



Monthly Report *February 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 February 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**.

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Derivatives market, net amounts outstanding

Derivatives. Amounts outstanding by counterparty (millions of US dollars)	
Foreign Sector	\$ -24,847
Real Sector Companies	\$ 867
Pension Funds	\$ 21,692
Insurance Companies	\$ 8,455
Brokers and Mutual Funds	\$ 1,482
Other Sectors	\$ 5,611
Total	\$ 13,260

During February, the Formal Exchange Market increased its net long position by US\$1,623 million compared to the previous month, reaching a net outstanding amount of US\$13,260 million (Chart 1 and annex).

This rise was principally attributed to growth in the net long position with Pension Funds of US\$2,562 million, which ended the month with US\$21,692 million outstanding. Compensating this, the net short position with the Foreign Sector increased by US\$923 million, ending the month with US\$24,847 million.

Derivatives market, turnover

Derivatives turnover by counterparty (millions of US dollars)	
Foreign Sector	\$ 52,278
Real Sector Companies	\$ 5,075
Pension Funds	\$ 16,384
Insurance Companies	\$ 1,372
Brokers and Mutual Funds	\$ 2,132
Other Sectors	\$ 7,023
Total	\$ 84,263

During the month, foreign currency derivatives turnover by the Formal Exchange Market amounted to a total of US\$84,263 million, a decrease of US\$6,300 million compared to January (Chart 2).

This contraction owed itself to lower activity with Pension Funds and Real Sector Companies by US\$5,582 and US\$1,636 million respectively, whose total respective turnovers registered US\$16,384 and US\$5,075 million. This was partially offset by higher activity with the Foreign Sector by US\$2,709 million, totaling US\$52,278 million during the month.

Spot market, turnover

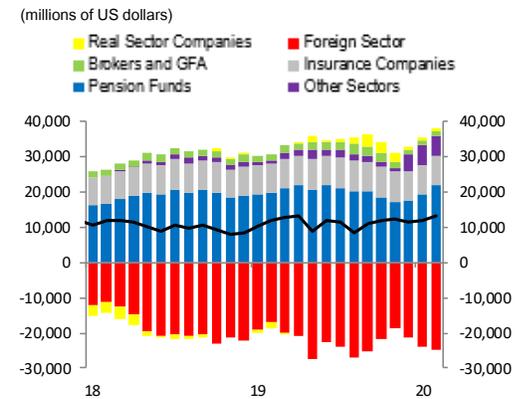
Spot turnover by counterparty (millions of US dollars)	
Foreign Sector	\$ 5,729
Real Sector Companies	\$ 10,274
Pension Funds	\$ 4,082
Insurance Companies	\$ 490
Brokers and Mutual Funds	\$ 8,207
Other Sectors	\$ 3,765
Total	\$ 32,548

In February, spot turnover decreased by US\$12,472 million, registering US\$32,548 million over the month (Chart 3).

Lower activity was observed in all sectors, highlighting Pension Funds, Real Sector Companies and Other Sectors with decreases of US\$5,833, US\$3,617 and US\$2,005 million respectively. With this, these sectors finished the month with total turnovers of US\$4,082, US\$10,274 and US\$3,765 million respectively.

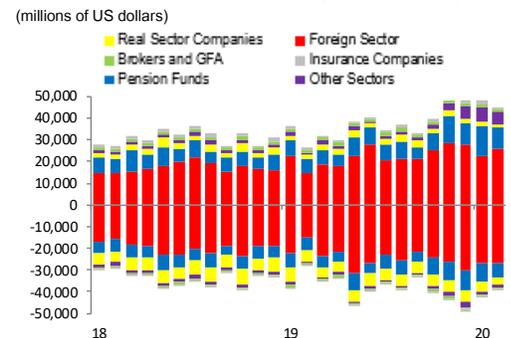
*Considers the liquidity provision and FX intervention program carried out by the Central Bank.

Chart 1: Derivatives, amounts outstanding by counterparty.



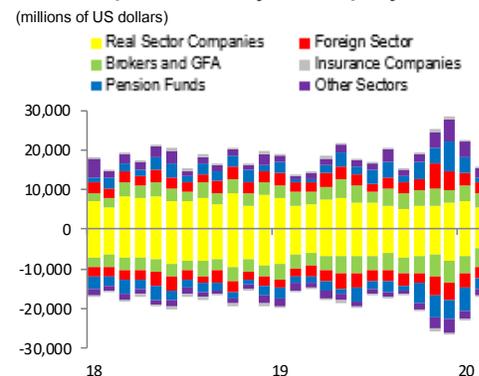
Source: Central Bank of Chile.

