

28.Oct.2022

Consumer Sentiment: Continued Rebound Off Lows

Bottom Line: The final October reading of the University of Michigan Survey of Consumers showed sentiment rose modestly as consumers' assessments of their current situations improved slightly. Moreover, their year-ahead inflation expectations, which remain high at 5%, eased slightly in the 2nd half of the month. Consumers were more optimistic about the short-term with easing supply constraints and modestly better prices on some goods (current buying conditions for durable goods rose 23%). However, year-ahead outlooks still showed severe concerns. Lower-income households remained concerned about inflation, while higher-income families saw a sharp decline in sentiment, particularly following the equity market slide in late September. **Overall, consumer sentiment remains historically low as consumers struggle to assess their financial situations amid continued high inflation and asset price volatility. That said, most households appear to have the balance sheet to finance real spending growth for at least another quarter or two.**

U. Mich. Consumer Sentiment October: +59.9, consensus: +59.6



Recent Trends



Contingent Macro Advisors 2022 source: University of Michigan

Consumer Sentiment was REVISED UP by 0.1 points in late October to 59.9, compared with market expectations for 59.6.

Sentiment has improved by 8.4 points over the past 3 months. With this month's slight increase, compared to September's final level of 58.6, sentiment is 16.5% BELOW its year-ago level.

Current Conditions were REVISED UP by 0.3 points to 65.60. Current conditions are now 15.6% BELOW their year-ago level.

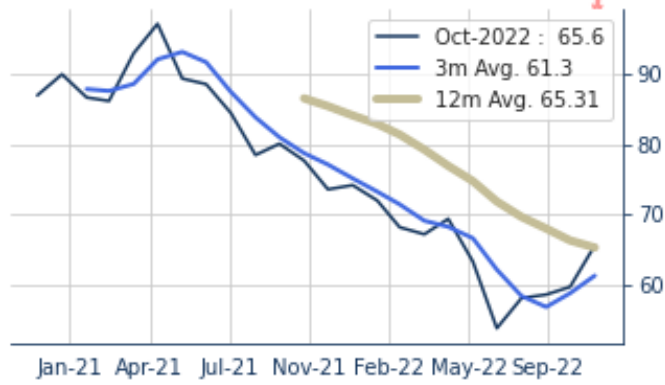
Consumer Expectations were UNCHANGED at 56.2 and were 17.2% BELOW their year-ago level.

Current Conditions

October: +65.6, consensus: +65



Recent Trends

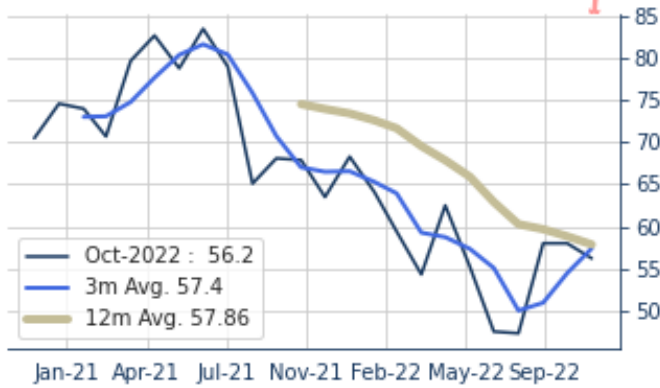


Future Expectations

October: +56.2, consensus: +56.1



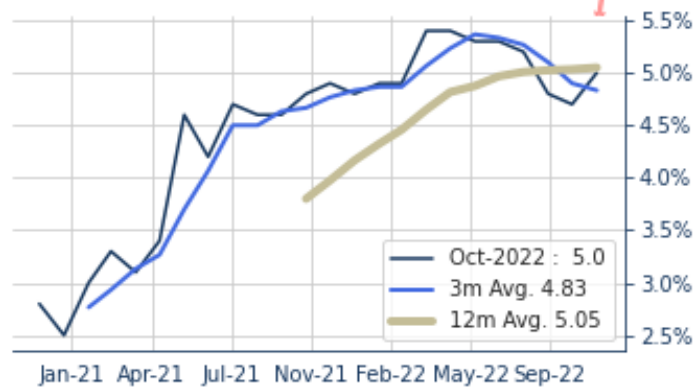
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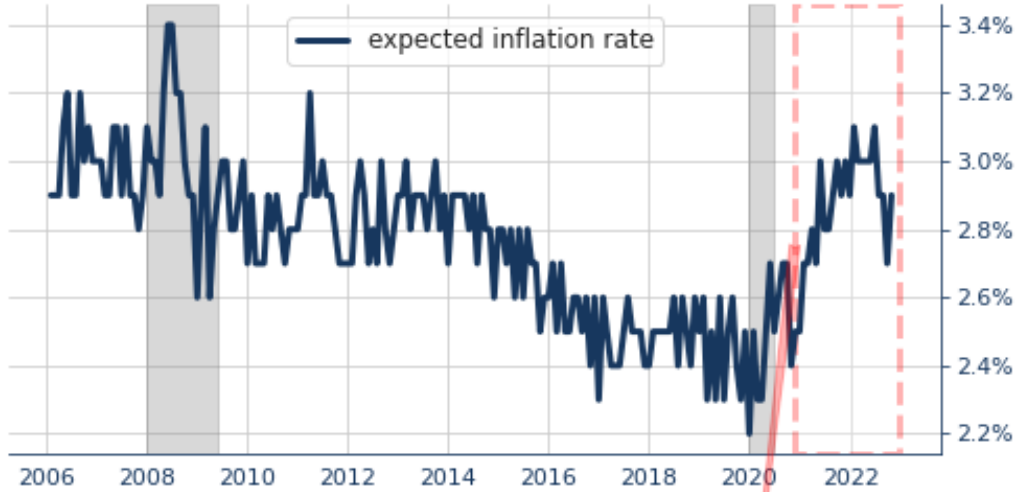
1-year Ahead Inflation Expectations



Recent Trends



5-year Ahead Inflation Expectations



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