

CIII MEETING OF CENTRAL BANK GOVERNORS OF THE CENTER FOR LATIN AMERICAN MONETARY STUDIES
SAN CARLOS DE BARILOCHE, RÍO NEGRO, ARGENTINA
MAY 19TH & 20TH, 2017

WASHINGTON RIBEIRO
CENTRAL BANK OF URUGUAY

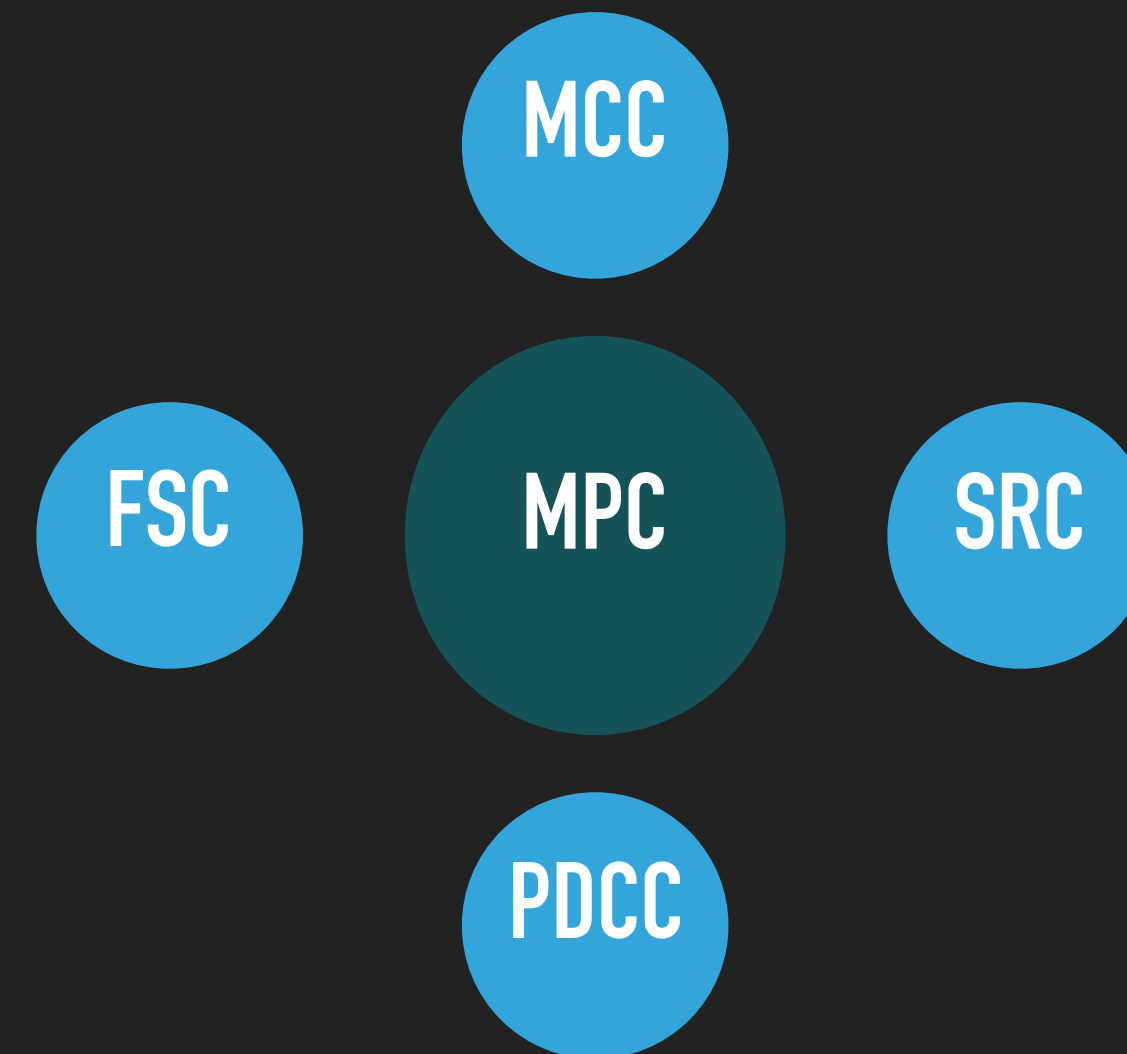
MONETARY POLICY REACTION TO EXTERNAL SHOCKS

