

# Canadian Economic & Market Overview

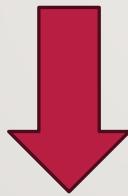
- Facts with minimal drama.
- Data is sourced from Statistics Canada unless otherwise specified. Commentary and forecasts reflect a consensus from multiple reputable sources.
- Most businesspeople are essentially traders, responding to both economic fundamentals and consumer or investor sentiment. Over time, economical fundamentals tend to dominate outcomes, but in the short term, sentiment can significantly influence market behavior. Strategic planning must integrate both short-term responsiveness and long-term positioning.

# MONTHLY BUSINESS CONDITIONS REPORT

New Format

## Monthly data

North American Product Classification System (NAPCS)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	YOY	MOM	
Wholesale trade (excluding petroleum, petroleum products, and other hydrocarbons)	83,370	82,540	81,853	81,950	90,105	84,729	78,924	78,143	75,476	89,000	85,718	91,045	-4.6%	5.32%	
Building material and supplies	12,011	12,021	11,963	11,760	13,044	12,094	9,751								
Computer and communications equipment and supplies	4,792	4,400	4,560	4,981	6,176	6,115	5,617								
Electrical, plumbing, heating and air-conditioning equipment and supplies	3,954	4,144	4,011	3,983	4,298	4,054	3,496								
Farm, lawn and garden machinery and equipment	2,538	2,796	2,715	2,337	2,929	2,053	2,296								
Home entertainment equipment and household appliance	831	846	977	977	1,138	1,147	930								



## Quarterly Analysis



# MONTHLY BUSINESS CONDITIONS REPORT



## Quarterly Analysis

- Emerging trends
- Events vs Results
- Variance to prior years
- Cost drivers & Price
- Various publishing dates

### **Business Conditions**

- **MONTHLY EXCHANGE RATES**
- **DIESEL SELF SERVICE (FUEL SURCHARGE)**
- **RETAIL TRADE VALUE**
- **WHOLESALE VALUE (MERCHANT WHOLESALERS)**
- **WHOLESALE INVENTORIES**
- **IMPORT VALUE**
- **AVERAGE HOURLY EARNINGS FOR EMPLOYEES PAID BY THE HOUR (EXCL. OT)**

### **Costs (Price Index)**

- **CONSUMER PRICE INDEXES**
- **TRANSPORTATION PRICE INDEX**
- **CANADIAN MANUFACTURING: INDUSTRIAL PRODUCT PRICE INDEX**
- **RAW MATERIALS PRICE INDEX**
- **~~RENT - INDUSTRIAL BUILDINGS AND WAREHOUSES~~**

# MONTHLY BUSINESS CONDITIONS REPORT

## **CANADIAN ECONOMIC & MARKET OVERVIEW**

Quick Update. In Case You Missed It

## **SPECIAL REPORT**

Background: E.g. Canada's Economic Resilience & Trade Outlook, Canada's Economic Expansion And Independence, Tariffs, Quotas, Subsidies etc.

## **QUARTERLY ANALYSIS**

- USD Exchange Rate
- Retail Sales
- Consumer Price Index

**“CREATING A CONTEXT IN WHICH OTHER PEOPLE CAN THINK.”**

EDWIN SCHLOSSBERG

# **Canadian Dollar Exchange Rate**

# Canadian Dollar Exchange Rate

MONTHLY EXCHANGE RATES (\$1.00 CAD =)							Low	High							
Dates	2024						2025						Variance		
Currency	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	Jun	Jul	YOY	MOM	
Chinese yuan renminbi	5.238	5.227	5.155	5.157	5.112	5.071	5.086	5.048	5.216	5.206	5.252	5.241	-0.06	-0.01	
Euro	0.665	0.665	0.667	0.674	0.670	0.671	0.672	0.644	0.637	0.640	0.635	0.626	-0.05	-0.01	
UK pound	0.566	0.559	0.557	0.562	0.555	0.563	0.558	0.539	0.544	0.540	0.539	0.542	-0.02	0.00	
Japanese Yen	107	105	109	110	108	109	106	104	103	104	106	108	-7.28	1.82	
Mexican Peso	14.0	14.5	14.3	14.5	14.2	14.3	14.3	14.1	14.3	14.0	13.9	13.7	0.46	-0.26	
US dollar	0.732	0.738	0.727	0.716	0.702	0.695	0.699	0.696	0.715	0.722	0.731	0.730	0.00	0.00	

