

Current Economic Analysis

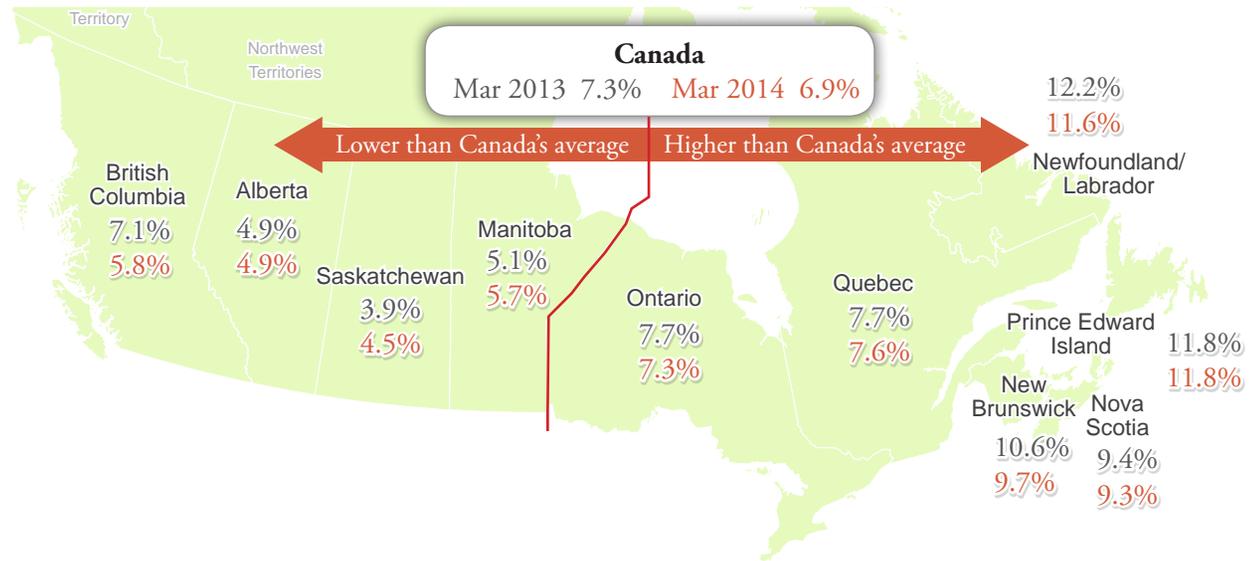
Estella Scruggs, Corporate Research Analyst | Jillian Kohut, Associate Economist

May 5, 2014

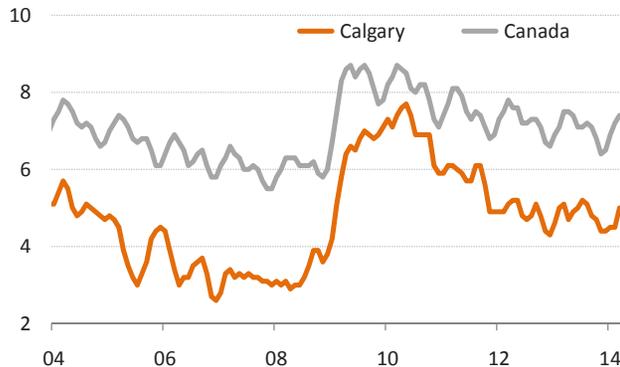
Labour Market (Unadjusted)

- The unemployment rate in the Calgary Economic Region (CER) rose to 5.0 per cent in March, down from 5.1 per cent during the same time last year. Nationally, the unemployment rate was 7.4 per cent, a 0.1 percentage point decrease from March 2013.
- Total employment in the CER climbed 3.7 per cent year-over-year, landing at 838,900 in March.
- The working age population of the Calgary Economic Region was estimated at 1,207,200, marking another 4.0 per cent increase from the same time last year.

