

Monthly Monetary Report

September 2017



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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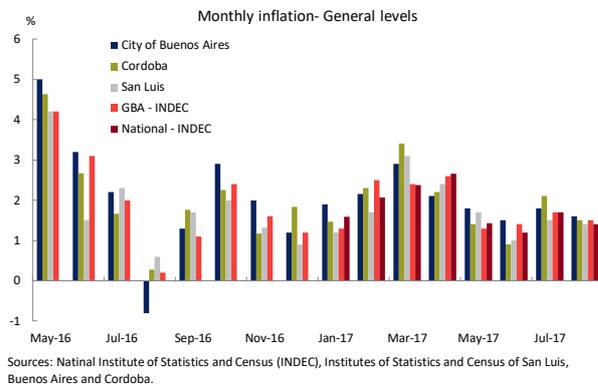
The closing date for statistics in this report was October 5, 2017. All figures are provisional and subject to review.

1. Summary¹

- Based on the nationwide Consumer Price Index (CPI) published by the INDEC, both general and core inflation were 1.4% in August, going down vis-à-vis July's figures. High-frequency data suggest that September's inflation might not have been lower than the figures that have been observed since May. In this scenario, the Central Bank decided to leave its monetary policy rate unchanged, the center of the 7-day repo corridor standing at 26.25%. The 7-day corridor thus ran between 25.5% for reverse repos and 27% for repos.
- The Central Bank continued restraining liquidity through transactions on the LEBAC bill secondary market. In September, it sold LEBAC bills on the secondary market for a total of NV \$116.4 billion, which more than offset the monetary expansion derived from the partial renewal of LEBAC bills that matured over the month. As a result, the average net absorption of liquidity through the sale of LEBAC bills and repo transactions was \$28.8 billion in the month.
- Interest rates in call money markets remained within the corridor established by the Central Bank. As for deposit rates, the BADLAR rate at private banks showed an upward trend.
- The increase in M3 continued being explained by the performance of the components of private M2, which was once again the aggregate with the highest real growth. Time deposits in pesos from the private sector, which have been falling steadily in real terms and were adjusted for seasonality, were somehow stable along September.
- Seasonally-adjusted loans to the private sector continued on the rise in real terms. The segment of loans in pesos and in foreign currency, as well as that in pesos posted a monthly increase of 2.3%. All credit lines grew in real terms, among which mortgage-backed loans continued standing out. In nominal terms, mortgage-backed loans climbed 9.2% (\$7.6 billion), rising 63.8% y.o.y. Loans denominated in units of purchasing power (*UVAs* in Spanish) continued gaining share in mortgage-backed loans channeled to individuals, accounting for 88% of the total. Nearly \$27.5 billion in *UVA*-adjusted mortgage-backed loans have been granted since this line of credit was launched.
- Loans granted to the private sector grew at a more rapid pace than deposits. The rest of loan funding derived, among other things, from repos and LEBAC bills. Thus, bank liquidity in domestic currency (cash in banks, current account of banks with the Central Bank, net repo transactions with the BCRA and the holding of LEBAC bills, as a percentage of deposits in pesos) decreased by 1 p.p. against August, reaching 40.2%.

¹ Unless otherwise stated, the figures released here are monthly averages of daily data.

Chart 2.1



2. Interest Rates²

Monetary Policy Interest Rate

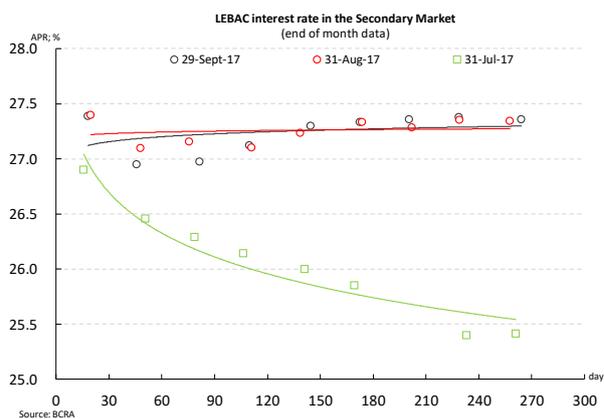
Based on the nationwide Consumer Price Index (CPI) published by the INDEC, both general and core inflation were 1.4% in August, going down vis-à-vis July's figures. In general, the indices calculated for different regions also revealed lower inflation rates in August (see Chart 2.1).

High-frequency data suggest that September's inflation might not have been lower than the figures that have been observed since May. The Central Bank has stated on many occasions that it will endeavor to bring down core inflation in a more substantial way within a framework of disinflation process.

In this scenario, the Central Bank decided to leave its monetary policy rate unchanged in September, the center of the 7-day repo corridor standing at 26.25%. The 7-day corridor thus ran between 25.5% for reverse repos and 27% for repos.

In turn, the Central Bank continued restraining liquidity through transactions on the LEBAC bill secondary market. In September, it sold LEBAC bills on the secondary market for a total of FV \$116.4 billion. These sales counteracted the expansion resulting from the partial renewal of LEBAC bills that matured over the month. In addition, September's yield curve for LEBAC bills remained at levels that were similar to those recorded at the end of August, even recording a positive slope (see Chart 2.2).

