

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

August 2024



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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## Executive Summary

The world economy is growing at a modest pace, but with favorable prospects. Economies are evolving in different ways—poor performance of the advanced economies of Europe and strong growth of the United States and some emerging economies. Post-COVID restrictive monetary conditions have had an impact on inflation levels. Particularly in the United States and the European Union, the decline in inflation has enabled the Federal Reserve (FED) and the European Central Bank (ECB) to reduce interest rates for the first time since 2020. The ECB has already dropped interest rates twice this year, while the FED did it only once in September by half a percentage point.

At the local level, within the framework of the “Incentive Regime for Large Investments” (*Régimen de Incentivo a las Grandes Inversiones*, RIGI), the BCRA established the exceptions to the requirement of transfer and/or settlement of foreign exchange proceeds from exports of goods and services rendered to non-residents (Communication [A 8099](#), dated August 29). Additionally, it outlined the requirements for accessing the foreign exchange market for making payments abroad, including profits and dividends to non-resident shareholders. Moreover, under the “Asset Regularization Regime” established by Law 27,743 and regulated by Executive Order 608/2024 and Communication A 8062, the regularization of holdings in domestic and foreign currency in Argentina and/or abroad has begun. In this context, financial institutions received, during August, around USD500 million in foreign currency deposits, while the total amount received since this process started is estimated to exceed USD9.9 billion at the date of publication of this report.

In terms of the [forex market performance](#) for August, financial institution’s clients sold USD120 million, and financial institutions’ sales amounted to USD194 million. The BCRA made net purchases of USD378 million, and net payments through the Local Currency Payment System for USD64 million.

The “Non-Financial Private Sector” was a net seller of foreign currency for USD504 million. Within that group, the “Oilseeds and Grains” sector was the main supplier of foreign currency, recording net inflows of USD1,745 million, mainly explained by the result in “Goods”. The “Real Sector excluding Oilseeds and Grains” recorded net outflows of USD861 million, while those of “Natural Persons” amounted to USD385 million, mainly for traveling expenses and other payments on cards to non-resident suppliers.

In terms of the [foreign exchange balance for August](#), the foreign exchange current account experienced a deficit of USD1,269 million. This result was explained by net outflows recorded in “Primary Income” (USD1,243 million) and “Services” (USD614 million), which were partially offset by the surplus recorded in “Goods” (USD576 million) and “Secondary Income” (USD13 million). In turn, transactions carried out under the foreign exchange financial account resulted in a surplus of USD1,051 million. This result was explained by the surplus recorded in the “Financial Sector” (USD831 million), in the “National Government and the BCRA” (USD346 million), and in the “Non-Financial Private Sector” (USD281 million), which were partially offset by the deficit in “Other Net Transfers” (USD407 million).

During August, [BCRA’s international reserves](#) increased USD317 million, totaling USD26,719 million by the end of the month. This rise was mainly the result of an increase in the US dollar exchange rate of foreign exchange reserves (USD543 million), the settlement of net purchases made by the BCRA in the forex market (USD535 million), and net inflows of principal from international organizations (IMF excluded) and other financial debts (USD365 million), which were partially offset by gross payments of interest and fees to the

IMF (USD854 million, SDR637 million), a fall in institutions' holdings of foreign currency at the BCRA (USD99 million), and net payments made by the BCRA through the Local Currency Payment System (USD64 million).

# I. Introduction

This report analyzes information on foreign exchange transactions made in August 2024 as gathered by the Exchange Transaction Reporting System administered by the BCRA. Additionally, it relies on information on changes in the BCRA's International Reserves due to transactions carried out by the BCRA on its own account or on behalf of the National Government, and due to changes in the balance of institutions' foreign currency accounts at the BCRA.<sup>1</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 the AFIP), 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 the 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 the 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 the BCRA's website.

Section II of this report analyzes the result of foreign exchange transactions; data are broken down by sector and by heading. 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" on the basis of the identification number entered and the main activity reported to the AFIP. For more information on the categorization used, see Section B.4. of the ["Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics"](#).<sup>2</sup> In addition, there is an annex of statistical series broken down by sector based on the National Classifier of Economic Activities (CLANAE) as reported by companies within the framework of the National Economic Census carried out by INDEC in 2021, supplemented, in some cases, with the Classification of Economic Activity reported to the AFIP (CLAE), since at the Letter and Group levels (3 digits) both classifiers match each other. **Foreign exchange market and foreign exchange balance statistics are available on the [BCRA's website](#).**

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

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<sup>1</sup> Communication A 3840, as amended.

<sup>2</sup> 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".

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 (see Table II.2).

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 (included in Section II)—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 based on the reasons for the transactions (headings), which are again taken as an affidavit. However, the evolution of the historical series 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).

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

In August, financial institutions' clients sold USD120 million in the forex market, and financial institutions' sales amounted to USD194 million.<sup>3</sup> The BCRA made net purchases of USD378 million, and net payments through the Local Currency Payment System for USD64 million (see Table II.1).<sup>4 5 6</sup>

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<sup>3</sup> Like in recent months, financial institution's sales in August would be associated with foreign currency funds received from their clients to pay for card consumptions in foreign currency.

<sup>4</sup> Information on the Local Currency Payment System of this report has been drawn from the Exchange Transaction Reporting System (RIOCC) and reported by transaction date. For more information, see the [Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics](#)

<sup>5</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>6</sup> The result by sector excludes purchases of foreign currency to pay card bills for expenses incurred abroad for an amount of USD174 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	Aug-23	Aug-24	2023 up to Aug	2024 up to Aug
BCRA - Market	-1,257	-378	2,423	-14,501
BCRA - Local Currency Payment System	34	64	673	315
National Treasury Institutions	-	-	-	-
Institutions' Clients (1 + 2 + 3)	1,185	120	-3,112	12,685
<b>1. Non-Financial Private Sector</b>	<b>831</b>	<b>504</b>	<b>-3,063</b>	<b>14,689</b>
Oilseeds and Grains	1,235	1,745	11,946	13,686
Real Sector excluding Oilseeds and Grains	119	-861	-10,419	3,445
Natural Persons	-550	-385	-4,081	-2,623
Institutional Investors and Others	27	5	-509	181
<b>2. General Government (National Treasury Excluded)</b>	<b>356</b>	<b>-300</b>	<b>489</b>	<b>-1,060</b>
<b>3. Institutions (Own Transactions)</b>	<b>-2</b>	<b>-83</b>	<b>-537</b>	<b>-943</b>
<b>National Treasury Directly with the BCRA</b>	<b>-231</b>	<b>-</b>	<b>-6,685</b>	<b>-8,661</b>

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

Source: BCRA

In August, the “Oilseeds and Grains” sector was the main supplier of foreign currency, with net sales of USD1,745 million in the forex market. This was mainly explained by collections on exports net of payments for imports (under “Goods”), recording a net amount of USD1,741 million (see Table II.2).

It is worth noting that, since December 2023, exporters can settle up to 20% of their exports through the stock market, thus making it impossible to conduct an accurate year-on-year comparison.

**Table II.2 Foreign Exchange Market**

**Result of Institutions' Transactions with Clients. August 2024**

Equivalent in million dollars

Sector/Main Headings	Goods	Travel and Passenger Transport, and Other Expenses Paid with Cards	Other Services, and Primary and Secondary Inflows	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>612</b>	<b>-571</b>	<b>13</b>	<b>42</b>	<b>413</b>	<b>-575</b>	<b>569</b>	<b>504</b>
Oilseeds and Grains	1,741	0	7	0	1	-19	15	1,745
Real Sector excluding Oilseeds and Grains	-1,049	-184	-144	20	64	-82	513	-861
Natural Persons	-13	-423	7	3	67	-76	49	-385
Institutional Investors and Others	-67	35	143	20	281	-398	-9	5
<b>General Government (National Treasury Excluded)</b>	<b>-8</b>	<b>0</b>	<b>-306</b>	<b>127</b>	<b>2</b>	<b>92</b>	<b>-207</b>	<b>-300</b>
<b>Institutions (Own Transactions)</b>	<b>-28</b>	<b>0</b>	<b>-38</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-17</b>	<b>-83</b>
<b>Institutions' Result with Clients</b>	<b>576</b>	<b>-571</b>	<b>-331</b>	<b>169</b>	<b>416</b>	<b>-482</b>	<b>345</b>	<b>120</b>
<b>Result for Forex Transactions</b>	<b>405</b>	<b>-656</b>	<b>-381</b>	<b>169</b>	<b>13</b>	<b>0</b>	<b>571</b>	<b>120</b>
<b>Result for Self-to-Self International Transfers</b>	<b>171</b>	<b>85</b>	<b>50</b>	<b>0</b>	<b>403</b>	<b>-482</b>	<b>-226</b>	<b>0</b>

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

Source: BCRA

The “Real Sector excluding Oilseeds and Grains” recorded net purchases amounting to USD861 million, mainly explained by the result in “Goods” (net outflows of USD1,049 million), which was partially offset by “Debt, FDI, Portfolio, and Other Transactions” (net inflows of USD513 million).



