

# Monthly Monetary Report

February 2013



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

# Monthly Monetary Report

February 2013



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

# Contents

## **1. Summary | Page 3**

## **2. Monetary aggregates | Page 4**

## **3. Bank liquidity | Page 4**

## **4. Loans| Page 5**

## **5. Interest rates | Page 7**

Central Bank securities | Page 7

Central Bank repo transactions| Page 8

Call money market | Page 8

Borrowing rates | Page 9

Lending rates | Page 9

## **6. International reserves and foreign exchange market | Page 10**

## **7. Capital markets | Page 10**

Equity | Page 11

Sovereign bonds | Page 11

Corporate bonds | Page12

Mutual funds| Page 12

Financial trusts | Page 13

## **8. Monetary and financial indicators | Page 15**

## **9. Glossary | Page 19**

Inquiries, comments or electronic subscriptions: [analisis.monetario@bcra.gov.ar](mailto:analisis.monetario@bcra.gov.ar)

The contents of this report can be freely quoted provided the source is specified: Monetary Report- BCRA

The closing date for statistics in this report was March 13th, 2013. All figures are provisional and subject to review.

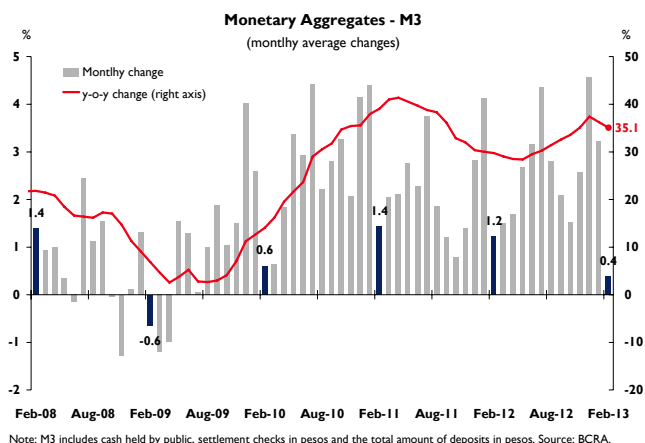
## 1. Summary<sup>1</sup>

- The broadest monetary aggregate in pesos (M3) grew 0.4% in February, posting a year-on-year (y.o.y.) change that reached 35.1%, down 1.1 p.p. against January. Within private M3 components, a new increase in time deposits was observed which was partially offset by a fall in means of payment. The growth exhibited by loans in pesos granted to the private sector was, once again, the main expansion factor of monetary aggregates.
- Private sector time deposits in pesos climbed 2.6% monthly with rises in the segment comprising deposits of \$1 million and more and in the tranche not exceeding this value. The y.o.y. growth rate evidenced by private sector time deposits continued at high levels, standing at 47.6%.
- Loans in pesos to the private sector increased 1.6% (\$5.57 billion) in February, evidencing a rate slightly above that of 2012. Thus, the y.o.y. change rate of financing in pesos to the private sector reached 42.1%, up 0.4 p.p. against the month before. The monthly increase in lending was primarily accounted for by overdraft lines and personal loans.
- In February, the liquidity ratio (defined as the addition of cash in bank vaults, financial institutions' current accounts with the Central Bank, net repos with the Central Bank and LEBAC and NOBAC holdings in relation to deposits) stood at 34%, 0.2 p.p. higher than the figure recorded in January, with a fall in the share of shorter term assets (institutions' current accounts with the Central Bank and net repos) and a rise in institutions' LEBAC and NOBAC holdings.
- Bank liquidity conditions favored the reduction in interest rates paid on time deposits, especially, wholesale deposits. The BADLAR rate at private banks fell 0.4 p.p. over the month, averaging 14.8% in February. Regarding the retail segment, the interest rate paid by private banks on their time deposits (up to \$100,000 and at up 35 days) averaged 13%, down 0.1 p.p. against the month before.
- Interest rates on most credit lines for the private sector also decreased. The sharpest reductions were observed in the case of longer term credits. The interest rate on personal loans averaged 34.5%, posting a 0.5 p.p. monthly decline. Concerning loans with real collateral, the interest rate on pledge-backed loans resumed the downward trend recorded during all 2012. In February, its monthly average stood at 20.8%, down 0.4 p.p.

---

<sup>1</sup> Unless otherwise stated, figures to which reference is made are monthly averages of daily data.

Chart 2.1

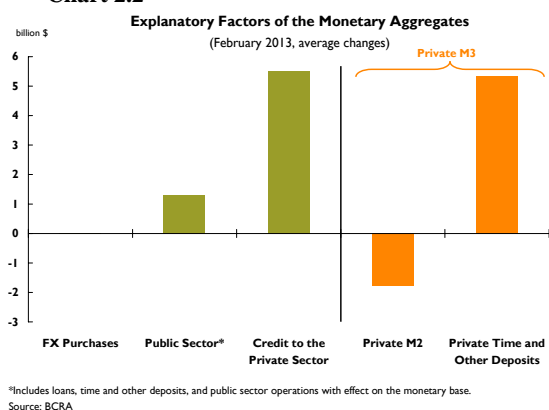


## 2. Monetary aggregates<sup>1</sup>

The broadest monetary aggregate in pesos (M3<sup>2</sup>) grew 0.4% in February (see Chart 2.1), averaging a monthly balance of \$750.6 billion. The y.o.y. change posted by M3 stood at 35.1%, down 1.1 p.p. against January.

The broadest private monetary aggregate (private M3<sup>3</sup>) evidenced a 0.6% monthly hike. A rise in time deposits was observed within its components, which was partially offset by a seasonal fall in means of payment. Regarding change factors affecting private M3, a rise in loans granted to the private sector should be underscored, which continues being the most relevant factor in monetary expansion. Public sector transactions came in second place, whilst external sector transactions remained neutral (see Chart 2.2).

Chart 2.2

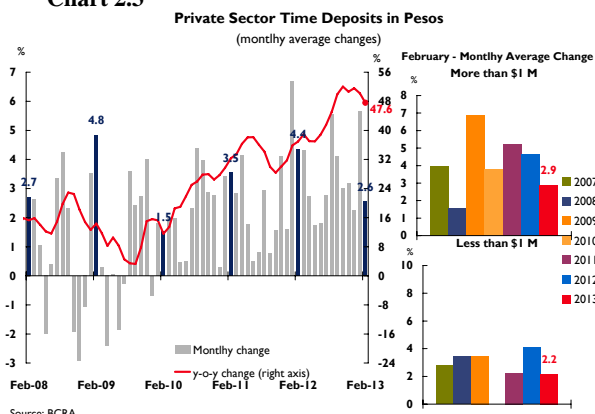


Private sector time deposits in pesos increased 2.6% in February (see Chart 2.3). Their y.o.y. change (47.6%) continued at historic high levels, both in the case of time deposits corresponding to the segment of \$1 million and more and in the tranche under \$1 million.

In turn, private sector means of payment decreased 0.4%, mainly due to a seasonal fall in cash held by the public.

Regarding the foreign currency segment, deposits posted a 6.1% monthly average fall, with drops in deposits pertaining to the public sector and in those of the private sector.

Chart 2.3



Finally, the average balance of the broadest monetary aggregate, M3\*, which includes deposits in foreign currency (represented in pesos) remained practically unchanged against the month before.

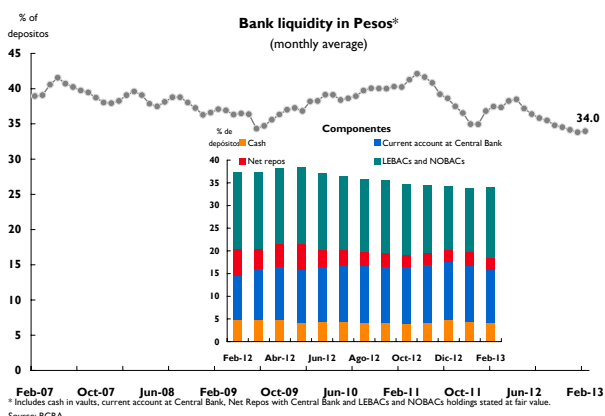
## 3. Bank liquidity<sup>1</sup>

In February, institutions' liquidity increased and a change in their structure towards longer term assets was observed. The liquidity ratio (defined as the addition of cash in bank vaults, institutions' current accounts with the Central Bank, net repos with the Central Bank, and LEBAC and NOBAC holdings in relation to deposits) curbed the fall that had started in mid-2012, standing at 34%, up 0.2 p.p. against January (see Chart 3.1).

