

Current Economic Analysis

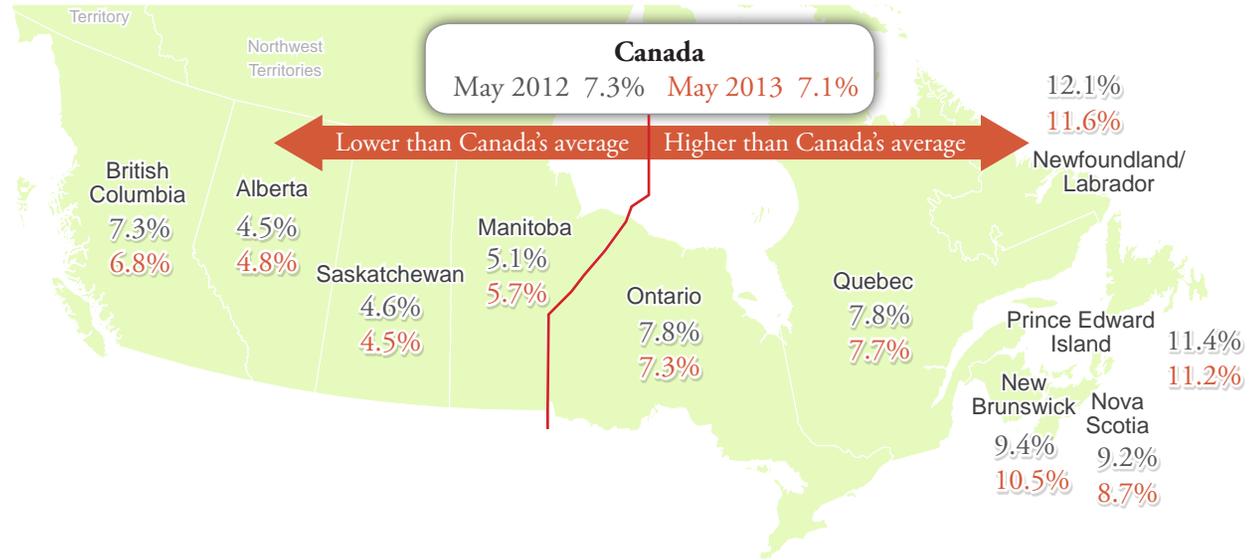
Patrick Walters, City Economist | Estella Scruggs, Corporate Research Analyst

July 15, 2013

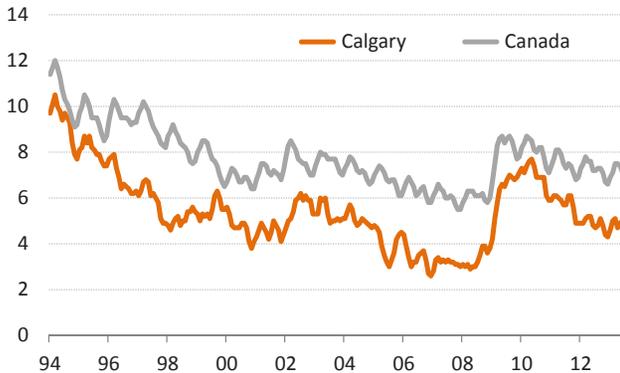
Labour Market (Unadjusted)

- The unemployment rate in the Calgary Economic Region (CER) was 4.9 per cent in May 2013, down from 5.2 per cent for the same time last year. Nationally, the unemployment rate was 7.4 per cent, down from 7.6 per cent in May 2012.
- Total employment in the Calgary Economic Region (CER) was 817,800 in May 2013, a 1.8 per cent increase from 803,500 in May 2012.
- The CER's working age population was estimated at 1,168,600 in May 2013, up 38,900 from May 2012.

