Evolution of the Foreign Exchange Market and the Foreign Exchange Balance

February 2025

BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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Executive Summary

In February, the BCRA made net purchases of USD1,436 million in the forex market, which involves USD1,209 million from institutions' clients and USD184 million from institutions; as well as USD43 million that were used to make net payments through the Local Currency Payment System. The National Treasury made purchases directly from the BCRA for USD500 million.

The "Non-Financial Private Sector" was a net seller of foreign currency for USD1,461 million. Within this group, the "Oilseeds and Grains" sector was the main supplier of foreign currency, recording net inflows of USD1,998 million, mainly explained by the result in "Goods". The "Real Sector excluding Oilseeds and Grains" recorded net inflows of USD213 million, mainly explained by the result in "Debt, FDI, Portfolio, and Other Transactions". "Natural Persons" recorded net outflows of USD769 million mainly for traveling expenses and other payments on cards to non-resident suppliers. It should be noted that about 55% of these card payments are paid directly by clients with funds in foreign currency, which helps mitigate the negative impact of these expenditures on the foreign exchange market and international reserves.

In terms of the foreign exchange balance for February, the foreign exchange current account experienced a deficit of USD1,231 million. This result was explained by net outflows recorded in "Services" (USD1,038 million), "Primary Income" (USD1,047 million) and "Secondary Income" (USD15 million), which were partially offset by net inflows recorded in "Goods" (USD869 million). In turn, the foreign exchange financial account recorded a surplus of USD974 million in February. This result was attributed to the surplus recorded in the "Financial Sector" (USD2,181 million) and in the "Non-Financial Private Sector" (USD1,179 million), which were partially offset by the deficit in "Other Net Transfers" (USD1,577 million) and in the "National Government and the BCRA" (USD810 million).

During February, BCRA's international reserves fell USD192 million, totaling USD28,117 million by the end of the month. This result was mainly explained by the payment of principal and interest on Argentine sovereign bonds (USD686 million), net outflows of interest and fees to the IMF (USD648 million; i.e. SDR494 million), a fall in institution's holdings of foreign currency at the BCRA (USD422 million), repayments of principal and interest owed to international organizations (IMF excluded) (USD199 million); and net payments made by the BCRA through the Local Currency Payment System (USD43 million). These records were partially offset by the settlement of net purchases made by the BCRA in the forex market (USD1,948 million), and by the increase in the US dollar exchange rate of foreign exchange reserves (USD43 million).

I. Introduction

This report analyzes information on foreign exchange transactions made in February 2025 as gathered by the Exchange Transaction Reporting System administered by the BCRA. Additionally, it relies on information on changes in the BCRA's international reserves due to transactions carried out by the BCRA on its own account or on behalf of the National Government, and due to changes in the balance of institutions' foreign currency accounts at the BCRA.[1]

Data collected from institutions include information on every transaction conducted in the forex market by natural or legal persons (including the sector to which they belong, which agrees with the main business activity reported to the ARCA), amounts traded, currency denomination, and the reason for the foreign exchange transaction (heading)—such as inflows or outflows from exports or imports of goods or services, saving, and financial liabilities, as defined in the Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6).

For further information on the methodological aspects of this report, please read the methodology used for compiling foreign exchange market and foreign exchange balance statistics, which is available here on the BCRA's website.

Should you need detailed information about the exchange rate regulations in force and the changes that have been implemented since November 2017, please see the Consolidated Text on Foreign Trade and Exchange Regulations available on the BCRA's website.

Section II of this report analyzes the result of foreign exchange transactions; data are broken down by sector and by heading. Sectors were grouped into: "Central Bank", "Institutions", "General Government", "Oilseeds and Grains", "Real Sector excluding Oilseeds and Grains", "Natural Persons", and "Institutional Investors and Others" on the basis of the identification number entered and the main activity reported to the ARCA. For more information on the categorization used, see Section B.4. of the "Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics".[2] In addition, there is an annex of statistical series broken down by sector based on the National Classifier of Economic Activities (CLANAE) as reported by companies within the framework of the National Economic Census carried out by INDEC in 2021, supplemented, in some cases, with the Classification of Economic Activity reported to the ARCA (CLAE), since at the Letter and Group levels (3 digits) both classifiers match each other. Foreign exchange market and foreign exchange balance statistics are available on the BCRA's website.
The following table is intended to analyze the purchases and sales carried out through institutions in the forex market, reflecting each sector's net foreign exchange result. Each heading's net result—as informed by

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[1] Communication A 3840, as amended.
[2] For identification purposes, each sector is defined as follows: **"General Government"** stands for the so-called "Public Sector" and embraces transactions made by the National Treasury directly through its account in foreign currency held with the BCRA; **"Oilseeds and Grains"**; **"Real Sector excluding Oilseeds and Grains"** includes the following sectors: "Oil", "Food, Beverages and Tobacco", "Textile and Leather Industries", "Paper, Publishing and Printing Industry", "Chemical, Rubber and Plastic Industries", "Non-Metallic Mineral Products (Cement, Ceramics and Others)", "Common Metals and their Manufacture", "Machinery and Equipment", "Automobile Industry", "Other Manufacturing Industries", "Electricity (Generation, Transport, Distribution)", "Gas (Extraction, Transport, Distribution)", "Water", "Commerce", "Transport", "Communications", "Mining", "Agriculture and Other Primary Activities", "Construction", "Information Technology", "Gastronomy", "Entertainment" and "Tourism and Accommodation Services"; **"Financial and Foreign Exchange Institutions"** includes the sector's transactions; **"Natural Persons"** includes all natural persons within the sector "Other Non-Financial Private Sector"; and **"Institutional Investors and Others"** includes "Insurance" as well as the rest of the "Other Non-Financial Private Sector".

the institutions to the BCRA—is displayed vertically. The result of forex transactions in pesos and in foreign currency may be set apart from the result of self-to-self international transfers (see Table II.2).

Section III deals with the Foreign Exchange Balance, which comprises transactions carried out by the institutions with their clients in the foreign exchange market and those carried out by the BCRA (included in Section II)—either on its own account or on behalf of the National Government. It is worth noting that the Foreign Exchange Balance is presented in an analytical format based on the Balance of Payments broken down by component and by institutional sector. This information was published anew in 2020, allowing readers to follow up data based on the reasons for the transactions (headings), which are again taken as an affidavit. However, the evolution of the historical series shown here should be analyzed in light of the different forex regulations in force by period (see Section B.5. of the Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics).

Section IV deals with the stock of international reserves by the end of the period and their evolution.

Finally, Section V deals with information on the amount traded in the foreign exchange market. This amount stands for transactions made by institutions with their clients—both gross purchases and gross sales,—transactions between institutions, and those carried out among institutions and the BCRA.

II. Result by Sector in the Foreign Exchange Market

In February, the BCRA made net purchases of USD1,436 million, which involves USD1,209 million from institutions' clients and USD184 million from institutions; as well as USD43 million that were used to make net payments through the Local Currency Payment System. The National Treasury made purchases directly from the BCRA for USD500 million (see Table II.1).[3] [4] [5]

Like in recent months, institutions' sales were associated with foreign currency funds received from their clients to make card payments in foreign currency. Estimates show that about 55% of the total traveling expenses and other payments on cards have been paid directly by clients with their own funds in foreign currency, which helps mitigate the negative impact of these expenditures on the foreign exchange market (see Section III.1.2. of this report and Section C.2.2.2. of the Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics for more information on how these specific transactions are recorded).

[3] Information on the Local Currency Payment System of this report has been drawn from the Exchange Transaction Reporting System and reported by transaction date. For more information, see the Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics.
[4] Transactions in the forex market are reported according to their transaction date, except for the purchase and sale of securities payable in foreign currency.
[5] The result by sector excludes purchases of foreign currency to pay card bills for expenses incurred abroad for an amount of USD248 million. These payments of local debts in foreign currency do not imply a net demand in the whole system, made up by institutions and the BCRA.

