



Indicators

- ↗ Currency grew 9.5 percent in the last twelve months
- ↗ Non-financial public sector: Surplus of S/. 2.61 billion in April 2015
- ↗ Price of copper at US\$ 2.92 per pound
- ↘ Country risk fell to 164 bps.

Content

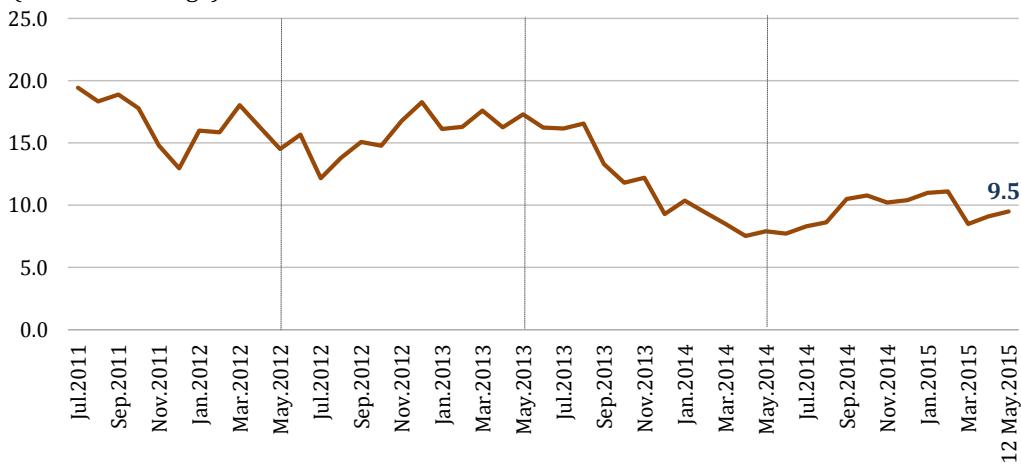
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Currency

On May 12, 2015, **currency in circulation** –that is, banknotes and coins held by the public– recorded a growth rate of 9.5 percent in the last 12 months.

Currency in circulation

(Annual % change)



Monetary operations and interest rate

So far in May (at May 12) the monetary operations carried out by BCRP have been aimed at injecting liquidity into the market in the short-term to balance the impact of foreign exchange interventions. The BCRP has continued carrying out its regular placements of BCRP-CDs with the aim of contributing to increase liquidity in the secondary market of these instruments and has also continued injecting long-term liquidity in DC to contribute to the substitution of credit in dollars for credit in soles.

- Repos: The balance of repos at May 12 was S/. 2.06 billion, with an average interest rate of 3.85 percent. At the end of April, repos showed a balance of S/. 3.40 billion, with an average rate of 3.70 percent.
- The balance of currency repos at May 12 increased from S/. 15.55 billion on April 30 to S/. 16.45 billion, maintaining an average rate of 4.19 percent. It is worth pointing out that, of the balance of currency repos registered at May 12, repos for credit expansion amount to S/. 3.90 billion, while repos for credit substitution –granted with maturities between 24 and 48 months to facilitate the conversion of credit in dollars to credit in soles– amount to S/. 2.55 billion.
- BCRP-CDs: The balance of BCRP-CDs at May 12 was S/. 13.98 billion, with an average rate of 3.51 percent. At the end of April, the balance was S/. 15.46 billion, with an average interest rate of 3.54 percent.

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- Overnight deposits: At May 12, overnight deposits showed a balance of S/. 1.74 billion, with an average rate of 2.05 percent. This balance at the end of April was S/. 733 million, with a rate of 2.05 percent.

At May 12, the Central Bank has also made operations in the spot market to reduce volatility in the foreign exchange rate.

- Interventions in the foreign exchange market: In the period of analysis, the BCRP sold FC for a total of US\$ 414 million in the spot market.
- FX Swaps: The balance of these instruments at May 12 was S/. 26.34 billion, with an average rate of -0.75 percent. This balance at the close of April was S/. 26.16 billion, with an average interest rate of -0.85 percent.
- CDR BCRP: At May 12, these CDs showed a balance of S/. 300 million (US\$ 95 million), with a rate of 0.01 percent (both this balance and the interest rate are the same as the ones recorded at the end of April).

On May 12, the interbank interest rate in soles showed an average daily rate of 3.69 percent.

Monetary and foreign exchange operations

(Million S/.)