On a disaggregated basis, the economic sectors running larger surplus were “Food, Beverages and Tobacco” (USD552 million) and “Mining” (USD387 million), while “Chemical, Rubber and Plastic Industries” (USD509 million) and “Automobile Industry” (USD412 million) had the highest deficit (see Table II.3).

**Table II.3 Foreign Exchange Market**

**Result of the Real Sector excluding Oilseeds and Grains disaggregated by main headings. August 2024**

Equivalent in million dollars

Sector/Main Headings	Goods	Travel and Passenger Transport, and Other Expenses Paid with Cards	Other Services, and Primary and Secondary Inflows	Foreign Assets - Banknotes	Foreign Assets - Foreign Currency	Net Self-to-Self International Transfers	Debt, FDI, Portfolio, and Other Transactions	Total
Food, Beverages and Tobacco	566	0	-12	0	0	-67	63	552
Mining	356	0	-2	0	31	-59	61	387
Agriculture and Other Primary Activities	221	0	-2	-1	0	-32	11	197
Energy*	-80	0	-118	12	10	-37	377	163
Information Technology	-13	2	99	0	1	-11	7	85
Entertainment	-1	0	9	0	14	-2	-8	11
Construction	-15	0	1	-2	0	-1	26	9
Gastronomy	-1	0	1	0	0	0	0	0
Water	-1	0	0	0	0	0	0	-1
Non-Metallic Mineral Products (Cement, Ceramics and Others)	-19	0	-1	0	0	-1	1	-20
Paper, Publishing and Printing Industry	-65	0	1	0	0	4	2	-58
Communications	-34	0	-37	0	1	109	-109	-69
Transport	-3	-55	-83	9	1	38	0	-94
Common Metals and their Manufacture	-105	0	-1	0	0	-4	8	-102
Other Manufacturing Industries	-102	0	5	0	0	-5	-4	-106
Textile and Leather Industries	-103	0	-3	0	0	-5	-2	-114
Tourism and Accommodation Services	0	-131	-1	0	0	-14	12	-134
Commerce	-334	0	3	1	1	2	5	-322
Machinery and Equipment	-350	0	1	0	4	-8	28	-325
Automobile Industry	-420	0	-17	0	0	26	-1	-412
Chemical, Rubber and Plastic Industries	-547	0	13	0	1	-13	36	-509
<b>Total</b>	<b>-1,049</b>	<b>-184</b>	<b>-144</b>	<b>20</b>	<b>64</b>	<b>-82</b>	<b>513</b>	<b>-861</b>

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

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

Source: BCRA

“Natural Persons” recorded net outflows of USD385 million mainly for traveling expenses and other payments on cards to non-resident suppliers.<sup>7</sup>

“Institutional Investors and Others”—both residents and non-residents—practically offset their transactions in August.

Financial institutions made net purchases with their own funds for USD83 million.

In turn, the “General Government” (excluding the National Treasury) made net purchases in the forex market for USD300 million, mainly explained by net repayments of principal and interest of financial debt.

<sup>7</sup> It should be noted that part of these card consumptions (recorded as outflows under the “Travel” account) are paid by customers with their own funds in foreign currency, partially offsetting the impact on the forex market and, accordingly, on the changes in international reserves.

## III. Foreign Exchange Balance

### III.1. Current Account

Current account transactions recorded in the foreign exchange balance showed a deficit of USD1,269 million in August. This result was mainly explained by the net outflows recorded in “Primary Income” (USD1,243 million) and “Services” (USD614 million), which was partially offset by the surplus recorded in “Goods” (USD576 million) and “Secondary Income” (USD13 million), (see Table III.1.1).<sup>8</sup>

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

#### Foreign Exchange Current Account

Equivalent in million dollars

Date	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
<b>Foreign Exchange Current Account</b>	<b>-372</b>	<b>511</b>	<b>-313</b>	<b>47</b>	<b>2,962</b>	<b>2,344</b>	<b>1,575</b>	<b>1,804</b>	<b>2,277</b>	<b>1,161</b>	<b>-223</b>	<b>-1,668</b>	<b>-1,269</b>
Goods	1,292	1,406	854	1,982	3,381	3,879	3,059	2,424	2,737	2,708	795	551	576
Services	-412	-461	-753	-678	-20	84	-232	-158	-183	-388	-368	-566	-614
Primary Income	-1,251	-425	-373	-1,256	-387	-1,625	-1,264	-462	-290	-1,180	-533	-1,670	-1,243
Secondary Income	-1	-10	-42	-2	-12	6	13	0	12	21	-117	17	13

Source: BCRA

It is worth noting that Executive Order [28/2023](#) (dated December 13) set forth a new edition of the Export Increase Program. This program is intended for the entire exporting sector, both goods and services, and allows them to settle 20% of the foreign currency received from the collection of exports through the stock market, having to settle, at least, 80% through the forex market.

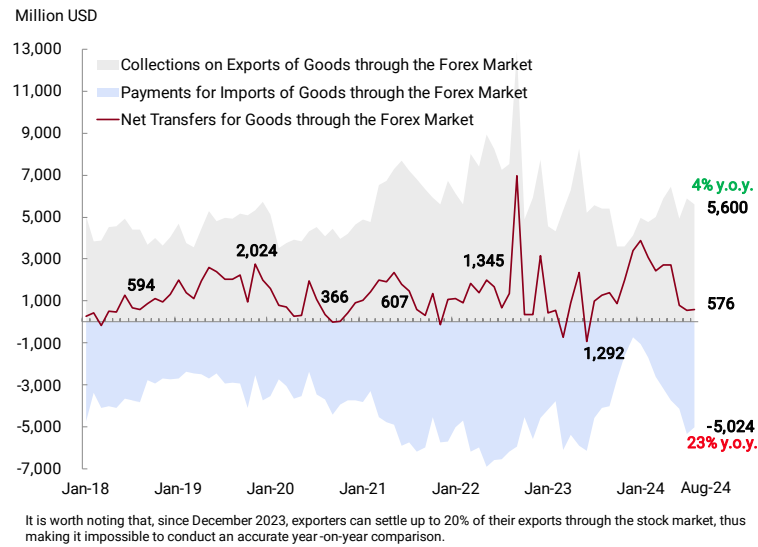
Under these regulations, foreign currency inflows from exports of goods and services settled through the stock market are not recorded as collections of exports of goods and services in the foreign exchange market and foreign exchange balance statistics; except for those collections that were kept in local foreign currency accounts (that result in self-to-self international transfers).

#### III.1.1. Goods

In August, transfers for “Goods” on the foreign exchange balance exhibited net inflows for USD576 million, resulting from collections on exports for USD5,600 million, which were partially offset by payments of imports for USD5,024 million (see Chart III.1.1.1).

<sup>8</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 on the BCRA’s website.