INTRODUCTION

INSTITUTIONAL FRAMEWORK

MONETARY POLICY IMPLEMENTATION

INDEX



MACROECONOMIC COORDINATION COMMITTEE

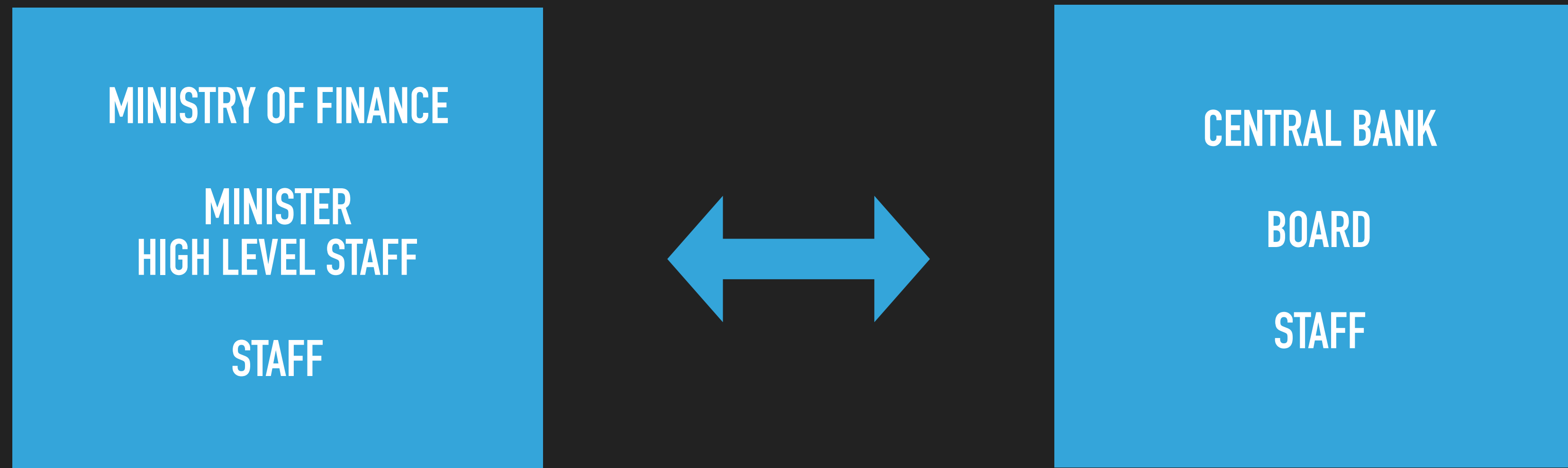
MONETARY POLICY COMMITTEE

PUBLIC DEBT COORDINATION COMMITTEE

FINANCIAL STABILITY COMMITTEE

SUPERVISION & REGULATION COMMITTEE

INSTITUTIONAL FRAMEWORK



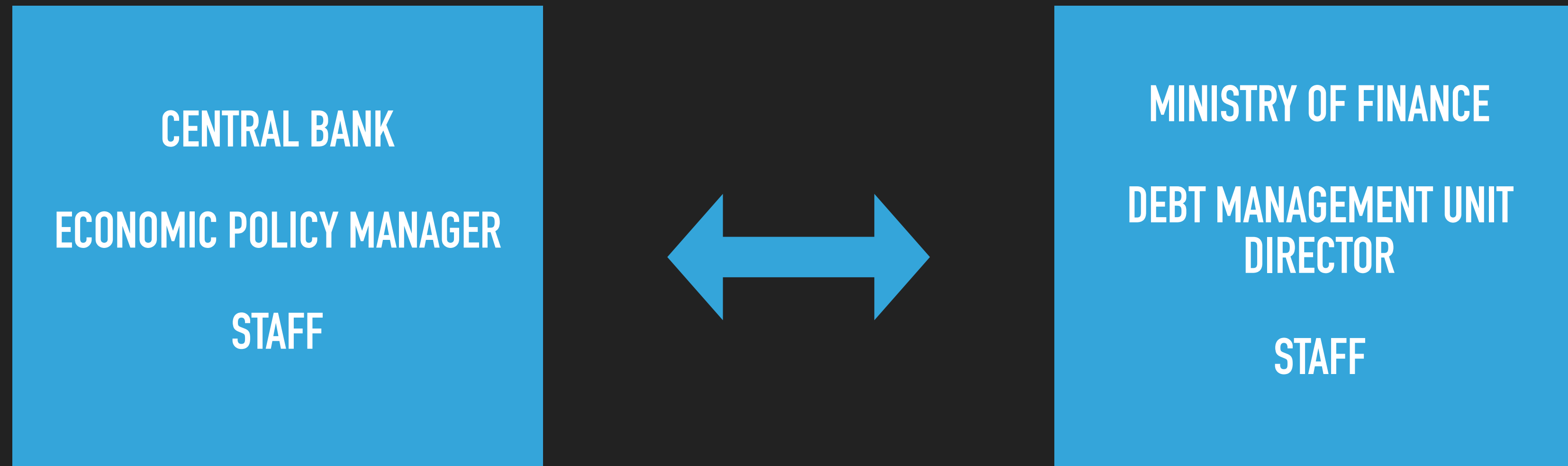
MACROECONOMIC COORDINATION COMMITTEE 2008

