BANCO CENTRAL DE RESERVA DEL PERÚ

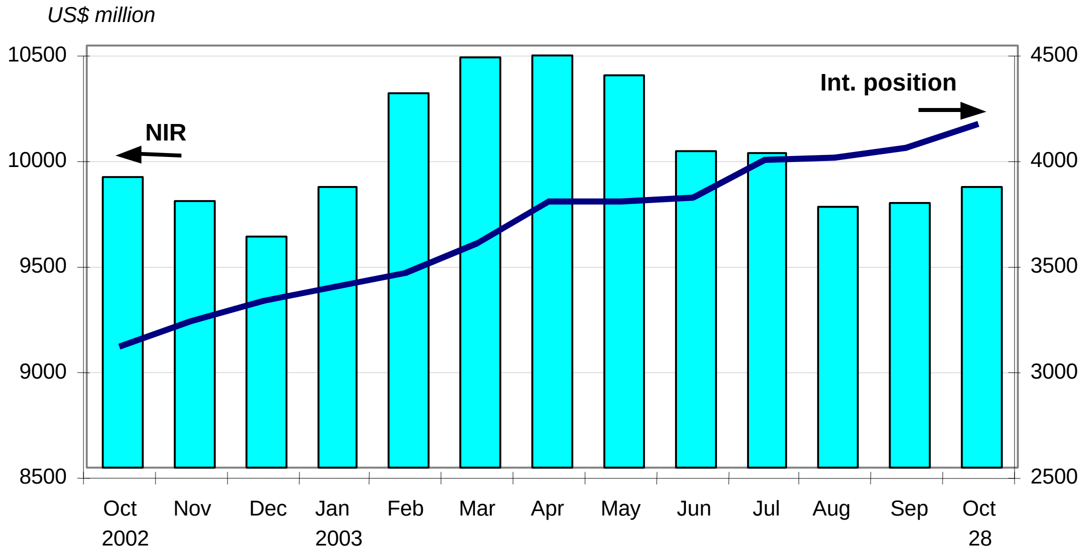
WEEKLY REPORT

Nº 43 – October 31, 2003

Net international reserves: US$ 9 827 million

As of **October 28**, net international reserves amounted to US$ 9 827 million, up US$ 71 million from end-September due to net purchases of foreign currency (US$ 107 million) and investment yield (US$ 12 million); being partially offset by lower financial system and public sector deposits (US$ 48 million and US$ 1 million, respectively). In the year, NIR has increased US$ 229 million, whereas the **Central Bank international position**, increased US$ 836 million to US$ 4 177 million over the same period.

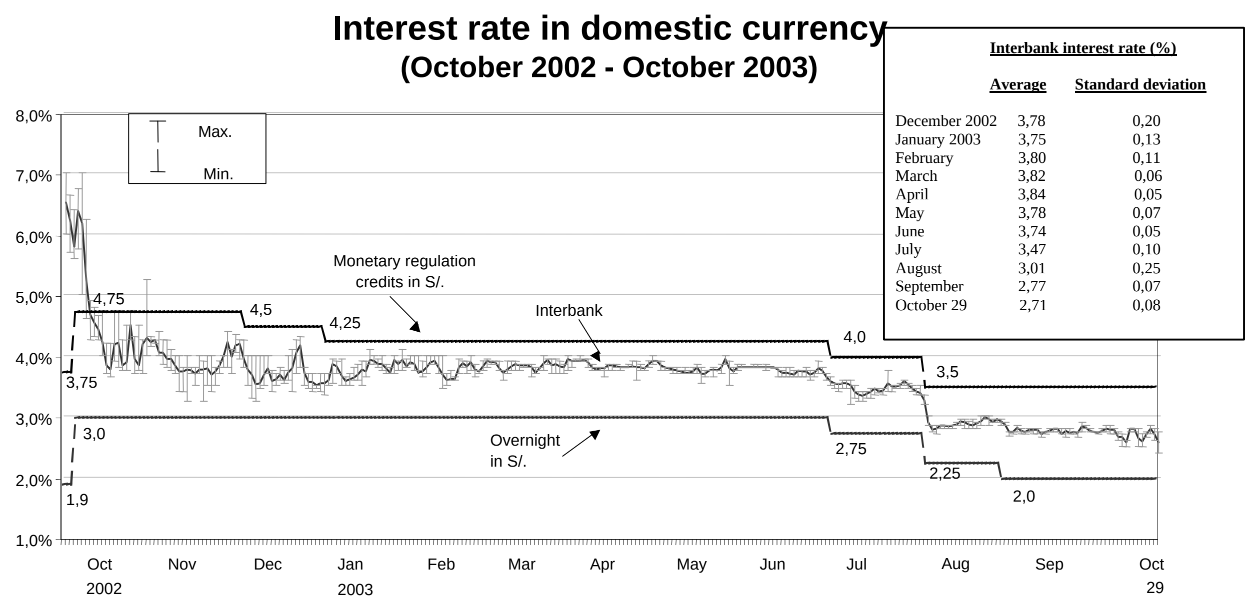
BCR's net international reserve and international position
(October 2002 - October 2003)



