



# Monthly Economic Newsletter

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## KEY DATA

**Country risk premium.** On March 18 Argentina's sovereign risk premium (JP Morgan's EMBI+) hit 787 b.p., the highest level since November 13, 2024.

## HIGHLIGHTS

**Argentina.** The government needs to restore the public's confidence. An improvement in real activity and in the stabilization of domestic prices is needed, but local and foreign markets doubts remain unchanged. The delay in confirming a new deal with the IMF increased the prevailing uncertainty in forex markets. A new agreement will allow the government to increase the Central Bank's foreign reserves and to strengthen the credibility of both the government and its economic policy.

**Global markets.** Donald Trump's erratic trade policy hurt the initial "bullish" atmosphere in American and other financial markets. Nonetheless, the German government's approval of a new defense expenditure program led to a rebound of GDP growth prospects in the European Union. Furthermore, financial markets have welcomed the stimulus measures adopted by the Chinese government to deal with the US import tariffs.

## LOOKING AHEAD

**Argentina.** The agreement between Argentina and the IMF would be unveiled next month. It would include a specific strategy to wipe out the current currency and capital controls.

**United States.** President Trump announced a new 25% tariff on automobiles imports from every country.

**Ukraine.** Nobody expects an immediate ceasefire agreement between Russia and Ukraine. However, negotiations remain underway in Saudi Arabia between US and Ukrainian officers on one side, and US and Russian diplomats on the other.