



Indicators

-  Currency grew 11.1 percent in the last twelve months
-  Corporate prime rate fell to 4.2 percent
-  Credit to the private sector in soles rose 10.4 percent in annual terms
-  Price of WTI oil fell to a US\$/bl 48.6

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- Corporate prime rate in soles at 4.2 percent
- Interest rates and monetary operations
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- International reserves amount to US\$ 61.98 billion on February 24
- Liquidity and credit to the private sector: January 2015
- Country risk at 177 basis points

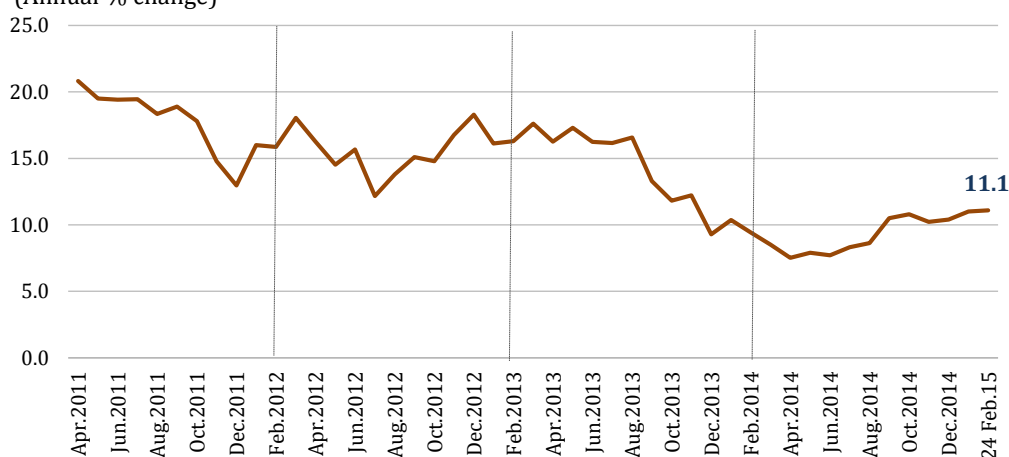
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Currency

On February 24, 2015, **currency in circulation** –that is, banknotes and coins held by the public– recorded a growth rate of 11.1 percent in the last 12 months.

Currency in circulation

(Annual % change)



Corporate prime rate in soles at 4.2 percent

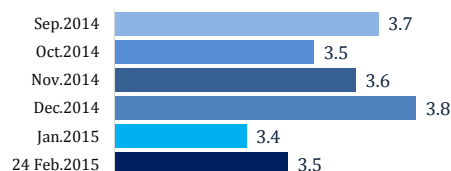
On February 24, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles showed a daily average rate of 4.2 percent (4.3 percent in the previous month). In the same period, the corporate prime rate in dollars was 1.1 percent.

Average interest rate

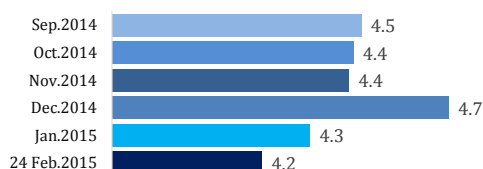
(%)

Domestic currency

Interbank

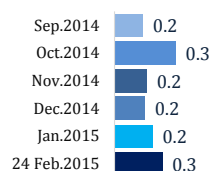


90-days corporate prime

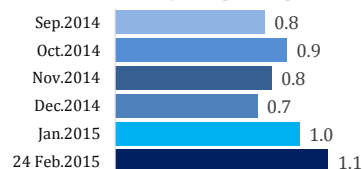


Foreign currency

Interbank



90-days corporate prime



Interest rates and monetary operations

On February 24, the interbank interest rate in soles was 3.46 percent.

The monetary operations carried out by the Central Bank so far this month have been aimed at withdrawing excess liquidity (due to lower reserve requirements) from the market in the short-term. The Central Bank has also continued with its regular placements of BCRP-CDs with the purpose of contributing to increase liquidity in the secondary market of these instruments.

