



Weekly Economic Report

September 26, 2019

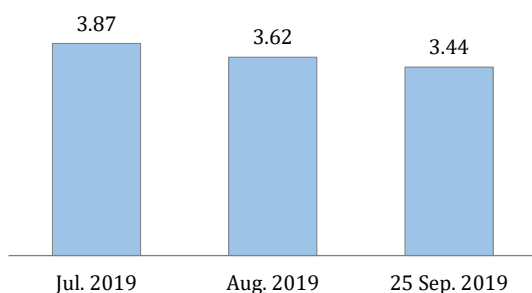
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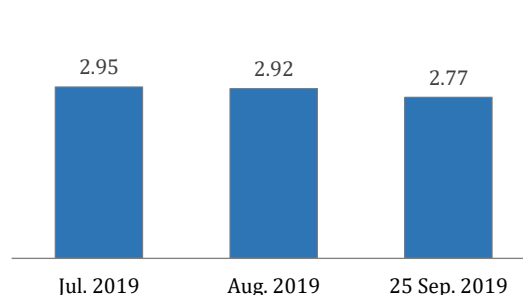
90-DAY CORPORATE PRIME RATE IN SOLES WAS 3.44 PERCENT

On September 25, the average **corporate prime** rate —the interest rate charged by commercial banks to lower risk businesses— in soles was 3.44 percent and the prime rate in dollars was 2.77 percent.

90-day corporate prime rate in soles
(%)

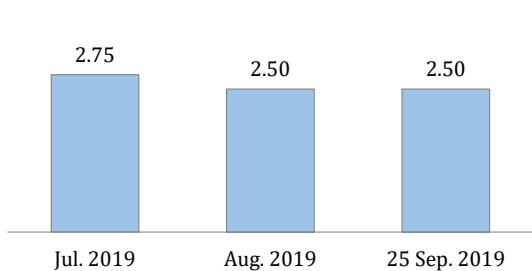


90-day corporate prime rate in US dollars
(%)

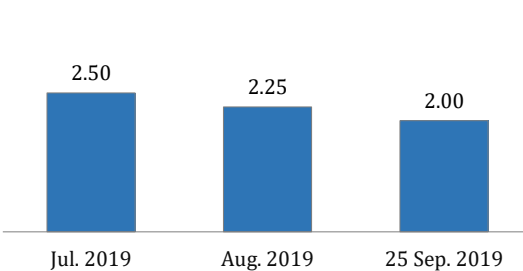


On the same date, the **interbank interest rate** in soles showed an annual average rate of 2.50 percent and this rate in dollars showed an annual average rate of 2.0 percent.

Interbank interest rate in soles
(%)



Interbank interest rate in US dollars
(%)



BCRP MONETARY OPERATIONS

As of September 25, BCRP has made the following **monetary operations**:

- i. CD BCRP: The balance of BCRP certificates of deposit on September 25 was S/ 28.63 billion, with an average interest rate of 2.6 percent, while this balance at end-August was S/ 28.27 billion, with a similar average interest rate.

Interest rate of auctions of CD BCRP

	Term (months)		
	6	12	18
19 Aug.	2.25		
21 Aug.			2.34
22 Aug.			
26 Aug.			
28 Ago.			2.35
2 Sep.	2.29		
5 Sep.		2.31	
9 Sep.	2.29		
10 Sep.		2.32	
11 Sep.		2.34	2.35
12 Sep.	2.28	2.33-2.34	
16 Sep.	2.28		
18 Sep.			2.35
19 Sep.		2.45	
23 Sep.	2.27		
25 Sep.			2.39

