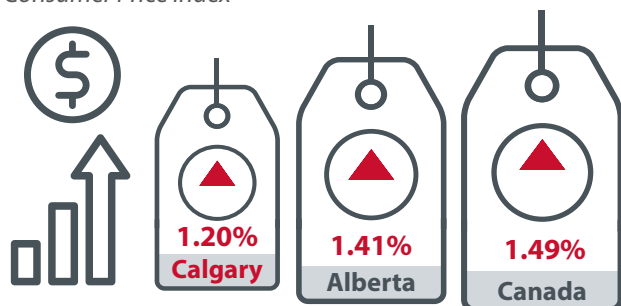


June 2020 Headline Inflation

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



Major Contributors to Calgary's Inflation Rate June 2020



Calgary Local Inflation Conditions and Contributing Factors

In June 2020, the Consumer Price Index (CPI) in Calgary CMA increased by 1.2 per cent on a twelve-month-moving-average* basis. It increased significantly by 1.5 per cent in June 2019. The deceleration of inflation was the combination of the removal of the provincial carbon-tax in Alberta, the fall in commodity prices since June of 2019 and the Alberta Relaunch Strategy.

On to the second phase of relaunching of the re-opening of the Alberta economy, the month of June saw further relaxation of social and economic lockdowns. The year-to-date inflation was 0.56 per cent in June 2020 compared to 0.78 in June 2019.

The major contributor to the June 2020 annual inflation rate was the cost of food and shelter. It added 0.88 percentage points to the inflation rate, lower than the 1.05 percentage points to the annual inflation rate in June 2019.

Transportation cost is usually the second largest contributor to inflation, but in June 2020 it was the third least contributor. It added only 0.06 percentage points to the June 2020 annual inflation rate. The continued reason for lower transportation costs in June 2020 was the fall in the cost of gasoline caused by lower crude oil prices relative to June 2019.

Excluding transportation, food and shelter costs, the annual average CPI remained marginally higher in June 2020 compared to June 2019.

