

Flash Note 05/11/2018

Spain · The pace of job creation jumped in October**Data**

- In seasonally adjusted terms:
 - **The number of social security affiliates was up** by 110,567 in October.
 - **Registered unemployment declined** by 27,483 in October.
- The number of **social security affiliates** increased by 130,360 (not seasonally adjusted), putting total affiliate numbers at **18,993,073**.
- **Registered unemployment** expanded by 52,195 (not seasonally adjusted), meaning a total jobless figure of **3,254,703**.
- In the last 12 months the number of affiliates has increased by 562,544, while the number of unemployed has declined by 212,323.

Assessment

- **The labour market was unexpectedly strong in October**, with an uptick in Social Security affiliates of 130,360 in non-seasonally adjusted terms, much sturdier than the October 2017 increase (94,368) and the CaixaBank Research forecast (60,000). The pace of job creation climbed to 3.1% YoY (2.9% in September).
- **In seasonally adjusted terms, the uptick in affiliates (110,567) was sizeable for the month of October**, and stronger than the monthly expansion observed in October 2017 (94,400).
- **In terms of sectors, the affiliation increase in services stood at a solid 3.0% YoY (+426,292)**, a slightly faster pace than observed in 3Q (+2.9%). A significant proportion of the improvement was driven by the **education** sector, where affiliation was up 7.1% YoY (+56,881). The **construction** sector sustained its good performance, with affiliate numbers rising 7.2% YoY (+81,190), +0.2 p.p. more than posted in the previous quarter. Meanwhile, affiliation in the **industrial** sector grew 2.7% YoY (+51,853), matching the 3Q level.
- **The MoM registered unemployment increase during October amounted to 52,195 individuals, less than anticipated** by CaixaBank Research (+70,000). In YoY terms, the reduction in registered unemployment held at -6.1%, in line with September. Thus, unemployment has shrunk by around 212,000 individuals in the last 12 months.
- Looking ahead to the coming months, the labour market is expected to perform well, albeit losing some momentum, which would be consistent with an easing pace of Spanish economic growth.
- In the light of this data, the aggregate growth rate for the year looks set to outstrip our existing forecast (3.0% YoY).

Spain: labor market (employment records)*

Monthly change (thousands)

	2002-2007**	2008-2013**	Oct-15	Oct-16	Oct-17	Oct-18	
						Data	Forecast
Affiliated to the Social Security	71	-38	32	101	94	130	60
Agriculture	6	17	-2	27	1	12	9
Industry	7	-15	1	4	2	7	3
Construction	32	-17	8	13	19	21	17
Services	24	-23	24	58	72	80	18
Registered unemployed	40	118	82	45	57	52	70

Annual change (%)

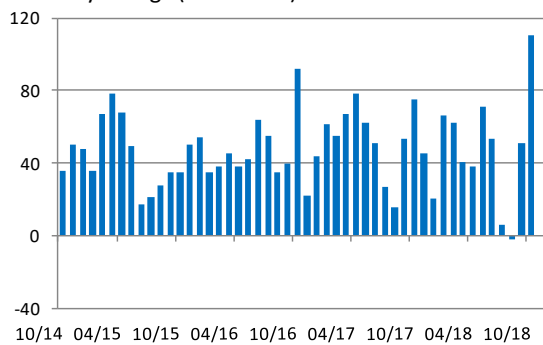
	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	
						Data	Forecast
Affiliated to the Social Security	3.1	3.1	3.0	2.9	2.9	3.1	2.7
Agriculture	-0.7	0.1	0.1	-0.8	-1.4	-0.4	-0.4
Industry	2.9	2.9	2.7	2.5	2.5	2.7	3.0
Construction	6.6	6.8	7.0	6.8	7.1	7.2	6.8
Services	3.2	3.1	2.9	2.9	2.9	3.0	2.5
Registered unemployed	-6.0	-6.0	-6.0	-5.9	-6.1	-6.1	-5.3

Note: *Not seasonally adjusted series. ** October average.

Source: CaixaBank Research, data from MEySS.

