

Weekly Economic Review

Population growth continues to moderate

Population

Net interprovincial outflows accelerate in Q3

Alberta's population growth slowed in the third quarter of 2016, reflecting the slowdown in economic activity and employment losses earlier this year. Solid immigration and natural increase were partially offset by net interprovincial outflows of 3,850 people (Chart 1), the largest quarterly loss since the second quarter of 1988. As a result, Alberta's population growth slowed to 0.38% quarter-over-quarter. On a year-over-year basis, however, population grew 1.6%, well above the national average of 1.3%. Alberta's population stood at 4,268,929 as of October 1, 2016.

Resale Housing

Tighter mortgage rules crimp resale activity

Alberta's resale housing activity pulled back in November on the heels of tighter mortgage insurance rules introduced in mid-October aimed at cooling house prices in Ontario and B.C. After two consecutive months of increases, Alberta existing home sales fell 13.2% month-over-month (m/m) to 4,155 units, the biggest monthly decline in almost two years. While the weakness was widespread across the province, declines were most pronounced in Calgary (-18% m/m) and Edmonton (-15.7% m/m). A slight increase in new listings (+1.4% m/m) resulted in a drop in the sales-to-new listing ratio to 45.5, the lowest level since February. Despite fewer sales and more supply, resale house prices inched up (+0.3% m/m) supported by

increases in Calgary (+3.5% m/m) and Edmonton (+1.3% m/m), which outweighed declines in some rural regions. Existing home sales also fell across the country (-5.3% m/m), led by Alberta and Saskatchewan (-8.6% m/m) and B.C. (-6.2% m/m) and Ontario (-3.5% m/m), to a lesser extent.

Manufacturing Shipments

Energy products drag down shipments

Alberta manufacturing shipments dipped in October. The value of manufacturing shipments dropped to \$5.2 billion (-2.0% m/m), led by lower petroleum and coal shipments (-6.2% m/m), which fell after four consecutive months of growth. There were declines in nearly all other categories, especially in fabricated metals (-8.9% m/m), non-metallic mineral products (-4.9% m/m) and electrical equipment (-5.8% m/m). Despite the monthly pullback, the year-over-year (y/y) decline continued to ease (-3.8% y/y) on the back of strong growth in chemical products (+16% y/y) and moderating declines in petroleum and coal shipments (-1.7% y/y). Manufacturing shipments have increased by 4.8% from the trough in February.

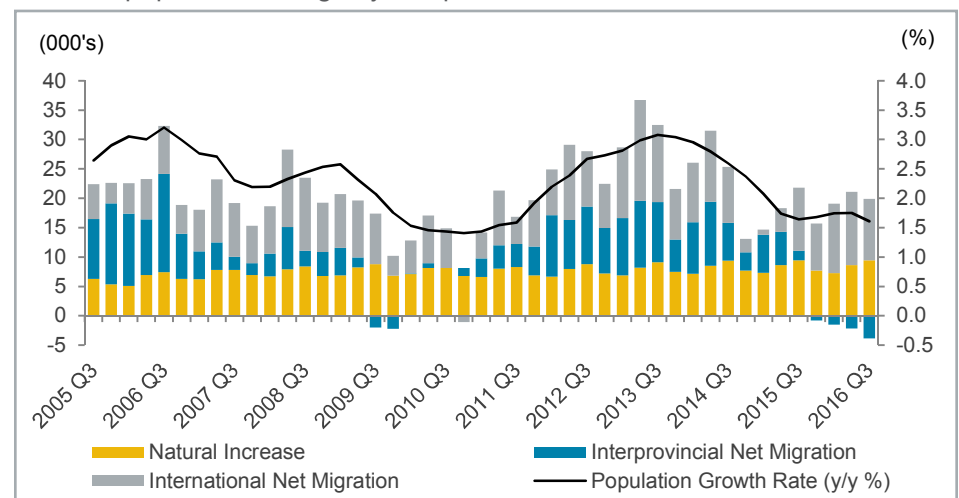
US Federal Reserve

Fed hikes rate

Amid strengthening labour market conditions and a pickup in inflationary expectations, the US Federal Reserve (Fed) raised its key policy rate. This was the first rate hike in a year and only the second increase since the 2008 recession. The Fed raised the federal funds target by a quarter of a percentage point to 0.50%-0.75%. While there was little change in the forward guidance on policy rates in the statement, the Fed stated it will continue to monitor inflation indicators and global economic and financial developments.

Chart 1: Net interprovincial outflows weigh on population growth

Alberta's population change by component



Source: Statistics Canada

Contact

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