







Indicators

-  Non-traditional exports increased to US\$ 945 million in November 2015
-  NIR was equivalent to 32 percent of GDP in December
-  Inflation in Metropolitan Lima: 0.45 percent in December
-  Price of oil WTI in US\$/bl 36.0 at January 5

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Monetary operations and interest rate

In December, 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 December 31 was S/ 600 million, with an average interest rate of 4.72 percent. At end-November, these repos showed a balance of S/ 510 million, with an average rate of 4.29 percent.
- **Special repos:** The balance of special repos at December 31 was S/ 1.90 billion, with an average interest rate of 4.69 percent. At the end of November, special repos showed a balance of S/ 2.08 billion at an average rate of 4.17 percent.
- **Currency repos:** The balance of currency repos at December 31 (S/ 27.61 billion) and the balance registered at end-November was S/ 28.66 billion, the average rate of these repos rising from 4.58 percent at end-November to 4.72 percent at December 31. Of this balance, regular currency repos amount to S/ 14.90 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 December 31, the balance of Treasury deposit funds placed through auctions was S/ 2.55 billion, with an average interest rate of 5.47 percent. At the end November, these operations showed a balance of S/ 3.05 billion, with an average rate of 4.95 percent.
- **BCRP-CDs:** The balance of BCRP-CDs at December 31 was S/ 15.38 billion, with an average interest rate of 3.79 percent, while this balance at end-November was S/ 17.78 billion, with an average interest rate of 3.69 percent.
- **Term deposits:** The balance of term deposits at December 31 showed a balance of S/ 840 million, with an average interest rate of 3.74 percent. At the end of November, this balance was S/ 1.10 billion with a rate of 3.48 percent.
- **Overnight deposits:** At December 31, overnight deposits showed a balance of S/ 275 million, with an average interest rate of 2.50 percent. At end-November this balance was S/ 374 million with an average rate of 2.25 percent.

In December, the Central Bank has also made the following operations in the FX market:

- **CDR-BCRP:** At December 31, these CDs showed a balance of S/ 7.06 billion (US\$ 2.12 billion), with an interest rate of 0.58 percent. Of this balance, CDR-BCRP placed through special repo operations amount to S/ 1.90 billion (US\$ 567 million). At end-November, CDR

BCRP showed a balance of S/ 7.32 billion (US\$ 2.24 billion) and an average interest rate of 0.54 percent.

- FX Swaps: The balance of these instruments at December 31 was S/ 26.35 billion, with an average rate of 0.60 percent. At end-November, this balance was S/ 26.13 billion, with an average interest rate of 0.50 percent.
- Between December 1 and December 31, the BCRP sold US\$ 296 million in the spot foreign exchange market.

Monetary and foreign exchange operations

(Million S/)

		Balance (Interest rate)		Placement (Interest rate)										Maturity		
		Nov 30. 2015	Dec 31. 2015	Overnight	2 semanas	1-month	2-month	3-month	4-month	6-month	12-month	18-month	24-month		30-month	
Monetary operations	Infection	Repos	510 (4.29%)	600 (4.72%)	6,800 (4.02%)					300 (5.21%)					7,010	
		Special repos	2,084 (4.17%)	1,900 (4.69%)					900 (4.71%)						1,084	
		Currency repos (Ordinary)	15,950 (4.74%)	14,900 (5.01%)									2,350 (5.29%)	800 (4.93%)	400 (5.38%)	4,600
		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 (4.95%)	2,550 (5.47%)							800 (5.72%)					1,300
	Sterilization	CD BCRP	17,781 (3.69%)	15,380 (3.79%)					700 (3.96%)		1,227 (4.15%)	480 (4.59%)	150 (4.95%)		4,958	
		Term deposits	1,097 (3.48%)	840 (3.74%)	28,194 (3.68%)	30 (3.75%)									28,481	
		Overnight deposits	374 (2.25%)	275 (2.50%)	8,175 (2.39%)										8,274	
	Foreign exchange operations	CDR BCRP	5,232 (0.54%)	5,157 (0.57%)					1,423 (0.61%)						1,499	
CDR BCRP - Special repos		2,086 (0.53%)	1,903 (0.60%)					901 (0.65%)						1,085		
FX-Swaps		26,128 (0.50%)	26,352 (0.60%)			1,468 (0.74%)	160 (0.73%)	7,750 (0.65%)	1,555 (0.70%)					10,709		

