

Monthly Report *August 2022*

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 August 2022 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: <https://contactocentral.bcentral.cl/>

Derivatives. Amounts outstanding by counterparty (millions of US dollars)

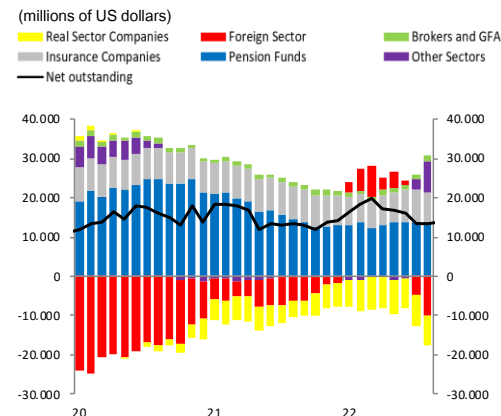
Foreign Sector	\$	-9.969
Real Sector Companies	\$	-7.582
Pension Funds	\$	13.273
Insurance Companies	\$	8.040
Brokers and GFA	\$	1.235
Other Sectors	\$	8.279
Total	\$	13.277

Derivatives market, net amounts outstanding

At the end of August 2022, the Formal Exchange Market (FEM) net long position registered US\$13,277 million (July: US\$13,585) (Chart 1 and annex).

The net long position with Other Sectors rose by US\$5,365 million, reflecting FEM purchases from the Central Bank of Chile as part of its continuing intervention program, closing out the month with US\$8,279 million. Also of note was an increase of the net short position with the Foreign Sector by US\$5,274 million, ending on US\$9,969 million.

Chart 1: Derivatives, amounts outstanding by counterparty.



Source: Central Bank of Chile.

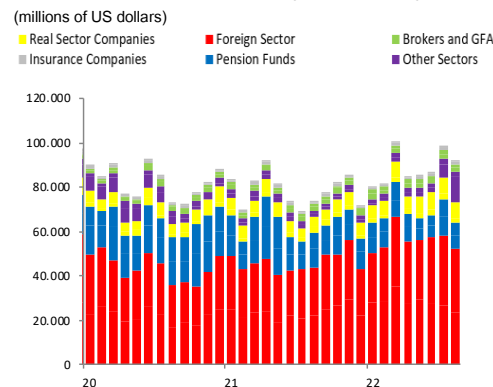
Derivatives turnover by counterparty (millions of US dollars)

Foreign Sector	\$	52.498
Real Sector Companies	\$	9.082
Pension Funds	\$	11.824
Insurance Companies	\$	2.019
Brokers and GFA	\$	3.485
Other Sectors	\$	13.586
Total	\$	92.494

During August 2022, total foreign currency derivatives turnover, which covers local currency (CLP and CLF) against foreign currency operations with non-bank counterparties as well as interbank activity, registered US\$117,975 million (July: US\$122,822).

Lower activity was observed with non-bank counterparties, totaling US\$92,494 million (July: US\$98,458), influenced by decreases with the Foreign Sector and Pension Funds, which recorded US\$52,498 and US\$11,824 million (July: US\$58,463 and US\$16,263), respectively. Offsetting this was an increase in turnover with Other Sectors to US\$13,586 million (July: US\$7,810), due to the Central Bank of Chile's intervention program. (Chart 2).

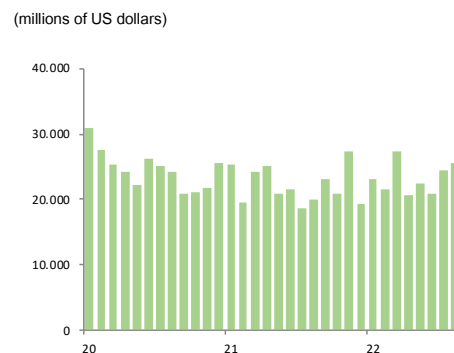
Chart 2: Derivatives turnover by counterparty.



Source: Central Bank of Chile.

Activity between FEM entities was US\$25,481 million, an increase of US\$1,117 million from the previous month (Chart 3).

Chart 3: Derivatives turnover between the Formal Exchange Market.



Source: Central Bank of Chile.

Spot turnover by counterparty (millions of US dollars)		
Foreign Sector	\$	11.211
Real Sector Companies	\$	16.310
Pension Funds	\$	5.984
Insurance Companies	\$	1.163
Brokers and GFA	\$	8.887
Other Sectors	\$	8.478
Total	\$	52.033

Spot market, turnover

Total foreign currency spot turnover, which includes all Formal Exchange Market (FEM) purchases and sales of foreign currency for Chilean pesos with non-bank counterparties and between the FEM, reached US\$95,026 million in August 2022 (July: \$102,461).

The principal decreases with non-bank counterparties were observed with Pension Funds and the Foreign Sector, which registered US\$5,984 million (July: US\$13,641) and US\$11,211 million (July: US\$13,668) respectively. (Chart 4).

Spot activity within the FEM increased by US\$3,669 million with total turnover registering US\$42,993 million at the end of the month.

Chart 4: Spot turnover by counterparty.