<sup>2</sup> It includes cash held by the public, settlement checks in pesos and total deposits in pesos.

<sup>3</sup> It includes cash held by the public, settlement checks in pesos and deposits in pesos from the non-financial private sector.

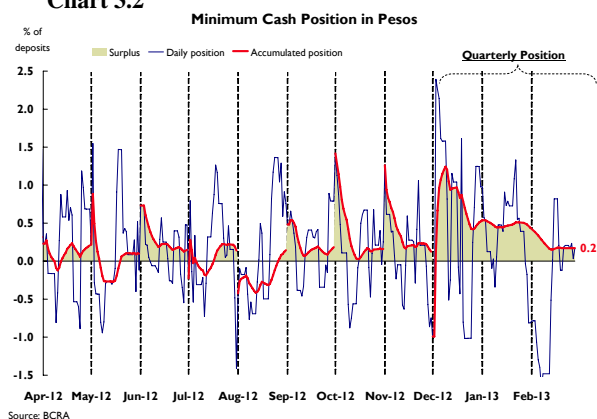
**Chart 3.1**



Regarding liquidity components, a reduction in the share of shorter term assets was registered (0.9 p.p. in the case of institutions' current account with the Central Bank and 0.5 p.p. in the case of net repos) as well as an increase (1.6 p.p.) in that of longer term assets (LEBAC and NOBAC holdings).

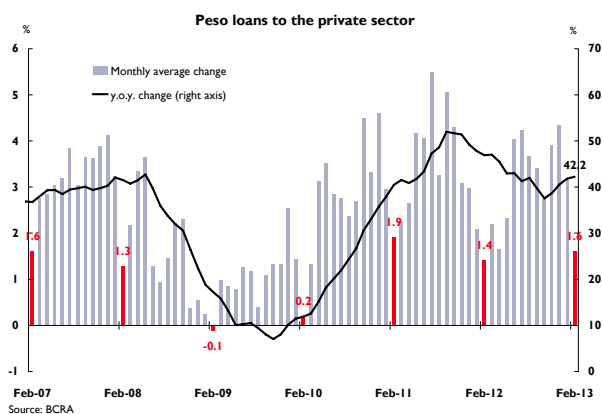
This liquidity performance is accounted for by the evolution of the minimum cash position, which, as it is quarterly (December 2012 to February 2013), determined that positions in excess of regulatory requirements in December and January be offset in February, which led to a reduction in institutions' current accounts with the Central Bank over the last month. Thus, it has been estimated that the average quarterly position ended the period with a surplus equal to 0.2% of deposits in pesos (see Chart 3.2). Likewise, it should be noted that the regulation on minimum reserve requirements was amended, effective as from October; such amendment includes a schedule to gradually decrease rates on different deposits depending on the zone where funds are deposited and to reduce the requirement, which started being applied in December, subject to the share of loans granted to micro, small and medium-sized enterprises in total loans to the private sector. The last stage of this schedule will be implemented in March through an additional reduction in minimum reserve requirement rates and the elimination of the deduction equal to 25% of "eligible cash"<sup>4</sup>.

**Chart 3.2**



The liquidity ratio corresponding to the foreign currency segment rose 0.4 p.p. in February and averaged 94.1% of total deposits in dollars over the month.

**Chart 4.1**



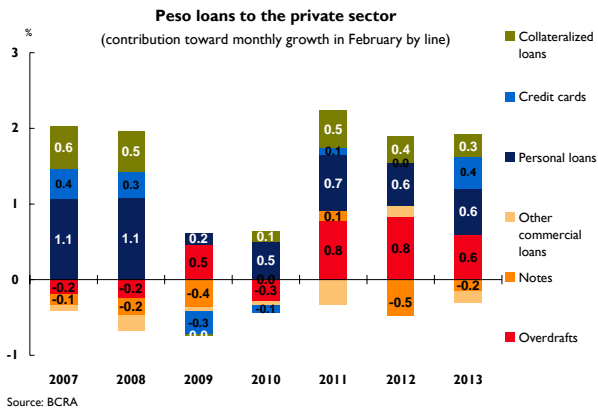
## 4. Loans<sup>15</sup>

Loans in pesos granted to the private sector rose 1.6% (\$5.57 billion) in February, evidencing a rise similar to that recorded in the same month in previous years (excluding February 2009 and 2010). In turn, the y.o.y. change rate in credit reached 42.1%, up 0.4 p.p. against the month before (see Chart 4.1). By determining the contribution to growth made by different credit lines over the month, it is seen that overdrafts and personal loans recorded the main contributions (0.6 p.p. in both cases), aligned with the performance registered in February 2011 and 2012 (see Chart 4.2).

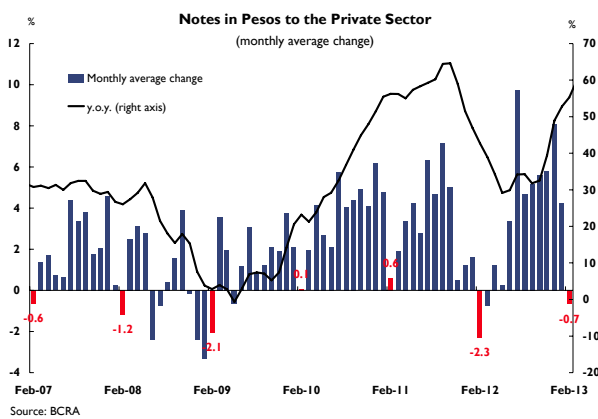
<sup>4</sup> "Eligible cash" shall mean cash used by financial institutions to meet minimum reserve requirements last March and which as from April, may be deducted from the requirement in pesos.

<sup>5</sup> Monthly changes for loans are adjusted for accounting movements mainly as a result of transfers of loans in institutions' portfolios to financial trusts.

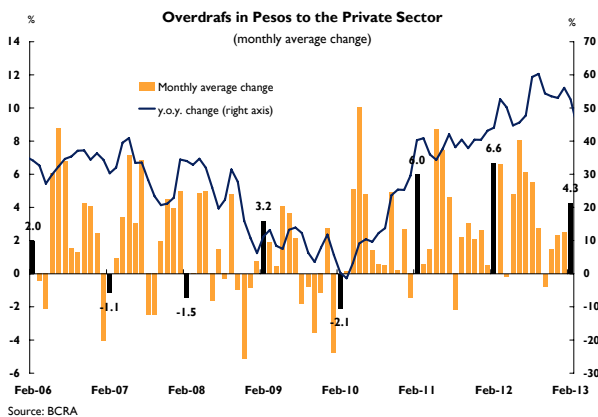
**Chart 4.2**



**Chart 4.3**



**Chart 4.4**



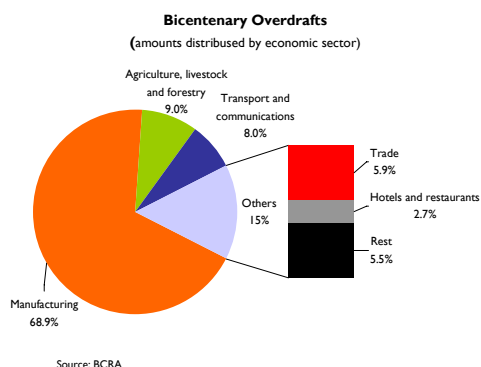
Regarding loans for commercial purposes, financing arranged through promissory notes fell, evidencing a performance similar to that of other months of February in previous years. On this occasion, a 0.7% (\$540 million) fall in the monthly average balance was evidenced, lower than the figure recorded over the same period last year. Thus, the y.o.y. change rate on loans granted through promissory notes continued rising and stood at 55.3%, up 2.5 p.p. against January (see Chart 4.3). Meanwhile, overdrafts accelerated their monthly growth rate, climbing 4.3% (\$2.09 billion) whilst their y.o.y. change rate reached 52.7%, down 3.4 p.p. compared to the previous month (see Chart 4.4).

The BCRA continued disbursing funds awarded through the Bicentenary Productive Financing Program (PFPB), aimed at promoting the growth of lending for productive activity. In February, \$167 million were granted; thus, the total amount disbursed since the start of the PFPB has reached \$4.36 billion as of such month, about 70% of the total awarded. When considering economic sectors, manufacturing concentrated most funds disbursed (about 70% of the total). In order of relevance, it was followed by the primary sector, and that of transport and communications, accounting for 9% and 8% of the total, respectively (see Chart 4.5).

