



## Weekly Economic Report - June 30, 2022

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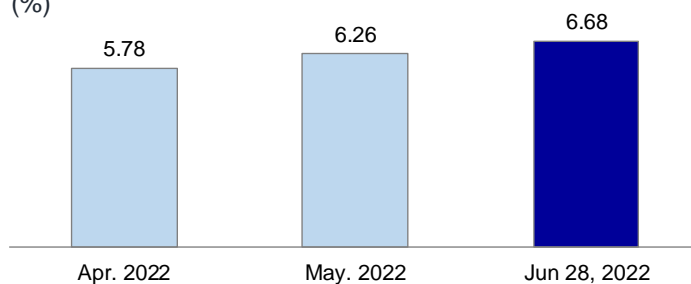
## INTERBANK INTEREST RATE IN SOLES

On June 28, 2022, the **interbank** interest rate in soles showed an annual average rate of 5.50 percent, while the annual rate in dollars was 1.75 percent.

On the same day, the **90-day corporate prime rate** -the interest rate charged by banks to lower risk businesses- in soles was 6.68 percent per annum, and the prime rate in dollars was 2.59 percent per annum.

**90-day corporate prime rate in soles**

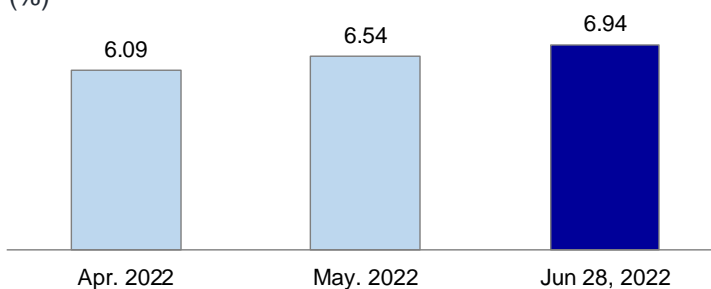
(%)



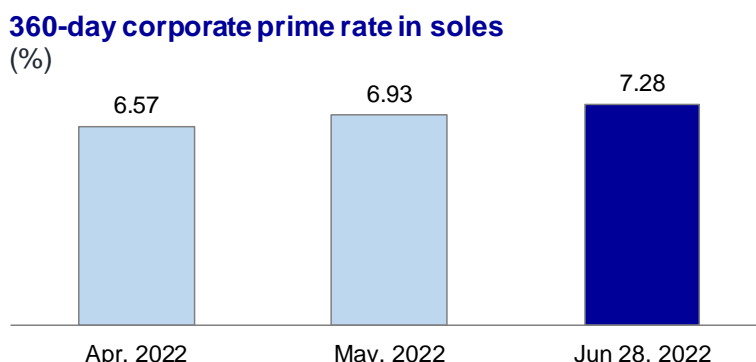
On June 28, 2022, the **corporate prime lending rate for 180-day loans** in soles was 6.94 percent per year and this rate in dollars was 3.24 percent per year

**180-day corporate prime rate in soles**

(%)



On the same day, the **corporate prime rate for 360-day loans** in soles was 7.28 percent per year and this rate in dollars was 4.09 percent per year.




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## BCRP OPERATIONS

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The BCRP's **monetary operations** from June 23 to June 28 were as follows:

- **Liquidity injection operations:**
  - **Security repos:** On June 28, this instrument showed a balance of S/ 8,562 million, with an average interest rate of 3.99 percent. The balance on June 22 was S/ 8,612 million, with an average interest rate of 4.00 percent. Securities repos in this period corresponded to 1-day auctions for S/ 500 million (on June 23), S/ 500 million (on June 24), S/ 400 million (on June 27) and S/ 200 million (on June 28), which were placed at an average interest rate of 5.69 percent.
  - **Currency repos:** As of June 28, the balance of regular currency repos was S/ 2,077 million, with an average interest rate of 3.43 percent. The balance on June 22 was S/ 2,577 million, with an average interest rate of 4.01 percent.
  - **Loan portfolio repos:** On June 28, the balance of this instrument was S/ 6,384 million, with an average interest rate of 1.27 percent while the balance on June 22 was S/ 6,384 million, with a similar average interest rate. The loan portfolio repos auctioned in this period corresponded to the modality of loan rescheduling and repos conditioned to the expansion of long-term credit in soles in the financial system.
  - **Government-guaranteed repos (including rescheduled loans):** On June 28, the balance of this instrument was S/ 29,428 million, and on June 22 it was S/ 29,761 million. In both cases, these balances were allocated to loans at an average interest rate of 1.4 percent under the Program of government-secured loans.

