

# Monthly Monetary Report

July 2021



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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*The closing date for statistics in this report was August 6, 2021. All figures are provisional and subject to review.*

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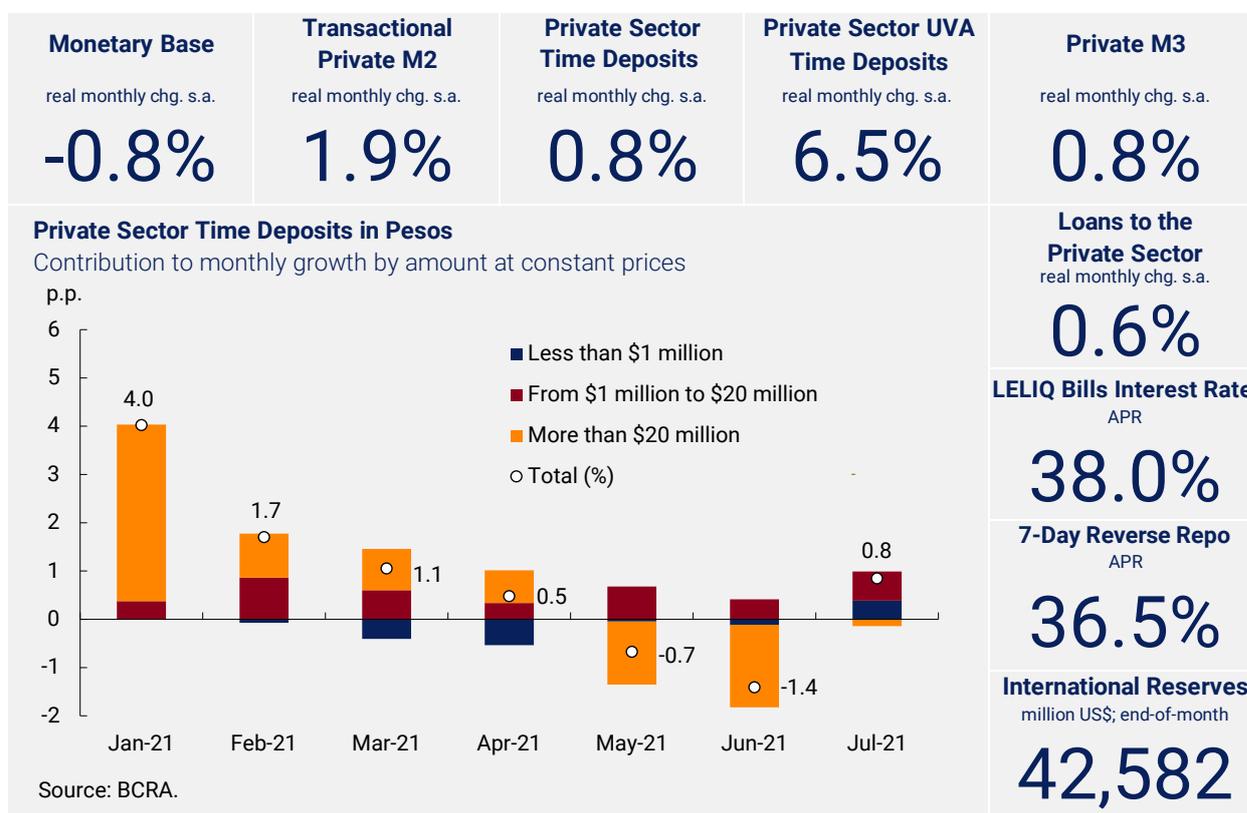
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### **About inclusive language in the Spanish version of this report**

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

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

## 1. Executive Summary



In real and seasonally-adjusted terms, means of payment (transactional private M2) posted a new rise in July. The payment of the complement of the universal child allowance (AUH, in Spanish)—for beneficiaries who had not collected it in June—, domestic tourism during winter holidays, and the payment of the semi-annual complementary wage (with an impact between end of June and beginning of July) had an impact on means of payment in July.

Private sector time deposits in pesos increased once again at constant prices, thus bringing a two-month period of contractions to a close. Wholesale time deposits got stabilized at constant prices, and deposits not exceeding \$20 million kept a growth rate similar to that of previous months. UVA deposits moderated their expansion pace, in a context in which the rate spread between UVA deposits and deposits denominated in pesos was reduced, given the inflation reduction estimated for the months to come. The broad monetary aggregate (private M3) at constant prices expanded by 0.8% s.a. in July, down around 9% y.o.y.

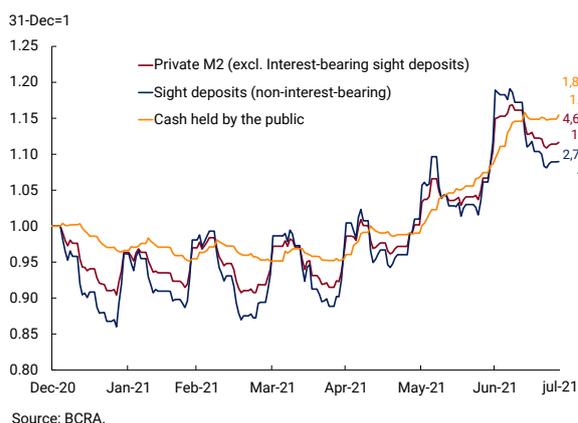
Loans in pesos to the non-financial private sector expanded at constant prices, bringing a ten-month period of contractions to a close. In this segment, business credit lines and, in particular, overdrafts stood out.

Regarding foreign currency, financial institutions' assets and liabilities did not exhibit any significant changes. In turn, the BCRA increased its international reserves for the eighth month in a row, with net purchases of foreign currency contributing the most positively.

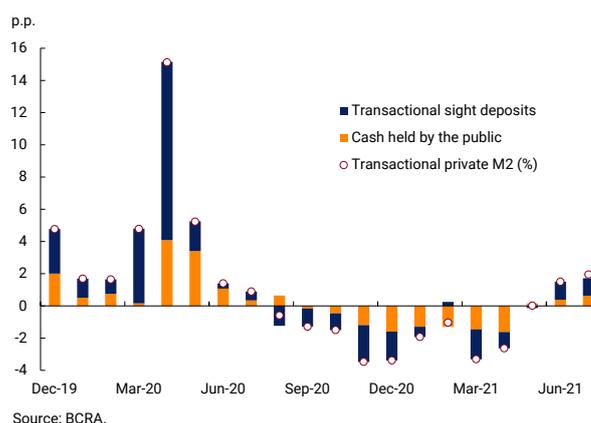
## 2. Means of Payment

In real<sup>1</sup> and seasonally-adjusted (s.a.) terms, means of payment (measured through transactional private M2<sup>2</sup>) posted a rise for the third month in a row (1.9%). As for its components, both non-interest-bearing sight deposits and cash held by the public contributed positively to July's expansion (see Charts 2.1 and 2.2). Transactional private M2 in terms of GDP has stood at about 10% since March, down 1.4 p.p. against the average ratio for the 2010-2019 period, and down 4.2 p.p. vis-à-vis the maximum reached in June 2020.

