



Indicators

- ➡ Exchange rate: S/. 2.80 per US Dollar on June 30
- ↗ Inflation in June: 0.16 percent
- ↗ Inflation excluding food and energy: 2.77 percent in the last 12 months
- ↗ Non-traditional exports grew 7 percent in January- May
- ↘ Country risk at 147 pbs

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Monetary and foreign exchange operations

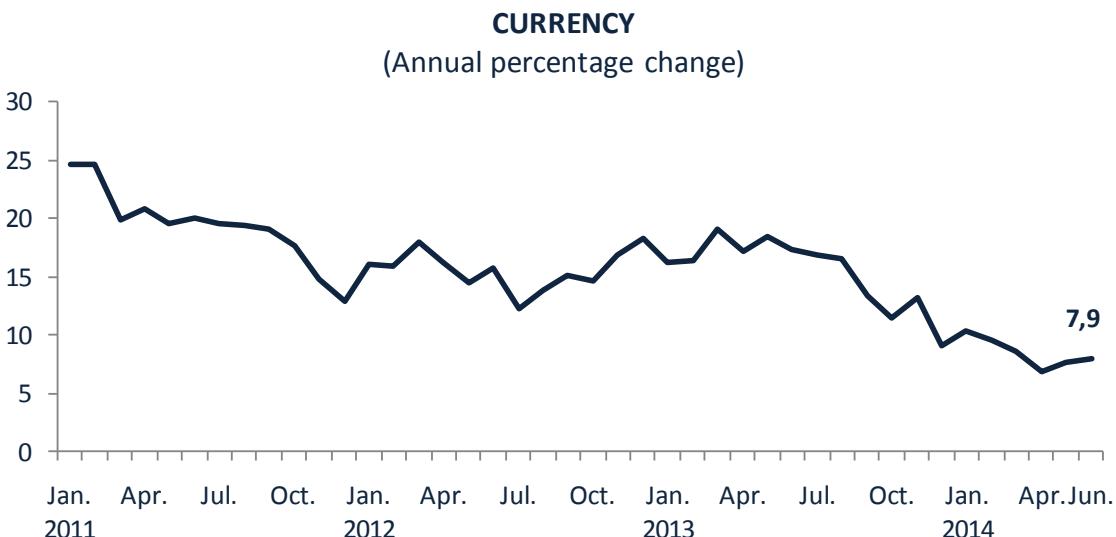
The BCRP monetary and foreign exchange operations at June included the following:

1. BCRP-CDs at end-June showed a balance of S/. 16.35 billion with an average interest of 3.82 percent. Auctions of 1 and 18-month for a total of S/. 2.40 billion at an average rate of 3.80 percent. Placements of CDBCOP of S/. 3.62 billion.
2. Overnight deposits registered a balance of S/. 2.40 billion at the close of June.
3. Repos showed a balance of S/. 100 million at end June with an average interest rate of 4.30 percent. Auctions of 1-day repos for S/. 5.0 billion at an average rate of 4.06 percent.
4. FX swaps: The balance of these operations at the close of June was S/. 2.50 billion with an average interest rate of 4.40 percent.
5. CDR-BCRP showed a balance of S/. 700 million at end-June with an interest rate of 0.09 percent. The last placement of CDR BCRP was on May 21, 2014.
6. Interventions in the foreign exchange market: The BCRP did not intervene in the spot market since May 29, 2014.

MONETARY AND FOREIGN EXCHANGE OPERATIONS: JUNE
(Million nuevos soles)

