

Monthly Monetary Report

June 2023



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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The closing date for statistics in this report was July 7, 2023. All figures are provisional and subject to review.

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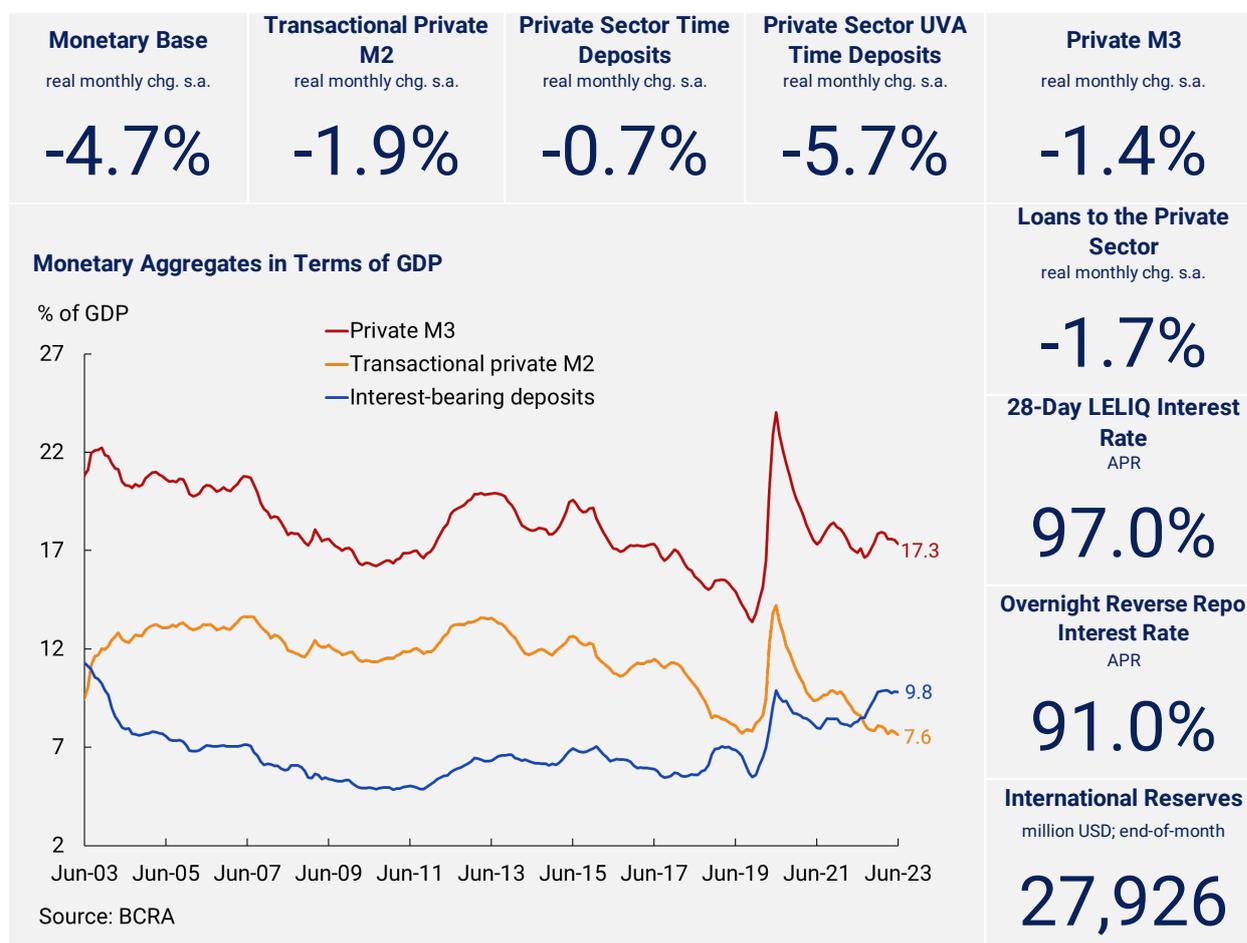
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About inclusive language in the Spanish version of this report

The Central Bank of Argentina is committed to encouraging the use of a non-discriminatory language that promotes the acceptance of all gender identities. It should be noted that all those who have contributed to this report acknowledge that language influences ideas, feelings, ways of thinking, as well as principles and core values.

Therefore, efforts have been made to avoid sexist and binary language in this report.

1. Executive Summary



In June, the BCRA kept the benchmark interest rates unchanged. In particular, the monetary policy rate (28-day liquidity bills (LELIQs)) remained at 97% APR (154.9% EAR) and, in real terms, it was balanced in relation to both the actual and the expected inflation rate, which contributes to financial and foreign exchange stability.

Transactional deposits continued posting a falling trend at constant prices. Thus, transactional private M2 remained around the lowest figures of the past 20 years in terms of GDP. As for its components, cash held by the public exhibited the lowest figure, reaching a new floor in terms of GDP. Regarding interest-bearing instruments, time deposits in pesos from the private sector contracted slightly at constant prices in June, though they stay around the highs of the past few decades in terms of GDP. In June, the broad monetary aggregate (private M3) posted a contraction at constant prices and in seasonally-adjusted (s.a.) terms, standing at 17.3% of GDP.

In reference to bank lending, loans in pesos to the private sector fell in June in spite of the progress made by the Credit Line for Productive Investment (*Línea de Financiamiento para la Inversión Productiva*, LFIP). This fall became palpable across credit lines for larger amounts.

Last, international reserves went on disclosing a low level of performance in the forex market in a context of record-breaking drought. On the last day of June, this was further worsened on grounds of the repayment to the International Monetary Fund (IMF) for USD2.68 billion—paid in SDRs and yuan under the currency swap agreement with the People’s Bank of China (PBC).

2. Means of Payment

In real and seasonally-adjusted terms, means of payment (transactional private M2¹) contracted by 1.9% in June, down around 10% over the year. This was explained by the performance of cash held by the public, whereas non-interest-bearing sight deposits remained virtually stable (see Chart 2.1). In year-on-year (y.o.y.) terms and at constant prices, transactional private M2 stood 19% below the level observed in June 2022.

In terms of GDP, means of payment stood at 7.6%, posting a decrease (0.2 p.p.) against May and remaining around the lowest figures of the past 20 years (see Chart 2.2). In particular, cash held by the public reached a new historic low, while sight deposits stood just above the lowest figures observed at the end of 2019 in terms of GDP.