**Chart 2.1 | Transactional Private M2 and Components**  
Index at current prices



**Chart 2.2 | Transactional Private M2**  
Contribution to s.a. monthly growth at constant prices by component



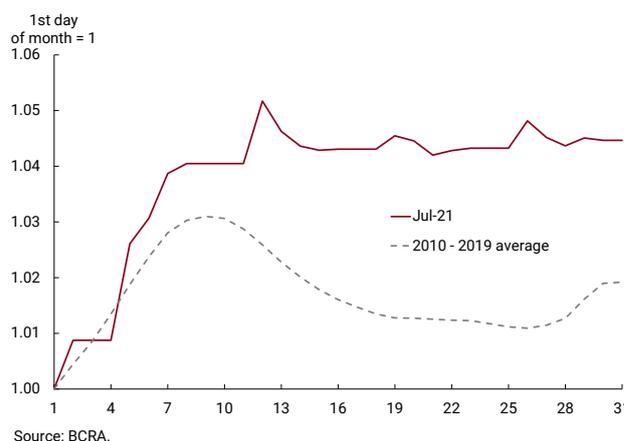
After an initial increase, cash held by the public remained virtually stable in nominal terms over July. This way, it exhibited a different intra-month seasonal performance for the second month, since it did not post the usual fall on the second and third weeks (see Chart 2.3). The greater availability of funds by the most vulnerable sectors of the population contributed to this performance, on account of their preference for cash. Indeed, between July 8 and 22, the Argentine Social Security Administration (ANSES, in Spanish) continued paying a 20% complement of the universal child allowance (AUH, in Spanish) that is usually paid in December<sup>3</sup>, but to a lower number of beneficiaries since most of them had already collected the complement in June (see Chart 2.4). Also, on the third week of July, the winter holidays recess started and tourism was mostly channeled to local tourist destinations in the presence of the worldwide health situation. In seasonally-adjusted terms, cash in circulation rose by 1.8% at constant prices in July, accumulating a 10% fall in real terms. In turn, transactional sight deposits exhibited a monthly increase of 2.1% s.a. at constant prices, comparable to the rise observed in June.

<sup>1</sup> The National Institute of Statistics and Censuses (INDEC) will publish July's inflation data on August 12.

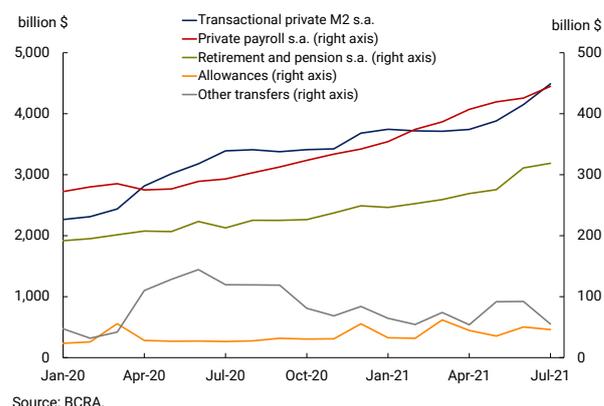
<sup>2</sup> Private M2 excluding interest-bearing sight deposits held by companies and financial service providers because they are more similar to a savings instrument than to a means of payment.

<sup>3</sup> Every year, ANSES withholds 20% of AUH to be paid by the end of the year to beneficiaries who have proved and complied with their children's enrolment to school and vaccination schedule. This year, the AUH amounts to \$7,083.4 per child.

**Chart 2.3 | Cash Held by the Public**  
At current prices



**Chart 2.4 | Transactional Private M2 and Household Income**  
At current prices



### 3. Savings Instruments in Pesos

Private sector time deposits in pesos<sup>4</sup> increased at constant prices, thus bringing a two-month period of falls to a close. This performance was associated to greater dynamism of wholesale deposits (over \$20 million) in the second half of July, which got them to be stabilized at constant prices (see Chart 3.1). As for depositors, the nominal growth took place in the two main actors of the wholesale segment: financial service providers and companies. Regarding financial service providers, the equity of money market funds increased. This rise translated into funds channeled, in part, to time deposits and also to interest-bearing sight deposits. Companies, in turn, improved their holdings as well—at a slower pace than financial service providers—after the period of greater wage expenses related to the payment of the semi-annual complementary wage and taxes (see Chart 3.2).

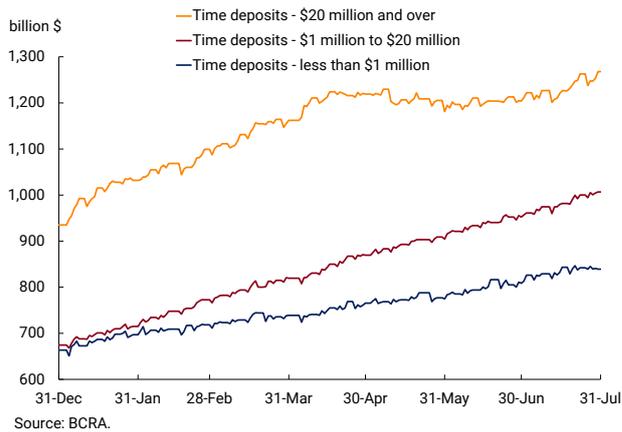
In terms of instruments, traditional deposits in the wholesale segment grew, whereas early-payment investments remained virtually unchanged. It is worth noting that private banks' TM20 remained fairly stable in July (33.9% APR and 39.7% EAR), up around 8 p.p. against the interest rate paid on legal persons' early-payment investments.

Deposits not exceeding \$20 million went on exhibiting a similar trend to previous months. Namely, deposits between \$1 and \$20 million followed an upward trend at constant prices, driven by natural persons' deposits. In turn, deposits not exceeding \$1 million continued posting a relatively stable figure in real terms (see Chart 3.1). It is worth noting that the \$750,000 to \$1 million segment is the most dynamic, many of these deposits fitting into the \$1 to \$20 million segment after interest is capitalized. The interest rate on natural persons' time deposits not exceeding \$1 million stood at 36.3% APR, on average (43.0% EAR)<sup>5</sup>.

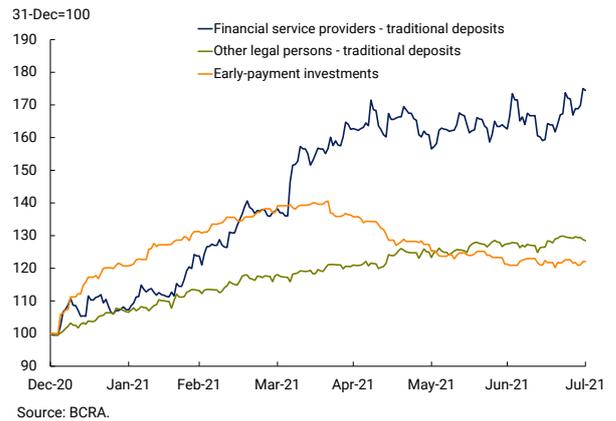
<sup>4</sup> They include time deposits in pesos as well as traditional and early-payment UVA deposits.

<sup>5</sup> It is worth mentioning that the average interest rate shown is slightly below the minimum interest rate. The reason for this is that the former involves deposits made by each holder in the same financial institution when all of them are in excess of \$1 million. On the other hand, the minimum interest rate covers deposits made by each holder in the same financial institution when all of them do not exceed such amount.

