

Monthly Monetary Report

June 2020



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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1. Summary

- In June, the seasonally-adjusted private M3 broad monetary aggregate posted an average monthly rise of 6.1% and 4% in nominal and real terms, respectively. Thus, it went on moderating its growth rate after the sharp increase observed in April.
- Among its components, time deposits stood out. The minimum interest rates established by the BCRA bolstered the sustainable growth of time deposits, which became more noticeable since mid-May—when the minimum return started to apply for legal persons as well. This way, time deposits reached an average monthly increase of 11.9% in nominal terms (9.7% in real terms), one of the highest in the last few years.
- As of June, the BCRA decided to raise the floor of the interest rate that financial institutions must pay for private sector time deposits in pesos—from 70% to 79% of the monetary policy rate—with the aim of ensuring a positive yield in real terms to households and companies. Thus, the minimum interest rate stood at 30.02% APR, which equals 34.52% EAR.
- Loans in pesos to the private sector continued expanding at a historic high pace, even though they moderated their growth rate against April and May. In nominal and seasonally-adjusted terms, the growth recorded a 4% monthly expansion (1.9% at constant prices) in June. Business financing was still the main reason for the growth of loans followed by financing with credit cards, boosted by the zero percent credit lines granted to self-employed workers whether or not under a simplified tax scheme.
- The BCRA went on adopting measures to support MSMEs. It extended the deduction on the minimum cash requirement for those institutions that grant loans to non-MSMEs at a 24% subsidized interest rate, inasmuch as those funds are channeled to purchase machines and equipment manufactured by domestic MSMEs. Under the main line, channeled to MSMEs and health service providers, disbursements amounted to \$282.90 billion, of which \$7.00 billion stood for health service providers by end-June. Moreover, the *MiPyME Plus Credit Line*, channeled to small and medium-sized enterprises with no bank financing amounted to \$930 million.
- As for zero interest rate credit lines aimed at self-employed workers whether or not under a simplified tax scheme, 413,548 loans were granted for a total amount of \$49.92 billion in June. Since this credit line expects the deposits of funds to be made in a three-month period, only \$27.14 billion have been credited. In turn, institutions issued 131,515 new cards for the deposit of loans on behalf of those clients who hold no other account as required by the applicable regulation. It is worth noting that the date for requesting such loans was extended to July 31.

*The closing date for statistics in this report was July 2, 2020.
All figures are provisional and subject to review.*

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2. Monetary Aggregates

In June, the seasonally-adjusted private M3 broad monetary aggregate¹ posted an average monthly rise of 6.1% and 4% in nominal and real terms, respectively². Thus, it went on moderating its growth rate after the sharp increase observed in April. Among its components, time deposits stood out. After several months of posting subtle variations, these deposits explained most of the month's increase (see Chart 2.1).

The minimum interest rates established by the BCRA in order to encourage saving in pesos were featured in the sustainable growth of time deposits; this growth has been more noticeable since mid-May, when the minimum return started to apply for legal persons as well. Stocks grouped by amounts climbed mainly due to deposits over \$1 million (see Chart 2.2). On the contrary, UVA deposits exhibited a falling trend in June, explained by both traditional and early-payment deposits. This way, time deposits reached an average monthly increase of 11.9% in nominal terms (9.7% in real terms), one of the highest in the last few years. In terms of GDP³, these deposits represented 6.7%, accumulating a 1.9 p.p. rise over the first half of the year. Such ratio stood among the highest of the series as observed at the beginning of 2016 and of 2019 (see Chart 2.3).

Chart 2.1

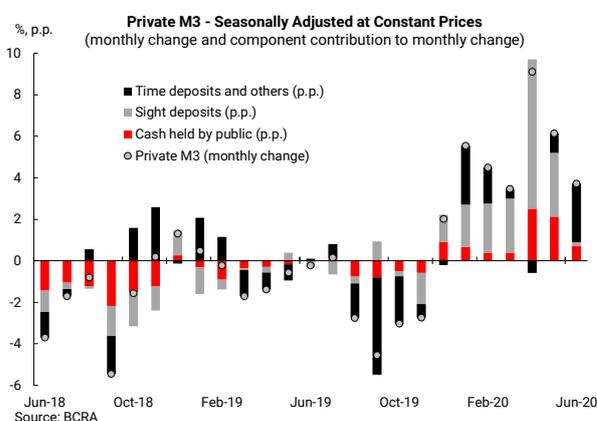


Chart 2.2

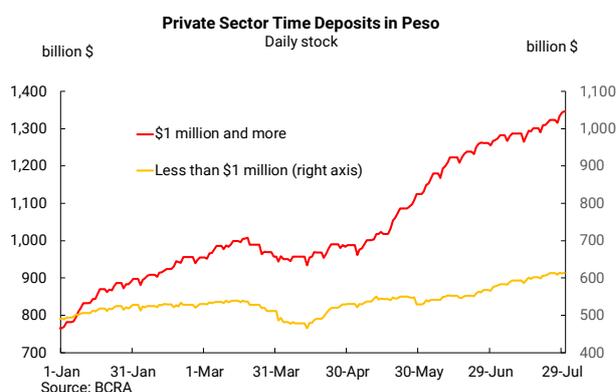
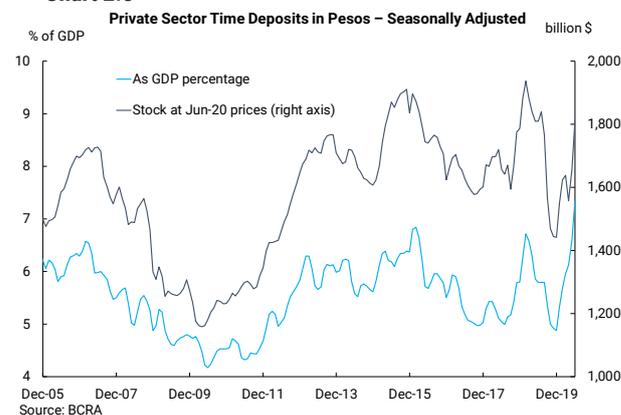


