



Weekly Economic Report

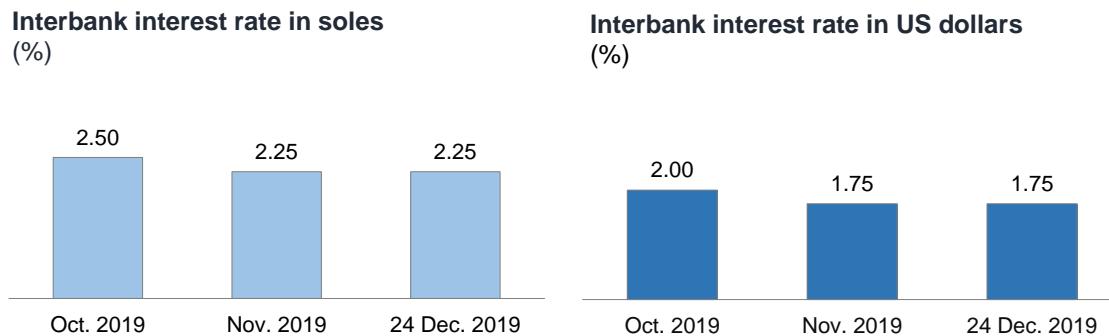
December 26, 2019

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INTERBANK INTEREST RATE IN SOLES AT 2.25 PERCENT

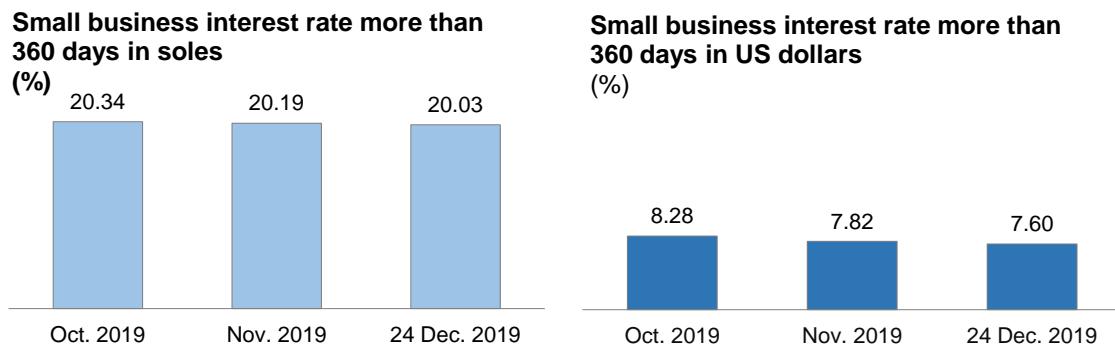
As of December 24, the **interbank interest rate** in soles showed an annual rate of 2.25 percent and this rate in dollars registered 1.75 percent.



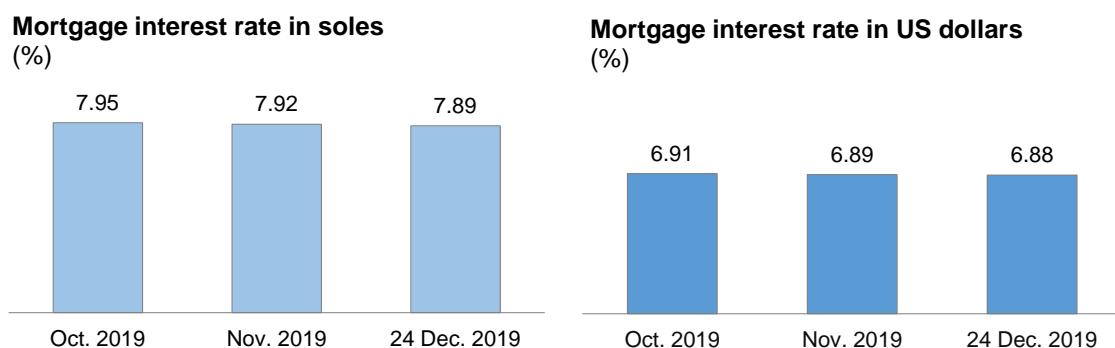
On the same date, the **90-day corporate prime rate** –the interest rate charged by commercial banks to lower risk businesses– in soles was 3.29 percent, while the prime rate in dollars was 2.68 percent.



Moreover, the interest rate on **more than 360-day loans** in soles to **micro and small businesses** (Mypes) was 20.03 percent per year on December 24, while this rate on loans in dollars was 7.60 percent.



On December 24, the interest rate on **mortgage loans** in soles was 7.89 percent, while this rate on loans in dollars was 6.88 percent.



BCRP MONETARY OPERATIONS

As of December 24, BCRP has made the following **monetary operations**:

- i. CD BCRP: The balance of BCRP certificates of deposit on December 24 was S/ 28.368 billion, with an average interest rate of 2.5 percent, while this balance at end-November was S/ 29.91 billion, with a similar interest rate.

