

12.Aug.2022

### **Consumer Sentiment: Continued Rebound**

**Bottom Line:** After hitting record lows in June, consumer sentiment continued to rebound, according to the preliminary August reading of the University of Michigan survey. Led by future expectations, the index measuring how consumers feel about their prospects for the next year inched above the 2nd Quarter average. Moreover, lower energy prices left consumers feeling a bit less uncertain about the inflation outlook. Still, **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. But even just a modest decline in prices at the pump is leaving them feel a bit better.**

## U. Mich. Consumer Sentiment August: +55.1, consensus: +52.5



### Recent Trends



Contingent Macro Advisors 2022 source: University of Michigan

**Consumer Sentiment** ROSE by 3.6 points in early August to 55.1%, compared with market expectations for an increase to 52.5%. Despite this month's modest increase, sentiment is now 21.6% BELOW its year-ago level.

**Current Conditions** FELL by 2.6 points to 55.5%. This is 29.3% BELOW their year-ago level.

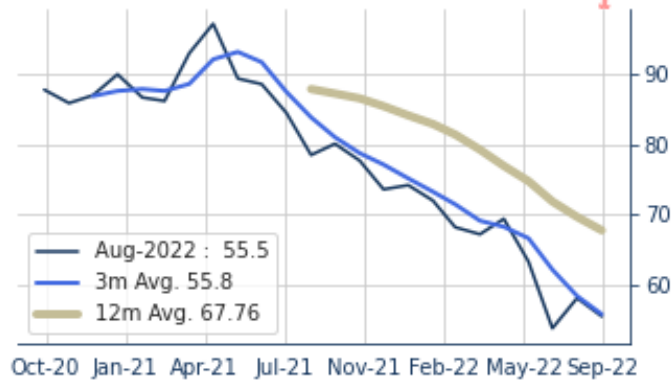
**Consumer Expectations** ROSE by 7.6 points to 54.9%. Despite this month's sharp increase, expectations are 15.7% BELOW its year-ago level.

