

# MNI Peru Central Bank Preview – February 2026

Monetary policy decision and statement press release: 2300GMT/1800ET - Thursday, February 12, 2026.

## MNI POV: Little Urgency To Cut Further

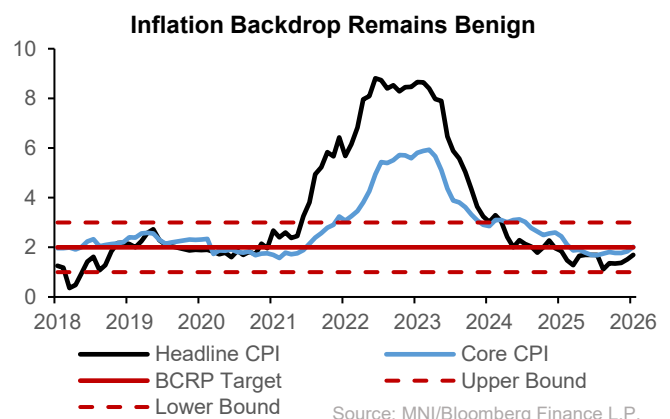
The BCRP is widely expected to leave its benchmark reference rate unchanged at 4.25% for a fifth consecutive meeting in February, as inflation is converging to the 2% target and economic activity remains around its potential rate. The Board is likely to maintain a data dependent stance, keeping the door open to a further rate cut. However, with the policy rate already close to neutral there is little urgency to move at this juncture. Additionally, analysts believe the policy rate will not be used as an instrument to lean against PEN appreciation pressures.

## CPI Inflation Converging to Target

The BCRP maintained its data dependent stance last month, while keeping its policy rate on hold again and providing no guidance on future rate decisions. The data since then have reinforced the view that the inflation backdrop remains benign, although the headline rate is slowly converging back to target, while economic activity figures surprised slightly to the downside. However, the unemployment rate also unexpectedly declined, and overall, the economy continues to grow close to its potential rate.

Inflation pressures remained well contained in January, with headline CPI inflation rising to 1.70% y/y, as expected, from 1.51% y/y previously. This is the highest rate of inflation for one-year, but marks 14 consecutive months that it has remained below the BCRP's 2% target. In monthly terms, headline prices rose by 0.10%, as expected, vs. +0.24% in December. Food prices edged up on the month, offsetting a decline in transportation costs amid a fall in fuel prices. Excluding food and energy, core inflation also remained benign, with prices there rising by just 0.04% m/m. On an annual basis, core inflation rose by 19bp to 2.02% y/y.

Going forward, the central bank expects the headline rate to approach the midpoint of the 1-3% target range in the coming months, while core inflation remains around 2%. Meanwhile, one-year ahead inflation expectations remain anchored within the target range, declining by a further 3bp to 2.13% in December, the lowest in almost five years. With the policy rate at 4.25%, this leaves the ex-ante real rate at 2.12%, just above the 2.0% neutral estimate.



## GDP Growth Expected to Remain Close to Potential

Economic activity fell for the first time since May in November, declining by 0.4% on the month amid weakness in the mining and fishing sectors. Manufacturing and construction activity was more resilient, while service sector activity also rose slightly on the month. In annual terms, GDP growth slowed to a weaker-than-expected 1.5% y/y, from 4.0% in October. Despite this, forward looking business indicators continue to point towards a robust growth outlook, and the labour market remains tight, with the unemployment rate falling to a new series low of 5.0% in December. Following the November data, the economy is on course to record a modest q/q expansion in Q4 (vs. +1.3% in Q3), taking full-year growth to around 3.2%, close to potential.

Looking ahead, the economy is expected to remain well supported this year by rising investment, particularly in the mining sector, with GDP growth seen remaining close to 3%. Political uncertainty remains a risk, however, ahead of the April 2026 general election, which could generate some volatility for the PEN. So far this month, the central bank has not intervened any further in the FX market, but it could resume intervention soon if USDPEN retests recent multi-year lows. Meanwhile, latest polls suggest that the election race remains wide open, with Lima mayor Lopez Aliaga holding a slight lead (~12-15% of votes) over another right-wing candidate, Keiko Fujimori (~7-9%).

