# Monthly Monetary Report

December 2023

BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

## Contents



*The closing date for statistics in this report was January 8, 2023. All figures are provisional and subject to review.*


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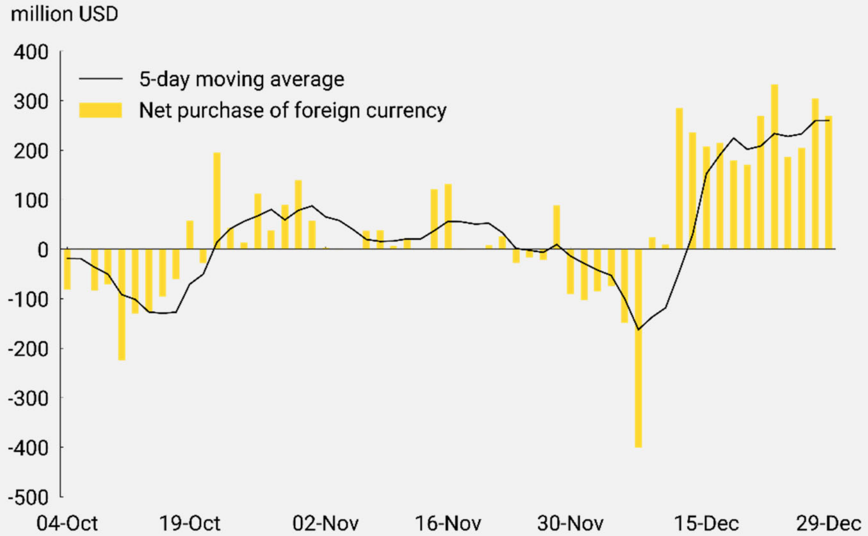
# 1. Executive Summary

| Monetary Base<br>real monthly chg. s.a. | Transactional Private M2<br>real monthly chg. s.a. | Private Sector Time Deposits<br>real monthly chg. s.a. | Private Sector UVA Time Deposits<br>real monthly chg. s.a. | Private M3<br>real monthly chg. s.a. |
|---|---|---|---|---|
| -12.5% | -14.1% | -23.6% | 18.1% | -17.2% |

**Foreign currency net purchase from private sector**



Source: BCRA

| | |
|---|---|
| Loans to the Private Sector<br>real monthly chg. s.a. | -17.9% |
| Monetary Policy Rate<br>APR | 100.0% |
| NER ARS/USD<br>Benchmark - Avg. Monthly | 633.8 |
| International Reserves<br>million USD; end-of-month | 23,073 |

On December 12, the Ministry of Economy presented the economic program of the new administration. The cornerstone of the program is to do away with fiscal deficit and monetary issuance for its financing, and the dramatic expansion of remunerated liabilities derived from sterilization actions. Another key component of the program is to remove distortions, restrictions and bureaucratic hindrances, and to correct relative prices, in particular, the exchange rate, as a prerequisite for stabilizing the economy.

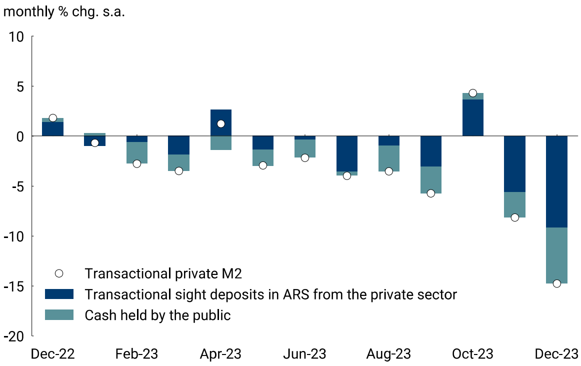
In December, the BCRA moved forward in this direction. In line with this, LELIQs were no longer auctioned, and reverse repos became the main monetary policy instrument, its interest rate being set at 100% APR. As for liquidity injection, the BCRA announced it would stop providing monetary financing to the Treasury but would continue conducting repos and offering put options on public debt instruments where financial stability may so demand.

On the external front, the exchange rate was set at ARS800/USD in the Free Exchange Market (MLC). The exchange rate adjustment will temporarily serve as a supplementary anchor of inflation expectations until the commitment and fiscal efforts are fully acknowledged. In addition, new conditions were established for importers to access the MLC, and the system for the payment of imports was simplified. The BCRA began to auction new instruments, called Bonds for the Reconstruction of a Free Argentina (BOPREALs), with the aim of making the repayment of commercial debts predictable. Within this framework, the BCRA's net purchase of foreign currency from the private sector stood at USD2.86 billion between December 13 and the end of the month.

## 2. Means of Payment

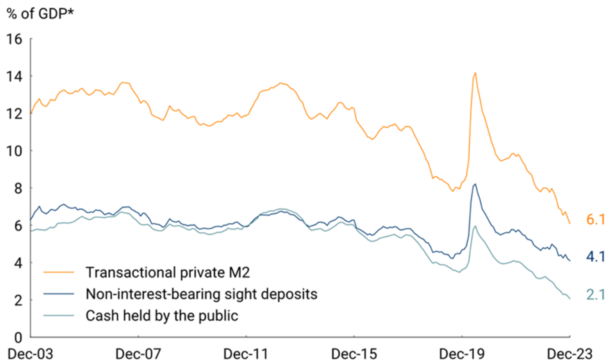
**In real and seasonally-adjusted terms, means of payment (transactional private M2[1]) posted a 14.8% contraction in December. The marked acceleration of inflation in the second half of 2023 has been driving means of payment to reach 20-year lows.** Thus, transactional private M2 accrued a decline of about 35.4% over the year (see Chart 2.1). In terms of GDP, means of payment reached 6.1%, the lowest figure in the past two decades (see Chart 2.2). As for its components, both cash held by the public and sight deposits reached new historic lows (2.1% and 4.1% in terms of GDP, respectively). **As the existing imbalances are corrected, the demand for real balances is expected to gradually recover from the low levels observed in the last stage of previous trends.**

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



Source: BCRA.

**Chart 2.2 | Transactional Private M2 as GDP %**



*Calculated on GDP s.a.; 3-month moving average.
Source: BCRA.

## 3. Savings Instruments in Pesos

**Considering the establishment of a new monetary and foreign exchange framework,[2] and against a backdrop of significant liquidity excess and elevated inflation, the Board of the BCRA deemed it prudent to keep, at least for the time being, a minimum interest rate for time deposits.[3]** In line with the change to the monetary policy interest rate, the BCRA reduced the minimum interest rate for the non-financial private sector to 110% APR, which means a 9% EMR.

