

Monthly Monetary Report

October 2022



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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The closing date for statistics in this report was November 7, 2022. All figures are provisional and subject to review.

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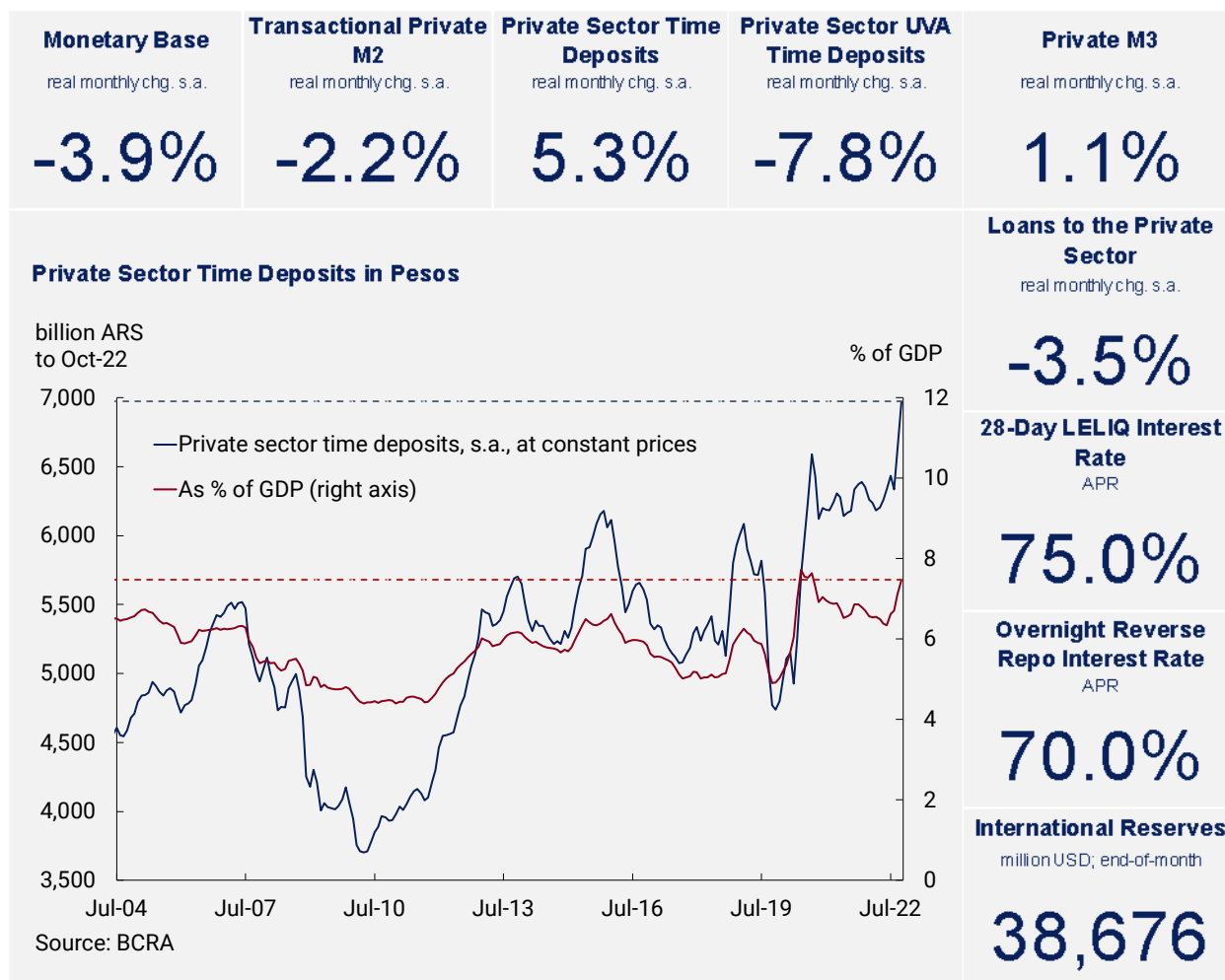
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About inclusive language in the Spanish version of this report

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 September, the monthly inflation rate decreased to reach a similar level to that of the monthly yield of the monetary policy rate (6.2%). The core inflation was even lower (5.5%). In this context, the BCRA kept both the benchmark interest rates and the minimum interest rates on time deposits unchanged after nine months of successive rises.

The broad monetary aggregate (private M3) posted a modest monthly expansion at constant prices (1.1% seasonally-adjusted —s.a.—), though it evidenced a heterogeneous performance at component level. The means of payment went on contracting, whereas interest-bearing deposits continued improving and gaining relative share. Indeed, they exceeded transactional sight deposits, which had not taken place over the last 20 years.

Time deposits stood out among savings instruments in pesos, posting a monthly expansion of more than 5% s.a. in real terms. Thus, the stocks of time deposits in pesos from the private sector at constant prices hit a historic high once again and, in terms of GDP, stood at a similar level to the highest reached during the pandemic.

Last, all loans granted to the private sector at constant prices and in seasonally-adjusted terms contracted in October, accruing four months of falls in a row. This performance became palpable across credit lines for larger amounts.

2. Means of Payment

Means of payment (transactional private M2¹) fell by 2.2% s.a. at constant prices in October, being slightly lower than in September. Thus, they accrued nine months of negative changes in a row (see Chart 2.1). This was observed in the performance of cash held by the public as well as in non-interest-bearing sight deposits. Transactional private M2 stood around 18.4% below the level observed in October 2021 in year-on-year (y.o.y.) terms and at constant prices. It stood at 8% in terms of GDP, down 0.2 p.p. against September (see Chart 2.2). Both components of means of payment remained around the lowest values of the last 20 years in terms of GDP, with cash held by the public hitting a new minimum.

Chart 2.1 | Transactional Private M2 at Constant Prices

Contribution to s.a. monthly change by component

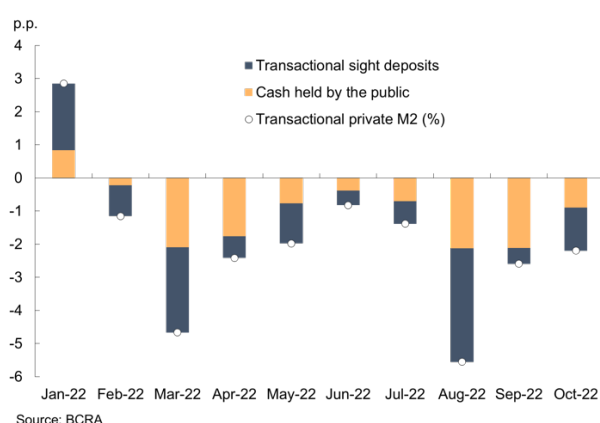
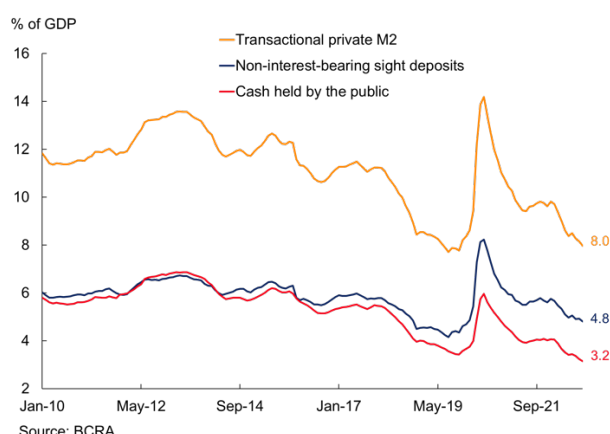


Chart 2.2 | Transactional Private M2



3. Savings Instruments in Pesos

The low dynamics of the demand for means of payment was driven by the preference for interest-bearing savings instruments. In October, time deposits in pesos from the private sector at constant prices showed a monthly positive change once again, posting 5.3% s.a. **This way, the stock of time deposits reached a new historic high at constant prices.** These deposits rose by 0.4 p.p. in terms of GDP vis-à-vis September, reaching 7.5%. This figure was similar to the peak recorded during the pandemic and one of the highest over the last few years.

