

Monthly Monetary Report

April 2015



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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The closing date for statistics in this report was May 14, 2015. All figures are provisional and subject to review.

1. Summary¹

In April, the broadest monetary aggregate in pesos (M3) grew 1.1% accumulating a 29.6% growth over the last year. Over the month, the growth observed in loans granted to the private sector was the main expansion factor of monetary aggregates.

Private sector time deposits in pesos were the M3 component that grew the most, reaching a 5.5% growth over the month, and showing a 32.7% y.o.y. change. Both wholesale and retail time deposits showed significant increases, particularly transactions exceeding \$1 million (7.1%) which stood among the highest of the past few years. In the case of deposits under \$1 million, they continued following a firm upward trend (3.6%), favored by the BCRA minimum interest rate regime for natural persons and by the foreign exchange market stability.

The liquidity ratio corresponding to the domestic currency segment (cash in banks, current accounts with the Central Bank, net repos with the Central Bank and LEBAC holdings in terms of total deposits in pesos) remained at high levels, standing at 39.7%, 1 p.p. below March.

In April, loans in pesos to the private sector climbed 2% (\$11.70 billion), an amount similar to that observed in March and well above April last year. This led to a new acceleration in the y.o.y. change rate, which increased 2.8 p.p. to reach 24.3%. Even though all credit lines increased, the growth recorded over the month was mainly boosted by transactions arranged through promissory notes, personal loans and credit card financing. It should be mentioned that the last two lines are still favored by the maximum interest rates established by the Central Bank and by the “AHORA 12” program.

The Central Bank expanded the implementation of Credit Line for Productive Investment (CLPI) to promote financing focused on micro, small and medium-sized enterprises (MiPyMEs). Banks may channel a portion of credit lines into discounted documents for public works and into MiPyMEs’ invoices. In addition, banks may include, under certain conditions, exportation pre-financing to enterprises other than big exporting companies and new financing for imports of supplies or capital goods.

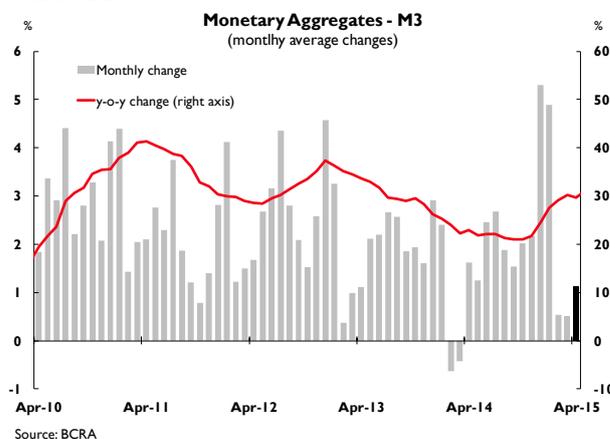
Deposit interest rates recorded slight drops, while lending rates in pesos exhibited a heterogeneous performance, in most cases, not exceeding 1.p.p. change. In turn, interest rate on companies' current account overdrafts for up to 7 days and surpassed \$10 million stood at 21% on average and decreased nearly 3 p.p. in the month.

International reserves increased US\$2.419 billion in April and stood at US\$33.909 billion at the end of the month. This increase was not only associated to foreign currency purchases by the Central Bank in the foreign exchange market but also to currency inflows due to a domestic public debt auction in foreign currency and to an increase of private sector’s foreign currency deposits.

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

2. Monetary aggregates¹

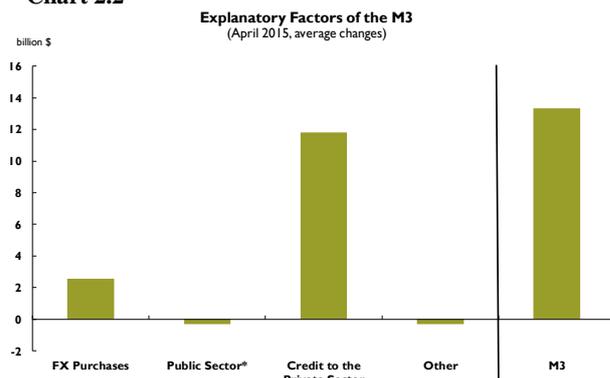
Chart 2.1



In April, the broadest monetary aggregate in pesos (M3²) grew 1.1%, accumulating a 29.6% growth over the last year (see Chart 2.1). Concerning its components, private sector term deposits and private sector means of payment (private M2) increased but were partially offset by a fall in public sector deposits. In terms of factors, M3 growth was mainly boosted by an increase of loans in pesos to the private sector, followed by BCRA foreign currency purchases, while public sector transactions had virtually a neutral effect (see Chart 2.2).

Total private sector deposits in pesos increased by 3.8% in April, which was evidenced both in sight deposits and in term deposits as well. The latter increased 5.5% and kept up considerable momentum over the last few months (see Chart 2.3). Both wholesale and retail time deposits showed significant increases, particularly transactions exceeding \$1 million (7.1%) which stood among the highest of the past few years. In the case of deposits under \$1 million, they continued following a steady trend (3.6%), favored by the BCRA minimum interest rate regime for natural persons, and by foreign exchange market stability. Consequently, private sector term deposits continued accelerating the y.o.y. growth rate to reach 32.7%.

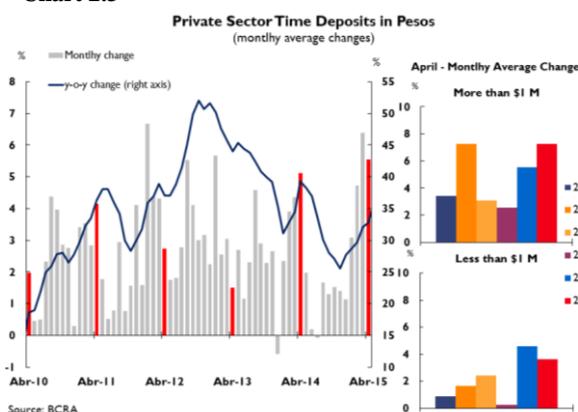
Chart 2.2



*Includes loans and other public sector operations with effect on the monetary base.
Fuente: BCRA

Deposits in foreign currency fell by 2.8% due to a decrease in deposits of public and private sectors. It is worth mentioning that a fall in private sector deposits was triggered by the pesification of energy-sector companies' sight deposits within the framework of their investment plans. Although the monthly average of foreign currency deposits fell, they increased between end March and end April. Likewise, private-sector foreign currency term deposits continued increasing (see Chart 2.4)³. In consequence, the broadest monetary aggregate (M3)⁴ grew 1% showing a 29.5% y.o.y. change.

Chart 2.3



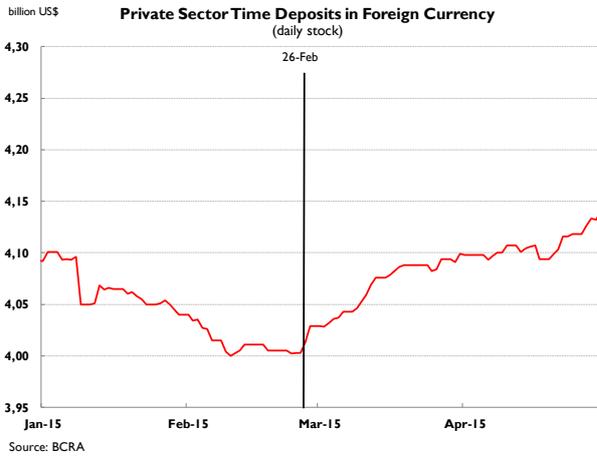
The monetary base showed a monthly growth of 1.1%, reaching a monthly average balance of \$458.015 billion. This rise was reflected on bank reserves (consisting of cash in vaults and financial institutions' current account balance with the Central Bank) and mainly in currency held by the public. The change in monetary base in y.o.y. terms remained pivoting around 29%.

