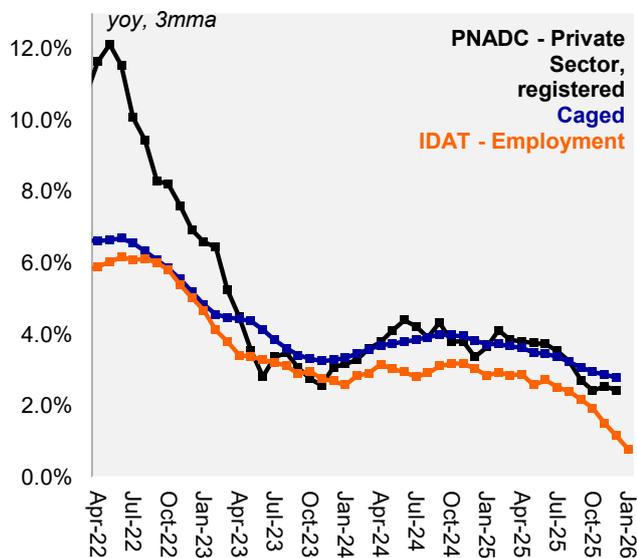


IDAT-Employment and Wages: employment growth slowed in the three-month moving average in January

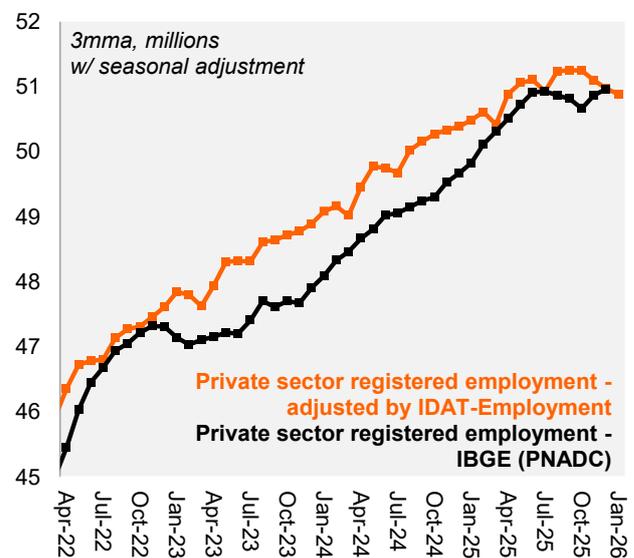
- ▶ In January, the IDAT-Employment index, which measures the year-over-year change in the stock of formal private-sector employment, continued to decelerate in the 3-month moving average (a smoother measure and better suited for periods of higher volatility), reaching 0.8%, down from 1.2% in the previous month. The year-over-year growth rate also decelerated at the margin, to 0.5% from 1.1%. At the margin, seasonally adjusted data indicate that the employed population declined 0.2% compared to the prior month.
- ▶ The IDAT-Wages index, which estimates the year-over-year change in the average nominal wage of formally employed private-sector workers, slowed to 3.1% in January from 7.0% in the previous month. In the 3-month moving average, wages also decelerated to 5.1%, from 6.1% in the prior month.
- ▶ **Our view:** The IDAT-Employment index continued to slow in January, both at the margin and in the quarterly trend. Wages decelerated at the beginning of the year after a more pressured year-end, but remain in the 5%–6% range. These results point to a still-resilient labor market, with only early signs of deceleration.

IDAT-Employment¹ decelerated in the 3-month moving average...



Source: IBGE, Ministry of Labor, Itaú

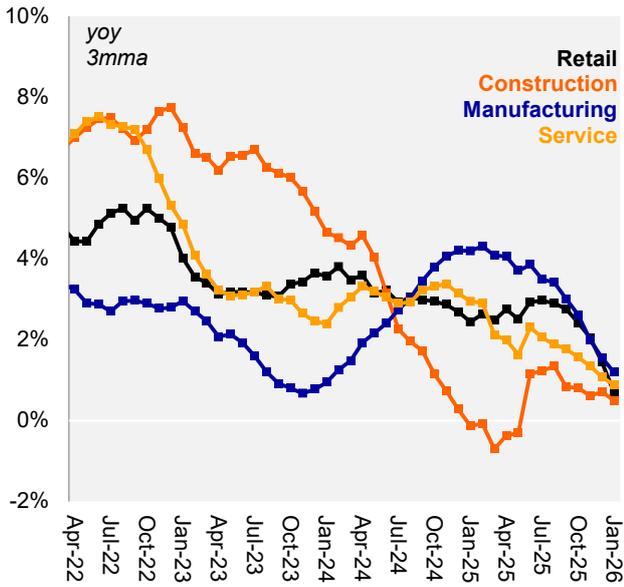
... with the employed population falling 0.2% at the margin