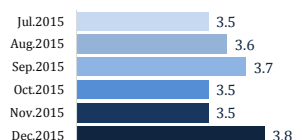
Interbank interest rate in soles at 3.8 percent

In December, the average **interbank interest rate** in soles registered 3.8 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 low risk businesses– in soles recorded a rate of 5.0 percent, while the rate in dollars recorded 1.1 percent.

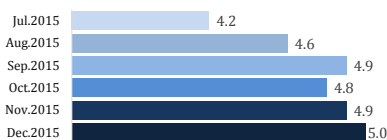
Interest rates (%)

Domestic currency

Interbank

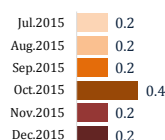


90-days corporate prime

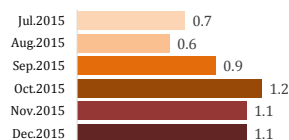


Foreign currency

Interbank



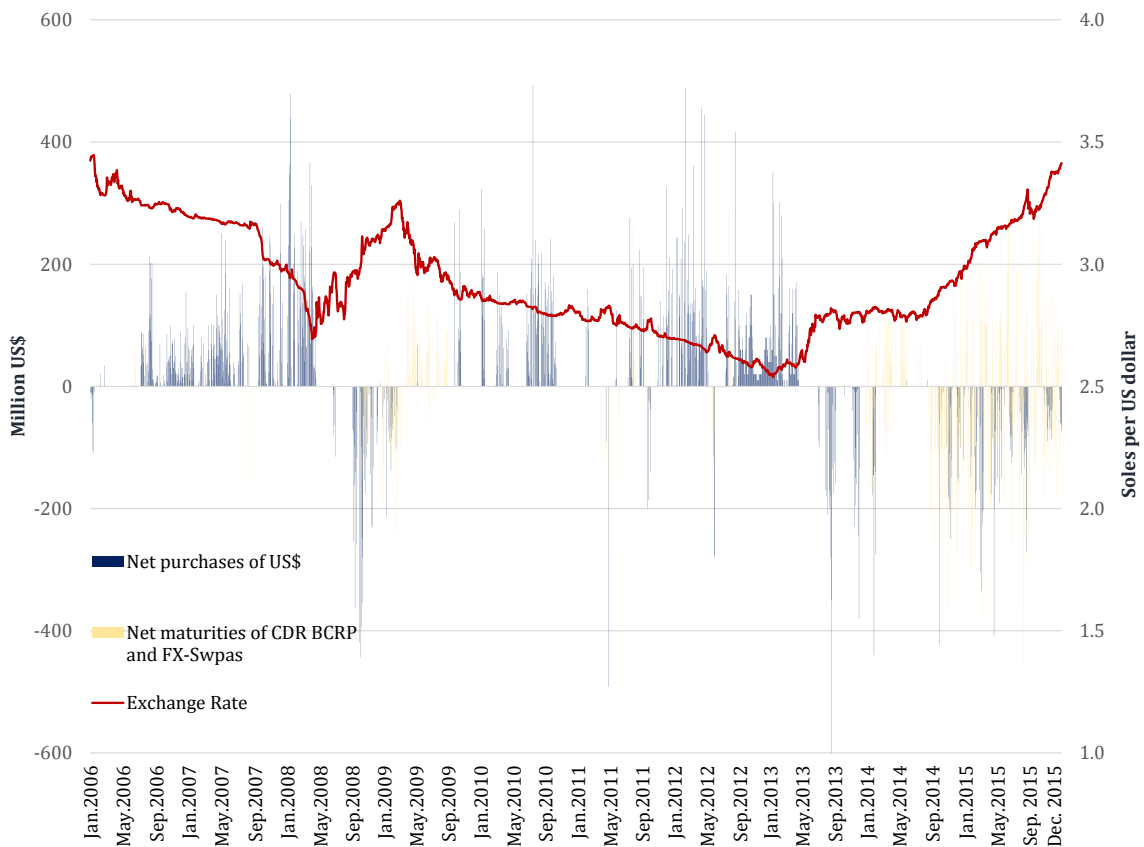
90-days corporate prime



Foreign exchange rate

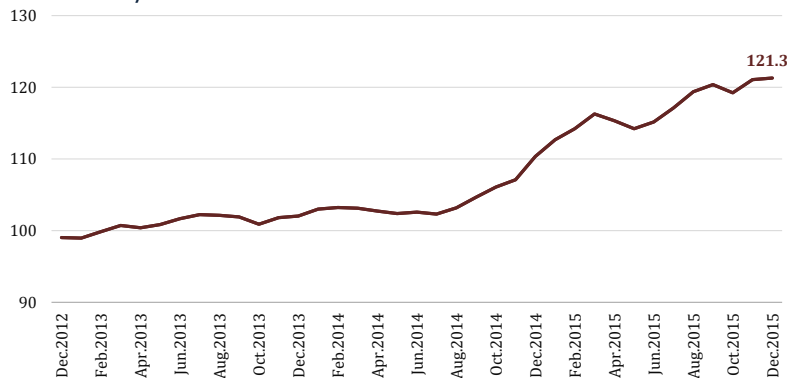
On December 31, the dollar in the interbank market closed with a selling price of S/ 3.41 per dollar.

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/

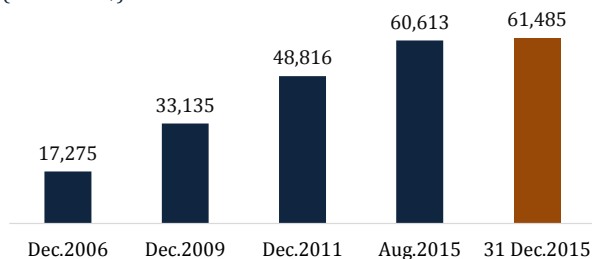


1/ Calculated taking into account currencies of US trading partners weighted by contributions. A rise in the index represents an appreciation of the US dollar.
