



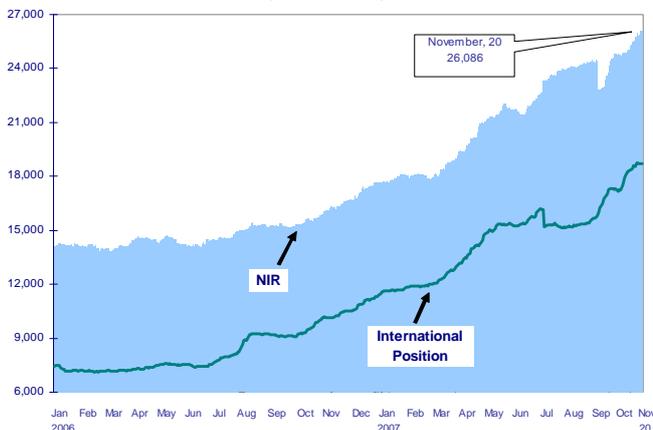
Indicators

- NIRs total US\$ 26,086 million on November 20
- Exchange rate on November 21: S/. 3.004 per dollar
- Interbank interest rate at 4.98 percent on November 21
- GDP grew 8.8 percent in September
- Country risk at 191 bps on November 21
- Lima Stock Exchange fell 21.9 percent by November 21

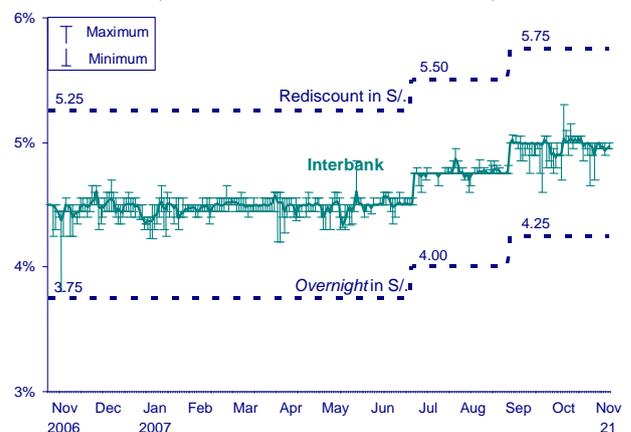
Content

- Average interbank interest rate on November 21: 4.98 percent x
- Corporate prime rate in nuevos soles decreased to 5.57 percent x
- International reserves amounted to US\$ 26,086 million on November 20 xi
- Exchange rate: S/. 3.004 per dollar xi
- Monetary base by November 15 xi
- GDP grew 8.8 percent in September xii
- Country risk at 191 basis points xiv
- Lima Stock Exchange fell 21.9 percent by November 21 xvii

International Reserve and International Position of the BCRP
January 2006 - November 2007
(Millions of US\$)



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



The screenshot shows the BCRP website interface. At the top, there's a search bar and navigation links. The main content area is titled 'Actual BCRP' and dated 'Thursday, November 15, 2007'. It features several sections:

- News:** Includes working papers, inflation reports, and monetary policy updates.
- Monetary and Exchange Operations:** A prominent section dated 15/11/2007 at 7:00 p.m., detailing interbank market interest rates and auction results.
- Financial Data:** Tables for 'Interbank Exchange Rate (S/./per US\$)' and 'Interbank Interest Rates in S/.'.
- Navigation:** A sidebar on the left with links to 'About the BCRP', 'Monetary Policy', 'Reports and Publications', 'Statistics', 'Financial Statements', 'Communications', 'Payments System', 'Reserve Management', and 'Other Webs'.

