







**Indicators**

	Non-Financial Public Sector: Accumulated surplus of S/. 3.33 billion at September
	Price of gold at US\$ 1,165.2/troy ounce
	Price of copper at US\$ 2.39 per pound
	Price of zinc at US\$ 0.81 per pound

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**Monetary operations and interest rate**

In October, 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 October 13 was S/. 450 million, with an average interest rate of 4.33 percent. At end-September, these repos showed a balance of S/. 750 million, with an average rate of 4.37 percent.
- Currency repos: The balance of currency repos increased from S/. 28.76 billion at end-September to S/. 28.96 billion at October 13, the average rate of these repos remaining at 4.54 percent. Of this balance, regular currency repos amount to S/. 16.25 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 from 12 to 60 months to facilitate the conversion of credit in dollars to credit in soles.
- BCRP-CDs: The balance of BCRP-CDs at October 13 was S/. 17.47 billion, with an average rate of 3.57 percent. At end-September, this balance was S/. 16.60 billion, with an average interest rate of 3.54 percent.
- Term deposits: The balance of term deposits at October 13 was S/. 3.01 billion, with an average interest rate of 3.41 percent. At the end of September, this balance was S/. 2.68 billion at a rate of 3.44 percent.
- Overnight deposits: At October 13, overnight deposits showed a balance of S/. 70 million, while at the end of September, this balance was S/. 304 million. The average interest rate remained at 2.25 percent between September 30 and October 13.

At October 13, the Central Bank has also made the following operations in the foreign exchange market.

- Foreign exchange interventions: In the period of analysis, the BCRP did not intervene in the spot market.
- CDR-BCRP: At October 13, these CDs showed a balance of S/. 7.49 billion (US\$ 2.32 billion), with an interest rate of 0.46 percent. Of this balance, CDR-BCRP placed through special repo operations amount to S/. 2.29 billion (US\$ 704 million). At end-September, CDR BCRP showed a balance of S/. 8.21 billion (US\$ 2.51 billion) and an average interest rate of 0.48 percent.

- FX Swaps: The balance of these instruments at October 13 was S/. 23.50 billion, with an average rate of 0.44 percent. At end-September, this balance was S/. 25.69 billion, with an average interest rate of 0.47 percent.

## Monetary and foreign exchange operations

(Million S/.)

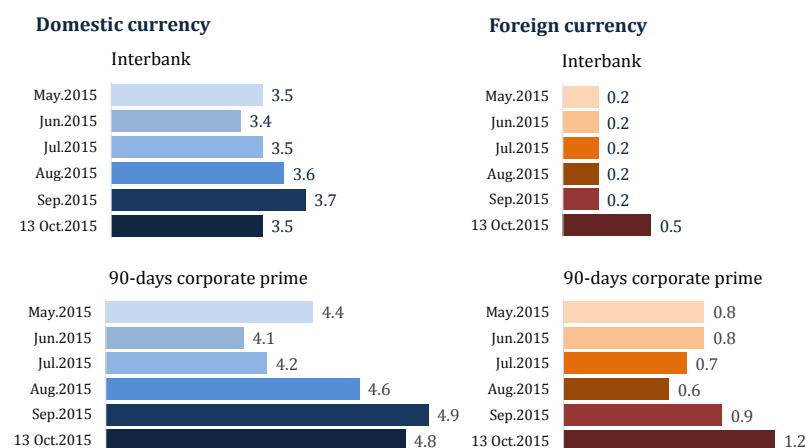
		Balance (Interest rate)		Placement (Interest rate)						Maturity	
		Sep 30. 2015	Oct 13. 2015	Overnight	1 week	2-month	3-month	6-month	12-month		60-month
Monetary operations	Injection	Repos	750 (4.37%)	450 (4.33%)	700 (3.78%)						1,000
		Special repos	2 284 (4.12%)	2 284 (4.12%)							
		Currency repos (Ordinary)	16,050 (4.67%)	16,250 (4.67%)					300 (4.31%)	200 (4.91%)	300
		Currency repos (Expansion)	7,900 (4.84%)	7,900 (4.84%)							
		Currency repos (Substitution)	4,805 (3.61%)	4,805 (3.61%)							
		Funds of Treasury	3,050 (4.88%)	3,050 (4.88%)							
		Funds of Banco de la Nación	600 (4.54%)	600 (4.54%)							
	Sterilization	CD BCRP	16,597 (3.54%)	17,469 (3.57%)			700 (4.14%)	100 (3.77%)	50 (4.28%)		
		Term deposits	2,676 (3.44%)	3,009 (3.41%)	10,600 (3.24%)	509 (3.49%)					10,776
		Overnight deposits	304 (2.25%)	70 (2.25%)	4,255 (2.25%)					4,489	
Foreign exchange operations	CDR BCRP	5,925 (0.49%)	5,200 (0.46%)			495 (0.28%)					1,220
	CDR BCRP - Special repos	2,287 (0.49%)	2,287 (0.49%)								
	FX-Swaps	25,687 (0.47%)	23,498 (0.44%)			2,199 (0.37%)					4,389