Table II.1 Foreign Exchange Market
Result by Sector
Equivalent in million dollars

Result by Sector of the Foreign Exchange Market with Institutions	Feb-24	Feb-25	2024 up to Feb	2025 up to Feb
BCRA - Market	**-2,358**	**-1,436**	**-5,629**	**-3,184**
BCRA - Local Currency Payment System	**17**	**43**	**22**	**112**
National Treasury	**-**	**-**	**-**	**-**
Institutions	**61**	**184**	**-11**	**1,579**
Institutions' Clients (1 + 2 + 3)	**2,279**	**1,209**	**5,618**	**1,494**
1. Non-Financial Private Sector	**2,611**	**1,461**	**6,135**	**1,971**
Oilseeds and Grains	1,248	1,998	2,981	4,416
Real Sector excluding Oilseeds and Grains	1,593	213	3,551	-786
Natural Persons	-229	-769	-418	-1,686
Institutional Investors and Others	-1	20	20	27
2. General Government (National Treasury Excluded)	**-215**	**-426**	**-304**	**-518**
3. Institutions (Own Transactions)	**-117**	**174**	**-213**	**41**
National Treasury Directly with the BCRA	**-1,015**	**-500**	**-1,460**	**-1,500**

Note: (+) Net sales; (-) Net purchases

Source: BCRA

In February, the "Oilseeds and Grains" sector was the main supplier of foreign currency, with net sales of USD1,998 million in the forex market. This was mainly explained by collections on exports net of payments for imports (under "Goods"), recording a net amount of USD1,853 million (see Table II.2).

Table II.2 Foreign Exchange Market
Result of Institutions' Transactions with Clients. February 2025.
Equivalent in million dollars

Sector/Main Headings	Goods	Travel and Passenger Transport, and Other Expenses Paid with Cards	Other Services, and Primary and Secondary Inflows	Foreign Assets - Banknotes	Foreign Assets - Foreign Currency	Net Self-to-Self International Transfers	Debt, FDI, Portfolio, and Other Transactions	Total
Non-Financial Private Sector	**956**	**-940**	**-3**	**170**	**69**	**-310**	**1,519**	**1,461**
Oilseeds and Grains	1,853	0	7	1	0	-14	150	1,998
Real Sector excluding Oilseeds and Grains	-829	-166	-196	129	54	-61	1,281	213
Natural Persons	-18	-830	26	29	-16	-14	55	-769
Institutional Investors and Others	-50	57	159	11	31	-222	33	20
General Government (National Treasury Excluded)	**-64**	**-1**	**-365**	**28**	**0**	**209**	**-234**	**-426**
Institutions (Own Transactions)	**-23**	**0**	**-33**	**0**	**0**	**0**	**230**	**174**
Institutions' Result with Clients	**869**	**-941**	**-401**	**198**	**69**	**-102**	**1,515**	**1,209**
Result for Forex Transactions	**770**	**-1,060**	**-451**	**198**	**6**	**0**	**1,746**	**1,209**
Result for Self-to-Self International Transfers	**99**	**120**	**50**	**0**	**63**	**-102**	**-231**	**0**

Note: (+) Net sales; (-) Net purchases
Source: BCRA

The "Real Sector excluding Oilseeds and Grains" recorded net sales amounting to USD213 million, mainly explained by the net inflows recorded under "Debt, FDI, Portfolio, and Other Transactions" (USD1,281 million), which have been largely offset by the outflows from "Goods" (USD829 million).

In this context, “Energy” (USD991 million) and “Food, Beverages and Tobacco” (USD660 million) were the economic sectors recording the highest surplus, while “Automobile Industry” (USD638 million) and “Commerce” (USD414 million) had the highest deficit (see Table II.3).

Table II.3 Foreign Exchange Market
Result of the Real Sector excluding Oilseeds and Grains disaggregated by main headings. February 2025.
Equivalent in million dollars

Sector/Main Headings	Goods	Travel and Passenger Transport, and Other Expenses Paid with Cards	Other Services, and Primary and Secondary Inflows	Foreign Assets - Banknotes	Foreign Assets - Foreign Currency	Net Self-to-Self International Transfers	Debt, FDI, Portfolio, and Other Transactions	Total
Energy*	335	0	-155	68	31	-43	755	991
Food, Beverages and Tobacco	596	0	-17	1	0	-48	128	660
Mining	382	0	-1	0	11	-15	88	466
Agriculture and Other Primary Activities	206	0	1	1	0	-22	49	235
Information Technology	-9	2	126	0	1	-11	3	113
Entertainment	-1	0	13	0	1	-3	19	28
Communications	-33	0	-9	0	0	3	43	4
Water	0	0	0	0	0	0	0	0
Construction	-20	0	-2	0	3	-3	19	-2
Gastronomy	-3	0	-1	0	0	0	1	-3
Non-Metallic Mineral Products (Cement, Ceramics and Others)	-16	0	-2	0	0	0	2	-17
Paper, Publishing and Printing Industry	-61	0	-9	0	0	12	-7	-64
Transport	-4	-67	-110	51	1	57	1	-71
Textile and Leather Industries	-85	0	-4	0	0	-3	14	-78
Common Metals and their Manufacture	-80	0	-12	0	0	-3	1	-94
Tourism and Accommodation Services	0	-102	0	2	1	-16	3	-113
Other Manufacturing Industries	-138	0	13	0	0	-1	10	-116
Machinery and Equipment	-397	0	6	2	0	-4	64	-328
Chemical, Rubber and Plastic Industries	-379	0	1	0	0	1	28	-347
Commerce	-454	0	-4	1	2	-1	43	-414
Automobile Industry	-669	0	-28	2	1	39	16	-638
Total	**-829**	**-166**	**-196**	**129**	**54**	**-61**	**1,281**	**213**

*It includes: Electricity (Generation, Transport, Distribution), Oil, and Gas (Extraction, Transport, Distribution) Sectors

Note: (+) Net sales; (-) Net purchases
Source: BCRA

“Natural Persons” recorded net outflows of USD769 million mainly for traveling expenses and other payments on cards to non-resident suppliers. It should be noted that about 55% of these card payments (recorded as outflows under the “Travel” account) are paid directly by clients with their own funds in foreign currency, which helps mitigate their negative impact on the foreign exchange market (see Section III.1.2. of this report and Section C.2.2.2. of the Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics for more information on how these specific transactions are recorded).

“Institutional Investors and Others”—both residents and non-residents—recorded net inflows of USD20 million.

Institutions made net sales with their own funds for USD174 million.

In turn, the “General Government” (excluding the National Treasury) made net purchases in the forex market for USD426 million.

III. Foreign Exchange Balance

III.1. Current Account

Current account transactions recorded in the foreign exchange balance showed a deficit of USD1,231 million in February. This result was mainly explained by the net outflows of “Primary Income” (USD1,047 million), “Services” (USD1,038 million), and “Secondary Income” (USD15 million), which was partially offset by the net inflows recorded in “Goods” (USD869 million), (see Table III.1.1).[6]

Table III.1.1. Foreign Exchange Balance
Foreign Exchange Current Account
Equivalent in million dollars

Date	Feb-24	#####	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Foreign Exchange Current Account	1,575	1,804	2,277	1,161	-223	-1,668	-1,269	-700	-1,581	-911	-1,114	-1,285	-1,231
Goods	3,059	2,424	2,737	2,708	795	551	576	528	744	714	-39	425	869
Services	-232	-158	-183	-388	-368	-566	-614	-650	-744	-530	-526	-1,187	-1,038
Primary Income	-1,264	-462	-290	-1,180	-533	-1,670	-1,243	-588	-1,599	-1,116	-523	-539	-1,047
Secondary Income	13	0	12	21	-117	17	13	10	18	21	-26	17	-15

Source: BCRA

It is worth noting that Executive Order 28/2023 (dated December 13, 2023) set forth a new edition of the Export Increase Program. This program is intended for the entire exporting sector, both goods and services, and allows exporters to settle up to 20% of the foreign currency received from the collection of exports through the stock market, having to settle the rest through the forex market.

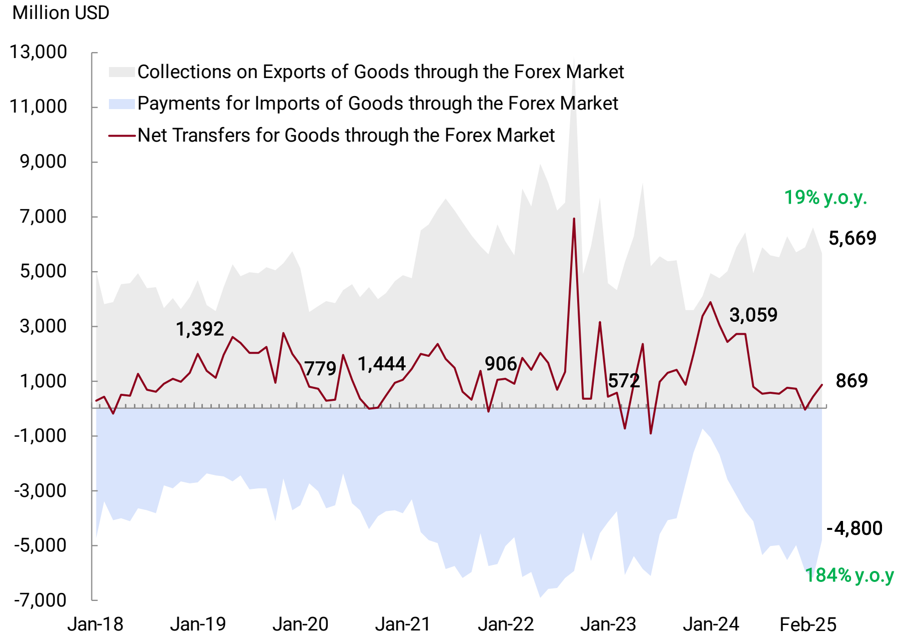
Under these regulations, foreign currency inflows from exports of goods and services settled through the stock market are not recorded as collections of exports of goods and services in the foreign exchange market and the foreign exchange balance statistics; except for those proceeds that were kept in local foreign currency accounts (that result in self-to-self international transfers).

