CENTRAL RESERVE BANK OF PERU

WEEKLY REPORT

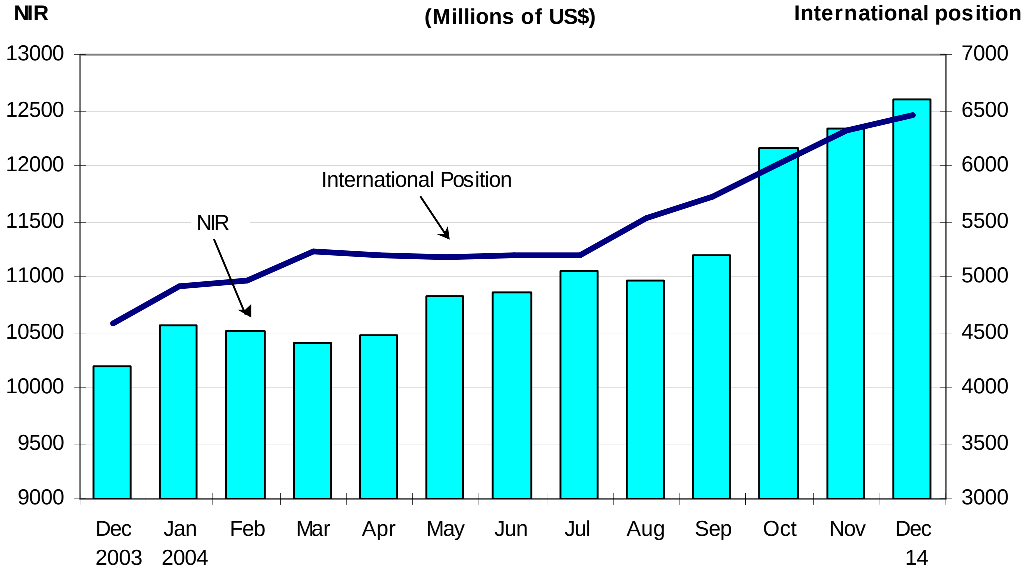
Nº 50 – December 17, 2004

Net international reserves at US$ 12 601 million

As of **December 14**, net international reserves (NIR) amounted to US$ 12 601 million, up US$ 264 million from end-November. This increase was mainly due to net foreign exchange purchases (US$ 159 million), higher financial system deposits (US$ 129 million) and investment yield (US$ 2 million) which were partially offset by the valuation effect (US$ 23 million) and lower public sector deposits (US$ 6 million).

Starting this year, NIRs have increased US$ 2 407 million, whereas the **Central Bank's international position** (US$ 6 458 million) grew by US$ 1 875 million.

Net international reserve and international position of the Central Reserve Bank
December 2003 - Decvember 2004
(Millions of US$)



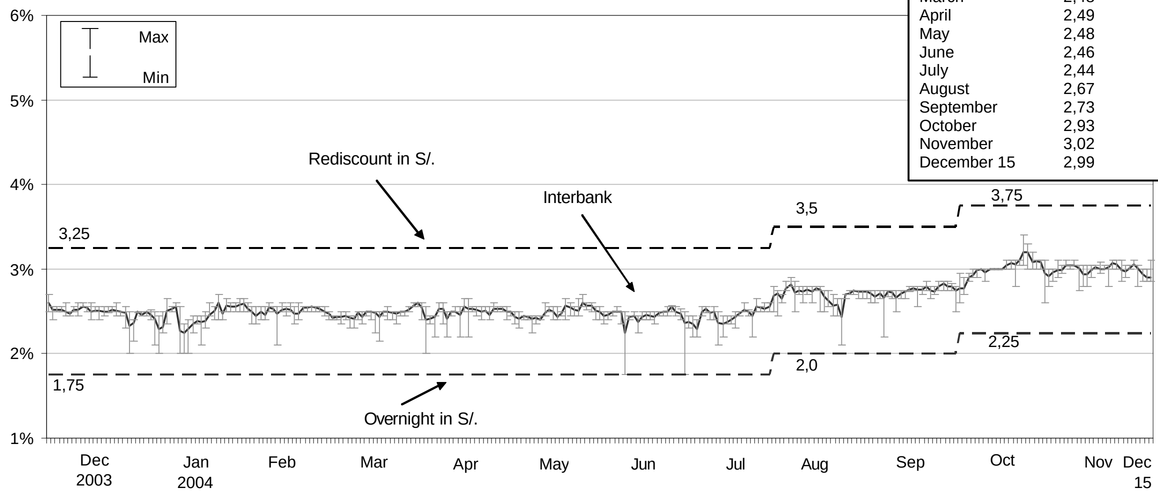
Interbank interest rate at 2,99%

As of **December 15**, the average interbank interest rate in domestic currency was 2,99%, lower than November's (3,02%).

