

Argentina – Strategy

April 17, 2023

## Argentina Morning View

- **IN A NUTSHELL:** March inflation printed 7.7%mom, surprising yet again on the upside. Our BVAR model suggests that the inflation regime is finalizing the transition towards a nominal spiral type of regime, with inertia and macro drivers bulldozing seasonality and the dynamics of the more traditional inflationary process of the past 15 years. With Mr. Massa failing to secure new financing in his DC tour, we expect these dynamics to worsen in the coming months and revise our CPI base view upwards.
- **RATIONALE:** Seven point seven percent month over month. Almost eight percent, that's what inflation printed in Argentina in March. There are many ways to look at how big a negative surprise this print is. The Government initially expected inflation to be on a sub-4%mom path by now. The market was expecting a high-6s or low-7s print. High-Freq gauges pointed to a 7.2/7.3%mom print. The media reported that INDEC had anticipated bad news for Mr. Massa, indicating it might accelerate to a 7.4/7.5%mom area. At the risk of sounding self-referential, my preferred way of sizing the surprise is that our base scenario, which has been YTD substantially more bearish than the market consensus, wasn't forecasting a print over 7.5%mom until July. Guess it's time to go back to the drawing board.

The March print is especially hard to read because it requires changing how we think about inflation in Argentina. At first, you might argue that seasonality accounts for price acceleration. After all, March tends to be the hottest month for the CPI. A 9.3%mom seasonal goods spike, with education printing 29%mom, would help you make the case. Moreover, regulated prices, which also tend to reset in March, printed 8.3%mom. Such a read, however, would miss the more worrying underlying reality. The CPI process in Argentina is entering a nominal spiral.

Without a nominal anchor, a Government with severely limited policy choices, and the prospect of the FX market disarray spilling over into the CPI through import restrictions or a disorderly devaluation, the CPI process is becoming very different in 2023. Between 2010 and 2017, inflation estimates were consistent with most of the CPI behaving as expected in a Calvo pricing model. Prices reset at determined intervals, not all simultaneously, and remain constant between resets. Some goods don't follow this behavior, especially around REER corrections like in 1H14, 1H16, 2Q18, and 2H19, but for the most, the data would fit such a model. This goes well beyond our BVAR's scope, which tends to assume that all prices move every month. As inflation accelerated, we started to see more frequent and larger resets, with prices going from changing once a year in 2010, to changing every quarter during the first part of the Macri Administration to every month during the first two years of the Fernandez Administration. Currently, high-freq data suggests that every price resets more than once monthly, which can be modeled as all prices increasing simultaneously. Our BVAR model started being far more adept at explaining the CPI process than a traditional Calvo Pricing model in which only a subset of prices reset monthly. Still, some characteristics of the previous inflationary regime remained. That explains why we have always found a culprit for a bad CPI print over the past few years. Last month it was beef; this month, education; next month, it could be tariffs, the following, clothing.

Diffusion indices suggest that inflation has followed a very different pattern over the past few years, worsening considerably during 2023. Almost every price in the index is reset every month. High-freq gauges suggest that the reset frequency may already be smaller than one month for about two-fifths of the basket. In this context, pointing squarely at a chapter and finding a smoking gun makes little sense. It's everything. All the time. In other words, we've gone from a Calvo pricing-type inflation into a nominal spiral-type process. Twelve of the thirteen chapters in the index increased more than the Government's sub-4%mom target. Foods & Beverages increased 9.3%mom. Core prices remained above 7%mom. Our BVAR


model points to three critical drives (i) the FX pass-through, (ii) higher disposable income in a context of increasing fiscal impulse and real wages that have been bounced back between Oct-22 and Feb-23, and (iii) real money balances have resumed their deterioration after a six-month pause.

Over the past 18 months, we've gradually upgraded our BVAR model to accommodate three different types of FX pass-through. The first is the traditional OG pass-through, which involves the official fixing, sliding, and dragging prices of goods and services associated with it. The second pass-through is similar but defined over the BCS for those transactions that the BCRA is no longer selling reserves to cover. This pass-through became relevant in late 2021 as the import compression framework became increasingly draconian under Mr. Guzman. Before then, it was never significant, at any rejection level, even during the 2011-15 FX controls. The final pass-through is the more relevant YTD, a transition pass-through. If the FX impact on prices were limited to the first two pass-throughs, it should result in a convex average of the two subsets of prices, especially recently, when the BCS has shown subdued dynamics. Still, our BVAR model suggests that the overall pass-through exceeds substantially what can be explained individually by either the official fixing or the BCS. We theorize that this "additional" pass-through comes from goods transitioning from the official fixing subset to the BCS subset. In this context, even if both FXs remained constant, going from pricing provisioning costs from USDARS200 to USDARS400 would result in a sizable pass-through. Our model indirectly captures the effect of this pass-through by assigning a statistically significant CPI impact to the deterioration of the NIR position, which forces the Government into pushing more goods every month into the BCS subset.

The other two drivers are easier to grasp. Real wages, which had dropped consistently between Jan-22 and Sept-22, bounced back in 4Q22 and 1Q23 as the Government tried to compensate for the impact of the fiscal consolidation on disposable income and the voters' sentiment. We estimate that real wages improved by 7% in 4Q22 and may have lost about 2pp in 1Q23, as most wage resets happen on shorter intervals. While our BVAR model has been pointing to wage pressures since December, their impact was more nuanced, while fiscal impulse remained negative. Since January, the Government seems to have abandoned fiscal discipline, increasing the primary deficit by almost 0.2pp of GDP in 1Q23. Compounding higher real wages with higher fiscal impulse added about 0.3pp to monthly inflation according to our BVAR model relative to our baseline 2023 view during 1Q. The final driver remains the most worrying. The sense that Mr. Massa had prevented the economy from going over the brink in 2H22 was mostly the result of real money balances stabilizing after they plunged in June-July. We're seeing money demand faltering again as the Treasury's rollover ratio among unregulated private creditors remains low, and the pace of deposit growth slid below inflation. With capital controls still preventing the slippage to dollarized assets, the drop in money demand is turbo-charging goods & services demand, keeping economic activity above our baseline but shooting inflation well beyond our expectations.

The problem, looking ahead, is that the Government has almost no policy instruments to rein in this process. Mr. Massa's DC tour ended on a bittersweet note. The Government managed to get assurances from the IMF that the entire program will be retooled, reflecting the impact of the drought, so that the targets are achievable and Argentina doesn't fall off from it in the coming three quarters. The political goodwill that enabled a redesign of the program's targets will likely prevent Argentina from going into arrears in the coming months but will not work as an anchor for the economy in a context where the program bends towards reality rather than trying to force reality into the program. More importantly, the Government failed to secure substantial fresh financing. Mr. Massa returned with commitments from IFI to cover USD2bn in green infrastructure projects, but the Government needs to devise credible plans to unlock the monies. From the Government's expectation to scrape USD5-10bn in new financing from either the IMF or the US Treasury, little is left.

With no fresh financing, the Government will be forced into tightening capital controls further, increasing the effect of the different pass-throughs affecting the economy. Also, there's the risk of additional fiscal impulse in a context where the Government's approval ratings are plummeting, and the market is increasingly of the view that it might come third behind Milei. All in all, we can't shake the feeling that Argentina is finalizing the transition from a Calvo



Pricing inflation regime into a nominal spiral regime, where inertia and macro drivers dominate over micro conditions. The problem is that exiting this new regime would require a consistent stabilization program, which this Administration cannot deliver politically.

In this context, the risk is that while seasonality should pull monthly inflation downward in the coming months (yearly inflation will continue to climb during 2Q23), inertia and the increase in nominality may end up making up for the disinflationary impact of seasonality, stabilizing the CPI rate in the high-6s or low-7s in April and May. High-Freq inflation for the first week of April printed 1.8%wow, which is 7.9% annualized, not factoring in the statistical carry from March. Printing below 7%mom in April would need the coming three weeks to average 1%wow, the lowest since January. We're revising our baseline scenario, increasing our 2023 CPI view by 10pp, from 120% to 130% Dec/Dec, to accommodate these new dynamics.

