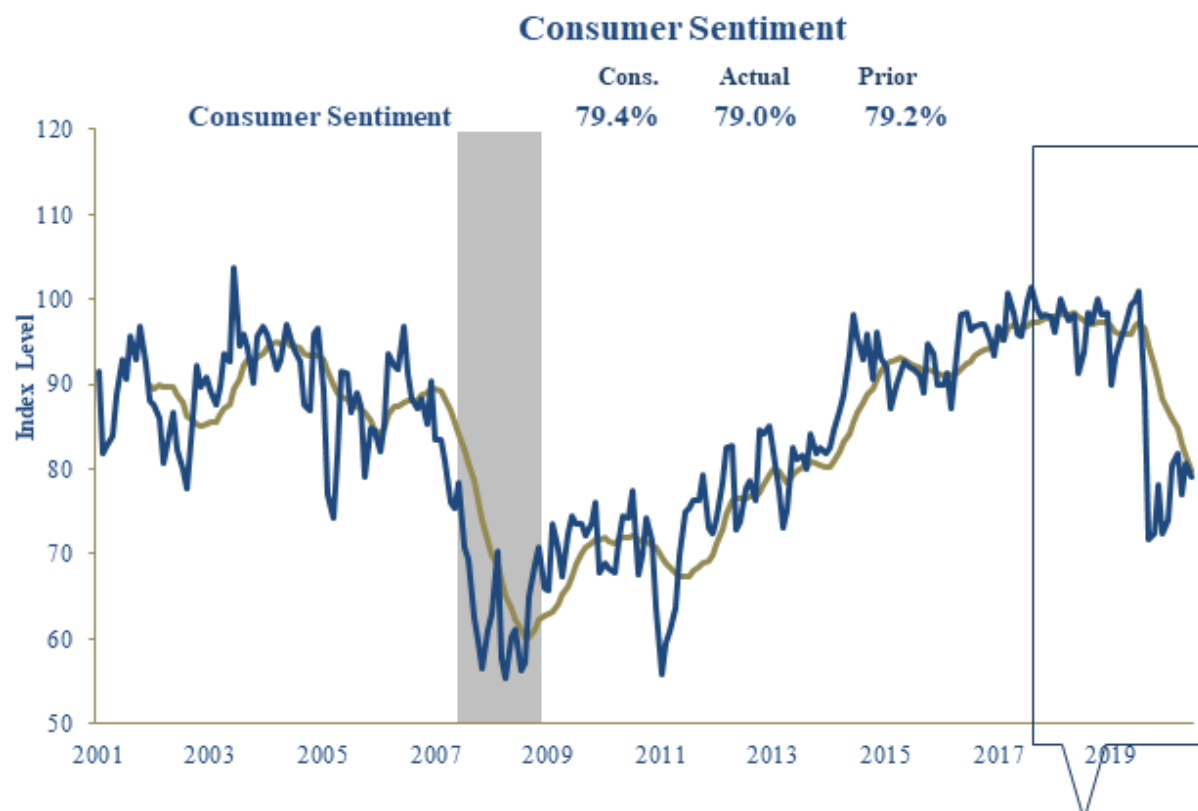
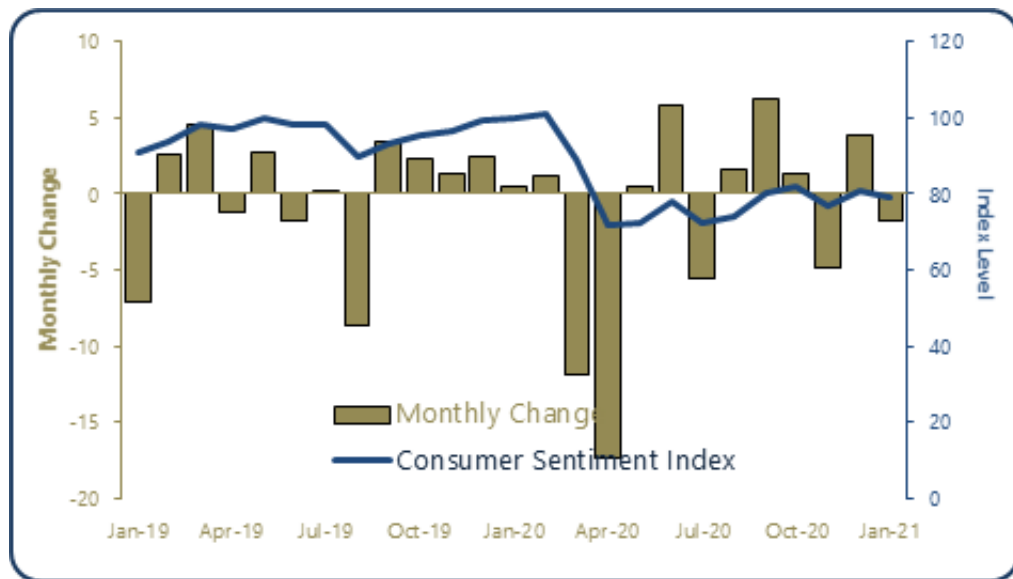


