

CENTRAL RESERVE BANK OF PERU

WEEKLY REPORT

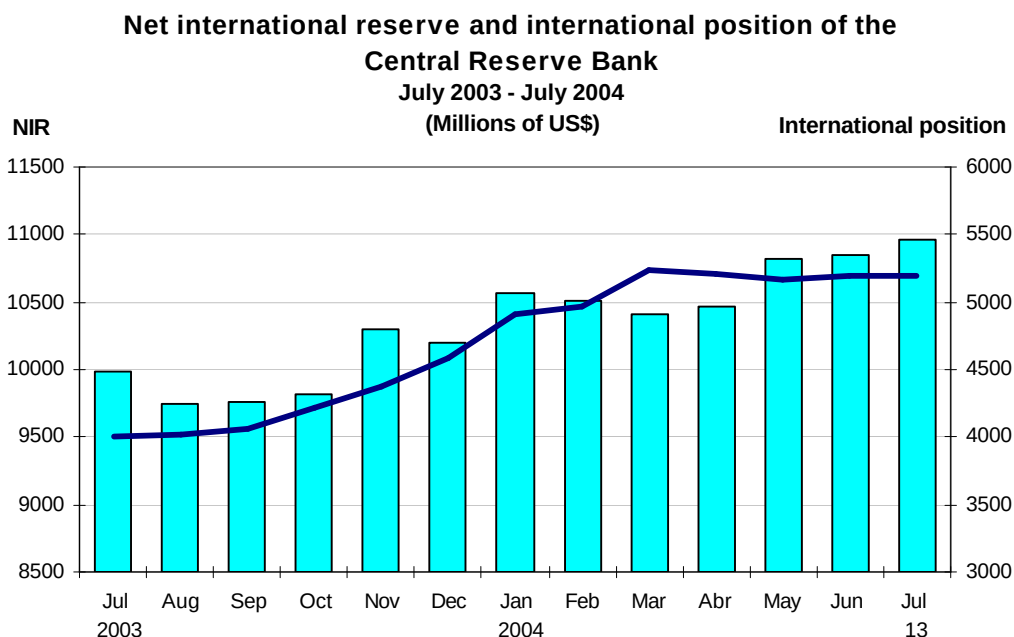
Nº 29 – July 16, 2004

Net international reserves at US\$ 10 959 million

As of **July 13**, net international reserves (NIR) amounted to US\$ 10 959 million, up US\$ 104 million from end-June. This increase was mainly due to higher financial system and public sector deposits (US\$ 79 and 38 million, respectively), purchases of foreign currency over the counter (US\$ 25 million) and investment yield (US\$ 15 million), which were partially offset by sales of foreign currency to the public sector and

international organizations (US\$ 50 and 1 million, respectively) and lower Insurance Fund Deposit (US\$ 2 million).

In the year, NIR have increased US\$ 764 million, whereas the **Central Bank's international position** (US\$ 5 189 million) grew by US\$ 606 million.