Chart 2.3



As from mid-June, dollar-pegged time deposits boosted, after the BCRA had implemented changes to time deposits with a variable return⁴. On the one hand, the BCRA decided that exchange rate risk coverage will not be required for term investments with a variable dollar-pegged return. On the other hand, it determined that term investments with variable return pegged to the price of grains, oilseeds,

¹ It includes cash held by the public and deposits in pesos from the non-financial private sector.

² All variables in real terms have been deflated on the basis of core inflation expectations for June in line with the REM. The CPI will be published on July 15 by INDEC.

³ The time deposit/GDP ratio was calculated on the basis of the 3-month moving average of GDP.

⁴ Communications "A" 7018 and "A" 7029.

and the US dollar will be limited to natural or legal persons involved in agricultural activities and for up to twice the amount of their grain and/or oilseed sales reported as of November 1, 2019.

As for means of payment, cash held by the public posted a rising trend over June, exhibiting a persistent demand for money for prudential reasons in the current context of uncertainty due to the pandemic. However, it grew at a more slowly pace than in April and May, with a seasonally-adjusted average monthly rise of 5.2% in nominal terms (3.1% adjusted by the expected inflation rate). In turn, sight deposits remained relatively stable on the first three weeks of June, when the second tranche of the emergency family bonus (known as IFE) was paid as well as other social allowances⁵, thus, softening the usual fall of the first half of the month. These deposits upsurged by the end of the month, just over the payment period of wages and complementary wages. In seasonally-adjusted terms, the average monthly rise of sight deposits was 2.7% in nominal terms; however, in real terms, they barely improved 0.7%, after more significant changes posted over the first months of the year and a historic high in April. This way, private M2 moderated its expansion pace in seasonally-adjusted terms, evidencing an average monthly progress of 3.9% in nominal terms, and 1.8% at constant prices (see Charts 2.5 and 2.6).

Chart 2.5

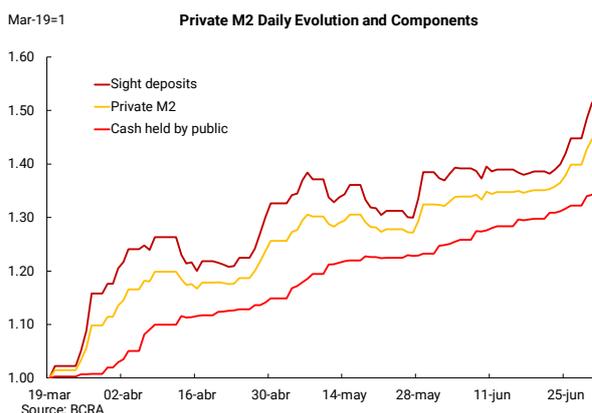
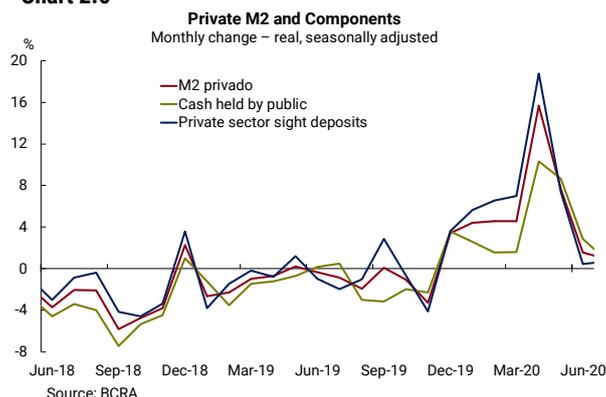
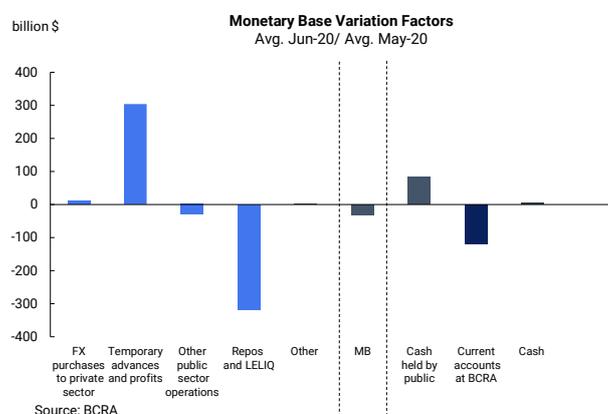


Chart 2.6



In turn, the monetary base shrank 1.5% (\$32.14 billion) on average in June. The increase of the stock of repos and LELIQs as well as public sector transactions counterbalanced the expansionary monetary effect mainly associated with temporary advances and profits transferred to the National Treasury (see Chart 2.7). It is worth noting that the purchase of LELIQs with funds from financial institutions' current accounts held with the BCRA was rooted in certain regulatory changes: financial institutions that pay a 30.02% APR deposit interest rate may increase their positions of LELIQs; they may opt to allocate their LELIQs to meet all their

Chart 2.7



⁵ Aimed at unemployed individuals, informal workers, self-employed workers covered by the lowest tax scheme categories and household employees (Decree No. 310/2020).

