



PRESS RELEASE*

Santiago, Chile, Thursday, 17 August 2017

Monetary Policy Meeting – August 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%.

Incoming international news continue to point to a favorable scenario. The world activity outlook has strengthened and global financial conditions remain expansionary. In general, commodity prices have increased, most notably in the case of copper.

On the domestic front, July's inflation was 0.2%, thus in annual terms it remained at 1.7%, below the last Monetary Policy Report's estimate. Inflation expectations brought no relevant news. During the second quarter activity posted weak growth, attributable to the performance of some investment-related sectors and some specific factors. Private consumption remains stable, in line with conditions in the labor market and expectations that have become less pessimistic. The peso has appreciated.

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.