Interbank interest rate at 2,71 percent

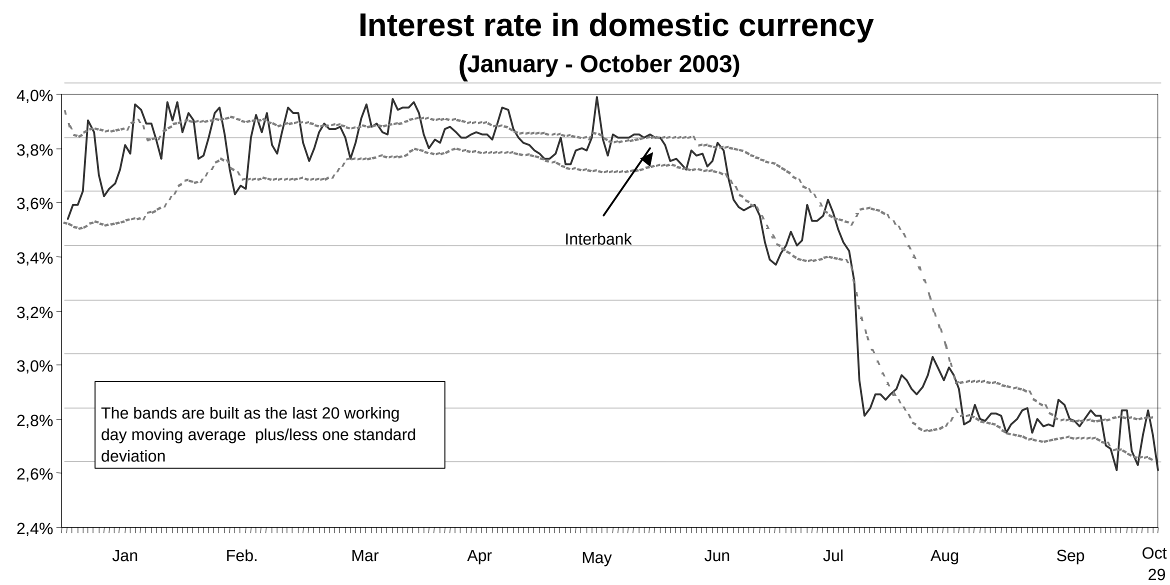
Between **October 1 and 29**, the interbank interest rate in domestic currency was 2,71 percent, lower than in September (2,77 percent). Standard deviation was 8 basis points against 6 basis points in September.

For October, the Central Bank overnight deposit interest rate is 2 percent and the rate monetary regulation credits 3,5 percent.



Interbank interest rate (%)

	Average	Standard deviation
December 2002	3,78	0,20
January 2003	3,75	0,13
February	3,80	0,11
March	3,82	0,06
April	3,84	0,05
May	3,78	0,07
June	3,74	0,05
July	3,47	0,10
August	3,01	0,25
September	2,77	0,07
October 29	2,71	0,08



Monetary operations

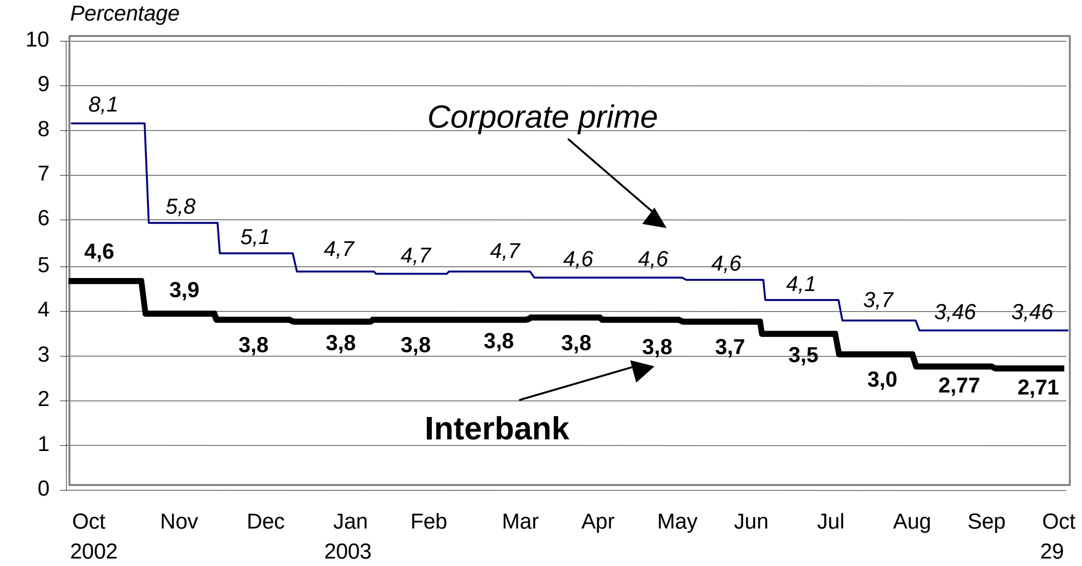
As of **October 29**, the daily average balance of banks´ liquidity at the Central Bank amounted to S/. 185 million, having been projected a balance of S/. 180 to S/. 200 million for that month. Between **October 23 and 29**, the Central Bank made the following operations:

- Auctions of Certificates of Deposits with the following maturities: I) 1 week by S/.40 million at average interest rates of 2,78 percent; ii) 6 month by S/. 30 million at average interest rates of 3,10 percent, respectively and iii) 1 year by S/. 60 million at 3,41 percent.
- Auction of temporary purchase of CDBCRP and BTP with a 1 day by S/. 155, 270 and 55 million at average interest rates of 2,69; 2,76 and 2,84 percent, respectively and ii) 3 day at an average interest rate of 2,70 percent..
- Purchase of foreign currency over the counter totaling US$ 55 million at an average exchange rate of S/. 3,4751.
- Finally, the Bank received overnight deposits by S/. 144,3 million.

