

In real terms, the exchange rate appreciates

Classical economic literature is full of different concepts of equilibrium that, in theory, should give us some idea of the dynamic operating in the economy and how the different variables within it are interacting. One of the basic concepts worth looking at is what we have called the “real exchange rate.”

The real exchange rate came about as a measure for indicating the relative price of the basic basket of goods of two countries; in other words, it seeks to shed some light on the real purchasing power of a specific currency based on the relative value of a given basket of goods in terms of another basket. Put another way, how many Venezuelan baskets do I need in order to be able to buy a typical European basket, bearing in mind the aggregate level of prices in both regions and the current nominal exchange rate?

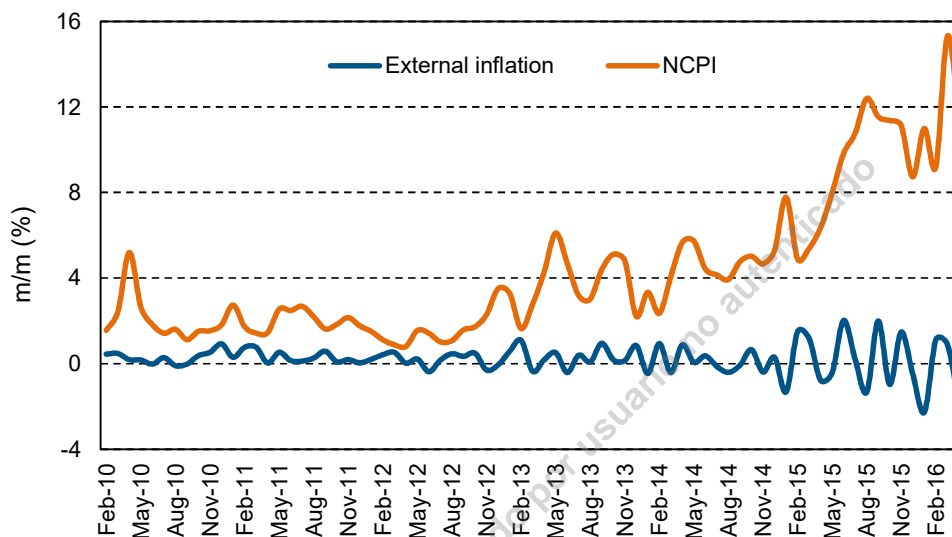
How does it work?

The indicator works like this: when a country maintains a basket whose relative value declines thanks to a reduction in the aggregate level of prices or a relative depreciation of the nominal exchange rate, then that basket will depreciate in real terms. By the same token, when a country has a basket whose relative value increases as a result of an increase in the overall level of prices or a relative appreciation of the nominal exchange rate, we can say that this basket will appreciate in real terms.

Both these situations have significant impacts on a country's balance of payments. To the extent that a country experiences a process of depreciation in real terms, i.e. that the relative value of its basket drops, it will become a more profitable option in the international market, which means that it will be prone to experiencing an increase in its exports. However, as the relative value of the basket of local goods increases, so a process where there is an overall increase in imports once the local basket of goods becomes more expensive will be fostered.

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NCPI vs. External Inflation Index



Sources: BCV and Ecoanalítica

* Weighted consumer price index of our main trading partners.

At **Ecoanalítica** we have set ourselves the task of constructing an indicator of sorts that allows us to evaluate the aggregate behavior of our main trading partners in terms of consumer prices with a view to analyzing how the real exchange rate has evolved and making our long term foreign exchange estimates for the Venezuelan economy more robust.

Using this indicator we find that the aggregate increase in consumer prices of our main trading partners has been only 19.2% over the past five years, giving an average monthly increase of nearly 0.21% over that same period. As for the Venezuelan economy, it posted inflation of nearly 1316.2% between 2010 and 2015 with an average monthly rate of 4.27%.

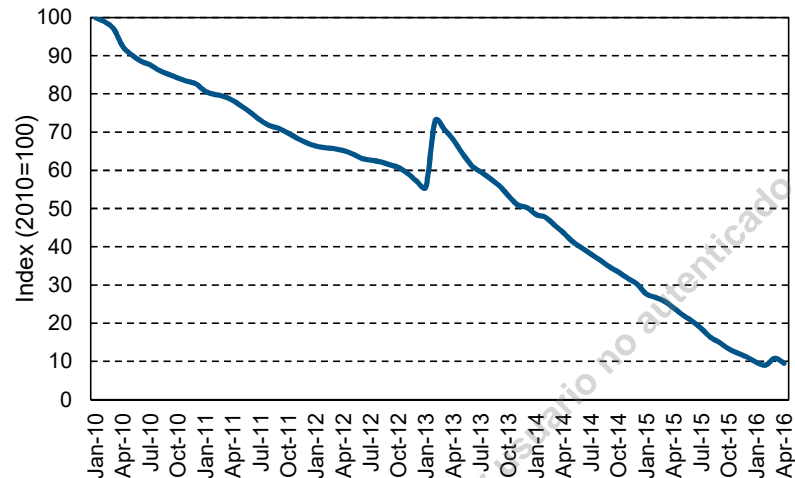
Relatively stable external inflation combined with a process of significantly high internal inflation plus slight and occasional modifications to the exchange rate has resulted in a continuous real appreciation of the local currency, making our products more expensive compared to the rest of the world and making it increasingly profitable and attractive to maintain the present dynamic of importing a relatively high percentage of the average Venezuelan's consumer basket.

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Real Exchange Rate Index



Source: BCV and Ecoanalítica

* Whenever the index value settles under 100, we say that the country is suffering a real exchange rate appreciation.

There are two mechanisms every country can implement in order to try to achieve and maintain a real equilibrium exchange rate, at which, at least in theory, we can say that a basket of products in the local market is equivalent, in terms of value, to a basket of products abroad, i.e. at which a bolivar in Venezuela buys the same quantity of goods as a bolivar in, let us say, the United States (USA) at the current exchange rate, helping to restore, in part, the external imbalances Venezuela is currently facing.

- The first is implementing a significant devaluation of the exchange rate that would make it possible to bring down the cost of the local basket of products in nominal terms.
- The second consists of implementing a series of policies geared to gradually bringing down the aggregate level of prices, based on achieving a degree of macroeconomic stability combined with efforts aimed at increasing productivity in the different sectors of the Venezuelan economy.

How much do exports cost?