29.Jan.2021

Consumer Sentiment: Steady Through January

Bottom Line: Consumer sentiment fell slightly early in the month but remained steady throughout the month, with the final reading coming in very close to the preliminary reading. Politics continues to play a major role in shaping consumers' views, but the changes have largely been offsetting. Respondents who identify as Democrat have more optimistic outlooks, while those who self-identify as Republican had lower expectations for future economic conditions, reversing the trend from 2017-2020. Looking past politics, consumer sentiment has remained low since the pandemic is now at a potential inflection point, depending heavily on the pace and success of the vaccine rollout.



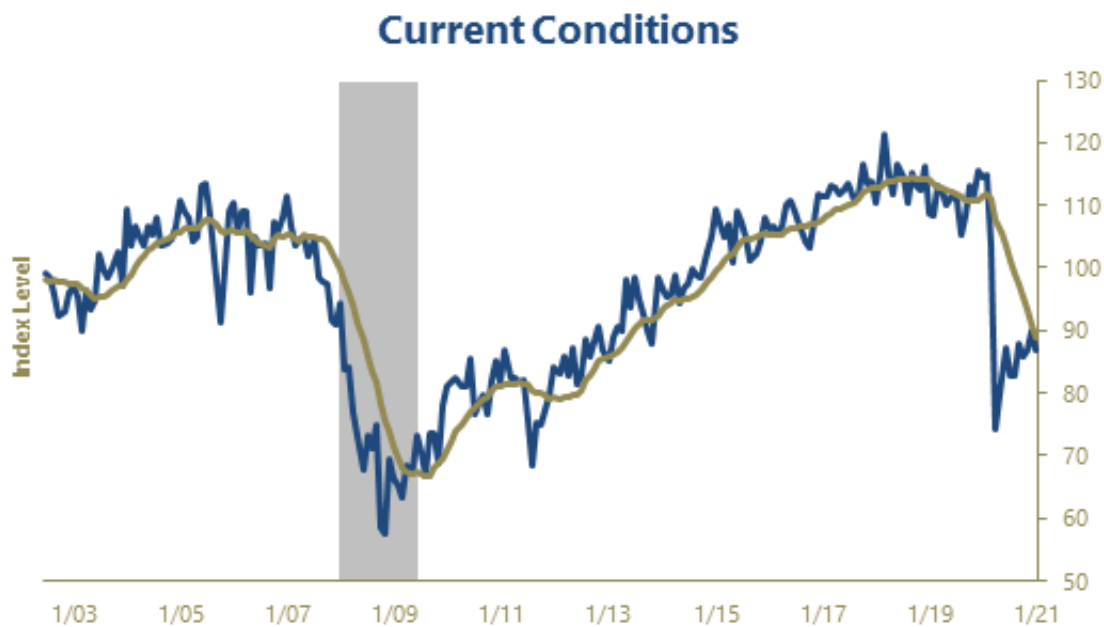


Consumer Sentiment was REVISED DOWN by 0.2 points in late January to 79.0%, compared with market expectations for an increase to 79.4%.