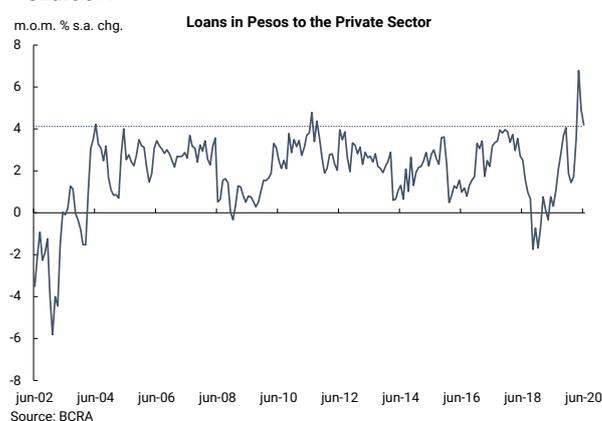
minimum cash requirements in pesos for deposits and term investments (see section on Liquidity of Financial Institutions).

Last, the stock of deposits in foreign currency from the private sector stood at US\$16.78 billion at the end of June. Thus, the fall observed since mid-April came to a halt, remaining fairly stable in June.

3. Loans to the Private Sector

In June, loans in pesos to the private sector continued expanding at a historic high pace, even though they moderated their growth rate against April and May (see Chart 3.1). Thus, in nominal and seasonally-adjusted terms, loans expanded by 4% monthly (1.9% at constant prices). This way, loans in pesos to the private sector accumulated a s.a.20.4% growth in nominal terms (real 10.8%) and 44.5% (real -0.4%) against the same period of the previous year.

Chart 3.1



Business financing was still the main reason for the growth of loans followed by financing on credit cards, which, unlike previous months, contributed to this expansion positively (see Chart 3.2). Demand for business financing remained linked to the companies' fund needs to face the payment of wages and complementary wages as well as to maintain working capital. All in all, business credit lines recorded a seasonally-adjusted monthly expansion of 5.3%, with a 120% y.o.y. change (51.8% at constant prices). Within this type of financing, unsecured promissory notes were still the main credit channel, and the stock of discounted notes went on increasing gradually. In turn, overdrafts evidenced a falling trend over the month (see Chart 3.3).

Chart 3.2

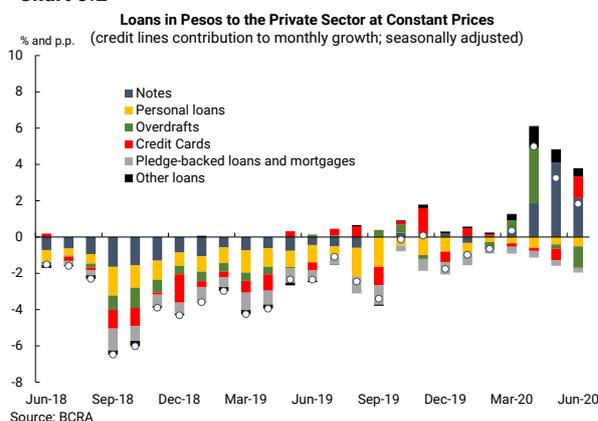
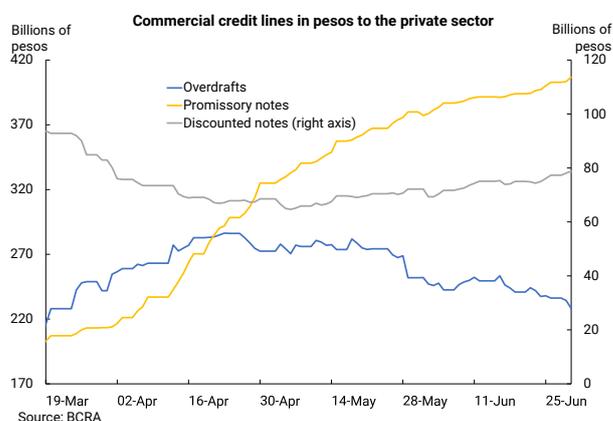


Chart 3.3

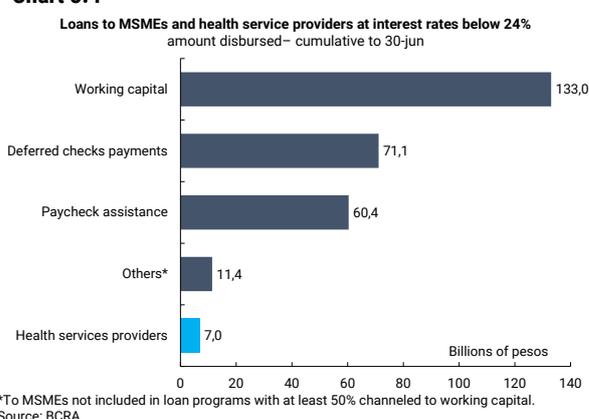


This took place in a scenario in which certain Argentine areas were going through the period of “preventive and compulsory social distancing” (DISPO, in Spanish) while others were still in the “preventive and compulsory social isolation” period (ASPO, in Spanish)⁶. In the DISPO area, more sectors could resume their business activities but in the ASPO area a number of activities were suspended by the end of June⁷.

The BCRA went on implementing an active credit policy aimed at mitigating the economic impact of the crisis in the presence of the health emergency. So as from July, it extended the deduction on the minimum cash requirement for those institutions that grant loans to non-MSMEs at a 24% subsidized interest rate, inasmuch as those funds are channeled to purchase machines and equipment manufactured by domestic MSMEs⁸ (see section on Liquidity of Financial Institutions).

