

## Monthly Digest

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Bolsa de Comercio de Santa Fe



## Monthly Composite Coincident Index for the province of Santa Fe (ICASFe)

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Some indicators  
are pointing up

**ICASFe**  
Base 1994 = 100  
**156.0**

**October 2012**  
Monthly %: 0.2%  
Inter-year %: -0.8%  
2012's contraction: -0.2%

*Increasing fiscal incomes and improvements in energy consumption explain a positive variation rate in October. Santa Fe's economic activity is still facing a moderate recession.*

According to the last obtained results, during the month of October 2012, the ICASFe was located at **156.0**, presenting a **0.2%** monthly variation with respect to September.

The Composite Coincident Index for the province of Santa Fe (ICASFe) constitutes a monthly indicator used in order to monitor local economy's activity. To this regard, its main purpose is to capture cyclical movements, being able to determine the precise dates in which recessions/expansions begin and end; it also generates information about phase's duration, amplitude and diffusion.

As indicator, It provides a reliable source of information appropriate to support decision makers of public and private institutions. ICASFe was developed by a technical agreement with the Universidad Nacional de Tucumán (UNT).

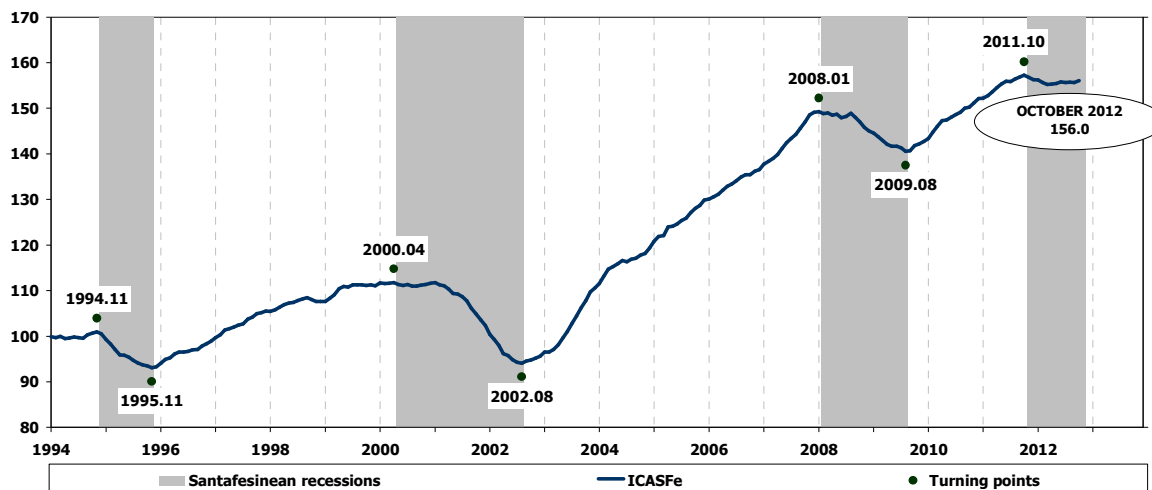
The last twelve monthly results exposed in this document are based on preliminary information and hence subject to further revisions. Calculated values gain consistency while primary sources publish consolidated data which provides an input to our indicator. Time series are handled in real terms and filtered by seasonality and outliers with the X12-ARIMA software.

## Province of Santa Fe's economic activity

Based on latest available statistical data, the coincident index registers the twelfth month of recession for the province of Santa Fe. Along a positive monthly variation of 0.2%, in October 2012 total cumulated contraction since the beginning of the present phase is measured in **-0.7%**; a moderate decline if compared to previous recessions.

**Graph 1 - ICASFe - Monthly Composite Coincident Index for the Province of Santa Fe -**

Base 1994=100. Data: from January 1994 to October 2012.



