



PUBLIC DEBT OPERATIONS

October 2023

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Executive Summary

- There were debt principal repayments in pesos for ARS1,786.93 billion during the month, mainly for the cancellation of LECER X18O3, LEDES S31O3, LELINK D31O3 and LECER X23N3 for ARS1,688.273 billion, and interest was paid on debt in local currency for ARS146.218 billion. In addition, financing in pesos was recorded for ARS2,706.427 billion, mainly through two auctions of government securities for ARS1,892.363 billion.
- Repayments of debt in foreign currency amounted to USD407 million and securities were placed, and loan disbursements were received for a total equivalent to USD382 million. Interest on foreign currency debt was paid in an amount equivalent to USD279 million.
- Estimated debt maturities for the month of November in local currency amount to ARS1,551.809 billion (among which the payments of LECER X23N3 for ARS1,298.932 billion stand out); and maturities in foreign currency are estimated at USD3.741 billion: USD2.766 billion in principal and USD976 million in interest.

Public debt payable in Argentine pesos

The public debt of the Central Government payable in pesos includes:

- Instruments denominated in domestic currency adjustable by CER (Reference Stabilization Coefficient)
- non-adjustable instruments denominated in domestic currency.
- Instruments denominated in dollars payable in pesos (USD-linked and dual bonds).

This includes securities issued through auctions, restructuring, securities placed with public sector entities (FGS - Sustainability Guarantee Fund -, BCRA - Central Bank of Argentina -, *Banco Nación*, Trust Funds, etc.), consolidation bonds (issued for the cancellation of consolidated debt under Laws 23,982 and 25,344), temporary advances from the BCRA, loans to the Treasury in domestic currency (from commercial banks, promissory notes and guaranteed loans), Treasury promissory notes and guarantees (indirect debt), among others.

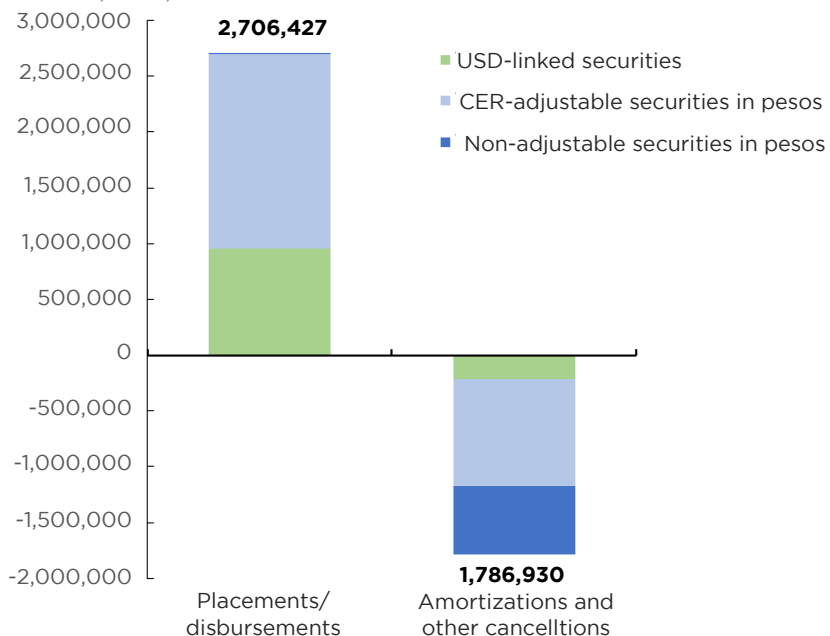
Variations in principal

During October there were cancellations of debt principal in pesos for ARS1,786.93 billion (Figure 1) for government securities, of which ARS1,688.273 billion were the result of the swap and subsequent payment of amortization at maturity of the remaining principal (in case they matured in October) of the Treasury bills LECER X18O3, LEDES S31O3, LELINK D31O3 and LECER X23N3. At the beginning of the month, a swap was offered to National Government entities (FGS, BCRA) of their holdings of these bills maturing in October and November 2023 for BONCER TX26. The remaining principal of those maturing in October, ARS1,026.605 billion, was paid at maturity.

