






Indicators

-  Inflation in November: 0.34 percent
-  Average price of crude oil: US\$ 42.7/barrel in November
-  Average country risk in November: 219 bps

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Monetary operations and interest rate

In November, 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.

- **Currency repos:** The balance of currency repos at November 30 (S/. 28.66 billion) was similar than the balance registered at end-October, the average rate of these repos rising from 4.54 percent at end-October to 4.58 percent at November 30. Of this balance, regular currency repos amount to S/. 15.95 billion, credit expansion repos amount to S/. 7.90 billion, and credit substitution repos 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.
- **Auctions of Treasury deposits:** At November 30, the balance of placements of Treasury deposit funds through auctions was S/. 3.35 billion, at an average interest rate of 4.95 percent. At end-October, this balance was S/. 3.05 billion, with an average rate of 4.88 percent.
- **BCRP-CDs:** The balance of BCRP-CDs at November 30 was S/. 17.78 billion, with an average interest rate of 3.69 percent, while this balance at end-October was S/. 17.80 billion, with an average interest rate of 3.63 percent.
- **CDV BCRP:** The balance of CDV-BCRP at November 30 was S/. 160 million, with an interest rate of 0.10 percent.
- **Term deposits:** The balance of term deposits at November 30 was S/. 1.10 billion, with an average interest rate of 3.48 percent. At the end of October, this balance was S/. 2.68 billion with a rate of 3.46 percent.
- **Overnight deposits:** At November 30, overnight deposits showed a balance of S/. 374 million, while at end-October this balance was S/. 868 million. The average interest rate remained at 2.25 percent between October 31 and November 30.

In November, the Central Bank has also made the following operations in the FX market.

- **CDR-BCRP:** At November 30, these CDs showed a balance of S/. 7.32 billion (US\$ 2.24 billion), with an interest rate of 0.54 percent. Of this balance, CDR-BCRP placed through special repo operations amount to S/. 2.09 billion (US\$ 643 million). At end-October, CDR BCRP showed a balance of S/. 7.23 billion (US\$ 2.23 billion) and an average interest rate of 0.48 percent.
- **FX Swaps:** The balance of these instruments at November 30 was S/. 26.13 billion, with an average rate of 0.50 percent. At end-October, this balance was S/. 23.64 billion, with an average interest rate of 0.43 percent.

- In November, the BCRP sold FC for a total of US\$ 782 million on the spot market.

Monetary and foreign exchange operations

(Million S/.)

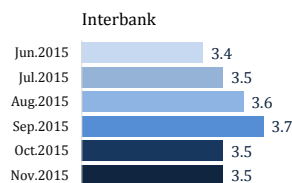
		Balance (Interest rate)		Placement (Interest rate)									Maturity	
		Oct 31. 2015	Nov 30. 2015	Overnight	1 week	1-month	2-month	3-month	6-month	12-month	18-month	24-month		
Monetary operations	Injection	Repos	450 (4.33%)	450 (4.33%)										
		Special repos	2,084 (4.17%)	2,084 (4.17%)										
		Currency repos (Ordinary)	15,950 (4.67%)	15,950 (4.74%)								2,300 (4.78%)	2,300	
		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%)	3,350 (4.95%)						300 (5.73%)				
		Funds of Banco de la Nación	600 (4.54%)	600 (4.54%)										
	Sterilization	CD BCRP	17,798 (3.63%)	17,781 (3.69%)		150 (3.48%)	50 (3.64%)			205 (4.17%)	720 (4.50%)	83 (4.79%)		1,225
		CDV BCRP	0	160 (0.10%)						160 (0.10%)				
		Term deposits	2,683 (3.46%)	1,097 (3.48%)	45,722 (3.48%)	200 (3.45%)								47,508
		Overnight deposits	868 (2.25%)	374 (2.25%)	7,102 (2.25%)									7,596
	Foreign exchange operations	CDR BCRP	5,147 (0.48%)	5,232 (0.54%)			580 (0.48%)		1,171 (0.68%)					1,665
		CDR BCRP - Special repos	2,086 (0.48%)	2,086 (0.48%)										
		FX-Swaps	23,638 (0.43%)	26,128 (0.50%)			2,841 (0.58%)	929 (0.73%)	6,719 (0.71%)					8,000

