



PUBLIC DEBT OPERATIONS

June 2023

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Executive Summary

In June, placements of bonds and treasury bills were made for the equivalent of USD38.17 billion. In three auctions, instruments payable in Argentine pesos were placed for a total cash value (CV) of ARS9,017.678 billion (equivalent to a nominal value of USD37.588 billion), of which ARS7,263.597 billion were issued through a voluntary swap of dual bonds, USD linked bonds, CER (Reference Stabilization Coefficient)-adjustable bonds in pesos, LEDES and LECERs maturing between June and September.

Loan disbursements of USD658 million were received and repayments of USD2.816 billion were made, mainly related to the payment to the IMF for the Stand-by loan for the equivalent of USD2.676 billion.

During June, net placements of Temporary Advances (TA) of ARS688 billion were recorded, increasing the stock to ARS4.15 trillion. Thus, Central Bank financing to the Treasury during the first half of the year totaled ARS1,358 billion.

Interest for the equivalent of USD497 million was paid in June, of which 53% was in foreign currency.

Estimated debt maturities for the month of July total the equivalent of USD9.395 billion, including debt in the portfolio of National Public Sector agencies. As for debt in foreign currency, principal payments to the IMF for approximately USD2.627 billion stand out. There are estimated maturities for the equivalent of USD35.69 billion between July and December 2023.

Table 1. June operations

In millions of USD

Type of instrument	Amortizations/ cancellations	Interest paid	Placements/ disbursements
In Argentine pesos	37,169	233	42,413
Treasury Bills	4,739	111	3,691
Bonds	29,763	118	33,374
BCRA temporary advances	2,667	0	5,348
Others	0	4	0
In foreign currency	2,818	264	1,762
Treasury Bills	0	0	0
BCRA non-transferable bills	0	113	113
Bonds	1	2	992
IMF	2,676	0	0
Other multilaterals	137	98	564
Other loans	3	52	94
Total	39,987	497	44,175

Note: Includes auctions and in-kind subscriptions settled in June. Capitalized interest is not considered.

SOURCE: OPC, based on data from the Ministry of Economy.

Placements and amortizations

Marketable securities

In June, three auctions were held resulting in the placement of instruments payable in pesos for a total cash value (CV) of ARS9,017.678 billion (equivalent to USD37.588 billion in nominal value).

In the first auction, a debt swap was offered to the holders of a set of securities payable in pesos maturing between June and September 2023, for new BONCERs maturing in December 2024 and dual bonds maturing in August and November 2024, and January 2025. As a result of the operation, approximately 78% of the eligible securities were swapped and new bonds were placed for a total of CV ARS7,263.597 billion.

In the following auctions, securities in domestic currency -BONCER, LECER and LELITES - were placed for a total of CV ARS959.825 billion, and securities in US dollars payable in pesos - dual bonds and USD-linked - for CV ARS794.256 billion (Table 2).

The second rounds, exclusively for participants of the Market Makers Program (MMP), totaled subscriptions of CV ARS19.292 billion, equivalent to 3% of the eligible securities placed in the first rounds.

Table 2. Results of June auctions

Swap

Date	Securities swapped	NV swapped		Instruments placed	Maturity	Term (in days)	NV awarded	
		(in millions of ARS)	(in millions of USD)				(in millions of ARS)	(in millions of USD)
Auction: 6/8/2023	Dual Bond TD S23		8,178					
	Dual Bond TD L23		12,381	BONCER T5X4	12/13/2024	549	2,248,772	
	USD-linked Bond T2V3		1,074	Dual Bond TD G24	8/30/2024	444		4,179
Settlement: 6/13/2023	LEDES S31L3	37,918		Dual Bond TDN24	11/29/2024	535		11,059
	LECER X16J3	57,791		Dual Bond TD E25	1/31/2025	598		7,948
	LECES X18L3	103,602						
	BONCER T2X3	375,652						

