

Monthly Monetary Report

July 2017



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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The closing date for statistics in this report was August 4, 2017. All figures are provisional and subject to review.

1. Summary¹

- The nationwide Consumer Price Index (CPI) was published for the first time in July by the National Institute of Statistics and Census (INDEC). As announced last year, it became the benchmark index for the Central Bank. The general level of the CPI rose to 1.2% in June, while core inflation stood at 1.3%. These figures show that the economy is heading back to disinflation. June's core inflation was below the rate observed in previous months, but this should be considered with caution, as it is still above the levels sought by the Central Bank. In this sense, high-frequency data from private and public sources monitored by the Central Bank suggest that July's inflation might have been higher than June's figure.
- In this scenario, the Central Bank has decided to leave its monetary policy rate unchanged, the center of the 7-day repo corridor standing at 26.25%. The 7-day corridor thus ran between 25.5% for reverse repos and 27% for repos.
- Like in the last months since early March, the Central Bank continued on the track absorbing liquidity in July by way of open market transactions. It sold LEBAC bills on the secondary market for a total of NV \$148.2 billion, offsetting the monetary expansion derived from the partial renewal of LEBAC bills that matured in that month.
- Most interest rates of the money market posted slight increases. Rates in interbank loan markets and deposit rates grew less than 0.5 p.p., whereas lending rates showed a more heterogeneous performance.
- Seasonally adjusted loans to the private sector (both in domestic/foreign currency, and in domestic currency only) increased in real terms. Considering total financing in both currencies, the growth of commercial loans stood out. These loans accelerated even without including July's variation in the exchange rate. In the segment in pesos, pledge-backed loans exhibited an upward trend (rising 64% y.o.y.) and mortgage loans continued to be boosted by credit lines based on units of purchasing power (*UVA* in Spanish), which concentrated 80% of financing to households. 14 billion pesos have been granted in *UVA*-adjusted mortgage loans so far.
- The nominal growth of monetary aggregates was mostly driven by the seasonal increase in the demand for money associated with the payment of the semi-annual bonus and winter vacations. Thus, the 6.5% nominal increase in private M2 falls to 0.8% if the stock is taken in real terms and adjusted for seasonality. In turn, private-sector time deposits posted a decrease in real terms, but performed differently depending on the amount segment: deposits under \$1 million grew, while deposits of \$1 million and more fell.
- The increase in loans surpassed the rise in deposits. Consequently, financial institutions' broad liquidity (the sum of cash in banks, current account of banks with the Central Bank, net repo transactions with the BCRA and the holding of LEBAC bills, as a percentage of deposits in pesos) went down 1.9 p.p. to 42.7%.

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

2. Interest Rates²

Monetary Policy Interest Rate

The nationwide Consumer Price Index (CPI) was published for the first time in July by the INDEC. The Central Bank announced—on the occasion of the launching of Inflation Targets Regime—that it would use the INDEC price index with the widest geographic coverage for assessing the achievement of the targets. The CPI thus became the benchmark index for the BCRA. The inflation rate for the first five months of the year as measured by the CPI of the Greater Buenos Aires coincides with that calculated based on the nationwide CPI. The general level of the CPI rose to 1.2% in June, while core inflation stood at 1.3%.

In turn, retail price indexes in different locations – City of Buenos Aires, Cordoba and San Luis – exhibited the lowest monthly rise in 2017 so far (see Chart 2.1).

June's core inflation was below the rate observed in previous months, but this should be considered with caution, as it is still above the levels sought by the Central Bank. Moreover, high-frequency data from private and public sources being monitored by the Central Bank suggest that July's inflation might have been higher than June's figure.

Therefore, the Central Bank has decided to leave its monetary policy rate unchanged, the center of the 7-day repo corridor standing at 26.25%. Thus, 7-day reverse repos continued being offered at 25.5%, and repos, at 27%.

In July, the Central Bank continued conducting open market transactions to manage liquidity conditions in the money market. It thus sold LEBAC bills on the secondary market for a total of NV \$148.2 billion—almost 40% up against June,—which virtually offset the expansion derived from the auction held in the primary market and net repos conducted in the month. The LEBAC bills sold mainly mature on the third Wednesday of July (31%) and of August (31%). LEBAC bills with a maturity over 30 days accounted for 58% of the total, a level similar to that of June. In particular, LEBAC bills with a residual term between 30 and 90 days recorded a greater share (see Chart 2.2).

