

27.May.2022

Consumer Sentiment: Revised Even Lower

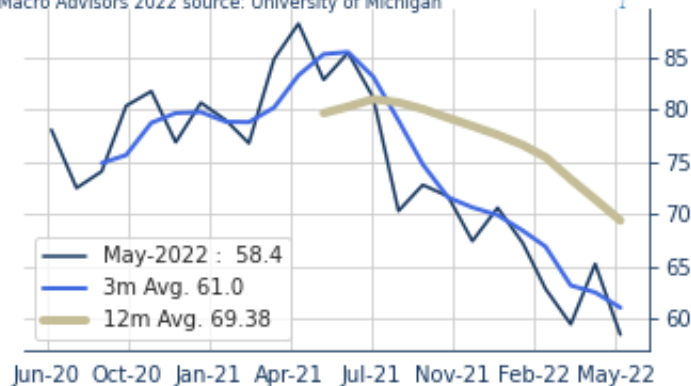
Bottom Line: Consumer sentiment was revised to show an even larger drop in May than the survey data suggested earlier in the month. Consumers expressed negative views on buying conditions for homes and durable goods, mostly due to their inflation concerns. On the plus side, less than a quarter of those surveyed said they expected to be worse off financially a year from now. Overall, consumers' outlooks remain heavily dependent on their political views (as we've seen for 6+ years, optimism has depended on your preferred political party being in control in Washington). That said, consumers still report solid personal finances but are clearly concerned about what inflation means for them over the coming year.

U. Mich. Consumer Sentiment May: +58.4, consensus: +59.1



Recent Trends

Contingent Macro Advisors 2022 source: University of Michigan



Consumer Sentiment was REVISED DOWN by 0.7 points in late May to 58.4, compared with market expectations for no change to 59.1. Sentiment has deteriorated by -4.4 points over the past 3 months. Despite this month's moderate decline, compared to April's final level of 65.2, sentiment is 29.6% BELOW its year-ago level.

Current Conditions were REVISED DOWN by 0.3 points to 63.30. Current conditions are now 29.2% BELOW their year-ago level.

Consumer Expectations were REVISED DOWN by 1.1 points to 55.2. Despite this month's sharp decline, compared to April's final level of 62.5, expectations are 29.9% BELOW their year-ago level.

