





Indicators

-  Inflation in August: 0.38 percent
-  Average price of WTI oil at US\$ 42.9 per barrel

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Monetary operations and interest rate

In September, the BCRP continued carrying out its regular placements of BCRP-CDs with the aim of contributing to increase liquidity in the secondary market of these instruments. It also continued injecting short-term and long-term liquidity in DC to maintain the interbank interest rate close to the policy interest rate.

- Regular repos: The balance of regular repos at September 3 was S/. 3.95 billion, with an average interest rate of 5.28 percent. At end-August, these repos showed a balance of S/. 2.10 billion, with an average rate of 4.26 percent.
- Special repos: The balance of special repos at September 3 was S/. 2.0 billion, with an average interest rate of 4.10 percent. At end-August, these special repos showed a balance of S/. 1.20 billion, with an average rate of 4.10 percent.
- Currency repos: The balance of currency repos increased from S/. 24.66 billion at end-August to S/. 25.76 billion on September 3, the average rate of these repos rising from 4.31 percent at the end of August to 4.39 percent at September 3. It is worth pointing out that, of the balance of currency repos recorded on September 3, regular currency repos amount to S/. 15.10 billion, repos for credit expansion amount to S/. 5.90 billion, while repos for credit substitution amount to S/. 4.81 billion. The maturities of these repos range between 24 and 48 months to facilitate the conversion of credit in dollars to credit in soles.
- Auctions of Treasury deposits: Treasury deposit funds placed through auctions at September 3 showed a balance of S/. 2.75 billion, with an average interest rate of 4.73 percent. At the end of August, these operations recorded a balance of S/. 2.75 billion, with an average rate of 4.73 percent.
- Auctions of Banco de la Nación funds: The balance of Banco de la Nación funds placed through auctions at September 3 showed no variation from the balance recorded on August 31 (S/. 600 million, with an average rate of 4.54 percent).
- BCRP-CDs: The balance of BCRP-CDs at September 3 was S/. 15.24 billion, with an average rate of 3.46 percent. At end-August, this balance was S/. 15.14 billion, with an average interest rate of 3.46 percent.
- Overnight deposits: At September 3, overnight deposits showed a balance of S/. 279 million, with an average rate of 2.0 percent. At the end of August, this balance was S/. 1.06 billion, with a rate of 2.0 percent.

At September 3, 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 September 3, these CDs showed a balance of S/. 7.01 billion (US\$ 2.17 billion), with a rate of 0.48 percent. Moreover, of this balance, CDR-BCRP placed through

special repo operations amount to S/. 2.00 billion. At end-August, CDR BCRP showed a balance of S/. 6.21 billion (US\$ 1.93 billion), with an average interest rate of 0.48 percent.

- FX Swaps: The balance of these instruments at September 3 was S/. 26.50 billion, with an average rate of 0.46 percent. At the close of August, this balance was S/. 26.20 billion, with an average interest rate of 0.46 percent.

On August 31, the interbank interest rate in soles showed an average daily rate of 3.3 percent.

Monetary and foreign exchange operations

(Million S/.)

		Balance (Interest rate)		Placement (Interest rate)						Maturity			
		Aug 31. 2015	Sep 3. 2015	Overnight	1 week	3-month	12-month	18-month	24-month		36-month		
Monetary operations	Injection	Repos	2,095 (4.26%)	3,950 (5.28%)	2,935 (6.14%)	1,600 (6.31%)						2,680	
		Special repos	1,200 (4.10%)	2,000 (4.10%)			800 (4.07%)						
		Currency repos (Ordinary)	13,950 (4.49%)	15,050 (4.61%)						700 (5.90%)	400 (6.52%)		
		Currency repos (Expansion)	5,900 (4.44%)	5,900 (4.44%)									
		Currency repos (Substitution)	4,805 (3.61%)	4,805 (3.61%)									
		Funds of Treasury	2,750 (4.73%)	2,750 (4.73%)									
		Funds of Banco de la Nación	600 (4.54%)	600 (4.54%)									
	Sterilization	CD BCRP	15,138 (3.46%)	15,238 (3.46%)					50 (3.61%)	50 (4.06%)			
		Overnight deposits	1,061 (2.00%)	279 (2.00%)	861 (2.00%)								1,644
	Foreign exchange operations	CDR BCRP	5,006 (0.48%)	5,006 (0.48%)									
CDR BCRP - Special repos		1,201 (0.49%)	2,002 (0.49%)			801 (0.50%)							
FX-Swaps		26,196 (0.46%)	26,501 (0.46%)			1,100 (0.43%)						795	