Interbank interest rate in soles at 3.5 percent

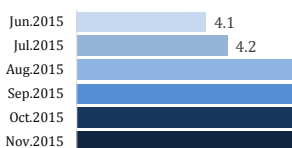
On November 30, the **interbank interest rate** in soles registered 3.5 percent and the rate in dollars registered an annual rate of 0.2 percent. On the same date, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles recorded a rate of 4.9 percent, while the rate in dollars recorded 1.1 percent.

Interest rates (%)

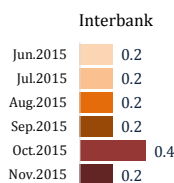
Domestic currency



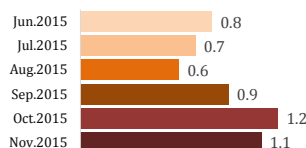
90-days corporate prime



Foreign currency



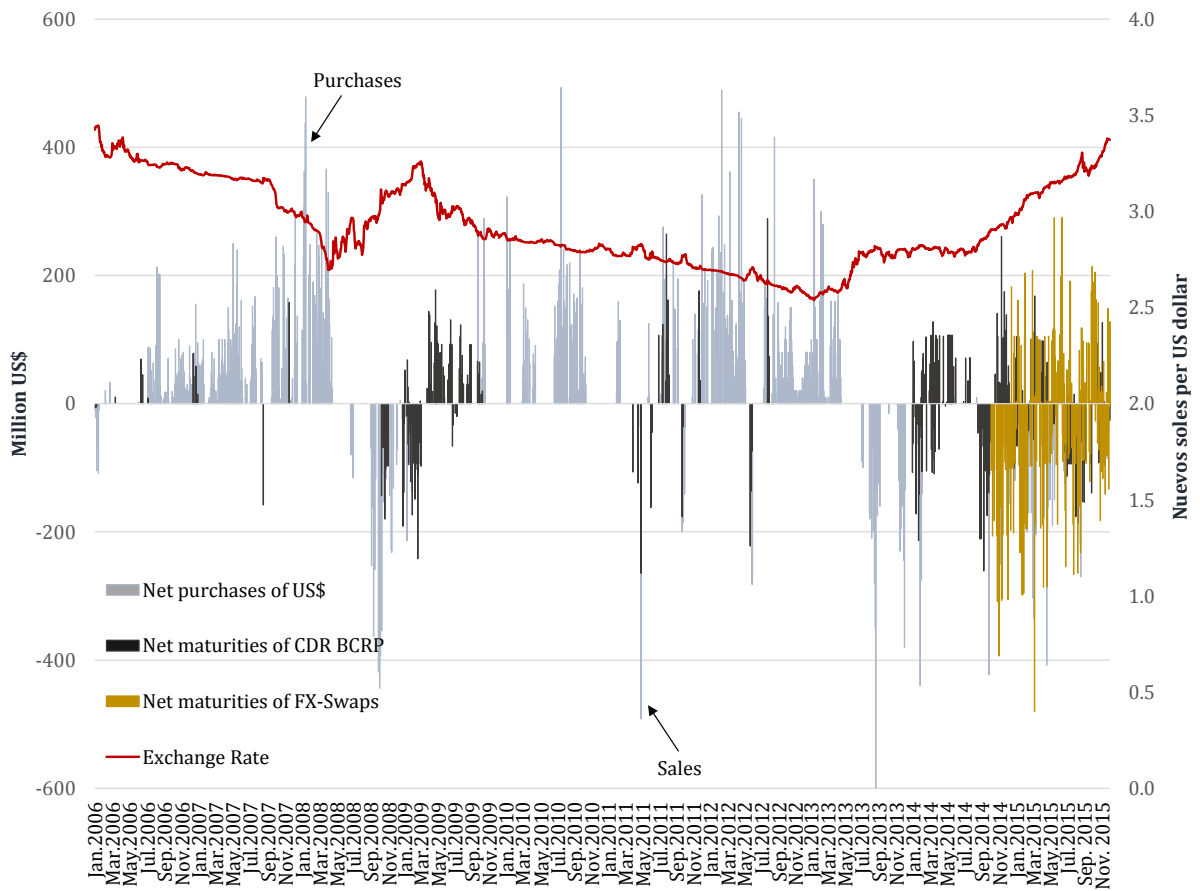
90-days corporate prime



Foreign exchange rate

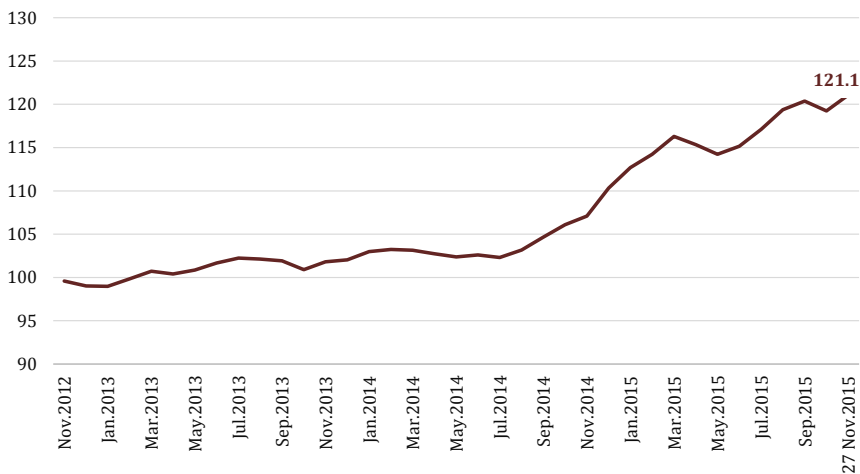
On November 30, the dollar in the interbank market closed with a selling price of S/. 3.38 per dollar.

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/

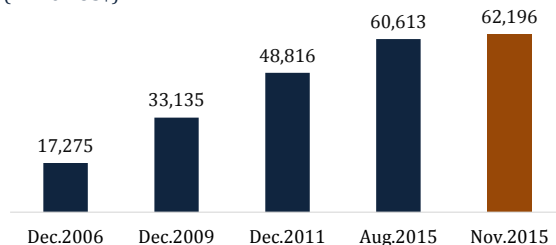


1/ Calculated taking into account currencies of US trading partners weighted by contributions. A rise in the index represents an appreciation of the US dollar.
Source: FED.

International reserves amount to US\$ 62.20 billion on November 30