Chart 2.1

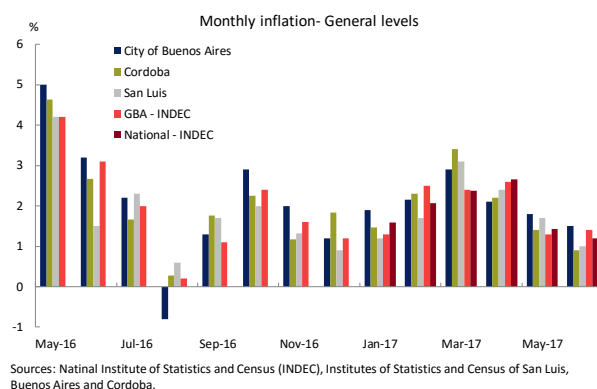


Chart 2.2

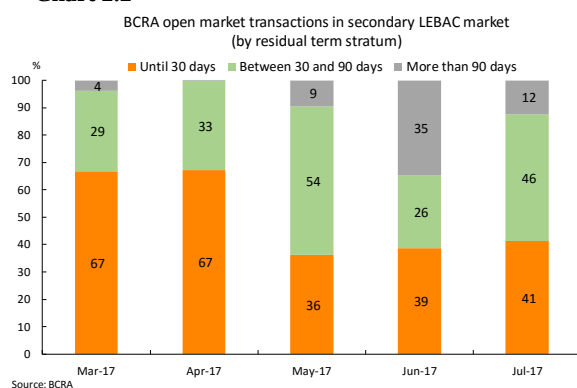
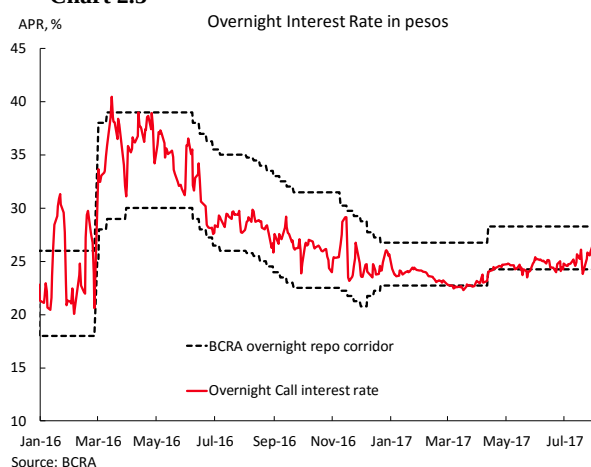


Chart 2.3



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

Chart 2.4

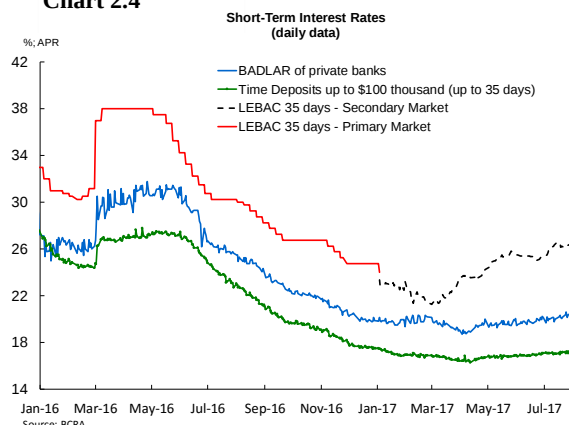


Chart 2.5

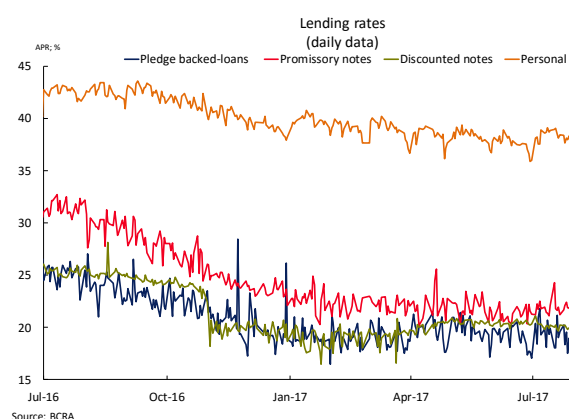
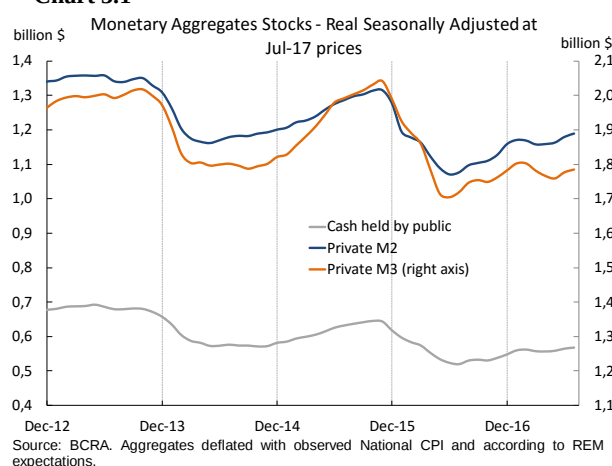


Chart 3.1



Market Interest Rate

For most of the month, interest rates on shorter term instruments remained close to the lowest limit of the interest rate corridor set by the Central Bank in the repo market, showing a monthly average rise vis-à-vis June, though. In the call money markets, the interest rate on overnight call transactions averaged 25.1%, up 0.4 p.p. against June (see Chart 2.3). Likewise, the average interest rate on overnight call transactions in the secured market (REPO round) stood at 25.5%, up 0.5 p.p. The daily average volume traded in both markets rose \$2.2 billion, totaling around \$11 billion.

Similarly, interest rates on current account overdrafts granted to companies for over \$10 million and up to 7 days averaged 26.3%, up 0.6 p.p. in July.

In turn, interest rates paid by banks to raise time deposits showed limited growth when compared to June. The BADLAR rate at private banks—interest rate on time deposits of \$1 million and more, and at 30 to 35 days—averaged 20.1%, going up 0.4 p.p. in the month. Additionally, the interest rate paid on time deposits of up to \$100,000 and at up to 35 days stood at 17.1% on average, posting a 0.2 p.p. increase (see Chart 2.4).

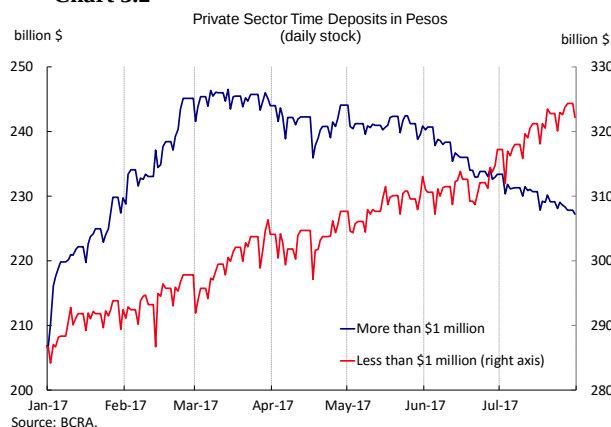
Several lending rates, on their part, increased mainly as a result of a change in the share of those institutions charging the higher rates in the monthly average rate. In general, this was due to the fact that institutions with lower interest rates granted credit lines for lower amounts. Pledge-backed loan rates averaged 19.2%, increasing 0.4 p.p., while personal loans averaged 38.3%, up 0.7 p.p. against June. Moreover, interest rates on business credit lines posted a heterogeneous performance. Rates in terms of unsecured promissory notes averaged 21.9%, showing a monthly average increase of 0.6 p.p. This credit line was affected by a lower weight of the Financing Line for Production and Financial Inclusion (LFPIF) as compared to June, the deadline for complying with the target for the first half of 2017. In turn, the interest rate on discounted documents averaged 20.1%, down 0.2 p.p. against June (see Chart 2.5).

