



# Weekly Economic Report

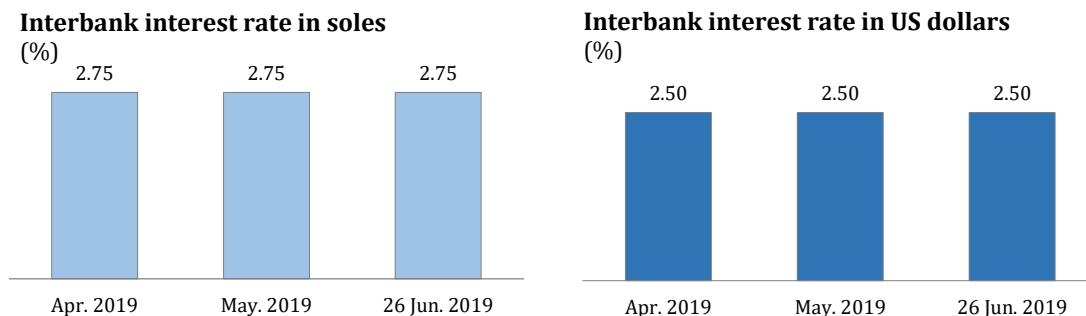
June 27, 2019

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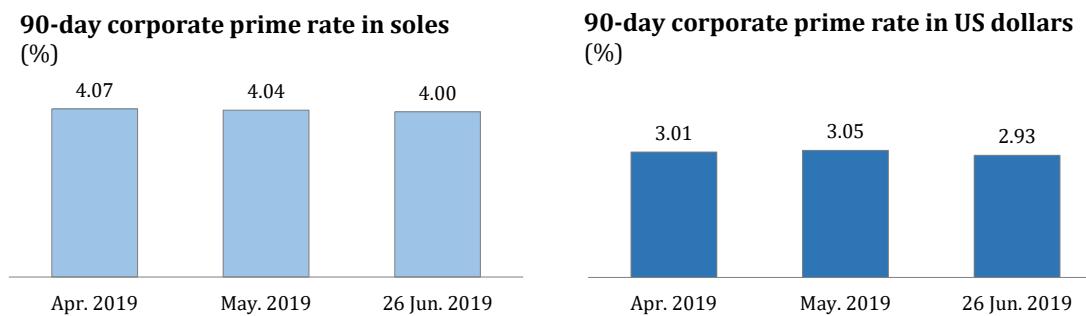
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### INTERBANK INTEREST RATE IN SOLES AT 2.75 PERCENT

On June 26, the **interbank interest rate** in soles showed an annual rate of 2.75 percent and this rate in dollars registered 2.50 percent.



On the same date, the average **90-day corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles was 4.00 percent, while the prime rate in dollars was 2.93 percent.



## BCRP MONETARY OPERATIONS

BCRP has made the following **monetary operations** as of June 26:

- i. CD BCRP: The balance of BCRP certificates of deposit on June 26 was S/ 27.22 billion, with an average interest rate of 2.7 percent, while this balance at end-May was S/ 27.50 billion, with an average interest rate of 2.8 percent.

	Interest rate of auctions of CD BCRP		
	Term (Months)		
	6	12	18
27 May.	2.57		
29 May.		2.74	
30 May.		2.65	
3 Jun.	2.56		
5 Jun.		2.70	
6 Jun.		2.60-2.62	2.68
7 Jun.		2.58	2.67
10 Jun.	2.50		
11 Jun.		2.62	
12 Jun.	2.57	2.64	2.64
13 Jun.		2.65	
17 Jun.	2.60		
19 Jun.			2.66
20 Jun.		2.63	
24 Jun.	2.59		
26 Jun.		2.65	

