

Juan Manuel Pazos
 Chief Economist
 +54 11 4898 6606
 jmpazos@tpcgco.com

Federico Angel Martin
 Strategist
 +54 11 6237 6633
 famartin@tpcgco.com

Strategy - Argentina

January 23, 2023

Weekly Strategy Brief

Trade Book

New Trades

Trade	Trade Details	Rationale
EXD		
Buy GD35, Sell GD30	Open Spread: 5c Target Spread: 3c	Opening Date: 23/01/23
		We open this trade as we believe that following the repurchase announcement the GD30 currently trades rich compared to the G35.

Closed Trades

Trade	Trade Details	Rationale
EXD		
Buy GD41, Sell GD38	Open Spread: 3c Current Spread: 3c	Opening Date: 09/01/23 TR: -640bps +711bps
		We close this trade as we are moving to a new trade involving GD30 and GD35 following the repurchase announcement.

Open Trades

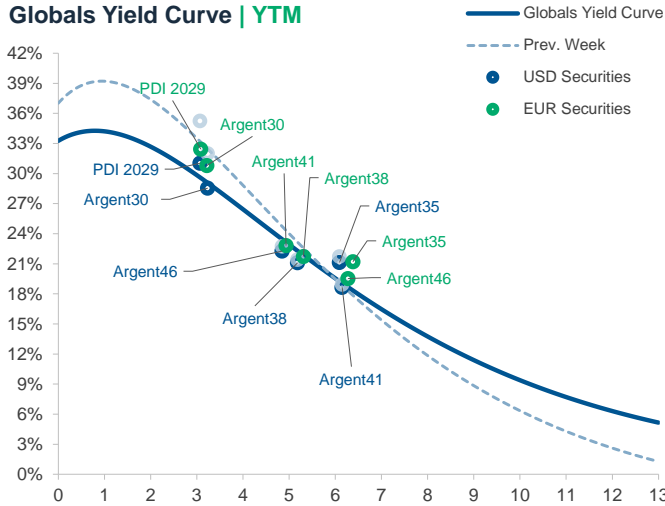
Trade	Trade Details	Rationale
LCD		
Buy TV24	Open PX: 15,350 Current PX: 15,820 Target PX: 16,280	Opening Date: 02/01/23 TR: +306bps
		We maintain this trade given that the TV24 trades cheaper relative to the rest of the USD-L curve, and additionally, there are increased risks of an FX correction generated by the drought.
Buy X17F3	Open PX: 179.6 Current PX: 182.6 Target PX: 184.1	Opening Date: 16/01/23 TR: +116bps
		We are betting on holding to maturity or on the government offering something superior to what it has offered in the exchange.

Global-Law Securities Curve

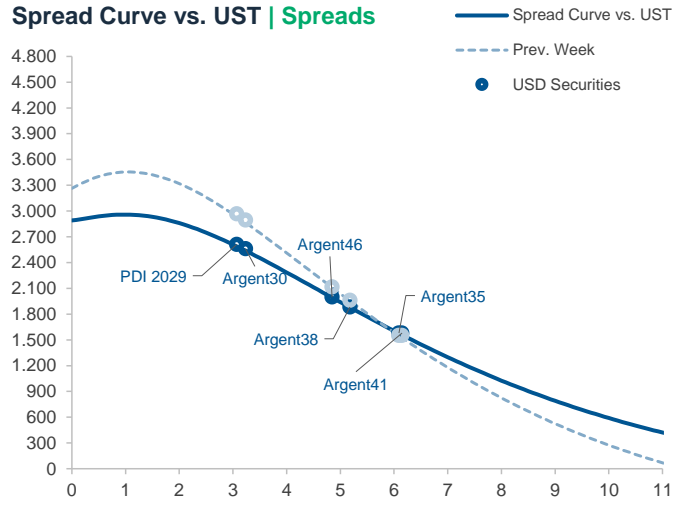
The global-law curve had a positive week with total returns ranging between +214 and +1,410bps. The old indenture reported total returns of +198bps for Argent38 and +214bps for Argent41. In the belly, Argent46 clocked in with a total return of +266bps. Finally, in the front-end, Argent30 ended the week with a performance of +1,207bps. In this context, the front-end is trading near 34.88c (+3.76c compared to last week), while the back-end is trading near 29.88c (+1.11c). The Argent30 vs. Argent35 spread increased to 5c (+2.65c), being now above its historical average of 3.09c. The indenture spread (duration-adjusted)—calculated as the spread between the indenture-2005 bond and a synthetic indenture-2016 bond comprising Argent30, Argent46, and Argent35—decreased to 3.6c (+1.40c) for Argent38—below its historical average of 4.93c—and decreased to -1.1c for Argent41 (-2.21c)—below its historical average of 1.76c.

