



PRESS RELEASE

MONETARY POLICY STATEMENT MARCH 2025 BCRP MAINTAINED THE REFERENCE RATE AT 4.75%

1. The Board of Directors of the Central Reserve Bank of Peru (BCRP) agreed to keep the reference rate steady at 4.75 percent. Future reference rate adjustments will be conditional on new information about inflation and its determinants.
2. The decision to maintain the reference rate considered the following information and projections:
 - i. In February, monthly total inflation and core inflation were 0.19 percent. Between January and February, year-on-year inflation decreased from 1.9 to 1.5 percent, influenced in part by the lower year-on-year variation in food prices, which reached 0.6 percent in February. The year-on-year core inflation fell from 2.4 percent in January to 2.1 percent in February, close to the midpoint of the target range.
 - ii. Global inflation is expected to decrease, with most central banks gradually approaching their targets. However, in some countries, this convergence could take longer.
 - iii. One-year-ahead inflation expectations decreased from 2.37 in January to 2.28 percent in February, within the target range.
 - iv. Year-on-year inflation is expected to approach the lower bound of the target range in March, as the reversal of supply factors continues, before eventually returning to levels close to the center of the target range. Likewise, core inflation is expected to remain around 2 percent.
 - v. In February, a recovery is observed in the majority of current situation indicators and those related to economic activity expectations. All expectation indicators remained at the optimistic territory for the second consecutive month, with economic activity around its potential level. The economic activity indicators show higher growth in recent months.
 - vi. While the outlook for global economic activity points to moderate growth, the risks to global economic activity have increased due to the high uncertainty regarding the impact of restrictive measures on international trade. In this context, high volatility has been observed in financial markets.
3. The Board is particularly attentive to new information on inflation and its determinants, including the evolution of core inflation, inflation expectations, and economic activity, to consider, if necessary, additional changes in the monetary stance. The Board reaffirms its commitment to adopt the necessary actions to maintain inflation within the target range.
4. The Board also decided on the following interest rates on its window facility operations in domestic currency with financial entities:
 - i. Overnight deposits: 2.75 percent per year.
 - ii. Direct security/currency repo and rediscount operations: i) 5.25 percent per year for the first 10 operations in the last 3 months and ii) the interest rate set by the Monetary and Exchange Operations Committee for operations in addition to these 10 operations in the last 3 months. In addition, the Monetary and Exchange Operations Committee may establish higher rates based on the amount of the operations.
5. The BCRP Board's next monetary policy session will take place on April 10, 2025.

Lima, March 13, 2025