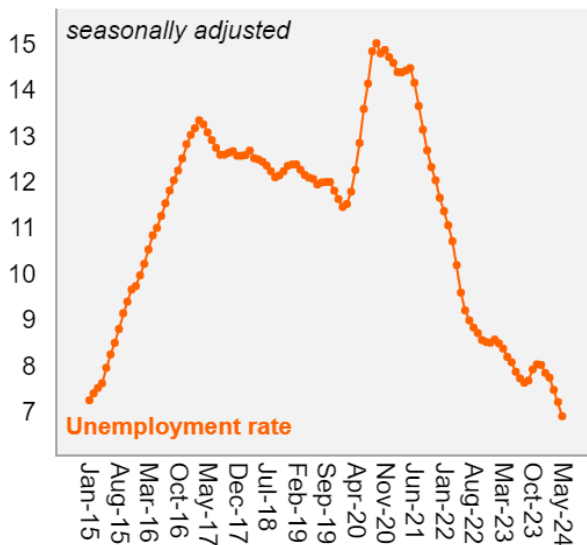


Friday, June 28, 2024

Unemployment rate fell to 6.9% s.a. in May

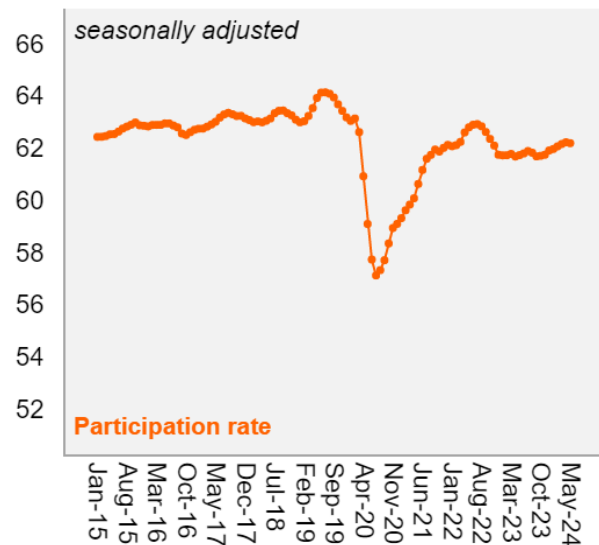
- ▶ In the quarter ended in May, the unemployment rate reached 7.1%, below our call (7.5%) and market forecast (7.3%). Seasonally adjusted (our estimate), the unemployment rate declined to 6.9%, from 7.2% in the quarter ended in April.
- ▶ The unemployment rate fell due to the expansion of employment (+0.3% mom/sa), while the participation rate remained stable at 62.2%. It's worth noting that the formal employment expanded 0.6%, while informal employment was flat.
- ▶ The effective real wage bill moved up 0.9%, driven by stronger employment figures combined with rising wages (+0.6% mom/sa).
- ▶ **Our view:** today's release underscores the view of a tight labor market in Brazil. The unemployment rate fell once again, to 6.9% (seasonally adjusted), driven mainly by the formal sector, while the participation rate remained stable. Effective real wages continued to rise, reflecting the dynamism of the labor market.

