

# Evolution of the Foreign Exchange Market and Exchange Balance

June 2019



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

# Transactions in the Foreign Exchange Market and the Foreign Exchange Balance

## Overview

### Foreign Exchange Transactions and Foreign Exchange Balance in June 2019

- ✓ *In June, financial institutions' clients purchased USD1,661 million in the forex market; these transactions were funded through net sales by the National Treasury and the ensemble of financial institutions licensed to trade in the foreign exchange market, which sold USD1,080 million and USD581 million, respectively.*
- ✓ *Companies in the real sector were net sellers of foreign currency for USD2,673 million.*
- ✓ *Within this group, the main sector to make net sales in historical terms ("Oilseeds and Grains") recorded net sales for USD2,223 million, down 9% y.o.y. Net inflows from Oilseeds and Grains in the forex market agreed with the net value of the goods account of the balance of payments.*
- ✓ *Companies in the "Real Sector Non-Oilseeds and Grains" recorded net sales totaling USD450 million, especially to comply with seasonal liabilities in pesos. The difference in net purchases on a year-on-year basis (USD2,2778) is mainly explained by a reversal in flows of goods.*
- ✓ *"Natural Persons", who mainly demand foreign currency for saving and travelling abroad, made net purchases for USD1,493 million (USD1,080 million for banknotes and USD412 million for the remaining transactions), down 38% against purchases for USD2,400 million recorded in June 2018.*
- ✓ *"Institutional Investors and Others"—both residents and non-residents—made net purchases of USD1,721 million exhibiting an 8% decline vis-à-vis net purchases in June 2018.*
- ✓ *In addition to sales on the spot market, financial institutions licensed to trade in the foreign exchange made forward net sales of foreign currency for USD138 million.*
- ✓ *On another note, the exchange rate remained within the "Foreign Exchange Benchmark Zone" and the BCRA did not intervene in the forex spot market.*
- ✓ *The National Treasury obtained USD3,149 million from issuing bills and bonds, and USD374 million from international organizations. On another note, it made payments on account of two major reasons: on the one hand, for principal and interest of debt for USD3,098 million—principally LETES bills for USD2,171 million, and Discounts for USD490 million—, and on the other hand, reimbursements to international organizations for USD304 million.*
- ✓ *As a result of the transactions described above, gross international reserves dropped by USD501 million along June, totaling USD64,278 million by the end of the month.*

## I. Introduction

This report analyses information on foreign exchange transactions made in June 2019 as gathered by the Exchange Transaction Reporting System administered by the BCRA. Additionally, it relies on information on changes in BCRA's International Reserves due to transactions carried out by BCRA on its own account or on behalf of the National Government, and on changes in the balance of institutions' accounts.<sup>1</sup>

Data collected from institutions include information on every transaction conducted in the forex market by natural or legal persons (including the sector to which they belong, which agrees with the main business activity reported to AFIP (Federal Administration of Public Revenue)), amounts traded, currency denomination, and the reason for the foreign exchange transaction (heading)—such as export or import of goods or services, saving, and financial liabilities, as defined in the Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6).

This report discusses the forex market performance by aggregated transactions in terms of the sector of the trader involved. The analysis of historical statistics is then simplified and information is broken down by sector given that, since July 2017, traders are no longer required to report the reasons (headings) for their transactions through an affidavit; on the contrary, they are only requested to provide such information for statistical purposes, which is undoubtedly a hindrance to the historical comparison of series. This methodology does not change the total net result broken down by sector.<sup>2</sup>

Section II deals with the changes in BCRA's international reserves and analyses the result of foreign exchange transactions for May; data are broken down by sector and by heading.

Additionally, it is worth noting that the Foreign Exchange Balance will still be presented in an analytical format based on data on the Balance of Payments broken down by component and by institutional sector; the remaining information will also be available in online Annexes and in the statistical series related to the Foreign Exchange Market and the Foreign Exchange Balance.<sup>3</sup>

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<sup>1</sup> Communication "A" 3840, as amended.

<sup>2</sup> Communication "A" 6244 . Sectors were grouped into: "Central Bank", "Institutions", "General Government", "Oilseeds and Grains", "Other Real Sectors", "Natural Persons", "Institutional Investors and Others".

For identification purposes, each sector is defined as follows: "**General Government**" stands for the so-called "Public Sector" and embraces transactions made by the National Treasury directly through its account in foreign currency held with the BCRA; "**Oilseeds and Grains**"; "**Real Sector Non-Oilseeds and Grains**" includes the following sectors: "Oil", "Food, Beverages and Tobacco", "Textile and Leather Industries", "Paper, Publishing and Printing Industry", "Chemical, Rubber and Plastic Industries", "Non-Metallic Mineral Products (Cement, Ceramics and Others)", "Manufacture of Common Metals", "Machinery and Equipment", "Automobile Industry", "Other Manufacturing Industries", "Electricity (Generation, Transport, Distribution)", "Gas (Extraction, Transport, Distribution)", "Water", "Commerce", "Transport", "Communications", "Mining", "Agriculture, Livestock and Other Primary Activities", "Construction", "Information Technology", "Gastronomy", "Entertainment" and "Tourism and Accommodation Services"; "**Financial and Foreign Exchange Institutions**" includes the sector's transactions; "**Natural Persons**" is a subsector of "Other Non-Financial Private Sectors"; and "**Institutional Investors and Others**" includes "Insurance" as well as the rest of the "Other Non-Financial Private Sectors".

<sup>3</sup>The Central Bank's website ([www.bkra.gov.ar](http://www.bkra.gov.ar)) contains different statistical series of the Foreign Exchange Market (to access statistical series, [click here](#)), together with an annex broken down by sector and main headings (to access the statistical Annex of the foreign exchange balance [click here](#)). In addition, the "Main differences between the balance of payments and the foreign exchange balance" are available [here](#). The results in this section are broken down by the main sectors trading in the forex market in order to set net purchasers apart from net sellers.

Section III through Section VIII are divided in sectors, each of which comes with a Foreign Exchange Balance which comprises transactions carried out by institutions with clients in the foreign exchange market and those carried out by the BCRA—either on its own account or on behalf of the National Government.

Finally, Section IX deals with information on the amount traded in the foreign exchange market. This amount stands for transactions made by institutions with their clients—both gross purchases and gross sales—transactions between institutions, and those carried out among institutions and the BCRA.

## II. Result of the Foreign Exchange Market and Changes in BCRA International Reserves

In June, financial institutions' clients purchased USD1,661 million in the foreign exchange market; these transactions were funded through net sales by the National Treasury and the ensemble of financial institutions licensed to trade in the foreign exchange market, which sold USD1,080 million and USD581 million, respectively (see Table II.1).

