






Indicators

-  Ratio of credit dollarization in June at 34.0 percent
-  Corporate prime rate in soles at 4.2 percent
-  WTI oil Price fell to US\$/bl 50,4

Content

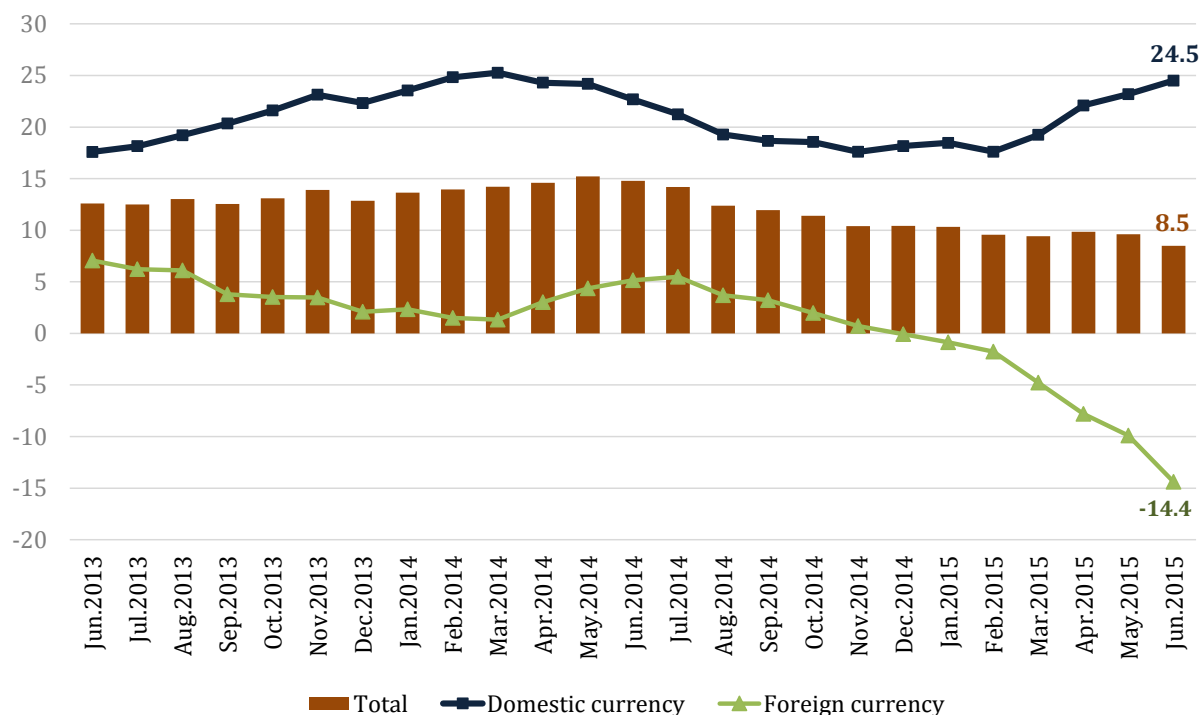
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Credit to the private sector and liquidity: June 2015

Total credit of depository institutions to the non-financial private sector –including the loans placed by local banks’ branch offices in other countries– increased 0.2 percent in June 2015 (S/. 440 million) and 8.5 percent compared to June 2014.

Credit in Soles grew 1.9 percent in the month (S/. 3.02 billion) and 24.5 percent in the last twelve months. On the other hand, credit in dollars fell 3.2 percent (negative flow of US\$ 864 million) and 14.4 percent in the last 12 months.

Credit to the Private Sector (Annual % change)



Corporate credit decreased 0.2 percent in June, while credit to individuals grew 0.9 percent in the month. In the segment of personal credit, consumer loans grew 1.2 percent while mortgage loans grew 0.6 percent.

Credit to the private sector by type of loan

	Monthly % change		12-month % change	
	May.15	Jun.15	May.15	Jun.15
Loans to companies 1/	1.1	-0.2	8.1	6.5
Corporate, large, and Medium-sized companies	1.4	-0.3	10.2	8.3
Small businesses	0.3	0.0	1.1	0.7
Loans to individuals 3/	1.4	0.9	12.4	12.1
Consumer loans	1.8	1.2	13.6	13.6
Mortgage	0.8	0.6	10.9	10.1
TOTAL	1.2	0.2	9.6	8.5

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

2 / Includes non-profit organizations.

