

Monthly Monetary Report

September 2020



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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The closing date for statistics in this report was October 6, 2020. All figures are provisional and subject to review.

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About inclusive language in the Spanish version of this report

The Central Bank of Argentina is committed to encouraging the use of a non-discriminatory language that promotes the acceptance of all gender identities. It should be noted that all those who have contributed to this report acknowledge that language influences on ideas, feelings, ways of thinking, as well as principles and core values.

Therefore, efforts have been made to avoid sexist and binary language in this report

1. Summary

In September, the seasonally-adjusted private M3 broad monetary aggregate recorded a 2.5% increase in nominal terms, the lowest since December 2019. This means that it remained virtually stable at constant prices. As to private M3, sight deposits made a negative contribution to monthly growth unlike time deposits, which expanded for five months in a row. In turn, the contribution of cash held by the public was virtually null.

Private sector time deposits grew by 6% on average in September, accumulating more than 80% in y.o.y. terms. In real terms, they increased by 3.5% this month, while the y.o.y. change rate hit all-time highs standing at around 30%.

As from October, the Board of the BCRA decided to increase the interest rate on overnight reverse repos by 5 p.p. to 24% APR. This measure seeks to make short-term financial instruments in domestic currency more appealing. Following the updating of the monetary policy guidelines, the BCRA will manage the stock of LELIQs in order to lessen the impact of the rise of the reverse repo rate on the sterilization cost. In this context, the monetary authority established that, as from October, financial institutions must reduce by 20 p.p. their net LELIQ surplus against the one recorded in September.

In nominal and seasonally-adjusted terms, loans in pesos to the private sector recorded a monthly expansion of 2.5% mainly boosted by business credit lines but, in real terms, they remained stable.

Among the credit lines promoted by the BCRA within the framework of the health emergency, credit lines channeled to MSMEs' working capital and to health service providers stood out, amounting to \$483.08 billion by the end of September. This meant a 19% average monthly growth in total disbursements. This way, loans in pesos to the private sector accumulated a s.a.33% growth in nominal terms from March to September (12.7% in real terms).

Continuing with the approach of relieving families of their financial burden in the context of the pandemic, the BCRA extended until December the provision whereby unpaid credit installments (excluding credit card debts) become due upon the expiry of the credit, institutions only being allowed to charge compensatory interest rates.

2. Monetary Aggregates

In September, the seasonally-adjusted private M3 broad monetary aggregate¹ went on moderating its growth rate. In nominal and seasonally-adjusted terms, it recorded a 2.5% increase, the lowest since December 2019. This means that it remained stable at constant prices². As to private M3, the contribution of cash held by the public was virtually null. In turn, sight deposits made a negative contribution to monthly growth unlike time deposits, which expanded for five months in a row (see Chart 2.1). In September, time deposits grew by 6% on average, accumulating more than 80% in y.o.y. terms. In real terms, the monthly increase stood at 3.5%, while the y.o.y. change rate hit all-time highs and stood at around 30% (see Chart 2.2).

Chart 2.1 | Private M3- Real, Seasonally-Adjusted
(monthly change and components' contribution to growth)

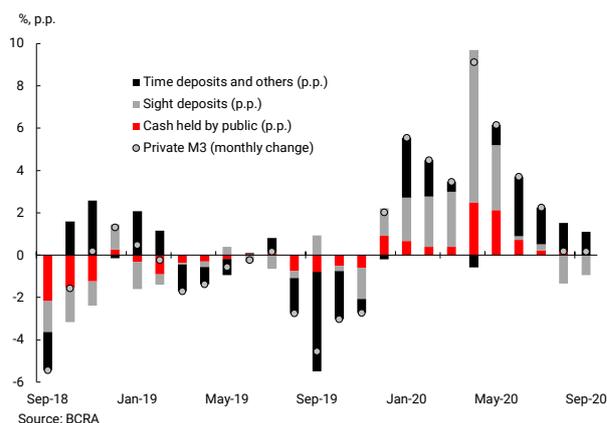
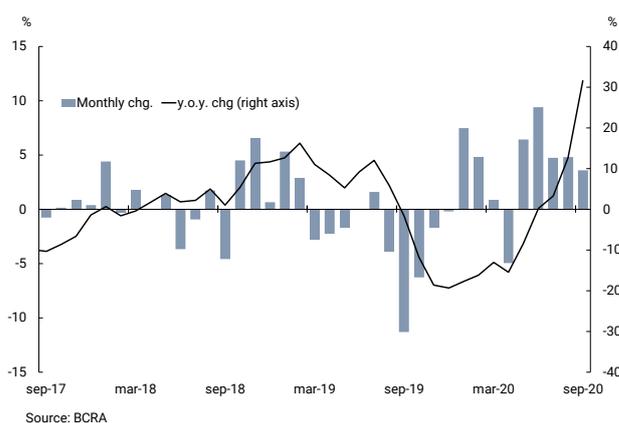


Chart 2.2 | Private Sector Time Deposits. Real
(change of average monthly stock)



The rise of time deposits was explained by both deposits over and under \$1 million. As regards UVA time deposits, the stock improved over the second half of September. Thus, after exhibiting a falling trend since the beginning of June, these deposits recorded a 5.5% rise between August 31 and September 30 (see Chart 2.3).

Regarding dollar-pegged time deposits (DIVA, in Spanish), it is worth noting that the BCRA encourages institutions to take these deposits for the pre-financing of exports with no currency mismatching. For that reason, the BCRA established that pre-financing of exports involving dollar-pegged liabilities³ must be deducted for calculating the "Foreign Currency Net Global Position".

