MONTHLY REPORT

ECONVIEWS

ECONOMÍA Y FINANZAS

October 2022

Issue #220

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THE MONTH AT A GLANCE

RECENT DEVELOPMENTS

- Turmoil in UK bond markets, which sent 10-year GILTS's yield briefly above 4.5% and cratered the pound, highlight the risks of monetary-fiscal discoordination as Central Banks are eager to tackle inflation, but governments have to deal with the fallout from Covid and the Ukraine War.
- US inflation surprised again at 0.39% monthly in September and stayed at 8.2% year-on-year. The Euro Area (9.9%) and Britain (10.1%) are also grappling with sticky inflation, with wage and rent dynamics pointing at its staying power.
- After the USD 5 billion boon from the preferential exchange rate for soybean exporters, the BCRA is back to counting pennies. In October it raised the tax on the "tourist" dollar by 25% taking it to ARS 314, and created a new ARS 204 import parity for international shows. Afterwards, the parallel exchange rate heated up to ARS 289 while the BCS holds at ARS 307, a 97% spread with the official rate. Import controls had been tightened earlier this month.
- Inflation read 6.2% monthly, 83% year-on-year in September, accumulating a 66% rise in 9 months of 2022 and is on track to pass 100% by December.
- Automobile production (-9%), motorcycle licensing (-7.7%), cement production (-3.5%) and other leading indicators slumped MoM in September -and August too.

FIGURE OF THE MONTH

With the new "Qatar" and "Coldplay" dollar, there are now

15

exchange rates, counting the BCS and black-market rates

TO BE ALERT

The wheat crop forecast for 2023 is 30% below 2022,

2.5 bn

dollars could be lost. The drought also affects corn.

WHAT'S COMING NEXT?

- After hiking 75 basis points in September, the Federal Reserve appears on track for similar moves in November and December, taking the Fed Funds rate to 4.5-4.75%. Bloomberg is forecasting 100% chances of recession in 2023, while the market's view is closer to 60%.
- Lula is the favorite for Brazil's runoff election on October 30th. Although his economic policy is less polarized with Bolsonaro than appears at first sight, a Lula win could help refloat the stalled EU-MERCOSUR trade deal.
- Government officials have hinted at an impromptu "stabilization plan". While progress has stalled on the fiscal leg –the 50% utility hikes scheduled for October were postponed- there is chance of a more widespread price freeze and Minister Massa has threatened to open up imports to whip producers. As the elections draw nearer, the attractive of a short-term wage-and-price truce grows for the Government.
- An ARS 45k transfer in two installments for vulnerable sectors was announced October 17th. Formal private wages were growing at 69% year-on-year in July, almost in line with inflation, although we expect them to fall 1.5% in real terms in 2022. However, informal workers' salaries have fared much worse, at 59% year-on-year, 12 points below CPI.

SUMMARY OF MAIN INDICATORS

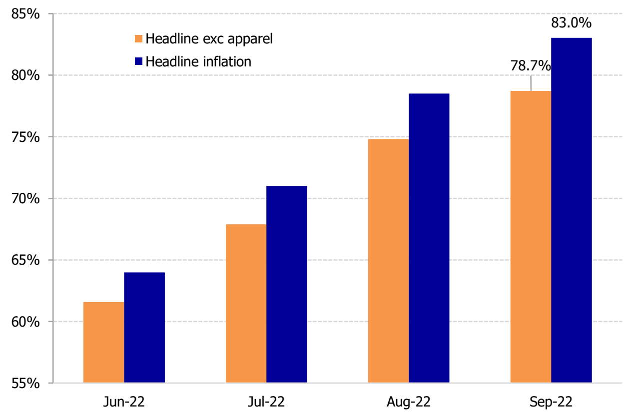
	Last	Previous		Last	Previous
Economic activity			**Financial data**		
Economic activity (MoM s.a.)	0.4%	0.1%	Inflation (monthly)	6.2%	7.0%
Consumer confidence (MoM)	-4.1%	0.4%	FX spread (21day avg.)	103.9%	106.4%
Industrial activity (MoM s.a.)	0.4%	-0.7%	Country risk (bps 21day avg.)	2,727	2,389
International accounts			**External data**		
Current Account (USD BN)	-0.89	-1.13	Soybean price (per ton, 21day avg.)	507.2	541.0
CB Reserves (USD BN 21day avg.)	38.13	37.28	Brazilian activity (MoM s.a.)	-1.1%	1.7%
Primary balance (ARS BN)	5.28	-210.05	Financial Conditions Index	-3.4	9.8

Source: Econviews base on multiple sources - Based on working days only

GRAPH OF THE MONTH:

Inflation with and without apparel

YoY inflation, rest of division reweighted



Source: Econviews based on INDEC

RECENT ECONOMIC DEVELOPMENTS

SEP 22nd	SEP 30th	OCT 1st	OCT 8th	OCT 11th	OCT 17th	OCT 27th
Econviews Monthly #219: Massa's first months + special analysis on the Provinces' fiscal situation.	Administrator CAMMESA says delayed user segmentation led to **postpone October's 50% planned hike in electricity bills.**	The "soybean dollar" special exchange rate regime expires, leaving the **BCRA with net purchases of USD 4.96 billion.**	**Ministers of Labor, Social Development, resign** in new cabinet shuffle, replaced by figures close to Fernández.	**New 25% tax takes "tourist" exchange rate to ARS 314,** parallel dollar reacts with 9-peso increase to ARS 289.	Under unions' pressure for better wage deals, **Massa raises income tax threshold to ARS 330k**, an 18% increase.	**Econviews Monthly #220**

POLITICS

After an energetic first month, Minister of Economy Massa's agenda is stumbling into the same problems his predecessors had. VP Cristina Kirchner bemoaned 1H-2022's 37% poverty rate and her acolytes swung out against the IMF deal. The much announced electricity and gas hike are yet pending. Maximo Kirchner railed against government-allied unions, at a time when wage negotiations are heating up with demands for 100% year-on-year raises. President Fernández, relegated to a more testimonial role since Massa took office, regained some clout by assigning the new Ministers of Labor and Social Development in the latest cabinet shuffle. The 2023 Budget Bill was finally passed by Congress on October 26th.

IMF

On October 17th, the Fund's board passed the second review of Argentina's SAF program, following the staff's approval three weeks prior, and allowed for a fresh USD 3.84 billion disbursement. The primary deficit goal of ARS 849 billion was met by accumulating floating debt, i.e. payment arrears, and accounting the issuance of CER securities as property income. The ARS 476 billion monetary financing target was met only thanks to the Treasury selling SDRs to the Central Bank. The Central Bank was USD 295 million short of the net reserves goal. We assume the Q3 goals will be met with some creative accounting. In a more political sense, we believe if anyone breaks the deal -an unlikely scenario- it will the Government and not the IMF.

ECONOMIC ACTIVITY

Activity surprised with 0.4% growth between July and August, leaving the year-on-year variation at 6.4%. However, 10 out of 16 sectors fell in monthly terms, with hotels and restaurants (-3.9%) and fishing (-3.4%) the hardest hit, and a sharp contraction in a key sector like construction (-2.1%). Manufacturing (+0.4%) rebounded after a weak July and agriculture (+8.5%) and retail (+1.8%) saved the day. Consumption will have it harder as inflation accelerates: real credit slumped 3.2% in September. Agriculture is also struggling with the drought, which lowers the expected wheat crop for 2022-23 by 30%. Even accounting for an ugly Q4, we have corrected our GDP forecast for 2022 up to 5.2% and expect 1% growth next year.

INFLATION

After two prints above 7%, monthly inflation decelerated to a still hot 6.17% in September. Apparel (+11%) led the index once again, trailed by alcohol and tobacco (+9.4%). Food and beverage prices rose 6.7%. General inflation was held back by regulated items such as education (+3.7%), utilities (+3.1%), healthcare (+4.3%) and telecommunications (+2.5%). These last two adjusted in October and will put pressure on the upcoming CPI print, while the utilities hike was delayed. In year-on-year terms inflation is running at 83%. We notched our forecast for December up to 101.5%, while holding 2023 at 110%. Market expectations are also at three digits, setting a new reference for wage negotiations.

MONETARY SECTOR

With September's CPI print slightly below market forecasts, the BCRA broke its new custom of hiking after each data release and left its Leliq policy rate at 75% for now, a 6.25% effective monthly rate which allows to at least tie inflation. Our base scenario is that rates will sit at this level for what's left of 2022, with chances of another 200 basis point hike in 2023. Currency issues are pressing the BCRA again. The multiplication of exchange rates somewhat hides the fact that the official dollar's crawling peg stalled at 6.2% per month, meaning accumulated RER appreciation reaches 16% this year. Dollar futures are pricing a correction in the coming months, with an ARS 185 rate for December, slightly above our own ARS 179.9 forecast.

FISCAL ACCOUNTS

In September the public sector achieved its first primary surplus in 16 months, of ARS 5.3 billion. Thanks to the "soybean dollar", export duties soared 315% year-on-year amounting to ARS 330 billion, though this figure doesn't consider the Treasury's new debt with the BCRA born from this maneuver. VAT (+83%), income tax (+120%) and social security (+86%) also grew above inflation. Expenditures grew 79% against September 2021, a 2.3% real contraction. Energy subsidies were cut by a fifth despite the delayed tariff adjustments, apparently at state company CAMMESA's cost and social spending fell 0.5% in real terms. We expect 2022 to close with a 2.9% primary deficit to GDP.

