



## *Press Release*

# Monetary Policy Meeting\*

June 23, 2026

At its last meeting, the Monetary Policy Committee (CPM) unanimously decided to keep the monetary policy interest rate (TPM) unchanged, at 5.50% annually.

For its decision, the CPM assessed the following relevant aspects:

1. In the United States, job creation in May exceeded expectations, while the unemployment rate remained at 4.3%. Regarding prices, year-on-year inflation increased from 3.8% in April to 4.2% in May, while core inflation rose from 2.8% to 2.9%. At its June meeting, the Federal Reserve kept the target range for the federal funds rate unchanged at 3.50%–3.75%. Nevertheless, market expectations continue to point to a somewhat higher path for interest rates going forward, including the possibility of further increases over the coming months. In international financial markets, the U.S. dollar (DXY) appreciated, while yields on long-term U.S. Treasury bonds declined over the past month.
2. In commodity markets, the price of Brent crude oil declined significantly, falling below USD 80 per barrel. This decrease occurred amid easing geopolitical tensions following the provisional agreement reached between the United States and Iran, which includes a ceasefire and the reopening of the Strait of Hormuz. Likewise, international prices of soybeans, corn, and wheat also declined, reflecting both reduced pressure from energy markets—given their link to biofuel demand—and expectations of ample global supply.
3. Domestically, the Monthly Indicator of Economic Activity of Paraguay (IMAEP) recorded year-on-year growth of 3.4% in April (2.7% excluding agriculture and binational entities), driven by services, electricity and water, agriculture, manufacturing, and construction. Meanwhile, the Large Companies Sales Indicator (ECN) increased by 3.0% year-on-year, supported by higher sales of motor vehicles, chemical and pharmaceutical products, household equipment, clothing, construction materials, among others. On a cumulative basis, the IMAEP and the ECN grew by 5.1% and 5.5%, respectively.
4. In May, the Consumer Price Index (IPC) registered a monthly increase of 0.1%. This outcome was mainly explained by higher prices for some services, food products—particularly beef—and fuels. These pressures were partially offset by lower prices for fruit and durable goods. The monthly change in the CPI excluding food and energy (IPC<sub>SAE</sub>) stood at -0.1% in May. On a twelve-month basis, headline CPI inflation was 2.4%, while IPC<sub>SAE</sub> inflation stood at 1.1%. Inflation expectations remain anchored at 3.5%, both for the next 12 months and over the monetary policy horizon.

The Committee notes that economic activity continues to exhibit solid momentum, consistent with the projected growth rate of 4.2% for this year. Regarding inflation, the monthly increases observed during 2026 have been driven mainly by volatile components, particularly higher fuel

prices and increases in the prices of certain food items (vegetables). Year-on-year inflation is expected to remain below the target over the coming months. Although fuel prices have followed a stronger-than-expected path during 2026, this effect has been partially offset by lower inflationary pressures across the remaining basket components, helping to moderate the impact on headline inflation.

On the external front, oil prices have fallen significantly since the previous CPM meeting. Nevertheless, despite recent diplomatic progress, the geopolitical situation in the Middle East continues to represent an important source of uncertainty. In addition, financial markets continue to anticipate increases in the Federal Reserve's policy rate over the coming months.

In this context, the CPM decided to keep the policy rate unchanged at 5.50%, maintaining a monetary policy stance consistent with a neutral profile.

The CPM will continue to closely monitor risks arising from the external scenario in order to assess their implications for the inflation path and to adopt, in a timely manner, the necessary measures to ensure inflation converges to the target within the monetary policy horizon.

The next CPM meeting will take place on July 23, 2026, and the corresponding Press Release will be published at 15:00 local time on the same day (18:00 UTC).

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\* The Spanish version prevails.