

Monthly Monetary Report

November 2017



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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The closing date for statistics in this report was December 6, 2017. All figures are provisional and subject to review.

1. Summary¹

- On November 7, the BCRA raised the monetary policy rate by 100 b.p. to 28.75%. Even though core inflation continued decreasing—as shown by high-frequency indicators—it is still above Central Bank’s expectations. Headline and core inflation for October was 1.5% and 1.3%, respectively, exhibiting a drop against September.
- The Central Bank kept on conducting open market transactions to manage liquidity conditions in the money market. It thus sold LEBAC bills on the secondary market for a total amount of FV \$68.7 billion, which offset the monetary expansion triggered by a partial renewal upon maturity in the primary market. The rise in the benchmark rate caused a new upward shift in the curve for LEBAC bills, with monthly yield increases of 125 b.p. for 30 days, and of 130 b.p. for residual terms of about 80 days.
- Interest rates in call money market adjusted at once to the new levels set for repo transactions and remained within the repo corridor of the BCRA. In turn, deposit rates grew faster and, since October 24—the first of the last two dates when the BCRA increased the monetary policy rate—both the BADLAR rate at private banks and the rate paid on deposits of up to \$100,000 rose by more than 150 b.p.
- Within this context, private-sector time deposits in pesos increased in real terms for the second month in a row, and stood for the component of private M3 (which includes cash held by the public and total deposits in pesos from the private sector) with the highest growth both in the wholesale and in the retail segments.
- Loans channeled to the private sector continued increasing in real and seasonally adjusted terms. Total loans in pesos grew 1.9% in real terms. Even though most credit lines rose, mortgage-backed loans continued standing out, showing a monthly average increase of 7.6% in real terms over the past three months.
- In nominal terms, mortgage-backed loans posted a 9.3% monthly growth (\$9.3 billion), rising by 91% y.o.y. It should be noted that loans denominated in UVAs continued gaining share in total loans channeled to households, amounting to slightly above 90% of the total in the last month. Since this credit line was launched, about \$44.8 billion in UVA-adjusted mortgage-backed loans have been awarded.
- Once again, loans granted to the private sector grew at a faster pace than deposits. Hence, financial institutions’ liquidity in domestic currency (cash in banks, current account of banks with the Central Bank, net repos with the Central Bank and the holding of LEBAC bills, as a percentage of deposits in pesos) shrank to 38.5% of deposits, which may be explained by the fact that banks continued reducing their LEBAC holdings. Banks’ liquidity surplus (sum of LEBAC bills and repos) fell in the last few months. However, it is still equivalent to 21% of deposits, showing a heterogeneous distribution among financial institutions.

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

2. Interest Rates²

Monetary Policy Interest Rates

On November 7, the Central Bank raised the monetary policy rate, the center of the 7-day repo corridor, by 100 b.p. to 28.75%. Even though core inflation continued decreasing—as shown by high-frequency indicators—, it is still above Central Bank's expectations (see Chart 2.1). Headline and core inflation for October was 1.5% and 1.3%, respectively, exhibiting a drop against September. At the second meeting of the month held by the BCRA to determine the monetary policy rate, it concluded that the monetary policy bias was adequate to both reinforce the downward trend in inflation and minimize the impact of the upcoming increase in regulated prices. Consequently, on November 21 the Central Bank decided to leave its monetary policy rate unchanged.

All interest rates on repo transactions carried out by the Central Bank increased to the same extent in November. The 7-day repo corridor stood at 28%-29.5%.

The Central Bank kept on conducting open market transactions to manage liquidity conditions in the money market. It thus sold LEBAC bills on the secondary market for a total amount of FV \$68.7 billion, which offset the monetary expansion triggered by a partial renewal upon maturity in the primary market. Most LEBAC bills sold had a residual term ranging from 31 to 90 days. The rise in the benchmark rate caused a new upward shift in the curve for LEBAC bills, with monthly yield increases of 125 b.p. for 30 days, and of 130 b.p. for residual terms of about 80 days (see 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 in the repo market, following an upward trend in line with a rise in the policy rate (see Chart 2.3).

In call money markets, the interest rate on overnight call transactions averaged 27.9%, up 2 p.p. against October. In turn, the average interest rate on overnight call transactions in the secured market (REPO round) stood at 26.9%, up 2.1 p.p. The daily average volume traded in both markets rose by \$1.5 billion, totaling around \$15.5 billion.

