## **Scotiabank**

## **GLOBAL ECONOMICS**

## **SCOTIA FLASH**

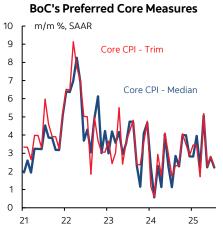
August 19, 2025

## **Contributors**

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#### Chart 1



Sources: Scotiabank Economics, Statistics Canada.

#### Chart 3

Canadian Core CPI Measures										
Month	Weighted Median	Trimmed Mean	Traditional Core							
Jan-2024	2.3	1.2	1.6							
Feb-2024	0.6	0.6	1.6							
Mar-2024	2.3	2.9	3.3							
Apr-2024	1.1	1.7	1.6							
May-2024	4.0	4.1	4.1							
Jun-2024	2.3	2.9	1.6							
Jul-2024	1.1	1.7	2.4							
Aug-2024	2.9	2.3	0.8							
Sep-2024	2.3	2.3	1.6							
Oct-2024	4.0	4.1	3.2							
Nov-2024	4.0	3.5	0.8							
Dec-2024	2.8	2.9	4.0							
Jan-2025	2.8	3.5	3.2							
Feb-2025	4.0	3.4	5.6							
Mar-2025	2.2	1.7	0.0							
Apr-2025	5.1	5.2	4.0							
May-2025	2.2	2.3	3.2							
Jun-2025	2.8	2.8	2.4							
July-2025	2.2	2.3	0.8							
Sources: Scotiab	ank Economics, Stati	istics Canada.								

## **Questionable Canadian CPI Requires More Evidence**

- Core inflation gauges ebbed in July
- The core inflation trend isn't screaming out for rate cuts
- Wild revisions and wonky SA factors lessen data reliability
- Mild market reaction awaits much further evidence...
- ...to inform the BoC's next steps including September's decision

## Canadian CPI, m/m // y/y %, NSA, July:

Actual: 0.30 / 1.7 Scotia: 0.5 / 1.9 Consensus: 0.3 / 1.8 Prior: 0.1 / 1.9

Trimmed mean CPI m/m % SAAR: 2.25 Weighted median CPI m/m % SAAR: 2.2 Traditional core CPI m/m % SAAR: 0.8

Measures of core inflation were softer in July but it's just one set of readings ahead of a lot of further information on the road to the next Bank of Canada decision on September 17<sup>th</sup>. That's probably why the market reactions were fairly muted. There are also serious questions to be raised regarding data reliability.

## **Muted Market Reaction**

Canada's 2-year GoC yield fell by about 5bps postdata with some of that due to position covering after the yield was rising into the data. USDCAD moved up by just over a third of a cent perhaps also influenced by stronger than expected US housing starts (+5.2% m/m SA, -1.8% consensus). OIS markets added a couple of basis points to September cut pricing that now stands at about 9–10bps and hence material but well shy of being priced.

## **Softer Core Gauges**

Trimmed mean CPI and weighted median CPI both landed at about 21/4% m/m at a seasonally adjusted and annualized rate in July (chart 1).

Sources: Scotiabank Economics Statistics Canada

Traditional core CPI was even lighter at 0.8% m/m SAAR (chart 2). Chart 3 lays out the numbers over time. The yearly trimmed mean (3%) and weighted median (3.1%) measures are not spot y/y calculations but get referenced by the BoC and remain at the top end of the inflation target range.

## **Service Price Inflation Ebbed**

The key driver was cooler service price inflation (chart 4) which largely ground to a halt in July. Core goods inflation (ex-food and energy) also softened (chart 5).

## **Two Concerns About Data Reliability**

Before turning to other details and Bank of Canada implications, there are two main issues with data reliability. One concerns Statcan's seasonal adjustments. The other concerns wild revisions.

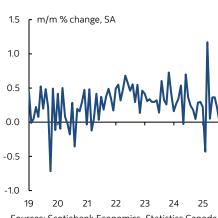
Visit our website at <a href="mailto:scotiabank.com/economics">scotiabank.com/economics</a> | Follow us on Twitter at <a href="mailto:scotiabank.com/economics">scotiabank.com/economics</a> | Follow us on

On the first one, why did Statcan opt for the lowest seasonal adjustment factor on record for traditional core CPI when comparing like months of July (chart 6)? There is a recency bias to how SA factors are calculated that is slanted to the experiences of recent years that may not be appropriate if distortions to seasonality in and after the pandemic are less representative now. What judgement might Statcan instead apply, or alternative methods of calculating SA factors, if there are outlier estimates of SA factors that stick out so much?

How much? Chart 7 shows what core CPI would have been at any other SA factor than the one they chose which is the far right bar. Instead of 0.1% m/m SA core CPI nonannualized, we could have easily gotten a materially higher estimate at a different SA factor. Again, if Statcan put some effort into explaining why they think this is an appropriate SA factor to use, then ok, we'll have something to judge. But they just lob it out there and hide behind a model subject to recency bias without digging deeper.

