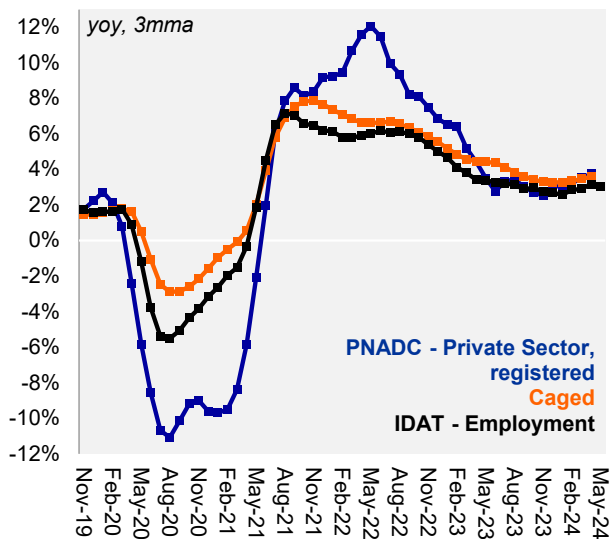


IDAT-Employment and Wage: employed population growth slowing down, but wages accelerating

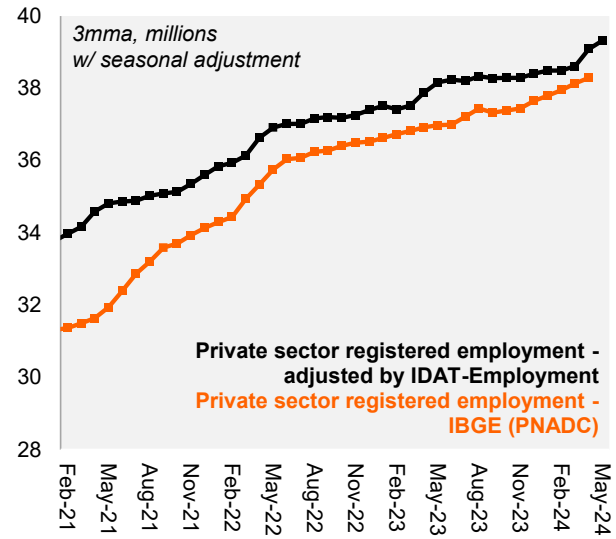
- ▶ In May, the IDAT-Employment, which measures the interannual change in the stock of formal employment in the private sector, decelerated to 2.8%, from 3.6% in April. The growth rate in the 3-month moving average also decelerated to 3.0% (from 3.2%). The employed population accelerated compared to the previous month, seasonally adjusted.
- ▶ The IDAT-Wage, which estimates the interannual change in the average nominal salary of formally hired workers in the private sector, registered a faster pace of growth, to 7.9% yoy in May from 5.2% in April. In the 3-month moving average, the indicator also accelerated, to 5.2% (from 4.8% in the previous month). It is worth mentioning that in the seasonally adjusted series, the average wage continued to grow (+0.6% m/m).
- ▶ **Our view:** May's IDAT-Employment continues to indicate resilience of formal employment, despite some growth moderation at the margin, underscoring our expectation that the unemployment rate will remain close to historically low levels. Salaries, in turn, had a strong acceleration in May.

IDAT-Employment¹ shows resilience in the labor market (in yoy 3mma terms)...



Source: IBGE, Ministry of Labor, Itaú

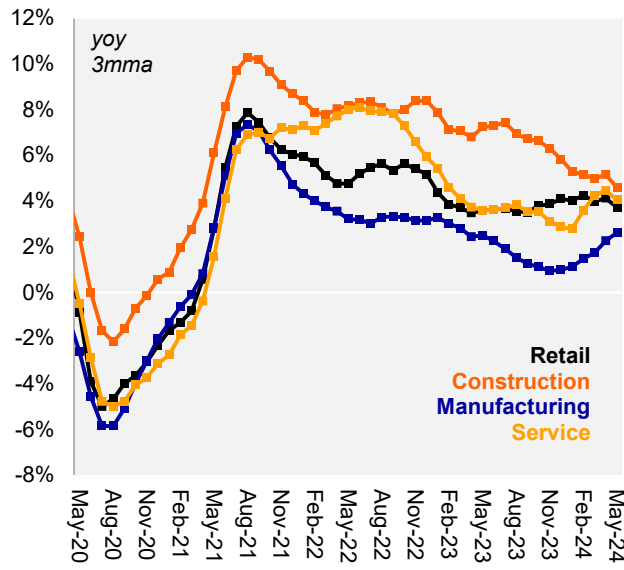
... despite some moderation in the employed population pace of growth



Source: IBGE, Itaú

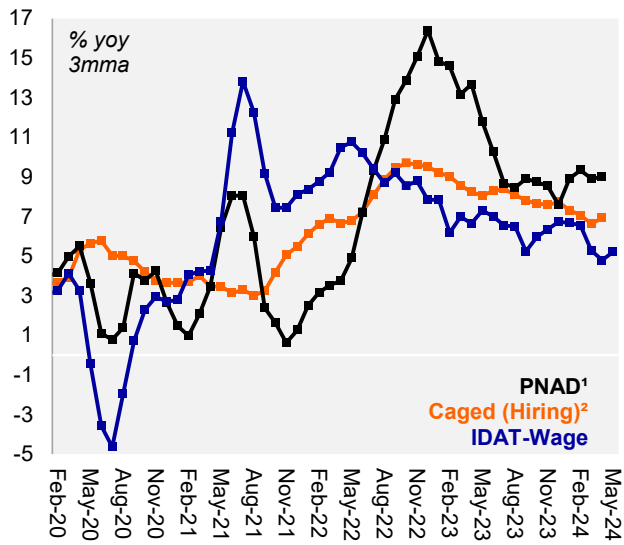
¹ Proprietary indicators on the Brazilian labor market based on payroll processing for Itaú's business clients. For more information, check out our reports [IDAT-Employment](#) and [IDAT-Wage](#).

Manufacturing was the only sector that grew in the three-month moving average



Source: Itaú

IDAT-Wage accelerating in May



¹ Effective income from all jobs

² Changes are based on the median, starting in 2020

Source: IBGE, Ministry of Labor, Itaú

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