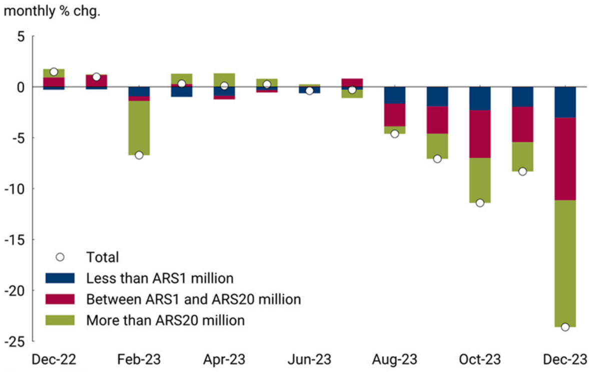
**Private-sector time deposits in pesos, like means of payment, have systematically fallen in the past few months as a result of the acceleration in inflation, which gained momentum in December after the adjustment to the exchange rate and to other prices that were repressed. In December, time deposits experienced a monthly contraction of 23.6% s.a. at constant prices, accumulating a fall of about 48.2% over 2023.** Thus, the stock of time deposits at constant prices sank to a 20-year low. Time deposits stood at 4.7% of GDP in December, falling 0.8 p.p. against November.

**The analysis of time deposits by amount at constant prices shows a general decrease** (see Chart 3.1). The wholesale segment (over ARS1 million) shrank the most, particularly, in the case of deposits over

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 https://www.bcra.gob.ar/Noticias/Nuevo-marco-de-politica-monetaria-y-cambiaria.asp.
3 The current interest rates were set out in Communication “A” 7922.

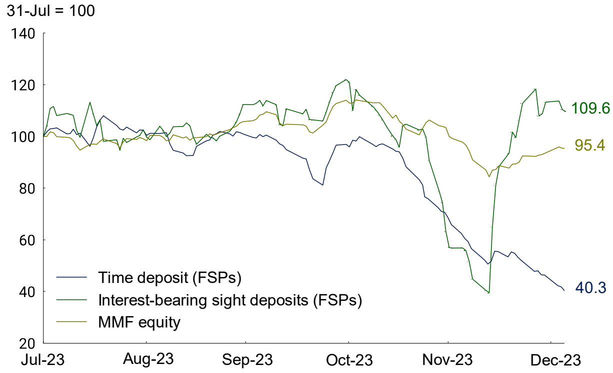
ARS20 million. The latter segment was influenced by financial service providers (FSPs). FSPs also unwound interest-bearing sight positions. The other side of lower deposit levels was an increase in the reverse repos conducted by money market funds (MMFs) with the BCRA. It should be noted that MMFs are the main players among FSPs. Two factors explain this behavior: a shift to portfolios of shorter-term instruments, and preference for reverse repos, as they earned a slightly higher interest rate. The latter reversed upon a change in the BCRA's rate policy which aimed at greater financial intermediation and a lower relative share of remunerated liabilities in the financial system's assets. Despite a recovery in the second half of the month, FSPs' interest-bearing deposits recorded a monthly average decrease of 16.8% s.a. at constant prices (see Chart 3.2).

**Chart 3.1 | Private Sector Time Deposits in Pesos**
Contribution to real monthly change by amount



Source: BCRA.

**Chart 3.2 | Equity of MFs and FSP Deposits**
At constant prices

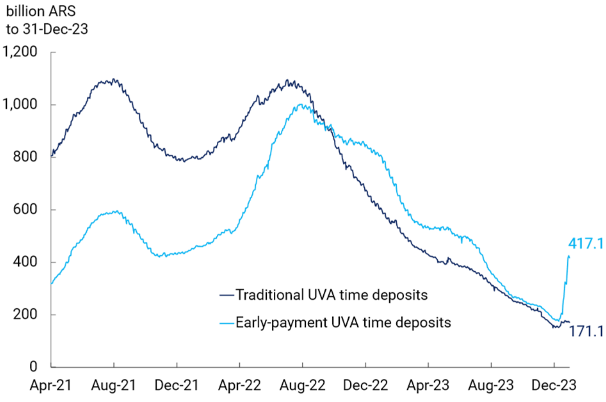


Source: BCRA.

**The trend of time deposits adjusted by the reference stabilization coefficient (CER) reversed after 16 months of falls in a row, and climbed 18.1% in real terms**. The increase mainly occurred in the second half of December, and was more considerable in the early-payment segment (see Chart 3.3). Indeed, this type of deposits recorded an average monthly change of 35.2% s.a. at constant prices; in turn, the month-on-month (end-of-period) change was 127.2%. It is worth noting that, by the end of December, the minimum term for early-payment deposits adjusted by units of purchasing power (UVAs) was extended from 90 to 180 days. Additionally, financial institutions had to make this instrument available for up to ARS5 million per client. However, they may take deposits for higher amounts.[4] Traditional UVA deposits grew by 7.5% between November 30 and December 31, but recorded a drop on average (-1.7%) due to the carryforward from the previous month. The analysis of deposits by type of holder showed that the increase was mainly due to natural persons' holdings, which accounted for 83% of the total (see Chart 3.4). The stock of UVA deposits reached ARS588.22 billion at the end of December, which amounted to 4.4% of total time deposits in domestic currency.

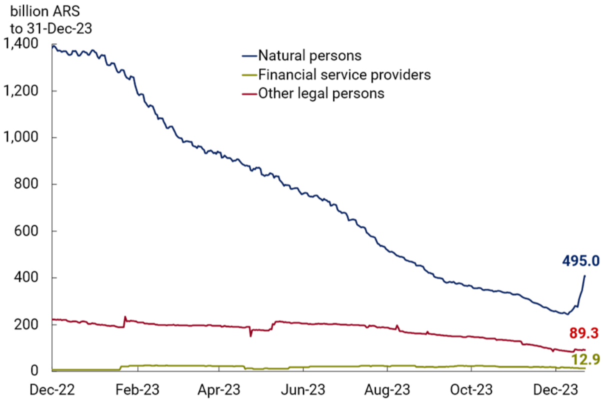
4 See Communication "A" 7929.

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




Source: BCRA

**Chart 3.4 | UVA Time Deposits by Type of Holder**
Estimated stock at constant prices




Source: BCRA

**All in all, the broad monetary aggregate (private M3[5]) at constant prices posted a monthly reduction of 17.2% s.a. in December.** In year-on-year terms, private M3 posted a 36.8% fall with a share of 13.3% in GDP, down 1.1 p.p. against November.

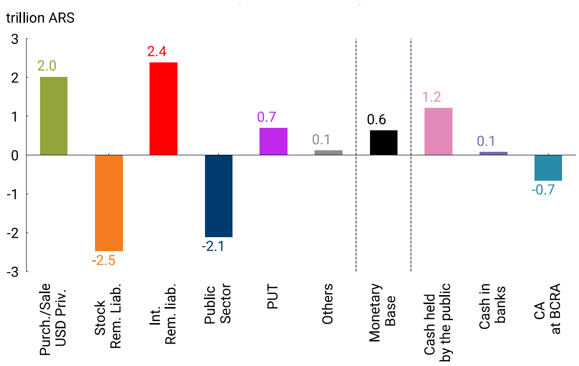
# 4. Monetary Base

**In December, the average stock of the monetary base was ARS9.2 trillion, which meant a monthly expansion of 18.1% (ARS1.41 billion) at current prices.** It is worth noting that the monetary base shows positive seasonality in December. Hence, if so adjusted, it would exhibit a 12.5% monthly contraction at constant prices, accruing a decline of 42% in the year. In terms of GDP, the monetary base stood at 3.1%, slightly below November's figure and standing among the lowest records in the past 20 years (see Chart 4.1).

