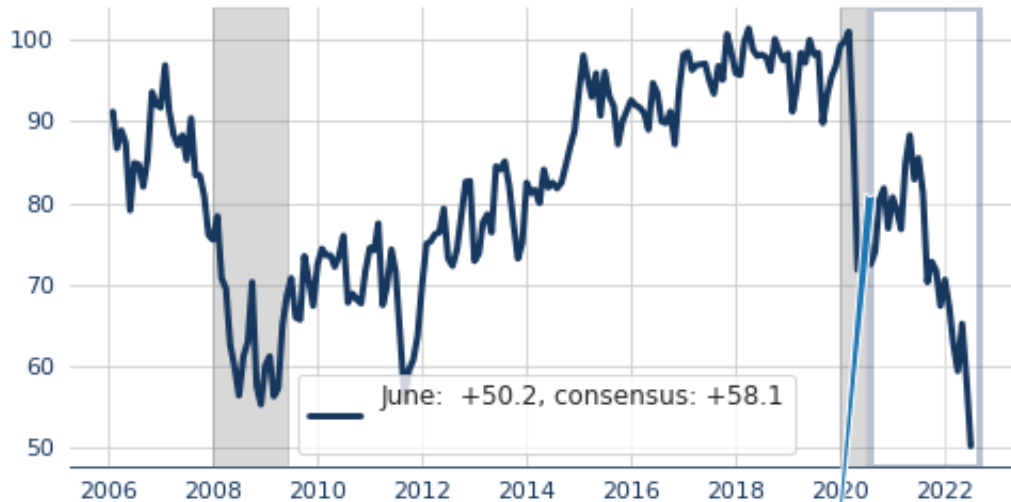


10.Jun.2022

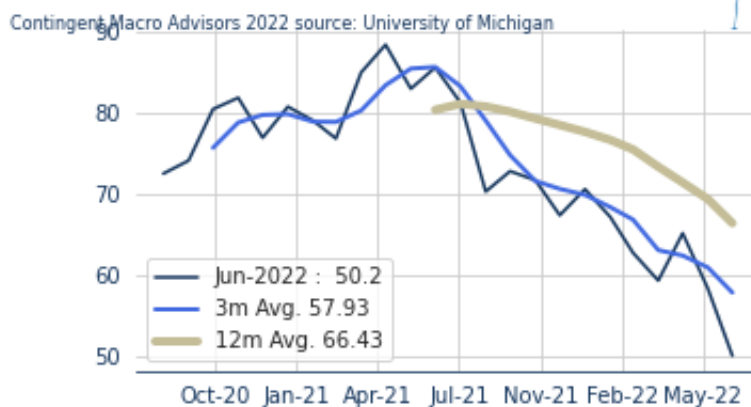
Consumer Sentiment: Stunning Plunge

Bottom Line: Consumer sentiment plunged to a record low in June, according to the University of Michigan's preliminary survey reading. The share of consumers citing inflation as the biggest reason for their negative outlooks was only this high once before, in 1981. Gas prices remained the biggest concern as prices at the pump accelerated higher in late May and early June, hitting nearly \$5 per gallon on average nationwide this week. Overall, as the summer season gets underway consumers are feeling a sharp drop in their disposable income as they not only pay more at the pump but also face sticker shock at the high price of travel. While income gains had absorbed some of the impacts a year ago, this year most households are feeling less wealthy as they burn savings for essential needs and watch investment portfolios decline in value.

U. Mich. Consumer Sentiment June: +50.2, consensus: +58.1



Recent Trends



Consumer Sentiment FELL by 8.2 points in early June to 50.2%, compared with market expectations for a decrease to 58.1%. With this month's sharp decline, sentiment is now 41.3% BELOW its year-ago level.

Current Conditions FELL by 7.9 points to 55.4%. This is 37.5% BELOW their year-ago level.

Consumer Expectations FELL by 8.4 points to 46.8%. With this month's sharp decline, expectations are 44.0% BELOW its year-ago level.