Subscriptions in pesos

Auction date	Settlement date	Instrument	Maturity	Term (in days)	NV awarded (in millions of ARS)	Cash value (in millions of ARS)	Cut-off price (ARS every NV ARS1.000)	APR
6/14/2023	6/16/2023	LELITES	6/30/2023	14	57,710	55,784	966.6	90.00%
		LECER* X18S3	9/18/2023	94	95,190	162,536	1,707.5	-2.96%
		LECER* X18O3	10/18/2023	124	118,299	128,059	1,082.5	-2.26%
		LECER* X23N3	11/23/2023	160	76,367	80,185	1,050.0	-0.46%
6/28/2023	6/30/2023	LELITES	7/18/2023	18	82,003	78,518	957.5	90.00%
		LECER* X18O3	10/18/2023	110	174,900	193,746	1,107.8	0.14%
		LECER* X23N3	11/23/2023	146	107,727	115,699	1,074.0	1.69%
		BONCER T3X4	4/14/2024	289	58,933	73,666	1,250.0	8.40%
		BONCER T2X5	2/14/2025	595	59,994	71,633	1,194.0	9.71%
Total instruments in pesos						959,825		

Subscriptions in pesos for dollar-denominated bonds payable in pesos

Auction date	Settlement date	Instrument	Maturity	Term (in days)	NV awarded (in millions of USD)	Cash value (in millions of ARS)	Cut-off price (ARS every NV ARS1.000)	APR
6/14/2023	6/16/2023	BONO DLK TV24	4/30/2024	319	167	42,612	1,032.0	-3.13%
		BONO DUAL TDG24	8/30/2024	441	1,610	402,507	1,011.0	-0.90%
6/28/2023	6/30/2023	BONO DLK TV24	4/30/2024	305	335	90,284	1,055.0	-5.87%
		BONO DLK T2V4	9/30/2024	458	992	258,853	1,023.0	-1.27%
Total USD-linked instruments						794,256		

* Instruments included in the Market Makers Program (MMP). Amounts placed include the second round of auctions.

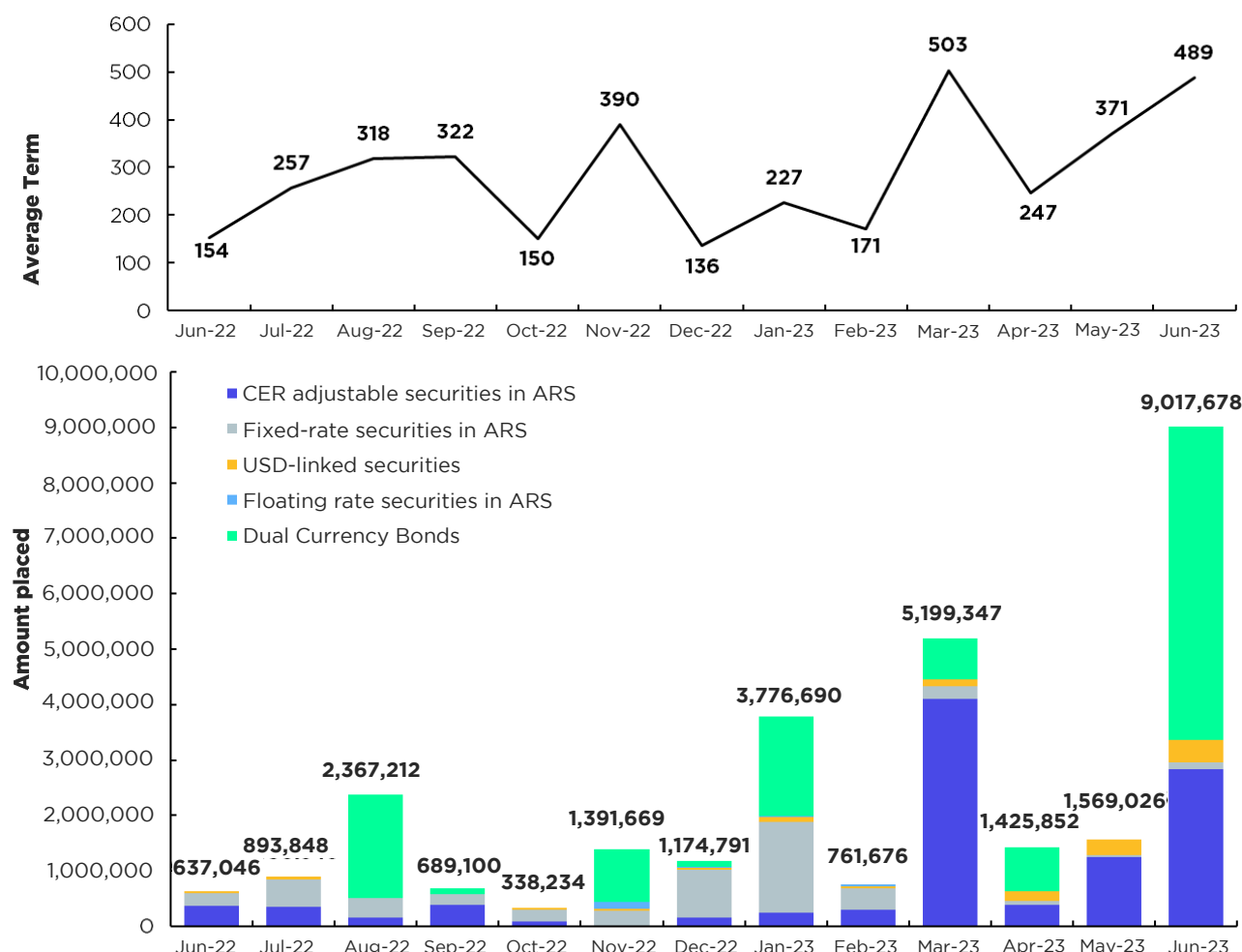
SOURCE: OPC, based on data from the Ministry of Economy.

