

Increase in the unemployment rate in April

May 28, 2018

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@analisis_fundam

Francisco Flores
Economist, Mexico
francisco.flores.serrano@banorte.com

- **Unemployment rate (April; seasonally adjusted figures): 3.36%; Banorte: 3.27%; consensus: 3.25%; previous: 3.27%**
- **Part-time workers: 6.86% (previous: 7.28%); participation rate: 59.72% (previous: 59.36%; seasonally adjusted figures)**
- **We consider that the results of this report are mixed, given that the unemployment rate increased while the participation and part-time workers rate decreased**
- **Looking ahead, we expect that the unemployment rate will remain at similar levels in the second quarter of the year**

Increase in the unemployment in April. According to *INEGI's* report published today, the unemployment rate stood at 3.36% in April, above our 3.27% forecast (*Bloomberg's* median forecast: 3.25%). This number implies a 0.10%-pts increase from March's rate. However, the participation rate stood at 59.72% from 59.36%. Additionally, the part-time workers rate decreased to 6.86% from 7.28%, as shown in the table below. We consider that the results of this report are mixed, given that the unemployment rate increased while the participation and part-time workers rate decreased

Regarding the informal economy, April's results show a contraction, given that the percentage of informal workers (without any contractual obligation) –either in the formal or in the informal economy–, now represents 56.86% of the Mexican workforce, which implies a 0.10%-pts decrease from last month's figure. In addition, the percentage of workers who are incorporated in the informal sector amounts to 27.52% of Mexico's total labor force, which implies a 0.36%-pts growth from March's revised figures.

INEGI's employment report: April 2018

Seasonally adjusted figures

%	Apr-18	Mar-18	Difference
Unemployment rate	3.36	3.27	0.10
Participation rate	59.72	59.36	0.36
Part-time workers rate	6.86	7.28	-0.42
Informal employment¹	56.86	56.96	-0.10
Working in the informal economy	27.52	27.16	0.36
Working in the formal economy	29.34	29.80	-0.46

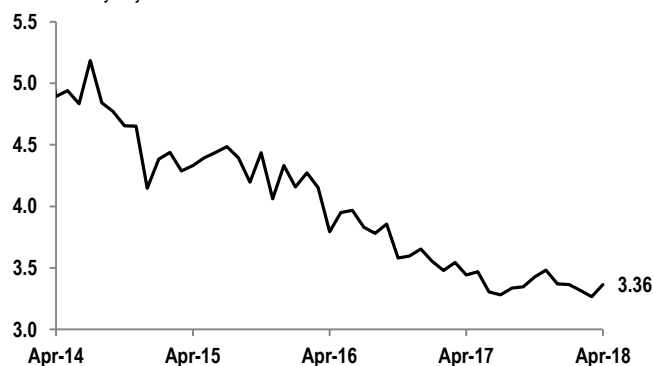
Source: INEGI

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¹ Informal employment considers workers not affiliated to the Social Security Institutes (IMSS and ISSSTE) and the armed forces. However, workers in the formal economy do pay some form of income tax

Unemployment rate

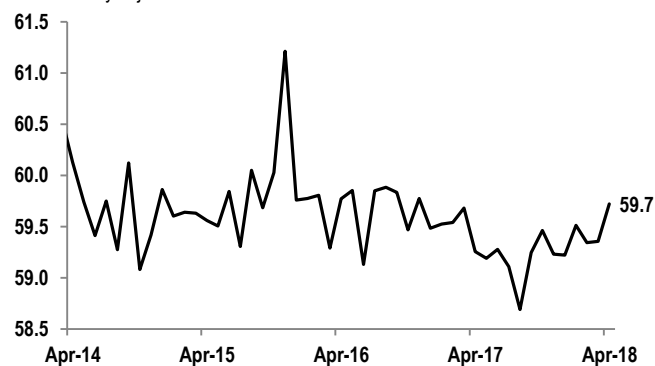
% seasonally adjusted



Source: Banorte with data from INEGI

Participation rate

% seasonally adjusted



Source: Banorte with data from INEGI

Looking ahead, we expect that the unemployment rate will remain at similar levels in the second quarter of the year. We believe that unemployment will remain at low levels given the increase in public spending, -stemming from the electoral process-, in the first half of the year. In addition, we expect manufacturing employment to continue to rise given the expected depreciation of the MXN given the uncertainty related to the renegotiation of NAFTA and the upcoming electoral process.

