Michigan Sentiment Softens in June

The 98.2 reading for Michigan Consumer Sentiment was up slightly from an earlier estimate, perhaps reflecting the peaceful ending to the Mexico tariff situation. While still elevated, sentiment is below its 2018 high.

Michigan Sentiment Just Slightly Lower
- June consumer sentiment slipped back below 100, coming in at 98.2. That is a scant upward revision from the initial read two week ago, perhaps reflecting the fact that the Mexico tariffs went away. That said, saber-rattling with Iran, and ongoing worries about the trade war persist, which may weigh on sentiment in coming months. That risk was evident in the slump in another measure of confidence reported earlier this week.

Inflation Expectations
- After core PCE ticked up in a separate report this morning, we learn here that inflation expectations for next year rose to 2.7% in June. That is a slight uptick from the first look, but about in-line with where expectations have been the past couple years. Consumers tend to anticipate a higher level of inflation than the official figures eventually report.

- Home-buying conditions improved as mortgage rates fell.