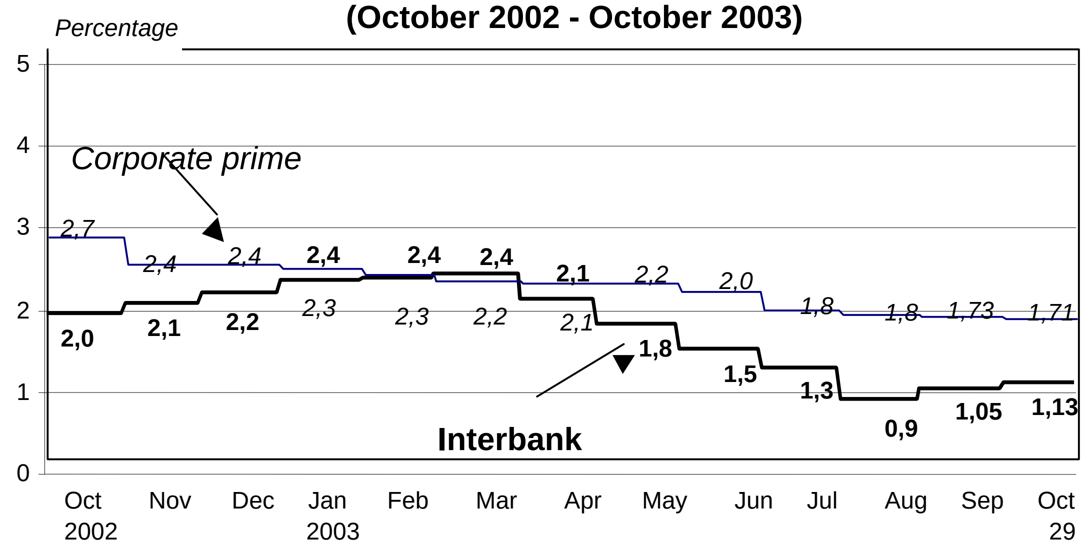
Corporate prime interest rate at 3,46 percent

As of **October 29**, the corporate prime interest rate in local currency averaged 3,46 percent, similar to the rate recorded in September, whereas the rate in foreign currency passed from 1,73 to 1,71 percent.

Monthly average interest rate in domestic currency (October 2002 - October 2003)



Monthly average interest rate in foreign currency (October 2002 - October 2003)



Exchange rate: S/. 3,477

Between **October 22 and 29** the banking system exchange rate decreased slightly from S/. 3,478 to S/. 3,477, into a context of greater supply of foreign currency, lower depreciation expectations and country risk.

As of October 29, the balance of net forward sales decreased from US$ 625 to 596 million, whereas the banks' exchange position decreased from US$ 591 to 539 million.

BANKS' EXCHANGE POSITION
(Millions of US$)

	December 2002	January 2003	August	September	October 29
a. Net sales to the public (i-ii)	**905**	**923**	**678**	**625**	**596**
i. Forward sales to the public	1 141	1 167	845	844	958
ii. Forward purchases to the public	236	244	168	219	362
b. Banks' exchange position	**642**	**616**	**660**	**591**	**539**

Banking system monetary accounts: October 7, 2003

Between September 7 and October 7, liquidity in **domestic currency** increased 0,8 percent (equivalent to S/. 149 million) to a S/. 19 341 million balance (up 12,8 percent from a year ago). Credit to the private sector increased 1,7 percent (S/. 172 million) over last 4 weeks to S/. 10 150 million (up 7,9 percent from a year ago).

In **foreign currency**, liquidity dropped 2,5 percent (US$ 237 million) to US$ 9 327 million, recording an annual contraction of 3 percent. Credit to the private sector in foreign currency fell 0,4 percent (US$ 44 million) to US$ 9 787 million (down 6,6 percent from a year ago).

END OF PERDIO MONETARY AGGREGATES OF THE BANKING SYSTEM

	Monetary base		Liquidity in S/.		Credit in S/.		Liquidity in US$		Liabilities 1/		Credit in US$	
	VAR.(%) month	VAR.(%) year	VAR.(%) month	VAR.(%) year	VAR.(%) month	VAR.(%) year	VAR.(%) month	VAR.(%) year	VAR.(%) month	VAR.(%) year	VAR.(%) month	VAR.(%) year
2001												
Dec.	14,4%	7,9%	8,0%	13,6%	1,6%	2,9%	-2,0%	2,9%	-2,8%	-23,8%	0,7%	-3,7%
2002												
Mar.	2,0%	16,1%	2,5%	18,4%	2,7%	5,3%	-1,4%	-0,6%	-4,8%	-23,7%	-1,1%	-3,7%
Jun.	3,5%	17,2%	2,2%	21,0%	1,4%	5,8%	0,3%	-1,5%	3,4%	-18,7%	-0,5%	-3,8%
Sep.	-4,1%	18,3%	-2,2%	20,1%	1,8%	7,3%	-1,3%	-0,7%	-1,8%	-0,6%	-1,0%	-3,1%
Dec.	11,1%	11,0%	6,3%	10,6%	0,8%	7,1%	-2,7%	1,4%	-4,8%	-34,3%	-0,3%	-3,6%
2003												
Jan.	-9,2%	9,4%	-3,1%	10,8%	-3,6%	5,4%	0,0%	2,8%	-11,0%	-40,5%	-2,9%	-5,2%
Feb.	-0,3%	8,3%	2,6%	11,3%	3,8%	7,5%	-0,1%	2,8%	10,5%	-38,0%	-0,2%	-6,7%
Mar.	-1,1%	5,0%	1,8%	10,6%	1,6%	6,3%	-0,1%	4,4%	-15,3%	-44,9%	-0,4%	-6,1%
Apr.	3,1%	9,5%	0,5%	11,9%	3,7%	14,7%	-0,5%	3,5%	13,9%	-34,9%	0,8%	-5,9%
May.	-1,1%	8,4%	1,9%	14,1%	0,7%	14,4%	-1,4%	2,2%	-2,0%	-38,1%	-0,8%	-6,9%
Jun.	1,7%	6,5%	-2,4%	9,0%	-1,6%	11,0%	1,2%	3,1%	-2,8%	-41,8%	-0,1%	-6,5%
Jul.	8,3%	2,8%	5,5%	8,3%	0,2%	10,5%	-1,4%	-2,1%	2,9%	-42,4%	-0,6%	-6,7%
Aug.	-3,3%	4,2%	-1,6%	7,8%	-0,8%	9,9%	-0,6%	-4,4%	-8,2%	-45,9%	-0,2%	-6,2%
Sep.	-2,5%	6,0%	0,2%	10,5%	-0,1%	7,8%	-0,8%	-4,0%	-1,9%	-46,0%	-0,7%	-5,9%
Oct. 7	-1,0%	3,7%	0,8%	12,8%	1,7%	7,9%	-2,5%	-3,0%	1,1%	-44,9%	-0,4%	-6,6%
Memo:												
Balance as of Sep.7 (Mill.S/.or Mill.US$)	6 681		19 192		9 978		9 564		704		9 831	
Balance as of Oct.7 (Mill.S/.or Mill.US$)	6 613		19 341		10 150		9 327		712		9 787	

