Weekly Economic Report N° 33

August 23, 2013

Indicators

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Corporate prime rate in soles at 4.65 percent

Interbank interest rate in soles at 4.26 percent

Country risk at 197 bps

GDP grew 4.4 percent in June

Deficit of the non-financial public sector in July: S/. 708

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Domestic demand grew 6.4 percent in Q2-2013

Deficit in the current account of the balance of payments: 5.7 percent of GDP in Q2-2013

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Non-financial public sector recorded a surplus of 3.9 percent of GDP in Q2-2013

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WEEKLY REPORT

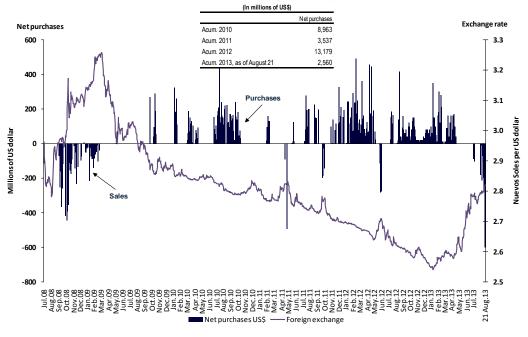
Exchange rate: S/. 2.820 per US dollar

The average **selling price of the dollar** in the interbank market on August 21 was S/. 2.820 per dollar.

The Central Bank has intervened in the foreign exchange market since May 24, first by placing CDR-BCRP (BCRP Certificates of Deposit Indexed to the Exchange Rate) which is an instrument that, in practice, is an injection of dollars to the financial system, and then, since July 2, through direct sales of foreign currency with the purpose of reducing excessive volatility in the exchange rate. As a result of these operations, the Central Bank has placed CDR-BCRP for a total of US\$ 1.03 billion and sold foreign currency for a total of US\$ 2.65 billion.

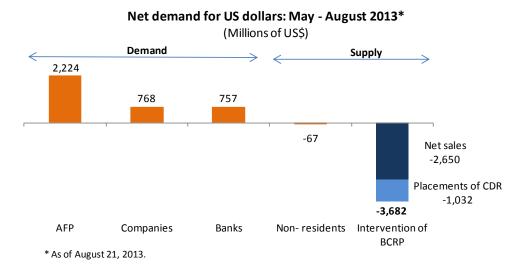
Between 2012 and 2013, the Central Bank has purchased foreign currency for a total of US\$ 19.07 billion and has sold foreign currency for a total of US\$ 3.33 billion. In net terms, purchases exceed sales of foreign currency by US\$ 15.74 billion.





In this context of increased international turbulence, the nuevo sol is one of the currencies of the region with one of the lowest depreciation rates. Since May, the Peruvian currency has depreciated 6.7 percent, while the currencies of Chile, Colombia, and Brazil have depreciated 9.4 percent; 5.7 percent, and 21.2 percent, respectively.

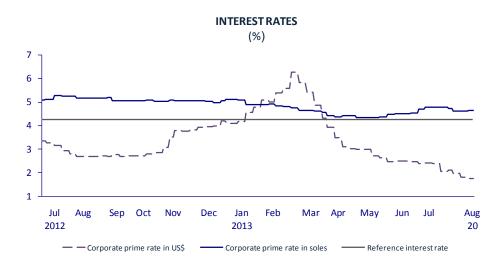
Most of the demand for foreign currency since May has come from AFPs (US\$ 2.22 billion), businesses (US\$ 768 million), and banks (US\$ 757 million). On the other hand, non-resident operators have supplied US\$ 67 million and the BCRP has injected US\$ 3.68 billion (US\$ 2.65 billion through sales of foreign exchange in the spot market and US\$ 1.03 billion through placements of CDR-BCRP).



Corporate prime rate in nuevos soles at 4.65 percent

On August 20, the **corporate prime rate** in soles recorded 4.65 percent, while the corporate prime rate in dollars recorded 1.75 percent.

The **interbank interest rate** in domestic currency on August 20 was 4.26 percent.



Monetary and exchange operations

Between August 1 and August 20, 2013, the Central Bank has sold foreign currency for a total of US\$ 1.66 billion and has accumulated sales of FC for a total of US\$ 2.05 billion since May, but has purchased a net total of US\$ 3.16 year-to-date. It is worth pointing out that the demand for FC has

been particularly noteworthy since May, mainly due to the increased demand of AFPs (US\$ 2.0 billion). In order to offset the contractive effect of the sale of FC on liquidity, the balance of BCRP certificates and term deposits has been reduced by S/. 6.6 billion.

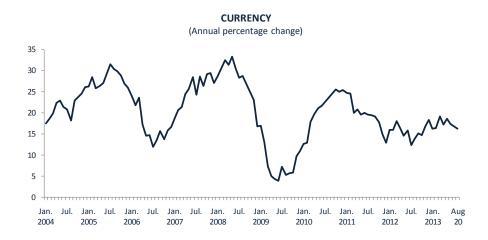
BCRP OPERATIONS

(Millions of nuevos soles)

