All Signal, No Noise

MNI POLITICAL RISK ANALYSIS – Chile Election Preview

by Tom Lake and Keith Gyles

On Sunday, 16 November, Chileans will go to the polls in an election cycle that could see a dramatic shift in the country's political landscape. The first round of the presidential election will take place, while all 155 seats of the Chamber of Deputies and 26 of the 50 Senate seats will also be up for grabs. With the Constitution prohibiting incumbent President Gabriel Boric from seeking a second consecutive term, there will be a new occupant of *La Moneda* come inauguration day on 11 March 2026.

Whereas the 2021 election that brought Boric to office took place at a time when issues of economic inequality were top of mind for many Chilean voters, in 2025, it is public security, crime and illegal immigration that are frequently cited as the primary concerns in this election cycle. With a focus on security, three candidates from various sections of the right are vying to make the run-off, most likely against the nominee of the leftist 'Unity for Chile' alliance from which Boric hails.

The importance of the Congressional elections should not be understated. Since his election, Boric has found it difficult to implement his policy agenda amid a fairly even split between leftists and conservatives in both the Chamber of Deputies and Senate. Whether this split remains, or if there is a significant swing towards right-wing/centre-right parties, will have a notable impact on the new president's ability to enact their policy agenda whether they hail from the right or left.

In this preview, we explain how the presidential and congressional elections take place, outline the main candidates for the presidency and the political parties and alliances vying for congressional seats, provide a financial market and macroeconomic overview ahead of the election, analysis of potential election scenarios with assigned probabilities, a chartpack of first and second round opinion polling, and views on the vote from sell-side analysts.

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Electoral System

Presidential Election

The presidential election takes place under a two-round majoritarian system. If no candidate secures 50%+1 of the vote in the first round, **a second-round run-off between the two highest placed candidates will be held on 14 December**. To win, a candidate requires a simple majority and will then go on to serve a four-year term.

To run for the presidency, an individual must be a natural-born Chilean citizen, or if they were born abroad, they must have Chilean parents or grandparents. They must be at least 35 years old and meet all the requirements to serve as a senator (hold the right to vote, completed secondary education). All citizens aged 18 or over who have not been sentenced to a prison term exceeding three years and one day are required to vote as part of Chile's mandatory voting system, which was restored in a 2022 constitutional amendment, having been removed in 2012. Those who do not cast a ballot face a fine of between USD35 and USD110.

Congressional Elections

The Chamber of Deputies, the lower house in Chile's bicameral National Congress, is formed of 155 members representing 28 multi-member constituencies for four-year terms. These constituencies range from having three to eight seats, depending on their populations. The sparsely populated regions of Magallanes and Chilean Antarctic, Aysén, Arica and Parinacota, and Tarapacá are each represented by three deputies each, while the capital, Santiago, is represented by 47 deputies split into seven constituencies. Elections are held via open list proportional representation (where parties/alliances provide lists of candidates, but voters can choose their order of preference) using the d'Hondt method.

The Senate, the upper house of the National Congress, is formed of 50 members serving eight-year terms in a staggered process, with around one-half of the members up for election each electoral cycle. Senators can only serve two consecutive terms in office. The 50 senators are distributed between Chile's 15 regional constituencies based on population, albeit less evenly disbursed than in the Chamber of Deputies. The fewest seats a constituency can hold is two, and the most is five, meaning the Aysén region with a population of just over 100,000, is represented by only three fewer senators than Santiago Metropolitan region, home to more than seven million people. In this electoral cycle the administrative regions of Arica and Parinacota (2 senators), Tarapacá (2), Atacama (2), Valparaíso (5), Maule (5), La Araucanía (5), and Aysén (2) have all of their senators up for election, totalling 23 seats. Elections take place under the same open list proportional representation system used for the Chamber of Deputies.

Election Day

On 16 November, polling stations will be open from 08:00 local time (06:00ET, 11:00GMT, 20:00JST) until 18:00 local time (16:00ET, 21:00GMT, 06:00JST). Exit polls are not released in Chile, meaning the first indications of the trajectory of the election will come with the first official results coming in the hours after polls close, with a clearer picture around midnight. Full or near-full results are set to come through in the following day/days as absentee and overseas ballots come in.

Main Presidential Candidates and Party Lists

Presidential Candidates (Alphabetical Order)

Eduardo Artés – Independent (endorsed by Chilean Communist Party (Proletarian Action) (PC (AP)) – Marxist-Leninism, far-left, left-wing nationalism – 74 y.o. – General Secretary of PC (AP) 1979-; President of the Patriotic Union 2015-22; Presidential candidate 2017, 2021

Marco Enríquez-Ominami (referred to as 'ME-O') – Independent (endorsed by Humanist Party) – Democratic socialism, progressivism – 52 y.o. – Member of Chamber of Deputies (Progressive Party) 2006-10; Founder and Leader of Progressive Party 2011-22, Presidential candidate 2009, 2013, 2017, 2021; Filmmaker

Jeannette Jara – Alliance: Unity for Chile (UpCh) – Party: Communist Party of Chile – Far-left, communism, democratic socialism, progressivism – 51 y.o. – Undersecretary of Social Security 2016-18; Minister of Labor and Social Security 2022-25

Johannes Kaiser – Alliance: Change for Chile – Party: National Libertarian Party (PNL) – Far-right, paleo-libertarianism, Pinochetism, social conservatism, reactionary – 49 y.o – Member of the Chamber of Deputies 2022-; Founder and Leader of PNL 2024-

José Antonio Kast – Alliance: Change for Chile – Party: Republican Party (PRCh) – Right-wing populism, national conservatism, social conservatism, anti-communism – 59 y.o. – Member of Chamber of Deputies (UDI) 2002-18; Councilman of Buin 1996-2000; Presidential candidate 2017, 2021; Founder and Leader of PRCh 2019-

Evelyn Matthei – Alliance: Chile Vamos – Party: Independent Democratic Union (UDI) – Centre-right, conservatism, economic liberalism, anti-communism – 60 y.o. – Mayor of Providencia 2016-2024, Minister of Labor and Social Provision 2011-13, Senator for Coquimbo 1998-2011, Member of Chamber of Deputies 1990-98, Presidential candidate 2013

Harold Mayne-Nicholls – Independent – Centrist, big-tent, populist, technocratic – 64 y.o. – President of the Chilean Football Federation and National Association of Professional Football of Chile 2007-11, Journalist

Franco Parisi – Party of the People (PDG) – Centre/centre-right, populism, E-democracy, catch-all – 58 y.o. – Academic, economist, broadcaster

Party Lists/Parties

Green Ecologist Party of Chile – *Partido Ecologista Verde de Chile* – **PEV** – Founded: 2006 (Re-Founded 2025) – President: Felix Gonzalez (Member of Chamber of Deputies 2018-) – Environmentalism, centre-left/left wing, green politics, animal rights – Chamber Seats: 1/155 – Senate Seats: 0/50

Greens, Regionalists and Humanists – *Verdes, Regionalistas y Humanistas* – Constituent Parties: Green Social Regionalist Federation (FRVS), Humanist Action (AH) – Founded: 2025 – Presidents: Flavia Torrealba (FRVS, Party president 2022-), Tomas Hirsch (AH, Member of Chamber of Deputies 2018-, Ambassador to New Zealand 1990-93) – Regionalism, centre-left, catch-all, environmentalism – Chamber Seats: 4/155 – Senate Seats: 1/50

