

Monthly Economic Newsletter



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KEY DATA

Country Risk. Argentina's sovereign risk premium (EMBI Argentina) dropped to 1,143 b.p. on April 22. It was the lowest from September 2020.

HIGHLIGHTS

Argentina: the fiscal and monetary adjustment continues.

The declining inflation rate remains high. It renewed protests and doubts about the sustainability of the ongoing economic policy. However, the Government's commitment with the fiscal tightening maintains the prevailing optimism among domestic and foreign investors.

U.S. markets: expecting interest rates on the downside.

Recent data show both inflation and unemployment rates more stable than expected. It led to a switch in market expectations on the Fed's policy stance, with consensus forecasts on a decline in interest rates by less than 50 b.p. until the year-end. However, the current clashes in the Middle East are increasing risk aversion in financial markets.

Israel vs. Iran

On April 14 Iran bombed Israel after Israeli attack to Iran's consulate in Damascus (Syria). Clashes ended after the Israel counterattack to the Iranian Isfahan airport. After surpassing the US\$ 90 per barrel the oil price (Brent) stabilized around US\$ 87. However, the World Bank warned that it may jump above US\$ 100 per barrel if both countries get back to hostilities.

LOOKING AHEAD

Argentina.

The structural reforms bill will be discussed by the National Senate in the 2nd week of May.

Global GDP outlook.

The OECD raised its world GDP growth forecasts from 2.9% to 3.1% in 2024, and from 3.0% to 3.2% in 2025. The U.S. growth forecast for was revised up from 2.1% in 2024 to 2.6%. The 2024 Eurozone growth rate was slightly increased from 0.6% to 0.7% and 2024 China's growth rate from 4.7% to 4.9%.

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