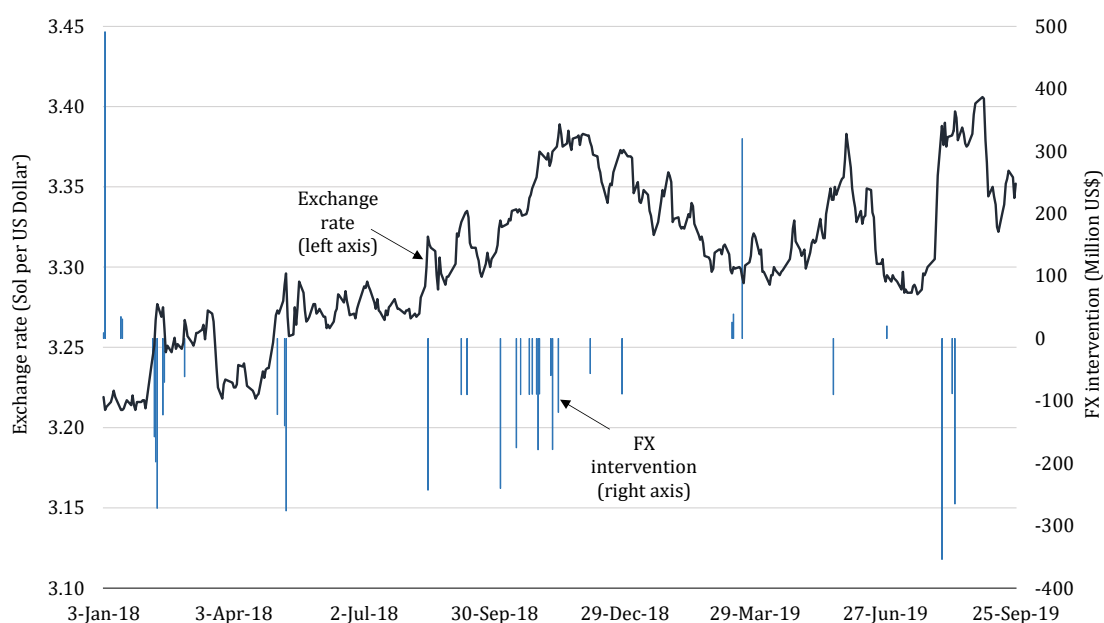
- ii. Overnight deposits: The balance of this instrument on September 25 was S/ 158 million, with an average interest rate of 1.3 percent. At end-August the balance was S/ 2.21 billion, with the same average interest rate.
- iii. Currency repos: On September 25, the balance of regular currency repos was S/ 11.75 billion, with an interest rate of 3.9 percent, the same balance as the one recorded at the end of August. Likewise, credit expansion repos and credit substitution repos showed zero balances like at the end of August.
- iv. Security repos: The balance of security repos on September 25 was S/ 3.80 billion with an average interest rate of 4.0 percent, while the balance at end-August was S/ 4.85 billion with an average interest rate of 3.9 percent.
- v. Term deposits: The balance of term deposits on September 25 was S/ 770 million, with an average interest rate of 2.2 percent. At the end of August, term deposits showed a zero balance.
- vi. Auctions of Treasury funds: The balance of this instrument on September 25 was S/ 4.10 billion with an average interest rate of 4.3 percent, the same balance as that recorded at end- August.

As of September 25, BCRP has maintained the same balance in its **forex operations**.

- i. BCRP has not intervened in the spot market.
- ii. FX Swaps-sell: The balance of this instrument on September 25 was S/ 2.40 billion (US\$ 708 million), with an average interest rate of 1.0 percent, the same balance as that recorded at end- August.
- iii. CDLD BCRP, CDR BCRP, and FX Swaps-buy: Like at the end of August, these instruments showed zero balances on September 25.

The **interbank selling price of the dollar** closed at S/ 3.35 per dollar on September 25, this rate being 1.5 percent lower than the exchange rate at the end of August. Year-to-day, the sol accumulates an appreciation of 0.5 percent.

Exchange rate and FX intervention of BCRP ^{1/}



^{1/} Includes sell / purchases of US\$, placements of CDR BCRP and FX-Swaps, and CDLD BCRP.

As of September 25, the monetary base decreased by S/ 975 million compared to the end of August due mostly to a decrease in banks' demand for liquidity, as a result of the progress in compliance with the monthly reserve requirement. In addition, the increase of public sector deposits at BCRP reduced the monetary base by S/ 1.39 billion, reducing the bank's current account before operations. In this context, BCRP injected liquidity through the net maturity of term deposits (S/ 1.28 billion), offset in part by the net maturity of security repos (S/ 1.05 billion) and net placement of CDBCRP (S/ 191 million).

In the last 12 months, the monetary base has increased by 6.2 percent, mainly as a result of a 5.4 percent increase of currency issued in the same period, associated with the growth of economic activity.

