

Monthly Monetary Report

July 2020



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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1. Summary

- In July, the seasonally-adjusted private M3 broad monetary aggregate went on moderating its growth rate in real terms after the high observed in April. Time deposits explained, for the second month in a row, most of the aggregate growth while the contribution to growth of means of payment kept on decreasing.
- The evolution of time deposits evidenced the positive impact of the minimum interest rates scheme that ensured a positive return in real terms for all private sector depositors. Thus, in July, time deposits posted a monthly increase of 7.4% at current prices, i.e. 4.7% at constant prices. Although they evidenced moderate growth rates against May and June, they are still historically high both in nominal and real terms.
- Following the policy to safeguard savings in domestic currency, the BCRA decided to raise, as from August, the floor of interest rates that financial institutions must pay for natural persons' time deposits in pesos for up to \$1 million, from 79% to 87% of the monetary policy rate. This way, retail depositors will have a minimum return of 33.06% APR (38.57% EAR). In addition, the BCRA increased to 0.75 the coefficient to determine the fixed interest rate on UVA deposits with an early-payment option, from 26.6% to 28.5%.
- The growth rate of loans in pesos to the private sector remained high in July, though it moderated against the high reached in April. In nominal and seasonally-adjusted terms, loans expanded by 3.5% monthly (0.9% at constant prices). Such increase was mainly driven by financing on credit cards, which posted a seasonally-adjusted average monthly rise of 9.2% in nominal terms (6.5% in real terms). The main factors that contributed to its growth were the zero percent credit lines and financing on *Ahora 12 Plan*. The latter has recently expanded in view of its prime conditions in a context of household consumption recovery.
- As for business lines, those supported by the BCRA in the economic emergency stood out. By the end of July, the credit line channeled to MSMEs and health service providers accumulated disbursements for \$343.77 billion at interest rates below 24%, of which \$8.3 billion stood for health service providers. The rest of financing to MSMEs was distributed as follows: 48% to working capital (excluding wages), 29% to the payment of deferred checks, and the remaining 23% to other purposes. Furthermore, as of July 31, the *MiPyME Plus Credit Line*, aimed at enterprises with no bank financing, was granted to 4,193 companies, of which 3,239 had access with FoGAR loan guarantees. The total amount granted was \$1.82 billion and \$187 million were approved but not yet disbursed.

*The closing date for statistics in this report was August 6, 2020.
All figures are provisional and subject to review.*

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2. Monetary Aggregates

In July, the seasonally-adjusted private M3 broad monetary aggregate¹ went on moderating its growth rate in real terms after the high observed in April, exhibiting a 2.2% real growth, 4.9% in nominal and seasonally-adjusted terms (see Chart 2.1)². For the second month in a row, time deposits explained most of the private sector's broad aggregate growth.

Time deposits posted a monthly increase of 7.4% at current prices, 4.7% at constant prices. Although their growth rates were moderate against May and June, they were still historically high both in nominal and real terms (see Chart 2.2). The daily evolution of time deposits evidenced the positive impact of the minimum interest rates policy that ensured a positive return in real terms for all private sector depositors. Stocks grouped by type of holders³ exhibited a sustained growth in credit lines channeled to both natural and legal persons as from mid-May (see Chart 2.3). It should be pointed out that the equity of financial service providers such as money market funds went up in that period, with more than 40% of their portfolio invested in time deposits.

