

Market Watch

Table with 7 columns: S&P/TSX, S&P 500, DOW, NASDAQ, DOLLAR, OIL per barrel, GOLD. Values include 20,485.66, 4,071.70, 34,429.88, 11,461.50, 74.25¢US, US\$79.98, US\$1,809.60.

Profits in 15 sectors, including oil and gas, driving bulk of inflation: report

The Canadian Press

A new report by the Centre for Future Work found that growth in corporate profits this year compared to pre-pandemic has been concentrated in a small number of sectors where consumer prices have also risen the fastest.

Report author and economist Jim Stanford analyzed the profits of the 52 business sectors tracked by Statistics Canada, and found that just under a third of these sectors were responsible for driving overall corporate profits up. Combined after-tax profits in the 15 most profitable sectors grew by 89 per cent during the most recent 12-month period compared to the four quarters before the pandemic hit.

Profits in the other 37 sectors tracked by Statistics Canada fell during the same period. Among all sectors combined, profits were up almost 30 per cent.

After-tax corporate profits in 2022 so far make up 17.4 per cent of Canada's GDP, the highest share in history, Stanford said.

The oil and gas sector tops the profitable list by far with a \$38-billion increase in profits, or more than 1,000 per cent, since 2019. Other highly profitable sectors included mining, which saw profits rise by almost 700 per cent, banking, real estate, building products, motor vehicle dealers, grocery stores and food manufacturing.

In fact, the report said that large price increases on eight specific products sold or produced

by those sectors accounts for more than half of overall inflation in the past year, based on Statistics Canada data.

Stanford said he found this number "startling."

"Both the concentration of profits in those sectors, and the concentration of price pressure in products produced by both sectors, really shows that this is not a generalized overheating problem," he said.

These eight products were home fuel oil, home natural gas, gasoline, mortgage interest, groceries, home maintenance, motor vehicles and insurance, and together Stanford calculated they accounted for 3.51 percentage points of the overall October inflation rate, which was 6.9 per cent. That's despite the fact that those eight products make up less than 30 per cent of the weight of the CPI basket as measured by Statistics Canada.

Stanford argues that this data proves rising corporate profits are the dominant cause of inflation, since those eight products alone account for more than half the percentage-point increase in the latest inflation numbers.

Some of those eight products, like gas, also had knock-on effects on things like food prices, the report notes, which also factor into inflation.

Some economists and the Bank of Canada have expressed concern that as wages rise in the face of inflation, this could entrench inflation and cause



CP FILE PHOTO Pumpjacks draw oil out of the ground near Olds, Alta. in 2020.

what's known as a wage-price spiral. In July, Tiff Macklem warned employers not to build inflation into longer-term contracts.

But so far, wages have not surpassed overall inflation. In fact, corporate profits have increased around three times as fast as wages since the beginning of the pandemic, Stanford said.

He said the Bank of Canada has been putting too much attention on the role of the labour market in persistent inflation.

"The Bank of Canada's argument that inflation is up because Canadians have too much work and too much money to spend is absolutely contradicted by this evidence."

The Bank of Canada has said that inflation increasingly reflects domestic pressures, and has cited Canada's low unemployment rate as "unsustainable."

The report recommends measures for policymakers to consider other than interest rate hikes, measures he argues in the report would be better than "a cold bath" of employment-reducing monetary tightening.

These include targeted price regulations to limit how much companies can profit from sector-specific disruptions, like in energy or housing; excess profit taxes; and offsetting fiscal support for consumers financed by said taxes. Several European countries have already implemented some of these types of things, such as a price cap on energy, or excess profit taxes for the energy sector that go to household transfers.

There are also examples of these measures within Canada, such as a recent tax on big bank profits, making such measures not unprecedented, he said.

CWB Financial Group reports Q4 profit down, raises dividend

The Canadian Press

CWB Financial Group raised its dividend and reported its fourth-quarter profit fell compared with year ago as its provision for credit losses rose.