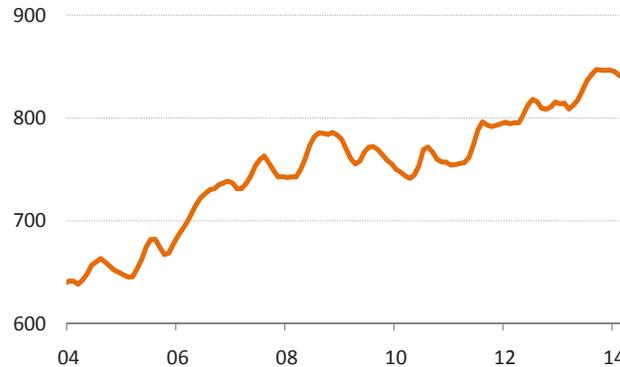
Unemployment Rates, Canada and Provinces (Seasonally adjusted)



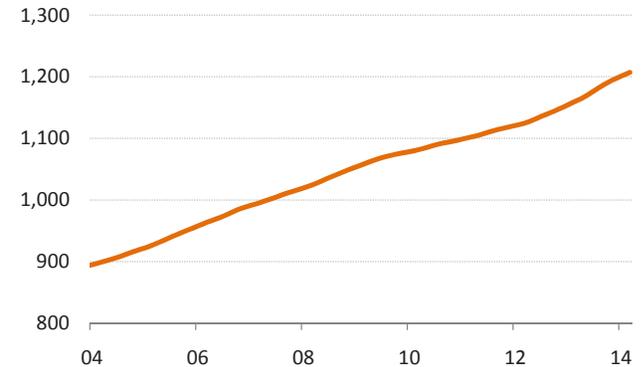
Unemployment Rates (unadjusted, per cent)



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



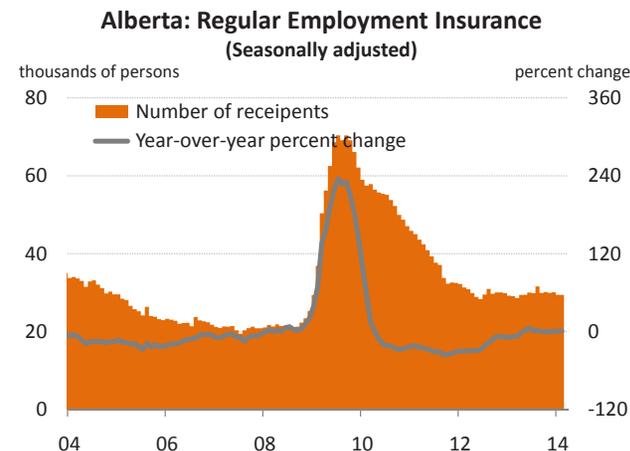
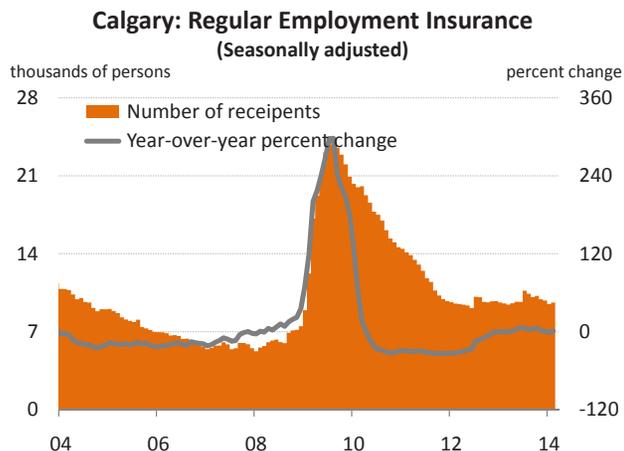
Calgary CER: Working Age Population (unadjusted, thousands of persons)



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

Labour Market (continued)