Total liquidity in the private sector increased 0.5 percent in June (S/. 1.12 billion) and thus recorded an annual growth rate of 6.0 percent. This increase of liquidity in June is explained by higher demand deposits (2.6 percent) and term deposits (0.4 percent). In June, demand for currency fell (1.1 percent).

Liquidity in soles increased 0.3 percent in the June (S/. 379 million), thus recording an annual growth rate of 6.9 percent. Liquidity in dollars grew 1.0 percent in the month (US\$ 247 million) and thus recorded a rate of 4.5 percent in annual terms.

Liquidity by type of liability

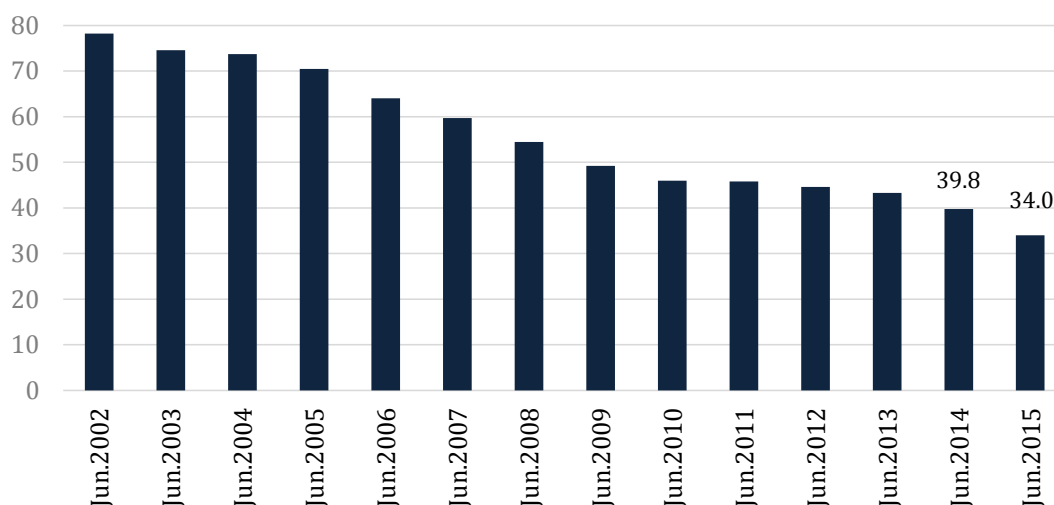
	Monthly % change		12-month % change	
	May.15	Jun.15	May.15	Jun.15
Currency	1.4	-1.1	10.9	8.9
Deposits	-0.5	0.8	4.8	5.0
Demand deposits	-2.7	2.6	2.2	5.2
Saving deposits	-2.3	-0.4	11.9	11.3
Term deposits	2.9	0.4	1.6	0.4
CTS	14.3	-1.2	0.5	0.0
Securities and others 1/	17.2	1.3	18.7	29.8
TOTAL	0.1	0.5	6.0	6.0

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

In June 2015, the **dollarization ratio** of credit to the private sector declined to 34.0 percent. 5.8 percentage points lower than June 2014.

Dollarization ratio of credit

(%)



Operaciones monetarias y tasa de interés

So far in July (at July 21), 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 July 21 was S/. 2.85 billion, with an average interest rate of 4.19 percent. At the end of June, repos showed a balance of S/. 2.63 billion, with an average rate of 4.35 percent.
- **Currency repos:** The balance of currency repos increased from S/. 20.91 billion on June 30 to S/. 22.0 billion on July 21, the average rate of these repos grew from 4.14 percent at the end of June to 4.16 percent. It should be pointed out that, of the balance of currency repos registered at July 21, ordinary currency repos amount to S/. 11.8 billion, repos for credit expansion amount to S/. 5.9 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 July 21 showed a balance of S/. 1.9 billion at a rate of 4.47 percent. At the end of June, these operations registered a balance of S/. 1.4 billion at a rate of 4.49 percent.
- **Auctions of funds of Banco de la Nación:** Funds placed through auctions at the end of June showed a balance of S/. 600 million, with a rate of 4.54 percent. On July 21, these operations registered a similar balance and interest rate.
- **BCRP-CDs:** The balance of BCRP-CDs at July 21 was S/. 15.48 billion, with an average rate of 3.45 percent. At the end of June, the balance was S/. 16.58 billion, with an average interest rate of 3.43 percent.
- **Term deposits:** The balance of BCRP-CDs at July 21 was S/. 400 million, with an average interest rate of 2.99 percent. The balance, at the end of June, was nil.

