PIIE PETERSON INSTITUTE FOR INTERNATIONAL ECONOMICS

After Brazil's election: What's next for Latin America?

Argentina: One year until the presidential vote

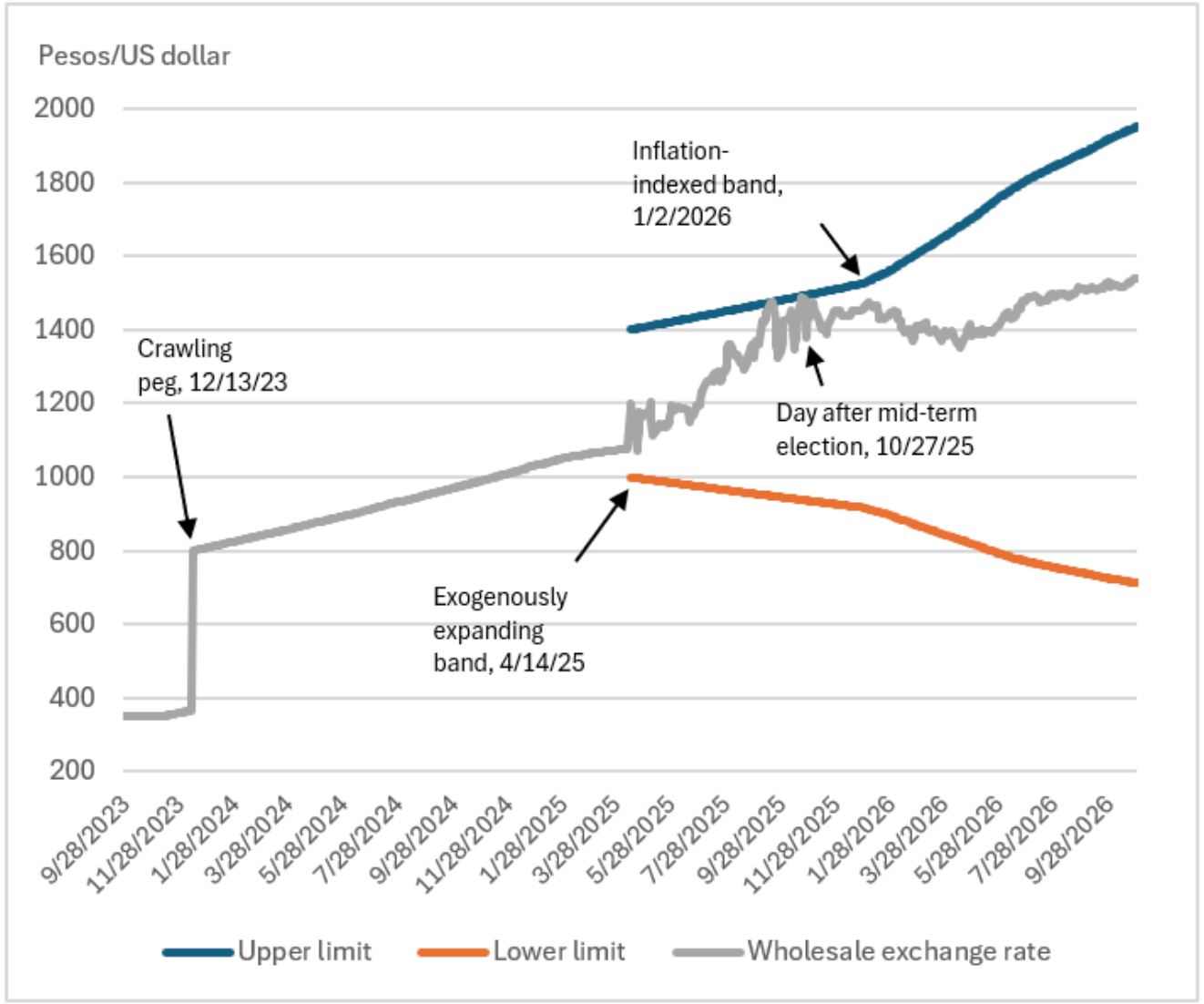
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November 10, 2026

