Calgary Census Metropolitan Area (CMA)

June 2026

Inflation Review

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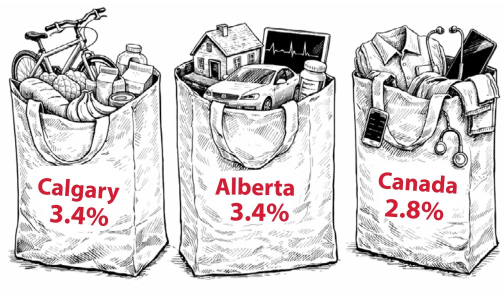
July 20, 2026

HIGHLIGHTS

Headline Inflation Comparison*

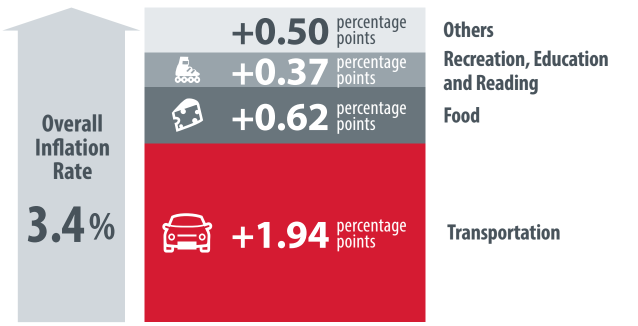
June 2026



Compared to the same month last year

Main Contributors to Alberta's Inflation Rate

June 2026



Headline Inflation eases after three months of increases

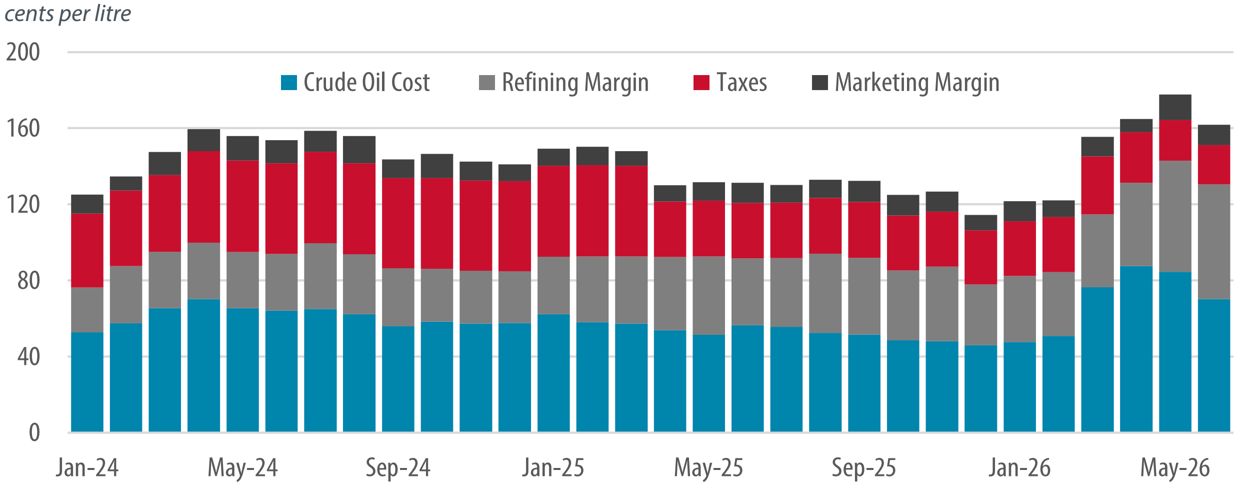
In June 2026, Consumer Price Index (CPI) inflation for the Calgary Census Metropolitan Area (CMA) was 3.4 per cent[1], 0.3 percentage points (pp) below May. The inflation rate has decreased for the first time since February of this year. Alberta's inflation rate decreased to 3.4 per cent, while Canada sits lower at 2.8 per cent. Transportation remained the dominant driver of inflation, contributing an estimated 1.9 pp to Alberta's inflation rate. Within the transportation category, gasoline and passenger vehicle insurance premiums contributed approximately 0.7 pp and 0.8 pp respectively. Shelter provides the main offset for Calgarians as rented accommodation declined 0.9 per cent in June and owned accommodation saw slower growth of 0.9 per cent.

Gasoline: the ceasefire arrives late in the month

The conflict in Iran, which began on February 28, pushed West Texas Intermediate (WTI) crude oil above US$100 per barrel at its peak. The situation remains uncertain and volatile. The United States and Iran agreed on a memorandum of understanding on June 17 to conditionally reopen the Strait of Hormuz, but the agreement collapsed in July following escalation from both sides. Following the announcement of the memorandum of understanding, WTI settled below US$70 on June 26 for the first time since February 27, the day before the conflict began, and ended the month near US$70. While the price of crude reacts immediately to market expectations, gasoline prices take more time to decline. After averaging 176.9 cents per litre[2] in May, regular gasoline averaged 161.8 cents per litre in June, a decline of 8.5 per cent month-over-month. Despite lower gasoline prices in June, oil markets remain sensitive to developments in the Middle East because of ongoing disruptions in supply chain. Releases from the Strategic Petroleum Reserve, and an increase in the OPEC+ production quota provided partial relief.

