

Current Economic Analysis

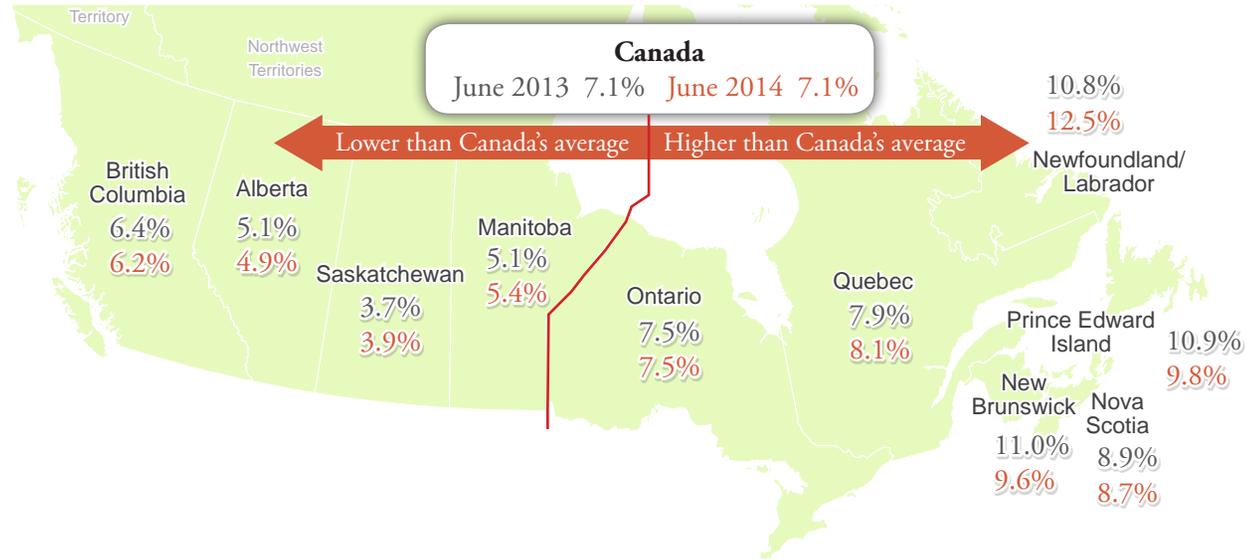
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August 6, 2014

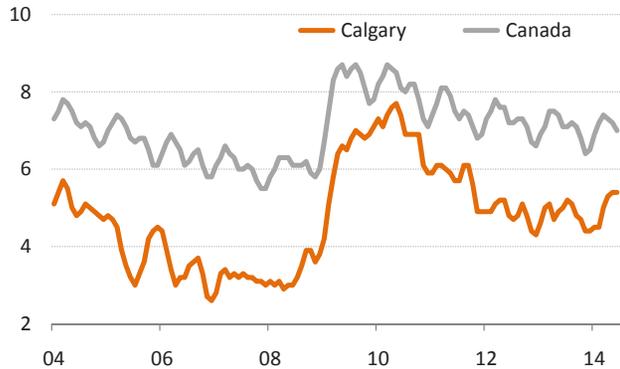
Labour Market (Unadjusted)

- The unemployment rate in the Calgary Economic Region (CER) in June remained unchanged at 5.4 per cent from the month before, but up 0.4 percentage point from a year ago. The national unemployment rate remained higher than Calgary's, settling at 7.0 per cent, a gap of 1.6 percentage points.
- Total employment grew to an estimated 857,200 persons in June, a 3.6 per cent increase from the previous year.
- The total population of the City of Calgary was estimated at 1,195,194, a jump of 38,508 persons over the same time last year.

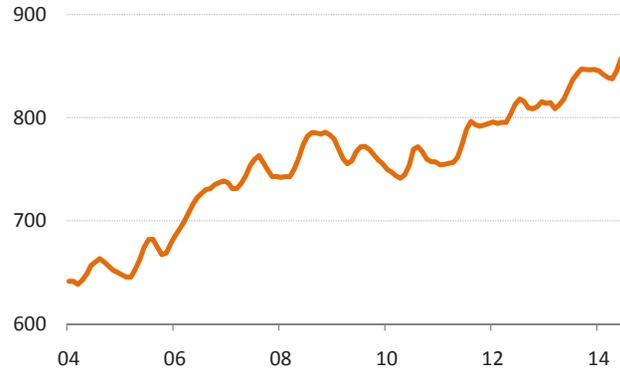
Unemployment Rates, Canada and Provinces (Seasonally adjusted)