² It includes cash held by the public and total deposits in pesos from the non-financial private and public sectors.

³ It should be noted that, when relaunching LEBACs in dollars, the spread between the interest rate paid to depositors and the interest rate on LEBACs underwritten by financial institutions was adjusted. See Communications A 5527 and A 5711.

⁴ It includes M3 and deposits in foreign currency of non-financial public and private sectors.

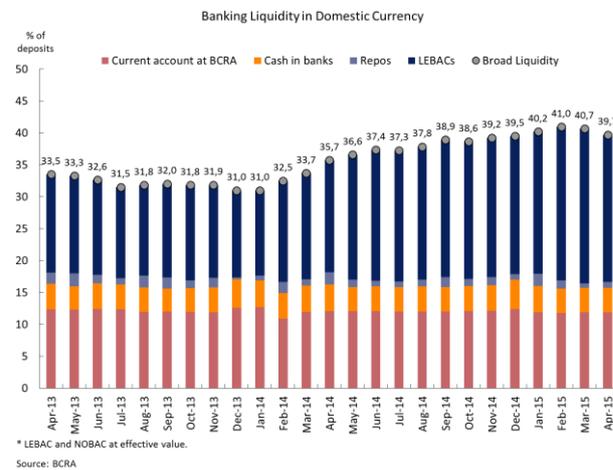
Chart 2.4



3. Financial Institutions' Liquidity¹

Financial institutions' liquidity in pesos (cash in banks, current accounts with the Central Bank, net repos with the Central Bank and LEBAC holdings) went down in April, but remains at high levels (39.7% in terms of deposits in pesos, see Chart 3.1). The drop represented 1% of deposits and was accounted for by public institutions' lower liquidity—due to a smaller share in LEBAC holdings as compared to deposits in pesos, while the liquidity ratio of private financial institutions increased in April against March. Nevertheless, the liquidity ratio of public financial institutions remains high, even higher than that of private financial institutions.

Chart 3.1



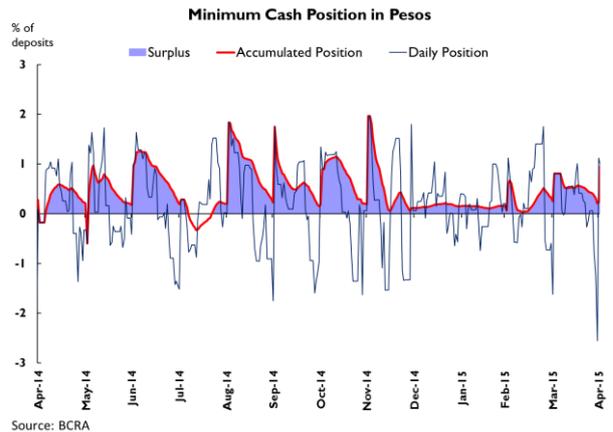
The average balance in the current account with the Central Bank exceeded the minimum reserve requirement by 0.3% of total deposits in pesos (see Chart 3.2).

As for the foreign exchange segment, liquidity remained high but it went down 3 p.p., standing at 104.8% of total deposits in dollars. Particularly, the stock of LEBAC in dollars increased, which was more than offset by a drop in the balance of financial institutions' current account held with the Central Bank.

4. Loans^{1 5}

In April, loans in pesos channeled to the private sector climbed 2% (\$11.700 billion), an amount similar to that observed in March and well above April last year. This led to a new acceleration in y.o.y. growth rate which increased by 2.8 p.p. to reach 24.3% (see Chart 4.1). Even though all credit lines increased, the growth recorded over the month was mainly boosted by transactions arranged through promissory notes, personal loans and credit card financing.

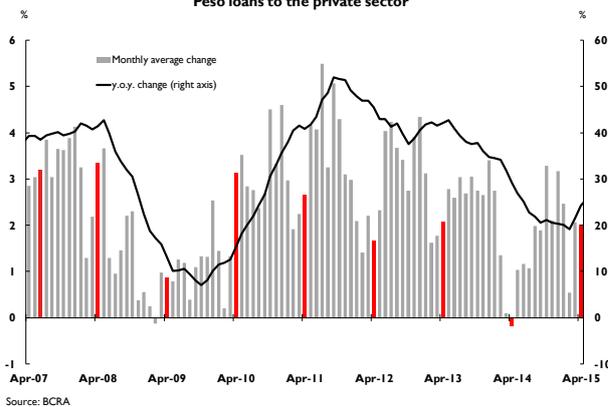
Chart 3.2



Among credit lines mostly channeled to commercial purposes, overdrafts exhibited a 0.4% growth (\$270 million), which contributed to a 1.1 p.p. acceleration in y.o.y. growth rate reaching 20.3%. As regards financing arranged through promissory notes, they went on increasing (2.1%, \$2.890 billion) in contrast to a fall recorded in April last year. This led to a new acceleration in y.o.y. exchange rate, which rose from 22.6% to 26.7% (see Chart 4.2).

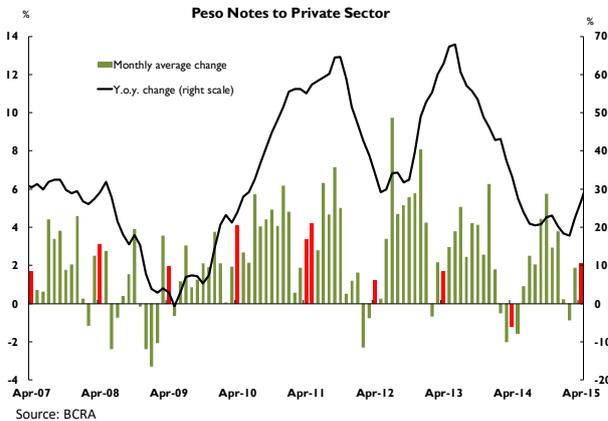
⁵ Monthly changes of loans are adjusted to reflect accounting movements, which are fundamentally caused by transfers of loans from financial institutions' portfolios to financial trusts. In this report, the terms "amounts granted" or "new loans" refer to loans (either new and renewed) arranged in a given period. In contrast, a change in stock consists of arranged loans granted minus amortizations and repayments over the period.

Chart 4.1



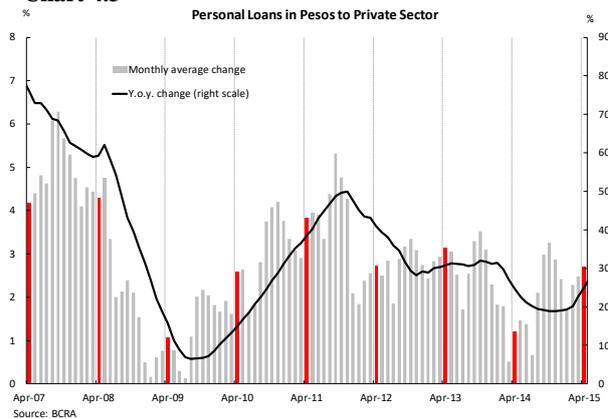
The Central Bank expanded the implementation of Credit Line for Productive Investment (CLPI) to promote financing focused on micro, small and medium-sized enterprises (MiPyMEs). From now on, financial institutions may channel a portion of credit lines into discounted documents for public works and into MiPyMEs' invoices. Additionally, banks may include exportation pre-financing granted to enterprises other than big exporting companies as far as they are funded with foreign credit lines, new loans from abroad or corporate bonds issued abroad. They may also consider new financing of imports of supplies or capital goods granted by foreign banks.⁶

Chart 4.2



Household consumption-oriented financing continued growing at a steady pace. Personal loans increased 2.7% (\$3.370 billion), the highest growth in the year, and their y.o.y. growth pace accelerated 2.3 p.p. to reach 25 % (see Chart 4.3). Favored by the maximum interest rate policy established for this type of loans, the credit line has continued exhibiting —since the second half of 2014—higher growth rates than those observed in the first half of that year. Meanwhile, credit card financing showed a monthly increase of 3.3% (\$3.990 billion), exceeding the level recorded the previous quarter and accumulating a 42.4% y.o.y. rise (5 p.p. above the rise observed in March, see Chart 4.4). This credit line continued deriving benefit from the “AHORA 12” program, which led into boosting domestic consumption.

