

29.Jul.2022

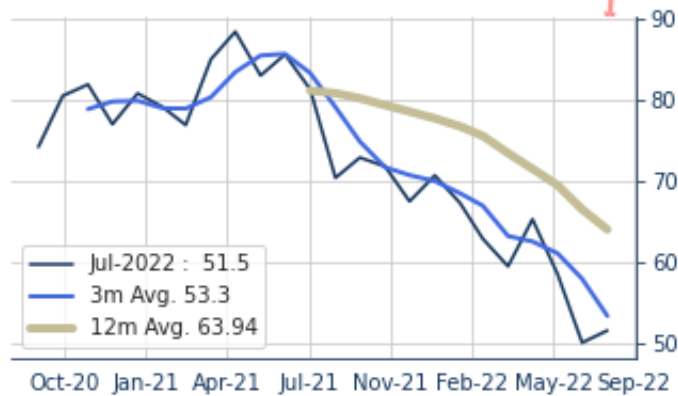
Consumer Sentiment: Rebound From Record Lows

Bottom Line: Consumer sentiment rebounded from record lows, according to the final July reading of the University of Michigan survey, proving a touch better than expected and better than the preliminary reading. Nonetheless, consumer sentiment remains near historic lows. Moreover, the index of consumers' expectations for the year ahead fell to its lowest level since the financial crisis. While inflation expectations have eased slightly, higher prices remain the biggest concern for almost all households surveyed. Concerns about the labor market softening are also becoming an issue. **Overall, consumers continue to feel less wealthy as they burn savings to meet their demand for essential goods and struggle to gain pay increases quickly enough to make ends meet. And now they are increasingly concerned about their job prospects.**

U. Mich. Consumer Sentiment July: +51.5, consensus: +51.1



Recent Trends



Contingent Macro Advisors 2022 source: University of Michigan

Consumer Sentiment was REVISED UP by 0.4 points in late July to 51.5, compared with market expectations for no change to 51.1.

Sentiment has deteriorated by -13.7 points over the past 3 months. With this month's slight increase, compared to June's final level of 50.0, sentiment is 36.6% BELOW its year-ago level.

Current Conditions were REVISED UP by 1.0 points to 58.10. Current conditions are now 31.2% BELOW their year-ago level.

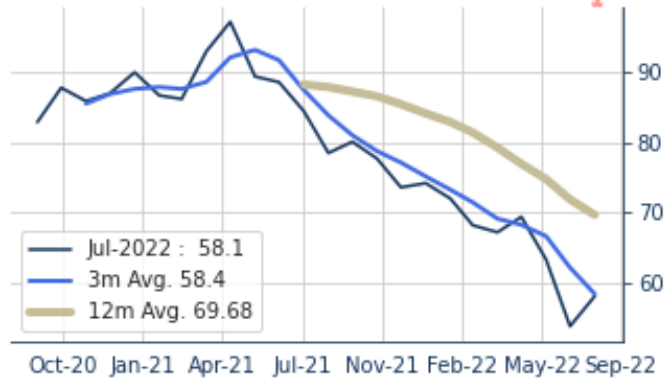
Consumer Expectations were UNCHANGED at 47.3. Expectations are 40.1% BELOW their year-ago level.

