

Argentina – Strategy

February 7, 2023


## Argentina Morning View

- **IN A NUTSHELL:** The JxC leadership released a statement yesterday warning about the government’s financing strategy and zeroing in on the instability of the ARS debt. While the opposition economist stopped just short of judging the ARS burden unsustainable, they warned about the risks of a “chaotic” outcome. Welcome to the beginning of the 2023 Presidential Campaign. It might get ugly.
- **RATIONALE:** For some time, we’ve been hammering that Mr. Guzman had created an unsustainable situation in the ARS market. While the total debt doesn’t look unsustainable if you look at its real interest costs (less than 1% of GDP) or its total size (26% of GDP, including the zero-interest bearing BCRA short-time loans), its short duration and high indexation results in maturities adding up to multiple times base money. In other words, the ARS burden is only sustainable under accelerating inflation and increasing financial repression, tightening capital controls further. Keeping up with the maturity profile requires forcing the private sector into remaining long ARS or abusing seigniorage to compensate for the rollover gap.

Faced with this outlook, the evolution of the ARS market has become a political issue. The market has repeatedly rejected buying securities maturing after the October 2023 Presidential election. Moreover, to keep the ARS market running over 2H22, the government has had to (i) give away an FX put, allowing creditors to swap their inflation linkers for USD-L paper, and (ii) allow creditors to reduce their exposure to Treasury debt and increase their holdings of CenBank debt (either directly or indirectly through CDs). Still, investors continue to assign a substantial credit risk on post-election Treasury paper. The problem is that there’s little the government can do for the rollover ratio by fiddling with the engineering of the auctions. In our view, the only credible way to shore up the ARS market is to have the government and opposition agree that the next Administration will assume the costs of persistent inflation and capital controls to remain current with the maturity schedule.

Suffice to say that the opposition has few incentives to agree to such a deal. For starters, the government has very little to offer in exchange (especially because everyone in the FdT, including Alberto Fernandez, the Kirchners, and, to a less obvious extent, Mr. Massa, are already campaigning). Second, the opposition perceives that it might gain from a blow-up of the ARS market in the months before the election. In this context, we’re not surprised to read last night’s statement by the leadership of JxC about the risks around the government’s financing strategy and effectively warning creditors that they play the ARS market game at their own risk.

In our view, the statement (link [here](#)) has three core ideas. The first comes right out of the gate, as the header of the message warns that the government has set up a bomb that risks leading to a situation substantially worse than that of 2015. The second addresses the sustainability of the ARS debt, arguing that “the JxC leadership expressed itself against the abuse of USD-L securities with rates which will prove impossible to pay, or in hard currency at usury rates.” The gist of the argument is that the government’s been dealing with a financing crisis since June 2022 and that it’s been trying to muddle through it by having the BCRA print about 2.3% of GDP to rescue Treasury paper, violating the financing limits enforced by the CenBank’s charter and by running a series of debt swaps which are increasingly resulting in shorter tenors, more dollarized debt, and higher rates. The JxC leadership argues that the government is not trying to make the ARS market stable but merely extend its agony until after the election so that it blows up in the next Administration’s face. The first two ideas of the statement aren’t new. JxC politicians like Mr. Macri, Mrs. Bullrich, and Mr. Laspina have already gone on the record with similar thoughts. The third idea, however, is new, arguing that the government’s strategy may result in a chaotic outcome with substantial social costs.



The third idea signals a shift in the JxC position. We've been arguing for some time that JxC had the power to derail Mr. Massa's program but that it would pay a cost for it. It's a calculated gamble. Unlike the 2016 program, which sought to shock the economy positively by reopening the FX market immediately and delaying the fiscal consolidation as much as possible, the 2024 JxC economic program is substantially more painful by turning things around. A JxC Administration would more likely shock the primary deficit into a balance during its first year but maintain the FX market controls initially and ease them gradually. A world of pain. To make such a program viable politically, JxC needs voters to take the pain as the necessary remedy to the unbridled chaos that came before it. In other words, the JxC program is predicated on the ARS market blowing up under Mr. Fernandez's watch.

This situation forces JxC into taking a calculated risk. The first best for the opposition would have been the ARS market blowing up because of the government's incompetence. After all, no JxC candidate wants to appear in the picture holding the detonator. While we were very close to that happening in July, Mr. Massa and his team have averted that risk. Mr. Massa may not have solved the ARS market problems, but he has been able to muddle through the crisis much more competently than the market consensus expected a few months ago. He has ensured that the government will make it with limited ARS rollover problems until 2Q23, though he has not been able to chart a path to navigate the 2Q maze. In this context, the JxC leadership sees that it can no longer just sit tight until the government screws up and decides to take matters into its own hands.

For the time being, the JxC leadership has stopped short of saying that it would restructure the ARS debt. Still, when you read between the lines of the release, the idea is crystal clear. The risk of pushing the market past the brink is that voters may turn alienated towards an emergent like Mr. Milei. In our view, the JxC leadership is counting on Mr. Milei having even more extreme thoughts about the ARS debt (and the ARS in general), limiting the damage. Ultimately, the JxC leadership seems to be gambling that with Mr. Milei at a corner (it would be extremely out of character if the Libertarian candidate came out defending the government's ARS financing strategy), if they can saddle the government with the blame for the inflationary and social costs of a blow up in the ARS market, they would create a fertile ground for building a robust majority in October and galvanize society from the pain of stabilizing the economy in 2024.

When we look at the market, this dynamic should result in a wider credit risk premium, a lower appetite for anything maturing after October, and a weaker rollover ratio. In other words, a nightmare for Mr. Massa at a time when his anti-inflation plan seems to be faltering. The writing has been on the wall for some time. Muddling through 2023 in the ARS market was never going to be easy. Still, just because we expected the risks we see materializing doesn't make the situation any less scary.

## Summary of Sovereign Securities

### Global-Law Securities

Security	BBG Code	ISIN	Current Coupon	Days Accrued	Interest Accrued	PX	Parity	Yield	Spread to UST	MD	Outstanding	Residual
<b>USD</b>												
PDI 2029	ARGENT 1 07/09/29	US040114HX11	1,000	27	0,08	32,5	32,6%	33,4%	2899	2,96	2.635	100,0%
Argent30	ARGENT 0 1/2 07/09/30	US040114HS26	0,500	27	0,04	33,5	33,5%	30,1%	2585	3,13	16.091	100,0%
Argent35	ARGENT 1 1/2 07/09/35	US040114HT09	1,500	27	0,12	29,5	29,6%	21,4%	1774	6,01	20.502	100,0%
Argent38	ARGENT 3 7/8 01/09/38	US040114HU71	3,875	27	0,31	35,3	35,5%	21,5%	1763	5,09	11.405	100,0%
Argent41	ARGENT 3 1/2 07/09/41	US040114HV54	3,500	27	0,28	32,3	32,4%	19,0%	1523	6,05	10.482	100,0%
Argent46	ARGENT 1 1/2 07/09/46	US040114HW38	1,500	27	0,12	30,0	30,1%	22,4%	1858	4,78	2.092	100,0%
<b>EUR</b>												
PDI 2029 EUR	ARGENT 0 1/2 07/09/29	XS2200244072	0,500	27	0,04	28,0	28,0%	37,3%	3558	2,93	90	100,0%
Argent30 EUR	ARGENT 0 1/8 07/09/30	XS2177363665	0,125	27	0,01	28,3	28,3%	34,2%	3331	3,07	1.166	100,0%
Argent35 EUR	ARGENT 0 7/8 07/09/35	XS2177364390	0,875	27	0,07	24,3	24,3%	23,0%	2013	6,12	299	100,0%
Argent38 EUR	ARGENT 3 01/09/38	XS2177365017	3,000	27	0,24	30,3	30,4%	22,9%	2223	5,14	809	100,0%
Argent41 EUR	ARGENT 2 3/4 07/09/41	XS2177365363	2,750	27	0,22	27,0	27,2%	20,7%	1856	6,04	1.573	100,0%
Argent46 EUR	ARGENT 0 7/8 07/09/46	XS2177365520	0,875	27	0,07	25,5	25,6%	24,2%	2158	4,71	248	100,0%

### Local-Law Hard-Currency Securities

Security	BBG Code	ISIN	Current Coupon	Days Accrued	Interest Accrued	PX	Parity	Yield	Spread to UST	MD	Outstanding	Residual
PDI 2029 AL	ARGBON 1 07/09/29	ARARGE3209Y4	1,000	27	0,08	30,0	30,0%	36,2%	3270	2,89	2.195	100,0%
Argent30 AL	ARGBON 0 1/2 07/09/30	ARARGE3209S6	0,500	27	0,04	29,0	29,0%	34,9%	3001	2,97	13.531	100,0%
Argent35 AL	ARGBON 1 1/2 07/09/35	ARARGE3209T4	1,500	27	0,12	29,0	29,0%	21,8%	1792	5,98	19.072	100,0%
Argent38 AL	ARGBON 3 7/8 01/09/38	ARARGE3209U2	3,875	27	0,31	32,0	31,9%	23,6%	1983	4,86	7.219	100,0%
Argent41 AL	ARGBON 3 1/2 07/09/41	ARARGE3209V0	3,500	27	0,28	29,0	28,9%	21,0%	1725	5,75	1.513	100,0%