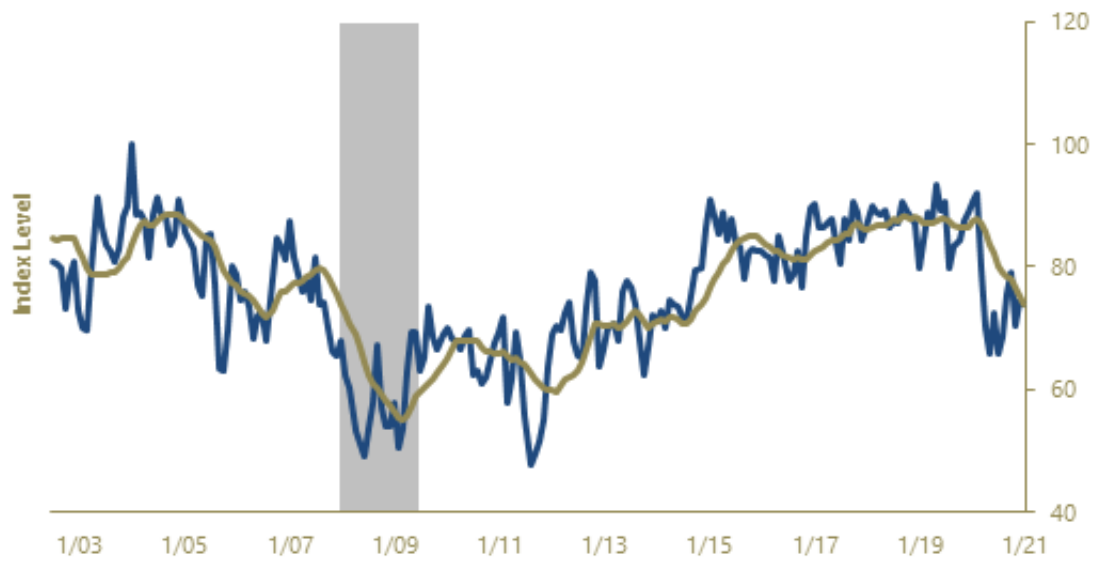
Sentiment has deteriorated by -2.8 points over the past 3 months. Despite this month's slight decline, compared to December's final level of 80.7%, sentiment is 20.8% BELOW its year-ago level.

Current Conditions were REVISED DOWN by 1.0 points to 86.7%. Current conditions are now 24.2% BELOW their year-ago level.

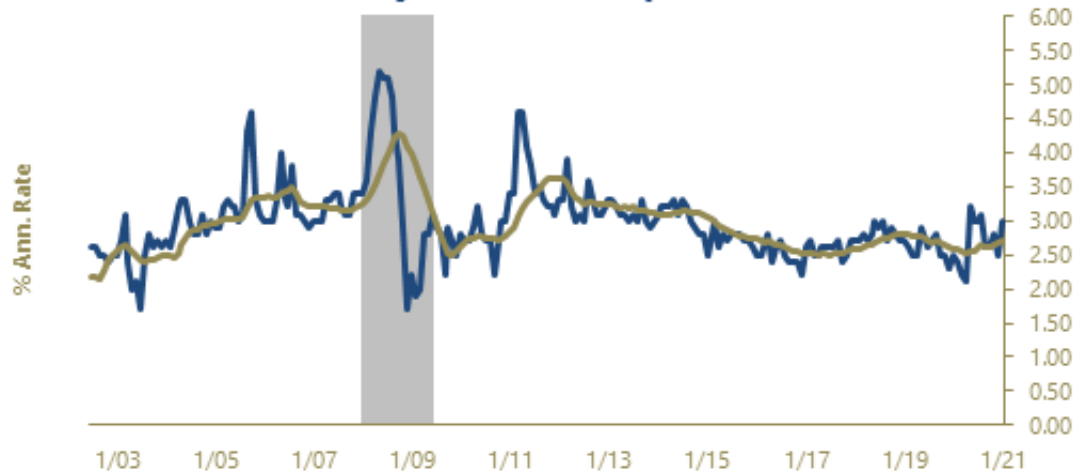
Consumer Expectations were REVISED UP by 0.2 points to 74.0%. Despite this month's slight decline, compared to December's final level of 74.6%, expectations are 18.2% BELOW their year-ago level.



