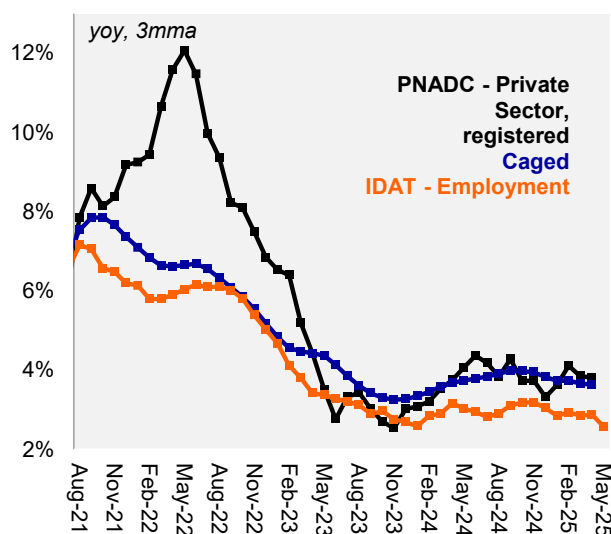


IDAT-Employment and Wage: employed population and wage growth rates slowdown in May

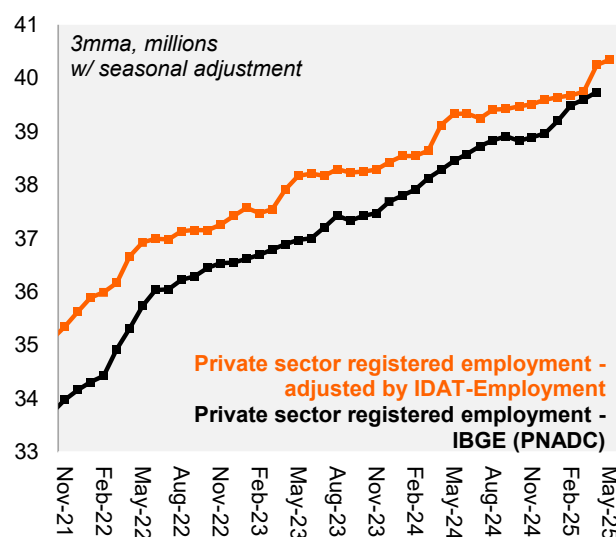
- ▶ In May, the IDAT-Employment, which measures the interannual variation in the stock of formal employment in the private sector, decelerated to 2.4%, from 2.9% in the previous month. The growth rate of the 3-month moving average also decreased to 3.0%, from 3.2%. At the margin, the employed population expanded 0.2% compared to the previous month, with seasonal adjustment.
- ▶ The IDAT-Wage, which estimates the interannual change in the average nominal salary of formally hired workers in the private sector decelerated to 3.7% in the month, from 7.7 % in April. Nevertheless, the 3-month moving average decelerated to 4.4%, from 6.6% in the previous month.
- ▶ **Our view:** IDAT-Employment still shows resilience in formal employment in May, indicating that the unemployment rate should remain at a low level in the coming months. Regarding wages, we see greater volatility in recent months spread across sectors.

IDAT-Employment¹ shows a slowdown in the 3-month moving average...



Source: IBGE, Ministry of Labor, Itaú

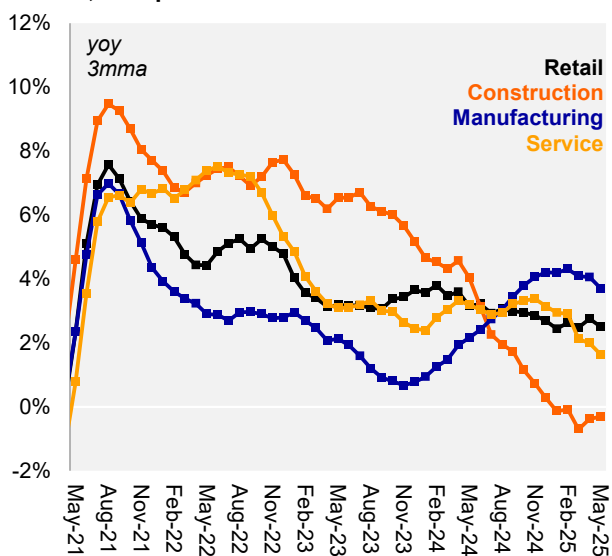
... with a slight increase in employment at the margin



