RIVERSIDE ANALYTICS INC

DATE: June 18, 2025

RIVERSIDE ANALYTICS INC
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Economic Outlook – Canadian Inflation Update

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John P. Hussman, Ph.D
President, Hussman Strategic Advisors

ECONOMIC DATA

Indicator review

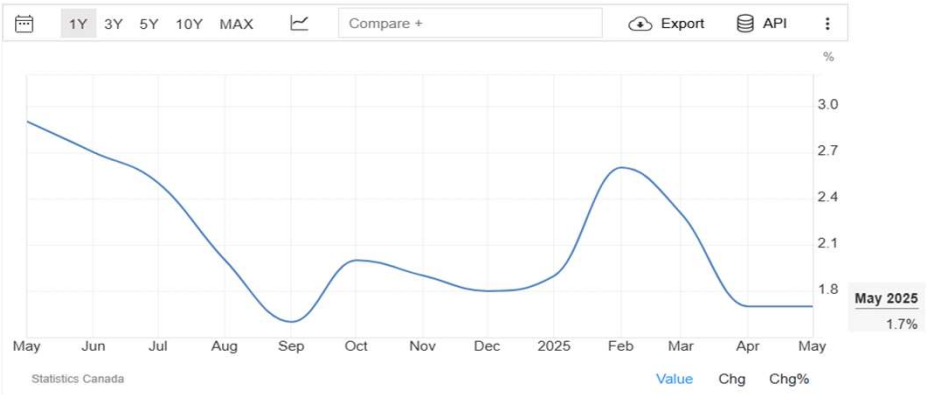
US Drives the bus, when it comes to the Canadian economy.

Please check the notes on each slide.

Canadian Inflation Update

Consumer Price Index: Monthly Canada – June 25th Update

The annual inflation rate in Canada was at 1.7% in May of 2025, remaining unchanged from the previous month, and aligned with market expectations. The inflation rate remained below the Bank of Canada's 2% target for the second straight month, holding the decline from the previous month after the removal of the federal consumer carbon tax. Price growth slowed for shelter (3% vs 3.4% in May) amid softer inflation for rent (4.5% vs 5.2%) and mortgage interest costs (6.2% vs 6.8%), consistent with lower rates by the BoC. Prices also slowed for food (3.4% vs 3.8%). In the meantime, the median and trimmed-mean core rates closely followed by the central bank edged down to 3% from 3.1% last month, in line with expectations, to halt their gradual increase from the year. From the previous month, the Canadian CPI rose by 0.6%, rebounding from the 0.1% decrease in April. source: Statistics Canada



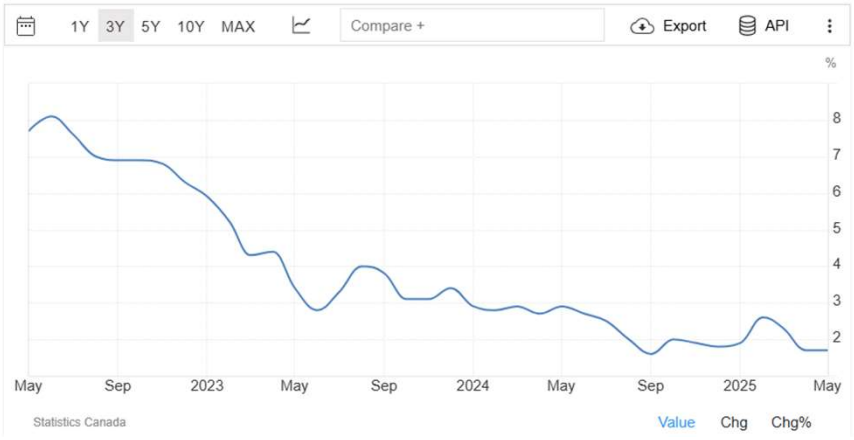
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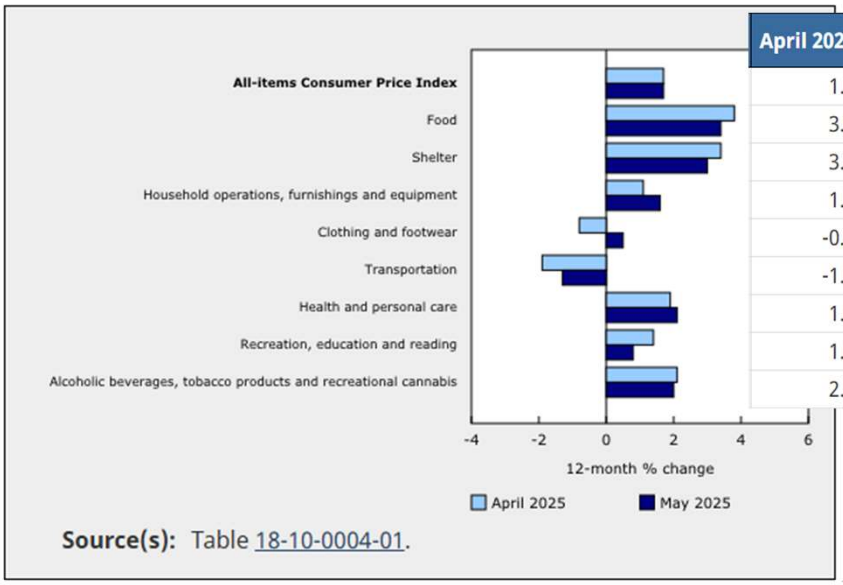
June 25th – On the whole, Canada is doing well ! **but food and rent is still hurting**

