Retail sales began to climb

Consumption, one of the most lagged sub-indicators, also presented favorable perspectives in August

ICASFe
AUGUST 2017

Level:
162.8

Monthly variation:
0.2%

Inter-year variation: 2.9%
2017's partial result: 1.4%

MAIN RESULTS

ICASFE's level was located in **162.8**, presenting a monthly variation of **0.2%** in respect to July 2017.

Inter-year variation rates reached **2.9%** (comparing August 2017 vs. August 2016).

Partial cumulated expansion during 2017's was measured in **1.4%**.

What is ICASFE for?

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.

Technically, the indicator is a composite coincident index developed by an agreement with the *Universidad Nacional de Tucumán* (UNT) which provides a reliable source of information appropriate to support decision makers of public and private institutions. Methodological information and related papers are available in http://ces.bcsf.com.ar

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 the coincident index.

In addition, it is worth noting that all series internalized by this project, are handled in real terms and filtered by seasonality and outliers with the X-13ARIMA-SEATS software produced and distributed by the US Census Bureau.

In order to download or get access to:

• Statistical database, methodological documents and related publications | Go to http://ces.bcsf.com.ar

• Handbook of sub-indicators | Go to http://ces.bcsf.com.ar

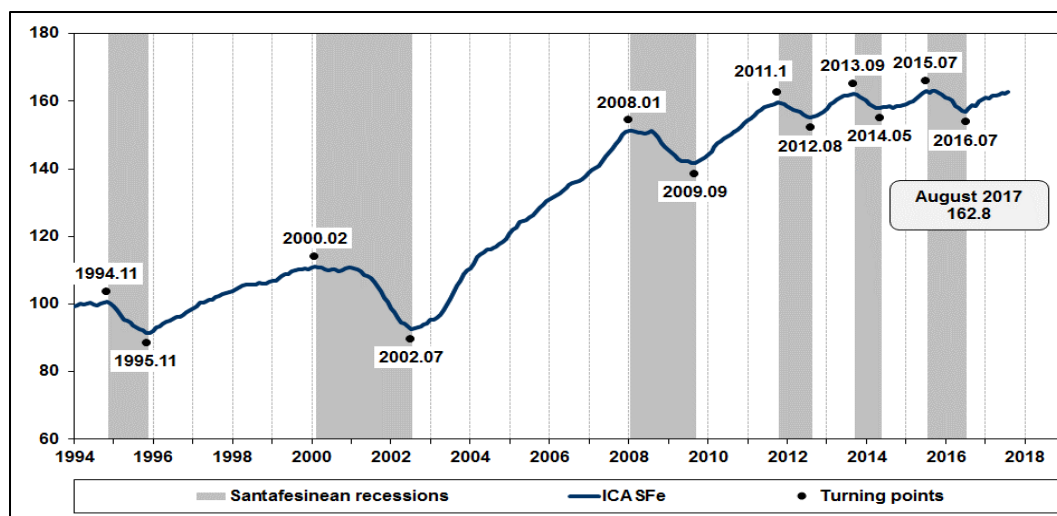• An on-line graphical tool to access historical data | Go to http://www.bolcomsf.com.ar/ces/icasfe.php

Province of Santa Fe's economic activity

Santa Fe's coincident index increased 0.2% in respect to July, cumulating a partial growth of 1.4% between January and August 2017. Moreover, considering the beginning of present expansion, dated in July 2016, the province's economy improved 3.7%.

