

## Argentina – Strategy

March 20, 2023

# Argentina View

- **IN A NUTSHELL:** The inflationary acceleration and the drought put the Government in a tight spot as its economic policy mix has broken. The Government has limited time to decide whether to implement a full-blown stabilization program or a Primavera-like limited set of measures to prevent further spiralization of nominal variables. A few thoughts and speculation on that matter.
- **RATIONALE:** This will be a different kind of Argentina View (it's not even called Morning View this time because it's not even morning by now). There's no relevant news, but I can't shake the feeling that something's brewing. I'll use the coming lines to speculate as to where the Government may end up drifting carried by the current dynamics. In this context, you probably shouldn't spend five minutes reading this if you feel your time would be best served by following the teetering regional banks in the US or the Credit Suisse rescue. I just need to put some things in writing (so that I can say "told you so" in the coming weeks).

My first thought regarding the current situation, and following the weekend's statements by Fernando "Chino" Navarro, is that the Government is suddenly discovering a scenario we've been entertaining for some time. Suppose the CPI remains in the 6-8%mom range between now and the August primaries. In that context, Peronism could come out third, losing not only to JxC but also to Mr. Milei's libertarians. Current polls, though unreliable because about 1/3 of voters aren't responding to queries, return us a snapshot of a tight election, with JxC in the mid-to-high 30s and a couple of pp lead over the FdT. Most of these polls show the Libertarians at a distant third, around 20% of the vote. In other words, if we guide ourselves by the latest snapshot, we should conclude that we're heading into a tight race between JxC and FdT, with the Libertarians taking enough of the vote to prevent either alternative from carrying the Presidency in the first round, but not enough to be competitive with the two larger coalitions. We believe making such a reading from an isolated snapshot would be a mistake. For starters, the Libertarians are the only coalition growing in voters. Second, the FdT has consistently hemorrhaged voters over the past two years. The worse the economy does, the weaker the Government's position and the stronger the Libertarians. We're still five inflation prints away from the Primaries (March-July prints). If these remain stubbornly at current levels, we could expect the August snapshot to be very different from the current one, potentially with Mr. Milei fighting for a spot in the run-off.


Let us assume that (i) the Government is now aware of this scenario (again, Mr. Navarro's statements suggest they are), (ii) coming in third is not an alternative for Peronism, and (iii) the Government is willing to put economic policy behind the objective of not coming third. Under this set of assumptions, we should expect a pivot in economic policy soon. Since he took over from Mrs. Batakis in late July 2022, Mr. Massa's economic policy can be summarized in two critical pillars: (i) compress the primary deficit to lower GFNs and trim money printing, and (ii) source USD by any means possible (lead amongst them, a differentiated FX for farmers), to build a hard currency cache and use it as a carrot to drive the private sector into complying with the Government's economic policy. The first pillar was never enough to stabilize inflation. By the time Mr. Massa came to office, the primary deficit wasn't the lead driver of high-powered money creation anymore. The swaps to deal with the ARS curve started out strong but quickly became insufficient, and the quasi-fiscal deficit became a one-way problem. The second pillar proved more resilient, but the drought likely shatters it. The differentiated FX for grain producers was enough to plug the USD7bn deviation that the Government had from the NIR target by the end of 2H22 and left about USD4-5bn for the Government to use as a carrot. Mr. Massa's team conditioned companies' ability to import goods to comply with the Government's price guidelines. Likewise, he restricted FX market access for import or debt payments, only opening the gates for those who remain long ARS.

With the drought shaving almost USD20bn from exports, the chance of using the FX market as a carrot diluted. The output of the three largest crops dropped from almost 120mn tons last year to less than 75mn in 2023, with a GDP cost of 3-4pp between the direct and indirect impact. The IMF will reportedly ease the NIR target of the EFF program, but according to media rumors, the easing would amount to less than 10% of the shock driving the deviation. In other words, the drought's limiting the Government's capacity to use its preferred inflation and FX market control tools. Our BVAR model suggests that price guidelines without FX market stability have little to no effect. Likewise, with about 10% of non-regulated creditors tendering in the Government's swaps, curbing inflation and FX pressures through the monetary equilibrium looks almost impossible. In this context, the question is: what could economic policy pivot into?

One alternative would be a full-blown stabilization program, allowing for a REER correction to decompress the FX market, compensated with tighter fiscal, monetary, and income policies. We believe that the odds of such a program materializing are extraordinarily small. The Government already shelved the idea in August because of its political costs. There's no reason they would entertain the thought now, five months away from the primaries. A stabilization program would require more aggressive spending cuts, turning the fiscal impulse more negative, which Kirchnerism sees as threatening as inflation to its voter support. Additionally, so close to the elections, the Government doesn't seem to have the muscle to improve the monetary policy equilibrium meaningfully. The decisions that need to be taken to stabilize the ARS market and the rollover of LCD paper require an Administration with a longer horizon than the current one to take continuity risk off the table.

With a full-blown stabilization program not viable, we would expect economic policy to shift into a smaller, less ambitious plan comprised of a few measures designed not to curb inflation but to prevent it from accelerating further. Media rumors over the weekend, once again, suggest that such a plan would be built around a multiple FX market framework. You could very well ask yourself if we aren't running a multiple FX framework already. The problem is that while the Government currently hosts a myriad of FXs, the framework's core is still irrevocably tied to the official fixing, which the Government needs to crawl roughly on par with inflation to prevent import creep and to keep exporters selling. In other words, this framework takes one of Peronism's greatest hits off the 2023 playlist: REER appreciation. The Government needs to find a framework that allows at the same time (i) no more reserve drainage for private sector debt payments, (ii) offering/charging an FX incentive/surcharge for exporters/importers selling goods and services with limited CPI pass-through to soften the drought's impact on the current account, and (iii) limiting the official fixing to those goods with high-CPI impact, and flattening it until the election. Mr. Massa's team needs to design a unicorn. That would require (i) a free-floating FX for financial transactions, (ii) a highly regulated FX resembling the current official fixing, which the Government would probably devalue initially and then crawl like inflation to keep farmers and other exporters to sell (let's call it a permanent soy dollar, with some other exports and imports which could contribute/drain a lot of reserves tagged to it) and buy the dollars need to sustain the final FX, (iii) a flat nominal FX for high-passthrough goods, which the BCRA would feed with reserves as much as needed. This seems to be the combination that best fits the Government's political needs in the coming months. The stability of this framework would be low, as it offers a large arbitrage surface.

Where we believe that media rumors over the week are off is that a multiple FX framework is only part of the policy mix. Half-baked inflation-breaking programs like 1988's Primavera plan usually combined amends to the FX framework with a tighter fiscal policy and some kind of price-and-wages freeze. Neither of these components is visible presently. January's fiscal print was highly worrying. The Government should print the February print today, but rumors have grown over the past week that it may share many of January's slippages. It would be very hard to enter a Primavera-like program if the Government loses its fiscal discipline and starts building fiscal impulse for the election. Likewise, a price-wage freeze looks far-fetched right now. More and more unions are jumping past Mr. Massa's 30% raise for six months guidance (which would be consistent with a 60% inflation target), securing higher rates and shorter contract renegotiation periods. In other words, wages are becoming increasingly indexed, with some sectors already adjusting them on a monthly basis. In this context, prices within the



Government's "Precios Justos" basket are increasing by around 5%mom, well above the 3.8%mom guideline.

The best definition of a tragedy is "a story where every path that the lead character chooses takes him to a bad outcome." This definition seems to apply to the Government's current predicament. Do nothing; risk coming third. Shoot for the sky and build a stabilization program; there's no guarantee that the market will buy it, especially in a context where the Government can't sell policy continuity. Try to address inflation without a fully-fledged stabilization program, and you'll quickly come between a rock and a hard place: To prevent inflation from spiralizing, at least over a four-to-five-month window, a plan like the Primavera needs to mix fiscal cuts and wage freezes. If the Government's afraid that a 7%mom inflation could lose them the election in a context where disposable income grows by 6%mom, a 5%mom inflation with zero or slightly negative nominal disposable income growth won't return figures any more flattering. Finally, going just for a multiple FX framework while increasing fiscal impulse and making income policy more accommodative (probably the Kirchnerist preferred mix) could be highly volatile in the coming months. Ultimately, the Government has an election problem. It's not that it doesn't have a competitive candidate. The problem is that there's no path to creating a competitive candidate, given the challenges that the policymaker faces. There's a glass-half-full read to this: the election will likely not be as competitive as the current snapshot suggests. Still, there's a glass-half-empty view, too: the Government won't take that destiny with resignation, and we're still ways off from Inauguration Day. In all good tragedies, the lead character's downfall results from his choices in trying to succeed.

