

# Weekly economic review

## Retail sales gain ground

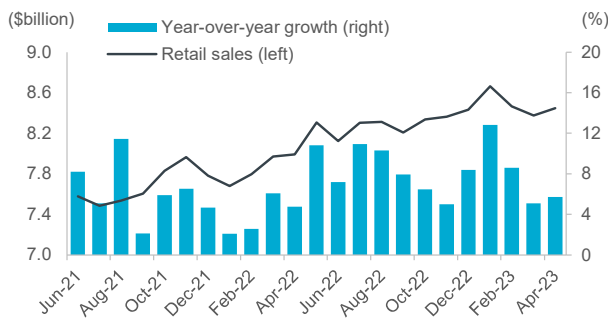
### Retail Trade

#### Sales move up

Alberta's retail sales in April regained some of the recent declines. Seasonally adjusted retail sales increased 0.9% month-over-month (m/m) to \$8.4 billion after pulling back in the two previous months. The monthly improvement was concentrated in 2 of the 9 categories with sales at clothing & accessories and general merchandise stores posting strong seasonal gains. These gains were tempered by a significant decline in sales at gasoline stations and seasonal weakness at motor vehicle & parts dealers, and furniture, furnishings, electronics & appliances retailers. Compared to a year ago, total retail sales were up 5.7% (Chart 1) with gains in most categories. Growth has slowed amid moderating growth in durable goods, such as vehicles, and declining sales at the gasoline station. Year-to-date (YTD), sales were up 8.0%.

#### CHART 1: SALES INCHED HIGHER

Alberta retail sales, seasonally adjusted (SA)



Source: Statistics Canada and Haver Analytics

### Railway carloadings

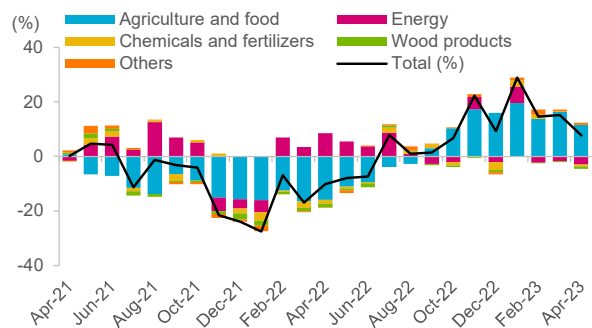
#### Grains carloadings keep annual growth positive

Railway carloadings continue to be boosted by grain shipments. Western Canadian railway carloadings stood at 173,007 railcars, up 7.7% y/y in April (Chart 2). This was the tenth consecutive month of positive y/y growth. The strong growth continued to be led by increases in wheat (+73% y/y) and canola (+75% y/y), reflecting both the strong harvest in 2022 and the drought related weak harvest in 2021. Meanwhile, carloading of energy (-7.6% y/y) and wood

products (-9.3% y/y) remained subdued. Overall, Western Canadian volumes of non-intermodal freight loadings were 16% higher YTD.

#### CHART 2: AGRICULTURE PRODUCT DOMINATES RAILCAR LOADINGS

Contributions to y/y growth in Western Canadian carloadings



Sources: The Canadian Real Estate Association, Haver Analytics

### New housing price index (NHPI)

#### Price increases in Calgary

Calgary continues to prop up new house prices. The new housing price index (NHPI) for Alberta ticked up 0.3% m/m in May, as higher prices in Calgary more than offsets lower prices in Edmonton. Prices for new homes increased in Calgary (+0.8% m/m) as both land prices and the prices of house-only component jumped to new highs. Meanwhile, prices in Edmonton continued to be dragged lower by ongoing declines in the house-only component. Prices for the house-only component in Edmonton, and nationally, have eased since last summer. This ongoing trend in Edmonton has kept the provincial NHPI below the June 2022 peak, which is now down 0.8% from a year ago. This was the first y/y decline since October 2020. Unlike Edmonton, the house-only component in Calgary has remained steady over this period and was up 0.5% y/y, bucking the national trend.

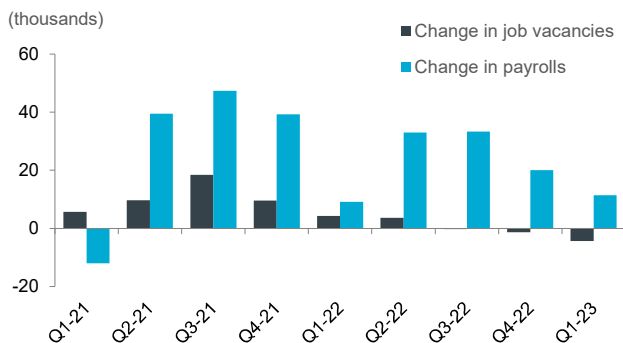
## Job vacancies

### Job openings continue to be filled

Employers in Alberta continue to fill job openings. The number of job vacancies dropped by 4,310 to 93,635 in the first quarter of 2023. Vacancies have pulled back since reaching a high in Q2 2022 as employers have filled open positions and increased payroll employment (Chart 3). While this is the case at the provincial level, there are notable differences among the economic regions. Although vacancies declined in all regions other than Wood Buffalo-Cold Lake, the increase in payroll employment and labour demand has been concentrated in major cities led by Calgary, and in the regions of Camrose-Drumheller and Wood Buffalo. In first quarter of 2023, job vacancy rate was 4.5%, also down from Q2-2022 high.

### CHART 3: GAIN IN EMPLOYMENT OUTPACES VACANCIES

Quarterly change in job vacancies and payroll employment



Sources: Statistics Canada, Haver Analytics

## Employment Insurance

### Beneficiaries continue descent

Fewer Albertans are receiving Employment Insurance (EI). The number of Albertans receiving regular EI benefits, on a seasonally adjusted basis, fell 2.5% m/m to 38,580 in April. The number of beneficiaries has retreated steadily over the last 23 months as the number of EI applicants has moderated back to pre-COVID levels. With the ongoing declines, the number of regular EI beneficiaries has fallen below pre-COVID levels and were down 30% from a year ago.

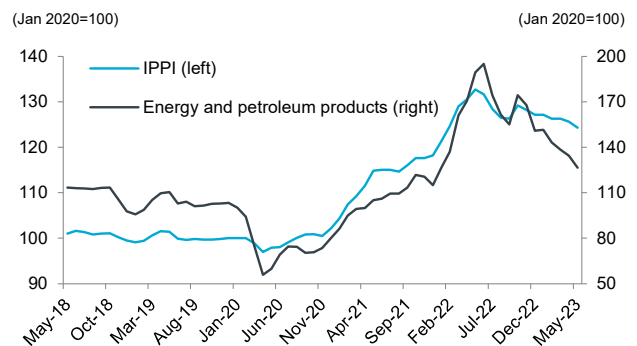
## Industrial product price index (IPPI)

### Prices continue to pull back

Canada's Industrial Product Price Index (IPPI) continued to fall in May. The index decreased by 1.0% month-over-month (m/m) led by lower prices for energy & petroleum, primary metal, and pulp & paper products. Industrial product prices have been on a downward trend since reaching an all-time high last May (Chart 4) and are now down 6.3% y/y. The y/y declines have been concentrated in lumber (-36% y/y), energy (-33% y/y) and primary ferrous metal prices (-13% y/y). Meanwhile, prices of many other industrial products have eased but remains higher than a year ago.

### CHART 4: IPPI DESCENDING FROM MAY-2022 PEAK WITH LOWER ENERGY PRICES

Industrial Product Price Index (IPPI) level



Source: Statistics Canada and Haver Analytics