

# Evolution of the Foreign Exchange Market and the Foreign Exchange Balance

April 2023



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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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 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.

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## Executive Summary

Global economic activity has continued to slowdown in the past few months, with global growth forecasts also following a downward trend. This outlook was predicted against the backdrop of persistently high inflation rates that forced central banks of advanced economies to implement the largest contractionary monetary policy cycle since the global financial crisis of 2008/09. While financial conditions in developing countries slightly improved, the adverse effect of high interest rates and net capital outflows still prevails.

A new edition of the “Export Increase Program” was launched on April 10. This program sets an exchange rate of ARS300/USD1 for inflows into the forex market from exports of the soybean complex and other goods from regional economies.

In April, financial institution’s clients purchased USD226 million in the forex market. On the sellers' side, financial institutions sold USD8 million, and the BCRA USD117 million (purchases of USD1,613 million under the “Export Increase Program” and net sales of USD1,730 million for the rest of the flows). At the same time, the BCRA made net payments through the Local Currency Payment System (SML) for USD101 million.

The “Non-Financial Private Sector” was a net purchaser of foreign currency for USD413 million. Within this group, the “Oilseeds and Grains” sector was the main net seller with net inflows of USD2,044 million, down 39% on a y.o.y. comparison, mainly explained by the severe drought that has been affecting the agricultural production of the main exports.

The “Real Sector excluding Oilseeds and Grains” was a net purchaser of foreign currency, with a total of USD1,923 million, down 26% y.o.y. The foreign currency thus purchased was mainly allocated to make net payments for imports of goods and services.

“Natural Persons” made net purchases totaling USD429 million mainly for purchases related to travel, passenger transport and other purchases made with cards to non-resident suppliers (net amount of USD259 million), and for saving purposes (net amount of USD143 million).

“Institutional Investors and Others”—both residents and non-residents—made net purchases for USD105 million in April, mainly to make net payments of imports of goods.

The foreign exchange current account, which includes flows from net exports of goods and services, as well as primary and secondary income, had a surplus of USD71 million. This could be mainly explained by net inflows from “Goods” for USD903 million, which were partially offset by net outflows from transfers of the “Services” (USD506 million), “Primary Income” (USD310 million), and “Secondary Income” (USD15 million) sectors.

The financial account of the “Non-Financial Private Sector” had a deficit of USD852 million in April, resulting basically from purchases of foreign assets for USD395 million, payments of foreign loans and debt securities for USD317 million; payments of balances in foreign currency to local institutions for purchases made with cards to non-resident suppliers for USD215 million (which do not involve a net demand of foreign currency

in the financial account)<sup>1</sup>; self-to-self international transfers for USD56 million (largely explained by their counterpart of Travel and Passenger Transport inflows that are not required to be settled in the forex market, for more information see Section III.1.2.). These outflows were partially offset by net inflows from local financial loans for USD76 million, and by inflows from foreign direct investments for USD58 million.

In April, the transactions carried out under the foreign exchange financial account of the “Financial Sector” resulted in a surplus of USD170 million. This outcome is mainly explained by a decrease of USD179 million in liquid foreign assets of financial institutions’ General Exchange Position.

In April, the transactions carried out under the foreign exchange financial account of the “General Government and the BCRA” recorded a deficit of USD2,823 million, mainly explained by repayments of principal owed to the IMF totaling USD2,668 million (SDR1,975 million).

During April, BCRA’s international reserves fell USD4,059 million, totaling USD35,001 million by the end of the month. This decrease was mainly explained by repayments of principal owed to the IMF totaling USD2,668 million (SDR1,975 million), a fall in financial institution’s holdings of foreign currency in the account with the BCRA by about USD900 million, and net payments made by the BCRA through the Local Currency Payment System (SML).

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<sup>1</sup> The demand of foreign currency due to purchases made with cards from foreign suppliers is recorded in a services account of the foreign exchange balance, under “Travel and Passenger Transport, and Other Expenses Paid with Cards”.

# I. Introduction

This report analyses information on foreign exchange transactions made in April 2023 as gathered by the Exchange Transaction Reporting System administered by the BCRA. Additionally, it relies on information on changes in BCRA's International Reserves due to transactions carried out by the BCRA on its own account or on behalf of the National Government, and on changes in the balance of institutions' foreign currency accounts at the BCRA.<sup>2</sup>

Data collected from institutions include information on every transaction conducted in the forex market by natural or legal persons (including the sector to which they belong, which agrees with the main business activity reported to AFIP (Federal Administration of Public Revenue)), amounts traded, currency denomination, and the reason for the foreign exchange transaction (heading)—such as inflows or outflows from exports or imports of goods or services, saving, and financial liabilities, as defined in the Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6).

For further information on methodological aspects of this report, please read the methodology used for compiling foreign exchange market and foreign exchange balance statistics, which is available [here on BCRA's website](#).

Should you need detailed information about the exchange rate regulations in force and the changes that have been implemented since November 2017, please see the [Consolidated Text on Foreign Trade and Exchange Regulations](#) available on BCRA's website.

Section II of this report analyzes the result of foreign exchange transactions for April; data are broken down by sector and by heading.<sup>3</sup>

Section III deals with the Foreign Exchange Balance which comprises transactions carried out by the institutions with their clients in the foreign exchange market and those carried out by the BCRA—either on its own account or on behalf of the National Government. It is worth noting that the Foreign Exchange Balance is presented in an analytical format based on the Balance of Payments broken down by component and by institutional sector. This information is published anew in 2020, allowing readers to follow-up data (which has taken again the form of an affidavit) by type of transaction. However, **the evolution of the historical series**

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<sup>2</sup> Communication "A" 3840, as amended.

<sup>3</sup> Sectors were grouped into: "Central Bank", "Institutions", "General Government", "Oilseeds and Grains", "Real Sector excluding Oilseeds and Grains", "Natural Persons", and "Institutional Investors and Others".

For identification purposes, each sector is defined as follows: **"General Government"** stands for the so-called "Public Sector" and embraces transactions made by the National Treasury directly through its account in foreign currency held with the BCRA; **"Oilseeds and Grains"**; **"Real Sector excluding Oilseeds and Grains"** includes the following sectors: "Oil", "Food, Beverages and Tobacco", "Textile and Leather Industries", "Paper, Publishing and Printing Industry", "Chemical, Rubber and Plastic Industries", "Non-Metallic Mineral Products (Cement, Ceramics and Others)", "Common Metals and their Manufacture", "Machinery and Equipment", "Automobile Industry", "Other Manufacturing Industries", "Electricity (Generation, Transport, Distribution)", "Gas (Extraction, Transport, Distribution)", "Water", "Commerce", "Transport", "Communications", "Mining", "Agriculture and Other Primary Activities", "Construction", "Information Technology", "Gastronomy", "Entertainment" and "Tourism and Accommodation Services"; **"Financial and Foreign Exchange Institutions"** includes the sector's transactions; **"Natural Persons"** includes all natural persons within the sector "Other Non-Financial Private Sectors"; and **"Institutional Investors and Others"** includes "Insurance" as well as the rest of the "Other Non-Financial Private Sectors".

shown here should be analyzed in light of the different forex regulations in force by period (see Section B.5. of the [Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics](#)).<sup>4</sup>

Section IV deals with the stock of international reserves by the end of the period and their evolution.

Finally, Section V deals with information on the amount traded in the foreign exchange market. This amount stands for transactions made by institutions with their clients—both gross purchases and gross sales—, transactions between institutions, and those carried out among institutions and the BCRA.

## II. Result by Sector in the Foreign Exchange Market

Global economic activity has continued to slowdown in the past few months, with global growth forecasts also following a downward trend. This outlook was predicted against the backdrop of persistently high inflation rates that forced central banks of advanced economies to implement the largest contractionary monetary policy cycle since the global financial crisis of 2008/09. While financial conditions in developing countries slightly improved, the adverse effect of high interest rates and net capital outflows still prevails.

In this context, in order to encourage the trade of soybean, soybean by-products, and other exportable goods from regional economies, the National Government relaunched the “Export Increase Program” (Executive Order 194/2023 dated April 10), establishing an exchange rate of ARS300/USD1 for the export of those goods. The Executive Order extends until May 31 for soybean and soybean by-products, and until August 31 for the rest of the goods from regional economies (to access the aforementioned executive order click [here](#)).

In April, financial institution’s clients purchased USD226 million in the forex market. On the sellers' side, financial institutions sold USD8 million, and the BCRA USD117 million (purchases of USD1,613 million under the “Export Increase Program” and net sales of USD1,730 million for the rest of the flows). At the same time, the BCRA made net payments through the Local Currency Payment System (SML) for USD101 million (see Table II.1).<sup>5 6 7</sup>

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<sup>4</sup> The Central Bank’s website ([www.bcra.gob.ar](http://www.bcra.gob.ar)) contains different statistical series of the Foreign Exchange Market (to access statistical series, [click here](#)), together with an annex broken down by sector and main headings (to access the Statistical Annex of the Foreign Exchange Balance [click here](#)). In addition, the “Main differences between the balance of payments and the foreign exchange balance” are available [here](#). The results in this section are broken down by the main sectors trading in the forex market in order to set net purchasers apart from net sellers.

<sup>5</sup> Information on the local currency payment system of this report has been drawn from the Exchange Transaction Reporting System (RIO) and reported by transaction date. For more information, see the [Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics](#)

<sup>6</sup> Transactions in the forex market are reported according to their transaction date, except for the purchase and sale of securities payable in foreign currency.