Chart 4.3

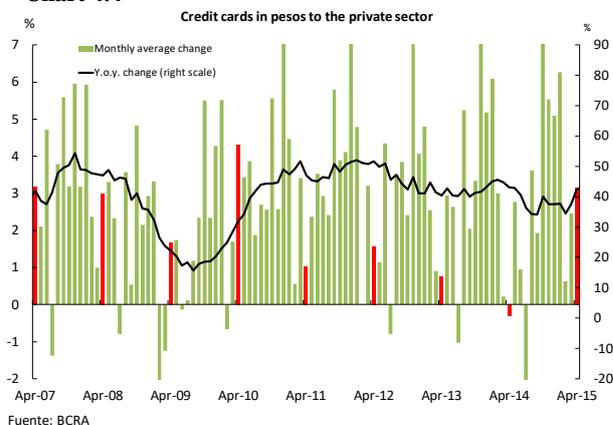


Collateralized loans showed notable dynamism compared to previous months. Mortgage loans increased (0.5%, \$230 million), accumulating a nearly 8% growth in the last twelve months. It is worth noting that, even though mortgage loans are showing scarce dynamism, a portion of the demand for mortgage loans for housing (individuals) is not computed in the statistics on bank loans because it is channeled through the Bicentennial Credit for Housing Program (Pro.Cre.Ar.) Moreover, pledge-backed loans posted an increase of 1.3% (\$410 million), the highest figure since October 2014.

Finally, private sector foreign currency loans went on increasing. In the last month, they recorded an 8.9% increase (US\$320 million), the highest figure since 2011. Such increase was mainly accounted for by the performance of unsecured promissory notes in foreign currency, which means financing highly related to foreign trade.

⁶ See Communication “A” 5747.

Chart 4.4



5. Interest rates ⁷

Central Bank Securities ⁸

The interest rate of LEBACs issued by the Central Bank each week in the primary market fell in April. Rate mainly fell in terms between 120 and 255 days, registering declines of about 0.4 p.p., while drops of 0.1 p.p. were observed in instruments with shorter maturity dates, and of 0.2 p.p. in LEBAC auctions of longer terms, about 300 days. Thus, at the end of the month, interest rates on LEBACs at a predetermined rate—between 95 and 120 days—stood at 26% and 26.6%, respectively, while the interest rates on instruments with a maturity date of 305 days stood at 28.9% (see Chart 5.1).

The allocation of LEBACs in nominal terms reached \$63.201 billion, which stands for the whole stock of LEBACs in pesos. This is explained by the fact that no LEBACs in pesos adjusted to the interest rate benchmark were awarded. A rise was observed in the amount awarded for terms between 91 and 180 days, with a 59% share in the total (see Chart 5.2).

At the end of the month, the outstanding stock of LEBACs and NOBACs in nominal terms stood at \$323.404 billion, recording a 3% increase against the end of March. With respect to deposits in pesos, the stock of securities stood around 35% (see Chart 5.3). The amount of total stock of LEBACs allocated to holders which are not non-financial institutions continued growing. Particularly, the rise in balance was mainly accounted for by the performance of private financial institutions, mutual funds and insurance companies over April.

In the secondary market, the interest rates on LEBACs showed stability along the month, except for those at shorter terms (not exceeding 15 days) which decreased in the second half of April in line with the performance observed in the call money market. The average turnover stood at \$2.800 billion per day in the secondary market. Transactions with LEBACs at terms not exceeding 15 days stood out.

Regarding the foreign currency segment, amidst a rise in private sector time deposits in dollars (see Section on Monetary Aggregates), the stock of LEBACs rose US\$300 million—including instruments in the “N” and

Chart 5.1

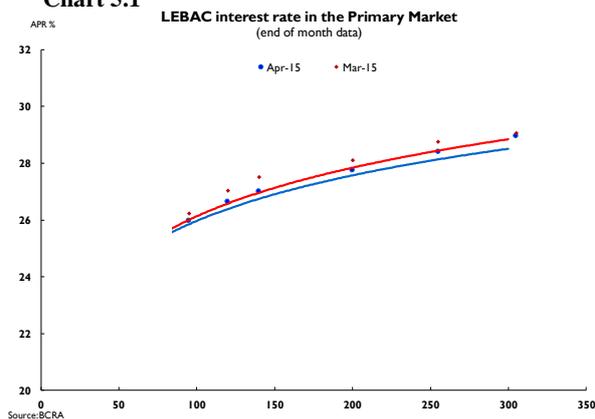
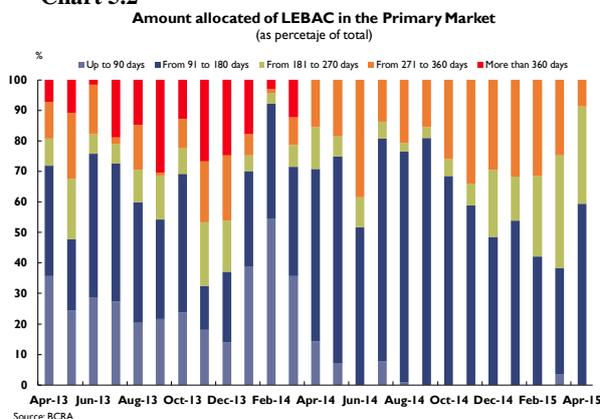


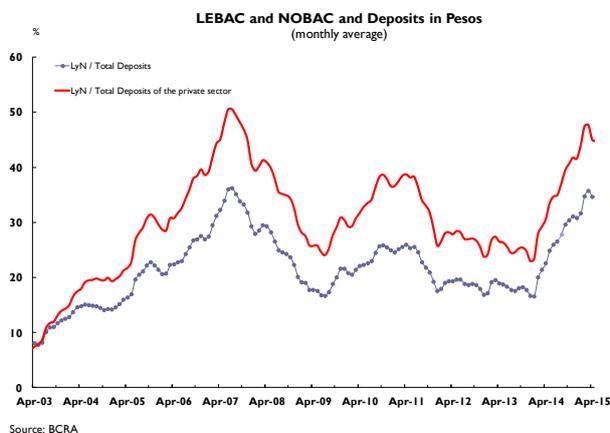
Chart 5.2



⁷ Interest rates mentioned in this section are expressed as annual percentage rates (APR).

⁸ In this section, figures are end-of-month data unless otherwise stated.

Chart 5.3



“V” segments—and stood at US\$1.641 billion at the end of April (see Chart 5.4).

Central Bank Repo Transactions¹

In April, the interest rates on reverse repos for the Central Bank remained at 13% overnight and at 14% for 7 days operations. In turn, interest rates on repo loans for the same terms remained at 16% and 17%, respectively.

In a context of high liquidity, the stock of reverse repos in which the Central Bank is a participant increased \$900 million, reaching an average of \$17.900 billion in April. The rise was mainly accounted for by the performance observed in private financial institutions (see Chart 5.5).

