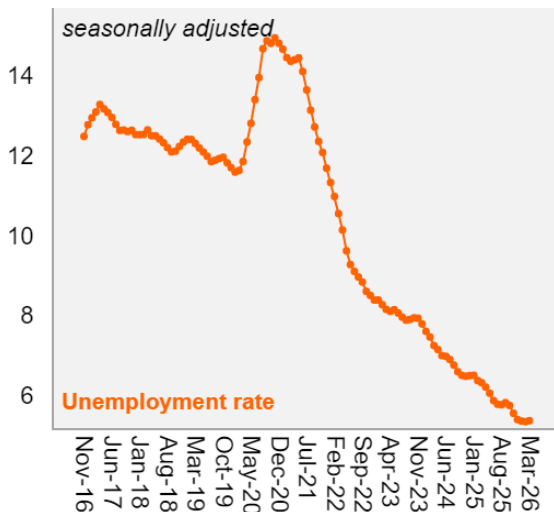


Unemployment rate moved up to 5.4% s.a. in March

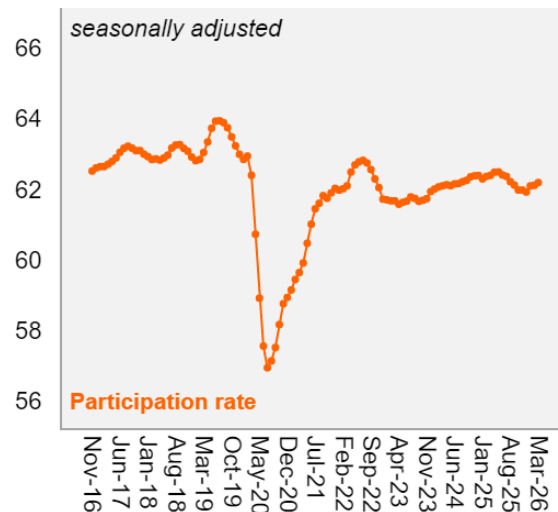
- ▶ In the quarter ended in March, the unemployment rate reached 6.1%, matching both our call and market forecast (both at 6.1%). Seasonally adjusted (our estimates), the unemployment rate advanced to 5.4%, from 5.3% in the quarter ended in February.
- ▶ The unemployment rate moved up due to the expansion of the labor force (+0.2% mom/sa), despite rising employment (+0.2% mom/sa). The participation rate moved up 0.1 p.p. to 62.2%, reflecting the increase of the labor force and the rise of the working age population (+0.1% mom/sa). Formal employment expanded (+0.4%), while informal employment was stable.
- ▶ The effective real wage bill moved up 0.7%, driven by stronger employment figures combined with rising wages (+0.7% mom/sa).
- ▶ **Our view:** Today's data came in close to our call, pointing to a still resilient labor market. The unemployment rate went up to 5.4% from 5.3% (seasonally adjusted). Beyond an unsurprising headline, formal employment came in above expectations, and the labor force participation rate edged slightly higher, pushing the unemployment rate up. Real usual wages rose by 0.7%, also above our expectations. Given the expected slowdown in economic activity, we expect the labor market to stop improving but without a sharp deceleration, with the unemployment rate edging higher this year and reaching 5.7% by year-end.

