






## Indicators

-  Credit in soles increased 28.2 percent annual in August
-  Dollarization ratio of credit fell to 32.7 percent
-  NIRs equivalent to 32 percent of GDP

## Content

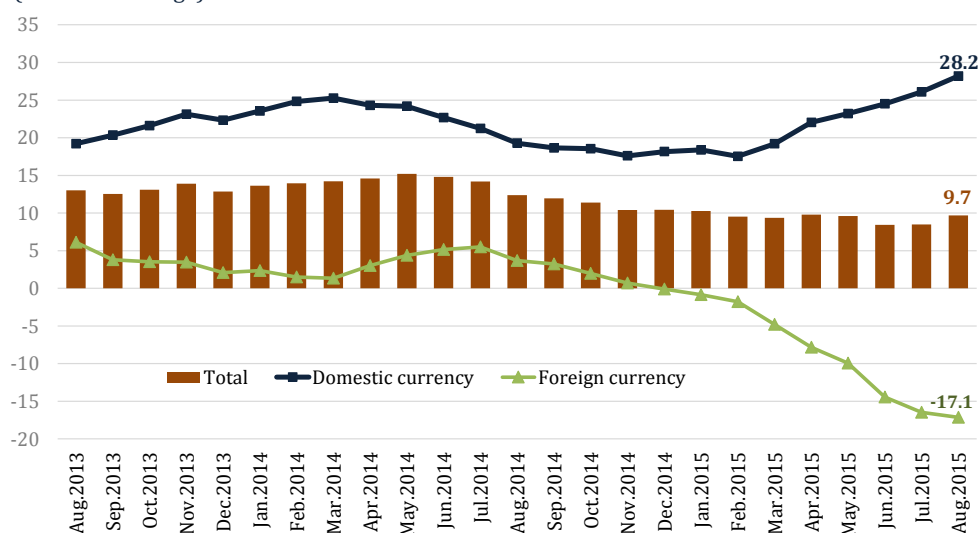
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## Credit in soles grew 28.2 percent in August

**Total credit** of depository institutions to the non-financial private sector –including the loans placed by local banks' branch offices in other countries– recorded a monthly increase of 1.3 percent in August (S/. 3.14 billion) and 9.7 percent in the last 12 months.

**Credit in soles** grew 2.8 percent in the month (S/. 4.48 billion) and 28.2 percent in the last twelve months, while **credit in dollars** declined 1.8 percent in the month (negative flow of US\$ 451 million) and 17.1 percent in the last 12 months.

**Credit to the Private Sector**  
(Annual % change)



Corporate credit grew 1.4 percent in August due mainly to the growth of credit observed in the segments of credit to corporations and to large and medium-sized companies (1.7 percent), while credit to individuals grew 1.1 percent. Within the latter, consumer loans grew 1.2 percent and mortgage loans grew 0.9 percent.

### Credit to the private sector by type of loan

	Monthly % change		12-month % change	
	Jul.15	Aug.15	Jul.15	Aug.15
Loans to companies 1/	1.1	1.4	6.6	8.2
Corporate, large, and Medium-sized companies	1.4	1.7	8.5	10.7
Small businesses	0.1	0.5	0.3	0.2
Loans to individuals 2/	0.1	1.1	12.0	12.4
Consumer loans	-0.1	1.2	13.9	14.5
Mortgage	0.3	0.9	9.5	9.6
<b>TOTAL</b>	<b>0.8</b>	<b>1.3</b>	<b>8.5</b>	<b>9.7</b>

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 0.2 percent in August (S/. 460 million) and thus recorded an annual growth rate of 6.1 percent. The increase of liquidity in August was associated with higher deposits (0.3 percent), especially in the segment of demand deposits (2.9 percent), while, on the other hand, savings deposits and currency in circulation declined due to seasonal factors (the former decreased 1.6 percent and the latter decreased 1.9 percent).

Liquidity in soles declined 1.6 percent in the month (negative flow of S/. 2.36 billion) and thus recorded an annual growth rate of 3.2 percent, while liquidity in dollars increased 3.7 percent in August (US\$ 947 million) and thus recorded a growth rate of 11.8 percent in the last twelve months.