Graph 1: Composite Coincident Index for the Province of Santa Fe (ICASFe). Base 1994 = 100.
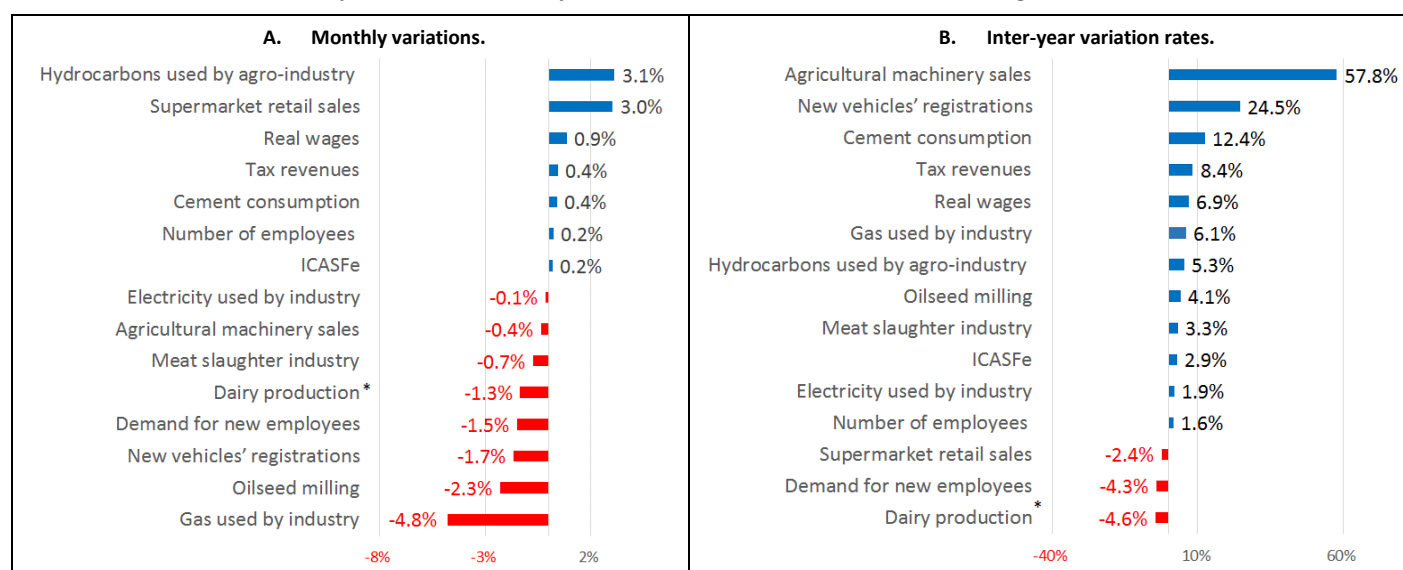

Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

In August 2017 six of the fourteen series considered on the analysis presented favorable monthly results whereas 11 grew in terms of their interyear benchmark.

In accordance with lower rates of inflation, monetary series improved during the last few months. In first place, **supermarket retail sales** increased 3.0% in respect to July, although the sub-indicator is still -2.4% behind its interyear level. **Real wages** presented rates of 0.9 and 6.9%, respectively. **Registered jobs** went on the same direction within rates of 0.2 and 1.6%. By the contrary, **demand for new employees** continued on negative terrain and decreased other 1.5%, which means an interyear drop of 4.3%.

Graph 2: Economic activity's indicators for the Province of Santa Fe - August 2017 -

Last available data from: (*) April 2017; May, June, July and August were estimated.
Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Tax revenues went up again and grew 0.4%, achieving a total expansion of 8.4% in respect to August 2016. To this regard, improvements are being capture by both, local and federal resources.

Hydrocarbons used by agro-industry obtained a positive monthly variation rate of 3.1%, which allowed the series to cumulate a total recovery of 5.3% during the last year. On the other direction, **gas consumption** declined -4.8% in August and, therefore, its inter-year gauge decreased to 6.1%. Electricity used by industry experienced a similar behavior within rates of -0.1 and 1.9%, respectively.

Oilseed milling signaled a negative monthly variation rate (-2.3%) although the series is still above its inter-year benchmark (4.1%). Correspondingly, **meat slaughter industry** declined 0.7% in respect to July, but recovered 3.3% in terms of August 2016.