	Interest rate of auctions of CD BCRP (%)		
	Term (months)		
	6	12	18
25 Nov.	2.16		
27 Nov.			2.20
28 Nov.		2.19	
2 Dec.	2.14		
4 Dec.			2.23
5 Dec.		2.20	
9 Dec.	2.14		
11 Dec.			2.23
12 Dec.		2.17	
16 Dec.	2.11		
18 Dec.			2.22
19 Dec.		2.17	
23 Dec.	2.17		

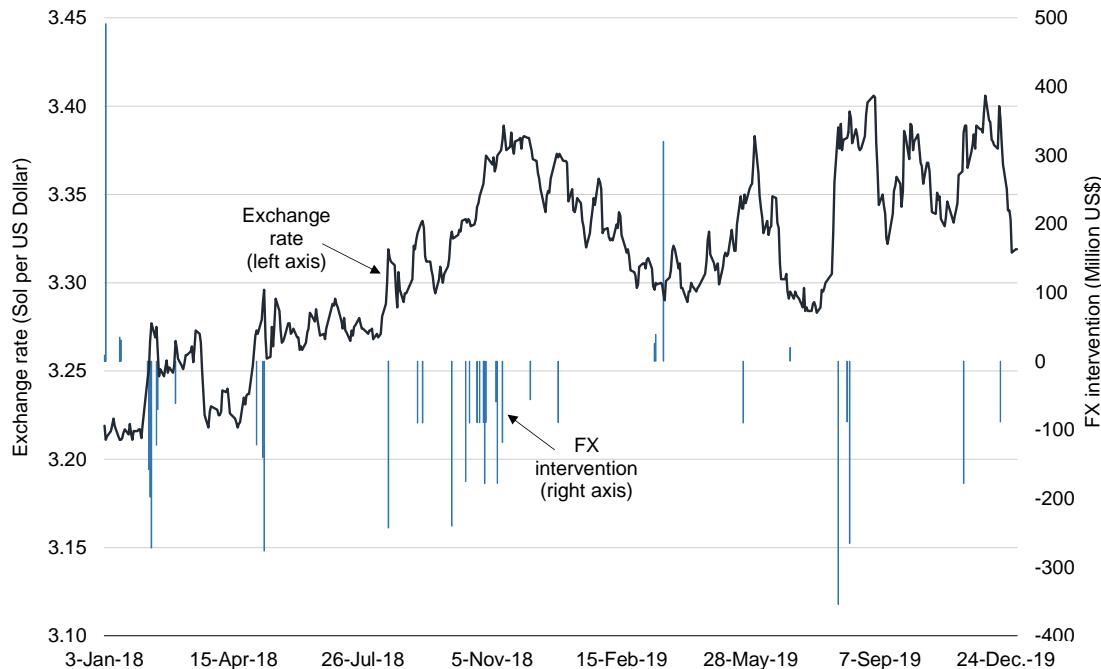
- ii. Overnight deposits: As of December 24, the balance of this instrument was S/ 964 million, with an average interest rate of 1.0 percent. At end-November the balance was S/ 1.57 billion, with the same interest rate.
- iii. Currency repos: The balance of regular currency repos as of December 24 was S/ 11.05 billion, with an interest rate of 3.9 percent. On the other hand, the balance at end-November was S/ 11.25 billion, with the same interest rate. Moreover, like at the end of November, credit expansion repos and credit substitution repos showed zero balances.
- iv. Security repos: The balance of security repos as of December 24 was S/ 7.35 billion with an average interest rate of 3.3 percent, while this balance at the end of November was S/ 4.95 billion, with an interest rate of 3.6 percent.
- v. Term deposits: The balance of term deposits as of December 24 was zero, as was the end of November.
- vi. Auctions of Treasury funds: The balance of this instrument as of December 24 was S/ 4.10 billion, with an average interest rate of 3.9 percent. At the end of November, this instrument showed the same balance with an average interest rate of 4.1 percent.

As of December 24, BCRP showed a long position of US\$ 88 million in its **foreign exchange operations**.

- i. Foreign exchange interventions: BCRP did not intervene in the spot market.
- ii. FX Swaps-sell: The balance of this instrument at December 24 was S/ 900 million (US\$ 266 million), with an average interest rate of -0.8 percent. At the end of November, this instrument showed a balance of S/ 600 million (US\$ 178 million), with an interest rate of -0.1 percent.
- iii. CDLD BCRP, CDR BCRP, and FX Swaps-buy: these instruments showed zero balances as of December 24.

The **interbank selling price of the dollar** closed at S/ 3.32 per dollar on December 24, lower by 2.6 percent than the price at the end of November. As a result, the sol accumulates an appreciation of 1.5 percent so far this year.

Exchange rate and FX intervention of BCRP ^{1/}



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

As of December 24, the **monetary base** has increased by S/ 3.96 billion compared to the end of November, due to banks' higher demand for currency. Moreover, the increase of public sector deposits at BCRP has reduced the monetary base by S/ 1,616 million. In this context, BCRP injected liquidity through the net maturity of security repos (S/ 2.4 billion), the net maturity of CDBCRP (S/ 1.5 billion) and term deposits (S/ 609 million), these operations being offset in part by the net maturity of currency repos (S/ 200 million).

