

Monthly Monetary Report

January 2023



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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The closing date for statistics in this report was February 7, 2023. All figures are provisional and subject to review.

Inquiries or comments: analisis.monetario@bcra.gob.ar

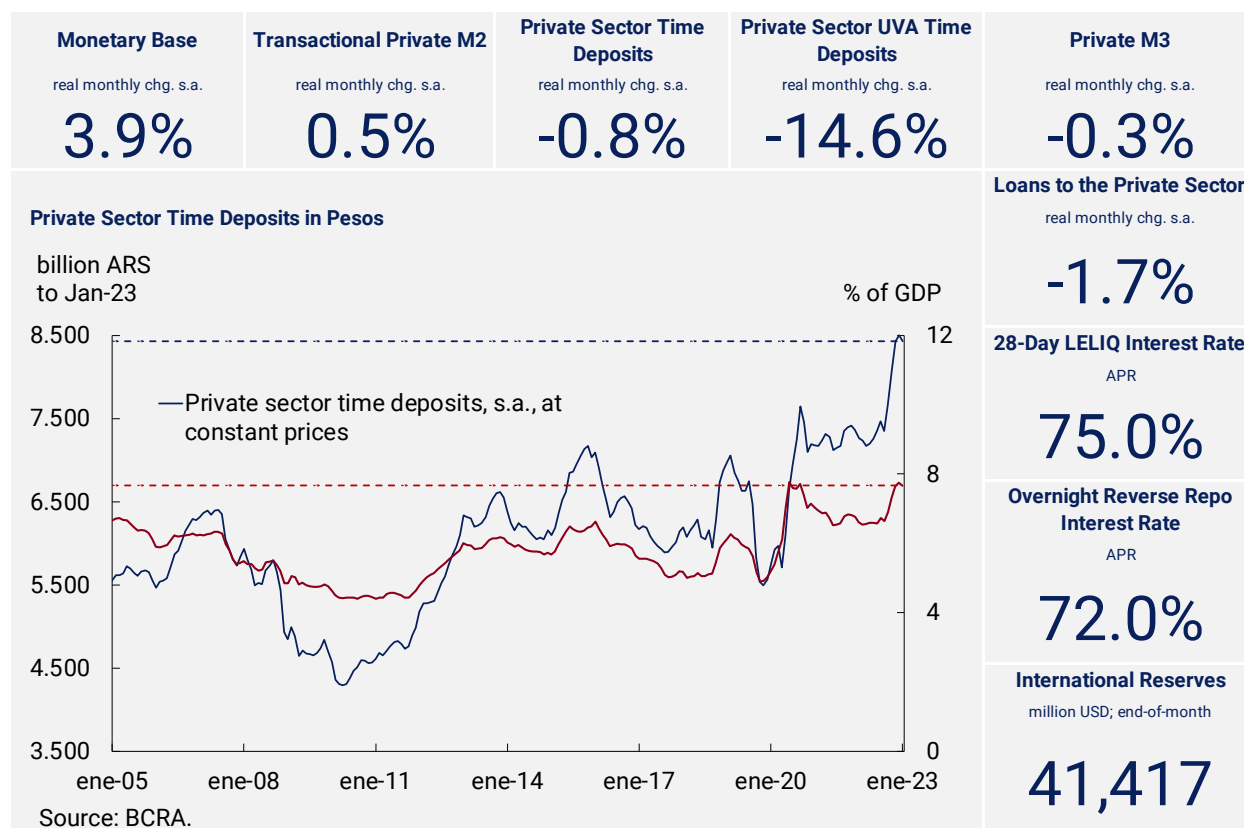
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About inclusive language in the Spanish version of this report

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

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

1. Executive Summary



In January, the broad monetary aggregate (private M3) posted a modest contraction at constant prices and in seasonally-adjusted (s.a.) terms. At a disaggregated level, means of payment rose, which was outweighed by a fall of time deposits. However, savings instruments in pesos remained around the highs of the past few decades, showing a similar figure to the highest reached during the pandemic in terms of GDP.

By mid-January, the BCRA rose by 2 p.p. the return on financial institutions' repos (short-term instruments). Likewise, the BCRA increased the overnight reverse repo interest rate paid to mutual funds (FCI, in Spanish) to reach 85% of the interest rate on overnight reverse repos paid to financial institutions. This measure seeks to strengthen the transmission channel of monetary policy to different sectors of the financial system and the capital market. In addition, financial institutions were allowed to raise funds in pesos against securities recorded in the stock exchange.

Last, all loans granted to the private sector at constant prices and in seasonally-adjusted terms contracted again in January. This performance became palpable across all credit lines.

2. Means of Payment

In January, means of payment (transactional private M2¹) posted a 0.5% rise in real and seasonally-adjusted terms, mainly driven by December's positive carryforward (see Chart 2.1). At a disaggregated level, the amount of cash held by the public virtually explained the increase. Thus, means of payment contracted around 19.1% in year-on-year (y.o.y.) terms and at constant prices. In terms of GDP, transactional private M2 stood at 8%, remaining virtually unchanged against December (see Chart 2.2). Both components of means of payment remained around the lowest figures of the past 20 years.

Chart 2.1 | Transactional Private M2 at Constant Prices
Contribution to s.a. monthly change by component

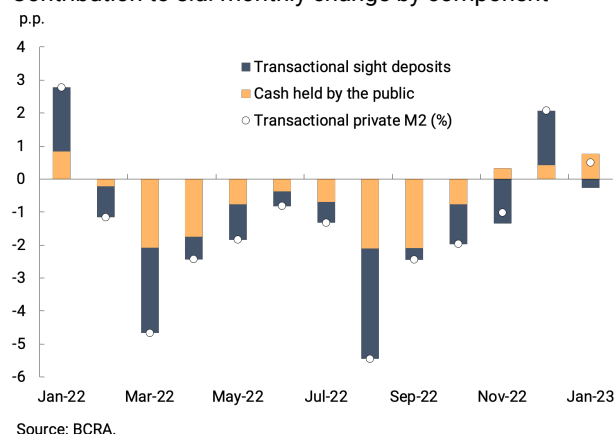
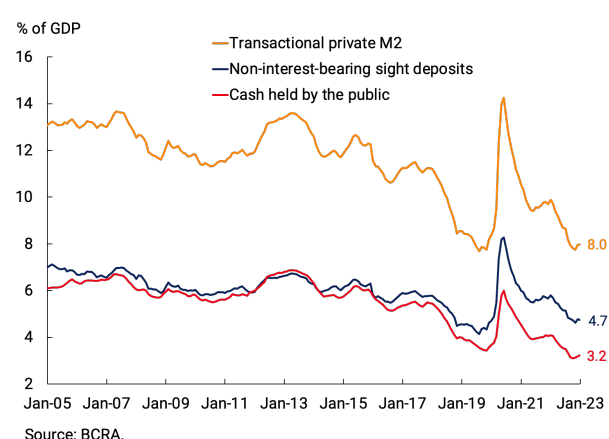
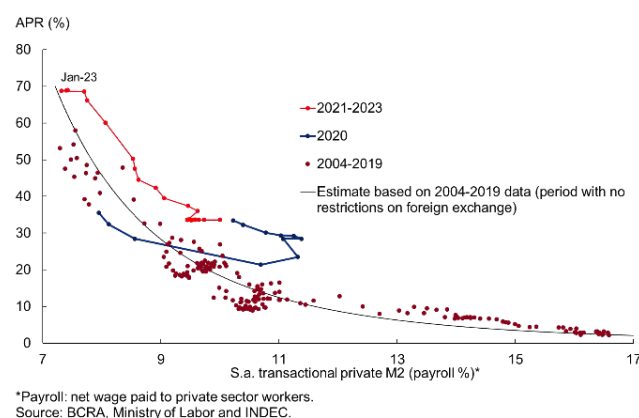


Chart 2.2 | Transactional Private M2



A more structural analysis of the transactional accounts to payroll ratio and the interest rate, which represents the opportunity cost of money, shows that the demand for real stocks has come up to expectations in a context of foreign exchange restrictions and the current interest rates on savings instruments. This occurred after the significant rise of means of payment during the first year of the pandemic. The fall of means of payment in real terms over the last few months exhibits agents' greater preference for interest-bearing instruments (see Chart 2.3).

