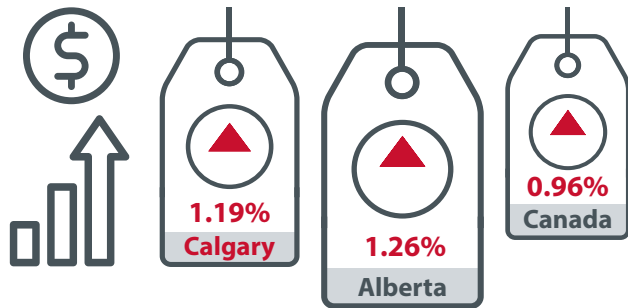


October 2020 Headline Inflation

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



Major Contributors to Calgary's Inflation Rate October 2020



Calgary's Inflation Conditions and Contributing Factors

In October 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 1.2 per cent from October 2019.

The year-to-date inflation for the last ten months was 0.9 per cent in October 2020 compared to 1.1 per cent in October 2019. It took eight months in 2019 to reach the same pace of year-to-date inflation observed in October of 2020.

The major contributor to the October 2020 inflation was the cost of food and shelter. It added 0.85 percentage points to the inflation rate, lower than the 1.07 percentage points contribution to the inflation rate in October 2019.

Transportation was the second largest contributor to inflation in October. It added 0.22 percentage points to the October 2020 inflation rate.

The largest contributor to the decline of inflation was household operations, furnishing and equipment. It contributed -0.1 percentage points to the total inflation.

External Inflation Conditions

The CPI for Alberta and Canada in October 2020 rose by 1.3 and 1.0 per cent respectively, on a twelve-month-moving-average basis. In October 2020, the year-over-year CPI rose 1.1 per cent in Alberta and 0.7 per cent in Canada.

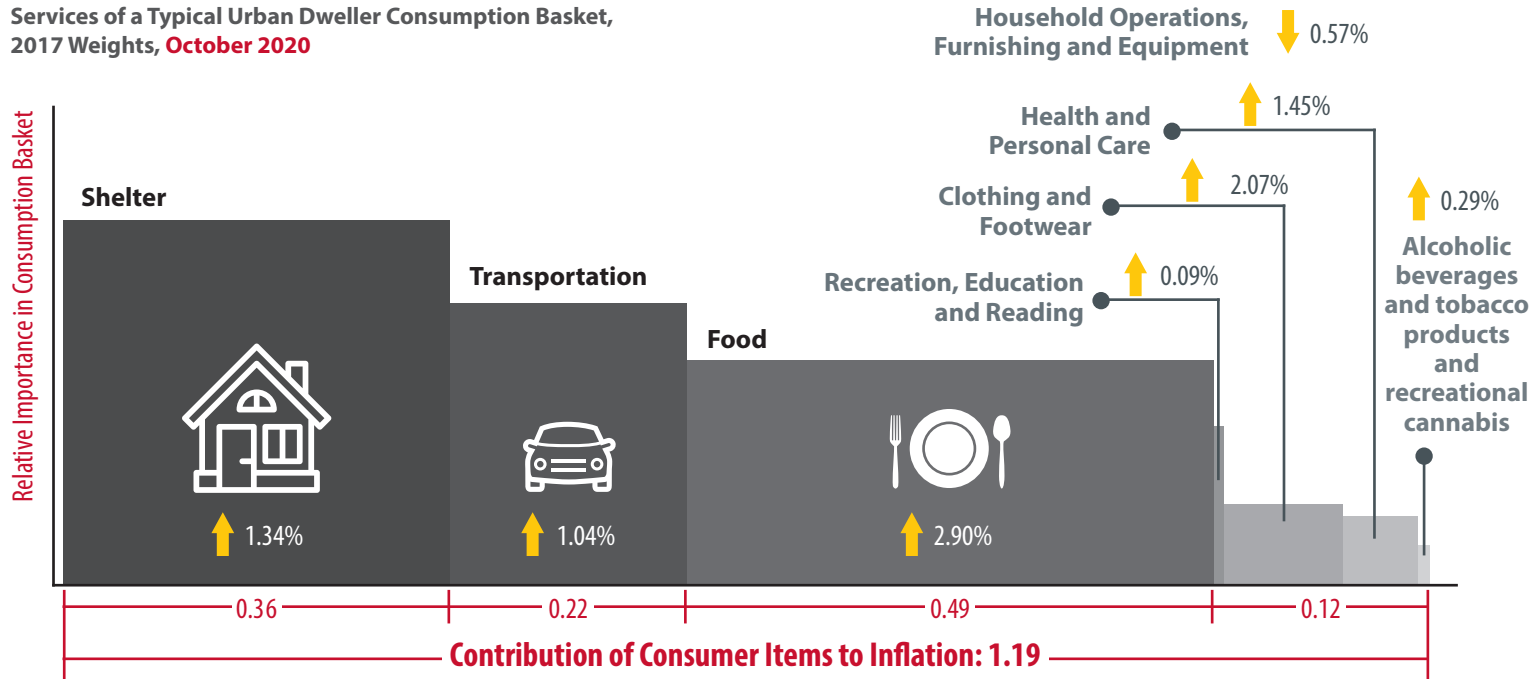
Inflation Rates

	Relative Importance (%)*	Year-over-year (12-MMA, %)			Year-to-Date (12-MMA, %)		
		Oct-20	Sep-20	Aug-20	Oct-20	Sep-20	Aug-20
Calgary: All-items	100.00	1.19	1.26	1.19	0.91	0.84	0.70
Calgary: All-items excluding food and energy	76.28	1.37	1.44	1.51	1.08	1.00	0.93
Food	16.59	2.90	3.04	3.32	2.34	2.14	2.08
Shelter	26.26	1.34	1.40	1.29	1.05	0.93	0.70
Rented accommodation	5.68	0.48	0.71	0.72	0.40	0.48	0.40
Owned accommodation	15.48	1.52	1.62	1.73	1.20	1.09	0.99
Water, fuel and electricity	5.09	1.31	1.04	0.39	0.78	0.52	-0.13
Household operations, furnishing and equipment	12.93	-0.57	-0.65	-0.65	-0.41	-0.41	-0.41
Clothing and footwear	5.15	2.07	2.49	2.80	1.33	1.44	1.64
Transportation	20.28	1.04	0.76	0.48	0.69	0.41	0.21
Gasoline	3.26	-12.13	-13.55	-15.46	-11.43	-11.37	-11.49
Health and personal care	4.81	1.45	1.53	1.53	1.09	1.01	0.87
Recreation, education and reading	10.49	0.09	0.35	0.35	-0.26	-0.17	-0.26
Alcoholic beverages, tobacco products and recreational cannabis	3.48	0.29	0.47	0.64	0.17	0.23	0.35
Alberta: All-items	100.00	1.26	1.33	1.34	0.91	0.84	0.70
Alberta: All-items excluding food and energy	76.28	1.44	1.51	1.59	1.08	1.00	0.93
Canada: All-items	100.00	0.96	1.03	1.11	0.59	0.51	0.44
Canada: All-items excluding food and energy	77.01	1.23	1.31	1.39	0.92	0.84	0.77

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

Sources: Statistics Canada, Corporate Economics, November 18, 2020

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



Sources: Statistics Canada, Corporate Economics, November 18, 2020

Next release: December 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.

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Sources: Statistics Canada, Bank of Canada, Corporate Economics