

Current Economic Analysis

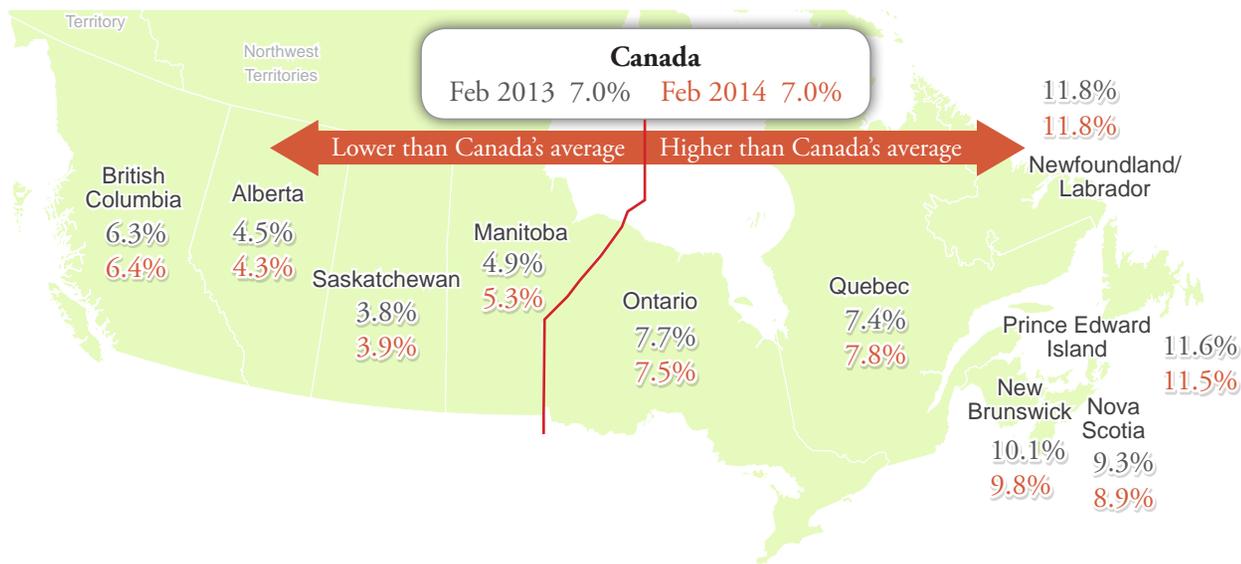
Estella Scruggs, Corporate Research Analyst | Jillian Kohut, Associate Economist

April 1, 2014

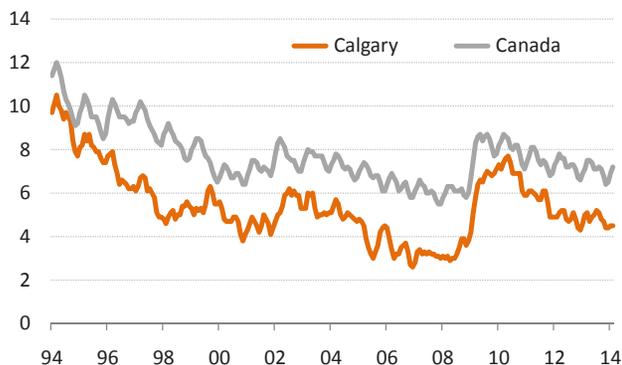
Labour Market (Unadjusted)

- The unemployment rate in the Calgary Economic Region (CER) was 4.5 per cent in February 2014, down from 5 per cent for the same time last year. Nationally, the unemployment rate was 7.2 per cent, up from 7.1 per cent in February 2013.
- Total employment in the Calgary Economic Region (CER) was 841,700 in February 2014, a 3.4 per cent increase from 814,400 in February 2013.
- The CER's working age population was estimated at 1,204,000 in February 2014, up 46,000 from February 2013.