			BALANCE		FLC)WS
		Dec 31, 2012	Jul 31, 2013	Aug 20, 2013	2013*	Aug-13 *
ı.	NET INTERNATIONAL POSITION	<u>117,462</u>	130,041	<u>126,951</u>	<u>-3,499</u>	<u>-4,460</u>
	(Millions of US\$)	46,063	46,610	45,018	-1,045	-1,592
	1. Exchange Operations				-223	-1,660
	a. Over the counter operations				3,160	-1,660
	b. Public sector				-3,398	0
	2. Rest				-822	68
II.	NET DOMESTIC ASSET	<u>-85,217</u>	<u>-96,986</u>	<u>-94,464</u>	<u>3,742</u>	<u>3,892</u>
	1. Monetary Sterilization	-51,567	-54,803	-50,455	1,113	4,348
	a. Certificates and Term deposits	-30,053	-33,757	-27,157	2,895	6,600
	BCRP Certificates of Deposit (CDBCRP)	-20,805	-25,411	-22,771	-1,966	2,640
	CDR BCRP	0	-2,146	-2,586	-2,586	-440
	Term Deposits	-9,248	-6,200	-1,800	7,448	4,400
	b. Reserve requirements in Domestic Currency	-20,491	-17,548	-22,657	-2,167	-5,110
	c. Other monetary operations	-1,024	-3,498	-640	384	2,858
	2. Fiscal Sterilization	-39,939	-40,728	-41,083	-1,144	-354
	3. Other	6,289	-1,455	-2,927	3,773	-101
III.	CURRENCY **	<u>32,244</u>	<u>33,055</u>	<u>32,487</u>	<u>243</u>	<u>-568</u>
	(Monthly percentage change)	10.6%	4.1%	-1.7%		
	(Acummulated percentage change)	33.6%	2.5%	0.8%		
	(YoY)	18.3%	16.8%	16.2%		

^{*} As of August 20, 2013.

Currency in circulation at August 20 registered a balance of S/. 32.49 billion and a growth rate of 16.2 percent in the last 12 months.



^{**} Preliminary data.

International reserves amount to US\$ 67.87 billion

International reserves (NIRs) at August 20, 2013, totaled US\$ 67.87 billion. This amount of reserves is higher by US\$ 3.88 billion than the one recorded at end 2012.

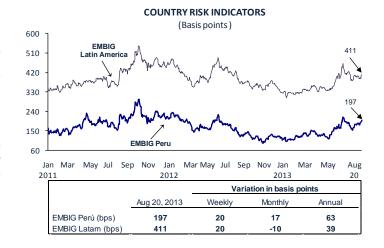


International Markets

Country risk at 197 basis points

In August 13-20, the country risk indicator, measured by the **EMBIG Peru** spread, rose from 177 to 197 basis points.

Moreover, the EMBIG Latin America spread rose 20 basis points due to increased expectations of an earlier withdrawal of monetary stimulus by the Federal Reserve.



Price of gold rose to US\$ 1,372.5 per troy ounce

In the same period, the price of **gold** rose 3.3 percent to US\$ 1,372.5 per troy ounce.

The price of gold was favored by the weakness of the dollar, by greater expectations that the physical demand for gold will grow after the World Gold Council reported that the jewelers' demand had grown by 170 metric tons in annual terms, and by exchange-traded funds' increased holdings of this metal. This price rise was offset by the increase of tariffs on gold imports in India.



Between August 13 and 20, the price of **copper** fell 0.2 percent to US\$ 3.30 per pound.

The price of copper declined due to the higher production obtained at Glencore Xtrata mines in the first semester of 2013. This price fall was offset by China's increased demand for imports of this metal associated with the decline of production in Chinese refineries and with the unexpected one-day strike of the workers of BHP Billinton mines in Chile.



In the period of analysis, the price of **zinc** rose 1.9 percent to US\$ 0.88 per pound.

The price of zinc rose due to the reduction of inventories in the main metal exchange markets and due to China's increased demand.



Between August 13 and 20, the price of **WTI oil** dropped 1.8 percent to US\$ 105.0 per barrel.

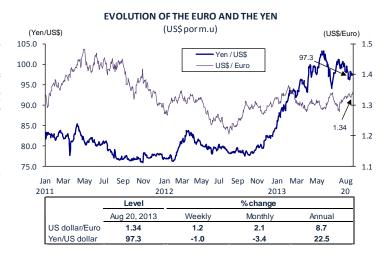
This drop in the price of oil was associated with the suspension of shipments of crude from Oklahoma to the refineries located in the US coast of the Gulf of Mexico. However, the price drop was offset by fears of supply cuts due to increased geopolitical tensions in the Middle East and by a higher-than-expected decline of US inventories of crude oil.



Dollar depreciated against the euro and the yen

Between August 13 and 20, the **dollar** depreciated 1.2 percent against the **euro**, amid the publication of economic data in the USA that reinforced the possibility of an earlier withdrawal of the Federal Reserve's stimulus.

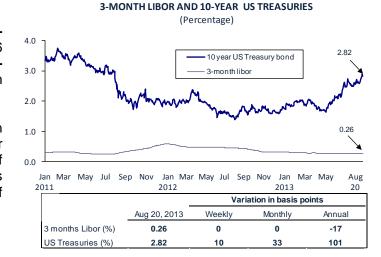
Moreover, the dollar depreciated 1.0 percent against the **yen**.



Yield on 10-year US Treasuries rose to 2.82 percent

Between August 13 and 20, the **3-month Libor** remained at 0.26 percent, while the yield on the **10-year US Treasury bonds** rose from 2.72 to 2.82 percent.

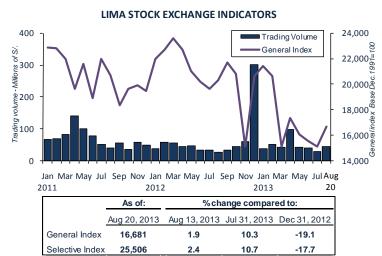
In the week of analysis, the yield on the U.S. Treasury bonds rose after the publication of positive indicators of activity in the USA increased fears about an anticipated withdrawal of stimulus by the Federal Reserve.



Lima Stock Exchange

So far this month (at August 20), the **General Index** of the Lima Stock Exchange (LSE) has risen 10.3 percent, while the **Selective Index** has risen 10.7 percent.

During the week of August 13 to 20, these indices rose 1.9 and 2.4 percent, respectively, due to the positive performance of precious metals and due to investors' profit taking in mining and junior stocks, in a context in which better ratings are being assigned to the country by credit rating agencies.



