

CENTRAL RESERVE BANK OF PERU

WEEKLY REPORT

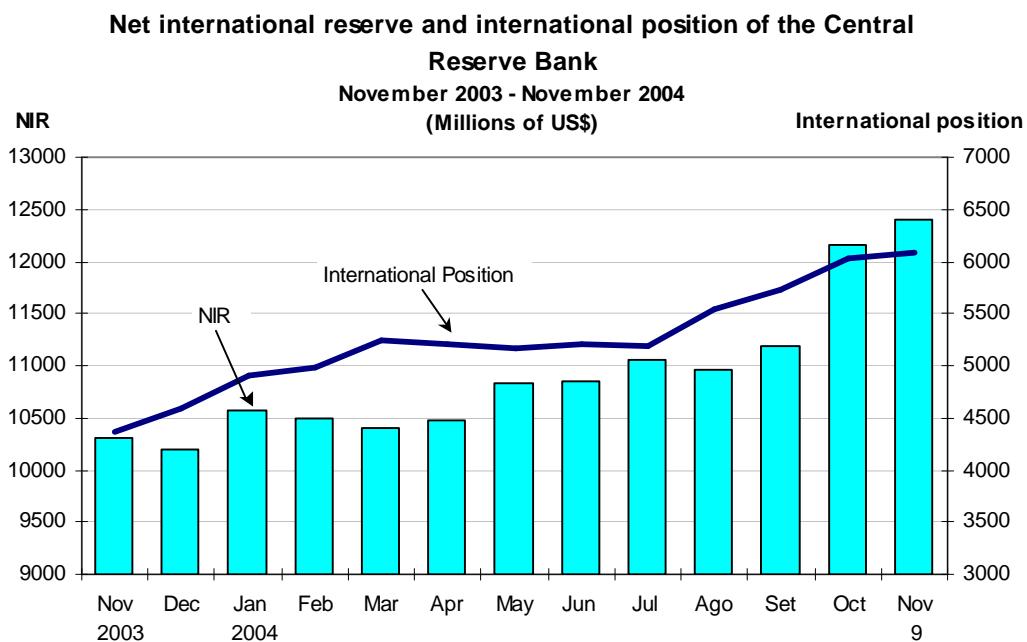
Nº 45 – November 12, 2004

Net international reserves at US\$ 12 396 million

As of **November 9**, net international reserves (NIR) amounted to US\$ 12 396 million, up US\$ 231 million from end-October. This increase was mainly due to higher financial system deposits (US\$ 161 million), net foreign exchange purchases (US\$ 96 million) and investment yield (US\$ 18 million) which were partially offset

by foreign exchange sales to the public sector (US\$ 40 million) and lower public sector deposits (US\$ 3 million).

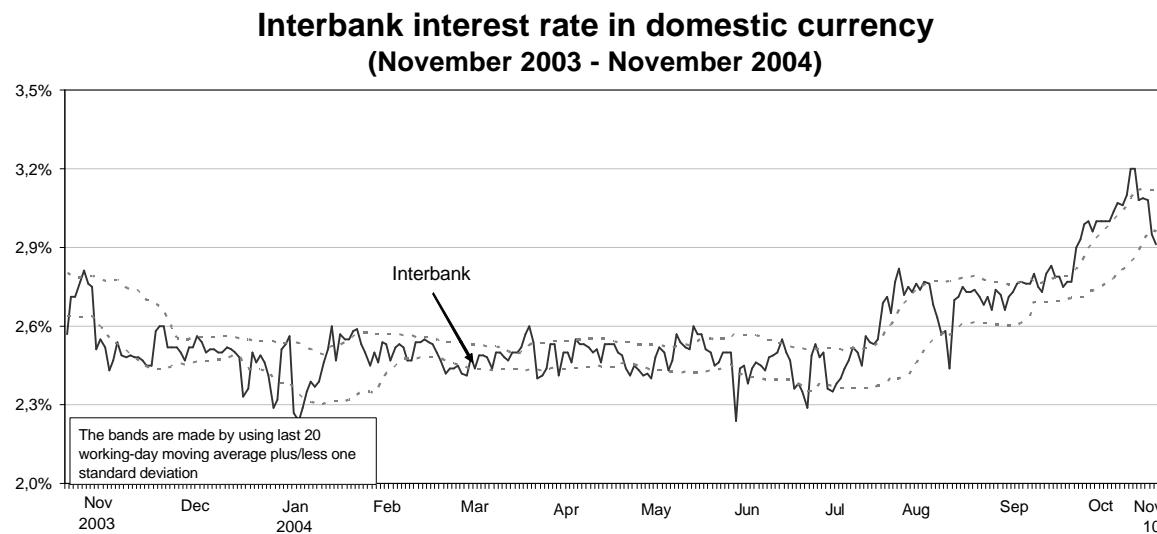
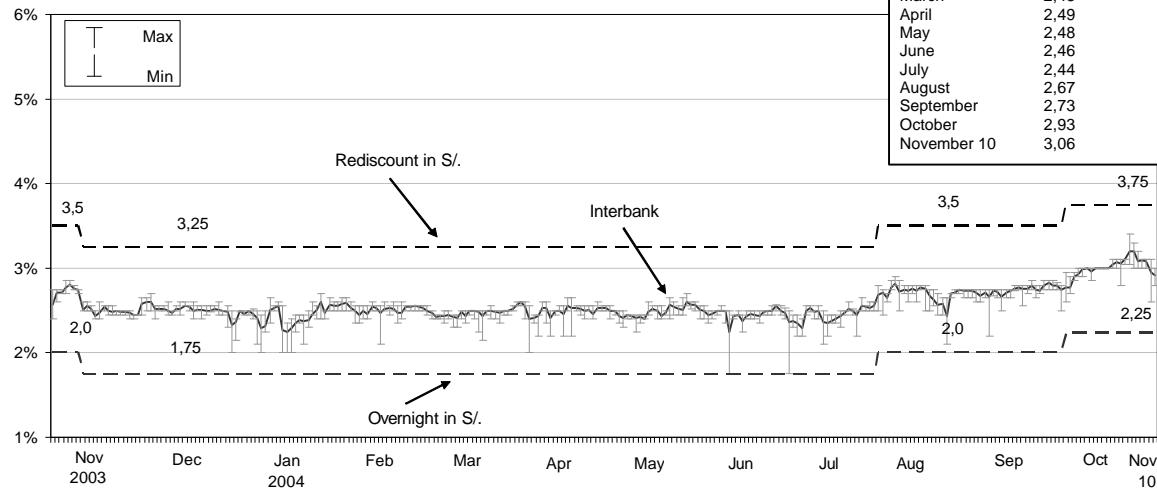
Starting this year, NIRs have increased US\$ 2 202 million, whereas the **Central Bank's international position** (US\$ 6 091 million) grew by US\$ 1 508 million.