Monetary balance of the Central Reserve Bank of Peru

(Million S/)

	Balance			Flows	
	Dec 31, 18	Aug 31, 19	Sep 25, 19	2019	Sep 25, 19
I. NET INTERNATIONAL RESERVES	<u>202,609</u>	<u>232,114</u>	<u>228,984</u>	<u>27,166</u>	<u>279</u>
<i>(Millions US\$)</i>	<i>60,121</i>	<i>68,269</i>	<i>68,353</i>	<i>8,232</i>	<i>85</i>
1. Foreign Exchange Position	39,548	41,780	41,757	2,209	-22
2. Deposits of the Commercial Banks	12,898	18,047	18,280	5,382	233
3. Deposits of the Public Sector	8,202	9,041	8,928	726	-112
II. NET DOMESTIC ASSETS	<u>-141,242</u>	<u>-171,744</u>	<u>-169,589</u>	<u>-29,138</u>	<u>-1,254</u>
1. Credit to the financial sector in soles	-9,017	-7,074	-7,031	1,986	43
a. Security repos	5,950	4,850	3,800	-2,150	-1,050
b. Currency repos	7,358	11,750	11,750	4,392	0
c. Securities issued	-24,523	-25,562	-25,753	-1,230	-191
i. CDBCRP	-24,523	-25,562	-25,753	-1,230	-191
d. Auctions of funds of Public sector	4,000	4,100	4,100	100	0
e. Other deposits in soles	-1,802	-2,212	-929	873	1,284
2. Net assets public sector in soles ^{1/}	-45,439	-52,878	-54,265	-8,826	-1,386
Holding of CDBCRP by Banco de la Nación	-2,538	-2,710	-2,878	-115	-168
3. Credit to the financial sector in dollars	-43,465	-61,358	-61,237	-17,761	-769
<i>(Millions US\$)</i>	<i>-12,898</i>	<i>-18,047</i>	<i>-18,280</i>	<i>-5,382</i>	<i>-233</i>
a. Deposits in foreign currency	-12,898	-18,047	-18,280	-5,382	-233
4. Net assets public sector in dollars	-25,749	-28,617	-27,858	-2,228	333
<i>(Millions US\$)</i>	<i>-7,641</i>	<i>-8,417</i>	<i>-8,316</i>	<i>-675</i>	<i>101</i>
5. Other Net Accounts	-17,572	-21,816	-19,198	-2,308	526
III. MONETARY BASE (I+II) ^{2/}	<u>61,367</u>	<u>60,370</u>	<u>59,395</u>	<u>-1,972</u>	<u>-975</u>
<i>(% change 12 months)</i>	<i>7.3%</i>	<i>11.4%</i>	<i>6.2%</i>		

1/ Public sector excluding auctions of funds of PT and BN

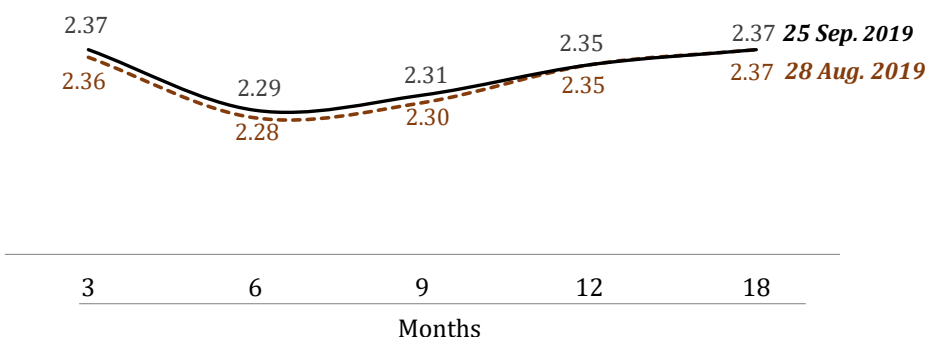
2/ Currency plus reserve requirement in domestic currency.

SHORT-TERM YIELD CURVES

So far in September, as of September 25, the yield curve of CDBCRP shows higher values for maturity terms of 3 months, 6 months, and 9 months than those observed at the end of August, whereas, on the other hand, it shows same rates for terms of 12 months and 18 months.

BCRP Certificates of Deposit (CD BCRP) are a monetary sterilization instrument that can be traded in the market or used in interbank repos or in repos with BCRP. The yields in the representative terms –3 months to 18 months– provide a guide for short-term financial operations. The shape of this yield curve is influenced by expectations of future monetary policy rates and by liquidity conditions in the market.