Chart 2.2

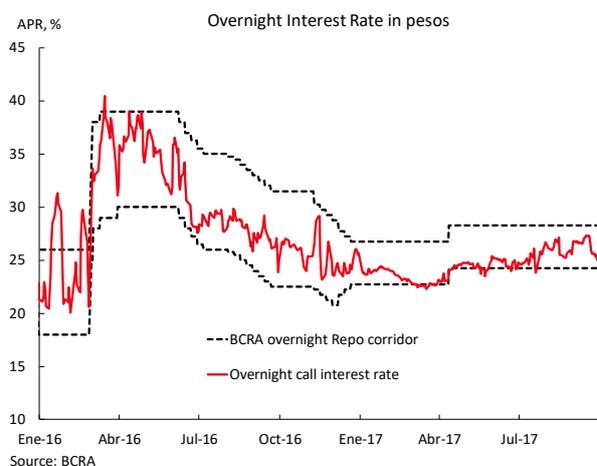


Market Interest Rates

Interest rates on shorter term instruments remained close to the center of the interest rate corridor set by the Central Bank (see Chart 2.3). The facilities regularly provided by the Central Bank (repos and reverse repos), among other factors, helped mitigate volatility of rates in the last period. Financial institutions have begun to use repos with the BCRA more often, especially on the days before the monthly maturity of LEBAC bills in order to cope with rising credit demand (see Chart 2.4).

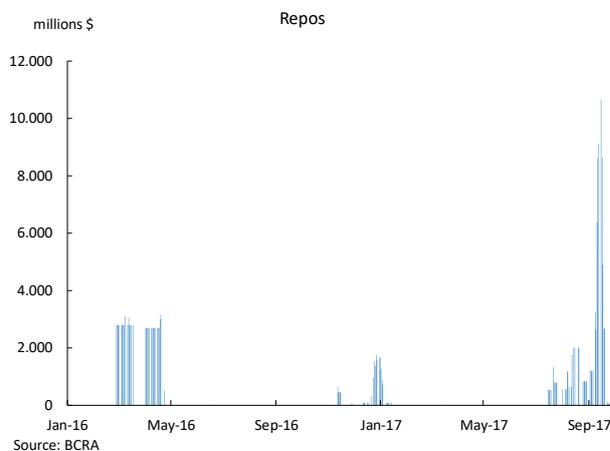
In the call money markets, the interest rate on overnight call transactions averaged 26.5%, up 0.4 p.p. against August. Likewise, the average interest rate on overnight call transactions in the secured market (REPO round) stood at 25.8%, down 0.1 p.p. The daily average volume

Chart 2.3



² The interest rates mentioned in this section are expressed as annual percentage rates (APR).

Chart 2.4

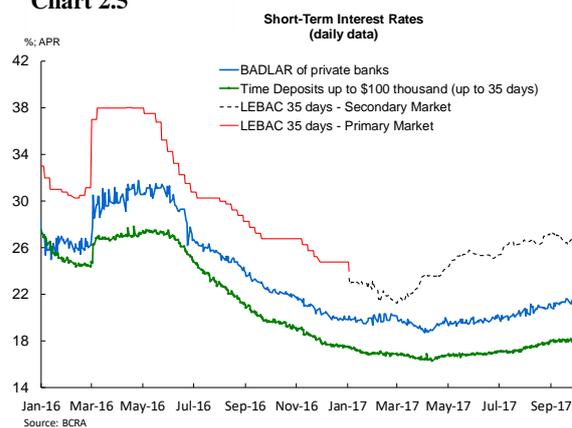


traded in both markets rose \$2.5 billion, totaling around \$14 billion.

Interest rates on current account overdrafts granted to companies for over \$10 million and up to 7 days averaged 27.4%, up 0.5 p.p., exhibiting a performance comparable to interest rates on call money markets.

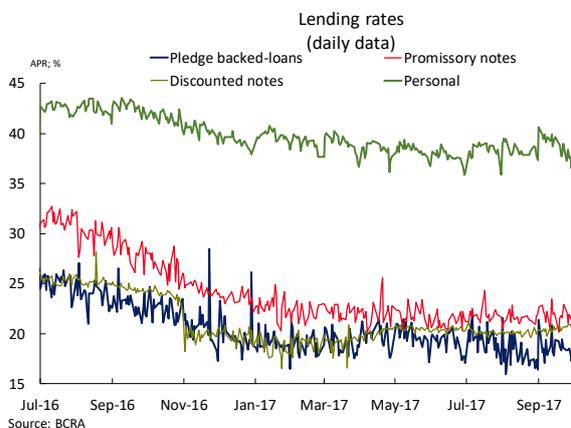
In turn, interest rates on time deposits rose against August in line with a reduction in financial institutions' liquidity (see Liquidity). The BADLAR rate—interest rate on time deposits of \$1 million and more, and at 30 to 35 days—at private banks averaged 21.3%, going up 0.5 p.p. in the month. Additionally, the interest rate paid on time deposits of up to \$100,000 and at up to 35 days stood at 18% on average, posting a 0.4 p.p. increase (see Chart 2.5).

