

## Canada's inflation illusion: Debunking CPI-med and CPI-trim

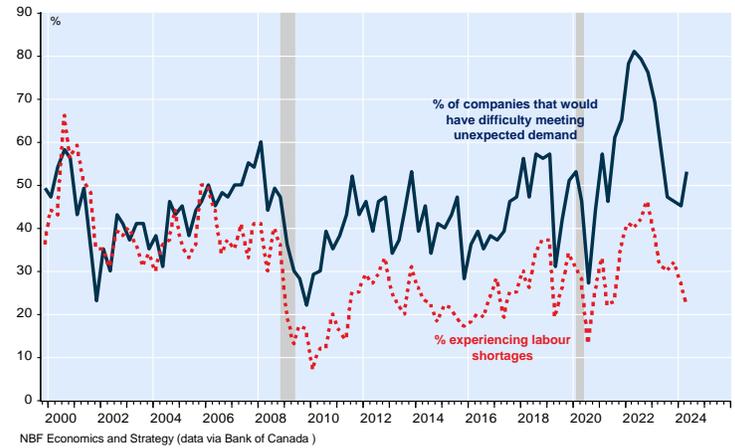
By Matthieu Arseneau and Alexandra Ducharme

- In our opinion, official data understate the progress made by the Bank of Canada in curbing inflation, which poses a risk that the central bank is calibrating its monetary policy too restrictively. Total inflation is still running at too high an annual rate (2.8%), but without the rise in mortgage interest costs, whose increase is mainly attributable to the central bank's intervention, Canadian inflation is reduced to 1.9%. If we also subtract rents, whose increase coincides with the dizzying rise in Canada's population - a phenomenon over which the central bank has no control, and that has nothing to do with economic cycles - annual inflation is reduced to just 1.4%.
- Contrary to what many convey, rising mortgage interest costs and rents are also contaminating the evolution of the CPI-median and CPI-trim.
- In our view, CPI-X - the central bank's preferred core inflation measure until 2016 - is the more appropriate indicator to navigate the current inflationary episode and should be reinstated as a key measure of core inflation. It now indicates that underlying inflation has returned to target.

The Bank of Canada (BoC) continues its relentless fight against inflation by maintaining a very restrictive monetary policy. Yet signs that the economy is cooling are evident, including six consecutive quarters of decline in GDP per capita and two straight drawbacks in private domestic demand. The economy's moderation is also reflected in survey data, including the BoC's Business Outlook Survey, which shows a return to normal in the proportion of companies experiencing labour shortages and reporting that they would have difficulty meeting unexpected demand.

### Canada: Pressure on companies eases

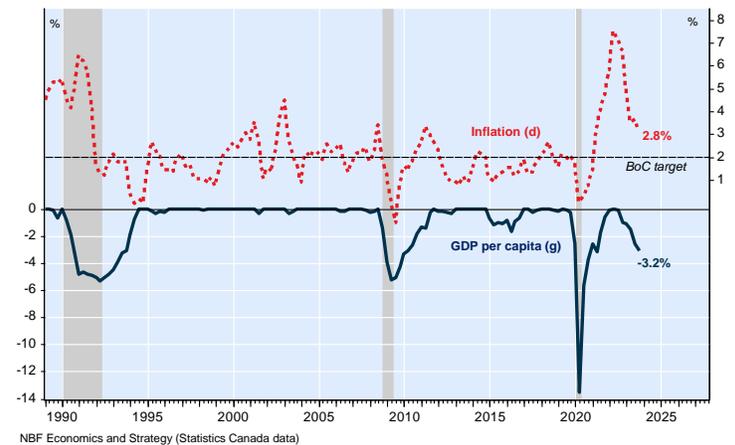
Business outlook survey: indicators of pressure on company capacity



Despite this economic weakness, the consumer price index rose by 2.8% year-on-year in February, which is still too high in relation to the BoC's 2.0% target. The same applies to the core inflation measures officially preferred by the central bank since 18 months<sup>2</sup>, as the CPI-trim and CPI-med rose at rates of 3.2% and 3.1% respectively.

