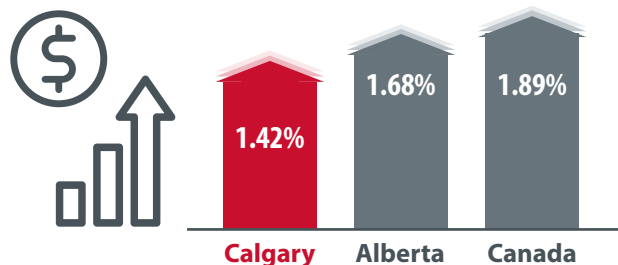
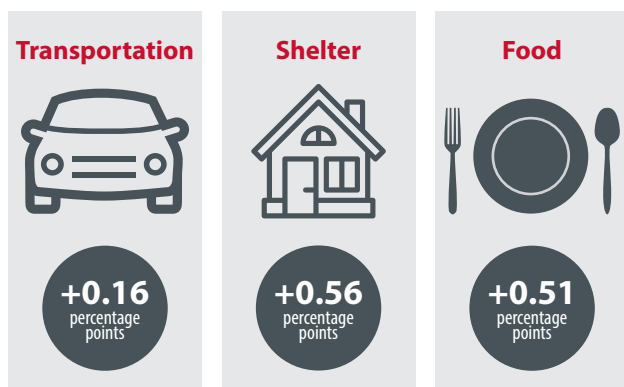


October 2019 Headline Inflation

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



Major Contributors to Calgary's Inflation Rate



Calgary and Local Conditions Contributing to Inflation

In October 2019, the Consumer Price Index (CPI) increased by 1.42 per cent from October 2018 down from 1.51 per cent a month ago.

Inflation pressure is lower in 2019 than in 2018. After ten months, the CPI is higher by 1.13 per cent this year, less than 2.09 per cent for 2018. It took seven months in 2018 to achieve the current 2019 inflation pace.

The major contributor to the October 2019 annual inflation rate was the cost of food and shelter. It added 1.07 percentage points to the annual inflation rate. The contribution of food and shelter costs to annual inflation is higher this year. At the same time last year, it contributed 0.73 percentage points to the annual inflation rate.

The second significant contributor to inflation was transportation. It added 0.16 percentage points to the October 2019 annual inflation rate. The contribution of transportation costs to the October 2018 annual inflation rate was 1.34 percentage points. This year, the temporary elimination of the carbon tax and subdued oil price movements has limited 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 October 2019 compared to 0.40 per cent in October 2018.

External Inflation Conditions and Contributing Factors

For October 2019, the Alberta and Canada-wide annual inflation rates were 1.68 and 1.89 per cent, respectively. The October 2019 annual inflation rate for Calgary was lower than in Canada and Alberta.

Increases to the cost of meat and passenger vehicle insurance premiums were the main upward contributors to the Alberta annual inflation rate. The cost of gasoline and prices for telephone services were significantly lower in Alberta than a year ago. They have held back increases to the cost of living.