**MONETARY, FISCAL & INCOME
CONSISTENCY**



MONETARY POLICY COMMITTEE 2008

REGIME – INSTRUMENT – TARGETS
(INDICATIVE)



PUBLIC DEBT COORDINATION COMMITTEE 2016

INTEGRATED ASSETS & LIABILITY FRAMEWORK

MINISTRY OF FINANCE

MINISTER

STAFF

CENTRAL BANK

PRESIDENT

STAFF

SUPERINTENDENCY OF FINANCIAL
SERVICES

SUPERINTENDENT

STAFF

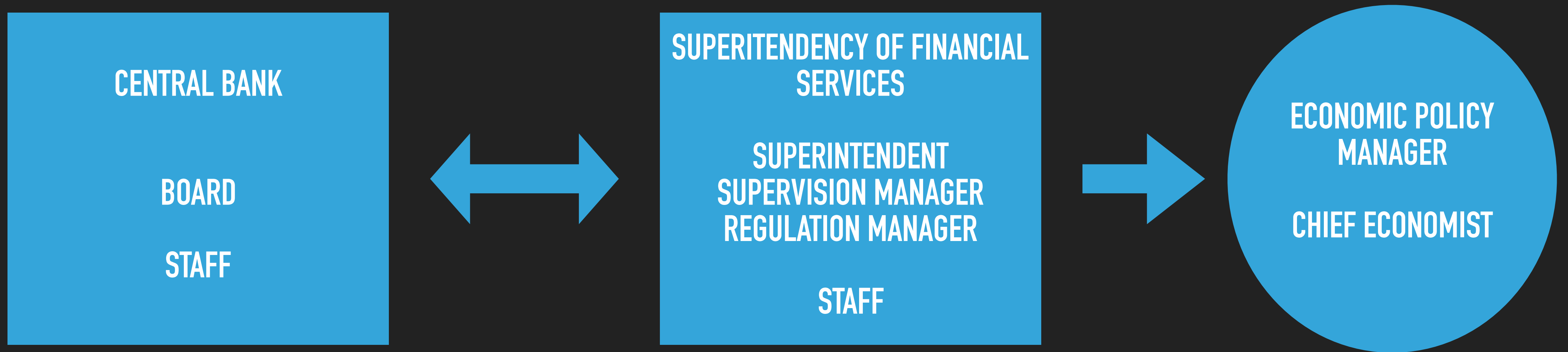
BANK SAVINGS PROTECTION
CORPORATION

PRESIDENT

STAFF

FINANCIAL STABILITY COMMITTEE 2011

FINANCIAL SAFETY NETWORK



SUPERVISION & REGULATION COMMITTEE 2008

**CENTRAL BANK & SUPERINTENDENCY
COORDINATION (INDEPENDENCY)**

MONETARY POLICY

RISK MANAGEMENT

PRAGMATISM

FLEXIBILITY

COMUNICACIÓN

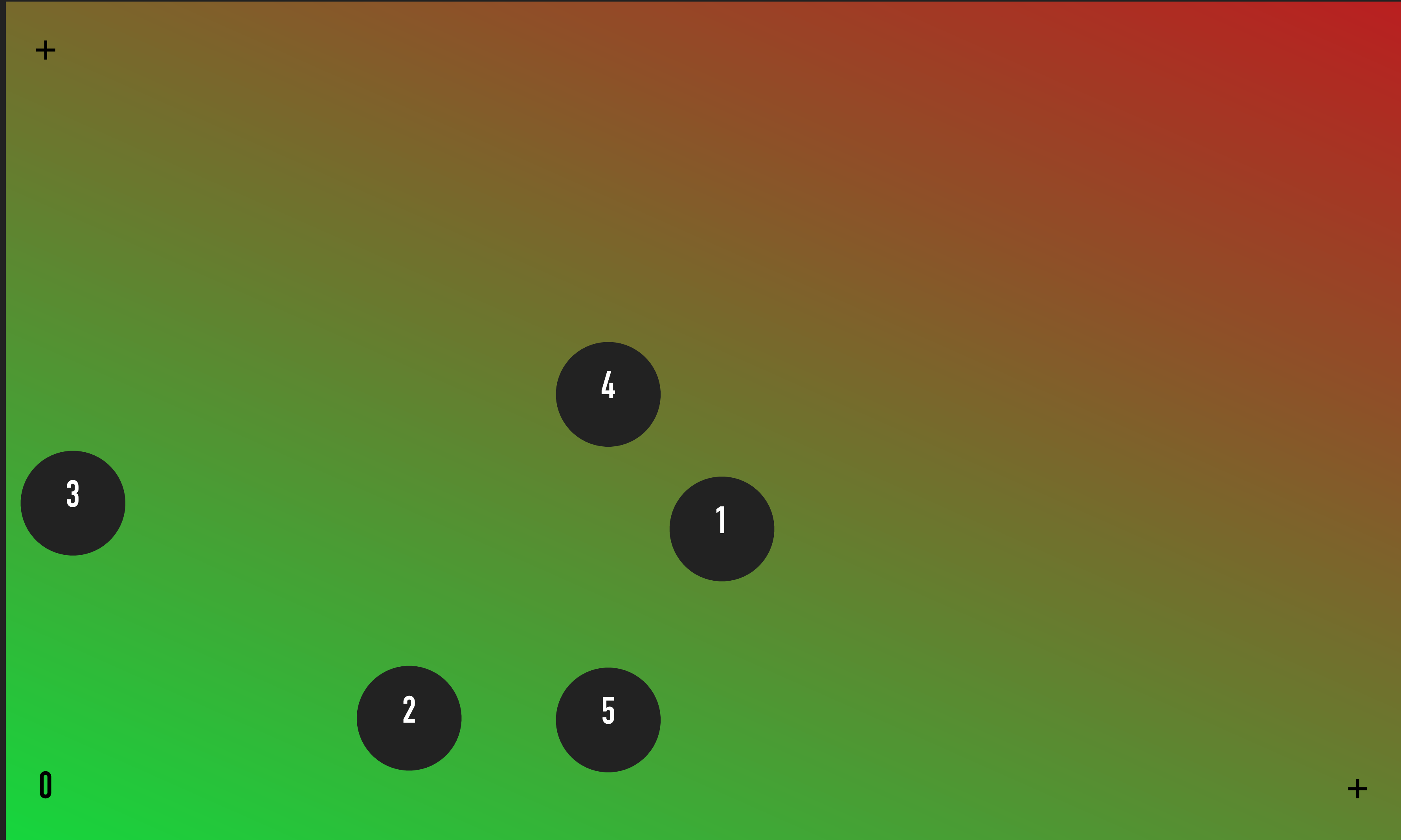
**ADAPTATION TO A CHANGING
ENVIRONMENT**

- 1- UNITED STATES (TIGHTENING OF INTERNATIONAL FINANCIAL CONDITIONS)
 - 2- EUROPE (STAGNATION & DEFLATION)
 - 3- CHINA (HARD LANDING & FINANCIAL VOLATILITY)
 - 4- REGION (POLITICAL EVENTS & FISCAL CONSOLIDATION)
 - 5- GEOPOLITICAL (INCREASED TENSIONS IN PROBLEMATIC ZONES)
-

RISK MAP

SHARED VISION

IMPACT
(24 MONTHS)



PROBABILITY
(12 MONTHS)