Inflation Rates

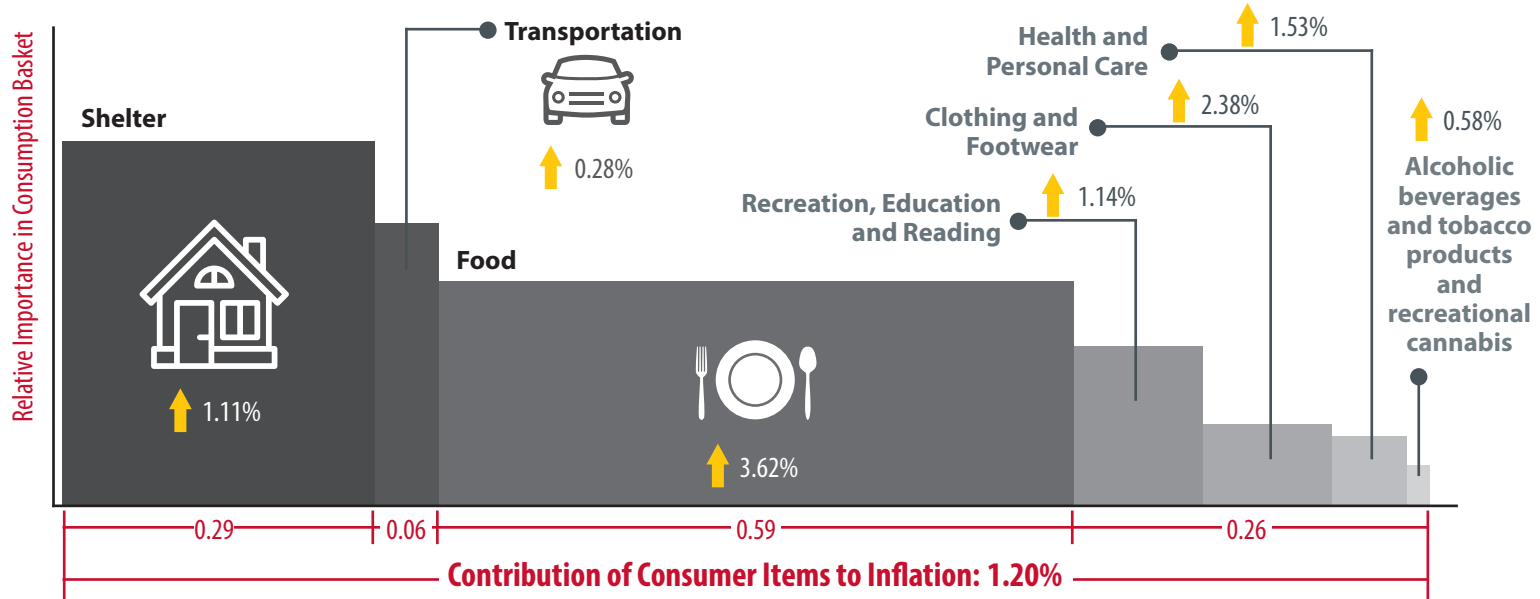
	Relative Importance (%)*	Year-over-year (12-MMA, %)			Year-to-Date (12-MMA, %)		
		Jun-20	May-20	Apr-20	Jun-20	May-20	Apr-20
Calgary: All-items	100.00	1.20	1.27	1.34	0.56	0.49	0.42
Calgary: All-items excluding food and energy	76.28	1.59	1.66	1.74	0.79	0.72	0.65
Food	16.59	3.62	3.76	3.71	1.74	1.54	1.21
Shelter	26.26	1.11	1.06	1.23	0.41	0.17	0.12
Rented accommodation	5.68	0.32	-0.08	-0.24	0.08	-0.16	-0.32
Owned accommodation	15.48	1.79	1.85	1.90	0.73	0.62	0.52
Water, fuel and electricity	5.09	-0.39	-0.65	0.53	-0.71	-1.23	-0.97
Household operations, furnishing and equipment	12.93	-0.57	-0.41	-0.16	-0.41	-0.33	-0.16
Clothing and footwear	5.15	2.38	2.28	2.38	1.44	1.44	1.54
Transportation	20.28	0.28	0.07	0.55	0.14	-0.07	0.14
Gasoline	3.26	-17.39	-18.05	-16.20	-10.19	-9.45	-6.73
Health and personal care	4.81	1.53	1.46	1.39	0.72	0.58	0.51
Recreation, education and reading	10.49	1.14	1.23	1.14	0.26	0.26	0.35
Alcoholic beverages, tobacco products and recreational cannabis	3.48	0.58	0.58	0.47	0.23	0.17	0.06
Alberta: All-items	100.00	1.41	1.34	1.55	0.56	0.42	0.42
Alberta: All-items excluding food and energy	76.28	1.81	1.89	1.96	0.79	0.72	0.65
Canada: All-items	100.00	1.49	1.56	1.86	0.44	0.37	0.44
Canada: All-items excluding food and energy	77.01	1.70	1.78	2.02	0.69	0.61	0.61

The Consumer Price Index (CPI) for Alberta and Canada in June 2020 increased by 1.4 and 1.5 per cent respectively, on a twelve-month-moving-average basis. In June 2019, CPI increased by 1.6 in Alberta and decreased by 0.7 per cent in Canada, correspondingly.

* Twelve-month-moving average is a statistical tool used to determine the trend of monthly data. This is done by taking an average over a 12-month consecutive data series.

* Consumer Price Index (CPI) basket weights are based on the 2017 Survey of Household Spending, modified on February 2019. Sources: Statistics Canada, Corporate Economics, July 22, 2020

Calgary Census Metropolitan Area Share of Goods and Services of a Typical Urban Dweller Consumption Basket, 2017 Weights, June 2020



Sources: Statistics Canada, Corporate Economics, July 22, 2020

Next release: August 19, 2020

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