

## Monthly Digest

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Bolsa de Comercio de Santa Fe



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

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

President  
**Dr. Eduardo González Kees**

### Fundación Bolsa de Comercio de Santa Fe

President  
**Dr. Eduardo González Kees**

Executive Director  
**Dr. Gustavo Vittori**

### Research and Services Center

Director  
**CPN Fabio Arredondo**

Coordinator  
**Lic. María Lucrecia D'Jorge**

Researchers  
**Lic. Pedro P. Cohan**  
**Sra. Carolina E. Sagua**

Email Contact Information  
ces@bolcomsf.com.ar

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

Santa Fe's economic  
contraction gets more  
severe.

February 2011

Monthly %: -0.5%  
Inter-year %: 1.5%

ICASFe  
Base 1994 = 100  
157.4

*February 2012's data points out economic activity shares a high probability of being already going through a recession.*

According to the last obtained results, during the month of February 2012, the ICASFe was located at **157.4**, presenting a **-0.5%** monthly variation with respect to January.

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)*.

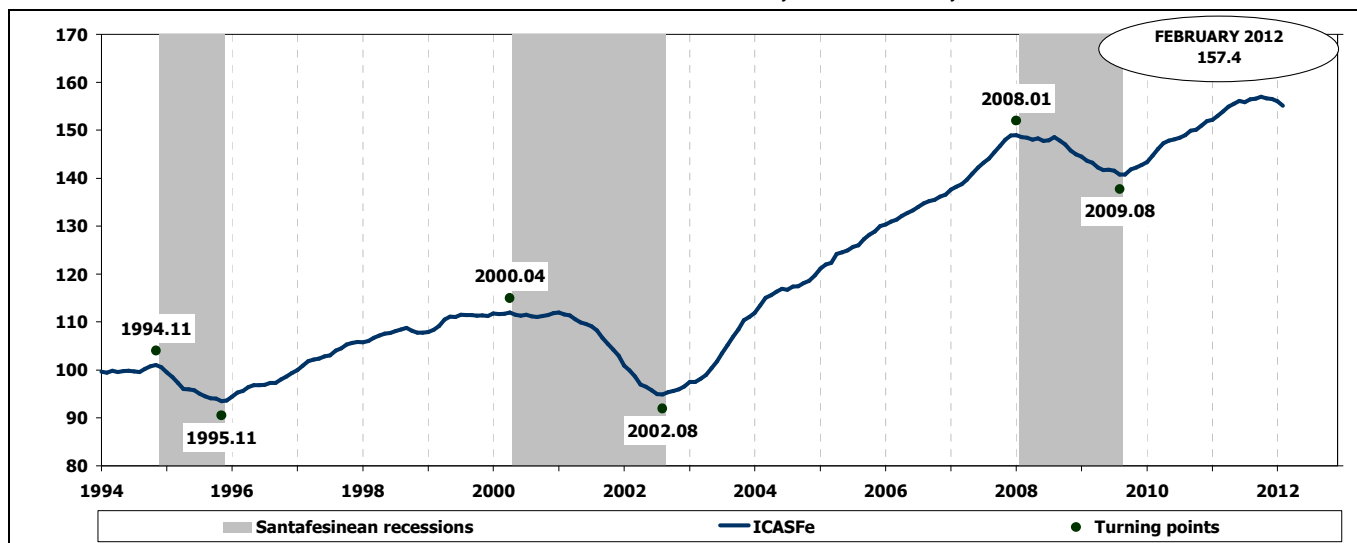
The last twelve monthly results exposed in this document are based on preliminary information and hence subject to further revisions. Calculated values gain consistency while primary sources publish consolidated data which provides an input to our indicator. Time series are handled in real terms and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

## Province of Santa Fe's economic activity

The province's economic activity registered its fourth consecutive decline with a monthly variation of **-0.5%** in February 2012. This negative variation was accompanied by nine of the fourteen representative indicators, speeding up economic activity's contraction.

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

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



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

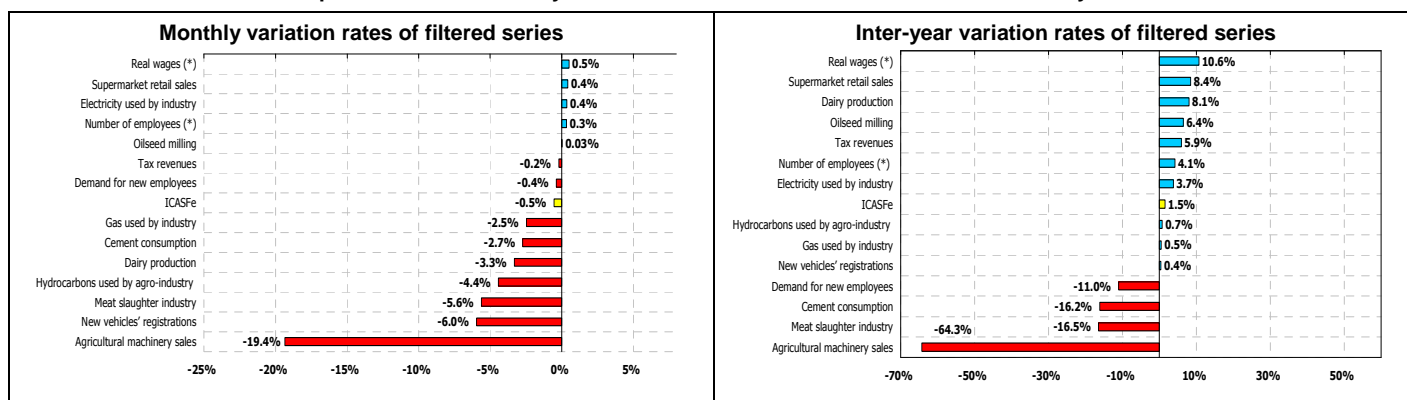
## Indicator by indicator

Personal income grew 0.5% during February 2012, locating this series on top of both the monthly and the inter-year variations' ranking. However, it is important to mention that last year's collective agreements assure salary increases until April/May 2012. In addition, total registered employees, considering private and public sector, presented a positive variation of 0.3% in terms of January and 4.1% in relation to February 2011. Nevertheless, both indicators are classified as lagged series. In fact, during the passed two recessions they kept showing a mild expansion for about one semester (even though the province's economy was already falling down).