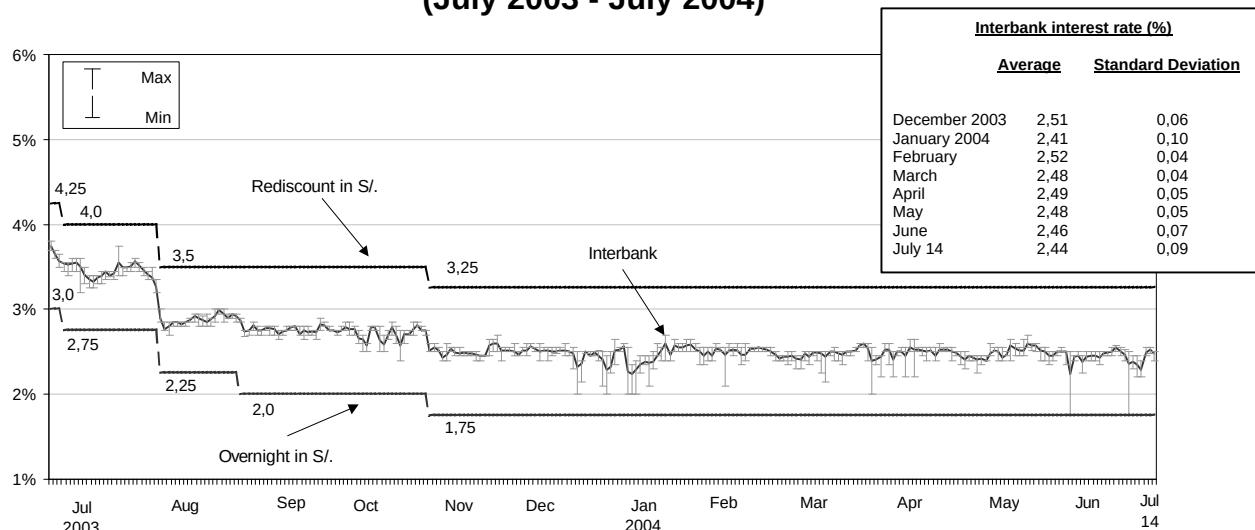


Interbank interest rate at 2,44%

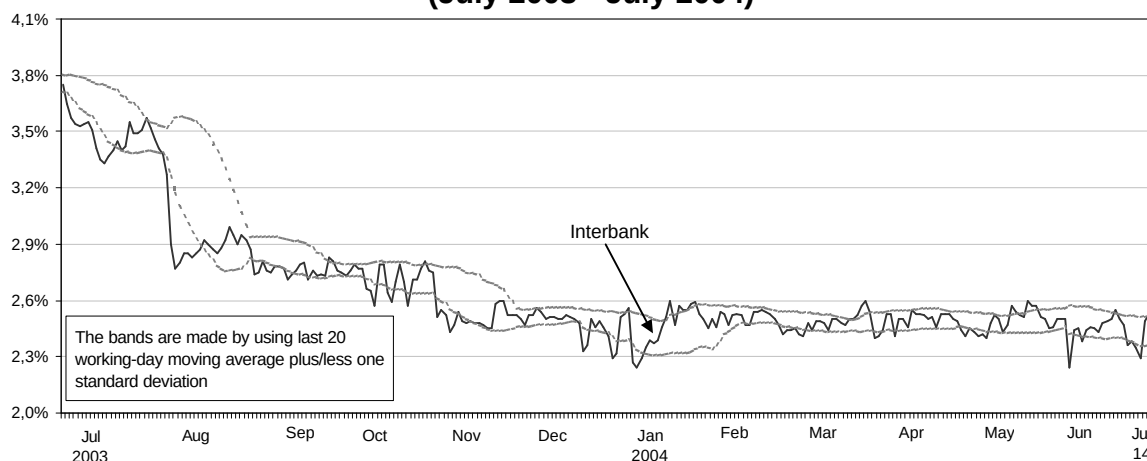
As of **July 14**, the average interbank interest rate in domestic

currency was 2,44%, lower than in June (2,46%).

Interest rates in domestic currency (July 2003 - July 2004)



Interbank interest rate in domestic currency (July 2003 - July 2004)



Monetary operations

As of **July 14**, the daily average balance of banks' liquidity at the Central Bank was S/. 292 million. Between **July 8 and 14**, the Central Bank made the following operations:

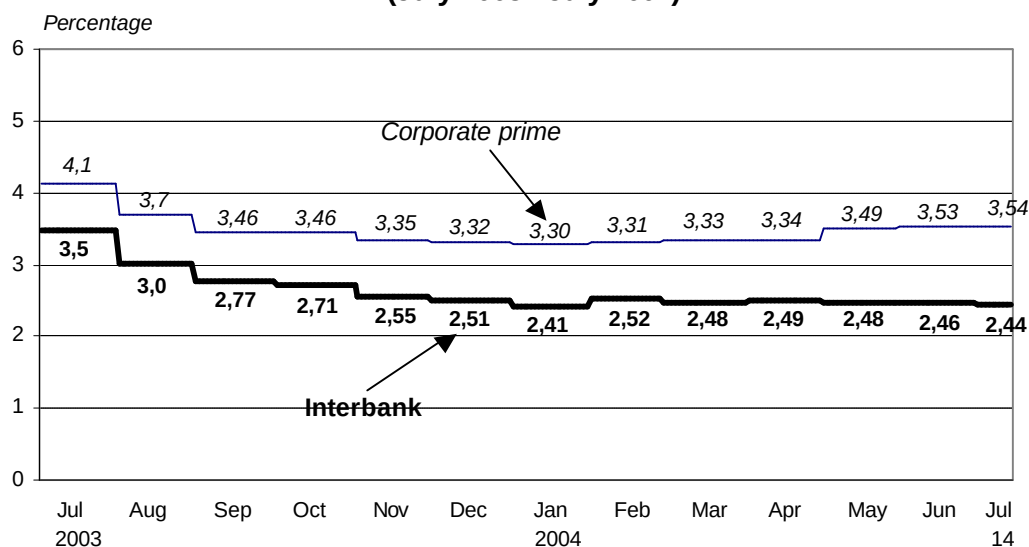
- Auctions of CDBCRP with a i) 7-day maturity by S/. 220, 95, 25, 70 and 166 million at average interest rates of 2,59; 2,49; 2,45; 2,55 and 2,61%, respectively; ii) 1-month by S/. 21 million at 2,77%; iii) 3-month twice by S/. 30 million each one at 3,21 and 3,27%; iv) 8-month by S/. 60 million at 4,29%; v) 9-month by S/. 35 million at 4,32% and vi) 10-month by S/. 34 million at 4,56%.
- Auctions of temporary purchase of CDBCRP and BTP with a 1-day maturity by S/. 35 million at 2,51%.
- Purchase of foreign currency over the counter by US\$ 28,5 million at an average exchange rate of S/. 3,436.
- Overnight deposits on July 9 and 14 by S/. 15 and 20 million, respectively.