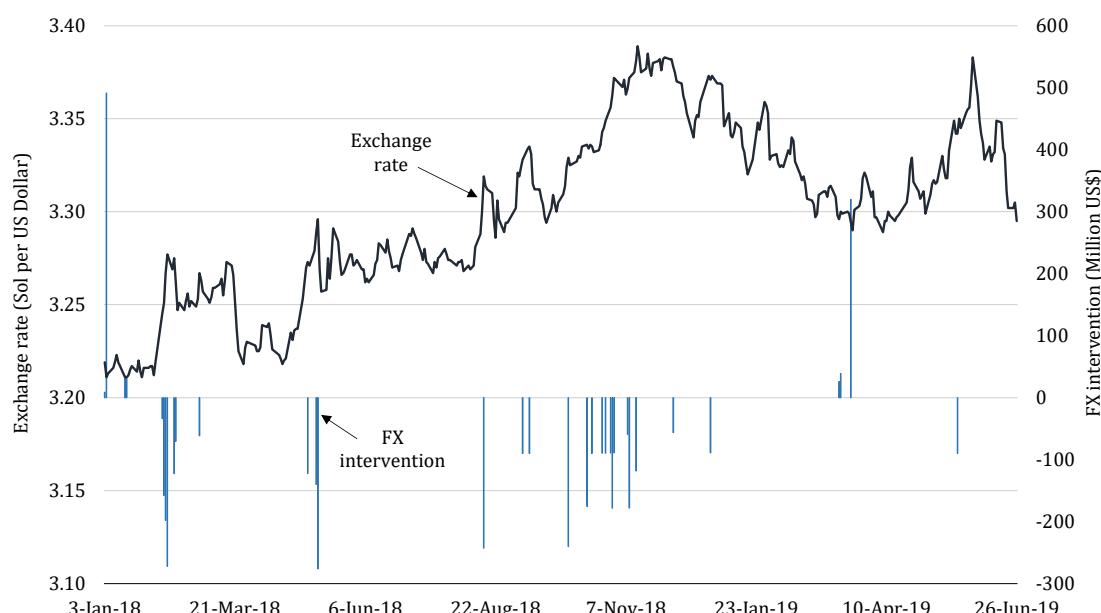
- ii. Overnight deposits: The balance of this instrument on June 26 was S/ 376 million, with an average interest rate of 1.5 percent. At end-May the balance was S/ 1.48 billion, with the same average interest rate.
- iii. Currency repos: On June 26, the balance of regular currency repos was S/ 11.30 billion, with an interest rate of 3.9 percent, while the balance at end May was S/ 10.95 billion, with an interest rate of 4.0 percent. Moreover, like at the end of May, credit expansion repos and credit substitution repos showed zero balances.
- iv. Security repos: The balance of security repos on June 26 was S/ 5.90 billion with an average interest rate of 4.0 percent, while this balance at the end of May was S/ 6.75 billion, with an average interest rate of 3.9 percent.
- v. Term deposits: Like at the end of May, term deposits showed a zero balance on June 26.
- vi. Auctions of Treasury funds: The balance of this instrument on June 26 was S/ 4.10 billion, with an average interest rate of 4.4 percent. At the end of May, the balance of this instrument was S/ 4.40 billion with an average interest rate of 4.3 percent.

The BCRP **foreign exchange operations** as of June 26 included the following:

- i. BCRP has not intervened in the spot market.
- ii. FX Swaps-sell: The balance of this instrument on June 26 was S/ 300 million (US\$ 90 million), with an average interest rate of 1.3 percent. At the end of May, this instrument showed the same balance.
- iii. CDLD BCRP, CDR BCRP, and FX Swaps-buy: Like at the end of May, these instruments showed zero balances on June 26.

On June 26, the **interbank selling price of the dollar** closed at S/ 3.30 per dollar, a result 2.6 percent lower than at end-May. With this, the sol accumulates an appreciation of 2.2 percent so far this year.

**Exchange rate and FX intervention of BCRP<sup>1/</sup>**



1/ Includes sell / purchases of US\$, placements of CDR BCRP and FX-Swaps, and CDLD BCRP.

As of June 26, the monetary base has increased by S/ 74 million compared to the end of May due to banks' higher demand for banknotes and coins. In this context, BCRP injected liquidity through the net placement of currency repos (S/ 347 million), the net maturity of term deposits (S/ 1.10 billion) and CDBCRP (S/ 199 million). These operations were in part offset by the net maturity of security repos (S/ 850 million), the increase of public sector deposits at BCRP (S/ 1.02 billion), and net placements of auctions of Treasury funds (S/ 300 million).

In the last 12 months, the monetary base grew 4.6 percent, mainly as a result of the 4.2 percent increase observed in the banknotes and coins issued in the same period, in line with the expansion of economic activity.

**Monetary balance of the Central Reserve Bank of Peru**  
(Million S/)

	Balance			Flows	
	Dec 31, 18	May 31, 19	Jun 26, 19	2019	Jun 26, 19
I. <b>NET INTERNATIONAL RESERVES</b> <i>(Millions US\$)</i>	<b>202,609</b>	<b>223,463</b>	<b>220,776</b>	<b>22,375</b>	<b>1,954</b>
1. Foreign Exchange Position	39,548	40,924	41,272	1,723	347
2. Deposits of the Commercial Banks	12,898	17,626	17,063	4,166	-563
3. Deposits of the Public Sector	8,202	8,313	9,161	959	848
II. <b>NET DOMESTIC ASSETS</b>	<b>-141,242</b>	<b>-165,515</b>	<b>-162,753</b>	<b>-25,720</b>	<b>-1,880</b>
1. Credit to the financial sector in soles	-9,017	-4,424	-3,926	5,091	498
a. Security repos	5,950	6,750	5,900	-50	-850
b. Currency repos	7,358	10,953	11,300	3,942	347
c. Securities issued	-24,523	-25,049	-24,850	-327	199
i. CDBCRP	-24,523	-25,049	-24,850	-327	199
d. Auctions of funds of PT and BN	4,000	4,400	4,100	100	-300
e. Other deposits in soles	-1,802	-1,478	-376	1,426	1,102
2. Net assets public sector in soles <sup>1/</sup>	-45,439	-56,580	-57,600	-12,162	-1,021
3. Credit to the financial sector in dollars	-43,465	-59,399	-56,308	-13,746	1,857
<i>(Millions US\$)</i>	<b>-12,898</b>	<b>-17,626</b>	<b>-17,063</b>	<b>-4,166</b>	<b>563</b>
a. Deposits in foreign currency	-12,898	-17,626	-17,063	-4,166	563
4. Net assets public sector in dollars	-25,749	-26,028	-28,247	-3,033	-2,760
<i>(Millions US\$)</i>	<b>-7,641</b>	<b>-7,723</b>	<b>-8,560</b>	<b>-919</b>	<b>-836</b>
5. Other Net Accounts	-17,572	-19,084	-16,672	-1,870	-455
III. MONETARY BASE (I+II) <sup>2/</sup>	<b>61,367</b>	<b>57,948</b>	<b>58,022</b>	<b>-3,345</b>	<b>74</b>
<i>(% change 12 months)</i>	<b>7.3%</b>	<b>6.8%</b>	<b>4.6%</b>		