1/ Short term external liabilities of the banking system.

Fiscal primary surplus in September: S/. 354 million

In September, **central government operations** recorded a **primary surplus** of S/. 354 million, up S/. 98 million from a year ago, due to an extraordinary capital revenue. Excluding the latter, the primary balance is similar to August, even though current revenue and non-financial expenditure drop 5,2 and 5,7 percent, respectively.

Current revenues grew 9,7 percent against September 2002, resulting of higher income tax (18,3 percent) and excise tax (11,8 percent) collection, mainly of fuel and imports as well as the increase in non-tax revenue. Domestic VAT (IGV) increased 0,8 percent, despite the rise in the tax (from 18 to 19 percent) as a result of lower sales (2,2 percent). However, the latter was compensated by lower tax refund.

Non-financial expenditure totaled S/. 2 367 million in September, down S/. 116 million from a year ago (5 percent) due to lower gross capital formation (S/. 79 million), especially those with foreign financing; and current transfers (S/. 46 million), which were partially offset by lower wages and salaries (S/. 45 million).

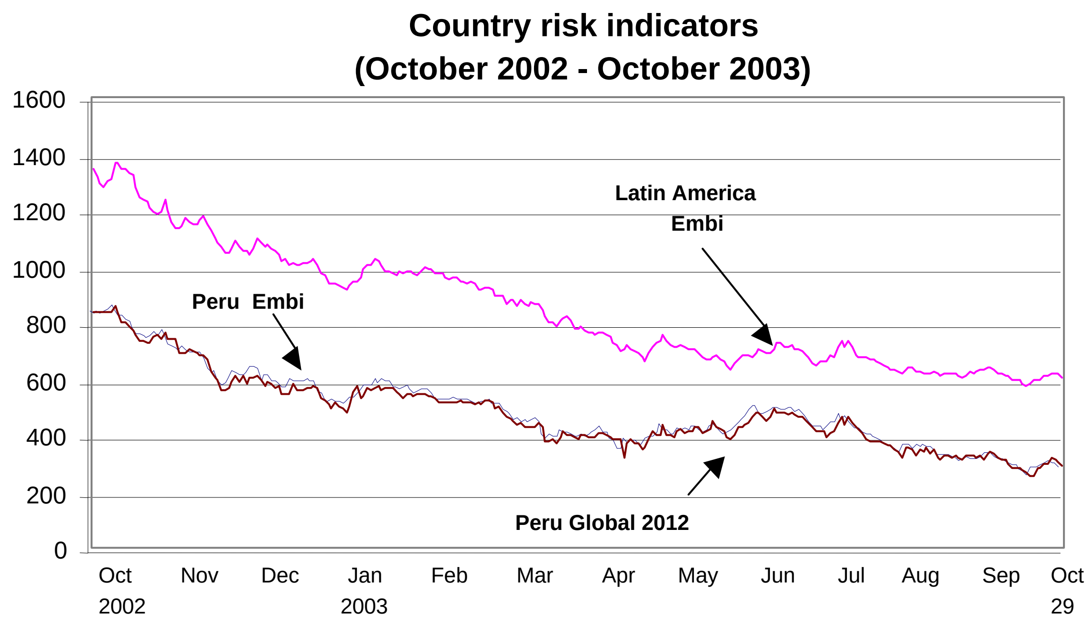
Financing came from external sources (S/. 4 million) resulting from the difference between US$ 115 million disbursement and US$ 114 million amortization, domestic sources (S/. 4 million) and privatization receipts (S/. 4 million). Regarding the placement of sovereign bonds, this month the Treasury issued S/. 168 million and paid S/. 600 million. Additionally, the government issued IOUs by S/. 290 million.

