



# Economics Group

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## Consumer Sentiment Remains Solid in November

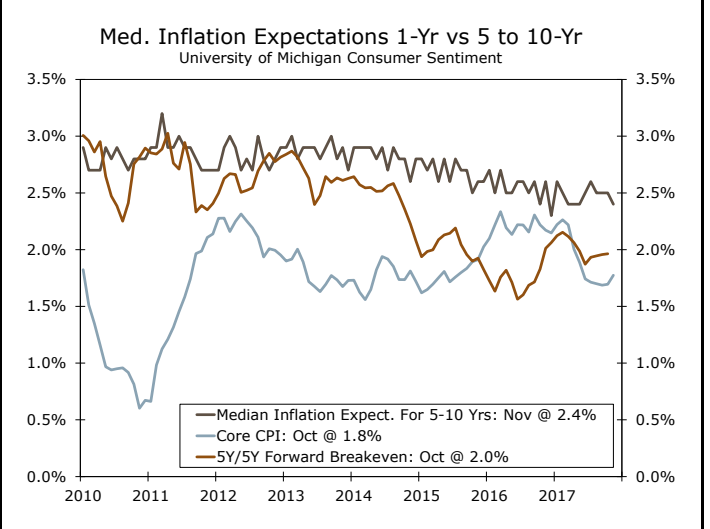
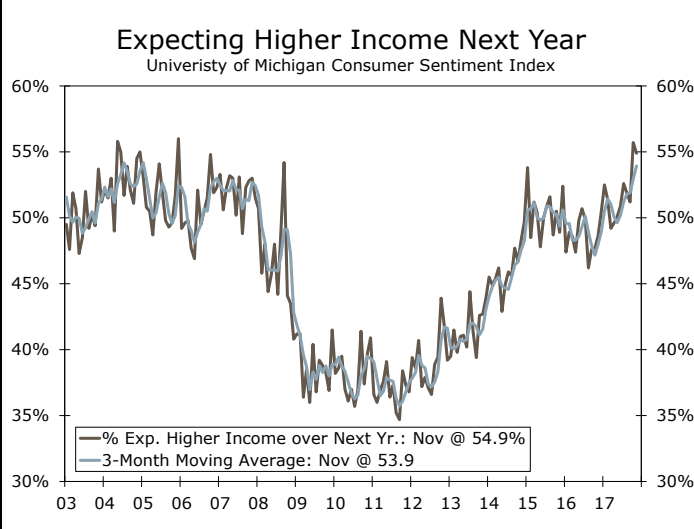
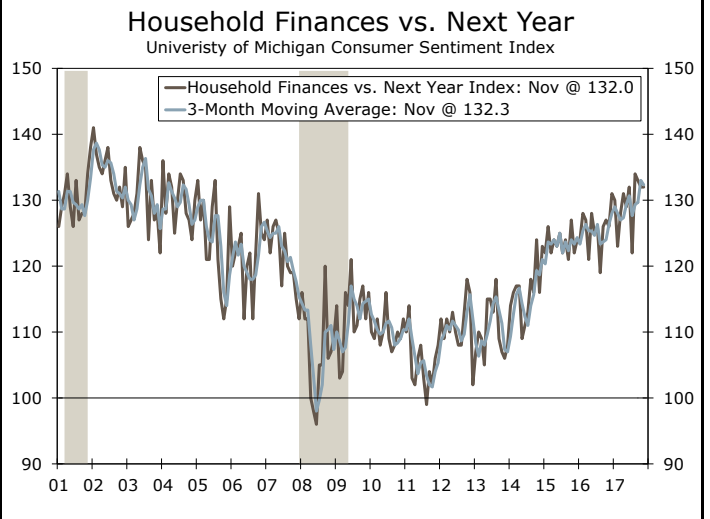
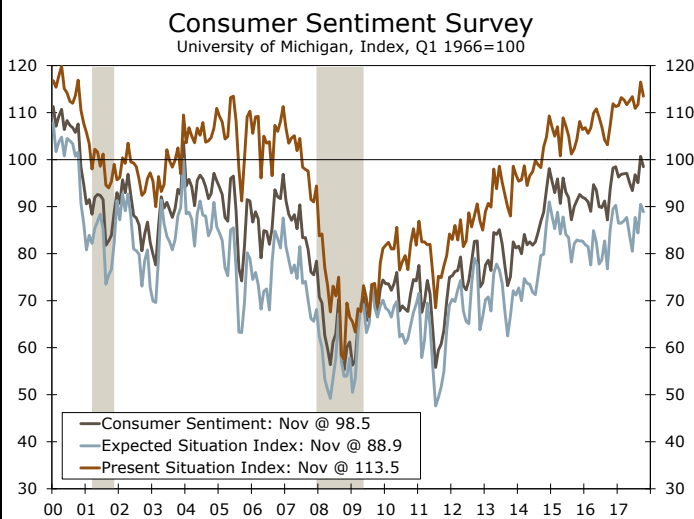
*The final reading of the University of Michigan's Consumer Sentiment Index rose 0.7 percentage points to 98.5 from its earlier month reading, but still ended the month below October's decade high of 100.7.*

### Consumers Feel Positive About Current Conditions...

- While the University of Michigan's Index of Consumer Sentiment fell 2.2 points in November, its decade high hit one month earlier. The current conditions series is up 5.8 percent year-to-year, while expectations have risen 4.3 percent.
- Consumers are generally more upbeat about job and income prospects, which put them in a more joyous mood to celebrate the holidays and spend a little more freely than in prior years.

### ...And Are Optimistic About the Coming Year

- Expectations for future economic conditions have been driven by consumers' improving assessment of the household finances. Sixty-four percent of households stated that their finances are better than they were five years ago and 54 percent expect their finances to improve further over the next five years.
- Inflation expectations remain muted, with inflation expected to average just 2.4 percent over the next 5 to 10 years.



Source: University of Michigan and Wells Fargo Securities

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