

MONETARY POLICY REPORT

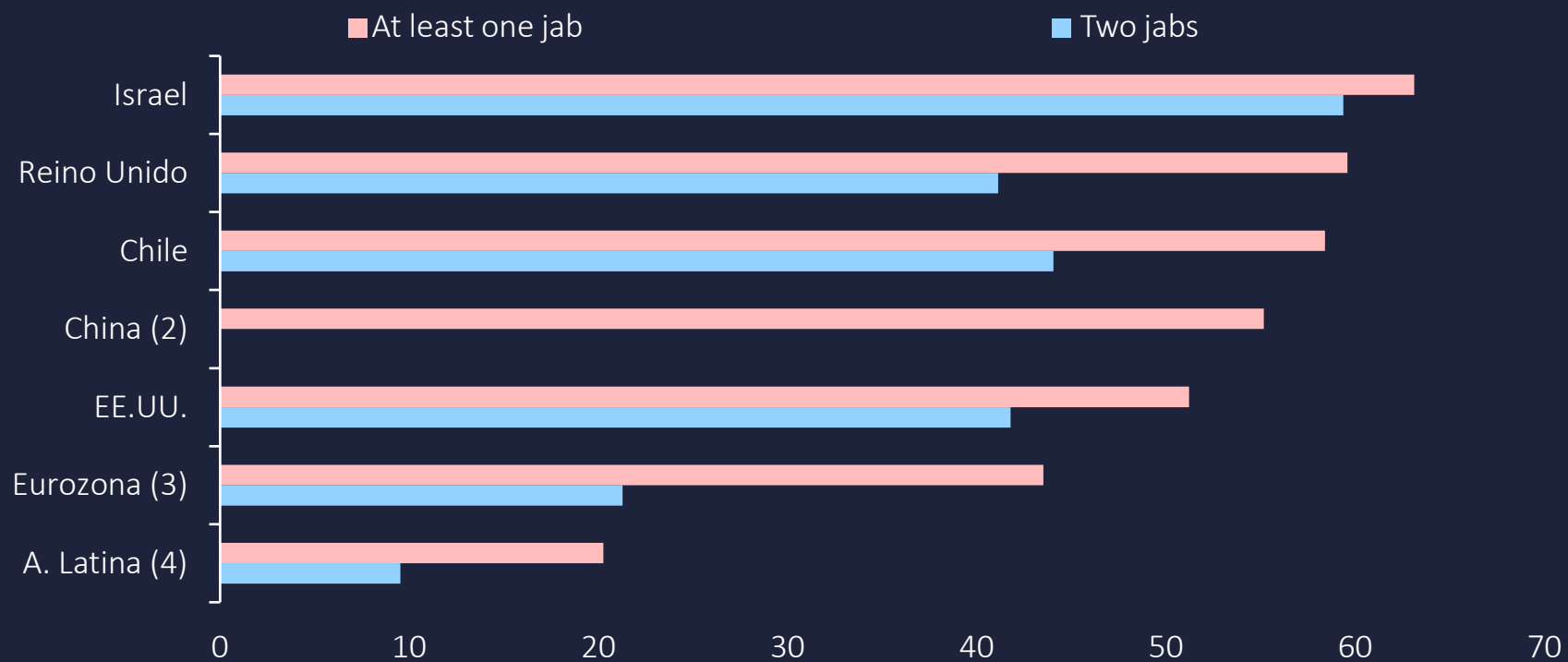
JUNE 2021





Advances in vaccination process (1)

(percent of population)

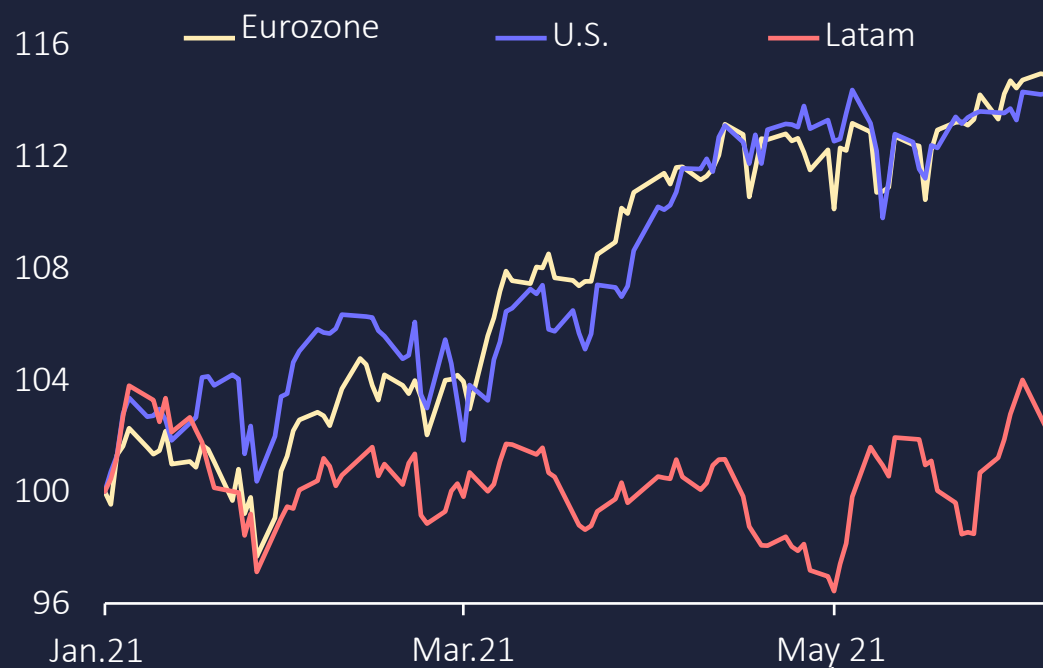


(1) Information at 7 June 2021. (2) Total number of jabs inoculated. (3) Weighted averaged population of France, Germany, Italy, and Spain. (4) Weighted averaged population of Argentina, Brazil, Colombia, Mexico and Peru. Source: Our World in Data.



Stock markets (1)

(index, 4 January 2021=100)



World uncertainty index (2)

(index, weighted averaged GDP of each country)