Call Money Markets¹

Interest rates on the call money market dropped as compared to those of March, within a context where liquidity in private financial institutions went up. In the unsecured call market, interest rates on overnight transactions stood at 17.8%, 3.4 p.p. below the level recorded in March. Likewise, the average interest rate on overnight transactions between financial institutions in the secured market (REPO round) stood at 18%, with a 3.1 p.p. fall (see Chart 5.6). The daily average turnover went up about \$300 million, virtually \$7.300 billion in total.

Deposit rates¹

In April, the interest rates paid by financial institutions for time deposits in pesos posted a slight drop. In the wholesale segment, the BADLAR at private banks—interest rate for term deposits amounting to \$1 million or over at a 30-35 days’ term—averaged 20.7%. This meant a 0.1 p.p. drop over the month slightly counteracting the upward trend that has been showed since December.

As for the monthly average of the interest rates paid by private institutions on time deposits of up to \$100,000 and at up to 35 days, it stood at 22.9%, thus decreasing 0.2 p.p. over the month under consideration. In this regard, it is worth mentioning that since October 2014 there are minimum interest rates for depositors in the retail segment. These rates are linked to the interest rates on LEBACs for terms closer to 90 days effective on the second month immediately preceding deposit taking⁹. Given that interest rates on LEBACs were cut off in February, the benchmark interest rate went down 0.3

Chart 5.4

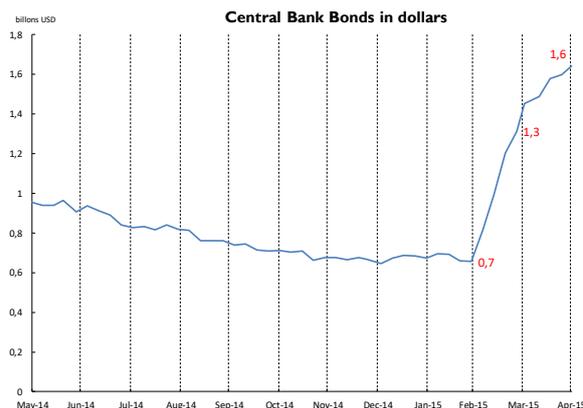
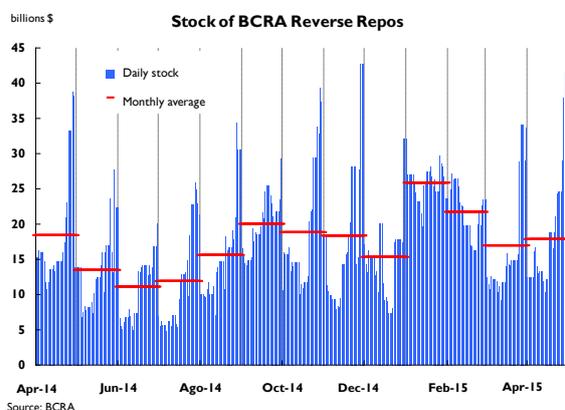
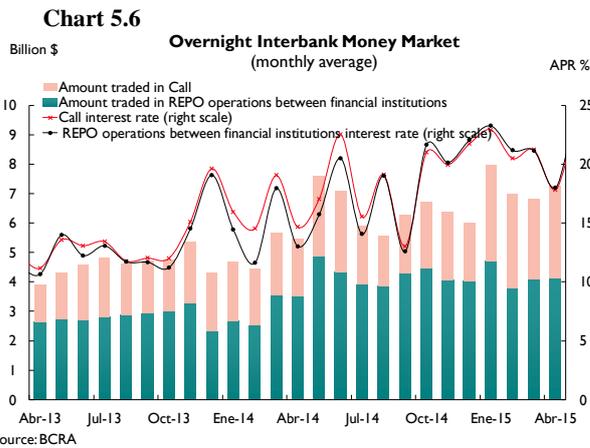


Chart 5.5



⁹ See Communication “A” 5640.

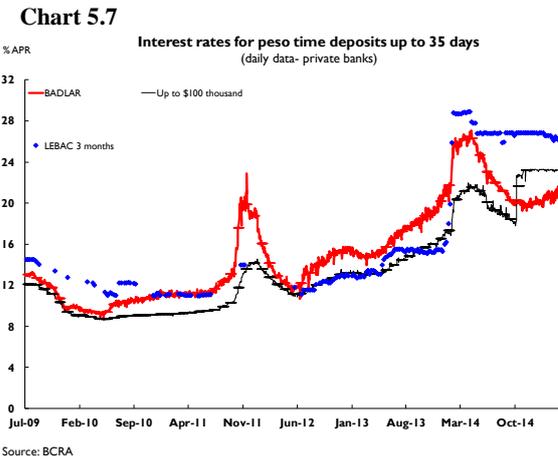


p.p. in April, so the interest rate for deposits of up to 44 days¹⁰ stood at 23.1%.

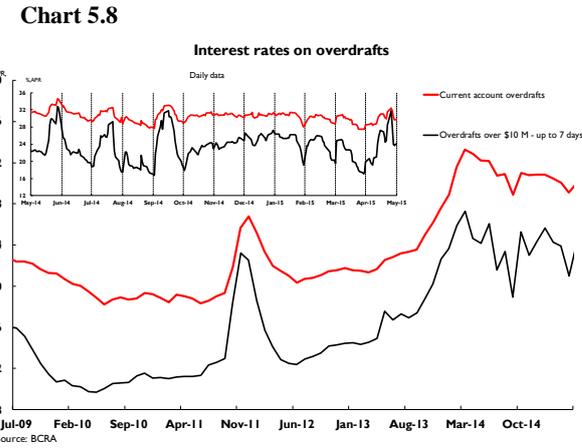
Lending rates¹¹

The interest rates charged on loans granted to the private sector exhibited a heterogeneous performance in April, mainly associated to the characteristic features of each credit line.

Among commercial lines, the interest rate on current account overdrafts went down 1 p.p., averaging 29.1%. Particularly, the interest rate on transactions over \$10 million and at up to 7 days averaged 21%, sliding about 3 p.p. this month. As a result, it has virtually accumulated a 5 p.p. drop since January, when it started to show a clear downward trend in line with a context of adequate liquidity levels. (Chart 5.8).



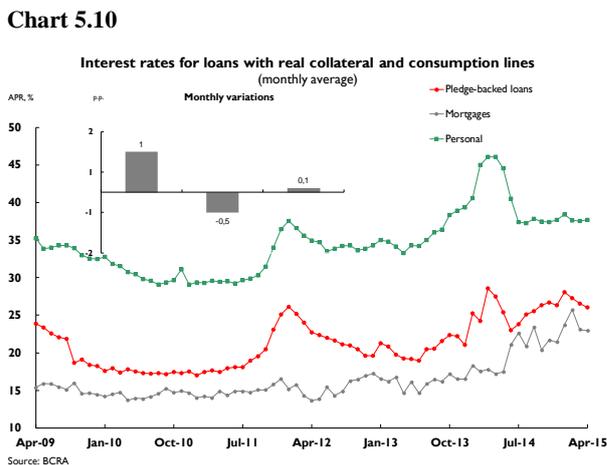
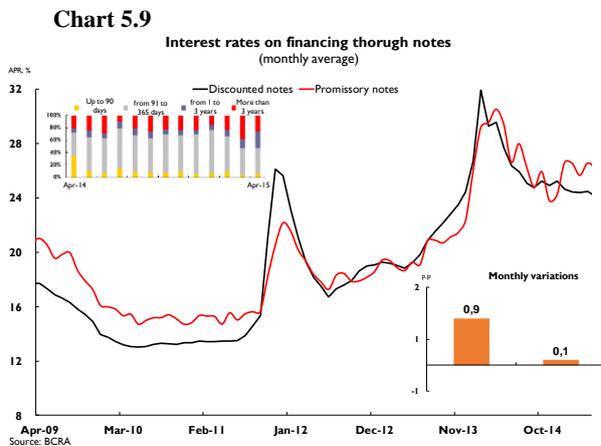
Among lending arranged through promissory notes, interest rate on discount of checks stood at 24.5%, increasing 0.1 p.p. this month. In turn, interest rate on unsecured promissory notes averaged 26.8%, 0.9 p.p. above the average in March. This increase was partly accounted for by a lower share of loans granted under LCIP, arranged at relatively low rates (up to 19%) and longer terms (not less than 36 months). It is worth noting that in March financial institutions should have granted loans for at least 30% of the total amount of the first tranche of 2015 quota, so a lower negotiation of these credits was expected in April.



