



Monthly Report *September 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 September 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

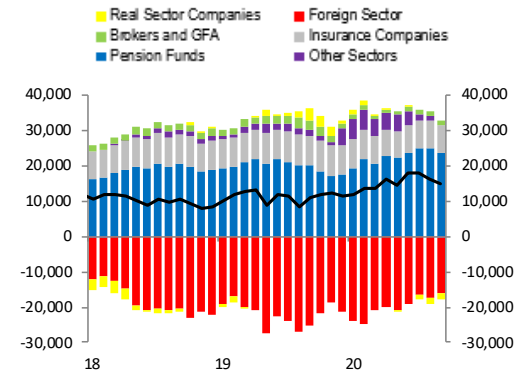
Derivatives. Amounts outstanding by counterparty (millions of US dollars)	
Foreign Sector	\$ -15,659
Real Sector Companies	\$ -1,742
Pension Funds	\$ 23,678
Insurance Companies	\$ 7,845
Brokers and GFA	\$ 1,209
Other Sectors	\$ -255
Total	\$ 15,076

At the end of September, the Formal Exchange Market net long position reached US\$15,075 million, a US\$1,024 million decrease compared to August. (Chart 1 and annex).

The main variations of the month were a decrease in the position with the Other Sectors and Pension Funds by US\$1,274 million and US\$1,259 million, ending with net outstanding amounts of US\$255 and US\$23,678 million, respectively. The evolution of the Other Sectors reflects the termination process of the Central Bank's forward sales program. On the other hand, the Foreign Sector net short position decreased by US\$1,930 million, ending with net outstanding amount of US\$15,659 million.

Chart 1: Derivatives, amounts outstanding by counterparty.

(millions of US dollars)



Source: Central Bank of Chile.

Derivatives market, turnover

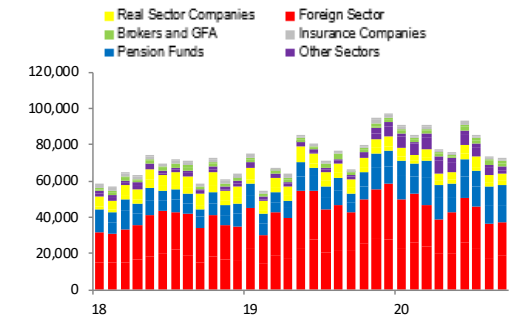
Derivatives turnover by counterparty (millions of US dollars)	
Foreign Sector	\$ 37,108
Real Sector Companies	\$ 6,282
Pension Funds	\$ 20,682
Insurance Companies	\$ 961
Brokers and GFA	\$ 3,028
Other Sectors	\$ 3,927
Total	\$ 71,987

During the month, foreign currency derivatives turnover by the Formal Exchange Market reached US\$71,897 million, a reduction of US\$1,136 million, compared to August. (Chart 2).

Lower activity was observed in the Other Sectors by US\$1,924 and an increase in the Foreign Sector by US\$1,031 million, totaling US\$3,927 and US\$37,108 million, respectively.

Chart 2: Derivatives turnover by counterparty.

(millions of US dollars)



Source: Central Bank of Chile.

Spot market, turnover

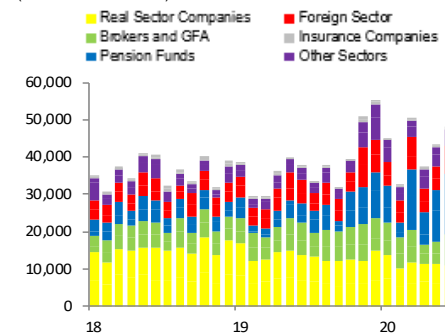
Spot turnover by counterparty (millions of US dollars)	
Foreign Sector	\$ 4,415
Real Sector Companies	\$ 11,687
Pension Funds	\$ 11,210
Insurance Companies	\$ 366
Brokers and GFA	\$ 6,959
Other Sectors	\$ 6,204
Total	\$ 40,840

In September, spot turnover reached US\$41,026 million, similar to the previous month (Chart 3).

The lower activity of the Pension Funds stood out due to US \$ 3,422 million, reaching US \$ 11,210 million. On the other hand, Other Sectors and Companies of the Real Sector entered higher flows for US \$ 1,875 and US \$ 1,092 million, registering totals of US \$ 6,204 and US \$ 11,687 million, respectively.

Chart 3: Spot turnover by counterparty.