Unemployment Rates, Canada and Provinces (Seasonally adjusted)



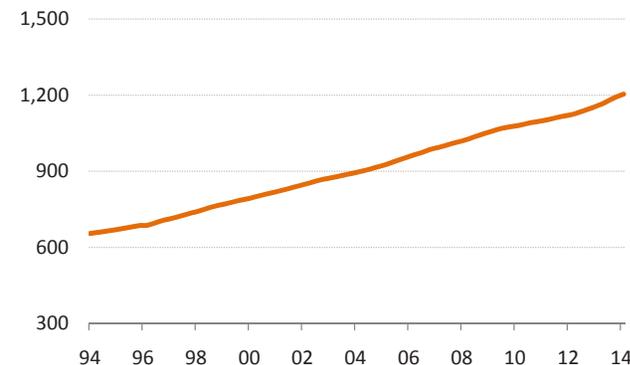
Unemployment Rates (unadjusted, per cent)



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



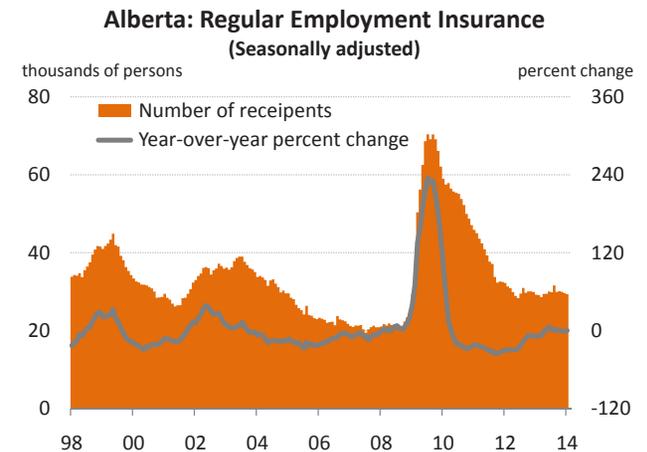
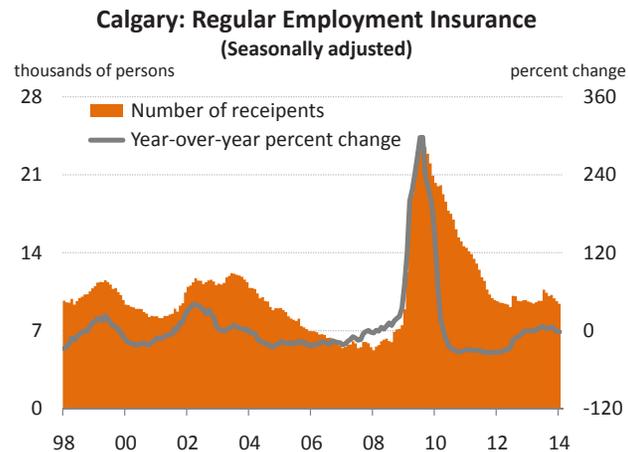
Calgary CER: Working Age Population (unadjusted, thousands of persons)



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

Labour Market (continued)