I. The IMF Meeting in Washington: Concerns about the world and still little interest in Argentina

We attended the IMF meetings that took place in Washington in mid-October. **The main theme was world inflation**, where the discussions centered on whether the burst of world inflation was just caused by temporary supply shocks due to the pandemic and the war in Ukraine, or in if instead it was mainly driven by the very expansionary monetary and fiscal policies that governments implemented during the initial periods of the pandemic and did not reverse in time to avoid the rise in inflation.

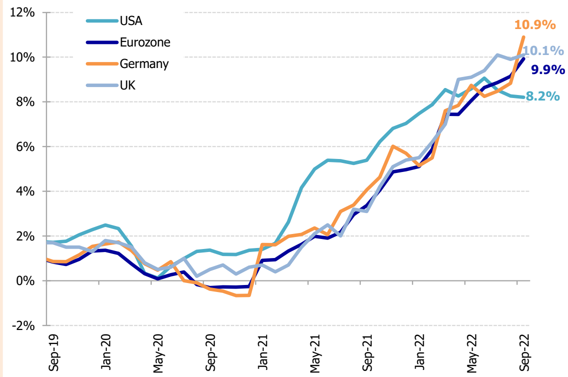
Our view is that the policy response to the initial spur in inflation was too little and too late, especially in the developed market economies (DMEs). For us now inflation has become entrenched in most economies. We believe that a recession in the DMEs is all but unavoidable, and that in the end Central Banks will have a very hard time bringing inflation down to the 2% range, where it was before, and that it could stabilize in the three to four percent range. In the process, interest rates will probably have to increase further, more than most market players believe.

There is still skepticism and very little interest from investors on Argentina. Many see that there is an opportunity at current prices where bonds and stocks seem to be an attractive investment with limited downside if things deteriorate and significant upside if they improve. However, given the uncertainty that prevails in the world financial markets there is no rush to buy Argentina and most prefer to continue to wait and see, and perhaps look again in March or April.

The main questions were about the lack of reserves and the exotic exchange rate policy that the government maintains, even with the new Finance Minister. There are concerns about a new restructuring of the domestic debt, where the reprofiling of 2019 during the run on the currency is still daunting investors. We have repeatedly argued that the domestic debt with the private sector is not particularly large (around 7% of GDP), and that under normal circumstances the Treasury shouldn't have any difficulties in rolling over the bills and bonds when they come due, especially if as expected, the government maintains the FX and capital controls. However, the fragility of the market, the signals that the opposition sent a few months ago about the burden of the domestic debt and the history of defaults mean that the outcome is still open. The concern is more about politics than about debt sustainability.

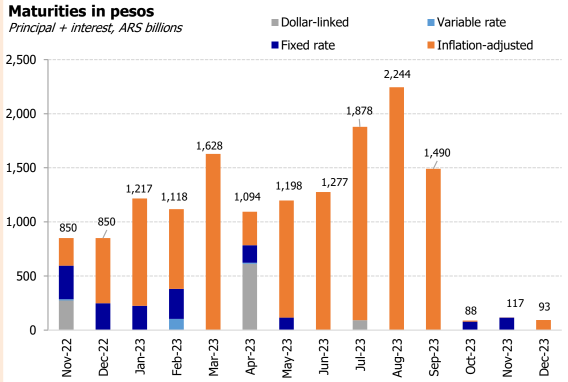
Similar issues came up regarding foreign currency debt, where most investors believe that a restructuring is all but unavoidable. A look at the financial requirements for 2024 (which are not particularly demanding, but they require some external financing), and for 2025 which are more challenging indicate that they are manageable if the government adopts appropriate policies. Two comments on this issue. The first is that the burden in Argentina has been overstated, especially if one looks at the debt to GDP ratio, which at the current exchange rate is at less than 40% of GDP but could rise to 50 %or 55% in the aftermath of devaluation (a figure that is still reasonable). The main problem is liquidity, as Argentina has no reserves, and a new government would need to work something

Transitory or permanent?
YoY inflation



Source Econviews based on Eurostat, ONS amd FRED

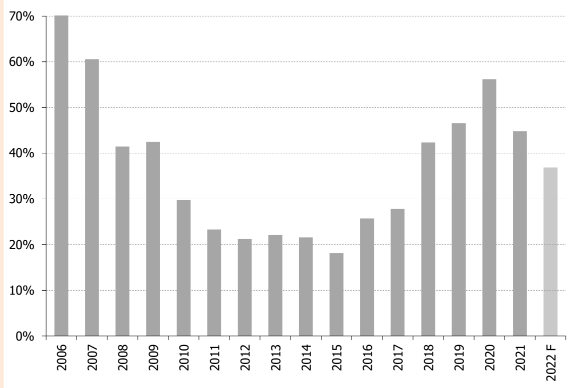
Maturities in pesos
Principal + interest, ARS billions



*Maturities of dual and CER bonds and bills adjusted by projected inflation; dollar-linked bonds adjusted by FX forecast