1 All CPI growth rates are year-over-year unless otherwise specified.
2 Statistics Canada, Table: 18-10-0001-01 "Monthly average retail prices for gasoline".

Figure 1: Calgary CMA: Breakdown of price of regular gasoline *(January 2024 - June 2026)*

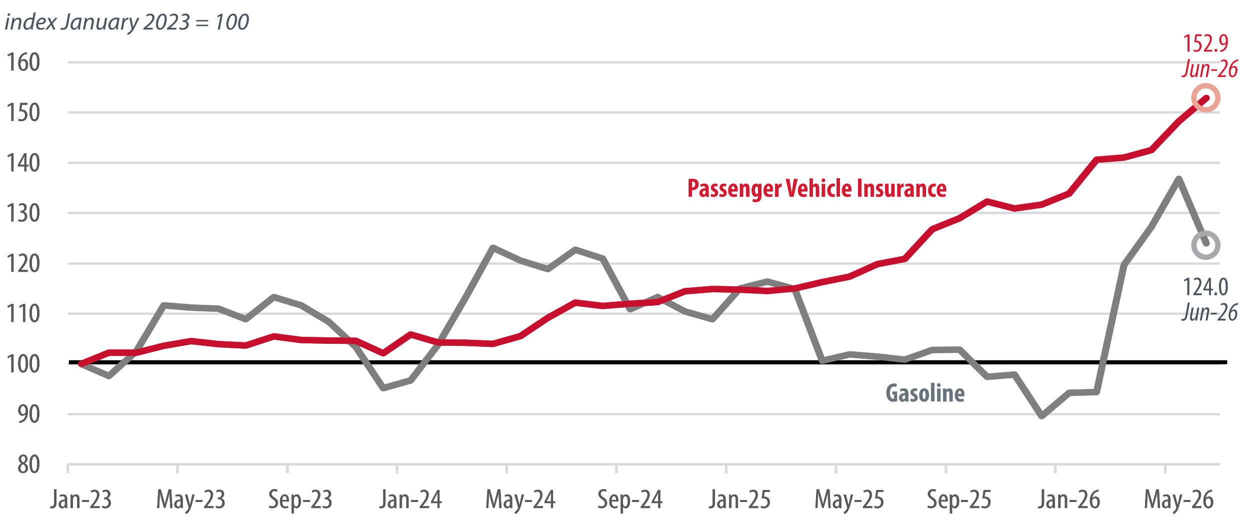


Note: Data from NRCAN, margin calculations are approximations and do reflect actual information from refiners. Monthly prices for gasoline are calculated by averaging price data for each weekday of the calendar month.

Vehicle insurance: the quiet engine of Alberta inflation

In Alberta Passenger vehicle insurance premiums rose 27.6 per cent in June. The average full-coverage premium was $1,835 in the first half of 2025, up 8.2 per cent, the second highest in Canada behind Ontario. The pressure comes from claims costs. Legal expenses, vehicle theft, parts inflation and natural disasters, including the 2025 hailstorms in Calgary, have pushed payouts above premiums. The provincial Good Driver Rate Cap, set at 3.7 per cent in 2024 and 7.5 per cent through 2026, has not contained inflationary pressures. As a result, the Alberta government is phasing out the program at the end of 2026, before they implement the Care-First program on January 1, 2027. The Care-First system is projected to lower basic premiums by an average of $259 per vehicle annually, helping ease price pressures next year. The anticipated savings will come from lowering legals costs under a "no-fault" system, with a benefits package for drivers injured in car-collisions. Alongside the Care-First system, there will be an adjusted rate cap, where insurance companies are unable to raise rates by more than 5 per cent and individual premium renewals will be capped at 10 per cent.

Figure 2: Alberta CPI: Passenger Vehicle Insurance Premiums and Gasoline *(January 2023 - June 2026)*



Rounding up the drivers of higher Beef prices

Fresh or frozen beef is the standout within food. The Alberta CPI component for beef grew by 15.8 per cent in June, roughly four times the pace of overall food inflation at 3.8 per cent. Canada's cattle herd has been in decline since 2018, with the annual gain of 2.5 per cent over 2025 marking the first sign of growth in eight years. High feed prices and years of drought resulted in ranchers scaling back.