Chart 2.1

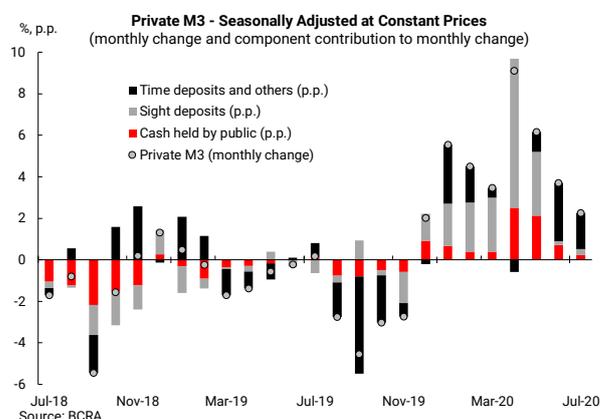


Chart 2.2

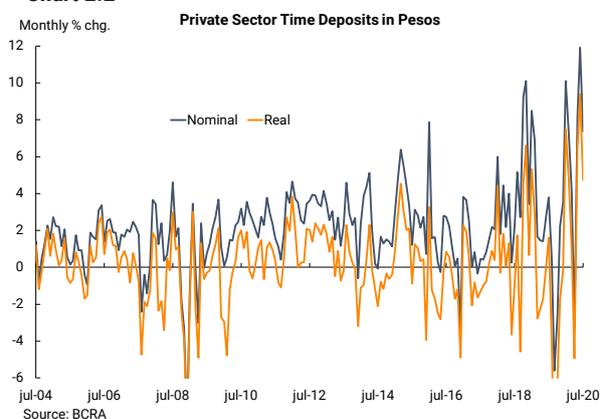
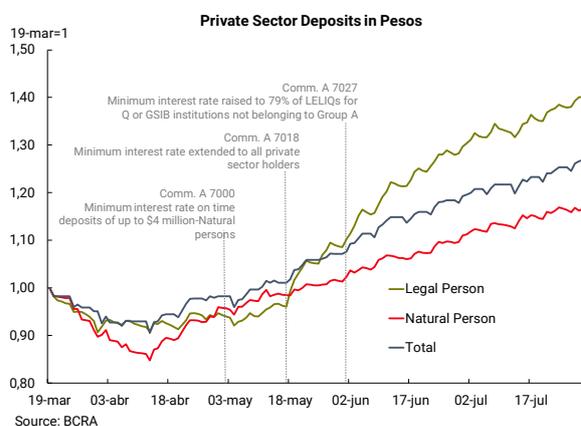


Chart 2.3



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 July in line with the REM, according to June's survey.

³ Estimated stocks.

Since the growth rate of prices moderated, depositors preferred time deposits in pesos to the detriment of UVA deposits, which kept the falling trend started in June. This falling trend could be explained by both early-payment UVA time deposits and traditional UVA time deposits.

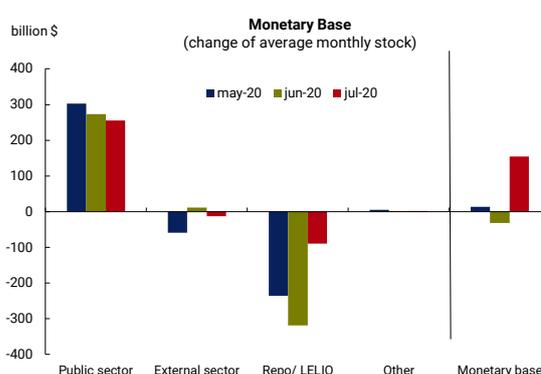
After the BCRA introduced changes to the regime of term investments with a variable return in June⁴, investments pegged to the price of the dollar increased. Even though the investments' contribution to the total growth of time deposits is not yet significant, they accumulated \$4.1 billion at the end of July.

As regards means of payment, cash held by the public recorded a seasonally-adjusted 3.5% nominal growth (0.9% in real terms) in July, the lowest growth rate in the last eight months. In turn, sight deposits went up 3.3% in nominal terms (0.7% at constant prices), evidencing a similar change against June.

As for the stock of private sector time deposits in dollars, it totaled U\$S16.98 billion at the end of July, accumulating a growth of U\$S196 million against the end of June. Over July, the performance was heterogeneous, with a rise of U\$S320 million in the first half of the month, which was partly offset by a fall in the second half of the month. Likewise, natural persons' deposits in savings accounts with lower amounts (up to U\$S10,000) increased.

Last, the monetary base grew by \$154.43 billion on average in nominal terms in July (see Chart 2.4), which was mainly due to the demand for cash in order to pay complementary wages. As for supply, its expansion was mainly associated with transfers to the National Treasury, which were fewer than in previous months. Meanwhile, the National Government went on implementing different programs aimed at mitigating the economic impact of the health emergency. Part of the monetary expansion was sterilized through reverse repos and LELIQs.

Chart 2.4



Source: BCRA

⁴On the one hand, the BCRA determined that term investments with variable return pegged to the price of grains, oilseeds, 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. On the other hand, the BCRA decided that exchange rate risk coverage will not be required for term investments with a variable dollar-pegged return. See Communications "A" 7018 and "A" 7029.

3. Loans to the Private Sector

The growth rate of loans in pesos to the private sector remained high in July, but it moderated against the high reached in April (see Chart 3.1). In nominal and seasonally-adjusted terms, loans expanded by 3.5% monthly (0.9% at constant prices). In July, financing on credit cards was the main explanatory factor for the growth of loans. Business lines contributed to credit expansion to a lesser extent (see Chart 3.2). This dynamics was partly associated with the limited opening of the economy, which led households and companies to enjoy somewhat of an increased income. This way, loans in pesos to the private sector have accumulated a s.a.25% growth in nominal terms since March (real 11.8%) and 48.7% (real 1.7%) against the same period of the previous year.