## Interbank interest rate in soles at 3.5 percent

On October 13, the **interbank interest rate** in soles registered 3.5 percent and the rate in dollars registered 0.5 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 1.2 percent.

### Interest rates

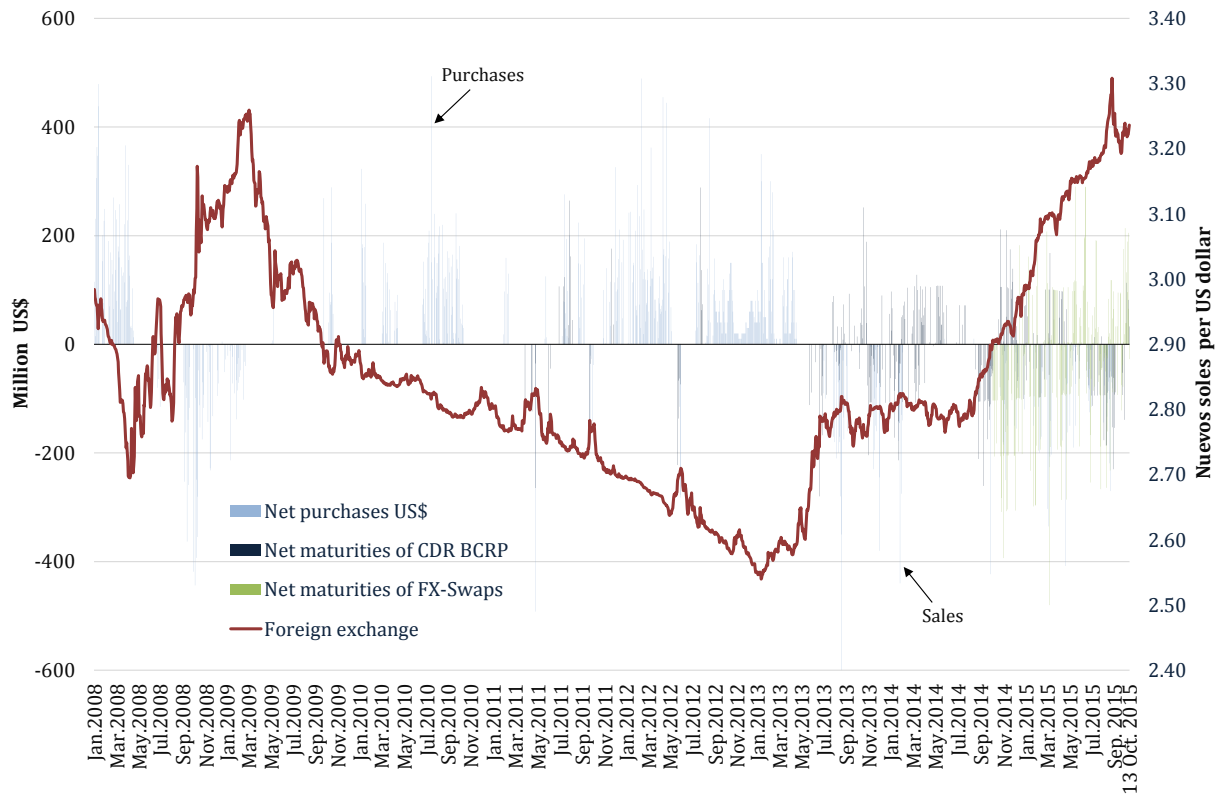
(%)