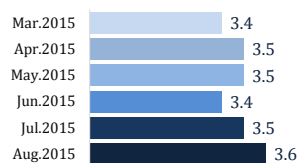
Corporate prime rate in soles at 4.6 percent

On August 31, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles recorded a rate of 4.6 percent. In the same period, the corporate prime rate in dollars was 0.6 percent.

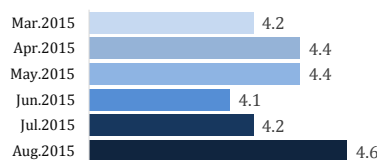
Average interest rate (%)

Domestic currency

Interbank

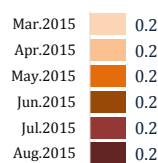


90-days corporate prime

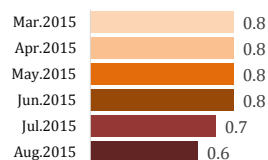


Foreign currency

Interbank



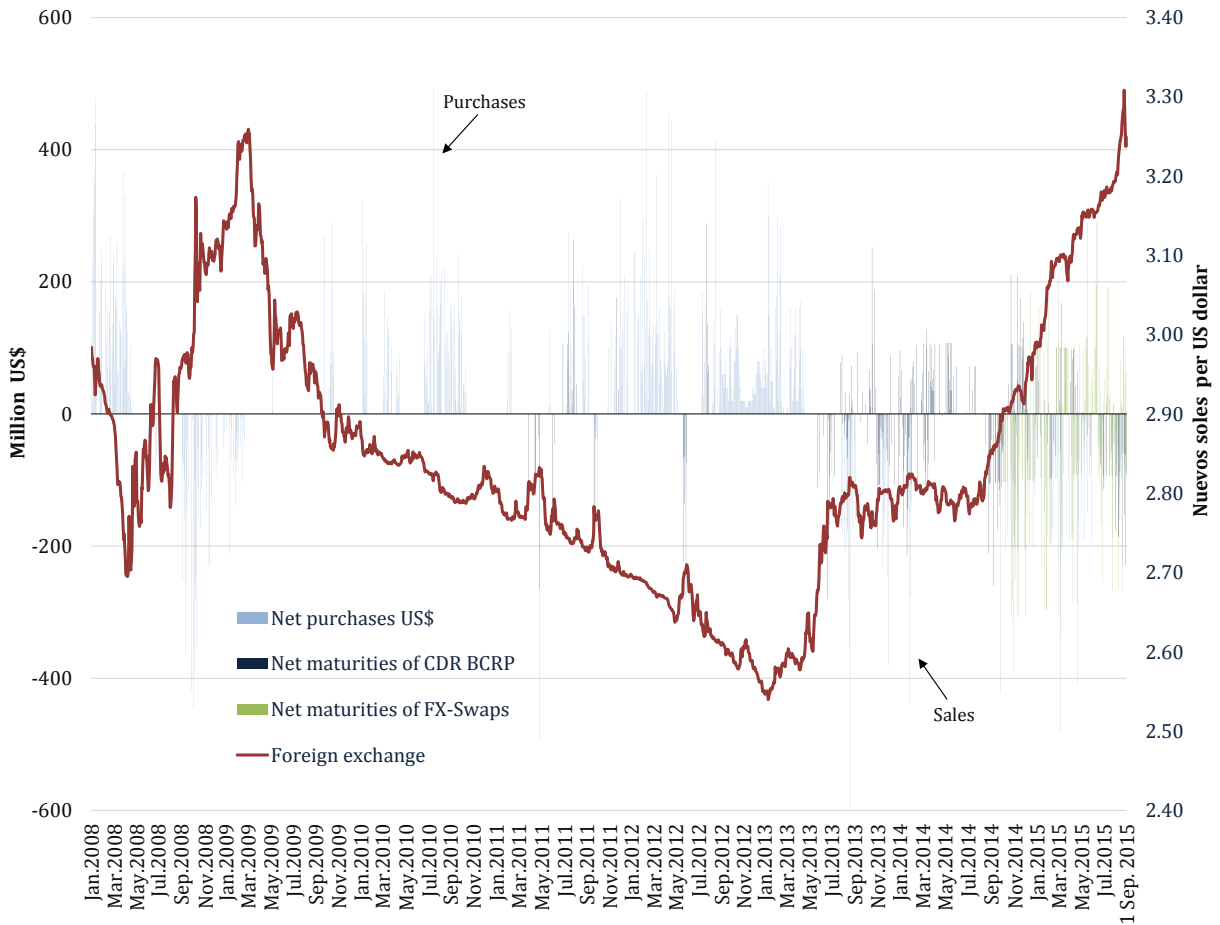
90-days corporate prime



Foreign exchange rate

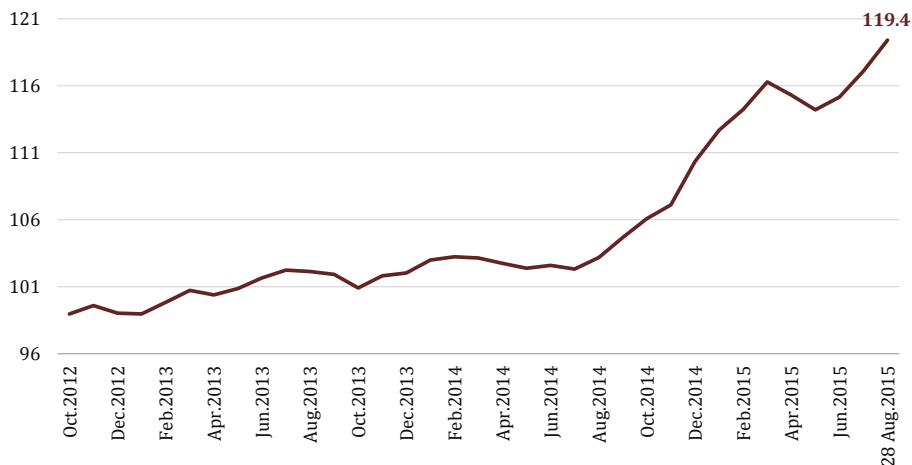
On September 1, the dollar in the interbank market closed with a selling price of S/. 3.25 per dollar.

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 September 1), these currencies have depreciated 5.7 percent on average against the US dollar.

Exchange Rate (Accumulated variation 2015)	
Brazil	39.3%
Colombia	30.4%
Mexico	15.1%
Chile	14.2%
Peru	9.2%

Exchange Rate (Accumulated variation 2015)	
Canada	14.1%
Euro	6.9%
United Kingdom	1.8%
Japan	-0.3%
US Dollar basket	5.7%

International reserves amount to US\$ 60.61 billion on August 31

Peru’s international reserves –made up mainly by liquid international assets– amounted to US\$ 60.61 billion on August 31. This level of reserves is equivalent to 31 percent of GDP and to 19 months of imports.

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

In the last four weeks, at August 15, 2015, **total credit to the private sector** increased 0.6 percent (S/. 1.49 billion). By currencies, credit in soles grew 1.7 percent (S/. 2.69 billion), while credit in dollars declined 1.6 percent (negative flow of US\$ 403 million). As a result, credit to the private sector showed an annual growth rate of 8.8 percent.