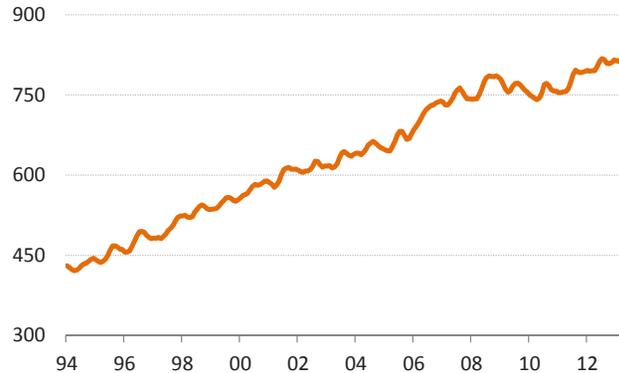
Unemployment Rates, Canada and Provinces (Seasonally adjusted)



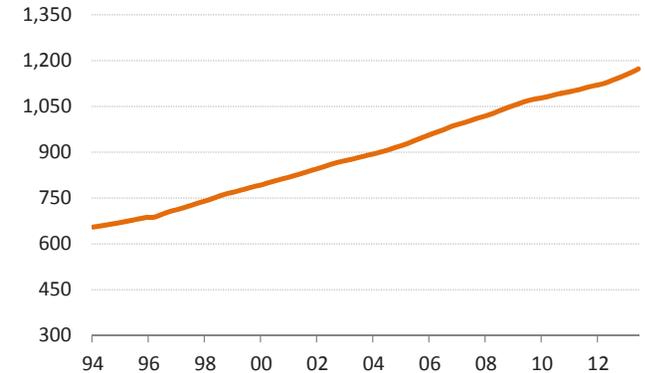
Unemployment Rates (unadjusted, per cent)



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



Calgary CER: Working Age Population (unadjusted, thousands of persons)

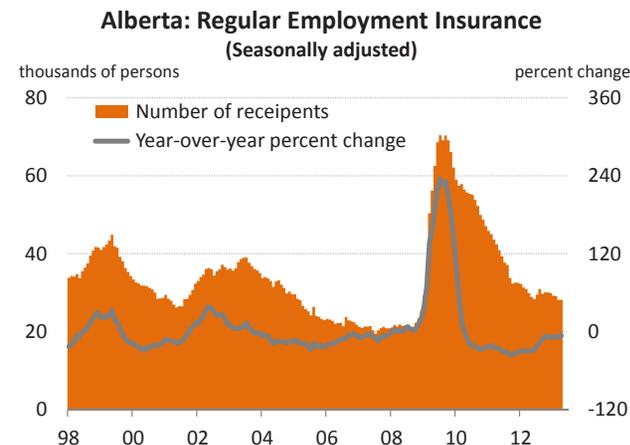
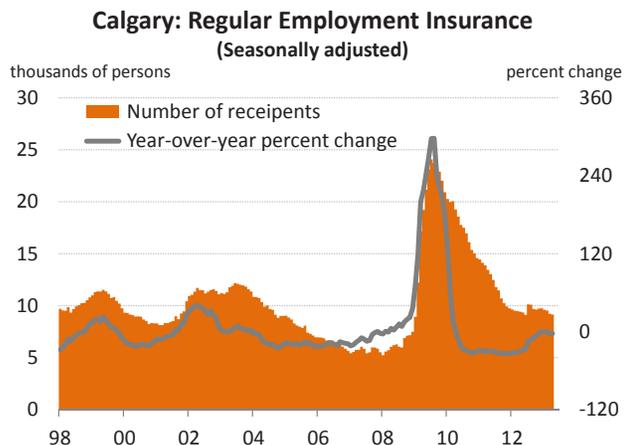


Sources: Statistics Canada, City of Calgary Civic Census, Corporate Economics

Current Economic Analysis

Labour Market (continued)