## 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	95	0,28	26,8	27,0%	42,6%	3781	2,56	2.635	100,0%
Argent30	ARGENT 0 1/2 07/09/30	US040114HS26	0,500	95	0,14	27,8	27,8%	38,6%	3392	2,68	16.091	100,0%
Argent35	ARGENT 1 1/2 07/09/35	US040114HT09	1,500	95	0,41	24,8	25,1%	25,1%	2103	5,35	20.502	100,0%
Argent38	ARGENT 3 7/8 01/09/38	US040114HU71	3,875	95	1,07	30,0	30,7%	25,2%	2127	4,47	11.405	100,0%
Argent41	ARGENT 3 1/2 07/09/41	US040114HV54	3,500	95	0,96	27,0	27,7%	22,4%	1840	5,30	10.482	100,0%
Argent46	ARGENT 1 1/2 07/09/46	US040114HW38	1,500	95	0,41	25,3	25,6%	27,1%	2276	3,97	2.092	100,0%
<b>EUR</b>												
PDI 2029 EUR	ARGENT 0 1/2 07/09/29	XS2200244072	0,500	95	0,14	23,8	23,9%	45,9%	4893	2,53	90	100,0%
Argent30 EUR	ARGENT 0 1/2 07/09/30	XS2177363665	0,125	95	0,03	24,8	24,8%	41,1%	4244	2,65	1.166	100,0%
Argent35 EUR	ARGENT 0 7/8 07/09/35	XS2177364390	0,875	95	0,24	21,8	21,9%	25,6%	2431	5,55	299	100,0%
Argent38 EUR	ARGENT 3 01/09/38	XS2177365017	3,000	95	0,83	26,0	26,6%	26,5%	2681	4,49	809	100,0%
Argent41 EUR	ARGENT 2 3/4 07/09/41	XS2177365363	2,750	95	0,76	23,0	23,6%	23,9%	2300	5,27	1.573	100,0%
Argent46 EUR	ARGENT 0 7/8 07/09/46	XS2177365520	0,875	95	0,24	22,3	22,4%	28,3%	2753	3,94	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	95	0,28	24,5	24,4%	46,5%	4172	2,47	2.195	100,0%
Argent30 AL	ARGBON 0 1/2 07/09/30	ARARGE3209S6	0,500	95	0,14	24,5	24,5%	43,6%	3891	2,54	13.531	100,0%
Argent35 AL	ARGBON 1 1/2 07/09/35	ARARGE3209T4	1,500	95	0,41	23,3	23,2%	26,6%	2226	5,16	19.072	100,0%
Argent38 AL	ARGBON 3 7/8 01/09/38	ARARGE3209U2	3,875	95	1,07	28,0	27,7%	27,6%	2367	4,22	7.219	100,0%
Argent41 AL	ARGBON 3 1/2 07/09/41	ARARGE3209V0	3,500	95	0,96	24,8	24,5%	24,7%	2097	4,95	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	3	0,1	72,4	72,7%	97,9%	9.183	0,33	64.150	100,0%
TO26	ARGTES 15 1/2 10/17/26	ARARGE4502K0	15,50	3	0,1	23,5	22,9%	90,0%	8.636	1,39	96.570	100,0%
<b>New Securities</b>												
LEDE 04-28-23	LEDES 0 04/28/23	ARARGE520C14	0,00	-	0,0	97,7	97,4%	81,7%	9.299	0,03	565.775	100,0%
LEDE 05-31-23	LEDES 0 05/31/23	ARARGE520D80	0,00	-	0,0	90,7	89,7%	87,5%	9.436	0,11	476.301	100,0%
LEDE 06-30-23	LEDES 0 06/30/23	ARARGE520D98	0,00	-	0,0	84,6	83,8%	90,7%	9.199	0,17	322.218	100,0%
LEDE 07-31-23	LEDES 0 07/31/23	ARARGE520DL6	0,00	-	0,0	79,5	80,7%	90,7%	7.914	0,23	59.235	100,0%
<b>DL Securities</b>												
TV23	ARGBND 0 3/4 04/28/23	ARARGE320B27	0,30	166	0,1	21.440,0	99,9%	2,96%	-	0,03	1.708	100,0%
T2V3	ARGBND 0 07/31/23	ARARGE320CJ7	0,00	-	0,0	21.530,0	100,4%	-1,70%	-	0,29	1.541	100,0%
TV24	ARGBND 0 4/30/24	ARARGE320C18	0,40	164	0,2	20.740,0	96,5%	3,80%	-	1,02	1.918	100,0%

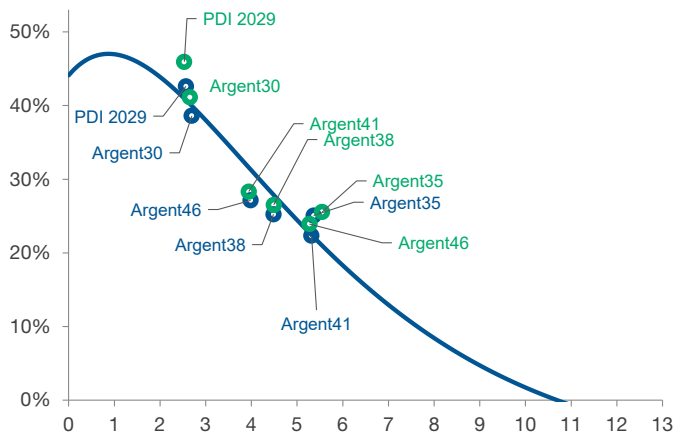
### Inflation-Linked Securities

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	167	17,9	829,0	84,5%	11,5%	1013	1,85	29.908	100,0%
DICP	ARGENT 5.83 12/31/33	ARARGE03E121	5,83	104	128,4	5670,0	73,3%	12,7%	936	4,06	10.472	69,8%
PARP	ARGENT 1.18 12/31/38	ARARGE03E105	1,77	14	4,1	2900,0	46,6%	10,2%	636	8,58	2.861	52,9%
CUAP	ARGENT 3.31 12/31/45	ARARGE03E139	3,31	104	79,7	3778,0	44,9%	10,1%	722	10,12	23.434	99,0%
<b>New Securities</b>												
X21A3	LECER 0 04/21/23	ARARGE520C08	0,00	374	0,0	205,8	99,5%	-43,4%	459	0,01	60.519	100,0%
X19Y3	LECER 0 05/19/23	ARARGE520C57	0,00	345	0,0	198,6	100,1%	-11,0%	-950	0,09	177.833	100,0%
X16J3	LECER 0 06/16/23	ARARGE520CS3	0,00	224	0,0	157,5	100,5%	-7,9%	-892	0,16	275.884	100,0%
X18S3	LECER 0 09/18/23	ARARGE520CV7	0,00	194	0,0	143,7	98,0%	2,9%	-134	0,41	96.171	100,0%
T2X3	BONCER 1.45 08/13/23	ARARGE3209Z1	1,45	61	1,0	391,0	99,1%	1,0%	-360	0,32	432.188	100,0%
T2X4	BONCER 1.55 07/26/24	ARARGE320AI3	1,55	78	1,1	284,0	85,3%	12,3%	888	1,18	314.877	100,0%
TX24	BONCER 1 1/2 03/25/24	ARARGE320BU4	1,50	19	0,3	396,1	91,3%	10,5%	720	0,89	345.783	100,0%
T3X4P	BONCER 3 3/4 04/14/24	ARARGE320DG1	3,75	30	0,3	98,0	92,2%	12,3%	639	0,93	696.850	100,0%
T4X4P	BONCER 4 10/14/24	ARARGE320DH9	4,00	30	0,4	94,0	87,7%	12,7%	775	1,37	1.785.859	100,0%
T2X5P	BONCER 4 1/4 02/14/25	ARARGE320DI7	4,25	30	0,4	91,5	84,6%	13,1%	934	1,66	1.339.394	100,0%
TX26	BONCER 2 11/09/26	ARARGE3209W8	2,00	155	3,3	296,3	75,3%	13,7%	1001	2,26	190.747	100,0%
TX28	BONCER 2 1/4 11/09/28	ARARGE3209X6	2,25	155	3,8	280,7	71,8%	13,3%	982	2,74	75.905	100,0%
<b>Duos</b>												
TDJ23	CERDUO 0 06/30/23	ARARGE320CL3	0,00	242	0,0	22100,0	102,7%	-4,9%	2257	0,21	1.110	100,0%
TDL23	CERDUO 0 07/31/23	ARARGE320CM1	0,00	242	0,0	22040,0	13707,2%	-2,1%	-1366	0,29	13.075	100,0%
TDS23	CERDUO 0 09/29/23	ARARGE320CN9	0,00	242	0,0	22025,0	13691,7%	0,1%	2254	0,46	8.739	100,0%
TDF24	CERDUO 0 02/28/24	ARARGE320CW0	0,00	194	0,0	21250,0	14659,2%	5,1%	-294	0,85	7.388	100,0%