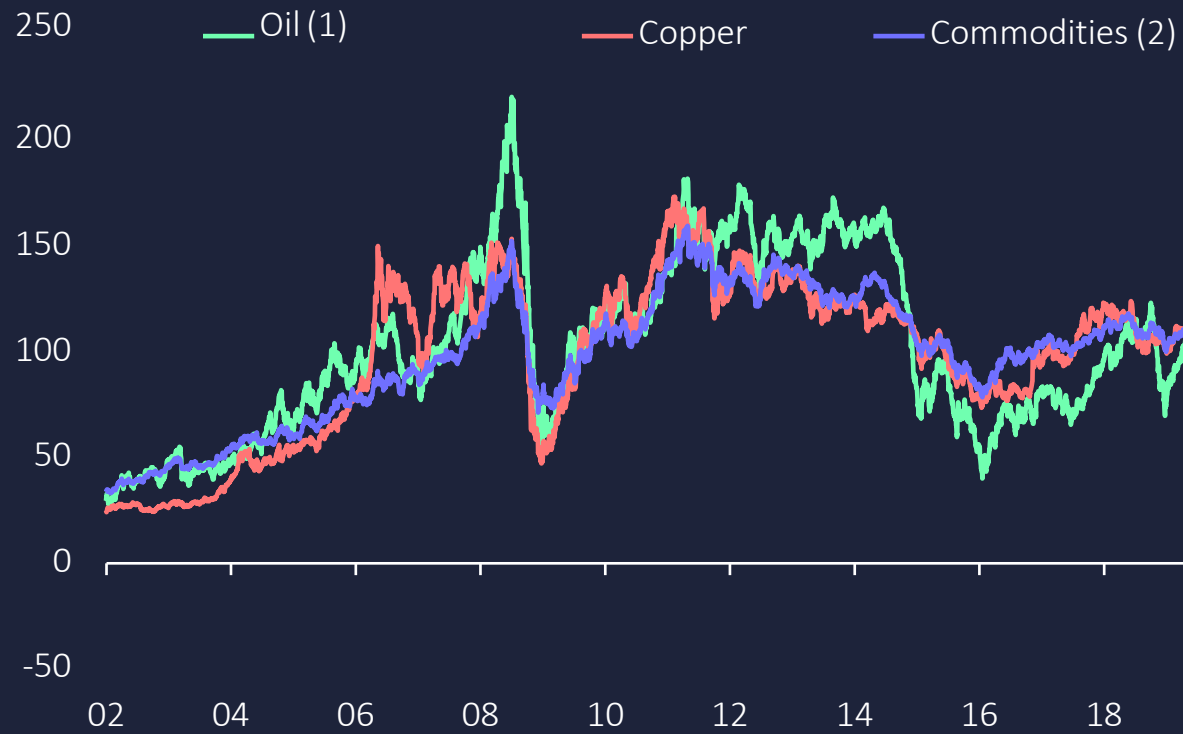


(1) For Latin America, the simple average of indexes of Brazil, Colombia, Mexico, and Peru are used. (2) The index is calculated by counting the frequency of the word "uncertain" (or variants) in the country reports by *The Economist* Intelligence Unit. A higher number denotes more uncertainty and vice-versa. Data at first quarter of 2021. Sources: Ahir, Bloom, and Furceri (2018) and Bloomberg.



Commodity prices

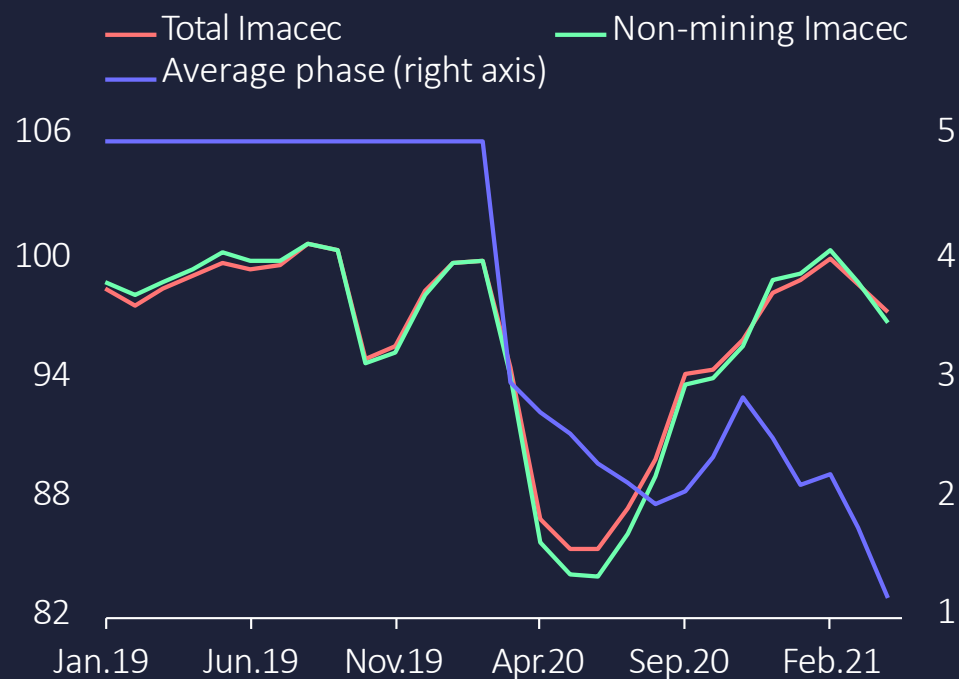
(index, 2002-2021 average =100)



(1) WTI-Brent average. (2) As per Bloomberg Commodity Spot Index.
Source: Bloomberg.



Population by Step-by-Step plan phase and Imacec (1)
(seasonally-adjusted series, index February 2020 = 100; phase)



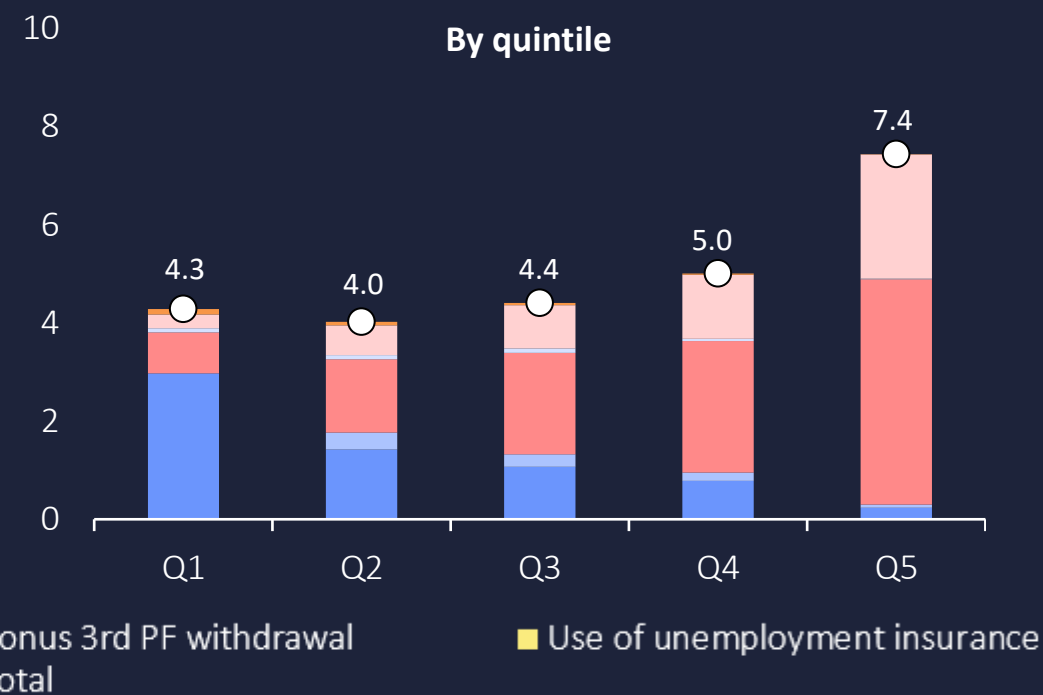
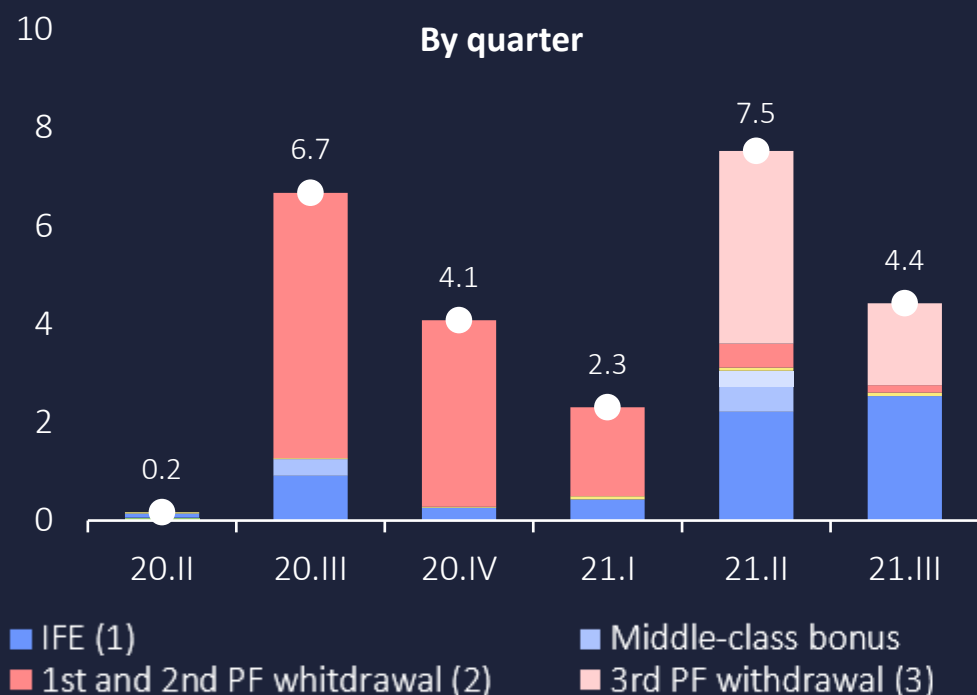
Population quarantined, mobility, and activity
(monthly averages, percent)

	Mar-20	Apr-20	May-20	Mar-21	Apr-21	May-21
Population quarantined (2) (3)	2.0	15.4	32.9	36.1	87.0	50.3
Google Mobility (3)(4)	-12.6	-50.6	-48.6	-25.4	-38.7	-25.1
Non-mining Imacec (4)(5)	-5.7	-14.1	-15.7	-1.0	-3.0	-

(1) Average confinement is calculated by weighting each phase of the Step-by-Step Plan by the volume of population subject to it. A lower number indicates greater restrictions on movement and assembly. (2) Quarantines were initiated on March 26, 2020. As from the start of the Step-by-Step plan, the population in Phase 1 is considered. (3) Data as of May 23. Simple average for Workplaces, Retail, and Supermarkets. (4) Difference with respect to January2020. (5) Seasonally-adjusted series.
Sources: Central Bank of Chile, Health Ministry of Chile, National Statistics Institute (INE), and Google.