The interest rate on current account overdrafts granted to companies for over \$10 million and at up to 7 seven days rose by 2.2 p.p. against the end of October, evidencing a

Chart 2.1

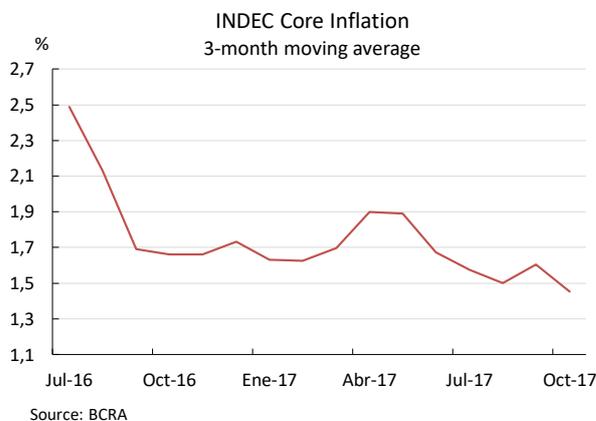


Chart 2.2

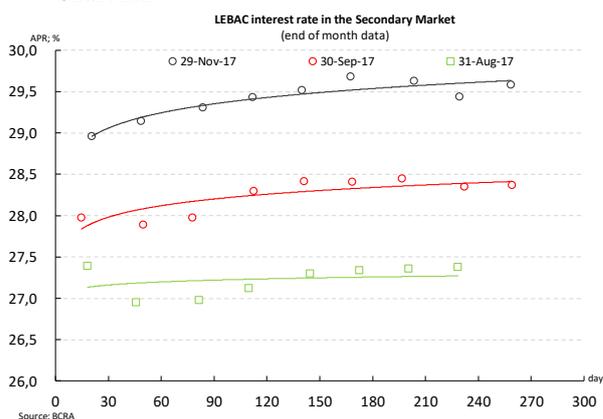
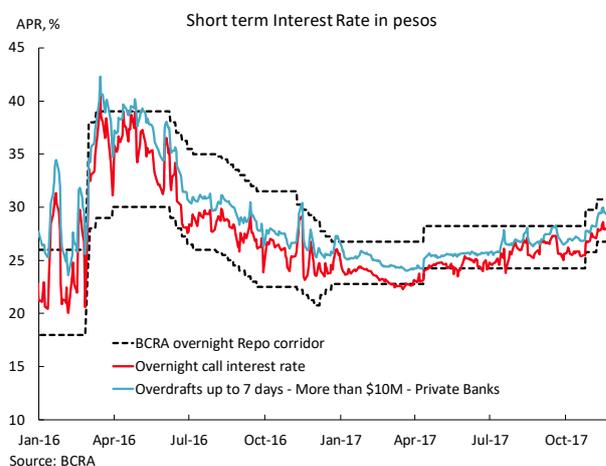


Chart 2.3



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

Chart 2.4

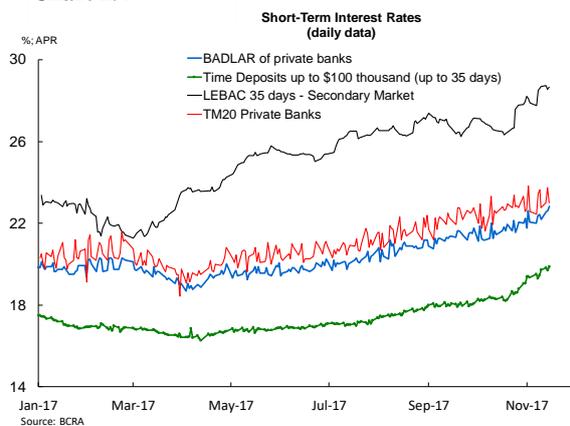


Chart 2.5

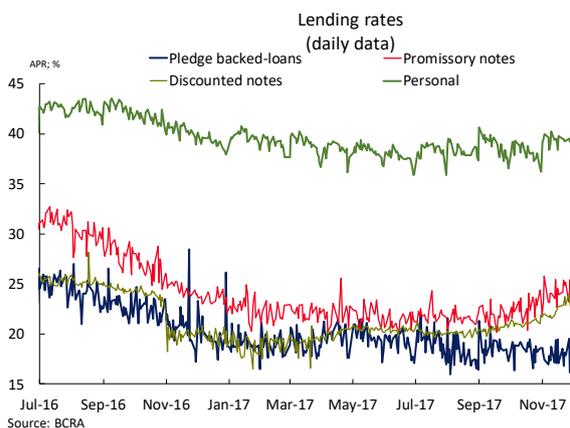
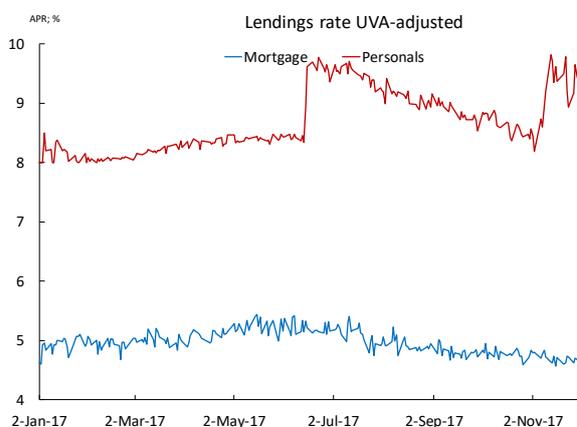


Chart 2.6



performance comparable to interest rates on call money markets.