The global-law curve had a positive week with total returns ranging between +214 and +1,410bps. The old indenture reported total returns of +198bps for Argent38 and +214bps for Argent41. In the belly, Argent46 clocked in with a total return of +266bps. Finally, in the front-end, Argent30 ended the week with a performance of +1,207bps. In this context, the front-end is trading near 34.88c (+3.76c compared to last week), while the back-end is trading near 29.88c (+1.11c). The Argent30 vs. Argent35 spread increased to 5c (+2.65c), being now above its historical average of 3.09c. The indenture spread (duration-adjusted)—calculated as the spread between the indenture-2005 bond and a synthetic indenture-2016 bond comprising Argent30, Argent46, and Argent35—decreased to 3.6c (+1.40c) for Argent38—below its historical average of 4.93c—and decreased to -1.1c for Argent41 (-2.21c)—below its historical average of 1.76c.

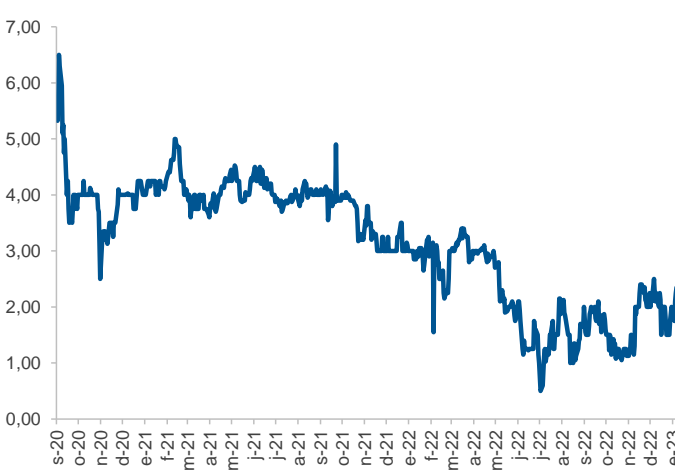
Globals Yield Curve | YTM



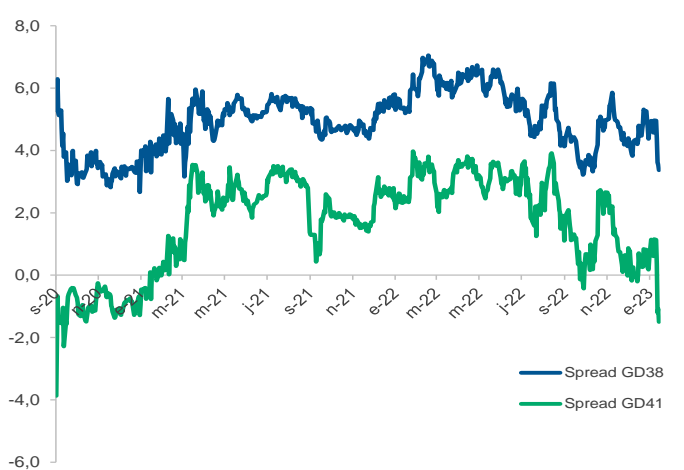
Spread Curve vs. UST | Spreads



GD30 vs. GD35 | Spreads



Indenture Spread GD38 & GD41 | Spreads



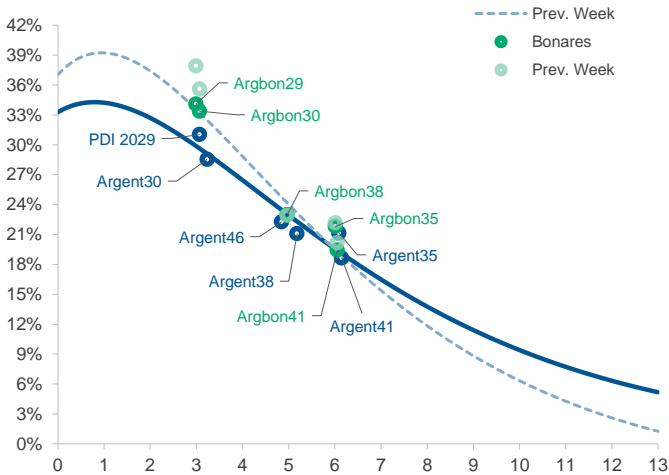
	20-ene.-23			Last Week			Last Month			YTD		
	MD	YTM	PX (Conv.)	Carry (bps)	Δ Clean PX (bps)	Total Return (bps)	Carry (bps)	Δ Clean PX (bps)	Total Return (bps)	Carry (bps)	Δ Clean PX (bps)	Total Return (bps)
PDI 2029	3,1	31,0	34,50	6	1.403	1.410	-	-	-	21	2.897	2.918
Argent30	3,2	28,5	34,88	3	1.204	1.207	-	-	-	10	2.798	2.808
Argent38	5,2	21,1	35,88	21	177	198	-	-	-	52	1.124	1.176
Argent46	4,8	22,3	30,00	10	256	266	-	-	-	28	1.538	1.567
Argent41	6,1	18,6	32,88	21	193	214	-	-	-	59	1.435	1.494
Argent35	6,1	21,1	29,88	10	382	392	-	-	-	29	1.602	1.631

