



Bolsa de Comercio de Santa Fe



ICASFe

Monthly Composite Coincident Index for the province of Santa Fe

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

President

Ing. Olegario Tejedor

Fundación Bolsa de Comercio

President

Ing. Olegario Tejedor

Executive Director

Dr. Gustavo Vittori

Research and Services Center

Director

CPN Fabio Arredondo

Coordinator

Lic. María Lucrecia D'Jorge

Researchers

Lic. Pedro P. Cohan

Lic. Carolina E. Sagua

E-mail and contact information

ces@bolcomsf.com.ar

Websites

<http://ces.bcsf.com.ar> o

<http://www.bcsf.com.ar>

Friday, May 16, 2014. Monthly digest Nº 05, year 8.

Santa Fe's economic activity registered its fifth consecutive monthly contraction.

The economic downturn which began in October 2013 does not retreat and the cumulated contraction reaches -1.6%.

FEBRUARY 2014

Monthly variation: **-0.4%**
(in respect to January 2014)

Inter-year variation: **0.2%**
(in respect to February 2013)

2014's balance: **-0.6%**

ICASFe

Base 1994 = 100
LEVEL = 157.8

FEBRUARY 2014'S MAIN RESULTS

ICASFe's level was measured in **157.8**, presenting a monthly variation of **-0.4%** in respect to January 2014.

Inter-year variation rates reached **0.2%** (comparing February 2014 vs. February 2013).

Cumulated contraction between January and February 2014: **-0.6%**.

¿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).

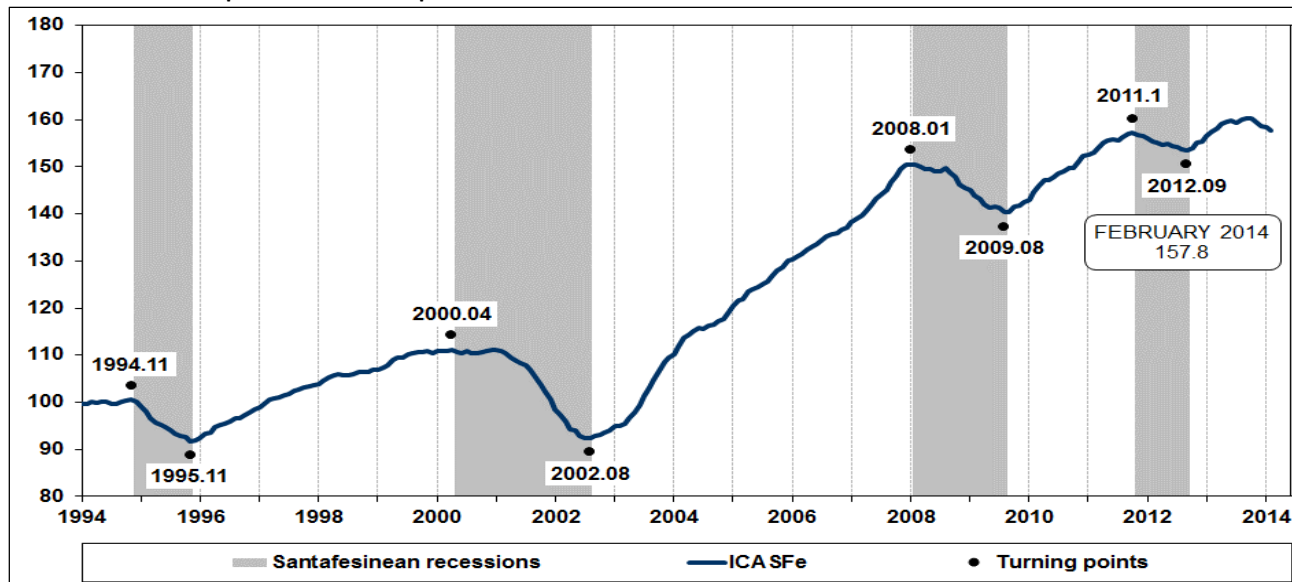
Output data considerations

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 X-13ARIMA-SEATS software produced and distributed by the US Census Bureau.

Province of Santa Fe's economic activity

In February 2014 the province's economic activity registered a new negative monthly variation rate of **-0.4%**. Within these results total cumulated contraction measured in Santa Fe since October 2013 reaches **-1.6%**; out of which **-0.6%** refers to January and February.