Chart 2.3 | Estimate on Demand for Real Stocks



1 Private M2 excluding interest-bearing sight deposits held by companies and financial service providers since they are more similar to a savings instrument than to a means of payment.

3. Savings Instruments in Pesos

In January, the Board of the BCRA kept the minimum interest rates on time deposits unchanged for four months in a row.² They took this decision in view of the positive real returns on investments in domestic currency. Thus, the minimum interest rate on natural persons' deposits of up to ARS10 million remained at 75% APR (107.05% EAR), while for the other depositors of the financial system the interest rate stood at 66.5% APR (91.07% EAR).³

Time deposits in pesos from the private sector shrank by 0.8% s.a. at constant prices in January, reversing the rise observed in December. Nevertheless, these deposits remained around the peak values of the past few decades. In terms of GDP, they stood at 7.7% in January, a similar figure to the highest attained during the pandemic.

Time deposits broken down by amount showed a heterogeneous performance. Deposits ranging from ARS1 million to ARS20 million, mainly held by natural persons, increased on average in January. This was offset by a fall of retail deposits (less than ARS1 million) and wholesale deposits (more than ARS20 million).

The decrease of wholesale time deposits was driven by a shift in positions belonging to money market funds (FCI MM; in spanish), which are the main financial service providers (FSPs). MM FCIs rebalanced their portfolio temporarily by changing time deposits and interest-bearing sight deposits for reverse repos with the BCRA (see Chart 3.1). This took place in a period in which the relative return of FCI repos equaled the return of other investment choices (see Chart 3.2). By the end of January, the ratio to determine the FCI interest rate on repos was readjusted and fund liquidity was once again channeled to deposits (in particular, to interest-bearing sight deposits).

Chart 3.1 | FCI MM Equity and Main Investment Instruments

Stock at current prices

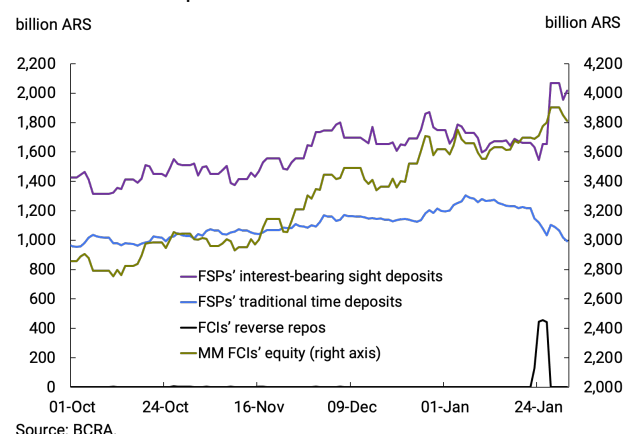
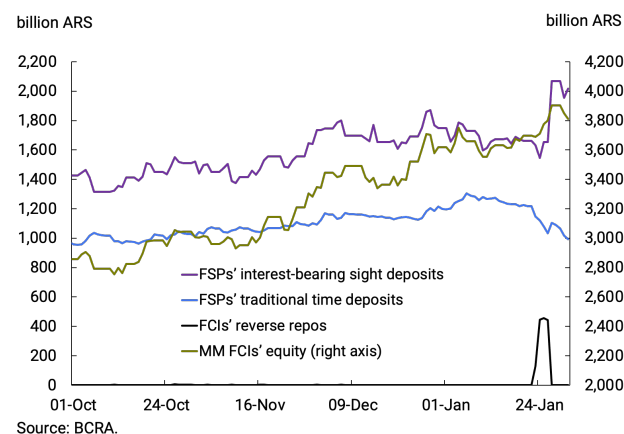


Chart 3.2 | Interest Rates on FSPs' Instruments



Time deposits adjusted by the reference stabilization coefficient (CER, in Spanish) contracted once again in real terms, accruing six months of falls in a row. The decrease was observed in both traditional and early-payment deposits adjusted by units of purchasing power (UVA, in Spanish), whose monthly change rates were -14.8% s.a. and -14.5% s.a., respectively (see Chart 3.3). The analysis of deposits by type of holder

² The current interest rates have been set out in Communication "A" 7527.

³ The rest of depositors are legal persons and natural persons with deposits over ARS10 million.

showed that the decline was mainly driven by natural persons' holdings, which accounted for nearly 85% of the total. In turn, companies and FSPs increased their positions moderately in January (see Chart 3.4). All in all, UVA deposits reached a stock of ARS323.5 billion at the end of January, with a share of 3.8% in total time instruments in domestic currency.

Chart 3.3 | Private Sector UVA Time Deposits
Stock at constant prices by type of instrument

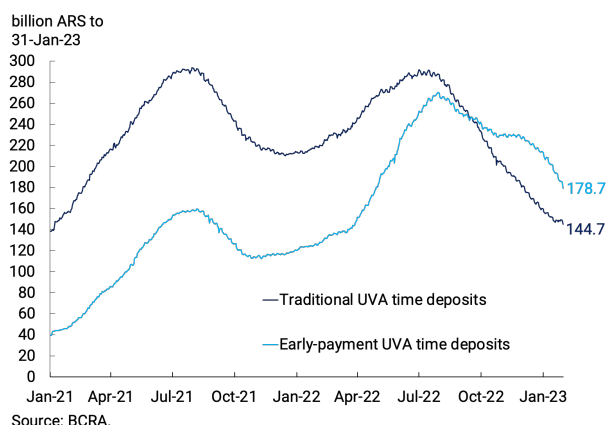
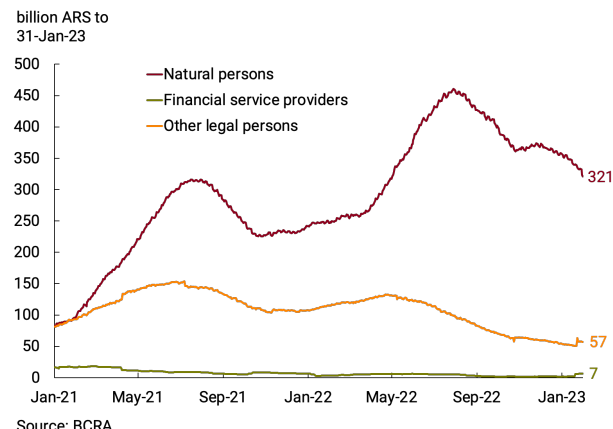


Chart 3.4 | Private Sector UVA Time Deposits
Stock at constant prices by type of holder



The BCRA has launched electronic time deposits, which involve electronic certificates for time deposits and investments (CEDIP, in Spanish).⁴ With the creation of CEDIP, time deposits and investments made through online and mobile banking—both in pesos (including UVA deposits) and in dollars—may be transferred in an easy way, divided into smaller-amount deposits and offset so they can be used as a means of payment.

This new instrument will be applicable as from July (except for the provisions on division, transfer for negotiation in the stock market, and collection at the counter, which will be applicable as from November). This way, the BCRA continues broadening the options available to channel savings in domestic currency.

