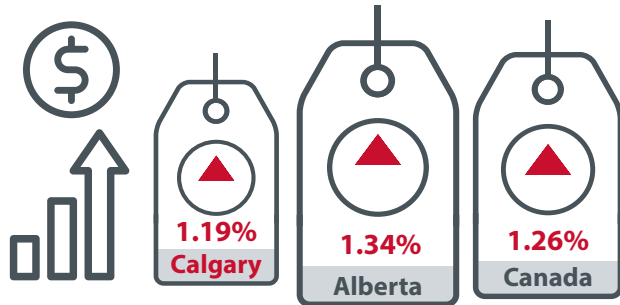


## July 2020 Headline Inflation

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



## Major Contributors to Calgary's Inflation Rate July 2020



## Calgary Local Inflation Conditions and Contributing Factors

In July 2020, the Consumer Price Index (CPI) in Calgary CMA increased by 1.2 per cent on a twelve-month-moving-average\* basis. The year-over-year CPI increased by 0.8 per cent from July 2019.

The year-to-date inflation was 0.63 per cent in July 2020 compared to 0.85 in July 2019. In The pace of inflation year-to-date comparable to 2020 against 2019 was achieved in the month of May.

The major contributor to the July 2020 inflation rate was the cost of food and shelter. It added 0.89 percentage points to the inflation rate, lower than the 1.05 percentage points to the inflation rate in July 2019.

Transportation cost is usually the second largest contributor to inflation. In July 2020 it was the third largest contributor following clothing and footwear. It added only 0.08 percentage points to the July 2020 inflation rate. The continued reason for lower transportation costs in July 2020 was the fall in the cost of gasoline caused by lower crude oil prices relative to July 2019.

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

## External Inflation Conditions and Contributing Factors

The Consumer Price Index (CPI) for Alberta and Canada in July 2020 increased by 1.3 per cent respectively, on a twelve-month-moving-average basis. In July 2020, the year-over-year CPI increased by 0.9 in Alberta and decreased by 0.1 per cent in Canada.