USD is Canada's international currency:

- Contract Currency (like oil)
- Cross - Currency
- Dealers' vs Economists (short-term vs long-term)

## Percentage of Global Trade in U.S. Dollars

- Approximately 50% of global trade is invoiced in U.S. dollars.
- In specific regions, the dollar's dominance is even more pronounced:
  - Americas: ~96% of trade invoicing
  - Asia-Pacific: ~74%
  - Rest of the world: ~79%
  - Europe is the exception, where the euro dominates with ~66%.

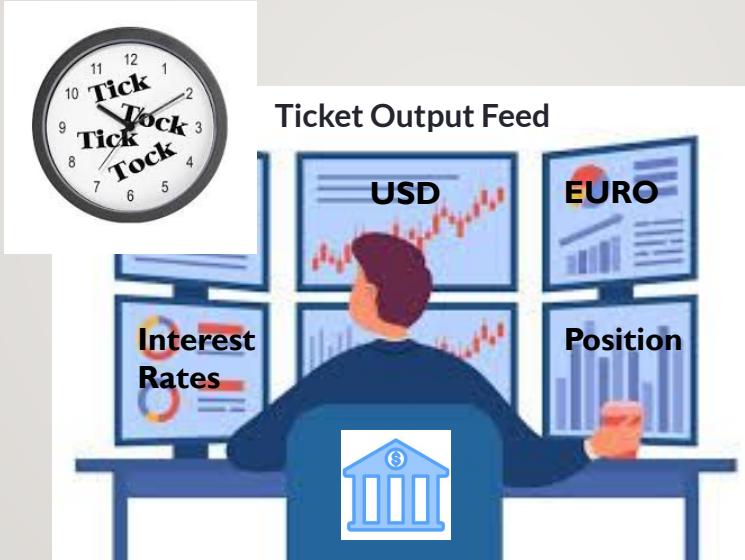
# Protect your price

**It's the sell, not the purchase**

**price**

**2014**

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	Jun	Jul
US dollar 	0.732	<b>0.738</b>	0.727	0.716	0.702	<b>0.695</b>	0.699	0.696	<b>0.715</b>	0.722	0.731	<b>0.730</b>
Pricing	0.720	0.720	0.720	0.720	0.720	0.720	0.720	0.720	0.720	0.720	0.720	0.720



All Bank of Canada exchange rates are indicative rates only, obtained from averages of aggregated price quotes from financial institutions. Indicative mid-market quotes for each currency pair are collected every minute between 8:00 and 16:00 ET.

## Process and Control

- Centralized Treasury Oversight
- Pre-transaction risk (pricing risk) arises between quoting and agreement—plan for FX shifts during this window (Term Exposure)
- Add a buffer (e.g., 2–5%) to absorb minor FX swings and the cost of hedging in your pricing.
- Define thresholds for when price updates are triggered (e.g.,  $\pm 3\%$  FX movement).
- Don't use inventory or accounting values.
- **Don't speculate**

### FX-Sensitive Pricing Formula

Local Price = (Base Price in USD  $\times$  FX Rate)  $\times$  (1 + FX Buffer %) + Hedging Cost

<b>Base Price USD</b>	\$ 100.00	
<b>Base Rate</b>	0.72	\$ 138.89
<b>Buffer</b>	3%	\$ 4.17
<b>Hedge</b>	2%	\$ 2.78
<b>Total</b>		\$ 145.83
<b>Effective Rate</b>		<b>0.686</b>