In January, the broad monetary aggregate (private M3) at constant prices posted a 0.3% s.a. monthly decline.⁵ In year-on-year terms, private M3 posted a 3% fall with a share of 17.6% in GDP, down 0.1 p.p. against December and comparable to the 2010-2019 average.

4. Monetary Base

In January, the monetary base stood at ARS5,291.3 billion, which meant an average monthly growth of 10.7% in nominal terms (+ARS509.35 billion). The rise was partly explained by December's positive statistical carryforward against the backdrop of strong positive seasonality. Indeed, the month-on-month end-of-period (MoM eop) change—from December 31 to January 31—was 2.2% (+ARS112.97 billion). The monetary base went up by 3.9% adjusted by seasonality and by the inflation rate; however, it posted a contraction of around 26.3% y.o.y. In terms of GDP, the monetary base stood at 4.6%, up 0.2 p.p. against December and at its historic low since the exit from the convertibility system (see Chart 4.1).

⁴ Communication "A" 9672.

⁵ Private M3 includes cash held by the public and deposits in pesos from the non-financial private sector (sight deposits, time deposits and others).

Chart 4.1 | Monetary Base

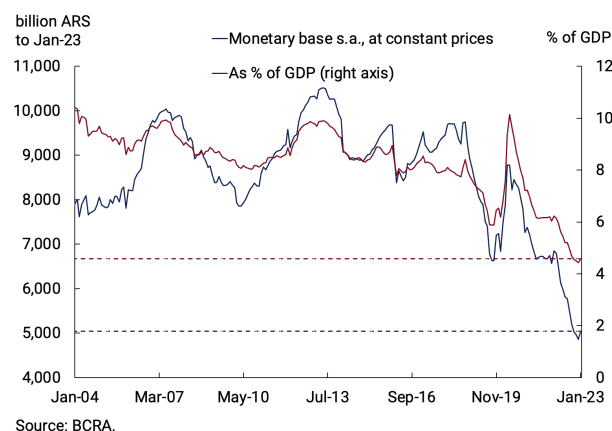
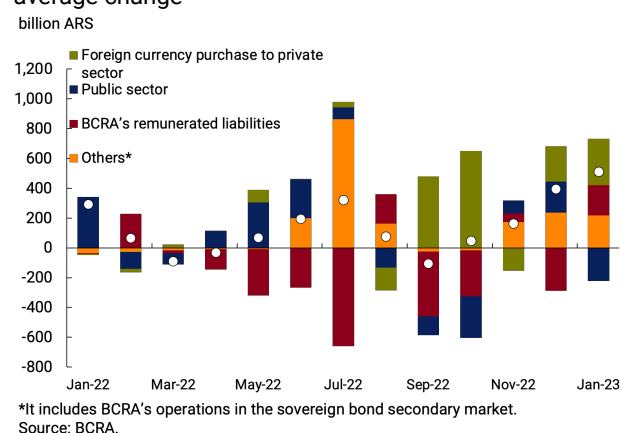


Chart 4.2 | Monetary Base Explanatory Factors Monthly average change



On the supply side, the average monthly expansion of the monetary base was explained, to a great extent, by the statistical carryforward of foreign currency purchased under the “Export increase program” in December. Other expansion factors of the monetary base pivoted around the BCRA’s purchases of sovereign bonds in the secondary market with the aim of reducing excessive price volatility, and the use of monetary policy instruments by banks. This was in part offset by the contractive effect of public sector transactions (see Chart 4.2).

By mid-January, the Board of the BCRA rose the interest rates on shorter-term instruments by 2 p.p.: overnight reverse repos stood at 72% APR (105.3% EAR) and overnight repos, 95% APR (163.5% EAR).

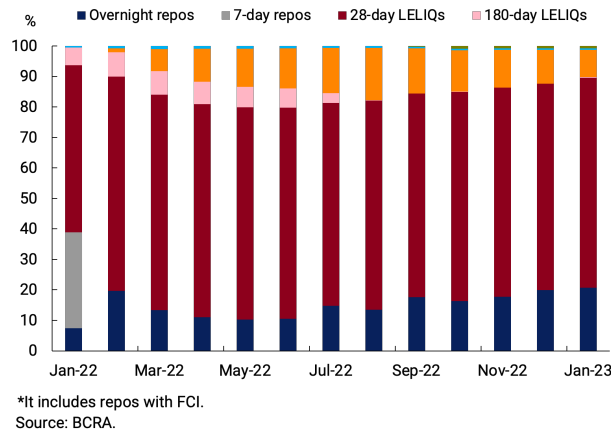
Moreover, the BCRA raised the ratio that determines the interest rate on FCIs’ reverse repos in order to strengthen the transmission of monetary policy to different sectors of the financial system and the capital market. On January 23, such ratio rose from 75% to 95% of the interest rate on financial institutions’ reverse repos (68.4% APR; 98.1% EAR). By the end of January, the interest rate on FCIs’ repos was set at 85% of the interest rate on financial institutions’ repos (61.2% APR; 84.3% EAR). In addition, financial institutions were allowed to raise funds in pesos against securities recorded in the stock exchange.⁶

In turn, the 28-day-term liquidity bill (LELIQ) interest rate remained at 75% APR (107.35% EAR), while the 180-day-term LELIQ interest rate stood at 83.5% APR (101.23% EAR). Finally, the spread of liquidity notes (NOTALIQs) in the last auction of the month was set at 8.5 p.p.

With the current composition of instruments, 28-day LELIQs averaged 68.8% of remunerated liabilities in January. Longer-term instruments, NOTALIQs in particular, accounted for 9.3% of the total. In turn, the share of overnight reverse repos in total instruments increased to reach 20.7% of the total, up 0.8 p.p. vis-à-vis December. Last, LEDIVs and LEGARs (both BCRA bills) accounted for the remaining 1.2%, remaining stable against December (see Chart 4.3).

⁶ Communication “A” 7683.

Chart 4.3 | Composition of BCRA's Remunerated Liabilities
Monthly average



5. Loans to the Private Sector in Pesos

In January, loans in pesos to the private sector posted a monthly decrease of 1.7% s.a. in real terms, accruing seven months of falls in a row. The decline was virtually observed across all credit lines, except for promissory notes (see Chart 5.1). Thus, credit accrued a 13.9% y.o.y. fall in real terms. The ratio of loans in pesos to the private sector to GDP at current prices declined slightly over January and stood at 6.1% (see Chart 5.2).

