



September 5, 2011

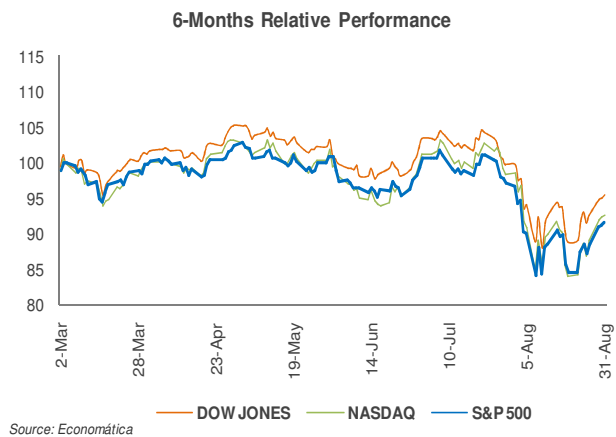
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THE DOWNGRADE TO THE US DEBT RATING AND THE RELEASE OF DISSAPPOINTING ECONOMIC FIGURES IN THE EURO AREA DROVE EQUITY MARKETS DOWN

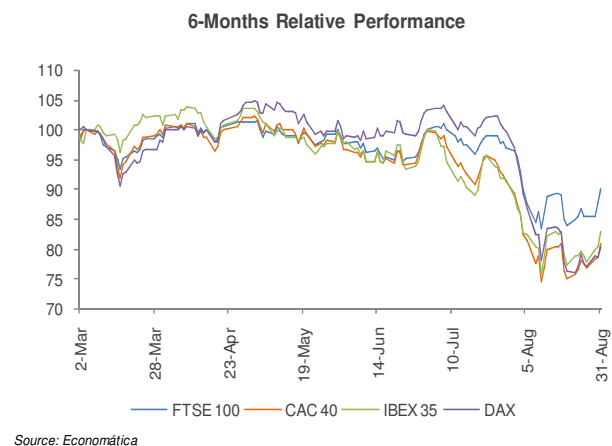
Global equity markets suffered a sharp contraction in August. The decision of Standard & Poor's to downgrade the US long term debt rating from AAA to AA+ took investors by surprise, triggering a sharp sell-off in equity markets around the world. Moreover, the release of disappointing economic figures in the Euro area raised speculations that the debt crisis in the peripheral countries is starting to extend to the core economies such as Germany and France. In the MILA market, equity prices retreated as investors worldwide reduced their exposure to riskier assets. The IGBVL led the decline; nonetheless, the upgrade to Peru's debt rating prevented the index from registering further losses.

INTERNATIONAL EQUITY MARKETS

- US:** Equity indices posted losses in August as mixed economic indicators and concerns about the country's fiscal situation increased risk aversion. The uncertainty regarding the US debt limit eased after the government agreed to raise the ceiling up to \$16.4 trillion on August 2nd. Nonetheless, the decision of S&P to downgrade the US long term debt rating from AAA to AA+ took investors by surprise and triggered a sharp sell-off in equity markets around the world. Economic indicators released were mixed and added volatility to the indices performance. In its monetary policy meeting, the FED decided to maintain the reference rate at 0-0.25% range at least through mid-2013 and stated that it is prepared to employ a range of tools available as appropriate. By the end of the month, markets jumped amid expectations that Bernanke will announce new measures to stimulate the economy at the Jackson Hole meeting. Despite that no new measures were announced, his assessment of growth fundamentals provided a boost to the indices. All in all, the Dow Jones (-4.4%), Nasdaq (-6.4%) and S&P (-5.7%) lost ground.

