

Monthly Economic Newsletter



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KEY DATA

Exchange rates. The parallel exchange rate (AR\$/US\$) dropped to \$155, below the official full quote (with taxes), circa \$155. Market expectations remain expectant, in line with the seasonal inflow of foreign currency from grain and oilseed exports.

HIGHLIGHTS

Argentina 2021. The vaccination against COVID-19 will remain subject to current vaccines shortage and well-known weaknesses in the local distribution logistics. Lockdowns easing will evolve at a slow pace. Without a significant GDP rebound, the Gov't will remain issuing money to finance subsidies to workers and firms. GDP growth consensus forecasts for 2021 are mostly around 5%, and CPI inflation rates is expected to reach 40%-50%.

US and the Biden era. GDP growth prospects remain relatively strong thanks to fiscal and monetary stimuli and the current progress in the vaccination against COVID-19. The Biden administration is expected to strengthen the ongoing fiscal expansion, and to return to a multilateral international agenda.

Europe and the COVID-19. The European governments opted for new lockdowns to counter the second wave of contagions, so that the EU growth will drop again in the first quarter of 2021. The health and economic crisis in the bloc is expected to remain unchanged, unless in case of a significant increase in the speed of vaccinations.

LOOKING AHEAD

Social and Economic Council. The Argentine Gov't will meet with business and union leaders to reach a sort of price and income agreement in order to stabilize inflation expectations and sectoral claims. It is also expected that farm exports would not be subject to export duties and restrictions.

COVID-19 in Argentina. It is expected an increase in vaccinations, depending on the progress in vaccine imports, and also a rise in contagions after the widespread summertime relaxation in January and February.

Cryptocurrencies. The price of Bitcoin, Ethereum and other cryptocurrencies are expected to remain on the upside, in line with the persistent demand from big investors ("whales").