Argentina: Open for business

Special report

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Summary

With roughly one week left until the state visit of President Macri to the Netherlands, this note provides an introduction of the Argentinian economy, with a focus on business opportunities and the economic outlook.

- The Argentinian and Dutch economies exhibit several similarities such as the concentration of economic activity around the main port facilities. The Netherlands is the third largest investor in Argentina, but trade ties are limited.

- A new government led by president Macri took over in December 2015 and has embarked on a major and much-needed shift in economic policies.
- The new government has taken bold steps to liberalize and open the economy and progress has been impressive. Nevertheless, the economic transition is far from over and it might not all be smooth sailing for Argentina. Meanwhile, the economic recovery is in sight and we expect Argentina to become one of the fastest growing economies in the region in 2017-2018.

- Policies of previous administrations reduced the competitiveness of many sectors. Business opportunities are present in sectors where Argentina has a comparative advantage, and thus high catch-up potential, such as F&A, energy and tourism. Government plans create business opportunities in infrastructure.
- The large domestic market size and pent-up demand for consumer and capital goods is also interesting, though particular factors need to be considered

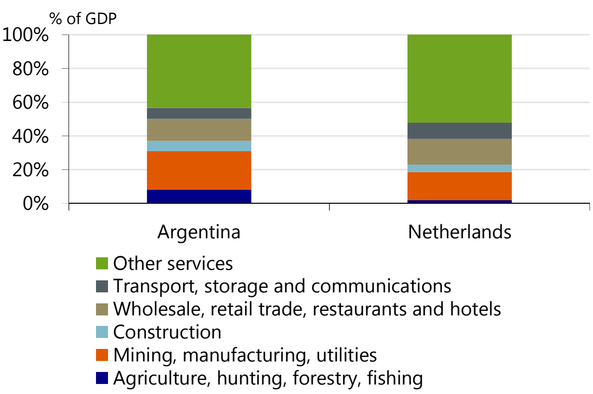
- The foreign exchange market is mainly dominated by local exporters and importers but investors are becoming increasingly important. We expect the Argentinian peso to reach 17.56 by the end of 2017.

Argentina and the Netherlands: economic structure and ties

What is the first thing that comes to your mind when thinking of Argentina? Tango and beef come to my mind, but according to google trends the most frequent search term related to Argentina is football. Makes sense with the likes of Diego Maradona and Lionel Messi on board and two world championships in the pocket. Did you know that the first World Cup was a win against the Netherlands? Another thing that may come to the mind of the Dutch is of course Queen Maxima, the linking pin between the two countries in recent years. But how do the two countries compare and connect economically?

Argentina is 67 times larger than the Netherlands in terms of surface and, with a population of almost 44 million people, it hosts 2.5 times more people than the Netherlands. Corrected for price differences, both economies account for roughly 0.75% of world GDP. Argentina is thereby the second largest economy in South America and the third in Latin America, with only Brazil and Mexico being larger. Both the Dutch and Argentinian economies are service based (Figure 1), as the sector accounts for more than 50% of GDP. However, for both countries the Food and Agribusiness (F&A) sector is a hidden force behind economic activity. In the Netherlands it accounts for 10% of GDP and almost 20% of exports. In Argentina, the sector accounts for 20% of GDP and around 60% of exports, and relies more on primary production than in the Netherlands (Figure 1). The two countries are also similar in the concentration of economic activity and population around their main port facilities: in Argentina, the Centro & Buenos Aires region (roughly 70% of GDP, 65% of the population (Figure 2)), in the Netherlands, the Randstad megalopolis (around 50% of GDP and of the Dutch population).

Figure 1: Sector decomposition of the Argentine and Dutch economies



Note: Food and agribusiness sector (F&A) includes the processing of foodstuffs and accounts for 20 % of GDP in Argentina and 10 % of GDP in the Netherlands
Source: UNCTAD

Figure 2: Geographical concentration of economic activity

Source: Argentinian Ministry of Economy and Finance

Both countries enjoy good access to the sea, but only the Netherlands exploits this advantage to serve as a regional transportation hub. Consequently the Dutch economy is very open, with exports and imports adding up to 151% of GDP, while the Argentinian economy is fairly closed with exports and imports accounting for 27% of GDP. Both countries trade most with their largest neighbour: Brazil for Argentina and Germany for the Netherlands. The Netherlands' export market is concentrated in the EU while Argentina's is more dispersed. The two countries do not trade much with one another. However, the Netherlands is the third largest investor in Argentina, accounting for 11% of the FDI stock and standing only behind the US and Spain.