3. Monetary Aggregates¹

In July, based on the seasonally adjusted stock in real terms, private M2³ increased 0.8%, while private sector

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

Chart 3.2

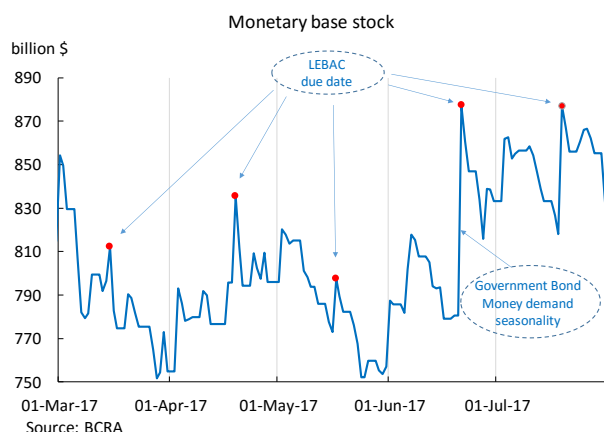


time deposits in pesos dropped. As a result, private M3 remained almost unchanged against June (see Chart 3.1).

As a consequence of the seasonal increase in the demand for money associated with winter holidays and the payment of the semi-annual complementary wage, the nominal growth of monetary aggregates from the private sector easily exceeded seasonal adjustments. In particular, private M2 increased 6.5% in nominal terms, with hikes in the cash held by the public and in sight deposits. The latter concentrated the growth exhibited in private sector deposits, time deposits recording a nominal increase of 0.4%.

In turn, while time deposits (under \$1 million) kept on going up, the wholesale sector continued following a downward trend (see Chart 3.2) in a period when the spread between LEBAC interest rates and those of time deposits remained positive.

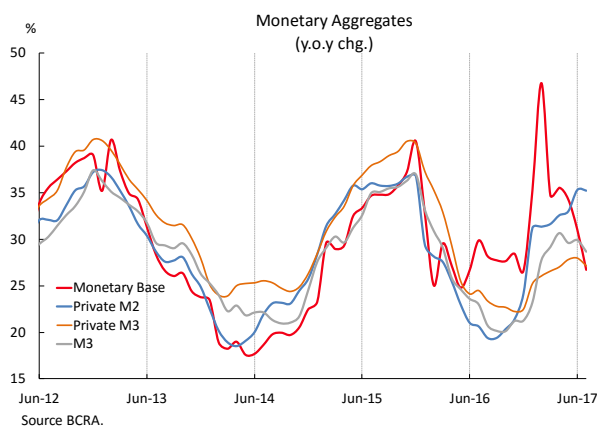
Chart 3.3



In nominal terms, total deposits in pesos grew 1.8% monthly, with reductions in the public sector which were more than offset by the increase recorded in the private sector. Thus, M3 grew 3% against June.

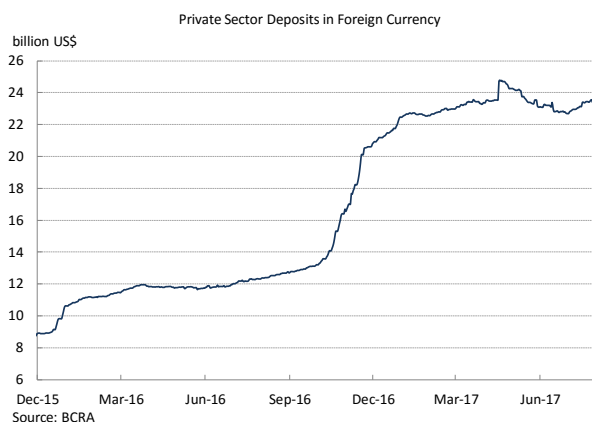
The seasonal momentum of broad monetary aggregates resulted in a monetary base monthly increase of 5%. The expansion of the monetary base was accounted by a reduction in the stock of repos and transactions carried out by and between the Central Bank of Argentina and the National Treasury (purchases of foreign currency and transfers, in line with the annual limit of \$150 billion).

Chart 3.4



The monetary impact of LEBAC bills' monthly average was virtually insignificant, as the monetary expansion resulting from the partial renewal of bills upon maturity was offset by transactions in the secondary market. Thus, as observed in the last few months, there was a temporary expansion of the monetary base upon LEBAC bills' maturities, which was offset along the remaining days of July. The rationale behind this lies in the flexibility brought about by the minimum reserve requirements (based on average monthly balances); the concentration of LEBAC bills' maturities on the third Wednesday of each month; and banks' strategies for managing their liquidity (Chart 3.3).