## Foreign Exchange

1. CAD – USD
2. Protect your sale price
3. Long Term vs Short Term (Economics vs Politics/Current Events)
4. Don't speculate

# **Retail Sales**

# Retail

***Canada's retail sector remained resilient despite rising trade tensions.***  
*Stats Can, CBC, CTV*

RETAIL TRADE VALUE (CAD \$ MILLIONS)	Jun	Jul	Aug	Sept	April	May	YOY	MOM
Retail trade 	68,768	70,042	70,186	70,823	76,479	3,219	5,657	
Building material and garden equipment and supplies dealers	4,697	4,416	4,101	3,966	5,377	110	1,412	
Electronics and appliances retailers	1,556	1,660	1,798	1,645	1,685	120	40	
Floor covering, window treatment and other home furnishing retailers	655	682	679	719	775	41	56	
Furniture, home furnishings, electronics and appliances retailers	3,380	3,553	3,735	3,530	3,783	287	253	
General merchandise retailers	9,310	9,292	9,163	9,256	10,386	441	1,130	
Miscellaneous retailers	2,484	2,526	2,636	2,547	2,916	323	369	
Sporting goods, hobby, musical instrument, book retailers and news dealers	1,306	1,289	1,408	1,251	1,406	90	154	
E-commerce	3,932	4,088	4,008	4,387	4,314	416	-73	

## Product Mix



Grocery  
Stores



Gas Stations



Auto Dealers

What is the impact of price increases (CPI) or seasonality?

