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The Week at a Glance

March 26th, 2014

- ✓ Editorial: The most awaited quarter is finally starting
- ✓ Due to a decline in liquidity, interbank rates rose and banks liquidated Lebacs
- ✓ The balance of payments reflected the strong contraction of reserves in 2013
- ✓ The trade surplus continued to deteriorate strongly in February
- ✓ Industry accumulated its seventh consecutive y/y contraction in February
- ✓ Consumer confidence ended a four-month decline in March

Weekly indicators

	Period	Last date	Last
Consumer confidence (UTDT)	Mar-14	8.2% m/m	-23.4% m/m
Trade balance	Feb-14	USD 44 mill.	USD 35 mill.
Exports	Feb-14	-6.1% y/y	-7.7% y/y
Imports	Feb-14	2.4% y/y	-3.5% y/y
Industry (INDEC)	Feb-14	0.2% m/m	1.6% m/m
Current account	IV Q-13	USD -1,721 mill.	USD -1,051 mill.

Editorial: The most awaited quarter is finally starting

The anxiously awaited second quarter, when export liquidations will grow and the Central Bank hopes to accumulate reserves again, is beginning. Nevertheless, the balance is definitely negative when considering the cost. The accumulated official devaluation so far this year has been already 23% against the dollar, inflation of around 10%, the fall in real wages of around 5%, the quarterly GDP contraction of around 2% and the decline in Central Bank reserves reached US\$ 3.4 billion.

There is nothing to celebrate. On the contrary, there are still many worrying factors, particularly on the external front. One key point is how many reserves would be able the Central Bank accumulate throughout the second quarter. It will most likely be between US\$ 1 and US\$ 2 billion, depending on the intensity of FX controls and over imports in particular.

An upturn in reserves in Q2 will help little to face a second semester that seems complicated and that raises various questions.

On the fiscal front, there is a risk that fiscal policy will once again demand the Central Bank to accelerate the expansion in monetary aggregates. Otherwise, we should expect a moderate adjustment in expenditures and subsidies. A partial adjustment in tariffs would come in a year of contraction in real wages and already intense wage increases negotiations. It is hard this will not affect the social mood even more.

On the external front, the Central Bank will face larger debt payments –namely the GDP warrant in December– in a context of lower export liquidations and a seasonally lower trade surplus. The trial with the holdouts is another question mark that is difficult to anticipate. Today, an agreement with the Paris Club or negotiations with the IMF to unlock international credit seem unlikely.

Sadly, only a higher than expected decline in economic activity (and employment) will allow reserves to grow substantially. The Government's goal is to lose the least amount of reserves, and employments, logically. The Government seems to have taken notice that, in this context, both cannot grow together, even though they did in the past. This delicate trade-off between reserves and employment is in the center of the tensions the Argentine economy is facing and will surely condition the economic policy decisions in the upcoming years.

Due to a decline in liquidity, interbank rates rose and banks liquidated Lebacs

- Banks began to feel the impact of the drought of local currency
- Banks' liquidity and financial requirements in the short term forced them to reduce their reverse repo stock and even liquidate Lebacs
- The reverse repo stock is at its lowest levels and the interbank rate touched 26%, rising strongly relative to February

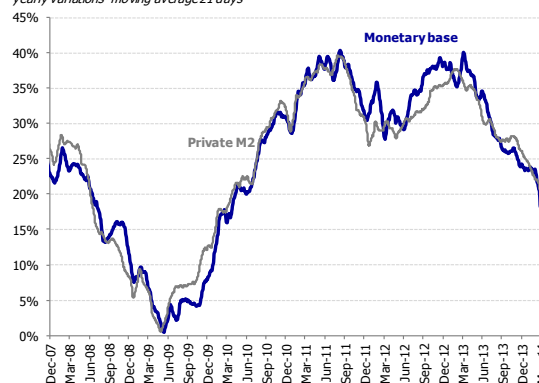
The persistent growth of credit over deposits and the notable deceleration in the monetary base's growth pace began to affect banks' liquidity. Although the trend has been observed since late 2011, it had experienced a pause in the last two months, due to a change in Central Bank regulations that forced banks to liquidate their assets in dollars.

Excess liquidity from selling these assets was placed in mostly in Lebacs, whose yield increased in recent Central Bank auctions, compared to the 9 and 9.5% yield on 1 and 7 day reverse repos, respectively. Thus, the Lebac stock reached 16.1% of total deposits in February, while reverse repos 2.6%.

Nevertheless, in the last weeks some banks, especially the smaller ones, began to feel the reduction in liquidity in pesos. According to the Central Bank regulations, reserve requirements are measured as a monthly average as of March, whereas in December-February they were measured in quarterly terms. Thus, in order to cover their liquidity and short-term financing requirements, banks reduced their reverse repo stock. Measured as a percentage of total deposits, they fell 1.6 percentage points in March, to 1%. Meanwhile, some banks were forced to liquidate Lebacs in advance, causing the monetary base to expand due to this factor, although Lebac auctions have been absorbing pesos.

Consequently, banks' liquidity, defined as cash disposal, current accounts in the CB and repos, as a share of total deposits, declined 0.2 percentage points in March, to 17.2%. Thus, the interbank rate suffered upward pressure and reached 26%, although the monthly average is 21.2% - well above the February average of 12.2%. On the other hand, the Badlar rate rose slightly in March, and its comfortably above 26%.

Monetary aggregates
yearly variations - moving average 21 days



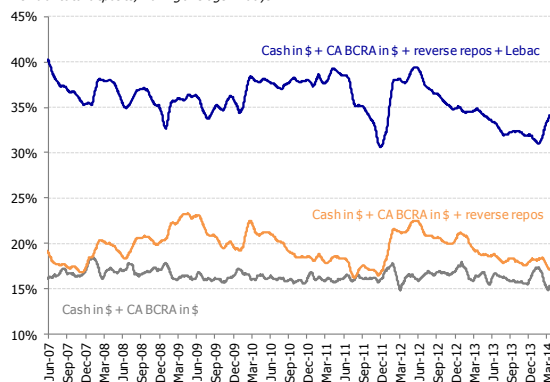
Source: Econviews based on BCRA

Reverse Repos stock
as % of total deposits in pesos - 21 days moving average



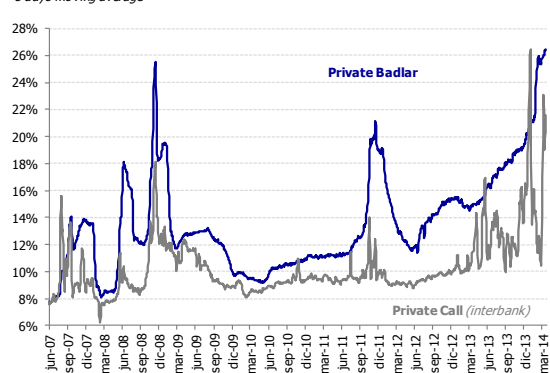
Source: Econviews based on BCRA

Banking system liquidity
As % of total deposits, moving average 21 days



Source: Econviews based on BCRA

Reference interest rates
5 days moving average



Source: Econviews based on BCRA

The balance of payments reflected the strong contraction of reserves in 2013

- The current account deficit in 2013 was US\$ 4.3 billion, compared to a US\$ 48 million surplus in 2013
- The contraction in the goods trade balance accounted for 65% of decline; the rest was due to a larger deficit in services
- The capital and financial account deficit was US\$ 5.9 billion in 2013, compared to US\$ 625 million in 2012
- In 2013 Central Bank reserves fell US\$ 11.8 billion

In 2013, the current account deficit was US\$ 4.3 billion, compared to a US\$ 48 million surplus in 2012. Even though the goods and services balance was positive (US\$ 7.0 billion surplus), the deficit in the income account, of which 78% was profit transfers and dividends, was larger (US\$ 10.7 billion). The deterioration was the result of a contraction in the goods and services surplus, which had reached US\$ 12.0 billion in 2012. The goods account explained 65% of the deterioration, while services accounted for the remaining 35%.

