

Monthly Monetary Report

October 2023



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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

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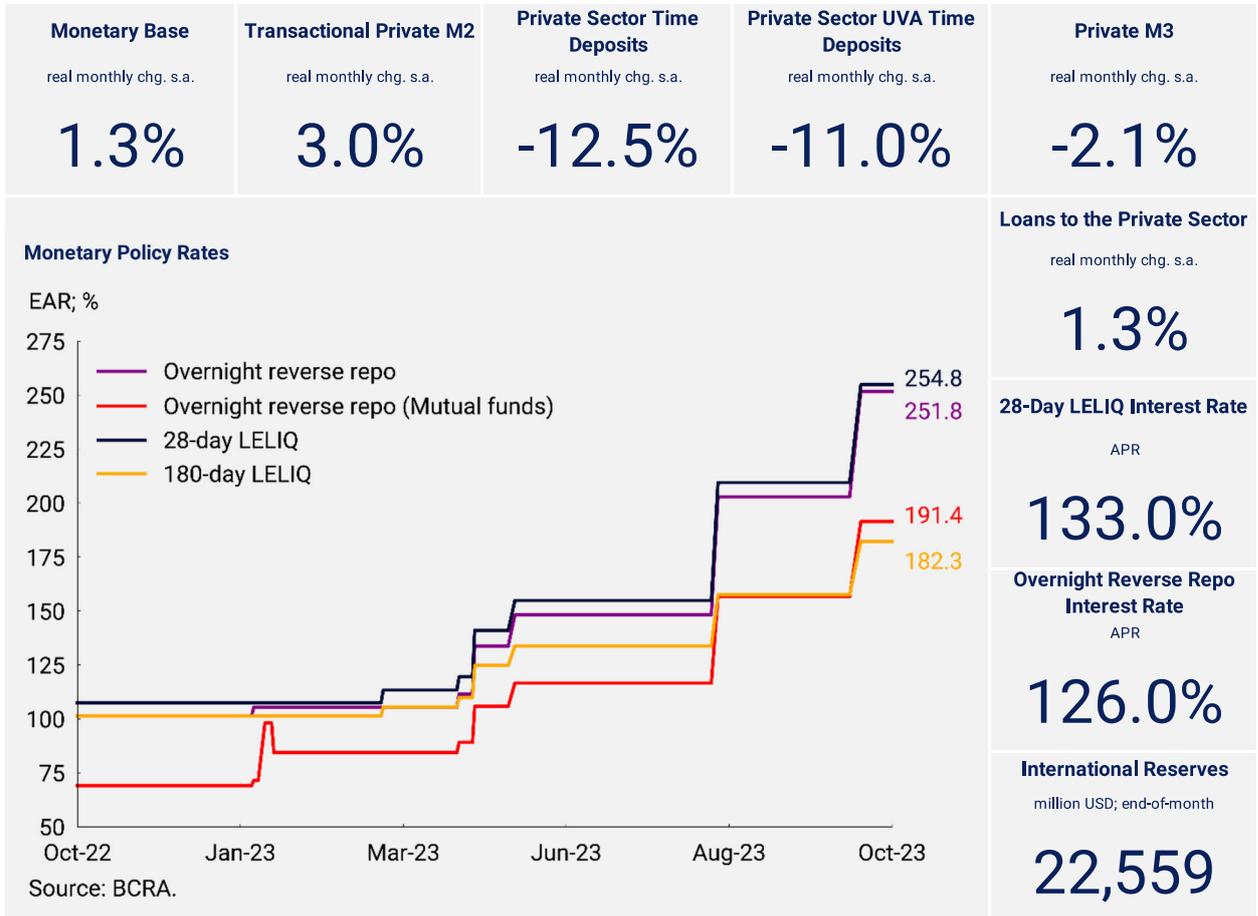
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About inclusive language in the Spanish version of this report

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 a context of high uncertainty, usually associated with electoral periods, economic agents preferred liquid asset positions. Means of payment rose at constant prices and in seasonally-adjusted (s.a.) terms, bringing the downward trend observed throughout the year to a halt. Sight deposits made by financial service providers (FSPs) and by the rest of companies also recorded an increase. On the contrary, time deposits shrank. In October, the broad monetary aggregate (private M3) posted a 2.1% contraction in the monthly average at constant prices and in seasonally-adjusted terms.

By mid-October, the BCRA raised the monetary policy rate (28-day liquidity bills (LELIQs)) by 15 percentage points (p.p.), setting it at 133% APR (254.8% EAR). It also raised the interest rates on the rest of monetary policy instruments and the minimum interest rates paid on time deposits. This rise was aimed at fostering positive real returns on deposits in domestic currency to sustain demand, which had started to exhibit a downward trend.

Last, business loans in pesos granted to the private sector grew in real and seasonally-adjusted terms in October, which as in part offset by the contraction of the other credit lines. All in all, the stock of loans improved after two months of deep falls.

2. Means of Payment

In a context of high uncertainty, usually associated with electoral periods, economic agents preferred liquid asset positions. In real and seasonally-adjusted terms, means of payment (transactional private M2¹) posted a 3% expansion in October, bringing the downward trend observed over the last few months to a halt. As for its components, this rise was mainly explained by the performance of non-interest-bearing sight deposits and, to a lesser extent, by cash held by the public (see Chart 2.1). However, transactional private M2 contracted 18.8% y.o.y. in real terms. In terms of GDP, means of payment stood at 6.7%, increasing by 0.2 p.p. against September (see Chart 2.2). In spite of the slight recovery observed in October, means of payment—both individually and as a whole—stood around the lowest figures of the past 20 years in terms of GDP.

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

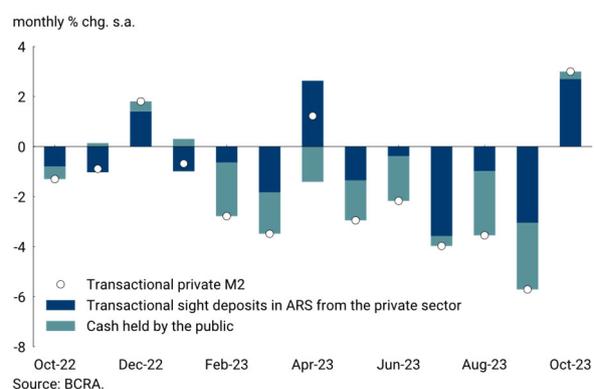
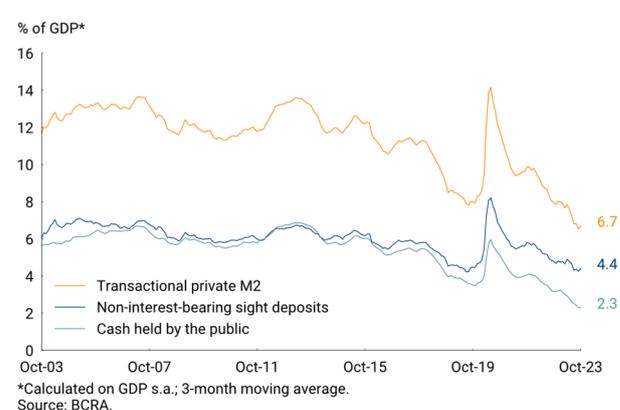