Household liquidity support measures (2020.II to 2021.III) (percentage of GDP)

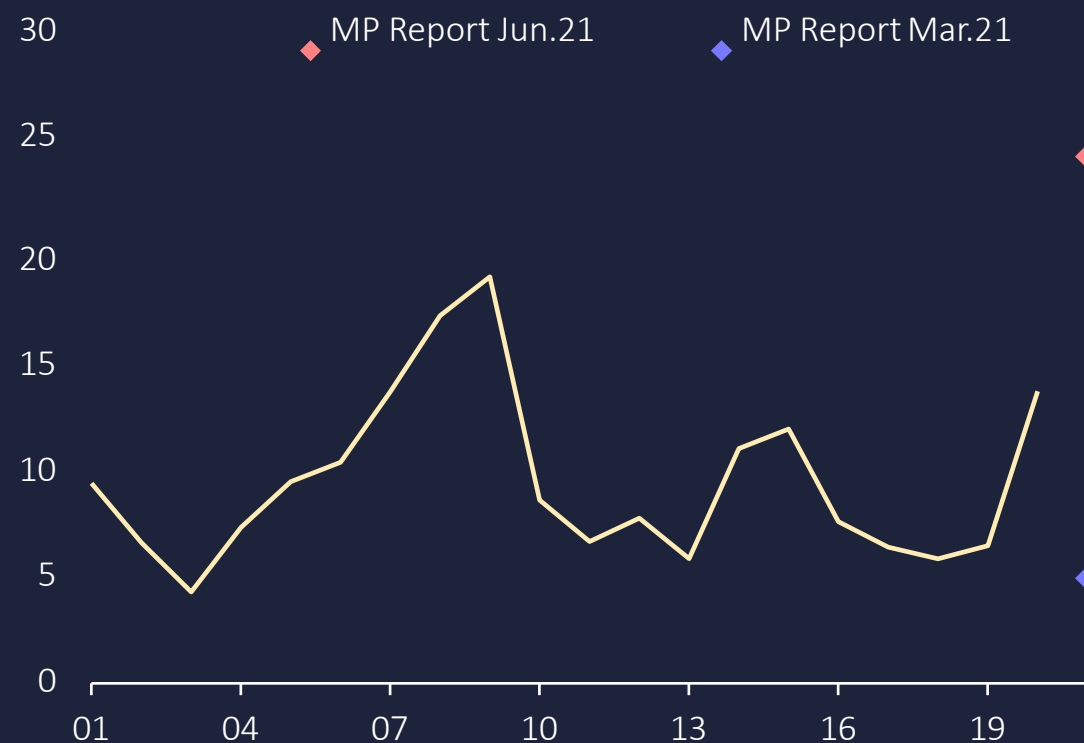


(1) IFE has grown in amounts and coverage, going from more than 6 mill. average beneficiaries between May-20 to Mar-21 until reaching more than 12 million. In Apr-21. Likewise, amounts per capita have increased, going from USD 70 dollars in its beginnings to the most recent of USD 140 dollars per capita in the IFE of Apr-21. IFE for May-21 is an estimate based on Ministry of Social Development information (05-12-2021). From Jun-21 to Sep-21, the Universal IFE proposal is considered approved, which corresponds to the total payments divided over 4 months, estimate based on financial report No. 79, DIPRES (06-02-2021). Assumed exchange rate of 719 dollar / peso. (2) 1st and 2nd AFP withdrawals correspond to amounts paid based on statistical records of the Superintendency of Pensions as of 04-30-2021. For the 21.III, the difference between the estimated total amounts to be withdrawn and the amount paid up to 04-30-2021 is considered. (3) 3rd AFP withdrawal: 21.II corresponds to amounts paid based on the statistical file of the Superintendency of Pensions as of 05-28-2021 and 21.III corresponds to the difference between the total estimated amount to be withdrawn and what was paid up to on 05-28-2021. Sources: Central Bank of Chile, Ministry of Finance and Superintendency of Pensions.



Actual and 2021 fiscal expenditure forecast

(annual nominal growth, percent)



Household support measures in Chile (*)

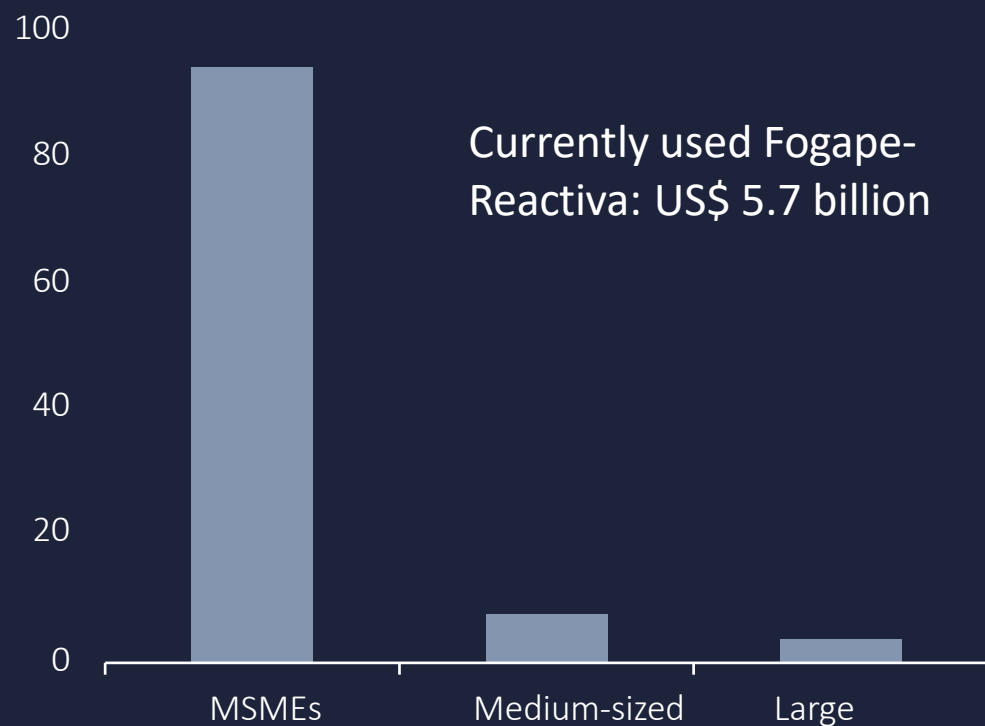
Support measures	Coverage (% of pop.)	Monthly amount per capita (US\$)	Frecuency
Covid-19 bonus	7.9	110	1 time (apr-20)
Middle-class bonus	9.1	634	2 times (aug-20 and apr-21)
IFE	37.2	72	7 times (may-20 to dec-20)
IFE Step-by-step	31.0	68	3 times (jan-21 to mar-21)
IFE extended	65.6	137	2 times (apr-21 and may-21)
IFE Universal	76.2	175	4 times (jun-21 to sep-21)

Sources: Central Bank of Chile, Budget Office of Ministry of Finance, and National Statistics Institute (INE).