In y.o.y. terms, the monetary aggregates exhibited a slowdown; this deceleration was more noticeable in the case of the monetary base (see Chart 3.4). Indeed, the dissimilar performance of the monetary base was due to the fact that July's reserve requirement levels were lower

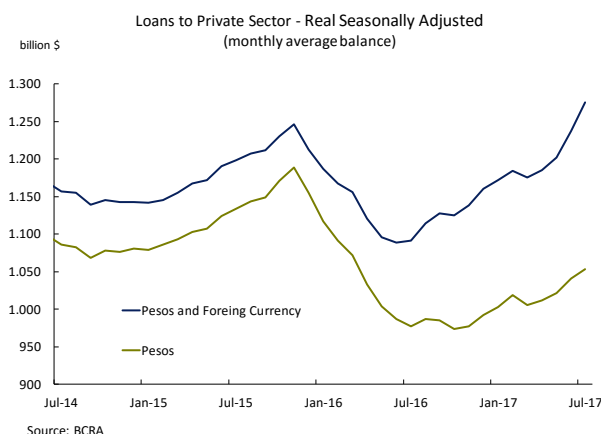
Chart 3.5

in y.o.y. terms, whereas in June, they proved to be similar on y.o.y. basis⁴.

The stock of deposits in foreign currency increased in July, within both the public and private sectors. The rise of public sector's deposits was mainly driven by the transfer of National Treasury funds from the Central Bank to financial institutions. Private sector deposits in dollars grew US\$760 million, totaling US\$23.45 billion at the end of the month (see Chart 3.5).

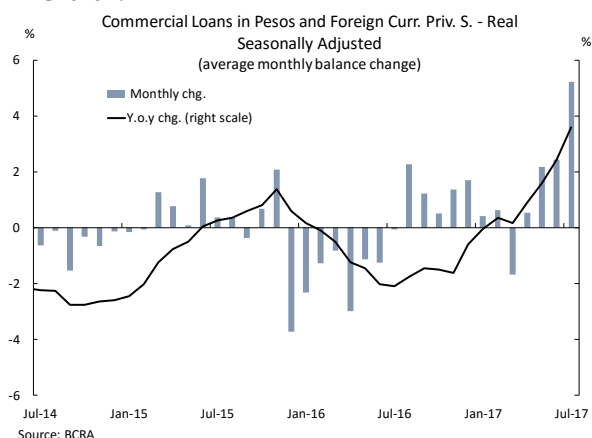
Finally, the broadest monetary aggregate, M3*, increased 5.4%, exhibiting a year-on-year change of 39.2%.

4. Loans ¹⁵

Chart 4.1

In July, deposits channeled to the private sector continued with the upward trend in real and seasonally adjusted terms³ (see Chart 4.1). Total loans (in pesos and in foreign currency) showed a monthly growth of 3%, the increase in commercial loans standing out (see Chart 4.2). The increase in the peso/US dollar exchange rate recorded in July had a higher impact than in previous months. However, even excluding that impact, the seasonally adjusted real growth rate of commercial loans in pesos and in US dollars exceeded that of June. In turn, loans in pesos grew 1.2%.

In addition, collateralized loans in pesos continued to record a brisk performance. In real and seasonally adjusted terms, both mortgage-backed and pledge-backed loans have shown a steady growth since the end of 2016, reversing many consecutive drops in the past few years (see Chart 4.3).

Chart 4.2

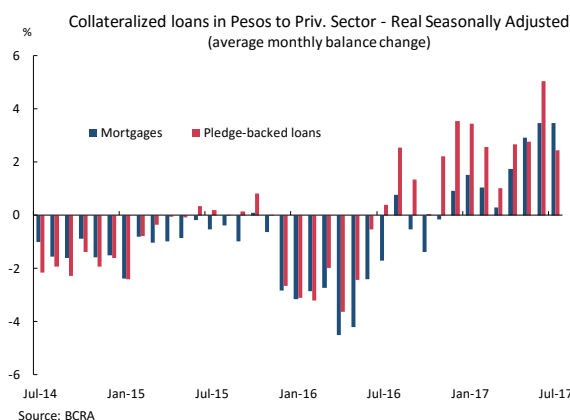
In nominal terms, mortgage-backed loans grew 5.8% (\$4.3 billion) in July, accumulating a 40% growth in the last twelve months. Loans denominated in UVAs continued gaining share in mortgage-backed loans channeled to households, thus accounting for nearly 80% of the total. Since the launch of this credit line, \$14 billion have been awarded. On the other hand, pledge-backed loans grew 3.9% (\$2.6 billion) in July, thus recording a variation of over 60% y.o.y.

The greatest contribution to the monthly nominal growth of loans in pesos stemmed from financing arranged through promissory notes. The latter exhibited a 6.9%

⁴ In June and July 2016, an increase was set for minimum reserve requirements, which amounted to 2% of deposits in pesos each month; while in March 2017, a decrease was established, which reversed half of such increase.

⁵ Monthly changes of loans are adjusted to reflect accounting movements which are basically caused by transfers of loans from financial institutions' portfolios to financial trusts. In this report, the terms "amounts granted" and "new loans" refer to (new and renewed) loans arranged in a given period. In contrast, a change in stock consists of arranged loans minus amortizations and repayments over the period.

Chart 4.3

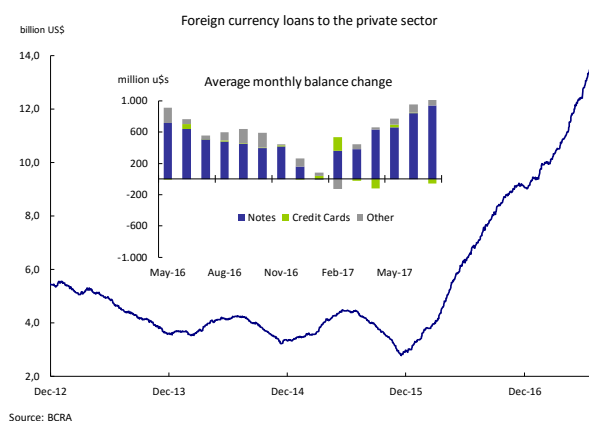


growth (\$14.6 billion). Hence, they grew at a pace of 27% y.o.y., 6 p.p. above June. Both discounted documents and unsecured promissory notes continued to evidence considerable momentum. In turn, overdrafts reversed the downward trend of the last few months, recording a monthly rise of 3.1% (\$3.2 billion).