In particular, the credit line channeled to MSMEs⁹ and health service providers accumulated disbursements for \$282.90 billion, of which \$7.00 billion stood for health service providers by the end of the month. The rest, which corresponds to financing to MSMEs, was distributed as follows: 48% to working capital (excluding wages), 26% to the payment of wages, and the remaining 26% to other purposes (see Chart 3.4). In addition, \$11.60 billion were approved but not yet disbursed, and \$9.60 billion were still to be approved.

Chart 3.4



Furthermore, the *MiPyME Plus Credit Line*, aimed at small and medium-sized enterprises with no bank financing, was granted to 1,622 companies, of which 1,045 had access with FoGAR loan guarantees by the end of June. The total amount granted was \$928 million and \$340 million were approved but not yet disbursed.

As for zero percent credit lines, aimed at self-employed workers whether or not under a simplified tax scheme, 413,548 loans were granted for a total amount of \$49.92 billion in June. As it is to be expected that for this credit line the deposits of funds are made in a three-month period, only \$27.14 billion have been credited. In the same period, 131,515 new cards were issued for the deposits of funds, since the regulation states that institutions must issue cards for those clients who are not card holders. It is worth noting that the date for requesting such loans was extended to July 31.

⁶ It includes the Metropolitan Area of Buenos Aires, the department of Gral. Roca in the province of Río Negro and Chaco and Neuquén provinces.

⁷ Decree No. 476/2020 and Decree No. 520/20.

⁸ Communication “A” 7054. At the beginning, 50% of the loans to MSMEs at a maximum 24% interest rate was channeled to working capital or to health service providers for the purchase of supplies and/or medical equipment.

⁹ With the aim of improving access to credit lines, benefits and assistance programs, the yearly invoicing limit of all MSMEs’ activities was raised. Resolution No. 69/2020.

Following the policy implemented to relieve the private sector of its financial burden in light of the current situation, the BCRA extended, up to September 30, the measure that established that financial institutions' unpaid loans must be included at the time when the credit expires. In that case, institutions will only charge compensatory interest rates. This measure applies to the credit market, except for financing on cards¹⁰.

As regards loans mostly associated with consumption, the behavior was heterogeneous. On the one hand, consumption on credit cards grew by 6.6% s.a. and 4.5% in nominal and real terms, respectively. Part of this rise is explained by the increase of zero percent credit lines deposits (see Chart 3.5). Other measures implemented previously may also have influenced the rise of loans for consumption, such as the inclusion of new markets in the *Ahora 12* Plan with a maximum interest rate of 43% APR. On the other hand, personal loans evidenced a slight drop over the month (nominal 0.3% s.a.).

Chart 3.5

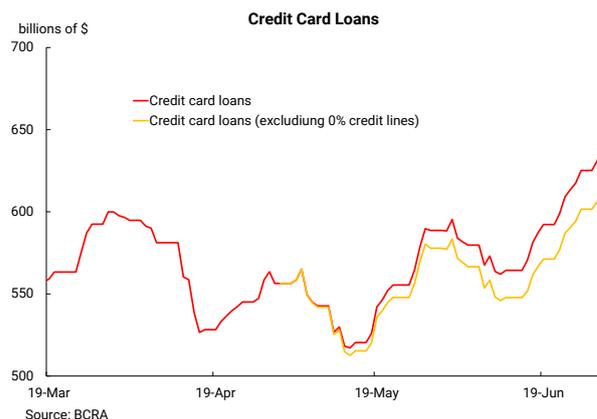
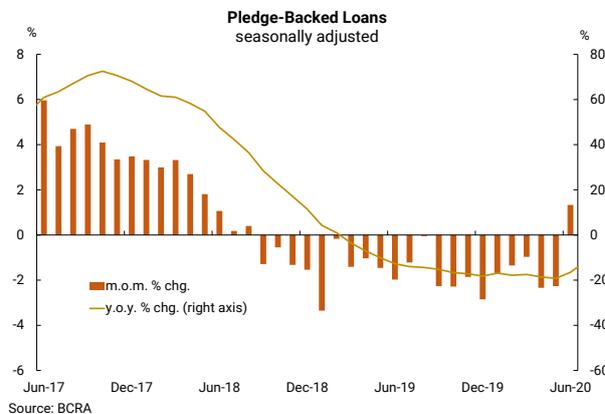


Chart 3.6



Regarding loans with real property collateral, pledge-backed loans posted a monthly rise of 1.3% in nominal and seasonally-adjusted terms, accumulating 21 months with no positive changes (-16.4% y.o.y.; see Chart 3.6). The reversal of this trend is linked to the performance of car sales. According to the Association of Car Authorized Dealers of Argentina (Asociación de Concesionarios de Automotores de la República Argentina, ACARA), car sales jumped up 74.3% against the previous data, and up 2.3% compared to the same period of the previous year. In turn,

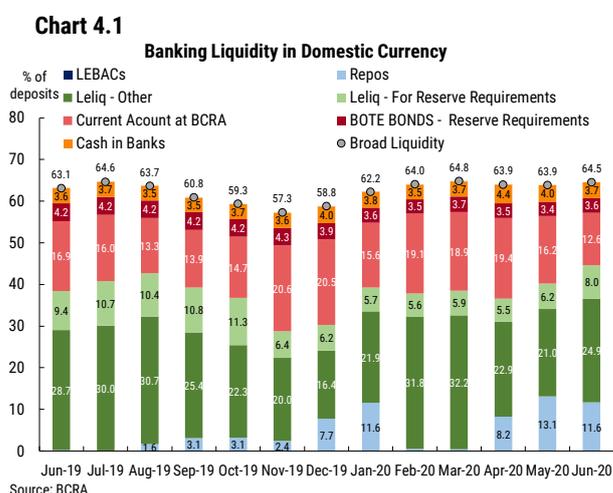
mortgage-backed loans went on recording a monthly and y.o.y. zero growth. Unlike car sales, this market continues exhibiting very few transactions.

