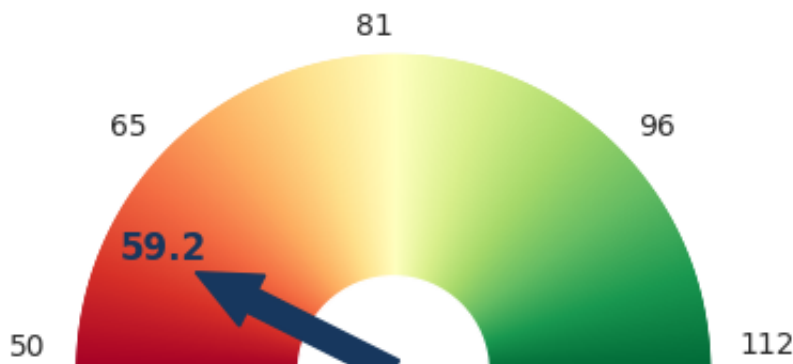


## Consumer Sentiment



26.May.2023

### Consumer Sentiment: Slight Rebound After Sharp Drop

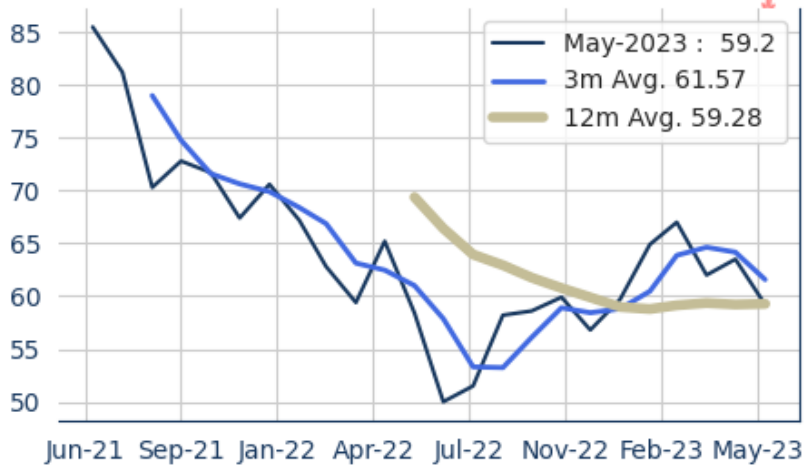
**Bottom Line:** The University of Michigan's consumer sentiment index rebounded slightly in the latter half of May, but year-ahead expectations for the economy were still down 17% from April, with long-run expectations down 14%. Consumers remain concerned about the debt ceiling crisis, and the recent trajectory of the sentiment indices mirrors that seen during the 2011 crisis. That said, consumers reported that their personal finances were little changed, and their expectations for income gains were steady, suggesting there is still income to fuel modest spending gains this year. **Overall, consumers continue to worry about inflation and high-interest rates. And now they are concerned that fiscal policymakers will throw the economy into recession. But consumers still report modest to moderate income gains, which should propel positive but cautious spending growth.**

# U. Mich. Consumer Sentiment

May: +59.2, consensus: +58



## Recent Trends



Contingent Macro Advisors 2023 source: University of Michigan

**The University of Michigan's Consumer Sentiment Index** FELL -4.3 to 59.2, BELOW the 3-month average of 61.57 but 1.4% ABOVE the year-ago level.

**The Current Conditions Index** FELL -3.3 to 64.9, BELOW the 3-month average of 66.47 but 2.5% ABOVE the year-ago level.

**The Future Expectations Index** FELL -5.1 to 55.4, BELOW the 3-month average of 58.37, nearly in line with the year-ago level of 55.2.

**Year-ahead inflation expectations** FELL -0.4 to 4.2, ABOVE the 3-month average

of 4.13 but -1.1 BELOW the year-ago level.

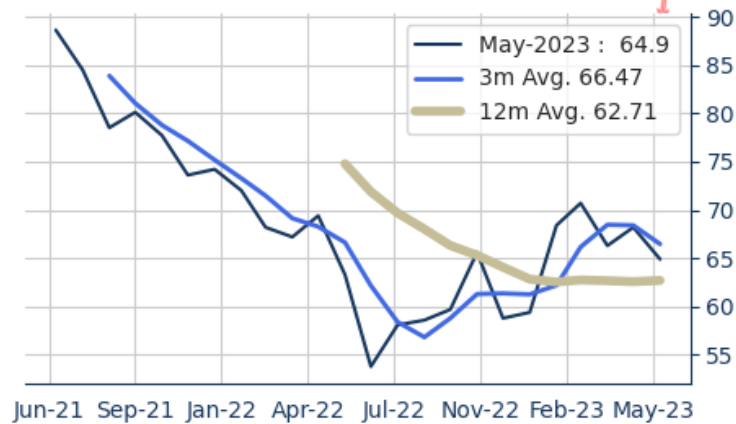
**Long-term (5 years) inflation expectations** ROSE 0.1 to 3.1, ABOVE the 3-month average of 3 and 0.1 ABOVE the year-ago level.

