

Central Bank of Chile
Santiago, 13 August 2015
Press Release*

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, financial markets remain highly volatile. Emerging country currencies have depreciated further and risk premiums have increased. The outlook for global growth has deteriorated slightly and developments in China have increased risks, especially for commodity exporting economies. The prices of both copper and fuels dropped again.

Domestically, annual CPI variation is still above 4% and is expected to stay in that level for longer than previously thought. One year ahead, market expectations increased again, but two years ahead remained unchanged. The evolution of inflation expectations will continue to be monitored with special attention. Meanwhile, output and demand continue to be weaker than assumed in the Monetary Policy Report's baseline scenario, and private growth expectations for this and next year dropped further. Confidence indicators have turned more pessimistic. Private job creation and annual wage growth show no material change from last month. The peso has depreciated.

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.

* The Spanish original prevails.