In the same period, **total liquidity in the private sector** decreased 0.3 percent (negative flow of S/. 702 million), as a result of which liquidity in the private sector accumulated a growth rate of 5.7 percent in the last twelve months. By currencies, liquidity in soles decreased 0.7 percent (negative flow of S/. 1.07 billion), while liquidity in dollars increased 0.5 percent (US\$ 125 million).

Inflation in Metropolitan Lima: 0.38 percent in August

The consumer price index in Metropolitan Lima showed a percentage change of 0.38 percent in the month of August, as a result of which inflation in the last 12 months recorded a rate of 4.04 percent. Inflation without food and energy showed a rate of 0.09 percent in the month and a rate of 3.48 percent in the last 12 months.

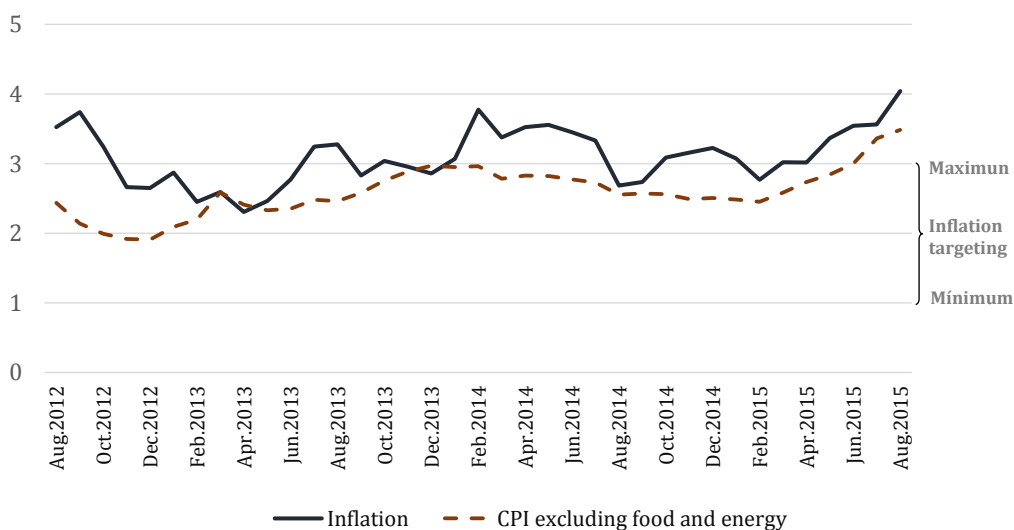
Inflation (% change)

	Weight 2009=100	August 2015	
		Month	12 month
CPI	100.0	0.38	4.04
1. CPI excluding food and energy	56.4	0.09	3.48
i. Goods	21.7	0.3	3.2
ii. Services	34.8	-0.1	3.6
<i>Of which:</i>			
Education	9.1	0.1	5.2
Rent	2.4	0.3	3.5
Health	1.1	0.1	6.0
2. Food and energy	43.6	0.72	4.70
i. Food	37.8	0.7	4.8
ii. Energy	5.7	1.0	4.3

Source: INEI.

Inflation

(% change last 12 month)



The items that contributed the most to increase the rate of inflation in the month were onions (0.14 percentage points, electricity rates (0.06 percentage points), and meals outside the home (0.05 percentage points). On the other hand, the items that contributed the most to reduce the rate of inflation were urban fares, domestic transportation, and various vegetables (-0.03 percentage points, each).

BCRP Survey on Macroeconomic Expectations: August 2015

Inflation is expected to show levels between 3.3 and 3.5 percent at year-end. On the other hand, the rates of inflation expected in 2016 and 2017 are within the Central Bank's inflation target.