Interbank interest rate at 3,06%

As of **November 10**, the average interbank interest rate in domestic

currency was 3,06%, higher than October's (2,93%).



Monetary operations

As of **November 10**, the daily average balance of banks' liquidity at the Central Bank was S/. 404 million. Between **November 4 and 10**, the Central Bank made the following operations:

- Auctions of CDBCRRP with a: i) 7-day maturity by S/. 190 and S/. 225 million at an average interest rate of 3,11% and 3,07%, respectively; ii) 6-month by S/. 100 million at 4,00%; iii) 7-month by S/. 60 million at 4,16%; iv) 1-year by S/. 40 million at 4,64% and v) 18-month by S/. 30 million at 5,34%.

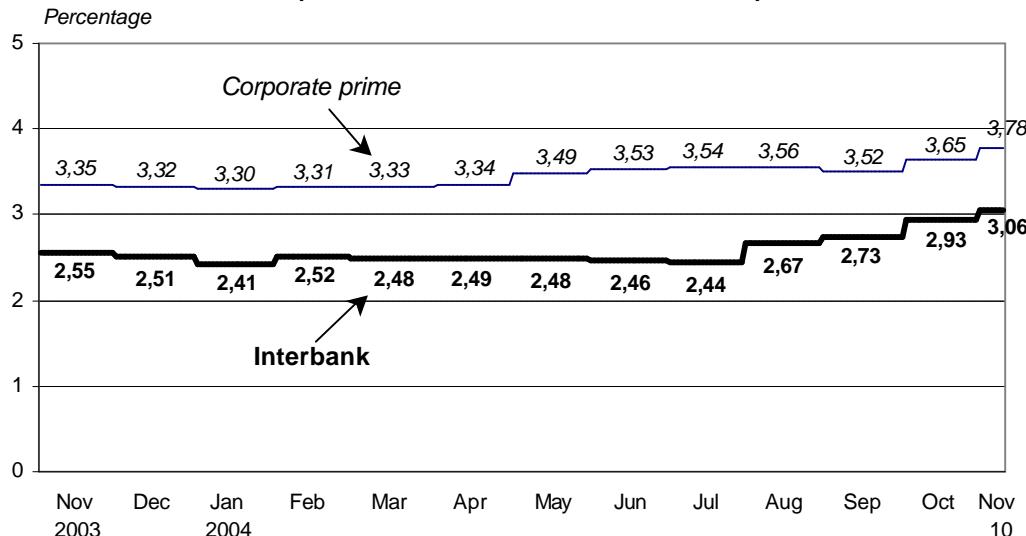
- Auctions of temporary purchase of CDBCRRP and Treasury bonds with a: i) 1-day maturity by S/. 345 million at an average interest rate of 3,07%.
- Foreign currency purchase over-the-counter mechanism by US\$ 87 million at an average exchange rate of S/. 3,311 per dollar.
- Overnight deposits on November 5, 8, 9 and 10 by S/. 77, S/. 85, S/. 137 and S/. 72 million, respectively.

