Weekly Economic Report N° 46

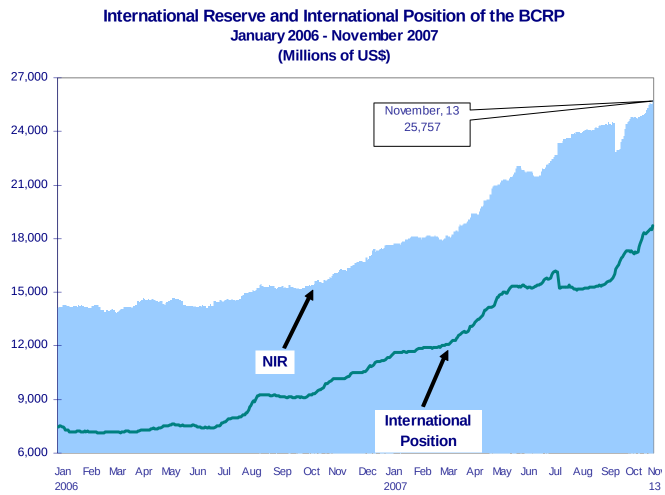
November 16, 2007

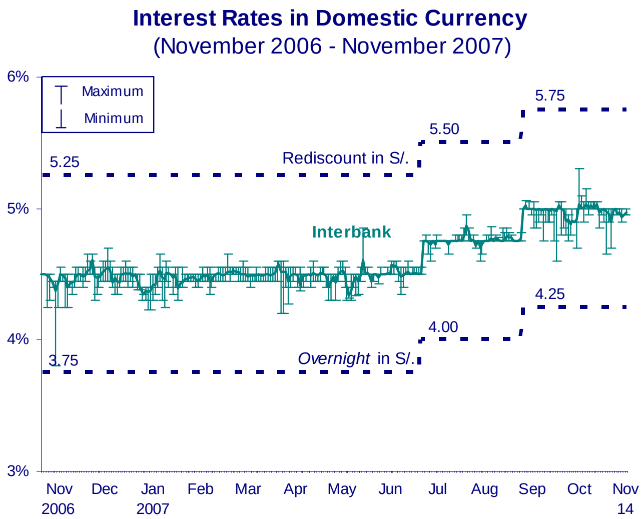
Indicators

- NIRs total US$ 25,757 million on November 13
- Exchange rate: S/. 2.997 on november 14
- Interbank interst rate at 4.96 percent on November l4
- Country risk at 164 bps
- Lima Stock Exchange decreased 8.6 percent by November 14

Content

Average interbank interest rate on November 14: 4,96 percent	x
Corporate prime rate in nuevos soles decreased to 5.58 percent	x
International reserves reach a new historical record of US$ 25,757 million	xi
Exchange rate at S/. 2.997 per dollar	xi
Monetary base by November 7, 2007	xii
Country risk at 164 basis points	xii
Lima Stock Exchange dropped 8.6 percent by November 14	xv





Our website
http://www.bcrp.gob.pe

- Working paper: The monetary policy transmission mechanism under financial dollarization: the case of Peru 1996-2006
- Weekly Report N° 45-2007
- International Reserves Management: October 2007
- Informative note on the Monetary Program: November 2007. BCRP mantains the reference interest rate at 5.0%
- Inflation Report: Recents trends and macroeconomic forecast - September 2007
- Annual Report 2006
- Monetary Policy in a Dual Currency Environment
- Quarterly Charts

HISTORICAL INFORMATION ON MACROECONOMIC EXPECTATIONS OF WEEKLY REPORT

As from the date it's showed on the Internet portal (http://www.bcrp.gob.pe) the evolution of the **Monthly Survey on Macroeconomic Expectations** *about inflation, GDP growth, and exchange rate made to financial system officials, economist analysts and non-financial businesses executives. This information is found in Monetary Policy and Statistics sections.*

Additionaly, the excel tables in the **Weekly Report** *which is found on the internet portal will contain historical information and access to the database (http://www.bcrp.gob.pe/bcr/ingles/Nota-Semanal/Cuadros-Estadisticos-Statistic-Charts.html)*

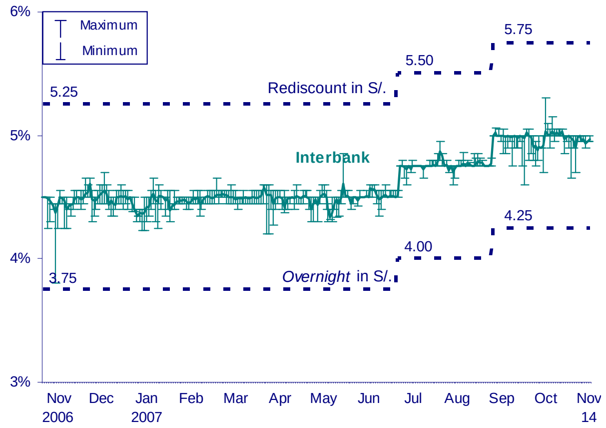
Average interbank interest rate on November 14: 4.96 percent

The **average interbank interest rate in domestic currency** decreased from 4.98 in October to 4.96 on November. Between November 7 and 14, this rate fell from 5.00 to 4.97 percent.

