

Monthly Economic Newsletter



Research Institute, August 2020

Nº 186 Year 20

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

KEY DATA

COVID-19. Yesterday, the National Health Ministry reported 7,663 new infected (5,153 in the Province of Buenos Aires) and 209 dead. It was the highest record since the onset of the coronavirus outbreak in Argentina.

HIGHLIGHTS

Argentine at risk. The Gov't and foreign bondholders agreed a foreign debt restructuring with a postponement of debt payments. It allows the National Treasury to save US\$ 35,8 Bn. However, there are no signs of a meaningful economic recovery. Permanent issuance of money coupled with prospects of future price hikes, remain inflation and currency depreciation expectations on the upside.

The world and the COVID-19. Most countries are expectant on the advances towards a vaccine against COVID-19. The EU launched a new stimulus fund (€ 750.000 M). In US, future increases in fiscal stimuli remain uncertain as long as the electoral campaign becomes increasingly competitive

Ecuador's debt. The Ecuadorean Gov't closed a deal with its foreign creditors. The agreement leads to a significant rescheduling of debt payments and allows the Gov't to implement a future fiscal adjustment.

LOOKING AHEAD

COVID-19. The Argentine president Alberto Fernandez announced that Astra Zeneca lab will manufacture the Oxfore University vaccine against COVID-19 in Argentina and México for all LA countries, except Brazil.

Foreign debt. On September 4 Argentina will issue the new foreign currency bonds, and will start negotiations with the IMF to reschedule the debt payments.

United States. The electoral campaign momentum is gaining momentum. The Democrat candidate Joe Biden named California Senator Kamala Harris as candidate for Vice President.