In turn, interest rates paid on time deposits also exhibited increases after the latest rises in the benchmark rate within a context of decreasing liquidity surplus of financial institutions (see Liquidity). The so-called TM20 rate —interest rate on time deposits of \$20 million and more— at private banks grew by 1.2 p.p. between the end of October and November, standing at 23.8% by the end of November. Moreover, the BADLAR rate —interest rate on time deposits of \$1 million and more, and at 30 to 35 days— at private banks stood at 23.3% by the end of November, going up 1.1 p.p. against the end of October. The interest rate paid on retail time deposits of up to \$100,000 and at up to 35 days November at 20.2% increasing 1.2 p.p. in the month, and 1.7 p.p. against October 24, date of the first meeting (out of the last two) in which the BCRA increased the policy rate (see Chart 2.4).

Fixed and adjustable lending interest rates showed a heterogeneous performance in November. Among credit lines channeled to households, pledge-backed loan rates averaged 17.9%, exhibiting a 0.5 p.p. drop. This effect is largely explained by a downturn in the share of the amount traded by institutions offering above-average rates. In turn, rates on personal loans averaged 39.3%, increasing 1 p.p. As for interest rates on credit lines aimed at financing companies' activities, unsecured promissory notes averaged 24.2%, exhibiting a 1.5 p.p. monthly average increase, while interest rates on discounted notes averaged 22.4%, going up 1.3 p.p. (see Chart 2.5).

Regarding UVA-adjusted financing, the average rate charged on mortgage-backed loans weighted by amount stood at 4.7%, exhibiting a slight decrease against October. In contrast, the rate on UVA-adjusted personal loans averaged 9.2% over the month, exhibiting a 0.6 p.p. rise against October (see Chart 2.6).

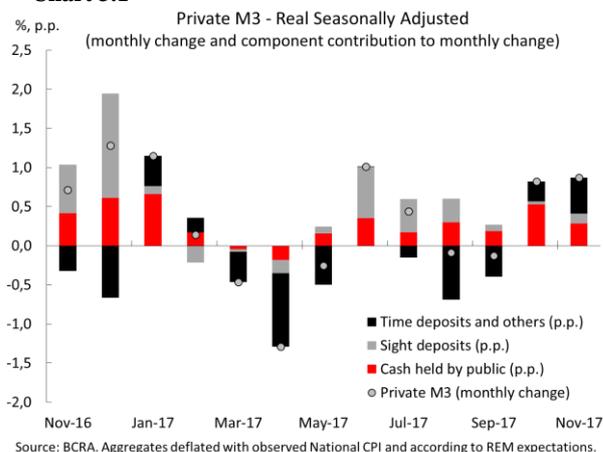
3. Monetary Aggregates¹

The seasonally-adjusted stock in real terms of private M3³ grew by 0.9% in November. Even though all private M3 components showed rises, private M2⁴ went up though on a moderated basis, which was offset by an acceleration in time deposits in pesos from the private

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

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

Chart 3.1

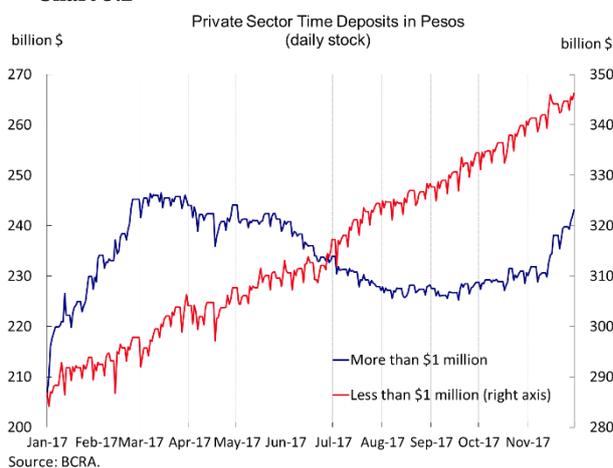


sector. These deposits grew in real terms for the second month in a row (see Chart 3.1).

In line with the rising deposit rates (see Market Interest Rates), time deposits in pesos from the private sector went up by 2.1% in nominal terms. Deposits under \$1 million kept an expansion pace similar to that of previous months, while wholesale deposits exhibited a sharp acceleration during the second half of November (see Chart 3.2). Along with the 2.6% rise in sight deposits, this led to a 2.5% increase in private sector deposits in November.

Such rise was accompanied by an increase in public sector deposits, which led to a monthly nominal growth of 2.6% in total deposits in pesos.

Chart 3.2

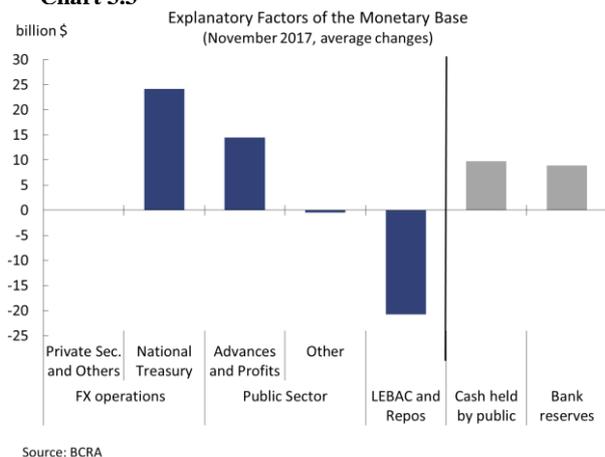


In turn, the monetary base posted a nominal monthly growth of 2.1% both in terms of cash held by the public and bank reserves. The demand for monetary base was met by an expansion derived from the purchase of dollars and transfers to the National Treasury, partially offset by the contractionary effect of sterilization brought about by the sale of LEBAC bills and repo transactions (see Chart 3.3).

