



Central Bank of Egypt

**Press Release
June 29, 2006**

The Central Bank of Egypt decided to keep its overnight deposit rate unchanged at 8 percent per annum and the lending rate at 10 percent per annum.

In its meeting held on June 29, 2006, the Monetary Policy Committee (MPC) decided to maintain the overnight deposit and the overnight lending rates at 8 percent and 10 percent, respectively.

This decision was based on an assessment of recent domestic and external economic developments since the last MPC meeting. Domestically, inflation rates continued to hold at moderate levels, despite the most recent inch-up.

On the other hand, externally, risks to global inflation are still skewed to the upside and uncertainty surrounds the international interest rate outlook. This uncertainty adversely affected emerging markets as risk perceptions started to shift.

The MPC will continue to closely monitor all economic developments, especially the factors underlying inflation, and will not hesitate to adjust the key CBE rates in either direction, if necessary, to ensure price stability over the medium-term.

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