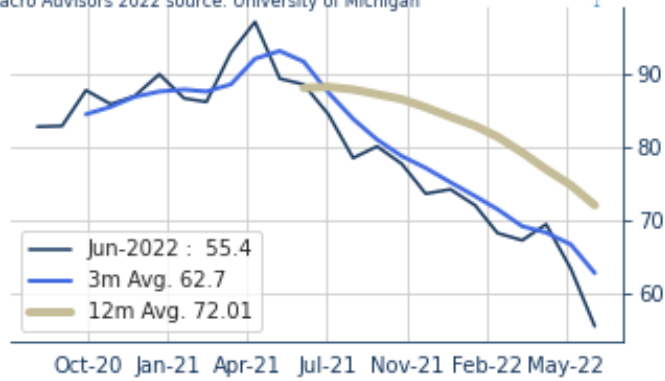
Current Conditions

June: +55.4, consensus: +62.9



Recent Trends

Contingent Macro Advisors 2022 source: University of Michigan



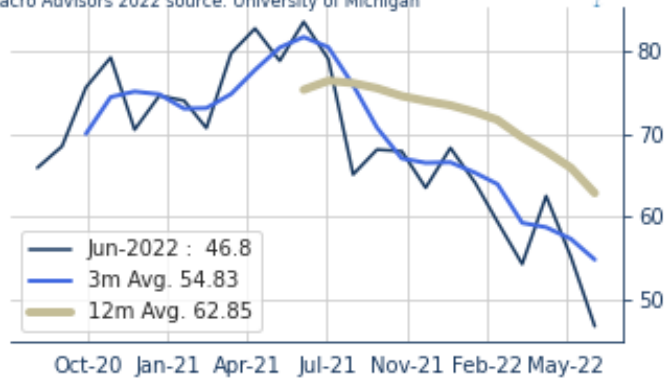
Future Expectations

June: +46.8, consensus: +55.3



Recent Trends

Contingent Macro Advisors 2022 source: University of Michigan

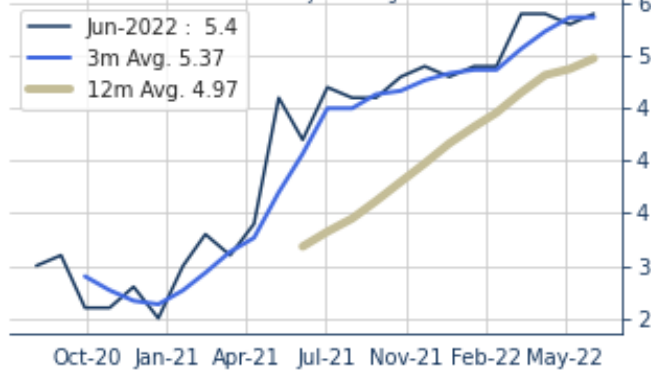


1-year Ahead Inflation Expectations

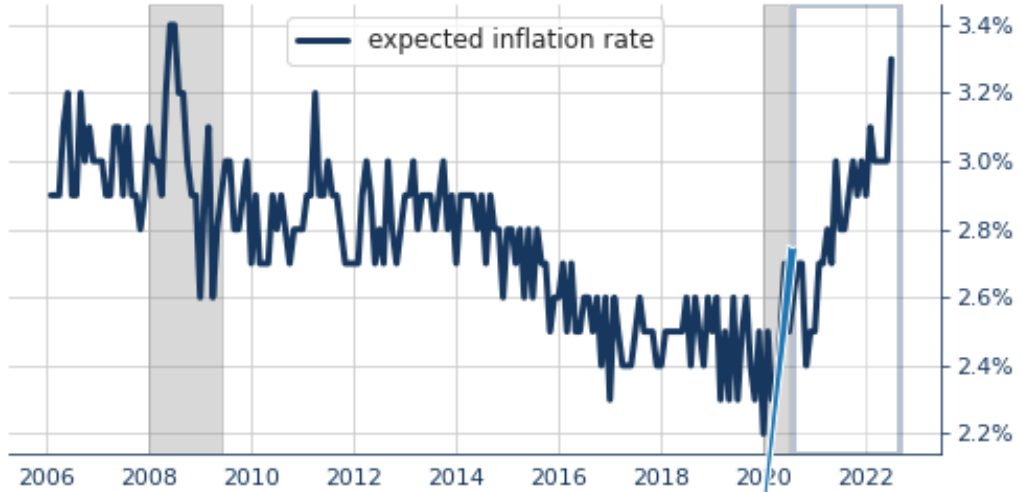


Recent Trends

Contingent Macro Advisors 2022 source: University of Michigan



5-year Ahead Inflation Expectations

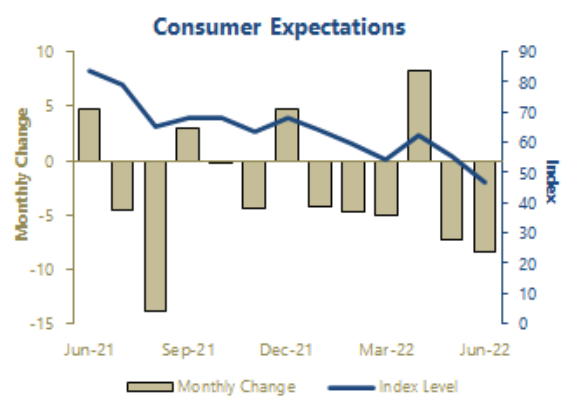
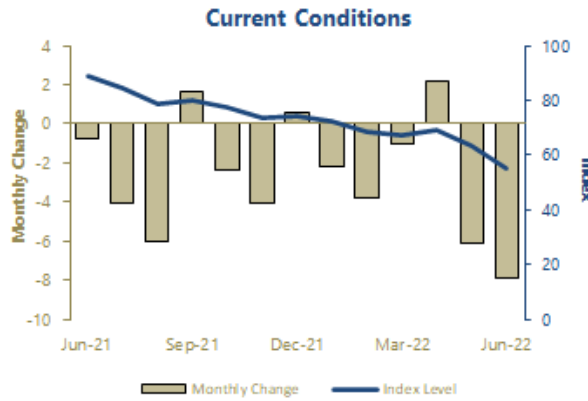


Recent Trends

Contingent Macro Advisors 2022 source: University of Michigan



	Index Levels										
	Monthly				Averages for						
	Jun Prelim.	May-22	Apr-22	Mar-22	Three Month	Six Month	Twelve Month	2020	2019	Recessions	Expansions
Consumer Sentiment	50.2	58.4	65.2	59.4	57.9	60.5	66.4	80.7	99.3	68.3	86.9
Current Conditions	55.4	63.3	69.4	67.2	62.7	65.9	72.0	90.0	115.5	80.8	98.9
Consumer Expectations	46.8	55.2	62.5	54.3	54.8	57.1	62.9	74.6	88.9	60.5	79.1
1-year Inflation Expectation	5.4	5.3	5.4	5.4	5.4	5.2	5.0	2.7	2.6		
5-year Inflation Expectation	3.3	3.0	3.0	3.0	3.1	3.1	3.0	2.5	2.4		



Source: University of Michigan via Bloomberg. Our calculations.

Copyright © 2018 Contingent Macro Advisors, LLC. All rights reserved. Reproduction and/or redistribution are expressly prohibited. "Economic Advisory Service" is a registered

T.J. Connelly, Head of Research

June 10, 2022

Steven A. Wood, Senior Economic Adviser