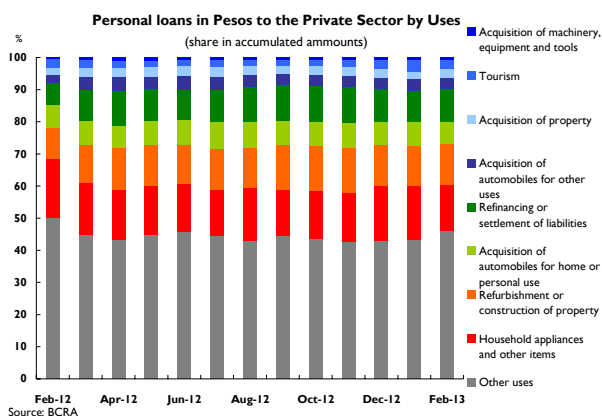
Concerning loans aimed at financing households' consumption, personal loans, which had been moderating their monthly expansion pace, grew 2.8% in February (\$2.13 billion), slightly above the figure of the month before. In turn, credit card financing increased at a lower pace than the previous quarter, going up 2.4% (\$1.42 billion) monthly. Both types of loans raised their growth rates in y.o.y. terms. The rate corresponding to personal loans stood at 29.7%, up 1.2 p.p. against January, whilst that on credit cards reached 44.6%, 3.4 p.p. higher than that of the month before.

When taking into account the purpose of personal loans granted in February, many uses were observed. The most relevant ones were the purchase of home electrical appliances and products and the refurbishment or construction of real estate units, which accounted for 14.5% and 12.7% of the total, respectively (see Chart 4.6). In order of relevance, they were followed by the refinancing or settlement of liabilities with about 10% of the total and the purchase of automobiles for personal use, with 7% of the total. Other uses related to productive activity rather than consumption were registered, such as the "purchase of automobiles for other uses" and "the purchase of machinery, equipment and tools" which, as a whole, accounted for 4.3% of the total. Finally, it should be noted that the "Other uses" category concentrated most funds (46% of the total),

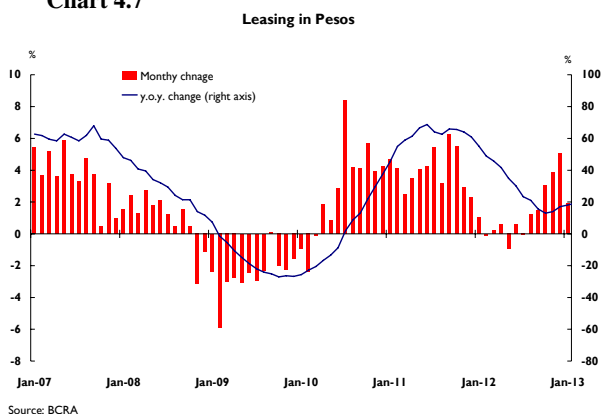
**Chart 4.5**



**Chart 4.6**



**Chart 4.7**



within the same diversity of uses of funds which, as a result of their little relative weight, were not classified individually.

Loans with real collateral posted moderate rises in February. Mortgage loans increased 1.3% over the period (\$450 million), up 29% y.o.y. In turn, pledge-backed loans climbed 2.5% monthly (\$570 million), keeping their y.o.y. change rate close to 35.5%.

Financing arranged through leasing contracts<sup>6</sup> rose 1.9% (\$137 million) in January (latest information available), moderating their growth pace in a period with less commercial activity. On the other hand, their y.o.y. change rate continued growing and stood at 18.2%, up 1 p.p. against December (see Chart 4.7). Sustained growth in the balance of these credits was observed as from August 2012; this is partly explained by the boost provided by the “Credit Line for Productive Investment”<sup>7</sup> given that some of these loans are being channeled through leasing transactions.

Finally, loans in foreign currency granted to the private sector, especially, the exporting sector, remained practically stable following several months recording drops. Favored by the dramatic “statistical carryover” of January, such loans rose 0.1% (US\$ 6 million).

## 5. Interest rates<sup>8</sup>

### Central Bank securities<sup>9</sup>

Interest rates on auctions of Central Bank securities rose slightly in February after four months of relative stability. In the case of LEBACs, changes of about 0.5 p.p. were observed in instruments at terms not exceeding 200 days (see Chart 5.1).

The total amount of LEBACs awarded (including financial institutions and the remaining holders) exceeded, once again, maturities; therefore, the balance increased 5.7%, totaling NV \$94.3 billion. In the case of NOBACs, the balance remained stable, at NV \$11.7 billion. Hence, the stock of LEBACs and NOBACs in circulation at the end of the month increased 5%, amounting to \$106 billion (see Chart 5.2), boosted, once again, by more holdings by banks. In terms of M3\*, the

<sup>6</sup> It includes the value of capital goods (either personal or real property) rented to a third party, and specially purchased by the institution on their behalf, and for which the leaseholder pays a price on a regular basis throughout the previously agreed upon term, while being able to exercise the unilateral right to a purchase option by paying the residual value previously set forth.

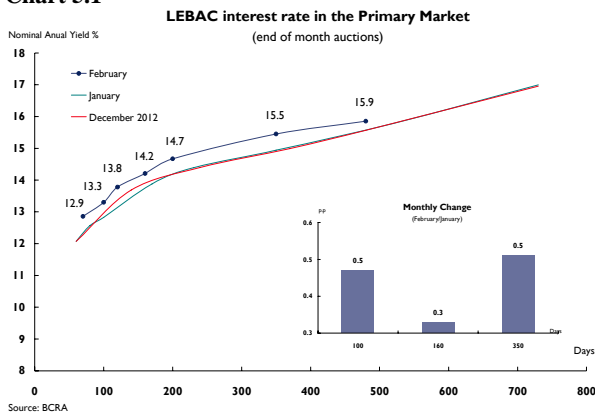
<sup>7</sup> See Communication A 5319.

<sup>8</sup> Interest rates mentioned in this section are expressed in annual nominal rates (TNA).

<sup>9</sup> In this section, figures are end of the month data unless otherwise stated.



**Chart 5.1**



monthly average balance of LEBACs and NOBACs reached 13.1%, up 1.4 p.p. against January.

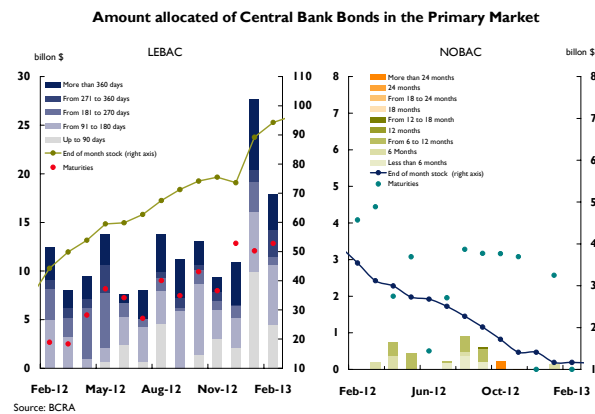
Interest rates on LEBACs recorded a slight rise on the secondary market and were focused on terms ranging from 60 to 100 days, where the average interest rate increased 0.3 p.p. The performance in rates was observed in a context where the daily average amount grew \$300 million this time, standing at \$1.2 billion. In turn, the traded volume of NOBACs fell \$70 million recording a daily average of \$30 million.

### Central Bank repo transactions<sup>1</sup>

Interest rates on Central Bank repo transactions remained unchanged in February. Rates on reverse repos stood at 9% overnight and at 9.5% at 7 days while rates on repo loans stayed at 11% overnight and 11.5% at seven days.

The average stock of reverse repos for the Central Bank, including all transactions methods used by this institution, dropped 12.8%, down to \$18.2 billion whilst no repo loans for the Central Bank were recorded within a framework of suitable liquidity levels.

