

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

March 2024



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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## Executive Summary

In 2023, the global economy had to deal with high interest rates in an attempt to curb inflation, and evidenced moderate economic growth. As inflation is going down in most regions, financial conditions might be expected to ease in 2024. However, two factors should not be overlooked. First, geopolitical tensions may push up commodities prices and prolong tight monetary policy measures. Second, the pace of slowdown in inflation has been called into question. Hence, advanced countries' interest rates may take longer to fall. As for the prospects of world economic growth, there are concerns about China's stock and real estate markets, which could adversely affect international performance.

Locally, a target of zero monetary financing to the National Treasury has been set for 2024, in line with the objectives and plans of monetary and foreign exchange policy announced for this year. In March, the BCRA continued holding auctions of BOPREALs, having awarded the entire BOPREAL Series 1 and 2 for USD5 billion (NV) and USD2 billion (NV), respectively, and USD1,197 million (NV) for Series 3.

In March, financial institution's clients sold USD2,583 million in the forex market, and financial institutions' sales amounted to USD276 million. The BCRA purchased USD2,882 million in the forex market, and made net payments through the Local Currency Payment System for USD23 million. The National Treasury purchased USD469 million directly from the BCRA.

The "Non-Financial Private Sector" was a net seller of foreign currency for USD2,822 million. Within that group, the "Real Sector excluding Oilseeds and Grains" was the main supplier of foreign currency, recording net inflows of USD1,573 million, mainly explained by the result in "Goods". In turn, the "Oilseeds and Grains" sector recorded net inflows of USD1,492 million, up 116% against March 2023.

"Natural Persons" made net purchases totaling USD222 million mainly for traveling expenses and other payments on cards to non-resident suppliers (recording a net amount of USD249 million).

"Institutional Investors and Others"—both residents and non-residents—made net purchases of USD21 million.

The foreign exchange current account recorded a surplus of USD1,804 million in March. This figure is arrived at by subtracting the deficit recorded in "Primary Income" (USD462 million) and "Services" (USD158 million) from net inflows in "Goods" (USD2,424 million). Transactions from "Secondary Income" were offset in full.

In March, transactions carried out under the foreign exchange financial account recorded a deficit of USD1,565 million. This figure is arrived at by adding up the deficit recorded in the "National Government and the BCRA" (USD1,544 million) and in "Other Net Transfers" (USD712 million), and subtracting the surplus recorded in the "Non-Financial Private Sector" (USD384 million), and in the "Financial Sector" (USD307 million).

During March, BCRA's international reserves increased USD437 million, totaling USD27,127 million by the end of the month. This increase is mainly calculated by adding up net purchases made by the BCRA in the forex market (USD2,882 million) and the increase in the US dollar exchange rate of foreign exchange reserves

(USD194 million), and subtracting net repayments of principal owed to international organizations (IMF excluded) (USD1,414 million), the fall in financial institution's holdings of foreign currency at the BCRA (USD418 million), net outflows of interest and other financial debt of the General Government and BCRA (USD359 million), and net payments made by the BCRA through the Local Currency Payment System (USD23 million).

# I. Introduction

This report analyses information on foreign exchange transactions made in March 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 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 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.<sup>2</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>1</sup> Communication A 3840, as amended.

<sup>2</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>3</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

In 2023, the global economy had to deal with high interest rates in an attempt to curb inflation, and evidenced moderate economic growth. As inflation is going down in most regions, financial conditions might be expected to ease in 2024. However, two factors should not be overlooked. First, geopolitical tensions may push up commodities prices and prolong tight monetary policy measures. Second, the pace of slowdown in inflation has been called into question. Hence, advanced countries' interest rates may take longer to fall. As for the prospects of world economic growth, there are concerns about China's stock and real estate markets, which could adversely affect international performance.

Locally, a target of zero monetary financing to the National Treasury has been set for 2024, in line with the objectives and plans of monetary and foreign exchange policy announced for this year. In March, the BCRA continued holding auctions of BOPREALs, having awarded the entire BOPREAL Series 1 and 2 for USD5 billion (NV) and USD2 billion (NV), respectively, and USD1,197 million (NV) for Series 3.

In March, financial institution's clients sold USD2,583 million in the forex market, and financial institutions' sales amounted to USD276 million. The BCRA purchased USD2,882 million in the forex market, and made net payments through the Local Currency Payment System for USD23 million. The National Treasury purchased USD469 million directly from the BCRA (see Table II.1).<sup>4 5 6</sup>

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<sup>3</sup> The Central Bank's website ([www.bkra.gob.ar](http://www.bkra.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>4</sup> Information on the Local Currency Payment System of this report has been drawn from the Exchange Transaction Reporting System (RIOCI) 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 USD126 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	Mar-23	Mar-24	2023 up to Mar	2024 up to Mar
<b>BCRA - Market</b>	<b>2,070</b>	<b>-2,882</b>	<b>3,236</b>	<b>-8,512</b>
<b>BCRA - SML</b>	<b>117</b>	<b>23</b>	<b>232</b>	<b>44</b>
<b>National Treasury</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Institutions</b>	<b>-49</b>	<b>276</b>	<b>316</b>	<b>266</b>
<b>Institutions' Clients (1 + 2 + 3)</b>	<b>-2,138</b>	<b>2,583</b>	<b>-3,784</b>	<b>8,201</b>
<b>1. Non-Financial Private Sector</b>	<b>-2,053</b>	<b>2,822</b>	<b>-3,405</b>	<b>8,957</b>
Oilseeds and Grains	689	1,492	2,263	4,473
Real Sector Excluding Oilseeds and Grains	-2,118	1,573	-3,744	5,125
Natural Persons	-457	-222	-1,511	-640
Institutional Investors and Others	-167	-21	-413	-0
<b>2. General Government (National Treasury Excluded)</b>	<b>-39</b>	<b>-163</b>	<b>-216</b>	<b>-467</b>
<b>3. Institutions (Own Transactions)</b>	<b>-46</b>	<b>-76</b>	<b>-162</b>	<b>-289</b>
<b>National Treasury Directly with the BCRA</b>	<b>-332</b>	<b>-469</b>	<b>-1,562</b>	<b>-1,928</b>

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 (see Table II.2).<sup>7</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>7</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. March 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>2,443</b>	<b>-258</b>	<b>122</b>	<b>45</b>	<b>93</b>	<b>-538</b>	<b>915</b>	<b>2,822</b>
Oilseeds and Grains	1,385	0	-3	0	2	-17	125	1,492
Real Sector Excluding Oilseeds and Grains	1,085	-72	-5	35	21	-233	743	1,573
Natural Persons	-7	-249	14	3	63	-84	37	-222
Institutional Investors and Others	-20	63	116	7	7	-204	10	-21
<b>General Government (National Treasury Excluded)</b>	<b>-9</b>	<b>-1</b>	<b>-92</b>	<b>15</b>	<b>1</b>	<b>-10</b>	<b>-67</b>	<b>-163</b>
<b>Institutions (Own Transactions)</b>	<b>-10</b>	<b>0</b>	<b>-35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-31</b>	<b>-76</b>
<b>Institutions' Result with Clients</b>	<b>2,424</b>	<b>-259</b>	<b>-5</b>	<b>61</b>	<b>94</b>	<b>-549</b>	<b>817</b>	<b>2,583</b>
<b>Result for Forex Transactions</b>	<b>2,232</b>	<b>-414</b>	<b>-52</b>	<b>61</b>	<b>7</b>	<b>0</b>	<b>750</b>	<b>2,583</b>
<b>Result for Self-to-Self International Transfers</b>	<b>192</b>	<b>155</b>	<b>47</b>	<b>0</b>	<b>87</b>	<b>-549</b>	<b>67</b>	<b>0</b>

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

Source: BCRA

In March, the "Oilseeds and Grains" sector recorded net sales of foreign currency in the forex market for USD1,492 million, mainly explained by the headings included in "Goods" (collections on exports net of payments for imports), recording a net amount of USD1,385 million, up 98% against March 2023.