**Chart 3.1 | Private Sector Time Deposits in Pesos**  
Daily stock at constant prices grouped by amount



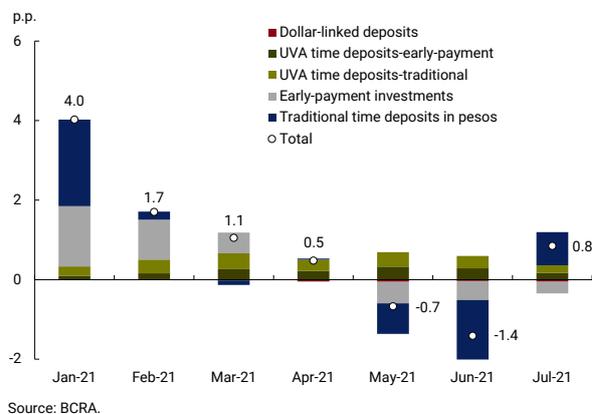
**Chart 3.2 | Time Deposits over \$20 Million by Type of Holder**



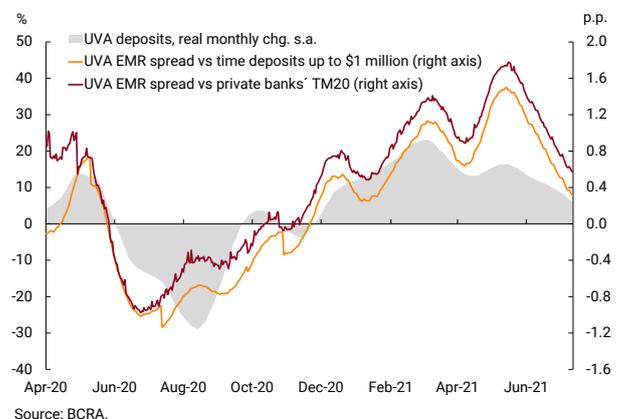
**UVA deposits went on contributing to the expansion of time deposits, though at a slower pace than in previous months** (see Chart 3.3). Indeed, they recorded a 6.5% s.a. rise in real terms in July, down almost 10 p.p. against the average expansion of the first half of the year. The monthly rise was driven both by traditional UVA deposits and by early-payment deposits, with monthly expansion rates at constant prices of 5.2% and 9.1%, respectively. **UVA deposits moderated their expansion pace, in a context in which the rate spread between UVA deposits and deposits denominated in pesos was reduced, given the inflation reduction estimated for the months to come** (see Chart 3.4).

**The broad monetary aggregate (private M3)<sup>6</sup> at constant prices expanded by 0.8% s.a. in July, accumulating around 9% over the last 12 months.** In terms of GDP, it stood at 18.4%, which is comparable to the average recorded between 2010 and 2019.

**Chart 3.3 | Private Sector Time Deposits**  
Contribution to real monthly change by type of deposit



**Chart 3.4 | UVA Deposits and Interest Rate Spread**

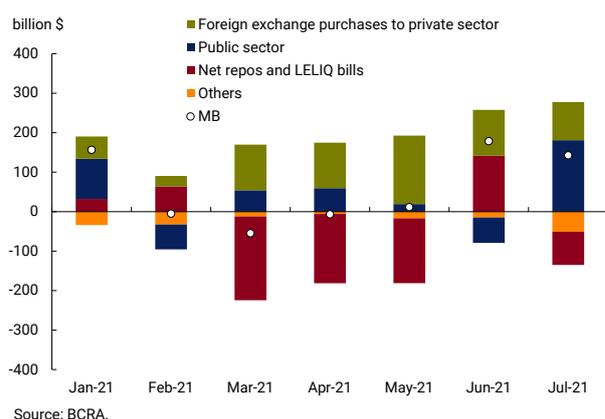


<sup>6</sup> It includes cash held by the public and deposits in pesos from the non-financial private sector (sight deposits, time deposits and others).

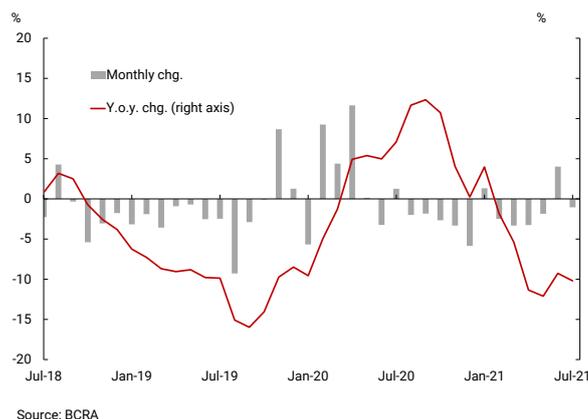
## 4. Monetary Base

In June, the monetary base stood at \$2,848 billion, evidencing an average monthly growth of 5.3% in nominal terms (\$142.69 billion). As for supply, the monthly expansion was associated with public sector transactions, mainly with fund transfers to the National Treasury and the net purchase of foreign currency to the private sector. Part of liquidity expansion was sterilized through reverse repos with the BCRA (see Chart 4.1). As for monetary base demand, July's positive seasonality is mainly related to the demand for cash held by the public. Indeed, in seasonally-adjusted terms, the monthly contraction was 0.8% at constant prices, with an accrued fall of nearly 20% y.o.y. (see Chart 4.2).

**Chart 4.1 | Monetary Base and Explanatory Factors** Average monthly change



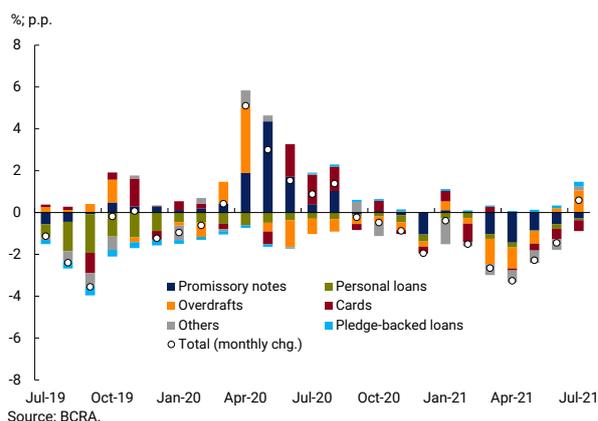
**Chart 4.2 | Monetary Base, Seasonally-Adjusted** Average monthly change; constant prices



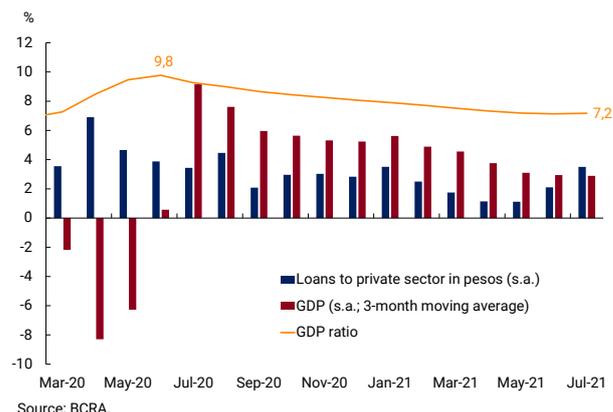
## 5. Loans to the Private Sector in Pesos

In July, loans in pesos to the private sector grew by 0.6% s.a. in real terms, thus bringing a ten-month period of contractions to a close. Among different credit lines, overdrafts and, to a lesser extent, pledge-backed loans contributed positively to monthly change, being partially offset by the dynamics of financing to consumption (see Chart 5.1). In July, loans in pesos to the private sector in terms of GDP stood at 7.2% (see Chart 5.2).