On another note, the exchange rate remained within the "Foreign Exchange Benchmark Zone" and the BCRA did not intervene in the forex spot market.

In addition, the BCRA made direct sales to the National Treasury for USD1,236 million basically for an amount that equals profits transferred that the Treasury agreed to keep deposited with the BCRA until they are used to pay interest from sovereign bonds the BCRA has in its portfolio; consequently, there was no monetary impact or change in international reserves.

**TABLE II.1 Foreign Exchange Market  
Result of the sector**  
Equivalent in million dollars

Sector	June 2019
<b>BCRA</b>	<b>1.236</b>
To the National Treasury (directly)	1.236
To Financial Institutions in the Foreign Exchange Market	0
<b>National Treasury</b>	<b>-156</b>
To the BCRA (directly)	-1.236
Auctions through the BCRA	1.080
<b>Institutions</b>	<b>581</b>
<b>Institutions' clients</b>	<b>-1.661</b>

Note: (+) Net sales; (-) Net purchases

BCRA's international reserves fell USD501 million over June. The main transactions that accounted for this change were daily sales for USD60 million by the National Treasury through the BCRA—which amounted to USD1,080 million over June—, debt payments in foreign currency by the National Treasury for USD3,098 million, and inflows from issuing securities for USD3,523 million (for further information, see Sections VII and VIII).<sup>4</sup> It should be noted

<sup>4</sup> Net of intra-public sector changes.

that a portion of payments was funded through, and inflows from issuing securities remained deposited in, accounts held in the domestic financial system.

The following table is intended to analyze clients' purchases and sales through institutions in the forex market; such transactions implied a net demand amounting to USD1,661 million. For readers' convenience, each sector's net foreign exchange result analyzed in this report is arranged in horizontal reading direction, and each heading's net result—as informed by the institutions to the BCRA—is displayed vertically.

**Table II.1 Foreign Exchange Market**  
**Result of Institutions' Transactions with Clients June 2019**  
 Equivalent in billion dollars

Sector/Main Headings	Goods	Travel and Passenger Transport, and Others with Cards	Remaining Services and Other Current Transfers	Foreign Assets – Banknotes	Foreign Assets - Foreign Currency	Debt, FDI, and other transactions	Total
<b>Non-Financial Private Sector</b>	<b>2,4</b>	<b>-0,5</b>	<b>0,0</b>	<b>-1,0</b>	<b>-0,3</b>	<b>-1,1</b>	<b>-0,5</b>
Oilseeds and Grains	2,2	0,0	0,0	0,0	0,0	-0,1	2,2
Real Sector Non-Oilseeds and Grains	0,2	-0,1	-0,1	0,3	-0,3	0,4	0,4
Natural Persons	0,0	-0,4	0,0	-1,1	-0,1	0,1	-1,5
Institutional Investors and Other	-0,1	0,1	0,1	-0,3	0,1	-1,6	-1,7
<b>General Government</b>	<b>0,0</b>	<b>0,0</b>	<b>-0,2</b>	<b>0,8</b>	<b>0,0</b>	<b>-0,7</b>	<b>-0,1</b>
<b>Institutions (Own Transactions)</b>	<b>0,0</b>	<b>0,0</b>	<b>-0,1</b>	<b>0,0</b>	<b>0,0</b>	<b>-1,0</b>	<b>-1,0</b>
<b>Institutions' Result with Clients</b>	<b>2,4</b>	<b>-0,5</b>	<b>-0,3</b>	<b>-0,2</b>	<b>-0,3</b>	<b>-2,8</b>	<b>-1,7</b>

Note: (+) Net Sales; (-) Net purchases

This type of presentation allows underscoring different behaviors.

As shown in Chart III.1 of the following section, "Oilseeds and Grains" was the main net supplier of foreign currency in the forex market over June. This sector reported net inflows for USD2,223 million for virtually all concepts included in "Goods" (collections on exports net of payments for imports), which is reasonable enough as it proves to be the main exporting sector in the economy.

Companies in the "Real Sector Non-Oilseeds and Grains" recorded net sales totaling USD450 million, especially to comply with seasonal liabilities in pesos. These net sales were basically accounted for by inflows from exports of goods, direct investment, financial debt and sales of domestic deposits in foreign currency made in previous months. On another note, persons in this sector transferred USD300 million to their own accounts abroad under the "Foreign Assets – Foreign Currencies" heading to possibly pay their foreign creditors in the future.

"Natural Persons" (residents) basically demanded foreign currency for saving purposes (USD1,080 million in June) and for expenses paid with cards for consumption abroad (USD395 million).

"Institutional Investors and Others" comprises investment funds, pensions funds, hedge funds, insurance companies, and other legal persons not included in the previous classifications—both residents and non-residents—whose most significant transactions involve changes in portfolio (net outflow of USD1,721 million in June). These records exclude inflows from subscribing securities in the primary market and outflows from the payment of principal or interest through accounts of the National Treasury, given that these transactions are not carried out through institutions in the forex market.

### III. Oilseeds and Grains

The "Oilseeds and Grains" sector recorded a USD2,223 million surplus in June (see Chart III.1) down 9% y.o.y.

**Chart III.1 Foreign Exchange Market**  
**Oilseeds and Grains Net result of the sector**  
 Equivalent in million dollars

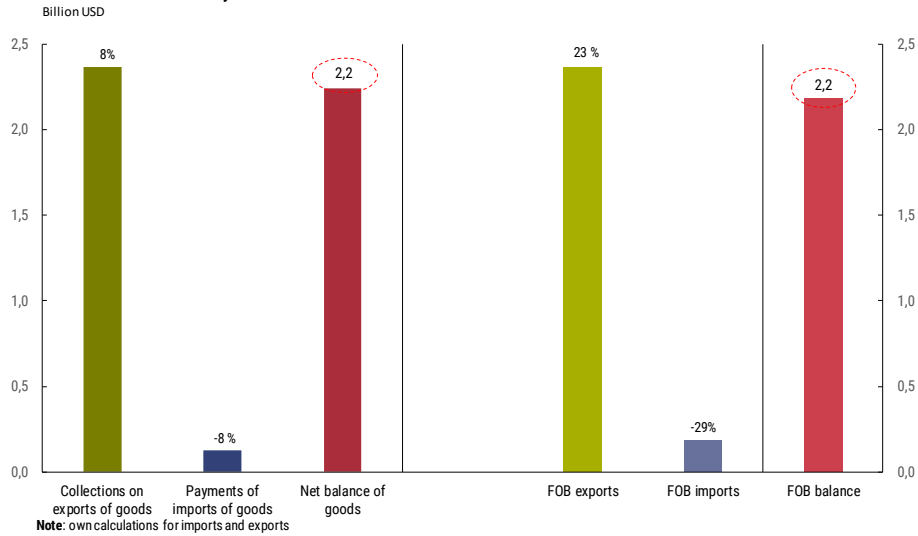


With respect to the “Goods” heading, in June, the sector reported collections on exports of goods for USD2,367 million (down 8% y.o.y.) and payments for imports of goods for USD124 million, up 8% y.o.y.