Regarding credit lines mostly channeled to household consumption, personal loans slowed down their growth rate—posting a rise of just 2.8% (\$7.7 billion)—as it used to happen in July in past years on account of the payment of semi-annual bonus. Financing arranged through credit cards exhibited a drop of 1.6% (\$3.7 billion), partly due to the concentration of half-yearly maturities of one of the credit cards oriented to financing agricultural and livestock producers. The increase accrued in the last twelve months was 22.9%.

This way, loans in pesos granted to the private sector exhibited a nominal rise of 3.1% (\$31.7 billion), while the year-on-year change stood at about 32%.

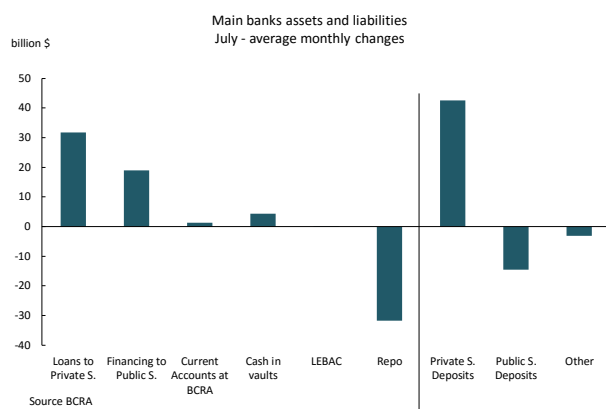
Chart 4.4



Finally, loans in foreign currency to the private sector kept on evidencing a great momentum. In July, they showed an 8.2% growth (US\$ 1.02 billion), basically accounted for by the performance of unsecured promissory notes, a kind of financing channeled to foreign trade (mainly pre-financing of exports). Hence, loans in foreign currency reached a monthly average balance of US\$13,3 billion, practically five times higher than the balance posted in December 2015, when they started exhibiting an upward trend following the exchange rate unification (see Chart 4.4). It is worth underscoring that the steady increase in loans in foreign currency can be explained by the use of part of financial institutions' high lending capacity in the last few years; even today, banks' liquidity in dollars largely exceeds minimum reserve requirements (see Chart 5.3).

5. Financial Institutions' Liquidity¹

Chart 5.1



In July, financial institutions diminished their liquid assets once again, mainly to grant loans to the private sector (see Chart 5.1). Thus, the average liquidity ratio of financial institutions in domestic currency (cash in banks, current account of banks with the Central Bank, net repo transactions with the BCRA and the holding of LEBAC bills, as a percentage of deposits in pesos) went down 1.9 p.p. to 42.7%.

Here, the stock of net repos held by the Central Bank was the only component that proved to be mainly affected (see Chart 5.2). On the other hand, the high level of deposits in current accounts with the Central Bank resulted in financial institutions' accumulated surplus in minimum

Chart 5.2

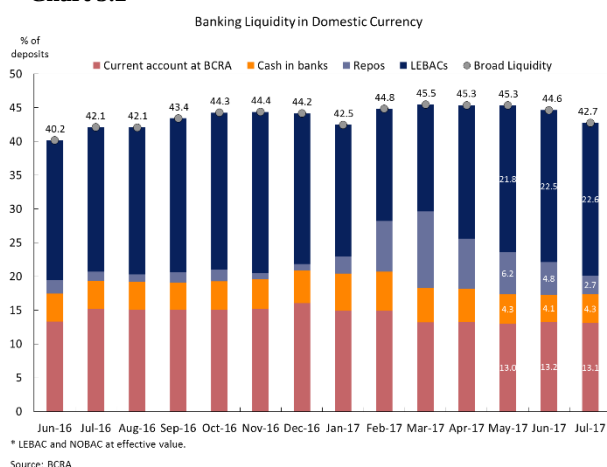


Chart 5.3

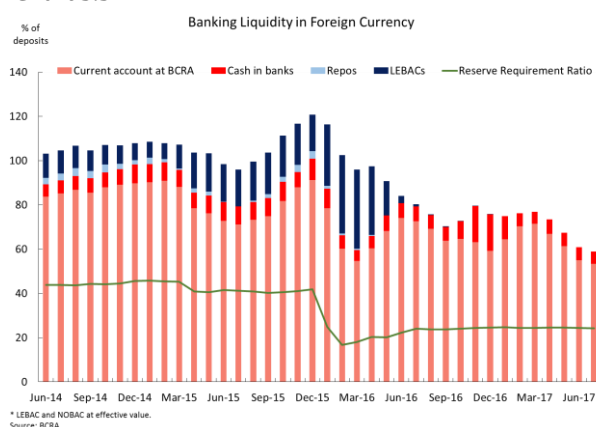
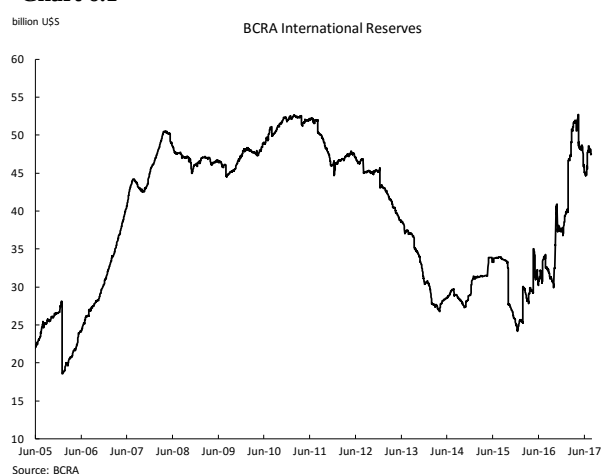


Chart 6.1



reserve requirements, sharing 0.2% in the total deposits in pesos.