### ARS Fixed-Rate and Dollar-Linked Securities

Security	BBG Code	ISIN	Coupon	Days Accrued	Interest Accrued	PX	Parity	Yield	Spread to UST	MD	Outstanding	Residual
<b>Old Securities</b>												
TO23	ARGTES 16 10/17/23	ARARGE4502J2	16,00	109	4,8	70,7	65,4%	92,7%	8.847	0,44	64.150	100,0%
TO26	ARGTES 15 1/2 10/17/26	ARARGE4502K0	15,50	109	4,7	29,7	24,7%	82,4%	7.789	1,29	96.570	100,0%
<b>New Securities</b>												
LEDE 02-28-23	LEDES 0 02/28/23	ARARGE520CH6	0,00	-	0,0	93,4	91,2%	126,8%	18.222	0,05	184.950	100,0%
LEDE 03-31-23	LEDES 0 03/31/23	ARARGE520D23	0,00	-	0,0	86,4	86,4%	106,7%	10.187	0,13	350.621	100,0%
LEDE 04-28-23	LEDES 0 04/28/23	ARARGE520C14	0,00	-	0,0	84,7	84,7%	81,1%	5.818	0,20	1.193.708	100,0%
LEDE 05-31-23	LEDES 0 05/31/23	ARARGE520D80	0,00	-	0,0	76,2	76,2%	100,3%	9.548	0,24	682.583	100,0%
LEDE 06-30-23	LEDES 0 06/30/23	ARARGE520D98	0,00	-	0,0	71,5	71,5%	101,2%	9.505	0,28	562.403	100,0%
<b>DL Securities</b>												
TV23	ARGBND 0.3 04/28/23	ARARGE320B27	0,30	98	0,1	18.780,0	100,0%	0,23%	-	0,22	3.016	100,0%
TV23	ARGBND 0.07/31/23	ARARGE320CJ7	0,00	-	0,0	18.650,0	99,3%	1,26%	-	0,48	1.298	100,0%
TV24	ARGBND 0.4 04/30/24	ARARGE320C18	0,40	96	0,1	16.350,0	87,1%	12,47%	-	1,19	1.277	100,0%

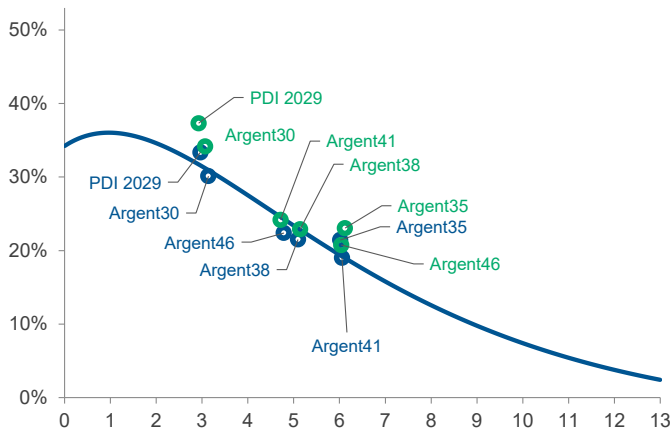
### Inflation-Linked Securities

Security	BBG Code	ISIN	Coupon	Days Accrued	Interest Accrued	PX	Parity	Yield	Spread to UST	MD	Outstanding	Residual
<b>Old Securities</b>												
TC23	BONCER 4 03/06/23	ARARGE4505O5	4,00	150	14,6	871,0	97,9%	10,2%	278	0,08	2.481	100,0%
TC25	BONCER 4 04/27/25	ARARGE4505U2	4,00	99	9,3	691,0	81,0%	13,7%	918	2,00	29.908	100,0%
DICP	ARGENT 5.83 12/31/33	ARARGE03E121	5,83	36	38,9	5350,0	79,7%	10,7%	675	4,44	10.472	69,8%
PARP	ARGENT 1.18 12/31/38	ARARGE03E105	1,77	126	32,5	2300,0	43,5%	10,9%	683	8,63	2.861	52,9%
CUAP	ARGENT 3.31 12/31/45	ARARGE03E139	3,31	36	24,1	3500,0	47,8%	9,4%	536	10,72	23.434	99,0%
<b>New Securities</b>												
X17F3	LECER 0 02/17/23	ARARGE520BT3	0,00	334	0,0	185,1	98,2%	74,6%	6845	0,02	115.706	100,0%
X21A3	LECER 0 04/21/23	ARARGE520C08	0,00	306	0,0	179,2	99,0%	4,9%	8	0,20	343.992	100,0%
X19Y3	LECER 0 05/19/23	ARARGE520C57	0,00	277	0,0	171,8	98,9%	3,9%	-143	0,28	509.085	100,0%
X16J3	LECER 0 06/16/23	ARARGE520CS3	0,00	156	0,0	135,8	98,6%	3,9%	-135	0,35	400.012	100,0%
X18S3	LECER 0 09/18/23	ARARGE520CV7	0,00	126	0,0	123,6	96,2%	6,4%	107	0,59	48.387	100,0%
TX23	BONCER 1.4 03/25/23	ARARGE3208T6	1,40	131	1,9	376,9	98,9%	6,2%	145	0,13	81.567	100,0%
T2X3	BONCER 1.45 08/13/23	ARARGE3209Z1	1,45	173	2,4	339,3	97,9%	4,3%	-71	0,50	432.188	100,0%
T2X4	BONCER 1.55 07/26/24	ARARGE320AI3	1,55	10	0,1	241,5	84,6%	13,5%	854	1,37	314.877	100,0%
TX24	BONCER 1 1/2 03/25/24	ARARGE3208U4	1,50	131	2,1	337,5	88,5%	12,2%	724	1,06	345.783	100,0%
TX26	BONCER 2 11/09/26	ARARGE3209W8	2,00	87	1,6	260,0	76,3%	12,6%	831	2,46	190.747	100,0%
TX28	BONCER 2 1/4 11/09/28	ARARGE3209X6	2,25	87	1,8	247,0	72,5%	12,6%	830	2,95	75.905	100,0%
<b>Duos</b>												
TDJ23	CERDUO 0 06/30/23	ARARGE320CL3	0,00	174	0,0	19090,0	101,1%	1,2%	2150	0,40	4.641	100,0%
TDL23	CERDUO 0 07/31/23	ARARGE320CM1	0,00	174	0,0	18851,0	100,1%	4,0%	-21186	0,48	13.075	100,0%
TDS23	CERDUO 0 09/29/23	ARARGE320CN9	0,00	174	0,0	18490,0	98,1%	7,0%	2097	0,63	8.739	100,0%
TDF24	CERDUO 0 02/28/24	ARARGE320CW0	0,00	126	0,0	17310,0	92,7%	11,6%	-9786	0,97	3.709	100,0%

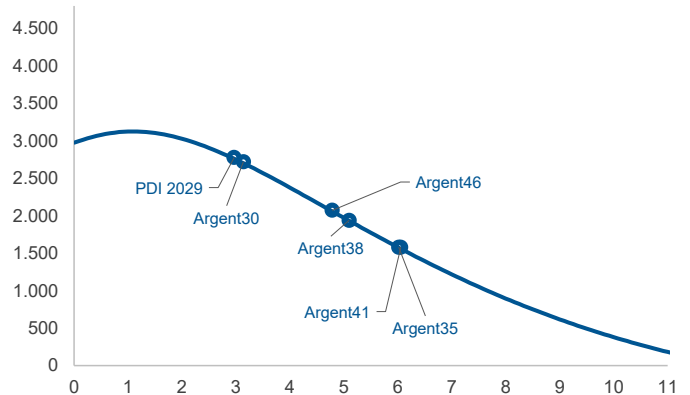
### Global-Law Securities Curve

	MD	Yield	Price	Yield Change in bps				Price % Change				Additional Info.	
	6/2/2023			Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Maturity	Amt.Out. (mn)
<b>USD</b>													
PDI 2029	2,96	33,36	32,5	0,89	1,93	-4,58	-5,70	-2,5	-5,1	17,1	21,5	09/07/29	2.635
Argent30	3,13	30,13	33,5	0,82	2,33	-4,38	-5,84	-2,5	-6,7	17,1	22,9	09/07/30	16.091
Argent35	6,01	21,44	29,5	0,40	0,79	-1,53	-2,04	-2,3	-4,4	10,9	14,6	09/07/35	20.502
Argent38	5,09	21,50	35,3	0,57	0,92	-1,38	-1,58	-2,9	-4,5	8,0	9,3	09/01/38	11.405
Argent41	6,05	19,01	32,3	0,50	0,97	-1,32	-1,81	-3,0	-5,7	8,9	12,2	09/07/41	10.482
Argent46	4,78	22,39	30,0	0,52	0,91	-1,97	-2,75	-2,4	-4,0	11,1	15,4	09/07/46	2.092
<b>EUR</b>													
PDI 2029 EUR	2,93	37,31	28,0	1,23	2,56	-0,98	-1,44	-3,4	-6,7	5,7	7,7	09/07/29	90
Argent30 EUR	3,07	34,15	28,3	1,17	2,93	-1,26	-1,74	-3,4	-8,1	6,6	8,7	09/07/30	1.166
Argent35 EUR	6,12	23,05	24,3	0,51	1,04	0,41	0,12	-3,0	-5,8	-1,0	1,0	09/07/35	299
Argent38 EUR	5,14	22,89	30,3	0,64	0,98	-1,34	-1,30	-3,2	-4,7	8,0	8,0	09/01/38	809
Argent41 EUR	6,04	20,75	27,0	0,61	1,06	-1,17	-1,14	-3,6	-6,1	8,0	8,0	09/07/41	1.573
Argent46 EUR	4,71	24,18	25,5	0,63	0,70	-0,98	-0,91	-2,9	-2,9	6,3	6,3	09/07/46	248

