



Indicators

- Exchange rate: S/. 2.80 per US dollar
- Inflation grew 0.60 percent in February
- Country risk at 173 basis points

Content

- |   |      |
|---|------|
| BCRP Survey on Macroeconomic Expectations: February 2014  | ix   |
| Exchange rate: S/. 2.80 per US dollar                     | xi   |
| International reserves amount to US\$ 64.99 billion       | xi   |
| Credit to the private sector and liquidity at February 15 | xii  |
| Country risk at 173 basis points                          | xiii |

### BCRP Survey on Macroeconomic Expectations: February 2014

The results of the BCRP Survey on Macroeconomic Expectations conducted in February show that the rates of inflation expected for 2014 remain within the Central Bank's target range.

#### SURVEY OF MACROECONOMIC EXPECTATIONS: INFLATION (%)

	Survey date		
	Dec.31	Jan.31	Feb.28
<b>ECONOMIC ANALYSTS 1/</b>			
2014	2.6	2.6	2.6
2015	2.5	2.5	2.5
<b>FINANCIAL ENTITIES 2/</b>			
2014	2.8	2.7	2.6
2015	2.6	2.6	2.5
<b>NON-FINANCIAL FIRMS 3/</b>			
2014	3.0	2.9	3.0
2015	3.0	3.0	3.0

1/ 18 analysts in December 2013, 22 in January 2014, and 21 in February.

2/ 23 financial entities in December 2013, 20 in January 2014, and 20 in February.

3/ 323 non-financial firms in December 2013, 355 in January 2014, and 361 in February.

Economic analysts estimate a growth rate of 5.6 percent in 2014, while financial entities and non-financial firms estimate a rate of 5.5 percent.

#### SURVEY OF MACROECONOMIC EXPECTATIONS: GDP (%)

	Survey date		
	Dec.31	Jan.31	Feb.28
<b>ECONOMIC ANALYSTS 1/</b>			
2014	5.6	5.6	5.6
2015	6.0	6.0	5.9
<b>FINANCIAL ENTITIES 2/</b>			
2014	5.5	5.6	5.5
2015	5.6	5.8	5.7
<b>NON-FINANCIAL FIRMS 3/</b>			
2014	5.5	5.5	5.5
2015	6.0	6.0	5.7

1/ 18 analysts in December 2013, 22 in January 2014, and 21 in February.

2/ 23 financial entities in December 2013, 20 in January 2014, and 20 in February.

3/ 323 non-financial firms in December 2013, 355 in January 2014, and 361 in February.

# resumen informativo

At end-2014, the dollar-nuevo sol exchange rate would be around S/. 2.85 per US dollar.

## SURVEY OF MACROECONOMIC EXPECTATIONS: EXCHANGE RATE\*

	<u>Survey date</u>	Dec.31	Jan.31	Feb.28
<b>ECONOMIC ANALYSTS 1/</b>				
2014	2.87	2.86	2.86	
2015	2.90	2.90	2.90	
<b>FINANCIAL ENTITIES 2/</b>				
2014	2.83	2.85	2.83	
2015	2.85	2.89	2.85	
<b>NON-FINANCIAL FIRMS 3/</b>				
2014	2.85	2.85	2.85	
2015	2.86	2.90	2.87	

1/ 18 analysts in December 2013, 22 in January 2014, and 21 in February.

2/ 23 financial entities in December 2013, 20 in January 2014, and 20 in February.

3/ 323 non-financial firms in December 2013, 355 in January 2014, and 361 in February.