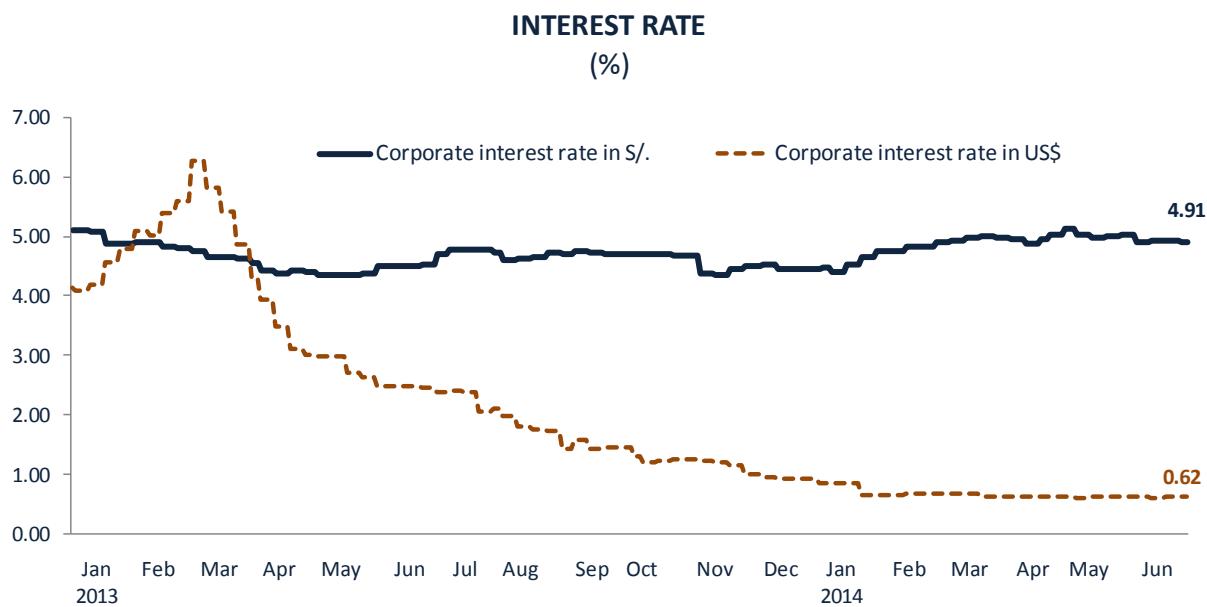
			Balance		Auctions						Placements	
			(Interest rate)		(Interest rate)							
			May 31	June 30	Overnight	1 month	3 months	6 months	12 months	18 months		
Monetary operations	Sterilization	CD BCRP	17,566	16,345		600	400	600	400	400	3,621	
			(3.84%)	(3.82%)		(3.79%)	(3.75%)	-3.78%	(3.82%)	(3.87%)		
		Overnight deposits	2,139	2,404	9,318						9,053	
	Injection	Repos	100	100	5,000						5,000	
			(4.30%)	(4.30%)	(4.06%)							
		Fx-Swaps	1,900	2,500				600	0		(4.18%)	
		CDR BCRP	910	700							210	
			(0.08%)	(0.09%)								

Currency in circulation at June 30, 2014, showed a balance of S/. 33.98 billion and a growth rate of 7.9 percent in the last 12 months.



Corporate prime rate in dollars at 0.62 percent

On June 30, the **corporate prime rate** –the interest rate commercial banks charge to lower risk businesses– in US dollars showed a daily average rate of 0.62 percent. On the other hand, the corporate prime rate in soles recorded a daily average rate of 4.91 percent.

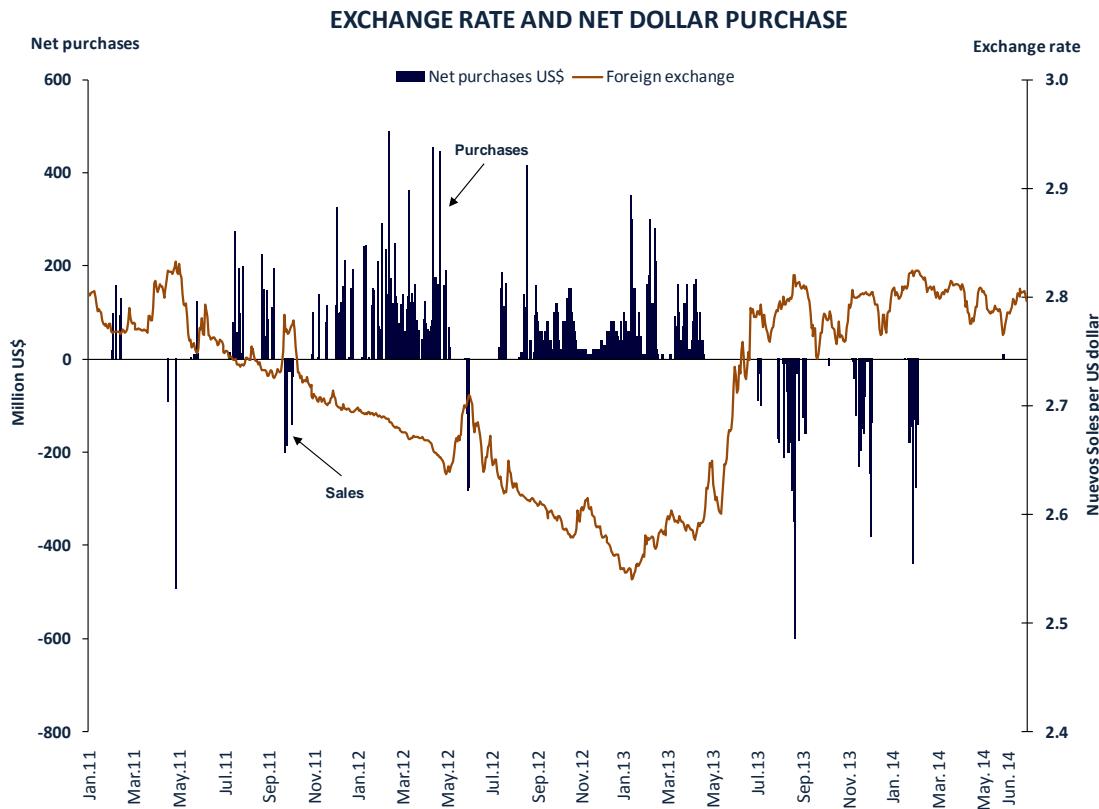


The corporate prime rate in soles is the closest in level to the rate of the Central Bank's reference interest rate and tends to be the first to respond to the movements of and expectations about the monetary policy rate.

