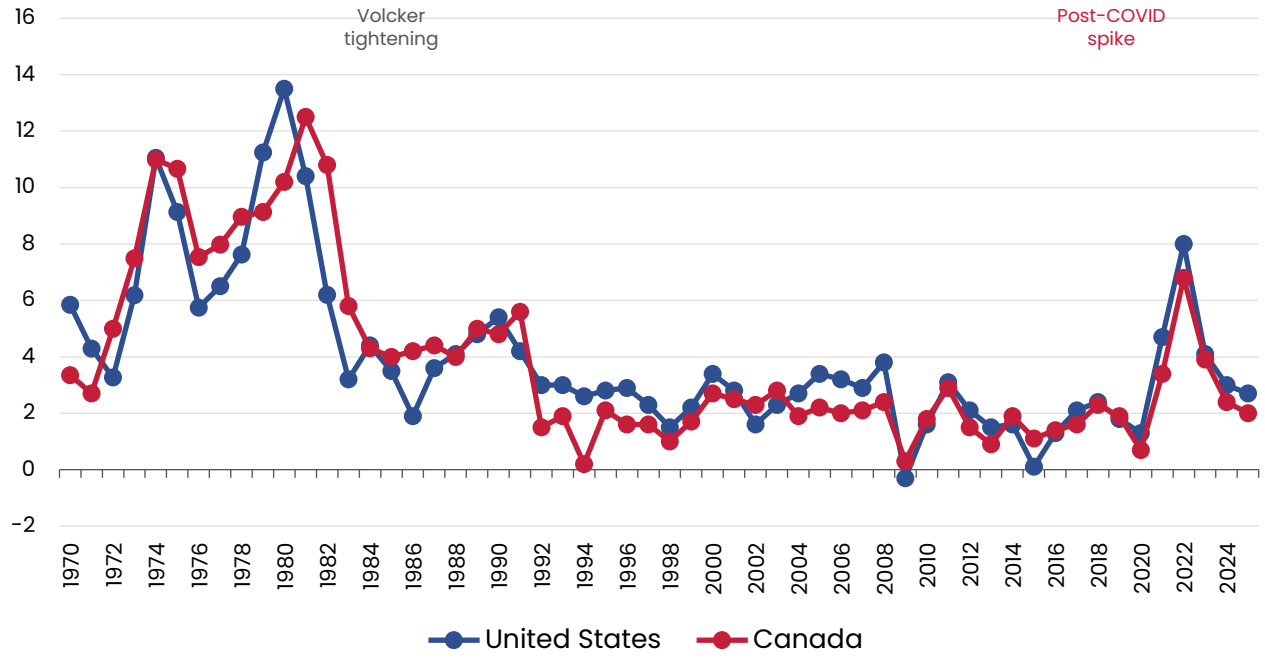
North American Inflation: A 55-Year Comparison

Annual CPI inflation rate: Canada vs. United States (1970–2025)

The U.S. and Canada experienced closely correlated inflation cycles for most of the past 55 years — co-moving through the 1970s oil shocks, Volcker-era tightening, and the Great Moderation. The post-COVID spike diverged notably: U.S. CPI peaked at 8.0% in 2022 vs. 6.8% in Canada. Since Canada's adoption of inflation targeting in 1991, its rate has averaged ~2.0%, versus ~2.5% for the U.S. Both central banks now face the question of whether the 2021–2023 episode was transitory or structural.

ANNUAL CPI INFLATION RATE (%) | 1970–2025



13.5%
U.S. peak CPI
1980

12.5%
Canada peak CPI
1981

8.0%
U.S. post-COVID peak
2022

6.8%
Canada post-COVID peak
2022

For portfolio construction, the key takeaway is regime awareness: the 2% inflation target that anchored both economies from 1992–2020 may no longer be the steady state. Fiscal deficits, deglobalization, energy transition costs, and AI-driven productivity gains pull in opposing directions. Advisors should stress-test portfolios against both a return to 2% and a structurally higher 3–4% regime — the latter favoring real assets over long-duration nominal bonds.

Sources: WorldData.info (February 2026 update), using harmonized data from IMF, World Bank, and OECD CPI indicator (doi:10.1787/eee82e6e-en). U.S. CPI-U annual average percent change originally from U.S. Bureau of Labor Statistics. Canada CPI All-Items annual average percent change originally from Statistics Canada (Table 18-10-0004-01). Latest data: U.S. 2025 estimated at 2.7%; Canada 2025 at 2.0%. Historical values 1970–2024 are final published figures.



Toronto Office:
TD Canada Trust Tower, 161 Bay St.
27th Floor, P.O. Box 508
Toronto, ON, M5J 2S1

Calgary Office:
Suite 300, 4954 Richard Road SW
Calgary, AB, T3E 6L1

Montreal Office:
3 Place Ville Marie, Suite 3190
Montreal, QC H3B 2E3
www.omnigenceam.com

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