








Indicators

-  Inflation in January: 0.37 percent
-  Financial analysts and financial entities estimate a GDP growth rate of 2.9 percent in 2015
-  Trade surplus of US\$ 210 million in December 2015
-  Price of crude oil at US\$ 29.9 per barrel on February 2
-  Price of gold at US\$ 1,128.5 an ounce on February 2

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Monetary operations and interest rate

On January 31, the interbank interest rate in soles recorded 4.0 percent. In January, the BCRP has made the following monetary operations:

- **BCRP-CDs:** The balance of BCRP-CDs at January 31 was S/ 15.70 billion, with an average rate of 3.92 percent, while this balance at end-December was S/ 15.38 billion, with an average interest rate of 3.79 percent.
- **Term deposits:** The balance of term deposits at January 31 was S/ 3.08 billion, with an average interest rate of 3.98 percent. At the end of December, this balance was S/ 840 million at a rate of 3.74 percent.
- **Overnight deposits:** At January 31, overnight deposits showed a balance of S/ 414 million, with an average interest rate of 2.75 percent. At end-December, this balance was S/ 275 million with an average interest rate of 2.50 percent.
- **Auctions of Treasury funds:** On January 31, the balance of Treasury deposits placed through auctions was S/ 3.05 billion with an average interest rate of 5.53 percent. At the end of December, Treasury funds auctioned showed a balance of S/ 2.55 billion at an average rate of 5.47 percent.
- **Regular repos:** The balance of repos at January 31 was S/ 300 million, with an average interest rate of 5.21 percent. At the end of December, regular repos showed a balance of S/ 600 million at an average rate of 4.72 percent.

In January, the Central Bank has also made the following operations in the foreign exchange market.

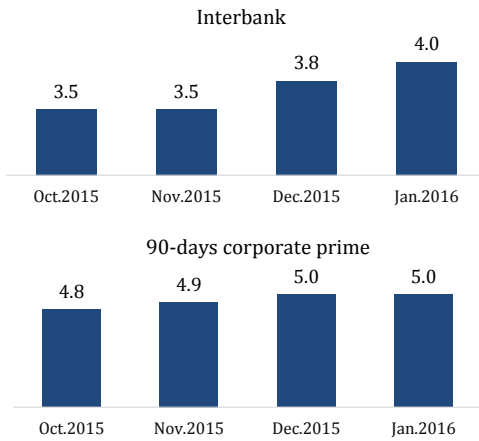
- **Interventions in the foreign exchange market:** In January, the BCRP sold US\$ 332 million in the spot market.
- **FX Swaps:** The balance of these instruments at January 31 was S/ 30.41 billion, with an average rate of 0.70 percent. At end-December, this balance was S/ 26.35 billion, with an average interest rate of 0.60 percent.
- **CDR-BCRP:** At January 31, these CDs showed a balance of S/ 7.65 billion (US\$ 2.25 billion), with an interest rate of 0.65 percent. Of this balance, CDR-BCRP placed through special repo operations amount to S/ 1.60 billion (US\$ 475 million). At end-December, CDR BCRP showed a balance of S/ 7.06 billion (US\$ 2.12 billion) and an average interest rate of 0.58 percent.

Interbank interest rate in soles at 4.0 percent

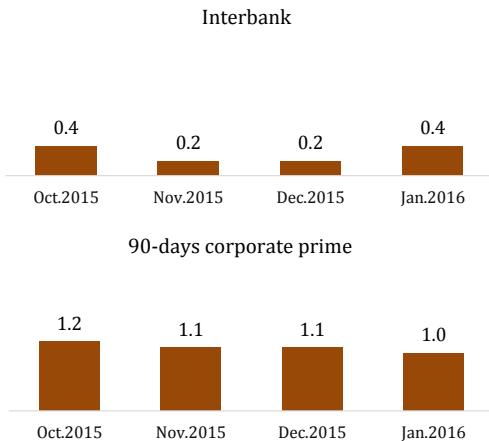
In January, the average monthly **interbank interest rate** in soles was 4.0 percent and the rate in dollars showed an annual rate of 0.4 percent. In the same period, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles recorded a rate of 5.0 percent, while the rate in dollars registered 1.0 percent.