Exchange rate: S/. 2.80 per US dollar

On June 30, 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\$ 19.08 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\$ 11.72 billion.



International reserves amount to US\$ 64.58 billion

At June 30, 2014, net international reserves amounted to US\$ 64.58 billion and the foreign exchange position of the BCRP was US\$ 40.61 billion.

Inflation in Metropolitan Lima: 0.16 percent in June

The consumer price index in Metropolitan Lima showed a variation of 0.16 percent in June, as a result of which the variation of inflation in the last 12 months was 3.45 percent. Inflation without food and energy (International inflation indicator that isolates determinants of supply shocks) was 0.11 percent in the month and 2.77 percent in the last 12 months.

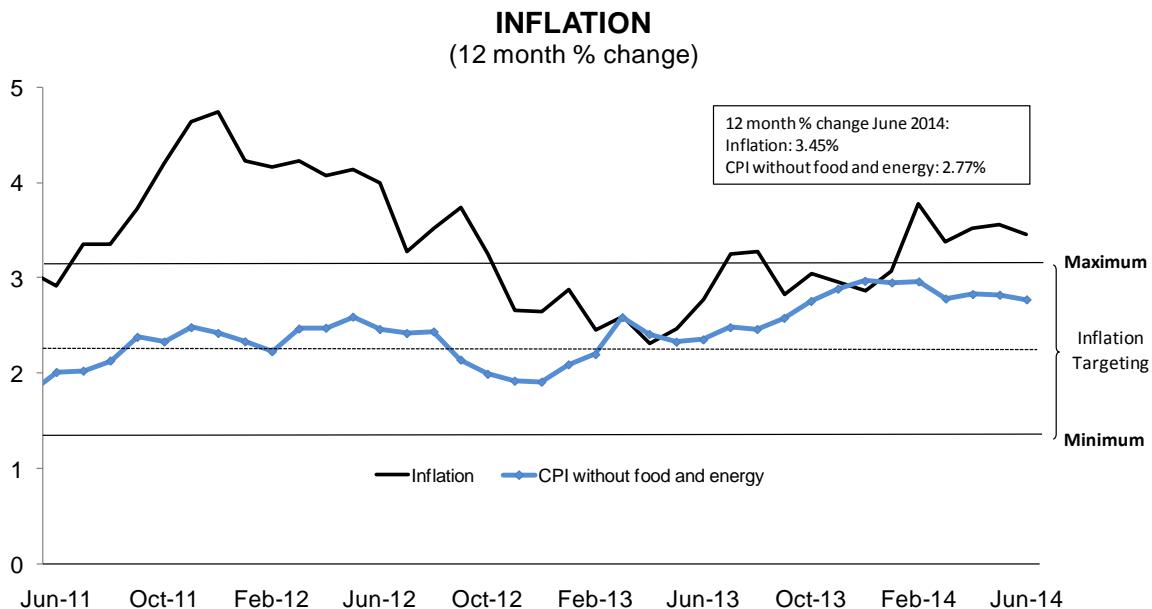
INFLATION

(Annual % change)

	Weight 2009=100	May 2014		June 2014	
		Month	12 months	Month	12 months
CPI	100.0	0.23	3.56	0.16	3.45
CPI without food and energy	56.4	0.14	2.82	0.11	2.77
Good	21.7	0.3	3.0	0.2	2.8
Services	34.8	0.0	2.7	0.1	2.8
<i>Of which:</i>					
Education	9.1	0.0	4.3	0.0	4.3
Rent	2.4	0.3	3.1	0.2	2.2
Health	1.1	0.1	4.7	0.5	5.0
Food and energy	43.6	0.32	4.44	0.22	4.26
Food	37.8	0.4	3.5	0.3	3.6
Energy	5.7	-0.2	10.6	-0.2	9.1

Source: INEI.

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The items that contributed the most to the growth of inflation in June were chicken meat (0.08 percentage points), other vegetables (0.06 percentage points), and meals outside the home (0.05 percentage points). On the other hand, the items that contributed the most to reduce the rate of inflation were citrus fruits (-0.03 percentage points), onion and fresh legumes (-0.02 percentage points each).

BCRP Survey on Macroeconomic Expectations: June 2014

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

SURVEY OF MACROECONOMIC EXPECTATIONS: INFLATION (%)

	<u>Survey date</u>		
	Apr.30	May.30	Jun.30
ECONOMIC ANALYSTS 1/			
2014	2.8	2.9	3.0
2015	2.6	2.7	2.8
2016	2.5	2.5	2.5
FINANCIAL ENTITIES 2/			
2014	2.8	2.8	2.9
2015	2.7	2.6	2.6
2016	2.6	2.6	2.6
NON-FINANCIAL FIRMS 3/			
2014	3.0	3.0	3.0
2015	3.0	3.0	3.0
2016	3.0	3.0	3.0

1/ 20 analysts in April 2014, 19 in May, and 20 in June.