1/ Public sector excluding auctions of funds of PT and BN

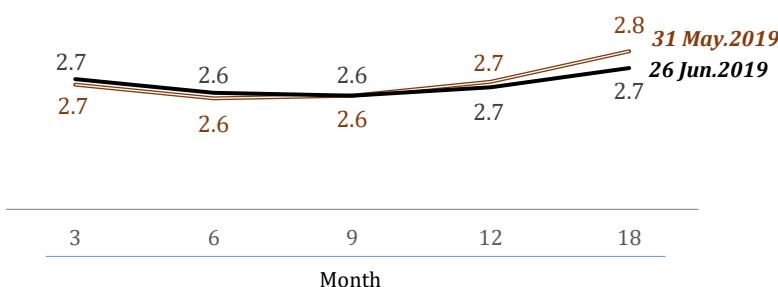
2/ Currency plus reserve requirement in domestic currency.

### SHORT-TERM YIELD CURVES

So far in June (at June 26), the yield curve of CD BCRP shows values similar to those observed at the end of May, except in the case of 18 month-CD BCRP, which show a lower value.

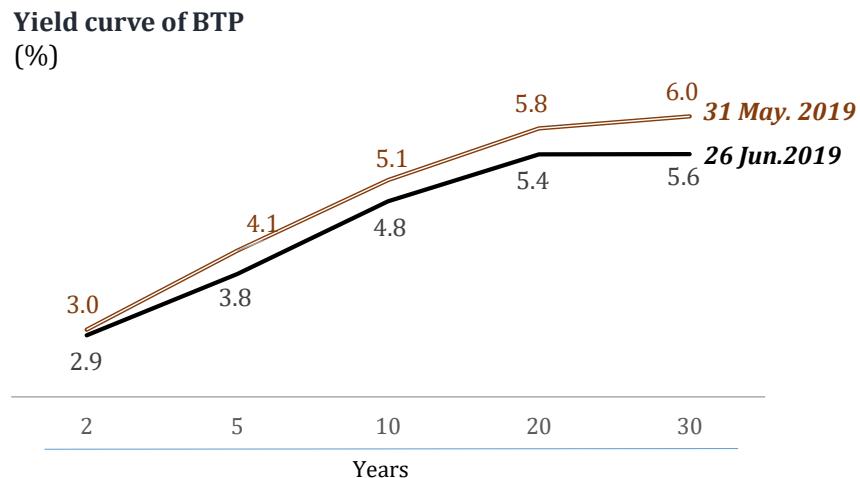
BCRP Certificates of Deposit (CD BCRP) are a monetary sterilization instrument that can be traded in the market or used in interbank repos or in repos with BCRP. The yields in the representative terms –3 months to 18 months– provide a guide for short-term financial operations. The shape of this yield curve is influenced by expectations of future monetary policy rates and by liquidity conditions in the market.

**Yield curve of CDBCRP**  
(%)



## PUBLIC TREASURY BONDS

Markets use the yield on the Public Treasury bonds as a benchmark for terms of 2 years or more. At June 26, 2019, the yield curve of sovereign bonds shows lower values than those observed in December 2017.

