

13.Jan.2023

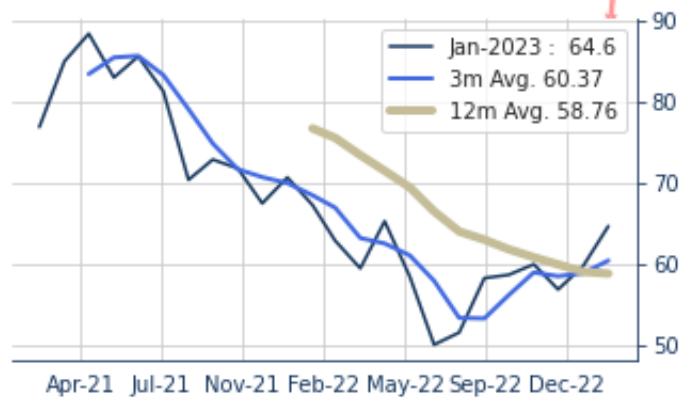
Consumer Sentiment: Further Rebound As Inflation Eases

Bottom Line: The preliminary reading of consumer sentiment from the University of Michigan's survey rose to a nine-month high as year-ahead inflation expectations fell to 4%, the lowest since April '21. While improving sharply, year-ahead inflation expectations remained well above the 2.3-3.0% range seen in the two years prior to the pandemic. Long-run inflation expectations were little changed from December at 3.0%, still elevated relative to the 2.2-2.6% pre-pandemic range. Moreover, the level of sentiment remains historically low. **Consumers still face historic uncertainty, but they are slowly becoming less pessimistic as inflation eases and labor markets remain solid.**

U. Mich. Consumer Sentiment January: +64.6, consensus: +60.7



Recent Trends



Contingent Macro Advisors 2023 source: University of Michigan

Consumer Sentiment ROSE by 4.9 points in early January to 64.6%, compared with market expectations for an increase to 60.7%. Sentiment was still 3.9% BELOW its year-ago level.

Current Conditions ROSE by 9.2 points to 68.6%. This was 4.7% BELOW the year-ago level.

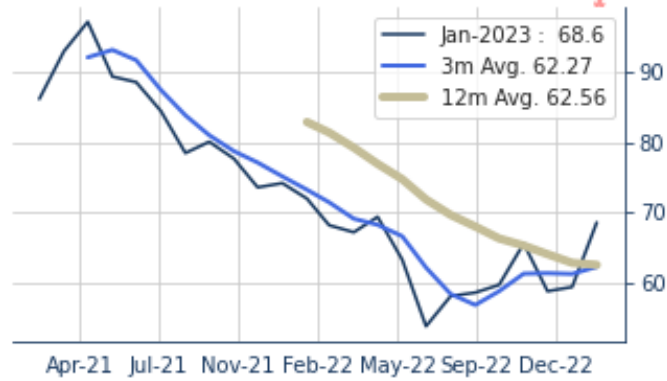
Consumer Expectations ROSE by 2.1 points to 62.0%. Despite this month's modest increase, expectations were 3.3% BELOW their year-ago level.

Current Conditions

January: +68.6, consensus: +60



Recent Trends

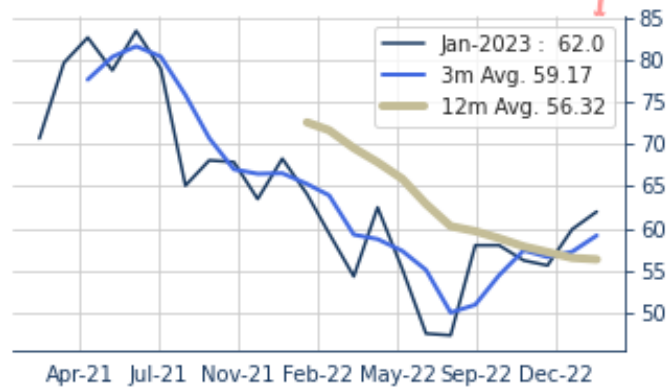


Future Expectations

January: +62.0, consensus: +59



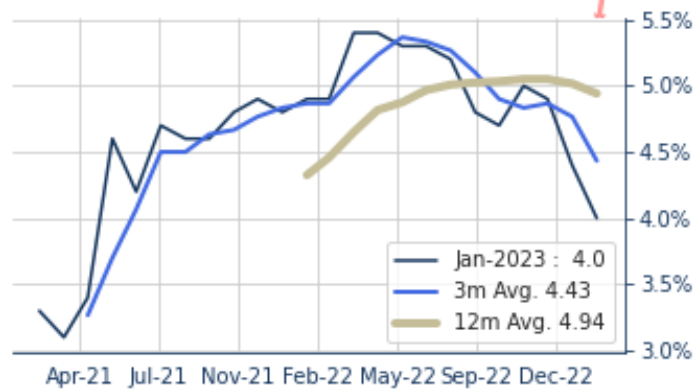
Recent Trends



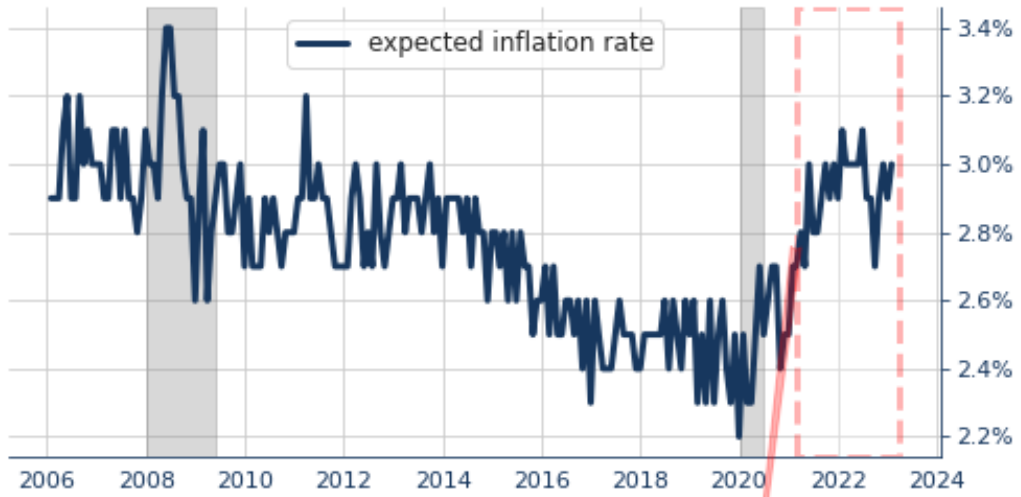
1-year Ahead Inflation Expectations



Recent Trends



5-year Ahead Inflation Expectations



Recent Trends

