

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

April 2024



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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## Executive Summary

According to the OECD's Economic Outlook, global economic projections are favorable, despite the moderate growth rate. Tight monetary conditions continue to have an impact, particularly on the credit and construction markets, while inflation is falling faster than expected, with private sector confidence thus improving. Economies are evolving in different ways—poor performance of the advanced economies of Europe and strong growth of the United States and some emerging economies.

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 May, the BCRA continued holding auctions of BOPREALs, and awarded the entire BOPREAL Series 1, 2 and 3 for USD5 billion (NV), USD2 billion (NV), and USD3 billion (NV), respectively. It should be noted that, starting in May, legal persons wishing to transfer profits and/or dividends to non-resident shareholders were authorized to subscribe BOPREALs. Total subscriptions under this scheme reached about USD1,682 million.

In April, financial institution's clients sold USD2,900 million in the forex market, and financial institutions' sales amounted to USD404 million. The BCRA purchased USD3,347 million, and made net payments through the Local Currency Payment System for USD43 million. The National Treasury purchased USD468 million directly from the BCRA.

The "Non-Financial Private Sector" was a net seller of foreign currency for USD3,061 million. Within that group, the "Oilseeds and Grains" sector was once again the main supplier of foreign currency, recording net inflows of USD1,762 million, mainly explained by the result in "Goods". In turn, the "Real Sector excluding Oilseeds and Grains" recorded net inflows of USD1,520 million.

"Natural Persons" made net purchases totaling USD274 million mainly for traveling expenses and other payments on cards to non-resident suppliers (recording a net amount of USD331 million).

"Institutional Investors and Others"—both residents and non-residents—made net sales of USD53 million.

The foreign exchange current account recorded a surplus of USD2,277 million in April. This result was explained by net inflows recorded in "Goods" (USD2,737 million) and "Secondary Income" (USD12 million), which were partially offset by the deficit recorded in "Primary Income" (USD290 million) and "Services" (USD183 million).

In April, transactions carried out under the foreign exchange financial account recorded a deficit of USD2,012 million. This figure is explained by the deficit recorded in the "National Government and the BCRA" (USD2,404 million) and in "Other Net Transfers" (USD123 million), which was partially offset by the surplus recorded in the "Non-Financial Private Sector" (USD418 million), and in the "Financial Sector" (USD97 million).

During April, BCRA's international reserves increased USD451 million, totaling USD27,578 million by the end of the month. This increase was mainly explained by net purchases made by the BCRA in the forex market and the increase in the US dollar exchange rate of foreign exchange reserves (USD188 million), which were partially offset by gross repayments of principal owed to the IMF (USD1,927 million; i.e. SDR1,462 million),

net repayments of principal owed to international organizations (IMF excluded) totaling USD621 million, a fall in financial institution's holdings of foreign currency at the BCRA (USD513 million), and net payments made by the BCRA through the Local Currency Payment System (USD42 million).

# I. Introduction

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

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

Section II of this report analyzes the result of foreign exchange transactions; data are broken down by sector and by heading.<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 based on the reasons for the transactions (headings), which are again taken as an affidavit. However, **the evolution of the historical series shown here should be analyzed in light of the different forex regulations in force by period**

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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".

(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

According to the OECD's Economic Outlook, global economic projections are favorable, despite the moderate growth rate. Tight monetary conditions continue to have an impact, particularly on the credit and construction markets, while inflation is falling faster than expected, with private sector confidence thus improving. Economies are evolving in different ways—poor performance of the advanced economies of Europe and strong growth of the United States and some emerging economies.

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 May, the BCRA continued holding auctions of BOPREALs, and awarded the entire BOPREAL Series 1, 2 and 3 for USD5 billion (NV), USD2 billion (NV), and USD3 billion (NV), respectively. It should be noted that, starting in May, legal persons wishing to transfer profits and/or dividends to non-resident shareholders were authorized to subscribe BOPREALs. Total subscriptions under this scheme reached about USD1,682 million.

In April, financial institution's clients sold USD2,900 million in the forex market, and financial institutions' sales amounted to USD404 million. The BCRA purchased USD3,347 million, and made net payments through the Local Currency Payment System for USD43 million. The National Treasury made purchases directly from the BCRA for USD468 million (see Table II.1).<sup>4 5 6</sup>

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<sup>3</sup> The BCRA'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 (RIO) 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 USD120 million. These payments of local debts in foreign currency do not imply a net demand in the whole system, made up by the institutions and the BCRA.

**Table II.1 Foreign Exchange Market**

**Result by Sector**

Equivalent in million dollars

Result by Sector of the Foreign Exchange Market with Institutions	Apr-23	Apr-24	2023 up to Apr	2024 up to Apr
<b>BCRA - Market</b>	117	-3,347	3,353	-11,859
<b>BCRA - SML</b>	101	43	333	88
<b>National Treasury</b>	-	-	-	-
<b>Institutions</b>	8	404	324	669
<b>Institutions' Clients (1 + 2 + 3)</b>	-226	2,900	-4,010	11,102
<b>1. Non-Financial Private Sector</b>	-413	3,061	-3,819	12,018
Oilseeds and Grains	2,044	1,762	4,307	6,235
Real Sector excluding Oilseeds and Grains	-1,923	1,520	-5,668	6,645
Natural Persons	-429	-274	-1,941	-914
Institutional Investors and Others	-105	53	-518	52
<b>2. General Government (National Treasury Excluded)</b>	228	-20	11	-487
<b>3. Institutions (Own Transactions)</b>	-40	-141	-203	-430
<b>National Treasury Directly with the BCRA</b>	-	-468	-1,562	-2,396

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. April 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>2,757</b>	<b>-334</b>	<b>108</b>	<b>78</b>	<b>56</b>	<b>-534</b>	<b>931</b>	<b>3,061</b>
Oilseeds and Grains	1,715	0	0	0	4	-24	68	1,762
Real Sector excluding Oilseeds and Grains	1,059	-72	-69	60	41	-244	745	1,520
Natural Persons	-3	-331	13	5	2	-22	63	-274
Institutional Investors and Others	-14	69	163	12	10	-243	55	53
<b>General Government (National Treasury Excluded)</b>	<b>-4</b>	<b>-1</b>	<b>-71</b>	<b>40</b>	<b>2</b>	<b>58</b>	<b>-44</b>	<b>-20</b>
<b>Institutions (Own Transactions)</b>	<b>-16</b>	<b>0</b>	<b>-43</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-82</b>	<b>-141</b>
<b>Institutions' Result with Clients</b>	<b>2,737</b>	<b>-335</b>	<b>-6</b>	<b>118</b>	<b>57</b>	<b>-476</b>	<b>805</b>	<b>2,900</b>
<b>Result for Forex Transactions</b>	<b>2,526</b>	<b>-496</b>	<b>-57</b>	<b>118</b>	<b>7</b>	<b>0</b>	<b>803</b>	<b>2,900</b>
<b>Result for Self-to-Self International Transfers</b>	<b>212</b>	<b>161</b>	<b>51</b>	<b>0</b>	<b>50</b>	<b>-476</b>	<b>2</b>	<b>0</b>

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

Source: BCRA

In April, the "Oilseeds and Grains" sector was once again the main supplier of foreign currency, recording net sales of USD1,762 million in the forex market, mainly explained by the headings included in "Goods" (collections on exports net of payments for imports), recording a net amount of USD1,715 million. It is worth noting that, since December 2023, exporters can settle up to 20% of their exports through the stock market, thus making it impossible to conduct an accurate year-on-year comparison.