Local-Law Hard Currency Securities Curve

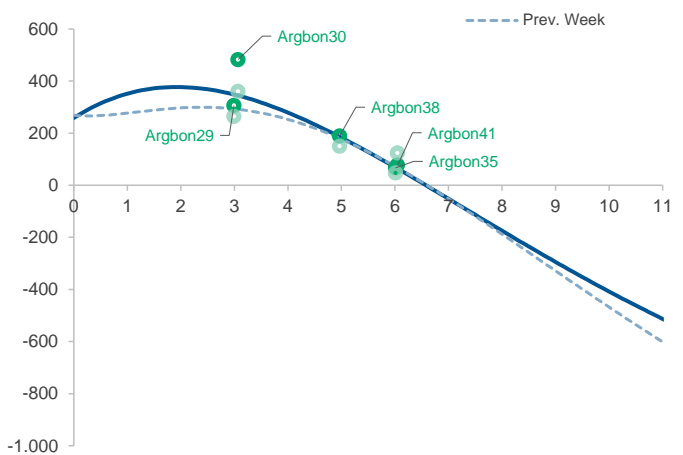
This week, total returns in the local-law curve were positive ranging between 0 and +1,249bps.

This week, total returns in the local-law curve were positive ranging between 0 and +1,249bps. Bonar38 and Bonar41 showed a total return of 0bps and +499bps, respectively. In the back-end, Bonar35 showed a total return of +268bps. Finally, in the front-end, the performance of the Bonar30 presented a total return of +762bps. In this context, the front-end is trading near 30c (+2.13c compared to the previous week), and the back-end is trading near 28.75c (+0.75c). The Bonar30 vs. Bonar35 spread closed at +1.25c (+1.375c) and is still below its historical average at 1.42c. Lastly, the legislation spread (Argent30 vs. Bonar30) increased to 4.88c (+1.63c) and is above its historical average of 2.61c.