<sup>7</sup> The result by sector excludes purchases of foreign currency to pay card bills for expenses incurred abroad for an amount of USD215 million. These payments of local debts in foreign currency do not imply a net demand in the whole system, made up by the institutions and the BCRA.

**Table II.1 Foreign Exchange Market**

**Result by Sector**

Equivalent in million dollars

| Result by Sector of the Foreign Exchange Market with Institutions | Apr-22 | Apr-23 | 2022 up to Apr | 2023 up to Apr |
|---|--------|--------|----------------|----------------|
| <b>BCRA - Market</b>  | -211   | 117    | -160           | 3,353          |
| <b>BCRA - SML</b>   | 81     | 101    | 253            | 333            |
| <b>National Treasury</b>  | 1      | -      | 2              | -              |
| <b>Institutions</b>   | 95     | 8      | 173            | 324            |
| <b>Institutions' Clients (1 + 2 + 3)</b>                          | 34     | -226   | -267           | -4,010         |
| <b>1. Non-Financial Private Sector</b>                            | 148    | -413   | 311            | -3,819         |
| Oilseeds and Grains   | 3,364  | 2,044  | 12,034         | 4,307          |
| Real Sector Excluding Oilseeds and Grains                         | -2,591 | -1,923 | -9,195         | -5,668         |
| Natural Persons   | -498   | -429   | -2,180         | -1,941         |
| Institutional Investors and Others                                | -128   | -105   | -348           | -518           |
| <b>2. General Government (National Treasury Excluded)</b>         | -60    | 228    | -372           | 11             |
| <b>3. Institutions (Own Transactions)</b>                         | -53    | -40    | -206           | -203           |
| <b>National Treasury Directly with the BCRA</b>                   | -132   | -      | -1,751         | -1,562         |

Note: (+) Net sales; (-) Net purchases

Source: BCRA

The following table is intended to analyze the purchases and sales carried out through institutions in the forex market, reflecting each sector's net foreign exchange result. Each heading's net result—as informed by the institutions to the BCRA—is displayed vertically. The result of forex transactions in pesos and in foreign currency may be set apart from the result of self-to-self international transfers (transfers of foreign currency to accounts abroad during the month). (See Table II.2).<sup>8</sup>

Based on this information, the following sectors' performance can be highlighted (for more information on the sector-based categorization used, see Section B.4. of the [Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics](#)).

<sup>8</sup> Although self-to-self international transfers are not precisely forex transactions, they are recorded in forex statistics. They involve a transfer of foreign currency from abroad to a local account opened in foreign currency and/or a debit of funds deposited locally for their transfer abroad. Inflows are recorded under the transfer heading (positive sign). In addition, there is a second record where the same amount is entered under a negative sign for the crediting of funds. Contrariwise, a payment abroad from a local account in foreign currency is recorded under the payment heading with a negative sign, and the debit from the account, under a positive sign. Consequently, the total result of self-to-self international transfers in the forex market is neutral. For more information, see Section C.4.6. of the [Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics](#)



**Table II.2 Foreign Exchange Market**  
**Result of Institutions' Transactions with Clients. April 2023.**  
 Equivalent in million dollars

| Sector/Main Headings                                   | Goods      | Travel and Passenger Transport, and Other Expenses Paid with Cards | Remaining Services and Other Current Transfers | Foreign Assets - Banknotes | Foreign Assets - Foreign Currency | Net Self-to-Self International Transfers | Debt, FDI, Portfolio, and Other Transactions | Total       |
|--|------------|--|--|----------------------------|-----------------------------------|--|--|-------------|
| <b>Non-Financial Private Sector</b>                    | <b>941</b> | <b>-439</b>  | <b>-211</b>                                    | <b>-67</b>                 | <b>-330</b>                       | <b>-56</b>                               | <b>-251</b>                                  | <b>-413</b> |
| Oilseeds and Grains                                    | 2,044      | 0  | 3  | -2                         | 2                                 | -3                                       | 0  | 2,044       |
| Real Sector Excluding Oilseeds and Grains              | -992       | -164   | -273   | 6                          | -240                              | -35                                      | -225   | -1,923      |
| Natural Persons  | -21        | -259   | 3  | -143                       | -85                               | 70                                       | 6  | -429        |
| Institutional Investors and Others                     | -90        | -16  | 56   | 72                         | -7                                | -89                                      | -32  | -105        |
| <b>General Government (National Treasury Excluded)</b> | <b>-17</b> | <b>0</b>   | <b>-69</b>                                     | <b>282</b>                 | <b>0</b>                          | <b>25</b>                                | <b>7</b>                                     | <b>228</b>  |
| <b>Institutions (Own Transactions)</b>                 | <b>-21</b> | <b>0</b>   | <b>-11</b>                                     | <b>0</b>                   | <b>0</b>                          | <b>0</b>                                 | <b>-8</b>                                    | <b>-40</b>  |
| <b>Institutions' Result with Clients</b>               | <b>903</b> | <b>-439</b>  | <b>-291</b>                                    | <b>215</b>                 | <b>-329</b>                       | <b>-31</b>                               | <b>-253</b>                                  | <b>-226</b> |
| <b>Result for Forex Transactions</b>                   | <b>930</b> | <b>-548</b>  | <b>-298</b>                                    | <b>215</b>                 | <b>-217</b>                       | <b>0</b>                                 | <b>-307</b>                                  | <b>-226</b> |
| <b>Result for Self-to-Self International Transfers</b> | <b>-27</b> | <b>109</b>   | <b>7</b>                                       | <b>0</b>                   | <b>-112</b>                       | <b>-31</b>                               | <b>55</b>                                    | <b>0</b>    |

Note: (+) Net sales; (-) Net purchases

Source: BCRA

"Oilseeds and Grains" was the main net seller of foreign currency in the market over April. This sector recorded net inflows for USD2,044 million mainly for the concepts included in "Goods" (collections on exports net of payments for imports), which is reasonable enough as it proves to be the main exporting sector in the economy. The sector's net result (collection of exports of goods minus payment of imports of goods) in the forex market amounted to USD2,044 million, down 39% against April 2022. This fall is explained by a severe drought that has been affecting the agricultural production of the sector's main exports.

The "Real Sector excluding Oilseeds and Grains" was a net purchaser of foreign currency, with a total of USD1,923 million, down 26% y.o.y. These purchases were mainly used to pay net imports of goods, services, interest, travel and passenger transport expenses, and also for the buildup of foreign assets (for further information, see Sections III.1.1 and III.1.2). In this sense, the two economic sectors generating more deficit with their purchases were "Energy" (USD595 million) and "Automobile Industry" (USD470 million), while the two sectors recording the highest surplus were "Food, Beverages and Tobacco" (USD542 million) and "Mining" (USD262 million), (see Table II.3).

**Table II.3 Foreign Exchange Market**

**Result of the Real Sector excluding Oilseeds and Grains disaggregated by main headings. April 2023.**

Equivalent in million dollars

| Sector/Main Headings  | Goods       | Travel and Passenger Transport, and Other Expenses Paid with Cards | Remaining Services and Other Current Transfers | Foreign Assets - Banknotes | Foreign Assets - Foreign Currency | Net Self-to-Self International Transfers | Debt, FDI, Portfolio, and Other Transactions | Total         |
|---|-------------|--|--|----------------------------|-----------------------------------|--|--|---------------|
| Food, Beverages and Tobacco                                 | 569         | 0  | -24  | 0                          | 2                                 | -8                                       | 3  | 542           |
| Mining  | 260         | 0  | -6   | 0                          | 32                                | -39                                      | 15   | 262           |
| Agriculture and Other Primary Activities                    | 212         | 1  | -2   | 1                          | 0                                 | -3                                       | -1   | 208           |
| Information Technology                                      | -13         | 1  | 110  | 0                          | 1                                 | -7                                       | 5  | 98            |
| Entertainment   | -2          | 0  | 5  | 0                          | 0                                 | -1                                       | 0  | 3             |
| Gastronomy  | -3          | 0  | 0  | 0                          | 0                                 | -1                                       | 1  | -2            |
| Communications  | -16         | 0  | 16   | 0                          | 2                                 | -3                                       | -2   | -3            |
| Water   | 0           | 0  | -9   | 0                          | 0                                 | 0  | 0  | -9            |
| Construction  | -15         | 0  | -3   | 0                          | 5                                 | -5                                       | 1  | -18           |
| Non-Metallic Mineral Products (Cement, Ceramics and Others) | -24         | 0  | -1   | 0                          | 0                                 | 0  | 5  | -20           |
| Textile and Leather Industries                              | -85         | 0  | -2   | 0                          | 0                                 | 0  | -5   | -92           |
| Paper, Publishing and Printing Industry                     | -88         | 0  | -3   | 0                          | 0                                 | -1                                       | -4   | -95           |
| Tourism and Accommodation Services                          | 1           | -118   | -12  | 0                          | 0                                 | -8                                       | 0  | -136          |
| Common Metals and their Manufacture                         | -139        | 0  | -14  | 0                          | 0                                 | -5                                       | 9  | -150          |
| Other Manufacturing Industries                              | -165        | 0  | 8  | 0                          | 0                                 | 0  | -7   | -164          |
| Transport   | -22         | -49  | -165   | 3                          | 4                                 | -39                                      | 7  | -260          |
| Machinery and Equipment                                     | -280        | 0  | 2  | 1                          | 0                                 | 1  | 0  | -276          |
| Chemical, Rubber and Plastic Industries                     | -359        | 0  | 30   | 0                          | 4                                 | -2                                       | -6   | -333          |
| Commerce  | -407        | 0  | -3   | 0                          | 11                                | -2                                       | -12  | -414          |
| Automobile Industry   | -466        | 0  | -21  | 0                          | 0                                 | 22                                       | -4   | -470          |
| Energy*   | 49          | 0  | -178   | 1                          | -301                              | 65                                       | -230   | -595          |
| <b>Total</b>  | <b>-992</b> | <b>-164</b>  | <b>-273</b>                                    | <b>6</b>                   | <b>-240</b>                       | <b>-35</b>                               | <b>-225</b>                                  | <b>-1,923</b> |

\*It includes: Electricity (Generation, Transport, Distribution), Oil, and Gas (Extraction, Transport, Distribution) Sectors

Note: (+) Net sales; (-) Net purchases

Source: BCRA

Financial institutions made net purchases of foreign currency with their own funds for USD40 million, mainly for paying net imports of goods and services (interest included).

