

# Monthly Monetary Report

July 2023



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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

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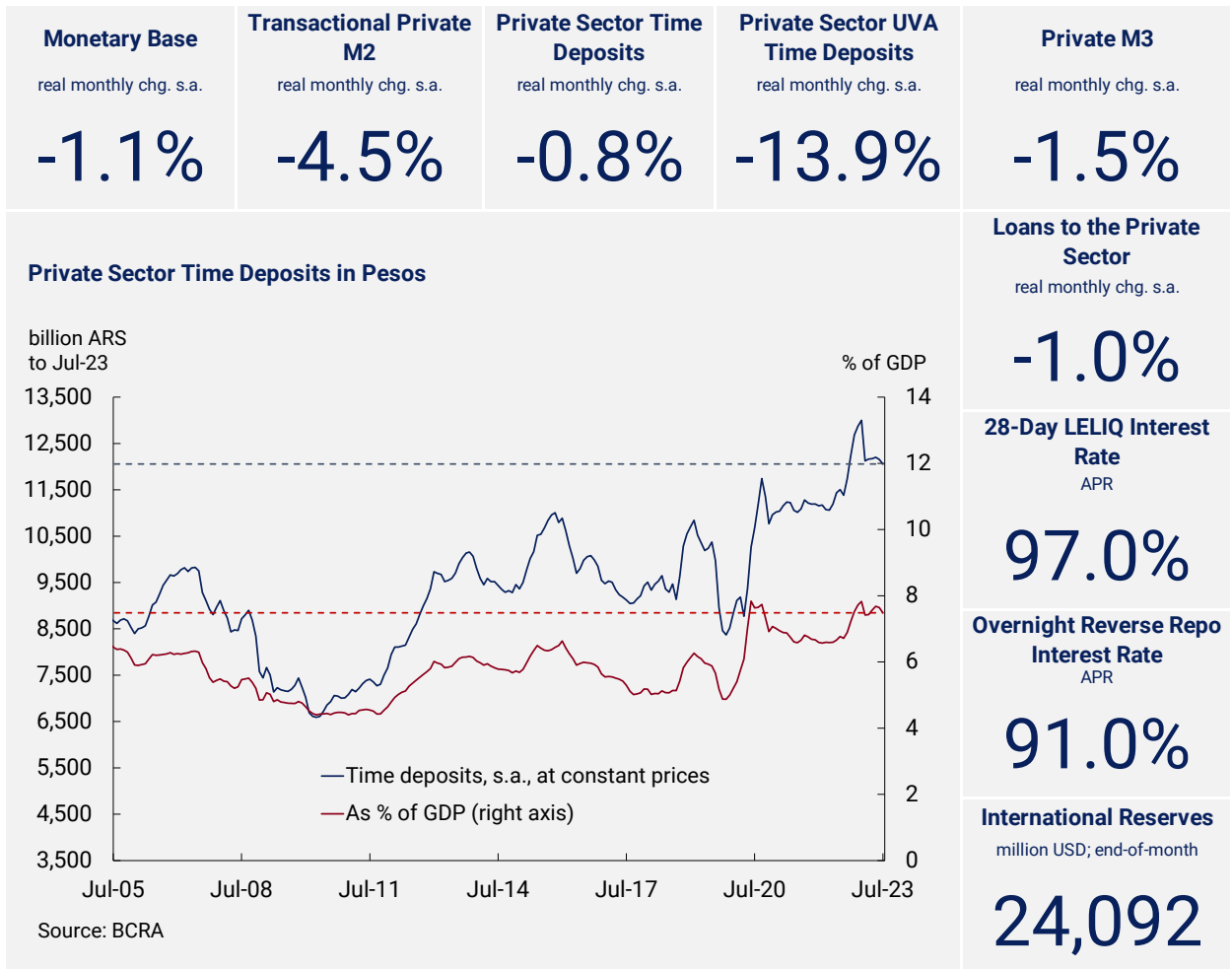
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### **About inclusive language in the Spanish version of this report**

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 July, the BCRA kept the benchmark interest rates unchanged in answer to the slowdown of the inflation rate shown in June. In particular, the monetary policy rate (28-day liquidity bills (LELIQs)) remained at 97% APR (154.9% EAR) and, in real terms, it was positive in relation to both the actual and the expected inflation rate.

In July, the broad monetary aggregate (private M3) posted a contraction at constant prices and in seasonally-adjusted (s.a.) terms, standing at 16.9% of GDP and decreasing 0.5 p.p. vis-à-vis June. This fall was mainly explained by the performance of transactional deposits which, in terms of GDP, reached a new minimum. Regarding interest-bearing instruments, time deposits in pesos from the private sector contracted slightly at constant prices in July, though they stayed around the highs of the past few decades in terms of GDP.

As for bank financing, loans posted an additional contraction in July at constant prices and in seasonally-adjusted terms, explained by loans to consumption and secured loans. In turn, the stock of loans channeled to commercial activities remained stable in the period under analysis.

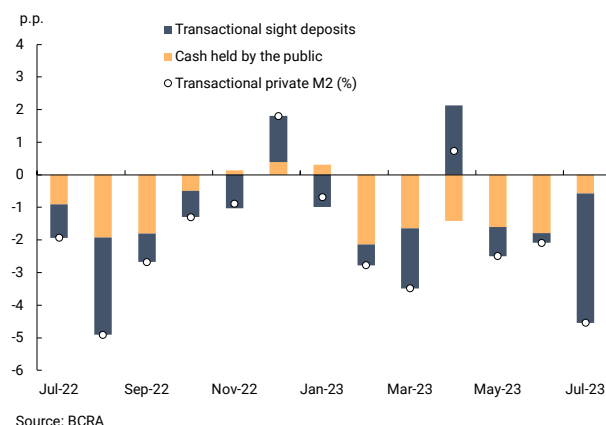
On July 24, a new exchange rate was set for settlements of foreign currency under the Export Increase Program (*Programa de Incremento Exportador, PIE*). In addition, the production of corn and malting barley was included in the PIE. Purchases of foreign currency to the private sector under the PIE totaled USD1.22 billion in July, out of which USD1 billion was recorded as from July 24.

## 2. Means of Payment

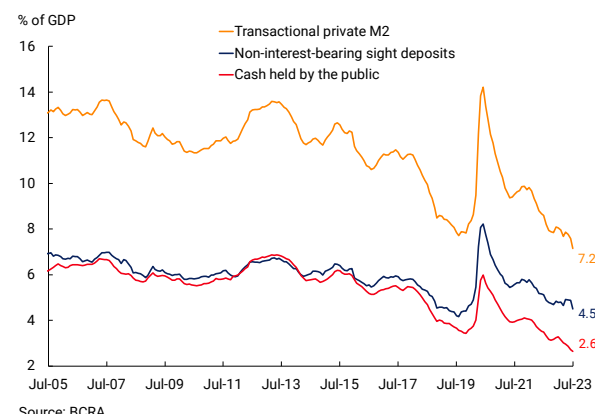
In real and seasonally-adjusted terms, means of payment (transactional private M2<sup>1</sup>) posted a 4.5% contraction in July, accruing a decline of around 14.5% in the year. This was mainly explained by the performance of both cash held by the public and non-interest-bearing sight deposits, though the latter contributed the most to this fall (see Chart 2.1). In year-on-year (y.o.y.) terms and at constant prices, transactional private M2 stood 20.7% below the level observed in July 2022.