Chart 5.1 | Loans to Private Sector in Pesos
Real, seasonally-adjusted; contribution to monthly growth

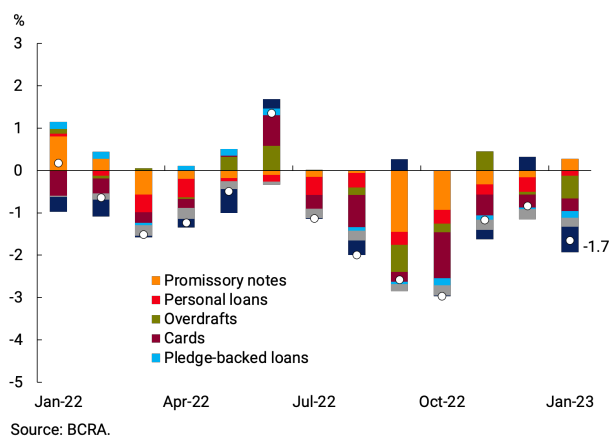
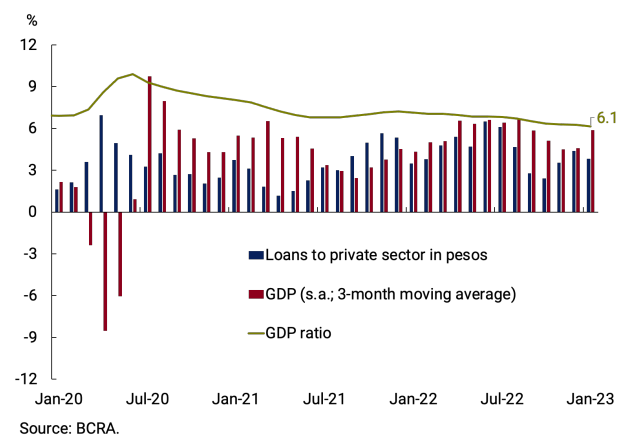


Chart 5.2 | Loans to Private Sector in Pesos
In terms of GDP



The analysis of loans by type of financing shows that business credit lines exhibited a better performance. Promissory notes posted a monthly growth of 1.1% s.a. at constant prices (-13% y.o.y.), driven by discounted notes. On the contrary, longer lifespan unsecured promissory notes declined in January. In turn, financing granted through overdrafts dropped by 4.6% s.a. (-2.5% y.o.y.) at constant prices. Aggregate business financing shrank by 1.1% s.a. over January, and 12.6% in y.o.y. terms.

Loans to micro-, small-, and medium-sized enterprises (MSMEs) were still mainly granted through the Credit Line for Productive Investment (LFIP, in Spanish). The loans granted until the end of January within the framework of the LFIP accrued disbursements for about ARS4,175 billion from its implementation, up 7.3% vis-à-vis December (see Chart 5.3). Accordingly, 13.8% of financings granted through the LFIP were channeled to investment projects and the rest, to working capital. It is worth mentioning that the average stock of loans granted through the LFIP reached around ARS1.25 billion in December (latest available data), standing for nearly 18.7% of total loans and 44.5% of total business loans.

Despite the LFIP, business credit continued exhibiting a downward trend: credit to MSMEs falling by nearly 8.5% y.o.y. at constant prices in January, and lending to big companies contracting by 17.8% y.o.y. (see Chart 5.4).

Chart 5.3 | Financing Granted through the LFIP
Accrued disbursed amounts as to end-of-month

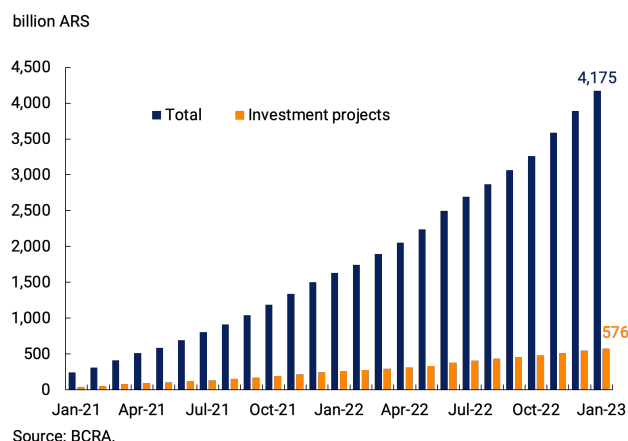
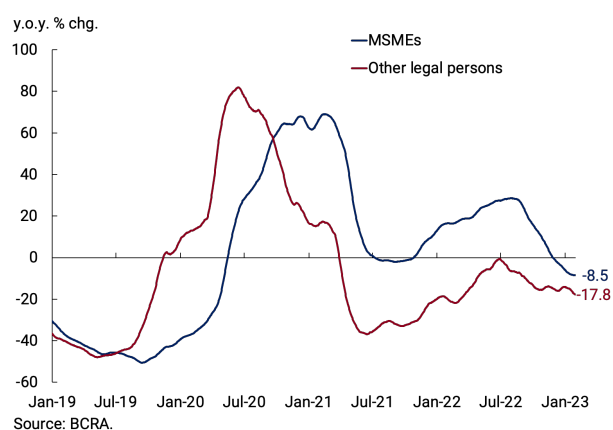


Chart 5.4 | Business Loans by Type of Debtor
Y.o.y. change of 30-day moving average stock at constant prices



As regards loans to consumption, financing on credit cards posted a monthly fall of 1% s.a. (-11.5% y.o.y.) at constant prices. Likewise, personal loans declined 0.8% s.a., down 18.4% against January 2022. In January 2023, the interest rate on personal loans averaged 79.2% APR (115.5% EAR), down 2 p.p. against December 2022.

As for credit lines with real property collateral, pledge-backed loans declined by 2.3% s.a. in real terms, standing at a level comparable to that of a year ago. Regarding the stock of mortgage-backed loans, it fell by 3.7% s.a. at constant prices in January, with an accrued contraction of 32.7% over the last twelve months.

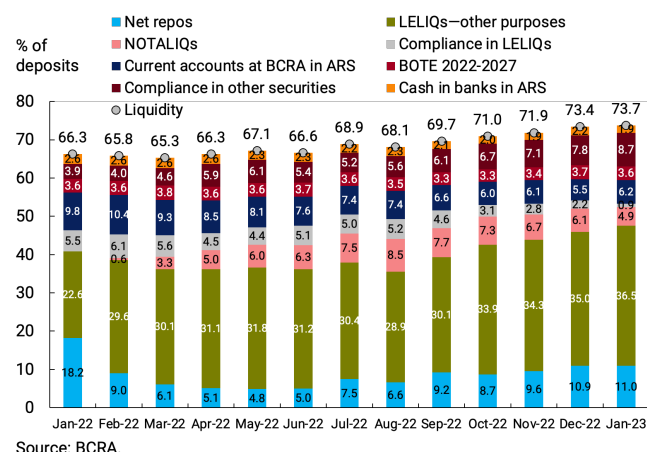
6. Financial Institutions' Liquidity in Pesos

In January, bank liquidity in domestic currency⁷ went up 0.3 p.p. against December 2022, with an average of 73.7% of deposits. Thus, it stood at historically high levels. The rise was mainly boosted by the use of sovereign bonds and the stock of current accounts at the BCRA to comply with minimum cash requirements, being in part offset by a fall of remunerated liabilities.

⁷ It includes current accounts with the BCRA, cash holdings in banks, arranged net repo stocks with the BCRA, holdings of LELIQs and NOTALIQs, and holdings of sovereign bonds eligible to comply with the minimum reserve requirements.

It is worth mentioning that the BCRA made some regulatory changes with an impact on bank liquidity. One of them excludes security-backed transactions recorded in the stock exchange from minimum cash requirements.

Chart 6.1 | Financial Institutions' Liquidity in Pesos



7. Foreign Currency

As regards foreign currency, financial institutions' main assets and liabilities posted a dissimilar performance. On the one hand, the stock of deposits from the private sector increased for the fifth month in a row, recording an average of USD16.26 billion in January. This meant a rise of USD575 million vis-à-vis December, which was entirely explained by the statistical carryforward of December—in particular by the performance of natural persons' sight deposits, the amount of which usually increases by the end of December because they are exempted from the personal property tax. Indeed, the stocks at the end of January went down by USD28 million. On the other hand, the stock of loans to the private sector in foreign currency remained virtually unchanged in October (see Chart 7.1).