**Chart 4.1 | Monetary Base**


*Calculated on GDP s.a.; 3-month moving average
Source: BCRA.

**Chart 4.2 | Monetary Base Explanatory Factors**
Month-on-month change




Source: BCRA

Along the month, the behavior of the monetary base was not homogeneous, as was the case of its supply factors. Before December 10, the monetary base expanded by ARS1.2 trillion, mostly due to the unwinding of remunerated liabilities and partly to put options being exercised on national government securities. These

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

expansion factors were in part offset by the net sale of foreign currency to the private sector. From December 11 onwards, the monetary base fell as a result of the National Treasury's repurchase of sovereign bonds held by the BCRA and the contractionary effect of remunerated liabilities. These factors were partially offset by the expansion derived from the net purchase of foreign currency from the private sector. All in all, December witnessed an increase in the month-on-month end-of-period stock of the monetary base of ARS634.47 billion (see Chart 4.2).

**The Board of the BCRA adopted various measures to simplify the monetary policy rate signal and strengthen the transmission to the other interest rates of the economy. The BCRA decided against continuing to resort to LELIQ auctions from December 18 onwards, to rationalize the liquidity management scheme. Instead, the BCRA opted for drawing on reverse repo transactions as an instrument for absorbing monetary surpluses.** Until January 11, the last maturity date of LELIQs, these securities will be gradually unwound.

In this context, funds from 28-day LELIQs were channeled to overnight reverse repos, and the latter increased their share in the total stock of instruments to 85% at month-end. On the contrary, 28-day LELIQs stood at 6% of the total by the end of the month, reducing their relative share. LEDIVs and LEGARs ended December with a share of 9% in the total stock of remunerated liabilities. Longer-term instruments—NOTALIQs—accounted for only 0.1% of the stock.

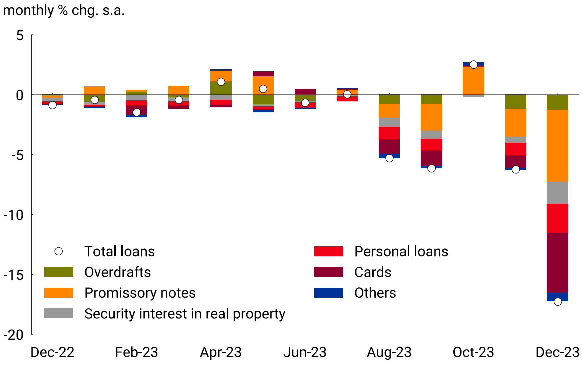
**As for monetary policy instruments, on December 13 the BCRA reduced the overnight reverse repo rate from 126% to 100% APR (171.5% EAR)**. Therefore, the overnight reverse repo rate for mutual funds (MFs) stood at 85% APR (133.7% EAR), whereas the rate on overnight repos was 160% APR (393.6% EAR). Reduced interest rates on remunerated liabilities will contain the endogenous growth of these instruments and generate incentives for banks to act as financial intermediaries back again.

**These measures are in line with the new monetary policy approach**, which aims at achieving monetary stability and reducing inflation, **simultaneously addressing the two main sources of money issuance: direct or indirect finance of fiscal deficit, and the BCRA's quasi-fiscal deficit**.

## 5. Loans to the Private Sector in Pesos

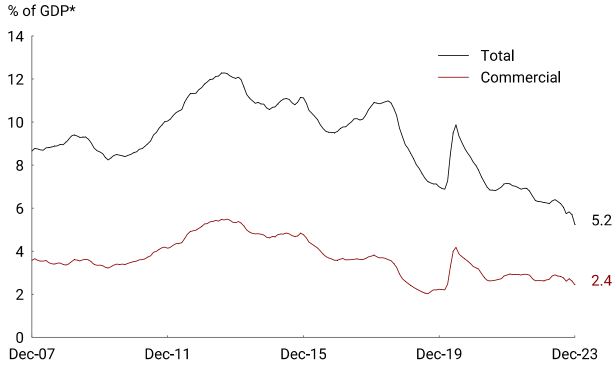
**Loans in pesos to the private sector in real terms, like aggregates, were affected by the acceleration in inflation that started in 2022 and by the financial disintermediation of the past few years. Specifically, loans to the private sector shrank 17.9% monthly in December, and 30.7% y.o.y.** In terms of large credit lines, the fall was observed across all types (see Chart 5.1). In terms of GDP, loans in pesos to the private sector stood at 5.2%, 1.3 p.p. lower compared to May, when the decline pace started to increase (see Chart 5.2).

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



Source: BCRA.

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



*Calculated on GDP s.a.; 3-month moving average
Source: BCRA

**Business credit lines exhibited a sharp decline. They fell -17.7% s.a. in real terms in the month, and stood -24.1% below the record observed in December 2022.** Loans granted through promissory notes contracted 19.6% s.a. in December, down 16.4% against the level recorded a year earlier. Unsecured promissory notes—which are granted at longer average terms—decreased 18.5% s.a. Discounted notes fell by 20.5% s.a. in December. In turn, overdrafts fell 13.8% s.a. in the month and 36.8% y.o.y.

Loans to consumption decreased 17.7% s.a. at constant prices in December, falling 33.1% over the year. In December, financing on credit cards posted a decline of 17.0% s.a. in real terms, whereas personal loans fell by 19.2% s.a. In year-on-year terms, these loans recorded changes of -27.0% and -44.8% at constant prices, respectively.

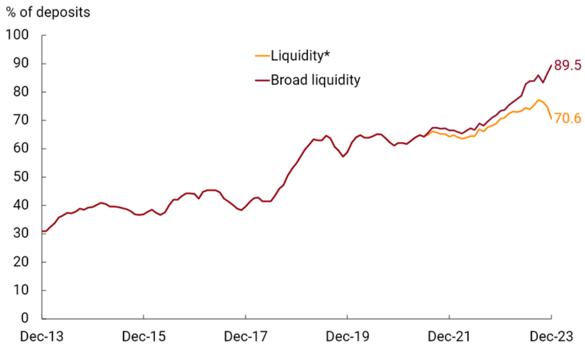
With respect to secured credit lines in real terms and seasonally adjusted, pledge-backed loans contracted 17.5% s.a., that is, 38.1% y.o.y. The stock of mortgage-backed loans recorded a monthly fall of 19.6% s.a. (-51.9% y.o.y.).

