



Bolsa de Comercio de Santa Fe



Bolsa de Comercio de Santa Fe
(Santa Fe's Chamber of Commerce)

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ICASFe

Monthly Composite Coincident Index for the province of Santa Fe

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THE PROVINCE'S ECONOMIC ACTIVITY REGISTERED A MILD EXPANTION FOR THE SECOND QUARTER IN A ROW.

The recovery is only being explained by some indicators and therefore solid changes in the mid-term tendency are not to be expected.



Main results for March 2013:

The coincident indicator was located at 157.1, presenting a 0.1% monthly variation with respect to February.

2013's first quarter registered a cumulated variation of 1.0%.

Inter-year variation rates reached 1.2% (comparing data from march 2013 against march 2012).

¿What is ICASFe for?

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).

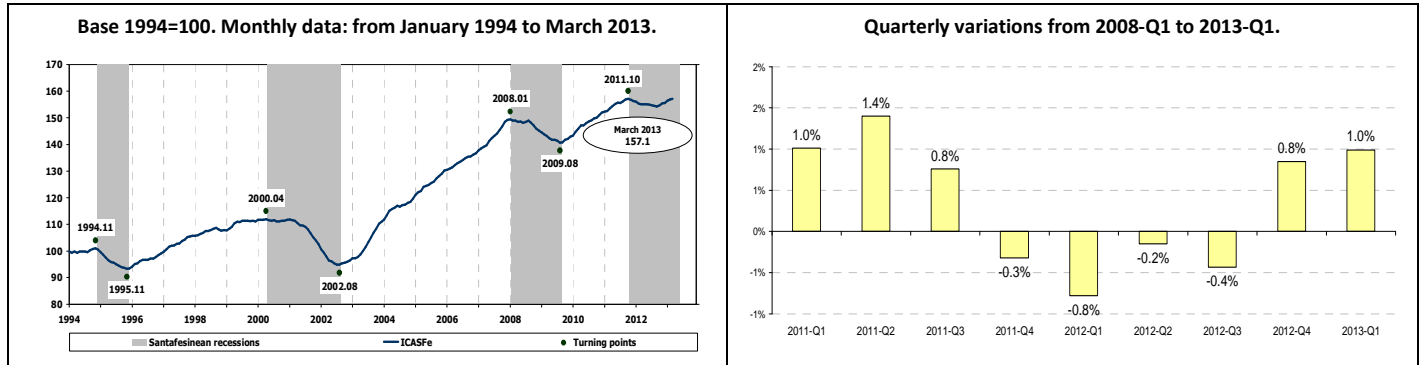
Output data considerations

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

In March 2013 Santa Fe's economic activity increased 0.1%, cumulating a total variation rate of 1.0% across the first quarter of the year. Although this behaviour is aligned with the recovery process which began in 2012's last quarter (0.8%), most net measured increment only allows to confront the contraction registered since the beginning of the recession (2011's third quarter).