CENTRAL GOVERNMENT OPERATIONS
(Millions of nuevos soles)

	2002	2003		Var %		Jan– Sep		
	Sep	Aug	Sep	1 month	12 months	2002	2003	Var %
1. CURRENT REVENUES	**2 387**	**2 763**	**2 619**	**-5,2**	**9,7**	**20 791**	**22 995**	**10,6**
2. NON-FINANCIAL EXPENDITURES	**2 482**	**2 511**	**2 367**	**-5,7**	**-4,6**	**20 876**	**21 997**	**5,4**
A. CURRENT EXPENDITURE	2 116	2 194	2 109	-3,9	-0,3	18 172	19 510	7,4
B. CAPITAL EXPENDITURE	366	316	258	-18,5	-29,5	2 704	2 486	-8,0
3. CAPITAL REVENUES	**11**	**4**	**102**	**2 675,9**	**857,7**	**164**	**214**	**30,4**
4. PRIMARY BALANCE	**-85**	**256**	**354**			**79**	**1 213**	
5. INTEREST PAYMENTS	**392**	**610**	**365**	**-40,2**	**-7,0**	**2 898**	**3 185**	**9,9**
6. OVERALL BALANCE	**-477**	**-354**	**-11**			**-2 818**	**-1 972**	
7. FINANCING	**477**	**354**	**11**			**2 818**	**1 972**	
1. Financing abroad	-237	-156	4			2 501	1 146	
A. Disbursements	72	303	400			7 887	3 980	
B. Amortization	-309	-458	-396			-5 386	-2 834	
2. Domestic Financing	-212	486	4			-1 034	760	
3. Privatization	926	23	4			1 351	65	

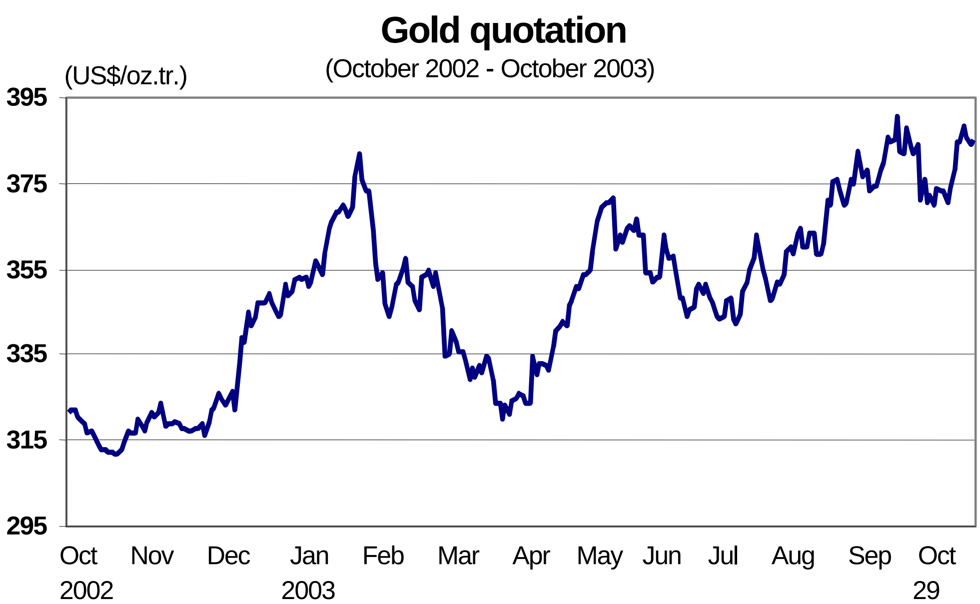
Spread of Global bond at 2,92 percent

On October 29, the spread of the **Global 2012** bond was 2,92 percent, lower than that recorded on end-September (3,36 percent), whereas the EMBI+ spread fell from 3,55 to 3,02 percent.



International markets

Between **October 22 and 29**, the **gold** quotation increased 0,2 percent to US$ 385,4 per Troy ounce, reflecting the weakening of the US dollar against the euro and an increased demand from India and other muslin countries due to Religious celebrations.



Over the same period, the **copper** quotation fell 0,4 percent to US$ 0,9020 per pound, after reaching a last 3 year top on October 22. The high copper quotations are explained by the expansion of the US and Japanese economies and the higher demand from China. On the other hand, the zinc quotation decreased 1,5 percent to US$ 0,4182 per pound. In the year, the quotation of these metals have increased 29,5 and 23,0 percent, respectively.

Copper quotation

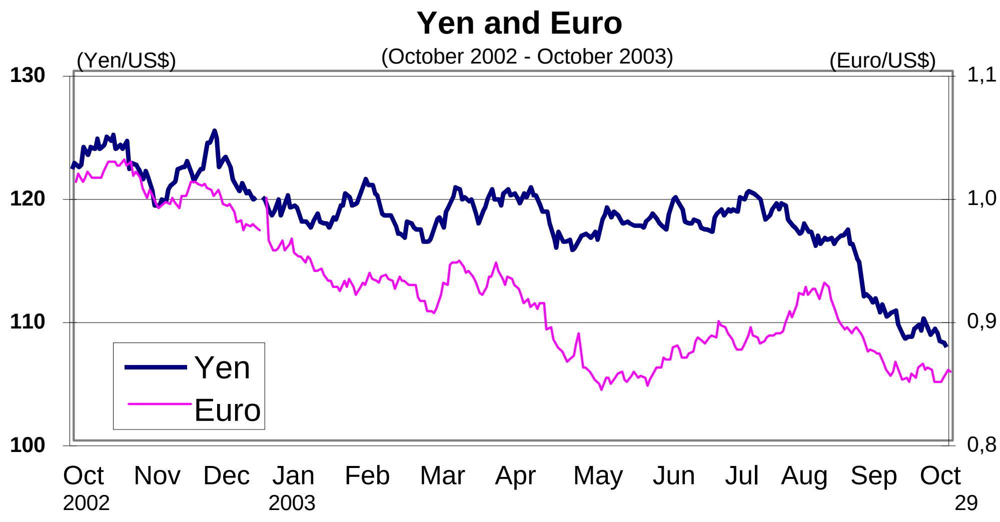
(cUS$/lb.) (October 2002 - October 2003)

Over this week, the **WTI oil** quotation dropped 1,4 percent to US$ 29,32 per barrel due to the expected increase in oil inventories according to the US Energy Department.