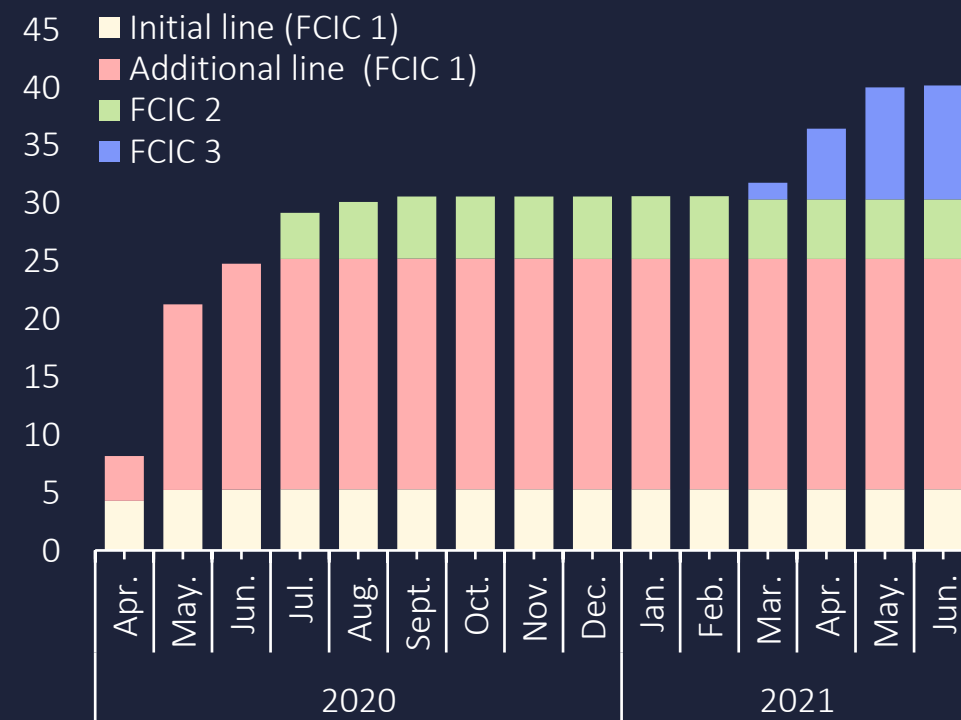
Fogape-Reactiva by firm size

(thousand operations)



Use of the Credit Facility Conditional on Increased Lending (FCIC) (*)

(billions of dollars)

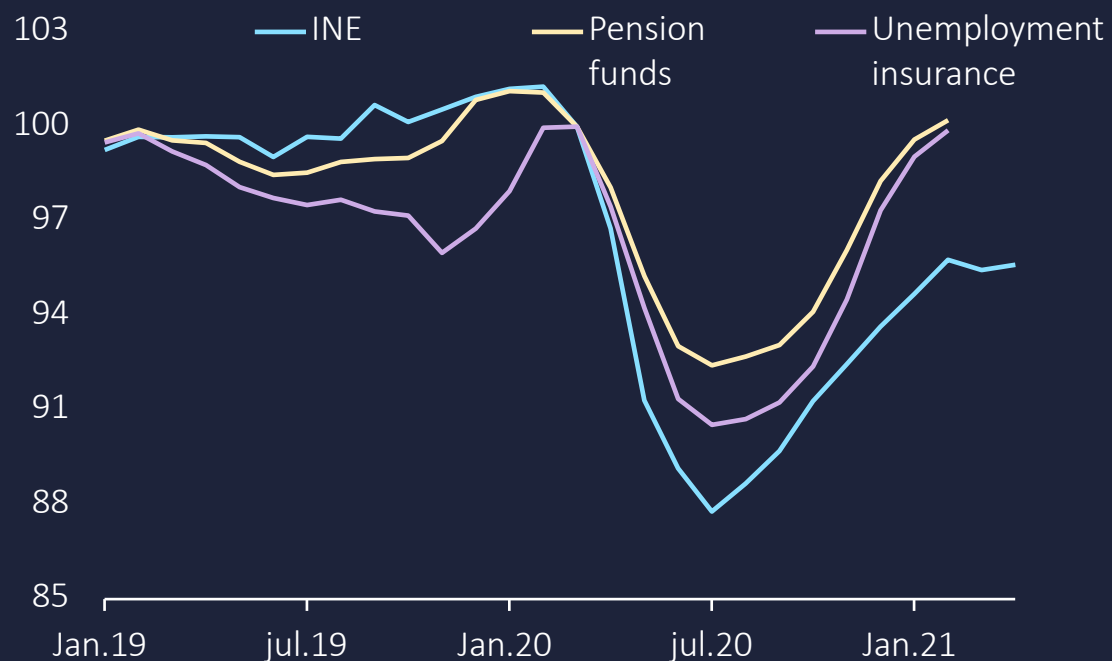


(*) Considers nominal exchange rate at \$720.
Sources: Central Bank of Chile and www.fogape.cl



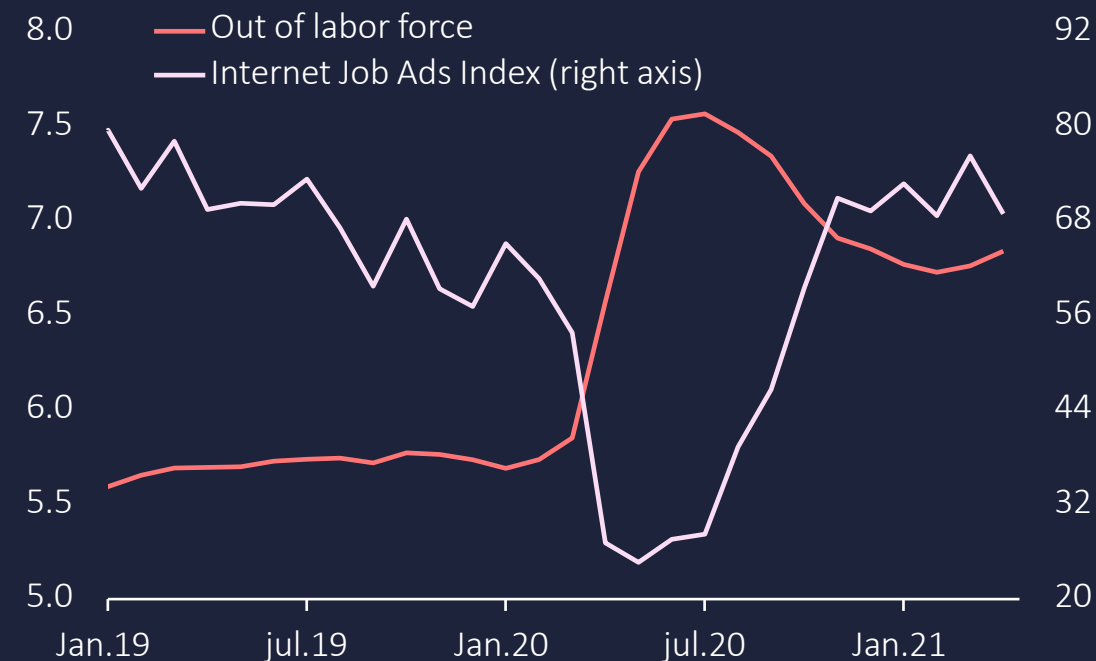
Formal salaried employment (*)

(index March 2020 = 100)