In the last 12 months, the monetary base has increased by 6.6 percent, mainly as a result of the 5.6 percent increase 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	Nov 30, 19	Dec 24, 19	2019	Dec 19, 24
I. NET INTERNATIONAL RESERVES	202,609	227,021	228,657	29,566	7,622
(Millions US\$)	60,121	66,771	69,081	8,959	2,310
1. Foreign Exchange Position	39,548	42,173	42,467	2,919	294
2. Deposits of the Commercial Banks	12,898	16,873	18,055	5,158	1,183
3. Deposits of the Public Sector	8,202	8,318	9,163	961	845
II. NET DOMESTIC ASSETS	-141,242	-166,236	-163,907	-26,183	-3,658
1. Credit to the financial sector in soles	-9,017	-8,330	-4,018	5,000	4,312
a. Security repos	5,950	4,950	7,350	1,400	2,400
b. Currency repos	7,358	11,250	11,050	3,692	-200
c. Securities issued	-24,523	-27,058	-25,555	-1,031	1,504
i. CDBCRP	-24,523	-27,058	-25,555	-1,031	1,504
d. Auctions of funds of Public sector	4,000	4,100	4,100	100	0
e. Other deposits in soles	-1,802	-1,572	-964	839	609
2. Net assets public sector in soles ^{1/}	-45,439	-52,521	-54,137	-8,698	-1,616
Holding of CDBCRP by Banco de la Nación	-2,538	-2,850	-2,750	-350	100
3. Credit to the financial sector in dollars	-43,465	-57,368	-59,764	-17,021	-3,902
(Millions US\$)	-12,898	-16,873	-18,055	-5,158	-1,183
a. Deposits in foreign currency	-12,898	-16,873	-18,055	-5,158	-1,183
4. Net assets public sector in dollars	-25,749	-26,219	-28,324	-3,025	-2,791
(Millions US\$)	-7,641	-7,711	-8,557	-917	-846
5. Other Net Accounts	-17,572	-21,798	-17,665	-2,439	339
III. MONETARY BASE (I+II) ^{2/}	61,367	60,785	64,750	3,383	3,964
(% change 12 months)	7.3%	7.2%	6.6%		

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

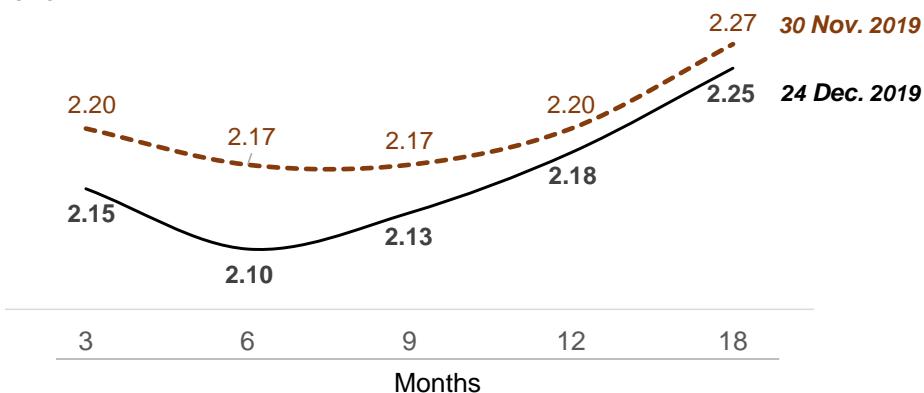
2/ Currency plus reserve requirement in domestic currency.

SHORT-TERM YIELD CURVES

So far this month, as of December 24, the yield curve of CD BCRP shows lower values than those observed at the end of November, influenced by the reduction of the BCRP benchmark interest rate.

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 market liquidity conditions.

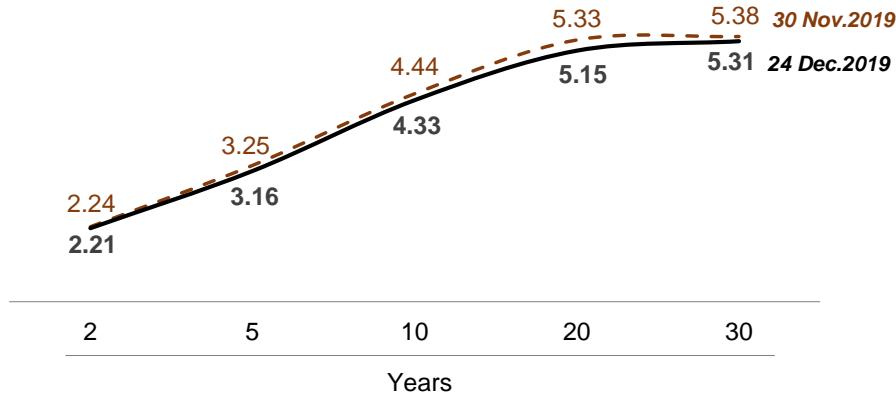
Yield curve of CDBCRP (%)



PUBLIC TREASURY BONDS

Markets use the yield on the Public Treasury bonds as a benchmark for terms of 2 years or more. As of December 24, 2019, the yield curve of sovereign bonds shows lower values than the ones registered at the end of November.

