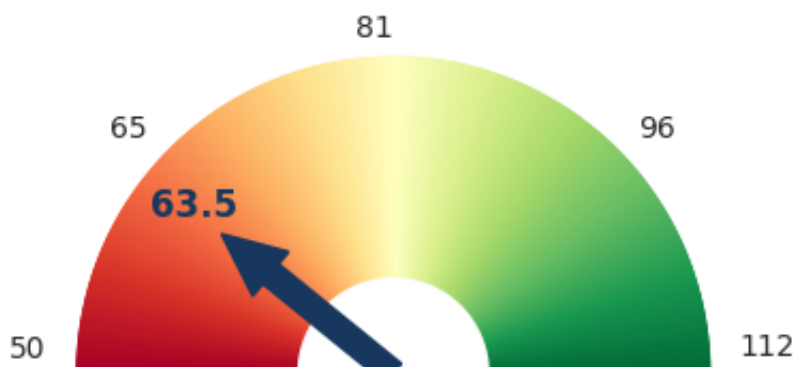


Consumer Sentiment



14.Apr.2023

Consumer Sentiment: Inflation Expectations Jump

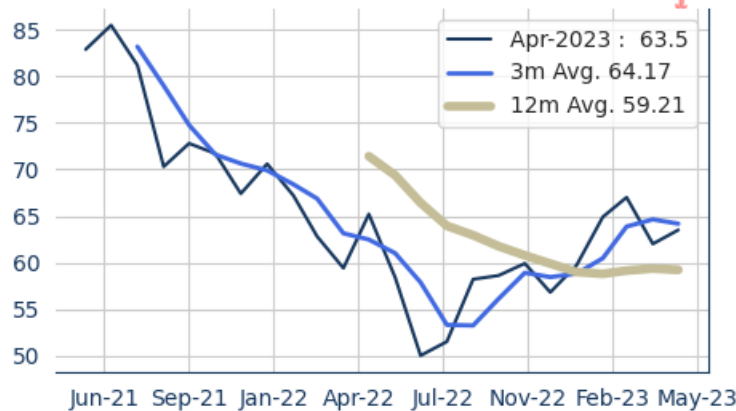
Bottom Line: The University of Michigan's consumer sentiment survey rose more than expected in early April, and year-ahead inflation expectations jumped sharply. Year-ahead inflation expectations rose from 3.6% in March to 4.6% in April, the highest since November. However, we are cautious about suggesting the reading is a trend-changer. Consumers' reports of year-ahead inflation expectations tend to be quite volatile and prone to swing based on headlines a given consumer may have seen just before the survey. Moreover, lower-income consumers, who feel the effects of inflation the most, reported rising sentiment. Consumers also reported lower prices for durable goods, and vehicles. And the long-run inflation expectations index was steady at 2.9%. **Overall, consumer sentiment edged up in April but remains historically low as households struggle with uncertainty, especially related to inflation and interest rates.**

U. Mich. Consumer Sentiment

April: +63.5, consensus: +62.1



Recent Trends



Contingent Macro Advisors 2023 source: University of Michigan

The University of Michigan's Consumer Sentiment Index ROSE 1.5 to 63.5, BELOW the 3-month average of 64.17 and -2.6% BELOW the year-ago level.

The Current Conditions Index ROSE 2.3 to 68.6, ABOVE the 3-month average of 68.53 but -1.2% BELOW the year-ago level.

