

# Monthly Economic Newsletter



Research Institute. July 18, 2023.

No. 218. Year 23

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## KEY DATA

**Exchange rate.** On July 14, the US dollar peaked to AR\$ 526 in the black market ("blue").

## HIGHLIGHTS

**Argentina, far from stability.** Recent drops in the inflation rate -in June- and in the first quarter unemployment rate are not enough to signal any change in the current economic situation. Next administration will face nonnegligible conflicts and a high degree of mistrust. The prevailing optimism related to natural resource opportunities may rapidly fade away if most of Argentine leaders prioritize rent-seeking activities, rather than growth-oriented structural reforms.

**Optimist global markets.** Stock markets held new gains in June with the surprising drop in US inflation and positive economic data. Fed rate optimism improved the economic outlook for Latin American countries, especially for those with overvalued currencies.

**Commodity prices.** The war in Ukraine pushed up the commodity prices around the world. The Black Sea Grain Initiative helped to dampen such increase, but Russian government is willing to terminate such grain deal.

## LOOKING AHEAD

**Argentina and the IMF.** Argentine gov't is expected to close a deal with the IMF this week. It would lead to new disbursements to Argentina this quarter.

**Primaries in Argentina.** The mandatory simultaneous and open primary elections will be held next August 13. Polling ahead of the election suggest a national defeat of the ruling Peronist candidates, but these may outperform the opposition candidates in the province of Buenos Aires.

**Spain.** General elections will be held next July 13. Most polls predict the conservative Popular Party (PP) will defeat the ruling Socialist Workers' Party (PSOE). However, the PP will probably need the far-right Vox party to form a government.

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