**Foreign exchange rate**

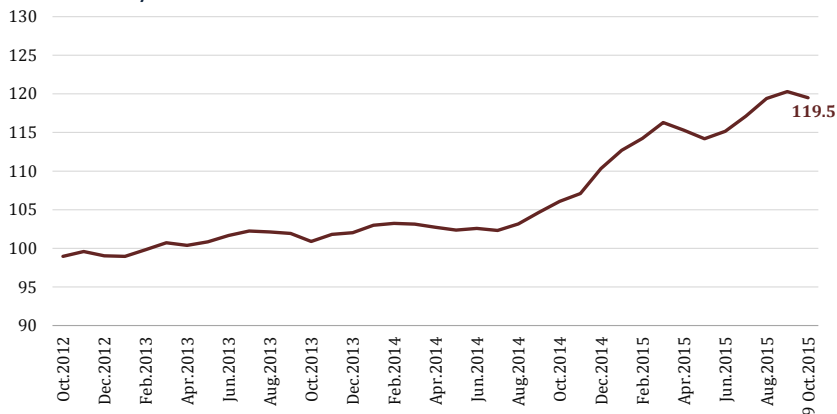
On October 13, the dollar in the interbank market closed with a selling price of S/. 3.24 per dollar.

**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\$ 61.82 billion on October 7**

Peru's net international reserves –made up mainly by liquid international assets– amounted to US\$ 61.82 billion on October 7. This level of reserves is equivalent to 31 percent of GDP and to 20 months of imports.

## BCRP Survey on Macroeconomic Expectations: September 2015

Non-financial companies estimate that inflation will show a rate of 3.5 percent at end-2015, while economic analysts and financial entities estimate an inflation rate of 3.8 percent at year-end. Moreover, the rates of inflation expected in 2016 range between 3.0 percent and 3.3 percent.

### Survey of Macroeconomic Expectations: Inflation (%)

	July 31, 2015	Survey date:	
		August 31, 2015	September 30, 2015
<b>Economic analysts 1/</b>			
2015	3.2	3.5	3.8
2016	2.9	3.0	3.3
2017	2.7	2.6	2.8
<b>Financial entities 2/</b>			
2015	3.1	3.3	3.8
2016	3.0	3.0	3.1
2017	2.8	2.8	3.0
<b>Non-financial firms 3/</b>			
2015	3.0	3.3	3.5
2016	3.0	3.0	3.0
2017	3.0	3.0	3.0

1/ 26 analysts in July and August, and 25 in September 2015.

2/ 26 financial entities in June August, and 25 in September 2015.

3/ 400 non-financial firms in July, 415 in August, and 404 in September 2015.

As regards GDP growth, non-financial companies expect GDP to register a growth rate of 3.0 percent at end-2015, whereas economic analysts and financial entities estimate a growth rate of 2.8 percent in the year.

### Survey of Macroeconomic Expectations: GDP growth (%)

	July 31, 2015	Survey date:	
		August 31, 2015	September 30, 2015
<b>Economic analysts 1/</b>			
2015	2.9	2.8	2.8
2016	4.0	3.7	3.2
2017	4.5	4.5	4.5
<b>Financial entities 2/</b>			
2015	3.0	2.8	2.8
2016	4.0	3.8	3.5
2017	4.7	4.5	4.5
<b>Non-financial firms 3/</b>			
2015	3.0	3.0	3.0
2016	3.5	3.5	3.5
2017	4.2	4.0	4.0

1/ 26 analysts in July and August, and 25 in September 2015.

