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Money and foreign exchange markets in Peru have grown significantly in recent years. Because of this, as from this Report we include some changes in the tables containing information about banks' monetary and foreign exchange transactions as well as about the participation of BCRP in these markets (Tables 47 and 48). In addition to this, further information on these markets is provided in new tables (Tables 13A, 13B, 47A, 48A, 48B, 48C).

WEEKLY ECONOMIC REPORT N° 10

OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR: FEBRUARY 2016

The non-financial public sector (NFPS) recorded a deficit of S/ 2.16 billion in February 2016. This deficit is explained by the decline of the current revenue of the general government and by the increase of non-financial spending. In the period January-February, the economic balance of the NFPS was S/ 1.87 billion.

The general government's tax revenue dropped 12.8 percent while non-financial spending increased by 16.1 percent as a result of both current and capital components.

Operations of the Non-Financial Public Sector 1/

(Million S/)

	February			January - February		
	2015	2016	Real % chg.	2015	2016	Real % chg.
1. General government current revenues	9,823	8,920	-13.1	20,707	19,604	-9.4
a. Tax revenues	7,236	6,590	-12.8	15,828	15,117	-8.6
b. Non-tax revenues	2,587	2,330	-13.8	4,879	4,488	-12.0
2. General government non-financial expenditure	7,877	9,555	16.1	14,468	16,349	8.1
a. Current	6,519	7,493	10.0	11,926	13,801	10.7
b. Capital	1,357	2,062	45.5	2,542	2,548	-4.1
<i>of which:</i>						
<i>Gross capital formation</i>	1,194	1,521	21.9	1,844	1,992	3.3
<i>National government</i>	595	617	-0.7	1,082	905	-20.0
<i>Regional governments</i>	316	363	10.0	431	411	-8.9
<i>Local governments</i>	283	540	83.0	331	677	95.8
<i>Other capital expenditure</i>	163	541	217.5	698	556	-23.9
3. Other 2/	185	32		760	570	
4. Primary Balance (=1-2+3)	2,131	-602		6,999	3,825	
5. Interests	1,266	1,559	17.9	1,634	1,957	14.6
6. Overall Balance (=4-5)	865	-2,161		5,366	1,868	

1/ Preliminary.

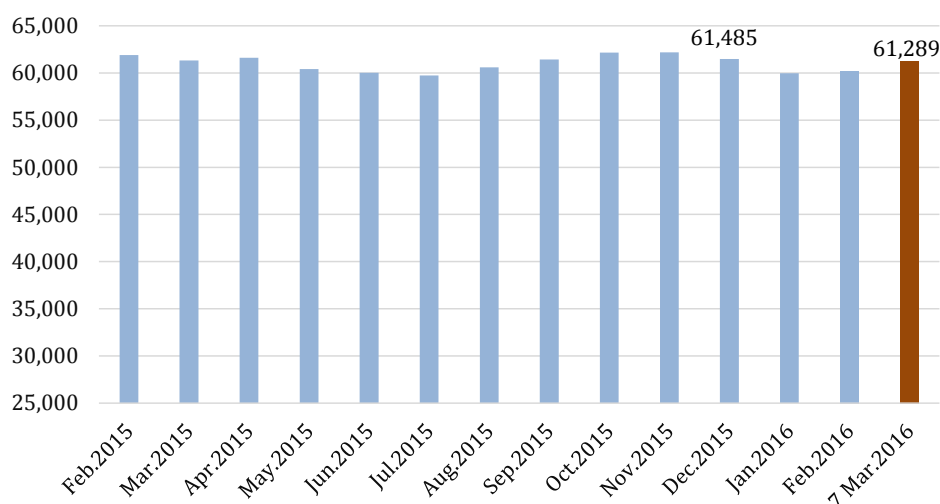
2/ Includes capital revenues from the General government and primary result of public companies.

Source: MEF, SUNAT, Banco de la Nación, public charities, public institutions and companies.

INTERNATIONAL RESERVES AMOUNTED US\$ 61.29 BILLION ON MARCH 7

Increasing by US\$ 1.09 billion compared to the amount of reserves at the end of February, Peru's net international reserves –made up mainly by liquid international assets– amounted to US\$ 61.29 billion on March 7, 2016. This level of reserves is equivalent to 32 percent of GDP and to 20 months of imports.