### Canada: Inflation remains high despite faltering economy

Annual inflation and change since peak in GDP per capita



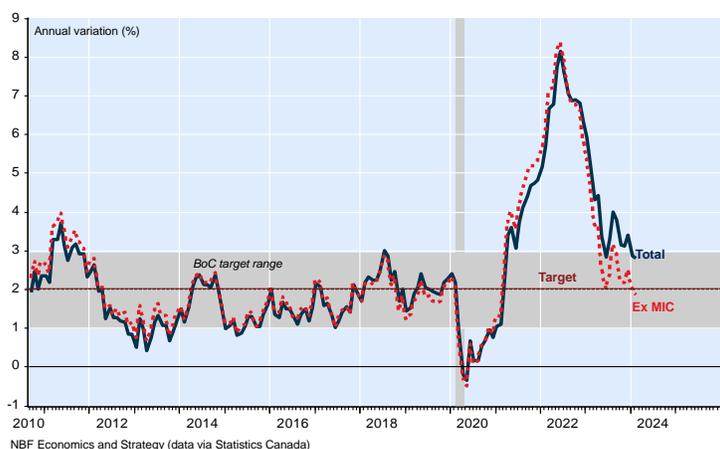
The Bank of Canada's latest communications have focused on inflation resilience rather than signs of weak growth, which increases the risk of it inflicting too much damage on the economy. All the more so as we believe that these official data mask the progress made on the inflation front in the country due to exceptional elements. In February, it was mortgage interest costs (MIC) that made the biggest contribution to price rises in Canada, with an increase of 26.3% year-on-year. By simply removing this component, whose increase is mainly attributable to monetary policy, inflation falls to 1.9% over the past year, below the 2.0% target. In this regard, it is interesting

<sup>2</sup> From 2016 to October 2022, the BoC also favoured the CPI-common, a model-based measure. However, it abandoned it following a report we published in 2022 ([link](#)).

to note that since 2017, the central bank of Sweden has explicitly targeted the consumer price index excluding the impact of mortgage interest costs, so that the conduct of monetary policy does not directly affect the measure of targeted inflation. A wise decision. For the same reason, the Bank of Canada's preferred core inflation measure prior to 2016, CPIX<sup>3</sup>, explicitly excluded this component as well as 7 other volatile categories. The Bank of England, the European Central Bank and the Federal Reserve do not share this problem, as the inflation measure they target does not include the mortgage interest component.

### Canada: Below target without mortgage interest costs

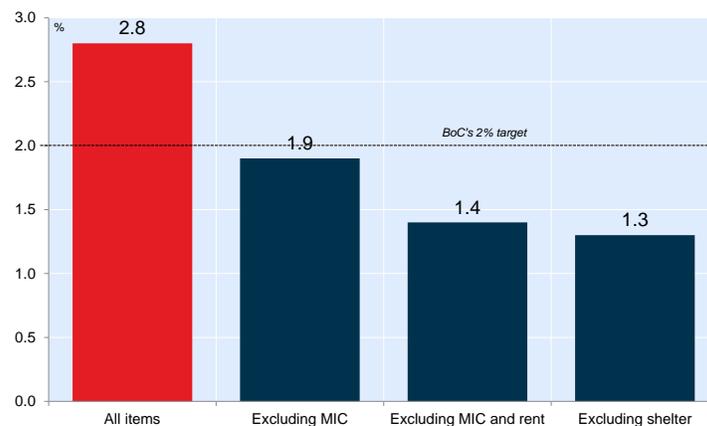
Consumer price indices, annual variation



The second biggest contributor to year-on-year price gains in February was rents, whose increase coincides with the dizzying rise in Canada's population and chronic housing shortages, a phenomenon over which the central bank has no control and that has nothing to do with economic cycles. In fact, by raising interest rates to counter this portion of inflation, the central bank is exacerbating the imbalance between supply and demand by discouraging residential construction. Excluding MIC and rents, inflation in Canada was just 1.4% in February. Taking out the housing component in its entirety<sup>4</sup>, annual inflation was 1.3%, reflecting a generally oversupplied economy.

### Canada: Excluding housing, inflation is below 2%

Annual inflation rate in various categories



Yet the central bank sees things differently, claiming that even excluding the rise in housing costs, underlying inflationary pressures persist. In a [speech](#) delivered on March 6, Governor Tiff Macklem stated:

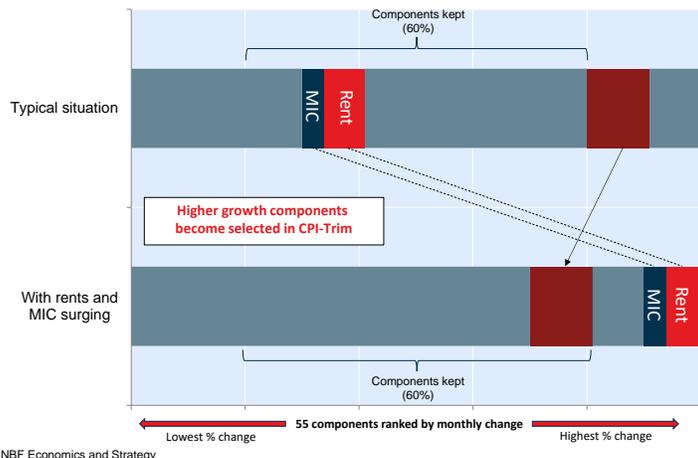
*"If you look beyond shelter, we are seeing that underlying inflationary pressures persist. And one way to look at that is, if you look at our preferred measures of core (CPI-trim, CPI-median), those exclude the things that are going up the most and the things that are going down the most. Most of the shelter components are in the things that are going up the most, so they're excluded from those core measures. Those core measures are still running over 3%."*