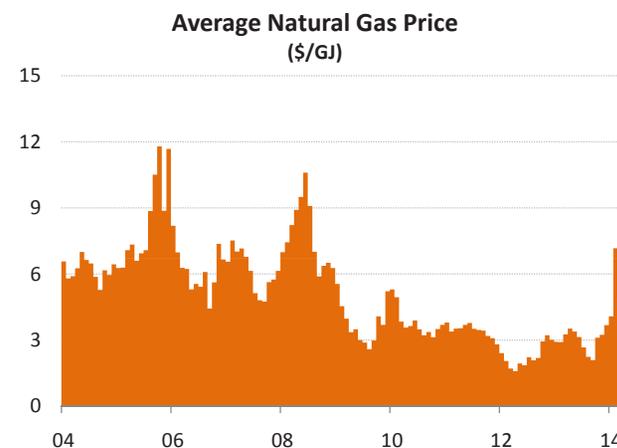
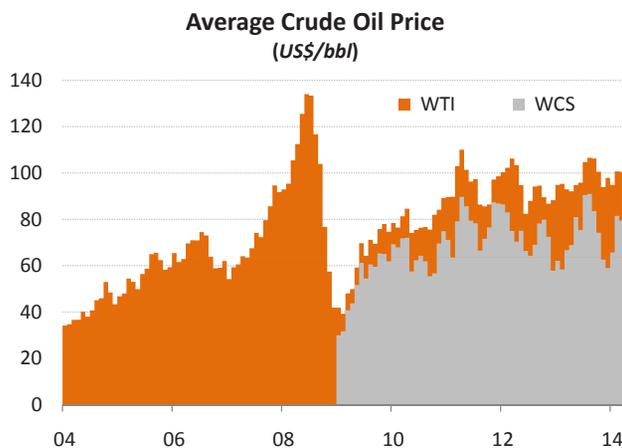
- Between February 2013 and February 2014, the number of Calgarians receiving regular benefits advanced 0.8 per cent to 9,610. For Alberta overall the measure increased 1.1 per cent to 29,450.



Sources: Statistics Canada, Corporate Economics

Energy

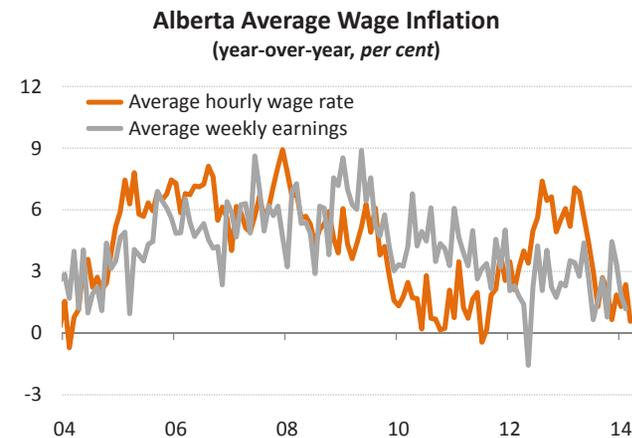
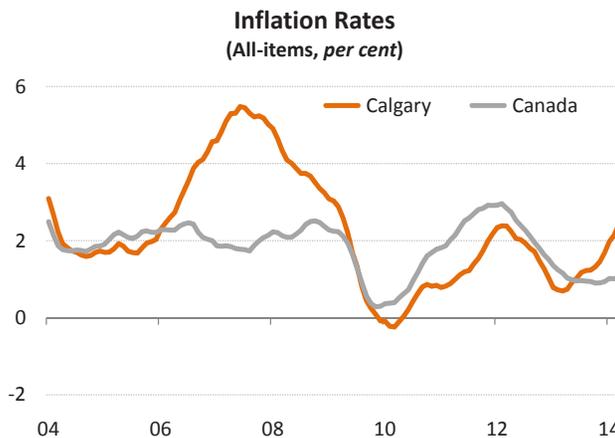
- Continued tensions surrounding the Crimean crisis held the average crude oil price above US\$100/bbl in March. Overall West Texas Intermediate (WTI) oil averaged US\$100.48/bbl, an 8.1 per cent jump from the year before. The price for Western Canada Select (WCS), which is the price obtained by many Albertan producers, rose to US\$79.42/bbl.
- Meanwhile, the average price for natural gas at AECO fell to \$4.96/GJ as somewhat warmer weather helped offset concerns over low storage levels. This represented a 30.8 per cent drop from February, but prices were up 52.1 per cent from the same time last year.