Current Conditions

July: +58.1, consensus: +57.1



Recent Trends

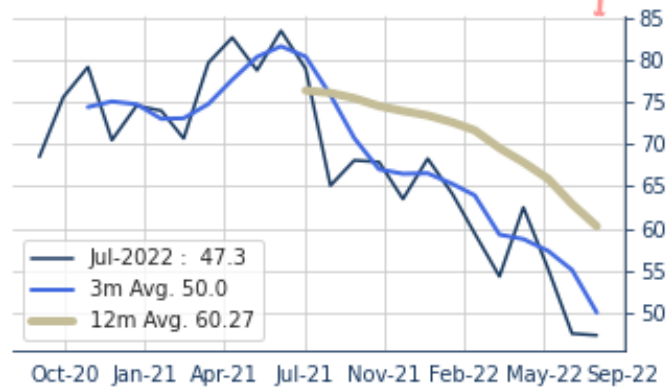


Future Expectations

July: +47.3, consensus: +47.5



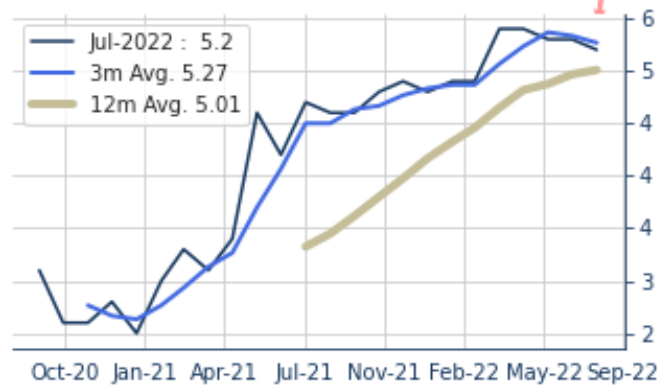
Recent Trends



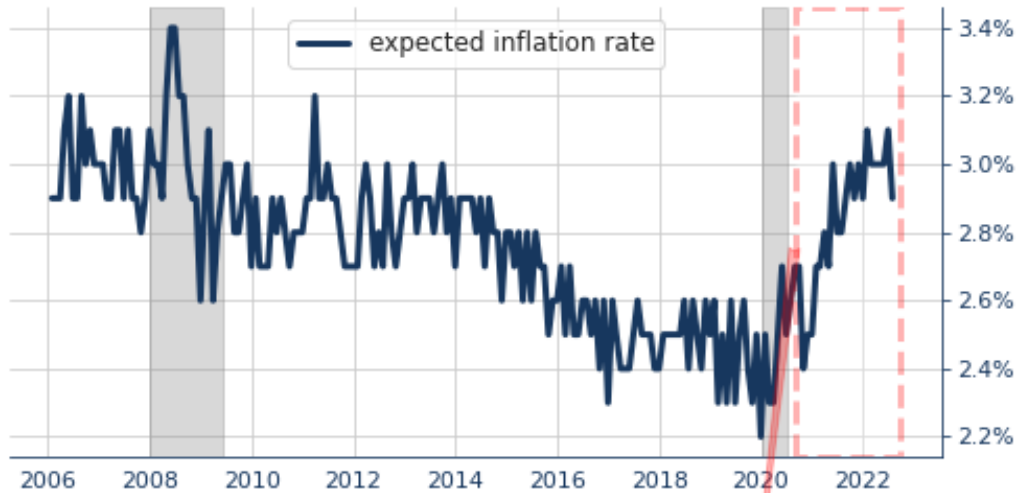
1-year Ahead Inflation Expectations



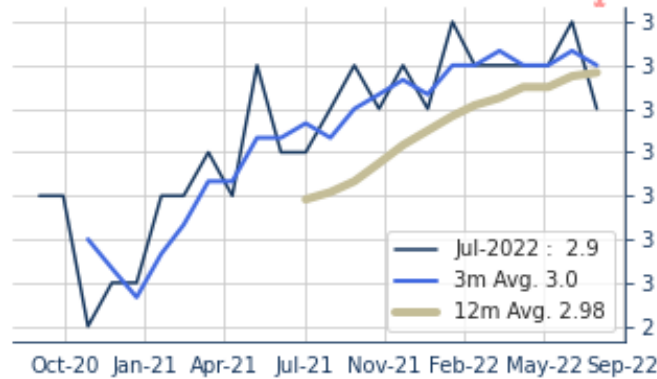
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5-year Ahead Inflation Expectations

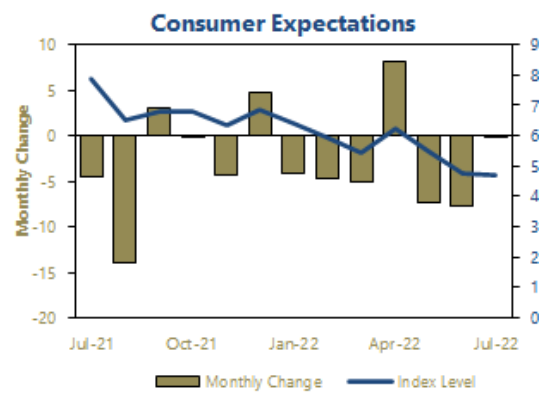
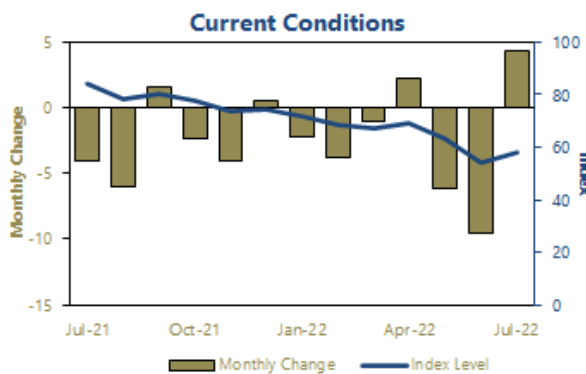


Recent Trends



Contingent Macro Advisors 2022 source: University of Michigan

	Index Levels										
	Monthly				Averages for						
	Jul Final	Jul Prelim.	Jun-22	May-22	Three Month	Six Month	Twelve Month	2020	2019	Re-cessions	Ex-pansions
Consumer Sentiment	51.5	51.1	50.0	58.4	53.3	57.9	63.9	80.7	99.3	68.3	86.9
Current Conditions	58.1	57.1	53.8	63.3	58.4	63.3	69.7	90.0	115.5	80.8	98.9
Consumer Expectations	47.3	47.3	47.5	55.2	50.0	54.4	60.3	74.6	88.9	60.5	79.1
1-year Inflation Expectation	5.2	5.2	5.3	5.3	5.2	5.2	5.0	2.7	2.6		
5-year Inflation Expectation	2.9	2.8	3.1	3.0	2.9	3.0	3.0	2.5	2.4		



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