2/ 20 financial entities in April 2014, 20 in May, and 22 in June.

3/ 365 non-financial firms in April 2014, 379 in May, and 360 in June.

Economic analysts and financial entities estimate a growth rate of 5.0 percent in 2014. Non-financial firms estimates a growth rate of 4.8 percent

SURVEY OF MACROECONOMIC EXPECTATIONS: GDP (%)

	<u>Survey date</u>		
	Apr.30	May.30	Jun.30
ECONOMIC ANALYSTS 1/			
2014	5.3	5.2	5.0
2015	5.6	5.7	5.7
2016	6.0	6.0	6.0
FINANCIAL ENTITIES 2/			
2014	5.5	5.2	4.8
2015	5.5	5.5	5.4
2016	5.5	5.5	5.2
NON-FINANCIAL FIRMS 3/			
2014	5.5	5.2	5.0
2015	5.5	5.5	5.0
2016	5.8	5.7	5.5

1/ 20 analysts in April 2014, 19 in May, and 20 in June.

2/ 20 financial entities in April 2014, 20 in May, and 22 in June.

3/ 365 non-financial firms in April 2014, 379 in May, and 360 in June.

All the economic agents expect the dollar to be traded between S/. 2.80 and S/. 2.84 at the end of 2014.

SURVEY OF MACROECONOMIC EXPECTATIONS: EXCHANGE

	<u>Survey date</u>		
	Apr.30	May.30	Jun.30
ECONOMIC ANALYSTS 1/			
2014	2.85	2.85	2.84
2015	2.90	2.90	2.88
2016	2.90	2.90	2.90
FINANCIAL ENTITIES 2/			
2014	2.85	2.82	2.83
2015	2.85	2.85	2.88
2016	2.90	2.85	2.90
NON-FINANCIAL FIRMS 3/			
2014	2.82	2.81	2.80
2015	2.85	2.85	2.85
2016	2.90	2.90	2.90

1/ 20 analysts in April 2014, 19 in May, and 20 in June.

2/ 20 financial entities in April 2014, 20 in May, and 22 in June.

3/ 365 non-financial firms in April 2014, 379 in May, and 360 in June.

* Exchange rate at end of year.

Trade Balance: January – May 2014

Exports in the first five months of the year amounted to US\$ 14.98 billion (vs. US\$ 17.0 billion in 2013). Increased exports of fishmeal (93 percent) and non-traditional products (7 percent) as well as a decline in exports of metals, were observed in this period.

Imports amounted to US\$ 17.04 billion, US\$ 509 million less than in 2013, due to lower imports of crude and oil derivatives, as well as to lower imports of transport equipments and raw materials by industry, offset by imports of capital goods for industry and non-durable consumer goods.

TRADE BALANCE

(Million US\$)

	January - May		
	2013	2014	% Chg.
Exports	17,002	14,983	-11.9
Traditional products	12,626	10,342	-18.1
Non-traditional products	4,252	4,551	7.0
Other	124	90	-27.5
Imports	17,551	17,041	-2.9
Consumption goods	3,463	3,586	3.6
Raw materials	8,219	7,873	-4.2
Capital goods	5,787	5,503	-4.9
Other goods	82	79	-3.9
Trade balance	-549	-2,058	

Source: SUNAT and BCRP.

The terms of trade in the period of January-May 2014 declined 9.0 percent relative to the same period in 2013, mainly as a result of the lower prices registered by gold and copper exports.

Credit to the private sector and liquidity at June 15

Total credit to the private sector in the last four weeks (at June 15) increased 1.5 percent (S/. 3.11 billion). By currencies, credit in soles grew 0.7 percent (S/. 929 million), while credit in dollars grew 2.7 percent (US\$ 777 million). As a result of this, credit to the private sector registered an annual growth rate of 16.1 percent.

On the other hand, **total liquidity in the private sector** decreased 0.1 percent (negative flow of S/. 172 million), as a result of which liquidity in the private sector accumulated a growth rate of 8.5 percent in the last twelve months. By currencies, liquidity in soles grew 0.7 percent (S/. 884 million), while liquidity in dollars fell 1.5 percent (negative flow of US\$ 377 million).