In turn, private M2 posted a slight increase (0.6%) in nominal and seasonally-adjusted terms, while it declined 1.7% in real terms. Among its components, cash held by the public remained virtually stable over September, while deposits exhibited a slightly falling trend (see Chart 2.4). Cash held by the public grew by 2.3% in nominal terms, virtually identical to the performance in August (-0.1%) at constant prices. In September, sight deposits posted a -0.2% s.a. change at current prices, down 2.5% s.a. at constant prices.

¹ It includes cash held by the public and deposits in pesos from the non-financial private sector.

² The National Institute of Statistics and Censuses (INDEC) will publish September's inflation data on October 14.

³ Communication "A" 7101.

Chart 2.3 | Private Sector Time Deposits
(Daily evolution index Mar-19=1)

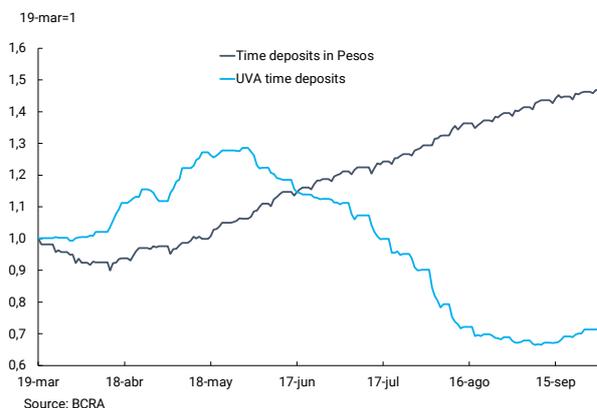
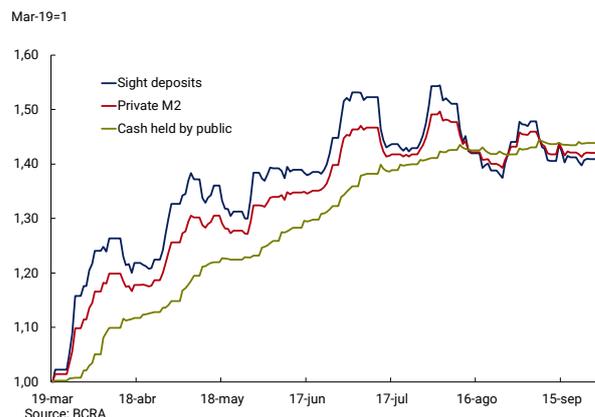


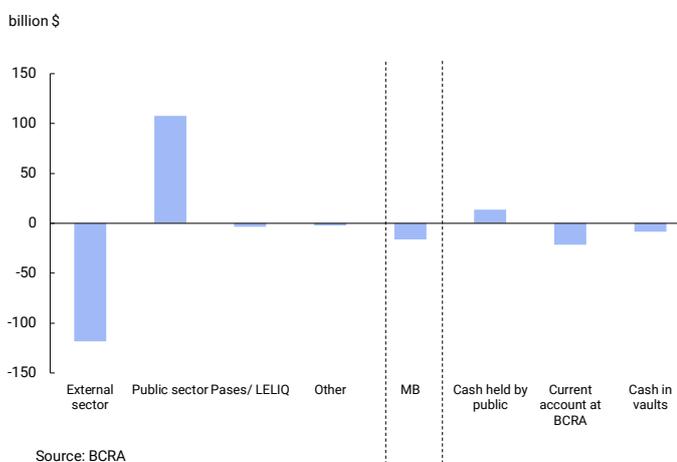
Chart 2.4 | Private M2 and Components
(Daily evolution index Mar-19=1)



As for the stock of private sector time deposits in dollars, it started evidencing a falling trend as of mid-September. It totaled US\$16.14 billion at the end of September, down US\$1.01 billion against August. This took place in a context of new regulatory changes concerning the forex market⁴ (see section on International Reserves). It is worth mentioning that financial institutions' high liquidity in foreign currency allowed them to face deposit withdrawals with no difficulties (see section on Liquidity of Financial Institutions).

Last, the monetary base evidenced a 0.7% (\$16.05 billion) average monthly decline at current prices, which equals about a 3% fall in real terms (see Chart 2.5). Net sales of foreign currency to the private sector became the main absorption factor and offset the liquidity expansion associated with the public sector, mainly through profit transfers and temporary advances. As regards demand, the increase was mostly related to cash held by the public, while bank reserves (financial institutions' current accounts held with the BCRA and cash in banks) proved to fall.

Chart 2.5 | Monetary Base
(change of average monthly stock)



4 Communications "A": 7105, 7106.

3. Loans to the Private Sector

In September, loans in pesos to the private sector recorded a monthly expansion of 2.5% in nominal and seasonally-adjusted terms (see Chart 3.1). All credit lines, except for overdrafts, contributed positively to expansion in September (see Chart 3.2). In real terms, loans to the private sector remained virtually stable. This way, loans in pesos to the private sector accumulated a s.a.33% growth in nominal terms from March to September (real 12.7%) and 51.3% (real 9.3%) against the same period of the previous year.

