

LatAm Daily | The deterioration in the labour market in Brazil continued in September

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The Brazilian unemployment rate did not change in September, however, the decrease in real wages points to a continued deterioration in the labour market. In Colombia, confidence data came out in line with an upward bias to GDP growth for 3Q15, as the increase in retail and industrial confidence confirms the gradual recovery of the manufacturing sector.

Brazil - Labour market report shows stability in unemployment rate

The unemployment rate was 7.6% in September, the same as in the previous month and slightly below our estimate (7.8%). In comparison with September 2014, the rate rose 2.7 percentage points (from 4.9% to 7.6%). The unemployed population (1.9 million people) did not change compared to August's data, but increased 56.6% compared to September 2014. The average real income of workers was estimated to be 0.8% lower than that recorded in August and 4.3% lower than the figure registered in September 2014. The average real income of employed persons was estimated to be 0.6% lower than the figure estimated in August. In the annual comparison this estimate retreated 6.1%.

Colombia - Business confidence recovers in September

Retail confidence stood at 20.9 (in a range between -100 and 100), above August's figure (17.8), but below the September 2014 number (23.2). The rebound of commerce expectations was surprising, as were other consumption indicators for 3Q15 (retail sales, mainly). Meanwhile, increasing industrial confidence confirms the gradual recovery of the manufacturing sector, in line with the industrial sales and energy demand growth recently released. All in all, data anticipate a better growth of GDP in the third quarter than previously expected.

What to watch today

No relevant news is expected for today.

Calendar indicators

	Date	Period	Consensus	BBVAe	Actual	Prior
Brazil						
Formal Job Creation Total	19-Oct	Sep	-60250			-86543
Tax Collections	19-Oct	Sep	94000			93738m
FIPE CPI - Weekly	20-Oct	Oct	0.81%		0.89%	0.79%
IGP-M Inflation 2nd Preview	20-Oct	Oct	1.73%		1.86%	0.65%
CNI Industrial Confidence	20-Oct	Oct				35.7
IBGE Inflation IPCA-15 MoM	21-Oct	Oct	0.68%	0.63%	0.66%	0.39%
Selic Rate	21-Oct	Oct	14.25%	14.25%	14.25%	14.25%
Unemployment Rate	22-Oct	Sep	7.80%	7.80%		7.60%
Current Account Balance	23-Oct	Sep	-2200			-\$2487m
Colombia						
Trade Balance	20-Oct	Aug	-1370	-\$1220	-1433.6	-\$1757.7
Retail Confidence	22-Oct	Sep		16	20.9	17.8
Industrial Confidence	22-Oct	Sep		4.1	6.3	2.9
Mexico						
Retail Sales YoY	21-Oct	Aug	4.80%		6.40%	5.80%
Retail Sales MoM	21-Oct	Aug	0.60%		1.50%	0.50%
Bi-Weekly CPI	22-Oct	Oct	0.50%	0.57%	0.46%	0.00%
Bi-Weekly Core CPI	22-Oct	Oct	0.18%	0.17%	0.16%	0.10%
Bi-Weekly CPI YoY	22-Oct	Oct	2.53%	2.58%	2.47%	2.51%
Unemployment Rate NSA	23-Oct	Sep	4.64%			4.68%
Unemployment Rate SA	23-Oct	Sep	4.30%			4.32%

Source: Bloomberg and BBVA Research

Most recent Latam reports

Date	Description
10.22.2015	LatAm: Has exchange rate pass-through to prices increased in Latin America?
10.22.2015	Mexico: Bank deposits, dynamism driven by its two components
10.16.2015	Mexico: Weak US industrial prod. suggests that moderation in Mexico will continue
10.16.2015	Peru: Unsurprisingly, the central bank kept the policy rate at 3,50%
10.15.2015	Chile: Central bank increases the MPR to 3.25%, maintaining the contractionary bias (In Spanish)
10.15.2015	Peru: GDP growth in August was lower than expected (In Spanish)
10.14.2015	Chile: Complicated monetary policy decision (In Spanish)
10.12.2015	Peru: Transpacific agreement benefits still pose implementation challenges (In Spanish)
10.08.2015	Chile: CPI increased 0.5% MoM in September, below consensus expectations
10.07.2015	Brazil: Inflation: stable at high levels and ready to move further up
10.06.2015	Mexico: Credit to private sector grew 11.6% in August driven by consumer & firms credit
10.06.2015	Colombia: Sharply rise in food prices pushes inflation up
10.05.2015	Chile: Imacec weakened to 1.1% YoY in August, missing expectations

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