Chart 7.1 | Stock of Private Sector Deposits and Loans in Foreign Currency

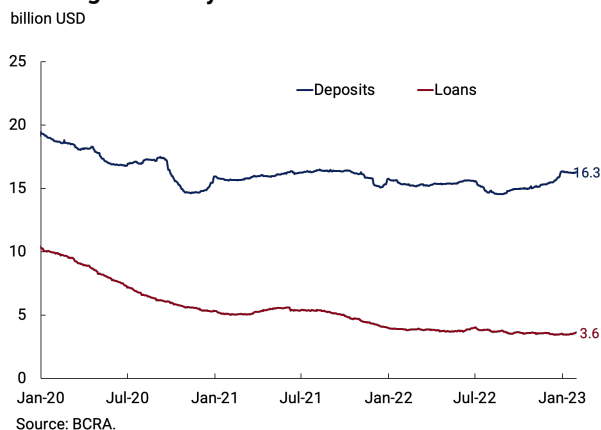
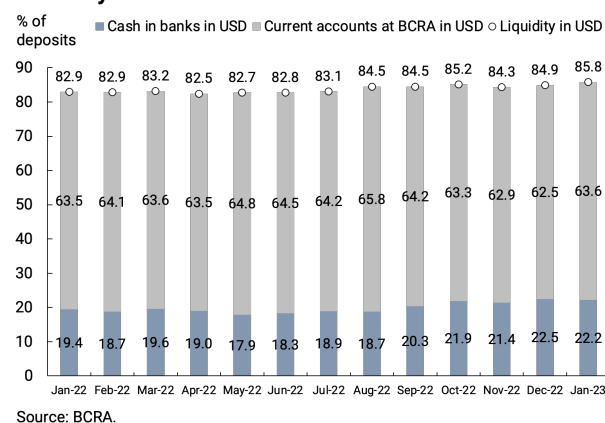


Chart 7.2 | Financial Institutions' Liquidity in Foreign Currency



Financial institutions' liquidity in the foreign currency segment posted a 0.9 p.p. rise compared to the figure shown in December, standing at 85.8% of deposits in January and remaining at historically high levels. The rise was driven by the performance of current accounts in foreign currency at the BCRA, and was in part offset by cash in banks (see Chart 7.2).

In January, the BCRA introduced some regulatory changes seeking to make a more reasonable use of foreign currency. Thus, access to the forex market was relaxed for importers to pay for the goods detailed in the regulation, in the framework of the Argentine Imports System (SIRA, in Spanish).⁸ Also, the BCRA regulated the recipient accounts for depositing local currency from the settlement of foreign currency coming from both international organizations' financings and contributions,⁹ and holdings in Argentina stated in voluntary affidavits.¹⁰

At the end of January, the BCRA's international reserves reached USD41.42 billion, down USD3.18 billion against December 31, 2022. The fall was mainly explained by **payments of principal for USD2.64 billion to the International Monetary Fund (IMF) and other public sector transactions, particularly payments of the National Government's debt, and the repurchase of domestic public debt instruments in foreign currency.**¹¹ This was in part offset by an increase in the balances of current accounts in dollars held at the BCRA, and the income yield from the valuation of net foreign assets (see Chart 7.3).

It is worth mentioning that **the currency swap agreement entered into by the BCRA and the People's Bank of China was activated at the beginning of January.** The swap includes the exchange of currencies intended to support the BCRA's international reserves for an amount of CNY130 billion and a special activation for CNY35 billion to offset foreign exchange transactions.

Finally, the ARS/USD nominal exchange rate (TCN, in Spanish) increased 5.6% and averaged ARS182.12/USD1 in January (see Chart 7.4). This way, the BCRA slowed down the depreciation pace of domestic currency in line with inflation moderation.

Chart 7.3 | Change in Stock of International Reserves at Month-End

Explanatory factors. January 2023

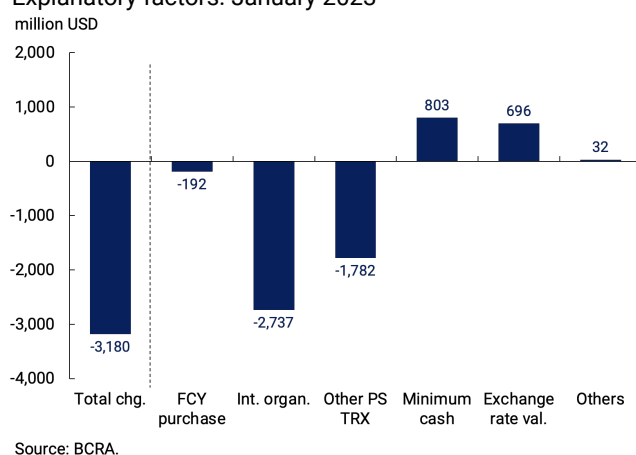
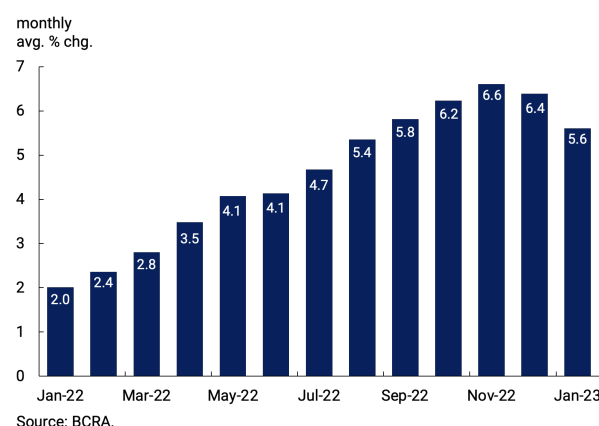


Chart 7.4 | Change in Bilateral Nominal Exchange Rate against USA



⁸ Communications "A" 7676 and "A" 7682.

⁹ Communication "A" 7667.

¹⁰ Communication "A" 7675.

¹¹ <https://www.argentina.gob.ar/noticias/recompra-de-instrumentos-de-deuda-publica-nacional-denominados-en-moneda-extranjera>

8. Regulatory Overview

Date of Issue	Regulation	Description
5-Jan-23	<u>Comm. "A" 7667</u>	Exporters who obtain financial assistance and/or non-refundable contributions from international organizations, their partner agencies, multilateral development banks, or official credit agencies are authorized to hold "Special accounts for exporters" . The total amount of local currency derived from the settlement of foreign currency from financings and contributions can be credited in such accounts.
19-Jan-23	<u>Comm. "A" 7672</u>	<p>Financial institutions that capture time investments or deposits through online or mobile banking must issue a CEDIP, an electronic certificate for these deposits which can be transferred, divided into smaller-amount deposits and offset electronically. The CEDIP will be transferred through a system for electronic transfers (SCE, in Spanish), regulated by Compensadora Electrónica S.A. (COELSA).</p> <p>This resolution will be applicable as from July 1, 2023, except for the provisions on division, transfer for negotiation, and collection at the counter, which will be applicable as from November 1, 2023.</p>
19-Jan-23	<u>Comm. "A" 7673</u>	The regulation creates the "Registry of platforms for the financing of MSMEs" where providers of IT applications or systems for carrying out transactions with MSME electronic credit invoices—as stated in Law No. 27,440, Section 13—must register.
19-Jan-23	<u>Comm. "A" 7674</u>	The application of paragraph 9.3 of the regulations on "Lending to the non-financial public sector" has been extended until January 31, 2024 . This regulation sets forth that lending to the non-financial public sector for paying wages is excluded for calculating basic individual and global caps on diversification of credit risk.
19-Jan-23	<u>Comm. "A" 7675</u>	<p>The BCRA regulated the "Special Deposit and Settlement Account for Argentine Construction, Law No. 27,613 and Law No. 27,679" (CECON.Ar, in Spanish), and the "Special Deposit and Settlement Account for Argentine Investment and Production, Law No. 27,701" (CEPRO.Ar, in Spanish). The amount of foreign currency holdings in Argentina and abroad stated in voluntary affidavits must be credited in these accounts. The commercial banks mentioned in the regulation referred to above must open such accounts for only that purpose at the request of the reporting party.</p> <p>The funds stated in the affidavit must be held in these accounts until they are used to transfer foreign currency for the payment of imports for consumption and services aimed at productive processes. Such funds will not be allocated to the payment of the special tax detailed in the regulation. They must be solely credited in exporters' accounts abroad.</p> <p>The provisions to be implemented are those established for savings account deposits and special current accounts held by legal persons, as appropriate, provided that they are not against the regulation.</p>
19-Jan-23	<u>Comm. "A" 7676</u>	<p>Financial institutions may allow clients to access the forex market for paying imported goods recorded in a SIRA affidavit before the period stated therein. This is applicable where payments are made under the "Conectar Igualdad" program, as set forth in Executive Order No. 11/2022, inasmuch as certain regulatory conditions are met. Additionally, the Mercosur Common Nomenclature (NCM, in Spanish) list of goods was updated to include a new product used for the domestic manufacturing of goods necessary for building infrastructure facilities, a service hired by the public sector. Accordingly, the importers of this product may access the forex market for the payment of imports on a relaxed basis.</p>

