

APOLLO GLOBAL MANAGEMENT

## Slowdown Watch: Daily and weekly indicators for the US economy

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May 2022

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Unless otherwise noted, information as of May 2022

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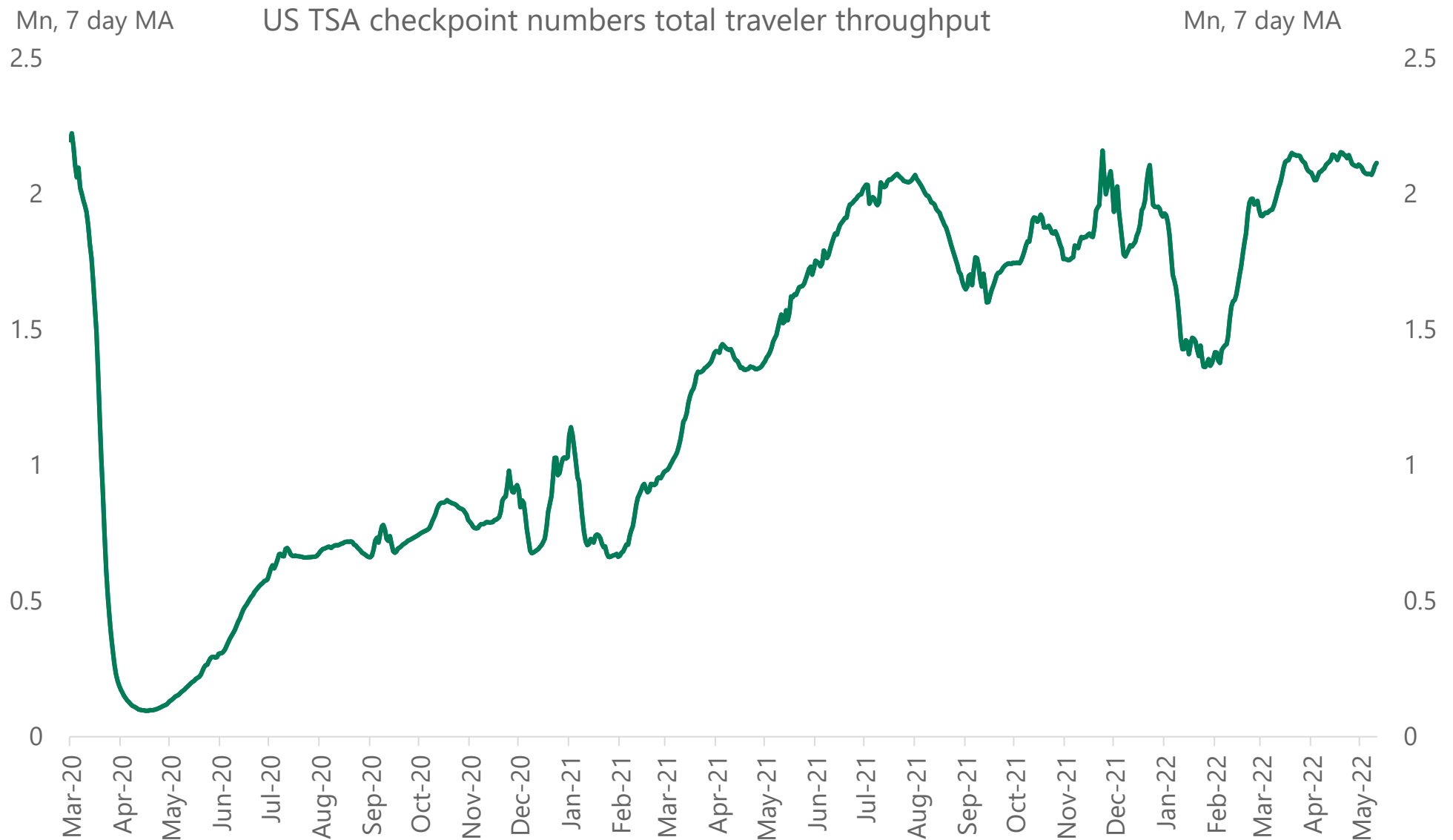
# Economy and risky assets are late cycle. Rates are early cycle.

		Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Latest
ECONOMIC CYCLE	Inflation (% YoY)	2.3	1.5	0.6	1.4	1.4	2.6	5.4	5.4	7.0	8.5	8.3
	Core Inflation (% YoY)	2.3	2.1	1.2	1.7	1.6	1.6	4.5	4.0	5.5	6.5	6.2
	Economic Growth (% YoY)	2.6	0.6	-9.1	-2.9	-2.3	0.5	12.2	4.9	5.5	3.6	3.6
	New Home sales (000s)	733.0	623.0	839.0	971.0	943.0	873.0	683.0	725.0	871.0	763.0	763.0
	Consumer Sentiment	99.3	89.1	78.1	80.4	80.7	84.9	85.5	72.8	70.6	59.4	65.2
	Inventory to sales ratio (retailers)	1.4	1.5	1.2	1.2	1.3	1.1	1.1	1.1	1.2	1.2	1.2
	ISM Manufacturing PMI	47.9	49.1	52.4	55.4	60.5	63.7	60.9	60.5	58.8	57.1	55.4
	Homebuilder sentiment	76	72	58	83	86	82	81	76	84	79	77
	Unemployment rate (%)	3.6	4.4	11.0	7.9	6.7	6.0	5.9	4.7	3.9	3.6	3.6
	Average hourly wage (% YoY)	2.9	3.6	5.1	4.8	5.5	4.4	4.0	4.8	4.9	5.6	5.5
	JOLTS Quits rate (%)	2.3	2.0	1.9	2.2	2.4	2.6	2.8	2.9	3.0	3.0	3.0
	Jobless claims	238.0	2316.8	1490.3	851.8	836.8	669.3	419.5	370.0	221.8	178.0	184.0
MARKET CYCLE	S&P 500 Forward P/E ratio	18.3	16.3	21.7	21.5	22.7	21.9	21.3	20.1	21.4	19.4	16.6
	IG Spread (bps)	101	305	160	144	103	97	86	89	98	122	148
	HY Spread (bps)	360	877	644.0	541	386	336.0	304	315	310	343	477
	Yield curve (bps)	31	22	65	59	84	154	144	129	139	193	193
	10 year yield	1.92	0.67	0.66	0.69	0.92	1.74	1.47	1.49	1.51	2.34	2.89
	VIX	13.8	53.5	30.4	26.4	22.8	19.4	15.8	23.1	17.2	20.6	31.8
	MOVE Index	58.3	83.9	54.1	39.2	49.0	71.3	57.3	61.1	77.1	106.9	118.7
	M&A Transaction value (\$bn)	483.2	365.0	155.9	557.8	762.8	716.0	929.7	859.7	850.1	714.6	714.6
	S&P 500 buybacks (\$bn)	181.6	198.7	88.7	101.8	130.6	178.1	198.8	234.6	270.1	270.1	270.1
	IPO volume (\$bn, 3 month sum)	12.2	23.0	29.3	65.5	65.7	155.7	49.7	40.4	54.2	6.9	3.9
	SPAC volume (\$bn, 3 month sum)	3.8	5.9	11.9	40.4	39.3	114.1	15.0	14.4	22.4	4.7	3.2

Source: Apollo Chief Economist. Colours based on deviation from mean. Green = mean +/- 0.5 stddev; Yellow = +/- 0.5 to 1 stddev; Red = +/- 1 stddev. For PMI>50 is red and less than 50 is green. Consumer sentiment and MOVE > mean is red and < mean is green and for jobless claims vice-versa. Data starts in 2010.