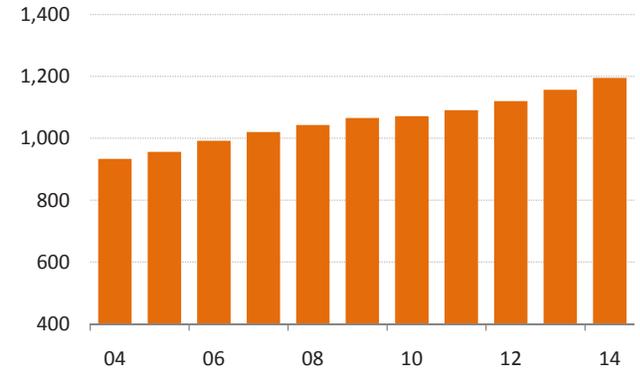
Unemployment Rates (unadjusted, per cent)



Calgary CER: Total Employment (unadjusted, thousands of persons)



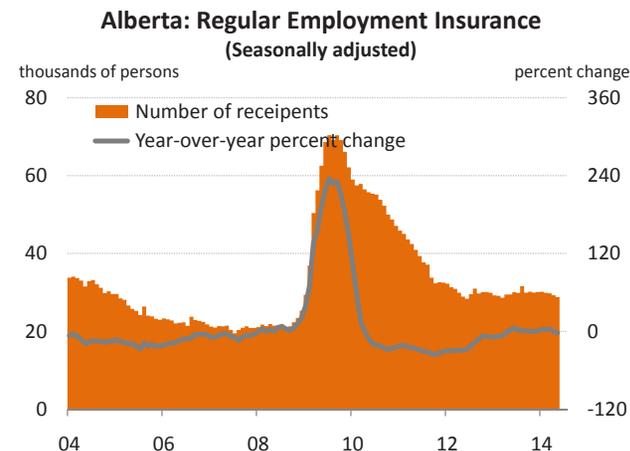
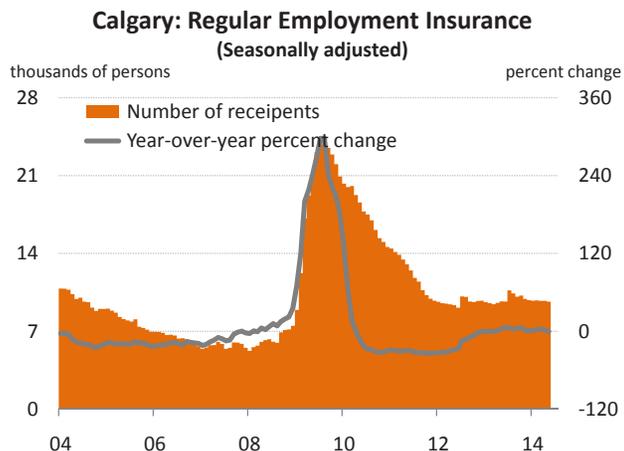
City of Calgary: Total Population (thousands of persons)



Sources: Statistics Canada, City of Calgary Civic Census, Corporate Economics

Labour Market (continued)

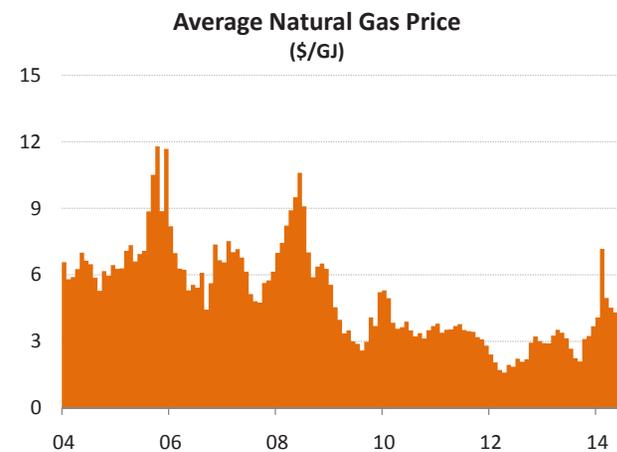
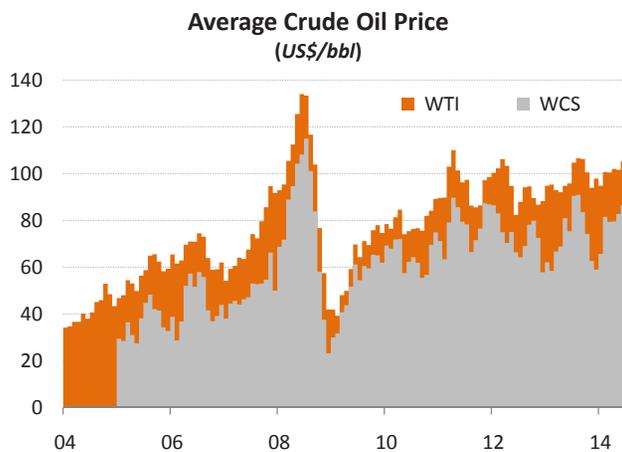
- Between May 2013 and May 2014, the number of Calgarians receiving regular benefits dropped by 0.2 per cent to 9,670. Provincially, the measure decreased 2.3 per cent to 28,790 during the same time period.