At **Ecoanalítica** we have constructed an estimator that permits us to evaluate the aggregate behavior of prices of the Venezuelan importable goods basket taking into

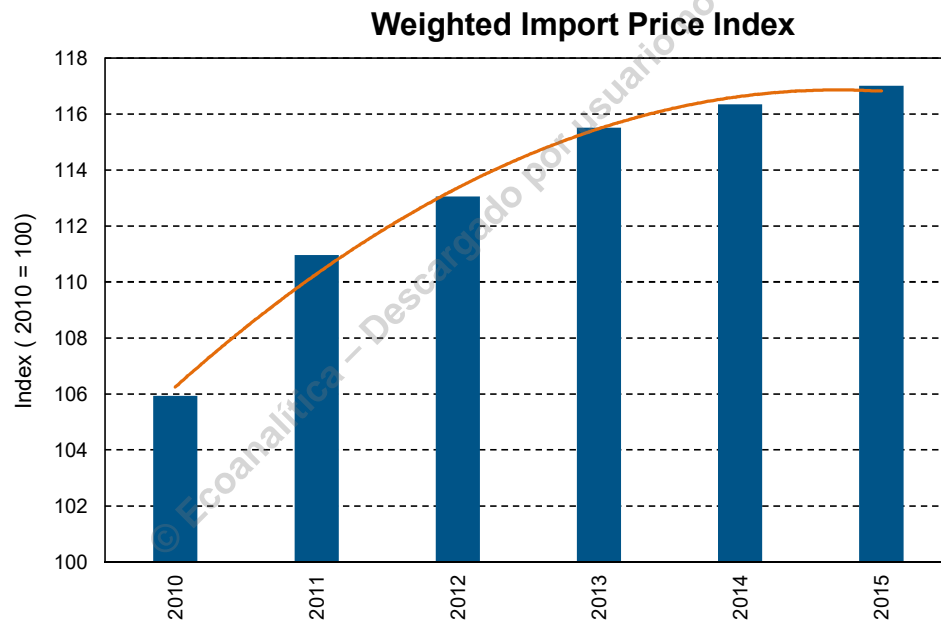
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account the different producer and manufacturer price indices of our main trading partners.

Generally speaking, this estimator gives us an aggregate increase in the price or value of the basket of importable goods of nearly 17.0% over the past five years, for an average annual variation of 2.0%. What this means is that when breaking down the real exchange rate and isolating the basic basket prices we have appreciated (external prices increased) 17.0% in five years.



Source: Ecoanalítica

*Only considers the aggregate behavior of prices at the manufacturing or producing levels of our largest trade partners.

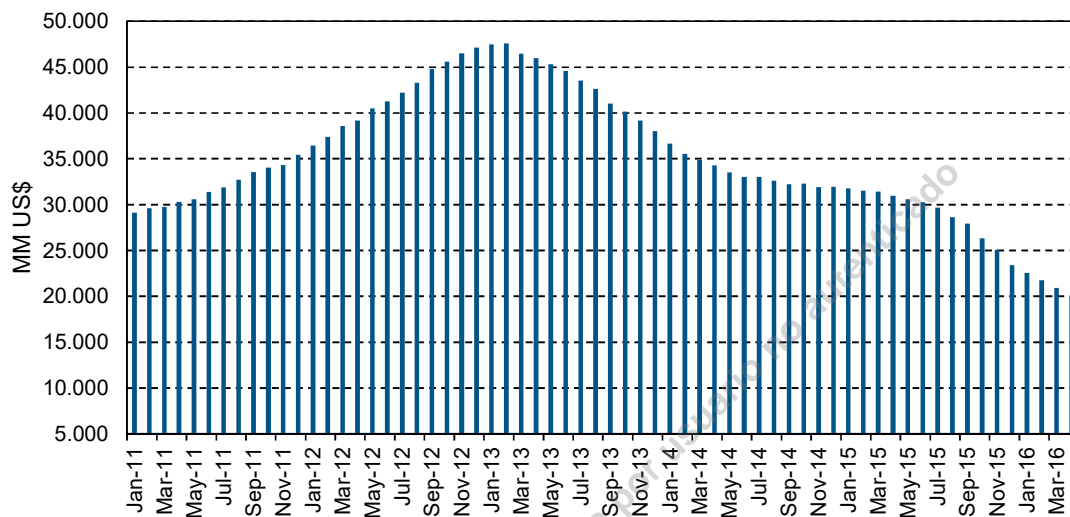
And what about quantities?

As for quantities, we have our monthly estimate for imports, which accounts for around 70.0% of external purchases by country of origin. At **Ecoanalítica** we estimate that, after closing 2015 with a drop of 22.3%, between January and May 2016, total imports contracted at a rate of 46.3%, which prompted us to revise our estimate for imports this year from a contraction of 27.4% to a contraction of 43.5%.

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Imports Evolutions



Sources: Ministries of Commerce, Statistics Institutes and Central Banks of the US, China, Brazil, Mexico, Colombia, the European Union, Canada, Chile, Ecuador, BCV and Ecoanalítica

Strangely enough, contrary to economic logic, imports from countries whose currencies have been devalued most so far in 2016 (and which, therefore, should be cheaper) are those that have contracted most. Imports from Brazil have gone down by 29.6%, even though the real has lost 36.3% of its value, and while the peso has lost 22.8% of its value, whereas imports from Colombia have shrunk by 39.4% in terms of value. On the other hand, imports from the United States have contracted by only 2.5%, despite the fact that the dollar has strengthened against other currencies. The only imports that have behaved in accordance with economic logic are those from Ecuador, which have contracted by 48.3% given the strengthening of the dollar.

In short, imports have behaved as though the restriction on the flow of foreign currency did not exist and, therefore, as though the variation in the relative prices of products imported from our different trading partners did not matter.

Being squeezed on both sides

The growth of domestic prices and the practice of maintaining an appreciated nominal exchange rate have made external purchases the most attractive option for meeting domestic consumption in our country in recent years, a situation that was fueled by a

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high Venezuelan oil basket price that increased our foreign currency revenues. However, these circumstances have completely changed leaving us with much reduced revenues and without us having solved the problem of inflation in our economy; on the contrary it has got worse and we estimate that inflation will close this year at 419.1%. Moreover, we estimate that the lowest nominal exchange rate (VEF 10.0/US\$), which is used for public sector imports, will cover 61.0% of imports. This means that, although it is still more attractive to buy abroad than in the domestic market, we no longer have the resources to enable us to do that.