Average interest rate (%)

Domestic currency



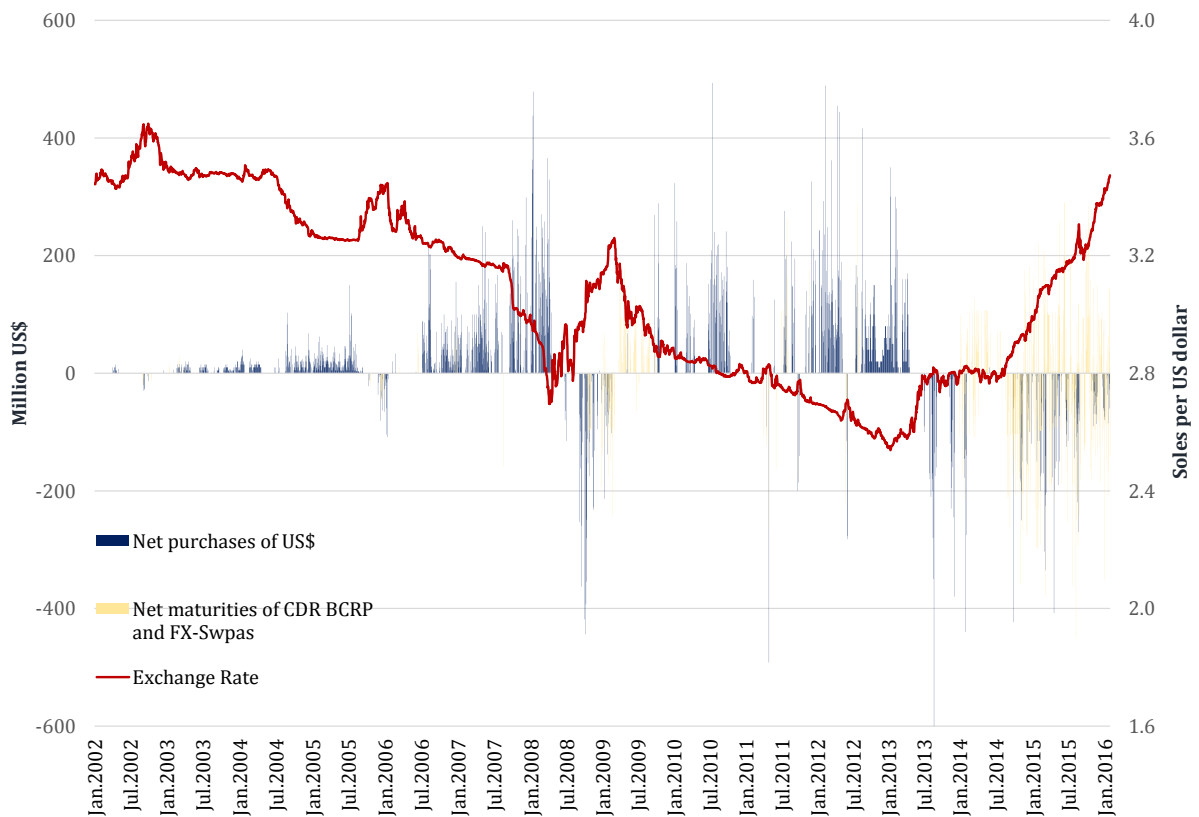
Foreign currency



Foreign exchange rate

On January 31, the US dollar in the interbank market closed with a selling price of S/. 3.47 per dollar.