Oil quotation

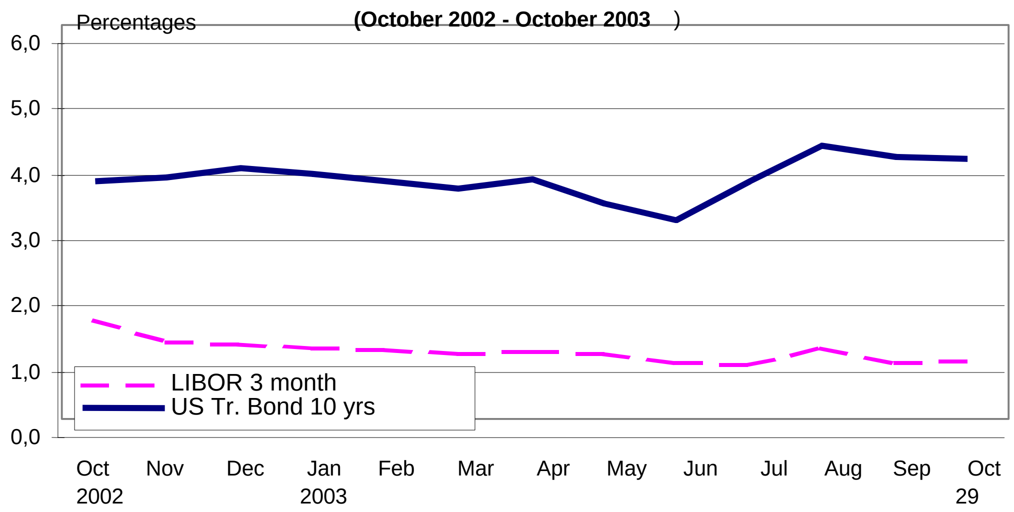
(US$/barrel) (October 2002 - October 2003)

In the period under analysis, the **US dollar** appreciated 1,2 percent against the **euro** and depreciated 0,7 percent against the **yen**. The former was due to the political uncertainty in Russia whereas the latter to the increase in consumer confidence and the increase in industrial production together with the call of US Treasury for a devaluation in China.



Between October 22 and 29, the **Libor** decreased from 1,17 to 1,16 percent, whereas the **yield of US Treasury bonds** with a 10 year maturity passed from 4,253 to 4,255 percent reflecting the FED decision to maintain its interest rate at 1 percent (the lowest since 1958) and the issuance of 2-year matured bonds by US$ 26 billion in order to finance the fiscal deficit,.

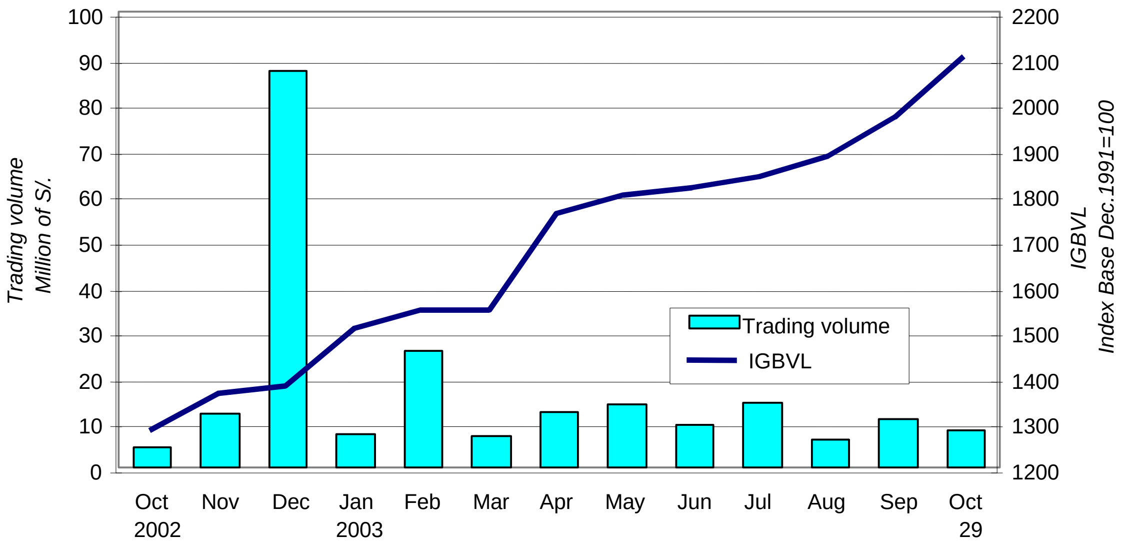
Libor and interest rate of 10 year matured US Treasury bond



Lima Stock Exchange

As of **October 29**, both the General Index and Blue Chip Index of Lima Stock Exchange (LSE) increased 6,8 and 7,2 percent, respectively. The cumulative increase in the year is 51,9 percent for both indices.