26-Jan-23	<u>Comm. "A" 7682</u>	<p>This Communication refers to the goods that can be paid according to Communication "A" 7638. In particular, it applies to any imported supplies which are necessary for manufacturing at least 60% of the goods to be exported, and where the total amount of the supplies to be transferred abroad—as under the regulation—is lower than the total amount of the goods exported. In addition, it applies to tariff positions classified as capital goods in the NCM. In case the transaction involves goods failing to comply with such condition, they can be paid anyhow, provided that the capital goods involved account for at least 90% of the FOB value in the SIRA.</p>
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26-Jan-23	<u>Comm. "A" 7683</u>	<p>Financial institutions may raise funds in pesos against securities recorded in the stock exchange and capital markets regulated by the National Securities Commission (CNV, in Spanish). Security-backed transactions recorded in the stock exchange will be excluded from the minimum cash requirements in pesos, as set out in the regulations on "Minimum Cash".</p>
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9. Monetary and Financial Indicators

The figures below are stated in millions, and original currency. Figures are provisional and subject to review.

Main monetary variables associated with BCRA	Monthly average					Average percentage changes as to Jan-23						% of GDP	
	Jan-23	Dec-22	Nov-22	Oct-22	Jan-22	Monthly		Accrued in 2023		Year-on-year		Jan-23	Dec-22
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
Monetary Base	5,291,282	4,781,929	4,388,339	4,225,141	3,685,633	10.7%	3.9%	10.7%	3.9%	43.6%	-26.3%	4.6%	4.4%
Currency in circulation	4,089,114	3,767,917	3,348,968	3,240,179	2,677,121	8.5%	0.3%	8.5%	0.3%	52.7%	-21.6%	3.6%	3.6%
Cash held by the public	3,714,454	3,362,008	3,019,931	2,911,683	2,412,204	10.5%	1.9%	10.5%	1.9%	54.0%	-20.9%	3.2%	3.2%
Cash in financial institutions	374,660	405,908	329,036	328,497	264,917	-7.7%	-12.6%	-7.7%	-12.6%	41.4%	-27.4%	0.3%	0.4%
Current accounts at BCRA	1,202,167	1,014,012	1,039,372	984,962	1,008,512	18.6%	12.3%	18.6%	12.3%	19.2%	-38.8%	1.1%	1.0%
BCRA's remunerated liabilities (NV ARS)	10,395,877	9,946,599	9,110,754	8,653,499	4,703,424	4.5%	-1.0%	4.5%	-1.0%	121.0%	13.5%	9.5%	8.3%
Reverse repos	2,182,287	2,004,090	1,636,090	1,428,092	1,840,825	8.9%	3.2%	8.9%	3.2%	18.5%	-39.1%	2.0%	1.4%
1 day	2,182,287	2,004,090	1,636,090	1,428,092	349,455	8.9%	3.2%	8.9%	3.2%	524.5%	220.6%	2.0%	1.4%
7 days	0	0	0	0	1,491,369	-	-	-	-	-100.0%	-100.0%	0.0%	0.0%
Stock of LELIQs	7,268,795	6,831,822	6,336,682	6,035,569	2,862,599	6.4%	0.8%	6.4%	0.8%	153.9%	30.4%	6.6%	5.8%
Stock of 28-day LELIQs	7,242,239	6,821,262	6,332,127	6,031,014	2,591,823	6.2%	0.6%	6.2%	0.6%	179.4%	43.5%	6.6%	5.8%
Stock of 180-day LELIQs	26,556	10,560	4,555	4,555	270,776	151.5%	138.2%	151.5%	138.2%	-90.2%	-95.0%	0.0%	0.0%
Stock of NO TALIQs	944,796	1,110,688	1,137,983	1,189,838	-	-14.9%	-19.4%	-14.9%	-19.4%	-	-	0.9%	1.1%
BCRA's international reserves in dollars	43,199	40,650	37,897	38,710	38,964	6.3%	-	6.3%	-	10.9%	-	7.2%	6.4%

Monthly average explanatory factors	Monthly		Quarterly		Accrued in 2023		Year-on-year	
	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution
Monetary Base	509,352	10.7%	1,066,141	25.2%	509,352	10.7%	1,605,648	43.6%
Foreign exchange purchases to private sector and others	311,123	6.5%	393,051	9.3%	311,123	6.5%	1,489,460	40.4%
Foreign exchange purchase to the NT	-75,769	-1.6%	64,713	1.5%	-75,769	-1.6%	-313,799	-8.5%
Temporary advances and profit transfers to National Government	0	0.0%	0	0.0%	0	0.0%	604,309	16.4%
Other public sector operations	-145,744	-3.0%	7,235	0.2%	-145,744	-3.0%	-192,427	-5.2%
Monetary policy instruments	203,065	4.2%	-27,043	-0.6%	203,065	4.2%	-1,728,941	-46.9%
Others	216,678	4.5%	628,184	14.9%	216,678	4.5%	1,747,047	47.4%
BCRA's International Reserves	2,548	6.3%	4,489	11.6%	2,548	6.3%	4,235	10.9%
Purchases of foreign currency	1,358	3.3%	1,097	2.8%	1,358	3.3%	5,830	15.0%
International organizations	1,015	2.5%	2,107	5.4%	1,015	2.5%	3,061	7.9%
Other public-sector transactions	-1,207	-3.0%	-1,433	-3.7%	-1,207	-3.0%	-3,102	-8.0%
Minimum cash requirements	688	1.7%	1,338	3.5%	688	1.7%	528	1.4%
Others (incl. forex valuation)	695	1.7%	1,379	3.6%	695	1.7%	-2,082	-5.3%

Note: "Contribution" field: The sum up of each factor's change to the main variable for the same month.

Minimum Cash Requirement and Compliance	Jan-23	Dec-22	Nov-22
Domestic currency	% of total deposits in pesos		
Net requirement of deductions	19.3	18.9	19.4
Compliance in current accounts	6.2	5.5	6.1
Compliance in LELIQs	32.8	32.5	32.3
Compliance in BOTE 2027	3.6	3.7	3.4
Compliance in sovereign bonds/other	8.7	7.8	7.1
Foreign currency	% of total deposits in foreign currency		
Minimum capital requirements	24.0	24.0	24.0
Compliance (includes funds available for financing but not yet granted)	63.6	62.5	62.9
Position ⁽¹⁾	39.6	38.5	38.9

(1) Position = Compliance - Requirement

The figures below are stated in millions, and original currency. Figures are provisional and subject to review.