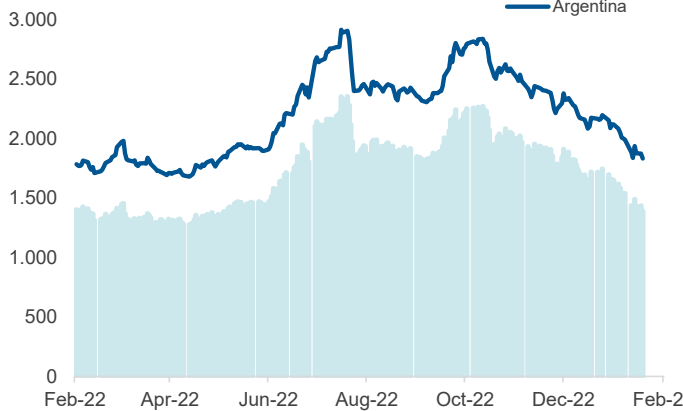
Globals Yield Curve | YTM ● USD Securities ● EUR Securities



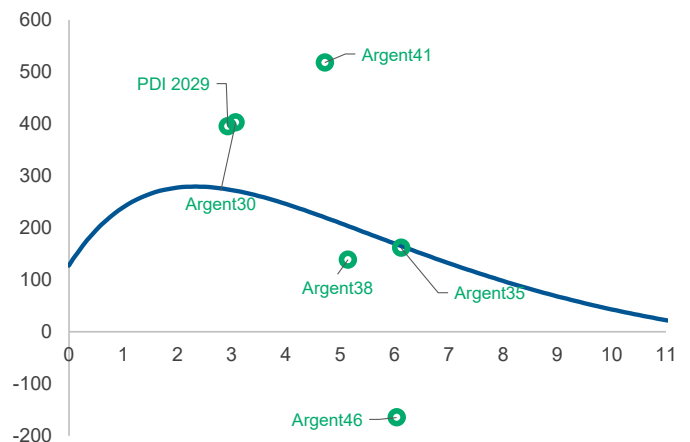
Spread Curve vs. UST | Spreads ● USD Securities



ARGY Spreads & EM Spreads | Spreads Spread Over EM Argentina



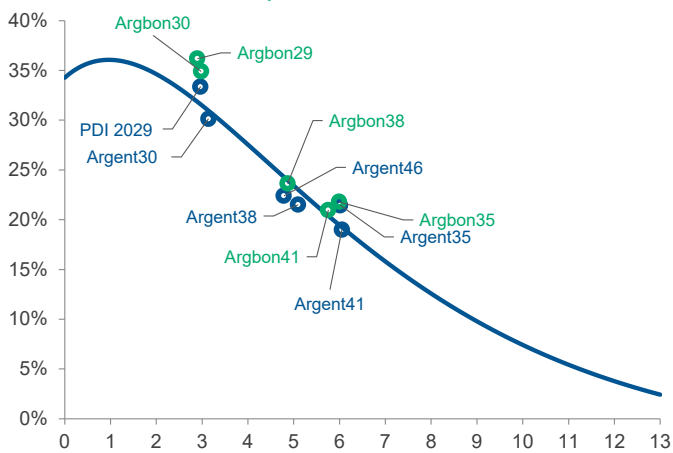
Currency Spread | Spreads ● EUR Securities



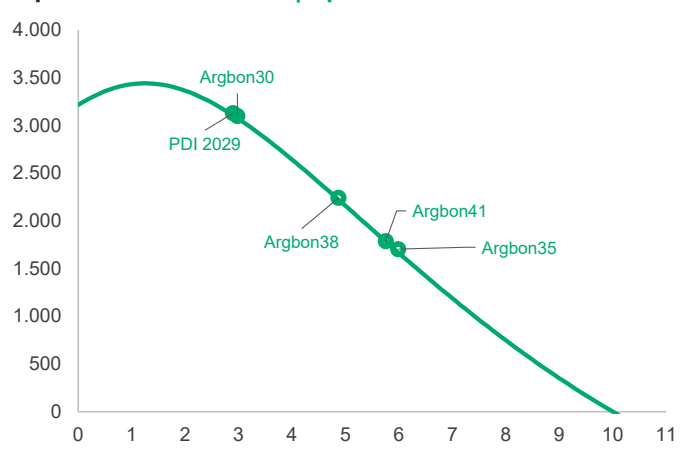
### Local-Law Hard Currency Securities Curve

	MD	Yield	Price	Yield Change in BPS				Price % Change				Additional Info.	
	6/2/2023			Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Maturity	Amt.Out. (bn)
PDI 2029 AL	2,89	36,19	30,0	1,16	2,16	-4,71	-5,90	-3,2	-5,5	17,6	20,0	09/07/29	2.189
Argent30 AL	2,97	34,90	29,0	0,89	2,68	-4,10	-4,62	-2,5	-7,2	15,9	17,2	09/07/30	12.423
Argent35 AL	5,98	21,79	29,0	0,30	0,63	-1,56	-2,18	-1,7	-3,3	11,5	12,6	09/07/35	18.449
Argent38 AL	4,86	23,64	32,0	0,65	0,87	-0,12	-0,16	-3,0	-3,8	2,4	-3,0	09/01/38	7.196
Argent41 AL	5,75	20,97	29,0	0,31	0,94	-0,33	-0,83	-1,7	-4,9	3,6	0,4	09/07/41	1.468

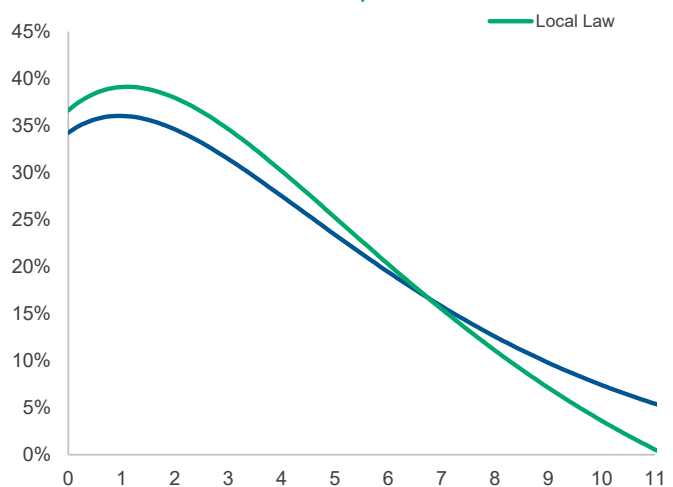
Globals Yield Curve | YTM ● USD NY Law ● USD ARGY Law



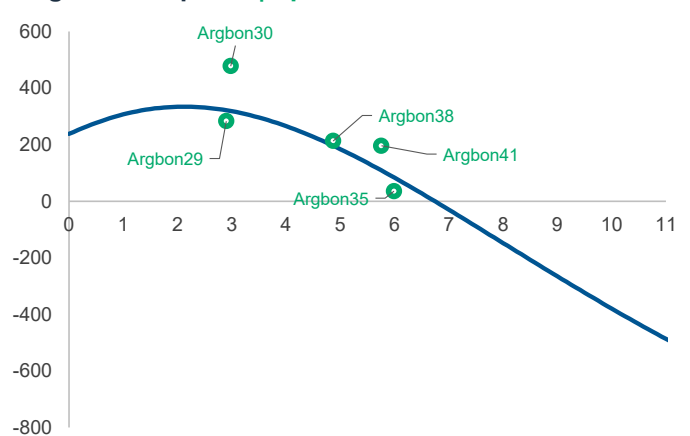
Spread Curve vs. UST | Spreads ● ARGY Law Securities



Global & Local Law Curves | YTM — Globals — Local Law



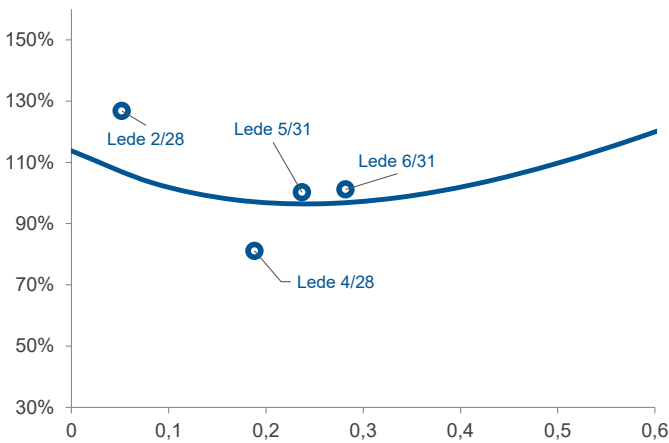
Legislation Spread | Spreads ● ARGY Law Securities



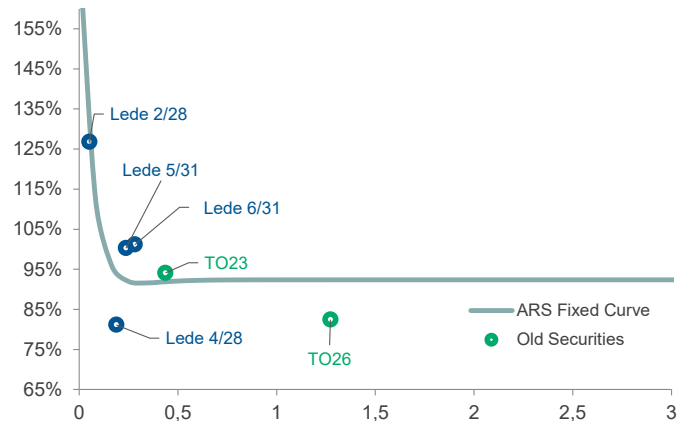
### ARS Fixed-Rate and Dollar-Linked Securities Curve