Perú: Net International Reserves
(Million US\$)



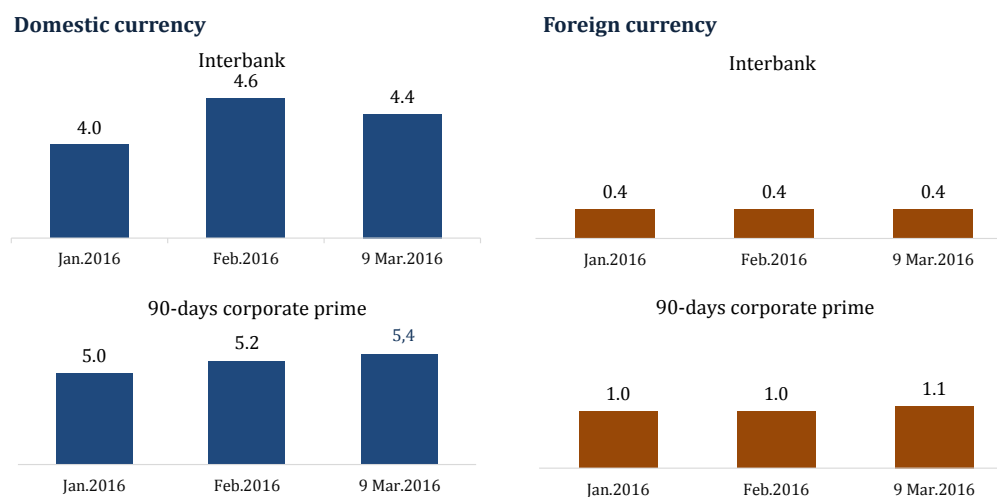
MONETARY OPERATIONS AND INTEREST RATE

In March 1-8, the BCRP has made the following **monetary operations**:

- **BCRP-CDs:** The balance of BCRP-CDs at March 8 was S/ 17.61 billion, with an average rate of 4.09 percent, while this balance at end-February was S/ 18.02 billion, with an average interest rate of 4.03 percent.
- **Repos:** The balance of security repos at March 8 was S/ 800 million, with an average interest rate of 5.69 percent. At the end of February, this balance was S/ 380 million at an average rate of 5.33 percent.
- **Auctions of Treasury funds:** The balance of Treasury deposits placed through auctions at March 8 was S/ 2.50 billion, with an average interest rate of 5.49 percent. At end-February, this balance was S/ 2.20 billion with an average interest rate of 5.41 percent.
- **Overnight deposits:** At March 8, overnight deposits showed a balance of S/ 389 million, with an average interest rate of 3.00 percent. At end-February, this balance was S/ 233 million with an average interest rate of 3.00 percent.

On March 9, the **interbank interest rate** in soles showed an average monthly rate of 4.4 percent and the rate in dollars showed an annual rate of 0.4 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 5.4 percent, while the rate in dollars recorded 1.1 percent.

Average interest rate
(%)



