

# Monthly Economic Newsletter



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## KEY DATA

**Inflation.** March CPI rose 6.7% m-o-m, it was the highest increase since April 2002.

## HIGHLIGHTS

**Argentina:** The expected hikes in public service rates might lead inflation to an unambiguous acceleration, renewing the demonstrations against the Government. Social conflict might become hard to manage if the rivalry between the President and the Vice President remains unsolved, deteriorating the Government's reputation and credibility.

**The world economy and the war in Ukraine.** As long as the war in Ukraine strengthens lower global GDP growth and higher inflation, the US Fed is expected to tighten the monetary policy, facing the risk of a "hard landing" for the US economy.

**Coronavirus, in China again.** The Chinese government imposed a long-lasting lockdown in several cities, restricting residents' mobility and slowing down economic activity. It led to serious problems with inter-provincial transport and the ship congestion at the ports of Shanghai, Ningbo-Zhoushan and Shenzhen, and significant disruptions in supply chains in China and other countries, especially in the US.

## LOOKING AHEAD

**Argentina.** The Gov't called for public hearings next month to start a series of gas and electric power charge increases, jointly with the reduction of energy subsidies. These will be passed-through consumer prices from June despite the current exchange rate stability and the reversal of last-year monetary expansion.

**War in Europe.** Both Finland and Sweden governments announced their joining to NATO. The Russian government replied with a warning of nuclear weapons deployment in the Baltic region, and likely retaliations to hostile countries.

**France.** A presidential runoff will be held on April 24 between the far-right challenger Marine Le Pen and the incumbent President Emmanuel Macron. A Le Pen victory might lead to dramatic policy changes in France and in the European Union.