

# Current Economic Analysis

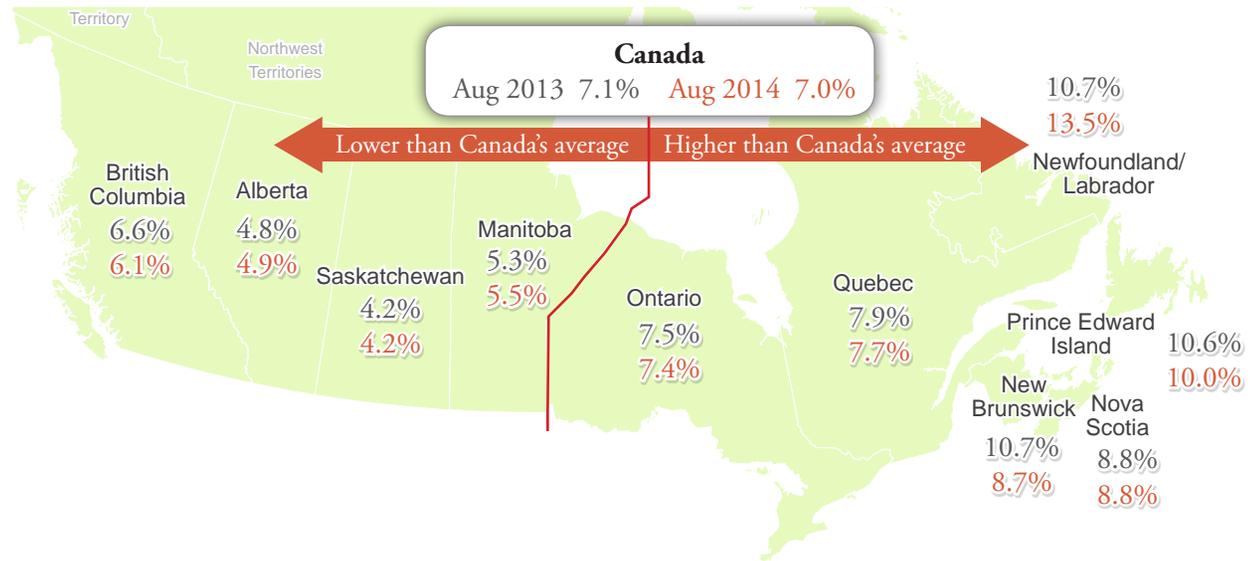
Jillian Kohut, Associate Economist | Estella Scruggs, Corporate Research Analyst

September 30, 2014

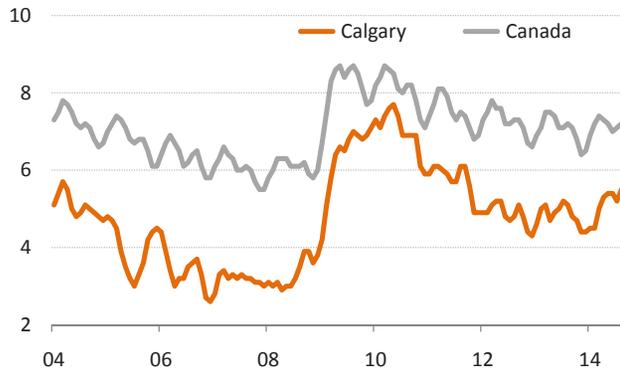
## Labour Market (Unadjusted)

- The unemployment rate in the Calgary Economic Region (CER) rose to 5.5 per cent in August, an increase of 0.3 percentage point from July and a 0.4 percentage point jump from the same time last year. Meanwhile the national rate was unchanged from August 2013, sitting at 7.2 per cent.
- In August total employment in the CER rose 2.9 per cent year-over-year to 866,900.
- Meanwhile the total working age population in the city soared 4.0 per cent from the same time last year and stood at 1,229,000. This amounted to an increase of 46,800 persons.