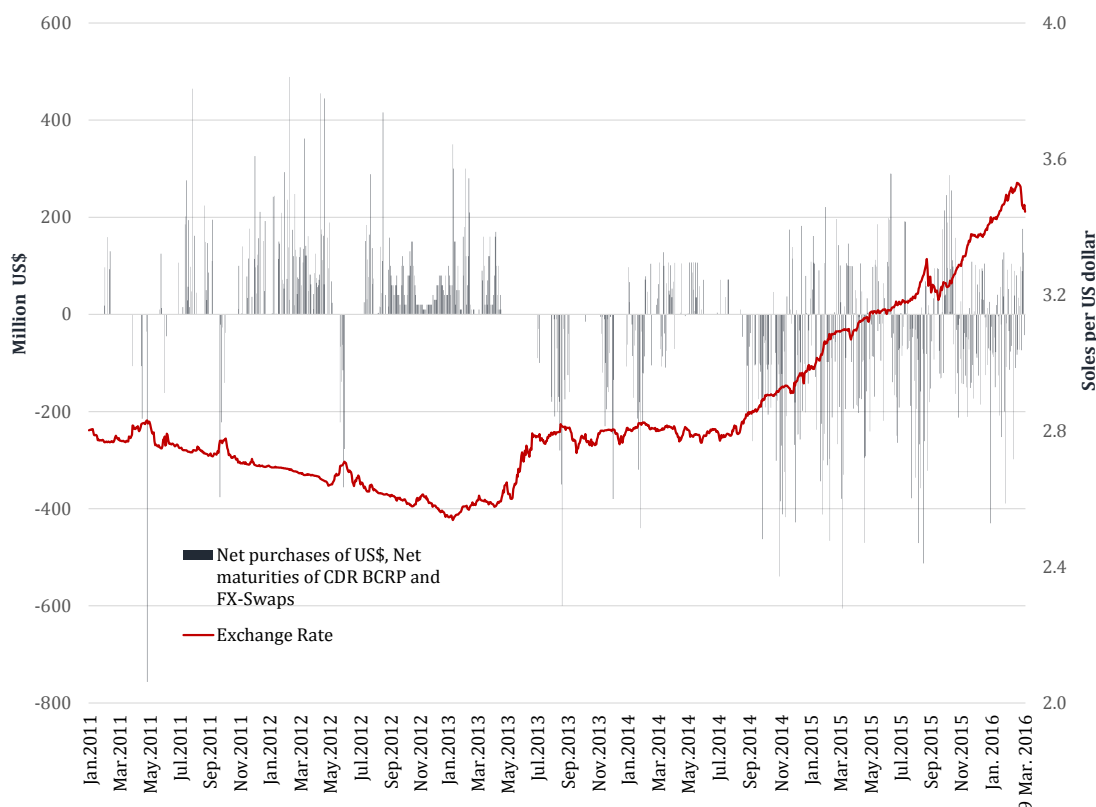
FOREX OPERATIONS AND EXCHANGE RATE

In March 1-8, the Central Bank has made the following **operations in the foreign exchange market**:

- Interventions in the FX market: BCRP sold FC for a total of US\$ 32 million in the spot market.
- FX Swaps: The balance of these instruments at March 8 was S/ 28.67 billion, with an average rate of 0.71 percent. At end-February, the balance was S/ 31.20 billion, with an average interest rate of 0.71 percent.
- CDR BCRP: At March 8 these certificates showed a balance of S/ 8.39 billion (US\$ 2.41 billion), with an average rate of 0.69 percent. Of this balance, CDR-BCRP placed through special repos amount to S/ 1.60 billion (US\$ 455 million). At the end of February, the balance of CDR BCRP was S/ 8.01 billion (US\$ 2.27 billion), with an average rate of 0.69 percent.

On March 9, the selling price of the US dollar in the interbank market was S/ 3.45 per dollar. Thus, so far this month the US dollar/sol exchange rate accumulates a negative variation of 2.2 percent.

Exchange rate and foreign exchange intervention



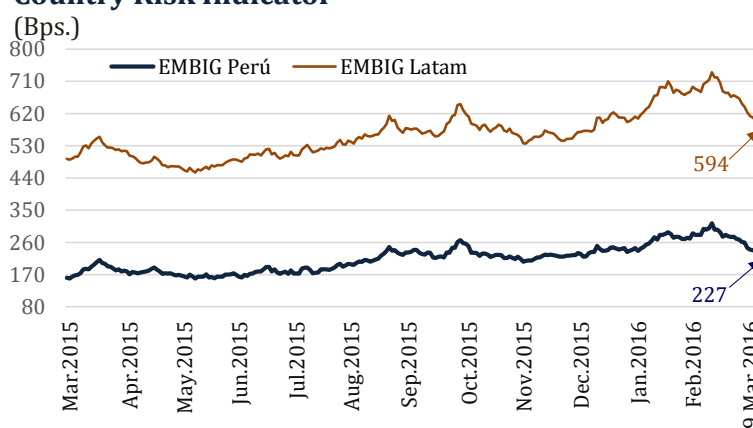
INTERNATIONAL MARKETS

Country risk fell to 227 basis points

In March 2-9, the country risk indicator, measured by the **EMBIG Peru** spread, fell from 240 to 227 basis points.

Similarly, the **EMBIG Latin America** spread fell 19 bps in a context of a strong recovery of oil prices and positive job data in the United States.

Country Risk Indicator



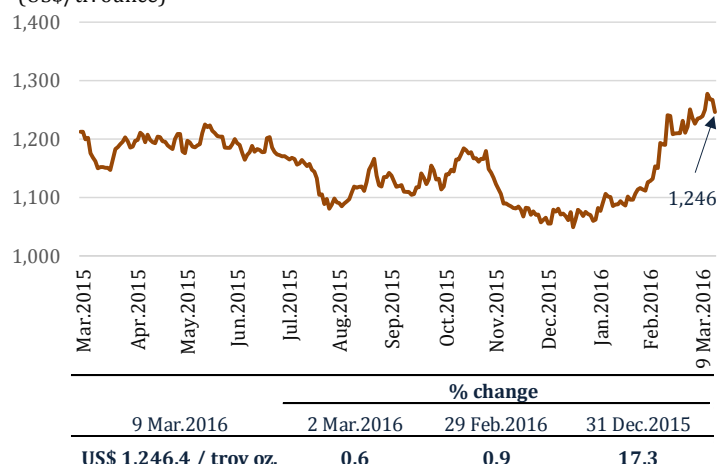
	Variation in basis points			
	3 Mar.2016	24 Feb.2016	29 Jan.2016	31 Dec.2015
EMBIG Perú (bps)	227	-13	-33	-13
EMBIG Latam (bps)	594	-19	-45	-11

International prices of gold, zinc, and crude oil on the rise

In the same period, the price of **gold** rose 0.6 percent to US\$ 1,246.4 per troy ounce.

