

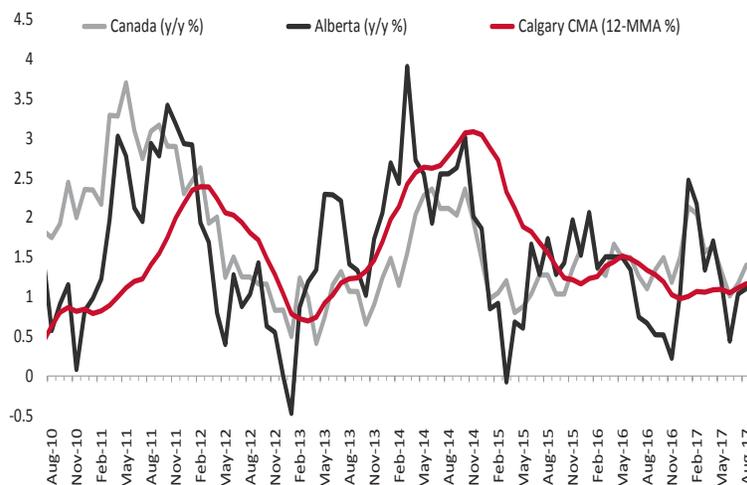


Inflation Review

Highlights:

- Headline inflation in Calgary in August was a very modest 1.1 per cent, down slightly from last month and last year. All consumer prices in Calgary were up in August with the exception of apartment rents. Unusually high summer gasoline prices drove inflation up in Calgary but the price of owned accommodation also continued to climb modestly. Clothing prices escalated to 3.3 per cent but other than gasoline and clothing price increases for consumer products were very modest. Landlords continued to try to rent out apartments in Calgary by lowering rents modestly, to little effect.
- In Alberta inflation was stable and muted at 1.1 per cent, the same as it was last month. Across the province a similar picture is emerging of low price pressures, historically high unemployment and low wage increases.
- Across Canada inflation escalated to 1.4 per cent as the economy in Quebec showed historic improvements. The unemployment rate in Quebec is now much lower than it's historical average as Quebec intentionally moves away from its historical "Have Not" status. The improving economy in Quebec is one reason why the Bank of Canada is raising interest rates when now is not a particularly good time for such actions in Alberta.

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



Source: Statistics Canada, Corporate Economics

Next release on October 20, 2017

Inflation Rates

	Relative Importance (%)*	Year-over-year (12 MMA, %)			Month-over-month (12MMA, %)		
		Aug-17	Jul-17	Aug-16	Aug-17	Jul-17	Aug-16
Calgary: All-items	100.00	1.16	1.11	1.33	0.22	0.15	0.29
Calgary: All-items excluding food and energy	76.49	1.12	1.27	1.29	(0.07)	(0.15)	0.07
Food	15.99	0.07	0.43	2.21	0.14	0.42	0.49
Shelter	26.56	1.47	1.41	(0.37)	0.48	0.92	0.43
Rented accommodation	5.40	(1.26)	(1.57)	(2.09)	(0.08)	(0.08)	(0.39)
Owned accommodation	16.24	1.86	1.59	1.11	0.32	(0.05)	0.05
Water, fuel and electricity	4.84	2.59	3.86	(3.94)	1.71	5.03	2.97
Household operations, furnishing and equipment	12.27	0.06	0.12	2.19	0.09	(0.91)	0.16
Clothing and footwear	5.88	3.31	2.81	(2.21)	0.56	0.29	0.07
Transportation	20.44	1.59	1.51	0.23	0.30	(0.38)	0.23
Gasoline	3.81	5.94	4.51	(15.42)	3.76	(0.27)	2.36
Health and personal care	4.65	1.64	1.88	2.15	0.82	0.90	1.06
Recreation, education and reading	11.37	1.93	2.70	(1.39)	(0.68)	0.33	0.07
Alcoholic beverages and tobacco products	2.83	2.75	2.72	5.22	0.17	0.32	0.14
Alberta: All-items	100.00	1.10	1.03	0.67	0.29	0.07	0.22
Alberta: All-items excluding food and energy	76.49	0.98	0.98	1.37	0.00	(0.22)	0.00
Canada: All-items	100.00	1.40	1.16	1.10	0.08	0.00	(0.16)
Canada: All-items excluding food and energy	74.85	1.45	1.45	1.89	0.00	0.00	0.00

Sources: Statistics Canada, Corporate Economics, September 22, 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.

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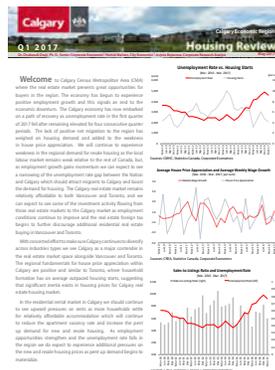
Many of our publications are available on the internet at www.calgary.ca/inflation.

Forecasting



Calgary and Region Economic Outlook
2017 - 2022
Spring 2017

Information Provision



- ▶ Current Economic Analysis
- ▶ Labour Market Review
- ▶ Housing Review
- ▶ Other Research Reports

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