In terms of GDP, means of payment stood at 7.2%, posting a decrease (0.4 p.p.) against June and a new floor over the past 20 years (see Chart 2.2). In particular, cash held by the public reached a new historic low in terms of GDP, while sight deposits stood just above the lowest figures observed at the end of 2019.

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



**Chart 2.2 | Transactional Private M2**



## 3. Savings Instruments in Pesos

In July, the Board of the BCRA decided to keep unchanged the minimum interest rates on time deposits<sup>2</sup> in a context of positive real levels and a slowdown of the inflation rate. The interest rate policy seeks to obtain positive real returns on investments in domestic currency to preserve monetary and foreign exchange stability. Thus, the minimum interest rate on natural persons' deposits remained at 97% APR (154.3% EAR), while for the other depositors of the financial system this rate stood at 90% APR (138.3% EAR).<sup>3</sup>

In July, interest-bearing sight deposits expanded 1.7% s.a. at constant prices, up 27.2% against the figures recorded a year ago. These deposits are mainly held by financial service providers (FSPs) and, in particular, by money market funds (MMFs). This took place in a context in which the equity of these funds declined by 1.9% in real terms, which exhibits changes in the portfolio composition of FSPs and MMFs in favor of liquid and interest-bearing instruments.

**Private sector time deposits in pesos posted a 0.8% s.a. contraction at constant prices in July.** In spite of the fall, these deposits remained around the peak values of the past few decades. Along the same lines, they

<sup>1</sup> 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.

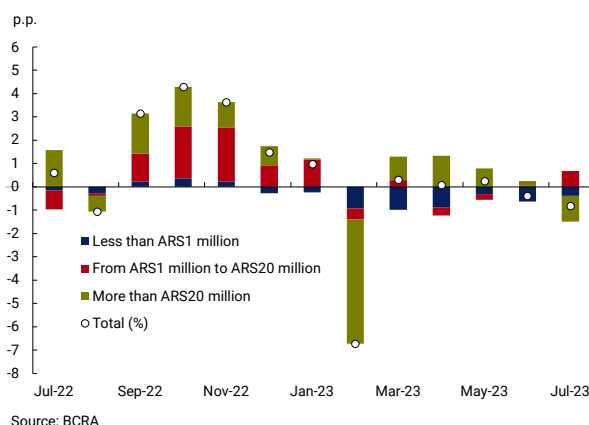
<sup>2</sup> The current interest rates have been set out in Communication "A" 7726.

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

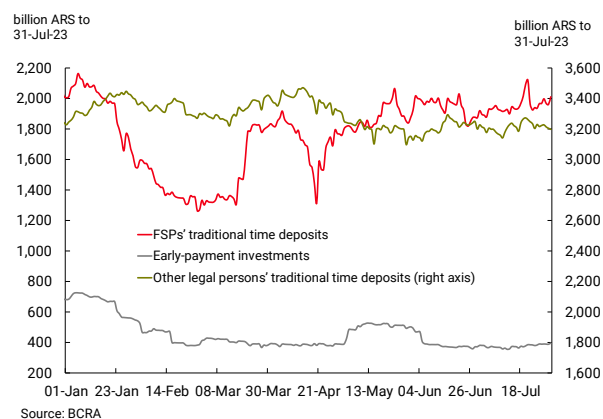
stood at 7.5% of GDP in July (down 0.2 p.p. against June), a similar value to the highest attained during the COVID-19 pandemic.

The analysis of time deposits broken down by amount **shows that wholesale deposits (over ARS20 million) fell the most, which was explained by the change in the portfolio composition of MMFs.** The average monthly performance was mainly explained by the carryforward of the fall observed by the end of June, when most portfolio changes took place (see Chart 3.1). Indeed, the analysis of the daily evolution of these deposits showed that traditional time deposits held by FSPs ended July at a slightly higher level compared to the end of June, though deposits held by the rest of companies remained stable. In turn, early-payment investments, which cannot be sorted by type of holder, remained stable after the fall evidenced in June (see Chart 3.2). **Deposits under ARS1 million at constant prices declined in the month, though to a lesser extent. The performance of these segments was in part offset by that of deposits between ARS1 and ARS20 million, which increased in real terms.**

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

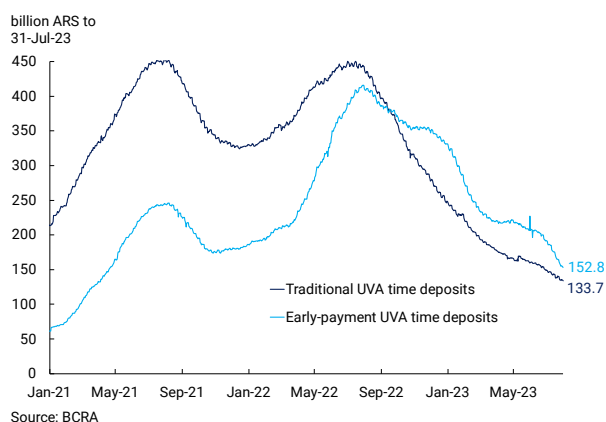


**Chart 3.2 | Time Deposits over ARS20 Million**  
Stock at constant prices by type of depositor and instrument. Original series

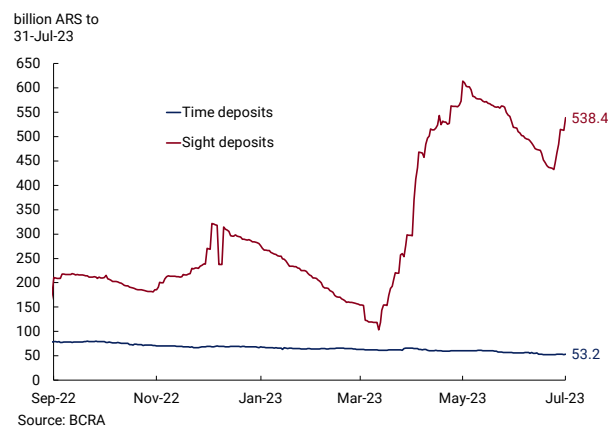


Time deposits adjusted by the reference stabilization coefficient (*Coeficiente de Estabilización de Referencia*, CER) contracted once again in real terms, accruing 12 months of falls in a row. The decrease was observed in both traditional and early-payment deposits adjusted by units of purchasing power (*Unidad de Valor Adquisitivo*, UVA), whose monthly change rates were -10.9% s.a. and -16.2% s.a., respectively, accelerating their falling pace compared to previous months (see Chart 3.3). The analysis of deposits by type of holder showed that the decline was mainly driven by natural persons' holdings, which accounted for about 71% of the total. All in all, the stock of UVA deposits reached ARS286.5 billion at the end of July, which amounted to 2.3% of total time instruments in domestic currency.