Chart 2.5



Fixed or adjustable lending interest rates increased when compared to August, mainly on account of changes in the share of different financial institutions in the total. Regarding credit lines channeled to households, pledge-backed loan rates averaged 18.5%, exhibiting a rise of 0.7 p.p. Such effect is largely explained by the fact that institutions offering lower interest rates lost share. In turn, rates on personal loans averaged 38.9%, increasing 0.6 p.p. In this case, such an increase was linked to the fact that institutions offering higher rates gained share. As for interest rates on credit lines aimed at financing company activities, unsecured promissory notes averaged 21.7%, exhibiting a monthly average increase of 0.3 p.p., while interest rates for discounted notes stood at 20.5%, showing a slightly upward trend (see Chart 2.6).

Chart 2.6



In turn, loans denominated in UVAs have gained share in the past few months in credit lines in pesos, particularly, among mortgage-backed and personal loans. In September, UVA-adjusted mortgage loans were granted at an average rate weighted by amount of 4.8%. This rate has been on the decline in the past few months as a consequence of the increasing share of an institution that grants loans at a rate below average. In turn, the rate on UVA-adjusted personal loans averaged 8.8% in September, a level that is similar to August's (see Chart 2.7).

3. Monetary Aggregates¹

The seasonally-adjusted stock in real terms of private M3³ grew by 0.5% in September, with its y.o.y. change rate remaining stable at around 3%. The monthly drop in

³ It includes cash held by the public and total deposits in pesos from the non-financial private sector.

Chart 2.7

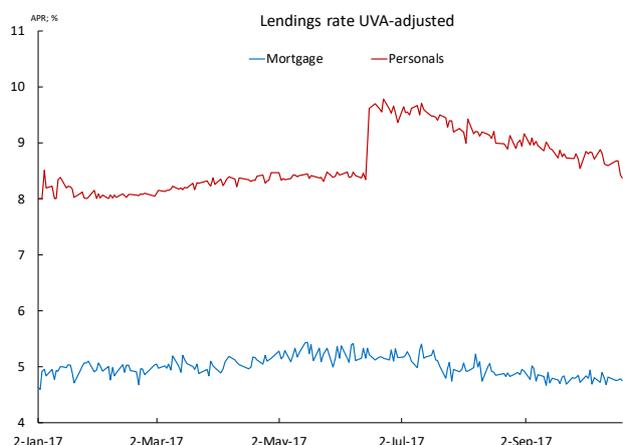
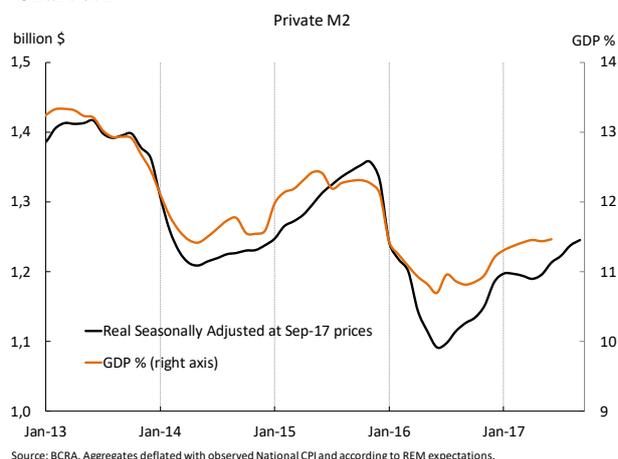
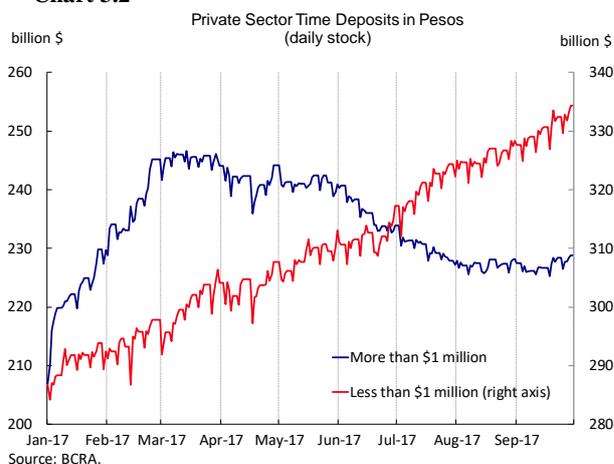


Chart 3.1



Source: BCRA. Aggregates deflated with observed National CPI and according to REM expectations.

Chart 3.2



Source: BCRA.

time deposits in pesos from the private sector was more than offset by the increase in private M2⁴ (0.7%). Cash held by the public was the component of means of payment that grew the most, which would indicate a higher relative growth of activities involving greater use of cash (such as construction). In turn, the official data on gross domestic product (GDP) show that the real growth in private M2 in the second quarter of 2017 was in line with the growth in activity, given that the private M2/GDP ratio remained stable at around 11.5% in such period (see Chart 3.1).