Unity for Chile – *Unidad por Chile* – **UpCh** – Constituent Parties: Socialist Party, Party for Democracy, Christian Democratic Party, Broad Front, Radical Party, Liberal Party, Communist Party – Founded: 2022 – Leaders: Gabriel Boric (Broad Front, President of Chile 2021-), Jeanette Jara (Communist Party, Minister of Labor and Social Security 2022-25, UpCh presidential candidate) – Centre-left/left-wing/far-left, progressivism, liberalism, social democracy, radicalism, democratic socialism, left-wing populism, communism – Chamber Seats: 74/155 – Senate Seats: 21/50

Popular Ecologist Animalist and Humanist Left - *Izquierda Ecologista Popular Animalista y Humanista* – Constituent Parties: Humanist Party, Equality – Founded: 2024 – Party Presidents: Claudio Ojeda (Humanist Party), Ivan Carrasco (Equality) – Left-wing/far-left, New Humanism, Left-wing populism, socialism, anti-capitalism – Chamber Seats: 0/155 – Senate Seats: 0/50

Yellow Movement for Chile – *Movimiento Amarillos por Chile* – Founded: 2022 – President: Andrés Jouannet (Member of Chamber of Deputies 2022-, Mayor of Araucanía Region 2015-15, Governor of Cautin 2008) – Centrist/centre-left/centre-right, conservatism, economic liberalism, *Concertación* – Chamber Seats: 1/155 – Senate Seats: 0/50

Revolutionary Workers' Party - *Partido de Trabajadores Revolucionarios* – PTR – Founded: 1999 (Legalised 2024) – President: Juan Gamboa (Academic, activist) – Far-left, Trotskyism, communism, socialism – Chamber Seats: 0/155 – Senate Seats: 0/50

Popular Green Alliance Party – *Partido Alianza Verde Popular* – PAVP – Founded: 2022 – President: Carlos Zamora – Left-wing, animal rights, environmentalism – Chamber Seats: 0/155 – Senate Seats: 0/50

Popular Party – *Partido Popular* – PP – Founded: 2022 – President: Cristián Cuevas Zambrano (President of the Confederation of Copper Workers 2007-08, PP President 2023-) – Left-wing populism, radicalism, anti-neoliberalism, identity politics – Chamber Seats: 0/155 – Senate Seats: 0/50

People's Party – *Partido de la Gente* – PDG – Founded: 2019 – Leader: Franco Parisi (Academic, economist, broadcaster) – Populism, catch-all, centre-right/right-wing, anti-immigration, E-democracy – Chamber Seats: 1/155 – Senate Seats: 0.50

Great and United Chile – *Chile Grande y Unido* – Constituent Parties: Independent Democratic Union, National Renewal, Political Evolution, Democrats – Founded: 2025 – Leader: Evelyn Matthei (Mayor of Providencia 2016-2024, Minister of Labor and Social Provision 2011-13, Senator for Coquimbo 1998-2011, Member of Chamber of Deputies 1990-98) – Centre-right/right wing, conservatism, economic liberalism, anti-communism – Chamber Seats: 49/155 – Senate Seats: 25/50

Change for Chile – *Cambio por Chile* – Constituent Parties: Republican Party (PRCh), Social Christian Party (PSC), National Libertarian Party (PNL) – Party Presidents: Arturo Squella (PRCh, Member of Chamber of Deputies 2010-18), Sara Concha (PSC, Member of Chamber of Deputies 2022-), Johannes Kaiser (PNL, Member of the Chamber of Deputies 2022-) – Right-wing/far-right, Pinochetism, national conservatism, right-wing populism, anti-communism, ultraconservatism, evangelicalism – Chamber Seats: 24/155 – Senate Seats: 1/50

MNI Markets and Macro Overview

The macro backdrop in the run-up to the election has been characterised by relatively resilient growth in the non-mining sector, but concerns about persistent inflation pressures, which has prompted the central bank to slow the pace of rate cuts towards a neutral level. In the third quarter, the economy was impacted by temporary disruptions to mining sector output, following an accident at Codelco's El Teniente copper mine. However, non-mining GDP rose at close to its potential rate, supported by resilient consumption and a recovery of investment.

Overall, GDP looks set to have risen by a little below 2% y/y in Q3, slightly below the central bank's forecast in its latest monetary policy report, with non-mining GDP growing by around 2.7% y/y. This would leave the economy on course to grow by around 2.5% this year. Further ahead, a continued recovery of investment, supported by a rebound in the mining sector amid elevated copper prices, is seen keeping GDP above 2% next year as well. Meanwhile, the labour market is showing mixed signals, with a slight decline in the unemployment rate, but slow job creation, while wage growth has moderated. The external sector has evolved as expected, although significant sources of uncertainty remain.

The recovery in domestic demand has put pressure on core inflation this year, which has been hovering close to the ceiling of the central bank's 2-4% target range until recently. That persistence prompted the BCCh to adopt a more cautious stance to its easing cycle, although it still sees further gradual cuts to a neutral level over the coming quarters. At its latest MPC meeting in October, the BCCh Board noted that inflation and activity are now evolving as expected but said that it would take time to collect more information before considering further interest rate cuts.

Encouragingly, the latest CPI inflation data since then surprised to the downside, with headline inflation returning to the target range and core inflation falling to a 15-month low, potentially opening the door to a renewed rate cut next month. Latest survey data suggest that this may be followed by a final rate 25bp reduction to a terminal level of 4.25% early next year.

Against this backdrop, Chilean assets have been relatively resilient, with short and long-term interest rates edging lower and the local stock market rallying further. The Chilean peso has also traded firmer against the US dollar, supported by gains in copper prices and continued dollar sales by Hacienda. Although fiscal challenges cast a cloud on the longer-term outlook, a market-friendly election outcome is seen as being supportive for local assets, including the peso over the medium-term.

While polls continue to point towards a victory for a right-wing candidate (most likely Jose Antonio Kast) over left-wing candidate Jeanette Jara in a second-round run-off, local analysts are also hopeful of opposition victories in the Senate and Lower House elections, paving the way for market-friendly reforms ahead. These include potential cuts in the corporate tax rate, as advocated by various right-leaning presidential candidates, measures to boost mining investment by fast-tracking permit approvals and efforts to cut public spending.

Further fiscal restraint is needed – including a freeze of public sector wages at this year's levels – to meet the challenging 1.1% of GDP structural fiscal deficit target for next year. This compares with a likely 2.2% of GDP structural deficit this year, above the original 1.6% target. But while question marks remain over the willingness of the authorities to rein in spending sufficiently longer-term, the nearer-term outlook looks set to be shaped more by the optimism surrounding any incoming market-friendly administration.

A more cautious pace of rate cuts, as the easing cycle nears its end, may also support the peso, particularly as it has lagged regional peers this year and with offshore NDF positioning still long USDCLP by over $2bn. For USDCLP, the trend condition remains bearish after recent weakness resulted in a break of key short-term support and the bear trigger at 945.53, the October 9 low. This confirmed a continuation of the downtrend, with 937.00, the 76.4% retracement of the July 2 - 30 bull leg, also being pierced. An extension would open 922.67, the July 2 low and a key support. On the upside, key short-term resistance is seen at 952.36, the 50-day EMA.