Sources: Statistics Canada, Corporate Economics

Energy

- Uncertainty in the ability for OPEC countries to meet demand has raised the West Texas Intermediate (WTI) price to US\$105.13/bbl, a 3.4 per cent increase from the previous month's price. Furthermore, the Western Canada Select (WCS) price rose to \$US86.56/bbl in June.
- AECO prices rose to \$4.47/GJ, a change of 3.7 per cent from the previous month, and a 42.4 per cent increase from the year before.



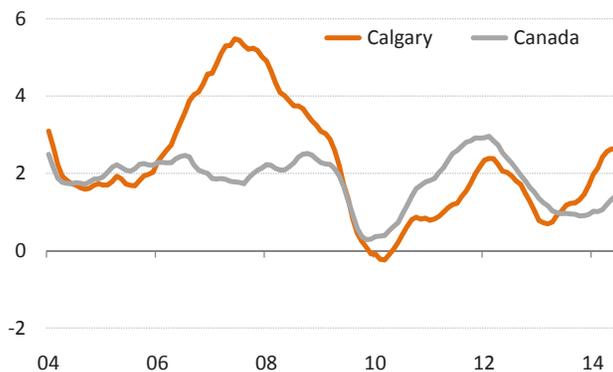
Sources: GLJ Energy Publications, Government of Alberta, Corporate Economics

Prices

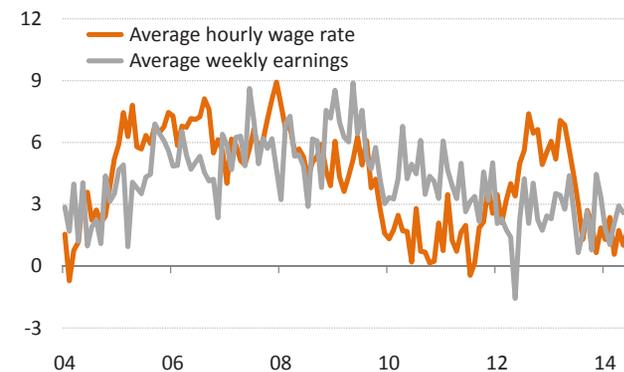
- The inflation rate in the Calgary Census Metropolitan Area (CMA) was 2.6 per cent in June, a massive surge from last year's 1.0 per cent. Furthermore, the national inflation rate jumped to 1.4 per cent, up 0.1 percentage point from May, and a 0.4 percentage point from the year before.
- In June 2014, the average hourly wage of Albertans grew by 1.8 per cent year over year, a larger increase than May's 1.0 per cent jump. Though the average hourly wage grew from June 2013, it increased by only 35 cents to \$28.22/hour by the end of the month. Additionally, average weekly earnings were up 2.6 per cent in May.

Sources: Statistics Canada, Corporate Economics

Inflation Rates
(All-items, per cent)



Alberta Average Wage Inflation
(year-over-year, per cent)



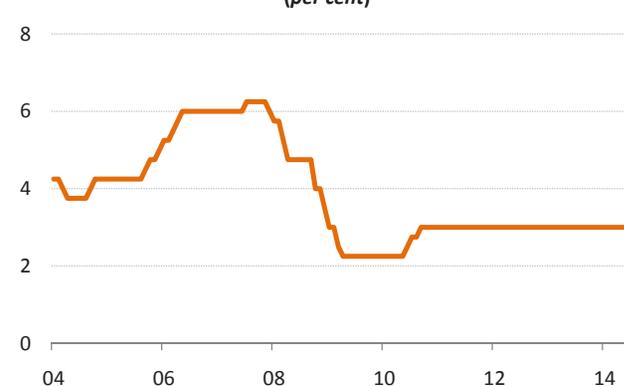
General Indicators

- Canada's real gross domestic product (GDP):
 - ▶ Grew by 0.4 per cent month-over-month in May following a smaller increase the month before.
 - ▶ On a year-over-year basis the Canadian economy experienced a 2.3 per cent boost in economic activity.
- The Canadian prime business loan rate has remained at 3.0 per cent, keeping a constant rate for 45 months straight.

