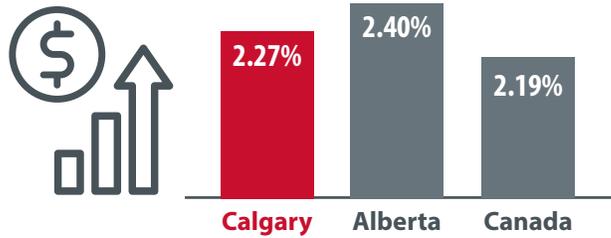


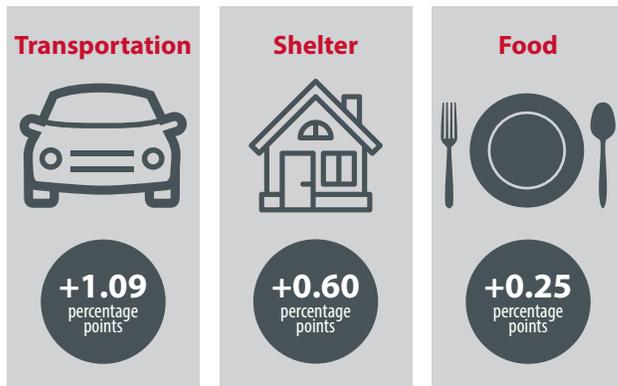


February 2019 Headline Inflation

Comparison is based on 12-month-moving-average of the Consumer Price Index



Major Contributors to Calgary's Inflation Rate



Calgary: In February 2019, the Consumer Price Index (CPI) increased by 2.27 per cent from February 2018. Year-to-date, the CPI was higher by 0.20 per cent.

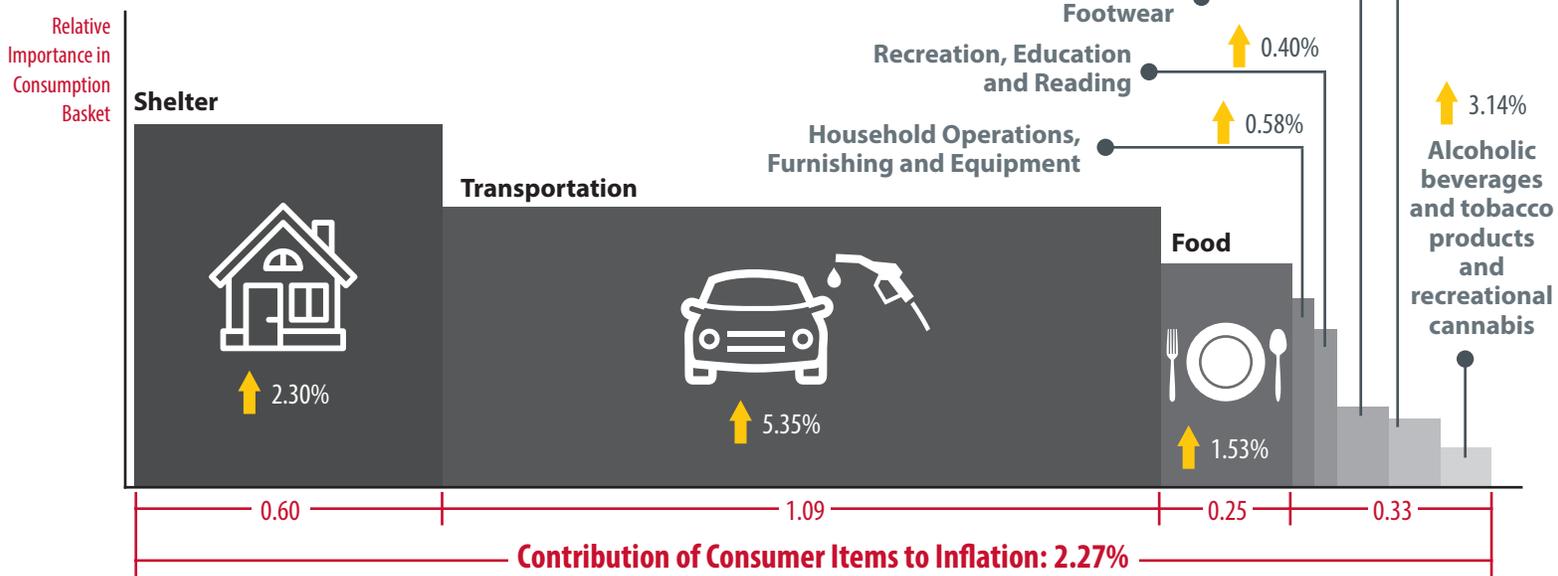
The major contributor to the February 2019 annual inflation rate was the cost of transportation. It added 1.09 percentage points to the annual inflation rate. The contribution of transportation costs to annual inflation at the same time last year was 0.59 percentage points. Excluding the impact of transportation costs, the annual average CPI rose 1.18 per cent in February 2019.