Finally, private sector foreign currency loans went on decreasing. They posted a monthly drop of 6.5% (US\$522 million), accumulating a 53% contraction since last July (highest level of the series). This contraction of loans in dollars was virtually explained by the performance of financing through unsecured promissory notes.

¹⁰ Communication "A" 7044.

4. Liquidity of Financial Institutions

In June, the growth of deposits exceeded that of loans. Consequently, broad liquidity in domestic currency (current accounts with the BCRA, cash holdings in banks, arranged repo stocks with the BCRA, holdings of LELIQs, holdings of NOCOMs, and the bond admitted to comply with the minimum reserve requirements) reported a 0.7 p.p. increase to average 64.5% of deposits (see Chart 4.1). Like in previous months, movements in the components of bank liquidity could be explained by the regulatory changes adopted by the BCRA.



The components of BCRA's remunerated liabilities favored LELIQs to the detriment of reverse repos. On the one hand, this was due to the fact that, as from June, financial institutions that capture deposits at a minimum 79% interest rate on LELIQs may increase their LELIQ surplus by 18% of the average daily stock of the non-financial private sector time deposits in pesos of the previous month. This also stands for financial institutions that capture deposits made by the National Government, provincial or municipal governments and/or the government of the Autonomous City of Buenos Aires¹¹. On the other hand, as from mid-May, financial institutions may allocate LELIQs to comply with all their minimum cash requirements in pesos for deposits and term investments (except for allocations with National Treasury Bonds)¹². This led to a drop in the stock of current accounts, and an increase of LELIQs allocated to meet minimum reserve requirements, which was applied for only 14 days in May while the result was fully evidenced in June.

In addition, the compliance with minimum cash requirements can be met with National Treasury Bonds in pesos at a fixed interest rate maturing in May, 2022¹³, traded at the end of May. As a result, this component increased slightly in terms of deposits in June.

In turn, cash in banks decreased 0.3 p.p. in terms of deposits. Thus, after the steep increase observed in April, it went on with the process started in May to return to normal, and nearly reached its historic average.

Last, it is worth mentioning other changes to the minimum cash regime that will be effective as from next month. Firstly, the minimum cash position in pesos for the periods July/August and December/January (subsequent years) is no longer calculated on a consolidated basis¹⁴. In addition,

¹¹ Communication "A" 7027 and Communication "A" 7034.

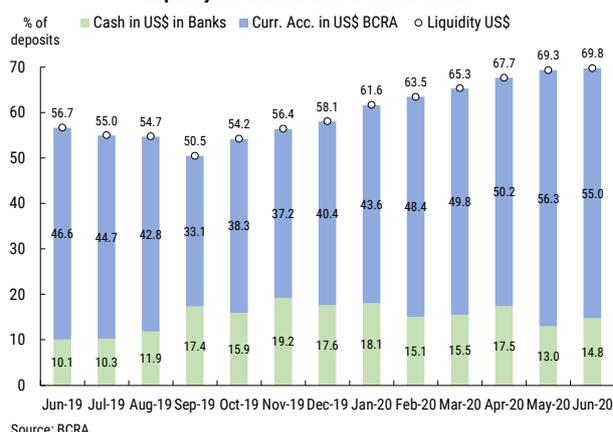
¹² Communication "A" 7018.

¹³ Communication "A" 7016.

¹⁴ Communication "A" 7046.

as mentioned in Loans to the Private Sector, the deduction on the minimum cash requirement in pesos was extended for loans granted at a maximum 24% interest rate, including a special tranche for big companies that invest in capital goods manufactured by domestic MSMEs. These measures continue to encourage credit lines to the productive sector¹⁵.

Chart 4.2 Liquidity of Financial Institutions in Dollars



In a context of falls of loans in dollars and stable deposits, bank liquidity in foreign currency went on increasing to average 69.8% of deposits. This increase centered on cash in banks, while current accounts with the BCRA in terms of deposits exhibited a decrease (see Chart 4.2).

5. Interest Rates

As of June, the BCRA decided to raise the floor of the interest rate that financial institutions must pay for private sector time deposits in pesos—from 70% to 79% of the monetary policy rate—with the aim of ensuring a positive yield in real terms to households and companies¹⁶. This regulation is compulsory for all financial institutions belonging to Group A and foreign bank branches classified as systemically important (G-SIB), while it is optional for all other institutions. Likewise, financial institutions that capture deposits at a minimum interest rate may increase their net LELIQ surplus (see section on Liquidity of Financial Institutions).

Thus, the minimum interest rate for private sector deposits in pesos climbed from 26.6% APR to 30.02% APR, and from 31.1%EAR to 34.52% EAR. Borrowing interest rates evidenced these changes and stood around those figures over the month, both for the retail and wholesale segments (see Chart 5.1). It is worth noting that companies having obtained a subsidized credit line at 24% will not be eligible for the minimum interest rate benefit. In turn, lending interest rates posted heterogeneous performances. As for business financing, lending interest rates on discounted documents as well as on unsecured promissory notes recorded improvements of 1.5 p.p. and 1.3 p.p. on average, standing at 26.7% and 30%, respectively. On the contrary, the interest rate on total overdrafts averaged 34.6% in June, down nearly 1 p.p. against May. Last, the interest rate on personal loans remained fairly stable and averaged 50.2% (see Chart 5.2).

