



Highlights

- Inflation edges down slightly
- Ontario retail sales edged down in October despite national growth
- Payrolls flat in October

Ontario inflation slows to 6.4 per cent

Alan Chow, Business Economist

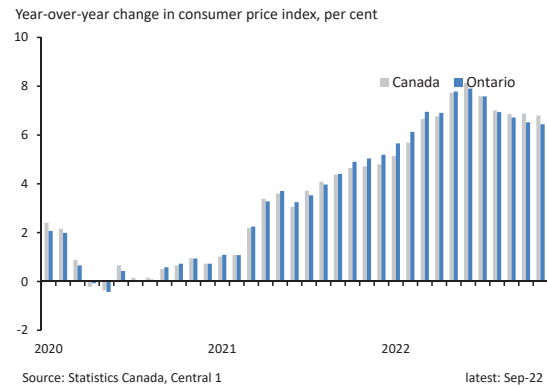
Year-over-year inflation was down slightly in Ontario for the month of November. Coming in in at 6.4 per cent, down slightly from the 6.5 per cent seen in October, Ontario matched the national 0.1 per cent decline. However, if you exclude energy and food, year-over-year inflation was up to 5.2 per cent from 5.1 per cent. Month-over-month, overall CPI and CPI excluding energy and food was up 0.1 per cent.

Energy prices were down 1.0 per cent month-over-month. As a result, the year-over-year increase was only 14.0 per cent compared to 15.3 per cent a month earlier. Prices were also up 2.9 per cent over the average price level over the past twelve months. Gasoline prices were down 1.8 per cent over the previous month, marking a 12.0 per cent year-over-year increase compared to 13.2 per cent in the previous month. Compared to the average over the previous twelve months, gas prices were down 1.9 per cent.

On a month-over-month basis, other items which dropped include household operations, furnishing and equipment, down 0.1 per cent. Clothing and footwear fell 1.3 per cent while transportation dipped by 0.4 per cent. Lastly, recreation, education and reading dropped by 1.3 per cent.

On the other end of the spectrum, food price increases remain high with a month-over-month increase of 1.4 per cent and year-over-year up 9.8 per cent, matching October's increase. Food prices are also nearly

Ontario inflation slows to again to 6.4%



5 per cent above the average price of the previous 12 months, the highest increase among sectors listed. Shelter cost also continued to rise, up 0.5 per cent over the previous month and 6.9 per cent year-over-year. Rental rates continued to rise along with mortgage interest costs as interest rates continue to increase. Overall, the price of goods was up 0.2 per cent for the month but the year-over-year growth slowed to 7.9 per cent from 8.4 per cent. Services, on the other hand, came in 0.1 per cent higher than the previous month and 5.3 per cent higher year-over-year, up from 5.0 per cent from the previous month.

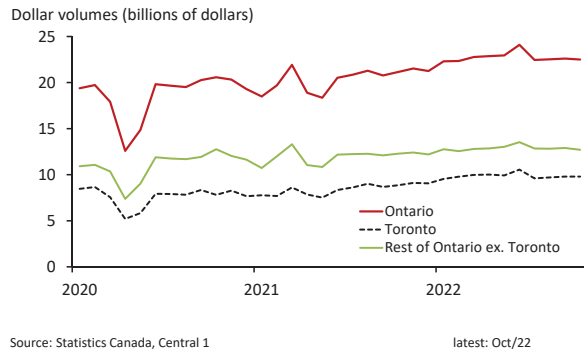
Ontario retail sales edged down 0.3 per cent in October

Ivy Ruan, Economic Analyst

In contrast with the national pattern again, Ontario retail sales decreased in October following last month's modest increase. Total retail sales dropped 0.3 per cent to a seasonally-adjusted \$22.5 billion. Year-over-year growth slowed to 6.3 per cent, down from the 8.5 per cent seen last month. Higher sales at gasoline stations offset most of the loss seen in the motor vehicle and parts sector. Given the rapidly changing economic conditions, preliminary estimates from Statistics Canada point to lower retail spending in November.

Within the census metropolitan area (CMA) of Toronto, retail sales increased 0.3 per cent, with year-over-year growth of 10.5 per cent.

Ontario retail sales edged down 0.3 per cent in October



Following September's upsurge, the motor vehicle and parts sector reported 5.3 per cent loss in retail sales, leading the provincial decline. That said, motor vehicle and parts sales remained 5.7 per cent higher than the same month in 2021. Building materials and gardening sales continued to decrease, with 7.2 per cent lower sales than previous month and only 0.6 per cent above the level from last year, pointing to further cooldown in construction activities. Rising gasoline prices drove higher sales at gasoline stations in Ontario, with 13.7 per cent lower sales at the pump than last month. Sales remained higher than the same month last year in 6 of the 11 subsectors, and core retail sales (excluding automotive sector) reported 0.5 per cent year-over-year growth in October.

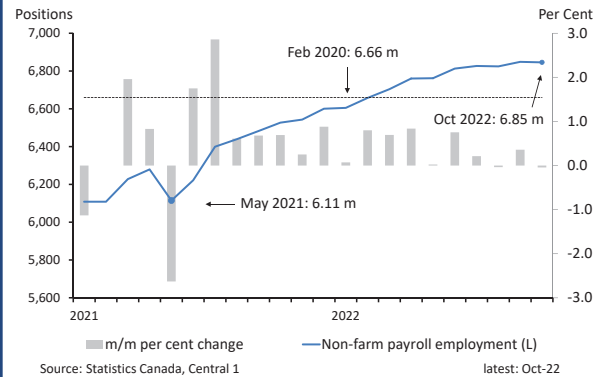
Service sectors expand positions while goods sectors contract

Alan Chow, Business Economist

Ontario non-farm payrolls counts were essentially flat for the month of October. They were down about 2,965 positions or 0.04 per cent to remain at 6.85 million positions. Good producing industries saw a decrease of 1,712 positions while service producing industries saw an increase of 1,960 positions at 0.04 per cent. Job vacancies also dropped to 4.9 per cent, which is the lowest rate seen since February 2022.

Fewer positions were report in nine of the 14 industries classified. Largest declines were seen in the Arts, entertainment, and recreation sector (down 2.0 per cent or 2,237 positions), Administrative and support, waste management and remediation services sector (down 0.72 per cent or 2,757 positions), and the trade sector (down 0.1 per cent or 1,445 positions). On the other, finance and insurance sector reported an increase of 1.0 per cent or 3,978 positions while professional, scientific, and technical services reports 0.7 per cent or 3,398 more positions.

Ontario non-farm payrolls little changed for October



Industries that produce goods that showed a decrease in the number of positions were mainly in construction, which is down 0.4 per cent or 1,638 positions and manufacturing, which is down 0.04 per cent or 1,960 positions. On the other hand, mining had reported an increase or 2.3 per cent or 680 positions and utilities reported an increase or 533 positions or 1.0 per cent.

Average weekly payrolls ended up down slightly in October, falling 0.1 per cent to 1,200.69. While this is lower than the peak seen in March 2022, it still represents an increase of 2.65 per cent from a year ago.

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