Chart 3.1 | Loans to Private Sector in Pesos
(seasonally-adjusted; change of average monthly stock)

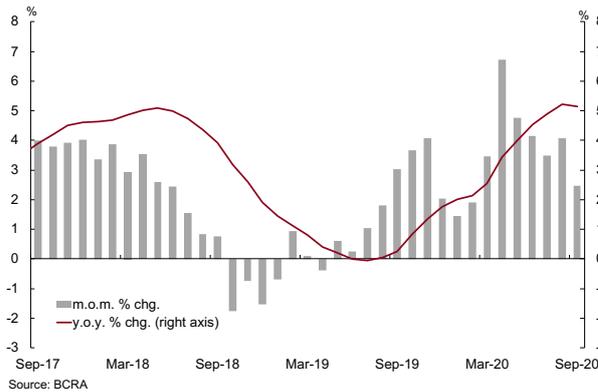
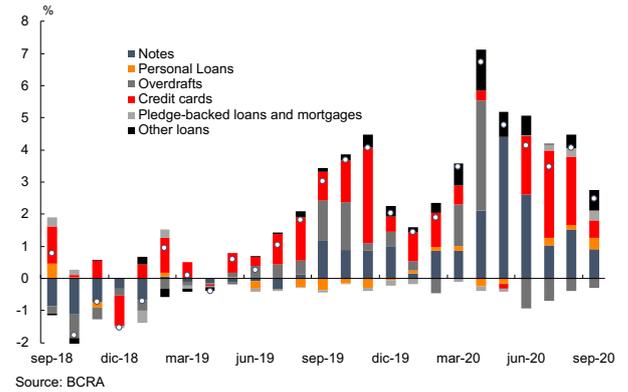


Chart 3.2 | Loans to Private Sector in Pesos
(seasonally-adjusted; contribution to monthly growth)



Business lines exhibited the greatest momentum by expanding 2.2% in nominal and seasonally-adjusted terms. Thus, they stood 115.1% above the figure recorded in September 2019 (55.3% at constant prices). Within this type of financing, discounted notes grew the most by posting an average monthly rise of 8.5% s.a., followed by unsecured promissory notes (1.7% s.a.). In turn, overdrafts recorded a s.a. 1.9% contraction over September (see Chart 3.3).

Business lines supported by the BCRA—within the framework of the health emergency—continued standing out. By the end of September, credit lines channeled to MSMEs' working capital and to health service providers accumulated disbursements for \$483.08 billion. This meant a 19% average monthly growth in total disbursements. Most disbursements were channeled to working capital (excluding wages and the payment of checks) and to the payment of deferred checks (see Chart 3.4).

Chart 3.3 | Business Loans to Private Sector in Pesos
(daily stock per credit line)

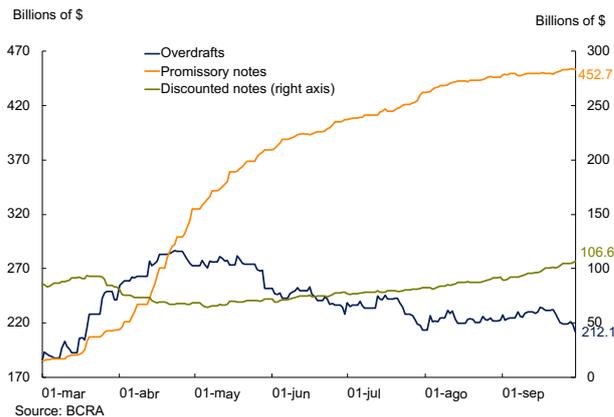
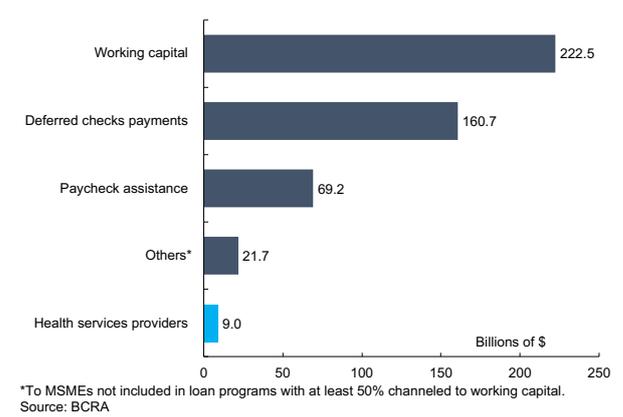


Chart 3.4 | Financing to MSMEs and Health Service Providers at Rates Below 24%
(disbursed amounts - accrued as of Sep-20)



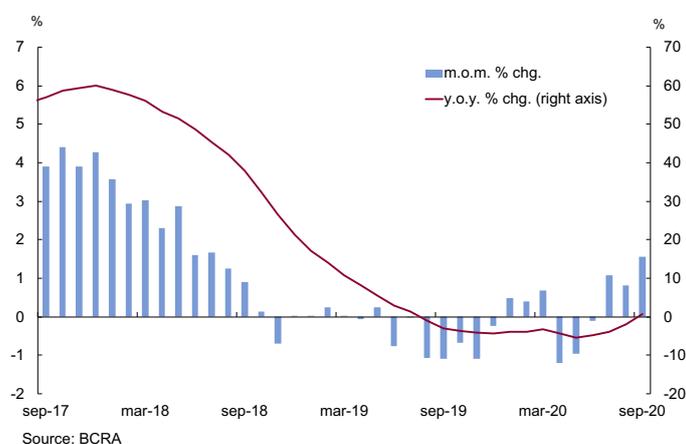
*To MSMEs not included in loan programs with at least 50% channeled to working capital.
Source: BCRA

Moreover, the *MiPyME Plus Credit Line*, aimed at companies with no bank financing, amounted to \$2.55 billion at the end of September. In addition, \$313 million have been approved but not disbursed yet. This credit line was granted to 5,791 companies, of which 4,382 submitted FoGAR loan guarantees.

