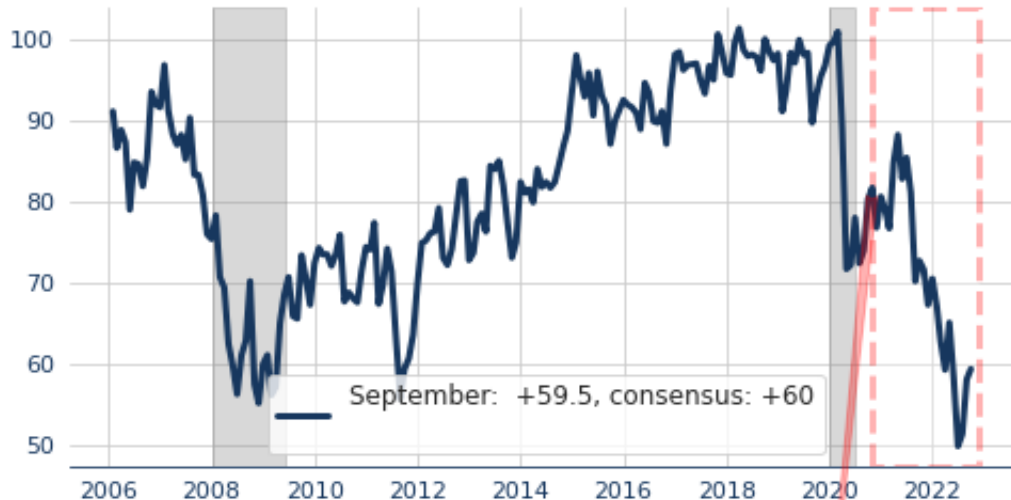


16.Sep.2022

Consumer Sentiment: Continued Rebound

Bottom Line: After hitting record lows in June, consumer sentiment continued to rebound, with the preliminary reading for September coming in just below expectations. Consumers' expected year-ahead inflation rate declined to 4.6%, the lowest reading since last September, and their 5-year inflation outlook fell to 2.8%, below the 2.9-3.1% range for the first time since July 2021. That said, uncertainty about inflation remained extremely high. Overall, the modest declines in gasoline prices have eased consumers' fears about inflation just slightly and buoyed their outlooks, but their sentiment remains historically low.

U. Mich. Consumer Sentiment September: +59.5, consensus: +60



Recent Trends



Contingent Macro Advisors 2022 source: University of Michigan

Consumer Sentiment ROSE by 1.3 points in early September to 59.5%, compared with market expectations for an increase to 60.0%. Despite this month's slight increase, sentiment is now 18.3% BELOW its year-ago level.

Current Conditions ROSE by 0.3 points to 58.9%. This is 26.5% BELOW their year-ago level.

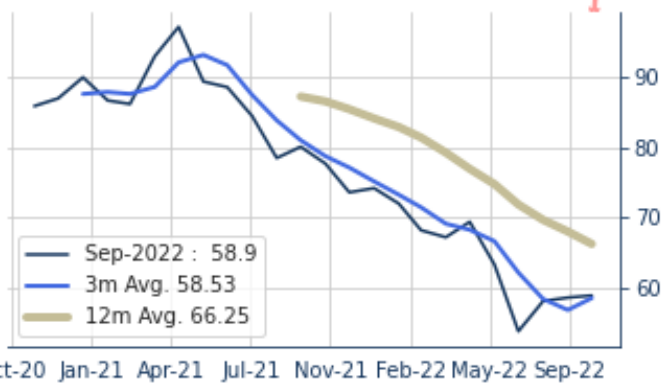
Consumer Expectations ROSE by 1.9 points to 59.9%. Despite this month's slight increase, expectations are 12.0% BELOW its year-ago level.

