



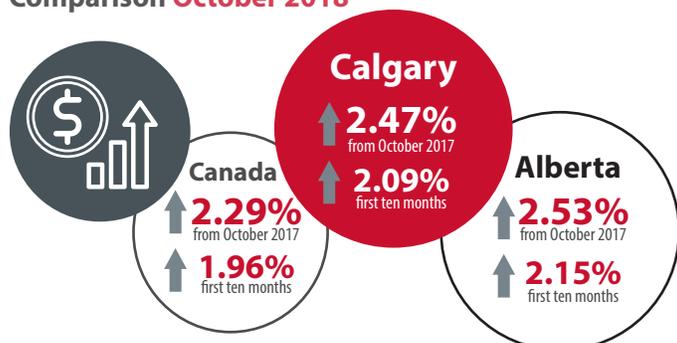
OCTOBER 2018

Inflation Review

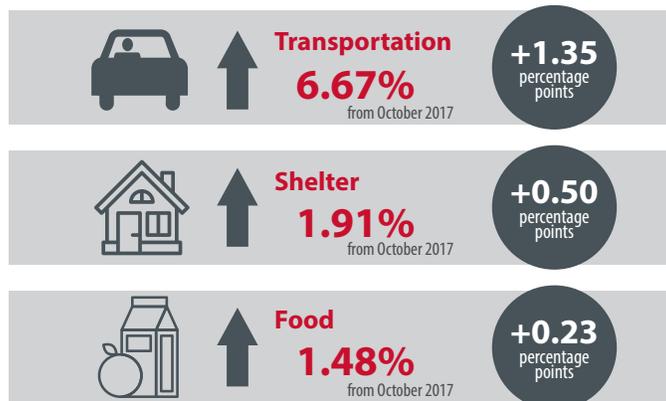
Chukwudi Osuji, Ph.D, Senior Corporate Economist | Estella Scruggs, Corporate Research Analyst

November 23, 2018

Headline Inflation 12-month-moving-average Comparison **October 2018**



Major Contributors to consumer price inflation



Highlights:

- The October 2018 headline inflation rate in Calgary rose to 2.47 per cent from October 2017. The inflation rate over the first ten months of 2018 was 2.09 per cent using the twelve-month moving average.
- In October, the major contributor to consumer price inflation in Calgary was the cost of transportation. It added 1.35 percentage points to the annual inflation rate. The contribution to annual inflation was 0.08 percentage points higher than it was in September, a similar increase to the change from August to September. The second largest contributor to inflation was food and shelter, which added 0.74 percentage points in October.
- The continued rise of oil prices (WTI) through to October 2018 has led support for transportation inflation. Specifically, the price per barrel of oil has increased by 6.87 dollars (+\$6.87) between January and October 2018. Last year, the price per barrel of oil decreased between January and October by 1.01 dollars (-\$1.01).
- A sizable housing inventory, a relatively weaker labor market in Calgary, and recent increases in borrowing costs will mitigate pressures on shelter costs going forward.
- The profile of higher headline inflation in Calgary than Canada, yet lower inflation than Alberta that occurred in October is iden-

