



Economics Group

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Consumer Sentiment Slips From Post-Election High

The University of Michigan's consumer sentiment index dipped to 96.3 in February from its cycle-high of 98.5 in January. The index of current economic conditions continues to rise and expectations dipped slightly.

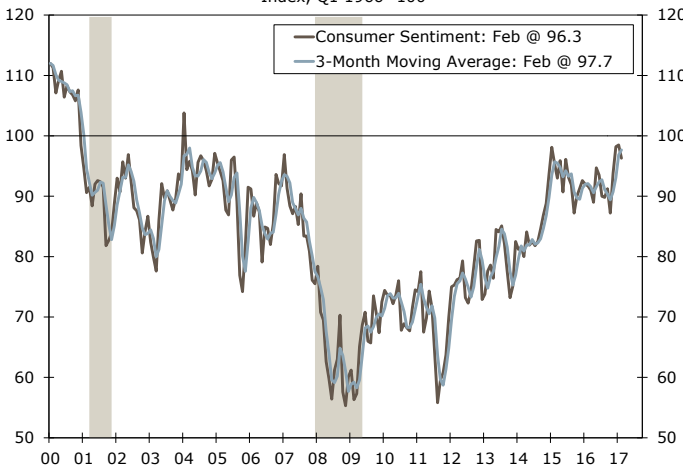
Consumers Upbeat About Current Economy

- University of Michigan's consumer sentiment index dipped 2.2 points in February to a reading of 96.3. The index of consumer expectations fell but remains well above pre-election levels.
- Expectations for improved business conditions over the next year gave back some of their post-election jump in February. While still upbeat, consumers may be reassessing how quickly potential policy changes will impact business conditions.

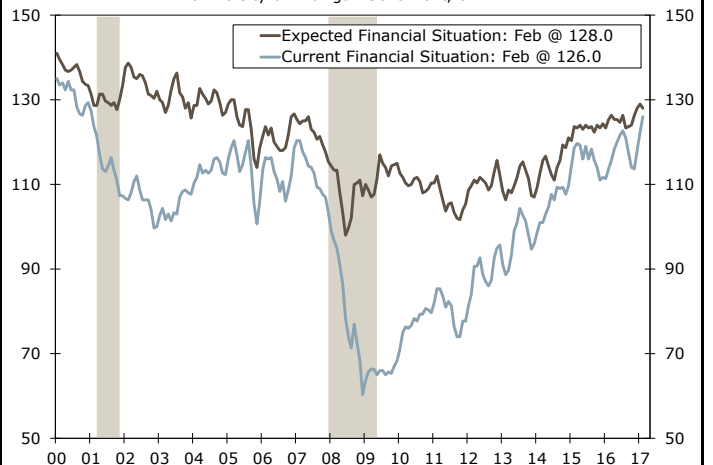
Inflation Expectations Remain High

- Consumers' assessment of their current personal finances is at its highest level in over a decade. While expected changes over the next year dipped slightly, long-term prospects remain high.
- Inflation expectations have picked up over the past few months, possibly reflecting rising gasoline prices. Year-ahead inflation expectations rose to 2.7 percent in February, up from 2.6 percent in January and 2.2 percent in December.

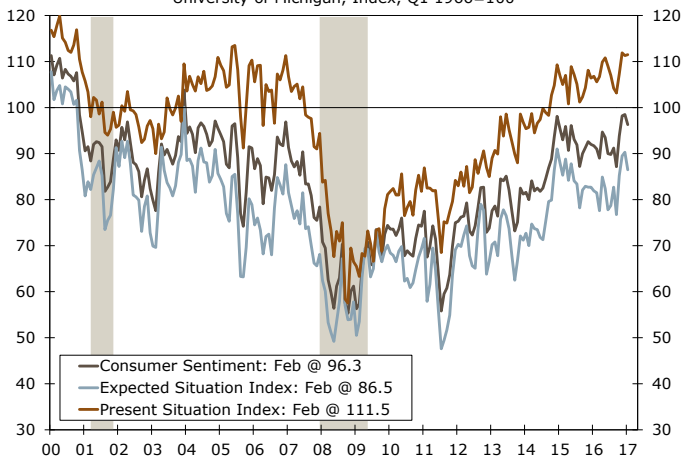
Michigan Consumer Sentiment
Index, Q1 1966=100



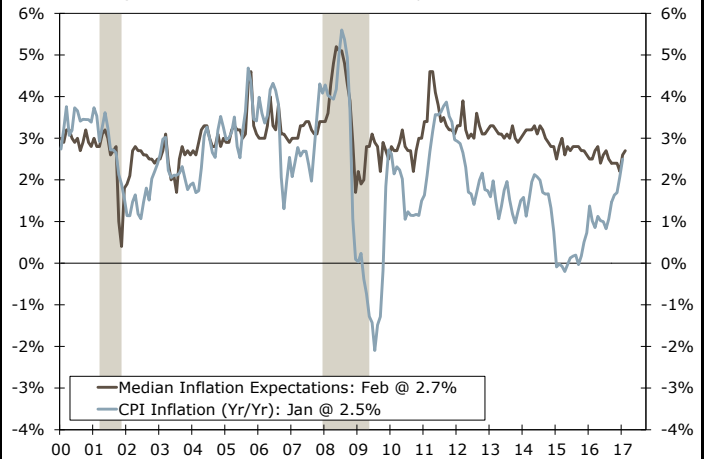
Current vs. Expected Financial Situation
University of Michigan Sentiment, 3-MMA



Consumer Sentiment Survey
University of Michigan, Index, Q1 1966=100



Consumer Inflation Expectations
Michigan Consumer Sentiment Inflation Expectations 1 Year Ahead



Source: University of Michigan, U.S. Department of Labor and Wells Fargo Securities

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