- Auctions of Public Treasury Deposits: On June 28, the balance of this instrument was S/ 6,442 million, with an average interest rate of 5.74 percent. The balance on June 22 was the same.
- Liquidity **sterilization** operations:
  - CD BCRP: The balance of CD BCRP as of June 28 was S/ 7,054 million, with an average interest rate of 5.10 percent. On June 22, this instrument showed a balance of S/ 6,309 million, with an average interest rate of 5.02 percent. In the period from June 23 to June 28, BCRP CDs for a total of S/ 1,500 million were placed for a maturity term of 1 month at an average interest rate of 5.26 percent.
  - CDV BCRP: The balance of CDV BCRP as of June 28 was S/ 19,320 million, while the balance on June 22 was S/ 18,360 million. The certificates have a floating interest rate, linked to the Interbank Overnight Index (ION). On June 28, the average spread of the balance awarded in the BCRP CDV auctions was 0.03 percent. Moreover, from June 23 to June 28, CDV BCRP for a total of S/ 2,750 million were placed for a maturity term of 3 months with an average spread of 0.02 percent.
  - Overnight deposits: On June 28, the balance of this instrument was S/ 751 million, with an average interest rate of 3.50 percent. The balance as of June 22 was S/ 827 million, with a similar average interest rate.
  - Time deposits: On June 28, this instrument showed a balance of S/ 3,600 million, with an average interest rate of 5.26 percent. On June 22, this instrument showed a balance of S/ 5,113 million, with an average interest rate of 5.32 percent.
- Other monetary operations:
  - Interest rate swaps: On June 28, the balance of interest rate swaps was S/ 6,535 million, with an average interest rate of 3.92 percent. The balance on June 22 was S/ 7,545 million, with an average interest rate of 3.62 percent. From June 23 to June 28, interest rate swaps for a total of S/ 115 million were placed at 3-month, 6-month and 9-month terms with average interest rates of 6.03 percent, 6.13 percent and 6.14 percent, respectively. It is worth mentioning that, in these operations, BCRP receives a fixed interest rate and pays a floating rate based on the Interbank Overnight Index (ION).

As part of its **foreign exchange operations** between June 23 and June 28, BCRP sold US\$ 50 million in the spot market. BCRP placed a total of US\$ 564 million of FX Swaps and allowed a total of US\$ 530 million to mature.

- i. Sale of foreign currency in the spot market: BCRP sold US\$ 50 million in the spot market. This operation was carried out on June 23.

- ii. Foreign Exchange swaps sale (FX swaps-sale): The balance of this instrument on June 28 was S/ 35,259 million (US\$ 9,020 million), with an average interest rate of 1.05 percent. The balance of this instrument on June 22 was S/ 35,314 million (US\$ 8,986 million), with an average interest rate of 0.91 percent.
- iii. CDR BCRP: The balance of this instrument on June 28 was nil, as on June 22.

On June 28, 2022, the **monetary base** had decreased by S/ 45 million with respect to June 22, 2022, and public sector deposits in soles decreased by S/ 1,129 million. During the week, the public sector bought foreign currency from BCRP for an amount of US\$ 8 million (S/ 30 million).

The BCRP's liquidity sterilization operations included the net placement of CDV BCRP (S/ 960 million), the maturity of currency repos (S/ 500 million), the net placement of CD BCRP (S/ 500 million), the amortization of Government-guaranteed portfolio repos (S/ 333 million), the sale of foreign currency for US\$ 50 million (S/ 188 million) and the net maturity of securities repos (S/ 50 million). These operations were partially offset by the maturity of time deposits and overnight deposits (S/ 1,589 million).

