

# BANCO CENTRAL DE RESERVA DEL PERÚ

## WEEKLY REPORT

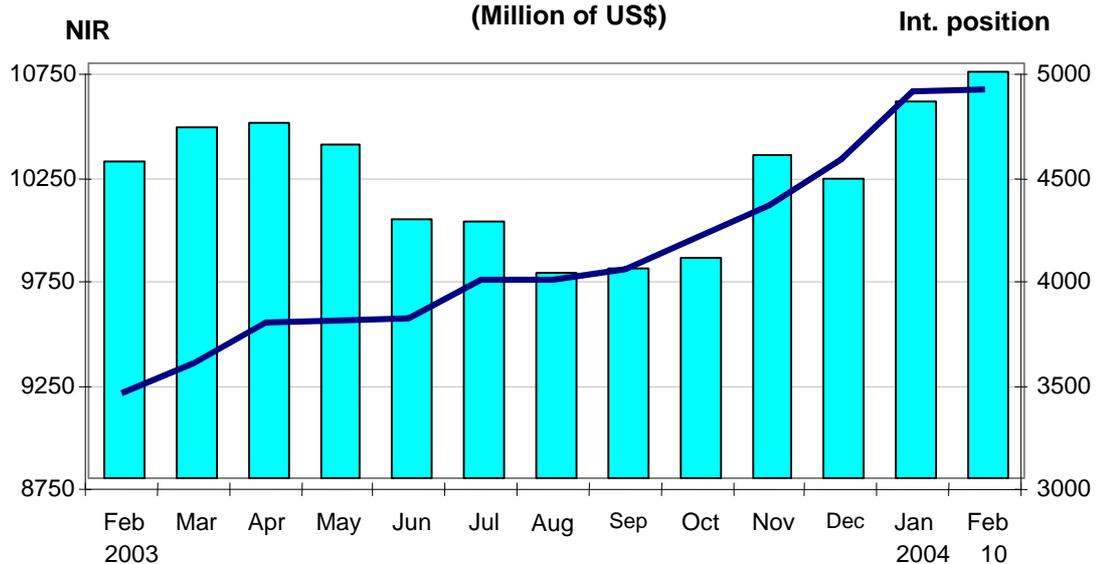
Nº 07 – February 13, 2004

### Net international reserves: US\$ 10 705 million

As of February 10, NIR amounted to US\$ 10 705 million, recording a US\$ 141 million increase against the previous month due to higher public sector deposits (US\$ 124 million), investment yield (US\$ 13 million) and other operations (US\$ 19 million), which were partially offset by lower financial system deposits (US\$ 13

million) as well as lower Insurance Deposit Fund deposits (US\$ 2 million). It should be noted that on February 6, NIR recorded a maximum of US\$ 10 772 million. In the year, NIR have increased US\$ 511 million, whereas the **Central Bank international position** expanded US\$ 340 million, reaching a balance of US\$ 4 923 million.

BCR's net international reserves and international position  
February 2003 - February 2004