In turn, the “General Government” (excluding the National Treasury) made net sales in the forex market through licensed financial institutions for USD228 million, mainly explained by the sale of foreign assets, which were partially offset by payments of net imports of goods and services (interest included).

“Natural Persons” made net purchases totaling USD429 million mainly for travelling expenses and other payments on cards to non-resident suppliers (USD259 million), and for saving purposes (USD143 million).

“Institutional Investors and Others”—both residents and non-residents—made net purchases for USD105 million in April, mainly to make net payments of imports of goods.

### III. Foreign Exchange Balance

The Foreign Exchange Balance comprises transactions carried out by institutions with their clients in the foreign exchange market (included in Section II) and those carried out by the BCRA—either on its own account or on behalf of the National Government. It is worth noting that the Foreign Exchange Balance is presented in an analytical format based on the Balance of Payments broken down by component and by institutional sector.

### III. 1. Current account

Current account transactions recorded in the foreign exchange balance showed a surplus of USD71 million in April (see Table III.1.1).<sup>9</sup>

**Table III.1.1. Foreign Exchange Balance**

#### Foreign Exchange Current Account

Equivalent in million dollars

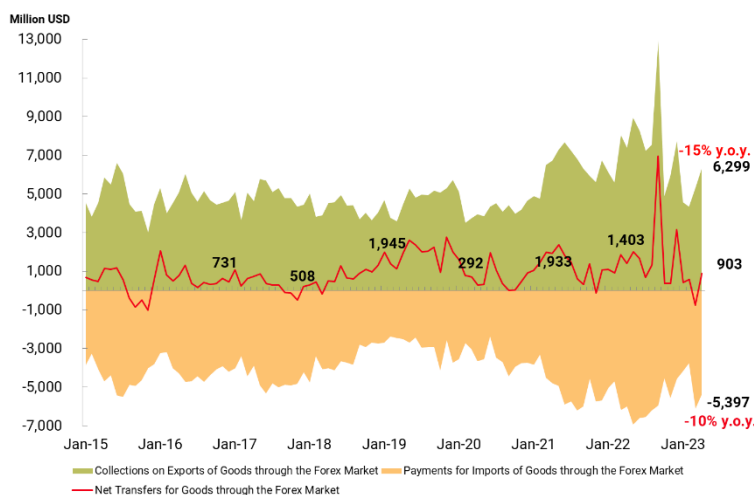
| Date                                    | Apr-22     | May-22     | Jun-22     | Jul-22        | Aug-22      | Sep-22       | Oct-22      | Nov-22        | Dec-22       | Jan-23        | Feb-23        | Mar-23        | Apr-23    |
|---|------------|------------|------------|---------------|-------------|--------------|-------------|---------------|--------------|---------------|---------------|---------------|-----------|
| <b>Foreign Exchange Current Account</b> | <b>276</b> | <b>484</b> | <b>522</b> | <b>-1,302</b> | <b>-572</b> | <b>5,478</b> | <b>-664</b> | <b>-1,201</b> | <b>2,220</b> | <b>-1,651</b> | <b>-1,237</b> | <b>-2,020</b> | <b>71</b> |
| Goods                                   | 1,403      | 2,015      | 1,678      | 689           | 1,345       | 6,948        | 363         | 359           | 3,158        | 414           | 572           | -747          | 903       |
| Services                                | -866       | -867       | -896       | -1,065        | -1,072      | -1,075       | -799        | -641          | -473         | -725          | -653          | -866          | -506      |
| Primary Income                          | -261       | -675       | -261       | -934          | -844        | -387         | -217        | -917          | -467         | -1,352        | -1,142        | -432          | -310      |
| Secondary Income                        | 0          | 10         | 1          | 8             | -2          | -9           | -12         | -3            | 1            | 12            | -14           | 25            | -15       |

Source: BCRA

### III.1.1 Goods

In April, transfers for “Goods” on the foreign exchange balance exhibited net inflows for USD903 million, resulting from collections on exports for USD6,299 million and payments of imports for USD5,397 million (see Chart III.1.1.1).

**Chart III.1.1.1 Foreign Exchange Balance  
Transfers for Goods**



Source: BCRA

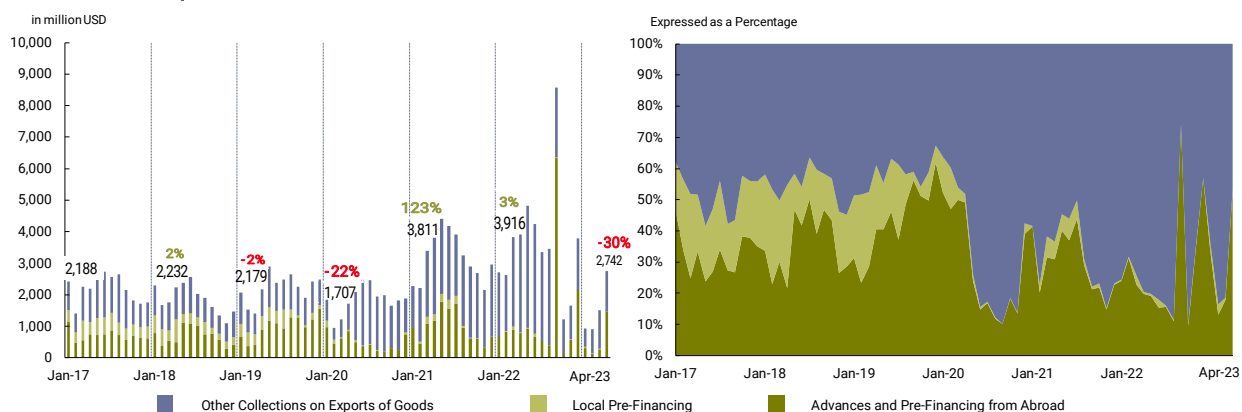
In April, the “Oilseeds and Grains” sector recorded foreign currency sales for collections on exports of goods in the forex market for USD2,741 million (-30% y.o.y.), out of which USD1,463 million were explained by the launch of the third edition of the “Export Increase Program”, established by the National Government (Executive Order 194/2023 dated April 10), that set an exchange rate of ARS300/USD1 for inflows into the forex market from exports of these goods. The Executive Order extends until May 31 for soybean and

<sup>9</sup> For more information on the changes in the regulations that have an impact on the comparison of flows under “Goods”, among other headings, see Section B.5. Important Regulatory Provisions that Have an Impact on Foreign Exchange Statistics of the [Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics](#) available at BCRA’s website.

soybean by-products, and until August 31 for the rest of the goods from regional economies (to access the aforementioned executive order click [here](#)). This year-on-year fall is explained by the severe drought that has been affecting the agricultural production of the main exports. The sector's FOB exports amounted to USD2,350 million in April, i.e., about USD390 million below inflows from the collection on exports of goods through the forex market. This would imply an increase of the sector's commercial debts that goes hand in hand with the increase recorded in advances and pre-financings of the sector's total exports.

In line with the previous editions of the Export Increase Program, 53% of the sector's inflows were collected ahead of time in April, either through advances or pre-financing (local and foreign); this share was above the historical average of the series, 46% for the 2016-2022 period (see Chart III.1.1.2).

**Chart III.1.1.2 Foreign Exchange Balance**  
**Collection on Exports of Goods from the "Oilseeds and Grains" Sector**

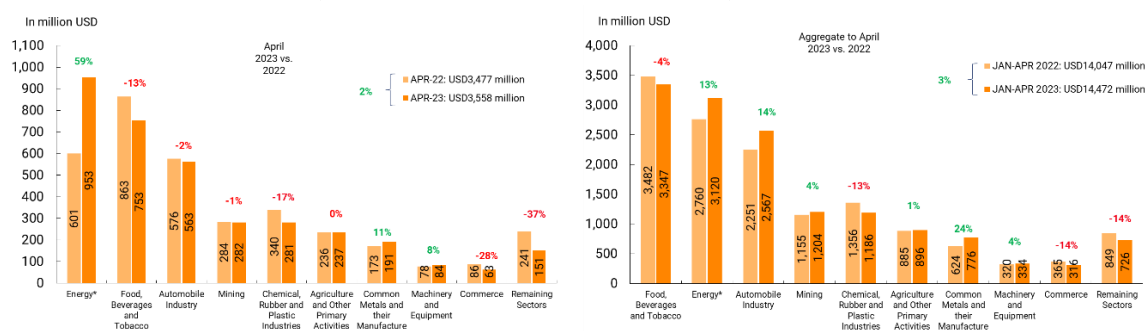


Source: BCRA

In turn, Affidavits of Sales Abroad (Declaraciones Juradas de Ventas al Exterior, DJVEs) as reported by the Agriculture and Fisheries Secretariat (which determine withholding payments on exports) totaled USD1,299 million in April, down 62% y.o.y.