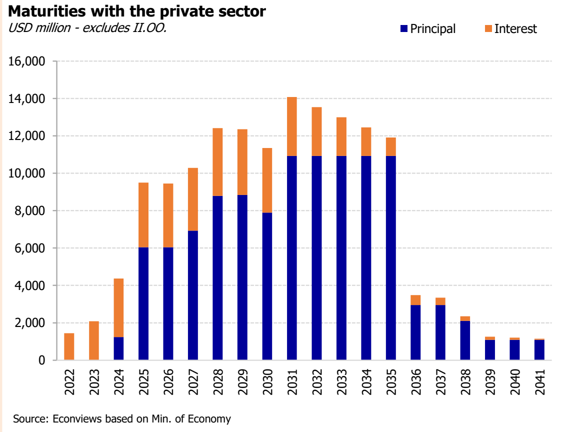
Source: Econviews based on Min. of Economy

Net Public Debt
As % of GDP - Net debt excludes intra-public sector debt ; includes warrants



out under pressure in 2024. **We believe that it will be difficult, but it can be done**.

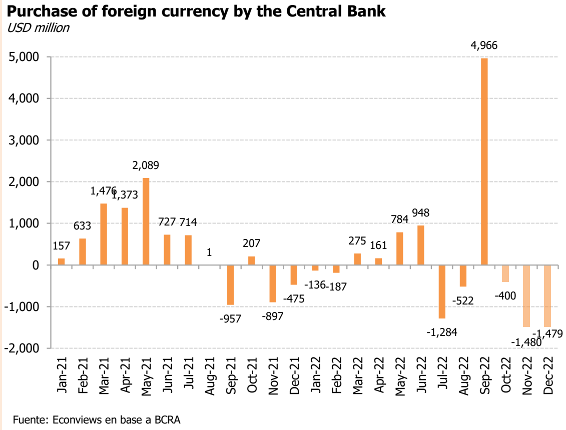
The second issue is that given that a large part of the foreign debt was issued at fixed interest rates and with very low coupons, its value is being eroded by world inflation, which means that the debt to GDP ratios will drop thanks to world developments. One implication of this fact is that in most exercises that are done to evaluate debt sustainability one could argue that the burden of debt falls over time (simply thanks to global inflation) and hence that in an eventual restructuring there would not be a need for a large haircut, as was the case in previous restructurings. Of course, this analysis assumes that Argentina undertakes the necessary fiscal adjustment and moves to a primary surplus, and that there would still be an IMF program in which the repayments to the Fund are structured in a way that do not impose an unnecessary heavy burden on Argentina.



Maturities with the private sector

<u>Reserves still under pressure waiting for the devaluation (that won´t come)</u>

Argentina has now obvious problems in the external front. The government, by providing a temporary incentive to soybean exporters, managed to increase reserves by almost four billion dollars in September and achieve some temporary relief.



Purchase of foreign currency by the Central Bank

The pressures on reserves are already coming to the surface. The Central Bank is once again becoming a net seller of dollars in the market, exports are dropping by almost one billion dollars a month, in line with those that were advanced in September, while they are likely to suffer the effects of the drought that will deprive the Central Bank in December and January of almost 2.5 billion dollars. Under these assumptions, which seem to be realistic, the Central Bank will again be against the corner by the end of the year. What can be done?

There is little hope that there could be further assistance from the multilateral institutions or from the IMF, which are already at the limit regarding exposure to Argentina. There is no chance of any lending from the private sector, not even of a new swap with the international banks. The obvious response to this situation would be to let the exchange rate float or to devalue, though these are not options for this government, which has repeatedly chosen controls and restrictions as opposed to a devaluation.

Recently the government came up with creative solutions, namely mimicking a devaluation by introducing new taxes and tax withholdings, though only for some activities (i.e. a dollar for tourism named “Qatar dollar”, a dollar for concerts named “Coldplay dollar”, etc). In some cases, they might help, though the approach has profound flaws that prevent them to be a solution for the external accounts.

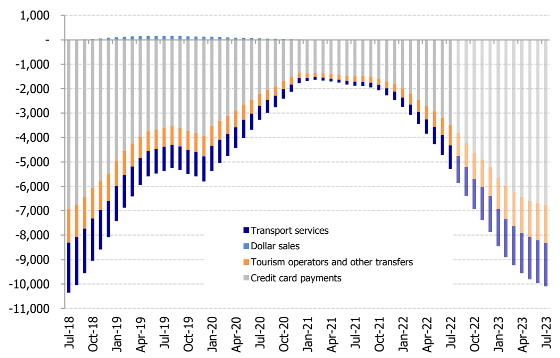
The first problem is that the tax withholdings are eventually recovered, which implies that the cost ends up being much lower than it sounds. In the case of the Qatar dollar the tax advance is 120 pesos, though with this inflation the present value could be somewhere between 60 and 90 pesos, a figure which remains well below the parallel exchange rate.

