

Monetary Program for 2001- Information Note: December 2001

1. For the month of December, the Board increased the range for its operating target at **S/. 150 - S/. 160 million as a daily average**. In November, the said balance was S/. 146 million, which fell slightly above the announced range (S/. 135 – S/. 145 million), as a consequence of a higher liquidity requirement reflected in higher temporary purchase of CDBCRP on November 30
2. The Central Bank Board of Directors also established that the following interest and commission rates would be used in domestic-currency Central Bank operations since December 6:
 - a. For monetary regulation credits in domestic currency, the effective interest rate would be **the weighted average of the interbank interest rates, or 5,0 percent, whichever is highest**. Formerly, the said rate was 6,0 percent.
 - b. For overnight deposits in domestic currency held by banks at the Central Bank, the effective interest rate will be **2,0 percent**. The latter rate was 2,5 percent.
 - c. For foreign exchange temporary purchase operations (swap operations), the commission implies an effective annual cost of **5,0 percent**. The latter cost was 6,0 percent.
3. The following interest rates will be used in foreign-currency operations:
 - a. The effective annual rate for monetary regulation credits will be **4,5 percent**. This rate rules since November 9.
 - b. For overnight deposits held by banks at the Central Bank, the rate is equivalent to the average obtained by the Central Bank for similar deposits abroad.
4. The Central Bank grants monetary regulation credits in domestic and foreign currency on a regular basis. Besides, the Central Bank operations will be oriented to reduce volatility in the exchange market.
5. If justified by financial conditions, the values mentioned above could be modified in order to ensure the attainment of the objective to preserve monetary stability, which mean avoiding inflationary or deflationary pressures.

Lima, December 5, 2001

Operational target and reference interest rate approved by the Board of the Central Bank: 2001

	2001										Program December
	February	March	April	May	June	July	August	September	October	November	
1. Operational target: current account (In millones of S/.)											
Range	125-135	128-138	130-140	120-130	125-135	135-145	130-140	130-140	132-142	135-145	150-160
Revised			120-130								
Actual	134	131	123	122	130	129	132	136	140	146	
2. Reference interest rates (In percentage)											
a. Monetary regulation credits, temporary purchase of CDBCRP and Treasury bonds out of auctions											
a.1. In domestic currency	12,5	11,5	11,0	11,0	10,5	10,0	9,0	8,5	7,5	6,0	5,0
a.2. In foreign currency	8,5	8,5	8,5	7,5	7,0	6,5	6,0	5,5	5,0	4,5	4,5
b. Overnight deposits											
b.1. In domestic currency	4,5	4,0	4,0	4,0	4,0	4,0	4,0	4,0	3,0	2,5	2,0
b.2. In foreign currency ^{1/}	5,5	5,3	4,8	4,2	3,9	3,8	3,7	3,2	2,5	2,1	^{1/}
3. Swap commission											
Commission	0,0172	0,0165	0,0159	0,0174	0,0171	0,0158	0,0138	0,0134	0,0138	0,0115	^{3/}
Annual percentage rate	12,5	11,5	11,0	11,0	10,5	10,0	9,0	8,5	7,5	6,0	5,0

Note:

Interbank interest rate in domestic currency	11,0	10,3	12,5	12,7	10,6 ^{2/}	8,4	5,7	5,9	4,5	3,5	
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1/ Similar to BCRP international overnight deposits' interest rate abroad.

2/ June 1 quotation non included (74,3 percent).

3/ Since October, the swap commission is calculated on a daily basis and considering international levels.