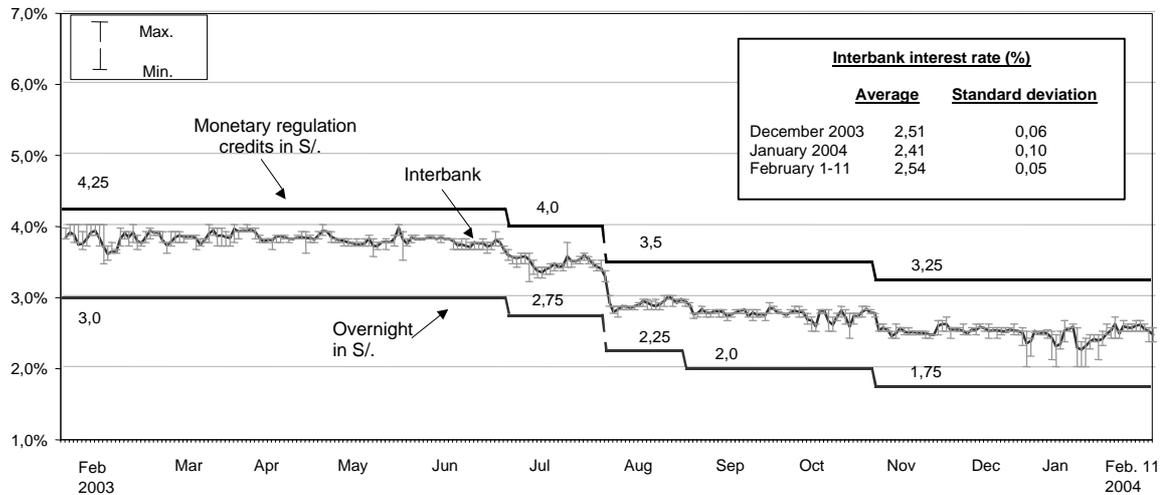


### Interbank interest rate at 2,54 percent

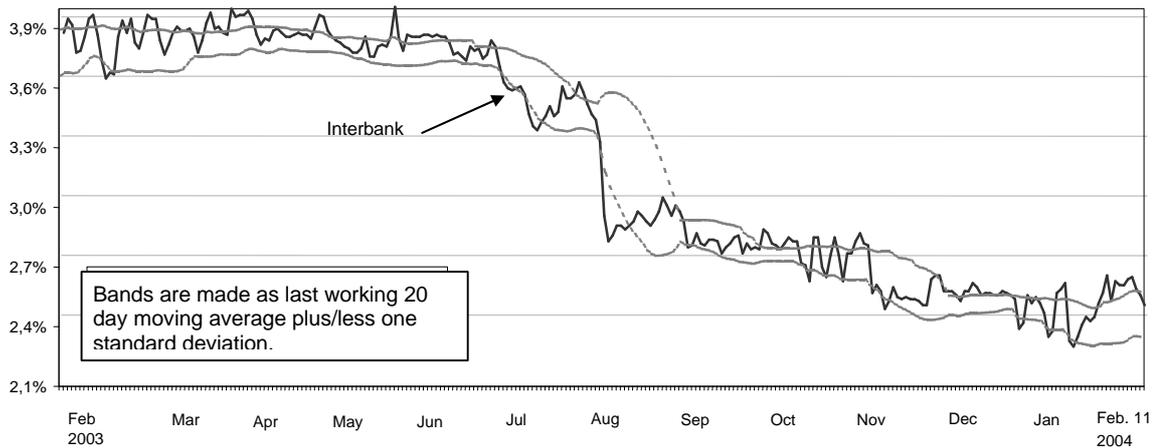
Between February 1 and 11, the average interbank interest rate in domestic currency was 2,54 percent, higher than in January

(2,41 percent) reverting the decreasing trend of previous months.

### Interest rate in domestic currency (February 2003 - February 2004)



### Interest rate in domestic currency (February 2003 - February 2004)



## Monetary operations

As of **February 11**, the daily average balance of banks' liquidity at the Central Bank amounted to S/. 309 million. The balance projected for that month was S/. 170 to S/. 190 million. Between **February 5 and 11**, the Central Bank made the following operations:

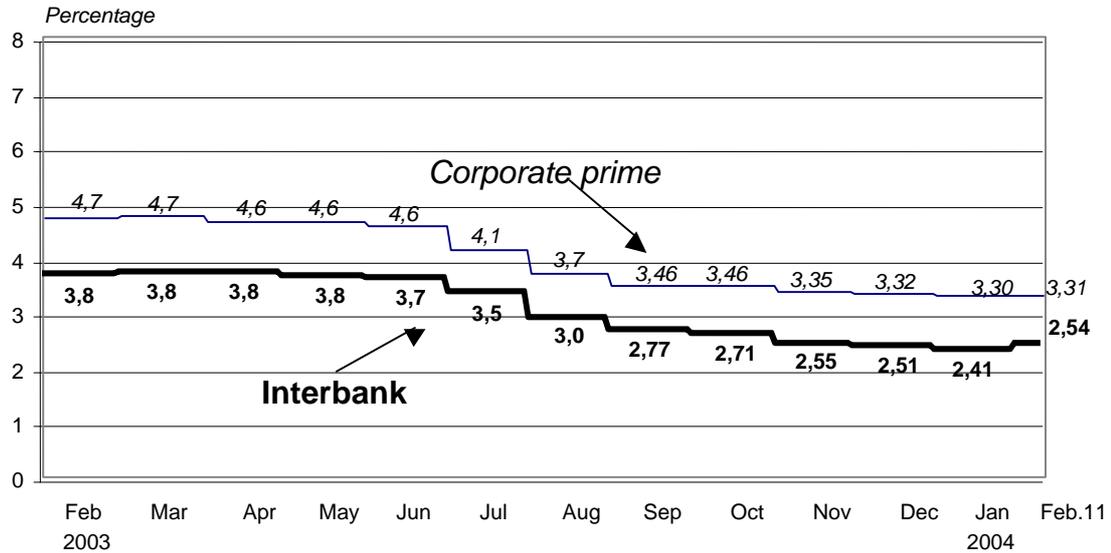
- Auctions of temporary purchase of CDBCRP and BTP with: i) 1-day maturity by S/. 245 and S/. 55 million at average interest rates of 2,52 and 2,54 percent, respectively; and ii) 3-day by S/. 270 million at 2,54 percent.

## Corporate prime interest rate at 3,31 percent

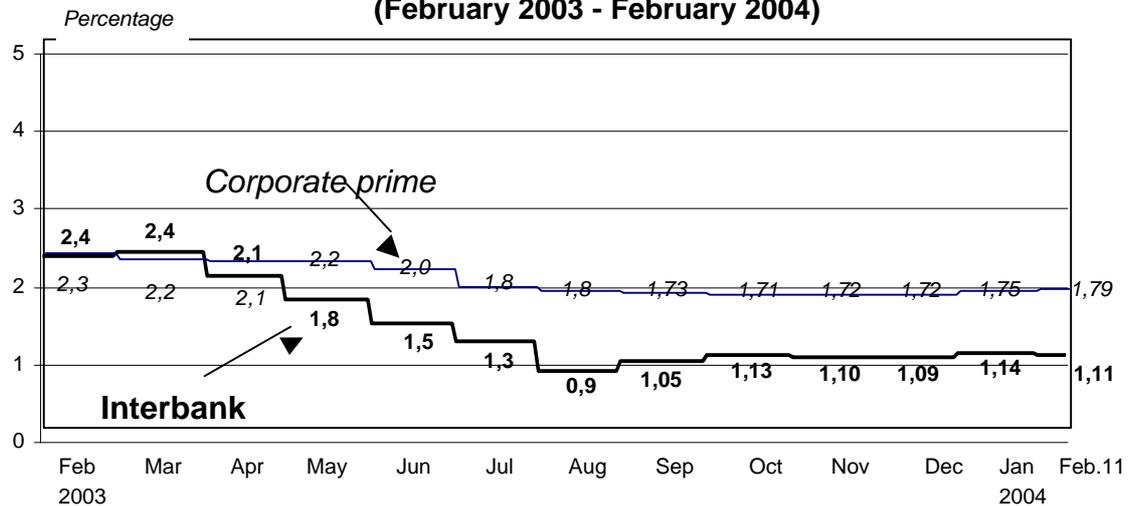
Between February 1 to 11, the corporate prime interest rate in local currency averaged 3,31 percent, slightly higher than

in January (3,30 percent), whereas the rate in foreign currency passed from 1,75 to 1,79 percent over the same period.

**Monthly average interest rate in domestic currency  
(February 2003 - February 2004)**



**Monthly average interest rate in foreign currency  
(February 2003 - February 2004)**



## Exchange rate: S/. 3,4880

On February 11, the exchange rate was S/. 3,4880, down 0,3 percent from the previous week, due to higher domestic currency requirement during the tax season as well as the issuance of Treasury bonds by S/. 186,6 million on February 9 and 10.