The Treasury obtained financing in pesos for ARS2,706.427 billion. Of the total, ARS1,892.363 billion were placed through two auctions of peso- and dollar-denominated government securities payable in pesos and ARS814.064 billion related to the placement of BONCER TX26 within the framework of the swap of bill held by National Government entities.

Figure 1. Variations in principal amount of debt payable in pesos

October, 2023; in millions of ARS



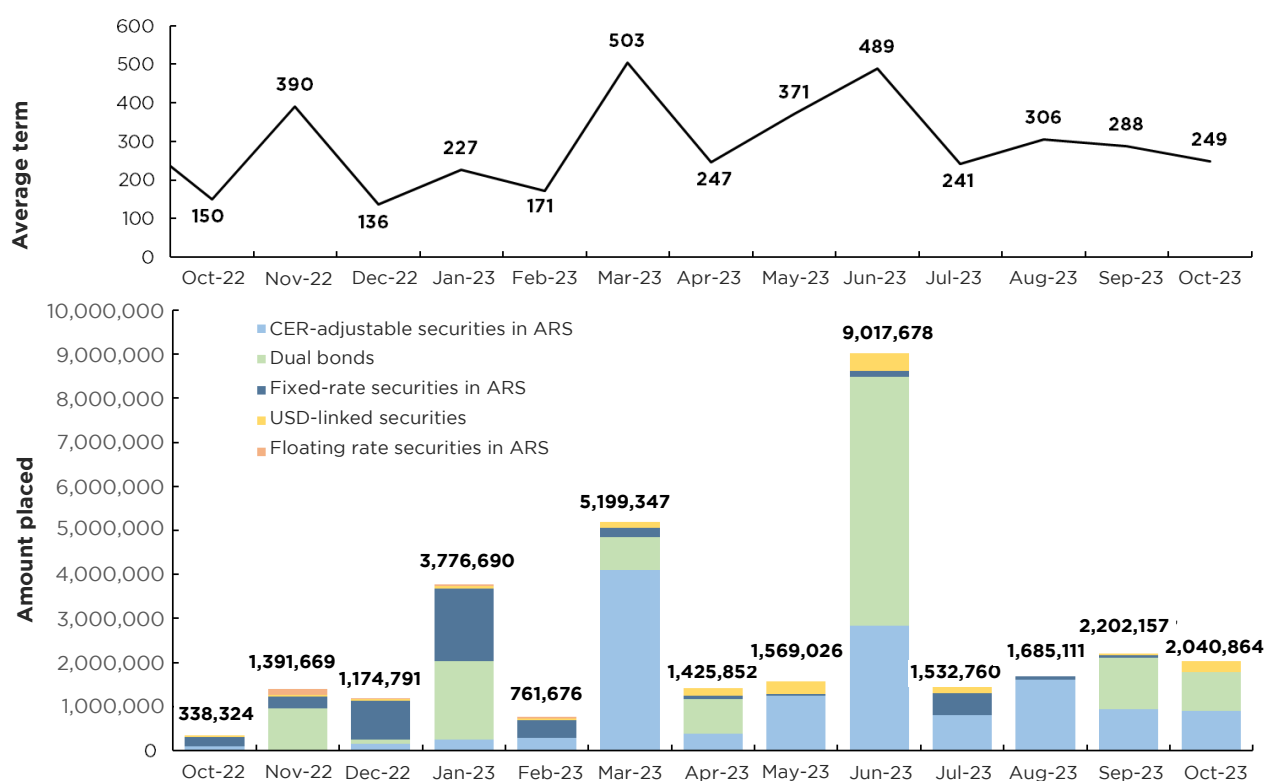
SOURCE: OPC, based on data from the Ministry of Economy.