We respectfully disagree with this statement. At first glance, it may seem logical to assume that significant increases in rents and mortgage interest costs do not affect the CPI-med or CPI-trim, since these indices filter out the most volatile of 55 components every month. But this is not the case. Given their imposing weight (11% of the total basket), these categories act as magnets for the core measures of inflation. In other words, they occupy the space of the components at the top of the distribution range, and thus indirectly contribute to the rise in inflation calculated by these measures. In the case of the CPI-trim, this means higher price variations in the 60% at the center of the distribution used for the calculation. As for the CPI-med, this increases the selected 50<sup>th</sup> percentile.

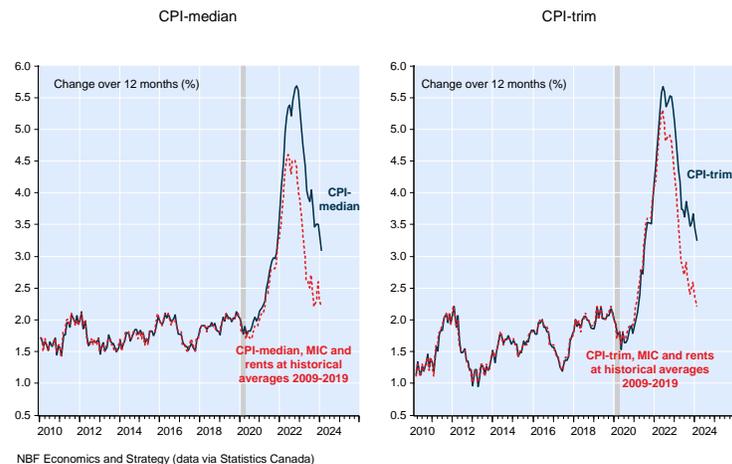
<sup>3</sup> CPIX was the Bank of Canada's preferred measure of core inflation from 2001 to 2016. CPIX inflation excludes from the CPI eight of its most volatile components: fruits, vegetables, gasoline, fuel oil, natural gas, mortgage interest, intercity transportation and tobacco products. The effect of changes in indirect taxes on all components is also removed.

<sup>4</sup> In addition to the cost of mortgage interest and the cost of rent, there are: homeowner's replacement cost, property taxes and other special charges, homeowner's home and mortgage insurance, homeowner's maintenance and repairs, other expenses for owned accommodation and water, fuel and electricity.

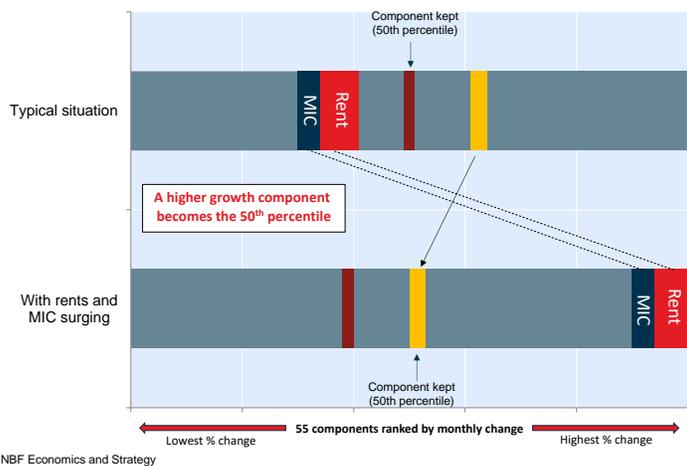
### A simulation of the impact of rents and MIC surge on CPI-trim



### Canada: Housing also affects core inflation measures



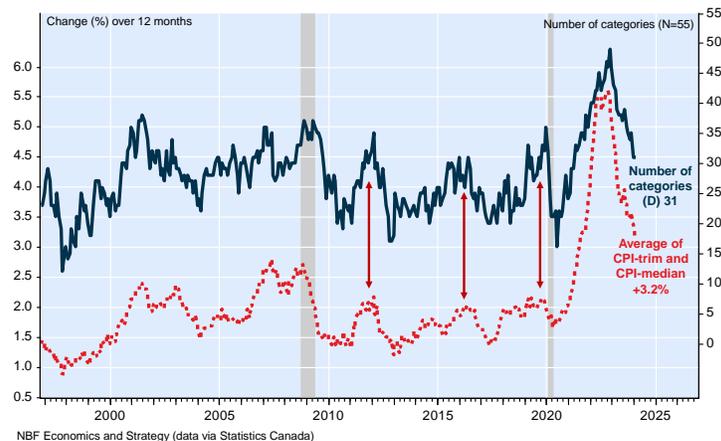
### A simulation of the impact of rents and MIC surge on CPI-median



Another way of assessing the widespread nature of inflationary pressures is to look at the number of categories whose annual price increases are above the central bank's target. This is something the Bank of Canada has commented on several times during the current inflationary episode. In February, 31 of the 55 components used to calculate the CPI-median and CPI-trim were evolving at 2% or more on an annual basis, a proportion well below that observed at the worst of the pandemic (49 out of 55) and similar to other episodes when the average of the CPI-trim and CPI-median were at target. In our view, the current disconnect between the high level of these inflation measures and the improving diffusion is a further indication that the core inflation measures favoured by the Bank of Canada do not adequately reflect underlying inflationary pressures.