	MD	Yield	Price	Yield Change in bps				Price % Change				Additional Info.	
				Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Maturity	Amt.Out. (mn)
<b>Old Securities</b>													
TO23	0,44	94,11	70,3	0,5	0,1	3,0	5,4	0,0	1,4	4,9	4,9	17/10/23	64.150
TO26	1,28	82,44	29,7	-0,5	-0,4	-1,4	-0,5	1,1	2,1	8,0	8,0	17/10/26	96.570
<b>New Securities</b>													
LEDE 02-28-23	0,05	126,79	93,4	6,7	43,8	50,0	38,7	0,0	-0,8	3,2	6,0	28/02/23	184.950
LEDE 03-31-23	0,13	106,69	86,4	2,0	12,4	30,9	21,7	-2,8	-2,3	1,7	4,4	31/03/23	350.621
LEDE 04-28-23	0,20	81,13	84,7	1,0	6,5	-0,2	-0,4	-0,3	1,3	6,8	6,8	28/04/23	1.193.708
LEDE 05-31-23	0,24	100,26	76,2	0,9	5,9	15,4	13,4	-1,1	-2,4	2,2	3,3	31/05/23	682.583
LEDE 06-30-23	0,28	101,18	71,5	0,7	4,8	-	-	-0,5	-2,1	-	-	30/06/23	562.403
<b>DL Securities</b>													
TV23	0,22	0,23	18.780,0	-	-	-	-	0,2	0,6	6,3	4,9	28/04/23	3.016
T2V3	0,48	1,26	18.650,0	-	-	-	-	0,8	1,9	4,2	6,0	31/07/23	1.298
TV24	1,19	12,47	16.350,0	-	-	-	-	0,8	1,9	7,7	6,2	30/04/24	1.277

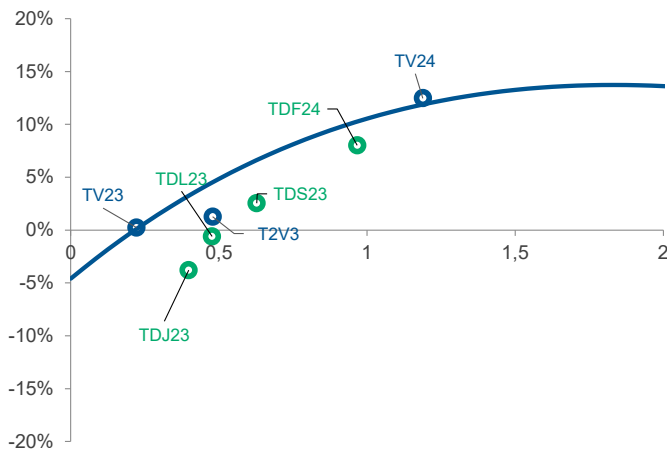
#### Treasury Ledes Curve | YTM



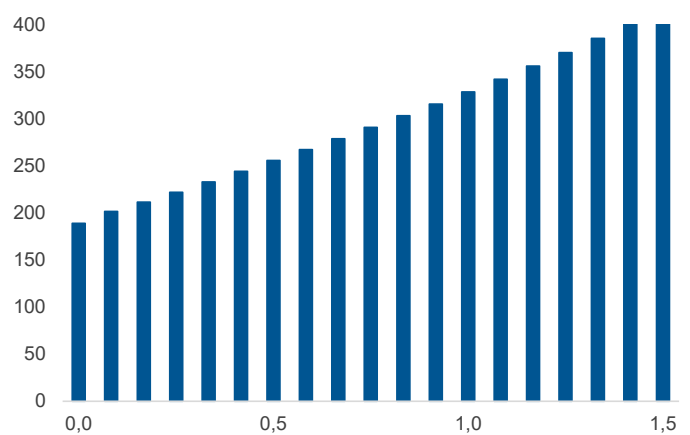
#### ARS Fixed-Rate Curve | YTM



#### Dollar-Linked Curve | YTM



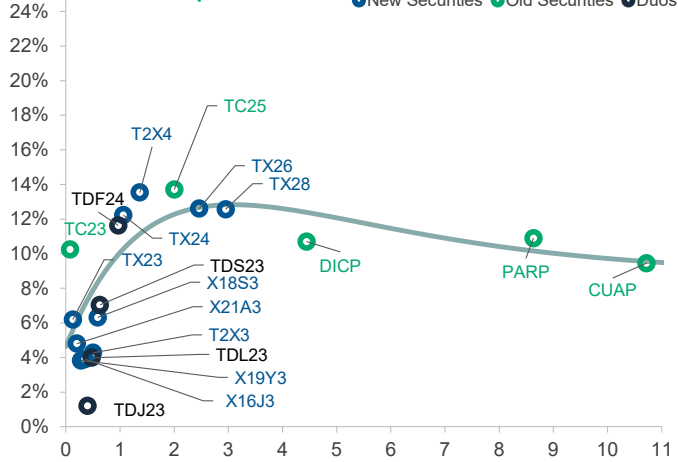
#### Official FX Break-Even | Break-Evens



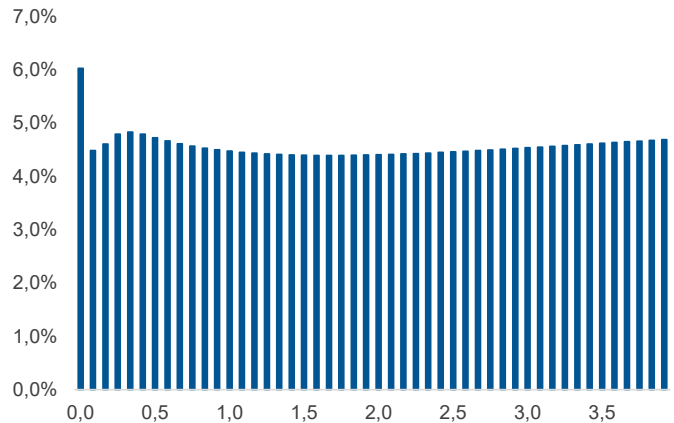
### Inflation-Linked Securities Curve

	MD	Yield	Price	Yield Change in bps				Price % Change				Additional Info		
		6/2/2023		Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Next Coupon	Maturity	Amt. Out. (mn)
<b>Old Securities</b>														
TC23	0,08	10,24	871,00	218,9	916,6	725,3	798,6	0,0	0,3	4,1	4,9	06/03/23	06/03/23	2.481
TC25	2,00	13,71	691,00	9,2	-8,3	1,3	52,4	0,0	1,5	5,5	5,5	27/04/23	27/04/25	29.908
DICP	4,44	10,69	5350,00	4,3	-26,7	210,0	-47,6	0,0	2,5	-4,0	9,2	30/06/23	31/12/33	10.472
PARP	8,63	10,89	2300,00	0,2	1,5	-72,4	-71,0	0,0	0,0	7,0	7,0	31/03/23	31/12/38	2.861
CUAP	10,72	9,44	3500,00	1,8	-245,2	-200,7	-189,4	0,0	29,6	29,6	29,6	30/06/23	31/12/45	23.434
<b>New Securities</b>														
X17F3	0,02	74,63	185,08	1334,3	2828,6	6052,8	5988,3	0,0	1,3	4,4	5,7	-	17/02/23	115.706
X21A3	0,20	4,86	179,20	-210,7	-202,1	-27,0	-24,8	0,6	1,7	5,3	6,4	-	21/04/23	343.992
X19Y3	0,28	3,86	171,75	-121,4	-291,7	-151,5	-128,1	0,5	2,1	5,7	6,7	-	19/05/23	509.085
X16J3	0,35	3,95	135,75	-134,9	-385,2	-204,9	-195,5	0,6	2,6	6,1	7,1	-	16/06/23	400.012
X18S3	0,59	6,42	123,63	-125,2	-149,7	22,3	9,5	0,9	2,2	5,2	6,3	-	18/09/23	48.387
TX23	0,13	6,19	376,93	-54,2	23,4	129,0	-150,5	0,2	1,2	4,9	6,6	25/03/23	25/03/23	81.567
T2X3	0,50	4,27	339,25	-179,9	-276,8	-221,0	-3217,6	1,1	2,6	6,4	26,8	13/02/23	13/08/23	432.188
TX24	1,06	12,23	337,50	17,8	-16,3	80,7	125,1	0,0	1,5	4,7	5,3	25/03/23	25/03/24	345.783
T2X4	1,36	13,54	241,50	14,1	-49,4	110,4	170,8	0,0	2,0	4,1	4,3	26/07/23	26/07/24	314.877
TX26	2,46	12,60	260,00	-39,3	-111,9	-75,7	-30,8	1,2	4,2	7,9	7,9	09/05/23	09/11/26	190.747
TX28	2,95	12,57	247,00	6,6	-30,1	-5,4	31,8	0,0	2,3	6,0	6,0	09/05/23	09/11/28	75.905
<b>Duos</b>														
TDJ23	0,40	1,20	19090,00	-	-	-948,1	-1043,3	0,9	2,5	6,1	6,7	-	30/06/23	4.641
TDL23	0,48	3,99	18851,00	-	-	-785,3	-636,7	0,3	1,9	6,3	5,6	-	31/07/23	13.075
TDS23	0,63	7,04	18490,00	-	-	-587,5	-372,6	0,4	1,3	6,9	5,5	-	29/09/23	8.739
DF24	0,97	11,63	17310,00	-	-	-33,6	-258,9	0,2	0,2	4,0	6,5	-	28/02/24	3.709