Main monetary and financial system variables	Monthly average					Average percentage changes as to Jan-23						% of GDP ⁴	
	Jan-23	Dec-22	Nov-22	Oct-22	Jan-22	Monthly		Accrued in 2023		Year-on-year		Jan-23	Dec-22
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
Domestic currency													
Total deposits from the non-financial sector in pesos ¹	19,278,624	18,240,452	16,961,201	16,222,981	10,056,841	5.7%	-0.8%	5.7%	-0.8%	91.7%	-1.6%	17.4%	17.5%
Private sector deposits	16,025,927	15,163,015	13,801,680	13,081,123	8,036,461	5.7%	-0.9%	5.7%	-0.9%	99.4%	2.4%	14.4%	14.6%
Private Sector Sight Deposits	7,440,344	7,300,918	6,268,949	6,013,801	4,196,353	1.9%	-0.9%	1.9%	-0.9%	77.3%	-9.0%	6.5%	6.6%
Non-interest bearing (transactional)	5,460,701	5,386,436	4,572,751	4,401,468	3,407,328	1.4%	-0.4%	1.4%	-0.4%	60.3%	-17.7%	4.7%	4.8%
Interest-bearing	1,979,643	1,914,482	1,696,198	1,612,333	789,026	3.4%	-2.0%	3.4%	-2.0%	150.9%	28.8%	1.8%	1.8%
Farm deposits	140	131	109	116	0	6.6%	-3.5%	6.6%	-3.5%			0.0%	
Private Sector Time Deposits and Others	8,585,583	7,862,097	7,532,731	7,067,322	3,840,108	9.2%	-1.0%	9.2%	-1.0%	123.6%	14.8%	7.9%	8.0%
Time Deposits	8,372,320	7,639,196	7,323,847	6,869,114	3,701,325	9.6%	-0.8%	9.6%	-0.8%	126.2%	16.1%	7.7%	7.7%
CER/UVA/exchange rate-non-adjustable	7,989,611	7,237,933	6,912,547	6,451,272	3,507,442	10.4%	-0.1%	10.4%	-0.1%	127.8%	16.9%	7.3%	7.3%
CER / UVA-adjustable	339,302	359,923	369,123	375,078	169,480	-5.7%	-14.6%	-5.7%	-14.6%	100.2%	2.8%	0.3%	0.4%
Traditional	147,268	156,518	168,232	179,996	107,593	-5.9%	-14.8%	-5.9%	-14.8%	36.9%	-29.7%	0.1%	0.2%
Early-payment	192,034	203,405	200,892	195,083	61,887	-5.6%	-14.5%	-5.6%	-14.5%	210.3%	59.3%	0.2%	0.2%
DIVA	43,407	41,340	42,176	42,763	24,403	5.0%	-4.9%	5.0%	-4.9%	77.9%	-8.7%	0.0%	0.0%
Other deposits	213,263	222,900	208,885	198,208	138,782	-4.3%	-9.4%	-4.3%	-9.4%	53.7%	-21.1%	0.2%	0.2%
Public sector deposits ²	3,252,697	3,077,437	3,159,520	3,141,858	2,020,380	5.7%	0.1%	5.7%	0.1%	61.0%	-17.3%	3.0%	3.0%
Monetary Aggregates													
Total M2	12,428,780	11,865,345	10,402,475	10,170,584	7,528,239	4.7%	-1.0%	4.7%	-1.0%	65.1%	-15.2%	10.8%	11.0%
Total M3	23,130,550	21,731,311	20,102,338	19,250,676	12,554,345	6.4%	0.7%	6.4%	0.7%	84.2%	-5.4%	20.6%	20.5%
Private sector monetary aggregates													
Private M2	11,154,798	10,662,927	9,288,880	8,925,484	6,608,557	4.6%	-0.4%	4.6%	-0.4%	68.8%	-13.3%	9.9%	9.9%
Transactional private M2 ³	9,175,155	8,748,444	7,592,683	7,313,151	5,819,531	4.9%	0.5%	4.9%	0.5%	57.7%	-19.1%	8.0%	8.0%
Private M3	19,740,381	18,525,024	16,821,611	15,992,806	10,448,664	6.6%	-0.3%	6.6%	-0.3%	88.9%	-3.0%	17.6%	17.7%
Total loans to the non-financial sector in pesos													
Loans to the non-financial private sector	6,962,371	6,763,983	6,412,609	6,090,876	4,160,051	2.9%	-1.7%	2.9%	-1.7%	67.4%	-14.1%	6.2%	6.3%
	6,893,898	6,692,709	6,348,146	6,023,242	4,108,928	3.0%	-1.7%	3.0%	-1.7%	67.8%	-13.9%	6.1%	6.2%
Overdrafts	758,077	774,823	737,274	660,899	397,613	-2.2%	-4.6%	-2.2%	-4.6%	90.7%	-2.1%	0.7%	0.7%
Promissory notes	1,779,275	1,708,414	1,626,579	1,547,748	1,050,002	4.1%	1.1%	4.1%	1.1%	69.5%	-13.0%	1.6%	1.6%
Mortgage-backed loans	379,392	371,698	366,274	364,911	289,439	2.1%	-3.7%	2.1%	-3.7%	31.1%	-32.7%	0.3%	0.4%
Pledge-backed loans	468,492	458,905	439,307	422,246	241,208	2.1%	-2.3%	2.1%	-2.3%	94.2%	-0.3%	0.4%	0.4%
Personal loans	1,089,436	1,047,471	1,012,711	971,315	685,574	4.0%	-0.8%	4.0%	-0.8%	58.9%	-18.4%	1.0%	1.0%
Credit cards	2,088,789	1,999,246	1,856,063	1,747,254	1,212,016	4.5%	-1.0%	4.5%	-1.0%	72.3%	-11.5%	1.8%	1.8%
Others	330,438	332,152	309,938	308,870	233,076	-0.5%	-3.8%	-0.5%	-3.8%	41.8%	-27.2%	0.3%	0.3%
Loans to the non-financial public sector	68,473	71,275	64,463	67,634	51,123	-3.9%	-9.0%	-3.9%	-9.0%	33.9%	-31.2%	0.1%	0.1%
Foreign currency ¹													
Deposits from the non-financial sector in dollars	19,539	18,784	18,091	17,524	18,742	4.0%	-	4.0%	-	4.3%	-	3.3%	3.2%
Deposits from the non-financial private sector in dollars	16,260	15,685	15,209	14,982	15,539	3.7%	-	3.7%	-	4.6%	-	2.7%	2.6%
sight deposits	12,448	11,937	11,469	11,254	11,526	4.3%	-	4.3%	-	8.0%	-	2.1%	2.0%
time deposits and others	3,812	3,747	3,740	3,729	4,012	1.7%	-	1.7%	-	-5.0%	-	0.6%	0.6%
Deposits from the non-financial public sector in dollars	3,279	3,100	2,881	2,542	3,203	5.8%	-	5.8%	-	2.4%	-	0.6%	0.6%
Loans to the non-financial sector in dollars	3,675	3,645	3,705	3,696	4,048	0.8%	-	0.8%	-	-9.2%	-	0.6%	0.6%
Loans to the non-financial private sector in dollars	3,503	3,491	3,562	3,586	3,907	0.4%	-	0.4%	-	-10.3%	-	0.6%	0.6%
Promissory notes	2,307	2,273	2,296	2,296	2,551	1.5%	-	1.5%	-	-9.6%	-	0.4%	0.4%
Credit cards	192	179	199	250	145	7.5%	-	7.5%	-	32.8%	-	0.0%	0.0%
Others	1,004	1,039	1,067	1,040	1,212	-3.4%	-	-3.4%	-	-17.2%	-	0.2%	0.2%
Loans to the non-financial public sector in dollars	172	153	143	111	141	11.9%	-	11.9%	-	21.8%	-	0.0%	0.0%

¹ Financial sector and non-resident depositors are excluded. The figures on loans have been taken from statistical data, not being adjusted by financial trusts.

