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## Chile—Better Late than Never: BCCh Announces FX Intervention

On Thursday, July 14, the central bank (BCCh) announced a USD 25 bn foreign exchange intervention to support the CLP after it plummeted to a record low, reaching **CLP 1,049**. The program includes spot dollar sales of up to USD 10 bn; foreign exchange hedge sales to the same amount, and a foreign exchange swap program to provide liquidity of up to USD 5 bn.

While the central bank program is consistent with what we had expected (see our [Latam Flash June 22](#)), in our view, this intervention comes too late (see our [Latam Daily July 12](#)), following several days of considerable volatility and sustained exchange rate depreciation.

**Looking ahead, in a scenario in which CLP depreciation continues, limited time-bound micro-macroprudential measures may be necessary to limit the excessive appetite for assets denominated in foreign currency.**

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