Corporate prime interest rate at 3,54%

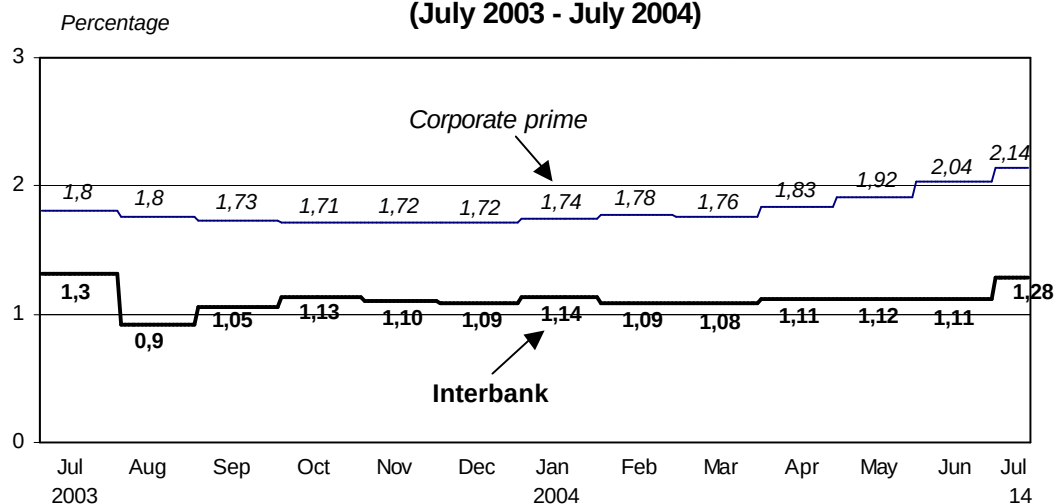
As of **July 14**, the 90-day average corporate prime interest rate in domestic currency rose to 3,54% from 3,53% in June

whereas the rate in dollars passed from 2,04 to 2,14%, over the same period.

**Monthly average interest rates in domestic currency
(July 2003 - July 2004)**



**Monthly average interest rates in foreign currency
(July 2003 - July 2004)**



Exchange rate: S/. 3,441

Between July 7 and 14, the exchange rate passed from S/. 3,464 to S/. 3,441. Besides, the **balance of net forward sales** decreased US\$ 20 million between end-June and July 14, whereas the **bank's**

exchange position dropped US\$ 21 million. In the same period, the Central Bank made purchases of foreign currency over the counter by US\$ 28,5 million.

BANKS' EXCHANGE POSITION
(Millions of US\$)

	December 2002	December 2003	June 2004	July 14
a. Net sales to the public (i-ii)	905	607	542	522
i. Forward sales to the public	1 141	834	1 061	1 056
ii. Forward purchases to the public	236	227	518	534
b. Banks' exchange position	643	536	610	588

Monetary base as of July 7, 2004

The **monetary base** balance as of July 7 was S/. 7 616 million, up 1,9% (S/. 139 million) from end-June. In average terms, the year on year rate of growth of the monetary base was 21,0% compared with 20,6 % in June.

The operations that expanded the monetary base were the reduction of

public sector deposits (S/. 262 million) and lower overnight deposits of financial enterprises (S/. 83 million). These operations were partially offset by the net auctions of CDBCRP (S/. 138 million) and the redemption of temporary purchases of securities (S/. 75 million).

Banking system monetary accounts: June 22, 2004

Through last 4 weeks, liquidity in **domestic currency** soared 1,1% (S/. 217 million) to a balance of S/. 20 896 million. Credit to the private sector in the same currency decreased 0,6% (S/. 65 million) to S/. 10 492 million. However, in annual terms these aggregates grew by 15,5 and 3,9%, respectively.

Liquidity in **foreign currency** rose 3,2% (US\$ 296 million) to US\$ 9 536 million, down 1,1% from a year ago. Credit to the private sector (US\$ 9 914 million) increased US\$ 72 million (0,7%). In annual terms, this aggregate fell 0,4%.

END OF PERIOD MONETARY AGGREGATES OF THE BANKING SYSTEM												
	BASE MONETARY		LIQUIDITY IN D/C		CREDIT IN D/C		LIQUIDITY IN F/C		LIABILITIES 1/		CREDIT IN F/C	
	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR
2002												
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%	4,1%	-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%	0,7%	11,9%	-0,5%	5,7%	0,5%	-3,9%	5,4%	-41,4%	-0,1%	-5,3%
Nov.	2,8%	9,7%	1,7%	13,3%	3,0%	7,2%	-0,7%	-5,7%	4,3%	-12,3%	0,2%	-5,5%
Dec.	11,5%	10,1%	3,6%	10,5%	-1,2%	5,1%	0,5%	-2,6%	-0,1%	-8,0%	-0,6%	-5,8%
2004												
Jan.	-6,4%	13,4%	2,6%	17,0%	-0,2%	8,8%	-0,2%	-2,7%	1,4%	4,8%	-1,0%	-4,0%
Feb.	0,7%	14,5%	-0,6%	13,3%	-0,5%	4,2%	-2,7%	-5,3%	1,9%	-3,3%	-0,9%	-4,6%
Mar.	0,7%	16,6%	1,2%	12,7%	3,2%	6,0%	0,0%	-5,1%	-5,4%	8,0%	0,6%	-3,6%
Apr.	4,4%	18,2%	-0,2%	12,7%	0,5%	2,8%	1,0%	-3,6%	10,8%	6,6%	1,2%	-3,4%
May.	0,7%	20,3%	0,2%	12,1%	-0,4%	2,0%	-0,6%	-3,4%	11,7%	21,7%	1,3%	-1,2%
Jun.22	-0,1%	16,1%	1,1%	15,5%	-0,6%	3,9%	3,2%	-1,1%	2,5%	19,0%	0,7%	-0,4%
Memo:												
Balance as of May.22 (Mill.S/. or Mill.US\$)	7 363		20 679		10 558		9 240		846		9 842	
Balance as of Jun.22 (Mill.S/. or Mill.US\$)	7 352		20 896		10 492		9 536		867		9 914	
1/ Short term external liabilities of banking enterprises.												