On the second data concern, check out chart 8. It's an ugly one, but it effectively makes the point. Statcan applied large revisions to the main core inflation readings over many months this morning. The chart shows the revisions to m/m SAAR readings for both core inflation gauges. It's fair to say that when fresh numbers for these gauges are released, markets should apply about a +/-½% m/m SAAR bracket around the estimates based on this pattern.

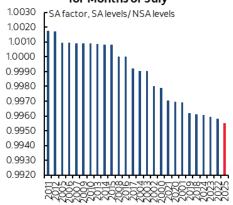
# Chart 4 Canadian Service Inflation



# Sources: Scotiabank Economics, Statistics Canada, Haver.

## Chart 6

## Core CPI Seasonal Adjustment Factors for Months of July



 $Sources: Scotia bank \ Economics, \ Statistics \ Canada.$ 

The revisions included the month of June with that month's weighted median CPI reading being bumped down a half point to 2.8% m/m SAAR. Traditional core CPI was bumped down by a larger 0.7 points to 2.4%. Only trimmed mean was left unchanged at 2.8% in June with no revision.

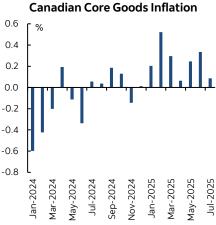
The revisions and fresh data for July combine to change the math somewhat on the trend in price pressures. On a three-month moving average basis, trimmed mean CPI is now running at 2.4%, weighted median CPI is now at 2.5%, and traditional core CPI is 2.1% all on a seasonally adjusted and annualized basis.

Statcan needs to provide a decomposition of the reasons behind these large revisions. Is it having the same problem with obtaining adequate data as the BLS is having in the US? Does fresh price data really arrive with such long lags months, quarters, even years later to merit sudden revisions and if so, then why? Are there methodological changes, or errors being applied?

## **Bank of Canada Implications**

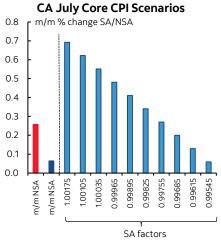
In any event, based on the data as it stands now, those are not light core inflation readings, and they're definitely not undershooting the BoC's 2% inflation target, but they are back in the confines of the BoC's 1–3% target range for headline inflation while using core gauges as the more stable way of operationalizing achievement of this target range. That balances the risks to the rate outlook a little more than previously.

#### Chart 5



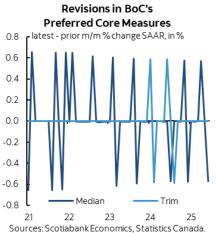
Sources: Scotiabank Economics, Statistics Canada, Haver.

## Chart 7



Sources: Scotiabank Economics.

## Chart 8



The BoC couldn't base further easing from what is already a roughly neutral policy rate on such numbers in my opinion. They would either need more evidence of downside risk to inflation tracking that may or may not arrive with further data, or high confidence in their ability to forecast price pressures which doesn't seem to be in vogue at the BoC that continues to avoid a base case projection.

#### **DETAILS**

Turning to a breakdown of the basket, chart 9 illustrates what's going on with the breadth of price increases in the CPI basket. About 40% of the basket is rising by more than 3% y/y and about 30% of the basket is rising by over 4%. The breadth of price pressures remains disconcerting.

Charts 10–19 provide illustrations of some of the key components. The leisure category—"recreation, reading and education"—fell -0.3% m/m SA with contributing factors such as travel tours and traveler accommodation. It's unclear whether that's temporary or not, but wildfires across much of the country may have inhibited travel and tourism.

Shelter cost inflation moved up including through rent, but house prices as captured in CPI exerted some downward pressure.

Transportation prices were soft including both gas prices and vehicle prices.

Clothing, restaurant prices and the so-called 'sins' prices were also relatively soft.

Charts 20–21 provide a fuller breakdown of the CPI basket in m/m % terms and weighted contributions to m/m % changes in CPI.

Charts 22-23 do likewise for the y/y measures.

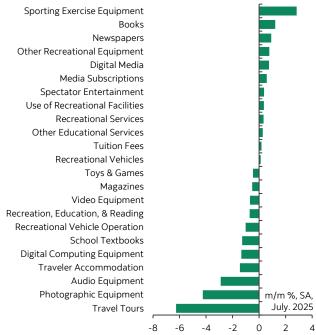
Please also see the accompanying table that provides greater detail.

#### Chart 9



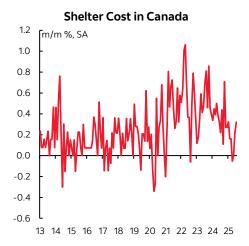
#### Chart 10

## Breakdown of Monthly Changes within Recreation Education and Reading CPI Category



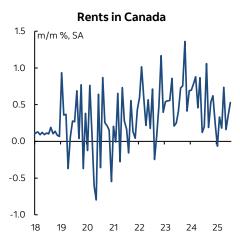
Sources: Scotiabank Economics, Statistics Canada, Haver.

## Chart 11



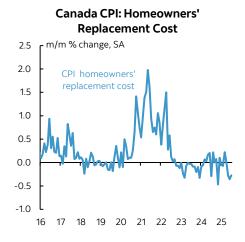
#### Sources: Scotiabank Economics, Statistics Canada.

