

INSTITUTO DE INVESTIGACIÓN
FACULTAD DE CIENCIAS ECONÓMICAS Y EMPRESARIALES
UNIVERSIDAD DEL SALVADOR

ECONOMIC AND BUSINESS SCIENCES RESEARCH INSTITUTE

Editor:

Héctor Rubini

Staff:

Gustavo Martin

Hector Rubini

Eliana Scialabba

Jorge Viñas

KEY DATA

- **Steady exchange rate.** The US dollar remains slightly on the downside, given the strong demand for the Argentine Central Bank's notes (LETES). The ask quote was AR\$17,38 today, the lowest since August, 15.

INSIDE THE ECONOMY

- **Real activity: on the upside.** Several indicators show an unambiguous economic recovery, and it is perceived on a wide range of economic sectors. It is good news for the Gov't, waiting next the legislative election for October, 22.

HIGHLIGHTS

- **Positive economic outlook:** The 3rd quarter indicators depict a promising scenario thanks to a sound rebound of real activity, with stable inflation and increasing optimism. The strengthening of this dynamics will depend on next Gov't decisions on public utility rates, transportation costs and the evolving fiscal indicators until the year-end.
- **Lagging demand, with expectations on the upside:** Retail sales are growing slower than supply-side indicators. However, the rebound of consumers' expectations are perceived as a leading indicator of a future increase in private consumption. This might reinforce the current transition towards an expected long-term growth path for year 2018.
- **The US dollar remains weak.** The US dollar fell against other currencies, as investors digest several economic, geopolitical and global climate events. The European Central Bank, instead, might pave the way for a gradual unwinding of monetary stimulus, strengthening the Euro against the US dollar.
- **Commodity prices.** The world prices remain volatile, with bearish prospects for wheat and soybean prices, but bullish for corn. Downside pressures on the oil prices might prevail in the short term, but metal prices are expected to increase if the Chinese economy does not decelerate, and in case of a military clash between North Korea and USA.

LOOKING AHEAD

- **Legislative election in October.** The legislative election will be held on October, 22. It will define the composition of the National Congress until December, 2019.
- **Tax Reform bill.** The Executive Power will submit a tax reform bill to the Congress after the October legislative election.
- **2018 budget bill.** The Executive Power will submit the 2018 budget bill to the Congress next Friday.
- **Fed Funds Rate.** The FOMC will meet on September 20-21. No changes are expected in the Fed Funds Rate. Wall Street analysts expect an increase for next December, and only in case of higher inflation expectations.
- **North Korea:** The Pyongyang regime threatened the US Gov't after recent UN sanction: a ban on textile, gas and oil exports to North Korea, after its last test with an H-bomb.

VIAMONTE 1816
C1056ABB CIUDAD DE
BUENOS AIRES, ARGENTINA
TEL +5411-811-5327
+5411-811-6052
+5411-811-7441
<http://fceye.usal.edu.ar>