Meanwhile, interest rates on longer-term loans also showed a heterogeneous performance. In the case of secured loans, the monthly average of interest rates on mortgage-backed loans granted to natural people increased 1 p.p., while that of pledge-backed loans went down 0.5 p.p., standing at 20.1% and 26.1%, respectively. (Chart 5.10).

¹⁰ See Communication “B” 10974.

¹¹ This section makes reference to annual nominal rates and, as such, they exclude assessment or granting expenses or any other expenditures (e.g. insurance) which are included in the total financial cost of loans.



¹² In June 2014, Communication "A" 5590 became effective, setting maximum interest rates especially for personal and pledge-back loans for natural persons based on LEBACs' yields—monthly published by the Central Bank.

¹³ In order to determine the maximum levels for interest rates on personal and pledge-backed loans, financial institutions were classified into two groups. Group I is made up of such financial institutions which have raised 1% or more of private sector deposits, while Group II is made up of the remaining institutions.

As for interest rates charged on personal loans, the prevailing maximum interest rates ¹²shrank again in April, standing at 38.4% and at 47.7% for institutions in Group I and Group II, respectively¹³. The monthly average interest rate stood, once again, below the maximum level, remaining at 37.7% (virtually unchanged since February).

6. International Reserves and Foreign Exchange Market

International reserves edged up US\$2.419 billion in April and stood at US\$33.909 billion at the end of the month (see Chart 6.1). This increase was not only associated to foreign currency purchases by the Central Bank in the foreign exchange market but also to currency inflows due to a domestic public debt auction in foreign currency (Argentina bonds in US dollars, BONAR 2024) and to an increase of foreign currency deposits in the private sector.

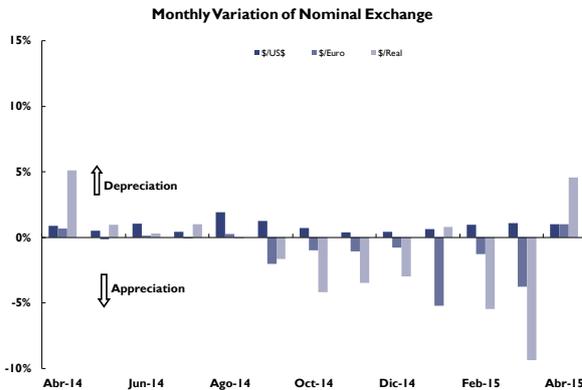
In the foreign exchange market, the peso depreciated against the US dollar (see Chart 6.2). The monthly average exchange rate stood at 8.9 \$/US\$ (1% higher vis-à-vis March). Likewise, the peso depreciated against the real and the euro, though after several months of exhibiting an appreciation against both currencies. The rates for the real and the euro amounted to 2.9 \$/real (4.6%) and 9.6 \$/euro (1%). In turn, in the futures market (ROFEX), the daily average turnover amounted about \$2,500 million, which was 13% lower compared to March. Moreover, as evidenced in contracts executed during this month, the rates expected for the coming months were lower than those ones posted in the previous months.

7. Collective Investment Vehicles

Mutual Funds

In April, the equity of FCI in pesos and in foreign currency increased by \$13.65 billion (8.9%), standing at \$166.95 billion at the end of the month.

Chart 6.2



Source: BCRA

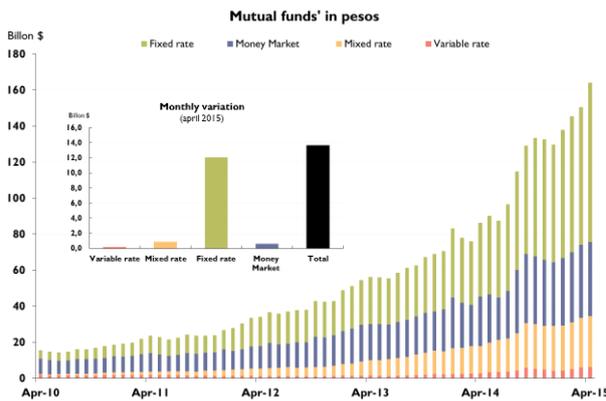
This monthly increase was driven by funds in pesos, particularly fixed income funds that climbed to the tune of \$12 billion over the month, especially as a result of the subscription of unit shares (see Chart 7.1). Among these funds, the short-term investments account for practically the whole increase. The rise is usual at this time of the year and may be explained, to a great extent, by the fact that companies run liquidity surpluses for they have not paid May and June tax contributions.

In turn, equity of mixed income funds rose \$860 million, Money Market funds about \$580 million, and variable income funds around \$160 million.

As for yield, all funds in pesos recorded positive returns during April. Especially, the estimated return of fixed income funds stood out, which showed a monthly yield near to 1.6%. Within this segment, the performance posted by medium-term funds with 3.8% average returns came to the fore. Money Market funds reached a 1.2% yield. Meanwhile, monthly returns of mixed and variable income funds stood at about 1%.

Finally, in the foreign currency segment, equity of FCI fell US\$1 million down to US\$313 million.

Chart 7.1



Source: CAFCI y BCRA

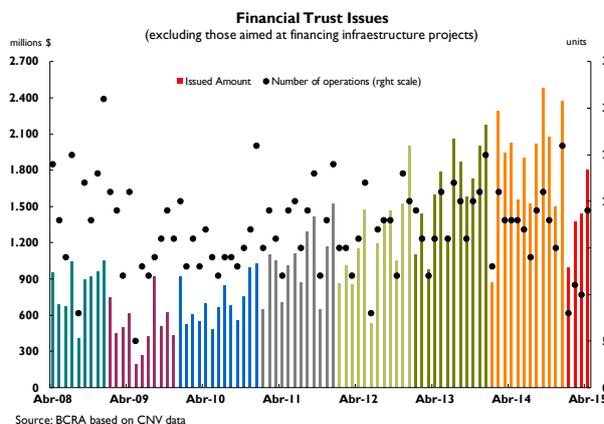
Financial Trusts¹⁴

In April, financial trust (FT) issues totaled around \$1.770 billion, which was the highest amount of the year so far (see Chart 7.2). Regarding the amount of issues, 19 transactions were carried out over the last month—8 more than in March—in line with the average recorded in 2014.

As for trustors, the retail segment issued around \$860 million, which resulted in a share of nearly 50% in the total. Mutual societies, cooperatives and non-bank credit card issuers and other financial services providers issued about \$535 million, 30% more than in March. In turn, financial institutions securitized assets for nearly \$70 million. As regards assets held in trust, they consisted entirely of consumption financing (personal loans and credit card coupons) and, to a lesser extent, of commercial loans, pledge-backed loans and leasing.

Lastly, cut-off interest rates (weighted average by amount) on senior bonds in pesos, with a duration below 14 months, at a variable rate, stood at 26.3%, down 1.35 p.p. against March (see Chart 7.3). In turn, no transactions at a fixed rate were recorded.

