



Economics Group

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Rebound in Consumer Sentiment Set Back on Virus Fears

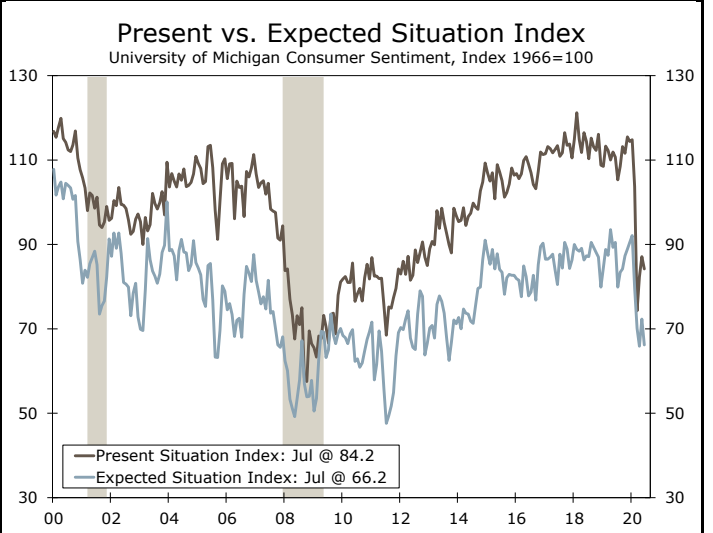
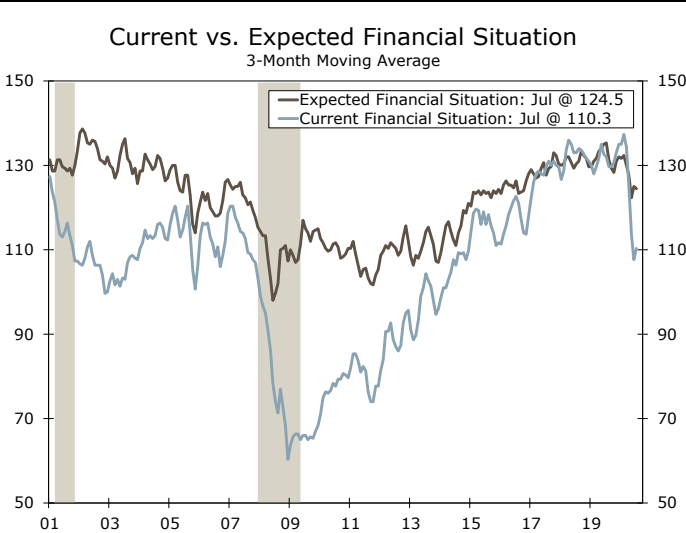
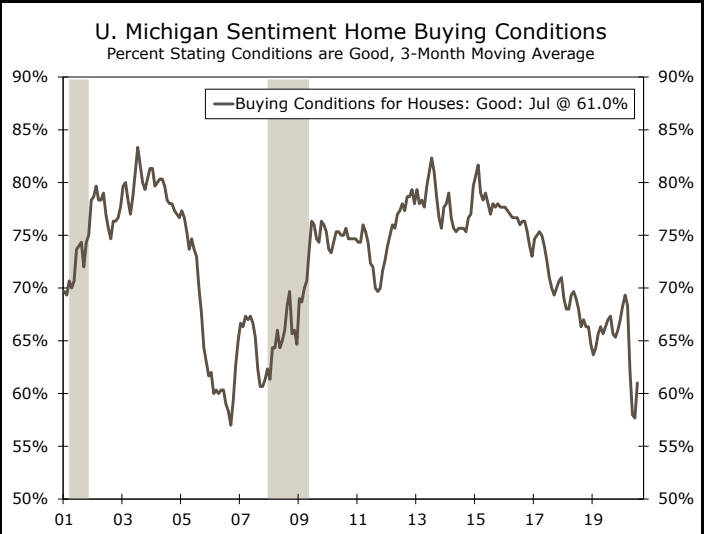
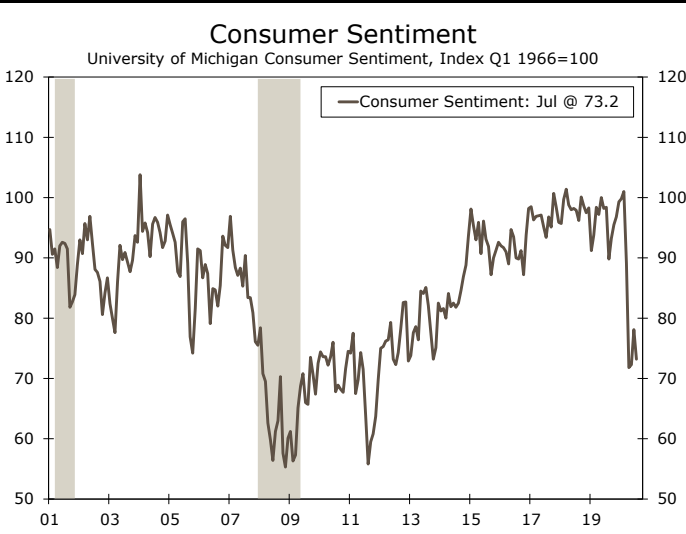
After a run of strong economic data in recent weeks, the wilting in consumer sentiment in July may be the start of a softening trend amid a resurgence in COVID-19 cases.

Rebound in Trouble as Confidence Fades

- The University of Michigan’s index of consumer sentiment slumped to 73.2, a level that is less than two points above its April trough, when consumers became fully awake to COVID-19.
- The measure for current financial situation edged slightly higher, although with the expiration of the additional \$600 weekly jobless benefit approaching at the end of this month, expectations about future finances fell 11 points to 121.

Housing a Bright Spot, but Sustained Improvement

- Sentiment is brightening somewhat in the housing market. People initially thought no one would want to shop for a new home during a pandemic, but that has not been the case. A growing share of people though July was a good time to buy a house.
- More broadly, we do not expect to see a material increase in consumer sentiment until it is widely viewed that the virus is under control.



Source: The University of Michigan and Wells Fargo Securities

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