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



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



Also, deposits adjusted by the benchmark exchange rate recorded a fall in July. This month, sight deposits contracted by 16.6% s.a. on average at constant prices, and their stock stood at ARS538.4 billion at the end of July. It should be noted that setting new conditions for the PIE<sup>4</sup> gave a new boost to these deposits by the end of July. In turn, the stock of DIVA dollar time deposits (deposits with floating interest rates calculated on the basis of the wholesale rate of the dollar) amounted to ARS53.22 billion at the end of July, evidencing an average monthly contraction of 9.7% s.a. at constant prices (see Chart 3.4).

**All in all, the broad monetary aggregate (private M3) at constant prices posted a monthly reduction of 1.5% s.a. in July.**<sup>5</sup> In year-on-year terms, private M3 posted a 6.6% fall with a share of 16.9% in GDP, down 0.5 p.p. against June.

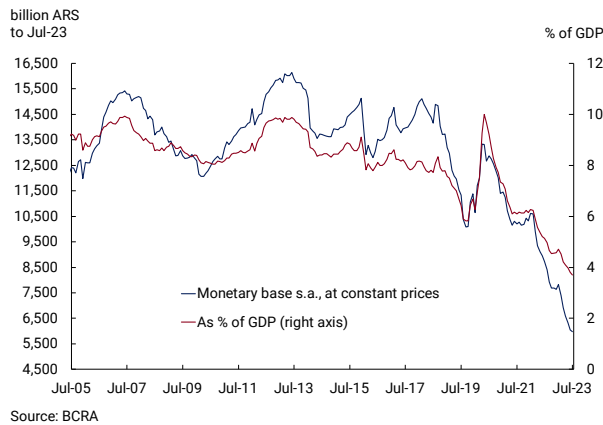
## 4. Monetary Base

**In July, the monetary base averaged ARS6,128.9 billion, which meant a monthly expansion of 9.4% (+ARS525.07 billion) at current prices. It is worth mentioning that this rise was driven by the positive seasonal factor related to cash held by the public during the winter holidays.** The monetary base contracted by 1.1% s.a. at constant prices, down around 31.5% over the last 12 months. In terms of GDP, it stood at 3.7%, down 0.1 p.p. against June and at its historic low since the exit from the convertibility system (see Chart 4.1).

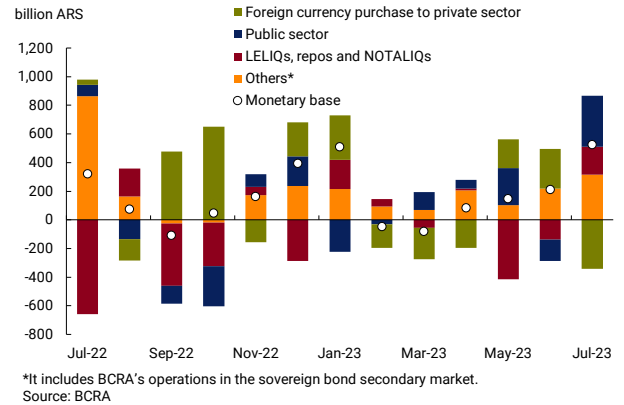
<sup>4</sup> Mainly through the incorporation of corn and malting barley to the regional economies program.

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

**Chart 4.1 | Monetary Base**



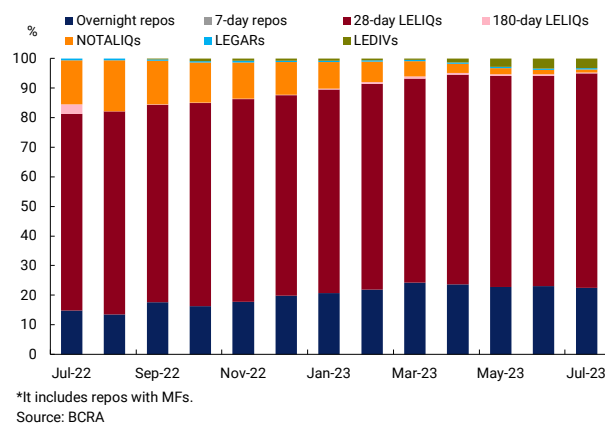
**Chart 4.2 | Monetary Base Explanatory Factors Monthly average change**



On the supply side, the main expansion factors of the monetary base were public sector transactions (transfers to the National Treasury through temporary advances and profit transfers, whose expansion was in part offset by the sale of dollars to the National Treasury to make repayments abroad), and transactions with sovereign bonds in the secondary market with the aim of reducing excessive financial volatility. In turn, BCRA's remunerated liabilities drove liquidity to expand since the payment of interest exceeded underwritings. These factors were in part offset by the contractionary effect of the net sales of foreign currency to the private sector (see Chart 4.2).

**As regards the components of remunerated liabilities, 28-day LELIQs averaged 72.6% of the total in July.** Longer-term instruments, particularly liquidity notes (NOTALIQs), accounted for only 1.3% of the stock in July. In turn, the share of overnight reverse repos in total instruments decreased to reach 22.4% of the total. LEDIVs and LEGARs—which are bills issued by the BCRA—accounted for the remaining share, decreasing by 0.2 p.p. vis-à-vis June. However, the share of LEDIVs improved by the end of July due to the growth of deposits adjusted by the benchmark exchange rate after the changes made under the PIE (see Chart 4.3).

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

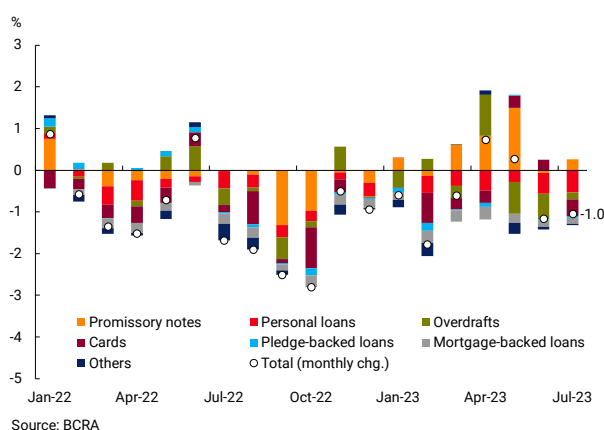


Last, in July, the BCRA decided to keep the benchmark interest rates unchanged in answer to the current levels in real terms, the slowdown of the inflation rate for the second month in a row, the evolution of July's forward indicators, and the future prospects of inflation. In turn, the 28-day-term LELIQ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

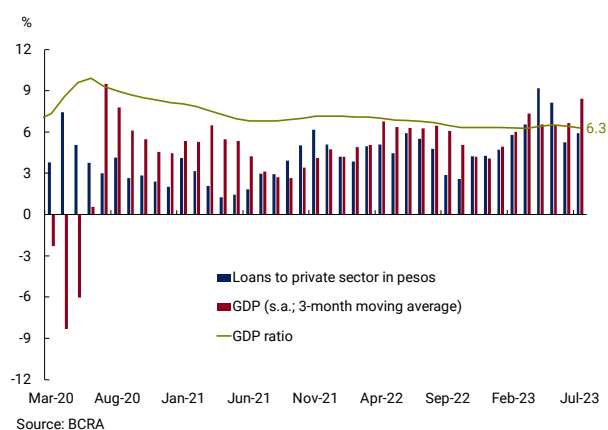
## 5. Loans to the Private Sector in Pesos