## Chart 12



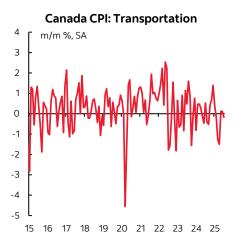
Sources: Scotiabank Economics, Statistics Canada.

## Chart 13



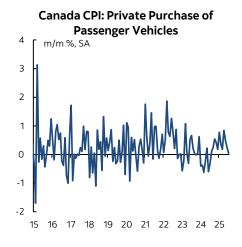
Sources: Scotiabank Economics, Statistics Canada.

#### Chart 14



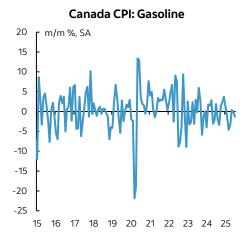
Sources: Scotiabank Economics, Statistics Canada.

Chart 15



Sources: Scotiabank Economics, Statistics Canada.

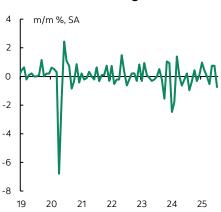
Chart 16



Sources: Scotiabank Economics, Statistics Canada.

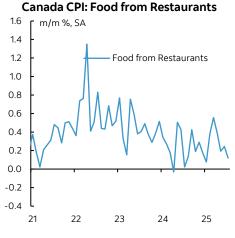
## Chart 17

## Canada CPI: Clothing & Footwear



Sources: Scotiabank Economics, Statistics Canada.

## Chart 18



Sources: Scotiabank Economics, Statistics Canada

## Chart 19

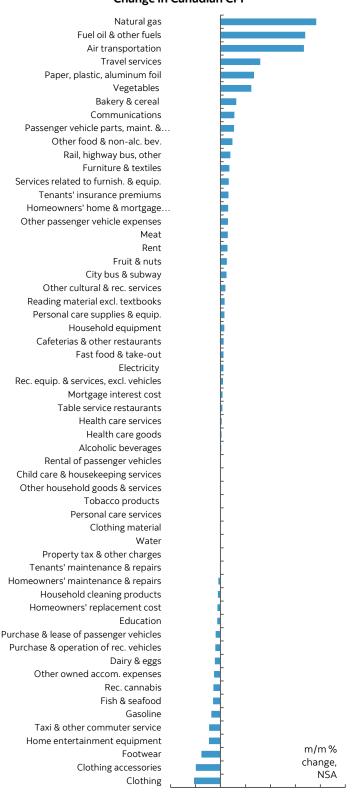


Sources: Scotiabank Economics, Statistics Canada.

15 16 17 18 19 20 21 22 23 24 25

#### Chart 20

## July Detailed Category Monthly Change in Canadian CPI

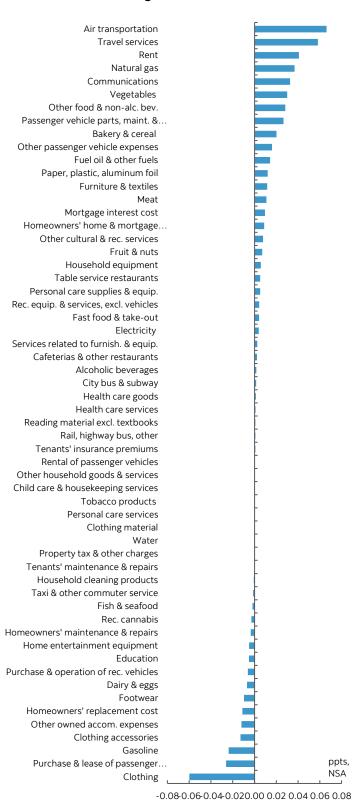


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Sources: Scotiabank Economics, Statistics Canada.

## Chart 21

## July Detailed Category Contributions to Monthly Change in Canadian CPI



Sources: Scotiabank Economics, Statistics Canada.

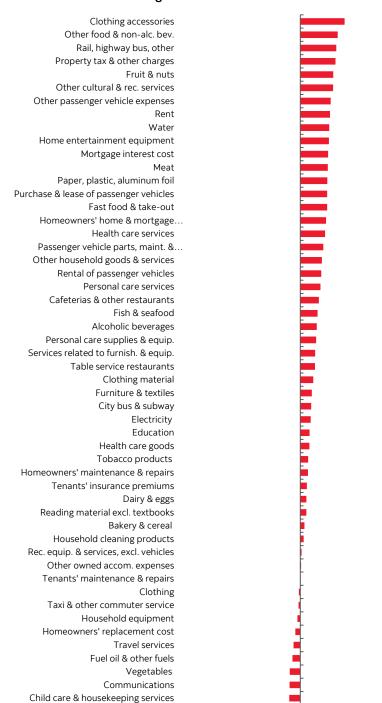
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Global Economics

