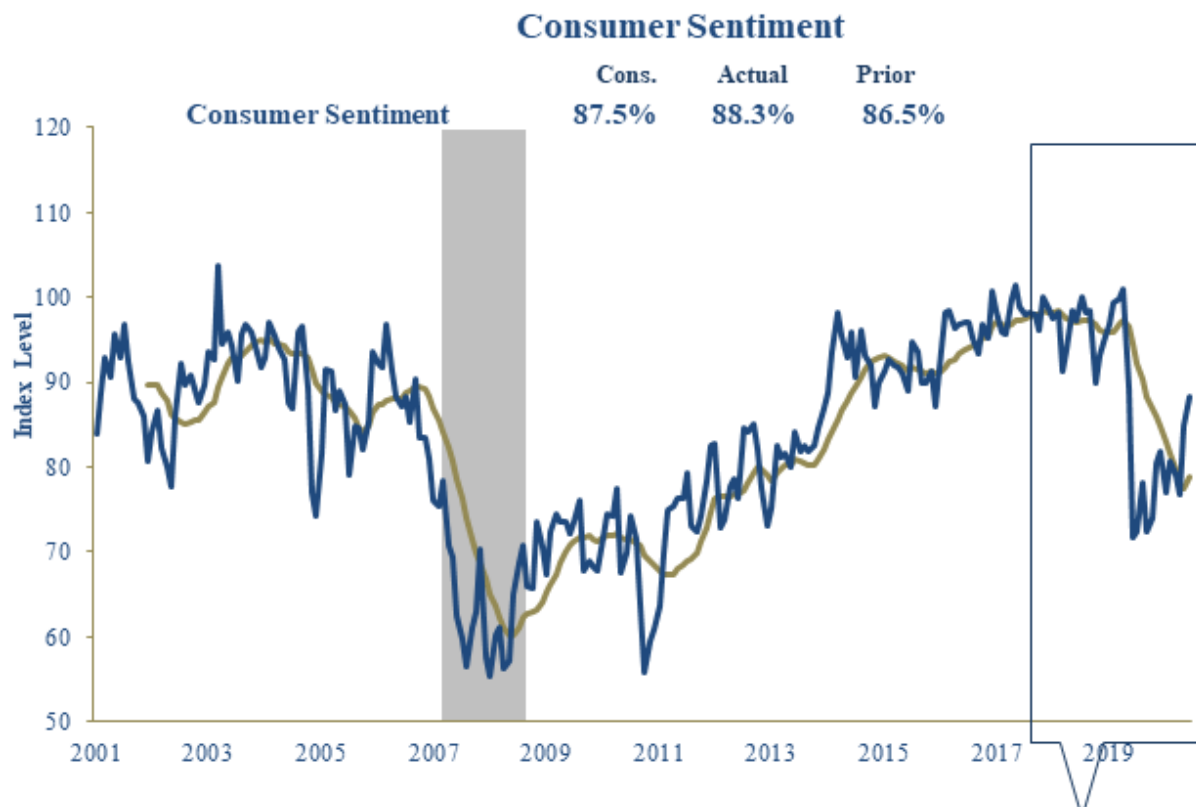
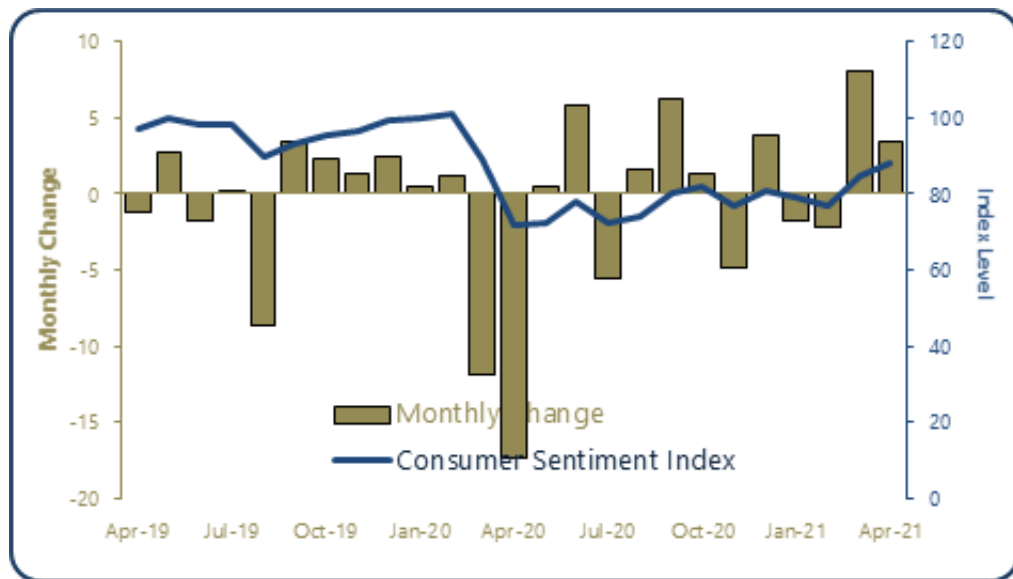