Chart 2.2 | Transactional Private M2 as GDP %



3. Savings Instruments in Pesos

In October, the Board of the BCRA raised the minimum interest rates paid on time deposits in line with the adjustment of interest rates on monetary policy instruments.² This way, the BCRA sought to encourage saving in domestic currency and contribute to financial and foreign exchange balance. In particular, the monetary authority raised the minimum interest rate on natural persons' deposits from 118% APR to 133% APR, which means a 10.9% EMR. In turn, for the other depositors of the financial system, the minimum interest rate rose from 111% APR to 126% APR, i.e., 10.4% EMR.³

The interest rate on time deposits increased in a context where the stocks of these deposits in pesos held by the private sector were falling, both in real and nominal terms. This removal of positions drove the improvement of means of payments in October. After the rise of interest rates, the trend reversed in part. All in all, time deposits contracted 12.5% s.a. at constant prices in October, thus, accruing a 27% fall over the year. This way, the stock of time deposits at constant prices declined, standing at a figure comparable to the 2010-2019 period. Along the same lines, time deposits stood at 5.8% of GDP in October, falling 0.9 p.p. against September.

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" 7862.

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

The analysis of time deposits by amount at constant prices shows a general decrease in all segments over October (see Chart 3.1). The retail segment recorded the deepest fall, followed by deposits from ARS1 to ARS20 million, with changes of about -18% s.a. and -12.8% s.a., respectively, in real terms. Deposits over ARS20 million fell around 10.7% s.a., which was virtually explained by the decline of traditional time deposits held by FSPs and, to a lesser extent, by the rest of companies. On the contrary, interest-bearing sight deposits rose, accounting for an 11% s.a. average expansion at constant prices (see Chart 3.2). Money market funds (MMFs), which are the main actors among FSPs, also channeled part of the liquidity from the redemption of time deposits to reverse repos with the BCRA.

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

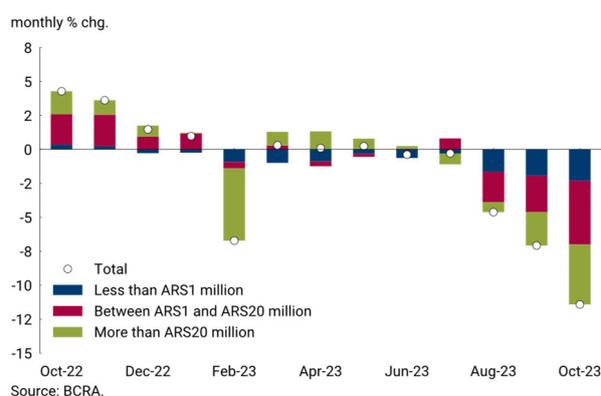
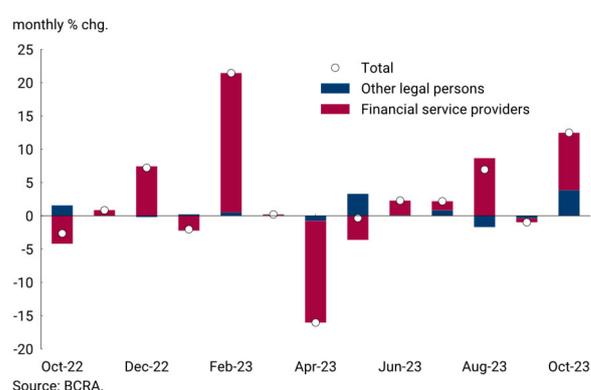


Chart 3.2 | Interest-Bearing Sight Deposits
Contribution to real monthly change by holder



Time deposits adjusted by the reference stabilization coefficient (*Coefficiente de Estabilización de Referencia*, CER) contracted once again in real terms, accruing 15 months of falls in a row. The decrease was observed in both traditional and early-payment deposits adjusted by units of purchasing power (*Unidad de Valor Adquisitivo*, UVA), whose monthly change rates were -11.2% s.a. and -10.7% s.a., respectively (see Chart 3.3). The analysis of deposits by type of holder showed that the decline was mainly due to natural persons' holdings, which accounted for about 69% of the total. All in all, the stock of UVA deposits reached ARS257.47 billion at the end of October, which amounted to 1.9% of total time instruments in domestic currency. In turn, deposits adjusted by the benchmark exchange rate remained virtually stable on average in October (see Chart 3.4).

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

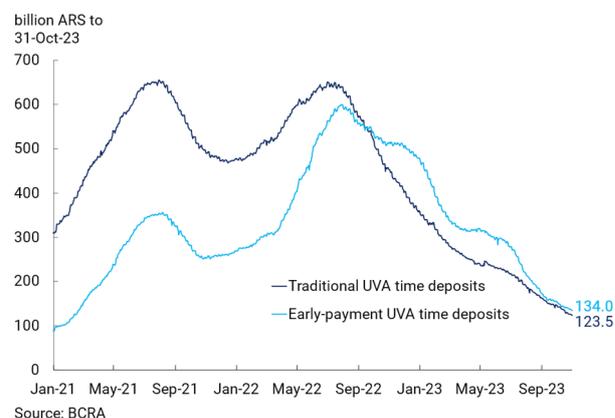
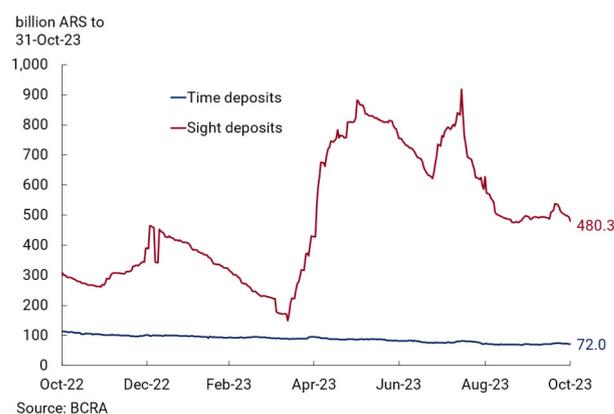


Chart 3.4 | Exchange Rate-Adjusted Deposits
Stock at constant prices



All in all, the broad monetary aggregate (private M3⁴) at constant prices posted a monthly reduction of 2.1% s.a. in October. In year-on-year terms, private M3 recorded a 15.5% fall with a share of 15.1% in GDP, down 0.4 p.p. against September.