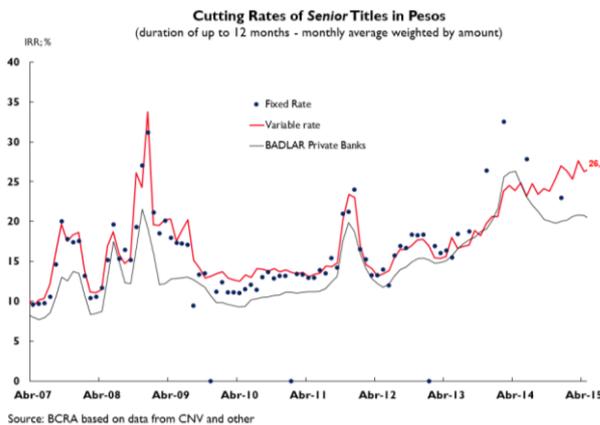
Chart 7.2



Source: BCRA based on CNV data

¹⁴ Only publicly-traded financial trusts are considered.

Chart 7.3

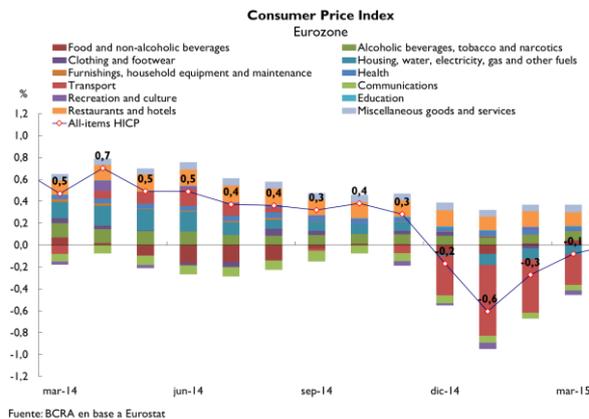


8. Major Policy Measures Taken by Other Central Banks

In the period under analysis, the few monetary policy measures implemented were expansive, except for such actions as have been taken by the Central Bank of Brazil.

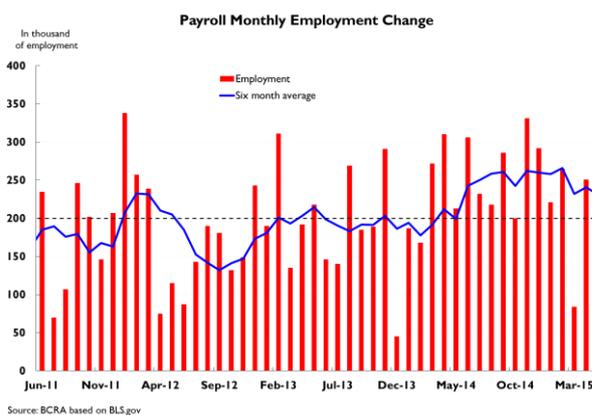
None of the main central banks of developed countries has announced that they would bring about changes in the bias of their respective monetary policies. The European Central Bank (ECB) kept its monetary policy interest rate unchanged, applicable to Main Refinancing Operations (MRO), at a minimum historical level of 0.05%. Additionally, the interest rate corridor remained unchanged. This decision was made in a context of better economic activity indicators and a slightly less negative inflation rate (see Chart 8.1).

Chart 8.1



The US Federal Reserve (FED)—in the meeting held at the end of April—decided to keep the target for the federal funds (TFF) interest rate within a 0-0.25% range.¹⁵ The FED took that decision in a context where job creation in March was much lower than expected¹⁶ (see Chart 8.2) and also lower than that of previous months. In addition, the latest data on the activity level evidenced a significant economy slowdown in the first quarter. Moreover, the latest inflation data available showed that a fall of general inflation was broken and that underlying inflation is not currently affected by a drop in oil price, which flags the absence of second round effects so far (see Chart 8.3).

Chart 8.2



In turn, the Central Bank of Sweden (Riksbank) enhanced its Quantitative Expansion (QE) program even though it has kept its monetary policy interest rate unchanged (-0.25%).¹⁷ Indeed, two months after announcing such program, they decided—in a meeting held at the end of April—¹⁸ to raise such amount by more than two folds: 80,000-90,000 million Swedish krona (more than 2% of Swedish GDP and virtually

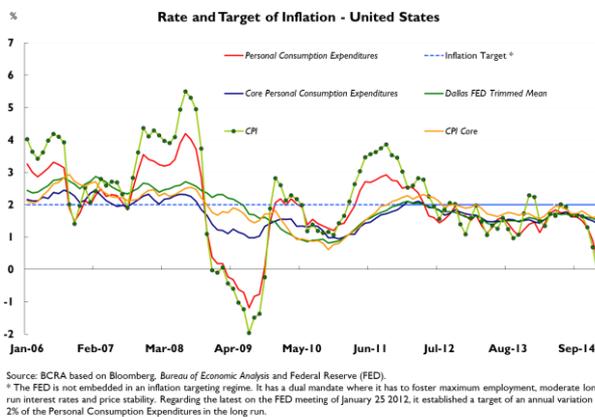
¹⁵ It is worth noting that in the March 18 meeting, the Federal Open Market Committee (FOMC) decided to make changes in the language of its press release so as to express that during 2015 they would raise their TFF benchmark which has remained unchanged since December 2008.

¹⁶ The press release published in May 8 showed a recovery in non-agricultural job creation which amounted to 223,000 job positions, slightly below the number expected in the market.

¹⁷ Besides, authorities from Riksbank reaffirmed (like in previous meetings) that in case of need they would promptly take new expansive measures, such as a new *Repo Rate* reduction, a QE program enhancement, a corporate bonds purchase program, a non-financial private sector credit program (excluding household and mortgage-backed loans) and foreign exchange market direct intervention to avoid an excessive appreciation of the Swedish krona.

¹⁸ In March's meeting, they had raised the amount four folds.

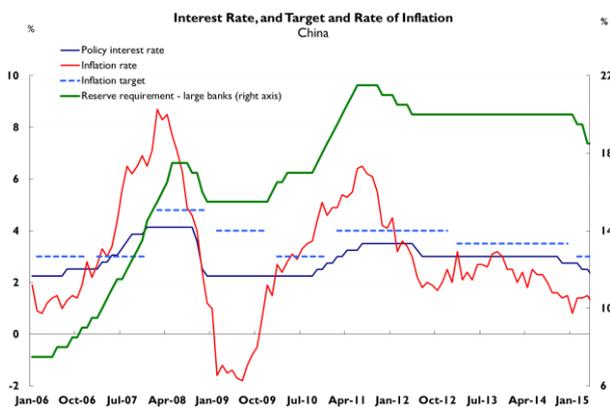
Chart 8.3



US\$10 billion)¹⁹. The Riksbank stated that they seek to ensure that economic activity improvements continue to be consolidated and inflation kept on the rise.

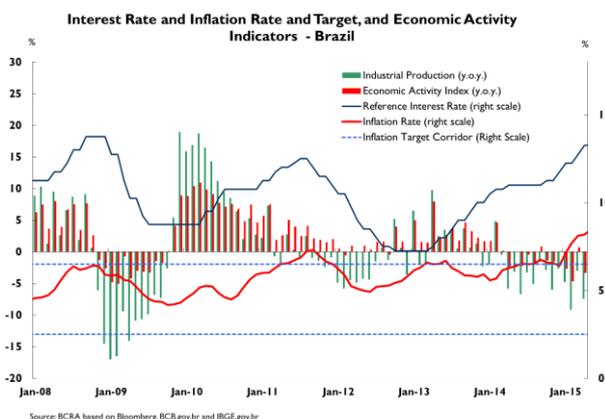
In the case of emerging countries, the monetary authorities of the following countries took expansive measures: Peru (by reducing minimum reserve requirements in local currency), Thailand (by reducing their monetary policy interest rate), and China. The latter decided to lower 1 p.p. the reserve requirement ratio applicable to big banks (see Chart 8.4) in a context of slowdown of activity level, of inflation rate and of monetary aggregates and credit variation rates. Regarding this measure, it is worth noting that the minimum reserve requirements ratio of big banks have not been dropped to such an extent since November 2008.