2/ 26 financial entities in June August, and 25 in September 2015.

3/ 400 non-financial firms in July, 415 in August, and 404 in September 2015.

Finally, the surveyed groups expect an exchange rate of S/. 3.30 per dollar in 2015.

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

	July 31, 2015	Survey date:	
		August 31, 2015	September 30, 2015
<b>Economic analysts 1/</b>			
2015	3.25	3.35	3.30
2016	3.35	3.45	3.45
2017	3.38	3.45	3.45
<b>Financial entities 2/</b>			
2015	3.25	3.35	3.30
2016	3.35	3.45	3.42
2017	3.35	3.45	3.40
<b>Non-financial firms 3/</b>			
2015	3.22	3.30	3.30
2016	3.30	3.40	3.40
2017	3.31	3.45	3.40

1/ 26 analysts in July and August, and 25 in September 2015.

2/ 26 financial entities in June August, and 25 in September 2015.

3/ 400 non-financial firms in July, 415 in August, and 404 in September 2015.

\* Exchange rate at end of year.

## Operations of the Non-Financial Public Sector: September 2015

In September, the operations of the non-financial public sector showed a deficit of S/. 1.73 billion, as a result of which the non-financial public sector accumulates a surplus of S/. 3.33 billion in the first nine months of the year.

The tax revenues of the general government fell 13.1 percent, while the non-financial expenditure of the general government increased by 5.2 percent due mainly to the current component (8.0 percent).

### Operations of the Non-Financial Public Sector 1/

(Million S/.)

	September			January - September		
	2014	2015	Real % chg.	2014	2015	Real % chg.
<b>1. General government current revenues</b>	<b>10,180</b>	<b>9,364</b>	<b>-11.5</b>	<b>95,621</b>	<b>91,118</b>	<b>-7.8</b>
a. Tax revenues	7,759	7,005	-13.1	72,648	68,642	-8.6
b. Non-tax revenues	2,420	2,359	-6.2	22,973	22,475	-5.4
<b>2. General government non-financial expenditure</b>	<b>9,632</b>	<b>10,529</b>	<b>5.2</b>	<b>81,470</b>	<b>83,663</b>	<b>-0.7</b>
a. Current	6,751	7,575	8.0	60,460	64,560	3.3
b. Capital	2,881	2,954	-1.3	21,010	19,102	-12.1
<i>of which:</i>						
<i>Gross capital formation</i>	2,472	2,312	-10.0	18,971	16,076	-18.1
<i>National government</i>	820	990	16.2	6,035	6,913	10.8
<i>Regional governments</i>	441	468	2.1	4,360	3,262	-27.7
<i>Local governments</i>	1,211	854	-32.1	8,576	5,900	-33.6
<i>Other capital expenditure</i>	409	642	51.0	2,039	3,027	44.0
<b>3. Other 2/</b>	<b>81</b>	<b>-118</b>		<b>278</b>	<b>1,221</b>	
<b>4. Primary Balance (=1-2+3)</b>	<b>628</b>	<b>-1,284</b>		<b>14,428</b>	<b>8,676</b>	
<b>5. Interests</b>	<b>398</b>	<b>447</b>		<b>4,791</b>	<b>5,341</b>	
<b>6. Overall Balance (=4-5)</b>	<b>230</b>	<b>-1,731</b>		<b>9,638</b>	<b>3,334</b>	

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.

## Trade Balance – August 2015

Total exports in August amounted to US\$ 2.95 billion and thus accumulated a total balance of US\$ 22.11 billion in the first eight months of the year. In August, exports of traditional goods amounted to US\$ 2.11 billion, while exports of non-traditional goods amounted to US\$ 826 million.

On the other hand, total imports in August amounted to US\$ 3.18 billion and to US\$ 24.54 billion in the first eight months of the year. Inputs accounted for the most part of imports in August (US\$ 1.34 billion), followed by imports of capital goods (US\$ 1.01 billion), and imports of consumer goods (US\$ 779 million).