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



**Chart 5.2 | Loans to Private Sector in Pesos as % of GDP**



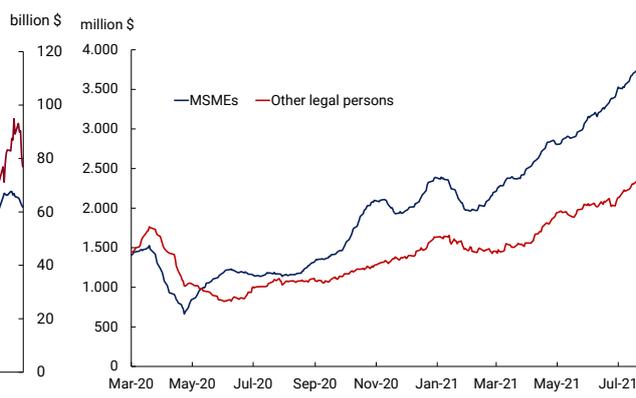
**Business credit lines recorded a rise at constant prices, after several months of successive falls. The improvement was mainly boosted by shorter-term credit lines, which grew at constant prices.** Indeed, overdrafts posted a growth of 11.7% s.a. in real terms, driven by financing to big companies. Companies improved their credit levels through this line and, at the end of July, their nominal stock was comparable to the stock observed before the fall that took place last March (see Chart 5.3). Likewise, discounted notes grew by 5.0% s.a. at constant prices in July. The growth of discounted notes is associated with the “Credit line for productive investment” (LFIP, in Spanish), since most disbursements were channeled to micro, small, and medium-sized enterprises (MSMEs) and at LFIP-related rates (see Chart 5.4). It is worth mentioning that the LFIP comprises a credit line to finance investment projects at a maximum 30% APR, and a line channeled to working capital at a maximum 35% APR.

**Chart 5.3 | Overdrafts to Private Sector in Pesos**  
Estimated stock by type of debtor



Source: BCRA.

**Chart 5.4 | Amounts Granted on Discounted Notes**  
20-day rolling average



Source: BCRA.

**Within the framework of the LFIP, loans granted totaled \$97.90 billion in July, and total accumulated disbursements reached about \$790.31 billion from its implementation.** As far as the end use of these funds is concerned, around 84% of total disbursements was channeled to finance working capital, and the rest to investment projects (see Chart 5.5). At the time of this publication, the LFIP credit lines had been granted to around 157,300 companies. In July, the BCRA extended the “Financing of investments projects” to all companies, regardless their size, that make investments to increase their pork and poultry production. These sectors have the potential to increase their production and contribute to the diversification of meat consumption and rise in net exports<sup>7</sup>.

With respect to consumption loans, financing on credit cards exhibited a monthly contraction of 1.6% s.a. in real terms, with an accrued fall of 1.9% over the last twelve months. In turn, personal loans decreased by 0.5% s.a. at constant prices, thus the falling pace was reduced by half vis-à-vis June. After the considerable drop that took place at the end of June<sup>8</sup>, the interest rate on personal loans increased gradually in the first half of July until it returned to figures similar to those observed in mid-June. Indeed, this rate increased 1.1 p.p. on average and stood at 53.8% in July.

**It should be noted that the National Government decided to extend the *Ahora 12 Plan* until January 31, 2022, with the inclusion of some changes to encourage consumption.** One change is the possibility of

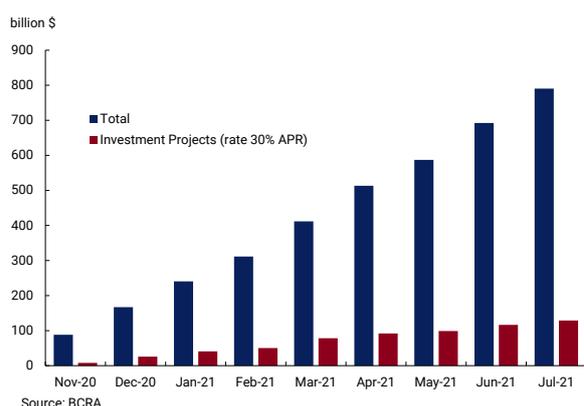
<sup>7</sup> See “Regulatory Overview” (“A” 7329).

<sup>8</sup> The fall of the interest rate on personal loans by the end of June is associated with a special credit line launched by a financial institution.

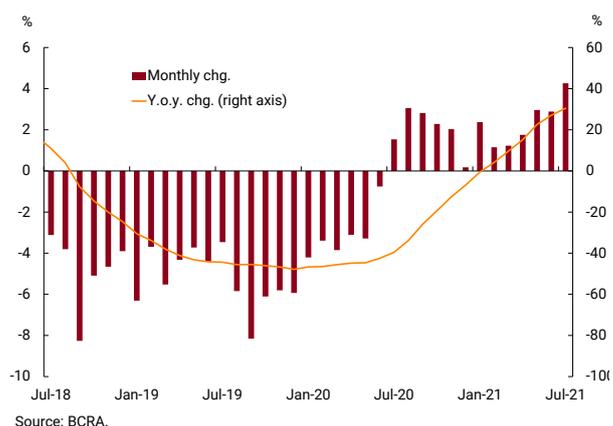
making purchases in 24 and 30 fixed monthly installments with credit cards. The 30-installment term only applies to white goods such as fridges and washing machines, whereas the 24-installment term also includes small electrical appliances, PCs, notebooks and tablets. It is worth mentioning that only domestic goods are considered<sup>9</sup>.

Regarding loans with real property collateral, pledge-backed loans posted—in July—an average monthly rise of 4.3% in real and seasonally-adjusted terms, with an accrued growth of 30.5% over the last twelve months (see Chart 5.6). In turn, the stock of mortgage-backed loans recorded a 0.9% fall in real and seasonally-adjusted terms, down 26.9% against July 2020.

**Chart 5.5 | Credit Lines for Productive Investment** Accrued disbursed amounts as to end-of-month



**Chart 5.6 | Pledge-Backed Loans, Seasonally-Adjusted** Change at constant prices



## 6. Financial Institutions' Liquidity in Pesos

**Broad liquidity in domestic currency<sup>10</sup> remained at historically high levels. In July, liquidity grew by 1.1 p.p. and averaged 65.8% of deposits (see Chart 6.1),** in a context in which deposits are improving at a faster pace than loans to the private sector. As regards bank liquidity components, the share of sovereign bonds allocated to meet minimum cash requirements increased from 0.8% of deposits in June to 2.1% in July, with a drop of LELIQ bills used for the same purpose. It should be noted that, as from June, financial institutions may choose to allocate the share of minimum reserve requirements complied with LELIQ bills so far in national sovereign bonds in pesos (excluding dollar-linked sovereign bonds) with a minimum term of 180 days<sup>11</sup>. Also, repo transactions recorded a rise, and current accounts at the BCRA, a fall. In turn, cash in banks posted a monthly average of 2.8% of deposits.

Among the regulatory changes with potential impact on bank liquidity, as from July, the BCRA established that financial institutions' obligations with shops for sales on credit or prepaid cards are excluded from the minimum cash requirement<sup>12</sup>. In addition, effective as from September, it set a rise from 6% to 8% of deposits in the amount financed under the *Ahora 12 Plan* to be deducted from minimum cash requirements<sup>13</sup>.

9 Resolution No. 753/2021 of the Ministry of Productive Development. Office of the Secretary of Domestic Trade.

<https://www.argentina.gob.ar/normativa/nacional/resoluci%C3%B3n-753-2021-352524/texto>

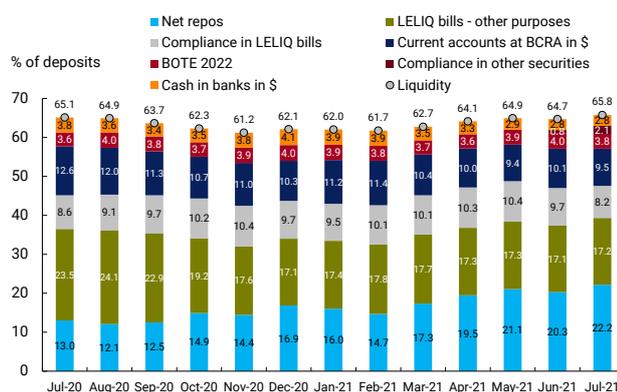
10 It includes current accounts with the BCRA, cash holdings in banks, arranged repo stocks with the BCRA, holdings of LELIQ bills, and holdings of bonds admitted to comply with the minimum reserve requirements.