### Canada: Diffusion is back to normal

Average annual change in CPI-trim and CPI-median and categories with increases of 2% or more



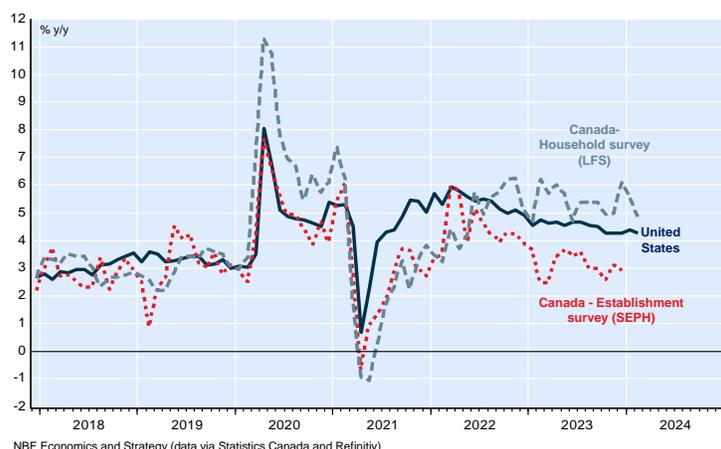
The impact caused by these two components is currently significant. We estimate that if mortgage interest costs and rents were to evolve at their pre-pandemic ten-year averages, the CPI-med and CPI-trim would indicate a rate much closer to the target, i.e. 2.2% instead of the 3.1% and 3.2% they currently indicate. For a detailed demonstration of the calculation, see the appendix.

Some might argue that it is perilous to assess the inflation situation by subtracting imposing components such as rent and mortgage interest costs, as too much inflation in the basket as a whole can risk entrenching inflation via higher wages. It's true that, according to the Labour Force Survey (LFS), wage pressures still seem acute, with average hourly

earnings rising at a rate of 5.0% and 4.9% for private sector employees. But we have our doubts about these data, since they are not consistent with other indicators showing a noticeable cooling of the labour market, notably the unemployment rate, the job vacancy rate and surveys about labour shortages. Our scepticism is also fueled by the evolution of wages according to the establishment survey, based on administrative data, which for its part shows a noticeable drop in pressure. While the average hourly wage in the private sector was rising by over 6% year-on-year in 2022 according to this survey, it is now below 3%, a rate comparable to that observed before the pandemic and well below the 4.5% observed south of the border.

### Canada: Wage pressures ease

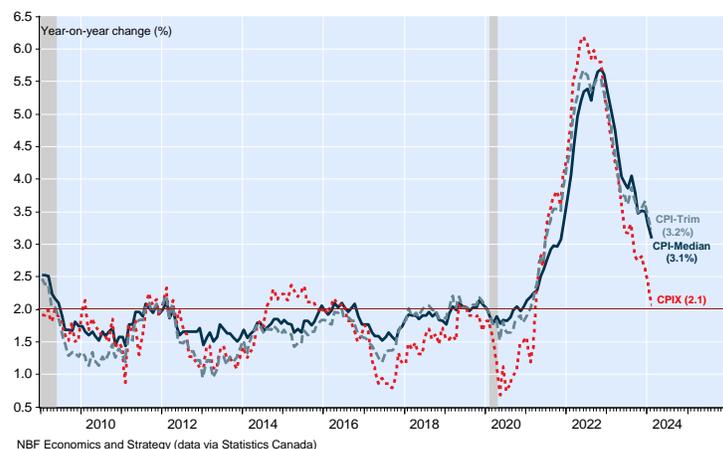
Annual growth in hourly wages in the private sector, according to LFS and SEPH



ruling out a return to the much more flexible and straightforward exclusionary measures [\(link\)](#). In our opinion, CPIX is the more appropriate measure to navigate the current inflationary episode and should be reinstated as a key measure of core inflation. This indicator now shows that underlying inflation is back on target.