Export growth between 2012 and 2013 was led by oilseed and grains (US\$ 2.8 billion), land transportation (1.8 billion), fish and shellfish without elaboration (US\$ 342 million), dairy (US\$ 334 million), and meat (US\$ 308 million). The largest contractions were in fuel and energy (US\$ 1.6 billion), air and sea vehicles (US\$ 786 million), ores (US\$ 692 million), and cereals (US\$ 553 million).

On the other hand, imports grew relative to 2012 in every sector except intermediate goods. In the aggregate, they grew 8%, with a 4% rise in price and in volume.

The capital and financial account in 2013 recorded a net outflow of US\$ 5.9 billion, compared to a US\$ 625 million deficit in 2012. The private non-financial sector accounted for US\$ 4.9 billion, the non-financial public sector and the Central Bank accounted for an additional US\$ 1.8 billion, and the private financial sector for a net inflow of US\$ 846 million.

The flow in the non-financial private sector fell from US\$ 4.6 billion in net inflows in 2012 to US\$ 4.9 billion net outflows in 2013, which a US\$ 9.6 billion variation. While foreign asset purchases explained US\$ 2.9 billion, the reduction in debt accounts for the remaining US\$ 5.7 billion.

In this context, Central Bank international reserves contracted US\$ 11.8 billion in 2013.

Specifically in the last quarter, the current account recorded a US\$ 1.7 billion deficit. While the goods and services trade balance gave a

Balance of payments

In million US\$

	2012	2013	IV Quarter	
			2013	2013
Current account	48	-4,330	-657	-1,721
Goods balance (FOB)	15,372	12,155	2,974	2,621
Exports	80,927	83,026	19,820	19,547
Imports	65,556	70,871	16,846	16,926
Services balance	-3,366	-5,103	-684	-1,278
Exports	15,107	14,415	3,865	4,039
Imports	18,473	19,518	4,549	5,317
Factor income	-11,503	-10,709	-2,828	-2,606
Interests	-3,188	-2,933	-781	-748
Utilities & dividends	-8,245	-7,776	-2,031	-1,843
Transfers	-455	-673	-119	-457
Capital & fin. account	-625	-5,867	-821	-1,880
Financial sector and CB	-1,649	-1,154	135	107
Public sector	-3,647	183	-2,859	1,127
Private sector	4,624	-4,928	1,907	-3,115
Errors & others	-2,727	-1,627	-71	-344
Variation of reserves	-3,305	-11,824	-1,549	-3,945

Source: Econviews based on INDEC

US\$ 1.3 billion surplus, the income account presented a US\$ 2.6 billion deficit, of which 77% came from profit transfers and dividends.

Finally, the financial account in Q4 exhibited US\$ 1.9 billion in net outflows. This outcome was the result of US\$ 3.1 billion in the non-financial private sector, US\$ 93 million in the financial sector, and US\$ 1.3 billion in the public non-financial sector and Central Bank net revenues.

The trade surplus continued to deteriorate strongly in February

- In February the trade surplus was scarcely USD 44 million – it fell 92% y/y
- Exports were USD 5.34 billion and fell 6.1% y/y, while imports were USD 5.3 billion and grew 2.4% y/y
- The energy deficit was USD 381 million and we expect it to reach USD 8 billion in 2014

The trade surplus in February was USD 44 million – it fell 92% y/y and recorded the worst y/y contraction since March 2002. In January, the trade surplus had been the lowest since March 2001, the worst in fourteen years.

Exports were USD 5.4 billion and fell 6.1% y/y. For the second consecutive month, primary products exhibited the worst performance among different sectors, falling 34.2% y/y. Meanwhile, fuel and energy exports grew 47.2% and exhibited the best relative performance.

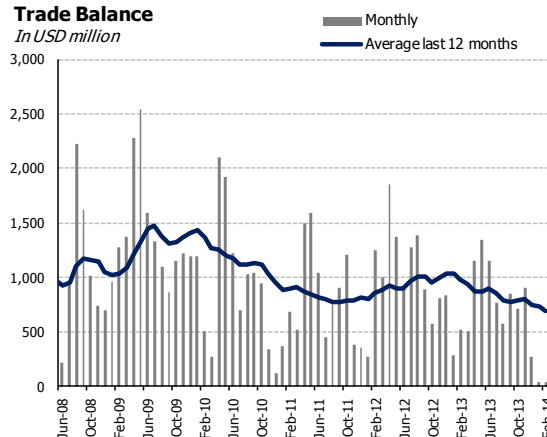
Meanwhile, imports reached USD 5.3 billion and rose 2.4% y/y. Automobile purchases exhibited the worst performance and fell 25.7% y/y

The energy trade deficit was USD 381 million, compared to USD 277 million in February 2013. Both exports and imports exhibited y/y expansions (47.2% and 42.7%, respectively).

We expect the trade surplus to be USD 14.6 billion as a result of a contraction in both exports and imports, which will be 2.7% and 10.5% lower than in 2013, respectively.

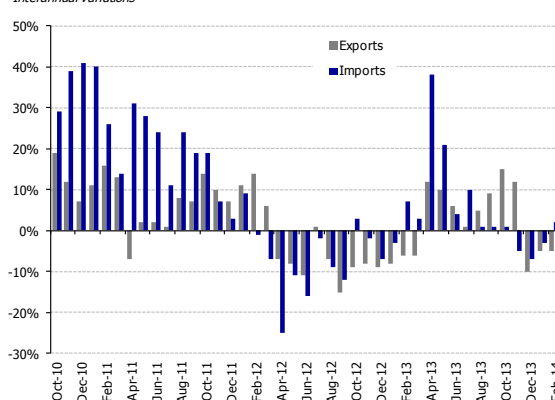
Trade Balance

In USD million



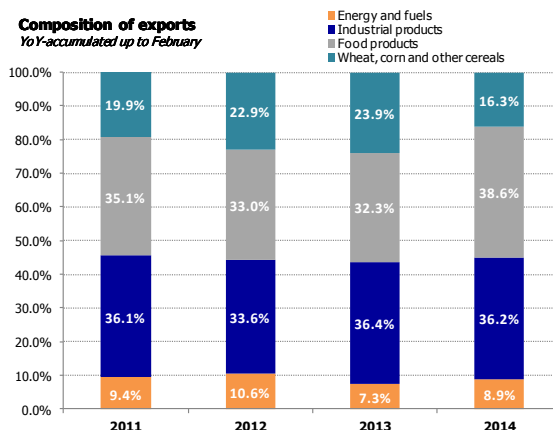
Foreign trade volumes

Interannual variations



Composition of exports

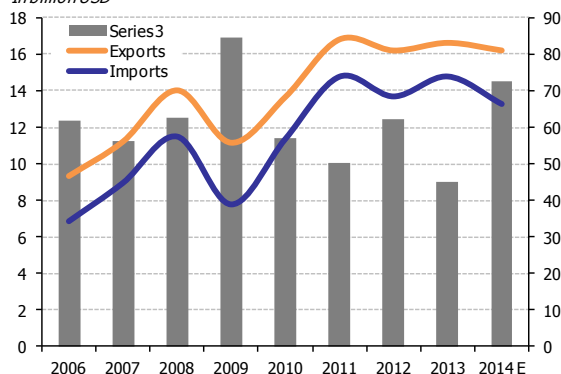
YoY-accumulated up to February



Source: Econviews based on INDEC and MECON

External trade

In billion USD



Industry accumulated its seventh consecutive y/y contraction in February

- Industrial activity contracted 0.5% y/y, for the seventh consecutive month, according to preliminary INDEC data
- Activity expanded 0.2% m/m in seasonally adjusted terms
- In 2014, we expect a 3.5% contraction in industrial activity

After accumulating a 0.2% contraction in 2013 and being one of the lowest growing sectors of the year, industry continues its negative trend in the first two months of 2014 and presented renewed signs of alarm. It is likely that the contraction in activity will deepen in the upcoming months, together with a significant contraction in imports and industrial inputs. Furthermore, industry will not count on the dynamism of Brazilian demand, which favored automobile production last year.

