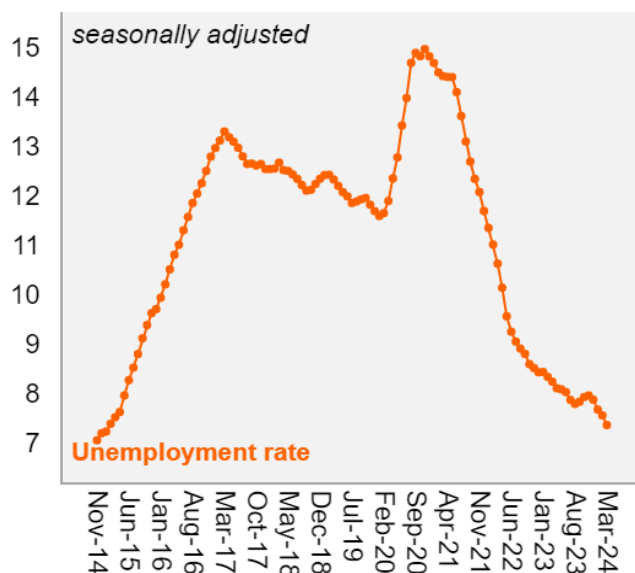


Labor market remained tight in March

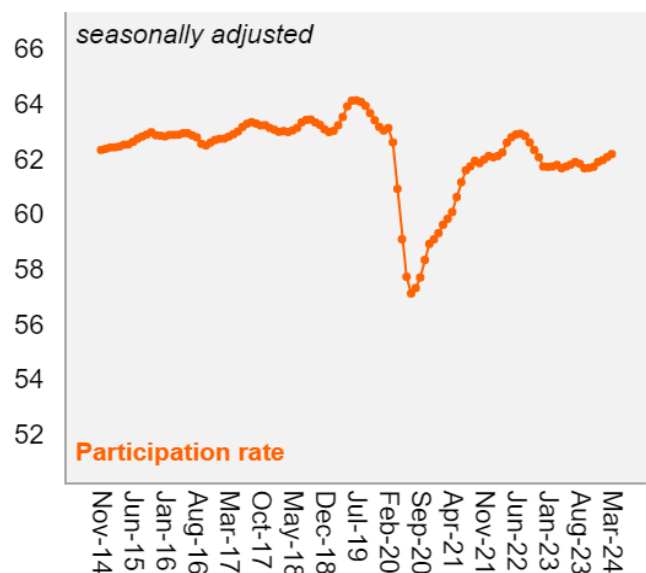
- ▶ In the quarter ended in March, the unemployment rate reached 7.9%, below our call (8.2%) and market forecast (8.1%). Seasonally adjusted (our estimates), the unemployment rate fell to 7.4%, from 7.6% in the quarter ended in February.
- ▶ Moreover, the formal job creation (CAGED) came in at 244k, above our estimate and market expectations (177k and 193k, respectively). Seasonally adjusted (our estimates), the formal job creation decelerated to 211k from 223k.
- ▶ The unemployment rate fell due to the expansion of employment (+0.5% mom/sa), while the participation rate moved up 0.1p.p. to 62.2%. Formal and informal employment expanded (+0.4% and +0.9% mom/sa, respectively).
- ▶ The real effective wage bill increased 0.3%, driven by the expansion of employment, which more than offset the reduction of wages (-0.2% mom/sa).
- ▶ **Our view:** Today's data corroborates our view of a tight labor market. The unemployment rate fell to 7.4%, driven by the informal (0.9%mom/sa) and formal (0.4%mom/sa) sectors, while the participation rate rose to 62.2%. Conversely, effective real wages dropped 0.2%mom/sa after a strong start of the year.

Unemployment rate declined to 7.4% s.a. in March,



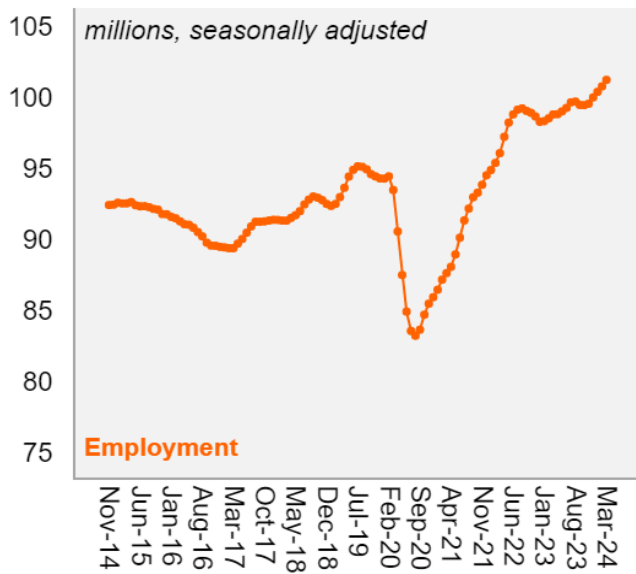
Source: IBGE, Itaú

while participation rate moved up...