Two auctions of government securities were held in October. As a result, dual bonds (TDG24 and TDJ24), BONCER (T6X4, T4X4 and T2X5), LECER (X18E4 and X20F4), LELITES and USD-linked bonds (TV24 and TV25D) were placed and funds were raised for a total Cash Value (CV)¹ of ARS2,040.864 billion (CV ARS915.378 billion for securities in pesos and CV ARS1,125.486 billion for securities in dollars payable in pesos) (see Table A.1 in Annex and Figure 2). Second rounds exclusively for participants of the Market Makers Program² (MMP) totaled subscriptions of CV ARS35.226 billion (10% of the amount placed in the first rounds).

The average term of the securities placed through the October auctions was 249 days, which was lower than in the previous month. The term was 260 days for dual bonds, whose amount placed represented 43% of the total amount placed per auction, 233 days for CER-adjustable securities, with a 44% share of the total amount placed, 273 days for USD-linked securities and 13 days for fixed-rate securities in pesos.

Figure 2. Government securities auctions: average maturity and amount placed

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



Note: Includes auctions in cash and in kind (swaps).

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

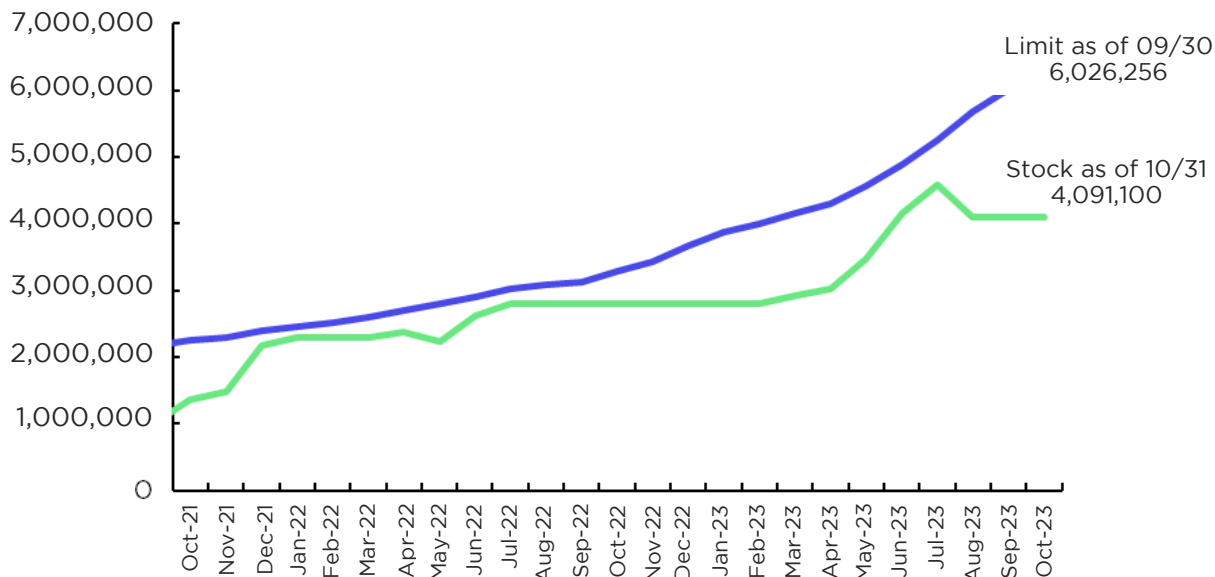
¹ The Nominal Original Value (NOV) refers to the value of a debt instrument at the date of issuance. The Nominal Value (NV) is the amount of principal to be paid at maturity. The Cash Value (CV) is the result of applying the subscription price of the instrument to the NOV and is equivalent to the funds obtained by the Treasury at the time of placement.

² The Market Makers Program (MCP) seeks to promote the development of the market for public debt instruments. The financial entities participating in the program acquire certain rights, including exclusive access to a second round of primary auctions and participation in meetings convened by the authorities on matters related to the development of the capital market, as well as other economic incentives. In return, they must comply with minimum participation requirements in primary auctions and guarantee the liquidity of the secondary market.