Over the same period, the **balance of net forward sales** decreased US\$ 3 million reflecting stable depreciation expectations. On the other hand, the **banks' exchange position** increased to US\$ 594 million.

**BANKS' EXCHANGE POSITION**

(Millions of US\$)

|  | December 2002 | December 2003 | January 2004 | February 10 |
|--|---------------|---------------|--------------|-------------|
| <b>a. Net sales to the public (i-ii)</b> | <b>905</b>    | <b>607</b>    | <b>531</b>   | <b>523</b>  |
| i. Forward sales to the public           | 1 141         | 834           | 931          | 918         |
| ii. Forward purchases to the public      | 236           | 227           | 399          | 395         |
| <b>b. Banks' exchange position</b>       | <b>642</b>    | <b>530</b>    | <b>627</b>   | <b>594</b>  |

**Monetary base: February 7, 2004**

The balance of the **monetary base** as of February 7 was S/. 7 252 million, up 4,2 percent (S/. 289 million) from end-January. In average terms, the monetary base recorded an annual rate of increase of 16,8 percent (13,0 percent in January).

By sources, the expanding operations of the monetary base were the withdrawal of public sector deposits (S/. 329 million), partially offset by the redemption of temporary purchases of securities (S/. 42 million).

**Banking system monetary accounts: January 22, 2004**

Over last 4 weeks, liquidity in **domestic currency** decreased 2,4 percent (S/. 509 million), to a S/. 20 408 million balance (up 15,1 percent from a year ago). Credit to the private sector in that currency dropped 6,6 percent (S/. 706 million), to S/. 9 993 million. In annual terms, this aggregate increased 4,8 percent.

In **foreign currency**, liquidity fell 1,1 percent (US\$ 103 million) to US\$ 9 407 million; a 3,8 percent annual decrease. Credit to the private sector in US dollars dropped 2,3 percent (US\$ 224 million) reaching a balance of US\$ 9 611 million. In annual terms, this aggregate is 4,6 percent lower than a year ago.