Survey of Macroeconomic Expectations: Inflation (%)

	June 30, 2015	Survey date:	
		July 31, 2015	August 31, 2015
Economic analysts 1/			
2015	3.0	3.2	3.5
2016	2.8	2.9	3.0
2017	2.5	2.7	2.6
Financial entities 2/			
2015	3.0	3.1	3.3
2016	2.8	3.0	3.0
2017	2.8	2.8	2.8
Non-financial firms 3/			
2015	3.0	3.0	3.3
2016	3.0	3.0	3.0
2017	3.0	3.0	3.0

1/ 18 analysts in June, 26 in July, and 26 in August 2015.

2/ 18 financial entities in June, 26 in July, and 26 in August 2015.

3/ 330 non-financial firms in June, 400 in July, and 415 in August 2015.

GDP is expected to register a growth rate between 2.8 and 3.0 percent in 2015 and to show higher growth rates in the following years.

Survey of Macroeconomic Expectations: GDP growth (%)

	June 30, 2015	Survey date:	
		July 31, 2015	August 31, 2015
Economic analysts 1/			
2015	3.0	2.9	2.8
2016	4.2	4.0	3.7
2017	5.0	4.5	4.5
Financial entities 2/			
2015	3.4	3.0	2.8
2016	4.0	4.0	3.8
2017	4.7	4.7	4.5
Non-financial firms 3/			
2015	3.5	3.0	3.0
2016	4.0	3.5	3.5
2017	4.5	4.2	4.0

1/ 18 analysts in June, 26 in July, and 26 in August 2015.

2/ 18 financial entities in June, 26 in July, and 26 in August 2015.

3/ 330 non-financial firms in June, 400 in July, and 415 in August 2015.

Finally, at the time when the survey was carried out, economic agents expected a dollar-nuevo sol exchange rate of between S/.3.30 and S/.3.35 per US dollar at the end of 2015.

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

	June 30, 2015	Survey date:	
		July 31, 2015	August 31, 2015
Economic analysts 1/			
2015	3.25	3.25	3.35
2016	3.40	3.35	3.45
2017	3.40	3.38	3.45
Financial entities 2/			
2015	3.25	3.25	3.35
2016	3.34	3.35	3.45
2017	3.38	3.35	3.45
Non-financial firms 3/			
2015	3.20	3.22	3.30
2016	3.30	3.30	3.40
2017	3.30	3.31	3.45

1/ 18 analysts in June, 26 in July, and 26 in August 2015.

2/ 18 financial entities in June, 26 in July, and 26 in August 2015.

3/ 330 non-financial firms in June, 400 in July, and 415 in August 2015.

* Exchange rate at end of year.

Trade Balance – July 2015

Total exports amounted to US\$ 2.72 billion in July and thus accumulated a balance of US\$ 18.96 billion in the first seven months of the year. Moreover, exports of traditional products amounted to US\$ 1.86 billion, while exports of non-traditional products amounted to US\$ 850 million.

Imports amounted to US\$ 3.09 billion in July and thus showed a balance of US\$ 21.34 billion in the first seven months of the year. Imports in the month were led by imports of inputs (US\$ 1.35 billion), followed by imports of capital goods (US\$ 1.01 billion) and imports of capital goods (US\$ 720 million).

Thus, imports were higher than exports by US\$ 373 million.

Trade balance

(Million US\$)

	July		January - July	
	2014	2015	2014	2015
1. Exports	3,366	2,718	22,637	18,962
Traditional products	2,383	1,860	15,968	12,871
Non-traditional products	972	850	6,551	6,041
Other	11	8	117	50
2. Imports	3,575	3,090	23,926	21,343
Consumer goods	723	720	4,987	4,814
Inputs	1,726	1,346	11,096	9,383
Capital goods	1,108	1,006	7,731	6,925
Other goods	18	18	112	220
3. TRADE BALANCE	-209	-373	-1,289	-2,381

Source: Sunat, BCRP and firms.

