

Current Economic Analysis

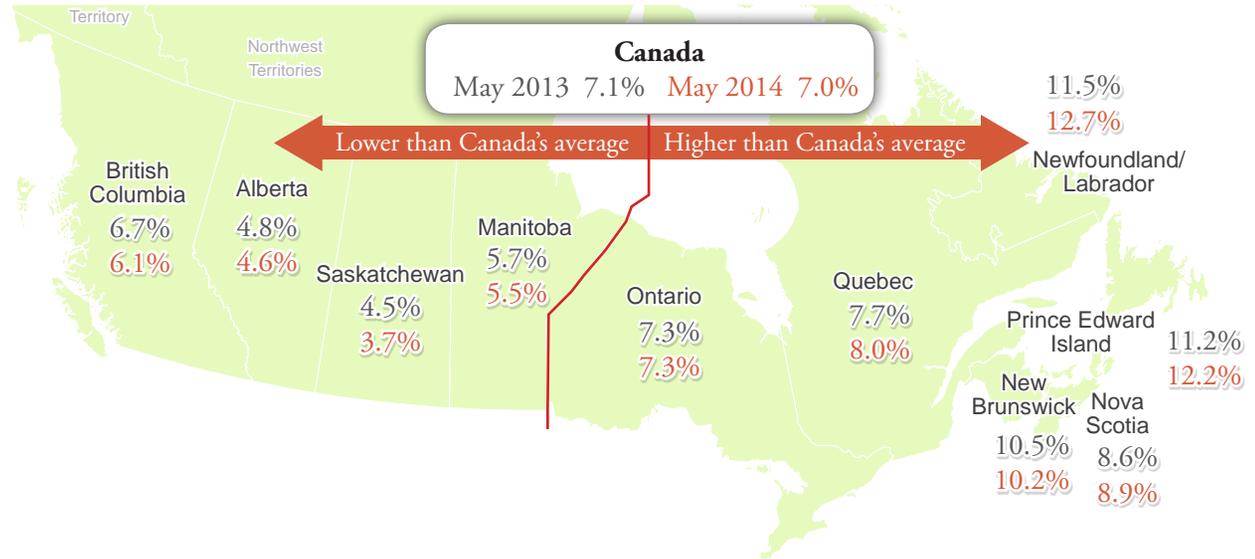
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July 2, 2014

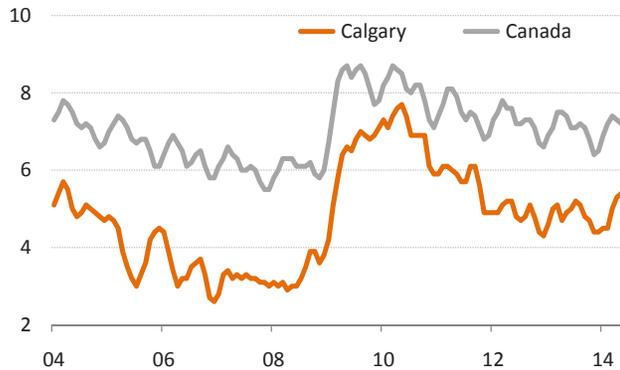
Labour Market (Unadjusted)

- The unemployment rate in the Calgary Economic Region (CER) climbed to 5.4 per cent in May, up 0.1 percentage point from the month before and 0.5 percentage point a year ago. Comparatively, the national unemployment rate remained higher than Calgary's, settling at 7.2 per cent, a gap of 1.8 percentage points.
- Total employment grew to 845,400 during May, a 3.4 per cent increase from the previous year.
- The working age population of the CER in May was estimated at 1,215,000, a jump of 46,400 over the same time last year.

