



Bolsa de Comercio de Santa Fe



ICASFe

Monthly Composite Coincident Index for the province of Santa Fe

Monday, December 16, 2013. Monthly digest Nº 12, year 7.

A year of mild economic expansion.

During the third quarter the province's economic activity grew 0.8%, cumulating a total variation of 3.4% since the beginning of 2013.

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SEPTEMBER 2013

Monthly variation: 0.3%

(in respect to August 2013)

Inter-year variation: 4.4%

(in respect to September 2012)

2013's balance: 3.4 %

SEPTEMBER 2013'S MAIN RESULTS

ICASFe's level was measured in **161.0**, presenting a monthly variation of **0.3%** in respect to August 2013.

Inter-year variation rates reached **4.4%** (comparing September 2013 vs. September 2012).

Between January and September 2013 Santa Fe's economic activity grew **3.4%**.

¿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).

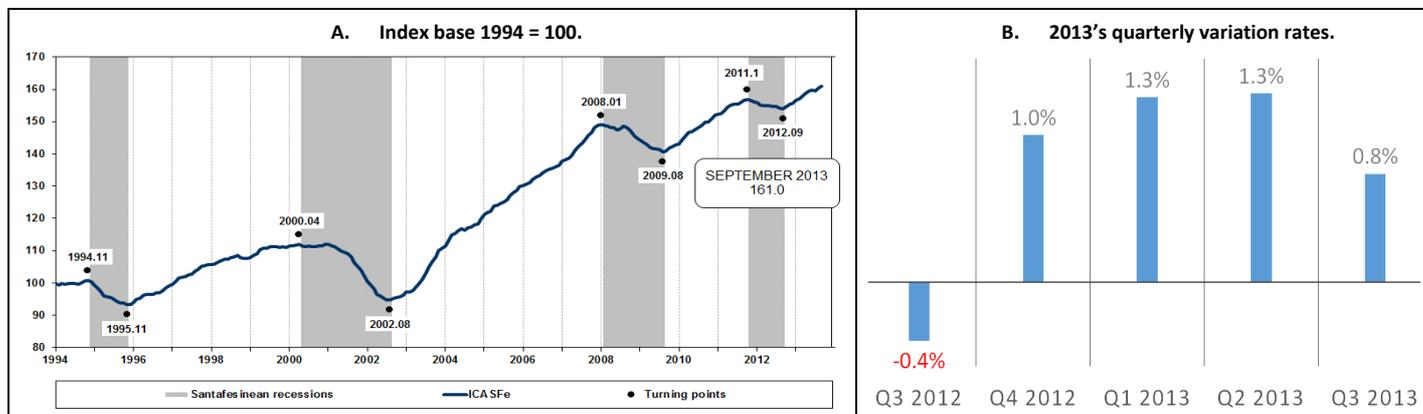
Output data considerations

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

Santa Fe's economic activity registered a positive monthly variation of 0.3% in respect to August. Within these results the coincident index cumulated a 0.8% expansion across the third quarter of the year, although growth speed has been decelerating (see Graph 1, right side). Moreover, activity's net estimated balance for 2013 has also declined.

Graph 1 - ICASFe - 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 third quarter, five economic sub-indicators cumulated negative variation rates and other two of them showed practically null results. All the other series presented positive rates although their intensity was variable.

Cement consumption was on top of third quarter's growth ranking (11.7%) and almost reached its own historical record from 2007/08 during construction sector's boom. **Electricity and gas used by industry** also presented impressive expansions during the period with rates of 7.5 and 6.3%, respectively. However, it is worth noting that in spite of the general recovery, many sectors are facing structural problems.

Agro-industrial activities registered a good performance during 2013's second quarter whereas most sub-indicators decelerated across the third one. **Meat slaughter industry** increased only 0.5% in this last period and **oil-seed milling** practically stayed at the same previous level (during the second quarter the series grew 20.9%). **Dairy production** presented a similar behavior (4.4% in 2013's second quarter and 0.0% during the third). **Agricultural machinery sales** and **hydrocarbons used for agricultural activities and transportation** were even more affected and registered quarterly declines of -2.6 and -3.3%, respectively.