International Markets

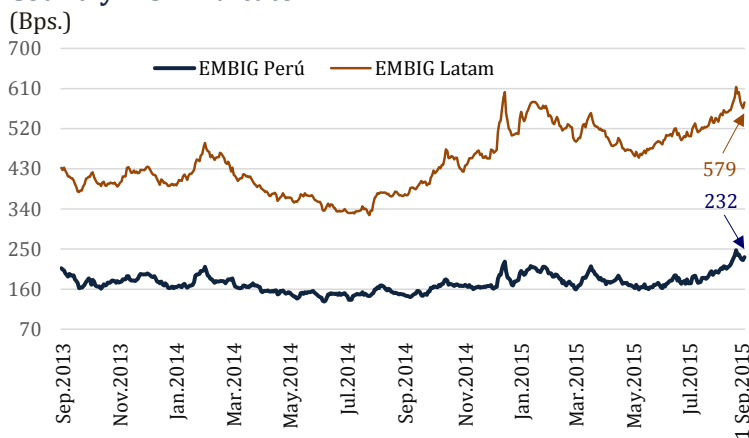
Peru country risk at 232 basis points

On **September 1**, the **EMBIG Peru** registered 232 bps while the **region** debt spread recorded 579 bps.

In **August**, the average country risk indicator –measured by the **EMBIG Peru** spread– rose from 187 to 217 bps.

In the same month, the **EMBIG LatAm** spread increased 40 basis points amid concerns about China's economy and the crash of stock markets in general.

Country Risk Indicator



	Variation in basis points			
	1 Sep.2015	Weekly	Monthly	Annual
EMBIG Perú (bps)	232	-5	36	84
EMBIG Latam (bps)	579	-20	46	210

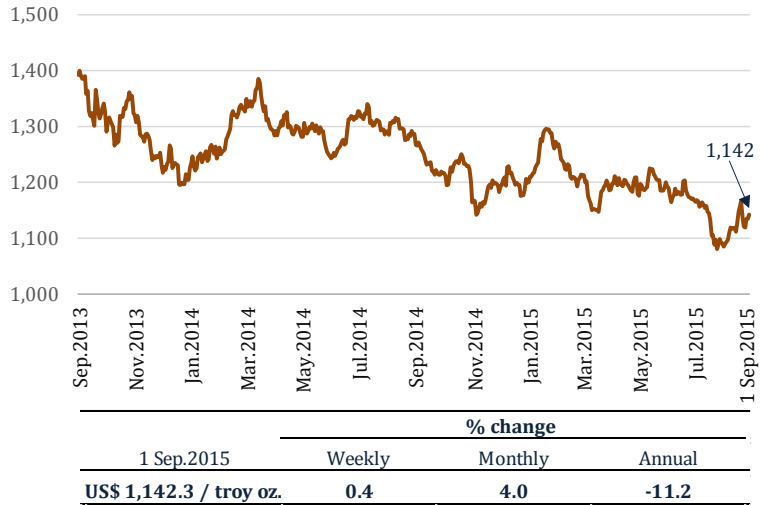
Price of gold at US\$ 1,142.3 per troy ounce

On **September 1**, the price of **gold** registered US\$ 1,142.3 per troy ounce.

In **August**, **gold** showed an average price of US\$ 1,118.3 per troy ounce, a price level 1.1 percent lower than in July.

The drop in the price of gold was associated with the reduction of investors' demand in anticipation of a greater price decline, offset in part by the depreciation of the dollar.

Gold Price
(US\$/ troy ounce)



On **September 1**, **copper** was quoted at US\$ 2.31 per pound.

In **August**, the price of **copper** showed an average level of US\$ 2.31 per pound (down 6.7 percent from the previous month).

This fall in the price of copper was influenced by a greater oversupply of refined copper and supported by concerns about a weak demand for metals from China.