The bank says it upped its quarterly dividend by a penny to 32 cents per share.

The increased payment to shareholders came as CWB reported common shareholders' net income of \$67.7 million or 72 cents per share for the quarter ended Oct. 31, down from \$90.0 million or \$1.01 per diluted share a year earlier. Revenue totalled \$279.8 million, up from \$260.6 million in the same quarter last year.

CWB said its provision for credit losses amounted to \$12.2 million in its latest quarter compared with a \$10.2-million recovery of credit losses in its fourth quarter last year.

On an adjusted basis, CWB said it earned 88 cents per share, down from an adjusted profit of \$1.03 per share a year ago.

Analysts on average had expected a profit of 87 cents per share, according to estimates compiled by financial markets data firm Refinitiv.

"Our performance this year reflected solid growth and continued investment in strategically targeted full-service growth initiatives in a volatile economic environment," CWB chief executive Chris Fowler said.

PUBLIC NOTICES Medicine Hat logo

8AM - 4PM SPECIAL SERVICES
Electric Outages... 403.529.8260
Gas Emergency... 403.529.8191
Water & Sewer Emergency... 403.502.8042
After Hours Special Services... 403.526.2828

DEVELOPMENT PERMITS APPROVED NOVEMBER 24 TO NOVEMBER 30, 2022 PLANNING & DEVELOPMENT SERVICES

Table with 2 columns: Address, Details. Residential permits for 168 SOMERSET WAY SE.

COMMERCIAL/INDUSTRIAL/INSTITUTIONAL

Table with 2 columns: Address, Details. Commercial/Industrial/Institutional permits for 2055 HOLSOM ROAD SW, 104 1276 STRACHAN ROAD SE, 12 3295 DUNMORE ROAD SE, 88 SCHNEIDER CRESCENT SE, 16 MORRIS COURT SE, 6 SOMERSET CRESCENT SE.

A person claiming to be affected by a decision of the Development Officer or the Municipal Planning Commission may appeal to the Medicine Hat Subdivision and Development Appeal Board by completing and submitting to the City Clerk Department, the required Notice of Appeal form within twenty one (21) days of this publication.

All Development Permits listed are subject to conditions. Further information on any Development Permit may be obtained from the Planning & Development Services Department, Second Floor, City Hall during normal business hours (Telephone 403.529.8374).

2023 TRANSIT TERMINAL PARKING PASSES ARE NOW AVAILABLE

Located at the corner of 4 Street SE & 6 Avenue SE
Current rates are available on the City of Medicine Hat website: https://www.medicinehat.ca/en/roads-parking-and-transportation/transit-parking.aspx

PROTECT WATER LINES FROM FREEZING

The following actions should be considered to protect your water lines during the cold weather months:

- Repair broken windows and ensure windows/vents are closed during the winter.
• Insulate water pipes in unheated areas, including crawl spaces.
• For sinks located against a non-insulated outside wall:
- Open the vanity door to allow warm air to reach the water pipes.
- A light bulb placed near the water pipe may generate enough heat to keep the water flowing.
- Heat tape wrapped around the pipe may keep the pipe from freezing.
• Residents of mobile homes should check the condition of the heat tape on their water service and water meter.
• Protect an unheated indoor water meter with an insulated box and water pipes should be wrapped in insulation using heat tape.
• Outside water faucets and underground sprinkler systems should have the water supply shut off inside the house at the isolation valve for the faucet/hose bib.
• Sprinkler lines and faucets should be drained/blown out.
• A thin stream of cold-water (as thick as a pen) running continuously from at least one faucet will help prevent a frozen water service.
• If you plan to be away from home over the winter period, close the main water isolation valve located next to the water meter in your home.
• You should leave the heat on in your home and have someone check inside your home daily while you're away.

A frozen water service or a burst water pipe is an inconvenience and expense that most people would like to avoid. Please take all possible precautions to prevent this happening in your home or business.