This rise in the price of gold is explained by the depreciation of the dollar against its main counterpart currencies and by investors' taking positions given expectations that the European Central Bank will announce additional stimulus actions.

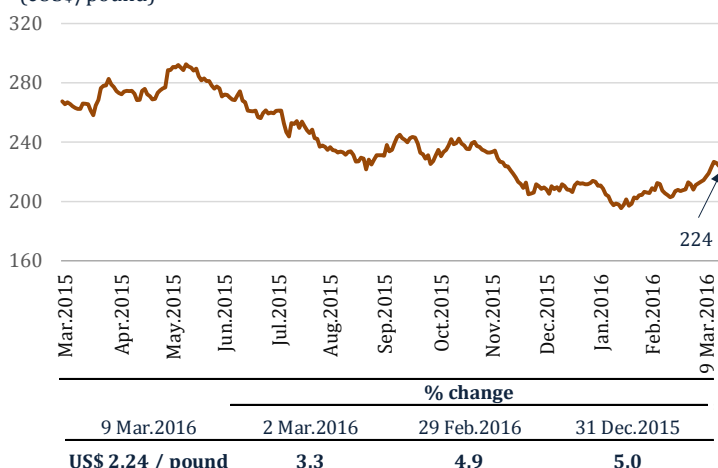
Gold Price
(US\$/tr. ounce)



In March 2 – 9, the price of **copper** climbed 3.3 percent to US\$ 2.24 per pound.

This rise was supported by the depreciation of the dollar and by the increase of non-commercial positions as a result of the reduction of inventories at the London Metal Exchange to levels close to historical minimum record levels.

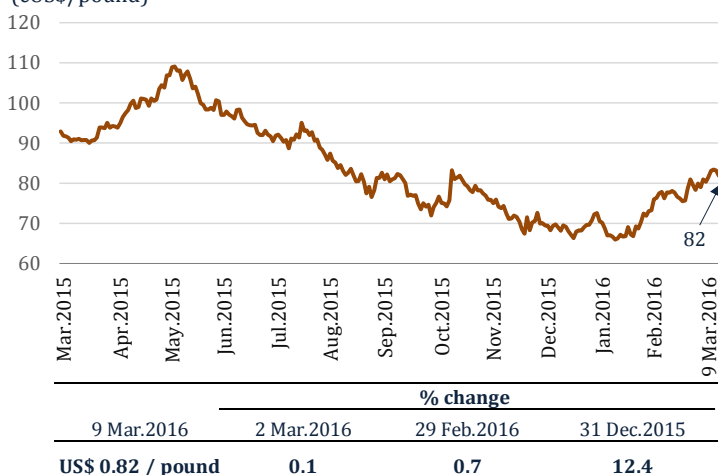
Copper Price
(cUS\$/pound)



In the same period, the price of **zinc** rose 0.1 percent to US\$ 0.82 a pound.

This price rise was associated with expectations of additional stimulus programs in China, but offset by the continued increase of inventories at the Shanghai Stock Exchange.

Zinc Price
(cUS\$/pound)

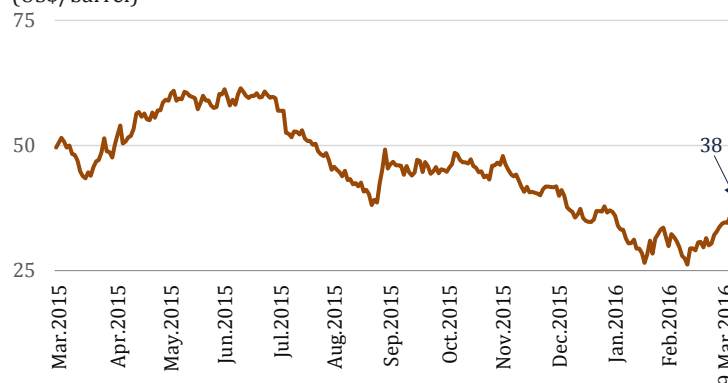


Between March 2 and March 9, the price of **WTI oil** increased 10.5 percent to US\$ 38.3 per barrel.