## Unemployment Rates, Canada and Provinces (Seasonally adjusted)



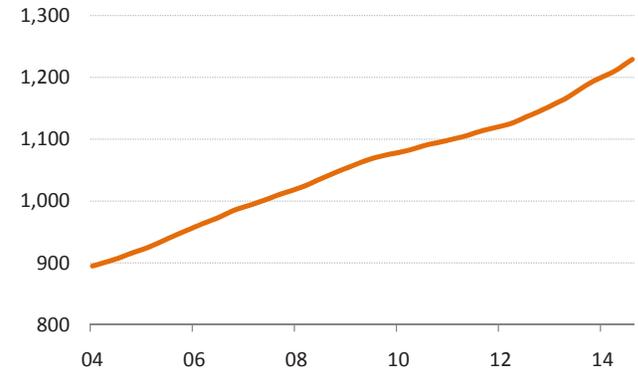
Unemployment Rates (unadjusted, per cent)



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



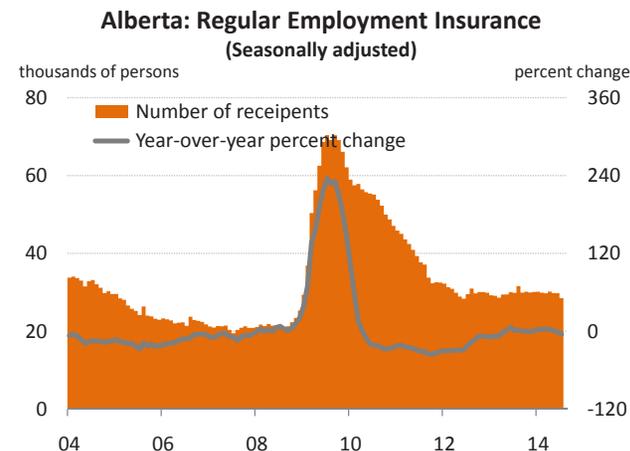
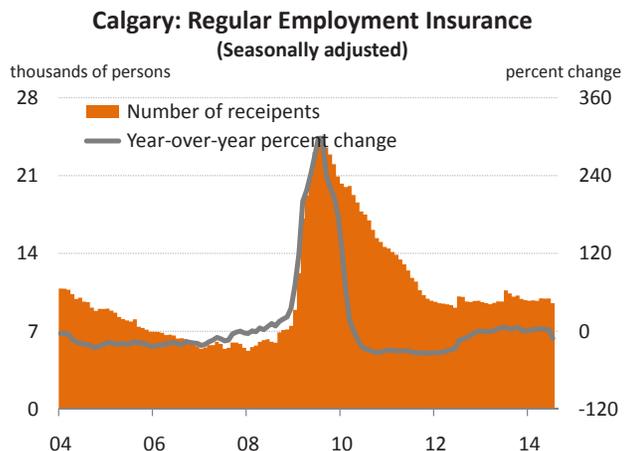
Calgary CER: Working Age Population (unadjusted, thousands of persons)