Graph 1 - ICASFe - Composite Coincident Index for the Province of Santa Fe - Base 1994 = 100 -



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

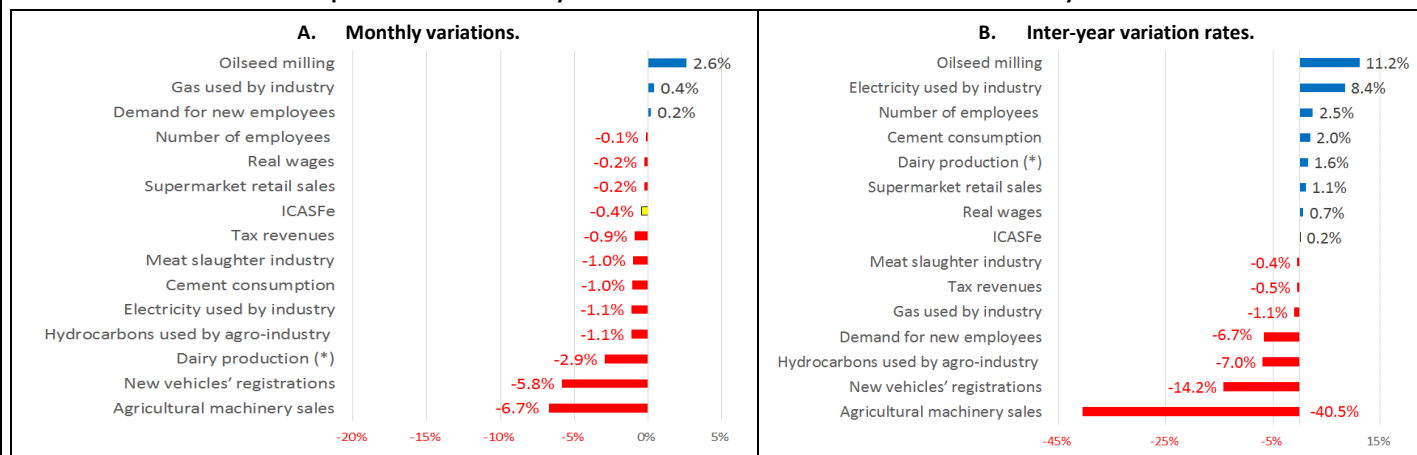
Indicator by indicator

The economic contraction is becoming more severe and, in February, only three of the fourteen economic sub-indicators showed monthly improvements (see Graph 2, left side).

Electricity used by industry presented a **-1.1%** monthly increment, locating the series' level 8.4% over February 2013's. By the contrary, **gas consumption** showed a slight monthly improvement of 0.4%, partially reducing its negative inter-year comparison to **-1.1%**. On the other hand, **hydrocarbons used by agro-industry and transportation** presented negative results in both monthly and inter-year variation rates: of **-1.1** and **-7.0%**, respectively.

In February **oilseed milling** led both monthly (2.6%) and inter-year variations' (11.2%) rankings (see Graph 2). In fact, it is considered as the only sectorial sub-indicator which showed a relative improvement during the last few months. On the opposite direction, **meat slaughter industry** registered a monthly contraction of **-0.1%** and now belongs to the group of series with negative inter-year variations (**-0.4%**). **Dairy production** presented a similar behavior but it is worth noting that statistics related to January and February were estimated since consolidated data was not yet published.

Graph 2 - Economic activity's indicators for the Province of Santa Fe - February 2014 -



(*) Last available data from December 2013.

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

In line with an unfavorable performance internalized by the province's construction sector since October 2013, **cement consumption** experienced a monthly contraction of **-1.0%** in respect to January.

Moreover, Santa Fe's labor market signaled its first fall in **total registered jobs** (**-0.1%**) although the series' inter-year level it is still positive at 2.5%. **Real wages** and, therefore, purchasing power kept going down (**-0.2%**) as long as inflation accelerates over nominal compensations. Finally, **demand for new jobs** improved 0.2% but stays at low historical levels within an inter-year variation rate of **-6.7%**.

Supermarket retail sales continued with their negative performance, this time presenting a monthly contraction of **-0.2%**. Even more adverse results were observed on **new vehicles' registrations** with rates of **-5.8** and **-14.2%**, respectively.