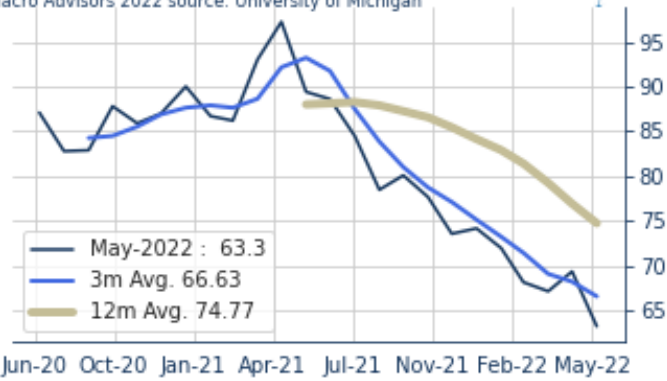
Current Conditions

May: +63.3, consensus: +63.6



Recent Trends

Contingent Macro Advisors 2022 source: University of Michigan



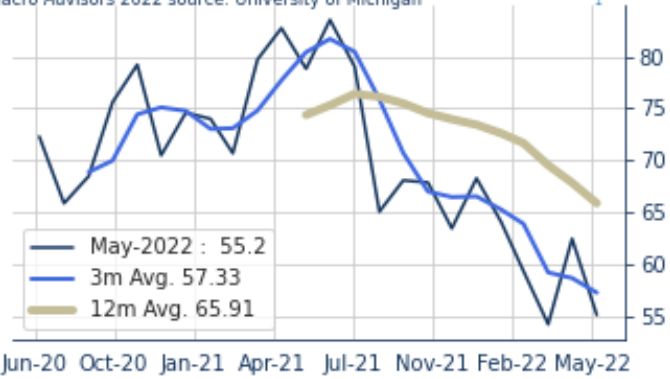
Future Expectations

May: +55.2, consensus: +56.3



Recent Trends

Contingent Macro Advisors 2022 source: University of Michigan

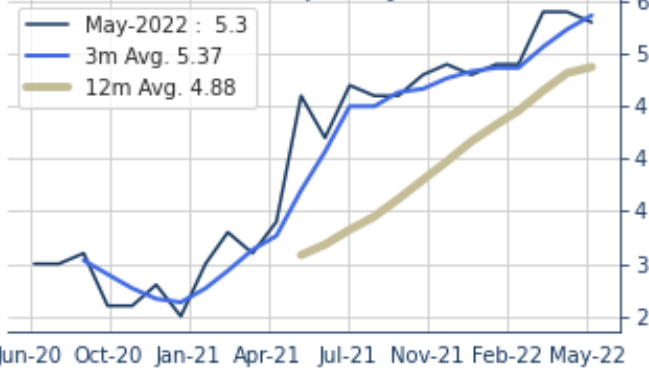


1-year Ahead Inflation Expectations



Recent Trends

Contingent Macro Advisors 2022 source: University of Michigan

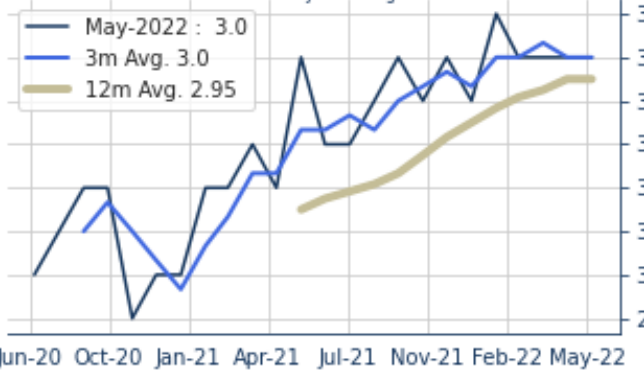


5-year Ahead Inflation Expectations

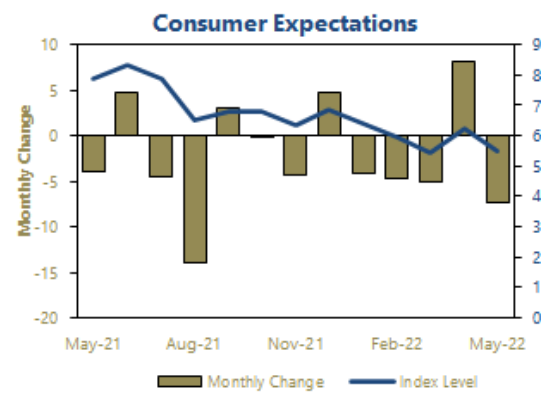
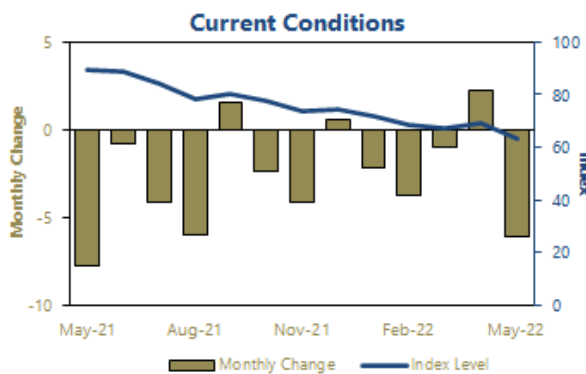


Recent Trends

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	Index Levels										
	Monthly				Averages for						
	May Final	May Prelim.	Apr-22	Mar-22	Three Month	Six Month	Twelve Month	2020	2019	Re-cessions	Ex-pansions
Consumer Sentiment	58.4	59.1	65.2	59.4	61.0	63.9	69.4	80.7	99.3	68.3	86.9
Current Conditions	63.3	63.6	69.4	67.2	66.6	69.1	74.8	90.0	115.5	80.8	98.9
Consumer Expectations	55.2	56.3	62.5	54.3	57.3	60.6	65.9	74.6	88.9	60.5	79.1
1-year Inflation Expectation	5.3	5.4	5.4	5.4	5.4	5.1	4.8	2.7	2.6		
5-year Inflation Expectation	3.0	3.0	3.0	3.0	3.0	3.0	2.9	2.5	2.4		



Source: University of Michigan Surveys of Consumers via Bloomberg. Our calculations.