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

## Labour Market (continued)

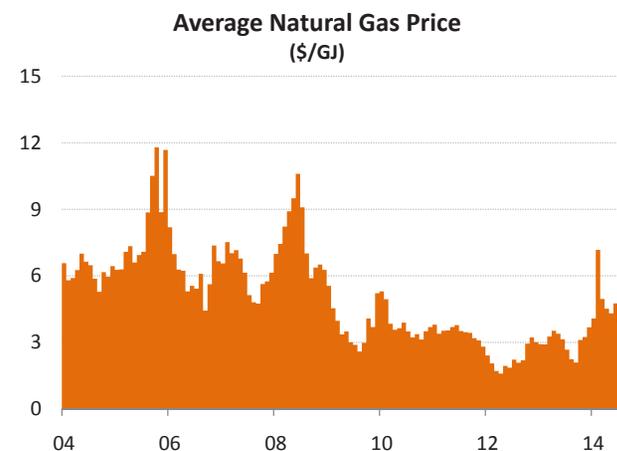
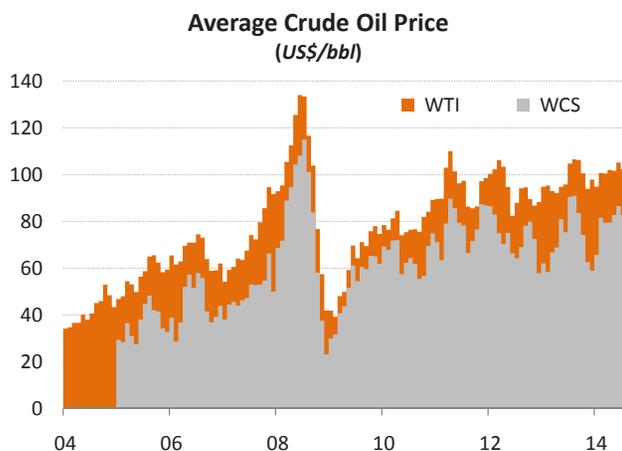
- In July the number of Calgarians receiving regular employment insurance benefits tumbled 10.9 per cent from the year before, landing at 9,520 persons. At the provincial level the number receded to 28,520 persons, a 4.5 per cent annual decline.



Sources: Statistics Canada, Corporate Economics

## Energy

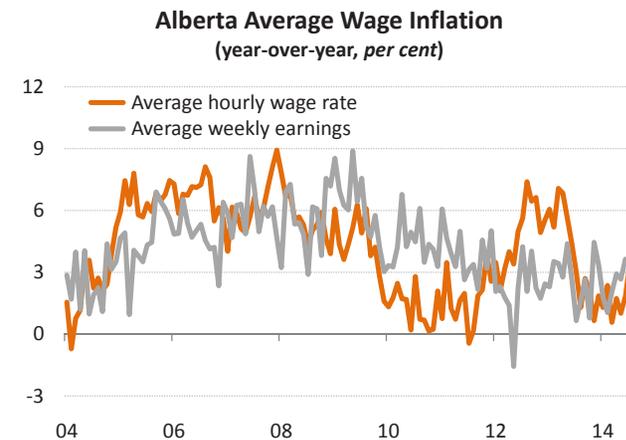
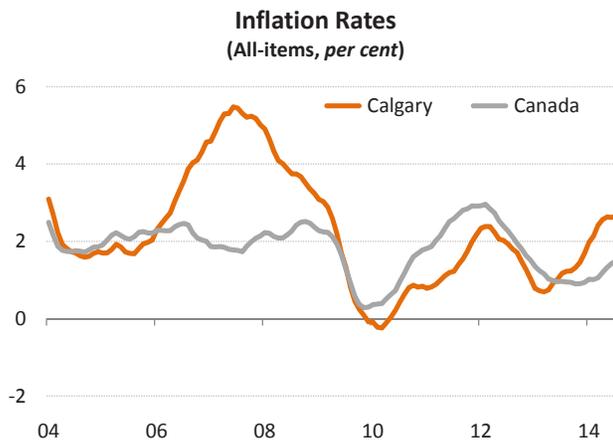
- Weakening global demand and a return of Libyan oil production placed significant downward pressure on oil prices this summer in spite of heightening geopolitical tensions. Prices for West Texas Intermediate tumbled from US\$102.30/barrel in July to US\$96.08/barrel in August. Western Canada Select (WCS) prices fell to US\$73.89/barrel, and the differential between WCS and WTI widened in the month to US\$22.19/barrel.
- Natural gas prices also waned in August, but remain very elevated in comparison to the summer of 2013. AECO price averaged \$3.78/GJ, up 67.0 per cent from August of last year.