In the last 12 months, the monetary base has decreased by 1.8 percent, mainly as a result of a 1.7 percent decrease in the demand for banknotes and coins.

#### Monetary balance of the Central Reserve Bank of Peru

(Million S/)

|   | Balance         |                 |                 |                 | Flows          |               |                    |
|---|-----------------|-----------------|-----------------|-----------------|----------------|---------------|--------------------|
|   | Dec 31, 21      | 2022            |                 |                 | 2022           |               | Week <sup>1/</sup> |
|   |                 | May. 31         | Jun. 22         | Jun. 28         | Year           | June          |                    |
| <b>I. NET INTERNATIONAL RESERVES</b>                    | <b>311,627</b>  | <b>281,605</b>  | <b>281,761</b>  | <b>282,977</b>  | <b>-13,606</b> | <b>-4,671</b> | <b>-2,558</b>      |
| (Millions US\$)   | 78,495          | 76,109          | 75,539          | 74,862          | -3,634         | -1,248        | -677               |
| 1. Foreign Exchange Position                            | 57,345          | 53,164          | 52,851          | 52,760          | -4,584         | -403          | -91                |
| 2. Deposits of the Commercial Banks                     | 16,278          | 16,637          | 16,424          | 15,828          | -449           | -808          | -595               |
| 3. Deposits of the Public Sector                        | 2,920           | 4,246           | 4,219           | 4,225           | 1,304          | -21           | 5                  |
| 4. Others <sup>2/</sup>                                 | 1,953           | 2,063           | 2,045           | 2,049           | 96             | -15           | 3                  |
| <b>II. NET DOMESTIC ASSETS</b>                          | <b>-214,348</b> | <b>-191,911</b> | <b>-192,926</b> | <b>-194,187</b> | <b>5,117</b>   | <b>3,768</b>  | <b>2,513</b>       |
| 1. Credit to the financial sector in soles              | 12,936          | 18,819          | 19,143          | 18,388          | 5,452          | -363          | -755               |
| a. Security repos                                       | 5,963           | 8,562           | 8,612           | 8,562           | 2,599          | 0             | -50                |
| b. Currency repos                                       | 3,342           | 2,177           | 2,577           | 2,077           | -1,265         | -100          | -500               |
| c. Temporary Purchase of Portfolio                      | 6,441           | 6,400           | 6,384           | 6,384           | -57            | -16           | -1                 |
| d. Temporary Purchase of Portfolio with State Guarantee | 38,827          | 30,803          | 29,761          | 29,428          | -9,399         | -1,375        | -333               |
| e. Securities issued                                    | -25,971         | -22,183         | -22,018         | -23,478         | 2,493          | -1,295        | -1,460             |
| i. CDBCRP   | -11,956         | -4,048          | -3,658          | -4,158          | 7,798          | -110          | -500               |
| ii. CDRBCRP   | -1,350          | 0               | 0               | 0               | 1,350          | 0             | 0                  |
| iii. CDVBCRP  | -12,664         | -18,135         | -18,360         | -19,320         | -6,656         | -1,185        | -960               |
| f. Other deposits in soles                              | -15,666         | -6,941          | -6,174          | -4,585          | 11,082         | 2,356         | 1,589              |
| 2. Net assets public sector in soles <sup>3/</sup>      | -92,686         | -94,761         | -96,335         | -95,206         | -2,520         | -513          | 1,129              |
| 3. Credit to the financial sector in dollars            | -64,142         | -61,592         | -61,301         | -59,873         | 1,121          | 3,027         | 2,248              |
| (Millions US\$)   | -16,128         | -16,637         | -16,424         | -15,828         | 299            | 808           | 595                |
| 4. Net assets public sector in dollars                  | -9,670          | -13,843         | -13,914         | -14,131         | -5,206         | 11            | -30                |
| (Millions US\$)   | -2,348          | -3,741          | -3,730          | -3,738          | -1,390         | 3             | -8                 |
| 5. Other Net Accounts                                   | -60,786         | -40,535         | -40,518         | -43,366         | 6,269          | 1,606         | -79                |
| <b>III. MONETARY BASE (I+II)</b>                        | <b>97,279</b>   | <b>89,694</b>   | <b>88,835</b>   | <b>88,790</b>   | <b>-8,489</b>  | <b>-903</b>   | <b>-45</b>         |
| (% change 12 months)                                    | 13.1%           | 2.3%            | -0.2%           | -1.8%           |                |               |                    |

1/ As of Jun 28. The flows isolate the valuation effects of fluctuations in the sol against the dollar.

