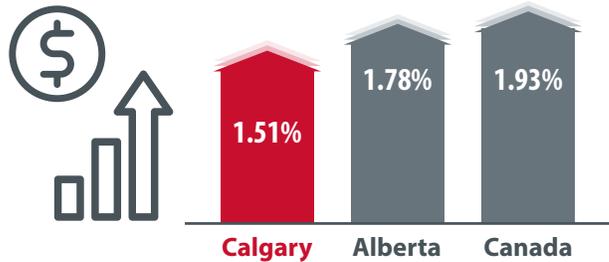


September 2019 Headline Inflation

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



Calgary and Local Conditions Contributing to Inflation

In September 2019, the Consumer Price Index (CPI) increased by 1.51 per cent from September 2018 down from 1.64 per cent a month ago.

The major contributor to the September 2019 annual inflation rate was the cost of food and shelter. It added 1.06 percentage points to the annual inflation rate. The contribution of food and shelter costs to annual inflation is higher this year. Last year, it contributed 0.71 percentage points to the annual inflation rate.

The second significant contributor to inflation was transportation. It added 0.27 percentage points to the September 2019 annual inflation rate. The contribution of transportation costs to the September 2018 annual inflation rate was 1.27 percentage points. This year, the elimination of the carbon tax and relatively stable oil prices have curbed inflation pressure from transportation costs.

Excluding the contribution of transportation, food and shelter costs, the annual average CPI was higher by 0.18 per cent in September 2019 compared to 0.40 per cent in September 2018.

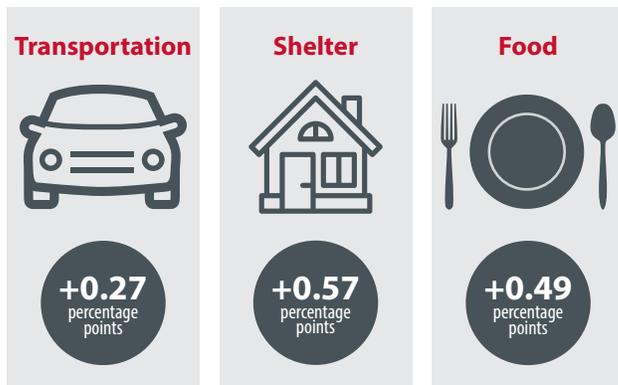
The pressure from consumer inflation is lower in 2019 than it was in 2018. Specifically, the increase in the CPI from January 2019 to September 2019 was by 1.02 per cent. Last year, it took just six months to achieve the same gain. The CPI increased by 1.87 per cent from January to September 2018.

External Inflation Conditions and Contributing Factors

For September 2019, the Alberta and Canada-wide annual inflation rates were 1.78 and 1.93 per cent, respectively. The September 2019 annual inflation rate for Calgary was lower than in Canada and Alberta.

Slower growth in demand for goods and services in 2019 has led to persistent downward pressure on inflation.