So far this year, the indices of the LSE accumulate losses of 19.1 and 17.7 percent, respectively.

MONTHLY REPORT

Gross Domestic Product grew 4.4 percent in June

Reflecting the performance of non primary sectors, particularly services (5.4 percent), commerce (5.0 percent), and construction (7.percent), **GDP recorded a growth rate of 4.4 percent** in June and thus accumulated a growth rate of 5.1 percent in the first semester of 2013.

GROSS DOMESTIC PRODUCT

(Real percentage change respect to the same period of previous year)

					2013			
	% structure of GDPI 20121/	Q1		June		Q2		S1
	GDP120121/	% Chg.	% Chg.	Contribution	% Chg.	Contribution	% Chg.	Contribution
Agriculture and Livestock 2/	7.3	6.1	-0.6	-0.1	0.0	0.0	2.4	0.2
Agriculture	4.4	9.1	-3.7	-0.2	-1.8	-0.1	1.9	0.1
Livestock	2.2	2.6	5.8	0.1	3.9	0.1	3.3	0.1
Fishing	0.4	3.2	2.2	0.0	-6.1	0.0	-2.2	0.0
Mining and Fuel 3/	4.7	-3.0	6.0	0.3	4.8	0.2	0.9	0.0
Metallic mining	3.6	-5.4	6.1	0.2	3.8	0.1	-0.8	0.0
Hydrocarbons	0.7	8.1	5.4	0.0	9.3	0.1	8.7	0.1
Manufacture	14.2	-0.3	2.8	0.4	3.1	0.4	1.5	0.2
Based on raw materials	2.4	-2.3	11.2	0.3	1.9	0.0	-0.1	0.0
Non-primary industries	11.6	0.1	1.2	0.1	3.2	0.4	1.7	0.2
Electricity and water	2.0	4.8	6.0	0.1	6.0	0.1	5.4	0.1
Construcción	7.0	11.9	7.0	0.4	14.5	0.9	13.2	0.9
Comercio	15.3	5.0	5.0	0.8	6.4	1.0	5.7	0.9
Servicios	39.2	5.6	5.4	1.9	6.2	2.3	5.9	2.2
Transportation and communic	8.4	5.3	4.4	0.3	5.6	0.5	5.5	0.5
Financial and insurance	2.8	6.4	6.5	0.2	9.2	0.2	7.8	0.2
Given to companies	7.4	6.3	6.0	0.4	6.1	0.4	6.2	0.4
Restaurants and hotels	4.2	6.5	6.7	0.3	7.1	0.3	6.8	0.3
Government Services	5.4	4.8	4.9	0.2	4.9	0.2	4.8	0.2
Rest of other services	11.1	5.0	5.2	0.5	6.2	0.6	5.6	0.6
Taxes	9.9	4.3	2.7	0.2	4.1	0.4	4.2	0.4
GDP Global	100.0	4.5	4.4	4.4	5.6	5.6	5.1	5.1
Primary	14.7	1.5	3.0	0.5	1.4	0.2	1.4	0.2
Non-primary	85.3	5.0	4.7	3.9	6.4	5.3	5.8	4.8

^{1/} At 1994 prices.

Source: INEI.

Activity in the **agricultural sector** fell 0.6 percent in June due to a lower farming production for the external market and agro-industry, and to the reduction of potato crops. This result was in part offset by an increased production of some products for the domestic market, such as rice, wheat, tomatoes, barley, and tangerines, as well as by a higher supply of poultry. With this, the agricultural section accumulates a growth rate of 2.4 percent in the first semester of the year.

Fishing activity grew 2.2 percent in June and accumulated a contraction of 2.2 percent in the first semester of 2013. The monthly growth rate is explained mainly by an increase in the catch for industrial consumption due to the higher catch of anchovy relative to June 2012.

Production in the **mining and hydrocarbons sector** grew 6.0 percent and thus accumulated a growth rate of 0.9 percent in the first half of the year. The monthly result reflects the higher

^{2/} Includes silviculture sector

^{3/} Includes Non-metrallic mining

extraction of copper by Antamina and Antapaccay, the higher production of zinc at Antamina, and Pluspetrol's higher production of liquid hydrocarbons.

Activity in the **manufacturing sector** increased 2.8 percent. Primary activity grew 11.2 percent, while non-primary manufacturing grew 1.2 percent. With these results, the sector accumulates an increase of 1.5 percent in the first semester. Growth was particularly noteworthy in the industrial branches associated with construction, especially in the branches of construction materials and cement.

The **construction sector** grew 7.0 percent and thus accumulated a growth rate of 13.2 percent in the first semester of 2013. This growth rate reflects the dynamism of construction in the central areas of the country due to ongoing projects such as the hydro-electric power station of Chaglla in Huánuco, as well as the implementation of important public and private construction projects in the south areas of the country, including housing projects and the construction of commercial facilities. Moreover, dispatches of cement in the north areas registered a slower pace of growth due to the interruption of some projects as a result of budget cuts (particularly in Piura and Chiclayo) and due to the completion of the construction of Chailhuagón reservoir (Cajamarca).

Indicators - July 2013

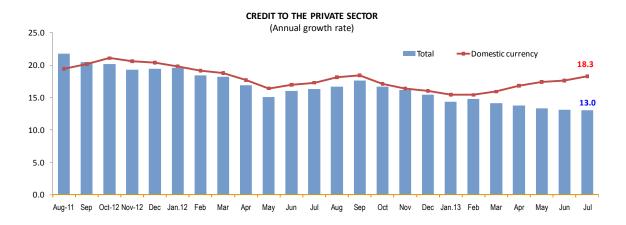
Preliminary data available to date of indicators on the sectors of fishing, hydrocarbons, electricity, and local dispatches of cement include the following:

- The Ministry of Production established in June a fishing quota of 2.05 million tons for the first fishing season (May to July). A total of 168 thousand tons would have been caught in July, as a result of which total fish catch would have accumulated 98.8 percent of the quota established for that season.
- The production of hydrocarbons fell 0.3 percent, according to Perupetro.
- The production of electricity grew 7.2 percent, according to the Comité de Operación Económica del Sistema Interconectado Nacional (COES).
- Local dispatches of cement increased from 820 thousand tons to 880 thousand tons between July 2012 and July 2013, according to Asociación de Productores de Cemento (Asocem).