- Repos: The balance of repos at February 24 was S/. 1.1 billion, with an average rate of 3.88 percent. At the end of January, the balance was S/. 300 million, with an average interest rate of 4.62 percent.
- Currency repos: The balance of currency repos at February 24 was S/. 10.4 billion, with an average rate of 4.21 percent. The balance of these instruments at the close of January was S/. 9.7 billion, with an average interest rate of 4.25 percent.
- BCRP-CDs: The balance of BCRP-CDs at February 24 was S/. 17.99 billion, with an average rate of 3.58 percent. At the end of January, the balance was S/. 17.76 billion, with an average interest rate of 3.61 percent.
- Term deposits: Term deposits showed a zero balance on February 24. At the end of January, this balance was S/. 1.36 billion, with an interest rate of 3.06 percent.
- Overnight deposits: At February 24, overnight deposits showed a balance of S/. 400 million, with a rate of 2.05 percent. The balance of overnight deposits at end-January was S/. 360 million at a rate of 2.05 percent.

At February 24 the Central Bank has also made operations in the spot foreign exchange market to reduce volatility in the foreign exchange rate.

- Interventions in the FX market: In the period of analysis, the BCRP sold FC for a total of US\$ 805 million in the spot market at an average exchange rate of S/. 3.084 per dollar.
- FX Swaps: The balance of these instruments at February 24 was S/. 21.10 billion, with an average rate of -0.86 percent. At the close of January, this balance was S/. 20.20 billion, with an average interest rate of -0.81 percent.
- CDR BCRP: At February 24 these certificates showed a balance of S/. 2.92 billion (US\$ 962 million), with a rate of 0.02 percent. At the end of January, this balance was S/. 2.32 billion (US\$ 776 million), with an average rate of 0.02 percent.

Monetary and foreign exchange operations

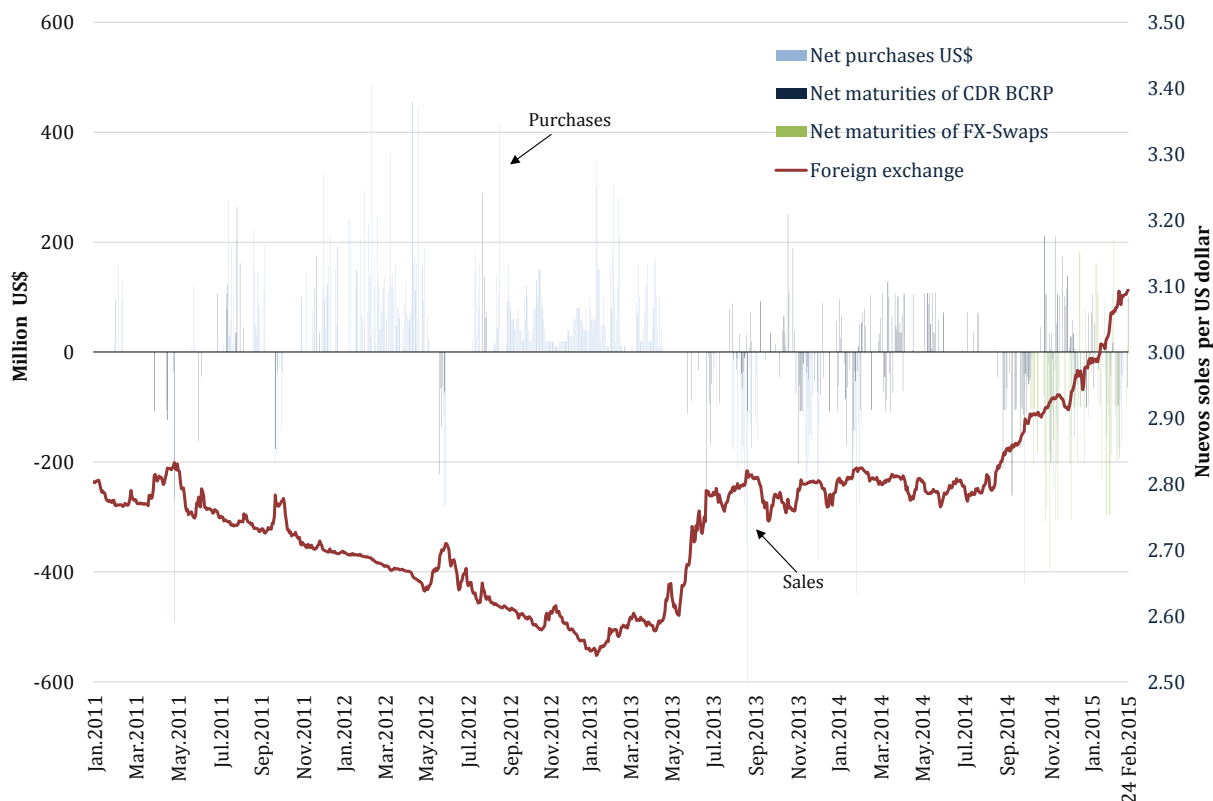
(Million S/.)