(millions of US dollars)

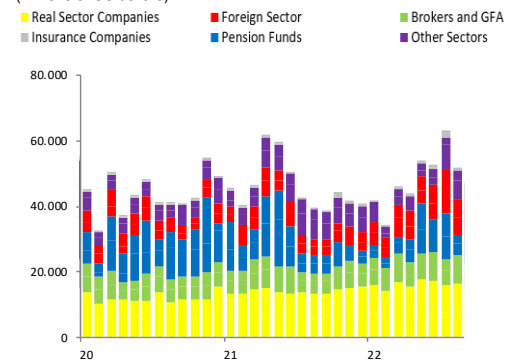
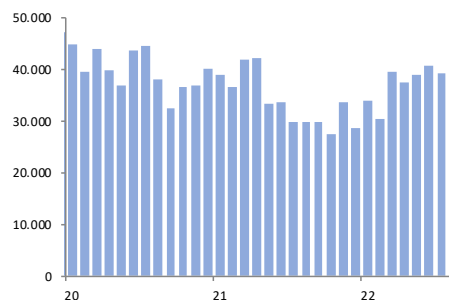


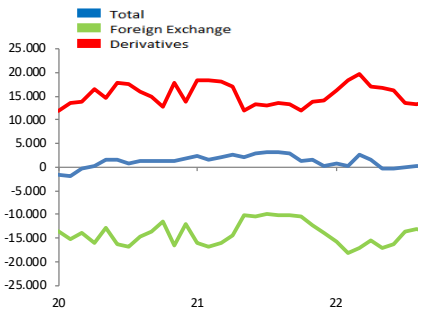
Chart 5: Spot turnover between the Formal Exchange Market.

(millions of US dollars)

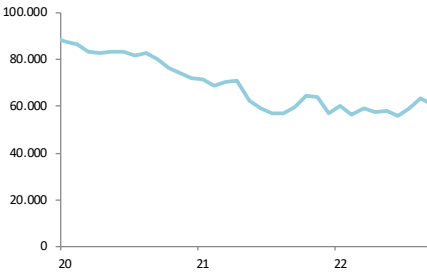


Annex

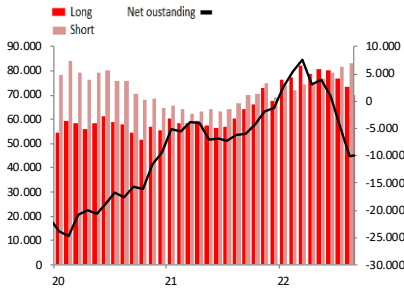
Net amounts outstanding (spot plus derivatives) of the Formal Exchange Market
(millions of US dollars)



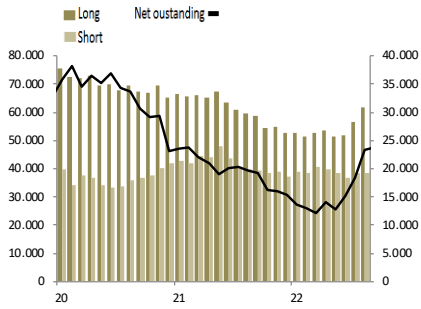
Derivatives. Amount outstanding between the Formal Exchange Market
(millions of US dollars)



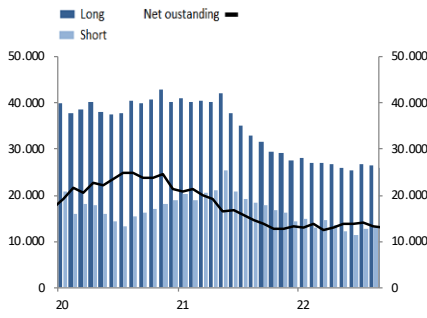
Derivatives. Net amounts outstanding of the Formal Exchange Market with Foreign Sector
(millions of US dollars)



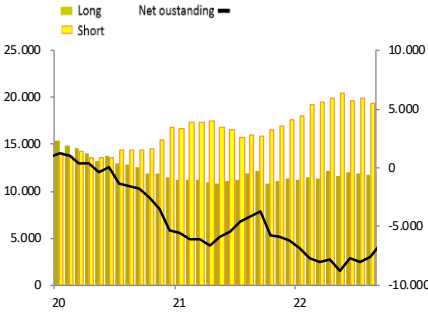
Derivatives. Net amounts outstanding of the Formal Exchange Market with Local Counterparties
(millions of US dollars)



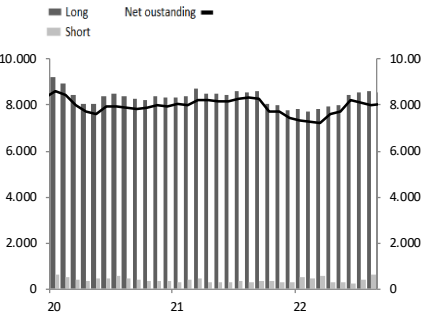
Derivatives. Net amounts outstanding of the Formal Exchange Market with Pension Funds
(millions of US dollars)



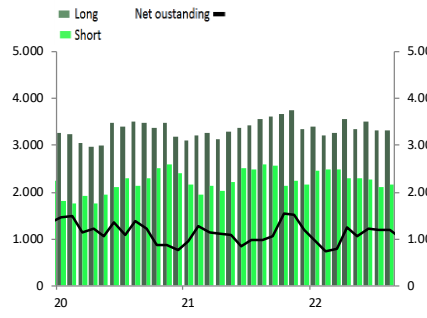
Derivatives. Net amounts outstanding of the Formal Exchange Market with Real Sector Companies
(millions of US dollars)



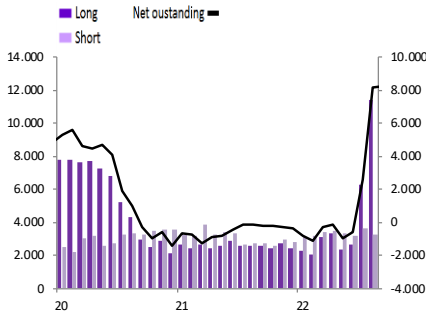
Derivatives. Net amounts outstanding of the Formal Exchange Market with Insurance Companies
(millions of US dollars)



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): Derivatives turnover between Formal Exchange Market entities, where operations are counted only once to avoid double-counting.

(C4) 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.

(C5) Spot turnover between Formal Exchange Market entities, where operations are counted only once to avoid double-counting.

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.