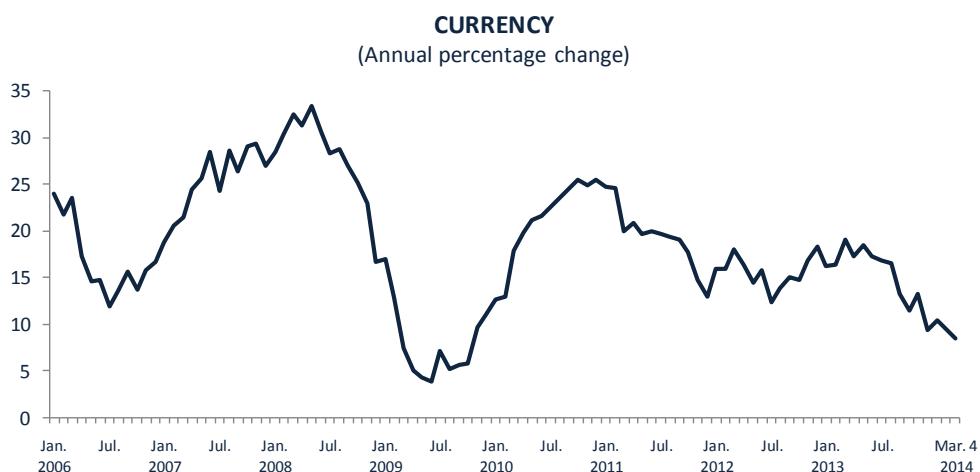
\* Exchange rate at end of year.

## Monetary and foreign exchange operations

So far in March, the Central Bank has made the following operations:

1. BCRP CDs: Placements for a total of S/. 30 million at an average rate of 3.76 percent.
2. Repos: Placements for a daily average of S/. 3.15 billion at an average rate of 4.44 percent.
3. CDR BCRP: Placements for a total of S/. 208 million at an average rate of 0.15 percent.
4. Overnight deposits in domestic currency for a daily average of S/. 24 million.
5. Interventions in the foreign exchange market: The BCRP did not sell foreign currency in the foreign exchange market.

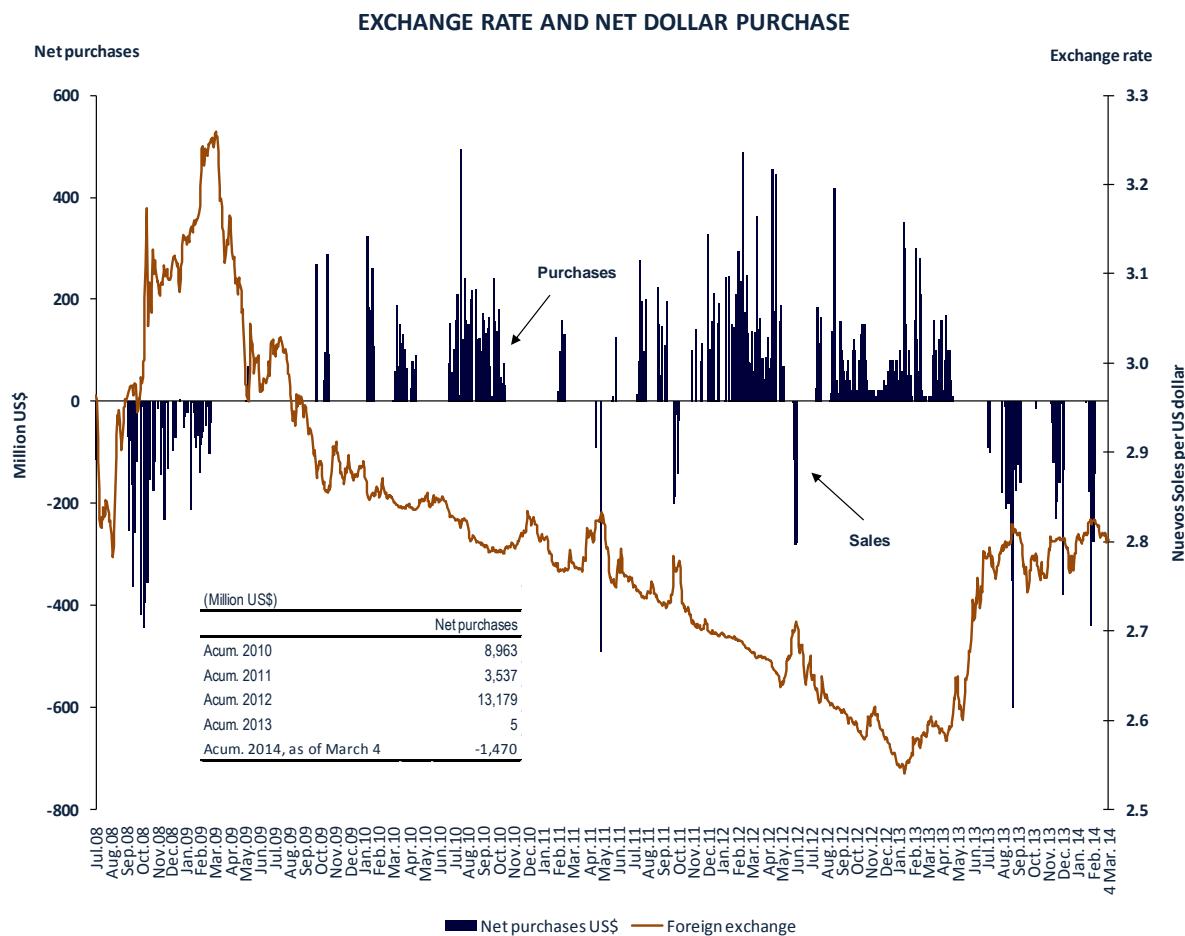
**Currency in circulation** at March 4, 2014, showed a balance of S/. 34.11 billion and a growth rate of 8.5 percent in the last 12 months.