On the opposite direction demand for new workers experienced a new contraction, reaching a similar stage than during May 2009; it's lowest historical level. In February 2012 it decreased **-0.4%** and had an inter-year variation rate of **-11.0%**.

Supermarket retail sales, deflated by the province's Consumer Price Index, registered a 0.4% monthly rate and an 8.4% inter-year one (the series represents those retail companies which have at least one business branch with a larger spending area than 300 m2).

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



\* Contains estimated data for February 2012.

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

Industrial sector's electricity consumption grew 0.4% in February 2012 whereas both gas and hydrocarbons decreased **-2.5** and **-4.4%**. Their inter-year variation rates were 3.7, 0.5 and 0.7%, respectively.

Oilseed milling recovered 0.03% but still remains below its previous peak from September 2010. By the contrary, dairy production declined **-3.3%** while the series is above March 2009's level (when last peak was dated). Its inter-year variation rates were also positive: 8.1%.

Meat slaughter industry's production is 60% below its maximum historical level from June 2009. In February it presented a **-5.6%** monthly contraction and a **-16.5%** inter-year one.

Agricultural machinery sales (tractors and combine/forage harvesters) decreased **-19.4%** in accordance to its particular volatility. This result locates the series **-64.3%** compared to February 2011. To this regard, in a significant proportion, since 2011's second semester the series' contraction is related to recent commerce restriction policies which obstacle companies to import these kind of machinery units.

New cars' registrations, a proxy of durable goods' investment, showed its third consecutive decline; this time with **-6.0%**. Nevertheless, Its inter-year variation rate is still positive in 0.4%. Cement consumption is also suffering the consequences of a bear market and registered a **-2.7%** negative variation; its ninth consecutive monthly contraction. At the same time, Its inter-year gauge has declined five times in a row and reaches **-16.2%** in February 2012.

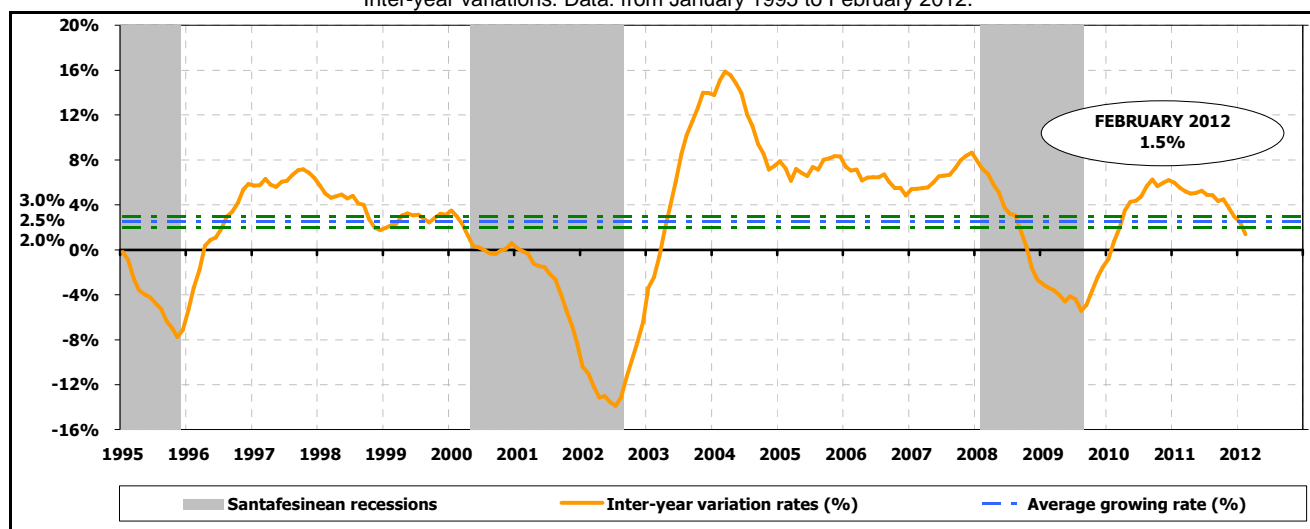
Public incomes, which were already signalling a strong deceleration, presented their first monthly contraction of **-0.2%** (in real terms). Decreases were observed from both local and national resources.

### Summary and perspectives

ICASFe's inter-year variation rates dropped from 4.5 in October 2011 to 1.5% in February 2012. Although they are still walking trough a positive terrain, the indicator has already crossed by its third long term growing statistical confidence band. Moreover, since 1995, this scenario was always related to an economic recession.

As a matter of fact, if ICASFe's behavior persists along the further few periods (four consecutive declines were measured since November 2011), there's a high probability of dating a new turning point and technically declaring the province's economy already started a contraction phase.

**Graph 3 - Monthly Composite Index of the province of Santa Fe -**  
Inter-year variations. Data: from January 1995 to February 2012.



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

In order to download our statistical database as well as methodological documents and other related publications, please visit our website in: <http://ces.bcsf.com.ar>

An on-line graphical tool is also available in our site, which allows to monitor all fourteen sub-indicators' performance individually: <http://www.bolcomsf.com.ar/ces/icasfe.php>