## Total Retail food, gasoline & auto etc.

2023-24: 870,100

2024-25: 893,033

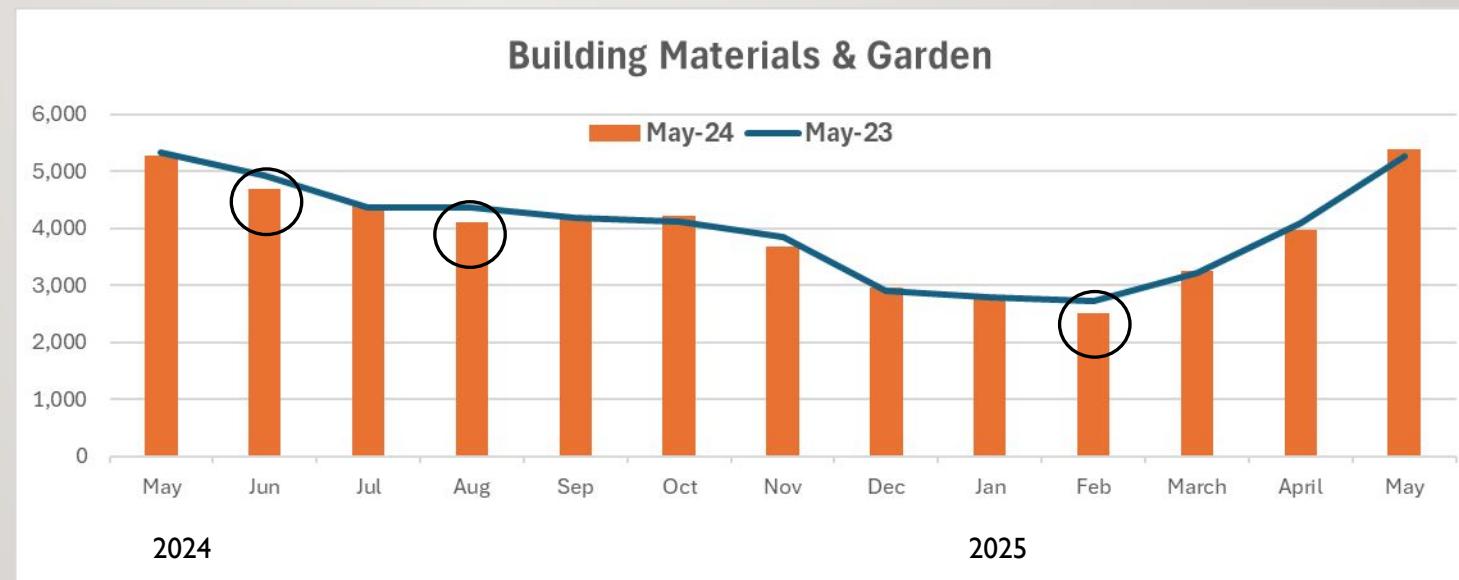
22,932

3%

CPI around 2%

CPI Food around

3.3%

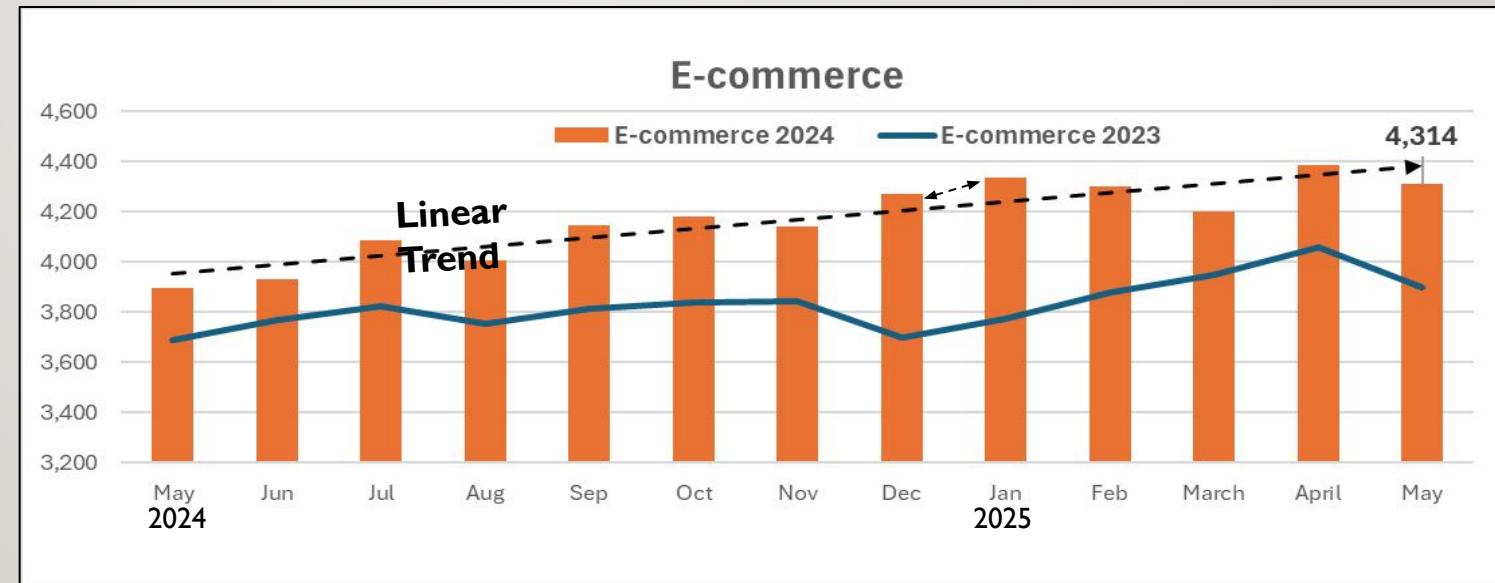


## General Merchandisers Food +

*CPI Food around  
3+%*



**Not just Amazon**  
Retail e-commerce includes  
both store retailers and  
non-store retailers



## Retail

- Impact of Consumer Price Index  
(2-3% on total but much less ;even negative on other product categories)
- Store Format/ Product mix  
Products (Food, Auto or Gas, Seasonality)
- E-commerce

US Metric	Amazon	Walmart
Share	37%	8-9%
Sales	\$447 billion	\$121 billion

How much of Walmart's sales in food?