Source: FED.

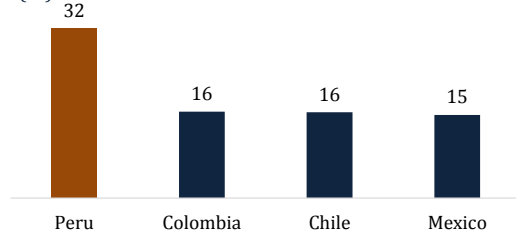
International reserves amount to US\$ 61.49 billion on December

Peru's net international reserves –made up mainly by liquid international assets– amounted to US\$ 61.49 billion on December 31, 2015. This level of reserves is equivalent to 32 percent of GDP and to 20 months of imports.

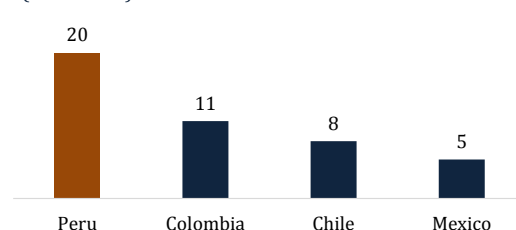
Perú: Net International Reserves
(Million US\$)



Ratio NIR/GDP: December 2015
(%)



Ratio NIR/Imports: December 2015
(N° months)



Credit to the private sector and liquidity at December 15

In the last four weeks (at December 15, 2015), **total credit to the private sector** increased 1.0 percent (S/ 2.53 billion). By currencies, credit in soles grew 2.0 percent (S/ 3.54 billion), while credit in dollars declined 1.4 percent (negative flow of US\$ 339 million). As a result of this, credit to the private sector showed an annual growth rate of 10.5 percent.