- Overnight deposits: At July 21, overnight deposits showed a balance of S/. 200 million, with an average rate of 2.0 percent. This balance at the end of June was S/. 686 billion, with a rate of 2.0 percent.

In July 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 US\$ 10 million in the spot market.
- CDR BCRP: At July 21, these CDs showed a balance of S/. 2.24 billion (US\$ 705 million), with a rate of 0.46 percent. This balance at the end of June was S/. 1.14 billion (US\$ 360 million), with a rate of 0.20 percent.
- FX Swaps: The balance of these instruments at July 21 was S/. 22.19 billion, with an average rate of 0.32 percent. At the close of June this balance was S/. 23.13 billion, with an average interest rate of -0.02 percent.

On July 21, the interbank interest rate in soles showed a daily rate of 3.25 percent.

Monetary and foreign exchange operations

(Million S/.)

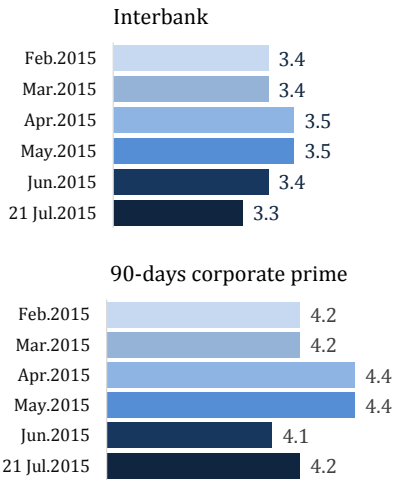
		Balance		Placement								Maturity		
		(Interest rate)		(Interest rate)										
		Jun 30. 2015	Jul 21. 2015	Overnight	1-month	3-month	6-month	9-month	12-month	18-month	24-month			
Monetary operations	Injection	Repos	2,631 (4.35%)	2,850 (4.19%)	4,426 (3.53%)	1,000 (3.95%)	300 (4.43%)	300 (4.23%)					5,807	
		Currency repos (Ordinary)	11,500 (4.29%)	11,800 (4.29%)				300 (4.20%)						
		Currency repos (Expansion)	5,100 (4.39%)	5,900 (4.44%)								800 (4.74%)		
		Currency repos (Substitution)	4,305 (3.41%)	4,305 (3.41%)										
		Funds of Treasury	1,400 (4.49%)	1,900 (4.47%)				500 (4.43%)						
		Funds of Banco de la Nación	600 (4.54%)	600 (4.54%)										
		CD BCRP	16,583 (3.43%)	15,483 (3.45%)				650 (3.52%)	400 (3.54%)	350 (3.56%)	350 (3.72%)			2,850
	Sterilization	Term deposits		400 (2.99%)	10,552 (2.94%)									10,152
		Overnight deposits	686 (2.00%)	200 (2.00%)	4,663 (2.00%)									5,150
		CDR BCRP	1,140 (0.20%)	2,242 (0.46%)			1,502 (0.53%)							400
Foreign exchange operations	FX-Swaps	23,127 (-0.02%)	22,189 (0.32%)			8,065 (0.52%)							9,003	

Corporate prime rate in soles at 4.2 percent

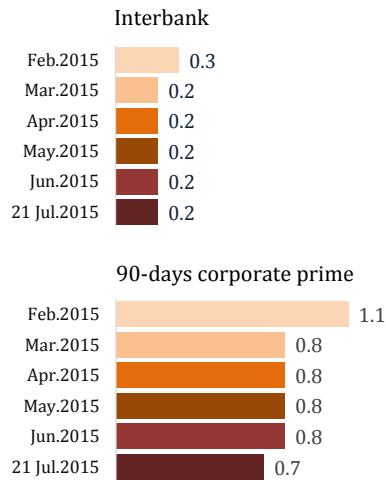
On July 21, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles recorded a rate of 4.2 percent. In the same period, the corporate prime rate in dollars was 0.7 percent.