Spread of Global bond 2012 at 3,96%

As of July 14, the spread of the **Peruvian Global bond 2012** was 3,96%, down from June (4,08%), whereas the spread of the

EMBI+ sovereign bond dropped from 4,39 to 4,28%.

Country risk indicators
(July 2003 - July 2004)



International markets

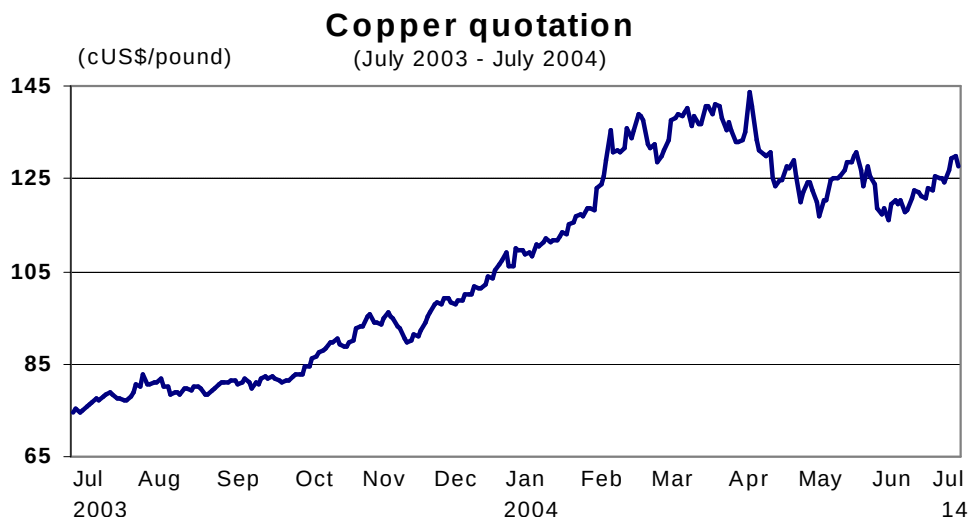
Between July 7 and 14, the **gold** quotation increased 0,3% to US\$ 404 per Troy

ounce due to the depreciation of the US dollar against the euro.



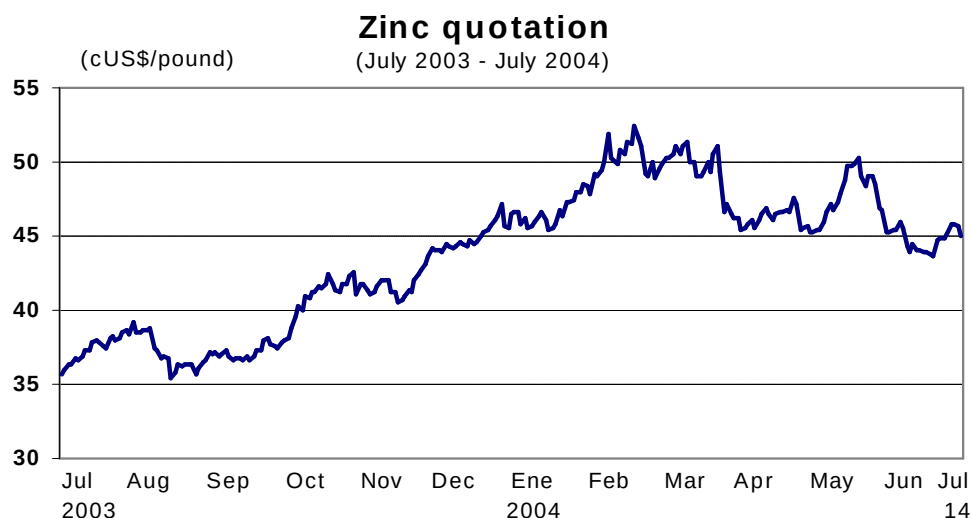
The **copper** quotation increased 1,9% (from US\$ 1,25 to 1,28) reflecting the higher demand from China (the most important consumer of the world), as well

as the strike in Mexican mine La Caridad. Over this week, LME inventories dropped from 100 to 96 thousand MT.