			Balance (Interest rate)		Placement (Interest rate)							Maturity	
			Apr 30. 2015	May 12. 2015	Overnight	1 week	1-month	2-month	6-month	12-month	18-month	36-month	
Monetary operations	Injection	Repos	3,400	2,060	4,000	1,000	160						6,500
		(3.70%)	(3.85%)	(4.07%)	(4.07%)	(4.20%)	(4.23%)						
	Sterilization	Currency repos	15,550	16,450						500	400		
		(4.19%)	(4.19%)							(4.69%)	(3.31%)		
		CD BCRP	15,455	13,980				100	50	50			1,675
	Sterilization	Term deposits		500	500								
				(2.75%)	(2.75%)								
Foreign exchange operations	Overnight	Overnight deposits	733	1,737	10,276								1,342
		(2.05%)	(2.05%)	(2.05%)	(2.05%)								
	FX-Swaps	CDR BCRP	300	300			300						300
		(0.01%)	(0.01%)				(0.01%)						
		FX-Swaps	26,165	26,343			3,778						3,600
		(-0.85%)	(-0.75%)				(-0.49%)						

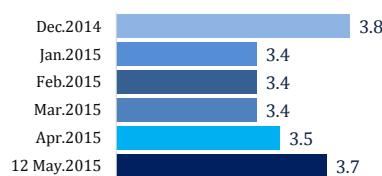
Corporate prime rate in soles at 4.5 percent

On May 12, the **corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles recorded a daily average rate of 4.5 percent. In the same period, the corporate prime rate in dollars was 0.8 percent.

Average interest rate
(%)