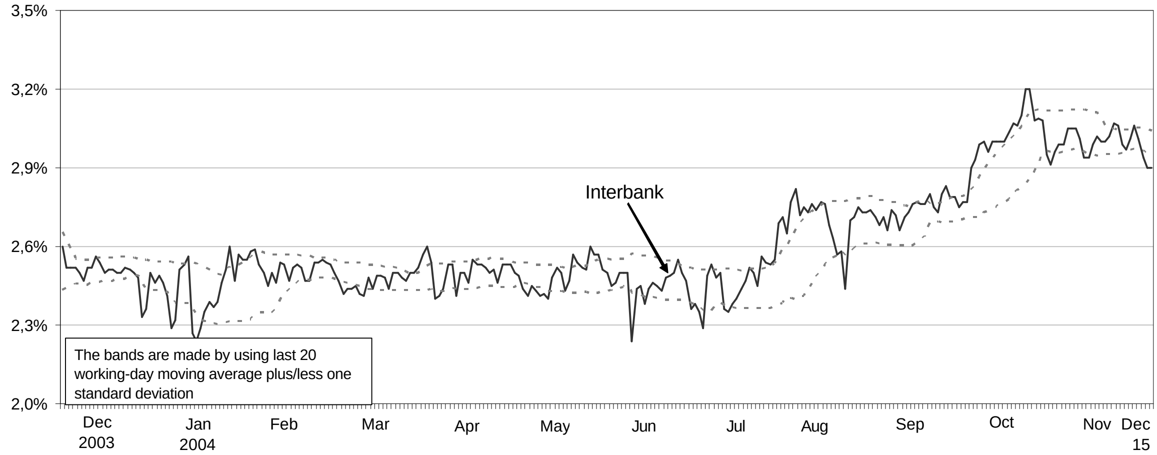
Interbank interest rate (percent)

	Average	Standard Deviation
December 2003	2,51	0,05
January 2004	2,41	0,10
February	2,52	0,04
March	2,48	0,04
April	2,49	0,06
May	2,48	0,05
June	2,46	0,07
July	2,44	0,07
August	2,67	0,10
September	2,73	0,03
October	2,93	0,12
November	3,02	0,08
December 15	2,99	0,06

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



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



Monetary operations

As of **December 15**, the daily average balance of banks' liquidity at the Central Bank was S/. 419 million. Between **December 9 and 15**, the Central Bank made the following operations:

- Auctions of CDBCRP with a: i) 7-day maturity by S/. 200, S/. 50 and S/. 80 million at an average interest rate of 2,94%, 2,92% and 2,99%, respectively; ii) 9-month by S/. 50 million, in 2 occasions, at 4,26% and 4,16%, respectively; iii) 1-year by S/. 50 and S/. 60 million, in 2 occasions, at 4,61%, 4,49% and 4,52%, respectively and iv) 18-month by S/. 40 million, in 2 occasions, at 5,32% and 5,21%.

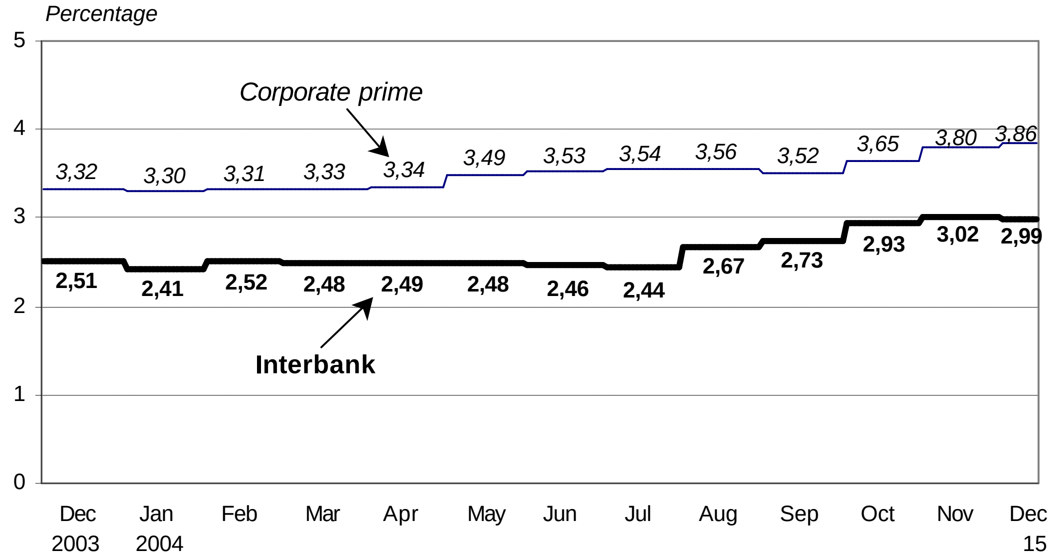
- Auctions of temporary purchase of CDBCRP and Treasury bonds with a 1-day maturity by S/. 110, S/. 30 and S/. 100 million at an average interest rate of 3,00%, 3,09% and 3,05%, respectively.

- Foreign currency purchase over-the-counter mechanism by US$ 150 million at an average exchange rate of S/. 3,273 per dollar.
- Overnight deposits on December 10, 13 and 14 by S/. 60, S/. 40 and S/. 4 million, respectively.

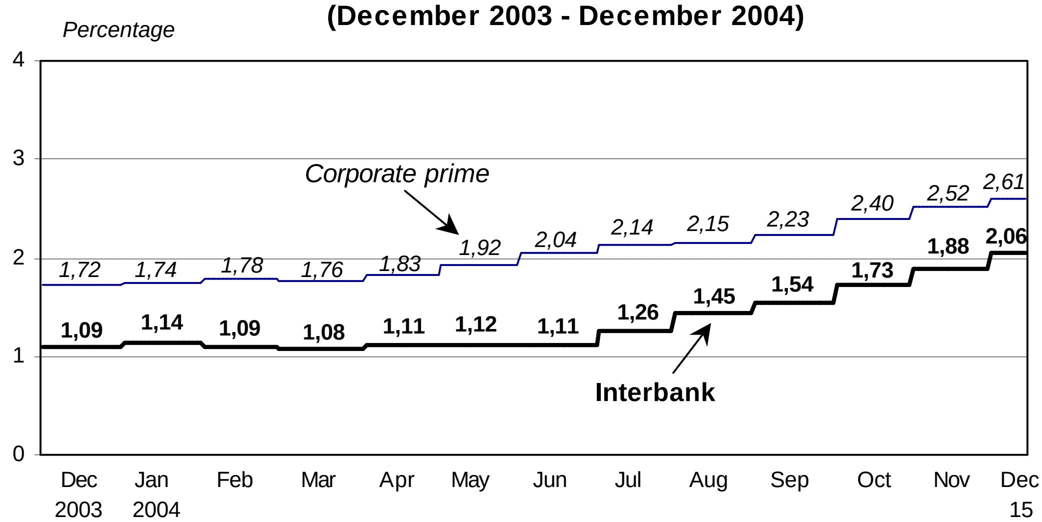
Corporate prime interest rate at 3,86%

As of **December 15**, the 90-day average corporate prime interest rate in domestic currency raised from 3,80% in November to 3,86% and the rate in dollars from 2,52% to 2,61%.