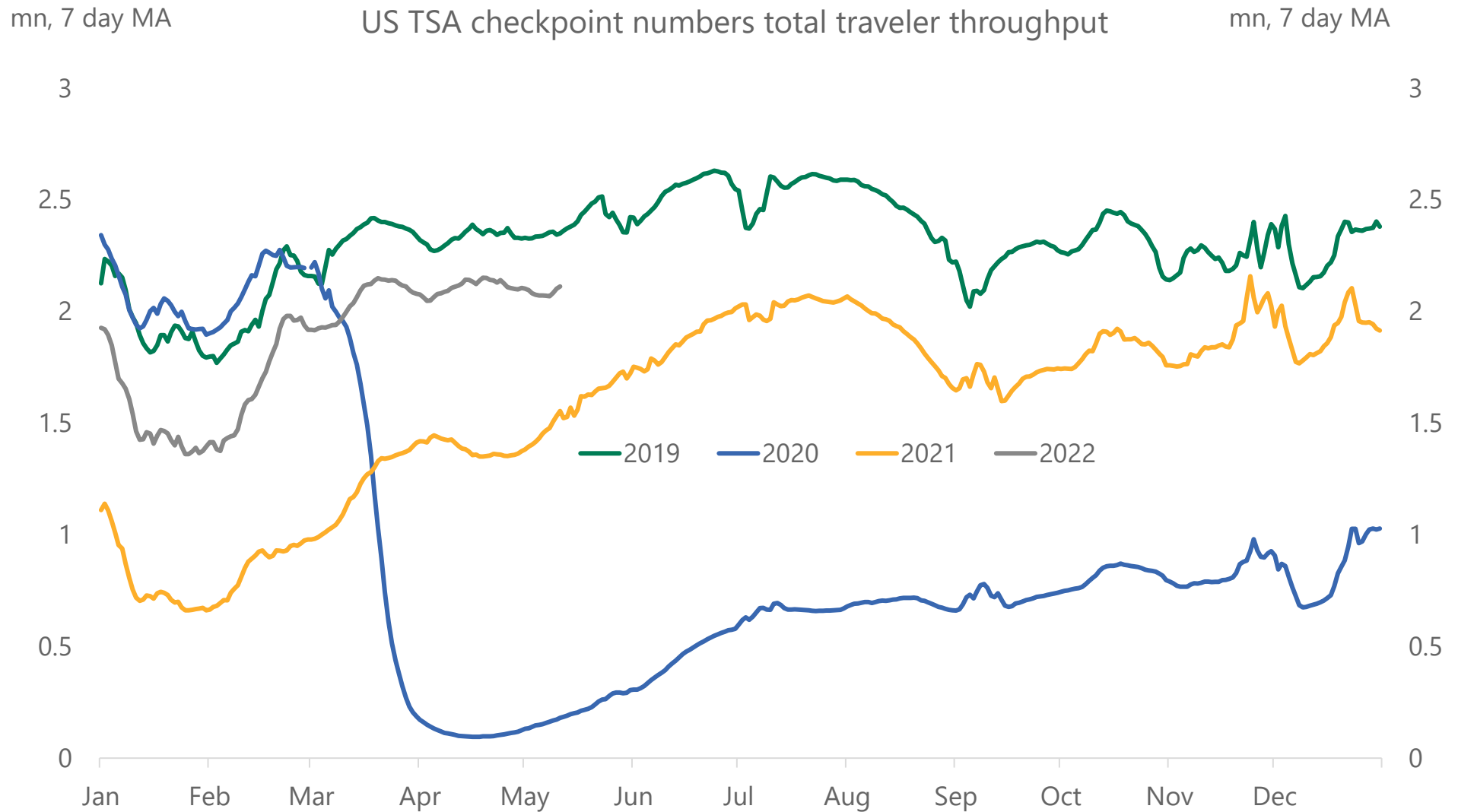
# Daily economic indicators

# US air travel is strong



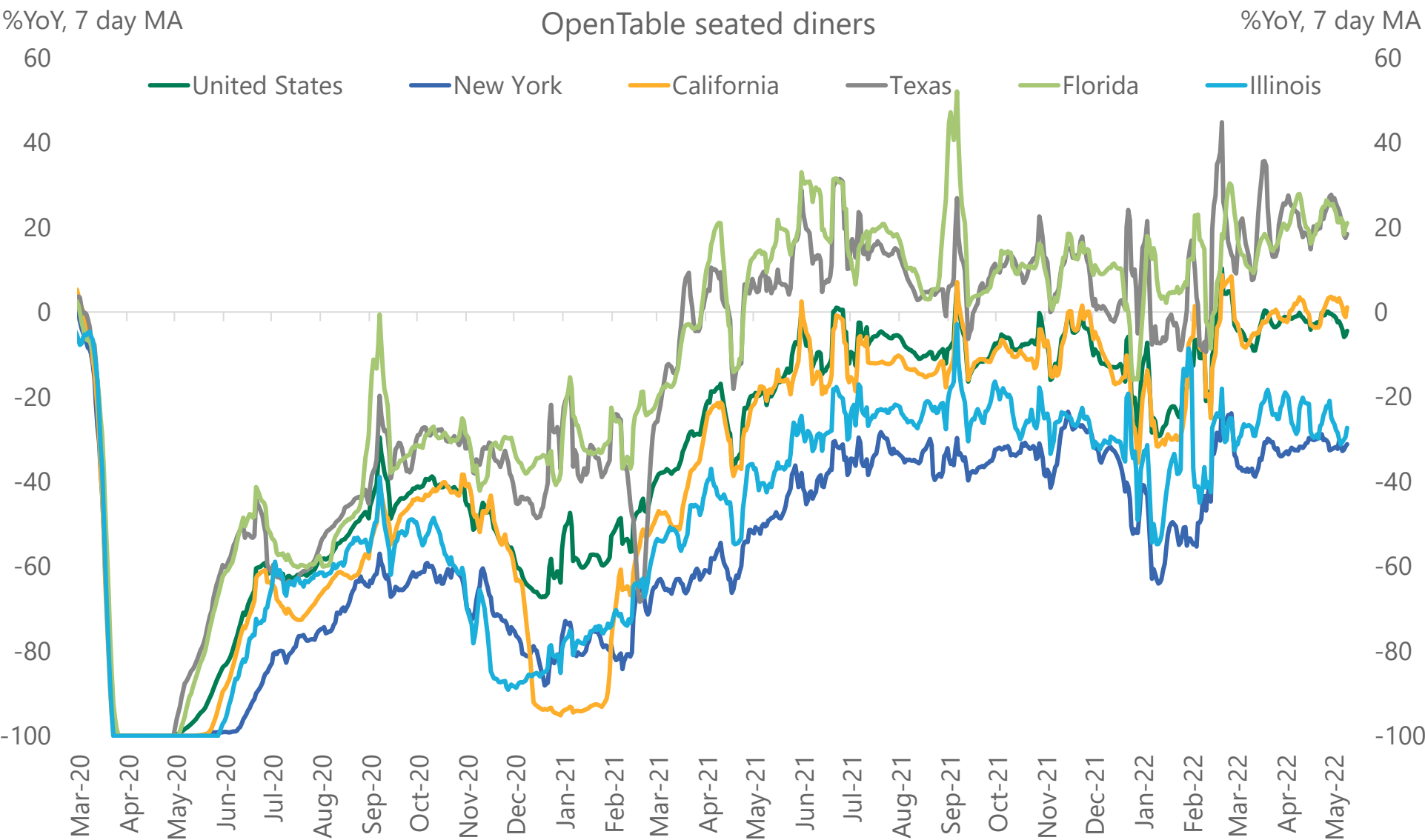
Source: TSA, Bloomberg, Apollo Chief Economist