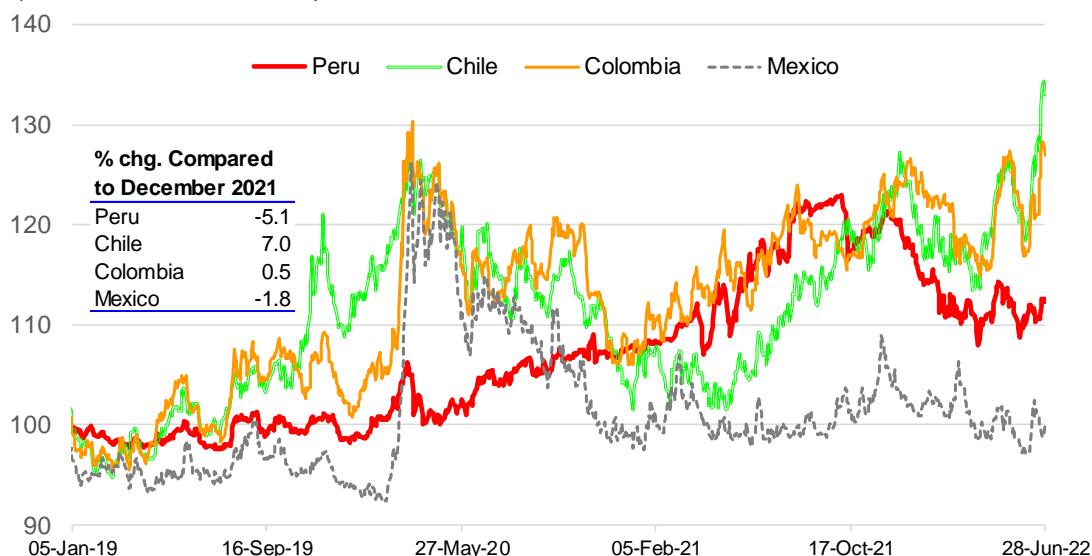
2/ Includes SDR allocations, Global Public Treasury Bonds and Repos Operations to provide foreign currency.

3/ Includes bonds issued by the Public Treasury, which the BCRP acquires in the secondary market in accordance with Article 61 of the Organic Law of the BCRP.

The interbank selling **price of the dollar** at the close of June 28 was S/ 3.79 per dollar, 1.6 percent higher than the rate on June 22. As a result, the PEN has accumulated an appreciation of 5.1 percent with respect to the end of last year. So far this year, BCRP has sold foreign currency for a total of US\$ 850 million in the spot market and has auctioned foreign exchange instruments (FX swaps and BCRP CDRs), reducing the balance of these operations by US\$ 882 million.

### Nominal Exchange Rate Index

(December 2018 = 100)

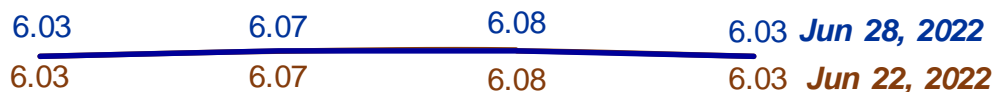


### SHORT-TERM YIELD CURVES

On June 28, 2022, the yield curve of BCRP CD registered similar rates for all maturity terms than those observed on June 22. BCRP Certificates of Deposit are a monetary sterilization instrument that can be traded in the market or used in interbank repos and repos with the BCRP. The shape of this yield curve is influenced by expectations of future monetary policy rates and liquidity conditions in the market.