Industrial activity fell for the seventh consecutive month, in y/y terms, and will probably continue to do so in the upcoming months. According to preliminary INDEC data, industry contracted 0.5% y/y in February and accumulated a 1.6% contraction in the first two months of the year. In m/m terms, it grew 0.2% in seasonally adjusted terms.

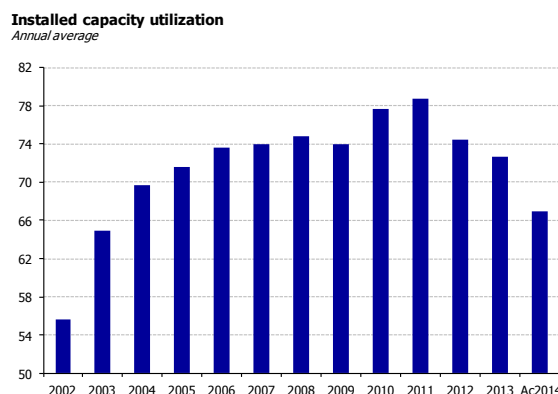
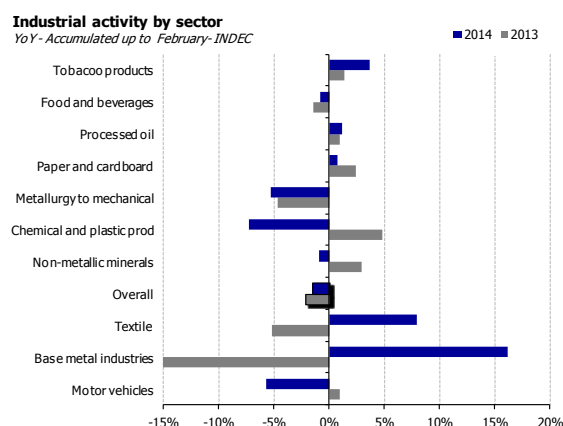
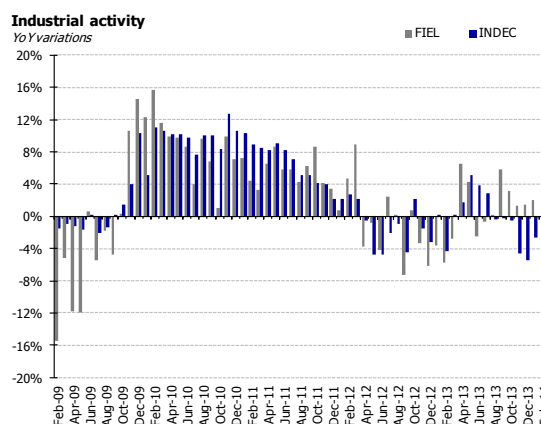
The y/y contraction in February was driven by rubber and plastic production (-8.92%) and chemical substances (-6.67%). Meanwhile, the automobile industry recorded a 0.25% y/y variation and accumulated a 5.69% contraction in the first two months of the year. On the other hand, the basic metals industry grew 12.91% and exhibited the best industrial performance for the second consecutive month.

Installed capacity utilization in January was 70.1% - compared to 71.5% in February 2013 - and accumulated seven consecutive y/y contractions.

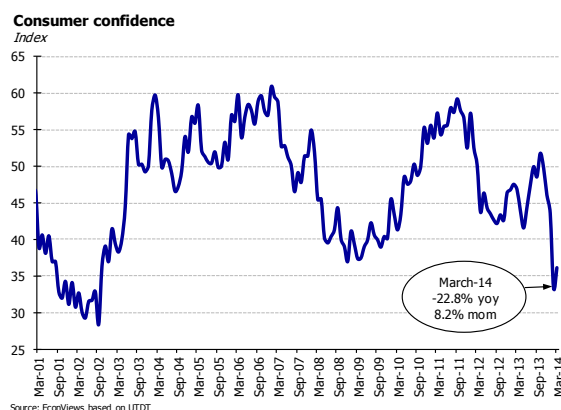
In 2014, we expect industrial activity to contract 3.5% in yearly terms, above the 2.0% contraction we expect in GDP.

Consumer confidence ended a four-month decline in March

- The consumer confidence index (UTDT) rose 8.2% m/m in March, reversing the historical -23.4% contraction from February



Source: EconViews based on INDEC



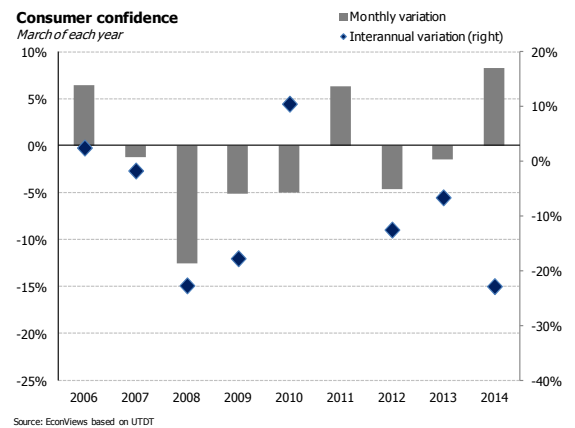
Source: EconViews based on UTDT

- *The indicator fell 22.8% relative to March 2013 and recorded its fourth consecutive y/y contraction*

Consumer confidence rose 8.2% m/m in March, reversing the historical -23.4% contraction from February and ending a four-month streak of consecutive contractions. This result is due to an improvement in present conditions (5.8%) and future expectations (5.3%).

Meanwhile, the index deteriorated 22.8% y/y – the fourth consecutive y/y contraction. This result is due to the poor performance of present conditions (-42.9%) and future expectations (-3.7%).

The indicator was 40.6% lower than its historical maximum from January 2007 and 37.2% lower than in October 2011, before the FX market regulations were put into place.



National Accounts

Last available data	q/q		y/y	Accumulated y/y		2013
	Current	Previous		2013	2012	

Real GDP

Real GDP ECONVIEWS*	<i>III Q-13</i>	-0.5%	1.6%	2.7%	2.2%	1.0%	-
Real GDP INDEC*	<i>III Q-13</i>	-0.2%	1.5%	5.5%	5.7%	1.8%	-
Investment	<i>III Q-13</i>	2.8%	-1.0%	6.1%	7.9%	-5.9%	-
Private consumption	<i>III Q-13</i>	0.3%	3.3%	8.3%	7.9%	4.4%	-
Public consumption	<i>III Q-13</i>	1.0%	1.8%	8.3%	7.8%	7.0%	-
Exports of goods and services	<i>III Q-13</i>	-0.8%	-3.4%	2.6%	-0.3%	-4.7%	-
Imports of goods and services	<i>III Q-13</i>	2.2%	2.2%	5.5%	10.7%	-6.3%	-

*Non-stacionary data

Source: MECON, unless the contrary is indicated

Activity and Prices

Last available data	m/m*			y/y	Accumulated y/y		2013
	Last	1 m ago	2 m ago		2014	2013	