4. Monetary Base

In October, the average stock of the monetary base was ARS7,203 billion, which meant a monthly expansion of 10.2% (ARS670 billion) at current prices. However, the monetary base expanded by 1.3% s.a. at constant prices, down around 32.6% over the last 12 months. In terms of GDP, the monetary base stood at 3.2%, remaining stable against September and at its historic low since the exit from the convertibility system (see Chart 4.1).

Chart 4.1 | Monetary Base

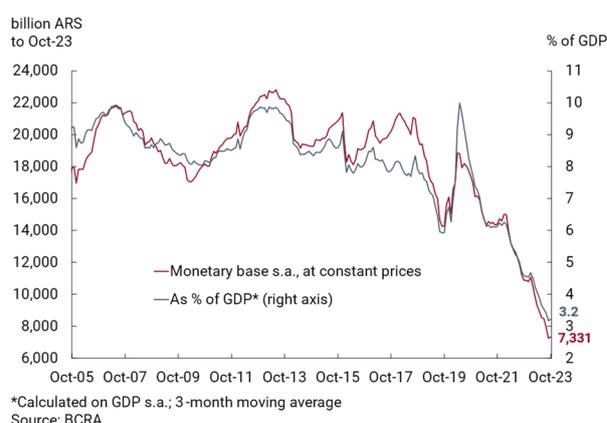
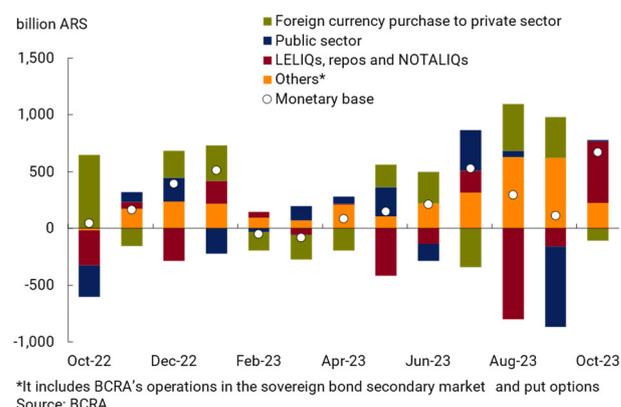


Chart 4.2 | Monetary Base Explanatory Factors
Monthly average change



On the supply side of the monetary base, the BCRA's remunerated liabilities drove liquidity to expand since underwritings were less than maturities. In addition, the monetary expansion also came from operations with sovereign bonds in the secondary market and put option contracts on Argentine sovereign bonds exercised by financial institutions. These factors were in part offset by the net sale of foreign currency to the private sector (see Chart 4.2).

By mid-October, the Board increased the interest rates on monetary policy instruments. Thus, it raised the interest rate on 28-day LELIQs by 15 p.p. to reach 133% APR (254.8% EAR). The interest rate on 180-day LELIQs underwent the same rise and stood at 135.5% APR (182.3% EAR). As for shorter-term instruments, the interest rate on overnight reverse repos increased from 111% APR to 126% APR (251.8% EAR), whereas the rate on overnight repos was 160% APR (393.6% EAR). Finally, the spread of liquidity notes (NOTALIQs) in the last auction of the month was 2.5 p.p.

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).

5. Loans to the Private Sector in Pesos

Loans in pesos to the private sector expanded in real and seasonally-adjusted terms, after two months of falls. In October, they exhibited a 1.3% s.a. growth at constant prices, accruing a fall of around 13% over the last 12 months. With reference to credit lines for larger amounts, the increase in financings to business activity was in part offset by the performance of the rest of loans (see Chart 5.1). In terms of GDP, loans in pesos to the private sector stood at 5.8%, the lowest level over the past 20 years (see Chart 5.2).

Chart 5.1 | Loans to Private Sector in Pesos
Real, s.a.; contribution to monthly growth

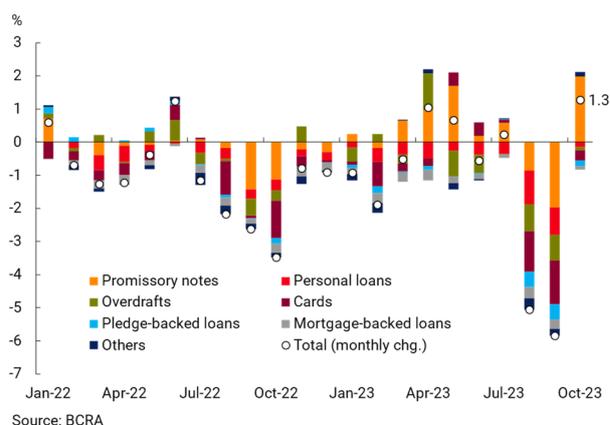
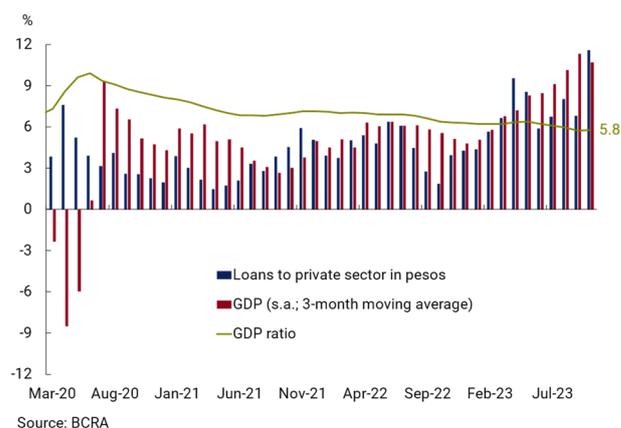


Chart 5.2 | Loans to Private Sector in Pesos
In terms of GDP



Business credit lines recovered in the month, posting a 4.4% s.a. monthly growth in real terms, though they stood 1.1% below the record observed a year ago. As regards instruments, loans granted through promissory notes improved 6.5% s.a. at constant prices in October, up 9.8% against the level recorded a year ago. Within these credit lines, unsecured promissory notes—which are longer average term notes—increased 4.7% s.a. In turn, discounted notes grew by 9.5% s.a. in October. In turn, overdrafts exhibited a contraction of 0.9% s.a. at constant prices, down 16.3% vis-à-vis October 2022.

Loans to micro-, small-, and medium-sized enterprises (MSMEs) were still mainly granted through the Credit Line for Productive Investment (*Línea de Financiamiento para la Inversión Productiva, LFIP*). At the end of October, the loans granted under the LFIP accrued disbursements for ARS8,709 billion from its implementation, up 9.9% vis-à-vis September (see Chart 5.3). Out of the total financings granted through the LFIP, 14.8% was channeled to investment projects and the rest, to working capital. The average stock of loans granted through the LFIP reached around ARS2,000 billion in September (latest available data), accounting for nearly 17.1% of total loans and 37.2% of total business loans.