Sources: GLJ Energy Publications, Corporate Economics

## Prices

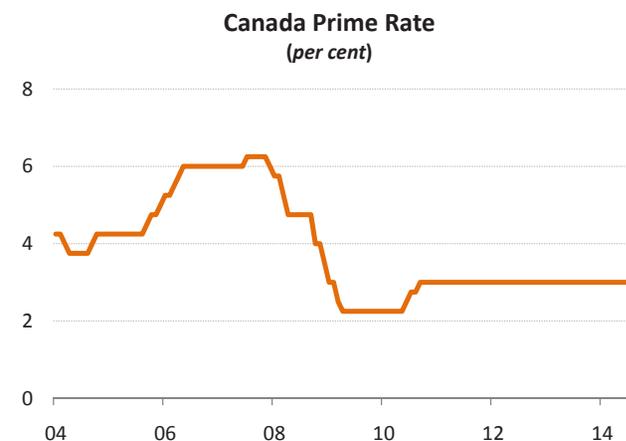
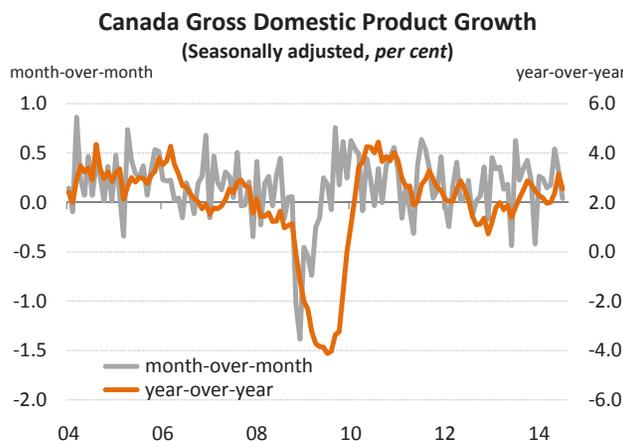
- The inflation rate in the Calgary Census Metropolitan Area (CMA) crept up in August on higher energy prices. At 2.8 per cent, inflation rate was running 1.6 percentage points higher than August 2013. At the national level inflation came in at a comparatively modest 1.6 per cent, up from 0.9 per cent the year before.
- During the month of August average hourly wages in Alberta rose 2.6 per cent year-over-year, a deceleration from July's 3.5 per cent. Conversely, average weekly earnings were up 3.4 per cent in July.