Chart 2.1 | Transactional Private M2 at Constant Prices
Contribution to s.a. monthly change by component

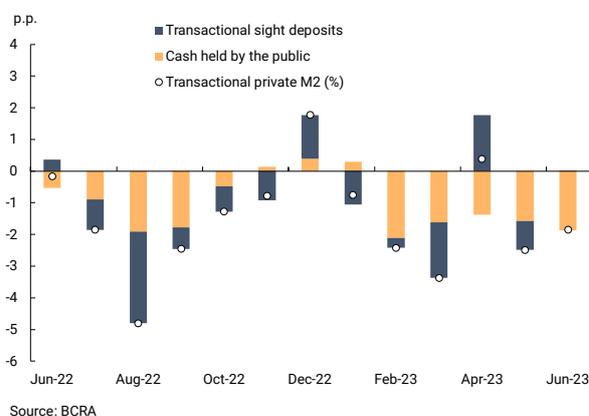
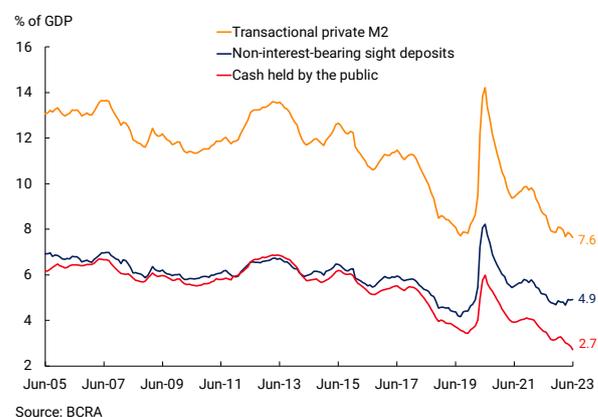


Chart 2.2 | Transactional Private M2



3. Savings Instruments in Pesos

In June, the Board of the BCRA decided to keep unchanged the minimum interest rates on time deposits.² The decision was taken against the backdrop of positive real returns on investments in domestic currency in relation to both the actual and the expected inflation rate, which contributes to financial and foreign exchange stability. Thus, the minimum interest rate on natural persons' deposits remained at 97% APR (154.3% EAR), while for the other depositors of the financial system the interest rate stood at 90% APR (138.3% EAR).³

Time deposits in pesos from the private sector posted a 0.7% s.a. contraction at constant prices in June. Nevertheless, these deposits remained around the peak values of the past few decades. In June, they stood at 7.6% of GDP (down 0.1 p.p. against May), a similar value to the highest attained at the beginning of the pandemic.

The analysis of time deposits broken down by amount shows that deposits of up to ARS20 million—in particular, the retail segment (less than ARS1 million)—fell the most (see Chart 3.1). In turn, the wholesale segment remained virtually stable, showing a heterogeneous performance by type of instrument. Indeed, traditional deposits grew throughout June, being outweighed by a fall of early-payment investments (see Chart 3.2).

¹ Private M2 excluding interest-bearing sight deposits held by companies and financial service providers since they are more similar to a savings instrument than to a means of payment.

² The current interest rates have been set out in Communication "A" 7726.

³ The other depositors are natural persons who hold deposits over ARS30 million and legal persons.

Chart 3.1 | Private Sector Deposits in Pesos
Contribution to real monthly growth grouped by amount

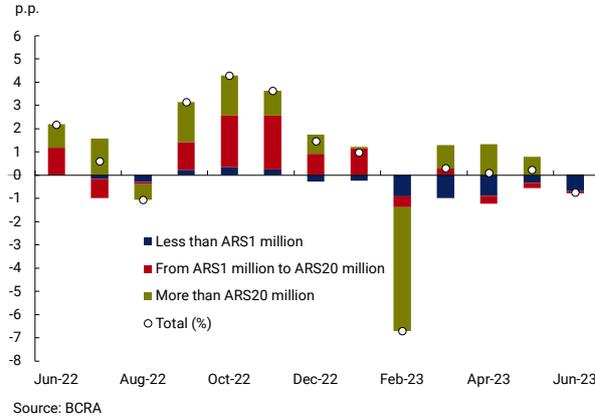
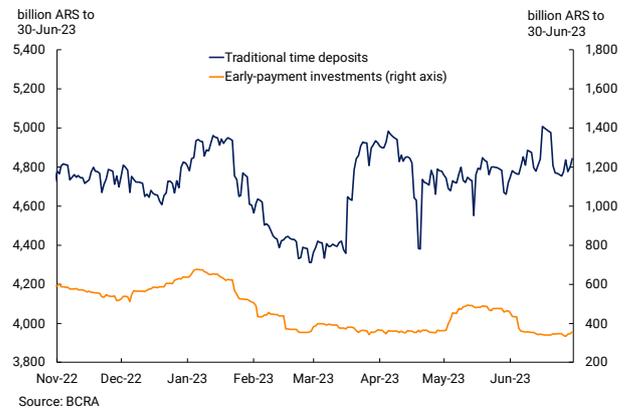


Chart 3.2 | Time Deposits over ARS20 Million
Stock at constant prices by type of instrument



Time deposits adjusted by the reference stabilization coefficient (*Coeficiente de Estabilización de Referencia*, CER) contracted once again in real terms, accruing eleven months of falls in a row. The analysis by type of instrument shows that both traditional and early-payment deposits adjusted by units of purchasing power (*Unidad de Valor Adquisitivo*, UVA) declined at a similar pace, with monthly change rates of -5.3% s.a. and -6% s.a., respectively (see Chart 3.3). The analysis of deposits by type of holder showed that the decline was mainly driven by natural persons' holdings, which accounted for about 75% of the total. All in all, the stock of UVA deposits reached ARS318.58 billion at the end of June, which amounted to 2.7% of total time instruments in domestic currency.

Chart 3.3 | Private Sector UVA Time Deposits
Stock at constant prices by type of instrument

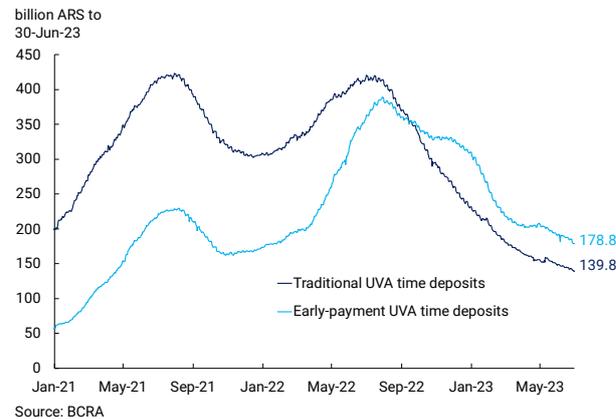
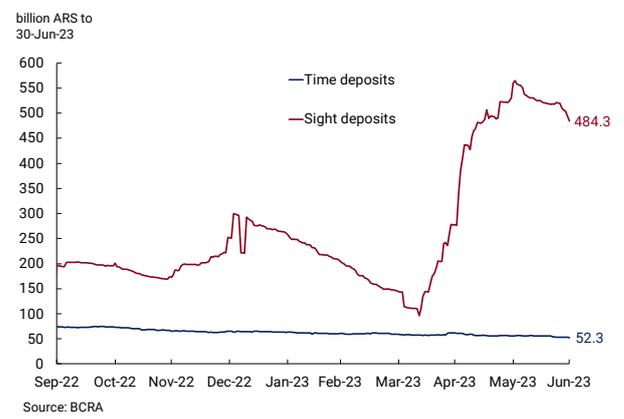


Chart 3.4 | Exchange Rate-Adjusted Deposits
Stock at constant prices



Also, deposits adjusted by the benchmark exchange rate recorded a drop in June, though they evidenced a heterogeneous performance at component level. Sight deposits adjusted by the exchange rate recorded an average monthly expansion of 11.7% at constant prices favored by the statistical carryforward from May, reaching a stock of ARS484.3 billion at the end of June. Indeed, the month-on-month end-of-period (MoM eop) change was -14.7% in real terms, which was explained by the use of proceeds from the sale of dollars under the Export Increase Program (*Programa de Incremento Exportador*, PIE). In turn, the stock of DIVA dollar deposits (deposits with floating interest rates calculated on the basis of the wholesale rate of the

dollar) amounted to ARS52.25 billion at the end of June, evidencing an average monthly contraction of 3.6% at constant prices (see Chart 3.4).

