

Monthly Economic Newsletter



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KEY DATA

Unemployment rate. Argentina's unemployment rate hit 10.1% last quarter, as reported by the Gov't statistics bureau (INDEC). It is the highest rate from the fourth quarter of 2006..

HIGHLIGHTS

Political backstage. The appointed pre-candidates, as well as the new registered political fronts suggest an unambiguous bias towards a polarization between the Gov't and the Kirchnerist opposition. Financial volatility decreased in line with the gradual decline in CPI inflation and the recent stability of the exchange rate. However, it is not enough to overcome the ongoing stagflation.

Fiscal accounts. The Gov't achieved a primary fiscal surplus in the first quarter. However, interest payments led to an overall fiscal deficit. The fiscal targets agreed with the IMF remain at risk, due to the persistent stagnation and its potential negative incidence on tax revenues.

The global economy. Trade and geopolitical conflicts are increasing the risks of a global recession. Recent fears of a world economy slump have renewed expectations of central banks' interventions to increase money supply in the short term.

The EU, between China and USA. The EU remains under pressure between the Gov'ts of China and USA, wishing to preserve the European bloc as a privileged partner. However the European leaders are trying to avoid new perturbations due to the current trade war between USA and China.

LOOKING AHEAD

Electoral calendar. The deadline to register the candidates for next primary elections is June 22. They will run for next open, mandatory and simultaneous primary elections ("PASO", in Spanish) next August, 11.r

IMF. It is expected that the IMF will complete the fourth review under Argentina's Stand By arrangement and approve the disbursement of a U\$S 5,38 tranche, nest July.

Chile: President Piñera announced that will spend a U\$S 20 Bn on upgrading infrastructure over next 3 years in order to avoid a decline in both the GDP level and its growth rate.

G-20 Summit: The 14th G-20 Summit will be held in Osaka, Japan, next June 28-29. The presidents of China and USA are expected to meet and discuss current bilateral conflicts. The Mexican president, López Obrador will not attend, arguing that the summit must address the inequality in the world.