Economic Activity

Economic Activity EMAE	<i>Dec-13</i>	0.1%	0.1%	-0.4%	2.7%	-	4.9%	4.9%
Leading Index (UTDT)	<i>Jan-14</i>	-1.1%	-3.4%	1.1%	6.7%	6.7%	-8.6%	3.7%
Industrial Activity (EMI)	<i>Feb-14</i>	0.2%	1.6%	-0.2%	-0.5%	-1.6%	-2.2%	-0.2%
Industrial Activity (FIEL)	<i>Jan-14</i>	-1.2%	-1.0%	-0.9%	2.1%	2.1%	-3.6%	0.7%
Automobiles	<i>Jan-14</i>	-23.5%	-26.7%	-17.0%	-16.6%	-16.6%	4.5%	4.7%
Iron and steel industry	<i>Jan-14</i>	-4.6%	-4.9%	-1.7%	16.0%	16.0%	-4.5%	4.5%
Food and beverages	<i>Jan-14</i>	-5.8%	0.2%	-11.7%	-4.1%	-4.1%	1.0%	0.3%
Construction (ISAC-INDEC)	<i>Jan-14</i>	-0.8%	1.5%	-1.7%	2.1%	2.1%	-1.9%	4.6%
Construction (ECONVIEWS)	<i>Jan-14</i>	-	-	-	1.5%	1.5%	-2.0%	3.5%
Construction permits	<i>Jan-14</i>	-15.8%	1.2%	0.5%	26.1%	26.1%	-54.6%	-13.0%
Cement consumption	<i>Feb-14</i>	-13.9%	-0.5%	-12.6%	-3.1%	-0.2%	2.5%	11.4%

Consumption Indicators

Retail sales (CAME)	<i>Feb-14</i>	-	-	-	-6.5%	-5.2%	-0.8%	-1.7%
Home appliances	<i>Feb-14</i>	-	-	-	-11.7%	-5.0%	-0.5%	1.8%
Shopping centers sales**	<i>Jan-14</i>	-48.1%	59.4%	-9.7%	5.1%	5.1%	-7.1%	2.8%
Supermarkets sales**	<i>Jan-14</i>	-22.1%	21.8%	4.1%	2.1%	2.1%	-1.4%	0.9%
Automobiles sales	<i>Feb-14</i>	17.2%	-47.4%	18.2%	-19.1%	-19.2%	-0.8%	16.1%
Consumer Confidence (UTDT)	<i>Mar-14</i>	8.2%	-23.4%	-5.4%	-22.8%	-19.8%	-11.7%	1.7%

Prices and wages

IPC Congress	<i>Feb-14</i>	4.3%	4.6%	3.4%	34.8%	32.5%	25.8%	27.9%
CPI INDEC (discontinued)	<i>Dec-13</i>	1.4%	0.9%	0.9%	10.9%	-	10.6%	10.9%
Wholesale prices-IPIM	<i>Feb-14</i>	5.1%	5.0%	1.5%	24.0%	21.6%	13.2%	14.8%
New CPI	<i>Feb-14</i>	3.4%	3.7%	-	-	3.5%	-	-
GDP deflator	<i>III Q-13</i>	-	-	-	17.7%	-	17.9%	-
Registered private wages	<i>Jan-14</i>	1.2%	1.0%	2.3%	25.7%	25.7%	24.8%	24.7%
Public wages	<i>Jan-14</i>	2.4%	1.6%	0.6%	28.8%	28.8%	18.1%	23.3%

*Seasonally adjusted monthly variations for activity series

** Series at current prices (INDEC) deflated by Price indicator ECONVIEWS (estimation based on several public sources)

Source: INDEC, unless otherwise is indicated

Fiscal and External Accounts

In million AR pesos

	Last available data	In million AR\$		y/y		Accumulated y/y		2013
		Current	Accum.	Last	A year ago	2014	2013	

Tax Revenues of the Central Government

Total Tax Revenues	<i>Feb-14</i>	81,173	171,480	33.3%	28.8%	35.5%	26.4%	26.3%
Total VAT (excludes refunds)	<i>Feb-14</i>	24,672	51,893	35.3%	32.8%	38.9%	29.4%	30.7%
VAT DGI	<i>Feb-14</i>	17,856	36,987	40.5%	27.1%	42.1%	23.4%	27.3%
VAT DGA	<i>Feb-14</i>	7,966	16,357	35.4%	51.6%	39.4%	41.8%	37.3%
Social security	<i>Feb-14</i>	21,011	49,187	29.2%	30.6%	30.4%	31.0%	30.9%
Income	<i>Feb-14</i>	18,009	36,381	41.2%	44.2%	44.0%	37.7%	32.6%
Financial transactions tax	<i>Feb-14</i>	5,628	11,377	40.8%	24.6%	39.9%	25.8%	28.6%
Exports tax	<i>Feb-14</i>	3,950	7,955	40.4%	-32.4%	37.5%	-34.1%	-9.5%
Imports tax	<i>Feb-14</i>	2,257	4,802	34.9%	57.4%	39.4%	49.4%	41.5%
Fuels	<i>Feb-14</i>	1,641	2,604	42.5%	19.6%	27.5%	18.2%	31.9%
Others	<i>Feb-14</i>	4,004	7,281	0.2%	40.0%	6.5%	40.8%	9.3%

Fiscal Accounts of the Central Government

Total revenues*	<i>Jan-14</i>	73,328	73,328	43.5%	25.5%	43.5%	25.5%	30.4%
Primary expenditures	<i>Jan-14</i>	72,529	72,529	44.2%	25.4%	44.2%	25.4%	33.5%
Wages and consumption	<i>Jan-14</i>	14,865	14,865	40.3%	28.5%	40.3%	28.5%	31.9%
Social security	<i>Jan-14</i>	24,825	24,825	34.1%	35.0%	34.1%	35.0%	33.0%
Transfers to private sector	<i>Jan-14</i>	15,934	15,934	73.1%	5.7%	73.1%	5.7%	29.0%
Capital expenditures	<i>Jan-14</i>	8,329	8,329	35.6%	25.4%	35.6%	25.4%	46.9%
Transfers to provinces	<i>Jan-14</i>	1,123	1,123	39.6%	-37.7%	39.6%	-37.7%	18.3%
Transfers to universities	<i>Jan-14</i>	2,637	2,637	38.9%	32.3%	38.9%	32.3%	24.6%
Other current expenditures	<i>Jan-14</i>	4,817	4,817	54.3%	73.8%	54.3%	73.8%	44.4%
Primary surplus	<i>Jan-14</i>	799	799	-	-	-	-	-22,479
Fiscal surplus	<i>Jan-14</i>	-3,052	-3,052	-	-	-	-	-64,478
Automatic transfers to provinces	<i>Jan-14</i>	22,646	22,646	46.2%	25.0%	46.2%	25.0%	30.2%

External Accounts

Trade balance	<i>Feb-14</i>	44	79	-91.6%	-58.2%	-90.1%	-47.1%	9,024
Exports (FOB)	<i>Feb-14</i>	5,393	10,624	-6.1%	-4.3%	-6.9%	-1.9%	83,026
Imports (CIF)	<i>Feb-14</i>	5,349	10,545	2.4%	9.8%	-0.6%	4.9%	74,002
Current Account	<i>IV Q-14</i>	-1,721	-4,330	-	-	-	-	-

Nominal GDP

Nominal GDP in AR\$	<i>III Q-13</i>	2,907,278	2,632,742	24.2%	17.0%	-	24.2%	-
Nominal GDP in USD	<i>III Q-13</i>	554,663	502,529	5.3%	5.7%	-	5.3%	-

