

Monthly Digest

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Bolsa de Comercio de Santa Fe



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

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An economic
contraction was
registered during
2012's first quarter

ICASFe
Base 1994 = 100
155.4

March 2012
Monthly %: 0.1%
Inter-year %: 1.2%
2012's cumulated %: -0.6

In spite of a positive monthly variation of 0.1% in march, Santa Fe's economic activity presented a negative net balance during 2012's first quarter.

According to the last obtained results, during the month of March 2012, the ICASFe was located at **155.4**, presenting a 0.1% monthly variation with respect to February.

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.

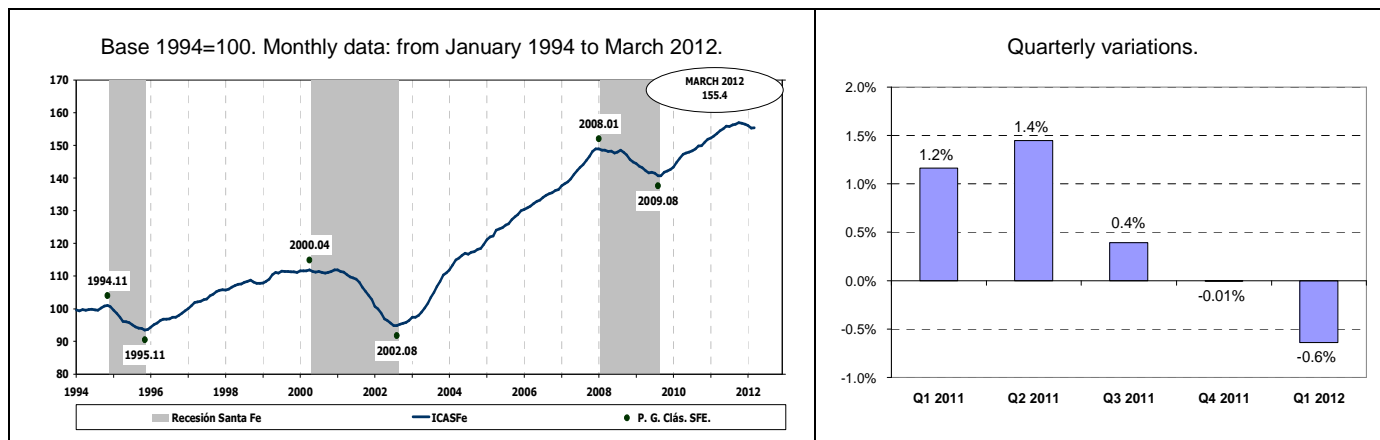
As indicator, It provides a reliable source of information appropriate to support decision makers of public and private institutions. ICASFe was developed by a technical agreement with the *Universidad Nacional de Tucumán (UNT)*.

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

Keeping up with the contraction process which began at the end of last year, 2012 first quarter's cumulated growth was **-0.6%**. Nevertheless, the negative variation rates registered during January and February were partially compensated by March's (0.1%).

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

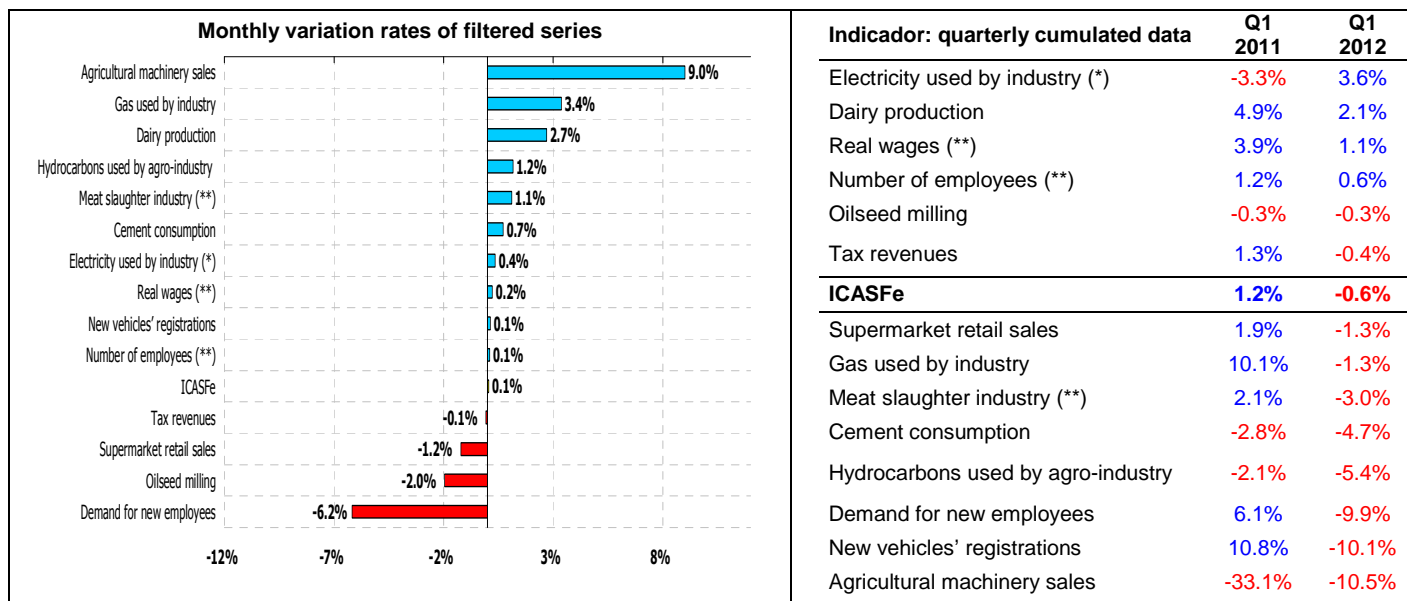


Source: Research and Services Center, Santa Fe's Chamber of Commerce.