Our Website

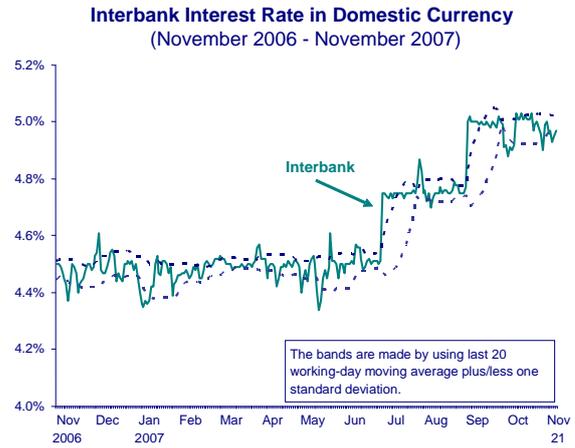
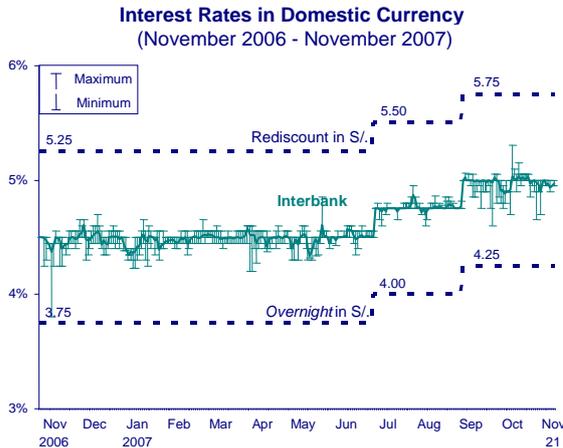
<http://www.bcrp.gob.pe>

- Weekly Report N° 46-2007
- Working paper: The monetary policy transmission mechanism under financial dollarization: the case of Peru 1996-2006
- International Reserves Management: October 2007
- Informative note on the Monetary Program: November 2007. BCRP maintains 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

Average interbank interest rate on November 21: 4.98 percent

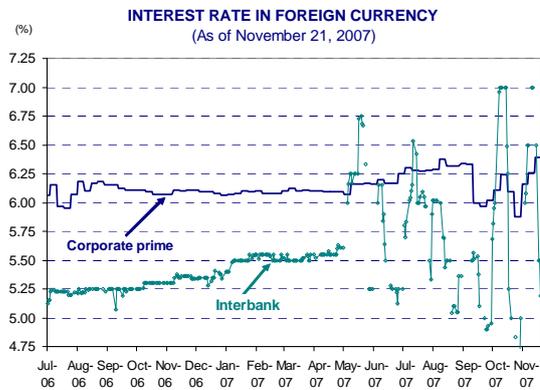
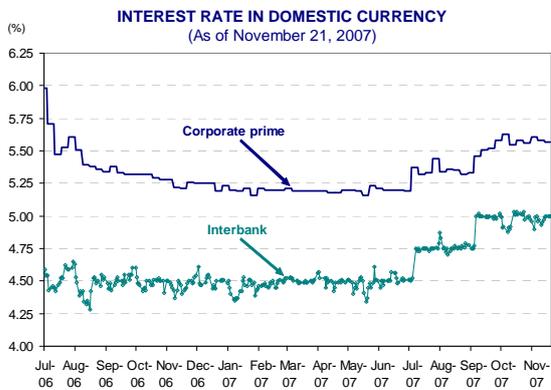
The average interbank interest rate in domestic currency on November 21 was 4.98 percent, the same rate as the average rate seen in October. Between November 14 and 21, this rate increased from 4.97 to 5.00 percent.

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
September	4.97	0.10
October	4.98	0.05
November 21	4.98	0.03



Corporate prime rate in nuevos soles decreased to 5.57 percent

Between **November 14 and 21**, the daily average of the 90-day corporate prime rate in domestic currency decreased from 5.58 to 5.57 percent, while this rate in dollars increased from 6.26 to 6.39 percent.