The second largest contributor to inflation was food and shelter. It added 0.85 percentage points to the February 2019 annual inflation rate. The contribution of food and shelter costs to annual inflation was much higher than it was in February 2018 and January 2019.

Alberta and Canada: For February 2019, the Alberta and Canada-wide annual inflation rates were 2.40 and 2.19 per cent respectively. The February 2019 annual inflation rates for Calgary and Alberta were higher than for Canada.

Usually, tradable goods and services have lower inflation than non-tradable ones. Recent changes in the tariff regime with Canada's primary trading partner made it useful to review inflation arising from tradable goods. There are 11 broad categories of tradable (import and export) goods into and from Canada. The share of imports into Alberta for goods in four categories increased in 2018. They are consumer goods; metal ores and non-metallic minerals; metals and non-metallic mineral products; and basic industrial chemical, plastic and rubber products. Several of these categories were affected by the change in the tariff regime. If imports for goods in these categories continue to grow in 2019, then there would be upward pressure on the consumer price index for Canada, Alberta and Calgary.

Calgary Census Metropolitan Area Share of Goods and Services of a Typical Urban Dweller Consumption Basket, 2017 Weights, February 2019



Inflation Rates

	Relative Importance (%) [*]	Year-over-year (12-MMA, %)			Year-to-Date (12-MMA, %)		
		Feb-19	Jan-19	Dec-18	Feb-19	Jan-19	Dec-18
Calgary: All-items	100.00	2.27	2.34	2.37	0.20	0.08	2.37
Calgary: All-items excluding food and energy	76.28	1.52	1.54	1.51	0.21	0.11	1.51
Food	16.59	1.53	1.41	1.46	0.43	0.17	1.46
Shelter	26.26	2.30	2.26	2.08	0.42	0.21	2.08
Rented accommodation	5.68	0.65	0.39	0.14	0.37	0.18	0.14
Owned accommodation	15.48	1.27	1.26	1.26	0.29	0.14	1.26
Water, fuel and electricity	5.09	7.63	7.85	7.39	0.89	0.44	7.39
Household operations, furnishing and equipment	12.93	0.58	0.58	0.52	0.17	0.08	0.52
Clothing and footwear	5.15	0.95	1.18	1.34	-0.06	-0.05	1.34
Transportation	20.28	5.35	5.65	5.95	0.03	-0.05	5.95
Gasoline	3.26	14.82	16.70	18.57	-1.58	-1.09	18.57
Health and personal care	4.81	1.21	1.40	1.68	-0.01	-0.04	1.68
Recreation, education and reading	10.49	0.40	0.51	0.45	-0.07	0.02	0.45
Alcoholic beverages, tobacco products and recreational cannabis	3.48	3.14	3.26	3.22	0.38	0.23	3.22
Alberta: All-items	100.00	2.40	2.44	2.47	0.23	0.1	2.47
Alberta: All-items excluding food and energy	76.28	1.65	1.65	1.61	0.24	0.12	1.61
Canada: All-items	100.00	2.19	2.25	2.27	0.24	0.12	2.27
Canada: All-items excluding food and energy	77.01	1.97	1.96	1.93	0.32	0.16	1.93

^{*} Consumer Price Index (CPI) basket weights are based on the 2017 Survey of Household Spending, modified on February 2019.

Sources: Statistics Canada, Corporate Economics, March 22, 2019

Next release: April 17, 2019

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.

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Sources: Statistics Canada, Bank of Canada, Corporate Economics