			Balance (Interest rate)		Placement (Interest rate)									Maturity	
			Jan 31. 2015	Feb 24. 2015	Overnight	1 week	2-month	3-month	6-month	12-month	18-month	24-month	48-month		
Monetary operations	Injection	Repos	300 (4.62%)	1,100 (3.88%)	4,850 (3.68%)	500 (3.66%)	300 (3.51%)							4,850	
		Currency repos	9,700 (4.25%)	10,400 (4.21%)								800 (3.78%)	200 (3.50%)	300	
	Steriliza tion	CD BCRP	17,755 (3.61%)	17,985 (3.58%)				700 (3.23%)	300 (3.20%)	300 (3.31%)				1,070	
		Term deposits	1,362 (3.06%)		8,524 (3.11%)										9,886
		Overnight deposits	360 (2.05%)	400 (2.05%)	6,684 (2.05%)										6,643
Foreign exchange operations		CDR BCRP	2,320 (0.02%)	2,915 (0.02%)				1,185 (0.03%)					590		
		FX-Swaps	20,198 (-0.81%)	21,098 (-0.86%)				2,400 (-0.87%)	900 (-0.64%)					2,400	

Exchange rate

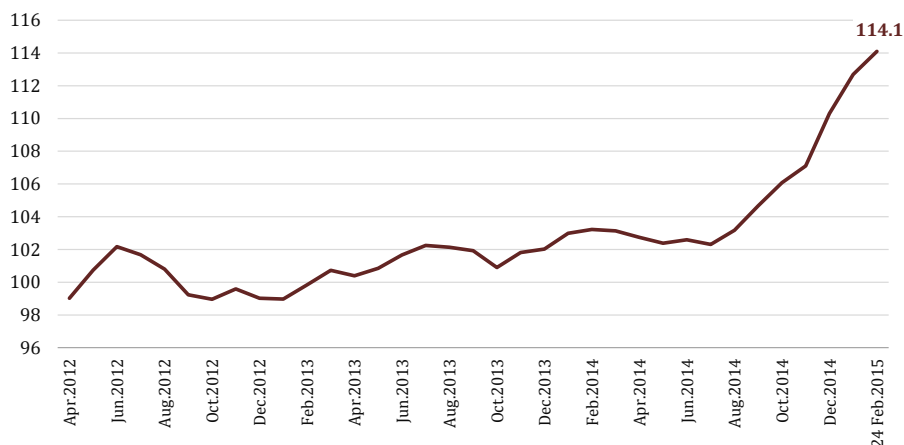
On February 24, the average selling price of the US dollar in the interbank market was S/. 3.093 per dollar.

Exchange rate and foreign exchange intervention



The dollar has been showing an appreciatory trend against most other currencies in recent months, as reflected in the evolution of the FED index since January 2013. This appreciation of the dollar is associated with expectations that the Federal Reserve (Fed) will start normalizing its interest rates.

Fed index 1/



1/ Calculated taking into account currencies of US trading partners weighted by contributions. A rise in the index represents an appreciation of the US dollar.
Source: FED.

So far this year, most of the Latin American currencies –including the Peruvian nuevo sol– and the major currencies have depreciated against the US dollar.

Year-to-date, these currencies have depreciated 4.7 percent on average against the US dollar.