Other labor market indicators

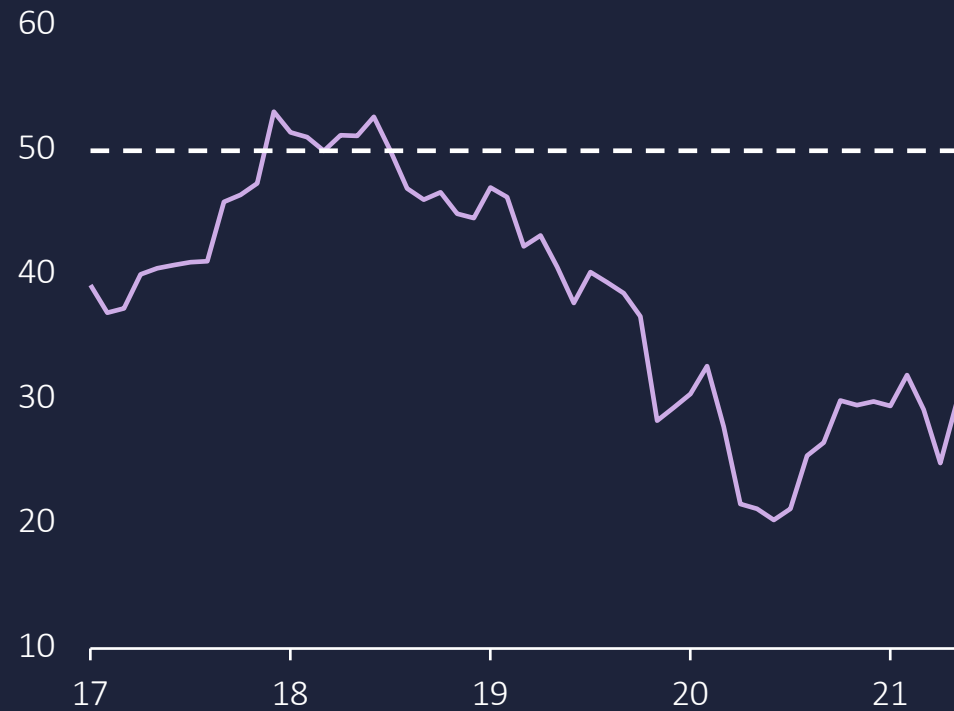
(thousand persons, index January 2015 = 100)



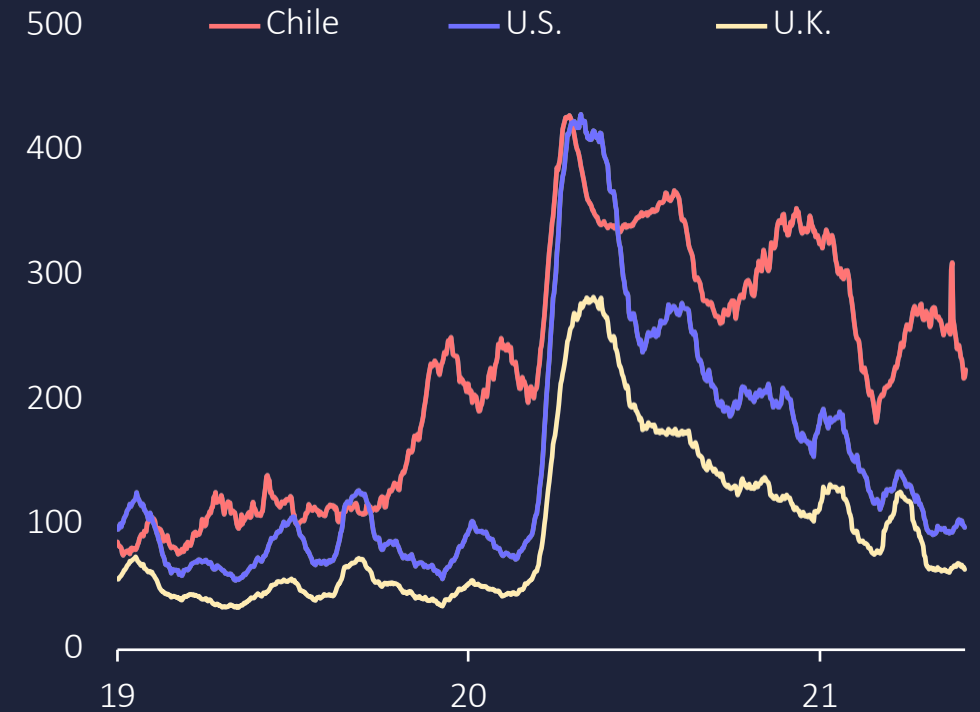
(*) For pension funds (AFPs), it denotes the total number of salaried contributors, and in the case of Unemployment fund administrator (AFC), the number of contributors, excluding household help. Data in quarterly moving averages. Sources: AFC, Central Bank of Chile, INE, and Superintendency of Pensions,



Consumer expectations (IPEC) (1) (diffusion index)



Perception of uncertainty – EPU and DEPUC (2) (index)

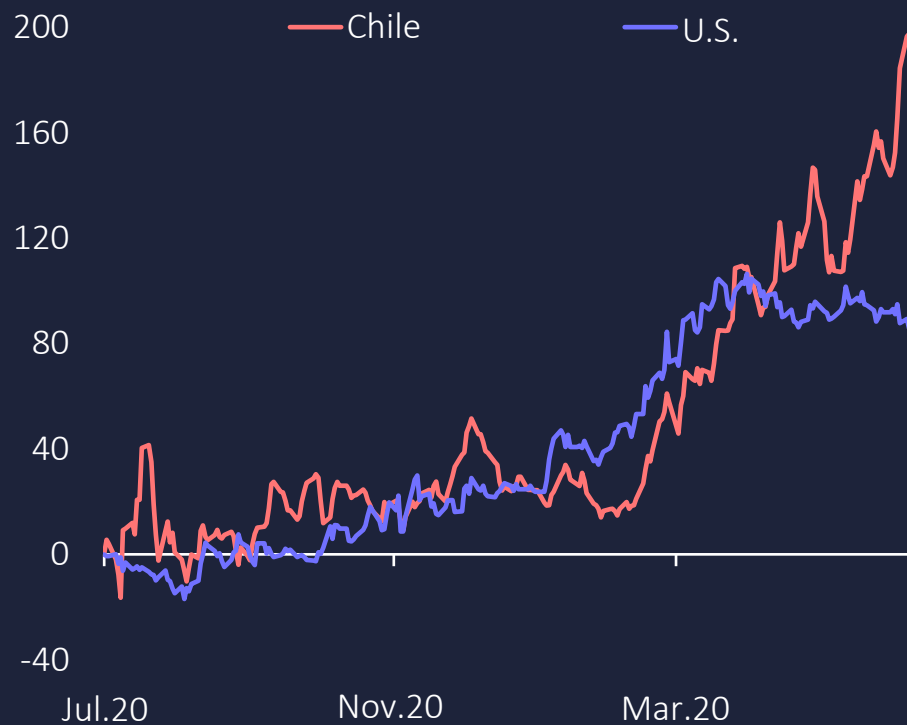


(1) Value above (below) 50 indicates optimism (pessimism). (2) 30-day moving mean.
Sources: Adimark, Becerra and Sagner (2020), and www.policyuncertainty.com



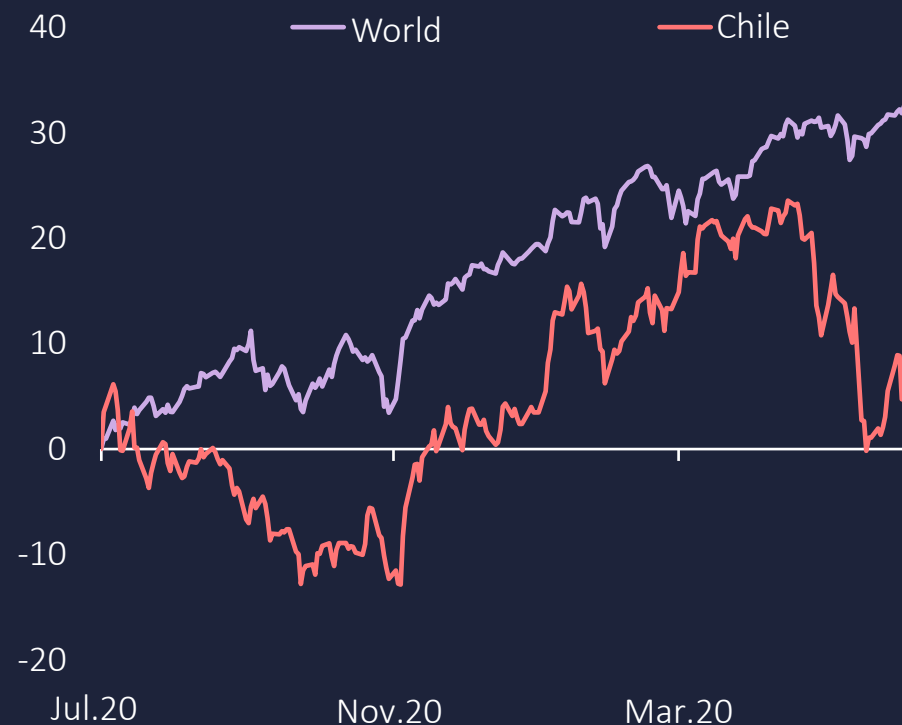
Nominal 10-yr benchmark interest rates

(change with respect to 1 July 2020, basis points)