Inflows from the collections on exports of goods from the remaining sectors totaled USD3,558 million in April, up 2% y.o.y. It should be noted that these sectors recorded inflows for about USD150 million under the Export Increase Program for goods from regional economies (see Chart III. 1.1.4).

**Chart III.1.1.4 Foreign Exchange Balance**  
**Collection on Exports of Goods ("Oilseeds and Grains" Sector Excluded)**



\*Note: it includes Oil, Electricity and Gas Sectors

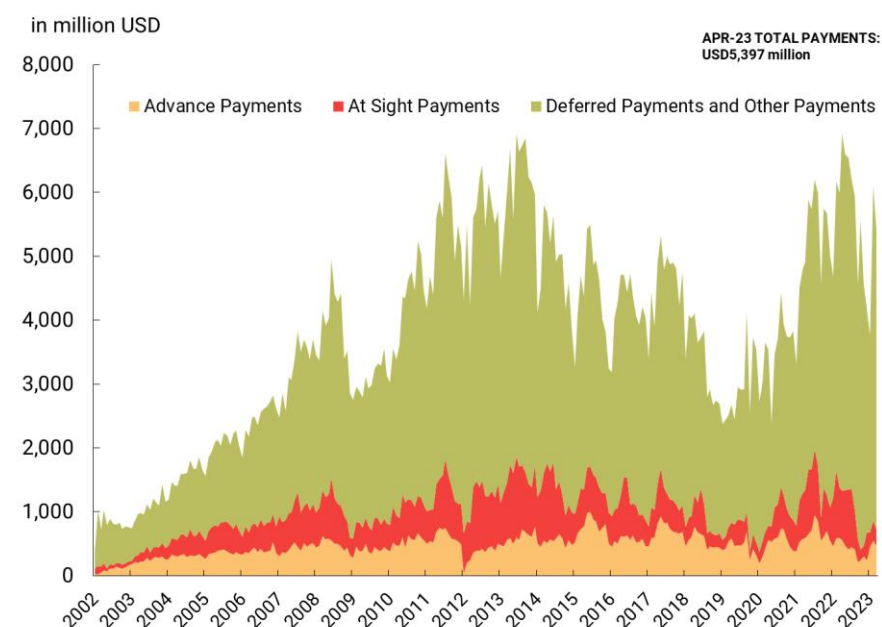
Source: BCRA

Broken down by sector, the greatest relative dynamism of the “Energy” sector stood out during the month, with a year-on-year increase of 59%, followed by the “Common Metals” and the “Machinery and Equipment” sectors with a year-on-year increase of 11% and 8%, respectively. All other sectors recorded year-on-year decreases in their collections on exports.

In April, payments of imports of goods totaled USD5,397 million, falling 10% y.o.y. and standing below April’s FOB imports (USD5,711 million). This would imply either an increase in the sector’s commercial indebtedness level or a decrease in its foreign assets due to advances.

As regards imports of goods, 87% of payments were deferred, 9% were advance payments, and the other 5% were sight payments in April (see Chart III.1.1.5).

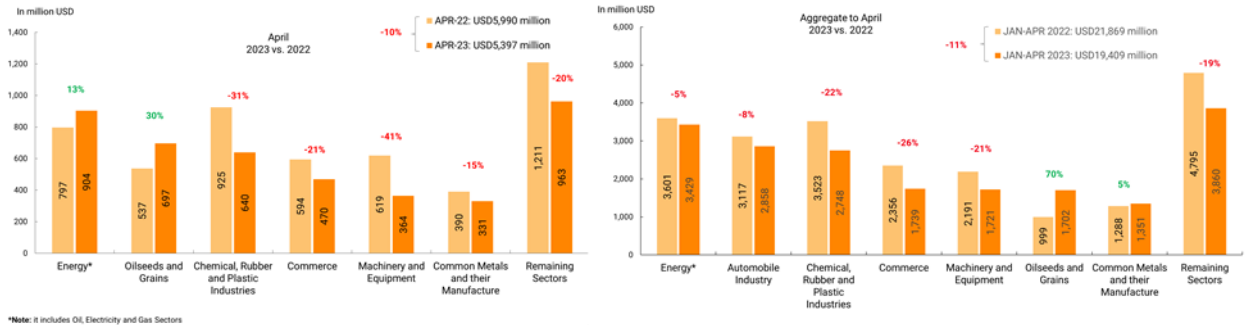
**Chart III.1.1.5 Foreign Exchange Balance**  
**Evolution of Payments for Imports of Goods by Type of Payment**



Source: BCRA

A 19% of total payments for imports of goods made in April corresponded to the “Automobile Industry” sector, followed by the “Energy” sector (17%). The “Oilseeds and Grains” sector showed greater dynamism with a 30% y.o.y. increase, mainly due to the drought that hindered the supply of soybean needed for the processing industry to maintain its minimum operating level and to meet their commercial commitments. Moreover, this season’s record harvest of Brazil made the import, processing and export of soybean by-products more economically convenient (see Chart III.1.1.6).

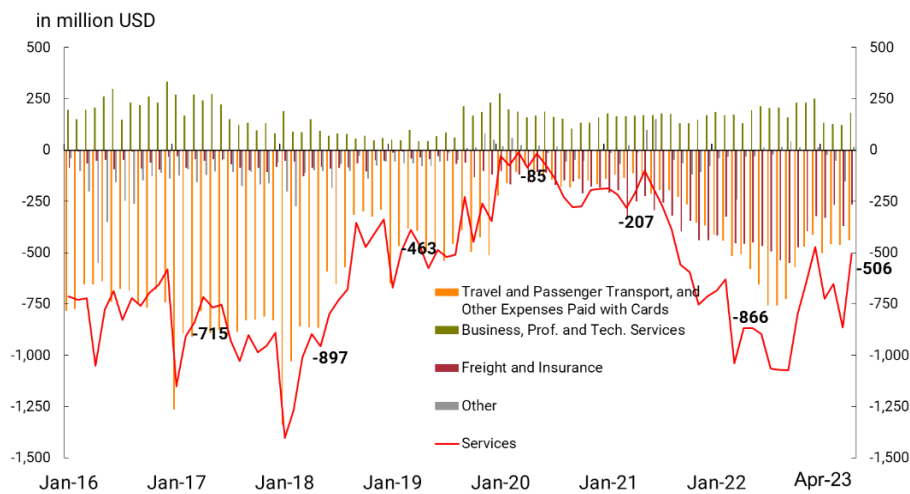
**Chart III.1.1.6 Foreign Exchange Balance  
Payments for Imports of Goods by Sector**



### III.1.2 Services, Primary and Secondary Income

The “Services” account recorded a deficit of USD506 million in April. This result was explained by net outflows from two sectors: “Travel and Passenger Transport, and Other Expenses Paid with Cards” and “Freight and Insurance”, which amounted to USD439 million and USD265 million, respectively. These transactions were partially offset by net inflows from “Business, Professional and Technical Services” (USD183 million) and “Other Services” (USD15 million), (see Chart III.1.2.1).

**Chart III.1.2.1 Foreign Exchange Balance  
Net Inflows from Services**



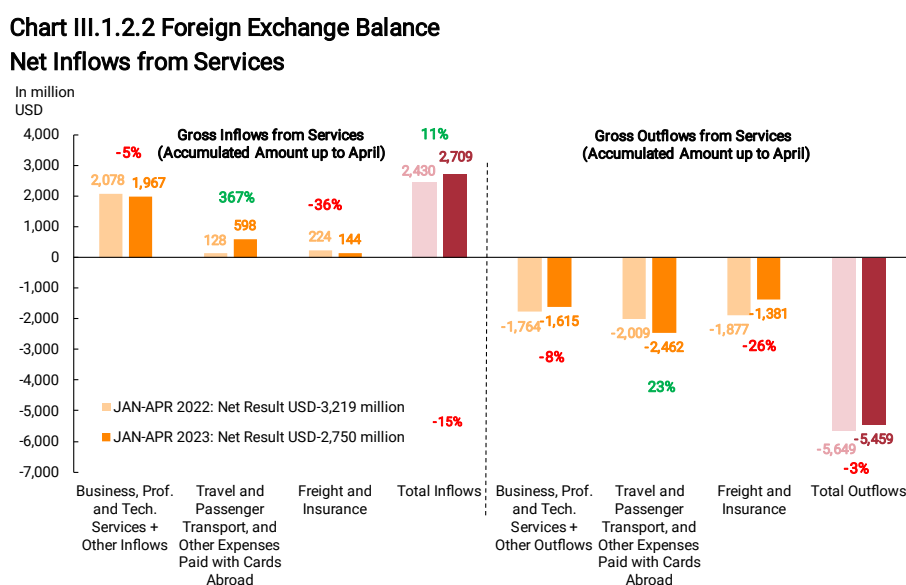
In April, gross outflows from “Freight and Insurance” amounted to USD293 million, down 29% against March, and 42% against April 2022. The measures implemented to finance the payment of imports of professional services and freight between related companies (Communication “A” 7746<sup>10</sup>, dated April 20) brought about the decrease of gross outflows.

<sup>10</sup> To access Communication “A” 7746, [click here](#).

In April, gross inflows from Travel and Passenger Transport amounted to USD149 million (up 299% in y.o.y. terms). This increase was observed after the implementation of Communication "A" 7630, dated November 3, 2022, which set forth that any inflows arising from non-resident cards, charges of tourist services hired by non-residents and charges of non-resident passenger transport services are exempted from the requirement to settle currency in the forex market. This measure seeks to boost foreign currency inflows from inbound tourism. In addition, a higher exchange rate is charged on card consumptions of non-resident visitors.<sup>11</sup> In turn, gross outflows from travel expenses totaled USD588 million, down 6% against March, and up 8% in y.o.y. terms.