This price rise was favored by the reduction of operating oil rigs in the United States and by conversations between OPEC member and non-member countries about an oil production freeze.

WTI Oil Price

(US\$/barrel)



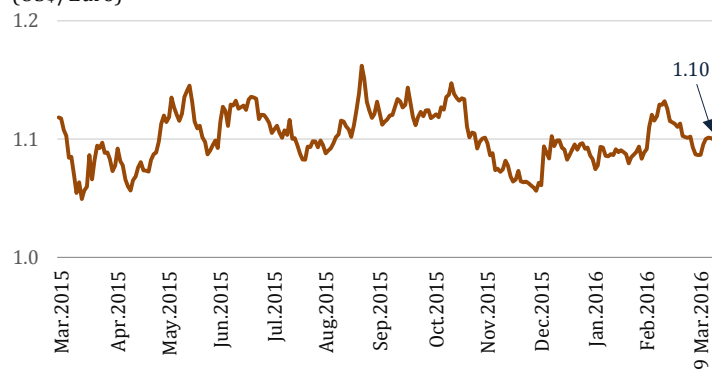
% change			
9 Mar.2016	2 Mar.2016	29 Feb.2016	31 Dec.2015
US\$ 34.6 / barrel	10.5	13.5	3.4

Dollar weakened in international markets

In March 2-9, the **dollar** depreciated 1.2 percent against the **euro** after salaries in the United States recorded a lower-than-expected increase in February, which offset concerns of a rise in the U.S. Federal Reserve interest rate.

Evolution of US\$ per Euro

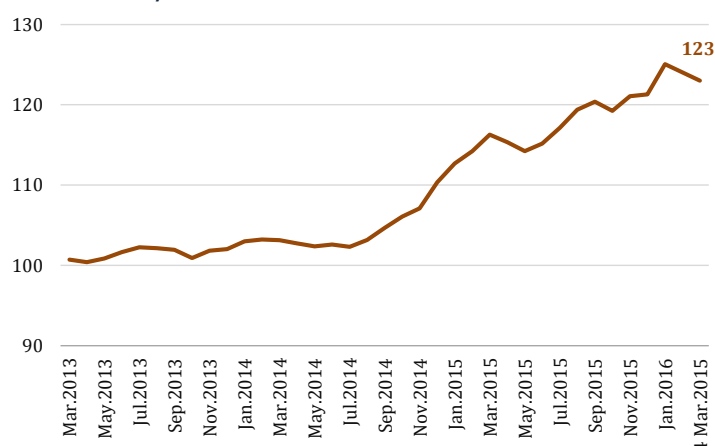
(US\$/Euro)



	Level		% change	
	9 Mar.2016	2 Mar.2016	29 Feb.2016	31 Dec.2015
US dollar/Eur	1.10	1.2	1.2	1.3

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/



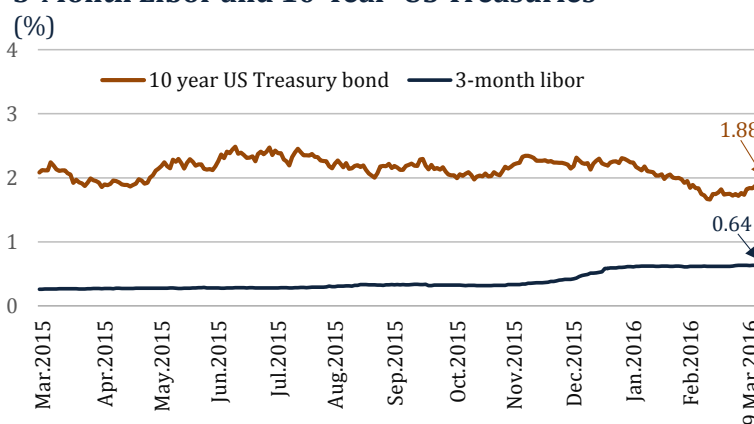
1/ Calculated taking into account currencies of US trading partners weighted by contributions. A rise in the index represents an appreciation of the US dollar.
Source: FED.

Yield on 10-year US Treasuries rose to 1.88 percent

Between March 2 and March 9, the **3-month Libor** remained at 0.64 percent.

In the same period, the yield on the 10-year **US Treasury bonds** rose 4 basis points to 1.88 percent, reflecting lower volatility in financial markets.