Stock markets (*)

(change with respect to 1 July 2020, percent)



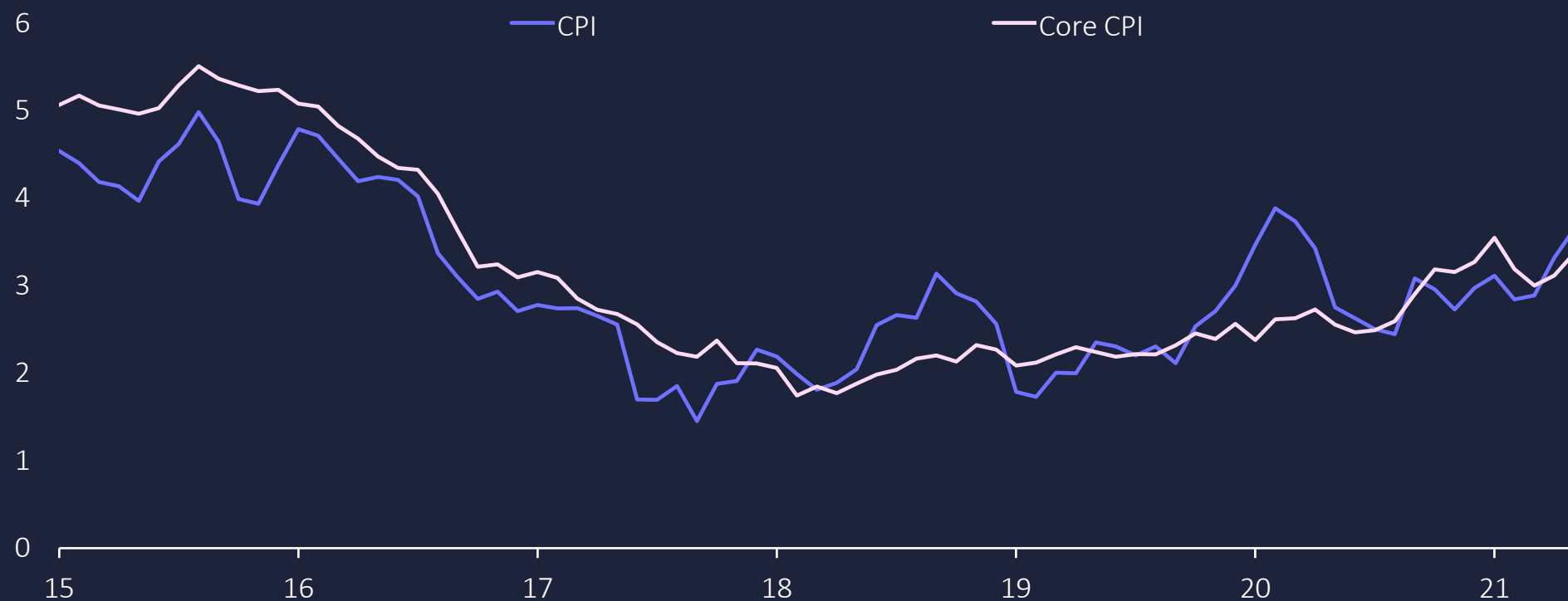
(*) World stands for the stock market index ACWI in local currency of Morgan Stanley Capital International. For Chile the IPS is used.

Sources: Central Bank of Chile and Bloomberg.



Headline and core inflation (*)

(annual change, percent)

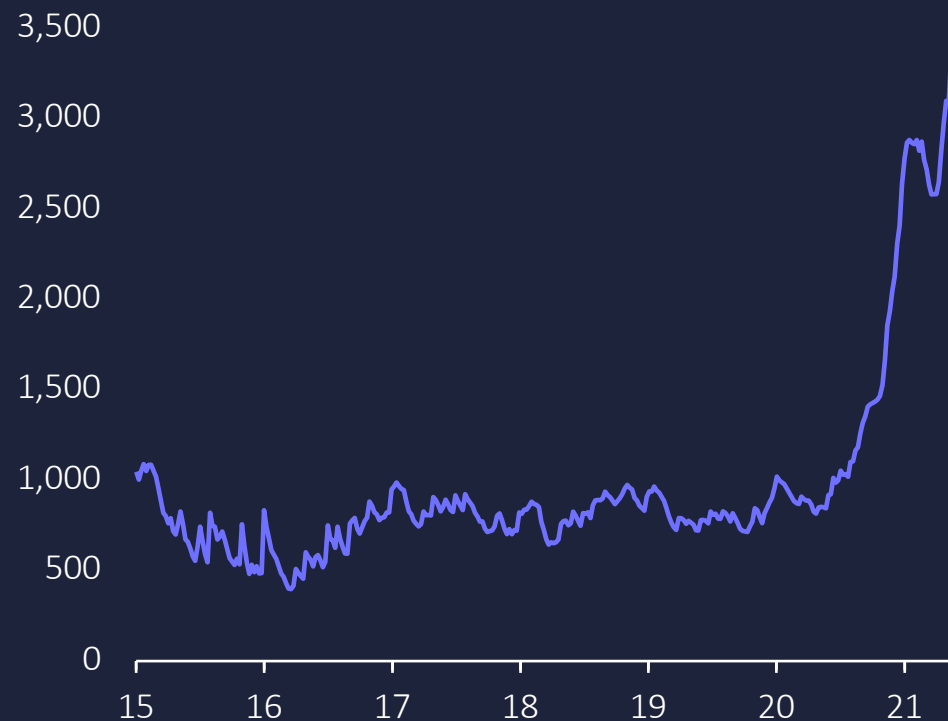


(*) CPI without volatiles, accounting for 65.1% of total CPI basket. For further detail, see Box IV.1 in MP Report of December 2019 and Carlomagno and Sansone (2019).
Sources: Central Bank of Chile and INE.



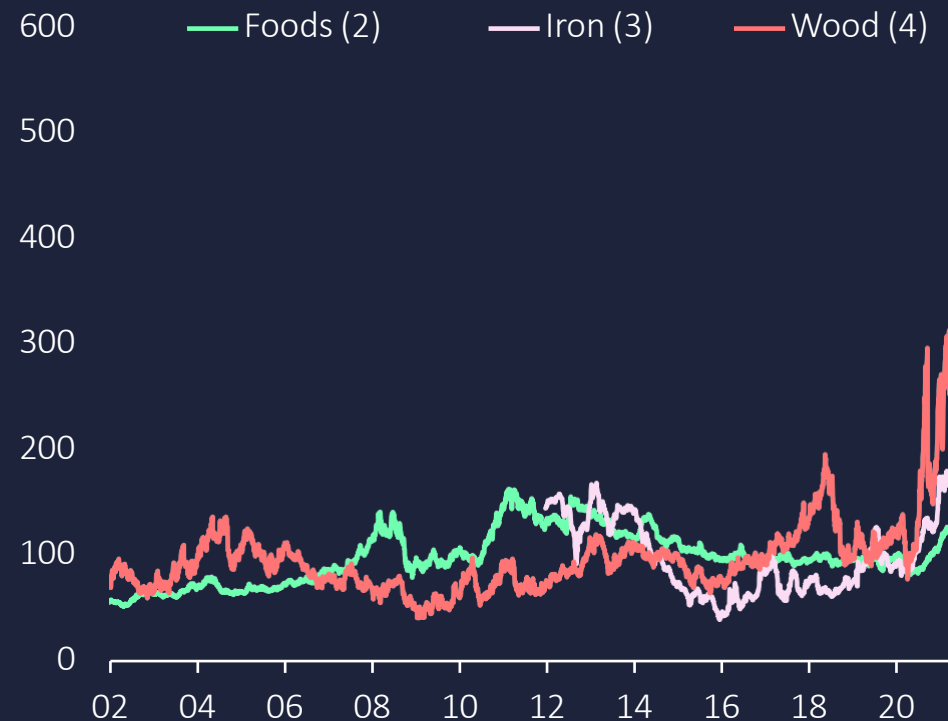
Cost of maritime freight at global level (1)

(dollars)



Commodity prices

(index, 2002-2021 average =100)



(1) Weekly data from Shanghai Containerized Freight Index, which weights prices of 15 routes from Shanghai, for a 20-foot container. (2) Corresponds to the S&P GSCI Agricultural & Livestock Index Spot CME. (3) Iron ore import spot prices from Qingdao port, China. (4) Prices of wood futures contracts, measured in dollars per thousand board feet. Source: Bloomberg.