Average interest rate (%)

Domestic currency



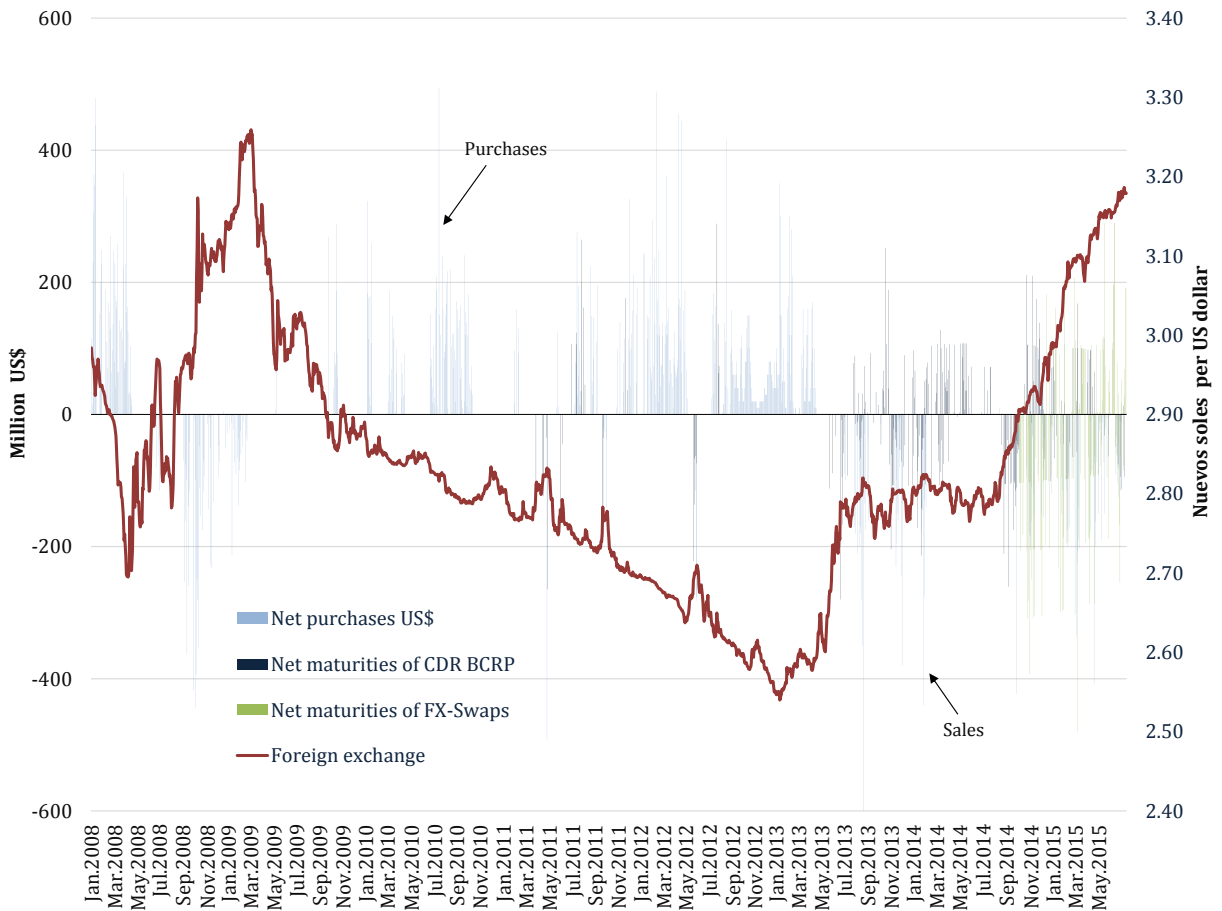
Foreign currency



Foreign exchange rate

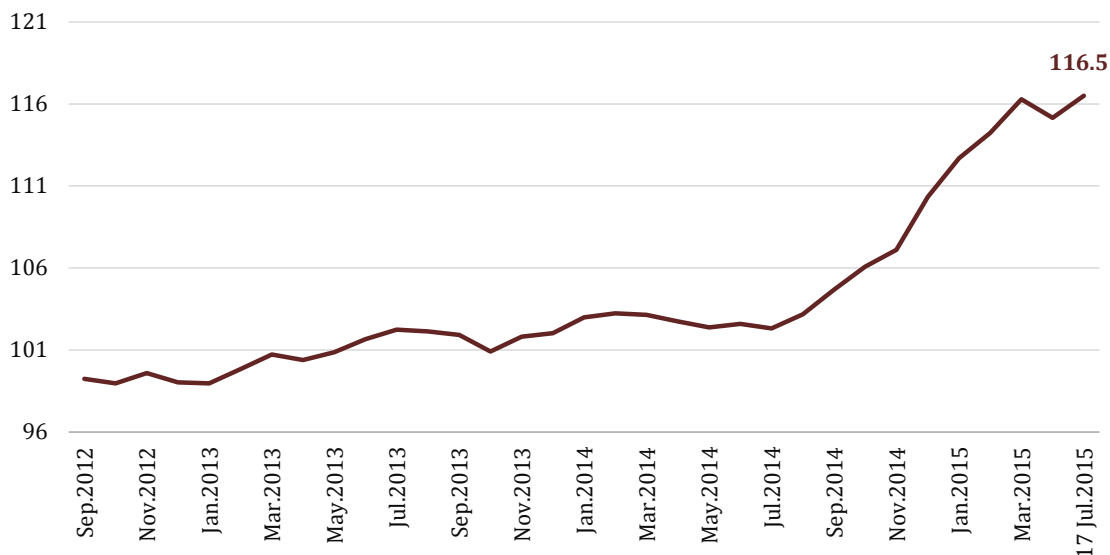
On July 21, the average selling price of the dollar in the interbank market was S/. 3.18 per dollar.

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 July 21), these currencies have depreciated 7.8 percent on average against the US dollar.

Exchange Rate (Accumulated variation 2015)	
Brazil	19.3%
Colombia	15.9%
Mexico	8.5%
Chile	7.3%
Peru	6.8%

Exchange Rate (Accumulated variation 2015)	
Canada	11.4%
Euro	10.6%
Japan	3.5%
United Kingdom	0.1%