In nominal terms, the monthly average stock of private M2 climbed 1.3% in September. In turn, time deposits from the private sector rose by 0.8%, with a y.o.y. change rate that remained close to 10%. An analysis of their performance along the month revealed that deposits under \$1 million continued the upward trend that had been posted in the second half of August. The stock of wholesale deposits remained stable in line with August's performance (see Chart 3.2). This occurred in a period when deposit rates slightly increased (see Market Interest Rates).

Total deposits in pesos rose by 0.9% in September, boosted by an increase in private-sector deposits, whereas public-sector deposits remained stable. This performance led to a monthly rise of 1% in M3⁵.

In agreement with the broadest monetary aggregates, the monthly average stock of the monetary base climbed 1.6%. The monetary base expansionary factors were the purchase of dollars and transfers to the National Treasury, partially offset by the contractionary effect of sterilization brought about by the sale of LEBAC bills (see Chart 3.3).

The stock of deposits in foreign currency decreased in September, with rises in the private sector and reductions on the public side. The drop in public sector deposits was explained by the sale of foreign currency by the National Treasury. Deposits in dollars from the private sector grew by US\$380 million, which evidences a slowdown against August, when deposits were boosted by a larger purchase of dollars by the private sector in the Free and Single Foreign Exchange Market.

Finally, the broadest monetary aggregate, M3*, increased 0.9%, exhibiting a y.o.y. change rate of 41.2%.

⁴ It includes cash held by the public and sight deposits from the non-financial private sector.

⁵ It includes cash held by the public and total deposits in pesos from the private and public sectors.

Chart 3.3

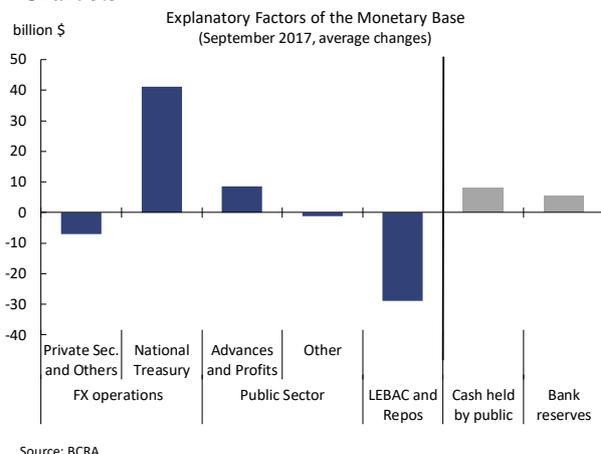


Chart 4.1

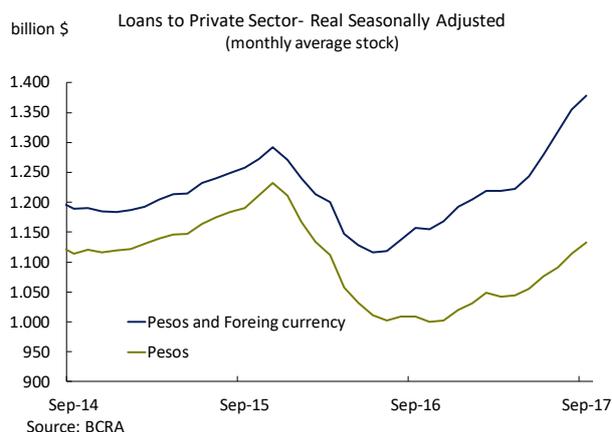
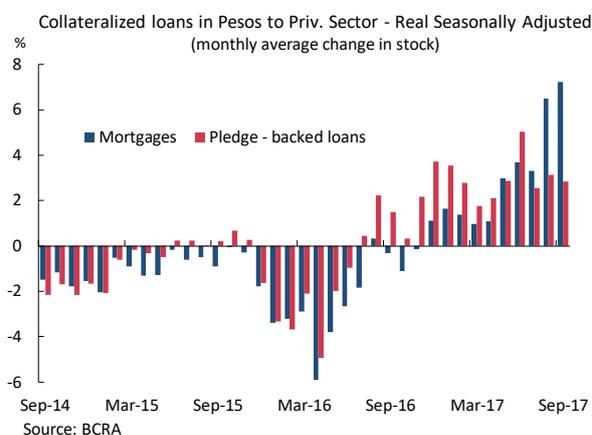


Chart 4.2



4. Loans ¹

In September, loans granted to the private sector continued with an upward trend in real and seasonally adjusted terms (see Chart 4.1). Loans in pesos and in foreign currency, as well as that in pesos alone posted a monthly increase of 2.3%.

Once again, collateralized loans in pesos continued exhibiting the greatest momentum, in real and seasonally-adjusted terms. It should be noted that mortgage-backed loans continue to reverse their trend since the end of 2016 (see Chart 4.2).

In nominal terms, mortgage-backed loans climbed 9.2% (\$7.6 billion), rising 63.8% y.o.y. Particularly, in September loans denominated in *UVAs* continued gaining share in mortgage-backed loans channeled to individuals, accounting for 88% of the total. Nearly \$27.5 billion in *UVA*-adjusted mortgage-backed loans have been granted since this line of credit was launched. Pledge-backed loans rose by 5.8% in September (\$4.3 billion) and their y.o.y. expansion pace—which stood at 71%—continued to accelerate. *UVA*-adjusted personal and pledge-backed loans continued gaining share, amounting to more than \$11.8 billion by the end of September.