## Exchange rate: S/. 2.80 per US dollar

On March 4, the average selling price of the dollar in the interbank market was S/. 2.80 per dollar.

Since 2012, the Central Bank has purchased foreign currency for a total of US\$ 19.07 billion and sold foreign currency for a total of US\$ 7.35 billion. In net terms, purchases of foreign currency are higher than sales by US\$ 11.71 billion. In the week of February 26 – March 4, the BCRP did not intervene in the foreign exchange market.



## International reserves amount to US\$ 64.99 billion

At March 4, 2014, **international reserves** amounted to US\$ 64.99 billion and the foreign exchange position of the BCRP was US\$ 39.84 billion.

## Inflation without food and energy increased 0.19 percent in February

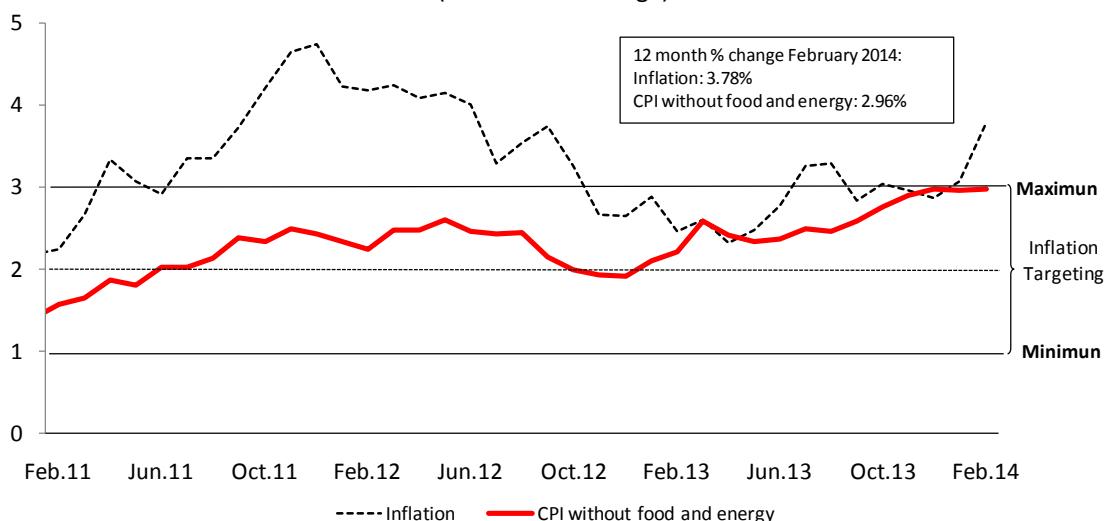
Inflation without food and energy increased 0.19 percent in February and 2.96 percent in the last 12 months. The consumer price index in Metropolitan Lima showed a variation of 0.60 percent in the month and a variation of 3.78 percent in the last 12 months.