Yield curve of BTP (%)

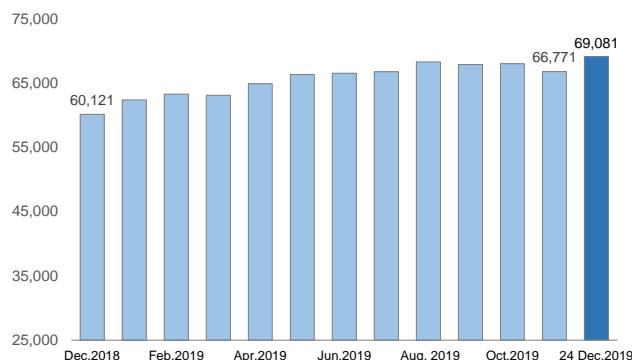


INTERNATIONAL RESERVES AT US\$ 69.08 BILLION AS OF DECEMBER 24

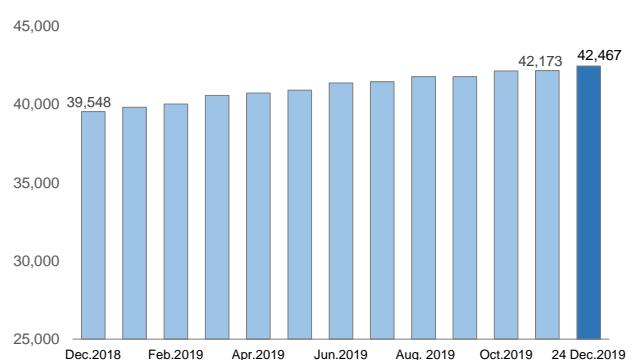
As of December 24, Peru's net international reserves amounted to US\$ 69.08 billion higher by US \$ 2.31 billion at the end of November and higher by US\$ 8.96 billion compared to the one registered at the end of December 2018. The RINs consist of liquid international assets and their current level is equivalent to 30 percent of GDP.

The foreign exchange position of BCRP on December 24 was US\$ 42.47 billion, a figure US\$ 294 million higher than at the end of November and US\$ 2.92 billion higher than at the end of December 2018.

Net International Reserves
(Million US\$)



Exchange Position
(Million US\$)



INTERNATIONAL MARKETS

Copper and gold prices up in international markets

In December 18-December 24, the price of **copper** rose 0.7 percent to US\$ 2.81 the pound.

This behavior was associated with the drop in inventories on the London Metal Exchange.

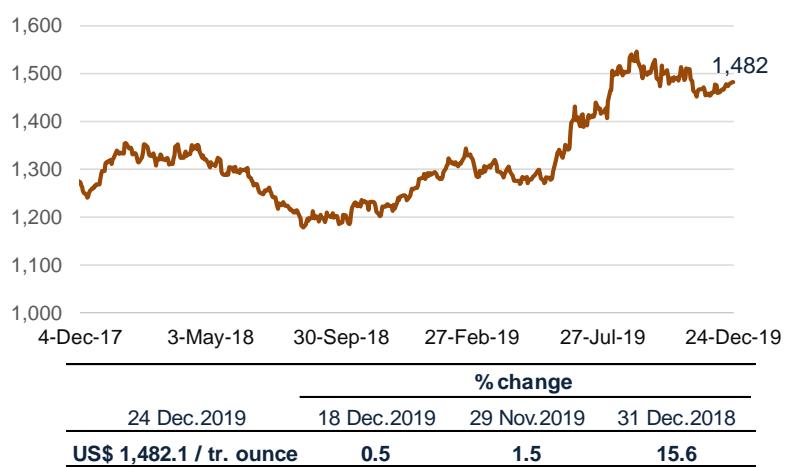
Copper Price
(cUS\$/pound)



In the same period, the price of **gold** rose 0.5 percent to US\$ 1,482.1 a troy ounce.

The higher price was based on expectations about a trade agreement between China and the United States.

Gold Price
(US\$/tr. ounce)



In December 18 - 24, the price of **zinc** was reduced 1.0 percent to US\$ 1.03 the pound.

The price drop reflected the increase in metal inventories in China.



The price of **WTI oil** rose 0.4 percent to US\$ 61.2 the barrel in the week of December 18 to December 24.