Corporate prime interest rate at 3,78%

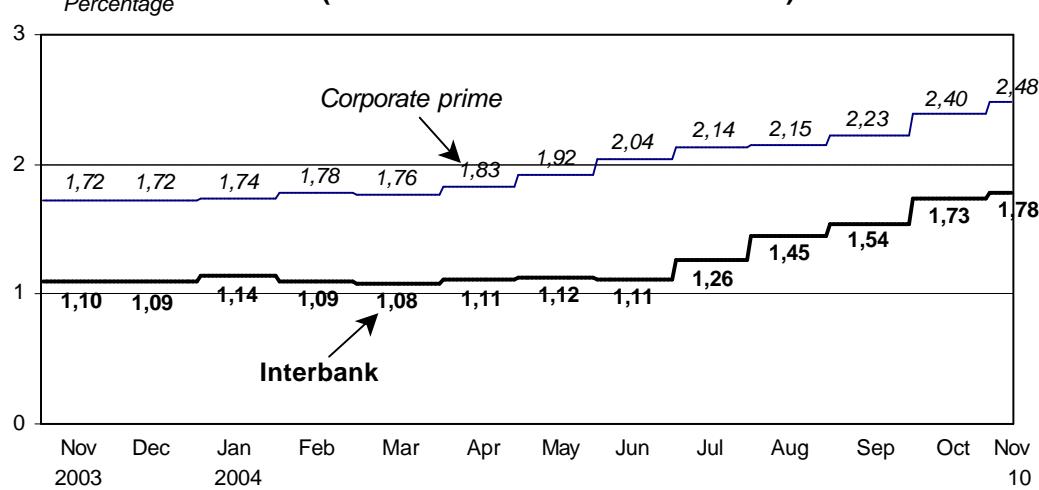
As of **November 10**, the 90-day average corporate prime interest rate in domestic currency raised from 3,65% in October to

3,78% and the rate in dollars from 2,40% to 2,48%, over the same period.

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



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



Exchange rate: S/. 3,308

Between **November 3 and 10**, the banking system exchange rate appreciated from S/. 3,317 to S/. 3,308 within a context of incoming dollars from exports, which have already achieved US\$ 10 billion during this

year. Up to November 10, the **balance of net forward sales** increased by US\$ 3 million with respect to October and the **bank's exchange position** dropped in US\$ 46 million.

BANKS' EXCHANGE POSITION
(Millions of US\$)

	December 2002	December 2003	October	November 10
a. Net sales to the public (i-ii)	905	607	581	584
i. Forward sales to the public	1 141	834	984	946
ii. Forward purchases to the public	236	227	403	363
b. Banks' exchange position	643	536	534	489

Monetary base as of November 7, 2004

The **monetary base** balance as of November 7 was S/. 8 186 million up 1,5% (S/. 119 million) from end-October. In average terms, the year on year rate of growth of the monetary base was 25,2% compared with 22,1% in October.

The main explanations for this result were foreign currency purchases over-the-

counter mechanism (US\$ 65 million or S/. 214 million), lower public sector deposits (S/. 110 million) and net maturity of CDBCRRP (S/. 20 million) which were partially offset by the maturity of temporary purchase of securities (S/. 165 million) and the higher financial enterprises' overnight deposits (S/. 67 million).

Banking system monetary accounts as of October 22, 2004

Through last 4 weeks, liquidity in **domestic currency** increased 5,0% (S/. 1 109 million), to a balance of S/. 23 298 million. Credit to the private sector in the same currency augmented 2,3% (S/. 249 million). However, in annual terms this aggregates grew by 20,9 and 11,0%, respectively.

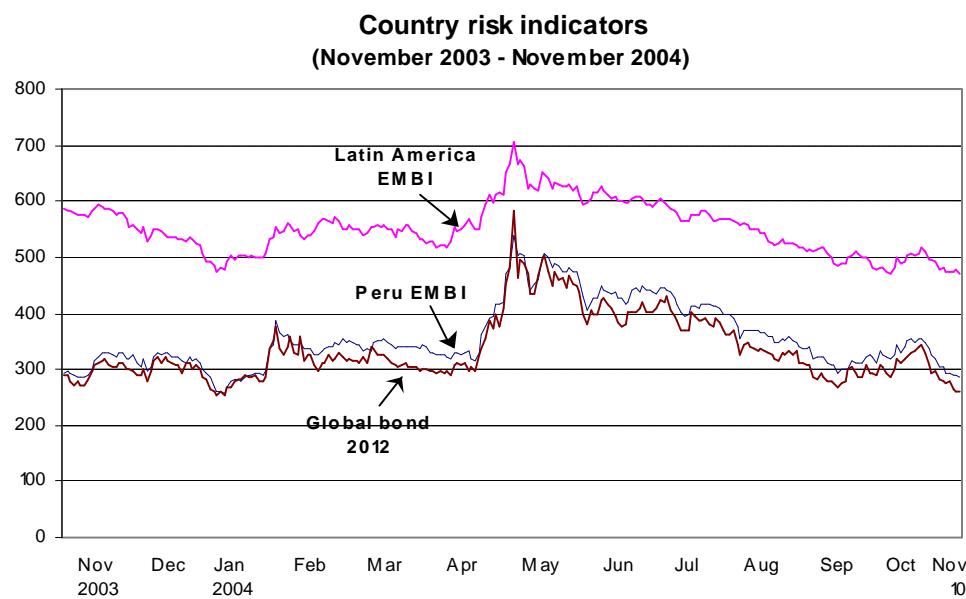
Liquidity in **foreign currency** dropped 0,3% (US\$ 31 million) to US\$ 9 496 million, up 2,1 from a year ago. Credit to the private sector in the same currency fell 1,0% (US\$ 99 million) to US\$ 9 715 million (a nil annual growth rate).