30.Apr.2021

## Consumer Sentiment: Continued Rebound

**Bottom Line:** Consumers' sentiment rose even more than expected in the second half of April, driven by future expectations. Consumers' assessments of current conditions remained below pre-pandemic levels but continued to rebound. The expectations component was back to the lower end of the pre-pandemic range. Inflation expectations fell amid very high volatility. Consumers historically have a hard time gauging inflation -- the year-ahead inflation expectations jumped from 3.1% in March to 3.7% in early April and were down to 3.4% by the end of the month. Looking through that volatility, the trend in inflation expectations is moving higher, moving towards the high end of the range seen in the 2009-2015 recovery. Overall, consumers are on a more solid footing than at any point since the pandemic but are still not as optimistic as they were before the pandemic.



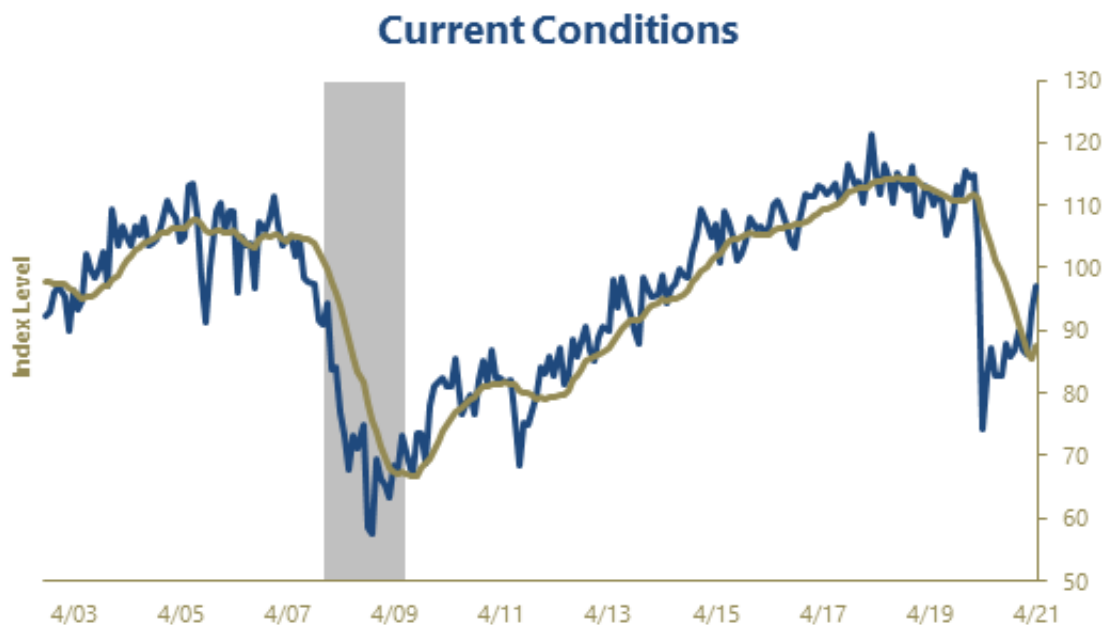


**Consumer Sentiment** was REVISED UP by 1.8 points in late April to 88.3%, compared with market expectations for a small increase to 87.5%.