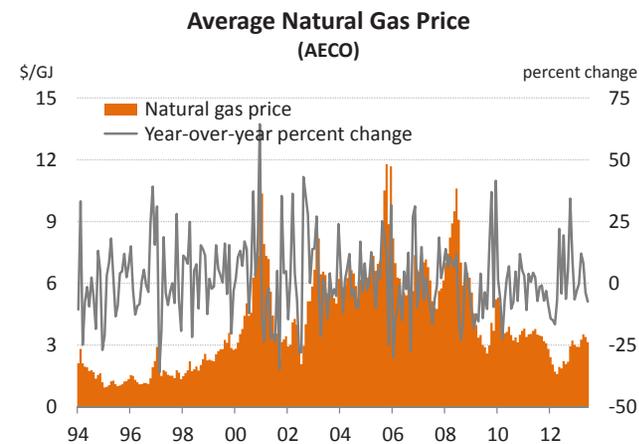
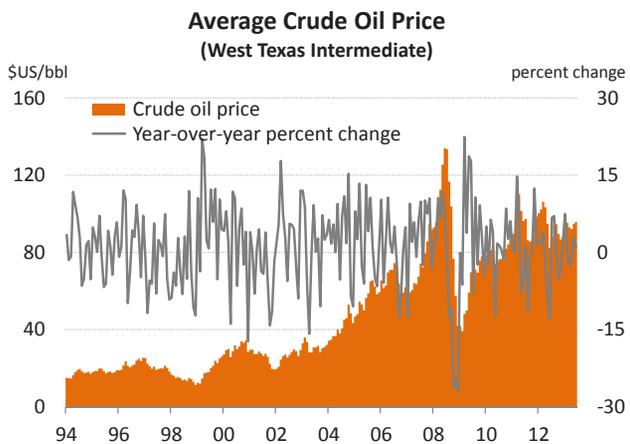
- Between April 2012 and April 2013, the number of Calgarians receiving regular employment insurance fell by 2.9 per cent to 9,150. For Alberta, in the same time period, the number fell by 5.9 per cent to 28,160 year-over-year.



Sources: Statistics Canada, Corporate Economics

Energy

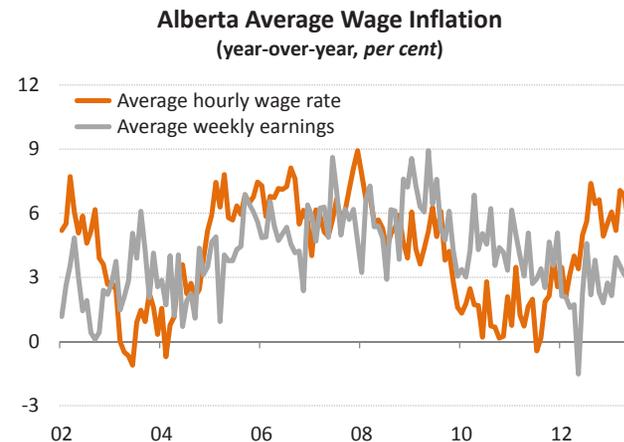
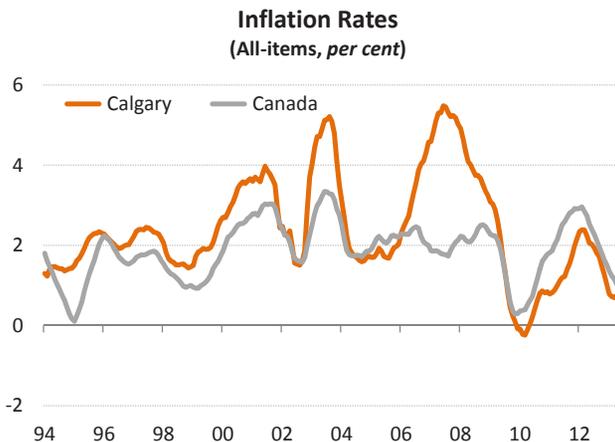
- In May 2013, the average price of crude oil (WTI) was US\$94.79/bbl, up 3 per cent from April 2013 and 0.1 per cent from a year ago.
- The average price of natural gas (AECO) was \$3.39/GJ in May 2013, down 3.7 per cent from the previous month but up 74.7 per cent from May 2012.