# resumen informativo

## INFLATION (Annual percentage change)

	Weight 2009=100	January 2014		February 2014	
		Month	12 month	Month	12 month
<b>CPI</b>	<b>100.0</b>	<b>0.32</b>	<b>3.07</b>	<b>0.60</b>	<b>3.78</b>
<b>CPI without food and energy</b>	<b>56.4</b>	<b>0.03</b>	<b>2.95</b>	<b>0.19</b>	<b>2.96</b>
Good	21.7	0.2	2.8	0.2	2.8
Services	34.8	-0.1	3.0	0.2	3.1
<i>Of which:</i>					
Education	9.1	0.0	4.8	0.2	4.9
Rent	2.4	0.3	3.7	0.1	3.5
Health	1.1	0.7	4.9	0.2	4.5
<b>Food and energy</b>	<b>43.6</b>	<b>0.66</b>	<b>3.20</b>	<b>1.09</b>	<b>4.76</b>
Food	37.8	0.8	2.8	0.8	4.4
Energy	5.7	-0.1	5.7	2.8	6.9

## INFLATION (12 month % change)



The items that contributed the most to increase inflation in February were electricity rates (0.14 percentage points), meals outside the home (0.08 percentage points), and chicken (0.06 percentage points). On the other hand, the items that contributed the most to reduce the rate of inflation were potatoes (-0.02 percentage points), avocados, and airplane fares (-0.01 percentage points, each).

### Credit to the private sector and liquidity at February 15

**Total credit to the private sector** in the last four weeks increased 0.9 percent (S/. 1.69 billion). By currencies, credit in soles rose 1.6 percent (S/. 1.93 billion), while credit in dollars decreased 0.3 percent (negative flow of US\$ 84 million). As a result of this, credit to the private sector registered an annual growth rate of 13.9 percent.

On the other hand, **total liquidity in the private sector** grew 0.7 percent (S/. 1.37 billion), as a result of which liquidity in the private sector accumulated a growth rate of 12.6 percent in the last twelve months. By currencies, liquidity in soles declined 0.2 percent (negative flow of S/. 326 million), while liquidity in dollars grew 2.5 percent (US\$ 605 million).

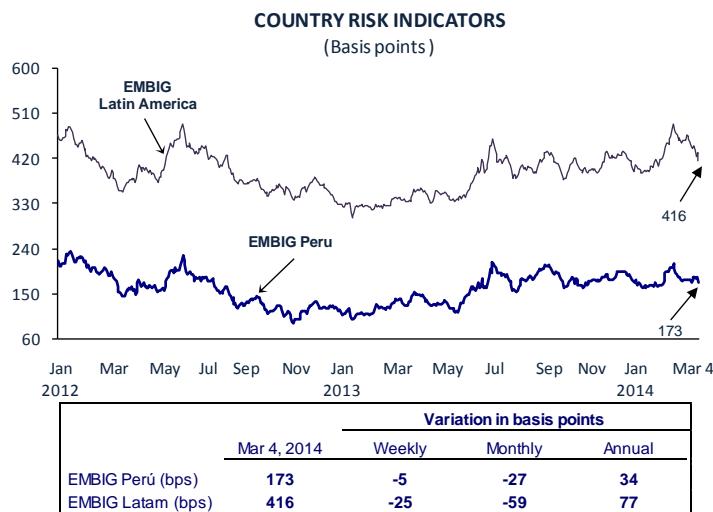
## International Markets

### Country risk at 173 basis points

On **March 4**, the **EMBIG Peru** indicator recorded 173 bps and the EMBIG LatAm recorded 416 bps.

In **February**, the average country risk, measured by the **EMBIG Peru** spread, rose from 177 bps in January to 183 bps.

On the other hand, the average **Latin America** spread rose 32 basis points to 423 bps due to mostly negative indicators in the United States and China.