Indeed, the analysis of business loans by type of debtor shows that lending to MSMEs stood at around 1.4% of GDP, slightly beyond the record observed before the pandemic and also above its historic average. As regards big companies, the ratio of credit in terms of GDP stood at about 1.3%, exhibiting a rise when compared to the previous months (see Chart 5.4).

Chart 5.3 | Financing Granted through the LFIP
Cumulative disbursements as to end-of-month

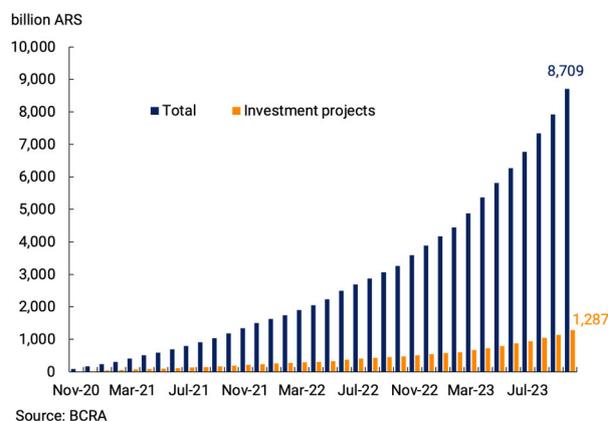
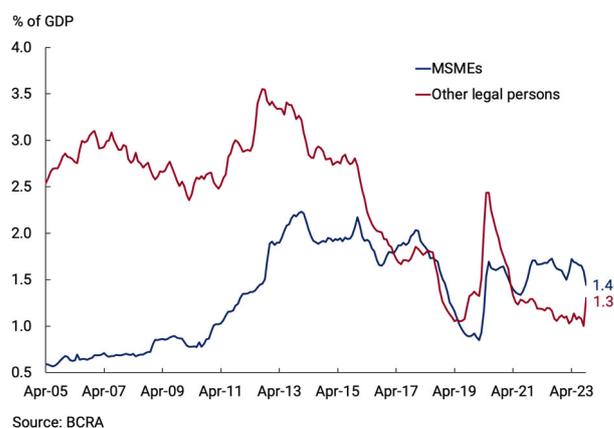


Chart 5.4 | Business Loans by Type of Debtor
As % of GDP



In turn, loans to consumption decreased 1% s.a. at constant prices in October, falling 17.8% over the past year. In October, financings on credit cards posted a decline of 1% s.a. in real terms, whereas personal loans fell by 1.1% s.a. In year-on-year terms, these loans recorded changes of -11.6% and -28.7% at constant prices, respectively.

With respect to secured credit lines in real terms, pledge-backed loans contracted 2.4% s.a., that is, 22.2% y.o.y. The stock of mortgage-backed loans also recorded a monthly fall of 2.7% s.a. (-43.5% y.o.y.).

6. Financial Institutions' Liquidity in Pesos

In October, broad liquidity in domestic currency⁵ decreased 2.5 p.p. vis-à-vis September, averaging 83.4% of deposits (see Charts 6.1 and 6.2). Nevertheless, it stood at historically high levels. The fall was explained by the reduction of BCRA's remunerated liabilities and sovereign bonds allocated to meet minimum cash requirements.

As regards the components of remunerated liabilities, the share of overnight reverse repos in total instruments increased to reach 34% of the total. On the contrary, **28-day LELIQs averaged 61% of the total, reducing their relative share vis-à-vis September.** LEDIVs and LEGARs, which are bills issued by the BCRA, increased their share against September, averaging 4% of total remunerated liabilities. The other components were longer-term instruments, exclusively NOTALIQs, which accounted for only 0.1% of the stock in October.

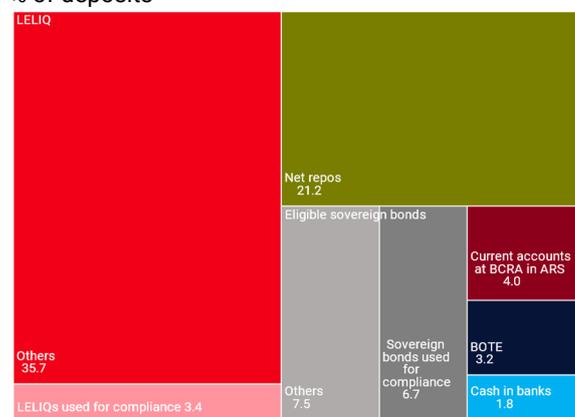
⁵ It includes current accounts with the BCRA, cash holdings in banks, arranged net repo stocks with the BCRA, holdings of LELIQs and NOTALIQs, and holdings of sovereign bonds eligible to comply with the minimum reserve requirements.

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

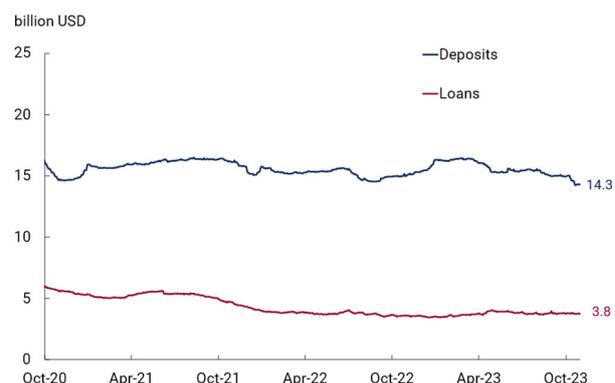


Note: The distribution of sovereign bonds used for compliance and others is computed assuming that the latest data available in the Reporting System on Minimum Cash Requirements is constant. Source: BCRA

7. Foreign Currency

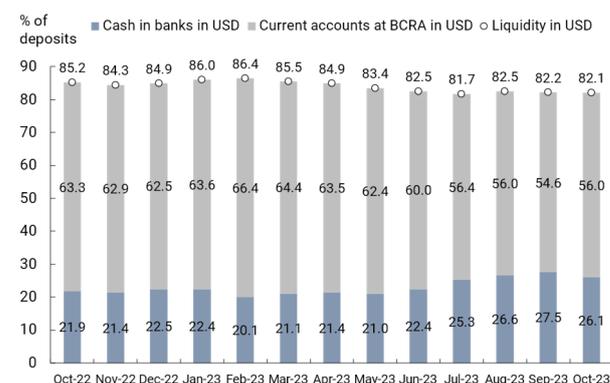
Regarding foreign currency, **financial institutions' main assets and liabilities posted a dissimilar performance**. On the one hand, deposits from the private sector fell USD623 million in October and ended the month with a stock of USD14.3 billion. This fall was mostly recorded in natural persons' deposits. On the other hand, the stock of loans to the private sector remained practically unchanged, reaching USD3.75 billion at the end of October (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

Financial institutions' liquidity in the foreign currency segment stood at 82.1% of deposits, 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).

