



**BANCO CENTRAL
DEL URUGUAY**



**Ministerio
de Economía
y Finanzas**

Public Debt Coordination Committee Press Release

On September 8th, 2023, the Public Debt Coordination Committee (PDCC), made up of the Central Bank of Uruguay (BCU) and the Ministry of Economy and Finance (MEF) held a meeting.

The following agenda was discussed during the meeting:

- **Analysis of the evolution of the international and domestic public securities market.** Views were shared on the evolution of the domestic public debt market (Monetary Regulation Bills and Treasury Notes) since the last Committee. The performance of the domestic market issuance calendar announced by the government was emphasized, including the new settlement option with Monetary Regulation Bills for specific auctions.

In addition, the Committee analyzed the international operation carried out on July 11th which allowed the government to advance in its funding program for 2023. This new issuance contributes to continue strengthening the market in nominal fixed rate pesos, establishing a new 10-year sovereign benchmark. Reducing the dependence on foreign currency funding will help to mitigate the government's debt portfolio exposure to foreign exchange risk. Furthermore, the development of the curve in nominal pesos contributes to enhance the monetary policy transmission channels, through the process of financial de-dollarization and the development of hedging markets. The Committee members agreed that the significant reduction in inflation contributed to the results achieved in the transaction.

- **From the point of view of the monetary policy,** the Committee highlighted the inflation deceleration process and improvements in medium-term inflation expectations, reflected in the compression of the nominal peso yield curve.

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