There was no net financing for Temporary Advances (TA) during the month, so the stock remained unchanged with respect to the previous month at ARS4,091.1 billion. The BCRA's financing to the Treasury amounted to ARS1,698 billion in 2023 (ARS1,298 billion from TA and ARS400 billion from profits). According to the latest available information on National Non-Financial Public Sector (NFPS) resources at the end of August, the legal ceiling on the stock of TA stood at ARS5,682.897 billion (Figure 3)³.

Figure 3. Temporary advances from the Central Bank

In millions of ARS



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

Interest

Interest in pesos of ARS146.218 billion was paid in October, mainly due to the maturity of BONCER for ARS106.421 billion (Table 1).

³ In accordance with Section 20 of the BCRA 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 current income of the NFPS accumulated in the last 12 months (including property income from BCRA profits and income received by the FGS - Sustainability Guarantee Fund - and other public entities), plus an additional exceptional limit equivalent to 10% of the current income of the NFPS accumulated in the last 12 months.

Table 1. Interest in pesos by type of instrument

October 2023; in millions of ARS

Instrument	Interest
BONCER (T4X4)	79,190.1
BONCER (T3X4)	27,231.1
BONCER 2025 (TC25P)	9,002.4
BONTE ARS FGS	7,861.9
BONTE 2026 (TO26)	7,484.2
BONTE 2023 (TO23)	5,132.0
BONTE 2024 (TB24)	2,549.4
BONAD 2024 (TV24D)	2,508.5
PAR ARS (PARP)	2,204.2
BONTE (T2V4)	1,321.4
LELINK (D31O3)	324.9
Fiscal Consensus Bonds	243.3
BOCON (PR13)	19.3
PAR ARS (PAPO)	8.8
Others	1,136.9
Total	146,218.4

FUENTE: OPC, en base a datos del Ministerio de Economía.

Public debt payable in foreign currency

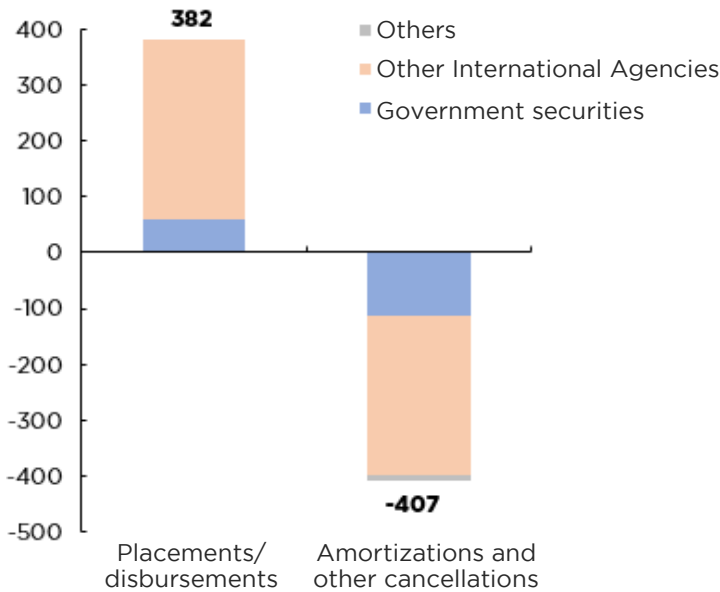
Public debt in foreign currency includes instruments denominated in various currencies (U.S. dollar, euro, yen, etc.). It includes securities issued through auctions, restructurings, securities placed with public sector entities (FGS, BCRA, *Banco Nación*, Trust Funds, etc.), loans to the Treasury in foreign currency (from commercial banks, international and government agencies) and guarantees (indirect debt), among others.

Variations in principal

In October, foreign currency debt repayments of USD407 million were made and securities were placed, and loan disbursements were received for a total equivalent to USD382 million (Figure 4 and Table 2).

Figure 4. Variations in principal amount of debt payable in foreign currency

October 2023; in millions of USD



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

The Treasury placed a ten-year non-transferable bill to the BCRA for USD60 million, to refinance the interest coupon maturities of other similar bills held by the BCRA. At the end of October, USD112 million was paid for the redemption of a Treasury bill issued to the Province of Mendoza in 2019.