Source: IBGE, Itaú

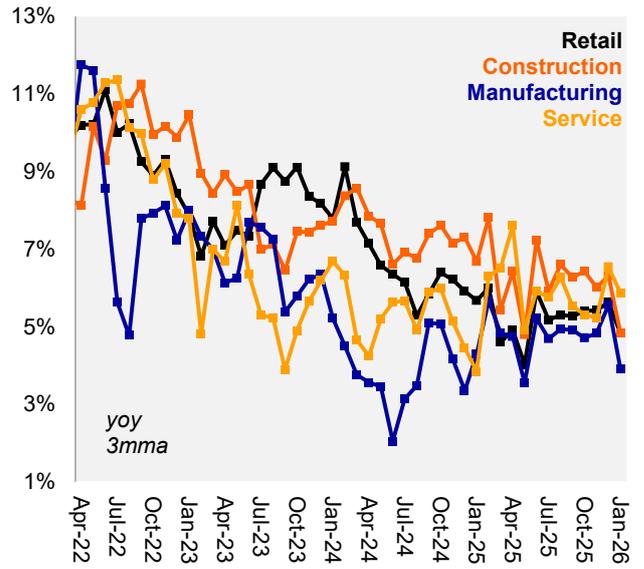
¹ Proprietary indicators on the Brazilian labor market based on payroll processing for Itaú's business clients. For more information, check out our reports [IDAT-Employment](#) and [IDAT-Wage](#).

All sectors showed a deceleration in employment, aside from construction



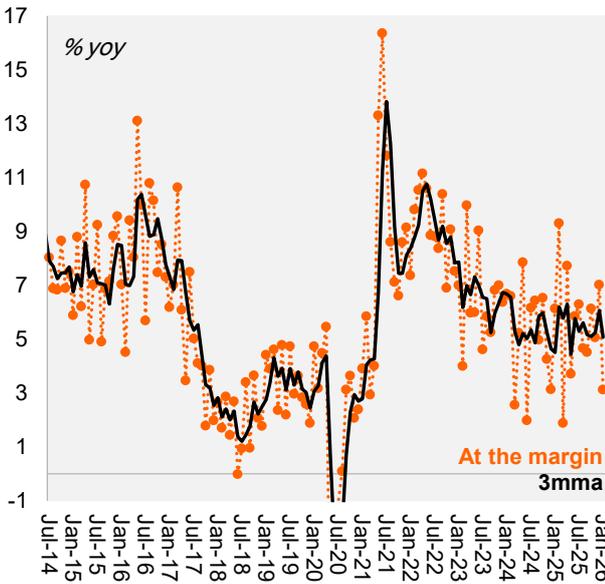
Source: IBGE, Ministry of Labor, Itaú

In terms of wages, sectors accelerated in the 3-month trend



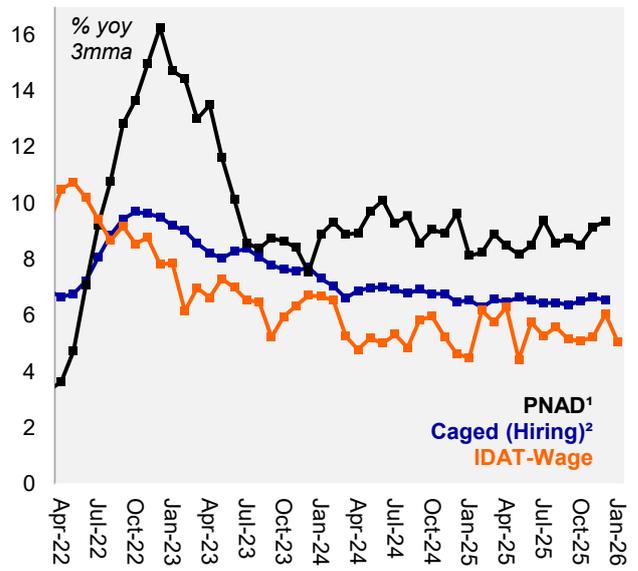
Source: IBGE, Ministry of Labor, Itaú

IDAT-Wages decelerated at the margin...



Source: IBGE, Ministry of Labor, Itaú

... and in the 3-month moving average



Source: IBGE, Ministry of Labor, Itaú

¹ Effective income from all jobs

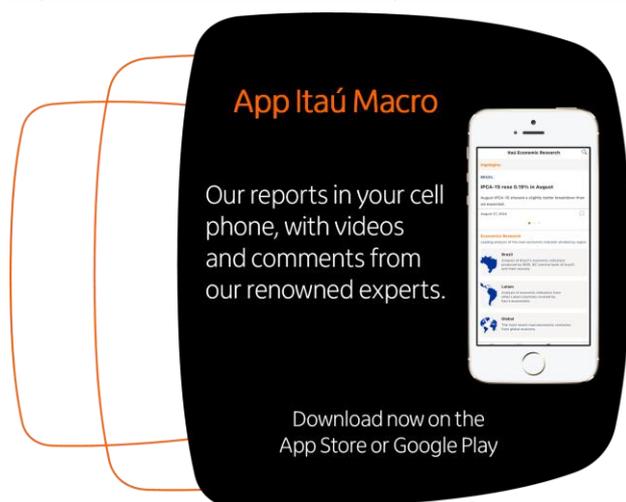
² Changes are based on the median, starting in 2020

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