MNI Scenario Analysis

Presidency

Kast Victory – 50% Probability:

- Of all the candidates on the right, Kast has held the most consistent opinion polling lead in the run-up to the election, despite a small dip in his support ahead of the polling blackout. Across all hypothetical second-round polls involving a candidate of the right up against Jeanette Jara, it is the right-wing candidate that has held the lead. As such, with Kast the most likely right-winger to make that run-off, it puts him in pole position to win the presidency in December.
- Having run for the presidency in the past two election cycles, losing by a relatively narrow margin to Boric in the 2021 run-off, Kast is not an unknown quantity for voters. This is likely to provide him with a 'stickier' level of support in the polls than, for example, a more unknown figure on the right, such as Kaiser.
- In the intervening years since his last election run, Kast has also shifted (marginally) away from his most far-right stances, towards a more general right-wing populist position. Advocating tough measures on immigration and security, but having Kaiser as the candidate more overtly towards the Pinochetist right could bolster Kast's prospects of winning over undecided voters.
- Kast's election campaign has focused heavily on improving the security environment in Chile and combating illegal immigration, and as such, the bulk of the policy focus (at least at the start of his presidency) would be on social and domestic issues. Significant expansions in police powers, and the appointment of officials and judicial figures aligned with Kast's hardline stance, could result in a decline in criminal activity, although this could come alongside public protests organised by leftist, student or indigenous groups should actions by the police and security services be deemed too overbearing by Kast's political opponents.
- In the scenario in which Kast secures victory and the right-wing/centre-right lists win an overall majority in both the Chamber of Deputies and Senate, the incoming president would inevitably face some constraints on his more extreme policy proposals. The orthodox centre-right Chile Vamos bloc would support the president in efforts to deregulate the economy, boost growth and draw in foreign investment (notably from the US at the expense of relations with China). However, they, along with the opposition leftist group, would curb some of Kast's more hardline objectives related to enhancing executive powers in the event of a state of emergency or rolling back socially liberal equality legislation brought in under previous administrations.
- Should the left maintain near-parity with the right in Congress, Kast would find it much more difficult to get his tax cuts and government spending reductions through Congress. This could leave Kast in something of a 'lame duck' position during his term, either forced into compromises that water down his agenda, or restricted to operations in foreign policy areas where the executive has more freedom to operate without congressional approval.

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Jara Victory – 25% Probability:

- Unlike the three main candidates of the right, Jeanette Jara is, in our view, all but certain to make the second-round run-off election. Indeed, she is also overwhelmingly likely to win a plurality of the vote in the first round on 16 November. Her all-but-guaranteed presence in the second round gives her at least a fighting chance of winning the presidency.
- While hypothetical second-round polling shows her trailing Kast and Matthei, and in a statistical dead-heat with Kaiser, the fact that there is a month between the first and second rounds could give Jara a chance to win over the sizeable section of undecided voters. Should Kast or Kaiser be her opponent, there is even the prospect that some more moderate Matthei supporters could swing over to back Jara due to concerns about the prospect of a significantly authoritarian shift.
- A Jara victory would maintain broad policy continuity from the Boric administration. This would limit the prospect of political upheaval, with little threat to areas such as the rule of law, judicial independence, or significant security crackdowns that risk social instability that could come to the fore under Kast or Kaiser presidencies.
- While Jara herself hails from the far left of the United for Chile alliance, her government would likely include more moderate individuals from the centre-left, diluting her policy positions in areas such as welfare spending, corporate tax rates, economic interventionism, and corporate regulation. Another divided Congress, with a sizeable right/centre-right cohort, would also act as an obstacle to a significant increase in welfare spending or moves towards sizeable tax hikes.
- As such, a Jara presidency could find itself restricted to areas of social equality drives and environmental protection. There is a lesser chance of instances of significant public or trade union unrest under a Jara presidency, with the administration more likely to negotiate and reach compromise with organised labour, in comparison to the more hardline stance under a presidency of the right. However, this risks significant increases in public sector wage bills, requiring tax hikes further down the line, further suppressing growth and business investment.
- Relations with the US would remain tense at best under a Jara presidency, with her Communist Party of Chile affiliation ensuring continued strong ties with China under the “strategic partnership” currently in operation between the two countries. Investments in extractive industries would continue, potentially resulting in ultimatums from the White House that could trigger significant tariff retaliation.

Kaiser Victory – 15%Probability:

- Previously viewed as an also-ran candidate, Johannes Kaiser’s campaign appears to have gained momentum in the last weeks ahead of the polling blackout, largely at the expense of Jose Antonio Kast. A win for the ‘paleolibertarian’ (advocating for major cuts to the role of the state, but also a hardline socially conservative agenda) would mark the most significant shake-up in Chilean politics in decades.
- Even if the right/centre-right secure a majority in both houses of Congress, Kaiser’s National Libertarian Party would only sit as a small section of this group. The president would be required to secure the backing of lawmakers from Kast’s Republican Party and the conservative UDI, potentially watering down his most

extreme aims in enacting major spending cuts, widespread privatisations and a bonfire of regulations.

- However, as has been seen in neighbouring Argentina under the presidency of Javier Milei, a win for a libertarian candidate can see the moderate centre-right co-opted into the presidential camp, securing a greater prospect of their legislative agenda being adopted. *Note: Of course, it should be realised that the economic situation faced by Chile is of an entirely different calibre compared to that of Argentina when Milei came to office.*
- In the case Congress remains obstructive, there is the notable risk that Kaiser resorts to emergency powers to try to enact his agenda. Threats or incidents involving indigenous Mapuche rights groups, who Kaiser has referred to as terrorists, could give him the cover needed to claim extraordinary circumstances and govern by decree. This risks major public protests, while perceived threats to the rule of law could damage the environment for foreign direct investment.
- The police and military would be afforded significantly greater powers in both combating organised and cartel crime. While this will likely assist in addressing widespread public concerns about the increase in crime in Chile – historically one of Latin America's safest nations – there is the prospect that heavy-handed actions by the security forces result in sizeable left-wing/trade union/student protests.
- The most severe crackdown on immigration in Chilean history would likely come into force, with a major increase in action along the northern border to halt illegal migrant flows and people smuggling. This would be matched by a widespread campaign of deportations for those living in Chile illegally.
- On the foreign policy front, Kaiser would almost certainly look to mirror other right-wing and libertarian leaders' interactions with the Trump White House in the US, repairing ties that have frayed significantly under the Boric administration. There would be the prospect of closer cooperation in tackling cartels, and a mirroring of Trump's 'war on woke' issues.