Indicator by indicator

During 2012's first quarter, industrial electricity consumption increased 3.6% (last available data is from February 2012) whereas gas consumption declined **-1.3%**. So did hydrocarbons used by agro-industry which decreased **-5.4%**; even though both of these series presented positive variation rates in March 2012 of 3.4 and 1.2%, respectively.

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



(*) Last available data: February 2012.

(**) Contains estimated data for March 2012.

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

Dairy production grew 2.7% in March (after a **-3.3%** contraction suffered in February), summing a positive net balance of 2.1% along the complete quarter. On the other direction, oil seed milling decreased both in March (**-2.0%**) and during 2012's first quarter (**-0.3%**). In the case of meat slaughter industry a positive monthly rate of 1.1% was not strong enough to recover the sector's contraction, and the series cumulated a negative rate of **-3.0%** between January and March. Similarly, agricultural machinery production increased in March but the period ended with a net variation of **-10.5%**. It is important to consider that most of these activities were influenced by an intense drought suffered by the province during the first quarter of the year, especially in the northern and central areas.

Registered jobs grew 0.6% in 2012's initial quarter; less than half of the growth experienced during 2011's analogue period. A similar but even more unfavourable scenario was observed in relationship to real wages. Whereas a 3.9% expansion was measured in

2011's first quarter, only 1.1% was related to 2012's. As a monitor of labour market's expectations, demand for new jobs also signalled a declined of **-9.9%**; against a 6.1% registered between January and March 2011.

Most indicators related to consumption, at retail and wholesalers' level, presented negative variations across 2012's first quarter. Supermarkets' real incomes declined **-1.3%**, after four consecutive quarters of expansion, and new cars' registrations fell down **-10.1%**. In the case of cement consumption, representative of the construction sector, the series cumulated a negative **-4.7%** variation (its fifth consecutive quarterly contraction).

Tax revenues decreased **-0.4%** during 2012 as consequence of a poor performance observed in both provincial incomes and federal resources.

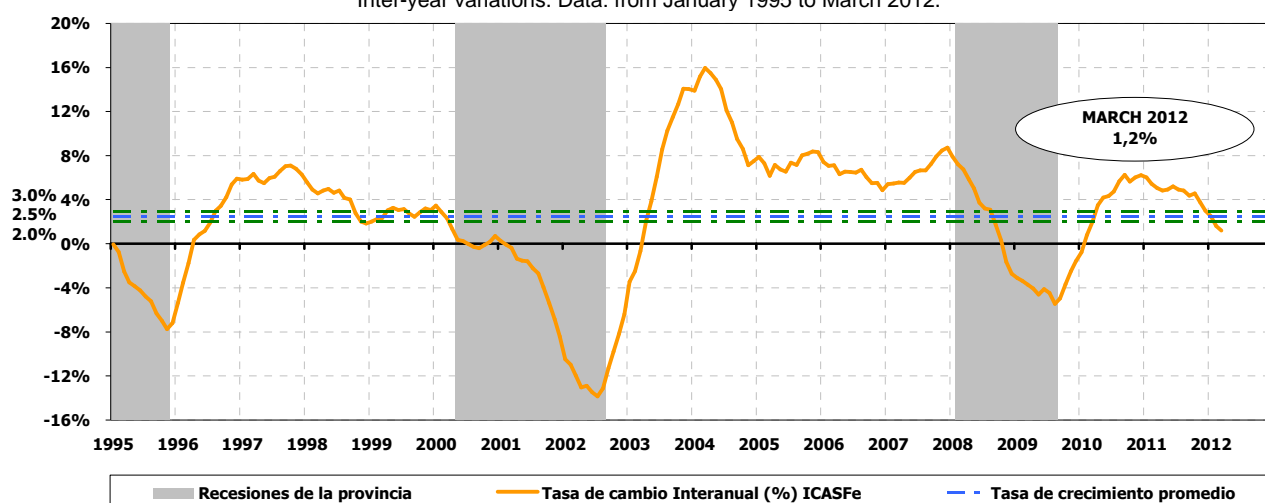
Summary and perspectives

In march 2012 six indicators related to the industrial sector presented positive rates: energy consumption (electricity, gas and other fuels), dairy production, meat-slaughter industry and machinery production. In addition, a mild expansion was observed in cement consumption and new cars' registrations which allowed ICASFe to signal a monthly increment. But this result should be considered under certain particular circumstances. In first place, March's growth was not strong enough to compensate 2012's declines during January and February. In fact, not only the composite index but also ten sub-indicators decreased during the first quarter. Secondly, considering historical data, economic activity (see Graph 1) and inter-year variation rates (see Graph 3) have already showed in the past short rebounds at the beginning of other recession phases.

For the next further months, a persistent inflationary context is expected in line with lower levels of retail sales and public tax resources. An inferior compensation is also projected for real wages if 2011 and 2012's nominal increases are taking into account.

ICASFe's inter-year variations dropped from 2.5% in January to 1.2% in March 2012, maintaining a positive but lower economic rhythm if the last 12 months are considered.

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