The "Real Sector excluding Oilseeds and Grains" was the main supplier of foreign currency in March, with net sales of USD1,573 million, mainly explained by the result in "Goods", with net inflows of USD1,085 million, and "Debt, FDI, Portfolio, and Other Transactions", with inflows of USD743 million.

In this sense, the two economic sectors recording the highest surplus were "Food, Beverages and Tobacco" (USD683 million) and "Energy" (USD398 million), while "Commerce" run the highest deficit (USD147 million) (see Table II.3).

**Table II.3 Foreign Exchange Market**

**Result of the Real Sector excluding Oilseeds and Grains disaggregated by main headings. March 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	755	0	-2	0	0	-74	5	683
Energy*	337	0	-78	0	3	-20	155	398
Agriculture and Other Primary Activities	258	0	-1	0	0	-31	62	288
Chemical, Rubber and Plastic Industries	-131	0	18	1	1	-23	403	268
Mining	157	0	0	0	8	-16	44	192
Automobile Industry	90	0	-6	0	0	6	-1	88
Information Technology	-5	2	76	0	2	-14	6	67
Entertainment	-1	0	19	0	2	-3	2	19
Common Metals and their Manufacture	-53	0	-4	0	0	-4	67	6
Water	0	0	0	0	0	0	0	0
Gastronomy	0	0	0	0	0	0	0	0
Non-Metallic Mineral Products (Cement, Ceramics and Others)	-2	0	0	0	0	-2	-1	-6
Textile and Leather Industries	-11	0	-1	0	0	-5	3	-14
Communications	-10	0	6	1	1	-3	-14	-20
Paper, Publishing and Printing Industry	-17	0	1	0	0	-3	-3	-22
Transport	0	-23	-43	28	1	5	2	-30
Construction	-9	0	0	0	0	-11	-13	-32
Machinery and Equipment	-61	0	5	0	0	-6	25	-38
Tourism and Accommodation Services	0	-52	1	2	0	-16	2	-64
Other Manufacturing Industries	-63	0	2	0	0	-3	-2	-65
Commerce	-148	0	4	2	3	-10	2	-147
<b>Total</b>	<b>1,085</b>	<b>-72</b>	<b>-5</b>	<b>35</b>	<b>21</b>	<b>-233</b>	<b>743</b>	<b>1,573</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 with their own funds for USD76 million.

In turn, the “General Government” (excluding the National Treasury) made net purchases in the forex market for USD163 million.

“Natural Persons” made net purchases totaling USD222 million mainly for traveling expenses and other payments on cards to non-resident suppliers (recording a net amount of USD249 million).

“Institutional Investors and Others”—both residents and non-residents—made net purchases of USD21 million.

### 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 had a surplus of USD1,804 million in March. This result was mainly explained by net inflows in “Goods” (USD2,424 million), which were partially offset by the deficit recorded in “Primary Income” (USD462 million) and “Services” (USD158 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	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
<b>Foreign Exchange Current Account</b>	<b>-2,020</b>	<b>71</b>	<b>776</b>	<b>-1,712</b>	<b>-645</b>	<b>-372</b>	<b>511</b>	<b>-313</b>	<b>47</b>	<b>2,962</b>	<b>2,344</b>	<b>1,576</b>	<b>1,804</b>
Goods	-747	903	2,363	-921	985	1,292	1,406	854	1,982	3,381	3,879	3,059	2,424
Services	-866	-506	-430	-363	-330	-412	-461	-753	-678	-20	84	-232	-158
Primary Income	-432	-310	-1,169	-426	-1,312	-1,251	-425	-373	-1,256	-387	-1,625	-1,263	-462
Secondary Income	25	-15	12	-1	12	-1	-10	-42	-2	-12	6	13	0

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.

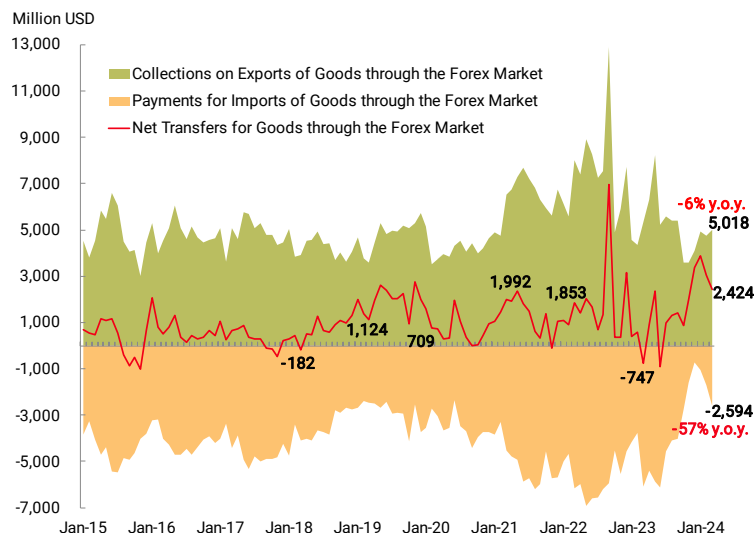
In this sense, foreign currency inflows from exports of goods and services settled through the stock market under these regulations are not recorded as collections of exports of goods and services in the foreign exchange market and foreign exchange balance statistics; except for those collections that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

#### III.1.1. Goods

In March, transfers for “Goods” on the foreign exchange balance exhibited net inflows for USD2,424 million, resulting from collections on exports for USD5,018 million, which were partially offset by payments of imports for USD2,594 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 at the BCRA’s website.

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

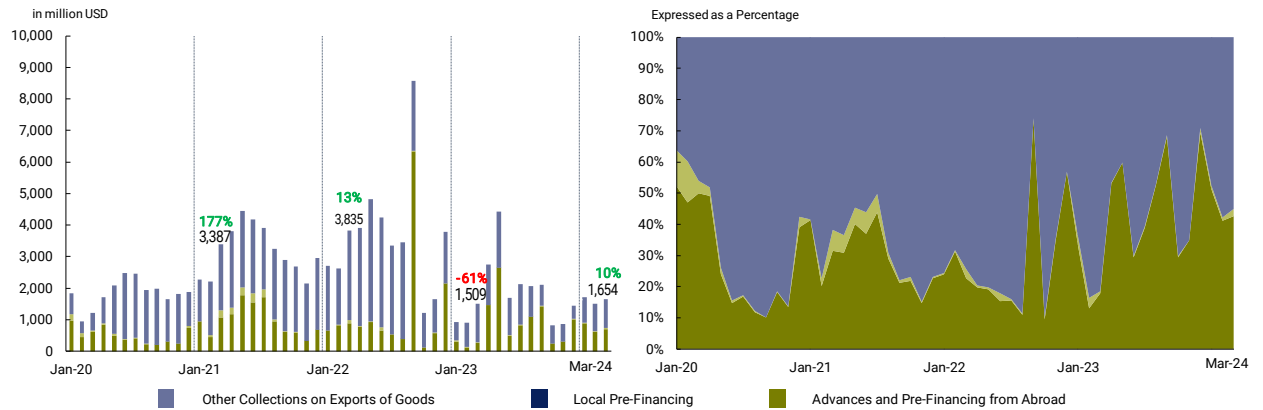


As already mentioned, the “Export Increase Program” covers inflows from the collection of exports through the stock market, which are not included in the statistics published by the foreign exchange market and the foreign exchange balance, because they are not recorded in the Exchange Transaction Reporting 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, in March, the “Oilseeds and Grains” sector recorded foreign currency sales for collections on exports of goods through the forex market for USD1,654 million (+10% y.o.y.). The sector’s FOB exports totaled USD2,587 million in March, which would imply a decrease in the sector’s stock of commercial debt during the month, even after adding up the companies’ estimates of inflows settled through the stock markets.