Chart 8.4



Lastly, the Central Bank of Brazil (BCB) decided to increase the Selic rate target by 0.5 p.p. up to 13.25%. The BCB took this decision given the increasing inflation rate that remained for the third month in a row above the ceiling of the target range (4,5% ± 2 p.p.) and has been the highest inflation rate since the end of 2003, against a backdrop of a significantly weak level of activity (see Chart 8.5). When the BCB took that decision, the last activity data available flagged that industrial production had fallen 9.1% i.a. in February, a 4 p.p. drop larger than that of January. In turn, the IBC-Br (BCB monthly index of economic activity) fell by 3.2% i.a., doubling the figure observed in January. In both cases, they have been the most relevant falls since mid 2009.

Chart 8.5



¹⁹ The Riksbank has been purchasing sovereign bonds with up to 5-year maturities. They plan to make the full purchases until September 2015. Thus, they would have a 15% of the Swedish public debt in their portfolio at the end of September.

9. Monetary and Financial Indicators

Figures in millions, expressed in their original currency.

Main monetary and financial system figures	Monthly average				Average change in	
	Apr-15	Mar-15	Dec-14	Apr-14	Monthly	Last 12 months
Monetary base	458,015	453,065	442,861	354,170	1.1%	29.3%
Currency in circulation	349,861	346,137	338,425	269,313	1.1%	29.9%
Held by public	315,108	311,788	299,390	239,784	1.1%	31.4%
Held by financial entities	34,752	34,348	39,034	29,527	1.2%	17.7%
Settlement check	1	1	1	0	58.7%	-
BCRA current account	108,154	106,929	104,436	84,857	1.1%	27.5%
Repos stock						
Reverse repos	17,865	16,987	15,333	18,426	5.2%	-3.0%
Repos	0	0	0	0	0.0%	0.0%
BCRA securities stock (in face value)						
In banks	316,148	322,061	259,788	158,778	-1.8%	99.1%
LEBAC	235,699	243,692	200,220	132,420	-3.3%	78.0%
In pesos	314,610	321,020	259,788	139,477	-2.0%	125.6%
In Dollars	1,537	1,040	0	0	-	-
NOBAC	0	0	0	19,301	-	-
International Reserves	31,908	31,432	30,233	27,680	1.5%	15.3%
Private and public sector deposits in pesos ⁽¹⁾	905,724	895,686	840,088	702,218	1.1%	29.0%
Current account ⁽²⁾	264,607	251,703	275,630	191,121	5.1%	38.4%
Savings account	180,328	179,353	175,719	131,802	0.5%	36.8%
Not CER-adjustable time deposits	425,939	431,588	356,310	351,358	-1.3%	21.2%
CER-adjustable time deposits	9	10	8	7	-5.4%	37.1%
Other deposits ⁽³⁾	34,841	33,033	32,420	27,930	5.5%	24.7%
<u>Private sector deposits</u>	<u>697,965</u>	<u>672,572</u>	<u>624,731</u>	<u>519,189</u>	<u>3.8%</u>	<u>34.4%</u>
<u>Public sector deposits</u>	<u>207,759</u>	<u>223,114</u>	<u>215,357</u>	<u>183,029</u>	<u>-6.9%</u>	<u>13.5%</u>
Private and public sector deposits in dollars ⁽¹⁾	9,444	9,713	8,788	8,283	-2.8%	14.0%
Loans to private and public sector in pesos ⁽¹⁾	637,921	619,052	590,814	516,464	3.0%	23.5%
<u>Loans to private sector</u>	<u>588,576</u>	<u>577,149</u>	<u>549,787</u>	<u>473,687</u>	<u>2.0%</u>	<u>24.3%</u>
Overdrafts	74,444	74,171	66,782	61,888	0.4%	20.3%
Promissory bills	138,392	135,504	133,922	109,233	2.1%	26.7%
Mortgages	48,222	47,994	47,502	44,707	0.5%	7.9%
Pledge-backed loans	33,212	32,798	32,700	32,251	1.3%	3.0%
Personal loans	127,467	124,382	117,247	101,936	2.5%	25.0%
Credit cards	125,473	121,481	110,982	88,121	3.3%	42.4%
Other loans	41,367	40,819	40,651	35,552	1.3%	16.4%
<u>Loans to public sector</u>	<u>49,345</u>	<u>41,903</u>	<u>41,027</u>	<u>42,777</u>	<u>17.8%</u>	<u>15.4%</u>
Loans to private and public sector in dollars ⁽¹⁾	3,906	3,594	3,331	3,829	8.7%	2.0%
Total monetary aggregates ⁽¹⁾						
M1 (currency held by public + settlement check in pesos+ current account in pesos)	579,717	563,492	575,021	430,907	2.9%	34.5%
M2 (M1 + savings account in pesos)	760,044	742,845	750,740	562,709	2.3%	35.1%
M3 (currency held by public + settlement check in pesos + total deposits in pesos)	1,220,833	1,207,475	1,139,479	942,004	1.1%	29.6%
M3* (M3 + total deposits in dollars + settlement check in foreign currency)	1,308,617	1,296,292	1,217,433	1,010,547	1.0%	29.5%
Private monetary aggregates						
M1 (currency held by public + settlement check in pesos + priv.current account in pesos)	483,268	476,346	459,757	363,740	1.5%	32.9%
M2 (M1 + private savings account in pesos)	649,287	639,348	621,075	483,862	1.6%	34.2%
M3 (currency held by public + settlement check in pesos + priv. total deposits in pesos)	1,013,074	984,361	924,122	758,975	2.9%	33.5%
M3* (M3 + private total deposits in dollars + settlement check in foreign currency)	1,085,487	1,056,925	988,640	814,217	2.7%	33.3%

Explanatory factors	Average Change							
	Monthly		Quarterly		YTD 2014		Last 12 months	
	Nominal	Contribution ⁽⁴⁾	Nominal	Contribution ⁽⁴⁾	Nominal	Contribution ⁽⁴⁾	Nominal	Contribution ⁽⁴⁾
Monetary base	4,950	1.1%	4,039	0.9%	15,154	3.4%	103,845	29.3%
Financial sector	-917	-0.2%	8,177	1.8%	-2,335	-0.5%	617	0.2%
Public sector	-7,704	-1.7%	13,391	2.9%	44,021	9.9%	163,437	46.1%
Private external sector	2,562	0.6%	-4,132	-0.9%	-714	-0.2%	28,896	8.2%
BCRA securities	11,199	2.5%	-11,953	-2.6%	-24,355	-5.5%	-80,610	-22.8%
Others	-191	0.0%	-1,444	-0.3%	-1,463	-0.3%	-8,496	-2.4%
International Reserves	477	1.5%	634	2.0%	1,676	5.5%	4,228	15.3%
Foreign exchange market intervention	292	0.9%	-464	-1.5%	-62	-0.2%	3,616	13.1%
International financial institutions	-274	-0.9%	-616	-2.0%	-698	-2.3%	-672	-2.4%
Other public sector operations	133	0.4%	-64	-0.2%	2,521	8.3%	8,352	30.2%
Dollar liquidity requirements	-1,147	-3.6%	-847	-2.7%	-477	-1.6%	-2,187	-7.9%
Others (incl. change in US\$ market value of nondollar assets)	1,471	4.7%	2,625	8.4%	392	1.3%	-4,880	-17.6%

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

2 Net of the use of unified funds.

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

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

5 Provisory data subjected to changes in valuation.

Sources: BCRA Accounting Department and SISGEN Informative Regime.