Chart 3.1

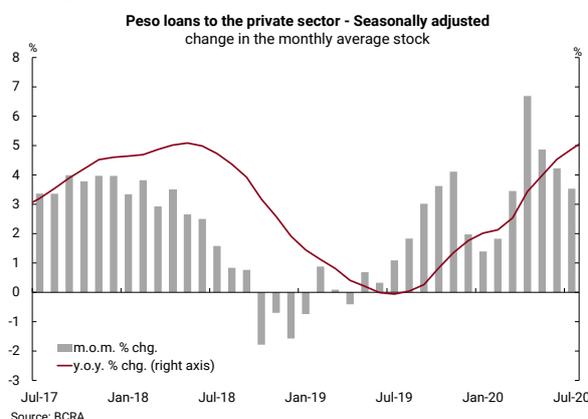
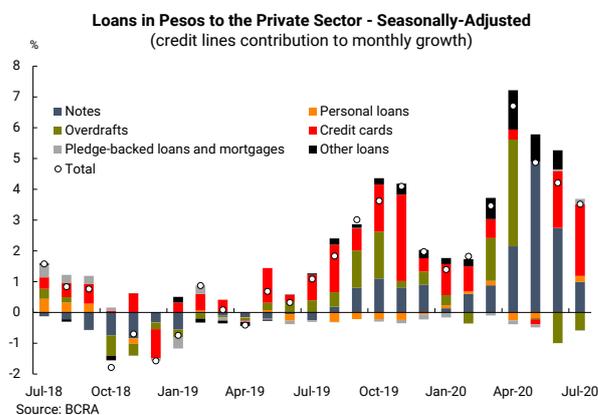
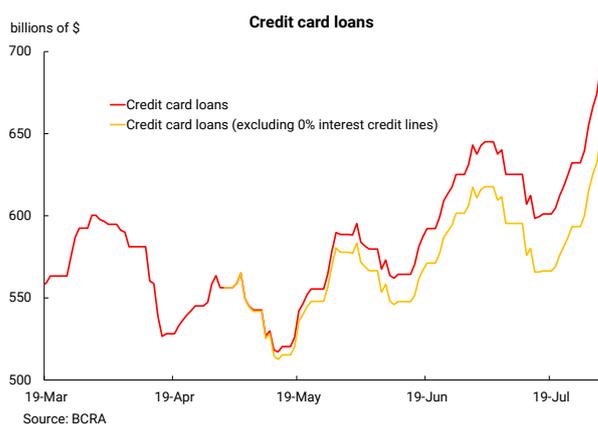


Chart 3.2



Financing on credit cards posted a s.a. 9.2% nominal increase (6.5% in real terms). One of the factors that contributed to its growth were the zero interest rate credit lines, which are credited in cards (see Chart 3.3). These loans, aimed at self-employed workers whether or not under a simplified tax scheme, accumulated a total amount of \$58.82 billion in July, of which \$47.73 billion have already been disbursed. It is worth mentioning that funds are deposited in a three-month period. In addition, 160,964 new cards were issued for the deposit of loans on behalf of those clients with no cards. The Federal Administration of Public Revenue (Administración Federal de Ingresos Públicos, AFIP) has extended the deadline for requesting this credit line until September 30⁵.

Chart 3.3



⁵ Federal Administration of Public Revenue General Resolution No. 4783/20

Financing related to the *Ahora 12 Plan* stood out among the measures that contributed to the growth of financing on credit cards. Over the last few months, this type of financing recorded a sustained improvement in the number of transactions made, especially in Argentine provinces. The maximum interest rate on financing on credit cards, 43% APR since April, also exerted a positive influence on this type of financing.⁶ In turn, personal loans evidenced a s.a. 1% nominal rise over the month (a s.a. 1.5% fall in real terms).

Demand for business financing, linked to the companies' demand for money to face the payment of wages and maintain working capital, moderated in July. On the one hand, the limited opening of the economy allowed companies to improve their invoicing to a certain extent. On the other hand, many MSMEs have already had access to credit lines at a subsidized interest rate. All in all, business lines recorded a s.a. 0.7% monthly expansion, standing 123% above the figure recorded in the same month of the previous year (52.7% 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 (see Chart 3.4). In turn, overdrafts continued exhibiting a downward trend.

Chart 3.4

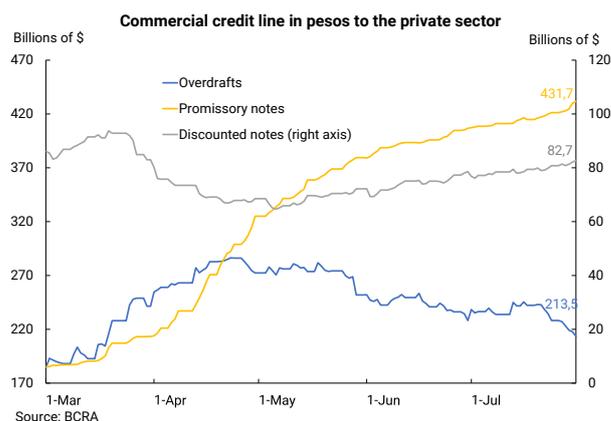
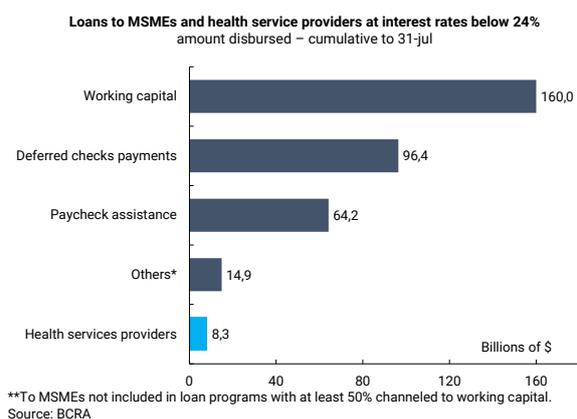


