



**BANCO CENTRAL
DEL URUGUAY**



**Ministerio
de Economía
y Finanzas**

Public Debt Coordination Committee Press Release

On March 14th, 2024, the Public Debt Coordination Committee (PDCC), comprised of the Central Bank of Uruguay (BCU) and the Ministry of Economy and Finance (MEF), held a committee meeting.

The following agenda items were discussed during the meeting:

- **Analysis of the evolution of the domestic public securities market.** Views were shared regarding the evolution of the domestic public debt market (Monetary Regulation Bills and Treasury Notes) and global sovereign bonds since the last Committee meeting.

BCU highlighted the reduction in yield rates of the Monetary Regulation Bills across the curve, with particular emphasis on the reduction in those with a one-year maturity, leading to a downward adjustment of the yield curve in pesos. This reduction has resulted in a decrease in the differential of nominal rates with respect to real rates, which is consistent with the reduction observed in the median expected inflation surveyed among analysts.

Meanwhile, the MEF emphasized the solid performance of government debt securities' issuance in the domestic market, both in terms of amounts and cut-off interest rates, including the new issue in nominal pesos maturing in 2026. So far, the strong demand for government securities allowed for the issuance of 1.6 times the base amount announced in the calendar for the first semester.

- **Monetary policy and inflation outlook.** BCU highlighted the process of inflation reduction, while positively valuing the path of inflation within the target range, as well as the gradual convergence of expectations towards the center of the target range and the general functioning of the monetary policy transmission channels. Short-term projections suggest that inflation will continue to slow down in the coming months. In this context, both institutions agreed on the importance of continue to jointly promote the development of the local currency market, as well

as the relevance of having benchmark instruments across different terms of the yield curves.

The next Committee meeting will take place in June 2024.