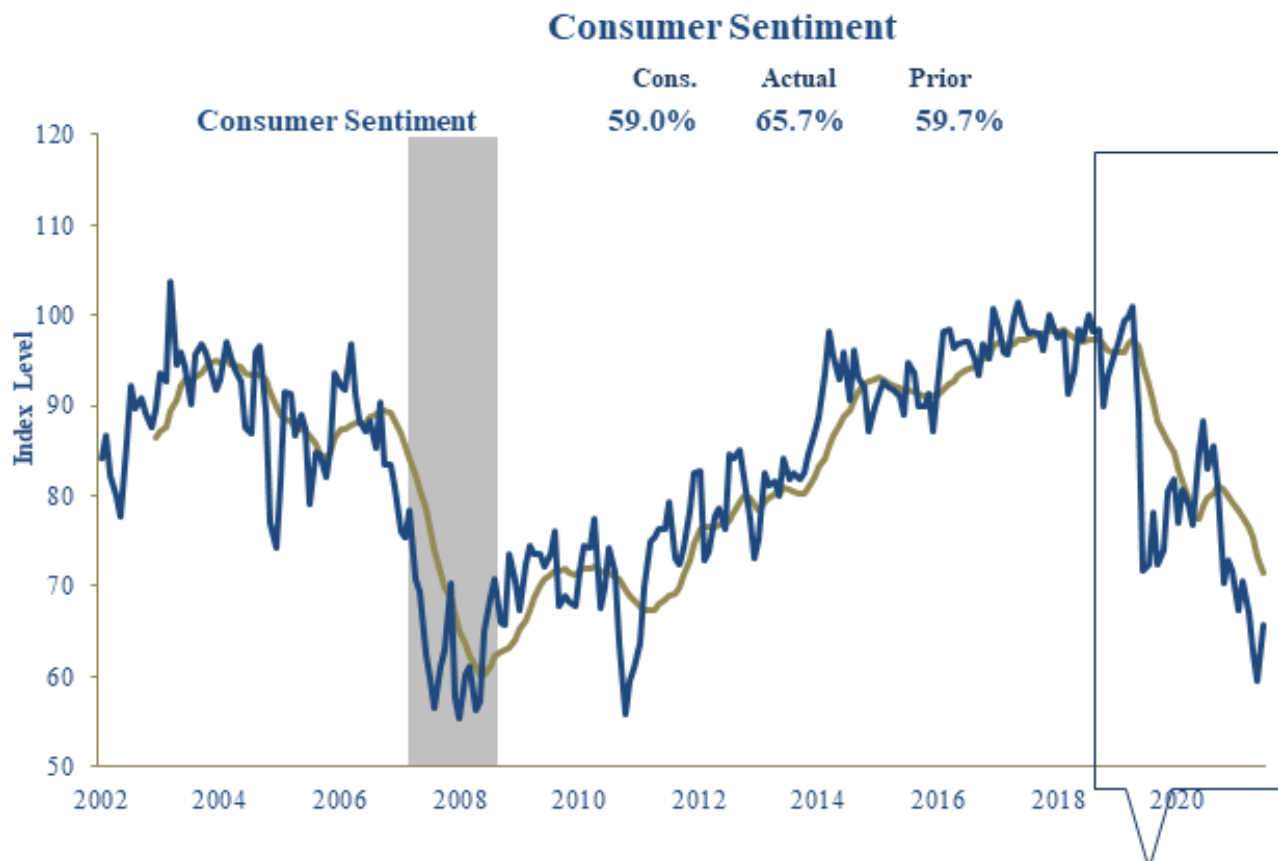
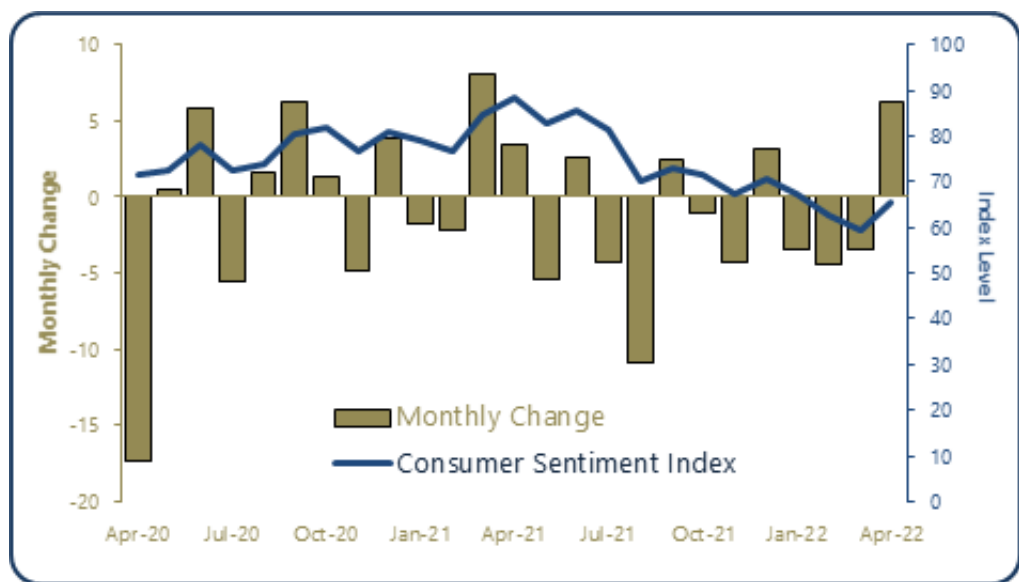