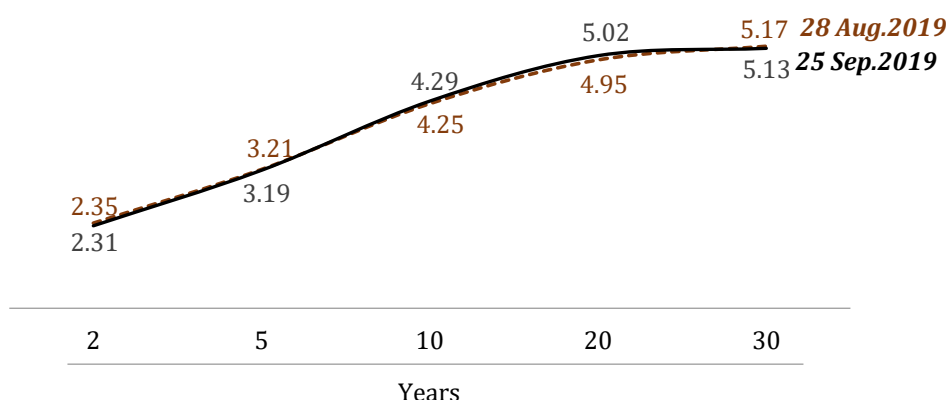
Yield curve of CDBCRP (%)



PUBLIC TREASURY BONDS

Markets use the yield on the Public Treasury bonds as reference for terms of more than 2 years. At September 25, 2019, the yield curve of sovereign bonds shows similar values to those observed at the end of August for all maturity terms.

Yield curve of BTP (%)

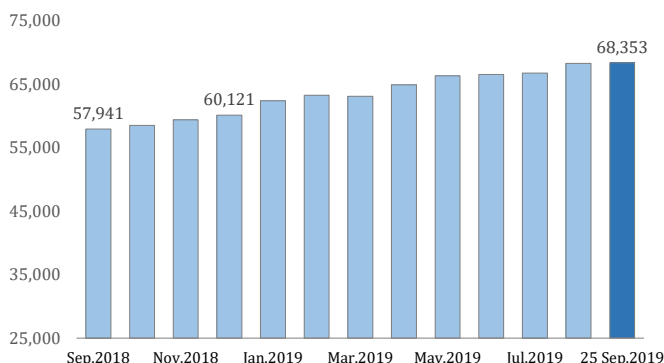


INTERNATIONAL RESERVES AT US\$ 68.35 BILLION ON SEPTEMBER 25

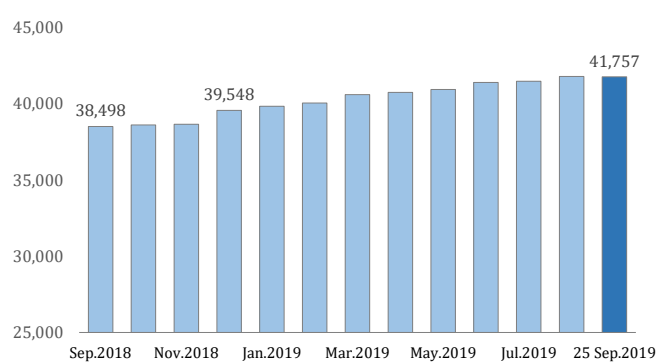
On September 25, Peru's net international reserves –made up mainly by liquid international assets– amounted to US\$ 68.35 billion. This level of reserves, which is US\$ 85 million higher than the amount of NIRs at end August and US\$ 8.23 billion higher than the amount of NIRs at the end of December 2018, is equivalent to 30 percent of GDP.

The foreign exchange position of BCRP on September 25 was US\$ 41.76 billion, US\$ 22 million lower than at the end of August and US\$ 2.21 billion higher than at the end of December 2018.

Net International Reserves
(Million US\$)



Exchange Position
(Million US\$)



INTERNATIONAL MARKETS

International price of gold up in September 18-25

In the week of September 18-25, the price of **gold** rose 1.7 percent to US\$ 1,528.8 the troy ounce.

The rise in the price of gold was associated with the fall in the US Treasuries' yield and political noise in this country.

Gold Price
(US\$/tr. ounce)



	% change		
25 Sep. 2019	18 Sep. 2019	30 Aug. 2019	31 Dec. 2018
US\$ 1,528.8 / tr. ounce	1.7	0.0	19.3

Copper Price
(cUS\$/pound)



	% change		
25 Sep. 2019	18 Sep. 2019	30 Aug. 2019	31 Dec. 2018
US\$ 2.59/pound	-0.5	0.7	-4.1

In the same period, the price of **copper** decreased 0.5 percent to US\$ 2.59 a pound.