# **Consumer Price Index**

# Consumer Price Index

**~~Inflation rate rose slightly to 1.9% in June ( 1.7% July) as vehicle and clothing prices climb~~**

CBC



?

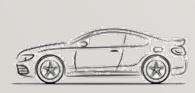


Grocery  
Stores

Product Mix



Gas Stations



Auto Dealers



Communications
Cooking appliances
Digital computing equipment and devices
Household tools (including lawn, garden and snow removal equipment)
Laundry and dishwashing appliances
Non-electric kitchen utensils, tableware and cookware
Other household appliances
Other household equipment
Other recreational equipment
Refrigerators and freezers
Sporting and exercise equipment
Stationery (2013=100)
Tools and other household equipment
Video and audio subscription services
Video equipment

# Statistics Canada



**Indexation Formula** =  $\frac{\text{Value in the Given Year}}{\text{Value in the Base Year}} \times 100$

Product SKUs	Period				
	1	2	3	4	5
1	\$ 3.84	\$ 2.29	\$ 3.44	\$ 3.28	\$ 4.90
2	\$ 4.28	\$ 4.37	\$ 2.13	\$ 2.62	\$ 3.47
3	\$ 4.22	\$ 1.40	\$ 4.39	\$ 4.24	\$ 2.68
4	\$ 3.08	\$ 4.86	\$ 4.18	\$ 1.69	\$ 4.13
5	\$ 4.29	\$ 4.35	\$ 1.19	\$ 1.04	\$ 3.05
6	\$ 1.31	\$ 3.85	\$ 4.83	\$ 3.36	\$ 1.05
7	\$ 4.80	\$ 4.93	\$ 1.81	\$ 2.24	\$ 1.04
8	\$ 3.80	\$ 4.01	\$ 1.17	\$ 4.38	\$ 2.18
9	\$ 4.09	\$ 3.95	\$ 4.05	\$ 2.43	\$ 1.42
10	\$ 2.15	\$ 3.35	\$ 1.68	\$ 1.47	\$ 4.28
11	\$ 3.85	\$ 3.47	\$ 2.08	\$ 3.17	\$ 1.32
12	\$ 1.04	\$ 1.47	\$ 4.63	\$ 4.76	\$ 3.04
13	\$ 3.25	\$ 1.17	\$ 2.26	\$ 3.36	\$ 3.43
14	\$ 4.41	\$ 2.60	\$ 2.40	\$ 1.46	\$ 3.53
15	\$ 1.31	\$ 1.58	\$ 3.23	\$ 2.61	\$ 2.62
16	\$ 4.82	\$ 4.53	\$ 4.89	\$ 3.26	\$ 4.88
17	\$ 4.50	\$ 3.62	\$ 1.80	\$ 1.91	\$ 4.76
18	\$ 1.48	\$ 2.15	\$ 2.42	\$ 1.17	\$ 2.28
19	\$ 3.56	\$ 3.90	\$ 3.70	\$ 3.33	\$ 1.33
20	\$ 1.72	\$ 1.10	\$ 2.14	\$ 2.48	\$ 4.56
Total	\$ 65.79	\$ 62.95	\$ 58.43	\$ 54.27	\$ 59.93
Index	100	95.7	88.8	82.5	91.1