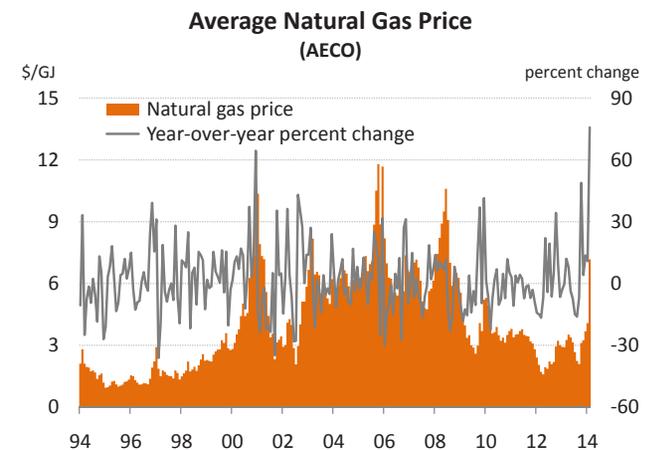
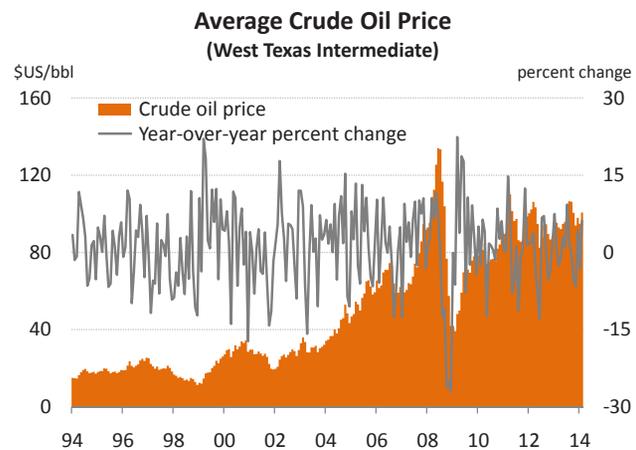
- Between January 2013 and January 2014, the number of Calgarians receiving regular employment insurance fell by 2.1 per cent to 9,410. For Alberta, during the same time period, the number increased by 0.4 per cent to 29,370.



Sources: Statistics Canada, Corporate Economics

Energy

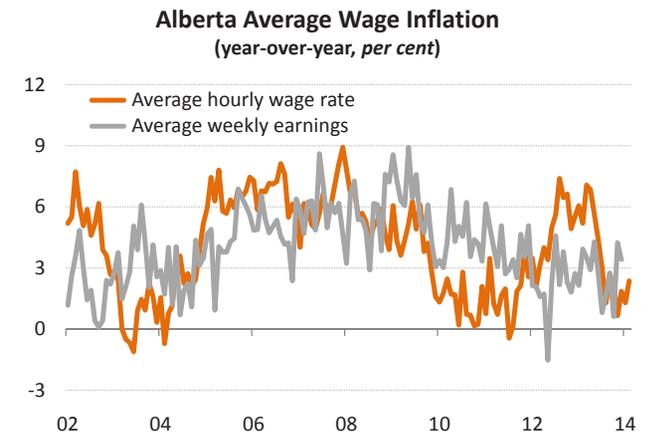
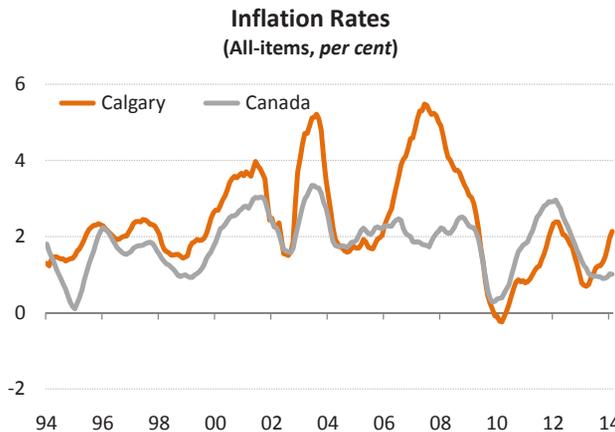
- In February 2014, the average price for crude oil (WTI) was US\$100.67/bbl, up 6.1 per cent from January and 5.6 per cent from a year ago.
- The average price for natural gas (AECO) was \$7.17/GJ in February 2014, up 75.7 per cent from the previous month and 146.4 per cent from February 2013. This price increase was driven up by the frigid weather experienced in much of the United States and Eastern and Central Canada in the first two months of 2014.