Regarding the domestic trade of products, total purchases of soybean were similar to the average of the last five harvest seasons; furthermore, it should be underscored that the pricing of purchase contracts was delayed in the current harvest season (4 million tons less without a price set compared to previous harvest seasons). In contrast, corn trade increased by 11.1 million tons against the average of the five prior harvest seasons, in line with a rise in production.

In line with the cumulative figure recorded in the first half of the year, the sector's forex net result for "Goods" stood at USD2,244 million and was in line with the expected trade balance of the sector of USD2,200 million (exports estimated for USD2,400 million, and imports for USD200 million).

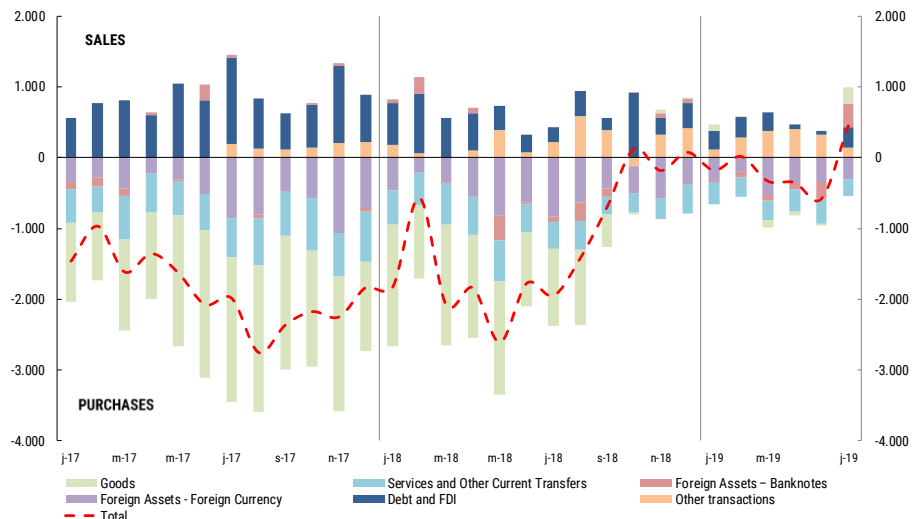
**Chart III.2 Foreign Exchange Market and international trade Oilseeds and Grains in may 2019**



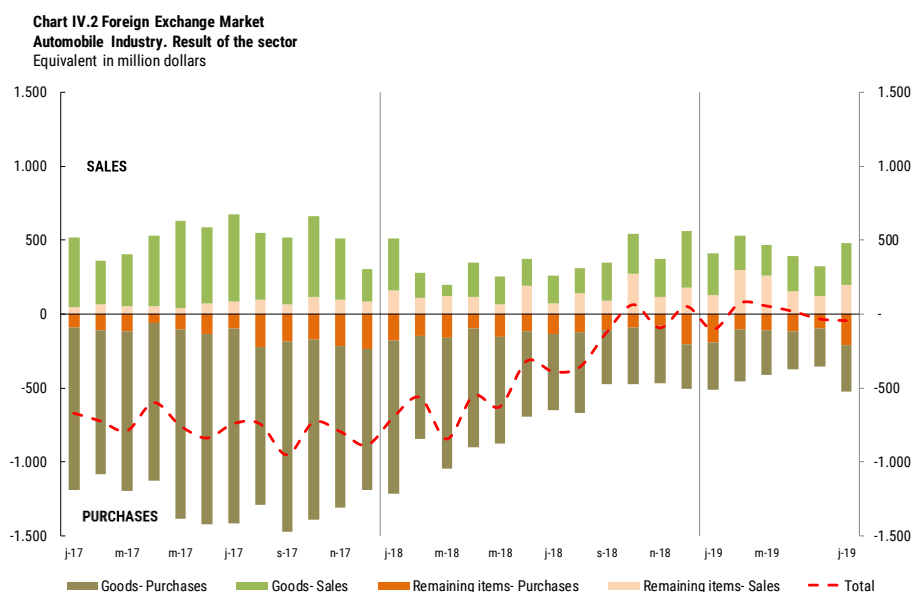
#### IV. Real Sector Non-Oilseeds and Grains

Companies in the “Real Sector Non-Oilseeds and Grains” recorded net sales totaling USD450 million, especially to pay seasonal liabilities in pesos (taxes and semi-annual complementary wage). The difference in net purchases on a year-on-year basis (USD2,778) is mainly explained by a reversal in flows of goods.

**Chart IV.1 Foreign Exchange Market Real Sector Non-Oilseeds and Grains. Net result of the sector**  
Equivalent in million dollars



Companies within the “Automobile Industry” made net payments for USD44 million, down almost USD300 million y.o.y. (See chart IV.2), mainly explained by a decrease in the payment for Goods. Particularly, this sector reported collections on exports of goods for about USD283 million and payments for imports of goods for USD308 million. These foreign exchange levels are not in line with estimates of exports/imports of goods (exports for around USD420 million and imports for around USD750 million). This may be explained by the fact that since regulations were eased the companies belonging to the sector have started to (i) regionally offset their commercial liabilities and claims within the same group, only making foreign exchange transactions for their net amounts; (ii) make payments for imports of goods through their accounts held abroad—which could have been funded with collections on exports or by raising debts abroad without settling the resulting foreign exchange in the local market.<sup>5</sup>