## 6. Financial Institutions' Liquidity in Pesos

**In December, broad bank liquidity in domestic currency**[6] increased 3 p.p. *vis-à-vis* November, averaging 89.5% of deposits (see Charts 6.1 and 6.2). The increased liquidity was mainly due to a higher number of sovereign securities, either used for compliance or not. At the same time, financial institutions held a higher-than-usual surplus position in their current accounts at the BCRA, with their relative share rising by 1.2 p.p. This change in the composition of liquidity in the financial system was connected with the BCRA's policy which consisted in no longer placing LELIQs and in setting an interest rate scheme so as to generate incentives for intermediation rather than remunerated liabilities.

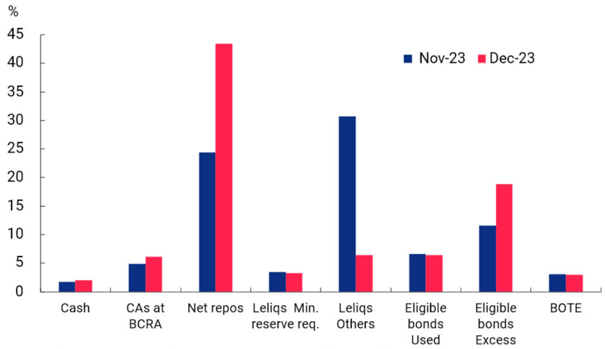
6 It includes current accounts with the BCRA, cash holdings in banks, arranged net repo stocks with the BCRA, holdings of LELIQs and NOTALIQs, and holdings of sovereign bonds eligible to comply with the minimum reserve requirements.

**Chart 6.1 | Financial Institutions' Levels of Liquidity in Pesos**




* Sovereign bonds that could be used for compliance, but are considered surpluses, have been excluded.
Source: BCRA

**Chart 6.2 | Financial Institutions' Components of Broad Liquidity**
% of deposits



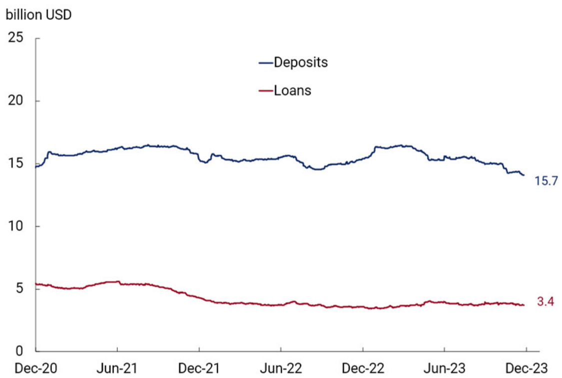

Note: The distribution of sovereign bonds used for compliance and others is computed assuming that the latest data available in the Reporting System on Minimum Cash Requirements is constant.
Source: BCRA

Concerning regulatory changes, financial institutions have been allowed to meet minimum cash requirements with sovereign bonds in pesos acquired in the primary market and with a residual term of up to 760 days as from December 20.[7] Moreover, those securities that may be sold to the BCRA under a put option and that are auctioned from December 18, 2023 will be excluded for calculating the limit of lending to the public sector.[8]

# 7. Foreign Currency

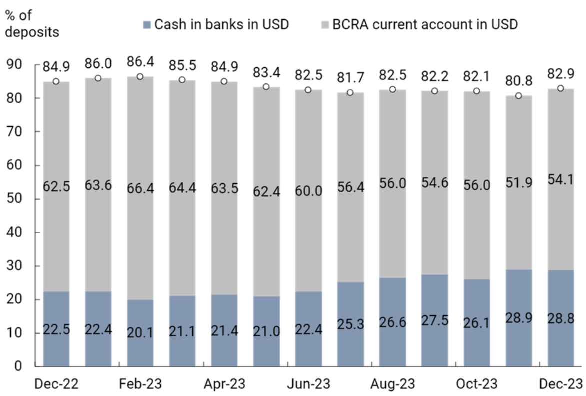
Regarding foreign currency, **financial institutions' main assets and liabilities posted a dissimilar performance**. On the one hand, deposits from the private sector increased USD1.57 billion in December and ended the month with a stock of USD15.7 billion. The rise of deposits in foreign currency in December was mainly attributed to a seasonal increase because of the exemption from personal property tax that applies to these deposits. On the other hand, the stock of loans to the private sector decreased by USD244 million, reaching USD3.43 billion at the end of December (see Chart 7.1).

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




Source: BCRA

**Chart 7.2 | Financial Institutions' Liquidity in Foreign Currency**




Source: BCRA

7 Communication "A" 7923.
8 Communication "A" 7921.

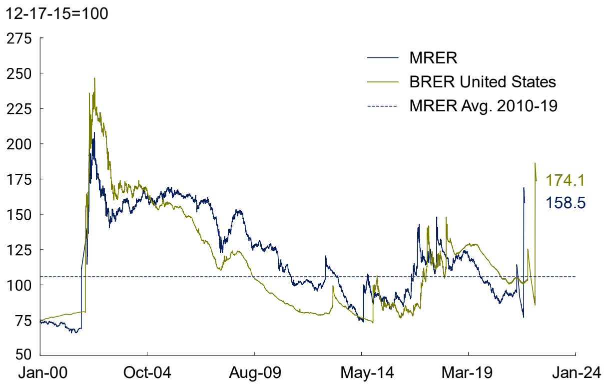
Financial institutions' liquidity in the foreign currency segment increased 2.1 p.p., averaging 82.9% of deposits and remaining at historically high levels. In terms of components, current accounts at the BCRA rose to the detriment of cash holdings in banks (see Chart 7.2).

The BCRA established new conditions for both the settlement of foreign currency and the payment of imports of goods and services through the MLC. These conditions **sought to make an ill-functioning market marked by accumulated commercial debts revert to normal**.[9] This way, the BCRA streamlined the system for paying imports of goods and services by removing any authorization requirements under the Argentine Imports Systems (SIRA), and by lifting the requirement of a certificate of foreign trade unique account at the Federal Administration of Public Revenue (AFIP). Moreover, it established different payment terms—according to the tariff position of the imports of goods and services involved. This measure sought to manage the flow of foreign currency in the coming months, which are characterized by seasonally-low exports.[10]

On another note, the BCRA began to offer three series of a new instrument, known as BOPREAL, to importers with debts for goods with customs registration and/or services actually rendered until December 12, 2023. This measure sought to dispel doubts about the repayment of importers' commercial debts. Subscribers of the longest-term bonds may access the MLC from February 1 to repay their debt for the amount set out in the regulations.[11] Finally, the BCRA repealed the regulation that prevented importers from making more than one transfer per month on foreign currency accounts.[12]

**In the transition to a regime that may ensure macroeconomic stability, the new administration adjusted the bilateral nominal exchange rate (NER) to ARS800/USD. Moreover, the crawling peg system applied may be adjusted 2% on a monthly basis.** The exchange rate adjustment will play the role of a supplementary anchor of inflation expectations until the commitment and fiscal efforts are fully acknowledged. Thus, the Real Effective Exchange Rate Index (REER) reached levels comparable to those observed between 2004 and 2007 (see Chart 7.3).

