

Unemployment rate advanced to 6.6% s.a. in December

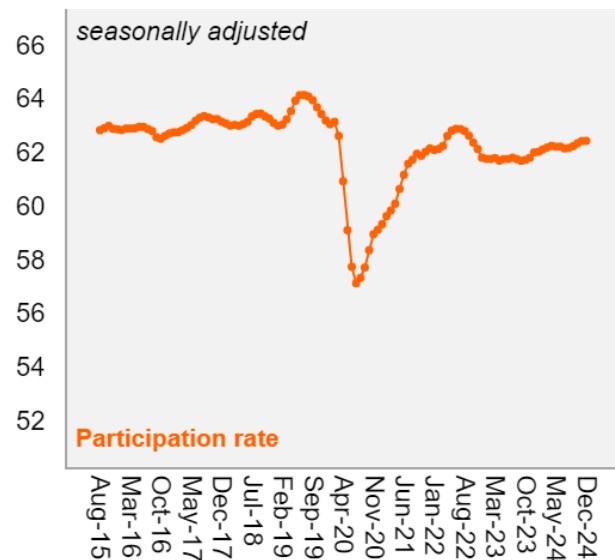
- ▶ In the quarter ended in December, the unemployment rate reached 6.2%, above our call (6.1%) and market forecast (6.1%). Seasonally adjusted (our estimates), the unemployment rate moved up to 6.6%, from 6.5% in the quarter ended in November.
- ▶ The unemployment rate moved up due to the expansion of the labor force (+ 0.1% mom/sa), while employment was virtually stable. The participation rate was unchanged at 62.4. Formal employment expanded (+0.2%), while informal employment receded (-0.4%).
- ▶ The effective real wage bill moved up 0.8%, driven by the expansion of wages (+0.6% mom/sa), while employment was stable.
- ▶ **Our view:** The unemployment rate increased more than we expected; however, the breakdown still indicates a resilient labor market. Formal employment continued to expand, while real wages accelerated in December compared to November.

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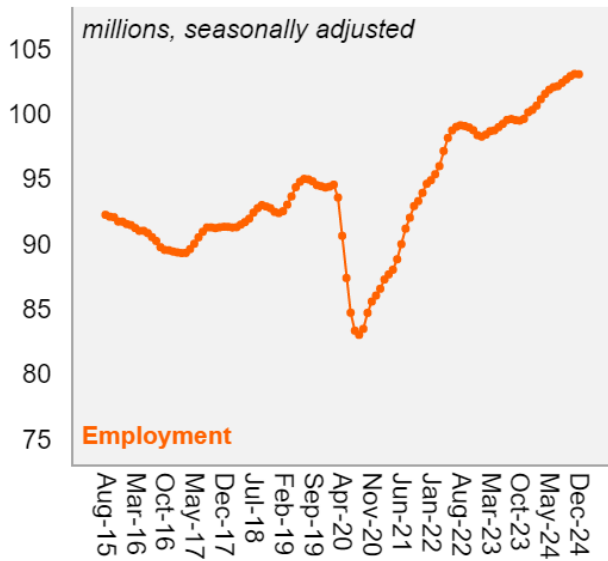
Source: IBGE, Itaú