Sources: GLJ Energy Publications, Corporate Economics

Prices

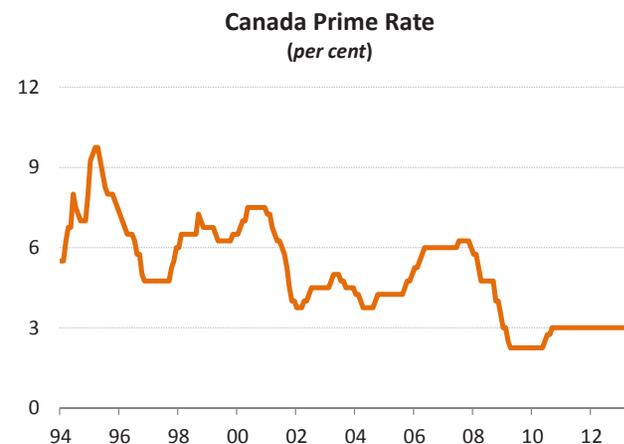
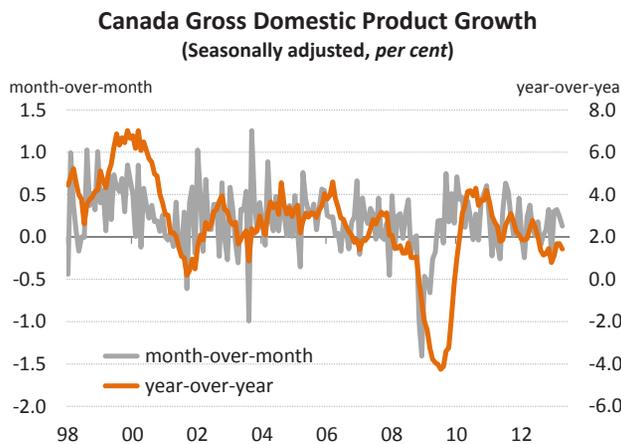
- In May 2013, Calgary's 12-month-moving-average inflation rate increased to 0.9 per cent from 0.7 per cent in April 2013 but down from 2.1 per cent in May 2012. Nationally, the inflation rate remained unchanged at 1 per cent in May 2013 from the previous month, but decreased from 2.5 per cent in May 2012.
- In Alberta, the average hourly wage inflation rate in May 2013 was 5.6 per cent, increased from 3.4 per cent a year ago. The average weekly earnings growth rate was 3.1 per cent in April 2013, increased from 1.7 per cent in April 2012.



Sources: Statistics Canada, Corporate Economics

General Indicators

- Canada's real gross domestic product (GDP) growth:
 - ▶ **Month-over-month:** edged up 0.1 per cent in April 2013, following a 0.2 per cent increase in March 2013.
 - ▶ **Year-over-year:** increased 1.4 per cent in April 2013, following a 1.7 per cent growth in March 2013.
- The Canadian prime business loan rate remained unchanged at 3 per cent in May 2013.



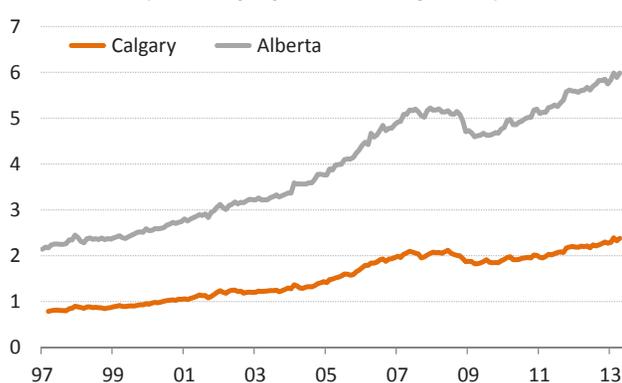
Sources: Statistics Canada, Bank of Canada, Corporate Economics