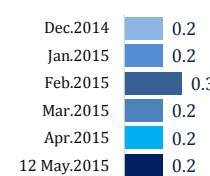
Domestic currency

Interbank



Foreign currency

Interbank



90-days corporate prime



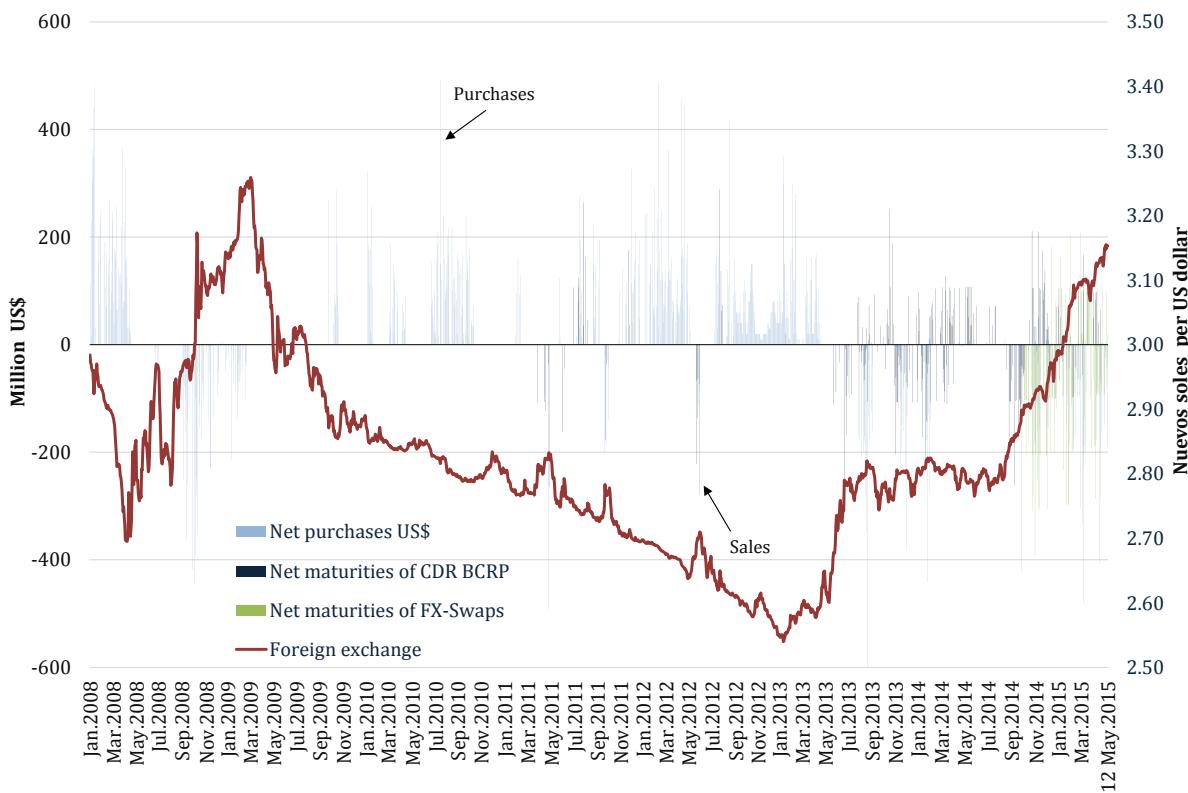
90-days corporate prime



Foreign exchange rate

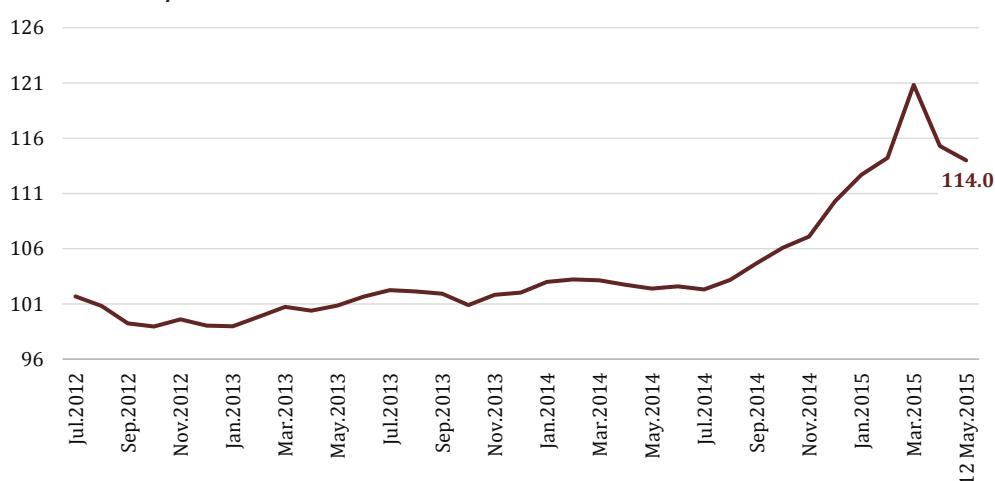
On May 12, the average selling price of the dollar in the interbank market was S/. 3.15 per dollar.

Exchange rate and foreign exchange intervention



The US dollar has been appreciating 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 Latin American currencies –including the Peruvian nuevo sol– and the world's major currencies have depreciated against the US dollar.

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Year-to-day (at May 12), these currencies have depreciated 4.7 percent on average against the US dollar.

Exchange Rate	
(Accumulated variation 2015)	
Brazil	13.6%
Peru	5.8%
Mexico	4.0%
Colombia	0.3%
Chile	-0.5%

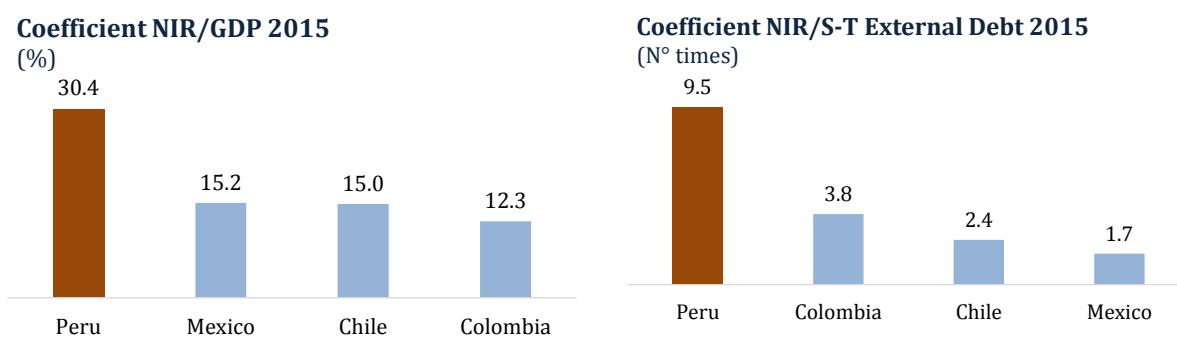
Exchange Rate	
(Accumulated variation 2015)	
Euro	7.9%
Canada	3.4%
Japan	0.1%
United Kingdom	-0.6%
US Dollar basket	4.7%

International reserves amount to US\$ 61.19 billion on May 12

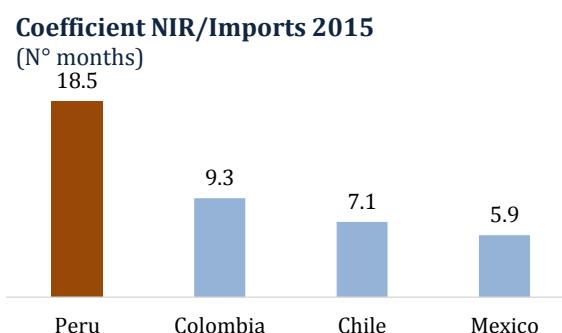
On May 12, international reserves amounted to US\$ 61.19 billion. This level of reserves is equivalent to 30 percent of GDP and to 18 months of imports.

The Peruvian economy shows the highest indicators of financial soundness among the major economies in the region due to the levels of net international reserves (NIRs) Peru accumulated during the years when there were large capital inflows to the country. Confirming Peru's low vulnerability to international financial volatilities, the country exhibits the highest levels in the region in the three main indicators of reserve adequacy.

At April, Peru's ratio of reserves-to-GDP (NIR/GDP) reached 30.4 percent, a level nearly twice the one recorded by Chile (15 percent) or Mexico (15.2 percent). Moreover, Peru's net reserves are equivalent to more than 9.5 times our short-term debt, which means that the latter is more than covered. Peru stands out in terms of this indicator in the region since the country's ratio of reserves to its short-term debt is nearly six times higher than the one registered by Mexico (1.4), nearly four times higher than the one registered by Chile (2.4), and three times higher than the one registered by Colombia (3.8).



Finally, Peru's ratio of reserves to imports at April is 18.5 months, which means that the country has enough reserves to cover imports for over a year and a half; that is, that Peru's reserves can cover imports for twice as long as Colombia and nearly three times as long as Chile or Mexico.