In October, loan disbursements of USD322 million were received and repayments of USD295 million were made (Table 2). Disbursements related to loans from multilateral agencies, mainly from the Inter-American Development Bank (IDB), the Andean Development Corporation (CAF) and the World Bank for USD202 million, USD84 million and USD36 million, respectively. In addition, repayments were made on loans from multilateral agencies for USD123 million, bilateral loans under the Agreement with member countries of the Paris Club for USD157 million and other bilateral loans for USD6 million.

Table 2. Capital flows in foreign currency

October 2023; in millions of USD

Creditor	Placements/ Disbursements	Amortizations
Government securities	60.5	111.8
BCRA Bills	60.5	0.0
Bills USD Mendoza	0.0	111.8
Multilateral Agencies	322.0	122.9
IDB	201.8	68.6
CAF	84.1	19.5
World Bank	36.0	32.2
EIB	0.0	0.6
IFAD	0.0	0.6
FONPLATA	0.0	1.5
Bilateral Agencies	0.0	162.9
Paris Club	0.0	157.2
Others	0.0	5.7
Others	0.0	9.0
Total	382.4	406.7

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

Interest

In October, foreign currency interest of USD279 million was paid, mainly for interest payments on multilateral loans of USD182 million and maturities of USD60 million of bills to the BCRA which, as mentioned, were renewed with the placement of new bills (Table 3).

Table 3. Interest in foreign currency by type of instrument

October 2023; in millions of USD

Instrument	Interest
Multilateral loans	181.6
BCRA Bills	60.5
Paris Club	34.3
Bilateral loans	2.0
Banks	1.1
Total	279.5

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

Authorizations for public credit operations

Under current regulations, the entities of the National Government may not formalize any public credit operation that is not included in the General Budget Law of the respective year or in a specific law⁴, except for public credit operations formalized by the National Executive Branch (PEN) with the international financial organizations of which Argentina is a member. With respect to the latter, the PEN is empowered to contract loans with international economic-financial organizations to which Argentina belongs as a member⁵, with the only exception of IMF financing, which will require a law of the Honorable Congress of the Nation expressly approving it, after the enactment of Law 27,612 of 2022.

Thus, on the one hand, the Budget Law establishes limits to undertake public credit operations for each budget year. Chapter VII of Budget Law 27,701 of 2023, as amended by Resolution 758/2023 of the Ministry of Economy and DNU 436/2023, contains several sections that authorize the formalization of public credit operations.

A first group of sections of Law 27,701 (37, 43 and 45) establishes limits to the gross amounts for the 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.

During the month, securities for ARS2,866.841 billion were placed under the authorization of Sec. 37, with maturities in 2024, 2025, 2026 and 2033, which, added to the placements between January and September, total ARS2,673.263 billion (Table 4).

Table 4. Debt Authorizations: Sec. 37 Law 27,7012

Placements as of October 31, 2023; in millions; limits on issuance amount.

Instrument	Minimum term	Currency	Authorized amount	Amount placed	Amount remaining
Government securities or loans	90 days to 4 years	ARS	28,617,000	24,673,263	3,943,737
Loans	3 years	USD	28,595	n/a	n/a
		EUR	155	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.