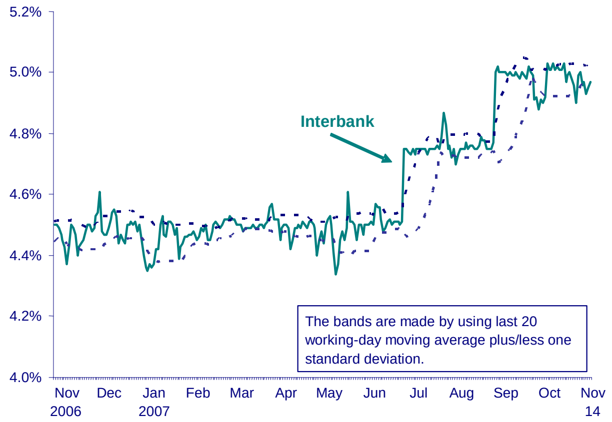
Interbank Interest Rate Average (percent)

	Average	S.D.
December 2004	3.00	0.05
December 2005	3.34	0.08
December 2006	4.51	0.04
March 2007	4.50	0.01
June	4.52	0.03
July	4.69	0.09
August	4.77	0.04
Setember	4.97	0.10
October	4.98	0.05
November 14	4.96	0.03

Interest Rates in Domestic Currency
(November 2006 - November 2007)



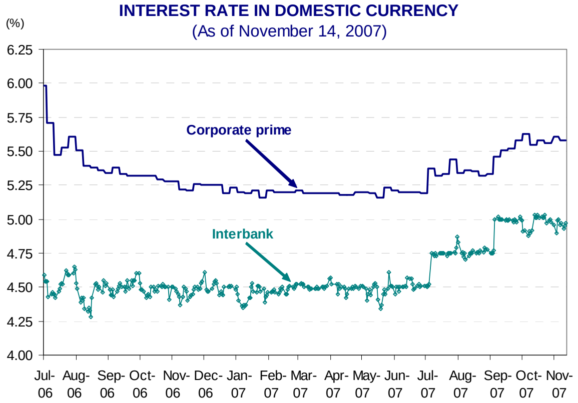
Interbank Interest Rate in Domestic Currency
(November 2006 - November 2007)



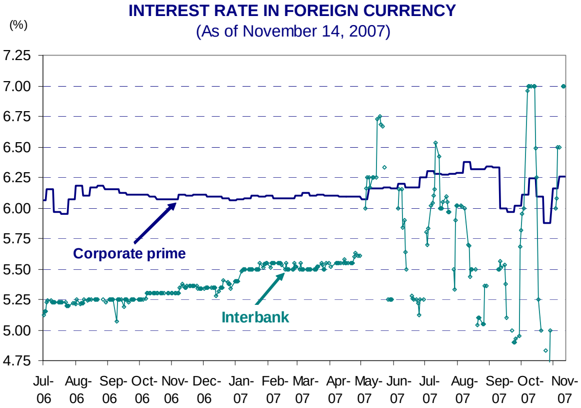
Corporate prime rate in nuevos soles decreased to 5.58 percent

Between **November 7 and 14**, the daily average of the 90-day corporate prime rate in domestic currency decreased from 5.61 to 5.58 percent, while this rate in dollars increased from 6.16 to 6.26 percent.

INTEREST RATE IN DOMESTIC CURRENCY
(As of November 14, 2007)

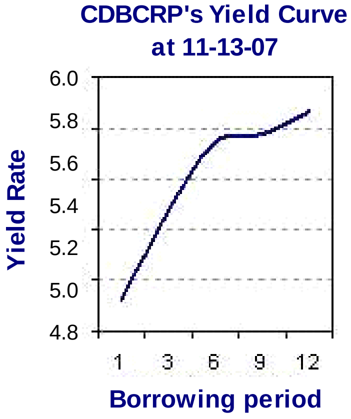


INTEREST RATE IN FOREIGN CURRENCY
(As of November 14, 2007)