Concurrently, financial institutions went on granting credit lines at subsidized interest rates under the Emergency Assistance for Work and Production program (ATP, in Spanish). In September, these credit lines were channeled to the payment of wages, and were aimed at companies which annual turnover increased up to 40% as of July (at a 15% APR), and had a payroll of up to 800 employees. Over September, 79,991 workers were granted \$1.61 billion. It has recently been established that ATP will be available, over the sixth stage, for companies with up to 40% y.o.y. turnover growth to August, at a 15% APR. Companies that kept or increased the number of workers vis-à-vis their payroll before the pandemic will still be able to turn credit into a subsidy⁵.

Among loans channeled to consumption, personal loans exhibited a 1.6% s.a. monthly expansion in nominal terms, the highest rise in the last two years, though they fell nearly 0.8% s.a. in real terms (see Chart 3.5). In turn, financing on credit cards moderated its growth rate, recording a s.a. 1.3% expansion (1.0% fall in real terms).

Chart 3.5 | Personal Loans in Pesos, Seasonally-Adjusted



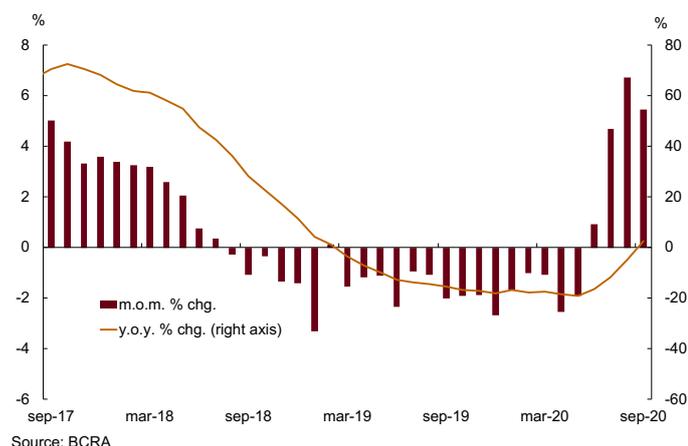
Continuing with the approach of relieving families of their financial burden in the context of the pandemic, the BCRA extended until December the provision whereby unpaid credit installments (excluding credit card debts) become due upon the expiry of the credit, institutions only being allowed to charge compensatory interest rates⁶.

Regarding loans with real property collateral, in September, pledge-backed loans posted a monthly rise of 5.4% in nominal and seasonally-adjusted terms, exhibiting a slowdown against August but still standing above the figures observed in the past few years (see Chart 3.6). They also rose by 2.6% y.o.y. In real terms, they exhibited a 3.0% expansion with a 26.0% y.o.y. fall. The growth of pledge-backed loans is associated with a certain degree of recovery of vehicle sales (up 13.3% in September). In turn, mortgage-backed loans went on recording a monthly and y.o.y. zero growth. Unlike car sales, this market continued exhibiting very few transactions.

⁵ The conditions to access subsidies were in accordance with the fifth stage of ATP.

⁶ See Communication "A"7107.

Chart 3.6 | Pledge-Backed Loans in Pesos, Seasonally-Adjusted



Finally, private sector foreign currency loans went on decreasing. The monthly fall was 5.1% (US\$331 million), accumulating a 57.3% y.o.y. contraction.

It is worth noting that the BCRA seeks to discourage big companies from borrowing credit lines for the pre-financing of exports, causing them to access international credit markets, where they can make the most of the new conditions as a result of the sovereign debt restructuring process. Additionally, this measure leaves room for channeling more local credit lines to MSMEs. For this reason, financial institutions will only be able to arrange and grant new financing in foreign currency to “big exporting companies” with prior consent of the monetary authority⁷.

4. Liquidity of Financial Institutions

During September, broad liquidity in domestic currency⁸ recorded a slight decrease to average 63.7% of deposits. Thus, it still stood at historically high levels (see Chart 4.1).

As for liquidity components, the stock of LELIQs used to fulfill minimum reserve requirements as deposits’ percentage grew by 0.6 p.p., exhibiting a higher rise of time deposits over sight deposits. On the contrary, LELIQ surplus decreased as well as the stock of current accounts held with the BCRA (1.1 p.p. and 0.7 p.p., respectively). In turn, net repos with the BCRA increased by 0.4 p.p. Last, cash in banks continued declining gradually after the peak observed in April.

⁷ See Communication “A”7104

⁸ It includes current accounts with the BCRA, cash holdings in banks, arranged repo stocks with the BCRA, holdings of LELIQs, holdings of NOCOMs, and holdings of bonds admitted to comply with the minimum reserve requirements.

Chart 4.1 | Financial Institutions' Liquidity in Pesos

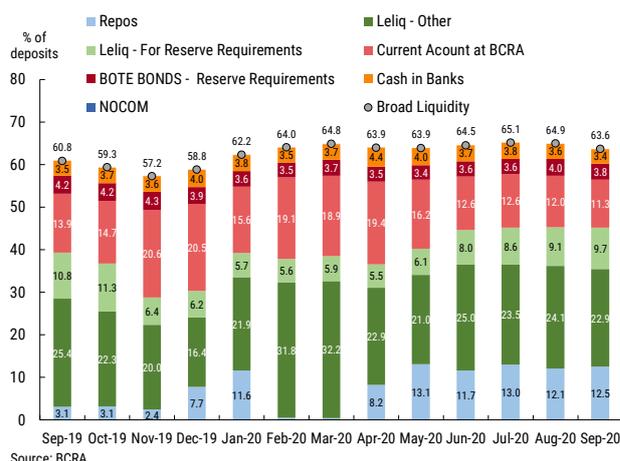
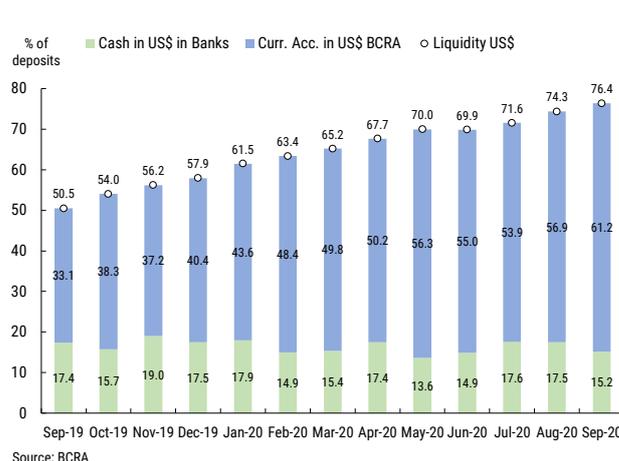