In October, the BCRA made some regulatory changes on the foreign exchange regarding access to the forex market. As a result, SMEs that import supplies and capital goods for their productive activities proved

to be favored, among other changes.^{6 7} With a view to increasing the supply of foreign currency, by the end of October, **the BCRA established the requirement of transferring and settling in the Free and Single Foreign Exchange Market (*Mercado Único y Libre de Cambios, MULC*) foreign currency** from the proceeds of exports of goods and services rendered to non-residents, as well as advances, pre-financings, and post-financings from abroad **for 70% of the amount in foreign currency. The remaining 30% must be used to make transactions involving the purchase and sale of marketable securities purchased in foreign currency and sold in domestic currency. This regulation will be effective until November 17, 2023.**⁸ The BCRA adopted regulations supplementary to these Executive Orders.⁹ One of them established that the resulting funds in pesos may be credited in an account whose return will be determined on the basis of the exchange rate or else be used to underwrite bills payable in pesos at the benchmark exchange rate.¹⁰

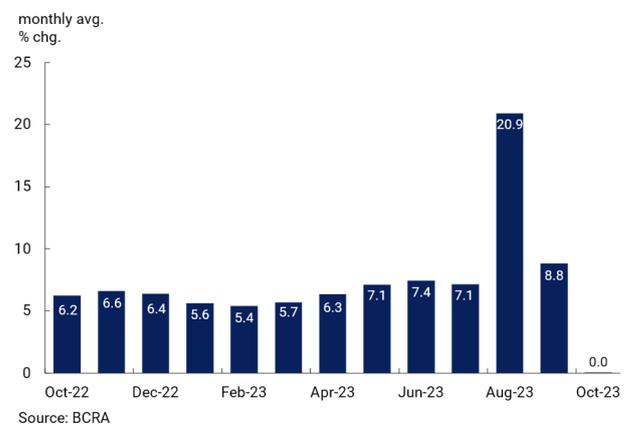
At the end of October, the BCRA's international reserves reached USD22.56 billion, down USD4.37 billion against the end of September. The repayment of principal to the International Monetary Fund (IMF) which fell due on the last day of October had a bearing on such fall. In particular, the amount repaid reached USD2.6 billion. The fall was also explained by the changes in minimum cash stocks and the sales of foreign currency to the private sector, which reversed by the end of October (see Chart 7.3).

Finally, the BCRA decided to keep unchanged the ARS/USD nominal exchange rate (NER) at ARS350/USD1 in October, after adjusting it by mid-August (see Chart 7.4).

Chart 7.3 | Stock of International Reserves



Chart 7.4 | ARS/USD Nominal Exchange Rate



6 Communication "A" 7874.

7 Communications "A" 7864 and 7866 were also adopted in such period.

8 Executive Order No. 549/2023 by the Executive Power.

9 Communications "A" 7853, "A" 7854, "A" 7867 and "A" 7868.

10 Communication "A" 7873.

8. Regulatory Overview

Date of Issue	Regulation	Description
Oct-2-23	<u>Comm. "A" 7853</u>	<p>As regards exports of goods that fall within the "Export increase program" (<i>Programa de Incremento Exportador, PIE</i>) arranged after September 30, 2023, the requirement of transferring and settling foreign currency from proceeds of exports of goods in the forex market will be considered fulfilled, provided that the client settles at least 75% of the invoiced amount according to the sale terms and conditions agreed upon, and uses the remaining amount to make transactions involving the purchase and sale of marketable securities acquired in foreign currency and sold in domestic currency. If funds are used to finance exports of goods that fall within this Program, the obligation of transferring and settling advances, pre-financings, and post-financings from abroad in the forex market will be considered fulfilled when at least 75% of the amount charged or disbursed abroad is settled, and when the exporter makes the aforementioned purchase and sale transactions for the remaining amount.</p> <p>Provided that this is fulfilled, the foreign currency from the proceeds of exports of goods will also be accepted to settle all maturities of principal and interest on advances, on pre-financings, and on post-financings from abroad for the unsettled amount of transactions aimed at financing exports of goods included in the extension of the program.</p>
Oct-3-23	<u>Comm. "A" 7854</u>	<p>Agricultural producers residing in Argentina that sell commodities (Chapter I of Executive Order N° 492/2023) to a purchaser exporting either directly or as a result of a productive process carried out in Argentina must deposit the net proceeds in pesos from sales and all other settlements of foreign currency in "Special accounts for holders involved in agricultural activities and others" and in "Special accounts for exporters."</p>
Oct-12-23	<u>Comm. "A" 7862</u>	<p>Effective as from October 17, 2023, the BCRA raised the minimum interest rates on natural persons' time deposits. The new floor for deposits not exceeding ARS30 million is 133% APR and for all other time deposits, 126% APR. In line with this measure, the fixed interest rate on deposits with an early-payment option was set at 122.8% APR. However, this interest rate reached 125.02% APR for deposits of at least 180-day contractual terms, actually held in the accounts for at least 120 days.</p> <p>Also, the interest rates on financings under the LFIP were increased to 112% APR for investment projects; and to 124% APR for financing working capital and discount of deferred payment checks, among other promissory notes.</p> <p>Last, the maximum compensatory interest that financial institutions may charge for financings on credit cards held by natural persons will be raised to 122% APR as from the invoicing cycle of November 2023, provided that the amount financed does not exceed ARS200,000 per credit card account.</p>
Oct-12-23	<u>Comm. "A" 7863</u>	<p>From October 13, 2023, to October 31, 2023, financial institutions will not be allowed to increase their daily cash position in foreign currency, as set forth in the regulations on "Foreign Currency Net Global Position," considering the level they recorded as of the end of the day preceding that in which the current regulation becomes effective. They will be exempted from this provision with the prior consent of the BCRA. Moreover, financial institutions may totally or partially cover their daily cash position, until reaching zero, with Central Bank Bills in pesos payable at the benchmark exchange rate as stated in Communication "A" 3500 (LEDIV), which can be calculated in such position, and/or national sovereign bonds in foreign currency or sovereign bonds linked to the evolution of such currency.</p>