III.1.1. Goods

In February, transfers for “Goods” on the foreign exchange balance exhibited net inflows for USD869 million. This result was explained by collections on exports for USD5,669 million, which were partially offset by payments of imports for USD4,800 million (see Chart III.1.1.1).

[6] The current account of the foreign exchange balance differs from that reported in the balance of payments prepared by INDEC. To understand the definitions and the differences between the current account of the foreign exchange balance and that of the balance of payments, refer to the Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics. Specifically, sections C.1, C.1.1, C.1.2 and C.1.3.

Chart III.1.1.1 Foreign Exchange Balance Transfers for Goods



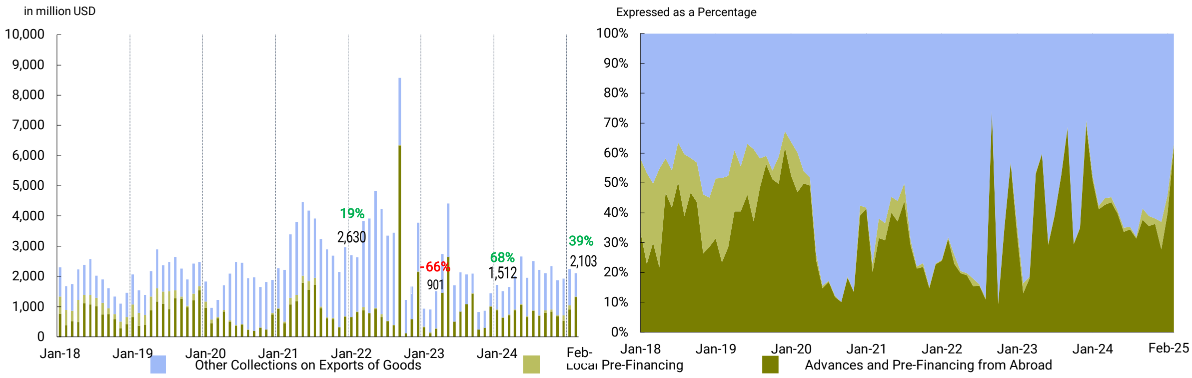
Source: BCRA

As already mentioned, the Export Increase Program covers inflows from the collection of exports through the stock market, which are not included in the foreign exchange market and the foreign exchange balance statistics, because they are not recorded in the Exchange Transaction Reporting System, with the exception of those proceeds that are transferred to and deposited in local accounts in foreign currency for subsequent settlement in the stock market and are recorded as self-to-self international transfers, having no net effect on the forex market.

In February, the "Oilseeds and Grains" sector recorded foreign currency sales for collections on exports of goods through the forex market for USD2,103 million, representing a 39% y.o.y. increase. The sector's FOB exports totaled USD2,224 million in February. Companies' estimated inflows channeled through the stock markets show an increase in the sector's stock of commercial debt resulting from advances and the pre-financing of exports.

Sixty-three percent of the sector's inflows were collected ahead of time either through advances or pre-financing of exports (local and foreign). This figure significantly surpasses the average share observed from 2016 to date, which stands at 45% (see Chart III.1.1.2).

Chart III.1.1.2 Foreign Exchange Balance
Collection on Exports of Goods from the "Oilseeds and Grains" Sector



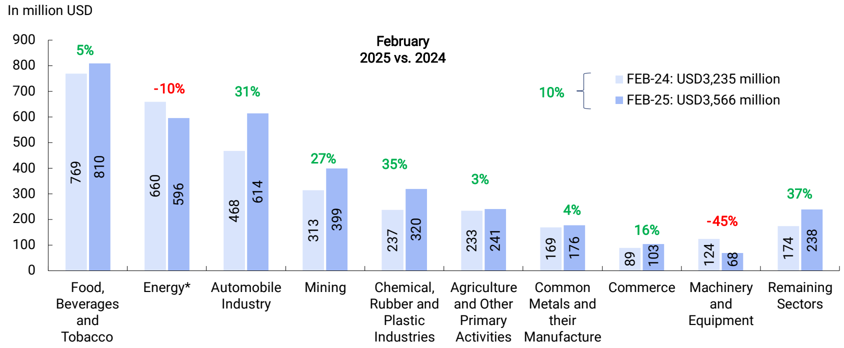
Source: BCRA

Executive Order 38/2025 of January 27, established a temporary reduction (until June 30) of export duties on the main goods exported by the agricultural sector (soybean and its by-products, wheat, and corn, among others), as well as the elimination of such duties on exports of goods from regional economies.

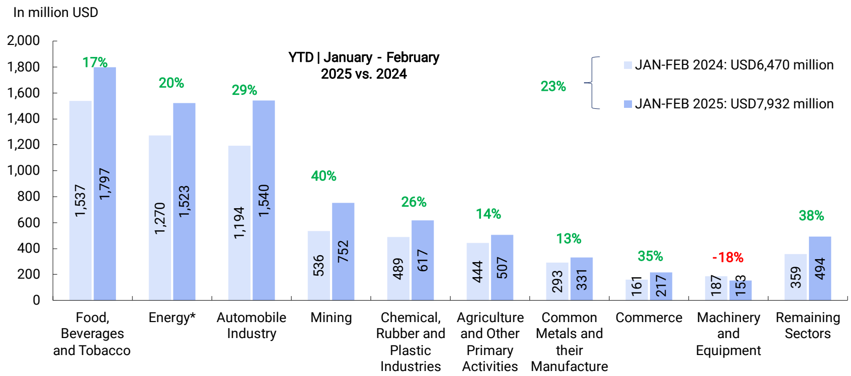
Inflows from the collections on exports of goods from the remaining sectors through the forex market totaled USD3,566 million in February, while FOB exports totaled USD3,868 million during the month. Considering also companies' estimated inflows channeled through the stock markets, these sectors' stock of commercial debt has increased during the month.

In February, the collections on exports increased across most sectors, "Chemical, Rubber and Plastic Industries" (35% y.o.y.), and "Automobile Industry" (31% y.o.y.) standing out. The "Machinery and Equipment" and "Energy" sectors were the exception, with year-on-year reductions of 45% and 10%, respectively (see Chart III.1.1.4).

Chart III.1.1.4 Foreign Exchange Balance
Collection on Exports of Goods ("Oilseeds and Grains" Sector Excluded)



*Note: it includes Oil, Electricity and Gas Sectors

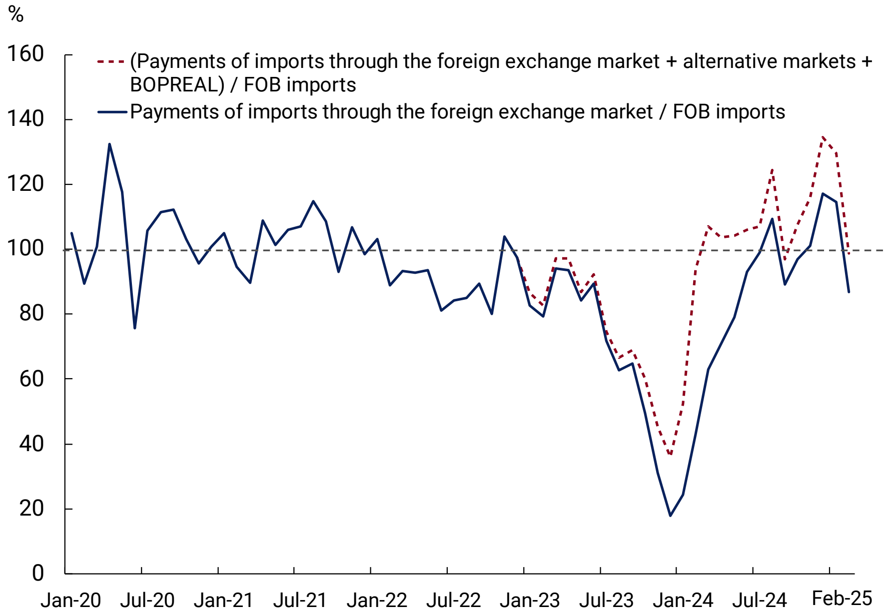


Source: BCRA

In February, payments of imports of goods through the forex market reached USD4,800 million, up 184% y.o.y., and down 22% compared to January.[7] This figure was below February's FOB imports, which amounted to USD5,529 million. It should be noted that importers can settle their imports and commercial debts in alternative markets (under certain conditions), and also with BOPREAL bonds. Therefore, all these payment mechanisms should be considered to better estimate the changes in commercial debt (see Chart III.1.1.5).