Dual bonds accounted for 63% of the total amount placed through auctions in June; CER-adjustable securities in pesos, 31%; USD-linked securities, 4%; and fixed-rate securities in pesos, 1%.

The average maturity of securities placed through auctions in June was 489 days, higher than in the previous month (Figure 1). The increase was partly driven by the securities issued in the swap, which accounted for 81% of total placements through auction in the month and had a combined average maturity of 540 days. The maturity was 530 days for dual bonds, 408 days for USD-linked securities, 440 days for CER-adjustable securities in pesos and 16 days for fixed-rate securities in pesos.

Figure 1. Government securities auctions: amount placed and average term

Term in days; amounts in cash value in millions of ARS.



Note: Includes auctions in cash and in kind (swaps). Time periods refer to auction dates.

SOURCE: OPC, based on data from the Ministry of Economy.

Capital cancellations in pesos of marketable securities amounted to ARS8,452.529 billion (USD34.047 billion) during the month, mainly related to the June 13 swap.

Loans

In June, loan disbursements for USD658 million were received, mainly from the Inter-American Development Bank (IDB) for the financing of various programs for USD479 million and from the China Development Bank Corporation for works on the Belgrano Cargas Railroad. In addition, repayments of USD2.816 billion were made, including the payment at the end of the month to the IMF for the Stand-by 2018 loan for the equivalent of USD2.676 billion (SDR2.014 billion, which were paid in special drawing rights for SDR1.207 billion and in yuan for CNY7.801 billion) (Table 3).

Table 3. Flow of loans

June 2023; in millions of USD

Creditor	Disbursement	Amortizations
Multilateral	564.0	2,813.0
World Bank	59.8	32.3
CABAEI	5.0	0.9
IDB	478.6	26.7
CAF	20.1	65.8
IFAD	0.0	2.3
IMF	0.0	2,676.1
OFID	0.0	1.7
FONPLATA	0.5	7.0
Bilateral	92.6	0.8
Other	1.4	2.5
Total	658.0	2,816.3

SOURCE: OPC, based on data from the Ministry of Economy.

