

Inflation Review

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December 22, 2016

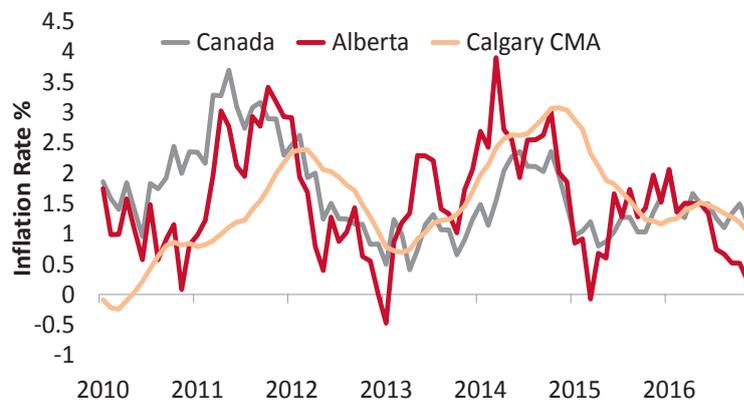
Calgary's headline inflation rate remains low

Headlights:

- Calgary CMA's inflation rate for November 2016 was estimated at 1.03 per cent, down from 1.2 per cent in the previous month and from 1.2 per cent for the same time 2015. Major price increases were recorded for alcoholic beverages and tobacco products (2.6 per cent) and recreation, education and reading (1.5 per cent). Lower inflation rates for food (-1.3 per cent) and shelter (-0.3 per cent) provided an offset to the aforementioned price increases.
- The November 2016 inflation rate in Alberta was estimated at 0.2 per cent and Canada at 1.2 per cent. The higher inflation rate for Canada as a whole reflects a stronger economy outside of Alberta.
- Excess capacity in labour and housing markets has weighed on consumer prices. For example, lower rental rates (-2.5 per cent) is a reflection of higher vacancy rates for rental accommodation in Calgary and this is causing landlords to reduce rental rates for their properties.

Headline inflation comparison

(Year-over-year change, January 2010 - November 2016, per cent)



Source: Statistics Canada, Corporate Economics

Next release on January 20, 2017

Inflation Rates

	Relative Importance (%)*	Year-over-year (12 MMA,%)			Month-over-month (12MMA, %)		
		Nov-16	Oct-16	Nov-15	Nov-16	Oct-16	Nov-15
Calgary: All-items	100.00	1.0	1.2	1.2	(0.7)	0.4	(0.3)
Calgary: All-items excluding food and energy	76.49	0.8	1.4	2.7	(0.6)	0.5	0.0
Food	15.99	(1.3)	(1.3)	3.4	0.6	(0.8)	0.6
Shelter	26.56	(0.3)	(0.7)	1.0	0.0	0.6	(0.4)
Rented accommodation	5.40	(2.5)	(2.2)	1.9	(0.2)	(0.2)	0.1
Owned accommodation	16.24	0.9	0.8	2.4	0.1	1.0	0.1
Water, fuel and electricity	4.84	(2.3)	(5.2)	(4.5)	0.2	(0.3)	(2.8)
Household operations, furnishing and equipment	12.27	1.0	1.3	2.2	(0.6)	0.8	(0.3)
Clothing and footwear	5.88	(2.3)	0.5	3.2	(3.4)	1.7	(0.6)
Transportation	20.44	0.4	1.5	0.7	(2.0)	1.2	(0.9)
Gasoline	3.81	(8.7)	(7.1)	(8.0)	(8.9)	4.8	(7.3)
Health and personal care	4.65	0.0	1.5	2.6	(0.1)	0.1	1.3
Recreation, education and reading	11.37	1.5	0.7	2.4	(0.5)	(0.7)	(1.3)
Alcoholic beverages and tobacco products	2.83	2.6	5.1	8.4	(0.0)	0.1	2.4
Alberta: All-items	100.00	0.2	0.5	2.0	(0.6)	0.4	(0.3)
Alberta: All-items excluding food and energy	76.49	1.0	1.5	2.6	(0.5)	0.4	0.0
Canada: All-items	100.00	1.2	1.5	1.4	(0.4)	0.2	(0.1)
Canada: All-items excluding food and energy	74.85	1.7	1.9	1.8	(0.4)	0.2	(0.2)

Sources: Statistics Canada, Corporate Economics, December, 2016

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

Figures in parentheses indicate negative.

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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.

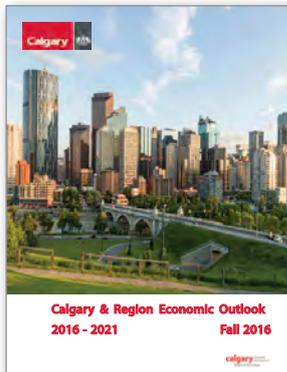
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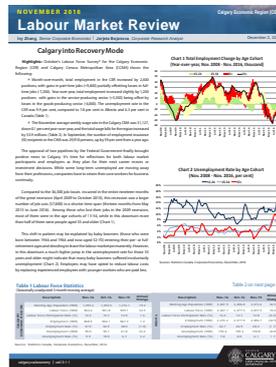
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- ▶ Labour Market Review
- ▶ Inflation Review

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Sources: Statistics Canada, Bank of Canada, Corporate Economics