8 10

#### Chart 22

## July Detailed Category 12-Month Change in Canadian CPI



Rec. cannabis

Purchase & operation of rec. vehicles

Footwear

Natural gas

Gasoline

-20

-15

-10

Air transportation

Sources: Scotiabank Economics, Statistics Canada.

y/y %

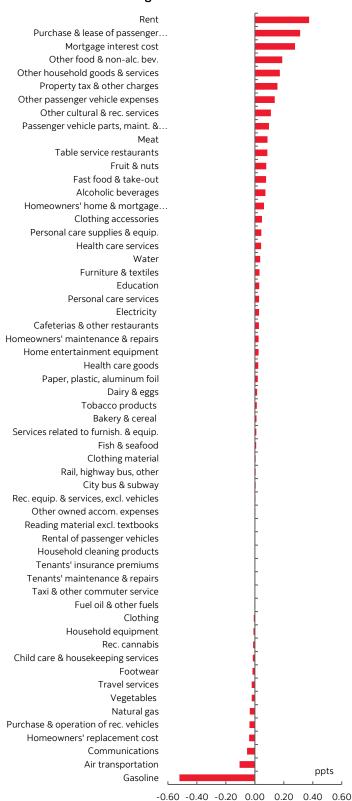
change

5

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## Chart 23

## July Detailed Category Contributions to 12-Month Change in Canadian CPI



Sources: Scotiabank Economics, Statistics Canada

# **Scotiabank**...

August 19, 2025

CAIRFLATION COMPONENT BREAKDOWN   Charge   Pendentic treat   min/ms   Key   Charge	Jul 2025					Weighted Contributions (ppts)*		(ppts)*	5-Year Pre-Pandemic			10-Year Pre-Pandemic		
Food, foreids	CA INFLATION COMPONENT BREAKDOWN				change,		у/у	m/m		Std. Dev.	Z-Score		Std. Dev.	Z-Score
March   47	Food	3.3 ~	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	0.6		16.91	0.56	0.10	2.1	1.7	0.7	2.2	1.5	8.0
Fish B seafood  30  -0.0	Food, stores	3.4 ~		0.8		10.86	0.37	0.09	1.7	2.4	0.7	2.0	2.0	0.7
Daily products A eggs Saley & Green Products O	Meat	4.7 -	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	0.6	0.1	1.87	0.09	0.01	2.5	3.6	0.6	3.4	3.6	0.4
Subsery Science  products   0.7	Fish & seafood	3.0 🔏	many and	-0.6	-0.3	0.32	0.01	0.00	2.9	1.4	0.0	2.8	2.5	0.1
Fault full props in airs  Vegables is vegable prop.  18	Dairy products & eggs	1.0		-0.5	-0.4	1.50	0.02	-0.01	0.2	1.5	0.5	0.6	1.5	0.3
Vegetables Properts & Vegetables Properts   1-18	Bakery & cereal products	0.7		1.3	0.6	1.60	0.01	0.02	0.5	2.1	0.1	1.2	2.3	-0.2
Vegetable preps	Fruit, fruit prep. & nuts	5.6 🔦	mar mannam mondern	0.5	1.5	1.40	0.08	0.01	1.8	4.4	0.9	2.0	3.5	1.0
Other Food B non-alchofolic herwarges 6.4  0.2  0.1  0.2  0.1  0.6  0.2  0.0  0.0  3.0  0.7  0.4  2.6  0.7  Table service restaurants 2.5  0.2  0.1  0.0  0.0  0.0  0.0  0.0  0.0		-1.8 c	my who was well	. 2.5	1.5	1.22	-0.02	0.03	4.9	6.4	-1.1	3.6	5.8	-0.9
Food purchased from restaurants 3.2 0.2 0.1 0.2 0.3 3.6 0.0 0.0 0.0 0.1 0.0 0.2 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0		6.4		1.0	1.0	2.95	0.19	0.03	1.0	1.5	3.5	1.3	1.7	3.0
Table service restaurants  2.5  0.2  3.46  0.09  0.01  2.9  0.0  0.00  0	-	3.2 ~		0.2	0.1	6.05			3.0	0.7			0.7	0.9
East Food & Table Out	•													-0.1
Cafeferia & Other restaurants   3.2														1.7
Seleter   3.0   0.3   0.3   0.3   0.3   0.87   0.09   1.8   0.6   2.0   1.7   0.8   0.6   0.5   0.6   0.5														0.8
Rented accommodation   So					0.3									1.6
Rent   5.5   0.6   0.5   0.7   0.0   0.0   1.3   0.8   4.8   1.3   0.8   0.6   1.5   0.0														6.2
Tenants' insurance premiums 1.1 0.6 0.12 0.00 0.00 0.00 1.1 1.6 0.0 0.3 1.6 Tenants' maintenance & repairs 0.1 0.1 0.0 0.00 0.00 0.00 0.00 0.00 0					0.5									6.3
Tenante maintenance & repairs													_	0.5
Owned accommodation   2.5	•	~		1										
Mortgage interest cost	·	-												-1.2
Homeowners' replacement cost -0.9 -0.2 -0.3 -0.2 -0.3 -0.2 -0.3 -0.5 -0.0 -0.0 -0.0 -0.0 -0.0 -0.0 -0.0		*												1.0
Property tax 8 other charges 6,0 Homeowner's home & mortgage insurance 4.4 Homeowner's home & mortgage insurance 4.5 Homeowner's home & mortgage insurance 4.6 Homeowner's maintenance & repairs 1.3														1.3
Homeowners' home & mortgage insurance														-2.0
Homeowner's maintenance Repairs  1.3  Other owned accomodation expenses  O.1  Other owned accomodation expenses  O.3  Other owned accomodation expenses  O.5  O.6  Ital  O.7  Other owned accomodation expenses  O.8  Other owned accomodation expenses  Other owned accom			~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~											4.6
Other owned accomodation expenses		,-	my my man man war											0.0