14.Apr.2022

## Consumer Sentiment: Sharp Rebound

**Bottom Line:** Consumer sentiment rose sharply according to the preliminary reading of the University of Michigan survey. While headed in the right direction, the sentiment index remained lower than in January and lower than in any prior month in the past decade. A strong labor market bolstered the expectations component with workers under age 45 reporting expectations of 5.3% annualized wage gains, the fastest since 1990. Expectations about gasoline prices were also surprising, with consumers saying they expected only slight increases in gasoline prices over the next year after the Biden administration announced releases from the Strategic Petroleum Reserve and relaxed environmental rules. Overall, consumer balance sheets are still flush with cash from stimulus funds, but they are also facing uncertainty and worried about how far that will go.





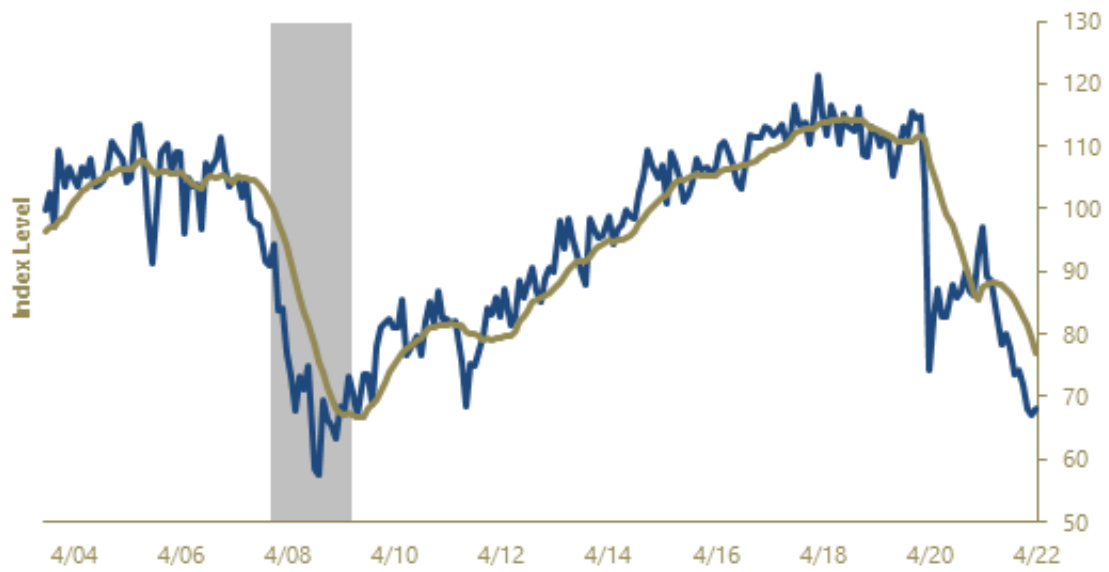
**Consumer Sentiment** ROSE by 6.3 points in early April to 65.7%, compared with market expectations for a decrease to 59.0%. Despite this month's moderate increase, sentiment is now 25.6% BELOW its year-ago level.