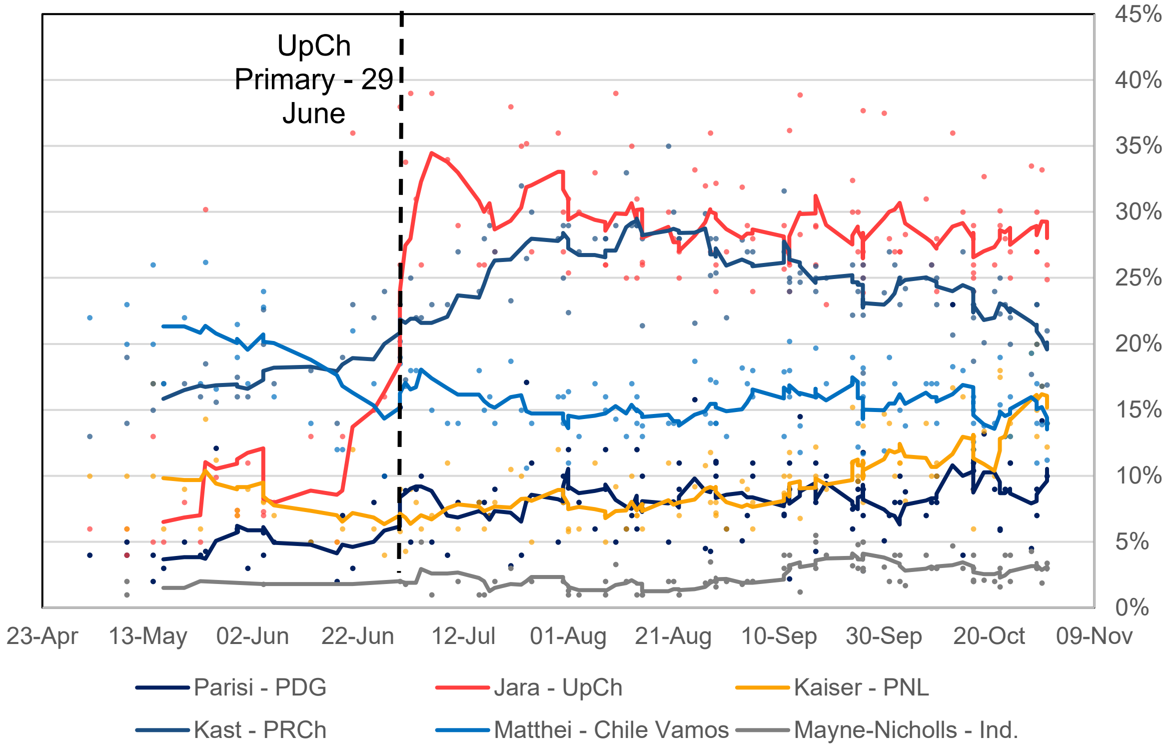
Matthei Victory – 10% Probability

- Arguably the result that would be most welcomed by markets and investors in Chile, but also is the least likely to occur. Evelyn Matthei's support has stagnated since the summer, when Jeanette Jara won the UpCh primary and Kast's campaign kicked into gear. Having largely polled in third place, some of the most recent first-round surveys before the blackout had her falling into fourth place behind Kast and Kaiser.
- Nevertheless, a small number of polls had Matthei either in second place or at least within the statistical margin of error. In the event Matthei does make it into the second round run-off, hypothetical polling has shown her as the favourite to beat Jara, albeit with a sizeable section of undecided voters. Even with this, we would view Matthei as the favourite, given Kast and Kaiser voters would be more likely to offer their backing to the conservative over the communist.
- Matthei's policy platforms could prove similar to those of previous two-term president Sebastien Piñera, with efforts to cut state spending in a limited manner without gutting social welfare programmes, while also improving the business environment through targeted regulatory relaxation, and broad tax cuts on corporations.

- Given Matthei's moderate stance, her policies would have the best chance of making it through Congress, whether it is in the outright control of the right/centre-right alliances, or if parties of the centre/centre-left would be needed to reach a majority.
- With security and immigration two top priorities for the public, it is in these areas where a Matthei presidency could differ from previous conservative administrations. Significant increases in the number of police deployed to combat organised crime, as well as the military to Chile's northern border, would likely curb crime rates as well as the levels of illegal immigration. Heavy-handed action, though, could spark leftist anti-government protests. However, unlike Kast or Kaiser, a Matthei presidency would be unlikely to engage in significant violent crackdowns on protests, with efforts at containment rather than crushing opposition movements.
- Relations with the US would likely improve, with the administration focusing on bolstering trade ties. However, with the primary focus being on bolstering Chile's economic position, it is unlikely that Matthei would risk significantly damaging ties with China, especially in the areas of extraction and infrastructure investment.

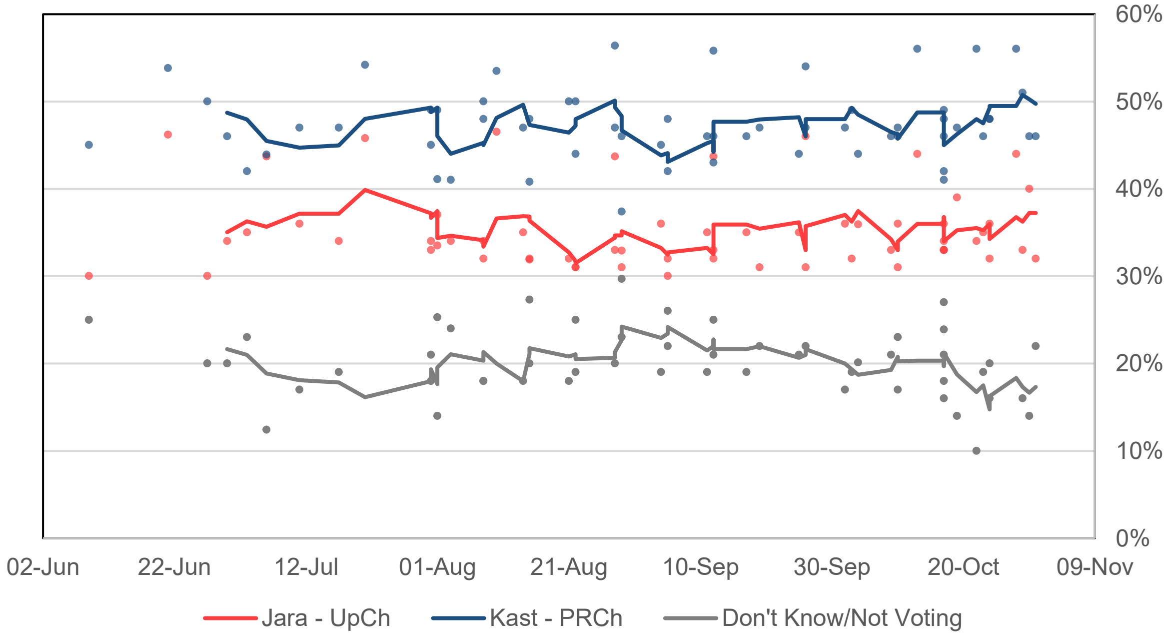
Opinion Polling and Predictions Market Chartpack