On the contrary, foreign currency liquidity (cash in banks, current account of banks with the Central Bank, net repo transactions with the BCRA, as a percentage of deposits in dollars) fell and averaged 58.8% (2 p.p. lower than last month), once again in a context of an increasing number of loans in dollars.

6. International Reserves and Foreign Exchange Market⁶

At the end of July, international reserves reached about US\$47.01 billion, recording a monthly decrease of US\$980 million (see Chart 6.1). Financial institutions' current accounts in foreign currency with the Central Bank posted an increase as a result of the transfer of the National Treasury's funds from the Central Bank to financial institutions. This transfer did not affect the total stock of international reserves. If this transfer were excluded, the stock of minimum cash requirements would decline, at a time when loans in foreign currency kept on evidencing great momentum. In turn, the Central Bank sold foreign currency to the private sector for US\$305 million, taking part in this market just on July 28.

The People's Bank of China (PBC) and the Central Bank of Argentina renewed their bilateral agreement on foreign currency swap for a three-year term. The first agreement between both central banks dates back to 2009. In 2014, they signed a second agreement, which was supplemented by the end of 2015 with an additional agreement. The new agreement will continue consolidating the relationship between both central banks and fostering the strength of financial conditions in order to promote economic and business development in both countries.

The peso depreciated 6.5% against the US dollar, thus ending July at 17.67\$/US\$.

⁶ In this section, figures are end-of-the-month data.

7. Monetary and Financial Indicators

Figures in millions, expressed in their original currency.

Main monetary and financial system figures	Monthly average				Average change in	
	Jul-17	Jun-17	Dic-16	Jul-16	Monthly	Last 12 months
Monetary base	850.827	810.231	787.895	671.463	5,0%	26,7%
Currency in circulation	644.906	605.680	562.994	483.581	6,5%	33,4%
Held by public	577.811	542.854	494.853	432.160	6,4%	33,7%
Held by financial entities	67.095	62.826	68.140	51.421	6,8%	30,5%
Settlement check	0,3	0,4	0,4	0,3	-0,2	4,1%
BCRA current account	205.921	204.550	224.901	187.881	0,7%	9,6%
Repos stock						
Reverse repos	79.652	107.590	52.777	35.364	-26,0%	125,2%
Repos	301	0	340	0		
BCRA securities stock (in face value)						
<i>In banks</i>	914.671	893.062	669.257	559.783	2,4%	63,4%
LEBAC	356.892	356.047	322.853	275.389	0,2%	29,6%
<i>In pesos</i>	914.671	893.062	669.036	557.717	2,4%	64,0%
<i>In Dollars</i>	0	0	14	138	-	-100,0%
NOBAC	0	0	0	0	-	-
International Reserves	47.932	45.376	37.888	33.231	5,6%	44,2%
Private and public sector deposits in pesos ⁽¹⁾	1.565.041	1.537.037	1.397.490	1.233.266	1,8%	26,9%
Current account ⁽²⁾	419.298	434.405	403.233	316.815	-3,5%	32,3%
Savings account	383.195	349.217	327.229	273.915	9,7%	39,9%
Not CER-adjustable time deposits	695.782	687.659	605.107	591.768	1,2%	17,6%
CER-adjustable time deposits	1.429	1.449	397	39	-1,3%	3544,2%
Other deposits ⁽³⁾	65.336	64.308	61.523	50.730	1,6%	28,8%
<u>Private sector deposits</u>	<u>1.230.069</u>	<u>1.187.496</u>	<u>1.093.038</u>	<u>989.691</u>	<u>3,6%</u>	<u>24,3%</u>
<u>Public sector deposits</u>	<u>334.972</u>	<u>349.540</u>	<u>304.452</u>	<u>243.575</u>	<u>-4,2%</u>	<u>37,5%</u>
Private and public sector deposits in dollars ⁽¹⁾	29.024	26.419	24.472	15.374	9,9%	88,8%
Loans to private and public sector in pesos ⁽¹⁾	1.074.343	1.042.436	932.208	852.380	3,1%	26,0%
<u>Loans to private sector</u>	<u>1.040.979</u>	<u>1.009.389</u>	<u>886.640</u>	<u>788.563</u>	<u>3,1%</u>	<u>32,0%</u>
Overdrafts	105.514	102.315	107.280	103.354	3,1%	2,1%
Promissory bills	225.655	211.022	189.882	177.115	6,9%	27,4%
Mortgages	77.828	73.568	59.274	55.303	5,8%	40,7%
Pledge-backed loans	70.131	67.529	51.925	42.773	3,9%	64,0%
Personal loans	281.473	273.808	217.673	181.864	2,8%	54,8%
Credit cards	234.880	238.604	223.830	191.087	-1,6%	22,9%
Other loans	45.499	42.544	36.776	37.067	6,9%	22,7%
<u>Loans to public sector</u>	<u>33.364</u>	<u>33.047</u>	<u>45.568</u>	<u>63.816</u>	<u>1,0%</u>	<u>-47,7%</u>
Loans to private and public sector in dollars ⁽¹⁾	13.375	12.358	9.224	6.687	8,2%	100,0%
Total monetary aggregates ⁽¹⁾						
M1 (currency held by public + settlement check in pesos+ current account in pesos)	997.110	977.259	898.086	748.975	2,0%	33,1%
M2 (M1 + savings account in pesos)	1.380.305	1.326.475	1.225.315	1.022.890	4,1%	34,9%
M3 (currency held by public + settlement check in pesos + total deposits in pesos)	2.142.853	2.079.891	1.892.343	1.665.427	3,0%	28,7%
M3* (M3 + total deposits in dollars + settlement check in foreign currency)	2.642.684	2.506.848	2.282.632	1.898.114	5,4%	39,2%
Private monetary aggregates						
M1 (currency held by public + settlement check in pesos + priv.current account in pesos)	849.407	810.978	744.776	640.949	4,7%	32,5%
M2 (M1 + private savings account in pesos)	1.214.254	1.139.935	1.054.527	897.989	6,5%	35,2%
M3 (currency held by public + settlement check in pesos + priv. total deposits in pesos)	1.807.881	1.730.350	1.587.891	1.421.851	4,5%	27,1%
M3* (M3 + private total deposits in dollars + settlement check in foreign currency)	2.207.415	2.102.070	1.930.947	1.607.304	5,0%	37,3%