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



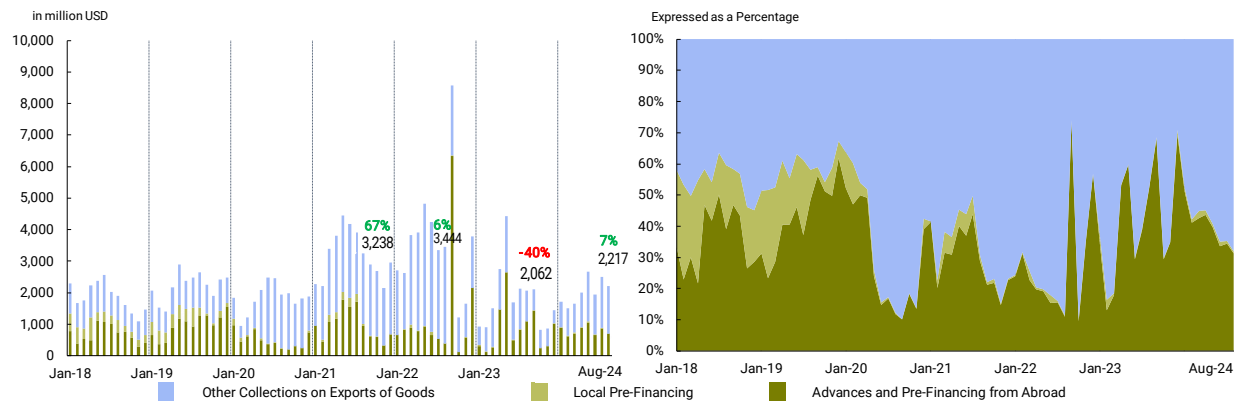
Source: BCRA

As already mentioned, the Export Increase Program covers inflows from the collection of exports through the stock market, which are not included in the statistics published by the foreign exchange market and the foreign exchange balance, because they are not recorded in the Exchange Transaction Reporting System (RIOCI), with the exception of those collections that are transferred to and deposited in local accounts in foreign currency for subsequent settlement in the stock market and are recorded as self-to-self international transfers, having no net effect on the forex market.

In this context, the “Oilseeds and Grains” sector recorded foreign currency sales for collections on exports of goods through the forex market for USD2,217 million in August (up 7% y.o.y.). The sector’s FOB exports totaled USD2,420 million in August. Considering the companies’ estimated inflows channeled through the stock markets, the sector’s stock of commercial debt would have increased during the month.

Thirty-two percent of the sector’s inflows were collected ahead of time either through advances or pre-financing of exports (local and foreign) (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**



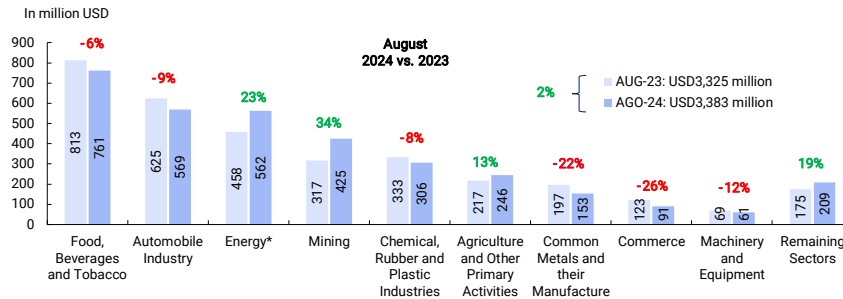
It is worth noting that, since December 2023, exporters can settle up to 20% of their exports through the stock market, thus making it impossible to conduct an accurate year-on-year comparison.

Source: BCRA

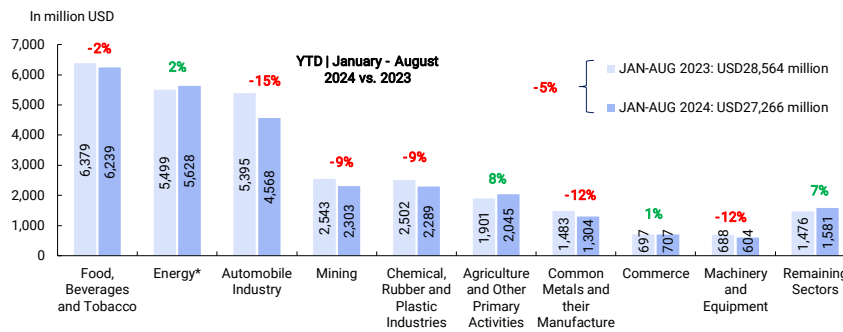
Inflows from the collections on exports of goods from the remaining sectors settled through the forex market totaled USD3,383 million in August. The sector's FOB exports totaled USD4,373 million in August, which would imply, even considering the estimated inflows received by companies through the stock markets, a decrease in the sector's stock of commercial debt during the month.

Broken down by sector, "Mining", "Energy", and "Agriculture and Other Primary Activities" showed a year-on-year increase (34%, 23% and 13%, respectively); whereas "Commerce" fell on the same period (26%), and so did "Common Metals and their Manufacture" (22%). It should be noted that, as previously mentioned, the impact of the Export Increase Program on foreign exchange market statistics makes it impossible to accurately compare year-on-year collections on exports of goods (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



It is worth noting that, since December 2023, exporters can settle up to 20% of their exports through the stock market, thus making it impossible to conduct an accurate year-on-year comparison.

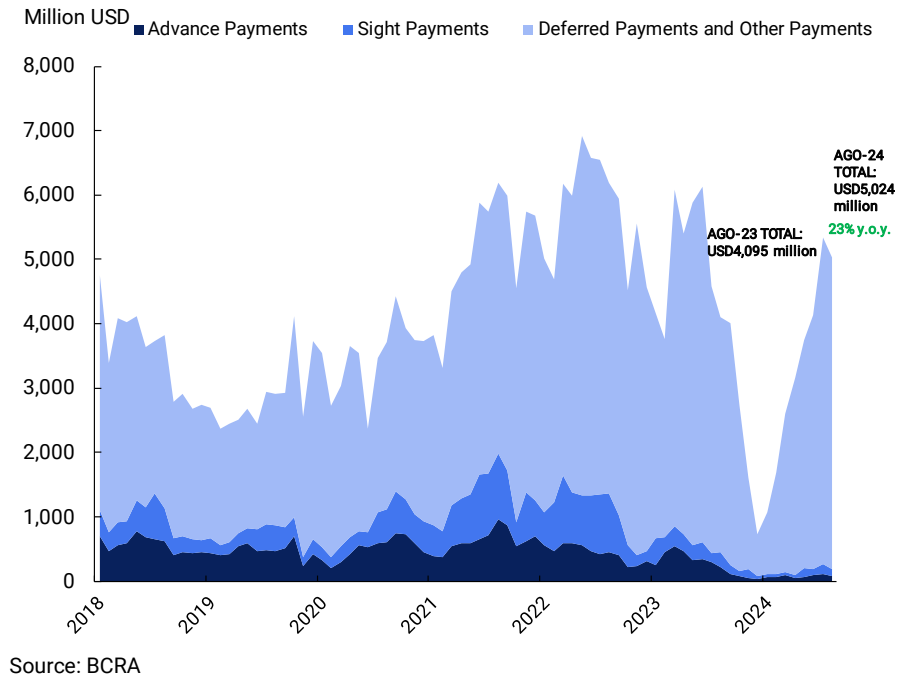
Source: BCRA

In August, payments of imports of goods through the forex market reached USD5,024 million, up 23% y.o.y. and above August’s FOB imports (USD4,541 million). This would imply either a decrease in the sector’s commercial indebtedness level or a decrease in its foreign assets. In addition, it is worth noting that indebtedness for imports has been addressed through the foreign trade and exchange regulations set out in December 2023.<sup>9</sup> In this context, MSMEs with debts recorded in the “Registry of Commercial Debt from Imports Owed to Foreign Suppliers” for up to USD500,000 were allowed to access the forex market and settle all their liabilities in a staggered manner without subscribing BOPREALs. Some 7,977 MSMEs have made import debt payments totaling about USD842 million since the regulation was implemented.

As regards imports of goods, 96% of payments in the forex market were deferred, 2% were sight payments, and the other 2% were advance payments in August (see Chart III.1.1.5).

<sup>9</sup> For more information see the [Report on the Evolution of the Foreign Exchange Market and the Foreign Exchange Balance, December 2023](#), the section on “December 2023 Regulations”.

