

# Weekly Economic Review

## Alberta wholesale trade surges

### Wholesale Trade

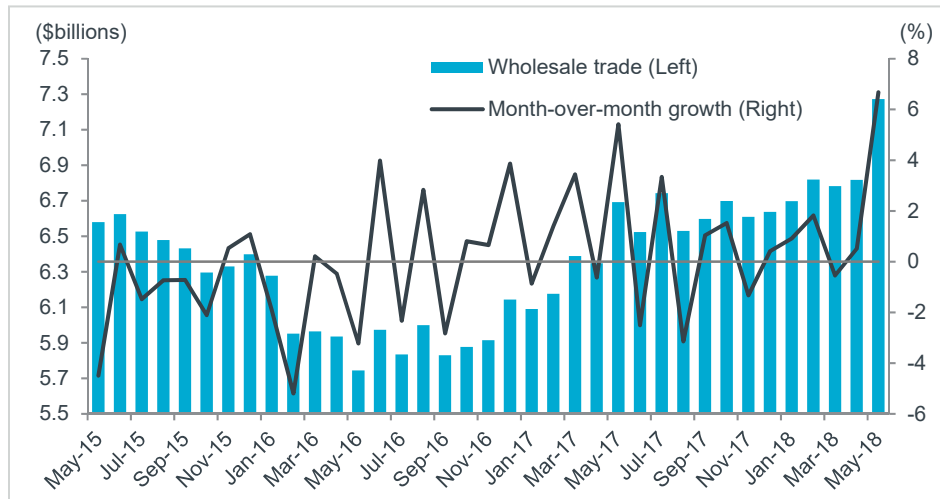
#### Agricultural purchases lift wholesale trade

Wholesale trade jumped to a record high in May after climbing steadily over the past two years. It increased 6.7% month-over-month (m/m) to \$7.3 billion (Chart 1), reflecting broad-based increases. Growth in agricultural supplies was the most significant driver of monthly growth, with machinery and equipment and supplies and food, beverage and tobacco also posting strong gains. While the personal and household goods category was the sole decliner in

the month, it was still up on an annual basis. Compared to last year, wholesale trade was up 8.7% driven by agricultural supplies and building material sales. Among provinces, Alberta had the strongest growth and surpassed the national growth of 1.2% m/m.

**Chart 1: Sales climbs to a record high**

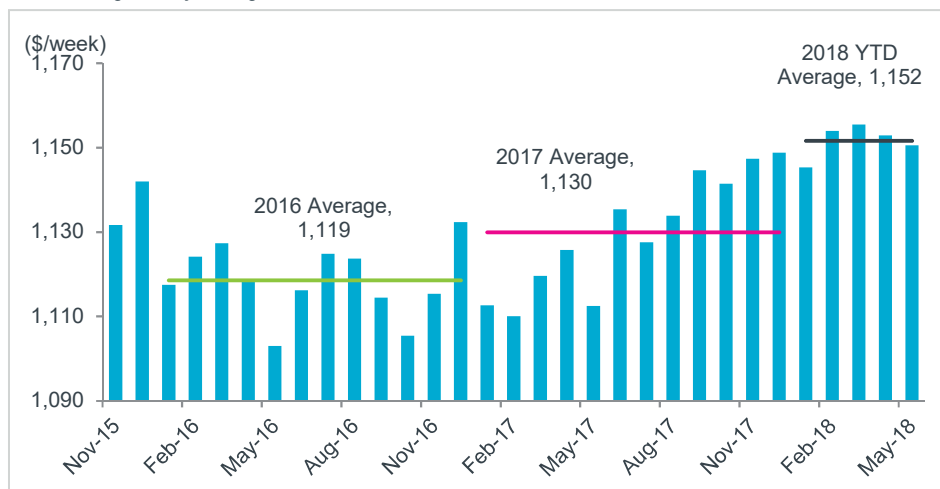
Value and annual growth of wholesale trade in Alberta



Source: Statistics Canada

**Chart 2: Solid growth in average weekly earnings so far in 2018**

Alberta average weekly earnings



Source: Statistics Canada

### Job Vacancies

#### Job openings getting filled

The number of job vacancies ticked lower as more positions were filled. In the three-month period ending in April, there were 36,900 unfilled employment positions in Alberta. This was 1,300 fewer positions than the preceding period as employers added 3,700 workers to their payrolls. Even with the monthly decline in vacancies and ongoing hiring, there were 9,100 more unfilled job openings than a year ago.

### Average Weekly Earnings

#### Earnings remain stable

Average weekly earnings (AWE) were relatively steady in May. They slipped (-0.2% m/m) to \$1,150, remaining in a narrow four-month range. The goods sector increased slightly as a solid increase in manufacturing (+2.9% m/m) offset decreases in construction and mining oil and gas. However, the goods sector increase was outweighed by a decline in services, mainly in real estate and rental and finance and insurance, which pulled back sharply from record highs earlier in the year. Earnings were up 3.2% year-to-date (YTD), reflecting with gains in both the goods and services sectors (Chart 2).

