MARKETS

COMPANIES OF LOCAL INTEREST

Tuesday's stock prices supplied by
RBC Dominion Securities of Red Deer. For information call 341-8883.

Diversified and Industrials

ATCO 46.26
BCE Inc. 61.74
BlackBerry 7.47
Bombardier (Class B) . . . 31.63
Cdn. National Railway . 156.18
Cdn. Pacific Railway. . . . 97.60
Cdn. Utilities 40.23
Capital Power Corp 51.13
Dow Inc. 46.09
Enbridge Inc. 54.38
Finning Intl. Inc. 26.22
Fortis Inc. 56.02
General Motors Co. 39.06
Parkland Fuel Corp. 31.51
SNC Lavalin Group. 24.91
Stantec Inc. 62.18
Telus Corp. 28.52
Transalta Corp. 12.53
TC Energy Corp 62.94

Consumer

Canadian Tire 154.87
Gamehost 7.95
Leon's Furniture 16.50
Loblaw Ltd. 112.86
Maple Leaf Foods. 22.25
Wal-Mart 133.55

Mining

Barrick Gold 20.12
Cameco Corp. 37.93
First Quantum Minerals . 24.00
Hudbay Minerals. 5.56
Kinross Gold Corp. 4.68
Nutrien Ltd.. . . . . 120.13
Sherritt Intl. 0.41

Energy

Arc Resources 18.48
Baker Hughes. 23.00
Bonterra Energy 7.77
Cdn. Nat. Res. 71.20
Cenovous Energy Inc. . . 24.56
CWC Well Services 0.20
Ovintiv Inc.. . . . . 65.63
Essential Energy. 0.35
Exxon Mobil 92.44
Halliburton Co. 27.62
High Arctic 1.43
Imperial Oil 61.91
Obsidian Energy Ltd. . . . 11.12
Precision Drilling Corp . . 82.86
Suncor Energy 41.72
Trican Ltd.. . . . . 3.24
Vermilion Energy 30.18

Financials

Bank of Montreal 126.07
Bank of N.S. 71.08
CIBC. 63.02
Cdn. Western 24.01
Great West Life. 31.18
IGM Financial 36.47
Intact Financial Corp. . . 200.93
Manulife Corp. 22.66
National Bank 90.33
Royal Bank 127.25
Sun Life Fin. Inc.. . . . . 57.32
TD Bank 87.79

MARKETS CLOSE

TORONTO — Canada's main stock index closed down almost one per cent in broad-based declines Tuesday, similar to losses in U.S. stock markets a day ahead of the U.S. Federal Reserve's latest rate decision.

The S&P/TSX composite index ended down 193.69 points at 19,368.69 after trading as low as 19,246.77 in mid-afternoon trading.

The declines on the Toronto market came despite August inflation data out of Statistics Canada that came in lower than analyst expectations, which slightly eased expectations for the Bank of Canada's next rate hike. The Canadian data, however, was overshadowed by what's happening in other markets, said Portfolio Management Corp. managing director Anish Chopra.

"U.S. markets and what's happening in Europe are really driving a lot of the action. You're still getting high inflation readings all across Europe. If you look at the United States, investors are awaiting the Fed policy decision."

The Fed has long been expected to raise its policy rate by three-quarters of a percentage point on Wednesday, but the chances of an even higher increase have grown after last week's higher-than-expected inflation data out of the U.S., said Chopra.

"As more inflation data comes in, the chance of let's say a 100-basis-point increase tomorrow has risen."

The expectations of the impending rate hikes put pressure across an array of sectors Tuesday, as well as key commodities such as oil, gold and copper.

The declines included higher drops for growth-oriented stocks like Shopify Inc., down 5.2 per cent, and the wider S&P/TSX information technology index down 2.2 per cent, while the base metal index was down 1.6 per cent and the financial index was down 0.9 per cent.

In New York, the Dow Jones industrial average closed down 313.45 points at 30,706.23. The S&P 500 index was down 43.96 points at 3,855.93, while the Nasdaq composite was down 109.97 points at 11,425.05.