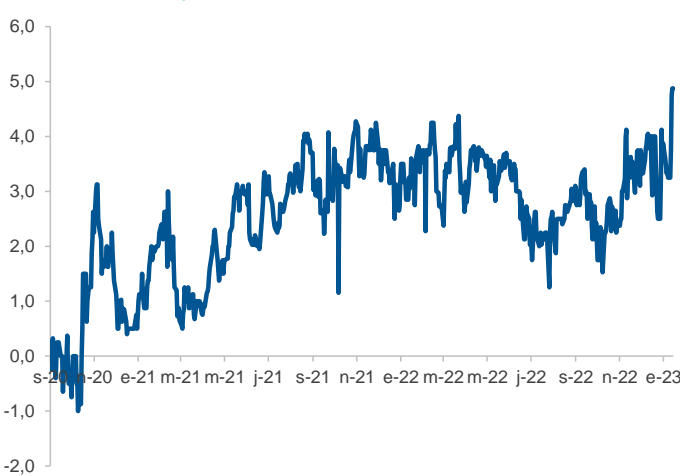
Globals Yield Curve | YTM



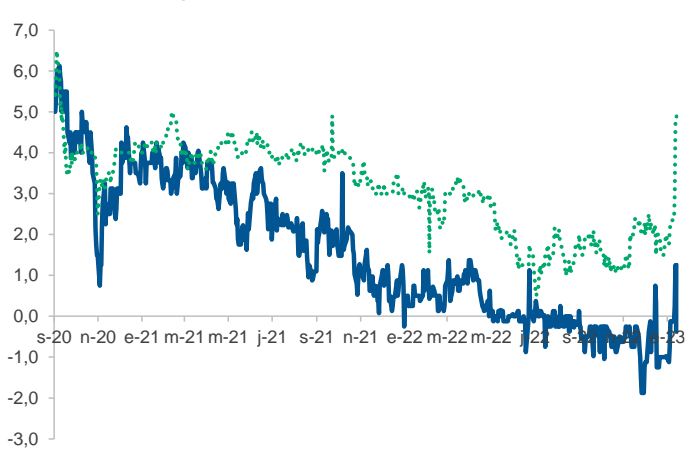
Legislation Spread | Spreads



GD30 vs. AL30 | Spreads



AL30 vs. AL35 | Spreads



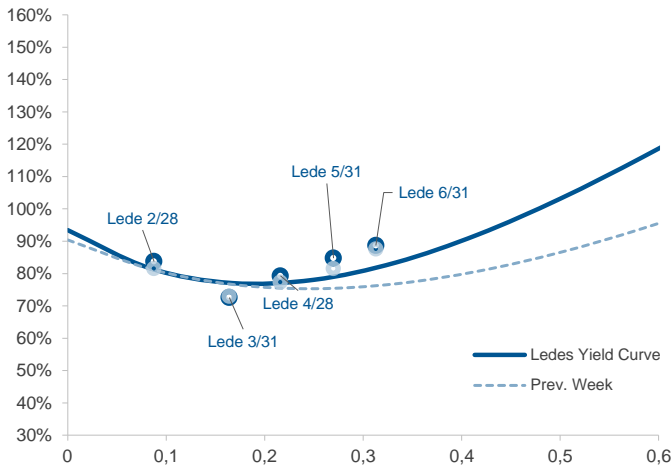
	20-ene.-23			Última Semana			Último Mes			Acumulado del Año		
	MD	YTM	PX (Conv.)	Carry (bps)	Δ Clean PX (bps)	Total Return (bps)	Carry (bps)	Δ Clean PX (bps)	Total Return (bps)	Carry (bps)	Δ Clean PX (bps)	Total Return (bps)
PDI 2029 AL	3,0	34,1	31,50	7	1.242	1.249	-	-	-	23	2.832	2.854
Argent30 AL	3,1	33,4	30,00	3	759	762	-	-	-	11	2.232	2.244
Argent38 AL	5,0	23,0	32,75	23	-23	0	-	-	-	53	181	234
Argent41 AL	6,1	19,4	31,50	23	476	499	-	-	-	61	1.338	1.400
Argent35 AL	6,0	21,8	28,75	10	257	268	-	-	-	29	1.383	1.413

ARS Fixed-Rate Securities Curve

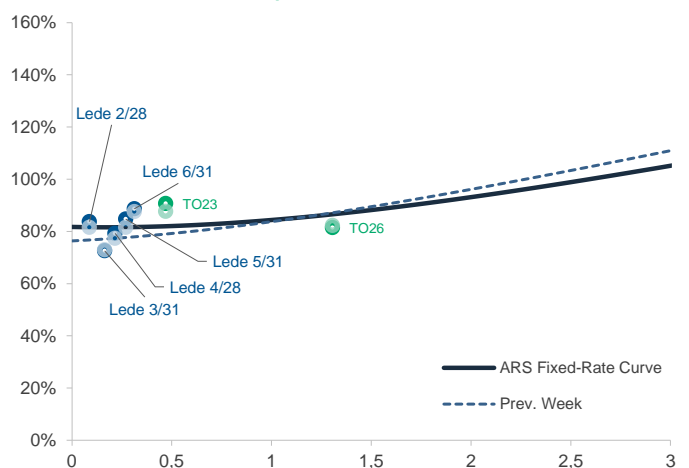
The performance on the Ledes was positive, reporting an average total return of 93bps. For the Botes, the total return was zero. In the case of Bote23, the total return was 0bps, given -47bps of clean price variation and +47bps of carry. Bote26's total return was 0bps given a change in the clean price of -119bps and a carry of +119bps. The Lede of March was the one reporting the highest total return at +138bps. If we look at the entire ARS space—including fixed-rate, dollar-linked, inflation-linked, and FRNs—we find that the BADLAR reported the best performance on a weekly basis, with a total turn of +134bps.

The performance on the Ledes was positive, reporting an average total return of 93bps. For the Botes, the total return was zero. In the case of Bote23, the total return was 0bps, given -47bps of clean price variation and +47bps of carry. Bote26's total return was 0bps given a change in the clean price of -119bps and a carry of +119bps. The Lede of March was the one reporting the highest total return at +138bps. If we look at the entire ARS space—including fixed-rate, dollar-linked, inflation-linked, and FRNs—we find that the BADLAR reported the best performance on a weekly basis, with a total turn of +134bps.

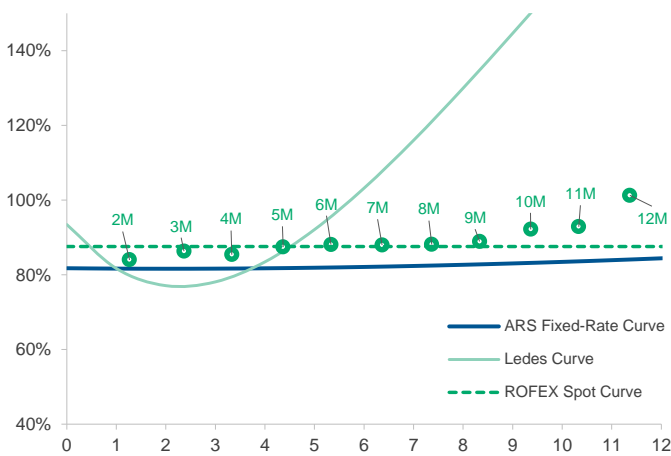
Ledes Yield Curve | YTM



ARS Fixed-Rate Curve | YTM



ROFEX vs. ARS Fixed-Rate Curve | YTM



	Total Return		
	Last Week	Last Month	YTD
S28A3	65	-	435
TV23	0	-	168
BADLAR	134	555	383