Non-Financial Public Sector: Surplus of S/. 2.61 Billion in April

The operations of the **non-financial public sector** showed a surplus of S/. 2.61 billion in April 2015. This balance, which is S/. 1.59 billion lower than the one recorded in April 2014 (S/. 4.20 billion), is explained by the decline of the current revenues of the general government (down by S/. 995 million) and by the increase observed in non-financial current expenditure (S/. 870 million).

The increase in non-financial expenditure resulted from a real increase of current expenditure (10.1 percent) and from a decline of capital expenditure (9.5 percent), explained mostly by lower investment by local governments (down 35.4 percent). On the other hand, investment by regional governments increased by 31.5 percent in real terms.

Operations of the Non-Financial Public Sector 1/ (Million S.)

	April			January - April		
	2014	2015	Real % chg.	2014	2015	Real % chg.
1. General government current revenues	13,222	12,227	-10.2	46,093	43,752	-7.8
a. Tax revenues	10,143	9,045	-13.4	35,198	33,217	-8.3
b. Non-tax revenues	3,079	3,181	0.3	10,895	10,535	-6.1
2. General government non-financial expenditure	8,885	9,591	4.8	31,653	32,891	0.9
a. Current	6,471	7,341	10.1	24,220	26,296	5.4
b. Capital	2,414	2,250	-9.5	7,433	6,595	-13.8
<i>of which:</i>						
<i>Gross capital formation</i>	2,320	2,112	-11.6	7,005	5,537	-23.3
<i>National government</i>	959	973	-1.6	2,371	2,692	10.3
<i>Regional governments</i>	341	461	31.5	1,746	1,171	-34.9
<i>Local governments</i>	1,020	678	-35.4	2,888	1,674	-43.8
<i>Other capital expenditure</i>	95	138	40.8	429	1,058	140.8
3. Other 2/	12	136		9	1,250	
4. Primary Balance (=1-2+3)	4,349	2,771		14,448	12,111	
5. Interests	147	160	5.5	2,112	2,288	5.3
6. Overall Balance (=4-5)	4,202	2,612		12,336	9,822	

1/ Preliminary.

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

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

The economic balance of the non-financial public sector in the **January-April period** was S/. 9.82 billion, lower than the one registered in the same period in 2014 (S/. 12.34 billion), due to the decline of the current revenues of the general government (down by 7.8 percent in real terms) and by a slight increase of government expenditure (0.9 percent).

In this period, the higher non-financial expenditure of the general government is explained by higher current expenditure (5.4 percent) and by a decline of capital spending (13.8 percent), both in real terms. This was associated with lower investment in both regional and local governments (down by 35 percent and 44 percent, respectively).

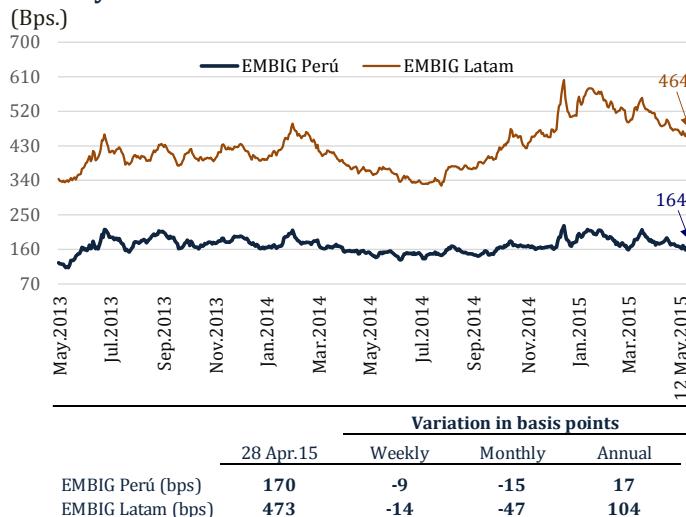
International Markets

Country risk at 164 basis points

In the week of May 5-12, the average country risk –measured by the **EMBIG Peru** spread– declined from 165 to 164 bps.

On the other hand, the **EMBIG LatAm** spread rose 2 basis points amid negative data of economic activity in the China and mixed indicators of activity in the United States and the Eurozone.