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



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



Exchange rate: S/. 3,264

Between **December 7 and 15**, the banking system exchange rate decreased from S/. 3,299 to S/. 3,264, in a context of a smaller country risk and an appreciation of the currencies of the region. Up to December 15, the **balance of net forward sales** rose by US$ 92 million with respect to November whereas the **bank's exchange position** dropped US$ 17 million.

BANKS' EXCHANGE POSITION
(Millions of US$)

	December 2002	December 2003	November 2004	December 15
a. Net sales to the public (i-ii)	**905**	**607**	**607**	**699**
i. Forward sales to the public	1 141	834	1 004	1 181
ii. Forward purchases to the public	236	227	397	482
b. Banks' exchange position	**643**	**536**	**512**	**495**

Monetary base as of December 7, 2004

The **monetary base** balance as of December 7 (S/. 8 579 million) up 5,7% (S/. 462 million) from end-November. In average terms, the year on year rate of growth of the monetary base was 25,1% (23,0% in November).

The main explanations for this result were lower public sector deposits (S/. 217 million), foreign currency purchases over-the-counter mechanism (US$ 50 million or S/. 163 million) and lower financial enterprises' overnight deposits (S/. 92 million) which were partially offset by net issue of CDBCRP (S/. 20 million).

Banking system monetary accounts as of November 22, 2004

Through last 4 weeks, liquidity in **domestic currency** increased 2,1% (S/. 495 million), to a balance of S/. 23 822 million. Credit to the private sector in the same currency augmented 1,8% (S/. 195 million) to S/. 11 308 million. However, in annual terms this aggregates grew by 24,0% and 10,4%, respectively.

Liquidity in **foreign currency** increased 1,0% (US$ 93 million) to US$ 9 589 million (an annual growth rate of 1,8%). Credit to the private sector in the same currency rose 0,1% (US$ 10 million) to US$ 9 725 million (a nil annual growth rate).

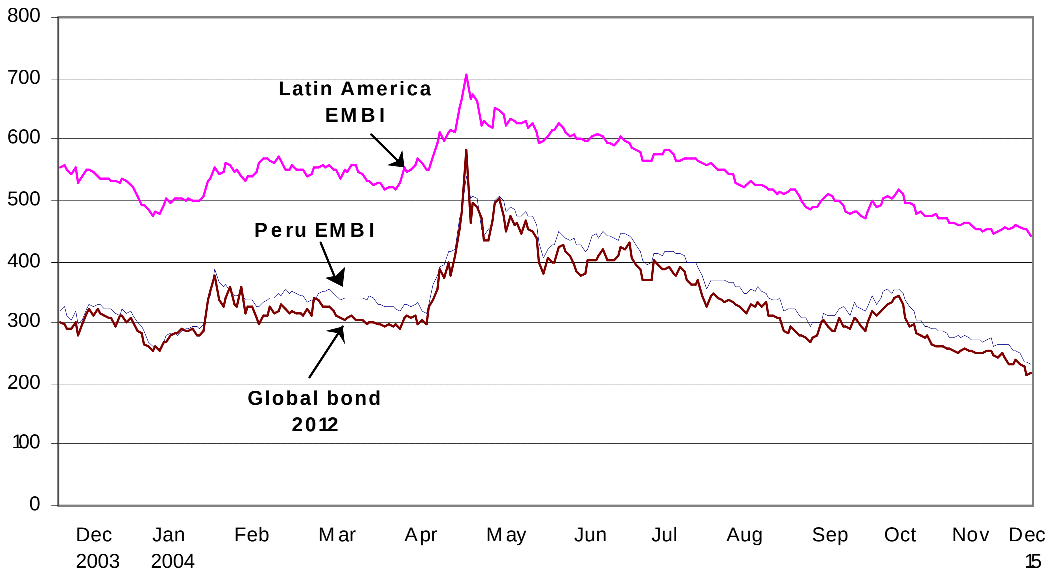
END OF PERIOD MONETARY AGGREGATES OF THE BANKING SYSTEM												
	BASE MONETARY		LIQUIDITY IN D/C		CREDIT IN D/C		LIQUIDITY IN F/C		LIABILITIES 1/		CREDIT IN F/C	
	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR	VAR.(%) MONTH	VAR.(%) YEAR
2003												
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%
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%
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%
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%	-0,1%	14,1%	0,8%	3,9%	3,0%	-1,5%	3,4%	28,4%	0,7%	-0,3%
Jul.	9,9%	21,0%	2,6%	10,7%	1,2%	5,1%	2,4%	2,2%	-5,1%	17,6%	0,5%	0,8%
Aug.	-5,2%	18,6%	1,3%	14,0%	0,4%	6,2%	-1,8%	0,6%	-5,2%	20,8%	-1,2%	-0,5%
Sep.	-1,0%	20,5%	2,7%	16,9%	1,6%	8,0%	0,1%	1,5%	7,5%	31,8%	-1,2%	-0,5%
Oct.	4,5%	24,3%	6,2%	23,4%	3,4%	12,3%	-1,0%	-0,1%	-18,0%	2,6%	-0,6%	-1,0%
Nov.22	1,4%	22,5%	2,1%	24,0%	1,8%	10,4%	1,0%	1,8%	-10,5%	-11,7%	0,1%	0,0%
Memo:												
Balance as of Oct.22 (Mill.S/. or Mill.US$)	7 896		23 327		11 114		9 496		782		9 715	
Balance as of Nov.22 (Mill.S/. or Mill.US$)	8 002		23 822		11 308		9 589		700		9 725	

1/ Short term external liabilities of banking enterprises.

