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FX & RATES STRATEGY RESEARCH

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ECONOMICS

- **Argentina: Central Bank Kept Monetary Policy Rate at 27.25%**

LATAM ECONOMICS

ARGENTINA

ECONOMICS

Central Bank Kept Monetary Policy Rate at 27.25%

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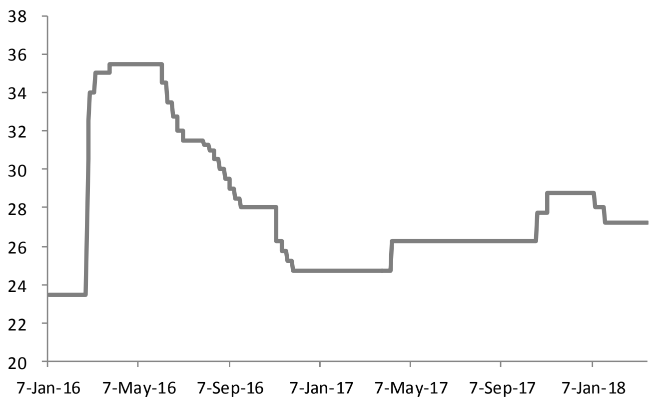
Yesterday, the monetary authority kept the reference interest rate unchanged at 27.25%. In its biweekly monetary policy committee meeting, the Central Bank said that high-frequency CPI data remained high in March. However, it views the high inflation levels observed in recent months as temporary, driven primarily by ARS depreciation and regulated price hikes. The BCRA said that its expects the disinflationary trend to resume after April due to the lack of significant utility price adjustments and less ARS depreciation. As a key remark, the monetary authority suggested that it could hike interest rates if upcoming CPI readings disappoint their expectations.

Cautious position on monetary policy decision



Sources: Central Bank and Santander.

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