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

SERIES	2013 Q1	2013 Q2	2013 Q3
Cement Consumption	7.2%	2.6%	11.7%
Electricity used by industry	-0.6%	1.5%	7.5%
Gas used by industry	5.8%	-7.2%	6.3%
Demand for new employees	4.9%	-4.8%	4.1%
ICASFe	1.3%	1.3%	0.8%
Number of employees	0.7%	0.9%	0.6%
Meat slaughter industry	3.5%	0.4%	0.5%
Real wages	0.5%	2.4%	0.1%
Oilseed milling	5.4%	20.9%	0.0%
Dairy production	3.6%	4.4%	0.0%
Tax revenues	1.9%	1.6%	-1.1%
Supermarket retail sales	-1.1%	3.1%	-1.6%
New vehicles' registrations	11.6%	0.7%	-1.9%
Agricultural machinery sales	17.8%	5.8%	-2.6%
Hydrocarbons used by agro-industry	-5.9%	3.3%	-3.3%

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

Demand for new workers grew 4.1% during the third quarter although the series shows a significant low historical level. In addition, **new registered jobs** also increased (0.6%) pushed by public employment. As it refers to **real wages**, they kept readjusting but slowly (0.1% between July and September whereas its previous quarterly rate was measured in 2.4%).

In this context, **supermarket retail sales** went down **-1.6%** registering an almost null net balance during the last two years. **New vehicles' registrations** also declined in 2013's third quarter (**-1.9%**).

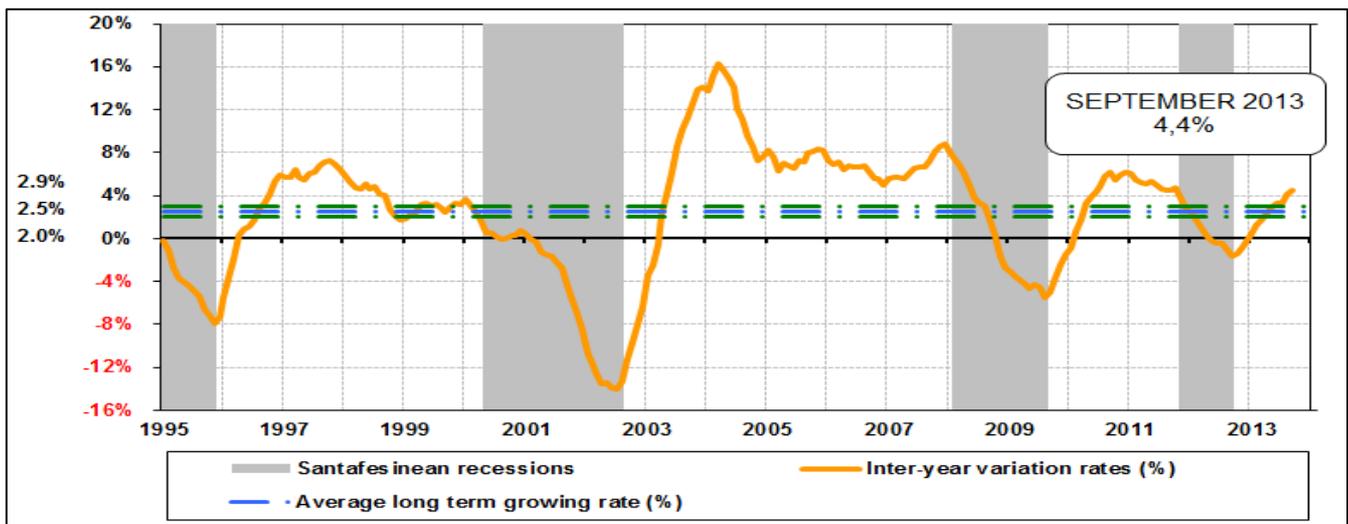
Tax revenues were decelerating and moved backward during 2013's third quarter (**-1.1%**). In fact, since 2012's last quarter rates have continuously decline (see Graph 4) based on decreases from local and federal resources.

