

Inflation Review

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October 23, 2015

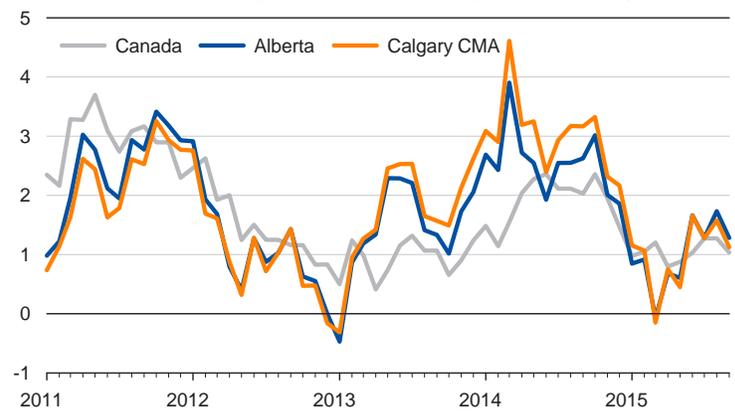
Inflation in Calgary slowed in September.

In September, Calgary's inflation rate slowed to 1.1 per cent year-over-year, after rising 1.6 per cent in August. This deceleration was attributed to lower energy prices, which fell 12.8 per cent from last September. Transportation costs shrank 1.8 per cent as gasoline prices tumbled 15.4 per cent compared to a year ago, and 9.9 per cent month-over-month. Shelter cost inflation fell 0.1 per cent, due to the annual decline in the electricity prices of 16.4 per cent and natural gas prices of 0.4 per cent.

Meanwhile, food remained the key driver for inflation as consumers in Calgary paid 3.6 per cent more in September compared to the same month a year ago. Prices for food purchased from grocery stores rose 3.8 per cent. Among the commonly purchased food items from stores, prices for fresh fruits were up 9.9 per cent in September. Prices for other food items also recorded gains: vegetables (8.1 per cent), meat (5.2 per cent), and fish and seafood (2.9 per cent). Restaurant bills were 3.1 per cent more expensive in September than a year ago.

In Alberta, the all-items inflation rate fell to 1.3 per cent in September from 1.7 per cent in August. Like Calgary, gasoline prices for the province of Alberta as a whole shrank 15.2 per cent year-over-year. Canada's inflation rate decelerated to 1.0 per cent this month after rising 1.3 per cent in August. This was mostly attributable to an annual decline of 18.8 per cent in gasoline prices in September.

Chart 1. Headline inflation comparison
(Year-over-year change, January 2011 - September 2015, per cent)



Sources: Statistics Canada, Corporate Economics, October 2015

Apart from the highly volatile food and energy categories, Calgary's core inflation rate came in at 2.1 per cent in September. On a year-to-date basis, the headline inflation rate in Calgary is running at 1.0 per cent. Overall, the inflation rate should continue to stay moderate in the coming months aided by lower energy costs.

Next release: November 20, 2015

Inflation Rates

	Relative Importance (%)*	Year-over-year			Year-to-date		
		Sep-15 (%)	Aug-15 (%)	Sep-14 (%)	Sep-15 (%)	Aug-15 (%)	Sep-14 (%)
Calgary: All-items	100.00	1.1	1.6	3.2	1.0	1.0	3.2
Calgary: All-items excluding food and energy	76.49	2.1	2.1	3.3	2.2	2.3	3.0
Food	15.99	3.6	3.5	3.2	3.7	3.8	3.1
Shelter	26.56	(0.1)	0.7	5.3	0.5	0.6	5.9
Rented accommodation	5.40	2.6	2.8	3.4	3.3	3.3	3.3
Owned accommodation	16.24	1.3	1.6	5.9	2.5	2.7	5.8
Water, fuel and electricity	4.84	(8.7)	(5.5)	5.8	(10.3)	(10.5)	10.1
Household operations, furnishing and equipment	12.27	2.8	2.5	3.7	3.0	3.0	2.7
Clothing and footwear	5.88	0.4	1.0	1.3	0.8	0.8	1.2
Transportation	20.44	(1.8)	(0.3)	2.6	(2.3)	(2.4)	3.2
Gasoline	3.81	(15.4)	(7.3)	2.9	(18.3)	(18.6)	4.2
Health and personal care	4.65	1.3	1.6	1.6	1.0	1.0	1.2
Recreation, education and reading	11.37	2.2	2.5	3.1	1.6	1.5	2.5
Alcoholic beverages and tobacco products	2.83	5.7	5.6	3.7	4.6	4.5	3.6
Alberta: All-items	100.00	1.3	1.7	2.6	1.0	1.0	2.7
Alberta: All-items excluding food and energy	76.49	2.2	2.3	2.7	2.2	2.2	2.4
Canada: All-items	100.00	1.0	1.3	2.0	1.1	1.1	1.9
Canada: All-items excluding food and energy	74.85	1.8	1.8	1.9	1.9	1.9	1.5

Sources: Statistics Canada, Corporate Economics, October 2015

* 2013 CPI basket weights at January 2015 prices, date modified February 26, 2015

Figures in red and parentheses indicate negative.

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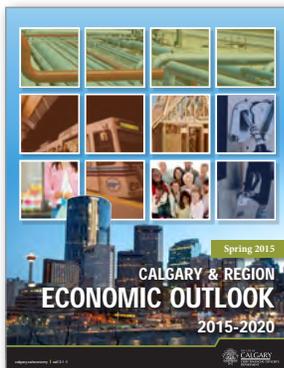
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Sources: Statistics Canada, Bank of Canada, Corporate Economics.