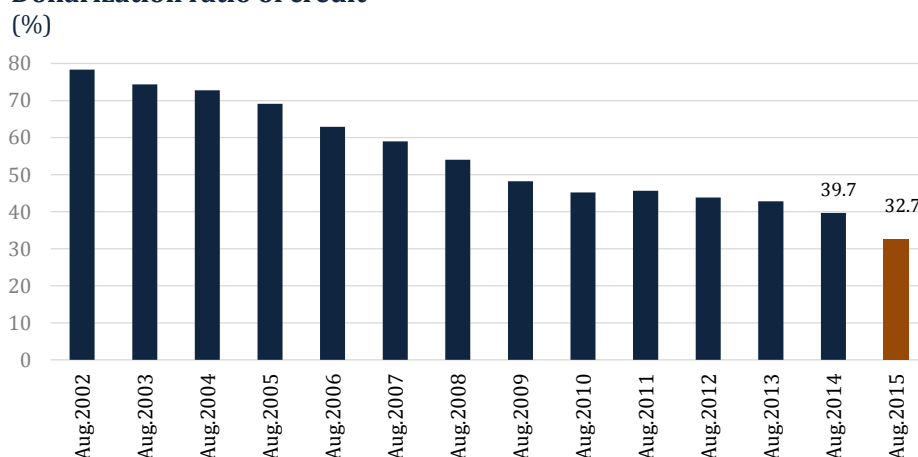
**Liquidity by type of liability**

	Monthly % change		12-month % change	
	Jul.15	Aug.15	Jul.15	Aug.15
Currency	4.1	-1.9	7.8	5.5
Deposits	0.6	0.3	4.5	6.1
Demand deposits	-0.9	2.9	4.7	9.5
Saving deposits	3.9	-1.6	11.7	9.5
Term deposits	-0.8	-0.1	-1.0	1.0
CTS	-3.8	-2.3	-1.4	0.7
Securities and others 1/	-13.8	16.4	9.1	10.4
<b>TOTAL</b>	<b>0.9</b>	<b>0.2</b>	<b>5.1</b>	<b>6.1</b>

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

The **dollarization ratio** of credit to the private sector was 32.7 percent in August, 7.0 percentage points lower than in August 2014.

**Dollarization ratio of credit**



**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 22 was S/. 1.85 billion, with an average interest rate of 4.81 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 22 was S/. 2.28 billion, with an average interest rate of 4.12 percent. At the end of August, special repos showed a balance of S/. 1.20 billion and 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/. 28.26 billion at September 22, the average rate of these repos rising from 4.31 percent at the end of August to 4.53 percent at September 22. It is worth pointing out that, of the balance of currency repos recorded on September 22, regular currency repos amount to S/. 15.55 billion, repos for credit expansion amount to S/. 7.90 billion, and 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 22 showed a balance of S/. 3.05 billion, with an average interest rate of 4.88 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 22 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 22 was S/. 16.0 billion, with an average rate of 3.51 percent. At end-August, this balance was S/. 15.14 billion, with an average interest rate of 3.46 percent.
- Term deposits: The balance of term deposits at September 22 was S/. 3.37 billion, at an interest rate of 3.46 percent.
- Overnight deposits: At September 22, overnight deposits showed a balance of S/. 96 million, at an average rate of 2.25 percent. At the end of August, this balance was S/. 1.06 billion at a rate of 2.0 percent.

At September 22, the Central Bank has also made the following operations in the foreign exchange market.

- In the period of analysis, the BCRP did not intervene in the spot market.
- CDR-BCRP: At September 22, these CDs showed a balance of S/. 7.59 billion (US\$ 2.36 billion), with an interest rate of 0.47 percent. Of this balance, CDR-BCRP placed through special repo operations amount to S/. 2.29 billion (US\$ 704 million). At end-August, CDR BCRP showed a balance of S/. 6.21 billion (US\$ 1.93 billion) and an average interest rate of 0.48 percent.
- FX Swaps: The balance of these instruments at September 22 was S/. 25.82 billion, with an average rate of 0.43 percent. At the close of August, this balance was S/. 26.20 billion, with an average interest rate of 0.46 percent.

