

Marginally increase in May's unemployment rate

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- Unemployment rate (May): 4.45%; Banorte-Ixe: 4.18%; consensus: 4.27% (range of estimates: 4.18% to 4.5%); previous: 4.31%
- In seasonally adjusted terms, the unemployment rate marginally increased 0.02%-pts. to 4.37%
- Part-time workers: 7.61% (previous: 8.43%); participation rate: 59.51% (previous: 59.55%; seasonally adjusted figures)
- Looking ahead, we believe that the unemployment rate will remain around current levels

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The unemployment rate stood at 4.31% in April, above our 4.12% estimate (consensus: 4.1%; previous: 3.86%). This number implies a 0.5%-pts reduction on an annual basis. Moreover, the participation rate declined 0.27%-pts., along with part-time workers rate edging down to 7.6% from 8.2% in May 2014 (refer to the table below).

INEGI's employment report: May 2015
nsa

	May-15	May-14	Jan-May, '15
Unemployment rate (EAP)	4.45	4.94	4.29
Participation rate	59.79	60.06	59.31
Part-time workers rate	7.61	8.18	8.11

Source: INEGI

In seasonally adjusted terms, the unemployment rate marginally increased 0.02%-pts. reaching 4.37%. The participation rate remain unchanged in 59.5%, while the part-time workers rate edged down to 7.61% from 8.43% as shown in the table below.

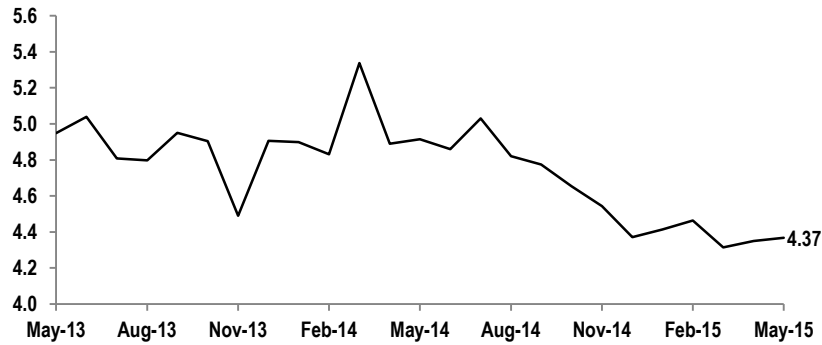
INEGI's employment report: May 2015
Seasonally adjusted figures

	May-15	May-14	Jan-May, '15
Unemployment rate (EAP)	4.37	4.35	4.38
Participation rate	59.51	59.55	59.63
Part-time workers rate	7.61	8.43	8.06

Source: INEGI

Unemployment rate: May 2015

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Source: INEGI

Looking ahead, we believe that the unemployment rate will remain around current levels. In our view, the marginally increase in the unemployment rate (seasonally-adjusted figures) was partially explained by the inherent volatility in the monthly sample of the *National Survey of Employment and Occupation* (ENOE). Usually the monthly results of this survey are relatively volatile, given its statistical design.

Looking ahead, despite the visible recovery of the Mexican manufacturing sector and the better growth prospects for domestic demand, we believe that the unemployment rate will probably remain at current levels during the second 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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