The "Real Sector excluding Oilseeds and Grains" recorded net sales of USD1,520 million, mainly explained by the result in "Goods", with net inflows of USD1,059 million, and "Debt, FDI, Portfolio, and Other Transactions", with inflows of USD745 million.

In this sense, the two economic sectors recording the highest surplus were "Energy" (USD743 million) and "Food, Beverages and Tobacco" (USD728 million), while "Commerce" ran the highest deficit (USD196 million) (see Table II.3).

**Table II.3 Foreign Exchange Market**

**Result of the Real Sector excluding Oilseeds and Grains disaggregated by main headings. April 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
Energy*	513	0	-123	7	1	-8	352	743
Food, Beverages and Tobacco	798	0	-18	0	1	-76	24	728
Agriculture and Other Primary Activities	280	0	3	0	0	-34	39	287
Mining	246	0	-1	0	27	-38	44	278
Information Technology	-6	3	108	0	0	-17	10	98
Chemical, Rubber and Plastic Industries	-220	0	15	1	1	-28	268	36
Automobile Industry	21	0	-8	0	0	19	3	34
Entertainment	-1	0	14	0	2	-2	-3	9
Communications	-15	0	19	0	1	-4	1	2
Construction	-17	0	-5	10	4	-10	19	1
Gastronomy	0	0	0	0	0	0	0	0
Non-Metallic Mineral Products (Cement, Ceramics and Others)	-8	0	-1	0	0	-2	3	-8
Textile and Leather Industries	-17	0	-2	0	0	-6	-2	-27
Paper, Publishing and Printing Industry	-32	0	1	0	0	-2	1	-32
Common Metals and their Manufacture	-27	0	-12	0	0	-3	-2	-45
Transport	2	-17	-70	38	1	1	-11	-55
Tourism and Accommodation Services	0	-60	2	1	0	-14	1	-69
Other Manufacturing Industries	-83	0	5	0	1	-3	6	-73
Water	0	0	-12	0	0	0	-62	-74
Machinery and Equipment	-156	0	8	0	0	-8	38	-117
Commerce	-217	0	9	2	1	-10	18	-196
<b>Total</b>	<b>1,059</b>	<b>-72</b>	<b>-69</b>	<b>60</b>	<b>41</b>	<b>-244</b>	<b>745</b>	<b>1,520</b>

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

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

Source: BCRA

“Natural Persons” made net purchases totaling USD274 million mainly for traveling expenses and other payments on cards to non-resident suppliers (recording net purchases for an amount of USD331 million).

“Institutional Investors and Others”—both residents and non-residents—made net sales of USD53 million.

Financial institutions made net purchases with their own funds for USD141 million.

In turn, the “General Government” (excluding the National Treasury) made net purchases in the forex market for USD20 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 USD2,277 million in April. This result was mainly explained by the net inflows recorded in “Goods” (USD2,737 million) and

“Secondary Income” (USD12 million), which was partially offset by a deficit recorded in “Primary Income” (USD290 million) and “Services” (USD183 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	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24
<b>Foreign Exchange Current Account</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>1,575</b>	<b>1,804</b>	<b>2,277</b>
Goods	903	2,363	-921	985	1,292	1,406	854	1,982	3,381	3,879	3,059	2,424	2,737
Services	-506	-430	-363	-330	-412	-461	-753	-678	-20	84	-232	-158	-183
Primary Income	-310	-1,169	-426	-1,312	-1,251	-425	-373	-1,256	-387	-1,625	-1,264	-462	-290
Secondary Income	-15	12	-1	12	-1	-10	-42	-2	-12	6	13	0	12

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.

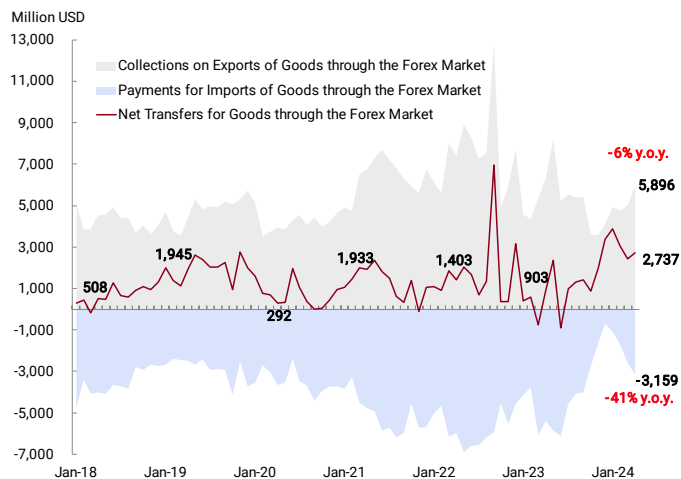
In this sense, foreign currency inflows from exports of goods and services settled through the stock market under these regulations are not recorded as collections of exports of goods and services in the foreign exchange market and foreign exchange balance statistics; except for those collections that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

### III.1.1. Goods

In April, transfers for “Goods” on the foreign exchange balance exhibited net inflows for USD2,737 million, resulting from collections on exports for USD5,896 million, which were partially offset by payments of imports for USD3,159 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**



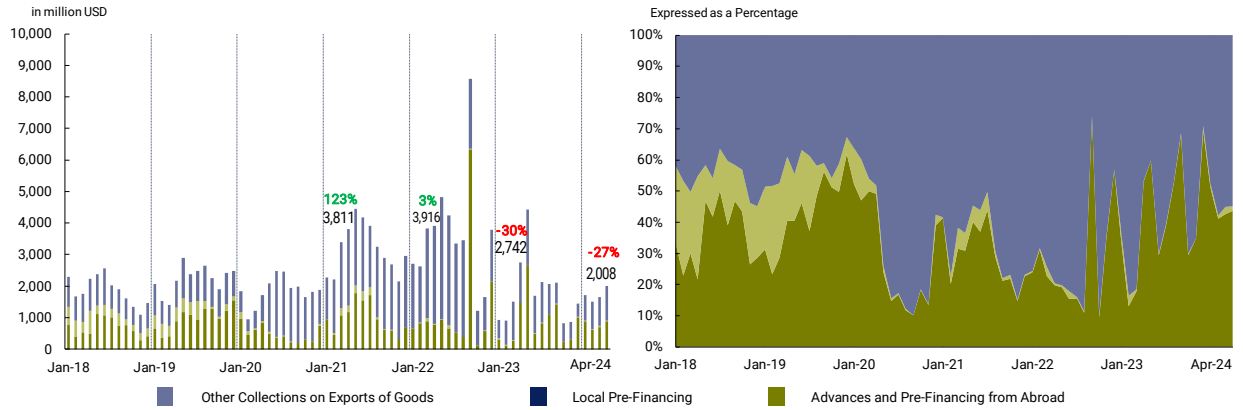
Source: BCRA

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

Within this context, the “Oilseeds and Grains” sector recorded foreign currency sales for collections on exports of goods in the forex market for USD2,008 million. This means a 27% y.o.y. drop, explained, firstly, by the impact of the Export Increase Program and, secondly, by a delayed harvest due to excessive rainfall and the subsequent delay in truck loading. The sector’s FOB exports totaled USD2,751 million in April, which would imply a decrease in the sector’s stock of commercial debt during the month, even after adding up the companies’ estimated 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).

