

Monthly Economic Newsletter



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KEY DATA

Inflation. April CPI rose 3,4% m-o-m, i.e. 58,0% y-o-y.

HIGHLIGHTS

Political backstage. President Macri's electoral strategy is under fire after the Peronist victory in Cordoba's governor election and Cristina Kirchner's appointment of Alberto Fernandez, former chief of Cabinet, as the Kirchnerist candidate for president. April decrease in consumer prices was not enough to revert the increasing disappointment with the Government, due to the biting stagflation in course.

Income and employment. The persistent stagflation led to an unambiguous fall in real wages and in the employment rate. As a consequence, poverty and misery indicators are on the rise, as well as income distribution inequality.

U.S.A vs. China. The trade war between both countries did not led to a final cut in bilateral negotiations. However, it is expected an increase in mutual sanctions, retaliations and counter-retaliations, with very negative impacts on the global economy.

U.S.A vs. Iran. President Trump announce new sanctions in order to undercut Iranian oil exports to zero. This decision may be related to domestic electoral demands, but is a significant source of uncertainty to the world oil market.

China's African Swine Fever. The devastating effects of this diseases opens non-negligible opportunities for foreign exporters. However, it has weakened the demand for manufactured pigs' meal, leading to a sharp decline in prices of soybean and other commodities.

LOOKING AHEAD

Electoral calendar. The upcoming provincial elections and the registration of the definitive candidacies next month will lead to changes in the marketing strategies of both Government and opposition candidates.

General strike. The main labor unions called for a general strike next May 29, as a sort of rejection to the current economic policies.

Trade war between U.S.A. and China: The Chinese Gov't is expected to put in force tariff and non-tariff sanctions against American imports. It will lead to an unavoidable deepening of the current trade conflict between these countries.