US Dollar basket	7.8%

International reserves amount to US\$ 59.52 billion on July 22

At July 22, international reserves amounted to US\$ 59.52 billion mainly made up by liquidity international assets. This level of reserves is equivalent to 29 percent of GDP and to 18 months of imports.

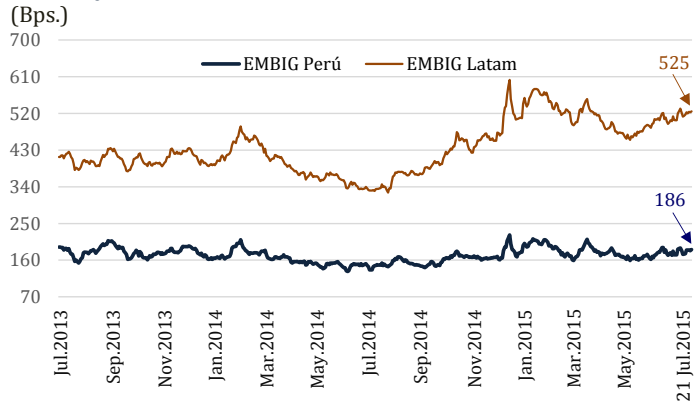
International Markets

Country risk at 186 basis points

In the week of July 14-21, the country risk –measured by the **EMBIG Peru** spread– rose from 176 to 186 bps.

Likewise, the **EMBIG LatAm** spread rose 8 basis points amid expectations of normalization of US monetary policy before year-end.