Pilar Navarro
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WEEKLY INDICATORS

Weekly Economic Indicators			
	3rd Week June	Weekly var. (pp)	Depre/Apre (pp) ¹
FX Dicom (VEF/US\$)	626,1	2,5	2,5
	3rd Week June	Weekly var. (pp)	Annual var. (pp)
Lending Interest Rate (%)	21,7	0,1	1,5
	4th Week June	Weekly var. (pp)	Annual var. (pp)
Overnight Interest Rate (%)	2,9	-0,8	-1,0
	4th Week June	Weekly var. (%)	Annual var. (%)
International Reserves (Bn US\$)	12,04	0,0	-25,9
	4th Week June	Weekly var. (%)	Annual var. (%)*
Central Government Spending (VEF Bn)	64,8	-27,8	87,3
	4th Week June	Weekly var. (%)	Annual var. (%)
Monetary Liquidity (VEF Bn)	5.145	1,6	83,2
Price of International Oil Baskets (US\$/bl)			
	4th Week June	Weekly var. (%)	Annual var. (%)
WTI	48,0	-2,6	-17,9
Brent	48,9	-2,7	-23,0
Price of the Venezuelan oil basket (US\$/bl)			
	4th Week June	Weekly var. (%)	Annual var. (%)
Weekly Average	39,8	-1,0	-29,2
Annual Average	31,3	1,1	-36,8

Sources: BCV, MENPET, ONT and Ecoanalítica

* Annual variation of accumulated expenditure.

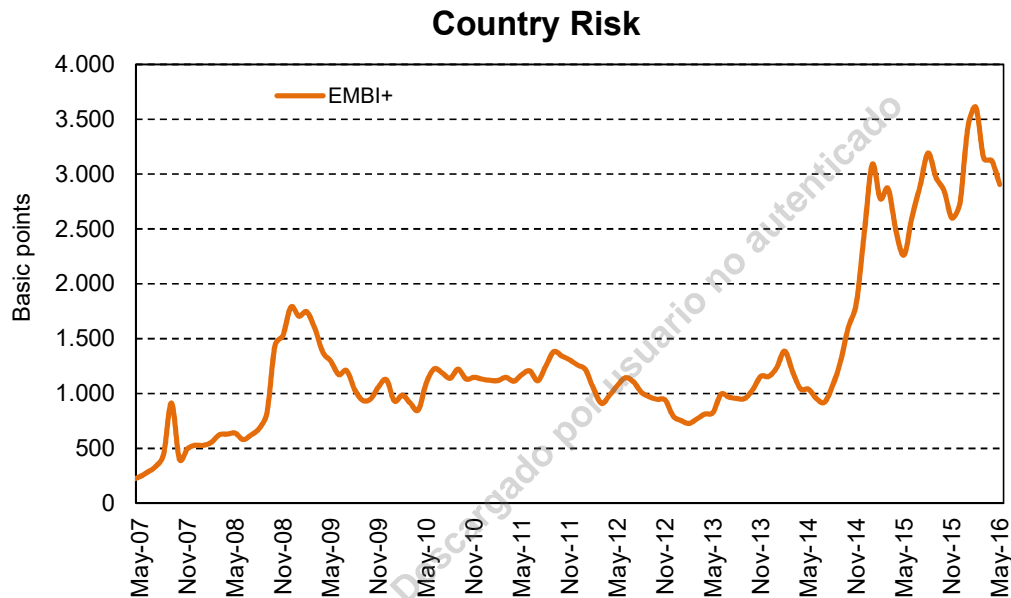
¹ Depreciation (+)/Appreciation (-)

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CHART OF THE WEEK: Pay or not, markets see no difference



Sources: JP Morgan and Ecoanalítica

On several occasions we have heard, from both President Maduro and other members of his economic cabinet, complaints about how the country's risk continues to grow even though the country has religiously honored its debt payments. Country risk is an index that attempts to measure the risk that a country represents to international investors and it's measured by the difference between the return of sovereign bonds emitted by the nation's government and the return of the similar U.S. Treasury Bond.

Venezuelan country risk, measured by the Emerging Market Bonds Index (EMBI), currently registers its highest levels since there is data available (1997). In the past years, as the Venezuelan economic crisis worsened, so did its EMBI. Since 2014, the index has increased at an accelerated pace, going from 921 basis points (bp) in July 2014 to 2.785 basis points (bp) in June of this year. In **Ecoanalítica** we believe that the EMBI's behavior will continue on the same track as long as our economic situation doesn't change. However, our belief is that the heaviest weight is carried by speculation in the markets that a default on the country's foreign debt can occur in the next year.

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ECONOMIC TIPS

Sending information. We learned unofficially at **Ecoanalítica** that, after 12 years without sending information of any kind to the International Monetary Fund (IMF), the Venezuelan Government/Bank of Venezuela decided to send official data to the IMF. Among the most important data sent were the fiscal accounts, which have not been updated on the Ministry of Economy and Finance's webpage since 2012.

Wage increases in the pipeline. Minister for Industry and Commerce Miguel Pérez Abad said that the government would continue with its policy of wage adjustments to curb the impact of inflation on wages. *"We're going to continue with that policy of protecting the wage of the Venezuelan family. We're talking about there probably being a new adjustment next quarter and another one before the end of the year,"* he explained.

Attempting to curb inflation. Miguel Pérez, who is also vice minister for the economy, said that he would meet with domestic producers and businessmen next week to seal an alliance and mobilize raw materials and imported inputs and goods using their own resources to increase the levels of supply in the country so as to gradually cover demand and bring down inflation.

Assuming the blame. The chief of the Control and Command Center of the Local Supply and Production Committees (CLAPs), Freddy Bernal, admitted that the expropriations of the past had failed. Bernal explained that *"in the past we took some measures such as the expropriation of some companies, and, unfortunately, either we didn't make them productive or they failed in our hands."*

Taking responsibility. That is why, taking responsibility for those failures, the government has sat down with businessmen to form joint ventures, 60.0% owned by the State and 40.0% by private enterprises, in the fisheries, industrial, and agricultural sectors.

OIL TIPS

Production slumps. On Sunday, July 3, PDVSA published its annual report in which it posted earnings of US\$72.2 billion in 2015, a drop of 41% compared to the previous year, when they came to US\$121.9 billion. The report said that the main cause of

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these poor results was the drop in oil prices during the year; however, it should have mentioned that there was a sharp drop in both the company's profits and its levels of production.