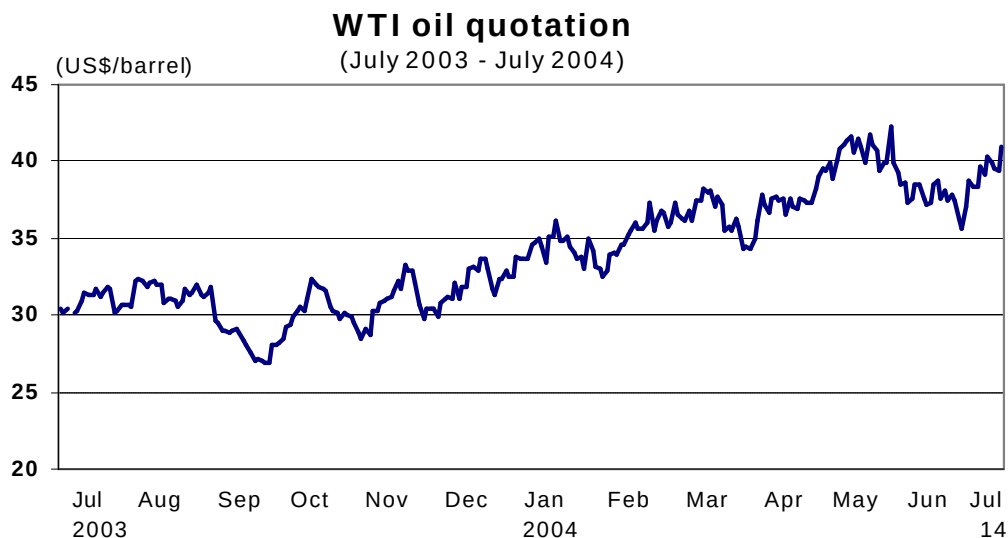
In the period under analysis, the **zinc** quotation increased 0,3% to US\$ 0,45 per

pound. LME zinc inventories fell from 726 to 718 thousand MT.



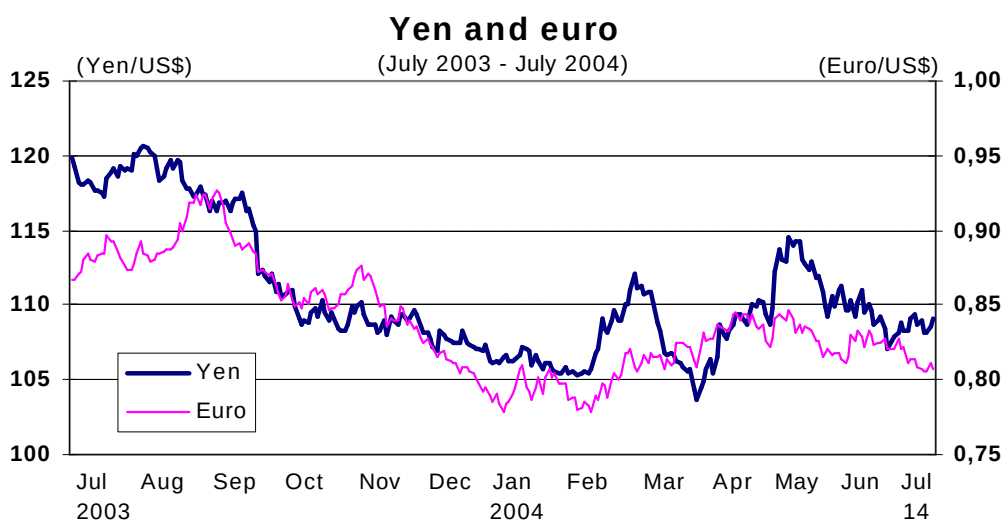
The **WTI oil** price rose 4,8% (to US\$ 41 per barrel). According to the International Energy Agency world demand would grow 2,2% in 2005 to 83,5 million daily barrels, reflecting the increase in worldwide

economic activity. Additionally, the inventories of crude in the United States registered in the week the greater fall of last the 3 months.