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



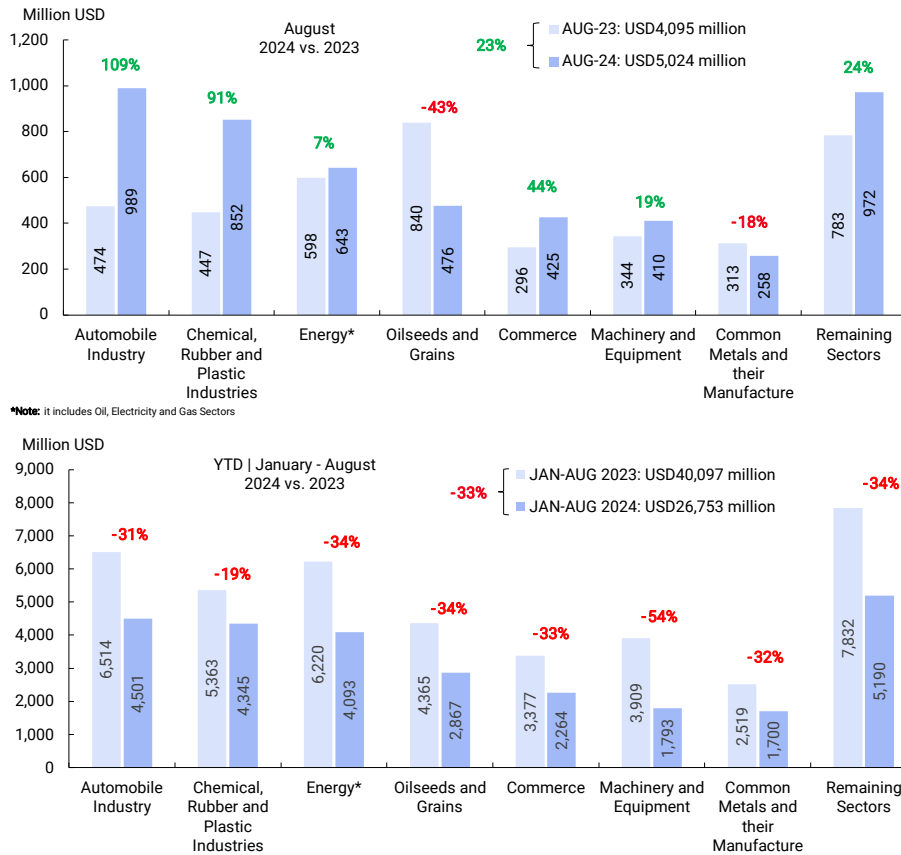
In August, payments of imports across most sectors exhibited a year-on-year increase, the sectors “Automobile Industry” (up 109%), “Chemical, Rubber and Plastic Industries” (up 91%), and “Commerce” (up 44%) standing out. The “Oilseeds and Grains” and “Common Metals and their Manufacture” sectors were the exception, whose payments fell 43% and 18% y.o.y., respectively (see Chart III.1.1.6).

Pursuant to Communication [A 8054](#) dated June 27, the BCRA changed the payment terms for imports of luxury goods and finished vehicles: from 180 days to 120 days as from customs registration. On July 23, it was announced<sup>10</sup> that these goods will have access to the Free Foreign Exchange Market (*Mercado Libre de Cambios*, MLC) as early as 90 days from the date of customs registration. This provision will become effective on August 1.

For the rest of the goods, up to July 31, payments were structured into four installments, each amounting to 25% of the total value and payable at 30, 60, 90 and 120 days after customs registration. As from August 1, the importers of these goods had access to the MLC under a payment structure consisting of two installments: each amounting to 50% of the total value and payable at 30 and 60 days after customs registration.

<sup>10</sup> See [BCRA's press release](#).

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



Source: BCRA

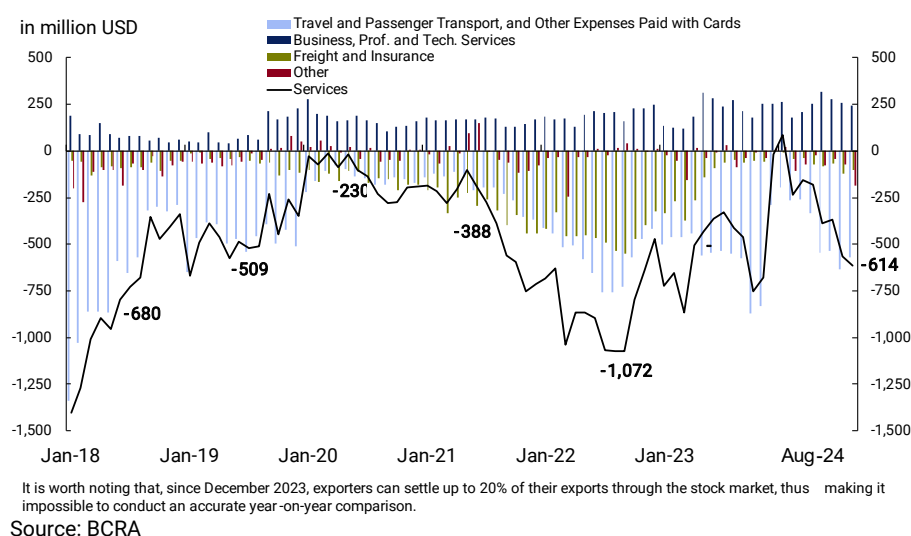
### III.1.2. Services, Primary and Secondary Income

The “Services” account experienced a deficit of USD614 million in August, down 49% against the net outflows recorded in August 2023. This month’s result was explained by the net outflows of “Travel and Passenger Transport, and Other Expenses Paid with Cards” (USD571 million),<sup>11</sup> “Other Services” (USD184 million) and “Freight and Insurance” (USD101 million), which were partially offset by net inflows from “Business, Professional and Technical Services” (USD242 million), (see Chart III.1.2.1).

<sup>11</sup> 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 to foreign suppliers on a remote basis. In turn, inflows also include non-resident remote purchases made with cards to Argentine suppliers. 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 on the BCRA’s website.

It is worth noting that up to 20% of the exports of services, like the exports of goods, can be settled in the stock market under the Export Increase Program. These inflows are not included in the statistics published by the foreign exchange market and the foreign exchange balance. This is so because they are not recorded in the Exchange Transaction Reporting System (RIOCI), with the exception of those collections that are transferred to and deposited in local accounts in foreign currency to be subsequently settled in the stock market and are recorded as self-to-self international transfers, having no net effect on the forex market.<sup>12</sup> Therefore, this scheme prevents accurate year-on-year comparisons.

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



The following table displays the yearly accumulated gross inflows and outflows for services by heading and their comparison on a year-on-year basis. It shows that the improvement in the accumulated balance of the Services account is, mainly, the result of a decrease in gross outflows; in particular, freight and insurance (see Chart III.1.2.2).<sup>13</sup>

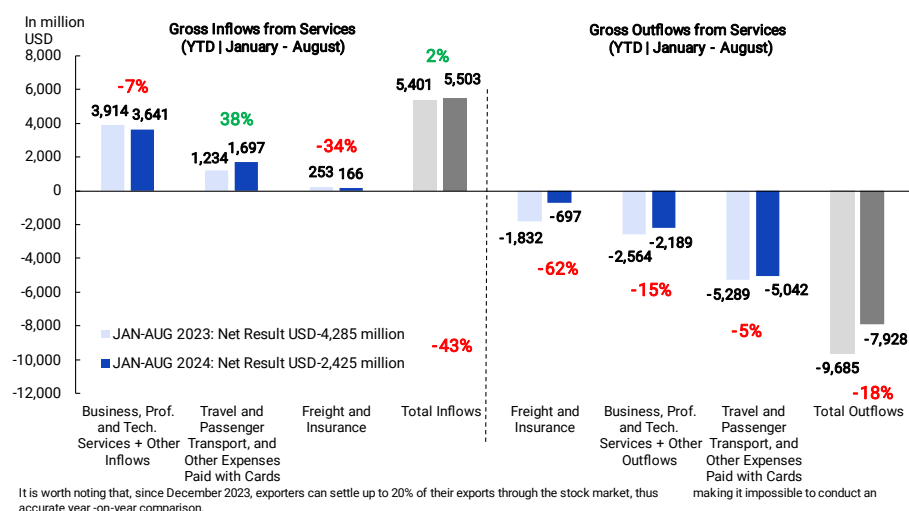
<sup>12</sup> These inflows were observed after the implementation of [Communication A 7630](#), dated November 3, 2022, which set forth that any inflows arising from non-resident cards on account of charges for tourist services and passenger transport services are exempted from the requirement to settle 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. These 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>13</sup> For more information on the private sector's external debt, [click here](#) to see the quarterly publication of the BCRA.