Spread of Global bond 2012 at 2,17%

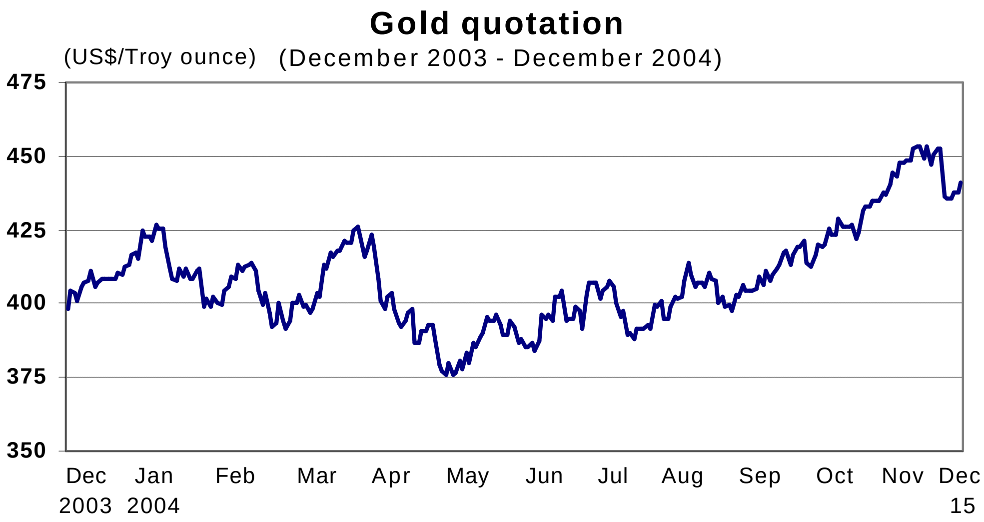
Between **December 8 and 15**, the spread of the **Peruvian Global Bond 2012** decreased from 2,33% to 2,17% and the spread of the **sovereign bonds** from 2,55% to 2,32% (a new historic minimum). The decrease of the Peruvian country risk is explained by the still low performances of the assets in the United States that continues promoting the demand of emerging bonds of higher performance. Internally contributed the culmination of the “*Cédula Viva*” Pensions Reform.

Country risk indicators
(December 2003 - December 2004)