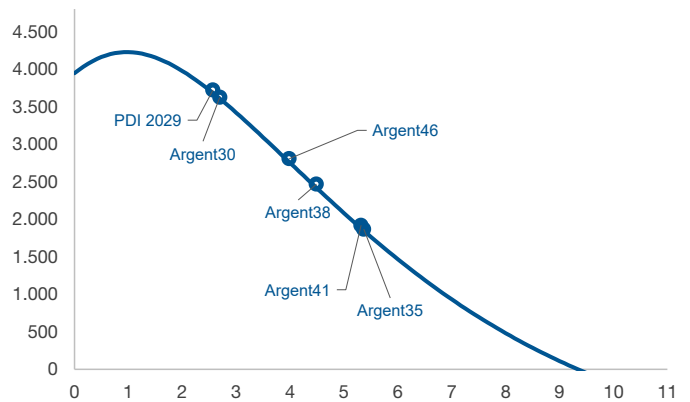
### Global-Law Securities Curve

	MD	Yield	Price	Yield Change in bps				Price % Change				Additional Info.	
	14/4/2023			Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Maturity	Amt.Out. (mn)
<b>USD</b>													
PDI 2029	2,56	42,61	26,8	1,10	0,30	0,79	3,56	-2,7	0,0	0,9	0,0	09/07/29	2.635
Argent30	2,68	38,61	27,8	1,08	0,21	1,04	2,65	-2,8	0,2	0,0	1,8	09/07/30	16.091
Argent35	5,35	25,07	24,8	0,63	0,16	-0,09	1,59	-3,3	-0,5	2,1	-3,9	09/07/35	20.502
Argent38	4,47	25,24	30,0	0,64	0,41	0,21	2,16	-2,9	-1,6	0,0	-7,0	09/01/38	11.405
Argent41	5,30	22,36	27,0	0,47	0,20	0,14	1,54	-2,5	-0,9	0,0	-6,1	09/07/41	10.482
Argent46	3,97	27,13	25,3	0,87	0,11	-0,07	1,98	-3,4	0,0	2,0	-2,9	09/07/46	2.092
<b>EUR</b>													
PDI 2029 EUR	2,53	45,94	23,8	1,26	3,04	4,67	7,19	-3,1	-6,9	-8,7	-8,7	09/07/29	90
Argent30 EUR	2,65	41,13	24,8	1,23	1,41	0,04	5,24	-3,1	-2,9	3,1	-4,8	09/07/30	1.166
Argent35 EUR	5,55	25,56	21,8	0,69	1,05	-0,31	2,63	-3,8	-5,4	3,6	-9,4	09/07/35	299
Argent38 EUR	4,49	26,52	26,0	0,74	0,86	0,26	2,34	-3,3	-3,7	0,0	-7,1	09/01/38	809
Argent41 EUR	5,27	23,91	23,0	0,55	0,81	0,18	2,03	-3,0	-4,2	0,0	-8,0	09/07/41	1.573
Argent46 EUR	3,94	28,32	22,3	1,00	0,94	-0,96	3,22	-3,9	-3,3	6,0	-7,3	09/07/46	248

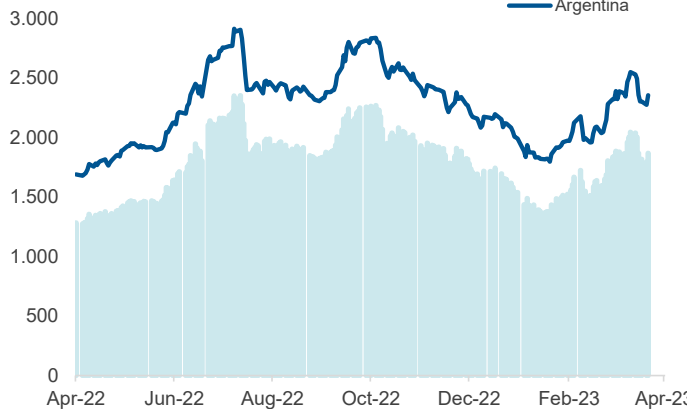
**Globals Yield Curve | YTM** ● USD Securities ● EUR Securities



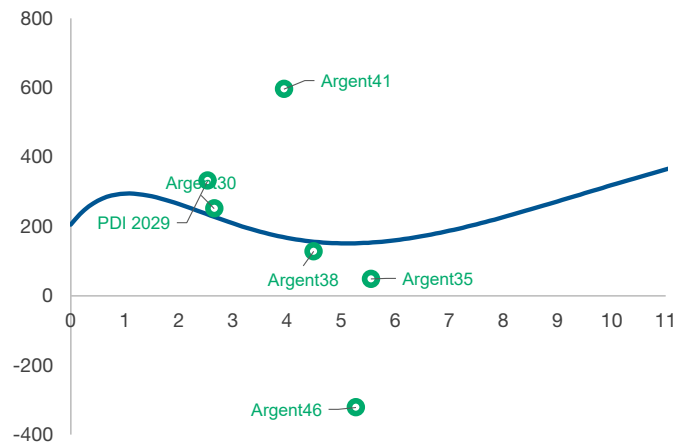
**Spread Curve vs. UST | Spreads** ● USD Securities



**ARGY Spreads & EM Spreads | Spreads** Spread Over EM Argentina



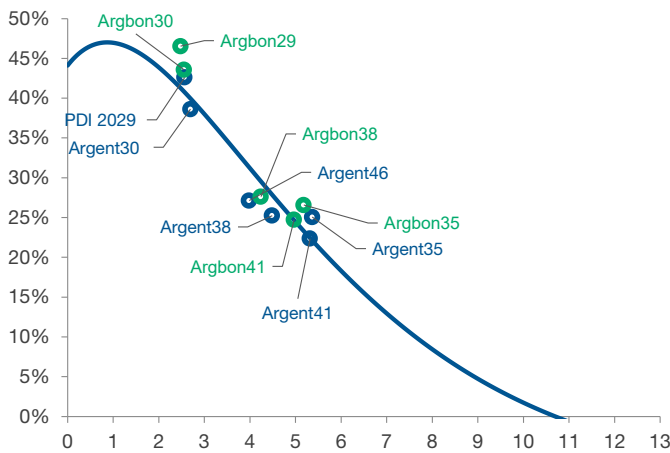
**Currency Spread | Spreads** ● EUR Securities



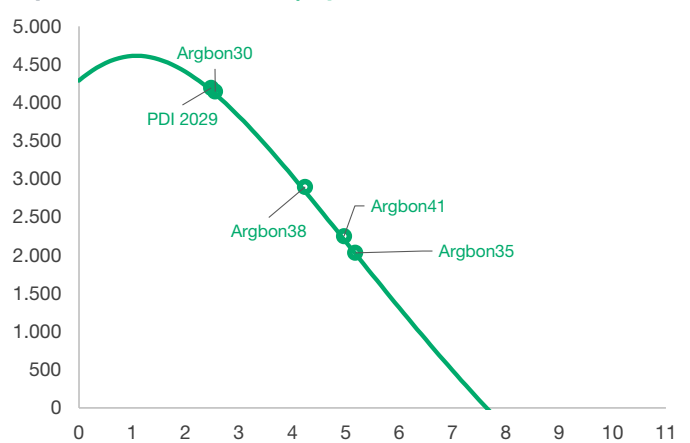
### Local-Law Hard Currency Securities Curve

	MD	Yield	Price	Yield Change in BPS				Price % Change				Additional Info.	
				14/4/2023	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Maturity
<b>PDI 2029 AL</b>	2,47	46,52	24,5	1,66	-0,50	0,19	4,43	-3,9	2,1	3,2	-2,0	09/07/29	2.189
<b>Argent30 AL</b>	2,54	43,58	24,5	1,49	-0,71	-0,21	4,05	-3,6	2,6	4,0	-1,0	09/07/30	12.423
<b>Argent35 AL</b>	5,16	26,57	23,3	0,82	0,70	0,41	2,61	-4,1	-3,1	0,0	-9,7	09/07/35	18.449
<b>Argent38 AL</b>	4,22	27,63	28,0	0,84	0,33	0,52	3,83	-3,4	-0,9	0,0	-15,2	09/01/38	7.196
<b>Argent41 AL</b>	4,95	24,74	24,8	0,80	-0,32	-0,42	2,94	-3,9	2,1	4,2	-14,3	09/07/41	1.468

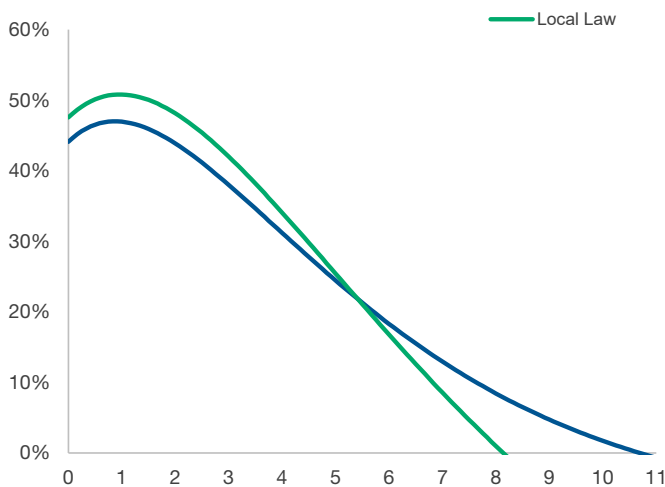
**Globals Yield Curve | YTM** ● USD NY Law ● USD ARGY Law