Exchange Rate

(Accumulated variation 2015)

Brazil	6.6%
Colombia	4.6%
Chile	2.0%
Mexico	1.1%
Peru	3.8%

Exchange Rate

(Accumulated variation 2015)

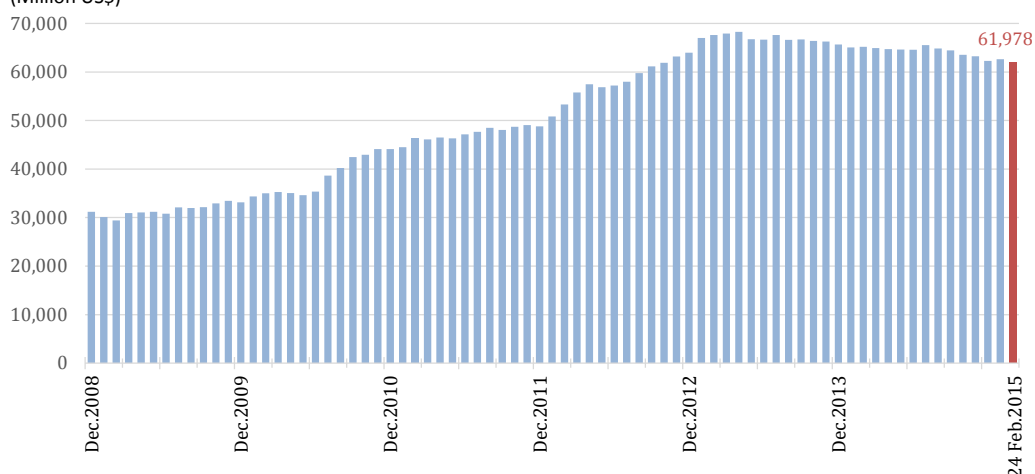
Canada	7.4%
United Kingdom	0.8%
Japan	-0.4%
Euro	6.7%
Dollar index	4.7%

International reserves amount to US\$ 61.98 billion on February 24

On February 24, international reserves amounted to US\$ 61.98 billion, which is equivalent to 30 percent of GDP and 18 months of imports.

Net International Reserves

(Million US\$)



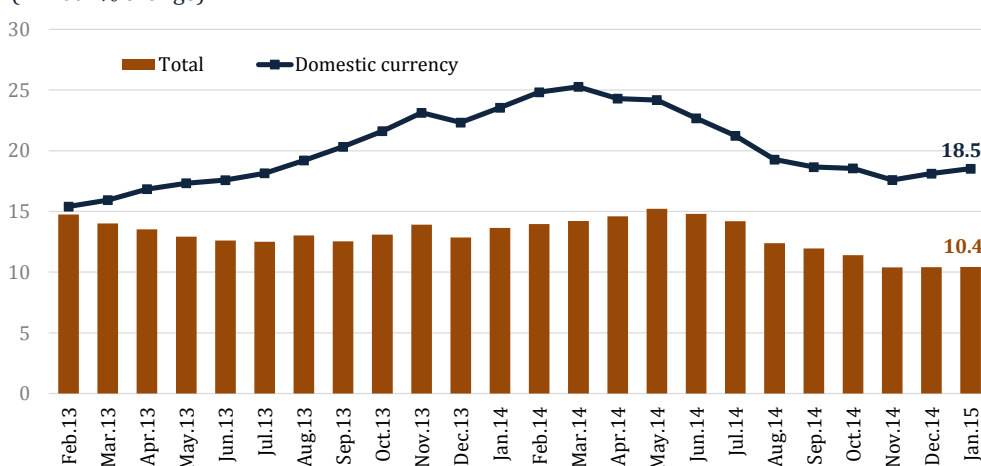
Liquidity and credit to the private sector: January 2015

Total credit of depository institutions to the non-financial private sector –including the loans placed by local banks' branch offices in other countries– increased 0.4 percent in January 2015 (S/. 981 million), as a result of which the annual growth rate of credit to the private sector was 10.4 percent.

Credit in soles grew 1.2 percent in the month (S/. 1.68 billion) and 18.5 percent in the last twelve months, while credit in dollars fell 0.8 percent (negative flow of US\$ 235 million) and thus fell 0.7 percent compared to January 2014.

Credit to the Private Sector

(Annual % change)



Credit to businesses increase 0.4 percent in January, supported mainly by higher credit to the segment of corporate and large companies. Personal credit grew 0.5 percent in the same period. Within the latter, consumer loans rose 0.6 percent in the month, while mortgage loans grew 0.4 percent.

