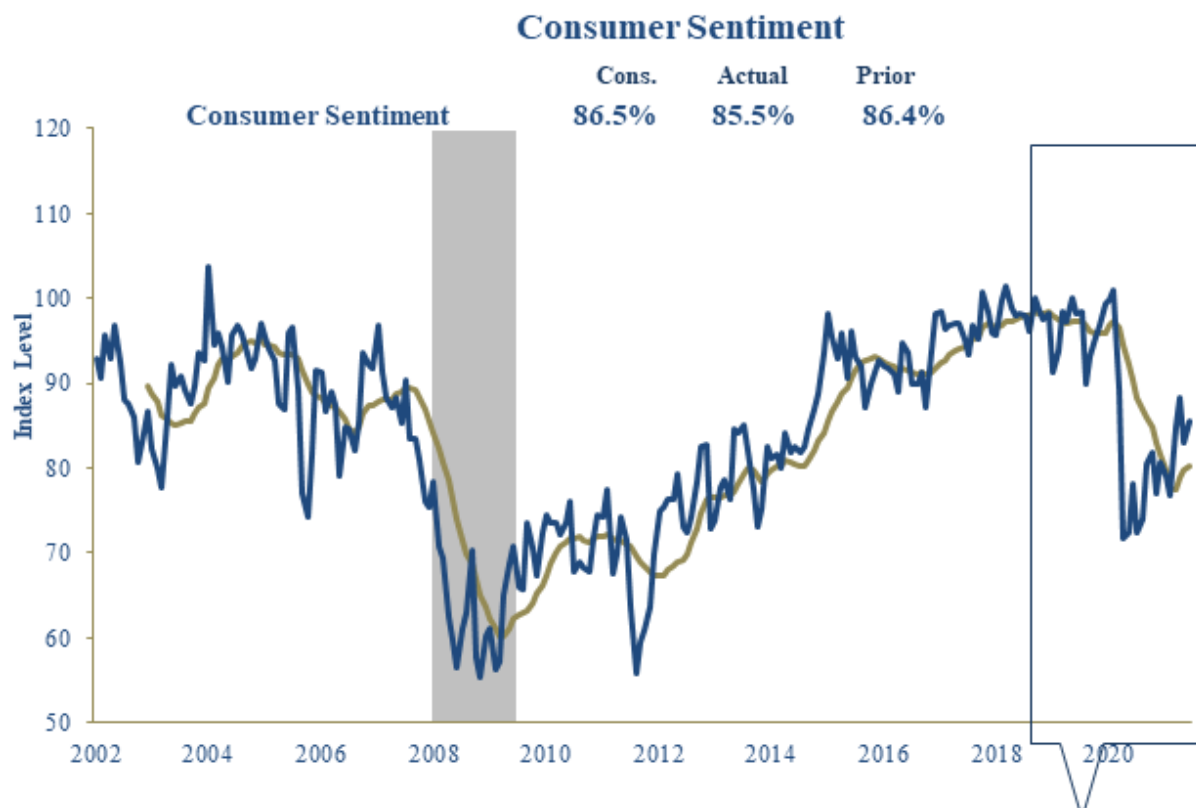
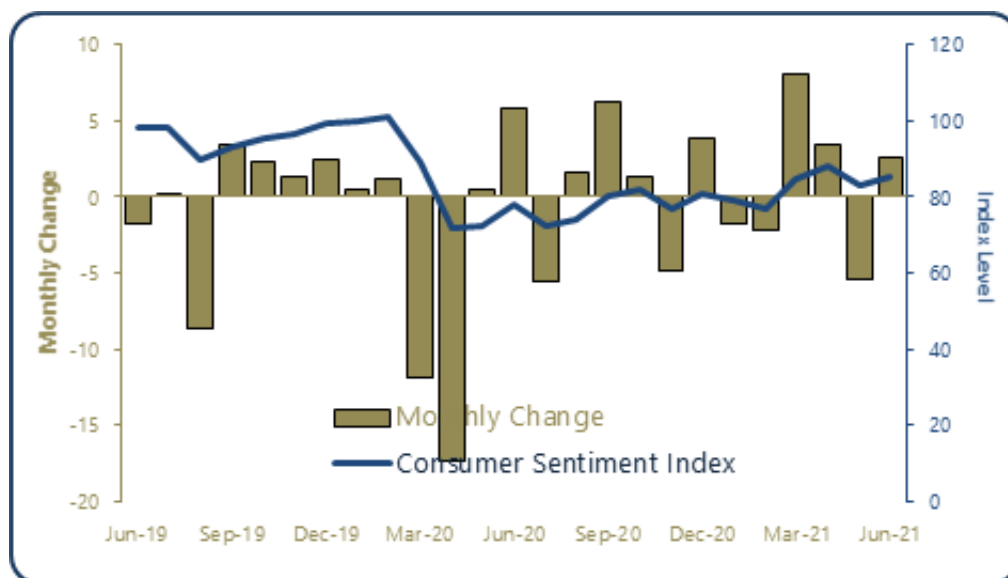