INFLATION

FINANCIAL STABILITY

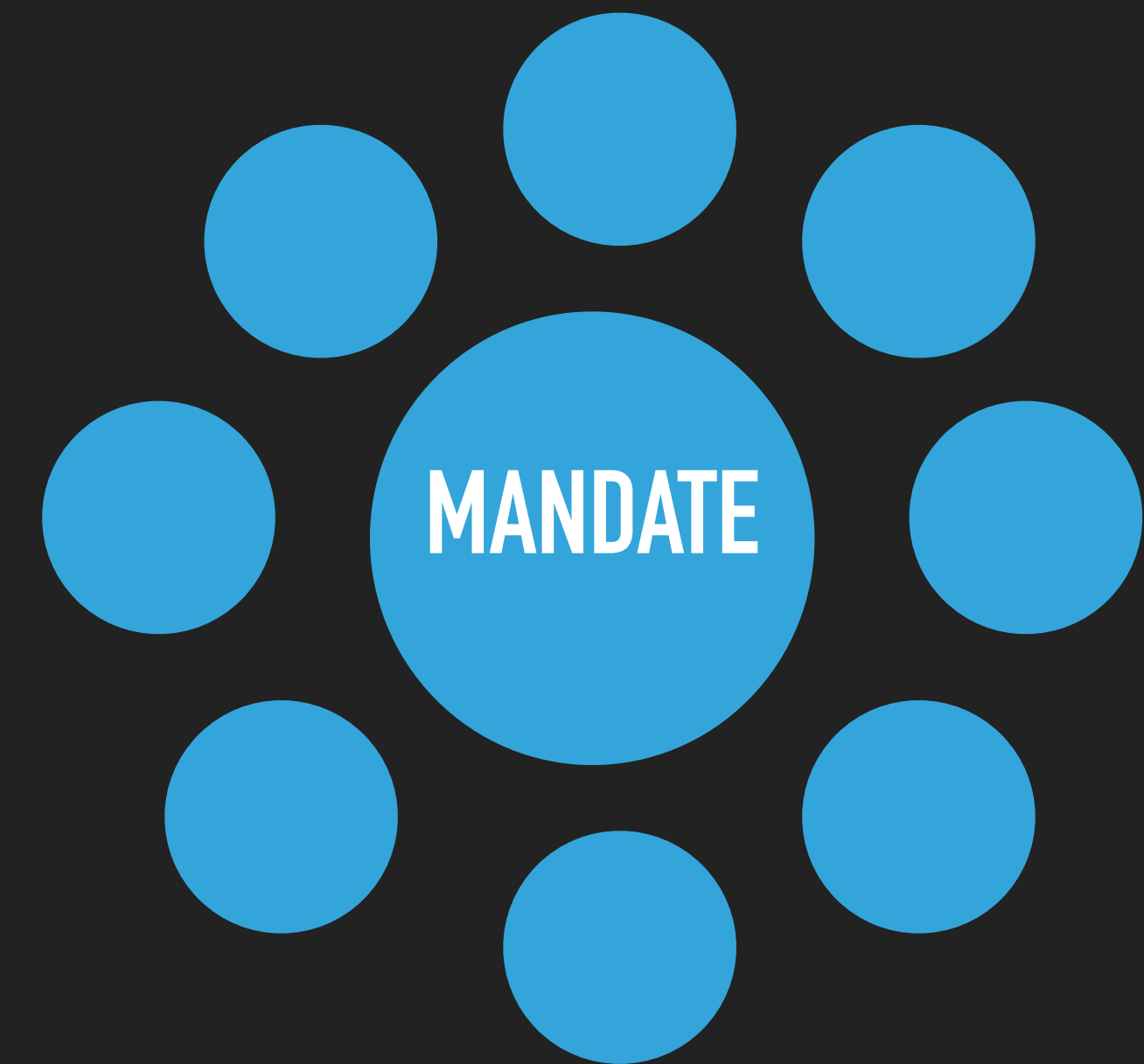
GROWTH

COMPETITIVENESS

(PARA)FISCAL DEFICIT

INVESTMENT GRADE

▶ SOCIAL INCLUSION



MULTIPLE EQUILIBRIA

FOCUSED ON OUR MANDATE

INFLATION TARGETING TOOLKIT

INFLATION TARGETING

3% - 7%
24 MONTHS

MPR

2013

M1

(5%+ 3%)
24 MONTHS

MONETARY PROGRAM

FX MARKET
INTERVENTIONS (TO
REDUCE
VOLATILITY)