# US air travel close to 2019 levels



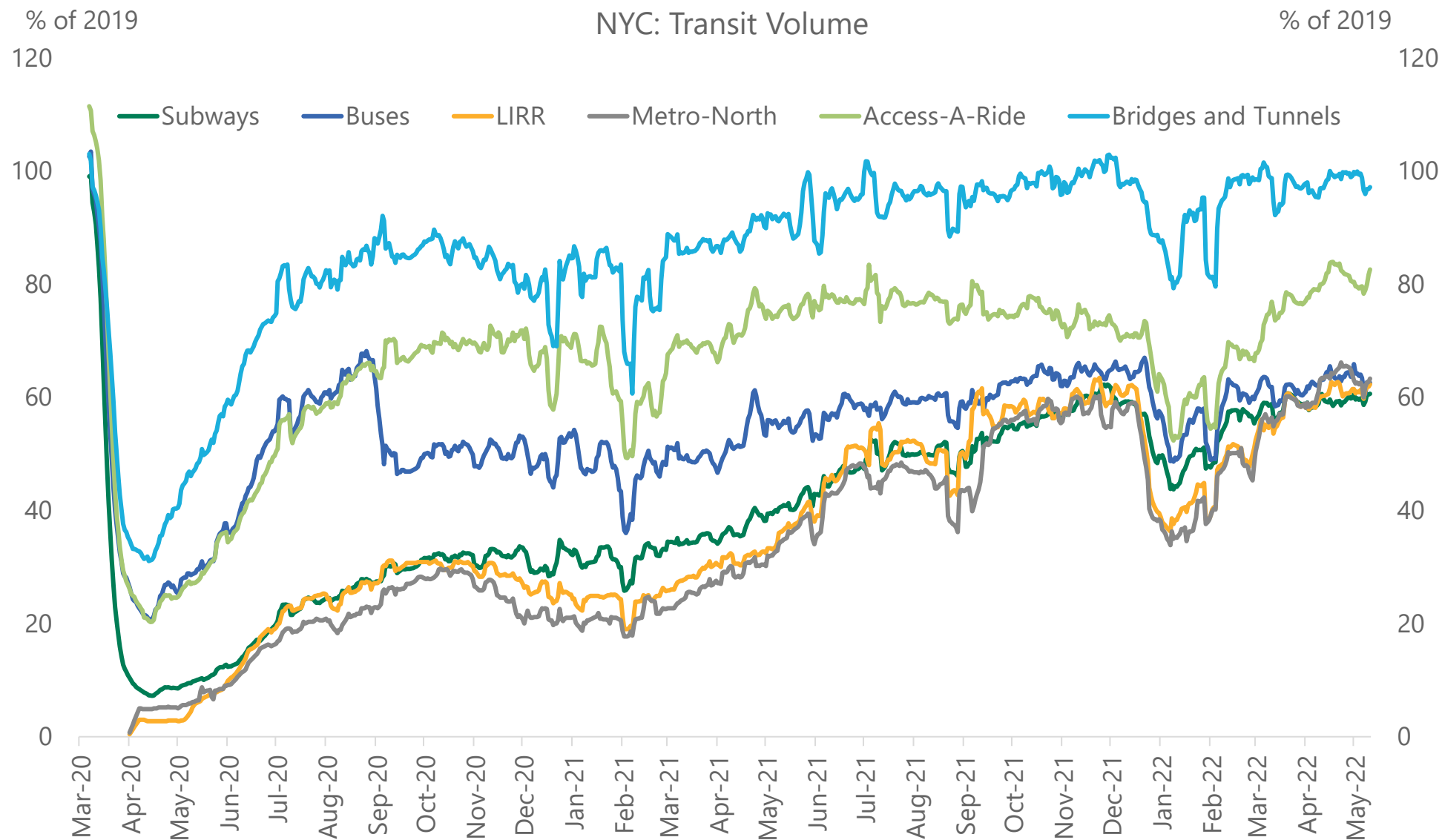
Source: TSA, Bloomberg, Apollo Chief Economist