The second problem, which is much more important, is that the Central Bank might avoid selling some dollars, as the implicit exchange rate goes up, but it fails to provide incentives to buy dollars. In the case of tourism, visitors to Argentina do not sell dollars in the official FX market. Taxes are an imperfect substitute for the devaluation.

To deal with this situation, the government implem ented a new system to authorize imports (called Sira), which is more rigid than the previous one. Unfortunately, there is ample evidence that these systems don't work, and tend to deprive production from necessary inputs, while the shortages and the uncertainty about when and at what exchange rate the imports can be paid, they tend to increase inflation.

Short of the real long-term solution, which is devaluation or letting the exchange rate float, a second- best solution would be to finally split the FX market in a more efficient way. One option is to keep the current commercial rate that can be used for many of the transactions that are used today and maintain the blue-chip swap rate working like it works now. In addition, one can add a third exchange rate for tourism, saving, and other transactions (including services and selected products), that could be used also for exporters, and hence will provide an incentive to increase exports. This would not be the typical split between the commercial and the financial exchange rates (which divides the current and the capital account), which the government would probably not like and would not improve the exchange rate for exporters. Instead, it is variety of the dual exchange rate system, a temporary "patch" that should help to improve the current account and reserves to get to the elections in one piece.

Net result of tourism
In million USD - Accum. 12 months - cash basis



Source: Econviews based on BCRA

II. The hidden face of inflation: Seigniorage and the inflation tax

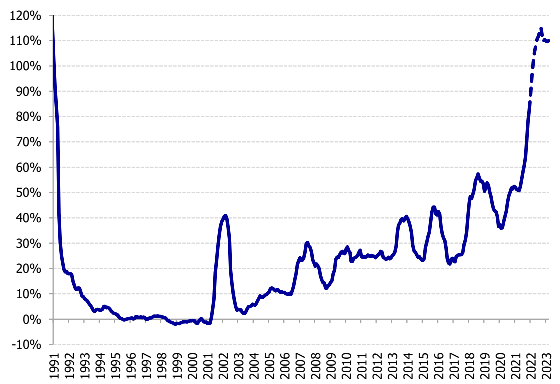
The high levels of inflation have generated a debate about the causes of the process and what can we expect for the future. This is a debate that it is not only taking place in Argentina, but rather all over the world.

At the center of this debate is monetary policy and what have been the reasons for printing money. In the developed world, central banks have been issuing money mainly to keep interest rates very low to deal with the pandemic and to finance its associated deficits.

In Argentina the rise of inflation, which is now hovering the 100% level, is certainly a major concern, and it is a process that started during the first years of this century and has only been going in one way: up, up and up.

The rise in inflation has been accompanied by increases in money supply, which in the early years (say till 2007) was used to increase reserves, as

Annual Inflation



Source: Econviews based on several sources the government maintained fiscal surplus. Starting around 2010 the emphasis changed, and the increase in money supply was primarily used to finance the fiscal deficit.

Underlying the relationship between money supply and inflation is the concept of **seigniorage, a technical term defined as the real resources that the Central Bank obtains from enjoying the monopoly of printing money.**

Those resources can be international reserves that it accumulates in exchange from issuing money, or the government's fiscal deficit that is financed by printing money. In that case the seigniorage is appropriated by the Treasury. When the Central Bank issues money, it expands the monetary base and with that money it can appropriate resources. In more concrete terms, there can be two uses of seigniorage: purchase of reserves or financing to the Treasury.

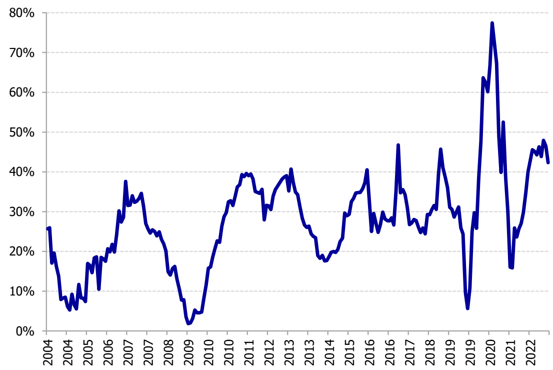
The terms seigniorage and the inflation tax are generally used indistinctly because they are closely related with each other, though technically there are subtle differences between them. Increases in seigniorage generally lead to increases in inflation, though due to changes in the demand for money, many times there are differences between them, and one could observe cases where inflation (and hence the inflation tax) go up with little changes in seigniorage.

We will concentrate our analysis on seigniorage because it helps us to understand when there are situations in which money supply is accelerating in a dangerous way and there are clear risks of a runaway inflation or a hyperinflation, as opposed to periods in which inflation is high, but not out of control.

