

Monthly Economic Newsletter



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KEY DATA

Inflation. March CPI rose 3.7% m-o-m. It was the highest monthly increase since August 2024.

HIGHLIGHTS

Argentina. The government received an IMF loan of US\$ 20Bn and started effective forex market liberalization under high local and global financial volatility. This new agreement with the IMF allowed the authorities to launch a new stage of their economic program, towards the removal of foreign currency and capital controls. The program is intended to deepen the ongoing market liberalization to increase the stock of foreign reserves, and to strengthen the fiscal tightening even under this year mid-term election. Financial markets welcomed this news, with low exchange rate volatility, and a strong recovery in stock and sovereign bond prices.

Global markets. US president Donald Trump's postponed the application of higher import tariffs on several countries, but he has increased the pressure on the Chinese government. However, the uncertainty on the future of the US trade policy and its negative impact on the global economy has increased the volatility of asset prices and has strengthened the perspectives of an unambiguous recession for this year.

LOOKING AHEAD

Argentina. The government is expectant of a potential increase in US dollars supply and on a probably decline in the nominal exchange rate (AR\$/USD)

United States. The last IMF World Economic Outlook stated that current US import tariff increases, and other countries' retaliations can be deemed as a global negative shock that raises uncertainty and led to an unavoidable decline in the GDP growth prospects for most of the world countries.

India-Pakistan. Last April 22 murder of 26 Indian tourists led to a sudden increase in military clashes between India and Pakistan in the Kashmir disputed area. Such rivalry raises new worries given the significant stocks of nuclear weapons in the hands of both countries.

Ukraine. A ceasefire looks feasible, but Russian attacks to Ukrainian civilian targets do not stop. The US government is perceived as inclined to convince Ukrainian authorities to accept the Russian annexation of the Crimean Peninsula and the occupied territories in South-East Ukraine.