# Current Conditions

**August: +55.5, consensus: +57.5**



## Recent Trends



## Future Expectations

**August: +54.9, consensus: +47.8**



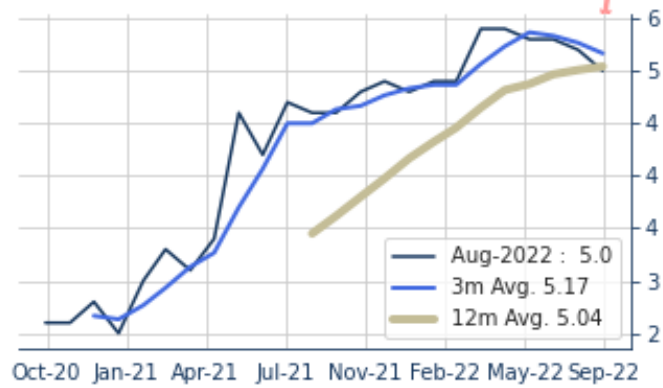
### Recent Trends



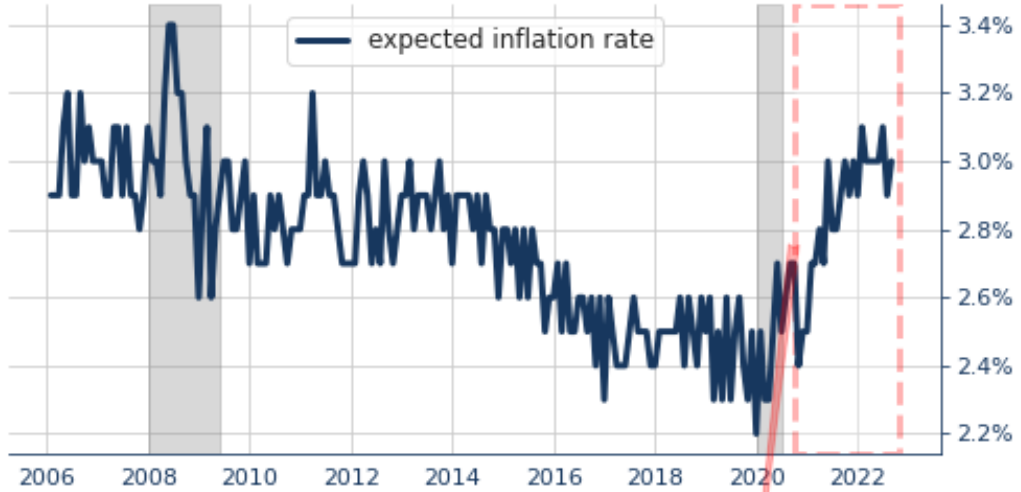
# 1-year Ahead Inflation Expectations



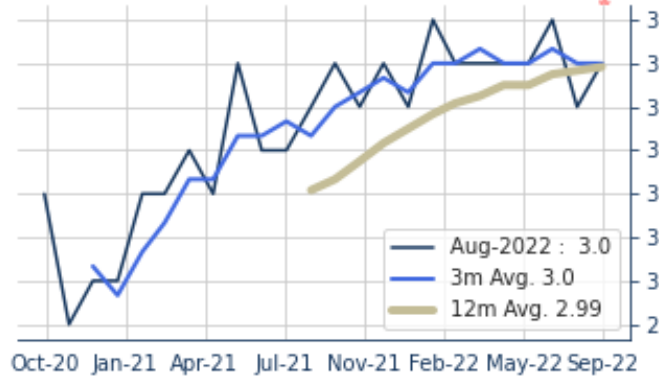
## Recent Trends



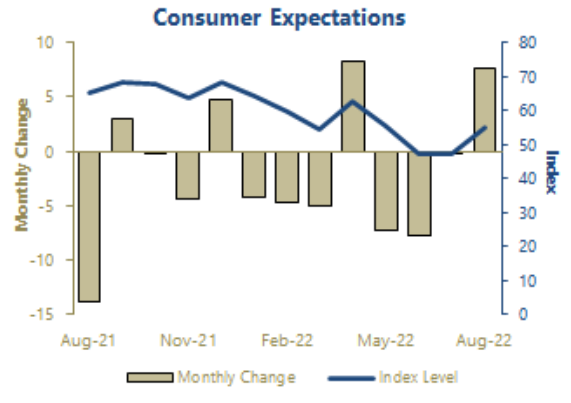
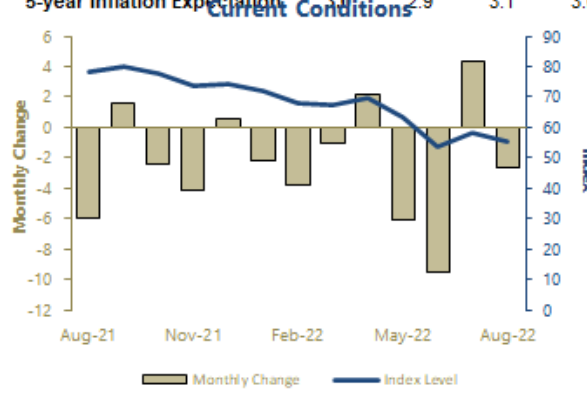
# 5-year Ahead Inflation Expectations



## Recent Trends



	Index Levels										
	Monthly				Averages for						
	Aug Prelim.	Jul-22	Jun-22	May-22	Three Month	Six Month	Twelve Month	2020	2019	Recessions	Expansions
Consumer Sentiment	55.1	51.5	50.0	58.4	52.2	56.6	62.7	80.7	99.3	68.3	86.9
Current Conditions	55.5	58.1	53.8	63.3	55.8	61.2	67.8	90.0	115.5	80.8	98.9
Consumer Expectations	54.9	47.3	47.5	55.2	49.9	53.6	59.4	74.6	88.9	60.5	79.1
1-year Inflation Expectation	5.0	5.2	5.3	5.3	5.2	5.3	5.0	2.7	2.6		
5-year Inflation Expectation	3.0	2.9	3.1	3.0							



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