¹⁵ Communication “A” 7054.

¹⁶ See Communications “A” 7027 and 7034.

Chart 5.1

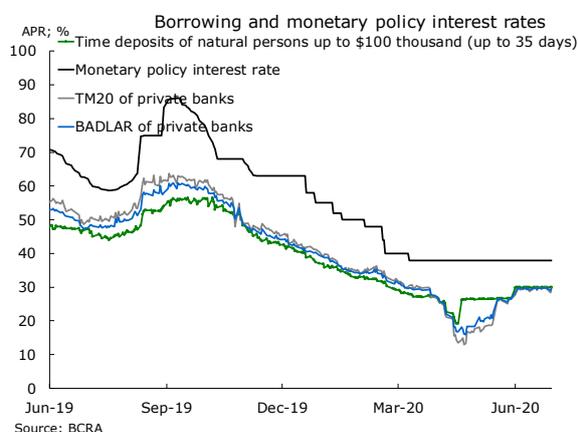
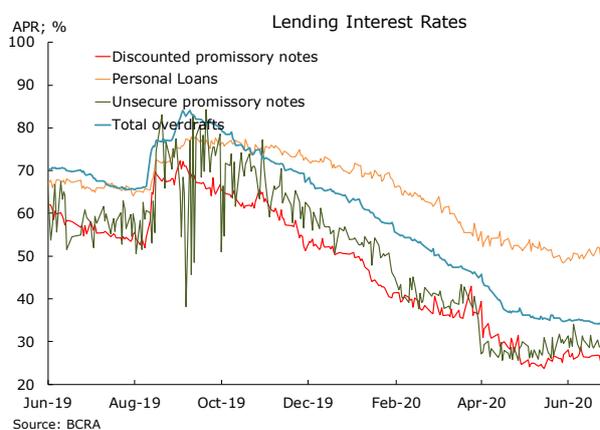


Chart 5.2



This way, short-term lending interest rate spread, which quickly responds to changes in market conditions with respect to private banks' BADLAR—interest rate on time deposits of \$1 million or more, and at 30 to 35 days—, shrank since the end of April, after implementing the minimum interest rates on deposits, and remained relatively stable over June.

6. International Reserves

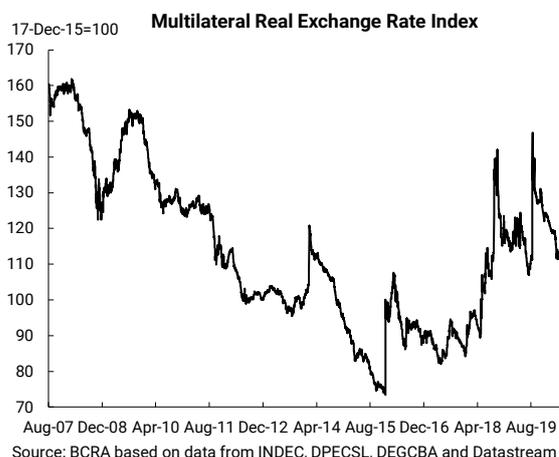
International reserves at the BCRA ended June with a stock of US\$43.24 billion, resulting in an increase of US\$653 million against the end of May (see Chart 6.1). This rise was explained by the BCRA net purchases of foreign currency and net disbursements with international organizations but, on the contrary, the stock of minimum cash requirements decreased.

Between the end of May and end of June, the \$/US\$ nominal exchange rate increased 2.8%, ending the month at 70.46. In turn, the multilateral real exchange rate exhibited a slight depreciation and stood at 115.8 by the end of the month, after remaining fairly stable since mid-March (see Chart 6.2).

Chart 6.1



Chart 6.2



7. Monetary and Financial Indicators

Figures in millions, expressed in their original currency.