Credit to the private sector by type of loan

	Monthly % change		12-month % change	
	Dec.14	Jan.15	Dec.14	Jan.15
<u>Loans to companies 1/</u>	<u>0.4</u>	<u>0.4</u>	<u>9.6</u>	<u>9.7</u>
Corporate and large companies	-0.4	1.3	11.5	12.6
Medium-sized enterprises	2.3	-0.1	13.7	11.8
Small businesses	-0.3	-0.9	1.6	1.6
<u>Loans to individuals 3/</u>	<u>1.1</u>	<u>0.5</u>	<u>11.8</u>	<u>11.8</u>
Consumer loans	1.4	0.6	11.4	11.7
Of which:				
Car loans	1.9	-0.6	6.7	5.7
Credit cards	2.3	0.0	15.0	15.2
Rest	0.9	1.0	10.0	10.4
Mortgage	0.6	0.4	12.4	11.9
TOTAL	0.6	0.4	10.4	10.4

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

2 / Includes non-profit organizations.

Total liquidity in the private sector decreased 0.4 percent in January (negative flow of S/. 861 million) and thus recorded an annual growth rate of 6.1 percent. This fall of liquidity was associated with a decreased seasonal demand for currency (-3.3 percent), demand deposit (-3.8 percent) and saving deposit (-1.1 percent), which had grown in December 2014; and recovery of term deposit (4.5 percent).

Liquidity in soles fell 1.2 percent in the month (negative flow of S/. 1.86 billion) and grew 10.0 percent in the last twelve months, while liquidity in dollars increased 1.4 percent in January (US\$ 334 million) and thus fell 1.0 percent compared to January 2014.

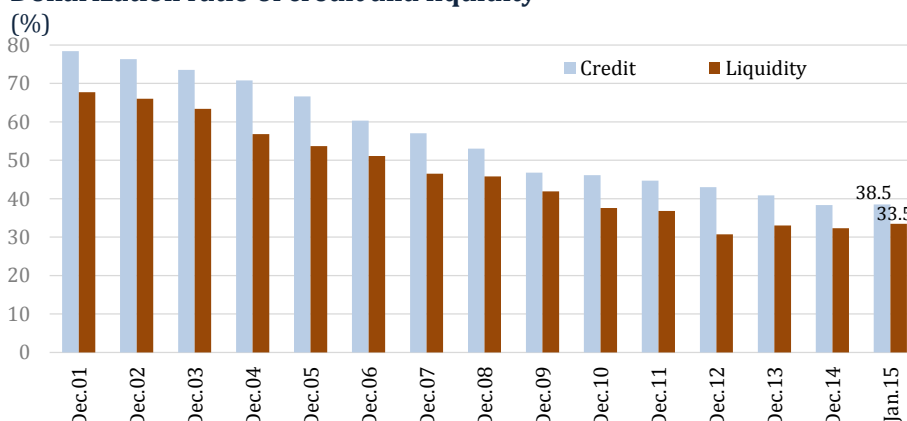
Liquidity by type of liability

	Monthly % change		12-month % change	
	Dec.14	Jan.15	Dec.14	Jan.15
Currency	8.7	-3.3	11.5	10.9
<u>Deposits</u>	<u>3.0</u>	<u>0.1</u>	<u>5.3</u>	<u>4.9</u>
Demand deposits	5.7	-3.8	7.5	3.4
Saving deposits	7.3	-1.1	15.8	14.1
Term deposits	-2.3	4.5	-3.9	-0.5
CTS	-4.7	-1.8	0.3	0.2
Securities and others 1/	-16.7	7.3	14.4	19.1
TOTAL	3.6	-0.4	6.4	6.1

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

In January 2015, credit to the private sector showed a **dollarization ratio** of 38.5 percent, while liquidity showed a dollarization ratio of 33.5 percent.