Chart 4.2 | Financial Institutions' Liquidity in US Dollars



Regarding liquidity components, in the framework of updating the monetary policy guidelines, the BCRA will manage the stock of LELIQs in order to lessen the impact of the rise of the reverse repo rate on the sterilization cost. In this context, the monetary authority established that, as from October, financial institutions must reduce by 20 p.p. their net LELIQ surplus against the surplus recorded in September⁹.

Other regulatory changes, such as the rise from 35 to 50% in the amount financed under the *Ahora 12 Plan* that may be deducted from minimum cash requirements, will have an impact on bank liquidity as from October¹⁰. In addition, the BCRA established that banks should be divided into three groups (A, B and C) according to the size of their assets, and changed the rates in the minimum cash regime on time deposits belonging to group C institutions (the smallest-sized institutions)¹¹. Last, as from September, financial institutions that capture natural persons' deposits up to \$1 million at the minimum interest rate effective as from August may increase their net LELIQ surplus by 13% of the average monthly stock of the previous month's deposits¹².

In turn, bank liquidity in foreign currency went on rising in September to average 76.5% of deposits, up 2.1 p.p. against August. The increase of liquidity centered on current accounts with the BCRA while cash in banks in terms of deposits exhibited a slight drop (see Chart 4.2).

5. Interest Rates¹³

As from October, the Board of the BCRA decided to increase the interest rate on overnight reverse repos by 5 p.p. to 24% APR. This measure seeks to make short-term financial instruments in domestic currency more appealing.

In September, borrowing interest rates remained around the minimum rate levels set by the BCRA. It is worth noting that the minimum interest rate for natural persons' time deposits in pesos for up to \$1 million is 33.06% APR (38.57% EAR), while the rate for all other private sector deposits stands at 30.02% (34.52% EAR).

9 Communication "A" 7122.

10 Communication "A" 7114.

11 Communication "A" 7108.

12 Communication "A" 7078.

13 Interest rates are expressed as annual percentage rates (APR), unless otherwise specified.

This way, the interest rate for retail deposits remained above the interest rate paid in the wholesale segment (see Chart 5.1). As regards the interest rates on the interbank call money market, both the interest rate on overnight call transactions and on transactions among third parties remained stable over September, and averaged 15.4% and 18.7%, respectively.

Chart 5.1 | Borrowing and Interbank Interest Rates

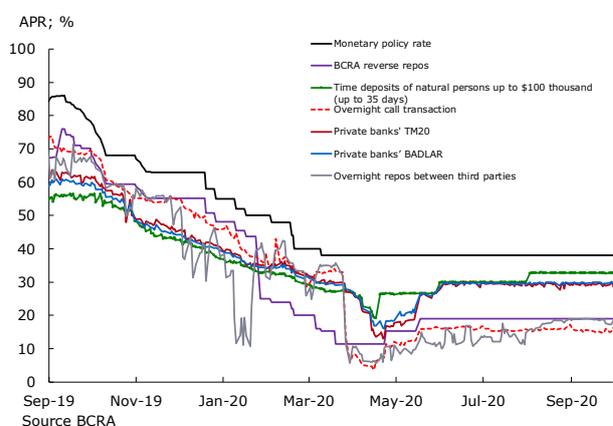
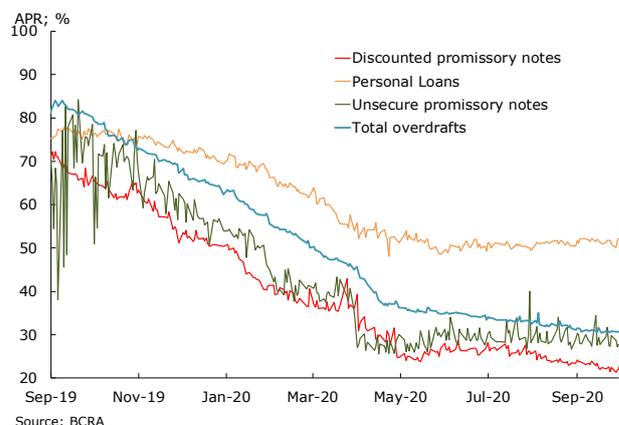


Chart 5.2 | Lending Interest Rates



In turn, lending interest rates on business lines dropped over September (see Chart 5.2). The discount rate of promissory notes went on following a downward trend that began last month and averaged 22.7%, down 1.4 p.p. against August. It is worth mentioning that this credit line includes most transactions carried out with MSMEs at a 24% maximum APR. Regarding the interest rate on unsecured promissory notes, it remained virtually stable over the month, in spite of its inherent volatility. On average, it stood at 29.1%, down 0.5 p.p. against August. As for the interest rate on overdrafts, it continued exhibiting the falling trend observed as from May to average 30.9%, down 1.4 p.p. vis-à-vis August. Last, the interest rate on personal loans averaged 51.6%, recording a slight increase (0.5 p.p.) against last month.