During June, an IDB credit line for investment projects was approved for up to USD600 million to finance the Program for the Integration of the Argentine Health System. In addition, IDB loans were approved for USD815 million to finance the Program to Support Public Policies for Sustainable and Resilient Growth in Argentina II, the Program to Support the Social Inclusion of Persons with Disabilities and for the First Individual Operation of the Program for the Integration of the Argentine Health System, and from CAF for USD12 million for the Federal Pre-Investment Program.

In the first half of the year, loans and conditional lines of credit from various international credit organizations were approved for the equivalent of USD3.628 billion and USD1.71 billion, respectively.

The Ministry of Economy announced the signing of bilateral agreements with Spain, France, and Sweden within the framework of the debt restructuring process with the Paris Club. After the agreement reached in October 2022, in which the amount owed was rescheduled allowing the extension of the term until 2028, it was agreed with 15 of the 16 creditor countries member of such organization.

Intra-public sector financing

Public sector securities

In June, Treasury bills in pesos held by different public sector agencies for ARS106.277 million matured and were refinanced through the issuance of new bills in domestic currency maturing in December 2023 for ARS115.866 million. These securities were issued within the framework of DNU 668/2019 (as amended), which provides that national public sector agencies may only invest their transitory liquidity surpluses through the subscription of pre-cancelable bills issued with a maximum term of 180 days.

Central Bank financing

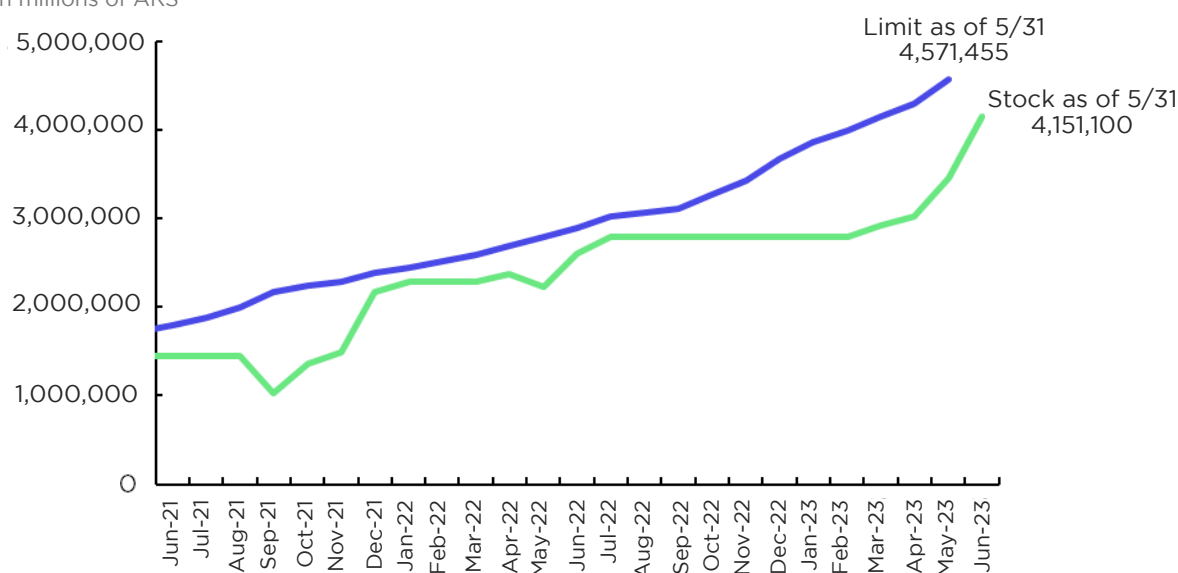
In June, the Treasury issued non-transferable bills to the Central Bank (BCRA) for USD113 million, maturing in 2033 and bearing semiannual interest at the yield rate of international reserves. These securities were issued to refinance the interest services of other similar bills held by the BCRA.

During the month, net placements of Temporary Advances (TA) were recorded for ARS688 billion, which increased the stock to USD4.15 trillion. Thus, the Central Bank's financing to the Treasury accelerated in the last two months and accumulated ARS1,358 billion in the first half of the year.