Dollarization ratio of credit and liquidity



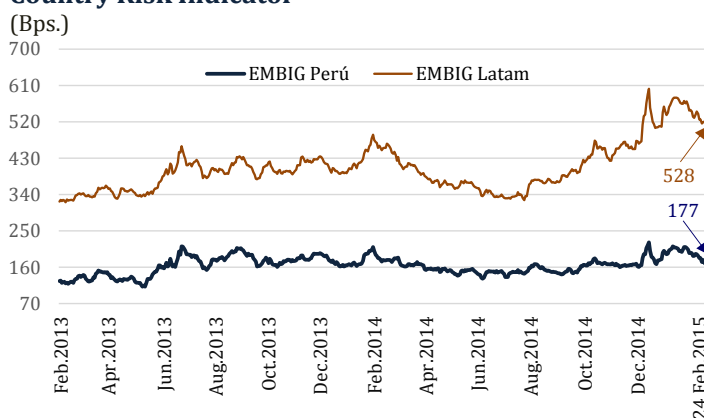
International markets

Country risk at 177 basis points

In February 17-24, the country risk indicator, measured by the **EMBIG Peru** spread, rose from 173 bps to 177 bps.

Similarly, the **EMBIG Latin America** spread rose 12 bps in a context marked by uncertainty about financial situation in Greece, negative signs of China's real estate sector, and instability in the oil price.

Country Risk Indicator



Variation in basis points

	24 Feb.15	Weekly	Monthly	Annual
EMBIG Perú (bps)	177	4	-23	4
EMBIG Latam (bps)	528	12	-39	84

Price of gold: US\$ 1,192.5 per troy ounce

In the same period, the price of **gold** decreased 1.4 percent to US\$ 1,192.5 per troy ounce.

The price of gold fell due to lower physical demand in China, although offsetting by uncertainty in Greece.

Gold Price

(US\$/troy ounce)



% change

	24 Feb.15	Weekly	Monthly	Annual
US\$ 1,193 / troy oz.	-1.4	-1.4	-7.9	-10.7

In February 17 - 24, the price of **copper** rose 0.9 percent to US\$ 2.59 per pound.

The rise in the price of copper was influenced by data of deficit in the global supply of refined copper in January-November 2014, reported by International Copper Study Group.

Copper Price

(cUS\$/pound)



% change			
24 Feb.15	Weekly	Monthly	Annual
US\$ 2.59 / pound	0.9	2.4	-19.8

Zinc Price

(cUS\$/pound)



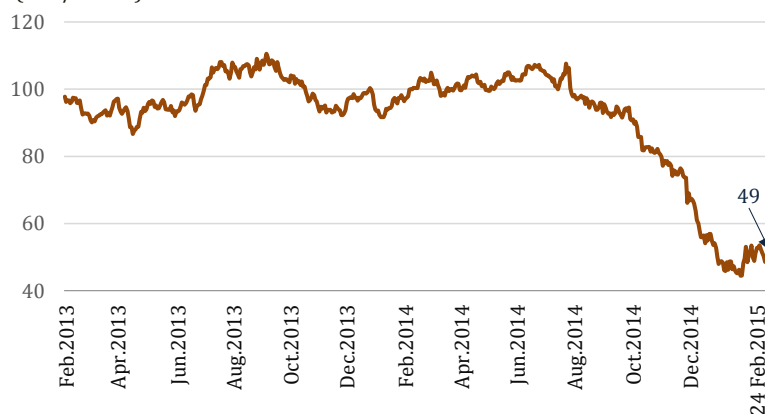
% change			
24 Feb.15	Weekly	Monthly	Annual
US\$ 0.93 / pound	-2.6	-2.7	0.3

In the same period, the price of **zinc** fell 2.6 percent to US\$ 0.93 per pound.

This fall in the price of zinc was associated with concerns about China's real estate sector and lower demand in this country.