There is generally a close relationship between seigniorage and inflation, which is apparent in economies where inflation is either very low (say one digit) or very high, such as in hyperinflations. The relationship is less obvious in cases of high, though not spiralizing inflations, such as in Argentina since the beginning of the century.

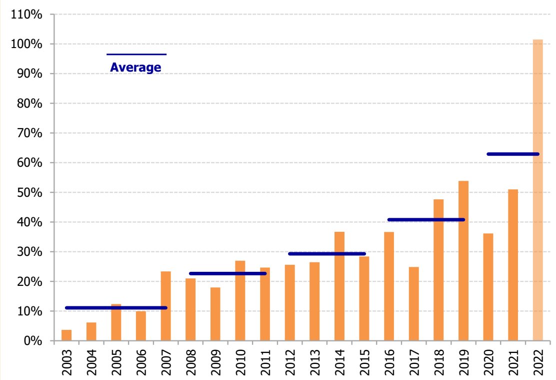
During the hyperinflation of the of the late 1980s, seigniorage reached 7% of GDP, a clear indication that inflation was on an unsustainable path. In contrast, during the years of the convertibility era in the 1990s in which inflation was extremely low, seigniorage was just around 0.3% of GDP. Finally, in the years that followed the 2001 crisis and through most of this century, seigniorage has averaged around 2.2% of GDP, and has not been increasing. The interest thing is that despite a relatively stable seigniorage, inflation has been creeping up continuously. One lesson from this period is that inflation can go up while the Central Bank (and the Treasury) do not gain more resources. At first glance this looks like a paradox, though it can be explained by the fact that as inflation goes up, people want less pesos. **In other words, money demand goes down.**

Monetary Base
Monthly average - var. % y/y



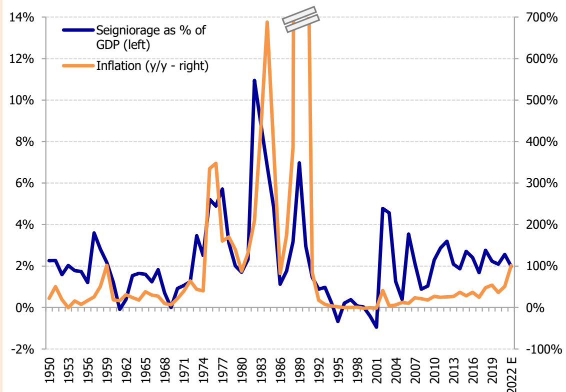
Fuente: Econviews en base a BCRA

Annual Inflation



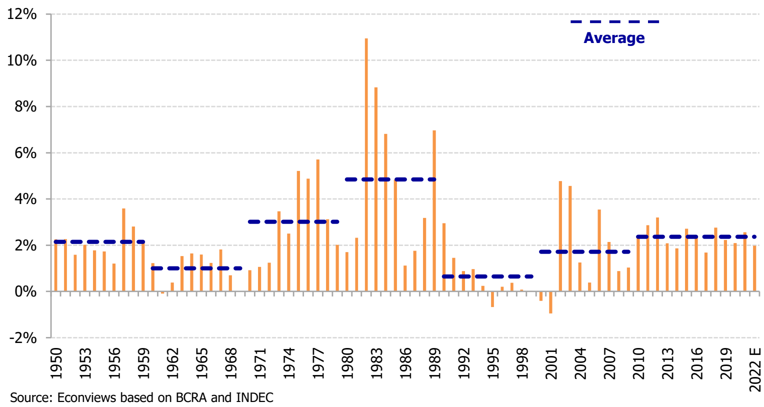
Source: Econviews based on several sources

Seigniorage and Inflation



Source: Econviews based on BCRA, INDEC & other sources

Seigniorage
As % of GDP



Source: Econviews based on BCRA and INDEC

What was seigniorage used for this Century

If we look at the uses of the increases in money supply, there are two factors to highlight. From 2004 to 2007, most of the growth in the monetary base was used to the buy international reserves. As the exchange rate moved from one peso per US dollar to 3.5 pesos in the aftermath of the convertibility, the currency was extremely weak, which helped the Central to accumulate dollars. During those years, the Central Bank bought USD 43.1 billion in the market and gross reserves increased from USD 14.12 billion at the end of 2003 to USD 46.17 billion at the end of 2007. In the meantime, Argentina cancelled its entire debt with the IMF, what was seen as a political victory. **The devaluation worked miracles!**

The second relevant use of seigniorage has been financing the Treasury, especially after 2008. With the loss of the fiscal surplus and without access to international credit, the Central Bank was forced to recurrently finance the Treasury. Under this fiscal dominance scheme, between 2004 and so far in 2022 the Central Bank financed through loans and dividends the equivalent of 37 percentage points of GDP.