A fight over the figures. Last Sunday in Televen's program *José Vicente Hoy*, Eulogio Del Pino maintained that Venezuela is producing 3.8 million barrels a day (mb/d), whereas OPEC reported production of 2.2 mb/d. *"Recently they've been saying that our production has dropped. They're completely irresponsible figures that have led to an attack that is also financial, because that is what gets us disqualified financially,"* explained the president of PDVSA.

Down on the week. Last week the price of Venezuelan crude fell US\$0.41 from the previous week (when it closed at US\$40.16) to US\$39.75. In its regular report, the Ministry of Oil and Mining said that the drop in oil prices was due to "renewed fears with regard to global oversupply, concern over economic uncertainty in Europe, and the strengthening of the dollar against other currencies."

Brent up. Brent for delivery in August closed today in the London futures market at US\$50.36, up 1.36% from the close of the previous day's trading. North Sea crude, the marker crude in Europe, closed trading on the London International Financial Futures and Options Exchange, up US\$0.68 compared to the previous day, when it closed at US\$49.68.

And who does it belong to? The US company ExxonMobil, the world's largest quoted oil and gas company, announced this Thursday that it had discovered a "significant" amount of oil in a second field that it had been exploring off the coasts of Guyana, territory that is being claimed by Venezuela. In a communiqué, Exxon confirmed a first class discovery with a reserve of recoverable resources of between 800 million and 1.4 billion barrels of oil equivalent.

The last straw. An oil leak that sprang in Lake Maracaibo and spread to several sectors of the lake's shoreline resulted in PDVSA activating a special contingency plan to recover the areas that were affected. According to a PDVSA bulletin, these efforts have the support of some 10,000 workers, fishermen, and collectives who are cleaning up 83 km of shoreline contaminated by the crude.

Opening up frontiers. This Sunday, Minister for Oil and Mining Eulogio Del Pino announced that Venezuela would start to export gas to Colombia shortly. *"More than US\$3.0 billion has been invested and we're producing 600 million cubic feet a day,"* said Del Pino. He also recalled that exporting this gas is part of the Mariscal Sucre

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Project and that the gas will come mainly from the Cardón field, one of the world's five biggest gas fields.

A solution to smuggling? The president of PDVSA, Eulogio Del Pino, revealed that one of the measures being considered for solving the smuggling of gasoline over the border into Colombia is that of selling gasoline directly to Colombia. Del Pino explained that the border with Colombia continues to mean heavy losses for the country and also that measures have to be taken to correct this distortion.

Knocking on our neighbors' doors. Venezuela's Minister of Oil and Mining Eulogio Del Pino and Ecuador's Minister of Hydrocarbons José Icaza held a meeting last Friday at which they reviewed the current status of their bilateral projects. The ministers agreed upon new working strategies with a view to contributing to bi-national energy security and verified the efficiency of the working groups that will permit the consolidation of South American energy integration.

A light at the end of the tunnel. US Secretary of Energy Ernest Moniz said that he expected the oil market to stabilize in 2017, after meeting last Friday with his counterpart in Saudi Arabia's Government, Khalid Al-Falih, in Beijing. They both stated that the oil market still has more supply than demand and Saudi Arabia made it clear that it would maintain its additional capacity, but that even so they expected stability next year.

BUSINESS SECTOR TIPS

Eliminating ATMs. Some banks in Venezuela are apparently to eliminate a large number of their automatic teller machines due to the fact that maintaining them is generating losses, according to Vicente Lozano, BOD's director for the central region. While they do not have an exact figure, Lozano said that it was a significant number and that the ATMs they are planning to withdraw are those where there is low traffic of persons and where there are restrictions on opening hours.

Increased costs. Lozano pointed out that, before, armored trucks would usually make one trip a day to deliver cash, but now they have to make five trips a day and the cost of this service has gone up by as much as 400.0%. He also said that the optical sensors for counting the banknotes break down frequently and the spare parts have to be imported, for that reason he has added his voice to the request that the Central Bank issue higher-denomination banknotes.

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Electricity back 24 x 7. President Nicolás Maduro announced that the Load Administration Plan would be suspended throughout the country starting on Monday, July 4. *“Given that the rains have arrived and all the savings plans have worked and the people have stoically collaborated (...), starting on Monday, the Load Administration Plan will cease to be implemented and the electric power service will operate continuously 24 hours a day,”* said Maduro.

Drop in tourism. The president of the Nueva Esparta Association of Tourism Service Providers, William Peláez, revealed that expectations with regard to the vacation season on Margarita Island are far from encouraging. *“We estimate that billing by our tourism services is 70.0% below what it was compared to the same date last year,”* said Peláez. He added that they forecast that in August they would be able to do only 50.0% of the business they did last season.

They’re not leaving just yet. The Spanish airline Iberia has not ruled out suspending its flights to Venezuela if it finds that it no longer “makes sense” to operate them due to weak demand, although it does not plan to follow in the steps of other airlines, such as Lufthansa, in the short term. Iberia’s chief executive officer, Luis Gallego, said that Iberia would like to continue to fly to Venezuela as, in fact, it is doing, but that, due to the difficulties the country is experiencing, *“there is increasingly less European traffic, which means that the route is weakening.”*

Even so, the shortages continue. Health Minister Luisana Melo announced that the installed capacity for the production of medicines, including private and state-owned companies, covers 75.0% of medicine requirements and that the remaining 25.0% are high-cost medicines that are imported as they are not produced in the country owing to the fact that it does not have the “installed capacity.”

The figures don’t tally. At **Ecoanalítica** we are of the opinion that, if what the minister says is correct, then the problem of the shortages of medicines has to do with distribution, because the medicines are still not to be found in the pharmacies. Moreover, it should be noted that the present level of shortages is much more than the 25.0% of medicines that are imported.

Everything is “guaranteed.” Melo explained that the private pharmaceutical companies had been allocated foreign currency for the purchase of raw materials. She also announced that patients with HIV and AIDS as well as cancer patients have their treatments guaranteed free of charge. *“We have specific shortfalls in different areas, but overall everything is guaranteed,”* she said.

