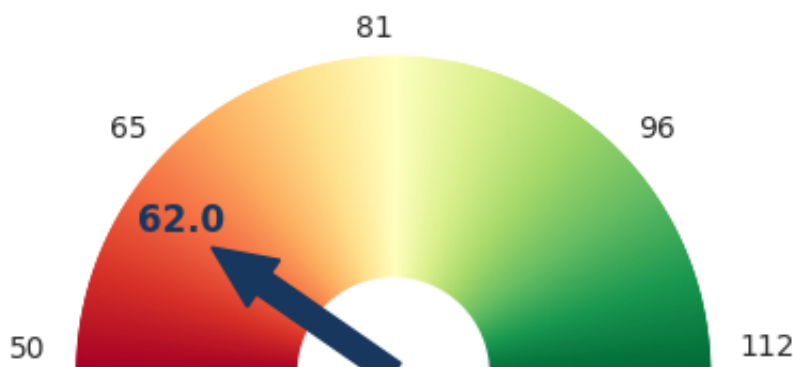


## Consumer Sentiment



31.Mar.2023

### Consumer Sentiment: Further Slump

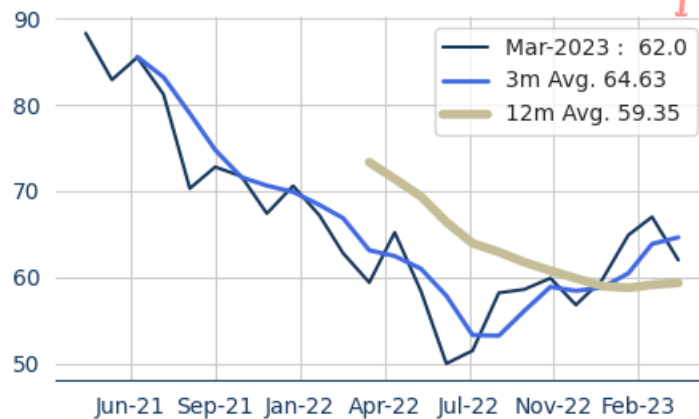
**Bottom Line:** Consumer sentiment fell even further in the second half of March after dropping in the days leading up to the bank failures, according to the University of Michigan's latest revisions to its survey. On the plus side, year-ahead inflation expectations fell sharply, down 0.5% from February to 3.60%, the lowest reading since April 2021. Consumers felt less optimistic about the future, but responses showed remarkably little reaction to the bank failures. More consumers expected a recession ahead, with sentiment sharply lower amid lower-income, less-educated, and younger consumers. Overall, while consumers seemed less concerned about the banking system than expected, they had plenty of other reasons for concern. Sentiment remained historically quite low, even with lower inflation expectations.

## U. Mich. Consumer Sentiment

March: +62.0, consensus: +63.3



### Recent Trends



Contingent Macro Advisors 2023 source: University of Michigan

**The University of Michigan's Consumer Sentiment Index** FELL -5 to 62, BELOW the 3-month average of 64.63 but 4.4% ABOVE the year-ago level.

**The Current Conditions Index** FELL -4.4 to 66.3, BELOW the 3-month average of 68.47 and -1.3% BELOW the year-ago level.

**The Future Expectations Index** FELL -5.5 to 59.2, BELOW the 3-month average of 62.2 but 9.0% ABOVE the year-ago level.

**Year-ahead inflation expectations** FELL -0.5 to 3.6, BELOW the 3-month average of 3.87 and -1.8 BELOW the year-ago level.