Chart 3.5



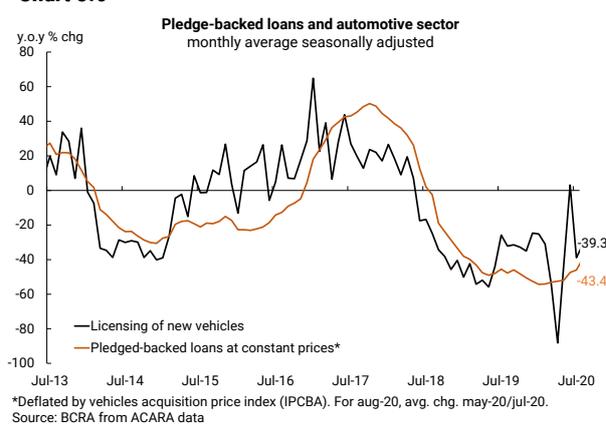
Business lines launched by the BCRA in the economic emergency stood out. By the last day of July, the credit line channeled to MSMEs and health service providers accumulated disbursements for \$343.77 billion at interest rates below 24%. Out of this amount, \$8.30 billion stood for health service providers. The rest, which corresponds to financing to MSMEs, was distributed as follows: 48% to working capital (excluding wages), 29% to the payment of deferred checks, and the remaining 23% to other purposes (see Chart 3.5). As of the last day of July, \$10.45 billion were approved but not yet disbursed, and \$10.50 billion were still to be approved.

As of July 31, the *MiPyME Plus Credit Line*, aimed at enterprises with no bank financing, was granted to 4,193 companies, of which 3,239 had access with FoGAR loan guarantees. The total amount granted was \$1.82 billion and \$187 million were approved but not yet disbursed.

⁶Communication "A" 6964.

It is worth noting that, under the recently announced fourth stage of the Emergency Assistance for Work and Production program, a new credit line will be launched at subsidized interest rates for companies which annual turnover increased up to 30% and have a payroll of up to 800 employees. This credit line will be exclusively used for the payment of wages. The interest rate on this credit line will depend on the growth pace of invoicing⁷. The BCRA has recently regulated this line, establishing that disbursements are to be deposited in the workers' salary accounts⁸. This way, the policy of financial assistance to companies at subsidized interest rates is strengthened.

Chart 3.6



Regarding loans with real property collateral, pledge-backed loans posted a monthly rise of 4.3% in nominal and seasonally-adjusted terms, the second positive change after accumulating 21 months with no expansions (-11.7% y.o.y.). In real terms, they grew by 1.7%, which implied a reduction in the y.o.y. contraction pace (see Chart 3.6). This trend reversal was linked to the number of vehicles sold which, according to the Association of Car Authorized Dealers of Argentina (Asociación de Concesionarios de Automotores de la República Argentina, ACARA),

also evidenced a y.o.y. moderate fall. In turn, mortgage-backed loans went on recording a monthly and y.o.y. zero growth. Unlike car sales, this market continued exhibiting very few transactions.

Finally, private sector foreign currency loans went on decreasing. They posted a monthly drop of 7.8% (US\$589 million), accumulating a 56.7% contraction since last July (highest level of the series). This contraction of loans in dollars was virtually explained by the behavior of financing through unsecured promissory notes.

4. Liquidity of Financial Institutions

During July, broad bank 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) recorded a 0.7 p.p.

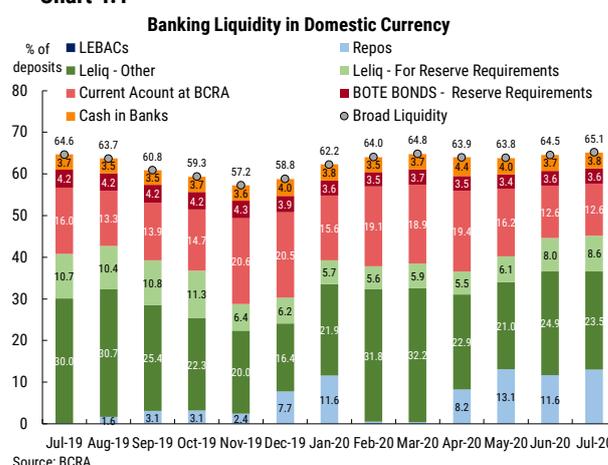
⁷ Administrative Decision No. 1343/2020. As specified, companies with up to 10% increase in their invoicing will pay a 0% interest rate; companies with 10% to 20% will pay 7.5%; and those with 20% to 30% will pay 15%. Also, this credit will have a three-month grace period and will be paid in a twelve-month period.