This decline reflected the concerns about lower demand for this metal, although offset by the report of global supply deficit.

Zinc Price

(ctv. US\$/pound.)

In September 18-25, the price of **zinc** dropped 1.4 percent to US\$ 1.04 the pound.

The price of zinc was affected by expectations of a weak demand from China, partially offset by lower global inventories.

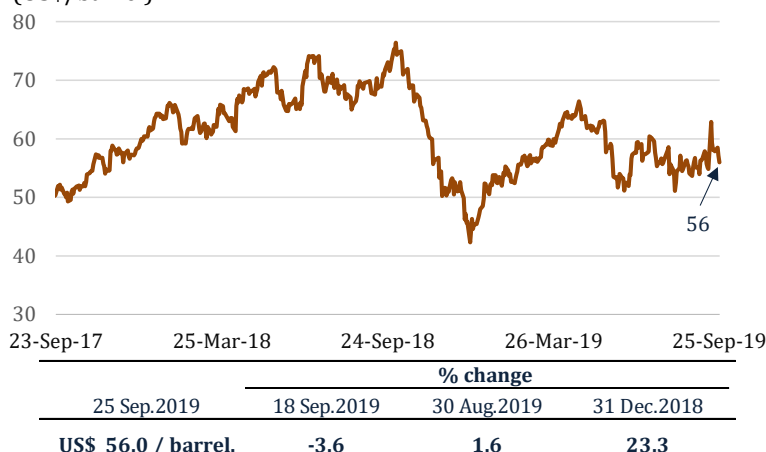


WTI Oil Price

(US\$/barrel)

The price of **WTI oil** declined 3.6 percent to US\$ 56.0 the barrel in the week of September 18-25.

The price of crude decreased due to the recovery of production Saudi Arabia's oil, fears of global growth, and the increase in the US crude inventories.



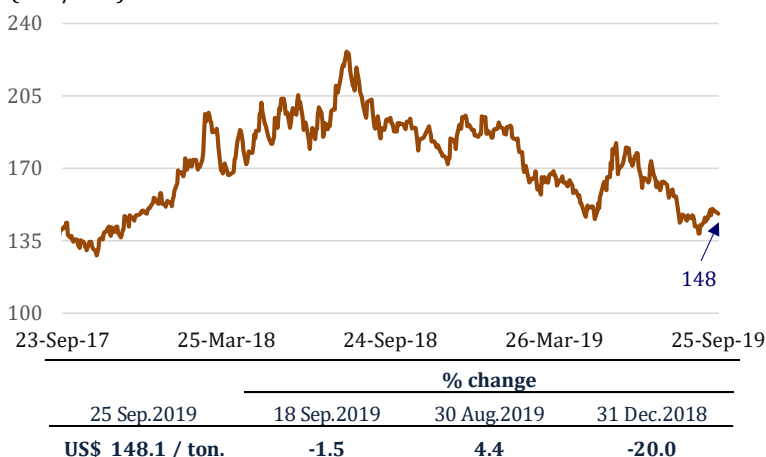
International prices of wheat and soybean oil fell in September 18-25

Wheat price

(US\$/ton.)

In the same period, the price of **wheat** dropped 1.5 percent to US\$ 148.1 a ton.

This price fall was affected by the entry of the spring wheat harvest in the United States and abundant global reserves.

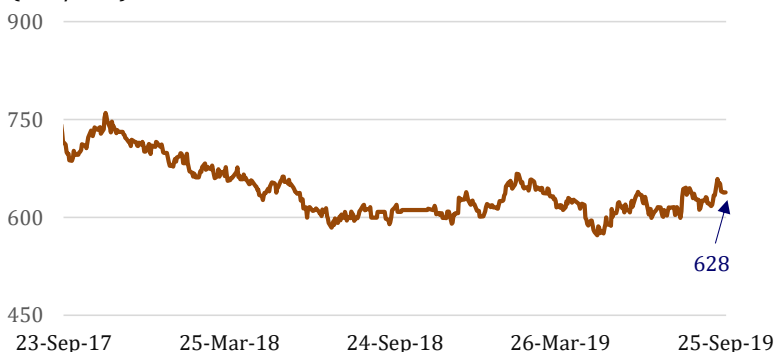


In the same period, the price of **soybean oil** fell 2.3 percent to US\$ 638.2 a ton.