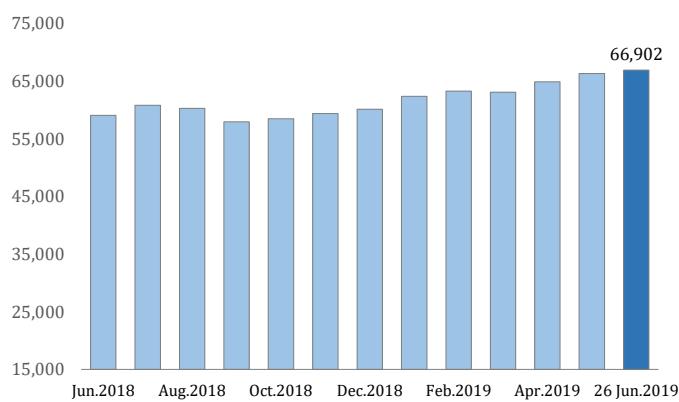


## INTERNATIONAL RESERVES AT US\$ 66.90 BILLION ON JUNE 26

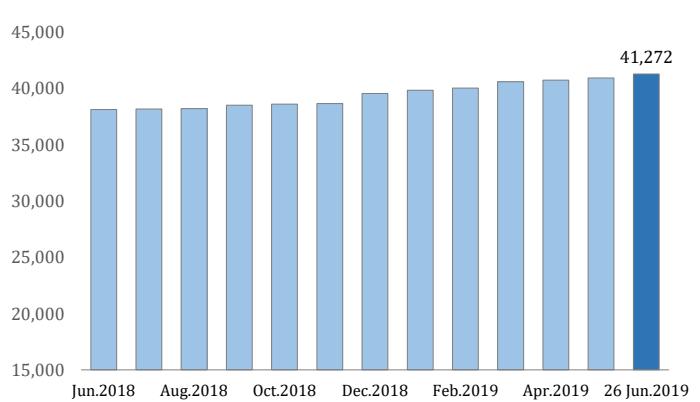
On June 26, Peru's net international reserves –made up mainly by liquid international assets– amounted to US\$ 66.90 billion. This level of reserves, which is US\$ 592 million higher than the amount of NIRs at the end of May and US\$ 6.78 billion higher than the amount of NIRs at end December 2018, is equivalent to 30 percent of GDP.

The foreign exchange position of BCRP on June 26 was US\$ 41.27 billion, US\$ 347 million higher than at the end of May and US\$ 1.72 billion higher than at the end of December 2018.

**Net International Reserves**  
(Million US\$)



**Exchange Position**  
(Million US\$)



## INTERNATIONAL MARKETS

### International prices of metals rose in June 19-June 26

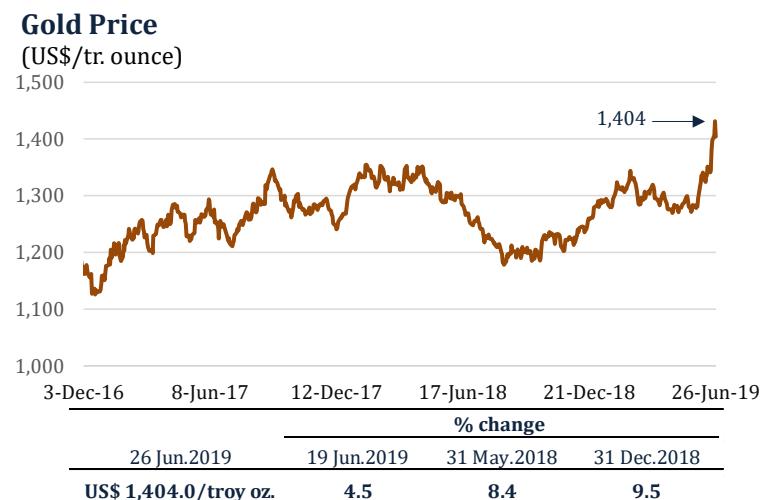
In the week of June 19 – 26, the price of **copper** rose 1.9 percent to US\$ 2.72 the pound.

The behavior of copper price was associated with the decline in the production of refined copper in China and with production cuts in a Chilean mine.



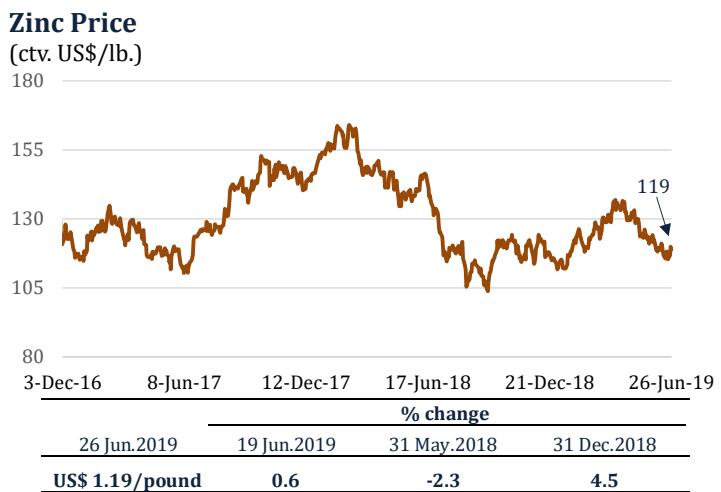
In the same period, the price of **gold** climbed 4.5 percent to US\$ 1,404.0 the ounce.

This price rise is explained by the depreciation of the dollar and by increased probabilities that the Federal Reserve will lower its interest rate in July.



In June 19 - 26, the price of **zinc** increased 0.6 percent to US\$ 1.19 the pound.

This rise is associated with a report of the International Zinc and Lead Study Group (ILZSG) that says that the physical supply of zinc remains tight.

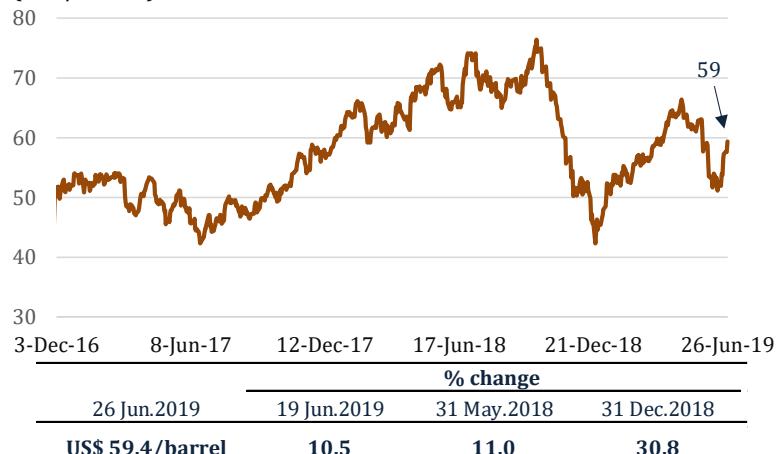


The price of **WTI oil** climbed 10.5 percent to US\$ 59.4 the barrel in the week of June 19-June 26.