Sources: Statistics Canada, Corporate Economics

## General Indicators

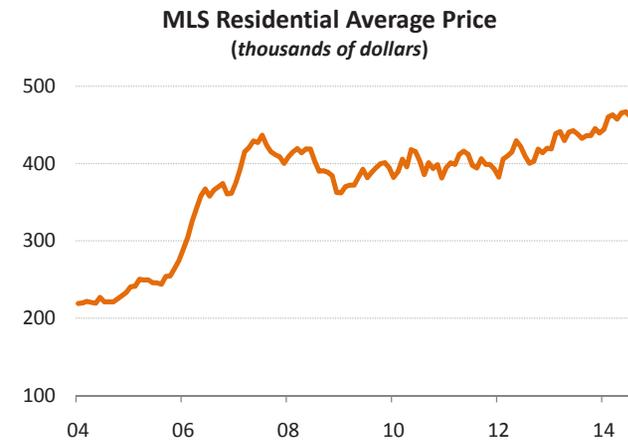
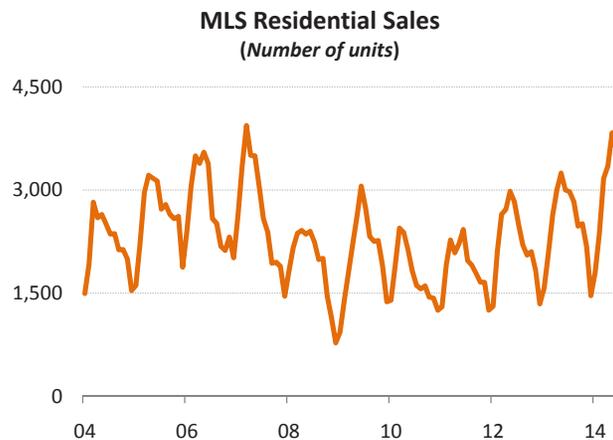
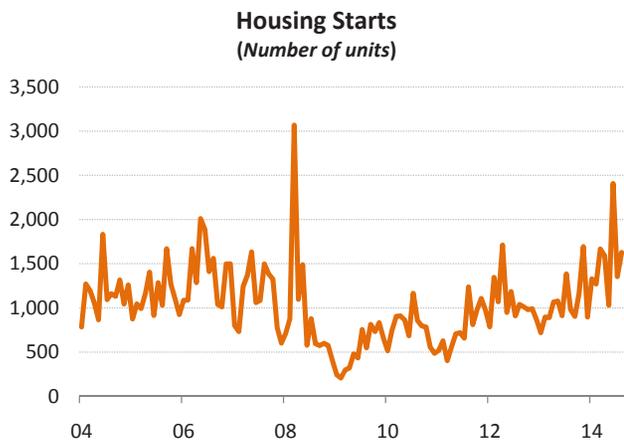
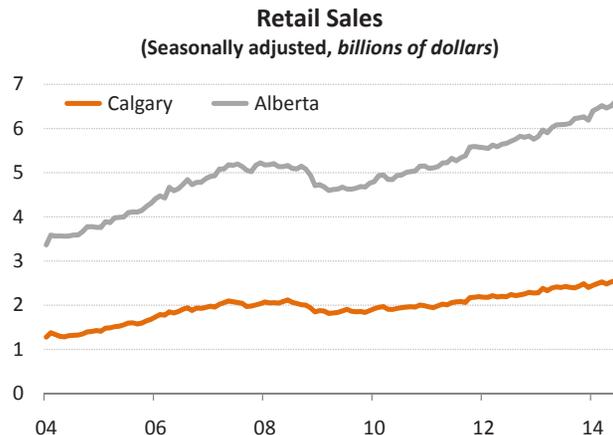
- In July, Canada's real gross domestic product (GDP):
  - ▶ Was flat on a monthly basis, following a sizable increase of 0.3 per cent in June.
  - ▶ This amounted to a 2.5 per cent increase from July 2013.
- In August the prime business loan rate held steady at 3.0 per cent yet again. Rates have been on hold for four years straight.



Sources: Statistics Canada, Bank of Canada, Corporate Economics

## Consumer Indicators

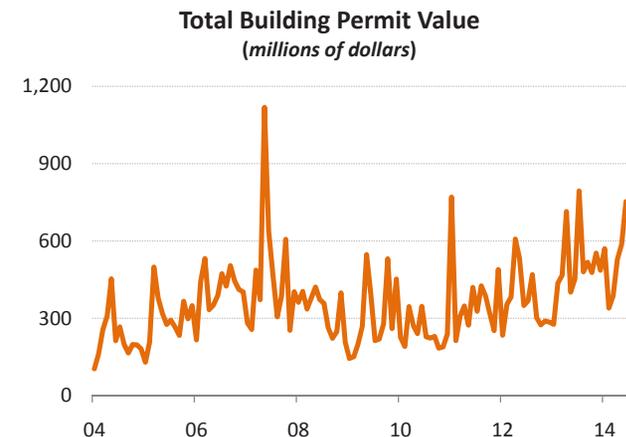
- Growth in Alberta's retail trade activity slowed to 0.3 per cent month-over-month in July, while annual growth picked up to 8.9 per cent. Total sales amounted to \$6.6 billion. Calgary's July retail sales totalled to \$2.6 billion, an increase of 1.2 per cent month-over-month and 6.7 per cent annually.
- The Canadian Consumer Confidence Index (where 2002 = 100) surged 2.5 points to 88.4 in August, in spite of unfavourable job market conditions.
- Housing starts in Calgary rebounded in August, rising to 1,627 units from 1,354 in July. This marked an increase of nearly 66.0 per cent from the same time in 2013.
- Resale activity was also up on an annual basis. In August unit sales rose 5.2 per cent year-over-year to 2,976.
- The average MLS sale price for Calgary also climbed 5.2 per cent year-over-year in August. At \$454,994, the average price was down slightly from July, although this was largely in line with seasonal variations.