Chart 1. Presidential Election Opinion Polling (1st Round), % and 6-Poll Average



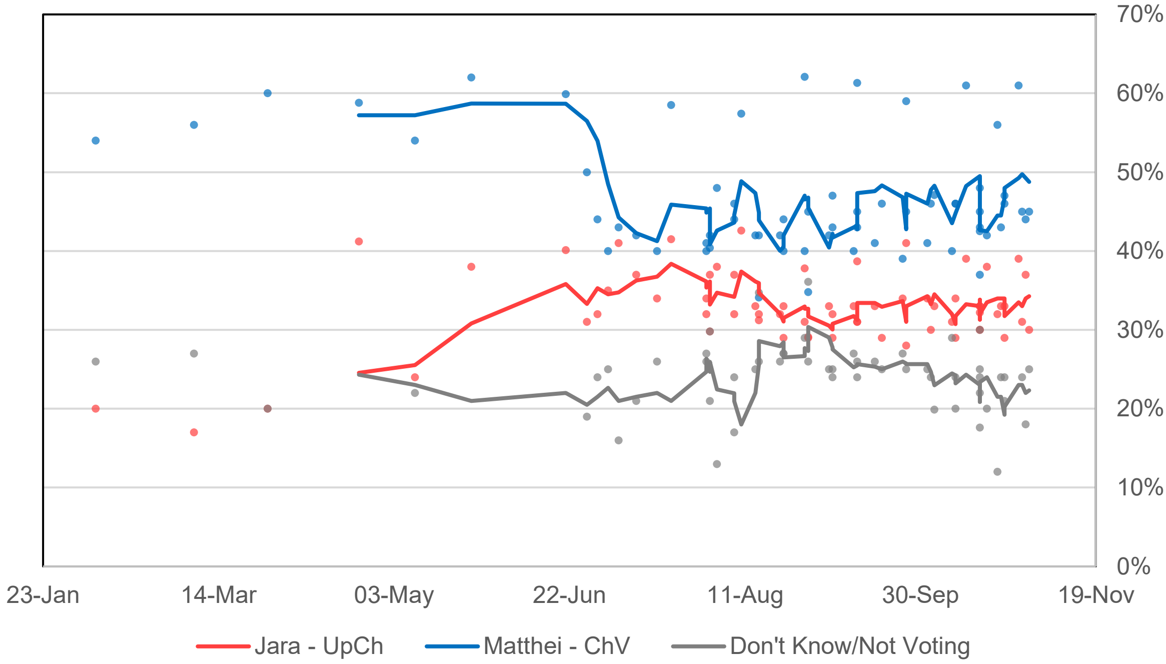
Source: Citizen Panel, Active, Atlas Intel, Data Influences, Criteria, Black and White, LCN, Cadem, Feedback, ICSO-UDP, MNI

Chart 2. Presidential Election Opinion Polling (Hypothetical Second Round, Jara vs. Kast), % and 4-Poll Moving Average



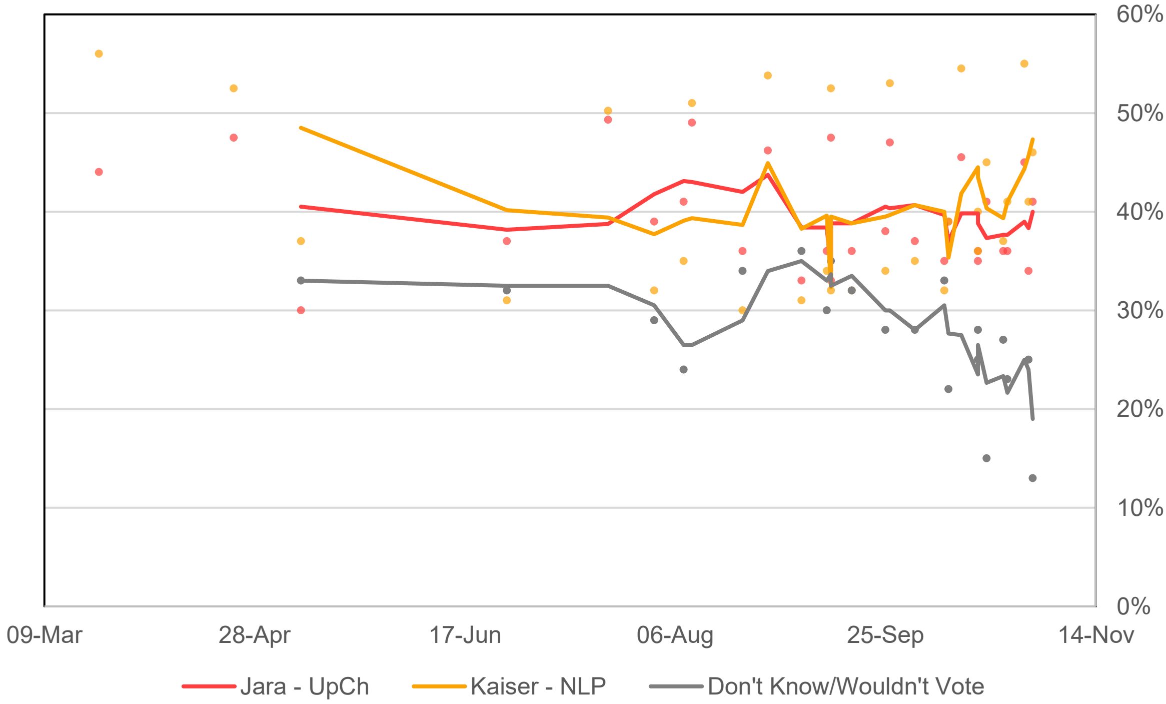
Source: Citizen Panel, Active, Atlas Intel, Data Influences, Criteria, Signos Analytics, LCN, Cadem, Feedback, ICSO-UDP, MNI

Chart 3. Presidential Election Opinion Polling (Hypothetical Second Round, Jara vs. Matthei), % and 4-Poll Moving Average



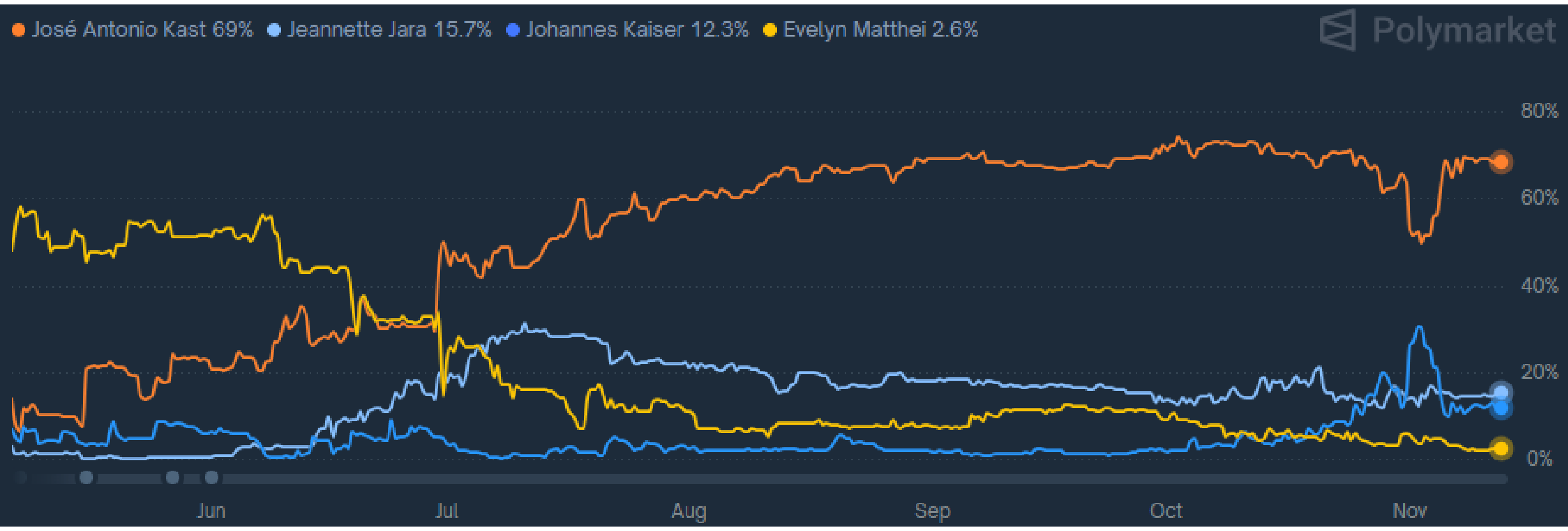
Source: Citizen Panel, Active, Atlas Intel, Data Influences, Criteria, Signos Analytics, LCN, Cadem, Feedback, ICSO-UDP, MNI