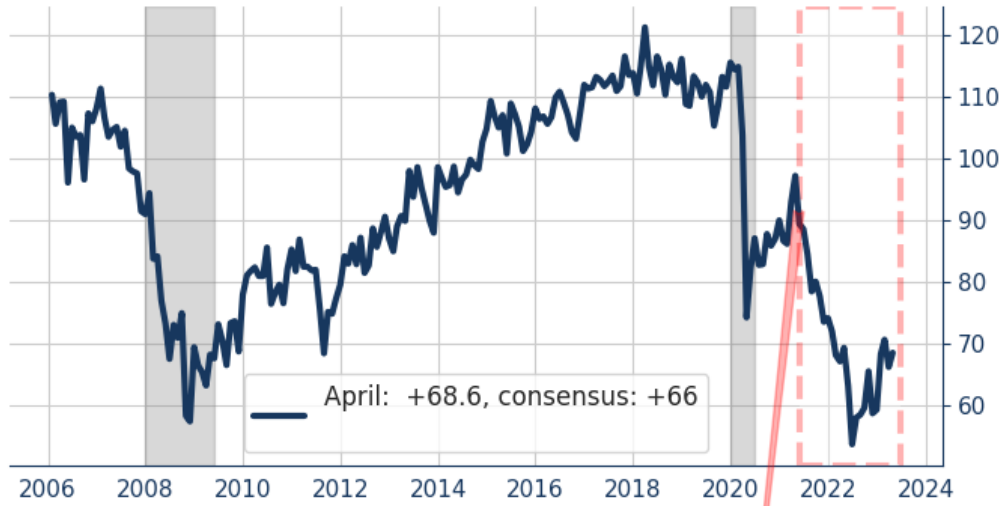
The Future Expectations Index ROSE 1.1 to 60.3, BELOW the 3-month average of 61.4 and -3.5% BELOW the year-ago level.

Year-ahead inflation expectations ROSE 1 to 4.6, ABOVE the 3-month average of 4.1 but -0.8 BELOW the year-ago level.

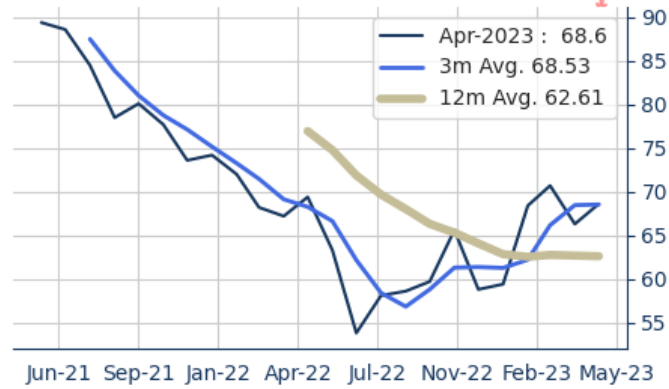
Long-term (5 years) inflation expectations were unchanged at 2.9, BELOW the 3-month average of 2.9 and -0.1 BELOW the year-ago level.

