



## **PRESS RELEASE**

### **MONETARY POLICY STATEMENT APRIL 2021 BCRP MAINTAINED REFERENCE RATE AT 0.25%**

1. The Board of Directors of the Central Reserve Bank of Peru (BCRP) decided to continue its expansionary policy stance, maintaining the reference rate at 0.25 percent and implementing further liquidity injection operations, in light of the following developments:
  - i. Year-on-year inflation increased from 2.4 percent in February to 2.6 percent in March due to supply factors that led to higher prices of some goods. Trend inflation remains in the lower part of the target range. Year-on- year core inflation was 1.8 percent in March.
  - ii. Inflation is expected to remain within the target range throughout 2021 and 2022; and to lie at the lower part of the range during 2022, as economic activity will remain below its potential level.
  - iii. One-year ahead expected inflation was 2.2 percent in March.
  - iv. Leading indicators continued to recover in March and most firms' growth expectations are in optimistic territory.
  - v. Global economic activity is expected to be more pronounced in next quarters as vaccination process continues around the world and significant stimulus packages are issued in United States.
2. The Board considers it appropriate to maintain a strong expansionary monetary stance for as long as the negative effects of the pandemic on inflation and its determinants persist. The BCRP will continue to take the necessary steps to sustain the payments system and credit flows, and stands ready to expand monetary stimulus using a range of instruments. As of April 7, BCRP injection operations totaled S/ 58,408 million, of which S/ 49,830 million were associated with government-backed repos.
3. The Board also decided to maintain the following interest rates on its window facility operations in domestic currency with financial entities:
  - i. Overnight deposits: 0.15 percent per year.
  - ii. Direct security/currency repo and rediscount operations: 0.50 percent per year.
4. The BCRP Board's next monetary policy session will take place on May 13, 2021.

Lima, April 8, 2021