**Monetary and foreign exchange operations**

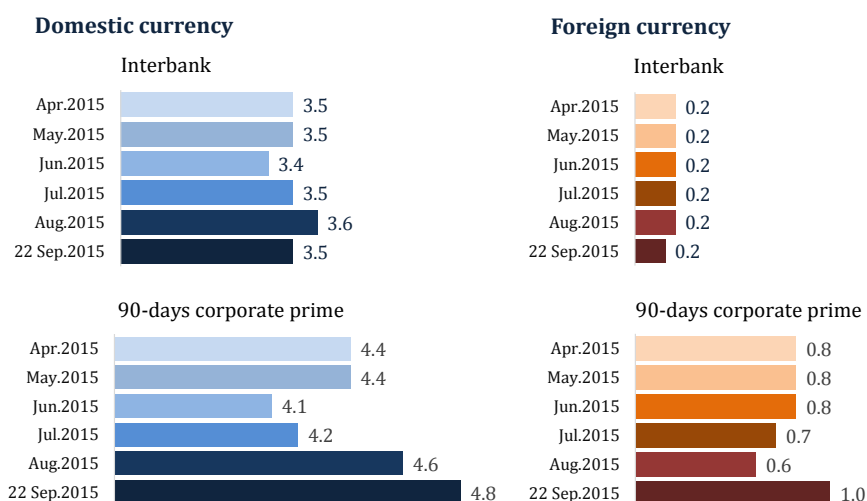
(Million S/.)

		Balance (Interest rate)		Placement (Interest rate)						Maturity				
		Aug 31. 2015	Sep 22. 2015	Overnight	1 week	3-month	6-month	12-month	18-month		24-month	36-month		
Monetary operations	Injection	Repos	2,095 (4.26%)	1,850 (4.81%)	2,935 (6.14%)	1,600 (6.31%)							4,780	
		Special repos	1,200 (4.10%)	2,284 (4.12%)			1,084 (4.13%)							
		Currency repos (Ordinary)	13,950 (4.49%)	15,550 (4.66%)							700 (5.90%)	1 200 (5.79%)		300
		Currency repos (Expansion)	5,900 (4.44%)	7,900 (4.84%)							900 (6.13%)	1 100 (5.97%)		
		Currency repos (Substitution)	4,805 (3.61%)	4,805 (3.61%)										
		Funds of Treasury	2,750 (4.73%)	3,050 (4.88%)				300 (6.25%)						
		Funds of Banco de la Nación	600 (4.54%)	600 (4.54%)										
	Sterilization	CD BCRP	15,138 (3.46%)	15,697 (3.51%)			2,100 (3.71%)	150 (3.52%)	150 (3.64%)	107 (4.07%)				1,949
		Term deposits		3,371 (3.46%)	28,336 (3.20%)	513 (3.50%)								25,478
		Overnight deposits	1,061 (2.00%)	96 (2.25%)	7,965 (2.16%)									8,930
Foreign exchange operations	CDR BCRP	5,006 (0.48%)	5,306 (0.47%)			300 (0.21%)								
	CDR BCRP - Special repos	1,201 (0.49%)	2,287 (0.49%)			1,085 (0.46%)								
	FX-Swaps	26,196 (0.46%)	25,817 (0.43%)			3,491 (0.21%)							3,720	

**Interbank interest rate in soles at 3.5 percent**

On September 22, the **interbank interest rate** in soles registered 3.5 percent and the rate in dollars registered 0.2 percent. On the same date, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles recorded a rate of 4.8 percent, while the rate in dollars recorded 1.0 percent.

