

Tuesday, June 16, 2026

Monetary Policy Meeting – June 2026

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

On the external front, the conflict in the Middle East remains the focus of attention. The rise in oil prices has affected actual inflation and inflation expectations in various economies, while, overall, global economic activity has remained resilient. In this context, central banks have maintained a cautious stance, and some—such as the European Central Bank and the Bank of Japan—have begun to implement increases in their policy rates.

In recent days, the price of oil fell to values slightly below US\$80 per barrel (WTI-Brent average) following the announcement of a new ceasefire agreement between the United States and Iran. Over a two-year horizon, the decline in futures contract prices is considerably more limited. Financial markets, including the Chilean market, have reacted positively to the announcement, with stock prices rising and the dollar depreciating globally. However, the conflict has been marked by constant back-and-forth negotiations to reach a peace agreement. For this reason, it is necessary to continue monitoring the course of events and assessing their impact on the inflation outlook. Meanwhile, copper continues to trade above US\$6 per pound.

At home, economic activity contracted in the first quarter of the year, with the result falling short of expectations in the March IPoM. The difference was largely due to the poor performance of sectors linked to natural resources. On the expenditure side, no differences were observed on aggregate, although there were changes in its composition. Private consumption remained dynamic, while government consumption rebounded strongly and gross capital formation weakened. In the labor market, the unemployment rate rose amid weak job creation. Going forward, public spending is projected to provide greater momentum, as opposed to household consumption—whose fundamentals have weakened—which will provide a milder push. Investment is also being revised downward for this year, although medium-term projections are upwards.

As anticipated, headline inflation rose rapidly due to the shock caused by the conflict in the Middle East. The annual variation of the CPI hit 3.9% in May, driven by fuel price hikes. Core inflation—the CPI excluding volatiles—has shown no major change in recent months (3.2% annually in May), reflecting a spillover of the cost shock resembling its historical patterns. The Economic Expectations Survey (EEE) places two-year inflation expectations at 3%, and the Financial Traders Survey (EOF), at 3.1%.

The Board estimates that the balance of risks to inflation has been shifting gradually toward equilibrium, although the macroeconomic outlook remains subject to a higher-than-usual degree of uncertainty. The conflict in the Middle East has not been definitively resolved, and global oil supply has not returned to normal. At the same time, while economic activity has been

affected mainly by temporary supply-side factors and the outlook for demand has not changed significantly, several household consumption fundamentals have performed less favorably.

Accordingly, the future path of the monetary policy rate will be assessed on a meeting-by-meeting basis, based on how events unfold. The Board reaffirms that it will make every decision necessary to meet its objective of bringing projected inflation to 3% over a two-year horizon.

The minutes of this monetary policy meeting will be released at 8:30 hours of Wednesday, 24 June 2026. The next monetary policy meeting will be held on Monday 27 and Tuesday 28 July 2026, and the statement thereof will be released at 18:00 hours of the second day.

*The Spanish original prevails.