Affiliated to the Social Security*

Monthly change (thousands)

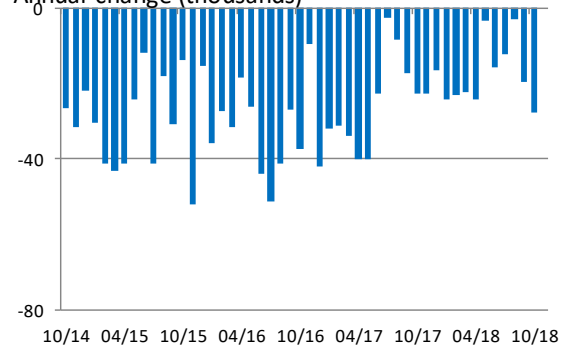


Note: *Seasonally adjusted.

Source: CaixaBank Research, data from MEySS.

Unemployed registered*

Annual change (thousands)

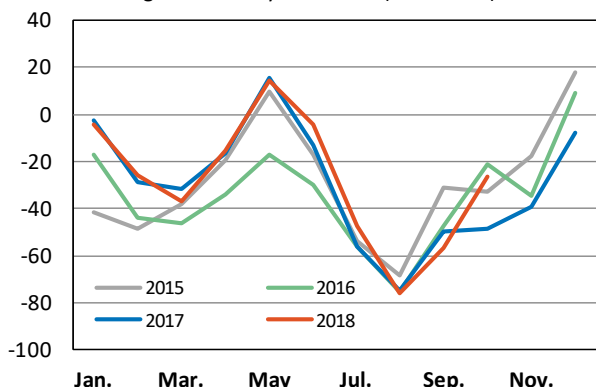


Note: *Seasonally adjusted.

Source: CaixaBank Research, data from MEySS.

Affiliated: Agriculture

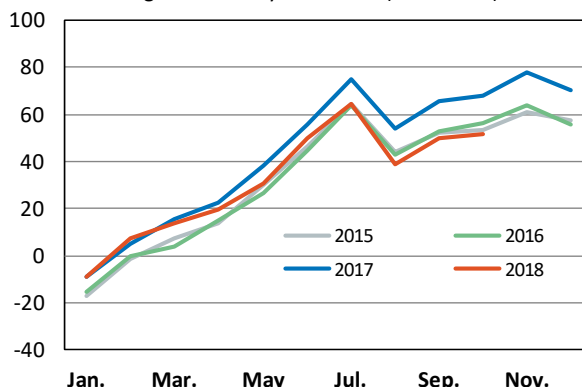
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Affiliated: Industry

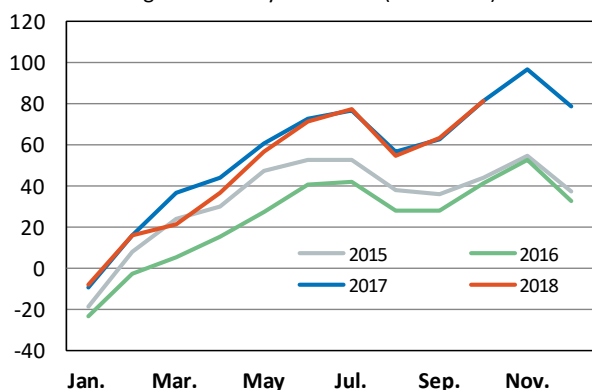
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Affiliated: Construction

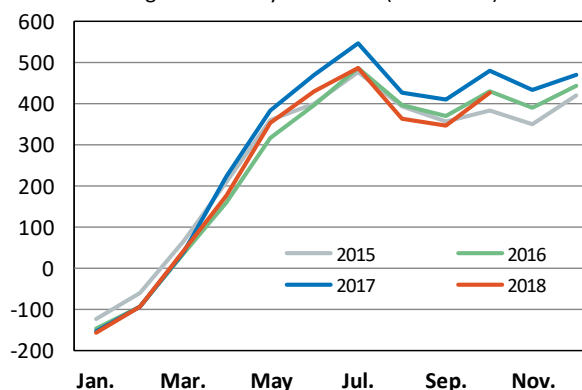
Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

Affiliated: Services

Cumulated figures for the year to date (thousands)



Source: CaixaBank Research, data from MEySS.

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