

LATAM Market Update

- **Mexico: Unemployment rate fell less than expected in March, amid decelerating formal job creation**

In March, the unemployment rate dropped marginally to 3.25%, down from 3.30% reported in February, but still above market consensus (+3.15%) and higher than that registered during the same month in the previous year (+2.94%). On a seasonally adjusted basis, the unemployment rate increased to 3.56%, reaching its highest level since December 2016. This print was in line with the recent deceleration in formal job creation, which growth pace softened for an eighth month in a row, expanding 2.84% y/y in March, its lowest gain since February 2014. On the other hand, the labour force participation reached 60.0% of the economically active population, up from 59.20% in February and 59.0% registered a year ago.

Broadly, the report suggests that, although the labour market backdrop remains robust and supportive, it seems to be cooling down amid a less buoyant economic outlook and a foreseeable sustained deceleration in formal job creation.

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