Forty-five percent of the sector’s inflows were collected ahead of time either through advances or pre-financing (local and foreign), (see Chart III.1.1.2).

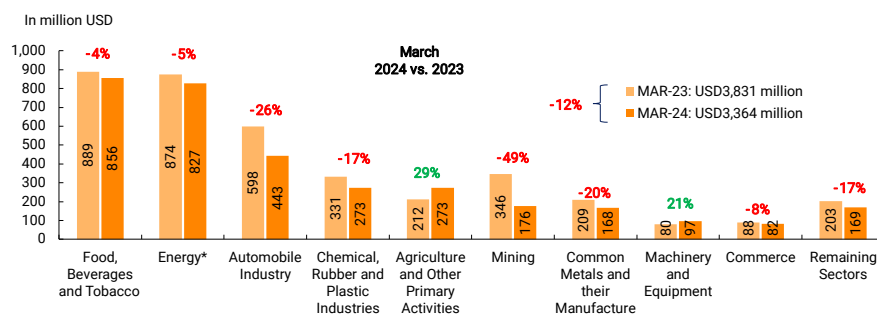
**Chart III.1.1.2 Foreign Exchange Balance**  
**Collection on Exports of Goods from the "Oilseeds and Grains" Sector**



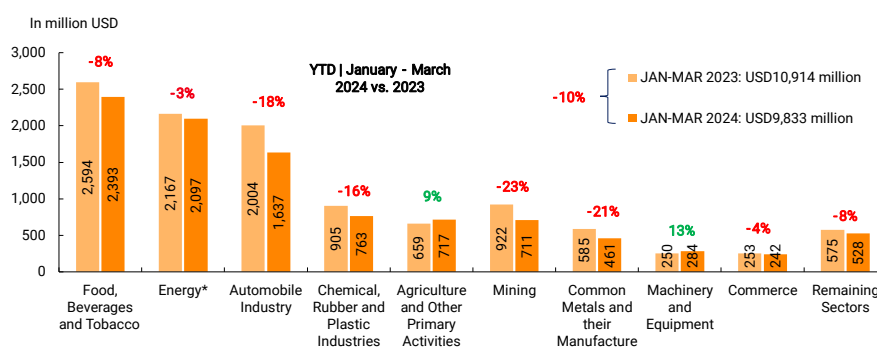
Source: BCRA

Inflows from the collections on exports of goods from the remaining sectors settled through the forex market totaled USD3,364 million in March, down 12% y.o.y. Broken down by sector, performance in March was marked by y.o.y. falls, the "Mining" sector standing out (49% y.o.y. fall). The "Agriculture and Other Primary Activities" and "Machinery and Equipment" sectors were the exception, with year-on-year increases of 29% and 21%, respectively (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



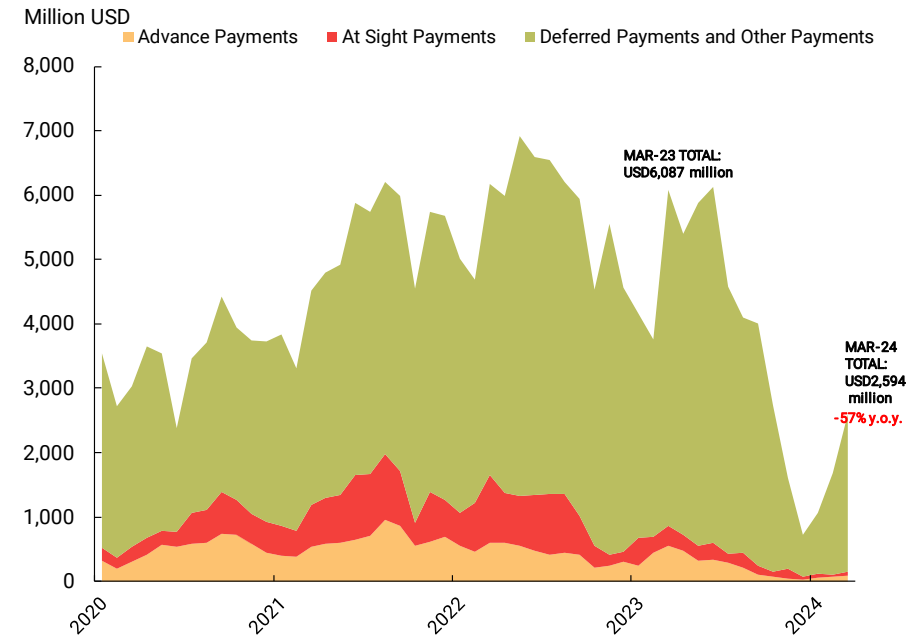
Source: BCRA

In March, payments of imports of goods through the forex market totaled USD2,594 million, down 57% y.o.y. and below March’s FOB imports (USD4,112 million). This would imply either an increase in the sector’s commercial indebtedness level or a decrease in its foreign assets. It is worth noting that commercial indebtedness dynamics is governed by the relevant commercial and foreign exchange regulations set out in December 2023.<sup>9</sup> Moreover, the BCRA continued with the auctions of BOPREAL. The entire BOPREAL Series 1 and 2 were awarded for USD5 billion (NV) and USD2 billion (NV), respectively, and an additional USD1,197 million (NV) was awarded for Series 3. The BCRA allowed MSMEs to access the Free Foreign Exchange Market (*Mercado Libre de Cambios*, MLC) to pay off their registered commercial debts for up to USD500,000 in a staggered manner without subscribing BOPREALs. Since this option became effective, about 6,500 MSMEs have repaid debts from imports for a total of USD450 million.

As regards imports of goods, 94% of payments were deferred, 4% were advance payments, and the other 2% were sight payments in March (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”.

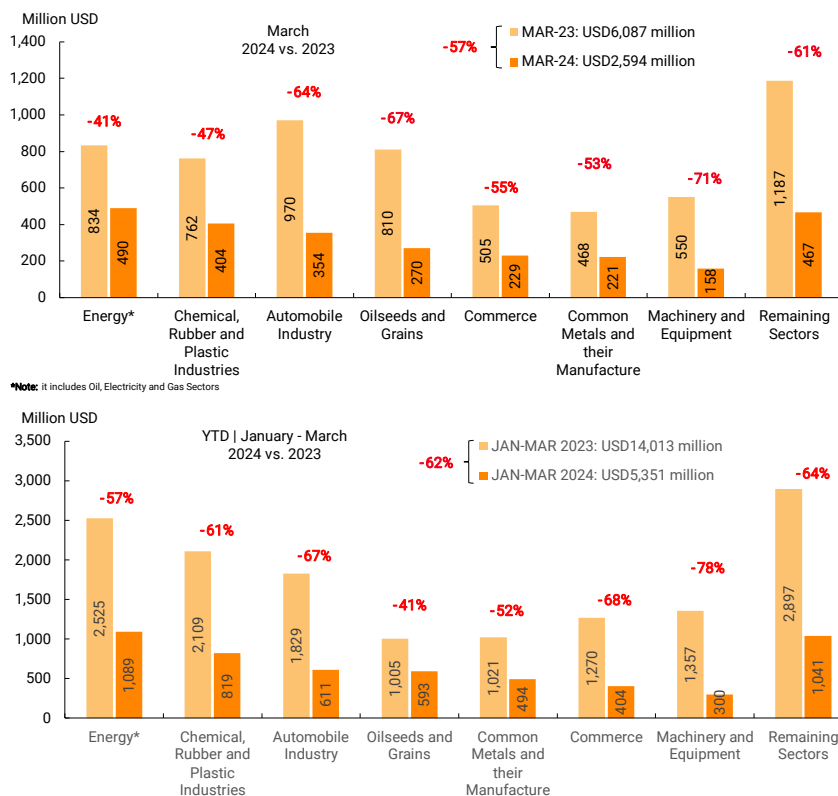
**Chart III.1.1.5 Foreign Exchange Balance**  
**Evolution of Payments for Imports of Goods by Type of Payment**



