

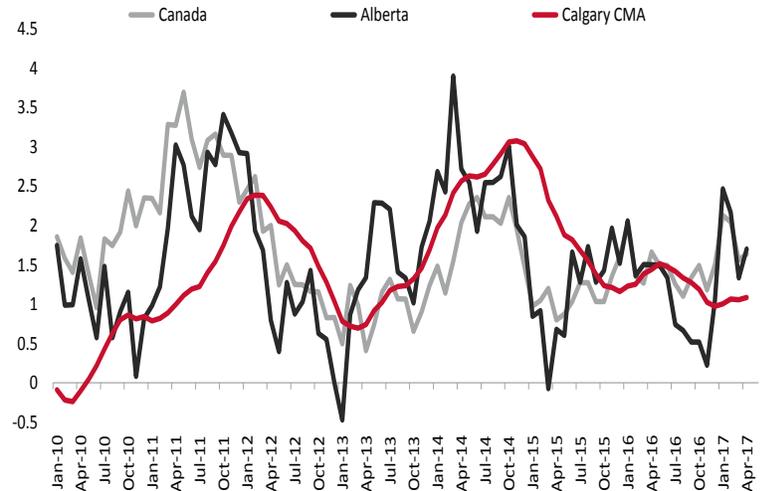
Inflation Review

Highlights:

- Inflation in Calgary softened slightly in April to 1.04 per cent. Lower prices for rented accommodation are filtering into the CPI calculation as well as reduced prices for recreation activities. Water and fuel prices are rising in pace with their seasonal fluctuation manner but not unusually so. Without any significant pressures on the local economy we anticipate low inflation in Calgary for the next few months.
- Across Alberta prices rose by 1.7 per cent as rent prices are not falling as fast in other parts of Alberta. Across Canada inflation is a muted 1.64 per cent, well below the Bank of Canada's target rate of 2.0 per cent. This low inflation environment is giving the Bank of Canada breathing room to not have to raise interest rates and therefore, some room for the Canadian economy to grow.

Next release on June 23, 2017

Headline Inflation Comparison
(12MMA, Year-over-year change, January 2010 - April 2017, per cent)



Source: Statistics Canada, Corporate Economics

Inflation Rates

	Relative Importance (%)*	Year-over-year (12 MMA, %)			Month-over-month (12MMA, %)		
		Apr-17	Mar-17	Apr-16	Apr-17	Mar-17	Apr-16
Calgary: All-items	100.00	1.09	1.06	1.44	0.44	0.07	0.00
Calgary: All-items excluding food and energy	76.49	1.04	1.27	2.14	(0.08)	0.22	0.15
Food	15.99	(1.27)	(0.71)	2.81	(0.57)	0.43	(0.00)
Shelter	26.56	1.86	(23.17)	(0.74)	30.71	(0.24)	(1.41)
Rented accommodation	5.40	(2.42)	43.36	(0.39)	(32.14)	(0.05)	(0.31)
Owned accommodation	16.24	0.87	(27.67)	1.72	39.61	(4.13)	0.11
Water, fuel and electricity	4.84	12.47	(1.42)	(11.28)	3.63	(4.13)	(9.17)
Household operations, furnishing and equipment	12.27	(0.10)	(0.42)	2.80	0.41	(0.00)	0.09
Clothing and footwear	5.88	0.28	0.20	(0.91)	0.52	3.01	0.45
Transportation	20.44	4.21	3.72	1.95	1.87	(0.60)	1.40
Gasoline	3.81	20.30	13.47	(6.65)	12.71	(0.69)	6.30
Health and personal care	4.65	1.28	1.44	2.49	(0.30)	0.60	(0.15)
Recreation, education and reading	11.37	3.78	4.43	2.04	(0.69)	0.70	(0.07)
Alcoholic beverages and tobacco products	2.83	2.32	2.31	5.46	0.12	0.25	0.11
Alberta: All-items	100.00	1.70	1.33	1.50	0.44	0.07	0.07
Alberta: All-items excluding food and energy	76.49	0.97	1.28	2.22	(0.07)	0.22	0.23
Canada: All-items	100.00	1.64	1.56	1.66	0.38	0.15	0.31
Canada: All-items excluding food and energy	74.85	1.54	1.71	1.90	0.00	0.32	0.16

Sources: Statistics Canada, Corporate Economics, May 2017

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

** CPI historical data was adjusted by Statistics Canada on April 21, 2017; the data for Alberta and Canada is not smoothed.

Figures in parentheses indicate negative.

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/inflation.

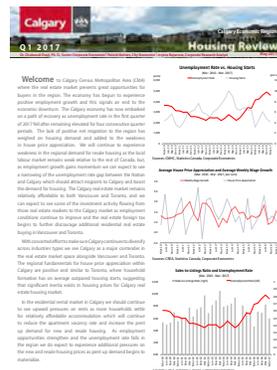
Forecasting



Calgary and Region Economic Outlook
2017-2022
Spring 2017

- ▶ Calgary & Region Economic Outlook
- ▶ Energy Reports on Natural Gas and Crude Oil

Information Provision



- ▶ Calgary & Region Economic Outlook
- ▶ Current Economic Analysis
- ▶ Labour Market Review
- ▶ Housing Review

Policy Analysis



- ▶ A Case of Fiscal Imbalance: The Calgary Experience
- ▶ Diesel Fuel Price Pass-Through in Calgary
- ▶ Calgary Residential and Commercial Real Estate Markets

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Sources: Statistics Canada, Bank of Canada, Corporate Economics