According to the latest available information on National Non-Financial Public Sector (NFPS) resources, at the end of May, the legal ceiling on the TA stock stood at ARS4.57 trillion (Figure 2)¹.

Figure 2. Temporary advances from the Central Bank

In millions of ARS



SOURCE: OPC, based on data from the Ministry of Economy and BCRA.

Interest

In June, interest payments were made for the equivalent of USD497 million, of which 53% was in foreign currency. Maturities of interest on non-transferable Treasury bills to the BCRA for USD113 million, payments of Discount bonds in pesos for ARS27.962 billion (USD112 million) and of intra-public sector bills in pesos for ARS27.746 billion (USD111 million) stand out (Table 4).

¹ In accordance with the BCRA's Charter, the calculation of the total limit is composed of 12% of the balance of the last day of the month of the monetary base, 10% of the NFPS current revenues accumulated in the last 12 months (including property income from BCRA profits and those received by the FGS - Sustainability Guarantee Fund - and other government entities), plus an additional exceptional limit equivalent to 10% of the NFPS current revenues accumulated in the last 12 months.

Table 4. Interest payments by type of instrument

June 2023; in millions of USD

Instrument	Domestic currency	Foreign currency
Government securities	229.0	114.4
DISCOUNT ARS (DICP)	111.9	0.0
Intra-public sector bills in ARS	111.4	0.0
BONTE ARSAT	3.7	0.0
DISCOUNT ARS (DIPO)	1.3	0.0
Fiscal Consensus Bonds	0.5	0.0
BOCON (PR13)	0.1	0.0
BCRA Bills 2033	0.0	112.7
DISCOUNT JPY	0.0	1.5
Others	0.0	0.2
Multilateral	0.0	97.8
Bilateral	0.0	51.3
Others	3.7	0.8
Total interest	232.7	264.4

SOURCE: OPC, based on data from the Ministry of Economy.

Authorizations for public credit operations

The Budget Law establishes the limits for public credit operations for each budget year. Chapter VII of Budget Law 27,701 contains several Sections that authorize the formalization of public credit operations under the terms of Sec. 60 of Law 24,156 of Financial Administration.

A first group of Sections of Law 27,591 (37, 45 and 48) establishes limits to the gross amounts of issuance of securities and contracting of loans with maturities that may be after the closing of the fiscal year in which the placement or disbursement is made.

On June 8, Resolution 758/2023 of the Ministry of Economy reallocated the authorized amounts of Sec. 37 for the issuance of securities and contracting of loans within the different minimum maturities (between 90 days and 4 years).

During the month, securities for ARS8,230.873 billion were placed under Sec. 37 authorization, maturing in 2024, 2025 and 2033, which, added to the placements between January and May, total ARS16,394.66 billion (Table 5).

Table 5. Debt Authorizations: Sec. 37 Law 27,701

Placements as of June 30, 2023; in millions; limits on issuance amounts.

Instrument	Minimum term	Currency	Authorized amount	Amount placed	Amount remaining
Government securities or loans	90 days to 4 years	ARS	23,317,000	16,394,660	6,922,340
Loans	3 years	USD	28,595	n/a	n/a

SOURCE: OPC, based on data from the Ministry of Economy.

A second group of Sections of Law 27,701 (38 and 39) establishes limits for the use of short-term credit (maturing within the same fiscal year). In these cases, instead of establishing limits on the gross amount to be issued, maximum limits are set on the outstanding amounts of these instruments. Therefore, as they mature, they free margin for new issuances.

There were placements under the Art. 38 authorization for ARS828.061 billion during the month. The amount outstanding as of June 30 was ARS2,379.224 billion, below the limit established of ARS6,664.451 billion.

Operations scheduled for coming months

The Ministry of Economy’s schedule for July includes two auctions on July 14 and 27, with settlement dates on July 17 and 28, respectively.

The estimated debt maturities for the month of July total the equivalent of USD9.395 billion, including the debt in the portfolio of National Public Sector agencies. Maturities in domestic currency are estimated at ARS1,342.363 billion, among which the payments of LECER X18L3 for ARS529.823 billion (equivalent to USD1.984 billion) and BONTE USD linked T2V3 for ARS295.332 billion (equivalent to USD1.106 billion) stand out (Table 6).