It is worth mentioning that the Board of the BCRA kept the minimum interest rates on time deposits unchanged in October, in a context in which these rates rose for nine successive months and the inflation rate fell to a level similar to that of the monthly yield of the monetary policy rate (6.2%).² The decision was taken against the backdrop of the moderate growth pace of prices in September, in particular the core CPI (5.5%). Thus, the minimum interest rate on natural persons' deposits of up to ARS10 million remained at 75% APR (107.05% EAR), while for the other depositors of the financial system³ the interest rate stood at 66.5% APR (91.07% EAR).

The analysis of time deposits by amount shows that all segments contributed positively to monthly expansion, deposits from ARS1 million to ARS20 million being the most dynamic (see Chart 3.1). On

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" 7527.

³ Financial service providers, companies, and natural persons with deposits over ARS10 million.

average, deposits over ARS20 million grew, mainly due to the positive statistical carryforward of September. Indeed, the stocks at the end of October went down vis-à-vis the end of September. This performance was related to the growth of financial service providers' (FSPs) holdings, which was lower than the inflation rate in October. In fact, the equity of money market funds (MM FCI)—which are the main players among FSPs—declined by 1.8% at constant prices. FSPs' holdings of interest-bearing sight deposits performed similarly (see Chart 3.2). Early-payment investments, which cannot be sorted out by type of holder, also explained the fall observed in the wholesale segment throughout October. Last, deposits of up to ARS1 million remained virtually stable after being adjusted by the evolution of prices.

Chart 3.1 | Private Sector Time Deposits in Pesos
Real and s.a. monthly change by amount

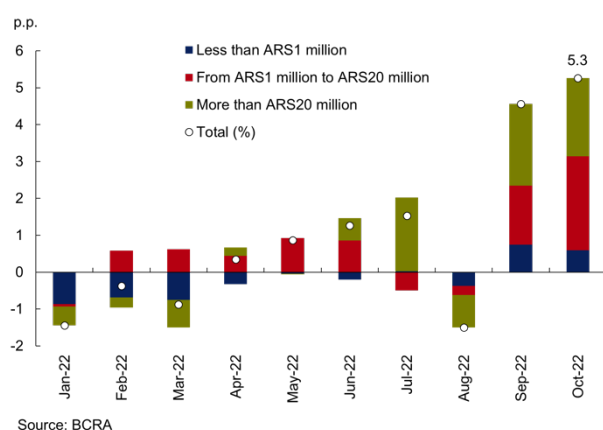
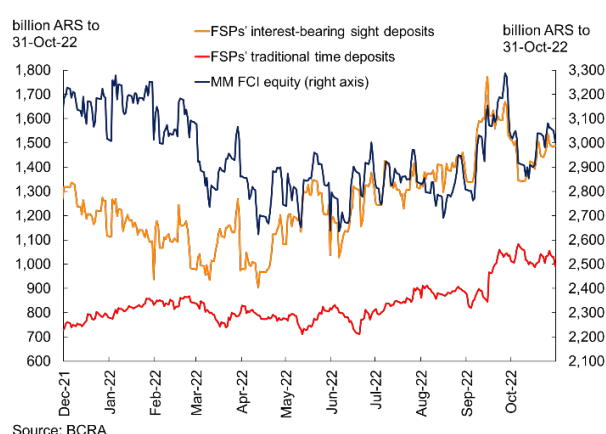


Chart 3.2 | Time Deposits over ARS20 Million
Stock at constant prices by type of depositor and instrument | Original series



Time deposits adjusted by the Reference Stabilization Coefficient (CER, in Spanish) contracted in real terms for the third month in a row. The decrease was observed in both traditional and early-payment deposits adjusted by units of purchasing power (UVA, in Spanish), whose monthly change rates stood at -11.5% s.a. and -4% s.a., respectively (see Chart 3.3). The analysis of CER-adjustable instruments by type of holder showed that the fall was mainly driven by a decrease of holdings by natural persons and the removal of companies' positions (excluding FSPs) (see Chart 3.4). All in all, UVA deposits reached a stock of ARS367.05 billion at the end of October, with a share of 5.2% in total time instruments in domestic currency.

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

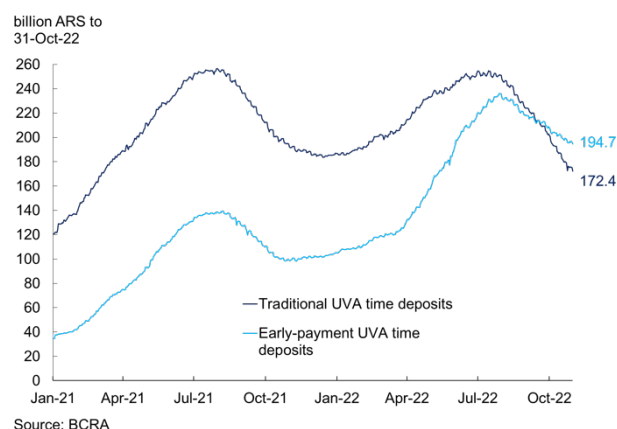
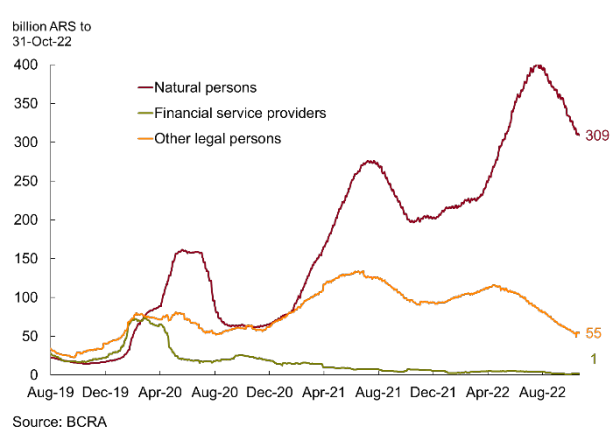


Chart 3.4 | Private Sector UVA Time Deposits
Stock at constant prices by type of holder



