

Central Bank of Chile
Santiago, 12 February 2015
Press Release¹

In its monthly monetary policy meeting, the Board of the Central Bank of Chile decided to keep the monetary policy interest rate at 3% (annual).

Internationally, the main news was the announcement of a quantitative easing program in the Eurozone and increased monetary stimulus in several developed economies. With a few exceptions, the prices of commodities rose. Copper is trading at a price similar to that of last month. Global financial conditions for emerging economies posted no noticeable change. The dollar strengthened further.

January's inflation was unexpectedly high, primarily the core measure. In the most likely scenario, annual inflation is expected to remain for some months above the upper bound of the tolerance range, and its evolution will be monitored with special attention. Medium-term inflation expectations have remained around 3%. Output and demand indicators suggest that growth rates will be in line with those included in the December Monetary Policy Report. Meanwhile, the unemployment rate dropped and nominal wages remained dynamic. Domestic financial conditions reflect the impact of the monetary stimulus.

The Board reiterates its commitment to conduct monetary policy with flexibility so that projected inflation stands at 3% over the policy horizon. Any future changes in the monetary policy rate will depend on the implications of domestic and external macroeconomic conditions on the inflationary outlook.

¹ The Spanish original prevails.