Country Risk Indicator

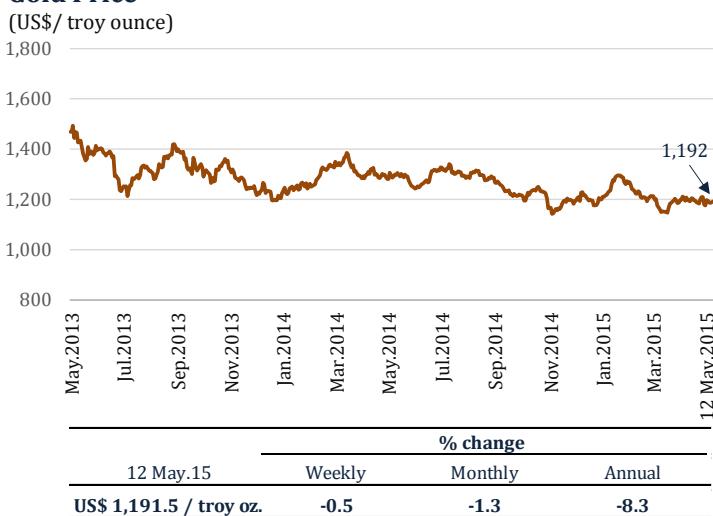


Price of gold at US\$ 1,191.5 per troy ounce

In the same period, the price of **gold** fell 0.5 percent to US\$ 1,191.5 per troy ounce.

The price of gold was affected by the increase registered in the yields of the US Treasury bonds and by stability in European stock markets.

Gold Price



Copper Price



In May 5-12, the price of **copper** rose 0.6 percent to US\$ 2.92 per pound.

The price of copper was influenced by the decline of inventories in the Shanghai exchange market and by expectations that stimulus measures will be implemented in China.

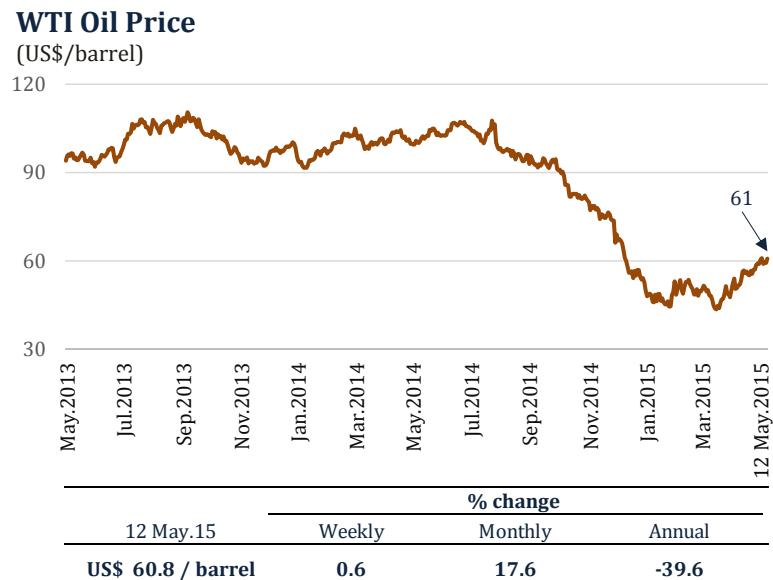
In the same period, the price of **zinc** fell 1.7 percent to US\$ 1.07 per pound.

The fall in the price of zinc is explained mainly by investors' profit-taking following five straight weeks with price hikes.



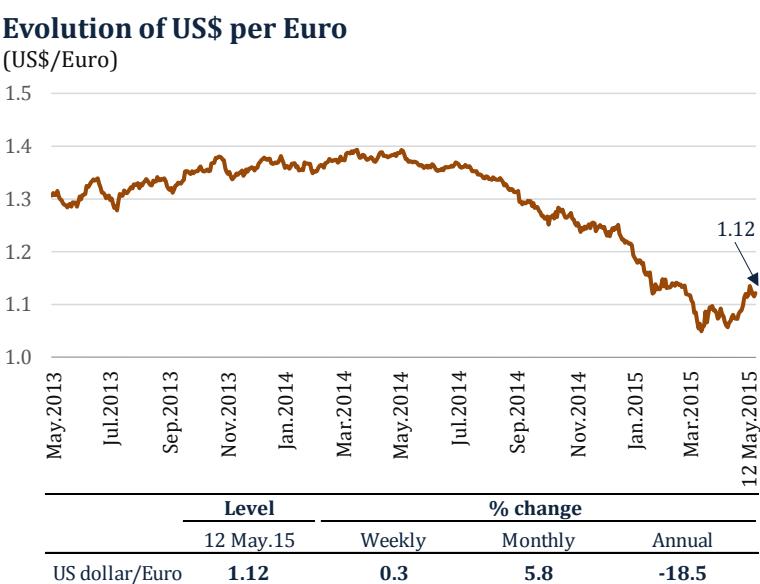
In May 5-12, the price of **WTI oil** rose 0.6 percent to US\$ 60.8 per barrel.

The rise in the price of crude was influenced by geopolitical risks in Yemen, by China's increased imports of crude which reached a record level, and by the unexpected decline of crude inventories in the United States.