# Restaurant bookings still strong



Source: OpenTable, Apollo Chief Economist

# NYC moving closer to normal



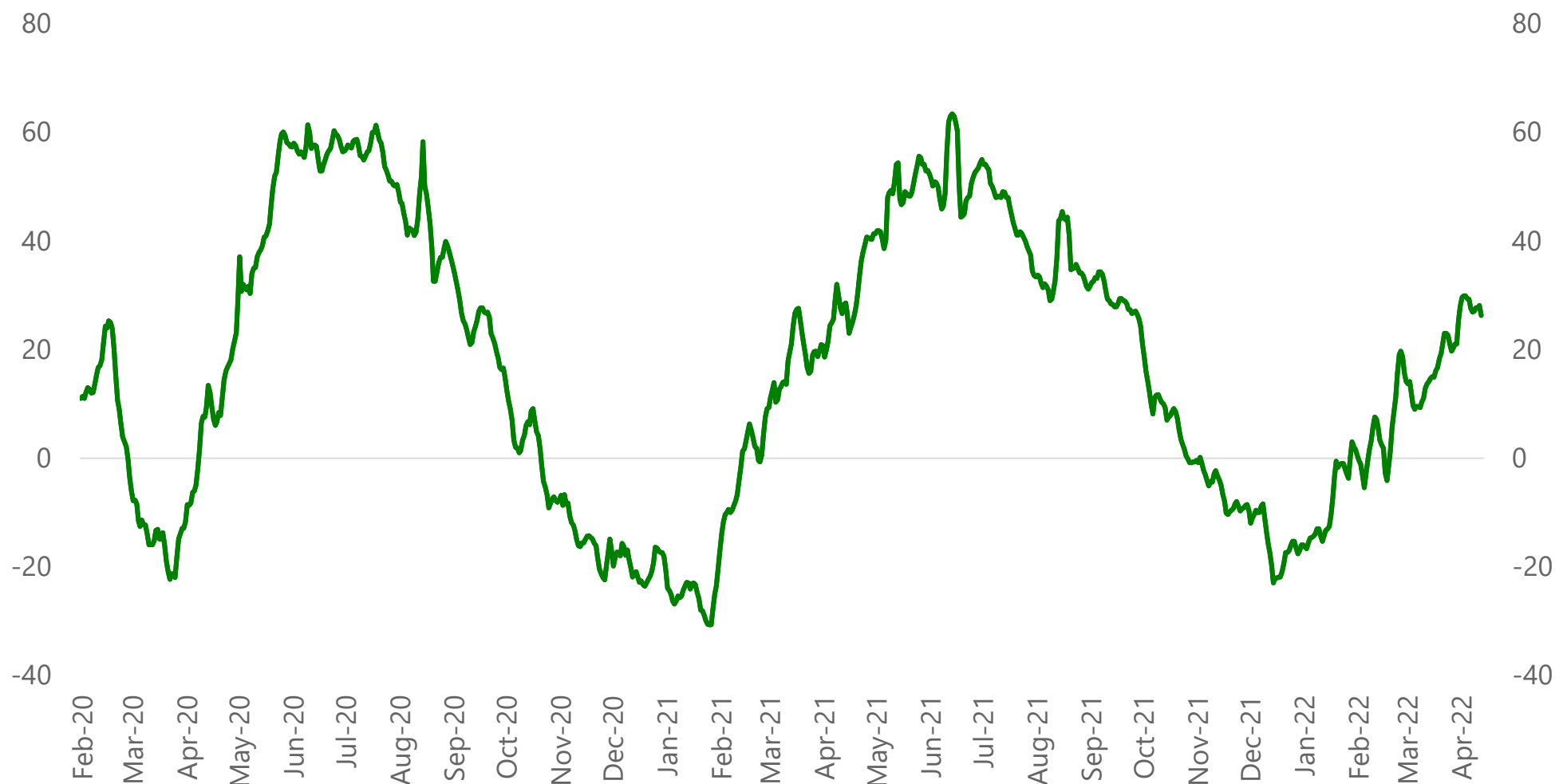
Source: MTA, Apollo Chief Economist



# Total time spent at parks increased by 30% compared to January 2020

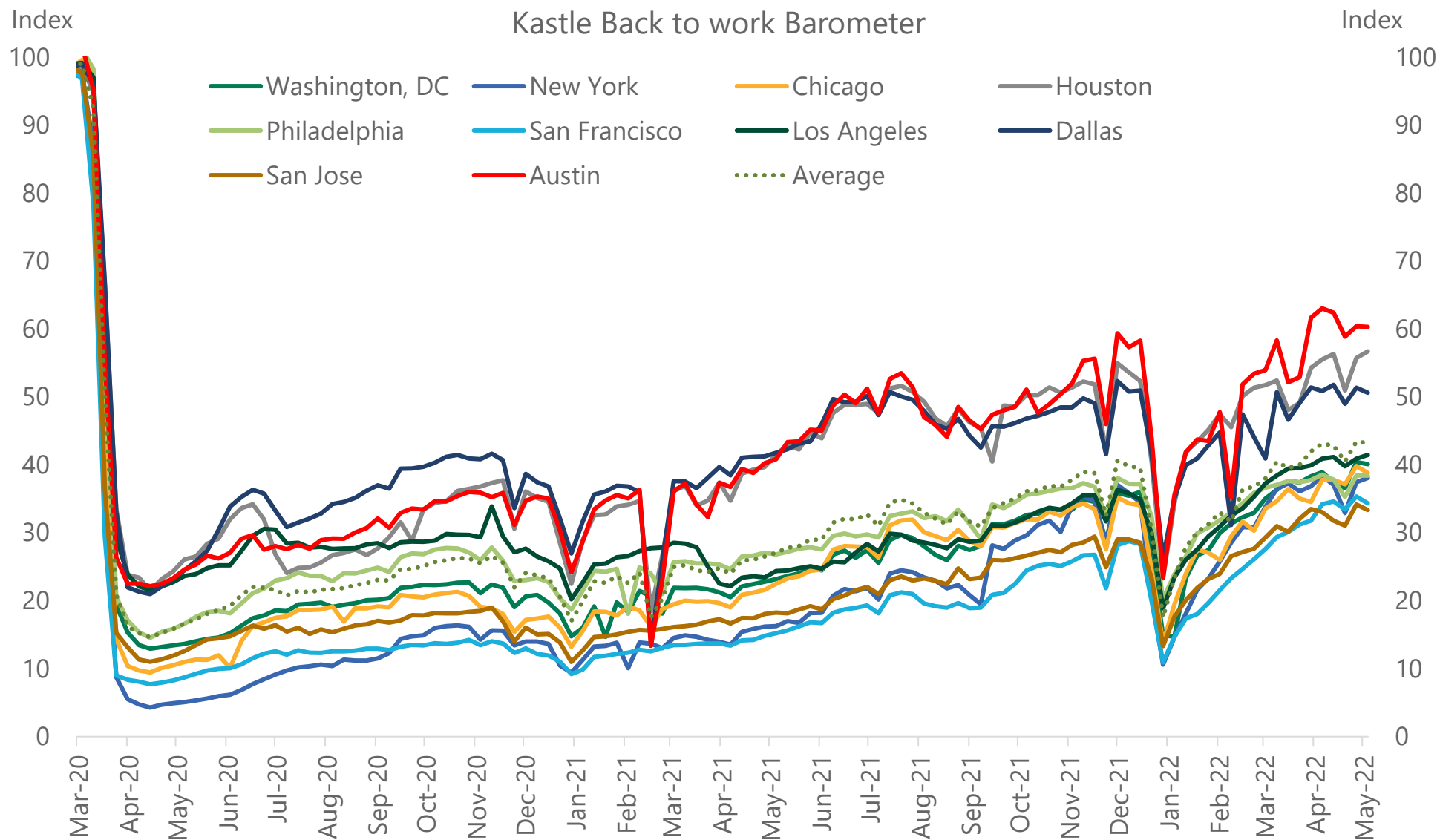
% change compared to  
January 2020

% change compared to  
January 2020



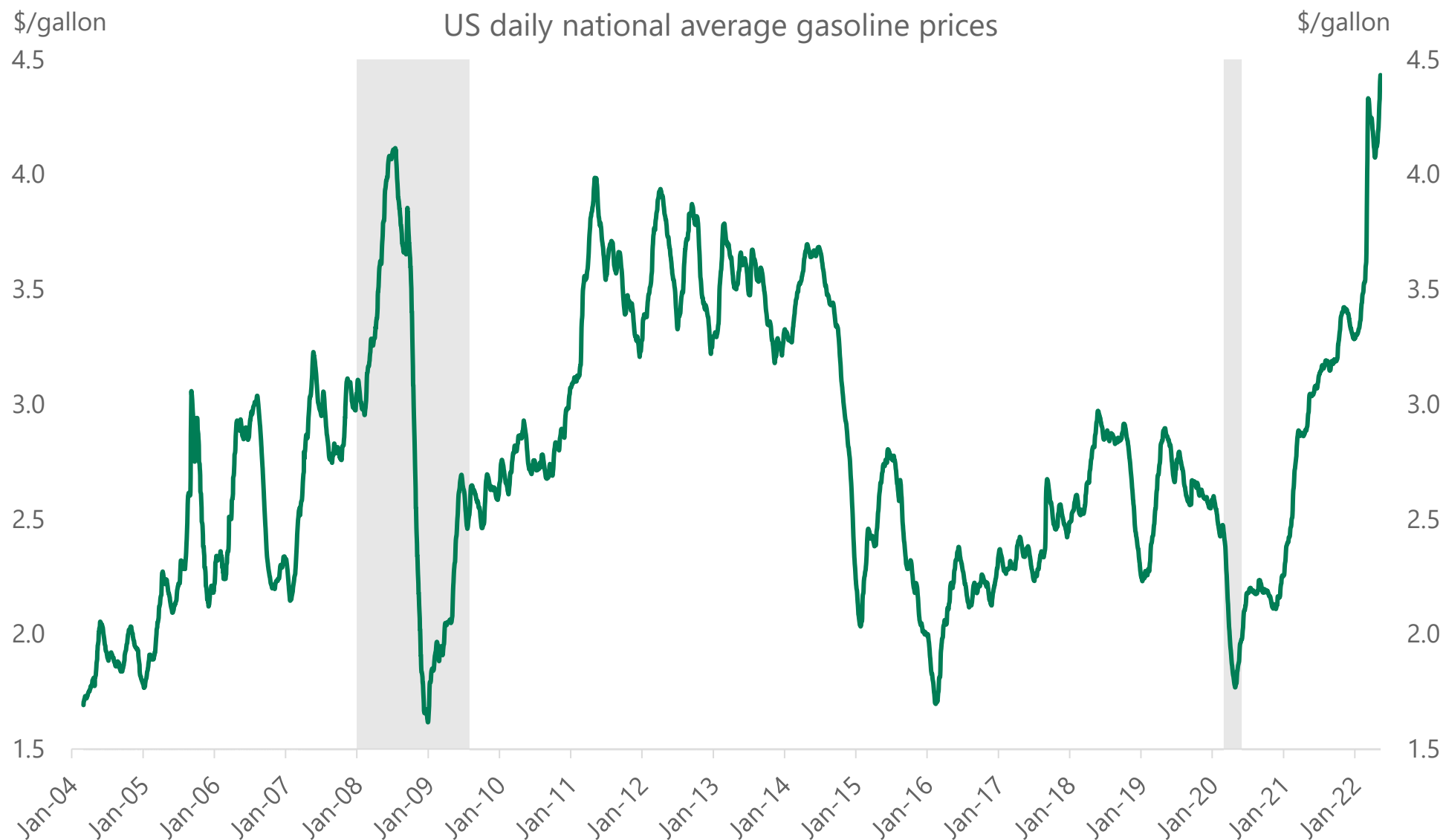
Source: Google mobility reports, Apollo Chief Economist