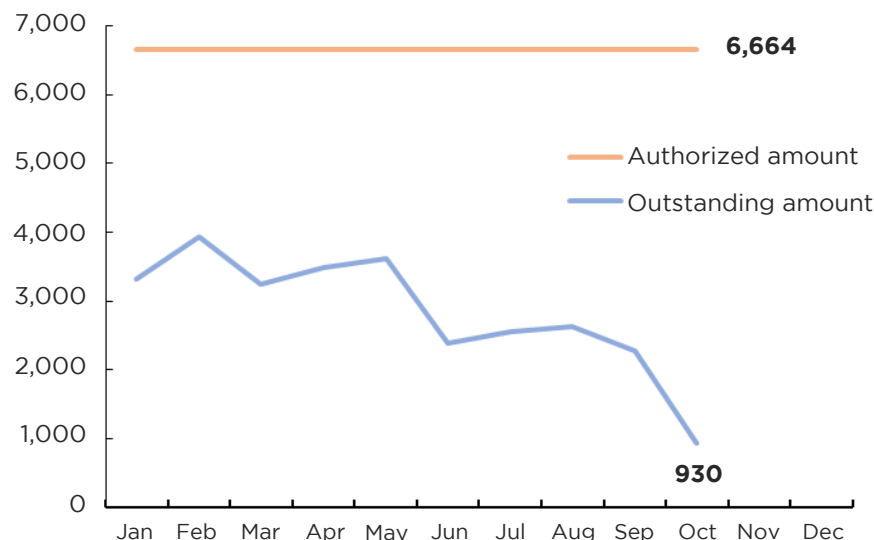
During the month there were placements under the authorization of Sec. 38 for ARS9.58 billion. The amount outstanding as of October 31 was ARS928.752 billion, below the limit established in the regulation of ARS6,664.451 billion (Figure 5).

⁴ Section 60 of Law 24,156 on Financial Administration.

⁵ Section 53 of the Budget Supplementary Permanent Law 11.672

Figure 5. Debt Authorizations: Sec. 38 Law 27,701

Limits on outstanding amount; in billions of ARS



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

In April and July 2023, DNU 194/2023 and 378/2023, authorized the issuance of 10-year bills in dollars for the equity difference generated to the BCRA by the liquidation of exports at a differential exchange rate of ARS300 and ARS340 per dollar, respectively, within the framework of the Export Increase Program. In September, bills were placed with the BCRA for USD2.166 billion under these authorizations.

In addition, loans from the World Bank for USD650 million, the CAF for USD200 million, the IDB for USD100 million and the EIB for EUR150 million were approved in October, as well as a line of credit from the *Agence Française de Développement* for EUR100 million. In the first 10 months of the year, loans, and conditional lines of credit from various international lending agencies were approved for the equivalent of USD6.117 billion and USD2.216 billion, respectively⁶.

Operations scheduled for coming months

Estimated debt maturities in domestic currency for the month of November total ARS1,551.809 billion, among which the payments of LECER X23N3 for ARS1,298.932 billion stand out (Table 5).

The October auction schedule of the Ministry of Economy included two auctions on October 21 and 28, with settlement dates on October 22 and 29, respectively. The first auction offered LECER X20F4, USD-Linked Bonds TV24 and TV25, BONCER T6X4, T4X4 and T2X5, Dual Bonds TDJ24 and TDE25, Bonte in pesos TG25, and a new Sustainable Thematic Bond (to finance the *Conectar Igualdad* program and the Hydraulic Infrastructure Development program, within the Sustainable Sovereign Financing Framework).

Maturities in foreign currency for November are estimated at the equivalent of USD3.741 billion (USD2.766 billion of principal and USD976 million of interest), including the debt held by National Public Sector agencies. The repayments of the IMF Stand-by loan for the equivalent of USD2.585

⁶ Generally, the approval of loans with multilateral agencies does not imply immediate disbursements. Disbursements are usually staggered according to the progress of each project.

billion (SDR1.975 billion) on November 1, which, according to the schedule, were due on October 6, 12 and 30, and the payment of interest for the equivalent of USD799 million (SDR1.975 billion).

Table 5. Upcoming maturities

November 2023

Payments in domestic currency; in millions of ARS

Instrument	Date	Principal	Interest
BONCER 2025 (TX25)	Nov-9	0	1,450
BONCER 2026 (TX26)	Nov-9	0	21,497
BONCER 2028 (TX28)	Nov-9	0	6,012
BOCON (PR13)	Nov-15	2,138	20
BONTE 2031 (TB31)	Nov-17	295	2,792
BONCER (T6X4)	Nov-20	0	7,308
BONTE 2027 (TY27)	Nov-23	0	119,891
LECER (X23N3)	Nov-23	1,298,932	0
BONCER 2031 (TX31)	Nov-30	0	4,572
Fiscal Consensus Bonds	Nov-30	288	119
BCRA Temporary advances	Various	85,131	0
Others		0	1,365
Total		1,386,783	165,026