[7] To understand the year-on-year changes in import payments in this report, it is necessary to take into account the regulations introduced in December 2023. For further information, see the Report on the Evolution of the Foreign Exchange Market and the Foreign Exchange Balance, December 2023.

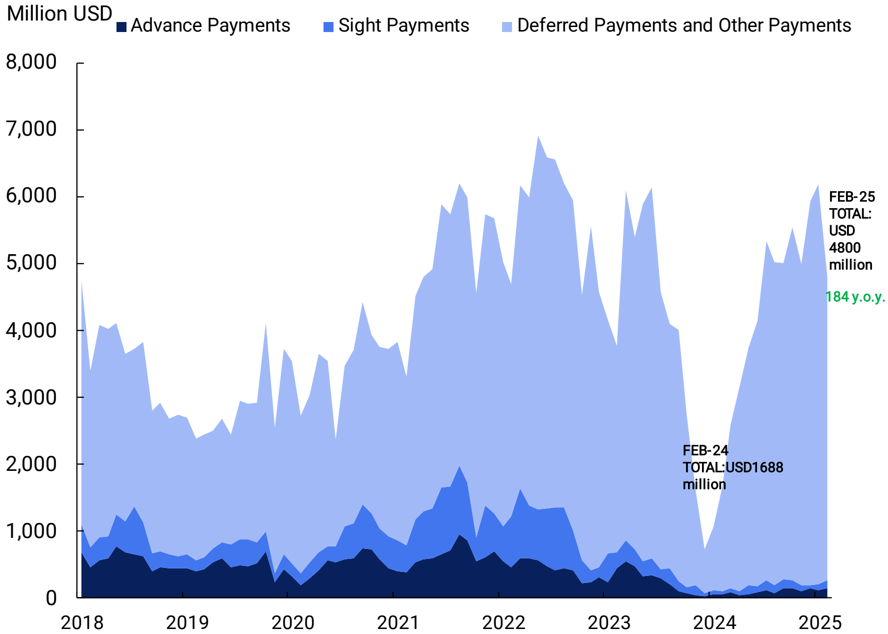
Chart III.1.1.5 Foreign Exchange Balance
Ratio of Payments of Imports of Goods to FOB Imports



Source: BCRA, INDEC and CNV

As regards total payments for imports of goods in the forex market for February, 95% were deferred payments, 3% were advance payments, and the other 2% were sight payments (see Chart III.1.1.6).

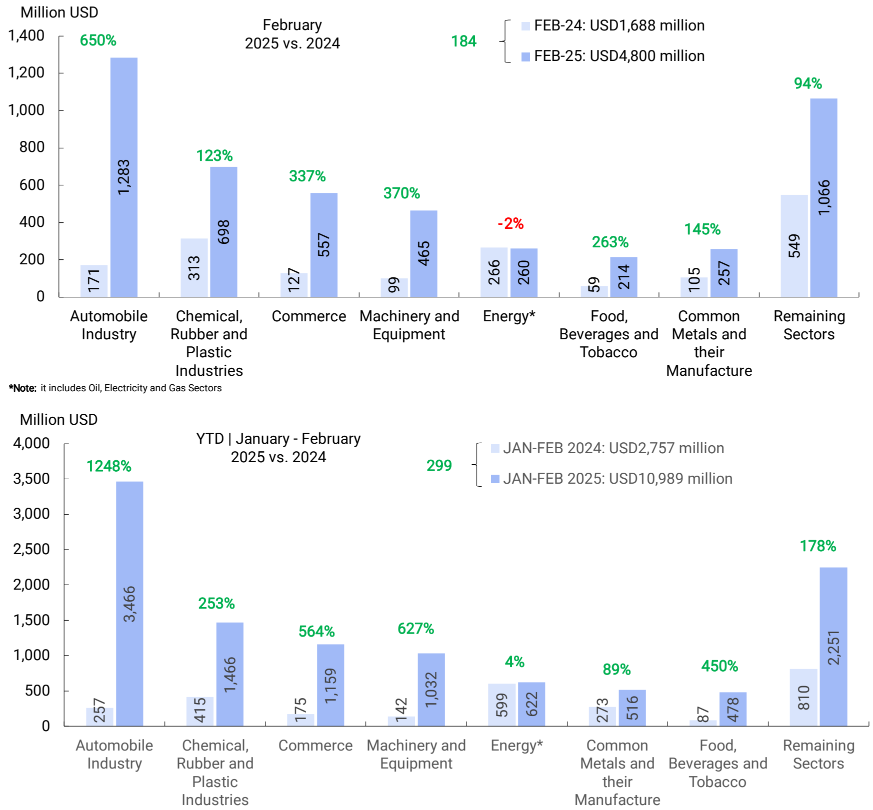
Chart III.1.1.6 Foreign Exchange Balance
Evolution of Payments for Imports of Goods by Type of Payment



Source: BCRA

In February, import payments increased in almost all sectors on a year-on-year basis, except for "Energy". To understand the year-on-year changes in import payments in this report, it is necessary to take into account the regulations introduced in December 2023. For further information, see the Report on the Evolution of the Foreign Exchange Market and the Foreign Exchange Balance, **December 2023** (see Chart III.1.1.7).

Chart III.1.1.7 Foreign Exchange Balance
Payments for Imports of Goods by Sector



Source: BCRA

III.1.2. Services, Primary and Secondary Income

The "Services" account experienced a deficit of USD1,038 million in February, which is higher compared to February 2024, but lower than that of January 2025.[8] This deficit was explained by net outflows of "Travel and Passenger Transport, and Other Expenses Paid with Cards"[9] (USD941 million), "Other Services"

[8] To understand the year-on-year changes in the "Services" account in this report, it is necessary to take into account the regulations introduced in December 2023. For further information, see the Report on the Evolution of the Foreign Exchange Market and the Foreign Exchange Balance, December 2023.

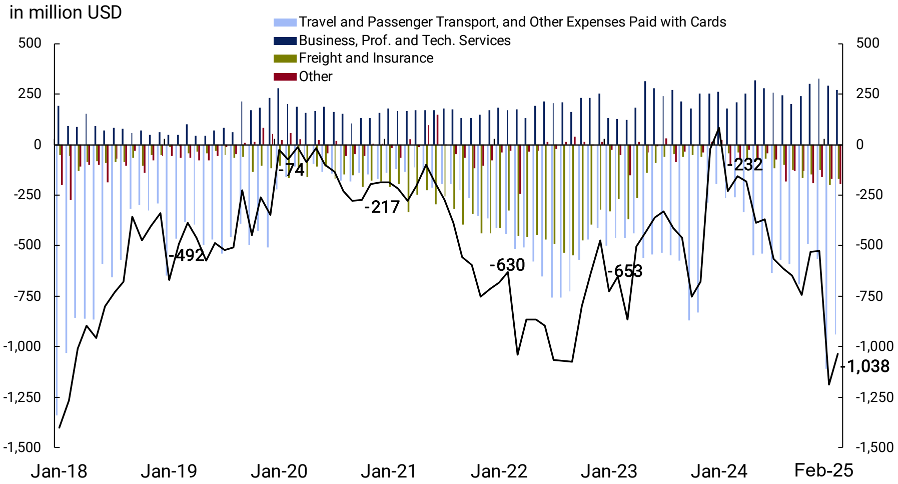
[9] In terms of the "Travel and Passenger Transport, and Other Expenses Paid with Cards" account, it is worth pointing out that the transfers made to international credit card issuers involve both purchases made during travels abroad and those made to foreign suppliers on a

(USD197 million) and “Freight and Insurance” (USD171 million), which were partially offset by net inflows from “Business, Professional and Technical Services” (USD271 million) (see Chart III.1.2.1).

About 55% of the outflows of “Travel and Passenger Transport, and other Expenses Paid with Cards” are paid directly by clients with funds in foreign currency, which helps mitigate the negative impact of these expenditures on the foreign exchange market and international reserves (see Section C.2.2.2. of the Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics for more information on how these specific transactions are recorded).