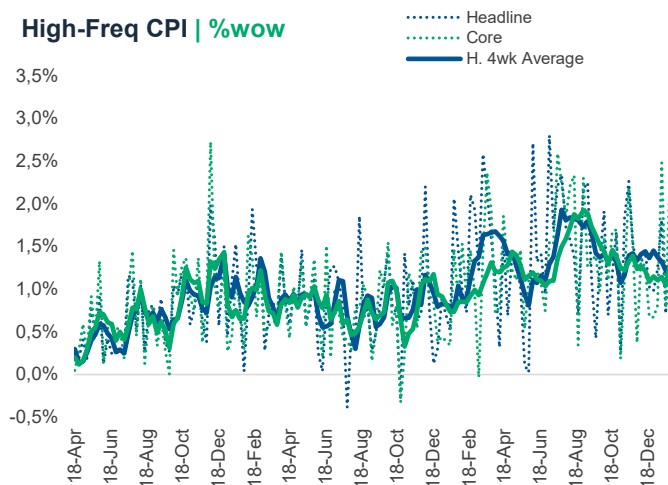
#### Linkers Curve | YTM



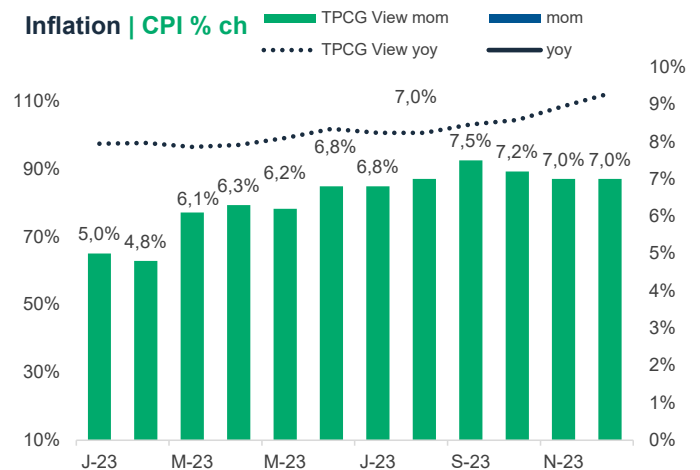
#### Inflation Break-Even | Break-Evens



#### High-Freq CPI | %w/w



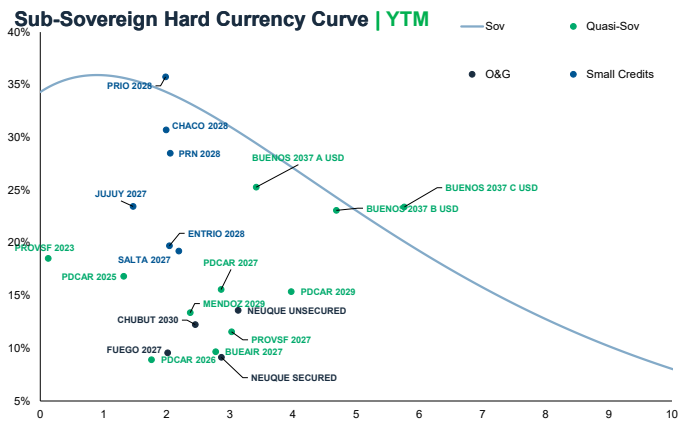
#### Inflation | CPI % ch



### Sub-Sovereign Debt Instruments

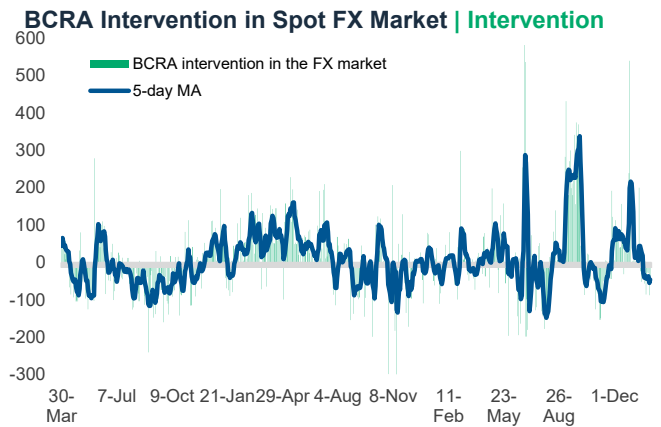
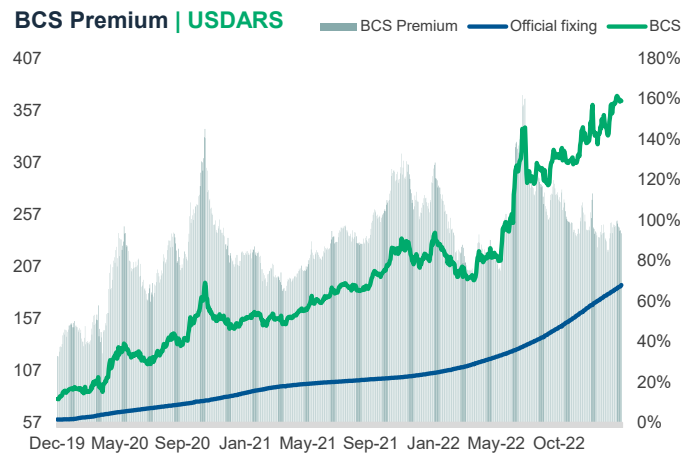
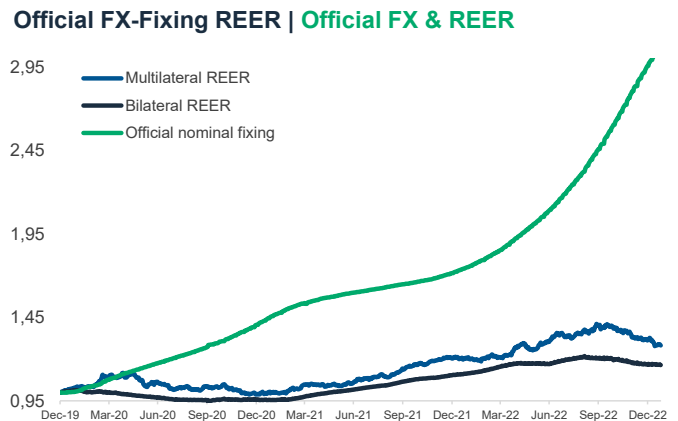
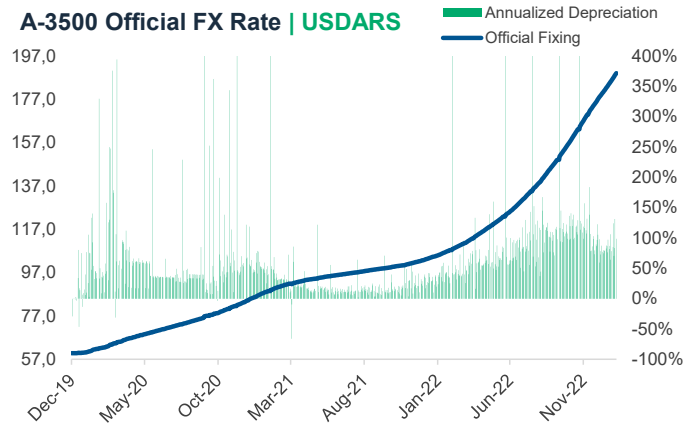
	Price	MD	Yield	Parity	Int. Accrued	Current Yield	Tech Val.	Yield Change In BPS				Price % Change				Additional Info.				
	6/2/2023							Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Curr.	Amt. Out. (mn)	CPN	Prev. CPN	Next CPN
<b>USD Securities</b>																				
MENDOZ 2029	82,00	2,37	13,39%	82,3%	1,62	5,2%	101,6	0,9	-82,8	-286,4	-329,1	0,0%	2,2%	7,9%	9,2%	USD	590,0	4,3%	19/9/2022	19/3/2023
CORDOB 2027	66,75	2,09	27,58%	67,3%	1,59	6,7%	101,6	2,2	-107,2	-236,7	-224,8	0,0%	2,7%	6,8%	6,8%	USD	155,7	4,5%	29/9/2022	29/3/2023
NEUQUE UNSECURED	79,00	3,12	13,80%	79,4%	1,82	8,4%	101,8	20,2	-36,6	-368,4	-471,2	-0,6%	1,3%	12,9%	16,6%	USD	377,2	6,6%	27/10/2022	27/4/2023
NEUQUE SECURED	98,50	2,86	9,14%	98,5%	1,69	8,8%	85,4	0,1	0,3	-85,6	-102,8	0,0%	0,0%	2,6%	3,1%	USD	292,0	8,6%	12/11/2022	12/2/2023
PRN 2028	59,25	2,05	28,53%	60,3%	2,69	11,2%	102,7	2,1	34,4	-239,2	-227,7	0,0%	-0,4%	6,8%	6,8%	USD	320,2	6,6%	10/9/2022	10/3/2023
CHUBUT 2030	89,25	2,45	12,25%	89,3%	0,18	8,7%	84,9	0,4	-54,5	-376,3	-372,4	0,0%	1,4%	9,2%	9,2%	USD	550,8	7,8%	26/1/2023	26/4/2023
PDCAR 2025	86,75	1,31	17,06%	86,9%	1,07	7,9%	101,1	23,4	12,5	-359,2	-415,1	-0,3%	0,0%	5,8%	6,8%	USD	722,1	6,9%	10/12/2022	10/6/2023
PDCAR 2029	77,25	2,86	15,58%	77,5%	1,26	9,0%	101,3	0,6	-6,9	-472,2	-467,8	0,0%	0,3%	15,3%	15,3%	USD	516,1	7,0%	1/12/2022	1/8/2023
PDCAR 2027	69,75	3,96	15,59%	69,8%	0,10	9,9%	100,1	18,3	2,5	-146,3	-163,4	-0,7%	0,0%	6,5%	7,3%	USD	456,2	6,9%	1/2/2023	1/8/2023
SALTA 2027	77,50	2,19	19,23%	77,8%	1,53	11,0%	101,5	1,0	-51,3	-494,0	-487,1	0,0%	1,3%	12,3%	12,3%	USD	357,4	8,5%	1/12/2022	1/8/2023
JUJUY 2027	77,50	1,47	23,49%	78,2%	3,16	10,8%	103,2	2,2	-68,7	-364,2	-350,9	0,0%	1,3%	6,9%	6,9%	USD	213,6	8,4%	20/9/2022	20/3/2023
ENTRIO 2028	77,00	2,29	18,89%	77,0%	0,03	7,5%	100,0	-83,4	-182,9	-688,3	-789,8	0,3%	2,7%	14,9%	17,6%	USD	517,5	5,8%	8/2/2023	8/8/2023
CHACO 2028	58,25	1,99	30,75%	59,2%	2,22	8,2%	102,2	2,9	20,1	-301,8	-286,1	0,0%	0,0%	8,4%	8,4%	USD	262,7	4,8%	18/8/2022	18/2/2023
BUENOS 2037 A USD	39,25	3,40	25,47%	40,6%	2,26	13,4%	102,3	17,6	49,1	-187,6	-280,0	-0,6%	-1,6%	8,3%	12,1%	USD	6202,1	5,3%	1/9/2022	1/3/2023
BUENOS 2037 B USD	32,00	5,51	23,55%	33,3%	1,94	14,1%	101,9	46,0	135,3	-113,8	-111,1	-2,3%	-6,8%	6,7%	6,7%	USD	777,6	4,5%	1/9/2022	1/3/2023
BUENOS 2037 C USD	29,25	5,67	23,90%	30,4%	1,72	13,7%	101,7	49,5	99,8	-218,7	-215,7	-2,5%	-4,9%	12,5%	12,5%	USD	153,2	4,0%	1/9/2022	1/3/2023
PRIO 2028	51,00	1,98	35,79%	51,0%	0,00	9,3%	100,0	3,3	23,0	-316,9	498,6	0,0%	0,0%	9,1%	9,1%	USD	318,4	4,8%	24/8/2022	24/2/2023
BUEAIR 2027	94,00	2,77	9,67%	94,1%	1,35	8,0%	101,4	0,1	1,1	41,0	-22,7	0,0%	0,0%	0,8%	0,8%	USD	890,0	7,5%	1/12/2022	1/6/2023
PDCAR 2028	45,50	1,76	8,93%	45,4%	0,08	15,7%	47,0	1,4	249,4	325,4	-43,9	0,0%	-4,2%	-12,5%	-6,7%	USD	140,6	7,1%	27/1/2023	27/4/2023
PROVSF 2023	98,75	0,12	16,77%	98,8%	1,29	7,1%	51,3	-176,5	-397,6	-760,9	-653,8	0,3%	0,8%	2,3%	2,3%	USD	125,0	7,0%	23/9/2022	23/3/2023
PROVSF 2027	86,25	3,03	11,57%	86,5%	1,82	8,0%	101,8	0,3	-7,2	-313,7	-311,1	0,0%	0,3%	10,6%	10,6%	USD	250,0	6,9%	1/11/2022	1/5/2023
FUEGO 2027	98,75	2,01	9,57%	98,8%	0,27	9,1%	58,3	0,1	12,8	-307,9	-305,7	0,0%	-0,3%	6,2%	6,2%	USD	116,0	9,0%	17/11/2023	17/4/2023
<b>BUENOS EUR Securities</b>																				
BUENOS 2037 A EUR	36,50	3,71	23,94%	37,6%	1,72	11,0%	101,7	17,6	49,0	-248,1	-241,3	-0,7%	-1,7%	11,5%	11,5%	EUR	236,8	4,0%	1/9/2022	1/3/2023
BUENOS 2037 B EUR	28,25	5,82	23,94%	29,3%	1,51	12,4%	101,5	50,3	147,6	-124,3	-121,2	-2,6%	-7,4%	7,6%	7,6%	EUR	116,3	3,5%	1/9/2022	1/3/2023
BUENOS 2037 C EUR	25,50	6,03	24,35%	26,5%	1,29	11,8%	101,3	54,7	110,0	-243,3	-239,8	-2,9%	-5,6%	14,6%	14,6%	EUR	138,8	3,0%	1/9/2022	1/3/2023