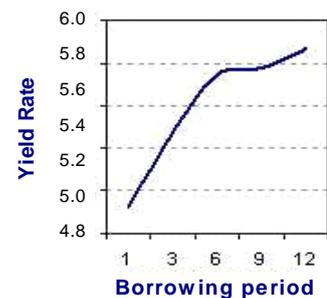


Monetary operations

Between **November 15 and 21**, the Central Bank made the following monetary operations:

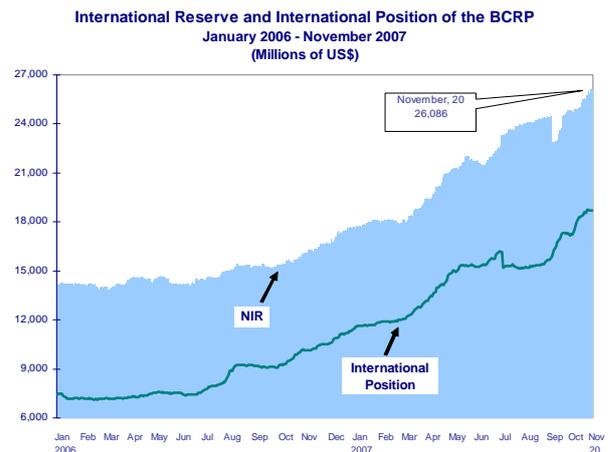
- i) auctions of BCRP Certificates of Deposit with 1-day, 3-days, 1-month, 3-month, 6-month, 9-month and 1-year maturities for a daily average of S/. 1,688.0 million. The average interest rate on this operations is 5.07 percent;
- ii) purchases of foreign currency for a total of US\$ 18 million;
- iii) sales of foreign currency to the Public Treasury (US\$ 50 million);
- iv) overnight deposits in domestic currency for a total of S/. 235 million.

CDBCRP's Yield Curve at 11-13-07



International reserves amounted to US\$ 26,086 million on November 20

Net international reserves (NIRs) increased US\$ 1,197 million compared to end October and amounted to **US\$ 26,086 million** on November 20. This increase in the balance of NIRs was mainly associated with banks' increased deposits (US\$ 766 million), BCRP exchange operations (US\$ 489 million), the better valuation of other securities (US\$ 78 million), and higher investment yield (US\$ 21 million). This result was offset by the public sector's lower deposits (US\$ 113 million) and by sales of foreign currency for the purpose of repaying the external debt (US\$ 50 million).

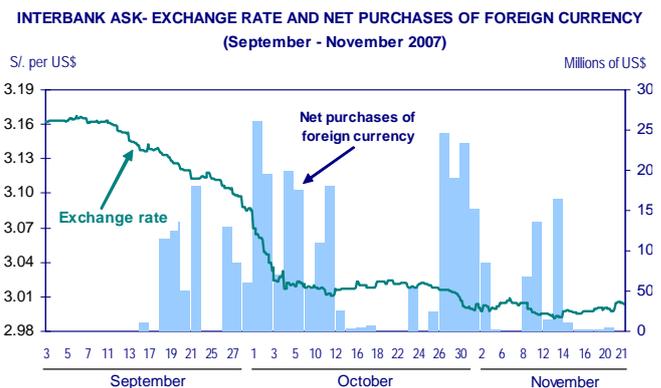


Furthermore, the **International Position of the BCRP** on November 20 (US\$ 18,718 million) increased by US\$ 522 million compared to end October.

Exchange rate: S/. 3.004 per dollar

Between November 14 and 21, the average ask price of the interbank exchange rate increased from S/. 2.997 to S/. 3.004 per dollar, as a result of which the Nuevo Sol depreciated 0.1 percent relative to end October.

In the same week, the Central Bank intervened in the exchange market purchasing US\$ 18 million.



Monetary base by November 15

The balance of the **monetary base** by November 15 (S/. 15,304 million) increased 0.6 percent (S/. 85 million) compared to end-October. In average terms, the annual growth rate of the monetary base in this period was 29.9 percent (28.2 percent in October).

By sources, the operations that contributed most heavily to the increase of the monetary base were purchases of foreign currency at the Central Bank's front desk (US\$ 479 million, or S/. 1,435 million) and banks lower overnight deposits (S/. 108 million). Conversely, the monetary base contracted due to public sector's higher deposits (S/. 1,241 million) and net placements of BCRP Certificates of Deposit (S/. 311million).

GDP grew 8.8 percent in September

GDP grew 8.8 percent in September, as a result of which the accumulated growth rate of GDP so far this year is 8.2 percent. Non-primary activities and primary activities increased by 11 and 2.4 percent respectively. These results were associated with a greater production in non-primary manufacturing and construction in the case of the former and with increased production in agriculture and mining in the case of the latter.