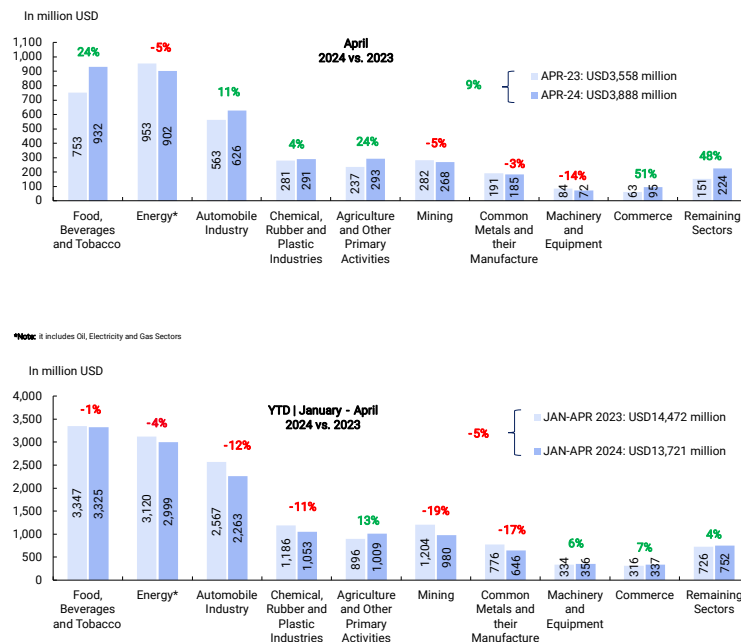
**Chart III.1.1.2 Foreign Exchange Balance**  
**Collection on Exports of Goods from the "Oilseeds and Grains" Sector**



Source: BCRA

Inflows from the collections on exports of goods from the remaining sectors settled through the forex market totaled USD3,888 million in April, up 9% y.o.y., even despite the impact of the Export Increase Program in a y.o.y. comparison. Broken down by sector, y.o.y. increases were recorded in "Commerce" (51%), "Food, Beverages and Tobacco" (24%), and "Agriculture and Fisheries" (24%), whereas y.o.y. falls were observed in "Machinery and Equipment" (14%) and "Mining" (5%) (see Chart III.1.1.4).

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

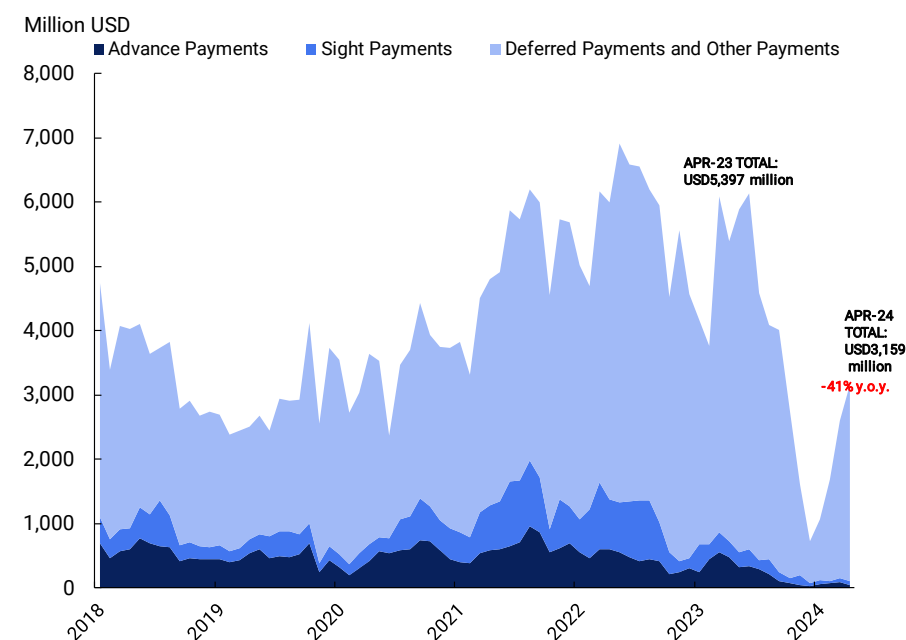


Source: BCRA

In April, payments of imports of goods through the forex market totaled USD3,159 million, down 41% y.o.y. and standing below April's FOB imports (USD4,471 million). This would imply either an increase in the sector's commercial indebtedness level, a decrease in its foreign assets or the use of other payment methods. It is worth noting that import indebtedness has been addressed through the foreign trade and exchange regulations set out in December 2023.<sup>9</sup> Moreover, the BCRA continued with the auctions of BOPREALs. The entire BOPREAL Series 1, 2 and 3 were awarded for USD5 billion (NV), USD2 billion (NV), and USD3 billion (NV), respectively. Also, the BCRA allowed MSMEs to access the forex market to pay off their registered commercial debts for up to USD500,000 in a staggered manner without subscribing BOPREALs. Since this option became effective, MSMEs have repaid debts from imports for a total of USD671 million.

As regards imports of goods, 97% of payments were deferred, 1% were advance payments, and the other 2% were sight payments in April (see Chart III.1.1.5).

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

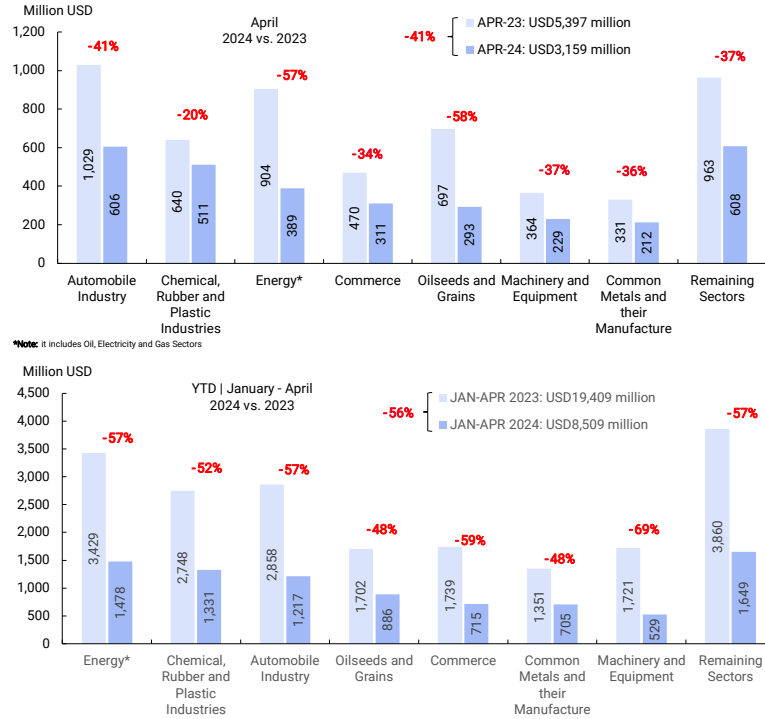


Source: BCRA

Nineteen percent of total payments for imports of goods made in April corresponded to the "Automobile Industry" sector, followed by the "Chemical, Rubber and Plastic Industries" (16%) and the "Energy" (12%) sectors. In year-on-year terms, there was a fall in payments for imports across all sectors during April (see Chart III.1.1.6).