² Net of the use of unified funds.

³ It excludes interest-bearing sight deposits from private M2.

⁴ Calculated on the basis of the seasonally adjusted series of the month, and of the estimation of the 3-month moving average s.a. GDP.

Note: See definitions for the monetary aggregates in the Glossary.

Annual percentage rates (unless otherwise specified) and amounts in millions. Monthly averages.

Monetary policy interest rates	Jan-23	EAR Jan-23	Dec-22	Nov-22	Oct-22	Jan-22
BCRA repo interest rates						
Overnight reverse repo	70.90	103.06	70.00	70.00	70.00	32.00
Overnight reverse repo (FCI)	56.20	74.89	52.50	52.50	52.50	
Overnight repo	95.90	160.59	95.00	95.00	95.00	42.70
28-day LELIQ interest rate	75.00	107.35	75.00	75.00	75.00	39.61
180-day LELIQ interest rate	83.50	101.23	83.50	83.50	83.5	44
Interbank market interest rates	Jan-23	EAR Jan-23	Dec-22	Nov-22	Oct-22	Jan-22
Repo rates among third parties on overnight REPO round	62.08	85.94	66.37	69.01	70.70	29.43
Volume of repos traded among third parties (daily average)	12,393		7,500	9,942	19,455	3,753
Calls in pesos (overnight)						
Interest rate	66.67	94.66	67.38	65.64	66.10	31.36
Traded amount	16,420		22,471	25,400	30,297	20,031
Borrowing interest rates	Jan-23	EAR Jan-23	Dec-22	Nov-22	Oct-22	Jan-22
Sight deposits						
Interest-bearing	58.98	77.87	57.48	56.58	55.20	28.53
Time deposits						
Natural persons up to AR\$1 million (30-35 days) ¹	74.67	106.40	74.67	74.66	74.65	38.24
Total TM20 (more than AR\$20 million, 30-35 days)	65.94	90.06	65.91	65.80	65.81	35.28
Private banks' TM20 (more than AR\$20 million, 30-35 days)	66.52	91.11	66.48	66.49	66.48	35.98
Total BADLAR (more than AR\$1 million, 30-35 days)	68.94	95.53	68.58	68.52	68.38	35.78
Private banks' BADLAR (more than AR\$1 million, 30-35 days)	69.58	96.73	69.45	69.31	69.19	36.72
Interest rate on UVA deposits' early-payment option	71.00	99.38	71.00	71.00	71.00	33.32
Lending interest rates	Jan-23	EAR Jan-23	Dec-22	Nov-22	Oct-22	Jan-22
Loans to the non-financial private sector in pesos						
Overdrafts	76.75	115.27	75.43	74.49	72.45	41.59
1 to 7 days— in accordance with companies— more than AR\$10 million	74.51	109.55	73.27	73.92	72.37	35.68
Unsecured promissory notes	61.43	82.09	61.43	61.22	61.09	34.80
Mortgage-backed loans	58.18	76.53	62.71	61.42	60.85	30.51
Pledge-backed loans	46.21	57.38	48.68	48.66	50.30	28.73
Personal loans	79.23	115.46	81.20	79.06	82.93	54.89
Credit cards	78.91	114.81	76.97	76.84	68.77	43.05
Interest rate in foreign currency	Jan-23	EAR Jan-23	Dec-22	Nov-22	Oct-22	Jan-22
Time deposits in dollars (30 to 44 days)	0.31	0.32	0.32	0.33	0.34	0.37
Unsecured promissory notes in dollars	3.56	3.62	5.40	4.26	4.55	4.97
Exchange rate	Jan-23	Monthly chg. (%)	Dec-22	Nov-22	Oct-22	Jan-22
NER peso/dollar						
Wholesale rate (Comm. "A" 3500)	182.12	5.61	172.45	162.10	152.05	103.93
Retail rate ²	185.16	5.68	175.20	164.85	154.64	106.28
NER peso/real	35.12	6.69	32.92	30.74	28.93	18.81
NER peso/euro	196.31	7.52	182.58	161.68	149.64	117.63
ITCNM	1,199.58	7.46	1,116.28	1,032.03	958.13	693.36
ITCRM	95.35	2.29	93.21	90.13	88.25	101.95

1 The interest rate under consideration does not agree with the minimum interest rate. The reason for this is that the latter only involves natural persons' deposits below AR\$10 million. The minimum interest rate applies to the whole time deposits of each depositor in the financial institution as long as they do not exceed AR\$10 million.

2 The benchmark retail interest rate posted by the Autonomous City of Buenos Aires is calculated on the basis of adhered entities' purchaser and seller exchange rates, weighted according to their share in the retail market (Communication "B" 9791).

Glossary

AFIP: Federal Administration of Public Revenue

ANSES: Argentine Social Security Administration

APR: Annual Percentage Rate

B.P.: Basis Points

BADLAR: Interest rate on time deposits of ARS1 million and over for 30-35 days.

BCRA: Central Bank of Argentina

CC BCRA: Current accounts at BCRA

CER: Reference Stabilization Coefficient

CNV: National Securities Commission

CPI: Consumer Price Index

EAR: Effective Annual Rate

EM: Minimum Cash Requirements

FCI: Mutual Funds

GDP: Gross Domestic Product

IAMC: Argentine Institute for Capital Markets

IRR: Internal Rate of Return

ITCNM: Multilateral Nominal Exchange Rate Index

ITCRM: Multilateral Real Exchange Rate Index

LEBAC: BCRA Bills

LELIQ: BCRA Liquidity Bills

LFIP: Credit Line for Productive Investment

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

MERVAL: Buenos Aires Stock Exchange Index

MM: Money Market

MSMEs: Micro, Small and Medium-Sized Enterprises

NBFI: Non-Bank Financial Institution

NOCOM: Cash Compensation Notes issued by BCRA

ON: Negotiable Obligation

p.p.: Percentage Points

Private M2: Means of payment; it includes currency held by the public, settlement checks in pesos, and sight deposits in pesos from the non-financial private sector.

Private M3: Broad aggregate in pesos; it includes currency held by the public, settlement checks in pesos, and total deposits in pesos from the non-financial private sector.

PSP: Payment Service Providers

ROFEX: Rosario Futures Exchange

s.a.: Seasonally-Adjusted

SDR: Special Drawing Right

SIMPES: Comprehensive System for Monitoring Payments of Services Abroad

SISCEN: BCRA Centralized Reporting Requirement System

TCN: Nominal Exchange Rate

TM20: Interest rate on time deposits of ARS20 million and over for 30-35 days.

Total M2: Means of payment; it includes currency held by the public, settlement checks in pesos, and sight deposits in pesos from the non-financial private sector and public sector.

Total M3: Broad aggregate in pesos; it includes currency held by the public, settlement checks in pesos, and total deposits in pesos from the non-financial private sector and public sector.

Transactional private M2: Means of payment, it includes currency held by the public, settlement checks in pesos, and non-interest-bearing sight deposits in pesos from the non-financial private sector.

UVA: Units of Purchasing Power

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