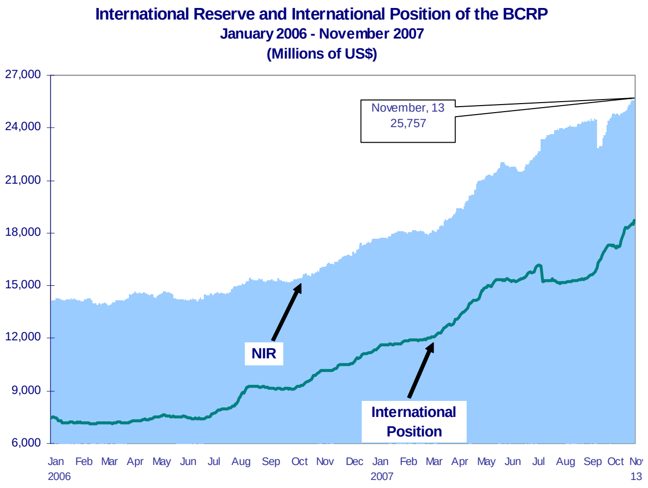
Monetary operations

Between **November 8 and 14**, the Central Bank made the following monetary operations: i) auctions of BCRP Certificates of Deposit with 1-day, 1-month, 3-month, 6-month, 9-month 1-year and 2-year maturities for a daily average of S/. 2,986.1 million. The average interest rate on these operations was 5.03 percent; ii) purchases of foreign currency for a total of US$ 391 million; iii) overnight deposits in domestic currency for a total of S/. 351 million.



International reserves reach a new historical record of US$ 25,757 million

Net international reserves (NIRs) rose US$ 867 million compared to end October and amounted to US$ 25,757 million on **November 13**. This increase in the balance of NIRs was mainly due to BCRP exchange operations (US$ 471 million), to higher deposits to financial system (US$ 414) and to the higher valuation of other securities (US$ 37 million). This result was offset by public sector's lower deposits (US$ 57 million), and to lower investment yield (US$ 3 million)

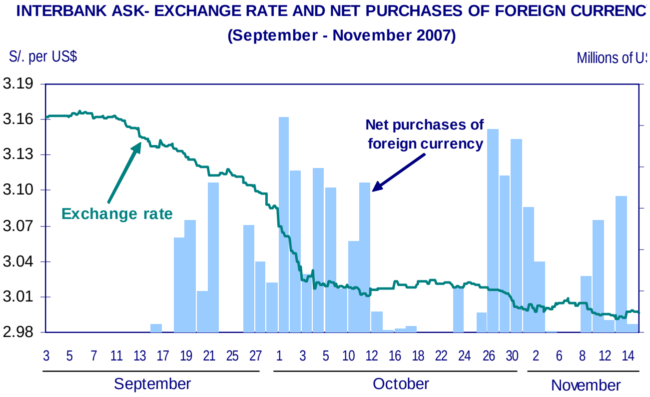


The **international position of the BCRP** by November 13 (US$ 18,704 million) increased by US$ 509 million compared to end October.

Exchange rate at S/. 2.997 per dollar

Between November 7 and 14, the average ask price of the interbank exchange rate rose from S/. 3.006 to S/. 2.997 per dollar, as a result of which the nuevo sol appreciated by 0.1 percent compared to end October.

In the same period, the Central Bank intervened in the exchange market purchasing US$ 391 million at the Central Bank's front desk



Monetary base by November 7, 2007

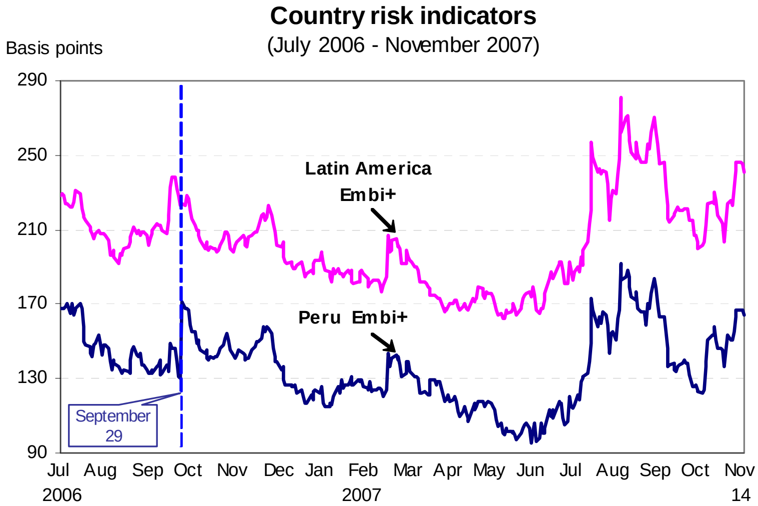
The balance of the **monetary base** by November 7 (S/. 16,008 million) increased 5.2 percent (S/. 789 million) compared to end-October. In average terms, the annual growth rate of the monetary base in this period was 31.1 percent (28.2 percent in October).