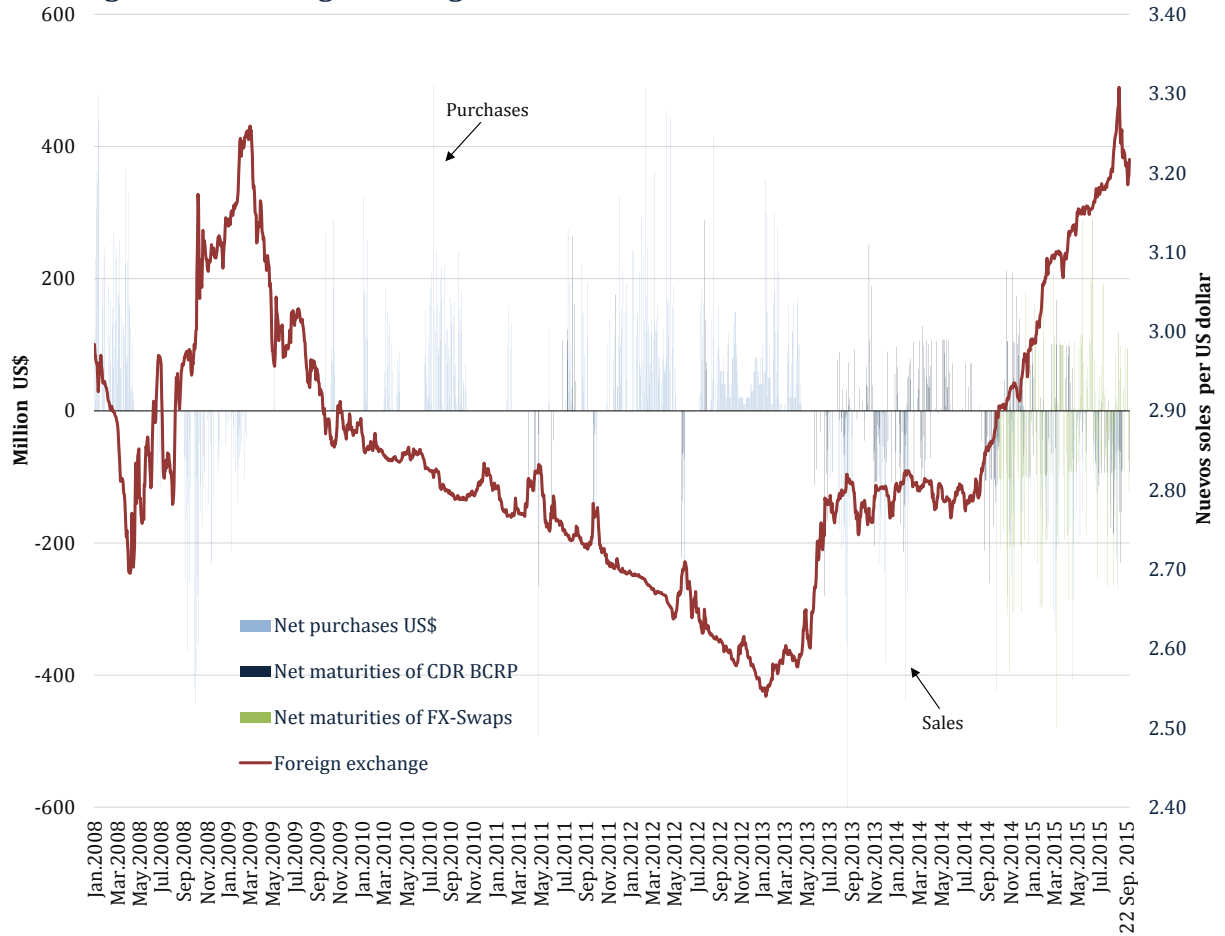
**Interest rates (%)**



**Foreign exchange rate**

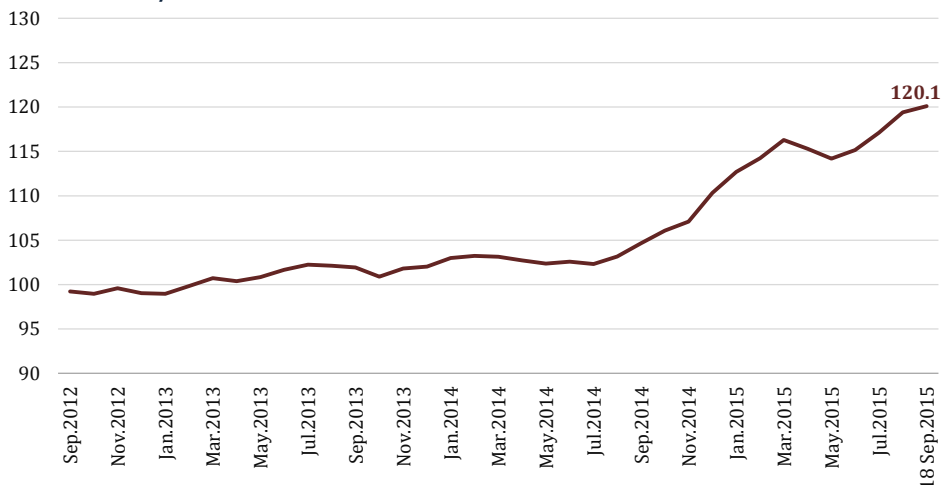
On September 22, the dollar in the interbank market closed with a selling price of S/. 3.22 per dollar.