Current Economic Analysis

Consumer Indicators

- In April 2013, total retail sales in the CER was estimated at \$2.4 billion (seasonally adjusted), up 2.2 per cent from March and 8.1 per cent from a year ago. Alberta retail sales were estimated at \$6 billion (seasonally adjusted), indicating a 1.7 per cent increase over the previous month and a 6.6 per cent increase year-over-year.
- The Index of Consumer Confidence increased in May 2013, rising 5.1 points to 80.7 (2002 = 100) from April 2013.
- In May 2013, total housing starts in Calgary (CMA) reached 1,078 units, up from 1,067 units in April and 949 units a year ago.
- Calgary housing sales in May 2013 was 3,247 units, up 8.1 per cent from 3,003 units in April and 8.9 per cent from 2,982 units a year ago.
- May's MLS average sale price for Calgary was \$440,675, up 2.6 per cent from April's average of \$429,717 and 2.6 per cent from \$429,459 a year ago.

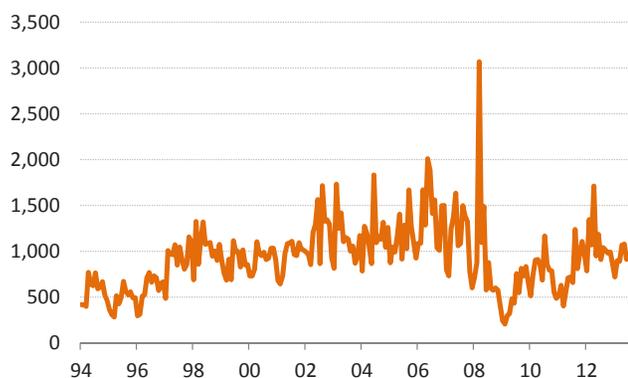
Retail Sales
(Seasonally adjusted, billions of dollars)



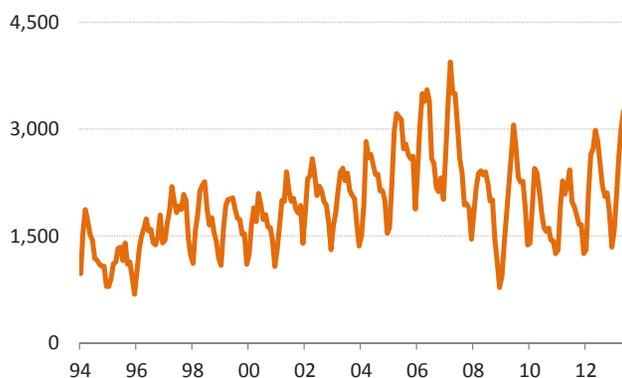
Index of Consumer Confidence
(2002 = 100)



Housing Starts
(Number of units)



MLS Residential Sales
(Number of units)



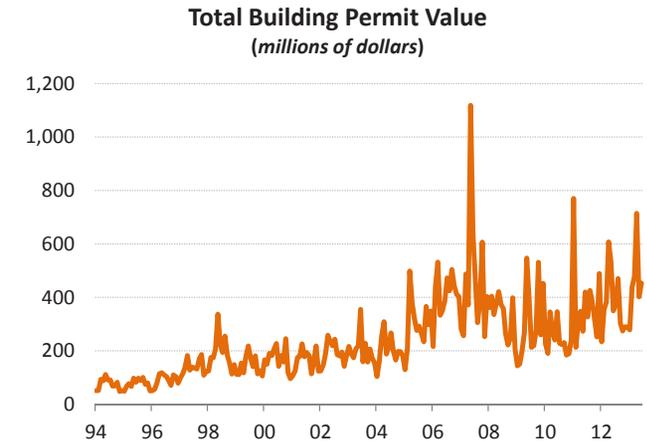
MLS Residential Average Price
(thousands of dollars)