Minimum Cash Requirement and Compliance

	Apr-15	Mar-15	Feb-15
(1)			
Domestic Currency	% of total deposits in pesos		
Requirement	11,6	11,6	11,8
Compliance	11,8	11,9	12,0
Position (2)	0,3	0,3	0,2
<i>Residual time structure of term deposits used for the calculation of the requirement (3)</i>	%		
Up to 29 days	68,2	70,0	69,0
30 to 59 days	20,8	20,8	21,4
60 to 89 days	5,5	5,0	5,3
90 to 179 days	4,4	3,1	3,4
more than 180 days	1,1	1,0	1,0
Foreign Currency	% of total deposits in foreign currency		
Requirement	41,9	45,3	45,5
Compliance (includes default application resource)	77,4	87,8	90,6
Position (2)	35,5	42,5	45,2
<i>Residual time structure of term deposits used for the calculation of the requirement (3)</i>	%		
Up to 29 days	45,6	47,0	45,5
30 to 59 days	21,6	22,3	22,7
60 to 89 days	13,5	10,5	11,6
90 to 179 days	15,1	15,6	15,7
180 to 365 days	4,0	4,4	4,3
more than 365 days	0,2	0,2	0,2

(1) Estimates data of Requirement, Compliance and Position.

(2) Position= Requirement - Compliance

(3) Excludes judicial time deposits.

Source: BCRA

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

b

b

Borrowing Interest Rates	Apr-15	Mar-15	Feb-15	Apr-14
Interbank Loans (overnight)				
Interest rate	17.85	21.13	20.52	14.80
Traded volume (million pesos)	3,174	2,856	3,218	2,036
Time Deposits				
<u>In pesos</u>				
30-44 days	20.40	19.87	19.84	21.67
60 days or more	23.26	23.57	23.00	25.70
Total BADLAR (more than \$1 million, 30-35 days)	18.45	17.38	17.43	20.00
Private Banks BADLAR (more than \$1 million, 30-35 days)	20.74	20.80	20.62	26.28
<u>In dollars</u>				
30-44 days	1.64	1.59	0.98	0.99
60 days or more	2.50	2.48	1.52	1.62
Total BADLAR (more than \$1 million, 30-35 days)	1.22	1.19	0.81	0.98
Private Banks BADLAR (more than \$1 million, 30-35 days)	2.17	2.15	1.60	1.30
Lending Interest Rates	Apr-15	Mar-15	Feb-15	Apr-14
Stock Repos				
Gross interest rates 30 days	23.49	23.44	24.27	25.01
Traded volume (all maturities, million pesos)	567	522	477	288
Loans in Pesos ⁽¹⁾				
Overdrafts	29.10	30.09	30.50	32.85
Promissory Notes	26.77	25.67	26.57	30.52
Mortgages	22.70	23.09	25.74	17.19
Pledge-backed Loans	26.06	26.54	27.25	27.50
Personal Loans	37.65	37.58	37.58	46.11
Credit Cards	s/d	40.48	40.92	39.39
Overdrafts - 1 to 7 days - more than \$10 million	20.97	23.89	24.26	24.62
International Interest Rates	Apr-15	Mar-15	Feb-15	Apr-14
LIBOR				
1 month	0.18	0.18	0.17	0.15
6 months	0.40	0.40	0.38	0.32
US Treasury Bonds				
2 years	0.53	0.64	0.60	0.40
10 years	1.93	2.05	1.96	2.69
FED Funds Rate	0.25	0.25	0.25	0.25
SELIC (1 year)	12.80	12.70	12.25	10.99

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

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

Reference Interest Rates	Apr-15	Mar-15	Feb-15	Apr-14
BCRA Repo Interest Rates				
Overnight reverse repo	13.00	13.00	13.00	9.00
7-day reverse repo	14.00	14.00	14.00	9.50
7-day repo	17.00	17.00	17.00	11.50
Total Repo Interest Rates				
Overnight	14.96	17.01	15.64	10.29
7 days	16.94	17.61	15.71	13.63
Repo traded volumen (daily average)	15,420	12,579	15,221	17,279
Peso LEBAC Interest Rate¹				
1 month	s/o	s/o	s/o	s/o
2 months	s/o	s/o	s/o	s/o
3 months	26.16	26.24	26.50	28.25
9 months	s/o	s/o	s/o	29.85
12 months	s/o	29.29	28.94	29.66
Peso NOBAC with variable coupon Spread¹				
200 days BADLAR Private Banks	s/o	s/o	s/o	0.98
Dollars LEBAC Interest Rate¹				
1 month	3.25	3.25	2.88	2.50
3 months	3.90	3.90	3.45	3.00
6 months	4.00	4.00	3.75	3.50
12 months	4.20	4.20	4.10	4.00
LEBAC and NOBAC traded volume (daily average)	2821	2350	3550	2168
Foreign Exchange Market	Apr-15	Mar-15	Feb-15	Apr-14
Dollar Spot				
Exchange agencies	8.87	8.78	8.68	8.00
BCRA Reference	8.87	8.78	8.69	8.01
Future dollar				
NDF 1 month	9.00	8.95	8.85	8.13
ROFEX 1 month	9.01	8.95	8.83	8.12
Traded volume (all maturities, million pesos)	2,543	2,911	1,986	2,134
Real (Pesos/Real)	2.92	2.79	3.08	3.59
Euro (Pesos/Euro)	9.59	9.49	9.86	11.05
Capital Market	Apr-15	Mar-15	Feb-15	Apr-14
MERVAL				
Index	11,789	10,442	9,270	6,543
Traded volume (million pesos)	253	265	164	110
Government Bonds (parity)				
BODEN 2015 (US\$)	132.24	134.35	138.34	117.65
DISCOUNT (US\$ - NY legislation)	132.39	134.23	128.32	99.09
BONAR 2017 (US\$)	130.55	132.57	135.06	110.77
DISCOUNT (\$)	92.28	88.34	78.18	81.60
Country risk				
Spread BODEN 2015 vs. US Treasury Bond	1,031	813	787	921
EMBI+ Latin America (without Argentina)	492	532	516	366

¹ Corresponds to average results of each month primary auctions.

10. Glossary

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

APR: Annual percentage rate.

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

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

BODEN: Bonos optativos del Estado Nacional. Optional federal bonds

BOVESPA: Sao Paulo Stock Exchange Index (Brazil)

CAFCI: *Cámara Argentina de Fondos comunes de inversión*

CDS: Credit Default Swaps

CER: Coeficiente de Estabilización de Referencia. Reference Stabilization Coefficient

CNV: Comisión Nacional de Valores. National Securities Commission

CPI: Consumer Price Index

DISC: Discount Bond

EMBI: Emerging Markets Bonds Index

FCI: Mutual Funds

Fed: Federal Reserve

FTs: Financial Trusts

GBA: Greater Buenos Aires metropolitan area

GDP: Gross Domestic Product

IAMC: Instituto Argentino de Mercado de Capitales.

IGBVL: Lima Stock Exchange Index (Peru)

IGPA: Santiago Stock Exchange Index (Chile)

LEBAC: *Letras del Banco Central*. BCRA Bills

LCIP: Credit Line for Productive Investment.

LIBOR: London Interbank Offered Rate

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

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

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

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

MEXBOL: Mexico Stock Exchange Index

NBFI: Non-Banking Financial Institutions

NDF: Non Deliverable Forward

NOBAC: Notas del Banco Central. BCRA Notes

NV: Nominal value

ONs: Corporate Bonds

PyME: Small and medium enterprises

ROFEX: Rosario Futures Exchange Rate Market

SELIC: Brazilian Central Bank's Benchmark Interest Rate

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

S&P: Standard and Poor's 500 Index

TIR: Internal rate of return (IRR).

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