Summary and perspectives

In September 2013 the coincident index's inter-year variation rates reached 4.4%. It is worth noting that within the inter-year comparison the month used as base matches with the present expansion's beginning (September 2012). Therefore, the result represents the phase's total cumulated growth: a moderate one. In a long term horizon last 12 months' expansion obtained the lowest yearly cumulated rate for the last two decades.

Most mainly economic activities have begun a recovery path since the beginning of 2013 but, truth is, only some series have totally regained their historical levels. Profits have also declined and therefore private employment is decelerating. The persistence of an inflationary context, unresolved problems among the monetary exchange market and the reduction of disposable real incomes (both private and public), feed up a more pronounced deceleration; to this regard, estimations for 2013's closure are signaling a total expansion of 3.5%.

Graph 2 - Monthly Composite Index's inter-year variation rates -

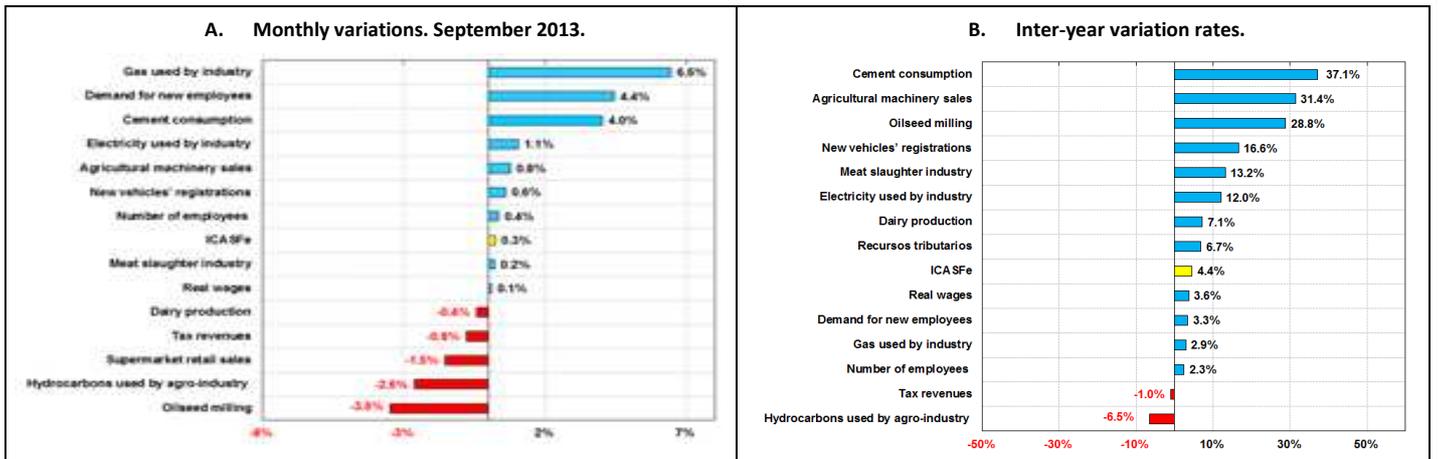


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

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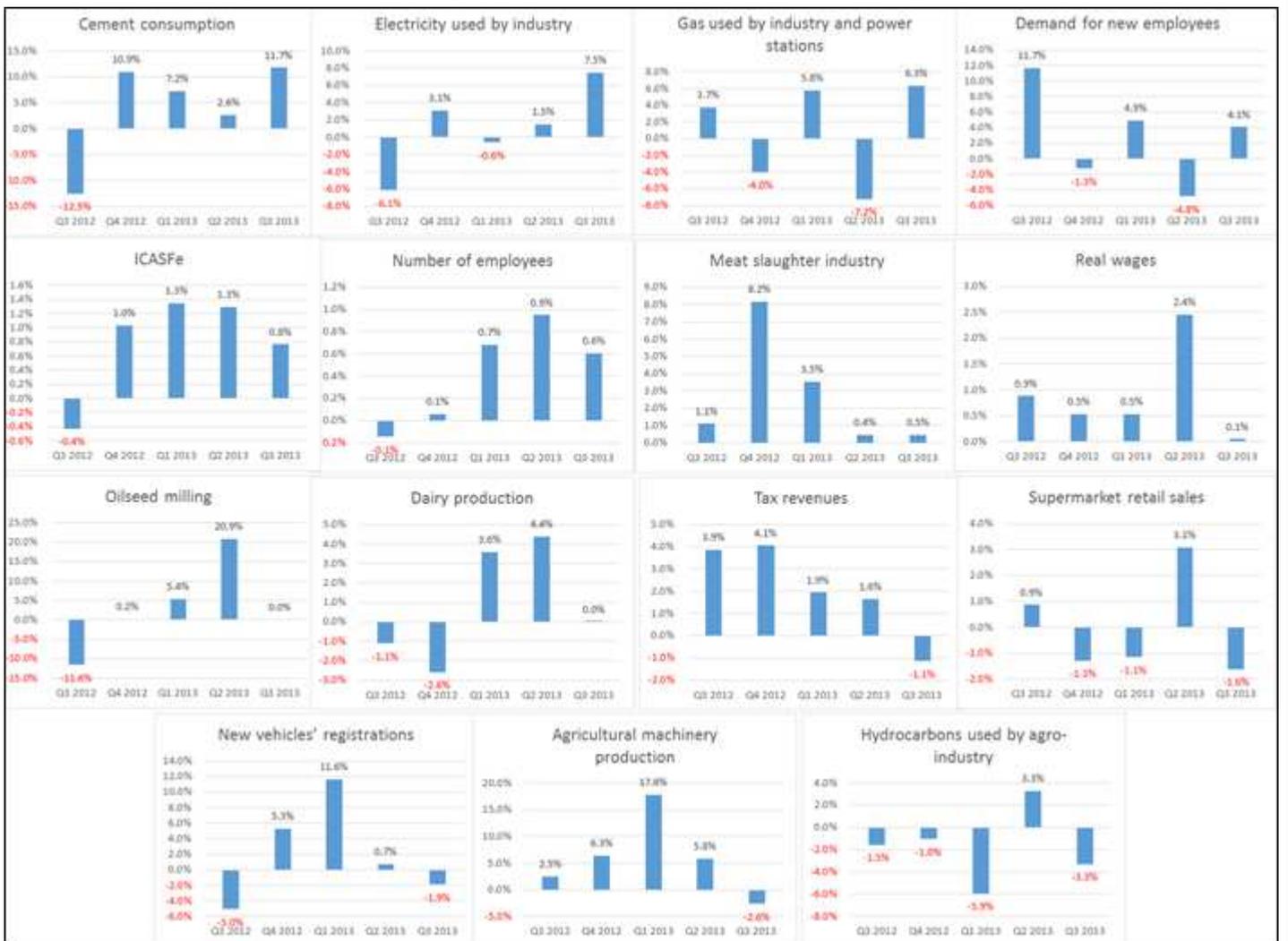
- Statistical database, methodological documents and related publications | <http://ces.bcsf.com.ar>
- An on-line graphical tool to access historical data (series) | <http://www.bolcomsf.com.ar/ces/icasfe.php>

Graph 3 - Economic activity's indicators for the Province of Santa Fe -



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

Graph 4 - Economic activity's indicators for the Province of Santa Fe - Quarterly variation rates -



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