GDP growth forecasts (annual change, percent)

2021

March 2021 **I** 7.0 %
6.0 %

June 2021 **I** 9.5 %
8.5 %

2022

March 2021 **I** 4.0 %
3.0 %

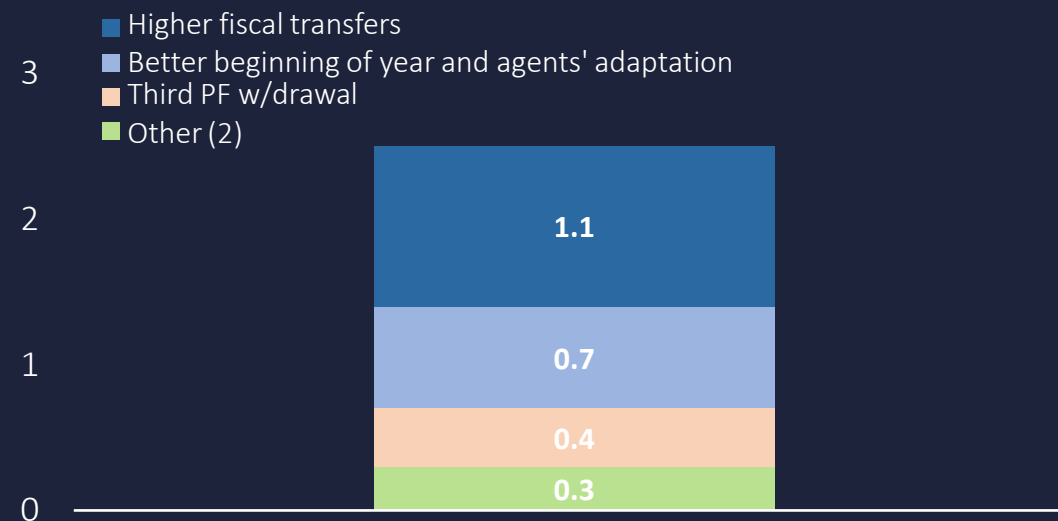
June 2021 **I** 3.0 %
2.0 %

2023

March 2021 **I** 3.5 %
2.5 %

June 2021 **I** 2.75 %
1.75 %

Contributions to 2021 GDP growth revision (1) (percentage points)

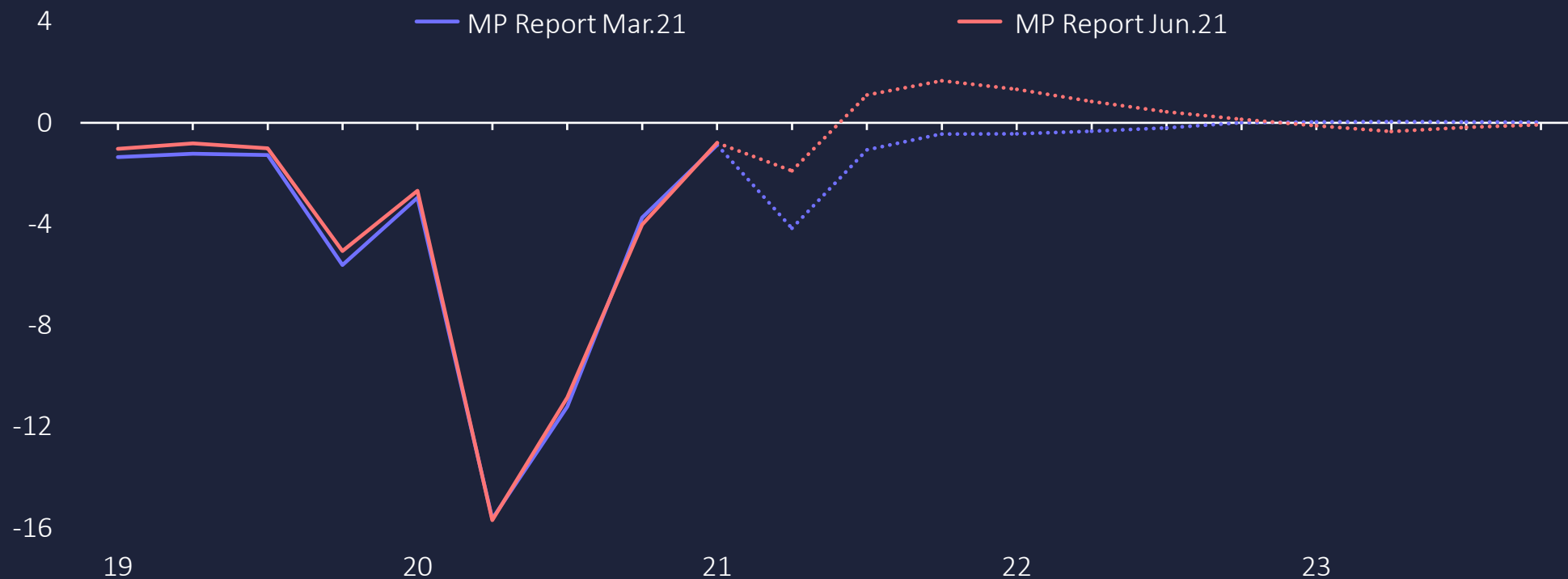


Downward correction in 2022-2023 due to higher base de comparison base, gradual extinction of consumer-impulse measures, and limited investment dynamism.

(1) Built considering midpoint of forecast range in March and June 2021 MP Reports (2) Includes external and mining sectors. Source: Central Bank of Chile.



Output gap (1) (2) (percent)