# Inflation rate rose slightly to 1.9% in June as vehicle and clothing prices climb

CBC

## CONSUMER PRICE INDEXES (INDEX: JAN. 2019)

Consumer Price Indexes	April	May	June	Variance	
				YOY	MOM
Communications (Wi-Fi, Cell services)	71.3	73.1	72.4	-0.7	-0.6
Cooking appliances	120.5	119.1	119.1	0.0	0.0
Digital computing equipment and devices	68.5	68.0	66.9	-4.5	-1.1
Household tools (including lawn, garden and snow removal equipment)	110.3	110.9	108.5	-1.0	-2.4
Laundry and dishwashing appliances	117.8	116.9	117.2	5.0	0.4
Non-electric kitchen utensils, tableware and cookware	113.2	111.2	110.0	-3.0	-1.2
Other household appliances	122.5	122.7	117.8	-4.8	-4.8
Other household equipment	110.0	110.8	108.4	-1.0	-2.4
Other recreational equipment	109.3	108.6	110.6	2.3	2.0
Refrigerators and freezers	121.2	119.8	120.3	2.2	0.5
Sporting and exercise equipment	116.1	112.3	112.6	5.4	0.4
Stationery (2013=100)	148.1	146.6	147.8	2.9	1.2
Tools and other household equipment	110.2	110.8	108.4	-1.0	-2.4
Video and audio subscription services	119.9	120.5	120.5	6.7	0.0
Video equipment	73.5	74.3	75.7	-1.3	1.3

## Consumer Price Index

- Headlines can be totally misleading.
- Trust, facts no drama (1913)
- High level but
  - Category
  - Consumer
- Analyze
  - Your products (sales/ pricing).
  - Other market information

# AVERAGE HOURLY EARNINGS FOR EMPLOYEES PAID BY THE HOUR (EXCL. OT)

Occupation	2024							High	Low	2025			Range Last 12 Months		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	Max	Average	Min	
Accounting, tax preparation, bookkeeping and payroll services	35.01	36.56	36.69	36.69	37.33	33.29	33.19	32.39	32.83	31.54	31.32	37.33	34.00	31.32	
Administrative and support services	25.65	25.47	25.53	26.11	25.97	26.10	25.79	26.05	26.01	25.90	26.08	26.26	25.89	25.47	
Building material and garden equipment and supplies dealers	24.05	23.68	23.88	23.83	23.63	24.10	24.39	23.88	23.93	23.83	23.84	24.39	23.81	22.92	
Business-to-business electronic markets, and agents and brokers	30.30	29.67	32.50	28.92	22.82	22.86	23.40	26.12	24.75	23.96	24.35	32.50	27.06	22.82	
Computer and communications equipment and supplies merchant wholesale	34.92	39.49	54.38	40.77	40.81	39.88	45.21	38.87	38.71	39.30	41.08	54.38	40.63	34.92	

Moved to quarterly

- Hiring
- Salary Scales
- Poaching

18 Occupation	Range Last 12 Months		
	Min	Mid	Max
Accounting, tax preparation, bookkeeping and payroll services	31.32	34.00	37.33
Administrative and support services	25.47	25.89	26.26
Building material and garden equipment and supplies dealers	22.92	23.81	24.39
Business-to-business electronic markets, and agents and brokers	22.82	27.06	32.50
Computer and communications equipment and supplies merchant wholesalers	34.92	40.63	54.38
Computer systems design and related services	34.57	37.49	40.13
Construction of buildings	35.30	36.55	38.58
Couriers	24.68	25.41	27.09
Electronics and appliances retailers	24.62	25.77	27.78
General freight trucking	28.29	29.34	30.95

DIESEL SELF SERVICE (FUEL SURCHARGE) (CAD \$)						Low	High							
Diesel fuel at self service filling stations	2024						2025						Variance	
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	Jun	YOY	MOM
Calgary, Alberta	1.67	1.65	1.60	1.61	1.62	1.59	1.67	1.68	1.63	1.35	1.30	1.33	-0.30	0.04
Halifax, Nova Scotia	1.78	1.68	1.60	1.68	1.72	1.74	1.91	1.93	1.83	1.47	1.40	1.46	-0.29	0.06
Montréal, Quebec (a)	1.79	1.74	1.68	1.70	1.76	1.77	1.88	1.89	1.80	1.71	1.66	1.66	-0.12	0.00
Toronto, Ontario	1.60	1.54	1.47	1.52	1.58	1.60	1.71	1.69	1.64	1.35	1.31	1.34	-0.24	0.03
Vancouver, British Columbia	1.88	1.82	1.79	1.85	1.87	1.82	1.92	1.92	1.90	1.67	1.70	1.76	-0.10	0.05