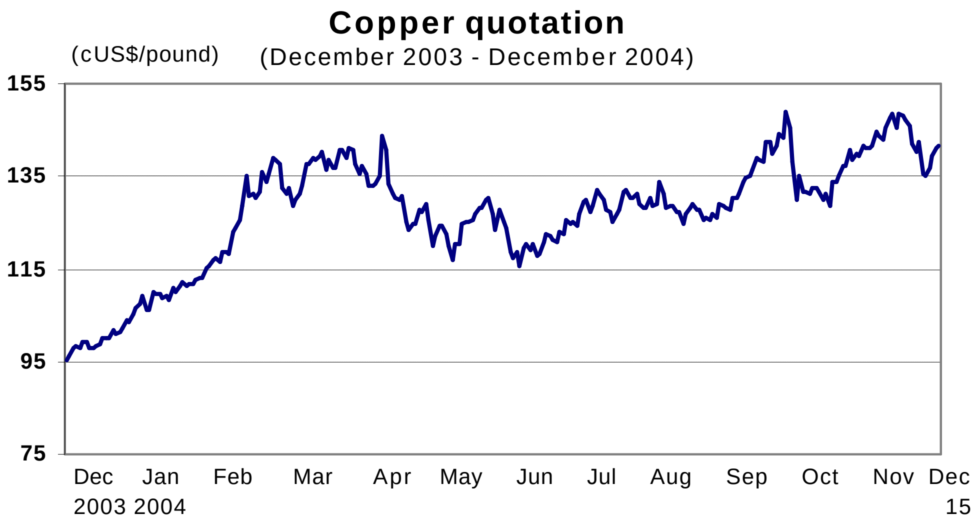


International Markets

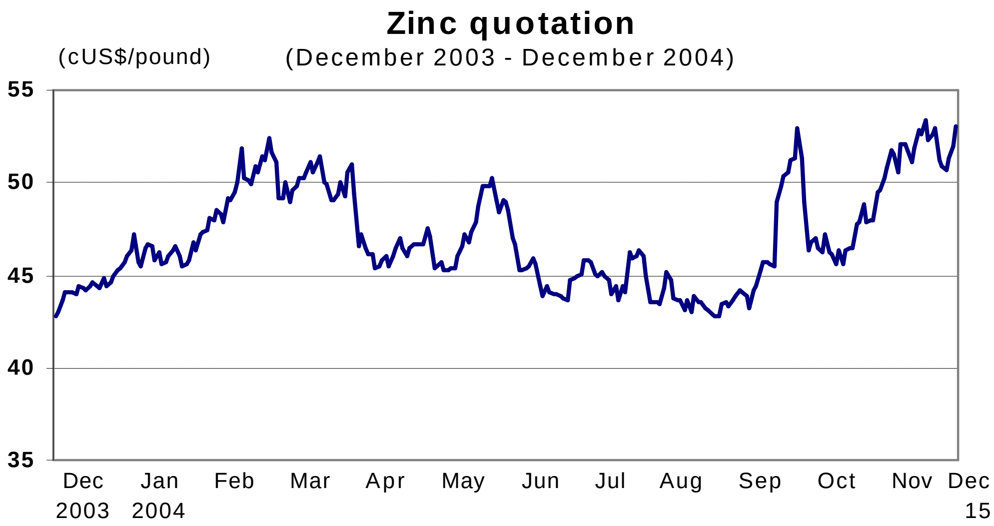
Between **December 8 and 15**, the **gold** quotation increased 1,2% to US$ 441 per troy ounce, due to the weakening of the US dollar against the euro.



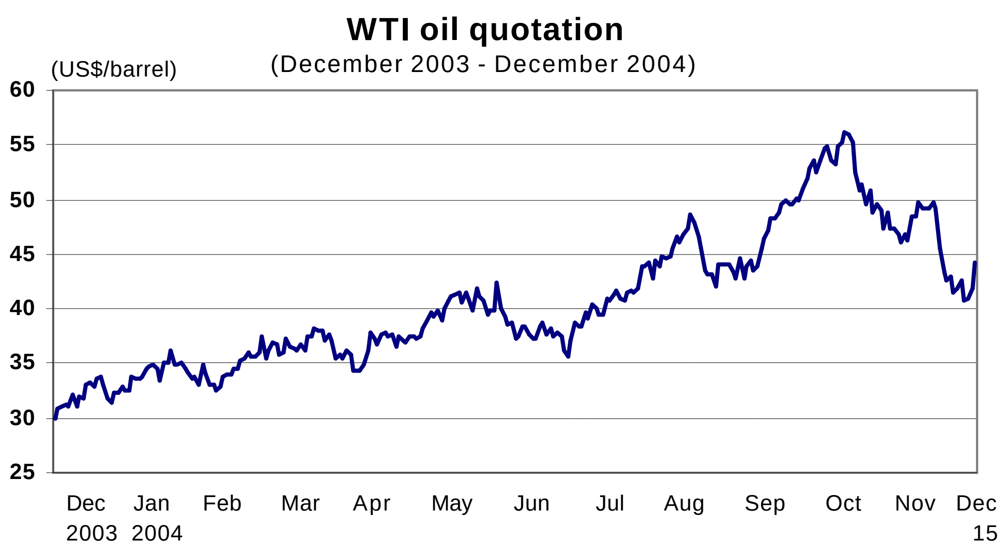
The **copper** quotation raised 4,4% to US$ 1,42 per pound. The International Copper Study Group reported a deficit of 777 thousand MT of refined copper in the world market for the period January-September of 2004, upper from the 399 thousand MT deficit registered in similar period of 2003. Besides, the weakening of the dollar motivated a greater demand of European operators. In the week, the inventories in the London Metal Exchange (LME) diminished from 57 to 55 thousand MT, their smaller level in 14 years.



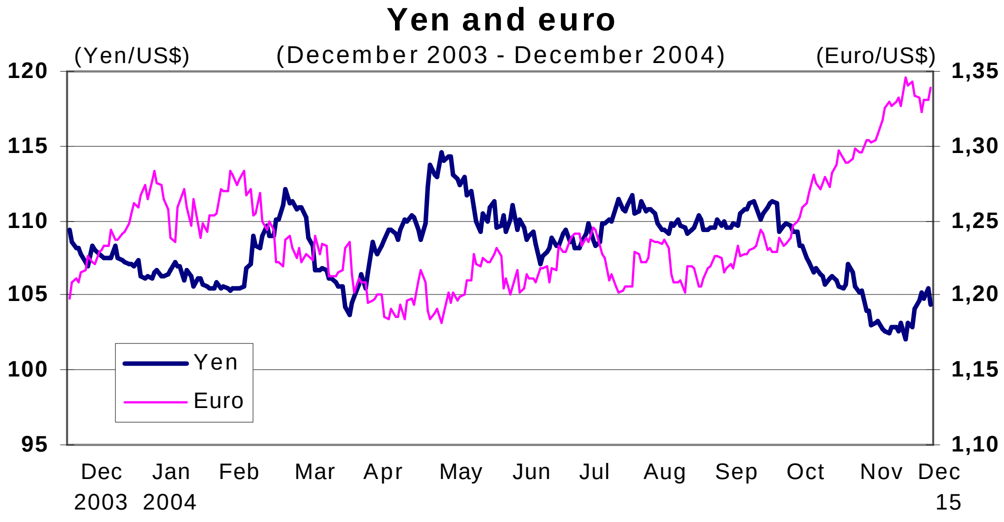
In the period under analysis, the **zinc** quotation increased 3,7% to US$ 0,53 per pound due to the fall acceleration of the LME inventories (they diminished in the week from 661 to 646 thousand MT) and to the expectation of an improvement in the market fundamentals for the 2005. Besides, the Department of Commerce of the United States announced that in October the zinc imports increased in 11% with respect to similar month of the previous year.



Between **December 8 and 15**, the quotation of the **WTI oil** enlarged 5,4% to US$ 44,2 by barrel. The US Department of Energy reported that as of December 10 the heating oil inventories diminished in 100 thousand barrels to 49,9 million barrels, 13% lower to the registered a year ago. Additionally, Saudi Arabia announced the reduction of their crude oil shipments since January, after the OPEC agreement to reduce its production in 1 million barrels.