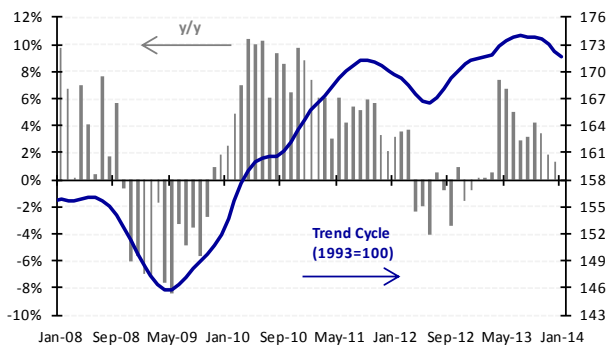
* Excludes automatic transfers to provinces and includes DEG in 2009, utilities of BCRA and rent FGS-ANSES, among others

MM = Millions (MM AR\$ for fiscal accounts and MM US\$ for external accounts)

Source: MECON

Economic Activity

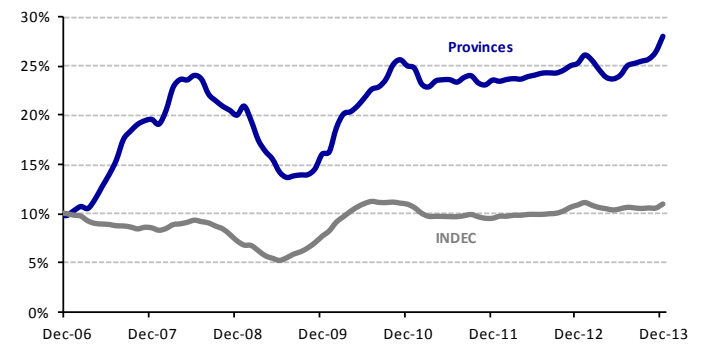
Non-official data



Source: EconViews based on several sources.

Inflation

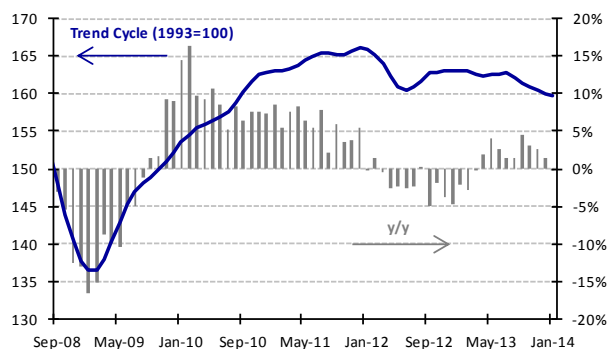
Annual variations



Source: EconViews based on INDEC, provincial statistics official institutions and other sources.

Industrial Activity

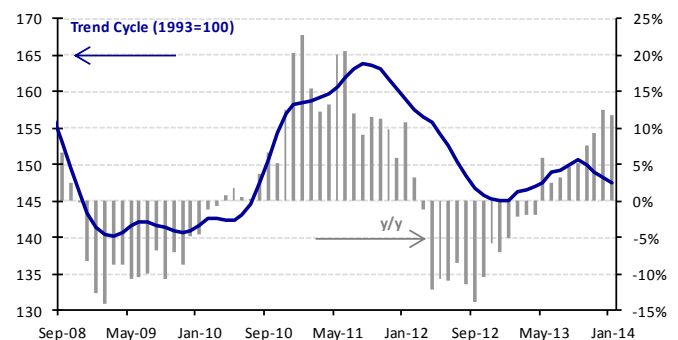
Non-official data



Source: EconViews based on FIEL.

Construction

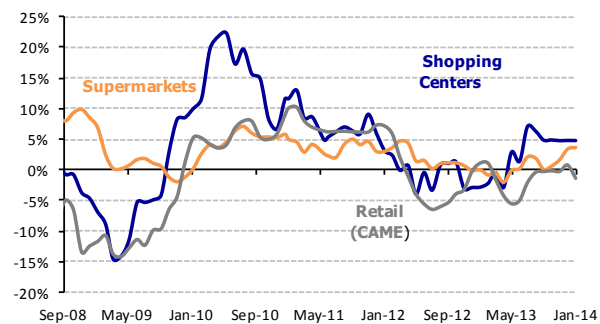
Non-official figures since 2006



Source: EconViews

Sales indicators in volume

Interannual variations - 3 months moving average



Note: supermarkets and shopping centers nominal sales deflated with EconViews estimation of CPI inflation
Source: EconViews based on INDEC and CAME

Consumer confidence

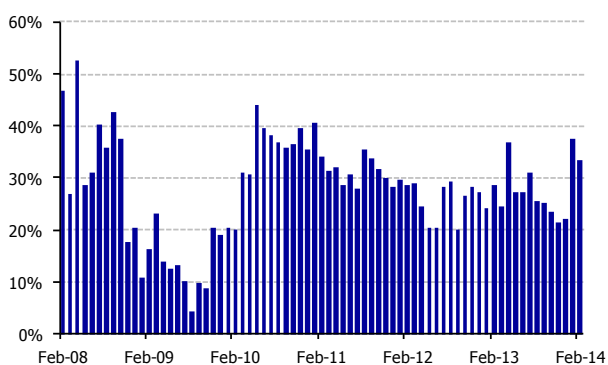
Index



Source: EconViews based on UTDI

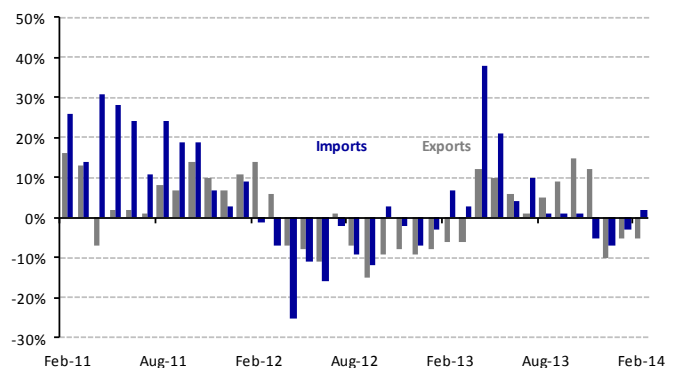
Tax Revenues

Annual changes - Central Government



Foreign trade volumes

Annual variations



Monetary Aggregates

In million pesos - As of Mar 14, 2014

Last date	Monthly Variation			Annual Variation					YTD Var.	
	Mar-14	Feb-14	Jan-14	Mar-14	Feb-14	Jan-14	2013	2012	2014	2013

Monetary Base

Monetary base	353,714	2.1%	-5.8%	1.7%	19.4%	18.6%	23.3%	23.3%	39.0%	-2.1%	1.8%
Held by the public	244,024	-0.2%	-2.7%	2.3%	18.8%	19.0%	21.1%	23.6%	37.9%	-0.7%	4.0%
In banks	109,689	7.8%	-12.4%	0.5%	20.6%	17.6%	28.4%	22.6%	41.5%	-5.1%	-2.7%
Drawn checks	1	4.9%	-1.7%	-54.4%	-64.5%	-58.7%	-33.7%	-42.4%	67.0%	-53.0%	-36.9%
Sources of Monetary Base Exp. (Mlns. of AR\$)	12,512	-19,039	-13,339	-19,866	-32,378	-13,339	69,845	84,430	-19,866	-10,433	
Dollar Purchases	2,041	12,924	-12,717	2,249	207	-12,717	-32,331	41,086	2,249	-210	
Government	-2	-3,741	8,515	4,772	4,774	8,515	94,082	47,495	4,772	3,362	
Reverse repos	4,546	1,994	-7,334	-794	-5,340	-7,334	11,718	715	-794	3,300	
Lebac / Nobac	7,207	-27,319	-10,746	-30,859	-38,066	-10,746	-4,541	-3,320	-30,859	-16,239	
Other	-1,280	-2,896	8,942	4,767	6,046	8,942	918	-1,546	4,767	-647	

