

Monthly Economic Newsletter



USAL
UNIVERSIDAD
DEL SALVADOR

Research Institute. November 29, 2023.

No. 222. Year 23

Staff: Adolfo Bosch, Leandro Marcarian, Juan Massot, and Jorge Viñas.

KEY DATA

Country risk. Argentina's country risk (EMBI JP Morgan) dropped to 1957 b.p. on November 24 after Javier Milei victory as new president of Argentina. It was the lowest (below 2000 b.p.) from last primaries on August 13.

HIGHLIGHTS

Argentina, hope and uncertainty. Financial markets welcomed Milei victory as new President of Argentina. However, his specific free-market programs and his capabilities to keep social conflict under control remain unknown at this moment.

U.S.: inflation and interest rates on the downside. The inflation rate fell in October, leading to a drop in interest rates, and a weakening of the U.S. dollar. It helps to trigger new capital outflows towards emerging markets.

China vs. Taiwan. The recent appearance of U.S. war ships around Taiwan raised new strains between this country and China. However, their economic interdependence keeps both countries in peace yet.

LOOKING AHEAD

Argentina, waiting to Milei. The start of Milei administration keeps markets expectant, especially on his specific team and his economic program which must be announced next December 10.

The world economy. Last OECD report projects global GDP growth to decline from 3.0% this year to 2.7% on 2024. It highlights some significant decelerations in China (5.1% in 2023 to 4.6% on 2024), USA (2.2% in 2023 to 1.3% next year) and Brazil (3.2% in 2023 to 1.7% on 2024).

Dean of the School of Economics & Business: Héctor F. Dama

Research Institute Chair: Juan Massot

Viamonte 1816 - C1056ABB - CABA - Argentina - (+54-11) 3754-7900

fceye.usal.edu.ar - @usal.fceye