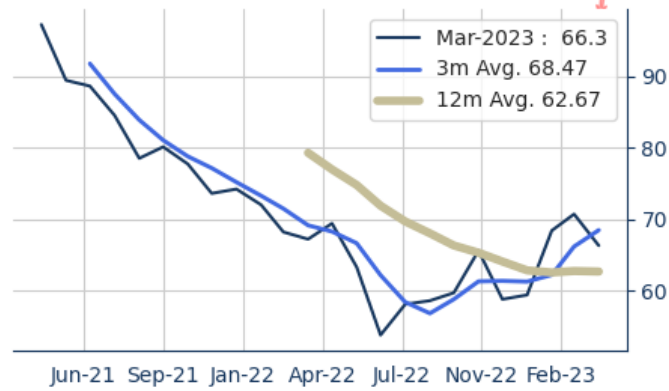
**Long-term (5 years) inflation expectations** were unchanged at 2.9, BELOW the 3-month average of 2.9 and -0.1 BELOW the year-ago level.

## Current Conditions

March: +66.3, consensus: +66.4

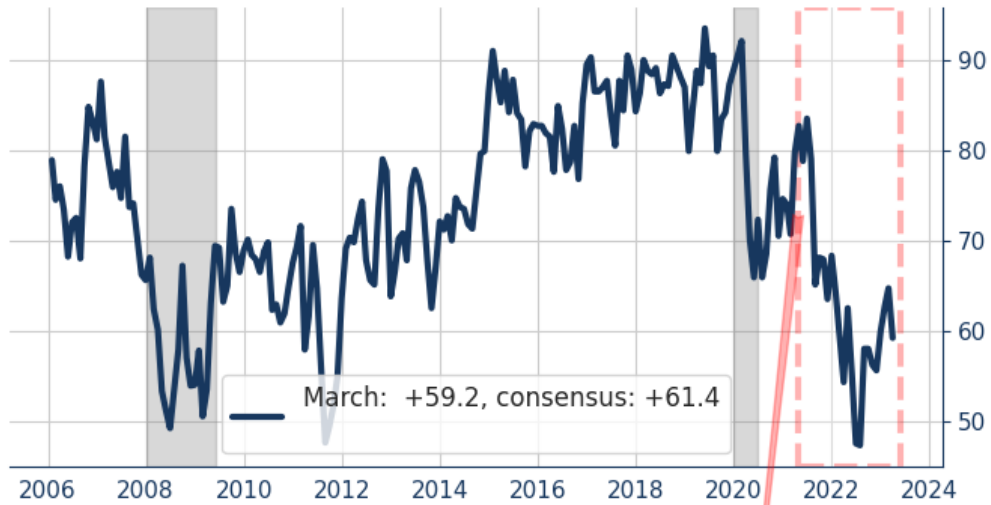


### Recent Trends

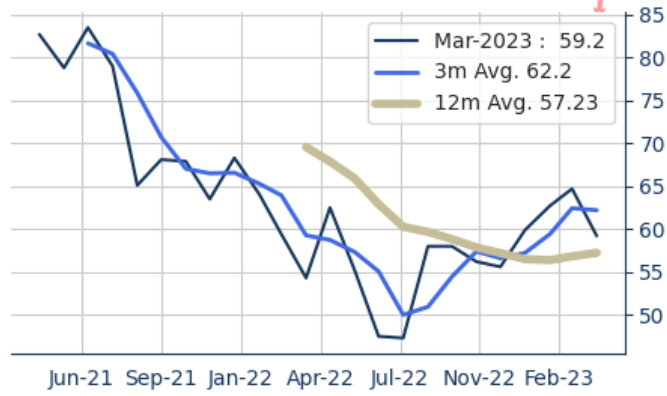


# Future Expectations

March: +59.2, consensus: +61.4



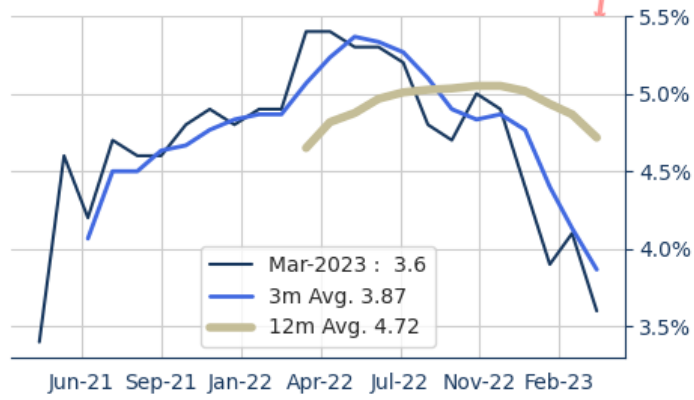
## Recent Trends



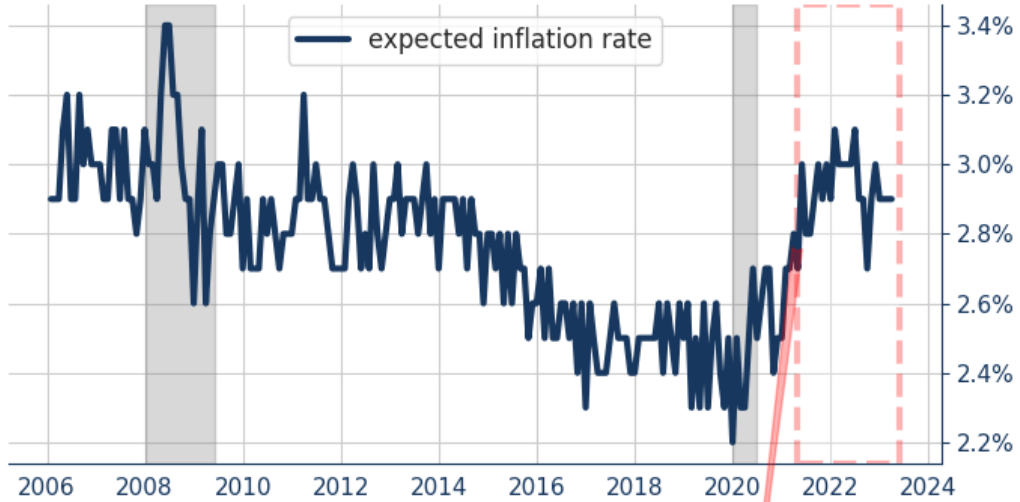
# 1-year Ahead Inflation Expectations



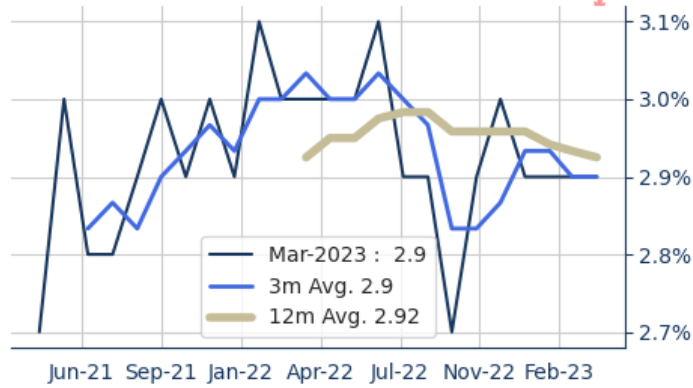
## Recent Trends



## 5-year Ahead Inflation Expectations



### Recent Trends



Contingent Macro Advisors 2023 source: University of Michigan

U. Mich. Consumer Sentiment Survey	Mar-23	Feb-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
<b>U. Mich. Consumer Sentiment</b>	<b>62.00</b>	<b>67.00</b>	<b>64.60</b>	<b>61.70</b>	<b>59.40</b>	<b>58.98</b>	<b>80.80</b>
Current Conditions	66.30	70.70	68.50	64.90	62.70	62.84	90.30
Future Expectations	59.20	64.70	62.20	59.70	57.20	56.50	74.70
1-year Ahead Inflation Expectations	3.60	4.10	3.90	4.30	4.70	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