**Chart 5.2**

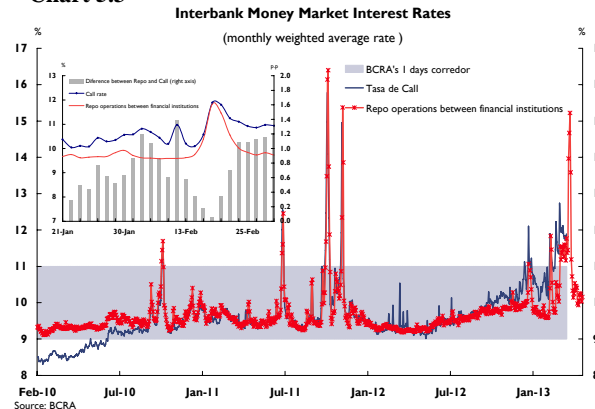


### Call money market<sup>1</sup>

Interest rates on the call money market rose slightly in February. In the case of the interest rate on the secured market (REPO round), temporary rises were evidenced by mid-February, which were reversed in a few days. Regarding the call market, even though the interest rate reached a peak by mid-February, it then fell. The average interest rate on overnight transactions on the call market climbed 0.3 p.p., standing at 10.9%, whilst the average interest rate on overnight transactions between financial institutions in the REPO round increased 0.2 p.p., standing at 10.1%. Thus, the existing gap between interest rates in both markets was expanded (see Chart 5.3).

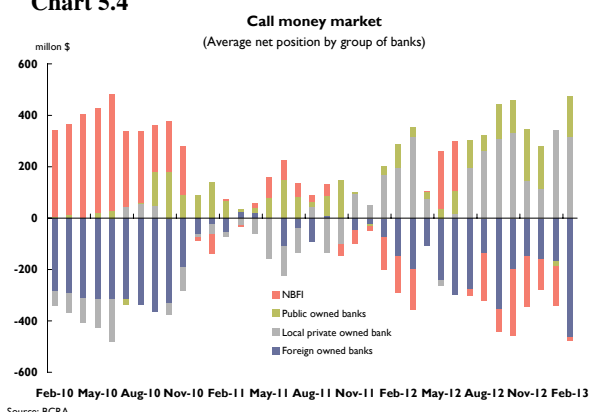
The monthly hike in interest rates on the call market was generalized. Concerning the share per group of institutions, the performance posted by foreign institutions that were net fund borrowers should be highlighted (see Chart 5.4).

**Chart 5.3**



Like in January, changes in transactions arranged overnight on the call money market remained high, averaging 20.5% against the monthly daily average rate (see Chart 5.5).

**Chart 5.4**



The performance observed in interest rates on the call money market took place in a context where the amount traded in this method increased \$100 million up to \$1.47 billion. Meanwhile, the amount traded in the REPO round went down \$200 million, totaling \$2.6 billion.

### Borrowing rates<sup>1</sup>

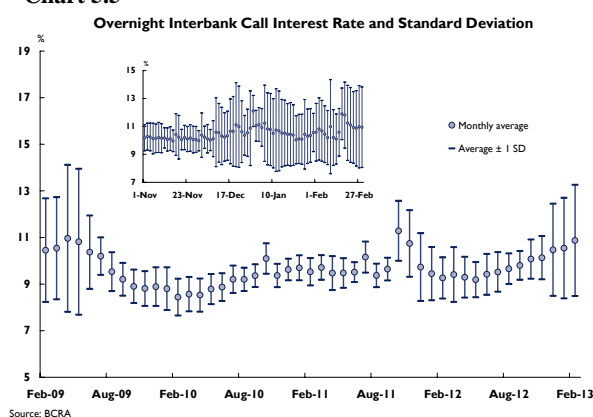
Short-term borrowing interest rates paid by private financial institutions fell in February, in a context of more bank liquidity. As it is usually the case, the decline was led by the wholesale segment whilst the retail segment posted more limited volatility levels.

In fact, the BADLAR of private banks –interest rate on deposits for \$1 million and more for 30-35 days – declined 0.4 p.p. over the month, falling 0.6 p.p. since December 2012. Thus, the BADLAR averaged 14.8% in February, with a rise in the daily volume traded (see Chart 5.6). Particularly, this drop was observed in the interest rate paid to companies, which decreased 0.6 p.p..

With respect to the BADLAR futures market, only contracts maturing at the end of this month were traded in February, with a 14.8% average interest rate.

As far as the retail segment is concerned, the interest rate paid by private banks on their time deposits (up to \$100,000 and up to 35 days) averaged 13%, falling 0.1 p.p. over the month.

**Chart 5.5**

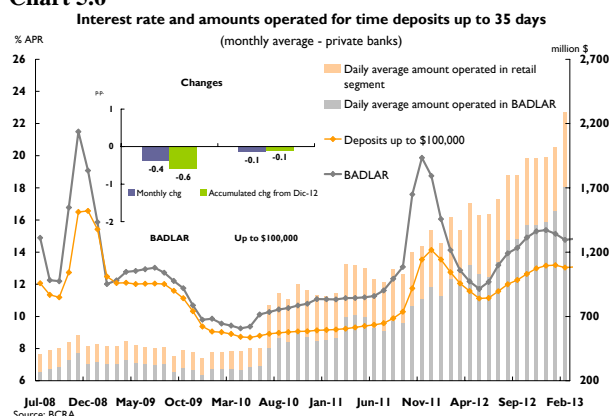


### Lending rates<sup>1 10</sup>

As in the case of borrowing interest rates, interest rates on loans granted to the private sector posted a monthly fall in most lines.

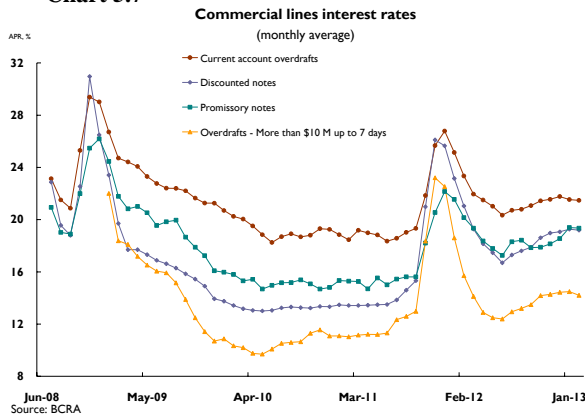
Regarding commercial lines, the upward trend that had been evidenced by the main interest rates in the last months was interrupted. The interest rate on current account overdrafts averaged 21.5%, falling 0.1 p.p. over the month while the rate on overdrafts granted to companies, for more than \$10 million and up to 7 days, dropped 0.2 p.p., averaging 14.3%. In turn, the interest rate on financing through discounted documents averaged 19.2%, evidencing a 0.1 p.p. monthly decline while the rate on unsecured promissory notes stood at 19.3%, remaining unchanged against the average of January (Chart 5.7).

**Chart 5.6**



<sup>10</sup> Interest rates mentioned in this section are annual nominal rates and do not include assessment or granting expenses or other expenditures (e.g., insurance) which are taken into account in the total financial cost of loans.

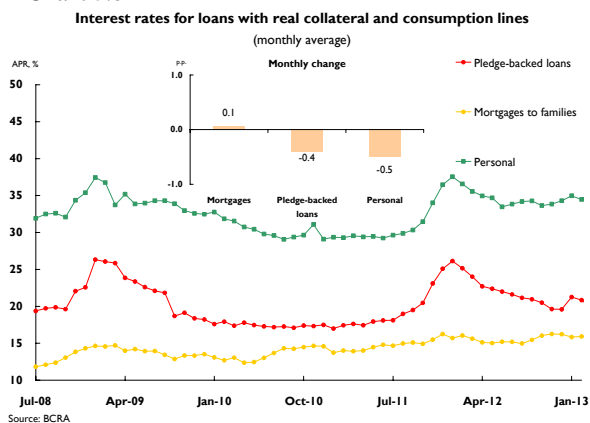
**Chart 5.7**



Similarly, most interest rates on longer-term lines posted monthly drops. Particularly, the interest rate on personal loans averaged 34.5%, falling 0.5 p.p. monthly. Regarding loans with real collateral, the interest rate on pledge-backed loans resumed the downward trend observed throughout 2012, following the rise recorded in January (this increase was related to a drop in the participation of productive loans within this line). The monthly average reached 20.8% in February, decreasing 0.4 p.p. On the other hand, the interest rate on mortgage loans granted to households remained at 15.9% (Chart 5.8).