This rise is explained by the reduction of US inventories and by the high probabilities that the OPEC will continue with its production cuts until the end of the year.

#### WTI Oil Price

(US\$/barrel)



#### Price of soybean fell in international markets

In June 19-26, the price of **soybean oil** fell 1.9 percent to US\$ 621.9 a ton.

The price of soybean was affected by the decline in the price of palm oil, which is used as a substitute of soy to produce edible oils.

#### Soybean oil price

(US\$/ton.)



In the same period, the price of **wheat** rose 2.5 percent to US\$ 177.5 the ton.

Delayed harvests as a result of excessive rains in the US wheat growing areas account for this rise in the price of wheat.

#### Wheat price

(US\$/ton.)



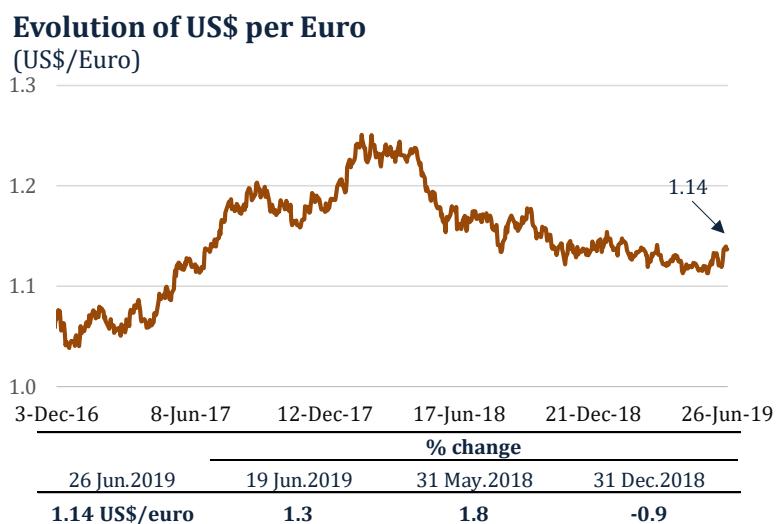
The price of **maize** increased 1.6 percent to US\$ 172.4 a ton in June 19 – June 26.

The price increase was favored by a report of the US Department of Agriculture (USDA) indicating a deterioration in the conditions of maize crops in the United States.

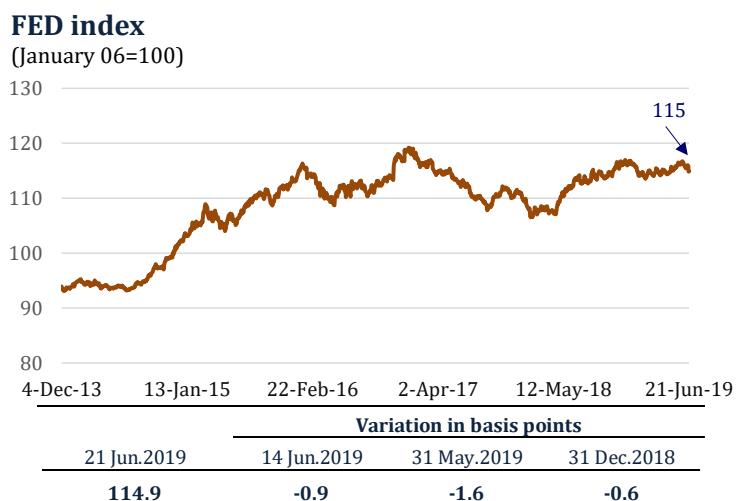


### Dollar depreciated in international markets

In June 19 - 26, the **dollar** depreciated 1.3 percent against the **euro**, influenced by reports showing lower-than-expected economic data in the United States.



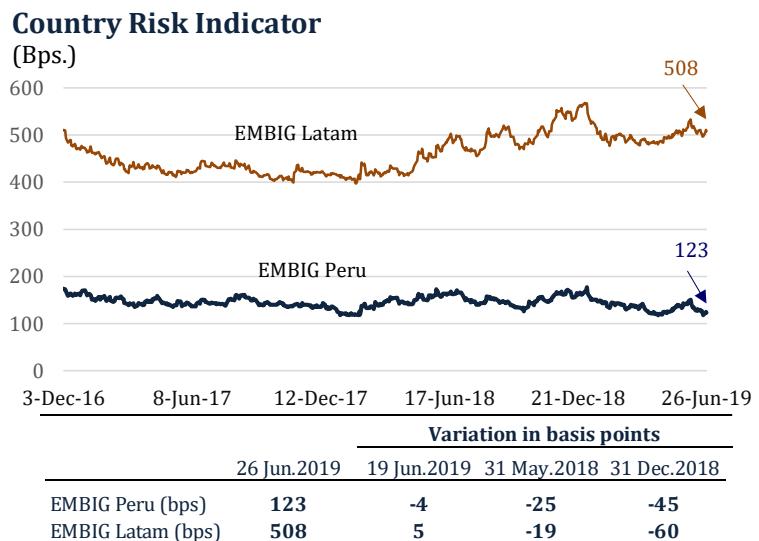
The US dollar has been appreciating against most other currencies in recent years, as reflected in the evolution of the **FED index**. This appreciation of the dollar is associated with expectations that the Federal Reserve (FED) will start normalizing its interest rates.