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



Source: BCRA

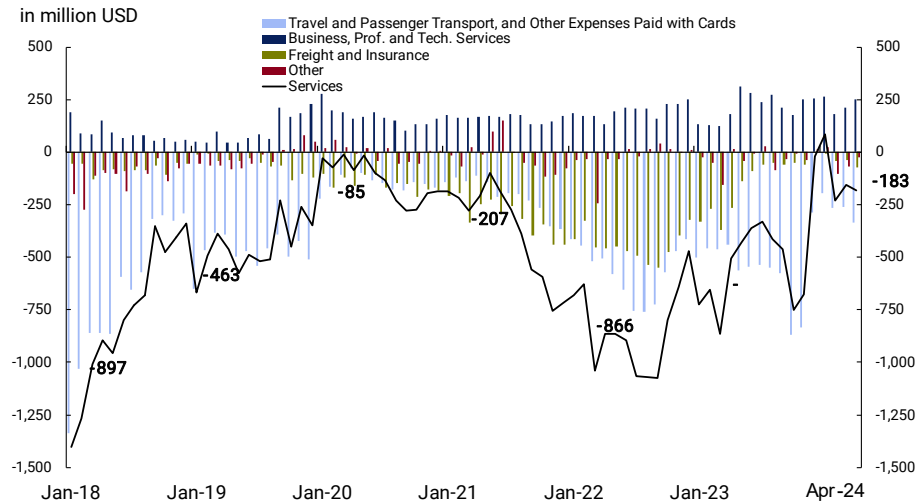
### III.1.2. Services, Primary and Secondary Income

The “Services” account ran a deficit of USD183 million in April, down 64% against the net outflows of April 2023. This month’s result was explained by the net outflows of “Travel and Passenger Transport, and Other Expenses Paid with Cards”<sup>10</sup> (USD335 million), “Freight and Insurance” (USD74 million) and “Other” (USD25 million), which were partially offset by net inflows from “Business, Professional and Technical Services” (USD251 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.

<sup>10</sup> In terms of the “Travel and Passenger Transport, and Other Expenses Paid with Cards” account, it is worth pointing out that the transfers made to international credit card issuers involve both purchases made during travels abroad and those made to foreign suppliers on a remote basis. In turn, inflows also include non-resident remote purchases made with cards to Argentine suppliers. For more information on the changes implemented to the regulations that have an impact on the comparison of the flows reported in the headings included under “Services”, among others, see Section B.5. Important Regulatory Provisions that Have an Impact on Foreign Exchange Statistics of the Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics available at the BCRA’s website.

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



Source: BCRA

In April, gross inflows from “Travel and Passenger Transport” amounted to USD241 million (up 62% against April 2023).<sup>11</sup>

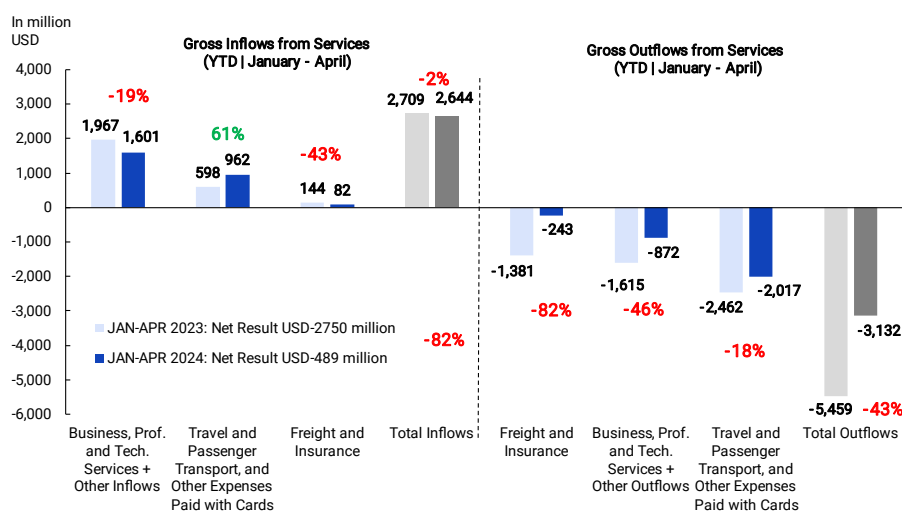
Gross inflows and outflows from “Services” accrued along the year and their comparison with the same period of the previous year are shown below by heading. This comparison shows that the improvement in the “Services” account is caused by a fall in gross outflows, especially in “Freight and Insurance”,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

<sup>11</sup>These inflows were observed after the implementation of [Communication A 7630](#), dated November 3, 2022, which set forth that any inflows arising from non-resident cards on account of charges for tourist services and passenger transport services are exempted from the requirement to settle currency in the forex market. This measure seeks to boost foreign currency inflows from inbound tourism. In addition, a higher exchange rate is charged on card consumptions of non-resident visitors. These self-to-self international transfers have no net effect on the forex market, since inflows are not settled in the forex market but deposited in local accounts in foreign currency.

<sup>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 Services



Source: BCRA

Primary income transactions recorded net outflows amounting to USD290 million in April, mainly due to net payments of "Interest" for USD276 million.

The "General Government and the BCRA" paid USD168 million of gross interest (including payments of interest to international organizations—IMF excluded—amounting to USD149 million, and USD19 million on account of other interest paid by the government). In turn, the private sector repaid USD144 million for the same heading. In addition, gross outflows of profits, dividends and other income transferred to accounts abroad amounted to USD14 million.

It should be noted that, starting in May, legal persons wishing to transfer profits and/or dividends to non-resident shareholders (prior approval is required for most transactions) were authorized to subscribe BOPREALs. Total subscriptions under this scheme reached USD1,682 million (NV).

Finally, secondary income transactions recorded net inflows for USD12 million.

## III.2. Capital Account

In April, the capital account of the foreign exchange balance recorded a deficit of USD1 million.