The broad monetary aggregate (private M3) at constant prices posted a monthly reduction of 1.4% s.a. in June.⁴ It decreased by 5.3% y.o.y, and stood at 17.3% in terms of GDP, exhibiting a fall (0.3 p.p.) against May and remaining comparable to the 2010-2019 average.

4. Monetary Base

In June, the monetary base averaged ARS5,603.8 billion, evidencing a monthly rise of 3.9% (+ARS211.05 billion) at current prices. It contracted by 4.7%, adjusted by seasonality and at constant prices, down around 33% y.o.y. In terms of GDP, the monetary base stood at 3.8%, down 0.2 p.p. against May and at its historic low since the exit from the convertibility system (see Chart 4.1).

Chart 4.1 | Monetary Base

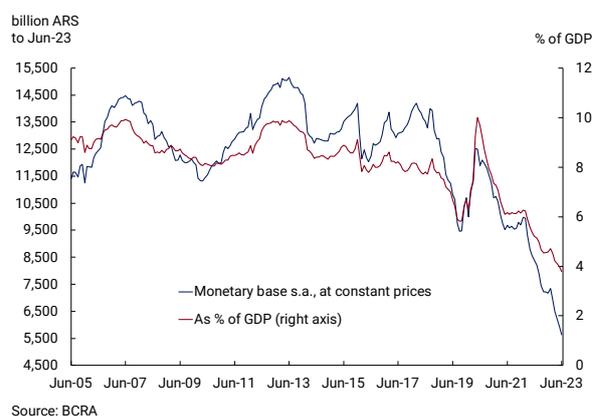
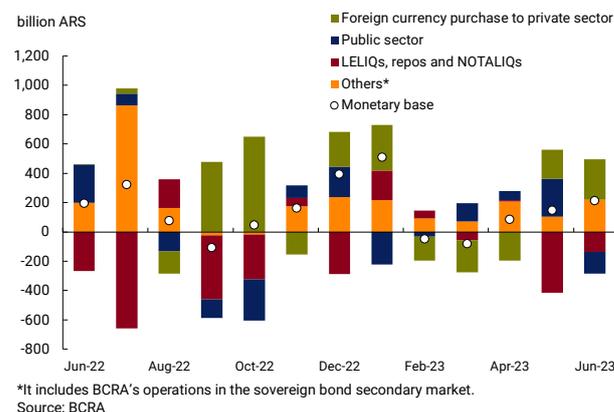


Chart 4.2 | Monetary Base Explanatory Factors
Monthly average change

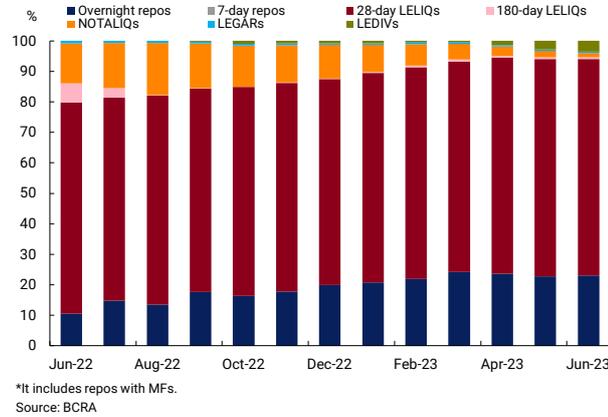


On the supply side, the average monthly expansion of the monetary base was explained, to a great extent, by the positive statistical carryforward of foreign currency purchased under the PIE during May. Another factor for the expansion of liquidity was the BCRA's operations in the sovereign debt secondary market aimed at withdrawing excessive volatility. These factors were in part offset by the dynamics of monetary policy instruments and public sector transactions (see Chart 4.2). It should be mentioned that, on the last day of June, the National Treasury requested temporary advances for ARS688 billion to make the payment to the IMF falling due on June 30. The Extended Fund Facility (EFF) program's renegotiation caused a delay in the approval of the disbursement under the fifth review of the program. Hence, funds were used for the purchase of foreign currency, with no monetary impact on the monetary base.

As regards the components of remunerated liabilities, 28-day LELIQs averaged 71.1% of the total in June. Longer-term instruments, particularly liquidity notes (NOTALIQs), accounted for only 2% of the stock in June. In turn, the share of overnight reverse repos in total instruments increased to reach 23% of the total. LEDIVs and LEGARs—which are bills issued by the BCRA—improved their share by 0.6 p.p. vis-à-vis May (see Chart 4.3).

⁴ Private M3 includes cash held by the public and deposits in pesos from the non-financial private sector (sight deposits, time deposits and others).

Chart 4.3 | Composition of BCRA's Remunerated Liabilities
Monthly average



Last, the BCRA decided to keep the benchmark interest rates unchanged in answer to the slowdown of the inflation rate in May, the evolution of June's forward indicators, and the future prospects of inflation. The 28-day LELIQ interest rate remained at 97% APR (154.9% EAR), while the 180-day LELIQ interest rate stood at 105.5% APR (133.8 EAR). As for shorter-term instruments, the interest rate on overnight reverse repos was 91% APR (148.2% EAR), whereas the rate on overnight repos was 116% APR (218.4% EAR). Finally, the spread of NOTALIQs in the last auction of the month stood at 8.5 p.p., remaining unchanged since September 2022.

5. Loans to the Private Sector in Pesos

In June, loans in pesos to the private sector posted a monthly decrease of 1.7% s.a. in real terms, accruing a 13% decline over the last 12 months. The performance of loans by type of financing was homogeneous over the month (see Chart 5.1). In terms of GDP, loans in pesos to the private sector fell slightly in June and stood at 6.4% (see Chart 5.2).

Chart 5.1 | Loans to Private Sector in Pesos
Real, seasonally-adjusted; contribution to monthly growth

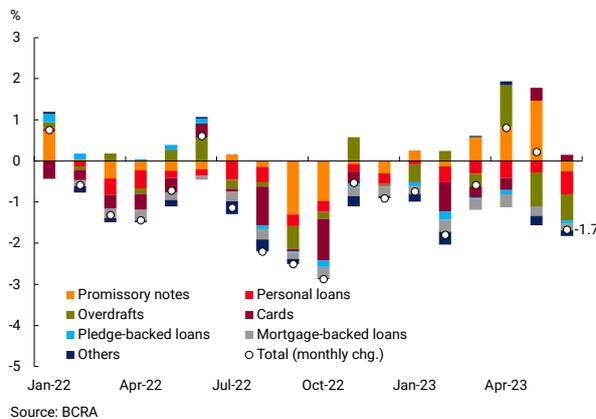
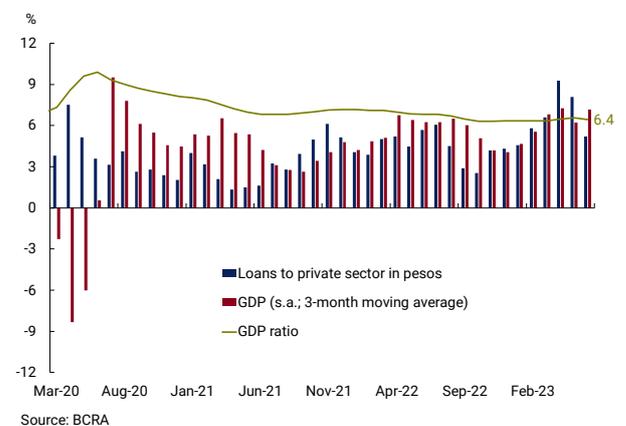


Chart 5.2 | Loans to Private Sector in Pesos
In terms of GDP



As regards business credit lines, loans granted through promissory notes and through overdrafts posted a monthly fall of 2.3% in real terms. Indeed, the former declined 0.9% s.a. in real terms, standing just 0.3% below the level recorded a year ago. This performance was mainly driven by a fall of unsecured promissory notes (-1.9% s.a.). On the other side, discounted notes rose (2.2% s.a. in the month). In turn, overdrafts contracted 5.6% s.a. at constant prices, down 12.6% vis-à-vis June 2022.