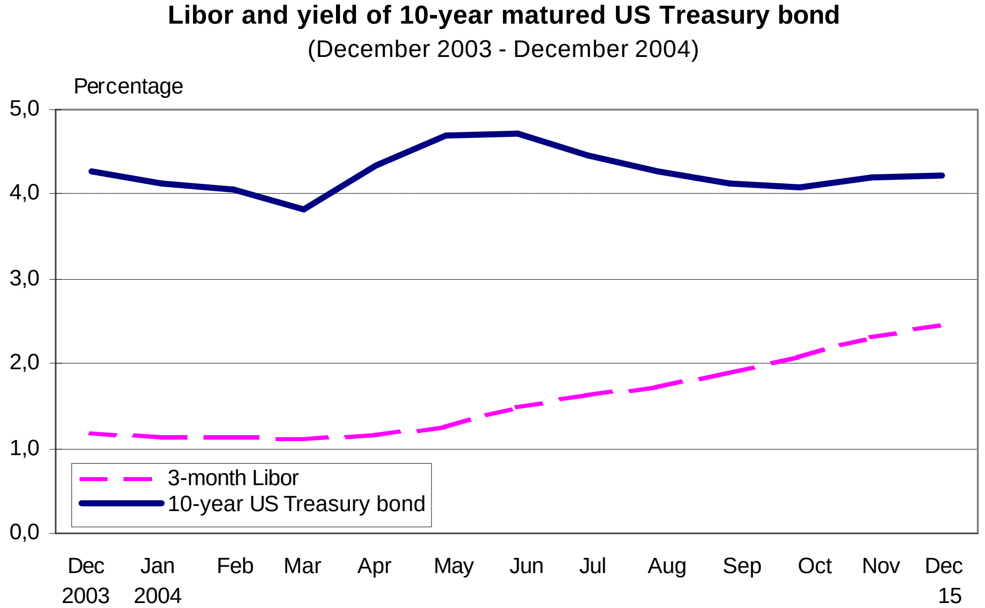


During this week, the US **dollar** depreciated by 0,4% against the **euro** and appreciated 0,3% against the **yen**. In a week with a volatile behavior, the dollar has weakened after being known that net capital inflows in the month were US$ 48 billion (the lowest level since October 2003). This level is smaller to the US$ 50 to 60 billion to cover the monthly commercial deficit that in October was of US$ 55,5 billion.



Between **December 8 and 15**, the **3-month Libor** raised from 2,46% to 2,50%, whereas the **yield of US Treasury bonds with a 10 year** maturity fell from 4,12% to 4,08%.

In its meeting of December 14, the FED decided to elevate the interest rate of the federal funds in 25 bps to 2,25%, just as was expected by the market. In its enclosed statement the FED maintained balanced the risks of inflation and growth. The futures market continues incorporating a rising rates expectation up to the middle of 2005 in which the rate of the federal funds would reach 3,00%, from which the rhythm of rises would diminish.



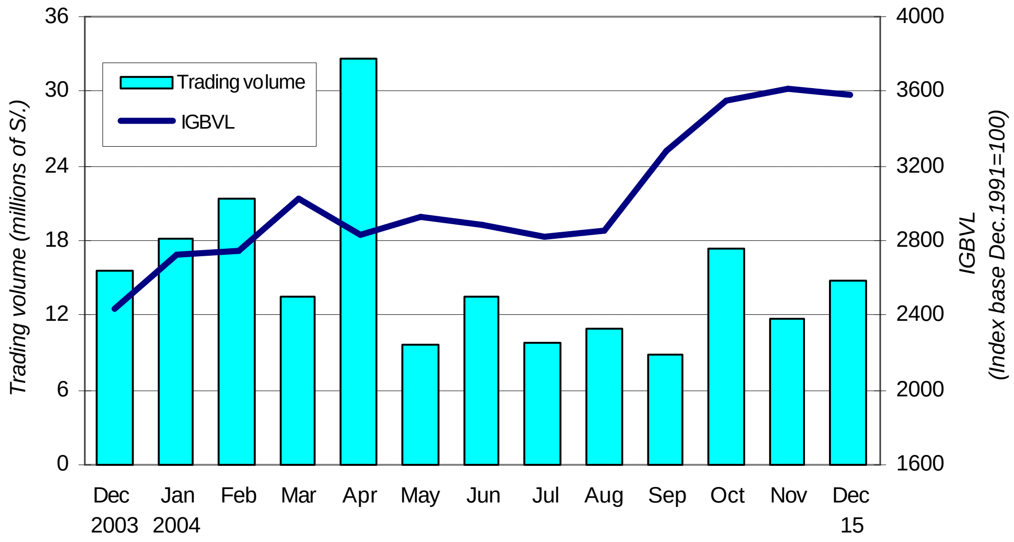
Lima Stock Exchange (LSE)

As of **December 15**, the LSE decreased 0,9% and 0,7% in its **General Index** and its **Blue Chip Index**, respectively.

Nevertheless, in the last week a good performance of the mining actions was observed, like Minsur because of the announcement of a next delivery of dividends, Buenaventura due to the recovery of the gold price and Volcan because of increment of production in recent months and the ascent of the zinc price.

In the year, these indexes record cumulative increases of 47,2% and 48,6%, respectively.