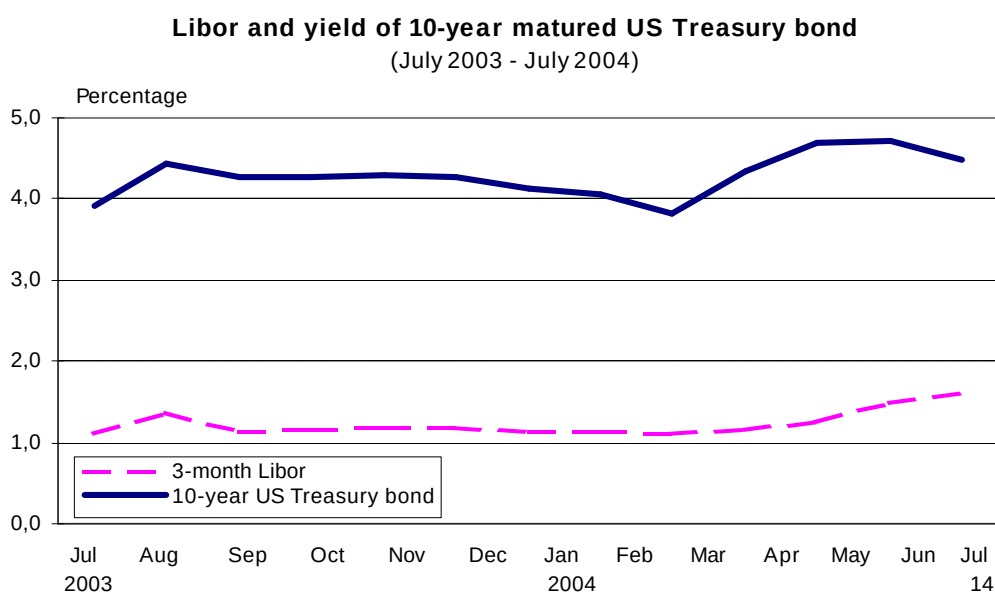
The **US dollar** depreciated 0,1% against the **euro** and appreciated 0,5% against the **yen**. In the United States, the deficit of the trade balance was reduced for first time in 6 months. The deficit passed from US\$ 48 billion in April to US\$ 46 billion in May. Despite the improvement in the trade

balance of the United States, the euro was favored due to the higher than expected figures for good orders and industrial activity in Germany and the IMF upward revision of German economic growth from 1,6 to 1,8%.



The **3-month Libor** passed from 1,58% to 1,61%, whereas the **yield of US Treasury bonds with a 10 year** remained at 4,48%. The higher demand for these securities associated to the release of weak US

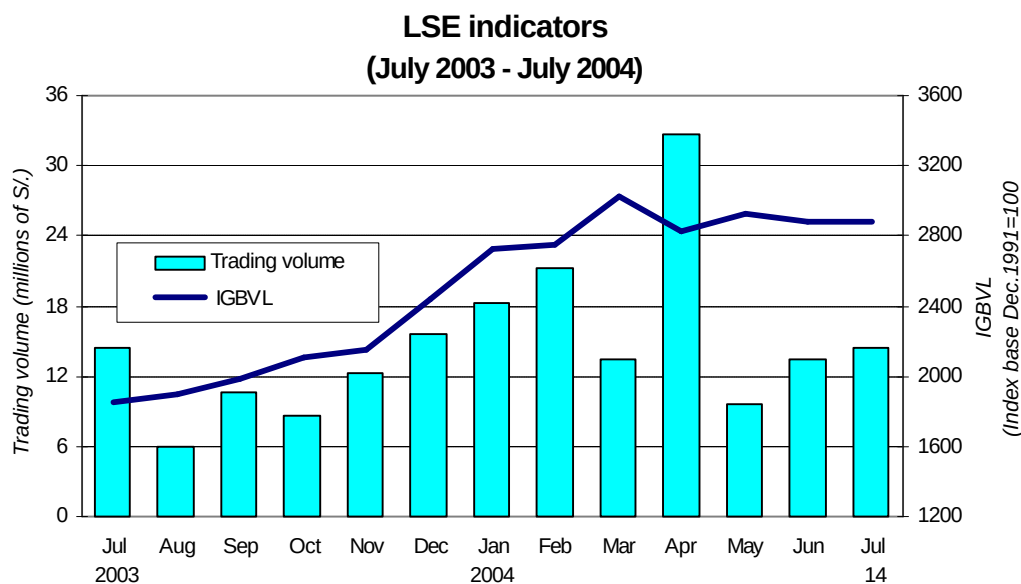
economic indicators such as retail sales and industrial production was offset by the fears that current yield might not reflect higher inflation pressures.



Lima Stock Exchange (LSE)

As of July 14, the LSE decreased 0,1% in its **General Index** and increased 0,2% in the **Blue Chip Index**. In the year these

indices record cumulative increases of 18,4% and 19,9%, respectively.