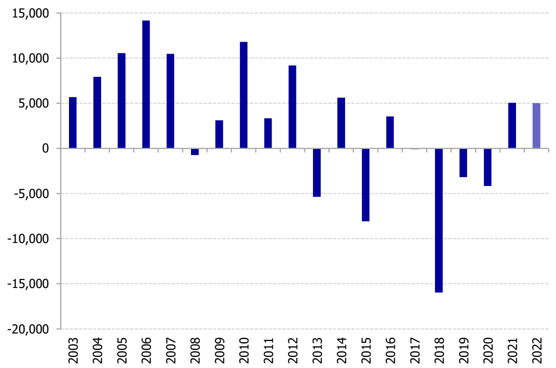
We can divide the overall period into three very different sub-periods. The first one goes from 2008 to 2015, when the deficit grew with monetary assistance following suit. With the coming to power of Cambiemos, transfers to the Treasury were significantly reduced and the deficit began to be financed with debt, thanks to the exit from the default situation. This inflow of dollars via indebtedness allowed the Central Bank to increase its reserve position yet again.

The third and last period corresponds to the current government. In 2020 the Central Bank printed 7.4 points of the product to finance the Treasury and in 2021 it was 3.6 p.p. This year, after the agreement with the IMF, transfers were reduced and will end up at 0.7% of GDP. So the driver has been mainly the fiscal deficit of the federal government.

More inflation does not necessarily mean more seigniorage

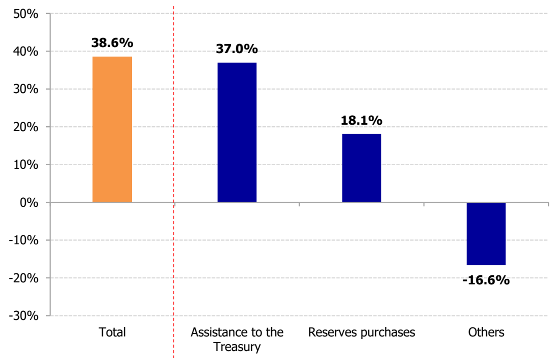
While seigniorage did not have major changes since 2003 as it has stayed at around 2.2 of GDP, inflation has been rising in steps and monetary growth has accompanied the rise in inflation. In other words, we have

Central Bank reserves purchases
In million USD - Up to Sep-22



Soure: Econviews based on BCRA

Monetary Base - Factors of variation
Accumulated 2004-2022 - As % of accumulated GDP*



*Up to Sep-22
Source: Econviews based on BCRA

seen rising inflation that did not generate more resources to the Central Bank.

This is not unusual in countries with high inflation. For instance, this happened in Brazil in the seventies when inflation increased from 20% to 100 % between 1972 and 1980. Many times, one wonders how inflation can go up and the Central Bank amass the same amount of resources, not more. The answer is straightforward. The inflation tax, as any other has a tax rate (which is the rate of inflation) and a tax base (which is the real stock of money demand). If the tax rate goes up and the tax base goes down, then the total tax revenue remains unchanged. And this is exactly what happened during this period, which is typical of high inflation economies.

What the evidence tells us is that throughout these two decades there has been a fall in the demand for money that compensated the increase in inflation, which in turn left the level of seigniorage relatively stable.

A look at 2023: seigniorage, international reserves and financing to the Treasury

In 2022 we expect that seigniorage will be 2% of GDP, down from 2.6% last year, as the monetary base is expected to expand by 45%, much less than inflation.

The Central Bank will continue to finance the Treasury for the equivalent of 0.7% of GDP (as set in the IMF program), while it is likely to use 0.5% of GDP to increase international reserves. The balance was used to buy government bonds in the market in its efforts to maintain financial stability. True, the Central Bank also faced interest payments on its debt (Leliqs), though this element was financed by issuing more Leliqs rather than printing money.

In 2023 we foresee a scenario in which the seigniorage is roughly 2.0% of GDP. Financing to the treasury is stipulated at 0.6% of GDP in the IMF program, a reasonable number.

Central Bank monetary program

In ARS billion

	2021	2022F	2023F
Payment of interest	1,346	3,321	8,536
Assistance to the Treasury (BCRA)	1,675	620	1,041
Purchase of reserves	540	411	529
Other factors	-489	1,036	1,000
Issuance needs	**3,072**	**5,388**	**11,107**
Interest-bearing liabilities (annual growth)	-1,888	-3,744	-7,527
Monetary base (annual growth)	**1,184**	**1,644**	**3,580**