## International reserves and foreign exchange market<sup>11</sup>

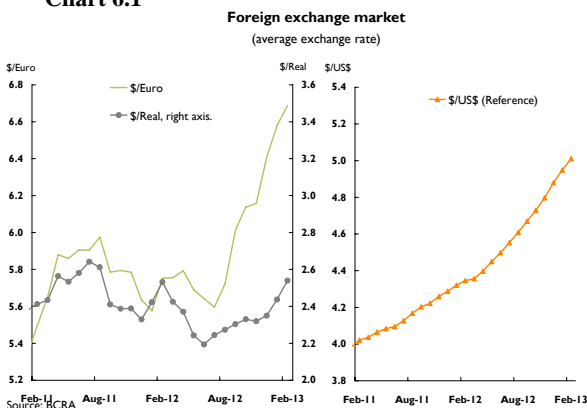
**Chart 5.8**



The balance of international reserves totaled US\$41.61 billion at the end of January. This implied a US\$961 million drop against December (-2.2%). Factors accounting for such drop were mainly the payment of the public debt in dollars by the public sector and the reduction of financial institutions' current accounts in foreign currency with the Central Bank.

Regarding the foreign exchange market, the peso depreciated against currencies of its main trading partners. Nevertheless, a rise in the exchange rate was observed against the US dollar and euro, although it was lower than that of January. Thus, average exchange rates in February stood at 5.0 AR\$/US\$, 6.7 AR\$/euro and 2.5 AR\$/real (Chart 6.1). These values implied rises of 1.3%, 1.6% and 4.2%, respectively. On the Rosario Futures Market (ROFEX) the daily average amount surpassed \$910 million, up 33% against January. Contracted executed evidenced a slight decrease in depreciation expectations for the coming months.

**Chart 6.1**



## 7. Capital markets<sup>10</sup>

International financial markets recorded a negative performance in February and caution was observed over the month, particularly in the eurozone. In this region, the political situation in Italy led to volatility in markets, whilst the European Central Bank (ECB) explicitly referred to greater risk related to weak economic activity. Meanwhile, the minutes of the meeting held by the FOMC in the United States evidenced that there are mixed opinions in the Federal Reserve regarding the continuity of the purchase of long terms assets. Nevertheless, subsequent statements by Federal Reserve officials reflected that the institution would keep its

<sup>11</sup> Figures in this section are end of the month data unless otherwise stated.

**Chart 7.1**

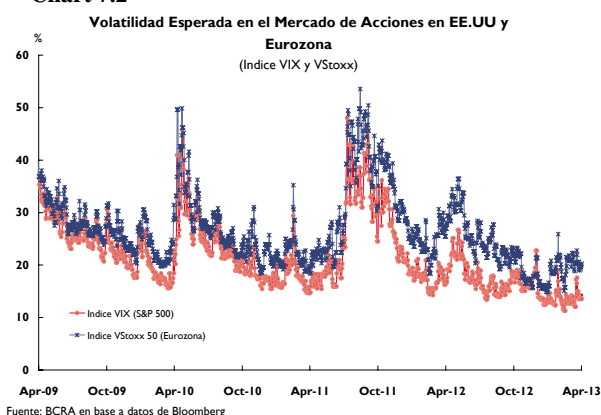


intention of not modifying its purchase program until the labor market improves significantly. This event took place within a positive context derived from results that exceeded expectations in companies' balance sheets. Finally, investors focused on the so called "currency war" at the end of the month following a release by the G-7 that explicitly mentioned the absence of objectives regarding foreign exchange rates and cooperation with respect to currency markets.

## Equity

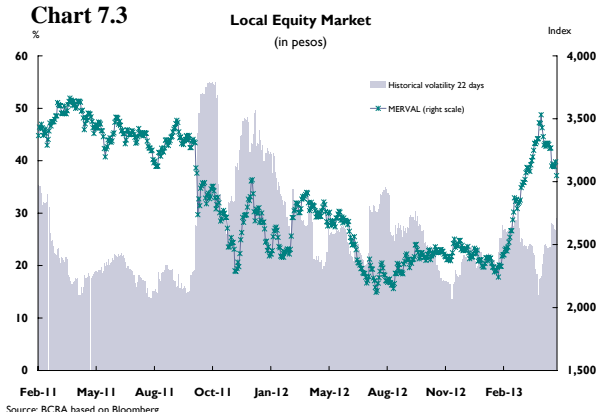
The global MSCI ended the month unchanged. Within the major stock markets, the European stock market posted a 4.5% loss, measured through the MSCI index. Meanwhile, the S&P 500, main index in the US market, recorded a 1.1% profit (see Chart 7.1). In this context, volatility levels expected by the S&P 500, measured through the VIX index, remained stable whilst the index that measures volatility of the Stoxx 50 (benchmark index for the eurozone) grew 3.3 p.p., averaging 19.5% over the month (see Chart 7.2).

**Chart 7.2**



Assets from emerging economies accompanied the general trend in markets and recorded a 1.3% decline, measured through the MSCI index. Following this performance, the MSCI Latin American index posted a 2.9% loss. The Bovespa (Brazil), benchmark index for the region, went down 3.3% in dollars, boosted by a fall in the index measured in domestic currency. The IPC (Mexico) evidenced a similar change, going down 3.1%. In turn, the IGPA (Chile) measured in dollars remained relatively stable.

**Chart 7.3**



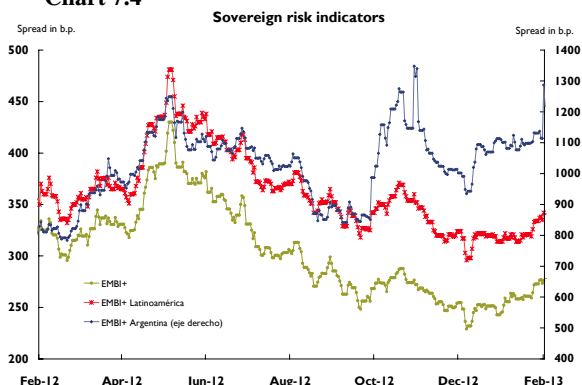
In this context, the Argentine stock market adjusted part of the profits recorded in the two previous months. The MERVAL index decreased 13.1% in dollars resulting from the evolution of prices in domestic currency (see Chart 7.3). Although drops were generalized, the performance of instruments pertaining to the energy sector and banks should be highlighted.

The daily average volume traded in equity in February fell, reaching \$60 million on a daily basis.

## Sovereign bonds

Yields of lower relative risk instruments fell slightly in February. Particularly, yields of American treasury bonds at a 10-year term went down 10 b.p., standing at 1.9% at the end of the month. In this context, yield spreads of emerging countries on American treasury bonds increased almost 20 b.p., as per the EMBI+, standing at 276 b.p.

**Chart 7.4**

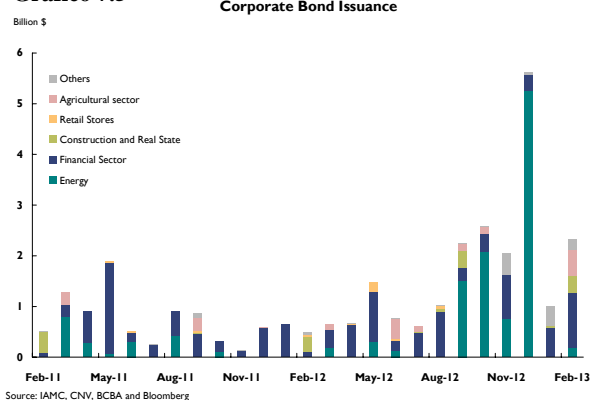


In Argentina, the hearing conducted in New York courts vis-à-vis the claim filed by part of holdouts that did not participate in debt swaps in 2005 and 2010 generated volatility for sovereign bonds, particularly, at the end of the month. Thus, the sovereign bond risk spread against treasuries climbed 185 b.p., standing at 1,287 b.p. at the end of February (see Chart 7.4).

### Corporate bonds

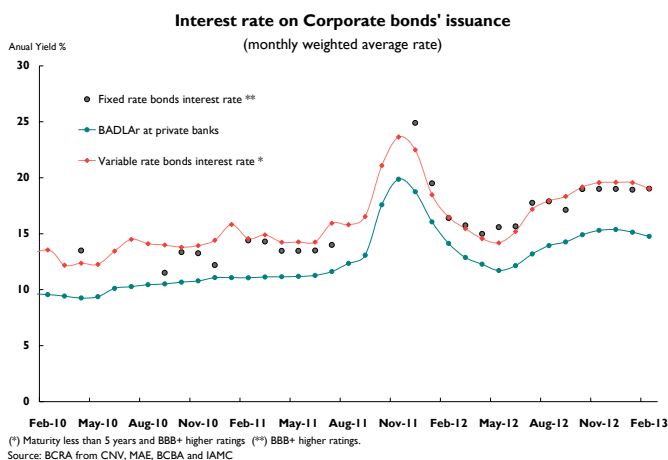
Corporate lending through the issue of corporate bonds (ON) performed very well in February, with a high amount of issues and participating companies. Issues totaled \$2.34 billion, more than doubling the figure recorded the month before. Like in January, the financial sector was the main issuer (\$1.1 billion) followed by the agricultural sector, with issues for \$520 million; the real estate and construction segments, which recorded issues for \$330 million, and the energy sector, which issued \$180 million (see Chart 7.5).