Liquidity and credit to the private sector at July 31

Total credit to the private sector grew 1.3 percent in July (S/. 2.35 billion) and thus accumulated a growth rate of 13.0 percent in the last 12 months (13.1 percent in June).

Credit to the private sector in soles grew 1.9 percent in July (S/. 2.01 billion) and 18.3 percent in the last twelve months (17.6 percent in June), while credit in dollars grew 0.5 percent (US\$ 135 million) and 6.2 percent in the last 12 months (7.2 percent in June).



Credit to businesses continued to show the greater dynamism, followed by mortgage loans. Credit to businesses grew 1.7 percent in July, while credit to individuals grew 0.7 percent. In the latter segment, consumer loans registered a monthly growth rate of 0.5 percent in July, while mortgage loans showed a monthly growth rate of 1.1 percent.

TOTAL CREDIT TO THE PRIVATE SECTOR, BY TYPE OF LOAN

	Balance in million of Nuevos Soles			Gro	wth rates (%)	
	Jul-12	Jun-13	Jul-13	Jun-13/ Jun-12	Jul-13/ Jul-12	Jul-13/ Jun-13
Loans to companies 1/	102,216	112,180	114,049	<u>11.5</u>	<u>11.6</u>	<u>1.7</u>
Foreign trade	9,423	9,919	10,133	17.3	7.5	2.2
Rest	92,794	102,261	103,916	10.9	12.0	1.6
Loans to individuals 2/	<u>56,642</u>	65,022	65,503	<u>16.0</u>	<u>15.6</u>	0.7
Consumer loans	34,237	38,048	38,223	11.5	11.6	0.5
Mortgage	22,405	26,974	27,280	22.8	21.8	1.1
Total	158,859	177,203	179,553	13.1	13.0	1.3

^{1 /} Includes loans to legal persons and holdings of corporate bonds, including loans from foreign branches of banks.

Total liquidity grew 2.9 percent in July (S/. 5.26 billion) and thus accumulated an annual growth rate of 16.3 percent. This increase of liquidity in the month is explained by the higher demand for currency in circulation (4.6 percent or S/. 1.46 billion) due to seasonal factors associated with Fiestas Patrias and with the public's greater deposits (2.5 percent or S/. 3.78 billion). By form of deposits, the growth of term deposits (3.6 percent or S/. 2.25 billion) and savings deposits (3.5 percent or S/. 1.48 billion) stands out.

Liquidity in soles grew 2.3 percent in July (S/. 2.92 billion) and 21.2 percent in the last twelve months (19.9 percent in June), while liquidity in dollars grew 4.3 percent in the month (US\$ 917 million) and 6.3 percent in the last 12 months.

LIQUIDITY BY TYPE OF LIABILITY

	Balance in million of Nuevos Soles			Gro	owth rates (%	5)
	Jul-12	Jun-13	Jul-13	Jun-13/ Jun-12	Jul-13/ Jul-12	Jul-13/ Jun-13
Currency	28,290	31,477	32,932	16.2	16.4	4.6
<u>Deposits</u>	<u>131,131</u>	<u>148,640</u>	<u>152,425</u>	<u>13.3</u>	<u>16.2</u>	2.5
Demand deposits	40,746	43,626	43,680	7.6	7.2	0.1
Saving deposits	38,081	41,920	43,402	14.3	14.0	3.5
Term deposits	52,304	63,095	65,342	16.9	24.9	3.6
CTS	10,762	13,657	13,484	25.8	25.3	-1.3
Securities and others 1/	1,988	2,331	2,347	27.1	18.1	0.7
Total	161,409	182,449	187,704	14.0	16.3	2.9

^{1/} Includes debt securities and other obligations issued by the depository corporations and by non-financial private sector.

^{2 /} Includes persons non profit legal.

Non-financial public sector recorded a déficit of S/. 708 million in July

In July the non-financial public sector registered a deficit of S/. 708 million, which contrasts with the surplus observed in the same month in 2012 (S/. 496 million).

The current revenues of the general government (S/. 9,564 million) in the month grew 1.8 percent. The non-financial expenditure (S/. 10.14 billion) grew 19.7 percent, driven by expenditure in the three levels of government: the national government with a rate of 16.0 percent, regional governments with a rate of 7.3 percent, and local governments with a rate of 41.8 percent. Expenditure grew both in terms of current expenditure (9.1 percent) and in terms of capital spending (50.4 percent).

OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR 1/

(Millions of nuevos soles)

	July			Ji	anuary - Ju	ıly
	2012	2013	Real % Chg.	2012	2013	Real % Chg.
1. General government current revenues	9,102	9,564	1.8	67,351	70,385	1.8
a. Tax revenue	7,064	7,329	0.5	51,184	52,859	0.6
National	6,912	7,163	0.4	49,929	51,403	0.3
Local	152	166	6.1	1,255	1,457	13.1
b. Non-tax revenue	2,037	2,235	6.2	16,166	17,526	5.6
National	1,739	1,907	6.2	13,877	15,291	7.3
Regional	62	69	6.8	653	513	-23.3
Local	236	259	6.3	1,636	1,722	2.5
2. General government non-financial expenditure	8,203	10,138	19.7	46,987	55,025	14.0
a. Current	6,094	6,863	9.1	35,439	40,134	10.3
b. Capital	2,109	3,276	50.4	11,548	14,892	25.5
Of wich: Gross Capital Formation	2,011	2,940	41.6	10,991	13,911	23.2
3. Others 2/	-22	277		1,262	1,040	
4. Primary Balance	877	-297		21,625	16,400	
5. Interests	380	410	4.4	3,101	3,564	12.0
6. Overall Balance	496	-708		18,524	12,836	

^{1/} Preliminary

Source: MEF, SUNAT, Banco de la Nación, public charities, public institutions and companies.