Cement consumption improved other 0.4% and cumulated about 12.4% during the last 12 months. **New vehicles' registrations** were located in second place of interyear variations' rank (24.5%) but dropped 1.7% in terms of July. The same performance was captured by **agricultural machinery sales** within rates of -0.4 and 57.8%, respectively.
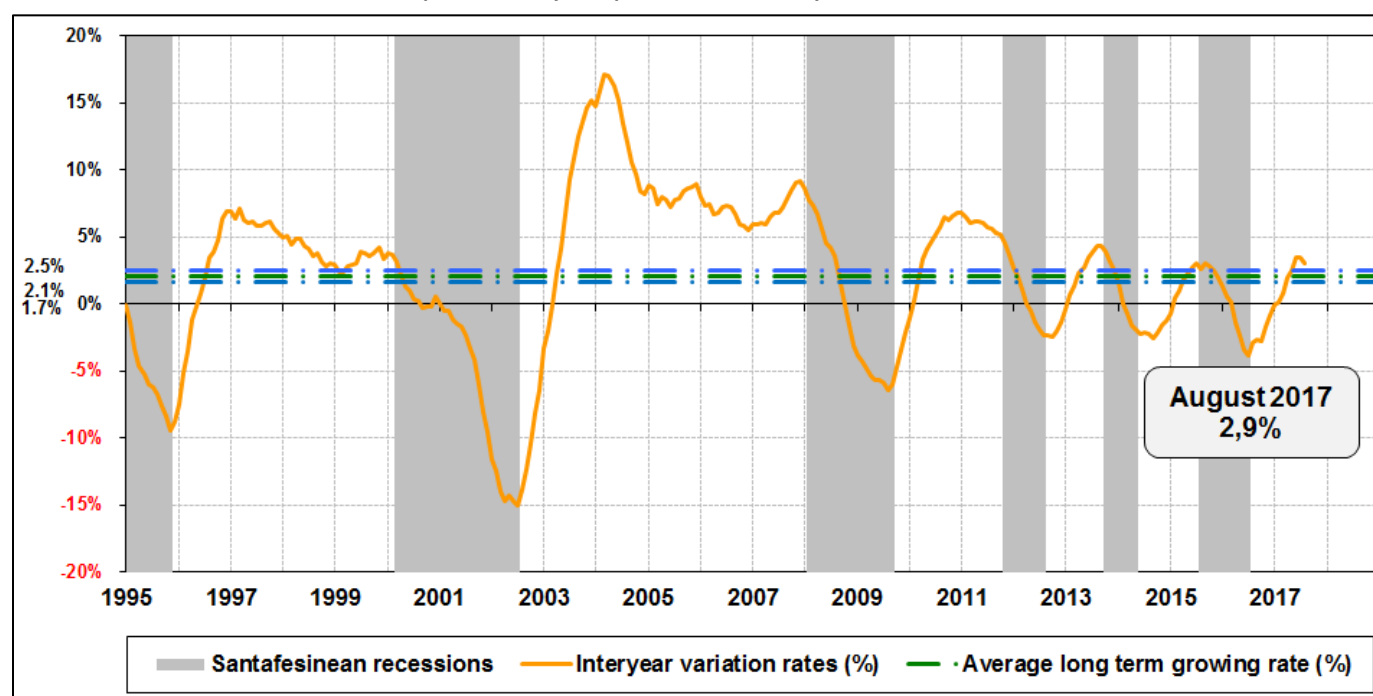
Summary and perspectives

ICASFe's inter-year variation rates were located at 2.9%, above the index's average long term growing rate (see Graph 3). However, because of the comparison's basis, the gauge registered a deterioration in respect to July: August 2016 already belongs to the present expansion phase.

From a global point of view, economic activity is still facing a limit between recovery and genuine growth and companies signal positive perspectives. In August retail consumption started to improve boosted by increasing registered jobs and better real wages. It is also worth noting that inflation kept slowing down during 2017's second half and expectations for the next 12 months are stable in 20,0%.

In regard to the industrial sector, August was particularly unfavorable although Construction kept pushing up. Fortunately, these results are not showing a structural turn just a monthly phenomenon.

Graph 3: Monthly Composite Index's inter-year variation rates.

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