



Monthly Report *January 2020*

Foreign Exchange and Derivatives Statistics

This report presents statistics on foreign exchange and currency derivatives operations carried out by the Formal Exchange Market (FEM) with non-bank domestic counterparties and the Foreign Sector. It contains data to January 2020 and only considers domestic currency vis-a-vis foreign currency for both turnover and outstanding figures. Definitions and more detailed disaggregations of the series contained in this report are available at the **Statistical Database of the Central Bank of Chile**.

Contact: dineroybanca@bcentral.cl

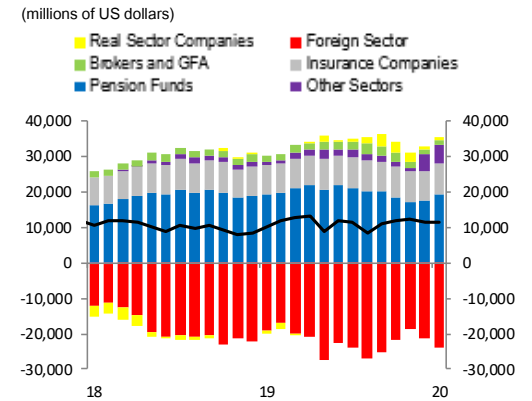
Derivatives market, net amounts outstanding

Derivatives. Amounts outstanding by counterparty (millions of US dollars)	
Foreign Sector	\$ -23,924
Real Sector Companies	\$ 1,028
Pension Funds	\$ 19,130
Insurance Companies	\$ 8,626
Brokers and Mutual Funds	\$ 1,476
Other Sectors	\$ 5,265
Total	\$ 11,601

During January, the Formal Exchange Market increased its net long position by US\$382 million compared to the previous month, ending with a net outstanding amount of US\$11,601 million (Chart 1 and annex).

An increase in the net long position with Pension Funds by US\$1,764 million was highlighted, ending the month with US\$19,130 million. In the opposite direction, the net short position with the Foreign Sector increased by US\$2,412 million, finishing the month with US\$23,924 million.

Chart 1: Derivatives, amounts outstanding by counterparty.



Source: Central Bank of Chile.

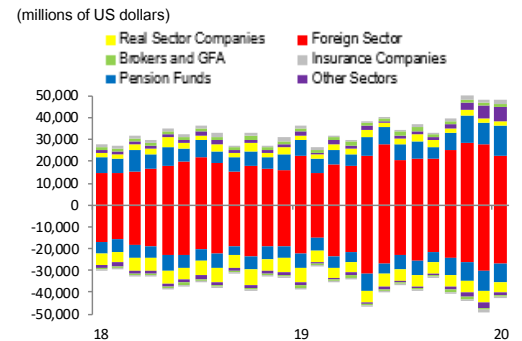
Derivatives market, turnover

Derivatives turnover by counterparty (millions of US dollars)	
Foreign Sector	\$ 49,569
Real Sector Companies	\$ 6,670
Pension Funds	\$ 21,966
Insurance Companies	\$ 2,078
Brokers and Mutual Funds	\$ 2,339
Other Sectors	\$ 7,938
Total	\$ 90,560

During the month, foreign currency derivatives turnover by the Formal Exchange Market amounted to a total of US\$90,560 million, a decrease of US\$7,024 million compared to December 2019 (Chart 2).

This contraction was principally due to lower activity with the Foreign Sector by US\$9,027 million, which registered total turnover of US\$49,569 million.

Chart 2: Derivatives turnover by counterparty.



Source: Central Bank of Chile.

Spot market, turnover

Spot turnover by counterparty (millions of US dollars)	
Foreign Sector	\$ 6,514
Real Sector Companies	\$ 13,856
Pension Funds	\$ 9,915
Insurance Companies	\$ 514
Brokers and Mutual Funds	\$ 8,406
Other Sectors	\$ 5,815
Total	\$ 45,021

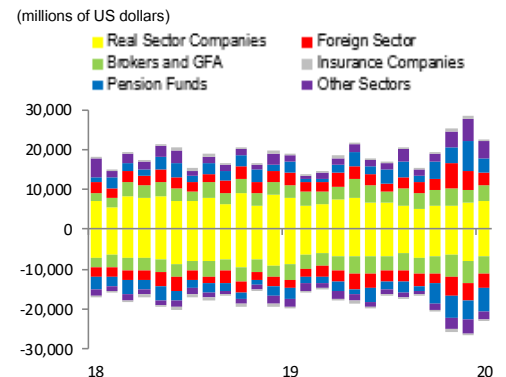
In January, spot turnover decreased by US\$9,918 million, totaling US\$45,021 million over the month (Chart 3).