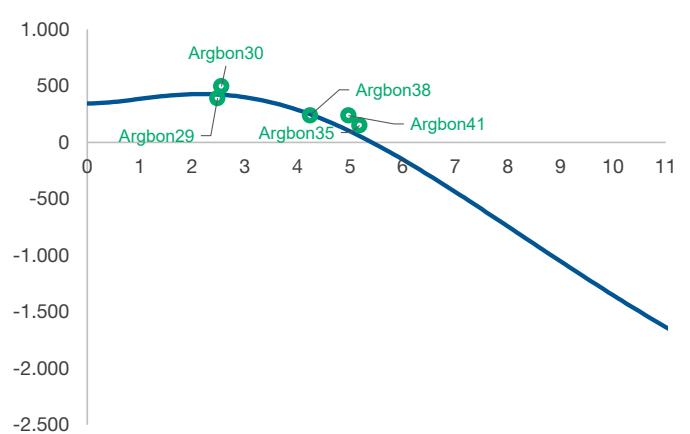
**Spread Curve vs. UST | Spreads** ● ARGY Law Securities



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



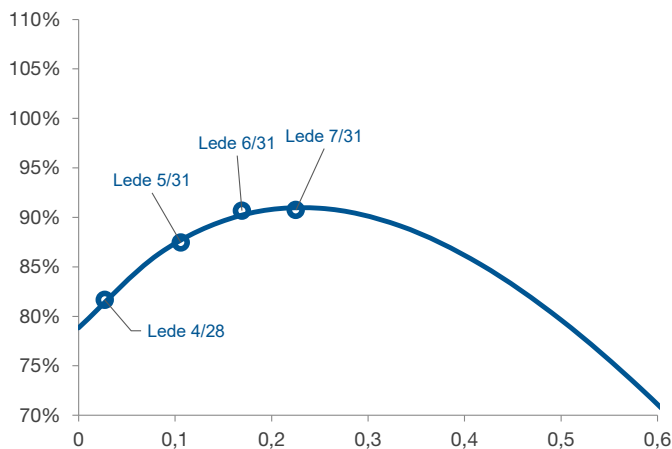
**Legislation Spread | Spreads** ● ARGY Law Securities



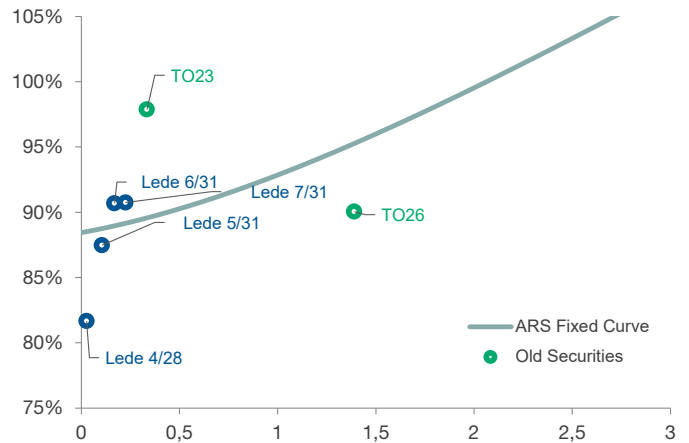
### ARS Fixed-Rate and Dollar-Linked Securities Curve

	MD	Yield	Price	Yield Change in bps				Price % Change				Additional Info.	
				14/4/2023	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Maturity
<b>Old Securities</b>													
TO23	0,33	97,88	72,4	-2,1	1,3	-4,6	10,7	0,6	-9,2	-2,3	7,3	17/10/23	64.150
TO26	1,39	90,04	23,5	-0,6	-2,3	3,2	3,4	1,4	-21,7	-22,4	-10,3	17/10/26	96.570
<b>New Securities</b>													
LEDE 04-28-23	0,03	81,66	97,7	-2,2	-4,3	-3,3	0,2	0,4	1,7	7,3	23,1	28/04/23	565.775
LEDE 05-31-23	0,11	87,47	90,7	-0,2	0,4	-2,1	0,6	1,2	1,8	7,2	22,9	31/05/23	476.301
LEDE 06-30-23	0,17	90,68	84,6	-0,5	-1,1	-3,9	-	1,0	1,9	6,8	-	30/06/23	322.218
LEDE 07-31-23	0,23	90,74	79,5	2,3	0,6	-	-	-1,4	1,2	-	-	31/07/23	59.235
<b>DL Securities</b>													
TV23	0,03	2,96	21.440,0	-	-	-	-	0,1	1,2	6,9	19,8	28/04/23	1.708
T2V3	0,29	-1,70	21.530,0	-	-	-	-	0,3	0,6	7,2	22,3	31/07/23	1.541
TV24	1,02	3,80	20.740,0	-	-	-	-	1,2	2,7	5,4	34,7	30/04/24	1.918

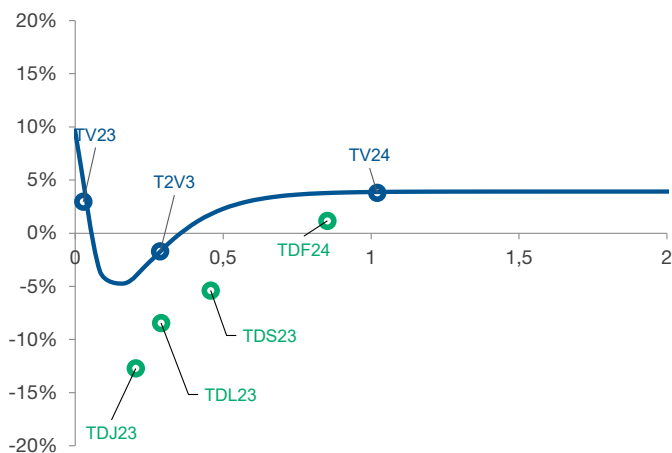
#### Treasury Ledes Curve | YTM



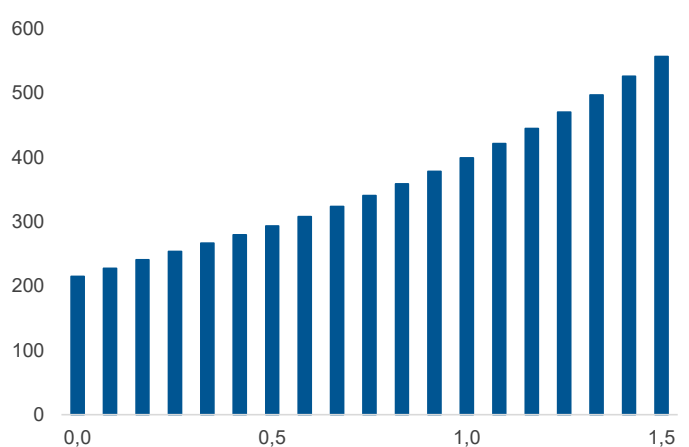
#### ARS Fixed-Rate Curve | YTM



#### Dollar-Linked Curve | YTM



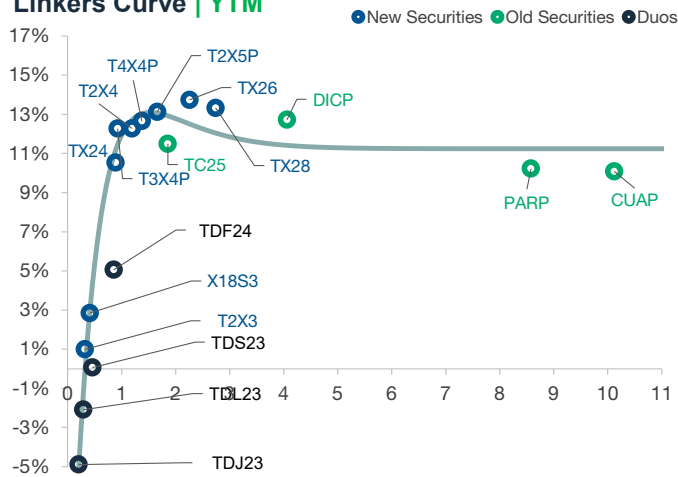
#### Official FX Break-Even | Break-Evens