6. International Reserves

International reserves at the BCRA ended September with a stock of US\$41.37 billion, with a decrease of US\$1.46 billion against the end of August (see Chart 6.1). This fall was mainly explained by the BCRA's net sale of foreign currency (US\$1.61 billion).

Between the end of August and end of September, the \$/US\$ nominal exchange rate increased 2.7%, ending the month at \$76.2/US\$1. In turn, the multilateral real exchange rate exhibited a slight appreciation and stood at 118.4 by the end of the month, in part reversing the rising trend observed as from mid-May. Thus, the multilateral real exchange rate stood at a competitive level, with similar figures to those observed at the beginning of this year (see Chart 6.2).

Chart 6.1 | International Reserves
(daily data)



Chart 6.2 | Multilateral Real Exchange Rate Index



It should be noted that, effective as from September 16, the BCRA adopted new regulations regarding the forex market¹⁴. With a view to further improving the allocation of foreign currency, the BCRA, in agreement with the Federal Administration of Public Revenues (AFIP), adopted a procedure for the collection of a 35% contribution in advance of income and personal property taxes from natural persons applying for foreign currency to build up foreign assets, or pay their debit and credit card bills. The aim is to discourage natural persons from purchasing foreign currency for saving and making payments on cards, maintaining the current US\$200 monthly quota.

In addition, this decision was supplemented with other regulations oriented towards deterring non-resident investors from conducting disruptive transactions in financial markets; favoring the development of the domestic capital market; setting guidelines for restructuring the foreign private debt in harmony with the smooth functioning of the forex market; and prioritizing credits to SMEs for the pre-financing of exports.

Thus, as stated in the monetary policy guidelines updated at the beginning of October, foreign exchange market regulations seek to avoid any temporary imbalances that could affect the position of international reserves¹⁵.

¹⁴ See Communications "A" 7105 and "A" 7106.

¹⁵ The monetary policy guidelines were updated at the beginning of October. They are available at: <https://www.bcr.gov.ar/Noticias/actualizacion-lineamientos-politica-monetaria.asp>.

7. Monetary and Financial Indicators

Figures in millions, expressed in their original currency.

Main monetary and financial system figures	Monthly average				Average change in percentage	
	Sep-20	Aug-20	Jul-20	Sep-19	Monthly	Last 12 months
Monetary base	2.313.178	2.329.228	2.303.560	1.342.100	-0,7%	72,4%
Currency in circulation	1.673.118	1.667.700	1.635.051	919.829	0,3%	81,9%
Held by public	1.481.140	1.467.063	1.430.674	814.434	1,0%	81,9%
Held by financial entities	191.978	200.636	204.377	105.396	-4,3%	82,2%
Settlement check	0,3	0,4	0,3	0,3	-38,0%	0,0%
BCRA current account	640.059	661.528	668.508	422.270	-3,2%	51,6%
BCRA Repos stock						
Reverse repos	710.509	664.164	693.249	127.686	7,0%	456,4%
Repos	3	0	0	0	35939,5%	35939,5%
LELIQ stock (in face value)	1.855.325	1.829.682	1.708.401	1.103.580	1,4%	1
International Reserves	42.350	43.152	43.313	50.273	-1,9%	-15,8%
Private and public sector deposits in pesos ⁽¹⁾	5.587.716	5.436.827	5.253.848	3.000.138	2,8%	86,2%
Private sector deposits	4.524.152	4.434.127	4.329.836	2.395.349	2,0%	88,9%
Current account ⁽²⁾	1.082.463	1.062.131	1.070.082	546.186	1,9%	98,2%
Savings account	1.172.314	1.223.935	1.261.204	583.099	-4,2%	101,0%
Not CER-adjustable time deposits	2.139.996	2.015.860	1.856.101	1.180.244	6,2%	81,3%
CER-adjustable time deposits	34.595	35.266	43.324	13.891	-1,9%	149,0%
Other deposits ⁽³⁾	94.784	96.935	99.125	71.928	-2,2%	31,8%
Public sector deposits	1.063.564	1.002.700	924.013	604.788	6,1%	75,9%
Private and public sector deposits in dollars ⁽¹⁾	19.411	19.504	19.299	25.189	-0,5%	-22,9%
Loans to private and public sector in pesos ⁽¹⁾	2.468.408	2.403.743	2.307.421	1.632.486	2,7%	51,2%
Loans to private sector	2.433.337	2.366.801	2.270.441	1.608.361	2,8%	51,3%
Overdrafts	272.506	267.344	276.774	187.765	1,9%	45,1%
Promissory bills	590.130	567.004	531.172	239.437	4,1%	146,5%
Mortgages	212.024	211.651	211.559	213.019	0,2%	-0,5%
Pledge-backed loans	87.127	82.017	76.268	84.955	6,2%	2,6%
Personal loans	411.135	403.682	399.852	408.460	1,8%	0,7%
Credit cards	699.300	679.921	629.807	424.885	2,9%	64,6%
Other loans	161.114	155.182	145.010	49.840	3,8%	223,3%
Loans to public sector	35.070	36.942	36.980	24.125	-5,1%	45,4%
Loans to private and public sector in dollars ⁽¹⁾	6.237	6.568	7.074	14.378	-5,0%	-56,6%
Total monetary aggregates ⁽¹⁾						
M1 (currency held by public + settlement check in pesos+ current account in pesos)	2.924.960	2.884.567	2.798.147	1.547.218	1,4%	89,0%
M2 (M1 + savings account in pesos)	4.135.097	4.151.294	4.113.768	2.171.915	-0,4%	90,4%
M3 (currency held by public + settlement check in pesos + total deposits in pesos)	7.068.856	6.903.891	6.684.523	3.814.571	2,4%	85,3%
M3* (M3 + total deposits in dollars + settlement check in foreign currency)	8.530.663	8.335.032	8.064.554	5.242.562	2,3%	62,7%
Private monetary aggregates						
M1 (currency held by public + settlement check in pesos + priv.current account in pesos)	2.563.603	2.529.195	2.500.756	1.360.620	1,4%	88,4%
M2 (M1 + private savings account in pesos)	3.735.917	3.753.130	3.761.960	1.943.719	-0,5%	92,2%
M3 (currency held by public + settlement check in pesos + priv. total deposits in pesos)	6.005.292	5.901.191	5.760.510	3.209.783	1,8%	87,1%
M3* (M3 + private total deposits in dollars + settlement check in foreign currency)	7.294.035	7.164.651	6.976.279	4.493.007	1,8%	62,3%