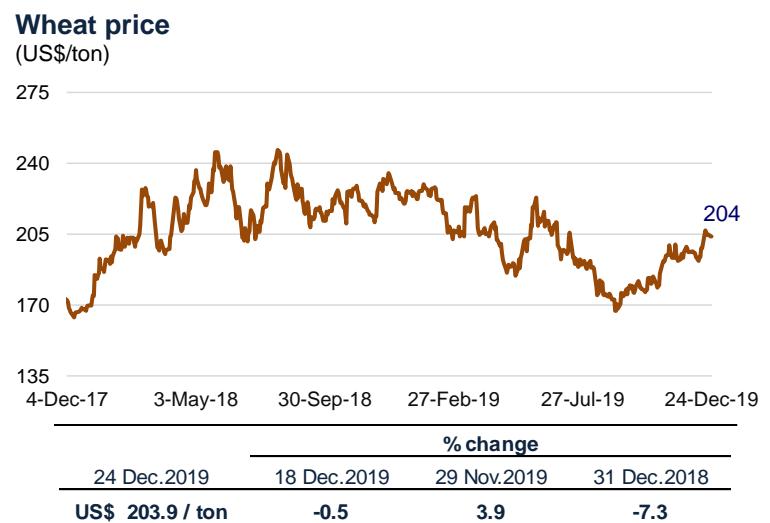
The price increase was favored by cuts in OPEC production and lower crude oil inventories in the United States.



Wheat and corn prices decrease in international markets

In December 18 – 24, the price of **wheat** contracted 0.5 percent to US\$ 203.9 a ton.

The price was affected by the forecast of higher grain production in Europe.



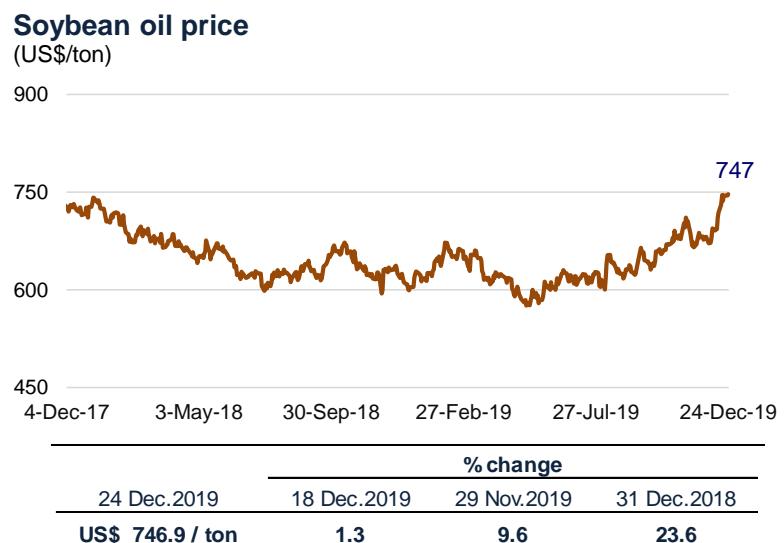
In the same period, the price of **maize** decreased 0.5 percent to US\$ 142.5 a ton.

The fall was explained by an increase in grain inventories in the United States.



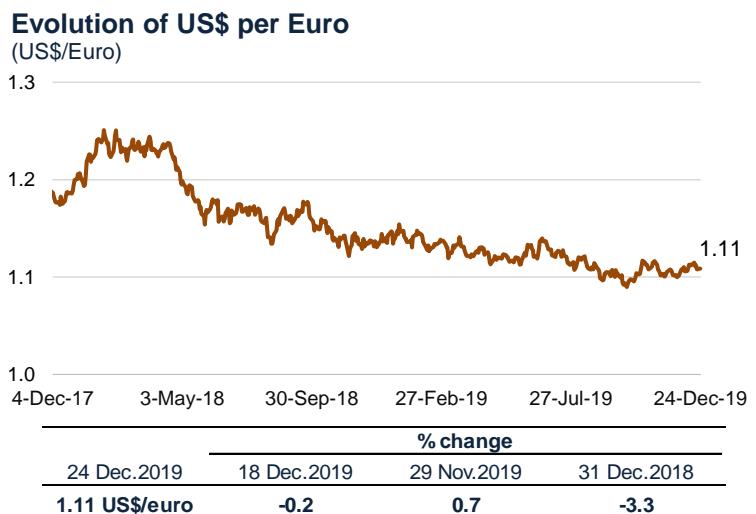
The price of **soybean** oil increased 1.3 percent to US\$ 746.9 a ton in December 18-December 24.

The increase was explained by the rise in palm oil prices due to lower production prospects.



Dollar appreciated in international markets

In December 18-24, the **US dollar** appreciated 0.2 percent against the **euro**, because of the contrast between positive economic data in the United States and negative ones in the Eurozone.