Source: BCRA

Nineteen percent of total payments for imports of goods made in March corresponded to the “Energy” sector, followed by the “Chemical, Rubber and Plastic Industries” (16%) and the “Automobile Industry” (14%) sectors. In year-on-year terms, there was a fall in payments for imports across all sectors during March (see Chart III.1.1.6).

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



Source: BCRA

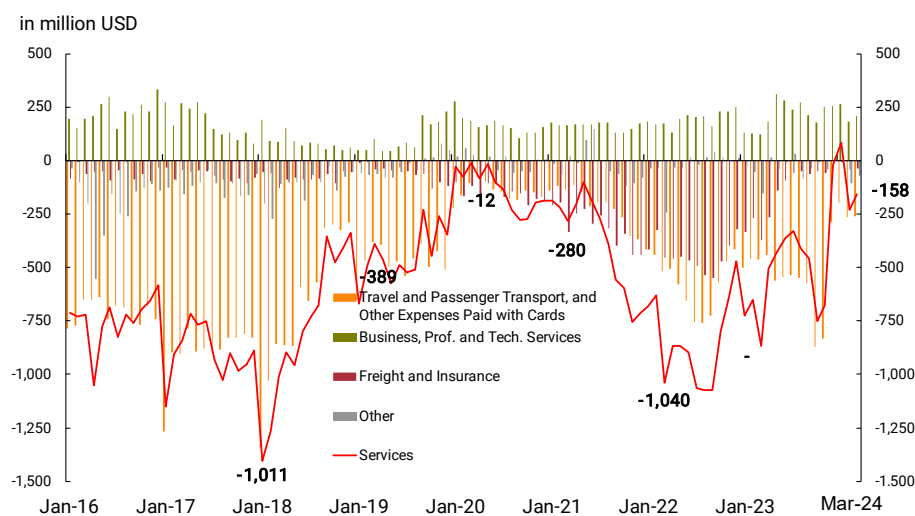
### III.1.2. Services, Primary and Secondary Income

The “Services” account run a deficit of USD158 million in March, down 82% against the net outflows of March 2023. This month’s result was explained by the net outflows of “Travel and Passenger Transport, and Other Expenses Paid with Cards” (USD259 million), “Other Services” (USD70 million) and “Freight and Insurance” (USD39 million), which were partially offset by net inflows from “Business, Professional and Technical Services” (USD210 million), (see Chart III.1.2.1).

It is worth noting that up to 20% of exports of services can be settled through the stock market under the aforementioned “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.



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



Source: BCRA

In March, gross inflows from “Travel and Passenger Transport” amounted to USD230 million (up 44% against March 2023). 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.<sup>10 11</sup>

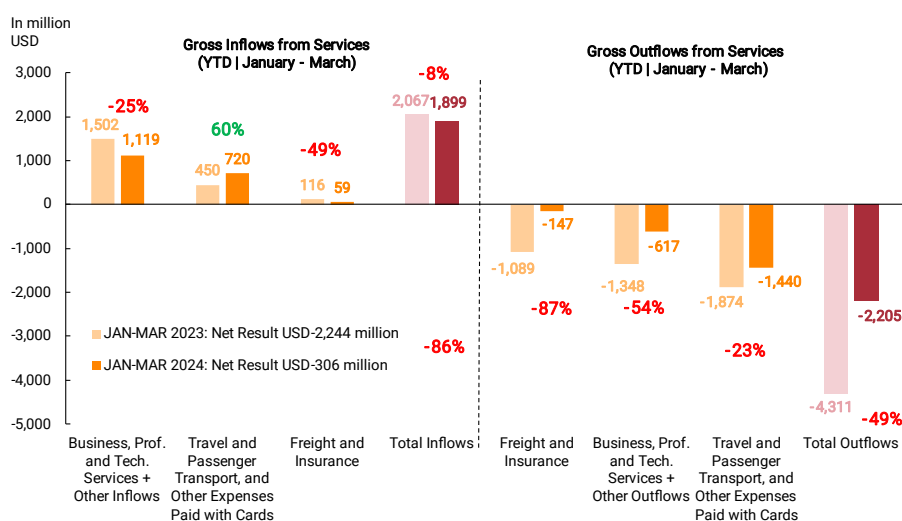
Gross inflows and outflows from “Services” accrued in the first quarter of the year and their comparison with the same period of the previous year are shown below. This comparison shows that the improvement in the “Services” account is caused by a fall in gross outflows, especially in “Freight and Insurance”, partially offset by the drop in inflows (see Chart III.1.2.2).<sup>12</sup>

<sup>10</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>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 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 at the BCRA’s website.

<sup>12</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  
Gross Inflows from Services**



Source: BCRA

Primary income transactions recorded net outflows amounting to USD462 million in March, mainly due to net payments of interest for USD451 million.

The “General Government and the BCRA” paid USD410 million of gross interest (including payments of interest to international organizations—IMF excluded—amounting to USD348 million), and USD52 million on account of other interest paid by the government. In turn, the private sector repaid USD70 million for the same heading. In addition, gross outflows of profits, dividends and other income transferred to accounts abroad amounted to USD12 million.

Finally, secondary income transactions posted a neutral result.

### III.2. Capital Account

In March, the capital account of the foreign exchange balance recorded a surplus of USD4 million.

### III.3. Foreign Exchange Financial Account

In March, transactions carried out under the foreign exchange financial account recorded a deficit of USD1,565 million. This result was explained by the deficit recorded in the “National Government and the BCRA” (USD1,544 million) and in “Other Net Transfers” (USD712 million), which was partially offset by the surplus recorded in the “Non-Financial Private Sector” (USD384 million), and in the “Financial Sector” (USD307 million), (see Chart III.3.1).<sup>13</sup>

<sup>13</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	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
<b>Foreign Exchange Financial Account</b>	<b>1,855</b>	<b>-4,091</b>	<b>-2,191</b>	<b>-2,915</b>	<b>-3,676</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>-2,488</b>	<b>-1,565</b>
Non-Financial Private Sector	-675	-852	-677	-155	-948	-346	-632	-835	-1,142	-1,005	-450	-471	384
Financial Sector	198	76	-696	179	-800	403	406	-21	-128	-1,555	386	-142	307
General Government and the BCRA	2,815	-2,823	-787	-2,482	-1,678	4,807	-923	-3,176	-516	-504	2,199	-1,715	-1,544
Other Net Transfers	-484	-493	-31	-456	-249	-455	17	-222	155	1,539	235	-160	-712

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 USD384 million in March. This was the result of net inflows from local financial loans for USD794 million, foreign assets for USD139 million, foreign direct investments for USD60 million, loans from international organizations and other organizations for USD54 million, which were partially offset by net self-to-self international transfers for USD538 million (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 and were deposited in local accounts, and inflows from foreign currency of purchases made by non-resident tourists with cards), payments of balances in foreign currency to local institutions originated from purchases made with cards to non-resident suppliers for USD126 million (which do not involve a net demand for foreign currency in the financial account), and net outflows from other financial debt held abroad and debt securities for USD3 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