## 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	68	0,20	26,8	26,9%	41,6%	3773	2,64	2.635	100,0%
Argent30	ARGENT 0 1/2 07/09/30	US040114HS26	0,500	68	0,10	28,1	28,2%	37,2%	3346	2,79	16.091	100,0%
Argent35	ARGENT 1 1/2 07/09/35	US040114HT09	1,500	68	0,30	24,6	24,9%	24,9%	2149	5,44	20.502	100,0%
Argent38	ARGENT 3 7/8 01/09/38	US040114HU71	3,875	68	0,78	30,1	30,7%	25,0%	2157	4,57	11.405	100,0%
Argent41	ARGENT 3 1/2 07/09/41	US040114HV54	3,500	68	0,70	27,1	27,6%	22,2%	1865	5,40	10.482	100,0%
Argent46	ARGENT 1 1/2 07/09/46	US040114HW38	1,500	68	0,30	25,0	25,2%	27,0%	2348	4,05	2.092	100,0%
<b>EUR</b>												
PDI 2029 EUR	ARGENT 0 1/2 07/09/29	XS2200244072	0,500	68	0,10	26,0	26,1%	41,4%	4479	2,69	90	100,0%
Argent30 EUR	ARGENT 0 1/2 07/09/30	XS2177363665	0,125	68	0,03	24,0	24,0%	41,2%	4108	2,71	1.166	100,0%
Argent35 EUR	ARGENT 0 7/8 07/09/35	XS2177364390	0,875	68	0,18	21,0	21,1%	25,9%	2256	5,57	299	100,0%
Argent38 EUR	ARGENT 3 01/09/38	XS2177365017	3,000	68	0,60	26,0	26,4%	26,3%	2567	4,58	809	100,0%
Argent41 EUR	ARGENT 2 3/4 07/09/41	XS2177365363	2,750	68	0,55	23,0	23,4%	23,8%	2361	5,36	1.573	100,0%
Argent46 EUR	ARGENT 0 7/8 07/09/46	XS2177365520	0,875	68	0,18	21,0	21,1%	29,3%	2812	3,90	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	68	0,20	24,0	24,0%	46,1%	4179	2,54	2.195	100,0%
Argent30 AL	ARGBON 0 1/2 07/09/30	ARARGE3209S6	0,500	68	0,10	24,0	24,0%	43,2%	3999	2,61	13.531	100,0%
Argent35 AL	ARGBON 1 1/2 07/09/35	ARARGE3209T4	1,500	68	0,30	24,0	23,9%	25,6%	2257	5,35	19.072	100,0%
Argent38 AL	ARGBON 3 7/8 01/09/38	ARARGE3209U2	3,875	68	0,78	27,9	27,7%	27,3%	2460	4,33	7.219	100,0%
Argent41 AL	ARGBON 3 1/2 07/09/41	ARARGE3209V0	3,500	68	0,70	24,1	24,0%	24,9%	2190	4,99	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	150	6,7	76,0	68,5%	97,9%	9.633	0,35	64.150	100,0%
TO26	ARGTES 15 1/2 10/17/26	ARARGE4502K0	15,50	150	6,5	29,5	23,5%	89,9%	8.451	1,10	96.570	100,0%
<b>New Securities</b>												
LEDE 03-31-23	LEDES 0 03/31/23	ARARGE520D23	0,00	-	0,0	97,9	97,0%	75,4%	10.865	0,03	350.621	100,0%
LEDE 04-28-23	LEDES 0 04/28/23	ARARGE520C14	0,00	-	0,0	92,1	91,1%	84,0%	9.156	0,09	1.193.708	100,0%
LEDE 05-31-23	LEDES 0 05/31/23	ARARGE520D80	0,00	-	0,0	85,7	85,6%	87,4%	8.357	0,16	970.231	100,0%
LEDE 06-30-23	LEDES 0 06/30/23	ARARGE520D98	0,00	-	0,0	80,2	80,1%	90,1%	8.609	0,22	622.361	100,0%
<b>DL Securities</b>												
TV23	ARGBND 0 3/4 04/28/23	ARARGE320B27	0,30	139	0,1	20.300,0	100,1%	-0,82%	-	0,10	3.016	100,0%
T2V3	ARGBND 0 07/31/23	ARARGE320CJ7	0,00	-	0,0	20.315,0	100,3%	-0,85%	-	0,36	1.496	100,0%
TV24	ARGBND 0 4/30/24	ARARGE320C18	0,40	137	0,2	19.695,0	97,0%	3,10%	-	1,10	1.277	100,0%

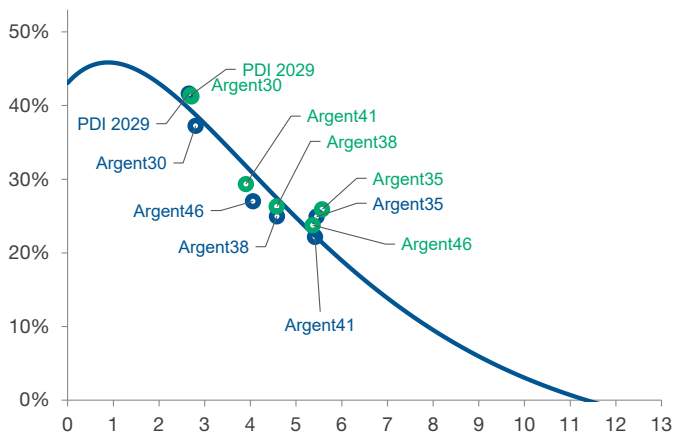
### Inflation-Linked Securities

Security	BBG Code	ISIN	Coupon	Days Accrued	Interest Accrued	PX	Parity	Yield	Spread to UST	MD	Outstanding	Residual
<b>Old Securities</b>												
TC25	BONCER 4 04/27/25	ARARGE4505U2	4,00	140	14,1	790,0	85,8%	11,1%	714	1,92	29.908	100,0%
DICP	ARGENT 5.83 12/31/33	ARARGE03E121	5,83	77	89,7	5690,0	77,9%	11,4%	785	4,26	10.472	69,8%
PARP	ARGENT 1.18 12/31/38	ARARGE03E105	1,77	167	46,5	2925,0	49,5%	9,5%	772	8,76	2.861	52,9%
CUAP	ARGENT 3.31 12/31/45	ARARGE03E139	3,31	77	55,7	3650,0	47,2%	9,6%	934	10,40	23.434	99,0%
<b>New Securities</b>												
X21A3	LECER 0 04/21/23	ARARGE520C08	0,00	347	0,0	195,0	99,5%	6,0%	775	0,08	343.992	100,0%
X19Y3	LECER 0 05/19/23	ARARGE520C57	0,00	318	0,0	186,7	99,7%	1,8%	315	0,16	509.085	100,0%
X16J3	LECER 0 06/16/23	ARARGE520CS3	0,00	197	0,0	147,8	99,6%	1,6%	298	0,24	611.246	100,0%
X18S3	LECER 0 09/18/23	ARARGE520CV7	0,00	167	0,0	142,0	102,5%	-5,0%	-72	0,50	48.387	100,0%
TX23	BONCER 1.4 03/25/23	ARARGE3208T6	1,40	172	2,7	408,7	99,3%	7,2%	1682	0,01	81.567	100,0%
T2X3	BONCER 1.45 08/13/23	ARARGE3209Z1	1,45	34	0,5	372,5	99,7%	1,9%	106	0,39	432.188	100,0%
T2X4	BONCER 1.55 07/26/24	ARARGE320AI3	1,55	51	0,7	267,8	86,6%	12,4%	768	1,26	314.877	100,0%
TX24	BONCER 1 1/2 03/25/24	ARARGE3208U4	1,50	172	2,9	374,3	90,9%	10,6%	672	0,96	345.783	100,0%
T3X4P	BONCER 3 3/4 04/14/24	ARARGE320DG1	3,75	3	0,0	92,4	93,7%	12,9%	591	1,00	696.850	100,0%
T4X4P	BONCER 4 10/14/24	ARARGE320DH9	4,00	3	0,0	88,8	90,0%	13,2%	725	1,45	1.785.859	100,0%
T2X5P	BONCER 4 1/4 02/14/25	ARARGE320DI7	4,25	3	0,0	86,1	87,5%	13,5%	792	1,74	1.339.394	100,0%
TX26	BONCER 2 11/09/26	ARARGE3209W8	2,00	128	2,6	283,0	76,7%	12,9%	869	2,34	190.747	100,0%
TX28	BONCER 2 1/4 11/09/28	ARARGE3209X6	2,25	128	2,9	276,4	74,8%	11,9%	835	2,86	75.905	100,0%
<b>Duos</b>												
TDJ23	CERDUO 0 06/30/23	ARARGE320CL3	0,00	215	0,0	20864,0	102,9%	-3,8%	1902	0,28	4.641	100,0%
TDL23	CERDUO 0 07/31/23	ARARGE320CM1	0,00	215	0,0	20875,0	102,9%	-2,6%	-1171	0,37	13.075	100,0%
TDS23	CERDUO 0 09/29/23	ARARGE320CN9	0,00	215	0,0	20800,0	102,5%	-0,1%	1926	0,53	8.739	100,0%
TDF24	CERDUO 0 02/28/24	ARARGE320CW0	0,00	167	0,0	19950,0	99,1%	5,2%	-158	0,92	6.922	100,0%