Sources: GLJ Energy Publications, Corporate Economics

Prices

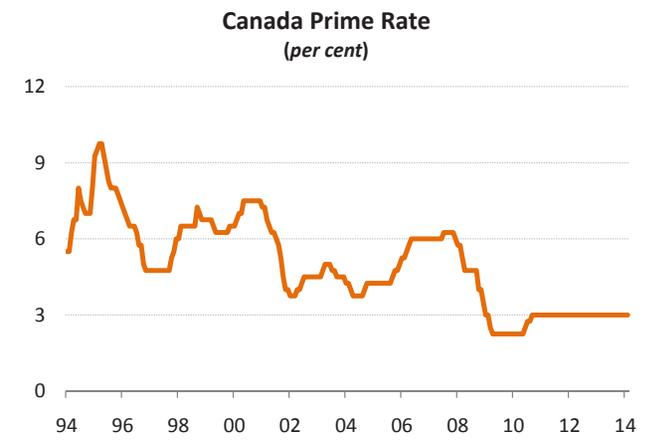
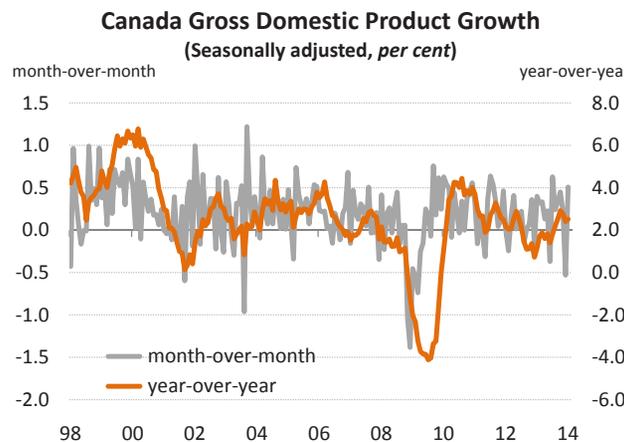
- In February 2014, Calgary's 12-month-moving-average inflation rate increased to 2.1 per cent from 2 per cent in January 2014 and 0.7 per cent in February 2013. Nationally, the inflation rate remained unchanged at 1 per cent in February 2014 from the previous month, but down from 1.2 per cent in February 2013.
- In Alberta, the average hourly wage inflation rate in February 2014 was 2.4 per cent, down from 5.2 per cent a year ago. The average weekly earnings growth rate was 2.7 per cent in January 2014, increased from 2.3 per cent in January 2013.



■ Sources: Statistics Canada, Corporate Economics

General Indicators

- Canada's real gross domestic product (GDP) growth:
 - ▶ **Month-over-month:** edged up 0.5 per cent in January 2014, following a 0.5 per cent contraction in December 2013.
 - ▶ **Year-over-year:** increased 2.5 per cent in January 2014, following a 2.4 per cent advance in December 2013.
- The Canadian prime business loan rate remained unchanged at 3 per cent in February 2014.