<p>Oct-12-23</p>	<p><u>Comm. "A"</u> <u>7864</u></p>	<p>Financial institutions must require their clients an Argentine Imports System and Foreign Service Payments (<i>Sistema de Importaciones de la República Argentina y Pagos de Servicios al Exterior</i>, SIRASE) affidavit recorded as "APPROVED" in order to provide them with access to the forex market for the payment of services rendered by non-residents to: i) the public sector; ii) all corporate organizations, including all corporate structures, with majority share National State ownership or decision-making power in company operations; or iii) trusts made up with public sector's investments.</p> <p>Also, an Argentine Imports System (<i>Sistema de Importaciones de la República Argentina</i>, SIRA) affidavit recorded as "OUT" with a term of zero (0) calendar days is required to access the forex market for the payments of imports of goods for transactions related to a SIRA affidavit before the period stated therein. This is applicable provided that the transaction is validated in the "Foreign trade unique current account" (<i>Cuenta Corriente Única de Comercio Exterior</i>) computer system implemented by the Federal Administration of Public Revenue (<i>Administración Federal de Ingresos Públicos</i>, AFIP), the remaining regulatory requirements are met, and the payment agrees with the details in Communication "A" 7622.</p>
<p>Oct-24-23</p>	<p><u>Comm. "A"</u> <u>7867</u></p>	<p>To supplement Executive Order No. 549/2023, the requirement of transferring and settling foreign currency from proceeds of exports of goods and services rendered to non-residents in the forex market will be considered fulfilled, provided that the client has settled in the forex market at least the invoiced amount percentage stated in the sale terms and conditions agreed upon, as provided for in Section 1, and has used the remaining amount to purchase and sale marketable securities acquired in foreign currency and sold in domestic currency. Also, when funds are used to finance exports of goods that fall within the Executive Order, the obligation of transferring and settling advances, pre-financings, and post-financings from abroad in the forex market will be considered fulfilled when settlement has been performed as mentioned before.</p>
<p>Oct-24-23</p>	<p><u>Comm. "A"</u> <u>7868</u></p>	<p>The "Special accounts for exporters" must be used for the settlement of foreign currency arranged as under Executive Order No. 549/2023.</p>
<p>Oct-26-23</p>	<p><u>Comm. "A"</u> <u>7872</u></p>	<p>The provisions included in Communication "A" 7863 have been extended until November 30, 2023.</p>
<p>Oct-26-23</p>	<p><u>Comm. "A"</u> <u>7873</u></p>	<p>Regarding funds in pesos resulting from the settlement of foreign currency between October 27, 2023, and November 17, 2023, as stated in Communication "A" 7867, clients may choose to: i) credit funds in a special account whose return will be payable on the basis of the benchmark exchange rate under Communication "A" 3500; or ii) underwrite "Central Bank Bills in US dollars payable in pesos at the benchmark exchange rate as set forth in Communication "A" 3500 (LEDIV).</p>
<p>Oct-26-23</p>	<p><u>Comm. "A"</u> <u>7874</u></p>	<p>MSMEs importing goods may credit funds in a special account whose return will be payable on the basis of the benchmark exchange rate under BCRA's Communication "A" 3500 for up to the amount in pesos not exceeding: 1) the outstanding invoiced amount of the purchase of foreign currency for imports of goods with customs registration between January 1, 2023, and October 26, 2023, under the importer's name as recorded in the monitoring system for the payment of imports of goods (<i>Sistema de Seguimiento de Pagos de Importaciones</i>, SEPAIMPO); and 2) the outstanding amount of foreign currency for financings on imports of goods that apply for the collection of exports of goods (Communication "A" 7770, as supplemented), originally dated no later than October 26, 2023. Where a purchaser acquires goods from abroad and sells them locally to a third party that conducts the customs registration of the imported goods, the outstanding amount on imports may be recorded in the name of the person who actually purchased the goods from abroad, inasmuch as such situation has been reported to the BCRA.</p>

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 Oct-23						% of GDP	
	Oct-23	Sep-23	Aug-23	Dec-22	Oct-22	Monthly		Accrued in 2023		Year-on-year		Oct-23	Dec-22
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
Monetary Base	7,202,528	6,532,999	6,422,707	4,781,929	4,225,141	10.2%	1.3%	50.6%	-32.1%	70.5%	-32.6%	3.2%	4.5%
Currency in circulation	5,782,596	5,267,570	5,188,683	3,767,917	3,240,179	9.8%	1.7%	53.5%	-31.0%	78.5%	-29.4%	2.6%	3.6%
Cash held by the public	5,128,222	4,736,874	4,634,410	3,361,661	2,911,814	8.3%	0.6%	52.6%	-31.2%	76.1%	-30.3%	2.3%	3.2%
Cash in financial institutions	654,374	530,696	554,273	406,256	328,365	23.3%	11.9%	61.1%	-29.8%	99.3%	-21.2%	0.3%	0.4%
Current accounts at BCRA	1,419,933	1,265,429	1,234,023	1,014,012	984,962	12.2%	1.9%	40.0%	-38.9%	44.2%	-43.0%	0.6%	1.0%
BCRA's remunerated liabilities (NV ARS)	22,969,458	21,346,130	19,479,195	10,076,065	8,779,240	7.6%	-2.3%	128.0%	-0.6%	161.6%	3.5%	10.0%	9.7%
Reverse repos	7,893,728	5,778,101	5,148,609	2,004,090	1,428,092	36.6%	24.0%	293.9%	71.8%	452.7%	118.6%	3.4%	1.9%
Stock of LELIQs	14,040,287	14,772,232	13,310,271	6,831,822	6,035,569	-5.0%	-13.7%	105.5%	-10.4%	132.6%	-8.0%	6.1%	6.6%
Stock of 28-day LELIQs	14,040,287	14,772,232	13,288,889	6,820,934	6,031,014	-5.0%	-13.7%	105.8%	-10.2%	132.8%	-7.9%	6.1%	6.6%
Stock of 180-day LELIQs	0	0	21,382	10,888	4,555	-	-	-100.0%	-100.0%	-100.0%	-100.0%	0.0%	0.0%
Stock of NOTALIQs	30,006	37,283	116,691	1,110,688	1,189,838	-19.5%	-26.9%	-98.8%	-97.3%	-97.5%	-99.0%	0.0%	1.1%
Stock of LEDIVs	900,127	676,680	821,470	76,058	80,156	33.0%	20.7%	1083.5%	416.1%	1023.0%	344.2%	0.4%	0.1%
Stock of LEGARs	105,310	81,834	82,154	53,408	45,584	28.7%	16.8%	97.2%	-14.0%	131.0%	-8.6%	0.0%	0.1%
BCRA's international reserves in dollars	25,265	27,490	25,132	40,650	38,710	-8.1%	-	-37.8%	-	-34.7%	-	3.9%	6.8%