Loans to micro-, small-, and medium-sized enterprises (MSMEs) were still mainly granted through the LFIP. Until the end of June, the loans granted under the LFIP accrued disbursements for about ARS6,272 billion from its implementation, up 7.8% vis-à-vis May (see Chart 5.3). Out of the total financings granted through the LFIP, 13.9% was channeled to investment projects and the rest, to working capital. It is worth mentioning that the average stock of loans granted through the LFIP reached around ARS1,663 billion in May (latest available data), standing for nearly 18.5% of total loans and 41.2% of total business loans.

Lending to smaller relative-sized companies in terms of GDP stood at 1.7%, beyond the record observed before the pandemic and also above its historic average. On the contrary, the ratio of credit channeled to big companies in terms of GDP stood at a historic low (see Chart 5.4).

Chart 5.3 | Financing Granted through the LFIP
Accrued disbursed amounts as to end-of-month

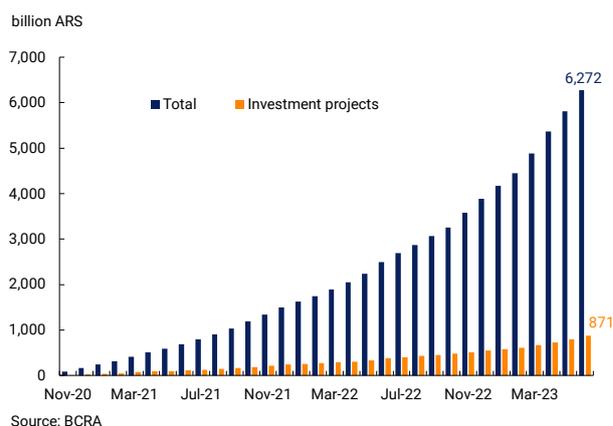
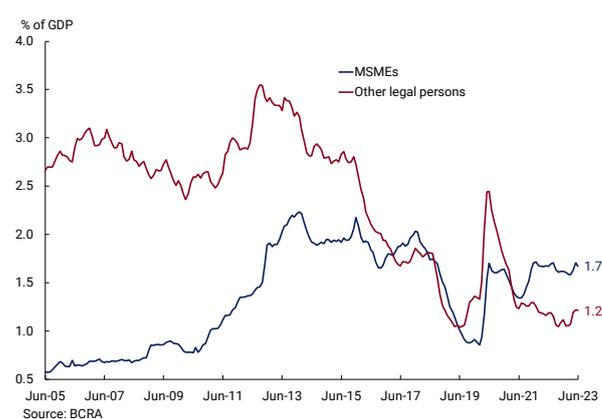


Chart 5.4 | Business Loans by Type of Debtor
As % of GDP



Loans for consumption fell 0.9% s.a. at constant prices in June, accruing a 14.6% reduction over the last 12 months. Among these credit lines, financings on credit cards posted a rise of 0.5% s.a. (-10.2% y.o.y.) in real terms in June. In turn, personal loans exhibited a monthly fall of 3.7% s.a. and 21.7% y.o.y.

As for credit lines with real property collateral, pledge-backed loans declined by 1.1% s.a. at constant prices, down around 12% vis-à-vis a year ago. Regarding the stock of mortgage-backed loans, it fell by 3.7% s.a., with an accrued contraction of 40.4% over the last twelve months.

6. Financial Institutions' Liquidity in Pesos

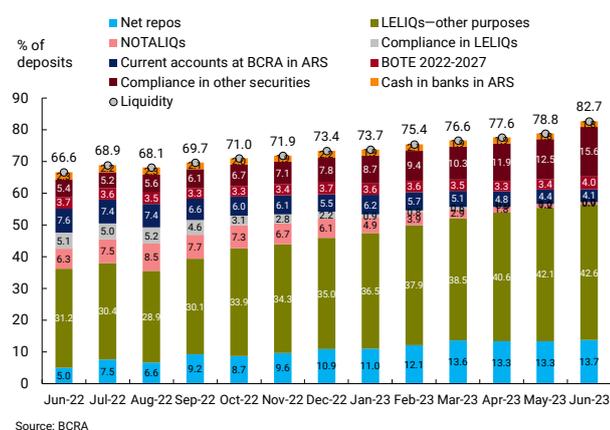
In June, broad liquidity in domestic currency⁵ exhibited a new increase of 3.9 p.p. against May, with an average of 82.7% of deposits (see Chart 6.1). Thus, it stood at historically high levels. The rise was mainly driven by LELIQs, reverse repos, and the use of BOTE 2025-27 and other bonds to meet minimum cash

⁵ It includes current accounts with the BCRA, cash holdings in banks, arranged net repo stocks with the BCRA, holdings of LELIQs and NOTALIQs, and holdings of sovereign bonds eligible to comply with the minimum reserve requirements.

requirements. This was in part offset by NOTALIQs and current accounts held at the BCRA. As regards BOTE, it should be noted that the BCRA offered for auction, by the end of May, the new National Treasury Bond in pesos falling due on August 23, 2025,⁶ which was eligible to meet the minimum cash requirements.

As for regulatory changes with a potential impact on bank liquidity, the BCRA lowered the minimum cash requirement in pesos in terms of cash withdrawals made through ATMs in municipalities belonging to categories III through VI.⁷

Chart 6.1 | Financial Institutions' Liquidity in Pesos



Source: BCRA

7. Foreign Currency

As regards foreign currency, financial institutions' main assets and liabilities posted a dissimilar performance. On the one hand, private sector deposits ended June with a stock of USD15.42 billion, up USD144 million against the end of May. It is worth highlighting that, at the end of June, the BCRA incorporated the Chinese yuan as an eligible currency for deposits in savings and current accounts.⁸ On the other hand, the stock of loans to the private sector decreased by USD149 million, reaching USD3.83 billion at the end of June (see Chart 7.1).

