

Monthly Economic Newsletter



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KEY DATA

Exchange rate. The black market's exchange rate hit a record AR\$ 1,050 per US dollar, 186% higher than the official quote.

HIGHLIGHTS

Argentina, under high uncertainty. The Government expansionary policy leads to a high and increasing inflation, exchange rate instability, and increasing doubts on the future governability from next December. Current changes in market expectations depend on what could happen after the general election on October 22.

The global economy. The last IMF World Economic Outlook revised upwards the economic growth forecasts for the US economy, and downwards for China and the Euro area. The 10 year US Treasury yield rose to 10%, given the current strength of the U.S. economy, and the slow decline of the inflation rate. Tighter financial constraints and geopolitical tensions are the main risk drivers for next year.

Middle East. The recent Hamas attack to Israel might start an extended conflict that could lead to a negative supply shock to the global economy. Freight rates surged by an average of 50% on 16 global trade routes.

LOOKING AHEAD

Argentina. General elections will be held next October 22. Opinion polls are led by the current Economy Minister Sergio Massa, and the libertarian economist Javier Milei.

China. The last IMF's Regional Economic Outlook for Asia and Pacific revised downside China's GDP growth estimates from 5.25% to 5.0% for 2023, and from 4.5% to 4.2% for the next year.

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