

# Monthly Economic Newsletter



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## KEY DATA

**Inflation.** May CPI rose 4.2% (m-o-m). It's the lowest since January 2022.

## HIGHLIGHTS

### **Argentina: delayed reforms.**

Current political tensions and disagreements delayed the approval of the structural reforms bill, but it was finally passed today. The inflation rate remains on the downside, but the persistent recession takes the unemployment rate and poverty indicators to the spotlight.

### **India gets stronger**

Asian economies remain as the main global growth engines. Current deceleration in China turns it unavoidable to deem India as the main contributor to the world economic growth.

## LOOKING AHEAD

### **Argentina.**

President Milei is expected to travel to China, either in July or August, to arrange the postponement of the swap repayment to the People's Bank of China (around US\$ 5 Bn).

### **The US dollar in the world**

Some institutional investors foresee a weaker Dollar Index for the next months. Most of market forecasters envisage a future lowering in the Fed Funds Rate and fear of an increase in the US fiscal deficit. However the acceleration of currency depreciation in Brazil, Chile and other LatAm countries may erode the external competitiveness of Argentine companies.

### **The new Mexican government**

The former Foreign Affairs minister Marcelo Ebrard Casaubón will be the new Economy Chief. He is seen as market friendly, and openly supported by local businessmen. He is expected to renegotiate the USMCA, and to promote foreign direct investment in Mexico.