

27.Jan.2023

Consumer Sentiment: Rebound Holds Firm

Bottom Line: The final reading of consumer sentiment from the University of Michigan's survey confirmed the sharp increase to nine-month highs that was reported earlier this month. Consumers' expectations for inflation continued to decline, dropping another tenth in the last few weeks bringing January's year-ahead expectations down to 3.9%, the lowest since April of 2021. **Overall, sentiment has been improving but remains historically low. Consumers still face historic uncertainty, but they are slowly becoming less pessimistic as inflation eases and labor markets remain solid.**

U. Mich. Consumer Sentiment January: +64.9, consensus: +64.6



Recent Trends



Contingent Macro Advisors 2023 source: University of Michigan

Consumer Sentiment was REVISED UP by 0.3 points in late January to 64.9, compared with market expectations for no change to 64.6.

Sentiment has improved by 5.0 points over the past 3 months. With this month's moderate increase, compared to December's final level of 59.7, sentiment is 3.4% BELOW its year-ago level.

Current Conditions were REVISED DOWN by 0.2 points to 68.40. Current conditions are now 5.0% BELOW their year-ago level.

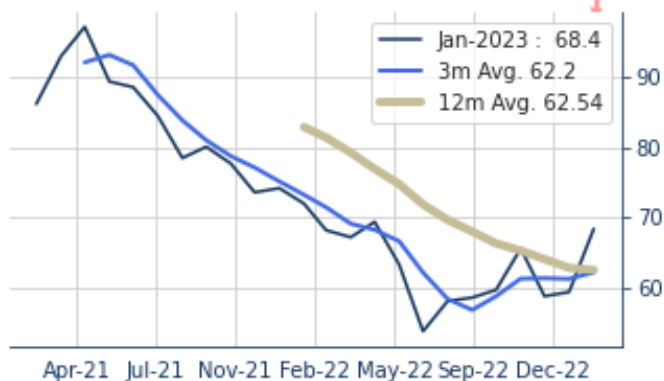
Consumer Expectations were REVISED UP by 0.7 points to 62.7. With this month's modest increase, compared to December's final level of 59.9, expectations are 2.2% BELOW their year-ago level.

Current Conditions

January: +68.4, consensus: +68.6



Recent Trends

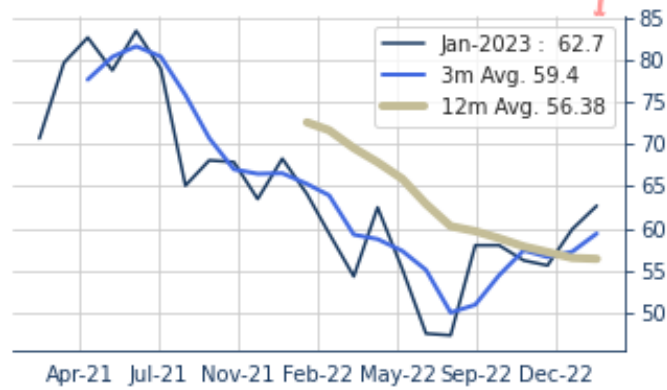


Future Expectations

January: +62.7, consensus: +62



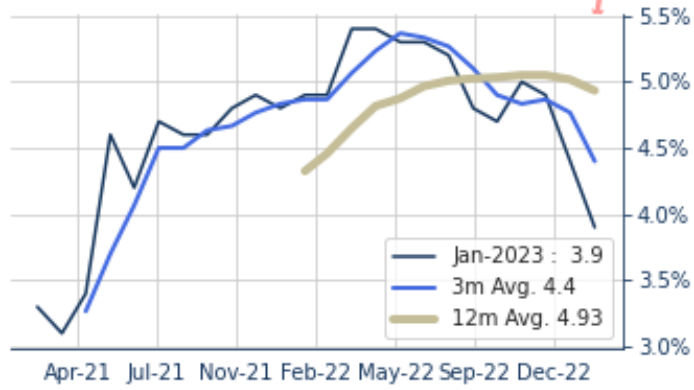
Recent Trends



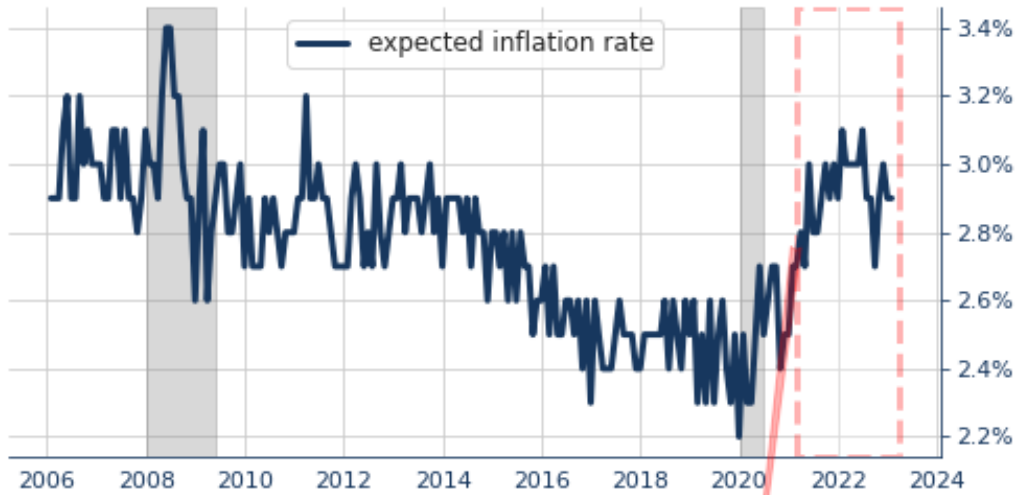
1-year Ahead Inflation Expectations



Recent Trends



5-year Ahead Inflation Expectations



Recent Trends