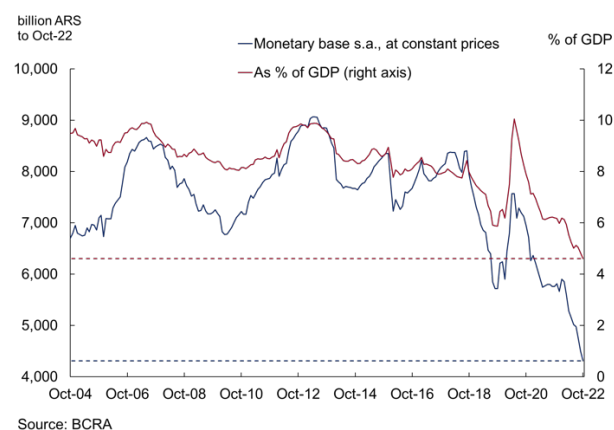
On the contrary, **deposits adjusted by the benchmark exchange rate went on exhibiting an upward trend.** It is worth noting that the agricultural sector may draw on two different types of deposits with foreign exchange hedge: those made in sight accounts known as “farm deposits”, and time investments called “DIVA dollar deposits” (bearing interest at the exchange rate of the dollar). By the end of October, the first type of deposits recorded a 7.5% change at current prices (1.4 s.a. in real terms), reaching a stock of ARS116 billion. It should be noted that this rise was mainly observed in the first days of the month due to the last transactions carried out under the “Export increase program”.⁴ In turn, the stock of DIVA dollar deposits amounted to ARS42.7 billion in October, evidencing an average monthly expansion of 9.4% at current prices on the tenth month of the year. **Financial institutions may resort to bills payable at the benchmark exchange rate (LEDIVs) as an instrument for hedging the exchange rate risk of such deposits.**

All in all, the broad monetary aggregate (private M3⁵) at constant prices posted a monthly expansion (1.1% s.a.) in October. In year-on-year terms, private M3 decreased by 4.9%. As a percentage of GDP, it stood at 17.5%, up 0.2 p.p. vis-à-vis September.

4. Monetary Base

In October, the monetary base averaged ARS4,225.1 billion, recording a monthly rise of 1.1% (ARS45.23 billion) in the original series at current prices. It contracted by 3.9%, down around 25% over the last twelve months, adjusted by seasonality and at constant prices. **In terms of GDP, the monetary base stood at 4.6%, being just slightly lower than the figure observed in September and recording a historic low since 2003** (see Chart 4.1).

Chart 4.1 | Monetary Base



On the supply side, the average monthly expansion of the monetary base was mainly explained by the statistical carryforward of foreign currency purchased under the “Export increase program” in September. In the monthly average, this was in part offset by the dynamics of monetary policy instruments and public sector transactions (see Chart 4.2).

In turn, the analysis of the change of the monetary policy by supply factors at the end of the period showed just the opposite performance. Net purchases of foreign currency contracted slightly but this was offset by

⁴ Transactions carried out in September but settled on the first days of October.

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

a fall in the stocks of BCRA's remunerated liabilities. It is worth noting that the BCRA operated in the Treasury instruments secondary market once again.⁶ Nevertheless, the expansion caused by these transactions was virtually limited on average (see Chart 4.3).

Chart 4.2 | Monetary Base Explanatory Factors
Monthly average

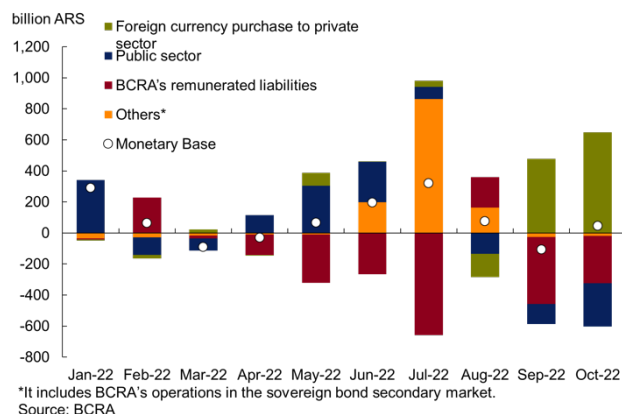
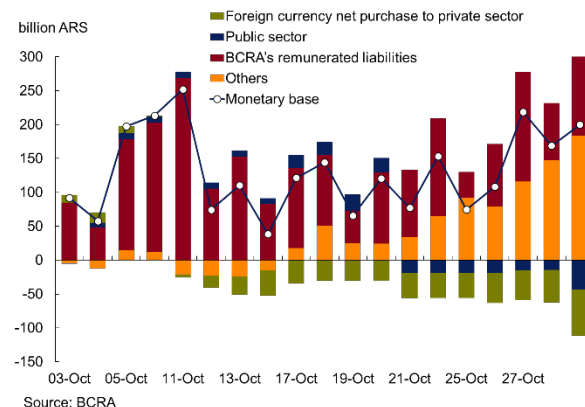


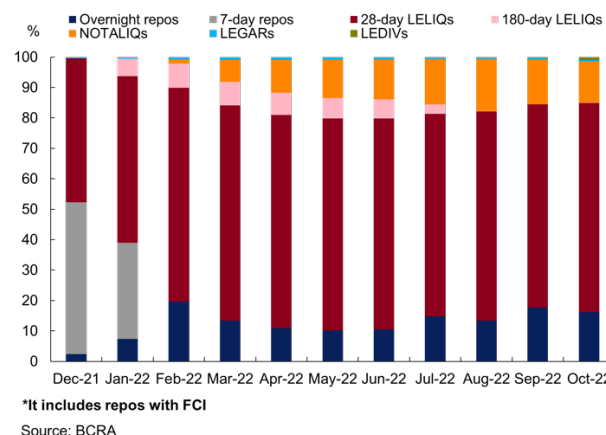
Chart 4.3 | Monetary Base Explanatory Factors
Daily accrued amount as from the beginning of October



In October, the BCRA kept the benchmark interest rates unchanged in answer to a drop in the inflation rate. In turn, the 28-day-term liquidity bill (LELIQ) interest rate remained at 75% APR (107.35% EAR), whereas the 180-day-term LELIQ interest rate stood at 83.5% APR (101.23% EAR). As for short-term instruments, the interest rate on overnight reverse repos reached 70% APR (101.24% EAR), whereas the rate on overnight repos was 95% APR (158.25% EAR). Finally, the fixed spread of liquidity notes (NOTALIQs) in the last auction of the month was set at 8.5 p.p.

With the current composition of instruments, 28-day LELIQs averaged around 69% of remunerated liabilities in October. Longer-term instruments, NOTALIQs in particular, accounted for 13.6% of the total. In turn, the share of overnight reverse repos in total instruments decreased to reach 16.2% of the total, down 1.5 p.p. vis-à-vis September. Last, LEDIVs and LEGARs (both BCRA bills) accounted for the remaining 1.4%, up 0.6 p.p. against September (see Chart 4.4).