# New York City: Office use 38% of pre-pandemic levels



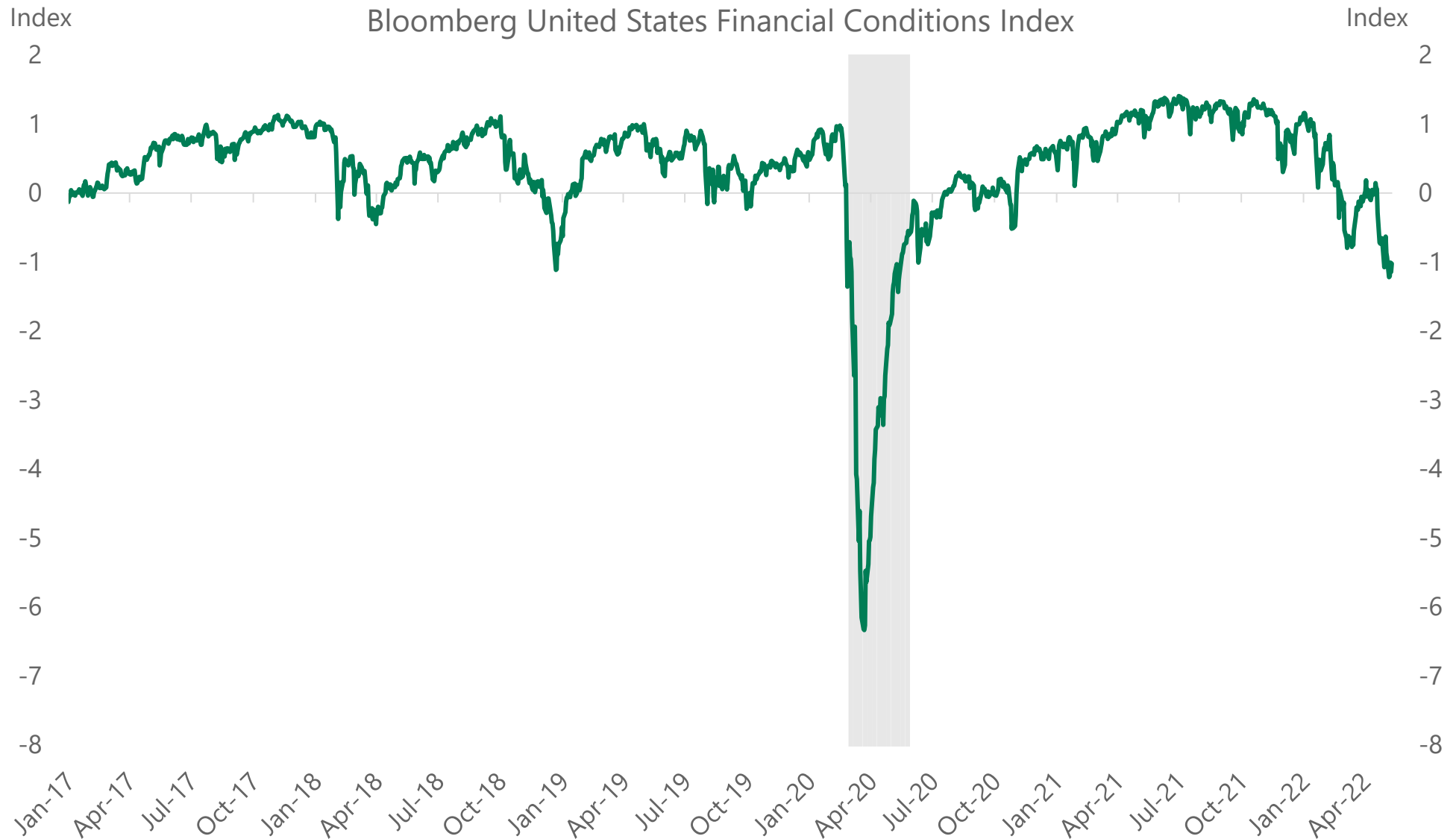
Source: Bloomberg, Apollo Chief Economist

# US retail gas price at record-high levels



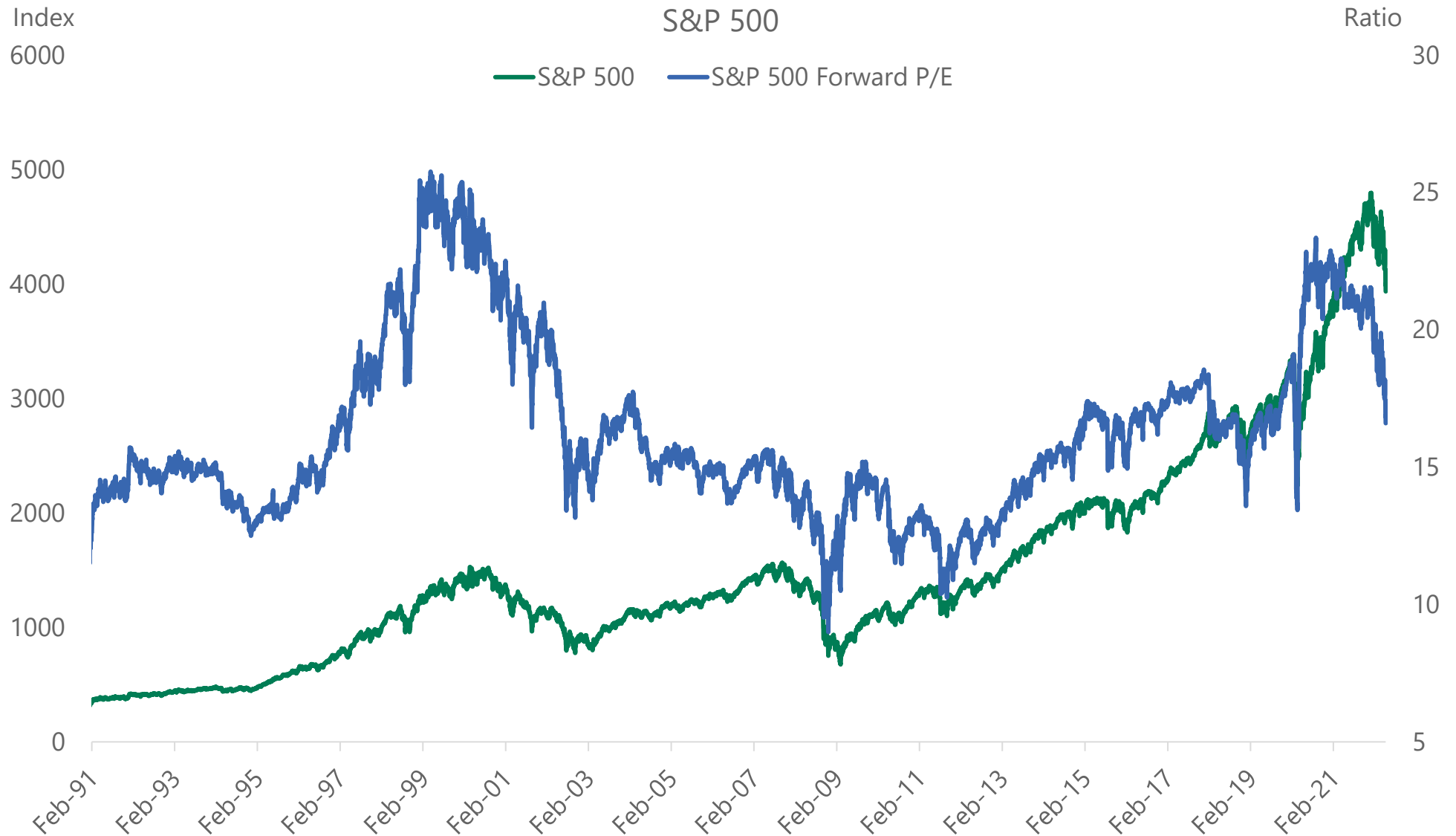
Source: Bloomberg, Apollo Chief Economist