The stock of deposits in foreign currency increased in November, particularly in the public sector. Private sector deposits also increased, posting a US\$420 million increase in November and standing above US\$25 billion by the end of the month.

Finally, the broadest monetary aggregate, M3*⁵, increased 2.3%, exhibiting a y.o.y. change rate of 27%.

Chart 3.3



4. Loans ¹⁶

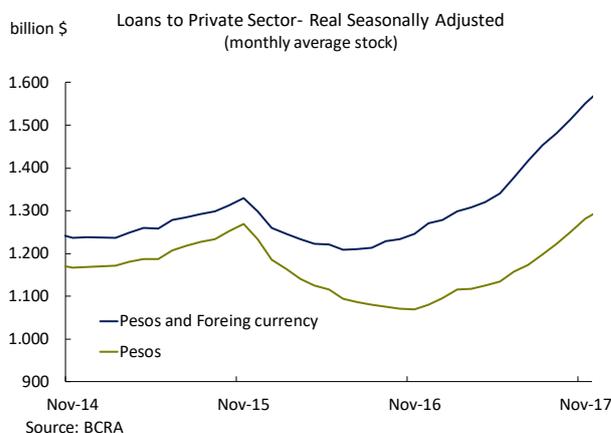
In November, loans granted to the private sector continued following an upward trend in real and seasonally adjusted terms (see Chart 4.1). Total loans in pesos and in foreign currency as well as total loans in pesos posted a 1.9% monthly increase.

As regards the segment of collateralized loans, mortgage-backed loans continued exhibiting great momentum, in real and seasonally-adjusted terms. In particular, such segment recorded a monthly average increase of 7.6% in real terms in the past 3 months. In turn, pledge-backed

⁵ It includes cash held by the public and total deposits in pesos and in foreign currency.

⁶ Monthly changes of loans are adjusted by the accounting movements which are basically caused by transfers of loans from financial institutions' portfolios to financial trusts. In this report, the terms "amounts granted" and "new loans" refer to (new and renewed) loans arranged in a given period. In contrast, a change in stock consists of arranged loans minus amortizations and repayments over the period.

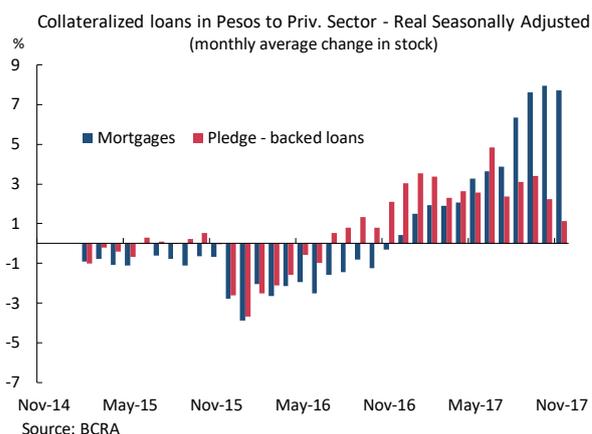
Chart 4.1



loans showed a slowdown, though still retaining positive real growth rates (see Chart 4.2).

In nominal terms, mortgage-backed loans climbed 9.3% (\$9.3 billion), rising 91% y.o.y. It should be noted that loans denominated in UVAs continued gaining share in total loans channeled to households, amounting to slightly above 90% of the total in the last month. Since this credit line was launched, about \$44.8 billion in UVA-adjusted mortgage-backed loans have been awarded. Pledge-backed loans rose by 3.6% in November (\$2.9 billion) with a y.o.y. expansion pace close to 70%. UVA-adjusted loans are also gaining share in personal and pledge-backed loans: \$20.5 billion by the end of November.

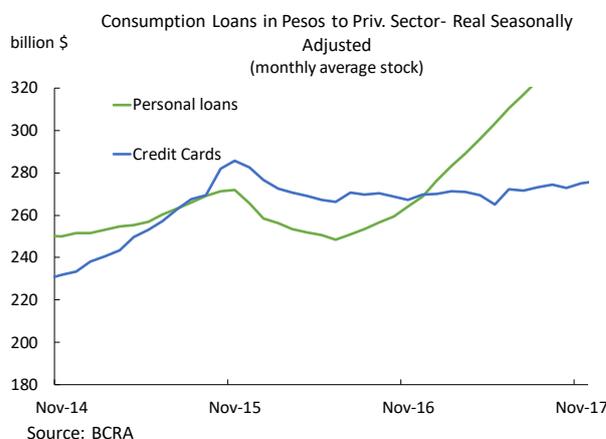
Chart 4.2



Loans for commercial purposes also continued on the rise in November. Thus, financing arranged through promissory notes climbed 3.6% (\$9.3 billion) in nominal terms, reaching a y.o.y. growth rate of 46%. In real terms, they remained similar to October. In turn, overdrafts increased by 5.7% (\$6.7 billion), with a y.o.y. expansion pace of 20.6%. This line grew by 5.8% in real seasonally-adjusted terms.