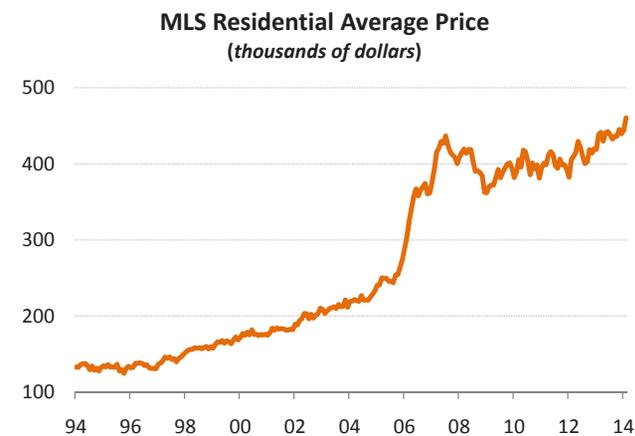
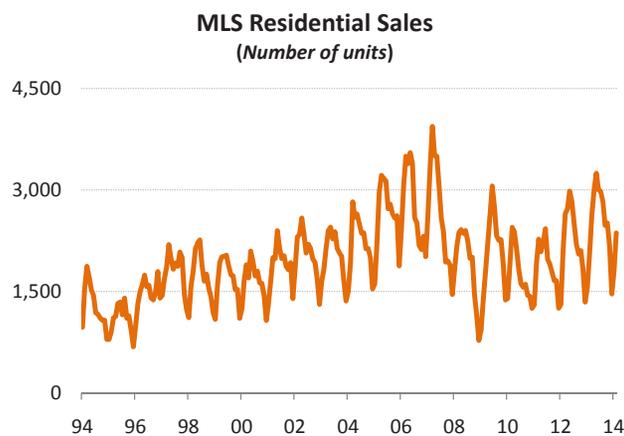
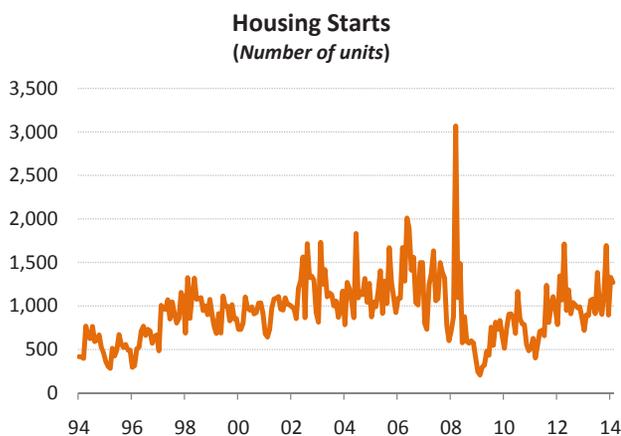
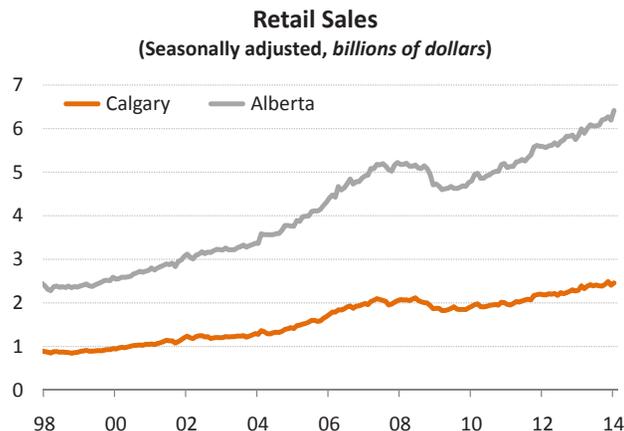


Sources: Statistics Canada, Bank of Canada, Corporate Economics

Current Economic Analysis

Consumer Indicators

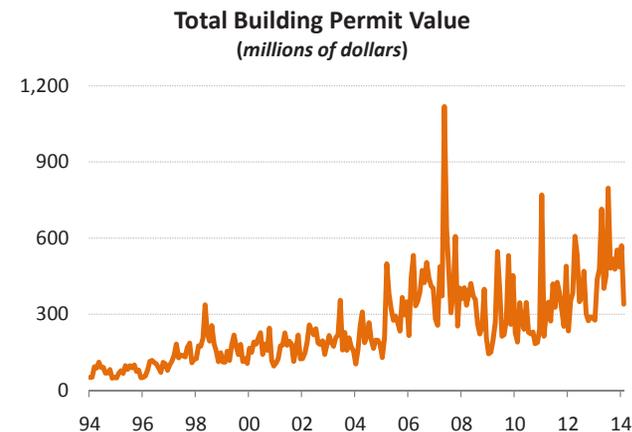
- In January 2014, total retail sales in the CER was estimated at \$2.5 billion (seasonally adjusted), up 2.2 per cent from December and 7.4 per cent from a year ago. Alberta retail sales were estimated at \$6.4 billion (seasonally adjusted), indicating a 3.5 per cent increase over the previous month and a 9.8 per cent increase year-over-year.
- The Index of Consumer Confidence increased in February 2014 by 4.3 points to 85.7 (2002 = 100).
- In February 2014, total housing starts in Calgary (CMA) reached 1,270 units, down from 1,328 units in January but up from 896 units a year ago.
- Calgary housing sales in February 2014 were 2,363 units, up 31.1 per cent from 1,802 units in January and 14.1 per cent from 2,071 units a year ago.
- February's MLS average sale price for Calgary was \$460,338, up 3.6 per cent from January's average of \$444,153 and 4.9 per cent from \$438,755 a year ago.