	Price	Rate	Price % Change				Accrued Interest	Current Coupon	O/S
	6/2/2023		Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD			
<b>Provincial ARS Debt</b>									
BUEAIR Float 03/29/24	108,5	B +228	1,2%	2,1%	5,1%	6,4%	7,77	72,7%	26.003
BUEAIR Float 02/22/28	113,0	B +562	0,0%	0,0%	7,6%	8,9%	15,22	73,1%	30.810
BUENOS Float 04/12/25	96,5	B +1251	2,1%	2,1%	-9,4%	-8,5%	5,02	73,3%	30.000





## FX Market & International Reserves



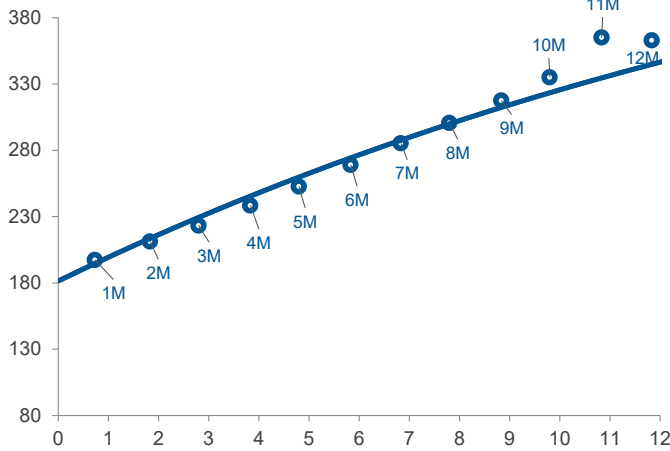
## International Reserves: Evolution and Change Drivers

	International Reserves Outstanding			International Reserves Change			Reserve change drivers				
	Total	Government deposits	Liquid reserves	Total	Government deposits	Liquid reserves	External credit to the private sector	IFIs	Rest of Public Sector	Bank reserves	Rest
Dec	44.598	6.845	37.753	6.590	3.902	2.688	1.988	3.764	-287	563	561
2-Jan	44.608	6.576	38.032	9	-270	279	0	0	0	19	-9
3-Jan	44.613	6.562	38.051	5	-13	19	3	-8	0	49	-39
4-Jan	44.694	6.565	38.129	81	3	78	2	0	-10	-23	111
5-Jan	44.838	6.538	38.300	144	-27	171	56	0	0	88	1
6-Jan	44.432	5.847	38.585	-406	-691	285	0	0	-666	39	222
9-Jan	43.371	4.220	39.151	-1.061	-1.627	566	3	-1.293	-355	384	201
10-Jan	43.395	4.224	39.171	24	4	20	12	0	0	95	-84
11-Jan	43.406	4.216	39.190	11	-8	19	4	0	-1	-39	48
12-Jan	43.534	4.219	39.315	128	3	125	0	0	0	-36	164
13-Jan	43.115	3.476	39.639	-419	-744	325	200	-656	-96	56	76
16-Jan	42.987	3.470	39.517	-128	-5	-123	4	0	-1	-1	-130
17-Jan	42.890	3.451	39.439	-97	-19	-78	-24	-14	-1	54	-113
18-Jan	42.845	3.445	39.400	-45	-6	-39	-52	0	0	-76	83
19-Jan	42.816	3.428	39.387	-29	-16	-13	-39	-1	-4	44	-30
20-Jan	42.710	4.052	38.658	-106	624	-730	-34	0	-111	34	4
23-Jan	42.659	3.982	38.677	-51	-70	19	-56	0	-65	67	3
24-Jan	42.649	3.939	38.710	-10	-43	33	3	0	-45	-32	65
25-Jan	42.481	3.859	38.622	-168	-80	-88	-86	0	-34	-63	15
26-Jan	42.274	3.625	38.649	-207	-234	27	-45	0	-199	56	-20
27-Jan	42.265	3.592	38.673	-9	-33	24	-27	0	-29	12	36
30-Jan	41.518	2.747	38.771	-747	-845	98	-28	-692	-145	25	93
31-Jan	41.417	3.401	38.016	-101	654	-755	-88	-73	-20	50	30
Jan	41.518	2.747	38.771	-3.080	-4.098	1.018	-104	-2.663	-1.762	753	696

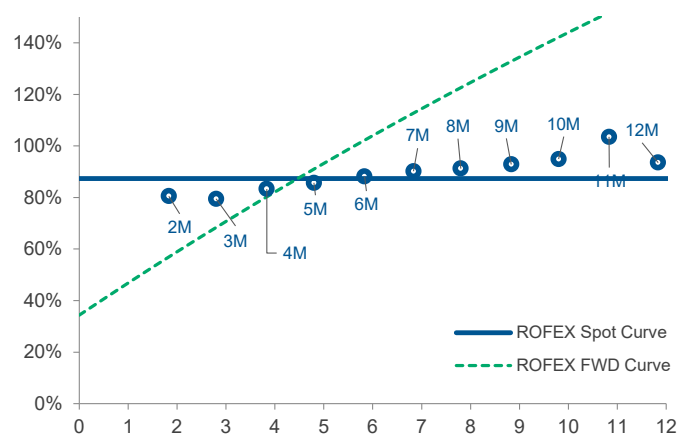
## ROFEX USD Curve

	A-3500 Official FX	ROFEX Outright	Yield	Price % Change			Yield Change in bps		
		6/2/2023		Daily (1bd)	Weekly (5bd)	Monthly (22bd)	Daily (1bd)	Weekly (5bd)	Monthly (22bd)
1M - ROFEX USD Fut	189,10	197,40	72,87	0,00	-5,31	-4,46	-0,5	8,0	-2,9
2M - ROFEX USD Fut	189,10	211,23	80,51	-0,11	-5,95	-5,53	0,6	-0,9	2,7
3M - ROFEX USD Fut	189,10	223,33	79,43	-0,10	-4,96	-5,16	0,1	-4,3	0,6
4M - ROFEX USD Fut	189,10	238,40	83,31	-0,15	-5,85	-6,59	0,2	1,0	5,7
5M - ROFEX USD Fut	189,10	252,75	85,66	-0,06	-5,08	-6,67	0,3	-0,5	6,1
6M - ROFEX USD Fut	189,10	269,00	88,14	-0,15	-5,19	-7,73	0,1	-0,6	7,9
7M - ROFEX USD Fut	189,10	285,30	90,15	-0,21	-5,08	-8,34	0,2	-0,4	8,8
8M - ROFEX USD Fut	189,10	300,60	91,20	-0,20	-4,86	-8,02	0,2	-0,1	7,6
9M - ROFEX USD Fut	189,10	317,50	92,83	-0,19	-5,10	-8,19	0,1	0,5	7,2
10M - ROFEX USD Fut	189,10	335,05	94,86	-0,01	-5,46	-7,77	-0,3	1,9	6,1