Participation rate was stable



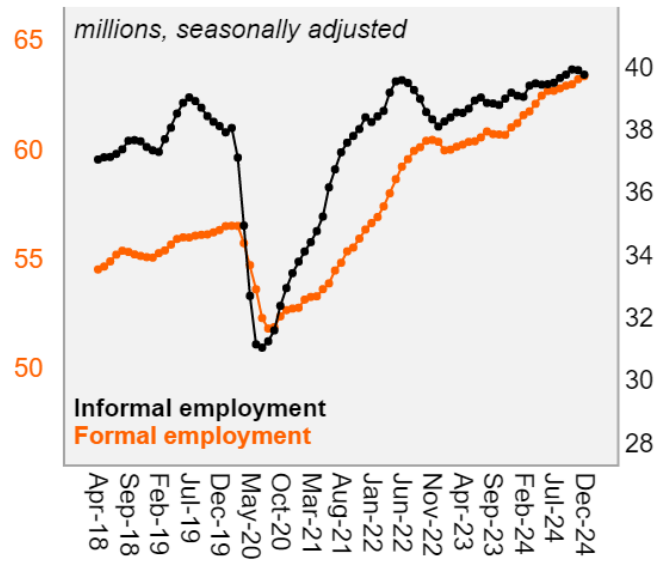
Source: IBGE, Itaú

Employment stable



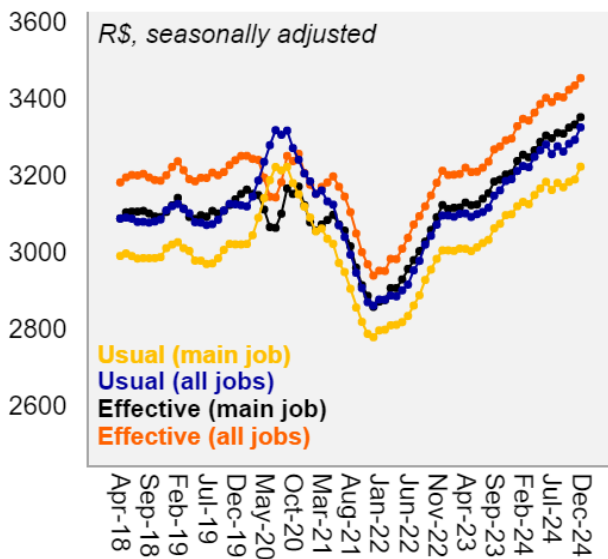
Source: IBGE, Itaú

Formal employment expanded



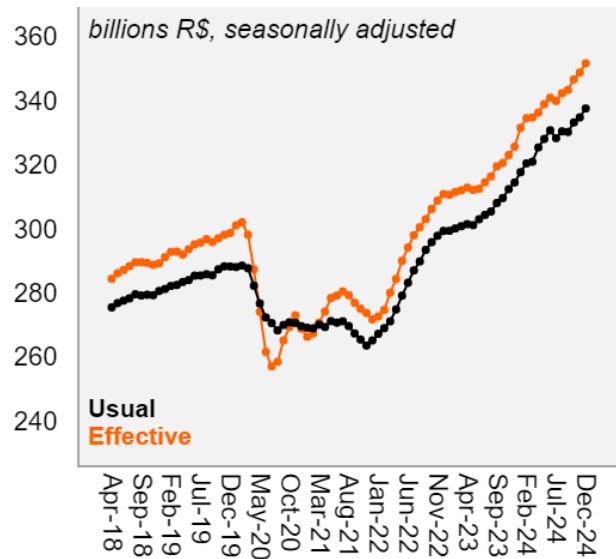
Source: IBGE, Itaú

Real wages increased...



Source: IBGE, Itaú

... boosting the real wage bill (all jobs)



Source: IBGE, Itaú

PNAD (IBGE)	Rate (s.a.)			YoY		
	Oct-2024	Nov-2024	Dec-2024	Oct-2024	Nov-2024	Dec-2024
Breakdown						
Unemployment rate	6.5%	6.5%	6.6%	-1.4p.p.	-1.4p.p.	-1.2p.p.
Participation rate	62.3%	62.4%	62.4%	0.6p.p.	0.6p.p.	0.4p.p.

Source: IBGE, Itaú

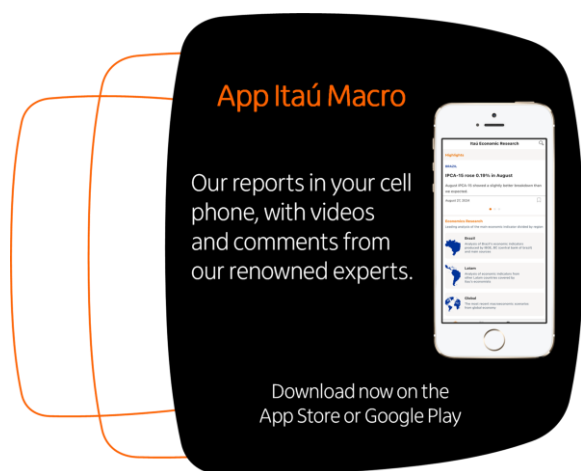
PNAD (IGBE)	Vs. the quarter ended in the previous month (s.a.)			YoY		
	Oct-2024	Nov-2024	Dec-2024	Oct-2024	Nov-2024	Dec-2024
Breakdown						
Labor Force	0.2%	0.2%	0.1%	1.8%	1.8%	1.4%
Employment	0.2%	0.2%	-0.0%	3.4%	3.4%	2.8%
Formal Employment	0.1%	0.4%	0.2%	3.8%	4.2%	3.8%
Informal Employment	0.4%	-0.1%	-0.4%	2.8%	2.2%	1.3%
Real usual wages (all jobs)	0.6%	0.3%	1.0%	3.9%	3.4%	4.3%
Real effective wages (all jobs)	0.6%	0.3%	0.6%	4.5%	4.4%	4.8%
Real effective wage bill (all jobs)	1.0%	0.6%	0.8%	8.3%	8.1%	7.9%

Source: IBGE, Itaú

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