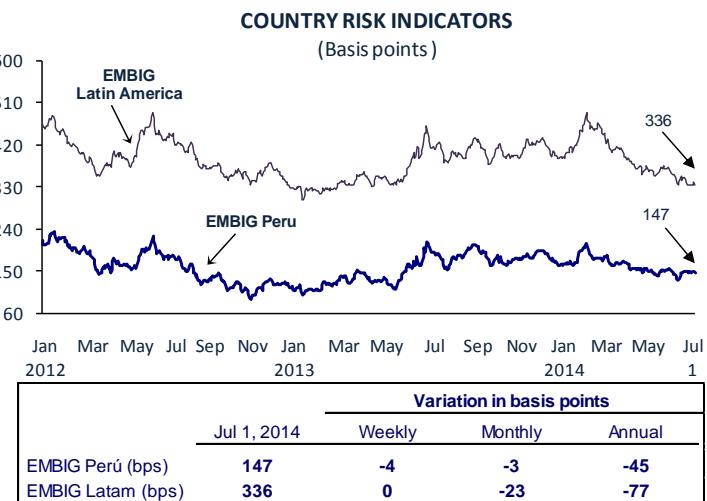
International Markets

Country risk at 147 basis points

On **July 1**, the **EMBIG** Peru indicator recorded 147 bps and the **EMBIG LatAm** recorded 336 bps.

In **June**, the average country risk, measured by the **EMBIG** Peru spread, fell from 149 bps in May to 145 bps.

In the month, the **Latin American** spread fell 22 bps to 343 bps due to renewed optimism about the recovery of the U.S. economy.



Price of gold at US\$ 1,327.5 per troy ounce

On **July 1**, the price of **gold** was US\$ 1,327.5 per troy ounce.

The average price of **gold** in **June** was US\$ 1,279.1 per troy ounce, 0.7 percent lower than in May.

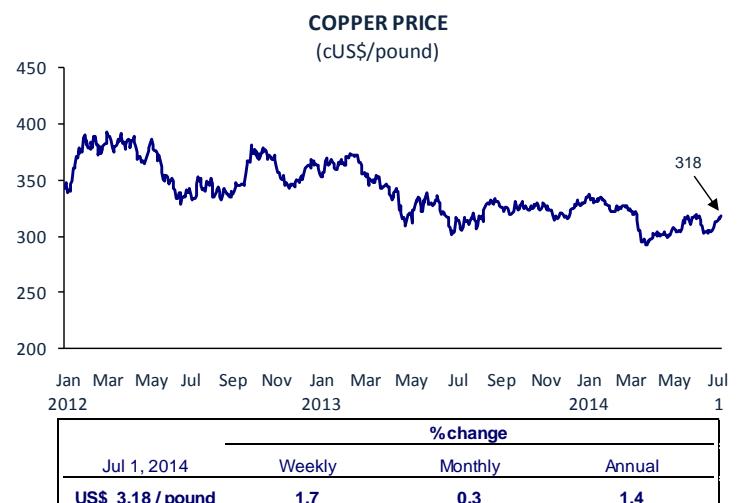
The decline in the price of gold was associated with the strengthening of the dollar against the euro. Geopolitical risks in Iraq and higher demand by investment Funds partially offset the fall.



The price of **copper** on **July 1** was US\$ 3.18 per pound.

In **June**, the price of **copper** showed an average price of US\$ 3.09 per pound, down 1.1 percent relative to May.

This decrease was associated with concerns of the Chinese Government regarding the use of this metal as collateral for financing operations. It was attenuated by signals of tight supplies.



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On **July 1**, the price of **zinc** was US\$ 1.00 per pound.

The average price of **zinc** in **June** was US\$ 0.96 per troy ounce, 3.2 percent higher than in the previous month.

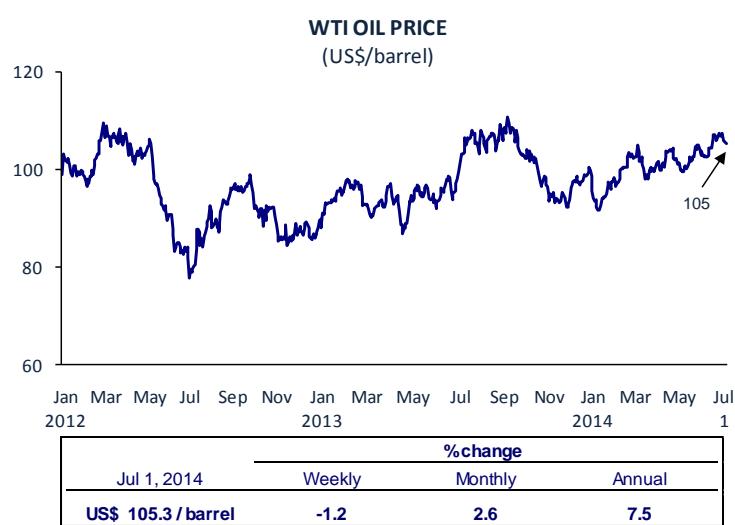
This rise in the price of zinc due to the stoppages of various mine operations as well as tight supplies in the major metal exchange markets.



The price of **WTI oil** on **July 1** was US\$ 105.3 per barrel.

The average price of **WTI oil** in **June** was US\$ 105.2/barrel, 3.2 percent higher than recorded in May.

