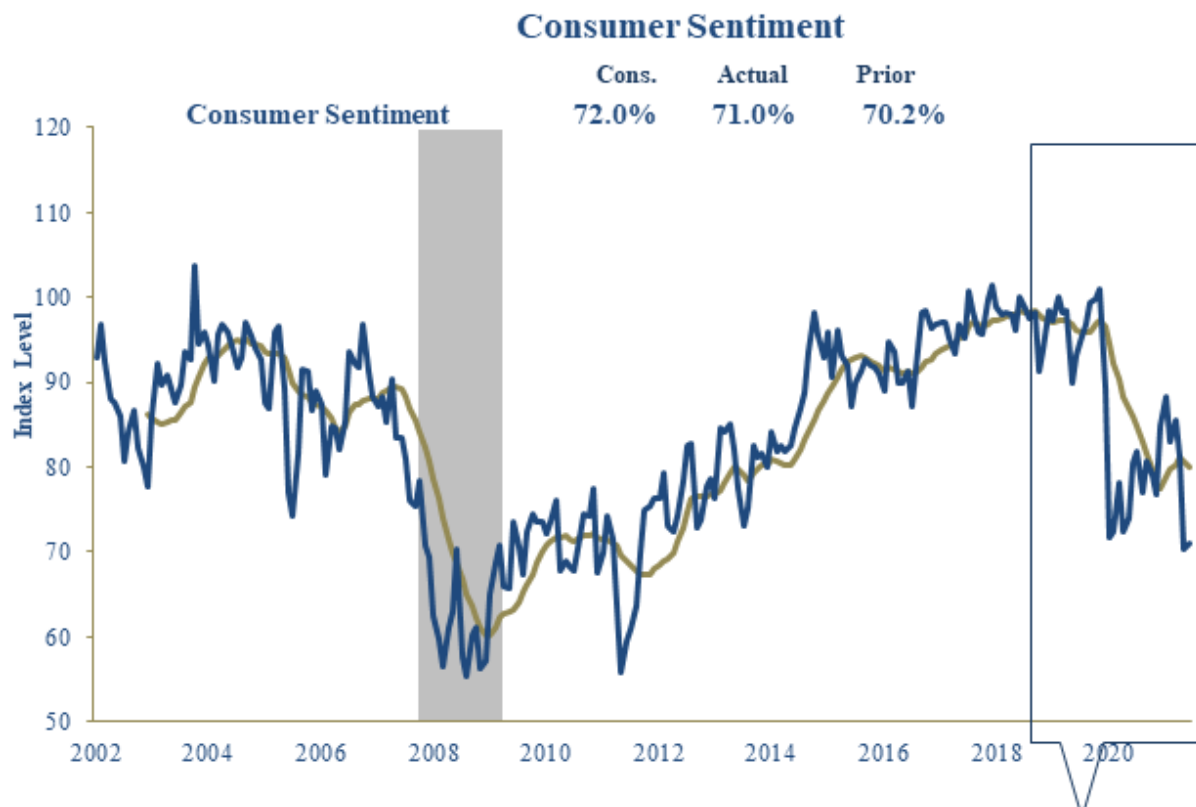
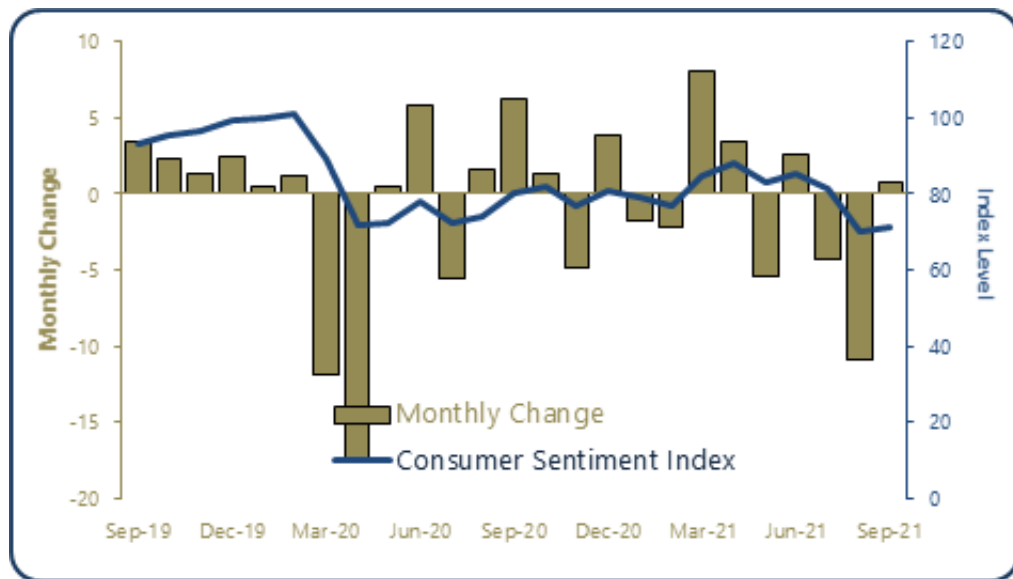