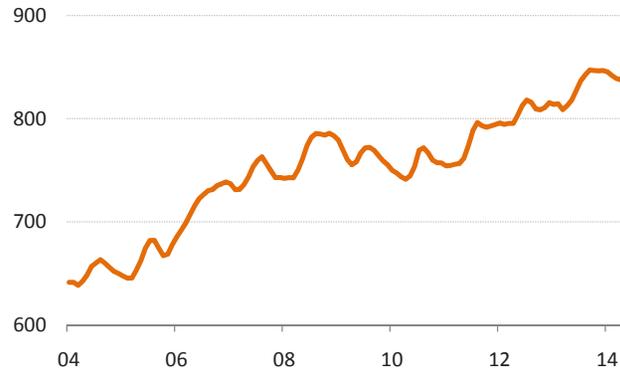
Unemployment Rates, Canada and Provinces (Seasonally adjusted)



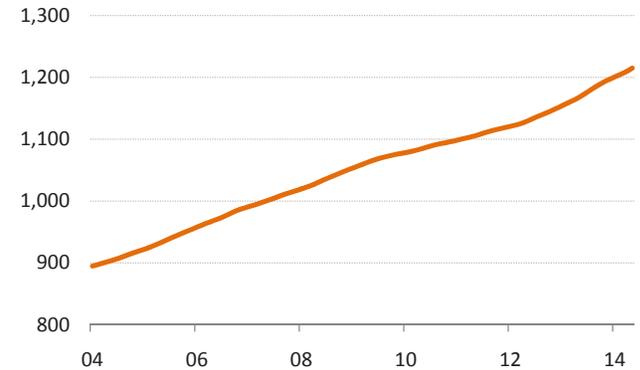
Unemployment Rates (unadjusted, per cent)



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



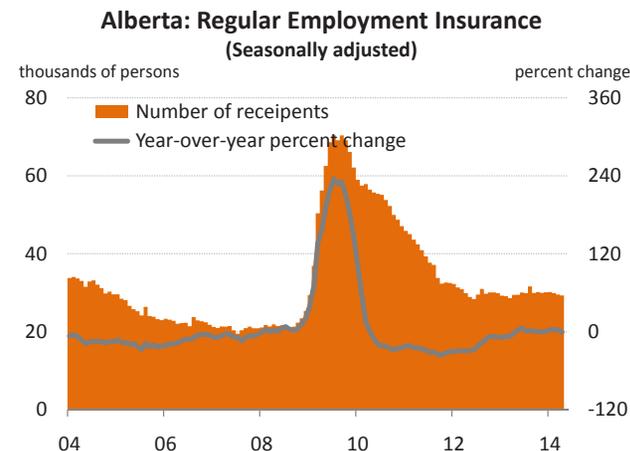
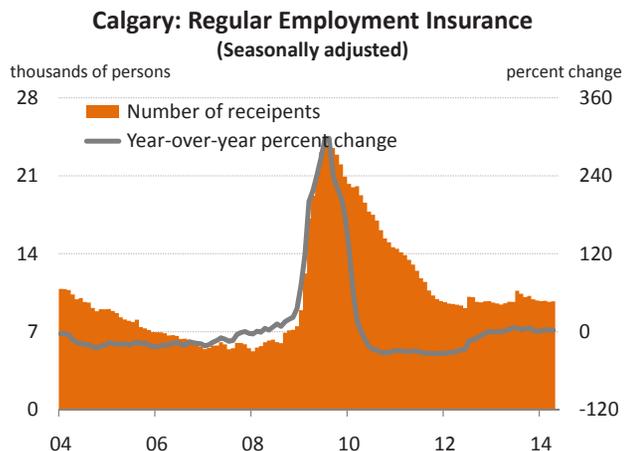
Calgary CER: Working Age Population (unadjusted, thousands of persons)



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

Labour Market (continued)