Copper Price
(cUS\$/pound)

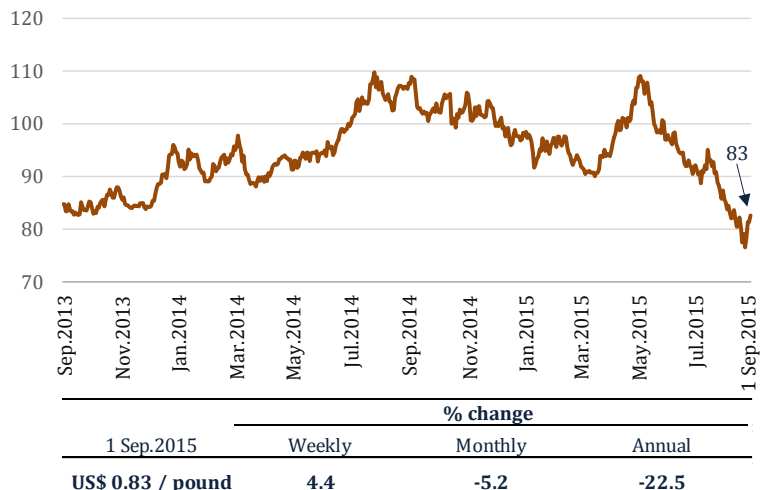


The price of **zinc** recorded US\$ 0.83 per pound on **September 1**.

Moreover, the average price of **zinc** in **August** was US\$ 0.82 per pound, a price level 9.6 percent lower than in July.

The lower price of zinc reflects signals of economic slowdown in China and the increase of inventories at the London Metal Exchange.

Zinc Price
(cUS\$/pound)



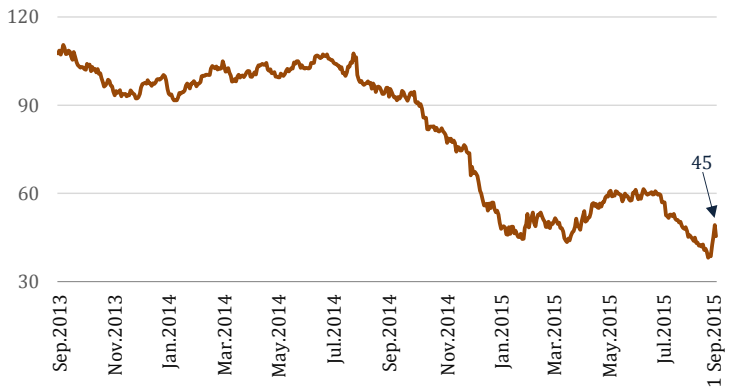
The price of **WTI oil** on **September 1** was US\$ 45.4 per barrel.

In **August**, the average price of **WTI oil** was US\$ 42.7 per barrel (down 16.2 percent from July).

The price of crude oil fell due to global oversupply as well as due to the downward revision of the outlook for the demand of crude in 2015.

WTI Oil Price

(US\$/barrel)



	% change			
	1 Sep.2015	Weekly	Monthly	Annual
US\$ 45.4 / barrel		16.0	-3.6	-52.7

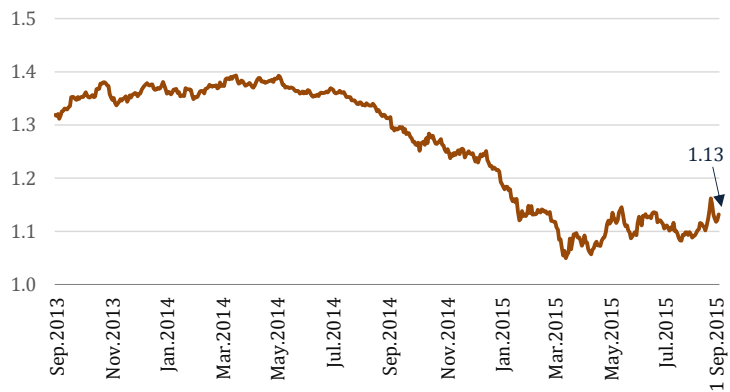
USD-euro exchange rate: US\$ 1.13 per euro

On **September 1**, the exchange rate was US\$ 1.13 per euro.