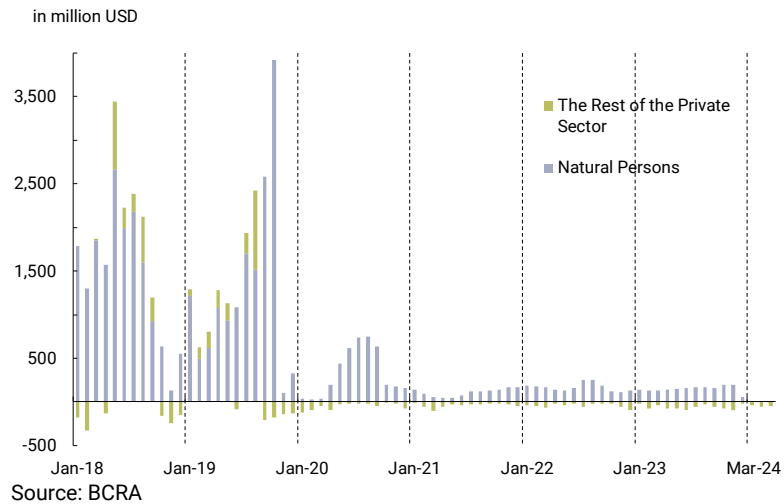
Date	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
<b>Foreign Exchange Financial Account</b>	<b>-675</b>	<b>-852</b>	<b>-677</b>	<b>-155</b>	<b>-948</b>	<b>-346</b>	<b>-632</b>	<b>-835</b>	<b>-1,142</b>	<b>-1,005</b>	<b>-450</b>	<b>-471</b>	<b>384</b>
Non-Residents' Direct Investments	38	58	54	223	45	69	85	91	100	87	45	58	60
Non-Residents' Portfolio Investments	-1	0	-1	-4	0	-1	12	1	-3	0	4	1	2
Financial Loans and Credit Lines	-278	-456	-420	-188	-281	-525	-389	-538	-556	-396	175	-241	664
Local Financial Loans	56	76	-101	-83	-88	49	-5	-126	-149	-72	228	61	794
Other Foreign Loans and Debt Securities	-44	-317	-81	183	77	-326	-102	-55	-88	-31	91	-155	-3
Payment of Card Balance	-290	-215	-237	-288	-271	-248	-282	-357	-319	-293	-144	-147	-126
Loans from Other International Organizations and Other	-41	1	-83	-56	-84	150	-15	52	-92	-121	10	-22	54
Buildup of Foreign Assets by the Non-Financial Private Sector	-4	-397	-83	0	-196	-91	-84	-112	5	330	-20	94	139
Self-to-Self International Transfers	-386	-56	-150	-130	-430	54	-250	-328	-604	-909	-666	-384	-538
Purchase and Sale of Securities	-2	-2	5	0	-3	-2	9	-1	8	5	2	21	4

Source: BCRA

Non-financial private sector residents' foreign assets recorded a surplus of USD139 million—i.e., net inflows of foreign currency (USD93 million) and net sales of banknotes (USD45 million).

This outcome comprises net sales for USD42 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**

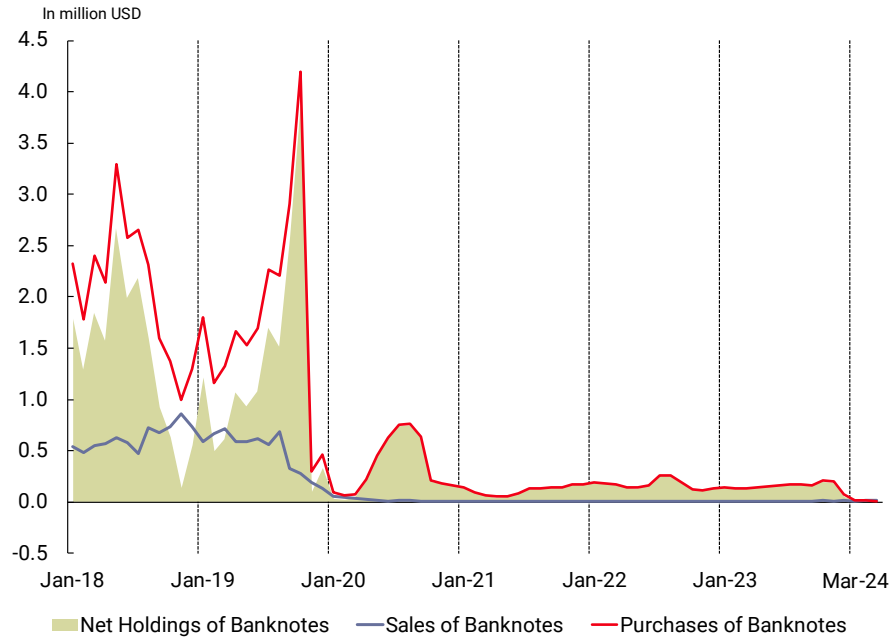


In March, “Natural Persons” purchased banknotes for USD10 million—down 32% against February, and down 93% y.o.y.—and sold USD13 million (see Chart III.3.1.2).

It is worth noting that AFIP’s General Resolution 5463/2023,<sup>14</sup> 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](#)).

<sup>14</sup> To see General Resolution 5463/2023 [click here](#).

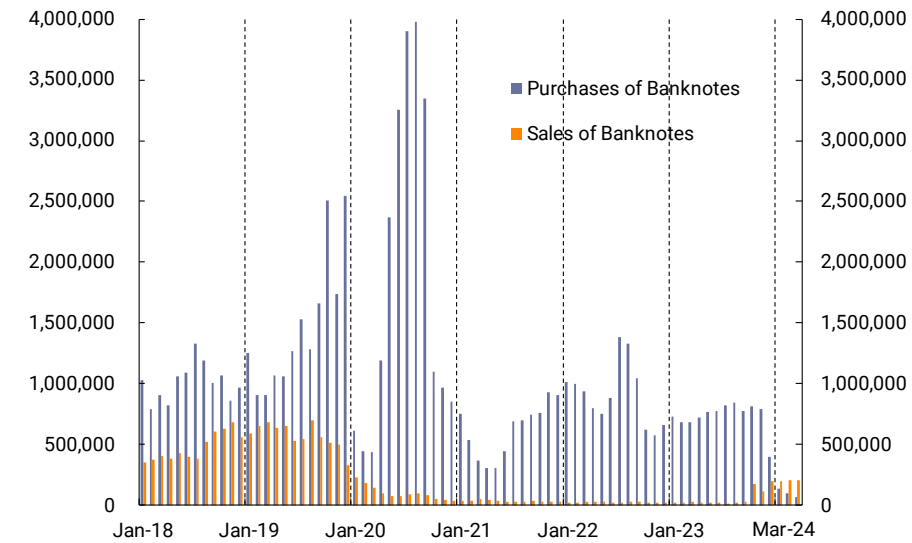
**Chart III.3.1.2 Foreign Exchange Balance  
Natural Persons. Banknotes**



Source: BCRA

In terms of traders, in March, 201,000 individuals sold banknotes, while buyers amounted to about 65,000 (see Chart III. 3.1.3).