⁸ Communication "A" 7082.

increase to average 65.2% of deposits, in a context in which the growth of deposits exceeded that of loans (see Chart 4.1). Thus, it still stood at historically high levels.

Sorted out by components, bank liquidity performed as follows: the stock of LELIQs as deposits' percentage remained virtually unchanged with a climb of LELIQs used to fulfill minimum reserve requirements—as a result of a rise of time deposits and a fall of the rest of LELIQs; net repos with the BCRA increased by 1.4 p.p. of deposits; and cash in banks rose by 0.2 p.p. in terms of deposits, a figure that is comparable to those observed in the previous months.

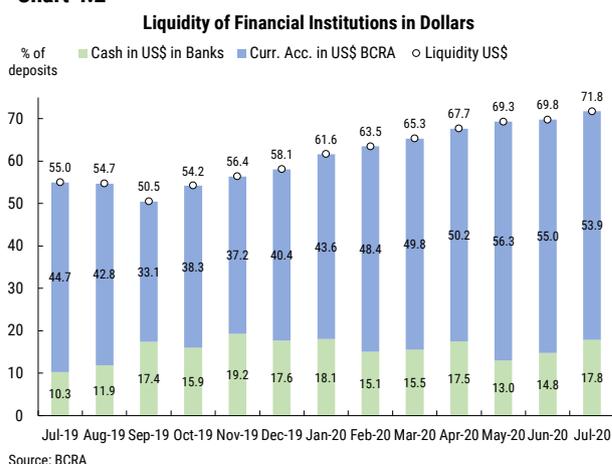
Chart 4.1



As regards the last changes to the minimum cash regime, it is worth noting that the minimum cash position in pesos for the periods July/August and December/January (subsequent years) has been no longer calculated on a consolidated basis since July.⁹ In addition, 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 MSMEs¹⁰.

Last, as from August, the net LELIQ surplus will be increased by a maximum amount that agrees with the difference between the limit to the cash position set out in the regulations on “Foreign Currency Net Global Position” and the monthly average of daily stocks of the cash position¹¹. Furthermore, as from September, financial institutions that capture natural persons’ deposits up to \$1 million at the minimum interest rate effective as from August may increase their net LELIQ surplus by 13% of the average monthly stock of the previous month’s deposits.¹²

Chart 4.2



In July, while loans in dollars went on decreasing and deposits evidenced a slight improvement, bank liquidity in foreign currency rose for the tenth month in a row and averaged 71.8% of deposits. The increase of liquidity centered on cash in banks, while current accounts with the BCRA in terms of deposits exhibited a decrease (see Chart 4.2).

⁹Communication “A” 7046.

¹⁰Communication “A” 7054.

¹¹Communication “A” 7077.

¹²Communication “A” 7078.

5. Interest Rates ¹³

In view of the policy to safeguard savings in domestic currency, as from August, the BCRA decided to raise the floor of interest rates that financial institutions must pay for natural persons' time deposits in pesos for up to \$1 million, from 79% to 87% of the monetary policy rate¹⁴. This way, retail depositors will have a minimum return of 33.06% APR (38.57% EAR). 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. As from September, financial institutions that capture deposits at a minimum interest rate may increase their net LELIQ surplus (see section on Liquidity of Financial Institutions). In addition, the BCRA increased to 0.75 the coefficient to determine the fixed interest rate on UVA deposits with early-payment option, from 26.6% to 28.5%.

During July, borrowing interest rates stood around the current minimum interest rates: 30.02% APR, i.e., 34.52% EAR. In a liquid money market, the interest rates on the interbank call money market remained low. The interest rate on overnight call transactions exhibited a somewhat downward trend in July, after remaining mostly stable as from mid-May. Thus, it ended the month at 15.6%, down 0.6 p.p. against the end of June. Even though the interest rate on transactions among third parties on the repo round showed greater volatility, it remained stable at about 13.6% (see Chart 5.1).

Most lending interest rates remained relatively stable over the month. The interest rate on overdrafts was the exception as it declined 1.2 p.p. against June to average 33.4%. In turn, the interest rate on unsecured promissory notes averaged 31% while the rate applied to discounted documents posted a monthly average of 26.4%, with subtle changes against June in both cases. It is worth noting that these lines are influenced by credit lines to MSMEs at 24% maximum interest rate. In addition, the interest rate on personal loans averaged 50.6%, recording a slight increase (0.3 p.p.) against June (see Chart 5.2).