In terms of the "Travel and Passenger Transport, and Other Expenses Paid with Cards" account, it is worth pointing out that the transfers made to international credit card issuers involve both purchases made during travels abroad and those made on a remote basis. In turn, inflows also include non-resident remote purchases made with cards to Argentine suppliers.<sup>12</sup>

Over the accumulated period from January up to April 2023, net outflows from Services totaled USD2,750 million, down 15% against the same period in 2022 (see Chart III.1.2.2).



Source: BCRA

Primary income transactions recorded net outflows amounting to USD310 million in April, mainly due to net payments of "Interest" for USD297 million. The "General Government and the BCRA" paid USD162 million of

<sup>11</sup> Self-to-self international transfers have no net effect on the forex market, since inflows are not settled in the forex market but deposited in local accounts in foreign currency.

<sup>12</sup> For more information on the changes implemented to the regulations that have an impact on the comparison of the flows reported in the headings included under "Services", among others, see Section B.5. Important Regulatory Provisions that Have an Impact on Foreign Exchange Statistics of the Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics available at BCRA's website.

gross interest, USD139 million of which corresponded to international organizations (IMF excluded). In turn, the private sector repaid USD178 million under the same heading. It should be noted that, as of April 20, the payment of interest on debt between related companies is subject to authorization (Communication "A" 7746). If a creditor is a counterparty related to the debtor, prior authorization will be required until the end of 2023 to access the forex market to pay interest on commercial debts for imports of goods and services, and/or financial loans held abroad.

In addition, gross outflows of profits, dividends and other income transferred to accounts abroad amounted to USD16 million.<sup>13</sup>

Finally, secondary income transactions had a deficit of USD15 million.

## III.2 Capital Account

In April, the capital account of the foreign exchange balance produced a neutral result.

## III.3 Foreign Exchange Financial Account

In April, the transactions carried out under the foreign exchange financial account recorded a deficit of USD4,091 million. This result was explained by a deficit in the "General Government and the BCRA" (USD2,823 million), in the "Non-Financial Private Sector" (USD852 million), and in "Other Net Transfers" (USD587 million), which were partly offset by the surplus recorded in the "Financial Sector" (USD170 million) (see Table III.3.1).<sup>14</sup>

**Table III.3.1. Foreign Exchange Balance  
Foreign Exchange Financial Account**  
Equivalent in million dollars

| Date                                      | Apr-22      | May-22      | Jun-22     | Jul-22        | Aug-22      | Sep-22        | Oct-22       | Nov-22      | Dec-22       | Jan-23        | Feb-23      | Mar-23       | Apr-23        |
|---|-------------|-------------|------------|---------------|-------------|---------------|--------------|-------------|--------------|---------------|-------------|--------------|---------------|
| <b>Foreign Exchange Financial Account</b> | <b>-324</b> | <b>-644</b> | <b>961</b> | <b>-2,998</b> | <b>-342</b> | <b>-3,793</b> | <b>2,241</b> | <b>-303</b> | <b>3,669</b> | <b>-2,219</b> | <b>-734</b> | <b>1,855</b> | <b>-4,091</b> |
| Non-Financial Private Sector              | -530        | -660        | -512       | -719          | -919        | -639          | -617         | -660        | -409         | -412          | -713        | -675         | -852          |
| Financial Sector                          | 360         | -23         | 175        | 372           | 25          | -616          | 192          | 14          | -1,078       | 878           | 62          | 198          | 170           |
| General Government and the BCRA           | -740        | -143        | 1,472      | -2,089        | 257         | -2,519        | 2,081        | 80          | 3,945        | -3,138        | -218        | 2,815        | -2,823        |
| Other Net Transfers                       | 586         | 183         | -173       | -562          | 295         | -19           | 585          | 262         | 1,211        | 453           | 135         | -484         | -587          |

### III.3.1. Foreign Exchange Financial Account of the Non-Financial Private Sector

The financial account of the "Non-Financial Private Sector" had a deficit of USD852 million in April, resulting basically from purchases of foreign assets for USD397 million, payments of loans held abroad and debt

<sup>13</sup> The regulations on the access to the forex market for the payment of profits and dividends set out that the companies that have exchanged foreign currency from new direct investment contributions in the forex market since January 2020 can make payments of up to 30% of the accumulated amount so exchanged since that date. In turn, non-resident shareholders will be able to access the forex market for the payment of profits and dividends on foreign direct investment contributions entered and exchanged in the forex market since November 16, 2020, and allocated to finance projects under the "Plan for the Promotion of the Argentine Natural Gas Production". Since June 2021, exporters of goods that registered an increase in their external sales over the previous year, will be able to access the forex market for the payment of profits and dividends from closed and audited balance sheets, for a percentage of that increase. See Communications "A" 6869, "A" 7168 and "A" 7301.

<sup>14</sup> For more information on the "Other Net Transfers" account of the foreign exchange balance, see Section C.4.11. of the [Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics](#)



securities for USD317 million; payments of balances in foreign currency to local institutions for purchases made with cards to non-resident suppliers for USD215 million (which do not involve a net demand of foreign currency in the financial account)<sup>15</sup>; self-to-self international transfers for USD56 million (largely explained by their counterpart of Travel and Passenger Transport inflows that are not required to be settled in the forex market, for more information see Section III.1.2). These outflows were partially offset by net inflows from local financial loans for USD76 million; and inflows from foreign direct investments for USD58 million (see Table III.3.1.1).

**Table III.3.1.1. Foreign Exchange Balance**  
**Foreign Exchange Financial Account of the Non-Financial Private Sector**  
 Equivalent in million dollars

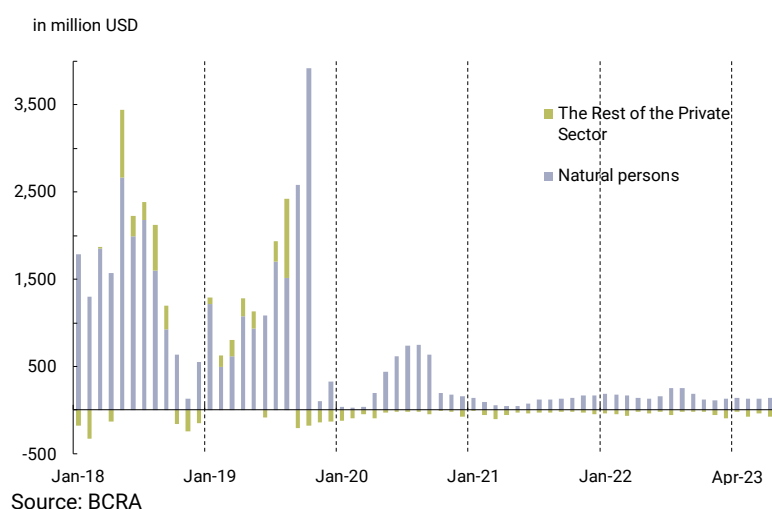
| Date  | Apr-22      | May-22      | Jun-22      | Jul-22      | Aug-22      | Sep-22      | Oct-22      | Nov-22      | Dec-22      | Jan-23      | Feb-23      | Mar-23      | Apr-23      |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Foreign Exchange Financial Account</b>                     | <b>-530</b> | <b>-660</b> | <b>-512</b> | <b>-719</b> | <b>-919</b> | <b>-639</b> | <b>-617</b> | <b>-660</b> | <b>-409</b> | <b>-412</b> | <b>-713</b> | <b>-675</b> | <b>-852</b> |
| Non-Residents' Direct Investments                             | 36          | 37          | 34          | 43          | 32          | 41          | 40          | 33          | 66          | 52          | 54          | 38          | 58          |
| Non-Residents' Portfolio Investments                          | 13          | 2           | 0           | 2           | 6           | 0           | -1          | -3          | 1           | -1          | 3           | -1          | 0           |
| Financial Loans and Credit Lines                              | -337        | -477        | -272        | -465        | -629        | -437        | -476        | -515        | -130        | -149        | -582        | -278        | -456        |
| Local Financial Loans   | -47         | -62         | 74          | -22         | -105        | 42          | 52          | -17         | -12         | -28         | -97         | 56          | 76          |
| Other Foreign Loans and Debt Securities                       | -54         | -132        | -97         | -75         | -181        | -100        | -169        | -235        | 126         | 107         | -248        | -45         | -317        |
| Payment of Card Balance                                       | -237        | -282        | -249        | -368        | -343        | -379        | -358        | -262        | -244        | -228        | -237        | -290        | -215        |
| Loans from Other International Organizations and Other        | -26         | -43         | -38         | -54         | 26          | 31          | -5          | -79         | -58         | 8           | -52         | -41         | 1           |
| Buildup of Foreign Assets by the Non-Financial Private Sector | -35         | -23         | -68         | -179        | -186        | -107        | 14          | 56          | 95          | -81         | -11         | -4          | -397        |
| Self-to-Self International Transfers                          | -180        | -157        | -169        | -66         | -170        | -167        | -189        | -152        | -381        | -240        | -123        | -386        | -56         |
| Purchase and Sale of Securities                               | 0           | 0           | 0           | 0           | 2           | 0           | -1          | -1          | -1          | -2          | -2          | -2          | -2          |

Source: BCRA

Non-financial private sector residents' foreign assets resulted in net outflows amounting to USD397 million— i.e., net outflows of foreign currency (USD330 million) and net purchases of banknotes (USD67 million).

