

Public Debt Coordination Committee Press Release

The Public Debt Coordination Committee (PDCC), headed by the Manager of Economic Policy and Markets of the Central Bank of Uruguay and the Director of the Debt Management Unit at the Ministry of Economy and Finance, met on June 27th.

During the meeting, the following agenda was addressed:

- **Analysis of the local and international financial context, as well as price evolution of Uruguayan government securities, liquidity in secondary markets and investor preferences.** In this regard, it should be noted the growing political and financial uncertainty derived from the protectionist measures of the world's leading economies. Likewise, there is an increase in the regional financial volatility based on the persistence of macroeconomic imbalances. In this context, the implementation of debt management and liquidity strategies of both institutions was re-evaluated for the next semester, in order to achieve the objectives of monetary policy and government financing.
- **Financing of the Government in local currency in the second half of the year and new issues in the Pension Unitⁱ.** The Ministry of Economy and Finance presented its issuance calendar in the domestic market for the second half of 2018. It is comprised of the reopening of CPI-linked Treasury Notes and includes, for the first time, issuances linked to the evolution of the nominal wage index (i.e. in Pension Units). The issuance of these market instruments, together with the actuarial changes conducted by the Central Bank, would allow public and private insurance companies in the annuities market, as well as public and private pension funds, to deal with their operational and financial risks in their business horizons.
- **Hedging operations with multilateral credit organizations.** In the framework of a comprehensive management of the public sector balance sheet, and in line with the objective of reducing currency mismatches, potential swaps to domestic currency of foreign currency loans with multilateral credit organizations were analyzed.

The next meeting of Committee will take place in September 2018.

ⁱ Unit of value that varies daily accumulating the monthly variation of the Average Nominal Wage Index