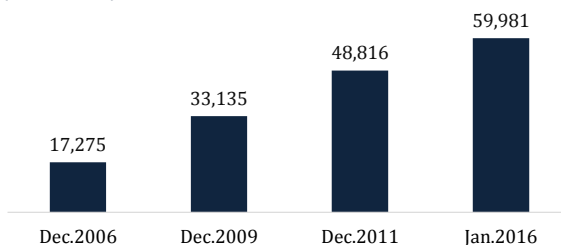
Exchange rate and foreign exchange intervention



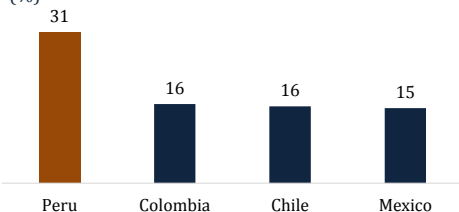
International reserves amount to US\$ 59.98 billion at the end of January 2016

On January 31, 2016, Peru's net international reserves –made up mainly by liquid international assets– amounted to US\$ 59.98 billion. This level of reserves is equivalent to 31 percent of GDP and to 19 months of imports.

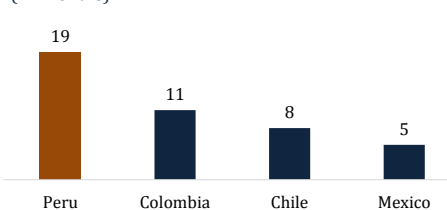
Perú: Net International Reserves
(Million US\$)



Ratio NIR/GDP: January 2016
(%)



Ratio NIR/Imports: January 2016
(N° months)



Credit to the private sector and liquidity at January 15

In the last four weeks (at January 15, 2015), **total credit to the private sector** decreased by 1.0 percent (negative flow of S/ 2.46 billion). By currencies, the rate of credit in soles remained unchanged (negative flow of S/ 85 million), while credit in dollars declined 3.4 percent (negative flow of US\$ 796 million). As a result of this, credit to the private sector showed an annual growth rate of 8.8 percent.

In the same period, **total liquidity in the private sector** increased 1.0 percent (S/ 2.31 billion), as a result of which liquidity in the private sector accumulated a growth rate of 7.0 percent in the last twelve months. By currencies, liquidity in soles increased 2.0 percent (S/ 3.07 billion), while liquidity in dollars decreased 0.9 percent (negative flow of US\$ 254 million).

Inflation in Metropolitan Lima: 0.37 percent in January

The consumer price index in Metropolitan Lima recorded a rate of 0.37 percent in January, as a result of which inflation in the last 12 months showed a rate of 4.61 percent. The rate of inflation excluding food and energy was -0.07 percent in the month and 3.42 percent in the last 12 months.

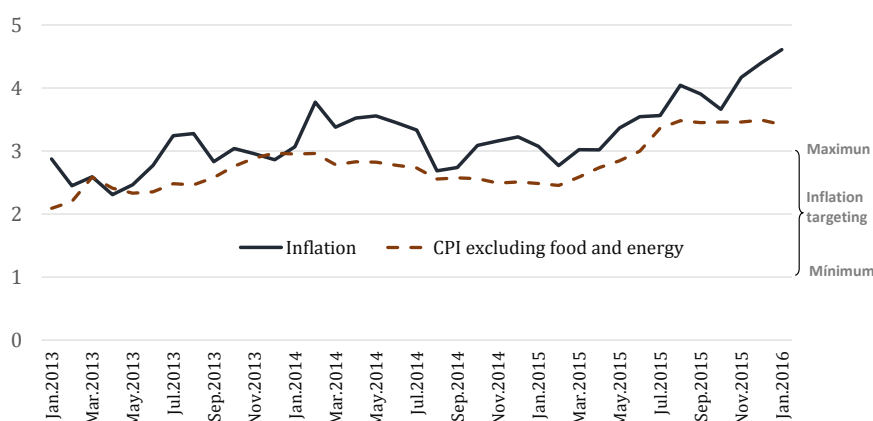
Inflation
(% change)

	Weigth 2009=100	January 2016	
		Month	12 month
CPI	100.0	0.37	4.61
1. CPI excluding food and energy	56.4	-0.07	3.42
i. Goods	21.7	0.2	3.5
ii. Services	34.8	-0.2	3.4
<i>Of which:</i>			
Education	9.1	0.0	5.2
Rent	2.4	0.6	3.7
Health	1.1	0.5	5.1
2. Food and energy	43.6	0.88	6.01
i. Food	37.8	0.8	5.4
ii. Energy	5.7	1.2	10.3

Source: INEL.

