



Bangko Sentral ng Pilipinas

PRESS RELEASE

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Monetary Board Keeps Policy Rates Steady

At its meeting today, the Monetary Board decided to keep the BSP's key policy interest rates steady at 4 percent for the overnight borrowing or reverse repurchase (RRP) facility and 6 percent for the overnight lending or repurchase (RP) facility. The interest rates on term RRP, RPs, and special deposit accounts (SDAs) were also left unchanged.

The Monetary Board decision to maintain policy rates is based on its assessment that current monetary settings remain appropriate. The latest forecasts continue to indicate within-target inflation over the policy horizon. Domestic real sector activity has started to show further signs of recovery even as some soft spots remain, such as still weak investment and labor market conditions, while domestic financial market conditions have improved.

The Board also noted that, since the global economic recovery is expected to be slow, caution needs to be exercised in assessing the sustainability of domestic demand in the Philippines.

The Monetary Board therefore decided to maintain the current policy stimulus to help sustain economic growth in a low-inflation environment. At the same time, the Board remains firm in its commitment to promptly address risks to price stability over the policy horizon.

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