In July, loans in pesos to the private sector posted a monthly decrease of 1% s.a. in real terms, accruing a 12% decline over the last 12 months. The fall was mostly recorded in loans to consumption and in secured loans, while business loans remained stable (see Chart 5.1). In terms of GDP, loans in pesos to the private sector fell slightly in July and stood at 6.3% (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



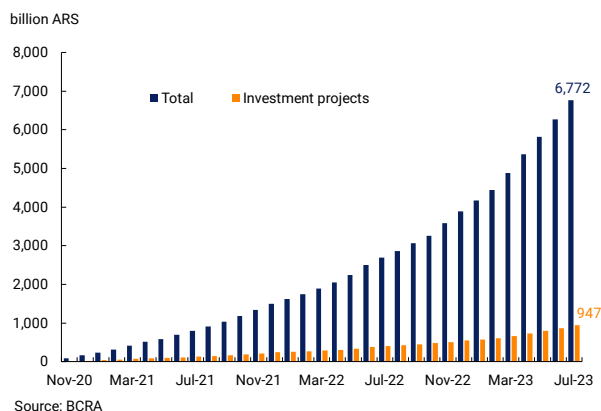
**Business credit lines, in particular, exhibited no significant changes in real terms, and posted a heterogeneous performance by type of instrument.** Indeed, loans granted through promissory notes improved by 0.9% s.a. in real terms, standing just above the level recorded a year ago. Discounted notes rose the most in July (2.5% s.a.) whereas unsecured promissory notes increased but to a lesser extent (0.5% s.a. in the month). In turn, overdrafts contracted 1.5% s.a. at constant prices, down nearly 10% vis-à-vis July 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*).** Until the end of July, the loans granted under the LFIP accrued disbursements for about ARS6,772 billion from its implementation, up 8% vis-à-vis June (see Chart 5.3). Out of the total financings granted through the LFIP, 14% was channeled to investment projects and the rest, to working capital. It is worth mentioning that the average stock of loans granted through the LFIP reached around ARS1,721 billion in June (latest available data), standing for nearly 18.1% of total loans and 40.4% of total business loans.

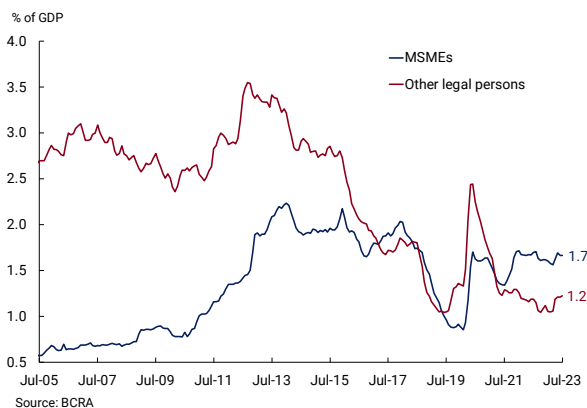
In terms of GDP, lending to smaller relative-sized companies continued standing at 1.7%, beyond the record observed before the pandemic and also above its historic average. On the contrary, the ratio of credit channeled to big companies in terms of GDP stood at a historic low (see Chart 5.4).



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



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



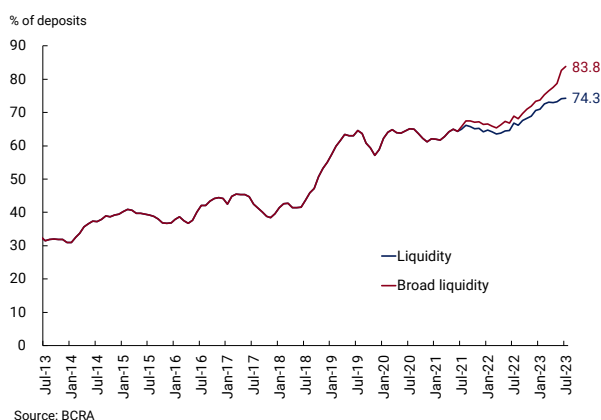
Loans to consumption fell 2.1% s.a. at constant prices in July, falling 15% over the last 12 months. Among these credit lines, financings on credit cards posted a decline of 1.3% s.a. in real terms, and personal loans, 3.7% in July. In year-on-year terms, these loans fell by 10% and 22%, respectively.

As for secured credit lines, pledge-backed loans contracted by 0.6% s.a. at constant prices, down around 11% vis-à-vis a year ago. Regarding the stock of mortgage-backed loans, it fell by 3.3% s.a., contracting about 40% over the last 12 months.

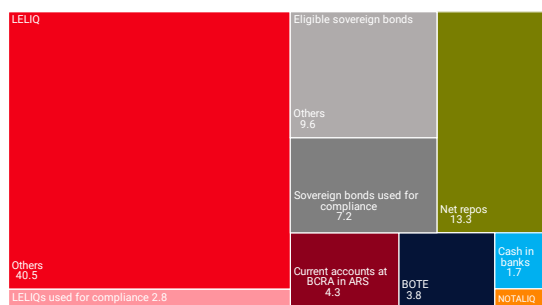
## 6. Financial Institutions' Liquidity in Pesos

In July, broad liquidity in domestic currency<sup>6</sup> exhibited a new increase of 1.1 p.p. against June, with an average of 83.8% of deposits (see Chart 6.1). Thus, it stood at historically high levels. The rise was mainly explained by holdings of LELIQs and sovereign bonds allocated to meet minimum cash requirements, which was in part offset by reverse repos and NOTALIQs.

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



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



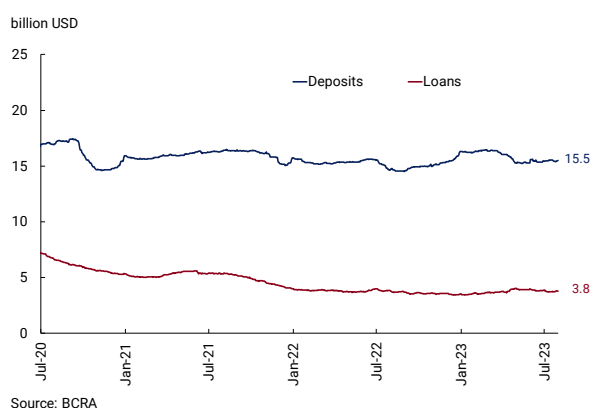
Note: The distribution of sovereign bonds used for compliance and others is computed assuming that the latest data available in the Reporting Regime on Minimum Cash Requirements is constant.  
Source: BCRA

<sup>6</sup> 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.