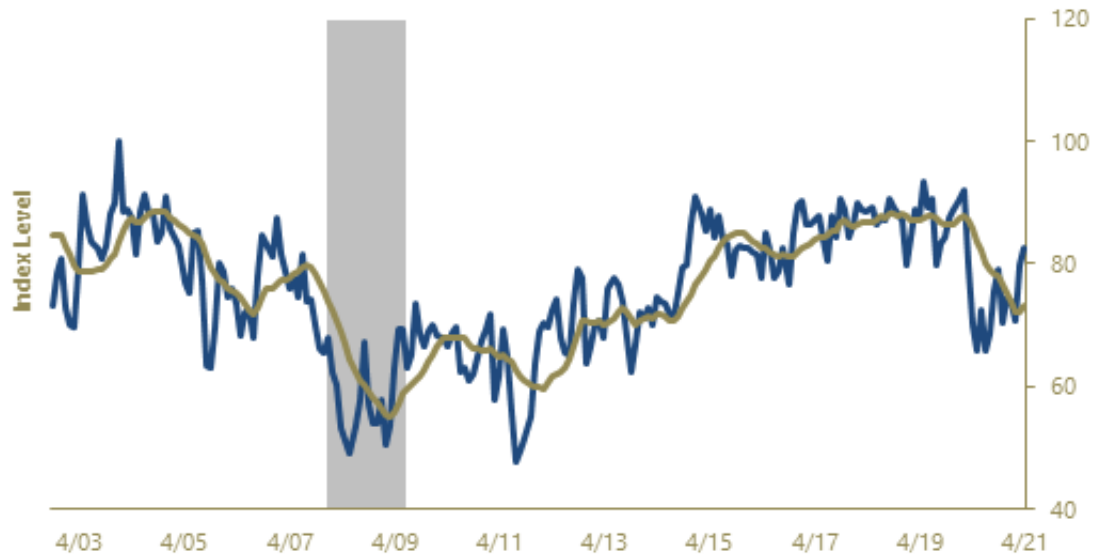
Sentiment has improved by 9.3 points over the past 3 months. With this month's modest increase, compared to March's final level of 84.9%, sentiment is 23.0% ABOVE its year-ago level.

**Current Conditions** were UNCHANGED at 97.2%. Current conditions are now 30.8% ABOVE their year-ago level.

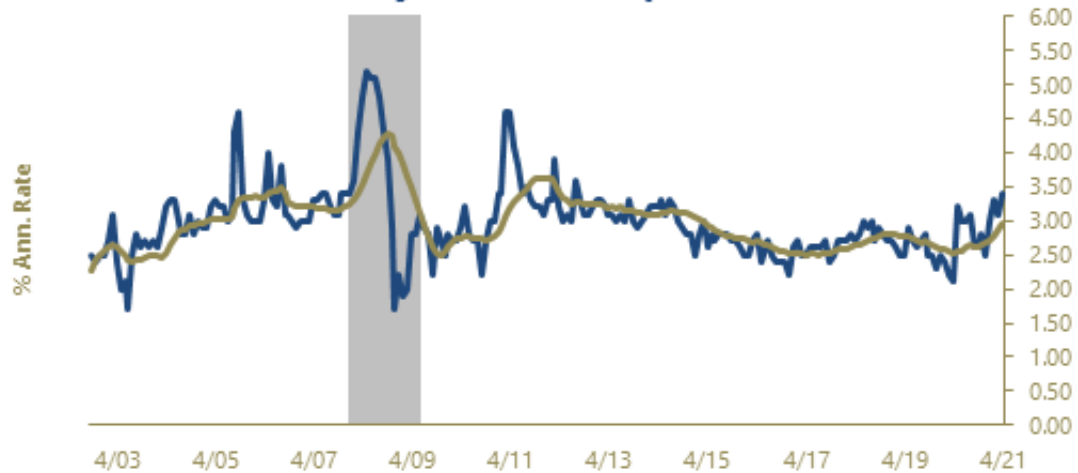
**Consumer Expectations** were REVISED UP by 3.0 points to 82.7%. With this month's modest increase, compared to March's final level of 79.7%, expectations are 18.0% ABOVE their year-ago level.



