

Republic of Chile

Composite Rating: A/A2/A-
Outlook:

Bond/s: CHILE 3.125 26
Indicative YTM: 4.253%

Country Overview

- Chile is one of Latin America's largest economies, ranking 46th globally in GDP, with an estimated USD 328.72 billion in 2024.
- It is classified as a developing, upper-middle-income, and emerging market economy, highlighting its progressive economic development and market accessibility.
- The mining sector is the primary driver of economic growth, with copper and carbonates as key exports, mainly to China, the US, and Japan.

Macro Fundamentals

- The economy has recovered to its trend growth, with the stabilization of inflation driven by post-pandemic macroeconomic policies.
- GDP growth is projected at 2.3% for 2025 and 2.1% for 2026, following a modest recovery from previous years.
- Chile's debt-to-GDP ratio stood at 41% in 2024, slightly above its historical average, reflecting a moderate debt burden.

Risk Catalysts

- Chile's economic dependence on the mining sector makes it vulnerable to fluctuations in global commodity prices.
- Slowing GDP growth in the coming years could impact investment confidence and fiscal sustainability.
- Rising debt levels, though manageable, could pose challenges if external financing conditions tighten or economic shocks occur.

Key Macro Indicators

	2023	2024	2025	2026
Gross domestic product	0.3	2.4	2.3	2.1
Private consumption	-5.2	1.2	2.0	2.3
Government consumption	2.2	3.5	2.1	2.0
Gross fixed capital formation	-0.7	-1.3	4.6	2.5
Exports	0.2	5.7	4.0	2.5
Imports	-11.6	1.1	4.3	3.1
Unemployment rate (% of the labour force)	8.7	8.4	8.3	8.0
Consumer price index	7.6	4.3	4.2	3.2
Current account balance (% of GDP)	-3.4	-2.5	-2.4	-2.5
General gov. fiscal balance (% of GDP)	-2.4	-2.3	-1.3	-1.0

Sources: International Monetary Fund (IMF), Metrobank Research

DISCLOSURES & DISCLAIMER

This document is issued by Metropolitan Bank & Trust Co. It is issued in indicative form and contains indicative terms of a prospective transaction. It is for discussion purposes only and does not constitute any offer, recommendation or solicitation to any person to enter into any transaction or adopt any hedging, trading or investment strategy, nor does it constitute any prediction of likely future movements in rates or prices or any representation that such future movements will not exceed those shown in any illustration. The indicative terms are neither complete nor final and are subject to further discussion and negotiation. The terms of the transaction entered into are subject to and will be recorded in the final transaction documents.

This document is for general guidance only. It is not intended to provide the sole basis of any evaluation or treatment of the financial instruments discussed herein. Past performances are not necessarily an indication of future performances. No guarantees are provided. Terms provided herein are for discussion purposes only and are subject to the final terms as executed by the parties in separate definitive agreements. Although the information contained herein is believed to be reliable, Metropolitan Bank & Trust Company ("Metrobank") does not make any representation as to its accuracy or completeness. You should consult your own professional advisers prior to entering into any agreement. You acknowledge that Metrobank is not in the business of providing legal or other advice and assumes no responsibility whatsoever.

The Metropolitan Bank and Trust Company is a commercial bank licensed to do business in the Philippines. Its business includes active trading and market making in foreign exchange, securities and derivatives as well as other business. The bank's traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein or the opinions expressed in research reports issued by our Research Departments, and our market making, investing and lending businesses may make investment decisions that are inconsistent with the views expressed herein. In addition, the professionals who prepared this material may also produce material for, and from time to time, may advise or otherwise be part of our trading desks that trade as principal in the securities mentioned in this material. This material is therefore not independent from our interests, which may conflict with your interests. We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives (including options) thereof in.

The scenario analyses and examples are for illustrative purposes only, and do not purport to contain a comprehensive analysis of risk/reward of the product/strategies contained herein.