



BANCO CENTRAL
DEL URUGUAY



Ministerio
**de Economía
y Finanzas**

Public Debt Coordination Committee Press Release

The Public Debt Coordination Committee (PDCC), made up of the Central Bank of Uruguay (BCU) and the Ministry of Economy and Finance (MEF), gathered on December 7th, 2022.

The following agenda was discussed during the meeting:

- **Analysis of the evolution of government securities markets during the fourth quarter.** Committee members exchanged views on the evolution of the domestic public debt market (Monetary Regulation Bills and Treasury Notes) in the fourth quarter of the year. In particular, the BCU highlighted that has entered a more contractive monetary policy stance.
- **Transparency in foreign exchange (FX) derivative transactions.** The Committee highlighted the regulatory changes to improve the transparency of transactions carried out in the FX forward markets. In this sense, as of April 1st, 2023, the BCU will begin to report on a daily basis all FX operations between parties that are not negotiated through a formal stock exchange (over-the-counter, OTC). Greater transparency in over-the-counter operations seeks to boost the exchange rate hedging market, contributing to a greater liquidity and a better price discovery of instruments to hedge risks of local currency financing instruments.
- **Launch of FTSE Uruguayan Inflation-Linked Securities index.** The recently launched FTSE Russell index will reflect the returns of domestic-issued inflation-linked government bonds (Treasury Notes) with fixed-real rate coupon payments. FTSE Russell is a leading global index provider creating and managing a wide range of indices, data and analytic solutions across asset classes. This index could play a relevant role in portfolio decisions of fund focused on real fixed income.
- **FX hedging strategies and transactions of State-Owned companies (SOEs).** Committee members highlighted the increase in FX hedging carried out by SOEs,

through the purchase of U.S. dollar futures. ANCAP's transactions with private banks during 2022 were mentioned. As for UTE, the Executive Power recently authorized an FX hedging program.

The next meeting of the Committee will take place in March 2023.