## Country risk fell to 123 basis points

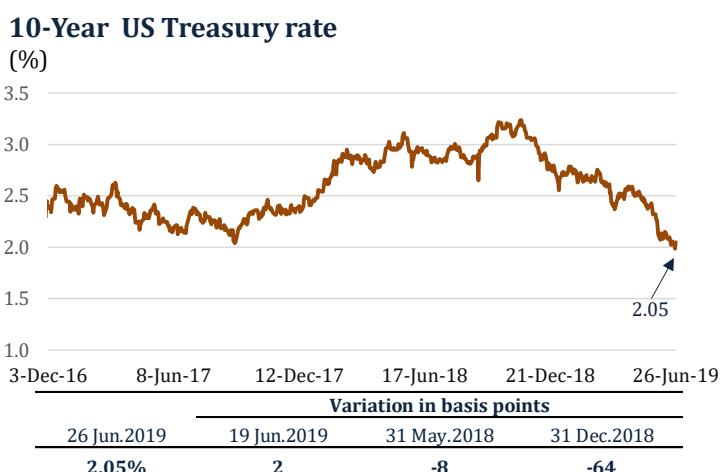
In June 19-June 26, the country risk indicator, measured by the **EMBIG Peru** spread, fell from 127 to 123 bps.

On the other hand, in the same period the **EMBIG LatinAmerica** spread rose 5 bps to 508 bps in a context marked by greater geopolitical tensions.

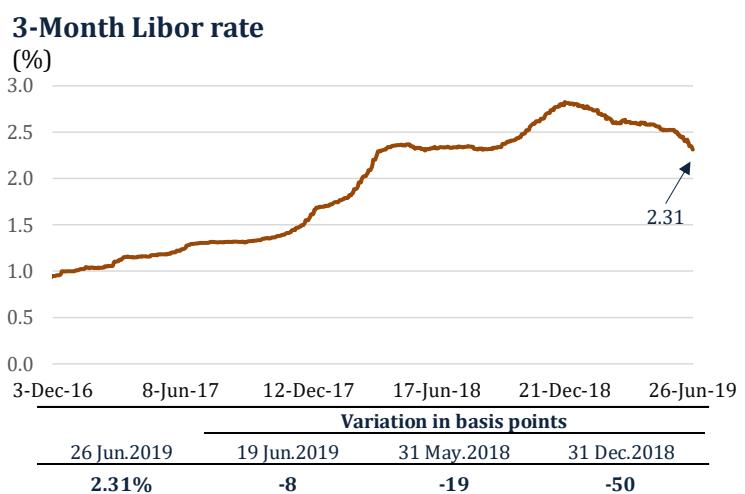


## Yield on 10-year US Treasuries rose to 2.05 percent

In the week of June 19-June 26, the yield on the 10-year **Treasury bonds** rose 2 bps to 2.05 percent amid optimistic expectations regarding the negotiations between China and the US in the G20.



In the same period, the **3-month Libor** dropped 8 bps to 2.31 percent, amid signals indicating that the European Central Bank could increase monetary stimulus in the Eurozone.



## INDICES OF THE LSE ROSE IN JUNE 19-JUNE 26

The **General Index** (IGBVL-Peru General) of the Lima Stock Exchange (LSE) rose 1.5 percent in the week of June 19-June 26, while the **Selective Index** (ISBVL-Lima 25) rose 0.6 percent.

This rise in the LSE indices is associated with the rise in the international price of metals.

Year-to-date, the General Index has risen 6.5 percent, while the Selective Index has fallen 1.7 percent.

### Peru General index of the LSE (Base Dec.1991=100)



	As of:		% change compared to:		
	26 Jun.2019	19 Jun.2019	31 May.2018	31 Dec.2018	
Peru General	20,609	1.5	3.4	6.5	
Lima 25	26,063	0.6	3.3	-1.7	