**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/**

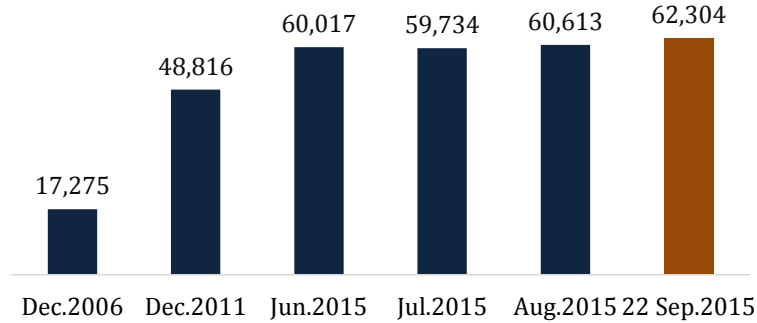


1/ Calculated taking into account currencies of US trading partners weighted by contributions. A rise in the index represents an appreciation of the US dollar.  
Source: FED.

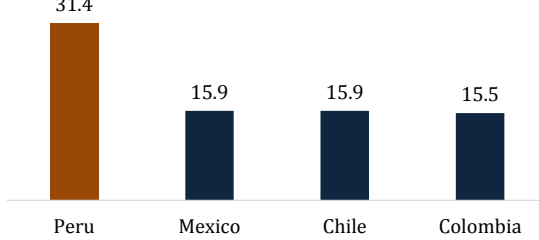
## International reserves amount to US\$ 62.30 billion on September 22

Peru's net international reserves –made up mainly by liquid international assets– amounted to US\$ 62.30 billion on September 22. This level of reserves is equivalent to 31 percent of GDP and to 20 months of imports.

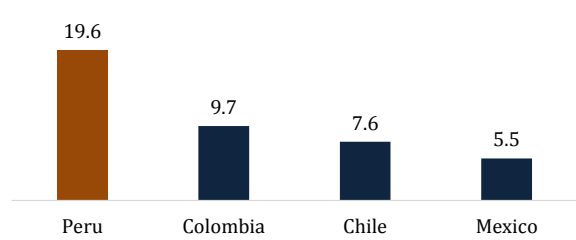
**Perú: Net International Reserves**  
(Million US\$)



**Coefficient NIR/GDP: September 2015**  
(%)



**Coefficient NIR/Imports: September 2015**  
(N° months)



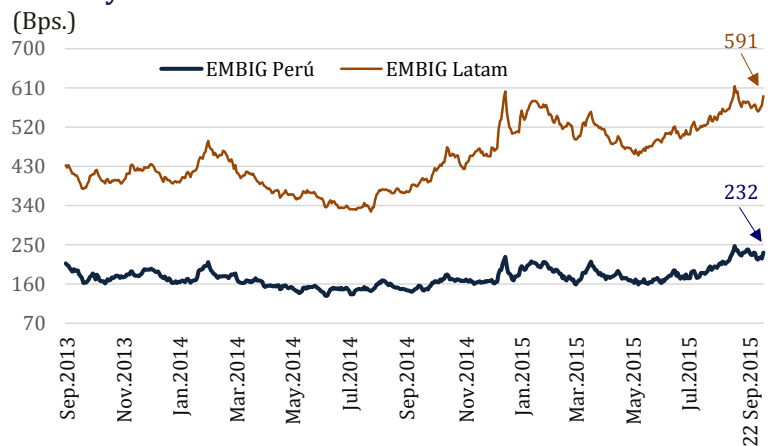
## International Markets

### Peru country risk fell to 232 basis points

In the week of September 15-22, the country risk indicator –measured by the **EMBIG Peru** spread– rose from 218 to 232 bps.

