

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.

ORI
New Format

New Format

[illegible]

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

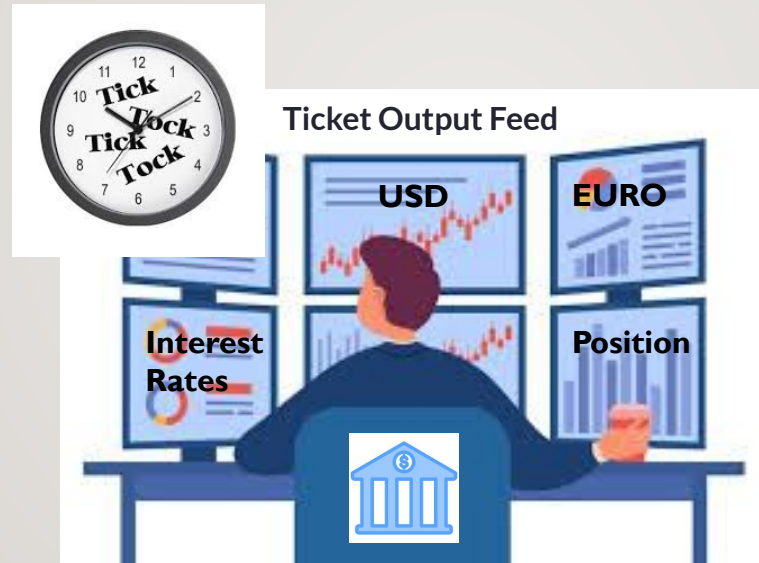
- Approximately 50% of global trade is invoiced in U.S. dollars.
- In specific regions, the dollar's dominance is even more pronounced:
 - Americas: ~96% of trade invoicing
 - Asia-Pacific: ~74%
 - Rest of the world: ~79%
 - Europe is the exception, where the euro dominates with ~66%.

Protect your price

It's the sell, not the purchase

price

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	April	May	Jun	Jul
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
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

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

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	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%

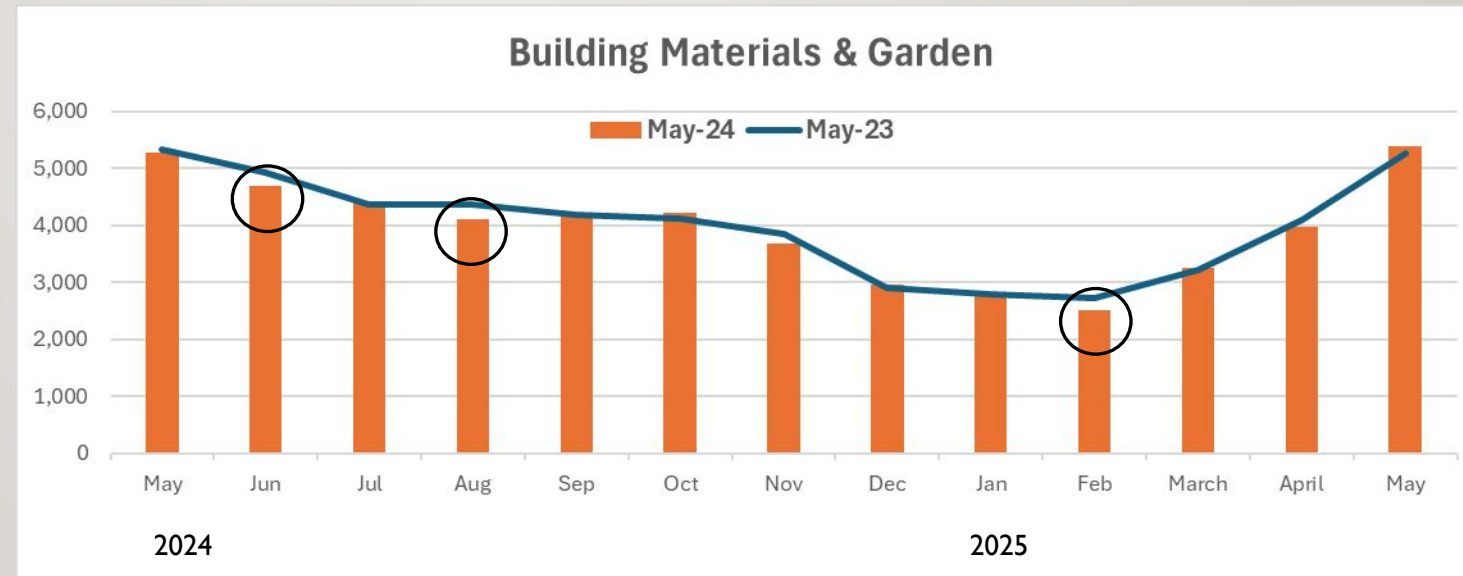
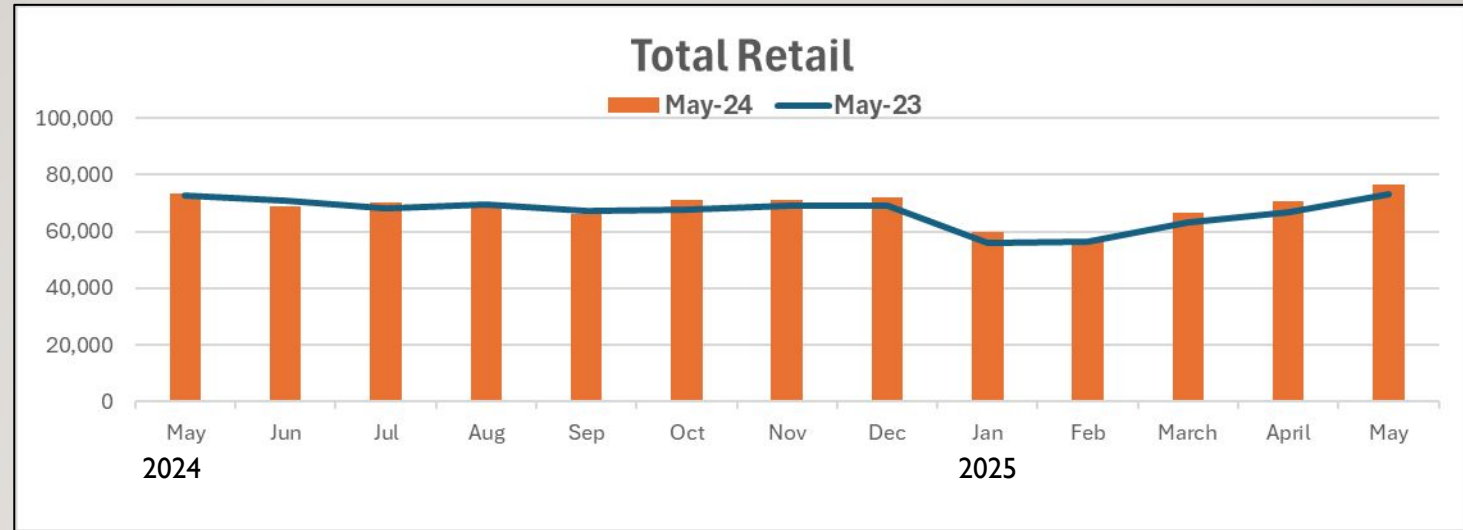
Building Materials & Garden