In the same period, **total liquidity in the private sector** increased 1.4 percent (S/ 3.17 billion), as a result of which liquidity in the private sector accumulated a growth rate of 9.7 percent in the last twelve months. By currencies, liquidity in soles increased 2.8 percent (S/ 4.11 billion), while liquidity in dollars decreased 1.1 percent (negative flow of US\$ 317 million).

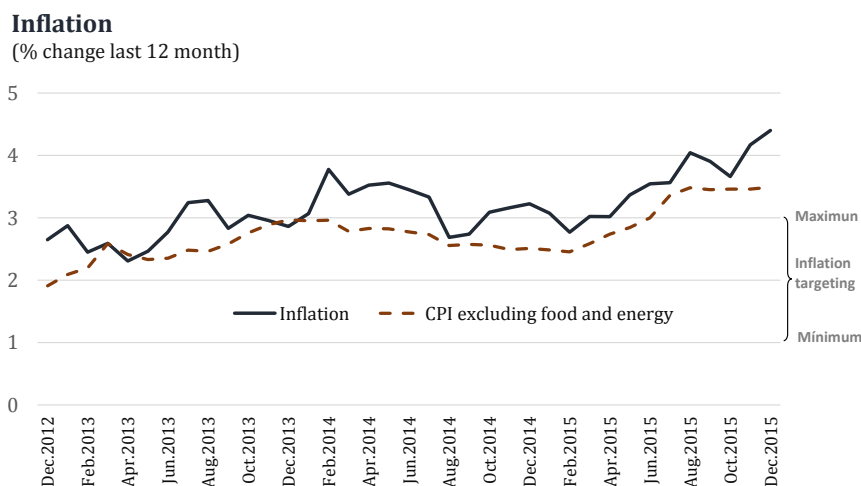
Inflation in Metropolitan Lima: 0.45 percent in December

The consumer price index in Metropolitan Lima recorded a rate of 0.45 percent in December, as a result of which inflation in the last 12 months showed a rate of 4.40 percent. The rate of inflation excluding food and energy was 0.53 percent in the month and 3.49 percent in the last 12 months.

Inflation (% change)

	Weigth 2009=100	December 2015	
		Month	12 month
CPI	100.0	0.45	4.40
1. CPI excluding food and energy	56.4	0.53	3.49
i. Goods	21.7	0.3	3.6
ii. Services	34.8	0.7	3.4
<i>Of which:</i>			
Education	9.1	0.0	5.2
Rent	2.4	0.3	3.5
Health	1.1	0.6	5.5
2. Food and energy	43.6	0.35	5.47
i. Food	37.8	0.4	5.4
ii. Energy	5.7	0.1	6.2

Source: INEL.



The items that contributed more to increase the rate of inflation in December were urban fare (0.12 percentage points), potatoes (0.09 percentage points), and domestic transportation (0.08 percentage points). On the other hand, the items that contributed more to reduce inflation were onions (-0.05 percentage points), fish and gasoline (-0.02 percentage points each).

Trade balance: November 2015

Total **exports** amounted to US\$ 2.76 billion in November, of which traditional exports recorded US\$ 1.81 billion and non-traditional exports amounted to US\$ 945 million. These exports accumulate a total of US\$ 30.76 billion in the first eleven months of the year. It is worth pointing out that the increase exports of non-traditional agricultural and non-metal mining products respect to similar period 2014.

Total imports amounted to US\$ 3.04 billion in November. Imports of inputs in the month totaled US\$ 1.24 billion, while imports of capital goods amounted to US\$ 979 million and imports of consumer goods amounted to US\$ 814 million. In the first eleven months of the year imports totaled US\$ 34.06 billion.

In November, trade balance recorded a deficit of US\$ 282 million.

Trade balance

(Million US\$)

	November			January-November		
	2014	2015	% Chg.	2014	2015	% Chg.
1. Exports	3,155	2,760	-12.5	36,153	30,764	-14.9
Traditional products	2,094	1,808	-13.7	25,441	21,010	-17.4
Non-traditional products	1,052	945	-10.1	10,548	9,675	-8.3
Other goods	9	7	-22.0	164	79	-51.8
2. Imports	3,254	3,042	-6.5	37,711	34,057	-9.7
Consumer goods	831	814	-2.0	8,168	8,078	-1.1
Inputs	1,396	1,235	-11.5	17,443	14,694	-15.8
Capital goods	1,006	979	-2.6	11,923	10,972	-8.0
Other goods	21	13	-37.8	177	314	76.8
3. Trade balance	-99	-282		-1,558	-3,293	

Source: Sunat and BCRP.

