

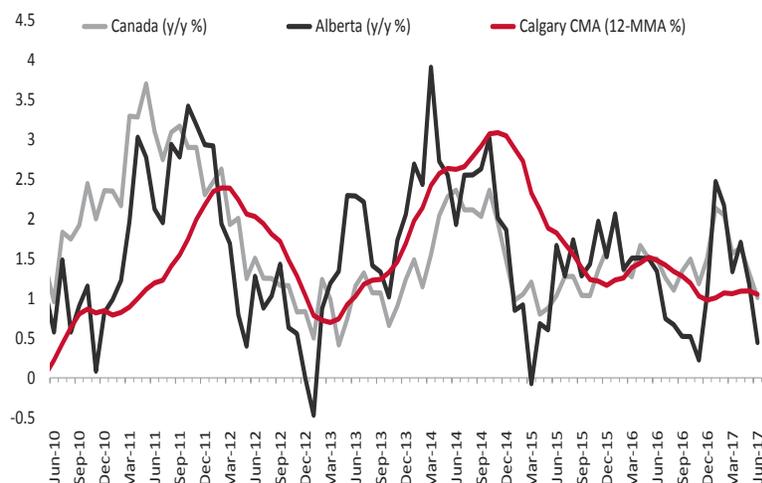
Highlights:

- Inflation in Calgary remained stable in June at just over 1 per cent: price increases for household utilities were offset by decreases in rental accommodation. Prices for owned accommodation rose at a modest pace. June saw some relief in gasoline prices as inventory levels rose above normal levels.
- Inflation across Alberta was a modest 0.44 per cent as prices for utilities and houses remained soft in the province. Across the country inflation fell to 1 per cent, from 1.3 per cent last month. The Bank of Canada's move to increase interest rates was not motivated by Canadian inflationary pressures but rather was in response to the US Federal Reserve raising their interest rates. The US Fed plans on raising rates two more times this year and it is now expected Canada will follow suit with more interest rate hikes this year.

Next release on August 25, 2017

Headline Inflation Comparison

(12MMA, Year-over-year change, June 2010 - June 2017, per cent)



Source: Statistics Canada, Corporate Economics

Inflation Rates

	Relative Importance (%)*	Year-over-year (12 MMA, %)			Month-over-month (12MMA, %)		
		Jun-17	May-17	Jun-16	Jun-17	May-17	Jun-16
Calgary: All-items	100.00	1.05	1.09	1.48	(0.22)	(0.07)	0.52
Calgary: All-items excluding food and energy	76.49	0.97	1.11	1.67	(0.15)	0.22	(0.00)
Food	15.99	0.22	(0.07)	1.71	0.21	1.21	(0.07)
Shelter	26.56	1.24	1.68	(0.61)	(0.06)	(0.30)	0.37
Rented accommodation	5.40	(2.03)	(2.19)	(0.85)	0.00	0.08	(0.16)
Owned accommodation	16.24	1.37	1.42	1.39	(0.11)	0.43	(0.05)
Water, fuel and electricity	4.84	6.05	9.88	(8.52)	(0.07)	(2.70)	3.54
Household operations, furnishing and equipment	12.27	0.55	0.54	2.62	0.16	1.06	0.16
Clothing and footwear	5.88	0.43	0.22	(0.58)	(2.29)	(0.24)	(2.50)
Transportation	20.44	(1.33)	1.88	2.96	(0.67)	(1.10)	2.57
Gasoline	3.81	(8.64)	5.02	(2.28)	(2.91)	(6.96)	11.60
Health and personal care	4.65	0.82	1.35	1.62	(0.37)	0.30	0.15
Recreation, education and reading	11.37	3.10	2.83	(0.77)	0.35	(0.28)	0.09
Alcoholic beverages and tobacco products	2.83	2.65	2.59	4.88	0.31	0.26	0.25
Alberta: All-items	100.00	0.44	1.18	1.34	(0.22)	(0.15)	0.52
Alberta: All-items excluding food and energy	76.49	0.75	0.90	1.83	(0.15)	0.15	0.00
Canada: All-items	100.00	1.01	1.32	1.49	(0.08)	0.08	0.23
Canada: All-items excluding food and energy	74.85	1.37	1.37	2.14	0.08	0.24	0.08

Sources: Statistics Canada, Corporate Economics, July 21, 2017

* 2013 CPI basket weights at January 2015 prices, date modified on 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.

JULY 2017

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July 21, 2017

Inflation Review

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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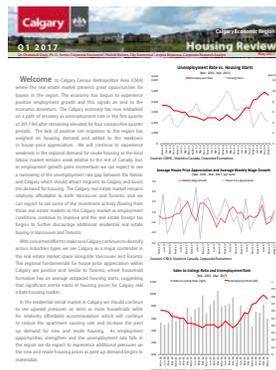
Many of our publications are available on the internet at www.calgary.ca/inflation.

Forecasting



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2017 - 2022
Spring 2017

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- ▶ Other Research Reports

- ▶ A Case of Fiscal Imbalance: The Calgary Experience
- ▶ Diesel Fuel Price Pass-Through in Calgary
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Sources: Statistics Canada, Bank of Canada, Corporate Economics