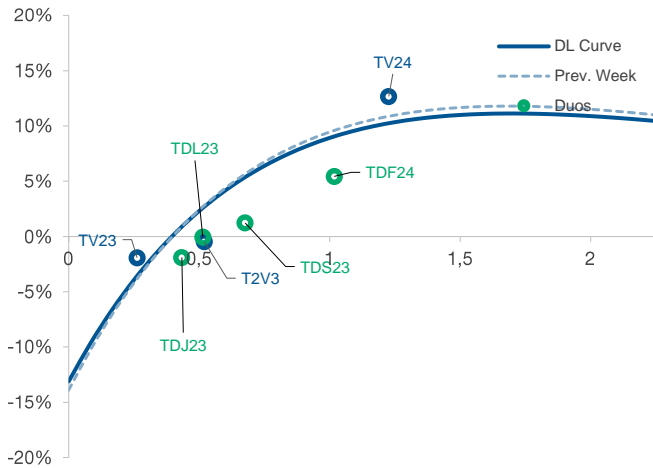
	20-ene.-23			Last Week			Last Month			YTD		
	MD	YTM	PX (Conv.)	Carry (bps)	Δ Clean PX (bps)	Total Return (bps)	Carry (bps)	Δ Clean PX (bps)	Total Return (bps)	Carry (bps)	Δ Clean PX (bps)	Total Return (bps)
S28F3 - LEDE 02/28/23	0,1	83,8	92,7	-	128	128	-	-	-	-	514	514
S31M3 - LEDE 03/31/23	0,2	72,6	88,2	-	138	138	-	-	-	-	519	519
S28A3 - LEDE 04/28/23	0,2	79,3	82,7	-	65	65	-	-	-	-	435	435
S31Y3 - LEDE 05/31/23	0,3	84,8	77,1	-	39	39	-	-	-	-	272	272
S30J3 - LEDE 06/30/23	0,3	88,7	72,3	-	94	94	-	-	-	-	264	264
T023	0,5	90,8	69,3	47	-47	0	-	-	-	139	213	353
T026	1,3	83,3	28,5	119	-119	0	-	-	-	354	57	411

Dollar-Linked Securities Curve

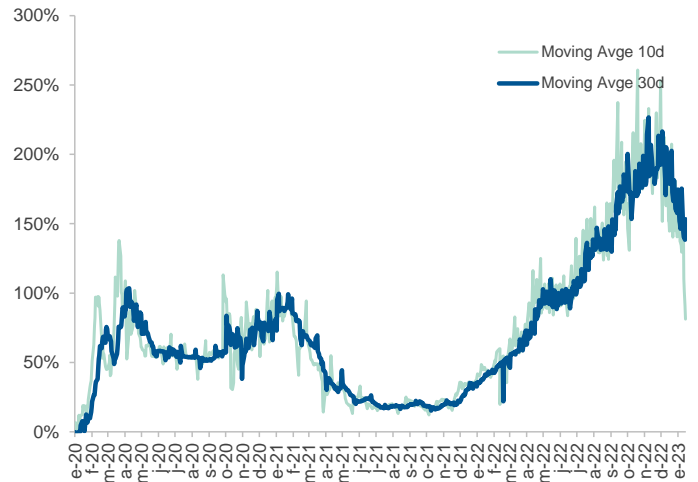
Bolis had a positive week, with total returns ranging between 110bps and +200bps.

Bolis had a positive week, with total returns ranging between 110bps and +200bps. The annualized official FX devaluation rate (10-day moving average) was 81.2%. In this context, Bolis accumulated +119bps of FX effect on average. The Boli23 due in April accumulated a clean price variation of +12bps, the Boli23 due in July -9bps, and finally, the Boli24 +79bps. In this context, the total return was, for the Boli23 due in April +132bps, for the Boli23 due in July +110bps, and for the Boli24 +200bps.