Consumer Price Index: 3 Year View Canada – June 25th Update



June - Inflation – long view

Consumer Price Index: Monthly Canada
12 Month % Change M/M – June 25th Update



	April 2025	May 2025
All-items Consumer Price Index	1.7	1.7
Food	3.8	3.4
Shelter	3.4	3.0
Household operations, furnishings and equipment	1.1	1.6
Clothing and footwear	-0.8	0.5
Transportation	-1.9	-1.3
Health and personal care	1.9	2.1
Recreation, education and reading	1.4	0.8
Alcoholic beverages, tobacco products and recreational cannabis	2.1	2.0

Source(s): Table 18-10-0004-01.

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June -Food, and Shelter STILL hurting consumer wallets, but are improving.

NOTE : Canada quietly dropped tariffs on food on May 7th.

“The pause affects products such as citrus fruits, coffee, tea, and alcohol—items disproportionately affected by the previous retaliatory tariff regime. These tariffs had distorted import flows, raised input costs for Canadian businesses, and, ultimately, inflated prices for consumers.” Sylvain Charlebois - Dalhousie University.

Source : StatsCan - https://www150.statcan.gc.ca/n1/daily-quotidien/250624/dq250624a-eng.htm

Consumer Price Index: Food – Monthly Canada – June 25th Update

Geography - Canada Products and product groups 3 4	Jan Y/Y	Feb Y/Y	Mar Y/Y	Apr Y/Y	May Y/Y
Food	-0.6	1.3	3.2	3.8	3.4
Meat	2.5	3.4	4.4	5.6	5.2
Fish, seafood and other marine products	0.2	0.2	0.7	1.8	3.3
Dairy products and eggs	3.1	4.0	4.0	2.7	3.1
Bakery and cereal products (excluding baby food)	0.8	2.1	0.4	0.3	0.1
Fruit, fruit preparations and nuts	1.5	5.3	6.0	5.8	4.9
Vegetables and vegetable preparations	3.9	1.1	1.3	3.2	2.0
Other food products and non-alcoholic beverages	1.1	2.2	3.5	4.8	3.9

Red = Above average for the month

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June - Fruits are up 4.9%, and Meat at 5.2%

I created the spreadsheet from a data extract located here.
Source : StatsCan - **https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1810000401**

The Daily Quotient StatsCan website did not publish food details this month.
- https://www150.statcan.gc.ca/n1/daily-quotidien/250624/dq250624a-eng.htm

Consumer Price Index: Energy – June 25th Update

Energy deflation in Canada acclerated to -11.05% in May from -12.7% in April of 2025. Gasoline led the decline in consumer energy prices again this month, down 15.5% year over year in May after declining 18.1% in April. source: Statistics Canada



June – Compliments of Carbon Tax removal !

Source : https://tradingeconomics.com/canada/energy-inflation

Consumer Price Index: Rent – June 25th Update

Rent Inflation in Canada decreased to 4.50 percent in May from 5.20 percent in April of 2025. Rent Inflation in Canada averaged 2.79 percent from 1951 until 2025, reaching an all time high of 10.27 percent in September of 1982 and a record low of 0.00 percent in September of 1961. source: Statistics Canada



At 4.5%, still way too high !

June – renters need a break. I regularly hear my children talk about friends moving back home because they can not afford the rent, and they certainly can not afford to save for a home.

https://tradingeconomics.com/canada/rent-inflation

Consumer Price Index: Rent
10 year - Long Term View – June 25th Update



June - Long view – 10 years !

https://tradingeconomics.com/canada/rent-inflation

Summary

- Canadian inflation data – Food and Rent continue to eat into consumer budgets.
- One of the big three – energy is helping take some pressure off inflation growth.
- Overall inflation might be low at 1.7%, but the two categories that hurt the most, have more work to do !


THAT'S IT FOR TODAY!
The End
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