Chart 5.1

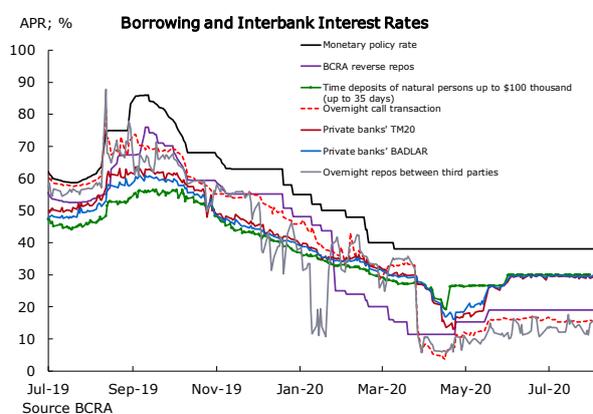
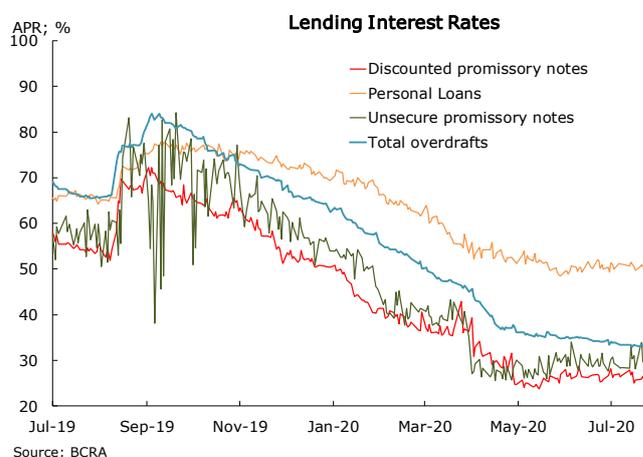


Chart 5.2



¹³ Interest rates are expressed as annual percentage rates (APR), unless otherwise specified.

¹⁴Communication "A" 7078.

6. International Reserves

International reserves at the BCRA ended July with a stock of US\$43.38 billion, resulting in an increase of US\$98 million against the end of June (see Chart 6.1). BCRA's net purchases of foreign currency were balanced out by net disbursements of international organizations to the National Treasury, increased stock of minimum cash and earnings from the valuation of net foreign assets.

Between the end of June and end of July, the \$/US\$ nominal exchange rate increased 2.6%, ending the month at \$72.26/US\$1. In turn, the multilateral real exchange rate exhibited a slight depreciation and stood at 120.5 by the end of the month, accumulating a 10 p.p. rise as from mid-May. Thus, the multilateral real exchange rate stood at similar levels to those observed at the beginning of this year (see Chart 6.2).