This outcome reflects net purchases for USD143 million made by “Natural Persons”, partially offset by net sales for USD76 million made by legal persons and others (see Chart III.3.1.1).

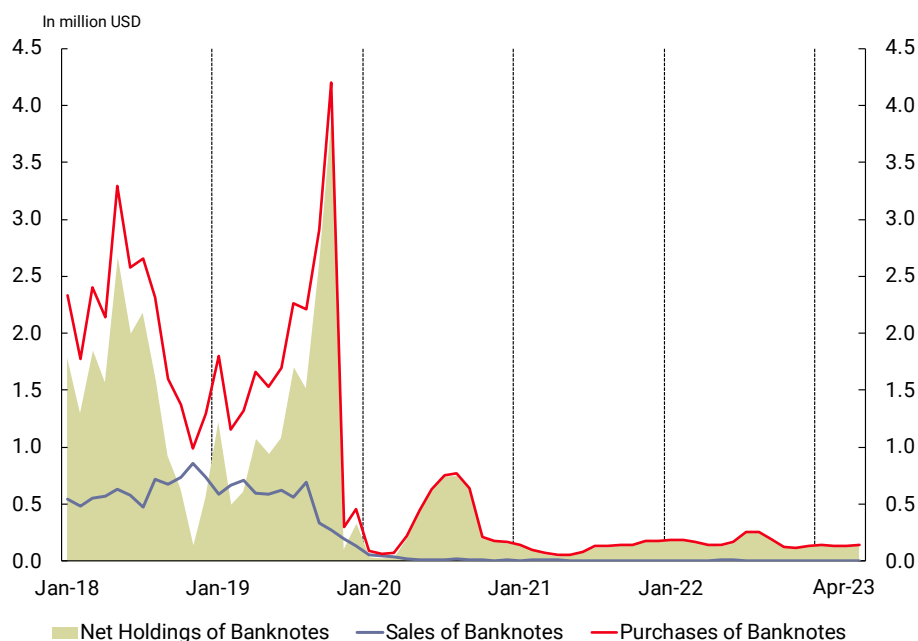
**Chart III.3.1.1 Foreign Exchange Balance**  
**Net Purchases of Banknotes by Sector**



<sup>15</sup> The demand of foreign currency due to purchases made with cards from foreign suppliers is recorded in a services account of the foreign exchange balance, under “Travel and Passenger Transport, and Other Expenses Paid with Cards”.

In April, “Natural Persons” purchased banknotes for USD147 million—up 8% against March, and up 4% y.o.y.—and sold USD4 million (see Chart III.3.1.2).<sup>16</sup>

**Chart III.3.1.2 Foreign Exchange Balance  
Natural Persons. Banknotes**

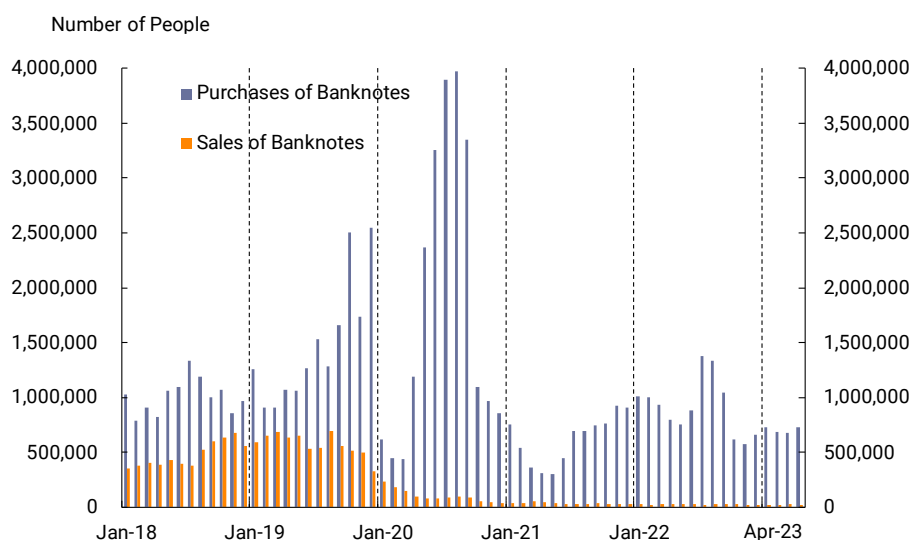


Source: BCRA

In terms of traders, 724,000 individuals purchased banknotes, while sellers amounted to about 18,000—per capita purchases and sales amounting to about USD200 and USD202, respectively (see Chart III.3.1.3).

<sup>16</sup> These transactions were made in the context of the regulatory changes introduced in mid-September 2020, as under Communication “A” 7105 (introducing controls and monitoring mechanisms for ensuring that clients’ financial and income capacity make them eligible to open savings accounts in foreign currency; as well as limits to co-owners’ access to purchase foreign currency for building up foreign assets), and Communication “A” 7106 (establishing that any payments made in foreign currency on credit or debit cards will count as part of the USD200 monthly quota per person, and that beneficiaries under paragraph 4 of Communication “A” 6949, as supplemented, and/or Section 2 of Executive Order 319/20 may not access the forex market until benefits are over). As from September 16, 2020, the Federal Administration of Public Revenue (AFIP) will collect 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/or credit card bills (General Resolution 4815/2020).

**Chart III.3.1.3 Foreign Exchange Balance  
Natural Persons. Banknotes**



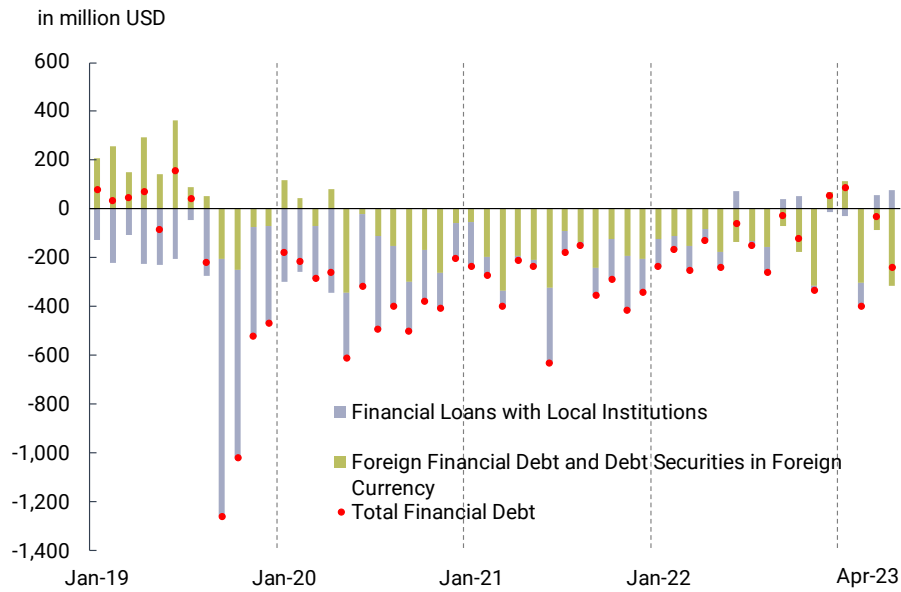
Source: BCRA

In turn, in April, this sector made net transfers from their own accounts abroad (USD330 million). Over April, the “Real Sector excluding Oilseeds and Grains” made net transfers abroad for USD240 million, “Natural Persons” for USD85 million, and “Institutional Investors and Others” for USD5 million. These transfers were partially offset by net transfers received by the “Oilseeds and Grains” sector for USD2 million.

Net payments of financial debts from the non-financial private sector, including loans from international organizations and local financial loans, totaled USD240 million in April. This amount involves net outflows on account of financial debt held abroad, securities in foreign currency, and loans owed to international organizations (USD316 million), with outflows from the “Oil” and “Electricity” sectors standing out (about USD255 million and USD65 million, respectively), which were partially offset by net payments of loans granted by local institutions (USD76 million). The total amount excludes purchases of foreign currency to pay card bills for expenses incurred abroad (USD215 million), which do not imply a net demand within the whole system, i.e., the ensemble of financial institutions and the BCRA. Instead, they were calculated under the heading “Travel, and Other Expenses Paid with Cards” at the time of the transfer abroad (see Chart III.3.1.4).<sup>17</sup>

<sup>17</sup> As from September 16, 2020, through Communication “A” 7106, the sovereign debt restructuring process in foreign currency was successfully carried out by the National State. In symphony with this measure, the BCRA set out guidelines for private sector companies to refinance their foreign financial debts or local debt securities in foreign currency, so that they may be aligned to the new requirements, thus ensuring the smooth functioning of the forex market.