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 \$6.8 billion (seasonally adjusted) in January 2014, up 3.2 per cent from the previous month and 3.9 per cent from a year ago.
- Alberta manufacturing sales were estimated at \$6.5 billion (seasonally adjusted) in January 2014, up 4.3 per cent from the previous month and 7 per cent from the same time last year.
- In February 2014, the total value of building permits in the city of Calgary reached \$340 million, a 40.4 per cent decrease from January's total of \$570 million, and a 22.1 per cent decrease from \$436 million a year ago.



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

Next update: April 30, 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	
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Labour Market																	
Unemployment Rate - Calgary Economic Region (CER) (%)	5.8%	4.9%	4.8%	4.6%	5.0%	5.1%	4.7%	4.9%	5.0%	5.2%	5.1%	4.8%	4.7%	4.4%	4.4%	4.5%	4.5%
Unemployment Rate - Canada (%)	7.5%	7.3%	7.1%	6.9%	7.1%	7.5%	7.5%	7.4%	7.1%	7.1%	7.2%	7.1%	6.8%	6.4%	6.5%	6.9%	7.2%
Employment - CER (Person - 000s)	776.1	806.3	830.0	813.8	814.4	808.7	812.5	817.8	827.1	836.5	842.3	847.1	846.7	846.4	846.7	845.4	841.7
Employment insurance Alberta - Number of recipients (15 years and over), seasonally adjusted **	38,603	30,163	29,756	29,240	29,120	28,630	29,450	29,460	30,040	29,860	31,600	29,920	30,150	29,950	29,650	29,370	
<i>Year-over-year % change **</i>	-28.8%	-20.7%	-1.2%	-9.3%	-7.1%	-7.4%	-1.5%	1.9%	5.8%	1.2%	2.0%	0.6%	0.3%	-0.4%	-0.9%	0.4%	
Employment insurance Calgary - Number of recipients (15 years and over), seasonally adjusted **	12,108	9,628	9,872	9,610	9,530	9,430	9,550	9,690	9,680	10,680	10,400	10,110	10,210	9,910	9,660	9,410	
<i>Year-over-year % change **</i>	-31.5%	-18.9%	2.5%	-0.3%	0.1%	-0.5%	1.4%	3.6%	6.1%	5.4%	3.1%	4.4%	6.0%	1.8%	-0.9%	-2.1%	
City of Calgary Population Estimate (000s)	1,091 [†]	1,120 [†]	1,150 [†]	1,142	1,145	1,147	1,150	1,153	1,157	1,162	1,166	1,171	1,175	1,178	1,181	1,185	1,188
Energy																	
West Texas Intermediate (\$US/barrel)	95.13	94.21	97.97	94.83	95.32	92.96	92.07	94.79	95.80	104.70	106.54	106.24	100.55	93.93	97.91	94.86	100.67
Alberta Natural Gas (Cdn\$/GJ)	3.43	2.27	3.01	2.92	2.91	3.26	3.52	3.39	3.14	2.67	2.24	2.09	3.11	3.24	3.68	4.08	7.17
Prices																	
Inflation Rate - Calgary Census Metropolitan Area (CMA) (%)	2.2%	1.0%	1.7%	0.8%	0.7%	0.7%	0.7%	0.9%	1.0%	1.2%	1.2%	1.2%	1.3%	1.5%	1.7%	2.0%	2.1%