As for credit lines mostly channeled to household consumption, financing arranged through credit cards posted a nominal increase of 4.5% (\$11.2 billion). In this way, the y.o.y. change stood at 24.5%, whereas in real and seasonally-adjusted terms it slightly increased in November. Personal loans rose by 4.7% (\$14.9 billion) with a y.o.y. change of about 59%. Hence, they increased 2.4% in real and seasonally-adjusted terms in November (see Chart 4.4).

Chart 4.3

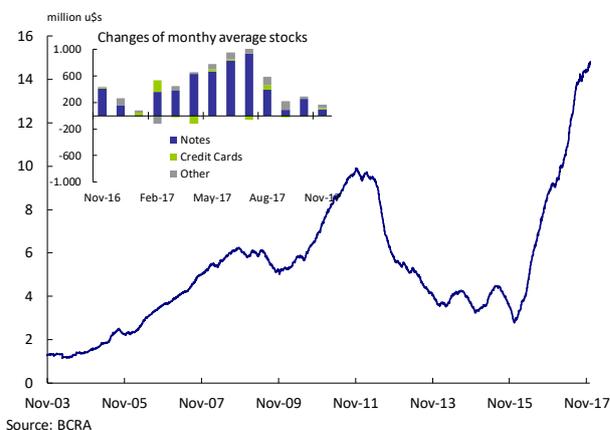


In nominal terms, loans in pesos to the private sector rose by 4.7% (\$54.9 billion), while their y.o.y. change rate stood at around 44.9% (3 p.p. up against October).

Finally, the monthly growth rate of loans in foreign currency to the private sector fell to 1.2% in November, which may be explained by a slowdown in the expansion rate of unsecured promissory notes (mainly pre-financing of exports). It is worth mentioning that this segment of loans has absorbed most of the lending capacity arising from the inflow of funds under the Tax Amnesty Regime. Despite the monthly average stock of loans grew moderately, it reached US\$14.55 billion, virtually five times higher than that posted in December 2015, when loans started to follow an upward trend after the exchange rate unification.

5. Financial Institutions' Liquidity¹

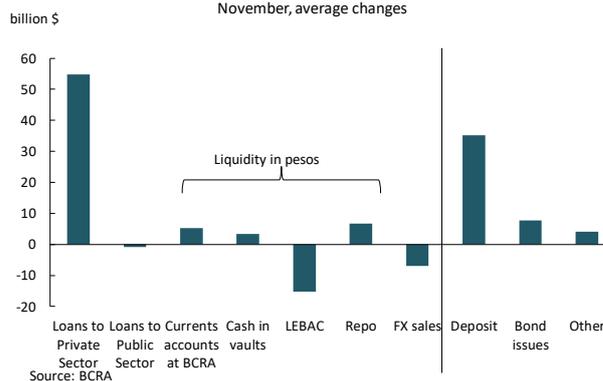
Chart 4.5
billion US\$ Forging Currency loans to the private sector



In November, loans outgrew deposits, and financial institutions continued reducing their liquid assets (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 0.4 p.p. to 38.5% of deposits (see Chart 5.2).

As in the previous months, the drop in broad liquidity is mainly explained by the evolution in LEBAC holdings (which went down 1 p.p. to 19.5% of deposits). There was an increase in the stock of repos, which amounted to 0.4% of deposits, partially offsetting the fall in LEBAC bills. Thus, surplus liquidity in pesos, defined as the sum of LEBAC bills and repos, followed a downward trend during the last few months, even though it still stands at high levels—amounting to 21% of deposits for the whole system—. However, surplus liquidity is not homogeneously distributed among institutions, even if calculated based on banks that concentrate most of deposits and liquid assets (see Chart 5.3).

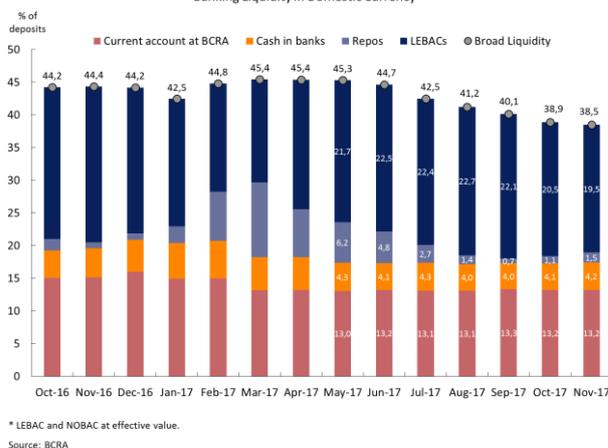
Chart 5.1
Change of main banks' assets and liabilities
November, average changes



Particularly, the balance of current accounts at the BCRA amounted to 13.3% of deposits, which meant a surplus of minimum cash requirements of 0.2% of deposits by the end of November.