^{2/} Includes capital revenues from the General government and primary result of public companies.

MACROECONOMIC REPORT: Q2-2013

Private investment grew 9.3 percent in Q2-2013

For the fifth consecutive quarter, in Q2 domestic demand showed a higher growth rate (6.4 percent) than GDP.

GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE

(Annual growth rates)

	Weight GDP		2012			13
	2012 1/	Q1	Q2	Year	Q1	Q2
<u>Domestic Demand</u>	<u>105.3</u>	<u>4.8</u>	<u>7.5</u>	<u>7.4</u>	<u>8.0</u>	<u>6.4</u>
a. Private Consumption	66.0	6.0	5.8	5.8	5.2	5.3
b. Public Consumption	9.8	-2.0	9.1	9.4	6.1	8.5
c. Private investment	23.9	13.3	13.7	13.5	8.1	9.3
d. Public investment	5.4	39.4	29.5	20.8	16.5	28.0
Exports	17.7	19.4	-0.6	4.8	-9.4	3.7
Minus:						
Imports	23.0	10.2	6.1	10.4	8.7	8.2
GDP	<u>100.0</u>	<u>6.1</u>	<u>6.4</u>	<u>6.3</u>	<u>4.5</u>	<u>5.6</u>

^{1/} At 1994 prices.

GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE

(Percentual contributions)

	Weight GDP		2012			2013	
	2012 1/	Q1	Q2	Year	Q1	Q2	
<u>Domestic Demand</u>	<u>105.3</u>	<u>5.0</u>	<u>7.8</u>	<u>7.7</u>	<u>8.3</u>	<u>6.7</u>	
a. Private Consumption	66.0	4.1	3.9	3.9	3.5	3.6	
b. Public Consumption	9.8	-0.2	0.7	0.9	0.5	0.7	
c. Private investment	23.9	3.1	2.9	3.0	2.0	2.1	
d. Public investment	5.4	1.2	1.0	1.0	0.7	1.1	
e. change on inventories	0.2	-3.3	-0.7	-1.0	1.5	-0.8	
Exports	17.7	3.3	-0.1	0.9	-1.8	0.6	
Minus:							
Imports	23.0	2.2	1.3	2.3	2.0	1.7	
GDP	100.0	6.1	6.4	6.3	4.5	5.6	

^{1/} At 1994 prices.

In Q2-2013, GDP recorded a growth rate of 5.6 percent. This growth was led by the dynamism of non-primary sectors, which grew 6.4 percent, mainly as a result of increased activity in the sectors of construction (14.5 percent), commerce (6.4 percent), and services (6.1 percent). On the other

hand, primary sectors registered a growth rate of 1.4 percent, the increase in the sector of mining and hydrocarbons (4.8 percent) being offset by the drop of activity in fishing (-6.1 percent).

Deficit in the current account of the balance of payments: 5.7 percent of GDP

In Q2-2013 the current account of the balance of payments recorded a deficit of 5.7 percent of GDP. As in previous quarters, this result continued to be covered by the financial account (6.0 percent of GDP), especially by medium-term and long-term capitals, which amounted to 10.0 percent of GDP. These capitals were associated with private bonds issued abroad and with foreign direct investment.

BALANCE OF PAYMENT (Millions of US\$)

	2012			201	3
	Q1	Q2	Year	Q1	Q2
I. CURRENT ACCOUNT BALANCE	-671	-1,927	-7,136	-2,662	-3,065
(As % of GDP)	-1.4	-3.8	- 3 .6	-5.2	<i>-5.7</i>
1. Trade balance	2,401	585	4,527	18	-712
a. Exports FOB	11,974	10,586	45,639	10,243	9,808
b. Imports FOB	-9,573	-10,001	-41,113	-10,225	-10,520
2. Services	-420	-554	-2,258	-479	-489
3. Investment income	-3,460	-2,773	-12,701	-2,970	-2,681
4. Current transfers	808	815	3,296	769	818
of which: Workers' remittances	678	690	2,788	639	687
II. FINANCIAL ACCOUNT	6,572	4,188	20,130	6,555	3,245
1. Private sector	5,325	2,854	16,236	5,595	5,381
2. Public sector	1,582	256	1,667	344	-1,944
3. Short-term capital	-336	1,077	2,228	616	-191
III. EXCEPTIONAL FINANCING	1	10	19	1	0
IV. NET ERRORS AND OMISSIONS	769	-220	1,814	640	-314
V. TOTAL	6,671	2,051	14,827	4,533	-133
(V = I + II + III + IV) = (1-2)					

Source: BCRP, MEF, SBS, SUNAT, Ministry of Foreign Affairs, Cofide, ONP, FCR, Tacna Free Trade Zone, Banco de la Nación, Cavali S.A. ICLV, Proinversión, Bank for International Settlements (BIS), and companies.

The non-financial public sector registered a surplus of 3.9 percent of GDP in Q2-2013

The operations of the non-financial public sector recorded an economic surplus of 3.9 percent in Q2-2013. In this period, the current revenues of the general government were equivalent to 21.7 percent of GDP, while the current expenditure was equivalent to 17.6 percent of GDP.

OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR 1/

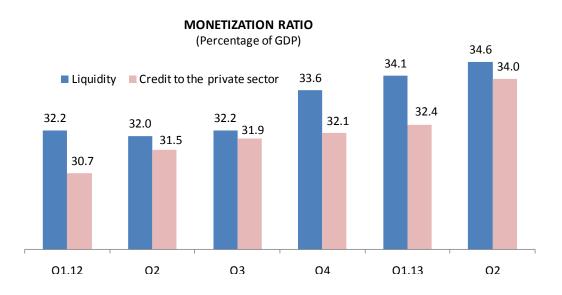
(Percentage of GDP)

		2,012		2013	
	Q1	Q2	Year	Q1	Q2
1. General government current revenues	22.4	22.5	21.6	22.7	21.7
a. Tax revenue	17.2	16.9	16.4	17.0	16.2
b. Non-tax revenue	5.3	5.6	5.2	5.6	5.5
2. General government non-financial expenditure	14.2	15.7	18.6	15.0	17.6
a. Current	11.1	11.5	13.1	11.6	12.5
b. Capital	3.1	4.2	5.5	3.3	5.1
which: Gross Capital Formation	2.9	4.0	5.2	3.1	4.8
3. Others 2/	0.2	0.8	0.3	-0.2	0.7
4. Primary Balance	8.5	7.6	3.2	7.5	4.8
5. Interest	1.4	0.7	1.1	1.5	0.9
Foreign	0.5	0.5	0.5	0.5	0.7
Domestic	0.9	0.2	0.5	0.9	0.2
6. Overall Balance	<u>7.1</u>	<u>6.8</u>	<u>2.2</u>	<u>6.0</u>	<u>3.9</u>
7. Financing	-7.1	-6.8	-2.2	-6.0	-3.9
Foreign	0.0	-0.6	-0.3	-0.5	-2.9
Domestic	-7.1	-6.2	-1.9	-5.5	-1.0

^{1/} Preliminary.

The ratio of monetization of liquidity continued rising and reached 34.6 percent of GDP in Q2-2013

The ratios of monetization, which measure the level of liquidity and the level of credit to the private sector as a percentage of GDP, continued showing a rising trend over the year. In Q2-2013, these indicators were equivalent to 34.6 percent and 34.0 percent of GDP, respectively.



^{2 /} Includes capital revenues of the General Government and state enterprises primary result.

Source: MEF, BN, Sunat, EsSalud, public charities, state enterprises and public institutions.

Total investment reached 28.4 percent of GDP in Q2-2013

In Q2-2013, **domestic investment** was equivalent to 28.4 percent of GDP, which represents an increase of 1.1 percentage points compared to the same quarter in 2012. This is explained by the expansion of gross private fixed investment, associated with the development of investment projects, and by the increase of public investment.

The increase of investment in Q2 was financed with external savings, which rose from 3.8 percent of GDP in Q2-2012 to 5.7 percent of GDP in Q2-2013. On the other hand, private savings recorded a decline of 0.7 percentage points due to the decrease recorded in public savings.

SAVING - INVESTMENT GAP

(As percentage of GDP)

		2012	20	13	
	Q1	Q2	Year	Q1	Q2
Total investment	26.1	27.3	26.9	29.2	28.4
Gross Fixed Investment	27.9	24.4	26.6	29.6	26.4
Private investment	24.1	20.5	21.4	25.3	21.6
Public investment	3.8	3.9	5.2	4.3	4.8
Change on inventories	-1.8	2.9	0.3	-0.4	2.1
Total savings	26.1	27.3	26.9	29.2	28.4
External saving 1/	1.4	3.8	3.6	5.2	5.7
Domestic saving	24.6	23.5	23.3	24.0	22.7
Private savings	14.4	12.4	15.5	14.6	13.9
Public savings	10.3	11.1	7.8	9.5	8.9

 $^{1/\}operatorname{Positive}$ signe indicas deficit in the current account of the balance of payment. Source: BCRP.