### Yield curve of CDBCRP

(%)



3

6

9

12

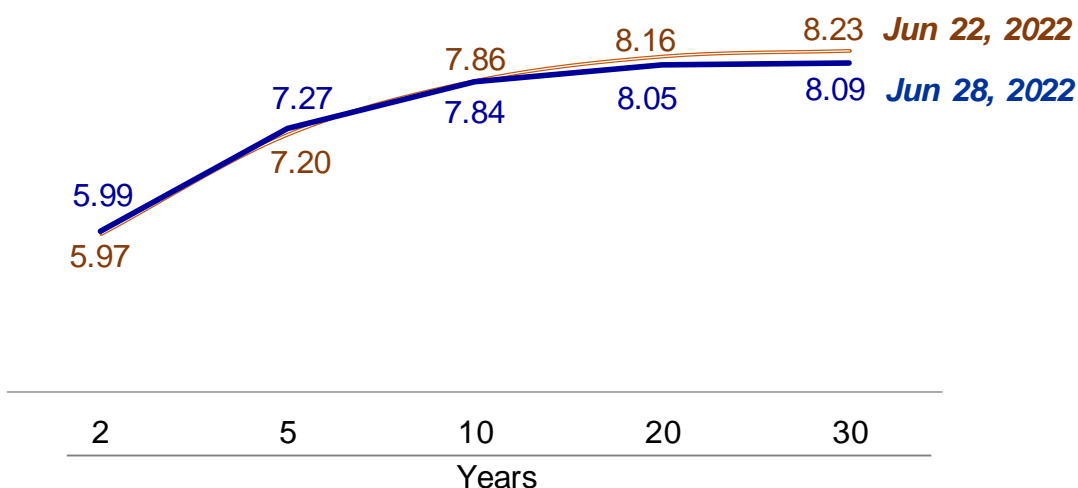
Months

## PUBLIC TREASURY BONDS

Markets use the yield on the Public Treasury bonds as reference for terms of 2 years or more. On June 28, 2022, the interest rates on sovereign bonds showed higher values for terms of 2 and 5 years and lower values for terms from 10 years or more than those observed on June 22, 2022.

### Yield curve of BTP

(%)

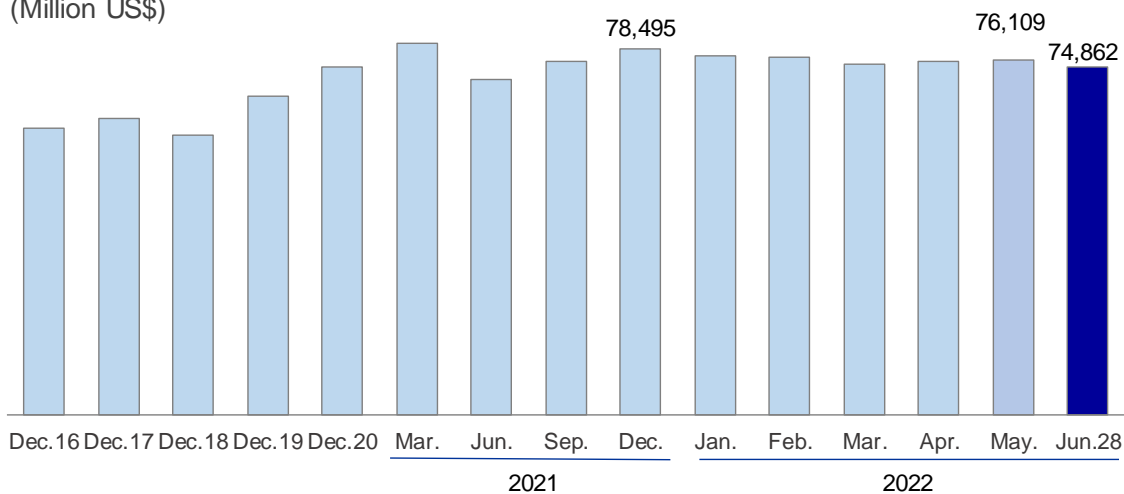


## INTERNATIONAL RESERVES

On June 28, 2022, the **net International Reserves (NIRs)** totaled US\$ 74,862 million, a level of reserves US\$ 3,634 million lower than the amount of NIRs at the end of 2021. International reserves are made up of liquid international assets and their current level is equivalent to 33 percent of GDP.