Chart 4.4 | Composition of BCRA's Remunerated Liabilities
Monthly average



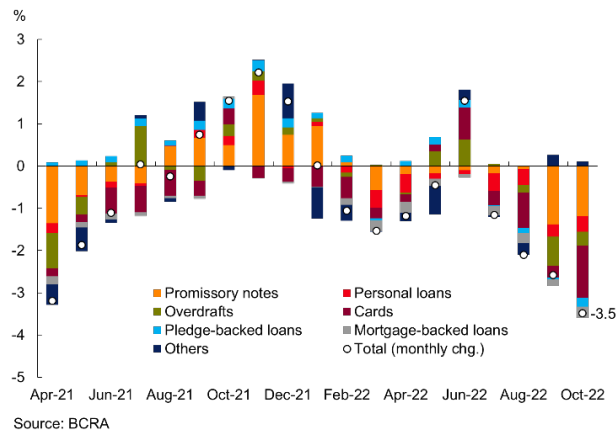
⁶ Communication "A" 7546 sets out the BCRA's mechanism for operating in the sovereign bond secondary market.

5. Loans to the Private Sector in Pesos

In October, loans in pesos to the private sector posted a monthly contraction of 3.5% s.a. in real terms, accruing four months of falls in a row. In general terms, the most relevant credit lines fell over the month (see Chart 5.1). Thus, they accrued an 8.1% decrease in real terms over the last twelve months. The ratio of loans in pesos to the private sector to GDP at current prices declined in October (0.3 p.p.) and stood at 6.4% (see Chart 5.2).

Chart 5.1 | Loans to Private Sector in Pesos

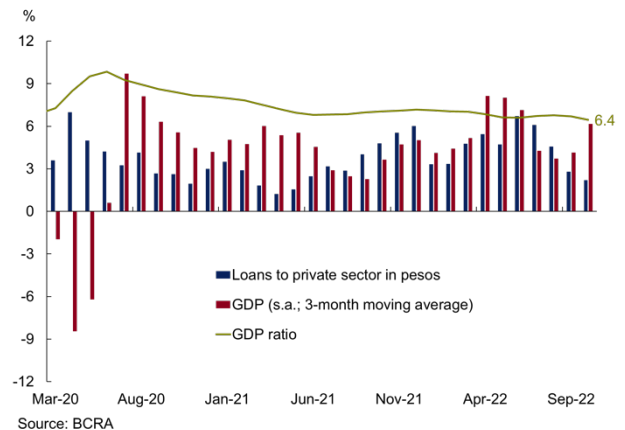
Real, seasonally-adjusted; contribution to monthly growth



Source: BCRA

Chart 5.2 | Loans to Private Sector in Pesos

In terms of GDP



Source: BCRA

The analysis of loans by type of financing shows that business credit lines posted a monthly fall of 3.5% s.a. in real terms. They stood 2.8% below the level observed in October 2021 in year-on-year terms and at constant prices. Within these credit lines, overdrafts declined by 3% s.a. in real terms (+2.3% y.o.y.). In turn, financing granted through promissory notes diminished by 4.6% s.a. at constant prices (-1% y.o.y.), explained by the performance of both unsecured promissory notes (-3.1% monthly, +2.4% y.o.y.) and discounted notes (-8.4% monthly, -3% y.o.y.).

Loans to micro-, small-, and medium-sized enterprises (MSMEs) were still mainly granted through the Credit Line for Productive Investment (LFIP, in Spanish). The loans granted until the end of October within the framework of the LFIP accrued disbursements for about ARS3,259 billion from its implementation, up 6.4% vis-à-vis September in nominal terms (see Chart 5.3). Regarding their end-use, nearly one third of financings granted through the LFIP were channeled to investment projects and the rest, to working capital.

As for business loans grouped by type of debtor, the rate of credit lines granted to MSMEs expanded about 7.5% y.o.y. in real terms in October, showing a slowdown by the end of the month. On the contrary, financing to big companies contracted 17.4% y.o.y. (see Chart 5.4).

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

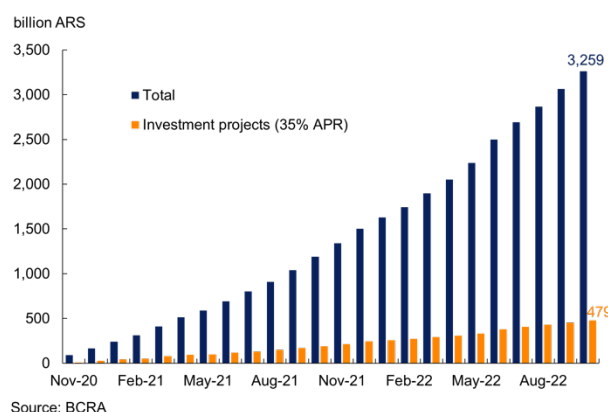
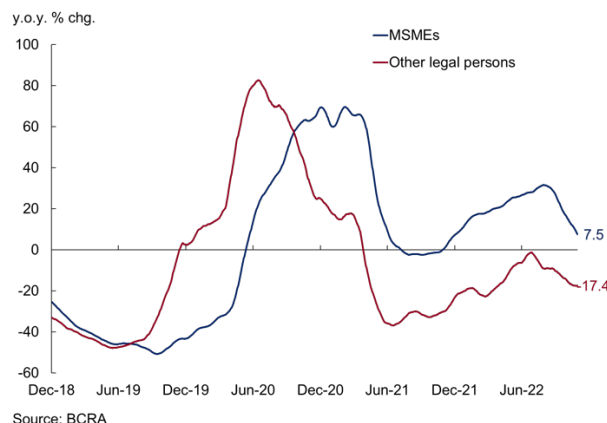


Chart 5.4 | Business Loans by Type of Debtor
Y.o.y. change of 30-day m.a. stock at constant prices



As regards loans to consumption, financing on credit cards posted a decline of 4.2% s.a. in real terms in October, 12.3% below the level observed a year ago. In turn, personal loans fell by 2.3% in the month at constant prices, standing 13.4% below the level reached in October 2021. In October, the interest rate on personal loans averaged 82.9% APR (123% EAR), up 4.6 p.p. against September.

As for credit lines with real property collateral, pledge-backed loans declined by 3.1% s.a. in real terms, up 15% vis-à-vis a year ago. In turn, the stock of mortgage-backed loans fell by 4.3% s.a. at constant prices, with an accrued contraction of nearly 25% over the last twelve months.

6. Financial Institutions' Liquidity in Pesos

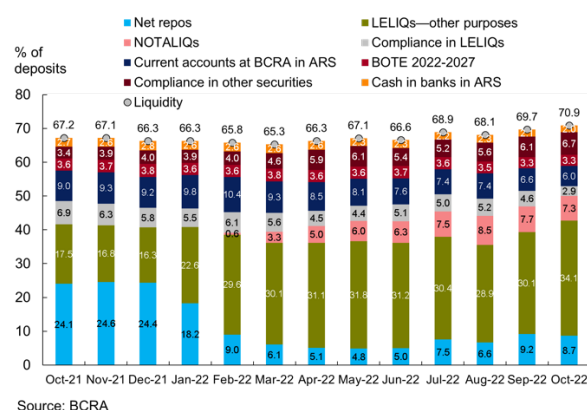
In October, bank liquidity in domestic currency⁷ went up 1.2 p.p. against September, with an average of 70.9% of deposits. Thus, it stood at historically high levels. This improvement was mainly boosted by the performance of BCRA's remunerated liabilities (increases in LELIQs other than those used to comply with minimum cash requirements, being in part offset by NOTALIQs and net repos).