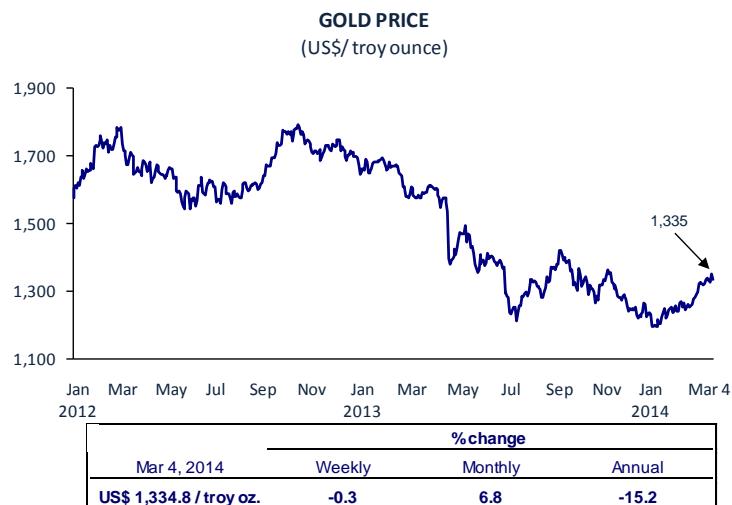


### Price of gold at US\$ 1,334.8 per troy ounce

On **March 4**, the price of **gold** registered US\$ 1,334.8 per troy ounce.

In **February**, the mean price of **gold** was US\$ 1,301.0 per troy ounce, 4.5 percent higher than in the previous month.

The rise in the price of gold was associated with the depreciation of the dollar against the euro, as well as with an increased physical demand for gold for jewelry, gold bullion coins and bars, especially in China and India at the beginning of month.



The price of **copper** on **March 4** was US\$ 3.19 per pound.

In **February**, the price of **copper** declined 2.0 percent relative to January and showed an average price of US\$ 3.24 per pound.

The fall in the price of copper was supported by new concerns about China (weak manufacturing data), by a strong production increase at Glencore Xstrata's mines in Africa and Chile, and by higher inventories of copper in China.



# resumen informativo

On **March 4**, the price of **zinc** was US\$ 0.96 per pound.

The average price of **zinc** in **February** was US\$ 0.92 per troy ounce, 0.1 percent lower than in the previous month.

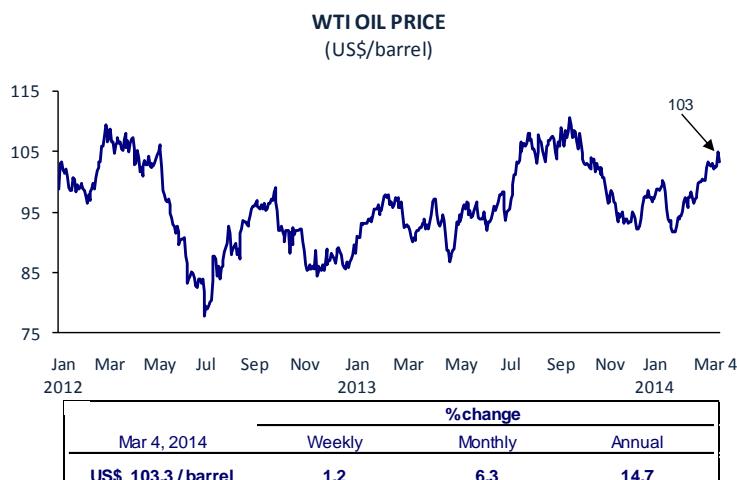
The price of zinc fell in February due to expectations of a lower demand as a result of weak economic data in the United States and China, although the price fall was offset by inventory shortages in the short run.



On **March 4**, the price of **WTI crude oil** was US\$ 103.3 per barrel.

The average price of **WTI oil** in **February** was US\$ 100.7/barrel, a price level 6.2 percent higher than in January.