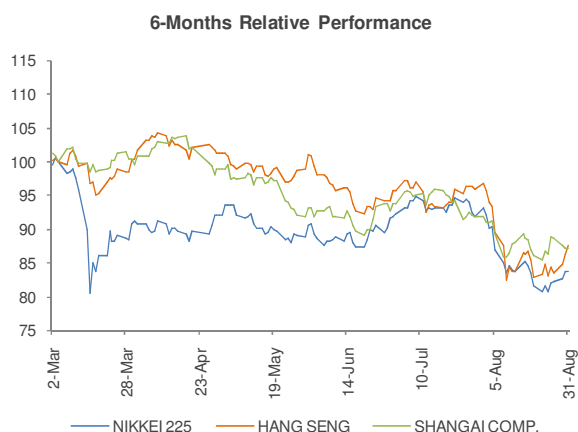


- Europe:** Equity markets in Europe posted losses in August due to an increase in risk aversion amidst speculations regarding a slowdown of the global economic recovery, especially after the downgrade to the U.S. AAA debt rating. Furthermore, the indicators released throughout August continued to depict a fragile economy. In Germany, the industrial production (+1.1% June), retail sales (-1.6% July) and GDP (+0.1% IIQ11) figures failed to reach analyst expectations. Similarly, British indicators for industrial output (-0.3% June) and retail sales (-0.2% July) showed that the economy is stalling. On the monetary front, both the ECB and the Bank of England kept benchmark interest rates unchanged. In this context, Germany DAX (-19.0%), Britain FTSE 100 (-8.1%), Spain IBEX (-9.3%) and France CAC 40 (-11.1%) indices retreated.

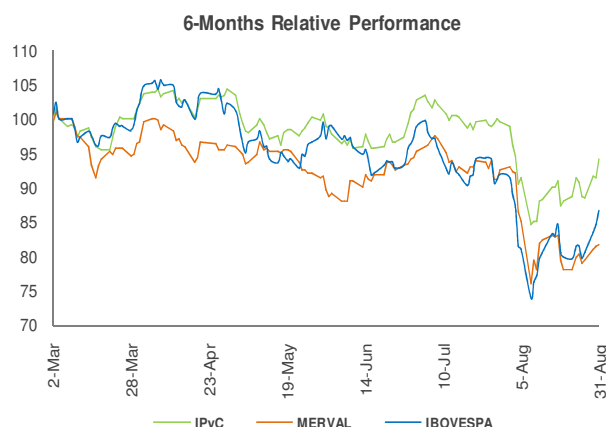




- Asia-Pacific:** Equity indices suffered heavy losses in August, affected by the increasing uncertainty with regard to the US economic outlook. In China, the consumer price index climbed from 6.4% to 6.5% in July, whereas the PMI Manufacturing index reached 50.7 in July, very close to the contraction area. Meanwhile, Japan's gross domestic product posted a lower-than-expected contraction in 2Q11, while the consumer confidence rose from 35.3 to 37.0, evidencing that activity continues to recover from the earthquake that shook the country in March. In addition, the better-than-expected economic indicators from the U.S. benefited Japanese equity market, limiting the losses in the index. In India, industrial production surprised on the upside in June, generating speculations of further tightening measures on the monetary front. All in all, Japan's Nikkei 225 (-8.1%), Hong Kong's Hang Seng (-8.4%), China's Shanghai (-4.1%), India's BSE Sensex (-12.1%) and Australia's S&P/ASX (-2.9%) retreated.

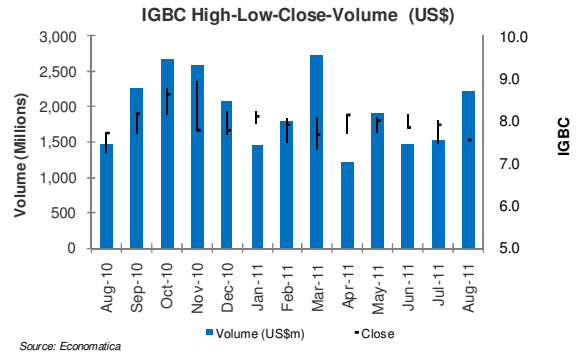
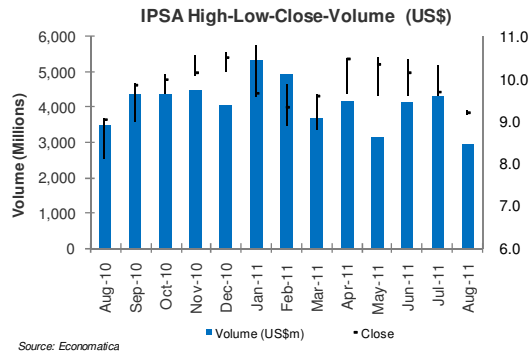


- LatAm:** The main indices of the region dropped amid concerns of a global economic slowdown, which were intensified by the US debt rating downgrade and the debt crisis in Europe. In Brazil, the Central Bank cut its 2011 GDP growth forecast to 3.8% from 4.0% due to the international crisis. Moreover, the publication of a discouraging July's PMI Manufacturing index and June's industrial production added downwards pressures to the index. Nevertheless, the fact that S&P announced that Brazil's local-currency credit rating (BBB+) is under review for an upgrade limited the losses. At the end of the month, the Central Bank unexpectedly cut by 50bps the Selic rate to 12.00%, as the economy started to cool. In Argentina, the July's industrial production gauge did not meet market expectations. Moreover, consumer confidence declined, driving the equity index down. On the political front, President Fernandez continues to lead the vote intention for the presidential election. In Mexico, the Central Bank lowered its forecast for economic growth for 2011 and 2012, mainly due to the weaker economic picture in the US, its main trade partner. All in all, the Merval (-11.9%), Ibovespa (-6.0%) and IPyC (-5.6%) indices lost ground.