**Chart III.3.1.3 Foreign Exchange Balance  
Natural Persons. Number of People**

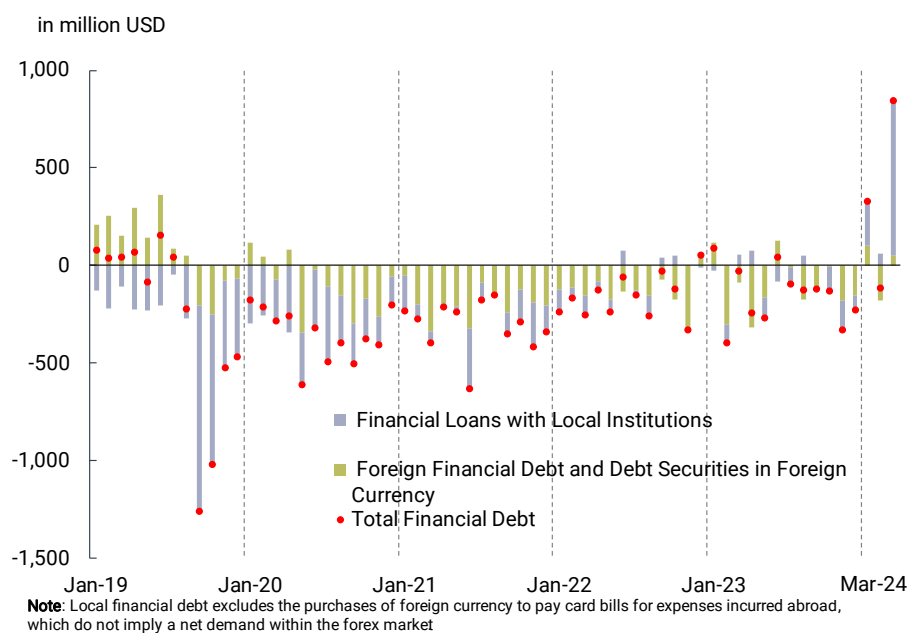


Source: BCRA

In turn, in March, this sector recorded net inflows to their own accounts from abroad (USD93 million). This result is mainly explained by net inflows received by “Natural Persons” (USD63 million), the “Real Sector excluding Oilseeds and Grains” (USD21 million), “Institutional Investors and Others” (USD7 million), and “Oilseeds and Grains” (USD2 million).

Net inflows from the non-financial private sector's financial debt, including loans from international organizations and local financial loans, reached USD843 million in March—net inflows from the “Chemical, Rubber and Plastic Industries” (USD402 million), “Energy” (USD147 million), and “Oilseeds and Grains” (USD125 million) standing out. This amount involves net inflows from loans granted by local institutions (USD794 million), and financial debt held abroad, securities in foreign currency, and loans owed to international organizations (USD49 million). The total amount excludes purchases of foreign currency to pay card bills for expenses incurred abroad (USD126 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>15</sup>

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

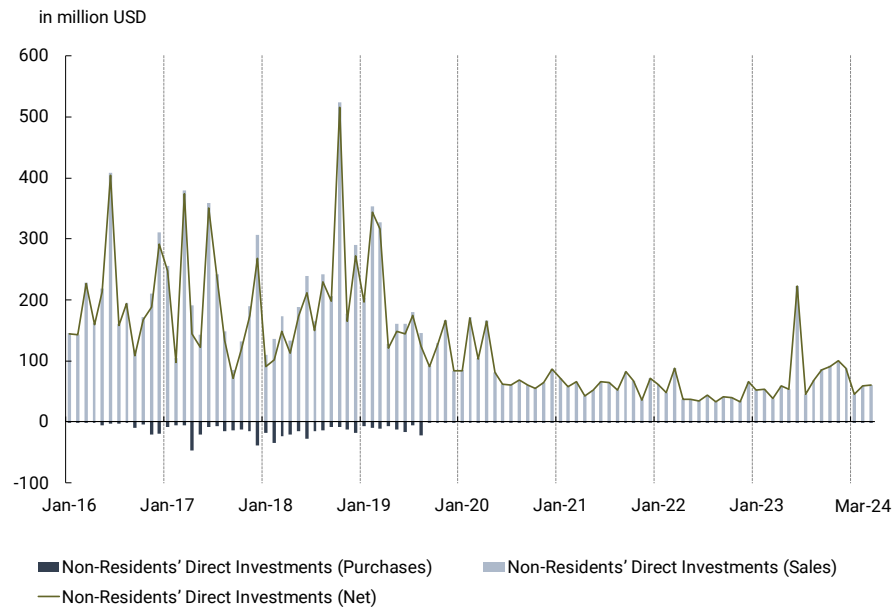


Source: BCRA

Direct investments made by non-residents in the non-financial private sector through the forex market reached USD60 million (net inflows) in March (see Chart III.3.1.5).

<sup>15</sup> As from September 16, 2020, through Communication A 7106, the BCRA set out guidelines for private sector companies to refinance their foreign financial debt 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.3.1.5 Foreign Exchange Balance**  
**Non-Residents' Direct Investments. Non-Financial Private Sector**



Source: BCRA

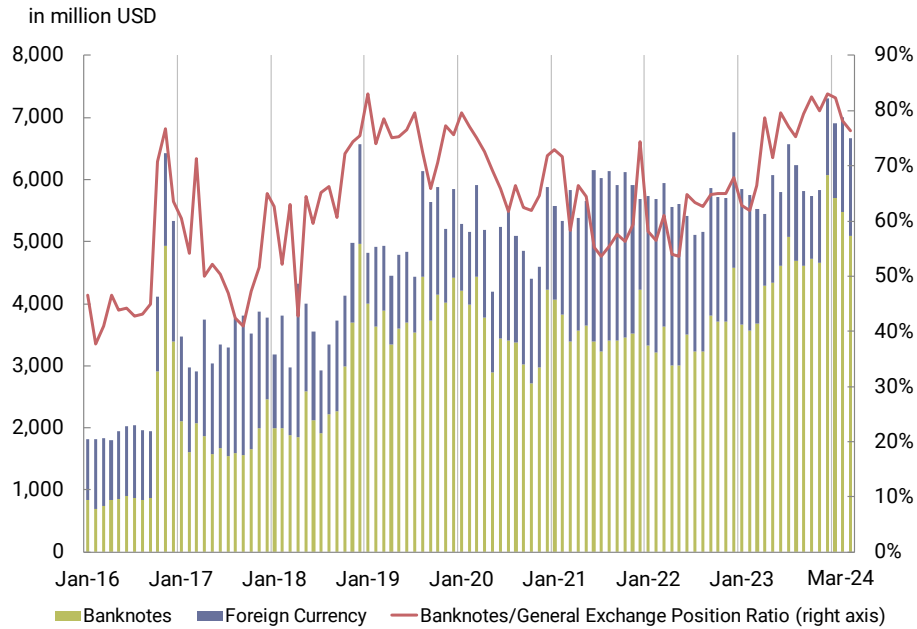
### III.3.2. Foreign Exchange Financial Account of the Financial Sector

In March, the transactions carried out under the foreign exchange financial account of the “Financial Sector” resulted in a surplus of USD307 million. This outcome was explained by a fall of USD340 million in liquid foreign assets of financial institutions’ General Exchange Position, net inflows from financial loans and credit lines for USD21 million, and net inflows on account of loans from international organizations for USD2 million, which were partially offset by the net subscription of securities for USD57 million.<sup>16</sup>

Financial institutions’ General Exchange Position amounted to USD6,671 million at the end of March, down 5% against the end of February. This result was explained by a drop in holdings of banknotes (USD387 million), which was partially offset by an increase in the holdings of foreign currency (USD47 million). Holdings of foreign currency banknotes totaled USD5,092 million by the end of the month. This stock accounted for 76% 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).

<sup>16</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](#).