Figure 3: Factsheets Argentina and The Netherlands

Argentina				
National facts				
Type of government		Republic		
Capital		Buenos Aires		
Surface area (thousand sq km)		2,780		
Population (millions)		43.6		
Main languages		Spanish		
Main religions		Roman Catholic (92%)		
		Protestant (2%)		
		Jewish (2%)		
Head of State (president)		Mauricio Macri		
Head of Gov (president)		Mauricio Macri		
Monetary unit		Argentine peso (ARS)		
Economy				2016
Economic size			*bn USD*	*% world total*
Nominal GDP			533	0.71
Nominal GDP at PPP			935	0.79
Export value of goods and services			70	0.35
Standards of living			*USD*	*% world av.*
Nominal GDP per head			12,221	111
Nominal GDP per head at PPP			21,438	123
Foreign trade				2015/2016
Main export partners (%)		*Main import partners (%)*		
Brazil	20	Brazil		22
China	6	China		16
US	5	US		14
Netherlands	*2*	*Netherlanc*		*1*
Main export products (%)				
Food and live animals				42
Machinery and transport equipment				13
Crude materials, inedible, except fuels				11
Main import products (%)				
Machinery and transport equipment				45
Chemicals and related products, n.e.s.				19
Manufactured goods				12
Openness of the economy				
Export value of G&S (% of GDP)				13
Import value of G&S (% of GDP)				14
Inward FDI (% of GDP)				1.7

Netherlands				
National facts				
Type of government		Constitutional monarchy		
Capital		Amsterdam		
Surface area (thousand sq km)		42		
Population (millions)		17.0		
Main languages		Dutch		
Main religions		None (42%)		
		Roman Catholic (28%)		
		Protestant (19%)		
Head of State		King Willem-Alexander		
Head of Government		Mark Rutte		
Monetary unit		Euro (EUR)		
Economy				2016
Economic size			*bn USD*	*% world total*
Nominal GDP			771	1.03
Nominal GDP at PPP			870	0.73
Export value of goods and services			622	3.04
Standards of living			*USD*	*% world av.*
Nominal GDP per head			45,434	411
Nominal GDP per head at PPP			51,267	294
Foreign trade				2015/2016
Main export partners (%)		*Main import partners (%)*		
Germany	29	Germany		18
Belgium	13	China		17
France	11	Belgium		10
Argentina	*0.1*	*Argentina*		*0.2*
Main export products (%)				
Machinery and transport equipment				26
Chemicals and related products, n.e.s.				19
Mineral fuels, lubricants, and related materials				14
Main import products (%)				
Machinery and transport equipment				30
Mineral fuels, lubricants, and related materials				17
Chemicals and related products, n.e.s.				13
Openness of the economy				
Export value of G&S (% of GDP)				81
Import value of G&S (% of GDP)				70
Inward FDI (% of GDP)				17.1

Source: EIU, CIA World Factbook, UNCTAD

Opportunities: large contrasts, high potential

Argentina is a country of large contrasts: from the tropical temperatures in the North to the freezing temperatures in the South, from the rich plains of the Pampas in the centre to the barren land of the Patagonian dessert in the South. There are also economic contrasts, reflecting the advantages of Argentina's generous natural endowment on the one hand, and the legacy of more than a decade of unsound policies on the other hand. Since a new government took office in 2015 and has made it a priority to address existing economic weaknesses, the significant catch-up potential creates business opportunities. We identify business opportunities in the F&A, energy sector and infrastructure in particular, as well as in the large domestic market with pent-up demand for consumer and capital goods.

Food and agriculture

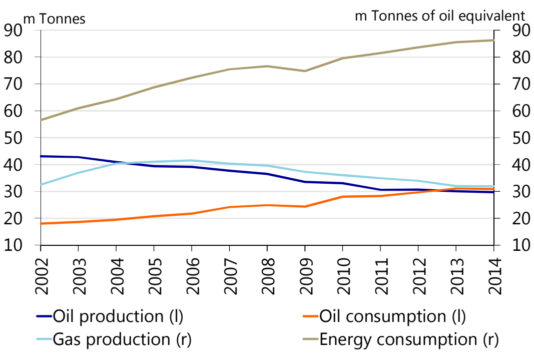
Argentina's diverse climate, landscape and natural resources give the country a comparative advantage in several sectors. The F&A sector stands out in this respect, as a combination of favourable agro-climatic conditions and widely available and high quality land give the country a unique competitive edge. As a result, the country is a leading exporter for a large number of products. In 2016 it was the largest global exporter of biodiesel, soybean oil, soybean meal and lemon by-products, the second largest exporter of corn and the third largest exporter of lemons, sunflower oil, soy bean and milk powder. However, this does not fully reflect the potential in the sector.