Source: IBGE, Itaú

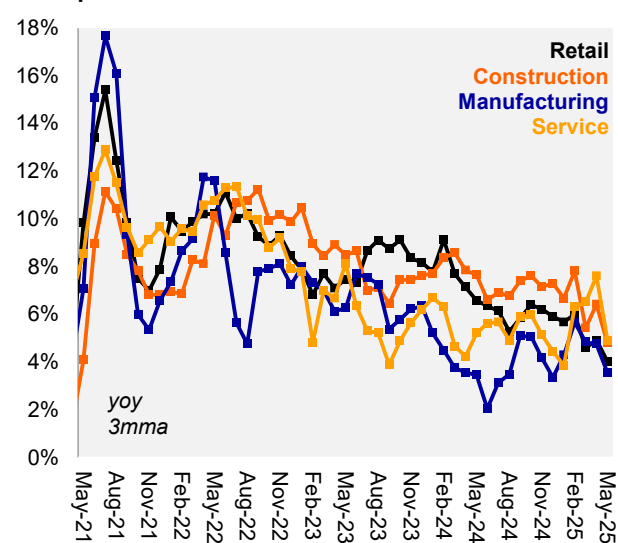
¹ Proprietary indicators on the Brazilian labor market based on payroll processing for Itaú's business clients. For more information, check out our reports [IDAT-Employment](#) and [IDAT-Wage](#).

The slowdown in employment was widespread across sectors, except for the construction



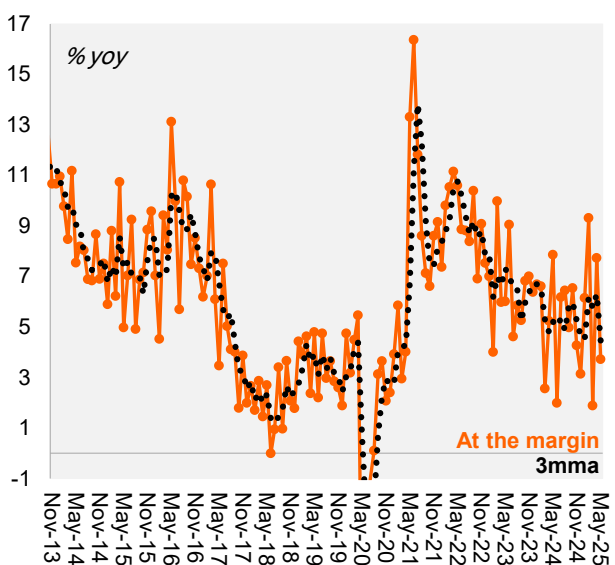
Source: IBGE, Ministry of Labor, Itaú

In terms of wages, the slowdown was also widespread



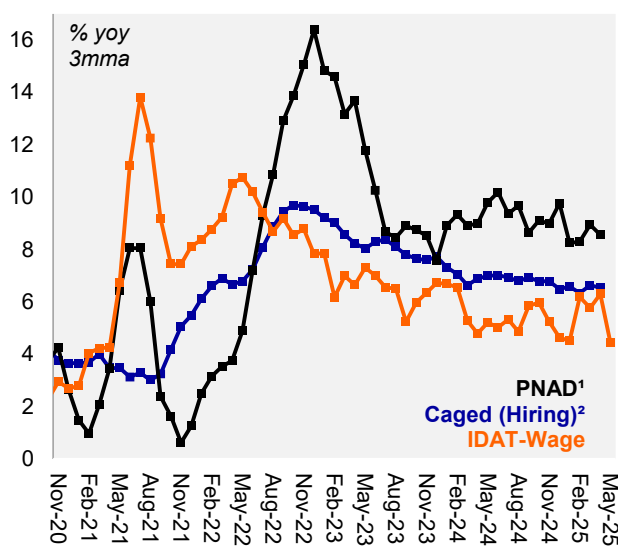
Source: IBGE, Ministry of Labor, Itaú

IDAT-Wages decelerating 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

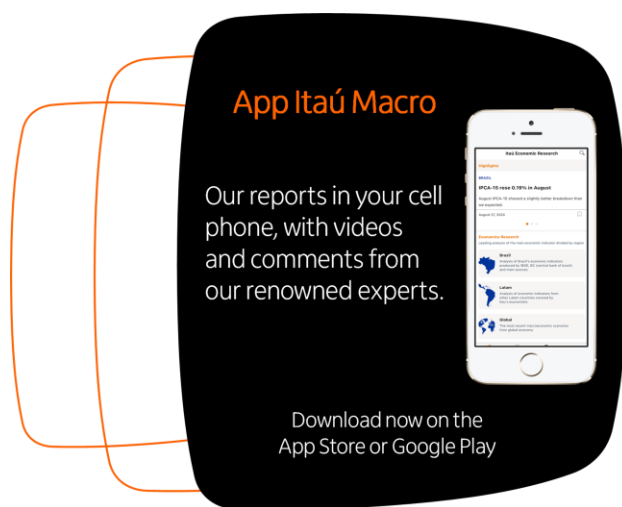
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