In turn, 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) averaged 52.3% of deposits in dollars, remaining virtually unchanged against October.

Chart 5.2
Banking Liquidity in Domestic Currency



6. International Reserves and Foreign Exchange Market⁷

At the end of November, international reserves reached a historic record of US\$54.563 billion, with a monthly increase of US\$2.753 billion (see Chart 6.1).

The rise was explained by an inflow of foreign exchange from a debt issuance in euros by the National Treasury, which amounted to US\$3.177 billion but was partially offset by debt repayments during the period.

It should be noted that the Central Bank bought US\$850 million from the National Treasury, thus improving its balance sheet on account of a rise in the share of the most liquid assets in foreign currency.

⁷ In this section, figures are end-of-the-month data.

The peso/US dollar exchange rate ended November at 17.38, down 1.6% against the end of October.

Chart 5.3

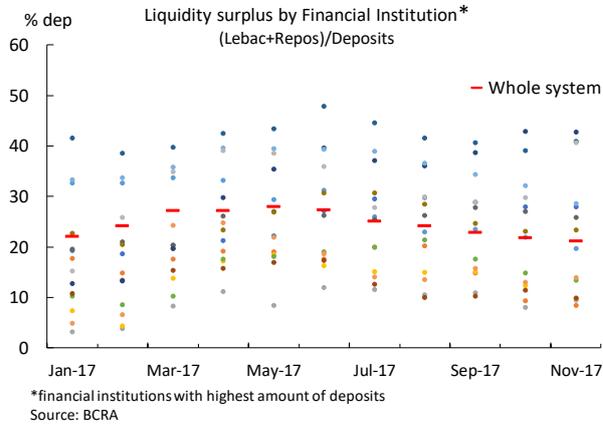
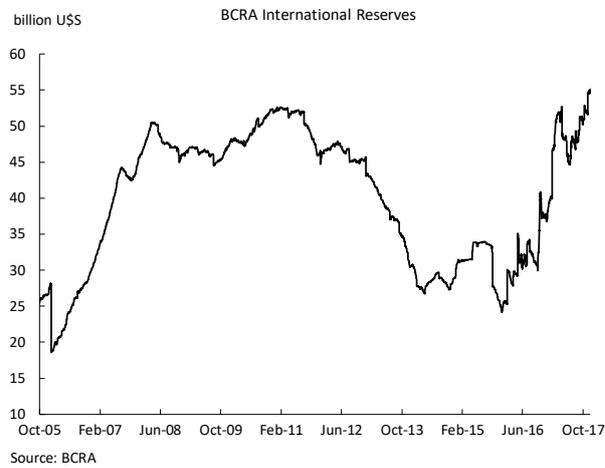


Chart 6.1



7. Monetary and Financial Indicators

Figures in millions, expressed in their original currency.