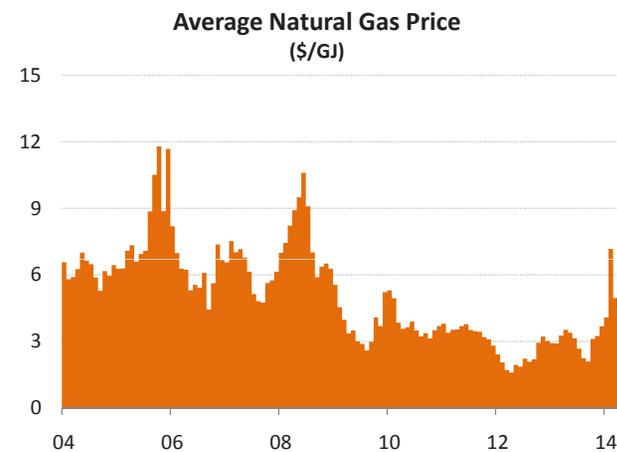
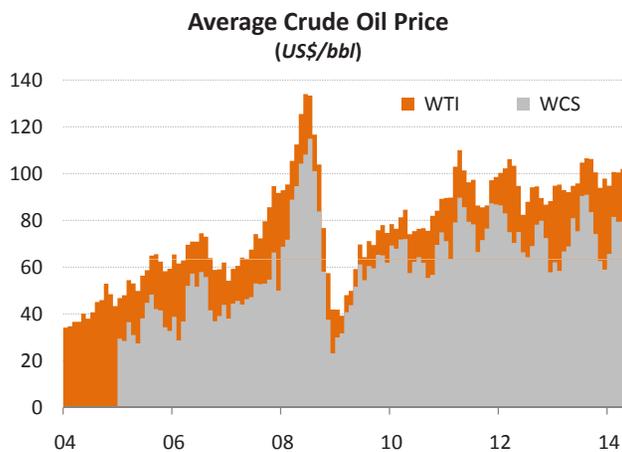
- Between April 2013 and April 2014, the number of Calgarians receiving regular benefits advanced by 1.9 per cent to 9,730. For Alberta, the measure decreased 0.6 per cent to 29,280 during the same time period.



Sources: Statistics Canada, Corporate Economics

Energy

- Western Canada Select (WCS) prices rose to US\$82.72/bbl, while West Texas Intermediate (WTI) prices dropped to US\$101.65/bbl, a 0.4 per cent decrease from the previous month.
- With lessened demand for natural gas the AECO price fell to \$4.31/GJ, a change of 4.6 per cent from the previous month, but a 27.1 per cent increase from the year before.



Sources: GLJ Energy Publications, Corporate Economics

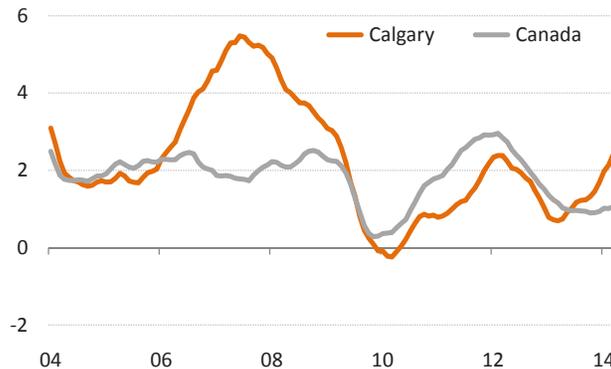
Current Economic Analysis

Prices

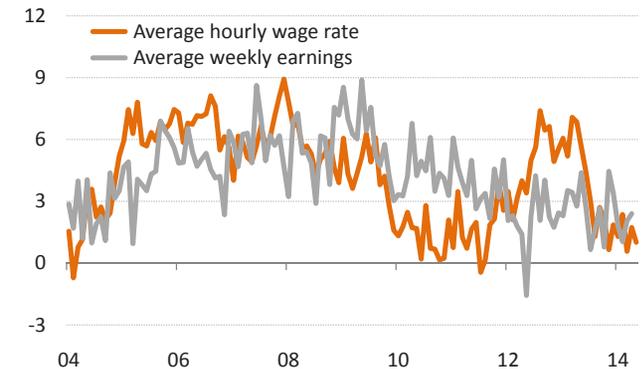
- The inflation rate in the Calgary Census Metropolitan Area (CMA) was 2.6 per cent in May, a massive surge from last year's 0.9 per cent. Furthermore, the national inflation rate jumped to 1.3 per cent, up 0.1 percentage point from April, and 0.3 percentage point from a year ago.
- In May 2014, the average hourly wage of Albertans grew by 1.0 per cent year-over-year, a smaller increase than April's 1.7 per cent jump. Though average hourly wages grew from May 2013, they dropped 41 cents to \$27.87/hour from the previous month. Additionally, average weekly earnings were up 2.4 per cent in April 2014.