WTI Oil Price

(US\$/barrel)



% change			
24 Feb.15	Weekly	Monthly	Annual
US\$ 48.6 / barrel	-9.2	7.4	-52.9

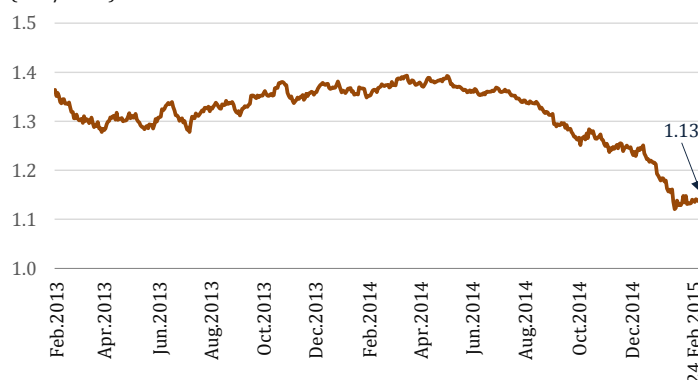
Between February 17 and February 24, the price of **WTI oil** decreased 9.2 percent to US\$ 48.6 per barrel.

The fall in the price of crude oil was driven by increase more-than-expected of oil inventories in USA, providing signals of oversupply.

US dollar appreciated against the euro

In February 17 - 24, the **dollar** appreciated 0.6 percent against the **euro** amid uncertainty of Greece, partially offset by FED's concerns about the economy if there is an increase of interest rates sooner than expected.

Evolution of US\$ per Euro
(US\$/Euro)



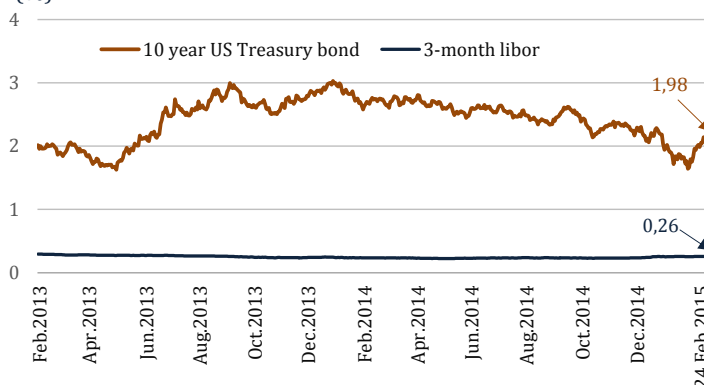
	Level	% change		
	24 Feb.15	Weekly	Monthly	Annual
US dollar/Euro	1.13	-0.6	1.2	-17.4

Yield on 10-year US Treasuries: 1.98 percent

In February 17 - 24, the **3-month Libor** remained at 0.26 percent.

On the other hand, the yield on the **10-year US Treasuries** decreased 16 basis points to 1.98 percent due to a higher demand for hedge assets associated with uncertainty in Greece.

3-Month Libor and 10-Year US Treasuries
(%)



	Variation in basis points			
	24 Feb.15	Weekly	Monthly	Annual
3 months Libor (%)	0.26	0	1	3
US Treasuries (%)	1.98	-16	18	-76

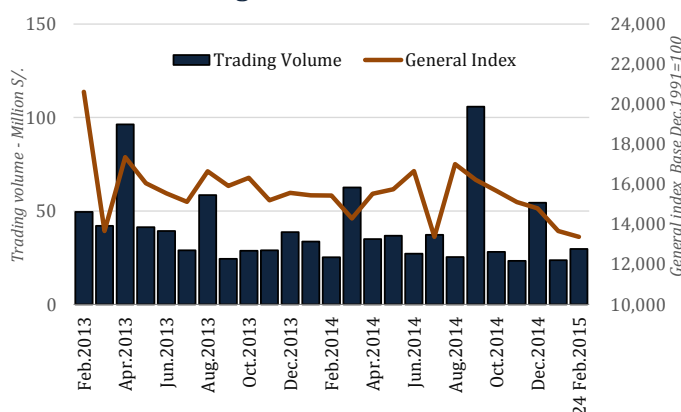
Lima Stock Exchange

In the same period, the **General and Selective Index** of the Lima Stock Exchange (LSE) fell 2.8, each other.

The rise in the LSE indices was influenced by the performance in regional markets and decrease in some metals prices.

Year-to-date, the LSE indices have fallen 9.6 percent and 8.2 percent, respectively.

Lima Stock Exchange Indicators



	As of:	% change compared to:		
	24 Feb.15	17 Feb.15	30 Jan.15	31 Dec.14
General Index	13,380	-2.8	-2.1	-9.6
Selective Index	18,607	-2.8	-2.1	-8.2