GROSS DOMESTIC PRODUCT
(Annual growth rates)

	Weighted 2006	2006		2007	
		Sep.	Year	Sep.	Jan-Sep.
Agriculture and Livestock	8.3	9.8	7.4	1.6	1.8
Agriculture	5.1	13.0	8.3	0.3	0.8
Livestock	3.0	7.3	7.6	2.8	3.2
Fishing	0.5	43.5	2.4	-13.7	5.3
Mining and Fuel	6.2	-2.6	1.4	8.4	0.4
Metallic mining	5.3	-3.8	1.1	8.9	-0.2
Natural gas and oil	0.5	13.9	5.7	3.9	5.3
Manufacturing	15.4	9.5	7.4	9.4	10.1
Based on raw materials	3.2	10.5	4.1	-6.1	-0.8
Non-primary	12.2	9.3	8.3	12.5	12.5
Electricity	1.6	8.4	7.8	7.8	10.1
Water	0.4	1.6	0.1	-3.4	-0.1
Construction	5.2	14.6	14.8	10.8	15.1
Commerce	14.4	10.8	11.1	12.3	10.0
Other services	38.1	4.8	6.9	10.1	8.9
GLOBAL GDP	100.0	7.2	7.5	8.8	8.2
Primary sector	18.3	5.4	4.5	2.4	1.0
Non-primary sector	72.0	7.5	8.5	11.0	10.3

The **agricultural sector** grew 1.6 percent, due to larger crops of potato, sugar cane, onion and rice, as well as to a larger production of poultry. However, this result was offset by a lower production of coffee and cotton in the jungle areas –given irregular raindrop– and by a lower production of tangerine –given unusual low temperatures in Lima.

Production in the **fishing sector** was 13.7 percent lower in September due to a lower catch of marine species, including those used for the production of canned products (Yellow Mackerel, Pacific Chub Mackerel, and shellfish) and frozen products (giant squid, Pacific Chub Mackerel, and scallops), as well as to a lower capture of anchovy –species used for industrial purposes– as a result of a wave of cold temperature that drove these species away from the areas of the Peruvian Coast where they are usually caught.

The **mining and hydrocarbon sector** grew 8.4 percent due to a higher extraction of copper, resulting from the expansion of operations at Cerro Verde and Cerro Lindo, and due to Antamina's increased production of zinc. Moreover, this result was also influenced by a higher production of silver, lead, tin, and molybdenum. This growth was offset by a lower extraction of gold, which decreased 8.9 percent due to Yanacocha's lower production of this metal.

The **manufacturing sector** grew 9.4 percent, due to a higher production of non-primary manufacturing (up 12.5 percent). On the other hand, primary manufacturing declined 6.1 percent due to a lower production of fish processed products (fish meal, fish oil, canned and frozen products), non-ferrous metals and petroleum. This reduction in primary manufacturing was offset by a higher production of sugar and meat products. Growth in non-primary manufacturing was generalized, with 30 of the 38 industrial groups showing a higher expansion than in the previous month. This growth was mainly associated with the increase seen in the production of:

- **Conserves of food products, chocolate products, and alcoholic beverages**, due to the higher production of fruit juices and refreshments and chocolate products given increased domestic demand.
- **Other garments**, due to larger domestic sales of winter clothing given the longer period of lower temperatures nationwide.
- **Basic chemical substances**, due to a higher production of industrial gases and colorants.
- **Metal products**, due to the increased demand for metal structures for mining, construction and commerce, as well as to the higher demand for metal containers.
- **Iron and steel industry**, due to the higher demand for bars for construction and of flat products for the metal mechanic industry.
- **Construction materials**, due to the larger production of premixed concrete, fiber-cement sheets, and majolica tiles.
- **Wood and furniture**, due to the higher demand for mattresses.
- **Printing and publishing activities**, due to larger exports of printed matters in general.
- **Other paper and cardboard items**, due to a greater production of paper towel, toilet paper, and disposable diapers.
- **Electric machinery**, due to the higher production of electric engines, generators, and transformers and to the higher production of wires and threads for the domestic market.
- **Miscellaneous manufactures**, due to increased exports of zippers and jewelry and to a larger demand for bijouterie and office items.

