Currency, Monetary and Financial Indicators

Monthly report - December, 2013

- International reserves fell u$s200 million in December, ending the year at u$s30,599 million. Thus, during 2013 u$s12,619 million reserves were lost, especially by foreign exchange net sales by the Central Bank and government debt payments.
- In the currency exchange market the peso depreciated against the dollar and the euro. The prices averaged 6.33 $/u$s and 8.6$/€, showing variations of 5.1% and 6.8%, respectively. Also the increase over the year was 29.4% and 35.3% for each case. Regarding the informal market, the average value of the dollar fell to 9.64 $/u$s during December (2% lower than in November), growing 47.2% all over the year.
- Meanwhile, driven primarily by consumption loans, loans in pesos to the private sector recorded the largest increase of the year (3.7%). Similarly, they accrued an increase of 35.4% during 2013, with loans intended to finance consumption and those aimed at promoting the productive sector should being the most outstanding.
- On the other hand, the seasonal decline in time deposits (26.2%) in December resulted in a fall of 1.6% in total deposits. However, total deposits increased 16.2% during the year, mainly explained by the increase in fixed term and current account deposits.
- For its part, the main surveyed interest rates registered a new growth in December. Particularly, overdrafts rate increased 2.7 percentage points (pp), while 30-day time deposits rate rose 1.3 pp, and BADLAR rates for private and public banks increased 1.1 pp and 0.8 pp, respectively.
- Meanwhile, although the Merval index closed December with a loss of 5.7%, it build up an increase of 88.9% over 2013. In this month there were significant increases in profits of companies related to the energy and oil sector, although there were also improvements in the financial and telecommunications sectors. In this context, country risk ended the year 180 basis points lower than at the end of 2012.
- Finally, soybean price of averaged 551 u$s/ton, a 2.38% higher than the previous month. This growth is related, to a greater extent, to the market reaction following the report of the United States Department of Agriculture (USDA), which reduced the forecast of soybean ending stocks in that country. Thus, with this growth soybean achieved the highest average price for the year, reaching almost the same level as in December 2012.

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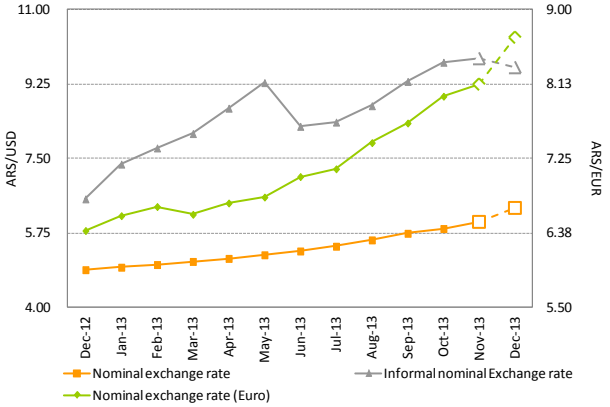
	December 2013	Last	Monthly change	Max. since 2008	Min. since 2008
Nominal exchange rate ($/u$s)[1]	**6.33**	6.02	5.10%	6.33	3.05
Informal nominal Exchange rate ($/u$s)[1]	**9.64**	9.84	-2.04%	9.84	3.07
Forward exchange rate - 30/04/14 ($/u$s)[2]	**7.28**	6.81	6.83%		
Nominal exchange rate ($/€)[1]	**8.67**	8.12	6.76%	8.67	4.24
World exchange rates					
Real (R$/u$s)[1]	**2.35**	2.30	2.02%	2.39	1.56
Euro (€/u$s)[1]	**0.73**	0.74	-1.61%	0.82	0.63
Yen (¥/u$s)[1]	**103.31**	100.17	3.13%	109.39	76.67
BCRA's international reserves (mill. of u$s)	**30,599**	30,799	-200	52,618	30,599
BADLAR rate (Public Banks) (%)[3]	**15.12**	14.28	0.84pp	15.35	7.35
BADLAR rate (Private Banks) (%)[3]	**20.24**	19.10	1.14pp	21.22	8.32
30-day time deposits rate (%)[4]	**17.55**	16.25	1.30pp	17.55	8.10
Current account overdraft rate (%)[5]	**22.87**	20.19	2.68pp	23.19	9.69
MERVAL index[6]	**5,391**	5,719	-5.73%	5,719	994
EMBI+ Argentina (basis points)	**812**	770	42	1,894	466
EMBI+ (basis points)	**338**	357	-19	718	240
Soybean price (u$s/tn)[7]	**551**	539	2.38%	653	335
Oil price WTI (u$s/barrel)[8]	**98**	94	4.09%	134	39
BCRA's accrued monthly intervention (mill. of u$s))[9]	**-923**	-2,008	1,085	2,493	-3,479
Total deposits (mill. of $)	**778,721**	791,254	-12,534	791,254	223,180
Public sector (mill. of $)	**235,465**	271,009	-35,544	271,009	66,059
Private sector (mill. of $)[10]	**543,256**	520,246	23,010	543,256	157,009
In local currency (mill. de $)	**497,591**	478,662	18,929	497,591	135,307
In foreign currency (mill. de u$s)	**7,006**	6,777	229	14,837	6,777
Private sector loans in local currency (mill. de $)	**472,317**	455,266	17,051	472,317	92,675