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

Business Indicators

- Alberta wholesale merchants' sales were estimated at \$6.5 billion (seasonally adjusted) in April 2013, up 1.4 per cent from the previous month but down 0.5 per cent from a year ago.
- Alberta manufacturing sales were estimated at \$6 billion (seasonally adjusted) in April 2013, down 1.3 per cent from the previous month and 3.8 per cent from a year ago.
- In May 2013, the total building permit value in the city of Calgary reached \$402 million, a 43.7 per cent decrease from April's total of \$714 million, and a 24.5 per cent decrease from \$532 million a year ago.



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

Next update: July 31, 2013

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	2010	2011	2012	2012									2013				
				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Labour Market																	
Unemployment Rate - Calgary Economic Region (CER) (%)	7.0%	5.8%	4.9%	5.2%	5.2%	4.8%	4.7%	4.8%	5.1%	4.8%	4.4%	4.3%	4.6%	5.0%	5.1%	4.7%	4.9%
Unemployment Rate - Canada (%)	8.1%	7.5%	7.3%	7.6%	7.6%	7.2%	7.2%	7.3%	7.3%	7.1%	6.7%	6.6%	6.9%	7.1%	7.5%	7.5%	7.4%
Employment - CER (Person - 000s)	755.2	776.1	806.3	795.4	803.5	812.7	818.0	815.8	809.4	808.6	810.6	815.5	813.8	814.4	808.7	812.5	817.8
Employment insurance Alberta - # of recipients (15 years and over), seasonally adjusted **	54,065	38,603	30,163	29,910	28,910	28,380	29,520	30,970	29,730	30,070	30,070	29,910	29,240	29,120	28,170	28,160	
Year-over-year % change **	-0.5%	-28.8%	-20.7%	-29.5%	-29.3%	-27.8%	-21.7%	-16.6%	-12.0%	-7.0%	-7.8%	-8.0%	-9.3%	-7.1%	-8.9%	-5.9%	
Employment insurance Calgary - # of recipients (15 years and over), seasonally adjusted **	17,622	12,108	9,628	9,420	9,350	9,120	10,130	10,090	9,680	9,630	9,730	9,750	9,610	9,530	9,230	9,150	
Year-over-year % change **	-0.8%	-31.5%	-18.9%	-30.0%	-28.2%	-26.9%	-14.2%	-12.0%	-9.5%	-6.0%	-2.0%	0.0%	-0.3%	0.1%	-2.6%	-2.9%	
City of Calgary Population Estimate (000s)	1,072 ^f	1,091 ^f	1,120 ^f	1,120	1,123	1,127	1,130	1,132	1,135	1,138	1,142	1,145	1,148	1,152	1,155	1,158	1,161
Energy																	
West Texas Intermediate (\$US/barrel)	79.52	95.13	94.21	103.35	94.72	82.41	87.95	94.16	94.56	89.57	86.74	88.25	94.83	95.32	92.96	92.07	94.79
Alberta Natural Gas (Cdn\$/GJ)	3.80	3.43	2.27	1.59	1.94	1.86	2.22	2.08	2.19	2.94	3.22	3.01	2.92	2.91	3.26	3.52	3.39
Prices																	
Inflation Rate - Calgary Census Metropolitan Area (CMA) (%)	0.8%	2.2%	1.0%	2.2%	2.1%	2.0%	1.9%	1.8%	1.7%	1.5%	1.3%	1.0%	0.8%	0.7%	0.7%	0.7%	0.9%