### Chart III.1.2.2 Foreign Exchange Balance

#### Services



Source: BCRA

Primary income transactions resulted in net outflows amounting to USD1,243 million in August, due to net payments of interest for USD1,233 million, and net outflows of profits, dividends and other income transferred abroad amounting to USD10 million.

The “General Government and the BCRA” paid USD1,145 million of gross interest: USD785 million (SDR586 million) to the IMF; USD265 million on account of other payments carried out by the government; and USD95 million to other international organizations (IMF excluded). In turn, the private sector repaid USD107 million for the same heading.

Finally, secondary income transactions recorded net inflows for USD13 million.

## III.2. Capital Account

In August, the capital account of the foreign exchange balance recorded a deficit of USD8 million.

## III.3. Foreign Exchange Financial Account

In August, transactions carried out under the foreign exchange financial account resulted in a surplus of USD1,051 million. This result was explained by the surplus recorded in the “Financial Sector” (USD831 million), in the “National Government and the BCRA” (USD346 million), and in the “Non-Financial Private Sector” (USD281 million), which were partially offset by the deficit in “Other Net Transfers” (USD407 million) (see Table III.3.1).<sup>14</sup>

<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](#).

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

Date	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
<b>Foreign Exchange Financial Account</b>	<b>4,409</b>	<b>-1,132</b>	<b>-4,254</b>	<b>-1,631</b>	<b>-1,525</b>	<b>2,370</b>	<b>-2,487</b>	<b>-1,565</b>	<b>-2,012</b>	<b>-155</b>	<b>634</b>	<b>-1,045</b>	<b>1,051</b>
Non-Financial Private Sector	-346	-632	-835	-1,142	-1,005	-450	-471	384	418	59	-172	-440	281
Financial Sector	403	406	-21	-128	-1,555	386	-142	297	192	-275	-302	237	831
General Government and the BCRA	4,807	-923	-3,176	-516	-504	2,199	-1,714	-1,543	-2,403	29	522	-2,070	346
Other Net Transfers	-455	17	-222	155	1,539	235	-160	-703	-218	32	586	1,228	-407

Source: BCRA

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

The financial account of the “Non-Financial Private Sector” recorded a surplus of USD281 million in August. This was the result of net loans granted by local financial institutions for USD553 million, inflows from foreign assets for USD456 million (mainly inflows from funds held abroad to local accounts in foreign currency, “self-to-self international transfers”), inflows from foreign direct investments for USD90 million, net inflows from financial debt held abroad and debt securities for USD89 million and the sale of securities in foreign currency for USD2 million, which were partially offset by net self-to-self international transfers for USD575 million,<sup>15</sup> payments of balances in foreign currency to local institutions from purchases made on cards to non-resident suppliers for USD172 million (which do not involve a net demand of foreign currency in the financial account), outflows from net payments of loans from international organizations for USD141 million, and outflows from non-residents’ portfolio investments for USD22 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	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24
<b>Foreign Exchange Financial Account</b>	<b>-346</b>	<b>-632</b>	<b>-835</b>	<b>-1,142</b>	<b>-1,005</b>	<b>-450</b>	<b>-471</b>	<b>384</b>	<b>418</b>	<b>59</b>	<b>-172</b>	<b>-440</b>	<b>281</b>
Non-Residents’ Direct Investments	69	85	91	100	87	45	58	60	56	152	71	49	90
Non-Residents’ Portfolio Investments	-1	12	1	-3	0	4	1	2	8	3	-3	-3	-22
Financial Loans and Credit Lines	-525	-389	-538	-556	-396	175	-241	664	730	321	-67	-45	471
Local Financial Loans	49	-5	-126	-149	-72	228	61	794	542	406	46	129	553
Other Foreign Loans and Debt Securities	-326	-103	-56	-89	-32	90	-156	-5	307	42	5	-28	89
Payment of Card Balance	-248	-282	-356	-318	-292	-143	-146	-125	-118	-127	-118	-146	-172
Loans from Other International Organizations and Other	150	-15	52	-92	-121	10	-22	54	7	-34	82	12	-141
Buildup of Foreign Assets by the Non-Financial Private Sector	-91	-84	-112	5	330	-20	94	139	133	94	146	166	456
Self-to-Self International Transfers	54	-250	-328	-604	-909	-666	-384	-538	-534	-503	-406	-644	-575
Purchase and Sale of Securities	-2	9	-1	8	5	2	21	4	16	26	5	24	2

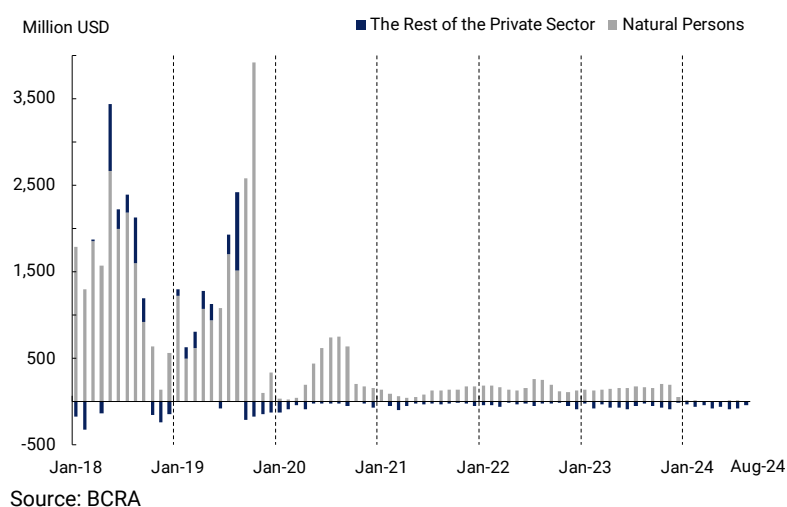
Source: BCRA

<sup>15</sup> In August, these transfers were mainly explained as the counterpart of the real sector’s collections on exports from goods and services that had not been settled in the foreign exchange market, but were deposited in local accounts, inflows from purchases made by non-resident tourists with cards, and inflows from residents’ foreign assets deposited in local accounts, together with inflows of freely available foreign assets from abroad deposited in local accounts.

Non-financial private sector residents' foreign assets recorded a surplus of USD456 million—i.e., net inflows of foreign currency (USD413 million)—mainly inflows of funds held abroad to local accounts in foreign currency, “self-to-self international transfers”—and net sales of banknotes (USD42 million).

This outcome comprises net sales for USD39 million made by legal persons and USD3 million made by natural persons (see Chart III.3.1.1).

