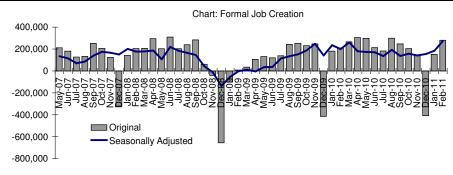


Formal Job Creation - Brazil

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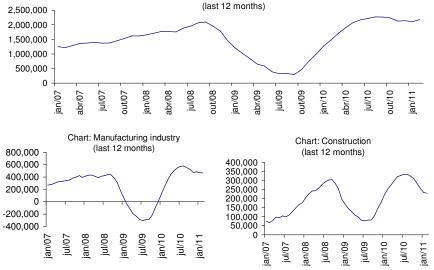
According to Caged, the Brazilian economy created 280,799 formal jobs in February. Adjusting for seasonal factors, the economy added 273K jobs in the month, 89K more than in January.

Table: Net Formal Job Creation

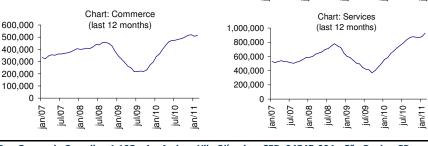
			YoY			Accum.
	Dec.10	Jan.11	Feb.11	difference	YTD	12 months
Mining	-255	1,571	1,713	250	3,284	16,972
Manufacturing industry	-152,978	53,207	60,098	-2,926	113,305	466,389
Public Utilities	557	1,572	693	-1,137	2,265	15,751
Construction	-79,598	33,358	30,701	-4,034	64,059	229,172
Commerce	14,411	-18,130	17,394	6,712	-736	514,982
Services	-75,198	73,231	134,342	48,735	207,573	928,327
Public administration	-22,286	-1,042	15,021	6,913	13,979	12,304
Crop and livestock	-92,163	8,324	20,837	16,861	29,161	-4,904
Others	0	0	0	0	0	0
Total	-407.510	152.091	280.799	71.374	432.890	2.178.993

Chart: Total Job Creation

Formal job creation was led by the service sector which added 134K jobs into the economy, its best performance ever. Manufacturing industry presented the second best performance in the month, with 60K jobs being created. In terms of year-to date performance, the service sector lead by far with a total of 208K jobs added followed by manufacturing industry with 113K.



In terms of 12-month performance, the Brazilian economy created a total of 2,178,993 formal jobs, recovering a bit compared to January, but still below the all time high of 2,269,607 reached last August. The service sector continued to be the main contributor followed (831K) by the industry (577K). However, we see different the trends among sectors manufacturing and construction trending lower while commerce and services trending higher.



Finally, our assessment is that payrolls in Brazil should contribute to keep demand strong suggesting that the BCB should soon announce new macro prudential measures to curb consumption, especially of durable goods which rose again in January.

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