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

## Business Indicators

- In July Alberta's wholesale trade activity retreated 0.2 per cent month-over-month on a seasonally adjusted basis. On a year-over-year basis sales rose 6.5 per cent to \$7.1 billion.
- Meanwhile, manufacturing sales tumbled 0.8 per cent in August, but were up 10.1 per cent year-over-year. Overall sales came in at \$6.9 billion.
- The City of Calgary issued \$705.0 million worth of building permits in August, up from \$645.7 million in July. On a year-over-year basis this amounted to a nearly 50 per cent increase.



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

Next update: October 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 have 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](http://www.calgary.ca/economy).

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# Current Economic Analysis

September 30, 2014

City of Calgary Monthly Economic Indicators	2011	2012	2013	2013						2014							
				Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
<b>Labour Market</b>																	
Unemployment Rate - Calgary Economic Region (CER) (%)	5.8%	4.9%	4.8%	5.2%	5.1%	4.8%	4.7%	4.4%	4.4%	4.5%	4.5%	5.0%	5.3%	5.4%	5.4%	5.2%	5.5%
Unemployment Rate - Canada (%)	7.5%	7.3%	7.1%	7.1%	7.2%	7.1%	6.8%	6.4%	6.5%	6.9%	7.2%	7.4%	7.3%	7.2%	7.0%	7.1%	7.2%
Employment - CER (Person - 000s)	776.1	806.3	830.0	836.5	842.3	847.1	846.7	846.4	846.7	845.4	841.7	838.9	837.6	845.4	857.2	868.0	866.9
Employment insurance Alberta - Number of recipients (15 years and over), seasonally adjusted **	38,603	30,163	29,793	29,860	31,600	29,920	30,150	29,950	30,100	30,170	29,910	29,760	30,200	29,800	29,790	28,520	
Year-over-year % change **	-28.8%	-20.7%	-1.1%	1.2%	2.0%	0.6%	0.3%	-0.4%	0.6%	3.2%	2.7%	3.9%	2.5%	1.2%	-0.8%	-4.5%	
Employment insurance Calgary - Number of recipients (15 years and over), seasonally adjusted **	12,108	9,628	9,883	10,680	10,400	10,110	10,210	9,910	9,800	9,750	9,780	9,740	9,960	9,940	9,950	9,520	
Year-over-year % change **	-31.5%	-18.9%	2.6%	5.4%	3.1%	4.4%	6.0%	1.8%	0.5%	1.5%	2.6%	3.3%	4.3%	2.6%	2.8%	-10.9%	
City of Calgary Population Estimate (000s)	1,091 <sup>†</sup>	1,120 <sup>†</sup>	1,157 <sup>†</sup>	1,166	1,170	1,173	1,176	1,179	1,182	1,186	1,189	1,192	1,195	1,198	1,203	1,207	1,213
<b>Energy</b>																	
West Texas Intermediate (\$US/barrel)	95.13	94.21	97.97	104.70	106.54	106.24	100.55	93.93	97.91	94.86	100.67	100.48	102.02	101.65	105.13	102.30	96.08
Western Canada Select (\$US/barrel)	77.97	73.17	72.77	90.50	90.97	83.57	74.21	62.62	58.95	65.69	81.54	79.42	79.56	82.72	86.56	82.73	73.89
Alberta Natural Gas (Cdn\$/GJ)	3.43	2.27	3.01	2.67	2.24	2.09	3.11	3.24	3.68	4.08	7.17	4.96	4.52	4.31	4.76	3.91	3.74