Up to 20% of collections on exports of services, like exports of goods, can be settled in the stock market under the Export Increase Program. These inflows are not included in the foreign exchange market and the foreign exchange balance statistics. This is so because they are not recorded in the Exchange Transaction Reporting System, with the exception of those proceeds that are transferred to and deposited in local accounts in foreign currency to be subsequently settled in the stock market, which are recorded as self-to-self international transfers, having no net effect on the forex market.[10]

Chart III.1.2.1 Foreign Exchange Balance
Net Inflows from Services



Source: BCRA

The following table displays the yearly accumulated gross inflows and outflows for services by heading and their comparison on a year-on-year basis.[11] It shows that a drop in the accumulated balance of the Services

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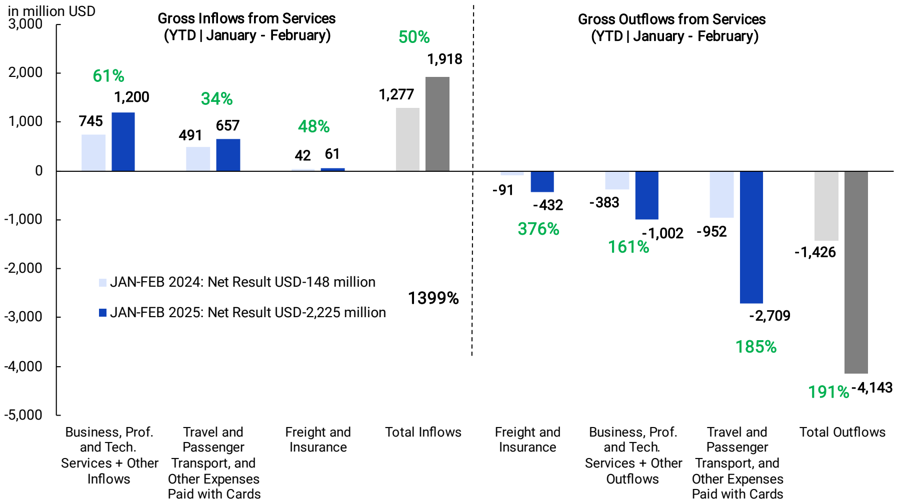
remote basis. In turn, inflows also include non-resident remote purchases made with cards to Argentine suppliers. For more information on the changes implemented to the regulations that have an impact on the comparison of the flows reported in the headings included under “Services”, among others, see Section B.5. Important Regulatory Provisions that Have an Impact on Foreign Exchange Statistics of the Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics available on the BCRA’s website.

[10] These inflows were observed after the implementation of Communication A 7630, dated November 3, 2022, which set forth that any inflows arising from non-resident cards on account of charges for tourist services and passenger transport services are exempted from the requirement to settle currency in the forex market. This measure seeks to boost foreign currency inflows from inbound tourism. In addition, a higher exchange rate may be charged on card payments made by non-resident visitors in Argentina. These self-to-self international transfers have no net effect on the forex market, since inflows are not settled in the forex market but deposited in local accounts in foreign currency.

[11] For more information on the private sector’s external debt, click here to see the quarterly publication of the BCRA.

account was mainly driven by an increase in gross inflows from Travel and Passenger Transport, and Other Expenses Paid with Cards, as well as Business, Professional and Technical Services. The year-on-year changes in Freight and Insurance payments should be analyzed in light of the regulations introduced in December 2023. For further information, see the Report on the Evolution of the Foreign Exchange Market and the Foreign Exchange Balance, December 2023.

Chart III.1.2.2 Foreign Exchange Balance Services



Source: BCRA

Primary income transactions resulted in net outflows amounting to USD1,047 million in February, due to net payments of interest for USD1,037 million, and net outflows of profits, dividends and other income transferred abroad amounting to USD11 million.

The "General Government and the BCRA" made gross payments of interest for USD986 million. This amount consisted of USD593 million reimbursed to the IMF (SDR454 million), USD104 million to international organizations (excluding the IMF), and USD289 million of gross payments on sovereign bonds and others. In turn, gross payments of interest from the private sector amounted to USD83 million.

Finally, secondary income transactions recorded net outflows for USD15 million.

III.2. Capital Account

In February, the capital account of the foreign exchange balance recorded a surplus of USD22 million.

III.3. Foreign Exchange Financial Account

In February, the foreign exchange financial account recorded a surplus of USD974 million. This result was explained by the surplus recorded in the “Financial Sector” (USD2,181 million) and in the “Non-Financial Private Sector” (USD1,179 million), which were partially offset by the deficit in “Other Net Transfers” (USD1,577 million) and in the “National Government and the BCRA” (USD810 million) (see Table III.3.1).

Table III.3.1. Foreign Exchange Balance
Foreign Exchange Financial Account
Equivalent in million dollars

Date	Feb-24	#####	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Foreign Exchange Financial Account	-2,487	-1,565	-2,012	-155	634	-1,045	1,051	661	3,128	2,973	777	-546	974
Non-Financial Private Sector	-471	384	418	59	-172	-440	281	67	637	597	1,334	1,240	1,179
Financial Sector	-142	297	192	-275	-302	237	-134	-10,700	-537	3,930	1,270	2,132	2,181
General Government and the BCRA	-1,714	-1,543	-2,403	29	522	-2,070	349	-882	-474	527	999	-3,412	-810
Other Net Transfers	-160	-703	-218	32	586	1,229	555	12,176	3,501	-2,081	-2,826	-506	-1,577

Source: BCRA

III.3.1. Foreign Exchange Financial Account of the Non-Financial Private Sector

The financial account of the “Non-Financial Private Sector” recorded a surplus of USD1,179 million in February. This was the result of net inflows (USD2,787 million) minus net outflows (USD1,608 million). The former were made up of financial debt held abroad and debt securities (USD1,296 million), net settlement of local financial loans (USD1,211 million), net inflows from foreign assets (USD239 million), net inflows of loans from international organizations (USD26 million) and the sale of securities in foreign currency (USD15 million). On the other side, net outflows were made up of foreign direct investments for USD1,050 million, net self-to-self international transfers for USD310 million,[12] payments of balances in foreign currency to local institutions from purchases made on cards to non-resident suppliers for USD245 million (which do not involve a net demand of foreign currency in the financial account), and net outflows from non-residents’ portfolio investments for USD3 million (see Table III.3.1.1).

[12] These transfers were mainly explained as the counterpart of the real sector’s collections on exports from goods and services that had not been settled in the foreign exchange market, but were deposited in local accounts, inflows from purchases made by non-resident tourists with cards, and inflows of freely available foreign assets from abroad deposited in local accounts.

Table III.3.1.1. Foreign Exchange Balance
Foreign Exchange Financial Account of the Non-Financial Private Sector
Equivalent in million dollars

Date	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25
Foreign Exchange Financial Account	-471	384	418	59	-172	-440	281	67	637	597	1,334	1,240	1,179
Non-Residents’ Direct Investments	58	60	56	152	71	49	90	69	89	45	-440	-178	-1,050
Non-Residents’ Portfolio Investments	1	2	8	3	-3	-3	-22	-14	-13	-28	-12	-13	-3
Financial Loans and Credit Lines	-241	664	730	321	-67	-45	471	477	767	899	1,896	1,466	2,262
Local Financial Loans	61	794	542	406	46	129	553	266	481	614	1,243	967	1,211
Other Foreign Loans and Debt Securities	-156	-5	307	42	5	-28	89	361	432	447	807	673	1,296
Payment of Card Balance	-146	-125	-118	-127	-118	-146	-172	-150	-146	-163	-154	-174	-245
Loans from Other International Organizations and Other	-22	54	7	-34	82	12	-141	-191	105	-24	-62	29	26
Buildup of Foreign Assets by the Non-Financial Private Sector	94	139	133	94	146	166	456	584	224	115	229	137	239
Self-to-Self International Transfers	-384	-538	-534	-503	-406	-644	-575	-869	-539	-414	-291	-294	-310
Purchase and Sale of Securities	21	4	16	26	5	24	2	10	4	6	15	93	15

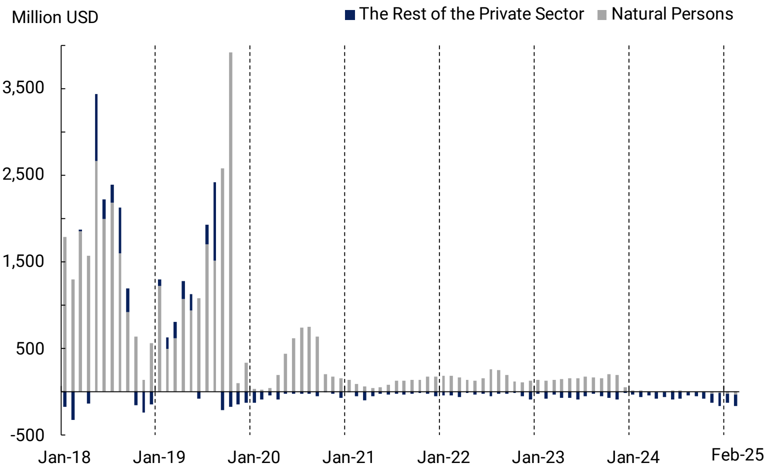
Source: BCRA

Non-financial private sector residents' foreign assets recorded a surplus of USD239 million—made up of net sales of banknotes (USD170 million), and net inflows of foreign currency (USD69 million) (mainly inflows from funds held abroad in foreign currency, “self-to-self international transfers”).