Water, fuel, & elec.         0.6         1.8         3.08         0.02         0.05         0.8         2.1         -0.1         2.5         3.4           Electricity         1.8         0.2         0.2         1.65         0.03         0.00         1.2         4.4         0.1         2.5         3.8           Water         4.9         0.0         0.3         0.75         0.04         0.00         3.7         0.9         1.3         4.9         1.4           Natural gas         7.3         7.7         7.7         0.48         -0.04         0.04         -1.3         9.0         -0.7         0.4         10.6           Fuel oil 8 other fuels         1.3         6.8         6.8         0.21         0.00         0.01         -0.1         15.5         -0.1         5.1         14.2           Household operations, furniture & equipment         1.4         0.5         0.3         13.25         0.18         0.06         1.2         1.0         0.2         1.4         0.9           Household operations, furniture & equipment         1.4         0.5         0.3         13.25         0.18         0.06         1.2         1.0         0.2         1.1         1.0	•	-		•										-0.5
Electricity  1.8  Water  4.9  0.0  0.0  0.3  0.75  0.04  0.00  3.7  0.9  1.3  4.9  1.4  1.6  Fuel oil 8 other fuels  1.1  1.5  Household operations, furniture & equipment  1.4  Household operations, furniture & equipment  1.5  Household operations  1.5  0.5  0.3  13.25  0.18  0.06  1.1  1.1  1.1  1.2  1.4  0.0  1.5  0.0  0.0  0.0  0.0  1.1  1.5  0.0  0.0	Other owned accomodation expenses	0.1 ~			-0.4	2.30	0.00	-0.01	2.0				2.0	-1.2
Water       4.9       0.0       0.3       0.75       0.04       0.00       3.7       0.9       1.3       4.9       1.4         Natural gas       7.7       7.7       0.48       -0.04       0.04       -1.3       9.0       -0.7       0.4       10.6         Fuel oil & other fuels       1.13       6.8       6.8       0.21       0.00       0.01       -0.1       15.5       -0.01       5.1       14.2         Household ops       1.5       0.5       0.3       13.25       0.18       0.06       1.2       1.0       0.2       1.4       0.9         Household ops       1.5       0.5       0.3       13.25       0.18       0.06       1.2       1.0       0.2       1.4       0.9         Household ops       1.5       0.5       9.14       0.14       0.04       1.3       1.1       0.2       2.1       1.3         Communications       -1.8       1.1       1.1       1.1       2.94       -0.05       0.03       0.0       2.8       -0.7       1.5       2.9         Child care & housekeeping services       1.9       1.0       1.1       1.1       2.9       0.0       0.0       0.0       <	Water, fuel, & elec.	0.6		1.8		3.08	0.02	0.05	0.8	2.1	-0.1	2.5	3.4	-0.5
Natural gas -7.3 -7.7 -7.7 -7.7 -7.7 -7.7 -7.7 -7.7	Electricity	1.8	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	0.2	0.2	1.65	0.03	0.00	1.2	4.4	0.1	2.5	3.8	-0.2
Fuel oil & other fuels  -1.3  -6.8  -6.8  -7.1	Water	4.9	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	0.0	0.3	0.75	0.04	0.00	3.7	0.9	1.3	4.9	1.4	0.0
Household operations, furniture & equipment Household ops.  1.5  0.6  0.7  1.7  1.8  0.8  0.9  1.1  1.1  1.1  1.1  1.2  1.0  0.2  1.1  1.0  0.2  1.1  1.0  0.2  1.1  1.0  0.2  1.1  1.0  0.2  1.1  1.1	Natural gas	-7.3 🖈	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	7.7	7.7	0.48	-0.04	0.04	-1.3	9.0	-0.7	0.4	10.6	-0.7
Household ops.  1.5	Fuel oil & other fuels	-1.3 ~	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	6.8	6.8	0.21	0.00	0.01	-0.1	15.5	-0.1	5.1	14.2	-0.5
Communications -1.8 -1.8 -1.1 1.1 2.94 -0.05 0.03 0.0 2.8 -0.7 1.5 2.9 Child care & housekeeping services -1.9 0.0 -0.2 0.72 -0.01 0.00 3.4 1.4 -3.9 3.3 1.3 Household cleaning products 0.6 0.6 -0.2 -0.1 0.35 0.00 0.00 1.3 1.9 -0.4 0.8 1.9 Paper, plastic, aluminum foil 4.6 0.45 0.02 0.01 2.2 2.2 1.1 2.0 2.0 Cher household goods & services 3.7 0.0 0.2 4.68 0.17 0.00 1.8 0.5 4.0 2.4 1.1 Household furnishings & equip. 0.5 4.11 0.03 0.02 0.8 1.7 0.0 0.1 1.6 1.6 1.6 1.0 1.6 1.6 1.0 1.6 1.6 1.0 1.6 1.6 1.0 1.8 1.9 1.0 1.8 1.0 1.8 1.9 1.0 1.8 1.0 1.0 1.8 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	Household operations, furniture & equipment	1.4 ~		0.5	0.3	13.25	0.18	0.06	1.2	1.0	0.2	1.4	0.9	-0.1
