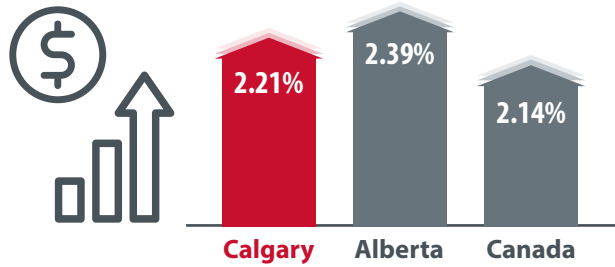




April 2019 Headline Inflation

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



Calgary: In April 2019, the Consumer Price Index (CPI) increased by 2.21 per cent from April 2018. At the start of 2019 inflation pressure was lower than it was at the beginning of 2018. For the first four months of 2019, the CPI was higher by 0.53 per cent. By contrast, the CPI increased by 0.69 per cent for the first four months of 2018.

The major contributor to the April 2019 annual inflation rate was the cost of transportation. It added 1.00 percentage points to the annual inflation rate. The contribution of transportation costs to annual inflation at the same time last year was 0.65 percentage points.

The second significant contributor to inflation was food and shelter. It added 0.92 percentage points to the April 2019 annual inflation rate. The contribution of food and shelter costs to the annual inflation rate was 0.27 percentage points higher than it was in April 2018.

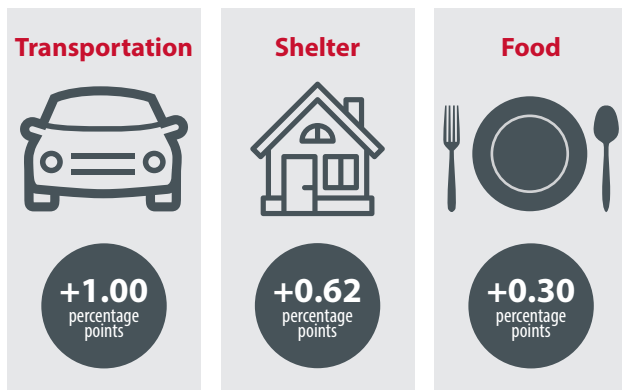
Excluding the contribution of transportation, food and shelter costs, the annual average CPI was higher by 0.29 per cent in April 2019. Last year, other components in the consumer goods basket had a higher contribution to inflation.

Because the inflation pressure at the start of the year is moderate, there is better support for real wage growth in 2019. Each dollar earned would get further, and should the recent pick-up in job growth continue consumers in the Calgary Economic Region would benefit.