## Metres Drilled

### Conventional drilling remains solid

Drilling for oil and gas dipped to a seasonal low in May, consistent with previous spring breakup cycles (Chart 3). Despite the monthly decline, drilling for conventional oil continued to post gains compared to last year and was up around 4%. Through the first 5 months of the year, metres drilled for conventional oil were up 29%. In contrast, metres drilled for natural gas have declined since the start of this year following elevated levels and strong growth last year, and were down almost 26% year-over-year in May. Despite the decrease, natural gas remained at the top of the 2010-14 range for this time of the year. Meanwhile metres drilled for bitumen pulled back from a record high in March.

### New Housing Investment Momentum waning

New housing investment slipped in May. It fell 4.9% m/m after three consecutive monthly gains, weighed down by a decline in the single family segment. It remained 3.1% higher than last year. Year-to-date, investment was up 8.0% reflecting the strong year-over-year gains in the first three months of the year. However, annual growth has decelerated for nine consecutive months (Chart 4) as investments in single units have slowed. Investments in semi-detached units and row units have picked up and have remained unchanged in apartments.

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Please see the [Alberta Economy - Indicators at a Glance](#) for current snapshot of Alberta indicators

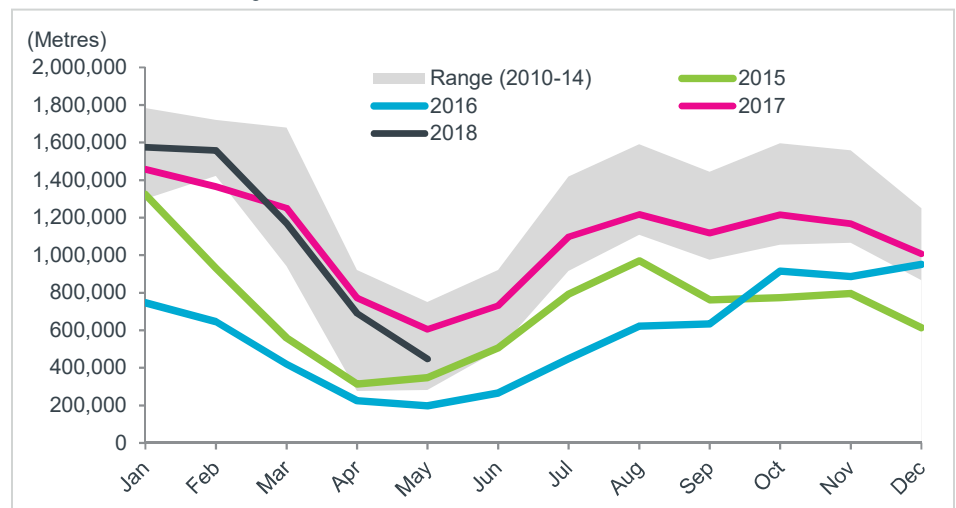
## US GDP

### Consumer spending drives growth

US GDP growth surged in the second quarter. The US economy grew at a seasonally adjusted annualized rate of 4.1% in the second quarter from 2.2% in the first quarter. Growth in the quarter was broad-based with growth in consumption spending rebounding 4.0% from a lacklustre first quarter. Exports contributed 1.1% to growth while a drawdown on inventories weighed on business investment. GDP was up 2.7% YTD reflecting broad-based growth across all sectors.

**Chart 3: Metres drilled down but within the historical range**

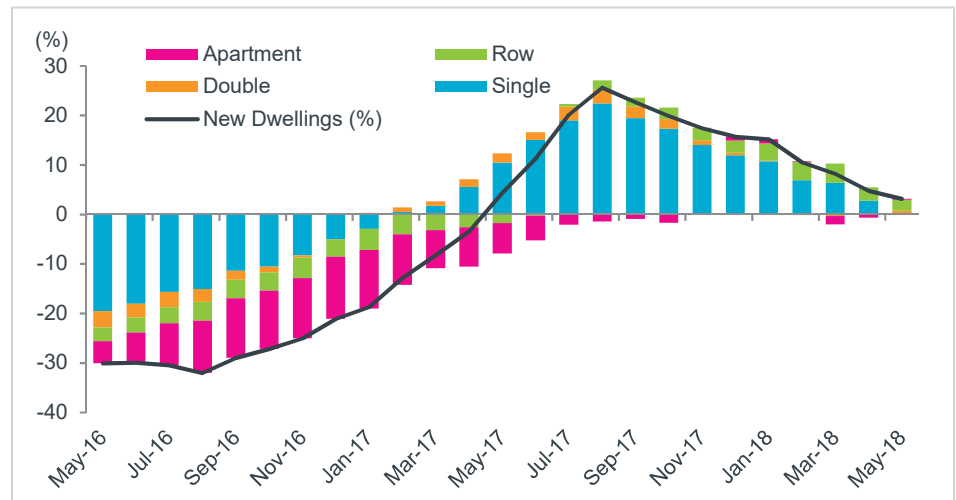
Total metres drilled for oil and gas in Alberta



Source: Alberta Energy Regulator

**Chart 4: New housing construction investment growth decelerates**

Contribution to year-over-year growth in new housing investment



Source: Statistics Canada