Thus, imports outweigh exports by US\$ 226 million in August.

### Trade balance

(Million US\$)

	August 2015	January - August: 2015
<b>1. Exports</b>	<b>2,949</b>	<b>22,113</b>
Traditional products	2,114	15,159
Non-traditional products	826	6,896
Other	8	58
<b>2. Imports</b>	<b>3,175</b>	<b>24,536</b>
Consumer goods	779	5,594
Inputs	1,342	10,740
Capital goods	1,013	7,940
Other goods	41	261
<b>3. Trade balance</b>	<b>-226</b>	<b>-2,423</b>

Source: Sunat, BCRP and firms.

## International Markets

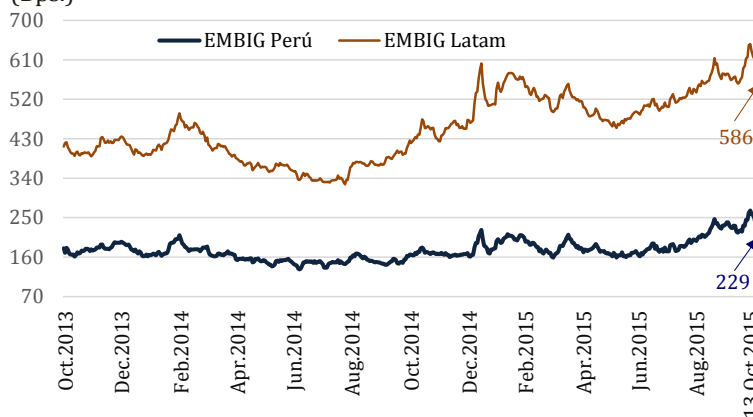
### Country risk decreased to 229 basis points

In October 1-13, the country risk indicator –measured by the **EMBIG Peru** spread– fell from 256 to 229 bps.

Similarly, the **EMBIG LatAm** spread fell 32 basis points amid mostly favorable economic data in the United States and further stimulus programs in China.

### Country Risk Indicator

(Bps.)



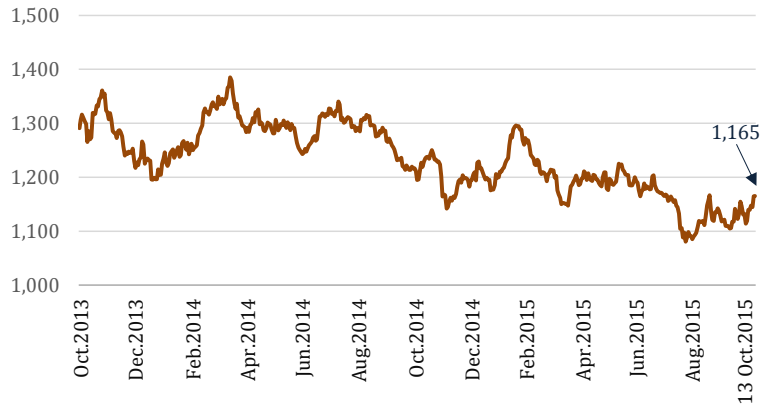
	Variation in basis points			
	13 Oct.2015	1 Oct.2015	Monthly	Annual
EMBIG Perú (bps)	229	-27	-3	57
EMBIG Latam (bps)	586	-32	16	147

**Price of gold at US\$ 1,165.2 per troy ounce**

In the same period, the price of **gold** rose 4.1 percent to US\$ 1,165.2 per troy ounce.

The rise in the price of gold was supported by the depreciation of the dollar against its major counterparts given that it is expected that the Federal Reserve will postpone raising its interest rate until next year.

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



% change			
13 Oct.2015	1 Oct.2015	Monthly	Annual
<b>US\$ 1,165.2 / troy oz.</b>	<b>4.1</b>	<b>5.0</b>	<b>-5.2</b>

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

In October 1-13, the price of **copper** rose 1.6 percent to US\$ 2.39 per pound.

Prospects of a global deficit of refined copper in 2016 and announcements of production cuts influenced this price rise.

