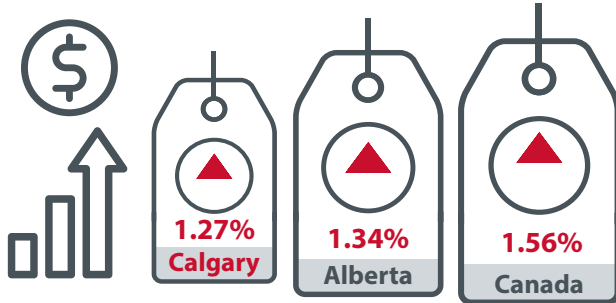


May 2020 Headline Inflation

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



Calgary Local Inflation Conditions and Contributing Factors

In May 2020, the Consumer Price Index (CPI) in Calgary CMA increased by 1.3 per cent on a twelve-month-moving-average* basis. It increased by 0.1 per cent from May 2019.

The month of May saw the first phase of reopening of some businesses and the provincial parks since the COVID-19 precipitated lockdown. The relaxation of some business lockdowns led to more people on the roads driving and an increase in demand for goods and services. However, due to the slower pace of relaunch in the city of Calgary, the impact on CPI has not yet been fully captured in May. The year-to-date inflation was 0.49 per cent in May 2020 compared to 0.64 in May 2019.

The major contributor to the May 2020 annual inflation rate was the cost of food and shelter. It added 0.95 percentage points to the inflation rate, lower than the 0.97 percentage points to the annual inflation rate in May 2019.

Transportation cost is usually the second largest contributor to inflation but in May 2020, it was the second least contributor. It added only 0.01 percentage points to the May 2020 annual inflation rate. The main reason for lower transportation costs in May 2020 was the fall in the cost of gasoline caused by lower crude oil prices relative to May 2019.

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

Major Contributors to Calgary's Inflation Rate May 2020

Transportation	Shelter	Food
+0.01 percentage points	+0.29 percentage points	+0.66 percentage points