### Net International Reserves

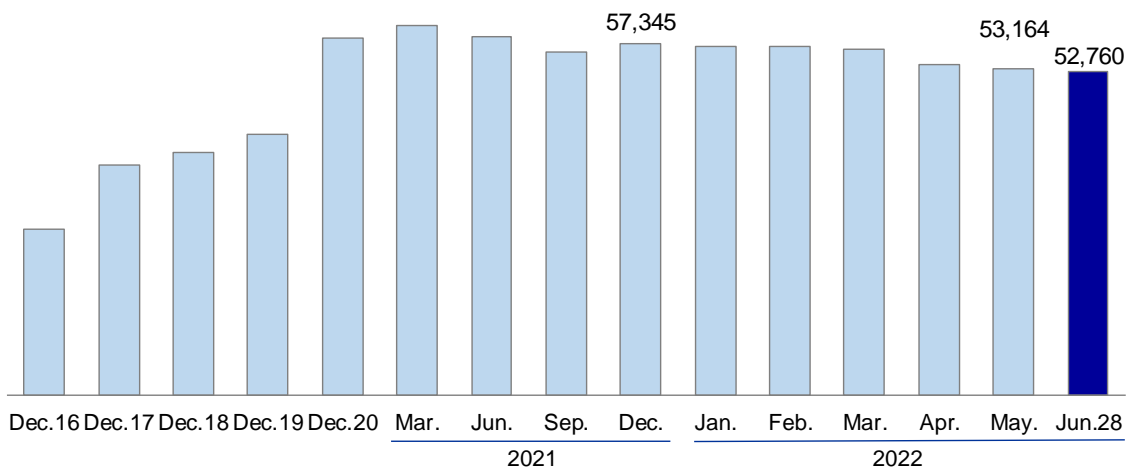
(Million US\$)



The **foreign exchange position** of BCRP on June 28 was US\$ 52,760 million, US\$ 4,584 million lower than at the end of December 2021, mainly due to the net sale of foreign currency to the public sector (US\$ 2,528 million), in particular to constitute the fiscal stabilization fund (US\$ 1,493 million).

### Foreign Exchange Position

(Million US\$)



## INTERNATIONAL MARKETS

### Metal prices decline in international markets

Between June 22 and June 28, the price of **gold** decreased 1.2 percent to US\$ 1,819.1 the troy ounce.

The price decrease was associated with the appreciation of the dollar against a basket of major currencies.

#### Gold Price (US\$/tr. ounce)



| % change                 |              |              |              |
|--------------------------|--------------|--------------|--------------|
| Jun 28, 2022             | Jun 22, 2022 | May 31, 2022 | Dec 31, 2021 |
| US\$ 1,819.1 / tr. ounce | -1.2         | -1.1         | -0.1         |

In the period under analysis the price of **zinc** decreased 6.8 percent to US\$ 1.56 the pound. The price fall was associated with the increase in inventories on the London Metal Exchange, as well as concerns about a possible recession after the publication of manufacturing indicators in the United States and Europe.

**Zinc Price**  
(ctv. US\$/pound)



| % change                 |              |              |              |
|--------------------------|--------------|--------------|--------------|
| Jun 28, 2022             | Jun 22, 2022 | May 31, 2022 | Dec 31, 2021 |
| <b>US\$ 1.56 / pound</b> | <b>-6.8</b>  | <b>-13.3</b> | <b>-5.0</b>  |

From June 22 to June 28, the price of **copper** fell 2.6 percent to US\$ 3,86 the pound. The correction in the price reflected higher inventories on the London Metal Exchange.