Child care & housekeeping services  -1.9  -0.0  -0.2  -0.1  -0.35  -0.00  -0.0  -0.2  -0.1  -0.35  -0.00  -0.0  -0.2  -0.1  -0.35  -0.00  -0.00  -0.2  -0.1  -0.35  -0.00  -0.00  -0.2  -0.1  -0.35  -0.00  -0.00  -0.2  -0.1  -0.35  -0.00  -0.00  -0.2  -0.01  -0.00  -0.2  -0.01  -0.00	Household ops.	1.5 ~	warmy with the same of the sam	0.5		9.14	0.14	0.04	1.3	1.1	0.2	2.1	1.3	-0.4
Household cleaning products  O.6 Paper, plastic, aluminum foil  A.6 O.7 Household goods & services  O.7 Household equipment  O.8 Services related to furnishings & equipment  O.8 Clothing & footwear  O.8 O.9 O.0	Communications	-1.8	Commence of the second	1.1	1.1	2.94	-0.05	0.03	0.0	2.8	-0.7	1.5	2.9	-1.2
Paper, plastic, aluminum foil 4.6 0.45 0.02 0.01 0.02 0.01 0.02 0.01 0.02 0.01 0.02 0.01 0.02 0.01 0.02 0.01 0.02 0.01 0.03 0.02 0.01 0.03 0.02 0.08 0.01 0.04 0.01 0.03 0.02 0.08 0.01 0.04 0.01 0.04 0.01 0.05 0.01 0.06 0.05 0.07 0.08 0.07 0.08 0.07 0.08 0.07 0.08 0.08	Child care & housekeeping services	-1.9		0.0	-0.2	0.72	-0.01	0.00	3.4	1.4	-3.9	3.3	1.3	-3.9
Other household goods & services  3.7  Household furnishings & equip.  0.8  Furniture & textiles  0.7  1.65  0.03  0.01  0.0  0.1  1.8  0.5  4.0  2.4  1.1  Household furnishings & equip.  Furniture & textiles  0.7  1.65  0.03  0.01  0.4  2.1  0.7  -0.3  2.1  Household equipment  0.3  0.5  1.91  -0.01  0.01  0.9  1.7  -0.9  0.0  1.8  0.7  -0.3  2.1  -0.9  0.0  1.8  0.7  0.0  0.1  1.65  0.03  0.01  0.	Household cleaning products	0.6 🗸	many more	-0.2	-0.1	0.35	0.00	0.00	1.3	1.9	-0.4	0.8	1.9	-0.1
Other household goods & services  3.7  Household furnishings & equip.  0.0  0.2  4.68  0.17  0.00  1.8  0.5  4.0  2.4  1.1  Household furnishings & equip.  Furniture & textiles  0.7  1.65  0.03  0.01  0.4  2.1  0.7  -0.3  2.1  Household equipment  0.3  0.5  1.91  -0.01  0.01  0.9  1.7  -0.9  0.0  1.8  0.5  4.0  2.4  1.1  1.6  1.6  1.6  1.6  1.6  1.6  1	Paper, plastic, aluminum foil	4.6 ~		2.7	1.6	0.45	0.02	0.01	2.2	2.2	1.1	2.0	2.0	1.3
Household furnishings & equip.  0.8  -0.5  0.7  1.65  0.03  0.01  0.4  2.1  0.7  -0.3  2.1  Household equipment  0.5  0.7  0.0  0.8  1.7  0.0  0.1  1.6  Furniture & textiles  0.7  1.65  0.03  0.01  0.4  2.1  0.7  -0.3  2.1  -0.9  0.0  1.8  Services related to furnishings & equipment  2.5  0.7  0.2  0.39  0.01  0.00  2.4  1.8  0.1  2.7  2.9  Clothing & footwear  0.8  -1.9  -0.7  4.4  0.03  -0.08  0.6  1.2  0.1  0.3  1.4  -0.5  -0.3  2.1  Footwear  -1.9  -0.7  -1.5  -0.9  0.63  -0.02  -0.01  0.4  1.7  0.0  0.1  1.6  0.7  0.0  0.1  1.6  0.7  0.0  0.1  1.6  0.0  0.1  1.6  0.0  0.1  1.6  0.0  0.1  0.0  0.1  0.0  0.1  0.0  0.1  0.0  0		3.7	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	0.0	0.2	4.68	0.17	0.00	1.8	0.5	4.0	2.4	1.1	1.2
Furniture & textiles  2.0  4.0  4.0  5.0  5.0  5.0  6.0  6.0  6.0  6.0  6			~~~	0.5			0.03		0.8	1.7		0.1		0.5
Household equipment  -0.5  -0.7  -0.9  -0.9  -0.0  -0.9  -0.			~ ~~ ~~ ~~ ~~ ~~ ~~ ~~ ~~ ~~ ~~ ~~ ~~ ~											1.1
Services related to furnishings & equipment  2.5  0.7  0.2  0.39  0.01  0.00  2.4  1.8  0.1  2.7  2.9  Clothing & footwear  0.8  -0.3  -0.4  -0.5  -0.5  -0.5  -0.5  -0.6  -0.5  -0.5  -0.6  -0.5  -0.6  -0.5  -0.6  -0.5  -0.6  -0.7  -1.5  -0.9  0.63  -0.02  -0.01  0.4  1.2  -0.5  -0.3  -0.1  1.4				1	0.5									-0.3
Clothing & footwear  O.8  -1.9  -0.7  4.4  0.03  -0.08  0.6  1.2  0.1  0.3  1.4  Clothing  -0.3  -0.5  -0.5  -0.5  -0.6  -0.5  -0.5  -0.3  2.1  -0.5  -0.6  -0.7  -0.7  -0.8  -0.8  -0.9		7		1										-0.1
Clothing -0.3 -2.1 -0.5 2.83 -0.01 -0.06 0.5 1.6 -0.5 -0.3 2.1 Footwear -1.5 -0.9 0.63 -0.02 -0.01 0.4 1.2 -2.5 0.1 1.4	• • • • • • • • • • • • • • • • • • • •		wown Ing. hum,											0.3
Footwear -2.5 -0.9 0.63 -0.02 -0.01 0.4 1.2 -2.5 0.1 1.4	_		my m m m								_			0.0
	-		manning has and him							_				-1.8
			Last a market of all the same of the same		-0.5									2.1
Clothing accessories 2.2 0.0 0.28 0.01 0.00 2.2 0.7 0.0 2.7 1.2	-		Ma so se selv											-0.4