Sources: Statistics Canada, Corporate Economics

Inflation Rates
(All-items, per cent)



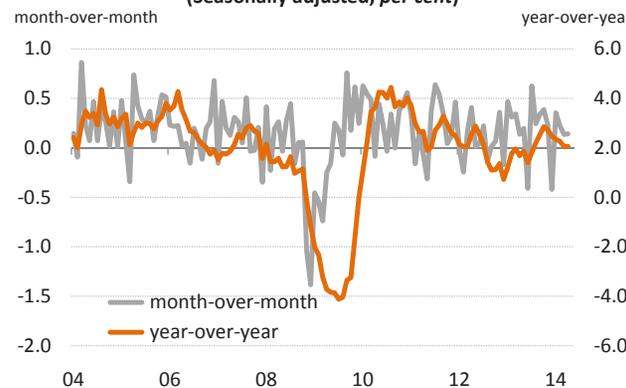
Alberta Average Wage Inflation
(year-over-year, per cent)



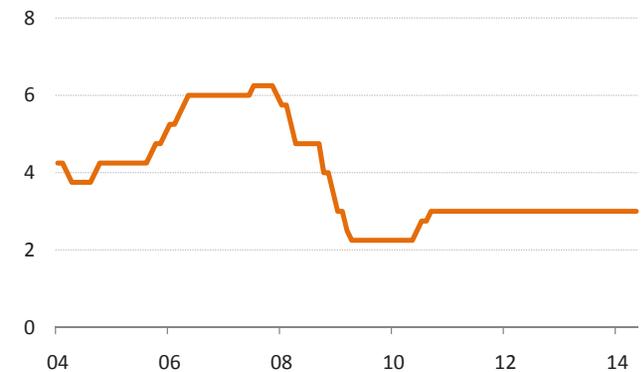
General Indicators

- Canada's real gross domestic product (GDP):
 - ▶ Grew by 0.1 per cent month-over-month in April following a similar increase the month before.
 - ▶ On a year-over-year basis the Canadian economy remained steady with a 2.1 per cent boost in economic activity.
- The Canadian prime business loan rate has remained at 3.0 per cent, for 44 months straight.

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



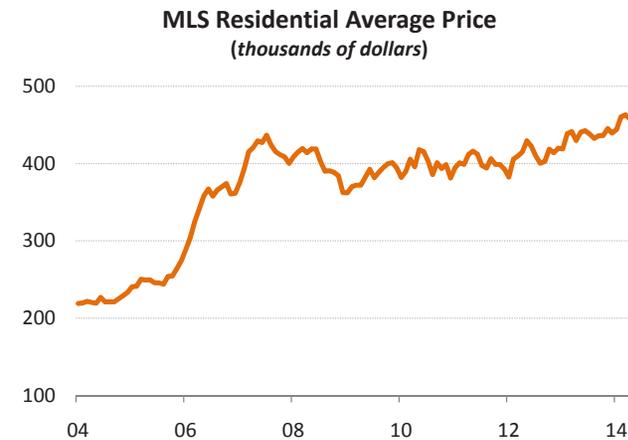
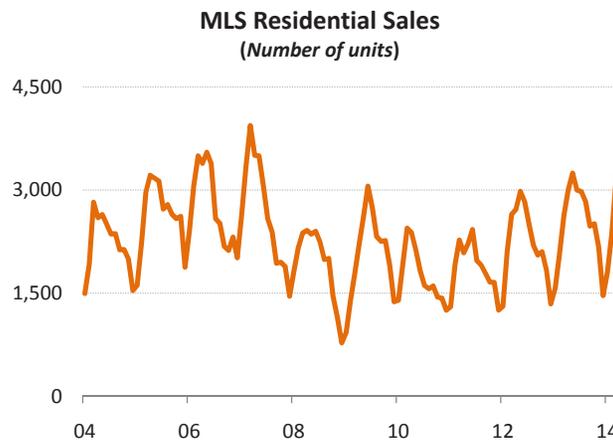
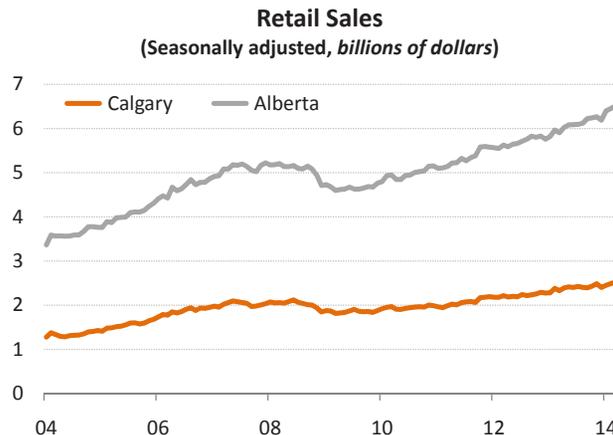
Canada Prime Rate
(per cent)