Main monetary and financial system figures	Monthly average				Average change in	
	Nov-17	Oct-17	Dic-16	Nov-16	Monthly	Last 12 months
Monetary base	906,483	887,850	787,895	718,872	2.1%	26.1%
Currency in circulation	688,919	675,524	562,994	516,185	2.0%	33.5%
Held by public	620,379	610,342	494,853	457,357	1.6%	35.6%
Held by financial entities	68,539	65,182	68,140	58,828	5.2%	16.5%
Settlement check	1	0	0	1	209.0%	106.8%
BCRA current account	217,564	212,326	224,901	202,687	2.5%	7.3%
BCRA Repos stock						
Reverse repos	73,262	66,637	52,777	36,332	9.9%	101.6%
Repos	11	257	340	111	0.0%	0.0%
BCRA securities stock (in face value)						
In banks	1,147,258	1,109,942	669,257	702,660	3.4%	63.3%
LEBAC	344,235	350,982	322,853	330,302	-1.9%	4.2%
In pesos	1,147,258	1,109,942	669,036	702,274	3.4%	63.4%
In Dollars	0	0	14	25	-	-100.0%
NOBAC	0	0	0	0	-	-
International Reserves	53,992	51,692	37,888	37,705	4.4%	43.2%
Private and public sector deposits in pesos ⁽¹⁾	1,631,780	1,590,705	1,397,490	1,330,224	2.6%	22.7%
Current account ⁽²⁾	441,686	436,270	403,233	363,314	1.2%	21.6%
Savings account	390,380	379,197	327,229	285,549	2.9%	36.7%
Not CER-adjustable time deposits	724,637	703,524	605,107	626,602	3.0%	15.6%
CER-adjustable time deposits	1,908	1,811	397	382	5.3%	400.2%
Other deposits ⁽³⁾	73,169	69,903	61,523	54,378	4.7%	34.6%
<u>Private sector deposits</u>	<u>1,293,244</u>	<u>1,262,037</u>	<u>1,093,038</u>	<u>1,049,988</u>	<u>2.5%</u>	<u>23.2%</u>
<u>Public sector deposits</u>	<u>338,537</u>	<u>328,668</u>	<u>304,452</u>	<u>280,236</u>	<u>3.0%</u>	<u>20.8%</u>
Private and public sector deposits in dollars ⁽¹⁾	29,559	28,982	24,472	25,412	2.0%	16.3%
Loans to private and public sector in pesos ⁽¹⁾	1,258,109	1,204,131	932,208	895,532	4.5%	40.5%
<u>Loans to private sector</u>	<u>1,229,302</u>	<u>1,174,470</u>	<u>886,640</u>	<u>848,371</u>	<u>4.7%</u>	<u>44.9%</u>
Overdrafts	125,476	118,761	107,280	104,084	5.7%	20.6%
Promissory bills	266,165	256,858	189,882	181,923	3.6%	46.3%
Mortgages	109,622	100,293	59,274	57,392	9.3%	91.0%
Pledge-backed loans	84,304	81,380	51,925	49,539	3.6%	70.2%
Personal loans	334,658	319,818	217,673	210,306	4.6%	59.1%
Credit cards	262,517	251,304	223,830	210,801	4.5%	24.5%
Other loans	46,560	46,057	36,776	34,326	1.1%	35.6%
<u>Loans to public sector</u>	<u>28,807</u>	<u>29,661</u>	<u>45,568</u>	<u>47,162</u>	<u>-2.9%</u>	<u>-38.9%</u>
Loans to private and public sector in dollars ⁽¹⁾	14,622	14,453	9,224	8,967	1.2%	63.1%
Total monetary aggregates ⁽¹⁾						
M1 (currency held by public + settlement check in pesos+ current account in pesos)	1,062,066	1,046,612	898,086	820,671	1.5%	29.4%
M2 (M1 + savings account in pesos)	1,452,446	1,425,810	1,225,315	1,106,220	1.9%	31.3%
M3 (currency held by public + settlement check in pesos + total deposits in pesos)	2,252,160	2,201,048	1,892,343	1,787,581	2.3%	26.0%
M3* (M3 + total deposits in dollars + settlement check in foreign currency)	2,770,773	2,708,686	2,282,632	2,180,290	2.3%	27.1%
Private monetary aggregates						
M1 (currency held by public + settlement check in pesos + priv.current account in pesos)	915,589	896,625	744,776	691,735	2.1%	32.4%
M2 (M1 + private savings account in pesos)	1,287,870	1,260,922	1,054,527	960,237	2.1%	34.1%
M3 (currency held by public + settlement check in pesos + priv. total deposits in pesos)	1,913,624	1,872,379	1,587,891	1,507,345	2.2%	27.0%
M3* (M3 + private total deposits in dollars + settlement check in foreign currency)	2,351,516	2,302,305	1,930,947	1,801,418	2.1%	30.5%

Minimum Cash Requirement and Compliance

	Nov-17	Oct-17	Sep-17
	(1)		
Domestic Currency	% of total deposits in pesos		
Requirement	13,0	13,0	13,0
Compliance	13,3	13,2	13,3
Position (2)	0,2	0,2	0,3
<i>Residual time structure of term deposits used for the calculation of the requirement (3)</i>	%		
Up to 29 days	68,6	68,3	69,2
30 to 59 days	20,8	21,1	20,7
60 to 89 days	5,7	5,5	4,9
90 to 179 days	3,6	3,8	3,7
more than 180 days	1,3	1,3	1,6
Foreign Currency	% of total deposits in foreign currency		
Requirement	24,6	24,1	24,3
Compliance (includes default application resource)	46,8	46,2	52,0
Position (2)	22,2	22,1	27,7
<i>Residual time structure of term deposits used for the calculation of the requirement (3)</i>	%		
Up to 29 days	55,5	54,6	55,5
30 to 59 days	19,1	19,7	19,5
60 to 89 days	10,4	9,8	9,6
90 to 179 days	8,2	9,5	9,3
180 to 365 days	3,6	3,0	2,5
more than 365 days	3,2	3,3	3,6

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

(2) Position= Requirement - Compliance

(3) Excludes judicial time deposits.

Source: BCRA

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	18,633	2.1%	47,594	5.5%	118,588	15.1%	187,611	26.1%
Foreign exchange purchases with the private sector	0	0.0%	-7,004	-0.8%	1,421	0.2%	5,759	0.8%
Foreign exchange purchases with the NT	24,183	2.7%	133,249	15.5%	249,500	31.7%	280,388	39.0%
Temporary Advances and Profit Transfers	14,473	1.6%	30,850	3.6%	126,650	16.1%	131,530	18.3%
Other public sector operations	-497	-0.1%	-3,769	-0.4%	-7,188	-0.9%	-7,102	-1.0%
Sterilization (BCRA securities and repos)	-20,743	-2.3%	-110,432	-12.9%	-270,415	-34.3%	-241,884	-33.6%
Others	1,217	0.1%	4,701	0.5%	18,619	2.4%	18,918	2.6%
International Reserves	2,300	4.4%	5,639	11.7%	16,104	42.5%	16,287	43.2%
Foreign exchange market intervention	0	0.0%	-395	-0.8%	346	0.9%	620	1.6%
International financial institutions	-192	-0.4%	-630	-1.3%	-1,651	-4.4%	-1,777	-4.7%
Other public sector operations	2,324	4.5%	8,900	18.4%	16,462	43.4%	18,884	50.1%
Dollar liquidity requirements	260	0.5%	-2,560	-5.3%	-802	-2.1%	-2,355	-6.2%
Others (incl. change in US\$ market value of nondollar assets)	-91	-0.2%	323	0.7%	1,750	4.6%	916	2.4%

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.