Indicadores Económicos / Economic Indicators

	2003	2004												
	DIC.	ENE.	FEB.	MAR.	ABR.	MAY.	30 Jun.	JUN.	8 Jul.	9 Jul.	12 Jul.	13 Jul.	14 Jul.	JUL.
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES								Var.						Var.
Posición de cambio / Net international position	4 583	4 914	4 972	5 235	5 201	5 169	5 199	30	5 173	5 173	5 174	5 189		-10
Reservas internacionales netas / Net international reserves	10 194	10 564	10 503	10 411	10 471	10 824	10 855	31	10 947	10 964	10 987	10 959		104
Depósitos del sistema financiero en el BCR / Financial system deposits at BCR	2 892	3 033	2 969	2 776	2 831	2 804	3 087	283	3 174	3 162	3 187	3 166		79
Empresas bancarias / Banks	2 687	2 857	2 792	2 611	2 661	2 619	2 884	266	2 978	2 967	2 999	2 991		106
Banco de la Nación / Banco de la Nación	154	120	124	113	115	134	147	14	139	138	131	118		-29
Resto de instituciones financieras / Other financial institutions	52	56	53	52	55	52	56	4	57	57	57	58		2
Depósitos del sector público en el BCR / Public sector deposits at BCR	2 761	2 652	2 595	2 433	2 473	2 896	2 614	-282	2 647	2 677	2 673	2 652		38
OPERACIONES CAMBIARIAS BCR (Mill. US\$) / BCR FOREIGN OPERATIONS	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.		Acum.						Acum.
Origen externo de la emisión primaria / External origin of the monetary base	175	339	55	223	11	-60	0	22	-50	0	0	25	4	-22
Compras netas en Mesa de Negociación / Net purchases of foreign currency	176	317	96	255	151	0	0	21	0	0	0	25	4	29
Operaciones swaps netas / Net swap operations	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operaciones con el Sector Público / Public sector	0	23	-40	-32	-140	-60	0	0	-50	0	0	0	0	-50
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.		Prom.						Prom.
Compra interbancario/Interbank bid	3,471	3,467	3,483	3,464	3,469	3,487	3,470	3,476	3,459	3,459	3,445	3,434	3,437	3,456
Venta Interbancario Interbank Ask	Apertura / Opening	3,472	3,467	3,485	3,466	3,470	3,488	3,472	3,495	3,463	3,463	3,452	3,436	3,459
	Mediodía / Midday	3,471	3,468	3,483	3,466	3,471	3,488	3,471	3,477	3,461	3,461	3,445	3,436	3,458
	Cierre / Close	3,471	3,468	3,483	3,465	3,471	3,488	3,468	3,477	3,457	3,457	3,439	3,439	3,457
	Promedio / Average	3,471	3,468	3,484	3,466	3,470	3,488	3,471	3,478	3,461	3,461	3,446	3,435	3,458
Sistema Bancario (SBS)	Compra / Bid	3,471	3,467	3,483	3,464	3,469	3,486	3,470	3,476	3,461	3,454	3,443	3,434	3,456
Banking System	Venta / Ask	3,472	3,468	3,484	3,466	3,470	3,488	3,472	3,478	3,462	3,456	3,446	3,436	3,458
Índice de tipo de cambio real (1994 = 100) / Real exchange rate Index (1994 = 100)	106,5	107,9	107,0	105,5	105,6	104,4		104,4						
INDICADORES MONETARIOS / MONETARY INDICATORS														
Moneda nacional / Domestic currency														
Emisión Primaria	(Var. % mensual) / (% monthly change)	11,5	-6,4	0,7	0,7	4,4	0,7							
Monetary base	(Var. % últimos 12 meses) / (% 12-month change)	10,1	13,4	14,5	16,6	18,2	20,3	19,2	19,2					
Oferta monetaria	(Var. % mensual) / (% monthly change)	3,6	2,6	-0,6	1,2	-0,2	0,2							
Money Supply	(Var. % últimos 12 meses) / (% 12-month change)	10,5	17,0	13,3	12,7	12,7	12,1							
Crédito sector privado	(Var. % mensual) / (% monthly change)	-1,2	-0,2	-0,5	3,2	0,5	-0,4							
Crédit to the private sector	(Var. % últimos 12 meses) / (% 12-month change)	5,1	8,8	4,2	6,0	2,8	2,0							
TOSE saldo fin de período (Var.% acum. en el mes) / TOSE balance (% change)		-0,8	1,6	-0,6	3,2	-3,7	1,7	0,4	0,4	2,3	1,8	2,9		
Superávit de encaje promedio (% respecto al TOSE)/Average reserve surplus (% of TOSE)		0,2	0,5	0,5	0,2	0,4	0,5	0,5	0,5	1,9	1,4	1,4		
Cuenta corriente de los bancos (saldo mill. S/.) / Banks' current account (balance)		192	172	184	182	197	169	69	196	329	218	126	107	238
Créditos por regulación monetaria (millones de S/.) / Rediscounts (Millions of S/.)		0	0	0	0	0	0	0	0	0	0	0	0	0
Depósitos públicos en el BCR (millones S/.)/Public sector deposits at the BCR (Mills.S/.)		1 196	1 549	1 756	2 000	2 389	2 254	2 286	2 286	1 792	1 676	1 629	1 759	n.d.
Certificados de Depósitos BCRP (saldo Mill.S/.) / CDBCRP balance (Millions of S/.)		4 097	5 789	5 489	5 998	5 743	5 348	5 188	5 188	5 341	5 495	5 595	5 525	5 342
Operaciones de reporte (saldo Mill. S/.) / repos (Balance millions of S/.)		0	312	85	70	440	160	75	75	0	0	0	35	0