Current Conditions

April: +68.6, consensus: +66



Recent Trends

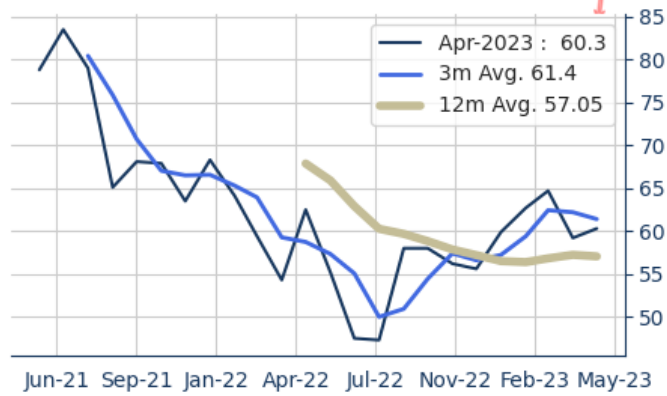


Future Expectations

April: +60.3, consensus: +58.5



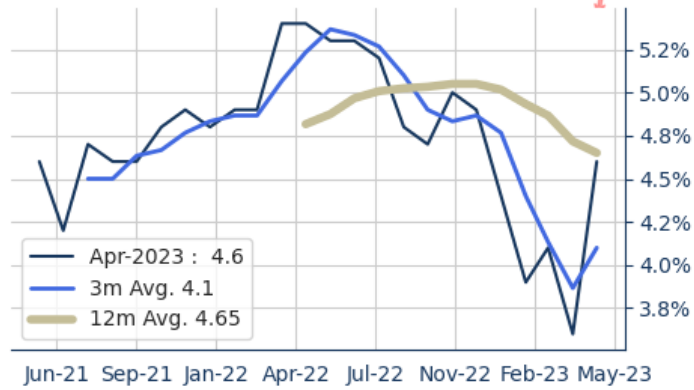
Recent Trends



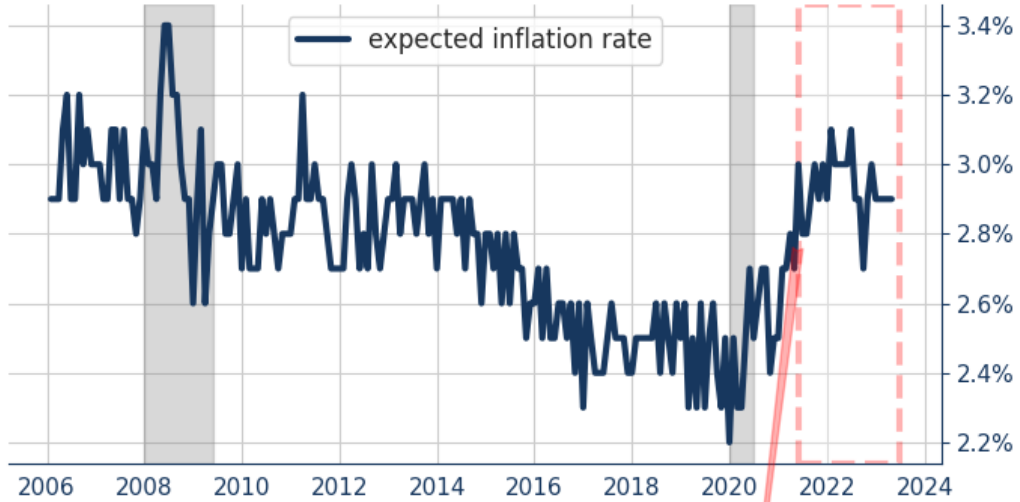
1-year Ahead Inflation Expectations



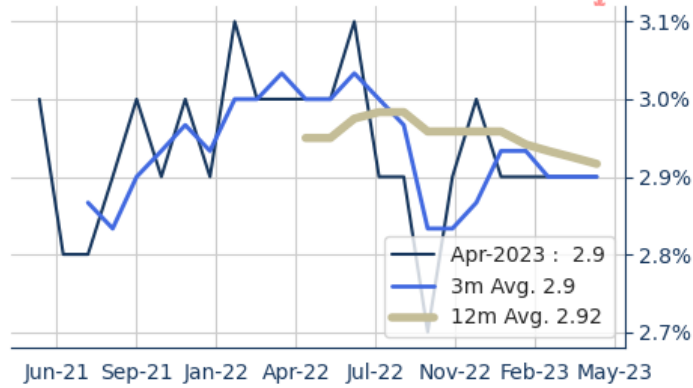
Recent Trends



5-year Ahead Inflation Expectations



Recent Trends



Contingent Macro Advisors 2023 source: University of Michigan

| U. Mich. Consumer Sentiment Survey | Apr-23 | Mar-23 | 3m. avg. | 6m. avg. | 12m. avg. | 2022 | 5y |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| U. Mich. Consumer Sentiment | 63.50 | 62.00 | 64.20 | 62.30 | 59.20 | 58.98 | 80.20 |
| Current Conditions | 68.60 | 66.30 | 68.50 | 65.40 | 62.60 | 62.84 | 89.50 |
| Future Expectations | 60.30 | 59.20 | 61.40 | 60.40 | 57.00 | 56.50 | 74.20 |
| 1-year Ahead Inflation Expectations | 4.60 | 3.60 | 4.10 | 4.20 | 4.60 | 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