LSE indicators
(December 2003 - December 2004)



Indicadores Económicos / *Economic Indicators*

		2003	2004												
		DIC.	MAR.	JUN.	SET.	OCT.	30 Nov.	NOV.	7 Dic.	9 Dic.	10 Dic.	13 Dic.	14 Dic.	15 Dic.	DIC.
RESERVAS INTERNACIONALES (Mills. US$) / INTERNATIONAL RESERVES								Var.							Var.
Posición de cambio / *Net international position*		4 583	5 235	5 199	5 721	6 022	6 320	298	6 378	6 353	6 353	6 395	6 458		138
Reservas internacionales netas / *Net international reserves*		10 194	10 411	10 855	11 187	12 166	12 337	172	12 539	12 520	12 555	12 604	12 601		264
Depósitos del sistema financiero en el BCRP / *Financial system deposits at BCRP*		2 892	2 776	3 087	3 094	2 910	2 900	-10	3 068	3 065	3 099	3 088	3 030		129
Empresas bancarias / *Banks*		2 687	2 611	2 884	2 929	2 823	2 788	-35	2 965	2 980	2 998	2 996	2 938		150
Banco de la Nación / *Banco de la Nación*		154	113	147	106	31	51	20	40	22	37	29	28		-23
Resto de instituciones financieras / *Other financial institutions*		52	52	56	59	56	61	5	63	64	64	63	63		2
Depósitos del sector público en el BCRP / *Public sector deposits at BCRP*		2 761	2 433	2 614	2 403	3 274	3 162	-112	3 136	3 146	3 146	3 163	3 156		-6
OPERACIONES CAMBIARIAS BCR (Mill. US$) / *BCRP FOREIGN OPERATIONS*		Acum.	Acum.	Acum.	Acum.	Acum.		Acum.							Acum.
Origen externo de la emisión primaria / *External origin of the monetary base*		175	223	22	155	265	10	239	0	5	8	30	68	40	199
Compras netas en Mesa de Negociación / N*et purchases of foreign currency*		176	255	21	224	296	10	278	0	5	8	30	68	40	200
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	-32	0	-70	-31	0	-40	0	0	0	0	0	0	0
TIPO DE CAMBIO (S/. por US$) / *EXCHANGE RATE*		Prom.	Prom.	Prom.	Prom.	Prom.		Prom.							Prom.
Compra interbancario/*Interbank bid*	Promedio / *Average*	3,471	3,464	3,476	3,357	3,319	3,304	3,309	3,297	3,300	3,293	3,284	3,273	3,263	3,291
	Apertura / *Opening*	3,472	3,466	3,495	3,358	3,321	3,305	3,310	3,298	3,300	3,299	3,290	3,279	3,269	3,294
Venta Interbancario	Mediodía / *Midday*	3,471	3,466	3,477	3,359	3,321	3,307	3,310	3,298	3,301	3,295	3,285	3,274	3,262	3,291
Interbank Ask	Cierre / *Close*	3,471	3,465	3,477	3,358	3,321	3,305	3,310	3,299	3,297	3,292	3,278	3,271	3,267	3,291
	Promedio / *Average*	3,471	3,466	3,478	3,358	3,321	3,306	3,311	3,299	3,301	3,294	3,285	3,274	3,263	3,292
Sistema Bancario (SBS)	Compra / *Bid*	3,471	3,464	3,476	3,357	3,320	3,304	3,309	3,297	3,300	3,293	3,285	3,274	3,263	3,291
Banking System	Venta / *Ask*	3,472	3,466	3,478	3,358	3,322	3,306	3,311	3,299	3,301	3,295	3,286	3,275	3,264	3,292
Índice de tipo de cambio real (1994 = 100) / *Real exchange rate Index (1994 = 100)*		106,5	105,5	104,5	102,4	102,6		104,4							
INDICADORES MONETARIOS / *MONETARY INDICATORS*															
Moneda nacional / *Domestic currency*															
Emisión Primaria	(Var. % mensual) / *(% monthly change)*	11,5	0,7	0,7	-1,0	4,5	0,6	0,6							
Monetary base	(Var. % últimos 12 meses) / *(% 12-month change)*	10,1	16,6	19,2	20,5	24,3		21,7							
Oferta monetaria	(Var. % mensual) / *(% monthly change)*	3,6	1,5	-0,1	2,7	6,2									
Money Supply	(Var. % últimos 12 meses) / *(% 12-month change)*	10,5	12,9	14,1	16,9	23,4									
Crédito sector privado	(Var. % mensual) / *(% monthly change)*	-1,2	3,6	0,8	1,6	3,4									
Crédit to the private sector	(Var. % últimos 12 meses) / *(% 12-month change)*	5,1	6,3	3,9	8,0	12,3									
TOSE saldo fin de período (Var.% acum. en el mes) / *TOSE balance (% change)*		-0,8	3,2	0,4	1,1	4,3	1,5	1,5	2,8	2,7	3,4	4,2			
Superávit de encaje promedio (% respecto al TOSE)*Average reserve surplus (% of TOSE)*		0,2	0,2	0,5	0,8	0,4	0,5	0,5	2,6	2,1	1,8	1,7			
Cuenta corriente de los bancos (saldo mill. S/.) / *Banks' current account (balance)*		192	182	196	197	218	92	238	275	304	330	232	234	99	
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 BCRP (millones S/.)*Public sector deposits at the BCRP (Mills.S/.)*		1 196	2 000	2 286	2 112	2 289	2 393	2 393	2 176	2 376	2 185	2 149	2 153	n.d.	
Certificados de Depósitos BCRP (saldo Mill.S/.) / *CDBCRP balance (Millions of S/.)*		4 097	5 998	5 188	6 730	7 385	7 794	7 794	7 815	7 815	7 815	7 965	8 075	8 225	
