

**Central Bank of Chile**  
**Santiago, 13 November 2012**  
**Press Release<sup>¶</sup>\***

In its monthly monetary policy meeting, the Board of the Central Bank of Chile decided to maintain the monetary policy interest rate at 5% (annual).

Internationally, uncertainty persists about the fiscal and financial situation in the Eurozone, as does the risk of a sharp fiscal adjustment in the United States. Global financial conditions are somewhat tighter than they were a month ago and the dollar has appreciated in international markets. A resurgence of fiscal and financial tensions in the coming months cannot be ruled out. Incoming information confirms weak growth in developed economies, while more positive signals are observed in some emerging economies. The prices of fuels and metals—including copper—have declined.

Domestically, output and demand indicators have evolved above projections. The labor market remains tight. The high CPI variation of October obeyed to one-time factors. Y-o-y inflation is around 3%, while core inflation measures remain below 3%. Inflation expectations over the policy horizon are aligned with the target.

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.