Chart 4. Presidential Election Opinion Polling (Hypothetical Second Round, Jara vs. Kaiser), % and 3-Poll Moving Average



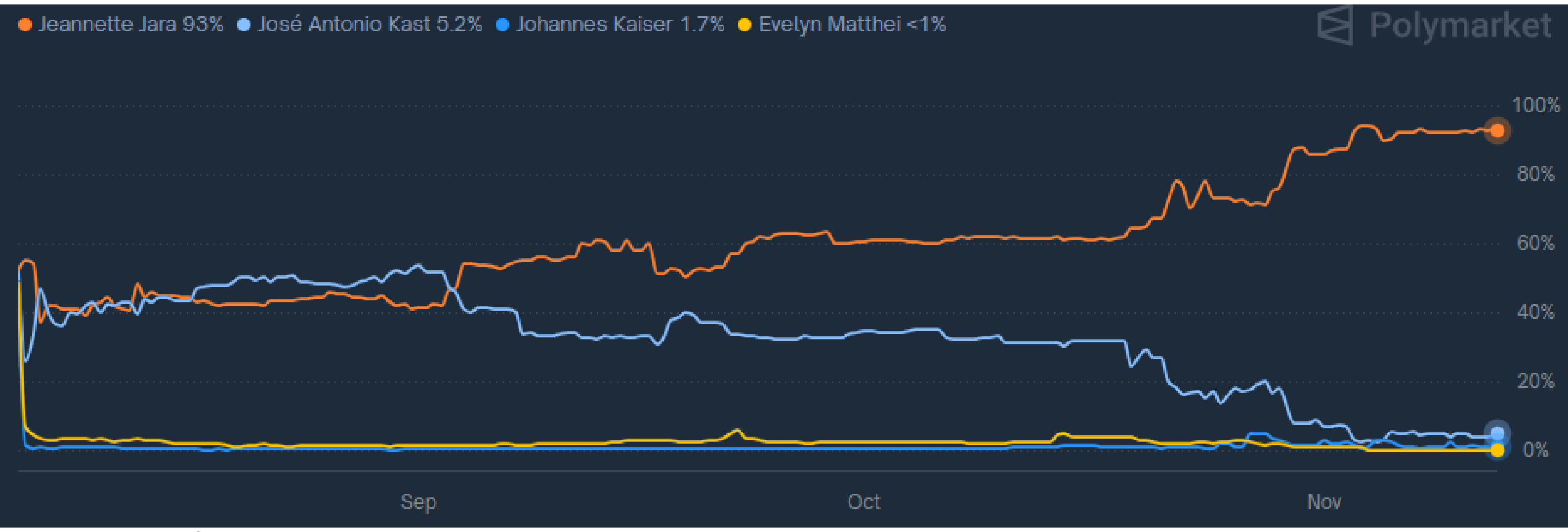
Source: Atlas Intel, Criteria, LCN, Cadem, MNI

Chart 5. Prediction Market Implied Probability, Presidential Election Winner, %



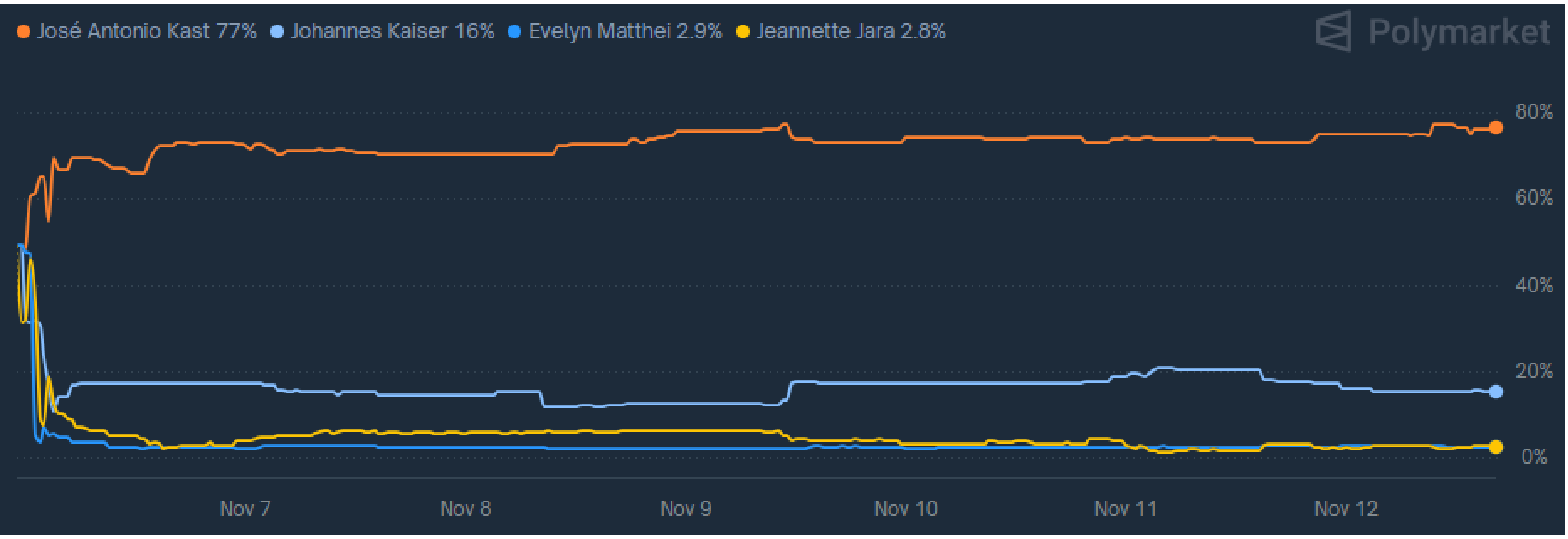
Source: Polymarket

Chart 6. Prediction Market Implied Probability, Presidential Election First Round Winner, %