**Gráfico 7.5**



Most issues were in pesos. Furthermore, there were four issues represented in dollars but payable in pesos, which paid an average 2.8% interest rate in the case of issues with a 2-year maturity and at an about 6% in the case of issues at a 6-year term. Regarding the segment in pesos, a slight reduction in the cost of financing of issues at a variable rate was observed (securities with a rating exceeding Arg BBB+ and with a maturity term under 5 years); this was partly explained by a fall evidenced by the benchmark rate in the monetary market. Indeed, the cut-off rate on such issues fell 0.6 p.p. and stood at 19%, converging to the average cut-off rate on issues at a fixed rate (rating exceeding Arg BBB+), which remained at about 19% (see Chart 7.6).

**Chart 7.6**

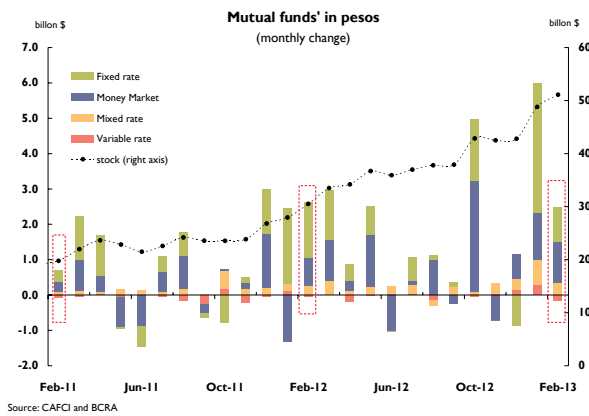


### Mutual funds

Although mutual funds (FCI) evidenced a less favorable performance than in January, a rise in their unit shares was observed once again. In February, equity of mutual funds totaled \$53.55 billion, after going up 4.6% (\$2.37 billion) monthly.

The rise recorded in February was boosted by money market funds in pesos, which posted a dynamics that exceeded that of previous years and accounted for almost half the monthly expansion registered, by climbing \$1.16 billion (6.3%), driven by an increase in the amount of unit shares. Funds that invest in fixed income assets came in second place, raising their equity by \$970 million (4.3%), mainly as a result of the performance registered in the first half of the month. Finally, mixed income funds also increased over the

**Chart 7.7**



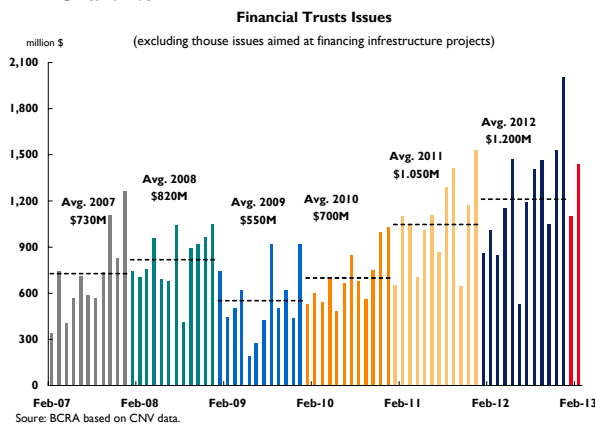
month, reaching \$350 million (5.4%). Meanwhile, after recording the best January in the last years, variable income funds fell \$160 million (10.8%), boosted by the taking of profits recorded in the domestic stock market.

With respect to profitability, mixed income and fixed income funds registered monthly returns of 1.4% and 1.3%, respectively. In turn, variable income funds evidenced a 7.4% loss in line with the performance of the Merval.

On the other hand, FCIs in foreign currency increased 1.2% (US\$ 10 million) and ended the month with equity totaling US\$484 million, boosted by the improvement of fixed and mixed income funds.

## Financial trusts<sup>12</sup>

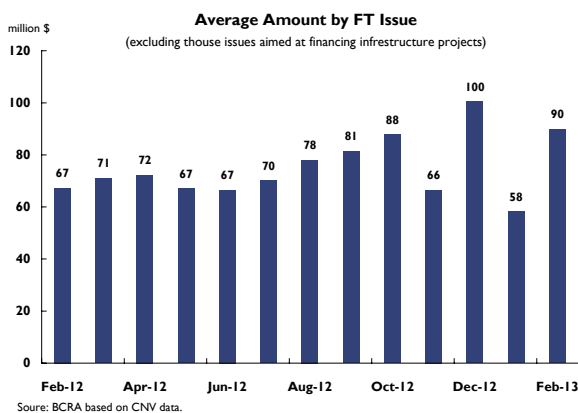
**Chart 7.8**



Financial trust (FT) issues totaled about \$1.44 billion in February, rising 30% against January and 42% y.o.y. (see Chart 7.8). In addition, the total amount issued over the month exceeded the monthly average of 2012, which reached \$1.2 billion (excluding infrastructure FT). Meanwhile, the amount of issues fell in February and a total of 16 operations were registered, 3 less than in January. The average amount by issue, which had fallen dramatically in January to \$58 million, rose again in February and stood at \$90 million (see Chart 7.9).

The retail segment was the main trustor, once again, like in January. Over this month, it issued a little over \$600 million, up 24% against the month before and three times more than the amount issued over the same month in 2012. In turn, financial institutions issued about \$510 million, evidencing a significant increase against the previous month although they did not reach the values of December. Furthermore, such amount was similar to that of February of the previous year. Meanwhile, the total issued by mutuals, cooperatives, and non-bank credit card issuers and other financial service providers amounted to \$270 million, down 20% against January and 15% y.o.y. Within assets securitized by the trustors mentioned above, those related to consumption continued prevailing although leasing contracts were also securitized. Finally, two issues by companies related to agricultural activity with commercial loans as underlying assets were recorded.

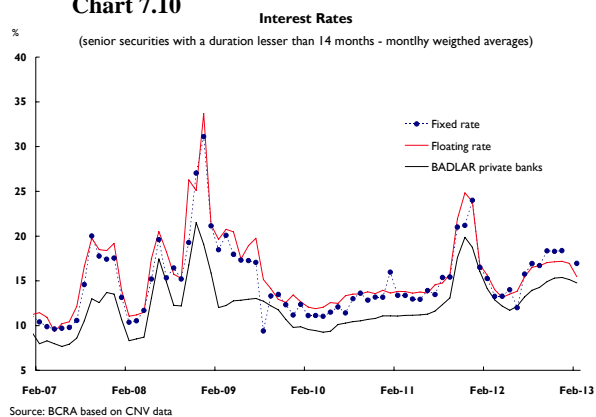
**Chart 7.9**



Cut-off rates on senior securities in pesos with a duration not exceeding 14 months fell. The weighted average by amount corresponding to securities with a variable yield stood at 15.5% in February, down 1.5 p.p.

<sup>12</sup> Only publicly traded financial trusts are considered.

**Chart 7.10**



against January. The fixed rate segment recorded a single transaction with a 17% cut-off rate. It should be noted that no transactions had been recorded under this method over the previous month (see Chart 7.10).



## 8. Indicadores Monetarios y Financieros

Figures in millions, expressed in their original currency.