Main industries with higher increases

CIIU	Sep.	
	Var. %	Contrib. % 1/
Canned food, chocolates and alcoholic beverages	46.1	1.6
Textile garments for internal market	20.2	1.6
Basic chemicals	58.5	1.2
Metal products	17.3	1.0
Manufacture of basic iron and steel	24.4	1.0
Construction materials	23.0	1.0
Wood and furniture	18.3	0.7
Edition activities and impression	16.3	0.7
Other articles of paper and cardboard	21.0	0.7
Manufacture of electrical machinery	20.7	0.5
Manufacture diverse	13.8	0.5
Subtotal	23.3	10.5
Total	12.5	

1/ Percent contribution to non primary manufacturing

Source: Ministerio de la Producción.

The **construction sector** grew 10.8 percent, due to the construction of houses, offices, commercial and industrial facilities, the implementation of mining and energy projects by the private sector, and the implementation of works by local governments, as reflected in the 11.4 percent increase seen in the domestic consumption of cement.

Indicators for October 2007

Preliminary data currently available on indicators relevant for economic activity in the sectors of fisheries, mining and hydrocarbons, construction, electricity and water includes the following:

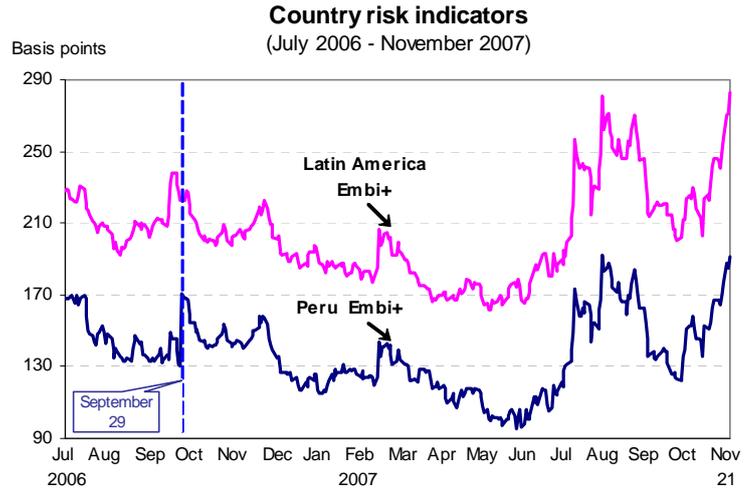
- According to IMARPE, anchovy catch totaled 9.8 thousand MT, an amount lower than the one seen in October last year (20.3 MT).

- According to the Ministry of Energy and Mines, the production of petroleum increased 7.3 percent.
- According to the Asocem, local dispatches of cement (excluding those for Yanacocha's productive process) increased by 16.3 percent.
- The production of electricity increased by 9.6 percent, according to the *Comité de Operación Económica del Sistema Interconectado Nacional (COES)*.

International Markets

Country risk at 191 basis points

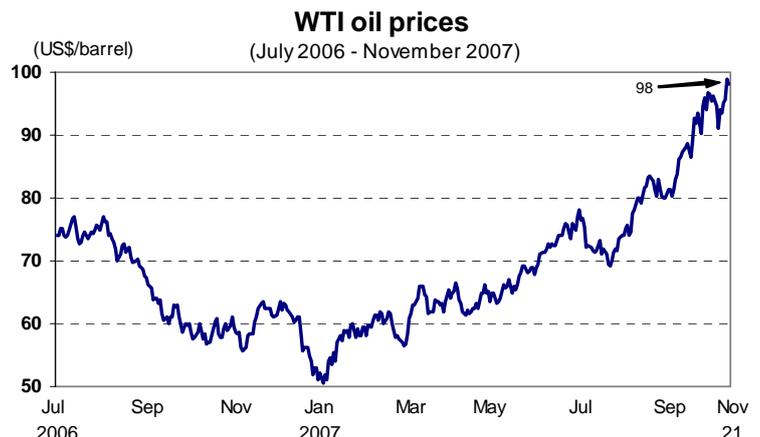
Between November 14 and 21, the country risk indicator, measured by the **EMBI+ Peru** spread, increased from 164 to 191 basis points, following the trend observed in the region (the EMBI+ Latin America increased from 241 to 283 basis points). This increase was due to the fact that emerging markets continued to be affected by greater risk aversion (given the losses experienced by financial firms as a result of the crisis of the subprime sector).