Lower activity was observed in all sectors, highlighting Other Sectors**, Pension Funds and the Foreign Sector whose activity diminished by US\$3,622, US\$2,339 and US\$2,299 million respectively. As such, these sectors respectively registered total turnovers of US\$5,815, US\$9,915 and US\$6,514 million.

*Considers the liquidity provision and FX intervention program carried out by the Central Bank.

**Includes FX spot and FX swaps operations executed by the Central Bank.

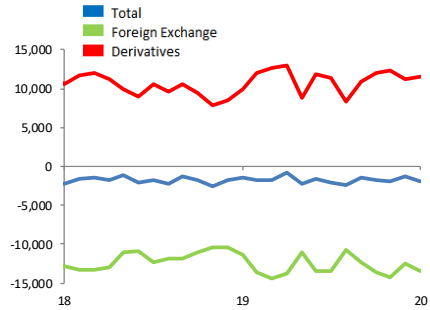
Chart 3: Spot turnover by counterparty.



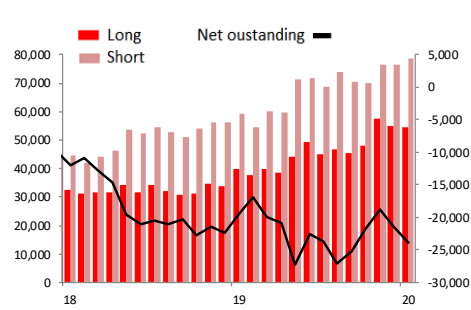
Source: Central Bank of Chile.

Annex

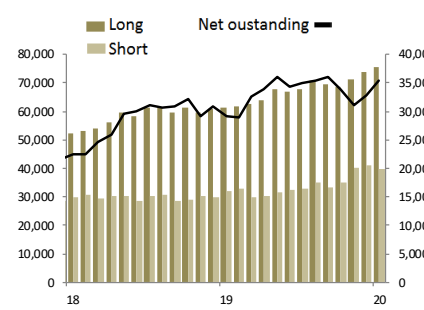
Net amounts outstanding (spot plus derivatives) of the Formal Exchange Market
(millions of US dollars)



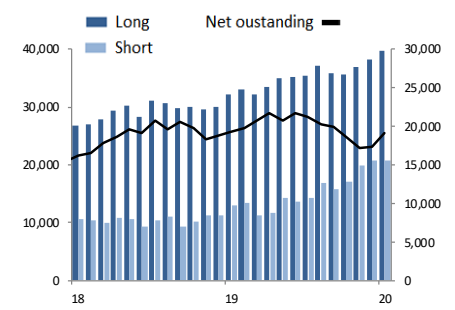
Derivatives. Net amounts outstanding of the Formal Exchange Market with Foreign Sector
(millions of US dollars)



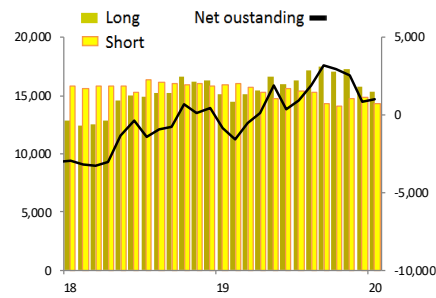
Derivatives. Net amounts outstanding of the Formal Exchange Market with Local Counterparties
(millions of US dollars)



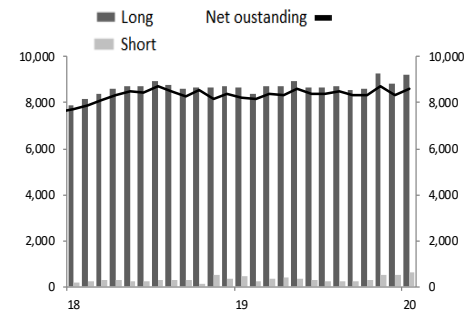
Derivatives. Net amounts outstanding of the Formal Exchange Market with Pension Funds
(millions of US dollars)



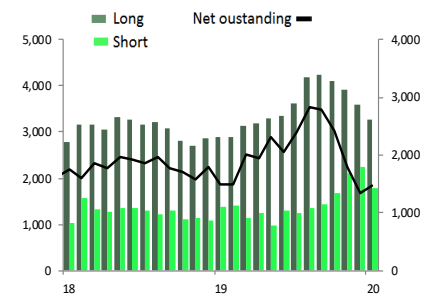
Derivatives. Net amounts outstanding of the Formal Exchange Market with Real Sector Companies
(millions of US dollars)



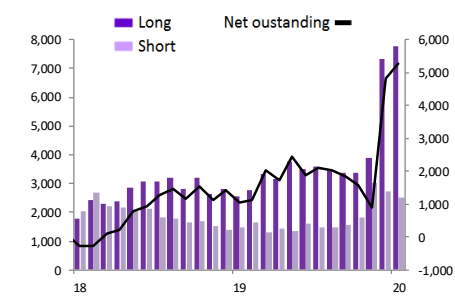
Derivatives. Net amounts outstanding of the Formal Exchange Market with Insurance Companies
(millions of US dollars)