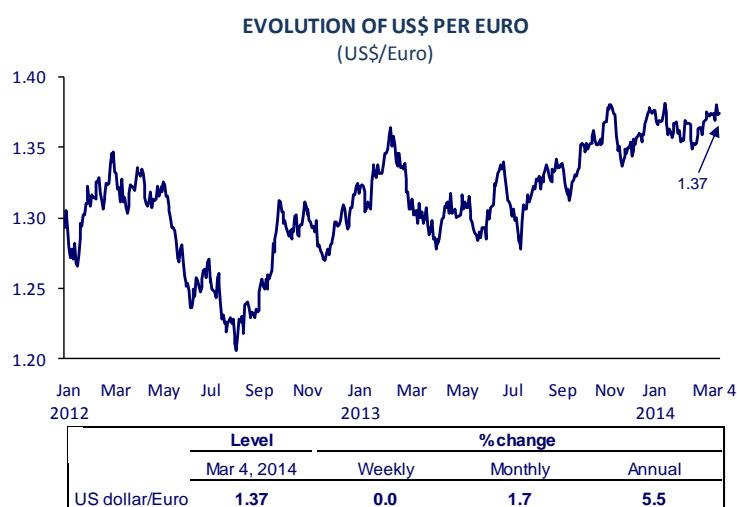
The increase in the price of crude in February was associated with strong demand for heating fuel in the United States and with persistent supply disruptions as a result of the conflicts in Libya, Sudan and Venezuela.



## Dollar-euro exchange rate: US\$ 1.37 per euro

On **March 4**, the **US dollar-euro** exchange rate was US\$ 1.37 per euro.

In **February**, the dollar depreciated 0.3 percent on average against the euro as a result of the European Central Bank's announcement about its decision of maintaining its interest rate at 0.25 percent and the dissemination of weaker-than-expected data in the United States.

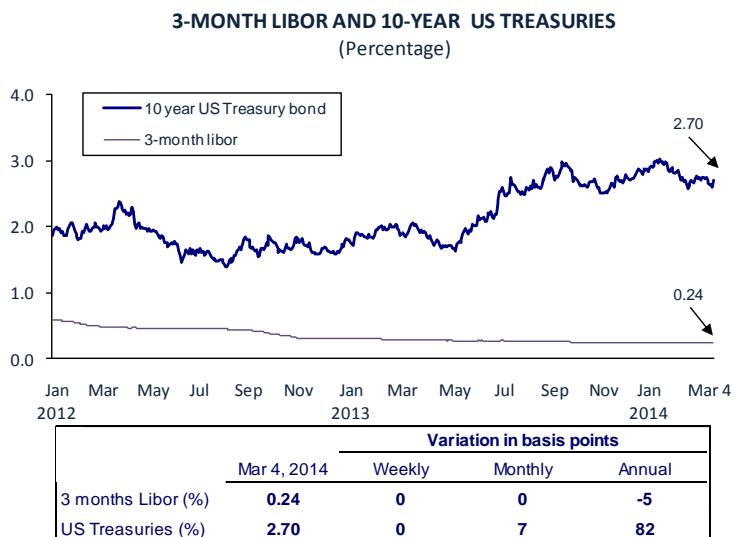


# resumen informativo

## Yield on 10-year US Treasuries at 2.70 percent

On **March 4**, the **3-month Libor** recorded 0.24 percent and the yield on the **10-year US Treasury bonds** recorded 2.70 percent.

In **February**, the **3-month Libor** remained at 0.24 percent while the yield on the **10-year US Treasury bonds** recorded a rate of 2.70 percent, a level 15 bps lower than in the previous month, due to weak economic indicators in the United States.

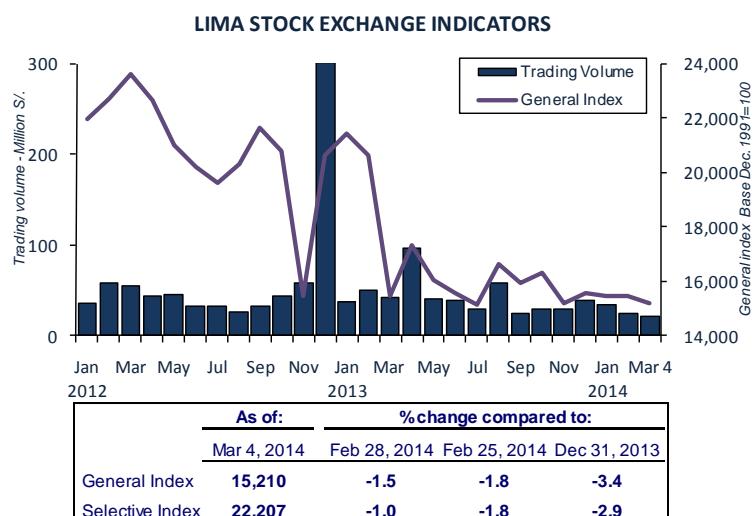


## Lima Stock Exchange

In **February**, the **General Index** of the Lima Stock Exchange (LSE) fell 0.1 percent and the **Selective Index** of the LSE fell 1.0 percent.

