

## Glossary – Monthly Report of Foreign Exchange and Derivatives Statistics

### Notes

- Central Bank of Chile compiles foreign exchange and derivatives turnover information, carried out by the Formal Exchange Market institutions, with local and cross-border counterparties, as established in Chapters I and IX of the Compendium of Foreign Exchange Regulations.
- Monthly figures will be revised with a lag of three months and 23 days, which means that each publication data for the last three months will be provisional and subject to monthly adjustments.

### Glossary

- **Insurance Companies:** Considers General Purposes Insurance Companies and Life Insurance Companies, which are supervised by the Securities and Insurance Supervisor.
- **Brokers and securities intermediaries:** Considers Brokers and securities intermediaries supervised by the Securities and Insurance Supervisor.
- **Real Sector Companies:** Considers both public and private companies. Also includes head offices which have control over their branches.
- **Mutual Funds:** Considers money market funds and any long term fund (more than one year maturity), and general investment funds which are supervised by the Securities and Insurance Supervisor.
- **Pension Funds:** Considers funds which are administrated by the Pension Funds Administrators, which are registered at the Chilean Pensions Supervisor.
- **Formal Exchange Market:** comprises banking institutions and other entities or individuals authorized to take part in this market, which are detailed in Chapter III of the Compendium of Foreign Exchange Regulations.
- **Other Sectors:** Considers households, Government, Central Bank of Chile and any other financial company not considered among the classifications already disclosed.
- **Net amounts outstanding:** Stands for notional outstanding positions of derivatives contracts at the end of each month, considering all the instruments used by the FEM institutions, being Forwards, Fx Swaps, Cross Currency Swaps and Option the most used ones. Netting refers to the result between long and short positions in foreign currencies, maintained by the FEM institutions at the end of a given period of time. Therefore positive sign means that banking system holds a long position against disclosed counterparties, and negative sign refers to a short position.
- **Long position:** Outstanding purchase contracts of foreign currencies against domestic currencies (Chilean peso and Unidad de Fomento (CPI- Indexed unit of account)) held by the respective entity within disclosed counterparty, at the end of a given period of time.
- **Short position:** Outstanding sale contracts of foreign currencies against domestic currencies (Chilean peso and Unidad de Fomento (CPI- Indexed unit of account)) held by the respective entity within disclosed counterparty, at the end of a given period of time.
- **Interbank position:** Outstanding purchase contracts of foreign currencies against domestic currencies (Chilean peso and Unidad de Fomento (CPI- Indexed unit of account)) held by the Formal Exchange Market participants between themselves. As this position is the same regardless it is long or short, it is only considered once.
- **Foreign Sector:** Considers cross-border counterparties.
- **Total Turnover:** Considers spot and currency derivatives transactions (flows) in notional amounts, both sales and purchases traded at a defined period of time, carried out by the Formal Exchange Market institutions, with local and cross-border counterparties
- **Derivatives Turnover:** Considers derivatives contracts (flows) in notional amounts, both sales and purchases traded at a defined period of time, carried out by the Formal Exchange Market institutions, with local and cross-border counterparties. Most usual traded instruments are Forwards, Fx Swaps, Cross Currency Swaps and Options.
- **Spot Turnover:** Considers purchases and sales trades (flows) of foreign currencies against domestic currencies (Chilean peso and Unidad de Fomento (CPI-Indexed unit of account)) settled at a defined period of time, carried out by the Formal Exchange Market institutions, both with local and cross-border counterparties.

## Report charts

- **Chart 1:** Derivatives. Amounts outstanding by counterparty: stands for notional outstanding positions held by the FEM institutions against both domestic and foreign counterparties. Therefore positive sign means that banking system holds a long position against disclosed counterparties, and negative sign refers to a short position. Total net position uses the right axis.
- **Chart 2:** Derivatives turnover by counterparty: presents purchases and sales derivatives contracts (flows), carried out by the FEM institutions against both domestic and foreign counterparties. Positive area identifies purchase contracts of foreign currency and negative area identifies sales contracts of foreign currency.
- **Chart 3:** Spot turnover by counterparty: stands for purchases and sales trades (flows) of foreign currencies against domestic currencies carried out by the FEM institutions against both domestic and foreign counterparties. Positive area identifies purchases of foreign currency and negative area identifies sales of foreign currency.

For more information please refer to: "[Publicación de Estadísticas Cambiarias del Banco Central de Chile](#)" (G. Acharán and J.M. Villena), "Serie de Estudios Económicos Estadísticos, N° 86, Banco Central de Chile, April 2011".

This document has been prepared by the Statistics Division.