6 Communication "A" 7767.

7 Communication "A" 7795.

8 Communication "A" 7796.

Chart 7.1 | Stock of Private Sector Deposits and Loans in Foreign Currency

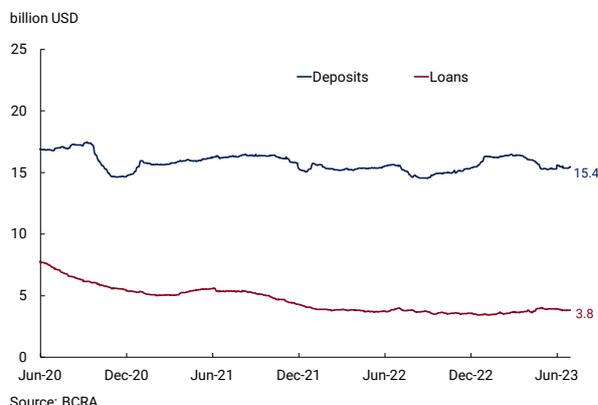
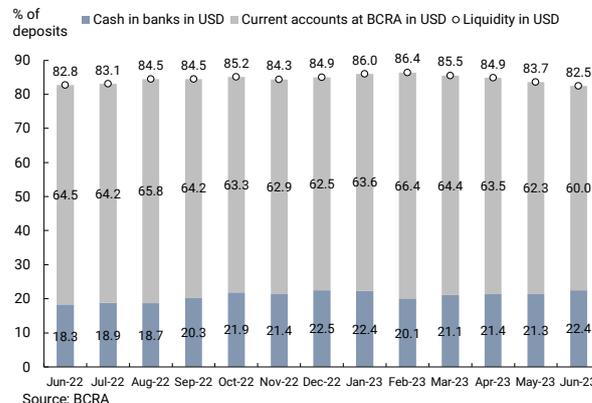


Chart 7.2 | Financial Institutions' Liquidity in Foreign Currency



Financial institutions' liquidity in the foreign currency segment recorded a 0.8 p.p. decline compared to May (82.5% of deposits), remaining at historically high levels (see Chart 7.2).

In June, the BCRA made some changes in the regulation of foreign exchange with a view to allocating international reserves efficiently. The regulations about access to the forex market to make payments of imports stood out.⁹ Also, the admission of persons entitled to underwrite BCRA bills adjusted by the benchmark exchange rate was reviewed.¹⁰ In turn, the BCRA set the guidelines for the provinces to refinance their debts in foreign currency **at a pace consistent with the economy's foreign currency needs and exchange rate stability levels.**¹¹ Last, **the currency swap agreement signed with the PBC was renewed for a three-year term for an amount of CNY130 billion** and, at the same time, a special activation was requested for up to CNY35 billion.

At the end of June, the BCRA's international reserves reached USD27.93 billion, USD5.07 billion down against the end of May (see Chart 7.3). The fall was mainly explained by repayments for USD2.68 billion to the IMF, paid in SDRs and yuan under the currency swap agreement with the PBC. Other factors that had a bearing on such decrease, though to a lesser extent, were the sales of foreign currency to the private sector— in a context of record-breaking drought—, a fall of minimum cash stocks, and losses from the valuation of foreign liabilities.

Finally, the ARS/USD nominal exchange rate (TCN, in Spanish) increased 7.4% in June, exceeding the rise recorded in May (see Chart 7.4). **Hence, the TCN averaged ARS248.31/USD1 in June.**

9 Communications "A" 7781, "A" 7798 and "A" 7799.

10 Communication "A" 7788.

11 Communication "A" 7782.

Chart 7.3 | Stock of International Reserves

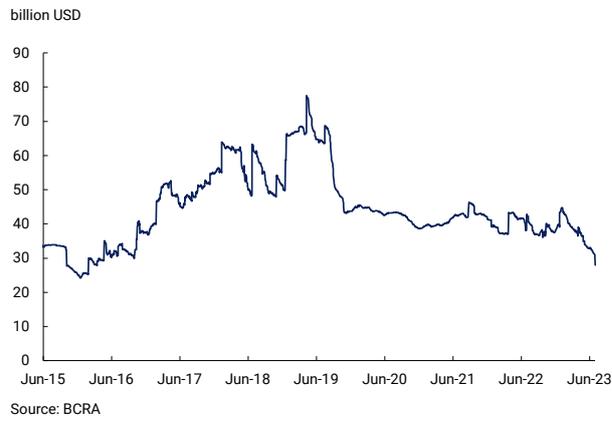
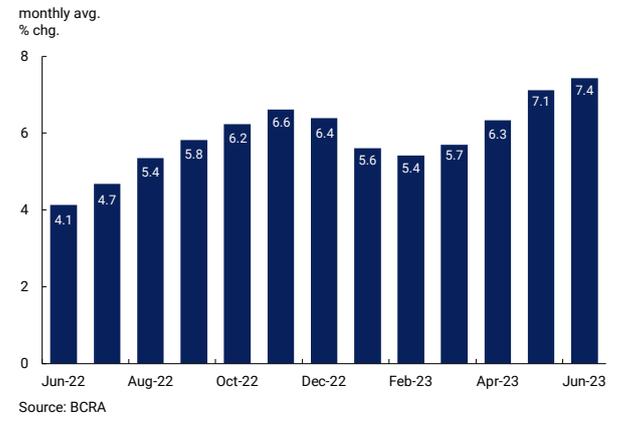


Chart 7.4 | Change in Bilateral Nominal Exchange Rate against USA



8. Regulatory Overview

Date of Issue	Regulation	Description
Jun-1-23	Comm. "A" 7780	As regards the local collection of exports under the ranchos regime for foreign-flagged means of transport, a shipping permit for the amounts paid locally to the exporter is deemed to be partially or fully complied with if the local agent has not resorted to this mechanism for an amount over USD2,000,000 in the calendar month being charged, i.e. on the date of shipment or afterwards.
Jun-1-23	Comm. "A" 7781	Financial institutions may allow clients to access the forex market for paying imported goods recorded under the Argentine Imports System (<i>Sistema de Importaciones de la República Argentina</i> , SIRA) affidavit before the period stated therein. This is applicable where the client accesses the forex market and, simultaneously, settles the inflows collected from a financial debt held abroad, insomuch as certain regulatory conditions are met. The portion of financial debts held abroad which is used under this mechanism will not be calculated for other specific mechanisms that permit access to the forex market after the transfer and/or settlement of this type of transactions.
Jun-1-23	Comm. "A" 7782	As from June 2, 2023, local governments must submit a refinancing plan to the BCRA to access the forex market for paying overdue principal of debt securities registered abroad, other financial debts incurred abroad as well as debt securities denominated in foreign currency formally recorded in Argentina. In particular, the plan must provide for a repayment of up to 40% of the maturities; the remaining amount overdue must be refinanced with, at least, a two-year average maturity. For debts falling due up to July 18, 2023, the plan may be submitted to the BCRA up to two business days before the maturity date.
Jun-8-23	Comm. "A" 7786	The sale of corporate bonds in foreign currency—purchased on the primary market as from June 9, 2023—in the secondary market after 300 calendar days from the date of primary subscription will not require offsetting the decrease of assets in foreign currency caused by the early payment of financings with National Treasury securities in foreign currency calculated in the foreign currency net global position.
Jun-8-23	Comm. "A" 7788	<p>The conditions for underwriting “Central Bank Bills in US dollars payable at benchmark exchange rate (LEDIV) at zero rate” have been extended. In particular, the financial institutions that can underwrite them: 1) must have deposits with floating interest rates—calculated according to the wholesale rate of the dollar—in their portfolios; 2) are those acting on behalf of clients belonging to the energy sector. This is allowed provided that such clients have settled inflows from advances or pre-financings of exports through the Free and Single Foreign Exchange Market (<i>Mercado Único y Libre de Cambios</i>, MULC) with at least a 180-day term; and have also settled inflows of foreign currency for at least the same amount in foreign currency to be underwritten in pesos on the basis of the benchmark exchange rate on that date; or have financed imports pending payment for at least the same amount in foreign currency as the total amount of the new financing.</p> <p>Upon maturity, settlement will be made at the benchmark exchange rate in force on the date of maturity. In turn, these bills will be non-transferable although holders are entitled to request the early redemption of LEDIVs, either in full or in part, as of the third business day after their underwriting.</p>
Jun-29-23	Comm. "A" 7795	As from July 1, 2023, the BCRA established the reduction on the minimum cash requirement in pesos in terms of cash withdrawals made through ATMs in municipalities belonging to categories III through VI, in line with the regulations on “Categories of Municipalities for Financial Institutions”.