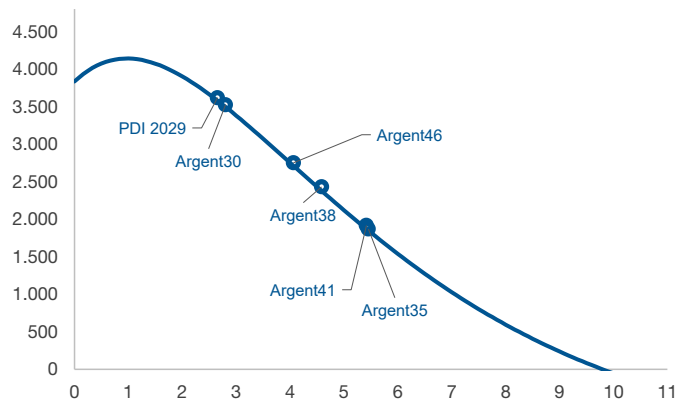
### Global-Law Securities Curve

	MD	Yield	Price	Yield Change in bps				Price % Change				Additional Info.	
	17/3/2023			Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Maturity	Amt.Out. (mn)
<b>USD</b>													
PDI 2029	2,64	41,62	26,8	1,07	1,28	6,12	2,56	-2,7	-2,7	-13,0	0,0	09/07/29	2.635
Argent30	2,79	37,22	28,1	0,81	0,69	5,77	1,26	-2,2	-1,3	-13,1	3,2	09/07/30	16.091
Argent35	5,44	24,92	24,6	0,46	0,34	2,69	1,44	-2,5	-1,5	-12,8	-4,4	09/07/35	20.502
Argent38	4,57	24,96	30,1	0,44	0,99	2,70	1,88	-2,0	-4,4	-11,4	-6,6	09/01/38	11.405
Argent41	5,40	22,15	27,1	0,41	0,60	2,46	1,34	-2,3	-3,1	-12,5	-5,7	09/07/41	10.482
Argent46	4,05	27,01	25,0	0,73	0,80	3,80	1,86	-2,9	-2,9	-13,8	-3,8	09/07/46	2.092
<b>EUR</b>													
PDI 2029 EUR	2,69	41,41	26,0	0,04	0,26	2,55	2,66	0,0	0,0	-3,7	0,0	09/07/29	90
Argent30 EUR	2,71	41,25	24,0	0,04	3,14	5,63	5,36	0,0	-7,7	-11,9	-7,7	09/07/30	1.166
Argent35 EUR	5,57	25,91	21,0	0,01	0,89	2,61	2,98	0,0	-4,5	-12,5	-12,5	09/07/35	299
Argent38 EUR	4,58	26,30	26,0	0,01	2,32	2,51	2,11	0,0	-10,3	-10,3	-7,1	09/01/38	809
Argent41 EUR	5,36	23,76	23,0	0,01	1,53	2,33	1,87	0,0	-8,0	-11,5	-8,0	09/07/41	1.573
Argent46 EUR	3,90	29,34	21,0	0,02	1,27	3,70	4,24	0,0	-4,5	-12,5	-12,5	09/07/46	248

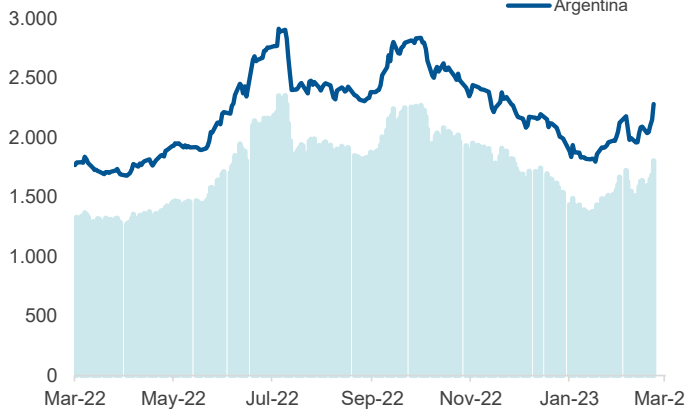
Globals Yield Curve | YTM ● USD Securities ● EUR Securities



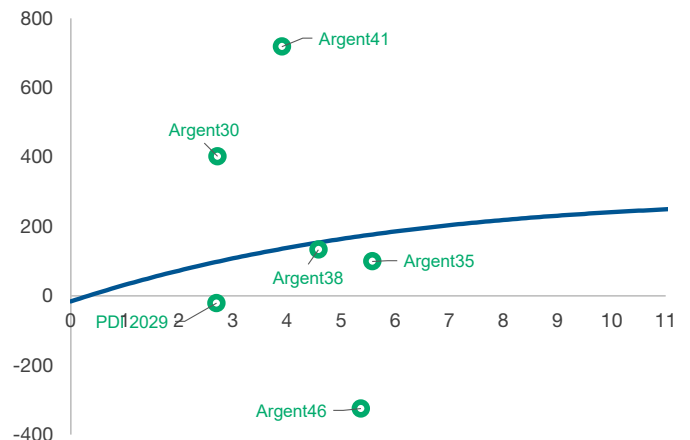
Spread Curve vs. UST | Spreads ● USD Securities



ARGY Spreads & EM Spreads | Spreads Spread Over EM Argentina



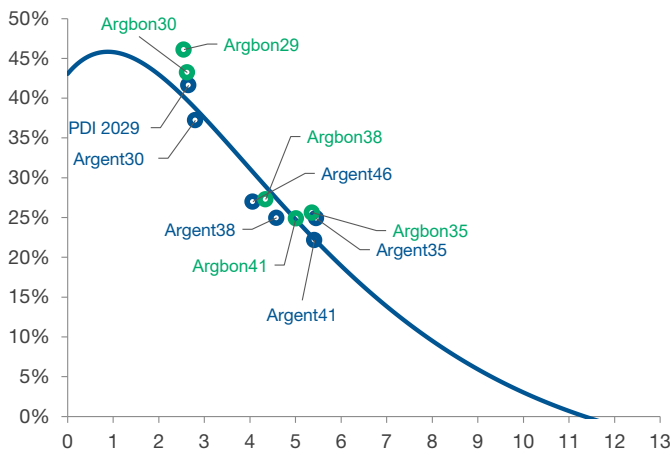
Currency Spread | Spreads ● EUR Securities



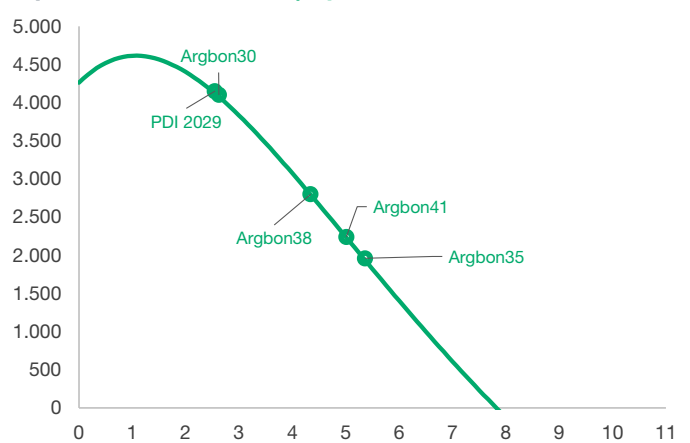
### Local-Law Hard Currency Securities Curve

	MD	Yield	Price	Yield Change in BPS				Price % Change				Additional Info.	
				17/3/2023				Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)
PDI 2029 AL	2,54	46,10	24,0	0,04	3,03	7,80	4,01	0,0	-6,8	-15,8	-4,0	09/07/29	2.189
Argent30 AL	2,61	43,23	24,0	0,04	2,74	6,07	3,71	0,0	-6,3	-12,3	-3,0	09/07/30	12.423
Argent35 AL	5,35	25,62	24,0	0,01	1,20	2,83	1,65	0,0	-5,9	-12,7	-6,8	09/07/35	18.449
Argent38 AL	4,33	27,28	27,9	0,02	0,72	2,51	3,49	0,0	-2,6	-8,6	-15,5	09/01/38	7.196
Argent41 AL	4,99	24,90	24,1	0,01	1,64	2,73	3,11	0,0	-7,7	-11,5	-16,5	09/07/41	1.468

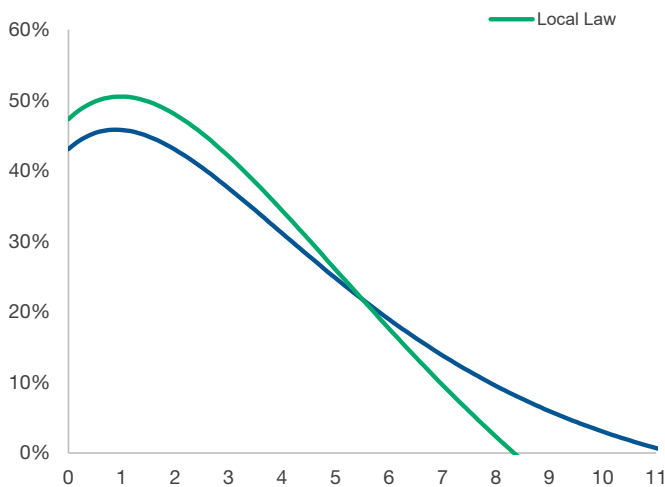
Globals Yield Curve | YTM ● USD NY Law ● USD ARGY Law