25.Jun.2021

Consumer Sentiment: Modest Downtick in Late June

Bottom Line: Consumer sentiment rebounded in June, led by consumers' future expectations. But the second half of the month was not as strong as the first, resulting in a lower final reading, particularly notable in consumers' assessments of current conditions. Still, June's final reading was the second-highest since the pandemic. Consumers noted continued risks from the pandemic but suggested the labor market will remain strong, with the highest percentage ever of respondents suggesting declines in the unemployment rate. Inflation expectations were still lower than in May but edged a touch higher in the second half of June relative to the preliminary report. Overall, consumer sentiment is up sharply from the depths of the pandemic. Still, the survey continued to suggest that consumers have enough concerns about the future that they are likely to hold onto high savings levels (as much as possible) well into the future.

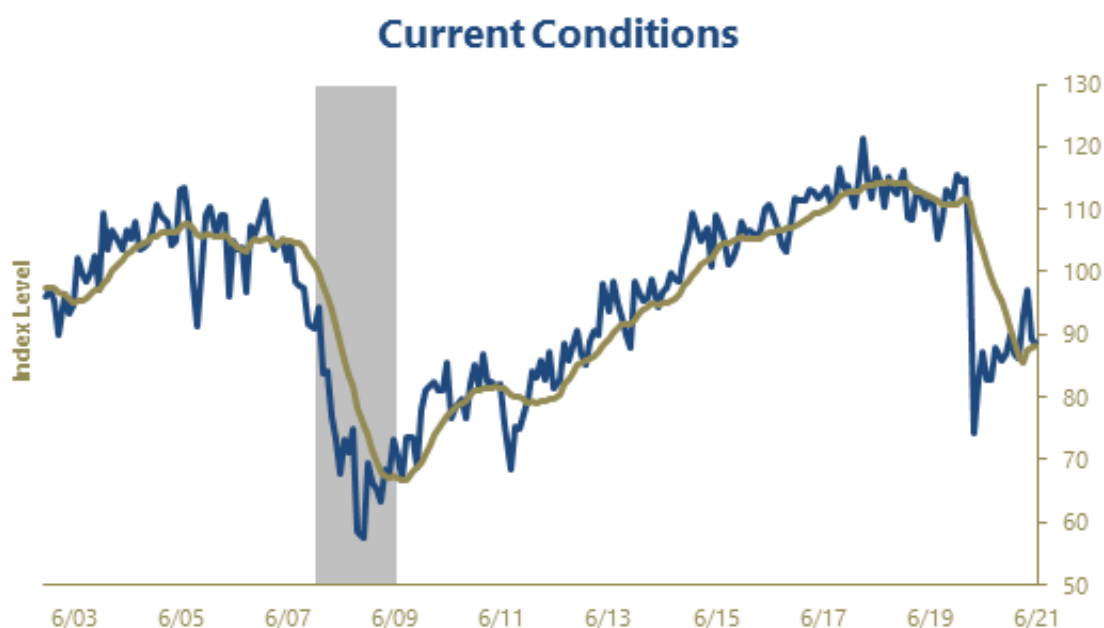




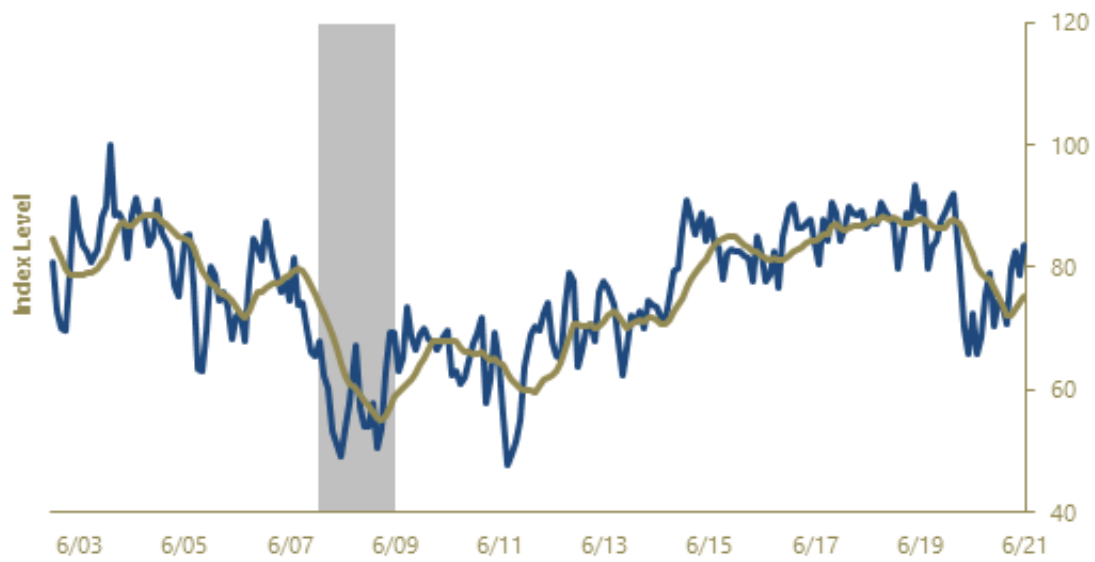
Consumer Sentiment was REVISED DOWN by 0.9 points in late June to 85.5%, compared with market expectations for a small increase to 86.5%. Sentiment has improved by 0.6 points over the past 3 months. With this month's modest increase, compared to May's final level of 82.9%, sentiment is 9.5% ABOVE its year-ago level.

Current Conditions were REVISED DOWN by 2.0 points to 88.6%. Current conditions are now 1.7% ABOVE their year-ago level.

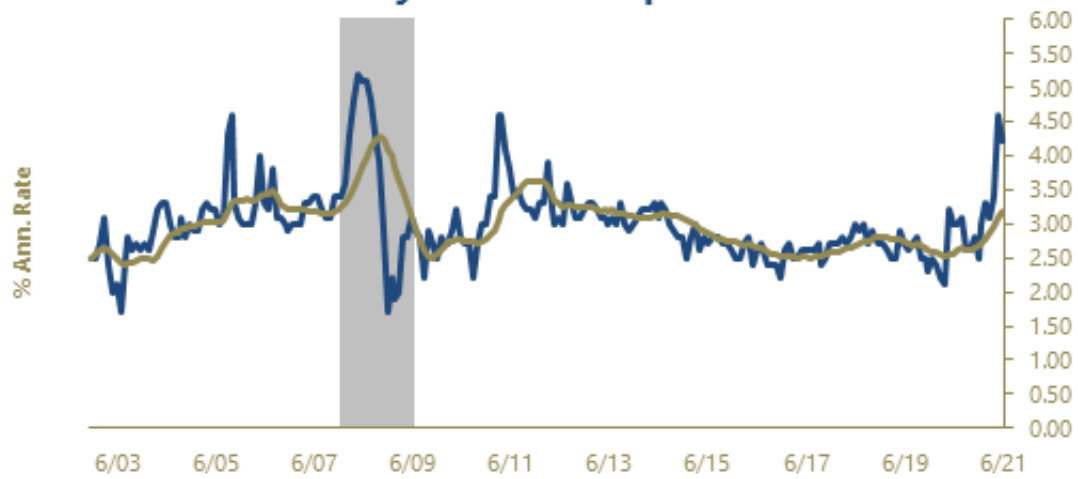
Consumer Expectations were REVISED DOWN by 0.3 points to 83.5%. With this month's modest increase, compared to May's final level of 78.8%, expectations are 15.5% ABOVE their year-ago level.



