Scotiabank

GLOBAL ECONOMICS

LATAM DAILY

May 15, 2026

Contributors

Juan Manuel Herrera, Senior Economist
+52.55.2299.6675 (Mexico)
juanmanuel.herrera@scotiabank.com

Jorge Selaive, Head Economist, Chile
+56.2.2619.5435 (Chile)
jorge.selaive@scotiabank.cl

Eduardo Suárez, VP, Latin America Economics
+52.55.9179.5174 (Mexico)
esuarezm@scotiabank.com.mx

TODAY'S CONTRIBUTORS:

Ricardo Avila, Senior Analyst
ricardo.avila@scotiabank.com.pe

Latam Daily: BCRP Holds Rate Once Again

- **Peru: BCRP keeps its policy rate unchanged, but signals higher inflation ahead**

The Board of the Central Reserve Bank of Peru (BCRP) decided to keep its policy interest rate unchanged at 4.25% in May, marking the eighth consecutive month without adjustments. This decision was in line with our expectations and with market consensus (as reflected in the Bloomberg median).

Most notably, in its April statement the BCRP indicated that both headline and core inflation would return to the target range by year-end. However, in its May statement, it now suggests that this would occur within the forecast horizon—that is, between 2026 and 2027. This shift implies that the BCRP may no longer be projecting inflation to reach the 2.4% level by end-2026, as previously indicated in its March Inflation Report. Moreover, this could signal that the BCRP expects inflation to remain outside the target range during the current year.

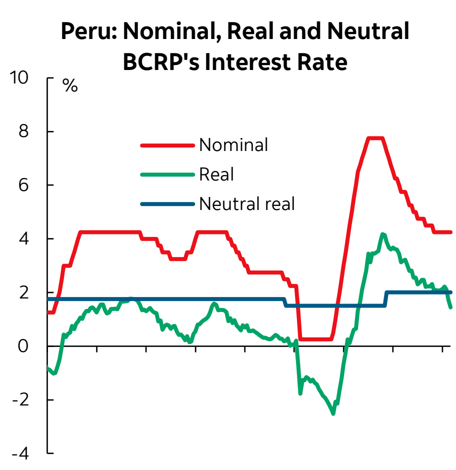
In addition, the following points stand out:

- **Inflation:** Most inflationary pressures are associated with supply-side factors that are expected to be temporary. Twelve-month inflation expectations increased from 2.5% in March to 2.8% in April, remaining within the target range (1%–3%).
- **Economic expectations:** Most indicators of current economic conditions and expectations remained in optimistic territory. However, there was a deterioration in expectation indicators, particularly the three-month outlook, which entered contractionary territory after two years.
- **International environment:** Global risk remains elevated. Nevertheless, global economic growth prospects for this year continue to be positive, and Peru's terms of trade remain favourable.

With the increase in 12-month inflation expectations and the policy rate remaining unchanged at 4.25%, the real interest rate continues to be below the neutral rate after nearly four years (since August 2022). If this situation persists, it could open the door to future increases in the policy rate.

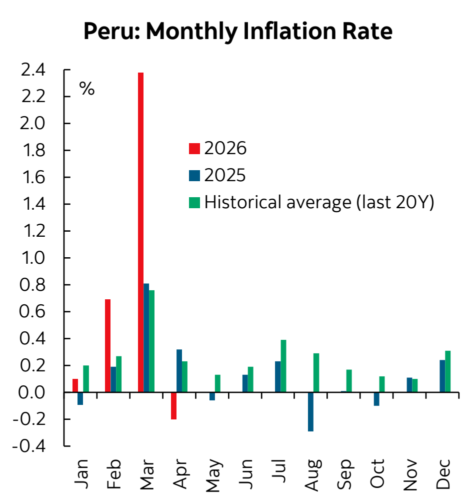
We continue to expect inflation to remain outside the target range throughout the year and to reach 3.2% by the end of 2026. This projection assumes that the United States and Iran reach an agreement between now and June; otherwise, inflation could rise above these levels. On the other hand, based on our price monitoring during the first two weeks

Chart 1



Sources: Scotiabank Economics, BCRP.

Chart 2



Sources: Scotiabank Economics, INEI.

of May, we preliminarily estimate that monthly inflation in May will be negative, leading to a correction in 12-month inflation, currently at 4.0% (April). By components, we foresee an increase in electricity tariffs, but a significant decline in food prices—particularly poultry, fruits, and tubers. In the transportation sector, no significant increase is expected, as seen in previous months, but neither is a substantial decline anticipated.

—Ricardo Avila