**Chart III.3.1.4 Foreign Exchange Balance  
Non-Financial Private Sector. Financial Debt**

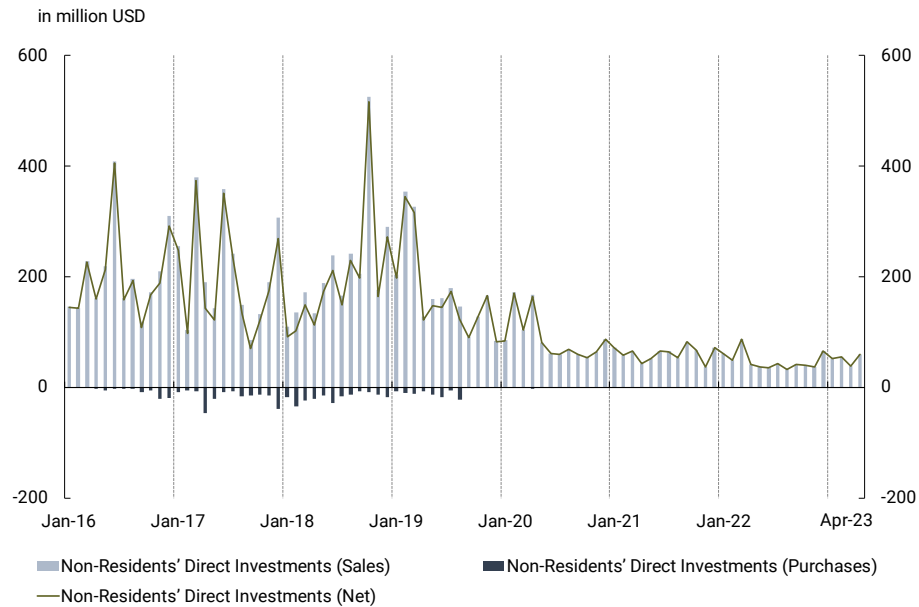


**Note:** Local financial debt excludes the purchases of foreign currency to pay card bills for expenses incurred abroad, which do not imply a net demand within the forex market

Source: BCRA

Direct investments made by non-residents in the private sector reached USD58 million (net inflows) in April (see Chart III.3.1.5).

**Chart III.3.1.5 Foreign Exchange Balance  
Non-Residents' Direct Investments. Private sector**



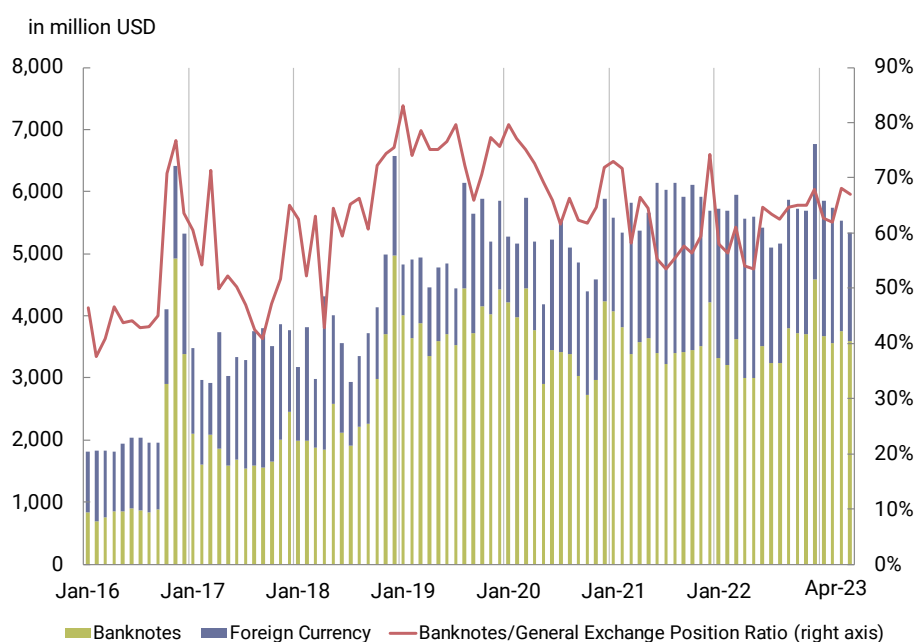
Source: BCRA

### III.3.2. Foreign Exchange Financial Account of the Financial Sector

In April, the transactions carried out under the foreign exchange financial account of the “Financial Sector” resulted in a surplus of USD170 million. This outcome is explained by a decrease of USD179 million in liquid foreign assets of financial institutions’ General Exchange Position, partially offset by net payments of financial loans, lines of credit and loans owed to international organizations for USD9 million.<sup>18</sup>

Financial institutions’ General Exchange Position amounted to USD5,346 million at the end of April, down 3% against the end of March. The result was explained by a drop in holdings of banknotes (USD173 million) and in the stock of foreign currency (USD5 million). Holdings of foreign currency banknotes totaled USD3,586 million by the end of the month. This stock accounted for 67% of the total General Exchange Position, and it is allocated by institutions to cover local foreign currency deposit transactions and foreign exchange market needs (see Chart III.3.2.1).

**Chart III.3.2.1 Foreign Exchange Balance  
Institutions’ General Exchange Position**



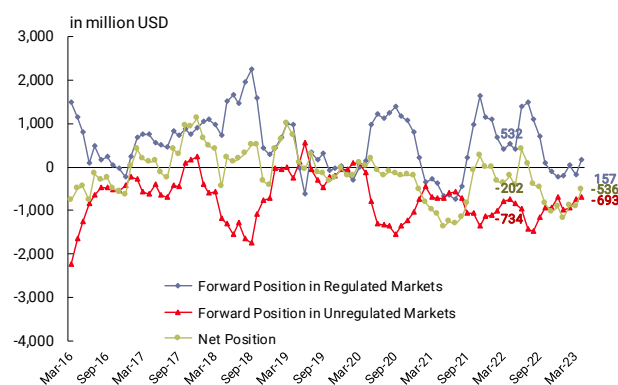
Source: BCRA

On another note, the ensemble of financial institutions ended April with a forward short position in foreign currency of USD536 million, recording a drop of USD393 million against the end of March. They purchased USD333 million in regulated markets and USD59 million from their clients directly (Forwards) over the month (see Chart III.3.2.2).

<sup>18</sup> The General Exchange Position is defined in Section C.4.7. of the [Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics](#).

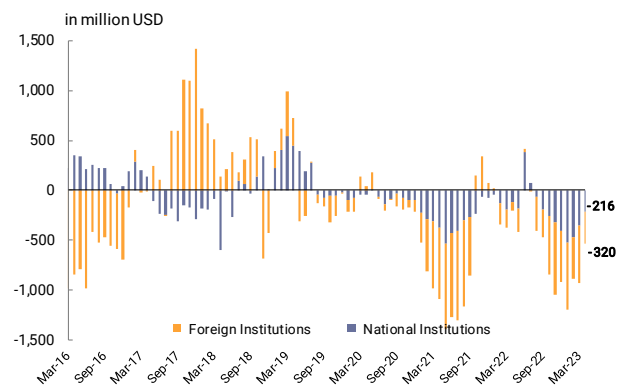
Foreign-capital institutions ended April with a net short position of USD320 million, recording a drop of USD260 million compared to March. In turn, national-capital institutions purchased USD133 million, reducing their net short position of March to USD216 million (see Chart III.3.2.3).

**Chart III.3.2.2 Forward Market  
EOM Institutions' Forward Position**



Source: BCRA

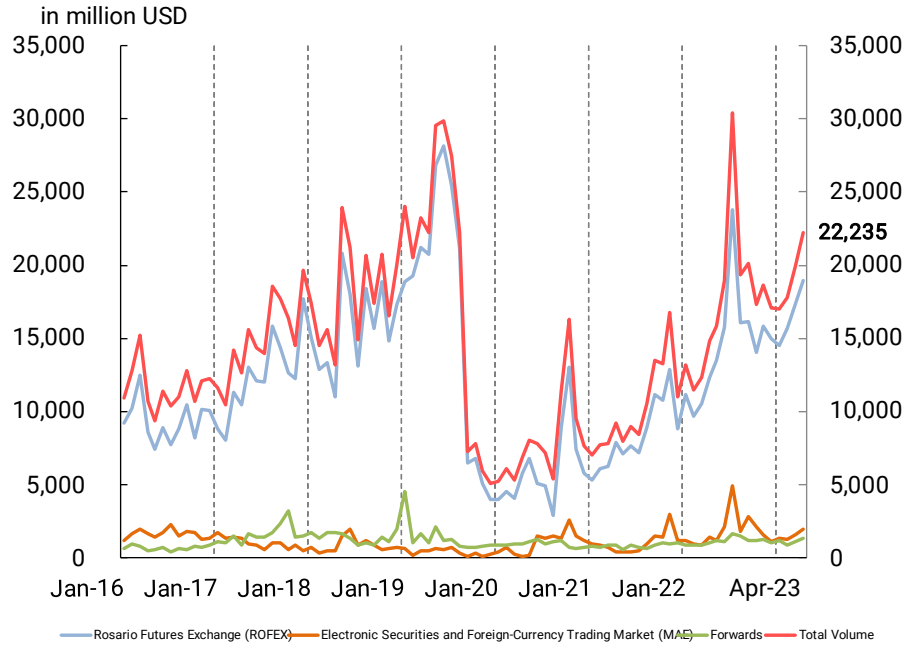
**Chart III.3.2.3 Forward Market  
EOM Institutions' Forward Position**



The volume traded in forward markets totaled USD22,235 million in April, i.e.: USD987 million daily on average. Transactions carried out in the Rosario Futures Exchange (ROFEX) continued to stand out, with an 85% share in the total volume traded in the forward market (see Chart III.3.2.4).<sup>19</sup>

<sup>19</sup> The chart includes the total volume traded in the ROFEX, the transactions arranged by institutions in the Electronic Securities and Foreign Currency Trading Market (MAE), and with Forwards. This information comes from the Forward Transactions Reporting Scheme (Communication "A" 4196, as amended) and postings on the websites of MAE and ROFEX.