Inflation

(% change last 12 month)



The items that contributed more to increase the rate of inflation in January were meals outside the home (0.11 percentage points), electricity rates (0.10 percentage points), and chicken meat (0.08 percentage points). Conversely, the items that contributed more to reduce inflation were urban fares and domestic transportation (-0.05 percentage points each), and gasoline (-0.04 percentage points).

Trade surplus of US\$ 210 million in December 2015

After 11 months, Peru's trade balance showed a surplus of US\$ 210 million in December 2015 since the country recorded exports for a total of US\$ 3.17 billion and imports for a total of US\$ 2.96 billion.

Of the total of exports recorded in December, US\$ 2.09 billion was traditional exports and US\$ 1.07 billion was non-traditional exports. Within the latter, it is worth highlighting the dynamism of exports of agriculture products, whose value increased by 19 percent due to greater exports of fresh grapes, asparagus, and mangos, among other products. As a result of this, total exports in 2015 amounted to US\$ 34.16 billion. It is also worth pointing out the increase registered in exports of non-traditional agricultural products and non-metal mining products compared to 2014.

Moreover, in December total imports amounted to US\$ 2.96 billion. Imports of inputs in the month totaled US\$ 1.24 billion, while imports of capital goods amounted to US\$ 1.03 billion and imports of consumer goods amounted to US\$ 681 million. As a result of this, total imports in 2015 amounted to US\$ 37.02 billion, with raw materials and capital goods for industry accounting for most of this amount. In 2015, the country's trade deficit amounted to US\$ 2.86 billion.

Trade balance

(Million US\$)

	2015			January-December		
	November	December	% Chg.	2014	2015	% Chg.
1. Exports	2,880	3,170	10.1	39,533	34,157	-13.6
Traditional products	1,909	2,094	9.7	27,686	23,263	-16.0
Non-traditional products	964	1,068	10.7	11,677	10,807	-7.5
Agriculture and livestock	469	556	18.7	4,231	4,363	3.1
Non-metallic mining	61	56	-8.6	664	697	5.0
Other goods	7	8	15.8	171	87	-48.8
2. Imports	3,044	2,960	-2.8	40,809	37,021	-9.3
Consumer goods	816	681	-16.6	8,896	8,762	-1.5
Inputs	1,235	1,238	0.2	18,815	15,932	-15.3
Capital goods	980	1,034	5.5	12,913	12,006	-7.0
Other goods	13	8	-41.9	185	321	73.1
3. Trade balance	-164	210		-1,276	-2,864	

1/ Includes estimation of unrecorded gold exports by Customs.

Source: Sunat, BCRP and firms.

BCRP Survey on Macroeconomic Expectations: January 2016

In January 2016, economic agents estimate that inflation in 2016 would show a rate of 3.5 percent and that in 2017 the rate of inflation would range between 3.0 percent and 3.3 percent.

Survey of Macroeconomic Expectations: Inflation (%)

	Survey date:	
	Dec 31, 2015	Jan 31, 2016
Economic analysts 1/		
2016	3.4	3.5
2017	3.0	3.0
Financial entities 2/		
2016	3.5	3.5
2017	3.0	3.0
Non-financial firms 3/		
2016	3.3	3.5
2017	3.0	3.3

1/ 22 analysts in December 2015 and 21 in January 2016.

2/ 20 financial entities in December 2015 and 22 in January 2016.