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

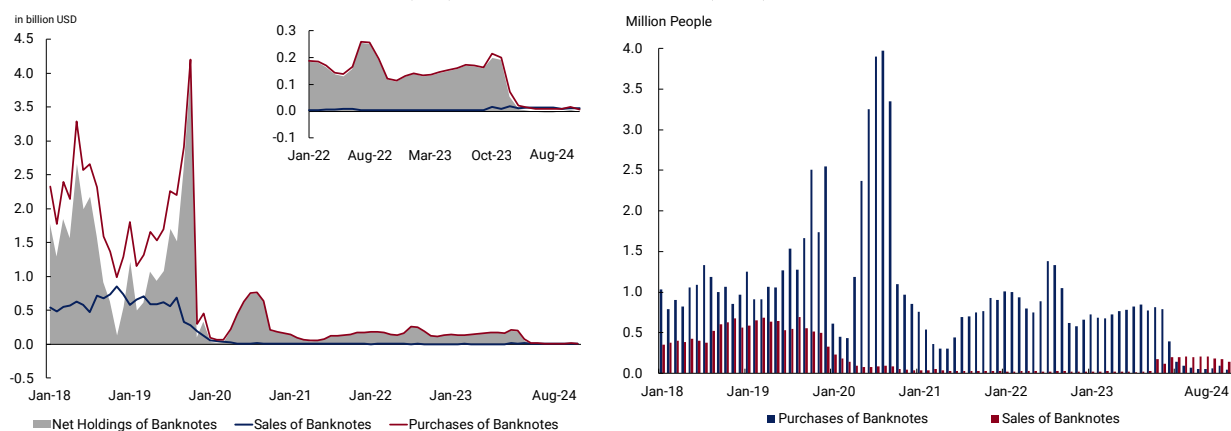


In August, “Natural Persons” sold banknotes for USD11 million and purchased USD8 million. In terms of traders, in August, 145,000 individuals sold banknotes, while buyers amounted to about 45,000 (see Chart III.3.1.2).<sup>16</sup>

<sup>16</sup> It is worth noting that the AFIP’s General Resolution 5463/2023, effective December 13, changed the rates of income and personal property taxes levied on the purchase of foreign currency for saving purposes to 30%, and the rate of foreign currency expenses paid with cards, to 0%. Therefore, the total charge for these consumptions is currently 60%: 30% (PAIS tax) and 30% (income tax or personal property tax, as appropriate) (for more information see the section on December 2023 Regulations).

### Chart III.3.1.2 Foreign Exchange Balance

#### Natural Persons. Banknotes. Amount (left) and Number of People (right)

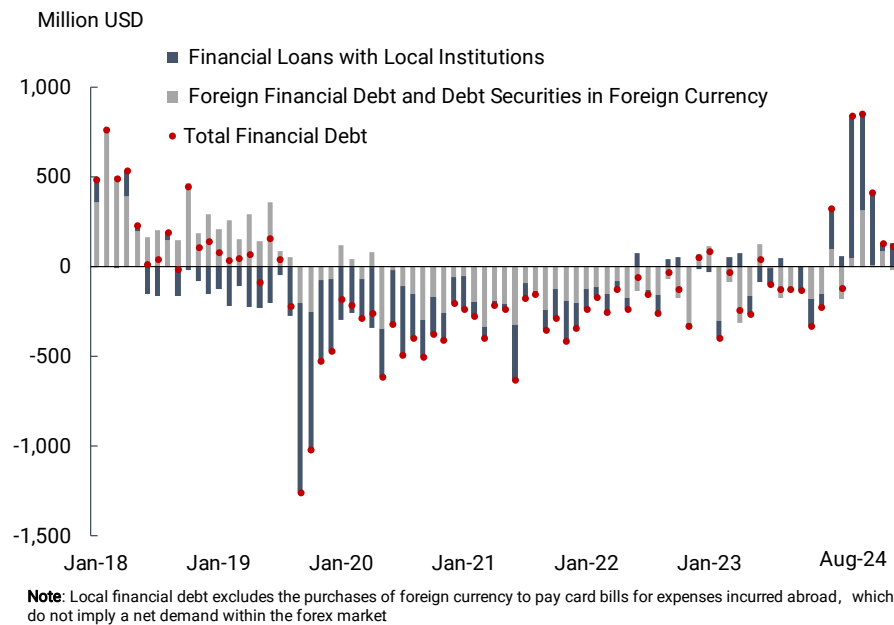


Source: BCRA

In turn, in August, this sector recorded net inflows to their own accounts from abroad (USD413 million). This result was explained by the net inflows from “Institutional Investors and Others” (USD281 million), “Natural Persons” (USD67 million), the “Real Sector” (USD64 million), and “Oilseeds and Grains” (USD1 million).

Net inflows from the non-financial private sector's financial debt, including loans from international organizations and local financial loans, reached USD501 million in August—net inflows from “Energy” (USD352 million) standing out. This amount involves net inflows arising from loans granted by local institutions (USD553 million), partially offset by net outflows on account of financial debt held abroad, securities in foreign currency, and loans owed to international organizations (USD52 million). The total amount excludes purchases of foreign currency to pay card bills for expenses incurred abroad (USD172 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.3.1.3).

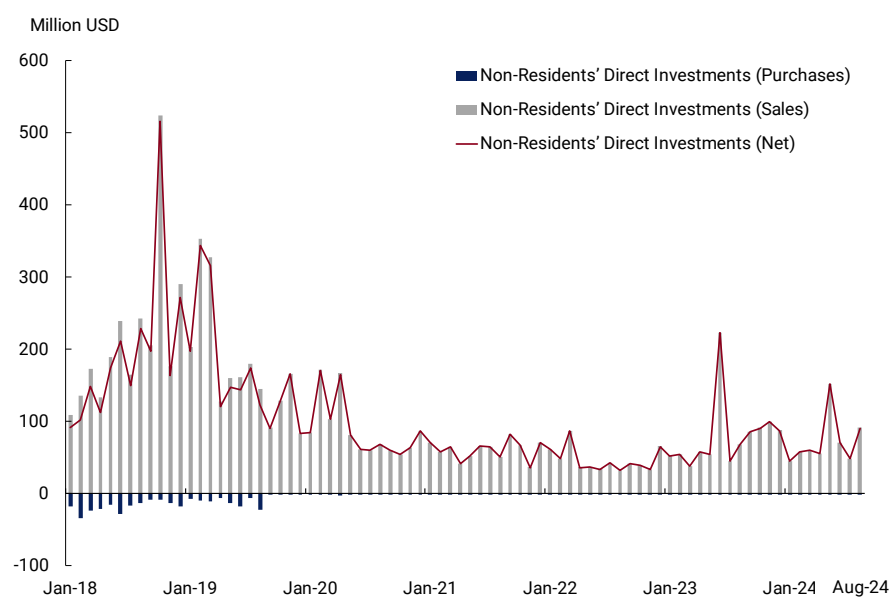
**Chart III.3.1.3 Foreign Exchange Balance  
Non-Financial Private Sector. Financial Debt**



Source: BCRA

Direct investments made by non-residents in the non-financial private sector through the forex market reached USD90 million (net inflows) in August (see Chart III.3.1.4).

**Chart III.3.1.4 Foreign Exchange Balance  
Non-Residents' Direct Investments. Non-Financial Private Sector**



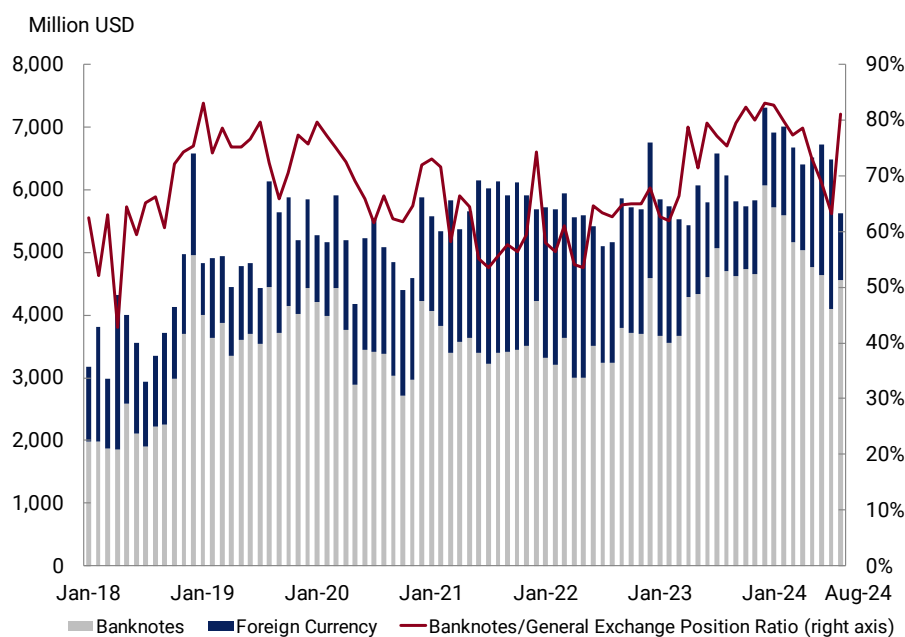
Source: BCRA

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

In August, the transactions carried out under the foreign exchange financial account of the “Financial Sector” resulted in a surplus of USD831 million. This result was mainly explained by a fall of USD858 million in liquid foreign assets of financial institutions’ General Exchange Position, which were partially offset by net outflows from financial loans and credit lines for USD26 million, and the net subscription of securities in foreign currency for USD1 million.<sup>17</sup>