Canada Gross Domestic Product Growth
(Seasonally adjusted, per cent)



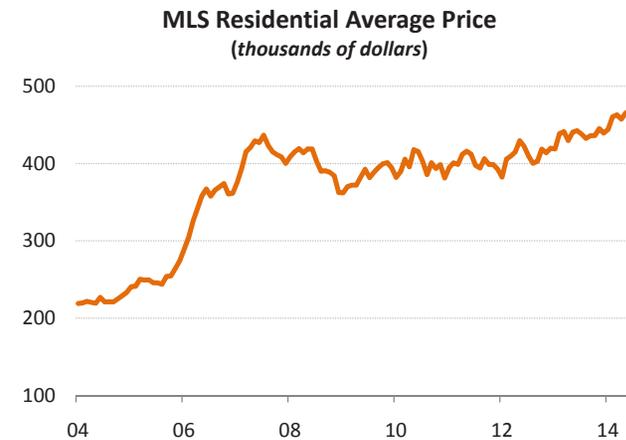
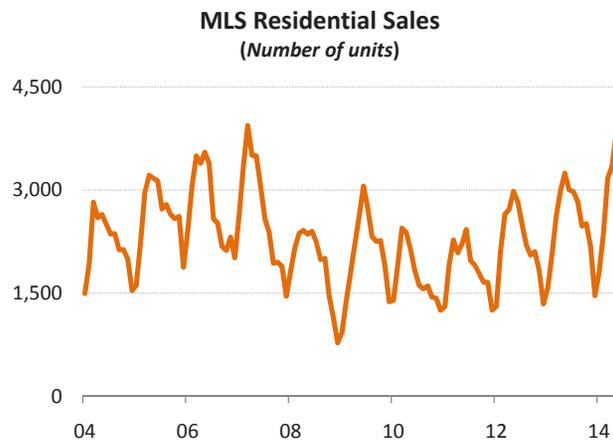
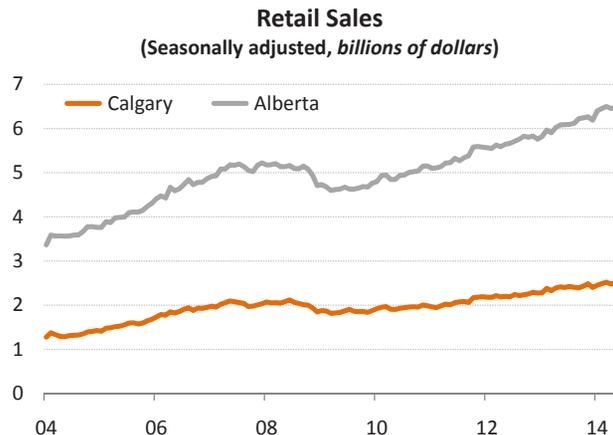
Canada Prime Rate
(per cent)



Sources: Statistics Canada, Bank of Canada, Corporate Economics

Consumer Indicators

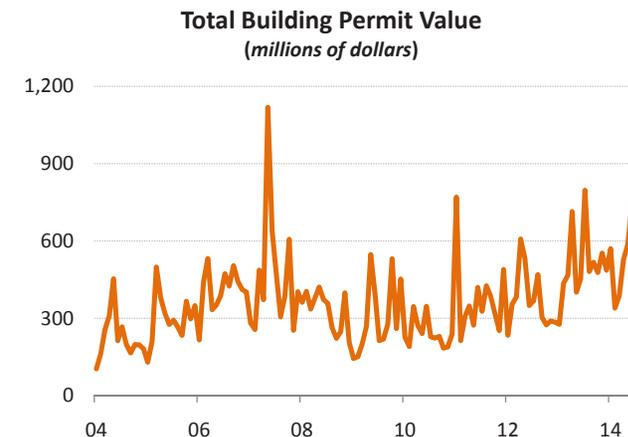
- During the month of May, Alberta retail sales topped 6.5 billion dollars, a 0.3 per cent gain from the month before. Calgary retail sales shrank in May, posting a 1.8 per cent decline from the month before, but rose 3.5 per cent from the same time last year.
- The Canadian Consumer Confidence Index (where 2002=100) contracted in June 2014 by 0.4 point.
- Calgary housing starts experienced a massive jump in June reaching 2,407 units, up from the previous month's 1,030 units, and a 163.9 per cent surge from the same time last year.
- In June 3,569 units were sold in Calgary, a dip from 3,832 units the month before, totaling a 6.9 per cent change month over month in Calgary's resale market.
- June's MLS average sale price for Calgary hit \$466,994, a 0.3 per cent leap from May, and a 5.5 per cent climb from the preceding year.