Explanatory factors	Average Change							
	Monthly		Quarterly		YTD 2020		Last 12 months	
	Nominal	Contribution ⁽⁴⁾						
Monetary base	-16.050	-0,7%	164.055	7,6%	579.105	33,4%	971.078	72,4%
Foreign exchange purchases with the private sector	-118.204	-5,1%	-199.935	-9,3%	-174.634	-10,1%	-290.544	-21,6%
Foreign exchange purchases with the NT	-17.951	-0,8%	-49.070	-2,3%	-67.990	-3,9%	61	0,0%
Temporary Advances and Profit Transfers	83.425	3,6%	437.017	20,3%	1.711.232	98,7%	1.937.683	144,4%
Other public sector operations	42.308	1,8%	95.534	4,4%	-20.588	-1,2%	-56.558	-4,2%
Sterilization (Repos and LELIQ)	-3.418	-0,1%	-117.207	-5,5%	-866.849	-50,0%	-620.273	-46,2%
Others	-2.211	-0,1%	-2.283	-0,1%	-2.066	-0,1%	709	0,1%
International Reserves	-802	-1,9%	-701	-1,6%	-2.003	-4,5%	-7.923	-15,8%
Foreign exchange market intervention	-1.591	-3,7%	-2.718	-6,3%	-2.226	-5,0%	-4.257	-8,5%
International financial institutions	-169	-0,4%	-184	-0,4%	-1.689	-3,8%	-2.672	-5,3%
Other public sector operations	-94	-0,2%	-488	-1,1%	583	1,3%	-3.801	-7,6%
Dollar liquidity requirements	791	1,8%	1.386	3,2%	3.553	8,0%	3.611	7,2%
Others (incl. change in US\$ market value of nondollar assets)	261	0,6%	1.303	3,0%	-2.223	-5,0%	-805	-1,6%

1 Excludes financial sector and foreign depositors. Loans' figures correspond to statistical information, without being adjusted by financial trusts. Provisory figures.

2 Net of the use of unified funds.

3 Net of deposits pending of swap by public bonds (BODEN).

4 "Contribution" field refers to the percentage of change of each factor versus the main variable corresponding to the month respect which the change is being calculated.

Sources: BCRA Accounting Department and SISCEN Informative Regime.

Minimum Cash Requirement and Compliance

	Sep-20	Aug-20	Jul-20
Domestic Currency	<i>% of total deposits in pesos</i>		
Requirement	24,5	24,7	24,3
Compliance in current account	11,3	12,0	12,6
Compliance in Leliq	23,0	22,9	22,4
Compliance in BOTE	3,8	4,0	3,6
<i>Residual time structure of term deposits used for the calculation of the requirement (1)</i>	%		
<i>Up to 29 days</i>	74,9	74,9	74,9
<i>30 to 59 days</i>	18,2	18,2	18,2
<i>60 to 89 days</i>	3,8	3,8	3,8
<i>90 to 179 days</i>	2,6	2,6	2,6
<i>more than 180 days</i>	0,6	0,6	0,6
Foreign Currency	<i>% of total deposits in foreign currency</i>		
Requirement	24,0	24,0	24,0
Compliance (includes default application resource)	15,3	17,6	17,8
<i>Residual time structure of term deposits used for the calculation of the requirement (1)</i>	%		
<i>Up to 29 days</i>	62,1	62,1	62,1
<i>30 to 59 days</i>	20,8	20,8	20,8
<i>60 to 89 days</i>	6,9	6,9	6,9
<i>90 to 179 days</i>	7,4	7,4	7,4
<i>180 to 365 days</i>	2,6	2,6	2,6
<i>more than 365 days</i>	0,1	0,1	0,1

(1) Excludes judicial time deposits.

** Estimates data of September for Requirements and residual time structures.

Source: BCRA

Interest rates in annual nominal percentage and traded amounts in million. Monthly averages.