Also, the compliance of minimum requirements with the stock of current accounts at the BCRA and LELIQs fell, being in part offset by a rise of sovereign bonds (see Chart 6.1). In this regard, it should be noted that the plan adopted in June to streamline the Minimum Cash Regime became effective in October.⁸ Thus, most LELIQs are now considered surpluses.

⁷ 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.

⁸ Communication "A" 7536. Some exemptions were removed, only retaining those that favor productive credit to MSMEs and financing to households' consumption (*Ahora 12* program). Interest rates on minimum cash requirements were adjusted with a view to minimizing the monetary effect. This change will be effective as from October. On another note, the exemption to make withdrawals from ATMs will be calculated until December.

Chart 6.1 | Financial Institutions' Liquidity in Pesos



7. Foreign Currency

As regards foreign currency, financial institutions' main assets and liabilities recorded limited changes.

On the one hand, the stock of deposits from the private sector increased for the second month in a row, recording an average of USD15 billion, and signaling a change of USD160 million. This increase was mainly driven by legal persons' sight deposits over USD1 million. On the other hand, the stock of loans to the private sector in foreign currency remained virtually unchanged in October (see Chart 7.1).

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

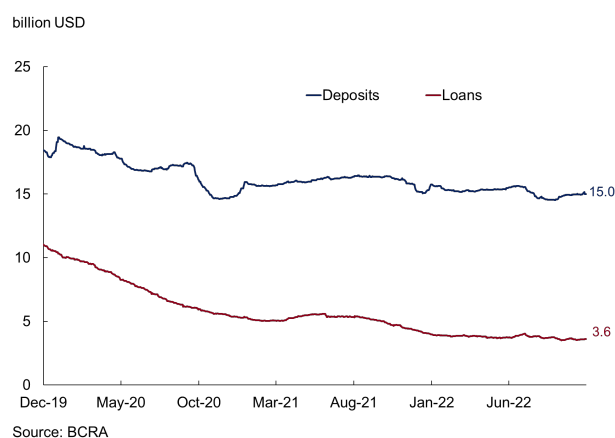
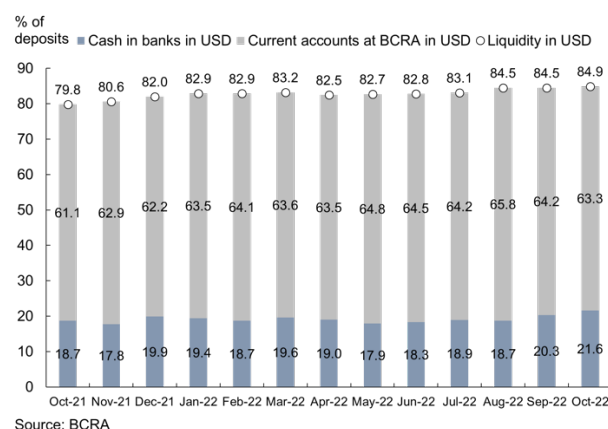


Chart 7.2 | Financial Institutions' Liquidity in Foreign Currency



Financial institutions' liquidity in the foreign currency segment stood at 84.9% of deposits in October, posting a 0.4 p.p. rise compared to the figure shown in September. This rise was explained by an increase in cash in banks which was in part offset by a fall in the balance of current accounts in foreign currency (see Chart 7.2).

In October, the BCRA made some changes in the regulation of foreign exchange transactions with a view to allocating foreign currency more efficiently. On one side, the BCRA extended the validity of some regulations regarding the refinancing and repayment of principal in foreign currency⁹ and, on the other, it relaxed the conditions to access the forex market for clients from different productive sectors.¹⁰ The companies that mostly enjoyed regulatory relaxation were those yielding increased production of oil and/or

⁹ Communication "A" 7621.

¹⁰ Communications "A" 7622 and "A" 7624.

gas that derive benefit from special regimes to access the forex market for the repayment of principal, investment repatriations, and payments of profits and dividends.¹¹ Finally, an additional tax was imposed on certain expenses incurred in foreign currency that exceed a given amount¹², as well as on some services (for instance, personal, cultural and leisure services) hired abroad¹³.

At the end of October, the BCRA's international reserves reached USD38.68 billion, up USD1.05 billion against the end of September. This rise was driven by the third disbursement made by the International Monetary Fund (IMF) within the framework of the Extended Fund Facility (EFF) program. Such disbursement totaled USD3.9 billion and was in part offset by repayments of principal to that organization (about USD2.5 billion), and by the net sale of foreign currency to the private sector (USD498 million) (see Chart 7.3).

Finally, the ARS/USD nominal exchange rate (TCN, in Spanish) increased 6.2% in October, exceeding the rise recorded in September (see Chart 7.4). Thus, it averaged ARS152.05/USD1.

Chart 7.3 | Change in Stock of International Reserves at Month-End

Explanatory factors. October 2022

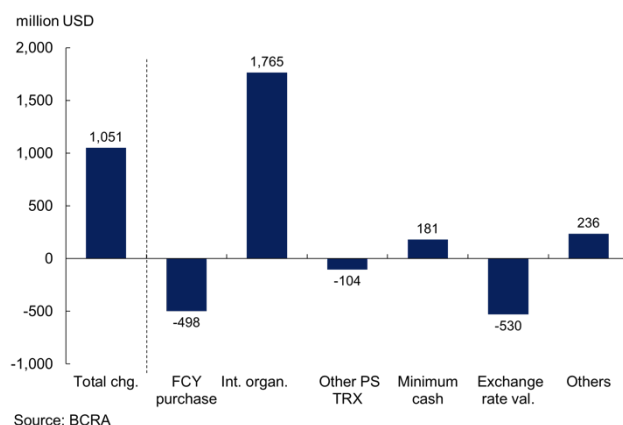
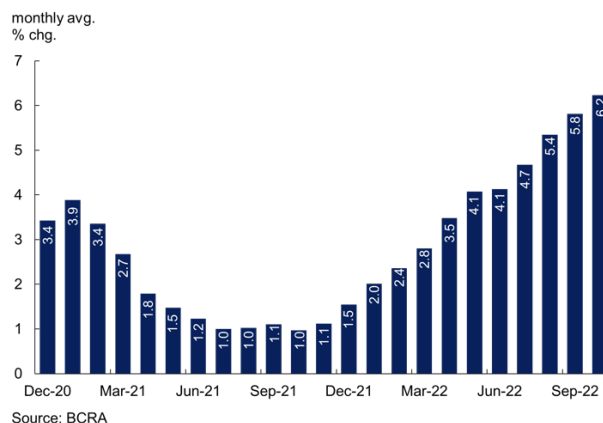