Interest payments on GLOBAL bonds and BONARES in foreign currency for USD1.022 billion were made in the first days of July. In addition, principal payments to the IMF for approximately USD2.627 billion stand out. Argentina has requested the IMF to bundle the three maturities of July in order to cancel them in a single payment on the last day of the month.

Table 6. Upcoming maturities

July 2023

Payments in domestic currency; in millions of ARS

Payments in foreign currency; in millions of USD

Instrument	Date	Principal	Interest	Instrument	Date	Principal	Interest
BONTE ARS FGS	Jul-5	0	6,403	IMF	Jul-7	1,297	0
BOCON (PR13)	Jul-15	1,496	24	BONAR USD (AL29, AL30, AL35, AL38 and AL41)	Jul-9	0	355
BONTE 2024 (TB24)	Jul-18	0	2,215	GLOBAL EUR (GE29, GE30, GE35, GE38, GE41 and GE46)	Jul-9	0	40
LECER (X18L3)	Jul-18	529,823	0	GLOBAL USD (GD29, GD30, GD35, GD38, GD41 and GD46)	Jul-9	0	627
LELITES	Jul-18	82,003	0	IMF	Jul-14	648	0
BONCER 2024 (T2X4)	Jul-26	0	10,000	IMF	Jul-28	682	0
DUAL BOND (TD L23)	Jul-31	185,398	0	Bills USD Mendoza	Jul-28	129	0
Fiscal Consensus Bonds	Jul-31	281	126	BCRA Bills		0	170
BONTE DLK (T2V3)	Jul-31	295,332	0	Multilateral (except IMF)	various	82	61
LEDES (S31L3)	Jul-31	61,330	0	Bilateral		209	68
Temporary Advances	various	167,000	0	Total		3,047	1,321
Other		0	932				
Total		1,322,663	19,700				

August 2023

Payments in domestic currency; in millions of ARS

Payments in foreign currency; in millions of USD

Instrument	Date	Principal	Interest	Instrument	Date	Principal	Interest
BONCER 2023 (T2X3)	Aug-13	691,802	5,361	IMF	Aug-1	0	758
BONCER (T2X5)	Aug-14	0	35,722	Intra-public sector bills USD	Aug-28	1,154	0
BOCON (PR13)	Aug-15	1,610	23	BCRA Bills		2,292	37
BONTE 2031 (TB31)	Aug-17	295	2,363	Multilateral (except IMF)	various	124	68
BONTE 2027 (TB27)	Aug-23	0	31,850	Bilateral		1	1
Fiscal Consensus Bonds	Aug-31	283	124	Total		3,571	864
Temporary Advances	various	40,000	0				
Other		0	1,028				
Total		733,990	76,471				

SOURCE: OPC, based on data from the Ministry of Economy.

Between July and December 2023, maturities are estimated for the equivalent of USD35.69 billion, of which USD15.81 billion are in foreign currency (Figure 3 and Table 7). However, maturities in dollars for non-transferable BCRA bills and other bills subscribed by government agencies (amounting to USD2.691 billion and USD1.154 billion, respectively), will not imply disbursements by the Treasury since they are renewed at maturity². Most of the payments in foreign currency relate to payments to the IMF for a total equivalent to USD8.52 billion, USD7.083 billion for amortizations and USD1.437 billion for interest.

Maturities payable in pesos amount to the equivalent of USD19.88 billion (56% of the total), comprising CER-adjustable debt (57% of total payments in pesos), USD-linked (9%), dual bonds with variable adjustment depending on the evolution of the CER and the exchange rate (6%), and unadjusted securities in pesos (28%). Specifically, maturities of government securities in domestic

² In accordance with the provisions of Budget Law 27,701 of 2023.

currency amount to the equivalent of USD16.385 billion, of which USD749 million relate to securities subscribed by government agencies.