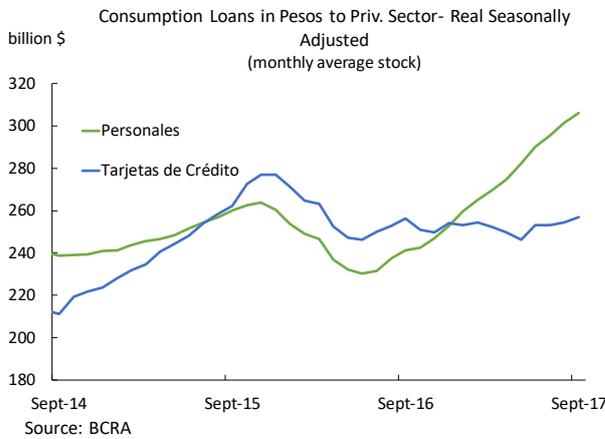
Financing arranged through promissory notes was another credit line in pesos that exhibited substantial growth. These loans rose by 5.1% (\$12.1 billion) in nominal terms and reached a y.o.y. growth rate of 39.4%, up 6.6 p.p. against August. Overdrafts posted a monthly increase of 3.2% (\$3.4 billion).

As for financing mostly channeled to household consumption, personal loans rose by 4.4% (\$12.9 billion), changing about 57.1% y.o.y. In real and seasonally-adjusted terms, these loans continued growing at a pace similar to that of previous months (2.1%; see Chart 4.3). Financing arranged through credit cards nominally increased 4.1% (\$9.7 billion), rising 24.1% y.o.y. This meant an increase in real and seasonally-adjusted terms for the second month in a row.

In nominal terms, the growth rate of loans in pesos granted to the private sector rose to 4.6% (\$49.6 billion), changing around 38.9% y.o.y., up 3.5 p.p. against August.

Finally, the monthly growth rate of loans in foreign currency to the private sector fell to 1.5% in September, which may be explained by a slowdown in the expansion rate of unsecured promissory notes (mainly prefinancing of exports). Despite such slowdown, the monthly average stock of loans was US\$14.1 billion, practically five times

Chart 4.3

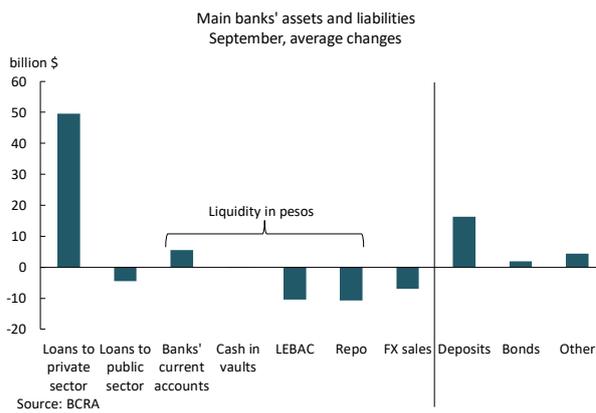


higher than that posted in December 2015, when loans started exhibiting an upward trend following the exchange rate unification.

5. Financial Institutions' Liquidity¹

In September, the growth of loans to the private sector exceeded that of deposits, and financial institutions channeled a portion of their more liquid assets to the credit market (see Chart 5.1). Thus, financial institutions' liquidity in domestic currency (cash in banks, current account of banks with the Central Bank, net repo transactions with the BCRA and the holding of LEBAC bills, as a percentage of deposits in pesos) went down 1 p.p. to 40.2% of deposits.

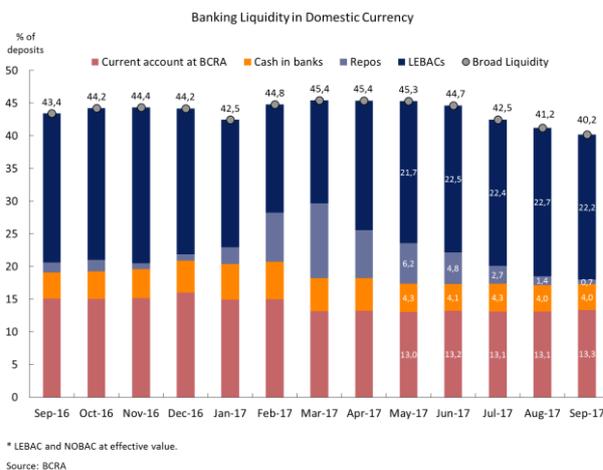
Chart 5.1



As for the components of liquidity in pesos, the stock of net repos at the Central Bank posted the most dramatic drop (see Chart 5.2), as banks reduced their reverse repos and also requested repos. Thus, financial institutions' stock of net repos at the BCRA averaged 0.7% of deposits in September. Additionally, after increasing for two months in a row, LEBAC holdings recorded a fall of 0.5 p.p. of deposits. In turn, cash in banks and the balance of current accounts at the Central Bank remained at levels similar to those of August. Particularly, the share of current accounts at the BCRA was 13% of deposits (which means that the surplus of minimum cash amounted to 0.4% of deposits).