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												
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%	1,5%	12,9%	3,6%	6,3%	0,0%	-5,2%	-4,7%	8,8%	0,5%	-3,7%		
Apr.	4,4%	18,2%	-0,6%	12,6%	0,0%	2,6%	0,9%	-3,8%	7,4%	4,0%	1,2%	-3,5%		
May.	0,7%	20,3%	0,5%	12,3%	-0,2%	1,9%	-0,4%	-3,3%	13,6%	20,7%	1,5%	-1,2%		
Jun.	0,7%	19,2%	-0,4%	13,8%	0,8%	3,9%	3,1%	-1,4%	3,5%	28,6%	0,7%	-0,4%		
Jul.	9,9%	21,0%	2,5%	10,3%	1,0%	4,9%	2,4%	2,3%	-5,5%	17,2%	0,5%	0,9%		
Aug.	-5,2%	18,6%	1,6%	13,9%	0,9%	6,6%	-2,0%	0,5%	-5,1%	20,6%	-1,3%	-0,5%		
Sep.	-1,0%	20,5%	2,6%	16,8%	1,2%	8,0%	0,1%	1,5%	7,7%	31,8%	-1,1%	-0,5%		
Oct.22	1,9%	21,9%	5,0%	20,9%	2,3%	11,0%	-0,3%	2,1%	-2,9%	5,4%	-1,0%	0,0%		
Memo:														
Balance as of Sep.22 (Mill.S./ or Mill.US\$)	7 751		22 189		10 865		9 527		805		9 815			
Balance as of Oct.22 (Mill.S./ or Mill.US\$)	7 896		23 298		11 114		9 496		782		9 715			
1/ Short term external liabilities of banking enterprises.														

Spread of Global bond 2012 at 2,62%

Between November 3 and 10, the spread of the Peruvian Global bond ten year bond and sovereign bonds where reduced from 2,79% to 2,62% and from 3,04% to 2,87%, respectively. This meant that Peru's global bond is situated 10 bps

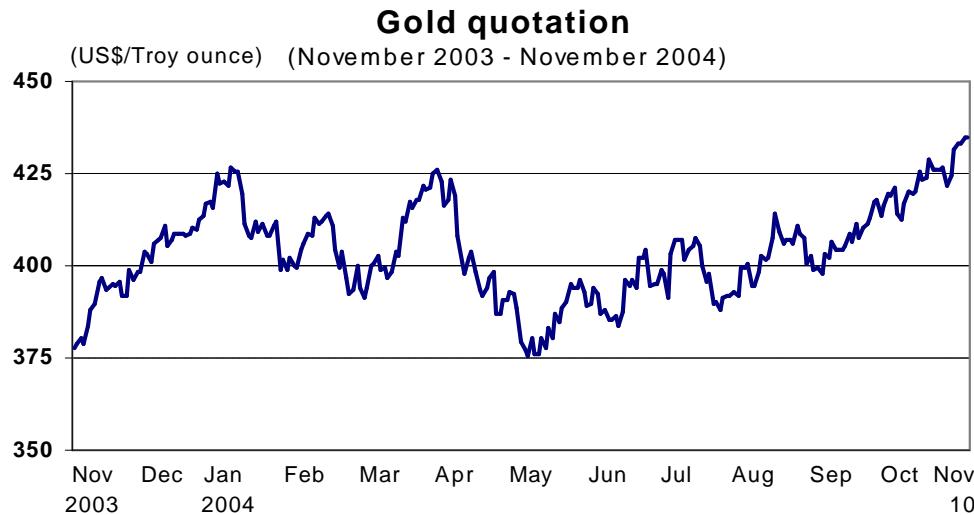
above its historical minimum registered during January 2004. Peruvian debt has followed the positive trend of emerging markets due to the fact that these assets are still attractive when compared with those of industrialized countries.



International markets

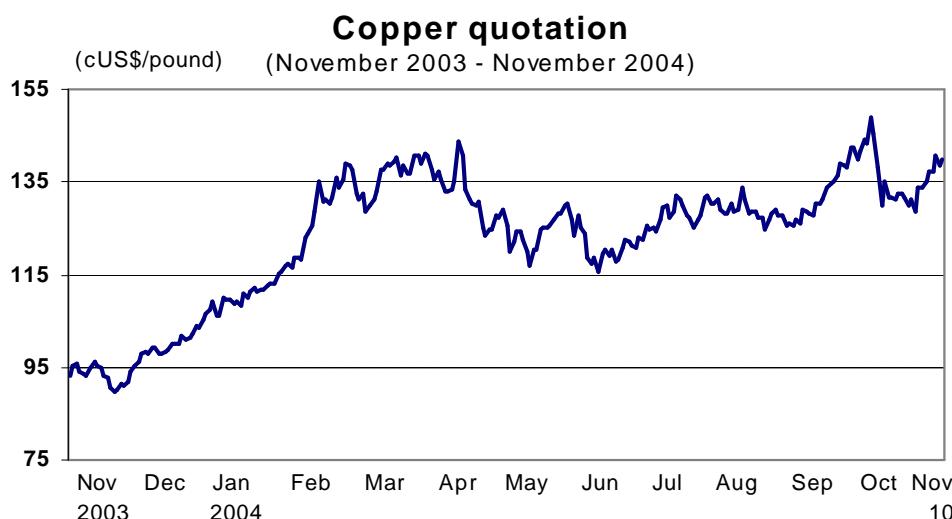
Between **November 3 and 10**, the **gold** quotation increased 2,5% to US\$ 435 per Troy ounce (maximum level in 16 years)

due to the weakening of the dollar against the euro and a broader demand by India's jewelry industry.