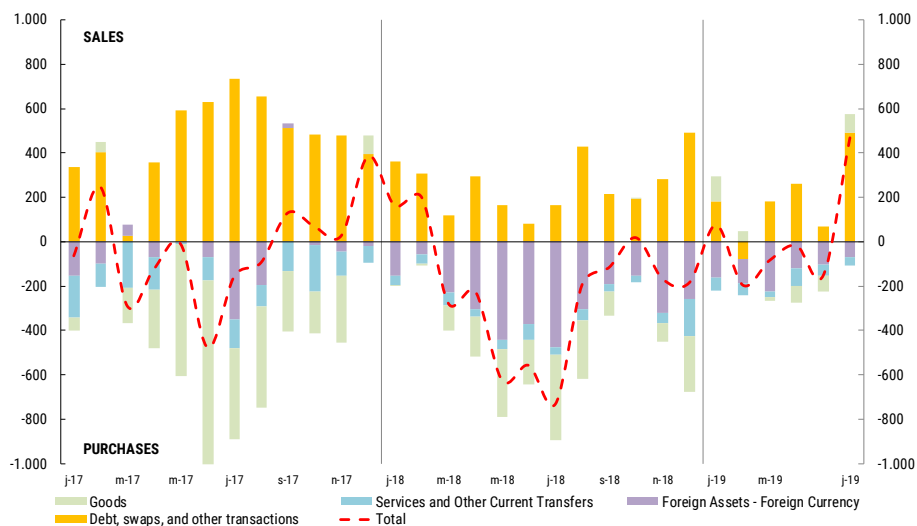


In turn, companies belonging to the “Energy” sector recorded net inflows for USD470 million, evidencing a USD1,030 million reversal in y.o.y. terms. June’s net sales resulted from net sales of “Goods” for around USD85 million, settlements of domestic deposits for around USD260 million (included in “Debt, swaps, and other transactions” in Chart IV.3) and from net inflows from loans from abroad for USD222 million. These changes were partly offset by transfers of funds to own accounts held abroad against which holders could pay part of their foreign debts.

<sup>5</sup> The report corresponding to March 2019 included Box 1, which explained—in depth—the reason why this variation takes place and how it affects statistics reading in the forex market. ([click here](#))



**Chart IV.3 Foreign Exchange Market  
Energy. Net result of the sector**  
Equivalent in million dollars

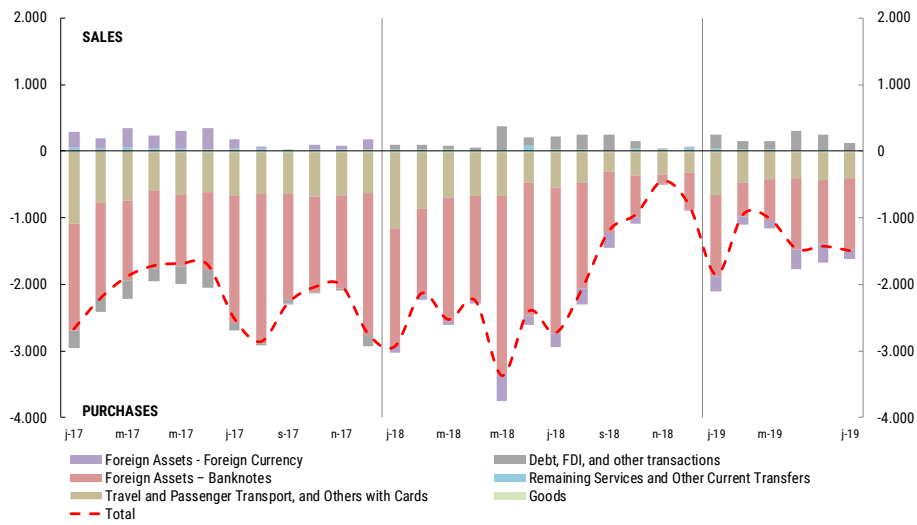


Finally, the remaining companies within the “Real Sector Non-Oilseeds and Grains” recorded net sales for USD930 million, evidencing a USD25 million reversal of the result recorded in June 2018.

## V. Natural Persons

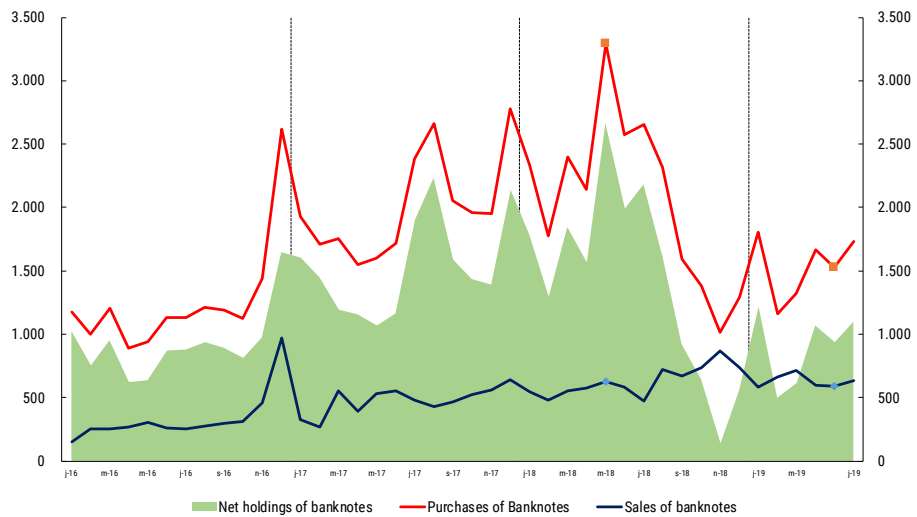
In June, the net demand for foreign currency by “Natural Persons” totaled USD1,493 million, an amount similar to that of the previous two months. Nevertheless, net purchases slid by 38% y.o.y., as a result of fewer net purchases of banknotes (see Chart V.1).

**Chart V.1 Foreign Exchange Market**  
**Natural Persons. Net result of the sector**  
 Equivalent in million dollars



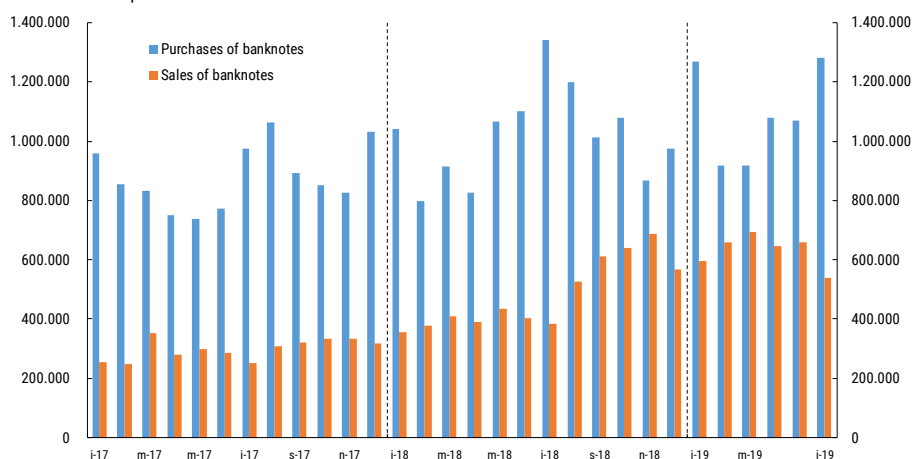
Net purchases of banknotes made by natural persons fell y.o.y. due to both fewer gross purchases (total of USD1,700 million), while gross sales evidenced no significant changes (USD620 million).