## III.3. Foreign Exchange Financial Account

In April, transactions carried out under the foreign exchange financial account recorded a deficit of USD2,012 million. This figure is explained by the deficit recorded in the "National Government and the BCRA" (USD2,404 million) and in "Other Net Transfers" (USD123 million), which was partially offset by the surplus

recorded in the “Non-Financial Private Sector” (USD418 million), and in the “Financial Sector” (USD97 million) (see Table III.3.1).<sup>13</sup>

**Table III.3.1. Foreign Exchange Balance**

**Foreign Exchange Financial Account**

Equivalent in million dollars

Date	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24
<b>Foreign Exchange Financial Account</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>-2,487</b>	<b>-1,565</b>	<b>-2,012</b>
Non-Financial Private Sector	-852	-677	-155	-948	-346	-632	-835	-1,142	-1,005	-450	-471	384	418
Financial Sector	76	-696	179	-800	403	406	-21	-128	-1,555	386	-142	392	97
General Government and the BCRA	-2,823	-787	-2,482	-1,678	4,807	-923	-3,176	-516	-504	2,199	-1,714	-1,543	-2,404
Other Net Transfers	-493	-31	-456	-249	-455	17	-222	155	1,539	235	-160	-798	-123

### 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 USD418 million in April. This was the result of the net granting of local financial loans for USD542 million, the settlement of other financial loans held abroad and debt securities for USD308 million, the sale of foreign assets for USD133 million, inflows from foreign direct investments for USD56 million, the sale of securities in foreign currency for USD16 million, the settlement of non-residents’ portfolio investments for USD8 million, and loans from international organizations and other organizations for USD7 million, which were partially offset by net self-to-self international transfers for USD534 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, inflows from purchases made by non-resident tourists with cards, and inflows from foreign assets of residents deposited in local accounts), and payments of balances in foreign currency to local institutions originated from purchases made with cards to non-resident suppliers for USD120 million (which do not involve a net demand for foreign currency in the financial account) (see Table III.3.1.1).

**Table III.3.1.1. Foreign Exchange Balance**

**Foreign Exchange Financial Account of the Non-Financial Private Sector**

Equivalent in million dollars

Date	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24
<b>Foreign Exchange Financial Account</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>	<b>418</b>
Non-Residents’ Direct Investments	58	54	223	45	69	85	91	100	87	45	58	60	56
Non-Residents’ Portfolio Investments	0	-1	-4	0	-1	12	1	-3	0	4	1	2	8
Financial Loans and Credit Lines	-456	-420	-188	-281	-525	-389	-538	-556	-396	175	-241	664	730
Local Financial Loans	76	-101	-83	-88	49	-5	-126	-149	-72	228	61	794	542
Other Foreign Loans and Debt Securities	-317	-81	183	77	-326	-102	-55	-88	-31	91	-155	-3	308
Payment of Card Balance	-215	-237	-288	-271	-248	-282	-357	-319	-293	-144	-147	-126	-120
Loans from Other International Organizations and Other	1	-83	-56	-84	150	-15	52	-92	-121	10	-22	54	7
Buildup of Foreign Assets by the Non-Financial Private Se	-397	-83	0	-196	-91	-84	-112	5	330	-20	94	139	133
Self-to-Self International Transfers	-56	-150	-130	-430	54	-250	-328	-604	-909	-666	-384	-538	-534
Purchase and Sale of Securities	-2	5	0	-3	-2	9	-1	8	5	2	21	4	16

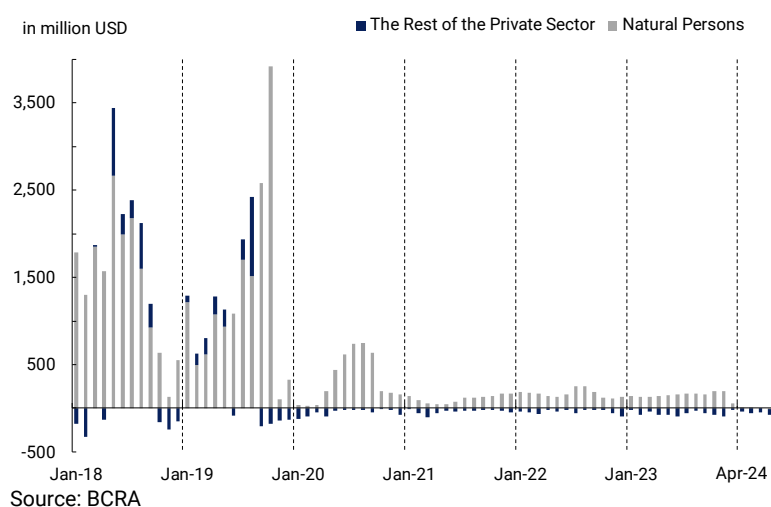
Source: BCRA

<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](#).

Non-financial private sector residents' foreign assets recorded a surplus of USD133 million—i.e., net sales of banknotes (USD78 million) and net inflows of foreign currency (USD56 million).

This outcome comprises net sales for USD72 million made by legal persons and USD5 million made by natural persons (see Chart III.3.1.1).

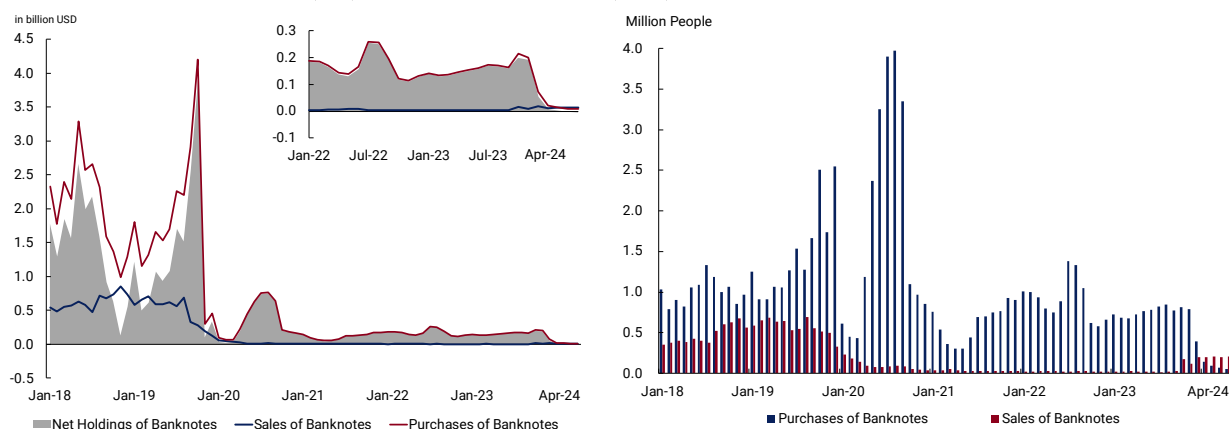
**Chart III.3.1.1 Foreign Exchange Balance  
Net Purchases of Banknotes by Sector**



In April, "Natural Persons" sold banknotes for USD14 million and purchased USD9 million (down 12% against March and down 94% y.o.y.). In terms of traders, in April, 208,000 individuals sold banknotes, while buyers amounted to about 51,000 (see Chart III. 3.1.2).<sup>14</sup>

<sup>14</sup>It is worth noting that AFIP's General Resolution 5463/2023, effective December 13, changed the rates of income and personal property taxes levied on the purchase of foreign currency for saving purposes to 30%, and the rate of foreign currency expenses paid with cards, to 0%. Therefore, the total charge for these consumptions is currently 60%: 30% (PAIS tax) and 30% (income tax or personal property tax, as appropriate) (for more information see the section on December 2023 Regulations).