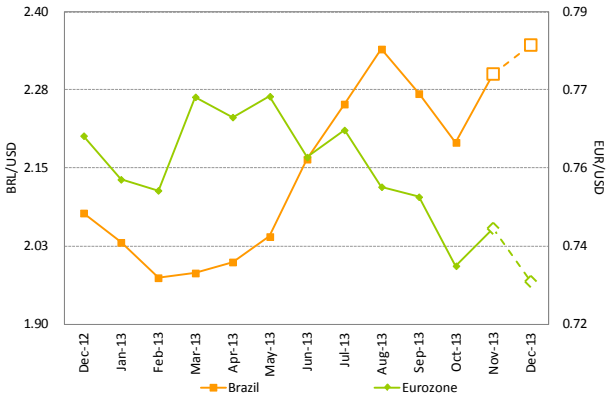
Notes:
(1) Sell rate. Monthly average.
(2) Prices in the Mercado Abierto Electrónico (MAE). Monthly average.
(3) Nominal annual. Weighted average interest rate by amount for deposits from 30 to 35-day term and for more than a million pesos in banks located in Capital Federal and Gran Buenos Aires. Monthly average.
(4) Weighted average interest rate by amount from all the bank institutions of the country. Monthly average.
(5) Nominal annual. Average interest rate established on loans granted to private companies except financial services providers and SMEs on overdrafts on current accounts with 1 to 7 days agreements and for 10 million or more. Published since January, 2009. Monthly average.
(6) General chart. Value for the last business day of the month.
(7) FOB Buenos Aires. Monthly average.
(8) West Texas Intermediate (WTI). FOB Midland Texas. Monthly average.
(9) Total cash transactions during the month valued at the reference exchange rate. Positive sign means Central Bank currency purchases.
(10) Local currency deposits plus foreign currency deposits expressed in pesos using reference exchange rate (BCRA).
Source: Own elaboration based on media coverage. BCRA, MAGPyA and MAE.