# Financial conditions stating to tighten



Source: Bloomberg, Apollo Chief Economist

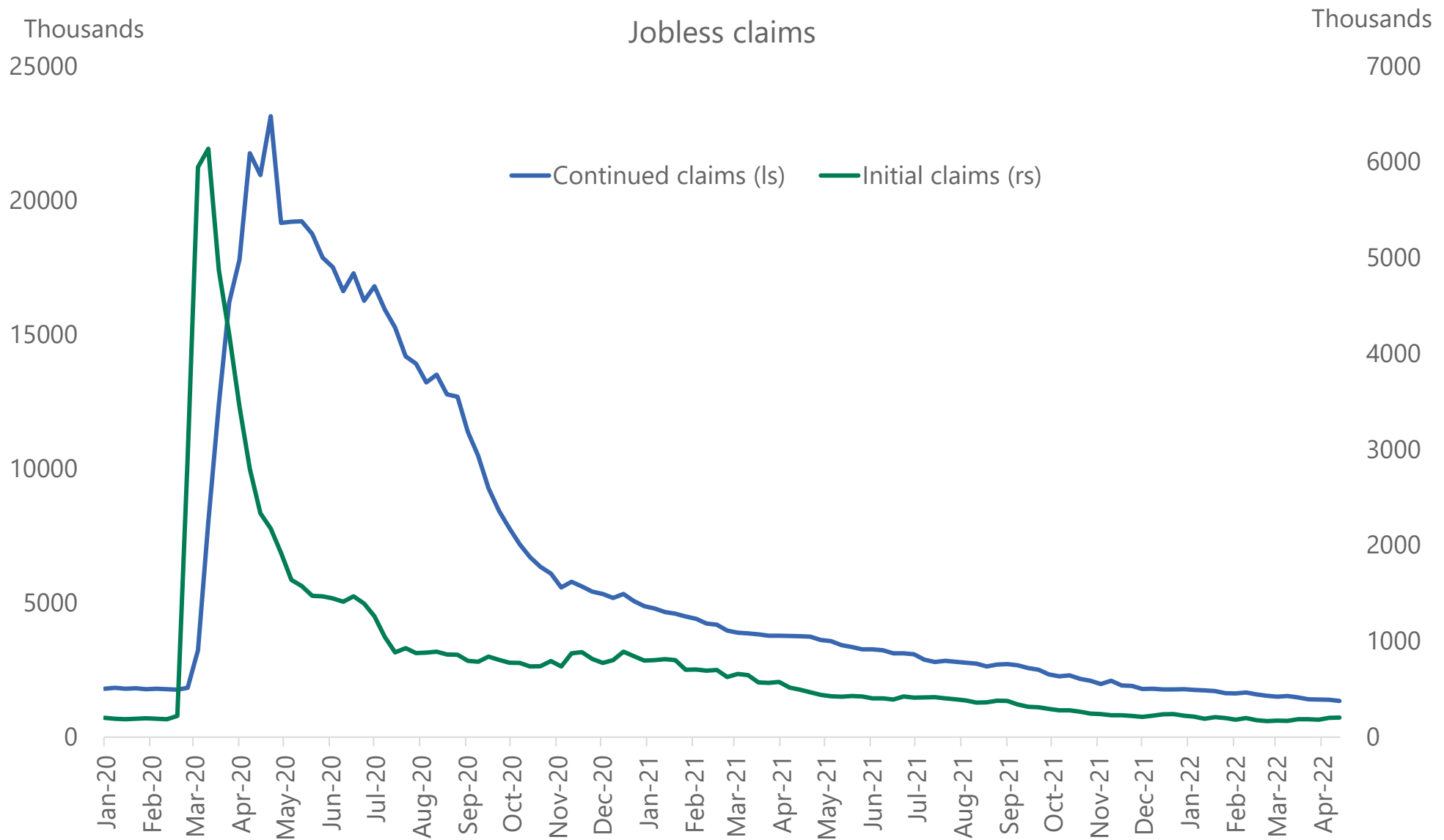
# S&P500 P/E ratio coming down



Source: Bloomberg, Apollo Chief Economist

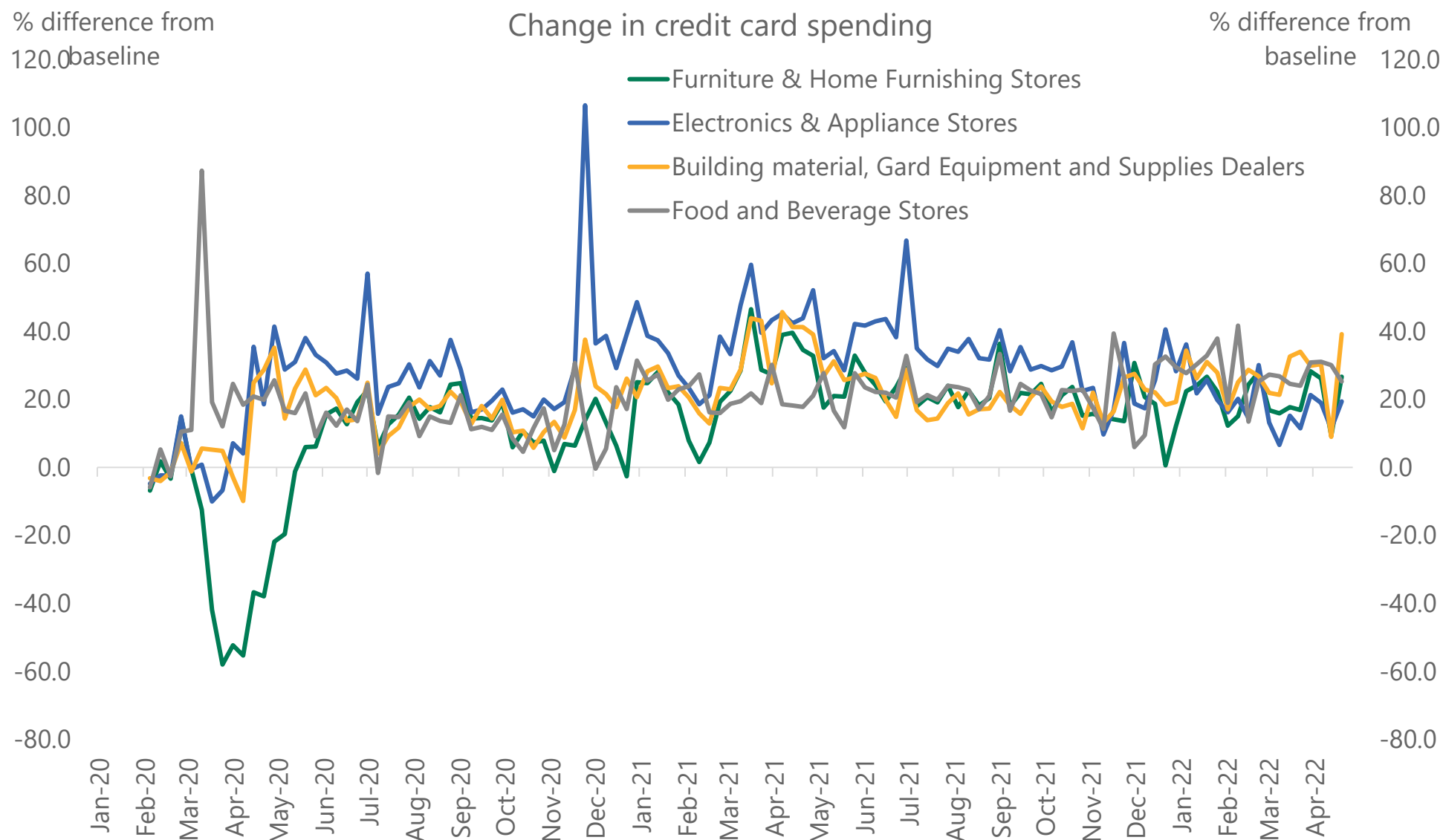
# Weekly economic indicators

# Jobless claims: No signs of labor market softening



Source: Department of labor, Bloomberg, Apollo Chief Economist

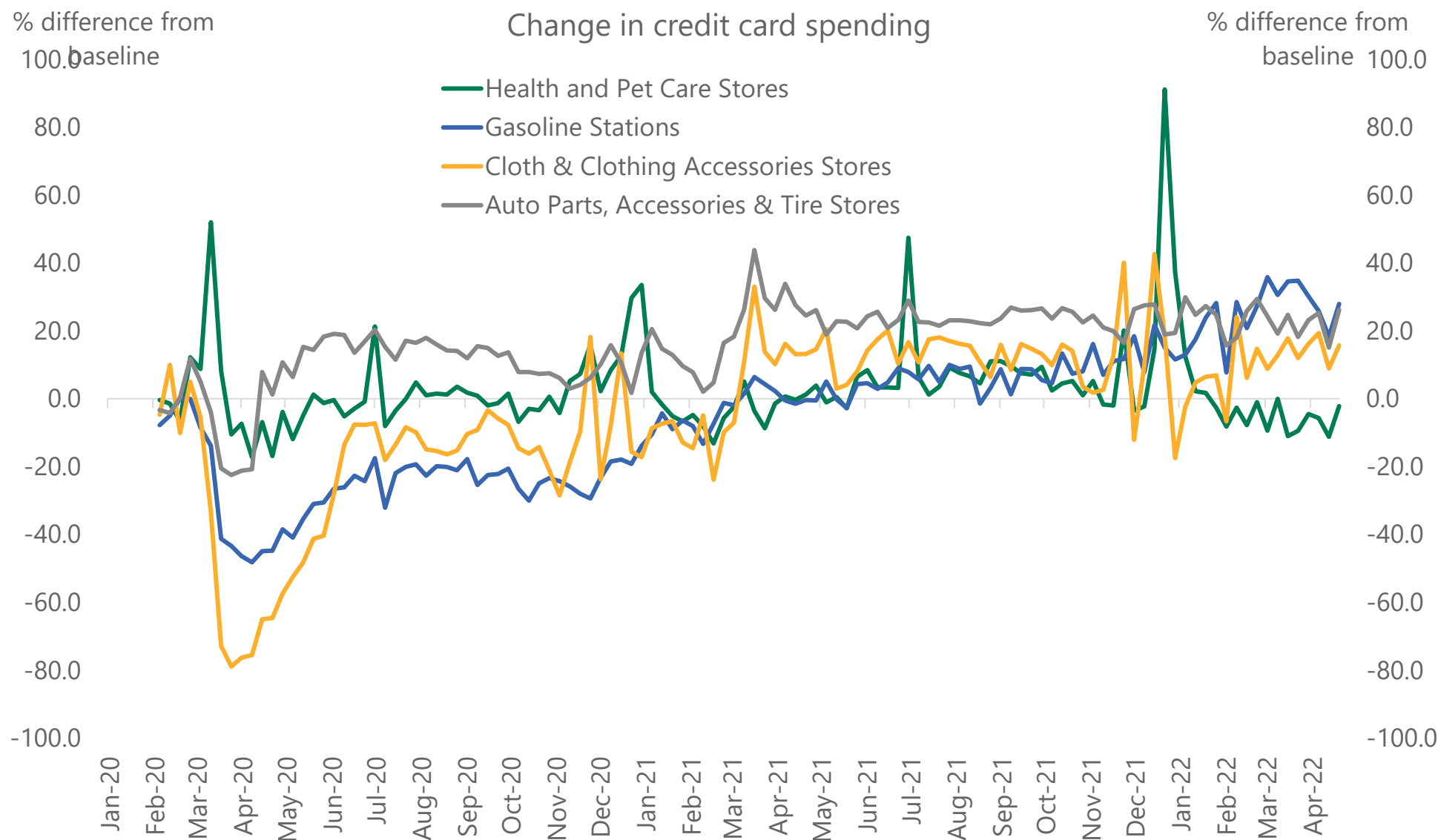
# US consumer still strong



Source: BEA, Haver analytics, Apollo Chief Economist. Note: The weekly values represent the predicted percentage difference from the typical level of spending (prior to the pandemic declared by the World Health Organization on March 11, 2020) after adjusting for day-of-week, month, and year effects, based on daily data. The typical level corresponds to a value of zero.