### Canada: Is it time to get back to CPIX?

Annual inflation rate: CPIX, CPI-trim and CPI-median



## Conclusion

In our opinion, official data understate the progress made by the Bank of Canada in curbing inflation, which poses a risk that the central bank is calibrating its monetary policy too restrictively. Total inflation is still running at too high an annual rate (2.8%), but without the increase in mortgage interest costs (MIC), whose rise is mainly attributable to the central bank's intervention, Canadian inflation is down to 1.9%. At the next renewal of the central bank's mandate, the authorities should seriously consider adopting CPI ex MIC as the inflation target, something the central bank of Sweden has decided to do since 2017. If we also subtract rents, whose increase coincides with the dizzying rise in Canada's population - a phenomenon over which the central bank has no control and that has nothing to do with economic cycles - annual inflation is down to just 1.4%. Contrary to what has been conveyed, these two components also contaminate the evolution of the CPI-median and CPI-trim. If they were to evolve at normal rates, the central bank's core inflation measures would indicate underlying inflation essentially in line with the central bank's target. We reiterate our view shared last autumn that the Bank of Canada should give priority to a thorough reassessment of core inflation indicators, without

### Appendix 1: Illustration of CPI-median calculation

The CPI-median is a measure of core inflation based on the distribution of price variations in a given month. The calculation methodology is presented in Table 1 for February 2024 data. In brief, the prices of the representative consumer basket are grouped into 55 categories, which are ranked according to the size of their monthly price variation (column c). The cumulative weight of these categories is then iteratively added together (column e). The monthly variation of the component corresponding to the 50<sup>th</sup> weight percentile represents the monthly growth of the median CPI for that month (red box). Table 1 shows that in February 2024, rental housing prices and mortgage interest costs were higher than the component used to calculate the median CPI.

a	b	c	d	e
	Category (N=55)	1-month change (%)	Weight	Cumulative weight
1	Communications	-5.10	2.72	2.7
2	Clothing accessories, watches and jewellery	-3.84	0.83	3.6
3	Fruit, fruit preparations and nuts	-2.14	1.34	4.9
4	Clothing	-2.05	3.06	8.0
5	Footwear	-1.11	0.64	8.6
6	Home entertainment equipment, parts and services	-0.91	0.69	9.3
7	Purchase of recreational vehicles and outboard motors	-0.75	1.14	10.4
8	Household equipment	-0.69	2.26	12.7
9	Homeowners' home and mortgage insurance	-0.51	1.32	14.0
10	Alcoholic beverages served in licensed establishments	-0.43	0.86	14.9
11	Local and commuter transportation	-0.43	0.35	15.2
12	Fish, seafood and other marine products	-0.40	0.39	15.6
13	Recreational equipment and services (excluding recreational vehicles)	-0.34	2.17	17.8
14	Electricity	-0.31	1.68	19.5
15	Purchase of passenger vehicles	-0.25	5.55	25.0
16	Tobacco products, smokers' supplies and recreational cannabis	-0.22	1.59	26.6
17	Other owned accommodation expenses	-0.22	2.94	29.5
18	Other food products and non-alcoholic beverages	-0.20	2.96	32.5
19	Dairy products and eggs	-0.19	1.47	34.0
20	Bakery and cereal products (excluding baby food)	-0.18	1.52	35.5
21	Leasing of passenger vehicles	-0.16	0.42	35.9
22	Meat	-0.16	2.08	38.0
23	Other passenger vehicle operating expenses	-0.12	2.71	40.7
24	Homeowners' replacement cost	-0.06	5.49	46.2
25	Homeowners' maintenance and repairs	-0.01	1.94	48.1
26	Clothing material, notions and services	0.06	0.22	48.3
27	Household cleaning products	0.07	0.42	48.8
28	Alcoholic beverages purchased from stores	0.11	2.09	50.9
29	Reading material (excluding textbooks)	0.14	0.25	51.1
30	Property taxes and other special charges	0.15	2.52	53.6
31	Education	0.15	1.38	55.0
32	Health care goods	0.21	1.44	56.4
33	Other cultural and recreational services	0.23	1.87	58.3
34	Other household goods and services	0.27	5.15	63.5
35	Child care and housekeeping services	0.27	0.71	64.2
36	Food purchased from restaurants	0.33	5.63	69.8
37	Passenger vehicle parts, maintenance and repairs	0.37	2.67	72.5
38	Water	0.42	0.73	73.2
39	Health care services	0.42	1.02	74.2
40	Services related to household furnishings and equipment	0.43	0.38	74.6
41	Personal care supplies and equipment	0.45	1.82	76.4
42	Household textiles	0.67	0.38	76.8
43	Rented accommodation	0.79	7.06	83.9
44	Operation of recreational vehicles	0.87	0.5	84.4
45	Personal care services	0.92	0.77	85.1
46	Rental of passenger vehicles	1.05	0.04	85.2
47	Furniture	1.09	1.67	86.8
48	Vegetables and vegetable preparations	1.22	1.32	88.2
49	Mortgage interest cost	1.32	3.81	92.0
50	Paper, plastic and aluminum foil supplies	1.57	0.51	92.5
51	Gasoline	1.58	3.9	96.4
52	Travel services	1.85	1.94	98.3
53	Natural gas	3.37	0.74	99.1
54	Inter-city transportation	3.87	0.72	99.8
55	Fuel oil and other fuels	4.98	0.22	100.0