3/ 372 non-financial firms in December 2015 and 368 in January 2016.

According to the survey results, economic analysts and financial entities have raised their estimates of GDP growth rate in 2015 to 2.9 percent, while non-financial firms continue to estimate a GDP growth rate of 3.0 percent. Growth forecasts for 2016 range between 3.2 and 3.4 percent, while growth forecasts for 2017 remain at 4.0 percent.

Survey of Macroeconomic Expectations: GDP growth (%)

	Survey date:	
	Dec 31, 2015	Jan 31, 2016
Economic analysts 1/		
2015	2.8	2.9
2016	3.2	3.2
2017	4.0	4.0
Financial entities 2/		
2015	2.8	2.9
2016	3.0	3.2
2017	4.0	4.0
Non-financial firms 3/		
2015	3.0	3.0
2016	3.3	3.4
2017	4.0	4.0

1/ 22 analysts in December 2015 and 21 in January 2016.

2/ 20 financial entities in December 2015 and 22 in January 2016.

3/ 372 non-financial firms in December 2015 and 368 in January 2016.

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

	Survey date:	
	Dec 31, 2015	Jan 31, 2016
Economic analysts 1/		
2016	3.55	3.63
2017	3.55	3.70
Financial entities 2/		
2016	3.50	3.60
2017	3.50	3.65
Non-financial firms 3/		
2016	3.50	3.55
2017	3.50	3.60

1/ 22 analysts in December 2015 and 21 in January 2016.

2/ 20 financial entities in December 2015 and 22 in January 2016.

3/ 372 non-financial firms in December 2015 and 368 in January 2016.

* Exchange rate at end of year.

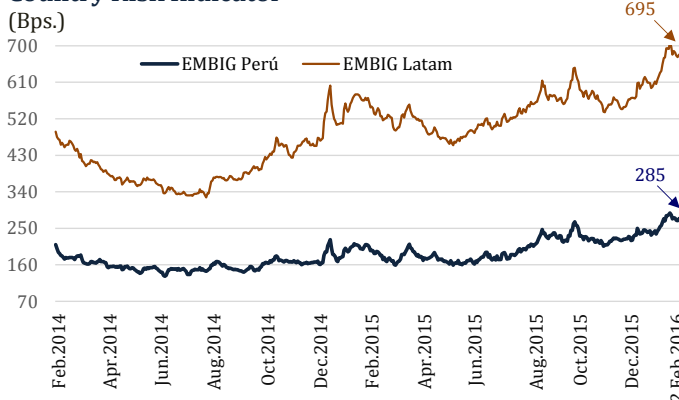
International Markets

Country risk at 285 basis points

On **February 2**, the **EMBIG Peru** registered 285 basis points, while the **EMBIG LatAm** registered 695 basis points.

In **January**, the average country risk indicator rose from 236 bps in December 2015 to 266 basis points. In the same period, the **EMBIG LatAm** spread rose 69 bps to 663 basis points amid increased uncertainty in stock exchange markets and declining oil prices.

Country Risk Indicator



	Variation in basis points			
	2 Feb.2016	Weekly	Monthly	Annual
EMBIG Perú (bps)	285	10	45	81
EMBIG Latam (bps)	695	12	90	134

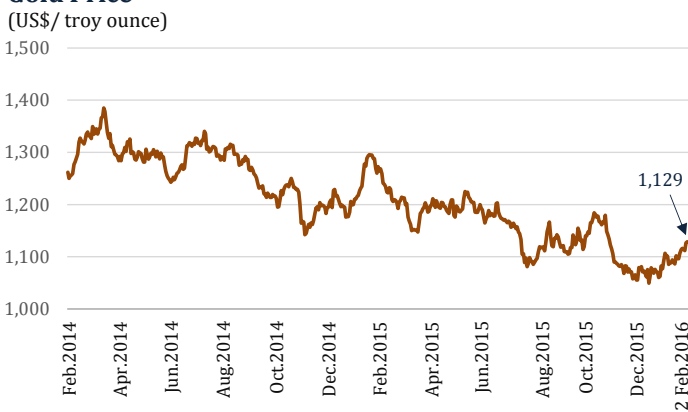
Price of gold at US\$ 1,128.5 per troy ounce

On **February 2**, the price of **gold** was US\$ 1,128.5 per troy ounce.