Heavy taxation, high inflation and a currency peg to the USD under the previous government affected the competitiveness of the sector for more than a decade (see Rabobank's Argentina Agribusiness Outlook 2025, September 2016). For example, the beef sector fell from the 3rd largest exporter in the world in 2006 to the 12th largest exporter in 2016. With export restrictions (such as export taxes) having been lifted or reduced by the current government, the catch-up potential in the F&A sector is substantial (see Rabobank's Argentina Agribusiness Outlook 2017, March 2017).

Energy sector

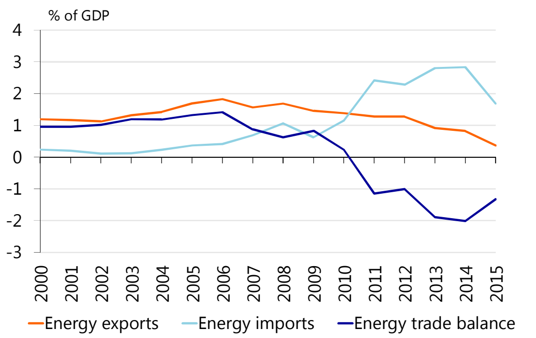
Another sector with high potential is the oil and gas sector. Until 2010, Argentina used to be a net energy exporter to the world. More recently, the sector's potential has been enhanced by the discovery of the Vaca Muerta, estimated to be the second largest technically recoverable reserves of shale gas in the world and to hold sizeable reserves of shale oil. The US Energy Information Administration estimated the reserves at 308 trillion cubic feet (TCF) of shale gas and 16.2 billion barrels of shale oil. Nevertheless, the energy sector has been performing poorly in the past 15 years, mainly because of a lack of investment as a de facto freeze of energy prices and export controls under the previous administration damaged the profitability of the sector. The partial nationalisation of the Spanish owned oil company Yacimientos Petrolíferos Fiscales(YPF) by Christina Kirchner in 2012 did not help investor sentiment either. Consequently production in oil and gas fell (see Figure 4), while the low prices boosted consumption, thereby pushing Argentina's energy trade balance with the world into the negative in 2011 (Figure 5). Looking forward, measures taken by the new government to liberalize the sector and improve its profitability (e.g. energy price increases, gas subsidies for producers until 2020, the abolition of a 15 year old export duty on oil and oil products), should increase the attractiveness of the sector.

Figure 4: Higher energy consumption and lower production…



Source: Macrobond

Figure 5: … pushed Argentina into a negative energy trade deficit



Source: UNCTAD

Moreover, concrete plans to overhaul the power sector as a whole create opportunities in the areas of energy distribution and production from other energy sources. The government has awarded particular attention to increasing sustainability in the sector, both on the supply and the demand side. A 20% renewable energy production mandate by 2025, institutionalized by law, reinforces that focus. A dedicated fund (FODER), 20 year-long Power Purchasing Agreements (PPA's) and cooperation with the World Bank (which for example will provide guarantees and possibly financing in the incipient phase to help Argentina build a track record in the sector) should facilitate the development of renewables.

Infrastructure

Government plans also offer opportunities in many other sectors ranging from infrastructure to mining and telecoms. Argentina has one of the largest infrastructure deficits on the continent (despite good quality in the past), reflected by a 85 ranking out of 138 on the quality of infrastructure sub-index included in the Global Competitiveness Indicator (GCI) of the World Economic Forum (WEF). Only Paraguay, ranked 122, scores worse in South America. To correct this deficit the government has very ambitious infrastructure development plans covering road, highway, rail, subway, port, airport development and public works. Public private partnerships play an important role for the realization of these plans. In November 2016, congress approved a public private partnership (PPP) law, aiming to set a legal framework for investors. The high ranking of the Netherlands on the above mentioned infrastructure sub-index, namely third, suggests Dutch enterprises have relevant knowledge and could find business opportunities in these plans.

