

July's unemployment rate maintains low levels

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- **Unemployment rate (July): 4.72%; Banorte-Ixe: 4.66%; consensus: 4.75% (range of estimates: 4.45% to 5.1%); previous: 4.41%**
- **In seasonally adjusted terms, the unemployment rate marginally decreased 0.05%-pts. to 4.31%**
- **Part-time workers: 8.16% (previous: 8.69%); participation rate: 59.29% (previous: 59.65%; seasonally adjusted figures)**
- **Looking ahead, we believe that the unemployment rate will remain around current levels**

The unemployment rate stood at 4.72% in July, slightly above our 4.66% estimate (consensus: 4.75%; previous: 4.41%). This number implies a 0.75%-pts. reduction on an annual basis. Moreover, the participation rate slightly decreased 0.45%-pts., along with part-time workers rate edging up to 8.48% from 8.34% in July 2014 (refer to the table below).

INEGI's employment report: July 2015

nsa

%	Jul-15	Jul-14	Jan-Jul, '15
Unemployment rate (EAP)	4.72	5.47	4.37
Participation rate	60.01	60.45	59.52
Part-time workers rate	8.48	8.34	8.21

Source: INEGI

In seasonally adjusted terms, the unemployment rate marginally decreased 0.05%-pts. reaching 4.31%. The participation rate remain in the area of 59.29%, while the part-time workers rate edged down to 8.16% from 8.69% as shown in the table below.

INEGI's employment report: July 2015

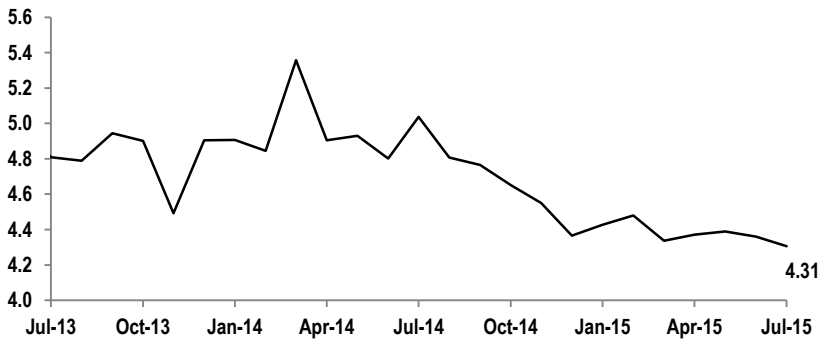
Seasonally adjusted figures

%	Jul-15	Jul-14	Jan-Jul, '15
Unemployment rate (EAP)	4.31	4.36	4.38
Participation rate	59.29	59.65	59.57
Part-time workers rate	8.16	8.69	8.15

Source: INEGI

Unemployment rate: July 2015

% sa



Source: INEGI

Looking ahead, we believe that the unemployment rate will remain around current levels. In our view, the marginal decrease in the unemployment rate (seasonally-adjusted figures) was partially explained by the better growth dynamics in the Mexican economy. In particular, the creation of formal jobs continues to show a higher rate of growth suggests that a significant percentage of Mexican workers are entering the labor market given the better growth outlook that prevails in most of the economic agents.

Looking ahead, we believe that the unemployment rate will probably remain at current levels during the third quarter of 2015, given that the initial recovery of the Mexican economy usually translates first in an increase in the participation rate. Moreover, it is likely that Mexico's better growth dynamics will eventually result in a better performance of the labor market.

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