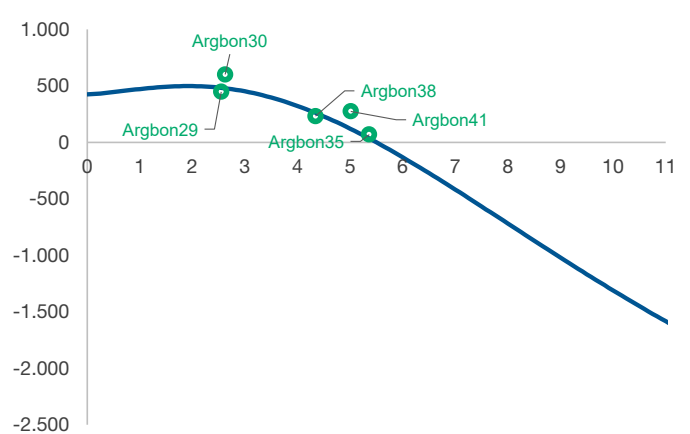
Spread Curve vs. UST | Spreads ● ARGY Law Securities



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



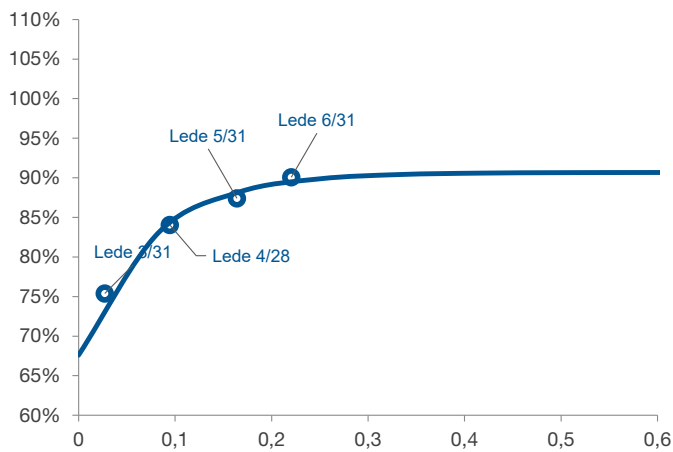
Legislation Spread | Spreads ● ARGY Law Securities



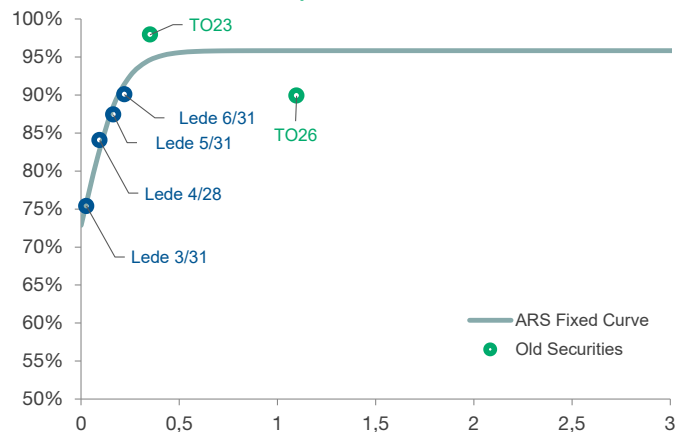
### ARS Fixed-Rate and Dollar-Linked Securities Curve

	MD	Yield	Price	Yield Change in bps				Price % Change				Additional Info.	
				17/3/2023	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Maturity
<b>Old Securities</b>													
TO23	0,35	97,92	76,0	-1,8	0,6	3,3	10,7	0,9	1,3	6,4	12,6	17/10/23	64.150
TO26	1,10	89,89	29,5	2,4	2,0	4,6	3,3	-2,5	-0,8	1,4	12,6	17/10/26	96.570
<b>New Securities</b>													
LEDE 03-31-23	0,03	75,38	97,9	-8,9	-3,7	3,1	-9,6	0,6	1,6	6,8	18,3	31/03/23	350.621
LEDE 04-28-23	0,09	84,04	92,1	-2,3	-1,0	3,9	2,5	0,5	1,8	6,7	16,0	28/04/23	1.193.708
LEDE 05-31-23	0,16	87,40	85,7	-1,9	-0,7	1,2	0,5	0,2	1,4	7,0	16,0	31/05/23	970.231
LEDE 06-30-23	0,22	90,06	80,2	-1,9	1,9	0,6	-	0,8	1,2	7,0	-	30/06/23	622.361
<b>DL Securities</b>													
TV23	0,10	-0,82	20.300,0	-	-	-	-	0,7	2,3	6,4	13,4	28/04/23	3.016
T2V3	0,36	-0,85	20.315,0	-	-	-	-	-0,2	2,6	8,5	15,4	31/07/23	1.496
TV24	1,10	3,10	19.695,0	-	-	-	-	-0,4	1,9	20,1	27,9	30/04/24	1.277

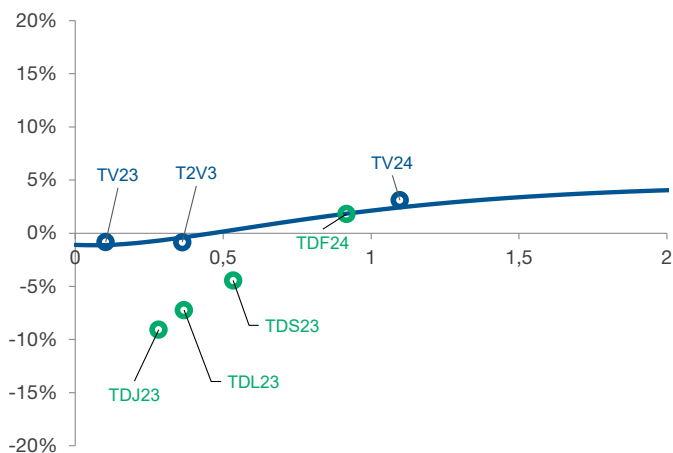
#### Treasury Ledes Curve | YTM



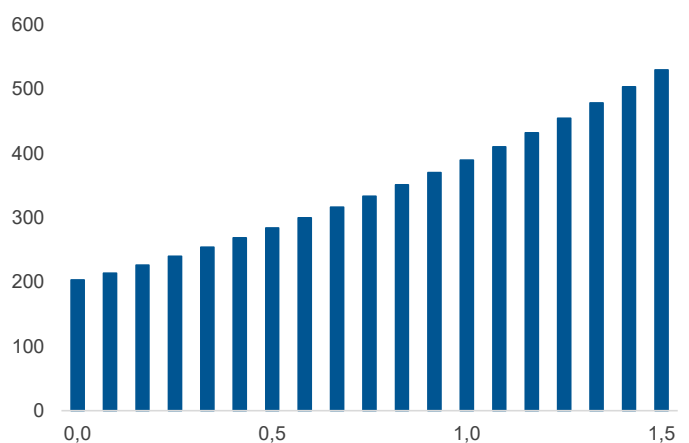
#### ARS Fixed-Rate Curve | YTM



#### Dollar-Linked Curve | YTM



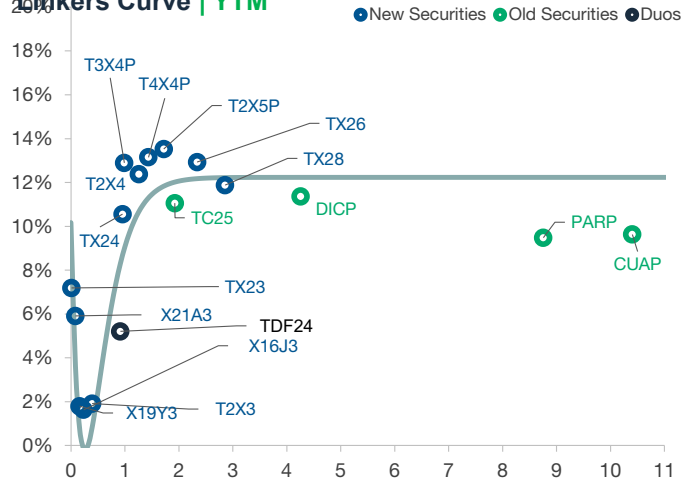
#### Official FX Break-Even | Break-Evens