Peru's net international reserves –made up mainly by liquid international assets– amounted to US\$ 62.20 billion on November 30, 2015. This level of reserves is equivalent to 32 percent of GDP and to 20 months of imports.

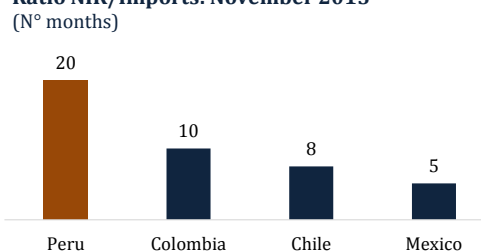
Perú: Net International Reserves
(Million US\$)



Ratio NIR/GDP: November 2015



Ratio NIR/Imports: November 2015



Credit to the private sector and liquidity at November 15

In the last four weeks (at November 15, 2015), **total credit to the private sector** increased 0.7 percent (S/. 1.80 billion). By currencies, credit in soles grew 1.8 percent (S/. 3.05 billion), while credit in dollars declined 1.7 percent (negative flow of US\$ 418 million). As a result of this, credit to the private sector showed an annual growth rate of 10.6 percent.

In the same period, **total liquidity in the private sector** increased 0.9 percent (S/. 2.11 billion), as a result of which liquidity in the private sector accumulated a growth rate of 8.1 percent in the last twelve months. By currencies, liquidity in soles increased 0.9 percent (S/. 1.33 billion), while liquidity in dollars increased 0.9 percent (US\$ 261 million).