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

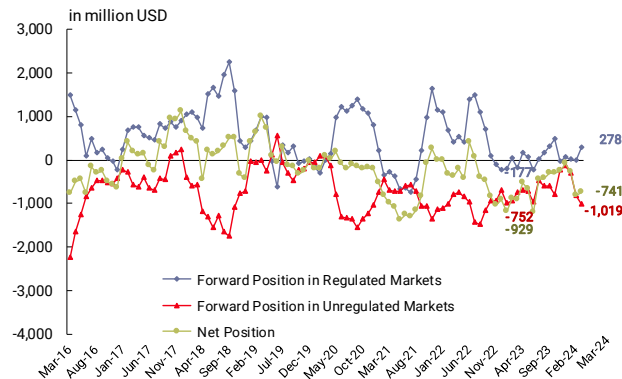


Source: BCRA

On another note, the ensemble of financial institutions ended March with a forward short position in foreign currency of USD741 million, recording a drop of about USD76 million in their short position compared to the end of February. They purchased USD283 million in regulated markets and sold USD208 million to their clients directly (Forwards) over the month (see Chart III.3.2.2).

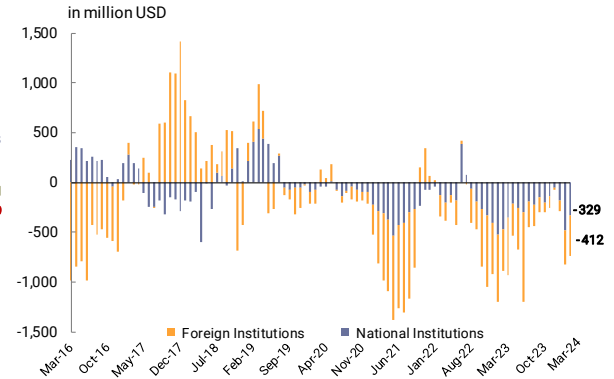
Foreign capital institutions ended March with a net short position of USD412 million, increasing their short position by USD69 million compared to February. In turn, national capital institutions purchased USD145 million, reducing their net short position to USD329 million compared to February (see Chart III.3.2.3).

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



Source: BCRA

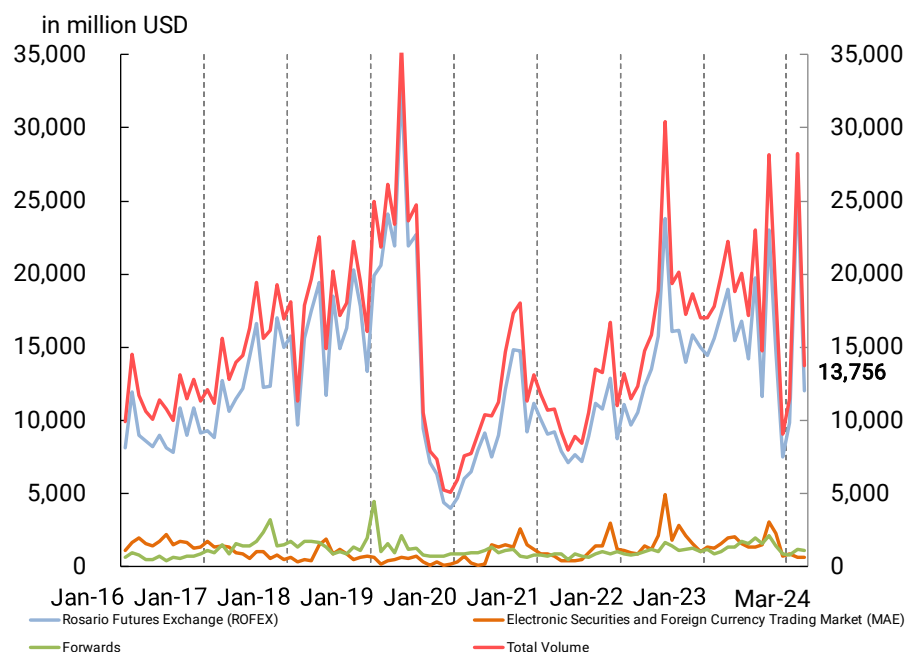
**Chart III.3.2.3 Forward Market  
EOM Institutions' Forward Position**





The volume traded in forward markets totaled USD13,756 million in March, i.e.: USD724 million daily on average. Transactions carried out in the Rosario Futures Exchange (ROFEX) continued to stand out, with an 87% share in the total volume traded in the forward market (see Chart III.3.2.4).<sup>17</sup>

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



Source: BCRA

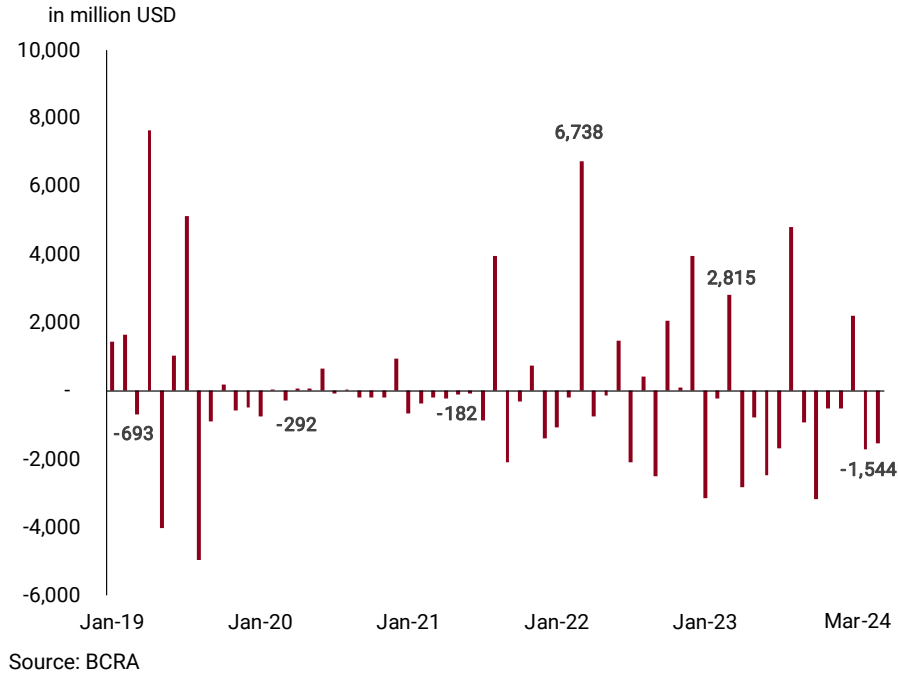
### III.3.3. The Foreign Exchange Financial Account of the General Government and the BCRA

In March, the transactions carried out under the foreign exchange financial account of the “General Government and the BCRA” recorded a deficit of USD1,544 million (see Chart III.3.3.1), mainly explained by net outflows on account of loans from international organizations other than the IMF (USD1,414 million) and payments of other financial loans (USD127 million).