In November, the volume of exports increased 3.5 percent respect to November 2014, due to higher shipments of fishmeal, copper, zinc and non-traditional agricultural products like –blueberry and

grapes-. By contrast, export prices decreased 15.4 percent in the same period, in line with the lower prices of minerals. In the first eleven months of the year, the export volume registered a null variation and a prices reduced 14.8 percent.

BCRP Survey on Macroeconomic Expectations: December 2015

Economic agents expect inflation in 2016 to show a rate between 3.3 and 3.5 percent, while in 2017 the rate of inflation would reduce at 3.0 percent, inside the target range.

Survey of Macroeconomic Expectations: Inflation (%)

	Survey date:		
	Oct 31, 2015	Nov 30, 2015	Dec 31, 2015
Economic analysts 1/			
2016	3.2	3.2	3.4
2017	2.8	3.0	3.0
Financial entities 2/			
2016	3.3	3.3	3.5
2017	2.8	2.8	3.0
Non-financial firms 3/			
2016	3.0	3.1	3.3
2017	3.0	3.0	3.0

1/ 25 analysts in October, 23 in November, and 22 in December in 2015.

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

3/ 367 non-financial firms in October, 381 in November, and 372 in December 2015.

For 2015, non-financial firms estimate a GDP growth rate of 3.0 percent, while economic analysts and financial entities estimate a GDP growth rate of 2.8 percent. Moreover, growth forecasts for 2016 range between 3.0 and 3.3 percent, while all of the economic agents estimate a growth rate of 4.0 percent in 2017.

Survey of Macroeconomic Expectations: GDP growth (%)

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

1/ 25 analysts in October, 23 in November, and 22 in December in 2015.

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

3/ 367 non-financial firms in October, 381 in November, and 372 in December 2015.

In 2016, the exchange rate is expected to be between S/. 3.50 and S/. 3.55 per dollar.

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

	Survey date:		
	Oct 31, 2015	Nov 30, 2015	Dec 31, 2015
Economic analysts 1/			
2016	3.45	3.50	3.55
2017	3.50	3.53	3.55
Financial entities 2/			
2016	3.45	3.50	3.50
2017	3.45	3.50	3.50
Non-financial firms 3/			
2016	3.40	3.50	3.50
2017	3.45	3.50	3.50

1/ 25 analysts in October, 23 in November, and 22 in December in 2015.

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

3/ 367 non-financial firms in October, 381 in November, and 372 in December 2015.

* Exchange rate at end of year.

Business expectations about the sector and the economic situation twelve months ahead showed a level of 57.6 and 56.0 points in December.

Macroeconomic Expectations Survey Results

	November	December
Expected sector situation 12 months ahead	57.0	57.6
Expectations regarding the economy 12 months ahead	55.1	56.0
Expected demand of firm's products 3 months ahead	55.1	51.5
Expected new personnel hired 3 months ahead	48.9	45.5
Expected firm situation 3 months ahead	54.7	54.4
Expected sector situation 3 months ahead	49.1	47.7
Expectations regarding the economy 3 months ahead	44.8	44.6