## Fuel Surcharge

Moved to quarterly



- Do you know how your trucking company calculates your fuel surcharge?
- The value may be the same (published) but the formula is different for most suppliers.
- Diesel Price + Truckers Hourly Rate vs General Freight Trucking Price Index

TRANSPORTATION (INDEX: JAN. 2021 = \$100)	2024						2025		
	July	Aug	Sept	OCT	Nov	Dec	Jan	Feb	March
General freight trucking (a)	122.5	122.3	121.2	121.1	121.7	122.2	123.2	124.5	124.4
General freight trucking, local	118.4	118.4	117.7	118.3	118.7	118.8	120.3	121.2	121.0
General freight trucking, long distance	119.6	119.2	118.3	118.2	118.8	120.0	120.1	121.7	121.6

**Moved to quarterly**  
 • Timing  
 • Time scale

## Wholesale

### Values

North American Product Classification System (NAPCS)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	YOY	MOM
Wholesale trade (excluding petroleum, petroleum products, and other hydrocarbons)	83,370	82,540	81,853	81,950	90,105	84,729	78,924	78,143	75,476	89,000	85,718	91,045	-462	5,327
Building material and supplies	12,011	12,021	11,963	11,760	13,044	12,094	9,751	11,351	10,785	12,192	12,083	12,695	-55	612
Computer and communications equipment and supplies	4,792	4,400	4,560	4,981	6,176	6,115	5,617	4,587	4,950	5,929	4,491	4,837	313	346
Electrical, plumbing, heating and air-conditioning equipment and supplies	3,954	4,144	4,011	3,983	4,298	4,054	3,496	3,767	3,930	4,082	4,133	4,236	106	103
Farm, lawn and garden machinery and equipment	2,538	2,796	2,715	2,337	2,929	2,053	2,296	1,874	2,200	3,243	3,433	2,926	-313	-506
Home entertainment equipment and household appliance	831	846	977	977	1,138	1,147	930	808	759	864	772	919	115	148

## Wholesale Inventories

Wholesale Inventories (CAD \$ MILLIONS)															
		2024							2025				Variance		
North American Industry Classification System (NAICS)		Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	YOY	MOM
Computer and communications equipment and supplies		3,421	3,452	3,539	3,637	3,617	3,505	3,595	3,456	3,739	3,669	3,692	3,730	215	37
Construction, forestry, mining, and industrial machinery, equipment and supplies		18,483	18,428	18,764	18,571	18,339	18,000	17,885	17,190	18,129	17,982	18,372	17,973	-542	-399
Electrical, plumbing, heating and air-conditioning equipment and supplies		6,559	6,750	6,721	6,677	6,663	6,668	6,923	7,020	7,679	7,114	7,092	7,180	615	89
Home entertainment equipment and household appliance		1,272	1,319	1,327	1,311	1,384	1,428	1,411	1,434	1,500	1,478	1,541	1,591	296	50

## Imports Values

IMPORT VALUE (CAD \$ MILLIONS)																
		2024							Low	High	2025				Variance	
North American Product Classification System (NAPCS)		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	Jun	YOY	MOM	
Total of all merchandise		63,859	66,576	64,290	68,212	63,829	62,519	62,844	62,006	72,193	66,177	67,009	65,906	812	-1,103	
Appliances		474	531	536	593	476	469	512	481	572	580	629	532	55	-97	
Carpets, textile furnishings and other textile products		367	392	382	410	343	346	377	345	413	388	416	376	7	-41	
Cleaning products and toiletries		832	871	806	841	779	777	847	810	863	759	760	753	-10	-7	

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**Questions, comments**

**Want a copy of the presentation or report.**

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