**Chart III.3.2.4 Forward Market**  
**Total Volume Traded in the Forward Market**



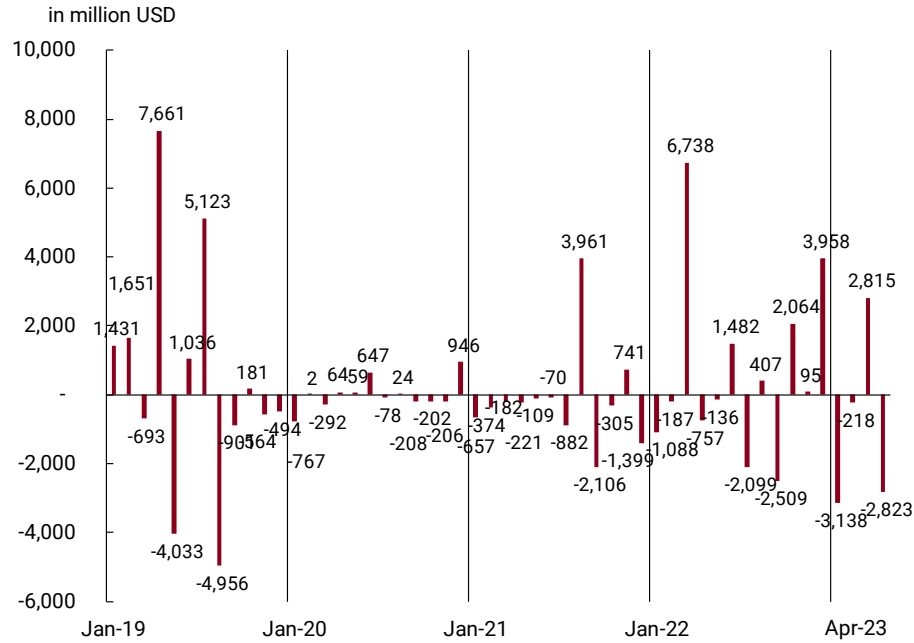
Source: BCRA

### III.3.3. The Foreign Exchange Financial Account of the General Government and the BCRA

In April, the transactions carried out under the foreign exchange financial account of the “General Government and the BCRA” recorded a deficit of USD2,823 million (see Chart III.3.3.1), mainly explained by payments of USD2,668 million (SDR1,975 million) made to the IMF.

**Chart III.3.3.1 Foreign Exchange Balance**

**Foreign Exchange Financial Account of the General Government and the BCRA**



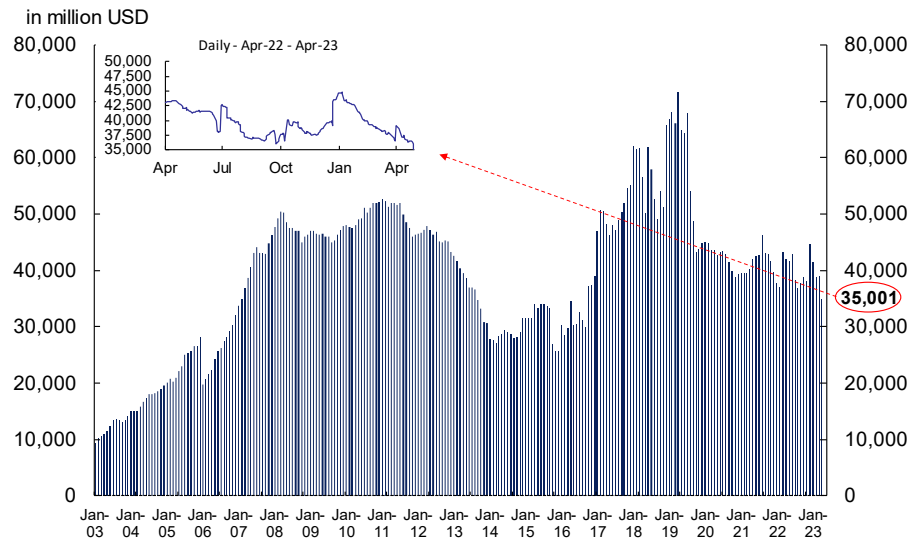
Source: BCRA

## IV. BCRA’s International Reserves

During April, BCRA’s international reserves fell USD4,059 million, totaling USD35,001 million by the end of the month. This drop was mainly explained by payments to the IMF of USD2,668 million (SDR1,975 million), a decrease in financial institution’s holdings of foreign currency in the BCRA by about USD900 million, and net payments settled by the BCRA through the local Currency Payment System (SML) (see Chart IV.1).



**Chart IV.1 BCRA's International Reserves**



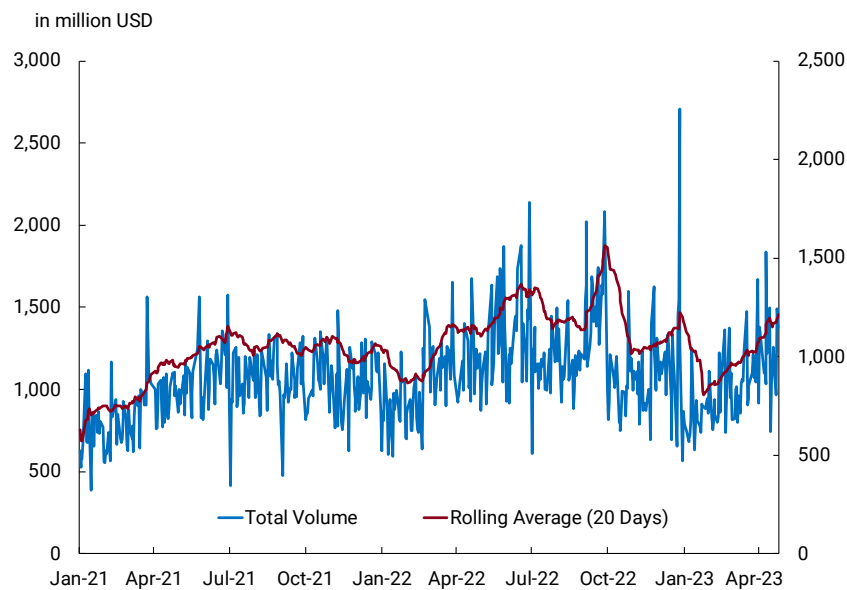
Source: BCRA

## V. Volumes Traded in the Foreign Exchange Market

In April, the volume traded in the forex market totaled USD22,174 million, up 5% y.o.y. (see Chart V.1). The average daily volume traded was USD1,232 million. The y.o.y. increase in volume was explained by a 418% rise in transactions between institutions and the BCRA (up about USD2,020 million), a 10% increase in transactions among institutions (up about USD369 million), which were partially offset by a decrease of 8% in transactions between institutions and their clients (down about USD1,313 million).<sup>20</sup>

<sup>20</sup> In BCRA's website there is a quarterly ranking of volumes traded with clients in the forex market broken down by institution (to access the ranking, [click here](#)).

**Chart V.1 Foreign Exchange Market  
Volume Traded Daily Evolution**



Source: BCRA

Foreign exchange transactions between institutions and their clients accounted for 71% of the total volume traded, while transactions between institutions—mainly through the Electronic Trading System (SIOPEL)—represented 18%; in turn, transactions between institutions and the BCRA stood for the remaining 11% (see Chart V.2).<sup>21</sup>

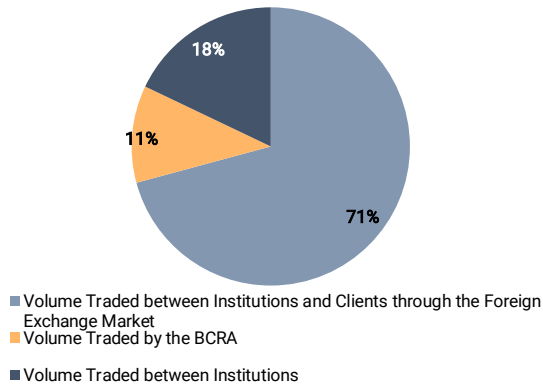
In April, 148 institutions traded in the market involving 44 foreign currencies.

Thus, most of the volume traded between licensed institutions and their clients was highly concentrated in a few number of institutions (out of the already mentioned 148 institutions, the first ten accounted for 90% of such volume); and in the currency used, USD-denominated transactions had a 95% share in the total traded with clients, followed by Euros, which accounted for 4% of the total, and the remaining currencies concentrated 1% of the total volume traded (see Chart V.3).

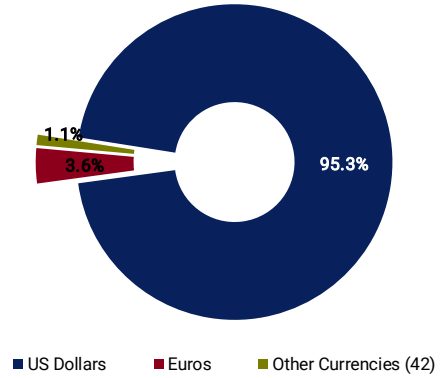
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<sup>21</sup> The volume traded between licensed institutions and their clients excludes the following items: the underwriting of LEBAC bills, self-to-self international transfers (around USD1,512 million), the record of deposits in foreign currency allocated for the payment of financial debt service for about USD243 million, and purchases of foreign currency to pay card bills for expenses incurred abroad (around USD215 million for the month under study).

**Chart V.2 Foreign Exchange Market  
Total Volume and Share - April 2023**



**Chart V.3 Foreign Exchange Market  
Volume with Clients by Currency - April 2023**



Source: BCRA

Finally, 87% of foreign exchange transactions between financial and foreign exchange institutions and their clients were channeled through private financial institutions, 13% through public banks, and 0.1% through foreign exchange houses and agencies.