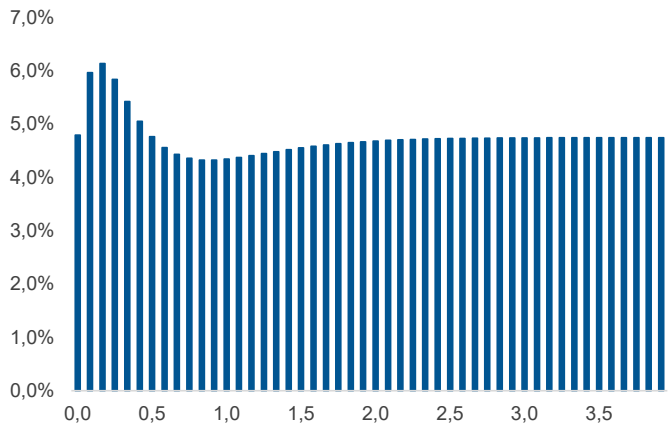
### Inflation-Linked Securities Curve

	MD	Yield	Price	Yield Change in bps				Price % Change				Additional Info		
	17/3/2023			Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Next Coupon	Maturity	Amt. Out. (mn)
<b>Old Securities</b>														
TC25	1,92	11,05	790,00	63,8	113,5	-142,3	-0,2	-1,3	-0,9	9,7	15,3	27/04/23	27/04/25	29.908
DICP	4,26	11,37	5690,00	6,8	84,2	152,0	24,3	0,3	-1,6	0,7	15,9	30/06/23	31/12/33	10.472
PARP	8,76	9,48	2925,00	-32,3	-50,2	-62,0	-274,1	6,6	8,3	10,0	33,0	31/03/23	31/12/38	2.861
CUAP	10,40	9,63	3650,00	-12,0	33,3	16,0	-174,7	-0,9	-4,2	2,8	35,7	30/06/23	31/12/45	23.434
<b>New Securities</b>														
X21A3	0,08	6,00	195,00	-129,3	-344,6	323,9	584,4	0,8	2,4	6,7	14,0	-	21/04/23	343.992
X19Y3	0,16	1,80	186,70	-182,2	-208,2	-73,9	-175,8	0,5	1,9	6,7	15,3	-	19/05/23	509.085
X16J3	0,24	1,64	147,80	-81,6	-413,1	-310,5	-506,7	0,4	2,5	7,5	17,0	-	16/06/23	611.246
X18S3	0,50	-4,98	142,00	-386,7	-718,3	-675,5	-1124,0	2,2	5,2	10,1	22,1	-	18/09/23	48.387
TX23	0,01	7,19	408,70	-675,3	-473,3	417,1	81,0	0,3	1,7	6,4	15,3	25/03/23	25/03/23	81.567
T2X3	0,39	1,92	372,50	-144,7	-302,7	-476,1	-375,4	1,4	3,3	9,4	17,4	13/08/23	13/08/23	432.188
TX24	0,96	10,56	374,30	-26,1	89,6	-146,9	-28,4	0,5	0,8	8,8	16,6	25/03/23	25/03/24	345.783
T2X4	1,26	12,38	267,75	-19,8	134,9	-164,8	96,1	0,5	-0,1	9,7	15,0	26/07/23	26/07/24	314.877
T3X4P	0,99	12,89	92,40	-14,9	-	-	-	0,3	-	-	-	14/10/23	14/04/24	696.850
T4X4P	1,44	13,15	88,80	-11,5	-	-	-	0,5	-	-	-	14/10/23	14/10/24	1.785.859
T2X5P	1,72	13,53	86,10	-15,3	-	-	-	0,4	-	-	-	14/08/23	14/02/25	1.339.394
TX26	2,34	12,93	283,00	-4,4	124,2	-5,9	2,1	0,6	-1,0	8,0	17,4	09/05/23	09/11/26	190.747
TX28	2,86	11,88	276,40	-30,3	40,3	-21,9	-22,5	1,4	0,8	8,5	18,1	09/05/23	09/11/28	75.905
<b>Duos</b>														
TDJ23	0,28	-3,76	20864,00	-	-	-1679,4	-3154,8	1,2	3,3	7,5	16,6	-	30/06/23	4.641
TDL23	0,37	-2,62	20875,00	-	-	-1505,9	-2682,4	1,3	3,8	8,4	16,9	-	31/07/23	13.075
TDS23	0,53	-0,08	20800,00	-	-	-1294,3	-2182,2	1,6	3,9	10,4	18,7	-	29/09/23	8.739
TDF24	0,92	5,21	19950,00	-	-	-955,1	-1659,7	0,4	3,9	13,0	22,8	-	28/02/24	6.922

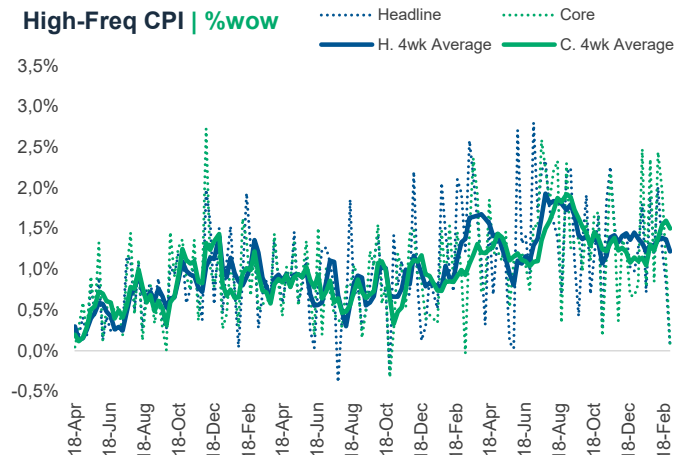
### Linkers Curve | YTM



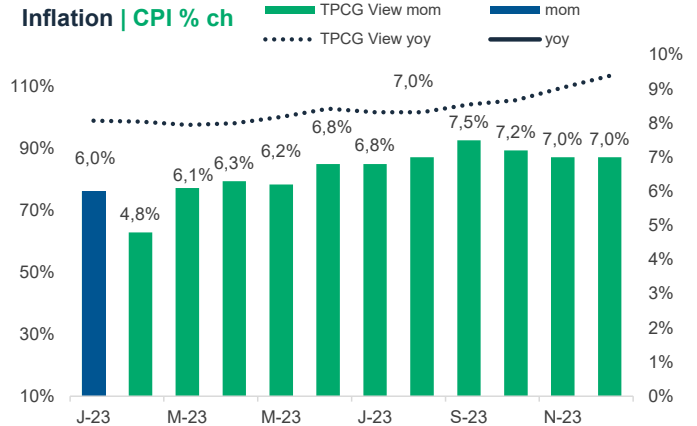
### Inflation Break-Even | Break-Evens



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



### Inflation | CPI % ch

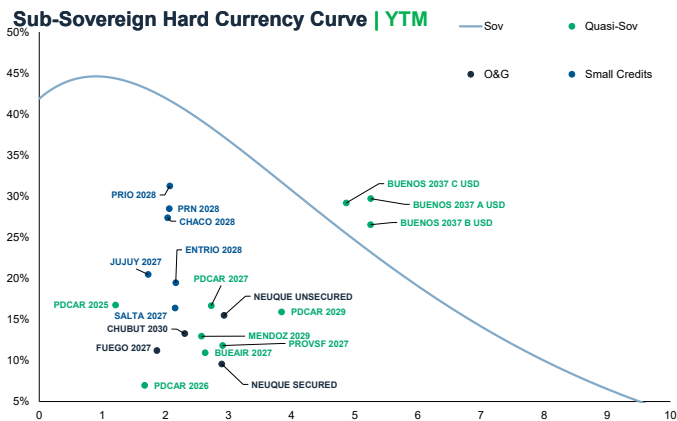




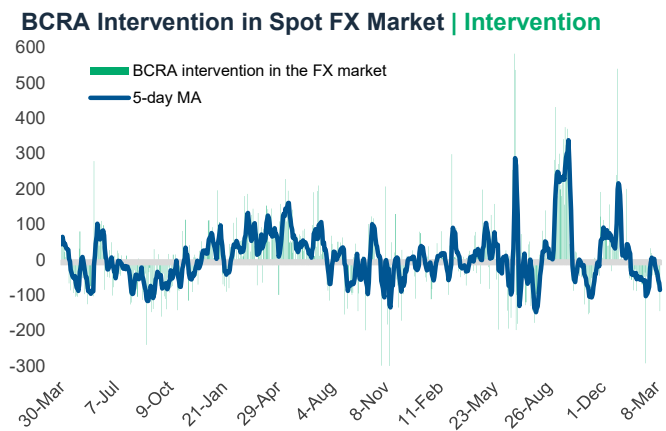
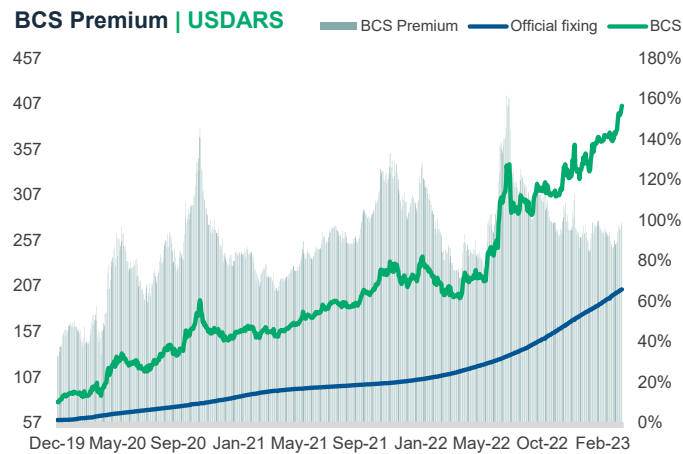
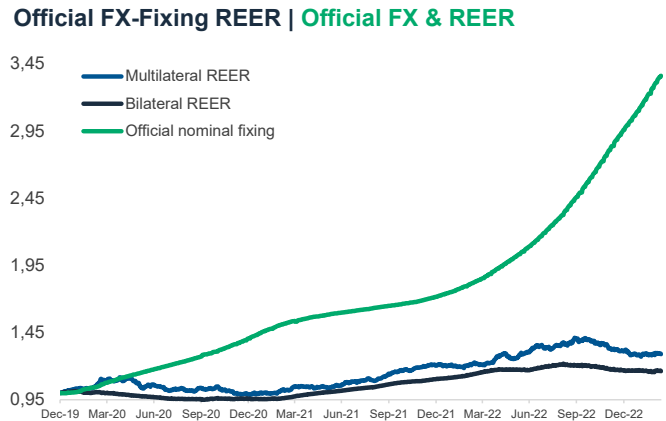
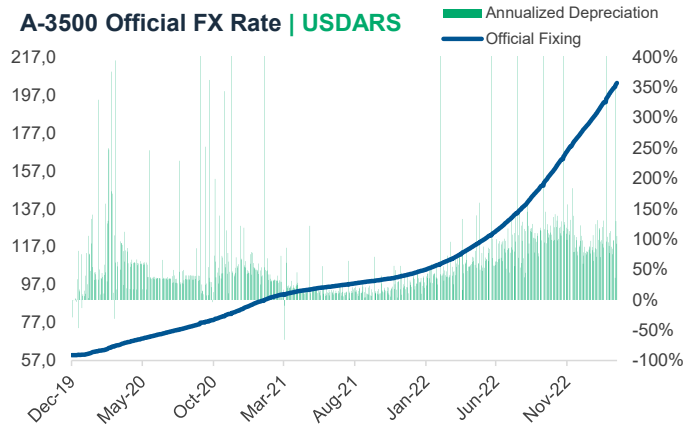
### Sub-Sovereign Debt Instruments