**Chart III.3.1.2 Foreign Exchange Balance  
Natural Persons. Banknotes (left) and Number of People (right)**



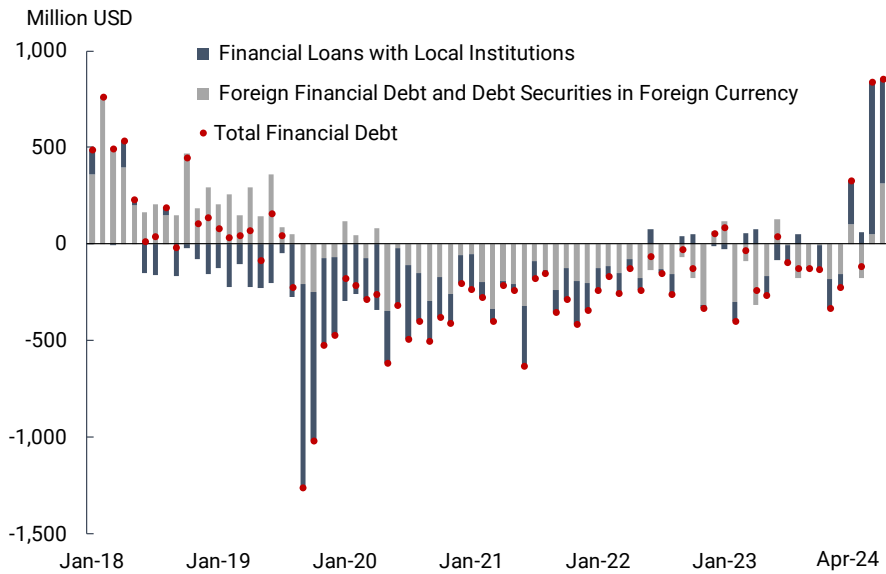
Source: BCRA

In turn, in April, this sector recorded net inflows to their own accounts from abroad (USD56 million). This result was mainly explained by the net inflows from the “Real Sector excluding Oilseeds and Grains” (USD41 million), “Institutional Investors and Others” (USD10 million), “Oilseeds and Grains” (USD4 million), and “Natural Persons” (USD2 million).

Net inflows from the non-financial private sector's financial debt, including loans from international organizations and local financial loans, reached USD857 million in April—net inflows from the “Energy” (USD348 million), “Chemical, Rubber and Plastic Industries” (USD267 million), and “Oilseeds and Grains” (USD68 million) sectors standing out. This amount involves net inflows from loans granted by local institutions (USD542 million), and financial debt held abroad, securities in foreign currency, and loans owed to international organizations (USD316 million). The total amount excludes purchases of foreign currency to pay card bills for expenses incurred abroad (USD120 million), which do not imply a net demand within the whole system, i.e., the ensemble of financial institutions and the BCRA. Instead, they were calculated under the heading “Travel, and Other Expenses Paid with Cards” at the time of the transfer abroad (see Chart III.3.1.3).<sup>15</sup>

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

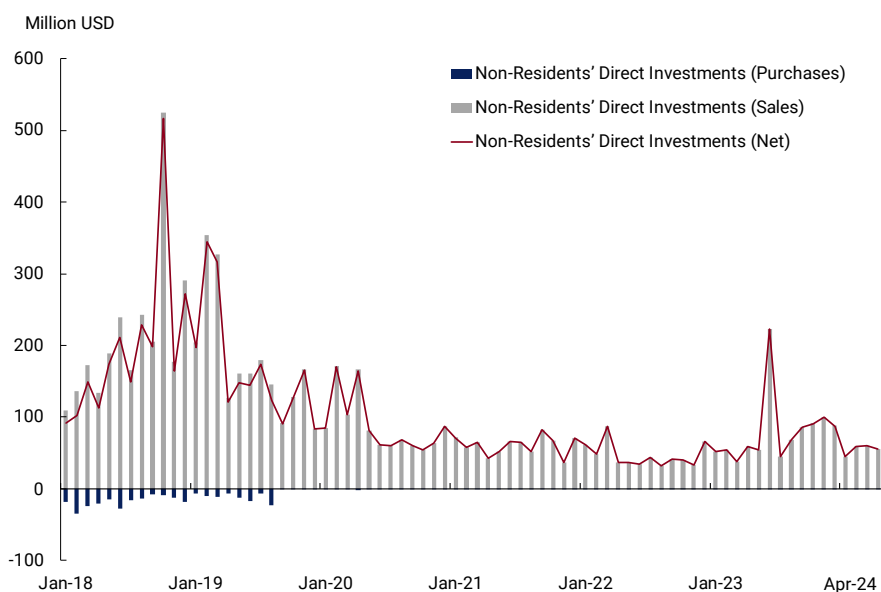


**Note:** Local financial debt excludes the purchases of foreign currency to pay card bills for expenses incurred abroad, which do not imply a net demand within the forex market

Source: BCRA

Direct investments made by non-residents in the non-financial private sector through the forex market reached USD56 million (net inflows) in April (see Chart III.3.1.4).

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



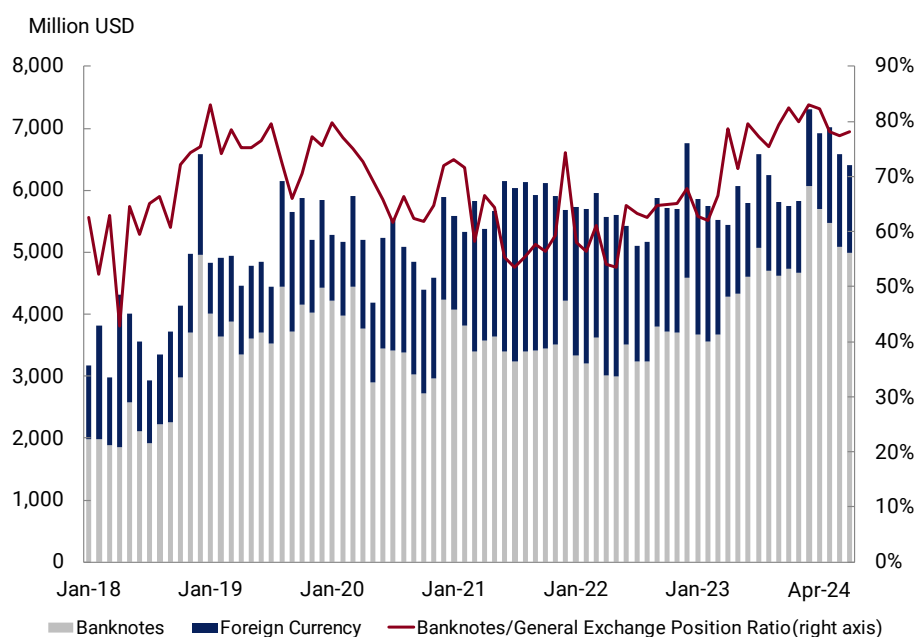
Source: BCRA

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

In April, the transactions carried out under the foreign exchange financial account of the “Financial Sector” resulted in a surplus of USD97 million. This outcome was mainly explained by a decrease of USD185 million in liquid foreign assets of financial institutions’ General Exchange Position, partially offset by the net subscription of securities for USD65 million and by net outflows from financial loans and credit lines for USD19 million, and net outflows from loans granted by international organization for USD5 million.<sup>16</sup>

Financial institutions’ General Exchange Position amounted to USD6,400 million at the end of April, down 3% against the end of March. The result was explained by a drop in holdings of banknotes (USD96 million) and in the stock of foreign currency (USD89 million). Holdings of foreign currency banknotes totaled USD4,996 million by the end of the month. This stock accounted for 78% of the total General Exchange Position, and it is allocated by institutions to cover local foreign currency deposit transactions and foreign exchange market needs (see Chart III.3.2.1).