**END OF PERIOD MONETARY AGGREGATES OF THE BANKING SYSTEM**

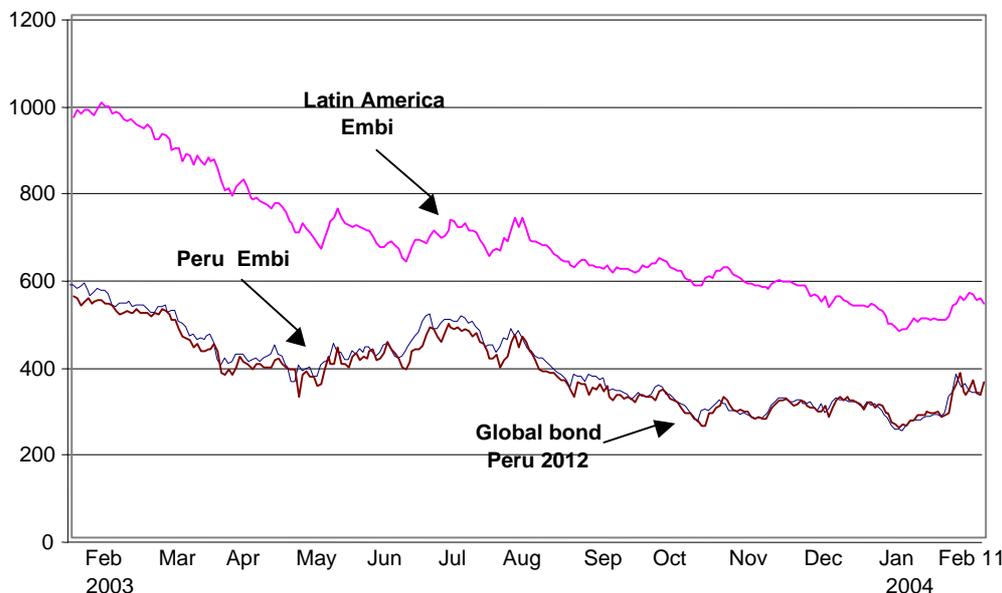
|  | MONETARY BASE |              | LIQUIDITY IN S/. |              | CREDIT IN S/. |              | LIQUIDITY IN US\$ |              | LIABILITIES 1/ |              | CREDIT IN US\$ |              |
|--|---------------|--------------|------------------|--------------|---------------|--------------|-------------------|--------------|----------------|--------------|----------------|--------------|
|  | VAR.(%) MONTH | VAR.(%) YEAR | VAR.(%) MONTH    | VAR.(%) YEAR | VAR.(%) MONTH | VAR.(%) YEAR | VAR.(%) MONTH     | VAR.(%) YEAR | VAR.(%) MONTH  | VAR.(%) YEAR | VAR.(%) MONTH  | VAR.(%) YEAR |
| <b>2002</b>  |               |              |                  |              |               |              |                   |              |                |              |                |              |
| 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%        |
| <b>2003</b>  |               |              |                  |              |               |              |                   |              |                |              |                |              |
| 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%             | 4,1%         | -15,3%         | -44,9%       | -0,4%          | -6,1%        |
| Apr.   | 3,1%          | 9,5%         | -0,3%            | 11,1%        | 3,6%          | 14,6%        | -0,6%             | 3,4%         | 12,4%          | -35,8%       | 1,0%           | -5,7%        |
| May.   | -1,1%         | 8,4%         | 0,8%             | 12,1%        | 0,4%          | 14,0%        | -0,9%             | 2,7%         | -2,2%          | -39,1%       | -0,9%          | -6,8%        |
| Jun.   | 1,7%          | 6,5%         | -1,7%            | 7,8%         | -1,1%         | 11,2%        | 1,1%              | 3,5%         | -2,8%          | -42,7%       | -0,2%          | -6,5%        |
| Jul.   | 8,3%          | 2,8%         | 5,8%             | 7,3%         | 0,1%          | 10,5%        | -1,3%             | -1,6%        | 3,7%           | -42,8%       | -0,7%          | -6,8%        |
| Aug.   | -3,3%         | 4,2%         | -1,6%            | 6,8%         | -0,7%         | 9,9%         | -0,2%             | -3,6%        | -7,8%          | -46,1%       | 0,1%           | -6,0%        |
| Sep.   | -2,5%         | 6,0%         | 0,1%             | 9,3%         | -0,1%         | 7,9%         | -0,8%             | -3,1%        | -1,5%          | -45,9%       | -1,1%          | -6,0%        |
| Oct.   | 1,4%          | 6,4%         | 0,8%             | 12,1%        | -0,1%         | 6,0%         | 0,1%              | -4,2%        | 5,4%           | -41,3%       | -0,2%          | -5,3%        |
| Nov.   | 2,8%          | 9,7%         | 2,2%             | 14,1%        | 2,7%          | 7,3%         | -1,0%             | -6,4%        | 5,4%           | -11,3%       | 0,1%           | -5,6%        |
| Dec.   | 11,5%         | 10,1%        | 4,2%             | 11,8%        | -2,2%         | 4,2%         | 0,5%              | -3,3%        | -1,1%          | -7,8%        | -0,2%          | -5,6%        |
| <b>2004</b>  |               |              |                  |              |               |              |                   |              |                |              |                |              |
| Jan.22   | -8,9%         | 12,0%        | -2,4%            | 15,1%        | -6,6%         | 4,8%         | -1,1%             | -3,8%        | 5,6%           | 5,1%         | -2,3%          | -4,6%        |
| Memo:  |               |              |                  |              |               |              |                   |              |                |              |                |              |
| Balance as of Dec.22<br>(Mill.S/.or Mill.US\$)       | 7 643         |              | 20 917           |              | 10 699        |              | 9 510             |              | 770            |              | 9 835          |              |
| Balance as of Jan.22<br>(Mill.S/.or Mill.US\$)       | 6 963         |              | 20 408           |              | 9 993         |              | 9 407             |              | 813            |              | 9 611          |              |
| 1/ Short external liabilities of the banking system. |               |              |                  |              |               |              |                   |              |                |              |                |              |