Table 1 – CPI-median calculation table for February 2024

Table 2 presents an alternative illustrative example in which the monthly variation in rental housing prices and mortgage interest costs are equivalent to their pre-pandemic ten-year averages. Price variations for all other categories are equal to those in Table 1. We can see that, as the price variation of mortgage interest cost decreases, it enters the ranking more quickly and even becomes the equivalent component at the 50<sup>e</sup> percentile of price variation. The monthly variation in the median CPI thus rises from 0.11% (Table 1) to -0.01% (Table 2). This example shows that the CPI-median is influenced by the price variations of all 55 components.

a	b	c	d	e
	Category (N=55)	1-month change (%)	Weight	Cumulative weight
1	Communications	-5.10	2.72	2.7
2	Clothing accessories, watches and jewellery	-3.84	0.83	3.6
3	Fruit, fruit preparations and nuts	-2.14	1.34	4.9
4	Clothing	-2.05	3.06	8.0
5	Footwear	-1.11	0.64	8.6
6	Home entertainment equipment, parts and services	-0.91	0.69	9.3
7	Purchase of recreational vehicles and outboard motors	-0.75	1.14	10.4
8	Household equipment	-0.69	2.26	12.7
9	Homeowners' home and mortgage insurance	-0.51	1.32	14.0
10	Alcoholic beverages served in licensed establishments	-0.43	0.86	14.9
11	Local and commuter transportation	-0.43	0.35	15.2
12	Fish, seafood and other marine products	-0.40	0.39	15.6
13	Recreational equipment and services (excluding recreational vehicles)	-0.34	2.17	17.8
14	Electricity	-0.31	1.68	19.5
15	Purchase of passenger vehicles	-0.25	5.55	25.0
16	Tobacco products, smokers' supplies and recreational cannabis	-0.22	1.59	26.6
17	Other owned accommodation expenses	-0.22	2.94	29.5
18	Other food products and non-alcoholic beverages	-0.20	2.96	32.5
19	Dairy products and eggs	-0.19	1.47	34.0
20	Bakery and cereal products (excluding baby food)	-0.18	1.52	35.5
21	Leasing of passenger vehicles	-0.16	0.42	35.9
22	Meat	-0.16	2.08	38.0
23	Other passenger vehicle operating expenses	-0.12	2.71	40.7
24	Homeowners' replacement cost	-0.06	5.49	46.2
25	Homeowners' maintenance and repairs	-0.01	1.94	48.1
26	<b>Mortgage interest cost</b>	<b>-0.01</b>	<b>3.81</b>	<b>51.9</b>
27	Clothing material, notions and services	0.06	0.22	52.2
28	Household cleaning products	0.07	0.42	52.6
29	Alcoholic beverages purchased from stores	0.11	2.09	54.7
30	Rented accommodation	0.11	7.06	61.7
31	Reading material (excluding textbooks)	0.14	0.25	62.0
32	Property taxes and other special charges	0.15	2.52	64.5
33	Education	0.15	1.38	65.9
34	Health care goods	0.21	1.44	67.3
35	Other cultural and recreational services	0.23	1.87	69.2
36	Other household goods and services	0.27	5.15	74.3
37	Child care and housekeeping services	0.27	0.71	75.0
38	Food purchased from restaurants	0.33	5.63	80.7
39	Passenger vehicle parts, maintenance and repairs	0.37	2.67	83.3
40	Water	0.42	0.73	84.1
41	Health care services	0.42	1.02	85.1
42	Services related to household furnishings and equipment	0.43	0.38	85.5
43	Personal care supplies and equipment	0.45	1.82	87.3
44	Household textiles	0.67	0.38	87.7
45	Operation of recreational vehicles	0.87	0.5	88.2
46	Personal care services	0.92	0.77	88.9
47	Rental of passenger vehicles	1.05	0.04	89.0
48	Furniture	1.09	1.67	90.7
49	Vegetables and vegetable preparations	1.22	1.32	92.0
50	Paper, plastic and aluminum foil supplies	1.57	0.51	92.5
51	Gasoline	1.58	3.9	96.4
52	Travel services	1.85	1.94	98.3
53	Natural gas	3.37	0.74	99.1
54	Inter-city transportation	3.87	0.72	99.8
55	Fuel oil and other fuels	4.98	0.22	100.0

NBF Economics and Strategy (data via Statistics Canada)

Table 2 - Calculation of the CPI-median for February 2024 if changes in rented accommodation prices and mortgage interest costs were equivalent to their 2009-2019 average.