Payments in foreign currency; in millions of USD

Instrument	Date	Principal	Interest
IMF	Nov-1	2,585	799
Other multilateral	various	153	173
Bilateral		6	0
Others		21	3.8
Total		2,766	976

December 2023

Payments in domestic currency; in millions of ARS

Instrument	Date	Principal	Interest
BONCER (T5X4)	Dec-13	0	90,857
Intra-public sector Bills in ARS	Dec-13	115,866	58,934
BOCON (PR13)	Dec-15	2,437	18
BONCER (T3X5)	Dec-18	0	6,962
BONTE ARSAT	Dec-22	170	1
Fiscal Consensus Bonds	Dec-31	289	118
CUASIPAR 2045 (CUAP)	Dec-31	0	67,459
DISCOUNT ARS (DISCP)	Dec-31	0	48,998
BCRA Temporary advances	Various	395,000	0
Others		0	1,518
Total		513,763	276,180

Payments in foreign currency; in millions of USD

Instrument	Date	Principal	Interest
IMF	Dec-21	900	0
DISCOUNT JPY	Dec-31	0	1
BCRA Bills	Various	0	113
Other bilaterals		133	91
Bilaterals		1	33
Others		0	0.0
Total		1,034	239

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

Maturities payable in pesos between November and December amount to ARS2,341.752 billion (Table 6), consisting of CER-adjustable debt (70% of total payments in pesos) and unadjusted securities in pesos (30%).

Between November and December 2023, maturities in foreign currency are estimated at the equivalent of USD5.014 billion. However, maturities in dollars for non-transferable BCRA bills (USD113 million), will not imply expenditures by the Treasury since they are renewed at maturity⁷. Most of the payments in foreign currency are payments to the IMF for a total equivalent to USD4.284 billion.

⁷ In accordance with the provisions of 2023 Budget Law 27,701.

Table 6. Maturity profile by type of instrument

Includes amortization and interest

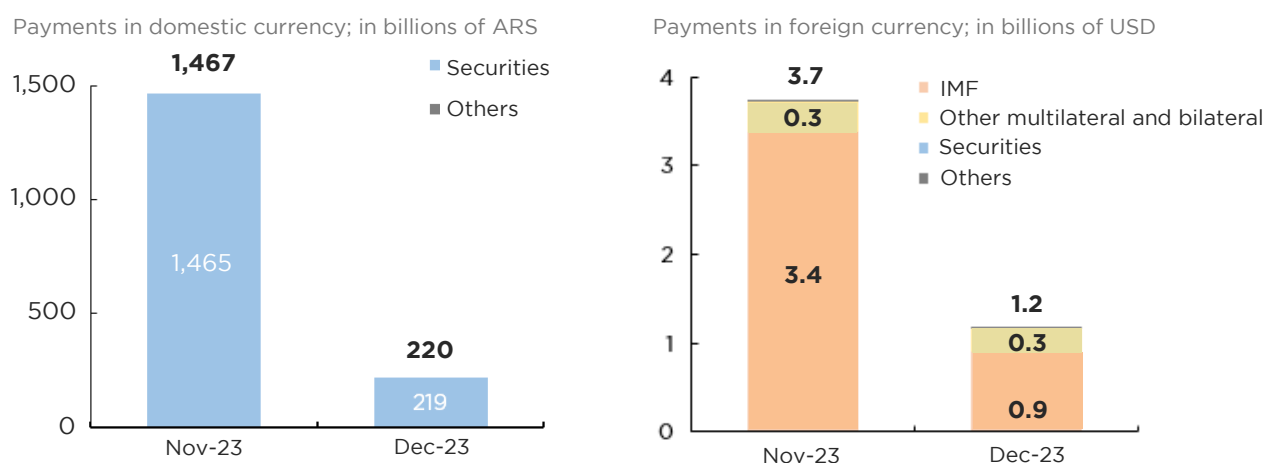
Type of instrument	Nov	Dec	Nov-Dec 2023	Jan	Feb	Mar	Apr	Jan-Apr 2024
Payable in domestic currency In billions of ARS	1,552	790	2,342	1,186	6,032	4,991	9,371	21,580
Government securities	1,465	219	1,684	1,024	6,030	4,618	9,074	20,746
Securities subscribed by government agencies	0	175	175	10	0	138	10	158
Temporary Advances from BCRA	85	395	480	150	0	230	284	665
Others	1	2	3	2	2	5	3	11
Payable in foreign currency In millions of USD	3,741	1,273	5,014	12,032	2,172	799	2,237	17,240
Government securities	0	1	1	1,577	0	11	7	1,596
Bills subscribed by government agencies	0	0	0	0	1,174	0	0	1,174
IMF	3,384	900	4,284	1,915	763	0	1,915	4,592
Others - multilateral and bilateral	332	258	590	436	214	725	257	1,633
BCRA Bills	0	113	113	8,104	21	63	58	8,247
Others	25	0	25	0	0	0	0	0

