

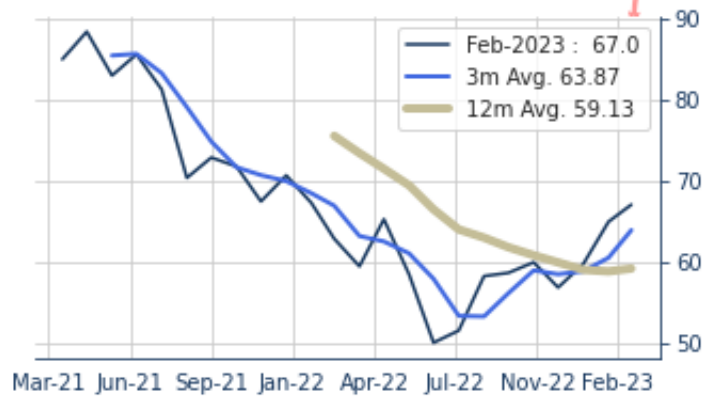
24.Feb.2023

Consumer Sentiment: Steadily Edging Higher

Bottom Line: Consumer sentiment edged modestly higher throughout February, according to the final reading of the University of Michigan's survey. Consumers' reports about the current conditions in the economy edged slightly lower, while their future expectations rose relative to earlier in the month. On net, the trends were still turning modestly higher after the 2022 lows at the peak of inflation worries, especially gasoline prices. Year-ahead inflation expectations were still higher than in January, but February's early reading was revised lower, down to 4.1% from 4.3%. Overall, sentiment is now 17 index points above the all-time low from June 2022 but remains almost 20 points below its historical average. Wealthier consumers, especially those with stock market holdings, were feeling notably better, while lower-income consumers continue to feel the pain of high consumer prices.

U. Mich. Consumer Sentiment

February: +67.0, consensus: +66.4



Contingent Macro Advisors 2023 source: University of Michigan

The University of Michigan's Consumer Sentiment Index ROSE 2.1 to 67, ABOVE the 3-month average of 63.87 and 6.7% ABOVE the year-ago level.

The Current Conditions Index ROSE 2.3 to 70.7, ABOVE the 3-month average of 66.17 and 3.7% ABOVE the year-ago level.

The Future Expectations Index ROSE 2 to 64.7, ABOVE the 3-month average of 62.43 and 8.9% ABOVE the year-ago level.

Year-ahead inflation expectations ROSE 0.2 to 4.1, BELOW the 3-month average of 4.13 and -0.8 BELOW the year-ago level.

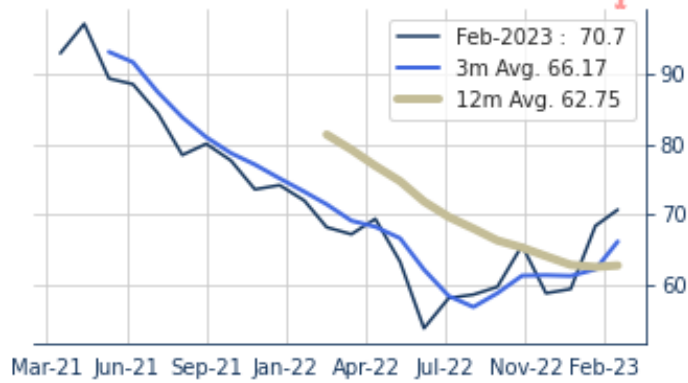
Long-term (5 years) inflation expectations were unchanged at 2.9, BELOW the 3-month average of 2.9 and -0.1 BELOW the year-ago level.

Current Conditions

February: +70.7, consensus: +72.7



Recent Trends



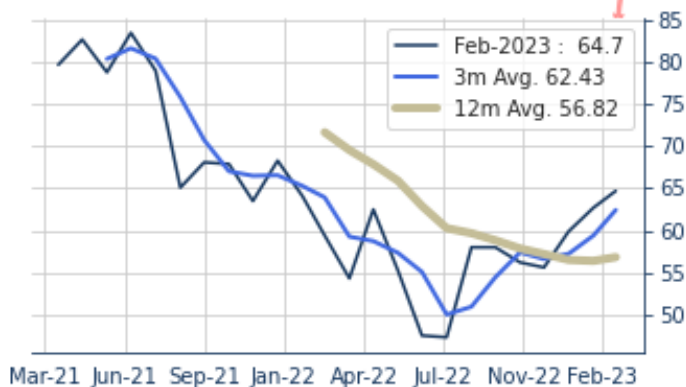
Contingent Macro Advisors 2023 source: University of Michigan