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Overshooting the targets. José David Cabello announced that the National Integrated Customs and Tax Administration Service (Seniat) collected VEF 1.23 trillion in taxes in the first half of the year (1H2016). According to Cabello, those receipts were equivalent to 246.0% of the established target of VEF 499.6 million. He also announced that VEF 263.0 million was collected in June, equivalent to 268.5% of the target.

Democratic urban planning. Vice President for Planning Ricardo Menéndez said that, in four years' time, 40.0% of Venezuelans will be living in urban developments that are part of the Great Venezuela Housing Mission. "*With the democratization of spatial dimensions, the social missions will be important for transforming the territory nationwide,*" he commented.

CLAPs boost blackmarketeering. Hinterland found that products of the brands distributed by the Local Supply and Production Committees (CLAPs), such as milk, cooking oil, and margarine, "*are being sold by blackmarketeers,*" according to the pollster's latest report. It explains that on June 15, after the operatives of handing out the bags of food by the CLAPs started up, more blackmarketeers began to sell products from the state-owned companies La Casa (cooking oil and margarine) and Los Andes (milk).

WORLD ECONOMY TIPS

The trauma of the embargo. Carlos Gutiérrez, former US Secretary of Commerce in the George W. Bush administration, said that US banks have not taken advantage of the relaxation of Washington's restrictions on trade with Cuba and that the lack of financial services is proving to be a stumbling block for Americans to take advantage of travel and business opportunities. So far, only Stonegate has issued credit cards that can be used in Cuba.

Volatility in Europe. The yield of government bonds in the euro zone went up last week from an all-time low as a result of post-Brexit uncertainty. The biggest gains were posted by French, Irish, and Dutch bonds, but the uncertainty following Brexit continues to threaten German bonds, which came close to their biggest monthly drop since January.

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Brexit threatens GDP. Last Monday, July 4, Christine Lagarde, the managing director of the International Monetary Fund (IMF) announced that the United Kingdom's withdrawal from the European Union could cost it between 1.5 and 4.5 percentage points of its GDP. These numbers depend on the outcome of the talks between the United Kingdom and the European Union for defining trade relations between the British and the countries that are still part of the European Union.

Looking on the bright side. On Sunday, the managing director of the International Monetary Fund (IMF), Christine Lagarde, urged the European Union to start implementing the projects and initiatives that the United Kingdom was allegedly opposing. According to Lagarde, this would be a true project that would stimulate the construction of Europe. She also said that it was fundamental that Europeans decide to come out of Brexit "on top."

On the brink of sanctions. On Tuesday, July 5, the European Commission gave Spain and Portugal three more weeks to take measures to correct their excessive public sector deficit and avoid sanctions. This measure is the result of a temporary agreement between staunch defenders of budgetary stability, such as Germany, and those who defend flexibility in times of low growth, high unemployment and anti-European Union nationalism, among them Italy, Spain, and Portugal.

It's lost its magic touch. Growth in China's manufacturing sector stagnated in June, according to the Purchasing Managers' Index (PMI), which was 50.0 points in June and 50.1 the previous month. Analysts fear that, if Chinese government officials refrain from implementing additional stimulus measures, the economy will slow down more in the second half of the year while it attempts to rely less on exports and heavy industry and offset them with the services sector.

Learning from others' mistakes. The presidents of the member countries of the Pacific Alliance (Chile, Colombia, Mexico, and Peru) met last Friday in the southern part of Chile to move towards more inclusive growth and achieve greater financial integration without making the mistakes that led to Brexit. The leaders stated that their next challenge would be to achieve financial integration that would permit spaces to be opened up that would enable pension funds to invest in infrastructure and support for small and medium enterprises.

Called on to innovate. Luis Alberto Moreno, the president of the Inter-American Development Bank (IDB), said that the Pacific Alliance could become a platform for achieving greater growth in its member countries and in its trade, but that it should develop its infrastructure more and move ahead in the area of innovation. To achieve

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that goal, the head of the IDB revealed that the bank is to announce an innovation and entrepreneurship fund at the Pacific Alliance Summit.

New government, new expectations. Alfredo Thorne, who is to be Peru's new minister for the economy in the cabinet of recently elected Pedro Pablo Kuczynski, has estimated growth of 3.5% for next year. The future minister explained that "*we have to create sources of growth that, one way or another, offset the external shocks we are having*" and he promised to create an alternative to the low global prices for commodities, of which Peru is a major exporter.

POLITICAL TIPS

What is the legislative branch? Didalco Bolívar, former governor of Aragua state and a member of the PSUV, announced that the Great Patriotic Pole was to request the Supreme Tribunal of Justice to dissolve the National Assembly and call new elections. Bolívar said that the present National Assembly "thinks it is a constituent power that can abolish laws" and should be replaced by a more "cooperative" body.

Branches of government in conflict. Constitutional lawyers say that the Supreme Tribunal of Justice does not have the authority to dissolve the National Assembly. They agree that judicial proceedings can only be opened against individual deputies and that, in order to do that, first the case has to go through the Public Prosecutor's Office and be authorized by the National Assembly. Only then can a deputy's parliamentary immunity be lifted.

A public hearing. Juan Carlos Gutiérrez, the legal counsel of the Venezuelan political leader Leopoldo López, stated that the Caracas Court of Appeals has no option but to absolve the national coordinator of *Voluntad Popular* of all the charges brought against him. The lawyer stressed that the hearing of López' appeal should be open to the public so that the media could cover it and the defendant's arguments might be heard by all.

More delays? This Monday, a group of government supporters and members of the Anti-Fraud and Usurpation Committee filed an accusation against the Democratic Unity Alliance with the Public Prosecutor's Office for alleged irregularities in the collecting of 1% of voters' signatures for the recall referendum against President Nicolás Maduro. Carlos Mogollón, the group's spokesman, said that they had filed

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accusations against the Unity Alliance for including the signatures of at least 50 people without their authorization.

Renewing his reminder. Governor of Miranda Henrique Capriles Radonski demanded, once again, that the National Electoral Council (CNE) publish the date for collecting the signatures of 20% of voters for a recall referendum, the second step in this constitutional mechanism. According to Deputy Henry Ramos Allup, now there is the possibility that the Supreme Tribunal of Justice (TSJ) will require that the signatures of 1% of voters be collected on the grounds of alleged irregularities in collecting them the first time, such as the inclusion of the signatures of minors or of people are dead.