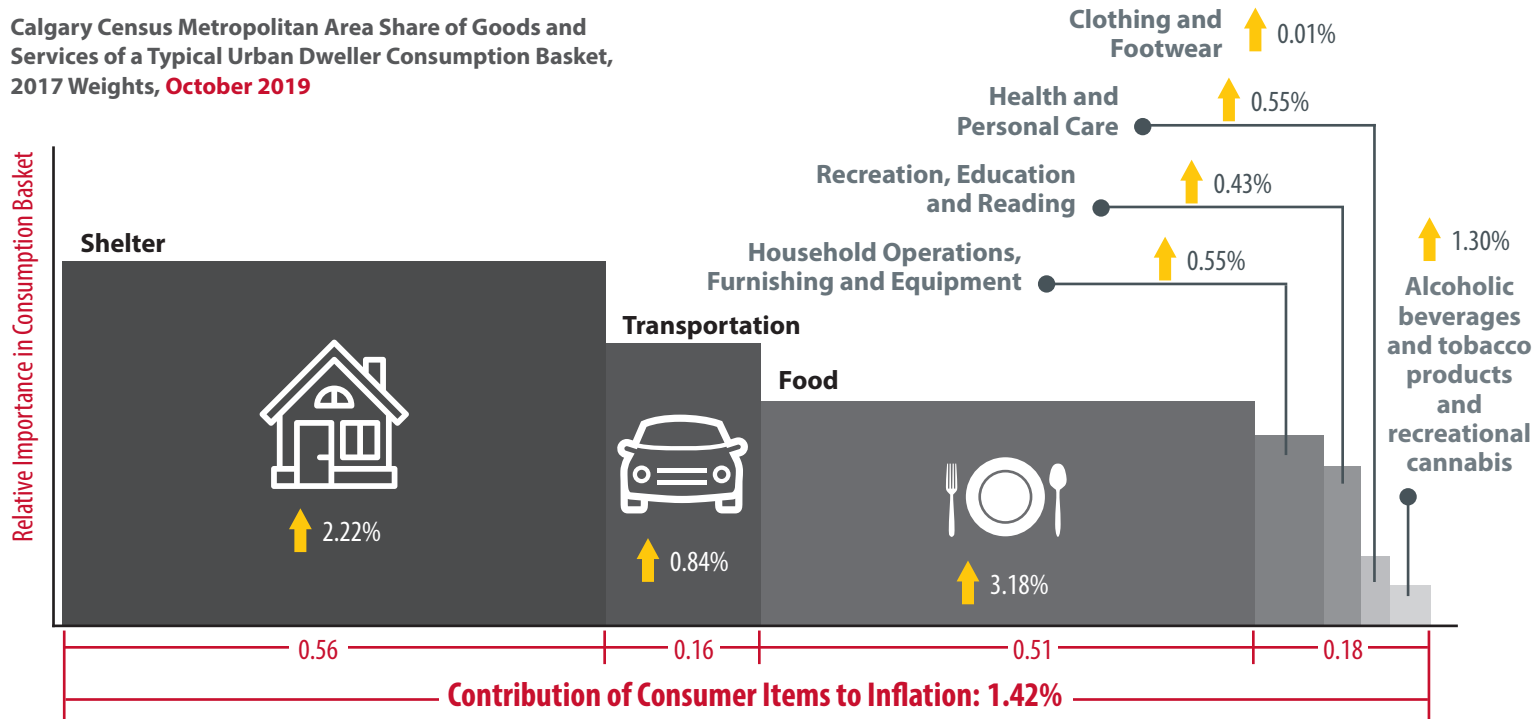
Inflation Rates

	Relative Importance (%)*	Year-over-year (12-MMA, %)			Year-to-Date (12-MMA, %)		
		Oct-19	Sep-19	Aug-19	Oct-19	Sep-19	Aug-19
Calgary: All-items	100.00	1.42	1.51	1.64	1.13	1.02	0.92
Calgary: All-items excluding food and energy	76.28	1.50	1.46	1.43	1.25	1.09	0.94
Food	16.59	3.18	3.03	2.83	2.85	2.53	2.21
Shelter	26.26	2.22	2.24	2.29	1.76	1.59	1.46
Rented accommodation	5.68	0.59	0.46	0.45	0.44	0.27	0.21
Owned accommodation	15.48	1.89	1.79	1.62	1.69	1.51	1.31
Water, fuel and electricity	5.09	5.01	5.63	6.40	3.37	3.32	3.31
Household operations, furnishing and equipment	12.93	0.55	0.65	0.73	0.41	0.47	0.49
Clothing and footwear	5.15	0.01	-0.21	-0.22	0.13	-0.11	-0.25
Transportation	20.28	0.84	1.38	1.98	0.55	0.58	0.62
Gasoline	3.26	-11.90	-9.11	-5.33	-11.15	-9.66	-7.75
Health and personal care	4.81	0.55	0.43	0.44	0.55	0.41	0.30
Recreation, education and reading	10.49	0.43	0.35	0.34	0.28	0.11	0.04
Alcoholic beverages, tobacco products and recreational cannabis	3.48	1.30	1.49	1.69	0.84	0.76	0.70
Alberta: All-items	100.00	1.68	1.78	1.92	1.37	1.24	1.13
Alberta: All-items excluding food and energy	76.28	1.76	1.73	1.71	1.49	1.32	1.15
Canada: All-items	100.00	1.89	1.93	1.96	1.58	1.42	1.27
Canada: All-items excluding food and energy	77.01	2.09	2.10	2.07	1.75	1.58	1.41

* 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 20, 2019

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



Sources: Statistics Canada, Corporate Economics, November 20, 2019

Next release: December 18, 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