

## 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 (BCU) and the Director of the Debt Management Unit at the Ministry of Economy and Finance (MEF), met on June 11, 2019.

During the meeting, the following agenda was addressed:

o **Analysis of the international and regional financial context.** The Committee discussed the change in market expectations regarding monetary policy decisions of the Federal Reserve of the United States (FED). In particular, during the last weeks, markets have priced-in an increased probability of cuts in the federal funds rate in the remainder of 2019. At the regional level, market volatility in Argentina and Brazil has decreased, with moderate currency appreciation in both countries and lower sovereign risk premiums.

o **Assessment of the joint issuance and liability management transaction in the domestic market, and Central Bank's buybacks of Monetary Regulation Bills.** In the view of the Committee, the issuance, exchange and buyback transactions carried in the domestic market in May, met the monetary policy and government debt management objectives that were set. The joint transaction between the MEF and the BCU extended the average maturity of the government debt and smoothed its amortization profile at a reasonable cost. Likewise, the transaction also helped to continue developing the domestic debt market, especially in securities linked to nominal wages (Pension Units).

o **Government's financing strategy.** The Committee assessed the financing needs of the government for the rest of 2019, as well as the different funding alternatives available in domestic and external markets, and with multilateral institutions. In this regard, the MEF shared the issuance calendar of Treasury Notes in the domestic market for the second half of 2019. In this new calendar, and in order to enhance demand flexibility and market efficiency, investors will

have the option to settle the Treasury Notes by exchanging Treasury Notes of shorter maturity. The new domestic calendar will be published the last week of June, and will include details of the new switch option.

The next meeting of the Committee will take place in September 2019.