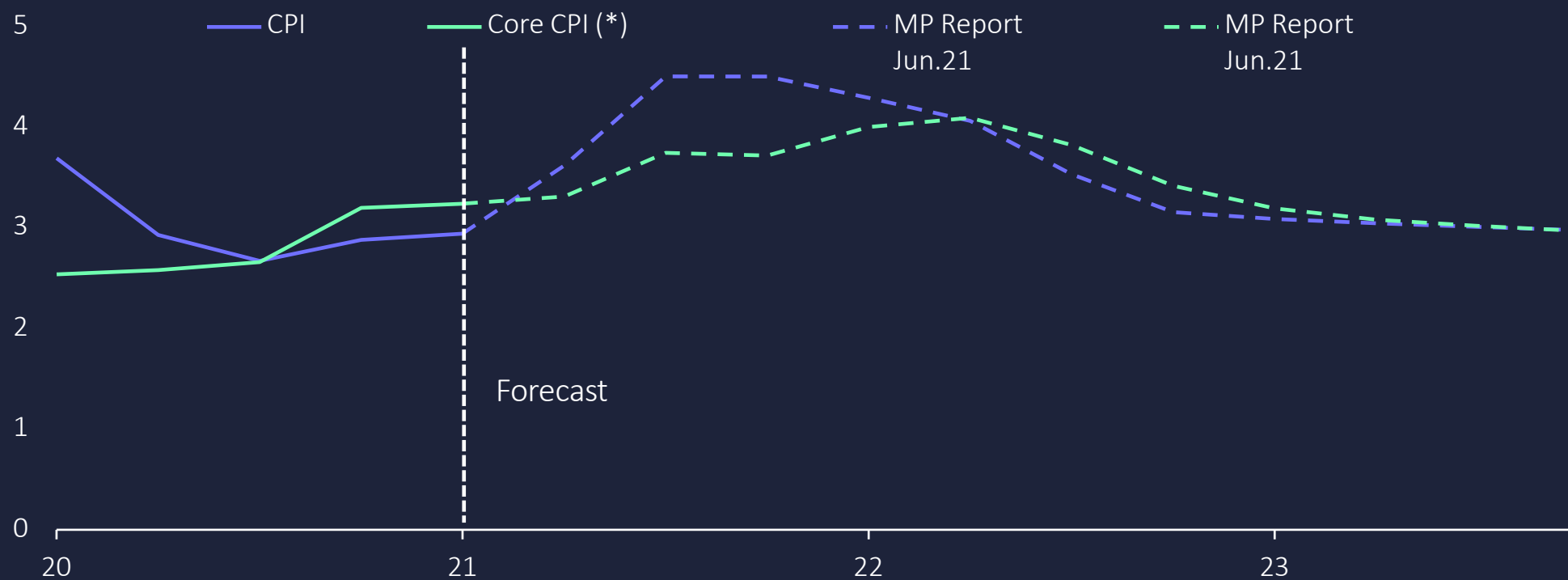


(1) Historical gap estimates are changed due to re-estimation of potential GDP. The Multivariate Filter was used in the projection, which incorporates the new trend growth of non-mining GDP (2021-2030 average: 2.9%). (2) Dotted lines indicate forecasts..
Source: Central Bank of Chile.



Inflation forecast

(annual change, percent)

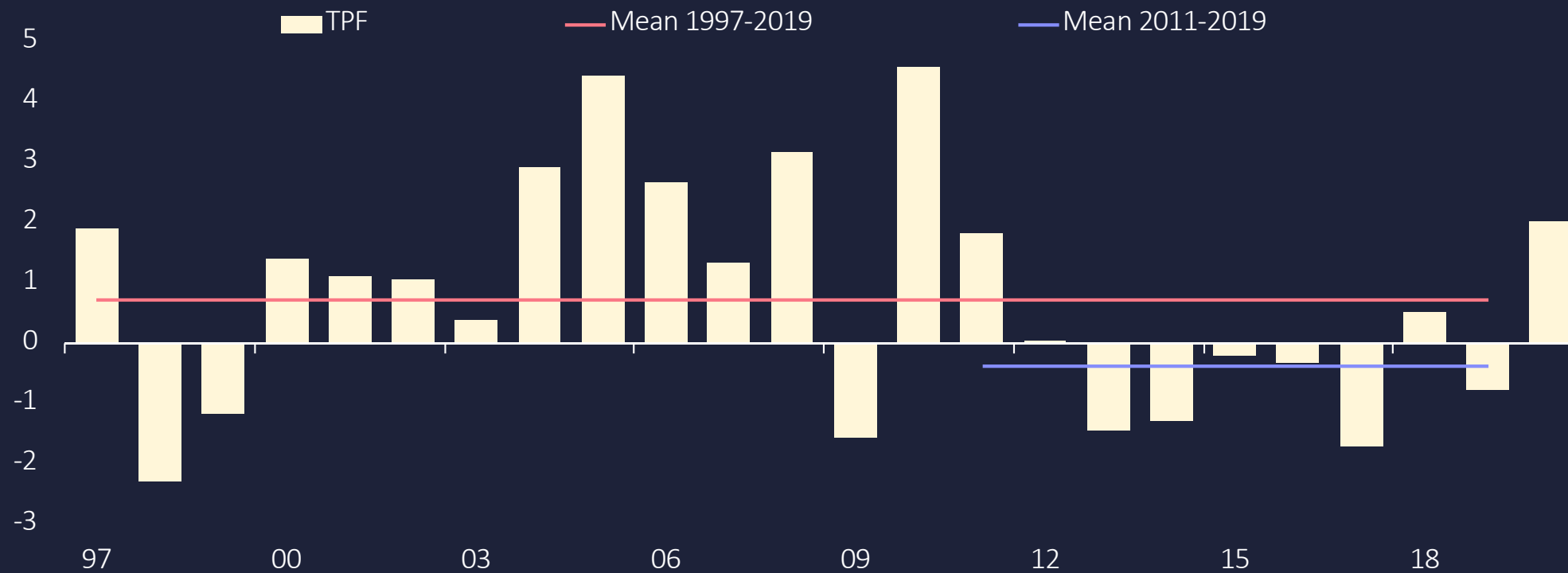


(*) Measured with CPI w/o volatiles.

Sources: Central Bank of Chile and INE.



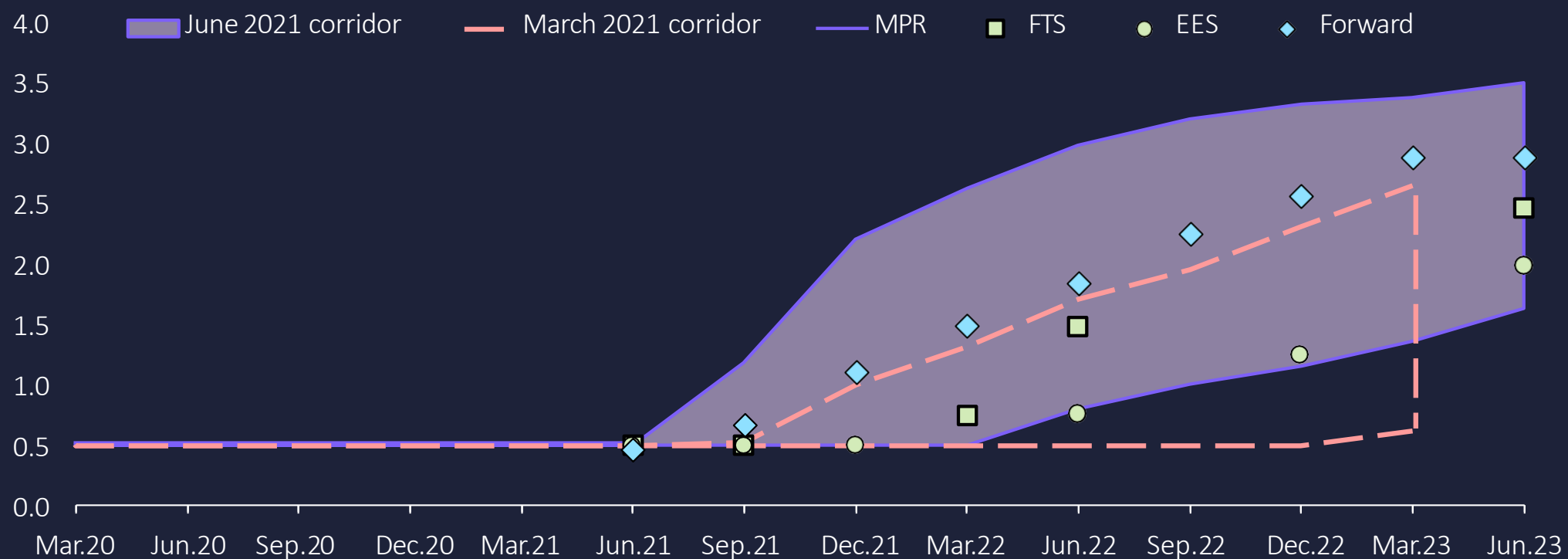
Growth in total factor productivity (TFP) in non-mining GDP (percent)



Source: Aguirre *et al.* (2021).



MPR corridor (*) (percent)



(*) The corridor is constructed following the methodology in Box V.1 of the March 2020 MP Report. It includes the Financial Traders Survey (FTS) published on 3 June, the EES published on May 11 and the quarter's average smoothed forward curve. Methodology: extraction of the implicit MPR considers the forward curve over overnight swap curve for up to 2 years, discounting the fixed rates of each term from the simple accrual of the overnight index swap (OIS).



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