Chart 6.1

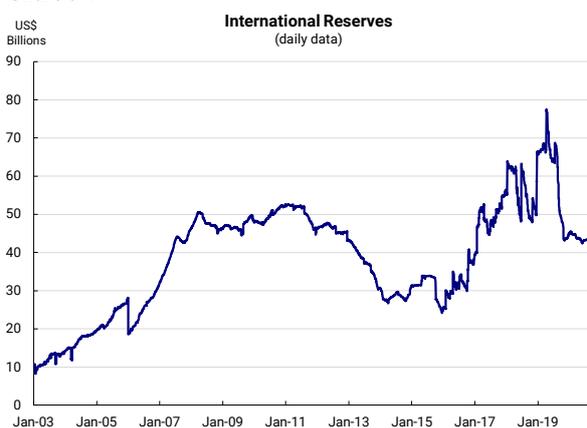


Chart 6.2



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	
	Jul-20	Jun-20	May-20	Jul-19	Monthly	Last 12 months
Monetary base	2,303,560	2,149,123	2,181,264	1,381,539	7.2%	66.7%
Currency in circulation	1,635,051	1,517,798	1,430,270	906,458	7.7%	80.4%
Held by public	1,430,714	1,329,790	1,245,237	797,818	7.6%	79.3%
Held by financial entities	204,337	188,008	185,032	108,640	8.7%	88.1%
Settlement check	0.3	0.3	0.3	0.3	0.0%	0.0%
BCRA current account	668,508	631,324	750,994	475,081	5.9%	40.7%
BCRA Repos stock						
Reverse repos	693,249	588,672	609,530	3,208	17.8%	21508.4%
Repos	0	0	0	0	0.0%	0.0%
LELIQ stock (in face value)	1,708,401	1,660,363	1,261,107	1,207,354	2.9%	41.5%
International Reserves	43,313	43,051	43,084	66,133	0.6%	-34.5%
Private and public sector deposits in pesos ⁽¹⁾	5,253,169	4,985,301	4,603,141	2,941,217	5.4%	78.6%
Private sector deposits	4,329,292	4,079,535	3,811,797	2,354,409	6.1%	83.9%
Current account ⁽²⁾	1,070,065	1,052,570	986,713	434,952	1.7%	146.0%
Savings account	1,261,347	1,158,489	1,129,979	590,630	8.9%	113.6%
Not CER-adjustable time deposits	1,855,447	1,719,435	1,526,701	1,237,878	7.9%	49.9%
CER-adjustable time deposits	43,293	48,865	52,981	20,395	-11.4%	112.3%
Other deposits ⁽³⁾	99,141	100,177	115,423	70,554	-1.0%	40.5%
Public sector deposits	923,877	905,765	791,344	586,809	2.0%	57.4%
Private and public sector deposits in dollars ⁽¹⁾	19,299	19,191	19,614	34,374	0.6%	-43.9%
Loans to private and public sector in pesos ⁽¹⁾	2,305,435	2,240,569	2,164,531	1,550,522	2.9%	48.7%
Loans to private sector	2,268,418	2,203,565	2,122,360	1,525,567	2.9%	48.7%
Overdrafts	276,772	285,076	309,459	158,611	-2.9%	74.5%
Promissory bills	529,264	501,293	450,679	220,034	5.6%	140.5%
Mortgages	211,554	211,831	212,330	212,370	-0.1%	-0.4%
Pledge-backed loans	76,275	72,890	71,672	86,349	4.6%	-11.7%
Personal loans	399,856	399,653	400,162	415,592	0.1%	-3.8%
Credit cards	629,708	590,506	549,880	385,673	6.6%	63.3%
Other loans	144,989	142,315	128,178	46,939	1.9%	208.9%
Loans to public sector	37,017	37,004	42,171	24,955	0.0%	48.3%
Loans to private and public sector in dollars ⁽¹⁾	7,077	7,666	8,193	16,104	-7.7%	-56.1%
Total monetary aggregates ⁽¹⁾						
M1 (currency held by public + settlement check in pesos+ current account in pesos)	2,798,222	2,699,672	2,505,900	1,431,506	3.7%	95.5%
M2 (M1 + savings account in pesos)	4,113,986	3,909,990	3,682,530	2,060,906	5.2%	99.6%
M3 (currency held by public + settlement check in pesos + total deposits in pesos)	6,683,883	6,315,091	5,848,379	3,739,036	5.8%	78.8%
M3* (M3 + total deposits in dollars + settlement check in foreign currency)	8,063,920	7,652,266	7,178,594	5,200,822	5.4%	55.1%
Private monetary aggregates						
M1 (currency held by public + settlement check in pesos + priv.current account in pesos)	2,500,779	2,382,361	2,231,951	1,232,771	5.0%	102.9%
M2 (M1 + private savings account in pesos)	3,762,126	3,540,850	3,361,930	1,823,400	6.2%	106.3%
M3 (currency held by public + settlement check in pesos + priv. total deposits in pesos)	5,760,006	5,409,326	5,057,035	3,152,227	6.5%	82.7%
M3* (M3 + private total deposits in dollars + settlement check in foreign currency)	6,975,783	6,582,828	6,223,782	4,497,820	6.0%	55.1%

Explanatory factors	Average Change							
	Monthly		Quarterly		YTD 2020		Last 12 months	
	Nominal	Contribution ⁽⁴⁾						
Monetary base	154,437	7.2%	135,520	6.3%	569,486	32.8%	922,020	66.7%
Foreign exchange purchases with the private sector	-13,141	-0.6%	-60,157	-2.8%	12,160	0.7%	-255,249	-18.5%
Foreign exchange purchases with the NT	-2,603	-0.1%	-12,100	-0.6%	-21,523	-1.2%	-82,229	-6.0%
Temporary Advances and Profit Transfers	210,849	9.8%	886,525	40.9%	1,485,065	85.6%	1,838,516	133.1%
Other public sector operations	47,045	2.2%	-42,642	-2.0%	-69,077	-4.0%	-112,765	-8.2%
Sterilization (Repos and LELIQ)	-89,248	-4.2%	-643,826	-29.7%	-838,890	-48.4%	-466,965	-33.8%
Others	1,534	0.1%	7,720	0.4%	1,751	0.1%	713	0.1%
International Reserves	262	0.6%	-422	-1.0%	-1,040	-2.3%	-22,820	-34.5%
Foreign exchange market intervention	-183	-0.4%	-896	-2.0%	309	0.7%	-4,373	-6.6%
International financial institutions	334	0.8%	-245	-0.6%	-1,172	-2.6%	-208	-0.3%
Other public sector operations	-227	-0.5%	210	0.5%	843	1.9%	-10,985	-16.6%
Dollar liquidity requirements	-135	-0.3%	116	0.3%	2,032	4.6%	-4,946	-7.5%
Others (incl. change in US\$ market value of nondollar assets)	473	1.1%	393	0.9%	-3,053	-6.9%	-2,308	-3.5%

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

	Jul-20	Jun-20	May-20
Domestic Currency	% of total deposits in pesos		
Requirement	24.7	24.0	26.1
Compliance in current account	12.6	12.6	16.2
Compliance in Leliq	16.3	17.2	18.6
Compliance in BOTE	3.6	3.6	3.4
<i>Residual time structure of term deposits used for the calculation of the requirement (1)</i>	%		
<i>Up to 29 days</i>	71.9	71.9	71.9
<i>30 to 59 days</i>	19.8	19.8	19.8
<i>60 to 89 days</i>	5.3	5.3	5.3
<i>90 to 179 days</i>	2.4	2.4	2.4
<i>more than 180 days</i>	0.7	0.7	0.7
Foreign Currency	% of total deposits in foreign currency		
Requirement	24.0	24.0	24.0
Compliance (includes default application resource)	53.9	55.0	56.3
<i>Residual time structure of term deposits used for the calculation of the requirement (1)</i>	%		
<i>Up to 29 days</i>	57.6	57.6	57.6
<i>30 to 59 days</i>	22.6	22.6	22.6
<i>60 to 89 days</i>	10.0	10.0	10.0
<i>90 to 179 days</i>	6.5	6.5	6.5
<i>180 to 365 days</i>	3.2	3.2	3.2
<i>more than 365 days</i>	0.2	0.2	0.2