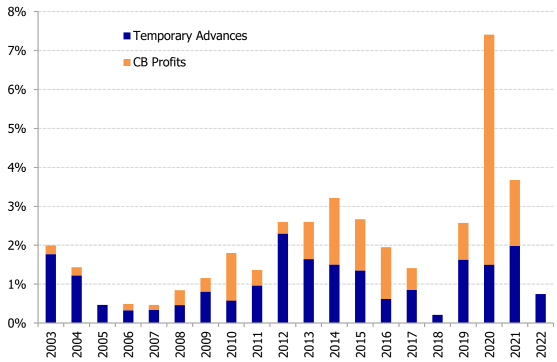
Memo items*

Monetary base (stock)	**3,654**	**5,298**	**8,879**
Annual growth (%, eop.)	*47.9%*	*45.0%*	*67.6%*
Seigniorage (% of GDP)	*2.6%*	*2.0%*	*2.1%*
Interest-bearing liabilities (stock)	**4,752**	**8,894**	**18,337**
Annual growth (%, eop.)	*67.1%*	*87.1%*	*106.2%*
As % of GDP (Q4)	*8.7%*	*8.2%*	*8.1%*

**Stocks as ARS billions, eop*

Central Bank assistance to the Treasury

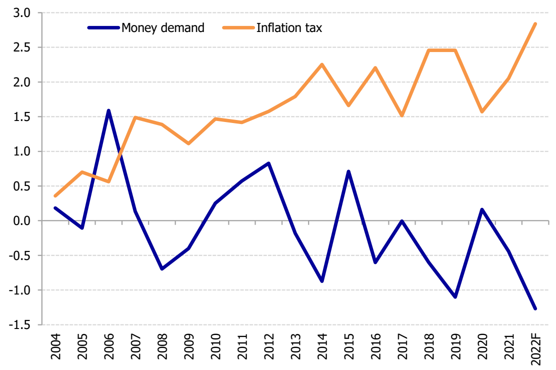
As % of GDP



Source: Econviews based on BCRA

Components of Seigniorage

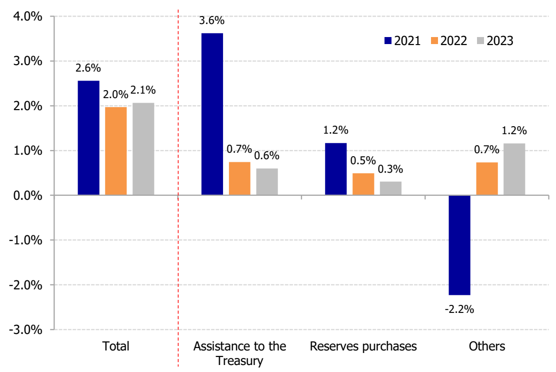
In billion AR$ of sep-22



Source: Econviews based on BCRA and INDEC

Monetary Base

Factors of variation - As % of GDP



Source: Econviews based on BCRA & own estimates

We also believe that political uncertainty, along with the drought and the consequent lower supply of foreign currency, may complicate the BCRA's plans to accumulate a large number of reserves. Our view is that it can only buy USD 2 billion the equivalent of 0.3% of GDP. The balance of seigniorage will probably be used to buy additional government debt in the market and to finance the Central Bank's bill of interest payments on Leliqs and reverse repos.

There is an open question under these assumption regarding the ability of the Treasury to raise the equivalent of 2.5% of GDP in the market, which under the current circumstances looks extremely challenging. This means that the Central Bank might need to provide more financing to the Treasury, though this would not necessarily require higher seigniorage if the Central Bank sterilizes the issuance through Leliqs.

Base Scenario

	2019	2020	2021	2022 E	2023 E
Inflation (eop)	53.8%	36.1%	50.9%	101.5%	110.0%
Exchange rate ARS/USD (eop)	59.9	84.1	102.8	179.8	350.7
Exchange rate ARS/USD (eop, YoY)	58.4%	40.5%	22.1%	75.0%	95.0%
Real exchange rate ARS/USD (eop, Dec-01=100)	151.5	158.3	137.1	128.7	124.9
Paralell exchange rate ARS/USD (eop)	74.6	140.3	203.1	377.6	596.1
Spread with official exchange rate (eop)	24.6%	66.8%	97.7%	110.0%	70.0%
Gross reserves (USD billion, eop)	44.8	39.4	39.7	40.0	40.5
Net international reserves (eop, in thousands of M USD)	12.6	3.8	2.3	4.3	5.1
Policy rate (eop)	55.0%	38.0%	38.0%	75.0%	85.0%
GDP (YoY)	-2.0%	-9.9%	10.4%	5.2%	1.0%
Formal wages in real terms (aop, YoY)	-6.0%	-1.9%	0.4%	-1.5%	0.0%
Primary result (% GDP)*	-0.2%	-6.4%	-3.3%	-2.9%	-2.5%
Fiscal result (% GDP)*	-3.6%	-8.4%	-4.8%	-4.4%	-4.3%
EMBI Argentina (spread in bps, eop)	1,744	1,350	1,600	2,400	1,500
Public net debt (% GDP)	43.6%	52.7%	42.1%	38.4%	40.3%
Current account (% GDP)	-0.8%	0.8%	1.4%	-0.8%	-0.2%

Source: EconViews

*Excludes rents from primary debt issuance in 2022

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