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



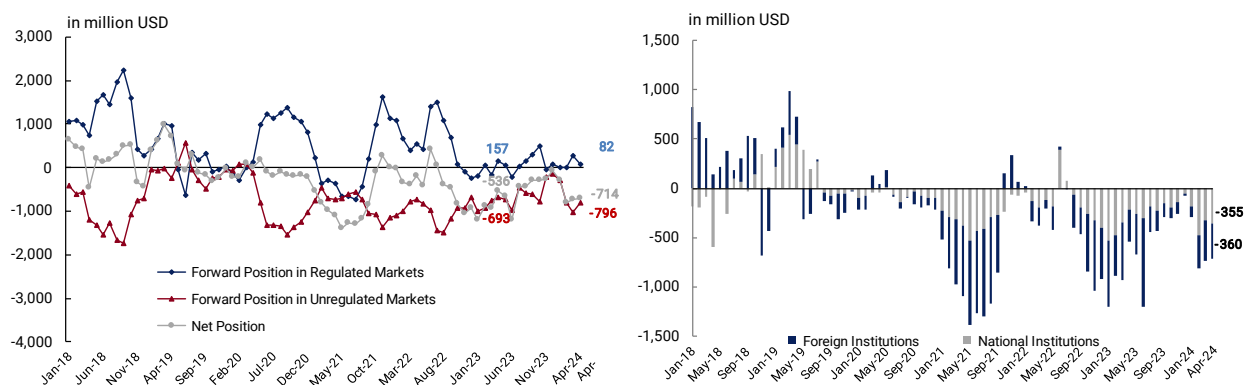
Source: BCRA

On another note, the ensemble of financial institutions ended April with a forward short position in foreign currency of USD714 million, recording a drop of about USD27 million in their short position compared to the

<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](#).

end of March. Institutions purchased USD223 million directly from clients (Forwards) and sold USD196 million in regulated markets over April (see Chart III.3.2.2).

Foreign capital institutions ended April with a net short position of USD360 million, recording a drop of USD52 million compared to March. In turn, national capital institutions sold USD25 million, increasing their net short position to USD355 million compared to March (see Chart III.3.2.3).

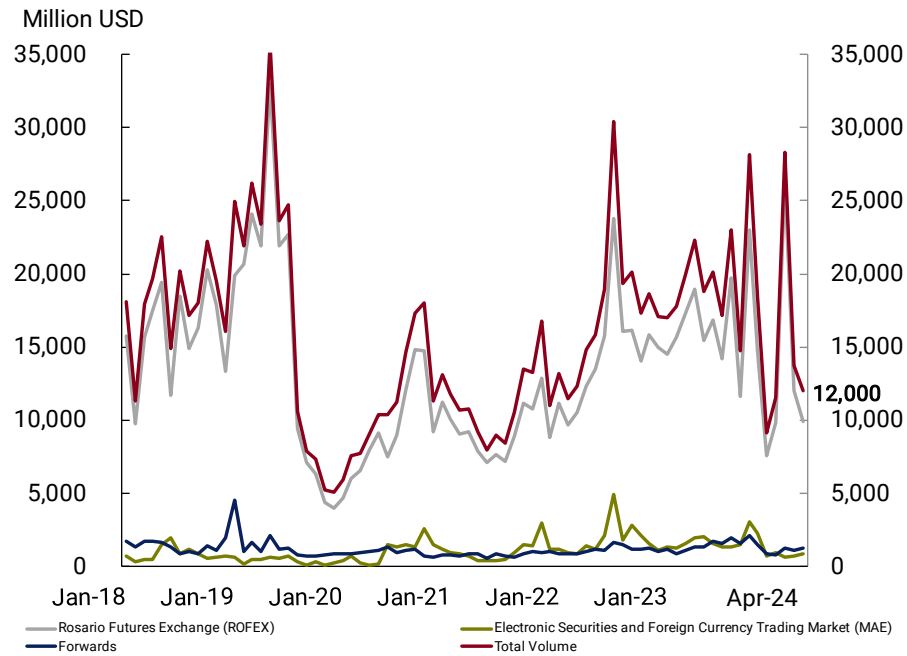


Source: BCRA

The volume traded in forward markets totaled USD12,000 million in April, i.e.: USD600 million daily on average. Transactions carried out in the Rosario Futures Exchange (ROFEX) continued to stand out, with an 83% share in the total volume traded in the forward market (see Chart III.3.2.4).<sup>17</sup>

<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.3.2.4 Forward Market**  
**Total Volume Traded in the Forward Market**



Source: BCRA

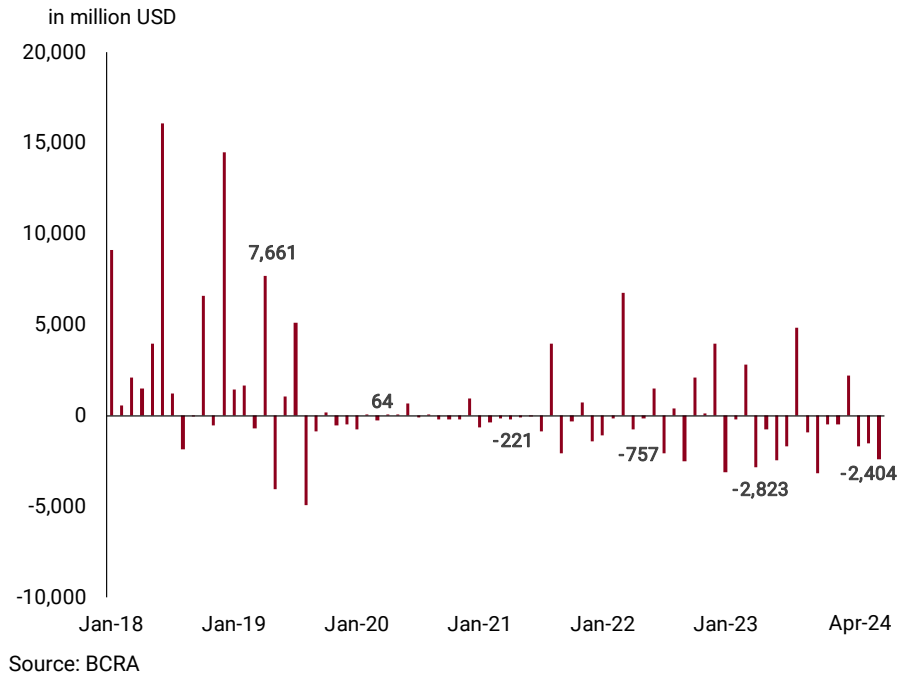
### III.3.3. Foreign Exchange Financial Account of the General Government and the BCRA

In April, the transactions carried out under the foreign exchange financial account of the “General Government and the BCRA” recorded a deficit of USD2,404 million (see Chart III.3.3.1), mainly explained by gross payments of principal to the IMF for USD1,927 million (SDR1,462 million), net outflows on account of loans from international organizations other than the IMF for USD472 million, and payments of other financial loans and debt securities for USD72 million, which were partially offset by the counterpart of self-to-self international transfers of USD58 million.