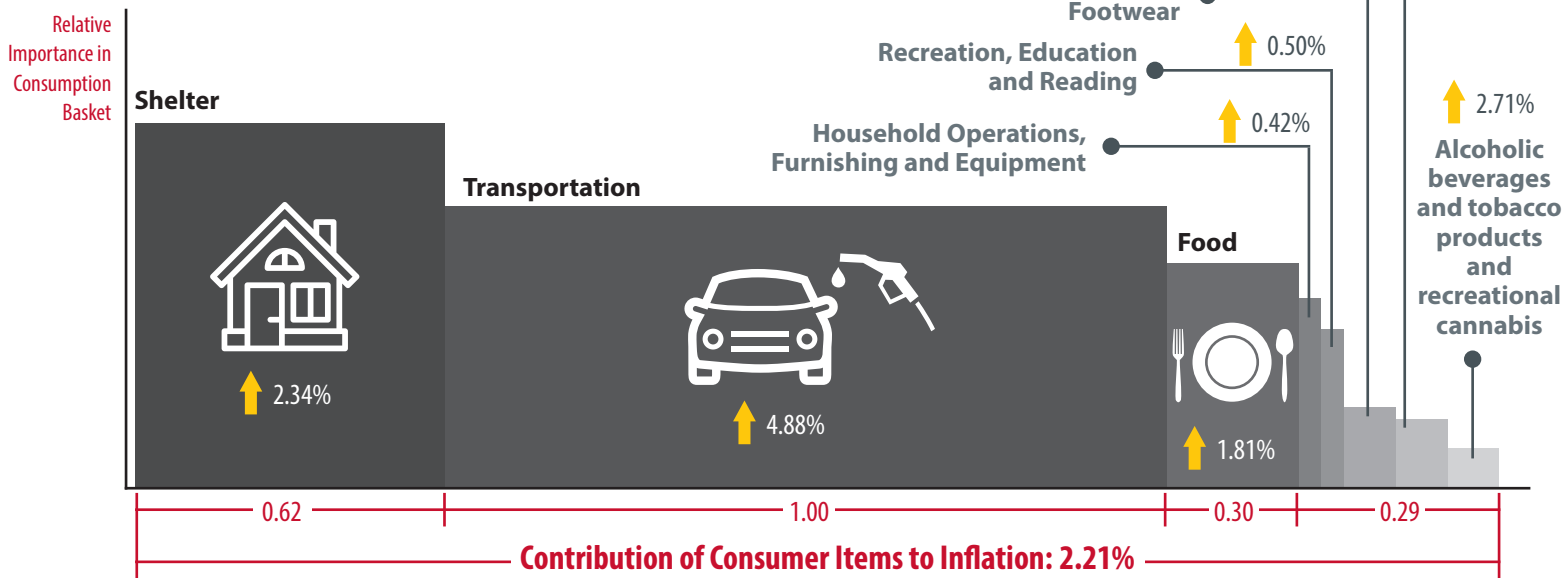
Alberta and Canada: For April 2019, the Alberta and Canada-wide annual inflation rates were 2.39 and 2.14 per cent, respectively. The April 2019 annual inflation rates for Calgary and Alberta were higher than for Canada.

Tariffs cause price inflation with the higher cost of goods and services passed on to consumers. Trade restrictions and barriers ultimately affect the prices of consumer goods, through their effect on demand and supply. The possibility of restrictions on canola exports from Alberta producers would increase domestic supply and put downward pressure on prices.

Major Contributors to Calgary's Inflation Rate



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



Inflation Rates

	Relative Importance (%) [*]	Year-over-year (12-MMA, %)			Year-to-Date (12-MMA, %)		
		Apr-19	Mar-19	Feb-19	Apr-19	Mar-19	Feb-19
Calgary: All-items	100.00	2.21	2.26	2.27	0.53	0.37	0.20
Calgary: All-items excluding food and energy	76.28	1.55	1.54	1.52	0.45	0.32	0.21
Food	16.59	1.81	1.70	1.53	0.96	0.70	0.43
Shelter	26.26	2.34	2.42	2.30	0.91	0.73	0.42
Rented accommodation	5.68	0.77	0.77	0.65	0.47	0.46	0.37
Owned accommodation	15.48	1.36	1.29	1.27	0.66	0.46	0.29
Water, fuel and electricity	5.09	7.37	8.03	7.63	2.34	1.93	0.89
Household operations, furnishing and equipment	12.93	0.42	0.58	0.58	0.25	0.26	0.17
Clothing and footwear	5.15	0.80	0.93	0.95	0.04	0.00	-0.06
Transportation	20.28	4.88	5.08	5.35	0.50	0.25	0.03
Gasoline	3.26	10.90	12.83	14.82	-1.92	-1.69	-1.58
Health and personal care	4.81	0.90	0.99	1.21	0.07	-0.02	-0.01
Recreation, education and reading	10.49	0.50	0.33	0.40	-0.14	-0.18	-0.07
Alcoholic beverages, tobacco products and recreational cannabis	3.48	2.71	2.96	3.14	0.55	0.48	0.38
Alberta: All-items	100.00	2.39	2.40	2.40	0.60	0.42	0.23
Alberta: All-items excluding food and energy	76.28	1.73	1.68	1.65	0.53	0.37	0.24
Canada: All-items	100.00	2.14	2.15	2.19	0.57	0.40	0.24
Canada: All-items excluding food and energy	77.01	1.98	1.96	1.97	0.65	0.48	0.32

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

Sources: Statistics Canada, Corporate Economics, May 15, 2019

Next release: June 19, 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