Monetary Aggregates

Total M1	423,686	-4.4%	-6.9%	9.4%	20.5%	26.5%	29.6%	24.2%	38.2%	-2.6%	-0.5%
Held by the public	244,024	-0.2%	-2.7%	2.3%	18.8%	19.0%	21.1%	23.6%	37.9%	-0.7%	4.0%
Current accounts	179,660	-9.6%	-11.6%	18.7%	22.9%	37.2%	40.7%	25.1%	38.6%	-1.3%	-0.6%
Total M2	561,887	-2.3%	-6.5%	7.0%	21.7%	25.0%	29.2%	26.1%	39.6%	-2.2%	1.2%
Saving deposits in pesos	138,202	4.8%	-4.9%	-0.8%	25.4%	20.2%	27.9%	32.2%	44.6%	0.9%	6.5%
Total M3	924,171	-0.8%	-0.7%	2.7%	22.0%	23.9%	25.3%	26.1%	37.1%	1.2%	4.4%
Time deposits	333,928	1.1%	11.0%	-4.5%	21.5%	21.9%	17.5%	25.6%	34.0%	9.2%	10.8%
Total deposits	680,146	-1.0%	0.0%	2.9%	23.2%	25.7%	26.9%	27.0%	36.8%	1.9%	4.5%
Private M1	362,650	-0.4%	-2.3%	1.8%	18.4%	18.8%	20.8%	22.3%	36.5%	-0.9%	2.5%
Held by the public	244,024	-0.2%	-2.7%	2.3%	18.8%	19.0%	21.1%	23.6%	37.9%	-0.7%	4.0%
Current accounts	118,625	-0.7%	-1.4%	0.8%	17.6%	18.3%	20.2%	19.7%	33.8%	-1.3%	-0.6%
Private M2	489,014	0.8%	-2.3%	1.1%	21.0%	20.2%	22.4%	24.6%	36.9%	-0.5%	3.5%
Saving deposits in pesos	126,364	4.3%	-2.2%	-1.0%	29.2%	24.8%	27.3%	31.7%	38.1%	0.9%	6.5%
Private M3	747,690	1.5%	-0.3%	1.4%	24.8%	24.1%	25.0%	27.8%	40.3%	2.6%	5.5%
Time deposits	240,184	2.5%	4.0%	2.4%	32.5%	33.0%	31.0%	35.6%	51.2%	9.2%	10.8%
Total deposits	503,664	2.3%	1.0%	0.9%	27.9%	26.7%	27.1%	30.1%	41.7%	4.2%	6.3%

International Reserves

In billion dollars - As of Mar 14, 2014

Last Date	Monthly Variation			YTD Var.			Annual Variation		
	Feb-14	Jan-14	Dec-13	2014	2013	2012	2013	2012	2011

Stock - end of period	27,471	27,546	27,748	30,599	27,471	40,446	47,291	30,599	43,290	46,376
Factors of variation	-75	-202	-2,851	-199	-3,128	-1,891	789	-12,691	-3,086	-5,814
BCRA FX Purchases	247	1,662	-1,753	-924	156	-40	2,586	-5,310	9,200	3,335
International organisms	25	-180	-27	299	-182	-138	17	651	98	516
Government	-5	-124	-254	-384	-383	-207	-1,001	1,128	-2,390	6,076
Reserve requirements	-916	-2,241	77	1,129	-3,080	-1,169	1,272	239	878	-6,384
Other	575	681	-895	-319	361	-336	-2,084	-9,398	-10,872	-9,357

Deposits

In million pesos - As of Mar 14, 2014

Last Date	Monthly Variation			Annual Variation					YTD Var.	
	Mar-14	Feb-14	Jan-14	Mar-14	Feb-14	Jan-14	2013	2012	2014	2013

Deposits in Pesos

Total deposits	678,409	-0.7%	0.0%	2.9%	23.0%	25.6%	26.9%	27.2%	36.5%	1.8%	4.7%
Public sector deposits	174,744	-6.6%	-2.5%	8.2%	10.8%	22.8%	26.3%	20.1%	-2.6%	-4.6%	0.9%
Private sector deposits	503,664	1.5%	1.0%	0.9%	27.9%	26.7%	27.1%	30.1%	41.7%	4.2%	6.3%
Current accounts	118,625	-0.7%	-1.4%	0.8%	17.6%	18.3%	20.2%	19.7%	33.8%	-1.3%	-0.6%
Saving deposits	126,364	-1.3%	-2.2%	-1.0%	29.2%	24.8%	27.3%	31.7%	38.1%	0.9%	6.5%
Time deposits	240,184	3.9%	4.0%	2.4%	32.5%	33.0%	31.0%	35.6%	51.2%	9.2%	10.8%
More than \$1 million	131,846	3.9%	5.2%	2.2%	36.5%	37.3%	34.2%	40.8%	65.5%	10.2%	12.4%
Less than \$1 million	108,339	3.9%	2.5%	2.6%	28.1%	28.0%	27.4%	30.0%	38.0%	8.0%	9.1%

Deposits in Dollars

Total deposits	57,653	-4.8%	3.0%	12.0%	32.1%	33.1%	22.8%	13.1%	-19.1%	10.8%	-4.8%
Private sector deposits	44,860	-4.3%	1.8%	8.2%	18.7%	23.0%	19.1%	12.0%	-27.2%	5.9%	0.1%
Public sector deposits	12,793	-6.7%	7.6%	28.5%	119.0%	85.9%	38.3%	17.9%	65.2%	32.1%	-26.9%

Credit to the Private Sector

In Million Pesos - As of Mar 14, 2014

Last Date	Monthly Variation (%)			Annual Variation (%)					YTD Var. (%)	
	Mar-14	Feb-14	Jan-14	Mar-14	Feb-14	Jan-14	2013	2012	2014	2013

Total loans	509,506	-0.2%	1.7%	3.3%	30.8%	32.2%	32.1%	31.2%	29.5%	5.2%	5.2%
Loans in Dollars	28,073	-3.5%	11.8%	10.4%	6.3%	6.2%	-3.9%	-13.4%	-33.7%	19.6%	-1.7%
Loans in Pesos	481,433	0.0%	1.2%	3.0%	32.6%	34.2%	34.8%	34.7%	40.0%	4.4%	5.7%
Commercial loans	173,800	0.1%	0.9%	2.7%	32.3%	34.2%	34.5%	35.9%	50.2%	3.7%	5.8%
Overdrafts	63,663	5.0%	3.6%	3.2%	24.6%	20.5%	20.9%	19.9%	53.9%	11.7%	7.5%
Documents	110,138	-2.6%	-0.5%	2.4%	37.3%	43.0%	42.8%	45.8%	48.0%	-0.4%	4.8%
Mortgage and pledge loans	76,976	0.6%	1.2%	2.2%	27.7%	29.4%	30.2%	31.3%	30.2%	3.7%	6.1%
Mortgages	44,526	0.6%	0.6%	2.5%	21.9%	22.9%	23.8%	24.8%	28.4%	3.6%	5.7%
Pledge loans	32,450	0.4%	2.1%	1.7%	36.6%	39.4%	40.1%	41.4%	33.0%	3.8%	6.6%
Consumer loans	189,640	-0.1%	2.0%	3.8%	34.9%	36.4%	37.4%	36.0%	34.0%	6.3%	7.0%
Personal loans	100,928	0.1%	1.3%	1.4%	26.6%	29.6%	31.5%	31.2%	29.0%	2.6%	5.5%
Credit cards	88,713	-0.4%	2.9%	6.9%	45.9%	45.1%	45.1%	42.3%	41.4%	10.9%	9.1%