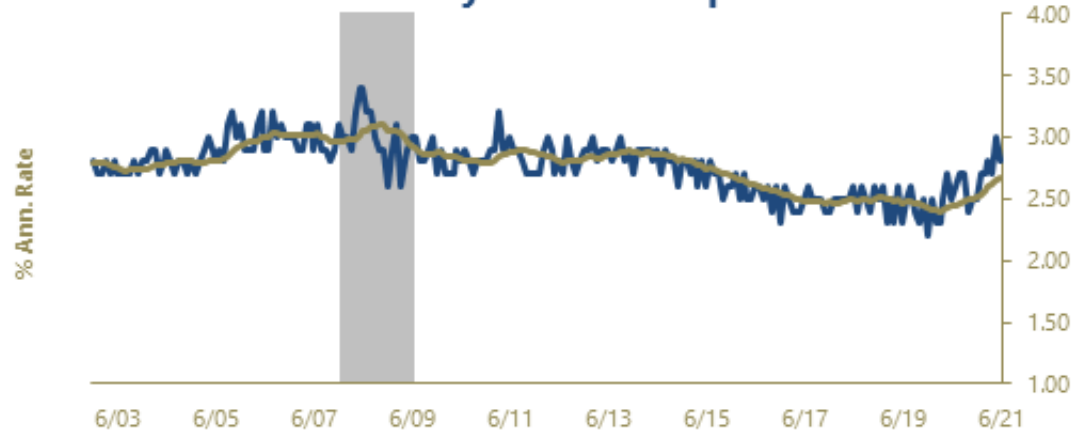
Expectations



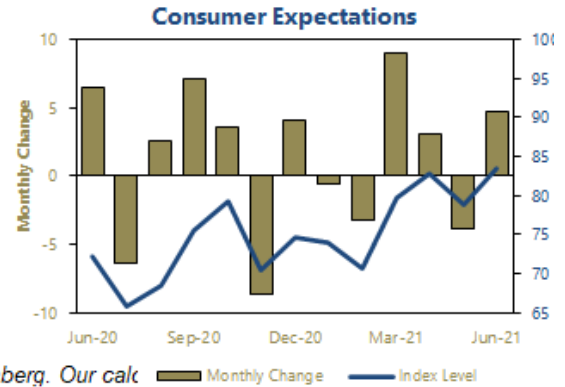
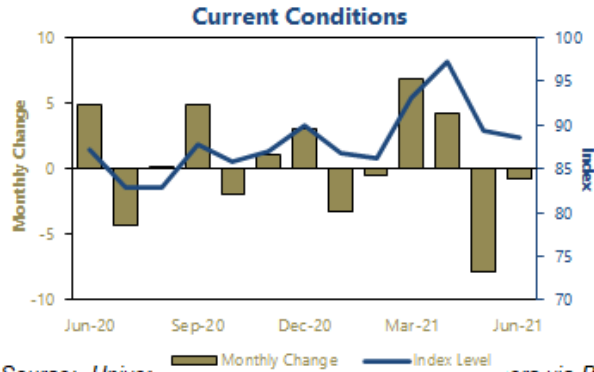
1y Inflation Expectations



5-10y Inflation Expectations



	Index Levels										
	Monthly				Averages for						
	Jun Final	Jun Prelim.	May-21	Apr-21	Three Month	Six Month	Twelve Month	2020	2019	Re- sessions	Ex- pansions
Consumer Sentiment	85.5	86.4	82.9	88.3	85.6	82.9	80.3	80.7	99.3	68.3	86.9
Current Conditions	88.6	90.6	89.4	97.2	91.7	90.2	88.1	90.0	115.5	80.8	98.9
Consumer Expectations	83.5	83.8	78.8	82.7	81.7	78.2	75.3	74.6	88.9	60.5	79.1
1-year Inflation Expectation	4.2	4.0	4.6	3.4	4.3	3.3	3.1	2.7	2.6		
5-year Inflation Expectation	2.8	2.8	3.0	2.7	2.9	2.7	2.7	2.5	2.4		



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