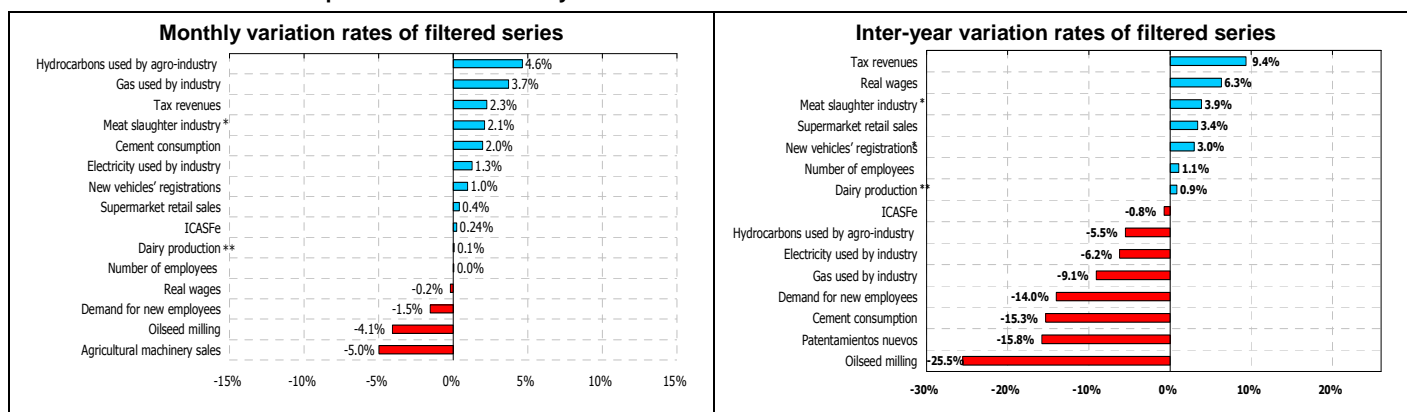
Source: Research and Services Center, Santa Fe's Chamber of Commerce.

## Indicator by indicator

In spite of the recession, this month, eight of the fourteen analyzed sub-indicators show positive variations with respect to September. It is worth noting that the three series related to energy consumption, which were experiencing a particularly bad performance, are listed in this group. **Hydrocarbons consumption and gas used by industry** are leading the rank of monthly variations with rates of 4.6 and 3.7%, respectively. However, their inter-year variation rates are still being negative: **-5.5** and **-9.1%**. **Electricity used by industry** recovered some terrain as well. The series increased 1.3% in monthly terms, but also maintains a negative level (**-6.2%**) if compared to October 2011.

**Oilseed milling** kept showing discouraging signals with a negative monthly variation of **-4.1%** which implies an inter-year rate of **-25.5%**. **Dairy production** is stabilizing after two consecutive monthly expansions which allowed the series to register a positive inter-year variation of 0.9%. In the case of **meat slaughter industry**, the activity is experiencing a recovery in both monthly (2.1%) and inter-year (3.9%) terms. But it is important to take into account that the series began 2012 in its lowest level since 1994. **Agricultural machinery sales** are still being affected by the recession and presented a new negative monthly variation of **-5.0%**. Although compared to October 2011 the series shows a mild improvement of 3.0%, in a long term perspective its level is still far below 2004 and 2008's records.

**Graph 2 - Economic activity's indicators for the Province of Santa Fe - October 2012 -**



(\*) Contains estimated data for October 2012; (\*\*) Last available data from September 2012.

Source: Research and Services Center, Santa Fe's Chamber of Commerce.

This month, **new vehicles' registrations** showed its first positive variation (1.0%) after suffering a sustained decline since the beginning of the recession; which explains an inter-year rate of **-15.8%**. **Cement consumption** presents a similar behaviour: a monthly expansion of 2.0% in October and a negative inter-year variation of **-15.3%**.