Canadian inflation data, which came in at 7.0 per cent for last month, was below consensus expectations of 7.3 per cent to slightly push down expectations of a half-percentage-point rate increase next month, said Chopra.

The easing of expectations of Canadian rate hikes, combined with rising expectations in the U.S., helped further push down the loonie, which traded for 74.93 cents US compared with 75.26 cents US on Monday.

"There's an issue in that the Bank of Canada may slow rate increases, but the U.S. will continue down their rate path and that's putting pressure on the Canadian dollar," said Chopra.

The loonie has slipped from around 78 cents US in mid-August on both rate expectations and dropping commodity prices.

On Tuesday, the November crude contract was down US$1.42 at US$83.94 per barrel and the October natural gas contract was down 3.5 cents at US$7.72 per mmBTU.

The December gold contract was down US$7.10 at US$1,671.10 an ounce and the December copper contract was down a penny at US$3.50 a pound.

INFLATION

Grocery prices in Canada continue meteoric ascent

BY THE CANADIAN PRESS

Shea McInnis used to love cooking.

But higher prices have reduced the PhD student to basic meal planning on a shoestring budget.

"Now it's just about what nutrition I can produce with the dollars I have," said McInnes, who attends Saint Mary's University in Halifax. "I make a lot of decisions based on whether there's a sale. The enjoyment and delight are gone."

Food inflation remains stubbornly high in Canada as grocery prices climbed at the fastest pace in more than four decades last month.

While overall inflation moderated in August, the cost of food purchased from stores was up a staggering 10.8 per cent compared with a year ago.

That's the fastest clip recorded by Statistics Canada since 1981.

Higher prices swept nearly every aisle of the grocery store.

Even items once considered cheaper substitutes for pricier products weren't immune to inflation.

For example, frozen and dried vegetables — usually considered a budget-friendly option — jumped 14.1 per cent last month compared with a year ago while fresh vegetables rose a more modest 9.3 per cent.

A similar trend appeared to unfold in the meat department.

"A few months ago when beef and pork prices were increasing significantly you could substitute for chicken," said James Orlando, director at TD Economics.

"Now the opposite is happening where beef and pork price inflation is decelerating and chicken prices are increasing."

Several basic food staples also posted significantly higher prices.

Flour prices were up 23.5 per cent in August compared with the same month last year, pasta prices were up 20.7 per cent, bread 17.6 per cent, eggs 10.9 per cent, fresh fruit 13.2 per cent and fats and oils 27.7 per cent.

Even the simple potato pulled off double digit price gains.

Sustained higher prices are prompting Canadians to adopt new shopping habits to save money, a new survey released Tuesday said.

The survey found Canadian consumers are shopping more at discount stores, buying cheaper store brands, using loyalty programs and scouring weekly flyers for deals.

"Food inflation is lingering and is really starting to shape where and how people buy food," said Sylvain Charlebois, professor of food distribution and policy at Dalhousie University and director of the Agri-Food Analytics Lab, which conducted the survey along with Caddle, an online data platform.

The survey also found nearly a quarter of Canadians have cut back on the amount of food they purchased within the last year because of high grocery prices.

"Some people are actually buying less food," Charlebois said. "There are dietary compromises being made by many Canadians."

In an effort to save money, McInnis said he's cut back on both treats and healthy foods.

"I used to really enjoy going to the bakery section and buying some cookies or a cake for a treat," he said. "But now that I'm trying to get as much mileage as I can out of my money I've cut that out."

He's also stopped eating as much salad. The rising cost of vegetables and the risk of spoilage with fresh foods makes it's not even worth it, he said.

"I've definitely made sacrifices at the grocery store to try to save money," McInnes said.

Some relief from soaring food prices could be in store as easing input costs reduce pressure on food prices.

"With transportation costs and agricultural commodity prices now off their peaks, the trend in food price inflation should start to soften towards the end of this year and into 2023," Andrew Grantham, senior economist at CIBC Capital Markets, said in a client note.

Michael Medline, president and CEO of Sobeys Inc., said last week grocery store inflation may have peaked in Canada as price increases from food manufacturers stabilize.

The number and rate of cost increases being passed along to the grocery chain from food suppliers began decreasing in recent weeks, he said during an earnings call.