Monthly average explanatory factors	Monthly		Quarterly		Accrued in 2023		Year-on-year	
	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution
Monetary Base	669,529	10.2%	1,073,612	17.5%	2,420,599	50.6%	2,977,388	70.5%
Foreign exchange purchases to private sector and others	-108,563	-1.7%	661,324	10.8%	529,885	11.1%	611,812	14.5%
Foreign exchange purchase to the NT	0	0.0%	-160,191	-2.6%	-1,572,872	-32.9%	-1,432,390	-33.9%
Temporary advances and profit transfers to National Government	0	0.0%	-99,032	-1.6%	1,698,000	35.5%	1,698,000	40.2%
Other public sector operations	12,956	0.2%	-379,695	-6.2%	-366,989	-7.7%	-214,010	-5.1%
Monetary policy instruments	541,792	8.3%	-417,777	-6.8%	-563,843	-11.8%	-793,950	-18.8%
Others	223,344	3.4%	1,468,983	24.0%	2,696,418	56.4%	3,107,925	73.6%
BCRA's International Reserves	-2,225	-8.1%	-876	-3.3%	-15,386	-37.8%	-13,445	-34.7%
Purchases of foreign currency	-293	-1.1%	1,576	6.0%	-962	-2.4%	-1,222	-3.2%
International organizations ⁵	-513	-1.9%	2,306	8.8%	-3,265	-8.0%	-2,172	-5.6%
Other public-sector transactions	-294	-1.1%	1,520	5.8%	-1,589	-3.9%	-1,815	-4.7%
Minimum cash requirements	71	0.3%	-643	-2.5%	-2,348	-5.8%	-1,698	-4.4%
Others (incl. forex valuation)	-1,196	-4.4%	-5,634	-21.6%	-7,221	-17.8%	-6,537	-16.9%