11 See "Regulatory Overview" ("A" 7290).

12 See "Regulatory Overview" ("A" 7318).

13 See "Regulatory Overview" ("A" 7334).

**Chart 6.1 | Financial Institutions' Liquidity in Pesos**



Source: BCRA.

## 7. Foreign Currency

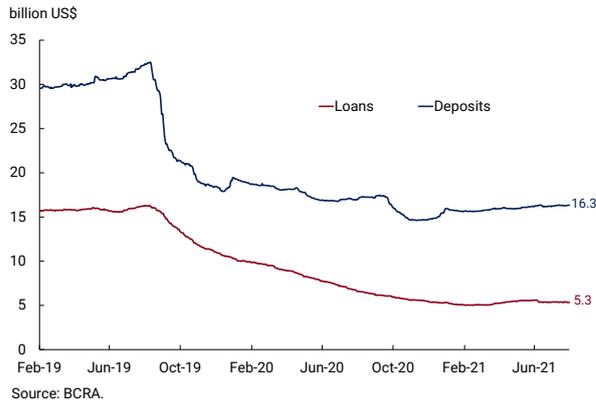
**Deposits and loans in foreign currency to the private sector remained virtually stable.** The average monthly stock of private sector time deposits stood at US\$16.29 billion, exhibiting a slight rise vis-à-vis June (US\$51 million). In turn, credit to the private sector decreased by US\$43 million over the month, and the stock averaged US\$5.37 billion in July (see Chart 7.1).

In this context, bank liquidity in foreign currency stood at fairly high levels and averaged 76.1% of deposits, up 0.3 p.p. against June. The rise of liquidity was driven by the evolution of current accounts at the BCRA, which was in part offset by a fall of cash in banks (see Chart 7.2).

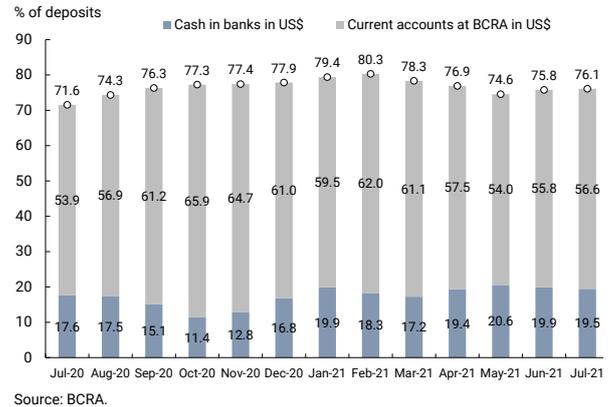
As regards regulatory changes, in order to have access to the forex market with no prior consent of the BCRA, financial institutions must submit the client's affidavit stating that no sales of securities settled in foreign currency have been or will be carried out in Argentina in the previous or subsequent 90 days, nor their transfers to foreign depositories. As from July 12, transfers of securities for other foreign assets are included. If the client is a legal person, controlled and parent entities will be considered the same unit. To that effect, and for the transaction not to be subject to the requirement of prior consent, the financial institution must also have an affidavit stating in detail the natural or legal persons with a direct control relationship over the client<sup>14</sup>.

14 See "Regulatory Overview" ("A" 7327).

**Chart 7.1 | Stock of Deposits and Loans in Dollars**



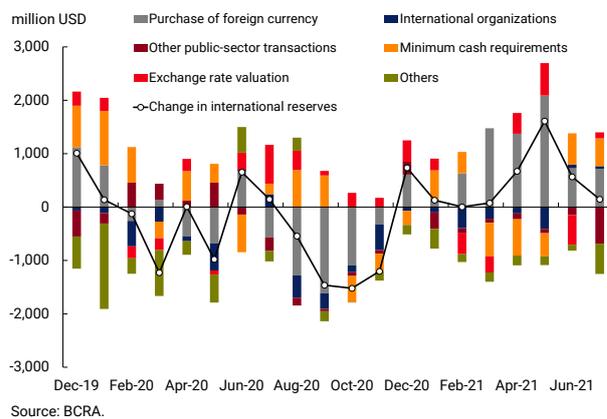
**Chart 7.2 | Financial Institutions' Liquidity in Dollars**



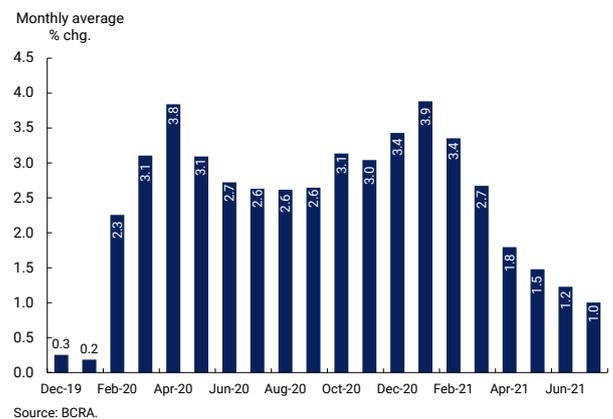
**BCRA's international reserves increased for the eighth month in a row, accumulating a rise of US\$145 million, and reaching a stock of US\$42.58 billion at the end of July.** The net purchase of foreign currency to the private sector largely explained the expansion once again, followed by financial institutions' stocks of minimum cash requirements. In turn, public sector transactions contributed negatively to growth but in part offset the rise (see Chart 7.3).

**In July, the bilateral nominal exchange rate grew by 1.0%, down 0.2 p.p. vis-à-vis June, and stood at \$96.21/US\$ on average.** The moderate depreciation pace of domestic currency seeks to contribute towards the disinflation process (see Chart 7.4).

**Chart 7.3 | Change in International Reserves MoM**



**Chart 7.4 | Change in Nominal Exchange Rate**



## 8. Regulatory Overview

Date of issue	Regulation	Description
01-Jul-21	<a href="#">Comm. "A" 7318</a>	In order to supplement the agreement reached with financial institutions to <b>shorten to one business day</b> the term for shops to have the payments deposited in their accounts for <b>sales on debit cards, and to reduce from 1.5% to 0.8% the fee</b> charged on shops for such sales, the BCRA established that financial institutions' obligations with shops <b>are excluded from the definition of minimum cash requirement</b> .
01-Jul-21	<a href="#">Comm. "A" 7319</a>	This Communication sets forth the obligation to verify the identification of financial service users in order to authorize a pre-approved loan.
02-Jul-21	<a href="#">Comm. "A" 7320</a>	<b>With the aim of reducing electronic clearing costs and speeding up deposits, the BCRA decided to increase to \$120,000</b> (it used to be \$40,000) the amounts of checks that financial institutions may withhold and submit the online information to the clearing house <b>with no need to send the front and back images of checks</b> . This decision came into effect as from July 8.
08-Jul-21	<a href="#">Comm. "A" 7326</a>	In order to <b>prevent</b> possible fraud moves that involve account holders' <b>misappropriation of funds</b> , financial institutions must <b>inform</b> their clients about instant debits (DEBINs, in Spanish) received, highlighting that funds would be withdrawn from their accounts.
10-Jul-21	<a href="#">Comm. "A" 7327</a>	<b>In order to have access to the forex market with no prior consent of the BCRA, financial institutions must submit the client's affidavit</b> stating that no sales of securities settled in foreign currency have been or will be carried out in Argentina in the previous or subsequent 90 days, nor their transfers to foreign depositories. <b>As from July 12, transfers of securities for other foreign assets are included. If the client is a legal person, controlled and parent entities will be considered the same unit.</b>
12-Jul-21	<a href="#">Comm. "A" 7328</a>	To supplement Communication "A" 7319, the BCRA established certain <b>preventive measures to be taken by payment service providers that offer payment accounts and by financial institutions</b> that offer the <b>"electronic wallet"</b> , service with the aim of <b>preventing fraud</b> in relation to transactions that financial institutions conduct through their <b>digital channels</b> .
15-Jul-21	<a href="#">Comm. "A" 7329</a>	The BCRA extended <b>financing within the "Credit Line for MSMEs' Productive Investment"</b> for investments aimed at increasing <b>pork and/or poultry production</b> .
15-Jul-21	<a href="#">Comm. "A" 7330</a>	The application of paragraph 9.3 of the regulations on "Lending to the non-financial public sector" has been extended <b>until January 31, 2022</b> . It sets forth that <b>lending to the non-financial public sector</b> channeled to the payment of wages, provided it complies with the requirements set forth in this regulation, <b>is excluded</b> for calculating basic individual and global caps on diversification of credit risk.
29-Jul-21	<a href="#">Comm. "A" 7334</a>	Effective as from September, <b>the BCRA set a rise from 6% to 8% of deposits in the amount financed under the <i>Ahora 12 Plan</i></b> to be deducted from minimum cash requirements.

