

Weekly Economic Review

Alberta average weekly earnings rebound

Average Weekly Earnings

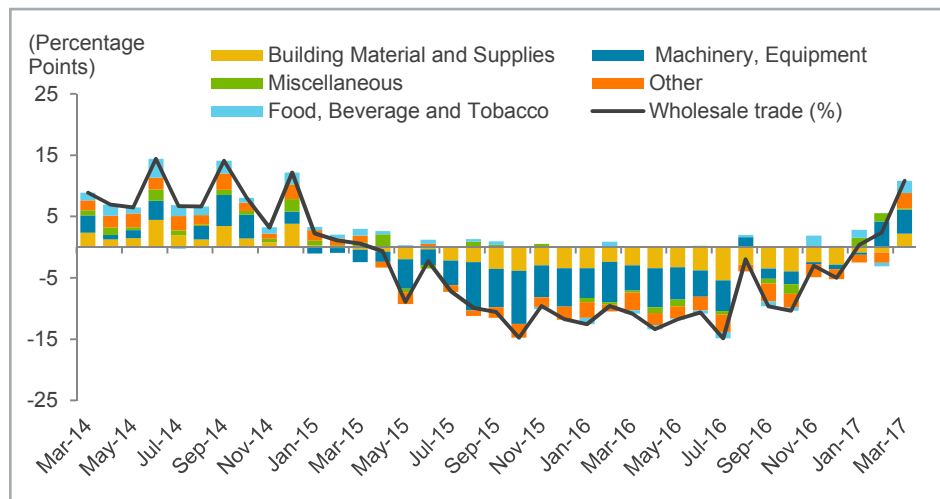
Earnings rebound

Average weekly earnings (AWE) improved in March, partially gaining back some of the recent decline. After two monthly declines, Alberta's AWE increased 0.8% month-over-month (m/m) to \$1,118 led by a broad based gain in services. The monthly gain in the service sector (+1.1% m/m) was

partially offset by weakness in goods sector earnings (-0.4% m/m), which declined for the third month in a row. Compared to a year ago, AWE was down 0.8% as a 3.3% decline in goods sector earnings more-than-offset a modest gain in the service sector.

Chart 1: Broad-based gains in Alberta wholesale trade

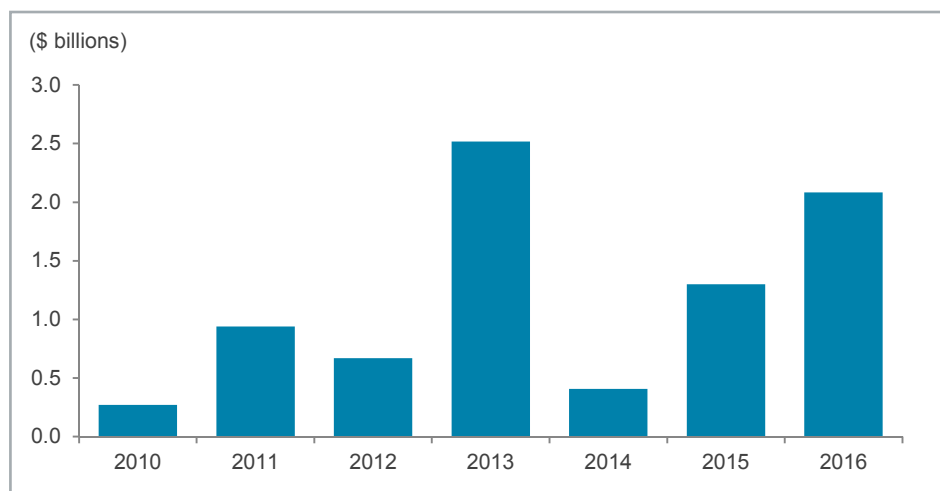
Contribution to year-over-year growth



Source: Statistics Canada

Chart 2: Alberta farm income close to 2013 high

Total net farm income



Source: Statistics Canada

Nationally, average weekly earnings increased 0.2% to \$966, up 0.9% from March 2016. Earnings in Alberta remained the highest in the country and 16% more than the national average.

Wholesale Trade

Broad-based gains in wholesale

Wholesale trade rose for the sixth consecutive month to \$6.4 billion in March. Wholesale trade was up 8.2% from March 2016, the highest year-over-year (y/y) growth since December 2014 (Chart 1). Sales grew in most categories with the largest gains in motor vehicle and parts (+35% y/y), building material (+13% y/y), and machinery and equipment (+13% y/y). Sales of building material were up for the first time in two years. Meanwhile, sales of personal and household goods were down 11% year-over-year. Overall, wholesale trade has had a good start to the year, up 4.3% year-to-date (YTD).

Nationally, wholesale trade surged above \$60 billion for the first time, up 10% from a year ago.

Farm Cash Receipts

Oilseed prices boost cash receipts

Higher canola and soybean prices helped boost farm cash receipts in the first quarter of 2017. Alberta farm cash receipts rose 3.8%, from a year ago, to \$4.1 billion. The increase was driven by higher cash receipts from crops (7.1% y/y) as prices for oilseeds were up from the first quarter of last year. On the other hand, livestock receipts

decreased (-1.6% y/y) as, notwithstanding gains in the first quarter, prices of cattle and calves remained well below the peak in 2015. This builds on a relatively good year in 2016 for Alberta farming when total net farm income jumped by 60% to \$2.1 billion (Chart 1). Most of the gains were driven by higher on-farm inventories from above average crop production and lower operating costs. These gains more than offset a 0.8% drop in farm cash receipts in 2016 due to low cattle prices.