Country Risk Indicator



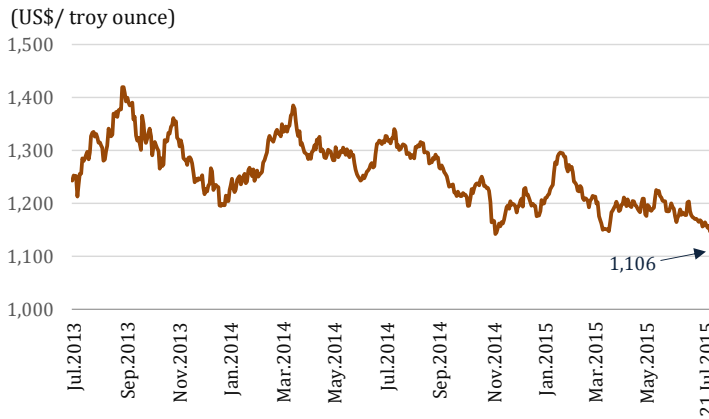
	Variation in basis points			
	21 Jul.2015	Weekly	Monthly	Annual
EMBIG Perú (bps)	186	10	1	36
EMBIG Latam (bps)	525	8	15	184

Price of gold at US\$ 1,105.6 per troy ounce

In the same period, the price of **gold** decreased 4.5 percent to US\$ 1,105.6 per troy ounce.

This fall due to a weak physical demand from Asia and the dollar's strength against its major counterparts.

Gold Price



	% change			
	21 Jul.2015	Weekly	Monthly	Annual
US\$ 1,105.6 / troy oz.	-4.5		-8.1	-15.7

Copper Price



	% change			
	21 Jul.2015	Weekly	Monthly	Annual
US\$ 2.48 / pound	-0.5		-3.3	-21.7

In July 14-21, the price of **copper** fell 0.5 percent to US\$ 2.48 per pound.

The price of copper was influenced by concerns about global growth and rising inventories in the main metal exchanges.

In the same period, the price of **zinc** increased 0.5 percent to US\$ 0.93 per pound.

The rise in the price of zinc is associated with decreased stocks in the London Metal Exchange and deficit data in the global refined zinc market in May.

Zinc Price
(cUS\$/pound)

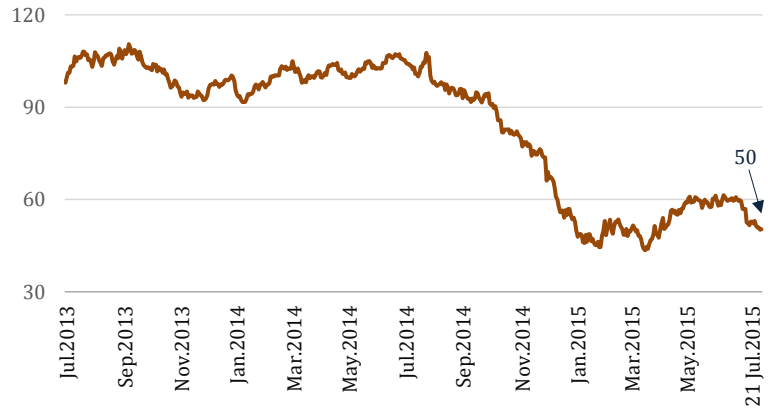


21 Jul.2015	% change		
	Weekly	Monthly	Annual
US\$ 0.93 / pound	1.5	0.2	-11.3

In July 14-21, the price of **WTI oil** rose 5.1 percent to US\$ 50.4 per barrel.

The price of oil dropped due to concerns about oversupply after continuous increase in crude stocks at Cushing, Oklahoma and prospects for Iran to increase its oil exports.

WTI Oil Price
(US\$/barrel)

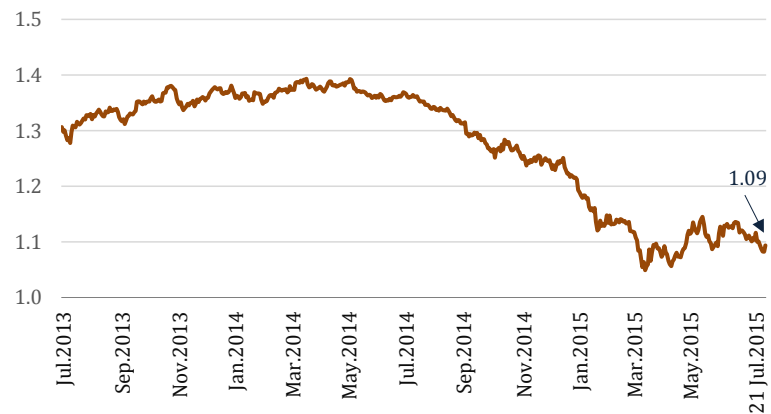


21 Jul.2015	% change		
	Weekly	Monthly	Annual
US\$ 50.4 / barrel	-5.1	-15.5	-51.9

Dollar appreciated against the euro

In July 14-21, the **US dollar** appreciated 0.7 percent against the **euro** amid FED members' statements about a more likely increase of monetary policy interest rate before year-end.