**Chart V.2 Foreign Exchange Market**  
**Natural Persons' holdings of banknotes in foreign currency**  
 Equivalent in million dollars



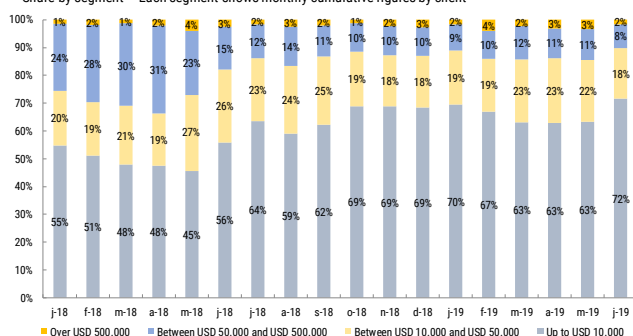
The number of persons selling banknotes in the forex market totaled 540,000 in June—decreasing against May; there was a 34% hike against the number of persons that sold banknotes over the same month in 2018 (400,000 persons). In turn, 1,280,000 natural persons purchased banknotes in the forex market in June, evidencing a 20% rise against May partly due to the effect stemming from the collection of the semi-annual complementary wage in the last days of the month (see Chart V.3).

**Chart V.3 Foreign Exchange Market**  
**Natural Persons. Foreign Assets – Holdings of Banknotes**  
 Number of People

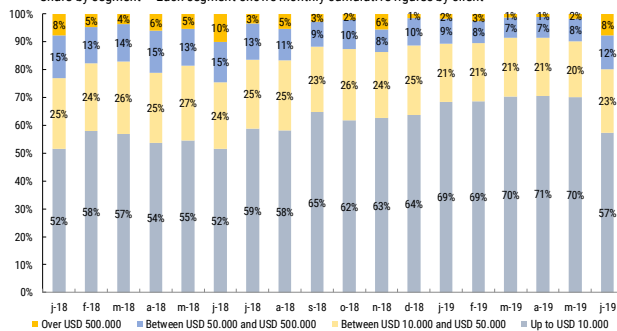


In June, purchases of banknotes by natural persons increased in the lowest amount segment (up to USD10,000), accounting for 72% of total transactions. In contrast, gross sales of banknotes decreased their share in transactions below USD10,000, down 57% of total transactions (see Chart V.4 and Chart V.5). Gross purchases per capita totaled USD1,353 and per capita gross sales stood at USD1,171 against USD2,363 and USD1,478 in 2018, respectively.

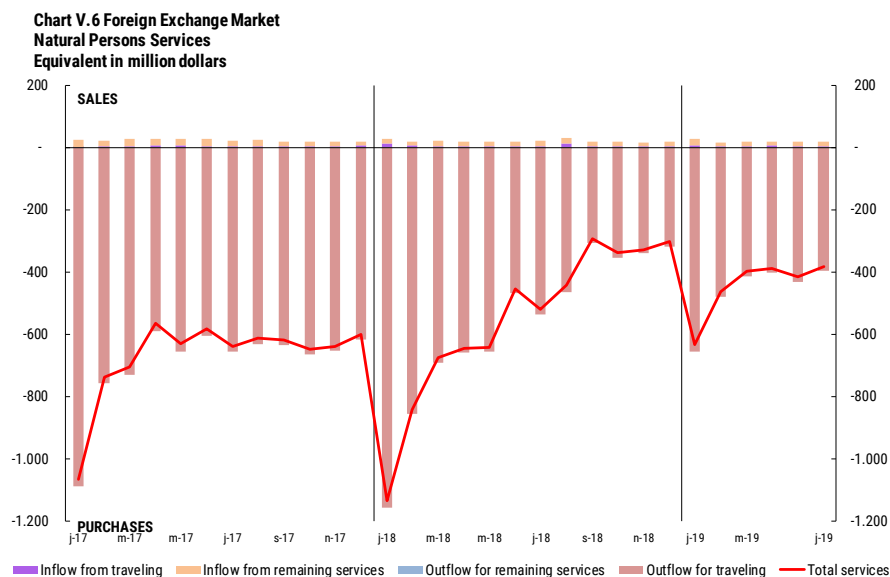
**Chart V.4 Foreign Exchange Market**  
**Natural Persons. Purchases of banknotes by segment**  
 Share by segment – Each segment shows monthly cumulative figures by client



**Chart V.5 Foreign Exchange Market**  
**Natural Persons. Sales of banknotes by segment**  
 Share by segment – Each segment shows monthly cumulative figures by client



In turn, natural persons' net outflows for payments of services totaled USD383 million, particularly of "Travel and Other Expenses Paid with Cards", which evidenced a net outflow of USD395 million and a 15% y.o.y. drop, in line with the figures recorded for outbound tourism, as shown in international tourism statistics (See Chart V.6).<sup>6 7</sup>



Finally, net inflows for primary and secondary income totaled USD6 million, basically related to personal transfers.

## VI. Institutional Investors and Others

"Institutional Investors and Others"—both residents and non-residents—recorded net purchases for USD1,721 million in June. Even though this result remained unchanged against that of May, it fell 8%y.o.y.

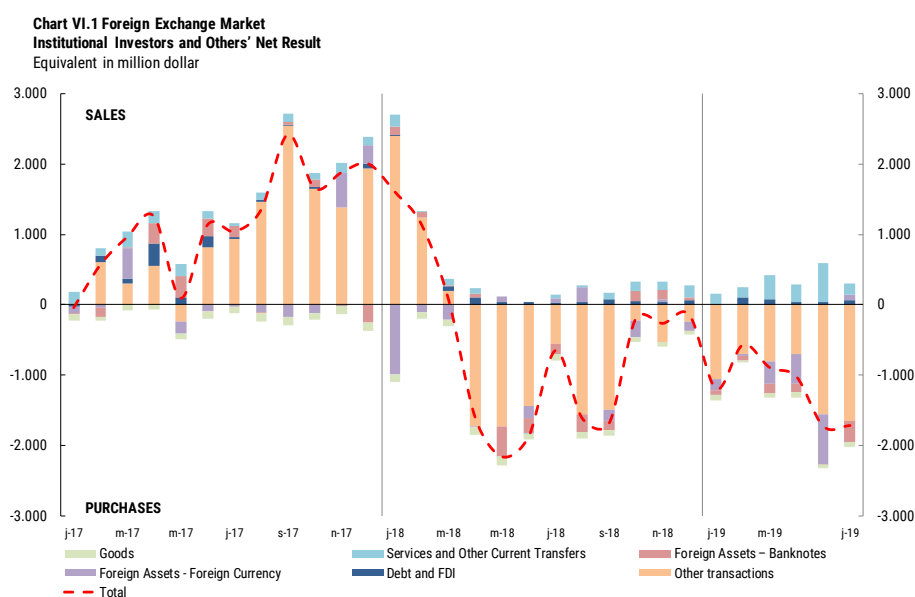
<sup>6</sup> It is worth pointing out that the transfers made to international credit card issuers include purchases made by Argentine residents either during their stay abroad or on a remote basis. In turn, inflows of foreign exchange include non-resident remote purchases from Argentine suppliers. It is worth underscoring the information included in Box 1 of the Foreign Exchange Market and Foreign Exchange Balance Report of January 2018 and in the entry in the Blog entitled "Ideas de Peso", *How much do Argentinians spend when travelling abroad? How much do foreigners spend when visiting our country?*. The analysis of the result of "Travel and Passenger Transport" involves collections and payments made outside the forex market, especially because, as estimates suggest, nonresidents—unlike Argentinians—tend to use alternative channels to make foreign exchange transactions. Likewise, it should also be noted that the foreign exchange account for paying services includes payments for non-travel related services (for example, remote e-commerce).