2023-24: 52,113

2024-25: 51,398

-715

-1%

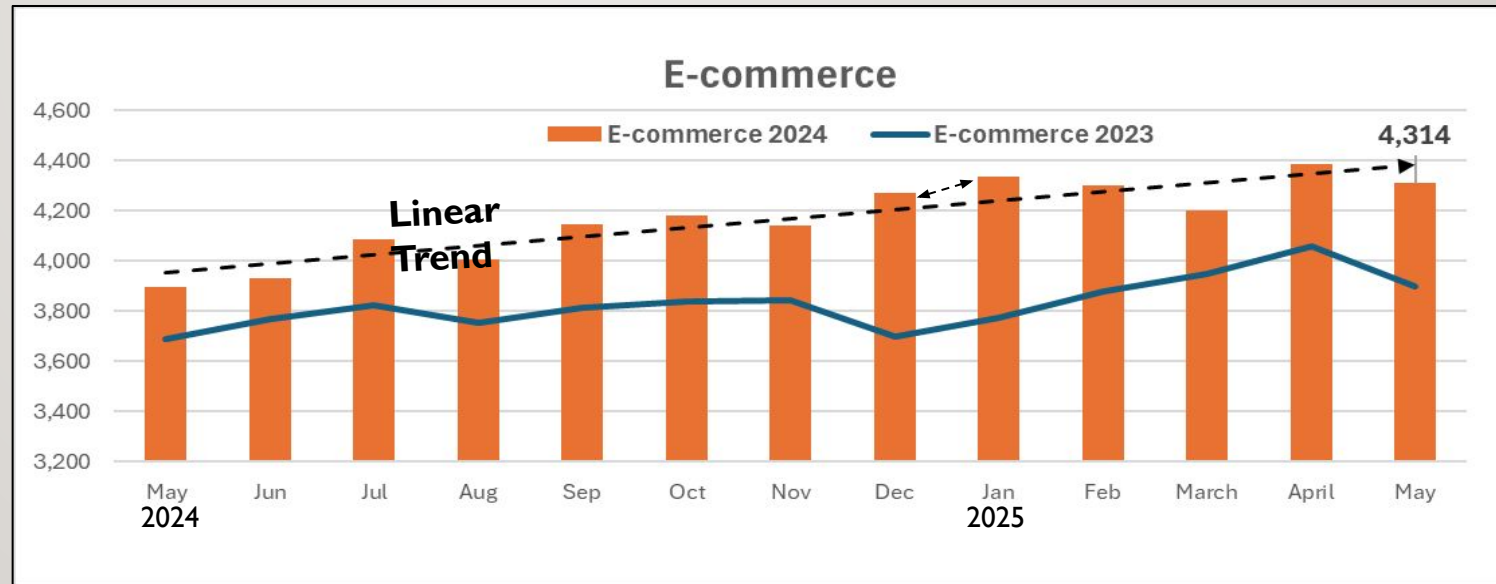
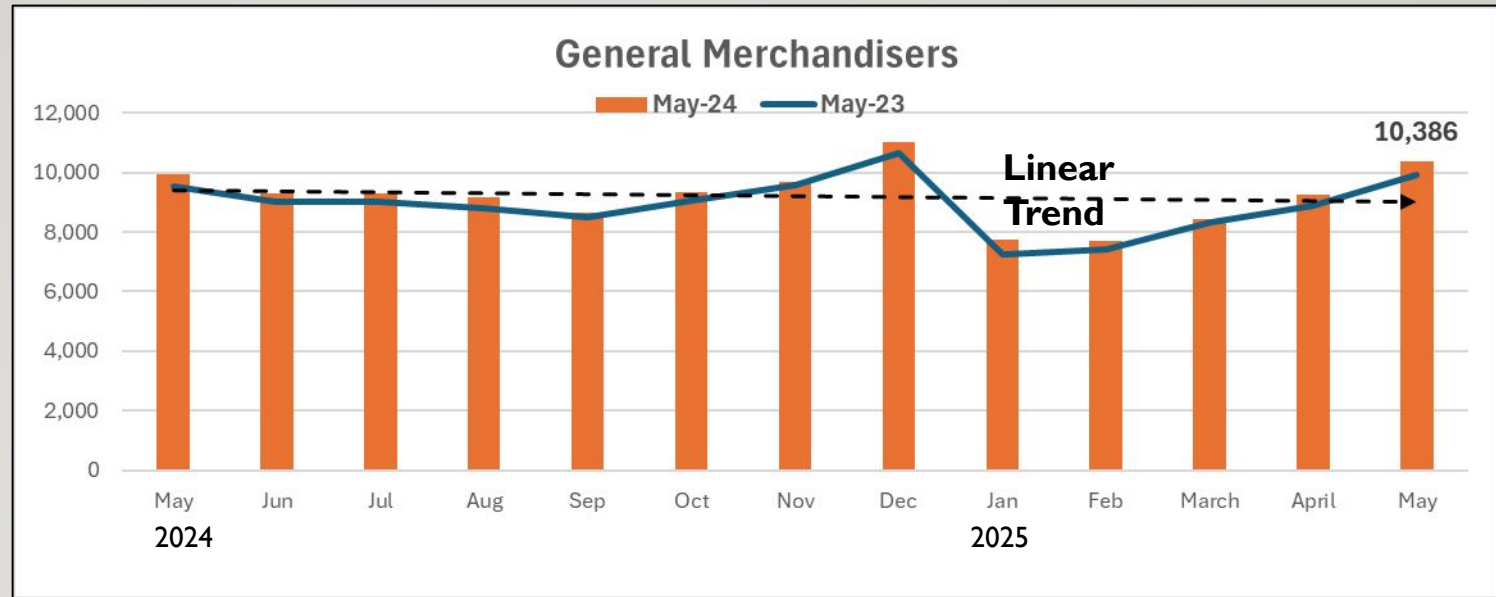


General Merchandisers Food +

*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



?

Product Mix



Grocery
Stores



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

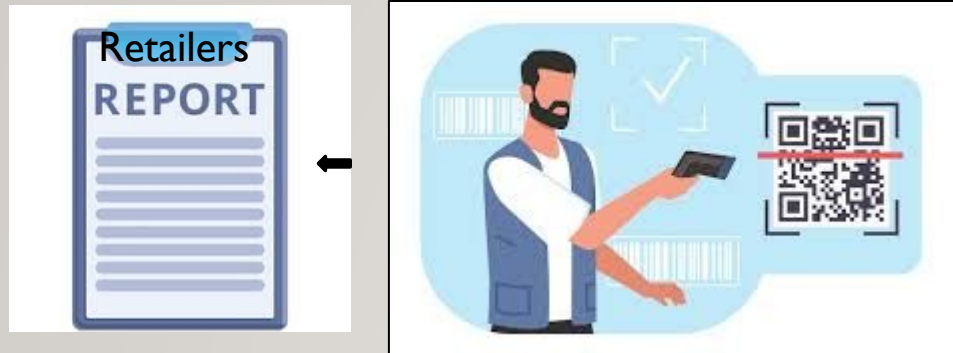
Stationery (2013=100)

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				Variance	
	April	May	June	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 re	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 cookwar	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)

AVERAGE HOURLY EARNINGS FOR EMPLOYEES PAID BY THE HOUR (EXCL. OT) (CAD \$)							High	Low						
	2024						2025					Range Last 12 Months		
Occupation	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						
	2024						2025						Variance	
Diesel fuel at self service filling stations	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

- 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)														
	Low						High							
	2024							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

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

EDWIN SCHLOSSBERG



Contacts:

Questions, comments

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

**Sam Moncada: smoncada@chpta.ca
smoncada@copa.ca**

Michael Jorgenson: mjorgenson@chpta.ca

Bob Smith: rsmith@chpta.ca

Resource Library | CHPTA

Resource Library | Canadian Office Products Association copa.ca