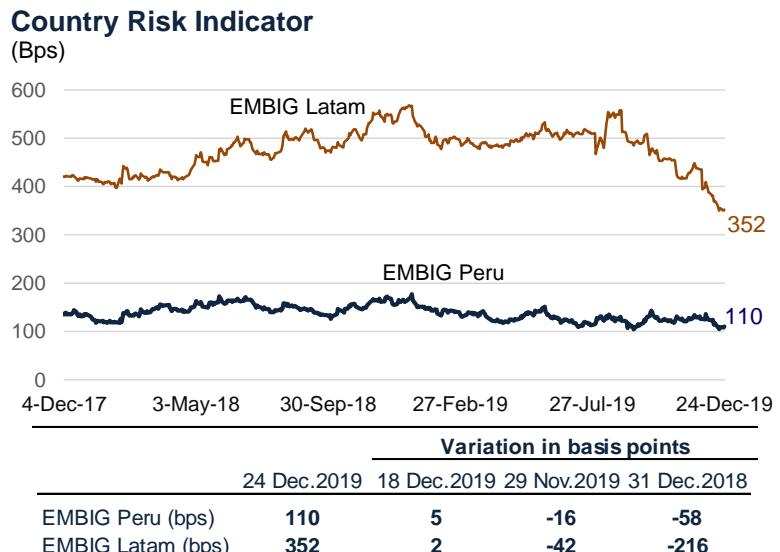
The US dollar has been appreciating against most other currencies in recent years, as reflected in the evolution of the FED index. This appreciation of the dollar is associated with expectations that the Federal Reserve (FED) will start normalizing its interest rates and more recently by other central banks' easing of monetary policy.



Country risk rises to 110 basis points

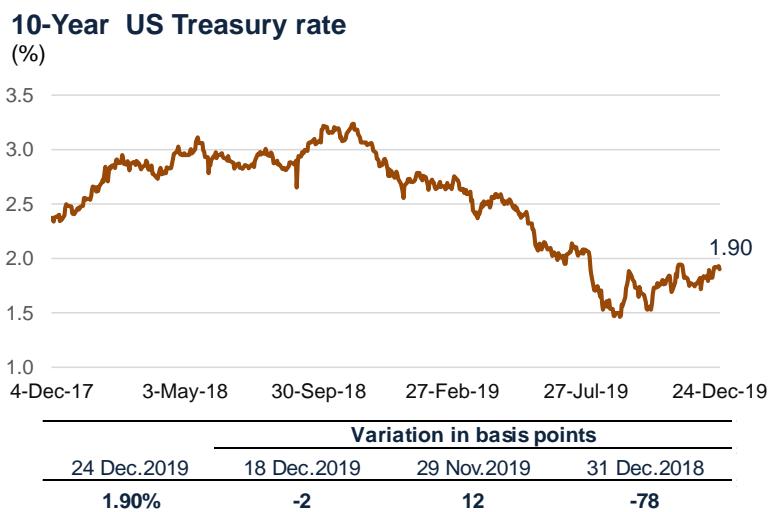
In the week of December 18 – December 24, the country risk indicator, measured by the **EMBIG Peru** spread, was 110 bps.

In the same period, the **EMBIG LatinAmerica** spread increased 2 bps to 352 bps, amid fears of a Brexit without agreement and uncertainty about global trade.



Yield on 10-year US Treasuries decreases to 1.90 percent

In December 18 -24, the yield on the 10-year **Treasury bonds** decreased 2 bps to 1.90 percent amid political noise in the United States and persistence of fear of a Brexit without agreement.



THE INDICES OF THE LIMA STOCK EXCHANGE ROSE IN DECEMBER 18-24

In the week of December 11 – December 18, the **General Index** (IGBVL-Peru General) of the Lima Stock Exchange (LSE) rose 0.8 percent while the **Selective Index** (ISBVL-Lima 25) rose 2.1 percent, due to the increase of the international price of the main metals.

Year-to-date, the General Index has risen 5.5 percent, while the Selective Index has fallen 4.1 percent.

Peru General index of the LSE

(Base Dec.1991=100)



	As of:				% change compared to:
	24 Dec.2019	18 Dec.2019	29 Nov.2019	31 Dec.2018	
Peru General	20,414	0.8	1.7	5.5	
Lima 25	25,433	2.1	4.7	-4.1	