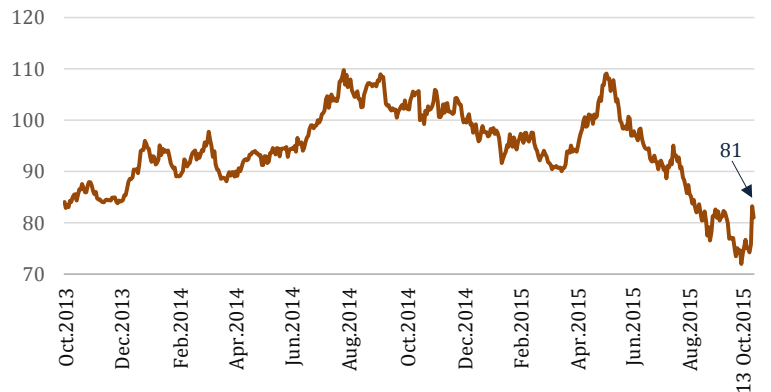


% change			
13 Oct.2015	1 Oct.2015	Monthly	Annual
<b>US\$ 2.39 / pound</b>	<b>1.6</b>	<b>-1.7</b>	<b>-22.7</b>

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

In the same period, the price of **zinc** rose 5.6 percent to US\$ 0.81 per pound.

This rise in the price of zinc is in part explained by Glencore's announcement that it will reduce its production of zinc and by the decline of inventories at the London Metal Exchange.



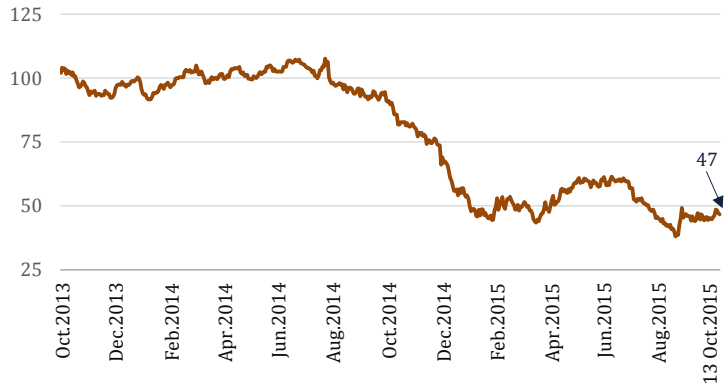
% change			
13 Oct.2015	1 Oct.2015	Monthly	Annual
<b>US\$ 0.81 / pound</b>	<b>5.6</b>	<b>-0.1</b>	<b>-23.1</b>

In October 1-13, the price of **WTI oil** increased 4.3 percent to US\$ 46.7 per barrel.

The rise in the price of crude is associated with the reduction in the number of operating oil platforms in the United States and with increased geopolitical tensions in the Middle East.

### WTI Oil Price

(US\$/barrel)



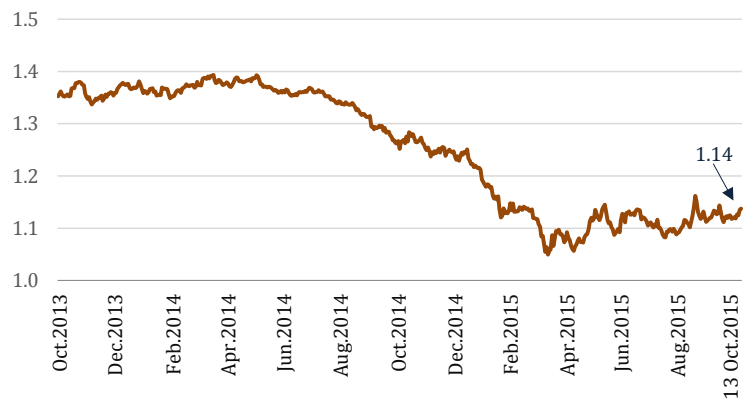
% change			
13 Oct.2015	1 Oct.2015	Monthly	Annual
US\$ 46.7 / barrel	4.3	4.5	-45.6

### US dollar depreciated against the euro

Between October 1 and October 13, the **dollar** depreciated 1.6 percent against the **euro** amid increased expectations that the Federal Reserve will postpone the normalization of its monetary policy until next year.