<sup>7</sup> To access the latest technical report on International Tourism Statistics, [click here](#).

The results of transactions in this sector are mostly displayed under the headings “Foreign Assets”—for transactions carried out by residents—, and “Portfolio Investments”—for transactions carried out by non-residents.

The “Other Transactions” heading in Chart VI.1 include portfolio investments, which evidenced outflows for USD1,452 million, as well as purchase-and sale transactions of securities in the secondary market.<sup>8</sup> In June, these transactions amounted to a net outflow of USD111 million, exhibiting a dramatic drop against the net outflow of USD1,078 million recorded in June 2018.

Finally, “Institutional Investors and Others” purchased foreign assets for USD227 million. Within this net amount, net purchases for saving purposes continued exhibiting high levels of gross purchases and sales, exceeding USD1,500 million in each case.

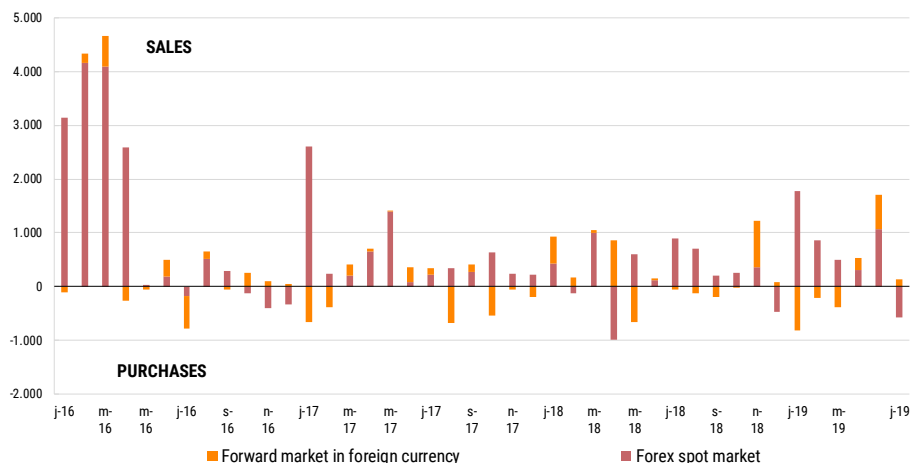


## VII. Financial and Foreign Exchange Institutions

In June, licensed financial institutions sold USD581 million in the spot forex market and sold USD138 million in the forward market (see Chart VII.1.).

<sup>8</sup> These transactions are entered in the Exchange Transaction Reporting System (*Régimen Informativo de Operaciones de Cambio*) under the name of the financial institution involved. Given that the counterparties to these transactions are residents or non-residents of the non-financial private sector, these transactions are included in “Institutional Investors and Others”.

**Chart VII.I Forex spot and forward market in foreign currency  
Institutions**  
Equivalent in million dollars

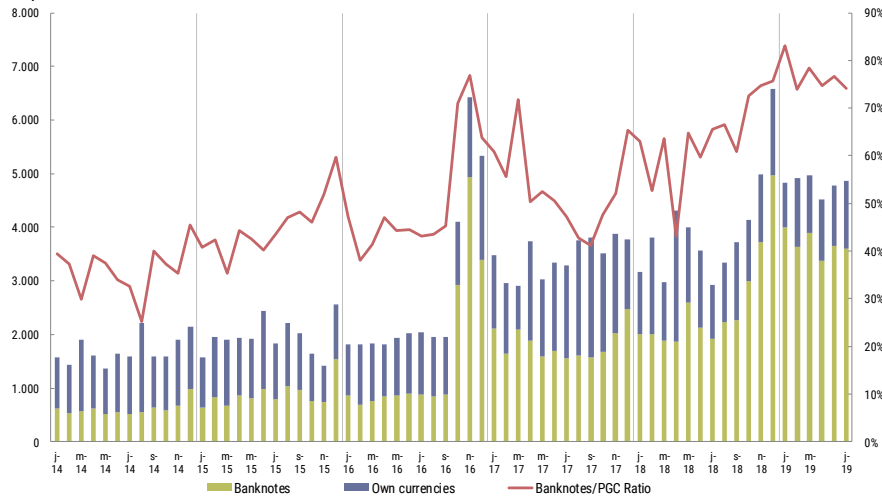


Institutions conducted transactions for USD1,025 million, basically primary subscription of securities for USD728 million, payment of debts for USD215 million, and transfer of profits and dividends for USD45 million.

On the other hand, institutions ended June evidencing a General Exchange Position for USD4,868 million, out of which USD3,608 million corresponded to holdings of foreign currency banknotes. Both the General Exchange Position and the stock of banknotes remained aligned with the figures of May (see Chart VII.2).<sup>9</sup>

<sup>9</sup>The General Exchange Position is defined in the Annex to Communication "A" 6244, subparagraph 4.7. Communication "A" 6237—effective since May 4, 2017—provides that institutions with forex trading license may freely determine the amount and use of their liquid external assets in foreign currency (General Exchange Position). However, institutions are still subject to the limits established for the Net Global Position in Foreign Currency.