Resumen de Indicador	es Económicos / Summary of Economic Indicators	2011 Dic	Mar	Jun 20	12 Set	Dic.	Mar	Jun	Jul	13 Aeo	201:		16 Ago	19 Ago
	NALES (Mills, US\$) / INTERNATIONAL RESERVES	Acum. 33 300	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.					
	national position ¿/ Net international reserves to en el BCRP / Financial system deposits at BCRP	48 816 8 799	55 789	57 225	43 078 61 161 9 827	46 063 63 991 10 068	48 397 67 918 10 522	46 775 66 683 10 946	46 608 67 613	45 905 67 955 12 905	45 747 67 760 12 874	45 655 67 916 13 115	45 364 67 832 13 312	45 303 67 921 13 446
Empresas bancarias / Bank Banco de la Nación / Banc	s o de la Nación	7 988 674	412	8 707 448	9 294 384	9 648 250	10 078 253	10 637 120	11 743 119	12 595 132	12 554 137	12 829 98	13 016 96	13 148 103
	ncieras / Other financial institutions n el BCRP / Public sector deposits at BCRP *	137 6 731	156 7 671	138 8 615	149 8 427	169 8 198	191 9 613	189 9 546	195 9 533	179 9 717	184 9 716	187 9 718	200 9 725	195 9 732
	IAS BCR (Mill. US\$) / BCRP FOREIGN OPERATIONS orimaria / External origin of monetary base	Acum. 1 107	Acum. 1 884	Acum. -1 334	Acum. 1 228	Acum. 1 382	Acum. 518	Acum. -1 136	Acum. -459	-200	-170	-180	-280	0
	gociación / Net purchases of foreign currency	1 124		0	1 220	1 380	1 010	0	-390 0	-200 0	-170 0	-180 0	-280 0	0
ompras con compromiso de s peraciones con el Sector Pút	ecompras en ME (neto) / Net swaps auctions in FC lico / Public sector	0	0	0 -1 336	0 8	0	0 -492	-1 136	-70	0	0	0	0	0
IPO DE CAMBIO (S/. por l'ompra interbancario/Interba		Prom. 2,696	Prom. 2,670	Prom. 2,670	Prom. 2,602	Prom. 2,568	Prom. 2,593	Prom. 2,748	Prom. 2,776	2,797	2,796	2,798	2,796	2,799
enta Interbancario	Apertura / Opening Mediodía / Midday	2,697 2,697	2,672 2,671	2,673 2,672	2,603 2,603	2,569 2,569	2,594 2,594	2,753 2,749	2,779 2,779	2,800 2,797	2,795 2,797	2,802 2,800	2,796 2,799	2,799 2,800
nterbank Ask	Cierre / Close Promedio / Average	2,697	2,672	2,671	2,603	2,568 2,569	2,595	2,752	2,778	2,796	2,797	2,797	2,797	2,820
istema Bancario (SBS) anking System	Compra / Bid Venta / Ask	2,695 2,697		2,670 2,672	2,602 2,603	2,568 2,569	2,593 2,595	2,747 2,748	2,775 2,778	2,796 2,798	2,796 2,798	2,797 2,799	2,797 2,799	2,798 2,800
	2009 = 100) / Real exchange rate Index (2009 = 100) IOS / MONETARY INDICATORS	93,8	94,0	91,4	90,4	89,1	88,1	92,2	92,3					
Ioneda nacional / Domestic Emisión Primaria		13,6	0.4	-2,8	10,3	9.0	2.0	-4,6	2.6					
Monetary base Oferta monetaria	(Var. % mensual) / (% monthly change) (Var. % últimos 12 meses) / (% 12-month change) (Var. % mensual) / (% monthly change)	15,6 16,8 6,6	32,3	-2,8 27,3 -0,4	39,9 1,8	8,0 31,9 4,3	-3,6 33,8 0,8	30,3 -0,1	-3,6 23,4 2,3					
Money Supply Crédito sector privado	(Var. % incisals) / (% 12-month change) (Var. % ditimos 12 meses) / (% 12-month change) (Var. % mensual) / (% monthly change)	16,6 2,1	19,2	24,5	22,1 1,5	22,8	23,0	19,9	21,2					
Crédit to the private secto	r (Var. % últimos 12 meses) / (% 12-month change) (Var. % acum. en el mes) / TOSE balance (% change)	20,4	18,8	17,0	18,4 2,3	16,0	15,9 0,6	17,6 0,0	18,3	0,3	0,0	-0,1	-0,7	-0,8
Superávit de encaje prom	dio (% respecto al TOSE) / Average reserve surplus (% of TOSE) ncos (saldo mill. S/.) / Banks' current account (balance)	0,2 4 911	0,2	0,4	0,1 9 611	0,1 12 391	0,5 15 018	0,6	0,1	1,8	1,7	1,7	1,5	1,3
Créditos por regulación n	onetaria (millones de S/.) / Rediscounts (Millions of S/.) 3CRP (millones S/.) / Public sector deposits at the BCRP (Mills.S/.)	0 31 256	0	0 40 439	0 41 751	0 39 939	0 38 995	0 40 244	0 40 728	0 40 322	0 40 466	0 40 564	0 40 448	0 40 900
Certificados de Depósito	BCRP (saldo Mill.St.) / CDBCRP balance (Millions of St.) azo (saldo Mill St.) / Time Deposits Auctions (Millions of St.)**	13 580 3 637	21 092	20 691	19 690 5 769	20 805 9 248	23 335 12 700	27 261 6 400	25 411 6 200	22 421 4 600	22 571 3 600	22 721 2 600	22 721 2 100	22 771 1 400
CDBCRP con Negociació	n Restringida (Saldo Mill S/.) / CDBCRP-NR balance (Millions of S/.) ariable (CDV BCRP) (Saldo Mill S/.) / CDVBCRP- balance (Millions of	0	0	0	0	0	0	0	0	0	0	0	0	0
CD Liquidables en Dólaro CD Reajustables BCRP (es del BCRP(Saldo Mill S/.) / CDLD BCRP- balance (Millions of S/.) *** aldo Mill.S/.) / CDRBCRP balance (Millions of S/.)	0	0	0 1 520	0	0	0	0 2 323	0 2 146	0 2 330	0 2 515	0 2 615	0 2 645	0 2 665
Operaciones de reporte (s	aldo Mill. S/.) / repos (Balance millions of S/.) TAMN / Average lending rates in domestic currency	18,87		19,62	19,30	0 19,11	19,06	0 18,81	0 18,50	18,12	18,14	18,12	18,12	18,16
