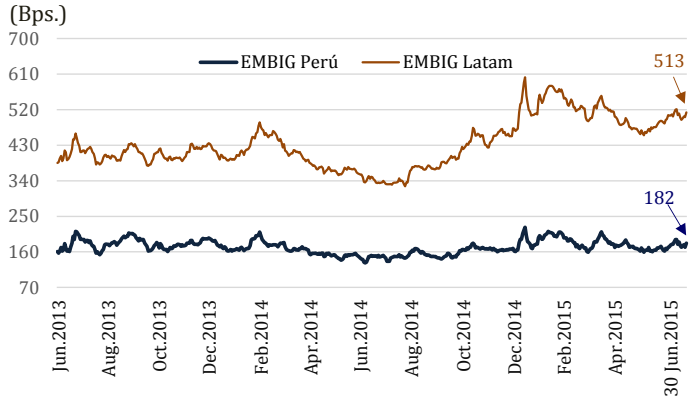
Peru country risk at 182 basis points

On **June 30**, the **EMBIG Peru** registered 182 bps and the **region** debt spread recorded 513 bps.

In **June**, the average country risk indicator –measured by the **EMBIG Peru** spread– rose from 166 to 177 bps.

In the same month, the **EMBIG LatAm** spread increased 33 basis points to 504 bps amid uncertainty about Greece; and moderation of economic growth in China.

Country Risk Indicator



	Variation in basis points			
	30 Jun.2015	Weekly	Monthly	Annual
EMBIG Perú (bps)	182	10	8	31
EMBIG Latam (bps)	513	19	21	173

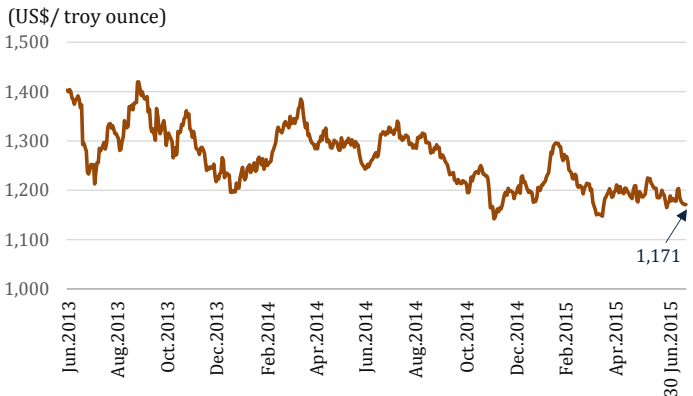
Price of gold at US\$ 1,171.0 per troy ounce

On **June 30**, the price of **gold** registered US\$ 1,171.0 per troy ounce.

In **June**, **gold** showed an average price of US\$ 1,181.5 per troy ounce, a price level 1.5 percent lower than in May.

The drop in the price of gold was associated with a lower physical demand from China and higher net sales of Exchange –Trade Funds.

Gold Price



	% change			
	30 Jun.2015	Weekly	Monthly	Annual
US\$ 1,171.0 / troy oz.		-0.6	-1.7	-11.0

On **June 30**, **copper** was quoted at US\$ 2.60 per pound.

In **June**, the price of **copper** showed an average price of US\$ 2.65 per pound, a price level 7.4 percent lower than in previous month.

This fall in the price of copper was influenced by concerns for a lower demand from China at the beginning of summer and uncertainty about Greece.

Copper Price



	% change			
	30 Jun.2015	Weekly	Monthly	Annual
US\$ 2.60 / pound		-0.1	-6.0	-17.7

The price of **zinc** on **June 30** recorded US\$ 0.90 per pound.

Moreover, the average price of **zinc** in **June** was US\$ 0.95 per pound, 8.8 percent lower than in May.

This lower price of zinc reflects the most comfortable conditions of supply and rising global inventories.

Zinc Price
(cUS\$/pound)



30 Jun.2015	% change		
	Weekly	Monthly	Annual
US\$ 0.90 / pound	-1.7	-9.9	-9.5

The price of **WTI oil** on **June 30** was US\$ 59.5 per barrel.

In **June**, the average price of **WTI oil** was US\$ 59.8 per barrel, 0.9 percent higher than in previous month.

The price of oil rose due to a tight market in the USA for reduced inventories of crude in a higher volume than expected.