### Appendix 2: Illustration of CPI-trim calculation

Like the CPI-median, the CPI-trim is a measure of inflation based on the distribution of price variations in a given month. The calculation methodology is presented in Table 1 for the month of February 2024. In brief, the prices of the representative consumer basket are grouped into 55 categories, which are ranked according to the size of their monthly price variation (column c). The monthly change in the CPI-trim corresponds to the weighted average of the monthly changes in the components forming the middle 60% of the distribution (column f, red box). Table 1 shows that, in February 2024, mortgage interest cost was higher than the components retained for calculating the CPI-trim, while rental housing was partially retained.

a	b	c	d	e	f
	Category (N=55)	1-month change (%)	Weight	Weight, cumulative sum	Components retained in CPI-trim (middle 60%)
1	Communications	-5.10	2.72	2.7	0
2	Clothing accessories, watches and jewellery	-3.84	0.83	3.6	0
3	Fruit, fruit preparations and nuts	-2.14	1.34	4.9	0
4	Clothing	-2.05	3.06	8.0	0
5	Footwear	-1.11	0.64	8.6	0
6	Home entertainment equipment, parts and services	-0.91	0.69	9.3	0
7	Purchase of recreational vehicles and outboard motors	-0.75	1.14	10.4	0
8	Household equipment	-0.69	2.26	12.7	0
9	Homeowners' home and mortgage insurance	-0.51	1.32	14.0	0
10	Alcoholic beverages served in licensed establishments	-0.43	0.86	14.9	0
11	Local and commuter transportation	-0.43	0.35	15.2	0
12	Fish, seafood and other marine products	-0.40	0.39	15.6	0
13	Recreational equipment and services (excluding recreational vehicles)	-0.34	2.17	17.8	0
14	Electricity	-0.31	1.68	19.5	0
15	Purchase of passenger vehicles	-0.25	5.55	25.0	5.0
16	Tobacco products, smokers' supplies and recreational cannabis	-0.22	1.59	26.6	6.6
17	Other owned accommodation expenses	-0.22	2.94	29.5	9.5
18	Other food products and non-alcoholic beverages	-0.20	2.96	32.5	12.5
19	Dairy products and eggs	-0.19	1.47	34.0	14.0
20	Bakery and cereal products (excluding baby food)	-0.18	1.52	35.5	15.5
21	Leasing of passenger vehicles	-0.16	0.42	35.9	15.9
22	Meat	-0.16	2.08	38.0	18.0
23	Other passenger vehicle operating expenses	-0.12	2.71	40.7	20.7
24	Homeowners' replacement cost	-0.06	5.49	46.2	26.2
25	Homeowners' maintenance and repairs	-0.01	1.94	48.1	28.1
26	Clothing material, notions and services	0.06	0.22	48.3	28.3
27	Household cleaning products	0.07	0.42	48.8	28.8
28	Alcoholic beverages purchased from stores	0.11	2.09	50.9	30.9
29	Reading material (excluding textbooks)	0.14	0.25	51.1	31.1
30	Property taxes and other special charges	0.15	2.52	53.6	33.6
31	Education	0.15	1.38	55.0	35.0
32	Health care goods	0.21	1.44	56.4	36.4
33	Other cultural and recreational services	0.23	1.87	58.3	38.3
34	Other household goods and services	0.27	5.15	63.5	43.5
35	Child care and housekeeping services	0.27	0.71	64.2	44.2
36	Food purchased from restaurants	0.33	5.63	69.8	49.8
37	Passenger vehicle parts, maintenance and repairs	0.37	2.67	72.5	52.5
38	Water	0.42	0.73	73.2	53.2
39	Health care services	0.42	1.02	74.2	54.2
40	Services related to household furnishings and equipment	0.43	0.38	74.6	54.6
41	Personal care supplies and equipment	0.45	1.82	76.4	56.4
42	Household textiles	0.67	0.38	76.8	56.8
43	Rented accommodation	0.79	7.06	83.9	60.0
44	Operation of recreational vehicles	0.87	0.5	84.4	0
45	Personal care services	0.92	0.77	85.1	0
46	Rental of passenger vehicles	1.05	0.04	85.2	0
47	Furniture	1.09	1.67	86.8	0
48	Vegetables and vegetable preparations	1.22	1.32	88.2	0
49	Mortgage interest cost	1.32	3.81	92.0	0
50	Paper, plastic and aluminum foil supplies	1.57	0.51	92.5	0
51	Gasoline	1.58	3.9	96.4	0
52	Travel services	1.85	1.94	98.3	0
53	Natural gas	3.37	0.74	99.1	0
54	Inter-city transportation	3.87	0.72	99.8	0
55	Fuel oil and other fuels	4.98	0.22	100.0	0

NBF Economics and Strategy (data via Statistics Canada)

Table 1 - CPI-trim calculation table for February 2024



Table 2 presents an alternative illustrative example in which the monthly variation in rental housing prices and mortgage interest costs are equivalent to their pre-pandemic ten-year averages. Price variations in all other categories are equal to those in Table 1. It can be seen that, as price variations for mortgage interest cost and rental housing fall, they move up the ranking more quickly. Given their significant weight, this shift speeds up the process of reaching the 80<sup>e</sup> weight percentile, from which components are deducted upwards. Thus, components whose monthly growth is greater than 0.33% are ousted (vs. 0.79% in Table 1), lowering the monthly growth of the CPI-trim.