In **January**, the average price of **gold** was US\$ 1,097.4 per troy ounce, 2.7 percent higher than in December 2015.

The rise in the price of gold was associated with uncertainty in stock exchange markets and with the greater likelihood that the Federal Reserve will have a more gradual policy of interest rate rises.

Gold Price



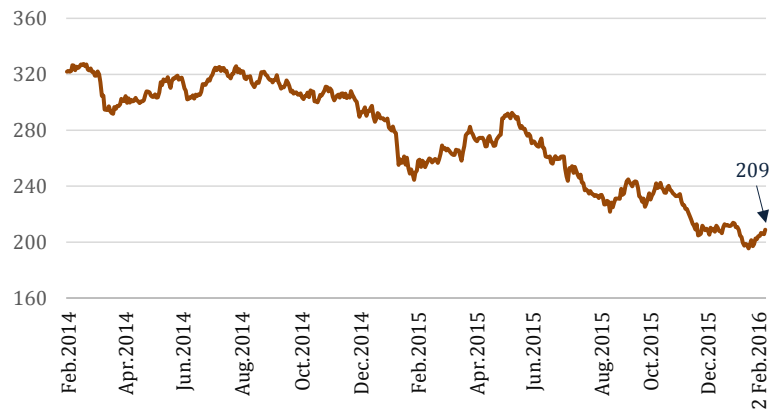
	% change			
	2 Feb.2016	Weekly	Monthly	Annual
US\$ 1,128.5 / troy oz.	1.3	6.2	-11.3	

On **February 2**, the price of **copper** recorded US\$ 2.09 per pound.

In **January**, **copper** registered an average price of US\$ 2.02 per pound, a price level 3.6 percent lower than in December 2015.

This downward path is explained by fears of a greater slowdown in China as well as by the global oversupply of this metal.

Copper Price (cUS\$/pound)



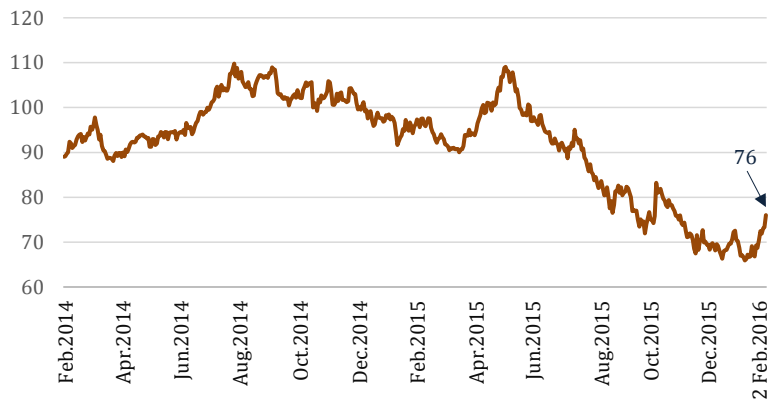
% change			
2 Feb. 2016	Weekly	Monthly	Annual
US\$ 2.09 / pound	2.3	-2.1	-16.8

On **February 2**, the price of **zinc** was US\$ 0.76 per pound.

In **January**, the average price of **zinc** was US\$ 0.69 per pound, 0.3 percent lower than in December 2015.

This downward path is explained by fears of a greater slowdown in China and by the global oversupply of this metal, offset by supply disruptions as a result of problems in some mines.