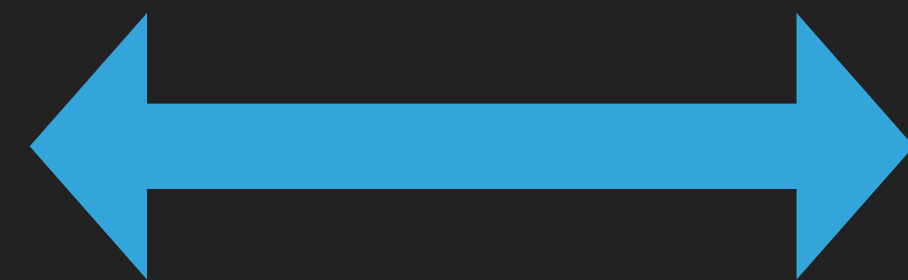
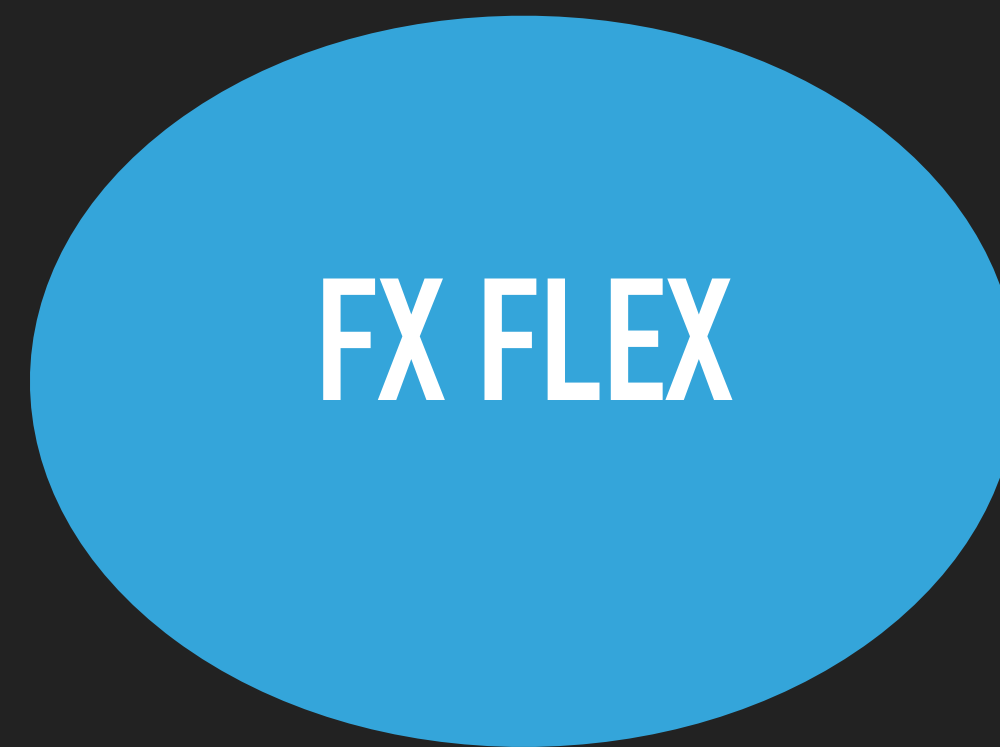
RESERVE REQUIREMENTS ON BANK
DEPOSITS (AVERAGE & MARGINAL)