Category (N=55)		1-month change (%)	Weight	Weight, cumulative sum	Components retained in CPI-trim (middle 60%)
1	Communications	-5.10	2.72	2.7	0
2	Clothing accessories, watches and jewellery	-3.84	0.83	3.6	0
3	Fruit, fruit preparations and nuts	-2.14	1.34	4.9	0
4	Clothing	-2.05	3.06	8.0	0
5	Footwear	-1.11	0.64	8.6	0
6	Home entertainment equipment, parts and services	-0.91	0.69	9.3	0
7	Purchase of recreational vehicles and outboard motors	-0.75	1.14	10.4	0
8	Household equipment	-0.69	2.26	12.7	0
9	Homeowners' home and mortgage insurance	-0.51	1.32	14.0	0
10	Alcoholic beverages served in licensed establishments	-0.43	0.86	14.9	0
11	Local and commuter transportation	-0.43	0.35	15.2	0
12	Fish, seafood and other marine products	-0.40	0.39	15.6	0
13	Recreational equipment and services (excluding recreational vehicles)	-0.34	2.17	17.8	0
14	Electricity	-0.31	1.68	19.5	0
15	Purchase of passenger vehicles	-0.25	5.55	25.0	5.0
16	Tobacco products, smokers' supplies and recreational cannabis	-0.22	1.59	26.6	6.6
17	Other owned accommodation expenses	-0.22	2.94	29.5	9.5
18	Other food products and non-alcoholic beverages	-0.20	2.96	32.5	12.5
19	Dairy products and eggs	-0.19	1.47	34.0	14.0
20	Bakery and cereal products (excluding baby food)	-0.18	1.52	35.5	15.5
21	Leasing of passenger vehicles	-0.16	0.42	35.9	15.9
22	Meat	-0.16	2.08	38.0	18.0
23	Other passenger vehicle operating expenses	-0.12	2.71	40.7	20.7
24	Homeowners' replacement cost	-0.06	5.49	46.2	26.2
25	Homeowners' maintenance and repairs	-0.01	1.94	48.1	28.1
49	Mortgage interest cost	-0.01	3.81	51.9	31.93
26	Clothing material, notions and services	0.06	0.22	52.2	32.2
27	Household cleaning products	0.07	0.42	52.6	32.6
28	Alcoholic beverages purchased from stores	0.11	2.09	54.7	34.7
43	Rented accommodation	0.11	7.06	61.7	41.7
29	Reading material (excluding textbooks)	0.14	0.25	62.0	42.0
30	Property taxes and other special charges	0.15	2.52	64.5	44.5
31	Education	0.15	1.38	65.9	45.9
32	Health care goods	0.21	1.44	67.3	47.3
33	Other cultural and recreational services	0.23	1.87	69.2	49.2
34	Other household goods and services	0.27	5.15	74.3	54.3
35	Child care and housekeeping services	0.27	0.71	75.0	55.0
36	Food purchased from restaurants	0.33	5.63	80.7	60.0
37	Passenger vehicle parts, maintenance and repairs	0.37	2.67	83.3	0
38	Water	0.42	0.73	84.1	0
39	Health care services	0.42	1.02	85.1	0
40	Services related to household furnishings and equipment	0.43	0.38	85.5	0
41	Personal care supplies and equipment	0.45	1.82	87.3	0
42	Household textiles	0.67	0.38	87.7	0
44	Operation of recreational vehicles	0.87	0.5	88.2	0
45	Personal care services	0.92	0.77	88.9	0
46	Rental of passenger vehicles	1.05	0.04	89.0	0
47	Furniture	1.09	1.67	90.7	0
48	Vegetables and vegetable preparations	1.22	1.32	92.0	0
50	Paper, plastic and aluminum foil supplies	1.57	0.51	92.5	0
51	Gasoline	1.58	3.9	96.4	0
52	Travel services	1.85	1.94	98.3	0
53	Natural gas	3.37	0.74	99.1	0
54	Inter-city transportation	3.87	0.72	99.8	0
55	Fuel oil and other fuels	4.98	0.22	100.0	0

NBF Economics and Strategy (data via Statistics Canada)

Table 2 - Table showing the CPI- trim for February 2024 if changes in rental housing prices and mortgage interest costs were equivalent to their 2009-2019 average.



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