Chart 7.4 | Change in Bilateral Nominal Exchange Rate against USA



11 Communication "A" 7626.

12 General Resolution No 5272/2022 of the Federal Administration of Public Revenue (AFIP).

13 Executive Order No. 682/2022 by the Executive Power.

8. Regulatory Overview

Date of Issue	Regulation	Description
Oct-13-22	<u>Comm. "A" 7621</u>	The regulations regarding the refinancing of maturity of principal in foreign currency were extended until December 31, 2023 , as well as the requirement of prior consent of the BCRA to access the forex market for the repayment of principal on financial debts held abroad when the creditor is a counterparty related to the debtor.
Oct-13-22	<u>Comm. "A" 7622</u>	<p>As from October 17, 2022, financial institutions may allow companies to have access to the forex market to make payments of imports of goods recorded in an affidavit under the Argentine Imports System (SIRA, in Spanish), insomuch as certain regulatory conditions are met. Also, financial institutions' access to settle debts from letters of credit or bills issued or granted as from that date—for imports that require a SIRA affidavit—is subject to the submission of documentation by the institution to prove compliance with certain requirements. In turn, the regulations effective to date will remain applicable where importers have to access the forex market to make payments for imports of goods recorded in an affidavit under the Imports Monitoring Comprehensive System (SIMI, in Spanish), or for imports exempted from submitting a SIRA affidavit for the import customs registration.</p> <p>In addition, financial institutions can make swap transactions and arbitrages with their clients—provided that they do not involve inflows of foreign currency from abroad—for transferring foreign currency abroad from their clients' domestic accounts in foreign currency in payment of imports of goods recorded in a SIRA affidavit, subject to certain regulatory requirements.</p> <p>Finally, financial institutions may allow companies to have access to the forex market to make payments of imported goods recorded in a SIRA affidavit before the period stated therein. They may, thus, buy foreign currency subject to certain conditions regarding the type of imported goods, origin and end use of funds, or the requirement of, or exemption from, holding a "Certification of increased exports of goods" for the amount of foreign currency to be bought.</p>
Oct-20-22	<u>Comm. "A" 7623</u>	The balance in sight accounts held by financial institutions in banks abroad that only derive from clients' foreign exchange transactions will not be subject to the caps established in the regulations on "Large Exposures to Credit Risk", insomuch as certain requirements are met.
Oct-20-22	<u>Comm. "A" 7624</u>	The Mercosur Common Nomenclature (NCM, in Spanish) list was updated to comprise pharmaceuticals and/or inputs used to produce them locally, other health care items, and food products for human consumption, as set forth in Section 155 ter of the Argentine Food Code.
Oct-28-22	<u>Comm. "A" 7626</u>	<p>Companies having a "Certification under access regimes to foreign currency used for the incremental production of oil and/or gas" (Executive Order N° 277/22)" will have access to the forex market for up to the amount stated in the certification, provided that certain requirements are met. This will allow them to: 1) make payments of principal derived from the imports of goods and services; 2) make payments of profits and dividends to non-resident shareholders; 3) make payments of principal of loans granted abroad, when the creditor is a related counterparty of the debtor; 4) make payments of principal of financial debt in foreign currency for an amount exceeding the one resulting from the parameters; 5) repatriate non-residents' direct investments in companies other than parent companies of local financial institutions.</p> <p>Moreover, the amounts in the "Certification under access regimes to foreign currency used for the incremental production of oil and/or gas" (Executive Order N° 277/22)" must be deducted from the amount recorded in the "Certification of increased exports of goods". Also, clients may access the forex market to make payments of principal of foreign loans, subject to certain regulatory requirements with regard to the origin of the debt, its average life, and the fact that clients have had no access to the forex market for an amount exceeding USD20 million in the current calendar year.</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-YY						% of GDP	
	Oct-22	Sep-22	Aug-22	Dec-21	Oct-21	Monthly		Accrued in 2022		Year-on-year		Oct-22	Dec-21
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
Monetary Base	4,225,141	4,179,909	4,287,266	3,394,480	3,009,316	1.1%	-3.9%	24.5%	-23.7%	40.4%	-24.9%	4.6%	6.0%
Currency in circulation	3,240,179	3,171,405	3,234,769	2,504,731	2,216,119	2.2%	-2.2%	29.4%	-23.5%	46.2%	-21.8%	3.5%	4.5%
Cash held by the public	2,912,131	2,856,109	2,904,435	2,230,702	1,979,811	2.0%	-2.3%	30.5%	-22.6%	47.1%	-21.3%	3.2%	4.0%
Cash in financial institutions	328,048	315,296	330,334	274,029	236,307	4.0%	-1.7%	19.7%	-31.0%	38.8%	-25.8%	0.4%	0.5%
Current accounts at BCRA	984,962	1,008,504	1,052,497	889,749	793,197	-2.3%	-7.8%	10.7%	-36.2%	24.2%	-33.6%	1.1%	1.6%
BCRA's remunerated liabilities (NV ARS)	8,653,499	7,853,743	6,984,015	4,506,696	4,275,758	10.2%	4.1%	92.0%	10.7%	102.4%	8.2%	9.3%	4.8%
Reverse repos	1,428,092	1,398,559	944,336	2,366,670	2,122,033	2.1%	-3.6%	-39.7%	-65.2%	-32.7%	-64.0%	1.5%	2.5%
1 day	1,428,092	1,398,559	944,336	110,546	86,232	2.1%	-3.6%	1191.9%	644.8%	1556.1%	785.5%	1.5%	0.1%
7 days	0	0	0	2,256,124	2,035,801	0.0%	-5.6%	-100.0%	-100.0%	-100.0%	-100.0%	0.0%	2.4%
Stock of LELIQs	6,035,569	5,289,805	4,832,790	2,140,026	2,153,725	14.1%	7.7%	182.0%	62.6%	180.2%	49.8%	6.5%	2.3%
Stock of 28-day LELIQs	6,031,014	5,285,251	4,825,195	2,140,026	2,153,725	14.1%	7.8%	181.8%	62.5%	180.0%	49.7%	6.5%	2.3%
Stock of 180-day LELIQs	4,555	4,555	7,595	-	-	0.0%	-5.6%	-	-	-	-	0.0%	-
Stock of NOTALIQs	1,189,838	1,165,378	1,206,889	-	-	2.1%	-3.6%	-	-	-	-	1.3%	-
BCRA's international reserves in dollars	38,710	37,174	37,116	40,584	42,920	4.1%	-	-4.6%	-	-9.8%	-	6.3%	7.6%