Inflation Rates

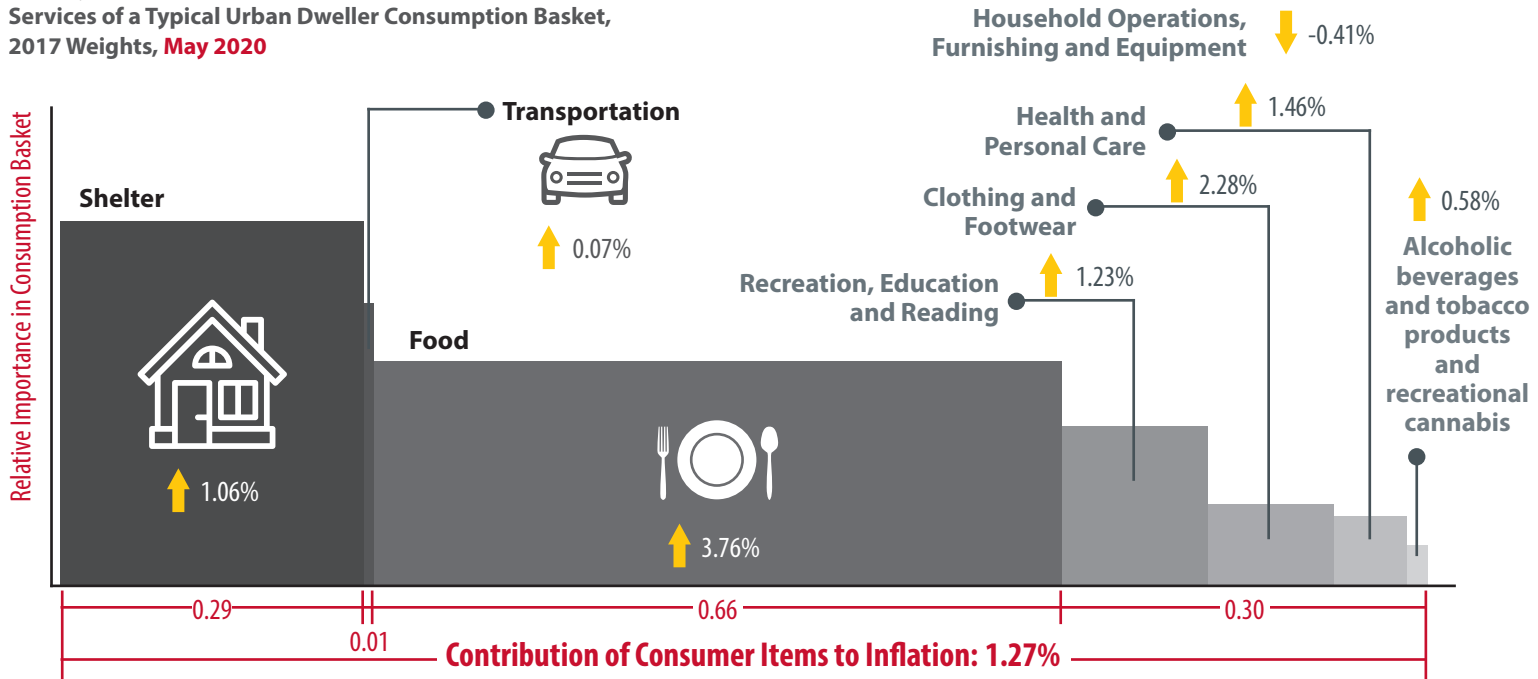
	Relative Importance (%)*	Year-over-year (12-MMA, %)			Year-to-Date (12-MMA, %)		
		May-20	Apr-20	Mar-20	May-20	Apr-20	Mar-20
Calgary: All-items	100.00	1.27	1.34	1.55	0.49	0.42	0.49
Calgary: All-items excluding food and energy	76.28	1.66	1.74	1.74	0.72	0.65	0.50
Food	16.59	3.76	3.71	3.58	1.54	1.21	0.87
Shelter	26.26	1.06	1.23	1.47	0.17	0.12	0.17
Rented accommodation	5.68	-0.08	-0.24	-0.16	-0.16	-0.32	-0.24
Owned accommodation	15.48	1.85	1.90	1.96	0.62	0.52	0.36
Water, fuel and electricity	5.09	-0.65	0.53	1.52	-1.23	-0.97	-0.39
Household operations, furnishing and equipment	12.93	-0.41	-0.16	-0.16	-0.33	-0.16	-0.16
Clothing and footwear	5.15	2.28	2.38	2.69	1.44	1.54	1.74
Transportation	20.28	0.07	0.55	1.32	-0.07	0.14	0.62
Gasoline	3.26	-18.05	-16.20	-12.46	-9.45	-6.73	-2.35
Health and personal care	4.81	1.46	1.39	1.39	0.58	0.51	0.43
Recreation, education and reading	10.49	1.23	1.14	1.05	0.26	0.35	0.26
Alcoholic beverages, tobacco products and recreational cannabis	3.48	0.58	0.47	0.53	0.17	0.06	0.00
Alberta: All-items	100.00	1.34	1.55	1.84	0.42	0.42	0.49
Alberta: All-items excluding food and energy	76.28	1.89	1.96	1.96	0.72	0.65	0.50
Canada: All-items	100.00	1.56	1.86	2.02	0.37	0.44	0.44
Canada: All-items excluding food and energy	77.01	1.78	2.02	2.02	0.61	0.61	0.46

The CPI for Alberta and Canada in May 2020 increased by 1.3 per cent and 1.6 per cent respectively on a twelve-month-moving-average basis. Compared to May 2019, CPI increased by 0.1 per cent in Alberta and decreased by 0.4 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, June 17, 2020

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



Note: Figures might not add up due to rounding.
Sources: Statistics Canada, Corporate Economics, June 17, 2020

Next release: July 22, 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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