

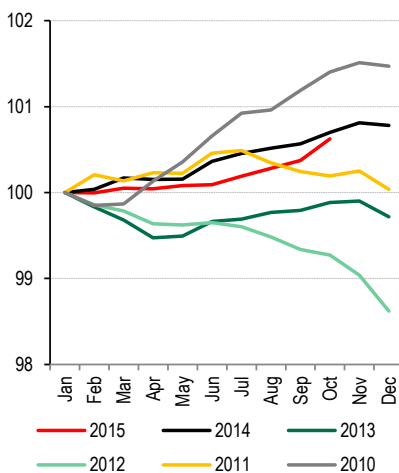
# INSTANT COMMENT

16 December 2015

## Labour market above expectations

Employment in the corporate sector rose in November 1.2% YoY, in line with our forecast and above the market consensus (1.1% YoY). Wages rose 4.0% YoY in November, roughly in line with our and market expectations (3.8% YoY and 4.0% YoY, respectively) and core inflation ex food and energy prices reached 0.2%YoY. In monthly terms, employment rose by 9k and this is the highest increase for November since 2007. Recall that actually we have recorded multi-year highs since July and this confirms the strength of the labour demand. Real wage bill rose 5.9% YoY. Robust growth of real incomes will continue to support the private consumption in the coming quarters.

Employment in corporate sector  
(Jan=100)



### Employment and wages above expectations

Employment in the corporate sector rose in November 1.2% YoY, in line with our forecast and above the market consensus (1.1% YoY). In monthly terms, employment rose by 9k and this is the highest increase for November since 2007. Recall that actually we have recorded multi-year highs since July and this confirms the strength of the labour demand. Employment is likely to grow fast in the months to come.

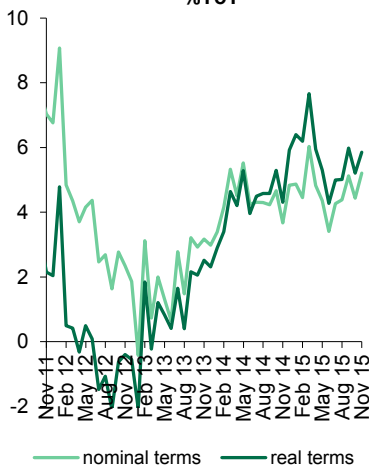
Wages in the corporate sector rose 4.0% YoY in November, roughly in line with our and market expectations (3.8% YoY and 4.0% YoY, respectively). Real wage bill rose 5.9% YoY. Robust growth of real incomes will continue to support the private consumption in the coming quarters. We think that pace of employment growth could decelerate in the nearest quarters amid drying stock of potential workers (unemployment is nearly at record lows) and the strong demand for labour could generate upside pressure on wages. Real wages growth should stay high.

### Core inflation below forecasts

Contrary to our expectations, core inflation excluding food and energy prices, slowed to 0.2%YoY in November, down from 0.3%YoY in the previous month. At the same time, core inflation excluding administered prices increased slightly to -0.8%YoY from -1.0%YoY in October, while core inflation excluding the most volatile prices and the so-called 15-per cent trimmed mean were more or less stable and amounted to -0.2%YoY and -0.1%YoY, respectively.

We think that core inflation measures will increase gradually in upcoming months. We expect services prices to keep accelerating on the back of stronger private consumption and higher labour costs. Core goods prices should also rebound, although slowly. We uphold our view that core inflation excluding food and energy prices will increase from 0.3%YoY expected at the end of this year to c1.0% in Dec 2016.

Wage bill in corporate sector,  
%YoY



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