Similarly, the **EMBIG LatAm** spread rose 30 basis points amid the Fed's concerns on global growth (mainly from China).

**Country Risk Indicator**



	Variation in basis points			
	22 Sep. 2015	Weekly	Monthly	Annual
EMBIG Perú (bps)	232	14	-4	84
EMBIG Latam (bps)	591	30	0	191

**Price of gold at US\$ 1,122.9 per troy ounce**

In the same period, the price of **gold** increased 1.5 percent to US\$ 1,122.9 per troy ounce.

The rise in the price of gold was associated with FED's decision in maintaining its policy rate and with expectations about recovery of physical demand from India, before to the period of festivals.

**Gold Price**  
(US\$/ troy ounce)



22 Sep.2015	% change		
	Weekly	Monthly	Annual
<b>US\$ 1,122.9 / troy oz.</b>	<b>1.5</b>	<b>-2.9</b>	<b>-7.5</b>

**Copper Price**  
(cUS\$/pound)

In September 15-22, the price of **copper** declined 3.0 percent to US\$ 2.33 per pound.

This drop in the price of copper was associated with higher fears about the Chinese economy and with perception of greater oversupply in the world market for refined copper.



22 Sep.2015	% change		
	Weekly	Monthly	Annual
<b>US\$ 2.33 / pound</b>	<b>-3.0</b>	<b>1.7</b>	<b>-24.3</b>

**Zinc Price**  
(cUS\$/pound)

In the same period, the price of **zinc** fell 4.5 percent to US\$ 0.73 per pound.

The decline in the price of zinc was mainly supported by the increase of inventories in the London Metal Exchange.



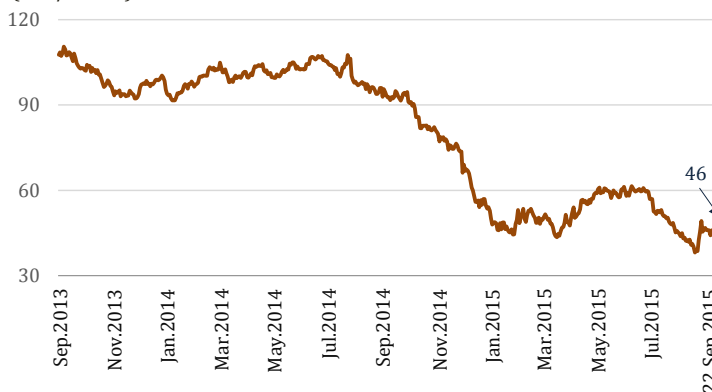
22 Sep.2015	% change		
	Weekly	Monthly	Annual
<b>US\$ 0.73 / pound</b>	<b>-4.5</b>	<b>-8.6</b>	<b>-26.9</b>

In September 15-22, the price of **WTI oil** rose 2.8 percent to US\$ 45.8 per barrel.

The rise in the price of crude oil was associated with the unexpected decline in weekly crude inventories and the reduction of oil rigs in the United States for third consecutive week.

### WTI Oil Price

(US\$/barrel)



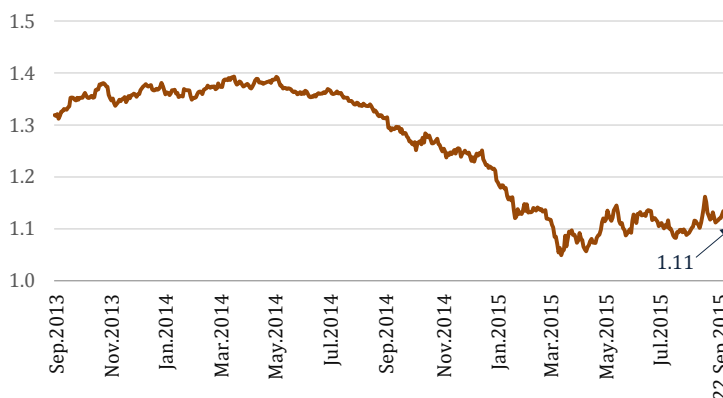
22 Sep.2015	% change		
	Weekly	Monthly	Annual
US\$ 45.8 / barrel	2.8	13.9	-49.9

### US dollar appreciated against the euro

In September 15-22, the **dollar** appreciated 1.3 percent against the **euro**, amid to release of favorable activity indicators in the United States and comments from Fed's officials in favor of raising the reference rate before year end.