### Spread of Global bond at 3,58 percent

On February 11, the spread of the Peruvian **Global bond with a 10 year maturity** was 3,58 percent, higher than that recorded on end-January (3,51 percent), whereas the

spread of the sovereign bonds increased from 3,43 to 3,46 percent over the same period.

**Country risk indicators**  
(February 2003 - February 2004)



### International markets

Between **February 5 and 12**, the **gold** quotation increased 2,9 percent to US\$ 411,4 per Troy ounce due to the

weakening of the US dollar against the euro.

### Gold quotation

(US\$/oz.tr.) (February 2003 - February 2004)



In similar period, the **copper** quotation increased 4,6 percent to US\$ 1,23 per pound, the highest since June 1997. The delay in the expansion of Chilean mine El Teniente and news regarding an strike in

mines La Escondinde in Chile and Batu Hijau in Indoneasia spread fears of a lowered output on the supply side, whereas the recovery of the US economy has had an impact on the demand side..

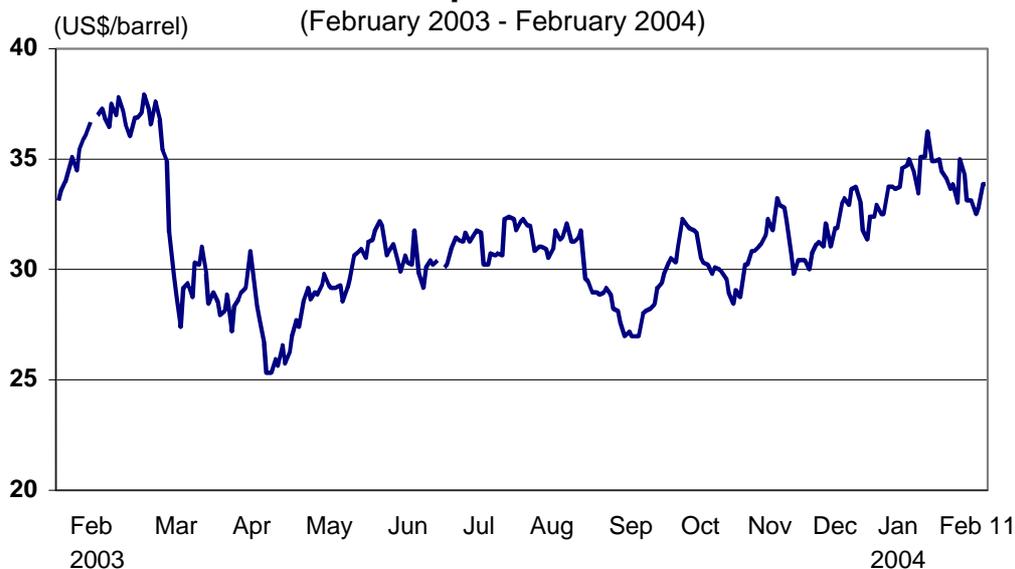
### Copper quotation



In the period under analysis The **WTI oil** quotation increased 2,8 percent, reaching US\$ 34,0 per barrel, due to the cut in production decided by OPEC (one daily