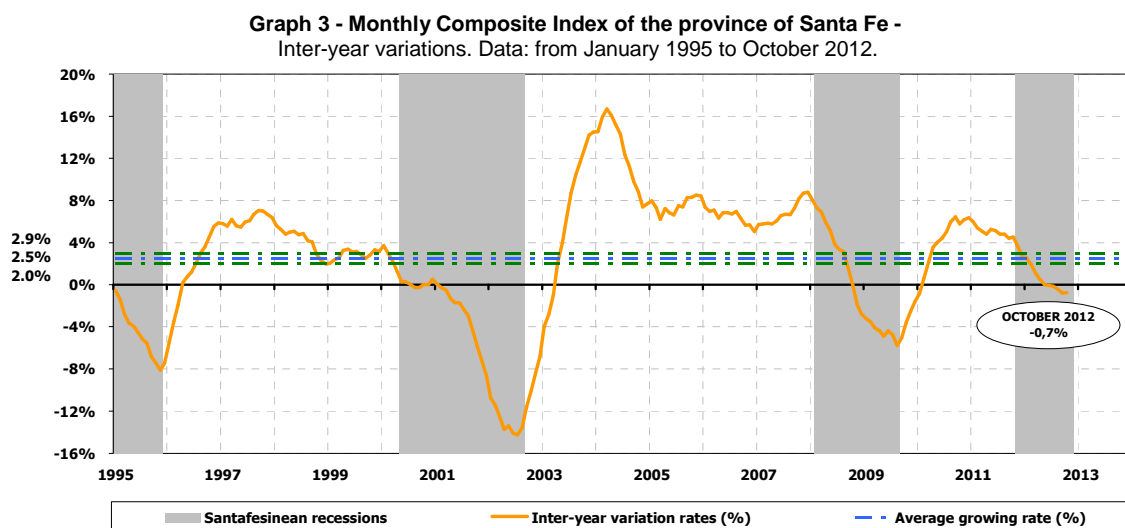
Indicators related to the labour market kept showing a stable behaviour although **real wages** and **demand for new employees** registered negative variations in October: **-0.2** and **-1.5%**, respectively. Inter-yearly, the first series is still growing (6.3%) whereas the problem subsists in terms of expectations, since the second one presents a negative rate of **-14.0%**. **Registered jobs'** inter-year growth was measured in 1.1%; but this information only reflects formal employment's scenario. In Argentina an important proportion of workers are not registered, and even though consistent statistics are not available, it is logical to suppose that this group is the most vulnerable in terms of keeping their jobs and guarding their real disposable incomes; especially considering the inflationary context. Nevertheless, **supermarket sales** (as an indicator related to retail consumption) have not yet shown a significant decline. In fact, their inter-year variation rate in October was located in 3.4%.

**Tax revenues** presented a monthly expansion of 2.0% in October, which implies a 9.4% inter-year variation rate in terms of 2011. Moreover, higher incomes were accounted in both federal and provincial resources. However, it is important to consider that in September 2012 new rates were applied in most local taxes.

### Summary and perspectives

Although a group of indicators registered positive results in October 2012, the province of Santa Fe is still under recession. Furthermore, ICASFe's inter-year variation rates were located in **-0.8%**, far away from the lowest confidence statistical band determined for the economy's long term growth (see Graph 3).

In any case, it is certainly encouraging to observe improvements over some of the most affected series; but, for the moment, this data does not constitute evidence enough to support an immediate disruption of the present global contraction phase. Inflation is distressing both particular economic activities and social-economic stability in general. As a matter of fact, whereas between 2003 and 2008 Santa Fe's economy grew at 9.4% per year (in average), since there on, economic activity has reached a new period of stalemate. Between January 2008 and October 2012 growth's net balance is very poor: below 1.0% per year (in average).



Source: Research and Services Center, Santa Fe's Chamber of Commerce.

#### In order to download or get access to:

- Statistical database, methodological documents and related publications: <http://ces.bcsf.com.ar>
- An on-line graphical tool which shows all fourteen sub-indicators' historical information (series): <http://www.bolcomsf.com.ar/ces/icasfe.php>