Jun-29-23	<u>Comm. "A"</u> <u>7796</u>	The Chinese yuan was admitted as an eligible currency for deposits in savings accounts and current accounts for legal persons.
Jun-29-23	<u>Comm. "A"</u> <u>7798</u>	Effective as from June 29, 2023, financial institutions may allow access to the forex market to all the corporate organizations with majority share National State ownership or decision-making in company operations for the build-up of foreign assets used for paying imports of fuel or energy , subject to certain regulatory conditions.
Jun-29-23	<u>Comm. "A"</u> <u>7799</u>	This regulation details the way to determine the gross amount of investments for the allocation of proceeds in foreign currency from exports of goods as under the Investment Promotion Regime for Exports (<i>Régimen de Fomento de Inversión para las Exportaciones</i> , Executive Order No. 234/2021, as supplemented). Importers having to make payments of capital goods may, exceptionally, access the forex market before the term recorded in the SIRA affidavit, provided that they, simultaneously, settle inflows from financial loans granted abroad or from a direct foreign investment. Lastly, access to the forex market will be allowed for the repayment of principal and interest of debt securities formally recorded abroad and other financial debts held abroad inasmuch as they fall within the scope of this paragraph and customs registration is recorded for the same amount as the financing received.

9. Monetary and Financial Indicators

The figures below are stated in millions, and original currency. Figures are provisional and subject to review.

Main monetary variables associated with BCRA	Monthly average					Average percentage changes as to Jun-23						% of GDP	
	Jun-23	May-23	Apr-23	Dec-22	Jun-22	Monthly		Accrued in 2023		Year-on-year		Jun-23	Dec-22
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
Monetary Base	5,603,843	5,392,794	5,245,351	4,781,929	3,891,174	3.9%	-4.7%	3.9%	-21.0%	44.0%	-32.7%	3.8%	4.6%
Currency in circulation	4,501,724	4,300,300	4,155,790	3,767,917	2,933,702	4.7%	-4.6%	4.7%	-20.2%	53.4%	-28.3%	3.0%	3.6%
Cash held by the public	4,023,220	3,853,835	3,726,549	3,361,646	2,637,046	4.4%	-5.2%	4.4%	-19.9%	52.6%	-28.7%	2.7%	3.2%
Cash in financial institutions	478,530	446,465	429,241	406,270	296,656	7.2%	0.3%	7.2%	-22.5%	61.3%	-24.6%	0.3%	0.4%
Current accounts at BCRA	1,102,119	1,092,494	1,089,561	1,014,012	957,472	0.9%	-5.6%	0.9%	-28.5%	15.1%	-46.2%	0.7%	1.0%
BCRA's remunerated liabilities (NV ARS)	15,902,970	14,481,169	12,848,386	10,076,065	6,052,510	9.8%	2.8%	9.8%	3.9%	162.7%	22.9%	10.7%	9.8%
Reverse repos	3,663,530	3,289,269	3,029,621	2,004,090	634,403	11.4%	4.2%	11.4%	20.3%	477.5%	170.0%	2.5%	1.9%
Stock of LELIQs	11,381,469	10,412,635	9,190,259	6,831,822	4,572,617	9.3%	2.3%	9.3%	9.6%	148.9%	16.4%	7.7%	6.6%
Stock of 28-day LELIQs	11,305,721	10,329,490	9,107,114	6,820,934	4,194,993	9.5%	2.4%	9.5%	9.1%	169.5%	26.0%	7.6%	6.6%
Stock of 180-day LELIQs	75,748	83,145	83,145	10,888	377,623	-8.9%	-14.7%	-8.9%	357.9%	-79.9%	-90.6%	0.1%	0.0%
Stock of NOTALIQs	241,188	305,572	403,556	1,110,688	800,396	-21.1%	-26.1%	-21.1%	-85.7%	-69.9%	-85.9%	0.2%	1.1%
Stock of LEDIVs	550,993	411,906	169,269	76,058	0	33.8%	25.2%	33.8%	376.8%	-	-	0.4%	0.1%
Stock of LEGARs	65,789	61,786	55,681	53,408	45,095	6.5%	-0.4%	6.5%	-18.9%	45.9%	-31.8%	0.0%	0.1%
BCRA's international reserves in dollars	31,931	33,525	37,169	40,650	40,780	-4.8%	-	-4.8%	-	-21.7%	-	5.3%	6.8%

Monthly average explanatory factors	Monthly		Quarterly		Accrued in 2023		Year-on-year	
	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution
Monetary Base	211,049	3.9%	442,587	8.6%	821,914	17.2%	1,712,669	44.0%
Foreign exchange purchases to private sector and others	276,586	5.1%	282,344	5.5%	209,452	4.4%	1,305,333	33.5%
Foreign exchange purchase to the NT	-104,151	-1.9%	-257,622	-5.0%	-490,617	-10.3%	-849,949	-21.8%
Temporary advances and profit transfers to National Government	123,578	2.3%	630,030	12.2%	692,933	14.5%	1,016,433	26.1%
Other public sector operations	-168,561	-3.1%	-202,421	-3.9%	-160,992	-3.4%	-293,719	-7.5%
Monetary policy instruments	-136,178	-2.5%	-540,878	-10.5%	-339,960	-7.1%	-1,772,852	-45.6%
Others	219,774	4.1%	531,134	10.3%	911,097	19.1%	2,307,423	59.3%
BCRA's International Reserves	-1,594	-4.8%	-6,021	-15.9%	-8,719	-21.4%	-8,848	-21.7%
Purchases of foreign currency	532	1.6%	-514	-1.4%	-1,127	-2.8%	2,637	6.5%
International organizations ⁵	-349	-1.0%	-1,655	-4.4%	-2,945	-7.2%	-4,375	-10.7%
Other public-sector transactions	-136	-0.4%	-118	-0.3%	-2,196	-5.4%	-3,316	-8.1%
Minimum cash requirements	-558	-1.7%	-1,880	-5.0%	-1,178	-2.9%	-1,376	-3.4%
Others (incl. forex valuation)	-1,082	-3.2%	-1,854	-4.9%	-1,272	-3.1%	-2,418	-5.9%

Note: "Contribution" field: The sum up of each factor's change to the main variable for the same month.

⁵ The Development Bank of Latin America (CAF) and the Central American Bank for Economic Integration (BCIE) are excluded.

Minimum Cash Requirement and Compliance	Jun-23	May-23	Apr-23
Domestic currency	% of total deposits in pesos		
Net requirement of deductions	17.4	17.5	17.7
Compliance in current accounts	4.1	4.4	4.8
Compliance in LELIQs	30.9	31.9	33.1
Compliance in BOTE 2027	4.0	3.4	3.3
Compliance in sovereign bonds/other	15.6	12.5	11.9
Foreign currency	% of total deposits in foreign currency		
Minimum capital requirements	24.0	24.0	24.0
Compliance (includes funds available for financing but not yet granted)	60.0	62.3	63.5
Position ⁽¹⁾	36.0	38.3	39.5

(1) Position = Compliance - Requirement

The figures below are stated in millions, and original currency. Figures are provisional and subject to review.

