

MONETARY POLICY REPORT (MPR)

MPR SNAPSHOTS

AUGUST 2024

MONETARY POLICY DECISION

During its policy meeting on 15 August 2024, the Monetary Board decided to reduce the BSP's main interest rate—the target reverse repurchase (RRP) rate—by **25 basis points** to 6.25 percent.

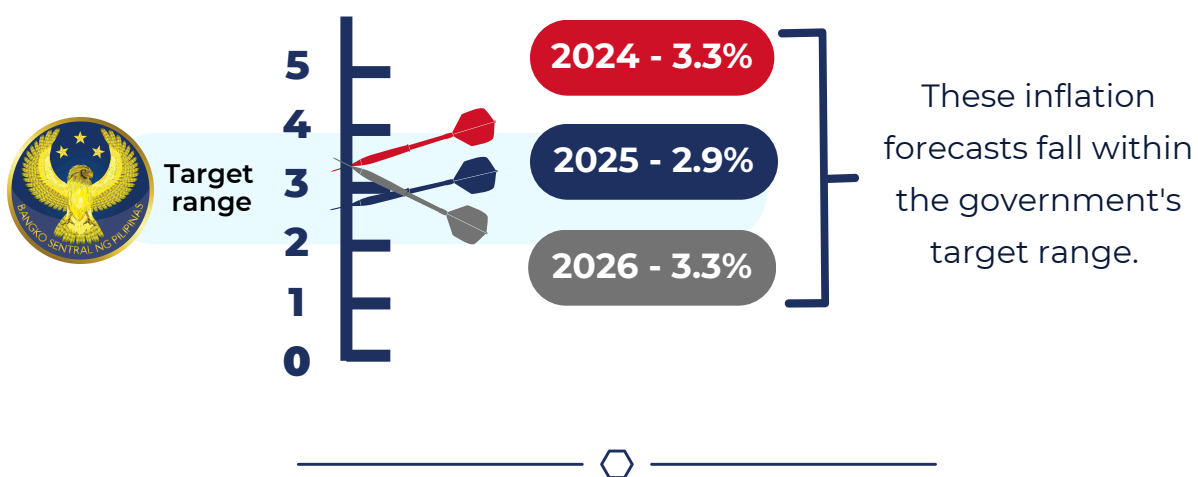
6.25%



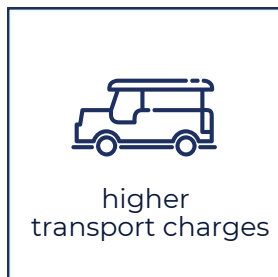
TARGET RRP	O/N DEPOSIT RATE	O/N LENDING RATE
6.25%	5.75%	6.75%

RISK-ADJUSTED INFLATION FORECASTS

The BSP's latest estimates suggest that inflation will likely settle at these levels after factoring in risks:



The following are the risks that could cause higher inflation:

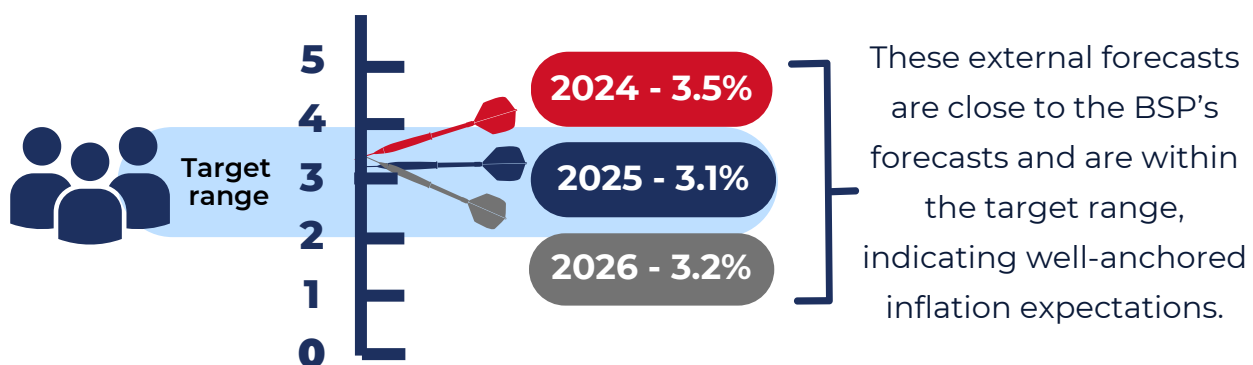


The following could cause inflation to be lower:



PRIVATE-SECTOR ECONOMISTS FORECASTS

Meanwhile, private sector economists project the following inflation rates:



ECONOMIC OUTLOOK

Estimates suggest that the economy will remain firm in 2024-2026 due to:



lower unemployment rate and higher real wages



increase in investments



stable overseas Filipino remittances



productivity growth due to robust economic activity and stable infrastructure spending