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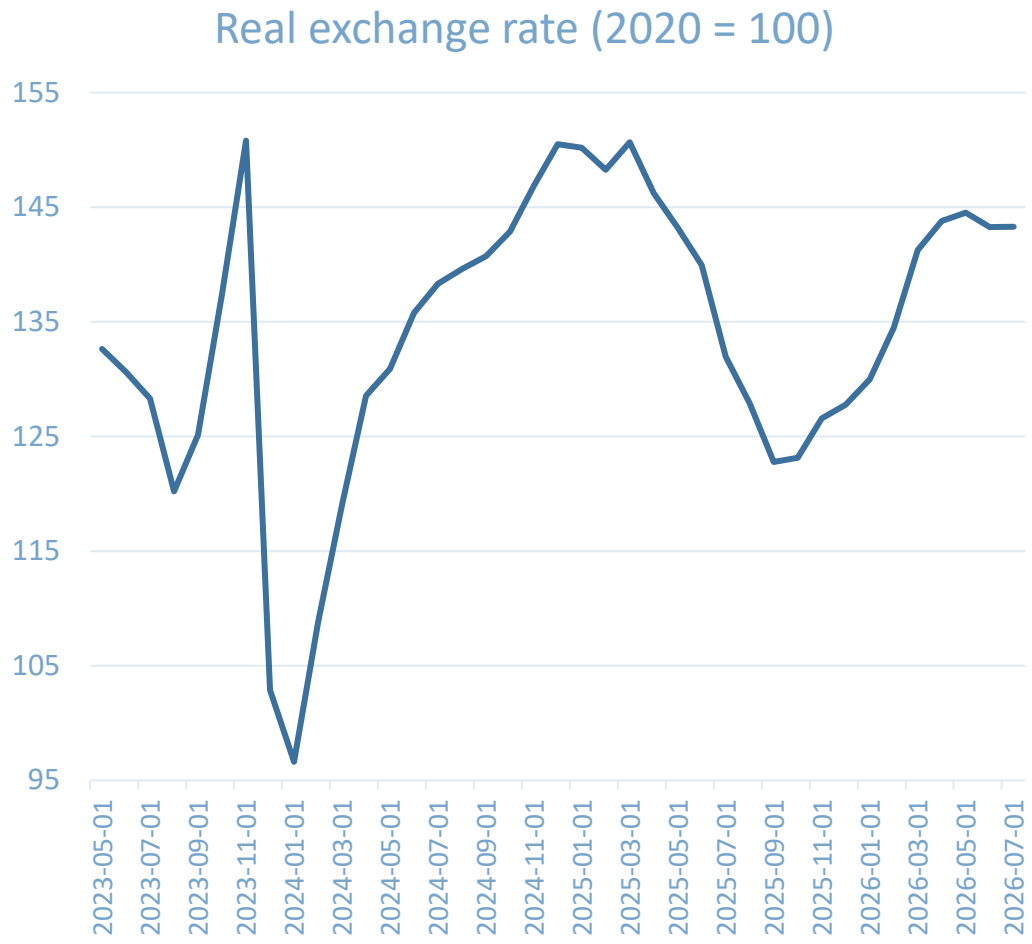
One year since the US currency intervention



Among major reforms in the past year

- Labor reform
- Corporate tax cut (in process)
- Energy subsidy reform
- Central bank charter (in process)