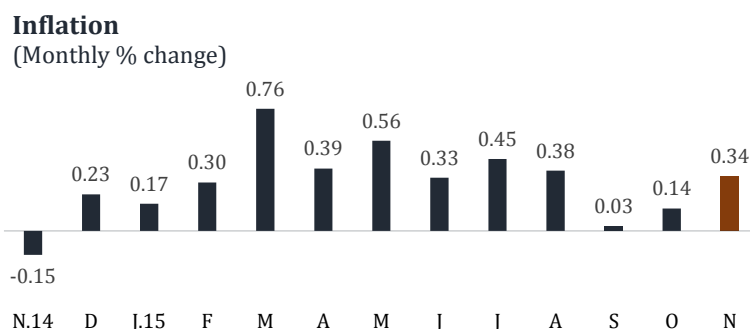
Inflation in Metropolitan Lima: 0.34 percent in November

The consumer price index in Metropolitan Lima recorded a rate of 0.34 percent in November, as a result of which inflation in the last 12 months showed a rate of 4.17 percent. The rate of inflation excluding food and energy was 0.12 percent in the month and 3.46 percent in the last 12 months.

Inflation
(% change)

	Weigth 2009=100	November 2015	
		Month	12 month
CPI	100.0	0.34	4.17
1. CPI excluding food and energy	56.4	0.12	3.46
i. Goods	21.7	0.2	3.5
ii. Services	34.8	0.1	3.4
<i>Of which:</i>			
Education	9.1	0.0	5.2
Rent	2.4	0.5	3.4
Health	1.1	0.3	5.6
2. Food and energy	43.6	0.60	5.02
i. Food	37.8	0.7	5.3
ii. Energy	5.7	-0.4	3.1

Source: INEI.



The items that contributed more to increase the rate of inflation in November were potatoes (0.20 percentage points), chicken meat (0.05 percentage points), and meals outside the home (0.04 percentage points). On the other hand, the items that contributed more to reduce inflation were onions (-0.12 percentage points), eggs and domestic transportation (-0.01 percentage points each).

Trade balance deficit reduced in October

Trade deficit reduced US\$ 281 million respect to September, due to major traditional exports (US\$ 256 million) and non-traditional (US\$ 43 million). In the first case, the increase reflects higher shipments of mineral and petroleum and natural gas; and the non-traditional, agricultural shipments highlighted. Imports rose US\$ 20 million.

Trade balance (Million US\$)

	2015		
	September	October	Jan. - Oct.
1. Exports	2,653	2,954	27,877
Traditional products	1,794	2,050	19,106
<i>of which:</i>			
Mineral	1,384	1,602	15,333
Petroleum and natural gas	141	184	1,969
Non-traditional products	853	896	8,700
<i>of which:</i>			
Agriculture and livestock	329	380	3,322
Other	6	8	72
2. Imports	3,109	3,129	30,830
Consumer goods	799	774	7,188
Inputs	1,335	1,307	13,403
Capital goods	969	1,016	9,939
Other goods	6	32	299
3. Trade balance	-456	-175	-2,952

1/ Includes estimation of unrecorded gold exports by Customs.

Source: Sunat, BCRP and firms.

Total **exports** amounted to US\$ 2.95 billion in October and thus accumulate a total of US\$ 27.88 billion in the first ten months of the year. Exports of traditional products amounted to US\$ 2.05 billion and exports of non-traditional products amounted to US\$ 896 million.

Total imports amounted to US\$ 3.13 billion in October and to US\$ 30.83 billion in the first ten months of the year. Imports of inputs in the month totaled US\$ 1.31 billion, while imports of capital goods amounted to US\$ 1.02 billion and imports of consumer goods amounted to US\$ 774 million.

In October, imports were higher than exports by US\$ 175 million.

BCRP Survey on Macroeconomic Expectations: November 2015

According to the survey results carried out in November, economic agents expect inflation in 2015 to show a rate between 3.5 and 3.8 percent, while in 2016 the rate of inflation would be between 3.1 and 3.3 percent and in 2017 this rate would be between 2.8 and 3.0 percent.