By sources, the operations that contributed most heavily to the expansion of the monetary base were net placements of BCRP Certificates of Deposit (US$ 518 million), purchases of foreign currency at the Central Bank's front desk (US$ 87 million, or S/. 261 million) and banks' lower overnight deposits (S/. 108 million). Conversely, the monetary base contracted due to the public sector's higher deposits (S/. 146 million).

International Markets

Country risk at 164 basis points

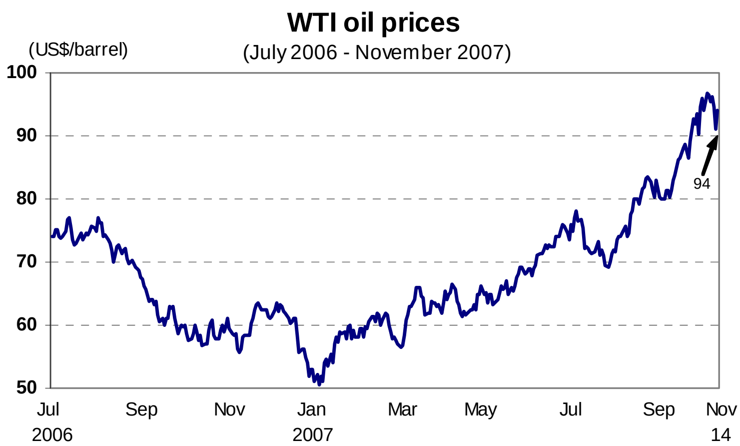
Between November 7 and 14, the country risk indicator –measured by the **EMBI+ Peru** spread– increased from 155 to 164 basis points, reflecting a similar evolution to the one seen in the region (the EMBI+ Latin America rose from 233 to 241 basis points). This increase was influenced by investors' risk aversion as a result of the losses recorded by financial firms and by persisting concerns regarding the crisis of the subprime mortgage markets and its impact on the US economy.



Level	Variation in basis points		
Nov 14, 07	Weekly	Monthly	Annual
164	**9**	**42**	**21**

Price of oil dropped to US$ 94.1 per barrel

The price of **WTI oil** fell 2.4 percent to US$ 94.1 per barrel between November 7 and 14. Factors contributing to this evolution included the resumption of North Sea production after four days of interruption due to storms in the area and increased concerns of a slowdown of the US economy due to the crisis of the subprime mortgage market. Moreover, another factor influencing the fall in the price of crude was that the International Energy Agency reported that the demand for oil should decrease in the rest of 2007 and in 2008.



	Percentage change		
Nov 14, 07	Weekly	Monthly	Annual
US$ 94.1 / barrel	**-2.4**	**9.2**	**61.4**

In the same period, the price of **gold** fell 3.5 percent to US$ 808.8 per ounce troy. This evolution was associated with investors' profit taking –given the drop of the price of crude and the partial recovery of the dollar– and with risk aversion in the markets of precious metals.

However, this fall in the price of gold was offset by reports indicating a higher physical demand for gold in the third quarter of 2007 due to increased demand from the jewelry industry.

Gold prices

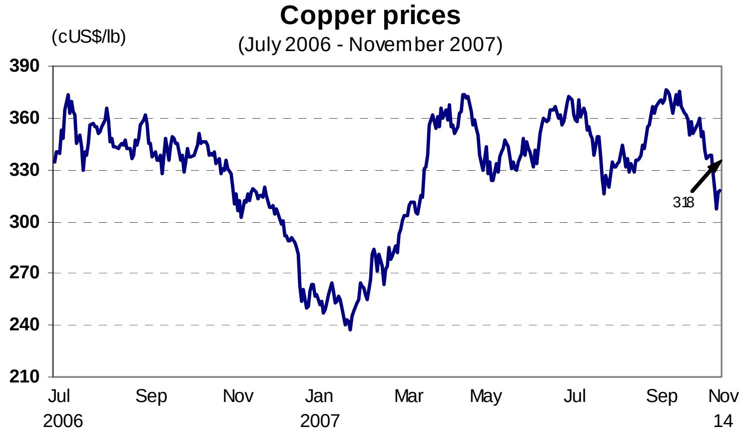
(July 2006 - November 2007)

	Percentage change		
Nov 14, 07	Weekly	Monthly	Annual
US$ 808.8 / oz tr.	**-3.5**	**6.9**	**30.1**

Between November 7 and 14, the price of **copper** fell 5.8 percent to US$ 3.18 per pound. This price fall was associated with increased inventories in global metal exchange markets and with expectations that the US and China's demand for copper will decline (in October, China's imports of copper were 5.7 percent lower than in September).