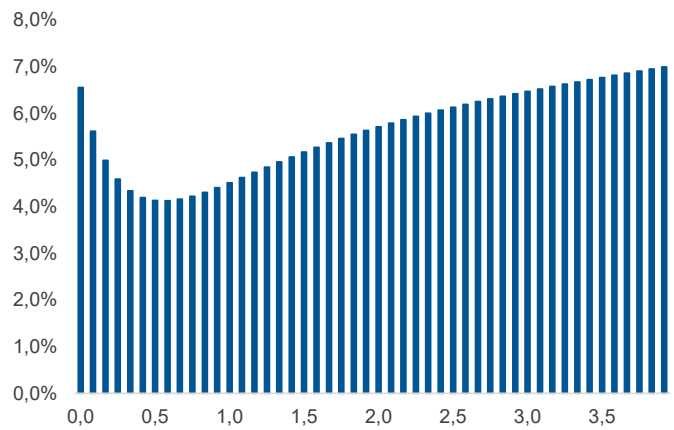
### Inflation-Linked Securities Curve

	MD	Yield	Price	Yield Change in bps				Price % Change				Additional Info		
				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	1,85	11,49	829,00	-23,7	-5,6	77,6	43,8	0,6	1,8	4,9	21,0	27/04/23	27/04/25	29.908
DICP	4,06	12,72	5670,00	13,2	-8,3	145,4	159,8	-0,5	2,0	0,5	15,5	30/06/23	31/12/33	10.472
PARP	8,58	10,22	2900,00	-20,0	23,3	-14,2	-232,2	5,5	1,8	7,6	31,8	30/09/23	31/12/38	2.861
CUAP	10,12	10,09	3778,00	8,0	48,3	37,6	-129,0	-0,6	-3,1	2,8	40,4	30/06/23	31/12/45	23.434
<b>New Securities</b>														
X21A3	0,01	-43,41	205,83	-1396,1	-3713,6	-5170,5	-4357,1	0,3	1,9	7,2	20,4	-	21/04/23	60.519
X19Y3	0,09	-11,00	198,60	-282,9	-661,9	-1332,9	-1456,5	0,4	2,2	7,4	22,6	-	19/05/23	177.833
X16J3	0,16	-7,86	157,45	-397,8	-471,2	-1129,9	-1456,4	0,5	2,0	7,9	24,7	-	16/06/23	275.884
X18S3	0,41	2,87	143,70	-40,8	29,7	-290,0	-338,7	0,3	1,5	7,6	23,6	-	18/09/23	96.171
T2X3	0,32	0,99	391,00	-63,9	-11,2	-247,5	-467,5	0,5	1,8	7,1	23,3	13/08/23	13/08/23	432.188
TX24	0,89	10,53	396,10	-102,9	-39,0	29,9	-30,8	1,2	2,2	6,5	23,4	25/09/23	25/03/24	345.783
T2X4	1,19	12,28	284,00	-8,4	-73,2	40,7	85,9	0,4	2,8	6,4	21,9	26/07/23	26/07/24	314.877
T3X4P	0,92	12,27	98,02	-17,7	-3,0	216,1	-	0,0	1,5	4,0	-	14/10/23	14/04/24	696.850
T4X4P	1,37	12,66	94,01	-16,6	-42,4	37,4	-	0,0	2,0	5,6	-	14/10/23	14/10/24	1.785.859
T2X5P	1,66	13,12	91,45	-23,5	-32,4	67,8	-	0,3	2,1	5,1	-	14/08/23	14/02/25	1.339.394
TX26	2,26	13,73	296,25	13,4	-7,2	170,0	82,7	0,7	2,9	3,8	22,9	09/05/23	09/11/26	190.747
TX28	2,74	13,33	280,65	-12,7	27,9	142,5	121,8	0,6	1,1	2,9	19,9	09/05/23	09/11/28	75.905
<b>Duos</b>														
TDJ23	0,21	-4,89	22100,00	-	-	-2135,9	-4602,0	0,7	1,9	7,6	23,5	-	30/06/23	1.110
TDL23	0,29	-2,09	22040,00	-	-	-1609,1	-3772,7	0,5	1,6	7,8	23,5	-	31/07/23	13.075
TDS23	0,46	0,06	22025,00	-	-	-1129,9	-3074,3	0,4	1,7	8,6	25,7	-	29/09/23	8.739
TDF24	0,85	5,06	21250,00	-	-	-522,2	-2301,4	0,2	2,4	8,4	30,8	-	28/02/24	7.388