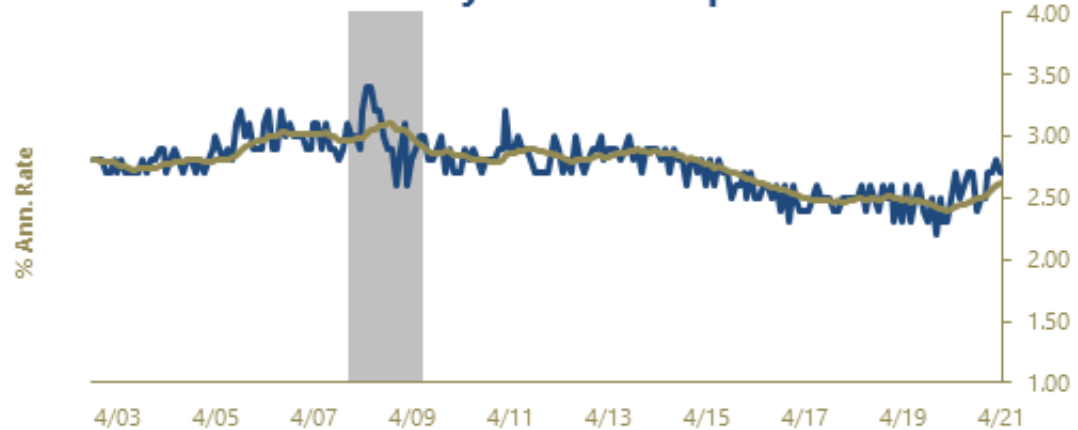
## Expectations



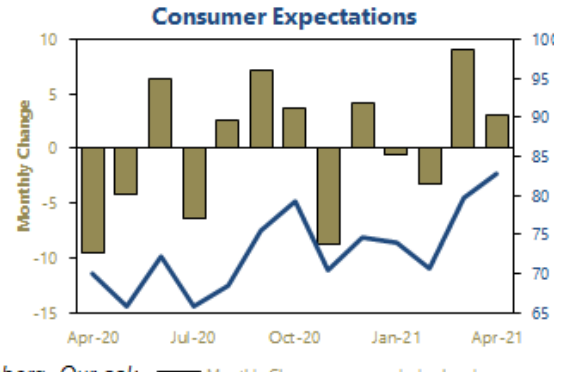
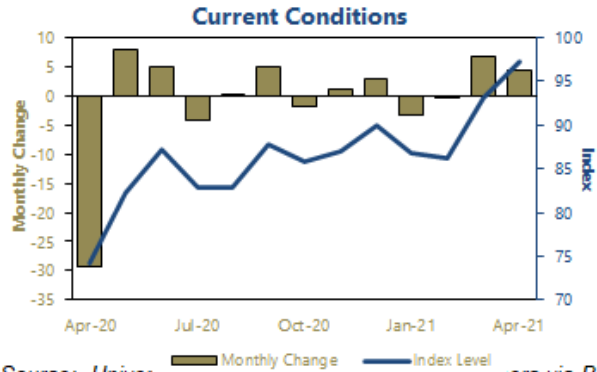
## 1y Inflation Expectations



## 5-10y Inflation Expectations



	Index Levels										
	Monthly				Averages for						
	Apr Final	Apr Prelim.	Mar-21	Feb-21	Three Month	Six Month	Twelve Month	2020	2019	Re- sessions	Ex- pansions
Consumer Sentiment	88.3	86.5	84.9	76.8	83.3	81.1	78.8	80.7	99.3	68.3	86.9
Current Conditions	97.2	97.2	93.0	86.2	92.1	90.0	87.4	90.0	115.5	80.8	98.9
Consumer Expectations	82.7	79.7	79.7	70.7	77.7	75.4	73.3	74.6	88.9	60.5	79.1
1-year Inflation Expectation	3.4	3.7	3.1	3.3	3.4	2.9	2.9	2.7	2.6		
5-year Inflation Expectation	2.7	2.7	2.8	2.7	2.7	2.6	2.6	2.5	2.4		



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