**Chart 7.3 | ARS/USD Nominal Exchange Rate**




Source: BCRA.

**Chart 7.4 | Stock of International Reserves**


Source: BCRA

**At the end of December, the BCRA's international reserves reached USD23.07 billion, up USD1.56 billion against the end of November** (see Chart 7.4). **The adjustment to the exchange rate and a reduction in the gap with financial exchange rates contributed to such increase, and in turn allowed the BCRA to make net purchases of foreign currency for nearly USD2.9 billion in the last 12 days of the year.** Finally, it should be

9 Communication "A" 7935.
10 Communication "A" 7917.
11 Communications "A" 7918, "A" 7925 and "A" 7935.
12 Communication "A" 7933.

noted that on December 21, a payment was made to the International Monetary Fund (IMF) for USD919 million out of a loan from the Development Bank of Latin America and the Caribbean (CAF).

## 8. Regulatory Overview

| Date of Issue | Regulation | Description |
|---|---|---|
| **7-Dec-23** | Comm. "A" 7910 | From December 7, 2023 to December 31, 2023, financial institutions' daily cash position in foreign currency may not be higher than the level existing as of October 12, 2023 or December 6, 2023, whichever is lower. |
| **7-Dec-23** | Comm. "A" 7911 | The clients in the local jurisdiction should also include their holdings of foreign currency on deposit at local financial institutions until December 31, 2023 in the affidavit on the holdings of liquid external assets and/or Argentine deposit certificates of foreign shares. If holdings are in excess of the cap, financial institutions may accept an affidavit from clients stating that they have made self-to-self international transfers and/or arbitrage transactions out of their funds on deposit. Thus, they are no longer exceeding the ceiling of their holdings. Notwithstanding the foregoing, clients should comply with the provisions on payments made with liquid external assets on a daily basis. |
| **11-Dec-23** | Comm. "A" 7915 | **As from December 11, 2023, any demand for foreign currency in the foreign exchange market, including those from financial and foreign exchange institutions, should be authorized in advance by the BCRA.** |
| **12-Dec-23** | Comm. "A" 7916 | **Communication "A" 7915 was repealed as of December 13, 2023.** |
| **13-Dec-23** | Comm. "A" 7917 | As from December 13, 2023, a SIRA affidavit recorded as "OUT" is no longer required , nor is it necessary to validate the transaction in the Foreign Trade Unique Current Account system. In addition, a schedule was laid down for deferred payments depending on the tariff position of imported goods and services with customs registration from December 13, 2023, which are not required to be authorized in advance by the BCRA.<br><br>In turn, deferred payments for new imports of goods with customs registration from December 13, 2023 may be made ahead of schedule, and payments pending customs registration are not subject to the BCRA's prior authorization. In both cases, importers should meet certain conditions in connection with the source of the funds. Payments of imports up to December 12, 2023 should be authorized in advance, except where waived. |
| **13-Dec-23** | Comm. "A" 7918 | The general conditions of the BCRA Notes in US dollars were laid down. These instruments may only be subscribed by importers of goods and services for up to the amount of payments pending. They may be subscribed in pesos (at the benchmark exchange rate under Communication "A" 3500 for the business day preceding the date of the auction), and have different maturities, the longest one being October 31, 2027. They will accrue an annual interest rate of up to 5% as will be announced in due course, paid on a quarterly or semi-annual basis in US dollars.<br><br>Principal is repaid in US dollars, either in full at maturity or partially amortized, as it may be defined. It should be noted that the early redemption option may only be exercised in pesos, as adjusted at the benchmark exchange rate under Communication "A" 3500.<br><br>Finally, the announcement of the auction will indicate whether these instruments may be traded or not through BYMA/MAE, and Euroclearable markets, and whether they may be used as collateral for repo transactions or not. |
| **18-Dec-23** | Comm. "A" 7922 | **From December 18, 2023, the BCRA changed the minimum interest rate on time deposits. The new floor is 110% APR for deposits not adjusted by UVAs or housing units (UVIs) and made by the non-financial private sector.** Moreover, **the fixed interest rate for early withdrawal of early-payment UVA deposits will be freely determined.** |
| **19-Dec-23** | Comm. "A" 7923 | Financial institutions have been allowed, as from December 20, 2023, to meet minimum cash requirements with sovereign bonds in pesos acquired in the primary market and with a residual term of up to 760 days. |

| | | |
|---|---|---|
| **19-Dec-23** | Comm. "A" 7925 | Importers of goods may subscribe BOPREALs for up to the amount of the outstanding debt for imports with a customs registration date until December 12, 2023. The bonds may also be subscribed for up to the amount of the due debt for services rendered or accrued by a non-resident up to December 12, 2023.<br><br>Importers of goods or services subscribing the longest-term bonds before December 31, 2023 for an amount equal to or higher than 50% of their eligible debt may access the MLC from February 1 to repay their commercial debts for imports of goods or services prior to December 13, 2023, for a total amount equal to 5% of the amount subscribed.<br><br>Financial institutions may enable importers to access the MLC for repaying their eligible debts, provided that they comply with the applicable requirements. Thus, importers may be allowed to make self-to-self international transfers and/or arbitrage transactions out of funds received in payment of bonds' principal and interest in foreign currency and deposited in a local account.<br><br>Finally, the sale of BOPREALs settled in foreign currency in Argentina or abroad or the transfers of these bonds to depositories abroad should not be included in the affidavit governed by the foreign trade and exchange regulations for up to the amount for which they were purchased in the primary market. |
| **28-Dec-23** | Comm. "A" 7929 | As from December 29, 2023, early-payment UVA time deposits may be made for a minimum term of 180 days. These deposits may be made by natural persons and withdrawn after 30 days. Financial institutions should make this instrument available for up to ARS5 million per client (and may even accept higher amounts). For time deposits made by two individuals or more, the amount shall be proportionally distributed among them to determine the ceiling. |
| **28-Dec-23** | Comm. "A" 7930 | Certain regulations on the minimum rate for financing in pesos granted to clients involved in agricultural activities were extended to June 30, 2024. |
| **28-Dec-23** | Comm. "A" 7931 | Certain regulations on the interest rate for credit card financing charged by financial institutions belonging to group C were extended to June 30, 2024. |
| **28-Dec-23** | Comm. "A" 7933 | The BCRA repealed the regulation that did not allow more than one transfer per month on foreign currency accounts. |
| **28-Dec-23** | Comm. "A" 7935 | Certain provisions on access to the MLC for paying interest from commercial debt for imports of goods or services will remain in effect until December 31, 2024. As for the requirements to extend the term for settling foreign currency from advances, pre-financings and post-financings from abroad, the foreign currency funds should be transferred to a local correspondent account by December 31, 2024.<br><br>The time for importers of goods and services to subscribe the longest-term BOPREALs was extended to January 31, 2024. They may access the MLC from February 1 for the payment of their commercial debt incurred prior to December 13, 2023 for an amount equal to 5% of the subscribed amount, if such amount is equal to 50% or more of the outstanding amount of the eligible debt.<br><br>Finally, the affidavits of importers of goods and services that acquired BOPREALs in the primary market should not include the sale of securities in foreign currency abroad or transfers of securities to depositories abroad that would take place as from April 1, 2024, where the market value of these transactions does not exceed the difference **between the market value** of the BOPREALs acquired in the primary market and sold in foreign currency abroad or their transfer to depositories abroad, **and their nominal value**, if the former is lower. |