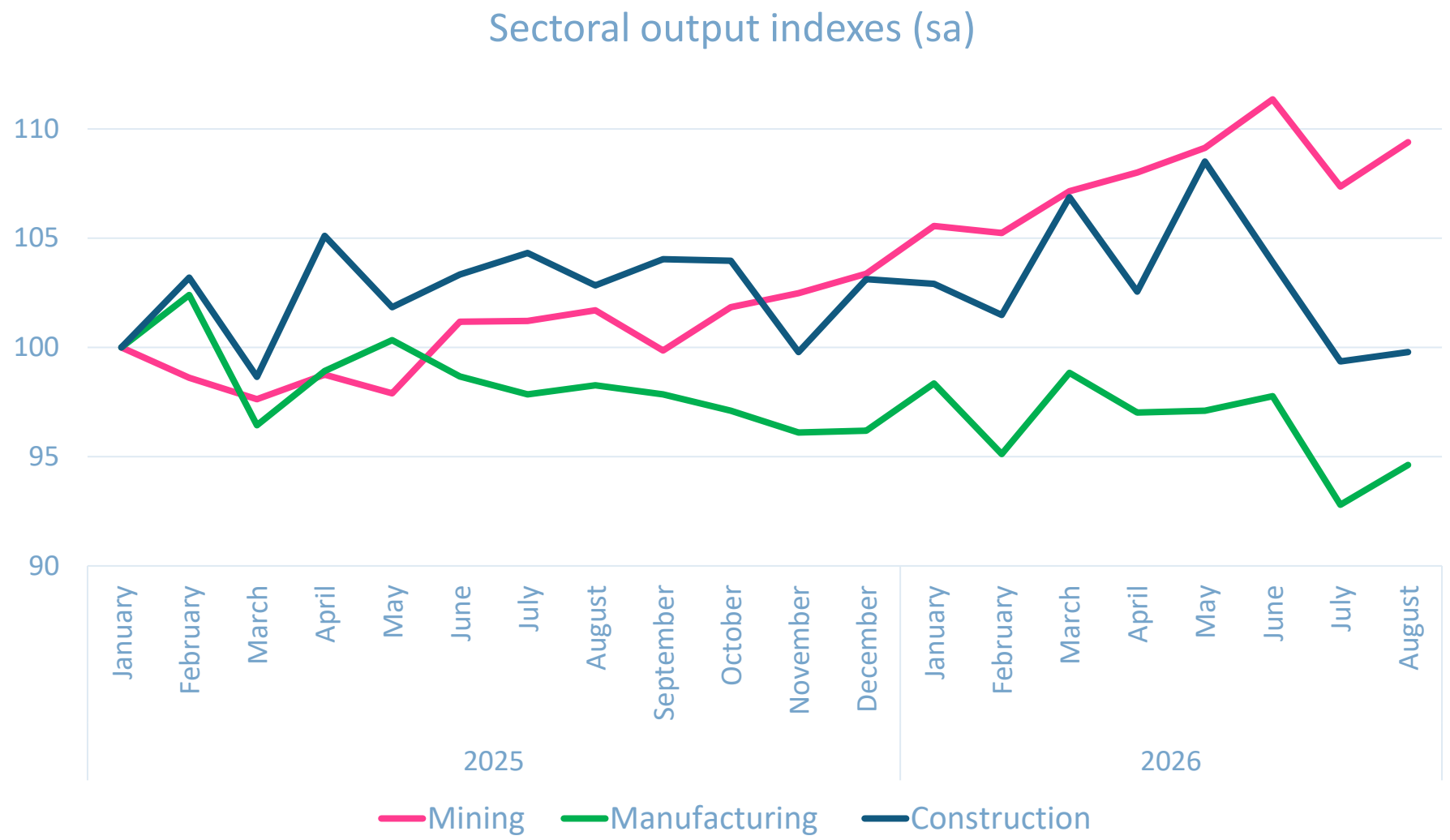
Real exchange rate and unemployment rising





