



## Highlights

- Annual CPI decelerates to 3.3 per cent.
- Core CPI moves up to 3.7 per cent.
- Number of travelers entering Ontario increased in September
- Retail sales in Ontario increase in September, propelled by higher motor vehicle and parts dealers' sales

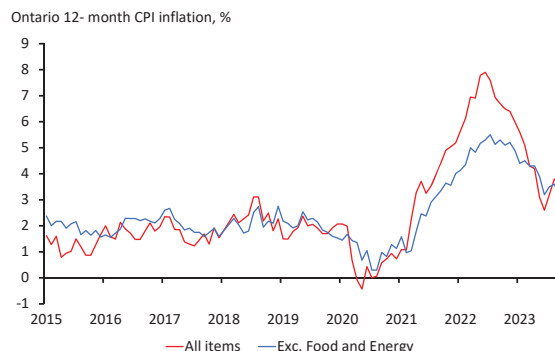
## Ontario CPI slows, but core figure accelerates.

Alan Chow, Business Economist

Ontario consumer price inflation decelerated in October with growth in the Consumer Price Index (CPI) down to 3.3 per cent year-over-year compared to 3.6 per cent during the previous month. While following the national trend, the pullback was not as steep. Nationally, price inflation slowed from 3.8 per cent to 3.1 per cent. On a monthly basis, the provincial CPI moved up 0.4 per cent compared to a national decrease of 0.1 per cent. Core CPI (excluding energy and food) in Ontario was up 0.9 per cent monthly and resulted in a year-over-year increase of 4.0 per cent in October, higher than the 3.2 per cent seen in September. The price of goods declined 0.6 per cent from last month but the price of services saw an increase twice the size of that, up 1.2 per cent.

Non-durable goods were down 1.3 per cent for the month. Food prices declined by 0.1 per cent for the month. All food categories declined except for bakery and cereal products, which saw a monthly increase of 0.4 per cent. Year-over-year CPI increase remains elevated with overall food CPI up 5.7 per cent. Energy prices were also down 4.5 per cent monthly and down 6.5 per cent yearly. Driving services price growth, shelter cost also increased 1.2 per cent for the month with rented accommodation up 1.6 per cent and owned accommodation up 1.2 per cent. Durable goods and semi-durable goods saw a 0.2 per cent and 0.4 per cent increase.

## Overall Ontario CPI down but Core inflation is up



## Non-U.S. travelers to Canada through Ontario higher in September

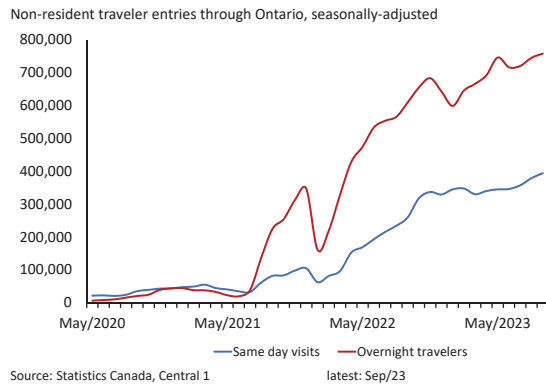
Ivy Ruan, Economic Analyst

The number of non-resident visitors entering Canada through Ontario increased again in September as tourism momentum remained positive with a weak Canadian and strong U.S. economy. On a seasonally adjusted basis, there were 2.3 per cent more non-resident visitors in September than in August to reach 1.151 million people. Recent gains lifted non-resident visitors to a new highest level in 2023. The increase in September was driven by both same-day excursions, which were up 3.9 per cent, and overnight stays (1.7 per cent).

## More travelers entering Canada through Ontario



### Increase in travelers were reported in overnight stays and same-day excursions



The number of U.S residents visiting Canada through Ontario was up 4.5 per cent from August to September. During that same timeframe, the number of residents from other countries rose 1.5 per cent. Amongst U.S. residents, the rise in travel was concentrated on automobiles, up 1.5 per cent. While the number of those arrived by airplanes edged up 0.6 per cent. Other modes of transportation were also up 4.7 per cent following an increase last month. Residents from other countries saw a 5.0 per cent surge when coming by air and saw a 11.7 per cent jump when coming by land or water. This result was aligned with the national trend as the recovery of travel from Asia to Canada improved in September.

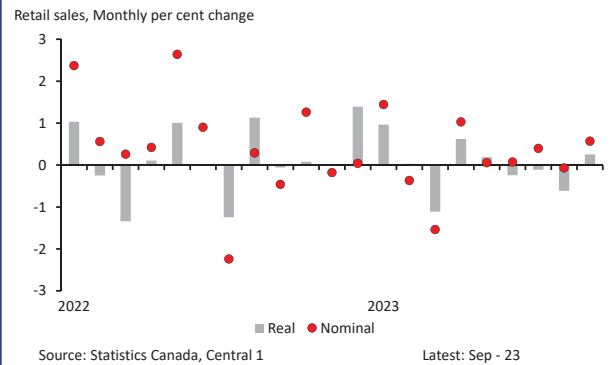
### Ontario retail spending up in September

*Eloho Ennah, Economic Analyst*

Canadian retail spending posted surprisingly stronger results in September, with retail sales up 0.6 per cent to \$66.5 billion, following a dull performance in August. In addition, retail sales were 0.6 per cent higher in the third quarter compared to the previous quarter. Total retail sales have remained range-bound since mid-2022, but this month saw the strongest increase since April 2023. September's gain exceeded the consensus estimate of no change during the month and was driven by higher motor vehicle and parts dealers' sales, as well as increased sales at gasoline stations and fuel vendors. Real spending, which adjusts for inflationary pressures, increased 0.3 per cent.

Although total retail sales were up, core retail sales which excludes gasoline stations and fuel vendors, and motor vehicle and parts dealers, were down 0.3 per cent in September. Consumers are re-allocating spending to necessities and trimming discretionary spending as the Bank of Canada rate hikes have eroded much of their spending power. Early estimates

### Canadian retail spending rises in September



provided by Statistics Canada for October suggests retail sales increased by a further 0.8 per cent heading into the holiday season. Nonetheless, recent economic data points to a consistent theme of a stalling economy, as consumers feel the pinch of high inflation and interest rates while businesses remain impacted by past rate hikes.

Ontario experienced a 0.3 per cent increase in retail sales in September, now up to \$24.7 billion and led by higher motor vehicle and part dealers' sales. Year-to-date sales in the province have also risen 0.2 per cent. Store segment data is unadjusted for seasonality, but motor vehicle and parts dealers reported a 2.2 per cent increase in sales. Food and beverage retailers' sales jumped 6.0 per cent during the month while health and personal care retailers' sales rose 4.5 per cent. Sales of gasoline stations and fuel vendors also increased 2.3 per cent. In contrast, building material and garden equipment and supplies dealers receded 7.3 per cent, in line with weakening housing market conditions in the province. Clothing and related item sales dipped 6.7 per cent while sporting goods, hobby, musical instrument, book, and miscellaneous retailers' sales fell 7.8 per cent. In addition, general merchandise retailers' sales were down 1.1 per cent during the month.

Adjusted for seasonal factors, Toronto metro area retail sales fell 0.6 per cent and year-to-date sales pulled back 0.5 per cent. Ottawa retail sales data is unadjusted for seasonality, but year-over-year sales were relatively unchanged with just a 0.1 per cent dip.

*For more information, contact [economics@central1.com](mailto:economics@central1.com).*