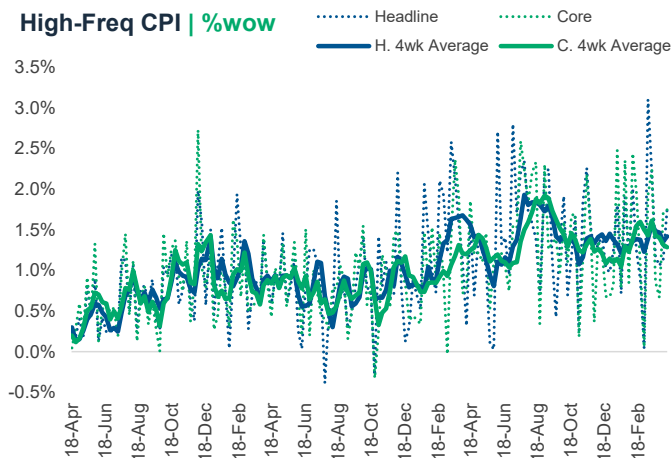
### Linkers Curve | YTM



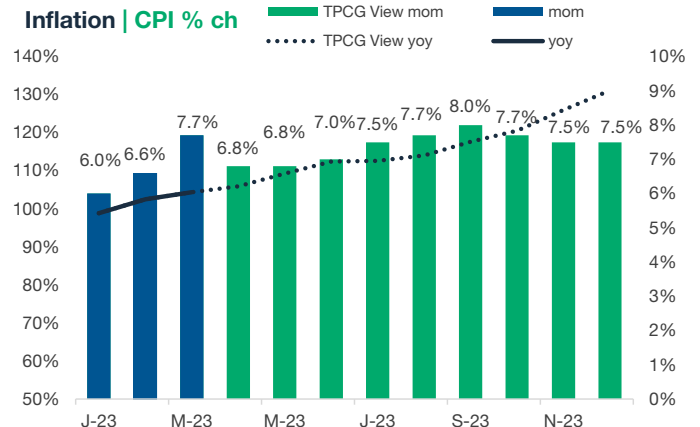
### Inflation Break-Even | Break-Evens



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



### Inflation | CPI % ch

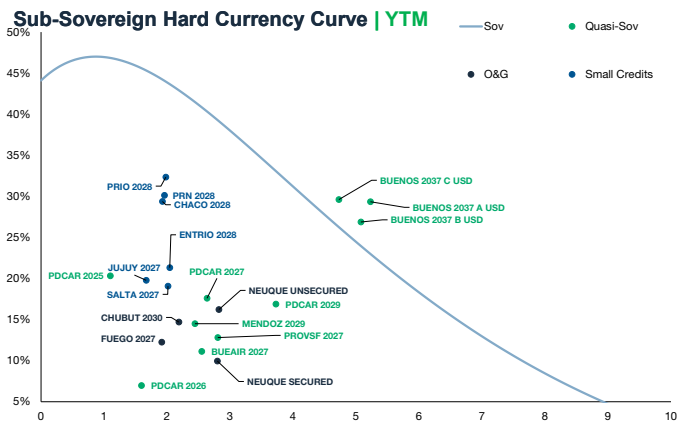




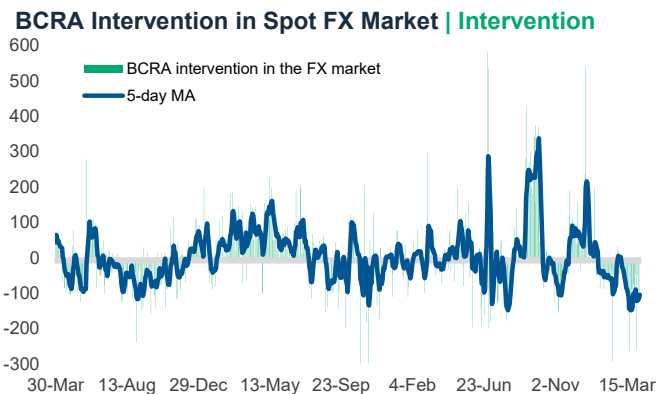
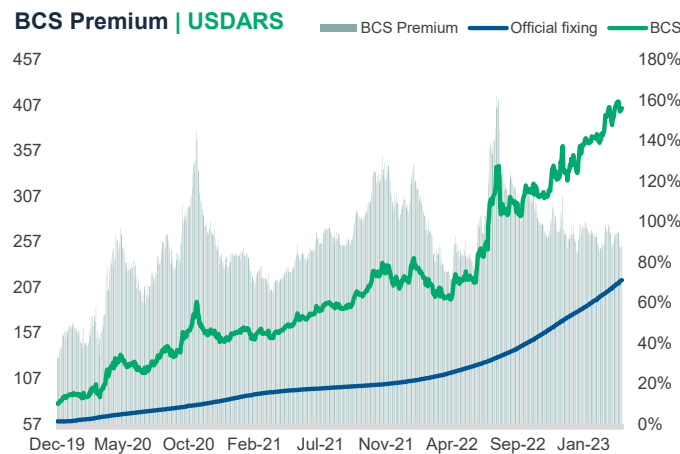
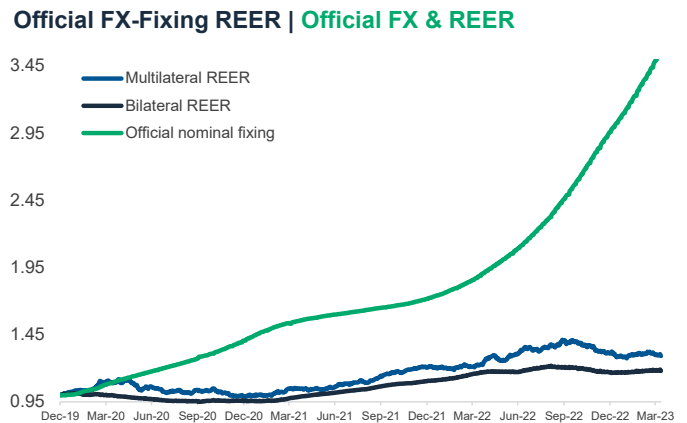
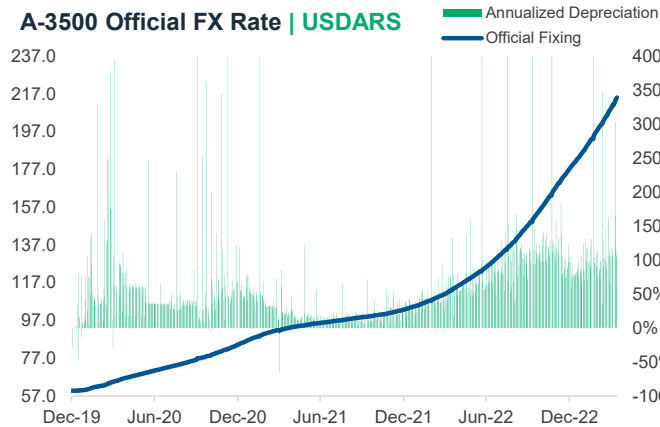
## Sub-Sovereign Debt Instruments

	Price	MD	Yield	Parity	Int. Accrued	Current Yield	Tech Val.	Yield Change In BPS				Price % Change				Additional Info.								
								14/4/2023				Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD	Curr.	Amt. Out. (mn)	CPN	Prev. CPN	Next CPN
								Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD													
<b>USD Securities</b>																								
MENDOZ 2029	79,50	2,44	14,50%	79,6%	0,37	7,2%	92,7	13,5	-	99,3	-218,2	-0,3%	-	-3,6%	5,8%	USD	544,6	5,8%	19/3/2023	19/9/2023				
CORDOB 2027	67,50	1,99	28,71%	67,6%	0,19	6,7%	100,2	2,5	-	232,0	-112,0	0,0%	-	-3,2%	8,0%	USD	155,7	4,5%	29/3/2023	29/9/2023				
NEUQUE UNSECURED	74,25	2,82	16,22%	75,0%	3,07	8,9%	103,1	0,6	-	75,6	-229,8	0,0%	-	-1,7%	9,6%	USD	377,2	6,6%	27/10/2022	27/4/2023				
NEUQUE SECURED	96,25	2,80	9,95%	96,3%	1,20	9,0%	82,2	0,1	-	47,1	-21,6	0,0%	-	-1,3%	0,8%	USD	282,3	8,6%	12/2/2023	12/5/2023				
PRN 2028	59,25	1,96	30,12%	59,5%	0,63	11,2%	100,6	2,5	-	172,7	-68,4	0,0%	-	-2,1%	6,8%	USD	320,2	6,6%	10/3/2023	10/9/2023				
CHUBUT 2030	85,00	2,19	14,70%	85,2%	1,42	9,1%	86,2	0,6	-	169,5	-127,3	0,0%	-	-3,4%	4,0%	USD	550,8	7,8%	26/1/2023	26/4/2023				
PDCAR 2025	85,00	1,10	20,33%	85,3%	2,37	8,1%	102,4	2,9	-	411,4	-97,9	0,0%	-	-4,0%	4,6%	USD	722,1	6,9%	10/12/2022	10/6/2023				
PDCAR 2027	74,00	2,64	17,59%	74,7%	2,58	9,4%	102,6	0,8	-	119,4	-266,4	0,0%	-	-2,6%	10,4%	USD	516,1	7,0%	1/12/2022	1/6/2023				
PDCAR 2029	67,00	3,73	16,88%	67,5%	1,39	10,3%	101,4	0,4	-	108,2	-31,4	0,0%	-	-3,6%	3,1%	USD	456,2	6,9%	1/2/2023	1/8/2023				
SALTA 2027	79,00	2,02	19,06%	79,6%	3,14	10,8%	103,1	1,1	-	243,4	-503,9	0,0%	-	-4,5%	14,5%	USD	357,4	8,5%	1/12/2022	1/6/2023				
JUJUY 2027	81,50	1,67	19,77%	81,6%	0,50	10,3%	89,4	37,6	-	-268,0	-722,2	-0,6%	-	2,2%	12,4%	USD	189,9	8,4%	20/3/2023	20/9/2023				
ENTRIO 2028	74,25	2,04	21,32%	74,6%	1,41	10,9%	96,4	1,3	-	205,4	-546,7	0,0%	-	-3,6%	13,4%	USD	491,6	8,1%	8/2/2023	8/8/2023				
CHACO 2028	62,00	1,93	29,38%	62,4%	1,01	10,5%	101,0	2,5	-	53,3	-422,3	0,0%	-	0,4%	15,3%	USD	262,7	6,5%	18/2/2023	18/8/2023				
BUENOS 2037 A USD	35,00	5,23	29,35%	35,4%	0,63	15,0%	100,6	53,4	-	-53,7	108,1	-1,8%	-	2,9%	0,0%	USD	6202,1	5,3%	1/3/2023	1/9/2023				
BUENOS 2037 B USD	27,75	5,08	26,88%	28,1%	0,54	16,2%	100,5	76,9	-	36,7	221,9	-3,5%	-	-0,9%	-7,5%	USD	777,6	4,5%	1/3/2023	1/9/2023				
BUENOS 2037 C USD	22,75	4,73	29,61%	23,1%	0,48	17,6%	100,5	97,5	-	44,9	355,5	-4,2%	-	-1,1%	-12,5%	USD	153,2	4,0%	1/3/2023	1/9/2023				
PRIO 2028	57,00	1,98	32,35%	57,0%	0,00	11,4%	100,0	-19,0	-	98,3	154,1	0,4%	-	-0,4%	21,9%	USD	318,4	6,5%	24/2/2023	24/8/2023				
BUEAIR 2027	90,75	2,55	11,12%	91,0%	2,77	8,3%	102,8	-10,1	-	19,2	122,2	0,3%	-	-0,3%	-2,7%	USD	890,0	7,5%	1/12/2022	1/6/2023				
PDCAR 2026	47,75	1,59	6,96%	47,0%	0,71	14,9%	47,6	1,2	-	4,2	-240,7	0,0%	-	0,5%	-2,1%	USD	140,6	7,1%	27/1/2023	27/4/2023				
PROVSF 2027	83,75	2,81	12,81%	84,2%	3,12	8,2%	103,1	0,4	-	130,2	-187,3	0,0%	-	-3,5%	7,4%	USD	250,0	6,9%	1/11/2022	1/5/2023				
FUEGO 2027	93,75	1,92	12,25%	93,8%	0,04	9,5%	58,0	0,3	-	119,3	-37,0	0,0%	-	-2,3%	0,8%	USD	116,0	9,0%	17/4/2023	17/7/2023				
<b>BUENOS EUR Securities</b>																								
BUENOS 2037 A EUR	31,00	5,83	28,95%	31,3%	0,48	12,9%	100,5	57,6	-	57,1	259,4	-2,0%	-	-0,8%	-5,3%	EUR	236,8	4,0%	1/3/2023	1/9/2023				
BUENOS 2037 B EUR	23,75	5,19	27,90%	24,1%	0,42	14,7%	100,4	87,9	-	65,2	274,5	-4,0%	-	-2,1%	-9,5%	EUR	116,3	3,5%	1/3/2023	1/9/2023				
BUENOS 2037 C EUR	18,75	4,80	31,18%	19,0%	0,36	16,0%	100,4	116,3	-	83,9	443,0	-5,1%	-	-2,6%	-15,7%	EUR	138,8	3,0%	1/3/2023	1/9/2023				