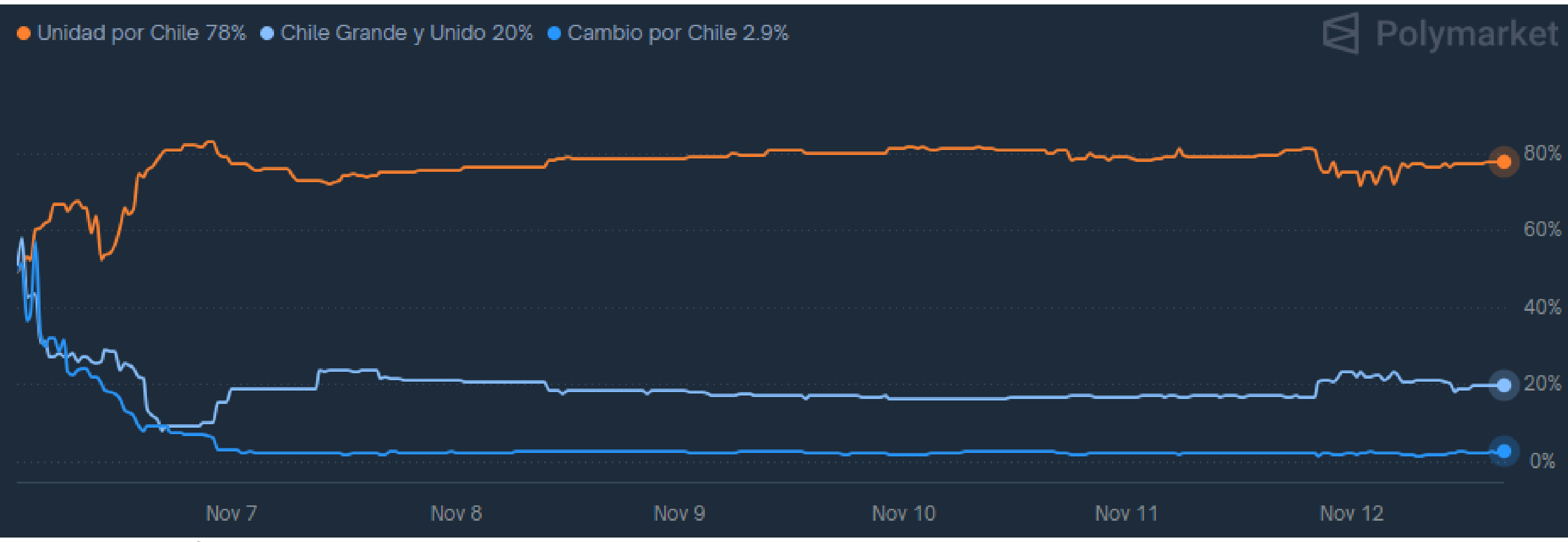
Source: Polymarket

Chart 7. Predictions Market Implied Probability, Presidential Election First Round Runner-Up, %



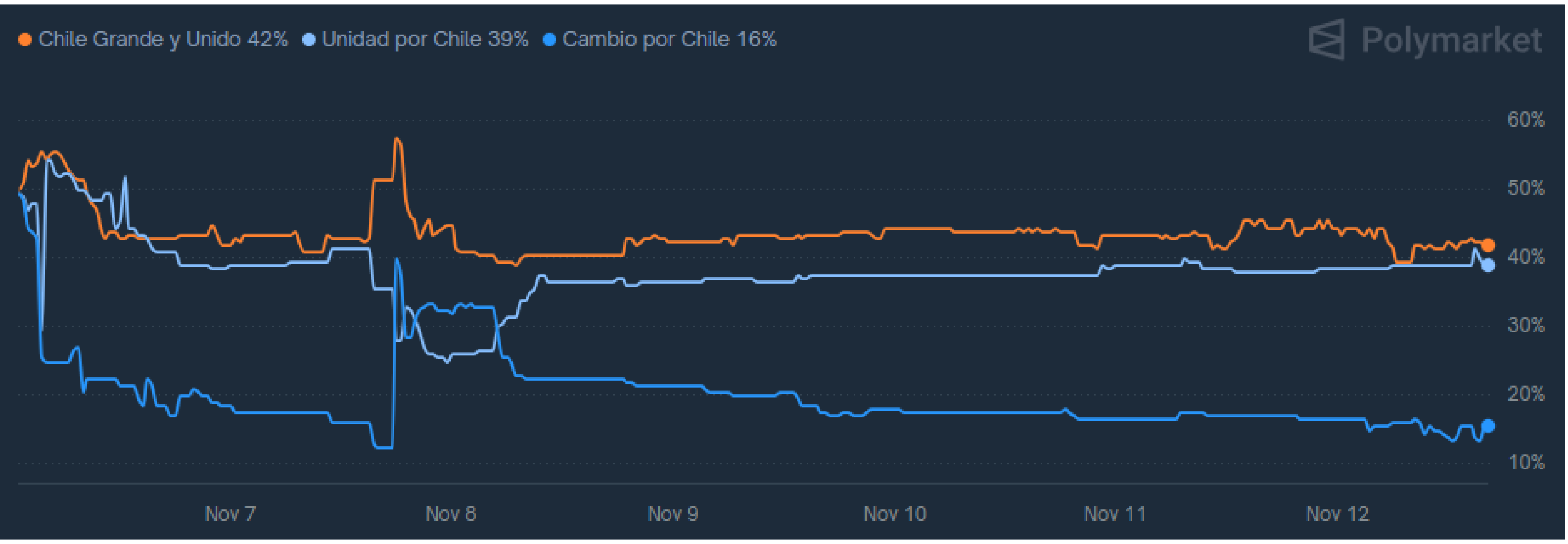
Source: Polymarket

Chart 8. Predictions Market Implied Probability, Congressional Election, Most Seats in Chamber of Deputies, %



Source: Polymarket

Chart 9. Predictions Market Implied Probability, Congressional Election, Most Seats Gained in Senate, %



Source: Polymarket

Analyst Views

Goldman Sachs

- The election unfolds as President Boric's approval remains low and Chile's economy traverses around neutral. Following a benign October inflation print, inflation fell to 3.4%, the lowest level to date under President Boric. […] Even so, most Chilean worries seem to extend beyond the macroeconomy. Insecurity, crime, drug trafficking, corruption, migration, rule of law and impunity, along with a deterioration of the fiscal balance, have significantly shaped the public agenda during the campaign.
- The great majority of polls points to a runoff between Jeannette Jara and José Antonio Kast…We note, however, that polls published in the weeks leading up to the polling blackout, which began on November 2, showed a decline in Mr. Kast's support and an uptick in Mr. Kaiser's popularity. One poll, LCN, even showed Mr. Kaiser ahead of Mr. Kast in its latest read, and another, Atlas Intel, showed a tie.
- The composition of Congress will also matter in advancing a governing agenda or mitigating tail risks. As such, investors' attention is also focused on the parliamentary elections and whether Congress could shift to the right.
- During President Boric's administration, the composition of congress has led to a stalled legislative agenda. Lawmakers approved only one structural reform—the pension reform—and only after long debate, despite broad consensus across the political spectrum on the need to raise retirement contributions.
- While a post-election congress's composition might tilt to the right, winning the 4/7 majority needed in both chambers of congress to pass constitutional reforms looks ambitious. In general, were there to be a shift to the right, we would expect the next government to continue with the agenda of easing permit requirements that delay investment and to embark on a gradual path of fiscal consolidation.
- The magnitude and composition of such adjustment, however, might vary depending on whether Mr. Kast, Mr. Kaiser or Ms. Matthei, is elected. While Ms. Matthei, for example, may prioritize cuts to spending, leading to a 1% of GDP fiscal adjustment over her tenure, Mr. Kast's preference for lower taxes might very well limit the size of the state but leave the fiscal baseline without much improvement. On the contrary, if the left were to extend in government, fiscal pressures could intensify.

JP Morgan

- While the base-case scenario (and consensus in the polls) remains for Kast to secure around 20% in the first round and ultimately win the second round, there is less clarity about the Congress, for which a majority in legislative power from the right-wing would likely be seen as a surprise for the market. Such an event would likely generate support for some of the market-friendly policies supported by Kast, like a reduction in the corporate tax and simplification of the permitting process.
- …having two branches of government supportive of market-friendly policies could reinforce future market prospects. Conversely, the market could be negatively surprised if there are signs of policy continuity, which could come from the left-wing

coalition candidate reaching above 35% of votes, and the right-wing candidates more divided, with none of them achieving 20%.