Resumen de Indicadores Económicos		2016		2017		2018					2019										
		Dic.	Dic.	Mar.	Jun.	Set.	Dic.	Ene.	Feb.	Mar.	Abr.	May.	Jun. 20	Jun. 21	Jun. 24	Jun. 25	Jun. 26	Jun.	Var.		
<b>RESERVAS INTERNACIONALES (Mills. US\$)</b>		Acum.																			
Posición de cambio		27 116	37 493	38 101	38 120	38 498	39 548	39 828	40 033	40 582	40 738	40 924	41 260	41 257	41 305	41 310	41 272	347			
Reservas internacionales netas		61 686	63 621	62 032	59 079	57 941	60 121	62 380	63 254	63 091	64 882	66 309	66 909	67 059	67 011	66 995	66 902	592			
Depósitos del sistema financiero en el BCRP		19 937	17 345	15 752	13 006	11 729	12 948	14 874	15 563	14 556	16 316	17 782	17 515	17 680	17 577	17 547	17 473	-309			
Empresas bancarias		18 903	16 660	15 141	12 466	11 244	12 515	14 472	15 167	14 084	15 677	17 162	16 692	16 823	16 742	16 657	16 571	-591			
Banco de la Nación		378	157	120	144	112	51	71	38	34	220	156	376	385	384	397	410	254			
Resto de instituciones financieras		657	529	491	397	372	382	331	358	437	418	463	447	472	451	493	492	29			
Depósitos del sector público en el BCRP*		15 065	9 349	8 733	8 494	8 256	8 152	8 215	8 190	8 417	8 395	8 157	8 721	8 700	8 715	8 725	8 752	594			
<b>OPERACIONES CAMBIARIAS BCR (Mil. US\$)</b>		Acum.						Acum.													
Operaciones Cambiarias		2	3 441	-224	61	210	651	2	148	405	90	8	0	0	0	0	0	75			
Compras netas en Mesa de Negociación		0	16	0	0	0	0	0	0	385	0	0	0	0	0	0	0	0			
Operaciones con el Sector Público		0	3 670	153	61	210	650	1	148	18	89	8	0	0	0	0	0	75			
Otros		2	-245	-377	0	0	1	1	0	2	1	0	0	0	0	0	0	0			
<b>TIPO DE CAMBIO (S/. por US\$)</b>		Prom.	Prom.	Prom.	Prom.	Prom.															
Compra interbancario	Promedio	3,394	3,246	3,250	3,271	3,311	3,363	3,343	3,321	3,304	3,303	3,332	3,310	3,301	3,299	3,297	3,297	3,328			
Apertura	3,401	3,250	3,252	3,273	3,313	3,365	3,346	3,322	3,304	3,306	3,335	3,313	3,308	3,303	3,294	3,302	3,331				
Mediodía	3,396	3,246	3,251	3,272	3,312	3,366	3,344	3,322	3,306	3,305	3,333	3,309	3,301	3,299	3,302	3,299	3,330				
Cierre	3,395	3,249	3,251	3,273	3,313	3,364	3,344	3,321	3,306	3,304	3,333	3,311	3,302	3,302	3,295	3,329					
Promedio	3,397	3,248	3,252	3,272	3,313	3,365	3,344	3,322	3,306	3,305	3,334	3,311	3,303	3,300	3,298	3,299	3,328				
Sistema Bancario (SBS)	Compra	3,393	3,244	3,249	3,270	3,310	3,362	3,342	3,320	3,303	3,302	3,331	3,309	3,302	3,297	3,295	3,297	3,328			
Venta	3,398	3,248	3,252	3,272	3,313	3,366	3,345	3,323	3,306	3,306	3,334	3,313	3,306	3,302	3,298	3,301	3,331				
Indice de tipo de cambio real (2009 = 100)		96,1	96,6	99,1	96,8	95,5	95,9	96,6	96,5	95,2	95,6	95,3									
<b>INDICADORES MONETARIOS</b>																					
Moneda nacional / Domestic currency																					
Emisión Primaria	(Var. % mensual)	6,9	7,6	2,2	2,5	-2,1	7,6	-4,8	-0,8	-0,2	1,0	-0,8	0,4	0,3	0,0	-0,1	0,1				
Monetary base	(Var. % últimos 12 meses)	4,1	8,3	10,5	7,2	8,9	7,3	6,5	6,5	4,0	6,6	6,8	6,1	4,8	3,4	4,5	4,6				
Oferta monetaria	(Var. % mensual)	3,5	3,7	0,8	0,5	-0,2	3,7	-0,8	-0,5	2,5	-1,5	1,0									
Money Supply	(Var. % últimos 12 meses)	9,0	12,5	14,9	12,4	11,6	12,1	10,6	9,7	11,6	10,9	11,1									
Crédito sector privado	(Var. % mensual)	0,3	0,8	0,9	0,8	1,1	1,5	0,3	0,3	1,3	0,3	0,7									
Crédito a la private sector	(Var. % últimos 12 meses)	7,2	5,3	7,4	9,3	10,1	11,6	11,7	11,2	11,7	10,6	10,5									
TOSE saldo fin de periodo (Var.% acum. en el mes)	-0,5	2,1	-0,5	0,6	-1,0	3,2	0,5	0,8	0,9	-1,0	0,4	0,0	-0,5	-0,5	-0,7						