Bank Liquidity in Pesos

Monthly averages, in % - As of Mar 14, 2014

	Last Date	Monthly Evolution			Variation (bps.)		End of Period		
		Feb-14	Jan-14	Dec-13	MTD	YTD	2013	2012	2011
As % of total deposits									
Liquidity*	17.2%	17.4%	18.4%	18.2%	-25	-107	18.2%	21.1%	20.5%
Cash	4.1%	4.1%	4.2%	4.4%	3	0	4.4%	4.8%	5.5%
Current accounts in BCRA	12.1%	10.8%	12.8%	12.9%	130	-1	12.9%	13.2%	11.8%
Reverse repos	1.0%	2.6%	1.5%	0.9%	-157	0	0.9%	3.1%	3.1%
Broad liquidity**	34.5%	33.5%	31.5%	31.3%	96	3	31.3%	34.8%	36.0%
Lebacs & Nobacs	17.3%	16.1%	13.0%	13.1%	121	4	13.1%	13.7%	15.5%
<i>Memo:</i>									
Stock of reverse repos	6,719	17,576	10,159	6,000	-61.8%	12.0%	6,000	16,265	11,973
Stock of Lebacs & Nobacs	130,793	122,949	99,417	97,261	6.4%	34.5%	97,261	80,368	65,191

* Liquidity: cash in banks + current accounts in BCRA + reverse repos

** Broad liquidity: cash in banks + current accounts in BCRA + reverse repos with the CB + Lebacs & Nobacs

Interest rates

Monthly averages, in % - As of Mar 25, 2014

	Last Date	Monthly Evolution			Variation (bps.)		End of Period		
		Feb-14	Jan-14	Dec-13	MTD	YTD	2013	2012	2011
Badlar Rate									
Total banks	21.8%	22.4%	19.2%	18.5%	-58	330	18.5%	13.4%	14.8%
Private Banks	26.3%	25.6%	21.9%	20.2%	64	602	20.2%	15.4%	18.8%
Public Banks	17.6%	18.3%	15.6%	15.1%	-65	250	15.1%	10.5%	10.9%
Time deposits - 30 days in pesos	24.4%	23.7%	20.3%	18.8%	68	560	18.8%	14.6%	16.9%
BCRA									
Reverse repos - 1 day	9.0%	9.0%	9.0%	9.0%	0	0	9.0%	9.0%	9.0%
Reverse repos - 7 days	9.5%	9.5%	9.5%	9.5%	0	0	9.5%	9.5%	9.5%
Repos - 7 days	11.5%	11.5%	11.5%	11.5%	0	0	11.5%	11.5%	11.5%
Interbank loans									
Call rate	21.2%	12.2%	14.7%	19.3%	900	193	19.3%	10.3%	9.9%
Overdraft to corporations									
Overdrafts - 7 days and more than \$10 mill.	28.1%	25.9%	23.8%	22.9%	213	518	22.9%	14.4%	22.6%

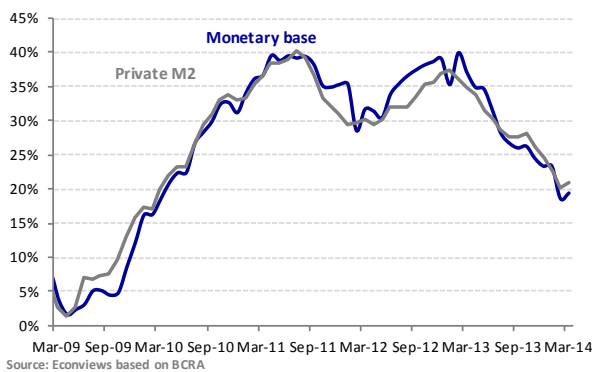
Exchange Rate

As of Mar 26, 2014

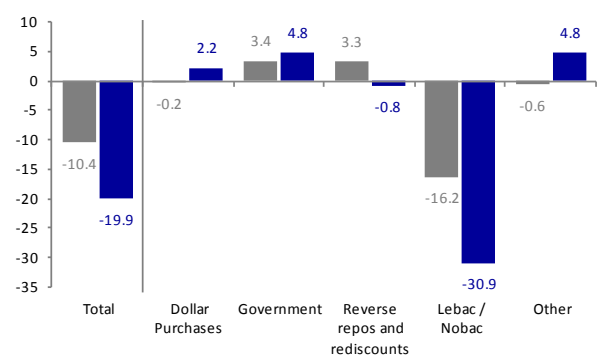
	Last Date	Monthly Devaluation (% an.)			Annual Devaluation (%)				
		Mar-14	Feb-14	Jan-14	Mar-14	Feb-14	Jan-14	2013	2012
Official exchange rate									
BCRA Reference exchange rate	8.01	19.2%	-20.5%	962.0%	55.6%	56.2%	61.1%	32.6%	14.2%
Parallel exchange rate									
Informal	10.88	11.55	11.70	9.96	10.04	6.80			
spread vs. official	35.9%	46.7%	45.9%	53.9%	54.0%	38.3%			
Blue chip	10.30	10.54	10.98	8.67	8.92	6.87			
spread vs. official	28.6%	33.9%	37.0%	34.0%	36.8%	39.7%			

Monetary Aggregates

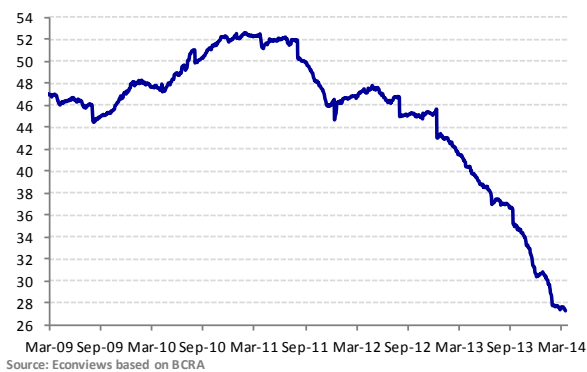
y/y growth


Monetary Base

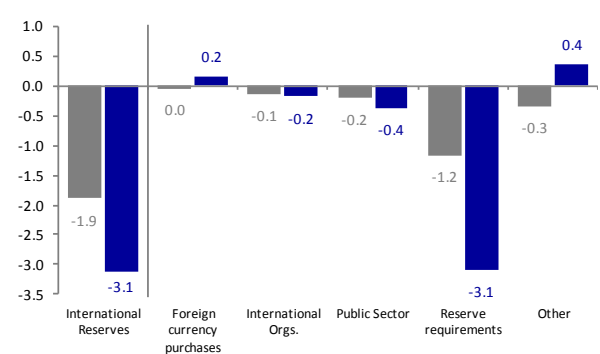
factors of expansion, in AR\$ bn.


International Reserves

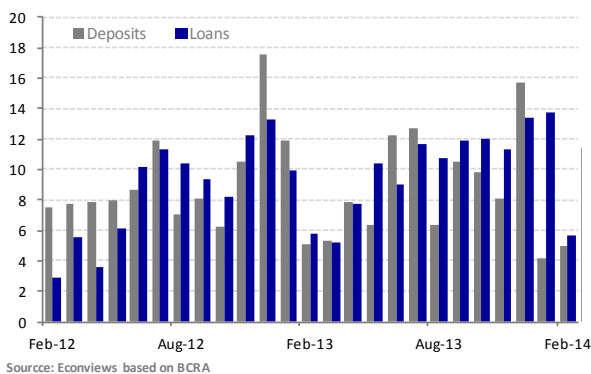
stock, in US\$ bn.