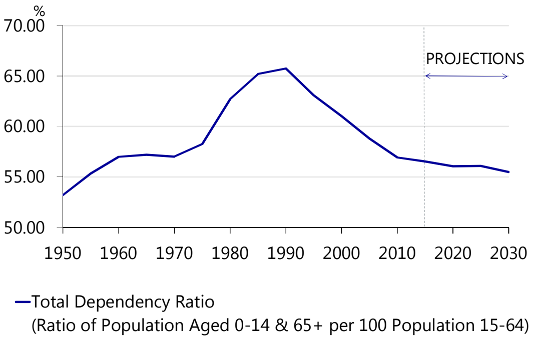
Tourism

The vast and diverse landscape, unique natural environments like the Iguazu Falls and Patagonia and the culture rich capital of Buenos Aires make the country interesting for tourists. It is estimated that travel and tourism accounted for roughly 4% of GDP in 2015, a share that is slightly higher than in neighbouring countries Brazil and Peru. The sector is poised to benefit from the liberalization of USD flows, the removal of peso's peg to the USD last year and from a further fall in inflation (see Macroeconomic outlook: not out of the woods yet, but on the right track), factors that were less favourable and made Argentina relatively expensive in the past.

Consumer market

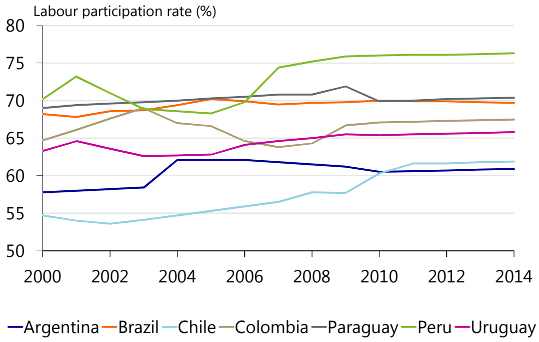
So far we have addressed particularly business opportunities in Argentina that are likely to lead to higher investments and, thus, higher demand for capital goods. Argentina is also a substantial consumer market, as the country is the home of USD 43.6m people, the 4th largest population in Latin America and the third largest in South America. Income per capita and the level of development is relatively high (Table 1). Besides, population dynamics are currently favourable, as a historically low and further decreasing dependency rate (the rate of children and elderly per 100 working age people, Figure 6) means that a large share of the population can be employed in productive activities and contribute to economic growth and, thus, higher income. Argentina's regionally low labour participation rate (Figure 7) indicates that this potential is currently not fully exploited or hidden in the still large informal economy. The efforts of the current government to reduce informality and increase employment could tap into this potential and bode well for future consumption. Pent-up demand resulting from years of tight import controls also bodes well for a pick-up in consumption. This applies in particular to durable goods. The 29% y-o-y increase in passenger cars in 2016, while overall imports fell by 6% y-o-y, seems to reflect the existence of such a backlog.

Figure 6: The dependency rate is historically low and falling



Source: Macrobond, UNPD

Figure 7: Argentina lags behind regional peers in terms of labour participation



Source: World Bank

Nevertheless, some factors negatively affect potential in the consumer market. Although on average income per capita and the level of development (education, health, technological integration) is relatively high in a regional perspective (Table 1), one in three Argentinians lives below the national poverty line. Income inequality is the second lowest in the region, but nevertheless a problem. And the prices of certain basic goods in the Argentinian consumer market are still subject to a price agreement between the government and retail organisations. The price scheme was implemented by the previous government and the current government has extended it three times to protect the vulnerable against the high costs of the current economic adjustment (see Macroeconomic outlook: not out of the woods yet, but on the right track). The current agreement expires in May 2017. Participation to the scheme by retailers is voluntary.