<sup>17</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.3.3.1 Foreign Exchange Balance**

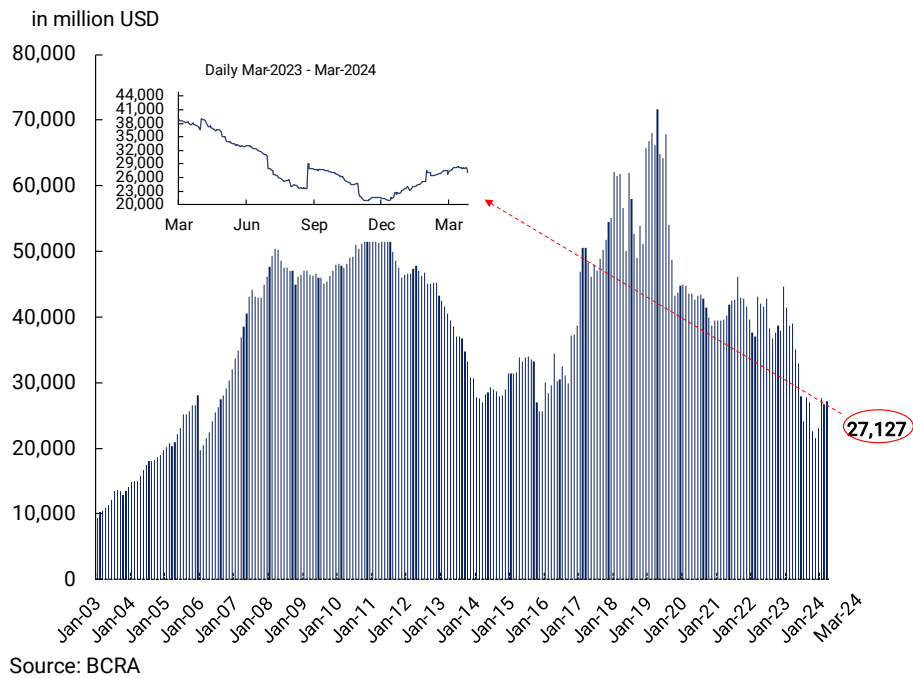
**Foreign Exchange Financial Account of the General Government and the BCRA**



## IV. BCRA's International Reserves

During March, BCRA's international reserves increased USD437 million, totaling USD27,127 million by the end of the month. This increase was mainly explained by net purchases made by the BCRA in the forex market for USD2,882 million and by the increase in the US dollar exchange rate of foreign exchange reserves by USD194 million, which were partially offset by net repayments of principal owed to international organizations (IMF excluded) totaling USD1,414 million, a fall in financial institution's holdings of foreign currency in the BCRA for USD418 million, net outflows of interest and other financial debt of the General Government and BCRA for USD359 million, and net payments made by the BCRA through the Local Currency Payment System for USD23 million (see Chart IV.1).

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

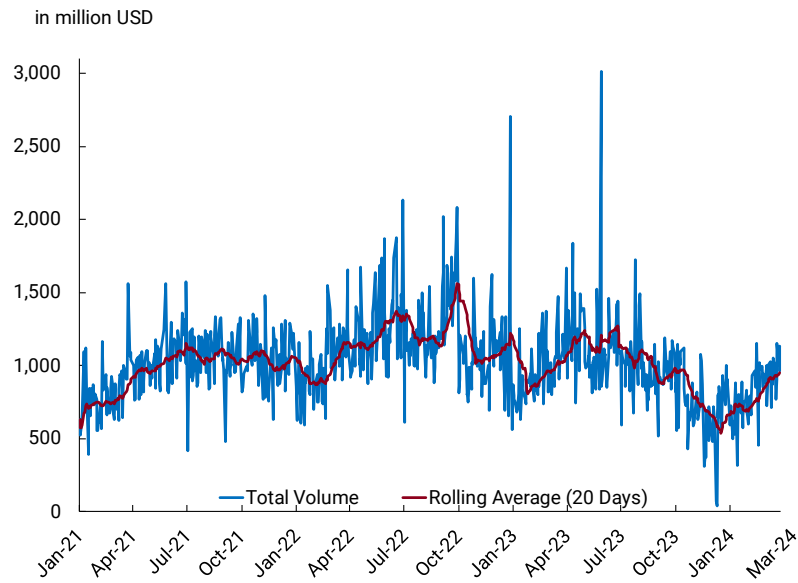


## V. Volumes Traded in the Foreign Exchange Market

In March, the volume traded in the forex market totaled USD18,069 million, down 20% y.o.y. (see Chart V.1). The average daily volume traded was USD951 million, falling in y.o.y. terms as a result of a 31% drop in transactions between the institutions and their clients (down USD4,797 million), and a 13% drop in transactions between the institutions (down USD603 million), partially offset by a 38% increase in transactions between the institutions and the BCRA (up USD828 million).<sup>18</sup>

<sup>18</sup> In 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**



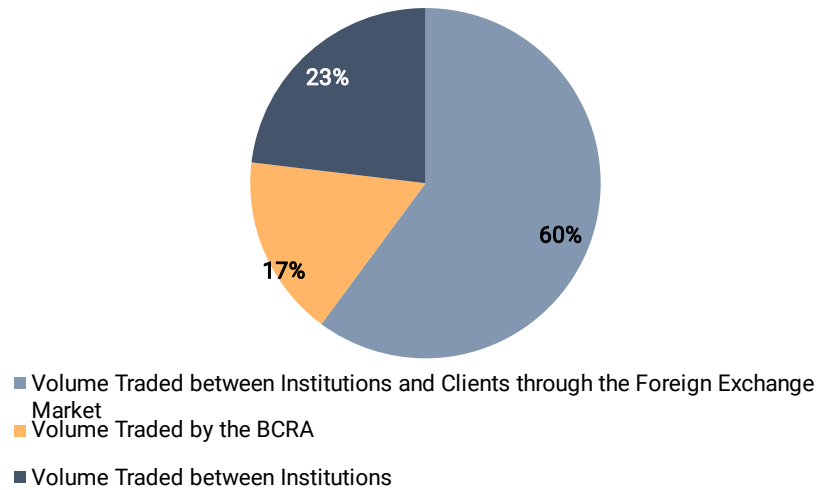
Source: BCRA

Foreign exchange transactions between institutions and their clients accounted for 60% of the total volume traded; transactions between institutions, and transactions between institutions and the BCRA—through the Electronic Trading System (SIOPEL)—represented 23% and 17%, respectively (see Chart V.2).<sup>19</sup>

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<sup>19</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 USD1,826 million), the record of deposits in foreign currency allocated for the payment of financial debt service for about USD82 million, and purchases of foreign currency to pay card bills (around USD126 million for the month under study).

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

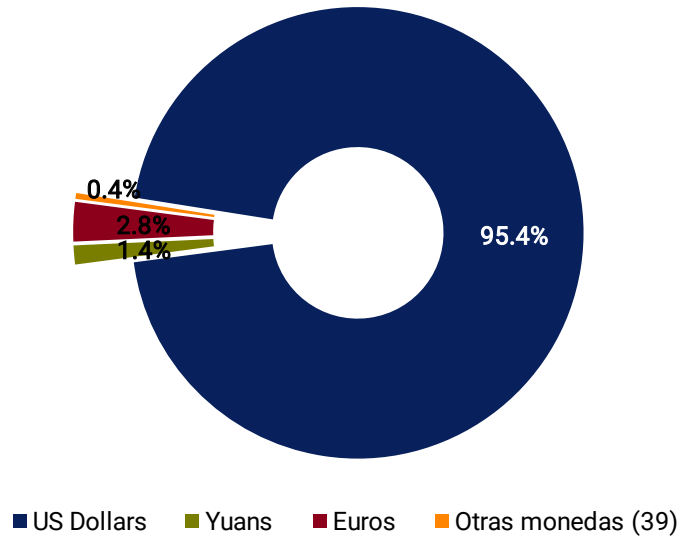


Source: BCRA

In March, 132 institutions traded in the market involving 42 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 nearly 3% of the total, the yuan accounting for less than 2% and the remaining currencies concentrated the rest of the total volume traded (see Chart V.3).

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



Source: BCRA

Finally, 92% of foreign exchange transactions between financial and foreign exchange institutions and their clients were channeled through private financial institutions, and the remaining 8% through public banks.