# 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 Dec-23 | | | | % of GDP | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec-23 | Nov-23 | Oct-23 | Dec-22 | Dec-22 | Monthly | | Year-on-year | | Dec-23 | Dec-22 |
| | | | | | | Nominal n.s.a. | Real s.a. | Nominal | Real | | |
| **Monetary Base** | **9,209,583** | **7,797,578** | **7,202,528** | **4,781,929** | **4,781,929** | 18.1% | -12.5% | 92.6% | -42.0% | **3.1%** | **4.5%** |
| Currency in circulation | 6,836,428 | 5,971,866 | 5,782,596 | 3,767,917 | 3,767,917 | 14.5% | -15.0% | 81.4% | -45.4% | **2.3%** | **3.6%** |
| Cash held by the public | 6,031,449 | 5,316,378 | 5,128,409 | 3,361,661 | 3,361,661 | 13.5% | -16.2% | 79.4% | -46.0% | **2.1%** | **3.2%** |
| Cash in financial institutions | 804,979 | 655,488 | 654,187 | 406,256 | 406,256 | 22.8% | -5.0% | 98.1% | -40.3% | **0.3%** | **0.4%** |
| Current accounts at BCRA | 2,373,155 | 1,825,712 | 1,419,933 | 1,014,012 | 1,014,012 | 30.0% | 0.5% | 134.0% | -29.5% | **0.8%** | **1.0%** |
| **BCRA's remunerated liabilities (NV ARS)** | **26,862,584** | **24,758,559** | **22,969,458** | **10,076,065** | **10,076,065** | 8.5% | -16.1% | 166.6% | -19.7% | **9.3%** | **9.7%** |
| Reverse repos | 20,468,572 | 10,492,068 | 7,893,728 | 2,004,090 | 2,004,090 | 95.1% | 50.9% | 921.3% | 207.6% | **7.1%** | **1.9%** |
| Stock of LELIQs | 3,660,794 | 12,717,565 | 14,040,287 | 6,831,822 | 6,831,822 | -71.2% | -77.7% | -46.4% | -83.9% | **1.3%** | **6.6%** |
| Stock of 28-day LELIQs | 3,660,794 | 12,717,565 | 14,040,287 | 6,820,934 | 6,820,934 | -71.2% | -77.7% | -46.3% | -83.8% | **1.3%** | **6.5%** |
| Stock of 180-day LELIQs | 0 | 0 | 0 | 10,888 | 10,888 | - | - | -100.0% | -100.0% | **0.0%** | **0.0%** |
| Stock of NOTALIQs | 23,777 | 27,670 | 30,006 | 1,110,688 | 1,110,688 | -14.1% | -33.5% | -97.9% | -99.4% | **0.0%** | **1.1%** |
| Stock of LEDIVs | 2,544,044 | 1,409,030 | 900,127 | 76,058 | 76,058 | 80.6% | 39.7% | 3244.9% | 907.4% | **0.9%** | **0.1%** |
| Stock of LEGARs | 165,397 | 112,225 | 105,310 | 53,408 | 53,408 | 47.4% | 14.0% | 209.7% | -6.7% | **0.1%** | **0.1%** |
| **BCRA' s international reserves in dollars** | **21,903** | **21,435** | **25,265** | **40,650** | **40,650** | 2.2% | - | -46.1% | - | **4.8%** | **6.7%** |

| Monthly average explanatory factors | Monthly | | Quarterly | | Year-on-year | |
|---|---|---|---|---|---|---|
| | Nominal | Contribution | Nominal | Contribution | Nominal | Contribution |
| **Monetary Base** | **1,412,005** | **18.1%** | **2,676,584** | **41.0%** | **4,427,654** | **92.6%** |
| Foreign exchange purchases to private sector and others | 596,575 | 7.7% | 663,417 | 10.2% | 1,301,865 | 27.2% |
| Foreign exchange purchase to the NT | -82,328 | -1.1% | -325,718 | -5.0% | -1,898,590 | -39.7% |
| Temporary advances and profit transfers to National Government | 0 | 0.0% | 0 | 0.0% | 1,698,000 | 35.5% |
| Other public sector operations | -1,516,699 | -19.5% | -1,574,352 | -24.1% | -1,954,297 | -40.9% |
| Monetary policy instruments | 1,182,462 | 15.2% | 1,936,161 | 29.6% | 591,147 | 12.4% |
| Others | 1,231,995 | 15.8% | 1,977,075 | 30.3% | 4,689,529 | 98.1% |
| **BCRA's International Reserves** | **468** | **2.2%** | **-5,587** | **-20.3%** | **-18,747** | **-46.1%** |
| Purchases of foreign currency | 449 | 2.1% | 688 | 2.5% | 19 | 0.0% |
| International organizations[5] | -590 | -2.8% | -4,507 | -16.4% | -7,259 | -17.9% |
| Other public-sector transactions | 268 | 1.3% | -198 | -0.7% | -1,494 | -3.7% |
| Minimum cash requirements | 466 | 2.2% | -245 | -0.9% | -2,664 | -6.6% |
| Others (incl. forex valuation) | -125 | -0.6% | -1,325 | -4.8% | -7,350 | -18.1% |

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 | Dec-23 | Nov-23 | Oct-23 |
|---|---|---|---|
| **Domestic currency** | % of total deposits in pesos | | |
| Requirement net of deductions | 17.2 | 18.0 | 17.3 |
| Compliance in current accounts | 5.9 | 4.9 | 4.0 |
| Compliance in LELIQs | 7.3 | 26.5 | 30.3 |
| Compliance in BOTE 2027 | 3.0 | 3.1 | 3.2 |
| Compliance in sovereign bonds/other | 25.2 | 18.2 | 15.8 |
| **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) | 54.8 | 51.9 | 56.0 |
| Position [(1)] | 30.8 | 27.9 | 32.0 |