Sources: Statistics Canada, Bank of Canada, Corporate Economics

Consumer Indicators

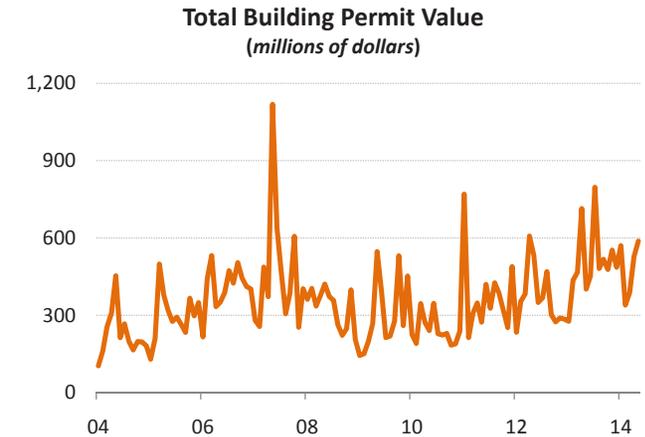
- During the month of April, Alberta retail sales reached \$6.4 billion, a 0.9 per cent drop from the month before. Calgary retail sales also shrank in April posting a 1.8 per cent decline from the month before, but rose 8.2 per cent from the same time last year.
- The Canadian Consumer Confidence Index (where 2002=100) contracted in May, by 2.5 points amid worries of job prospects and future finances.
- Calgary housing starts experienced a heavy decline in May to 1,030 units, from 1,592 units the month before, and 1,079 from the same time last year.
- Calgary's resale market has continued to put forth strong numbers. In May 3,832 units were sold, a jump from the previous month's 3,348 units.
- May's MLS average sale price for Calgary hit \$465,579, a 1.8 per cent leap from April, and a 5.7 per cent surge 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 reached \$7.0 billion (seasonally adjusted) in April 2014, a modest step up of 0.8 per cent from the month before. The wholesale trade sector has seen persistent growth from the start of the 2014 calendar year.
- Manufacturing sales for Alberta remained flat for the month of April with a total of \$ 6.6 billion. Sales increased by 10.7 per cent from last year, leading Canada in year-over-year growth.
- For the third straight month the total value of building permits issued by The City of Calgary saw an increase, hitting \$587.4 million in May. Not only did the value of permits jump 11.2 per cent from April, but also soared 46.2 per cent from the same time in 2013.



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

Next update: July 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.