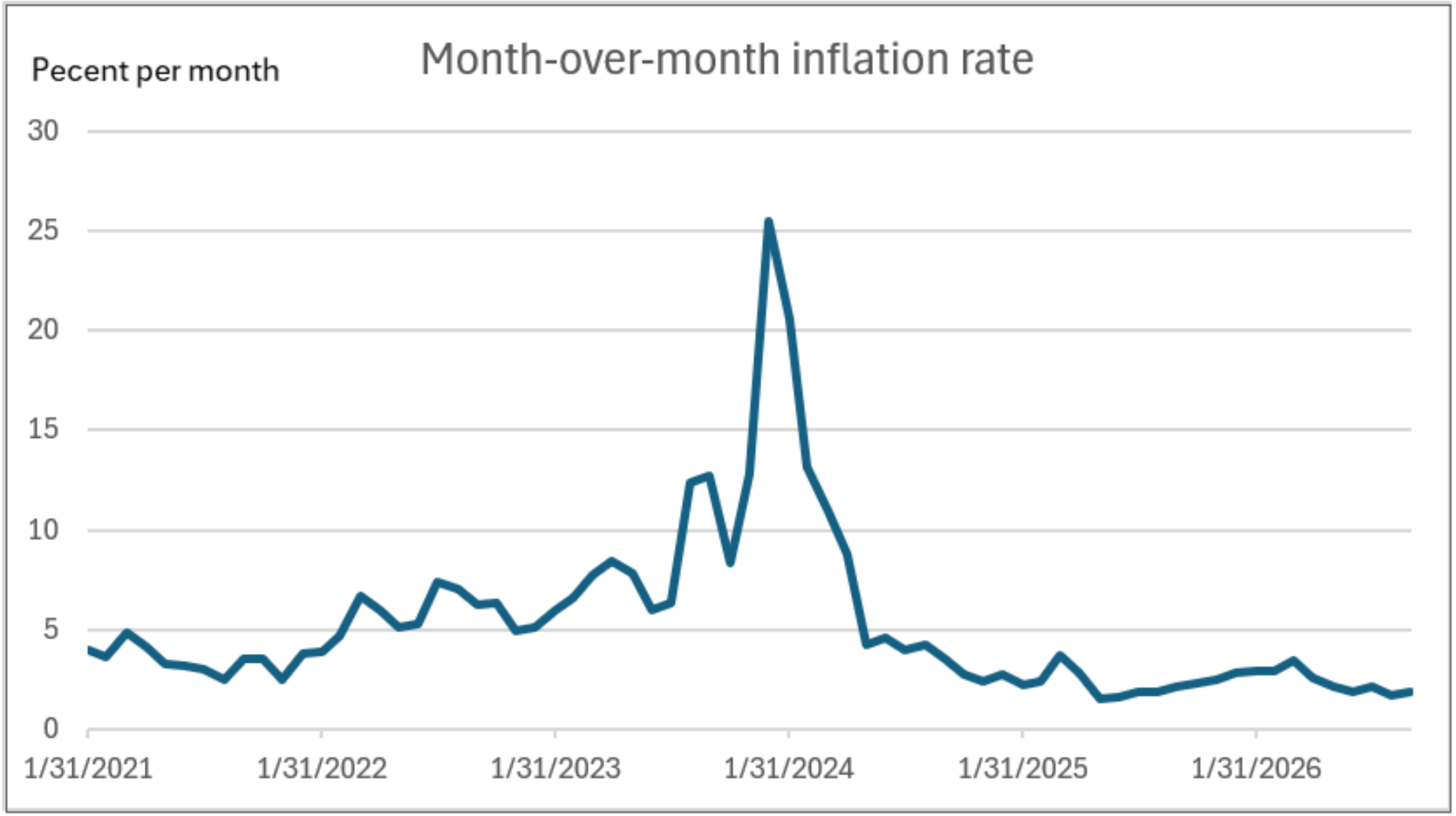
Source: INDEC

Resource-biased growth: Dutch disease?