Next release: December 19, 2018

Inflation Rates

	Relative Importance (%)*	Year-over-year (12-MMA, %)			Year-to-Date (12-MMA, %)		
		Oct-18	Sep-18	Aug-18	Oct-18	Sep-18	Aug-18
Calgary: All-items	100.00	2.47	2.38	2.26	2.09	1.87	1.64
Calgary: All-items excluding food and energy	76.49	1.48	1.45	1.39	1.27	1.15	1.02
Food	15.99	1.48	1.49	1.54	1.14	0.97	0.85
Shelter	26.56	1.91	1.82	1.74	1.62	1.43	1.25
Rented accommodation	5.40	-0.17	-0.31	-0.46	-0.01	-0.05	-0.09
Owned accommodation	16.24	1.37	1.45	1.59	1.07	0.99	0.95
Water, fuel and electricity	4.84	6.68	6.27	5.61	5.71	5.05	4.27
Household operations, furnishing and equipment	12.27	0.46	0.48	0.44	0.38	0.35	0.28
Clothing and footwear	5.88	1.88	1.84	1.74	1.46	1.44	1.31
Transportation	20.44	6.67	6.32	5.93	5.64	5.11	4.53
Gasoline	3.81	23.71	22.50	21.07	19.57	17.85	15.53
Health and personal care	4.65	2.07	2.30	2.33	1.67	1.66	1.53
Recreation, education and reading	11.37	0.30	0.28	0.31	0.31	0.21	0.15
Alcoholic beverages and tobacco products	2.83	3.21	3.16	3.13	2.75	2.49	2.22
Alberta: All-items	100.00	2.53	2.41	2.27	2.15	1.92	1.67
Alberta: All-items excluding food and energy	76.49	1.54	1.48	1.39	1.33	1.19	1.04
Canada: All-items	100.00	2.29	2.21	2.15	1.96	1.76	1.57
Canada: All-items excluding food and energy	74.85	1.88	1.82	1.77	1.59	1.41	1.26

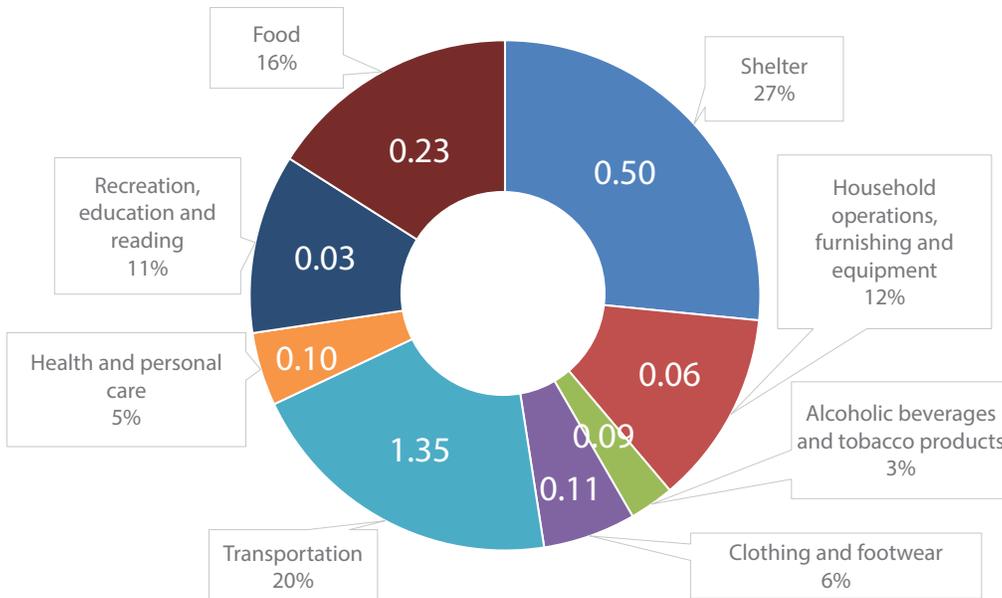
Sources: Statistics Canada, Corporate Economics, November 23, 2018

* 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

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Calgary Census Metropolitan Area Share of Goods and Services of a Typical Urban Dweller Consumption Basket, 2013 Weights



* contribution of inflation by percentage points are highlighted in white on pie chart above

Glossary:

Headline Inflation: This is the inflation rate measured using all components of the consumer basket of goods and services.

Core Inflation: This is the inflation rate after excluding food and transportation from the consumer basket of goods and services.

Overnight Rate: The interest rate the Bank of Canada charges commercial banks to borrow money.

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.

For media inquiry, please contact:

The Media Line at 403.828.2954 or media.relations@calgary.ca

For the technical questions, please contact:

Chukwudi Osuji, Ph.D.

Senior Corporate Economist

403.268.3752

chukwudi.osuji@calgary.ca

Estella Scruggs

Corporate Research Analyst

403.268.5556

estella.scruggs@calgary.ca

Oyin Shyllon

City Economist & Regulatory Lead

403.268.1590

oshyllon@calgary.ca

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Sources: Statistics Canada, Bank of Canada, Corporate Economics