### Evolution of US\$ per Euro

(US\$/Euro)



	Level	% change		
	13 Oct.2015	1 Oct.2015	Monthly	Annual
US dollar/Euro	1.14	1.6	0.3	-10.8

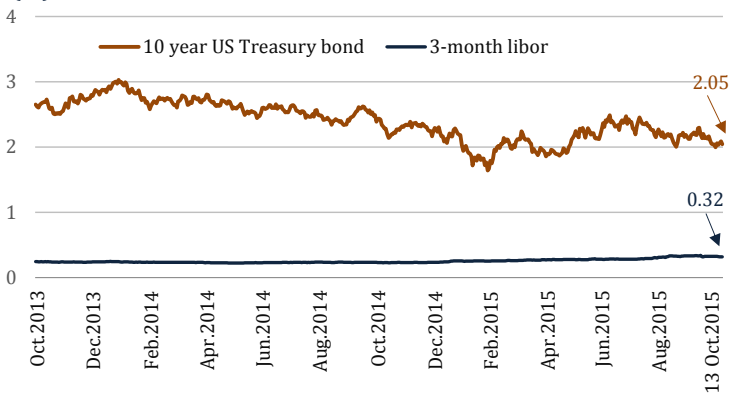
### Yield on 10-year US Treasuries at 2.05 percent

In October 1-13, the **3-month Libor** fell 1 basis point to 0.32 percent.

In the same period, the yield on the **10-year US Treasury bonds** rose 1 basis point to 2.05 percent in a context of lower risk aversion.

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

(%)



	30 Sep.2015	Variation in basis points		
		Weekly	Monthly	Annual
3 months Libor (%)	0.32	-1	-2	9
US Treasuries (%)	2.05	1	-14	-24

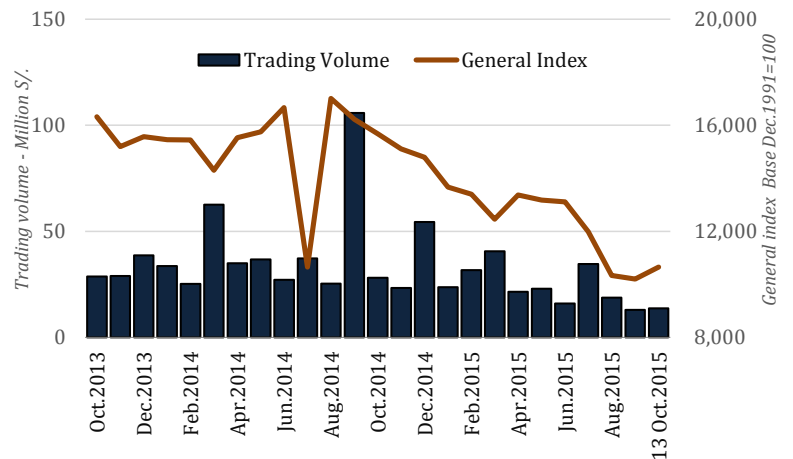


## Lima Stock Exchange

Between October 1 and October 13, the **General Index** of the Lima Stock Exchange (LSE) rose 5.3 percent and the **Selective Index** rose 2.3 percent.

The rise in the LSE indices was driven by mining and financial stocks, in line with the good performance of Wall Street and with the rise observed in the international prices of commodities.

### Lima Stock Exchange Indicators



	As of:	% change compared to:		
	13 Oct. 2015	1 Oct. 2015	30 Sep. 2015	31 Dec. 14
General Index	<b>10,650</b>	<b>5.3</b>	<b>4.4</b>	<b>-28.0</b>
Selective Index	<b>14,511</b>	<b>2.3</b>	<b>3.8</b>	<b>-28.4</b>

