



# Monthly Report *July 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 July 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

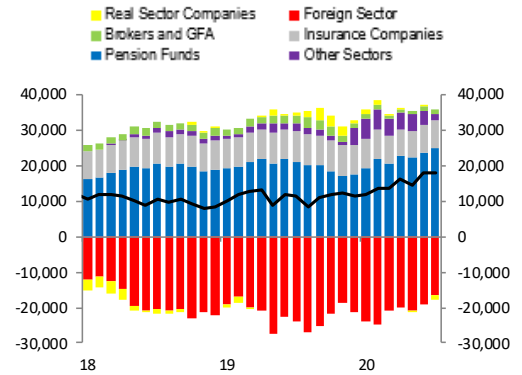
Derivatives. Amounts outstanding by counterparty (millions of US dollars)	
Foreign Sector	\$ -16,581
Real Sector Companies	\$ -1,342
Pension Funds	\$ 24,757
Insurance Companies	\$ 7,951
Brokers and GFA	\$ 1,097
Other Sectors	\$ 1,932
<b>Total</b>	<b>\$ 17,815</b>

At the end of July, the Formal Exchange Market net long position was US\$17,815 million, a decrease of US\$149 million compared to June. (Chart 1 and annex).

Offsetting movements explained this, including a reduction in the net short position with the Foreign Sector of US\$2,393 million and a decrease of the net long position with Other Sectors of US\$2,151 million, ending with net outstanding amounts of US\$16,581 and US\$1,932 million, respectively.

**Chart 1: Derivatives, amounts outstanding by counterparty.**

(millions of US dollars)



Source: Central Bank of Chile.

### Derivatives market, turnover

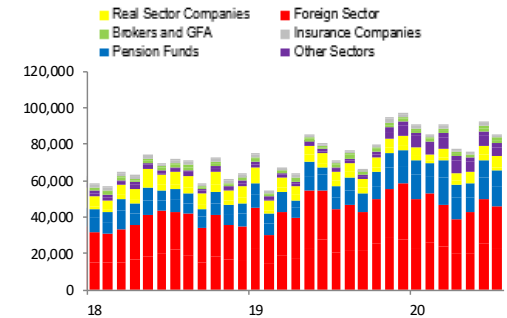
Derivatives turnover by counterparty (millions of US dollars)	
Foreign Sector	\$ 45,682
Real Sector Companies	\$ 7,279
Pension Funds	\$ 20,288
Insurance Companies	\$ 1,643
Brokers and GFA	\$ 3,011
Other Sectors	\$ 7,580
<b>Total</b>	<b>\$ 85,483</b>

During the month, foreign currency derivatives turnover by the Formal Exchange Market was US\$85,483 million, a reduction of US\$7,536 million, compared to June. (Chart 2).

Lower activity was observed in all sectors, particularly with the Foreign Sector and Pension Funds by US\$4,878 and US\$1,151 million, totaling US\$45,682 and US\$20,288 million respectively.

**Chart 2: Derivatives turnover by counterparty.**

(millions of US dollars)



Source: Central Bank of Chile.

### Spot market, turnover

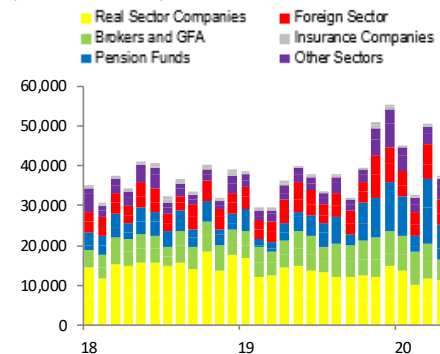
Spot turnover by counterparty (millions of US dollars)	
Foreign Sector	\$ 5,843
Real Sector Companies	\$ 13,681
Pension Funds	\$ 8,158
Insurance Companies	\$ 561
Brokers and GFA	\$ 8,043
Other Sectors	\$ 4,771
<b>Total</b>	<b>\$ 41,058</b>

In July, spot turnover totaled US\$41,058 million, a reduction of US\$7,251 million compared to the previous month (Chart 3).

This decrease was due to lower activity with Pension Funds and the Foreign Sector by US\$8,084 and US\$1,788 million, which registered total turnover of US\$8,158 and US\$5,843 million respectively. On the contrary, Real Sector Companies increased their spot operations by US\$2,566 million, reaching a total of US\$13,681 million.