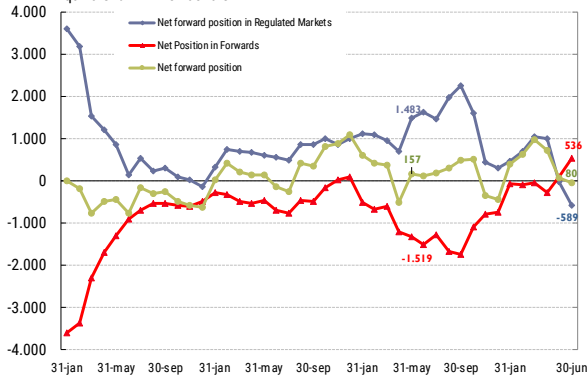
**Chart VII.2 Exchange Balance  
Institutions' Exchange Position (PGC)  
Equivalent in million dollar**



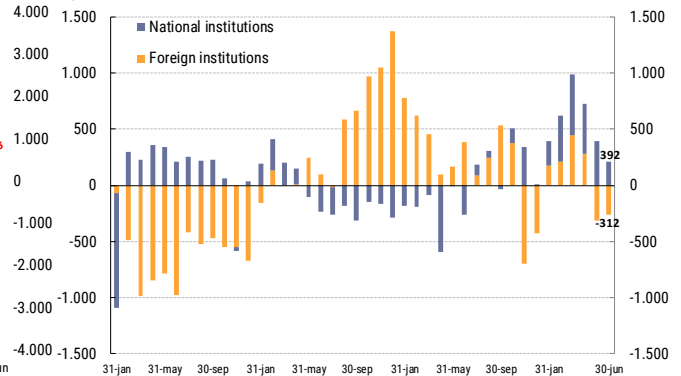
Furthermore, institutions ended June with a net forward short position in foreign currency totaling USD53 million thereby reversing the long position stock observed at the end of May. Institutions sold USD581 million in regulated markets and purchased USD443 million from their clients directly (Forwards) over June, thus reversing both positions of May (see Charts VII.3).

Foreign institutions made net purchases for USD50 million. In turn, national institutions' sales amounted to USD188 million in June (see Chart VII.4).

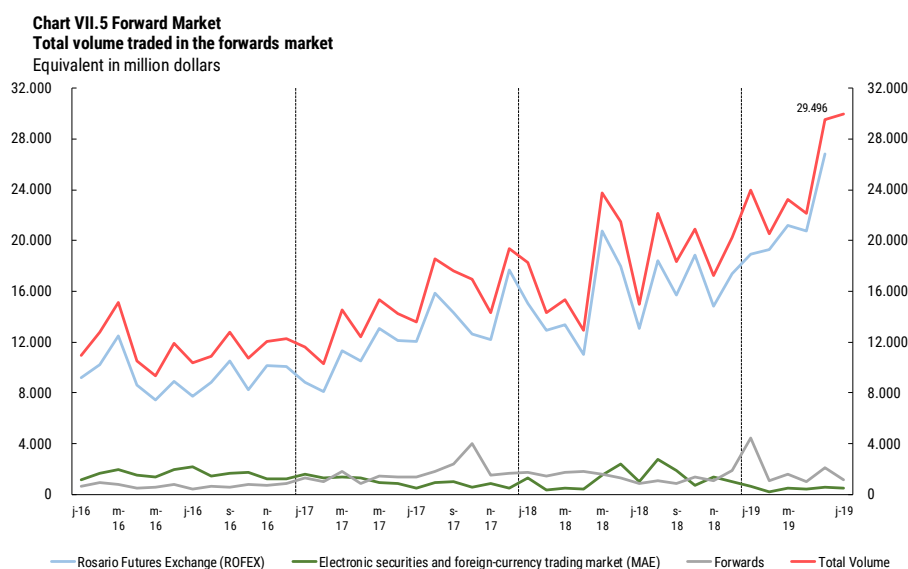
**Chart VII.3 Forward Market  
Institutions' Forward Position  
Equivalent in million dollars**



**Chart VII.4 Forward Market  
Forward Position by Type of Institution  
Equivalent in million dollars**



The volume traded in forward markets reached USD29,947 million in June, i.e.: USD1,664 million on a daily basis.  
<sup>10</sup> The total amount traded increased 2% against May due to rises in transactions carried out in the Mercado a Término de Rosario (ROFEX), which hit a new monthly historical peak and accounted for 95% of the total volume (see Chart VII.5).



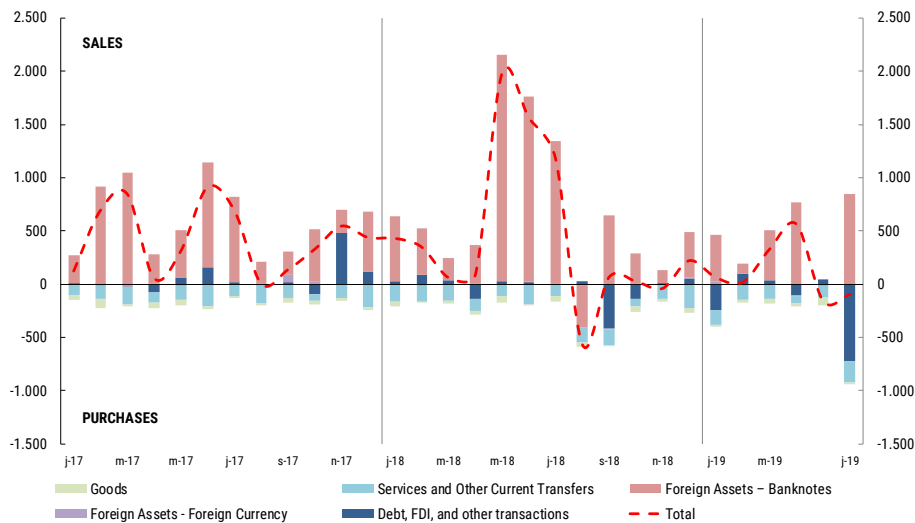
## VIII. General Government and Central Bank

In June, the General Government recorded net purchases in the forex market through licensed financial institutions for USD96 million, mainly to pay interest abroad (see Chart VIII.1).

<sup>10</sup>The chart includes the total volume traded in the ROFEX, the transactions arranged by institutions in the Electronic Securities and Foreign Currency Trading Market (MAE), and with Forwards. This information comes from the Forward Transactions Reporting Scheme (Communication "A" 4196, as amended) and postings on the websites of MAE and ROFEX.



**Chart VIII.1 Foreign Exchange Market**  
**General Government's Net Result**  
 Equivalent in million dollars



The National Treasury sold USD1,080 million through the daily auction system using foreign currency deposited in its account held with the BCRA (see Chart VIII.2).

The exchange rate remained within the “Foreign Exchange Benchmark Zone” and the BCRA did not intervene in the forex spot market.

In turn, the BCRA made direct sales to the National Treasury for USD1,236 million basically for an amount that equals profits transferred that the Treasury agreed to keep deposited with the BCRA until they are used to pay interest from sovereign bonds the BCRA has in its portfolio; consequently, there was no monetary impact or change in international reserves.