The **copper** quotation raised 3,7% to US\$ 1,40. After stocks were at their lowest level in 14 years and due to the prolongation of a strike in El Abra mine in

Chile (property of Phelps Dodge). Between November 3 and 10, LME inventories fell from 76 to 70 thousand MT.



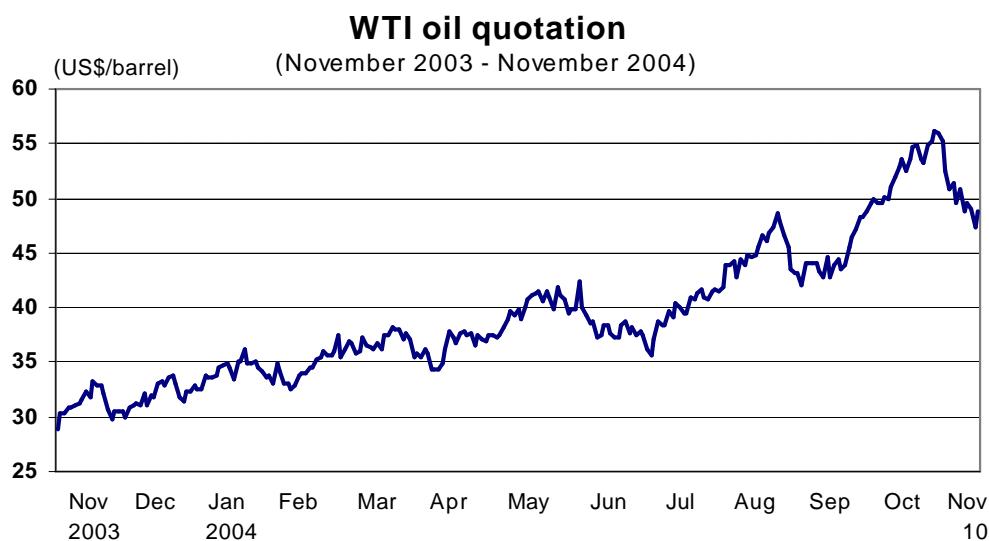
In the similar period, the **zinc** quotation increased 3,4% to US\$ 0,48 per pound following all other basic metals (except for

tin) and after the fall in LME inventories from 700 to 693 MT.



The **WTI oil** price fell 4,0% to US\$ 48,9 per barrel due to the increase in US crude inventories for a seventh week in a row. These increases have reduced the fear of shortenings during winter (even though there was an unexpected fall in heating

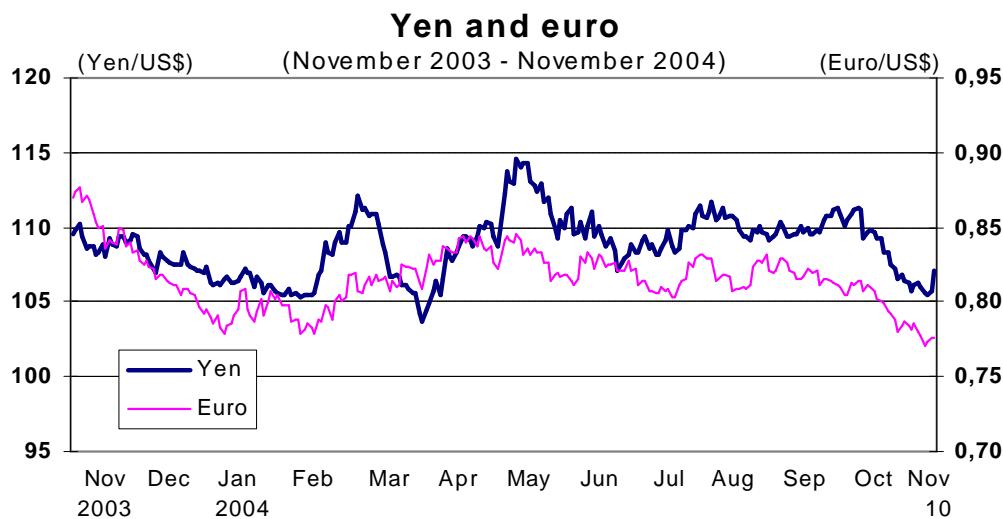
oil's inventories). Additionally, an increase in the global oil supply was reported (about 890 thousand daily barrels) during October (increase in the Gulf of Mexico's, OPEC's and former Soviet Union's production).