**Chart III.3.3.1 Foreign Exchange Balance**

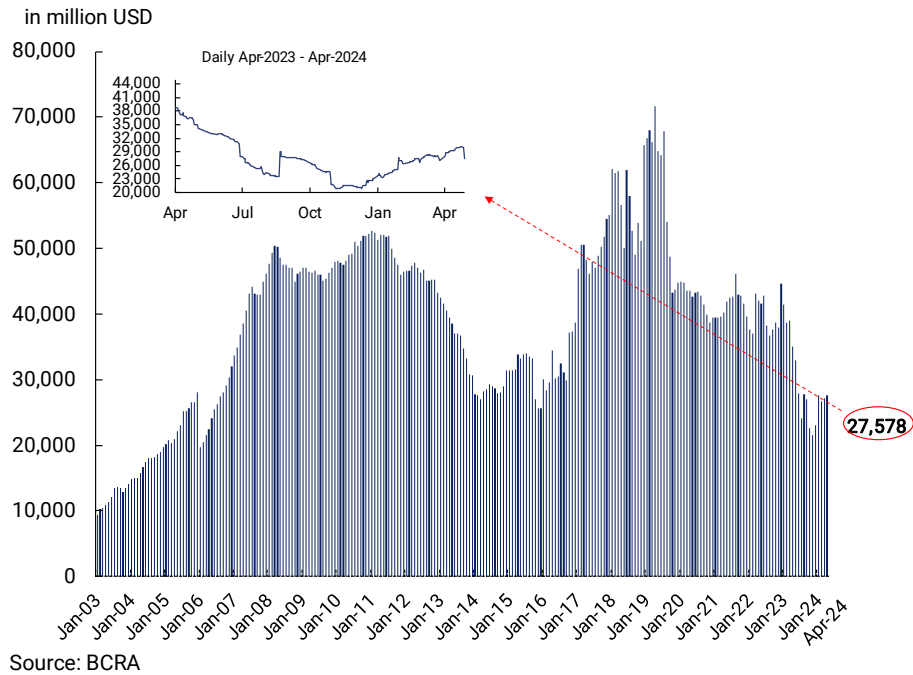
**Foreign Exchange Financial Account of the General Government and the BCRA**



## IV. BCRA's International Reserves

During April, BCRA's international reserves increased USD451 million, totaling USD27,578 million by the end of the month. This increase was mainly explained by net purchases made by the BCRA in the forex market and the increase in the US dollar exchange rate of foreign exchange reserves (USD188 million), which were partially offset by gross repayments of principal owed to the IMF (USD1,927 million; i.e. SDR1,462 million), net repayments of principal owed to international organizations (IMF excluded) totaling USD621 million, the fall in financial institution's holdings of foreign currency at the BCRA (USD513 million), and net payments made by the BCRA through the Local Currency Payment System (USD42 million) (see Chart IV.1).

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

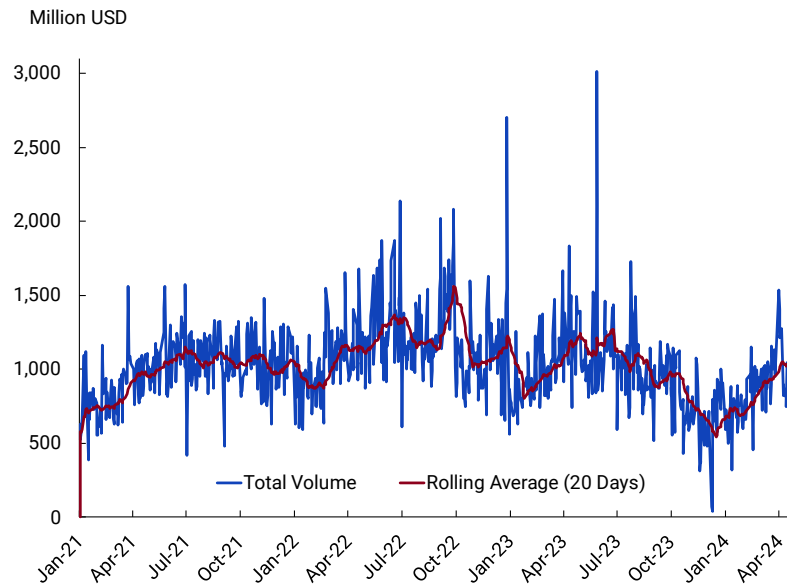


## V. Volumes Traded in the Foreign Exchange Market

In April, the volume traded in the forex market totaled USD20,865 million, down 6% against April 2023 (see Chart V.1). The average daily volume traded was USD1,043 million, falling in y.o.y. terms as a result of a 16% drop in transactions between institutions and their clients (-USD2,573 million), partially offset by a 41% increase in transactions between institutions and the BCRA (+USD1,030 million), and a 6% increase in transactions between institutions (+USD234 million).<sup>18</sup>

<sup>18</sup> On the BCRA's website there is a quarterly ranking of volumes traded with clients in the forex market broken down by institution (to access the ranking, [click here](#)).

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



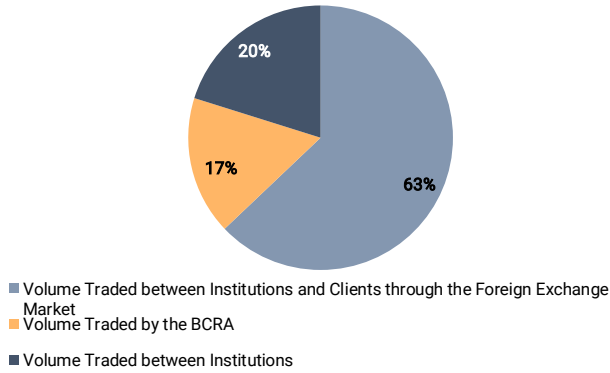
Source: BCRA

Foreign exchange transactions between institutions and their clients accounted for 63% of the total volume traded; transactions between institutions, and transactions between institutions and the BCRA—through the Electronic Trading System (SIOPEL)—represented 20% and 17%, respectively (see Chart V.2).<sup>19</sup>

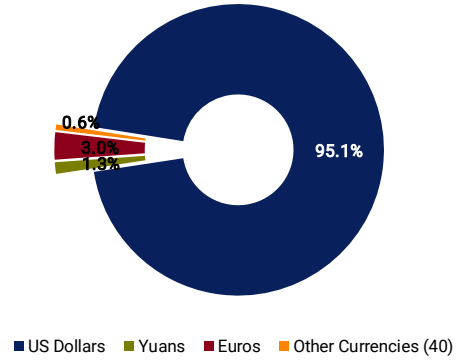
In April, 118 institutions traded in the market involving 43 foreign currencies. Most of the volume traded between licensed institutions and their clients was highly concentrated both at institution level (the first ten accounted for 88% of such volume) and in terms of the currency used, USD-denominated 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).

<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 USD2,109 million), the record of deposits in foreign currency allocated for the payment of financial debt service for about USD271 million, and purchases of foreign currency to pay card bills (around USD120 million for the month under study).

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



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



Source: BCRA

Finally, 91% of foreign exchange transactions between financial and foreign exchange institutions and their clients were channeled through private financial institutions, and the remaining 9% through public banks.