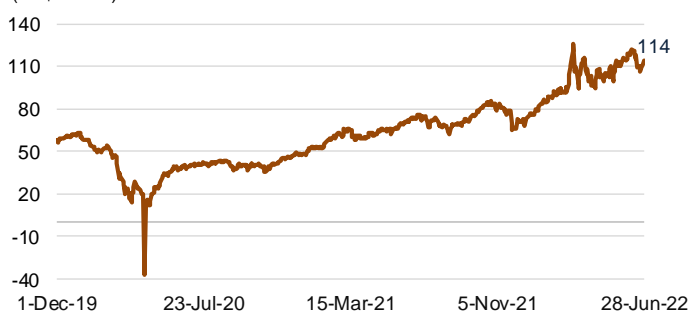
**Copper Price**  
(cUS\$/pound)



| % change                 |              |              |              |
|--------------------------|--------------|--------------|--------------|
| Jun 28, 2022             | Jun 22, 2022 | May 31, 2022 | Dec 31, 2021 |
| <b>US\$ 3.86 / pound</b> | <b>-2.6</b>  | <b>-10.5</b> | <b>-12.3</b> |

In the week under review, the price of **WTI crude oil** rose 7 percent to US\$ 113.7 the barrel. The price increase was supported by concerns that the main producers may not be able to significantly increase production due to lack of capacity, while Western governments agreed to explore ways to limit the price of Russian oil.

**WTI Oil Price**  
(US\$/barrel)



| % change                   |              |              |              |
|----------------------------|--------------|--------------|--------------|
| Jun 28, 2022               | Jun 22, 2022 | May 31, 2022 | Dec 31, 2021 |
| <b>US\$ 113.7 / barrel</b> | <b>7.0</b>   | <b>-0.6</b>  | <b>50.3</b>  |



## Wheat and soybean prices decline in international markets

From June 22 to June 28, the price of **wheat** decreased 2.7 percent to US\$ 426,9 the ton. The decrease in the price was associated with the seasonal entry of the winter wheat harvest in the United States and the beginning of the harvesting work in the rest of the northern hemisphere producing countries.

### Wheat Price

(US\$/ton)

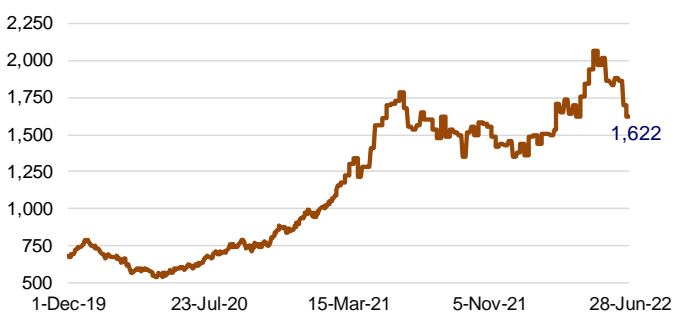


| % change                 |              |              |              |
|--------------------------|--------------|--------------|--------------|
| Jun 28, 2022             | Jun 22, 2022 | May 31, 2022 | Dec 31, 2021 |
| <b>US\$ 426.9 / ton.</b> | <b>-2.7</b>  | <b>-13.3</b> | <b>3.9</b>   |

Between June 22 and June 28, the price of **soybean oil** fell 4.8 percent to US\$ 1,622.2 the ton. The price decrease was affected by higher palm oil exports from Indonesia and lower demand from China.

### Soybean oil Price

(US\$/ton)



| % change                   |              |              |              |
|----------------------------|--------------|--------------|--------------|
| Jun 28, 2022               | Jun 22, 2022 | May 31, 2022 | Dec 31, 2021 |
| <b>US\$ 1,622.2 / ton.</b> | <b>-4.8</b>  | <b>-11.8</b> | <b>13.1</b>  |

## Dollar appreciates in international markets

In the period under analysis, the **dollar** value index rose 0.3 percent against a basket of major currencies. This appreciation occurred in response to the statements by the Federal Reserve confirming the possibility of aggressive interest rate adjustments to address inflation.