Copper prices

(July 2006 - November 2007)



	Percentage change		
Nov 14, 07	Weekly	Monthly	Annual
US$ 3.18 / pound	**-5.8**	**-15.3**	**0.8**

Moreover, the price of **zinc** dropped 4.1 percent to US$ 1.22 per pound, mainly due to higher inventories at the London Metal Exchange (inventories grew 2.1 percent to 81,175 MT) and to expectations that the US demand for metals will decrease, given the persistent weakness of the real estate sector and the crisis of the financial sector.

Zinc prices

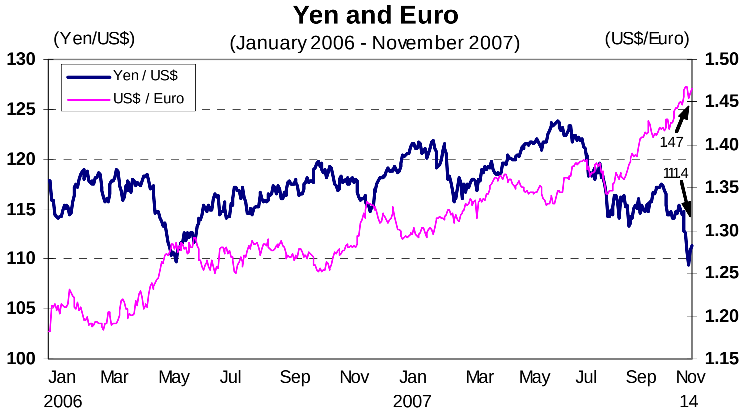
(July 2006 - November 2007)

	Percentage change		
Nov 14, 07	Weekly	Monthly	Annual
US$ 1.22 / pound	**-4.1**	**-15.2**	**-37.6**

Dollar depreciated against the euro and the yen

In November 7-14, the **dollar** depreciated 0.1 percent against the **euro** and 1.3 percent against the **yen**. The dollar weakened slightly against the euro (showing a volatile conduct during the week) amid expectations that the Federal reserve will cut again its interest rates after the pessimistic views of investors regarding the prospects for the real estate sector.

On the other hand, the dollar depreciated against the yen due to the reversal of carry trade operations as a result of increased risk aversion.

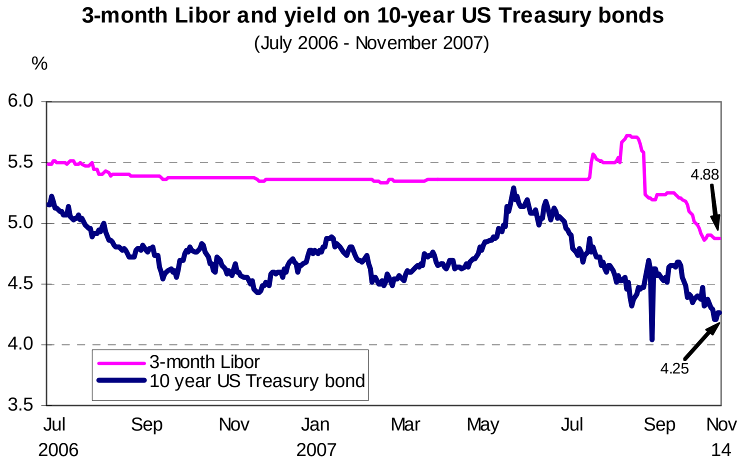


	Level	Percentage change		
	Nov 14, 07	Weekly	Monthly	Annual
dollar/euro	**1.47**	**0.1**	**3.1**	**14.4**
yen/dollar	**111.4**	**-1.3**	**-5.1**	**-5.3**

Yield on 10-year US Treasuries fell to 4.25 percent

In the same week, the **3-month Libor** declined from 4.90 to 4.88 percent, while the yield on the **10-year US Treasury bond** fell from 4.31 to 4.25 percent. The fall in the yield on the Treasuries was explained by increased risks of an economic slowdown in the US given renewed concerns of credit constraints in this country, which contributed to increase expectations that the FED will reduce its interest rates.

However, fears of an inflationary upturn –given the significant plunge of the dollar and the rise seen in the prices of shares– prevented the yield on the US Treasury bonds from dropping even further.