Currency, Monetary and Financial Indicators

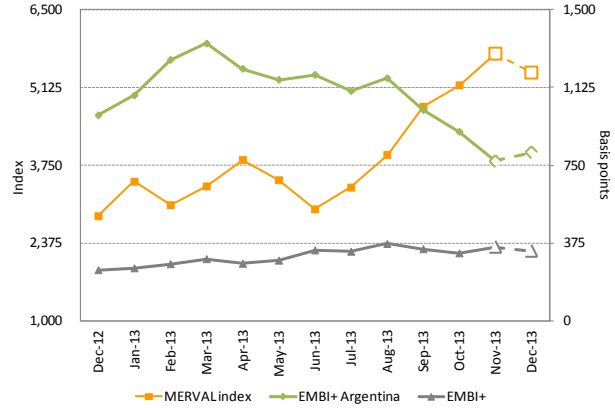
Nominal exchange rate



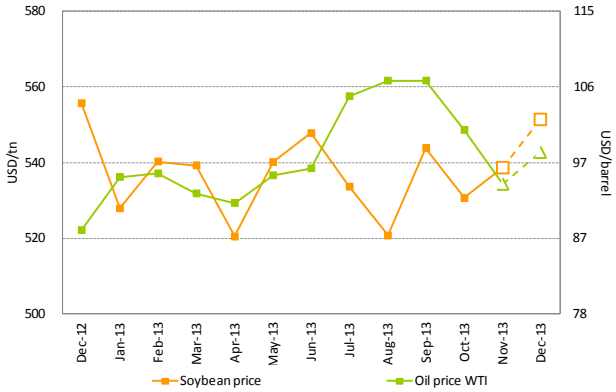
World exchange rates



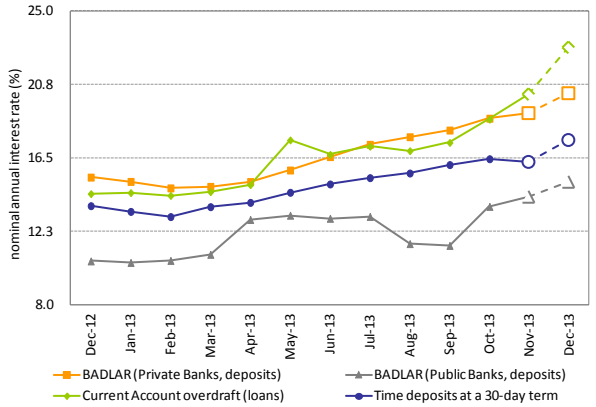
MERVAL index and country risk



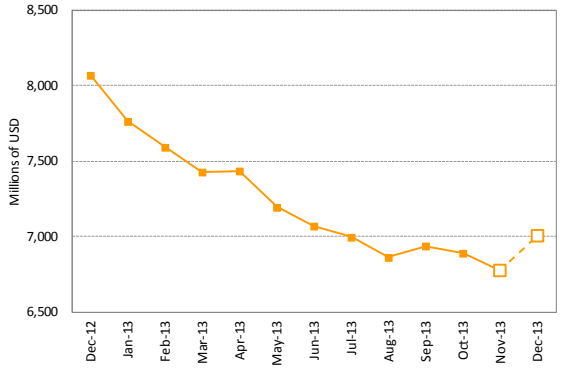
Soybean and oil price



Deposit and loan rates



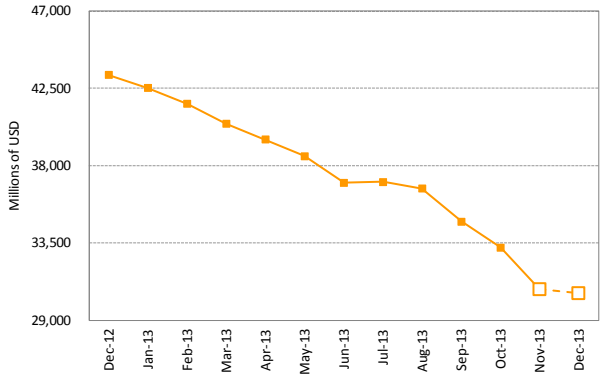
Private sector deposits in foreing currency