Monthly average explanatory factors	Monthly		Quarterly		Accrued in 2022		Year-on-year	
	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution
Monetary Base	45,232	1.1%	13,117	0.3%	830,661	24.5%	1,215,825	40.4%
Foreign exchange purchases to private sector and others	649,238	15.5%	976,830	23.2%	1,088,077	32.1%	963,485	32.0%
Foreign exchange purchase to the NT	-275,068	-6.6%	-402,184	-9.5%	-407,899	-12.0%	-415,351	-13.8%
Temporary advances and profit transfers to National Government	0	0.0%	26,935	0.6%	1,013,351	29.9%	1,609,165	53.5%
Other public sector operations	-4,891	-0.1%	-165,279	-3.9%	-238,469	-7.0%	-234,159	-7.8%
Monetary policy instruments	-305,968	-7.3%	-543,857	-12.9%	-1,708,635	-50.3%	-1,673,524	-55.6%
Others	-18,079	-0.4%	120,671	2.9%	1,084,237	31.9%	966,208	32.1%
BCRA's International Reserves	1,536	4.1%	-1,625	-4.0%	-1,875	-4.6%	-4,210	-9.8%
Purchases of foreign currency	2,787	7.5%	3,723	9.2%	4,652	11.5%	3,417	8.0%
International organizations	-761	-2.0%	-3,128	-7.8%	-447	-1.1%	-1,686	-3.9%
Other public-sector transactions	64	0.2%	-199	-0.5%	-1,074	-2.6%	737	1.7%
Minimum cash requirements	-113	-0.3%	-549	-1.4%	-244	-0.6%	-529	-1.2%
Others (incl. forex valuation)	-442	-1.2%	-1,472	-3.6%	-4,761	-11.7%	-6,149	-14.3%

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

Minimum Cash Requirement and Compliance	Oct-22	Sep-22	Aug-22
Domestic currency	% of total deposits in pesos		
Net requirement of deductions	18.7	20.5	21.5
Compliance in current accounts	6.0	6.6	7.4
Compliance in LELIQs	31.6	30.2	29.8
Compliance in BOTE 2027	3.3	3.3	3.5
Compliance in sovereign bonds/other	6.7	6.1	5.6
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)	63.3	64.2	65.8
Position ⁽¹⁾	39.3	40.2	41.8

(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-22						% of GDP ⁴	
	Oct-22	Sep-22	Aug-22	Dec-21	Oct-21	Monthly		Accrued in 2022		Year-on-year		Oct-22	Dec-21
						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 pesos ¹	16,247,324	15,098,814	14,059,493	9,585,924	8,716,383	7.6%	2.2%	69.5%	-0.8%	86.4%	-0.3%	17.6%	17.5%
Private sector deposits	13,105,259	12,276,769	11,428,074	7,725,433	7,023,850	6.7%	1.5%	69.6%	-0.4%	86.6%	-0.2%	14.2%	14.1%
Private Sector Sight Deposits	6,014,108	5,799,783	5,436,853	4,094,910	3,536,179	3.7%	-2.5%	46.9%	-9.2%	70.1%	-9.1%	6.5%	7.1%
Non-interest bearing (transactional)	4,407,961	4,227,255	4,093,901	3,283,152	2,821,483	4.3%	-2.1%	34.3%	-15.4%	56.2%	-16.5%	4.8%	5.6%
Interest-bearing	1,606,147	1,572,527	1,342,952	811,758	714,696	2.1%	-3.5%	97.9%	14.1%	124.7%	20.2%	1.7%	1.5%
Private Sector Time Deposits and Others	7,091,151	6,476,986	5,991,222	3,630,523	3,487,671	9.5%	5.2%	95.3%	8.5%	103.3%	8.7%	7.7%	7.0%
Time Deposits	6,891,705	6,291,198	5,813,407	3,482,489	3,362,746	9.5%	5.3%	97.9%	9.8%	104.9%	9.6%	7.5%	6.7%
CER / UVA non-adjustable	6,516,618	5,900,409	5,414,001	3,322,813	3,206,455	10.4%	6.1%	96.1%	8.8%	103.2%	8.7%	7.1%	6.4%
CER / UVA-adjustable	375,086	390,789	399,407	159,676	156,292	-4.0%	-7.8%	134.9%	30.3%	140.0%	28.3%	0.4%	0.3%
Traditional	180,011	195,553	204,132	102,705	103,505	-7.9%	-11.5%	75.3%	-2.8%	73.9%	-7.0%	0.2%	0.2%
Early-payment	195,075	195,236	195,275	56,970	52,787	-0.1%	-4.0%	242.4%	90.0%	269.6%	97.6%	0.2%	0.1%
Other deposits	199,447	185,788	177,814	148,035	124,925	7.4%	1.4%	34.7%	-22.3%	59.7%	-14.6%	0.2%	0.3%
Public sector deposits ²	3,142,065	2,822,045	2,631,419	1,860,491	1,692,533	11.3%	5.1%	68.9%	-2.6%	85.6%	-0.7%	3.4%	3.4%
Monetary Aggregates													
Total M2	10,171,415	9,701,332	9,241,262	7,120,815	6,144,401	4.8%	-0.5%	42.8%	-13.1%	65.5%	-11.5%	11.0%	12.5%
Total M3	19,275,543	18,077,856	17,076,843	11,905,669	10,810,156	6.6%	1.1%	61.9%	-4.3%	78.3%	-4.7%	20.8%	21.4%
Private sector monetary aggregates													
Private M2	8,926,239	8,655,891	8,341,288	6,325,612	5,515,991	3.1%	-2.4%	41.1%	-14.5%	61.8%	-13.5%	9.7%	11.2%
Transactional private M2 ³	7,320,092	7,083,364	6,998,336	5,513,854	4,801,295	3.3%	-2.2%	32.8%	-18.4%	52.5%	-18.5%	8.0%	9.6%
Private M3	16,017,391	15,132,877	14,332,509	9,956,135	9,003,662	5.8%	1.1%	60.9%	-4.9%	77.9%	-4.9%	17.5%	18.1%
Total loans to the non-financial sector in pesos													
Loans to the non-financial private sector	6,020,918	5,823,633	5,665,281	4,003,444	3,502,792	3.4%	-3.5%	50.4%	-11.4%	71.9%	-8.1%	6.4%	7.1%
Overdrafts	661,045	625,133	640,990	392,585	345,572	5.7%	-3.0%	68.4%	-1.8%	91.3%	2.3%	0.7%	0.7%
Promissory notes	1,547,670	1,509,209	1,497,978	1,010,395	835,953	2.5%	-4.6%	53.2%	-10.4%	85.1%	-1.0%	1.6%	1.8%
Mortgage-backed loans	364,922	360,614	350,440	280,283	260,256	1.2%	-4.3%	30.2%	-24.5%	40.2%	-25.0%	0.4%	0.5%
Pledge-backed loans	422,264	408,243	384,542	229,234	196,361	3.4%	-3.1%	84.2%	5.6%	115.0%	15.0%	0.4%	0.4%
Personal loans	971,246	932,456	900,857	665,885	599,770	4.2%	-2.3%	45.9%	-14.8%	61.9%	-13.4%	1.0%	1.2%
Credit cards	1,745,173	1,686,745	1,596,050	1,198,243	1,063,302	3.5%	-4.2%	45.6%	-10.5%	64.1%	-12.2%	1.9%	2.1%
Others	308,598	301,233	294,424	226,818	201,577	2.4%	1.3%	36.1%	-19.0%	53.1%	-18.1%	0.3%	0.4%
Loans to the non-financial public sector	67,459	64,067	57,170	54,689	46,133	5.3%	-0.6%	23.3%	-28.9%	46.2%	-21.8%	0.1%	0.1%
Foreign currency ¹													
Deposits from the non-financial sector in dollars	17,523	17,453	17,547	18,237	19,040	0.4%	-	-3.9%	-	-8.0%	-	2.9%	3.5%
Deposits from the non-financial private sector in dollars	14,983	14,823	14,603	15,255	16,274	1.1%	-	-1.8%	-	-7.9%	-	2.4%	2.8%
sight deposits	11,254	11,074	10,824	11,233	12,010	1.6%	-	0.2%	-	-6.3%	-	1.8%	2.1%
time deposits and others	3,729	3,748	3,779	4,022	4,264	-0.5%	-	-7.3%	-	-12.5%	-	0.6%	0.8%
Deposits from the non-financial public sector in dollars	2,540	2,631	2,944	2,982	2,767	-3.4%	-	-14.8%	-	-8.2%	-	0.5%	0.6%
Loans to the non-financial sector in dollars	3,695	3,710	3,835	4,268	4,902	-0.4%	-	-13.4%	-	-24.6%	-	0.6%	0.8%
Loans to the non-financial private sector in dollars	3,585	3,592	3,715	4,127	4,761	-0.2%	-	-13.1%	-	-24.7%	-	0.6%	0.8%
Promissory notes	2,294	2,345	2,434	2,729	3,305	-2.2%	-	-15.9%	-	-30.6%	-	0.4%	0.5%
Credit cards	251	261	272	137	115	-4.0%	-	83.4%	-	117.8%	-	0.0%	0.0%
Others	1,040	987	1,008	1,261	1,342	5.4%	-	-17.5%	-	-22.5%	-	0.2%	0.2%
Loans to the non-financial public sector in dollars	110	118	120	141	141	-6.7%	-	-21.9%	-	-21.9%	-	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 average for rates weighted by amount.