The LSE indices were affected by the weakening of the international prices of basic metals and by the volatility that affected the stock markets in the region.

So far this year (March 4), the indices of the LSE have fallen 3.4 percent and 2.9 percent, respectively.



# resumen informativo

## Resumen de Indicadores Económicos / Summary of Economic Indicators

	2012												2013												2014											
	Dic	Mar	Jun	Set	Dic	Ene	25 Feb	26 Feb	27 Feb	28 Feb	Feb	3 Mar	4 Mar	Mar	Dic	Mar	Jun	Set	Dic	Ene	25 Feb	26 Feb	27 Feb	28 Feb	Feb	3 Mar	4 Mar	Mar								
<b>RESERVA INTERNACIONALES (Mils. US\$) / INTERNATIONAL RESERVES</b>																																				
Posición de cambio / Net international position	46 063	48 397	46 775	43 711	41 997	40 013	39 902	39 840	39 871	39 952	-60	39 810	39 839	-114																						
Reservas internacionales netas / Net international reserves	63 991	67 918	66 683	66 729	65 663	65 074	64 937	64 893	64 978	65 175	102	64 946	64 993	-183																						
Depositos del sistema financiero en el BCRP / Financial system deposits at BCRP	10 068	10 522	10 946	13 550	14 383	14 908	15 092	15 110	15 286	15 407	499	14 983	14 985	-422																						
Empresas bancarias / Banks	9 648	10 078	10 637	13 257	13 994	14 488	14 748	14 738	14 927	15 048	560	14 536	14 497	-551																						
Banco de la Nación / Banco de la Nación	250	253	120	53	93	114	74	100	98	97	-17	96	101	4																						
Resto de instituciones financieras / Other financial institutions	169	191	189	240	297	306	271	272	261	262	-44	351	387	125																						
Depositos del sector público en el BCRP / Public sector deposits at BCRP *	8 198	9 613	9 546	10 049	10 759	10 718	10 520	10 520	10 395	10 390	-328	10 719	10 735	345																						
<b>OPERACIONES CAMBIARIAS BCR (MIL US\$) / BCRP FOREIGN OPERATIONS</b>																																				
Origen externo de la emisión primaria / External origin of monetary base	1.382	518	-1 136	-474	-1 058	-1 036	0	0	0	1	-429	0	0	0																						
Compras netas en Mesa de Negociación / Net purchases of foreign currency	1 380	1 010	0	-325	-760	-1 040	0	0	0	0	-430	0	0	0																						
Operaciones swaps netas / Net swap operations	0	0	0	0	0	0	0	0	0	0	0	0	0	0																						
Compras con compromiso de recompensas en ME (neto) / Net swaps auctions in FC	0	0	0	0	0	0	0	0	0	0	0	0	0	0																						
Operaciones con el Sector Público / Public sector	0	-492	-1 136	-150	-299	0	0	0	0	1	1	0	0	0																						
<b>TIPO DE CAMBIO (\$/ por US\$) / EXCHANGE RATE</b>																																				
Compra interbancario/Interbank	Promedio / Average	2,568	2,593	2,748	2,777	2,786	2,809	2,806	2,809	2,802	2,798	2,812	2,803	2,799	2,801																					
Apertura / Opening	2,569	2,594	2,753	2,780	2,788	2,810	2,807	2,809	2,808	2,796	2,814	2,804	2,803	2,804	2,804	2,804	2,804	2,804	2,804	2,804	2,803															
Venta Interbancario	Mediodía / Midday	2,569	2,594	2,749	2,779	2,787	2,810	2,808	2,811	2,801	2,803	2,813	2,804	2,799	2,802	2,802	2,802	2,802	2,802	2,802	2,802	2,802														
Interbank Ask	Cierre / Close	2,568	2,595	2,752	2,779	2,788	2,811	2,808	2,809	2,800	2,800	2,813	2,806	2,800	2,803	2,803	2,803	2,803	2,803	2,803	2,803	2,803														
Promedio / Average	2,569	2,595	2,751	2,779	2,788	2,810	2,807	2,810	2,803	2,799	2,813	2,804	2,804	2,804	2,804	2,804	2,804	2,804	2,804	2,804	2,803	2,803														