The result in foreign currency was explained by net inflows from the “Real Sector” (USD54 million), and “Institutional Investors and Others” (USD31 million), which were partially offset by net outflows from “Natural Persons” (USD16 million).

This outcome comprises net sales for USD141 million made by legal persons and USD29 million made by natural persons (see Chart III.3.1.1).

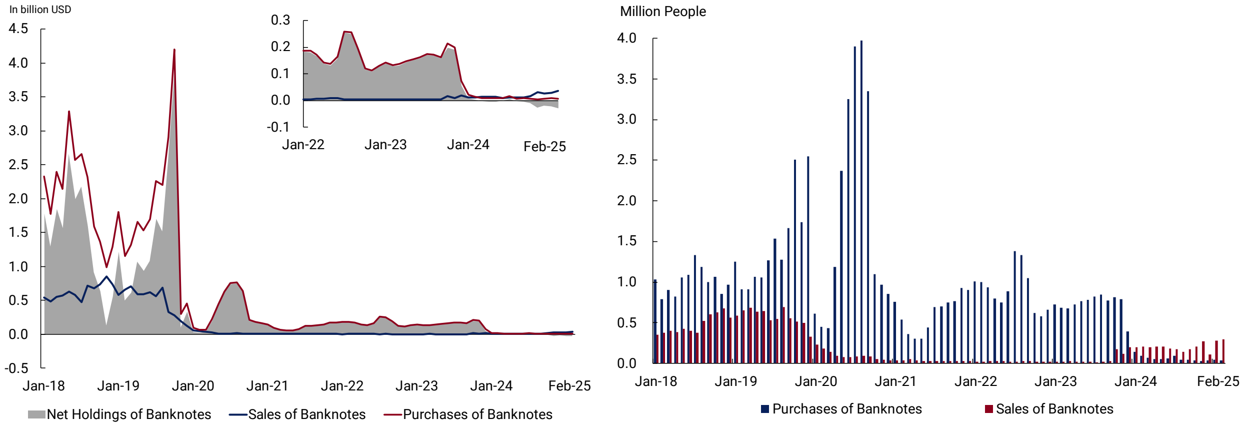
Chart III.3.1.1 Foreign Exchange Balance
Net Purchases of Banknotes by Sector



Source: BCRA

In February, “Natural Persons” sold banknotes for USD35 million and purchased USD6 million. In terms of traders, in February, 297,000 individuals sold banknotes, while buyers amounted to about 36,000 (see Chart III.3.1.2).[13]

Chart III.3.1.2 Foreign Exchange Balance
Natural Persons. Banknotes. Amount (left) and Number of People (right)

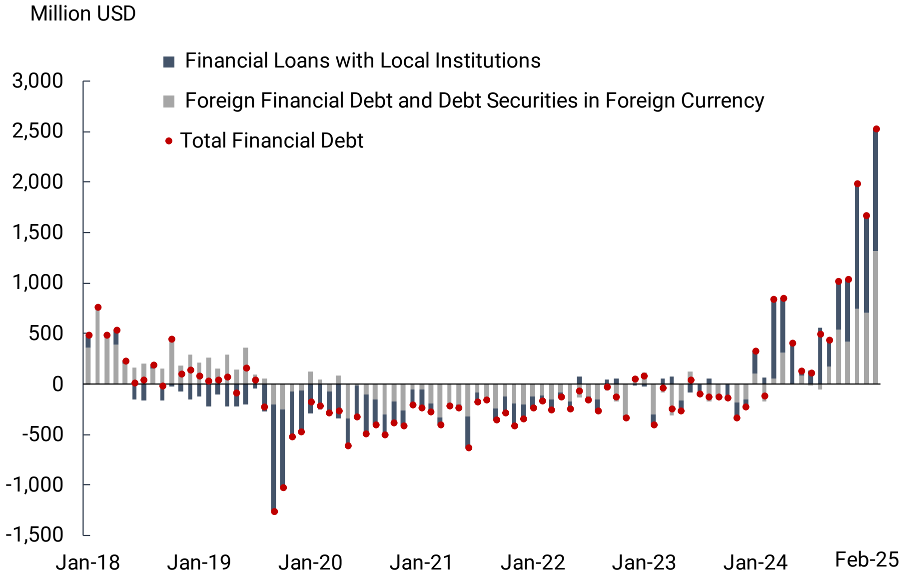


Source: BCRA

Net inflows from the non-financial private sector's financial debt, including loans from international organizations and local financial loans, reached USD2,533 million in February—net inflows from “Communications” (about USD1,162 million), and “Energy” (about USD750 million) standing out. This amount involves net inflows on account of financial debt held abroad, securities in foreign currency, and loans owed to international organizations (USD1,322 million), as well as local loans (USD1,211 million). The total amount excludes purchases of foreign currency to pay card bills for expenses incurred abroad (USD245 million), which do not imply a net demand within the whole system, i.e., the ensemble of institutions and the BCRA. Instead, they were calculated under the heading “Travel, and Other Expenses Paid with Cards” at the time of the transfer abroad (see Chart III.3.1.3).

[13] ARCA’s General Resolution 5617/2024, effective from December 19, 2024, extended the 30% income tax or personal property tax, as appropriate, to travel and passenger transport expenses and purchases of banknotes and foreign currency for general saving purposes.

Chart III.3.1.3 Foreign Exchange Balance
Non-Financial Private Sector. Financial Debt



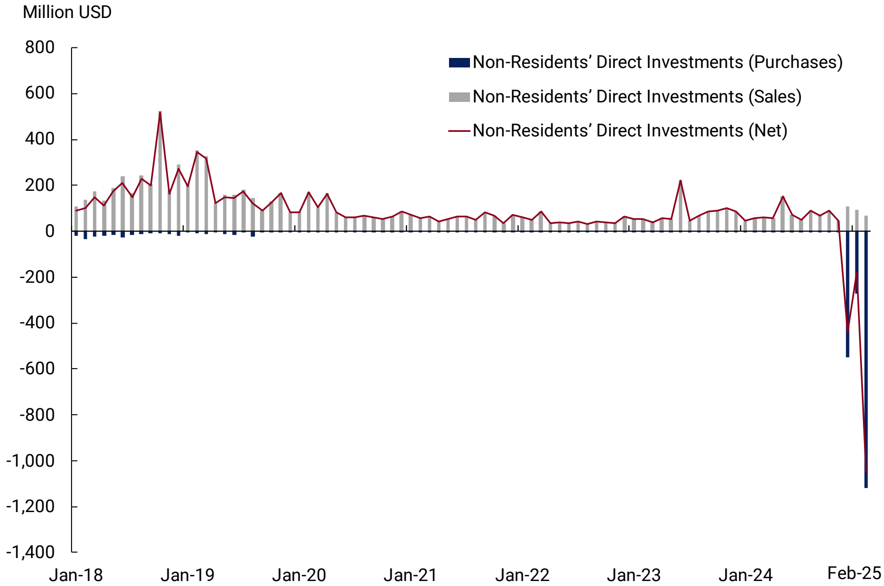
Note: Local financial debt excludes the purchases of foreign currency to pay card bills for expenses incurred abroad, which do not imply a net demand within the forex market

Source: BCRA

BCRA's Communication A 8202, published on February 20, lifted the restrictions on the different types of credits that financial institutions could grant using foreign currency obtained from their financial intermediation activities (with the exception of foreign currency deposits).

Direct investments made by non-residents in the non-financial private sector through the forex market reached USD1,050 million (net outflows) in February (see Chart III.3.1.4). Mandatory conditions for this type of repatriation are set forth in paragraph 3.13 of the Consolidated Text on Foreign Trade and Exchange Regulations.