Main monetary and financial system figures	Monthly average				Average change in percentage	
	Mar-13	Feb-13	Jan-13	Mar-12	Monthly	Last 12 months
<b>Monetary base</b>	<b>292,390</b>	<b>298,282</b>	<b>292,138</b>	<b>207,845</b>	<b>-2.0%</b>	<b>40.7%</b>
Currency in circulation	229,440	231,169	224,211	168,651	-0.7%	36.0%
Held by public	206,115	207,711	199,333	148,604	-0.8%	38.7%
Held by financial entities	23,322	23,456	24,874	20,046	-0.6%	16.3%
Settlement check	3	2	4	0	60.2%	0.0%
BCRA current account	62,951	67,112	67,927	39,194	-6.2%	60.6%
<b>Repos stock</b>						
Reverse repos	18,191	20,871	17,432	27,506	-12.8%	-33.9%
Repos	0	0	0	0	0.0%	0.0%
<b>BCRA securities stock (in face value)</b>						
<b>In banks</b>	95,353	92,714	88,681	77,850	2.8%	22.5%
<b>LEBAC</b>	91,273	80,691	77,641	69,600	13.1%	31.1%
In pesos	83,677	79,268	74,569	39,439	5.6%	112.2%
<b>NOBAC</b>	11,676	13,446	14,112	38,411	-13.2%	-69.6%
<b>International reserves excluded 2009 SDRs allocations</b>	<b>42,181</b>	<b>42,954</b>	<b>44,134</b>	<b>46,811</b>	<b>-1.8%</b>	<b>-9.9%</b>
<b>Private and public sector deposits in pesos <sup>(1)</sup></b>	<b>544,508</b>	<b>540,024</b>	<b>525,028</b>	<b>407,013</b>	<b>0.8%</b>	<b>33.8%</b>
Current account <sup>(2)</sup>	143,500	160,029	150,959	113,218	-10.3%	26.7%
Savings account	109,167	107,339	104,730	76,541	1.7%	42.6%
Not CER-adjustable time deposits	270,806	252,498	248,802	200,983	7.3%	34.7%
CER-adjustable time deposits	8	7	7	9	7.2%	-15.1%
CEDRO adjusted by CER	0	0	0	0	0.0%	0.0%
Other deposits <sup>(3)</sup>	21,027	20,151	20,530	16,262	4.3%	29.3%
<u>Private sector deposits</u>	<u>388,574</u>	<u>383,341</u>	<u>372,489</u>	<u>277,610</u>	<u>1.4%</u>	<u>40.0%</u>
<u>Public sector deposits</u>	<u>155,934</u>	<u>156,683</u>	<u>152,539</u>	<u>129,403</u>	<u>-0.5%</u>	<u>20.5%</u>
<b>Private and public sector deposits in dollars <sup>(1)</sup></b>	<b>9,009</b>	<b>9,599</b>	<b>9,393</b>	<b>13,278</b>	<b>-6.1%</b>	<b>-32.2%</b>
<b>Loans to private and public sector in pesos <sup>(1)</sup></b>	<b>390,266</b>	<b>384,600</b>	<b>373,910</b>	<b>277,086</b>	<b>1.5%</b>	<b>40.8%</b>
<u>Loans to private sector</u>	<u>354,176</u>	<u>348,717</u>	<u>339,100</u>	<u>249,054</u>	<u>1.6%</u>	<u>42.2%</u>
Overdrafts	50,600	48,511	47,335	33,147	4.3%	52.7%
Promissory bills	78,848	79,390	76,169	50,776	-0.7%	55.3%
Mortgages	36,031	35,584	34,473	27,974	1.3%	28.8%
Pledge-backed loans	23,251	22,680	22,137	17,147	2.5%	35.6%
Personal loans	77,931	75,878	75,068	59,918	2.7%	30.1%
Credit cards	60,488	59,094	56,341	41,859	2.4%	44.5%
Other loans	27,028	27,581	27,577	18,233	-2.0%	48.2%
<u>Loans to public sector</u>	<u>36,090</u>	<u>35,883</u>	<u>34,811</u>	<u>28,032</u>	<u>0.6%</u>	<u>28.7%</u>
<b>Loans to private and public sector in dollars <sup>(1)</sup></b>	<b>5,450</b>	<b>5,442</b>	<b>5,549</b>	<b>9,713</b>	<b>0.1%</b>	<b>-43.9%</b>
<b>Total monetary aggregates <sup>(1)</sup></b>						
M1 (currency held by public + settlement check in pesos+ current account in pesos)	349,618	367,742	350,296	261,824	-4.9%	33.5%
M2 (M1 + savings account in pesos)	458,785	475,081	455,026	338,365	-3.4%	35.6%
M3 (currency held by public + settlement check in pesos + total deposits in pesos)	750,626	747,737	724,365	555,618	0.4%	35.1%
M3* (M3 + total deposits in dollars + settlement check in foreign currency)	795,744	795,224	770,215	613,351	0.1%	29.7%
<b>Private monetary aggregates</b>						
M1 (currency held by public + settlement check in pesos + priv.current account in pesos)	306,599	308,376	299,300	225,593	-0.6%	35.9%
M2 (M1 + private savings account in pesos)	404,409	406,068	395,485	296,026	-0.4%	36.6%
M3 (currency held by public + settlement check in pesos + priv. total deposits in pesos)	594,692	591,054	571,826	426,215	0.6%	39.5%
M3* (M3 + private total deposits in dollars + settlement check in foreign currency)	632,502	629,473	609,681	478,486	0.5%	32.2%



Explanatory factors	Average Change							
	Monthly		Quarterly		YTD 2011		Last 12 months	
	Nominal	Contribution <sup>(4)</sup>	Nominal	Contribution <sup>(4)</sup>	Nominal	Contribution <sup>(4)</sup>	Nominal	Contribution <sup>(4)</sup>
<b>Monetary base</b>	<b>-5,891</b>	<b>-2.0%</b>	<b>20,429</b>	<b>7.5%</b>	<b>253</b>	<b>0.1%</b>	<b>84,545</b>	<b>40.7%</b>
Financial sector	2,967	1.0%	242	0.1%	-248	-0.1%	12,300	5.9%
Public sector	475	0.2%	23,502	8.6%	9,791	3.4%	49,441	23.8%
Private external sector	5	0.0%	5,445	2.0%	2,448	0.8%	34,080	16.4%
BCRA securities	-9,009	-3.0%	-7,848	-2.9%	-11,129	-3.8%	-9,287	-4.5%
Others	-329	-0.1%	-912	-0.3%	-608	-0.2%	-1,989	-1.0%
<b>International reserves excluded 2009 SDRs allocations</b>	<b>-773</b>	<b>-1.8%</b>	<b>-3,135</b>	<b>-6.9%</b>	<b>-1,953</b>	<b>-4.4%</b>	<b>-4,631</b>	<b>-9.9%</b>
Foreign exchange market intervention	2	0.0%	1,117	2.5%	501	1.1%	7,575	16.2%
International financial institutions	-110	-0.3%	132	0.3%	55	0.1%	-43	-0.1%
Other public sector operations	-16	0.0%	-3,569	-7.9%	-1,697	-3.8%	-1,794	-3.8%
Dollar liquidity requirements	-564	-1.3%	-542	-1.2%	-649	-1.5%	-642	-1.4%
Others (incl. change in US\$ market value of nondollar assets)	-84	-0.2%	-273	-0.6%	-163	-0.4%	-9,725	-20.8%

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

2 Net of the use of unified funds.

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

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

5 Provisory data subjected to changes in valuation.

Sources: BCRA Accounting Department and SISGEN Informative Regime.

### Minimum Cash Requirement and Compliance

	Feb-13	Jan-13	Dec-12
	(1)		
<b>Domestic Currency</b>	% of total deposits in pesos		
Requirement	12.1	12.0	12.1
Compliance	12.2	12.6	12.8
Position <sup>(2)</sup>	0.2	0.6	0.7
<i>Residual time structure of term deposits used for the calculation of the requirement <sup>(3)</sup></i>	%		
Up to 29 days	65.4	65.4	65.4
30 to 59 days	23.7	23.7	23.7
60 to 89 days	5.7	5.7	5.7
90 to 179 days	3.6	3.6	3.6
more than 180 days	1.6	1.6	1.6
<b>Foreign Currency</b>	% of total deposits in foreign currency		
Requirement	19.4	19.5	20.0
Compliance (includes default application resource)	86.6	86.4	85.6
Position <sup>(2)</sup>	67.1	66.8	65.6
<i>Residual time structure of term deposits used for the calculation of the requirement <sup>(3)</sup></i>	%		
Up to 29 days	50.1	50.4	53.1
30 to 59 days	24.5	23.3	22.1
60 to 89 days	11.9	12.5	10.5
90 to 179 days	11.1	11.8	12.4
180 to 365 days	2.2	2.0	1.8
more than 365 days	0.1	0.1	0.1

<sup>(1)</sup> Estimates data of Requirement, Compliance and Position.