International Markets

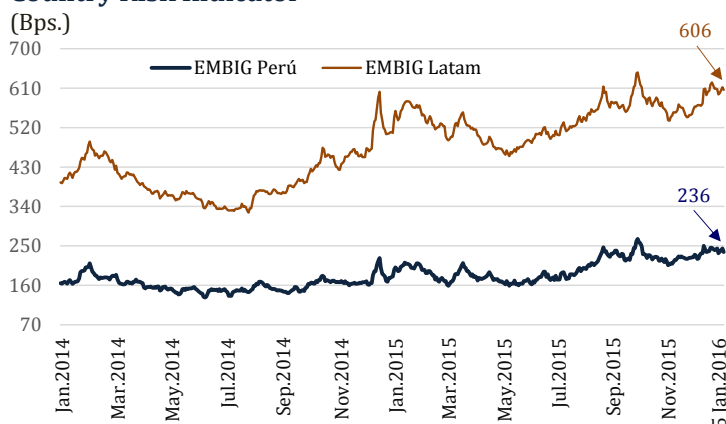
Country risk at 236 basis points

On **January 5**, the **EMBIG Peru** recorded 236 bps and the **EMBIG LatAm** spread recorded 606 bps.

In **December 2015**, the average country risk indicator –measured by the **EMBIG Peru** spread– rose from 219 in November to 236 basis points.

In this month, the **EMBIG LatAm** spread rose 41 bps to 594 bps, in a context of volatility in the price of crude WTI oil and the economic slowdown in China.

Country Risk Indicator



	Variation in basis points			
	5 Jan.2015	Weekly	Monthly	Annual
EMBIG Perú (bps)	236	3	8	40
EMBIG Latam (bps)	606	10	38	62

Price of gold at US\$ 1,077.0 per troy ounce

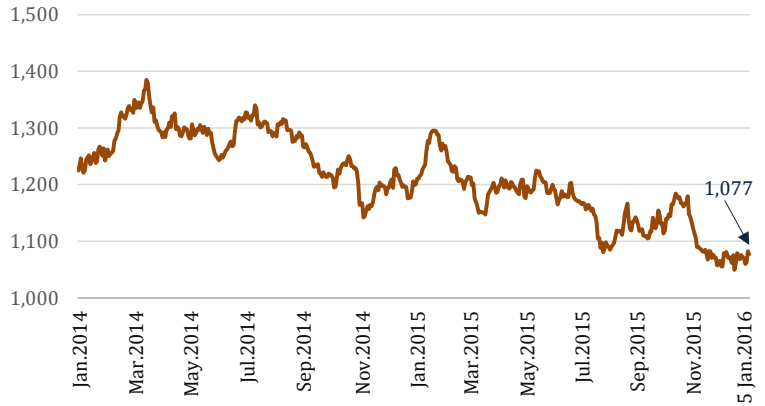
On **January 5**, the **gold** was quoted at US\$ 1,077.0/troy ounce.

In **December 2015**, the average price of **gold** was US\$ 1,068.3/troy ounce, 1.6 percent lower than in November.

The lower price of gold was affected by the beginning of the cycle of rises in the Fed's interest rates and by deflationary fears that influenced in a lower demand as a hedge asset.

Gold Price

(US\$/ troy ounce)



% change			
5 Jan.2015	Weekly	Monthly	Annual
US\$ 1,077.0 / troy oz.	0.6	-0.2	-10.3

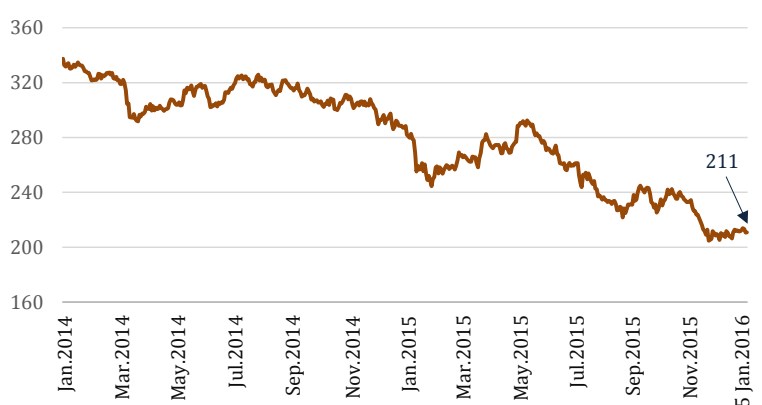
On **January 5**, **copper** was quoted at US\$ 2.11 per pound.

In **December 2015**, the average price of **copper** was US\$ 2.10 per pound, 3.7 percent lower than in November.