Chart III.3.1.4 Foreign Exchange Balance
Non-Residents' Direct Investments. Non-Financial Private Sector



Source: BCRA

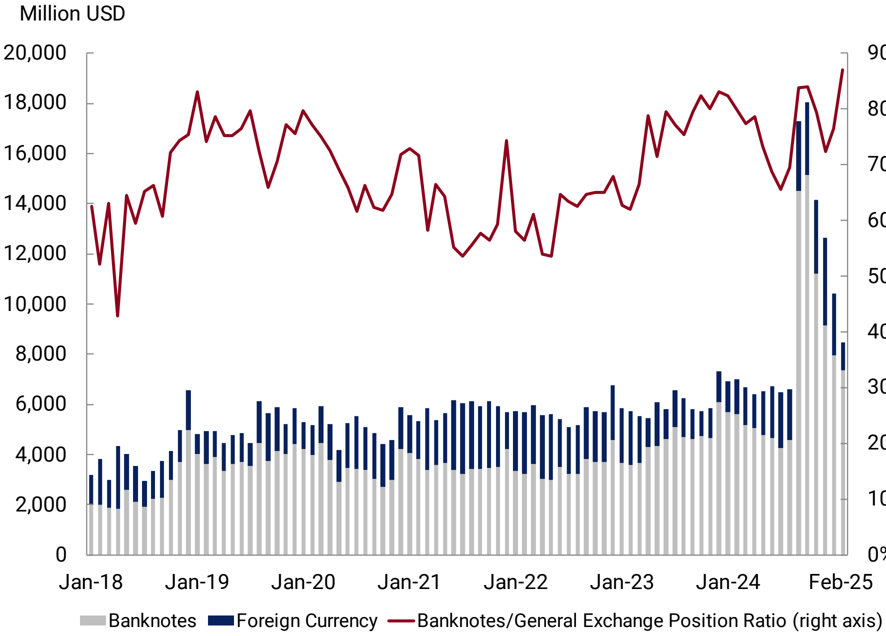
III.3.2. Foreign Exchange Financial Account of the Financial Sector

In February, the foreign exchange financial account of the "Financial Sector" recorded a surplus of USD2,181 million. This result was mainly explained by a fall of USD1,959 million in the holdings of foreign currency assets of institutions' General Exchange Position. Institutions also recorded net inflows from financial loans, lines of credit and other credits for USD267 million. These inflows were partially offset by the net subscription of securities in foreign currency for USD46 million.[14]

Institutions' General Exchange Position amounted to USD8,465 million at the end of February, down 19% against the end of January. This result was explained by a drop in holdings of foreign currency (USD1,353 million), and of banknotes (USD606 million). Holdings of foreign currency banknotes totaled USD7,362 million by the end of the month. This stock accounted for 87% of the total General Exchange Position, and it is allocated by institutions to cover local foreign currency deposit transactions and foreign exchange market needs (see Chart III.3.2.1).

[14] The General Exchange Position is defined in Section C.4.7. of the Methodology Used for Compiling Foreign Exchange Market and Foreign Exchange Balance Statistics.

Chart III.3.2.1 Foreign Exchange Balance
Institutions' General Exchange Position



Source: BCRA

On another note, the ensemble of institutions ended February with a forward short position in foreign currency of USD1,000 million, intensifying their short position by about USD338 million compared to the end of January. Institutions sold USD229 million directly to clients (Forwards) and USD110 million in regulated markets over February (see Chart III.3.2.2).

National and foreign capital institutions ended February with a net short position of USD448 million and USD552 million, respectively, up USD337 million and USD1 million, respectively, against January (see Chart III.3.2.3).

Chart III.3.2.2 Forward Market
EOM Institutions' Forward Position

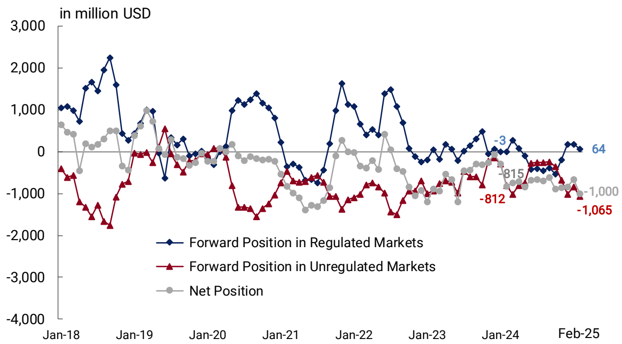
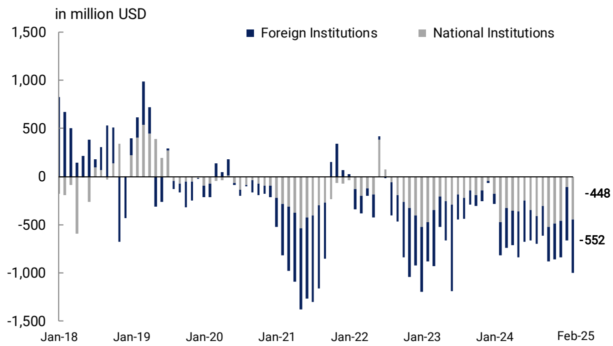


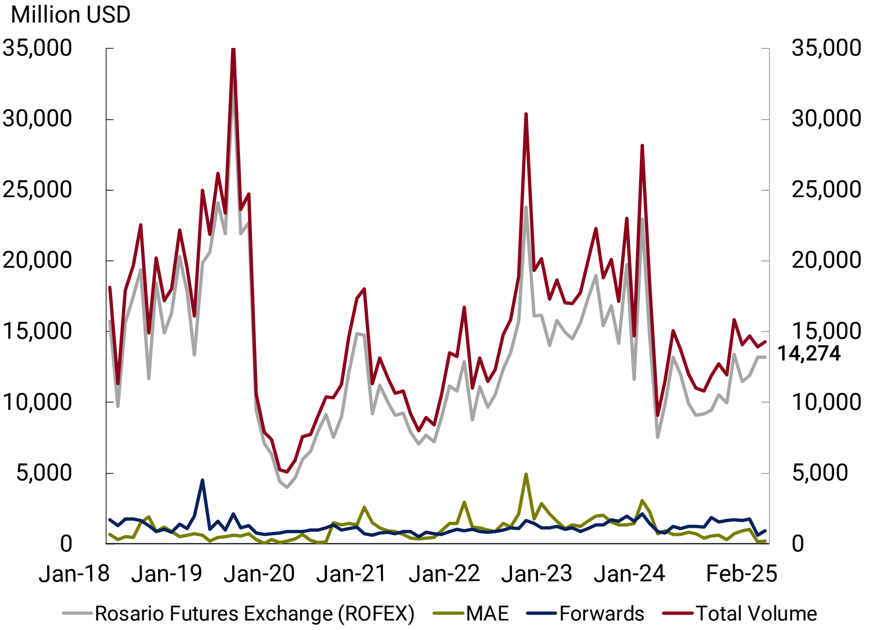
Chart III.3.2.3 Forward Market
EOM Institutions' Forward Position



Source: BCRA

The volume traded in forward markets totaled USD14,274 million in February, averaging USD714 million daily. Transactions carried out in the Rosario Futures Exchange (ROFEX) continued to stand out, with a 92% share in the total volume traded in the forward market (see Chart III.3.2.4).[15]

Chart III.3.2.4 Forward Market
Total Volume Traded in the Forward Market



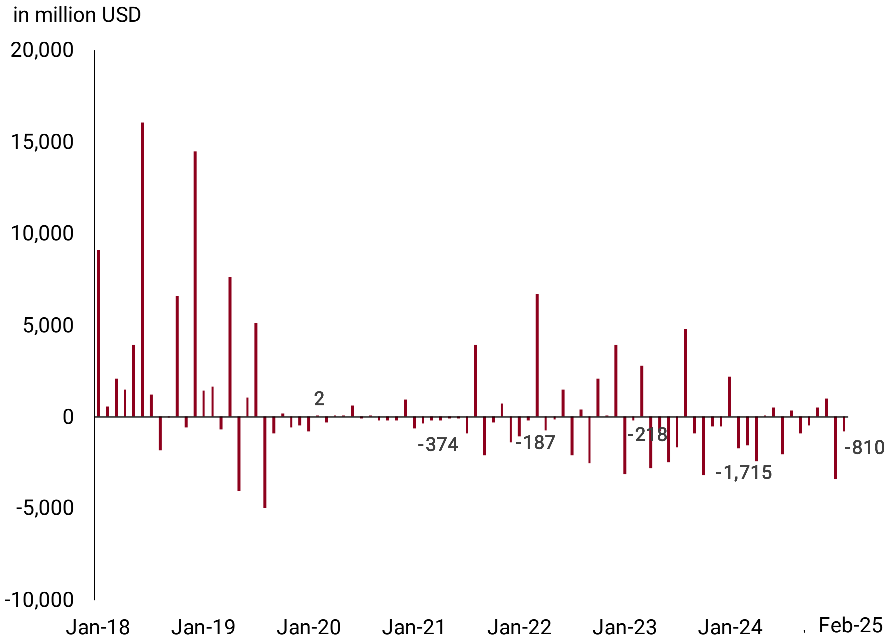
Source: BCRA

III.3.3. Foreign Exchange Financial Account of the General Government and the BCRA

In February, the foreign exchange financial account of the General Government and the BCRA recorded a deficit of USD810 million (see Chart III.3.3.1). This result was mainly explained by payments of principal on sovereign bonds and other public debt (USD690 million) and by the outflows of loans from international organizations other than the IMF (USD120 million).