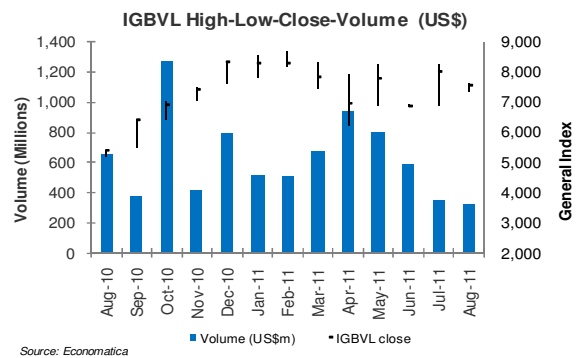
MILA EQUITY MARKET

- Chile:** Equity prices retreated in August as investors worldwide reduced their exposure to riskier assets looking for safe haven such as gold and US treasuries. On the corporate front, Lan rose in a context where Peruvian Airlines, the main competitor of Lan Peru, was temporarily suspended. Moreover, the advanced regarding the merge process between Lan and Tam also boosted the share. The fact that the Chilean economy grew at a faster-than-expected 6.8% pace in IIQ11 and that inflation reached a healthy 0.1% monthly increase in July limited the losses in the index. In the local political arena, a number of demonstrations and strikes involving students and union workers took place in the country, triggering a dramatic decline in Sebastian Piñera's approval rating. All in all, the IPSA (-3.7%) index ended the month down. The traded volume reached \$3.94bln (+33.5% MoM, -9.7% YoY).



- Colombia:** The IGBC index (-4.5%) continued to lose ground in August. Concerns about the US fiscal situation mounted after S&P cut the US debt rating, dragging down emerging equity markets. The index recovered partially by the end of the month, as expectations about new stimulus measures in the US increased risk appetite. On the local front, the Central Bank made a pause in its tightening cycle, leaving the country's benchmark rate at 4.50%, against market expectations of a 25bps increase. The decision took into account the uncertainty in the external front and the signs of deceleration in global activity despite that domestic inflation jumped to 3.42% YoY in July. On the other hand, Pacific Rubiales released better-than expected 2Q11 earnings. The traded volume at the Colombia's stock market reached \$2.22bln (+46.1% MoM, +51.2% YoY).

- Peru:** The General (-5.4%), Selective (-4.7%) and INCA (-3.3%) indices retreated in August mainly due to the concerns of a global economic slowdown, especially after S&P cut down the US debt rating and Morgan Stanley reduced its global economic growth projection for 2011. In this context, base metals prices slumped, affecting the LSE indices. On the local front, the government and mining companies reached an agreement regarding royalties, providing support to the market. The new tax regimen will be applied to operating profits; nonetheless, the tax rate has not been specified yet. The presentation of the Prime Minister, Salomon Lerner, before the Peruvian Congress also limited the losses in the indices. Finally, by the end of the month, S&P unexpectedly raised Peru's foreign debt rating to BBB, triggering a rally in the local equity market. On the economic front, GDP grew 6.6% in IIQ11 and the BCRP kept the reference rate at 4.25%. Total trade volume reached \$333.9m (-4.3% MoM and -48.7%YoY).