Superávit de encajos promedio (% respecto al TOSE)	0,2	0,2	0,1	0,2	0,1	0,1	0,1	0,1	0,2	0,1	0,1	0,1	0,5	0,4	0,3	0,3	0,3				
Cuenta corriente de los bancos (saldo mill. S/.)		2 539	2 383	2 272	2 720	2 303	2 623	2 465	2 935	2 794	3 024	2 325	1 909	1 489	1 043	828	973				
Depósitos públicos en el BCRP (millones S/.)		28 467	42 169	39 330	42 762	42 423	39 546	39 082	40 047	44 687	49 063	50 370	50 796	51 410	51 839	51 621	51 529	51 529			
Certificados de Depósito BCRP (saldo Mill.S.)		22 964	30 747	32 343	26 574	25 961	27 061	29 494	31 394	29 226	27 742	27 504	27 109	27 109	27 165	27 165	27 215	27 215			
Subasta de Depósitos a Plazo (saldo Mill S.) **		0	0	0	0	0	0	200	128	0	0	0	500	0	0	0	0	0			
CDBCRP-MN con Tasa Variable (CDV BCRP) (Saldo Mill S.) ***		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
CD Reajustables BCRP (saldo Mill S.)		805	835	1 887	510	0	0	0	0	0	0	0	0	0	0	0	0	0			
Operaciones de reporte monedas (saldo Mill. S.)		26 630	16 680	14 380	8 058	6 858	7 358	7 453	8 353	8 653	10 353	10 953	11 281	11 481	11 500	11 500	11 300	11 300			
Operaciones de reporte (saldo Mill. S.)		28 729	22 100	17 320	13 988	12 973	13 308	12 208	13 203	14 753	17 203	17 703	16 831	17 231	17 400	17 200	17 200	17 200			
Tasa de interés (%)																					
TAMN		17,19	15,82	15,11	14,10	14,31	14,30	14,32	14,37	14,49	14,51	14,48	14,66	14,62	14,61	14,67	14,68	14,58			
Prestamos hasta 360 días ****		11,60	11,08	10,88	10,36	10,55	10,92	10,89	10,89	11,04	11,16	11,13	11,28	11,26	11,23	11,27	11,29	11,21			
Interbancaria		4,37	3,26	2,81	2,78	2,75	2,75	2,75	2,75	2,75	2,75	2,75	2,75	2,75	2,75	2,75	2,75	2,75			
Preferencial corporativa a 90 días		5,19	3,58	3,24	3,47	3,88	4,31	4,53	4,36	4,05	4,05	4,04	4,00	4,00	4,00	4,00	4,00	4,02			
Operaciones de reporte con CDBCRP		2,43	3,79	4,13	3,35	3,58	3,95	3,91	4,02	3,96	3,92	3,86	4,01	4,00	3,99	3,99	3,99	3,99			
Operaciones de reporte monedas		4,86	4,88	4,84	4,80	3,72	3,80	3,75	3,88	4,09	4,03	4,00	3,96	3,95	3,95	3,95	3,94	3,94			
Creditos por regulación monetaria *****		4,80	3,80	3,30	3,30	3,30	3,30	3,30	3,30	3,30	3,30	3,30	3,30	3,30	3,30	3,30	3,30	3,30			
Del saldo de CDBCRP		4,75	3,96	3,23	2,96	2,73	2,69	2,72	2,73	2,74	2,75	2,75	2,74	2,74	2,74	2,74	2,74	2,74			
Del saldo de depósitos a Plazo		3,70	3,01	2,27	2,26	2,21	2,64	2,00	2,71	2,52	2,42	2,53	2,48	s.m.	s.m.	s.m.	s.m.	s.m.	2,48		
Spread del saldo del CDV BCRP - MN		s.m.	s.m.	s.m.	s.m.	s.m.	s.m.														
Moneda extranjera / foreign currency																					
Credito sector privado	(Var. % mensual)	2,3	0,8	0,1	0,2	0,9	0,8	-1,8	-0,7	1,3	0,2	2,4									
(Var. % últimos 12 meses)		1,9	8,5	8,1	8,6	6,9	3,0	1,2	0,3	1,5	1,3	2,3									
TOSE saldo fin de periodo (Var.% acum. en el mes)		0,7	2,1	0,2	-0,4	-2,2	-1,0	3,6	0,7	0,7	2,7	3,5	-1,6	-1,8	-1,7	-0,4					
Superávit de encajos promedio (% respecto al TOSE)		0,6	0,5	0,4	0,8	1,1	0,4	0,3	0,4	0,9	0,5	0,4	3,3	2,9	1,8	1,4					
TASEM		7,56	6,71	7,15	7,38	7,72	7,88	7,99	8,25	8,12	7,83	7,71	7,64	7,61	7,68	7,73	7,73	7,69			
Prestamos hasta 360 días ****		4,58	3,94	4,32	4,58	4,58	4,95	4,97	5,10	5,31	5,21	4,99	4,88	4,83	4,81	4,82	4,82	4,83			
Interbancaria		0,58	1,50	1,58	1,95	2,00	2,29	2,50	2,50	2,50	2,50	2,50	s.m.	s.m.	s.m.	s.m.	s.m.	2,50			
Preferencial corporativa a 90 días		1,20	2,27	2,65	3,00	3,02	3,35	3,48	3,36	3,15	3,05	2,93	2,93	2,93	2,93	2,93	2,93	2,98			
Ratio de dolarización de la liquidez (%)		34,6	32,4	32,4	32,2	31,6	30,8	31,0	31,0	30,5</											