Table 7. Maturity profile by type of instrument

In millions of USD; includes amortization and interest

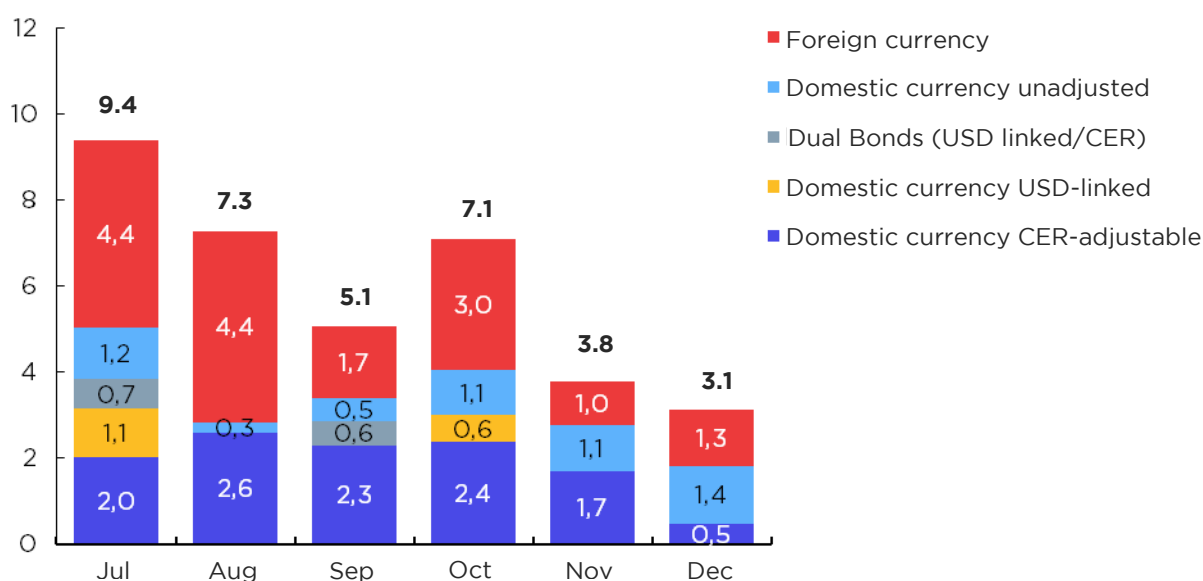
Type of instrument	Jul	Aug	Sep	Oct	Nov	Dec	Total Jul-Dec
Payable in domestic currency	5,026	2,832	3,401	4,044	2,763	1,813	19,880
Government securities	4,373	2,689	2,856	3,231	2,024	463	15,636
Securities subscribed by government agencies	24	0	326	22	0	378	749
Temporary Advances from BCRA	625	140	212	788	735	969	3,470
Others	3	4	7	4	4	3	25
Payable in foreign currency	4,369	4,434	1,652	3,042	1,021	1,292	15,810
Government securities	1,152	0	12	112	0	1	1,277
Bills subscribed by government agencies	0	1,154	0	0	0	0	1,154
IMF	2,627	758	914	2,627	679	914	8,520
Others - multilateral and bilateral	420	193	706	245	319	262	2,145
BCRA Bills	170	2,329	21	58	0	113	2,691
Others	0	0	0	0	23	0	23
Total	9,395	7,266	5,053	7,087	3,784	3,105	35,690

Note: "Others" include promissory notes, secured loans and commercial bank loans.

SOURCE: OPC estimate, based on data from the Ministry of Economy.

