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Argentina Bonds Unlikely to Climb After Midterm Vote: BancTrust

By Scott Squires

(Bloomberg) -- Argentina's elections are unlikely to boost Argentina's low bond prices, as the government is not expected to reverse the results of September's primary elections, Ramiro Blazquez, head of strategy at BancTrust & Co. in Buenos Aires wrote in a note.

- Latest polls show government has a slim chance of unraveling the September primary
 - Spreads range from 2 to 7.5 percentage points
 - Even though polls suggest few changes, results remains uncertain given high level of undecided voters and low primary turnout
- In event of a repeat of the primary results "we see little incentives for the authorities to burn bridges"
 - "The better the government's electoral performance, the higher the incentives to engineer a twist to more pragmatic policies"
- However, if government loses by wider margin than the PASO primaries, government could turn toward further radicalization
 - NOTE: Argentina Government Faces Midterm Backlash Amid Wrecked Economy

To contact the reporter on this story:

Scott Squires in Buenos Aires at ssquires4@bloomberg.net

To contact the editors responsible for this story:

Carolina Millan at cmillanronch@bloomberg.net

Carolina Gonzalez