In turn, against a backdrop of slowdown in loans, foreign currency liquidity (cash in banks, current account of banks with the Central Bank, net repo transactions with the BCRA, as a percentage of deposits in dollars) slightly increased after five drops in a row and averaged 58% (0.7 p.p. above August).

Chart 5.2



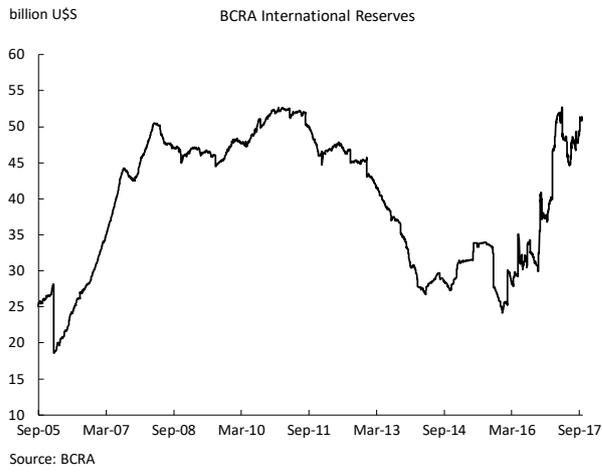
6. International Reserves and Foreign Exchange Market⁶

International reserves rose by US\$1.36 billion in September, totaling US\$50.237 billion at the end of the month (see Chart 6.1). The rise was mainly explained by the sale of debt instruments in foreign currency by the National Treasury.

It should be pointed out that reserves also changed for other reasons, but in no case did they affect the stock of gross international reserves, as is the case with the BCRA purchase of dollars from the National Treasury for US\$3.6 billion. The foreign currency purchased by the BCRA was already part of its international reserves. Certainly, these transactions improve its balance sheet as

⁶ In this section, figures are end-of-the-month data.

Chart 6.1



they increase the share of more liquid assets in foreign currency. It is therefore in a better position to cope with potential negative shocks.

The peso/US dollar exchange rate ended September at 17.32, down 0.3% against the end of August.

7. Monetary and Financial Indicators

Figures in millions, expressed in their original currency.

Main monetary and financial system figures	Monthly average				Average change in	
	Sept-17	Ago-17	Dic-16	Sept-16	Monthly	Last 12 months
Monetary base	872,282	858,888	787,895	681,289	1.6%	28.0%
Currency in circulation	660,029	652,201	562,994	492,556	1.2%	34.0%
Held by public	596,431	588,482	494,853	442,114	1.4%	34.9%
Held by financial entities	63,598	63,719	68,140	50,442	-0.2%	26.1%
Settlement check	0	0	0	0	0.0%	-28.1%
BCRA current account	212,253	206,688	224,901	188,732	2.7%	12.5%
Repos stock						
Reverse repos	45,253	55,730	52,777	32,842	-18.8%	37.8%
Repos	3,103	859	340	0	0.0%	0.0%
BCRA securities stock (in face value)						
In banks	1,035,219	958,186	669,257	638,536	8.0%	62.1%
LEBAC	371,027	372,688	322,853	295,284	-0.4%	25.7%
In pesos	1,035,219	958,186	669,036	637,921	8.0%	62.3%
In Dollars	0	0	14	41	-	-100.0%
NOBAC	0	0	0	0	-	-
International Reserves	50,837	48,353	37,888	30,886	5.1%	64.6%
Private and public sector deposits in pesos ⁽¹⁾	1,583,813	1,570,319	1,397,490	1,247,677	0.9%	26.9%
Current account ⁽²⁾	441,910	430,427	403,233	326,190	2.7%	35.5%
Savings account	378,475	376,877	327,229	266,695	0.4%	41.9%
Not CER-adjustable time deposits	694,387	695,603	605,107	604,247	-0.2%	14.9%
CER-adjustable time deposits	1,517	1,490	397	143	1.8%	961.5%
Other deposits ⁽³⁾	67,523	65,922	61,523	50,402	2.4%	34.0%
<u>Private sector deposits</u>	<u>1,240,519</u>	<u>1,226,864</u>	<u>1,093,038</u>	<u>1,008,157</u>	<u>1.1%</u>	<u>23.0%</u>
<u>Public sector deposits</u>	<u>343,294</u>	<u>343,455</u>	<u>304,452</u>	<u>239,521</u>	<u>0.0%</u>	<u>43.3%</u>
Private and public sector deposits in dollars ⁽¹⁾	31,603	31,075	24,472	15,814	1.7%	99.8%
Loans to private and public sector in pesos ⁽¹⁾	1,155,023	1,106,863	932,208	857,956	4.4%	34.6%
<u>Loans to private sector</u>	<u>1,124,051</u>	<u>1,074,455</u>	<u>886,640</u>	<u>809,379</u>	<u>4.6%</u>	<u>38.9%</u>
Overdrafts	111,008	107,602	107,280	102,789	3.2%	8.0%
Promissory bills	247,191	235,097	189,882	177,381	5.1%	39.4%
Mortgages	91,385	83,719	59,274	55,788	9.2%	63.8%
Pledge-backed loans	77,749	73,463	51,925	45,473	5.8%	71.0%
Personal loans	305,070	292,185	217,673	194,175	4.4%	57.1%
Credit cards	246,296	236,561	223,830	198,446	4.1%	24.1%
Other loans	45,351	45,827	36,776	35,328	-1.0%	28.4%
<u>Loans to public sector</u>	<u>30,972</u>	<u>32,408</u>	<u>45,568</u>	<u>48,577</u>	<u>-4.4%</u>	<u>-36.2%</u>
Loans to private and public sector in dollars ⁽¹⁾	14,189	13,960	9,224	7,941	1.6%	78.7%
Total monetary aggregates ⁽¹⁾						
M1 (currency held by public + settlement check in pesos+ current account in pesos)	1,038,341	1,018,909	898,086	768,304	1.9%	35.1%
M2 (M1 + savings account in pesos)	1,416,816	1,395,785	1,225,315	1,034,998	1.5%	36.9%
M3 (currency held by public + settlement check in pesos + total deposits in pesos)	2,180,244	2,158,801	1,892,343	1,689,791	1.0%	29.0%
M3* (M3 + total deposits in dollars + settlement check in foreign currency)	2,726,412	2,702,075	2,282,632	1,931,493	0.9%	41.2%
Private monetary aggregates						
M1 (currency held by public + settlement check in pesos + priv.current account in pesos)	876,435	865,264	744,776	660,007	1.3%	32.8%
M2 (M1 + private savings account in pesos)	1,235,274	1,219,080	1,054,527	908,092	1.3%	36.0%
M3 (currency held by public + settlement check in pesos + priv. total deposits in pesos)	1,836,950	1,815,346	1,587,891	1,450,271	1.2%	26.7%
M3* (M3 + private total deposits in dollars + settlement check in foreign currency)	2,257,028	2,234,261	1,930,947	1,648,691	1.0%	36.9%