WTI Oil Price
(US\$/barrel)



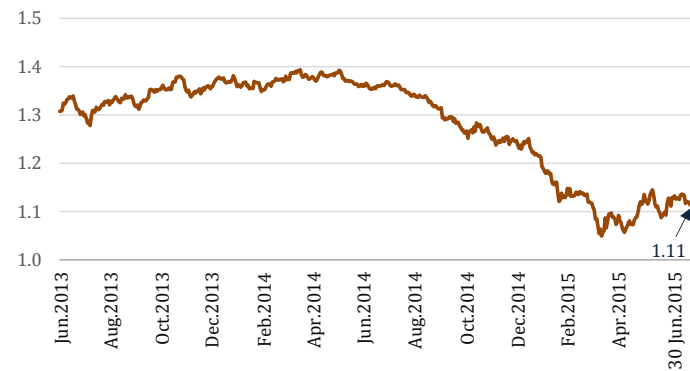
30 Jun.2015	% change		
	Weekly	Monthly	Annual
US\$ 59.5 / barrel	-2.2	-1.4	-43.6

USD-Euro exchange rate: US\$ 1.11 per euro

On **June 30**, the exchange rate was US\$ 1.11 per euro.

In **June**, the **US dollar** depreciated 0.7 percent on average against the **euro** amid expectations about a gradual hike in interest rates by the Federal Reserves.

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



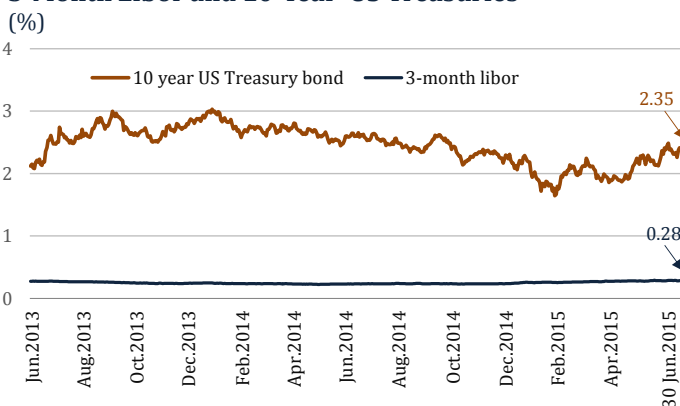
	Level	% change		
	30 Jun.2015	Weekly	Monthly	Annual
US dollar/Euro	1.11	-0.3	1.3	-18.7

Yield on 10-year US Treasuries at 2.35 percent

On **June 30**, the **3-month Libor** was 0.28 percent and the yield on the **10-year US Treasury bonds** was 2.35 percent.

In **June**, the **3-month Libor** rate was 0.28 percent, while the yield on the **10-year US Treasury bonds** showed a rate of 2.36 percent –16 basis points higher than in the previous month—amid after dissemination of US positive indicators.

3-Month Libor and 10-Year US Treasuries



	Variation in basis points			
	30 Jun.2015	Weekly	Monthly	Annual
3 months Libor (%)	0.28	0	0	5
US Treasuries (%)	2.35	-6	23	-18

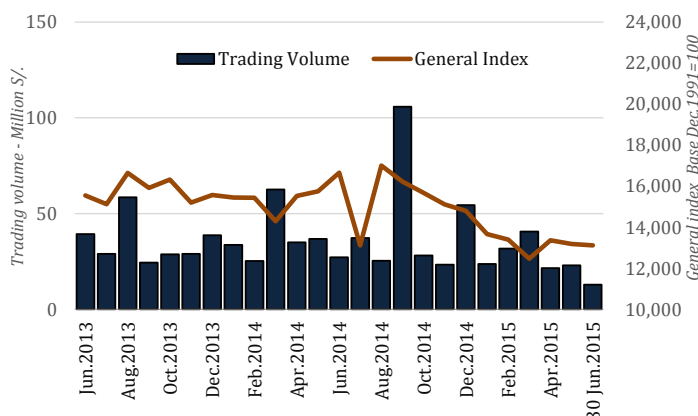
Lima Stock Exchange

In **June**, the **General Index** of the Lima Stock Exchange (LSE) fell 0.5 percent, while the **Selective Index** rose 0.7 percent.

This LSE indices were influenced by falling international commodity prices and uncertainty about Greece.

Year-to-date (at **June 30**), the General Index has fallen 11.4 percent and the Selective Index has fallen 4.8 percent.

Lima Stock Exchange Indicators



	% change compared to:				
	As of:	30 Jun.15	23 Jun.15	29 May.15	31 Dec.14
General Index	13,113	-1.0	-0.5	-11.4	
Selective Index	19,286	-1.0	0.7	-4.8	