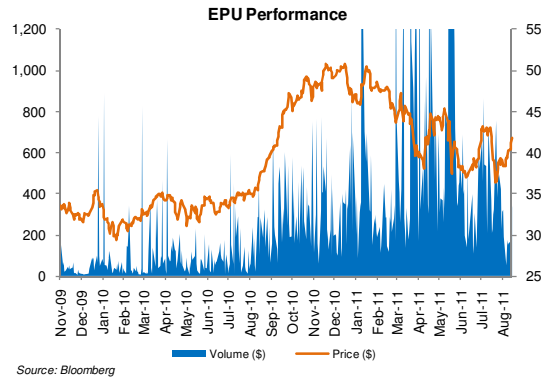
- "The "Industrial" index (-9.6%) underperformed. Cementos Pacasmayo (-16.7%), Siderperu (-12.1%) and Cementos Lima (-11.5%) plunged, as the construction sector contracted in June. Alicorp (-11.2%) announced that it will start the construction of its detergent plant in October; nonetheless, the stock was hit by the overall negative sentiment among investors. In the "Mining" index (-6.0%), Buenaventura C (+14.9%) outperformed as gold (+12.7%) and silver (+5.7%) price advanced on higher demand for safe haven. The zinc price (-7.0%) lost ground dragging down the stocks of Morococha I (-21.3%), Milpo C (-11.9%) and El Brocal C (-9.9%). Cerro Verde (-10.2%) and SCCO (-1.9%) also retreated, as copper price (-3.9%) declined. It is worth mentioning that the latter one plans to resume negotiations about the Tia Maria project with the Ministry of Energy and Mining. Furthermore, the "agricultural" index (-5.3%) declined as the President of the Agricultural Commission announced that the equity protection for the sugar companies will not be extended. The "Services" (-4.4%), "Banking" (-4.2%) and "Other" (-2.0%) indices also declined due to the higher risk aversion among market agents.



Indices' performances by sectors (%)

	Aug-11	8mo11
Other	-2.0%	-15.6%
Mining	-6.0%	-8.4%
Industrial	-9.6%	-14.3%
Services	-4.4%	-7.8%
Agriculture	-5.3%	-9.3%
Banking	-4.2%	-16.0%

Source: Economatca



Source: Bloomberg

OUTLOOK

- In September, the attention of global markets will continue to be focused on the US. In the wake of the discouraging labor market figures of August, speculation is growing that the Federal Reserve could soon introduce another round of quantitative easing (QE3) or takes other measures to boost economic activity. In this sense, investors will closely await the FOMC two-day meeting later this month. Moreover, the speech to Congress of President Obama will also be in the spotlight, as Obama might unveil a new set of proposals on the fiscal front. Meanwhile, the ECB's policy meeting as well as the final approval of the second aid package to Greece will be the key events of the month in Europe.
- On the local market, indices will be influenced by the developments in global markets and by the definition of details of the new royalty regime in the mining sector. The government and mining companies have already reached an agreement regarding the general guidelines of the new regime; however, it is necessary to know the tax rate and other details in order to assess the real impact over the mining companies' valuation.

GLOBAL EQUITY MARKETS SUMMARY (As of August 31st, 2011)

Indices	Market Analysis			Fundamental Analysis		
	Close (US\$)	Month	YTD	Market Cap*	P/E**	Div. Yield
MSCI World	1,211.2	-7.3%	-5.4%	26,773,642	12.8	2.8
US & Europe						
S&P 500	1,218.9	-5.7%	-3.1%	11,353,040	13.33	2.1
FTSE 100	8,779.6	-8.1%	-4.6%	2,473,622	10.71	3.7
DAX	8,336.0	-19.0%	-9.1%	880,923	10.25	4.2
CAC 40	4,693.0	-11.1%	-7.7%	1,223,445	9.54	4.6
IBEX 35	12,563.5	-9.3%	-3.9%	577,116	7.58	5.5
Asia						
Nikkei 225	117.0	-8.1%	-6.5%	2,278,988	16.83	2.1
Shanghai Composite	402.5	-4.1%	-5.5%	2,653,062	13.68	1.9
Hang Seng	2,637.2	-8.4%	-11.0%	1,451,234	9.52	3.2
BSE Sensex	361.8	-12.1%	-21.1%	604,882	14.92	1.6
LatAm						
Bovespa	35,663.9	-6.0%	-14.5%	916,455	8.66	4.4
IPyC	2,898.6	-5.6%	-7.1%	329,625	18.16	1.5
Merval	706.0	-11.9%	-20.3%	165,864	n.m.	4.2
MILA						
IPSA	9.3	-3.7%	-11.6%	215,004	17.05	2.8
IGBC	7.5	-4.5%	-7.2%	186,586	17.86	2.0
IGBVL	7,593.9	-5.4%	-8.8%	94,731	13.62	n.m.