Unemployment rate fell to 6.9% s.a. in May



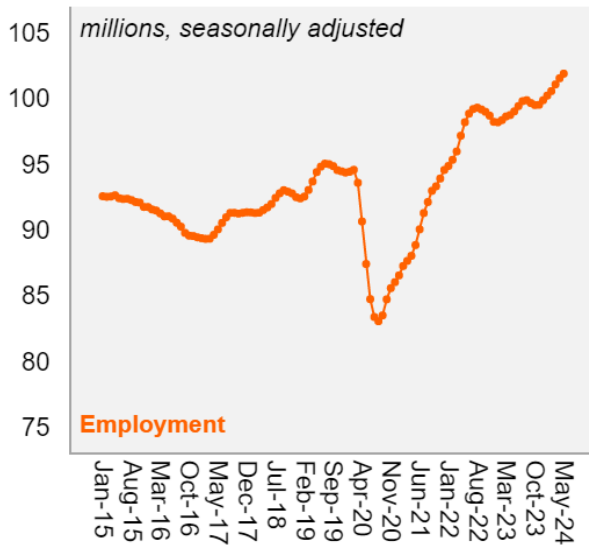
Source: IBGE, Itaú

Participation rate was stable



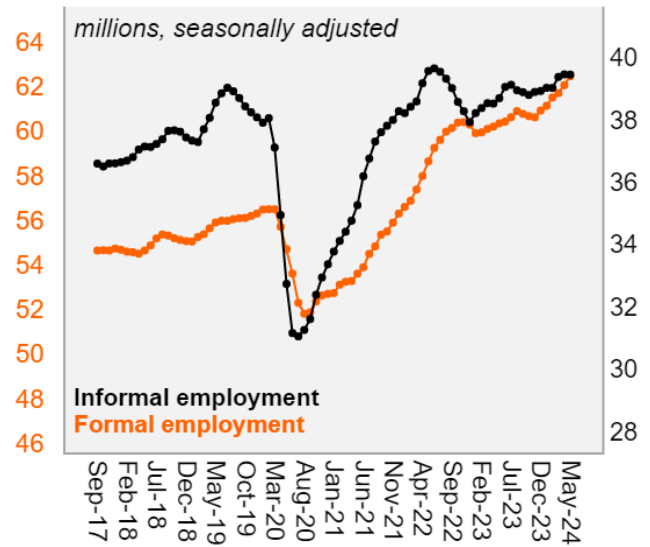
Source: IBGE, Itaú

Employment moved up



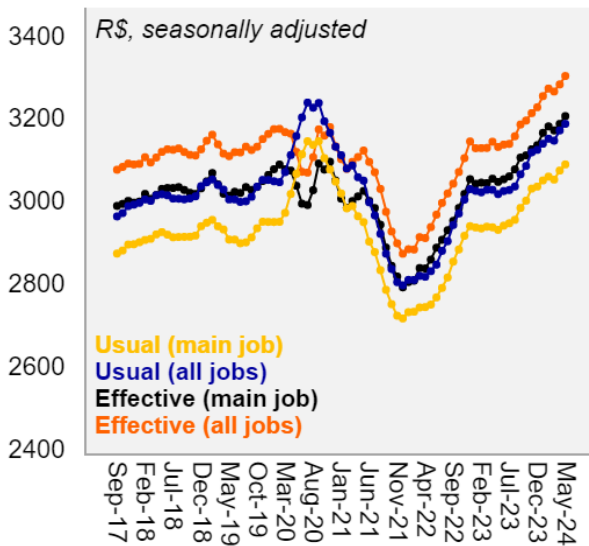
Source: IBGE, Itaú

Formal vs. informal employment



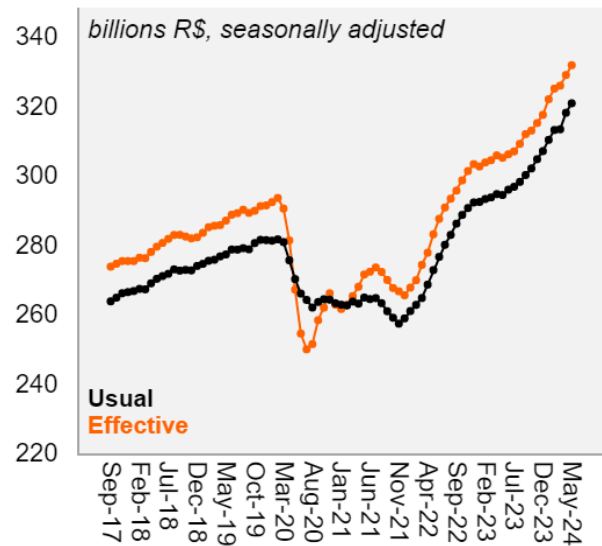
Source: IBGE, Itaú

Real wages



Source: IBGE, Itaú

Real wage bill (all jobs)



Source: IBGE, Itaú

PNAD (IGBE)	Rate (s.a.)			YoY		
	Mar-2024	Apr-2024	May-2024	Mar-2024	Apr-2024	May-2024
Breakdown						
Unemployment rate	7.5%	7.2%	6.9%	-0.9p.p.	-1.0p.p.	-1.2p.p.
Participation rate	62.2%	62.2%	62.2%	0.4p.p.	0.6p.p.	0.5p.p.

Source: IBGE, Itaú

PNAD (IGBE)	Vs. the quarter ended in the previous month (s.a.)			YoY			
	Breakdown	Mar-2024	Apr-2024	May-2024	Mar-2024	Apr-2024	May-2024
Labor Force		0.2%	0.2%	0.0%	1.5%	1.8%	1.6%
Employment		0.5%	0.5%	0.3%	2.4%	2.8%	3.0%
Formal Employment		0.3%	0.6%	0.6%	2.6%	3.0%	3.5%
Informal Employment		0.9%	0.2%	-0.0%	2.2%	2.5%	2.1%
Real usual wages (all jobs)		-0.1%	0.8%	0.5%	3.9%	4.7%	5.6%
Real effective wages (all jobs)		-0.2%	0.5%	0.6%	4.2%	4.5%	5.5%
Real effective wage bill (all jobs)		0.3%	0.9%	0.9%	6.9%	7.7%	8.9%

Source: IBGE, Itaú

Marina Garrido

Macro Research – Itaú

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