### Evolution of US\$ per Euro

(US\$/Euro)



22 Sep.2015	% change		
	Weekly	Monthly	Annual
US dollar/Euro	1.11	-1.3	-13.5

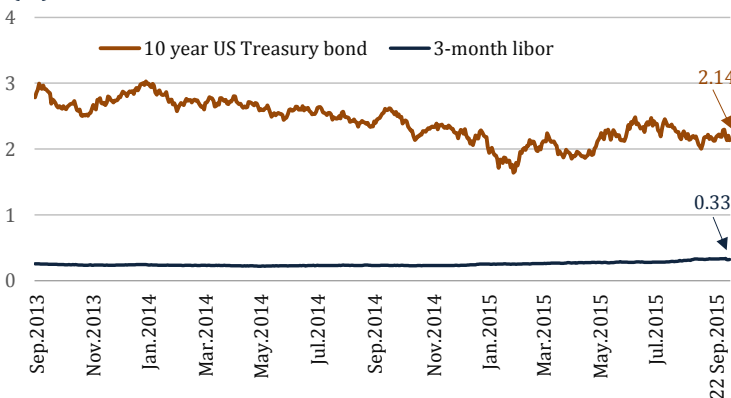
### Yield on 10-year US Treasuries at 2.14 percent

In September 15-22, the **3-month Libor** fell to 0.33 percent.

The yield on the **10-year US Treasury bonds** declined 15 bps to 2.14 percent in a context marked the bad performance of shares in the United States and Europe, which led investors to demand Treasury bonds.

### 3-Month Libor and 10-Year US Treasuries

(%)



	Variation in basis points			
	22 Sep.2015	Weekly	Monthly	Annual
3 months Libor (%)	0.33	-1	0	9
US Treasuries (%)	2.14	-15	10	-43

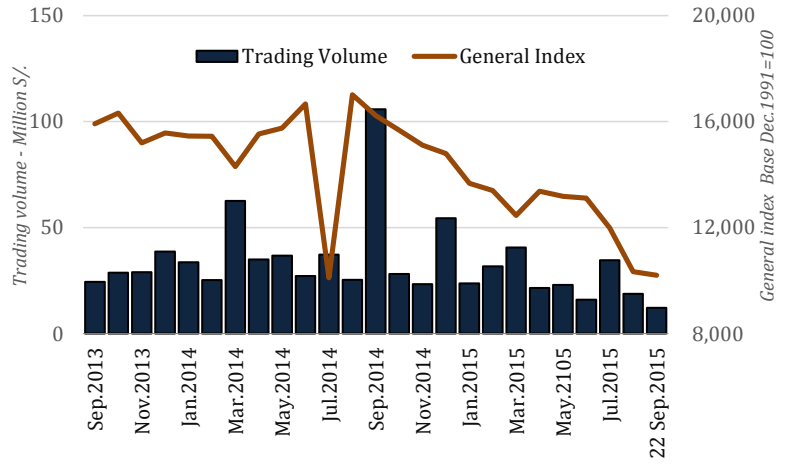


**Lima Stock Exchange**

In September 15-22, the General Index of the Lima Stock Exchange (LSE) fell 1.2 percent and the Selective Index fell 1.8 percent.

The LSE indices were influenced by the negative performance of main stock exchanges in the region and lower price of basis metals.

**Lima Stock Exchange Indicators**



	As of:	% change compared to:		
	22 Sep.2015	15 Sep.2015	31 Aug.2015	31 Dec.14
General Index	<b>10,102</b>	<b>-1.2</b>	<b>-2.3</b>	<b>-31.7</b>
Selective Index	<b>14,109</b>	<b>-1.8</b>	<b>-5.3</b>	<b>-30.4</b>

