Tuesday, 27 January 2026

Monetary Policy Meeting – January 2026

At today's Monetary Policy Meeting, the Board of the Central Bank of Chile decided to maintain the monetary policy interest rate at 4.5%. The decision was adopted by the unanimous vote of its members.

On the external front, a scenario of a greater boost to the Chilean economy has been materializing. In terms of activity, the performance of the U.S. economy stands out, as it outperformed somewhat the markets' third quarter growth projections. Regarding the terms of trade, there was an increase in the price of copper that brought it above the levels at the close of the previous Meeting. However, a combination of geopolitical, fiscal, and financial factors is intensifying the risks to the global macroeconomic scenario.

In this context, financial conditions have deteriorated marginally for the United States, reflecting a comparatively lower preference for assets in this country. At the same time, conditions continue to improve for emerging economies, particularly in Latin America. Compared with the December Monetary Policy Meeting, stock markets have risen and the currencies of a number of economies have appreciated against the dollar.

Domestically, short- and long-term nominal interest rates show limited movements, thus narrowing the spread with the United States. The peso has appreciated. Credit remains largely unchanged. According to the Bank Lending Survey (BLS) for the fourth quarter of 2025, supply conditions remain relatively stable across the various segments, while the real estate sector is seeing increased demand.

Last November, the seasonally adjusted series for total and non-mining Imacec posted monthly contractions of 0.6% and 0.5%, respectively. In the non-mining component, the decline in business services and transportation stood out. In contrast, wholesale and retail trade expanded in monthly terms. In any case, several of the factors that negatively affected the Imacec's performance are estimated to be temporary. As for spending, short-term indicators linked to consumption and investment point to growth in line with expectations. In the labor market, the unemployment rate shows no change and job creation is still sluggish.

Both headline and core inflation have continued to decline, to annual variations of 3.5% and 3.3% respectively in December. Within core inflation, the fall in the goods component continues to stand out. Two-year inflation expectations remain at 3%, in both the Economic Expectations Survey (EEE) and the Financial Traders Survey (EOF).

The macroeconomic scenario shows that, over the short term, inflation will be below the December forecast, with demand evolving in line with projections. The Board will assess the implications of these developments for monetary policy in the March IPoM. It also reaffirms its commitment to conduct monetary policy with flexibility, ensuring that projected inflation stands at 3% over the two-year horizon.

The minutes of this Monetary Policy Meeting will be published at 8:30 hours of Wednesday 4 February 2026. The next Monetary Policy Meeting will take place on Tuesday 24 March 2026 and the Statement thereof will be released at 18:00 hours the same day.

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*The Spanish original prevails.