Table 1: Argentina is one of the wealthiest and most developed countries in South America

	GDP per capita, nominal (USD)	*GDP per capita, nominal at PPP (USD)*		*Mobile cellular subscriptions (per 100 people)*	*Internet users (per 100 people)*	*Human development index*	*Education Index*
	2015	2015	% South American average	2014	2015	2014	2014
Argentina	12,425	20,171	134	144	69	0.84	0.83
Bolivia	3,276	7,191	48	92	45	0.66	0.64
Brazil	8,587	15,211	101	127	59	0.76	0.68
Chile	12,910	23,969	159	129	64	0.83	0.75
Colombia	5,623	14,162	94	116	56	0.72	0.62
Ecuador	5,997	11,037	73	79	49	0.73	0.65
Paraguay	3,986	9,354	62		44	0.68	0.59
Peru	5,727	13,019	86	110	41	0.73	0.69
Suriname	7,347	15,180	101	181	43	0.71	0.61
Uruguay	15,864	21,570	143	160	65	0.79	0.71
Venezuela	10,755	15,103	100	93	62	0.76	0.69

Source: Macrobond, World Bank, United Nations, IMF

Macroeconomic outlook: not out of the woods yet, but on the right track

A new Argentinian government took office in December 2015 and has embarked on a bold reform agenda meant to open up and normalize the economy and to strengthen institutions. The progress booked so far has been impressive, though the economic transition is far from over and it might not be all smooth sailing for Argentina. Mid-term elections in October 2017 represent an important milestone and high reliance on external finance is a vulnerability. Nevertheless, recovery is in sight and the economic perspectives are brighter.

Full speed ahead: sounder and more business-friendly policy

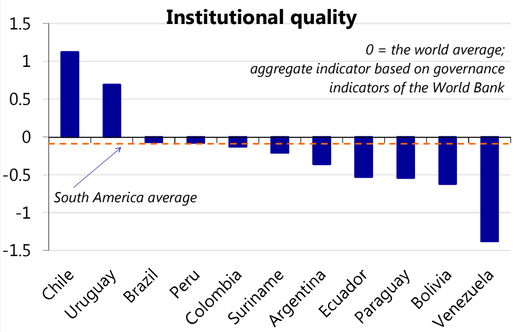
Following the political opposition's victory in the 2015 general elections, a new government led by President Macri took over in December 2015 and has engaged in an ambitious reform agenda to open up and normalize the economy that was left in dire straits by the previous administration (see Argentina- ten years on; Argentina: winds of change). In the first half of 2016, decisive steps where set in the right direction and acute problems were addressed fairly smoothly. Consequently the risks of an imminent crisis have subsided significantly, which sets an important basis for further normalization.

The biggest achievements have been booked on the external front, where an acute shortage of foreign exchange (FX) reserves and the currency peg to the USD were threatening to lead to a balance of payments crisis. The government floated (liberalized) the Argentinian peso, removed most restrictions on capital flows and imports, solved a 15 year old debt conflict with external creditors and thereby regained access to international capital markets. A run-down on FX reserves was prevented through astute management (e.g. loans from international banks) and measures taken to increase the inflow of USD. As a result, Argentinians can now relatively freely trade and exchange capital flows with the rest of the world. USD shortages have been resolved and the black market for USD has evaporated. Moreover, higher buffers (FX reserves more than doubled since the beginning of 2016 – Figure 10) and the free floating currency place Argentina on a stronger footing to deal with external shocks. The government has also embarked on a numerous set of measures to improve the business environment and the quality of institutions (see box 1). That should boost economic growth in the longer term as such reforms could take longer to bear fruit.

Box 1: Business environment and institutions

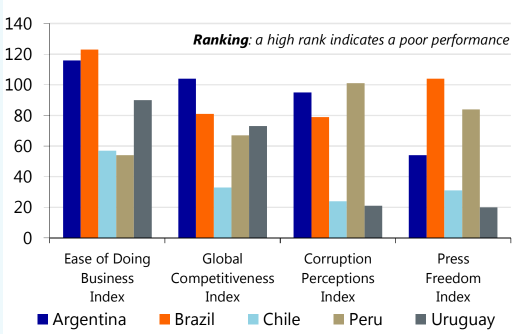
According to several international indicators Argentina is lagging behind regional peers on the quality of the business environment and of institutions (Figures 8 and 9), with the exception of press freedom where it holds the third place in South America. The government that took office in December 2015 has shifted policy towards economically sounder and more market-friendly policies. Measures have been implemented to improve governance and transparency, to improve the efficiency of the state apparatus, to liberalize the economy and to reduce corruption. An Investment Agency was established to provide support to foreign companies along the investment process. Argentina's ranking on both the World Economic Forum's Global Competitiveness and the World Bank's Ease of Doing Business Indices has improved by two places between the autumn of 2015 and the autumn of 2016. The country also climbed 12 places in the Corruption Perceptions Index between January 2016 and January 2017.