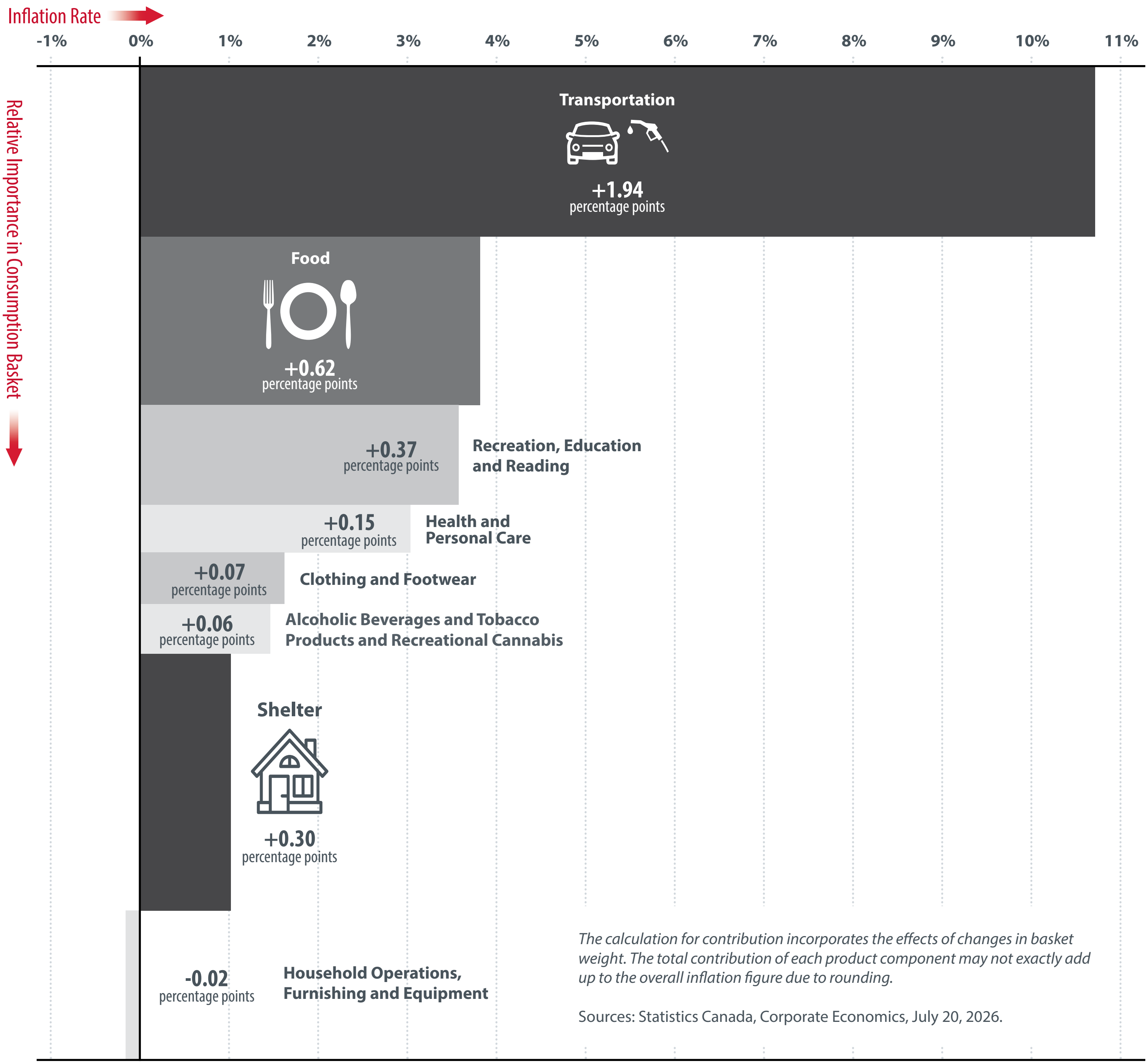
The industry is making efforts of herd expansion to take advantage of the steady demand for beef. The AgriStability government program acts as an income safety net for farmers, paying out when producer's margins fall below its historical average. Two program changes in 2026 matter for cattle producers: leased pastures and on-farm feed are now allowable expenses. These changes give cow-calf operations the income support, where feed and pasture leases are core costs, offsetting the cost of holding breeding stock. It is likely retail beef prices will stay elevated through 2026, since herd rebuilding requires ranchers retaining stock of heifers which tightens beef supply further before it expands. This was seen in the second half of 2025 when cattle processing dropped by 6.5 per cent despite the increase in herd size in Canada.

Inflation Rates

	Relative Importance (%)*	Year-over-year (%)		
		Jun-26	May-26	Apr-26
Calgary: All-items	**100.00**	**3.4**	**3.7**	**3.3**
Shelter	27.28	0.7	0.5	2.4
Rented accommodation	6.29	-0.9	-0.8	3.7
Owned accommodation	17.68	0.9	1.2	1.8
Water, fuel and electricity	3.31	4.2	0.4	2.3
Alberta: All-items	**100.00**	**3.4**	**3.7**	**3.2**
Alberta: All-items excluding food and energy	77.24	2.6	2.6	2.1
Canada: All-items	**100.00**	**2.8**	**3.2**	**2.8**
Canada: All-items excluding food and energy	76.40	1.8	1.6	1.5

* CPI basket weights are based on the 2025 expenditure data, modified in June 2026.
Sources: Statistics Canada, Corporate Economics, July 20, 2026.

Contribution of Consumer Items to Inflation: Alberta June 2026



The calculation for contribution incorporates the effects of changes in basket weight. The total contribution of each product component may not exactly add up to the overall inflation figure due to rounding.

Sources: Statistics Canada, Corporate Economics, July 20, 2026.

Next release: August 17, 2026

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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