

Monthly Economic Newsletter



USAL
UNIVERSIDAD
DEL SALVADOR

Research Institute. February 9, 2024

No. 224. Year 24

Staff: Adolfo Bosch, Leandro Marcarian, Héctor Rubini, and Jorge Viñas.

KEY DATA

Inflation. Buenos Aires city CPI rose 21.7% (m-o-m) on January 2024. It is the highest record from year 2012.

HIGHLIGHTS

Argentina: structural change on a bumpy road.

The Gov't withdrew the pro-market reforms bill after opposition lawmakers rejected it. Under the current stagflationary stance, it may compromise the viability of the ongoing fiscal retrenchment, and the effective return to a credible and sustainable stability and economic growth path.

The U.S. economy.

January data show that labour market remains on the upside. The Fed is not willing to lower the Fed Funds Rate next March meeting.

Inflation in Europe.

Farmers protests were triggered by the increase in production costs (energy, transportation, fertilizers) due to the war in Ukraine. Furthermore, food price hikes are on the upside in Africa too, and may trigger new social conflicts on en la suba de precios de alimentos en el continente africano, que puede generar nuevas tensiones sociales.

LOOKING AHEAD

Argentina. President Milei will deliver the inaugural speech to open the ordinary congressional sessions on March 1st. Some announcements are expected concerning the ongoing macroeconomic policy and the future of structural pro-market reforms.

China in trouble. Some analysts are turning down their 2024 GDP growth forecasts. Domestic demand remains weak and deflationary pressures remain unchanged from last year crackdowns on some insolvent real estate developers.