### DXY Index <sup>1/</sup>

(March 1973=100)



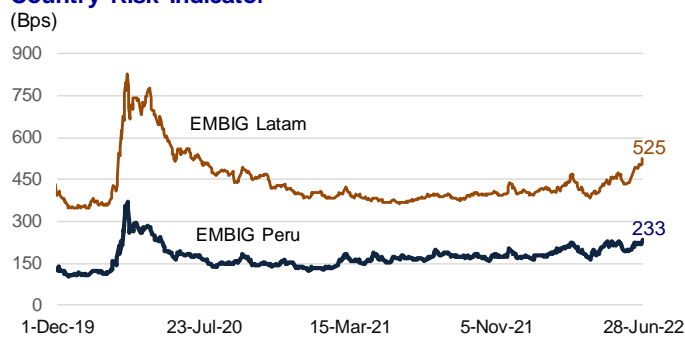
1/ Index of the value of the US dollar in relation to a basket of main currencies (euro, yen, pound, Canadian dollar, Swiss franc and Swedish krona).

| Variation %  |              |              |              |
|--------------|--------------|--------------|--------------|
| Jun 28, 2022 | Jun 22, 2022 | May 31, 2022 | Dec 31, 2021 |
| <b>104.5</b> | <b>0.3</b>   | <b>2.7</b>   | <b>8.9</b>   |

## Country risk stood at 233 basis points

Between June 22 and June 28, **EMBIG Peru** increased 7 bps to 233 bps and the **EMBIG Latin America spread** rose 22 bps to 525 bps, amid a scenario with expected increases in interest rates worldwide.

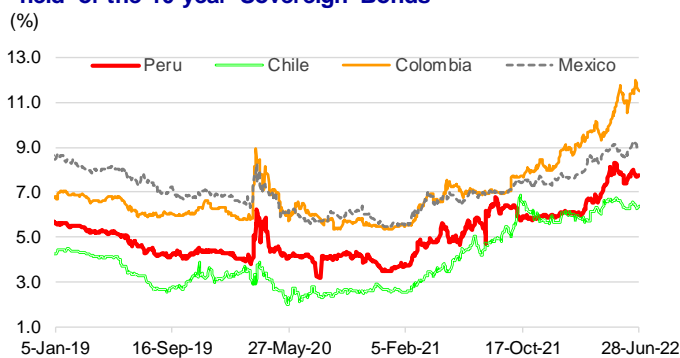
### Country Risk Indicator



|                   | Variation in basis points |              |              |              |
|-------------------|---------------------------|--------------|--------------|--------------|
|                   | Jun 28, 2022              | Jun 22, 2022 | May 31, 2022 | Dec 31, 2021 |
| EMBIG Peru (bps)  | 233                       | 7            | 39           | 63           |
| EMBIG Latam (bps) | 525                       | 22           | 92           | 126          |

The interest rate on **Peru's 10-year sovereign bonds** fell by 2 bps during the week and remains one of the lowest in the region.

### Yield of the 10-year Sovereign Bonds



|          | Variation in pbs. |             |             |             |
|----------|-------------------|-------------|-------------|-------------|
|          | 28 Jun.2022       | 22 Jun.2022 | 31 May.2022 | 31 Dec.2021 |
| Peru     | 7.7               | -2          | 21          | 184         |
| Chile    | 6.4               | 5           | 12          | 75          |
| Colombia | 11.5              | -35         | 44          | 325         |
| Mexico   | 9.1               | -1          | 50          | 157         |

## Yield on US Treasuries stood at 3.17 percent.

In the period under review, the yield on the **US Treasury bond** increased 1 bps to 3.17 percent.

### 10-Year US Treasury rate



|  | Variation in basis points |              |              |              |
|--|---------------------------|--------------|--------------|--------------|
|  | Jun 28, 2022              | Jun 22, 2022 | May 31, 2022 | Dec 31, 2021 |
|  | 3.17%                     | 1            | 33           | 166          |

INDICES OF THE LIMA STOCK EXCHANGE

From June 22 to June 28, the **General Index** of the Lima Stock Exchange (IGBVL-Peru General) dropped 1.9 percent while the **Selective Index** (ISBVL-Lima 25) fell 2.3 percent, amid a context of metal prices decline.