Monetary policy interest rates	Oct-22	EAR Oct-22	Sep-22	Aug-22	Dec-21	Oct-21
BCRA repo interest rates						
Overnight reverse repo	70.00	101.24	67.25	61.44	32.00	32.00
Overnight repo	95.00	158.25	91.50	83.81	42.70	42.70
28-day LELIQ interest rate	75.00	107.35	72.25	66.44	38.00	38.00
180-day LELIQ interest rate	83.50	101.23	79.75	73.45		
Interbank market interest rates	Oct-22	EAR Oct-22	Sep-22	Aug-22	Dec-21	Oct-21
Repo rates among third parties on overnight REPO round	70.70	102.66	64.62	59.84	30.98	30.62
Volume of repos traded among third parties (daily average)	19,455		6,393	11,723	4,489	5,284
Calls in pesos (overnight)						
Interest rate	66.10	93.56	63.85	57.79	30.46	30.94
Traded volume	30,297		24,289	22,249	19,687	14,794
Borrowing interest rates	Oct-22	EAR Oct-22	Sep-22	Aug-22	Dec-21	Oct-21
Sight deposits						
Interest-bearing	56.11	73.07	52.88	45.26	28.87	30.24
Time deposits						
Natural persons up to ARS1 million (30-35 days) ¹	74.65	106.37	71.98	65.56	36.29	36.29
Total TM20 (more than ARS20 million, 30-35 days)	65.81	89.83	63.66	57.44	33.25	33.31
Private banks' TM20 (more than ARS20 million, 30-35 days)	66.48	91.03	64.30	58.14	33.98	33.95
Total BADLAR (more than ARS1 million, 30-35 days)	68.38	94.50	65.97	59.74	33.34	33.40
Private banks' BADLAR (more than ARS1 million, 30-35 days)	69.19	96.00	66.84	60.71	34.20	34.15
Interest rate on UVA deposits' early-payment option	71.00	99.38	68.25	62.44	30.50	30.50
Lending interest rates	Oct-22	EAR Oct-22	Sep-22	Aug-22	Dec-21	Oct-21
Loans to the non-financial private sector in pesos						
Overdrafts	72.36	106.04	68.28	60.09	40.47	41.53
1 to 7 days – in accordance with companies – more than ARS10 million	72.37	105.19	69.63	61.72	35.36	35.24
Unsecured promissory notes	61.09	81.49	58.98	54.10	34.78	34.90
Mortgage-backed loans	60.85	81.07	49.10	43.80	29.71	31.51
Pledge-backed loans	50.85	64.57	48.92	41.66	28.16	27.59
Personal loans	82.90	122.99	78.30	74.76	53.00	52.87
Credit cards	68.62	94.95	58.07	54.71	42.87	42.73
Interest rate in foreign currency	Oct-22	EAR Oct-22	Sep-22	Aug-22	Dec-21	Oct-21
Time deposits in dollars (30 to 44 days)	0.34	0.34	0.34	0.34	0.37	0.37
Unsecured promissory notes in dollars	4.55	4.64	4.95	5.31	5.97	3.83
Exchange rate	Oct-22	Monthly chg. (%)	Sep-22	Aug-22	Dec-21	Oct-21
NER peso/dollar						
Wholesale rate (Comm. "A" 3.500)	152.05	6.24	143.13	135.26	101.88	99.22
Retail rate ²	154.64	6.15	145.69	138.02	104.27	101.60
NER peso/real	28.93	5.85	27.33	26.32	18.01	17.94
NER peso/euro	149.64	5.59	141.71	136.95	115.14	115.05
ITCNM	958.02	5.07	911.76	878.11	672.89	664.04
ITCRM	88.62	-1.02	89.53	91.85	102.57	106.49

1 The interest rate under consideration does not agree with the minimum interest rate. The reason for this is that the latter only involves natural persons' deposits below ARS1 million. The minimum interest rate applies to the whole time deposits of each depositor in the financial institution as long as they do not exceed ARS1 million.

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

Glossary

AFIP: Federal Administration of Public Revenue

ANSES: Argentine Social Security Administration

APR: Annual Percentage Rate

B.P.: Basis Points

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

BCRA: Central Bank of Argentina

CC BCRA: Current accounts at BCRA

CER: Reference Stabilization Coefficient

CNV: National Securities Commission

CPI: Consumer Price Index

EAR: Effective Annual Rate

EM: Minimum Cash Requirements

FCI: Mutual Funds

GDP: Gross Domestic Product

IAMC: Argentine Institute for Capital Markets

IRR: Internal Rate of Return

ITCNM: Multilateral Nominal Exchange Rate Index

ITCRM: Multilateral Real Exchange Rate Index

LEBAC: BCRA Bills

LELIQ: BCRA Liquidity Bills

LFIP: Credit Line for Productive Investment

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

MERVAL: Buenos Aires Stock Exchange Index

MM: Money Market

MSMEs: Micro, Small and Medium-Sized Enterprises

NBFI: Non-Bank Financial Institution

NOCOM: Cash Compensation Notes issued by BCRA

ON: Negotiable Obligation

p.p.: Percentage Points

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

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

PSP: Payment Service Providers

ROFEX: Rosario Futures Exchange

s.a.: Seasonally-Adjusted

SDR: Special Drawing Right

SIMPES: Comprehensive System for Monitoring Payments of Services Abroad

SISCEN: BCRA Centralized Reporting Requirement System

TCN: Nominal Exchange Rate

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

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

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

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

UVA: Units of Purchasing Power

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