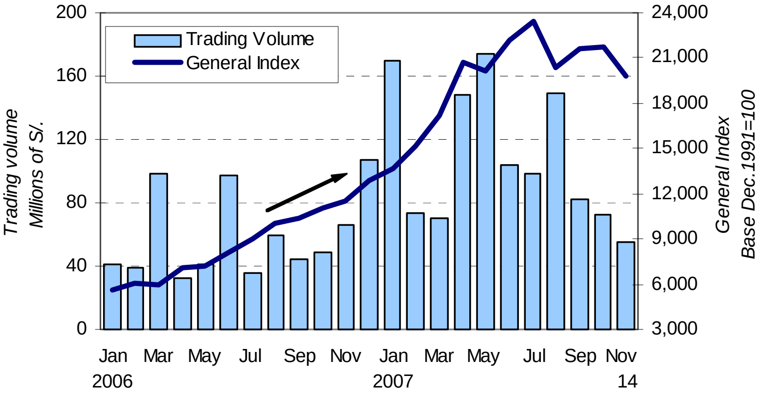
		Variation in percentage points		
	Nov 14, 07	Weekly	Monthly	Annual
Libor a 3 meses	**4.88**	**-2**	**-34**	**-50**
Bonos de EUA	**4.25**	**-6**	**-43**	**-31**

Lima Stock Exchange dropped 8.6 percent by November 14

The **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) declined 8.6 percent and 9.2 percent respectively between **November 7 and 14**. This evolution was associated with the negative performance of mining shares given the drop of the prices of basic and precious metals (particularly copper and gold). Another factor contributing to this evolution at the LSE was investors' increased risk aversion in stock exchange in emerging markets.

Lima Stock Exchange Indicators

(January 2006 - November 2007)



	As of:	Percentage change		
	Nov 14, 07	Weekly	Oct. 07	Dec. 06
General Index	**19,835**	**-1.7**	**-8.6**	**54.0**
Blue Chip index	**34,153**	**-1.4**	**-9.2**	**54.1**

Year-to-date, the indices of the Lima Stock Exchange have grown 54.0 and 54.1 percent respectively.