Sources: Statistics Canada, Conference Board of Canada, Calgary Real Estate Board (CREB), Canada Mortgage and Housing Corporation (CMHC), Corporate Economics

Business Indicators

- Alberta's wholesale trade remained flat during the month of May, holding at \$7.0 billion (seasonally adjusted). Though the wholesale trade sector did not budge in May, it has experienced growth since the beginning of the calendar year.
- Manufacturing sales for Alberta increased in May to a total of \$6.7 billion, a 1.6 per cent advance from the previous month. The rise in sales can be attributed to higher demand in the petroleum and coal product industries.
- For the fourth straight month the total value of building permits issued in the City of Calgary saw an increase, hitting a whopping \$752.7 million in June. Not only has the value of permits jumped 28.1 per cent from May, but also soared 66.2 per cent from the same time in 2013.



Sources: Statistics Canada, The City of Calgary, Corporate Economics

Next update: August 29, 2014

Who We Are

Corporate Economics provides services in four areas: forecasting, information provision, policy analysis and consulting. We also monitor the current economic trends which allows us to develop unique insights on how external events are impacting the local economy and the Municipal government. We are experienced at researching different economic topics and developed reliable methods of forecasting and analysis.

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Many of our publications are available on the internet at www.calgary.ca/economy.

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Current Economic Analysis

City of Calgary Monthly Economic Indicators	2011	2012	2013	2013								2014					
				May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Labour Market																	
Unemployment Rate - Calgary Economic Region (CER) (%)	5.8%	4.9%	4.8%	4.9%	5.0%	5.2%	5.1%	4.8%	4.7%	4.4%	4.4%	4.5%	4.5%	5.0%	5.3%	5.4%	5.4%
Unemployment Rate - Canada (%)	7.5%	7.3%	7.1%	7.4%	7.1%	7.1%	7.2%	7.1%	6.8%	6.4%	6.5%	6.9%	7.2%	7.4%	7.3%	7.2%	7.0%
Employment - CER (Person - 000s)	776.1	806.3	830.0	817.8	827.1	836.5	842.3	847.1	846.7	846.4	846.7	845.4	841.7	838.9	837.6	845.4	857.2
Employment insurance Alberta - Number of recipients (15 years and over), seasonally adjusted **	38,603	30,163	29,793	29,460	30,040	29,860	31,600	29,920	30,150	29,950	30,100	30,170	29,910	29,760	29,250	28,790	
Year-over-year % change **	-28.8%	-20.7%	-1.1%	1.9%	5.8%	1.2%	2.0%	0.6%	0.3%	-0.4%	0.6%	3.2%	2.7%	3.9%	-0.7%	-2.3%	
Employment insurance Calgary - Number of recipients (15 years and over), seasonally adjusted **	12,108	9,628	9,883	9,690	9,680	10,680	10,400	10,110	10,210	9,910	9,800	9,750	9,780	9,740	9,740	9,670	
Year-over-year % change **	-31.5%	-18.9%	2.6%	3.6%	6.1%	5.4%	3.1%	4.4%	6.0%	1.8%	0.5%	1.5%	2.6%	3.3%	2.0%	-0.2%	
City of Calgary Population Estimate (000s)	1,091 [†]	1,120 [†]	1,157 [†]	1,160	1,163	1,166	1,170	1,173	1,176	1,179	1,182	1,186	1,189	1,192	1,195	1,198	1,203
Energy																	
West Texas Intermediate (\$US/barrel)	95.13	94.21	97.97	94.79	95.80	104.70	106.54	106.24	100.55	93.93	97.91	94.86	100.67	100.48	102.02	101.65	105.13