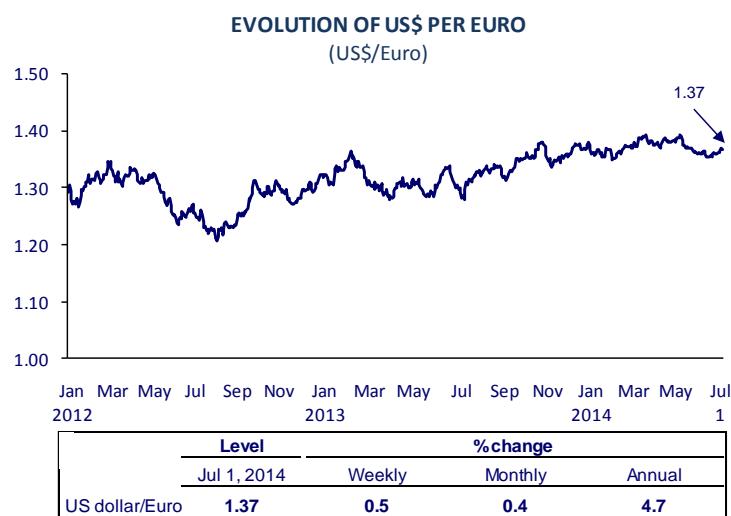
The upward trend observed in the price of crude due to worries by disruptions in the supply from Iraq and to decline of inventories at Cushing-Oklahoma, partially limited by an increase production in OPEC during June.



Exchange rate: US\$ 1.37 per euro

On **July 1**, the **US dollar-euro** exchange rate was US\$ 1.37 per euro.

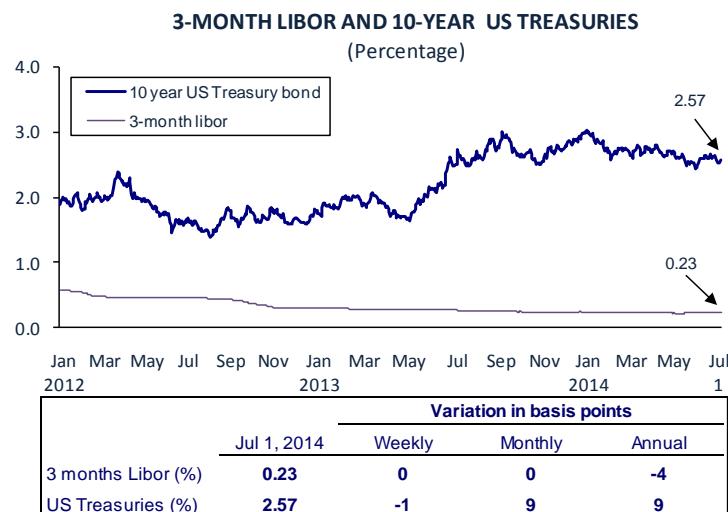
In **June**, the **dollar** appreciated on average 0.9 percent against the **euro** amid reports showing employment and activity data in the United States, which provides additional signals that the U.S. economy continues recovering.



Yield on 10-year US Treasuries at 2.57 percent

On July 1, the **3-month Libor** recorded 0.23 percent and the yield on the **10-year US Treasury bonds** recorded 2.57 percent.

In June, the **3-month Libor** was 0.23 percent while the yield on the **10-year US Treasury bonds** showed a rate of 2.59 percent, 4 bps higher than in May, given positive data of employment and activity in the United States.

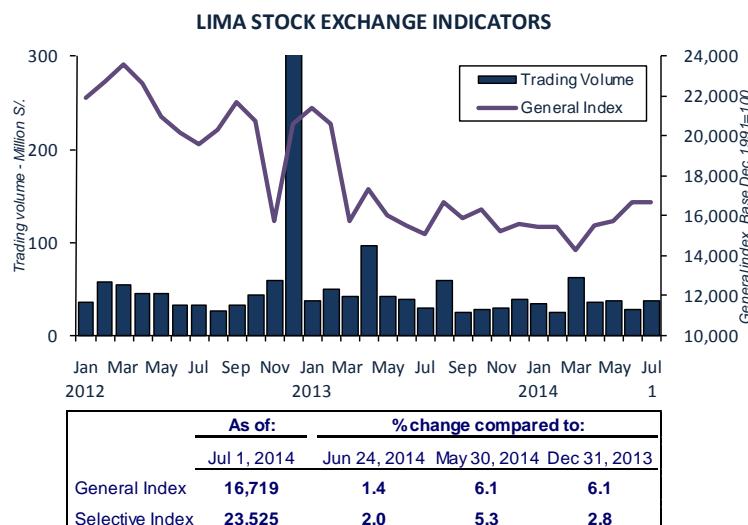


Lima Stock Exchange

In June, the **General Index** of the Lima Stock Exchange (LSE) rose 5.8 percent, and the **Selective Index** of the LSE increased 5.1 percent.

The LSE indices showed these levels influenced by positive performance of the stock markets in the region and favored by signals of a recovery in the U.S. economy.

So far this year (at **July 1**), the General and the Selective Index has increased 6.1 and 2.8 percent respectively.