Zinc Price (cUS\$/pound)



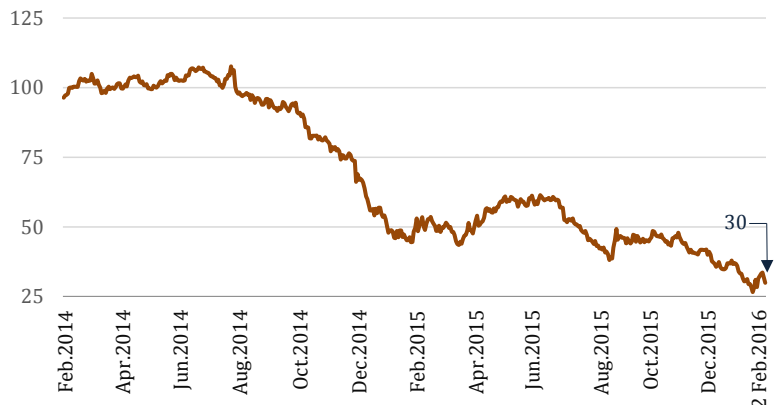
% change			
2 Feb. 2016	Weekly	Monthly	Annual
US\$ 0.76 / pound	8.0	4.7	-21.1

On **February 2**, the price of **WTI oil** was US\$ 29.9 a barrel.

In **January**, the average price of **oil** was US\$ 31.7 a barrel, 14.9 percent lower than in December.

This declining path is associated with expectations of a higher global supply of crude following the lifting of sanctions to Iran as well as with indications of a weakening of demand in China.

WTI Oil Price (US\$/barrel)



% change			
2 Feb. 2016	Weekly	Monthly	Annual
US\$ 29.9 / barrel	-5.0	-19.3	-39.7

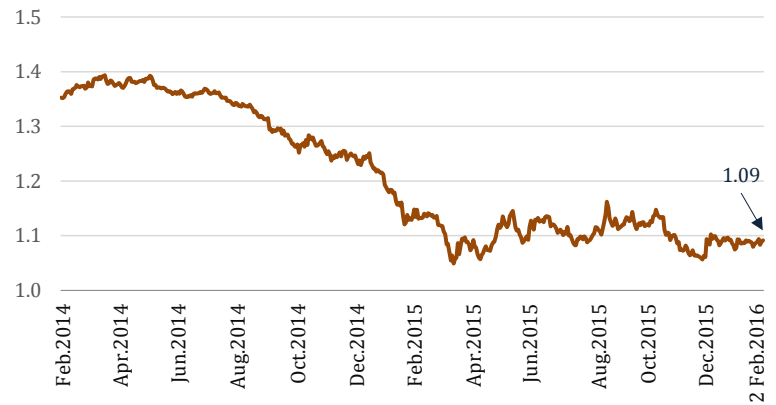
US dollar-euro exchange rate: US\$ 1.09 per euro

On **February 2**, the exchange rate was US\$ 1.09 per euro.

In **January**, the average exchange rate was US\$ 1.09 per euro. The **US dollar** appreciated 0.3 percent on average against the **euro**, in a context of expectations of greater stimulus programs from the European Central Bank.

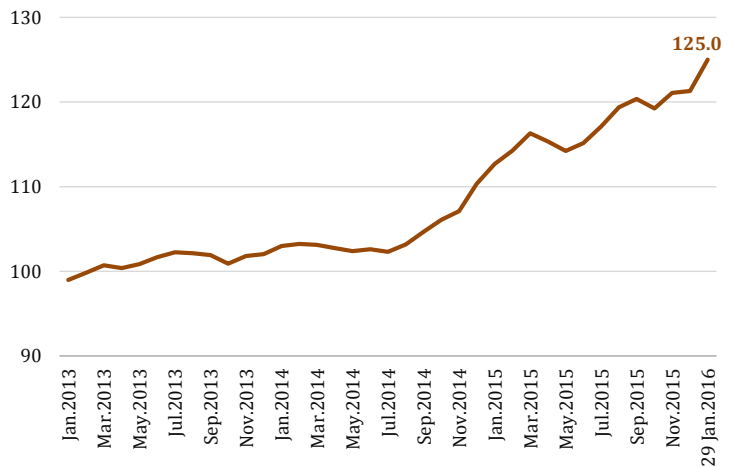
Evolution of US\$ per Euro

(US\$/Euro)



	Level		% change		
	2 Feb.2016	Weekly	Monthly	Annual	
US dollar/Euro	1.09	0.4	0.5	-3.7	

Fed index 1/



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.