Current Conditions

September: +58.9, consensus: +59.4



Recent Trends



Future Expectations

September: +59.9, consensus: +59



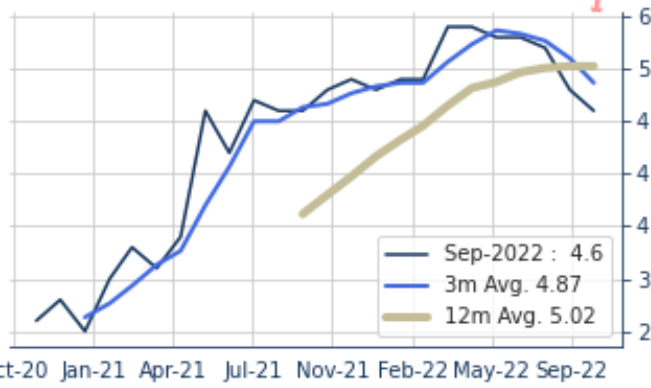
Recent Trends



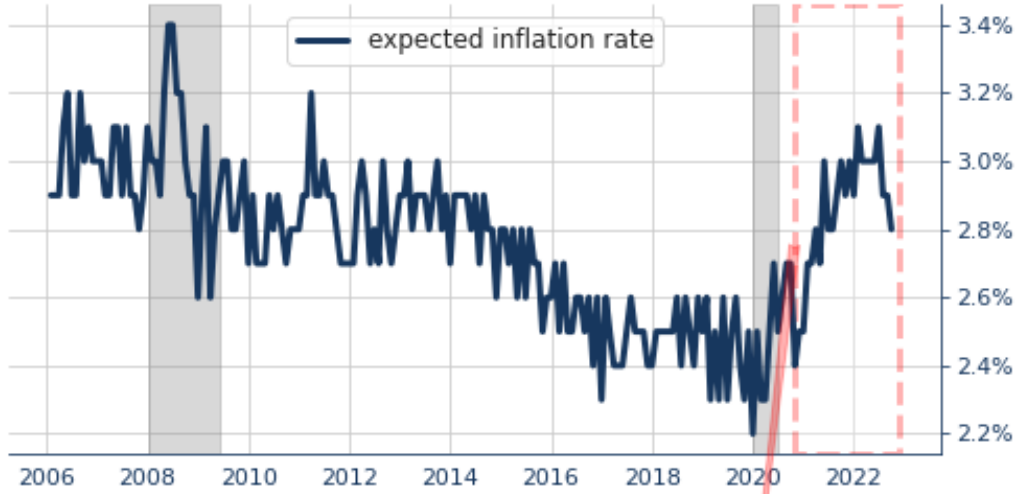
1-year Ahead Inflation Expectations



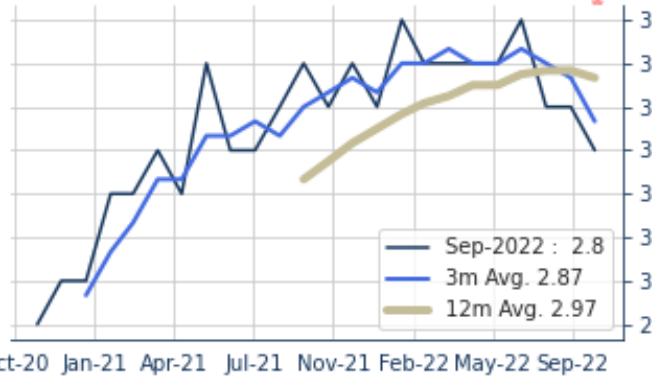
Recent Trends



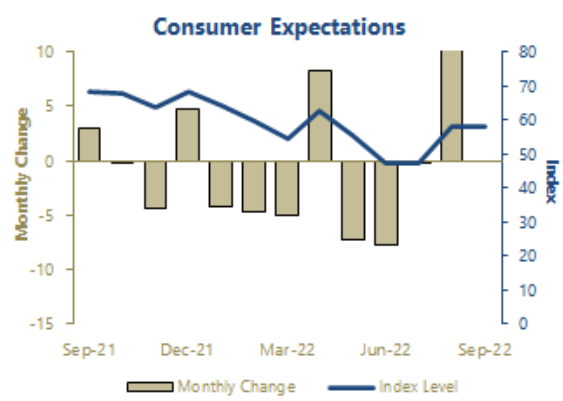
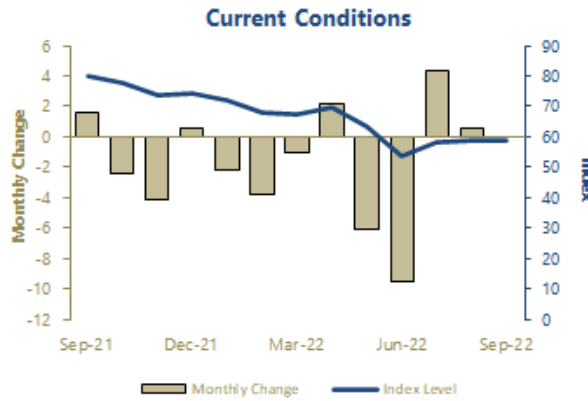
5-year Ahead Inflation Expectations



Recent Trends



| | Index Levels | | | | | | | | | | |
|-------------------------------------|--------------|--------|--------|--------|--------------|-----------|--------------|------|-------|-------------|-------------|
| | Monthly | | | | Averages for | | | | | | |
| | Sep Prelim. | Aug-22 | Jul-22 | Jun-22 | Three Month | Six Month | Twelve Month | 2020 | 2019 | Re-cessions | Ex-pansions |
| Consumer Sentiment | 58.2 | 58.2 | 51.5 | 50.0 | 56.0 | 56.9 | 61.7 | 80.7 | 99.3 | 68.3 | 86.9 |
| Current Conditions | 58.6 | 58.6 | 58.1 | 53.8 | 58.4 | 60.3 | 66.2 | 90.0 | 115.5 | 80.8 | 98.9 |
| Consumer Expectations | 58.0 | 58.0 | 47.3 | 47.5 | 54.4 | 54.8 | 58.8 | 74.6 | 88.9 | 60.5 | 79.1 |
| 1-year Inflation Expectation | 4.6 | 4.8 | 5.2 | 5.3 | 4.9 | 5.1 | 5.0 | 2.7 | 2.6 | | |
| 5-year Inflation Expectation | 2.8 | 2.9 | 2.9 | 3.1 | 2.9 | 3.0 | 3.0 | 2.5 | 2.4 | | |



Source: University of Michigan via Bloomberg. Our calculations.

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September 16, 2022

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