17.Sep.2021

Consumer Sentiment: Small Rebound After Record Declines

Bottom Line: Consumer sentiment saw only a small decline in the first part of September after a record decline in August. Consumers' assessment of their current conditions fell slightly while their expectations for the future improved as hospitalizations for the Covid delta variant eased slightly. Consumer expectations for one year ahead inflation rose again, hitting 4.7%, a record for this cycle and just below the peak of 5.2% seen in mid-2008. Concerns about higher prices continue to hamper consumer sentiment. Overall, consumer sentiment is still near its least favorable levels in over a decade. Consumers reported unfavorable conditions for buying homes, vehicles, and durable goods, which, for now, suggests their inflation concerns will leave them postponing purchases rather than accelerating them and hastening price inflation.

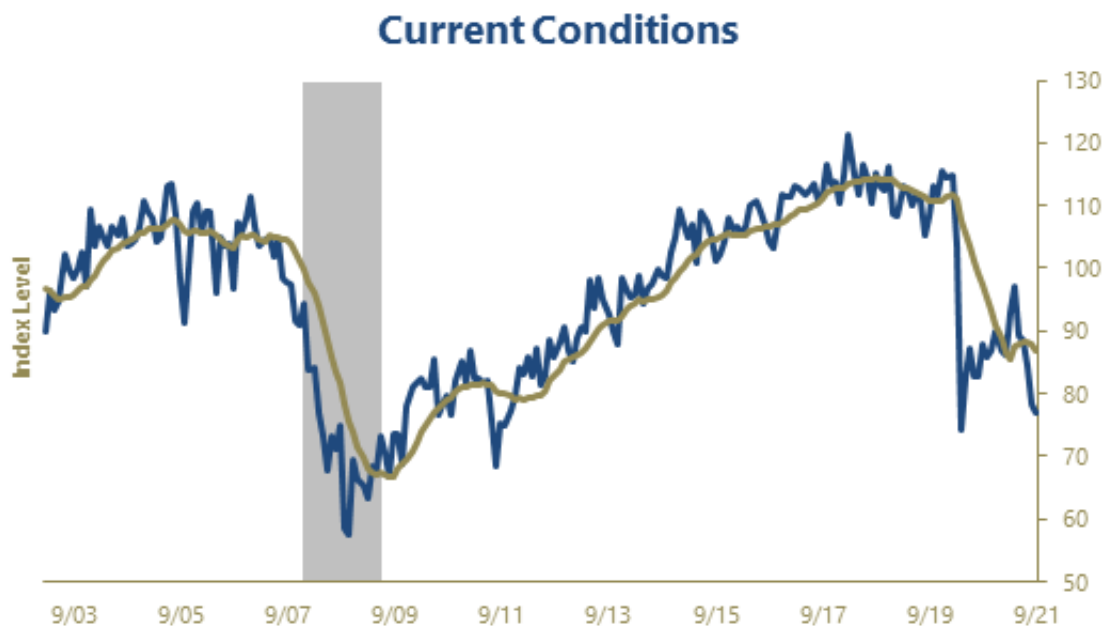




Consumer Sentiment ROSE by 0.7 points in early September to 71.0%, compared with market expectations for an increase to 72.0%. Despite this month's slight increase, sentiment is now 11.7% BELOW its year-ago level.

Current Conditions FELL by 1.4 points to 77.1%. This is 12.2% BELOW their year-ago level.

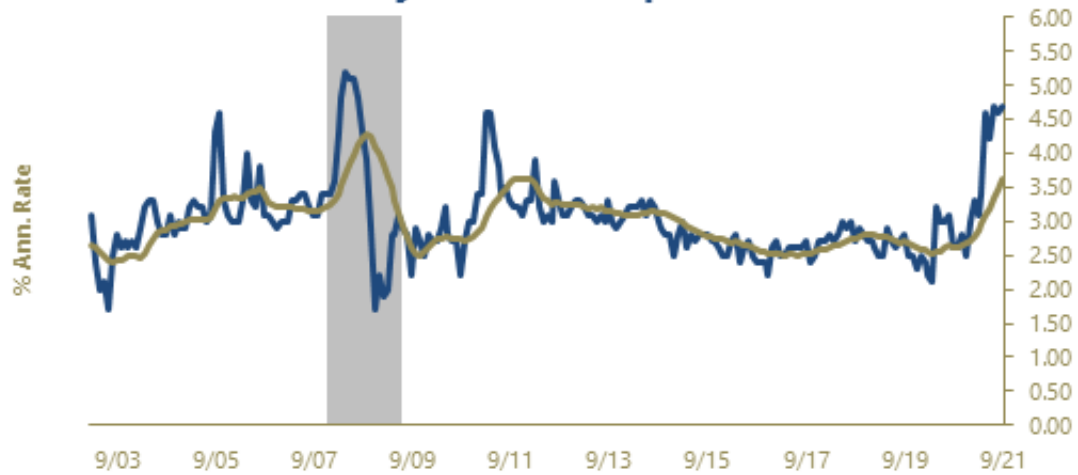
Consumer Expectations ROSE by 2.0 points to 67.1%. Despite this month's slight increase, expectations are 11.2% BELOW its year-ago level.