## **Scotiabank**...

August 19, 2025

Jul 2025					Weighted C	Contributions	ontributions (ppts)*		5-Year Pre-Pandemic			10-Year Pre-Pandemic		
CA INFLATION COMPONENT BREAKDOWN	y/y % change	10-year trend Pandemic trend (Jan 2019–Present)		m/m % change, SA**	Weights (%)	у/у	m/m	2015–2019 avg. y/y	Std. Dev.	Z-Score	2011–2019 avg. y/y	Std. Dev.	Z-Score	
Transportation	-1.5		0.4	-0.2	16.9	-0.25	0.07	1.7	3.1	-1.0	2.3	3.0	-1.3	
Private trans.	-0.9	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	-0.1		15.2	-0.13	-0.01	1.3	3.2	-0.7	2.2	3.2	-1.0	
Purchase, lease, rental of passenger vehicles	4.6	Mostry Warren Way of money of	-0.4		6.84	0.31	-0.03	2.3	1.5	1.5	1.9	1.6	1.6	
Purchase & lease of passenger vehicles	<u>4.6</u>	Markey Warren Way	<u>-0.4</u>		<u>6.79</u>	<u>0.31</u>	<u>-0.03</u>	<u>2.3</u>	<u>1.5</u>	<u>1.5</u>	<u>1.9</u>	<u>1.6</u>	<u>1.6</u>	
Rental of passenger vehicles	<u>3.6</u>		<u>0.0</u>	<u>-1.7</u>	<u>0.06</u>	0.00	0.00	<u>1.4</u>	5.2	0.4	<u>1.2</u>	4.1	0.6	
Operation of passenger vehicles	-4.1	many was a second	0.2		8.37	-0.34	0.02	0.7	5.7	-0.8	2.4	5.4	-1.2	
<u>Gasoline</u>	<u>-16.1</u>	many Management	<u>-0.7</u>	<u>-1.2</u>	3.23	<u>-0.52</u>	-0.02	<u>-0.6</u>	<u>13.5</u>	-1.2	<u>3.0</u>	12.2	<u>-1.6</u>	
Passenger vehicle parts, maintenance & repairs	<u>3.9</u>		<u>1.1</u>	<u>0.4</u>	2.47	<u>0.10</u>	<u>0.03</u>	<u>1.9</u>	<u>0.3</u>	<u>5.8</u>	<u>1.6</u>	<u>0.8</u>	<u>3.0</u>	
Other passenger vehicle expenses	<u>5.2</u>		<u>0.6</u>	<u>0.6</u>	2.66	0.14	0.02	<u>2.4</u>	2.2	<u>1.3</u>	2.6	2.0	<u>1.3</u>	
Public trans.	-6.7	MMM	4.4		1.69	-0.11	0.07	4.8	3.9	-3.0	3.4	3.7	-2.7	
Local & commuter transportation	1.2	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	0.1	-1.3	0.46	0.01	0.00	1.5	0.5	-0.6	2.2	1.2	-0.9	
City bus & subway	1.9	~~~~~°°°°°°°°°°°°°°°°°°°°°°°°°°°°°°°°°	0.5		0.33	0.01	0.00	2.1	0.7	-0.3	2.8	1.4	-0.6	
<u>Taxi &amp; other commuter service</u>	-0.3	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	-0.9		0.13	0.00	0.00	0.1	0.8	-0.5	0.9	1.2	-1.0	
Inter-city transportation	-9.4		6.1	-2.1	1.09	-0.10	0.07	6.2	5.7	-2.7	3.9	5.8	-2.3	
<u>Air transportation</u>	-10.6		6.7		0.99	-0.10	0.07	6.5	6.2	-2.8	4.0	6.4	-2.3	
Rail, highway bus, other	6.2	The whole who will be a factor of the same	0.8		0.10	0.01	0.00	2.7	1.8	2.0	2.0	4.2	1.0	
Health & personal care	2.8		0.1	0.3	5.05	0.1	0.01	1.4	0.4	3.5	1.3	0.9	1.8	
Health care	2.8		0.1		2.53	0.1	0.00	1.3	0.6	2.6	1.1	0.8	2.1	
Health care goods	1.6	and the second	0.1	0.1	1.51	0.0	0.00	0.5	0.7	1.5	-0.1	1.1	1.5	