Level	Variation in basis points		
	Weekly	Monthly	Annual
Nov 21, 07	27	38	45

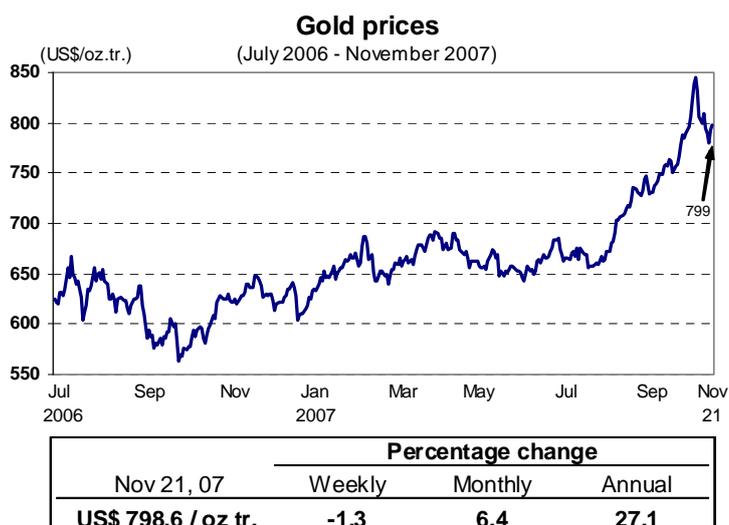
Price of petroleum increased to US\$ 98.0 per barrel

The price of **WTI oil** rose 4.2 percent to US\$ 98.0 per barrel between November 14 and 21. The weakness of the dollar, which reached historical minimum levels, and increased concerns about the decline of stocks precisely when winter is about to start were two of the main factors that contributed to the rise in the price of petroleum. Moreover, Venezuela's declarations that the OPEC should not increase its production quotas in its next meeting of December also contributed to the rise in the price of crude.



Nov 21, 07	Percentage change		
	Weekly	Monthly	Annual
US\$ 98.0 / barrel	4.2	12.0	69.0

Between November 14 and 21, the price of **gold** fell 1.3 percent to US\$ 798.6 per ounce troy. This result was basically associated with investors' profit taking in a context of high volatility of the price of oil. However, the fall in the price of gold was offset by the weakness of the dollar and by reports indicating that the demand for gold in QIII grew at an annual rate of 19.0 percent, mainly due to the demand of investment funds and the jewelry industry.



In the same period, the price of **copper** dropped 6.9 percent to US\$ 2.96 per pound. Factors contributing to this result included the increase of inventories at the London Metal Exchange (LME), fears of a lower world demand in a context of higher probabilities of a global slowdown –and particularly in the United States due to the crisis of the subprime market–, and increased risk aversion, as reflected in the growing volatility seen in the main stock exchange markets.