<sup>(2)</sup> Position= Requirement - Compliance

<sup>(3)</sup> Excludes judicial time deposits.

Source: BCRA

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

b

<b>Borrowing Interest Rates</b>	<b>Feb-13</b>	<b>Jan-13</b>	<b>Dec-12</b>	<b>Dec-12</b>	<b>Feb-12</b>
<b>Interbank Loans (overnight)</b>					
Interest rate	11.02	10.85	10.77	10.77	9.43
Traded volume (million pesos)	1,471	1,361	1,313	1,313	1,368
<b>Time Deposits</b>					
<u>In pesos</u>					
30-44 days	13.10	12.90	13.69	13.69	12.20
60 days or more	13.45	11.39	15.43	15.43	11.64
Total BADLAR (more than \$1 million, 30-35 days)	12.50	13.04	13.43	13.43	11.95
Private Banks BADLAR (more than \$1 million, 30-35 days)	14.76	15.14	15.37	15.37	14.13
<u>In dollars</u>					
30-44 days	0.58	0.59	0.60	0.60	0.32
60 days or more	1.12	1.06	1.11	1.11	0.78
Total BADLAR (more than \$1 million, 30-35 days)	0.69	0.68	0.65	0.65	0.43
Private Banks BADLAR (more than \$1 million, 30-35 days)	0.79	0.70	0.61	0.61	0.64
<b>Lending Interest Rates</b>	<b>Feb-13</b>	<b>Jan-13</b>	<b>Dec-12</b>	<b>Dec-12</b>	<b>Feb-12</b>
<b>Stock Repos</b>					
Gross interest rates 30 days	13.86	13.93	15.57	15.57	12.43
Traded volume (all maturities, million pesos)	237	198	235	235	218
<b>Loans in Pesos <sup>(1)</sup></b>					
Overdrafts	21.48	21.55	21.79	21.79	23.35
Promissory Notes	19.35	19.40	19.04	19.04	20.21
Mortgages	16.20	16.62	17.25	17.25	15.75
Pledge-backed Loans	20.85	21.27	19.59	19.59	25.21
Personal Loans	34.47	34.97	34.22	34.22	36.58
Credit Cards	s/d	34.16	34.69	34.69	33.23
Overdrafts - 1 to 7 days - more than \$10 million	14.33	14.49	14.44	14.44	15.75
<b>International Interest Rates</b>	<b>Feb-13</b>	<b>Jan-13</b>	<b>Dec-12</b>	<b>Dec-12</b>	<b>Feb-12</b>
<b>LIBOR</b>					
1 month	0.20	0.21	0.21	0.21	0.25
6 months	0.46	0.49	0.51	0.51	0.76
<b>US Treasury Bonds</b>					
2 years	0.26	0.26	0.25	0.25	0.27
10 years	1.96	1.88	1.70	1.70	1.95
<b>FED Funds Rate</b>	0.25	0.25	0.25	0.25	0.25
<b>SELIC (1 year)</b>	7.25	7.25	7.25	7.25	10.50

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

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

Reference Interest Rates	Feb-13	Jan-13	Dec-12	Dec-12	Feb-12
<b>BCRA Repo Interest Rates</b>					
Overnight reverse repo	9.00	9.00	9.00	9.00	9.00
7-day reverse repo	9.50	9.50	9.50	9.50	9.50
7-day repo	11.50	11.50	11.50	11.50	11.50
<b>Total Repo Interest Rates</b>					
Overnight	9.30	9.28	9.36	9.36	9.07
7 days	9.56	9.52	9.53	9.53	9.50
Repo traded volumen (daily average)	12,051	11,578	10,111	10,111	13,426
<b>Peso LEBAC Interest Rate<sup>1</sup></b>					
1 month	s/o	s/o	11.60	11.60	s/o
2 months	12.66	12.28	11.98	11.98	s/o
3 months	12.95	12.87	12.93	12.93	s/o
9 months	s/o	s/o	14.52	14.52	s/o
12 months	15.09	14.96	14.99	14.99	13.52
<b>Peso NOBAC with variable coupon Spread<sup>1</sup></b>					
9 months BADLAR Private Banks	s/o	s/o	s/o	s/o	s/o
1 year BADLAR Private Banks	s/o	s/o	s/o	s/o	s/o
2 years BADLAR Private Banks	s/o	s/o	s/o	s/o	s/o
3 years BADLAR Private Banks	s/o	s/o	s/o	s/o	s/o
LEBAC and NOBAC traded volume (daily average)	1256	1017	786	786	520
<b>Foreign Exchange Market</b>	<b>Jul-12</b>	<b>Aug-12</b>	<b>Sep-12</b>	<b>Oct-12</b>	<b>Nov-12</b>
<b>Dollar Spot</b>					
Exchange agencies	5.01	4.95	4.88	4.88	4.35
BCRA Reference	5.01	4.95	4.88	4.88	4.35
<b>Future dollar</b>					
NDF 1 month	5.14	5.05	4.98	4.98	4.39
ROFEX 1 month	5.08	5.02	4.95	4.95	4.38
Traded volume (all maturities, million pesos)	911	684	818	818	930
<b>Real (Pesos/Real)</b>	2.54	2.44	2.35	2.35	2.53
<b>Euro (Pesos/Euro)</b>	6.69	6.58	6.41	6.41	5.75
<b>Capital Market</b>	<b>Feb-13</b>	<b>Jan-13</b>	<b>Dec-12</b>	<b>Dec-12</b>	<b>Feb-12</b>
<b>MERVAL</b>					
Index	3,256	3,176	2,672	2,672	2,764
Traded volume (million pesos)	61	65	54	54	51
<b>Governement Bonds (parity)</b>					
BODEN 2015 (US\$)	133.06	127.44	120.57	120.57	104.41
DISCOUNT (US\$ - NY legislation)	99.69	99.65	97.99	97.99	87.98
BODEN 2014 (\$)	95.53	94.77	92.24	92.24	92.56
DISCOUNT (\$)	50.25	49.46	46.02	46.02	54.98
<b>Country risk</b>					
Spread BODEN 2015 vs. US Treasury Bond	1,325	1,262	1,204	1,204	748
EMBI+ Latin America (without Argentina)	296	288	298	298	348

<sup>1</sup> Corresponds to average results of each month primary auctions.

# Glossary

**ANSES:** *Administración Nacional de Seguridad Social.* Social Security Administration

**APR:** Annual percentage rate.

**BADLAR:** Interest rate for time deposits over one million pesos between 30 and 35 days for the average of financial institutions

**BCRA:** *Banco Central de la República Argentina.* Central Bank of Argentina

**BODEN:** Bonos optativos del Estado Nacional. Optional federal bonds

**BOVESPA:** Sao Paulo Stock Exchange Index (Brazil)

**CAFCI:** *Cámara Argentina de Fondos comunes de inversión*

**CDS:** Credit Default Swaps

**CER:** Coeficiente de Estabilización de Referencia. Reference Stabilization Coefficient

**CNV:** Comisión Nacional de Valores. National Securities Commission

**CPI:** Consumer Price Index

**CPI GBA:** Consumer Price Index for the Greater Buenos Aires metropolitan area

**DISC:** Discount Bond

**EMBI:** Emerging Markets Bonds Index

**FCI:** Mutual Funds

**Fed:** Federal Reserve

**FTs:** Financial Trusts

**GBA:** Greater Buenos Aires metropolitan area

**GDP:** Gross Domestic Product

**IGBVL:** Lima Stock Exchange Index (Peru)

**IGPA:** Santiago Stock Exchange Index (Chile)

**LEBAC:** *Letras del Banco Central.* BCRA Bills

**LIBOR:** London Interbank Offered Rate

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

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

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

**MERVAL:** *Mercado de Valores de Buenos Aires.* Buenos Aires Stock Exchange Index

**MEXBOL:** Mexico Stock Exchange Index

**NDF:** Non Deliverable Forward

**NOBAC:** Notas del Banco Central. BCRA Notes

**NV:** Nominal value

**ONs:** Corporate Bonds

**PyME:** Small and medium enterprises

**ROFEX:** Rosario Futures Exchange Rate Market

**SAFJP:** AFJP Superintendency

**SELIC:** Brazilian Central Bank's Benchmark Interest Rate

**SISCEN:** *Sistema Centralizado de Requerimientos Informativos.* BCRA Centralized Reporting Requirement System

**S&P:** Standard and Poor's 500 Index

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