US dollar depreciated against the euro

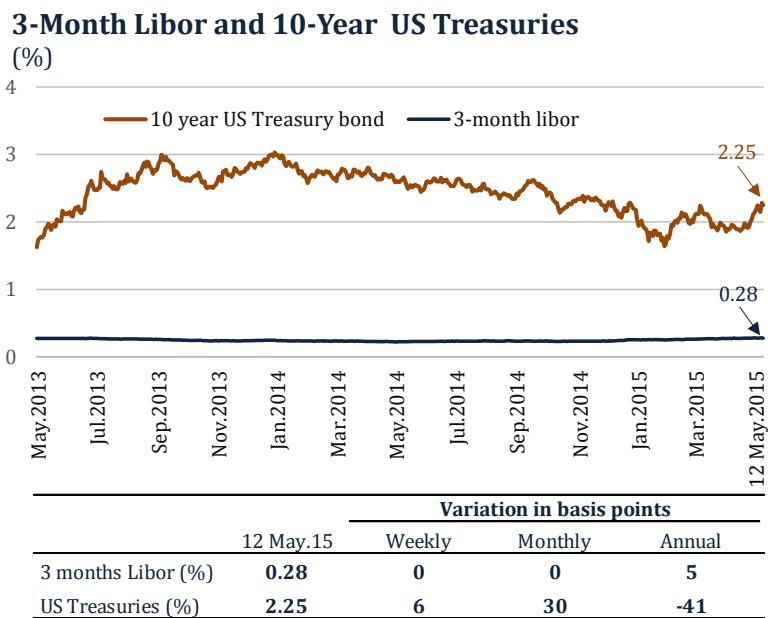
In May 5-12, the **US dollar** depreciated 0.3 percent against the **euro** following the publication of data of economic activity supporting expectations that the Federal Reserve will postpone raising its interest rates.



Yield on 10-year US Treasuries at 2.25 percent

The **3-month Libor** remained at 0.28 percent between May 5 and May 12.

On the other hand, the yield on the **10-year US Treasury bonds** rose 6 bps to 2.25 percent, influenced by the sale of German Government bonds and new U.S. debt bonds.



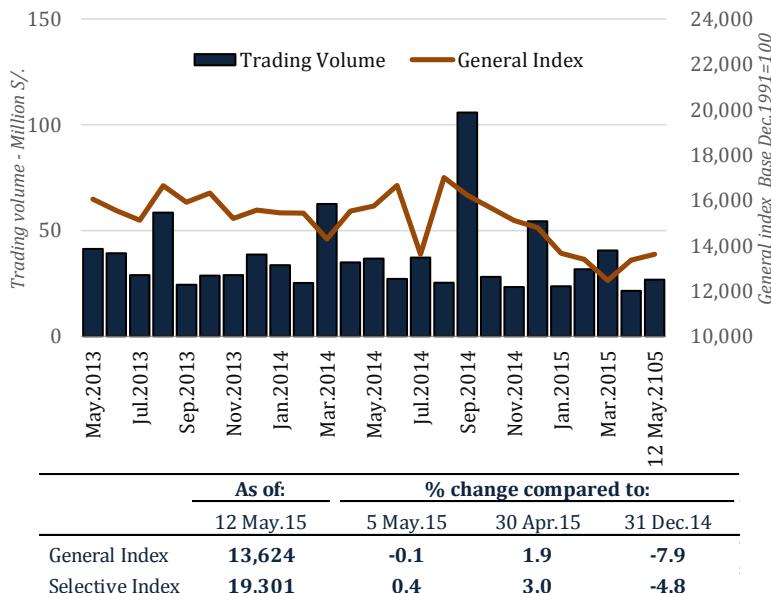
Lima Stock Exchange

In May 5-12 the **General Index** of the Lima Stock Exchange (LSE) fell 0.1 percent while the **Selective Index** rose 0.4 percent.

The LSE indices reflected a context marked by the mixed conduct observed in the international prices of commodities.

Year-to-date, the General Index has fallen 7.9 percent and the Selective Index has fallen 4.8 percent.