Chart 2: Derivatives turnover by counterparty.



Source: Central Bank of Chile.

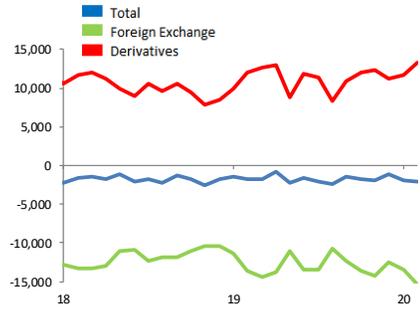
Chart 3: Spot turnover by counterparty.



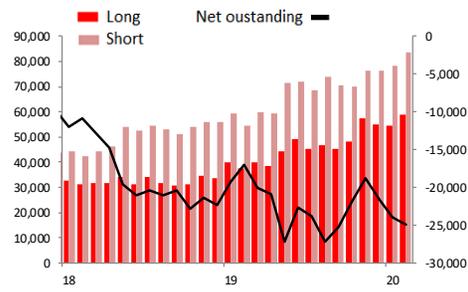
Source: Central Bank of Chile.

Annex

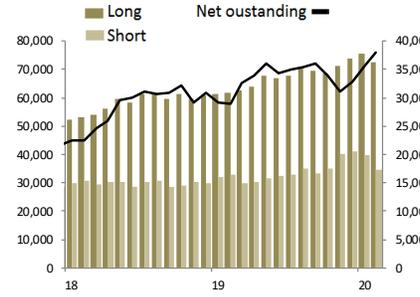
Net amounts outstanding (spot plus derivatives) of the Formal Exchange Market
(millions of US dollars)



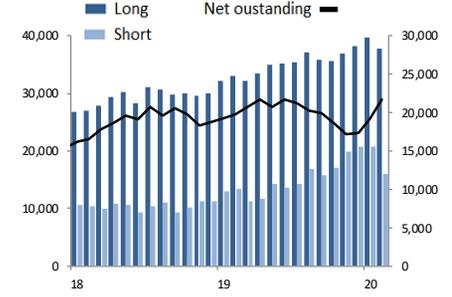
Derivatives. Net amounts outstanding of the Formal Exchange Market with Foreign Sector
(millions of US dollars)



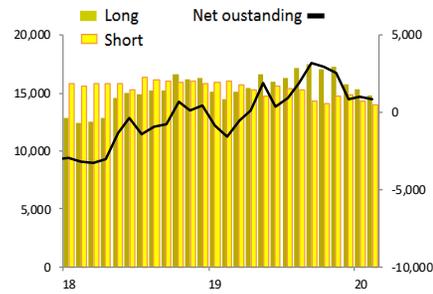
Derivatives. Net amounts outstanding of the Formal Exchange Market with Local Counterparties
(millions of US dollars)



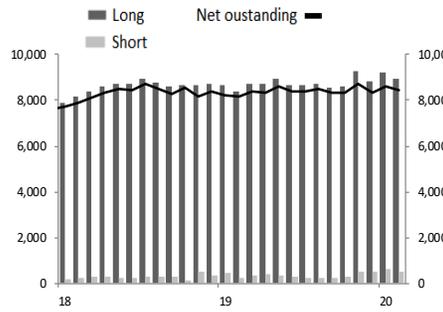
Derivatives. Net amounts outstanding of the Formal Exchange Market with Pension Funds
(millions of US dollars)



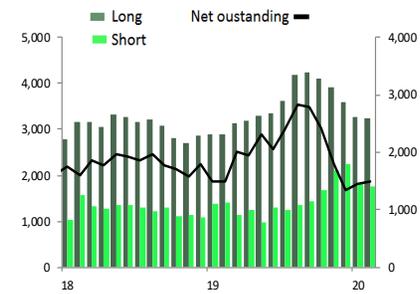
Derivatives. Net amounts outstanding of the Formal Exchange Market with Real Sector Companies
(millions of US dollars)



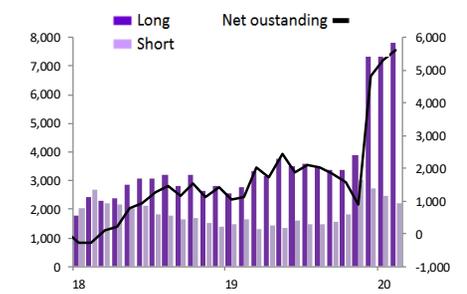
Derivatives. Net amounts outstanding of the Formal Exchange Market with Insurance Companies
(millions of US dollars)



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.