This price fall was explained by weak prices of other vegetable oils, in particular palm oil.

Soybean oil price

(US\$/ton.)



% change			
25 Sep.2019	18 Sep.2019	30 Aug.2019	31 Dec.2018
US\$ 628.2 / ton.	-2.3	2.0	6.0

The price of **maize** climbed 0.8 percent to US\$ 142.1 per ton in the week of September 18-25.

This price rise was favored by delay in the US harvest and greater demand of the American grain.

Maize price

(US\$/ton.)



% change			
25 Sep.2019	18 Sep.2019	30 Aug.2019	31 Dec.2018
US\$ 142.1 / ton.	0.8	2.6	5.2

Dollar appreciated in international markets

In September 11-18, the **US dollar** appreciated 0.8 percent against the **euro** as a result of the expectations of lower cuts of rates by the FED, against to promises of greater stimuli from the European Central Bank.

Evolution of US\$ per Euro

(US\$/Euro)



% change			
25 Sep.2019	18 Sep.2019	30 Aug.2019	31 Dec.2018
1.09 US\$/euro	-0.8	-0.4	-4.6

It should be pointed out that the US dollar has been appreciating against most other currencies in recent years, as reflected in the evolution of the **FED index**. This is associated with expectations that the Federal Reserve (FED) will start normalizing its interest rates, and afterwards, with the easing monetary policy in other central Banks.

FED index

(January 06=100)



Variation in basis points			
20 Sep.2019	13 Sep.2019	30 Aug.2019	31 Dec.2018
117.3	0.4	-0.8	1.4

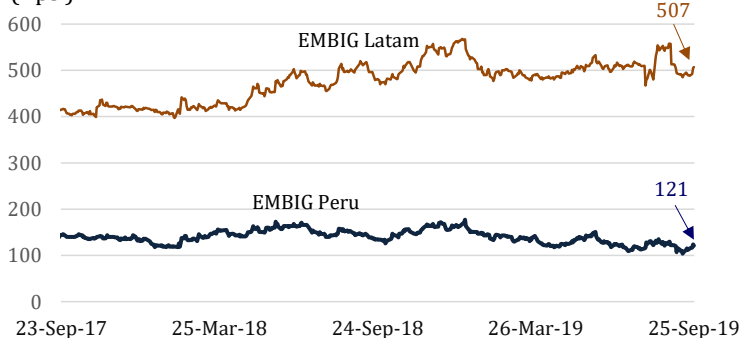
Country risk at 121 basis points

In September 18-25, the country risk indicator, measured by the **EMBIG Peru** spread, rose from 112 to 121 bps.

In the same period, the **EMBIG LatinAmerica** spread rose by 18 basis point to 507 bps, influenced by political uncertainty in the United States and fears about global growth.

Country Risk Indicator

(Bps.)



	Variation in basis points			
	25 Sep.2019	18 Sep.2019	30 Aug.2019	31 Dec.2018
EMBIG Peru (bps)	121	9	-1	-47
EMBIG Latam (bps)	507	18	-6	-61

Yield on 10-year US Treasuries dropped to 1.74 percent

In the week of September 18-25, the yield on the 10-year US **Treasury bonds** reduced 6 bps to 1.74 percent, in a context of weak consumer confidence data in the United States and the political noise in that country.

10-Year US Treasury rate

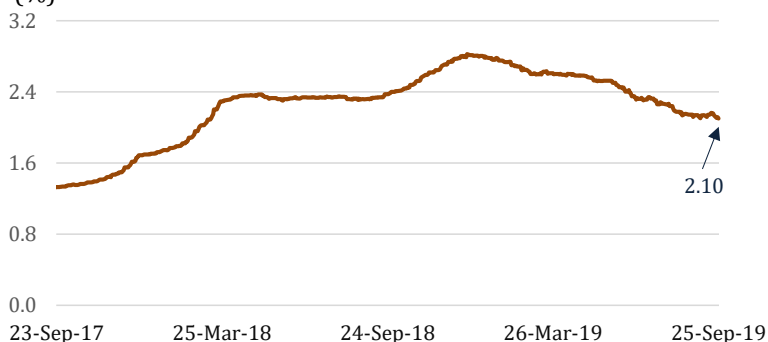
(%)



Variation in basis points			
25 Sep.2019	18 Sep.2019	30 Aug.2019	31 Dec.2018
1.74%	-6	24	-95

3-Month Libor rate

(%)



In the same period, the **3-month Libor** decreased 6 bps to 2.10 percent, influenced by expectations of greater stimuli from the Bank of England and the European Central Bank.