Resumen de Indicadores Económicos / Summary of *Economic Indicators*

		2005	2006	2007										
		Dic.	Dic.	Mar	Jun	Ago	Set	Oct	8 Nov.	9 Nov.	12 Nov.	13 Nov.	14 Nov.	Nov
RESERVAS INTERNACIONALES (Mills. US$) / *INTERNATIONAL RESERVES*		Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.						Var.
Posición de cambio / *Net international position*		7 450	11 086	12 403	15 305	15 277	16 024	18 195	18 437	18 576	18 526	18 704		509
Reservas internacionales netas / *Net international reserves*		14 097	17 275	18 427	21 528	24 069	22 827	24 890	25 485	25 580	25 519	25 757		867
Depósitos del sistema financiero en el BCRP / *Financial system deposits at BCRP*		4 165	3 481	3 629	3 523	4 341	3 924	3 627	4 025	3 988	3 964	4 041		414
Empresas bancarias / *Banks*		4 076	3 312	3 245	3 395	4 092	3 648	3 432	3 768	3 721	3 697	3 808		376
Banco de la Nación / *Banco de la Nación*		33	92	312	58	187	199	144	183	192	194	160		16
Resto de instituciones financieras / *Other financial institutions*		57	77	72	70	62	77	52	75	75	73	73		21
Depósitos del sector público en el BCRP / *Public sector deposits at BCRP* *		2 533	2 778	2 490	2 854	4 620	3 045	3 220	3 178	3 170	3 182	3 163		-57
OPERACIONES CAMBIARIAS BCR (Mill. US$) / *BCRP FOREIGN OPERATIONS*		Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.						Acum.
		-581	645	411	207	-65	470	1 995	67	135	14	165	10	482
Compras netas en Mesa de Negociación / *Net purchases of foreign currency*		-345	695	610	371	135	767	2 181	67	135	14	165	10	478
Operaciones swaps netas / *Net swap operations*		0	0	0	0	0	0	0	0	0	0	0	0	0
Operaciones con el Sector Público / *Public sector*		-237	-50	-200	-168	-200	-296	-200	0	0	0	0	0	0
TIPO DE CAMBIO (S/. por US$) / *EXCHANGE RATE*		Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.						Prom.
Compra interbancario / *Interbank*	Promedio / *Average*	3,423	3,204	3,185	3,170	3,157	3,135	3,019	3,002	2,995	2,992	2,992	2,995	3,014
Venta Interbancario *Interbank Ask*	Apertura / *Opening*	3,427	3,207	3,186	3,171	3,159	3,138	3,022	3,007	3,001	2,996	2,995	2,994	3,001
	Mediodía / *Midday*	3,425	3,206	3,186	3,171	3,159	3,136	3,020	3,000	2,994	2,994	2,992	2,998	2,999
	Cierre / *Close*	3,424	3,206	3,186	3,171	3,159	3,136	3,020	3,000	2,995	2,994	2,998	2,996	3,000
	Promedio / *Average*	3,426	3,206	3,186	3,171	3,159	3,137	3,021	3,003	2,997	2,995	2,994	2,997	3,000
Sistema Bancario (SBS) *Banking System*	Compra / *Bid*	3,423	3,205	3,185	3,170	3,158	3,136	3,019	3,003	2,994	2,993	2,991	2,996	2,998
	Venta / *Ask*	3,425	3,206	3,186	3,171	3,159	3,137	3,020	3,003	2,995	2,994	2,992	2,997	2,999
Índice de tipo de cambio real (2001 = 100) / *Real exchange rate Index (2001 = 100)*		108,8	106,3	106,1	107,7	107,5	107,4	104,7						
INDICADORES MONETARIOS / *MONETARY INDICATORS*														
Moneda nacional / *Domestic currency*														
Emisión Primaria	(Var. % mensual) / *(% monthly change)*	13,1	15,7	1,3	3,0	0,8	-1,8	4,1						
Monetary base	(Var. % últimos 12 meses) / *(% 12-month change)*	25,7	18,3	20,7	26,2	29,5	26,1	30,3						
Oferta monetaria	(Var. % mensual) / *(% monthly change)*	5,3	12,4	2,0	5,7	1,2	-0,3							
Money Supply	(Var. % últimos 12 meses) / *(% 12-month change)*	19,5	18,0	29,1	43,7	39,4	38,0							
Crédito sector privado	(Var. % mensual) / *(% monthly change)*	7,0	3,1	3,4	5,8	1,2	4,0							
Crédit to the private sector	(Var. % últimos 12 meses) / *(% 12-month change)*	34,8	29,0	30,3	41,8	44,1	46,4							
TOSE saldo fin de período (Var.% acum. en el mes) / *TOSE balance (% change)*		-0,7	1,0	3,9	4,2	5,7	-1,1	5,0	3,9	3,7	3,9			
Superávit de encaje promedio (% respecto al TOSE) / *Average reserve surplus (% of TOSE)*		1,0	0,9	0,9	1,0	0,9	0,7	0,6	1,9	1,4	1,3			
Cuenta corriente de los bancos (saldo mill. S/.) / *Banks' current account (balance)*		312	305	351	420	425	456	442	882	378	499	390	330	
Créditos por regulación monetaria (millones de S/.) / *Rediscounts (Millions of S/.)*		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/.)*		4 738	10 172	11 159	15 866	16 455	16 688	17 034	17 165	17 056	17 117	17 238	n.d.	
Certificados de Depósitos BCRP (saldo Mill.S/.) / *CDBCRP balance (Millions of S/.)*		7 676	8 066	12 016	15 852	13 493	14 803	19 956	19 982	20 646	20 928	21 410	20 604	
CD Reajustables BCRP (saldo Mill.S/.) / *CDRBCRP balance (Millions of S/.)*		1 202	0	0	0	500	500	500	500	500	500	500	500	
Operaciones de reporte (saldo Mill. S/.) / *repos (Balance millions of S/.)*		2 850	0	0	0	530	0	0	0	0	0	0	0	
Tasa de interés (%) *Interest rates (%)*	TAMN / *Average lending rates in domestic currency*	23,63	23,08	23,31	22,39	22,87	22,54	22,75	22,65	22,58	22,55	22,65	22,71	22,59