(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	Jul-20	Jun-20	May-20	Dec-19	Jul-19
BCRA Repo Interest Rates					
Overnight reverse repo	19.00	19.00	17.00	53.70	53.05
Total Repo Interest Rates					
Overnight	13.57	12.82	10.77	39.91	56.09
Repo traded volumen (daily average)	5,231	6,633	4,343	3,792	8,504
LELIQ interest rate	38.00	38.00	38.00	61.37	59.6
Foreign Exchange Market	Jul-20	Jun-20	May-20	Dec-19	Jul-19
Dollar Spot					
Exchange agencies	71.47	69.54	67.73	59.87	42.58
BCRA Reference	72.86	70.08	67.62	60.53	42.62
Future dollar					
NDF 1 month	74.54	72.81	71.72	64.26	44.54
ROFEX 1 month	73.78	71.60	69.73	63.75	44.73
Traded volume (all maturities, million pesos)	33,190	27,519	35,789	15,870	58,421
Real (Pesos/Real)	13.57	13.42	12.00	14.57	11.28
Euro (Pesos/Euro)	82.17	78.27	73.85	66.51	47.74
Capital Market	Jul-20	Jun-20	May-20	Dec-19	Jul-19
MERVAL					
Index	45,467	42,299	38,234	37,141	41,355
Traded volume (million pesos)	904	904	904	885	1,090
Government Bonds (parity)					
DISCOUNT (US\$ - NY legislation)	48.74	47.11	42.52	70.24	85.98
BONAR X (US\$)	43.21	40.72	31.45	52.10	87.70
DISCOUNT (\$)	86.15	74.24	68.52	52.00	70.48
Country risk					
EMBI+ Argentina	2,332	2,535	2,976	2,073	790
EMBI+ Latinoamérica	523	547	624	431	557

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	Jul-20	Jun-20	May-20	Dec-19	Jul-19
Interbank Loans (overnight)					
Interest rate	15.72	16.20	14.07	50.09	58.42
Traded volume (million pesos)	6,840	7,654	8,172	7,385	5,309
Time Deposits					
<u>In pesos</u>					
30-44 days	28.38	28.43	23.45	40.89	47.29
60 days or more	28.59	29.00	24.04	41.26	48.36
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)	28.24	28.47	22.82	41.10	48.79
Private Banks BADLAR (more than \$1 million, 30-35 days)	29.53	29.52	23.57	41.75	48.52
<u>In dollars</u>					
30-44 days	0.67	0.77	0.77	1.56	1.27
60 days or more	0.92	1.03	0.91	2.34	1.79
Total BADLAR (more than \$1 million, 30-35 days)	0.71	0.85	0.86	1.89	1.32
Private Banks BADLAR (more than \$1 million, 30-35 days)	0.77	1.01	1.11	1.42	1.32
Lending Interest Rates	Jul-20	Jun-20	May-20	Dec-19	Jul-19
Stock Repos					
Gross interest rates 30 days	23.54	24.81	21.28	41.10	47.13
Traded volume (all maturities, million pesos)	42,099	39,610	35,897	18,780	11,853
Loans in Pesos ⁽¹⁾					
Overdrafts	32.80	34.20	35.11	66.45	68.32
Promissory Notes	31.01	30.02	28.70	56.99	58.18
Mortgages	30.22	30.84	25.30	47.51	52.92
Pledge-backed Loans	23.56	23.33	22.91	30.54	23.39
Personal Loans	50.56	50.25	51.11	71.63	65.83
Credit Cards	42.36	41.64	42.29	81.77	74.43
Overdrafts - 1 to 7 days - more than \$10 million	21.45	22.73	20.85	58.79	62.51
International Interest Rates	Jul-20	Jun-20	May-20	Dec-19	Jul-19
LIBOR					
1 month	0.17	0.18	0.19	1.75	2.30
6 months	0.34	0.43	0.63	1.90	2.20
US Treasury Bonds					
2 years	0.15	0.19	0.17	1.61	1.82
10 years	0.62	0.73	0.67	1.85	2.05
FED Funds Rate	0.25	0.25	0.25	1.75	2.49
SELIC (1 year)	2.25	2.64	3.08	4.68	6.48

(1) Observed data from Monthly Informative Regime SISGEN 08 up to April and estimated data based on Daily Informative Regime SISGEN 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