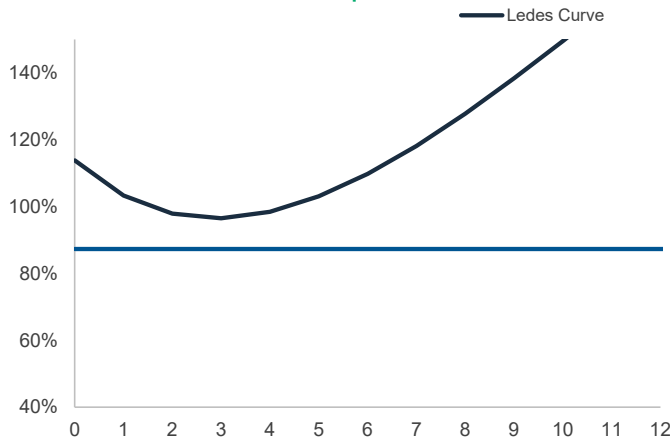
### Outrights Curve | Outrights



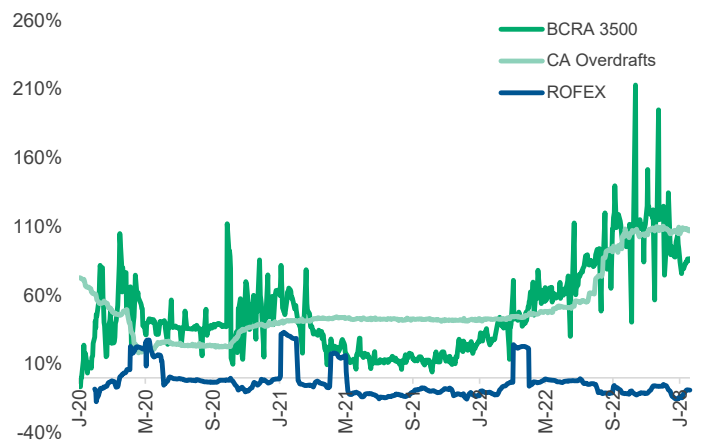
### ROFEX Spot & FWD Curves | YTM



### ROFEX vs. ARS Fixed Rate | YTM



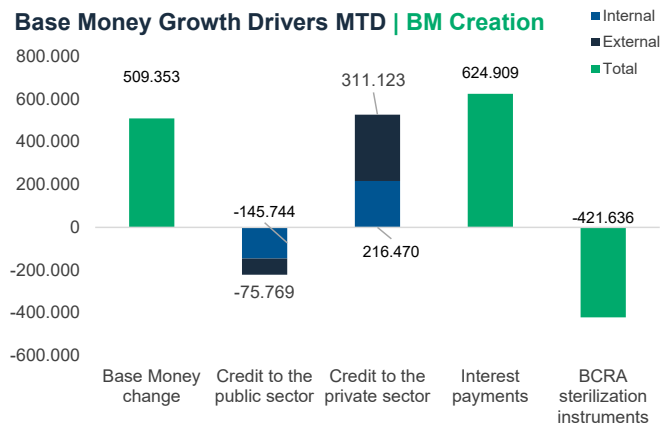
### Official FX, CA Overdrafts & ROFEX | Returns



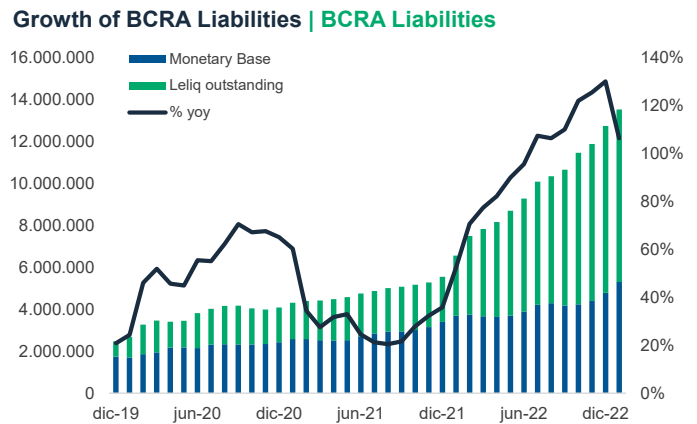
## Central Bank Monetary Policy

	Monetary base change	Change in external credit (NIR)			Change in ned domestic assets (NDA)						Monetary base outstanding		Leliq Outstanding
		Total	Public Sector	Private sector	Total	Public sector	Private sector	Sterilization instruments		Interest payments	EoP	Average	
								Net Leliq	Net Repo				
<b>Dec</b>	<b>696.006</b>	<b>437.152</b>	<b>200.229</b>	<b>236.922</b>	<b>258.854</b>	<b>39.183</b>	<b>507.362</b>	<b>-437.114</b>	<b>-368.000</b>	<b>517.423</b>	<b>7.695.330</b>	<b>4.781.929</b>	<b>7.942.509</b>
2-Jan	-3.355	519	0	519	-3.874	34.464	31.197	0	-81.220	11.686	5.200.397	4.291.129	8.002.932
3-Jan	19.066	4.402	0	4.402	14.664	-85	17.641	-230.682	182.438	45.353	5.219.463	4.295.407	8.246.886
4-Jan	27.617	429	0	429	27.188	91	323	40.032	-34.865	21.607	5.247.080	4.299.773	8.209.097
5-Jan	-12.589	10.020	0	10.020	-22.609	3.580	1.273	-9.601	-76.257	58.396	5.234.491	4.304.041	8.217.367
6-Jan	-5.873	-115.000	-115.000	0	109.127	115.068	4.944	0	-14.797	3.913	5.228.618	4.308.244	8.217.367
9-Jan	138.186	540	0	540	137.646	202	9.377	0	116.238	11.828	5.366.804	4.321.245	8.217.367
10-Jan	-62.927	2.209	0	2.209	-65.136	-122	11.856	-198.618	73.318	48.430	5.303.877	4.325.632	8.427.412
11-Jan	44.940	723	0	723	44.217	919	-22.917	107.591	-94.640	53.264	5.348.817	4.330.179	8.320.762
12-Jan	-55.745	0	0	0	-55.745	207	-19.493	-231.125	151.904	42.763	5.293.072	4.334.440	8.565.185
13-Jan	26.186	36.299	0	36.299	-10.113	-611	8.630	0	-21.602	3.469	5.319.258	4.338.778	8.565.185
16-Jan	57.168	715	0	715	56.453	-204	7.538	0	38.587	10.532	5.376.426	4.351.816	8.565.185
17-Jan	-44.672	-4.325	0	-4.325	-40.347	495	3.901	142.608	-244.293	56.942	5.331.754	4.356.058	8.414.372
18-Jan	-37.511	-9.506	0	-9.506	-28.005	1.107	3.130	44.030	-117.820	41.548	5.294.243	4.360.102	8.372.840
19-Jan	8.198	-7.095	0	-7.095	15.293	2.261	10.403	96.876	-142.726	48.479	5.302.441	4.364.146	8.270.390
20-Jan	8.414	-6.273	0	-6.273	14.687	-135.349	8.358	0	137.149	4.529	5.310.855	4.368.192	8.270.390
23-Jan	53.640	-10.416	0	-10.416	64.056	-61	4.128	0	47.208	12.781	5.364.495	4.380.351	8.270.390
24-Jan	-50.110	459	0	459	-50.569	-1.176	31.628	217.251	-343.216	44.944	5.314.385	4.384.275	8.041.650
25-Jan	-69.152	-15.910	0	-15.910	-53.242	7.959	31.239	63.632	-191.410	35.338	5.245.233	4.387.877	7.977.950
26-Jan	11.608	-68.430	-60.000	-8.430	80.038	66.117	3.717	108.463	-162.962	64.705	5.256.841	4.391.498	7.863.247
27-Jan	77.506	-5.000	0	-5.000	82.506	-116	-6.466	0	83.588	5.500	5.334.347	4.395.410	7.863.247
30-Jan	-104.151	-5.277	0	-5.277	-98.874	52	3.480	0	-118.540	16.134	5.230.196	4.406.528	7.863.247
31-Jan	86.526	-16.415	0	-16.415	102.941	-139.777	12.443	-151.558	321.645	60.188	5.316.722	4.410.243	8.023.525
<b>Jan</b>	<b>112.970</b>	<b>-207.335</b>	<b>-175.000</b>	<b>-32.335</b>	<b>320.305</b>	<b>-44.980</b>	<b>156.329</b>	<b>-1.101</b>	<b>-492.272</b>	<b>702.329</b>	<b>0</b>	<b>5.291.281</b>	<b>8.213.590</b>