Major Contributors to Calgary's Inflation Rate



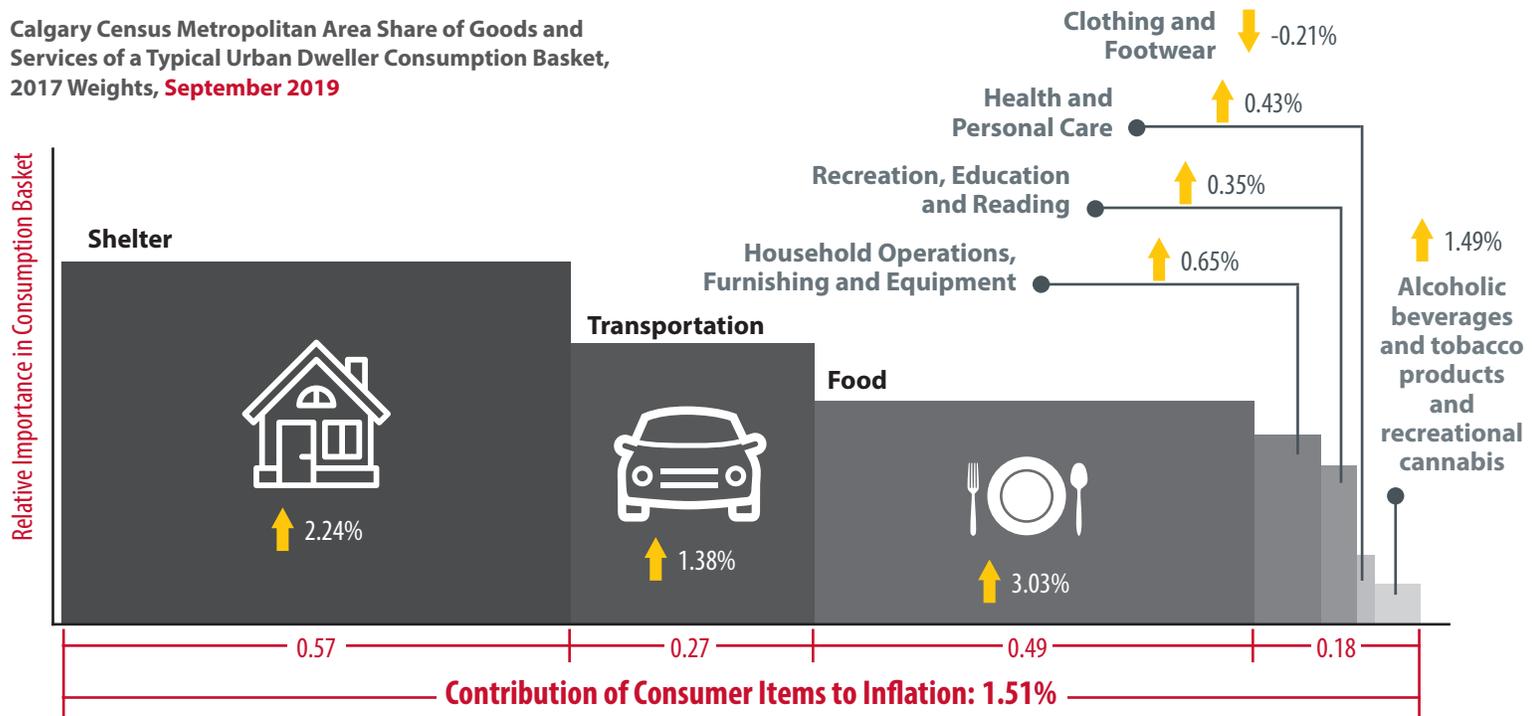
Inflation Rates

	Relative Importance (%) *	Year-over-year (12-MMA, %)			Year-to-Date (12-MMA, %)		
		Sep-19	Aug-19	Jul-19	Sep-19	Aug-19	Jul-19
Calgary: All-items	100.00	1.51	1.64	1.81	1.02	0.92	0.85
Calgary: All-items excluding food and energy	76.28	1.46	1.43	1.48	1.09	0.94	0.81
Food	16.59	3.03	2.83	2.62	2.53	2.21	1.92
Shelter	26.26	2.24	2.29	2.32	1.59	1.46	1.35
Rented accommodation	5.68	0.46	0.45	0.39	0.27	0.21	0.12
Owned accommodation	15.48	1.79	1.62	1.53	1.51	1.31	1.15
Water, fuel and electricity	5.09	5.63	6.40	6.82	3.32	3.31	3.31
Household operations, furnishing and equipment	12.93	0.65	0.73	0.71	0.47	0.49	0.46
Clothing and footwear	5.15	-0.21	-0.22	-0.01	-0.11	-0.25	-0.18
Transportation	20.28	1.38	1.98	2.85	0.58	0.62	0.68
Gasoline	3.26	-9.11	-5.33	-1.28	-9.66	-7.75	-5.87
Health and personal care	4.81	0.43	0.44	0.49	0.41	0.30	0.24
Recreation, education and reading	10.49	0.35	0.34	0.27	0.11	0.04	-0.09
Alcoholic beverages, tobacco products and recreational cannabis	3.48	1.49	1.69	1.91	0.76	0.70	0.64
Alberta: All-items	100.00	1.78	1.92	2.07	1.24	1.13	1.03
Alberta: All-items excluding food and energy	76.28	1.73	1.71	1.74	1.32	1.15	0.99
Canada: All-items	100.00	1.93	1.96	2.04	1.42	1.27	1.11
Canada: All-items excluding food and energy	77.01	2.10	2.07	2.08	1.58	1.41	1.23

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

Sources: Statistics Canada, Corporate Economics, October 16, 2019

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



Sources: Statistics Canada, Corporate Economics, October 16, 2019

Next release: November 20, 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