Main monetary and financial system figures	Monthly average				Average change in percentage	
	Jun-20	May-20	Apr-20	Jun-19	Monthly	Last 12 months
Monetary base	2,149,123	2,181,264	2,168,039	1,341,940	-1.5%	60.2%
Currency in circulation	1,517,798	1,430,270	1,330,994	850,446	6.1%	78.5%
Held by public	1,329,848	1,245,186	1,139,091	745,645	6.8%	78.3%
Held by financial entities	187,950	185,084	191,903	104,801	1.5%	79.3%
Settlement check	0.3	0.3	0.3	0.3	0.0%	-4.7%
BCRA current account	631,324	750,994	837,046	491,494	-15.9%	28.5%
BCRA Repos stock						
Reverse repos	588,672	609,530	359,478	8,037	-3.4%	7224.3%
Repos	0	0	0	0	0.0%	0.0%
LELIQ stock (in face value)	1,660,363	1,261,107	1,229,920	1,109,456	31.7%	0
International Reserves	43,051	43,084	43,735	64,401	-0.1%	-33.2%
Private and public sector deposits in pesos ⁽¹⁾	4,984,962	4,603,306	4,280,130	2,878,960	8.3%	73.2%
Private sector deposits	<u>4,079,393</u>	<u>3,812,011</u>	<u>3,565,570</u>	<u>2,287,215</u>	<u>7.0%</u>	<u>78.4%</u>
Current account ⁽²⁾	1,052,597	986,727	897,920	440,065	6.7%	139.2%
Savings account	1,158,315	1,130,136	1,054,786	564,674	2.5%	105.1%
Not CER-adjustable time deposits	1,719,401	1,526,815	1,403,670	1,188,936	12.6%	44.6%
CER-adjustable time deposits	48,865	52,981	57,348	23,238	-7.8%	110.3%
Other deposits ⁽³⁾	100,216	115,354	151,846	70,301	-13.1%	42.6%
Public sector deposits	<u>905,569</u>	<u>791,295</u>	<u>714,560</u>	<u>591,745</u>	<u>14.4%</u>	<u>53.0%</u>
Private and public sector deposits in dollars ⁽¹⁾	19,191	19,614	20,512	34,671	-2.2%	-44.6%
Loans to private and public sector in pesos ⁽¹⁾	2,230,383	2,159,141	2,077,152	1,541,795	3.3%	44.7%
Loans to private sector	<u>2,193,465</u>	<u>2,116,915</u>	<u>2,019,744</u>	<u>1,517,219</u>	<u>3.6%</u>	<u>44.6%</u>
Overdrafts	285,204	309,444	305,497	150,373	-7.8%	89.7%
Promissory bills	491,327	444,514	352,502	220,705	10.5%	122.6%
Mortgages	211,782	212,327	212,931	212,395	-0.3%	-0.3%
Pledge-backed loans	72,905	71,690	73,039	87,215	1.7%	-16.4%
Personal loans	399,633	400,237	405,355	419,953	-0.2%	-4.8%
Credit cards	590,291	550,574	561,637	381,226	7.2%	54.8%
Other loans	142,323	128,129	108,784	45,352	11.1%	213.8%
Loans to public sector	<u>36,919</u>	<u>42,226</u>	<u>57,408</u>	<u>24,576</u>	<u>-12.6%</u>	<u>50.2%</u>
Loans to private and public sector in dollars ⁽¹⁾	7,668	8,190	8,838	15,667	-6.4%	-51.1%
Total monetary aggregates ⁽¹⁾						
M1 (currency held by public + settlement check in pesos+ current account in pesos)	2,699,728	2,505,781	2,285,299	1,377,686	7.7%	96.0%
M2 (M1 + savings account in pesos)	3,909,873	3,682,539	3,399,630	1,979,370	6.2%	97.5%
M3 (currency held by public + settlement check in pesos + total deposits in pesos)	6,314,810	5,848,492	5,419,221	3,624,605	8.0%	74.2%
M3* (M3 + total deposits in dollars + settlement check in foreign currency)	7,651,987	7,178,746	6,768,634	5,145,448	6.6%	48.7%
Private monetary aggregates						
M1 (currency held by public + settlement check in pesos + priv.current account in pesos)	2,382,445	2,231,913	2,037,011	1,185,710	6.7%	100.9%
M2 (M1 + private savings account in pesos)	3,540,760	3,362,048	3,091,797	1,750,385	5.3%	102.3%
M3 (currency held by public + settlement check in pesos + priv. total deposits in pesos)	5,409,242	5,057,197	4,704,661	3,032,860	7.0%	78.4%
M3* (M3 + private total deposits in dollars + settlement check in foreign currency)	6,582,745	6,223,997	5,893,974	4,379,259	5.8%	50.3%

Explanatory factors	Average Change							
	Monthly		Quarterly		YTD 2020		Last 12 months	
	Nominal	Contribution ⁽⁴⁾						
Monetary base	-32,141	-1.5%	208,075	10.7%	415,049	23.9%	807,182	60.2%
Foreign exchange purchases with the private sector	11,864	0.5%	-42,219	-2.2%	25,301	1.5%	-242,109	-18.0%
Foreign exchange purchases with the NT	-9,497	-0.4%	-9,497	-0.5%	-18,920	-1.1%	-35,110	-2.6%
Temporary Advances and Profit Transfers	303,705	13.9%	935,280	48.2%	1,274,215	73.5%	1,627,667	121.3%
Other public sector operations	-21,271	-1.0%	-108,136	-5.6%	-116,122	-6.7%	-143,311	-10.7%
Sterilization (Repos and LELIQ)	-318,728	-14.6%	-569,029	-29.3%	-749,642	-43.2%	-410,175	-30.6%
Others	1,785	0.1%	1,676	0.1%	218	0.0%	10,221	0.8%
International Reserves	-33	-0.1%	-1,212	-2.7%	-1,302	-2.9%	-21,350	-33.2%
Foreign exchange market intervention	165	0.4%	-638	-1.4%	492	1.1%	-4,191	-6.5%
International financial institutions	-156	-0.4%	-774	-1.7%	-1,505	-3.4%	2,261	3.5%
Other public sector operations	13	0.0%	593	1.3%	1,070	2.4%	-11,817	-18.3%
Dollar liquidity requirements	-489	-1.1%	226	0.5%	2,168	4.9%	-5,599	-8.7%
Others (incl. change in US\$ market value of nondollar assets)	434	1.0%	-619	-1.4%	-3,526	-8.0%	-2,004	-3.1%

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.

Sources: BCRA Accounting Department and SISCEN Informative Regime.

Minimum Cash Requirement and Compliance

	Jun-20	May-20	Apr-20
Domestic Currency	% of total deposits in pesos		
Requirement	24.0	25.7	27.5
Compliance in current account	16.2	16.2	19.4
Compliance in Leliq	17.3	18.6	19.1
Compliance in BOTE	3.6	3.5	3.3
<i>Residual time structure of term deposits used for the calculation of the requirement (1)</i>	%		
Up to 29 days	73.6	73.6	73.6
30 to 59 days	18.5	18.5	18.5
60 to 89 days	4.7	4.7	4.7
90 to 179 days	2.5	2.5	2.5
more than 180 days	0.8	0.8	0.8
Foreign Currency	% of total deposits in foreign currency		
Requirement	24.0	24.0	24.0
Compliance (includes default application resource)	55.1	56.0	50.2
<i>Residual time structure of term deposits used for the calculation of the requirement (1)</i>	%		
Up to 29 days	60.1	60.1	60.1
30 to 59 days	20.0	20.0	20.0
60 to 89 days	9.1	9.1	9.1
90 to 179 days	7.7	7.7	7.7
180 to 365 days	3.1	3.1	3.1
more than 365 days	0.0	0.0	0.0

(1) Excludes judicial time deposits.