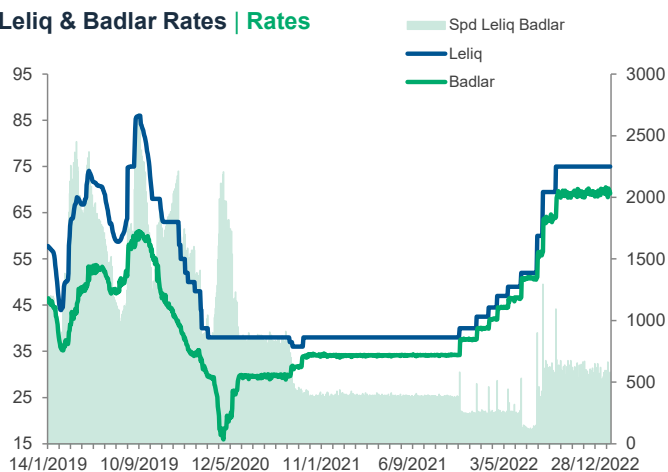
### Base Money Growth Drivers MTD | BM Creation



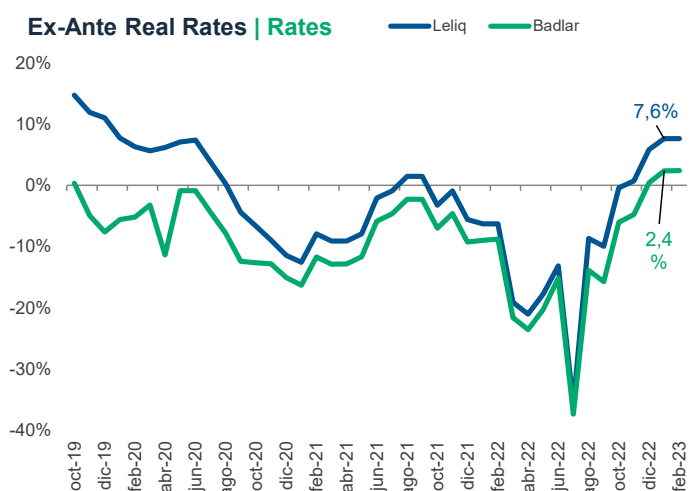
### Growth of BCRA Liabilities | BCRA Liabilities



### Leliq & Badlar Rates | Rates



### Ex-Ante Real Rates | Rates



## Economic Calendar & Base scenario

	Indicator	Period	Published by	Print	Expectation		Previous	Revisions of previous prints and/or comments
					TPCG View	Consensus		
31/1/2023	Wage Index	November	INDEC	6,70%			5,10%	
1/2/2023	Government tax intake	January	Treasury	ARS 2,266bn			ARS 2,307.5bn	
3/2/2023	Vehicle production	January	ADEFA	27184			37119	
3/2/2023	BCRA Market Expectation Survey	January	BCRA					
<b>THIS WEEK</b>								
8/2/2023	Industrial production	December	INDEC				1,40%	
8/2/2023	Construction	December	INDEC				-1,50%	
10/2/2023	Wage Index	December	INDEC					
<b>NEXT WEEK</b>								
14/2/2023	CPI	January	INDEC					
	%yoy						94,80%	
	%mom						5,10%	
15/2/2023	Use of Industrial Capacity	December	INDEC				68,90%	
15/2/2023	Use of Public Services	November	INDEC				5,20%	
16/2/2023	Wholesale prices	January	INDEC				6,10%	

		2020	2021	1Q22	2Q22	3Q22	4Q22	2022 TPCG View
<b>Economic Activity</b>								
GDP Growth	%yoy	-9,9	10,4	6,0	9,1	3,5	2,4	5,3
Nominal GDP	ARSbn	27,2	46,3	60,2	71,6	86,9	104,4	80,8
	USDbn	385	487	565	607	640	648	615,0
	BCS USDbn	218	255	280	328	289	329	306,6
Nominal GDP Growth	%yoy	26,1	70,2	62,7	54,0	63,9	91,9	74,5
<b>Prices</b>								
Headline CPI - eop	%yoy	36,0	50,8	55,0	64,0	83,2	97,9	97,9
Headline CPI	ave %mom	2,6	3,5	5,1	5,5	6,9	6,0	5,9
ARS Official fixing	USDARS	82,7	101,9	109,4	122,8	143,4	170,1	170,1
ARS BCS	USDARS	150,4	216,2	202,9	235,5	300,9	325,5	325,5
<b>Monetary policy</b>								
Leliq rate - eop	% NAR	38,0	38,0	43,2	50,4	72,6	74,0	74,0
Badlar rate - eop	% NAR	34,2	34,2	40,5	48,2	66,5	68,1	68,1
<b>Fiscal Policy</b>								
Primary balance	ARSbn	-1750	-1407	-193	-592	-370	-900	-2054
	% of GDP	-6,4	-3,0					-2,5
<b>External</b>								
Gross international reserves	USDbn	39387	39662	43137	42787	38400	36500	36500
Net international reserves	USDbn	4846	2325	3851	4985	2200	1750	1750
Current account balance	12-mo USDbn	322	5566	2545	-200	-1300	-1500	-1500
	pp of GDP	0,1	1,1	0,5	0,0	-0,2	-0,2	-0,2

		%mom	%yoy		Official fixing	BCS	BCS premium		Leliq rate	Badlar rate	MonPol - Funding rate spread
Dec-22	Data	5,1%	95,3%	Data	172,62	326,22	89,0%	Data	75,0	69,3	570
Jan-23	Estimate	5,0%	97,4%	Estimate	179,09	335,02	87,1%	Estimate	75,0	69,5	553
Feb-23		4,8%	97,6%	Estimate	185,11	365,00	97,2%	Estimate	72,0	66,3	570
Mar-23		6,1%	96,5%	Estimate	193,02	382,81	98,3%	Estimate	69,0	63,3	570
Apr-23		6,3%	97,0%	Estimate	202,74	406,93	100,7%	Estimate	67,0	61,3	570
May-23		6,2%	99,1%	Estimate	214,06	432,16	101,9%	Estimate	69,0	63,3	570
Jun-23		6,8%	101,7%	Estimate	228,61	461,55	101,9%	Estimate	71,0	65,3	570
Jul-23		6,8%	100,6%	Estimate	245,71	492,93	100,6%	Estimate	74,0	68,3	570
Aug-23		7,0%	100,6%	Estimate	266,35	527,44	98,0%	Estimate	75,0	69,3	570
Sep-23		7,5%	103,0%	Estimate	290,33	566,99	95,3%	Estimate	76,0	70,3	570
Oct-23		7,2%	104,4%	Estimate	315,41	599,65	90,1%	Estimate	78,0	72,3	570
Nov-23		7,0%	108,5%	Estimate	341,90	624,84	82,8%	Estimate	78,0	72,3	570
Dec-23		7,0%	112,2%	Estimate	370,62	642,33	73,3%	Estimate	78,0	72,3	570

## TPCG Analysts & Staff

### Research

<b>Juan Manuel Pazos</b>	<b>Chief Economist</b>	<b>jmpazos@tpcgco.com</b>	<b>+54 11 4898-6606</b>
Paula La Greca	Corporate Research Analyst	plagreca@tpcgco.com	+54 11 4898-6638
Federico Martin	Strategist	famartin@tpcgco.com	+54 11 4898-6633
Santiago Resico	LATAM Strategist	sresico@tpcgco.com	+54 11 4898-6615

### Sales & Trading

<b>Juan Manuel Truppia</b>	<b>Head of Sales &amp; Trading</b>	<b>jmtruppia@tpcgco.com</b>	<b>+54 11 4898-6659</b>
Juan Martin Longhi	S&T Director	jlonghi@tpcgco.com	+54 11 4898-6656
Lucia Rodriguez Pardina	S&T Director	lrodriguezpardina@tpcgco.com	+54 11 4898-6614
Agustina Guadalupe	Sales	aguadalupe@tpcgco.com	+54 11 4898-6682
Maria Pilar Hurtado	Sales	mhurtado@tpcgco.com	+54 11 4898-6616
Juan Ignacio Vergara	Sales	jivergara@tpcgco.com	+54 11 4898-1936
Santiago Baibiene	Sales	sbaibiene@tpcgco.com	+54 11 4898-6648
Pedro Nollmann	Sales	pnollmann@tpcgco.com	+54 11 4898-6617
María Ruiz de Castroviejo Salas	Sales	mruiздеcastroviejo@tpcgco.com	+54 11 4898-6643
Victoria Faynbloch	Desk Analyst	vfaynbloch@tpcgco.com	+54 11 4898-6635
Felipe Freire	Trader	ffreire@tpcgco.com	+54 11 4898-1921
Homero Fernandez Bianco	Trader	hfbianco@tpcgco.com	+54 11 4898-6667
Andres Robertson	Trader	arobertson@tpcgco.com	+54 11 4898-6693

### Corporate Banking

<b>José Ramos</b>	<b>Head of Corporate Banking</b>	<b>jramos@tpcgco.com</b>	<b>+54 11 4898-6645</b>
Camila Martinez	Corporate Sales	cmartinez@tpcgco.com	+54 11 4898-6621
Fernando Depierre	Corporate Sales	fdepierre@tpcgco.com	+54 11 4898-6636
Sol Silvestrini	Corporate Sales	ssilvestrini@tpcgco.com	+54 11 4898-6641
Nicolas Iglesias	Corporate Sales	niglesias@tpcgco.com	+54 11 4898-6612

### Capital Markets

<b>Fernando Lanus</b>	<b>Head of Capital Markets</b>	<b>flanus@tpcgco.com</b>	<b>+54 11 4898-6632</b>
Nicolás Alperín	Investment Banking Analyst	nalperin@tpcgco.com	+54 11 4898-6604

### Asset Management

<b>Ileana Aiello</b>	<b>Portfolio Manager</b>	<b>iaielo@tpcgco.com</b>	<b>+54 11 4898-6611</b>
<b>Claudio Achaerandio</b>	<b>Portfolio Manager</b>	<b>cachaerandio@tpcgco.com</b>	<b>+54 11 4898-6618</b>

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