

14.Oct.2022

Consumer Sentiment: Inflation Expectations Jump

Bottom Line: The preliminary October reading of the University of Michigan Survey of Consumers showed sentiment rose due to improved assessments of current conditions. Year-ahead inflation expectations, which had been trending steadily lower and were expected to fall to 4.6% from 4.7%, jumped to over 5.1%, dragging down consumers' future expectations. Consumers reported expecting higher gasoline prices in the year ahead, despite the declines since June and potentially in response to the slight uptick since mid-September (the national average price fell from over \$5 to \$3.67 in mid-September before rising back to hit ~\$3.90 per gallon). We should remember that these surveys are based on sampling a few thousand people, and one-month jumps, as we saw in inflation expectations, can prove to be anomalies. Overall, consumer sentiment remains historically low as consumers struggle to assess their financial situations amid continued high inflation.

U. Mich. Consumer Sentiment October: +59.8, consensus: +58.8



Recent Trends



Contingent Macro Advisors 2022 source: University of Michigan

Consumer Sentiment ROSE by 1.2 points in early October to 59.8%, compared with market expectations for an increase to 58.8%. Despite this month's slight increase, sentiment is now 16.6% BELOW its year-ago level.

Current Conditions ROSE by 5.6 points to 65.3%. This is 16.0% BELOW their year-ago level.

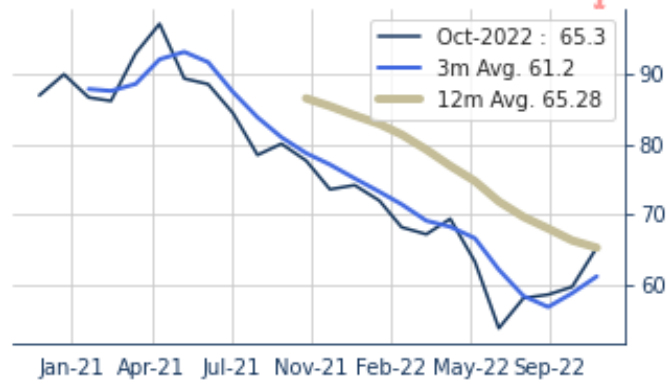
Consumer Expectations FELL by 1.8 points to 56.2%. With this month's slight decline, expectations are 17.2% BELOW their year-ago level.

Current Conditions

October: +65.3, consensus: +59.6



Recent Trends

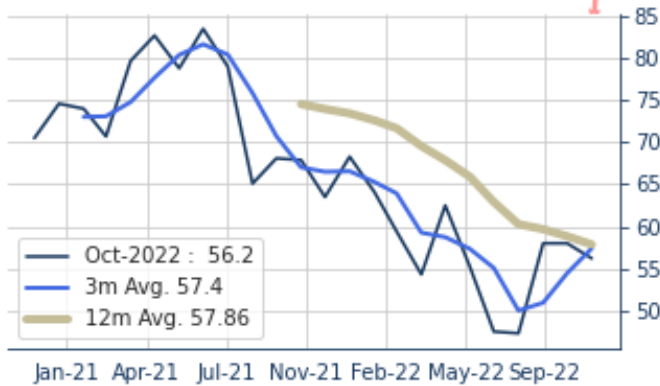


Future Expectations

October: +56.2, consensus: +58.3



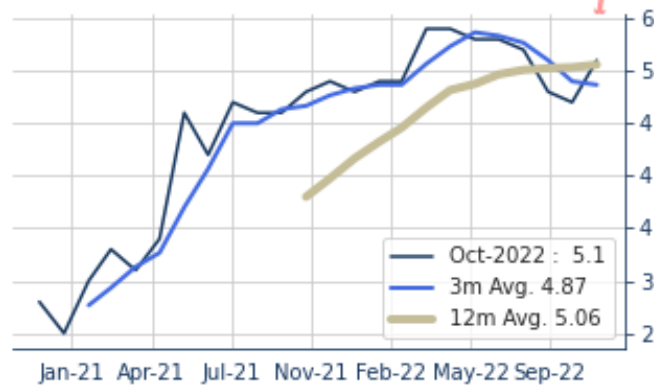
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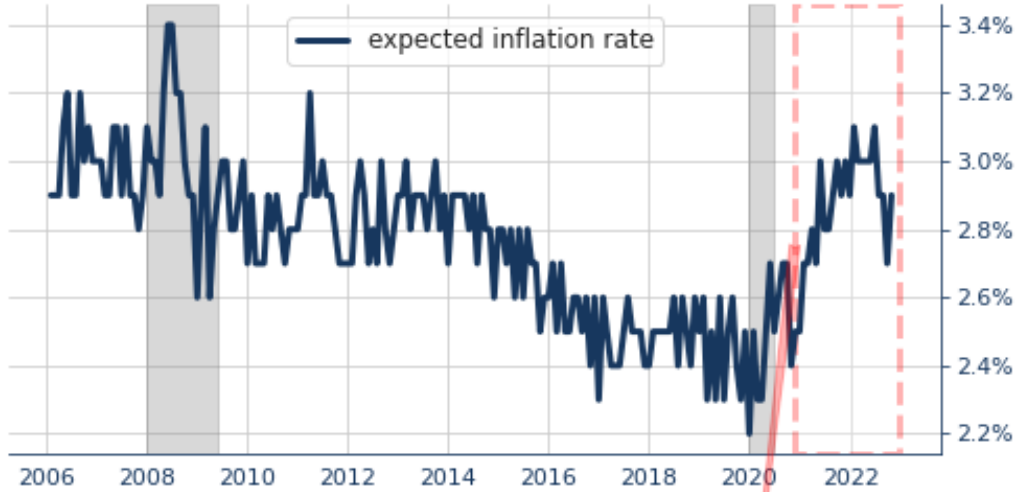
1-year Ahead Inflation Expectations



Recent Trends



5-year Ahead Inflation Expectations



Recent Trends