3-Month Libor and 10-Year US Treasuries



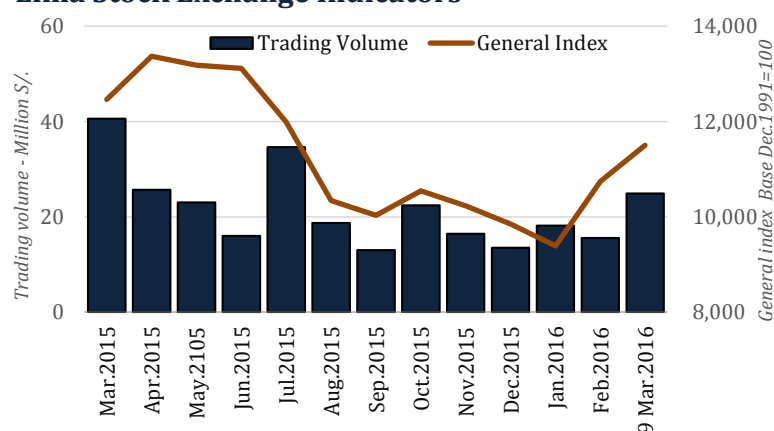
	Variation in basis points			
	9 Mar.2016	2 Mar.2016	29 Feb.2016	31 Dec.2015
3 months Libor (%)	0.64	0	0	2
US Treasuries (%)	1.88	4	14	-39

THE INDICES OF THE LIMA STOCK EXCHANGE ROSE IN THE WEEK

Between March 2 and March 9, the **General Index** of the Lima Stock Exchange (LSE) rose 4.0 percent and the **Selective Index** climbed 8.7 percent.

The performance of the LSE indices was in line with the good performance of the main stock exchange markets in the region, influenced by the rise of commodity prices.

Lima Stock Exchange Indicators



	As of:	% change compared to:		
	9 Mar.2016	2 Mar.2016	29 Feb.2016	31 Dec.2015
General Index	11,501	4.0	7.1	16.8
Selective Index	16,227	8.7	9.8	25.8

Resumen de Indicadores Económicos

	2014				2015				2016							
	Dic.	Mar.	Jun.	Set.	Dic.	Ene.	Feb.	1 Mar.	2 Mar.	3 Mar.	4 Mar.	7 Mar.	8 Mar.	Mar.		
RESERVAS INTERNACIONALES (Mills. US\$)	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.							Var.		
Posición de cambio	35 368	31 674	28 359	26 359	25 858	25 649	25 014	25 004	25 013	25 047	25 017	25 018		4		
Reservas internacionales netas	62 308	61 323	60 017	61 439	61 485	59 981	60 198	61 168	61 005	61 237	61 282	61 289		1 091		
Depósitos del sistema financiero en el BCRP	15 649	17 566	19 828	21 636	22 559	21 274	22 188	22 070	21 900	22 090	22 179	22 194		6		
Empresas bancarias	14 881	16 936	19 227	20 981	21 807	20 504	21 283	21 197	21 054	21 270	21 362	21 353		70		
Banco de la Nación	145	114	74	49	82	121	220	233	230	221	234	260		40		
Resto de instituciones financieras	623	516	527	607	670	650	685	640	615	600	584	582		-104		
Depósitos del sector público en el BCRP *	11 919	12 725	12 437	14 018	13 601	13 499	13 448	14 551	14 551	14 560	14 549	14 539		1 091		
OPERACIONES CAMBIARIAS BCR (Mil. US\$)	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.							Acum.		
Operaciones cambiarias	-126	-1 673	-904	0	647	-330	-808	0	0	0	-30	0		-32		
Compras netas en Mesa de Negociación	-790	-1 415	-643	0	-296	-332	-808	0	0	0	-30	0		-32		
Operaciones con el Sector Público	-335	0	0	0	942	0	0	0	0	0	0	0		0		
Otros	999	-258	-261	0	1	2	0	0	0	0	0	0		0		
TIPO DE CAMBIO (S/ por US\$)	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.							Prom.		
Compra interbancario	2,961	3,092	3,161	3,218	3,383	3,437	3,506	3,520	3,509	3,464	3,439	3,460	3,464	3,476		
Apertura	2,965	3,094	3,163	3,223	3,386	3,439	3,507	3,524	3,523	3,495	3,435	3,474	3,459	3,485		
Mediodía	2,963	3,094	3,162	3,220	3,385	3,440	3,508	3,521	3,504	3,454	3,447	3,459	3,471	3,476		
Cierre	2,964	3,092	3,163	3,219	3,384	3,440	3,507	3,518	3,494	3,464	3,459	3,453	3,465	3,476		
Promedio	2,963	3,093	3,162	3,221	3,385	3,439	3,508	3,521	3,511	3,467	3,442	3,464	3,466	3,479		
Sistema Bancario (SBS)	2,960	3,090	3,160	3,217	3,380	3,436	3,505	3,518	3,507	3,465	3,441	3,457	3,464	3,475		
Compra	2,963	3,093	3,162	3,221	3,385	3,439	3,508	3,522	3,512	3,470	3,446	3,465	3,471	3,481		
Venta	2,963	3,093	3,162	3,221	3,385	3,439	3,508	3,522	3,512	3,470	3,446	3,465	3,471	3,481		
Índice de tipo de cambio real (2009 = 100)	95,4	95,2	97,4	94,8	97,6	97,5	100,3									