Stock market indicators
(October 2002 - October 2003)



Indicadores Económicos / *Economic Indicators*

		2002 DIC.	2003 JUL.	AGO.	30 Set.	SET.	23 Oct.	24 Oct.	27 Oct.	28 Oct.	29 Oct.	OCT.
RESERVAS INTERNACIONALES (Mills. US$) / INTERNATIONAL RESERVES												Var.
Posición de cambio / *Net international position*		3 341	4 010	4 015	4 062	4 062	4 151	4 166	4 174	4 177		116
Reservas internacionales netas / *Net international reserves*		9 598	9 989	9 739	9 755	9 755	9 868	9 894	9 869	9 827		71
Depósitos del sistema financiero en el BCR / *Financial system deposits at BCR*		3 381	3 334	3 275	3 268	3 268	3 352	3 310	3 265	3 220		-48
Empresas bancarias / *Banks*		3 048	3 088	3 028	3 034	3 034	3 079	3 084	3 056	3 014		-20
Banco de la Nación / *Banco de la Nación*		291	196	198	185	185	218	172	156	153		-32
Sector privado / *Private sector*		42	50	49	49	49	54	54	54	54		5
Depósitos del sector público en el BCR / *Public sector deposits at BCR*		2 900	2 656	2 479	2 456	2 456	2 392	2 445	2 456	2 455		-1
Depósitos de privatización		24	12	18	19	19	3	7	7	7		-12
Otros depósitos / *Other* *		2 875	2 644	2 461	2 437	2 437	2 389	2 438	2 449	2 448		12
OPERACIONES CAMBIARIAS BCR (Mill. US$) / *BCR FOREIGN OPERATIONS*		Acum.	Acum.	Acum.		Acum.						Acum.
Origen externo de la emisión primaria / *External origin of the monetary base*		49	164	-31	0	14	22	10	10	10	15	122
Compras netas en Mesa de Negociación / *Net purchases of foreign currency*		5	153	15	0	53	10	10	10	10	15	115
Operaciones swaps netas / *Net swap operations*		0	-5	0	0	0	0	0	0	0	0	0
Operaciones con el Sector Público / *Public sector*		45	15	-45	0	-39	12	0	0	0	0	7
TIPO DE CAMBIO (S/. por US$) / *EXCHANGE RATE*		Prom.	Prom.	Prom.		Prom.						Prom.
Compra interbancario/*Interbank bid*	Promedio / *Average*	3,513	3,471	3,480	3,483	3,481	3,476	3,475	3,476	3,476	3,474	3,478
Venta Interbancario *Interbank Ask*	Apertura / *Opening*	3,516	3,471	3,481	3,483	3,481	3,476	3,475	3,476	3,478	3,476	3,479
	Mediodía / *Midday*	3,515	3,471	3,481	3,483	3,481	3,477	3,476	3,476	3,476	3,474	3,479
	Cierre / *Close*	3,515	3,471	3,481	3,483	3,481	3,476	3,476	3,477	3,475	3,475	3,479
	Promedio / *Average*	3,515	3,471	3,481	3,483	3,481	3,476	3,475	3,476	3,476	3,474	3,479
Sistema Bancario (SBS) *Banking System*	Compra / *Bid*	3,513	3,471	3,480	3,482	3,480	3,476	3,474	3,475	3,476	3,476	3,478
	Venta / *Ask*	3,515	3,472	3,481	3,483	3,482	3,477	3,475	3,476	3,477	3,477	3,480
Índice de tipo de cambio real (1994 = 100) / *Real exchange rate Index (1994 = 100)*		100,4	104,8	104,1		104,8						
INDICADORES MONETARIOS / *MONETARY INDICATORS*												
Moneda nacional / *Domestic currency*												
Emisión Primaria *Monetary base*	(Var. % mensual) / *(% monthly change)*	11,1	8,3	-3,3	-2,5	-2,5						
	(Var. % últimos 12 meses) / *(% 12-month change)*	11,0	2,8	4,2	6,0	6,0						
Oferta monetaria *Money Supply*	(Var. % mensual) / *(% monthly change)*	6,3	5,5	-1,6	0,2	0,2						
	(Var. % últimos 12 meses) / *(% 12-month change)*	10,6	8,3	7,8	10,5	10,5						
Crédito sector privado *Crédit to the private sector*	(Var. % mensual) / *(% monthly change)*	0,8	0,2	-0,8	-0,1	-0,1						
	(Var. % últimos 12 meses) / *(% 12-month change)*	7,1	10,5	9,9	7,8	7,8						
TOSE saldo fin de período (Var.% acum. en el mes) / *TOSE balance (% change)*		2,9	2,6	-0,2	1,1	1,1	-0,9	-2,0	-1,6			
Superávit de encaje promedio (% respecto al TOSE)/*Average reserve surplus (% of TOSE)*		0,2	0,1	0,4	0,2	0,2	0,4	0,3	0,3			
Cuenta corriente de los bancos (saldo mill. S/.) / *Banks' current account (balance)*		191	194	188	58	175	76	62	56	56	65	
Créditos por regulación monetaria (millones de S/.) / *Rediscounts (Millions of S/.)*		s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	
Depósitos públicos en el BCR (millones S/.)/*Public sector deposits at the BCR (Mills.S/.)*		275	1 176	1 150	945	945	1 004	1 193	1 291	1 068	n.d.	
Certificados de Depósitos BCRP (saldo Mill.S/.) / *CDBCRP balance (Millions of S/.)*		1 635	3 075	3 570	3 810	3 810	4 120	4 100	4 020	4 020	4 125	
Operaciones de reporte (saldo Mill. S/.) / *repos (Balance millions of S/.)*		170	s.m.	240	45	45	155	315	270	55	0	