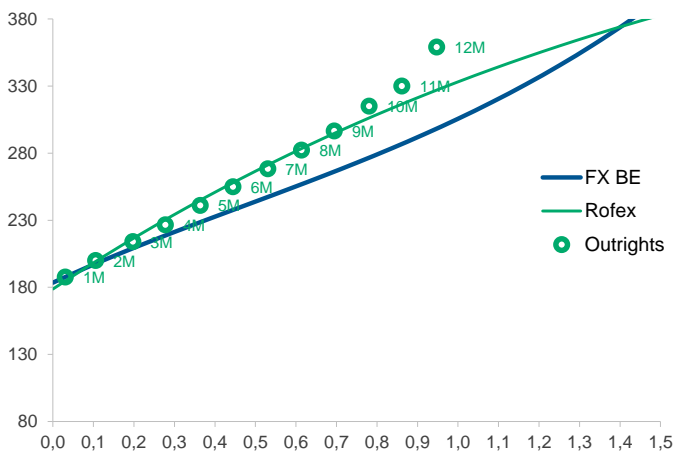
Dollar-Linked Curve | YTM



Official FX Dev. Rate Annualized | Moving Avge



Official FX & Rofex | Break-Evens & Outrights



	20-ene.-23			Pure CER Valuation		Implied Option Value	
	MD	YTM	PX (Conv.)	PX	YTM	BPS	USD (Official fixing)
TDJ23	0,4	3,3	18500,0	17931,9	10,5	720,6	4,3
TDL23	0,5	4,7	18350,0	17786,9	10,7	600,4	4,2
TDS23	0,7	5,8	18190,0	17552,6	11,1	528,1	4,8
TDF24	1,0	9,1	17300,0	16801,7	11,7	259,3	3,4

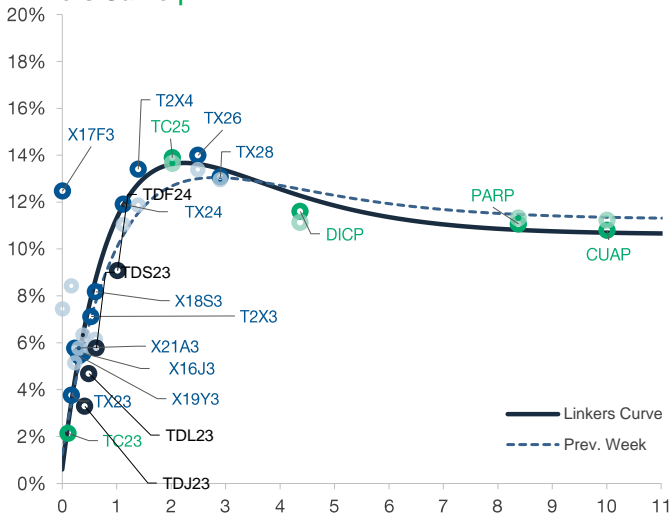
	20-ene.-23			Last Week				Last Month				YTD			
	MD	YTM	PX (Conv.)	Carry (bps)	Δ Clean PX (bps)	FX (bps)	Total Return (bps)	Carry (bps)	Δ Clean PX (bps)	FX (bps)	Total Return (bps)	Carry (bps)	Δ Clean PX (bps)	FX (bps)	Total Return (bps)
TV23	0,3	-1,9	18.400,0	1	12	119	132	-	-	-	-	2	-76	354	279
T2V3	0,5	-0,5	18.325,0	0	-9	119	110	-	-	-	-	0	54	358	412
TV24	1,23	12,7	15.820,0	1	79	120	200	-	-	-	-	3	-83	353	273

Inflation-Linked Securities Curve

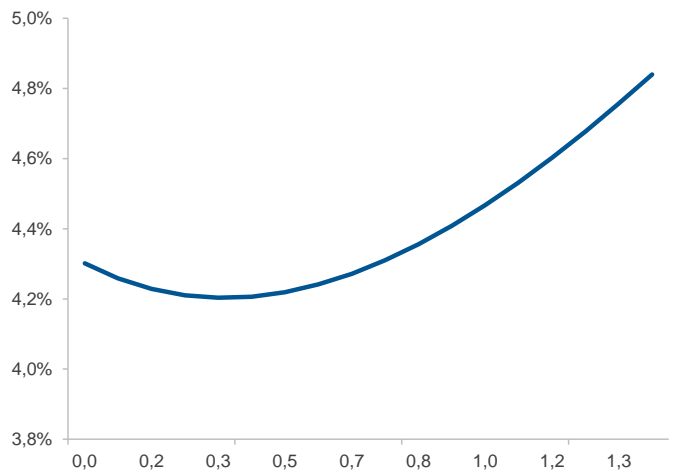
Linkers' total return was around +116bps on average, driven by +109bps of inflation effect and a mixed clean price variation.

Linkers' total return was around +116bps on average, driven by +109bps of inflation effect and a mixed clean price variation. Total returns in the front-end averaged +112bps, resulting from +1bps of clean price variation, +2bps of carry, and +109bps of inflation effect. The belly accumulated nearly +34bps of total return, on the back of +4bps of weekly carry, -78bps of clean price variation, and +108bps of inflation effect. Lastly, in the back-end, the total return was +240bps, resulting from +13bps of weekly carry, +110bps of inflation effect, and clean price variations of +117bps. In terms of the Duos, the total return closed at +192bps. In this context, the top-performers in the linkers space were (i) TX23 in the front-end, with +202bps total return; (ii) X16J3 in the belly, with +148bps total return; and (iii) CUAP in the back-end, with +546bps. Finally, the monthly inflation break-evens stand near 4.3% for the shortest tenors and converge towards 4.4% by end-2023.