International Reserves

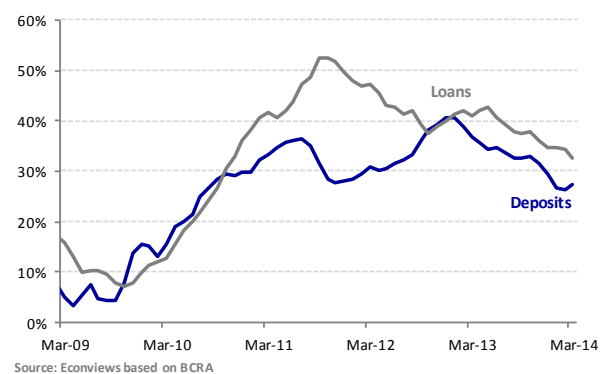
factors of variation, in US\$ bn.


Private sector financial intermediation in pesos

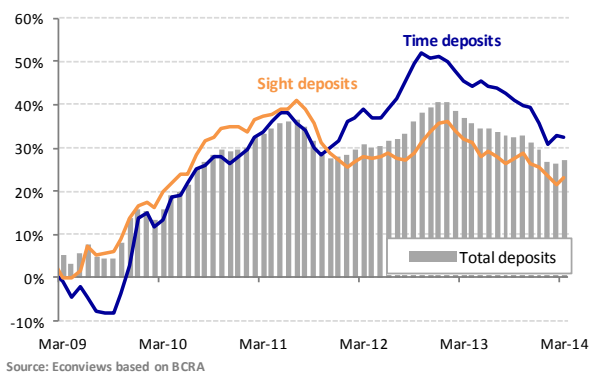
monthly variation of deposits and loans, in AR\$ mill.


Private sector financial intermediation in pesos

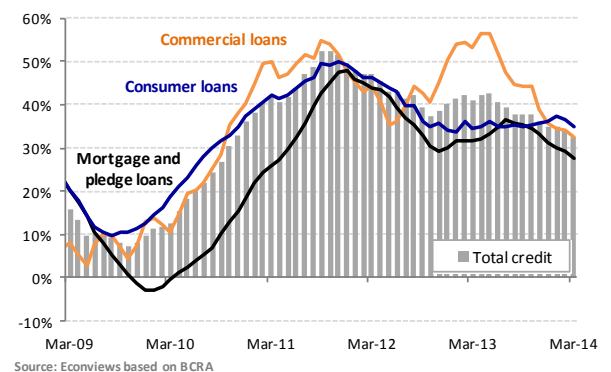
y/y growth


Private sector deposits in pesos

y/y growth

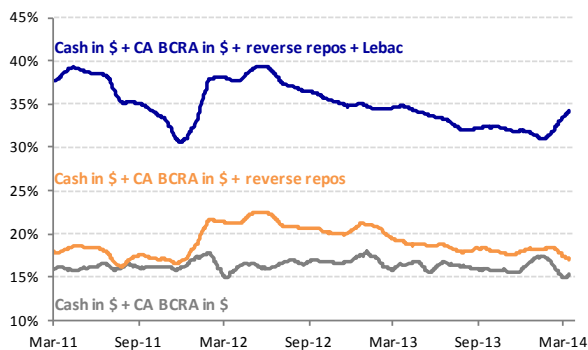

Credit to the private sector in pesos

y/y growth



Banking system liquidity

as % of total deposits, moving average 21 days



Source: Econviews based on BCRA

Banking system liquidity

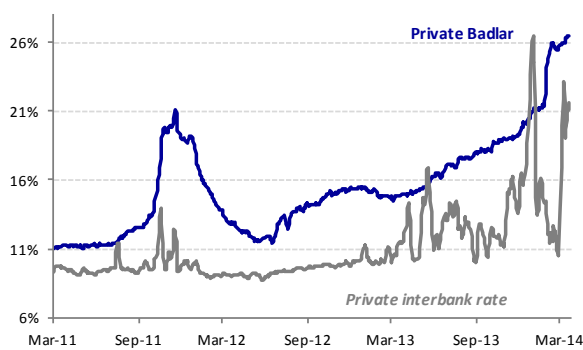
stock of reverse repos as % of total deposits, moving average 21 days



Source: based on BCRA

Reference rates

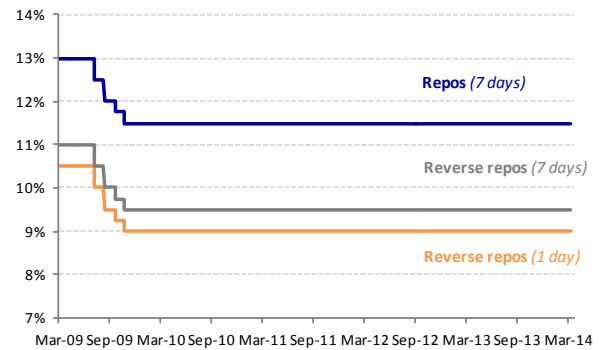
moving average 5 days



Source: Econviews based on BCRA

Reference rates

reverse repos and repos with the CB



Source: Econviews based on BCRA

Reference exchange rate

annualized cumulative devaluation rate of the last 60 d.



Source: Econviews based on BCRA

Dollar futures (ROFEX)

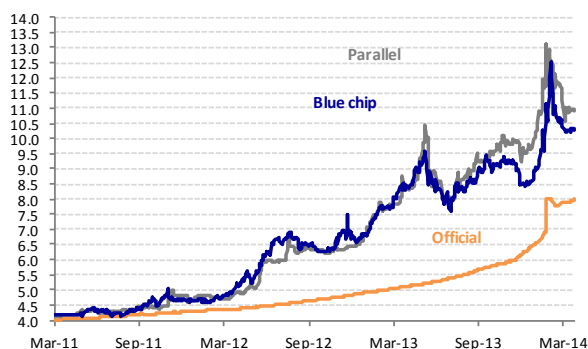
implicit devaluation rate in 1-year contracts



Source: Econviews based on Reuters

Parallel exchange rate

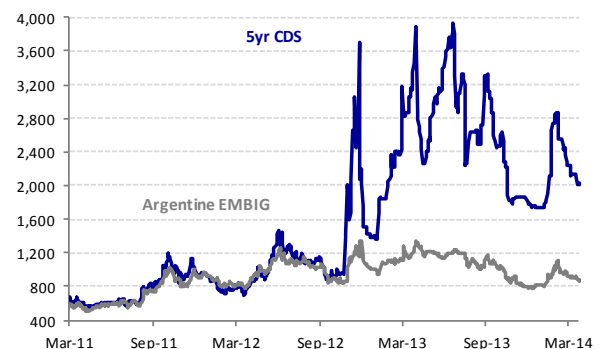
AR\$ per US\$



Source: Econviews based on Reuters and own calculations

5 year CDS and EMBI Argentina

spread, in bps



Source: Econviews based on JP Morgan

Release date of main economic indicators followed by Econviews Weekly Reports

Next week indicators are in bold

Indicator	Period	Source
Prices	Mar-14	INDEC and Province Estadistic Institutes
Tax revenues	Mar-14	Ministerio de Economía y Finanzas Públicas
Wages	Feb-14	INDEC
Economic activity	Jan-14	INDEC and EconViews indicators
Consumer confidence	Apr-14	Torcuato Di Tella University
Industry	Mar-14	INDEC and FIEL
Trade balance	Mar-14	INDEC
Sales	Feb-14	INDEC, CAME y ADEFA
Construction	Feb-14	INDEC, IERIC, AFCP and Econviews indicators
Fiscal accounts	Feb-14	Ministerio de Economía y Finanzas Públicas
Foreign exchange balance	1st Q-14	Banco Central de la República Argentina
Balance of payments	1st Q-14	INDEC
National accounts	4th Q-13	INDEC

Deposits, loans, interest rates and monetary base are actualized daily