Tasa de interés (%) *Interest rates (%)*	Préstamos y descuentos hasta 360 días / Loans & *discount*	14,8	14,3	14,4	14,0	14,3	14,1	14,1	13,8	13,9	14,1	13,8
	Interbancaria / *Interbank*	3,80	3,47	3,01	2,73	2,80	2,59	2,70	2,79	2,70	2,57	2,71
	Preferencial corporativa a 90 días / Corporate *Prime*	5,2	4,2	3,9	3,4	3,6	3,5	3,5	3,5	3,5	3,5	3,4
	Operaciones de reporte con CDBCRP / *CDBCRP repos*	3,6	3,5	3,0	2,7	2,7	2,7	2,7	2,8	2,8	s.m.	
	Créditos por regulación monetaria / *Rediscounts*	4,5	4,0	3,5	3,5	3,5	3,5	3,5	3,5	3,5	3,5	
	Del saldo de CDBCRP / *CDBCRP balance*	4,6	4,6	4,4	4,3	4,3	4,1	4,1	4,2	4,2	4,1	
Moneda extranjera / *foreign currency*												
Crédito sector privado *Crédit to the private sector*	(Var. % mensual) / *(% monthly change)*	-0,3	-0,6	-0,2	-0,7	-0,7						
	(Var. % últimos 12 meses) / *(% 12-month change)*	-3,6	-6,7	-6,2	-5,9	-5,9						
TOSE saldo fin de período (Var.% acum. en el mes) / *TOSE balance (% change)*		-1,9	-1,9	-0,9	-0,8	-0,8	0,4	0,0	-0,2			
Superávit de encaje promedio (% respecto al TOSE)/*Average reserve surplus (% of TOSE)*		0,1	0,1	0,1	0,1	0,1	0,8	0,7	0,8			
Créditos por regulación monetaria (millones de US dólares) / *Rediscounts*		s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	
Tasa de interés (%) *Interest rates (%)*	Préstamos y descuentos hasta 360 días / Loans & *discount*	8,1	7,4	6,9	6,9	6,9	7,0	7,0	6,9	6,9	7,0	7,0
	Interbancaria / *Interbank*	2,2	1,3	0,9	1,0	1,0	1,1	1,3	1,1	s.m.	s.m.	1,1
	Preferencial corporativa a 90 días / Corporate *Prime*	2,4	1,8	1,8	1,7	1,8	1,7	1,7	1,7	1,7	1,7	1,7
	Créditos por regulación monetaria / *Rediscounts* ***	2,5	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	
INDICADORES BURSÁTILES / *STOCK MARKET INDICES*		Acum.	Acum.	Acum.		Acum.						Acum.
Índice General Bursátil (Var. %) / *General Index (% change)*		1,4	1,4	2,5	-0,3	4,4	-0,3	-0,1	0,0	0,5	0,9	6,8
Índice Selectivo Bursátil (Var. %) / *Blue Chip Index (% change)*		1,7	3,1	1,5	-0,3	5,0	-0,2	0,2	-0,1	0,7	0,9	7,2
Monto negociado en acciones (Mill. S/.) - Prom. diario		67,1	13,1	6,0	10,0	10,6	11,1	6,2	3,0	9,1	8,3	8,2
INFLACIÓN (%) / *INFLATION (%)*												
Inflación mensual / *Monthly*		-0,03	-0,15	0,01		0,56						
Inflación últimos 12 meses / *% 12 months change*		1,52	1,98	1,89		1,98						
GOBIERNO CENTRAL (Mill. S/.) / *CENTRAL GOVERNMENT (Mills. of S/.)*												
Resultado primario / *Primary balance*		-232	-422	256		354						
Ingresos corrientes / *Current revenue*		2 779	2 396	2 763		2 619						
Gastos no financieros / *Non-financial expenditure*		3 140	2 898	2 511		2 367						
COMERCIO EXTERIOR (Mills. US$) / *FOREIGN TRADE (Mills. of US$)*												
Balanza Comercial / *Trade balance*		71	54	99								
Exportaciones / *Exports*		746	782	755								
Importaciones / *Imports*		675	728	656								
PRODUCTO BRUTO INTERNO (Índice 1994=100) / *GROSS DOMESTIC PRODUCT*												
Variac. %, respecto al mismo mes del año anterior / *Annual rate of growth*		6,5	3,4	3,1								
COTIZACIONES INTERNACIONALES / *INTERNATIONAL QUOTATIONS*		Prom.	Prom.	Prom.		Prom.						Prom.
LIBOR a tres meses (%) / *LIBOR 3-month (%)*		1,4	1,1	1,1	1,2	1,1	1,2	1,2	1,2	1,2	1,2	1,2
Dow Jones (Var %) / *(% change)*		-5,9	2,8	2,0	-1,1	-1,5	0,2	-0,3	0,3	1,5	0,2	5,3
Rendimiento de los U.S. Treasuries (10 años) / *U.S. Treasuries yield (10 years)*		4,0	3,9	4,4	3,9	4,3	4,3	4,2	4,3	4,2	4,3	4,3
Stripped spread del EMBI+ PERÚ (pbs) / EMBI+ PERU stripped spread (basis points)		620	482	423	355	353	317	328	322	318	302	317
Bono Global 2012 - Perú (en pbs) / *Global Bond 2012 - Peru (basis points)*		576	449	393	336	328	301	321	314	305	292	296

* Incluye depósitos de Promcepri, Fondo de Estabilización Fiscal (FEF), Cofide, fondos administrados por la ONP; y otros depósitos del MEF. El detalle se presenta en el cuadro No.21 de la Nota Semanal.
** Los tipo de cambio del Sistema Bancario son adelantados.
*** Las tasas de interés para los créditos de regulación monetaria en dólares serán a la tasa Libor a un mes más un punto porcentual.
Fuente: BCR, INEI, Aduanas, Banco de la Nación, BVL, Sunat, SBS, Reuters y Bloomberg.