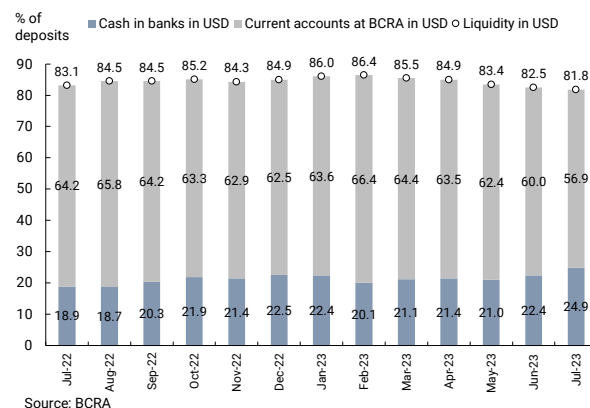
## 7. Foreign Currency

As regards foreign currency, financial institutions' main assets and liabilities posted a dissimilar performance. On the one hand, deposits from the private sector increased USD71 million, and ended July with a stock of USD15.5 billion. On the other hand, the stock of loans to the private sector decreased by USD105 million, reaching USD3.76 billion at the end of July (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 recorded a 0.8 p.p. decline compared to June's average (81.7% of deposits), remaining at historically high levels (see Chart 7.2).

**In July, the BCRA made some regulatory changes concerning the foreign exchange.** Among them, the conditions for underwriting "Central Bank Bills in US dollars payable at the benchmark exchange rate as set forth in Communication "A" 3500 (LEDIV) at zero rate" have been extended. Also, natural persons who are beneficiaries of credits granted by the Argentine Social Security Administration (*Administración Nacional de la Seguridad Social*, ANSES) will not have access to the forex market until their debt is paid.<sup>7</sup>

To supplement these regulations and promote a more efficient allocation of foreign currency, the BCRA established changes in the income tax rate for the build-up of foreign assets and in the Tax for an Inclusive and Solidary Argentina (*Impuesto Para una Argentina Inclusiva y Solidaria*, PAIS) for the purchase of dollars used to pay services abroad.<sup>8</sup> In addition, **the new conditions in relation to the PIE set an exchange rate of ARS340/USD1 for the settlement of foreign currency from exports of goods from regional economies, which will be effective until August 31. This was decided with the aim of increasing the supply of foreign currency by boosting exports.**<sup>9</sup> It should be noted that **this measure includes the production of corn and malting barley.**<sup>10</sup>

**At the end of July, the BCRA's international reserves reached USD24.1 billion, down USD3.83 billion against the end of June** (see Chart 7.3). The fall was mainly explained by payments to international organizations and repayments of debts in foreign currency incurred by the National Government. At the end of July, around USD2.7 billion was repaid to the International Monetary Fund (IMF), of which USD1.7 billion

<sup>7</sup> Communication "A" 7810.

<sup>8</sup> Executive Order No. 377/2023 by the Executive Power.

<sup>9</sup> Executive Order No. 378/2023 by the Executive Power.

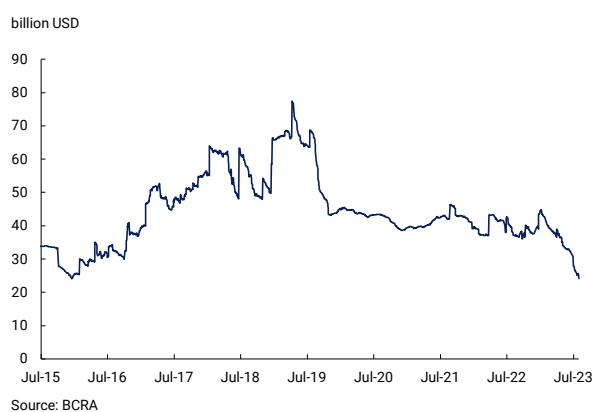
<sup>10</sup> Resolution No. 295/2023 by the Agriculture and Fisheries Secretariat.

was paid in yuan under the currency swap agreement with the People’s Bank of China (PBC). The other USD1 billion was paid with funds from the Development Bank of Latin America and the Caribbean (*Banco de Desarrollo de América Latina y el Caribe - CAF*).

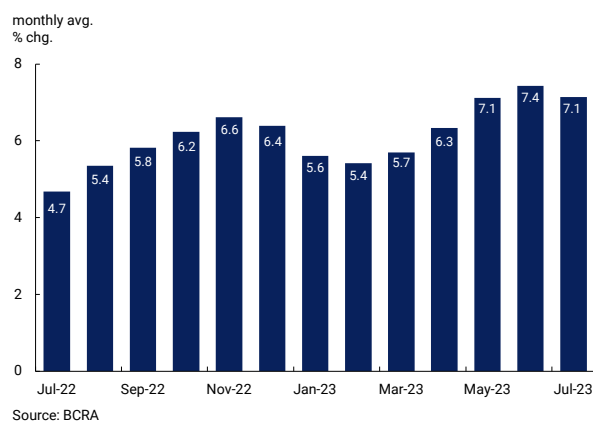
Another explanatory factor for the fall of international reserves in July was the net sale of foreign currency to the private sector, though to a lesser extent. It is worth mentioning that, on the last days of July, the BCRA maintained a long position due to settlements from the new edition of the PIE. Indeed, purchases under the PIE totaled USD1.22 billion in July, of which USD1 billion took place after the changes to such program at the end of July.

**Finally, the ARS/USD nominal exchange rate (NER) increased 7.1% and averaged ARS266.05/USD in July.** Thus, the depreciation pace of domestic currency was slightly lower than in June, in line with inflation moderation (see Chart 7.4).

**Chart 7.3 | Stock of International Reserves**



**Chart 7.4 | Changes in Bilateral Nominal Exchange Rate against USA**



## 8. Regulatory Overview

Date of Issue	Regulation	Description
Jul-6-23	<a href="#">Comm. "A" 7803</a>	The conditions for underwriting "Central Bank Bills in US dollars payable at the benchmark exchange rate as set forth in Communication "A" 3500(LEDIV) at zero rate" have been extended. In particular, this regulation allows financial institutions to underwrite bills on behalf of clients having a "Certification under Regimes to Access Foreign Currency for the Incremental Production of Oil and/or Gas" (Executive Order N° 277/22)." LEDIV holdings must not exceed the amount of the aforementioned pending certifications.
Jul-20-23	<a href="#">Comm. "A" 7810</a>	Natural persons who are beneficiaries of credits granted by ANSES will not be able to carry out the following transactions until their debt is paid: purchase foreign currency in the forex market for the build-up of foreign assets by residents; carry out transfers abroad for family support; make derivative transactions; sell securities in Argentina to be settled in foreign currency issued by residents; exchange securities issued by residents for foreign assets or transfer them to foreign depositaries; or purchase securities in Argentina to be settled in pesos issued by non-residents.
Jul-24-23	<a href="#">Comm. "A" 7813</a>	The "Special accounts for holders involved in agricultural activities and others" and the "Special accounts for exporters" must be used for crediting all foreign currency settlements under the PIE.