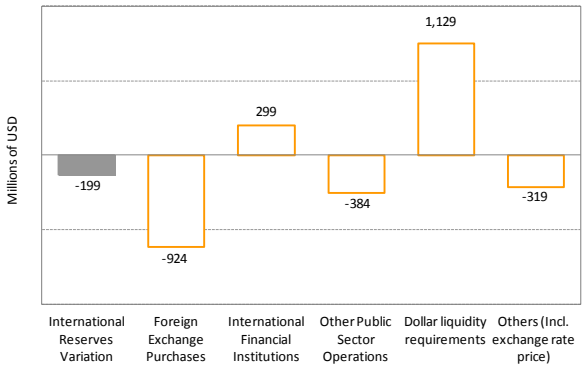
Source: Own elaboration based on media coverage. BCRA. MAGPyA and MAE.

Currency, Monetary and Financial Indicators (continuation)

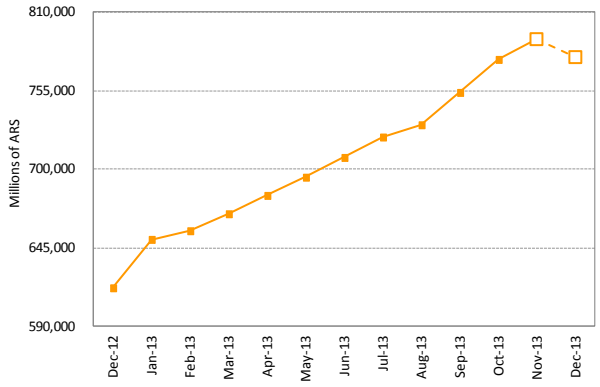
BCRA's international reserves



Breakdown of the monthly change



Total deposits



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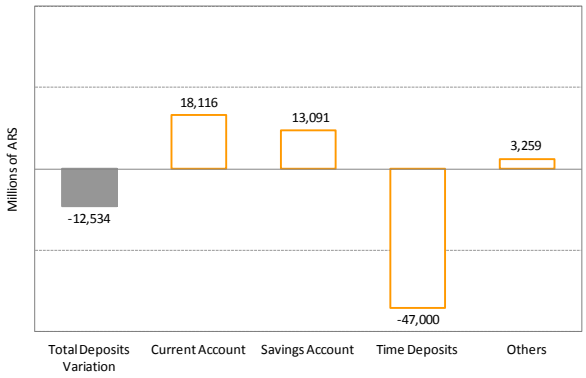
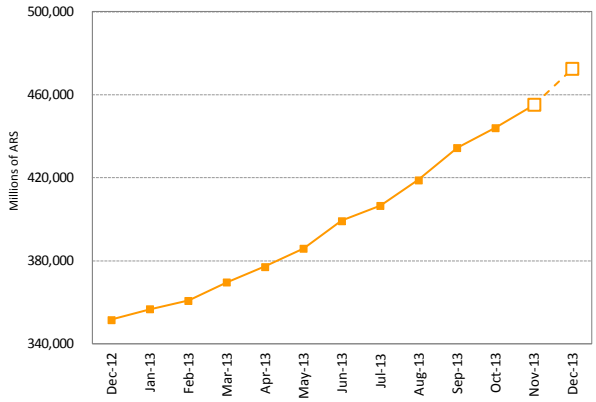
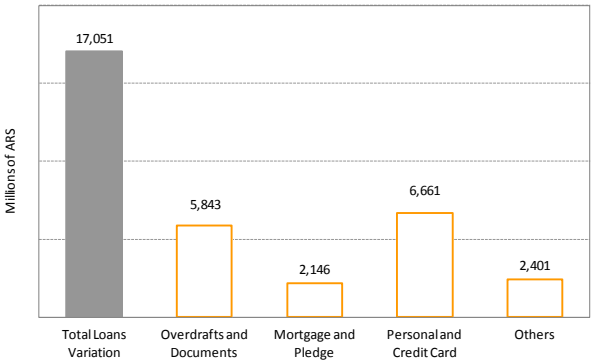


Private sector loans in local currency



Breakdown of the monthly change



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