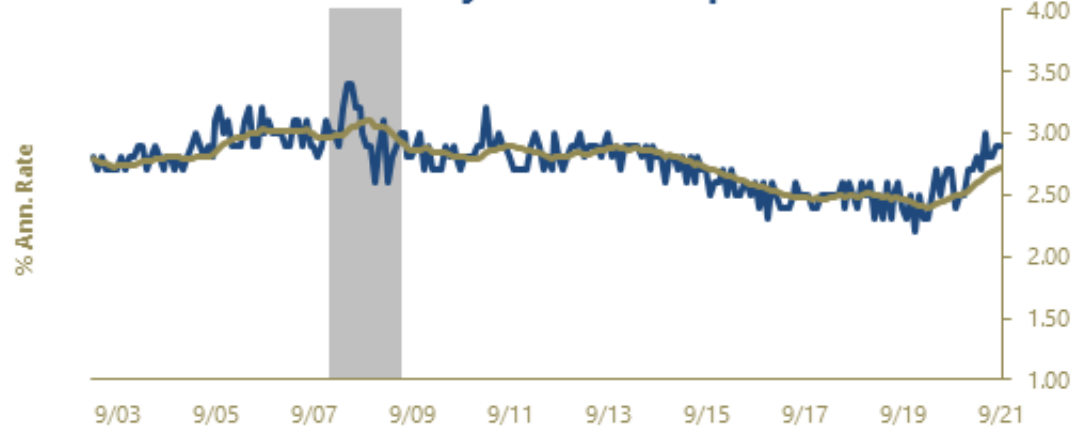
Expectations



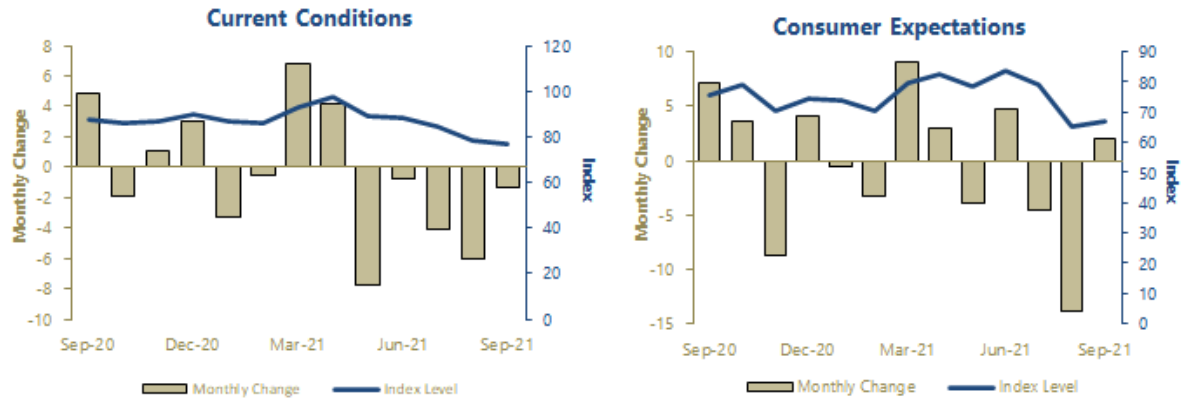
1y Inflation Expectations



5-10y Inflation Expectations



	Index Levels									
	Monthly				Averages for					
	Sep Prelim.	Aug-21	Jul-21	Jun-21	Three Month	Six Month	Twelve Month	2020	2019	Recessions Expansions
Consumer Sentiment	71.0	70.3	81.2	85.5	74.2	79.9	79.9	80.7	99.3	68.3 86.9
Current Conditions	77.1	78.5	84.5	88.6	80.0	85.9	87.0	90.0	115.5	80.8 98.9
Consumer Expectations	67.1	65.1	79.0	83.5	70.4	76.0	75.4	74.6	88.9	60.5 79.1
1-year Inflation Expectation	4.7	4.6	4.7	4.2	4.7	4.4	3.6	2.7	2.6	
5-year Inflation Expectation	2.9	2.9	2.8	2.8	2.9	2.9	2.7	2.5	2.4	



Source: University of Michigan via Bloomberg. Our calculations.

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T.J. Connelly, Head of Research

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Steven A. Wood, Senior Economic Adviser