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**ECONOMIC  
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## KEY DATA

- October CPI (INDEC) increased 2.4%, reflecting an incipient acceleration since last August. Furthermore, Buenos Aires city CPI rose 2.9% in October, leading to a cumulative 35.7% inflation rate since 2015 year-end.

## INSIDE THE ECONOMY

- The domestic consumption decline, the real exchange rate misalignment and the increase in imports have renewed a series of sectoral claims against the Gov't. Some transfers for low-income households are expected to be delivered before the end of the year-end.

## HIGHLIGHTS

- The Argentine economy remains in stagflation. There are no indicators of any significant foreign direct investment, or of a solid rebound of the real economy, or price stability. The ongoing jobs destruction with a decline of real wages may deepen further, unless the authorities launch a coordinated program focused on stabilization and growth.
- Current and leading indicators suggest an economic rebound just for the first quarter of 2017. The Central Bank of Argentina survey shows a significant dispersion of private forecasts. It reflects a high level of uncertainty, and the lack of the so called "greenshots" of an incipient economic rebound.
- Contrary to prevailing expectations and wishes in US, and in the rest of the world, Donald Trump is the new US President. His future policy decisions, on the economic, foreign and military-strategic affairs are uncertain. Anyway, it is not expected a drastic deviation from his campaign promises, that combine elements of different policy experiences from the 20<sup>th</sup> century, like the 1930s protectionism, the post-war Keynesianism, and the 1980s *Reaganomics*.
- The IMF projections for the world GDP growth rates are 3.2% in 2016 and 3.4% in 2017. It also forecasted a 1.7% growth rate for the European Union, 2.2% for US, and 6.2% for China. The projected growth rate for the Latin American GDP is 1.7%, but some uncertainty prevails due to Trump's victory in the US presidential election.

## LOOKING AHEAD

- On December 1 and 2, President Macri will meet all his ministers to assess the achievements and deviations from the Gov't policy goals.
- Gradual decline in interest rates, given the current fall in the Central Bank notes (LEBAC) return rates.
- Probable confirmation of Donald Trump's team, and announcement of his first economic policy decisions.
- OPEC meeting in Vienna in November 30. It is expected a decline in the daily production rate to 32.5 – 33.0 barrels per day. It will be the first production cut since 2008 to promote a price hike. It is expected some flexibility for some higher production of countries that were hit by international sanctions or war episodes, like Iran, Libya and Nigeria.

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