



PRESS RELEASE*

Santiago, Chile, Thursday, 13 July 2017

Monetary Policy Meeting – July 2017

In its monthly monetary policy meeting, the Board of the Central Bank of Chile decided to keep the monetary policy interest rate at 2.5%.

Internationally, long-term interest rates increased, but financial conditions remain favorable. In general, news was consistent with the scenario of gradual recovery in global activity. The copper price rose, while the oil price, beyond fluctuations, trades near its levels of last month.

On the domestic front, most noteworthy was June's monthly inflation at -0.4%, heavily influenced by the behavior of prices of fresh fruits and vegetables and some other products, which resulted in y-o-y inflation standing at 1.7%. Inflation expectations at shorter terms have dropped, but at the end of the projection horizon are near the target. Partial second-quarter figures for activity and demand are consistent with forecasts, and reflect the negative impact of mining and construction. Private consumption growth remains stable, in line with the performance of the labor market.

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.