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

Borrowing Interest Rates	Nov-17	Oct-17	Sept-17	Dic-16	Nov-16
Interbank Loans (overnight)					
Interest rate	27.94	25.99	26.49	24.66	25.65
Traded volume (million pesos)	5,424	4,232	5,198	4,576	4,417
Time Deposits					
<u>In pesos</u>					
30-44 days	20.83	19.71	19.25	18.78	19.64
60 days or more	21.83	20.17	19.49	19.06	19.69
Total BADLAR (more than \$1 million, 30-35 days)	21.68	20.76	20.33	19.54	20.37
Private Banks BADLAR (more than \$1 million, 30-35 days)	22.55	21.60	21.27	20.04	21.08
<u>In dollars</u>					
30-44 days	0.46	0.45	0.45	0.39	0.46
60 days or more	0.72	0.76	0.77	0.68	0.81
Total BADLAR (more than \$1 million, 30-35 days)	0.45	0.51	0.53	0.45	0.50
Private Banks BADLAR (more than \$1 million, 30-35 days)	0.76	0.78	0.74	0.55	0.77
Lending Interest Rates	Nov-17	Oct-17	Sept-17	Dic-16	Nov-16
Stock Repos					
Gross interest rates 30 days	27.76	26.22	26.34	25.50	24.05
Traded volume (all maturities, million pesos)	1,343	1,236	1,123	795	787
Loans in Pesos ⁽¹⁾					
Overdrafts	32.58	31.49	31.34	30.99	32.06
Promissory Notes	24.16	22.64	21.74	23.54	24.54
Mortgages	17.28	18.83	18.57	19.70	21.49
Pledge-backed Loans	17.89	18.41	18.57	20.73	22.30
Personal Loans	39.27	38.31	38.83	39.15	40.37
Credit Cards	s/d	42.09	41.88	44.37	39.39
Overdrafts - 1 to 7 days - more than \$10 million	29.29	27.13	27.36	25.92	27.22
International Interest Rates	Nov-17	Oct-17	Sept-17	Dic-16	Nov-16
LIBOR					
1 month	1.29	1.24	1.23	0.72	0.56
6 months	1.63	1.54	1.47	1.31	1.27
US Treasury Bonds					
2 years	1.70	1.54	1.38	1.19	0.98
10 years	2.35	2.36	2.20	2.50	2.14
FED Funds Rate	1.25	1.25	1.25	0.66	0.50
SELIC (1 year)	7.50	8.07	8.39	13.75	13.99

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

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

Reference Interest Rates	Nov-17	Oct-17	Sept-17	Dic-16	Nov-16
BCRA Repo Interest Rates					
Overnight reverse repo	26.52	24.59	24.25	22.02	21.92
7-day reverse repo	27.77	25.84	25.50	22.81	22.55
7-day repo	29.27	27.34	27.00	26.69	30.08
Total Repo Interest Rates					
Overnight	26.90	24.88	25.96	24.01	25.28
Repo traded volumen (daily average)	10,083	9,770	8,803	8,300	9,316
Peso LEBAC Interest Rate¹					
1 month	28.75	26.50	26.50	24.75	25.75
2 months	29.10	26.84	26.90	24.44	25.09
3 months	29.25	27.00	27.00	24.16	24.66
9 months	29.60	27.35	27.35	22.90	23.20
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)	19,689	29,983	31,406	11,758	11,534
Foreign Exchange Market	Nov-17	Oct-17	Sept-17	Dic-16	Nov-16
Dollar Spot					
Exchange agencies	17.48	17.46	17.24	15.84	15.34
BCRA Reference	17.53	17.52	17.29	15.89	15.38
Future dollar					
NDF 1 month	17.83	17.79	17.50	16.02	15.55
ROFEX 1 month	17.84	17.82	17.57	16.22	15.69
Traded volume (all maturities, million pesos)	11,151	10,929	12,172	8,423	7,771
Real (Pesos/Real)	5.36	5.47	5.50	4.73	4.60
Euro (Pesos/Euro)	20.54	20.52	20.53	16.69	16.57
Capital Market	Nov-17	Oct-17	Sept-17	Dic-16	Nov-16
MERVAL					
Index	27,263	27,105	24,375	16,711	16,800
Traded volume (million pesos)	648	742	540	282	411
Government Bonds (parity)					
DISCOUNT (US\$ - NY legislation)	116.17	116.91	116.26	103.73	107.55
BONAR X (US\$)	115.60	116.26	114.92	115.04	114.49
DISCOUNT (\$)	103.43	108.58	108.70	116.98	116.66
Country risk					
Spread BONAR 24 vs. US Treasury Bond	249	231	294	332	382
EMBI+ Argentina	370	354	379	494	477
EMBI+ Latinoamérica	468	433	445	491	500

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