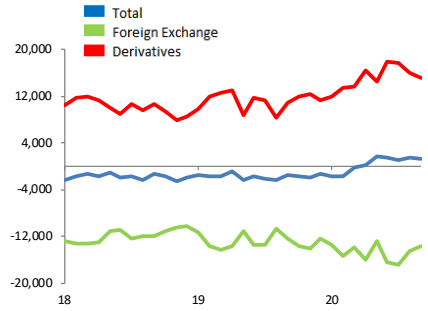
(millions of US dollars)



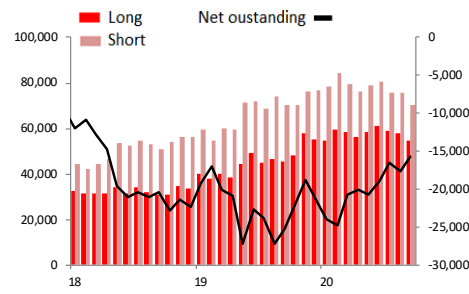
Source: Central Bank of Chile.

Annex

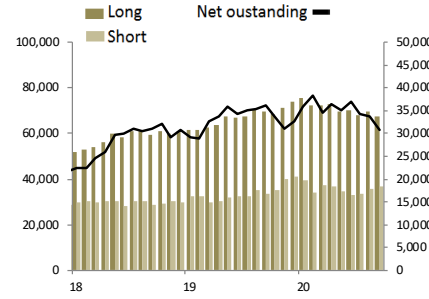
Net amounts outstanding (spot plus derivatives) of the Formal Exchange Market
(millions of US dollars)



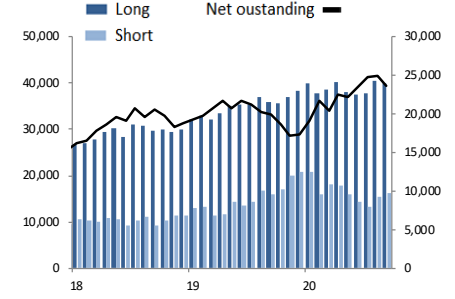
Derivatives. Net amounts outstanding of the Formal Exchange Market with Foreign Sector
(millions of US dollars)



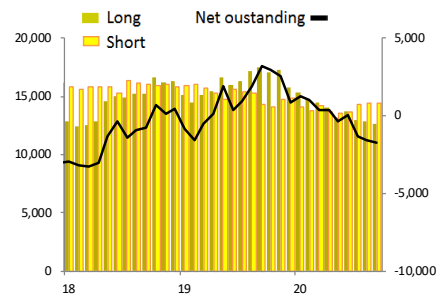
Derivatives. Net amounts outstanding of the Formal Exchange Market with Local Counterparties
(millions of US dollars)



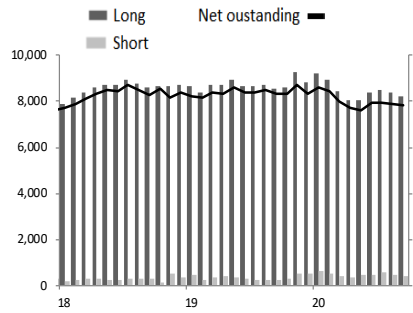
Derivatives. Net amounts outstanding of the Formal Exchange Market with Pension Funds
(millions of US dollars)



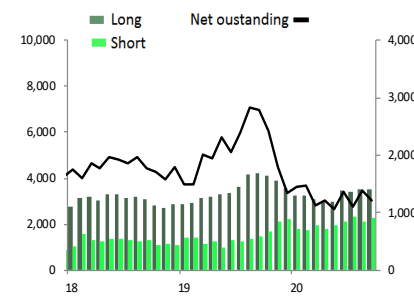
Derivatives. Net amounts outstanding of the Formal Exchange Market with Real Sector Companies
(millions of US dollars)



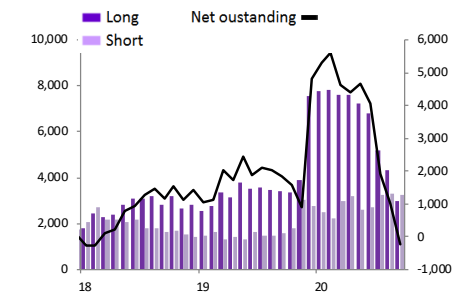
Derivatives. Net amounts outstanding of the Formal Exchange Market with Insurance Companies
(millions of US dollars)



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 Comisión para el Mercado Financiero (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 (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.