Figure 8: Institutions in Argentina are below the world and regional average



Source: Rabobank, World Bank

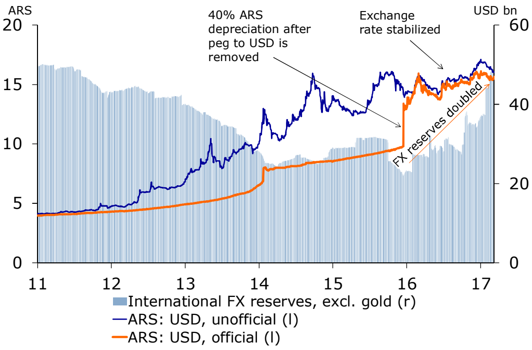
Figure 9: The business environment is weak compared to regional peers, but improving



Source: UN, World Economic Forum, Transparency International, Reporters Without Borders, World Bank

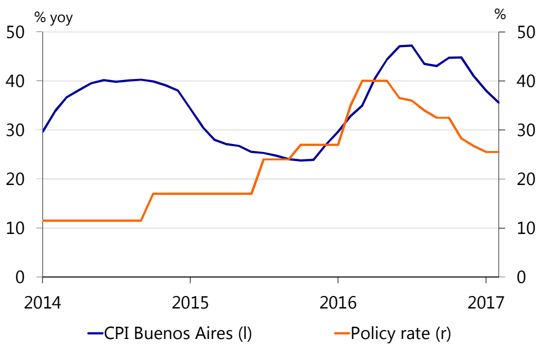
A particularly important change has been the implementation of a sound framework for macroeconomic policy, which is important for managing economic volatility and thus creating a stable environment in which companies and consumers can operate. Crucial steps have been: shifting monetary policy to inflation targeting, setting clear targets on monetary and fiscal policy, communicating transparently about progress on this front and overhauling the previously unreliable statistics with involvement from the International Monetary Fund (IMF). Some progress has also been booked on reducing inflation, on anchoring inflation expectations (important for predictability and, thus, for investment decisions) and on fiscal consolidation. Tight monetary policy and a forward looking approach helped reduce inflation from a high 47% y-o-y in July 2016 to 36% y-o-y in February 2017 (Figure 11). For 2017 inflation expectations stand at 20.8%, still high but not that far above the current upper bound of the central bank target of 12-17%. The 2016 budget deficit target of 4.8% of GDP was met, though one-off revenue helped, and energy subsidies have been reduced.

Figure 10: FX reserves have doubled and the exchange rate has been fairly stable in 2016



Source: Macrobond

Figure 11: Tight monetary policy successful in bringing inflation down



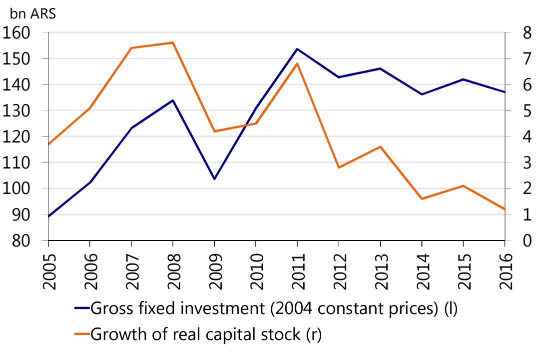
Source: Macrobond

Looking forward, a lot of work still needs to be done. The main macroeconomic challenges are further reducing inflation and structurally reducing the budget deficit. The latter requires a gradual approach in order to protect the vulnerable from the high cost of the ongoing economic adjustment. In the absence of deep domestic capital markets, that renders Argentina highly reliant on external financing and thus vulnerable to any deterioration of investor sentiment towards the country or emerging markets in general. Consequently, the fiscal consolidation is a tough balancing act between going fast enough to maintain access to favourable financing conditions and slow enough to avoid a social backlash. Mid-term elections in October 2017 will be an important milestone, as a positive outcome for the government could be seen as a mandate to maintain the current policy trajectory. A key determinant for the outcome of the elections will be whether or not the economic recovery – that has yet to commence - will be felt by most Argentinians.