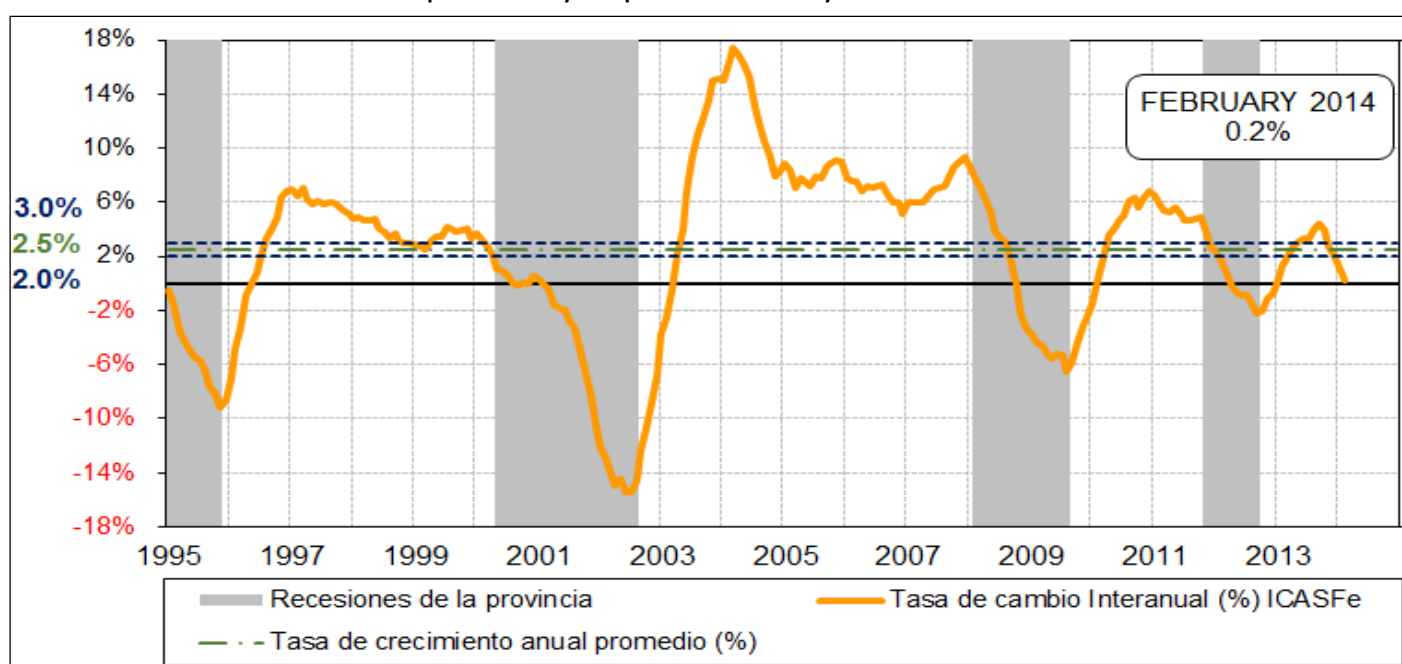
Tax revenues are suffering the consequences of high inflation as well. In real terms fiscal incomes declined **-0.9%** monthly and **-0.5%** inter-yearly.

Summary and perspectives

Considering October 2013's level, Santa Fe's economic activity registered a cumulated contraction of **-1.6%** during the last five months. In this context, ICASFe's inter-year variation rates kept decreasing and reached a practically null result of 0.2% in February 2014. To this regard, it is worth noting that the gauge is already below both upper and inferior long term confidence statistical bands (see Graph N° 3).

Since the economic contraction which began in 2013's last quarter is turning more severe, it is rather hard to suppose next month's results could revert January and February's negative rates. By the contrary, some economic sectors which showed a proper performance during the past few years are also being affected. Thing is, sub-national economies are also facing Argentinean main macroeconomic issues; which, by the way, seem distant from being resolved. Inflation is still accelerating and monetary exchange rates are delayed. In addition, key economic variables as Consumption, Investment and Employment are all deteriorating.

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



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 to access historical data (series) | <http://www.bolcomsf.com.ar/ces/icasfe.php>