Sources: GLJ Energy Publications, Corporate Economics

Prices

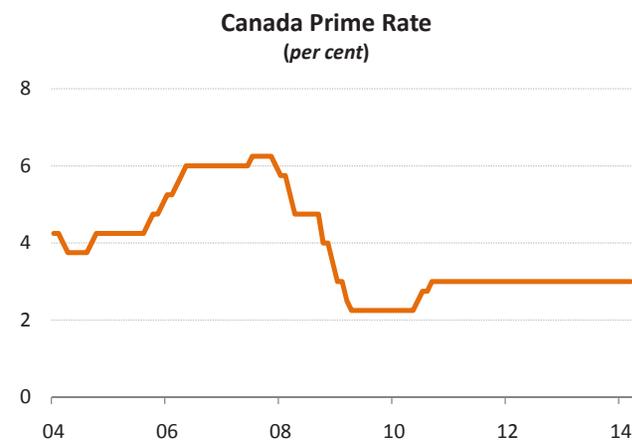
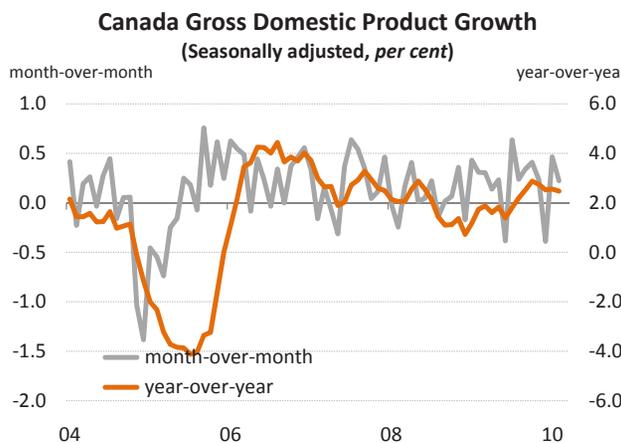
- Calgary's 12-month-moving-average inflation rate accelerated to 2.4 per cent in March. The 0.3 percentage point jump in inflation from the previous month was almost entirely due to a hefty increase in heating costs. Nationally, the same measure of inflation ticked up to 1.1 per cent.
- During the month of March average hourly wages in Alberta rose just 0.6 per cent year-over-year. This was a considerable slowdown from both the month and year before. Conversely, average weekly earnings were up 1.2 per cent in February.



Sources: Statistics Canada, Corporate Economics

General Indicators

- Canada's real gross domestic product (GDP) growth:
 - ▶ Grew by 0.2 per cent month-over-month in February following a hefty 0.5 per cent rebound the month before.
 - ▶ On a year-over-year basis the rate of economic expansion decelerated marginally from 2.6 per cent in January to 2.5 per cent in February.
- The Canadian prime business loan rate was flat at 3.0 per cent yet again in March 2014.

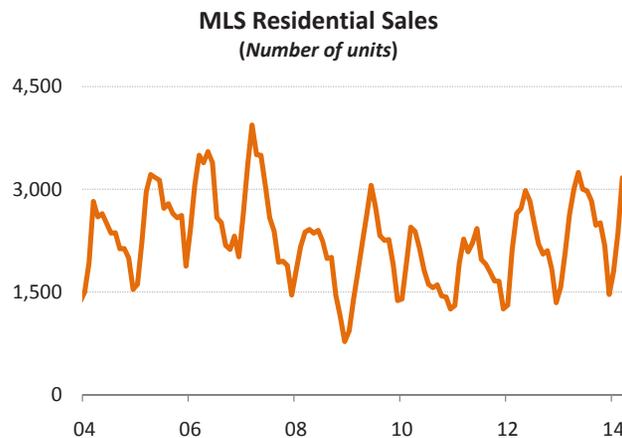
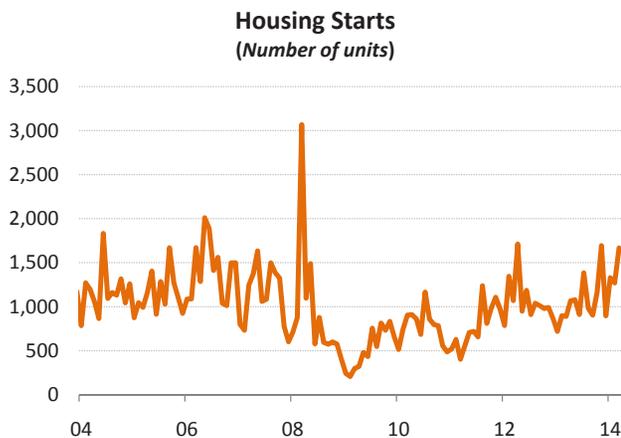
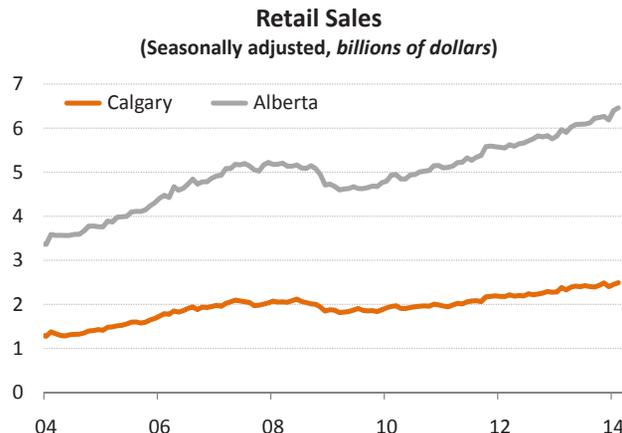