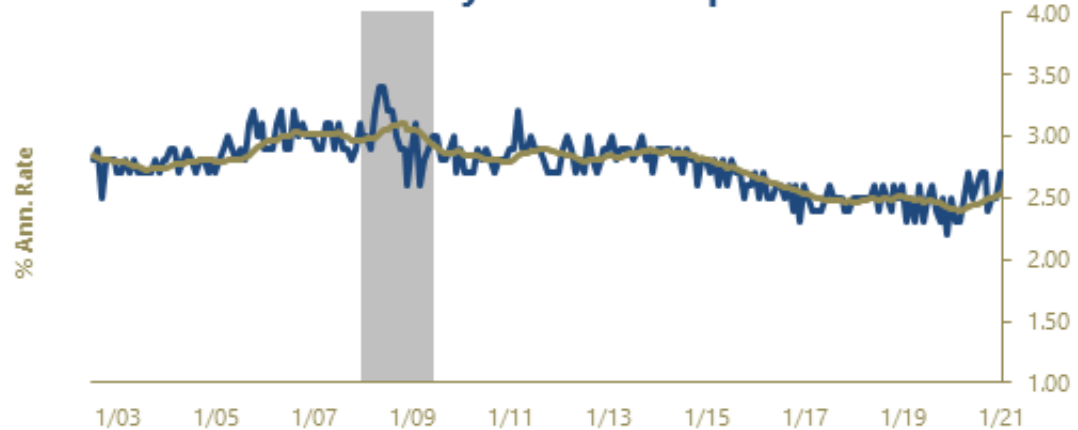
Expectations



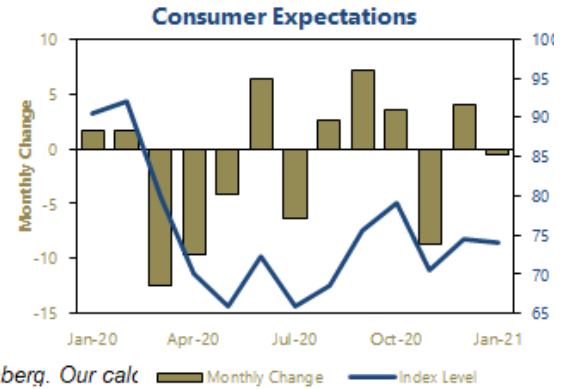
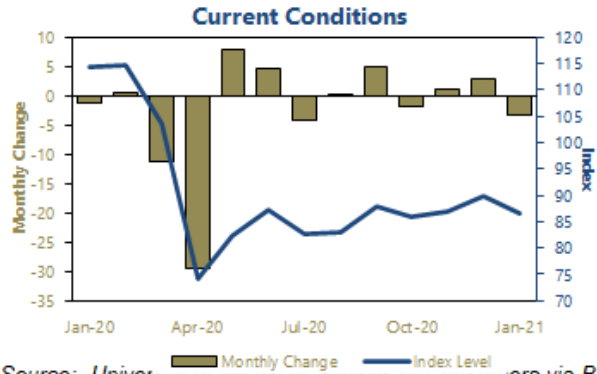
1y Inflation Expectations



5-10y Inflation Expectations



	Index Levels										
	Monthly				Averages for						
	Jan Final	Jan Prelim.	Dec-20	Nov-20	Three Month	Six Month	Twelve Month	2019	2018	Re- sessions	Ex- pansions
Consumer Sentiment	79.0	79.2	80.7	76.9	78.9	78.8	79.8	99.3	98.3	68.3	86.9
Current Conditions	86.7	87.7	90.0	87.0	87.9	86.7	88.8	115.5	116.1	80.8	98.9
Consumer Expectations	74.0	73.8	74.6	70.5	73.0	73.7	74.0	88.9	87.0	60.5	79.1
1-year Inflation Expectation	3.0	3.0	2.5	2.8	2.8	2.8	2.7	2.6	2.8		
5-year Inflation Expectation	2.7	2.7	2.5	2.5	2.6	2.6	2.5	2.4	2.5		



Source: University of Michigan Surveys of Consumers via Bloomberg. Our calc