## 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 Jul-23						% of GDP	
	Jul-23	Jun-23	May-23	Dec-22	Jul-22	Monthly		Accrued in 2023		Year-on-year		Jul-23	Dec-22
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
<b>Monetary Base</b>	<b>6,128,916</b>	<b>5,603,843</b>	<b>5,392,794</b>	<b>4,781,929</b>	<b>4,212,024</b>	9.4%	-1.1%	9.4%	-21.6%	45.5%	-31.5%	<b>3.7%</b>	<b>4.6%</b>
Currency in circulation	4,918,975	4,501,724	4,300,300	3,767,917	3,197,739	9.3%	-2.1%	9.3%	-21.6%	53.8%	-27.6%	<b>2.9%</b>	<b>3.6%</b>
Cash held by the public	4,439,939	4,022,759	3,853,869	3,361,649	2,897,184	10.4%	-1.6%	10.4%	-20.9%	53.3%	-27.9%	<b>2.6%</b>	<b>3.2%</b>
Cash in financial institutions	479,036	478,965	446,431	406,268	300,555	0.0%	-6.6%	0.0%	-27.3%	59.4%	-25.0%	<b>0.3%</b>	<b>0.4%</b>
Current accounts at BCRA	1,209,941	1,102,119	1,092,494	1,014,012	1,014,285	9.8%	2.6%	9.8%	-26.4%	19.3%	-43.9%	<b>0.8%</b>	<b>1.0%</b>
<b>BCRA's remunerated liabilities (NV ARS)</b>	<b>16,950,487</b>	<b>15,902,970</b>	<b>14,481,169</b>	<b>10,076,065</b>	<b>6,932,704</b>	6.6%	-0.4%	6.6%	3.8%	144.5%	15.0%	<b>10.5%</b>	<b>9.8%</b>
Reverse repos	3,803,047	3,663,530	3,289,269	2,004,090	1,027,065	3.8%	-3.0%	3.8%	17.1%	270.3%	74.2%	<b>2.4%</b>	<b>1.9%</b>
Stock of LELIQs	12,353,764	11,381,469	10,412,635	6,831,822	4,831,273	8.5%	1.4%	8.5%	11.6%	155.7%	20.3%	<b>7.7%</b>	<b>6.6%</b>
Stock of 28-day LELIQs	12,298,526	11,305,721	10,329,490	6,820,934	4,610,899	8.8%	1.6%	8.8%	11.2%	166.7%	25.5%	<b>7.6%</b>	<b>6.6%</b>
Stock of 180-day LELIQs	55,238	75,748	83,145	10,888	220,374	-27.1%	-31.9%	-27.1%	213.0%	-74.9%	-88.2%	<b>0.0%</b>	<b>0.0%</b>
Stock of NOTALIQs	172,093	241,188	305,572	1,110,688	1,029,356	-28.6%	-33.3%	-28.6%	-90.4%	-83.3%	-92.1%	<b>0.1%</b>	<b>1.1%</b>
Stock of LEDIVs	554,601	550,993	411,906	76,058	0	0.7%	-6.0%	0.7%	349.9%	-	-	<b>0.3%</b>	<b>0.1%</b>
Stock of LEGARs	66,982	65,789	61,786	53,408	45,010	1.8%	-4.9%	1.8%	-22.6%	48.8%	-30.0%	<b>0.0%</b>	<b>0.1%</b>
<b>BCRA's international reserves in dollars</b>	<b>26,140</b>	<b>31,931</b>	<b>33,525</b>	<b>40,650</b>	<b>40,335</b>	-18.1%	-	-18.1%	-	-35.2%	-	<b>4.3%</b>	<b>6.8%</b>

Monthly average explanatory factors	Monthly		Quarterly		Accrued in 2023		Year-on-year	
	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution
<b>Monetary Base</b>	<b>525,073</b>	<b>9.4%</b>	<b>883,565</b>	<b>16.8%</b>	<b>1,346,987</b>	<b>28.2%</b>	<b>1,916,892</b>	<b>45.5%</b>
Foreign exchange purchases to private sector and others	-340,891	-6.1%	136,536	2.6%	-131,439	-2.7%	927,319	22.0%
Foreign exchange purchase to the NT	-922,065	-16.5%	-1,152,977	-22.0%	-1,412,682	-29.5%	-1,674,383	-39.8%
Temporary advances and profit transfers to National Government	1,104,099	19.7%	1,633,699	31.1%	1,797,032	37.6%	1,823,968	43.3%
Other public sector operations	173,698	3.1%	-17,078	-0.3%	12,706	0.3%	180	0.0%
Monetary policy instruments	193,893	3.5%	-356,861	-6.8%	-146,066	-3.1%	-920,031	-21.8%
Others	316,338	5.6%	640,247	12.2%	1,227,436	25.7%	1,759,839	41.8%
<b>BCRA's International Reserves</b>	<b>-5,791</b>	<b>-18.1%</b>	<b>-11,029</b>	<b>-29.7%</b>	<b>-14,510</b>	<b>-35.7%</b>	<b>-14,195</b>	<b>-35.2%</b>
Purchases of foreign currency	-1,411	-4.4%	-676	-1.8%	-2,538	-6.2%	925	2.3%
International organizations <sup>5</sup>	-2,567	-8.0%	-5,100	-13.7%	-5,513	-13.6%	-7,548	-18.7%
Other public-sector transactions	-916	-2.9%	-1,203	-3.2%	-3,113	-7.7%	-3,538	-8.8%
Minimum cash requirements	-527	-1.7%	-1,692	-4.6%	-1,705	-4.2%	-1,604	-4.0%
Others (incl. forex valuation)	-369	-1.2%	-2,359	-6.3%	-1,641	-4.0%	-2,429	-6.0%

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

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

Minimum Cash Requirement and Compliance	Jul-23	Jun-23	May-23
<b>Domestic currency</b>	% of total deposits in pesos		
Net requirement of deductions	17.7	17.4	17.5
Compliance in current accounts	4.2	4.1	4.4
Compliance in LELIQs	29.8	31.0	31.9
Compliance in BOTE 2027	3.8	4.0	3.4
Compliance in sovereign bonds/other	16.8	15.6	12.5
<b>Foreign currency</b>	% 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)	56.4	60.0	62.3
Position <sup>(1)</sup>	32.4	36.0	38.3

