

# Inflation Review

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December 18, 2015

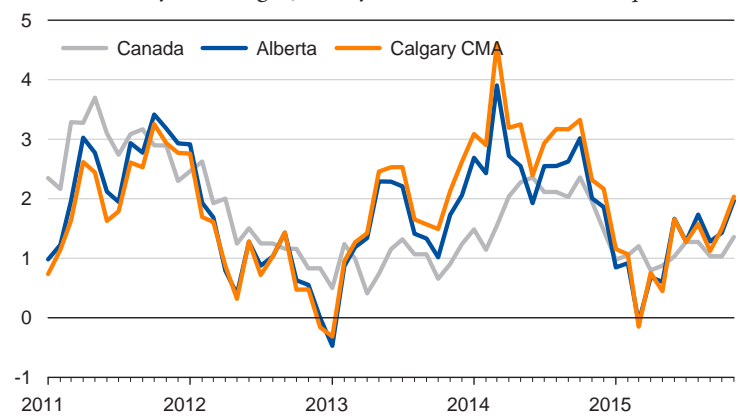
## Inflation in Calgary was slightly higher in November.

In November, consumer prices in Calgary rose 2.0 per cent year-over-year after rising 1.5 per cent in October. The inflation rate increased to 2.0 per cent in Alberta and 1.4 per cent in Canada in the same period (Chart 1). The all-items inflation rates for Calgary, Alberta, and Canada were moderate mostly attributable to an annual decline in energy prices.

Even though the gasoline prices in Calgary took a tumble of 8.0 per cent in the month of November, transportation costs still rose slightly by 0.7 per cent. Shelter cost inflation kept low at 1.1 per cent, due to the slower increases in rented and owned accommodations and the annual decline in the electricity and natural gas prices.

Significant cost increases were observed in alcoholic beverages and tobacco products, and food from November 2014, climbing 8.4 per cent and 3.4 per cent respectively. Prices for food purchased from stores jumped 3.5 per cent and restaurant bills were up 3.4 per cent. While prices for vegetables, fruits and nuts, and meat recorded the largest gain, they increased less in November than October. Prices for other commonly purchased food items from stores also jumped: fish and seafood (3.1 per cent), bakery and cereal products (2.1 per cent), and eggs (1.7 per cent). Overall, higher food prices were driven by a lower Canadian dollar, which means the same amount of purchases

**Chart 1. Headline inflation comparison**  
(Year-over-year change, January 2011 - November 2015, per cent)



Sources: Statistics Canada, Corporate Economics, December 2015

would cost more for Canadians.

On a year-to-date basis, the headline inflation rate is running at 1.1 per cent and core inflation rate is at 2.3 per cent in Calgary. Overall, the inflation rate should continue to stay moderate in the coming months aided by lower energy costs.

Next release: January 22, 2016

### Inflation Rates

	Relative Importance (%)*	Year-over-year			Year-to-date		
		Nov-15 (%)	Oct-15 (%)	Nov-14 (%)	Nov-15 (%)	Oct-15 (%)	Nov-14 (%)
Calgary: All-items	100.00	2.0	1.5	2.3	1.1	1.0	3.1
Calgary: All-items excluding food and energy	76.49	2.7	2.5	2.6	2.3	2.3	2.9
Food	15.99	3.4	4.0	4.2	3.7	3.8	3.3
Shelter	26.56	1.0	0.1	3.3	0.5	0.4	5.6
Rented accommodation	5.40	1.9	2.1	3.4	3.0	3.1	3.3
Owned accommodation	16.24	2.4	2.4	4.6	2.5	2.5	5.6
Water, fuel and electricity	4.84	(4.5)	(10.5)	(1.8)	(9.8)	(10.3)	9.3
Household operations, furnishing and equipment	12.27	2.2	2.6	3.6	2.9	2.9	2.8
Clothing and footwear	5.88	3.2	1.5	(1.8)	1.0	0.8	0.8
Transportation	20.44	0.7	(0.5)	1.5	(1.9)	(2.1)	3.0
Gasoline	3.81	(8.0)	(11.0)	(3.8)	(16.8)	(17.6)	3.5
Health and personal care	4.65	2.6	2.3	1.6	1.3	1.1	1.2
Recreation, education and reading	11.37	2.4	2.2	1.2	1.7	1.7	2.3
Alcoholic beverages and tobacco products	2.83	8.4	6.1	3.7	5.1	4.8	3.6
Alberta: All-items	100.00	2.0	1.4	2.0	1.1	1.0	2.6
Alberta: All-items excluding food and energy	76.49	2.6	2.4	2.3	2.3	2.3	2.4
Canada: All-items	100.00	1.4	1.0	2.0	1.1	1.1	1.9
Canada: All-items excluding food and energy	74.85	1.8	1.7	2.0	1.8	1.8	1.6

Sources: Statistics Canada, Corporate Economics, December 2015

\* 2013 CPI basket weights at January 2015 prices, date modified February 26, 2015

Figures in red and parentheses indicate negative.

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## 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 have developed reliable methods of forecasting and analysis.

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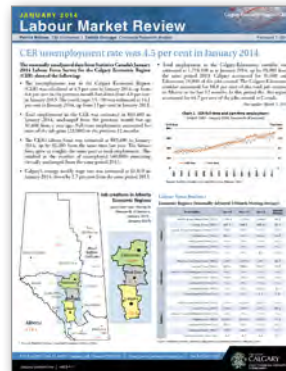
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- ▶ Calgary & Region Economic Outlook
- ▶ Energy Reports on Natural Gas and Crude Oil

## Information Provision



- ▶ Current Economic Analysis
- ▶ Housing Review
- ▶ Inflation Review
- ▶ Labour Market Review

## Policy Analysis



- ▶ A Case of Fiscal Imbalance: The Calgary Experience
- ▶ Diesel Fuel Price Pass-Through in Calgary
- ▶ Calgary Residential and Commercial Real Estate Markets

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Sources: Statistics Canada, Bank of Canada, Corporate Economics.