	Préstamos y descuentos hasta 360 días / Loans & discount	13,93	13,79	14,03	13,14	12,95	12,83	13,13	13,30	13,82	13,29	13,27	n.d.	13,37
	Interbancaria / *Interbank*	3,34	4,51	4,50	4,52	4,77	4,97	4,98	4,96	4,97	4,93	4,95	4,97	4,96
	Preferencial corporativa a 90 días / Corporate *Prime*	4,37	5,23	5,18	5,20	5,35	5,48	5,58	5,58	5,58	5,58	5,58	5,58	5,59
	Operaciones de reporte con CDBCRP / *CDBCRP repos*	3,25	s.m.	s.m.	s.m.	4,79	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	s.m.	
	Créditos por regulación monetaria / *Rediscounts* **	4,00	5,25	5,25	5,25	5,50	5,75	5,75	5,75	5,75	5,75	5,75	5,75	
	Del saldo de CDBCRP / *CDBCRP balance*	4,72	5,12	5,24	5,26	5,33	5,30	5,30	5,34	5,33	5,34	5,33	5,35	
Moneda extranjera / *foreign currency*														
Crédito sector privado	(Var. % mensual) / *(% monthly change)*	-0,2	-2,3	1,7	4,9	1,2	2,8							
Crédit to the private sector	(Var. % últimos 12 meses) / *(% 12-month change)*	5,0	3,2	7,7	9,7	13,1	15,3							
TOSE saldo fin de período (Var.% acum. en el mes) / *TOSE balance (% change)*		7,5	2,4	-0,9	-2,5	0,9	1,1	4,2	4,4	5,0	4,3			
Superávit de encaje promedio (% respecto al TOSE) / *Average reserve surplus (% of TOSE)*		0,4	0,3	0,3	0,2	0,2	0,2	0,3	-0,8	-0,2	0,0			
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 (%)*	TAMEX / *Average lending rates in foreign currency*	10,41	10,80	10,65	10,58	10,43	10,54	10,46	10,49	10,49	10,48	10,45	10,41	10,45
	Préstamos y descuentos hasta 360 días / *Loans & discount*	9,37	10,05	9,93	9,92	9,73	9,88	9,73	9,69	9,74	9,67	9,62	n.d.	9,68
	Interbancaria / *Interbank*	4,19	5,37	5,51	5,76	5,70	5,39	6,06	6,50	s.m.	7,00	7,00	s.m.	6,38
	Preferencial corporativa a 90 días / *Corporate Prime*	5,51	6,09	6,11	6,18	6,33	6,13	6,07	6,26	6,26	6,26	6,26	6,26	6,22
	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.
INDICADORES BURSÁTILES / *STOCK MARKET INDICES*		Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.						Acum.
Índice General Bursátil (Var. %) / *General Index (% change)*		-4,6	12,2	13,2	11,1	-11,0	4,7	-0,6	-2,5	0,6	-1,8	-0,1	2,2	-8,6
Índice Selectivo Bursátil (Var. %) / *Blue Chip Index (% change)*		-4,9	12,1	11,3	12,4	-11,9	2,9	-0,3	-2,7	0,9	-1,8	-0,4	2,7	-9,2
Monto negociado en acciones (Mill. S/.) - Prom. diario		23,7	107,1	70,5	103,7	148,6	82,9	72,1	92,7	111,6	75,0	74,9	55,0	75,6
INFLACIÓN (%) / *INFLATION (%)*														
Inflación mensual / *Monthly*		0,42	0,03	0,35	0,47	0,14	0,61	0,31						
Inflación últimos 12 meses / *% 12 months change*		1,49	1,14	0,25	1,55	2,20	2,80	3,08						
GOBIERNO CENTRAL (Mill. S/.) / *CENTRAL GOVERNMENT (Mills. of S/.)*														
Resultado primario / *Primary balance*		-2 451	-1 840	1 356	-1 821	1 279	931							
Ingresos corrientes / *Current revenue*		3 674	4 409	4 665	4 650	4 963	4 730							
Gastos no financieros / *Non-financial expenditure*		6 173	6 289	3 318	6 499	3 693	3 810							
COMERCIO EXTERIOR (Mills. US$) / *FOREIGN TRADE (Mills. of US$)*														
Balanza Comercial / *Trade balance*		924	1 117	692	879	522	812							
Exportaciones / *Exports*		1 975	2 545	2 097	2 401	2 342	2 517							
Importaciones / *Imports*		1 051	1 427	1 404	1 522	1 820	1 705							
PRODUCTO BRUTO INTERNO (Índice 1994=100) / *GROSS DOMESTIC PRODUCT*														
Variac. %, respecto al mismo mes del año anterior / *Annual rate of growth* (12 months)		7,2	8,1	6,6	6,6	6,5	8,8							
COTIZACIONES INTERNACIONALES / *INTERNATIONAL QUOTATIONS*		Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.						Prom.
LIBOR a tres meses (%) / *LIBOR 3-month (%)*		4,49	5,36	5,35	5,36	5,47	5,49	5,14	4,89	4,88	4,87	4,87	4,88	4,88
Dow Jones (Var %) / *(% change)*		-0,82	1,97	0,70	-1,61	1,10	4,03	0,25	-0,25	-1,69	-0,42	2,46	-0,70	-5,14
Rendimiento de los U.S. Treasuries (10 años) / *U.S. Treasuries yield (10 years)*		4,37	4,56	4,56	5,11	4,69	4,49	4,52	4,29	4,22	4,22	4,27	4,26	4,29
Stripped spread del EMBI+ PERÚ (pbs) / *EMBI+ PERU stripped spread (basis points)* ****		185	131	132	103	169	156	138	163	167	167	167	164	160

* 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.24 de la Nota Semanal.

** A partir del 7 de setiembre de 2007, esta tasa se elevó a 5,75%.

*** Las tasas de interés para los créditos de regulación monetaria en dólares serán a la tasa Libor a un mes más un punto porcentual.

**** Desde el 29 de setiembre de 2006, el JP Morgan, de acuerdo a sus criterios de liquidez de mercado, ha incluído dentro de su EMBI+ PERÚ los bonos globales Peru 2025 y 2033. Al ser los spreads de dichos bonos cercanos a los 200 pbs, ello explica el aumento de cerca de 40 pbs en el EMBI+ PERÚ a partir del 29 de setiembre.

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

Elaboración: Departamento de Publicaciones Económicas.