Linkers Curve | YTM



Inflation Break-Even | Break-Evens



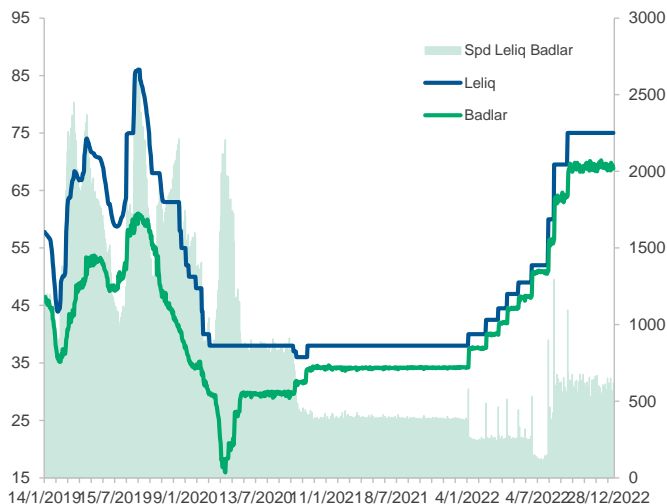
	20-ene.-23			Last Week				Last Month				YTD			
	MD	YTM	PX (Conv.)	Carry (bps)	Δ Clean PX (bps)	Cer (bps)	Total Return (bps)	Carry (bps)	Δ Clean PX (bps)	Cer (bps)	Total Return (bps)	Carry (bps)	Δ Clean PX (bps)	Cer (bps)	Total Return (bps)
X17F3	0,0	12,9	182,6	0	-20	108	88	-	-	-	-	0	90	332	422
X21A3	0,2	5,9	174,3	0	-7	109	101	-	-	-	-	0	-135	325	190
X19Y3	0,3	5,5	166,6	0	19	109	128	-	-	-	-	0	-41	328	287
X16J3	0,4	5,6	131,5	0	39	109	148	-	-	-	-	0	80	332	412
X18S3	0,6	8,3	119,0	0	-124	107	-17	-	-	-	-	0	-94	326	232
TC23	0,1	2,1	856,6	8	-74	108	41	-	-	-	-	22	-127	326	221
TX23	0,2	3,8	368,9	3	90	110	202	-	-	-	-	8	65	332	405
T2X3	0,5	7,1	325,9	3	-66	108	44	-	-	-	-	8	-62	328	274
TX24	1,1	11,9	329,4	3	-81	108	30	-	-	-	-	9	-75	327	261
TC25	2,0	13,9	670,0	10	-43	108	75	-	-	-	-	26	-561	312	-223
T2X4	1,4	13,4	235,3	4	-198	106	-88	-	-	-	-	10	-233	322	99
TX26	2,5	14,0	244,1	5	-129	107	-17	-	-	-	-	15	-210	323	128
TX28	2,9	13,1	236,4	6	-21	108	94	-	-	-	-	17	-238	322	102
DICP	4,4	11,6	4997,0	14	-197	107	-75	-	-	-	-	41	-189	325	177
PARP	8,4	11,1	2210,0	8	115	110	233	-	-	-	-	22	-298	320	45
CUAP	10,0	10,8	2960,0	16	434	113	564	-	-	-	-	47	606	351	1.004
TDJ23	0,4	12,4	18500,0	0	64	109	173	-	-	-	-	1	11	330	342
TDL23	0,5	12,7	18350,0	0	43	109	152	-	-	-	-	1	-48	328	281
TDS23	0,6	15,7	18190,0	0	109	110	219	-	-	-	-	1	51	331	383
TDF24	1,0	14,5	17300,0	0	112	110	222	-	-	-	-	1	307	339	647

Sub-Sovereign FRNs

This week, the provincial floating rate curve had a total return performance between +100 and +258bps.

This week, the provincial floating rate curve had a total return performance between +100 and +258bps. BDC28 with a total return of 166bps, with a change in clean price close to +37bps and a carry around +130bps. BDC24's total return was +100bps, where -33bps was in terms of clean price change and +133bps of carry. On the BUENOS side, the performance of the Buenos 25 had a total return of +258bps, given a change of the clean price of around +110bps and a carry of +148bps.