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.

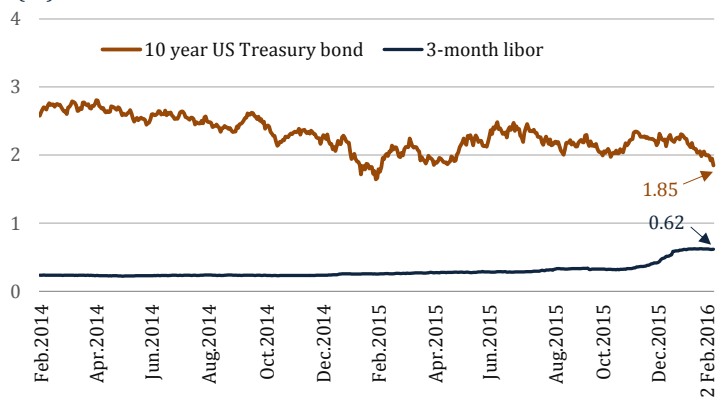
Yield on 10-year US Treasuries at 1.85 percent

On **February 2**, the **3-month Libor** recorded 0.62 percent and the yield on the **10-year US Treasury** bonds recorded 1.85 percent.

In **January**, the **3-month Libor** registered an average of 0.62 percent while the yield on the **10-year US Treasury** bonds recorded an average of 2.06 percent, a rate 18 bps lower than in December 2015 associated with greater uncertainty in stock exchange markets.

3-Month Libor and 10-Year US Treasuries

(%)



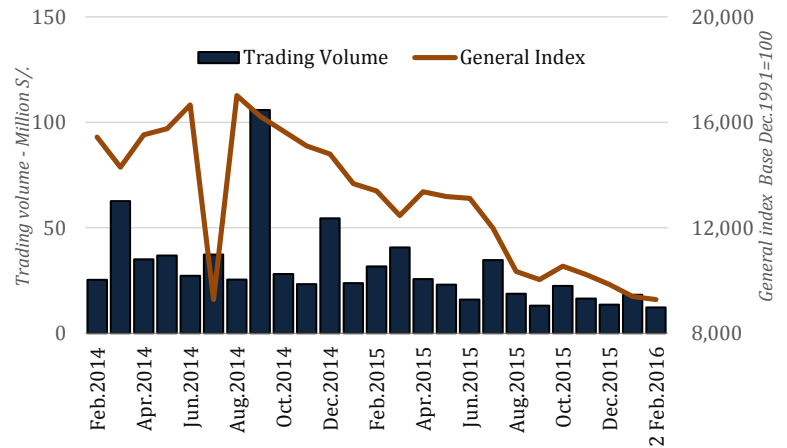
	Variation in basis points			
	2 Feb.2016	Weekly	Monthly	Annual
3 months Libor (%)	0.62	0	1	37
US Treasuries (%)	1.85	-15	-42	18

Lima Stock Exchange

In **January**, the **General Index** fell 6.9 percent while the **Selective Index** fell 7.5 percent.

The LSE indices were influenced by the negative performance of external markets and by the decline recorded in the international prices of basic metals.

Lima Stock Exchange Indicators



	As of:	% change compared to:		
	2 Feb.2016	26 Jan.2016	29 Dec.2015	31 Dec.14
General Index	9,275	1.1	-5.8	-37.3
Selective Index	12,105	1.5	-6.2	-40.3