	Préstamos hasta 360 días / Loans up to 360 days **** Interbancaria / Interbank	14,20 4,24 5,35	4,25	15,31 4,23	16,50 4,23	17,24 4,25	16,07 4,24 4,66	14,90 4,26 4,52	14,15 4,32 4,76	13,57 4,25	13,60 4,25	13,61 4,25	13,63 4,25 4,65	13,72 4,25 4,65
Tasa de interés (%)	Preferencial corporativa a 90 días / Corporate Prime Operaciones de reporte con CDBCRP / CDBCRP repos Créditos por regulación monetaria / Rediscounts ******	s.m. 5,05	s.m.	5,16 s.m. 5,05	5,08 s.m. 5,05	5,03 s.m. 5,05	s.m. 5,05	s.m. 5,05	s.m. 5,05	4,62 s.m. 5,05	4,62 s.m. 5,05	4,65 s.m. 5,05	s.m. 5,05	s.m. 5,05
Interest rates (%)	Del saldo de CDBCRP / CDBCRP balance	4,10	4,11	4,14	4,09	4,00	3,91	3,87	3,88	3,89	3,89	3,89	3,89	3,89
	Del saldo de depósitos a Plazo / Time Deposits Del saldo de CDBCRP-NR / CDBCRP-NR balance Del saldo de CDLD BCRP / CDLD BCRP- balance	4,13 s.m.	4,22 s.m. s.m.	3,83 s.m.	4,19 s.m.	4,13 s.m. s.m.	4,04 s.m.	4,13 s.m.	3,97 s.m.	4,05 s.m.	4,12 s.m.	4,11 s.m. s.m.	4,05 s.m.	4,01 s.m. s.m.
Ioneda extranjera / foreign	Spread del saldo del CDV BCRP - MN / Spread CDV BCRP	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. s.m.	s.m. s.m.	s.m.	s.m. s.m.	s.m.
Crédito sector privado	(Var. % mensual) / (% monthly change) r (Var. % últimos 12 meses) / (% 12-month change)	2,5 28,3	1,9 22,4	2,2 17,4	1,6 18.4	1,4 16.4	-0,1 12.5	1,1 7,8	0,5 6,8					
TOSE saldo fin de períod	cdio (% respecto al TOSE) / Average reserve surplus (% of TOSE)	0,5	1,4	1,3 0,7	-0,3 0,4	0,8	1,1 1,3	4,8 1,0	5,5 0,3	0,0 5,4	-0,2 5,0	-0,8 4,9	-0,1 4,6	0,2 4,2
Operaciones de reporte er	ME (saldo Mill. US\$) / repos in US\$ (Balance millions of US\$) onetaria (millones de US dólares) / Rediscounts	0	0	0	0	0	0	0	0	0	0	0	0	0
Tasa de interés (%)	TAMEX / Average lending rates in foreign currency Préstamos hasta 360 días / Loans up to 360 days ****	7,76 5,70		8,04 6,33	8,25 6,58	8,15 6,51	8,68 7,36	8,60 7,14	8,52 7,01	8,47 6,90	8,47 6,91	8,46 6,91	8,43 6,86	8,41 6,83
Interest rates (%)	Interbancaria / Interbank Preferencial corporativa a 90 días / Corporate Prime	0,28 2,52	2,34	1,87 2,93	1,24 2,72	1,10 4,00	2,15 5,56	0,28 2,47	0,25 2,27	0,20 1,80	0,11	0,10 1,75	0,10 1,75	s.m. 1,75
	Créditos por regulación monetaria / Rediscounts ****** Compras con compromiso de recompras en ME (neto)	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.	s.m.
	uidez (%) / Liquidity dollarization ratio (%) epósitos (%) / Deposits dollarization ratio (%)	36,9 45,0		34,2 41,5	32,7 40,0	30,7 38,1	29,5 36,1	31,5 38,2	32,0 39,1					
NDICADORES BURSÁTIL	ES / STOCK MARKET INDICES	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.					
ndice Selectivo Bursátil (Var	%) / General Index (% change) . %) / Blue Chip Index (% change)	-2,2 -1,9	3,9 5,7	-3,8 -2,7	6,7 8,0	2,9 3,3	-3,7 -2,0	-5,5 -5,4	-2,8 -3,5	0,7 0,7	0,9 0,8	0,2 0,3	0,1 0,4	0,2 -0,1
fonto negociado en acciones NFLACIÓN (%) / INFLATI	(Mill. S/.) - Prom. Diario / Trading volume -Average daily (Mill. of ON (%)	53,3	54,8	35,2	32,8	301,8	42,0	38,0	35,0	27,6	12,5	27,2	47,5	14,8
nflación mensual / Monthly nflación últimos 12 meses / 9		0,27 4,74		-0,04 4,00	0,54 3,74	0,26 2,65	0,91 2,59	0,26 2,77	0,55 3,24					
OBIERNO CENTRAL (M	II. S/.) / CENTRAL GOVERNMENT (Mills. of S/.)				•									
esultado primario / Primary igresos corrientes / Current r	evenue	-3 958 7 120	8 467	1 020 7 475	1 239 7 690	-4 755 8 455	2 445 8 710	7 720	-4 575 8 077					
astos no financieros / Non-fi OMERCIO EXTERIOR (M	nancial expenditure Hills. US\$) / FOREIGN TRADE (Mills. of US\$)	11 108	5 869	6 485	6 477	13 236	6 567	6 949	12 685					
alanza Comercial / Trade ba xportaciones / Exports	lance	1 151 4 385	4 168	562 3 799	569 4 061	628 3 757	344 3 623	0 3 199						
mportaciones / Imports	RNO (Índice 1994=100) / GROSS DOMESTIC PRODUCT	3 234		3 237	3 491	3 129	3 280	3 199						
'ariac. % respecto al mismo i	nes del año anterior / Annual rate of growth (12 months)	6,0		7,3	6,0	4,4	2,4	4,4						
OTIZACIONES INTERNA IBOR a tres meses (%) / LIE	CIONALES / INTERNATIONAL QUOTATIONS OR 3-month (%)	Prom. 0,56		Prom. 0,47	Prom. 0,39	Prom. 0,31	Prom. 0,28	Prom. 0,27	Prom. 0,27	0,26	0,26	0,26	0,26	0,26
ow Jones (Var %) / (% chan		2,00 1,97	2,01	1,68 1,61	2,65 1,70	0,60 1,70	3,36 1,95	-0,60 2,28	3,96	0,20	-0,73 2,71	-1,47 2,77	-0,20 2,83	-0,47 2,88
	s) / EMBIG PERU spread (basis points)	216		189	124	118	139	178	2,55 176	2,72 177	181	185	188	193

Credit Default Swaps PERÜ Ś años (pbs.) CDS PERU SY (basis points)

170 | 125 | 162 | 106 | 95 | 93 | 144 | 142 | 125 | 130 | 137 | 139 | 158 |

180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 |