	Price	MD	Yield	Parity	Int. Accrued	Current Yield	Tech Val.	Yield Change In BPS				Price % Change				Additional Info.				
								Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Curr.	Amnt. Out. (mn)	OPN	Prev. OPN	Next OPN
<b>USD Securities</b>																				
MENDOZ 2029	82,25	2,57	12,96%	82,3%	0,03	7,0%	100,0	0,6	-25,7	-26,0	-372,0	0,0%	-0,9%	-0,3%	9,5%	USD	590,0	5,8%	19/3/2023	19/9/2023
CORDOB 2027	69,75	2,01	26,48%	70,4%	2,10	6,5%	102,1	2,3	15,6	73,1	-335,0	0,0%	0,0%	0,0%	11,6%	USD	155,7	4,5%	29/9/2022	29/3/2023
NEUQUE UNSECURED	75,50	2,93	15,48%	76,1%	2,58	8,8%	102,6	0,6	89,3	144,1	-303,0	0,0%	-2,8%	-3,8%	11,4%	USD	377,2	6,6%	27/10/2022	27/4/2023
NEUQUE SECURED	97,25	2,89	9,57%	97,3%	0,68	8,9%	81,6	8,9	26,6	36,2	-59,6	-0,3%	-0,8%	-1,0%	1,8%	USD	282,3	8,6%	12/2/2023	12/5/2023
PRN 2028	60,50	2,06	28,48%	60,6%	0,13	11,0%	100,1	2,1	54,1	-44,6	-232,7	0,0%	-0,8%	2,5%	9,0%	USD	320,2	6,6%	10/3/2023	10/9/2023
CHUBUT 2030	87,50	2,30	13,27%	87,6%	0,93	8,9%	85,7	0,5	51,8	98,5	-270,4	0,0%	-1,1%	-2,0%	7,0%	USD	550,8	7,8%	26/1/2023	26/4/2023
PDCAR 2025	88,00	1,21	16,75%	88,2%	1,85	7,8%	101,9	2,0	103,3	-25,7	-446,2	0,0%	-1,1%	1,1%	8,3%	USD	722,1	6,9%	10/12/2022	10/6/2023
PDCAR 2027	75,50	2,72	16,66%	76,0%	2,06	9,3%	102,1	0,8	63,2	69,1	-359,5	0,0%	-1,6%	-1,3%	12,7%	USD	516,1	7,0%	1/12/2022	1/6/2023
PDCAR 2029	69,25	3,84	15,91%	69,5%	0,88	9,9%	100,9	-8,9	39,5	31,4	-128,7	0,4%	-1,4%	-0,7%	6,5%	USD	456,2	6,9%	1/2/2023	1/8/2023
SALTA 2027	83,25	2,15	16,39%	83,7%	2,50	10,2%	102,5	0,8	-62,7	-192,8	-771,4	0,0%	1,5%	5,0%	20,7%	USD	357,4	8,5%	1/12/2022	1/6/2023
JUJUY 2027	80,00	1,73	20,47%	80,0%	0,07	10,5%	100,1	1,4	-191,6	-114,5	-652,5	0,0%	0,3%	0,0%	10,3%	USD	213,6	8,4%	20/3/2023	20/9/2023
ENTRIO 2028	76,75	2,16	19,46%	77,0%	0,83	10,6%	95,8	1,0	80,1	118,9	-733,2	0,0%	-1,6%	-1,9%	17,2%	USD	491,6	8,1%	8/2/2023	8/8/2023
CHACO 2028	63,75	2,03	27,38%	63,9%	0,52	10,2%	100,5	-17,0	-160,5	-363,2	-622,9	0,4%	3,7%	9,4%	18,6%	USD	262,7	6,5%	18/2/2023	18/8/2023
BUENOS 2037 A USD	34,25	5,25	29,71%	34,4%	0,23	15,3%	100,2	65,0	132,4	381,8	144,1	-2,1%	-4,2%	-11,6%	-2,1%	USD	6202,1	5,3%	1/3/2023	1/9/2023
BUENOS 2037 B USD	28,00	5,25	26,53%	28,1%	0,20	16,1%	100,2	57,0	131,8	214,0	187,4	-2,6%	-5,9%	-8,9%	-6,7%	USD	777,6	4,5%	1/3/2023	1/9/2023
BUENOS 2037 C USD	23,00	4,86	29,19%	23,1%	0,18	17,4%	100,2	72,2	348,6	437,6	313,1	-3,2%	-14,8%	-17,9%	-11,5%	USD	153,2	4,0%	1/3/2023	1/9/2023
PRIO 2028	57,50	2,07	31,25%	57,5%	0,00	11,3%	100,0	2,3	36,9	-345,0	44,5	0,0%	-0,4%	9,5%	23,0%	USD	318,4	6,5%	24/2/2023	24/8/2023
BUAIR 2027	91,00	2,63	10,94%	91,2%	2,21	8,2%	102,2	0,3	52,1	106,3	104,1	0,0%	-1,4%	-2,7%	-2,4%	USD	890,0	7,5%	1/12/2022	1/6/2023
PDCAR 2028	47,50	1,67	6,97%	47,0%	0,46	15,0%	47,3	1,2	69,8	-208,1	-240,3	0,0%	-1,0%	4,4%	-2,6%	USD	140,6	7,1%	27/1/2023	27/4/2023
PROVSF 2023	100,25	0,01	-36,64%	100,2%	1,59	7,0%	51,7	-1445,9	-3374,4	-5584,2	-5994,7	0,0%	0,0%	1,5%	3,9%	USD	125,0	7,0%	23/9/2022	23/3/2023
PROVSF 2027	86,00	2,90	11,81%	86,4%	2,61	8,0%	102,6	0,4	31,1	20,9	-287,3	0,0%	-0,9%	-0,3%	10,3%	USD	250,0	6,9%	1/11/2022	1/5/2023
FUEGO 2027	95,75	1,86	11,21%	95,8%	0,87	9,3%	58,9	0,3	29,1	138,3	-141,5	0,0%	-0,5%	-2,5%	3,0%	USD	116,0	9,0%	17/1/2023	17/4/2023
<b>BUENOS EUR Securities</b>																				
BUENOS 2037 A EUR	31,50	5,94	28,20%	31,6%	0,18	12,7%	100,2	65,7	133,7	383,8	184,5	-2,3%	-4,5%	-12,5%	-3,8%	EUR	236,8	4,0%	1/3/2023	1/9/2023
BUENOS 2037 B EUR	24,25	5,38	27,27%	24,4%	0,16	14,4%	100,2	64,0	147,8	239,9	212,0	-3,0%	-6,7%	-10,2%	-7,6%	EUR	116,3	3,5%	1/3/2023	1/9/2023
BUENOS 2037 C EUR	19,25	5,00	30,37%	19,4%	0,13	15,6%	100,1	84,0	399,7	500,5	362,2	-3,8%	-17,2%	-20,6%	-13,5%	EUR	138,8	3,0%	1/3/2023	1/9/2023

	Price	Rate	Price % Change				Accrued Interest	Current Coupon	O/S
	17/3/2023		Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD			
<b>Provincial ARS Debt</b>									
BUEAIR Float 03/29/24	117,1	B +303	0,1%	1,8%	6,0%	12,7%	14,78	72,9%	26.003
BUEAIR Float 02/22/28	104,9	B +548	1,8%	3,1%	-11,0%	-1,0%	3,84	73,8%	30.810
BUENOS Float 04/12/25	101,4	B +1583	0,8%	0,6%	2,8%	-4,3%	12,08	73,5%	30.000