Resumen de Indicadores Económicos / Summary of Economic Indicators

	2012								2013								2014							
	Dic	Mar	Jun	Set	Dic	Mar	Abr	May	26 Jun	27 Jun	30 Jun	Jun	1 Jul	Var.										
RESERVAS INTERNACIONALES (Mills. US\$) / INTERNATIONAL RESERVES	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Var.									
Posición de cambio / Net international position	46 063	48 397	46 775	43 711	41 097	40 075	40 458	40 759	40 402	40 540	40 614	-146	40 615											
Reservas internacionales netas / Net international reserves	63 991	67 918	66 683	66 729	65 663	64 954	64 729	64 629	64 610	64 801	64 581	-48	64 554											
Depositos del sistema financiero en el BCRP / Financial system deposits at BCRP	10 068	10 522	10 946	13 550	14 383	15 038	14 505	14 127	14 042	14 098	13 811	-316	13 782											
Empresas bancarias / Banks	9 648	10 078	10 637	13 257	13 994	14 552	14 043	13 486	13 485	13 492	13 201	-284	13 202											
Banco de la Nación / Banco de la Nación	250	253	120	53	93	125	91	246	167	189	197	-49	202											
Resto de instituciones financieras / Other financial institutions	169	191	189	240	297	361	371	395	390	417	412	17	378											
Depositos del sector público en el BCRP / Public sector deposits at BCRP *	8 198	9 613	9 546	10 049	10 759	10 429	10 247	10 295	10 774	10 771	10 767	471	10 766											
OPERACIONES CAMBIARIAS BCR (Mills. US\$) / BCR FOREIGN OPERATIONS	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.									
Origen externo de la emisión primaria / External origin of monetary base	1 382	518	-1 136	-474	-1 058	112	218	371	1	107	0	-321	0											
Compras netas en Mesa de Negociación / Net purchases of foreign currency	1 380	1 010	0	-325	-760	0	0	10	0	0	0	0	0											
Operaciones swaps netas / Net swap operations	0	0	0	0	0	0	0	0	0	0	0	0	0											
Compras con compromiso de recompras en ME (neto) / Net swaps auctions in FC	0	0	0	0	0	107	215	358	0	107	0	215	0											
Operaciones con el Sector Público / Public sector	0	-492	-1 136	-150	-299	0	0	2	0	0	0	-539	0											
TIPO DE CAMBIO (S/. por US\$) / EXCHANGE RATE	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.									
Compra interbancario / Interbank bPromedio / Average	2,568	2,593	2,748	2,777	2,786	2,806	2,794	2,786	2,805	2,800	2,795	2,794	2,796											
Apertura / Opening	2,569	2,594	2,753	2,780	2,788	2,807	2,795	2,789	2,807	2,804	2,797	2,795	2,798											
Mediodía / Midday	2,569	2,594	2,749	2,779	2,787	2,808	2,795	2,787	2,805	2,797	2,796	2,795	2,796											
Cierre / Close	2,568	2,595	2,752	2,779	2,788	2,808	2,795	2,787	2,804	2,797	2,796	2,795	2,797											
Promedio / Average	2,569	2,595	2,751	2,779	2,788	2,807	2,795	2,788	2,806	2,801	2,796	2,795	2,797											
Sistema Bancario (SBS) / Banking System	Compra / Bid	2,568	2,593	2,747	2,777	2,785	2,806	2,794	2,786	2,804	2,799	2,795	2,793	2,795										
Venta / Ask	2,569	2,595	2,748	2,780	2,787	2,807	2,795	2,788	2,806	2,801	2,796	2,795	2,797											
Indice de tipo de cambio real (2009 = 100) / Real exchange rate Index (2009 = 100)	89,5	89,9	93,9	94,3	94,9	94,6	94,5	94,4																94,5
INDICADORES MONETARIOS / MONETARY INDICATORS																								
Moneda nacional / Domestic currency																								
Emisión Primaria (Var. % mensual) / (% monthly change)	8,0	-3,6	-4,6	-7,8	-1,3	-4,6	4,3	-4,6																1,0
<i>Monetary base</i> (Var. % últimos 12 meses) / (% 12-month change)	31,9	33,8	30,3	5,3	-1,5	-14,3	-7,1	-12,4																-10,9
Oferta monetaria (Var. % mensual) / (% monthly change)	4,6	0,5	-0,1	-1,8	4,2	0,2	-0,3	-0,2																
<i>Money Supply</i> (Var. % últimos 12 meses) / (% 12-month change)	23,1	22,7	20,3	14,1	10,8	5,7	5,1	4,1																
Crédito sector privado (Var. % mensual) / (% monthly change)	1,8	1,8	2,3	2,5	1,2	2,2	0,9	1,2																
