

Employment report – Unemployment rate maintains a downward trend

April 27, 2016

- **Unemployment rate (March; seasonally adjusted figures): 4.19%; Banorte-Ixe: 4.34%; consensus: 4.3% (range of estimates: 4.2% to 4.4%); previous: 4.26%**
- **Part-time workers: 7.9% (previous: 7.9%); participation rate: 59.4% (previous: 59.8%; seasonally adjusted figures)**
- **Looking ahead, we believe that the unemployment rate will maintain a downward trend throughout the year**

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Unemployment rate maintains a downward trend. According to *INEGI's* report published today, the unemployment rate stood at 4.19% in March, below our 4.34% forecast (consensus: 4.3%). This number implies a 0.07%-pts. reduction from February's rate. In this regard, we highlight that the unemployment rate now adds a 0.17%-pts reduction since October.

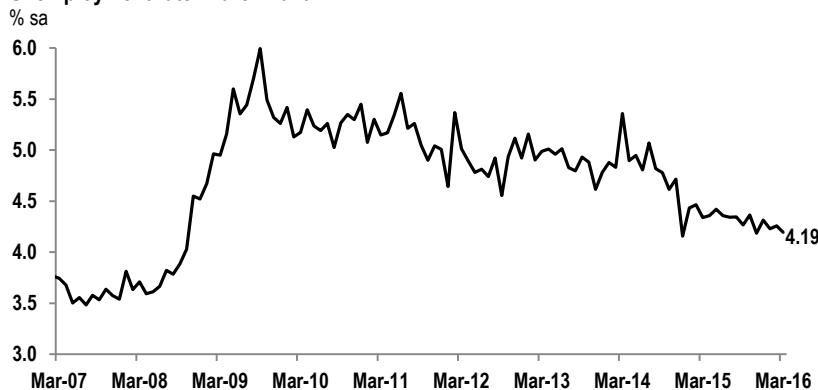
Moreover, the participation rate fell by 0.4%-pts. However, it is likely that the significant fall of the participation rate was explained by the inherent volatility in the monthly employment survey. Finally, the part-time workers rate decreased 0.01%-pts, as shown in the table below.

INEGI's employment report: March 2016

%	Mar-16	Feb -16	Difference
Unemployment rate (EAP)	4.19	4.26	-0.07
Participation rate	59.35	59.75	-0.40
Part-time workers rate	7.91	7.92	-0.01

Source: INEGI

Unemployment rate: March 2016



Source: INEGI

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Looking ahead, we believe that the unemployment rate will maintain a downward trend. In our view, the unemployment rate will probably continue to fall, given the higher growth of the domestic demand and the upward trend in the creation of formal jobs. In this context, we believe that the unemployment rate could stand around 4% at the end of the year (seasonally adjusted figures).

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