## Current Conditions

May: +64.9, consensus: +64.5

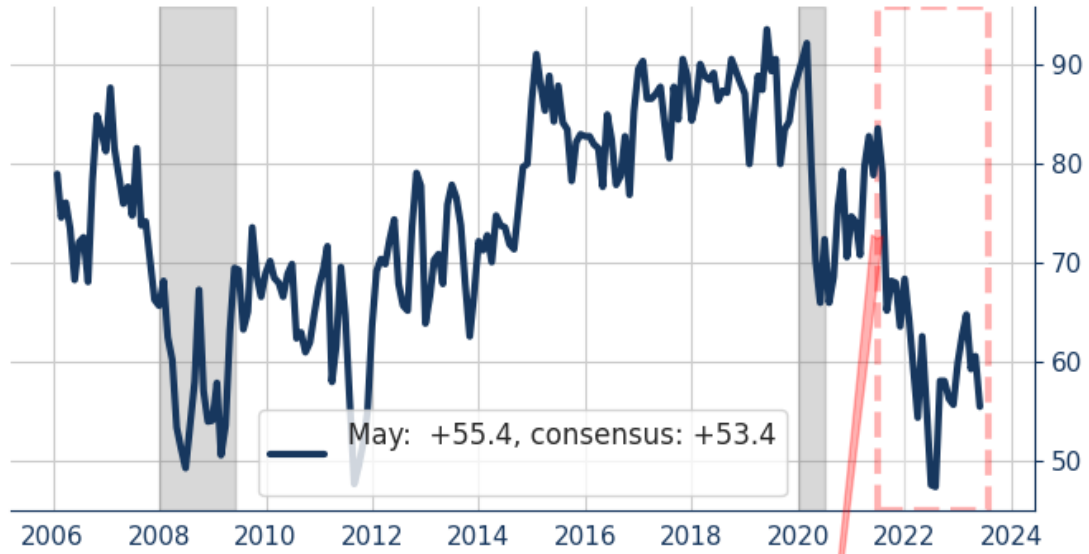


### Recent Trends

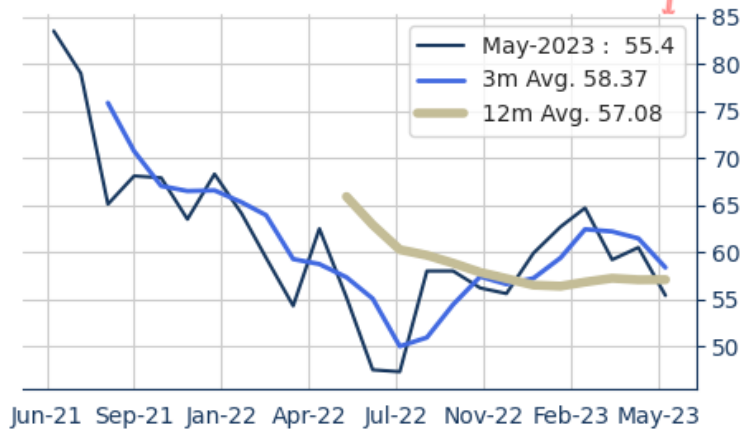


# Future Expectations

May: +55.4, consensus: +53.4



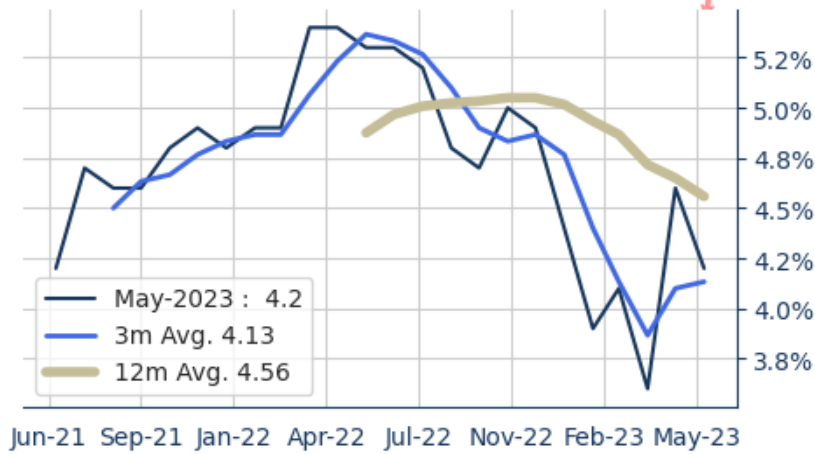
## Recent Trends



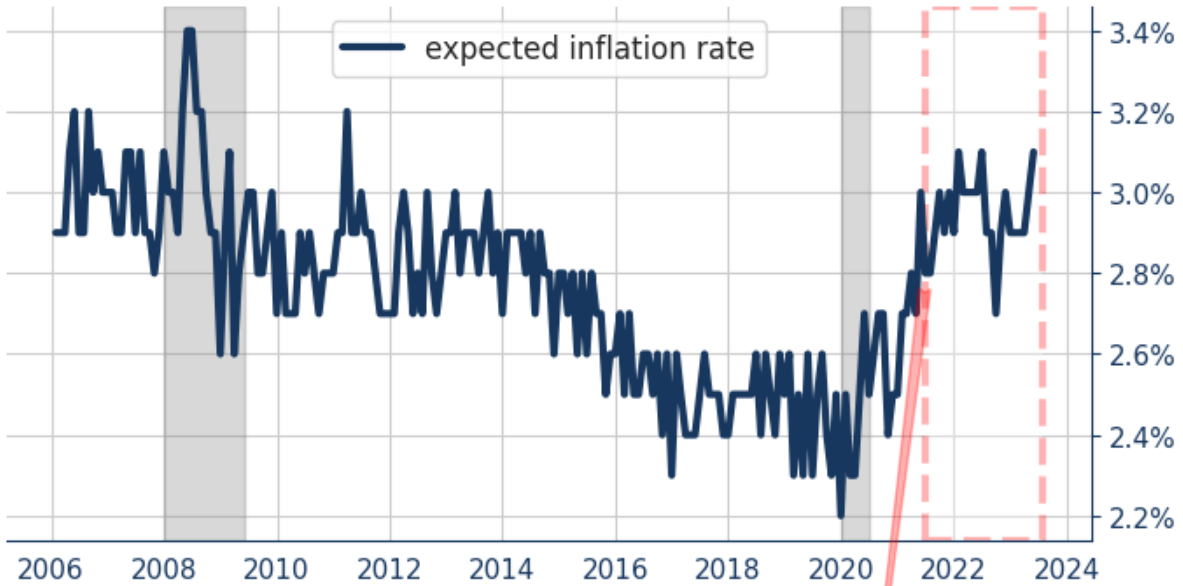
# 1-year Ahead Inflation Expectations



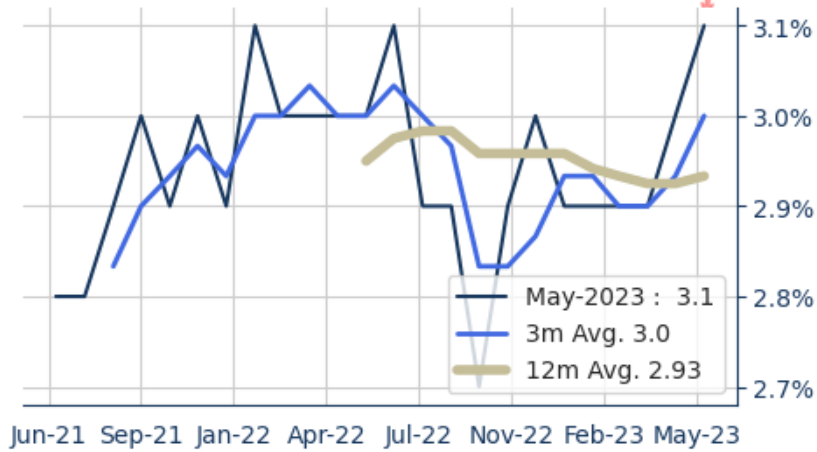
## Recent Trends



# 5-year Ahead Inflation Expectations



## Recent Trends



Contingent Macro Advisors 2023 source: University of Michigan

U. Mich. Consumer Sentiment Survey	May-23	Apr-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
<b>U. Mich. Consumer Sentiment</b>	<b>59.20</b>	<b>63.50</b>	<b>61.60</b>	<b>62.70</b>	<b>59.30</b>	<b>58.98</b>	<b>79.50</b>
Current Conditions	64.90	68.20	66.50	66.30	62.70	62.84	88.70
Future Expectations	55.40	60.50	58.40	60.40	57.10	56.50	73.70
1-year Ahead Inflation Expectations	4.20	4.60	4.10	4.10	4.60	5.02	3.60
5-year Ahead Inflation Expectations	3.10	3.00	3.00	2.90	2.90	2.96	2.70

source: University of Michigan