Resumen de Indicadores Económicos																
	2017		2018				2019								Dic.	
	Dic.	Mar.	Jun.	Set.	Dic.	Mar.	Jun.	Set.	Nov.	Dic. 18	Dic. 19	Dic. 20	Dic. 23	Dic. 24		
RESERVAS INTERNACIONALES (Mills. US\$)	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.						Var.	
Posición de cambio	37 493	38 101	38 120	38 498	39 548	40 582	41 381	41 787	42 173	42 462	42 455	42 446	42 427	42 467	294	
Reservas internacionales netas	63 621	62 032	59 079	57 941	60 121	63 091	66 513	67 860	66 771	68 548	68 569	68 911	68 805	69 081	2 310	
Depósitos del sistema financiero en el BCRP	17 345	15 752	13 006	11 729	12 948	14 556	16 983	18 313	17 286	18 040	18 068	18 436	18 336	18 582	1 297	
Empresas bancarias	16 660	15 141	12 466	11 244	12 515	14 084	16 027	17 427	16 388	17 105	17 123	17 492	17 405	17 625	1 237	
Banco de la Nación	157	120	144	112	51	34	432	374	413	507	491	496	507	527	114	
Resto de instituciones financieras	529	491	397	372	382	437	524	512	485	428	453	449	425	431	-54	
Depósitos del sector público en el BCRP*	9 349	8 733	8 494	8 256	8 152	8 417	8 718	8 350	7 905	8 651	8 651	8 634	8 646	8 636	731	
OPERACIONES CAMBIARIAS BCR (Mill. US\$)	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.						Acum.	
Operaciones Cambiarias	3 441	-224	61	210	651	405	110	77	49	0	0	0	-16	15	226	
Compras netas en Mesa de Negociación	16	0	0	0	0	385	20	0	0	0	0	0	0	0	0	
Operaciones con el Sector Público	3 670	153	61	210	650	18	90	77	49	0	0	0	-16	15	227	
Otros	-245	-377	0	0	1	2	0	0	0	0	0	0	0	0	-1	
TIPO DE CAMBIO (\$./por US\$)	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.	Prom.						Prom.	
Compra interbancario	Promedio	3,246	3,250	3,271	3,311	3,363	3,304	3,324	3,356	3,371	3,336	3,336	3,321	3,315	3,314	3,362
Venta Interbancario	Apertura	3,250	3,252	3,273	3,313	3,365	3,304	3,327	3,361	3,372	3,342	3,341	3,337	3,311	3,318	3,366
	Mediodía	3,246	3,251	3,272	3,312	3,366	3,306	3,326	3,357	3,375	3,334	3,336	3,322	3,320	3,315	3,363
	Cierre	3,249	3,251	3,273	3,313	3,364	3,306	3,325	3,358	3,374	3,341	3,336	3,317	3,319	3,319	3,362
	Promedio	3,248	3,252	3,272	3,313	3,365	3,306	3,326	3,358	3,373	3,337	3,339	3,324	3,316	3,316	3,364
Sistema Bancario (SBS)	Compra	3,244	3,249	3,270	3,310	3,362	3,303	3,324	3,356	3,370	3,336	3,335	3,321	3,314	3,314	3,362
	Venta	3,248	3,252	3,272	3,313	3,366	3,306	3,327	3,359	3,374	3,340	3,338	3,326	3,320	3,319	3,366
Índice de tipo de cambio real (2009 = 100)		96,6	99,1	96,8	95,5	95,9	95,7	95,5	95,0	95,9						
INDICADORES MONETARIOS																
Moneda nacional /Domestic currency																
Emisión Primaria	(Var. % mensual)	7,6	2,2	2,5	-2,1	7,6	-0,2	0,9	-2,1	0,5	4,6	4,9	5,0	6,0	6,5	
<i>Monetary base</i>	(Var. % últimos 12 meses)	8,3	10,5	7,2	8,9	7,3	4,0	5,2	5,4	7,2	6,0	6,1	6,4	6,1	6,6	
Oferta monetaria	(Var. % mensual)	3,7	0,8	0,5	-0,2	3,7	2,6	0,4	-0,2							
<i>Money Supply</i>	(Var. % últimos 12 meses)	12,5	14,9	12,4	11,6	12,1	11,3	10,7	10,8							
Crédito sector privado	(Var. % mensual)	0,8	0,9	0,8	1,1	1,5	1,3	0,8	0,7							
<i>Credit to the private sector</i>	(Var. % últimos 12 meses)	5,3	7,4	9,3	10,1	11,6	11,7	10,7	10,4							
TOSE saldo fin de periodo (Var.% acum. en el mes)	2,1	-0,5	0,6	-1,0	3,2	0,9	-0,3	-0,2	1,6	1,0	1,2	1,3	1,8			
Superávit de encaje promedio (% respecto al TOSE)	0,2	0,1	0,2	0,1	0,1	0,2	0,1	0,1	0,1	0,1	0,8	0,7	0,6	0,5		
Cuenta corriente de los bancos (saldo mill. S.)		2 383	2 272	2 720	2 303	2 623	2 794	2 492	2 470	2 495	1 962	1 853	1 349	1 435	1 705	
Depósitos públicos en el BCRP (millones S.)	42 169	39 330	42 762	42 423	39 546	44 687	51 435	46 726	45 964	46 271	46 809	46 996	47 810	47 680	47 680	