Inflation Rate - Canada (%)	1.8%	2.9%	1.5%	2.7%	2.5%	2.4%	2.3%	2.1%	2.0%	1.8%	1.6%	1.5%	1.4%	1.2%	1.2%	1.0%	1.0%
Average Hourly Wage Rate - Alberta y-o-y % change	1.3%	1.7%	4.8%	4.0%	3.4%	5.0%	5.6%	7.4%	6.5%	6.6%	4.9%	5.5%	6.1%	5.2%	7.1%	6.8%	5.6%
Average Weekly Earnings* - Alberta y-o-y % change	4.4%	4.0%	2.1%	1.7%	-1.5%	2.3%	4.6%	2.2%	3.8%	2.3%	1.8%	2.7%	2.1%	3.9%	3.5%	3.1%	
General Indicators																	
Canadian Real GDP y-o-y % change - (Chained 2007 dollar)	3.4%	2.6%	1.8%	2.4%	2.8%	2.5%	2.0%	1.4%	1.1%	1.2%	1.5%	0.8%	1.1%	1.7%	1.7%	1.4%	
Canadian Real GDP m-o-m % change - (Chained 2007 dollar)	--	--	--	0.4%	0.1%	0.0%	0.2%	-0.1%	0.0%	0.1%	0.3%	-0.2%	0.3%	0.3%	0.2%	0.1%	
Prime Lending Rate - Bank of Canada (%)	2.60%	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)	59.7	63.9	68.3	5.6	5.7	5.6	5.7	5.7	5.8	5.8	5.9	5.7	5.8	6.0	5.9	6.0	
Retail Sales - CER, seasonally adjusted (\$billions)	23.4	24.8	26.7	2.2	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.4	2.3	2.4	
Index of Consumer Confidence - Canada	84.7	80.6	77.7	75.0	80.8	74.0	76.9	75.6	82.2	81.1	80.3	77.9	83.0	80.8	80.5	75.6	80.7
Housing Starts - Calgary CMA	9,262	9,292	12,841	1,711	949	1,184	910	1,039	1,012	980	990	866	719	896	890	1,067	1,078
# of Personal Bankruptcies - Alberta	8,150	7,029	5,759	523	515	484	489	454	421	489	420	346	446	412	429		
Calgary Residential Unit Sales MLS	20,996	22,466	26,634	2,720	2,982	2,832	2,502	2,198	2,054	2,104	1,831	1,343	1,572	2,071	2,631	3,003	3,247
Calgary Residential Sales to New Listings Ratio MLS	48.09	53.69	66.33	62.24	60.29	65.06	70.03	64.67	60.11	69.44	84.07	105.83	48.04	59.58	62.27	64.39	65.76
Calgary Residential Average Price MLS (\$thousands)	397.4	401.9	410.8	414.9	429.5	422.1	409.7	400.3	402.8	418.7	413.9	419.8	418.9	438.8	441.4	429.7	440.7
Business Indicators																	
Wholesale Sales - Alberta, seasonally adjusted (\$billions)	61.4	69.9	77.5	6.5	6.6	6.4	6.5	6.5	6.5	6.5	6.6	6.5	6.5	6.7	6.4	6.5	
Manufacturing Sales - Alberta, seasonally adjusted (\$billions)	60.6	71.1	73.5	6.3	6.1	6.0	6.2	6.0	6.2	6.0	6.0	5.9	6.1	6.2	6.1	6.0	
# of New Businesses - Calgary	3,537	4,300	3,770	200	162	475	202	445	293	549	533	337	NA	549	344	271	244
# of Business Closures - Calgary	2,503	2,380	2,445	189	290	122	239	124	215	225	124	154	NA	785	243	165	209
# of Business Bankruptcies - Alberta	378	264	230	20	28	22	16	10	21	18	15	16	10	14	12		
City of Calgary Total Building Permit Value (\$millions)	2,913.0	4,528.3	4,459.1	607.4	532.4	349.7	372.8	470.3	302.5	274.6	290.0	289.4	278.5	437.4	476.7	714.1	402.1

^f 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.