**Chart 3: Spot turnover by counterparty.**

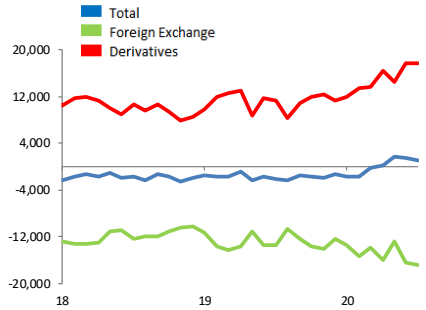
(millions of US dollars)



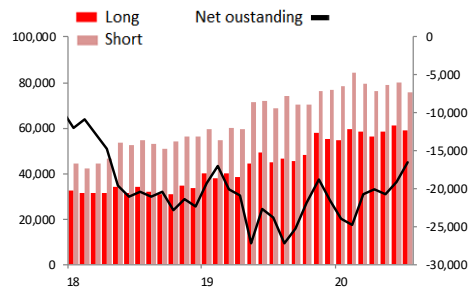
Source: Central Bank of Chile.

# Annex

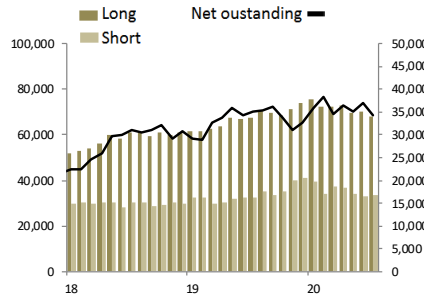
**Net amounts outstanding (spot plus derivatives) of the Formal Exchange Market**  
(millions of US dollars)



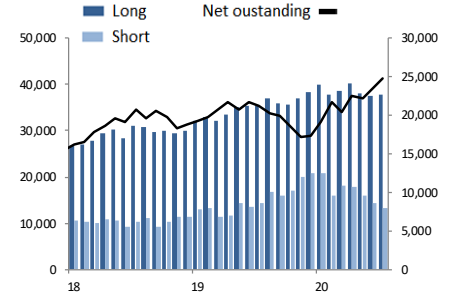
**Derivatives. Net amounts outstanding of the Formal Exchange Market with Foreign Sector**  
(millions of US dollars)



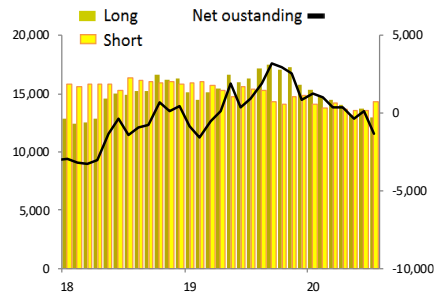
**Derivatives. Net amounts outstanding of the Formal Exchange Market with Local Counterparties**  
(millions of US dollars)



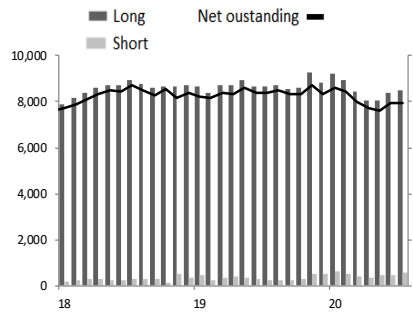
**Derivatives. Net amounts outstanding of the Formal Exchange Market with Pension Funds**  
(millions of US dollars)



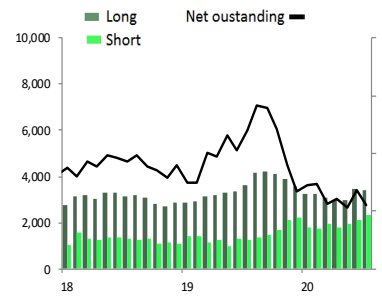
**Derivatives. Net amounts outstanding of the Formal Exchange Market with Real Sector Companies**  
(millions of US dollars)



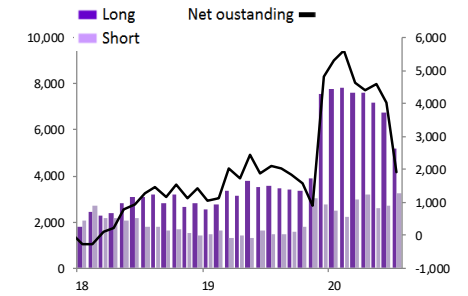
**Derivatives. Net amounts outstanding of the Formal Exchange Market with Insurance Companies**  
(millions of US dollars)



**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.