Source: INDEC

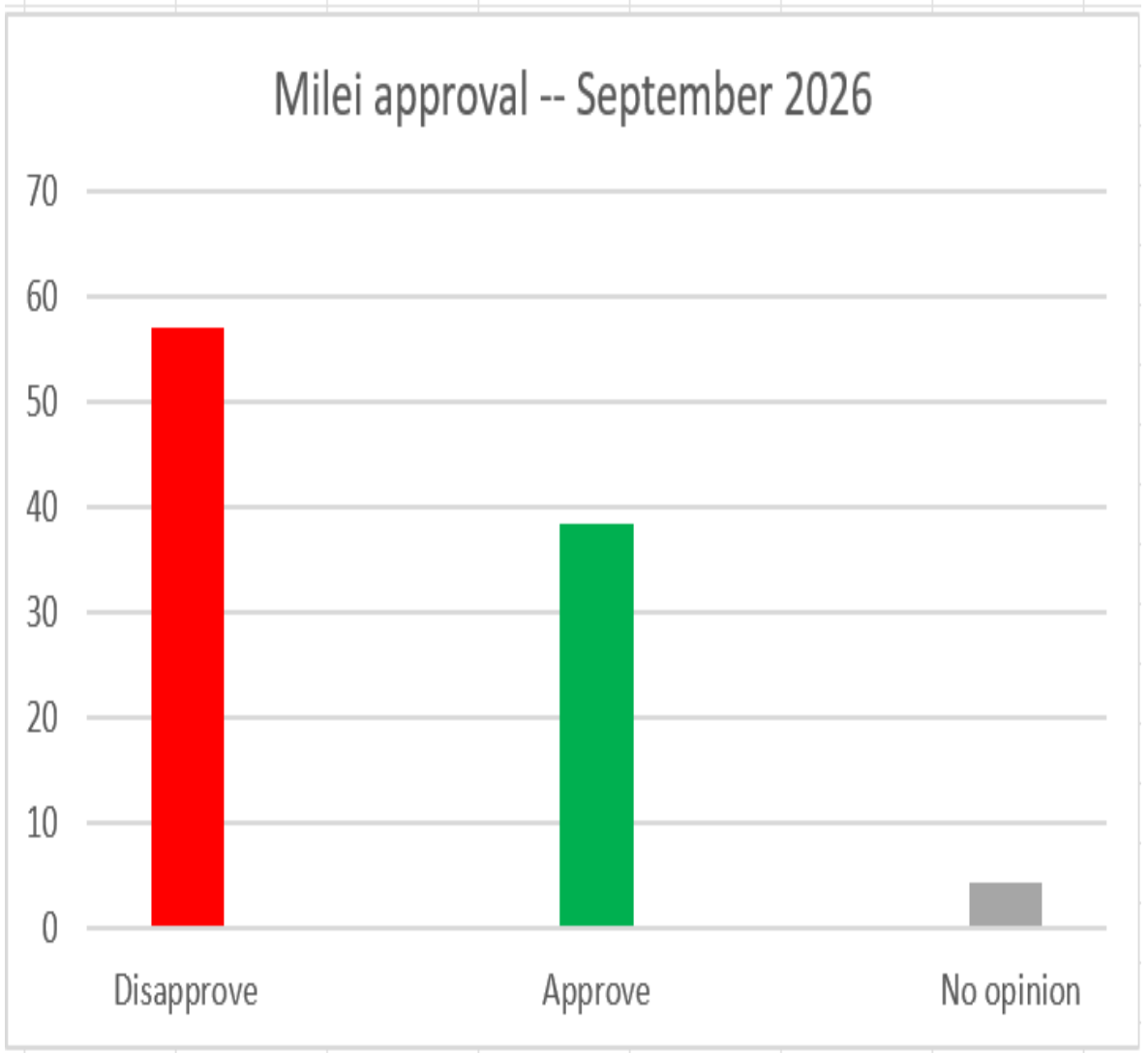
Inflation: Down but persistent



Source: BCRA

Issues going into the October 2027election

- Third IMF review of its 2025 EFF, completed two weeks ago, lauded macroeconomic policies but called for:
  - More job creation
  - Higher investment and productivity growth
  - Capital and mortgage market reforms
  - Continuing net reserve accumulation to meet ongoing foreign debt obligations (about $900 mn was unlocked)
- Negative Milei-Lula relationship not helpful
- Milei popularity one year out
  - Surveys shows support for Milei and Peronists tied at just over 30 percent each
  - At least 25% of voters would like a third option
  - Milei net favorability nearly 19% under water
  - Unresolved corruption concerns still simmer
- Borrowing spread over US ~925 bp (as of 11/5/2026)
- **<u>Credibility trap</u> is a danger as October 2027 nears**



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Thank you.

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