Main monetary and financial system variables	Monthly average					Average percentage changes as to Jun-23						% of GDP ⁴	
	Jun-23	May-23	Apr-23	Dec-22	Jun-22	Monthly		Accrued in 2023		Year-on-year		Jun-23	Dec-22
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
Domestic currency													
Total deposits from the non-financial sector in pesos¹	26,493,111	24,495,584	22,479,990	18,247,527	12,468,591	8.2%	0.5%	8.2%	-3.8%	112.5%	-0.7%	17.9%	17.7%
Private sector deposits	21,829,775	20,305,007	18,937,397	15,169,867	10,124,168	7.5%	-0.3%	7.5%	-4.5%	115.6%	0.8%	14.7%	14.7%
Private Sector Sight Deposits	10,158,320	9,325,379	8,711,652	7,305,075	4,922,421	8.9%	0.0%	8.9%	-2.8%	106.4%	-3.5%	6.9%	6.7%
Non-interest bearing (transactional)	7,233,603	6,588,058	6,116,105	5,380,415	3,862,473	9.8%	0.0%	9.8%	-3.8%	87.3%	-12.4%	4.9%	4.9%
Interest-bearing	2,924,717	2,737,321	2,595,547	1,924,660	1,059,948	6.8%	0.0%	6.8%	0.0%	175.9%	29.0%	2.0%	1.9%
Farm deposits	514	431	144	132	0	19.3%	11.6%	19.3%	146.3%	-	-	0.0%	
Private Sector Time Deposits and Others	11,671,455	10,979,628	10,225,744	7,864,792	5,201,747	6.3%	-0.5%	6.3%	-6.0%	124.4%	4.9%	7.8%	7.9%
Time Deposits	11,367,823	10,715,133	9,968,065	7,641,974	5,024,474	6.1%	-0.7%	6.1%	-5.9%	126.2%	5.8%	7.6%	7.7%
CER/UVA/exchange rate-non-adjustable	10,989,942	10,341,427	9,611,439	7,240,644	4,656,251	6.3%	-0.6%	6.3%	-4.0%	136.0%	10.4%	7.4%	7.3%
CER / UVA-adjustable	324,050	321,462	307,242	359,989	342,094	0.8%	-5.7%	0.8%	-43.1%	-5.3%	-55.7%	0.2%	0.4%
Traditional	141,405	139,753	134,588	156,519	186,863	1.2%	-5.3%	1.2%	-24.3%	-24.3%	-64.6%	0.1%	0.2%
Early-payment	182,645	181,710	172,654	203,470	155,231	0.5%	-6.0%	0.5%	-43.2%	17.7%	-45.0%	0.1%	0.2%
DIVA	53,831	52,244	49,384	41,340	26,129	3.0%	-3.6%	3.0%	-17.6%	106.0%	-3.7%	0.0%	0.0%
Other deposits	303,633	264,495	257,679	222,818	177,272	14.8%	7.4%	14.8%	-10.3%	71.3%	-19.9%	0.2%	0.2%
Public sector deposits²	4,663,335	4,190,576	3,542,593	3,077,661	2,344,423	11.3%	4.1%	11.3%	-0.3%	98.9%	-7.0%	3.1%	3.0%
Monetary Aggregates													
Total M2	15,759,074	14,600,809	13,600,017	11,869,191	8,432,286	7.9%	-0.8%	7.9%	-7.4%	86.9%	-12.6%	10.8%	11.1%
Total M3	30,740,534	28,565,738	26,383,217	21,738,027	15,224,647	7.6%	0.0%	7.6%	-4.2%	101.9%	-5.6%	20.9%	20.7%
Private sector monetary aggregates													
Private M2	14,181,540	13,179,214	12,438,201	10,666,721	7,559,467	7.6%	-1.4%	7.6%	-8.7%	87.6%	-12.3%	9.6%	10.0%
Transactional private M2 ³	11,256,823	10,441,893	9,842,654	8,742,061	6,499,519	7.8%	-1.9%	7.8%	-10.3%	73.2%	-19.0%	7.6%	8.1%
Private M3	25,852,995	24,158,842	22,663,946	18,531,513	12,761,213	7.0%	-1.4%	7.0%	-7.7%	102.6%	-5.3%	17.3%	17.9%
Total loans to the non-financial sector in pesos	9,642,730	9,087,394	8,375,234	6,764,682	5,164,152	6.1%	-1.4%	6.1%	-3.5%	86.7%	-12.7%	6.5%	6.4%
Loans to the non-financial private sector	9,514,212	8,989,794	8,276,709	6,693,402	5,108,297	5.8%	-1.7%	5.8%	-3.7%	86.3%	-12.9%	6.4%	6.3%
Overdrafts	1,054,522	1,029,332	1,009,927	774,929	560,779	2.4%	-5.6%	2.4%	-8.2%	88.0%	-12.1%	0.7%	0.7%
Promissory notes	2,765,729	2,592,924	2,263,954	1,708,525	1,294,748	6.7%	-0.9%	6.7%	10.6%	113.6%	-0.1%	1.9%	1.6%
Mortgage-backed loans	420,766	408,204	397,633	371,698	330,155	3.1%	-3.7%	3.1%	-25.2%	27.4%	-40.4%	0.3%	0.4%
Pledge-backed loans	627,755	588,221	543,947	458,905	332,505	6.7%	-1.1%	6.7%	-7.1%	88.8%	-11.7%	0.4%	0.4%
Personal loans	1,397,367	1,365,212	1,289,205	1,050,187	834,848	2.4%	-3.7%	2.4%	-12.3%	67.4%	-21.7%	0.9%	1.0%
Credit cards	2,804,797	2,590,013	2,374,845	1,999,439	1,459,853	8.3%	0.5%	8.3%	-2.7%	92.1%	-10.2%	1.9%	1.9%
Others	443,277	415,888	397,197	329,720	295,409	6.6%	-2.9%	6.6%	-14.6%	50.1%	-29.8%	0.3%	0.3%
Loans to the non-financial public sector	128,517	97,600	98,525	71,280	55,855	31.7%	23.2%	31.7%	18.7%	130.1%	7.6%	0.1%	0.1%
Foreign currency¹													
Deposits from the non-financial sector in dollars	17,601	17,843	18,471	18,786	18,517	-1.4%	-	-1.4%	-	-4.9%	-	3.0%	3.2%
Deposits from the non-financial private sector in dollars	15,440	15,293	15,797	15,686	15,584	1.0%	-	1.0%	-	-0.9%	-	2.6%	2.6%
sight deposits	11,998	11,729	12,131	11,937	11,681	2.3%	-	2.3%	-	2.7%	-	2.0%	2.0%
time deposits and others	3,442	3,563	3,666	3,749	3,903	-3.4%	-	-3.4%	-	-11.8%	-	0.6%	0.6%
Deposits from the non-financial public sector in dollars	2,161	2,551	2,675	3,100	2,932	-15.3%	-	-15.3%	-	-26.3%	-	0.4%	0.6%
Loans to the non-financial sector in dollars	4,043	4,133	4,033	3,644	3,960	-2.2%	-	-2.2%	-	2.1%	-	0.7%	0.6%
Loans to the non-financial private sector in dollars	3,851	3,939	3,842	3,491	3,838	-2.2%	-	-2.2%	-	0.3%	-	0.6%	0.6%
Promissory notes	2,670	2,742	2,665	2,273	2,611	-2.6%	-	-2.6%	-	2.3%	-	0.4%	0.4%
Credit cards	220	206	186	179	246	6.7%	-	6.7%	-	-10.7%	-	0.0%	0.0%
Others	961	991	991	1,039	981	-3.1%	-	-3.1%	-	-2.1%	-	0.2%	0.2%
Loans to the non-financial public sector in dollars	192	195	192	153	122	-1.4%	-	-1.4%	-	57.7%	-	0.0%	0.0%

1 Financial sector and non-resident depositors are excluded. The figures on loans have been taken from statistical data, not being adjusted by financial trusts.