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	13,394	1.6%	62,052	7.7%	84,387	10.7%	190,993	28.0%
Foreign exchange purchases with the private sector	-7,004	-0.8%	-32,611	-4.0%	1,421	0.2%	5,951	0.9%
Foreign exchange purchases with the NT	41,195	4.8%	74,732	9.2%	157,446	20.0%	228,383	33.5%
Temporary Advances and Profit Transfers	8,613	1.0%	11,747	1.4%	104,413	13.3%	144,344	21.2%
Other public sector operations	-1,201	-0.1%	-2,129	-0.3%	-4,620	-0.6%	-4,886	-0.7%
Sterilization (BCRA securities and repos)	-28,826	-3.4%	6,944	0.9%	-188,808	-24.0%	-199,192	-29.2%
Others	617	0.1%	3,369	0.4%	14,535	1.8%	16,394	2.4%
International Reserves	2,484	5.1%	5,461	12.0%	12,949	34.2%	19,951	64.6%
Foreign exchange market intervention	-395	-0.8%	-1,837	-4.0%	346	0.9%	633	2.0%
International financial institutions	-186	-0.4%	-399	-0.9%	-1,208	-3.2%	-1,651	-5.3%
Other public sector operations	2,475	5.1%	4,595	10.1%	10,037	26.5%	16,446	53.2%
Dollar liquidity requirements	193	0.4%	1,998	4.4%	1,951	5.1%	6,477	21.0%
Others (incl. change in US\$ market value of nondollar assets)	397	0.8%	1,104	2.4%	1,823	4.8%	-1,954	-6.3%

1 Excludes financial sector and foreign depositors. Loans' 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

	sep-17	ago-17	jul-17
	(1)		
	% of total deposits in pesos		
Requirement	12,9	12,9	12,9
Compliance	13,3	13,1	13,1
Position (2)	0,4	0,2	0,2
Residual time structure of term deposits used for the calculation of the requirement (3)	%		
Up to 29 days	69,2	68,0	69,3
30 to 59 days	20,7	21,4	20,3
60 to 89 days	4,9	5,4	5,2
90 to 179 days	3,7	3,0	2,7
more than 180 days	1,6	2,1	2,5
	% of total deposits in foreign currency		
Requirement	24,6	25,9	24,3
Compliance (includes default application resource)	53,9	56,1	53,1
Position (2)	29,3	30,2	28,8
Residual time structure of term deposits used for the calculation of the requirement (3)	%		
Up to 29 days	55,5	55,0	56,2
30 to 59 days	19,5	20,0	19,2
60 to 89 days	9,6	9,6	9,3
90 to 179 days	9,3	9,0	8,3
180 to 365 days	2,5	1,9	2,5
more than 365 days	3,6	4,5	4,6

(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.