Looking for allies. During a military promotions ceremony, President Nicolás Maduro called on the loyalty of the Bolivarian National Armed Force (FANB) and its support for continuing with the Bolivarian ideal and the *Chavista* legacy by overcoming the alleged attacks on the country being mounted by the opposition. This occurred two days after the president of the United States, Barack Obama, urged the Venezuelan Government to release the political prisoners and to respect the recall referendum against Maduro being promoted by the opposition.

Whose side are they on? Luis Florido, the chairman of the National Assembly's Foreign Affairs Committee, expressed his concern over the danger posed by the Nicolás Maduro administration assuming the pro tempore presidency of MERCOSUR. Florido warned member countries of MERCOSUR that, should *Madurismo* assume the presidency, it would mean a step backwards for democracy throughout the region and would threaten the values and principles of the Ushuaia Protocol.

Facts are facts. Freddy Bernal, the vice president of the Local Supply and Production Councils (CLAPs), considers that the expropriation policies implemented by the late President Hugo Chávez have been a failure. *"We took some measures in the past, such as expropriating some companies and, unfortunately, we didn't make them productive or, in some cases, they even failed in our hands. Taking responsibility for that, we have sat down with businessmen and we have joint enterprises,"* said Bernal, as a result of which 40% of some of those companies has been returned to private hands.

Rejected. Opposition leaders issued a communiqué in which they rejected the facilitators chosen by President Maduro to pave the way to dialog, as they considered they were neither reliable nor independent. This group of leaders includes Diego

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Arria, Milos Alcalay, Napoleón Bravo, and Raúl Emilio Baduel. They clarified that they are not against dialog in Venezuela, but that they do reject the “trio of facilitators chosen by Maduro’s regime.”

Freedom of expression in Delta Amacuro. Last Thursday, Lizeta Hernández, the governor of Delta Amacuro, issued a decree forbidding demonstrations and public meetings for a period of 24 hours. This measure was taken in response to the 18 protests that occurred in Tucupita over the lack of food. Sources confirmed that the Tucupita woke up last Friday to find the military deployed “from one end of the city to the other” and that four days’ business had been lost because of the protests, since companies stopped producing, resulting in the local economy stagnating further.

LEGISLATIVE TIPS

Filing a statement of net worth. July 1 saw the start of the process for government officials in top posts in central, state, and municipal government to file their annual sworn statements of net worth. The statement, which has to be filed by July 31, must be done electronically via the Sworn Net Worth Statement option on the webpage of the Comptroller General’s Office.

Who has to file a statement? Those who have to file are government officials who occupy the posts of governor, government secretary, and director of the executive team; legislators sitting on the legislative councils; state prosecutor and general directors; governing judge, president of the penal judicial circuit in each state; the National Electoral Council’s board of directors; the ombudsman and the executive director of the Ombudsman’s Office; mayors, town councilors, the comptrollers in each state, and municipal comptrollers, among others.

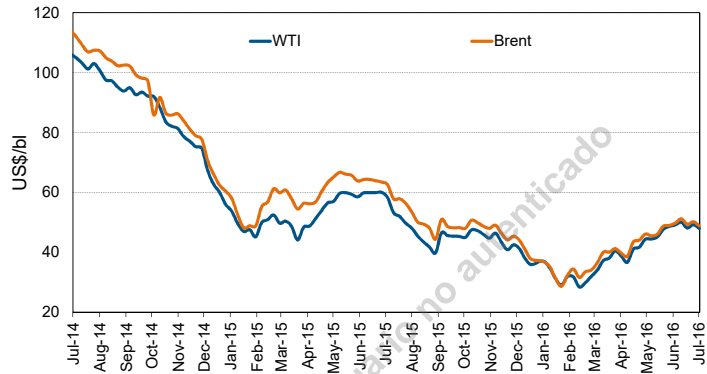
Price increase. The National Superintendency for the Defense of Socioeconomic Rights (Sundde) published a new price increase for sunflower seeds used to extract vegetable oil on its webpage. The price to be charged by producers and importers was increased by VEF 203.40 a kilo. These seeds are needed to sow sunflowers and are used to make products such as cooking oil.

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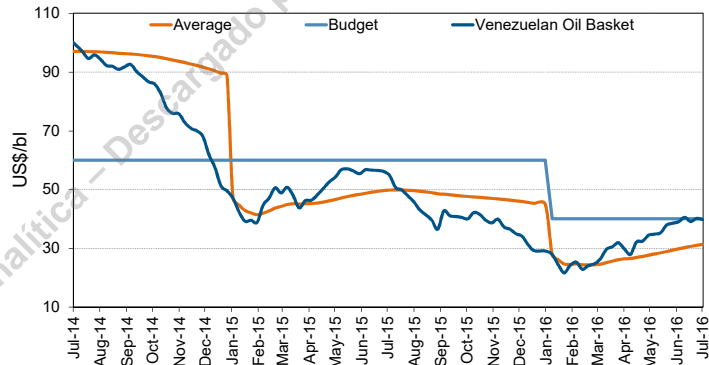
ECONOMIC INDICATORS

Oil Prices (WTI and Brent)



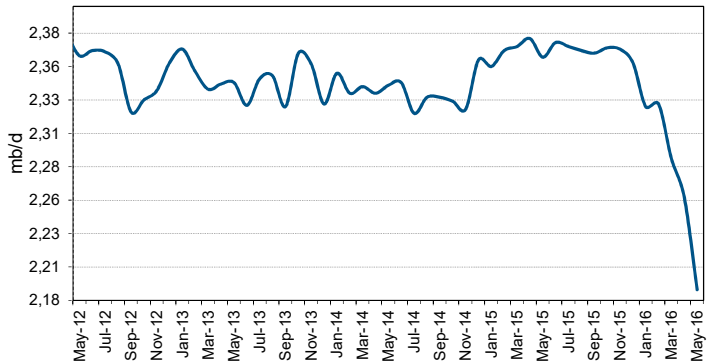
Sources: Menpet and Ecoanalítica

Oil Price (Venezuelan Basket)



