

Slight increase in April's unemployment rate

May 28, 2015

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- **Unemployment rate (April): 4.31%; Banorte-Ixe: 4.12%; consensus: 4.1% (range of estimates: 3.9% to 4.31%); previous: 3.86%**
- **In seasonally adjusted terms, the unemployment rate increased 0.03%-pts. to 4.32%**
- **Part-time workers: 8.44% (previous: 7.9%); participation rate: 59.62% (previous: 59.62%; seasonally adjusted figures)**
- **Looking ahead, we believe that the unemployment rate will remain around current levels**

The unemployment rate stood at 4.31% in April, above our 4.12% estimate (consensus: 4.1%; previous: 3.86%). This number implies a 0.54%-pts reduction on an annual basis. Moreover, the participation rate declined 0.56%-pts., along with part-time workers rate edging up to 8.88% from 8.6% in April 2014 (refer to the table below).

INEGI's employment report: April 2015
nsa

	Apr-15	Apr-14	Jan-Apr, '15	Jan-Apr, '14
Unemployment rate	4.31	4.85	4.25	4.84
Participation rate	59.20	59.76	59.19	59.81
Part-time workers rate	8.88	8.60	8.24	8.42

Source: INEGI

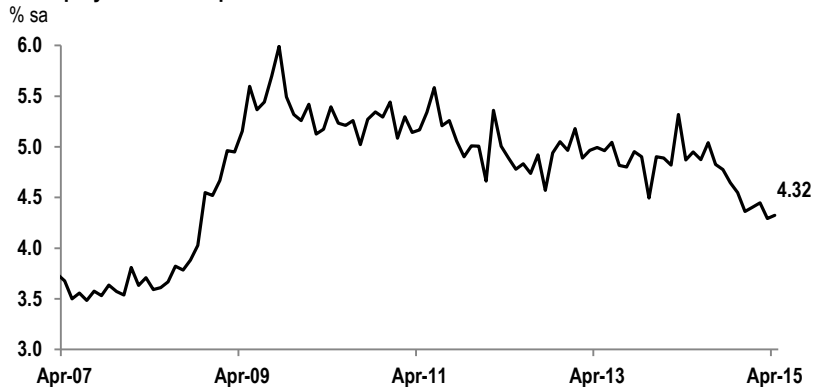
In seasonally adjusted terms, the unemployment rate increased 0.03%-pts. reaching 4.32%. The participation rate remain unchanged, while the part-time workers rate edged up to 8.44% from 7.90% as shown in the table below.

INEGI's employment report: April 2015
Seasonally adjusted figures

	Apr-15	Mar-15	Difference
Unemployment rate	4.32	4.23	0.03
Participation rate	59.62	59.62	0
Part-time workers rate	8.44	7.90	0.28

Source: INEGI

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Unemployment rate: April 2015

Source: INEGI

Looking ahead, we believe that the unemployment rate will remain around current levels. In our view, the slight 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. However, we do believe that the labor market during April posted a favorable performance. In particular, job creation was 16.2% higher than the observed in April 2014. Moreover, the latest consumer confidence and trade balance reports show that the Mexican economy maintained a steady growth given the better performance of domestic and external demand, -which in our opinion- helped growth expectations and encouraged a higher hiring rate.

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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