Explanatory factors	Average Change							
	Monthly		Quarterly		YTD 2017		Last 12 months	
	Nominal	Contribution ⁽⁴⁾	Nominal	Contribution ⁽⁴⁾	Nominal	Contribution ⁽⁴⁾	Nominal	Contribution ⁽⁴⁾
Monetary base	40.597	5,0%	61.569	7,8%	62.932	8,0%	179.364	26,7%
Foreign exchange purchases with the private sector	-699	-0,1%	17.113	2,2%	33.332	4,2%	41.799	6,2%
Foreign exchange purchases with the NT	8.260	1,0%	25.092	3,2%	90.974	11,5%	177.755	26,5%
Temporary Advances and Profit Transfers	3.743	0,5%	57.243	7,3%	96.410	12,2%	175.007	26,1%
Other public sector operations	-879	-0,1%	-1.793	-0,2%	-3.369	-0,4%	-4.750	-0,7%
Sterilization (BCRA securities and repos)	27.886	3,4%	-42.349	-5,4%	-167.866	-21,3%	-226.556	-33,7%
Others	2.285	0,3%	6.264	0,8%	13.451	1,7%	16.110	2,4%
International Reserves	2.556	5,6%	-2.440	-4,8%	10.044	26,5%	14.701	44,2%
Foreign exchange market intervention	-39	-0,1%	1.110	2,2%	2.144	5,7%	2.703	8,1%
International financial institutions	-85	-0,2%	-411	-0,8%	-894	-2,4%	-1.689	-5,1%
Other public sector operations	905	2,0%	1.005	2,0%	6.347	16,8%	13.193	39,7%
Dollar liquidity requirements	988	2,2%	-5.085	-10,1%	940	2,5%	4.386	13,2%
Others (incl. change in US\$ market value of nondollar assets)	787	1,7%	941	1,9%	1.506	4,1%	-3.892	-11,7%

1 Excludes financial sector and foreign depositors. Loans's figures correspond to statistical information, without being adjusted by financial trusts. Provisionary figures.

2 Net of the use of unified funds.

3 Net of deposits pending of swap by public bonds (BODEN).

4 "Contribution" field refers to the percentage of change of each factor versus the main variable corresponding to the month respect which the change is being calculated.

5 Provisionary data subjected to changes in valuation.

Sources: BCRA Accounting Department and SISCEN Informative Regime.

Minimum Cash Requirement and Compliance

	Jul-17	Jun-17	May-17
	(1)		
Domestic Currency	% of total deposits in pesos		
Requirement	12.9	12.9	12.7
Compliance	13.1	13.2	13.0
Position (2)	0.2	0.3	0.3
Residual time structure of term deposits used for the calculation of the requirement (3)	%		
Up to 29 days	69.3	67.4	66.8
30 to 59 days	20.3	21.7	20.8
60 to 89 days	5.2	5.4	6.5
90 to 179 days	2.7	3.0	3.5
more than 180 days	2.5	2.5	2.3
Foreign Currency	% of total deposits in foreign currency		
Requirement	24.3	24.4	24.5
Compliance (includes default application resource)	52.9	54.4	60.2
Position (2)	28.6	30.0	35.6
Residual time structure of term deposits used for the calculation of the requirement (3)	%		
Up to 29 days	56.2	55.5	54.8
30 to 59 days	19.2	20.5	19.8
60 to 89 days	9.3	8.3	9.9
90 to 179 days	8.3	8.1	7.9
180 to 365 days	2.5	2.8	2.9
more than 365 days	4.6	4.7	4.7

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

⁽²⁾ Position= Requirement - Compliance

⁽³⁾ Excludes judicial time deposits.

Source: BCRA

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

Borrowing Interest Rates	Jul-17	Jun-17	May-17	Dic-16	Jul-16
Interbank Loans (overnight)					
Interest rate	25,14	24,77	24,52	24,66	29,05
Traded volume (million pesos)	4.729	3.734	3.320	4.576	4.108
Time Deposits					
<u>In pesos</u>					
30-44 days	18,40	18,16	18,10	18,78	24,66
60 days or more	18,46	18,36	18,24	19,06	25,14
Total BADLAR (more than \$1 million, 30-35 days)	19,33	19,15	18,99	19,54	25,29
Private Banks BADLAR (more than \$1 million, 30-35 days)	20,12	19,77	19,60	20,04	26,02
<u>In dollars</u>					
30-44 days	0,41	0,37	0,38	0,39	0,67
60 days or more	0,74	0,70	0,55	0,68	1,19
Total BADLAR (more than \$1 million, 30-35 days)	0,45	0,48	0,53	0,45	0,65
Private Banks BADLAR (more than \$1 million, 30-35 days)	0,62	0,70	0,76	0,55	1,06
Lending Interest Rates	Jul-17	Jun-17	May-17	Dic-16	Jul-16
Stock Repos					
Gross interest rates 30 days	24,69	24,10	23,82	25,50	27,43
Traded volume (all maturities, million pesos)	930	870	913	795	619
Loans in Pesos ⁽¹⁾					
Overdrafts	30,91	30,77	30,58	30,99	35,90
Promissory Notes	21,88	21,27	21,89	23,54	31,47
Mortgages	21,45	19,15	19,85	19,70	24,59
Pledge-backed Loans	19,48	18,85	19,62	20,73	24,83
Personal Loans	38,36	37,60	38,31	39,15	42,50
Credit Cards	s/d	42,18	42,84	44,37	39,39
Overdrafts - 1 to 7 days - more than \$10 million	26,26	25,66	25,52	25,92	30,75
International Interest Rates	Jul-17	Jun-17	May-17	Dic-16	Jul-16
LIBOR					
1 month	1,23	1,17	1,01	0,72	0,48
6 months	1,46	1,43	1,42	1,31	1,00
US Treasury Bonds					
2 years	1,37	1,34	1,30	1,19	0,67
10 years	2,32	2,19	2,30	2,50	1,50
FED Funds Rate	1,25	1,14	1,00	0,66	0,50
SELIC (1 year)	10,06	10,25	11,20	13,75	14,25

