



## **PRESS RELEASE**

### **MONETARY POLICY STATEMENT SEPTEMBER 2025 BCRP REDUCED THE REFERENCE RATE TO 4.25%**

1. The Board of Directors of the Central Reserve Bank of Peru (BCRP) agreed to reduce the reference rate at 4.25 percent. As a result, the interest rate is very close to the level estimated as neutral.
2. The decision to reduce the reference rate considered the following information and projections:
  - i. In August, the monthly headline inflation rate was -0.29 percent, while the core inflation was 0.08 percent. The year-on-year headline inflation decreased from 1.7 percent in July to 1.1 percent in August, a result considered temporary and mainly explained by the faster-than-expected correction in the prices of some food items. The year-on-year core inflation increased from 1.7 percent in July to 1.8 percent in August, nearing the midpoint of the target range.
  - ii. One-year-ahead inflation expectations remained at 2.2 percent in August, within the inflation target range.
  - iii. Year-on-year inflation is expected to approach the midpoint of the target range by the end of the year. Likewise, core inflation is expected to remain around 2 percent in the projection horizon.
  - iv. In August, most current situation indicators improved, while those related to economic activity expectations showed mixed results. Almost all remained in the optimistic territory, in a context where economic activity is around its potential level.
  - v. The outlook for global economic activity continues to be affected by the restrictive measures on international trade, with a downward bias in the medium term given the high uncertainty about its effects on the global economy.
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, 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: 2.25 percent per year.
  - ii. Direct security/currency repo and rediscount operations: i) 4.75 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 October 9, 2025.

Lima, September 11, 2025