Survey of Macroeconomic Expectations: Inflation (%)

	Sep 30, 2015	Survey date:	
		Oct 31, 2015	Nov 30, 2015
Economic analysts 1/			
2015	3.8	3.8	3.8
2016	3.3	3.2	3.2
2017	2.8	2.8	3.0
Financial entities 2/			
2015	3.8	3.7	3.8
2016	3.1	3.3	3.3
2017	3.0	2.8	2.8
Non-financial firms 3/			
2015	3.5	3.5	3.5
2016	3.0	3.0	3.1
2017	3.0	3.0	3.0

1/ 25 analysts in September, 25 in October and 23 in November 2015.

2/ 25 financial entities in September, 22 in October and 20 in November 2015.

3/ 404 non-financial firms in September, 367 in October, and 281 in November 2015.

For 2015, non-financial firms estimate a GDP growth rate of 3.0 percent, while economic analysts and financial entities estimate a growth rate of 2.8 percent. Moreover, growth forecasts for 2016 range between 3.2 and 3.5 percent, while all of the economic agents estimate a growth rate of 4.0 percent in 2017.

Survey of Macroeconomic Expectations: GDP growth (%)

	Sep 30, 2015	Survey date:	
		Oct 31, 2015	Nov 30, 2015
Economic analysts 1/			
2015	2.8	2.7	2.8
2016	3.2	3.5	3.2
2017	4.5	4.2	4.0
Financial entities 2/			
2015	2.8	2.8	2.8
2016	3.5	3.3	3.5
2017	4.5	4.1	4.0
Non-financial firms 3/			
2015	3.0	3.0	3.0
2016	3.5	3.5	3.5
2017	4.0	4.0	4.0

1/ 25 analysts in September, 25 in October and 23 in November 2015.

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The dollar-nuevo sol exchange rate expected at the end of this year is S/. 3.40 per US dollar. In 2016, the exchange rate is expected to be S/. 3.50 per dollar and in 2017 it is estimated to be between S/. 3.50 and S/. 3.53 per dollar.

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

	Sep 30, 2015	Survey date:	
		Oct 31, 2015	Nov 30, 2015
Economic analysts 1/			
2015	3.30	3.32	3.40
2016	3.45	3.45	3.50
2017	3.45	3.50	3.53
Financial entities 2/			
2015	3.30	3.30	3.40
2016	3.42	3.45	3.50
2017	3.40	3.45	3.50
Non-financial firms 3/			
2015	3.30	3.30	3.40
2016	3.40	3.40	3.50
2017	3.40	3.45	3.50

1/ 25 analysts in September, 25 in October and 23 in November 2015.

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* Exchange rate at end of year.

International Markets

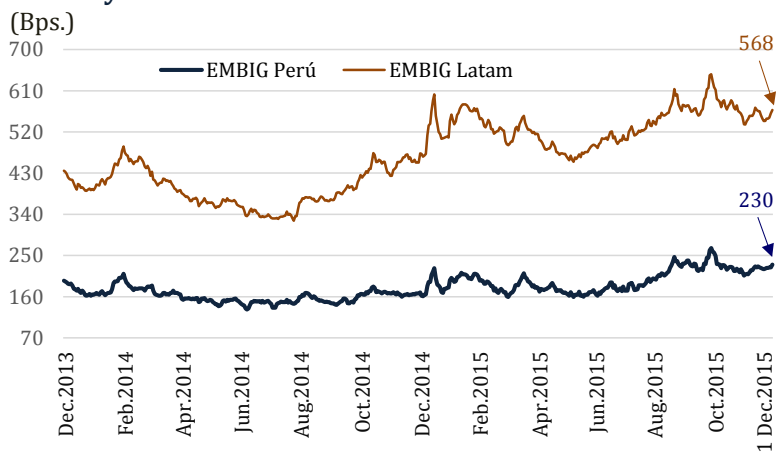
Country risk at 230 basis points

On **December 1**, the **EMBIG Peru** recorded 230 bps and the **EMBIG LatAm** spread recorded 568 bps.

