



Cross-currency Swaps

	USDARS	USDCER
Liquidity:	Very Poor	Zero
Avg. ticket size:	USD 2mn	USD 2mn
Bid/ask spread:	1000bp	3000bp
Avg. daily volume:	USD 2mn	USD 2mn
Fixing:	www.emta.org/aservices/ Reuters: ARSMCMEEMTA= Bloomberg: EMTAARS Index	CER fixing Bloomberg CER Index or ARCECOES Index. Reuters: .CER

Source: Deutsche Bank

Government bond market

Treasury bonds

Regulatory: Banks have limits on the amounts they can hold. There are no such restrictions for onshore or offshore investors. The majority of ARS denominated bonds are still CER-adjusted (inflation linked) although the trend is now for Treasury issues to be in floating rate notes linked to BADLAR (average deposit rate) as the gradual retiring of CER exposures continues. The Treasury has also issued USD denominated bonds, some of which are under local law and some under NY or UK law.

Liquidity: Moderate
Avg. ticket size: USD 1mn notional
Bid-ask spread: USD 0.5 in price
Avg. daily vol.: USD 150-200mn

Central Bank Paper

Regulatory: There are two types of paper: LEBACs, which are zero-coupon bills with maturity up to 2 years, and NOBACs, which are floaters, linked to the local BADLAR rate (mostly, although there are a few fixed rate bullet bond NOBACs), with quarterly coupons and a maturity of up to 3 years. The bonds have been issued in connection with the BCRA's liquidity management and sterilization of foreign exchange intervention. In August 2007, the Central Bank changed the regulations for NOBACs and LEBACs so that foreign investors can no longer hold the new issues of this paper. The new issues are only clearable in the local clearing system CRYL (although in principle the government could still issue Euroclearable paper if it desired, so far new issues since the new regulations have all been CRYL-clearable paper). Foreign investors can still participate in the secondary market for existing issues with no changes in regulations, and there are no limits on the amounts of such paper that can be held.

Deposit

Regulatory: No restrictions, but banks have limitations on the usage of USD deposits and must comply with liquidity requirements.