	Price	Rate	Price % Change				Accrued Interest	Current Coupon	O/S
			14/4/2023						
			Daily (1bd)	Weekly (5bd)	Monthly (22bd)	YTD			
<b>Provincial ARS Debt</b>									
BUEAIR Float 03/29/24	104,2	B +170	0,1%	-	-11,3%	0,2%	3,21	73,3%	26.003
BUEAIR Float 02/22/28	107,7	B +659	0,6%	-	7,2%	1,6%	10,31	73,8%	30.810
BUENOS Float 04/12/25	92,9	B +1248	0,9%	-	-7,6%	-12,4%	0,40	73,8%	30.000



## FX Market & International Reserves



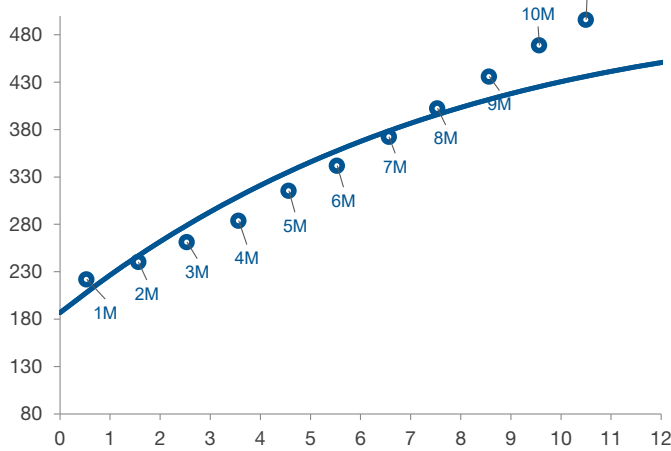
## International Reserves: Evolution and Change Drivers

	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>Mar</b>	<b>39,060</b>	<b>3,922</b>	<b>35,138</b>	<b>351</b>	<b>2,526</b>	<b>-2,175</b>	<b>-1,920</b>	<b>2,247</b>	<b>415</b>	<b>-815</b>	<b>423</b>
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
15-Mar	37,783	520	37,263	-359	18	-377	-87	-254	-24	62	-57
16-Mar	37,712	509	37,203	-71	-12	-59	-96	0	-1	23	2
17-Mar	37,672	1,132	36,540	-40	623	-663	-140	0	-11	-43	153
20-Mar	38,008	1,788	36,220	336	656	-320	-260	-16	658	-76	30
21-Mar	37,837	1,831	36,006	-171	43	-214	-100	44	0	-50	-65
22-Mar	37,596	1,191	36,405	-241	-639	398	-146	0	0	-126	30
23-Mar	37,606	1,175	36,431	10	-16	26	-88	0	0	-183	281
27-Mar	37,161	1,451	35,710	-445	276	-721	-99	-84	0	14	-276
28-Mar	37,076	1,458	35,618	-85	7	-92	-75	0	17	-119	91
29-Mar	36,851	1,388	35,463	-225	-71	-154	-98	-73	0	15	-70
30-Mar	36,509	1,181	35,328	-342	-207	-135	-132	0	-207	-61	57
31-Mar	39,060	3,922	35,138	2,551	2,741	-190	-45	2,661	0	-37	-28
3-Apr	38,809	3,897	34,912	-251	-25	-226	-259	-21	1	22	7
4-Apr	38,777	3,903	34,874	-32	6	-38	-49	0	0	-30	47
5-Apr	38,662	3,450	35,212	-115	-454	339	-114	-4	0	-5	7
10-Apr	37,210	2,125	35,085	-1,452	-1,325	-127	-99	-1,316	0	40	-77
11-Apr	37,218	2,125	35,093	8	0	8	2	0	0	-41	47
<b>Apr</b>	<b>37,218</b>	<b>2,125</b>	<b>35,093</b>	<b>-1,842</b>	<b>-1,797</b>	<b>-45</b>	<b>-519</b>	<b>-1,342</b>	<b>1</b>	<b>-14</b>	<b>32</b>

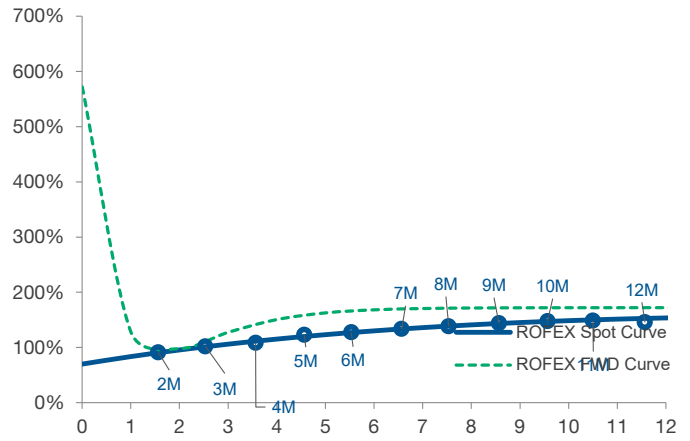
ROFEX USD Curve

	A-3500 Official FX	ROFEX Outright	Yield	Price % Change			Yield Change in bps		
		14/4/2023		Daily (1bd)	Weekly (5bd)	Monthly (22bd)	Daily (1bd)	Weekly (5bd)	Monthly (22bd)
1M - ROFEX USD Fut	215,10	222,02	73,45	0,17	0,53	-5,46	-3,9	-16,4	-9,6
2M - ROFEX USD Fut	215,10	240,25	90,82	0,58	1,62	-6,60	-4,8	-14,5	5,1
3M - ROFEX USD Fut	215,10	261,30	101,83	0,46	1,22	-7,46	-2,4	-7,7	9,9
4M - ROFEX USD Fut	215,10	283,95	108,19	0,33	0,55	-9,23	-1,4	-3,4	15,2
5M - ROFEX USD Fut	215,10	315,60	122,70	0,13	-0,35	-12,17	-0,4	0,5	25,2
6M - ROFEX USD Fut	215,10	342,00	127,42	-0,16	-0,29	-12,68	0,6	0,0	24,9
7M - ROFEX USD Fut	215,10	372,50	133,55	-0,44	-0,94	-14,15	1,4	1,9	27,3
8M - ROFEX USD Fut	215,10	402,50	138,27	-0,75	-1,61	-14,29	2,2	3,6	26,6
9M - ROFEX USD Fut	215,10	436,00	143,62	-0,86	-1,26	-14,91	2,4	2,3	26,8
10M - ROFEX USD Fut	215,10	468,85	147,47	-1,03	-2,46	-14,90	2,8	5,3	25,8

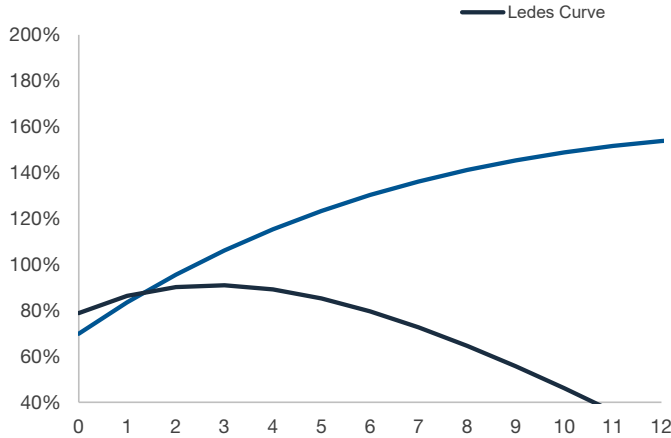
Outrights Curve | Outrights



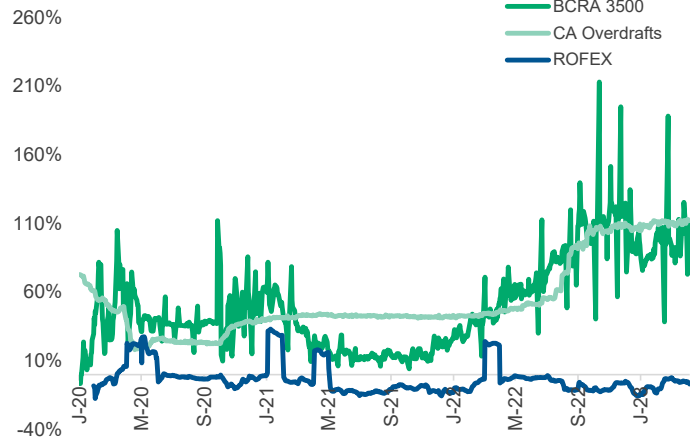
ROFEX Spot & FWD Curves | YTM



ROFEX vs. ARS Fixed Rate | YTM



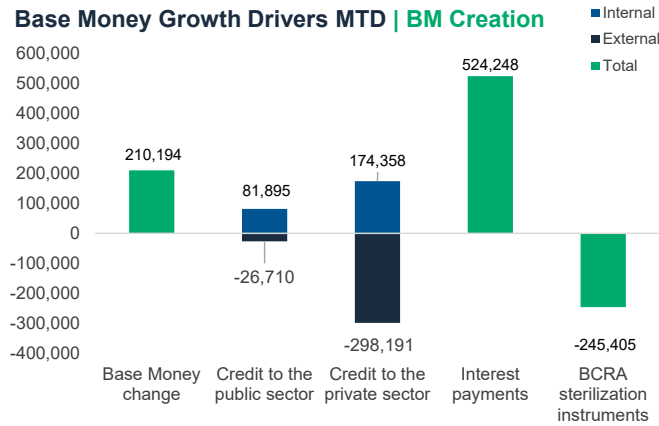
Official FX, CA Overdrafts & ROFEX | Returns