Figure 3. Maturity profile by currency

In millions of USD; includes amortization and interest

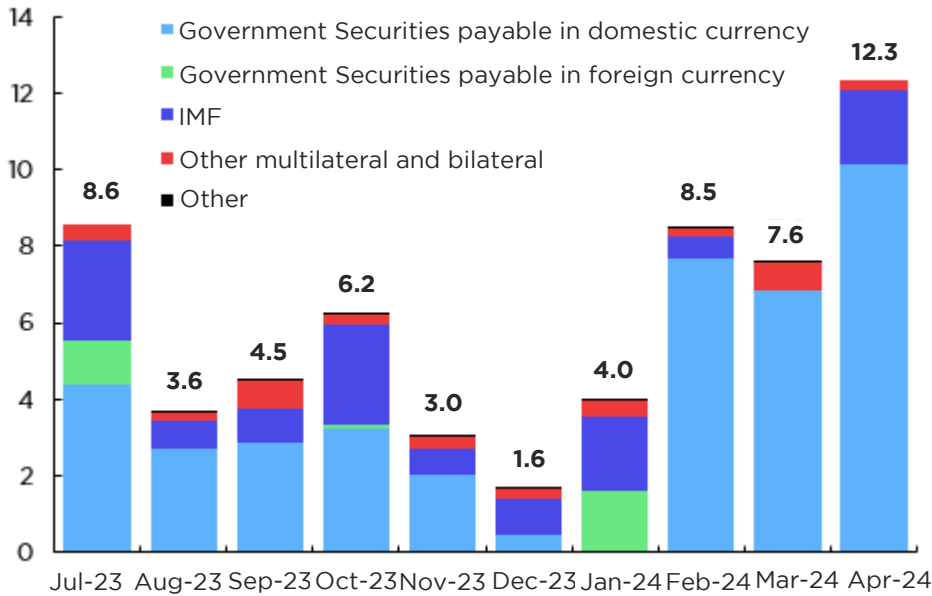


SOURCE: OPC estimate, based on data from the Ministry of Economy.

Figure 4 shows the maturity profile discounting the maturities of Temporary Advances, non-transferable BCRA bills and non-marketable securities subscribed by government agencies. It is observed that, from July to December 2023, maturities excluding the referred instruments amount to the equivalent of USD27.601 billion, of which USD11.965 billion are payable in foreign currency. For the first four months of 2024, payments are estimated for an equivalent of USD32.393 billion.

Figure 4. Maturity profile by type of instrument (excludes Temporary Advances, non-transferable BCRA bills and securities subscribed by government agencies)

In millions of USD; includes amortization and interest



SOURCE: OPC estimate, based on data from the Ministry of Economy.

Methodological comments

The purpose of this report is to summarize the main public credit operations conducted by the Central Government, comprising the Executive, Legislative and Judicial branches, and the Public Prosecutor's Office, in June 2023.

The debt operations analyzed include disbursements, amortizations, capitalizations, and interest payments.

Disbursements comprise market placements, direct subscriptions of government securities and loan disbursements. These operations are expressed in nominal values.

Amortizations refer to principal cancellations of debt instruments (maturities, precancellations, repurchases, swaps, etc.). In line with the Debt Management and Analysis System (DMFAS) records, for discounted securities (zero coupon), the final payment is recorded in full as principal.

For comparison and aggregation purposes, transactions in U.S. dollars are valued at the BCRA reference exchange rate (Communication A 3500). For stocks, the month-end exchange rate is used, while flows are valued at the date of each transaction.

In addition, an estimate of the profile of debt interest and principal maturities as of the end of the month under analysis is included. The impact of subsequent transactions is included where explicitly indicated. The maturity profile includes only the direct debt of the National Government.

The data used for this report comes mainly from statements published by the Ministry of Treasury on its website, regulations published in the Official Gazette, releases from the Electronic Open Market (MAE), *Bolsas y Mercados Argentinos* (BYMA), the *Relevamiento de Expectativas de Mercado* (REM) of the Central Bank of Argentina, and queries made in the Financial Information System (e-SIDIF) and the Debt Management and Analysis System (DMFAS). For this report, preliminary data recorded in the DMFAS and e-SIDIF as of July 12, 2023, were analyzed. Operations recorded after this date are not included.

OPC Publications

The Argentine Congressional Budget Office was created by Law 27,343 to provide support to the Legislative Branch and deepen the understanding of issues involving public resources, democratizing knowledge and decision making. It is a technical office of fiscal analysis that produces reports open to the public.

This report does not contain binding recommendations.

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