Lima Stock Exchange Indicators



Resumen de Indicadores Económicos / Summary of Economic Indicators

2013				2014				2015							
Dic	Mar	Jun	Set	Ene	Feb	Mar	Abr	5 May	6 May	7 May	8 May	11 May	12 May	May	Var.
RESERVAS INTERNACIONALES (Mils. US\$) / INTERNATIONAL RESERVES															
Posición de cambio / Net international position	41 097	40 075	40 614	40 079	35 369	34 756	33 452	31 674	30 319	30 131	30 129	30 081	29 989	29 911	29 771
Reservas internacionales netas / Net international reserves	65 667	64 954	64 591	64 453	62 309	62 619	61 895	61 323	61 621	61 518	61 669	61 592	61 664	61 194	-548
Depositos del sistema financiero en el BCRP / Financial system deposits at BCRA	14 383	15 038	13 811	14 421	15 649	16 389	17 156	17 566	19 161	19 300	19 429	19 407	19 551	19 027	19 285
Empresas bancarias / Banks	13 994	14 552	13 201	13 904	14 881	15 570	16 374	16 936	18 365	18 548	18 690	18 712	18 866	18 355	18 658
Banco de la Nación / Banco de la Nación	93	125	197	123	145	225	196	114	271	230	224	186	171	185	-145
Resto de instituciones financieras / Other financial institutions	297	361	412	395	623	594	585	516	525	516	509	508	502	501	-25
Depositos del sector público en el BCRP / Public sector deposits at BCRA *	10 759	10 429	10 767	10 566	11 919	12 109	11 929	12 725	12 780	12 723	12 734	12 735	12 741	12 769	-11
OPERACIONES CAMBIARIAS BCRP (Mils. US\$) / BCRA FOREIGN OPERATIONS															
Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Prom.
Origen externo de la emisión primaria / External origin of monetary base	-1 058	112	-321	1	-126	-399	-1 198	-1 673	-1 451	0	-25	-10	-127	-39	-190
Compras netas en Mesa de Negociación / Net purchases of foreign currency	-760	0	0	-526	-790	-335	-1 040	-1 415	-1 194	0	-25	-10	0	-39	-190
Operaciones swap netas / Net swap operations	0	0	0	-2	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	107	215	524	1 000	0	0	0	0	0	0	0	0	0	0
Operaciones con el Sector Público / Public sector	-299	0	-539	0	-335	0	0	0	-50	0	0	0	0	0	0
TIPO DE CAMBIO (\$/ por US\$) / EXCHANGE RATE															
Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.
Compra interbancario/Interbank <small>(Promedio / Average)</small>	2,786	2,806	2,794	2,864	2,961	3,006	3,078	3,092	3,120	3,149	3,145	3,153	3,146	3,152	3,148
Apertura / Opening	2,788	2,807	2,795	2,866	2,965	3,007	3,080	3,094	3,122	3,150	3,149	3,156	3,152	3,148	3,149
Venta Interbancario	2,787	2,808	2,795	2,866	2,963	3,008	3,084	3,122	3,146	3,155	3,160	3,157	3,153	3,150	3,150
Mediodía / Midday	2,788	2,808	2,796	2,866	2,964	3,009	3,080	3,092	3,121	3,149	3,151	3,151	3,145	3,152	3,150
Interbank Ask	2,788	2,807	2,795	2,866	2,963	3,007	3,080	3,093	3,122	3,151	3,147	3,155	3,149	3,153	3,150
Cierre / Close	2,788	2,807	2,795	2,863	2,960	3,002	3,077	3,090	3,119	3,144	3,143	3,152	3,147	3,150	3,146
Promedio / Average	2,785	2,806	2,793	2,863	2,960	3,002	3,077	3,090	3,119	3,144	3,143	3,152	3,147	3,150	3,146
Sistema Bancario (SBS) <small>(Compt Bid / Venta / Ask)</small>	2,787	2,807	2,795	2,865	2,963	3,005	3,080	3,093	3,122	3,148	3,145	3,153	3,154	3,153	3,149
Indice de tipo de cambio real (2009 = 100) / Real exchange rate Index (2009 = 100)	94,7	94,5	94,5	94,9	94,1	94,1	95,6	93,9	95,3	95,3	95,3	95,3	95,3	95,3	95,3
INDICADORES MONETARIOS / MONETARY INDICATORS															
Monedera nacional / Domestic currency															
Emissions Primaria <small>(Var. % mensual) / (% monthly change)</small>	-1,3	-4,6	1,0	-1,5	13,6	-8,3	-3,3	0,3	-1,3						
<i>Monetary base</i> <small>(Var. % últimos 12 meses) / (12-month change)</small>	-1,5	-14,3	-10,9	-5,7	3,7	2,4	0,0	3,0	-2,6						
Oferta monetaria <small>(Var. % mensual) / (% monthly change)</small>	4,3	0,1	0,9	0,2	5,9	-1,2	-0,5	-1,4							
<i>Money Supply</i> <small>(Var. % últimos 12 meses) / (12-month change)</small>	10,9	5,6	5,4	9,9	10,1	10,3	9,3	7,6							
Crédito sector privado <small>(Var. % mensual) / (% monthly change)</small>	1,1	2,2	0,8	1,6	1,6	1,1	1,1	3,4							
<i>Crédito a la private sector</i> <small>(Var. % últimos 12 meses) / (12-month change)</small>	22,3	25,3	22,4	18,3	18,2	18,5	17,6	19,0							
TOSE saldo fin de período (Var.% acum. en el mes) / TOSE balance (% change)	-0,8	1,7	1,8	-1,8	1,5	-1,2	-0,2	0,5	0,1	-0,8	-1,4	-1,3	-1,7	-1,1	