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	Oct-23	Sep-23	Aug-23
Domestic currency	% of total deposits in pesos		
Net requirement of deductions	17.1	17.0	17.3
Compliance in current accounts	3.9	3.8	4.0
Compliance in LELIQs	30.2	31.2	31.1
Compliance in BOTE 2027	3.2	3.3	3.6
Compliance in sovereign bonds/other	14.1	16.1	15.3
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)	56.5	54.6	56.0
Position ⁽¹⁾	32.5	30.6	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 Oct-23						% of GDP ⁴	
	Oct-23	Sep-23	Aug-23	Dec-22	Oct-22	Monthly		Accrued in 2023		Year-on-year		Oct-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	35,659,366	33,382,883	31,003,576	18,248,093	16,223,378	6.8%	-2.7%	95.4%	-13.9%	119.8%	-13.1%	15.6%	17.5%
<i>Private sector deposits</i>	29,050,075	27,288,011	25,561,224	15,170,433	13,081,530	6.5%	-3.0%	91.5%	-15.5%	122.1%	-12.2%	12.8%	14.6%
Private Sector Sight Deposits	15,289,255	13,026,307	11,948,376	7,305,127	6,014,173	17.4%	6.6%	109.3%	-2.1%	154.2%	0.6%	6.8%	6.7%
Non-interest bearing (transactional)	9,874,516	8,599,984	8,006,659	5,375,544	4,394,906	14.8%	4.3%	83.7%	-11.6%	124.7%	-11.1%	4.4%	4.8%
Interest-bearing	5,414,739	4,426,323	3,941,717	1,929,583	1,619,267	22.3%	11.0%	180.6%	22.4%	234.4%	32.3%	2.4%	1.9%
Sight deposits adjusted by NER	476	433	553	132	116	10.1%	0.5%	260.5%	50.7%	311.3%	62.7%	0.0%	
Private Sector Time Deposits and Others	13,760,820	14,261,704	13,612,848	7,865,306	7,067,357	-3.5%	-11.9%	75.0%	-26.8%	94.7%	-23.0%	6.0%	7.9%
Time Deposits	13,347,837	13,923,147	13,229,706	7,642,488	6,868,955	-4.1%	-12.5%	74.7%	-27.0%	94.3%	-23.1%	5.8%	7.7%
CER/UVA/exchange rate-non-adjustable	13,018,422	13,593,980	12,950,707	7,241,212	6,451,197	-4.2%	-12.6%	79.8%	-24.9%	101.8%	-20.2%	5.7%	7.3%
CER / UVA-adjustable	262,173	268,724	280,903	359,936	374,995	-2.4%	-11.0%	-27.2%	-69.6%	-30.1%	-72.3%	0.1%	0.4%
Traditional	126,818	130,398	132,989	156,519	179,989	-2.7%	-11.2%	-19.0%	-66.1%	-29.5%	-72.1%	0.1%	0.2%
Early-payment	135,355	138,326	147,914	203,417	195,006	-2.1%	-10.7%	-33.5%	-72.2%	-30.6%	-72.5%	0.1%	0.2%
DIVA	67,243	60,444	59,096	41,340	42,763	11.2%	1.5%	62.7%	-32.0%	57.2%	-37.8%	0.0%	0.0%
Other deposits	412,982	338,557	322,142	222,818	198,402	22.0%	10.7%	85.3%	-19.2%	108.2%	-17.7%	0.2%	0.2%
Public sector deposits²	6,609,291	6,094,872	5,442,352	3,077,661	3,141,848	8.4%	-1.6%	114.8%	-6.3%	110.4%	-16.8%	2.9%	3.0%
Monetary Aggregates													
Total M2	23,101,215	19,991,550	18,587,020	11,869,258	10,171,098	15.6%	5.4%	94.6%	-10.4%	127.1%	-10.2%	10.2%	11.0%
Total M3	41,084,591	38,340,135	35,823,799	21,738,608	19,251,147	7.2%	-2.4%	89.0%	-15.5%	113.4%	-15.6%	18.0%	20.6%
Private sector monetary aggregates													
Private M2	20,417,478	17,763,180	16,582,786	10,666,788	8,925,987	14.9%	4.4%	91.4%	-12.2%	128.7%	-9.5%	9.0%	9.9%
Transactional private M2 ³	15,002,738	13,336,857	12,641,069	8,737,205	7,306,720	12.5%	3.0%	71.7%	-19.4%	105.3%	-18.8%	6.7%	8.0%
Private M3	34,178,297	32,024,884	30,195,634	18,532,094	15,993,344	6.7%	-2.1%	84.4%	-17.9%	113.7%	-15.5%	15.1%	17.7%
Total loans to the non-financial sector in pesos	13,461,699	11,882,507	11,103,914	6,765,413	6,090,970	13.3%	1.2%	99.0%	-11.2%	121.0%	-12.6%	5.8%	6.3%
Loans to the non-financial private sector	13,305,086	11,734,416	10,978,149	6,694,117	6,023,327	13.4%	1.3%	98.8%	-11.2%	120.9%	-12.6%	5.8%	6.3%
Overdrafts	1,398,474	1,239,754	1,224,400	775,219	661,049	12.8%	-0.9%	80.4%	-19.7%	111.6%	-16.3%	0.6%	0.7%
Promissory notes	4,298,200	3,610,312	3,366,052	1,708,519	1,547,723	19.1%	6.5%	151.6%	12.3%	177.7%	9.8%	1.8%	1.6%
Mortgage-backed loans	520,963	483,639	458,181	371,698	364,913	7.7%	-2.7%	40.2%	-38.8%	42.8%	-43.5%	0.2%	0.4%
Pledge-backed loans	830,865	771,137	725,165	458,904	422,240	7.7%	-2.4%	81.1%	-21.2%	96.8%	-22.2%	0.4%	0.4%
Personal loans	1,751,722	1,594,050	1,496,354	1,050,186	971,301	9.9%	-1.1%	66.8%	-26.7%	80.3%	-28.7%	0.8%	1.0%
Credit cards	3,905,461	3,509,534	3,221,990	1,999,883	1,747,331	11.3%	-1.0%	95.3%	-10.6%	123.5%	-11.6%	1.7%	1.8%
Others	599,401	525,989	486,007	329,708	308,770	14.0%	3.0%	81.8%	-19.1%	94.1%	-23.2%	0.3%	0.3%
Loans to the non-financial public sector	156,613	148,091	125,765	71,296	67,643	5.8%	-4.0%	119.7%	-4.2%	131.5%	-8.4%	0.1%	0.1%
Foreign currency¹													
Deposits from the non-financial sector in dollars	16,817	17,110	17,576	18,785	17,524	-1.7%	-	-10.5%	-	-4.0%	-	2.6%	3.2%
Deposits from the non-financial private sector in dollars	14,598	14,992	15,231	15,686	14,982	-2.6%	-	-6.9%	-	-2.6%	-	2.2%	2.6%
sight deposits	11,481	11,705	11,877	11,937	11,254	-1.9%	-	-3.8%	-	2.0%	-	1.8%	2.0%
time deposits and others	3,117	3,287	3,353	3,749	3,728	-5.2%	-	-16.8%	-	-16.4%	-	0.5%	0.6%
Deposits from the non-financial public sector in dollars	2,219	2,118	2,346	3,100	2,542	4.8%	-	-28.4%	-	-12.7%	-	0.4%	0.6%
Loans to the non-financial sector in dollars	3,967	3,972	3,937	3,645	3,696	-0.1%	-	8.8%	-	7.3%	-	0.6%	0.6%
Loans to the non-financial private sector in dollars	3,763	3,774	3,743	3,491	3,586	-0.3%	-	7.8%	-	4.9%	-	0.6%	0.6%
Promissory notes	2,477	2,535	2,561	2,273	2,296	-2.3%	-	9.0%	-	7.9%	-	0.4%	0.4%
Credit cards	248	224	225	179	249	10.7%	-	38.5%	-	-0.6%	-	0.0%	0.0%
Others	1,038	1,015	957	1,039	1,040	2.2%	-	-0.1%	-	-0.2%	-	0.2%	0.2%
Loans to the non-financial public sector in dollars	204	198	195	153	111	2.6%	-	32.7%	-	84.3%	-	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	Oct-23	EAR Oct-23	Sep-23	Aug-23	Dec-22	Oct-22
BCRA repo interest rates						
Overnight reverse repo	118.26	225.66	111.00	102.61	70.00	70.00
Overnight reverse repo (MF)	100.52	170.64	94.35	87.22	52.50	52.50
Overnight repo	149.68	345.36	140.00	129.94	95.00	95.00
28-day LELIQ interest rate	125.26	230.69	118.00	109.19	75.00	75.00
180-day LELIQ interest rate	127.76	169.33	120.50	114.21	83.50	83.50
Interbank market interest rates	Oct-23	EAR Oct-23	Sep-23	Aug-23	Dec-22	Oct-22
Repo rates among third parties on overnight REPO round	99.36	169.72	90.47	87.77	66.63	71.09
Volume of repos traded among third parties (daily average)	21,102		26,958	13,054	7,500	19,455
Calls in pesos (overnight)						
Interest rate	111.63	204.83	105.68	97.57	67.38	66.10
Traded amount	23,413		20,650	20,813	22,471	30,297
Borrowing interest rates	Oct-23	EAR Oct-23	Sep-23	Aug-23	Dec-22	Oct-22
Sight deposits						
Interest-bearing	96.97	154.20	93.31	86.13	57.46	55.16
Time deposits						
Natural persons up to ARS1 million (30-35 days)	125.73	230.86	117.55	107.06	74.67	74.65
Total TM20 (more than ARS20 million, 30-35 days)	119.97	213.99	109.92	102.02	65.91	65.81
Private banks' TM20 (more than ARS20 million, 30-35 days)	119.72	213.27	110.90	102.72	66.48	66.48
Total BADLAR (more than ARS1 million, 30-35 days)	121.68	218.91	112.43	103.72	68.58	68.38
Private banks' BADLAR (more than ARS1 million, 30-35 days)	122.57	221.49	113.84	104.59	69.45	69.19
Interest rate on UVA deposits' early-payment option	115.64	201.83	108.93	101.19	71.00	71.00
Lending interest rates	Oct-23	EAR Oct-23	Sep-23	Aug-23	Dec-22	Oct-22
Loans to the non-financial private sector in pesos						
Overdrafts	125.30	249.34	117.01	104.70	75.64	72.69
1 to 7 days—in accordance with companies—more than ARS10 million	121.64	232.82	113.52	102.06	73.27	72.37
Unsecured promissory notes	110.44	187.81	104.70	92.78	61.64	61.13
Mortgage-backed loans	95.27	150.24	90.43	78.57	62.71	60.85
Pledge-backed loans	78.31	113.59	78.82	69.74	51.52	53.71
Personal loans	115.47	201.35	97.64	109.05	81.26	82.96
Credit cards	95.74	151.33	92.40	88.67	77.10	68.79
Interest rate in foreign currency	Oct-23	EAR Oct-23	Sep-23	Aug-23	Dec-22	Oct-22
Time deposits in dollars (30 to 44 days)	0.33	0.33	0.33	0.32	0.32	0.34
Unsecured promissory notes in dollars	5.85	6.01	6.94	4.75	5.44	4.57
Exchange rate	Oct-23	Monthly chg. (%)	Sep-23	Aug-23	Dec-22	Oct-22
NER peso/dollar						
Wholesale rate (Comm. "A" 3500)	350.02	0.01	350.00	321.62	172.45	152.05
Retail rate ¹	357.78	0.15	357.25	328.13	175.20	154.64
NER peso/real	69.18	-2.36	70.85	65.58	32.92	28.93
NER peso/euro	369.82	-1.04	373.72	350.66	182.58	149.64
ITCNM	2,282.87	-1.39	2,315.10	2,150.04	1,116.28	958.13
ITCRM	89.42	-12.15	101.78	106.01	93.21	88.25

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 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

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

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