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GRUPO FINANCIERO BANORTE S.A.B. de C.V.
Research and Strategy

Gabriel Casillas Olvera	Chief Economist and Head of Research	gabriel.casillas@banorte.com	(55) 4433 - 4695
Raquel Vázquez Godínez	Assistant	raquel.vazquez@banorte.com	(55) 1670 - 2967

Economic Analysis

Delia María Paredes Mier	Executive Director of Economic Analysis	delia.paredes@banorte.com	(55) 5268 - 1694
Katia Celina Goya Ostos	Senior, Global Economist	katia.goya@banorte.com	(55) 1670 - 1821
Miguel Alejandro Calvo Domínguez	Economist, Regional & Sectorial	miguel.calvo@banorte.com	(55) 1670 - 2220
Francisco José Flores Serrano	Economist, Mexico	francisco.flores.serrano@banorte.com	(55) 1670 - 2957
Lourdes Calvo Fernández	Analyst (Edition)	lourdes.calvo@banorte.com	(55) 1103 - 4000 x 2611

Fixed income and FX Strategy

Alejandro Padilla Santana	Head Strategist – Fixed income and FX	alejandro.padilla@banorte.com	(55) 1103 - 4043
Juan Carlos Alderete Macal, CFA	FX Senior Strategist	juan.alderete.macal@banorte.com	(55) 1103 - 4046
Santiago Leal Singer	Strategist Fixed income and FX	santiago.leal@banorte.com	(55) 1670 - 2144

Equity Strategy

Manuel Jiménez Zaldivar	Director Equity Research — Telecommunications / Media	manuel.jimenez@banorte.com	(55) 5268 - 1671
Victor Hugo Cortes Castro	Technical Analysis	victorh.cortes@banorte.com	(55) 1670 - 1800
Marissa Garza Ostos	Equity Research – Conglomerates / Financials/ Mining / Petrochemicals	marissa.garza@banorte.com	(55) 1670 - 1719
José Itzamna Espitia Hernández	Equity Research – Airlines / Airports / Cement / Infrastructure / REITs	jose.espitia@banorte.com	(55) 1670 - 2249
Valentín III Mendoza Balderas	Equity Research – Auto Parts/ Consumer Discretionary / Real Estate / Retail	valentin.mendoza@banorte.com	(55) 1670 - 2250
Itzel Martínez Rojas	Analyst	itzel.martinez.rojas@banorte.com	(55) 1670 - 2251

Corporate Debt

Tania Abdul Massih Jacobo	Director Corporate Debt	tania.abdul@banorte.com	(55) 5268 - 1672
Hugo Armando Gómez Solís	Senior, Corporate Debt	hugo.gomez@banorte.com	(55) 1670 - 2247
Gerardo Daniel Valle Trujillo	Analyst, Corporate Debt	gerardo.valle.trujillo@banorte.com	(55) 1670 - 2248

Wholesale Banking

Armando Rodal Espinosa	Head of Wholesale Banking	armando.rodal@banorte.com	(55) 1670 - 1889
Alejandro Eric Faesi Puente	Head of Global Markets and Institutional Sales	alejandro.faesi@banorte.com	(55) 5268 - 1640
Alejandro Aguilar Ceballos	Head of Asset Management	alejandro.aguilar.cebillos@banorte.com	(55) 5268 - 9996
Arturo Monroy Ballesteros	Head of Investment Banking and Structured Finance	arturo.monroy.ballesteros@banorte.com	(55) 5004 - 1002
Gerardo Zamora Nanez	Head of Transactional Banking, Leasing and Factoring	gerardo.zamora@banorte.com	(81) 8318 - 5071
Jorge de la Vega Grajales	Head of Government Banking	jorge.delavega@banorte.com	(55) 5004 - 5121
Luis Pietrini Sheridan	Head of Private Banking	luis.pietrini@banorte.com	(55) 5004 - 1453
René Gerardo Pimentel Ibarrola	Head of Asset Management	pimentelr@banorte.com	(55) 5268 - 9004
Ricardo Velázquez Rodríguez	Head of International Banking	rvelazquez@banorte.com	(55) 5004 - 5279
Victor Antonio Roldan Ferrer	Head of Corporate Banking	victor.rolan.ferrer@banorte.com	(55) 5004 - 1454