The price of copper was associated with concerns about a lower demand from China and with signals of a market oversupply, partially offset by the announcements of production cuts in Chinese copper companies.

Copper Price

(cUS\$/pound)



% change			
5 Jan.2015	Weekly	Monthly	Annual
US\$ 2.11 / pound	-0.8	0.2	-25.2

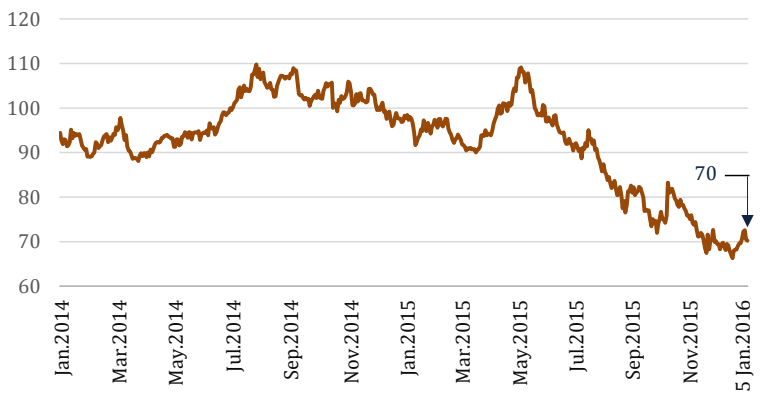
On **January 5**, the price of **zinc** was US\$ 0.70 per pound.

In **December 2015**, **zinc** declined 3.9 percent compared to the previous month and showed an average price of US\$ 0.69 per pound.

This decline is explained by a weak demand from China and data indicating a surplus in the global market of refined zinc during January-October.

Zinc Price

(cUS\$/pound)



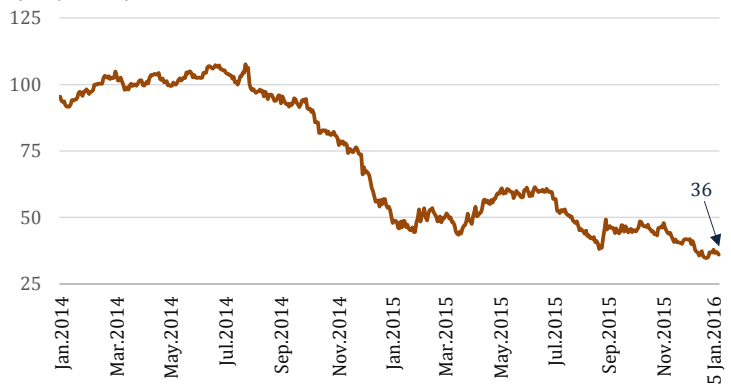
% change			
5 Jan.2015	Weekly	Monthly	Annual
US\$ 0.70 / pound	-0.7	1.2	-28.2

On **January 5**, **WTI oil** recorded a price of US\$ 36.0 a barrel.

In **December 2015**, the average price of **WTI oil** was US\$ 37.2 per barrel, 12.7 percent lower than in November.

The fall in the price of crude oil was influenced by an oversupply oil market due to a record production in the OPEC member countries, and by a weaker demand.

WTI Oil Price
(US\$/barrel)



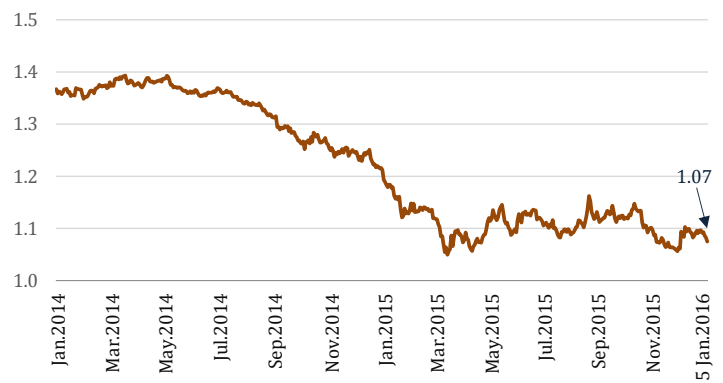
	% change			
	5 Jan.2015	Weekly	Monthly	Annual
US\$ 36.0 / barrel		-5.0	-10.0	-28.1

Dollar-euro exchange rate: US\$ 1.07 per euro

On **January 5**, the exchange rate was US\$ 1.07 per euro.