Certificados de Depósito BCRP (saldo Mill.S.)	30 747	32 343	26 574	25 961	27 061	29 226	27 265	28 691	29 908	28 245	28 275	28 305	28 305	28 305		
Subasta de Depósitos a Plazo (saldo Mill S.) **	0	0	0	0	0	0	0	0	0	400	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	
CD Reajustables BCRP (saldo Mill.S.)	835	1 887	510	0	0	0	0	0	0	0	0	0	0	0	0	
Operaciones de reporte monedas (saldo Mill. S.)	16 680	14 380	8 058	6 858	7 358	8 653	11 450	11 450	11 250	11 050	11 050	11 050	11 050	11 050	11 050	
Operaciones de reporte (saldo Mill. S.)	22 100	17 320	13 988	12 973	13 308	14 753	20 025	15 750	16 200	15 750	16 100	16 595	18 050	18 400	18 400	
Tasa de interés (%)	TAMN	15,82	15,11	14,10	14,31	14,30	14,49	14,59	14,42	14,19	13,99	13,98	13,98	14,05	14,05	14,05
	Préstamos hasta 360 días ****	11,08	10,88	10,36	10,55	10,92	11,04	11,23	11,21	10,71	10,76	n.d.	n.d.	n.d.	n.d.	
	Interbancaria	3,26	2,81	2,78	2,75	2,75	2,75	2,79	2,50	2,25	2,25	2,25	2,25	2,25	2,25	n.d.
	Preferencial corporativa a 90 días	3,60	3,20	3,47	3,88	4,31	4,08	4,03	3,44	3,30	3,29	3,29	3,29	3,29	3,29	3,28
	Operaciones de reporte con CDBCRP	3,79	4,13	3,35	3,58	3,95	3,96	3,80	4,01	3,57	3,57	3,54	3,49	3,28	3,25	
	Operaciones de reporte monedas	4,88	4,84	4,80	3,72	3,80	4,09	3,93	3,88	3,86	3,85	3,85	3,85	3,85	3,85	
	Créditos por regulación monetaria*****	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	
	Del saldo de CDBCRP	3,96	3,23	2,96	2,73	2,69	2,74	2,74	2,62	2,52	2,50	2,50	2,50	2,50	2,50	
	Del saldo de depósitos a Plazo	3,01	2,27	2,26	2,21	2,64	2,52	2,48	2,45	1,91	1,89	s.m.	s.m.	s.m.	1,89	
	Spread del saldo del CDV BCRP - MN	s.m.	2,68	2,68	2,68	2,68	2,68	2,68								
Moneda extranjera /foreign currency																
Crédito sector privado	(Var. % mensual)	0,8	0,1	0,2	0,9	0,8	1,3	0,2	-0,6							
	(Var. % últimos 12 meses)	8,5	8,1	8,6	6,9	3,0	1,5	0,5	0,4							
TOSE saldo fin de periodo (Var.% acum. en el mes)	2,1	0,2	-0,4	-2,2	-1,0	0,7	-2,0	1,5	-1,3	1,0	1,8	1,6	1,8			
Superávit de encaje promedio (% respecto al TOSE)	0,5	0,4	0,8	1,1	0,4	0,9	0,7	0,3	0,5	3,1	3,0	2,8	2,2			
Tasa de interés (%)	TAMEX	6,71	7,15	7,38	7,72	7,88	8,12	7,69	7,69	7,72	7,40	7,36	7,32	7,33	7,52	
	Préstamos hasta 360 días ****	3,94	4,32	4,58	4,95	4,97	5,21	4,83	4,64	4,54	4,30	n.d.	n.d.	n.d.	n.d.	
	Interbancaria	1,50	1,58	1,95	2,00	2,29	2,50	2,50	2,25	1,75	s.m.	s.m.	s.m.	s.m.	1,75	
	Preferencial corporativa a 90 días	2,27	2,65	3,00	3,02	3,35	3,17	2,99	2,84	2,70	2,68	2,68	2,68	2,68	2,68	
Ratio de dolarización de la liquidez (%)		32,4	32,4	32,2	31,6	30,8	30,5	30,8	31,1							
Ratio de dolarización de los depósitos (%)		39,5	38,8	38,9	38,1	37,3	36,7	37,1	37,2							
INDICADORES BURSÁTILES	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.	Acum.						Acum.	
Índice General Bursátil (Var. %)		1,4	-2,4	-4,9	0,6	0,9	2,3	3,5	2,6	0,9	0,9	1,0	-0,6	0,2	0,3	-0,3
Índice Selectivo Bursátil (Var. %)		-1,3	-4,4	-7,9	-2,0	0,2	1,9	3,2	3,9	-2,2	1,2	1,4	0,1	0,2	0,4	1,3
Monto negociado en acciones (Mill. S.) - Prom. Diario /		55,0	34,7	35,5	30,9	48,7	35,0	50,5	37,3	21,1	11,5	30,5	64,3	14,1	5,8	32,5
INFLACIÓN (%)																
Inflación mensual		0,16	0,49	0,33	0,19	0,18	0,73	-0,09	0,01	0,11						
Inflación últimos 12 meses		1,36	0,36	1,43	1,28	2,19	2,25	2,29	1,85	1,87						
SECTOR PÚBLICO NO FINANCIERO (Mill. S.)																
Resultado primario		-8 659	1 411	-726	-1 635	-9 847	1 861	-1 129	-248	-2 189						
Ingresos corrientes del GG		12 835	12 307	11 246	11 164	11 899	12 614	11 789	12 025	12 074						
Gastos no financieros del GG		21 491	11 139	11 569	12 190	21 670	10 661	12 788	12 395	14 031						
COMERCIO EXTERIOR (Mills. US\$)																
Balanza Comercial		1 240	667	1 169												