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

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

Figure 6 shows the maturity profile discounting the maturities of Temporary Advances, non-transferable BCRA bills and non-negotiable securities subscribed by government agencies. It shows that, for the term November-December 2023, maturities in pesos excluding these instruments total ARS1,686.821 billion and in foreign currency, USD4.901 billion.

Figure 6. Maturity profile by type of instrument (excludes Temporary Advances, non-transferable BCRA bills and securities subscribed by government agencies)



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

Annex

Table A.1. Auctions results for October

Subscriptions in pesos

Auction date	Settlement date	Instrument	Maturity	Term (in days)	NOV awarded (in millions of ARS)	Cash value (in millions of ARS)	Cut-off price (ARS every NV ARS1,000)	APR
10/12/2023	10/18/2023	LELITES	10/31/2023	13	9,580	9,244	964.94	102.00%
		LECER X18E4	1/18/2024	92	93,931	108,208	1,152.00	5.66%
		LECER X20F4	2/20/2024	125	91,800	95,839	1,044.00	6.92%
10/27/2023	10/31/2023	LECER X20F4	2/20/2024	112	165,524	192,008	1,160	-7.70%
		BONCER T6X4	5/20/2024	202	176,069	218,854	1,243.00	4.54%
		BONCER T4X4	10/14/2024	349	63,262	110,140	1,741.00	5.77%
		BONCER T2X5	2/14/2025	472	105,774	181,084	1,712.00	7.55%
Total instruments in pesos						915,378		

Subscriptions in pesos for dollar-denominated bonds payable in pesos (dual and USD-linked)

Auction date	Settlement date	Instrument	Maturity	Term (in days)	NOV awarded (in millions of USD)	Cash value (in millions of ARS)	Cut-off price (ARS every NV ARS1,000)	APR
10/12/2023	10/18/2023	BONO DLK TV24	4/30/2024	195	275	115,042	1,193.00	-29.91%
		BONO DUAL TDJ24	6/30/2024	256	802	327,408	1,166.00	-20.34%
		BONO DUAL TDG24	8/30/2024	317	353	141,935	1,148.00	-14.88%
		BONO DLK TV25D	3/31/2025	530	55	19,302	1,008.00	-0.02%
10/27/2023	10/31/2023	BONO DLK TV24	4/30/2024	182	186	76,368	1,171.00	-28.86%
		BONO DUAL TDJ24	6/30/2024	243	925	400,425	1,237.00	-28.74%
		BONO DLK TV25D	3/31/2025	517	125	45,006	1,032.00	-1.68%
Total instruments in USD						1,125.486		

Note: LECERs are 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.

Methodological comments

The debt operations analyzed relate to the Central Administration, comprising the institutions of the Executive, Legislative and Judicial branches, and the Public Prosecutor's Office. They 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 Central Administration.

The data used for this report comes mainly from statements published by the Ministry of Economy 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 November 6, 2023, were analyzed.

OPC Publications

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