Financial institutions’ General Exchange Position amounted to USD5,622 million at the end of August, down 13% against the end of July. This result was explained by a drop in holdings of foreign currency (USD1,319 million), which was partially offset by an increase in the holdings of banknotes (USD461 million). This increase in the stock of banknotes held by institutions is linked to an increase of deposits in foreign currency recorded in August for about USD500 million as a result of the Asset Regularization Regime. Holdings of foreign currency banknotes totaled USD4,560 million by the end of the month. This stock accounted for 81% 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

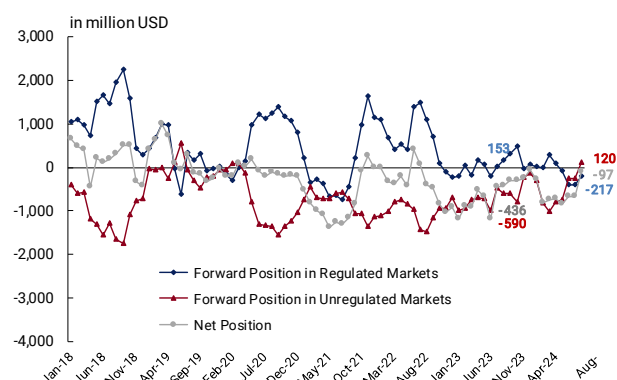
On another note, the ensemble of financial institutions ended August with a forward short position in foreign currency of USD97 million, recording a drop of about USD570 million compared to the end of July. They

<sup>17</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](#).

purchased USD187 million in regulated markets and USD387 million from their clients directly (Forwards) over the month (see Chart III.3.2.2).

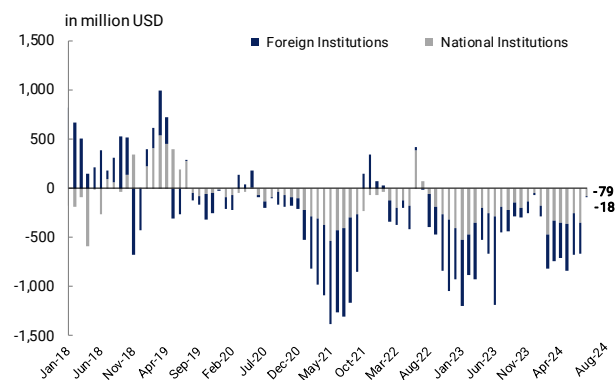
Foreign capital institutions ended August with a net short position of USD18 million, recording a drop of USD299 million compared to July. In turn, national capital institutions' short position went down by USD271 million against July, ending with USD79 million (see Chart III.3.2.3).

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



Source: BCRA

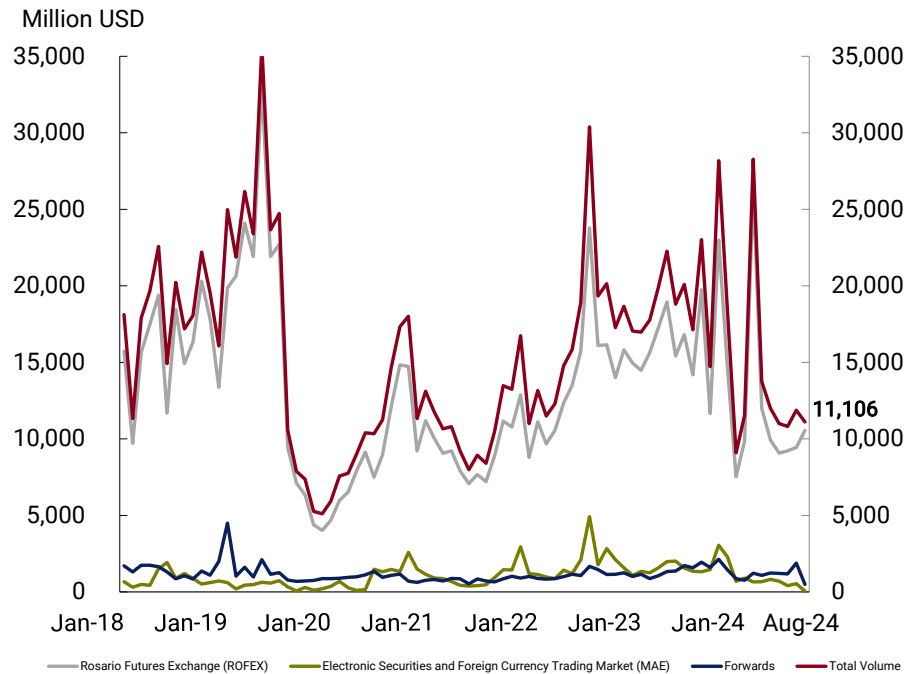
**Chart III.3.2.3 Forward Market  
EOM Institutions' Forward Position**



The volume traded in forward markets totaled USD11,106 million in August, i.e.: USD505 million daily on average. Transactions carried out in the Rosario Futures Exchange (ROFEX) continued to stand out, with an 95% share in the total volume traded in the forward market (see Chart III.3.2.4).<sup>18</sup>

<sup>18</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**



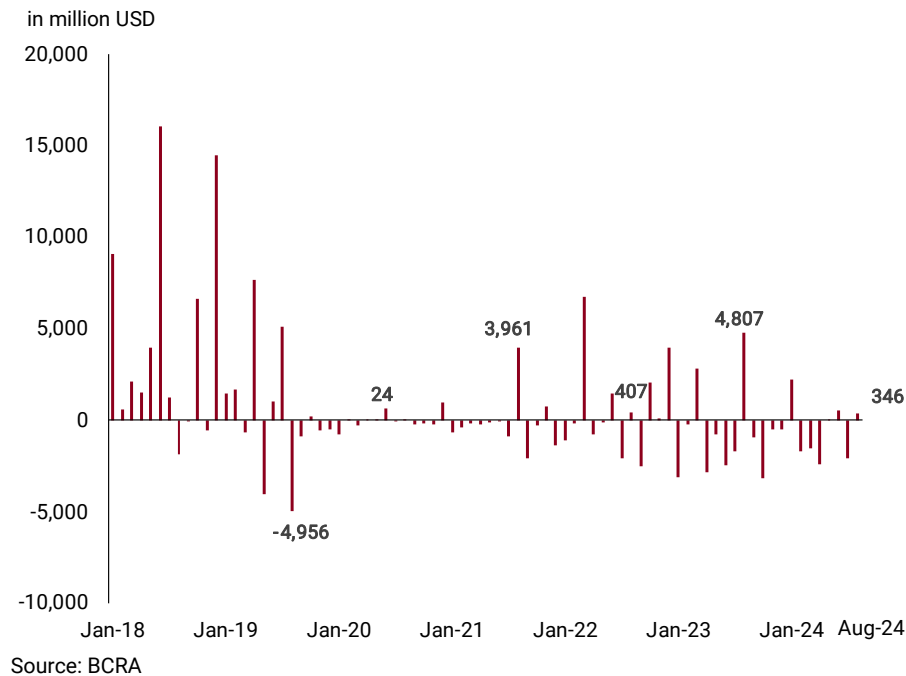
Source: BCRA

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

In August, the transactions carried out under the foreign exchange financial account of the “General Government and the BCRA” resulted in a surplus of USD346 million (see Chart III.3.3.1), mainly explained by net inflows on account of loans from international organizations other than the IMF for USD615 million, and the counterpart of outflows from self-to-self international transfers of USD92 million, which were partially offset by payments of other financial loans for USD208 million, and payments of other public debt for USD155 million.