resumen informativo

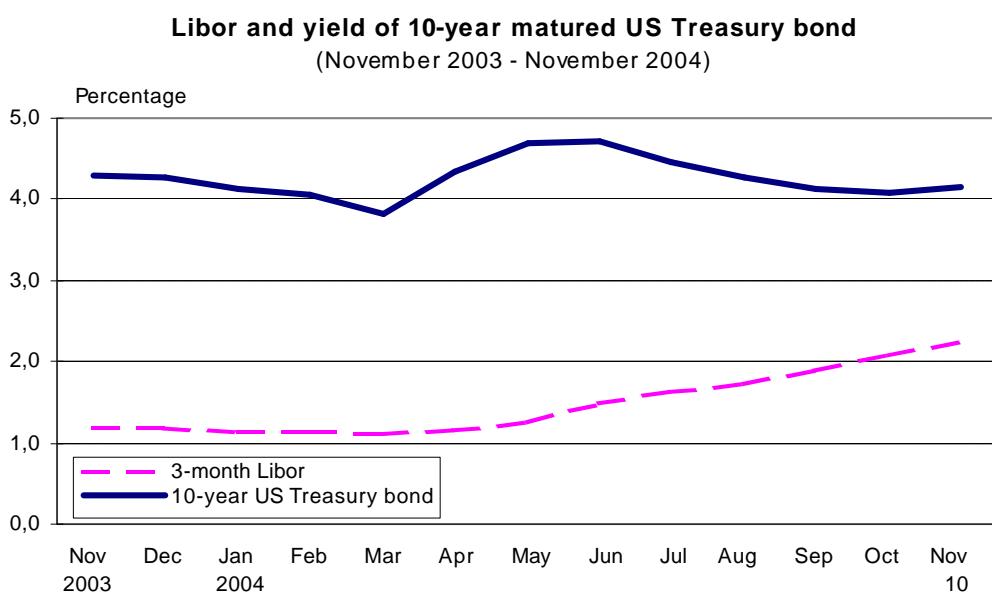
The **US dollar** depreciated by 0,5% against the euro and appreciated 0,8% against the yen. After announcements by

the Bank of Japan of the possible future market interventions reverted the Yen's appreciatory trend.



Between **November 3 and 10**, the **3-month Libor** where raised from 2,20% to 2,28%, whereas the yield of **US Treasury bonds with a 10 year maturity** increased from 4,07% to 4,24% after positive results of the labor market in October which favored the FED's decision to continue with a moderate increases in

interest rates. The generation of new employments was 337 thousand, almost doubling the 169 thousands expected (the higher increase in 7 months). In November 10, the FED decided to increase the federal funds interest rate in 25 bps for a fourth session in a row leaving the rate at 2,0%.

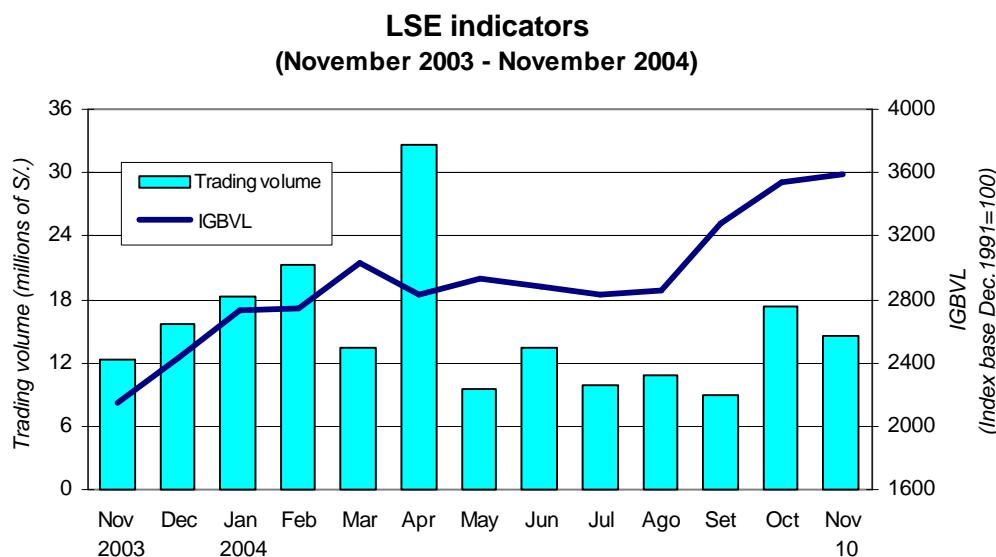


Lima Stock Exchange (LSE)

As of **November 10**, the LSE increased 1,3% and 1,6% in its **General Index** and its **Blue Chip Index**, respectively thanks to the performance of the industrial sector. In particular: i) Backus after a probable share swap operation; ii) Alicorp after good perspectives on domestic demand and iii) Austral after the appearance of a new

investor, positive results in the third quarter and the favorable projection for the present fishing season (October 2004 - January 2005).

In the year, these indexes record cumulative increases of 47,4% and 49,1%, respectively.