Sources: Menpet and Ecoanalítica

Oil Production



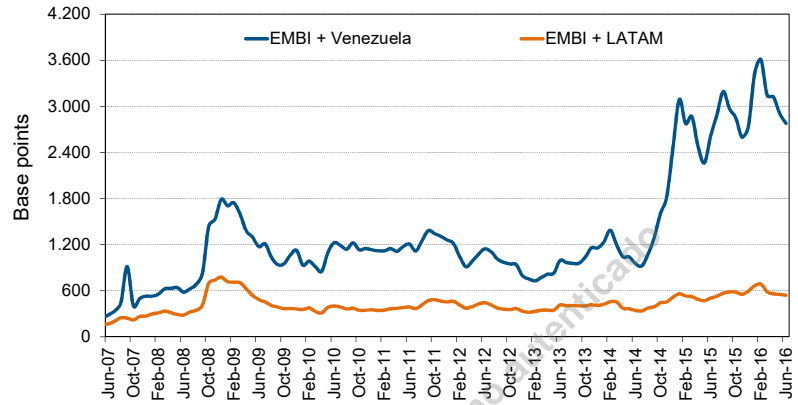
Sources: OPEP and Ecoanalítica

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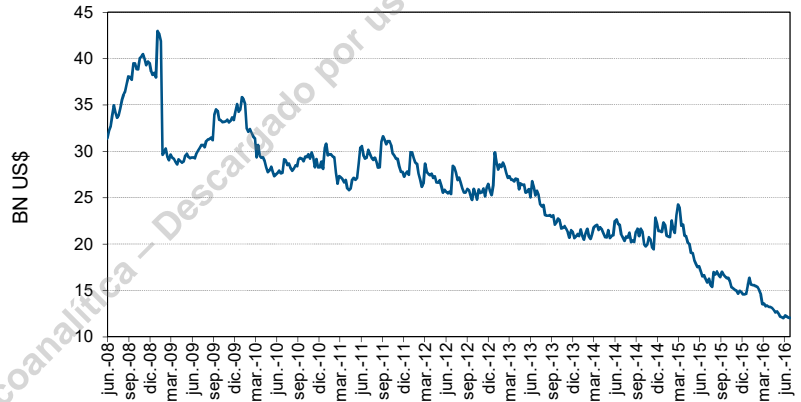
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EMBI



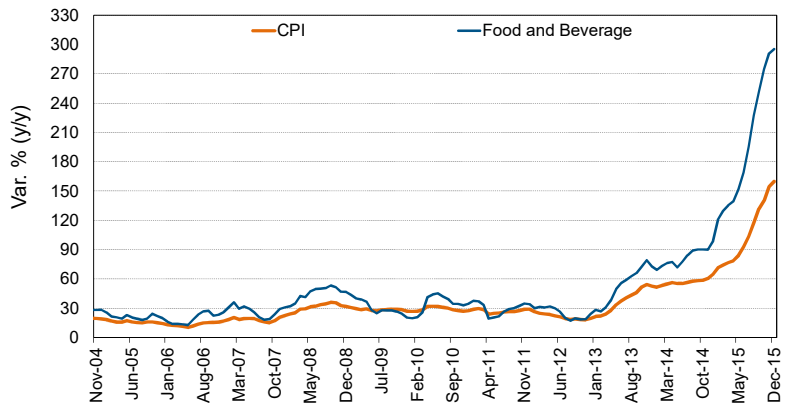
Sources: BCRP and Ecoanalítica

FX Reserves (BCV)



Sources: BCV and Ecoanalítica

Inflation (BCV)



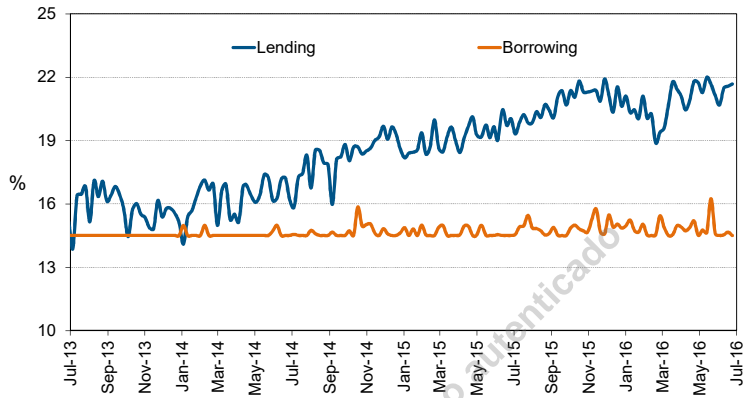
Sources: BCV and Ecoanalítica

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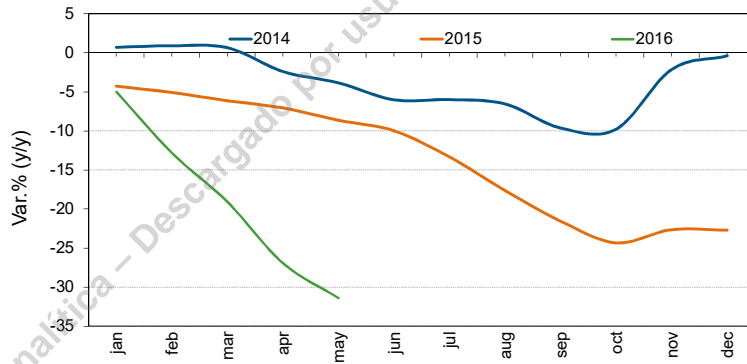
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**Interest Rate
(Six major banks)**