<b>Prices</b>																	
Inflation Rate - Calgary Census Metropolitan Area (CMA) (%)	2.2%	1.0%	1.7%	1.2%	1.2%	1.2%	1.3%	1.5%	1.7%	2.0%	2.1%	2.4%	2.6%	2.6%	2.6%	2.7%	2.8%
Inflation Rate - Canada (%)	2.9%	1.5%	0.9%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%	1.1%	1.2%	1.3%	1.4%	1.5%	1.6%
Average Hourly Wage Rate - Alberta y-o-y % change	1.7%	4.8%	3.9%	3.0%	1.3%	2.7%	2.1%	0.7%	1.9%	1.3%	2.4%	0.6%	1.7%	1.0%	1.8%	3.5%	2.6%
Average Weekly Earnings* - Alberta y-o-y % change	3.9%	2.1%	2.7%	0.7%	1.6%	2.7%	0.8%	4.5%	3.4%	1.8%	1.0%	2.1%	2.9%	2.7%	3.6%	3.4%	
<b>General Indicators</b>																	
Canadian Real GDP y-o-y % change - (Chained 2007 dollar)	2.7%	1.8%	2.0%	1.8%	2.2%	2.5%	2.9%	2.7%	2.5%	2.3%	2.2%	2.0%	2.0%	2.4%	3.1%	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%
<b>Consumer Indicators</b>																	
Retail Sales - Alberta, seasonally adjusted (\$billions)	63.9	68.3	73.0	6.1	6.1	6.2	6.2	6.3	6.2	6.4	6.5	6.5	6.5	6.5	6.6	6.6	
Retail Sales - CER, seasonally adjusted (\$billions)	24.8	26.7	28.7	2.4	2.4	2.4	2.4	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.6	2.6	
Index of Consumer Confidence - Canada	80.6	77.7	83.2	82.6	84.7	91.0	88.9	87.1	80.5	81.4	85.7	88.5	89.8	87.3	86.9	85.9	88.4
Housing Starts - Calgary CMA	9,292	12,841	12,584	1,385	982	904	1,162	1,693	896	1,328	1,270	1,667	1,592	1,030	2,407	1,354	1,627
Number of Personal Bankruptcies - Alberta	7,029	5,759	4,689	385	379	375	383	323	284	336	302	365	367	369	329	296	
Calgary Residential Unit Sales MLS	22,466	26,634	29,954	2,976	2,830	2,475	2,510	2,173	1,464	1,802	2,363	3,170	3,348	3,832	3,569	3,177	2,976
Calgary Residential Sales to New Listings Ratio MLS	53.69	66.33	73.17	78.30	76.94	68.18	75.65	90.73	112.88	56.77	67.36	72.08	67.22	66.64	69.63	72.37	71.13
Calgary Residential Average Price MLS (\$thousands)	401.9	410.8	436.6	438.2	432.6	435.9	436.2	445.1	439.4	444.2	460.3	463.0	457.5	465.6	467.0	460.8	455.0
<b>Business Indicators</b>																	
Wholesale Sales - Alberta, seasonally adjusted (\$billions)	70.0	77.5	79.3	6.8	6.7	6.6	6.8	6.8	6.6	6.8	6.9	7.0	7.0	7.0	7.2	7.2	
Manufacturing Sales - Alberta, seasonally adjusted (\$billions)	69.9	71.7	73.8	6.3	6.4	6.2	6.3	6.4	6.2	6.4	6.5	6.5	6.5	6.6	6.9	6.9	
Number of New Businesses - Calgary	4,300	3,770	3,890	124	278	665	481	524	257	0	471	406	331	287	243	403	363
Number of Business Closures - Calgary	2,380	2,445	2,581	140	193	211	156	215	118	1	606	189	159	237	154	210	140
Number of Business Bankruptcies - Alberta	264	230	137	9	7	13	15	8	14	7	11	6	9	13	3	7	
City of Calgary Total Value of Building Permits (\$millions)	4,528.3	4,447.7	6,055.8	794.0	480.1	516.9	477.5	552.9	486.4	569.8	339.5	387.5	528.2	587.4	752.7	645.7	705.0

<sup>†</sup> 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.