Future Expectations

February: +64.7, consensus: +62.5



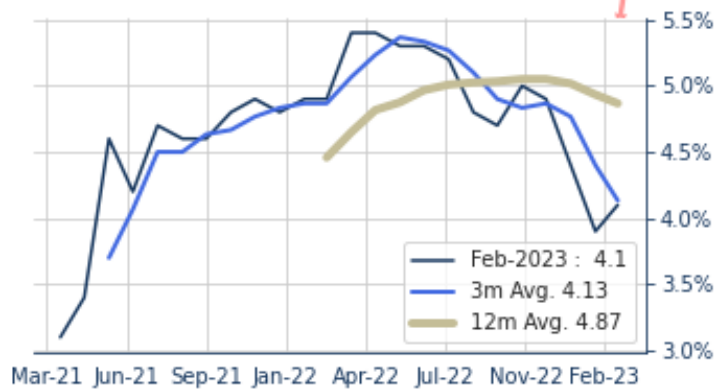
Recent Trends



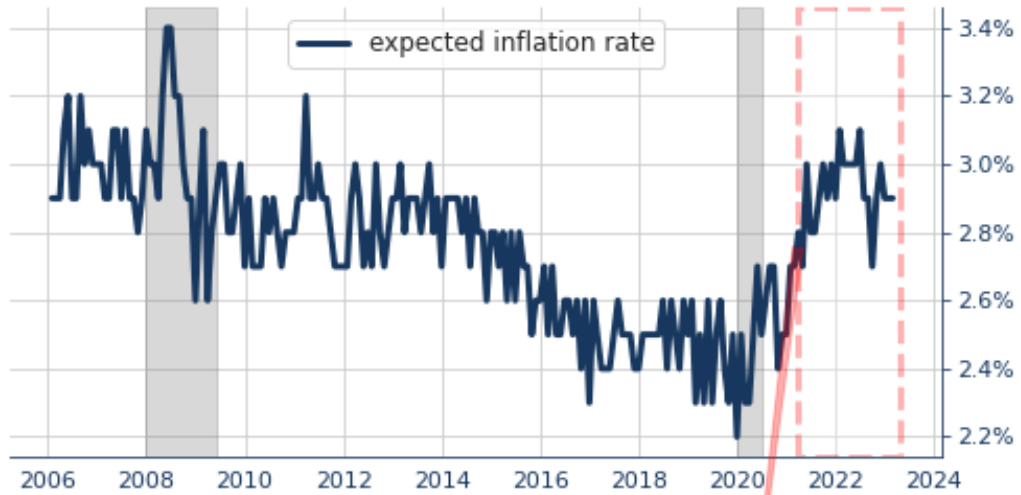
1-year Ahead Inflation Expectations



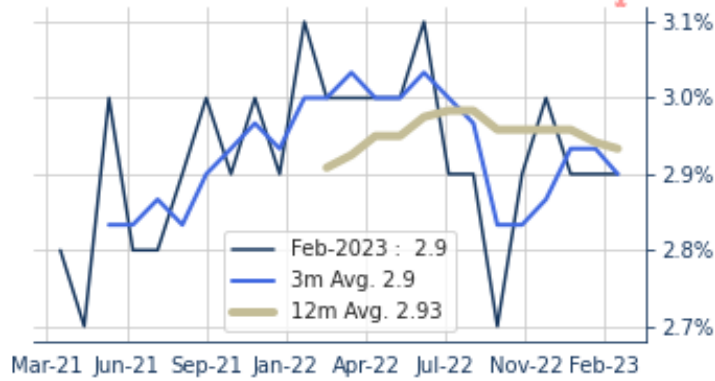
Recent Trends



5-year Ahead Inflation Expectations



Recent Trends



Contingent Macro Advisors 2023 source: University of Michigan

U. Mich. Consumer Sentiment Survey	Feb-23	Jan-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
U. Mich. Consumer Sentiment	67.00	64.90	63.90	61.20	59.10	58.98	81.40
Current Conditions	70.70	68.40	66.20	63.80	62.80	62.84	91.20
Future Expectations	64.70	62.70	62.40	59.50	56.80	56.50	75.20
1-year Ahead Inflation Expectations	4.10	3.90	4.10	4.50	4.90	5.02	3.50
5-year Ahead Inflation Expectations	2.90	2.90	2.90	2.90	2.90	2.96	2.70

source: University of Michigan