Health care services	4.2	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	0.1	0.3	1.02	0.0	0.00	2.5	0.6	3.1	2.9	0.8	1.7	
Personal Care	2.9	manufacture and the same and th	0.2		2.52	0.1	0.00	1.5	0.5	2.6	1.5	1.2	1.2	
Personal care supplies & equipment	2.7	war and the same of the same o	0.3	0.5	1.66	0.0	0.01	0.4	0.9	2.5	0.5	1.6	1.4	
Personal care services	3.5		0.0	0.3	0.86	0.0	0.00	2.9	0.7	0.8	2.7	1.4	0.5	
Recreation, education & reading	0.9	many many many many many many many many	0.5	-0.3	10.12	0.1	0.05	1.7	8.0	-1.0	1.3	0.9	-0.4	
Recreation	1.0	many many many many	0.79		7.94	0.08	0.06	1.4	1.0	-0.4	0.6	1.2	0.3	
Recreational equipment & services, excl. vehicles	0.2	who was a second which where we will second	0.2	0.1	2.13	0.0	0.00	-0.8	1.6	0.7	-2.2	2.0	1.2	
Purchase & operation of recreational vehicles	-2.5	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	-0.4	0.2	1.48	0.0	-0.01	2.6	1.8	-2.8	1.9	2.0	-2.3	
Home entertainment equipment	4.9	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	-0.9	-1.5	0.53	0.0	0.00	-3.8	2.0	4.3	-4.9	2.2	4.5	
Travel services	-1.2	my manufacture and manufacture and a second	3.2	-2.0	1.83	0.0	0.06	0.8	2.9	-0.7	0.4	2.8	-0.5	
Other cultural & rec. services	5.6		0.4	0.6	1.97	0.1	0.01	3.5	1.1	2.0	3.4	1.4	1.6	
Educ. & reading	1.5		-0.16		2.18	0.03	0.00	2.5	1.4	-0.8	3.0	1.1	-1.3	
Education	1.6		-0.3	0.1	1.91	0.0	-0.01	2.4	1.4	-0.6	3.0	1.2	-1.2	
Reading material excl. textbooks	1.0	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	0.3	0.3	0.27	0.0	0.00	3.8	2.8	-1.0	3.2	2.9	-0.8	
Alcoholic beverages, tobacco & rec. cannabis	1.9	~^~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	0.0	0.0	3.99	0.1	0.00	3.2	1.2	-1.1	2.7	1.3	-0.7	
Alcoholic beverages	2.8		0.07		2.58	0.07	0.00	1.7	0.5	2.1	1.4	0.7	2.0	
Alc. beverages served in licensed establishments	3.4	many many	0.1	0.3	0.77	0.0	0.00	1.8	0.6	2.6	2.0	0.7	2.0	
Alc. beverages purchased from stores	2.6		0.0	0.1	1.81	0.0	0.00	1.7	0.7	1.3	1.1	1.1	1.4	
Tobacco products	1.3	Maran Maran	0.00		1.01	0.01	0.00	5.6	2.1	-2.0	4.8	2.8	-1.3	
Cigarettes	0.8	Marine Land	0.0		0.89	0.0	0.00	5.6	2.1	-2.3	4.8	2.8	-1.4	
Other tobacco products & supplies	4.3	morning	-0.1		0.12	0.0	0.00	5.6	2.0	-0.6	4.9	2.6	-0.2	
Rec. cannabis	-2.4	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	-0.57		0.50	-0.01	0.00							

<sup>\*</sup>Number may not add due to rounding

<sup>\*\*</sup> Only available for components that are tracked on a seasonally adjusted basis. Sources: Scotiabank Economics, Statistics Canada.

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