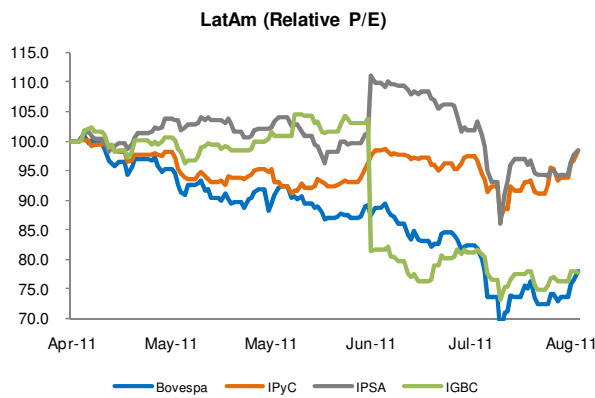
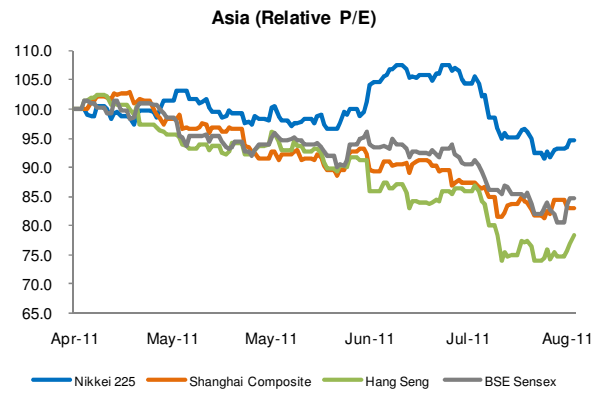
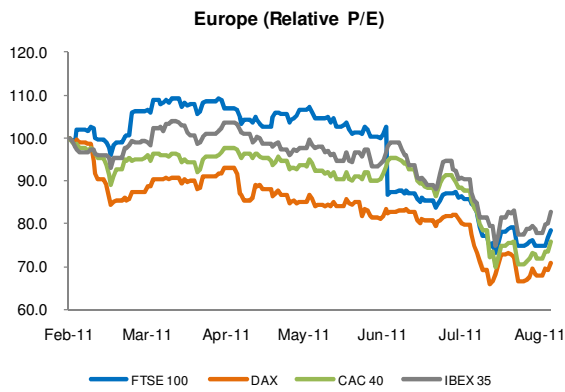
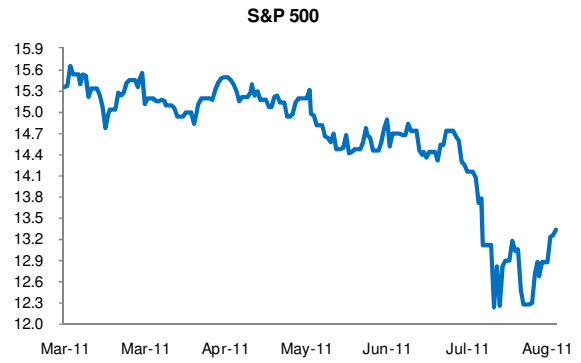
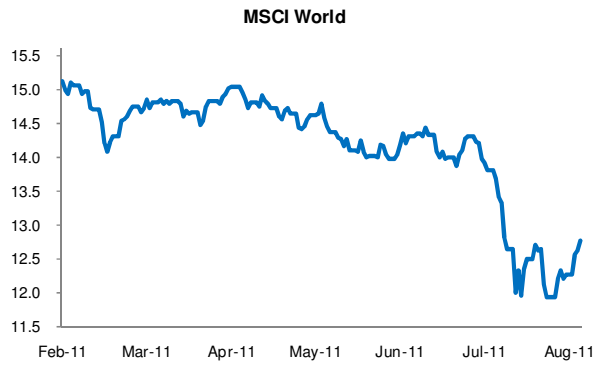
* US\$m

**12 month trailing

Source: Bloomberg



PRICE EARNINGS RATIO PERFORMANCE (As of August 31st, 2011)





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Inteligo SAB's stock ratings are set on a twelve-month basis against relevant benchmarks. There are four stock ratings: **BUY +**: Upside potential above the "normal" risk-adjusted return of the ISBVL; **BUY**: Upside potential above the "normal" risk free rate for Peru; **HOLD**: Stock is expected to maintain investors capital relatively unchanged; **SELL**: Stock is expected to cause a capital loss for investors.

Expected Return _{StockX} <0%	SELL
0%<Expected Return _{StockX} <11%	HOLD
11%<Expected Return _{StockX} <21%	BUY
21%<Expected Return _{StockX}	BUY+

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