Leliq & Badlar Rates | Rates



	20-ene.-23			Last Week			Last Month			YTD		
	MD	YTM	PX (Conv.)	Carry (bps)	Δ Clean PX (bps)	Total Return (bps)	Carry (bps)	Δ Clean PX (bps)	Total Return (bps)	Carry (bps)	Δ Clean PX (bps)	Total Return (bps)
BDC24 - BDC 3/29/24	0,7	86,9	104,6	133	-33	100	-	-	-	403	-230	173
BDC28 - BDC 2/22/28	1,1	99,9	107,5	130	37	166	-	-	-	398	-20	377
PBA25 - BUENOS 4/12/25	1,0	84,2	90,3	148	110	258	-	-	-	397	-1.200	-802

TPCG Analysts & Staff

Research

Juan Manuel Pazos	Chief Economist	jmpazos@tpcgco.com	+54 11 4898-6606
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

Juan Manuel Truppia	Head of Sales & Trading	jmtruppia@tpcgco.com	+54 11 4898-6659
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

José Ramos	Head of Corporate Banking	jramos@tpcgco.com	+54 11 4898-6645
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

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

Asset Management

Ileana Aiello	Portfolio Manager	iaiello@tpcgco.com	+54 11 4898-6611
Claudio Achaerandio	Portfolio Manager	catchaerandio@tpcgco.com	+54 11 4898-6618

Important Disclaimer

The document, and the information, opinions, estimates and recommendations expressed herein, have been prepared by TPCG Valores SAU to provide its customers with general information regarding the date of issue of the report and are subject to changes without prior notice. TPCG Valores SAU is not liable for giving notice of such changes or for updating the contents hereof. The document and its contents do not constitute an offer, invitation or solicitation to purchase or subscribe to any securities or other instruments, or to undertake or divest investments. Neither shall the document nor its contents form the basis of any contract, commitment or decision of any kind.

Investors who have access to the document should be aware that the securities, instruments or investments to which it refers may not be appropriate for them due to their specific investment goals, financial positions or risk profiles, as these have not been taken into account to prepare the report. Therefore, investors should make their own investment decisions considering the said circumstances and obtain such specialized advice as may be necessary.

The contents of the document are based upon information available to the public that has been obtained from sources considered to be reliable. However, such information has not been independently verified by TPCG Valores SAU, and therefore no warranty, either express or implicit, is given regarding its accuracy, integrity or correctness. TPCG Valores SAU. accepts no liability of any type for any direct or indirect losses arising from the use of the document or its contents. Investors should note that the past performance of securities or instruments or the historical results of investments do not guarantee future performance. The market prices of securities or instruments or the results of investments could fluctuate against the interests of investors. Investors should be aware that they could even face a loss of their investment.

Transactions in futures, options and securities or high-yield securities can involve high risks and are not appropriate for every investor. Indeed, in the case of some investments, the potential losses may exceed the amount of initial investment and, in such circumstances; investors may be required to pay more money to support those losses. Thus, before undertaking any transaction with these instruments, investors should be aware of their operation, as well as the rights, liabilities and risks implied by the same and the underlying stocks. Investors should also be aware that secondary markets for the said instruments may be limited or even not exist.

TPCG Valores SAU. and/or any of its affiliates, as well as their respective directors, executives and employees, may have a position in any of the securities or instruments referred to, directly or indirectly, in the document, or in any other related thereto; they may trade for their own account or for third-party account in those securities, provide consulting or other services to the issuer of the aforementioned securities or instruments or to companies related thereto or to their shareholders, executives or employees, or may have interests or perform transactions in those securities or instruments or related investments before or after the publication of the report, to the extent permitted by the applicable law.

TPCG Valores SAU or any of its affiliates' salespeople, traders and other professionals may provide oral or written market Commentary or trading strategies to its clients that reflect opinions that are contrary to the opinions expressed herein. Furthermore, TPCG Valores SAU, or any of its affiliates' proprietary trading and investing businesses, may make investment decisions that are inconsistent with the recommendations expressed herein.

No part of the document may be (i) copied, photocopied or duplicated by any other form or means (ii) redistributed or (iii) quoted without the prior written consent of TPCG Valores SAU. No part of the report may be copied, conveyed, distributed or furnished to any person or entity in any country (or persons or entities in the same) in which its distribution is prohibited by law. Failure to comply with these restrictions may breach the laws of the relevant jurisdiction.

For U.S. persons only:

This report is a product of TPCG, which is the employer of the research analyst(s) who has prepared the informative report. The research analyst(s) preparing this report is/are resident(s) outside the United States (U.S.) and is/are not associated person(s) of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations.

This report is intended for distribution by TPCG only to U.S. Institutional Investors and Major U.S. Institutional Investors, as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by the U.S. Securities and Exchange Commission (SEC), in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a US Institutional Investors nor a Major U.S. Institutional Investor, as specified above, then he should not act upon this report and return it to the sender. Further, this report may not be copied, duplicated and/or transmitted to any U.S. person, which is not a U.S. Institutional Investor, nor a Major U.S. Institutional Investor.

In order to comply with the US regulations, our transactions with US Institutional Investors and Major US Institutional Investors are effected through the US-registered broker-dealer Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this report should be effected through Marco Polo or another U.S. registered broker dealer.