<i>Credit to the private sector</i> (Var. % últimos 12 meses) / (% 12-month change)	16,0	15,9	17,6	20,3	22,5	25,3	24,3	24,0																
TOSE saldo final de periodo (Var. acum. en el mes) / TOSE balance (% change)	0,6	0,6	0,0	-0,2	-0,8	1,7	-0,6	1,7																
Superávit de encajos promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)	0,1	0,5	0,6	0,1	0,3	0,1	0,2	0,4																
Cuenta corriente de los bancos (saldo mill. S.) / Banks' current account (balance)	12 391	15 018	10 604	10 921	9 729	6 633	5 995	5 954	5 348	4 395	3 364	6 301	7 444											
Créditos por regulación monetaria (millones de S.) / Rediscounts (Millions of S.)	0	0	0	0	0	0	0	0	0	0	0	0	0											
Depositos públicos en el BCRP (millones S.) / Public sector deposits at the BCRP (Mills.S.)	39 939	38 995	40 244	40 155	36 646	40 819	44 346	44 552	44 241	43 992	43 793	43 793	43 809											
Certificados Depósito BCRP (saldo Mill. S.) / CDBCRP balance (Millions of S.)	20 805	23 335	27 261	20 913	18 992	14 613	12 757	17 566	16 245	16 245	16 345	16 345	16 345											
Subasta de Depósitos a Plazo (saldo Mill. S.) / Time Deposits Auctions (Millions of S.)**	9 248	12 700	6 400	4 650	0	0	0	0	0	0	0	0	0											
CDBCRP-NR con Negociación Restringida (Saldo Mill. S.) / CDBCRP-NR balance (Millions of S.)	0	0	0	0	0	0	0	0	0	0	0	0	0											
CDBCRP-MN con Tasa Variable (CDV BCRP) (Saldo Mill. S.) / CDVBCRP - balance (Millions of S.)***	0	0	0	0	0	0	0	0	0	0	0	0	0											
CD Liquidables en Dólares del BCRP (Saldo Mill. S.) / CLDL BCRP - balance (Millions of S.)***	0	0	0	0	0	0	0	0	0	0	0	0	0											
CD Reajustables BCRLP (saldo Mill. S.) / CDRBCRLP balance (Millions of S.)	0	0	2 323	2 284	3 111	3 871	3 186	910	710	710	700	700	700											
Operaciones de reporte (saldo Mill. S.) / repos (Balance millions of S.)	0	0	0	0	0	950	500	0	100	100	100	100	100											
TAMIN / Average lending rates in domestic currency	19,11	19,06	18,81	17,61	15,91	15,61	15,53	15,61	16,43	16,39	16,46	16,02	16,24											
Préstamos hasta 360 días / Loans up to 360 days ****	17,24	16,07	14,90	13,02	12,19	11,65	11,66	11,82	12,00	11,88	11,99	12,01	11,98											
Interbancaria / Interbank	4,25	4,24	4,26	4,29	4,11	4,01	4,05	3,95	4,08	4,00	3,99	4,00	4,09											
Prefectural corporativa a 90 días / Corporate Prime	5,03	4,66	4,52	4,72	4,48	4,96	4,95	5,03	4,91	4,91	4,91	4,91	4,91											
Tasa de interés (%) / Interest rates (%)																								
Operaciones de reporte CDBCRP / CDBCRP repos	s.m.	s.m.	s.m.	s.m.	s.m.	4,80	4,11	s.m.	4,30	4,30	4,30	4,30	4,21											
Créditos por regulación monetaria / Rediscounts *****	5,05	5,05	5,05	5,05	5,05	4,80	4,80	4,80	4,80	4,80	4,80	4,80	4,80											
Del saldo de CDBCRP-NR / CDBCRP-NR balance	4,00	3,91	3,87	3,89	3,87	3,85	3,83	3,84	3,82	3,82	3,82	3,82	3,82											
Del saldo de depósitos a Plazo / Time Deposits	4,13	4,04	4,13	4,17	s.m.																			
Del saldo de CDBCRP-NR / CDBCRP-NR balance	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.											
Del saldo de CDL BCRP / CDL BCRP - balance	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.											
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.											
Ratio de dolarización de la liquidez (%) / Liquidity dollarization ratio (%)	30,7	29,7	31,4	34,0	33,0	34,2	34,2																	
Ratio de dolarización de los depósitos (%) / Deposits dollarization ratio (%)	38,0	36,4	38,1	41,5	40,6	41,6	41,6																	
INDICADORES BURSÁTILES / STOCK MARKET INDICES	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.								
Indice General Bursátil (Var. %) / General Index (% change)	2,9	-3,7	-5,5	-4,4	3,6	-7,4	8,6	1,5	0,4	-0,4	1,0	5,8	0,3											
Índice Selectivo Bursátil (Var. %) / Blue Chip Index (% change)	3,3	-2,0	-5,4	-7,2	3,5	-7,7	8,3	-0,4	0,8	-0,5	1,2	5,1	0,2											
Monto negociado en acciones (Mill. S.) / Trading volume -Average daily (Mill. of S.)	301,8	42,0	38,0</																					