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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				
				Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Labour Market																	
Unemployment Rate - Calgary Economic Region (CER) (%)	5.8%	4.9%	4.8%	4.7%	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%
Unemployment Rate - Canada (%)	7.5%	7.3%	7.1%	7.5%	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%
Employment - CER (Person - 000s)	776.1	806.3	830.0	812.5	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
Employment insurance Alberta - Number of recipients (15 years and over), seasonally adjusted **	38,603	30,163	29,793	29,450	29,460	30,040	29,860	31,600	29,920	30,150	29,950	30,100	30,170	29,910	29,530	29,280	
Year-over-year % change **	-28.8%	-20.7%	-1.1%	-1.5%	1.9%	5.8%	1.2%	2.0%	0.6%	0.3%	-0.4%	0.6%	3.2%	2.7%	3.1%	-0.6%	
Employment insurance Calgary - Number of recipients (15 years and over), seasonally adjusted **	12,108	9,628	9,883	9,550	9,690	9,680	10,680	10,400	10,110	10,210	9,910	9,800	9,750	9,780	9,680	9,730	
Year-over-year % change **	-31.5%	-18.9%	2.6%	1.4%	3.6%	6.1%	5.4%	3.1%	4.4%	6.0%	1.8%	0.5%	1.5%	2.6%	2.7%	1.9%	
City of Calgary Population Estimate (000s)	1,091 [†]	1,120 [†]	1,150 [†]	1,150	1,153	1,157	1,162	1,166	1,171	1,175	1,178	1,181	1,185	1,188	1,191	1,195	1,199
Energy																	
West Texas Intermediate (\$US/barrel)	95.13	94.21	97.97	92.07	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
Western Canada Select (\$US/barrel)	77.97	73.17	72.77	68.87	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
Alberta Natural Gas (Cdn\$/GJ)	3.43	2.27	3.01	3.52	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
Prices																	
Inflation Rate - Calgary Census Metropolitan Area (CMA) (%)	2.2%	1.0%	1.7%	0.7%	0.9%	1.0%	1.2%	1.2%	1.2%	1.3%	1.5%	1.7%	2.0%	2.1%	2.4%	2.6%	2.6%
Inflation Rate - Canada (%)	2.9%	1.5%	0.9%	1.0%	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%
Average Hourly Wage Rate - Alberta y-o-y % change	1.7%	4.8%	3.9%	6.8%	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%
Average Weekly Earnings* - Alberta y-o-y % change	3.9%	2.1%	2.7%	2.8%	4.4%	2.7%	0.7%	1.6%	2.7%	0.8%	4.5%	3.4%	1.8%	1.0%	2.1%	2.4%	
General Indicators																	
Canadian Real GDP y-o-y % change - (Chained 2007 dollar)	2.7%	1.8%	2.0%	1.7%	1.9%	1.4%	1.8%	2.2%	2.5%	2.9%	2.7%	2.5%	2.4%	2.3%	2.1%	2.1%	
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	6.1	6.1	6.1	6.1	6.2	6.2	6.3	6.2	6.4	6.5	6.5	6.4	
Retail Sales - CER, seasonally adjusted (\$billions)	24.8	26.7	28.7	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.4	2.5	2.5	2.5	2.5	
Index of Consumer Confidence - Canada	80.6	77.7	83.2	75.6	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
Housing Starts - Calgary CMA	9,292	12,841	12,584	1,067	1,078	912	1,385	982	904	1,162	1,693	896	1,328	1,270	1,667	1,592	1,030
Number of Personal Bankruptcies - Alberta	7,029	5,759	4,689	464	434	375	385	379	375	383	323	284	336	302	365	367	
Calgary Residential Unit Sales MLS	22,466	26,634	29,954	3,003	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
Calgary Residential Sales to New Listings Ratio MLS	53.69	66.33	73.17	64.39	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
Calgary Residential Average Price MLS (\$thousands)	401.9	410.8	436.6	429.7	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
Business Indicators																	
Wholesale Sales - Alberta, seasonally adjusted (\$billions)	70.0	77.5	79.3	6.5	6.6	6.5	6.8	6.7	6.6	6.8	6.8	6.6	6.8	6.9	6.9	7.0	
Manufacturing Sales - Alberta, seasonally adjusted (\$billions)	69.9	71.7	73.8	6.0	6.1	6.1	6.3	6.4	6.2	6.3	6.4	6.2	6.4	6.5	6.6	6.6	
Number of New Businesses - Calgary	4,300	3,770	3,890	271	244	153	124	278	665	481	524	257	0	471	406	331	287
Number of Business Closures - Calgary	2,380	2,445	2,581	165	209	146	140	193	211	156	215	118	1	606	189	159	237
Number of Business Bankruptcies - Alberta	264	230	137	15	11	9	9	7	13	15	8	14	7	11	6	9	
City of Calgary Total Value of Building Permits (\$millions)	4,528.3	4,447.7	6,059.9	714.1	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

[†] 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.