Reference Interest Rates	Sep-20	Aug-20	Jul-20	Dec-19	Sep-19
BCRA Repo Interest Rates					
Overnight reverse repo	19,00	19,00	19,00	53,70	71,41
Total Repo Interest Rates					
Overnight	18,69	17,61	13,40	42,02	66,12
Repo traded volumen (daily average)	7.689	6.602	5.231	3.792	4.640
LELIQ interest rate	38,00	38,00	38,00	61,37	83,5
Foreign Exchange Market	Sep-20	Aug-20	Jul-20	Dec-19	Sep-19
Dollar Spot					
Exchange agencies	75,20	73,29	71,47	59,87	56,44
BCRA Reference	76,94	75,01	72,86	60,53	56,64
Future dollar					
NDF 1 month	80,43	77,22	74,54	64,26	62,68
ROFEX 1 month	77,53	75,48	73,78	63,75	60,51
Traded volume (all maturities, million pesos)	54.208	47.327	33.190	15.870	20.114
Real (Pesos/Real)	13,94	13,42	13,57	14,57	13,70
Euro (Pesos/Euro)	88,65	86,70	82,17	66,51	62,17
Capital Market	Sep-20	Aug-20	Jul-20	Dec-19	Sep-19
MERVAL					
Index	43.478	48.758	45.467	37.141	28.313
Traded volume (million pesos)	904	904	904	885	890
Government Bonds (parity)					
BONAR 2035	42,85	-	-	-	-
GLOBAL 2035 (NY Legislation)	43,04	-	-	-	-
BONCER 2026	83,19	-	-	-	-
Country risk					
EMBI+ Argentina	1.533	2.119	2.332	2.073	2.187
EMBI+ Latinoamérica	473	479	523	431	608

1 Corresponds to average results of each month primary auctions.

Interest rates in annual nominal percentage and traded amounts in million. Monthly averages.

Borrowing Interest Rates	Sep-20	Aug-20	Jul-20	Dec-19	Sep-19
Interbank Loans (overnight)					
Interest rate	15,31	15,80	15,72	50,09	69,89
Traded volume (million pesos)	10.269	7.843	6.840	7.385	6.810
Time Deposits					
<u>In pesos</u>					
30-44 days	29,30	29,25	28,38	40,89	57,79
60 days or more	29,88	29,54	28,59	41,26	58,10
Total TM20 (more than \$20 million, 30-35 days)					
Private Banks TM20 (more than \$20 million, 30-35 days)					
Total BADLAR (more than \$1 million, 30-35 days)	28,53	28,48	28,24	41,10	58,74
Private Banks BADLAR (more than \$1 million, 30-35 days)	29,73	29,68	29,53	41,75	59,85
<u>In dollars</u>					
30-44 days	0,52	0,60	0,67	1,56	1,84
60 days or more	0,75	0,85	0,92	2,34	2,54
Total BADLAR (more than \$1 million, 30-35 days)	0,61	0,70	0,71	1,89	2,05
Private Banks BADLAR (more than \$1 million, 30-35 days)	0,68	0,63	0,77	1,42	2,36
Lending Interest Rates	Sep-20	Aug-20	Jul-20	Dec-19	Sep-19
Stock Repos					
Gross interest rates 30 days	25,99	24,47	23,56	41,10	56,02
Traded volume (all maturities, million pesos)	50.130	46.615	42.108	18.780	10.660
Loans in Pesos ⁽¹⁾					
Overdrafts	30,46	32,01	32,80	66,44	84,73
Promissory Notes	29,06	29,59	31,06	56,99	62,10
Mortgages	27,96	30,03	30,22	47,51	51,85
Pledge-backed Loans	25,78	24,85	23,56	30,54	30,28
Personal Loans	51,58	51,11	50,57	71,63	76,60
Credit Cards	41,15	42,20	42,37	81,77	77,12
Overdrafts - 1 to 7 days - more than \$10 million	20,69	21,22	21,45	58,79	85,58
International Interest Rates	Sep-20	Aug-20	Jul-20	Dec-19	Sep-19
LIBOR					
1 month	0,15	0,16	0,17	1,75	2,04
6 months	0,28	0,31	0,34	1,90	2,05
US Treasury Bonds					
2 years	0,14	0,14	0,15	1,61	1,64
10 years	0,68	0,64	0,62	1,85	1,69
FED Funds Rate	0,25	0,25	0,25	1,75	2,14
SELIC (1 year)	2,00	2,03	2,25	4,68	5,79

(1) Observed data from Monthly Informative Regime SISSEN 08 up to April and estimated data based on Daily Informative Regime SISSEN 18 for May and June.

8. Glossary

ANSES: Argentine Social Security Administration

APR: Annual Percentage Rate

B.P.: Basis Points

BADLAR: Interest rate on time deposits of \$1 million and over for 30-35 days.

BCRA: Central Bank of Argentina

CER: Reference Stabilization Coefficient

CNV: National Securities Commission

CPI: Consumer Price Index

EAR: Effective Annual Rate

EM: Minimum Cash Requirements

FCI: Mutual Funds

GDP: Gross Domestic Product

IAMC: Argentine Institute for Capital Markets

IRR: Internal Rate of Return

LEBAC: BCRA Bills

LELIQ: BCRA Liquidity Bills

M2: Notes and Coins + Current Accounts and Savings Accounts in \$

M3*: Notes and Coins + Total Deposits in \$ and US\$.

M3: Notes and Coins + Total Deposits in \$.

MB: Monetary Base; total amount of money in circulation plus money deposited in current accounts in pesos of financial institutions held with the BCRA.

MERVAL: Buenos Aires Stock Exchange Index

MSMEs: Micro, Small and Medium-Sized Enterprises

NBFI: Non-Bank Financial Institution

NDF: Non Deliverable Forward

NOCOM: Cash Compensation Notes issued by BCRA

ON: Negotiable Obligation

p.p.: Percentage Points

ROFEX: Rosario Futures Exchange

s.a.: Seasonally-Adjusted

SDR: Special Drawing Right

SISCEN: BCRA Centralized Reporting Requirement System

SMEs: Small and Medium-Sized Enterprises

TM20: Interest rate on time deposits of \$20 million and over for 30-35 days.

UVA: Units of Purchasing Power

Y. o. y.: Year-on-year