Derivatives. Net amounts outstanding of the Formal Exchange Market with Brokers and GFA
(millions of US dollars)



Derivatives. Net amounts outstanding of the Formal Exchange Market with Other Sectors
(millions of US dollars)



Foreign Exchange and Derivatives Statistics Report Glossary

Notes:

- 1) The Central Bank of Chile collects information on spot transactions and derivatives contracts carried out by banking companies and other institutions within the Formal Exchange Market (FEM), with both local and foreign counterparties, as established in Chapters I and IX of the Compendium of International Exchange Regulations.
- 2) Monthly figures are revised with a lag of three months and 23 days, which means published figures for the last three months are provisional and subject to revision.

Glossary:

- **Brokers and Securities Intermediaries:** brokers and other securities intermediaries supervised by the CMF.
- **Foreign Sector:** non-Chilean resident counterparties.
- **Formal Exchange Market:** corresponds to banks and other entities or persons authorized to be part of this market, which are outlined in Chapter III of the Compendium of International Exchange Regulations of the Central Bank of Chile.
- **General Fund Administrators:** investment funds administered by general fund administrators which are supervised by the CMF.
- **Insurance Companies:** general purpose and life insurance companies which are supervised by the Chilean securities regulator (Comisión para el Mercado Financiero or CMF).
- **Other Sectors:** households, government, the Central Bank of Chile and any other financial company not considered among the classifications already disclosed. In the case of the Central Bank, foreign exchange intervention and liquidity management programs are considered, either through spot purchase / sale operations of foreign currency, FX Swaps, Swaps and FX Forwards, among others.
- **Pension Funds:** funds administered by Pension Fund Administrators (Administradoras de Fondos de Pensiones or AFPs) registered with the Chilean Pensions Supervisor.
- **Real Sector Companies:** considers both public and private companies. Also includes parent companies that exercise control over their subsidiaries.
- **Net amount outstanding:** the net notional stock of all outstanding contracts at the end of the period. It considers all currency derivatives instruments used by the Formal Exchange Market (FEM) with the most common being forwards, FX swaps, cross-currency swaps and options. Net refers to the netting between the long and short positions, where a positive sign indicates that the FEM holds a net long foreign currency position while a negative sign indicates that the FEM holds a net short foreign currency position, against the relevant counterparty sector.
- **Long position:** outstanding commitments to purchase foreign currency with domestic currency (Chilean peso and Unidad de Fomento) by the FEM with the indicated counterparty sector at the end of the period.
- **Short position:** outstanding commitments to sell foreign currency and receive domestic currency (Chilean peso and Unidad de Fomento) by the FEM with the indicated counterparty sector at the end of the period.
- **Interbank position:** outstanding commitments to purchase foreign currency with domestic currency (Chilean peso and Unidad de Fomento) between the FEM institutions at the end of the period, also known as long positions. Only long positions are considered in order to avoid double counting due to double-sided reporting.
- **Total turnover:** includes new purchases and sales of foreign currency against domestic currency (Chilean pesos and Unidad de Fomento) by the FEM with the indicated counterparty sector during the period.
- **Derivatives turnover:** considers all newly committed derivatives contracts (flows) in notional amounts during the defined period of time by the FEM. It considers all instruments used by the FEM with the most common being forwards, FX Swaps, cross-currency swaps and options. Only considers local currency (Chilean pesos and Unidad de Fomento) against foreign currencies.
- **Spot turnover:** includes all spot transactions (flows) during the defined period of time by the FEM. Only considers local currency (Chilean pesos and Unidad de Fomento) against foreign currencies.

Report charts:

(C1): Derivatives net amounts outstanding, by counterparty: Total net positions by counterparty sector, at the end of the period. If its value is positive, it means that the Formal Exchange Market (FEM) has net future purchase commitments of foreign currency with that particular sector. On the other hand, if its value is negative the FEM has promises of net sale of foreign currency. The Net amount outstanding is presented on the right axis of the chart.

(C2): Derivatives turnover by counterparty: Total purchase and sale contracts signed by the FEM with the different counterparties. The positive axis identifies the purchase contract subscriptions and the negative axis the foreign currency sales contract subscriptions.

(C3) Spot turnover by counterparty: Total purchase and sale traded by the FEM with the different counterparties for the period. Purchases of foreign currency are identified on the positive axis and sales on the negative axis.

Further information in ["Publicación de Estadísticas Cambiarias del Banco Central de Chile"](#) by G. Acharan and J.M.Villena, corresponding to the Series of Statistical Economic Studies, No. 86, Central Bank of Chile, April 2011.

This document is prepared by the Statistics Division.