DEBT MANAGEMENT
OPERATIONS
PUBLIC SECTOR
BALANCE SHEET

RESERVE
REQUIREMENTS
ON NR HOLDINGS
OF LC DEBT

PRIMARY
DEALERS

AMORTIZATION /
INTEGRATION IN
FX OF LC NOTES



FLEXIBILITY

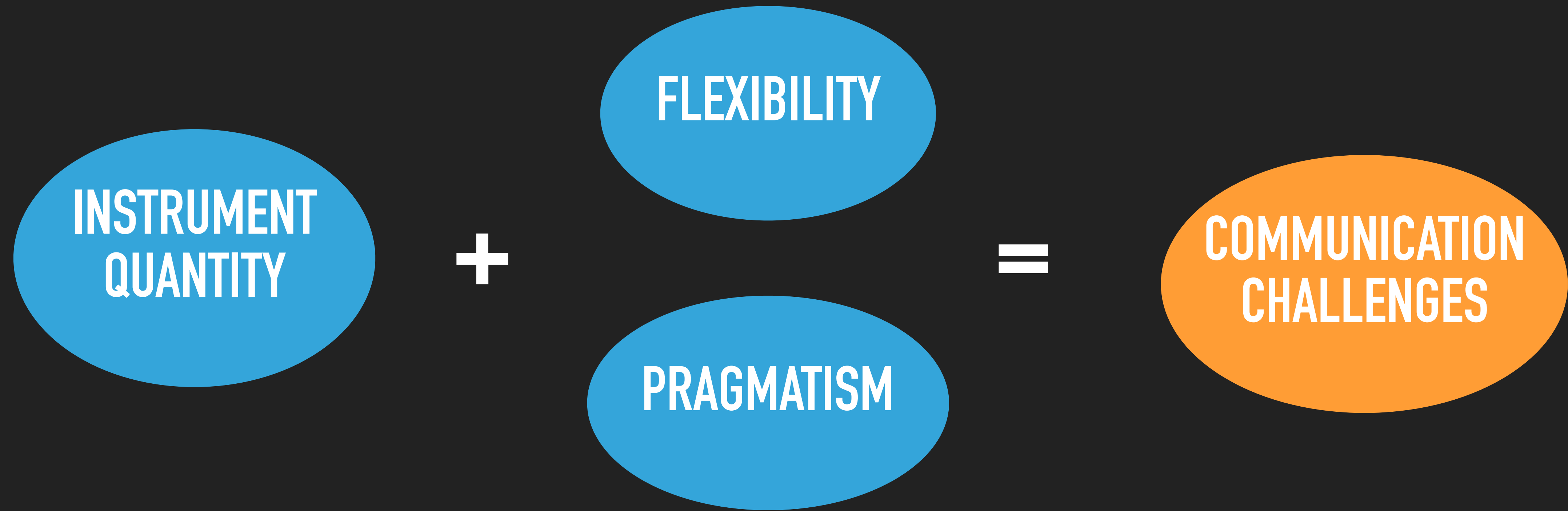
ALLOWS MACROECONOMIC ADJUSTMENT



INTERNATIONAL ENVIRONMENT & POLICY REACTIONS: PRAGMATISM