(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 Dec-23 | | | | % of GDP[4] | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec-23 | Nov-23 | Oct-23 | Dec-22 | Dec-22 | Monthly | | Year-on-year | | Dec-23 | Dec-22 |
| | | | | | | Nominal n.s.a. | Real s.a. | Nominal | Real | | |
| **Domestic currency** | | | | | | | | | | | |
| **Total deposits from the non-financial sector in pesos[1]** | **39,827,865** | **36,983,568** | **35,642,261** | **18,248,093** | **18,248,093** | 7.7% | -18.7% | 118.3% | -34.3% | **13.6%** | **17.4%** |
| Private sector deposits | 32,839,508 | 29,871,086 | 29,049,030 | 15,170,433 | 15,170,433 | 9.9% | -17.4% | 116.5% | -34.8% | **11.2%** | **14.5%** |
| ***Private Sector Sight Deposits*** | 19,226,324 | 15,825,392 | 15,287,657 | 7,305,127 | 7,305,127 | 21.5% | -12.3% | 163.2% | -20.7% | **6.3%** | **6.6%** |
| Non-interest bearing (transactional) | 12,708,575 | 10,284,556 | 9,870,210 | 5,375,545 | 5,375,545 | 23.6% | -14.0% | 136.4% | -28.8% | **4.1%** | **4.8%** |
| Interest-bearing | 6,517,749 | 5,540,836 | 5,417,447 | 1,929,583 | 1,929,583 | 17.6% | -9.0% | 237.8% | 1.7% | **2.3%** | **1.9%** |
| ***Private Sector Time Deposits and Others*** | 13,613,184 | 14,045,694 | 13,761,373 | 7,865,306 | 7,865,306 | -3.1% | -23.3% | 73.1% | -47.9% | **4.9%** | **7.8%** |
| Time Deposits | 13,149,748 | 13,639,298 | 13,349,686 | 7,642,488 | 7,642,488 | -3.6% | -23.6% | 72.1% | -48.2% | **4.7%** | **7.6%** |
| CER/UVA/exchange rate-non-adjustable | 12,742,907 | 13,311,691 | 13,019,188 | 7,241,212 | 7,241,212 | -4.3% | -24.2% | 76.0% | -47.0% | **4.6%** | **7.2%** |
| CER/UVA-adjustable | 370,651 | 248,727 | 262,334 | 359,936 | 359,936 | 49.0% | 18.1% | 3.0% | -69.0% | **0.1%** | **0.4%** |
| Traditional | 143,237 | 115,464 | 126,988 | 156,519 | 156,519 | 24.1% | -1.7% | -8.5% | -72.4% | **0.1%** | **0.2%** |
| Early-payment | 227,414 | 133,263 | 135,345 | 203,417 | 203,417 | 70.7% | 35.2% | 11.8% | -66.3% | **0.1%** | **0.2%** |
| DIVA | 36,190 | 78,880 | 68,165 | 41,340 | 41,340 | -54.1% | -64.5% | -12.5% | -73.6% | **0.0%** | **0.0%** |
| Other deposits | 463,436 | 406,397 | 411,686 | 222,818 | 222,818 | 14.0% | -11.8% | 108.0% | -37.4% | **0.2%** | **0.2%** |
| ***Public sector deposits[2]*** | 6,988,357 | 7,112,482 | 6,593,231 | 3,077,661 | 3,077,661 | -1.7% | -24.0% | 127.1% | -31.6% | **2.4%** | **3.0%** |
| **Monetary Aggregates** | | | | | | | | | | | |
| Total M2 | 28,763,138 | 24,342,269 | 23,099,590 | 11,869,258 | 11,869,258 | 18.2% | -13.4% | 142.3% | -27.0% | **9.5%** | **10.9%** |
| Total M3 | 46,183,519 | 42,606,165 | 41,067,681 | 21,738,608 | 21,738,608 | 8.4% | -18.4% | 112.4% | -36.0% | **15.7%** | **20.5%** |
| **Private sector monetary aggregates** | | | | | | | | | | | |
| Private M2 | 25,257,773 | 21,141,770 | 20,416,066 | 10,666,788 | 10,666,788 | 19.5% | -11.8% | 136.8% | -28.7% | **8.4%** | **9.9%** |
| Transactional private M2[3] | 18,740,024 | 15,600,934 | 14,998,619 | 8,737,205 | 8,737,205 | 20.1% | -14.8% | 114.5% | -35.4% | **6.1%** | **8.0%** |
| Private M3 | 38,870,957 | 35,187,464 | 34,177,439 | 18,532,094 | 18,532,094 | 10.5% | -17.2% | 109.7% | -36.8% | **13.3%** | **17.6%** |
| **Total loans to the non-financial sector in pesos** | **15,590,091** | **14,536,622** | **13,465,299** | **6,765,413** | **6,765,413** | 7.2% | -17.7% | 130.4% | -30.6% | **5.2%** | **6.3%** |
| ***Loans to the non-financial private sector*** | **15,401,128** | **14,391,515** | **13,308,742** | **6,694,117** | **6,694,117** | 7.0% | -17.9% | 130.1% | -30.7% | **5.2%** | **6.2%** |
| Overdrafts | 1,626,700 | 1,442,352 | 1,397,461 | 775,219 | 775,219 | 12.8% | -13.8% | 109.8% | -36.8% | **0.5%** | **0.7%** |
| Promissory notes | 4,741,054 | 4,577,281 | 4,297,812 | 1,708,519 | 1,708,519 | 3.6% | -19.6% | 177.5% | -16.4% | **1.6%** | **1.6%** |
| Mortgage-backed loans | 594,166 | 568,814 | 521,213 | 371,698 | 371,698 | 4.5% | -19.6% | 59.9% | -51.9% | **0.2%** | **0.4%** |
| Pledge-backed loans | 942,715 | 885,978 | 830,877 | 458,904 | 458,904 | 6.4% | -17.5% | 105.4% | -38.1% | **0.3%** | **0.4%** |
| Personal loans | 1,926,169 | 1,851,988 | 1,753,343 | 1,050,186 | 1,050,186 | 4.0% | -19.2% | 83.4% | -44.8% | **0.7%** | **1.0%** |
| Credit cards | 4,847,786 | 4,414,422 | 3,909,647 | 1,999,883 | 1,999,883 | 9.8% | -17.0% | 142.4% | -27.0% | **1.6%** | **1.8%** |
| Others | 722,538 | 650,681 | 598,390 | 329,708 | 329,708 | 11.0% | -16.3% | 119.1% | -34.0% | **0.2%** | **0.3%** |
| ***Loans to the non-financial public sector*** | **188,963** | **145,107** | **156,558** | **71,296** | **71,296** | 30.2% | 0.7% | 165.0% | -20.2% | **0.1%** | **0.1%** |
| **Foreign currency[1]** | | | | | | | | | | | |
| **Deposits from the non-financial sector in dollars** | **16,867** | **16,675** | **16,820** | **18,787** | **18,787** | 1.2% | - | -10.2% | - | **3.8%** | **3.2%** |
| Deposits from the non-financial private sector in dollars | 14,511 | 14,243 | 14,598 | 15,687 | 15,687 | 1.9% | - | -7.5% | - | **3.2%** | **2.6%** |
| sight deposits | 11,615 | 11,261 | 11,481 | 11,938 | 11,938 | 3.1% | - | -2.7% | - | **2.6%** | **2.0%** |