## FX Market & International Reserves



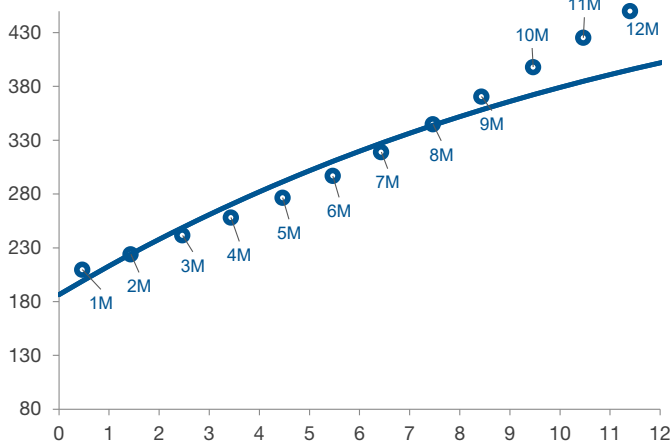
## International Reserves: Evolution and Change Drivers

	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
<b>Feb</b>	<b>38.709</b>	<b>1.396</b>	<b>37.313</b>	<b>-2.708</b>	<b>-2.005</b>	<b>-703</b>	<b>-890</b>	<b>-896</b>	<b>-329</b>	<b>65</b>	<b>-658</b>
15-Feb	39.561	963	38.598	-448	-75	-373	-292	-53	-11	21	-113
16-Feb	39.514	945	38.569	-47	-18	-29	-47	0	-13	15	-3
17-Feb	39.335	1.570	37.765	-179	625	-804	-49	-9	-90	1	-32
22-Feb	39.261	1.113	38.148	-74	-457	383	3	0	-11	10	-76
23-Feb	39.183	974	38.209	-78	-139	61	4	0	-13	5	-74
24-Feb	39.006	966	38.040	-177	-8	-169	-29	-5	0	-15	-130
27-Feb	39.045	962	38.083	39	-5	44	33	0	0	-35	42
28-Feb	38.709	1.396	37.313	-336	434	-770	19	0	-4	-384	33
1-Mar	38.722	1.357	37.365	13	-39	52	-44	-33	-4	-92	185
2-Mar	38.584	647	37.937	-138	-710	572	4	5	0	1	-148
3-Mar	38.598	650	37.948	14	3	11	0	0	4	-55	65
6-Mar	38.517	528	37.989	-81	-122	41	-43	0	-5	42	-75
7-Mar	38.323	527	37.796	-194	-1	-193	-49	0	0	27	-172
8-Mar	38.272	523	37.749	-51	-3	-48	-70	-3	0	6	16
9-Mar	38.180	509	37.671	-92	-14	-78	-48	0	-9	-13	-22
10-Mar	38.208	509	37.699	28	0	28	-75	0	0	-123	226
13-Mar	38.331	517	37.814	123	8	115	-87	0	-1	-66	277
14-Mar	38.142	502	37.640	-189	-15	-174	-145	0	-1	37	-80
<b>Mar</b>	<b>38.142</b>	<b>502</b>	<b>37.640</b>	<b>-567</b>	<b>-894</b>	<b>327</b>	<b>-557</b>	<b>-31</b>	<b>-17</b>	<b>-236</b>	<b>273</b>

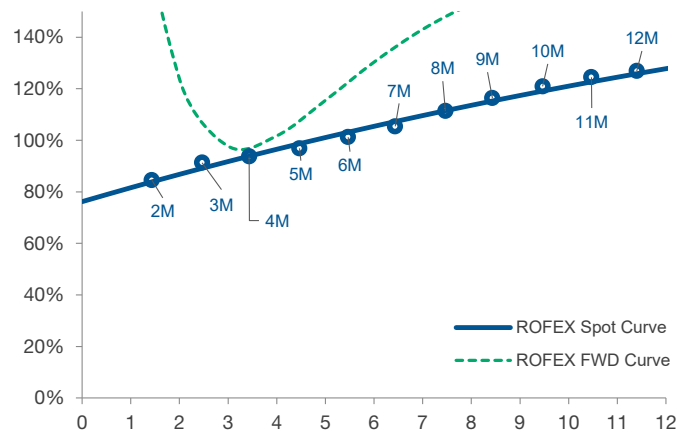
## ROFEX USD Curve

	A-3500 Official FX	ROFEX Outright	Yield	Price % Change			Yield Change in bps		
	17/3/2023			Daily (1bd)	Weekly (5bd)	Monthly (22bd)	Daily (1bd)	Weekly (5bd)	Monthly (22bd)
1M - ROFEX USD Fut	203,34	209,75	82,44	0,07	-0,18	-5,74	-0,7	7,5	4,7
2M - ROFEX USD Fut	203,34	224,05	84,49	0,29	-0,54	-5,67	-2,4	5,6	2,7
3M - ROFEX USD Fut	203,34	241,55	91,33	0,12	-1,08	-7,39	-0,7	6,6	11,0
4M - ROFEX USD Fut	203,34	258,15	93,70	0,15	-1,45	-7,46	-0,6	6,5	9,6
5M - ROFEX USD Fut	203,34	276,65	96,89	0,25	-1,55	-8,04	-0,8	5,8	9,7
6M - ROFEX USD Fut	203,34	296,78	101,21	0,58	-1,54	-8,69	-1,1	5,6	11,3
7M - ROFEX USD Fut	203,34	319,00	105,39	0,38	-1,72	-8,92	-1,1	4,9	10,8
8M - ROFEX USD Fut	203,34	344,75	111,33	0,35	-2,03	-10,50	-1,0	5,3	14,2
9M - ROFEX USD Fut	203,34	370,60	116,37	0,38	-2,05	-11,49	-1,0	5,0	16,6
10M - ROFEX USD Fut	203,34	398,00	120,91	0,50	-2,16	-13,19	-1,3	5,0	20,0

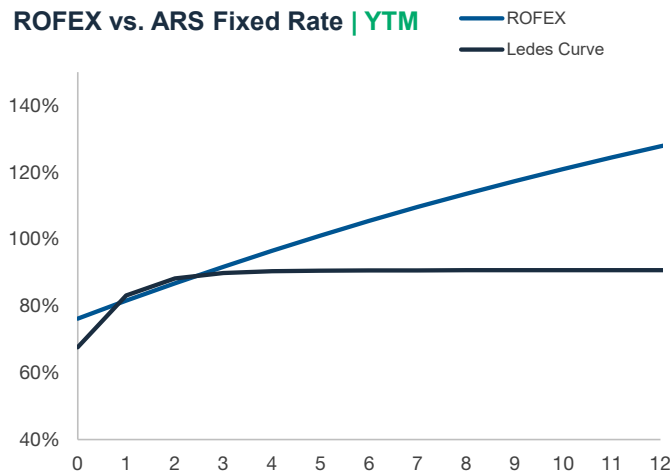
### Outrights Curve | Outrights



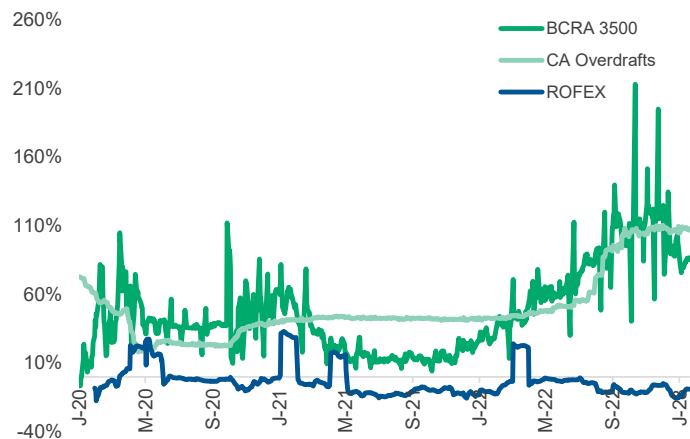
### ROFEX Spot & FWD Curves | YTM



### ROFEX vs. ARS Fixed Rate | YTM



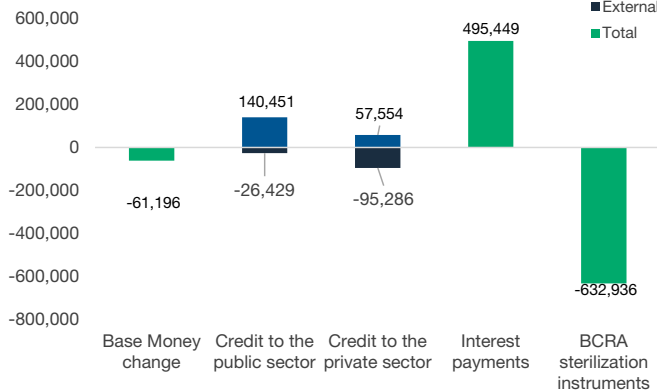
### Official FX, CA Overdrafts & ROFEX | Returns