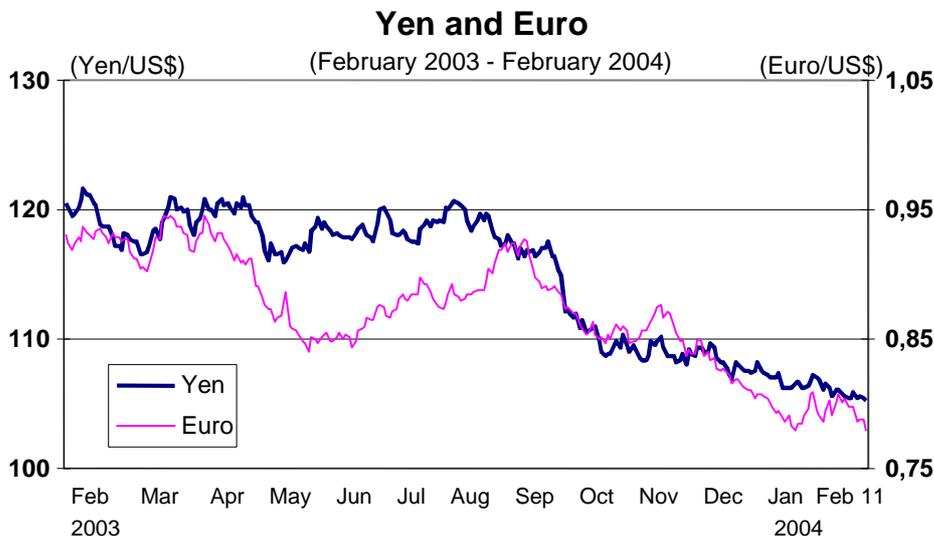
million barrels since next April 1<sup>st</sup>). However, this decision could be left if prices increase significantly.

### Oil quotation



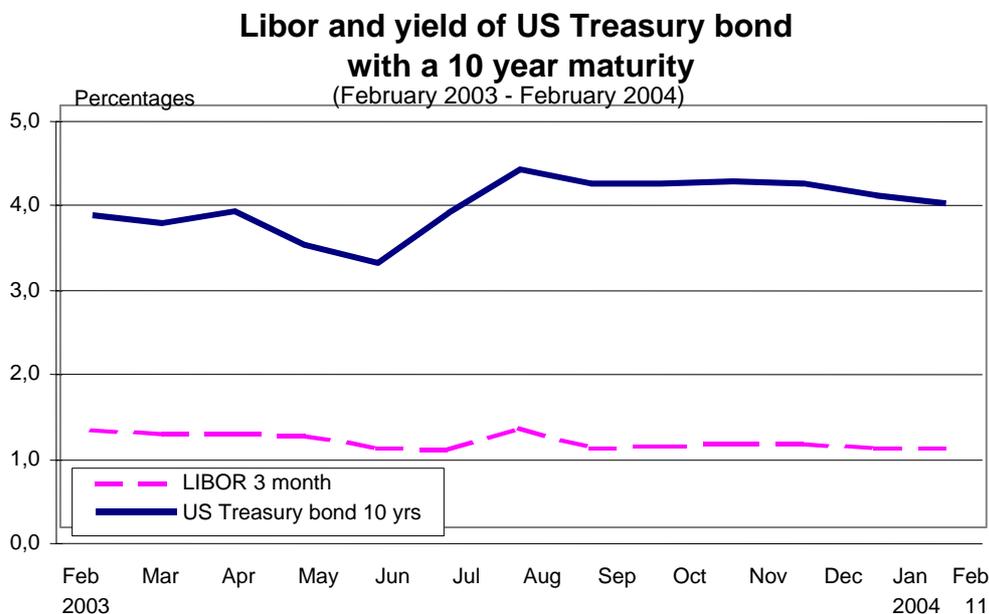
The **US dollar** depreciated 0,2 percent against the **euro** and 0,5 against the **yen**. (despite BOJ interventions) The dollar

was affected by BCE negative to intervene in favor of the euro.



Between **February 5 and 11**, the 3 month **Libor** remained at 1,13 percent, whereas the **yield of US Treasury bonds** with a

10 year maturity dropped from 4,17 to 4,0 percent.



### Lima Stock Exchange

As of February 11, the **General** (IGBVL) and **Blue chip** (ISBVL) indices increased 14,4 and 15,7 percent, respectively;

whereas the trading volume averaged S/. 15,7 million, above the 2003 average level (S/. 11,9 million).

**Stock market indicators**  
(February 2003 - February 2004)