[15] The chart includes the total volume traded in ROFEX, the transactions arranged by institutions in the electronic open market (*Mercado Abierto Electrónico*, MAE), and with Forwards. This information comes from the Forward Transactions Reporting Scheme (Communication A 4196, as amended) and postings on the websites of MAE and ROFEX.

Chart III.3.3.1 Foreign Exchange Balance
Foreign Exchange Financial Account of the General Government and the BCRA

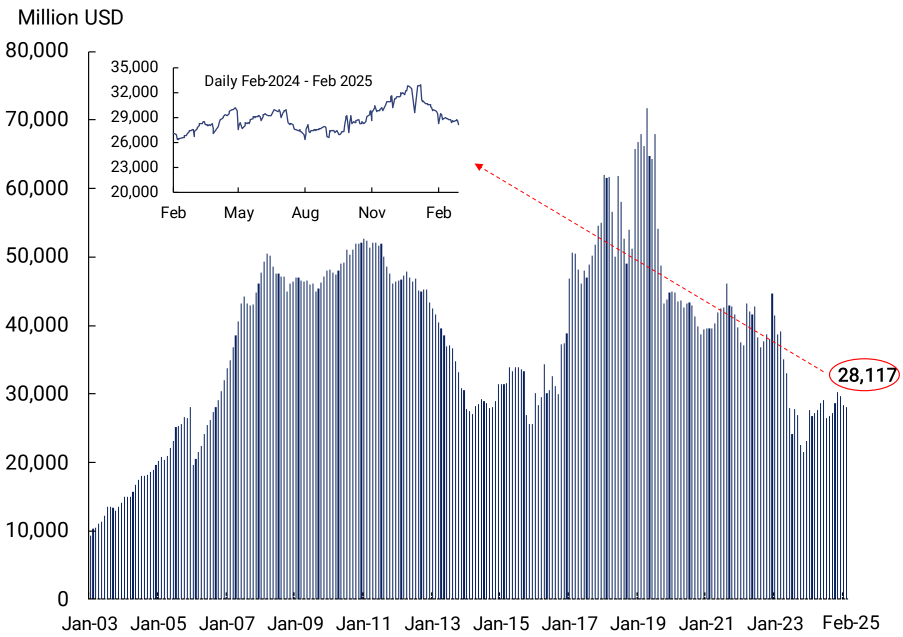


Source: BCRA

IV. BCRA's International Reserves

During February, BCRA's international reserves fell USD192 million, totaling USD28,117 million by the end of the month. This result was mainly explained by the payment of principal and interest on Argentine sovereign bonds (USD686 million), net outflows of interest and fees to the IMF (USD648 million; i.e. SDR494 million), a fall in institution's holdings of foreign currency at the BCRA (USD422 million), repayments of principal and interest owed to international organizations (IMF excluded) (USD199 million); and net payments made by the BCRA through the Local Currency Payment System (USD43 million). These records were partially offset by the settlement of net purchases made by the BCRA in the forex market (USD1,948 million), and by the increase in the US dollar exchange rate of foreign exchange reserves (USD43 million) (see Chart IV.1).

Chart IV.1 BCRA's International Reserves



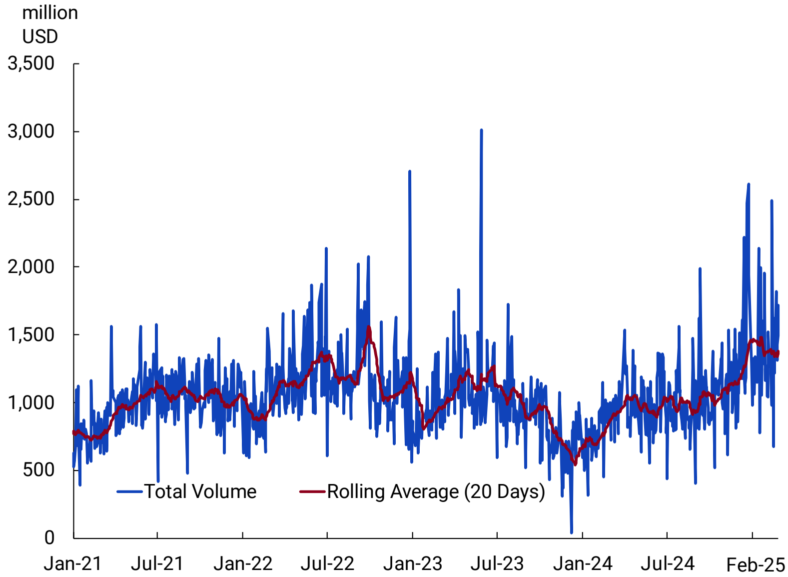
Source: BCRA

V. Volumes Traded in the Foreign Exchange Market

In February, the volume traded in the forex market totaled USD27,641 million, up 71% against February 2024 (see Chart V.1). The average daily volume traded was USD1,382 million. The increased volume in year-on-year terms was explained by a 115% rise in transactions between institutions and their clients (up USD10,400 million), and a 36% hike in transactions between institutions[16] (up USD1,582 million), partially offset by an 18% reduction in transactions between institutions and the BCRA (down USD476 million).

[16] On the BCRA's website there is a quarterly ranking of volumes traded with clients in the forex market broken down by institution (to access the ranking, click here).

Chart V.1 Foreign Exchange Market Volume Traded Daily Evolution



Source: BCRA

Foreign exchange transactions between institutions and their clients accounted for 70% of the total volume traded; transactions between institutions, and transactions between institutions and the BCRA—through the Electronic Trading System (SIOPEL)—represented 22% and 8%, respectively (see Chart V.2).[17]

In February, 114 institutions traded in the market involving 40 foreign currencies. Most of the volume traded between licensed institutions and their clients was highly concentrated both at institution level (the first ten accounted for 88% of such volume) and in terms of the currency used–USD-denominated transactions having a 97% share in the total traded with clients; followed by euros, which accounted for 3% of the total; with the yuan and the remaining currencies accounting for the rest of the total volume traded (see Chart V.3).

[17] The volume traded between licensed institutions and their clients excludes the following items: self-to-self international transfers (around USD6,641 million), the deposits in foreign currency allocated for the payment of financial debt service for about USD387 million, and purchases of foreign currency to pay card bills (around USD248 million for the month under study).

Chart V.2 Foreign Exchange Market
Total Volume and Share - February 2025

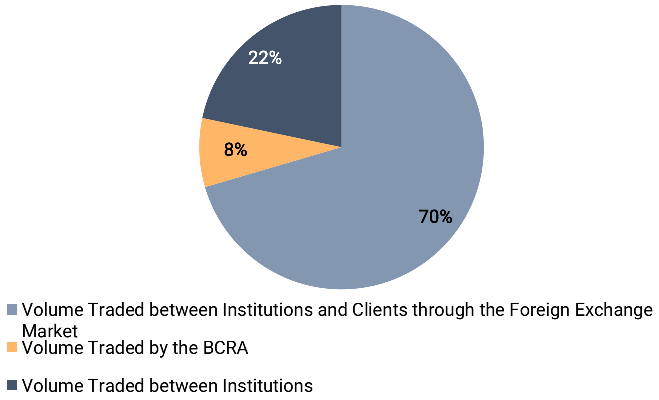
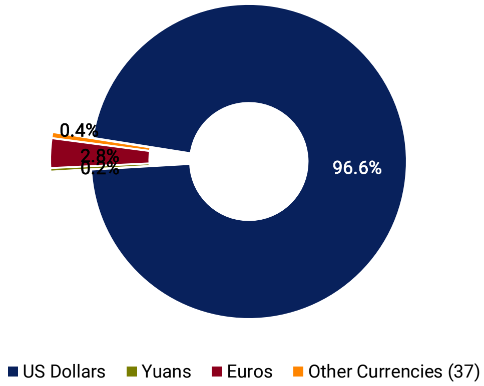


Chart V.3 Foreign Exchange Market
Volume with Clients by Currency - February 2025



Source: BCRA

Finally, 91% of foreign exchange transactions between financial and foreign exchange institutions and their clients were channeled through private financial institutions, and the remaining 9% through public banks.