Sistema Bancario (SBS)	Compra / Bid	2,568	2,593	2,747	2,777	2,785	2,808	2,806	2,808	2,802	2,799	2,812	2,802	2,800	2,801	2,801	2,801	2,801	2,801	2,801	2,801	2,801	2,801													
Banking System	Venta / Ask	2,569	2,595	2,748	2,780	2,787	2,810	2,808	2,810	2,804	2,801	2,813	2,804	2,801	2,804	2,801	2,804	2,801	2,804	2,801	2,804	2,803	2,803													
Índice de tipo de cambio real (2009 = 100) / Real exchange rate Index (2009 = 100)		89,1	88,1	92,2	92,6	93,1	93,0																													
<b>INDICADORES MONETARIOS / MONETARY INDICATORS</b>																																				
<b>Moneda nacional / Domestic currency</b>																																				
Emisión Primaria (Var. % mensual) / (% monthly change)	8,0	-3,6	-4,6	-7,8	-1,3	-3,6																														
Monetary base (Var. % últimos 12 meses) / (% 12-month change)	31,9	33,8	30,3	5,3	-1,5	-1,6																														
Oferta monetaria (Var. % mensual) / (% monthly change)	4,6	0,5	-0,1	-1,8	3,6																															
Money Supply (Var. % últimos 12 meses) / (% 12-month change)	23,1	22,7	20,2	13,9	9,9																															
Crédito sector privado (Var. % mensual) / (% monthly change)	1,8	1,8	2,3	2,5	1,1	0,7																														
Crédito al sector privado (Var. % últimos 12 meses) / (% 12-month change)	16,0	15,9	17,6	20,3	22,4	23,4																														
TOSE saldo fin de periodo (Var. % acum. en el mes) / TOSE balance (% change)	0,6	0,6	0,0	-0,2	-0,8	-2,9	0,2	0,6	1,5	1,1	1,1	-0,4																								
Superávit de encargo promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)	0,1	0,5	0,6	0,1	0,3	0,1	0,4	0,3	0,2	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1						
Cuenta corriente de los bancos (saldo mil. S.) / Banks' current account (balance)	12 391	15 018	10 604	10 921	9 729	7 731	3 170	3 531	3 929	4 687	4 687	8 568	9 407																							
Créditos por regulación monetaria (millones de S.) / Rediscouts (Millions of S.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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 (Millions of S.)	39 893	38 995	40 244	40 155	36 646	37 877	38 186	38 009	37 929	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828	37 828					
Certificados de Depósito BCRP (saldo mil. S.) / CDBCRP balance (Millions of S.)	20 805	23 335	27 261	20 913	18 992	17 793	16 133	16 163	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193	16 193					
Subasta de Depósitos a Plazo (saldo mil. S.) / Time Deposits Auctions (Millions of S.)**	9 248	12 700	6 400	4 650	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
CDBCRP con Negociación Restringida (saldo mil. S.) / CDBCRP-NR balance (Millions of S.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
CDBCRP-MN con Tasa Variable (CD) (saldo mil. S.) / CDVBCRP - balance (Millions of S.)***	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
CD Liquidables en Dólares del BCRP (saldo mil. S.) / CDLDBCRP - balance (Millions of S.)***	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
CD Reajustables BCRP (saldo mil. S.) / CDRBCRP balance (Millions of S.)	0	0	0	2 323	2 284	3 111	5 435	4 900	4 900	4 900	4 845	4 845	4 753	4 578																						
Operaciones de reporte (saldo mil. S.) / Repos (Balance millions of S.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
TAMEX / Average lending rates in foreign currency	8,15	8,68	8,60</td																																	