Unemployment rate moved up to 5.4% s.a. in March



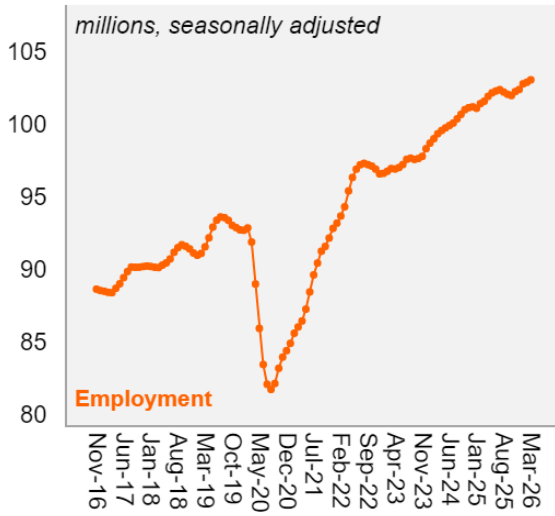
Source: IBGE, Itaú

Participation rate moved up

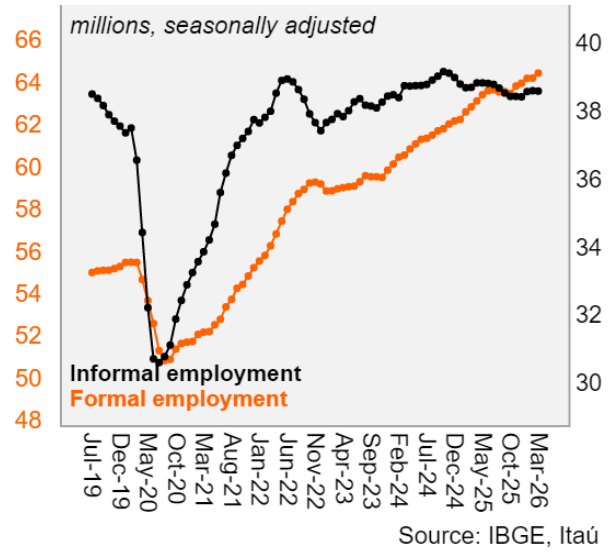


Source: IBGE, Itaú

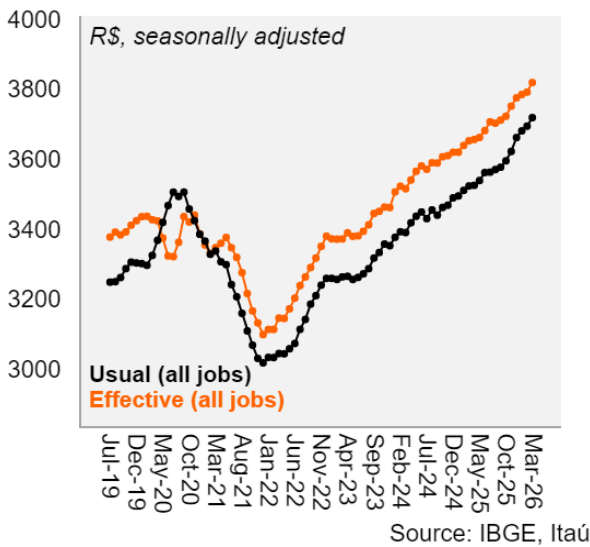
Employment moved up



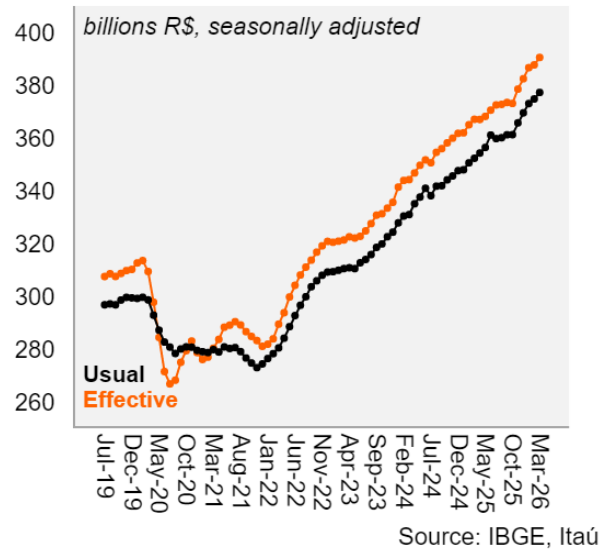
Formal vs. informal employment



Real wages



Real wage bill (all jobs)



PNAD (IGBE)	Rate (s.a.)			YoY		
	Jan-2026	Feb-2026	Mar-2026	Jan-2026	Feb-2026	Mar-2026
Breakdown						
Unemployment rate	5.4%	5.3%	5.4%	-1.1p.p.	-1.0p.p.	-0.9p.p.
Participation rate	62.1%	62.1%	62.2%	-0.2p.p.	-0.3p.p.	-0.2p.p.

Source: IBGE, Itaú

PNAD (IGBE)	Vs. the quarter ended in the previous month (s.a.)			YoY		
	Jan-2026	Feb-2026	Mar-2026	Jan-2026	Feb-2026	Mar-2026
Breakdown						
Labor Force	0.3%	0.1%	0.2%	0.4%	0.3%	0.4%
Employment	0.4%	0.1%	0.2%	1.7%	1.5%	1.5%
Formal Employment	0.4%	0.0%	0.4%	3.1%	2.5%	2.5%
Informal Employment	0.4%	0.1%	-0.0%	-0.6%	-0.3%	-0.3%
Real usual wages (all jobs)	0.5%	0.4%	0.7%	5.4%	5.3%	5.5%
Real effective wages (all jobs)	0.3%	0.2%	0.7%	4.6%	4.2%	4.6%
Real effective wage bill (all jobs)	1.1%	0.3%	0.7%	6.4%	5.9%	6.2%

Source: IBGE, Itaú

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