

## Unemployment rate at 3.86% in March

April 27, 2015

- **Unemployment rate (March): 3.86%; Banorte-Ixe: 4.11%; consensus: 4.19% (range of estimates: 4% to 4.4%); previous: 4.33%**
- **In seasonally adjusted terms, the unemployment rate decreased 0.18%-pts. to 4.24%**
- **Part-time workers: 7.92% (previous: 8.17%); participation rate: 59.76% (previous: 60.14%; seasonally adjusted figures)**
- **Looking ahead, we believe that the unemployment rate will remain around current levels**

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**Alejandro Cervantes**  
Senior Economist, Mexico  
alejandrocervantes@banorte.com

The unemployment rate stood at 3.86% in March, below our 4.11% estimate (consensus: 4.19%; previous: 4.33%). This number implies a 0.93%-pts reduction on an annual basis. Moreover, the participation rate declined 0.91%-pts., along with part-time workers rate edging down to 7.5% from 8.34% (refer to the table below). In our view, the significant fall in the unemployment and participation rates 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 part of the decline observed in March simply reflects the better growth dynamics of the Mexican economy, which helped growth expectations and encouraged a higher hiring rate.

### INEGI's employment report: March 2015

nsa

	Mar-15	Mar-14	Jan-Mar, '15	Jan-Mar, '14
Unemployment rate	3.86	4.80	4.23	4.84
Participation rate	59.25	60.16	59.19	59.83
Part-time workers rate	7.50	8.34	8.03	8.36

Source: INEGI

**In seasonally adjusted terms, the unemployment rate fell 0.18%-pts. reaching 4.24%.** The participation rate decreased 0.38%-pts., while part-time workers rate edged down to 7.92% from 8.17% as shown in the table below.

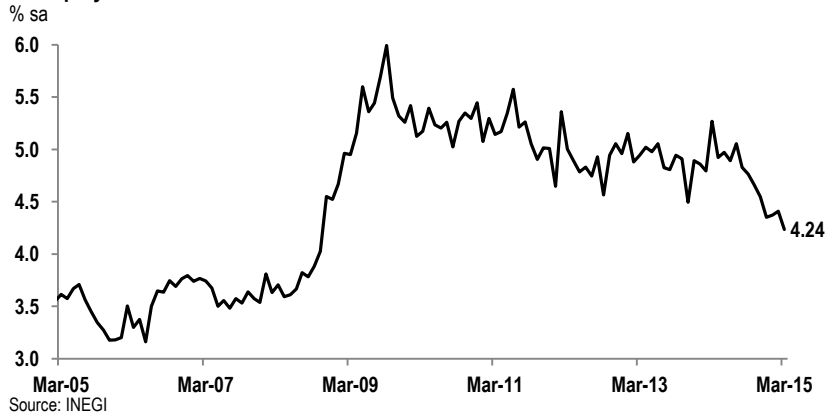
### INEGI's employment report: March 2015

Seasonally adjusted figures

	Mar-15	Feb-15	Difference
Unemployment rate	4.24	4.41	-0.18
Participation rate	59.76	60.14	-0.38
Part-time workers rate	7.92	8.17	-0.25

Source: INEGI

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**Unemployment rate: March 2015**

**Looking ahead, we believe that the unemployment rate will remain around current levels.** As we mentioned before, the sharp decline observed in the unemployment rate in March was partially explained by the improvement in economic activity. In particular, 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 was probably reflected in the monthly results of the employment survey (*ENOE*). 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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**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
Alejandro Cervantes Llamas	Senior Economist, Mexico	alejandro.cervantes@banorte.com	(55) 1670 - 2972
Katia Celina Goya Ostos	Senior Global Economist	katia.goya@banorte.com	(55) 1670 - 1821
Livia Honsel	Economist, Europe	livia.honsel@banorte.com	(55) 1670 - 1883
Miguel Alejandro Calvo Domínguez	Economist, Regional & Sectorial	miguel.calvo@banorte.com	(55) 1670 - 2220
Rey Saúl Torres Olivares	Analyst	saul.torres@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 Strategist	juan.alderete.macal@banorte.com	(55) 1103 - 4046
Santiago Leal Singer	Analyst 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) 5004 - 1275
Victor Hugo Cortes Castro	Equity Research Analyst	victorh.cortes@banorte.com	(55) 5004 - 1231
Marissa Garza Ostos	Senior Equity Research Analyst – Conglomerates/Financials/ Mining/ Chemistry	marissa.garza@banorte.com	(55) 5004 - 1179
Marisol Huerta Mondragón	Equity Research Analyst – Food/Beverages	marisol.huerta.mondragon@banorte.com	(55) 5004 - 1227
José Itzamna Espitia Hernández	Equity Research Analyst – Airports / Cement / Infrastructure / Fibras	jose.espitia@banorte.com	(55) 5004 - 1266
Valentín III Mendoza Balderas	Equity Research Analyst	valentin.mendoza@banorte.com	(55) 5268 - 9000 x 1267
María de la Paz Orozco García	Analyst	maripaz.orozco@banorte.com	(55) 5004 - 5262

**Corporate Debt**

Tania Abdul Massih Jacobo	Director Corporate Debt	tania.abdul@banorte.com	(55) 5004 - 1405
Hugo Armando Gómez Solís	Analyst, Corporate Debt	hugo.gomez@banorte.com	(55) 5004 - 1340
Idalia Yanira Céspedes Jaén	Analyst, Corporate Debt	idalia.cespedes@banorte.com	(55) 5004 - 1437

**Wholesale Banking**

Armando Rodal Espinosa	Head of Wholesale Banking	armando.rodal@banorte.com	(55) 1670 - 1889
Alejandro Eric Faesi Puente	Managing Director – Global Markets and Institutional Sales	alejandro.faesi@banorte.com	(55) 5268 - 1640
Jorge de la Vega Grajales	Managing Director – Government Banking	jorge.delavega@banorte.com	(55) 5004 - 5121
Luis Pietrini Sheridan	Managing Director – Private Banking	lpietrini@ixe.com.mx	(55) 5004 - 1453
René Gerardo Pimentel Ibarrola	Managing Director – Asset Management	pimentelr@ixe.com.mx	(55) 5268 - 9004
Ricardo Velázquez Rodríguez	Managing Director – International Banking	rvelazquez@ixe.com.mx	(55) 5268 - 9879
Victor Antonio Roldan Ferrer	Managing Director – Transactional Banking	voldan@ixe.com.mx	(55) 5004 - 1454