## 9. Monetary and Financial Indicators

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

Main monetary variables associated with BCRA	Monthly average					Average percentage changes as to Jul-21						% of GDP	
	Jul-21	Jun-21	May-21	Apr-21	Mar-21	Monthly		Accrued in 2021		Year-on-year		Jul-21	Dec-20
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
<b>Monetary base</b>	<b>2,847,839</b>	<b>2,705,144</b>	<b>2,526,536</b>	<b>2,425,025</b>	<b>2,303,560</b>	5.3%	-0.8%	17.4%	-6.4%	23.6%	-20.3%	<b>6.6%</b>	<b>7.1%</b>
Currency in circulation	2,090,837	1,935,536	1,831,076	1,792,980	1,635,051	8.0%	1.3%	16.6%	-11.7%	27.9%	-17.5%	<b>4.7%</b>	<b>5.4%</b>
Cash Held by the Public	1,871,727	1,720,633	1,617,027	1,542,670	1,430,685	8.8%	1.8%	21.3%	-10.0%	30.8%	-15.6%	<b>4.2%</b>	<b>4.7%</b>
Cash in financial institutions	219,104	214,940	214,049	250,309	204,367	1.9%	-1.9%	-12.5%	-23.5%	7.2%	-30.8%	<b>0.5%</b>	<b>0.7%</b>
Current accounts at BCRA	757,002	769,609	695,459	632,045	668,508	-1.6%	-2.7%	19.8%	-4.1%	13.2%	-27.0%	<b>1.7%</b>	<b>1.8%</b>
<b>BCRA's remunerated liabilities (NV \$)</b>	<b>3,772,223</b>	<b>3,578,818</b>	<b>3,609,319</b>	<b>2,693,887</b>	<b>2,395,804</b>	5.4%	2.4%	40.0%	7.4%	57.5%	1.6%	<b>8.7%</b>	<b>6.2%</b>
Reverse repos	1,758,624	1,543,864	1,560,224	1,040,558	687,403	13.9%	10.7%	69.0%	29.6%	155.8%	65.0%	<b>4.1%</b>	<b>2.4%</b>
1 day	54,139	57,424	71,818	262,283	687,403	-5.7%	-8.4%	-79.4%	-84.2%	-92.1%	-94.9%	<b>0.1%</b>	<b>0.6%</b>
7 days	1,704,485	1,486,440	1,488,406	778,276	0	14.7%	11.4%	119.0%	68.0%	-	-	<b>3.9%</b>	<b>1.8%</b>
Stock of LELIQ bills	2,013,599	2,034,954	2,049,095	1,653,328	1,708,401	-1.0%	-3.8%	21.8%	-6.6%	17.9%	-24.0%	<b>4.6%</b>	<b>3.8%</b>
<b>BCRA's international reserves in dollars</b>	<b>42,835</b>	<b>42,421</b>	<b>41,107</b>	<b>38,898</b>	<b>43,313</b>	1.0%	-	10.1%	-	-1.1%	-	<b>9.5%</b>	<b>9.7%</b>

Monthly average explanatory factors	Monthly		Quarterly		Accrued in 2021		Year-on-year	
	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution
<b>Monetary base</b>	<b>142,695</b>	<b>5.3%</b>	<b>332,708</b>	<b>13.2%</b>	<b>422,814</b>	<b>17.4%</b>	<b>544,279</b>	<b>23.6%</b>
Foreign exchange purchases to private sector and others	96,721	3.6%	385,900	15.3%	699,212	28.8%	369,479	16.0%
Foreign exchange purchase to the NT	-40,548	-1.5%	-108,515	-4.3%	-194,395	-8.0%	-333,368	-14.5%
Temporary advances and profit transfers to National Government	183,158	6.8%	289,145	11.5%	512,732	21.1%	1,093,831	47.5%
Other public-sector transactions	38,276	1.4%	-44,863	-1.8%	-29,797	-1.2%	-26,227	-1.1%
Repos and LELIQ bills	-84,024	-3.1%	-106,205	-4.2%	-397,667	-16.4%	-337,806	-14.7%
Others	-50,888	-1.9%	-82,754	-3.3%	-167,271	-6.9%	-221,628	-9.6%
<b>International reserves</b>	<b>414</b>	<b>1.0%</b>	<b>2,830</b>	<b>7.1%</b>	<b>3,937</b>	<b>10.1%</b>	<b>-478</b>	<b>-1.1%</b>
Purchases of foreign currency	1,010	2.4%	4,089	10.2%	7,590	19.5%	3,195	7.4%
International organizations	143	0.3%	-355	-0.9%	-1,163	-3.0%	-2,566	-5.9%
Other public-sector transactions	-334	-0.8%	-558	-1.4%	-808	-2.1%	-1,249	-2.9%
Minimum cash requirements	161	0.4%	29	0.1%	-168	-0.4%	310	0.7%
Others (incl. forex valuation)	-566	-1.3%	-375	-0.9%	-1,515	-3.9%	-168	-0.4%

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

Minimum Cash Requirement and Compliance	Jul-21	Jun-21	May-21
<b>Domestic Currency</b>	% of total deposits in pesos		
Requirement	23,5	24,0	23,3
Compliance in current account	9,5	10,1	9,4
Compliance in Leliq	21,7	22,8	23,5
Compliance in BOTE 2022	3,8	4,0	3,9
Compliance in Other Facilities	2,1	0,8	0,0
<b>Foreign Currency</b>	% of total deposits in foreign currency		
Requirement	24,0	24,0	24,0
Compliance (includes default application resource)	56,6	55,9	54,0
Position <sup>(1)</sup>	32,6	31,9	30,0

