



MONETARY PROGRAM FOR APRIL 2009

BCRP REDUCED THE REFERENCE INTEREST RATE TO 5.0%

1. The Board of the Central Reserve Bank of Peru approved to reduce the monetary policy reference interest rate from 6.0 to 5.0 percent, thus accumulating a reduction of 150 basis points in this rate so far this year. The decision of accelerating the reduction of the reference interest rate is based on the reduction of inflationary pressures, as a result of which the rate of inflation has declined from 6.7 percent in December to 4.8 percent in March, as well as on the deceleration observed in private spending due to inventory adjustments and the deterioration of the global economy. Should this trend persist, the Bank will continue to loosen its monetary policy stance.
2. Inflation recorded a rate of 0.36 percent in March, as a result of which last 12-month inflation declined for the fifth consecutive month. Inflation and economic agents' expectations about inflation are expected to continue declining in the next months, thus allowing inflation's convergence to the target range in the fourth quarter of this year.
3. The Board also approved to maintain the following annual interest rates on active and passive operations in domestic currency (not included in auctions) between the BCRP and the financial system:
 - a. Direct repo and rediscount operations: 5.75 percent.
 - b. Overnight deposits: 4.25 percent.
 - c. Swap: a commission equivalent to a minimum annual effective cost of 5.75 percent.
4. The Board will approve the Monetary Program for the next month on its session of May 7, 2009.