For more information, refer to www.medicinehat.ca/frozenwaterlines or contact City Assets Environmental Utilities at 403-529-8176.

TAX INSTALMENT PAYMENT PLAN (T.I.P.P.)

Sign up before December 31, 2022 to avoid the 2% filing fee. WHAT IS T.I.P.P.?



T.I.P.P. is a monthly tax instalment payment plan to make consecutive monthly payments for taxes by automatic electronic funds transfer from your bank account.

Monthly payments start January 1 in each year and are made on the first day of every month. Monthly payments for January to June shall be equal to 1/12 of the annual tax levy from the previous year (estimate is used as current year tax bill is not complete). Monthly payments from July to December shall be equal to 1/6 of the outstanding balance for the current year as of June 30.

WHY USE T.I.P.P.?
TIPP breaks the annual tax payment into monthly payments to make budgeting easier. Payments are automatic, convenient and reliable, ensuring that your tax bill is paid even if you are on vacation, out of town on business or unwell. TIPP is not subject to discount or penalties as long as monthly payments are made.

HOW DO YOU SIGN UP?
• Visit www.medicinehat.ca/tipp
• Email tax@medicinehat.ca
• Call 403-529-8111

GAS, ELECTRIC, WIND ENERGY RATES SET FOR DECEMBER
Medicine Hat - The City of Medicine Hat has set its December energy commodity rates.

Natural Gas
The December natural gas commodity rate of \$6.1540 per gigajoule (GJ), up from the previous month of \$5.5070 per GJ, for all customers is based on the average of the monthly gas charges set by Alberta gas distribution (pipes) owners.

Table with 2 columns: December 2022 (per GJ), Rate per GJ. Direct Energy Regulated Services: \$6.140. APEX Utilities Inc.: \$6.167. City of Medicine Hat Rate (based on the average): \$6.154.

The City of Medicine Hat calculates the Monthly Reference Price based on the average of the rates approved by the Alberta Utilities Commission.

Electricity
The December electricity rate of \$0.22990 per kilowatt hour, up from the previous month of \$0.17734 per kilowatt hour, for Residential, Farm, Small and Medium Commercial, Unmetered Services and Rental Lighting, is based on the average of the rates for owners whose regulated rate tariffs are approved by the Alberta Utilities Commission under section 103(2) of the Electric Utilities Act for that calendar month as posted by the Alberta Utilities Commission on its internet page under Regulated Rate Option Regulation.

Table with 2 columns: December 2022 (per kilowatt hour), Rate per kWh. Direct Energy Regulated Services: \$0.21768. ENMAX Energy Corporation: \$0.22133. EPCOR Energy Alberta GP (Edmonton): \$0.24208. EPCOR Energy Alberta GP (outside Edmonton): \$0.23852. City of Medicine Hat Rate (based on the average): \$0.22990.

The City of Medicine Hat calculates the Monthly Reference Price based on the average of the rates using the four Regulated Rate Option providers approved by the Alberta Utilities Commission under section 103(2) of the Electric Utilities Act.

The December default electricity rate for Large Commercial, Industrial and Street Lighting customers is based on the monthly average Alberta Power Pool price as established and published by the Alberta Electric System Operator (AESO) plus \$0.02 per kilowatt hour. The rate for November was \$0.20684 per kilowatt hour.

Fixed Rate Option
The City of Medicine Hat also offers a fixed electric commodity price for Residential, Farm, Small and Medium Commercial customers. The fixed rate for 2022 is \$0.0800 per kilowatt hour.

The Gas Utility offers a fixed natural gas commodity price for all rate class customers. The fixed rate for 2022 is \$4.35 per GJ.

Going Green Charge
Customers also have a "Going Green" surcharge on their bill. This surcharge is for renewable energy purchased for residential, farm, small and medium commercial customers. The Going Green surcharge is calculated monthly to recover costs incurred to purchase renewable energy. The Going Green surcharge for December is \$0.0005 per kilowatt hour. For further information, please contact: media@medicinehat.ca