In **November**, the average country risk indicator –measured by the **EMBIG Peru** spread– fell from 226 in October to 219 basis points.

In this month, the **EMBIG LatAm** spread fell 28 bps to 553 bps, in a context of positive employment data in the United States and expectations that the Fed's adjustment of interest rates would be gradual.

Country Risk Indicator



	Variation in basis points			
	1 Dec.2015	Weekly	Monthly	Annual
EMBIG Perú (bps)	230	9	10	61
EMBIG Latam (bps)	568	24	8	95

Price of gold at US\$ 1,065.4 per troy ounce

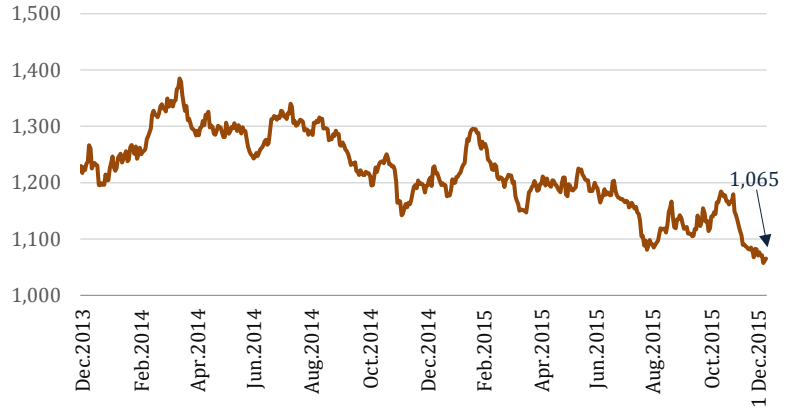
On **December 1**, the price of gold was US\$ 1,065.4 per troy ounce.

In **November**, the average price of **gold** was US\$ 1,085.8/troy ounce, 6.3 percent lower than in October.

The lower price of gold was supported by the global strengthening of the dollar given increased expectations that the Fed will raise its interest rate in December, as well as by India's lower imports of gold in October.

Gold Price

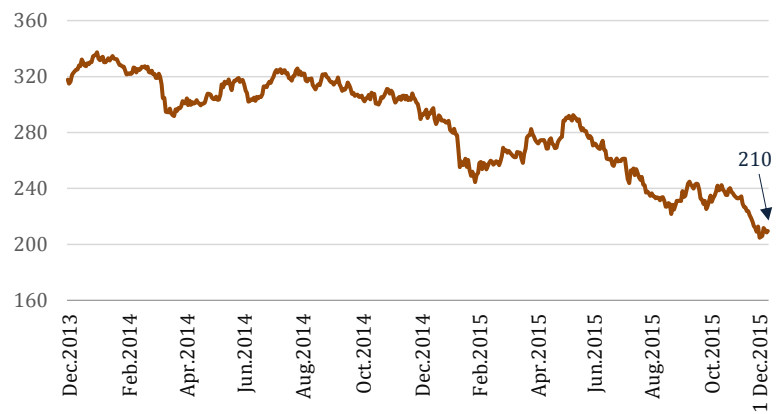
(US\$/ troy ounce)



% change			
1 Dec.2015	Weekly	Monthly	Annual
US\$ 1,065.4 / troy oz.	-1.0	-6.7	-10.8

Copper Price

(cUS\$/pound)



