

# Monthly Economic Newsletter



Research Institute. May 19, 2022.

No. 205. Year 22

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## KEY DATA

**Inflation.** April CPI rose 6.0% m-o-m, i.e. 58.0% y-0-y. It was the highest inter-annual increase since January, 1991.

## HIGHLIGHTS

**Argentina:** Economic and political uncertainty remains on the rise, driven by the Gov't failure to control inflation and impoverishment, and the protests due to the insufficient official aid to poorest households. Current social unrest and inflation rates are expected to remain on the rise, in line with the increases in energy and oil prices.

**World inflation.** Inflation is accelerating. Blockades in world supply chains due to the Coronavirus outburst in China are overlapping to oil and gas shortages since the start of the war in Ukraine. Rising inflation expectations led the US Fed to increase the Fed Funds Rate in 50 b.p., but some new hikes are expected in the short term.

**Commodity prices.** Prices hikes remain subdued in April, but their levels are still higher than those observed before the war in Ukraine. Commodity prices are expected to decrease in 2023, but not reaching to the levels observed before the Russian invasion to Ukraine last February

## LOOKING AHEAD

**Argentina.** A new disbursement from the IMF is expected in June. The exchange rate stability might be sustained, but the expected hikes in oil and energy prices, and in public service rates will keep inflation at least in the current level.

**Colombia.** The presidential election will be held next May 19. Polls are led by the left-wind candidate Gustavo Petro, and the right-wind candidate Federico "Fico" Gutiérrez. Most forecasters envisage no winner for this election, leading to a runoff between them on June 19.

**United States.** The Fed is expected to increase the Fed Funds Rate 50 b.p. in June and again in July, unless the inflation rate shows an unambiguous decline.

**War in Ukraine** Sweden and Finland submitted their applications to join NATO. The Russian Gov't is not expected to attack both countries but Moscow officers announced retaliations against Finland "to balance the situation".