**Current Conditions** ROSE by 0.9 points to 68.1%. This is 29.9% BELOW their year-ago level.

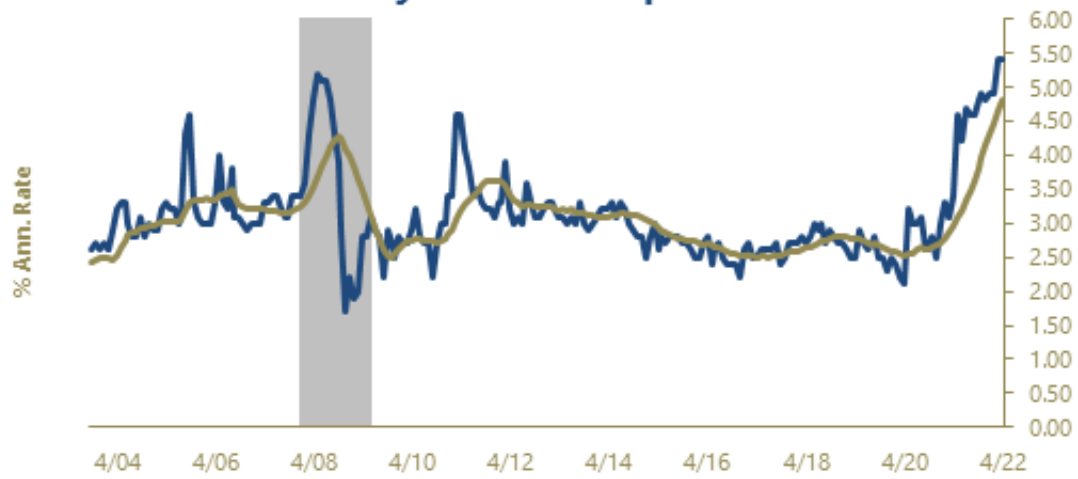
**Consumer Expectations** ROSE by 9.8 points to 64.1%. Despite this month's sharp increase, expectations are 22.5% BELOW its year-ago level.



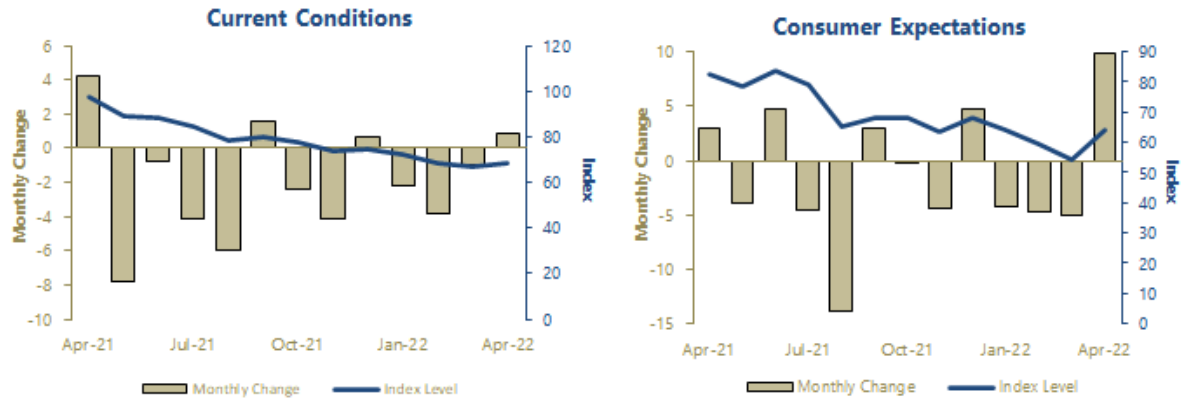
## Current Conditions



## 1y Inflation Expectations



	Index Levels										
	Monthly				Averages for						
	Apr Prelim.	Mar-22	Feb-22	Jan-22	Three Month	Six Month	Twelve Month	2020	2019	Re- sessions	Ex- pansions
Consumer Sentiment	65.7	59.4	62.8	67.2	62.6	65.5	71.5	80.7	99.3	68.3	86.9
Current Conditions	68.1	67.2	68.2	72.0	67.8	70.6	76.8	90.0	115.5	80.8	98.9
Consumer Expectations	64.1	54.3	59.4	64.1	59.3	62.3	68.0	74.6	88.9	60.5	79.1
1-year Inflation Expectation	5.4	5.4	4.9	4.9	5.2	5.1	4.8	2.7	2.6		
5-year Inflation Expectation	3.0	3.0	3.0	3.1	3.0	3.0	2.9	2.5	2.4		



Source: University of Michigan via Bloomberg. Our calculations.

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