

### **Monetary Program for 2001- Information Note: November 2001**

1. For the month of November, the Board increased the range for its operating target at **S/. 135 - S/. 145 million as a daily average**. In October, the said balance was S/. 140 million, which fell within the announced range (S/. 132 – S/. 142 million).
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 November 9:
  - a. For monetary regulation credits in domestic currency, the effective interest rate would be **the weighted average of the interbank interest rates, or 6,0 percent, whichever is highest**. It should be noted that this is the fourth consecutive month in which the Bank reduced this rate. Formerly, the said rate was 7,5 percent.
  - b. For overnight deposits in domestic currency held by banks at the Central Bank, the effective interest rate will be **2,5 percent**. The latter rate was 3,0 percent.
  - c. For foreign exchange temporary purchase operations (swap operations), the commission implies an effective annual cost of **6,0 percent**. The latter cost was 7,5 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**. The latter rate was 5,0 percent.
  - 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.

Lima, November 8, 2001

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

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

**Note:**

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

2/ June 1 quotation not included ( 74,3 percent).

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