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



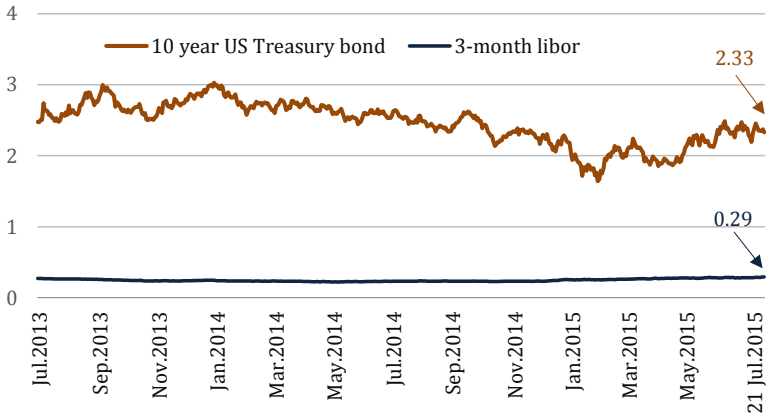
21 Jul.2015	Level	% change		
	Weekly	Monthly	Annual	
US dollar/Euro	1.09	-0.7	-3.7	-19.1

Yield on 10-year US Treasuries at 2.33 percent

Between July 14 and July 21 the **3-month Libor** remained unchanged at 0.29 percent.

On the other hand, the yield on the 10-year US Treasury bonds fell 7 bps to 2.33 percent, due to unfavorable quarterly results from corporates in the United States, which increased positions in bond investors.

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



	Variación en pbs.			
	21 Jul.2015	Semanal	Mensual	Anual
Libor a 3 meses (%)	0.29	0	1	6
Bonos de EUA (%)	2.33	-7	7	-14

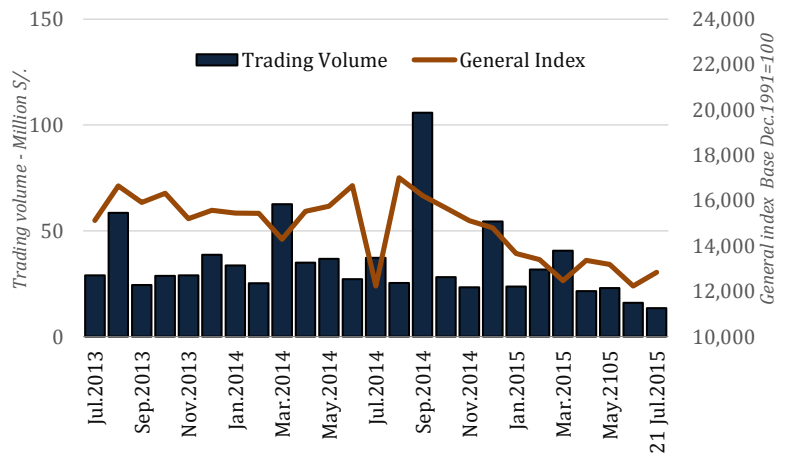
Lima Stock Exchange

In July 14-21 the **General and Selective Index** of the Lima Stock Exchange (LSE) fell 4.4 and 3.0 percent, respectively.

The indices of the LSE were influenced by a decline in mining and industrial shares, with the fall in commodity prices.

Year-to-date, the General Index has fallen 17.3 percent and the Selective Index has fallen 10.3 percent.

Lima Stock Exchange Indicators



	As of:	% change compared to:		
	21 Jul.2015	14 Jul.2015	30 Jun.15	31 Dec.14
General Index	12,236	-4.4	-6.7	-17.3
Selective Index	18,178	-3.0	-5.7	-10.3