## Analyst Views (Alphabetical Order)

All 14 analysts in the latest Bloomberg survey expect the BCRP to remain on hold this week.

### **BBVA: Guidance on FX Policy May be More Important**

- BBVA expects the BCRP to hold rates again at its meeting on Thursday. More important may be any guidance given in the following days on FX policy. For now, inflation and economic activity have remained broadly in balance and the BCRP appears to be in no rush to adjust the policy rate given anchored inflation and strong growth.
- Meanwhile, the central bank has been active in the FX markets, pushing back against the PEN strength. BBVA recently took profits on their EURPEN trade and entered a long PeruGB 2039 trade.

### **BNY Mellon: On Hold, With Limited Scope for a Stronger Easing Bias**

- BNY Mellon believes that the BCRP decision could attract more attention than usual, as positioning in the country's assets remains at extremes and vulnerable following the correction in silver prices.
- They do not expect the BCRP to take a medium-term view on terms of trade or structural factors for now, but there is limited scope for a stronger easing bias as inflation is ticking up gently and the labour market remains tight.
- EM central banks are predisposed to keep rates on hold during periods of market volatility, and the PEN will need strong real rate support for the time being.

### **Goldman Sachs: Little Urgency to Bring Policy Rate Below Neutral**

- Goldman Sachs expects the BCRP Monetary Policy Committee to leave the policy rate unchanged at 4.25% at its February 12 meeting and offer no guidance on the next move. The committee will likely reaffirm a benign inflation outlook with a neutral balance of risks. GS also expects the MPC to judge domestic activity as tracking near potential.
- At the last meeting, the MPC held the policy rate at 4.25%, leaving the ex-ante real policy rate only a touch above the estimated 2.0% neutral rate. GS sees little urgency to bring the policy rate below neutral, especially considering that the output gap is closed, business sentiment indicators have improved, and medium-term expectations remain anchored.
- At the margin, the decline in one-year ahead inflation expectations by 10bp to 2.0% - mechanically raising the real ex-ante policy stance by 10bp to 2.2% - may create some room for an opportunistic and residual 25bp cut. However, GS expects this motivation to be partially offset by elevated global geopolitical tensions and the uncertainty surrounding the timing of the next FOMC decisions.

### **Itaú (Feb 02): BCRP in Fine-Tuning Stage of Cycle, On Hold This Week**

- Itaú expects inflation to gradually edge up in 2026 and converge toward 2%, the centre of the BCRP's target range, while inflation expectations remain firmly anchored.
- Itaú anticipates a 0.20% m/m rise in inflation in February. They believe that the Central Bank is now in the fine-tuning stage of the cycle and that it is likely to hold the policy rate at 4.25% this week.

### **JP Morgan: Expect BCRP to Remain on Hold, Risk of Cut**

- Annual inflation continues to navigate below the 2% target but sequentially accelerated to 3.0%ar in the last three months. In addition, the core inflation sequential pace ran at 2.3%ar. Although inflation has printed below target for several consecutive months, there appears to be little risk of inflation expectations drifting below the central bank's target as the output gap is null and the economy is expected to stay near its potential level through 2026 and 2027.

- In addition, we are entering the election cycle. Against this backdrop, JP Morgan sees the central bank holding its policy rate at 4.25%, broadly consistent with an ex-ante real neutral rate of 2%.
- Yet, the risk is for the monetary authority to lower the policy rate a bit further, aiming to assuage the weaker US dollar trend and higher terms of trade. When facing this sort of external backdrop, the central bank's preferred instrument is to actively intervene in the exchange rate, which is what it has been doing since November last year. In fact, lowering the policy rate further may trigger an acceleration of portfolio inflows, which could end up adding upside pressure on the currency.

#### **Scotiabank: See Next Rate Cut in March**

- Peru's central bank is expected to stay on hold at 4.25% on Thursday, with Scotiabank eyeing the next rate cut at the March meeting.
- The BCRP often surprises, but Scotia sees fewer risks of them doing so this time around compared to past instances, particularly as the bank probably wants to enjoy a bit the recent stability in the PEN exchange rate (aided by USD purchases), and officials can definitely wait a bit more and monitor the rebound in inflation before delivering another reduction.