INDICADORES MONETARIOS

Moneda nacional

Emisión Primaria	(Var. % mensual)	13,6	0,3	-0,4	-1,2	8,0	-5,3	-0,8	5,5	6,6	7,5	6,6	6,3		
	(Var. % últimos 12 meses)	3,7	3,0	-1,1	-2,1	-4,8	-1,7	0,8							
Oferta monetaria	(Var. % mensual)	5,8	-1,5	0,0	-0,1	5,4	-1,2								
	(Var. % últimos 12 meses)	10,6	7,2	5,8	2,3	3,0	3,6								
Crédito sector privado	(Var. % mensual)	1,2	3,9	1,9	2,6	0,6	0,5								
	(Var. % últimos 12 meses)	17,7	19,5	24,8	30,0	28,4	27,8								
TOSE saldo fin de período (Var.% acum. en el mes)		1,5	0,5	0,8	-1,1	2,7	-0,3	1,5	-0,6	-0,4	-0,6	-0,9			
Superávit de encaje promedio (% respecto al TOSE)		0,3	0,3	0,3	0,1	0,1	0,3	0,1	1,3	1,6	1,9	1,8			
Cuenta corriente de los bancos (Saldo Mill. S/)		4 129	2 304	2 098	1 998	1 748	1 986	1 677	3 121	3 826	4 296	3 482	3 720	2 499	
Depósitos públicos en el BCRP (Millones S/)		36 488	38 784	39 233	33 693	30 694	28 629	26 630	26 680	26 339	26 295	25 914	25 545	n.d.	
Certificados de Depósito BCRP (Saldo Mill.S/)		15 575	18 343	16 583	16 597	15 380	15 701	17 747	17 396	17 317	17 322	17 322	17 340	17 340	
Subasta de Depósitos a Plazo (Saldo Mill. S/)**		0	0	0	2 676	840	3 076	700	0	0	0	0	0	0	
CDBCRP-MN con Tasa Variable (Saldo Mill. S/)**		0	0	0	0	160	160	160	160	160	160	160	160	160	
CD Reajustables BCRP (Saldo Mill.S/)		2 590	1 935	1 140	8 211	7 059	7 650	8 014	8 014	8 014	8 014	8 014	8 214	8 388	
Operaciones de reporte monedas (Saldo Mill. S/)		8 600	12 300	20 905	28 755	27 605	27 105	26 705	26 705	26 705	26 705	26 705	26 705	26 705	
Operaciones de reporte (Saldo Mill. S/)		9 900	17 200	23 536	31 789	30 105	29 005	28 605	30 285	30 405	30 905	30 405	29 905	29 105	
Tasa de interés (%)	TAMN	15,68	16,09	16,18	16,10	16,11	16,24	16,13	16,11	16,09	16,06	16,03	16,01	16,01	16,05
	Préstamos hasta 360 días****	10,79	12,28	10,86	10,84	11,05	11,10	11,08	11,19	11,16	11,11	n.d.	n.d.	n.d.	11,15
	Interbancaria	3,80	3,40	3,42	3,66	3,79	3,97	4,58	5,50	5,50	5,15	4,26	4,25	4,26	4,46
	Preferencial corporativa a 90 días	4,70	4,20	4,10	4,90	4,95	5,02	5,19	5,58	5,58	5,38	5,38	5,38	5,38	5,45
	Operaciones de reporte con CDBCRP	4,56	4,08	4,16	4,51	4,76	4,77	4,80	4,87	4,88	4,86	4,86	4,86	4,86	4,83
	Operaciones de reporte monedas	4,30	4,14	4,14	4,54	4,72	4,74	4,73	4,73	4,73	4,73	4,73	4,73	4,73	4,73
	Créditos por regulación monetaria*****	4,30	4,05	3,80	4,05	4,30	4,55	4,80	4,80	4,80	4,80	4,80	4,80	4,80	4,80
	Del saldo de CDBCRP	3,64	3,56	3,43	3,54	3,79	3,93	4,09	4,09	4,09	4,09	4,09	4,09	4,09	4,09
	Del saldo de depósitos a Plazo	s.m.	s.m.	s.m.	3,44	3,74	3,98	4,18	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.
	Spread del saldo del CDV BCRP - MN	s.m.	s.m.	s.m.	s.m.	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10	0,10