(1) Position = Compliance - Requirement

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

Main monetary variables associated with BCRA	Monthly average					Average percentage changes as to Jul-21						% of GDP <sup>4</sup>	
	Jul-21	Jun-21	May-21	Apr-21	Mar-21	Monthly		Accrued in 2021		Year-on-year		Jul-21	Dec-20
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
<b>Domestic currency</b>													
<b>Total deposits from the non-financial sector in pesos<sup>1</sup></b>	<b>7,933,656</b>	<b>7,614,398</b>	<b>7,401,673</b>	<b>6,159,679</b>	<b>5,319,075</b>	4.2%	0.2%	28.8%	0.4%	49.2%	-3.8%	<b>18.0%</b>	<b>18.0%</b>
Private sector deposits	6,303,317	5,980,413	5,750,814	4,875,992	4,330,041	5.4%	1.6%	29.3%	0.8%	45.6%	-6.1%	<b>14.4%</b>	<b>14.4%</b>
<b>Private Sector Sight Deposits</b>	<b>3,130,978</b>	<b>2,921,010</b>	<b>2,760,740</b>	<b>2,568,059</b>	<b>2,331,490</b>	7.2%	2.0%	21.9%	-3.1%	34.3%	-13.4%	<b>7.1%</b>	<b>7.4%</b>
Non-interest bearing (transactional)	2,617,369	2,429,097	2,264,145	2,137,851	1,959,955	7.8%	2.1%	22.4%	-1.9%	33.5%	-13.9%	<b>5.9%</b>	<b>6.1%</b>
Interest-bearing	513,610	491,913	496,595	430,208	371,535	4.4%	1.5%	19.4%	-8.4%	38.2%	-10.8%	<b>1.2%</b>	<b>1.3%</b>
<b>Private Sector Time Deposits</b>	<b>3,172,338</b>	<b>3,059,404</b>	<b>2,990,074</b>	<b>2,307,933</b>	<b>1,998,550</b>	3.7%	0.8%	37.5%	5.4%	58.7%	2.4%	<b>7.3%</b>	<b>7.0%</b>
Time Deposits	3,048,193	2,937,371	2,875,648	2,203,621	1,899,425	3.8%	0.8%	38.3%	6.1%	60.5%	3.5%	<b>7.0%</b>	<b>6.7%</b>
CER / UVA non-adjustable	2,868,452	2,773,294	2,734,443	2,150,548	1,835,260	3.4%	0.5%	33.4%	2.3%	56.3%	0.8%	<b>6.6%</b>	<b>6.5%</b>
CER / UVA-adjustable	179,741	164,076	141,205	53,073	64,165	9.5%	6.5%	238.7%	159.7%	180.1%	80.7%	<b>0.4%</b>	<b>0.2%</b>
Traditional	118,744	109,734	96,973	41,600	43,325	8.2%	5.2%	185.4%	118.9%	174.1%	76.8%	<b>0.3%</b>	<b>0.1%</b>
Early-payment	60,997	54,343	44,232	11,473	20,840	12.2%	9.1%	431.7%	307.7%	192.7%	88.8%	<b>0.1%</b>	<b>0.0%</b>
Other deposits	124,146	122,033	114,426	104,312	99,126	1.7%	-1.1%	19.0%	-8.7%	25.2%	-19.2%	<b>0.3%</b>	<b>0.3%</b>
Public sector deposits <sup>2</sup>	1,531,880	1,563,658	1,581,336	1,191,189	924,020	-2.0%	-4.8%	28.6%	-1.4%	65.8%	6.9%	<b>3.5%</b>	<b>3.6%</b>
<b>Monetary Aggregates</b>													
Total M2	5,531,538	5,223,253	5,046,648	4,629,733	4,113,990	5.9%	-0.9%	19.5%	-6.5%	34.5%	-13.3%	<b>12.5%</b>	<b>13.5%</b>
Total M3	9,805,389	9,334,994	9,018,700	7,702,350	6,749,759	5.0%	-0.2%	27.3%	-1.7%	45.3%	-6.3%	<b>22.3%</b>	<b>22.9%</b>
<b>Private sector monetary aggregates</b>													
Private M2	5,002,711	4,641,606	4,377,768	4,110,729	3,762,175	7.8%	1.5%	21.7%	-6.3%	33.0%	-14.2%	<b>11.3%</b>	<b>12.1%</b>
Transactional private M2 <sup>3</sup>	4,489,102	4,149,693	3,881,172	3,680,522	3,390,639	8.2%	1.9%	22.0%	-5.4%	32.4%	-14.6%	<b>10.1%</b>	<b>10.7%</b>
Private M3	8,175,050	7,701,009	7,367,842	6,418,662	5,760,725	6.2%	0.8%	27.4%	-3.7%	41.9%	-8.5%	<b>18.4%</b>	<b>19.2%</b>
<b>Total loans to the non-financial sector in pesos</b>	<b>3,130,312</b>	<b>3,037,495</b>	<b>2,977,257</b>	<b>2,752,666</b>	<b>2,307,467</b>	3.1%	0.7%	13.7%	-10.7%	35.7%	-12.5%	<b>7.3%</b>	<b>8.2%</b>
<b>Loans to the non-financial private sector</b>	<b>3,082,215</b>	<b>2,993,322</b>	<b>2,932,272</b>	<b>2,705,782</b>	<b>2,270,488</b>	3.0%	0.6%	13.9%	-10.5%	35.8%	-12.4%	<b>7.2%</b>	<b>8.1%</b>
Overdrafts	314,847	273,544	260,683	279,574	276,799	15.1%	11.7%	12.6%	-13.3%	13.7%	-26.6%	<b>0.7%</b>	<b>0.8%</b>
Promissory notes	687,623	670,260	656,424	644,480	531,186	2.6%	-1.3%	6.7%	-16.1%	29.5%	-16.5%	<b>1.6%</b>	<b>1.9%</b>
Mortgage-backed loans	239,961	235,298	231,768	214,677	211,559	2.0%	-0.9%	11.8%	-14.7%	13.4%	-26.8%	<b>0.6%</b>	<b>0.7%</b>
Pledge-backed loans	154,223	142,972	133,930	102,712	76,276	7.9%	4.3%	50.2%	17.8%	102.2%	30.4%	<b>0.4%</b>	<b>0.3%</b>
Personal loans	529,441	520,786	511,303	443,146	399,848	1.7%	-0.5%	19.5%	-7.9%	32.4%	-14.6%	<b>1.2%</b>	<b>1.3%</b>
Credit cards	957,731	953,659	945,445	847,182	629,802	0.4%	-1.6%	13.0%	-4.7%	52.1%	-1.9%	<b>2.3%</b>	<b>2.4%</b>
Others	198,390	196,802	192,720	174,010	145,018	0.8%	-2.2%	14.0%	-16.4%	36.8%	-11.8%	<b>0.4%</b>	<b>0.5%</b>
<b>Loans to the non-financial public sector</b>	<b>48,096</b>	<b>44,174</b>	<b>44,985</b>	<b>46,884</b>	<b>36,980</b>	8.9%	5.8%	2.6%	-21.3%	30.1%	-16.1%	<b>0.1%</b>	<b>0.1%</b>
<b>Foreign currency</b>													
<b>Deposits from the non-financial sector in dollars<sup>1</sup></b>	<b>18,888</b>	<b>18,859</b>	<b>18,726</b>	<b>17,775</b>	<b>19,299</b>	0.2%	-	6.3%	-	-2.1%	-	<b>4.2%</b>	<b>4.5%</b>
Deposits from the non-financial private sector in dollars	16,293	16,240	16,084	15,112	16,997	0.3%	-	7.8%	-	-4.1%	-	<b>3.6%</b>	<b>3.8%</b>
sight deposits	11,949	11,917	11,763	10,829	12,131	0.3%	-	10.3%	-	-1.5%	-	<b>2.7%</b>	<b>2.7%</b>
time deposits and others	4,344	4,323	4,321	4,283	4,866	0.5%	-	1.4%	-	-10.7%	-	<b>1.0%</b>	<b>1.1%</b>
Deposits from the non-financial public sector in dollars	2,596	2,619	2,642	2,664	2,301	-0.9%	-	-2.6%	-	12.8%	-	<b>0.6%</b>	<b>0.7%</b>
<b>Loans to the non-financial sector in dollars</b>	<b>5,507</b>	<b>5,551</b>	<b>5,675</b>	<b>5,461</b>	<b>7,074</b>	-0.8%	-	0.8%	-	-22.2%	-	<b>1.2%</b>	<b>1.4%</b>
Loans to the non-financial private sector in dollars	5,372	5,416	5,540	5,337	6,946	-0.8%	-	0.7%	-	-22.7%	-	<b>1.2%</b>	<b>1.3%</b>
Promissory notes	3,829	3,836	3,953	3,556	4,708	-0.2%	-	7.7%	-	-18.7%	-	<b>0.9%</b>	<b>0.9%</b>
Credit cards	81	77	59	107	93	4.8%	-	-13.0%	-	-24.7%	-	<b>0.0%</b>	<b>0.0%</b>
Others	1,462	1,503	1,529	1,688	2,131	-2.7%	-	-13.4%	-	-31.4%	-	<b>0.3%</b>	<b>0.4%</b>
Loans to the non-financial public sector in dollars	135	135	135	124	128	0.0%	-	8.9%	-	5.5%	-	<b>0.0%</b>	<b>0.0%</b>

