

Monthly Economic Newsletter



USAL
UNIVERSIDAD
DEL SALVADOR

Research Institute, November 2020

Nº 189 Year 20

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KEY DATA

Soybean price. The soybean hit U\$S 420, the highest quote since July 2016 as USDA said the end-of-season US stockpiles will fall to their smallest in the last 7 years, coupled with a decline in US harvest expectations.

HIGHLIGHTS

Pessimism prevails in Argentina. The authorities stabilized the exchange rate, and the real activity is under a slight recovery, but inflation rate remains high, and the 2020 increase in the CPI will end between 35% and 37%. Lackluster prospects for 2021 real activity, labor employment, inflation rate, and poverty indicators remain basically unchanged, due to the high tax burden, and the recurrent hikes in the monthly inflation rate.

USA and the end of the Trump era. Joe Biden is the new elected president of the United States. Trump's legal claims are not expected to succeed; hence markets are hopefully expectant on a return to multilateralism and the abandonment of current trade rivalries, especially with China.

Europe and the COVID-19. The European governments had to return to lockdowns on the verge of a new wave of contagions, with unambiguous negative impact on real activity. Current economic forecasts are on the downside, and there are renewed fears of a recession that would lead the continent to a "W" shaped recovery.

Latin America in crisis. Current representation crisis remains unchanged, as revealed by recent violent demonstrations in Peru and Guatemala. These last crises reflect a persistent disappointment with the governments and their responses to citizens' demands and social conflicts.

LOOKING AHEAD

Argentina and the IMF. The Argentine Gov't and the IMF might agree the restructuring of future payments under an Extended Facility program. The agreement terms are expected to be defined after the inauguration of the next US administration on January 2021.

COVID-19 in Argentina. Daily figures of infections and deaths have levelled off in the late weeks. The availability of the expected vaccines is not unfeasible, but massive vaccinations are not expected to start before March 2021.

Venezuelan parliamentary elections. These elections are scheduled to be held on December 6. Opposition leader Juan Guaidó is claiming for free and transparent elections under international monitoring.