In **December**, the **US dollar** depreciated 1.4 percent on average against the **euro**, in a context in which the European Central Bank announced lower stimulus programs than those expected and in uncertainty about the cycle of rises in the Fed's interest rates.

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



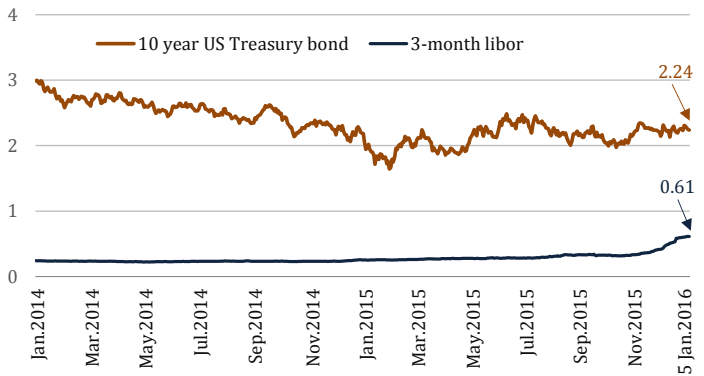
	% change				
	Level	5 Jan.2015	Weekly	Monthly	Annual
US dollar/Euro	1.07		-1.6	-1.3	-9.9

Rendimiento de los US Treasuries en 2,24 por ciento

On **January 5**, the **3-month Libor** recorded 0.61 percent and the yield on the **10-year US Treasury bonds** recorded 2.24 percent.

In **December**, the **3-month Libor** registered 0.53 percent while the yield on the **10-year US Treasury bonds** recorded 2.24 percent, a rate 2 bps lower than in November, by the uncertainty about the price of crude WTI oil and by fears about China.

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



	Variation in basis points			
	5 Jan.2015	Weekly	Monthly	Annual
3 months Libor (%)	0.61	1	15	36
US Treasuries (%)	2.24	-7	-3	20

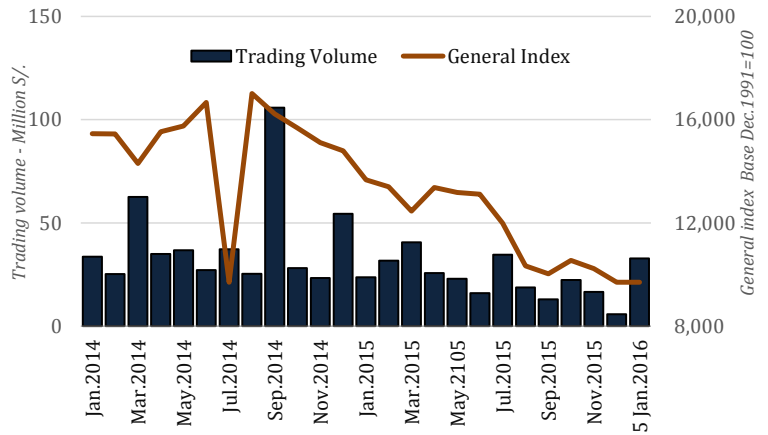
Lima Stock Exchange

As of **January 5**, both the General Index and the Selective Index of the Lima Stock Exchange (LSE) reduced 1.5 and 1.0 percent, respectively.

In **December**, the **General Index** fell 3.7 percent while the **Selective Index** fell 5.2 percent.

The indices of the LSE were influenced by the fall in price of crude and the beginning of the cycle of rises in the Fed's interest rates.

Lima Stock Exchange Indicators



	% change compared to:			
	As of:	5 Jan.2015	29 Dec.2015	30 Nov.2015
General Index	9,697	-1.3	-5.2	-34.5
Selective Index	12,771	-0.7	-6.2	-37.0