| time deposits and others | 2,896 | 2,982 | 3,118 | 3,749 | 3,749 | -2.9% | - | -22.8% | - | **0.6%** | **0.6%** |
| Deposits from the non-financial public sector in dollars | 2,356 | 2,432 | 2,222 | 3,100 | 3,100 | -3.1% | - | -24.0% | - | **0.6%** | **0.6%** |
| **Loans to the non-financial sector in dollars** | **3,683** | **3,946** | **4,056** | **3,645** | **3,645** | -6.7% | - | 1.0% | - | **0.8%** | **0.6%** |
| Loans to the non-financial private sector in dollars | 3,490 | 3,746 | 3,852 | 3,491 | 3,491 | -6.8% | - | 0.0% | - | **0.8%** | **0.6%** |
| Promissory notes | 2,228 | 2,349 | 2,477 | 2,273 | 2,273 | -5.1% | - | -2.0% | - | **0.5%** | **0.4%** |
| Credit cards | 307 | 359 | 335 | 179 | 179 | -14.5% | - | 71.4% | - | **0.1%** | **0.0%** |
| Others | 955 | 1,039 | 1,041 | 1,039 | 1,039 | -8.1% | - | -8.1% | - | **0.2%** | **0.2%** |
| Loans to the non-financial public sector in dollars | 192 | 199 | 204 | 153 | 153 | -3.5% | - | 25.3% | - | **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 | Dec-23 | EAR Dec-23 | Nov-23 | Oct-23 | Dec-22 | Dec-22 |
|---|---|---|---|---|---|---|
| **BCRA repo interest rates** | | | | | | |
| Overnight reverse repo | 110.06 | 200.11 | 126.00 | 118.26 | 70.00 | 70.00 |
| Overnight reverse repo (MF) | 93.55 | 154.56 | 107.10 | 100.52 | 52.50 | 52.50 |
| Overnight repo | 160.00 | 393.57 | 160.00 | 149.68 | 95.00 | 95.00 |
| **Interbank market interest rates** | **Dec-23** | **EAR Dec-23** | **Nov-23** | **Oct-23** | **Dec-22** | **Dec-22** |
| **Repo rates among third parties on overnight REPO round** | 84.61 | 132.83 | 96.20 | 99.36 | 66.63 | 66.63 |
| Volume of repos traded among third parties (daily average) | 31,603 | | 36,404 | 21,102 | 7,500 | 7,500 |
| **Calls in pesos (overnight)** | | | | | | |
| Interest rate | 99.64 | 170.47 | 116.59 | 111.63 | 67.30 | 67.30 |
| Traded amount | 34,103 | | 25,693 | 23,446 | 22,844 | 22,844 |
| **Borrowing interest rates** | **Dec-23** | **EAR Dec-23** | **Nov-23** | **Oct-23** | **Dec-22** | **Dec-22** |
| **Sight deposits** | | | | | | |
| Interest-bearing | 85.03 | 127.49 | 100.53 | 96.97 | 57.46 | 57.46 |
| **Time deposits** | | | | | | |
| Natural persons up to ARS1 million (30-35 days) | 124.46 | 227.06 | 132.48 | 125.74 | 74.67 | 74.67 |
| Total TM20 (more than ARS20 million, 30-35 days) | 117.38 | 206.66 | 125.59 | 119.97 | 65.91 | 65.91 |
| Private banks' TM20 (more than ARS20 million, 30-35 days) | 119.77 | 213.42 | 126.21 | 119.72 | 66.48 | 66.48 |
| Total BADLAR (more than ARS1 million, 30-35 days) | 120.94 | 216.77 | 128.17 | 121.68 | 68.58 | 68.58 |
| Private banks' BADLAR (more than ARS1 million, 30-35 days) | 122.10 | 220.12 | 129.47 | 122.57 | 69.45 | 69.45 |
| **Interest rate on UVA deposits' early-payment option** | 67.34 | 92.60 | 122.80 | 115.64 | 71.00 | 71.00 |
| **Lending interest rates** | **Dec-23** | **EAR Dec-23** | **Nov-23** | **Oct-23** | **Dec-22** | **Dec-22** |
| **Loans to the non-financial private sector in pesos** | | | | | | |
| Overdrafts | 126.10 | 252.13 | 134.15 | 125.32 | 75.64 | 75.64 |
| 1 to 7 days—agreed with companies—more than ARS10 million | 111.57 | 201.60 | 128.35 | 121.66 | 73.27 | 73.27 |
| Unsecured promissory notes | 114.82 | 199.58 | 117.50 | 110.44 | 61.64 | 61.64 |
| Mortgage-backed loans | 111.46 | 190.50 | 102.21 | 95.41 | 62.71 | 62.71 |
| Pledge-backed loans | 76.72 | 110.43 | 77.39 | 78.31 | 51.52 | 51.52 |
| Personal loans | 139.74 | 275.38 | 135.54 | 115.50 | 81.26 | 81.26 |
| Credit cards | 120.29 | 214.90 | 107.45 | 97.34 | 77.10 | 77.10 |
| **Interest rate in foreign currency** | **Dec-23** | **EAR Dec-23** | **Nov-23** | **Oct-23** | **Dec-22** | **Dec-22** |
| **Time deposits in dollars (30 to 44 days)** | 0.31 | 0.31 | 0.34 | 0.33 | 0.32 | 0.32 |
| **Unsecured promissory notes in dollars** | 3.80 | 3.86 | 9.25 | 5.85 | 5.44 | 5.44 |
| **Exchange rate** | **Dec-23** | **Monthly chg. (%)** | **Nov-23** | **Oct-23** | **Dec-22** | **Dec-22** |
| **NER peso/dollar** | | | | | | |
| Wholesale rate (Comm. "A" 3500) | 633.76 | 79.30 | 353.47 | 350.02 | 172.45 | 172.45 |
| Retail rate[1] | 649.57 | 79.62 | 361.63 | 357.78 | 175.20 | 175.20 |
| **NER peso/real** | 130.24 | 80.51 | 72.15 | 69.18 | 32.92 | 32.92 |
| **NER peso/euro** | 696.97 | 82.33 | 382.26 | 369.82 | 182.58 | 182.58 |
| ITCNM | 4,224.80 | 81.60 | 2,326.48 | 2,260.51 | 1,117.58 | 1,117.58 |
| ITCRM | 132.01 | 58.52 | 83.28 | 89.62 | 93.23 | 93.23 |

1 The benchmark retail interest rate offered in the Autonomous City of Buenos Aires is calculated on the basis of adhered institutions' 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 over ARS1 million 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**: Instituto Argentino de Mercado de Capitales
**IRR**: Internal Rate of Return
**NEER**: Nominal Effective Exchange Rate
**REER:** Real Effective Exchange Rate
**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
**NER**: Nominal Exchange Rate
**NOCOM**: Cash Compensation Notes issued by the 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
**TM20**: Interest rate on time deposits over ARS20 million 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