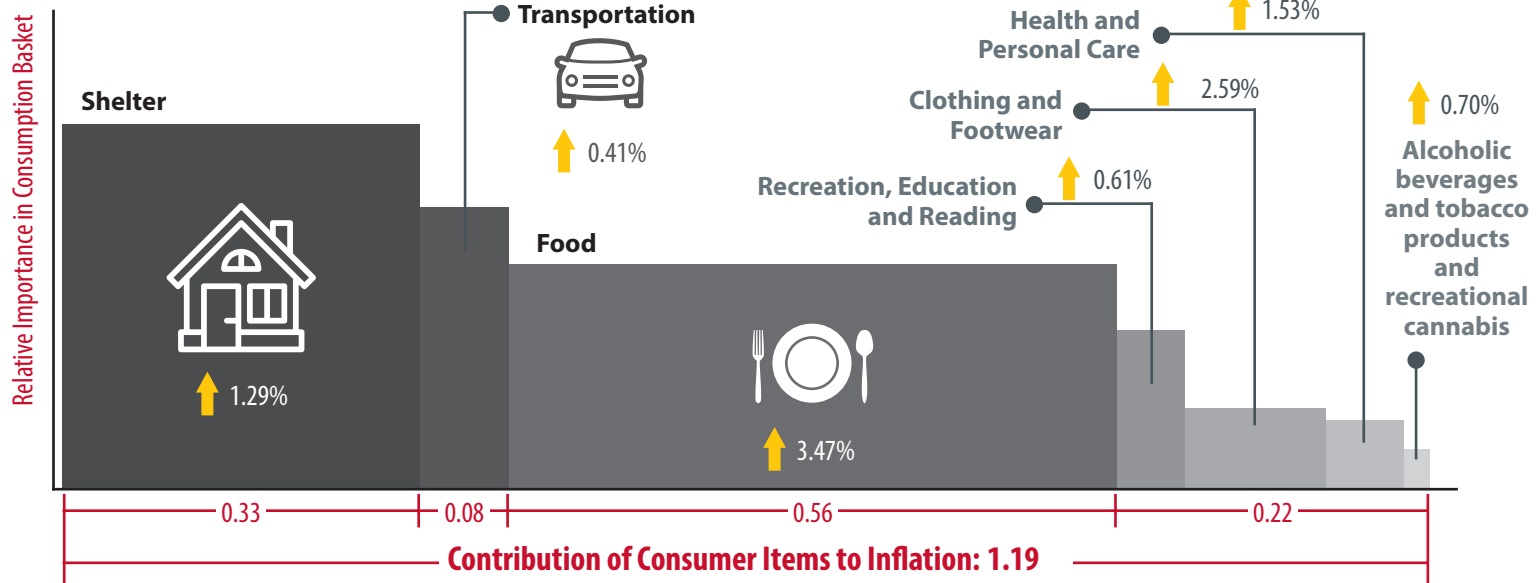
## Inflation Rates

	Relative Importance (%)*	Year-over-year (12-MMA, %)			Year-to-Date (12-MMA, %)		
		Jul-20	Jun-20	May-20	Jul-20	Jun-20	May-20
Calgary: All-items	100.00	1.19	1.20	1.27	0.63	0.56	0.49
Calgary: All-items excluding food and energy	76.28	1.59	1.59	1.66	0.86	0.79	0.72
Food	16.59	3.47	3.62	3.76	1.94	1.74	1.54
Shelter	26.26	1.29	1.11	1.06	0.58	0.41	0.17
Rented accommodation	5.68	0.72	0.32	-0.08	0.32	0.08	-0.16
Owned accommodation	15.48	1.79	1.79	1.85	0.89	0.73	0.62
Water, fuel and electricity	5.09	0.20	-0.39	-0.65	-0.32	-0.71	-1.23
Household operations, furnishing and equipment	12.93	-0.57	-0.57	-0.41	-0.41	-0.41	-0.33
Clothing and footwear	5.15	2.59	2.38	2.28	1.54	1.44	1.44
Transportation	20.28	0.41	0.28	0.07	0.21	0.14	-0.07
Gasoline	3.26	-16.66	-17.39	-18.05	-10.99	-10.19	-9.45
Health and personal care	4.81	1.53	1.53	1.46	0.80	0.72	0.58
Recreation, education and reading	10.49	0.61	1.14	1.23	-0.09	0.26	0.26
Alcoholic beverages, tobacco products and recreational cannabis	3.48	0.70	0.58	0.58	0.35	0.23	0.17
Alberta: All-items	100.00	1.34	1.41	1.34	0.63	0.56	0.42
Alberta: All-items excluding food and energy	76.28	1.74	1.81	1.89	0.86	0.79	0.72
Canada: All-items	100.00	1.26	1.49	1.56	0.44	0.44	0.37
Canada: All-items excluding food and energy	77.01	1.54	1.70	1.78	0.77	0.69	0.61

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

Sources: Statistics Canada, Corporate Economics, August 19, 2020

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



Sources: Statistics Canada, Corporate Economics, August 19, 2020

Next release: September 16, 2020

\* Twelve-month-moving average is done by taking an average over a 12-month consecutive data series. The discussion of CPI here is on a twelve-month-moving-average unless stated otherwise.

## 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](mailto:media.relations@calgary.ca)

For the technical questions, please contact:

**Ivy Zhang**

Acting City Economist

[ivy.zhang@calgary.ca](mailto:ivy.zhang@calgary.ca)

**Chukwudi Osuji, Ph.D.**

Senior Corporate Economist

[chukwudi.osuji@calgary.ca](mailto:chukwudi.osuji@calgary.ca)

**Estella Scruggs**

Corporate Research Analyst

[estella.scruggs@calgary.ca](mailto:estella.scruggs@calgary.ca)

Many of our publications are available on the internet at [www.calgary.ca/economy](http://www.calgary.ca/economy)

The City of Calgary provides this information in good faith. However, the aforementioned organization makes no representation, warranty or condition, statutory express or implied, takes no responsibility for any errors and omissions which may contained herein and accepts no liability for any loss arising from any use or reliance on this report.

Sources: Statistics Canada, Bank of Canada, Corporate Economics