Sources: Statistics Canada, Bank of Canada, Corporate Economics

Current Economic Analysis

Consumer Indicators

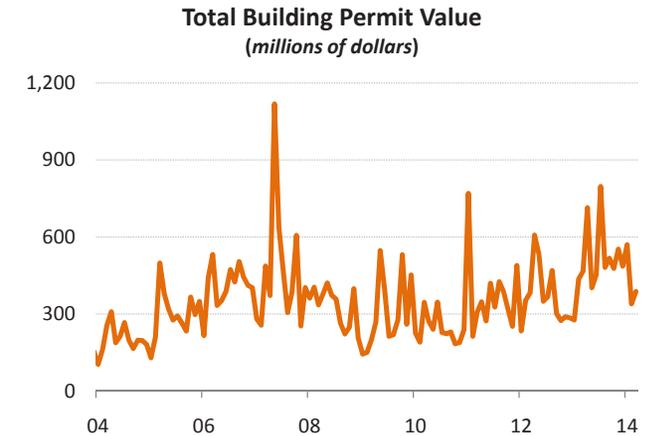
- In February, total retail sales in the CER were estimated at \$2.5 billion on a seasonally adjusted basis. This was an increase of 1.6 per cent month-over-month and a 4.7 per cent jump from February 2013. For Alberta overall, sales jumped 8.3 per cent year-over-year to a fresh all-time high of \$6.5 billion.
- The Index of Canadian Consumer Confidence (where 2002=100) climbed nearly 3 points to 88.5 in March.
- Total housing starts in Calgary (CMA) soared to 1,667 units in March, nearly doubling the amount from March 2013. This also represented a 31.3 per cent leap from February as warmer weather likely helped boost construction activity.
- Resale activity in Calgary also picked up in March. The number of dwellings sold jumped to 3,170, up from 2,363 in February and 2,631 in March 2013.
- The average MLS sale price for Calgary homes also continued to advance. At just below \$463,000 prices were up 0.6% per cent from the month before and 4.9 per cent from the same time last year.



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

Business Indicators

- Albertan wholesale trade activity rose during the month of February. Sales climbed to \$6.9 billion (seasonally adjusted), up 1.1 per cent from the previous month and 3.6 per cent from February of last year.
- Manufacturing sales in the province were also on the rise in February. Shipments were estimated at \$6.5 billion, which constitutes a hefty 5.9 per cent jump year-over-year. However, sales were essentially flat from January 2014.
- In March the total value of building permits issued by the city of Calgary reached \$388 million as the number of dwellings planned fell from 857 in February to 714.



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

Next update: May 31, 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.

For more information, please contact:

Estella Scruggs
403.268-5556 or estella.scruggs@calgary.ca

Jillian Kohut
403.268.5059 or jillian.kohut@calgary.ca

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		
				Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Labour Market																		
Unemployment Rate - Calgary Economic Region (CER) (%)	5.8%	4.9%	4.8%	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%	5.0%	
Unemployment Rate - Canada (%)	7.5%	7.3%	7.1%	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%	7.4%	
Employment - CER (Person - 000s)	776.1	806.3	830.0	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	838.9	
Employment insurance Alberta - Number of recipients (15 years and over), seasonally adjusted **	38,603	30,163	29,793	29,120	28,630	29,450	29,460	30,040	29,860	31,600	29,920	30,150	29,950	30,100	29,460	29,450		
Year-over-year % change **	-28.8%	-20.7%	-1.1%	-7.1%	-7.4%	-1.5%	1.9%	5.8%	1.2%	2.0%	0.6%	0.3%	-0.4%	0.6%	0.8%	1.1%		
Employment insurance Calgary - Number of recipients (15 years and over), seasonally adjusted **	12,108	9,628	9,883	9,530	9,430	9,550	9,690	9,680	10,680	10,400	10,110	10,210	9,910	9,800	9,480	9,610		
Year-over-year % change **	-31.5%	-18.9%	2.6%	0.1%	-0.5%	1.4%	3.6%	6.1%	5.4%	3.1%	4.4%	6.0%	1.8%	0.5%	-1.4%	0.8%		
City of Calgary Population Estimate (000s)	1,091 [†]	1,120 [†]	1,150 [†]	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	1,191	
Energy																		
West Texas Intermediate (\$US/barrel)	95.13	94.21	97.97	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	100.48	
Western Canada Select (\$US/barrel)	77.97	73.17	72.77	58.4	66.72	68.87	80.93	75.39	90.5	90.97	83.57	74.21	62.62	58.95	65.69	81.54	79.42	
Alberta Natural Gas (Cdn\$/GJ)	3.43	2.27	3.01	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	4.96	
Prices																		
Inflation Rate - Calgary Census Metropolitan Area (CMA) (%)	2.2%	1.0%	1.7%	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%	2.4%	
Inflation Rate - Canada (%)	2.9%	1.5%	0.9%	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%	1.1%	
Average Hourly Wage Rate - Alberta y-o-y % change	1.7%	4.8%	3.9%	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%	0.6%	
Average Weekly Earnings* - Alberta y-o-y % change	3.9%	2.1%	2.7%	3.5%	3.4%	2.8%	4.4%	2.7%	0.7%	1.6%	2.7%	0.8%	4.5%	3.4%	1.8%	1.2%		
General Indicators																		
Canadian Real GDP y-o-y % change - (Chained 2007 dollar)	2.7%	1.8%	2.0%	1.7%	1.9%	1.6%	1.8%	1.4%	1.8%	2.2%	2.5%	2.9%	2.7%	2.5%	2.6%	2.5%		
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	73.0	6.0	5.9	6.0	6.1	6.1	6.1	6.1	6.2	6.2	6.3	6.2	6.4	6.5		
Retail Sales - CER, seasonally adjusted (\$billions)	24.8	26.7	28.7	2.4	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.4	2.5	2.5		
Index of Consumer Confidence - Canada	80.6	77.7	83.2	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	88.5	
Housing Starts - Calgary CMA	9,292	12,841	12,584	896	890	1,067	1,078	912	1,385	982	904	1,162	1,693	896	1,328	1,270	1,667	
Number of Personal Bankruptcies - Alberta	7,029	5,759	4,689	412	429	464	434	375	385	379	375	383	323	284	336	302		
Calgary Residential Unit Sales MLS	22,466	26,634	29,954	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	3,170	
Calgary Residential Sales to New Listings Ratio MLS	53.69	66.33	73.17	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	72.08	
Calgary Residential Average Price MLS (\$thousands)	401.9	410.8	436.6	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	463.0	
Business Indicators																		
Wholesale Sales - Alberta, seasonally adjusted (\$billions)	70.0	77.5	79.3	6.6	6.4	6.5	6.6	6.5	6.8	6.7	6.6	6.8	6.8	6.6	6.8	6.9		
Manufacturing Sales - Alberta, seasonally adjusted (\$billions)	71.1	73.5	74.9	6.2	6.1	6.0	6.2	6.2	6.4	6.5	6.2	6.4	6.5	6.3	6.5	6.5		
Number of New Businesses - Calgary	4,300	3,770	3,890	549	344	271	244	153	124	278	665	481	524	257	0	471	406	
Number of Business Closures - Calgary	2,380	2,445	2,581	785	243	165	209	146	140	193	211	156	215	118	1	606	189	
Number of Business Bankruptcies - Alberta	264	230	137	14	12	15	11	9	9	7	13	15	8	14	7	11		
City of Calgary Total Value of Building Permits (\$millions)	4,528.3	4,447.7	6,060.5	436.0	466.6	714.1	402.1	453.0	796.6	481.6	516.9	477.5	552.9	486.4	569.8	339.5	387.5	

[†] 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.