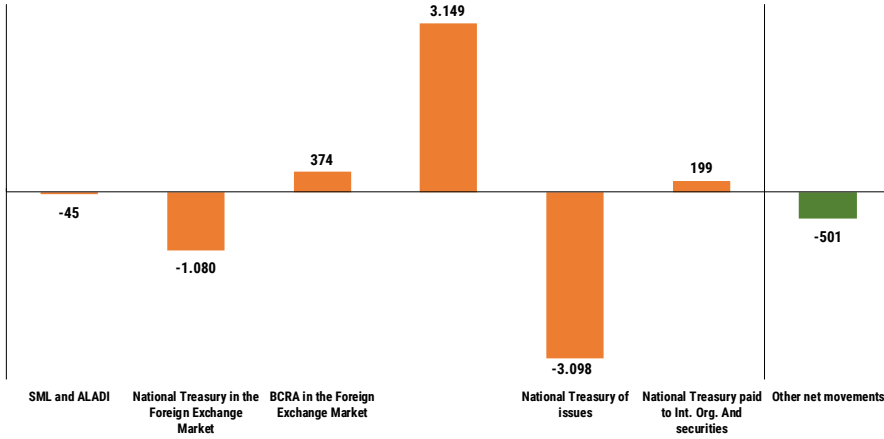
The National Treasury obtained USD3,149 million from issuing bills and bonds, and USD374 million from international organizations. On another note, it made payments on account of two major reasons. On the one hand, for principal and interest of debt for USD3,098 million—principally LETES bills for USD2,171 million, and Discounts for USD490 million—, and on the other hand, payments to international organizations for USD304 million.

The BCRA made payments for forex transactions arranged through the Domestic Currency Payment System (SML) in force with Brazil and Uruguay and through ALADI (Latin American Integration Association) for USD45 million.

In addition, returns increased international reserves by USD500 million.

As a result of the transactions described above, gross international reserves dropped by USD501 million along June, totaling USD64,278 million by the end of the month.

**Chart VIII.2 Change in BCRA's International Reserves – June 2019**  
Equivalent in million dollars



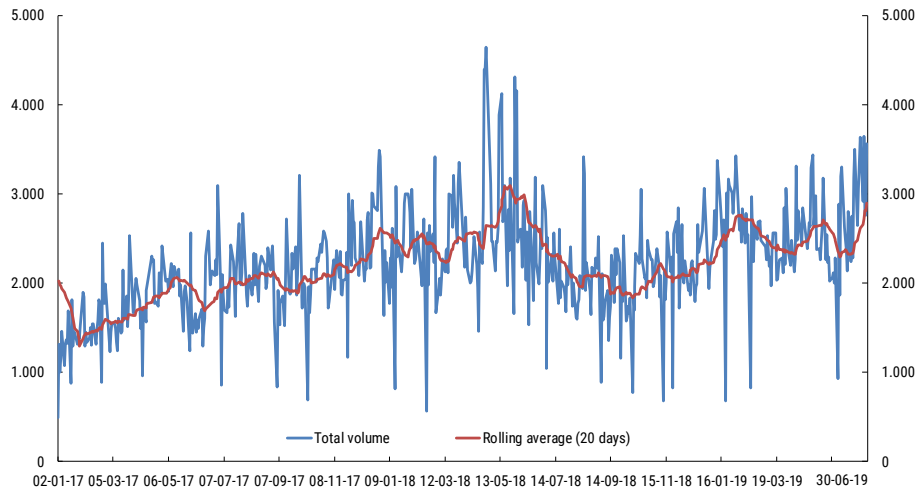
\*Note: It includes – among other transactions – changes in institutions' accounts in foreign currency excluded from other headings, income on reserves, adjustments by type of swap and valuation, purchase-sale of securities, transactions in accounts of the National Treasury, and BCRA's transactions.

## IX. Volumes Traded in the Foreign Exchange Market

In June, the volume traded in the forex market rose 10% y.o.y., totaling USD53,104 million. This total involved a daily volume of USD2,950 million (see Chart IX.1).<sup>11</sup>

<sup>11</sup>In the BCRA's website there is a quarterly ranking of volumes traded with clients in the forex market broken down by institution (to access the Ranking, [click here](#)).

**Chart IX.1 Foreign Exchange Market  
Volume traded daily evolution**  
In million dollars



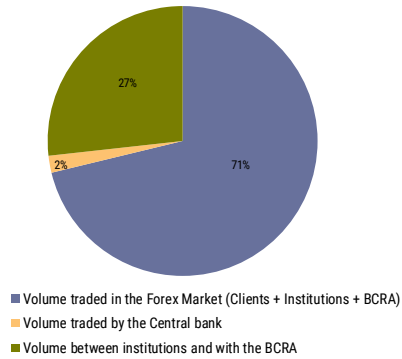
Transactions between institutions and their clients accounted for 71% of the total volume traded, while transactions between institutions—mainly through the Electronic Trading System (SIOPEL)—represented 27%; in turn, transactions between institutions and the BCRA (including transactions carried out on behalf of the National Treasury) accounted for the remaining 2% (see Chart IX.2).<sup>12</sup>

As usual, most of the volume traded between licensed institutions and their clients was concentrated in a few number of institutions (out of 212 institutions, the first ten accounted for 85% of such volume) and in the foreign currency used; USD-denominated transactions had a 97.5% share in the total traded with clients (see Chart IX.3).

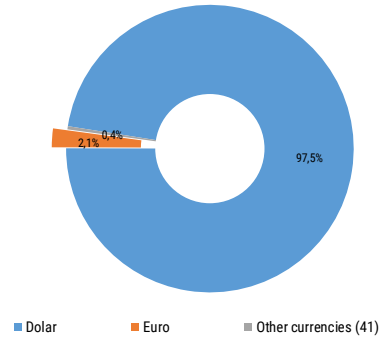
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<sup>12</sup> The volume traded between licensed institutions and their clients excludes the following items: clients' subscription of LEBAC Bills, swap transactions with foreign parties (around USD3,360 million in June 2019), and purchases of foreign exchange to pay card bills for expenses incurred abroad (around USD200 million for the month under study).

**Chart IX.2 Foreign Exchange Market**  
Total volume and share. June 2019



**Chart IX.3 Foreign Exchange Market**  
Volume with clients by currency. June 2019



Finally, 88.1% of foreign exchange transactions were conducted between private-sector financial institutions and foreign exchange institutions. Public banks and foreign exchange institutions accounted for the remaining 11,9% (11,3% and 0.6%, respectively).