% change			
1 Dec.2015	Weekly	Monthly	Annual
US\$ 2.10 / pound	2.0	-10.1	-27.7

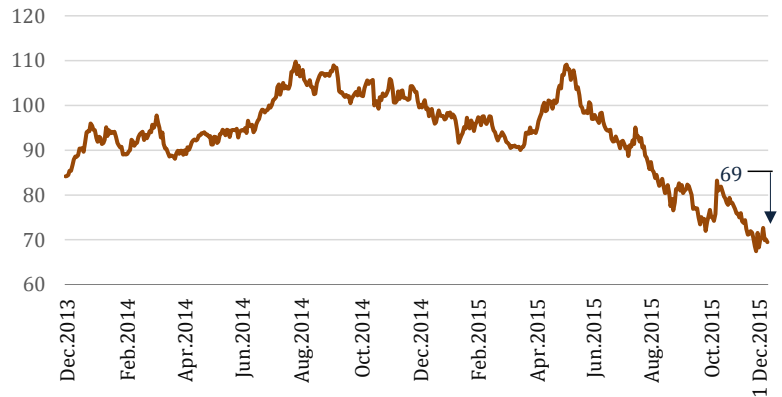
On **December 1**, **copper** was quoted at US\$ 2.10 per pound.

In **November**, the average price of **copper** was US\$ 2.18 per pound, 8.1 percent lower than in October.

The price of copper was affected by downward pressures associated with concerns of a lower demand from China and by expectations of an oversupply due to the increase of global inventories.

Zinc Price

(cUS\$/pound)



% change			
1 Dec.2015	Weekly	Monthly	Annual
US\$ 0.69 / pound	-1.1	-8.5	-30.3

On **December 1**, the price of **zinc** was US\$ 0.69 per pound.

In **November**, **zinc** declined 8.7 percent compared to the previous month and showed an average price of US\$ 0.72 per pound.

This decline is explained mainly by fears of a lower demand from China.

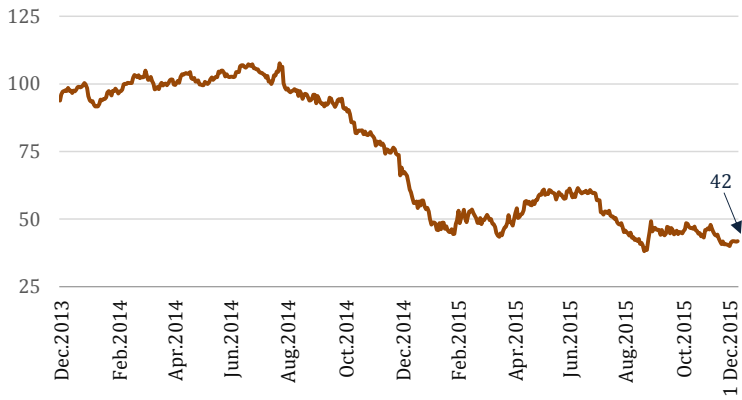
On **December 1**, **WTI oil** recorded a price of US\$ 41.9 a barrel.

In **November**, the average price of **WTI oil** was US\$ 42.7 per barrel, 8.0 percent lower than in October.

The fall in the price of crude oil was influenced by indications of an oversupply of crude –due to an increase in inventories and to Russia’s record production of oil.

WTI Oil Price

(US\$/barrel)



1 Dec.2015	% change		
	Weekly	Monthly	Annual
US\$ 41.9 / barrel	1.4	-10.2	-39.3

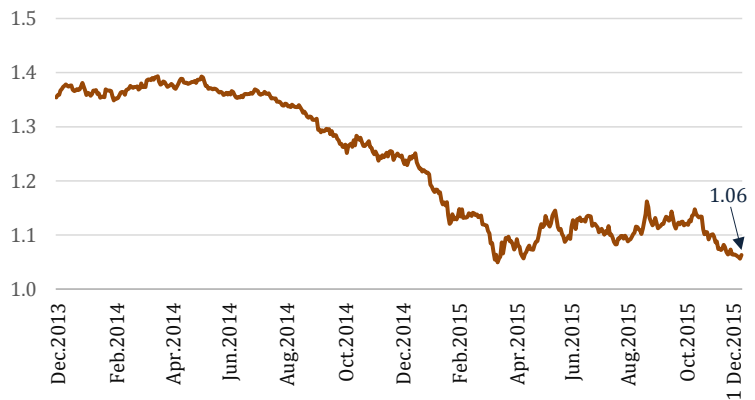
Dollar-euro exchange rate: US\$ 1.06 per euro

On **December 1**, the exchange rate was US\$ 1.06 per euro.

