



remunerated deposit for some FX inflows. Abolishing the FX controls prompted the peso to depreciate by 30% against the USD in December 2015, prompting the central bank to raise interest rates to mitigate the inflationary effects. Since then, the ARS has depreciated further, keeping up with persistently high inflation rates in excess of 40% YoY. The ARS is now considered a fully floating currency by the IMF. Going forward, we expect the real exchange rate to remain relatively stable, as the adverse effect of higher interest rates in the US will probably be offset by rising inflows of foreign direct investment as the economy gradually recovers. Therefore, we expect the nominal exchange rate to keep on depreciating mostly in tandem with inflation.