Inflation Rate - Canada (%)	2.9%	1.5%	0.9%	1.4%	1.2%	1.2%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%
Average Hourly Wage Rate - Alberta y-o-y % change	1.7%	4.8%	3.9%	6.1%	5.2%	7.1%	6.8%	5.6%	4.4%	3.0%	1.3%	2.7%	2.1%	0.7%	1.9%	1.3%	2.4%
Average Weekly Earnings* - Alberta y-o-y % change	3.9%	2.1%	2.7%	2.3%	3.5%	3.4%	2.8%	4.4%	2.7%	0.7%	1.6%	2.7%	0.8%	4.5%	3.4%	2.7%	
General Indicators																	
Canadian Real GDP y-o-y % change - (Chained 2007 dollar)	2.7%	1.8%	2.0%	1.1%	1.7%	1.9%	1.6%	1.8%	1.4%	1.8%	2.2%	2.5%	2.9%	2.8%	2.4%	2.5%	
<i>Canadian Real GDP m-o-m % change - (Chained 2007 dollar)</i>	--	--	--	0.4%	0.3%	0.3%	0.1%	0.2%	-0.4%	0.6%	0.2%	0.3%	0.4%	0.2%	-0.5%	0.5%	
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	72.9	5.8	6.0	5.9	6.0	6.1	6.1	6.1	6.1	6.2	6.2	6.3	6.2	6.4	
Retail Sales - CER, seasonally adjusted (\$billions)	24.8	26.7	28.7	2.3	2.4	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.4	2.5	
Index of Consumer Confidence - Canada	80.6	77.7	83.2	83.0	80.8	80.5	75.6	80.7	83.4	82.6	84.7	91.0	88.9	87.1	80.5	81.4	85.7
Housing Starts - Calgary CMA	9,292	12,841	12,584	719	896	890	1,067	1,078	912	1,385	982	904	1,162	1,693	896	1,328	1,270
Number of Personal Bankruptcies - Alberta	7,029	5,759	4,689	446	412	429	464	434	375	385	379	375	383	323	284	336	
Calgary Residential Unit Sales MLS	22,466	26,634	29,954	1,572	2,071	2,631	3,003	3,247	3,002	2,976	2,830	2,475	2,510	2,173	1,464	1,802	2,363
Calgary Residential Sales to New Listings Ratio MLS	53.69	66.33	73.17	48.04	59.58	62.27	64.39	65.76	75.29	78.30	76.94	68.18	75.65	90.73	112.88	56.77	67.36
Calgary Residential Average Price MLS (\$thousands)	401.9	410.8	436.6	418.9	438.8	441.4	429.7	440.7	442.5	438.2	432.6	435.9	436.2	445.1	439.4	444.2	460.3
Business Indicators																	
Wholesale Sales - Alberta, seasonally adjusted (\$billions)	69.9	77.5	79.3	6.5	6.7	6.4	6.5	6.6	6.5	6.7	6.6	6.6	6.8	6.7	6.6	6.8	
Manufacturing Sales - Alberta, seasonally adjusted (\$billions)	71.1	73.5	74.9	6.1	6.2	6.1	6.0	6.2	6.2	6.4	6.5	6.2	6.4	6.5	6.2	6.5	
Number of New Businesses - Calgary	4,300	3,770	3,890	NA	549	344	271	244	153	124	278	665	481	524	257	0	471
Number of Business Closures - Calgary	2,380	2,445	2,581	NA	785	243	165	209	146	140	193	211	156	215	118	1	606
Number of Business Bankruptcies - Alberta	264	230	137	10	14	12	15	11	9	9	7	13	15	8	14	7	
City of Calgary Total Value of Building Permits (\$millions)	4,528.3	4,447.7	6,070.6	276.7	436.0	476.7	714.1	402.1	453.0	796.6	481.6	516.9	477.5	552.9	486.4	569.8	339.5

[†] 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.