**Chart III.3.3.1 Foreign Exchange Balance**  
**Foreign Exchange Financial Account of the General Government and the BCRA**



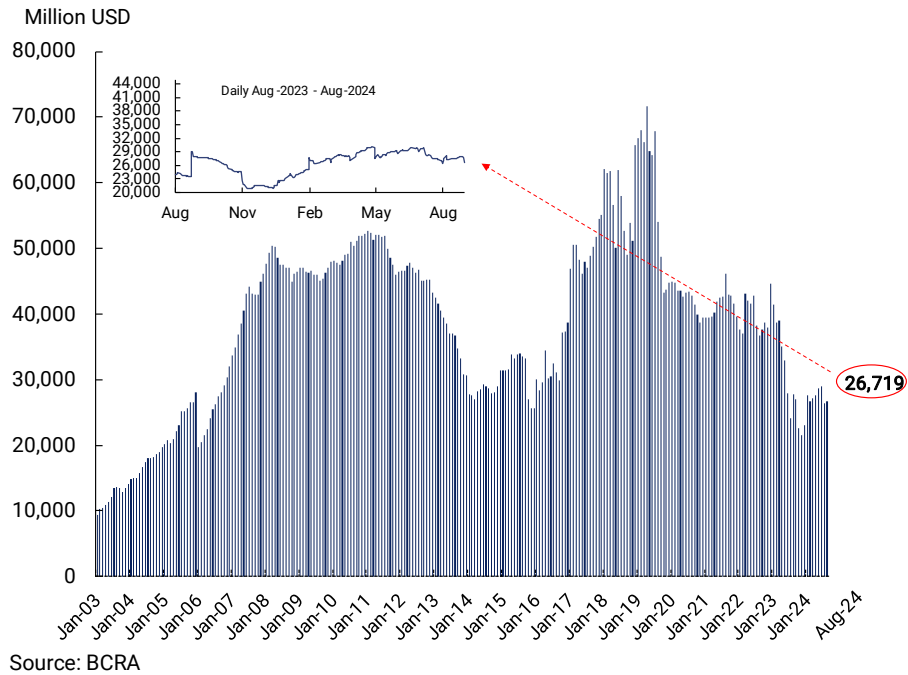
## IV. BCRA's International Reserves

During August, BCRA's international reserves increased USD317 million, totaling USD26,719 million by the end of the month. This rise was mainly the result of the increase in the US dollar exchange rate of foreign exchange reserves (USD543 million), the settlement of net purchases made by the BCRA in the forex market (USD535 million), and net inflows of principal from international organizations (IMF excluded) and other financial debts (USD365 million), which were partially offset by gross payments of interest and fees to the IMF (USD854 million, SDR637 million), the fall in institutions' holdings of foreign currency at the BCRA (USD99 million), and net payments made by the BCRA through the Local Currency Payment System (USD64 million) (see Chart IV.1).

Moreover, under the "Asset Regularization Regime" established by Law 27,743 and regulated by Executive Order 608/2024 and Communication A 8062,<sup>19</sup> the regularization of holdings in domestic and foreign currency in Argentina and/or abroad has begun. In this context, financial institutions received, during August, around USD500 million in foreign currency deposits, while the total amount received since this process started is estimated to exceed USD9.9 billion at the date of publication of this report.

<sup>19</sup> [Law 27,743](#). [Executive Order 608/2024](#). [Communication A 8062](#).

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

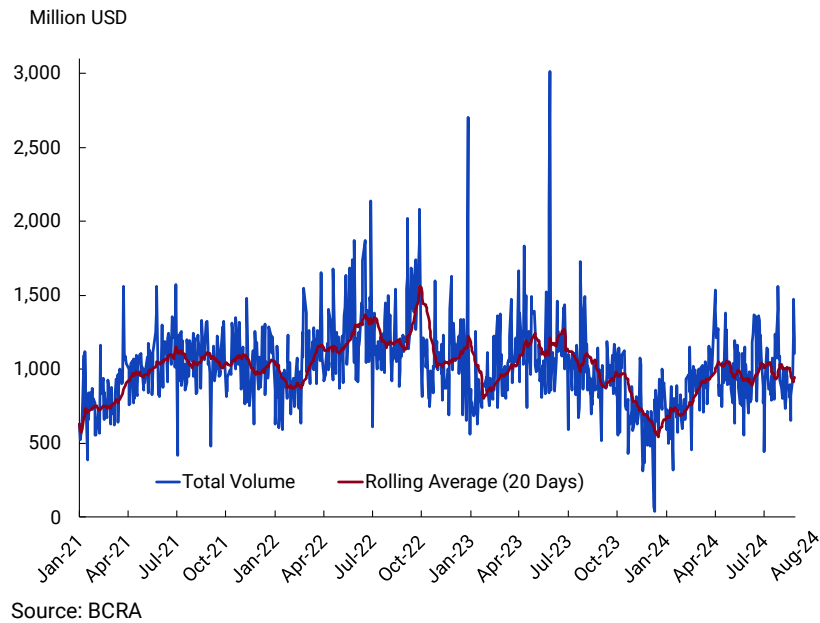


## V. Volumes Traded in the Foreign Exchange Market

In August, the volume traded in the forex market totaled USD20,946 million, down 3% against August 2023 (see Chart V.1). The average daily volume traded was USD952 million, falling in y.o.y. terms as a result of a 59% drop in transactions between institutions and the BCRA (-USD1,595 million), partially offset by an 11% increase in transactions between institutions<sup>20</sup> (+USD501 million), and a 4% increase in transactions between institutions and their clients (+USD503 million).

<sup>20</sup> On the 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**

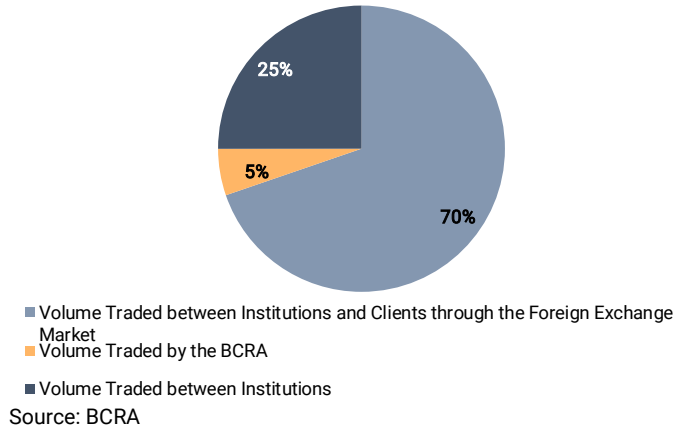


Foreign exchange transactions between institutions and their clients accounted for 70% of the total volume traded; transactions between institutions, and transactions between institutions and the BCRA—through the Electronic Trading System (SIOPEL)—represented 25% and 5%, respectively (see Chart V.2).<sup>21</sup>

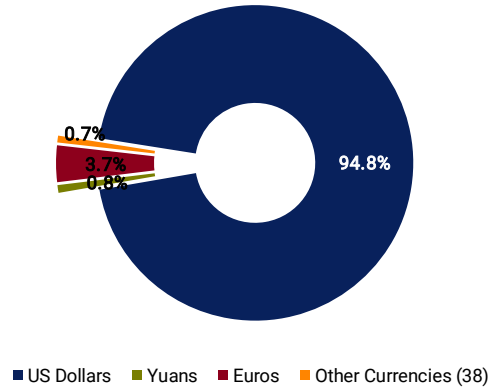
In August, 124 institutions traded in the market involving 41 foreign currencies. Most of the volume traded between licensed institutions and their clients was highly concentrated both at institution level (the first ten accounted for 88% of such volume) and in terms of the currency used, USD-denominated transactions having a 95% share in the total traded with clients, followed by euros, which accounted for just below 4% of the total, the yuan accounting for about 1% and the remaining currencies concentrated the rest of the total volume traded (see Chart V.3).

<sup>21</sup> The volume traded between licensed institutions and their clients excludes the following items: the subscription of LEBAC bills, self-to-self international transfers (around USD3,750 million), the record of deposits in foreign currency allocated for the payment of financial debt service for about USD1,290 million, and purchases of foreign currency to pay card bills (around USD174 million for the month under study).

**Chart V.2 Foreign Exchange Market  
Total Volume and Share - August 2024**



**Chart V.3 Foreign Exchange Market  
Volume with Clients by Currency - August 2024**



Finally, 89% of foreign exchange transactions between financial and foreign exchange institutions and their clients were channeled through private financial institutions, and the remaining 11% through public banks.