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

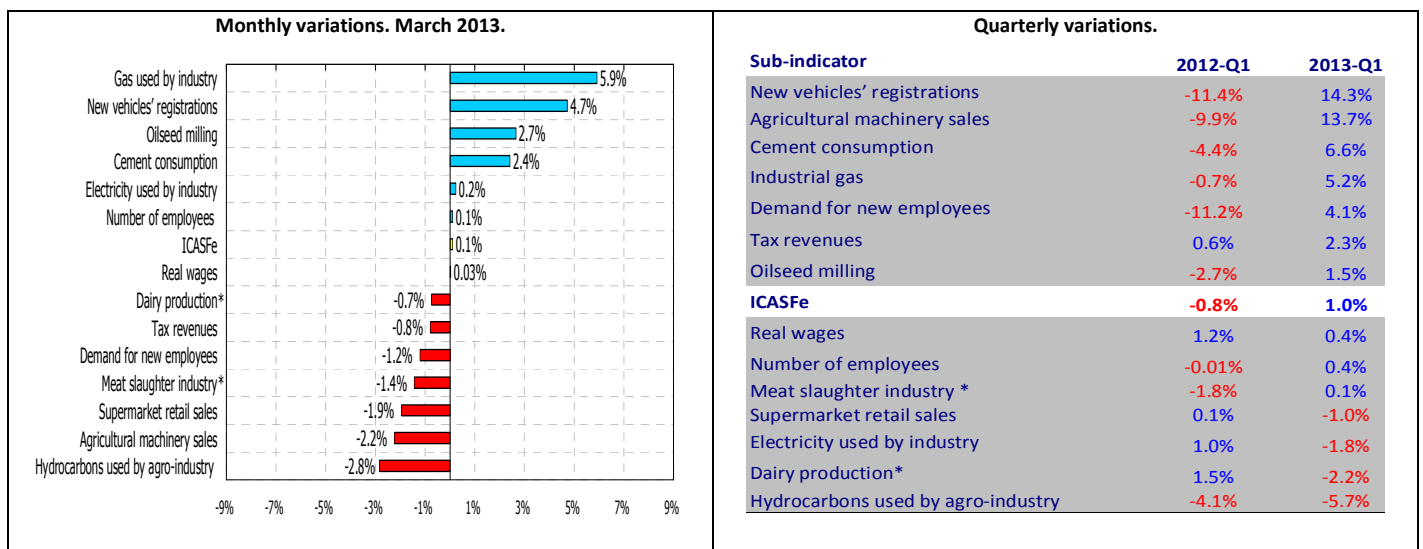


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

During 2013's first quarter, ten of the fourteen sub-indicators used in order to calculate the province's economic activity registered monthly expansions. Most gauges related to investments in durable goods are listed in the group. To this regard, **new vehicles' registrations** increased 14.3% along the quarter, recovering most of the past contraction and reaching a level close to 2011's historical peak. Second hand units' transfers are showing a similar behaviour (11.2%). **Agricultural machinery sales** declined -2.2% in march but registered a net positive balance considering the whole quarter (13.7%). Nevertheless, in this case, the series' recovery was not strong enough to regain all its cumulated contraction. **Cement consumption**, as proxy of the construction sector, shows a better performance since 2012's last quarter but it is far away from reaching its full capacity. In march 2013 the series improved 2.4%, which means a total 6.6% positive variation rate for the first quarter.

Graph 2 and Table 1 - Economic activity's indicators for the Province of Santa Fe -



* Contains estimated data.

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

Supermarket retail sales declined for the second quarter in a row (-1.0% in 2013-Q1) whereas during 2012's first quarter the series was growing in spite of the recession. These results might be related to the labour market, considering that real wages are

decelerating (they grew 1.2% in 2012-Q1 and only 0.4% in 2013-Q1). **Employment** also seems to have reached a plateau and presented a mild 0.4% positive variation rate in 2013's first quarter. As gauge of expectations, **demand for new jobs** signalled a 4.1% recovery rate during the last quarter, although it decreased **-1.2%** in March. Fact is the series does not present a solid pattern from a mid-term perspective.

Industrial activities keep showing a poor performance. Considering the three energetic sub-indicators included in the analysis, only **gas used by industry** grew during the first quarter of the year (5.2%). By the contrary, **electricity and hydrocarbons' consumption** declined **-1.8%** and **-5.7%**, respectively. **Oilseed milling** went up 1.5% after four consecutive quarters of decline. **Meat slaughter industry (bovine & porcine)** cumulated a merely positive variation of 0.1% in 2013-Q1, although it registered a negative monthly rate in March (**-1.4%**) and the sector is experiencing low activity levels compared to earlier periods. **Dairy production** cumulated a total contraction of **-2.2%** across the last quarter, whereas in 2012 during the analogue period, the series grew 1.5%.