Recovery is in sight

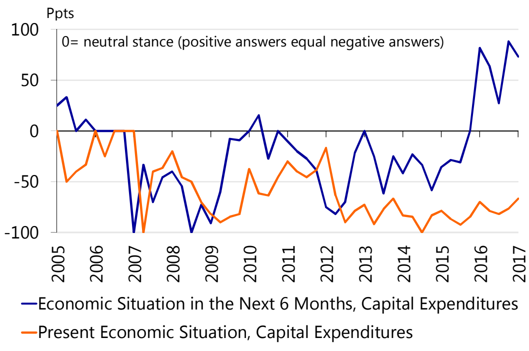
On a positive note, the economic recovery is in sight. After the abolition of several export tariffs, an acceleration of output in the F&A sector is expected to kick-start the recovery and spill-over to other sectors (see Rabobank's Argentina Agribusiness Outlook 2017, March 2017). On top of that, lower inflation is set to improve purchasing power, while increases in social spending and other consumption stimulating measures and public infrastructure plans bode well for domestic spending. A slowdown in investments in recent years (Figure 12) has led to a backlog in investments that is likely to slowly materialize as the economy starts recovering, though we note that there is usually a lag between improvements in economic activity and the acceleration of investments. The improvement seen in Argentinian experts' expectations of future capital expenditure since the end of 2015 bodes well in that sense (Figure 13).

Figure 12: Capital accumulation has slowed down in recent years



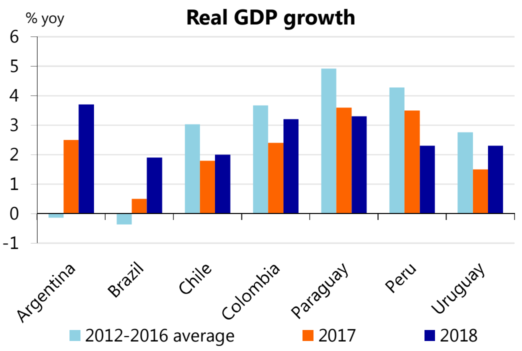
Source: Macrobond, OECD, EIU

Figure 13: Argentinian experts positive about future capital expenditure since end 2015



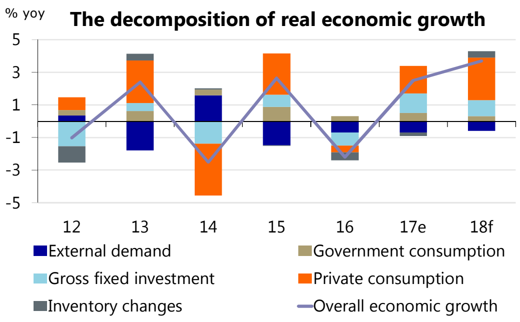
Source: Macrobond, IFO

Figure 14: Argentina, forecast to take the lead in economic activity growth in South America...



Source: Macrobond, EIU

Figure 15: ...driven by private consumption and investment



Source: Macrobond, EIU

The low leverage of the Argentinian private sector (28% of GDP), expected monetary easing as inflation edges lower, a doubling of USD deposits in the bank system in 2016 and access to cheap international finance after 15 years of isolation should help these investment expectations materialize. All in all, we expect economic activity to grow by 2.5% y-o-y in 2017 and by 3.7% y-o-y in 2018, driven by a pick- up in private consumption and investments (Figure 14). Actually, we see Argentina becoming one of the fastest growing economy in South America in the coming two years (Figure 15).

FX markets: Trading new grounds

The market plays a greater role in driving the exchange rate since the Argentinian Peso (ARS) was floated in December 2015. The FX market is mainly dominated by local exporters and importers, but investors are becoming increasingly important. We expect the Argentinian peso to reach 17.56 by the end of 2017. The non-deliverable forward market is still relatively small and fairly illiquid in some maturities.

USD/ARS (the number of Argentinian Pesos that can be purchased with one US Dollar) was reclassified as a floating exchange rate on 17th December 2015 from its previous status as a crawling peg-like arrangement that was mainly controlled by the government. Since that juncture we have seen volatility rise in the pair as the market plays a greater role in driving price action. In 2017, spot[1] USD/ARS attempted to break above 16 on numerous occasions during January but was unable to convincingly break through that level. Price action since then has seen USD/ARS sell-off to around the 15.50 level and the pair has been trading within a 15.3190/7824 range over the past month.