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

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

Reference Interest Rates	Jul-17	Jun-17	May-17	Dic-16	Jul-16
BCRA Repo Interest Rates					
Overnight reverse repo	24,25	24,25	24,25	22,02	26,08
7-day reverse repo	25,50	25,50	25,50	22,81	27,08
7-day repo	27,00	27,00	27,00	26,69	36,08
Total Repo Interest Rates					
Overnight	25,30	24,97	24,42	24,01	28,18
7 days	0,00	0,00	0,00	0,00	27,00
Repo traded volumen (daily average)	5.998	4.755	4.119	8.300	7.340
Peso LEBAC Interest Rate¹					
1 month	26,50	25,50	25,50	24,75	30,25
2 months	26,20	25,25	25,25	24,44	29,38
3 months	26,00	24,75	24,69	24,16	28,64
9 months	25,35	23,75	23,00	22,90	s/o
12 months	s/o	s/o	s/o	s/o	s/o
Peso NOBAC with variable coupon Spread¹					
200 days BADLAR Private Banks	s/o	s/o	s/o	s/o	s/o
Dollars LEBAC Interest Rate¹					
1 month	s/o	s/o	s/o	s/o	s/o
3 months	s/o	s/o	s/o	s/o	s/o
6 months	s/o	s/o	s/o	s/o	s/o
12 months	s/o	s/o	s/o	s/o	s/o
LEBAC and NOBAC traded volume (daily average)	27312	23361	30267	11758	11282
Foreign Exchange Market	Jul-17	Jun-17	May-17	Dic-16	Jul-16
Dollar Spot					
Exchange agencies	17,19	16,12	15,71	15,84	14,90
BCRA Reference	17,23	16,17	15,78	15,89	14,97
Future dollar					
NDF 1 month	17,36	16,37	15,97	16,02	15,15
ROFEX 1 month	17,53	16,39	16,00	16,22	15,27
Traded volume (all maturities, million pesos)	10.294	9.671	10.174	8.423	6.124
Real (Pesos/Real)	5,37	4,89	4,91	4,73	4,56
Euro (Pesos/Euro)	19,82	18,13	17,38	16,69	16,54
Capital Market	Jul-17	Jun-17	May-17	Dic-16	Jul-16
MERVAL					
Index	21.741	21.583	21.564	16.711	15.434
Traded volume (million pesos)	380	438	445	282	340
Gouvernement Bonds (parity)					
DISCOUNT (US\$ - NY legislation)	109,40	112,83	112,06	103,73	114,02
BONAR 24 (US\$)	113,40	116,33	117,52	115,04	115,17
DISCOUNT (\$)	113,36	112,83	114,03	116,98	118,76
Country risk					
Spread BONAR 24 vs. US Treasury Bond	338	280	258	332	435
EMBI+ Argentina ⁽³⁾	435	409	412	494	511
EMBI+ Latinoamérica	457	445	440	491	497

¹ Corresponds to average results of each month primary auctions.

8. Glossary

ANSES: *Administración Nacional de Seguridad Social*. Social Security Administration

APR: Annual percentage rate.

BADLAR: Interest rate for time deposits over one million pesos between 30 and 35 days for the average of financial institutions

BCRA: *Banco Central de la República Argentina*. Central Bank of Argentina

BODEN: Bonos optativos del Estado Nacional. Optional federal bonds

BOVESPA: Sao Paulo Stock Exchange Index (Brazil)

CAFCI: *Cámara Argentina de Fondos comunes de inversión*

CDS: Credit Default Swaps

CER: Coeficiente de Estabilización de Referencia. Reference Stabilization Coefficient

CNV: Comisión Nacional de Valores. National Securities Commission

CPI: Consumer Price Index

DISC: Discount Bond

EMBI: Emerging Markets Bonds Index

FCI: Mutual Funds

Fed: Federal Reserve

FTs: Financial Trusts

GBA: Greater Buenos Aires metropolitan area

GDP: Gross Domestic Product

IAMC: Instituto Argentino de Mercado de Capitales.

IGBVL: Lima Stock Exchange Index (Peru)

IGPA: Santiago Stock Exchange Index (Chile)

LEBAC: *Letras del Banco Central*. BCRA Bills

LCIP: Credit Line for Productive Investment.

LIBOR: London Interbank Offered Rate

M2: Notes and Coins + Current Accounts and Savings Accounts in \$

M3: Notes and Coins + Total Deposits in \$.

M3*: Notes and Coins + Total Deposits in \$ and US\$

MERVAL: *Mercado de Valores de Buenos Aires*. Buenos Aires Stock Exchange Index

MEXBOL: Mexico Stock Exchange Index

NBFI: Non-Banking Financial Institutions

NDF: Non Deliverable Forward

NOBAC: Notas del Banco Central. BCRA Notes

NV: Nominal value

ONs: Corporate Bonds

PyME: Small and medium enterprises

ROFEX: Rosario Futures Exchange Rate Market

SELIC: Brazilian Central Bank's Benchmark Interest Rate

SISCEN: *Sistema Centralizado de Requerimientos Informativos*. BCRA Centralized Reporting Requirement System

S&P: Standard and Poor's 500 Index

TIR: Internal rate of return (IRR).

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