



PRESS RELEASE

MONETARY POLICY STATEMENT OCTOBER 2024 BCRP MAINTAINED THE REFERENCE RATE AT 5.25%

1. The Board of Directors of the Central Reserve Bank of Peru (BCRP) decided to keep the reference rate steady at 5.25 percent, following two successive reductions. 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 September, monthly inflation was -0.24 percent and core inflation was zero percent. Between August and September, year-on-year inflation decreased from 2.0 to 1.8 percent. Year-on-year core inflation declined from 2.8 percent to 2.6 percent, above the center of the target range.
 - ii. Global inflation continued to decline, nearing the targets of most central banks, with some countries already reaching their targets.
 - iii. One-year-ahead inflation expectations remained at 2.4 percent in September, nearly the same level than the previous month, within the target range.
 - iv. Year-on-year inflation and core inflation are expected to remain within the target range over the forecast horizon. However, a slight temporary rise in year-on-year inflation is anticipated in the fourth quarter due to base effects.
 - v. In September, the majority of the coincident and expectation indicators were at the optimistic territory, still with a slight moderation relative to the previous month. Among the indicators with the highest correlation to GDP, increases or levels similar to the previous month were recorded.
 - vi. The outlook for global economic activity indicates moderate growth in the context of the normalization of monetary policy in most advanced economies due to lower inflationary pressures. However, the volatility has increased in the international financial markets. Additionally, risks stemming from international conflicts have intensified, raising the possibility of higher international fuel prices.
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: 3.25 percent per year.
 - ii. Direct security/currency repo and rediscount operations: i) 5.75 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 November 7, 2024.

Lima, October 10, 2024.