A recent report from the Bank of International Settlements (BIS) entitled "Foreign exchange liquidity in the Americas" noted that commercial transactions played a major role in ARS FX markets but since December 2015, capital markets and operations have increased in importance. Despite the increasing importance of capital markets, local exporters and importers still count for the bulk of FX transactions, unlike in most other FX markets where investors are the main participants. This changing landscape has seen an increase in the volume of ARS that is traded. This is in contrast to most other currencies in which volumes have fallen over recent years.

That said, the non-deliverable forward (NDF[2]) market is still relatively small and although these instruments can be traded up to a settlement date 2 years into the future, it is not always easy to find a large number of willing buyers and sellers at all maturities. To put this in perspective, ARS is the least traded Latin American currency by some margin as can be seen in the table of average daily volumes (ADV, Table 2). In terms of what is traded, unlike other Latin American currencies, the bulk of trading is onshore spot FX which fits in with the story of a market dominated by importers and exporters over and above investors. In fact, spot FX transactions make up around 73% of total ARS volume, NDFs around 9.4%, FX swaps[3] around 17%. A liquid FX option[4] market in ARS is non-existent. Bloomberg shows a low trading volume, a daily average of 387.12m, and trading tends to be concentrated around the middle of the day. Bloomberg also reports that the average ticket size is 5.53mn and the average number of trades is around 70.

Looking forward, the central bank remains concerned about the dangers of speculative flows influencing the exchange rate. Although we expect the liberalisation of the capital account to continue, there is the possibility of the central bank amending rules to discourage these sorts of transactions. Our view is that USD/ARS is likely to trend higher over the course of this year and we have an end of year target of 17.07. This compares to the Bloomberg survey consensus mean of 17.15. The NDF rate for year-end currently stands at around 17.56.

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[1] Spot FX – the current exchange rate which shows the base currency against the quote currency. For example, spot USD/ARS is the number of Argentinian Pesos that can be purchased for one US dollar. When a spot FX trade occurs, there is a physical exchange of the base currency for the quote currency

[2] NDF – A forward contract is an agreement between a buyer and seller to exchange currencies at an agreed upon settlement date and rate in the future. A non-deliverable forward is a cash-settled, short-term forward contract that allows the buyer or seller to hedge against movements in a currency that isn't easily tradeable or is non-convertible. Only the liquid base currency is exchanged and the quote currency never actually changes hands. The profit or loss at maturity is calculated by the difference between the agreed upon price at the time of purchase/sale and the spot rate at the agreed upon settlement date. That profit or loss is settled in the freely tradeable currency. For example, if a client sells a 1yr USD/ARS NDF (selling USD and buying ARS) today at a rate of 18.125 then in 1yrs time if the USD/ARS spot rate is above 18.125 then the client would have to pay the difference in USD, while if the rate is below 18.125 at that juncture then the client would receive the difference in USD. Note that no ARS are ever exchanged at any time, hence the term 'non-deliverable'.

[3] FX swaps – the actual exchange of two currencies (principal only) at an agreed upon settlement date and rate and the reverse exchange of those same two currencies at an agreed upon settlement date and rate further out in the future.

[4] FX option – the right, but not the obligation, to buy/sell currencies at an agreed upon settlement date and rate. In order to purchase this right, a premium is paid.

Table 2: Average daily trade volumes of Latin American currencies

	FX							Interest rates	
	Total	Spot	Outright forwards	FX Swaps	Currency swaps	Options	Exchange traded	OTC	Exchange traded
USD	**4,547.0**	**1,385.4**	**599.8**	**2,160.2**	**73.8**	**218.4**	**109.4**	**1,356.6**	**3,639.3**
CAD	266.4	104.6	34.5	103.1	4.3	14.1	6	38.5	86.6
LatAm	198.9	66.3	53.2	37.8	2.2	14.4	25.1	37.9	40.5
ARS	**1.9**	**1.4**	**0.2**	**0.3**	**0**	**0**	**-**	**0.1**	**-**
BRL	74	13.3	27	0.5	1.7	8.2	23.3	6.6	40.4
CLP	12.5	4.3	7.2	0.7	0.2	0.1	-	4.2	-
COP	7.9	2.6	4.9	0.1	0	0.2	-	1.4	-
MXN	98.8	43.3	12	35.7	0.2	5.9	1.8	25.5	0
PEN	3.9	1.5	2	0.3	0.1	0	-	0	-

Source: Bank of International Settlements

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