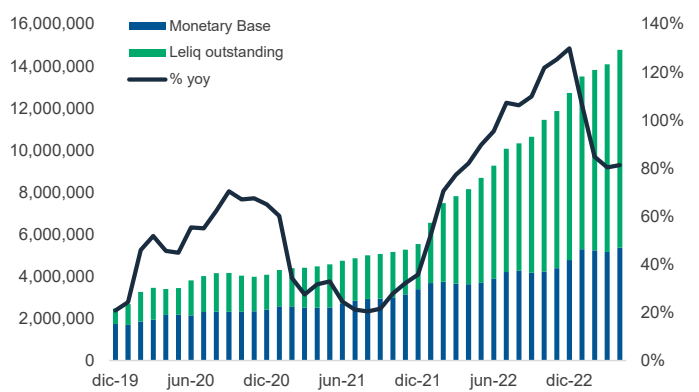
## Central Bank Monetary Policy

	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					
Mar	149,526	-287,055	-67,000	-220,055	436,581	182,964	309,145	-317,326	-442,101	703,898	0	5,161,255	8,930,051	
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	
15-Mar	-63,661	-75,592	-58,000	-17,592	11,931	-2,077	-8,998	83,205	-102,361	42,162	5,225,696	4,531,428	8,833,430	
16-Mar	-20,654	-19,507	0	-19,507	-1,147	2,128	-769	107,516	-157,482	47,459	5,205,042	4,533,759	8,719,728	
17-Mar	-57,672	-28,394	0	-28,394	-29,278	1,048	2,380	0	-38,684	5,978	5,147,370	4,535,875	8,719,728	
20-Mar	-71,431	-53,072	0	-53,072	-18,359	470	495	0	-37,487	18,162	5,075,939	4,541,892	8,719,728	
21-Mar	2,398	-20,369	0	-20,369	22,767	41	-921	-530,461	511,531	42,576	5,078,337	4,543,717	9,284,791	
22-Mar	15,041	-29,913	0	-29,913	44,954	130,992	-1,240	65,765	-183,736	33,172	5,093,378	4,545,580	9,219,026	
23-Mar	13,644	-18,112	0	-18,112	31,756	3,503	1,439	-195,002	170,641	51,175	5,107,022	4,547,477	9,427,524	
27-Mar	1,686	-20,399	0	-20,399	22,085	-78,268	32,196	0	47,579	20,577	5,108,708	4,554,943	9,427,524	
28-Mar	24,857	-15,541	0	-15,541	40,398	2,002	4,467	61,385	-92,507	65,051	5,133,565	4,556,865	9,364,866	
29-Mar	-43,437	-20,291	0	-20,291	-23,146	23	3,789	89,420	-159,569	43,191	5,090,128	4,558,631	9,275,446	
30-Mar	124,125	-27,455	0	-27,455	151,580	-324	34,932	-3,625	42,493	78,104	5,214,253	4,560,795	9,282,190	
31-Mar	155,229	-9,410	0	-9,410	164,639	-17,148	100,347	0	75,977	5,464	5,369,482	4,563,455	9,282,190	
3-Apr	-81,887	-54,550	0	-54,550	-27,337	121	134	0	-43,535	15,942	5,287,595	4,571,065	9,282,190	
4-Apr	-18,131	-10,413	0	-10,413	-7,718	-31	567	-109,760	38,344	63,161	5,269,464	4,573,332	9,400,828	
5-Apr	166,420	-23,970	0	-23,970	190,390	95,451	2,678	-26,217	45,524	72,953	5,435,884	4,576,124	9,436,988	
10-Apr	-111,824	-21,041	0	-21,041	-90,783	1,152	9,654	0	-127,763	26,174	5,324,060	4,589,458	9,436,988	
11-Apr	-37,618	505	0	505	-38,123	-84	54,353	-96,773	-71,722	76,104	5,286,442	4,591,671	9,542,377	
Apr	-83,040	-109,469	0	-109,469	26,429	96,609	67,388	-232,750	-159,151	254,334	0	5,371,450	9,401,064	

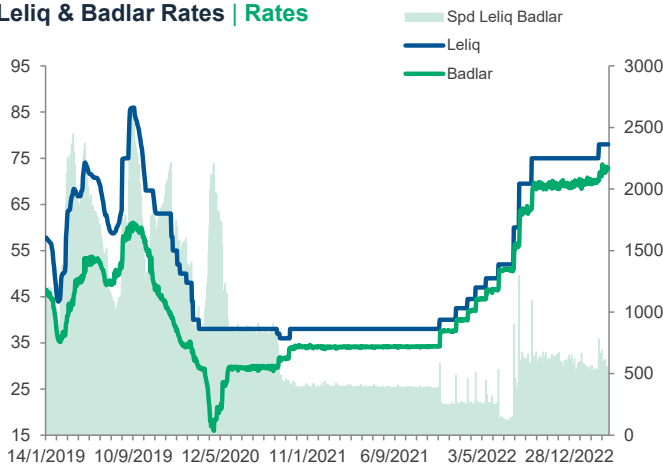
### Base Money Growth Drivers MTD | BM Creation



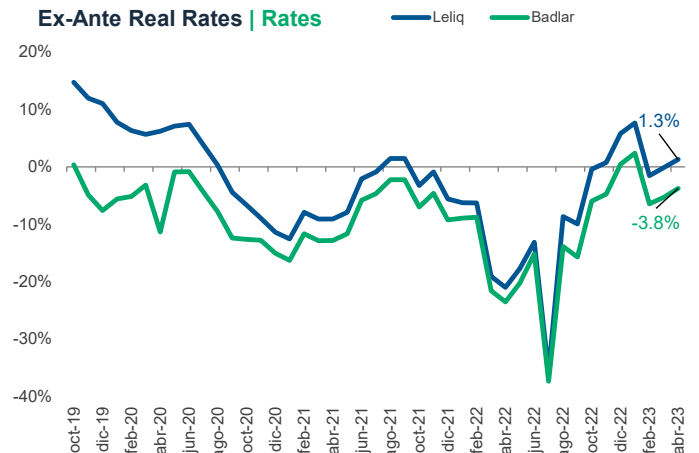
### Growth of BCRA Liabilities | BCRA Liabilities



### 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
12/4/2023	Use of Public Services	January	INDEC	5,30%	2,90%	
14/4/2023	CPI	March	INDEC			
	%yoy			104,30%	102,50%	
	%mom			7,70%	6,60%	
<b>THIS WEEK</b>						
18/4/2023	Use of Industrial Capacity	February	INDEC		62,00%	
19/4/2023	Wholesale prices	March	INDEC		7,00%	
20/4/2023	Trade balance	March	INDEC		USD 182mn	
20/4/2023	Primary balance	March	Treasury		-ARS 228bn	
<b>NEXT WEEK</b>						
24/4/2023	EMAE monthly economic activity gauge	February	INDEC			
	%yoy				2,90%	
	%mom				0,30%	
25/4/2023	Sales at malls	February	INDEC		21,60%	
25/4/2023	Sales at supermarkets	February	INDEC		0,80%	
28/4/2023	Wage Index	February	INDEC		4,70%	

	%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	7.7%	104.4%	198.90	387.48	94.8%	69.0	63.3	570
Apr-23	6.8%	105.9%	209.71	413.83	97.3%	67.0	61.3	570
May-23	6.8%	109.3%	222.55	441.97	98.6%	69.0	63.3	570
Jun-23	7.0%	112.4%	238.13	472.91	98.6%	71.0	65.3	570
Jul-23	7.5%	112.6%	257.77	508.38	97.2%	74.0	68.3	570
Aug-23	7.7%	114.0%	281.59	547.53	94.4%	75.0	69.3	570
Sep-23	8.0%	117.7%	308.62	591.33	91.6%	76.0	70.3	570
Oct-23	7.7%	120.5%	337.14	627.75	86.2%	78.0	72.3	570
Nov-23	7.5%	126.0%	367.48	656.00	78.5%	78.0	72.3	570
Dec-23	7.5%	131.1%	400.56	675.68	68.7%	78.0	72.3	570

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