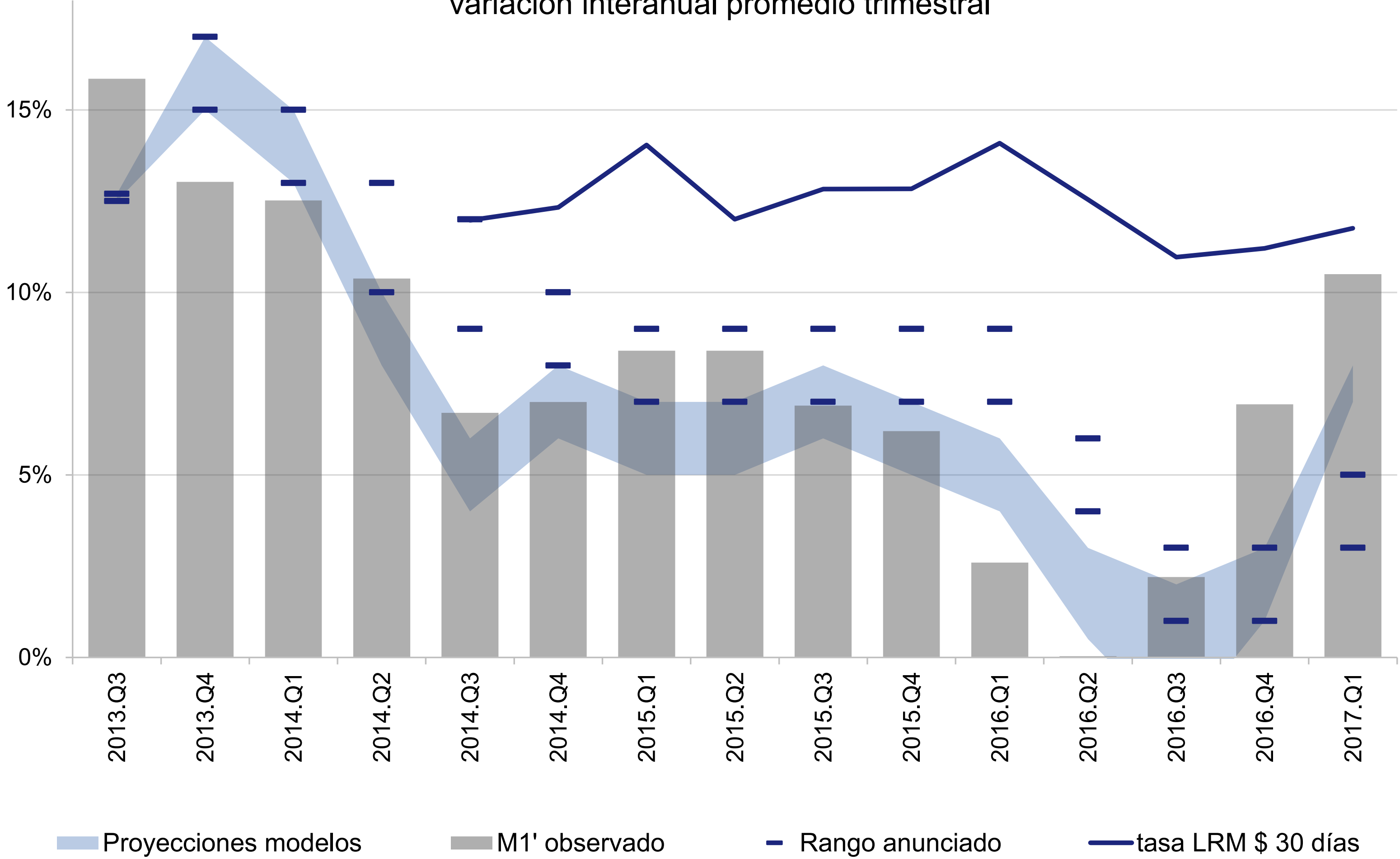




COMMUNICATION & EXPECTATIONS

M1' ANUNCIADO Y OBSERVADO

variación interanual promedio trimestral



CORRELATION BETWEEN LAST MONTH OBSERVED INFLATION (CPI) AND INFLATION EXPECTATION FOR THE MONETARY POLICY HORIZON (24 MONTHS)