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

<sup>2</sup> Net of the use of unified funds.

<sup>3</sup> It excludes interest-bearing sight deposits from private M2.

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

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

Annual percentage rates (unless otherwise specified) and amounts in millions. Monthly average for rates weighted by amount.

Monetary policy interest rates	Jul-21	EAR Jun-21	Jun-21	May-21	Dec-20	Jul-20
<b>BCRA repo interest rates</b>						
Overnight reverse repo	32.00	37.69	32.00	32.00	32.00	19.00
7-day reverse repo	36.50	43.87	36.50	36.50	36.50	s/o
Overnight repo	42.70	53.23	42.70	42.70	42.70	81.80
<b>LELIQ bills interest rate</b>	38.00	45.44	38.00	38.00	38.00	38.00
Interbank market interest rates	Jul-21	EAR Jun-21	Jun-21	May-21	Dec-20	Jul-20
<b>Repo rates among third parties on overnight REPO round</b>	32.06	37.77	32.71	33.19	33.19	13.40
Volume of repos traded among third parties (daily average)	4,528	0	3,664	4,060	5,717	5,231
<b>Calls in pesos (overnight)</b>						
Interest rate	31.66	37.22	31.64	32.22	29.58	15.63
Traded volume	10,524	0	11,133	10,167	12,242	6,056
Borrowing interest rates	Jul-21	EAR Jun-21	Jun-21	May-21	Dec-20	Jul-20
<b>Sight deposits</b>						
Interest-bearing	29.97	34.45	29.89	30.05	26.60	13.89
<b>Time deposits</b>						
Less than \$1 million   Total (30-35 days) <sup>1</sup>	36.33	43.04	36.32	36.34	36.14	29.81
Total TM20 (more than \$20 million, 30-35 days)	33.29	38.87	33.29	33.17	33.36	28.16
Private banks' TM20 (more than \$20 million, 30-35 days)	33.89	39.69	33.87	33.87	34.20	29.36
Total BADLAR (more than \$1 million, 30-35 days)	33.37	38.99	33.39	33.25	33.30	28.24
Private banks' BADLAR (more than \$1 million, 30-35 days)	34.12	40.01	34.11	34.10	34.21	29.53
<b>Interest rate on UVA deposits' early-payment option</b>	30.50	35.15	30.50	30.50		
Lending interest rates	Jul-21	EAR Jun-21	Jun-21	May-21	Dec-20	Jul-20
<b>Loans to the non-financial private sector in pesos</b>						
Overdrafts	41.25	51.03	41.58	41.75	39.66	32.80
1 to 7 days—in accordance with companies—more than \$10 million	35.84	42.93	35.91	36.00	33.24	21.44
Unsecured promissory notes	36.22	42.89	35.70	35.58	35.13	30.85
Mortgage-backed loans	30.22	34.78	28.26	29.92	32.29	29.23
Pledge-backed loans	26.50	29.98	27.28	28.63	32.29	23.57
Personal loans	53.80	69.28	52.68	54.62	55.39	50.51
Credit cards	42.38	51.68	42.34	42.76	41.98	42.37
Interest rate in foreign currency	Jul-21	EAR Jun-21	Jun-21	May-21	Dec-20	Jul-20
<b>Time deposits in dollars (30 to 44 days)</b>	0.37	0.38	0.37	0.37	0.42	0.67
<b>Unsecured promissory notes in dollars</b>	3.50	3.56	3.40	3.16	5.35	7.58
Exchange rate	Jul-21	Monthly chg. (%)	Jun-21	May-21	Dec-20	Jul-20
<b>NER peso/dollar</b>						
Wholesale rate (Comm. "A" 3.500)	96.24	1.03	95.25	94.10	82.72	71.47
Retail rate <sup>2</sup>	98.49	1.03	97.48	96.47	85.07	72.86
<b>NER peso/dollar</b>	18.65	-1.53	18.94	17.80	16.00	13.57
<b>NER peso/euro</b>	113.74	-0.91	114.79	114.25	99.02	82.17
ITCNM	660.08	-0.43	662.92	648.31	571.44	474.07
ITCRM	114.33	-2.88	117.72	118.25	123.98	118.71

<sup>1</sup> The average interest rate shown is slightly below the minimum interest rate. The reason for this is that the former involves deposits determined by court and those made by each holder in the same financial institution when all of them are in excess of \$1 million. On the other hand, the minimum interest rate only covers deposits made by each holder in the same financial institution when all of them do not exceed such amount.

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

## Glossary

**ANSES:** Argentine Social Security Administration

**APR:** Annual Percentage Rate

**B.P.:** Basis Points

**BADLAR:** Interest rate on time deposits of \$1 million and over for 30-35 days.

**BCRA:** Central Bank of Argentina

**CC BCRA:** Current accounts at BCRA

**CER:** Reference Stabilization Coefficient

**CNV:** National Securities Commission

**CPI:** Consumer Price Index

**EAR:** Effective Annual Rate

**EM:** Minimum Cash Requirements

**FCI:** Mutual Funds

**GDP:** Gross Domestic Product

**IAMC:** Argentine Institute for Capital Markets

**IRR:** Internal Rate of Return

**ITCNM:** Multilateral Nominal Exchange Rate Index

**ITCRM:** Multilateral Real Exchange Rate Index

**LEBAC:** BCRA Bills

**LELIQ:** BCRA Liquidity Bills

**LFIP:** Credit Line for Productive Investment

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

**MERVAL:** Buenos Aires Stock Exchange Index

**MM:** Money Market

**MoM:** Month-on-Month

**MSMEs:** Micro, Small and Medium-Sized Enterprises

**NBFI:** Non-Bank Financial Institution

**NOCOM:** Cash Compensation Notes issued by BCRA

**ON:** Negotiable Obligation

**p.p.:** Percentage Points

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

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

**ROFEX:** Rosario Futures Exchange

**s.a.:** Seasonally-Adjusted

**SDR:** Special Drawing Right

**SISCEN:** BCRA Centralized Reporting Requirement System

**TCN:** Nominal Exchange Rate

**TM20:** Interest rate on time deposits of \$20 million and over for 30-35 days.

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

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

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

**UVA:** Units of Purchasing Power

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