Moneda extranjera

Crédito sector privado	(Var. % mensual)	-0,6	-3,3	-3,4	-1,4	-2,7	-0,8								
	(Var. % últimos 12 meses)	0,3	-4,6	-14,4	-17,4	-20,8	-20,8								
TOSE saldo fin de período (Var.% acum. en el mes)		-0,4	0,8	-0,4	5,5	-1,2	0,0	0,0	0,5	0,1	0,6	1,1			
Superávit de encaje promedio (% respecto al TOSE)		0,7	0,5	0,1	0,3	0,7	0,8	0,3	5,6	5,5	5,4	5,4			
Tasa de interés (%)	TAMEX	7,55	7,78	7,68	7,65	7,89	8,13	8,14	8,14	8,13	8,12	8,11	8,11	8,10	8,12
	Préstamos hasta 360 días ****	5,34	5,42	5,06	4,83	5,04	5,34	5,30	5,22	5,23	5,23	n.d.	n.d.	n.d.	5,22
	Interbancaria	0,16	0,23	0,15	0,15	0,18	0,35	0,38	0,38	0,38	0,38	0,38	0,38	0,38	0,38
	Preferencial corporativa a 90 días	0,74	0,84	0,81	0,94	1,08	1,02	1,01	1,05	1,05	1,09	1,09	1,09	1,09	1,08
Ratio de dolarización de la liquidez (%)		32,2	35,2	36,0	38,4	37,5	38,8								
Ratio de dolarización de los depósitos (%)		39,8	42,7	43,9	46,6	45,6	46,9								

INDICADORES BURSÁTILES

	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.								Acum.
Índice General Bursátil (Var. %)	-2,1	-7,0	-0,5	-3,0	-3,7	-4,6	14,4	0,3	2,6	0,8	1,2	1,3	-0,3	6,0	
Índice Selectivo Bursátil (Var. %)	-2,4	-6,7	0,7	-6,1	-5,2	-5,9	21,7	-0,2	1,2	1,3	2,7	3,4	-0,5	8,1	
Monto negociado en acciones (Mill. S/) - Prom. Diario	54,4	40,6	16,0	13,0	13,5	18,2	15,6	35,4	14,4	27,4	38,6	25,4	20,5	27,0	

INFLACIÓN (%)

Inflación mensual	0,23	0,76	0,33	0,03	0,45	0,37	0,17
Inflación últimos 12 meses	3,22	3,02	3,54	3,90	4,40	4,61	4,47

SECTOR PÚBLICO NO FINANCIERO (Mill. S/)

Resultado primario	-11 178	2 526	-533	-1 307	-13 015	4 427	-602
Ingresos corrientes del GG	10 593	10 775	9 370	9 321	11 256	10 684	8 920
Gastos no financieros del GG	21 633	8 816	10 076	10 540	23 735	6 794	9 555

COMERCIO EXTERIOR (Mills. US\$)

Balanza Comercial	166	-524	-93	-413	166	-477
Exportaciones	3 380	2 715	3 197	2 704	3 170	2 432
Importaciones	3 214	3 239	3 291	3 116	3 004	2 908

PRODUCTO BRUTO INTERNO (Índice 2007=100)

Variación % respecto al mismo mes del año anterior	0,9	2,8	4,1	3,4	6,4
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** A partir del 18 de enero de 2008, el BCRP utiliza los depósitos a plazo en moneda nacional como instrumento monetario.

*** A partir del 6 de octubre de 2010, el BCRP utiliza Certificado de Depósito en soles con Tasa de Interés Variable (CDV BCRP) y CD Liquidables en Dólares (CDLDBCRP) como instrumentos monetarios.

**** La SBS recibe información más segmentada de las tasas de interés. Estos cambios de la SBS (Res. SBS N° 11356-2008; Oficio Múltiple N° 24719-2010-SBS) son a partir de julio de 2010.

***** A partir del 12 de febrero de 2016, esta tasa subió a 4,80%.

Fuente: BCRP, INEI, Banco de la Nación, BVL, Sunat, SBS, Reuters y Bloomberg.

Elaboración: Departamento de Publicaciones Económicas.