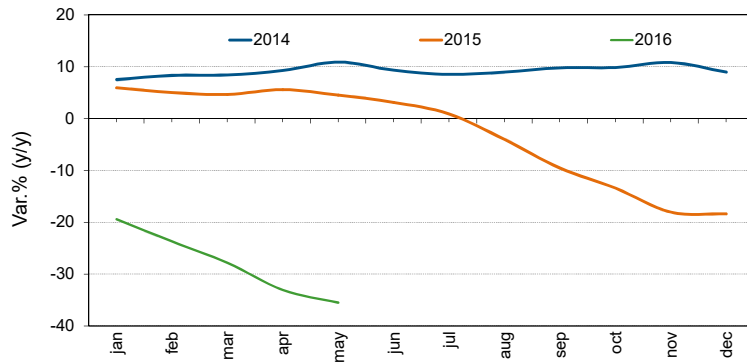
Sources: BCV and Ecoanalítica

**M2 Expansion
(Real)**



Sources: BCV and Ecoanalítica

**Loan Portfolio
(Real)**



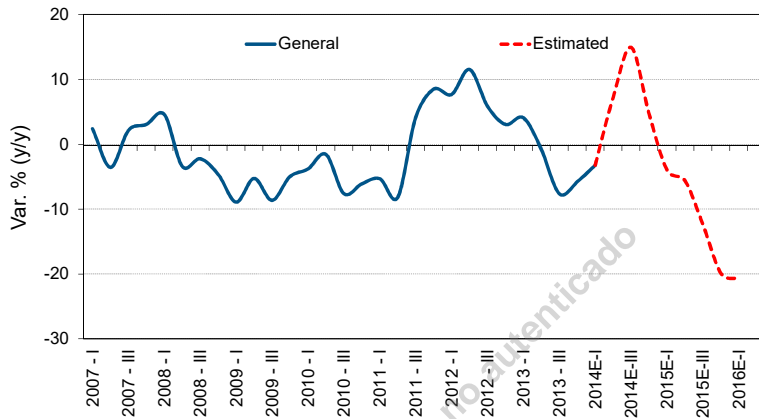
Sources: SUDEBAN and Ecoanalítica

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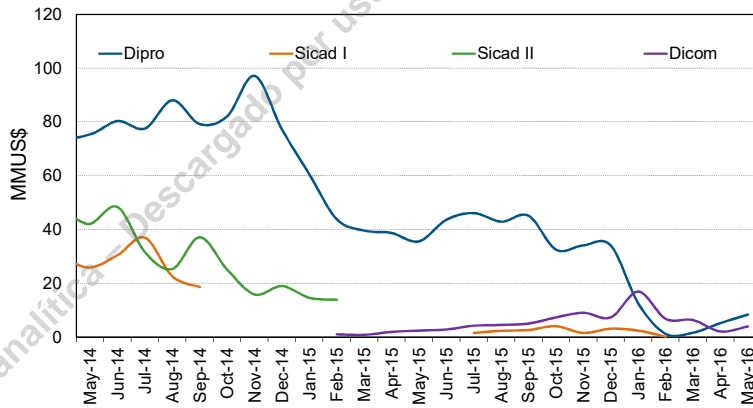
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Real Wage Index



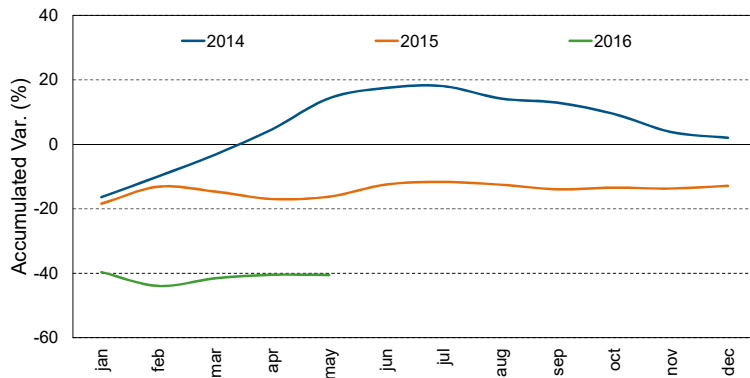
Sources: BCV and Ecoanalítica

Disbursements to the Private Sector (Daily Average)



Sources: Ecoanalítica

Primary Spending NTO (Real - Central Government)



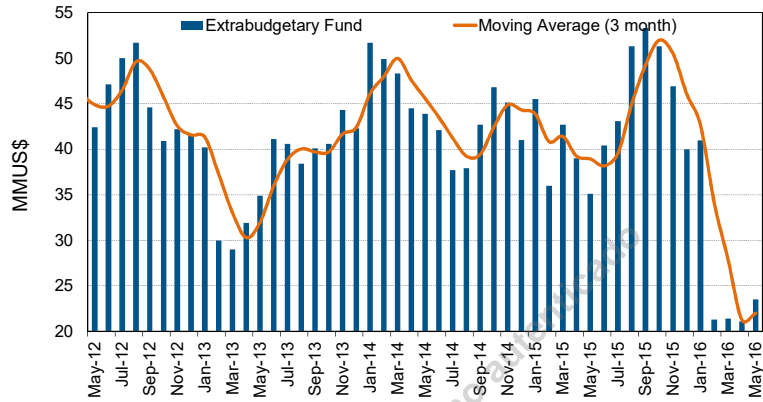
Sources: ONT and Ecoanalítica

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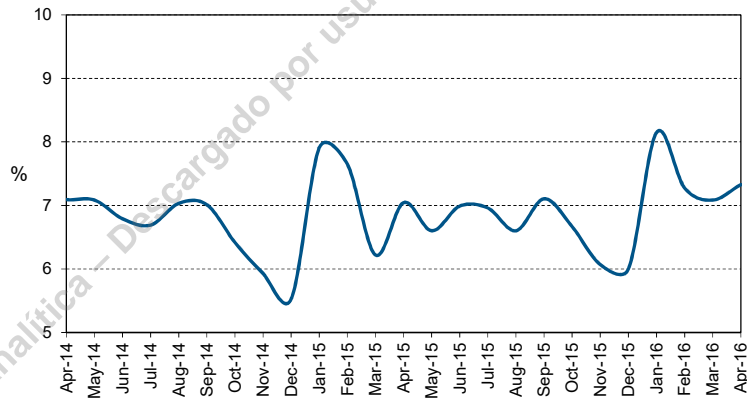
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State Extrabudgetary Resources



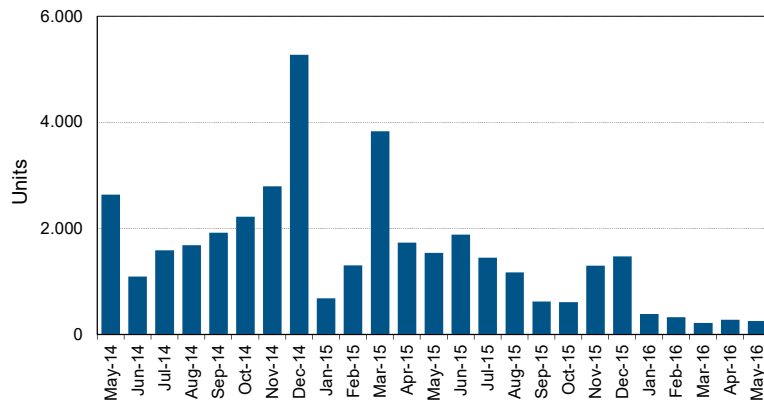
Sources: Ecoanalítica

Unemployment Rate



Sources: INE and Ecoanalítica

Vehicle Sales



Sources: CAVENEZ and Ecoanalítica

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