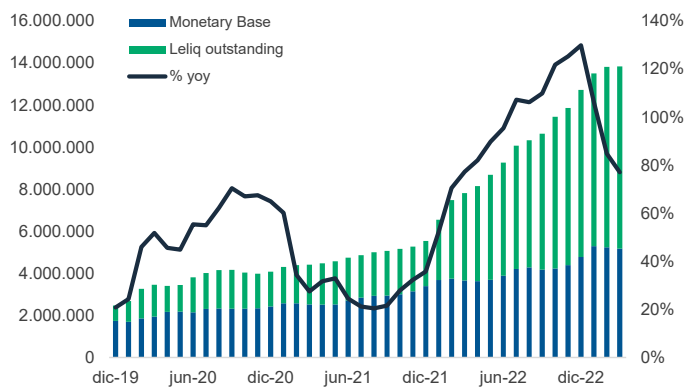
## Central Bank Monetary Policy

	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>Feb</b>	<b>-96,766</b>	<b>-213,960</b>	<b>-50,000</b>	<b>-163,960</b>	<b>117,194</b>	<b>67,112</b>	<b>-3,299</b>	<b>-330,392</b>	<b>-254,313</b>	<b>638,086</b>	<b>0</b>	<b>5,242,210</b>	<b>8,580,498</b>
15-Feb	60,169	-79,256	-23,000	-56,256	139,425	24,906	7,206	19,300	73,190	14,823	5,265,604	4,457,945	8,687,969
16-Feb	55,288	-9,016	0	-9,016	64,304	586	40,852	-54,510	34,129	43,247	5,320,892	4,461,252	8,745,615
17-Feb	-23,239	-15,504	-6,000	-9,504	-7,735	-134,370	36,179	0	85,934	4,523	5,297,653	4,464,444	8,745,615
22-Feb	-21,661	574	0	574	-22,235	85,675	-156	-84,087	-121,343	97,675	5,275,992	4,479,966	8,842,679
23-Feb	-22,902	781	0	781	-23,683	24,187	1,665	112,926	-219,246	56,784	5,253,090	4,482,851	8,723,255
24-Feb	-72,660	-5,583	0	-5,583	-67,077	199	-18,103	0	-54,199	5,025	5,180,430	4,485,444	8,723,255
27-Feb	-54,356	6,477	0	6,477	-60,833	52	-28,607	0	-47,675	15,397	5,126,074	4,492,910	8,723,255
28-Feb	93,882	3,778	0	3,778	90,104	-86,512	21,225	57,262	29,607	68,522	5,219,956	4,495,573	8,662,699
1-Mar	-52,629	-15,774	-7,000	-8,774	-36,855	7,373	28,792	-11,550	-83,320	21,850	5,167,327	4,498,024	8,674,249
2-Mar	-16,264	826	0	826	-17,090	139,952	12,806	-76,582	-166,748	73,483	5,151,063	4,500,399	8,755,237
3-Mar	17,888	83	0	83	17,805	10	171	0	11,962	5,661	5,168,951	4,502,821	8,755,237
6-Mar	-32,400	-8,574	0	-8,574	-23,826	22,949	-2,237	0	-61,451	16,914	5,136,551	4,509,868	8,755,237
7-Mar	36,275	-9,819	0	-9,819	46,094	176	-4,179	82,155	-100,306	68,247	5,172,826	4,512,236	8,668,355
8-Mar	3,762	-13,985	0	-13,985	17,747	-438	2,005	11,350	-12,676	17,505	5,176,588	4,514,600	8,657,005
9-Mar	29,472	-11,513	-2,000	-9,513	40,985	2,945	4,462	78,284	-111,878	67,172	5,206,060	4,517,052	8,572,192
10-Mar	-17,247	-15,063	0	-15,063	-2,184	-35	11,976	0	-20,326	6,202	5,188,813	4,519,426	8,572,192
13-Mar	-27,691	-17,621	0	-17,621	-10,070	-1,546	1,167	0	-28,419	18,727	5,161,122	4,526,350	8,572,192
14-Mar	128,235	-29,349	0	-29,349	157,584	2,812	-335	-325,703	422,635	58,175	5,289,357	4,529,009	8,916,635
<b>Mar</b>	<b>69,401</b>	<b>-120,788</b>	<b>-9,000</b>	<b>-111,788</b>	<b>190,189</b>	<b>174,198</b>	<b>54,628</b>	<b>-242,046</b>	<b>-150,528</b>	<b>353,937</b>	<b>0</b>	<b>5,181,013</b>	<b>8,682,385</b>

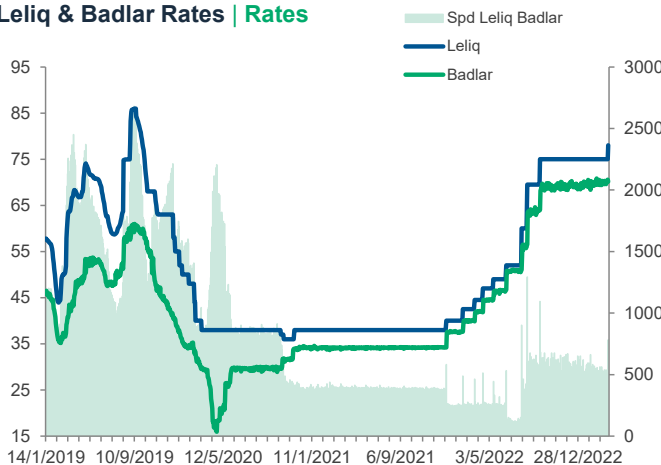
### Base Money Growth Drivers MTD | BM Creation



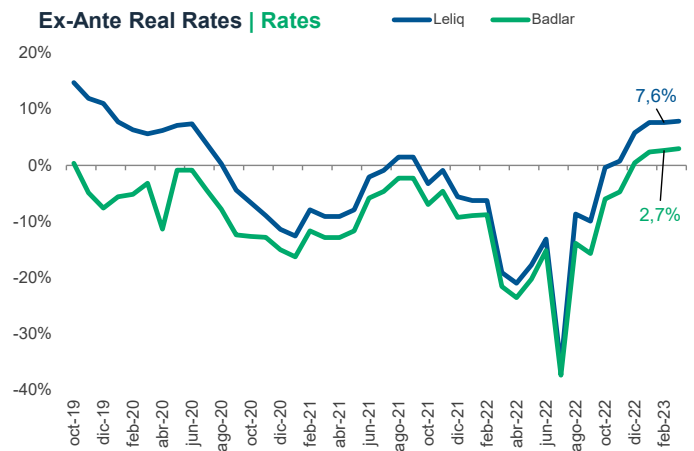
### Growth of BCRA Liabilities | BCRA Liabilities



### Leliq & Badlar Rates | Rates



### Ex-Ante Real Rates | Rates



## Economic Calendar & Base scenario

	Indicator	Period	Published by	Print	Previous	Revisions of previous prints and/or comments
14/3/2023	CPI	February	INDEC			
	%yoy			102,50%	98,80%	
	%mom			6,60%	6,00%	
15/3/2023	Use of Industrial Capacity	January	INDEC	62,00%	63,80%	
15/3/2023	Use of Public Services	December	INDEC	2,90%	4,10%	
<b>THIS WEEK</b>						
22/3/2023	Primary balance	February	Treasury		-ARS 203.9bn	
21/3/2023	Wholesale prices	February	INDEC		6,50%	
21/3/2023	Trade balance	February	INDEC		-USD 484bn	
22/3/2023	GDP	4Q22	INDEC			
	%yoy growth				5,90%	
	%qoq sa growth				1,70%	
22/3/2023	Labor market report	4Q22	INDEC			
	Unemployment rate				7,10%	
23/3/2023	Sales at malls	January	INDEC		2,20%	
23/3/2023	Sales at supermarkets	January	INDEC		-2,00%	
<b>NEXT WEEK</b>						
28/3/2023	Balance of Payments	4Q22	INDEC			
	Current account balance				-USD 3,031bn	
29/3/2023	EMAE monthly economic activity gauge	January	INDEC			
	%yoy				-1,20%	
	%mom				-1,00%	
31/3/2023	Wage Index	January	INDEC		5,30%	

	%mom	%yoy	Official fixing	BCS	BCS premium	Leliq rate	Badlar rate	MonPol - Funding rate spread
Dec-22	5,1%	94,9%	172,62	326,22	89,0%	75,0	69,3	570
Jan-23	6,0%	98,9%	180,39	335,02	85,7%	75,0	69,5	553
Feb-23	6,6%	102,5%	188,72	365,00	93,4%	72,0	66,3	570
Mar-23	7,5%	104,0%	198,63	386,90	94,8%	69,0	63,3	570
Apr-23	6,3%	104,6%	208,64	411,27	97,1%	67,0	61,3	570
May-23	6,2%	106,7%	220,28	436,77	98,3%	69,0	63,3	570
Jun-23	6,8%	109,5%	235,26	466,47	98,3%	71,0	65,3	570
Jul-23	6,8%	108,3%	252,86	498,19	97,0%	74,0	68,3	570
Aug-23	7,0%	108,3%	274,10	533,07	94,5%	75,0	69,3	570
Sep-23	7,5%	110,9%	298,77	573,05	91,8%	76,0	70,3	570
Oct-23	7,2%	112,6%	324,58	606,06	86,7%	78,0	72,3	570
Nov-23	7,0%	116,9%	351,85	631,51	79,5%	78,0	72,3	570
Dec-23	7,0%	120,8%	381,40	649,19	70,2%	78,0	72,3	570

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