Operaciones de reporte (saldo Mill. S/.) /*repos (Balance millions of S/.)*		0	70	75	0	165	0	0	0	140	100	0	0	0	
	Préstamos y descuentos hasta 360 días / Loans & d*iscount*	13,97	14,76	14,74	14,27	14,17	14,65	14,16	14,73	14,71	14,73	14,70	14,73	14,69	14,74
	Interbancaria / *Interbank*	2,51	2,48	2,46	2,73	2,93	3,02	3,02	3,01	3,06	3,01	2,94	2,90	2,90	2,99
Tasa de interés (%)	Preferencial corporativa a 90 días / Corporate *Prime*	3,32	3,33	3,53	3,52	3,65	3,81	3,80	3,86	3,86	3,86	3,86	3,86	3,86	3,86
Interest rates (%)	Operaciones de reporte con CDBCRP / *CDBCRP repos*	s.m	2,55	2,51	s.m.	3,08	s.m.	s.m.	s.m.	3,02	3,05	s.m.	s.m.	s.m.	
	Créditos por regulación monetaria / *Rediscounts* **	3,25	3,25	3,25	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	4,04	4,18	4,24	4,24	4,24	4,24	4,24	4,23	4,23	4,24	
Moneda extranjera / *foreign currency*															
Crédito sector privado	(Var. % mensual) / *(% monthly change)*	-0,6	0,5	0,7	-1,2	-0,6									
Crédit to the private sector	(Var. % últimos 12 meses) / *(% 12-month change)*	-5,8	-3,7	-0,3	-0,5	-1,0									
TOSE saldo fin de período (Var.% acum. en el mes) / *TOSE balance (% change)*		0,2	0,3	3,4	-0,5	-1,8	1,3	1,3	1,2	1,5	1,1	1,6			
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	4,4	4,5	4,7	4,7			
Créditos por regulación monetaria (millones de US dólares) / *Rediscounts*		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Préstamos y descuentos hasta 360 días / *Loans & discount*	7,26	7,30	6,67	7,40	7,57	7,74	7,65	7,67	7,69	7,68	7,63	7,62	7,65	7,66
Tasa de interés (%)	Interbancaria / *Interbank*	1,09	1,08	1,11	1,54	1,73	2,09	1,88	2,03	2,06	2,08	2,23	2,19	2,23	2,06
Interest rates (%)	Preferencial corporativa a 90 días / *Corporate Prime*	1,72	1,76	2,04	2,23	2,40	2,51	2,52	2,61	2,61	2,61	2,63	2,63	2,63	2,61
	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.
INDICADORES BURSÁTILES / *STOCK MARKET INDICES*		Acum.	Acum.	Acum.	Acum.	Acum.		Acum.							Acum.
Índice General Bursátil (Var. %) / *General Index (% change)*		13,4	10,5	-1,4	15,0	8,1	-0,5	2,0	-0,7	-0,8	0,1	0,3	0,4	1,1	-0,9
Índice Selectivo Bursátil (Var. %) / *Blue Chip Index (% change)*		16,2	12,4	-2,7	16,4	6,7	-0,5	2,0	-0,6	-1,0	0,0	0,3	0,3	1,2	-0,7
Monto negociado en acciones (Mill. S/.) - Prom. diario		15,7	17,2	13,5	8,9	17,3	30,8	11,8	4,4	5,2	16,6	4,5	7,3	7,0	14,8
INFLACIÓN (%) / *INFLATION (%)*															
Inflación mensual / *Monthly*		0,56	0,46	0,56	0,02	-0,02		0,29							
Inflación últimos 12 meses / % *12 months change*		2,48	2,76	4,26	4,03	3,95		4,07							
GOBIERNO CENTRAL (Mill. S/.) / *CENTRAL GOVERNMENT (Mills. of S/.)*															
Resultado primario / *Primary balance*		-740	282	382	-91	56									
Ingresos corrientes / *Current revenue*		2 963	2 898	2 889	2 993	2 942									
Gastos no financieros / *Non-financial expenditure*		3 827	2 623	2 517	3 094	2 894									
COMERCIO EXTERIOR (Mills. US$) / *FOREIGN TRADE (Mills. of US$)*															
Balanza Comercial / *Trade balance*		184	218	134	262	284									
Exportaciones / *Exports*		909	994	960	1 114	1 138									
Importaciones / *Imports*		726	776	826	852	853									
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	4,5	2,1									
COTIZACIONES INTERNACIONALES / *INTERNATIONAL QUOTATIONS*		Prom.	Prom.	Prom.	Prom.	Prom.		Prom.							Prom.
LIBOR a tres meses (%) / *LIBOR 3-month (%)*		1,17	1,11	1,50	1,90	2,08	2,41	2,31	2,45	2,47	2,48	2,49	2,50	2,50	2,46
Dow Jones (Var %) / *(% change)*		6,53	-2,14	2,42	-0,92	-0,52	-0,46	3,99	-1,01	0,56	-0,09	0,90	0,36	0,21	2,60
Rendimiento de los U.S. Treasuries (10 años) / *U.S. Treasuries yield (10 years)*		4,26	3,81	4,73	4,12	4,08	4,35	4,19	4,22	4,17	4,15	4,15	4,12	4,08	4,21
Stripped spread del EMBI+ PERÚ (pbs) / *EMBI+ PERU stripped spread (basis points*)		318	344	438	320	334	274	282	263	253	250	237	235	232	252
Bono Global 2012 - Perú (en pbs) / *Global Bond 2012 - Peru (basis points)*		304	315	411	294	311	253	260	233	239	231	229	214	217	235

* 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: BCRP, INEI, Aduanas, Banco de la Nación, BVL, Sunat, SBS, Reuters y Bloomberg.