2 Net of the use of unified funds.

3 It excludes interest-bearing sight deposits from private M2.

4 Calculated on the basis of the seasonally adjusted series of the month, and of the estimation of the 3-month moving average s.a. GDP.

Note: See definitions for the monetary aggregates in the Glossary.

Annual percentage rates (unless otherwise specified) and amounts in millions. Monthly averages.

Monetary policy interest rates	Jun-23	EAR Jun-23	May-23	Apr-23	Dec-22	Jun-22
BCRA repo interest rates						
Overnight reverse repo	91.00	148.15	88.29	74.43	70.00	38.50
Overnight reverse repo (MF)	77.35	115.51	75.05	63.27	52.50	
Overnight repo	116.00	218.41	113.29	99.43	95.00	54.50
28-day LELIQ interest rate	97.00	154.88	94.29	80.43	75.00	50.00
180-day LELIQ interest rate	105.50	133.83	102.79	88.93	83.50	55.83
Interbank market interest rates	Jun-23	EAR Jun-23	May-23	Apr-23	Dec-22	Jun-22
Repo rates among third parties on overnight REPO round	81.18	124.99	79.91	71.38	66.37	39.11
Volume of repos traded among third parties (daily average)	15,262		8,487	11,881	7,500	19,567
Calls in pesos (overnight)						
Interest rate	84.13	131.71	82.30	70.48	67.38	40.38
Traded amount	15,838		18,395	23,045	22,471	30,215
Borrowing interest rates	Jun-23	EAR Jun-23	May-23	Apr-23	Dec-22	Jun-22
Sight deposits						
Interest-bearing	73.26	103.69	71.06	63.01	57.46	34.67
Time deposits						
Natural persons up to ARS1 million (30-35 days)	96.67	153.50	93.32	79.27	74.67	49.98
Total TM20 (more than ARS20 million, 30-35 days)	89.10	136.28	87.02	71.66	65.91	46.90
Private banks' TM20 (more than ARS20 million, 30-35 days)	89.92	138.11	87.82	71.98	66.48	47.96
Total BADLAR (more than ARS1 million, 30-35 days)	91.66	141.98	89.19	74.13	68.58	47.60
Private banks' BADLAR (more than ARS1 million, 30-35 days)	92.62	144.15	90.19	74.74	69.45	48.63
Interest rate on UVA deposits' early-payment option	91.80	142.30	89.04	75.91	71.00	44.67
Lending interest rates	Jun-23	EAR Jun-23	May-23	Apr-23	Dec-22	Jun-22
Loans to the non-financial private sector in pesos						
Overdrafts	95.13	158.59	87.89	79.73	75.44	47.97
1 to 7 days—in accordance with companies—more than ARS10 million	92.19	149.39	88.46	76.35	73.27	42.67
Unsecured promissory notes	82.60	122.37	79.80	69.99	61.42	43.29
Mortgage-backed loans	73.96	105.02	67.41	63.17	62.71	36.67
Pledge-backed loans	66.20	90.52	57.67	50.76	48.60	34.62
Personal loans	104.05	171.39	93.18	81.08	81.19	60.26
Credit cards	81.43	119.95	80.52	79.82	77.10	51.20
Interest rate in foreign currency	Jun-23	EAR Jun-23	May-23	Apr-23	Dec-22	Jun-22
Time deposits in dollars (30 to 44 days)	0.32	0.32	0.32	0.32	0.32	0.33
Unsecured promissory notes in dollars	6.77	6.99	6.07	4.18	5.40	3.45
Exchange rate	Jun-23	Monthly chg. (%)	May-23	Apr-23	Dec-22	Jun-22
NER peso/dollar						
Wholesale rate (Comm. "A" 3500)	248.31	7.43	231.14	215.78	172.45	122.65
Retail rate ¹	253.61	7.54	235.84	218.58	175.20	124.62
NER peso/real	51.17	9.97	46.53	43.01	32.92	24.38
NER peso/euro	269.24	7.21	251.15	236.48	182.58	129.75
ITCNM	1,658.07	7.75	1,538.79	1,438.10	1,116.28	813.03
ITCRM	94.26	0.51	93.79	94.24	93.21	95.62

¹ The benchmark retail interest rate posted by the Autonomous City of Buenos Aires is calculated on the basis of adhered entities' purchaser and seller exchange rates, weighted according to their share in the retail market (Communication "B" 9791).

Glossary

AFIP: Federal Administration of Public Revenue

ANSES: Argentine Social Security Administration

APR: Annual Percentage Rate

B.P.: Basis Points

BADLAR: Interest rate on time deposits of ARS1 million and over for 30-35 days.

BCRA: Central Bank of Argentina

CC BCRA: Current accounts at BCRA

CER: Reference Stabilization Coefficient

CNV: National Securities Commission

CPI: Consumer Price Index

EAR: Effective Annual Rate

EM: Minimum Cash Requirements

GDP: Gross Domestic Product

IAMC: Argentine Institute for Capital Markets

IRR: Internal Rate of Return

ITCNM: Multilateral Nominal Exchange Rate Index

ITCRM: Multilateral Real Exchange Rate Index

LEBAC: BCRA Bills

LELIQ: BCRA Liquidity Bills

LFIP: Credit Line for Productive Investment

MB: Monetary Base; total amount of money in circulation plus money deposited in current accounts in pesos of financial institutions held with the BCRA.

MERVAL: Buenos Aires Stock Exchange Index

MF: Mutual Funds

MM: Money Market

MSMEs: Micro, Small and Medium-Sized Enterprises

NBFI: Non-Bank Financial Institution

NOCOM: Cash Compensation Notes issued by BCRA

ON: Negotiable Obligation

p.p.: Percentage Points

Private M2: Means of payment; it includes currency held by the public, settlement checks in pesos, and sight deposits in pesos from the non-financial private sector.

Private M3: Broad aggregate in pesos; it includes currency held by the public, settlement checks in pesos, and total deposits in pesos from the non-financial private sector.

PSP: Payment Service Providers

ROFEX: Rosario Futures Exchange

s.a.: Seasonally-Adjusted

SDR: Special Drawing Right

SIMPES: Comprehensive System for Monitoring Payments of Services Abroad

SISCEN: BCRA Centralized Reporting Requirement System

TCN: Nominal Exchange Rate

TM20: Interest rate on time deposits of ARS20 million and over for 30-35 days.

Total M2: Means of payment; it includes currency held by the public, settlement checks in pesos, and sight deposits in pesos from the non-financial private sector and public sector.

Total M3: Broad aggregate in pesos; it includes currency held by the public, settlement checks in pesos, and total deposits in pesos from the non-financial private sector and public sector.

Transactional private M2: Means of payment, it includes currency held by the public, settlement checks in pesos, and non-interest-bearing sight deposits in pesos from the non-financial private sector.

UVA: Units of Purchasing Power

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