** Estimates data of September for Requirements and residual time structures.

Source: BCRA

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

Reference Interest Rates	Jun-20	May-20	Apr-20	Dec-19	Jun-19
BCRA Repo Interest Rates					
Overnight reverse repo	19.00	17.00	12.35	53.70	59.54
Total Repo Interest Rates					
Overnight	12.82	10.77	8.15	39.91	62.28
Repo traded volumen (daily average)	6,633	4,343	8,322	3,792	16,116
LELIQ interest rate	38.00	38.00	38.00	61.37	66.8
Foreign Exchange Market	Jun-20	May-20	Apr-20	Dec-19	Jun-19
Dollar Spot					
Exchange agencies	69.54	67.73	65.76	59.87	43.74
BCRA Reference	70.08	67.62	65.45	60.53	43.83
Future dollar					
NDF 1 month	72.81	71.72	68.88	64.26	45.75
ROFEX 1 month	71.60	69.73	68.34	63.75	47.02
Traded volume (all maturities, million pesos)	26,857	35,789	28,941	15,870	75,816
Real (Pesos/Real)	13.42	12.00	12.32	14.57	11.33
Euro (Pesos/Euro)	78.27	73.85	71.43	66.51	49.43
Capital Market	Jun-20	May-20	Apr-20	Dec-19	Jun-19
MERVAL					
Index	42,299	38,234	29,555	37,141	38,672
Traded volume (million pesos)	904	904	904	885	1,476
Governement Bonds (parity)					
DISCOUNT (US\$ - NY legislation)	47.11	42.52	38.68	70.24	80.73
BONAR X (US\$)	40.72	31.45	27.59	52.10	84.88
DISCOUNT (\$)	74.24	68.52	54.79	52.00	63.78
Country risk					
EMBI+ Argentina	2,535	2,976	3,803	2,073	888
EMBI+ Latinoamérica	547	624	711	431	562

1 Corresponds to average results of each month primary auctions.

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

Borrowing Interest Rates	Jun-20	May-20	Apr-20	Dec-19	Jun-19
Interbank Loans (overnight)					
Interest rate	16.20	14.07	8.03	50.09	66.53
Traded volume (million pesos)	7,654	8,172	6,914	7,385	7,302
Time Deposits					
<u>In pesos</u>					
30-44 days	28.43	23.45	21.34	40.89	49.78
60 days or more	29.00	24.04	21.95	41.26	50.77
Total TM20 (more than \$20 million, 30-35 days)					
Private Banks TM20 (more than \$20 million, 30-35 days)					
Total BADLAR (more than \$1 million, 30-35 days)	28.47	22.82	20.40	41.10	51.66
Private Banks BADLAR (more than \$1 million, 30-35 days)	29.52	23.57	20.84	41.75	51.05
<u>In dollars</u>					
30-44 days	0.77	0.77	0.80	1.56	1.23
60 days or more	1.03	0.91	1.01	2.34	1.78
Total BADLAR (more than \$1 million, 30-35 days)	0.85	0.86	0.94	1.89	1.27
Private Banks BADLAR (more than \$1 million, 30-35 days)	1.01	1.11	1.14	1.42	1.38
Lending Interest Rates	Jun-20	May-20	Apr-20	Dec-19	Jun-19
Stock Repos					
Gross interest rates 30 days	24.81	21.28	17.52	41.10	53.94
Traded volume (all maturities, million pesos)	39,610	35,897	44,371	18,780	5,792
Loans in Pesos ⁽¹⁾					
Overdrafts	34.22	35.11	38.63	66.45	72.45
Promissory Notes	30.02	28.70	27.94	56.99	60.20
Mortgages	30.26	25.30	28.69	47.51	45.50
Pledge-backed Loans	23.32	22.91	23.54	30.54	23.20
Personal Loans	50.24	51.10	53.06	71.63	67.09
Credit Cards	41.48	42.53	45.83	81.77	70.90
Overdrafts - 1 to 7 days - more than \$10 million	22.73	20.89	21.63	58.80	70.20
International Interest Rates	Jun-20	May-20	Apr-20	Dec-19	Jun-19
LIBOR					
1 month	0.18	0.19	0.68	1.75	2.40
6 months	0.43	0.63	1.07	1.90	2.31
US Treasury Bonds					
2 years	0.19	0.17	0.22	1.61	1.82
10 years	0.73	0.67	0.65	1.85	2.07
FED Funds Rate	0.25	0.25	0.25	1.75	2.50
SELIC (1 year)	2.64	3.08	3.75	4.68	6.50

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

8. 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

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

LEBAC: BCRA Bills

LELIQ: BCRA Liquidity Bills

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

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

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

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

MSMEs: Micro, Small and Medium-Sized Enterprises

NBFI: Non-Bank Financial Institution

NDF: Non Deliverable Forward

NOCOM: Cash Compensation Notes issued by BCRA

ON: Negotiable Obligation

p.p.: Percentage Points

ROFEX: Rosario Futures Exchange

s.a.: Seasonally-adjusted

SDR: Special Drawing Right

SISCEN: BCRA Centralized Reporting Requirement System

SMEs: Small and Medium-Sized Enterprises

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

UVA: Units of Purchasing Power

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