Western Canada Select (\$US/barrel)	77.97	73.17	72.77	80.93	75.39	90.50	90.97	83.56	74.21	62.62	58.96	65.68	81.53	79.42	79.56	82.72	86.56
Alberta Natural Gas (Cdn\$/GJ)	3.43	2.27	3.01	3.39	3.14	2.67	2.24	2.09	3.11	3.24	3.68	4.08	7.17	4.96	4.52	4.31	4.47
Prices																	
Inflation Rate - Calgary Census Metropolitan Area (CMA) (%)	2.2%	1.0%	1.7%	0.9%	1.0%	1.2%	1.2%	1.2%	1.3%	1.5%	1.7%	2.0%	2.1%	2.4%	2.6%	2.6%	2.6%
Inflation Rate - Canada (%)	2.9%	1.5%	0.9%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%	1.1%	1.2%	1.3%	1.4%
Average Hourly Wage Rate - Alberta y-o-y % change	1.7%	4.8%	3.9%	5.6%	4.4%	3.0%	1.3%	2.7%	2.1%	0.7%	1.9%	1.3%	2.4%	0.6%	1.7%	1.0%	1.8%
Average Weekly Earnings* - Alberta y-o-y % change	3.9%	2.1%	2.7%	4.4%	2.7%	0.7%	1.6%	2.7%	0.8%	4.5%	3.4%	1.8%	1.0%	2.1%	2.9%	2.6%	
General Indicators																	
Canadian Real GDP y-o-y % change - (Chained 2007 dollar)	2.7%	1.8%	2.0%	1.9%	1.4%	1.8%	2.2%	2.5%	2.9%	2.7%	2.5%	2.3%	2.3%	2.1%	2.1%	2.3%	
Prime Lending Rate - Bank of Canada (%)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Consumer Indicators																	
Retail Sales - Alberta, seasonally adjusted (\$billions)	63.9	68.3	73.0	6.1	6.1	6.1	6.1	6.2	6.2	6.3	6.2	6.4	6.5	6.5	6.5	6.5	
Retail Sales - CER, seasonally adjusted (\$billions)	24.8	26.7	28.7	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.4	2.5	2.5	2.5	2.5	2.5	
Index of Consumer Confidence - Canada	80.6	77.7	83.2	80.7	83.4	82.6	84.7	91.0	88.9	87.1	80.5	81.4	85.7	88.5	89.8	87.3	86.9
Housing Starts - Calgary CMA	9,292	12,841	12,584	1,078	912	1,385	982	904	1,162	1,693	896	1,328	1,270	1,667	1,592	1,030	2,407
Number of Personal Bankruptcies - Alberta	7,029	5,759	4,689	434	375	385	379	375	383	323	284	336	302	365	367	369	
Calgary Residential Unit Sales MLS	22,466	26,634	29,954	3,247	3,002	2,976	2,830	2,475	2,510	2,173	1,464	1,802	2,363	3,170	3,348	3,832	3,569
Calgary Residential Sales to New Listings Ratio MLS	53.69	66.33	73.17	65.76	75.29	78.30	76.94	68.18	75.65	90.73	112.88	56.77	67.36	72.08	67.22	66.64	69.63
Calgary Residential Average Price MLS (\$thousands)	401.9	410.8	436.6	440.7	442.5	438.2	432.6	435.9	436.2	445.1	439.4	444.2	460.3	463.0	457.5	465.6	467.0
Business Indicators																	
Wholesale Sales - Alberta, seasonally adjusted (\$billions)	70.0	77.5	79.3	6.6	6.5	6.8	6.7	6.6	6.8	6.8	6.6	6.8	6.9	6.9	7.0	7.0	
Manufacturing Sales - Alberta, seasonally adjusted (\$billions)	69.9	71.7	73.8	6.1	6.1	6.3	6.4	6.2	6.3	6.4	6.2	6.4	6.5	6.6	6.6	6.7	
Number of New Businesses - Calgary	4,300	3,770	3,890	244	153	124	278	665	481	524	257	0	471	406	331	287	243
Number of Business Closures - Calgary	2,380	2,445	2,581	209	146	140	193	211	156	215	118	1	606	189	159	237	154
Number of Business Bankruptcies - Alberta	264	230	137	11	9	9	7	13	15	8	14	7	11	6	9	13	
City of Calgary Total Value of Building Permits (\$millions)	4,528.3	4,447.7	6,059.9	401.6	453.0	796.6	481.6	516.9	477.5	552.9	486.4	569.8	339.5	387.5	528.2	587.4	752.7

[†] Taken from April Civic Census * Average weekly earnings is wage rate with benefits (including overtime) ** In March 2013, employment insurance data have been reconstructed with a new methodology by Statistics Canada. This change has affected the data over the entire historical period.