(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 Jul-23						% of GDP <sup>4</sup>	
	Jul-23	Jun-23	May-23	Dec-22	Jul-22	Monthly		Accrued in 2023		Year-on-year		Jul-23	Dec-22
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
<b>Domestic currency</b>													
<b>Total deposits from the non-financial sector in pesos<sup>1</sup></b>	<b>28,334,089</b>	<b>26,470,550</b>	<b>24,496,952</b>	<b>18,248,097</b>	<b>13,538,200</b>	7.0%	-1.9%	7.0%	-5.4%	109.3%	-1.5%	<b>17.3%</b>	<b>17.7%</b>
Private sector deposits	23,355,596	21,817,152	20,306,159	15,170,437	11,109,005	7.1%	-2.3%	7.1%	-6.5%	110.2%	-1.1%	<b>14.2%</b>	<b>14.7%</b>
<b>Private Sector Sight Deposits</b>	<b>10,817,599</b>	<b>10,145,415</b>	<b>9,325,631</b>	<b>7,305,131</b>	<b>5,432,699</b>	6.6%	-3.9%	6.6%	-6.3%	99.1%	-6.3%	<b>6.5%</b>	<b>6.7%</b>
Non-interest bearing (transactional)	7,578,778	7,171,543	6,588,310	5,375,548	4,234,480	5.7%	-6.2%	5.7%	-10.1%	79.0%	-15.8%	<b>4.5%</b>	<b>4.8%</b>
Interest-bearing	3,238,821	2,973,872	2,737,321	1,929,583	1,198,219	8.9%	1.7%	8.9%	3.6%	170.3%	27.2%	<b>2.0%</b>	<b>1.9%</b>
Sight deposits adjusted by NER	465	514	431	132	0	-9.6%	-16.6%	-9.6%	106.1%			<b>0.0%</b>	
<b>Private Sector Time Deposits and Others</b>	<b>12,537,997</b>	<b>11,671,737</b>	<b>10,980,528</b>	<b>7,865,306</b>	<b>5,676,306</b>	7.4%	-0.9%	7.4%	-6.6%	120.9%	3.9%	<b>7.7%</b>	<b>7.9%</b>
Time Deposits	12,231,804	11,369,524	10,715,945	7,642,487	5,494,220	7.6%	-0.8%	7.6%	-6.4%	122.6%	4.7%	<b>7.5%</b>	<b>7.7%</b>
CER/UVA/exchange rate-non-adjustable	11,876,307	10,991,645	10,342,288	7,241,211	5,077,836	8.0%	-0.4%	8.0%	-4.0%	133.9%	10.0%	<b>7.3%</b>	<b>7.3%</b>
CER / UVA-adjustable	302,771	324,048	321,413	359,936	387,052	-6.6%	-13.9%	-6.6%	-50.8%	-21.8%	-63.2%	<b>0.2%</b>	<b>0.4%</b>
Traditional	136,669	141,399	139,762	156,519	202,935	-3.3%	-10.9%	-3.3%	-32.7%	-32.7%	-48.9%	<b>0.1%</b>	<b>0.2%</b>
Early-payment	166,101	182,649	181,651	203,417	184,116	-9.1%	-16.2%	-9.1%	-52.2%	-9.8%	-57.6%	<b>0.1%</b>	<b>0.2%</b>
DIVA	52,726	53,831	52,244	41,340	29,332	-2.1%	-9.7%	-2.1%	-25.4%	79.8%	-15.4%	<b>0.0%</b>	<b>0.0%</b>
Other deposits	306,193	302,213	264,583	222,818	182,086	1.3%	-5.4%	1.3%	-15.2%	68.2%	-20.9%	<b>0.2%</b>	<b>0.2%</b>
<b>Public sector deposits<sup>2</sup></b>	<b>4,978,492</b>	<b>4,653,398</b>	<b>4,190,793</b>	<b>3,077,661</b>	<b>2,429,195</b>	7.0%	-0.1%	7.0%	-0.2%	104.9%	-3.6%	<b>3.1%</b>	<b>3.0%</b>
<b>Monetary Aggregates</b>													
Total M2	16,985,303	15,748,853	14,601,322	11,869,250	9,181,623	7.9%	-3.0%	7.9%	-9.9%	85.0%	-13.0%	<b>10.3%</b>	<b>11.1%</b>
Total M3	32,923,952	30,715,181	28,567,102	21,738,600	16,538,242	7.2%	-2.1%	7.2%	-6.0%	99.1%	-6.3%	<b>20.2%</b>	<b>20.7%</b>
<b>Private sector monetary aggregates</b>													
Private M2	15,257,538	14,168,174	13,179,500	10,666,780	8,329,883	7.7%	-2.4%	7.7%	-10.7%	83.2%	-13.8%	<b>9.2%</b>	<b>10.0%</b>
Transactional private M2 <sup>3</sup>	12,018,717	11,194,302	10,442,179	8,737,196	7,131,664	7.4%	-4.5%	7.4%	-14.5%	68.5%	-20.7%	<b>7.2%</b>	<b>8.1%</b>
Private M3	27,795,535	25,839,911	24,160,028	18,532,085	14,006,189	7.6%	-1.5%	7.6%	-8.8%	98.5%	-6.6%	<b>16.9%</b>	<b>17.9%</b>
<b>Total loans to the non-financial sector in pesos</b>	<b>10,289,684</b>	<b>9,642,911</b>	<b>9,087,727</b>	<b>6,765,414</b>	<b>5,471,415</b>	6.7%	-0.9%	6.7%	-3.8%	88.1%	-11.5%	<b>6.4%</b>	<b>6.4%</b>
<b>Loans to the non-financial private sector</b>	<b>10,141,115</b>	<b>9,514,766</b>	<b>8,989,819</b>	<b>6,694,118</b>	<b>5,410,117</b>	6.6%	-1.0%	6.6%	-4.1%	87.4%	-11.8%	<b>6.3%</b>	<b>6.3%</b>
Overdrafts	1,174,981	1,054,498	1,029,315	775,219	610,512	11.4%	-1.5%	11.4%	-8.3%	92.5%	-9.5%	<b>0.7%</b>	<b>0.7%</b>
Promissory notes	3,018,039	2,765,661	2,592,949	1,708,519	1,398,984	9.1%	0.9%	9.1%	12.7%	115.7%	1.5%	<b>1.9%</b>	<b>1.6%</b>
Mortgage-backed loans	437,850	420,772	408,194	371,698	341,943	4.1%	-3.3%	4.1%	-27.2%	28.0%	-39.8%	<b>0.3%</b>	<b>0.4%</b>
Pledge-backed loans	676,927	627,756	588,222	458,905	359,343	7.8%	-0.6%	7.8%	-7.0%	88.4%	-11.4%	<b>0.4%</b>	<b>0.4%</b>
Personal loans	1,424,138	1,397,529	1,365,153	1,050,186	863,486	1.9%	-3.7%	1.9%	-15.8%	64.9%	-22.4%	<b>0.9%</b>	<b>1.0%</b>
Credit cards	2,936,074	2,805,393	2,590,101	1,999,883	1,540,691	4.7%	-1.3%	4.7%	-3.8%	90.6%	-10.4%	<b>1.9%</b>	<b>1.9%</b>
Others	473,105	443,158	415,886	329,708	295,158	6.8%	-0.7%	6.8%	-14.2%	60.3%	-24.6%	<b>0.3%</b>	<b>0.3%</b>
<b>Loans to the non-financial public sector</b>	<b>148,570</b>	<b>128,145</b>	<b>97,908</b>	<b>71,296</b>	<b>61,298</b>	15.9%	8.3%	15.9%	28.6%	142.4%	14.0%	<b>0.1%</b>	<b>0.1%</b>
<b>Foreign currency<sup>1</sup></b>													
<b>Deposits from the non-financial sector in dollars</b>	<b>17,834</b>	<b>17,601</b>	<b>17,843</b>	<b>18,785</b>	<b>18,118</b>	1.3%	-	1.3%	-	-1.6%	-	<b>3.0%</b>	<b>3.2%</b>
Deposits from the non-financial private sector in dollars	15,476	15,440	15,293	15,686	15,074	0.2%	-	0.2%	-	2.7%	-	<b>2.6%</b>	<b>2.6%</b>
sight deposits	12,074	11,998	11,730	11,937	11,226	0.6%	-	0.6%	-	7.6%	-	<b>2.0%</b>	<b>2.0%</b>
time deposits and others	3,402	3,442	3,563	3,749	3,848	-1.1%	-	-1.1%	-	-11.6%	-	<b>0.6%</b>	<b>0.6%</b>
Deposits from the non-financial public sector in dollars	2,358	2,161	2,551	3,100	3,045	9.1%	-	9.1%	-	-22.6%	-	<b>0.4%</b>	<b>0.6%</b>
<b>Loans to the non-financial sector in dollars</b>	<b>3,950</b>	<b>4,045</b>	<b>4,133</b>	<b>3,645</b>	<b>3,970</b>	-2.3%	-	-2.3%	-	-0.5%	-	<b>0.7%</b>	<b>0.6%</b>
Loans to the non-financial private sector in dollars	3,758	3,853	3,939	3,491	3,849	-2.5%	-	-2.5%	-	-2.4%	-	<b>0.6%</b>	<b>0.6%</b>
Promissory notes	2,606	2,671	2,742	2,273	2,609	-2.5%	-	-2.5%	-	-0.1%	-	<b>0.4%</b>	<b>0.4%</b>
Credit cards	222	221	206	179	253	0.4%	-	0.4%	-	-12.4%	-	<b>0.0%</b>	<b>0.0%</b>
Others	930	961	991	1,039	986	-3.2%	-	-3.2%	-	-5.7%	-	<b>0.2%</b>	<b>0.2%</b>
Loans to the non-financial public sector in dollars	193	192	195	153	121	0.3%	-	0.3%	-	58.9%	-	<b>0.0%</b>	<b>0.0%</b>