Tasa de interés (%) Interest rates (%)	Préstamos y descuentos hasta 360 días / Loans & discount Interbancaria / Interbank	13,97	14,47	14,89	14,76	14,21	14,49	14,52	14,74	14,67	14,63	14,52	14,47	14,58
	Preferencial corporativa a 90 días / Corporate Prime	2,51	2,41	2,52	2,48	2,49	2,48	2,50	2,46	2,35	2,29	2,49	2,53	2,48
	Operaciones de reporte con CDBCRP / CDBCRP repos	3,32	3,30	3,31	3,33	3,34	3,49	3,52	3,53	3,55	3,55	3,55	3,55	3,55
	Créditos por regulación monetaria / Rediscounts **	s.m	2,49	2,56	2,55	2,54	2,53	2,51	s.m.	s.m.	s.m.	s.m.	2,51	s.m.
	Del saldo de CDBCRP / CDBCRP balance	3,25	3,25	3,25	3,25	3,25	3,25	3,25	3,25	3,25	3,25	3,25	3,25	3,25
		3,91	3,72	3,70	3,64	3,70	3,71	3,76	3,76	3,64	3,62	3,61	3,62	3,59
Moneda extranjera / foreign currency														
Crédito sector privado	(Var. % mensual) / (% monthly change)	-0,6	-1,0	-0,9	0,6	1,2	1,3							
Crédit to the private sector	(Var. % últimos 12 meses) / (% 12-month change)	-5,8	-4,0	-4,6	-3,6	-3,4	-1,2							
TOSE saldo fin de período (Var.% acum. en el mes) / TOSE balance (% change)		0,2	-0,3	-3,1	0,3	1,3	0,2	3,4	3,4	1,7	1,5	1,2		
Superávit de encaje promedio (% respecto al TOSE)/Average reserve surplus (% of TOSE)		0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	1,4	1,3	2,1		
Créditos por regulación monetaria (millones de US dólares) / Rediscounts		0	0	0	0	0	0	0	0	0	0	0	0	0
Tasa de interés (%) Interest rates (%)	Préstamos y descuentos hasta 360 días / Loans & discount Interbancaria / Interbank	7,26	7,30	7,14	7,30	7,10	6,91	6,65	6,67	6,61	6,63	6,63	6,66	6,64
	Preferencial corporativa a 90 días / Corporate Prime	1,09	1,14	1,09	1,08	1,11	1,12	1,15	1,11	1,27	1,27	1,27	1,26	1,28
	Créditos por regulación monetaria / Rediscounts ***	1,72	1,75	1,78	1,76	1,83	1,92	2,11	2,04	2,14	2,14	2,14	2,14	2,14
		s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.
INDICADORES BURSÁTILES / STOCK MARKET INDICES														
Índice General Bursátil (Var. %) / General Index (% change)	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.		Acum.						Acum.
Índice Selectivo Bursátil (Var. %) / Blue Chip Index (% change)	13,4	12,1	0,7	10,5	-6,9	3,5	0,1	-1,4	0,0	-0,0	-0,5	-0,5	0,6	-0,1
Monto negociado en acciones (Mill. S/.) - Prom. diario	16,2	11,9	3,8	12,4	-9,0	3,7	0,1	-2,7	0,1	-0,1	-0,6	-0,6	0,8	0,2
	15,7	18,2	21,3	13,4	32,6	9,6	3,3	13,5	3,4	6,3	11,7	73,7	6,9	14,5
INFLACIÓN (%) / INFLATION (%)														
Inflación mensual / Monthly	0,56	0,54	1,09	0,46	-0,02	0,35		0,56						
Inflación últimos 12 meses / % 12 months change	2,48	2,80	3,43	2,76	2,78	3,18		4,26						
GOBIERNO CENTRAL (Mill. S/.) / CENTRAL GOVERNMENT (Mills. of S/.)														
Resultado primario / Primary balance	-740	749	390	242	440	478								
Ingresos corrientes / Current revenue	2 963	2 740	2 533	2 862	3 260	3 000								
Gastos no financieros / Non-financial expenditure	3 827	1 998	2 151	2 626	2 854	2 538								
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)														
Balanza Comercial / Trade balance	184	143	223	193	49	218								
Exportaciones / Exports	909	840	881	966	873	976								
Importaciones / Imports	726	696	658	774	824	758								
PRODUCTO BRUTO INTERNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT														
Variac. %, respecto al mismo mes del año anterior / Annual rate of growth	3,2	3,6	4,6	5,5	3,3	4,2								
COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS														
LIBOR a tres meses (%) / LIBOR 3-month (%)	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.		Prom.						Prom.
Dow Jones (Var %) / (% change)	1,17	1,13	1,12	1,11	1,15	1,25	1,61	1,50	1,59	1,59	1,60	1,60	1,61	1,59
Rendimiento de los U.S. Treasuries (10 años) / U.S. Treasuries yield (10 years)	6,53	0,33	0,91	-2,14	-1,28	-0,36	0,21	2,42	-0,67	0,41	0,24	0,09	-0,38	-2,17
Stripped spread del EMBI+ PERÚ (pbs) / EMBI+ PERU stripped spread (basis points)	4,26	4,13	4,06	3,81	4,34	4,70	4,58	4,73	4,47	4,46	4,45	4,47	4,48	4,48
Bono Global 2012 - Perú (en pbs) / Global Bond 2012 - Peru (basis points)	318	288	346	344	338	475	439	438	445	444	441	438	428	440
	304	282	328	315	314	463	408	411	424	420	431	406	396	411

* 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.

** Corresponde a la mayor tasa entre 3,25% o la tasa interbancaria del día.

*** 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.