Variation in basis points			
25 Sep.2019	18 Sep.2019	30 Aug.2019	31 Dec.2018
2.10%	-6	-4	-71

INDICES OF THE LIMA STOCK EXCHANGE

In September 18-25, the **General Index** (IGBVL-Perú General) of the Lima Stock Exchange (LSE) fell 0.6 percent and the **Selective Index** (ISBVL-Lima 25) fell 0.7 percent.

This fall was explained by the decrease in the prices of basic metals.

Year-to-date, the General Index has fallen 0.2 percent, and the Selective Index has dropped 8.3 percent.

Peru General index of the LSE

(Base Dec.1991=100)



	As of:	% change compared to:		
	25 Sep.2019	18 Sep.2019	30 Aug.2019	31 Dec.2018
Peru General	19,392	-0.6	1.5	0.2
Lima 25	24,300	-0.7	1.3	-8.3

BANCO CENTRAL DE RESERVA DEL PERÚ
RESUMEN DE OPERACIONES MONETARIAS Y CAMBIARIAS
(Millones de soles)

	19 set	20 set	23 set	24 set	25 set
1. Saldo de la cuenta corriente de las empresas bancarias antes de las operaciones del BCRP	2 476,5	2 262,1	1 886,1	1 805,8	2 181,4
2. Operaciones monetarias y cambiarias del BCR antes del cierre de operaciones					
a. Operaciones monetarias anunciadas del BCR					
i. Subasta de Certificados de Depósitos del BCRP (CD BCRP)					
Propuestas recibidas	50,0		30,0		30,0
Plazo de vencimiento	56,0		225,0		125,0
Tasas de interés: Mínima	355 d		192 d		524 d
Máxima	2,33		2,19		2,38
Promedio	2,69		2,29		2,40
Saldo	2,45		2,27		2,39
ii. Subasta de Compra Temporal de Valores (REPO)	28 555,7	28 555,7	28 600,7	28 600,7	28 630,7
Propuestas recibidas					
Plazo de vencimiento					
Tasas de interés: Mínima					
Máxima					
Promedio					
Saldo	3 800,0	3 800,0	3 800,0	3 800,0	3 800,0
iv. Subasta de Certificados de Depósitos Liquidables en Dólares del BCRP (CDLD BCRP)					
Saldo	0,0	0,0	0,0	0,0	0,0
v. Subasta de Depósitos a Plazo en Moneda Nacional	500,0	363,7	300,0	500,1	770,2
Saldo	500,0	363,7	300,0	500,1	770,2
vi. Subasta de Colocación DP en M.N. del Tesoro Público					
Saldo	4 100,1	4 100,1	4 100,1	4 100,1	4 100,1
vii. Subasta de Colocación DP en M.N. del Banco de la Nación					
Saldo					
viii. Subasta de Certificados de Depósitos Reajustables del BCRP (CDR BCRP)					
Saldo	0,0	0,0	0,0	0,0	0,0
ix. Compra con compromiso de Recompra de moneda extranjera (Regular)					
Saldo	11 750,1	11 750,1	11 750,1	11 750,1	11 750,1
x. Compra con compromiso de Recompra de moneda extranjera (Expansión)					
Saldo	0,0	0,0	0,0	0,0	0,0
xi. Compra con compromiso de Recompra de moneda extranjera (Sustitución)					
Saldo	0,0	0,0	0,0	0,0	0,0
xiii. Subasta de Swap Cambiario Compra del BCRP					
Saldo	0,0	0,0	0,0	0,0	0,0
b. Operaciones cambiarias en la Mesa de Negociación del BCR	0,0	0,0	0,0	0,0	0,0
i. Compras (millones de US\$)					
Tipo de cambio promedio					
d. Operaciones en el Mercado Secundario de CD BCRP, CD BCRP-NR y BTP					
3. Saldo de la cuenta corriente de las empresas bancarias en el BCR antes del cierre de operaciones	1 926,5	1 898,4	1 556,1	1 305,8	1 381,2
4. Operaciones monetarias del BCR para el cierre de operaciones					