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

<sup>2</sup> Net of the use of unified funds.

<sup>3</sup> It excludes interest-bearing sight deposits from private M2.

<sup>4</sup> 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	Jul-23	EAR Jul-23	Jun-23	May-23	Dec-22	Jul-22
<b>BCRA repo interest rates</b>						
Overnight reverse repo	91.00	148.15	91.00	88.29	70.00	44.89
Overnight reverse repo (MF)	77.35	115.51	77.35	75.05	52.50	
Overnight repo	116.00	218.41	116.00	113.29	95.00	62.90
<b>28-day LELIQ interest rate</b>	97.00	154.88	97.00	94.29	75.00	53.03
<b>180-day LELIQ interest rate</b>	105.50	133.83	105.50	102.79	83.50	59.74
Interbank market interest rates	Jul-23	EAR Jul-23	Jun-23	May-23	Dec-22	Jul-22
<b>Repo rates among third parties on overnight REPO round</b>	82.72	128.47	81.18	79.91	66.37	44.04
Volume of repos traded among third parties (daily average)	14,268		15,262	8,487	7,500	13,815
<b>Calls in pesos (overnight)</b>						
Interest rate	85.43	134.75	84.13	82.30	67.38	43.31
Traded amount	18,007		15,838	18,395	22,471	32,733
Borrowing interest rates	Jul-23	EAR Jul-23	Jun-23	May-23	Dec-22	Jul-22
<b>Sight deposits</b>						
Interest-bearing	77.96	112.91	73.52	71.06	57.46	35.65
<b>Time deposits</b>						
Natural persons up to ARS1 million (30-35 days)	96.66	153.48	96.67	93.32	74.67	53.15
Total TM20 (more than ARS20 million, 30-35 days)	89.48	137.13	89.10	87.02	65.91	49.28
Private banks' TM20 (more than ARS20 million, 30-35 days)	90.04	138.36	89.92	87.82	66.48	50.08
Total BADLAR (more than ARS1 million, 30-35 days)	92.16	143.12	91.66	89.19	68.58	50.18
Private banks' BADLAR (more than ARS1 million, 30-35 days)	92.82	144.62	92.62	90.19	69.45	51.16
<b>Interest rate on UVA deposits' early-payment option</b>	91.80	142.30	91.80	89.04	71.00	49.03
Lending interest rates	Jul-23	EAR Jul-23	Jun-23	May-23	Dec-22	Jul-22
<b>Loans to the non-financial private sector in pesos</b>						
Overdrafts	97.05	163.60	95.09	89.31	75.43	51.44
1 to 7 days—in accordance with companies—more than ARS10 million	91.70	148.19	92.08	88.46	73.27	46.68
Unsecured promissory notes	85.88	129.30	83.27	79.87	61.42	49.33
Mortgage-backed loans	74.65	106.36	75.44	67.47	62.71	39.29
Pledge-backed loans	65.42	89.12	66.15	57.64	48.60	37.53
Personal loans	102.56	167.69	104.05	93.68	81.19	65.64
Credit cards	83.65	124.57	82.70	80.40	77.10	52.30
Interest rate in foreign currency	Jul-23	EAR Jul-23	Jun-23	May-23	Dec-22	Jul-22
<b>Time deposits in dollars (30 to 44 days)</b>	0.33	0.33	0.32	0.32	0.32	0.34
<b>Unsecured promissory notes in dollars</b>	4.87	4.98	6.77	6.07	5.40	4.01
Exchange rate	Jul-23	Monthly chg. (%)	Jun-23	May-23	Dec-22	Jul-22
<b>NER peso/dollar</b>						
Wholesale rate (Comm. "A" 3500)	266.05	7.14	248.31	231.14	172.45	128.39
Retail rate <sup>1</sup>	272.03	7.26	253.61	235.84	175.20	131.18
<b>NER peso/real</b>	55.48	8.41	51.17	46.53	32.92	23.97
<b>NER peso/euro</b>	294.16	9.25	269.24	251.15	182.58	130.83
ITCNM	1,787.16	7.79	1,658.07	1,538.79	1,116.28	824.53
ITCRM	95.91	1.39	94.60	93.79	93.21	91.71

<sup>1</sup> 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.

**LEBAC:** BCRA Bills

**BCRA:** Central Bank of Argentina

**MERVAL:** Buenos Aires Stock Exchange Index

**CC BCRA:** Current accounts at BCRA

**CER:** Reference Stabilization Coefficient

**CNV:** National Securities Commission

**CPI:** Consumer Price Index

**EAR:** Effective Annual Rate

**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

**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.

**MF:** Mutual Funds

**EM:** Minimum Cash Requirements

**MM:** Money Market

**MSMEs:** Micro, Small and Medium-Sized Enterprises

**NBFI:** Non-Bank Financial Institution

**ON:** Negotiable Obligation

**NER:** Nominal Exchange Rate

**NOCOM:** Cash Compensation Notes issued by the BCRA

**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