

Press Release

The JP Morgan Chase bank has announced that its first government bonds index for local emerging markets (GBI-EM), published today, will include five- and ten-year Central Bank of Chile bonds in an inflation-indexed accounting unit (*unidades de fomento*, UF). Peso-denominated Central Bank bonds were included in the Lehman Brothers Global Aggregate Index in January of this year, confirming international investors' interest and confidence in the development of Chile's fixed income market.

These developments reflect the positive response in recent years to Central Bank policy, which has involved both increasing the financial integration of the Chilean economy and prudent macroeconomic management. In 2001, the last restrictions on capital flows were removed and today securities are issued according to international market standards, with benchmark bonds in use as well. Central Bank bonds are also included in Bloomberg's international information system, an international identification code for these instruments has been approved, and efforts are being made to maintain ongoing contact with foreign investors. This has all contributed to internationalizing Central Bank of Chile bonds on global financial markets.

The GBI-EM methodology is similar to the JP Morgan Chase GBI family of indices, which is widely used by bond market investors, and is based mainly on bonds issued by developed countries. It also includes instruments from 19 local emerging markets in five regions (Asia, Europe, Latin America, the Middle East and Africa).