Job Vacancies

Second consecutive monthly improvement in postings

After declining to a record low, the number of job vacancies (a three-month moving average) increased for a second month in a row in February. The number of job vacancies rose by 1,000 to 26,400. Alberta's monthly increase in job vacancies was second only to BC among the provinces. The recent monthly gains pushed

job vacancies up on a year-over-year basis for the first time since November 2014 (Chart 3). These improvements have also helped to lower the unemployment-to-job vacancy ratio to 8.0, while the Canadian rate ticked up 6.3.

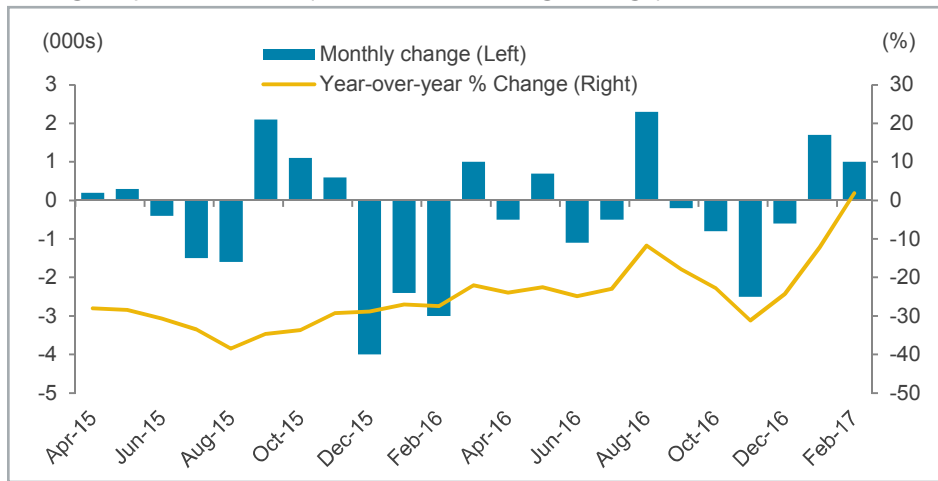
Corporate Profits

Profits eased in Canada

Corporate earnings slipped after coming off a high in the previous quarter. Seasonally adjusted operating profits in Canada were down 7.4% quarter-over-quarter (q/q) to \$91.9 billion in the first quarter of 2017 (Chart 4). Profits slipped in the non-financial industries with the largest decline in manufacturing. The oil and gas industry continued to operate at a loss (-\$1.6 billion); however, the losses have decreased since peaking at \$5.6 billion in the first quarter of 2016.

Chart 3: Vacancies in Alberta year-over-year

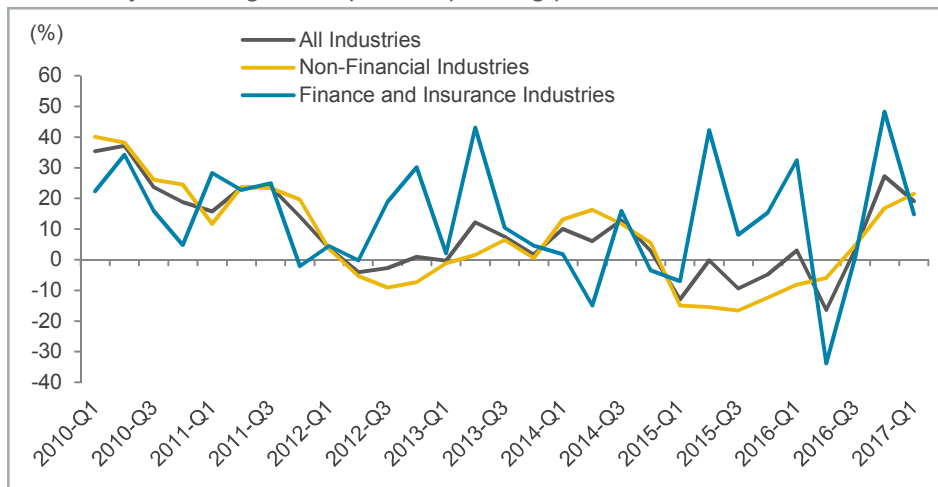
Change in job vacancies (three-month moving average)



Source: Statistics Canada

Chart 4: Canadian corporate profit growth slows

Year-over-year change in corporate operating profits



Source: Statistics Canada

OPEC Meeting

Production cuts extend

OPEC and 11 other producers announced a deal to extend the cut in oil production. The deal extends existing output cuts of 1.8 million barrels per day (bpd) through to March 2018. As with the first agreement, Nigeria and Libya continued to be excluded from cuts due to the unrest hampering production in those countries. This failed to meet market expectations of more aggressive actions causing oil prices to experience the largest percentage drop in three weeks. WTI settled at \$48.90 when trading closed on Thursday, down almost 5% from the previous day's close.

Contact

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Please see the [Alberta Economy - Indicators at a Glance](#) for a snapshot of Alberta indicators.