In **August**, the **US dollar** depreciated 1.3 percent on average against the **euro** amid encouraging economic data in the Eurozone and lower political uncertainty regarding Greece.

Evolution of US\$ per Euro

(US\$/Euro)



	Level	% change		
	1 Sep.2015	Weekly	Monthly	Annual
US dollar/Euro	1.13	-1.7	3.0	-13.8

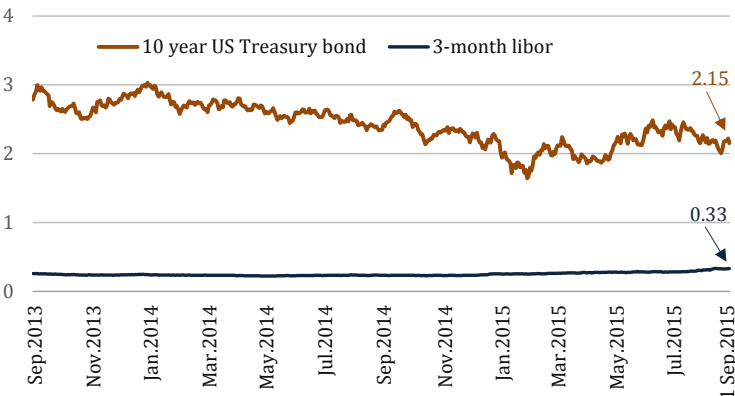
Yield on 10-year US Treasuries at 2.15 percent

On **September 1**, the **3-month Libor** recorded 0.33 percent and the yield on the **10-year US Treasury bonds** recorded 2.15 percent.

In **August**, the **3-month Libor** registered 0.32 percent, while the yield on the **10-year US Treasury bonds** showed a rate of 2.16 percent –down 16 basis points from the previous month– amid increased risk aversion associated with the crash of China’s stock markets.

3-Month Libor and 10-Year US Treasuries

(%)



	Variation in basis points			
	1 Sep.2015	Weekly	Monthly	Annual
3 months Libor (%)	0.33	1	3	10
US Treasuries (%)	2.15	8	-3	-19

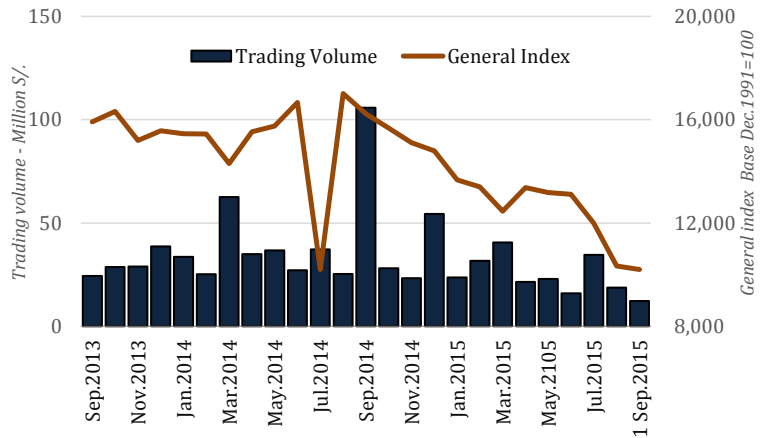
Lima Stock Exchange

In **August**, the **General Index** of the Lima Stock Exchange (LSE) fell 13.7 percent and the **Selective Index** fell 15.8 percent.

The LSE indices were affected by a context of uncertainty in global markets and by the decline of commodity prices.

Year-to-date (at **September 1**), the General Index has dropped 31.0 percent and the Selective Index has dropped 27.1 percent.

Lima Stock Exchange Indicators



	% change compared to:			
	1 Sep. 2015	25 Aug. 2015	31 Jul. 2015	31 Dec. 14
General Index	10,202	4.3	-14.9	-31.0
Selective Index	14,783	11.8	-16.4	-27.1