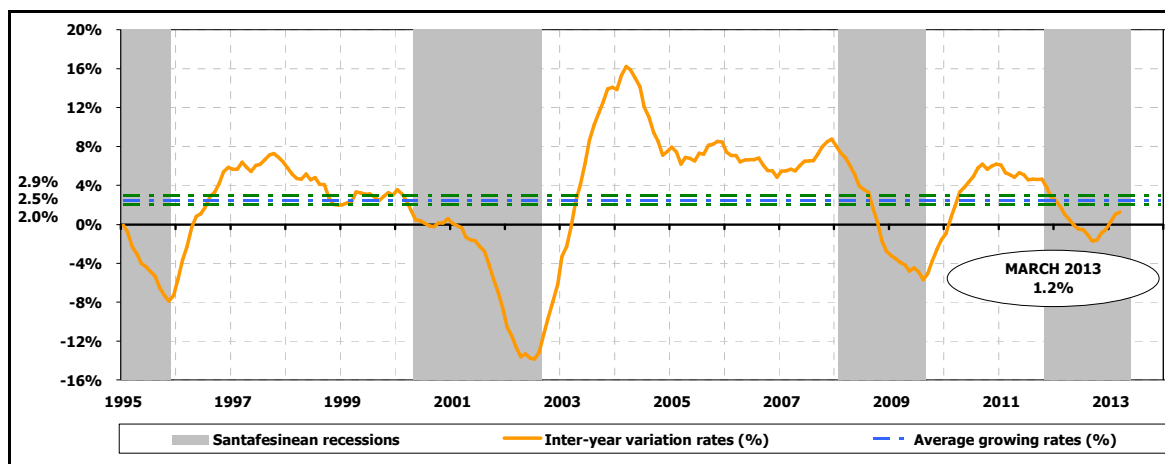
Tax revenues decreased in March (**-0.8%**) but ended with a positive rate for the quarter of 2.3% (reaching a new historical peak). However, is worth noting that these resources are mainly composed by federal revenues; which grew five times slower than local tax incomes during 2013's first quarter.

Summary and perspectives

In March 2013 ICASFe's inter-year variation rates reached 1.2% based on a partial recovery registered by some sub-indicators. However, during these last two quarters many key economic sectors showed an ambiguous behaviour. Moreover, only 50% of the series included in the analysis presented a positive monthly variation rate in March.

From this perspective of intermittent growth and contraction, the province's economic activity is basically at the same point where it was at the beginning of the recession in October 2011 (0.04% higher considering March 2013's level).

Graph 3 - Monthly Composite Index of the province of Santa Fe -
Inter-year variations. Data: from January 1995 to March 2013.

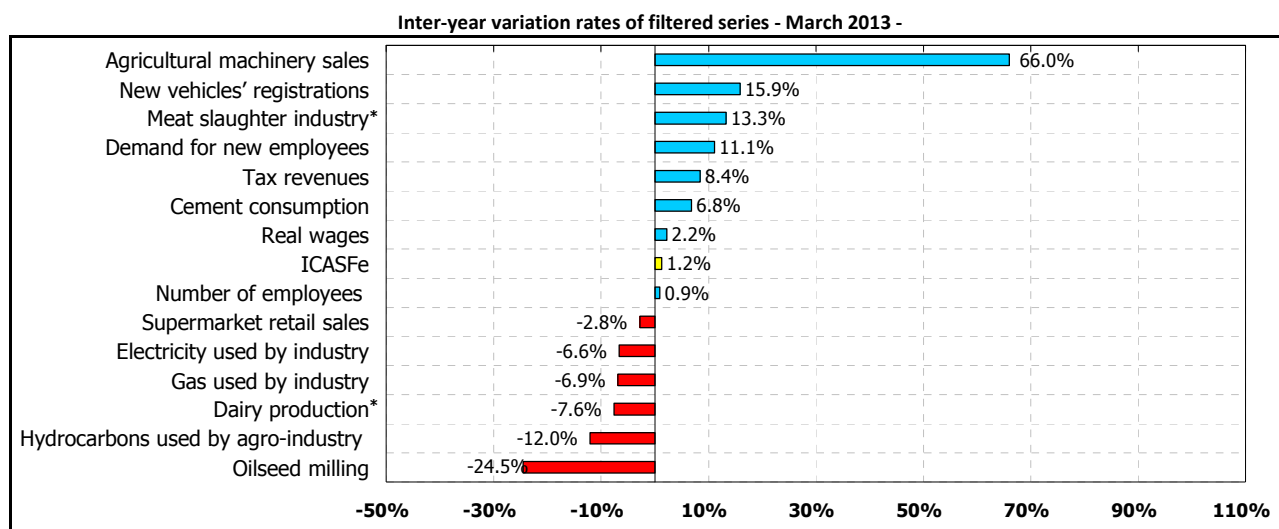


Fuente: Centro de Estudios y Servicios, Bolsa de Comercio de Santa Fe.

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>

Appendix: Economic activity's indicators for the Province of Santa Fe.



* Contains estimated data.

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