In **November**, the **US dollar** appreciated 4.2 percent on average against the **euro**, influenced by prospects of further divergence between the FED and the ECB in monetary policy actions (the former is expected to start normalizing its monetary policy in December, while the latter could give greater monetary stimulus).

Evolution of US\$ per Euro

(US\$/Euro)



	Level	% change		
	1 Dec.2015	Weekly	Monthly	Annual
US dollar/Euro	1.06	-0.1	-3.4	-14.7

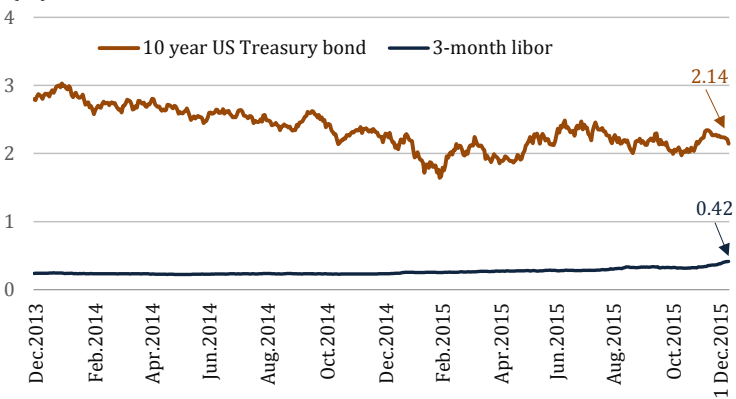
Yield on 10-year US Treasuries at 2.14 percent

On **December 1**, the **3-month Libor** recorded 0.42 percent and the yield on the **10-year US Treasury bonds** recorded 2.14 percent.

In **November**, the **3-month Libor** registered 0.37 percent while the yield on the **10-year US Treasury bonds** recorded 2.26 percent, a rate 15 bps higher than in October, after reports showed mostly positive economic data in the United States.

3-Month Libor and 10-Year US Treasuries

(%)



	Variation in basis points			
	1 Dec.2015	Weekly	Monthly	Annual
3 months Libor (%)	0.42	2	8	18
US Treasuries (%)	2.14	-9	0	-9

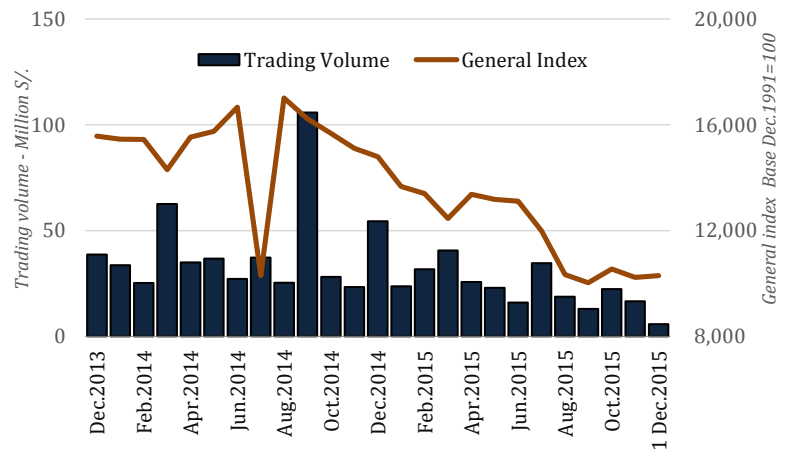
Lima Stock Exchange

On **December 1**, both the General Index and the Selective Index of the Lima Stock Exchange (LSE) rose 0.7 percent.

In **November**, the **General Index** of the LSE fell 3.0 percent while the **Selective Index** fell 4.2 percent.

The indices of the LSE were influenced by the continued decline of commodity prices and by increased expectations that the Fed will raise its interest rates.

Lima Stock Exchange Indicators



	As of:	% change compared to:		
	1 Dec.2015	24 Nov.2015	30 Oct.2015	31 Dec.14
General Index	10,301	-1.5	-2.3	-30.4
Selective Index	13,712	-0.9	-3.5	-32.3