Indicadores Económicos / Economic Indicators

RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES	2003						2004										
	DIC.	MAR.	JUN.	JUL.	AGO.	SET.	29 Oct.	OCT.	3 Nov.	4 Nov.	5 Nov.	8 Nov.	9 Nov.	10 Nov.	NOV.		
								Var.								Var.	
Posición de cambio / Net international position	4 583	5 235	5 199	5 189	5 534	5 721	6 022	301	6 044	6 072	6 100	6 107	6 091		69		
Reservas internacionales netas / Net international reserves	10 194	10 411	10 855	11 057	10 962	11 187	12 166	979	12 256	12 319	12 370	12 390	12 396		231		
Depositos del sistema financiero en el BCRP / Financial system deposits at BCRP	2 892	2 776	3 087	3 225	3 001	3 094	2 910	-185	3 003	3 027	3 070	3 085	3 071		161		
Empresas bancarias / Banks	2 687	2 611	2 884	3 026	2 830	2 929	2 823	-107	2 881	2 908	2 947	2 967	2 950		127		
Banco de la Nación / Banco de la Nación	154	113	147	143	110	106	31	-75	64	60	64	58	61		30		
Resto de instituciones financieras / Other financial institutions	52	52	56	57	61	59	56	-3	58	59	59	59	59		3		
Depositos del sector público en el BCRP / Public sector deposits at BCRP	2 761	2 433	2 614	2 686	2 464	2 403	3 274	871	3 249	3 257	3 237	3 235	3 271		-3		
OPERACIONES CAMBIARIAS BCR (Mill. US\$) / BCR FOREIGN OPERATIONS	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.											
Origen externo de la emisión primaria / External origin of the monetary base	175	223	22	-12	313	155	5	265	20	20	20	10	-18	15	71		
Compras netas en Mesa de Negociación / Net purchases of foreign currency	176	255	21	38	321	224	5	296	20	20	20	10	22	15	112		
Operaciones swaps netas / Net swap operations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Operaciones con el Sector Público / Public sector	0	-32	0	-50	-7	-70	0	-31	0	0	0	0	-40	0	-40		
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.											
Compra interbancario/Interbank bid	Promedio / Average	3,471	3,464	3,476	3,440	3,394	3,357	3,324	3,319	3,315	3,313	3,311	3,313	3,309	3,307	3,312	
Apertura / Opening	3,472	3,466	3,495	3,443	3,397	3,358	3,323	3,321	3,318	3,315	3,315	3,312	3,313	3,308	3,315		
Venta Interbancario	Mediodía / Midday	3,471	3,466	3,477	3,442	3,395	3,359	3,330	3,321	3,315	3,313	3,311	3,315	3,309	3,313		
Interbank Ask	Cierre / Close	3,471	3,465	3,477	3,441	3,395	3,358	3,326	3,321	3,317	3,313	3,314	3,308	3,310	3,313		
Promedio / Average	3,471	3,466	3,478	3,442	3,396	3,358	3,325	3,321	3,316	3,314	3,312	3,314	3,310	3,308	3,314		
Sistema Bancario (SBS)	Compra / Bid	3,471	3,464	3,476	3,440	3,395	3,357	3,322	3,320	3,316	3,314	3,311	3,312	3,309	3,306	3,312	
Banking System	Venta / Ask	3,472	3,466	3,478	3,442	3,396	3,358	3,325	3,322	3,317	3,315	3,312	3,314	3,312	3,308	3,315	
Índice de tipo de cambio real (1994 = 100) / Real exchange rate Index (1994 = 100)		106,5	105,5	104,5	104,2	102,8	102,4		102,5								
INDICADORES MONETARIOS / MONETARY INDICATORS																	
Moneda nacional / Domestic currency																	
Emisión Primaria	(Var. % mensual) / (% monthly change)	11,5	0,7	0,7	9,9	-5,2	-1,0	4,5	4,5	7,4							
Monetary base	(Var. % últimos 12 meses) / (% 12-month change)	10,1	16,6	19,2	21,0	18,6	20,5	24,3									
Oferta monetaria	(Var. % mensual) / (% monthly change)	3,6	1,5	-0,4	2,5	1,6	2,6										
Money Supply	(Var. % últimos 12 meses) / (% 12-month change)	10,5	12,9	13,8	10,3	13,9	16,8										
Crédito sector privado	(Var. % mensual) / (% monthly change)	-1,2	3,6	0,8	1,0	0,9	1,2										
Crédito al sector privado	(Var. % últimos 12 meses) / (% 12-month change)	5,1	6,3	3,9	4,9	6,6	8,0										
TOSE saldo fin de período (Var.% acum. en el mes) / TOSE balance (% change)	-0,8	3,2	0,4	-0,9	3,3	1,1	4,3	4,3	-0,3	0,2	0,1	1,9					
Superávit de encaje promedio (% respecto al TOSE)/Average reserve surplus (% of TOSE)	0,2	0,2	0,5	0,5	0,9	0,8	0,4	0,4	2,3	2,6	1,9	1,8					
Cuenta corriente de los bancos (saldo mill. S./) / Banks' current account (balance)	192	182	196	186	189	197	113	218	785	692	293	352	362				
Créditos por regulación monetaria (millones de S./) / Rediscounts (Millions of S./)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Depósitos públicos en el BCRP (millones de S./) / Public sector deposits at the BCRP (Mills.S./)	1 196	2 000	2 286	1 886	2 003	2 112	2 289	2 289	2 163	2 194	2 179	2 164	2 108	n.d.			
Certificados de Depósitos BCRP (saldo Mill.S./) / CDBCRP balance (Millions of S./)	4 097	5 998	5 188	4 961	6 100	6 730	7 385	7 385	7 335	7 335	7 415	7 415	7 490				