- ▶ ECONOMIC ANALYSTS 0,73
- ▶ FIRMS 0,87

EXPECTATIONS RIGIDITY

2009 - 2013

2013 - 2016

2017

INFLATION
(DIFFERENT)

INFLATION
(SIMILAR)

GROWTH
(DIFFERENT)

CAPITAL INFLOWS
APPRECIATION

STRONG MACRO
FUNDAMENTAL

GROWTH
(SIMILAR)

CAPITAL OUTFLOWS
DEPRECIATION

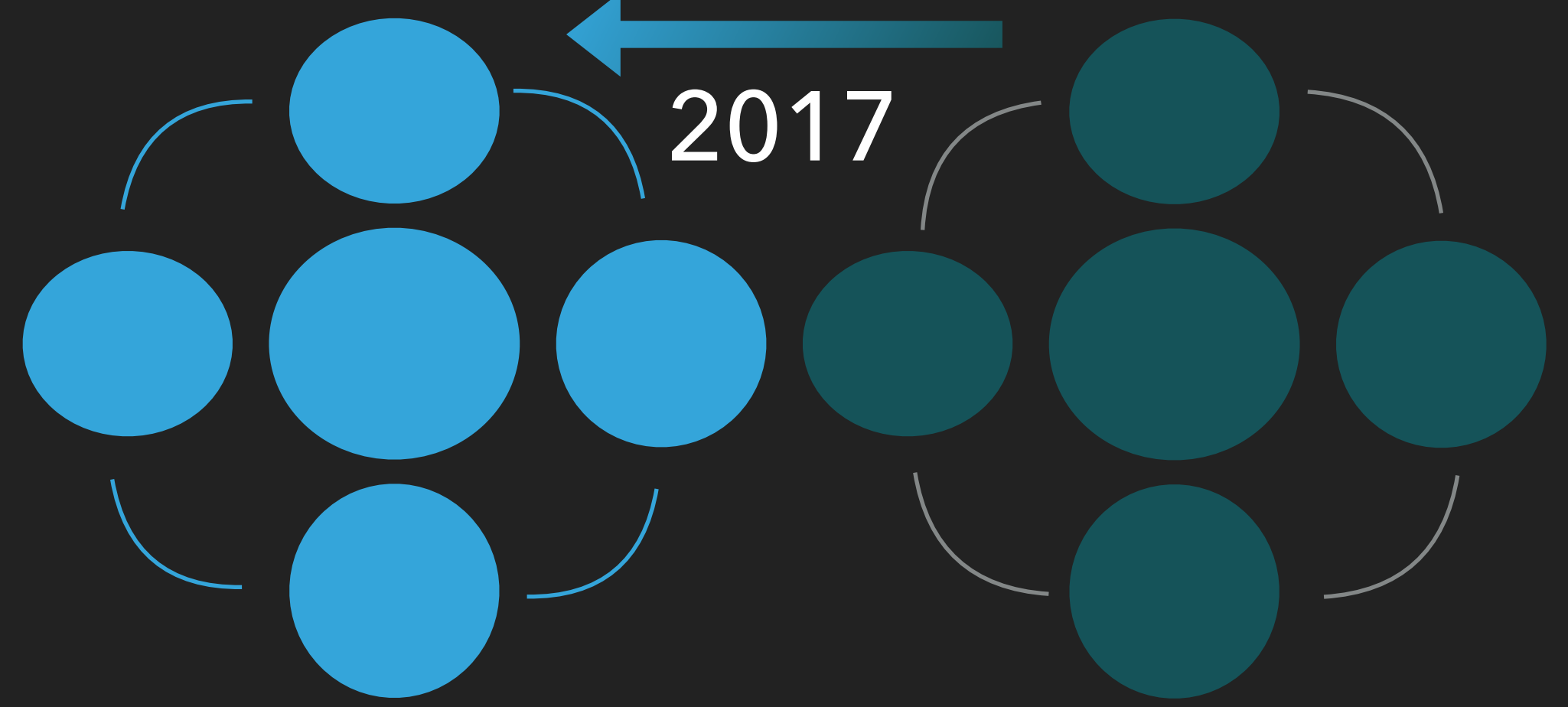
MACRO
FUNDAMENTALS ?

INTEREST RATES
(DIFFERENT)

INTEREST RATES
(SIMILAR)

2009 - 2013

2013 - 2016



2017

RISK MANAGEMENT + FLEXIBILITY + PRAGMATISM + COMUNICATION

**GROWTH
DECOUPLING**

**FINANCIAL
STABILITY**

**INFLATION
6,4%**

THANK YOU