Market Watch

S&P/TSX	S&P 500	DOW	NASDAQ	DOLLAR	OIL per barrel	GOLD
35,263.85	7,457.69	52,146.42	25,520.24	71.36¢US	US$81.78	US$4,018.80
-76.30	-76.08	-406.55	-361.70	+0.12¢	+ $3.50	+$26.70

Temporary relief in gas prices expected to pull inflation back below 3% in June

CRAIG LORD
The Canadian Press

Falling gas prices in June are expected to pull the annual inflation rate back below three per cent when Statistics Canada reports fresh price data on Monday.

A Reuters poll of economists expects inflation fell to 2.9 per cent in June from a recent high of 3.2 per cent in May, according to LSEG Data & Analytics.

Economists at Royal Bank of Canada are a bit below that poll and expect inflation to ease to 2.8 per cent in June.

"Outside of more volatile components, inflation pressures are expected to remain broadly stable," wrote RBC's Nathan Janzen and Abbey Xu in a note to clients Friday.

Benjamin Reitzes, managing director of Canadian rates and macro strategist at BMO, said a 10 per cent drop in pump prices last month puts his inflation forecast right in line with the consensus.

Global oil prices were falling in June on the prospect of peace between the United States and Iran, but renewed hostilities over the critical Strait of Hormuz are pushing the cost of gasoline higher again.

Reitzes said gas prices are not yet back to the highs seen over the spring, but the resurgence is a risk to the inflation outlook. The headline inflation rate could rise again in July after the expected dip in June, he warned.

"There's a lot of unpredictability around what's going to happen with the Middle East. Energy prices could still go higher, that could re-spark more inflation," Reitzes said.

The Bank of Canada held its benchmark interest rate steady at 2.25 per cent for a sixth consecutive time on Wednesday.

Officials warned in an updated monetary policy report that the ongoing Middle East conflict means the inflation forecast is still highly uncertain.

The central bank expects the energy price shock will continue to fuel inflation through early 2027 before cooling back toward its two per cent target.

The Bank of Canada is seeing few signs so far that inflationary pressure from the Iran war is spilling over into other parts of the consumer basket. A soft economy is holding back many businesses from passing those higher costs on to consumers, the central bank noted this week.

Reitzes said if there are signs in the inflation data that more price segments are rising faster than three per cent, that would catch the attention of monetary policymakers.

"Broad-based spreading of that pressure is what they're really worried about," he said.

THE CANADIAN PRESS CHRISTINNE MUSCHI

A person pumps gas in Montreal on April 2.

"The sector that is most susceptible, most vulnerable to higher inflation, would probably be food prices."

Consumers are more likely to see the impacts of the Iran war at the grocery store because fresh food prices are sensitive to higher fuel and shipping costs.

Food inflation accelerated to 3.8 per cent in May, up from 3.5 per cent the month previous. Janzen and Xu said that they expect food inflation to "remain firm" at 3.6 per cent in June.

Reitzes said one area where inflation is continuing to cool is in shelter, where slowing population growth is helping to rein in housing costs.

There were signs the sluggish housing market might have bottomed out in June, Reitzes said, which suggests prices may be stabilizing in the sector. But he said he's not worried about pressures ramping up again anytime soon.

"Stable, low shelter-related inflation — that should be a positive for the Bank of Canada, that should be positive for Canadians and help keep overall inflation somewhat contained," Reitzes said.

The Bank of Canada will get a look at inflation data for both June and July before making its next interest rate decision on Sept. 2.

PUBLIC NOTICES

Medicine Hat

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 JULY 9 TO JULY 15, 2026

What's Happening IN YOUR NEIGHBOURHOOD?

Scan code to view development notices online (updated weekly)

RESIDENTIAL

91 CALDER ROAD SE - Backyard Suite With Accessory Coverage Variance

62 MORROW COURT NW - Residential Accessory Building (Garage).

HOME BUSINESS

183 SOMERSIDE WAY SE - Home Business Minor - Occupational Therapy.

25 EAST GLEN DRIVE SE - Home Business Minor - Electrician.

206 ABERDEEN STREET SE - Home Business Minor - Landscaping. (Refused. No application fee payment / Incomplete application).

778 9 STREET SE - Home Business Minor - Consultant.

A person claiming to be affected by a decision of the Development Authority 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. Forms available from: City Clerk Dept., 3rd Floor, City Hall or City website: www.medicinehat.ca.

All Development Permits listed are subject to conditions. For more information, contact Planning and Development Services, 2nd Floor, City Hall. Ph. (403) 529-8374.

FIRE HYDRANT INSPECTIONS & WATER MAIN FLUSHING

Environmental Utilities maintenance crews perform regular, routine maintenance to uphold the waterworks system infrastructure and water quality by annually inspecting fire hydrants and flushing water mains.

During these operations, there may be some discolouration in the water which is not harmful to consume and will dissipate when flushing is complete.

It is important to note that discoloured water should not be used for laundry, and that fluctuating water pressure may also be noticed.

Should discolouration persist over three hours, turn on a cold-water faucet or an outside sprinkler and let the water run for several minutes until the water runs clear.

For additional information or to confirm whether crews are working in your zone, refer to the Water Flushing information on the City's website at www.medicinehat.ca/water or contact Environmental Utilities at 403-529-8176.

www.medicinehat.ca

Saskatchewan sawmill curtailing operations, 117 employees affected

The Canadian Press

The operators of a Saskatchewan sawmill say production will be curtailed later this year for an unknown amount of time.

Workers at the mill in Big River received news about layoffs in a letter Thursday from Carrier Forest Products Inc., stating it would "indefinitely curtail production" beginning Oct. 16.

A statement from Carrier says approximately 117 employees will be affected, and it cites "many challenges, including the cumulative and ongoing effects of persistent weak market conditions."

It says the weak Canadian dollar means the cost of cross-border financing has gone up and that last year's wildfires reduced the amount of timber available for the Big River facility.

Jeff Bromley of the United Steelworkers Wood Council calls the news about the Big River facility "devastating" but adds there's some hope because it's not a permanent closure.

Bromley says workers at numerous mills in British Columbia have also faced similar news.

"Saskatchewan has managed to keep going and get through this mess," Bromley said in a phone interview.

Carrier said some workers will remain at the site until the end of January in order to ensure the curtailment is orderly. It said it regrets the impact the curtailment will have on employees, their families, their communities, suppliers and customers.

"Management has not determined that the facility will be permanently closed and remains committed to reviewing all options to resuming operations in the future," its statement said.

Jordan McPhail, the Opposition NDP's forestry critic, said in a statement the Saskatchewan Party government has refused to protect the sector from U.S. tariffs, and has allowed disease, insects and fires to devastate forests.

"My thoughts are with the 117 workers and their families who will be impacted by this decision," McPhail said in the statement.

"These are families being thrown into financial anxiety, because of the unjustified mismanagement of Saskatchewan's forestry industry by Scott Moe and the Sask. Party."

Saskatchewan Energy and Resources Minister Chris Beaudry said in a statement the government is committed to connecting laid-off workers with support services.

He added the province wants a "strong and prosperous" forestry sector.

"We have made significant changes to the timber royalty system to align it with other resource royalty structures in the province to help improve the industries competitiveness," Beaudry said.

"Today's announcement is a direct result of the unjustified U.S. tariffs and duties, a weak pricing environment and a falling exchange rate."