a. Compra temporal de moneda extranjera (swaps)					
Comisión (tasa efectiva diaria)	0,0075%	0,0085%	0,0075%	0,0075%	0,0075%
b. Compra temporal directa de valores (fuera de subasta)					
Tasa de interés	3,05%	3,05%	3,05%	3,05%	3,05%
d. Depósitos Overnight en moneda nacional	156,0	512,5	5,0	161,0	61,7
Tasa de interés	1,25%	1,25%	1,25%	1,25%	1,25%
5. Saldo de la cuenta corriente de las empresas bancarias en el BCR al cierre de operaciones	1 770,5	1 385,9	1 551,1	1 144,8	1 319,5
a. Fondos de encaje en moneda nacional promedio acumulado (millones de S/ (*)	8 735,6	8 640,2	8 410,6	8 333,9	8 263,4
b. Fondos de encaje en moneda nacional promedio acumulado (% del TOSE) (*)	5,6	5,5	5,4	5,3	5,3
c. Cuenta corriente moneda nacional promedio acumulado (millones de S/)	3 236,8	3 144,2	2 922,1	2 848,0	2 779,9
d. Cuenta corriente moneda nacional promedio acumulado (% del TOSE) (*)	2,1	2,0	1,9	1,8	1,8
6. Mercado interbancario y mercado secundario de CDBCRP					
a. Operaciones a la vista en moneda nacional	1 011,0	598,0	726,0	1 004,0	573,0
Tasas de interés: Mínima / Máxima / Promedio	2,50/2,55/2,51	2,50/2,50/2,50	2,50/2,50/2,50	2,50/2,50/2,50	2,50/2,50/2,50
b. Operaciones a la vista en moneda extranjera (millones de US\$)	28,0	30,0	25,0	47,0	20,0
Tasas de interés: Mínima / Máxima/ Promedio	2,00/2,00/2,00	2,00/2,00/2,00	2,00/2,00/2,00	2,00/2,00/2,00	2,00/2,00/2,00
c. Total mercado secundario de CDBCRP, CDBCRP-NR y CDV	50,0	5,3			
Plazo 6 meses (monto / tasa promedio)					
7. Operaciones en moneda extranjera de las empresas bancarias (millones de US\$)	18 set	19 set	20 set	24 set	25 set
Flujo de la posición global = a + b.i - c.i + e + f + g	-106,8	-19,9	73,2	-35,3	-60,5
Flujo de la posición contable = a + b.ii - c.ii + e + g	-348,8	-19,1	48,4	104,0	-118,8
a. Mercado spot con el público	-363,9	-28,2	46,5	26,3	-153,3
i. Compras	279,9	308,3	339,0	319,0	220,3
ii. (-) Ventas	643,8	336,5	292,6	292,7	373,5
b. Compras forward al público (con y sin entrega)	290,7	-49,3	99,9	65,6	-36,6
i. Pactadas	524,4	294,5	157,0	313,1	222,1
ii. (-) Vencidas	233,8	343,9	57,1	247,5	258,7
c. Ventas forward al público (con y sin entrega)	48,5	-44,4	75,3	205,0	-96,2
i. Pactadas	281,6	625,9	214,3	416,9	237,6
ii. (-) Vencidas	233,1	670,4	139,0	211,9	333,8
d. Operaciones cambiarias interbancarias					
i. Al contado	634,7	794,5	603,0	690,7	655,0
ii. A futuro	75,0	46,0	50,0	100,0	70,0
e. Operaciones spot asociadas a swaps y vencimientos de forwards sin entrega	16,5	344,2	93,6	47,7	109,2
i. Compras	223,5	633,5	127,2	197,9	307,6
ii. (-) Ventas	207,0	289,3	33,6	150,2	198,4
f. Efecto de Opciones	-0,1	4,1	0,1	0,0	-1,3
g. Operaciones netas con otras instituciones financieras	-2,1	-8,7	-9,7	-5,5	0,4
Nota: Tipo de cambio interbancario promedio (Fuente: Datatec)	3,3445	3,3544	3,3597	3,3639	3,3448
(*) Datos preliminares					

d. = día(s) s. = semana(s) m. = mes(es) a. = año(s)

Elaboración: Gerencia de Operaciones Monetarias y Estabilidad Financiera.