- On the presidential side, all indicators point toward a likely transition to a second-round runoff on December 14 between left-wing candidate Jara (around 30% of votes) and right-wing candidate Kast (around 20% of votes). From there, surprises could come if the other right-wing candidates surpass Kast (Kaiser being the one with the greatest momentum lately) and/or Jara outperforming the level of votes.
- …projections point to a robust legislative mandate, with a right-wing majority in both chambers, but in our view the conviction by the market on this outcome is lower. Hence, if it materializes, it could reinforce optimism as it would lower the execution risk of the pro-market policies mentioned above for pro-market reforms and policy stability in the coming years.
- …a significant part of the electoral optimism for the presidential race is already embedded in current valuations. Nonetheless, additional upside could come from a pro-market majority in Congress, which may enable the passage of market-friendly policies, boost foreign direct investment, and increase earnings through a lower corporate tax rate.

Natixis

- Kast has the highest probability of winning the presidential election in the second round. Polls indicate that right- and center-right parties will hold the majority in both chambers of Congress. If this scenario materializes, Chile will likely adopt pro-market policies. This could trigger a moderate rally in asset prices.
- Kast's campaign, steered by economic coordinator Jorge Quiroz, outlines a proinvestment, fiscally-conservative, pro-entrepreneur agenda.
- The economic program targets a large fiscal adjustment: Kast's team proposes cutting roughly US$ 21 billion in government spending and has spoken of reducing about US$ 6 billion over 18 months through administrative and legislative action. It is important to be cautious here. Although we believe that the right and center-right parties will hold a majority in both chambers of Congress, Kast will not automatically be able to get his proposals approved without pushback from more moderate parties within the right/center-right coalition.
- We are bullish on USDCLP. We forecast an average of 930 for Q4 of 2025. However, we don't rule out the possibility of the CLP dipping below 900 in the coming weeks or months…Regarding the monetary policy rate, we continue to forecast a terminal rate of 4.25%, though we acknowledge that the timing of the next two cuts is difficult to predict.
- Economic policies of main candidates:
    - Jara: Big minimum-wage hike (~CLP 750,000), wealth and high-income taxes, stronger public health/education, industrial policy, but with explicit commitment to fiscal balance.
    - Kast: Deep fiscal cuts (US$6bn in 18 months, up to US$21bn over 4 years), deregulation, pro-business tax simplification, strong property-rights and security emphasis.

- Matthei: “Economistas por Matthei” platform: boost growth via investment incentives, regulatory streamlining, labor-market flexibility, infrastructure, and conservative fiscal rules.
- Kaiser: Radical shrinking of the state, large tax cuts, privatization, Austrian school style deregulation in labor, pensions and health.

- What are the most recent polls or projections for the lower house and Senate elections? […] Answer: Parliamentary polling is less frequent, but: Agenda Criteria and Tú Influyes include questions on parliamentary vote by party/coalition; recent waves show right-wing lists (Republicans + Chile Vamos and allies) leading the vote, with the government bloc trailing. Unholster and Emol seat projections suggest the right could win clear majorities in the Chamber of Deputies and a working majority in the Senate, potentially near the 4/7 constitutional threshold.

Wells Fargo

Jeannette Jara Likelihood: 35%	Matthei or Kaiser Likelihood: 10%	Jose Antonio Kast Likelihood: 55%
Scenario: Boric administration achievements, specifically minimum wage increases, a reduced work week and pension reform convinces voters for state-interventionist policies. Jara's affiliation with communism is digested by voters, and proposals for larger minimum wage hikes, cash transfers to households, subsidies for small-businesses, eliminating private pensions and tax hikes on high-income earners is an effective form of populism. Her policy platform, combined with a heavily fractured political right, scores Jara a first-round win. Should the election go to a runoff the likelihood of a Jara presidency would decline.	**Scenario:** Conservative voters who oppose Kast align with Kaiser's far-right platform, while centrist voters who support change pivot toward Matthei as the centrist solution. Kaiser gains in popularity due to his fiscal discipline and anti-crime platform, while Matthei's recalibrated campaign for a sharper focus on domestic security and economic liberalism resonates. Kaiser attracts voters looking for radical change, while Matthei's moderate tone resonates with older voters and youth engagement appeals to younger demographics. Kaiser or Matthei defeat Jara in a runoff.	**Base Case:** Concerns around public security and corruption drive popularity among Chilean voters for a shift back to a conservative policy platform. Stagnant economic trends following the pandemic also prompt a shift in voter sentiment toward the right. Kast represents a tough on crime and business-friendly platform that resonates well with voters, and given Kast has run in multiple prior elections he holds brand name recognition that carries weight at the polls. Kast may be challenged by a fractured right, although he still manages victory against Jara in a runoff.
Policy Platform: Jara's platform would be anchored around economic issues, social equity and public safety. Job creation through the formation of public sector companies, cash transfers and subsidies to contain cost of living pressures and minimum wage hikes are all pursued. Proposals to tax wealthy households are considered, while Jara potentially pursues broader wealth redistribution policies. A Jara administration would also likely take an active role in improving domestic security, and while initially Jara encouraged immigration into Chile, her stance has changed to reflect a need for tighter border control, possibly by military force.	**Policy Platform:** To differing degrees, but both Matthei and Kaiser's policy platforms are centered on improving domestic security, deregulation, shrinking the state, fiscal discipline and cutting corporate tax rates. For Matthei, she will be focused on improving domestic security through anti-crime measures and prison expansion but will also focus on reducing public expenditures through ministry mergers and streamlined social programs. For Kaiser, his platform will also be centered around improved security measures and fiscal responsibility, although Kaiser is likely to be more aggressive on the proposed fiscal adjustment as well as on anti-crime and security measures.	**Policy Platform:** Kast's “Plan Implacable” outlines an agenda centered around stricter rule of law, increased presence for public security and a hardline stance on immigration. Business deregulation and a broad reduction in state intervention across the economy would also likely be priorities. Chile's public finances have also worsened over time, and Kast would likely implement a more fiscally conservative budget that reduces social assistance and financial support for indigenous populations to address fiscal and debt trends. At the same time, Kast also pursues lower tax rates, particularly corporate tax rates, which may offset a portion of the fiscal adjustment.
CLP & BCCh Outlook: A Jara first-round win would be a shock, and CLP weakens sharply. The composition of congress may determine the magnitude and duration of the selloff, but USDCLP pops higher. BCCh policymakers have tolerance for FX depreciation, although broader policy uncertainty delays re-starting the easing cycle into mid-2026.	**CLP & BCCh Outlook:** Modest CLP volatility materializes as Matthei or Kaiser getting to the runoff against Jara would be a surprise, although margin relative to Jara determines the magnitude of CLP weakness. A Matthei or Kaiser win settles CLP, and external drivers influence CLP weaker over a longer-term horizon. BCCh policymakers can tentatively restart the easing cycle in early 2026.	**CLP & BCCh Outlook:** CLP volatility may ensue after the first round, but a Kast victory stabilizes local markets. External drivers (i.e., Fed monetary policy, China, etc.) become more influential over the longer-term direction of the peso. CLP weakens over a 12-month horizon and BCCh policymakers tentatively ease monetary policy in early 2026.