Supervisión de encaje promedio (% respecto al TOSE) / Average reserve surplus (% of TOSE)	0,3	0,1	0,1	0,3	0,6	0,8	0,3	0,5	1,0	1,3	1,4	1,4	1,3	1,3	
Cuenta corriente de los bancos (saldo Mill. S.) / Banks' current account (balance)	9 729	6 633	6 301	4 926	4 129	3 249	2 609	2 304	1 949	3 245	4 060	3 044	2 842	1 966	1 415
Créditos por regulación monetaria (millones de S.) / Rediscounts (Millions of S.)	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 BCRA (Mills.S.)	36 646	40 819	43 793	44 012	36 488	37 562	37 634	38 784	41 546	40 766	40 506	40 781	40 581	40 462	
Certificados de Depósito BCRP (saldo Mill. S.) / CDBCRP balance (Millions of S.)	18 992	14 613	16 345	17 565	15 575	17 755	18 185	18 343	15 455	15 505	15 555	13 930	13 930	13 980	
Sustitución de Depósitos a Plazo (saldo Mill. S.) / Time Deposits Auctions (Millions of S.)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CDBCRP 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	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	0	
CDL Liquidables en Dólares del BCRP (Saldo Mill. S.) / CDLD BCRP-balance (Millions of S.) ***	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CDL Liquidables en Dólares del BCRP (Saldo Mill. S.) / CDLD BCRP-balance (Millions of S.) ***	3 111	3 871	700	5 955	2 590	2 320	2 915	1 935	3 304	400	300	300	300	300	
CD Requeribles BCRP (saldo Mill. S.) / CDRBCRP balance (Millions of S.)	8 609	8 700	10 700	12 300	15 550	15 595	16 030	16 050	16 450	16 450	16 450	16 450	16 450	16 450	
Operaciones de reporte monedera (saldo Mill. S.) / Currency repos (Balance millions of S.)	950	500	100	5 100	9 900	10 000	12 154	17 280	18 950	19 610	20 110	19 510	19 510	19 510	
Operaciones de reporte (saldo Mill. S.) / Reposs (Balance millions of S.)	s.m.														
TASA DE INTERÉS (%) / INTEREST RATES															
TASA MÍNIMA / Average lending rates in domestic currency	15,91	15,61	16,02	15,69	16,16	15,98	16,09	15,89	15,92	15,91	15,92	15,85	15,86	15,87	15,92
Prestamos hasta 360 días / Loans up to 360 days ****	12,19	11,65	12,01	11,44	10,79	10,97	10,67	12,28	11,10	10,88	10,87	10,87	10,86	10,87	10,84
Interbancaria / Interbank	4,11	4,01	4,00	3,70	3,80	3,35	3,44	3,40	3,52	4,03	4,00	3,64	3,65	3,55	3,69
Preferencial corporativa a 90 días / Corporate Prime	4,48	4,96	4,93	4,46	4,70	4,32	4,21	4,20	4,40	4,57	4,49	4,49	4,49	4,49	4,52
Operaciones de reporte con CDBCRP / CDBCRP repos	4,80	4,11	4,30	3,86	4,56	4,26	4,13	4,08	4,14	4,18	4,17	4,19	4,17	4,17	
Operaciones de reporte monedera / Currency repos	4,80	4,80	4,80	4,30	4,05	4,05	4,05	4,05	4,05	4,05	4,05	4,05	4,05	4,05	
Créditos por regulación monetaria / Rediscounts *****	3,87	3,85	3,82	3,72	3,64	3,61	3,58	3,56	3,54	3,54	3,54	3,51	3,51	3,51	
Del saldo de depósitos a Plazo / Time Deposits	s.m.														
MONEDA EXTRANJERA / FOREIGN CURRENCY															
TAMEX / Average lending rates in foreign currency	8,02	7,81	7,33	7,52	7,55	7,60	7,73	7,78	7,64	7,70	7,67	7,66	7,65	7,62	7,63
Prestamos hasta 360 días / Loans up to 360 days ****	6,10	5,72	5,04	5,33	5,44	5,41	5,42	5,42	5,17	5,07	5,07	5,06	5,05	5,02	5,05
Interbancaria / Interbank	0,15	0,15	0,11	0,15	0,16	0,20	0,25	0,23	0,15	0,15	0,15	0,15	0,15	0,15	0,15
Preferencial corporativa a 90 días / Corporate Prime	0,95	0,65	0,62	0,78	0,74	0,96	1,11	0,84	0,812	0,75	0,75	0,75	0,75	0,75	0,75
Créditos por regulación monetaria / Rediscounts *****	s.m.														
Compras con compromiso de recompras en ME (neto) / Compras con compromiso de recompras en ME (neto)	33,0	34,2	33,4	32,5	32,2	33,4	34,3	35,0							
Ratio de dollarización de la liquidez (%) / Liquidity dollarization ratio (%)	33,0	34,2	33,4	32,5	32,2	33,4	34,3	35,0							
Ratio de dollarización de los depósitos (%) / Deposits dollarization ratio (%)	40,6	41,8	40,7	40,1	39,8	40,8	41,9	42,6							
INDICADORES BURSÁTILES / STOCK MARKET INDICES															
Indice General Bursátil (Var. %) / General Index (% change)	3,6	-7,4	3,8	-4,6	-2,1	-7,6	-2,0	-7,0	7,3	0,3	-0,2	-0,5	-0,2	0,7	1,9
Indice Selectivo Bursátil (Var. %) / Blue Chip Index (% change)	3,5	-7,7	5,1	-5,8	-2,4	-6,2	-2,1	-6,7	7,9	1,2	0,6	-0,4	-0,6	0,2	3,0