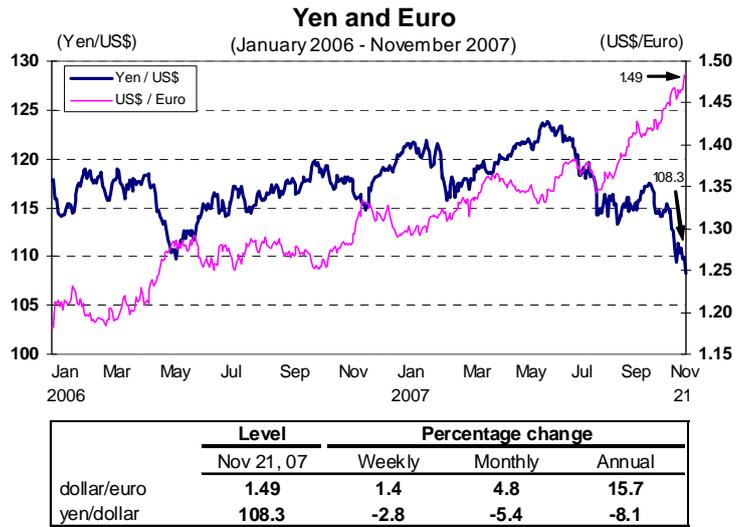


Between November 14 and 21, the price of **zinc** plunged 16.3 percent to US\$ 1.02 per pound. The price of zinc at the LME dropped to its lowest level over the past 20 months due to higher inventories, to a lower demand for industrial metals, and to somber prospects vis-à-vis the evolution of the global economy. Moreover, some reports showed that China's demand, which according to some analysts would compensate the possible slowdown of the US economy, has not been as robust as expected.



Dollar depreciated against the euro and the yen

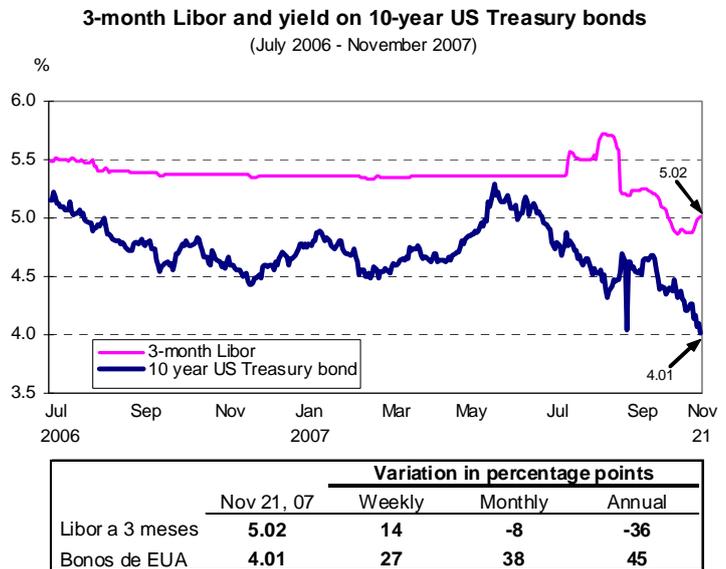
Between November 14 and 21, the **dollar** depreciated 1.4 percent against the **euro** and 2.8 percent against the **yen**. The weakening of the dollar against the yen was associated with increased expectations that the US Federal Reserve will reduce again its interest rates due to fears of increased credit constraints. Furthermore, the dollar was also negatively affected by the fact that the FED's growth forecasts for 2008 were revised downwards (the US economy is expected to grow between 1.8 and 2.5 percent next year against the forecast between 2.5 and 2.75 percent in June).



On the other hand, the dollar depreciated against the yen due to the higher reversal of carry trade operations observed in a context of increased risk aversion, given uncertainties regarding the health of the credit market and the US economy.

Yield on 10-year US Treasuries fell to 4.01 percent

Between November 14 and 21, the **3-month Libor** decreased from 5.25 to 5.20 percent and the yield on the **10-year US Treasury bond** decreased from 4.25 to 4.01 percent. The decrease seen in the yield on the Treasury bonds was associated with a higher demand for safer assets (*flight to quality*) given that increased aversion to risk led investors to seek hedge in the US bonds. Moreover, expectations that the Federal Reserve will reduce its interest rate continued to exert a downward pressure on the yield on Treasuries.



Lima Stock Exchange fell 21.9 percent by November 21

The **General** and **Blue Chip** indices of the Lima Stock Exchange (LSE) fell 21.9 and 24.5 percent respectively. This evolution was influenced by a context marked by the collapse of the main global stock exchange markets, which were in turn impacted by fears of the economic consequences of a credit crisis (as a result of the problems of the US subprime market) and by the negative performance of mining shares given the drop seen in the price of basic and precious metals.



So far this year, the **General** and **Blue Chip** indices of the LSE have grown 31.6 and 28.2 percent respectively.