

03/01/2021 12:22:24 [BFW] Bloomberg First Word

Salvadoran Election Result Should Speed Up IMF Deal: Banctrust

By Maria Elena Vizcaino

(Bloomberg) -- The conditions are set in El Salvador for authorities to accelerate negotiations with the International Monetary Fund and rein in the fiscal deficit after preliminary results showed allies of President Nayib Bukele won a majority in congress, Banctrust & Co. economist Juan Solá and strategist Ramiro Blazquez wrote in a note Monday.

- "The trend of debt dynamics is clearly unsustainable, and if unchecked it could undermine the foundations of dollarisation"
- The firm is bullish on the bonds and sees spreads tightening to trade close to Costa Rican levels if there's confirmation of the government edging closer to an IMF deal
- NOTE: Bukele Gains More Power With El Salvador Congress Landslide

To contact the reporter on this story:

Maria Elena Vizcaino in New York at mvizcaino1@bloomberg.net

To contact the editors responsible for this story:

Benjamin Purvis at bpurvis@bloomberg.net

Mark Tannenbaum