Operaciones de reporte (saldo Mill. S./) / repos (Balance millions of S./)	0	70	75	175	0	0	165	165	485	345	0	0	0				
Tasa de interés (%)	Préstamos y descuentos hasta 360 días / Loans & discount	13,97	14,76	14,74	14,49	14,41	14,27	14,14	14,17	13,83	13,88	13,77	13,80	13,87	13,91	13,87	
Interest rates (%)	Interbancaria / Interbank	2,51	2,48	2,46	2,44	2,67	2,73	3,10	2,93	3,20	3,08	3,09	2,95	2,91	3,06		
Preferencial corporativa a 90 días / Corporate Prime	3,32	3,33	3,53	3,54	3,56	3,52	3,72	3,65	3,72	3,80	3,80	3,80	3,80	3,80	3,78		
Operaciones de reporte con CDBCRP / CDBCRP repos	s.m.	2,55	2,51	3,29	s.m.	s.m.	3,08	3,08	3,16	3,07	s.m.	s.m.	s.m.	s.m.			
Créditos por regulación monetaria / Rediscounts **	3,25	3,25	3,25	3,25	3,50	3,50	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75	3,75		
Del saldo de CDBCRP / CDBCRP balance	3,91	3,64	3,76	3,71	3,85	4,04	4,18	4,18	4,19	4,19	4,17	4,17					
Moneda extranjera / foreign currency																	
Crédito sector privado	(Var. % mensual) / (% monthly change)	-0,6	0,5	0,7	0,5	-1,3	-1,1										
Crédito al sector privado	(Var. % últimos 12 meses) / (% 12-month change)	-5,8	-3,7	-0,4	0,9	-0,5	-0,5										
TOSE saldo fin de período (Var.% acum. en el mes) / TOSE balance (% change)	0,2	0,3	3,4	2,9	-2,0	-0,5	-1,8	-1,8	0,8	1,0	0,9	0,9					
Superávit de encaje promedio (% respecto al TOSE)/Average reserve surplus (% of TOSE)	0,1	0,1	0,1	0,2	0,1	0,1	0,1	0,1	-1,1	0,4	2,2	2,5					
Créditos por regulación monetaria (millones de US dólares) / Rediscounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Tasa de interés (%)	Préstamos y descuentos hasta 360 días / Loans & discount	7,26	7,30	6,67	6,68	6,93	7,40	7,59	7,57	7,64	7,62	7,60	7,60	7,61	7,61		
Interest rates (%)	Interbancaria / Interbank	1,09	1,08	1,11	1,26	1,45	1,54	1,79	1,73	1,70	1,76	1,77	1,84	1,78	1,82	1,78	
Preferencial corporativa a 90 días / Corporate Prime	1,72	1,76	2,04	2,14	2,15	2,23	2,46	2,46	2,46	2,49	2,49	2,49	2,49	2,49	2,48		
Créditos por regulación monetaria / Rediscounts ***	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.	s.m.	s.m.		
INDICADORES BURSÁTILES / STOCK MARKET INDICES	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.		Acum.									
Indice General Bursátil (Var. %) / General Index (% change)	13,4	10,5	-1,4	-2,1	0,9	1,0	1,1	8,1	-0,2	0,3	1,1	0,1	0,0	0,2	1,1		
Indice Selectivo Bursátil (Var. %) / Blue Chip Index (% change)	16,2	12,4	-2,7	-1,9	0,6	16,4	1,6	6,7	-0,2	0,6	1,1	-0,0	-0,2	0,1	1,6		
Monto negociado en acciones (Mill. S./) - Prom. diario	15,7	17,2	13,5	9,8	10,9	8,9	19,3	17,3	7,8	14,6	28,8	7,5	25,3	11,8	14,5		
INFLACIÓN (%) / INFLATION (%)																	
Inflación mensual / Monthly	0,56	0,46	0,56	0,19	-0,01	0,02			-0,02								
Inflación últimos 12 meses / % 12 months change	2,48	2,76	4,26	4,61	4,59	4,03	3,95										
GOBIERNO CENTRAL (Mill. S./) / CENTRAL GOVERNMENT (Mills. of S.)																	
Resultado primario / Primary balance	-740	282	382	-401	297	-90											
Ingresos corrientes / Current revenue	2 963	2 898	2 889	2 844	2 967	2 993											
Gastos no financieros / Non-financial expenditure	3 827	2 623	2 517	3 327	2 690	3 094											
COMERCIO EXTERIOR (Mills. US\$) / FOREIGN TRADE (Mills. of US\$)																	
Balanza Comercial / Trade balance	184	218	134	336	232	262											
Exportaciones / Exports	909	994	960	1 123	1 132	1 114											
Importaciones / Imports	726	776	826	787	900	852											
PRODUCTO BRUTO INTERNO (índice 1994=100) / GROSS DOMESTIC PRODUCT																	
Variac. %, respecto al mismo mes del año anterior / Annual rate of growth	3,4	5,9	3,0	3,8	6,0												
COTIZACIONES INTERNACIONALES / INTERNATIONAL QUOTATIONS	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.		Prom.								Prom.	
LIBOR a tres meses (%) / LIBOR 3-month (%)	1,17	1,11	1,50	1,62	1,73	1,90	2,17	2,08	2,20	2,21	2,22	2,26	2,27	2,28	2,23		
Dow Jones (Var %) / (% change)	6,53	-2,14	2,42	-2,83	0,34	-0,92	0,23	-0,52	1,01	1,75	0,71	0,04	-0,05	-0,01	3,57		
Rendimiento de los U.S. Treasuries (10 años) / U.S. Treasuries yield (10 years)	4,26	3,81	4,73	4,47	4,27	4,12	4,03	4,08	4,07	4,07	4,18	4,22	4,23	4,24	4,15		
Stripped spread del EMBI+ PERÚ (pbs) / EMBI+ PERU stripped spread (basis points)	318	344	438	424	370	320	318	334	304	295	292	289	291	287	295		
Bono Global 2012 - Perú (en pbs) / Global Bond 2012 - Peru (basis points)	304	315	411	398	341	294	297	311	279	275	264	260	262	271			

* Incluye depósitos de Promecapi, Fondo de Estabilización Fiscal (FEF), Codife, fondos administr