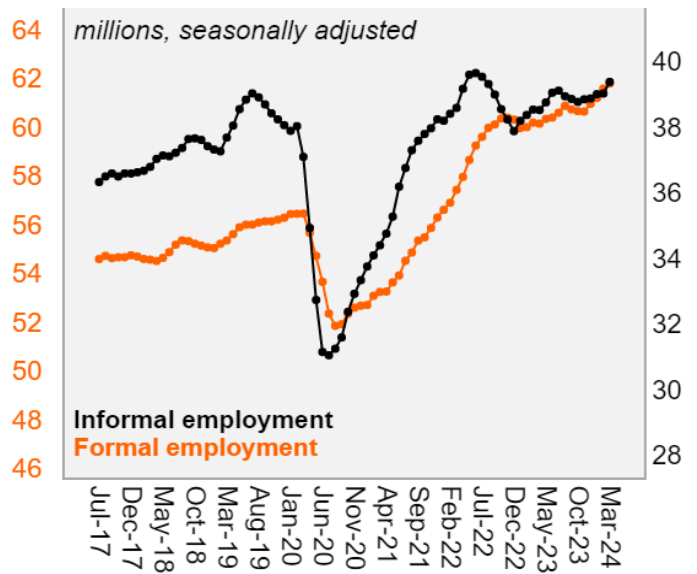
Source: IBGE, Itaú

Employment increased +0.5%mom/as,



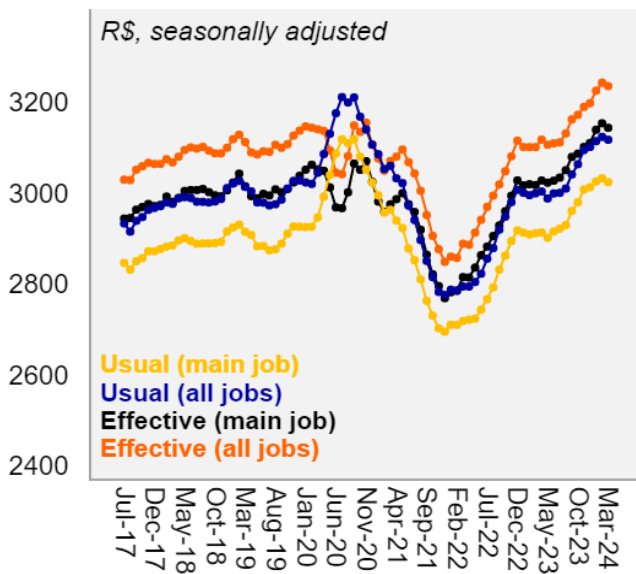
Source: IBGE, Itaú

driven by formal and informal employment



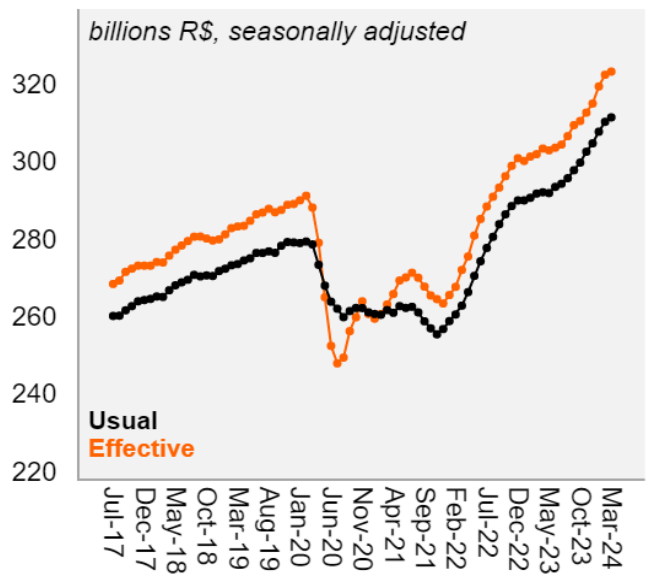
Source: IBGE, Itaú

Real wages declined in March,



Source: IBGE, Itaú

but real wage bill increased 0.3%mom/sa



Source: IBGE, Itaú

PNAD (IGBE)	Rate (s.a.)			YoY		
	Jan-2024	Feb-2024	Mar-2024	Jan-2024	Feb-2024	Mar-2024
Breakdown						
Unemployment rate	7.7%	7.6%	7.4%	-0.7p.p.	-0.7p.p.	-0.9p.p.
Participation rate	62.0%	62.1%	62.2%	0.2p.p.	0.3p.p.	0.4p.p.

Source: IBGE, Itaú

PNAD (IGBE)	Vs. the quarter ended in the previous month (s.a.)			YoY		
	Jan-2024	Feb-2024	Mar-2024	Jan-2024	Feb-2024	Mar-2024
Breakdown						
Labor Force	0.2%	0.3%	0.2%	1.2%	1.3%	1.5%
Employment	0.4%	0.4%	0.5%	2.0%	2.2%	2.4%
Formal Employment	0.4%	0.6%	0.4%	2.0%	2.5%	2.6%
Informal Employment	0.3%	0.0%	0.9%	2.0%	1.6%	2.2%
Real usual wages (all jobs)	0.4%	0.3%	-0.2%	3.8%	4.3%	4.0%
Real effective wages (all jobs)	0.9%	0.5%	-0.2%	4.0%	4.6%	4.2%
Real effective wage bill (all jobs)	1.4%	0.9%	0.3%	6.3%	6.9%	6.9%

Source: IBGE, Itaú

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