Borrowing Interest Rates	Sept-17	Ago-17	Jul-17	Dic-16	Sept-16
Interbank Loans (overnight)					
Interest rate	26.49	26.06	25.15	24.66	26.92
Traded volume (million pesos)	5,195	4,741	4,752	4,576	4,397
Time Deposits					
<u>In pesos</u>					
30-44 days	19.25	18.79	18.40	18.78	21.54
60 days or more	19.49	19.23	18.47	19.06	21.89
Total BADLAR (more than \$1 million, 30-35 days)	20.31	19.79	19.34	19.54	22.34
Private Banks BADLAR (more than \$1 million, 30-35 days)	21.28	20.75	20.12	20.04	23.04
<u>In dollars</u>					
30-44 days	0.45	0.42	0.40	0.39	0.58
60 days or more	0.77	0.90	0.74	0.68	0.98
Total BADLAR (more than \$1 million, 30-35 days)	0.50	0.50	0.48	0.45	0.61
Private Banks BADLAR (more than \$1 million, 30-35 days)	0.71	0.71	0.64	0.55	1.14
Lending Interest Rates	Sept-17	Ago-17	Jul-17	Dic-16	Sept-16
Stock Repos					
Gross interest rates 30 days	26.34	24.60	24.69	25.50	25.81
Traded volume (all maturities, million pesos)	1,123	1,087	930	795	655
Loans in Pesos ⁽¹⁾					
Overdrafts	31.37	30.95	30.88	30.99	33.63
Promissory Notes	21.78	21.45	21.87	23.54	28.11
Mortgages	18.63	19.41	21.35	19.70	23.44
Pledge-backed Loans	18.69	17.79	19.30	20.73	22.86
Personal Loans	38.94	38.28	38.29	39.15	42.63
Credit Cards	s/d	41.41	42.69	44.37	39.39
Overdrafts - 1 to 7 days - more than \$10 million	27.46	26.87	26.30	25.92	28.53
International Interest Rates	Sept-17	Ago-17	Jul-17	Dic-16	Sept-16
LIBOR					
1 month	1.23	1.23	1.23	0.72	0.53
6 months	1.47	1.45	1.46	1.31	1.25
US Treasury Bonds					
2 years	1.38	1.33	1.37	1.19	0.76
10 years	2.20	2.21	2.32	2.50	1.63
FED Funds Rate	1.25	1.25	1.25	0.66	0.50
SELIC (1 year)	8.39	9.25	10.06	13.75	14.25

(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	Sept-17	Ago-17	Jul-17	Dic-16	Sept-16
BCRA Repo Interest Rates					
Overnight reverse repo	24.25	24.25	24.25	22.02	23.15
7-day reverse repo	25.50	25.50	25.50	22.81	24.15
7-day repo	27.00	27.00	27.00	26.69	33.15
Total Repo Interest Rates					
Overnight	25.96	25.89	25.30	24.01	26.44
7 days	0.00	0.00	0.00	0.00	24.95
Repo traded volumen (daily average)	8,803	6,685	5,998	8,300	8,796
Peso LEBAC Interest Rate¹					
1 month	26.50	26.50	26.50	24.75	27.13
2 months	26.90	26.50	26.20	24.44	26.28
3 months	27.00	26.50	26.00	24.16	25.65
9 months	27.35	25.85	25.35	22.90	s/o
12 months	s/o	s/o	s/o	s/o	s/o
Peso NOBAC with variable coupon Spread¹					
200 days BADLAR Private Banks	s/o	s/o	s/o	s/o	s/o
Dollars LEBAC Interest Rate¹					
1 month	s/o	s/o	s/o	s/o	s/o
3 months	s/o	s/o	s/o	s/o	s/o
6 months	s/o	s/o	s/o	s/o	s/o
12 months	s/o	s/o	s/o	s/o	s/o
LEBAC and NOBAC traded volume (daily average)	31406	30453	27312	11758	12068
Foreign Exchange Market	Sept-17	Ago-17	Jul-17	Dic-16	Sept-16
Dollar Spot					
Exchange agencies	17.24	17.42	17.19	15.84	15.12
BCRA Reference	17.29	17.47	17.23	15.89	15.15
Future dollar					
NDF 1 month	17.50	17.76	17.36	16.02	15.34
ROFEX 1 month	17.57	17.75	17.53	16.22	15.41
Traded volume (all maturities, million pesos)	12,141	12,927	10,294	8,423	7,608
Real (Pesos/Real)	5.50	5.53	5.37	4.73	4.65
Euro (Pesos/Euro)	20.53	20.59	19.82	16.69	16.95
Capital Market	Sept-17	Ago-17	Jul-17	Dic-16	Sept-16
MERVAL					
Index	24,375	22,460	21,741	16,711	16,173
Traded volume (million pesos)	540	454	380	282	286
Governement Bonds (parity)					
DISCOUNT (US\$ - NY legislation)	116.26	112.26	109.40	103.73	114.86
BONAR X (US\$)	114.92	114.30	113.40	115.04	115.51
DISCOUNT (\$)	108.70	114.21	113.36	116.98	116.77
Country risk					
Spread BONAR 24 vs. US Treasury Bond	294	317	338	332	392
EMBI+ Argentina	379	421	435	494	447
EMBI+ Latinoamérica	445	463	457	491	469

¹ Corresponds to average results of each month primary auctions.

8. 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