



Press Release **Monetary Policy Meeting***

May 22, 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 April exceeded expectations, while the unemployment rate remained at 4.3%. At the same time, year-on-year inflation increased from 3.3% in March to 3.8% in April, while core inflation rose from 2.6% to 2.8%. In this context, market expectations currently anticipate that the Federal Reserve could raise the target range for the federal funds rate early next year. Since the last CPM meeting, the US dollar index (DXY) recorded a slight appreciation, while yields on long-term US Treasury bonds increased.

2. In commodity markets, oil prices have continued to exhibit marked volatility, amid heightened uncertainty stemming from geopolitical tensions in the Middle East. As of the date of this meeting, Brent crude prices stood at around USD 107 per barrel, above the level observed at the previous CPM meeting (USD 95 per barrel). Likewise, international prices of soybeans, corn, and wheat increased, mainly driven by adverse weather conditions, higher production costs, and stronger global demand.

3. Domestically, the Monthly Indicator of Economic Activity of Paraguay (IMAEP) recorded year-on-year growth of 8.2% in March (8.3% excluding agriculture and binational entities), explained by the performance of services, manufacturing, and the primary sector. Similarly, the Large Companies Sales Indicator (ECN) showed a year-on-year expansion of 9.2%, reflecting higher sales of fuels, vehicles, construction materials, chemical and pharmaceutical products, and household equipment, among other items. With these results, cumulative growth rates of the IMAEP and the ECN stood at 4.7% and 4.9%, respectively.

4. In April, the Consumer Price Index (CPI) recorded a monthly variation of 0.8%, driven primarily by higher fuel prices. Additionally, increases were observed in the prices of certain services, while declines in the prices of some food items and other goods moderated the monthly result. Meanwhile, the monthly variation of the CPI excluding food and energy (IPCSAE) was 0.1% in April. In year-on-year terms, total inflation stood at 2.3%, while IPCSAE inflation was 1.5%. Inflation expectations remain anchored at 3.5%, both for the next 12 months and for the monetary policy horizon.

The Committee notes that short-term indicators continue to show favorable economic activity dynamics, consistent with projected GDP growth of 4.2% for the year. Regarding prices, recent monthly inflation developments have been mainly influenced by volatile components, particularly the increase in fuel prices associated with higher international oil prices. In this context, year-on-

year inflation is expected to remain temporarily below the target, converging toward 3.5% in the second half of the year. Although fuel prices have evolved above expectations, this has been partially offset by lower inflationary pressures in other goods.

On the external front, uncertainty regarding the duration of the conflict in the Middle East persists, heightened by expectations of a possible increase in interest rates by the Federal Reserve.

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 June 22, 2026, and the corresponding Press Release will be published at 15:00 local time on the same day (18:00 UTC).

* The Spanish version prevails.