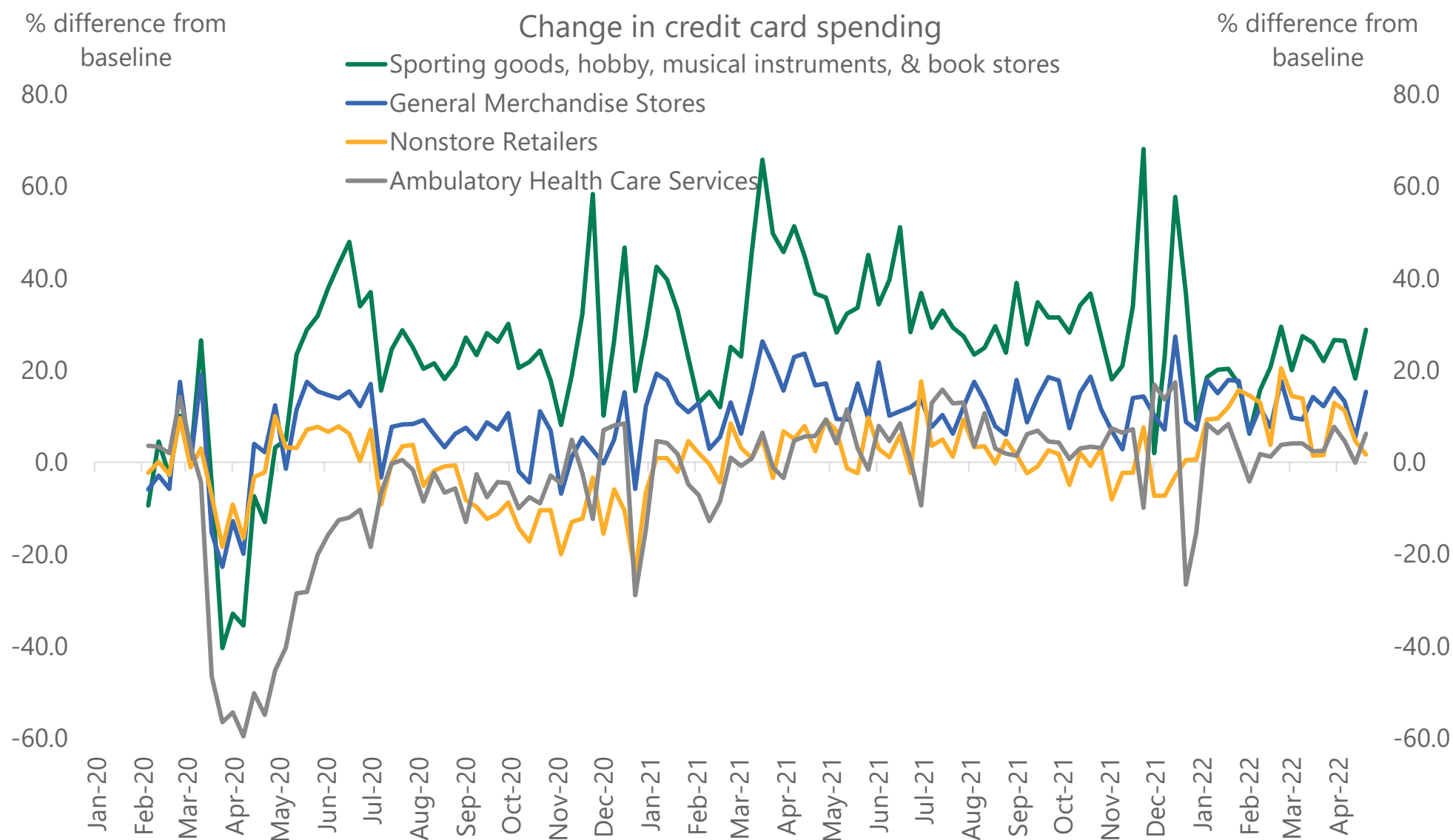


# US consumer still strong



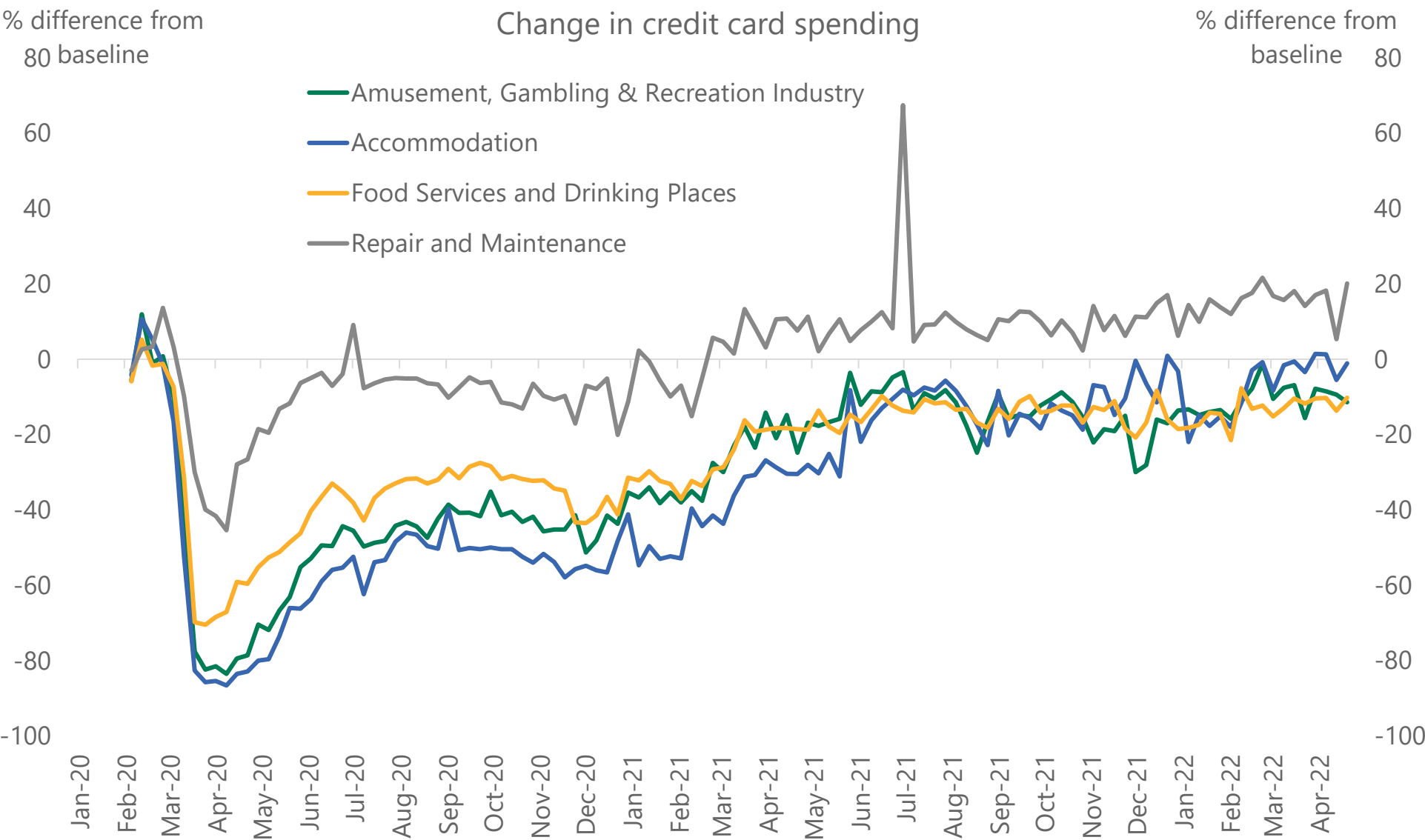
Source: BEA, Haver analytics, Apollo Chief Economist. Note: The weekly values represent the predicted percentage difference from the typical level of spending (prior to the pandemic declared by the World Health Organization on March 11, 2020) after adjusting for day-of-week, month, and year effects, based on daily data. The typical level corresponds to a value of zero.

# US consumer still strong



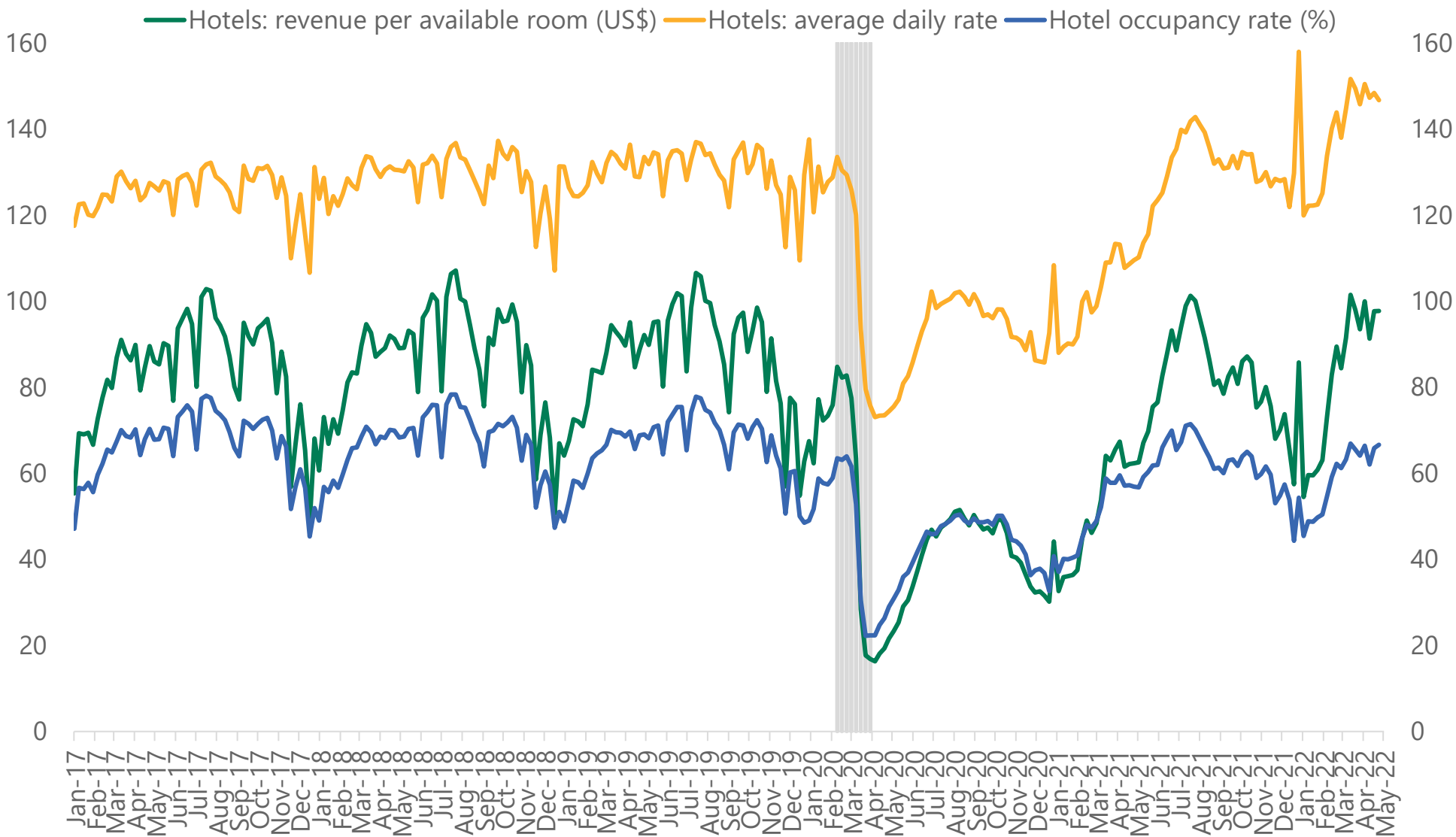
Source: BEA, Haver analytics, Apollo Chief Economist. Note: The weekly values represent the predicted percentage difference from the typical level of spending (prior to the pandemic declared by the World Health Organization on March 11, 2020) after adjusting for day-of-week, month, and year effects, based on daily data. The typical level corresponds to a value of zero.

# US consumer still strong



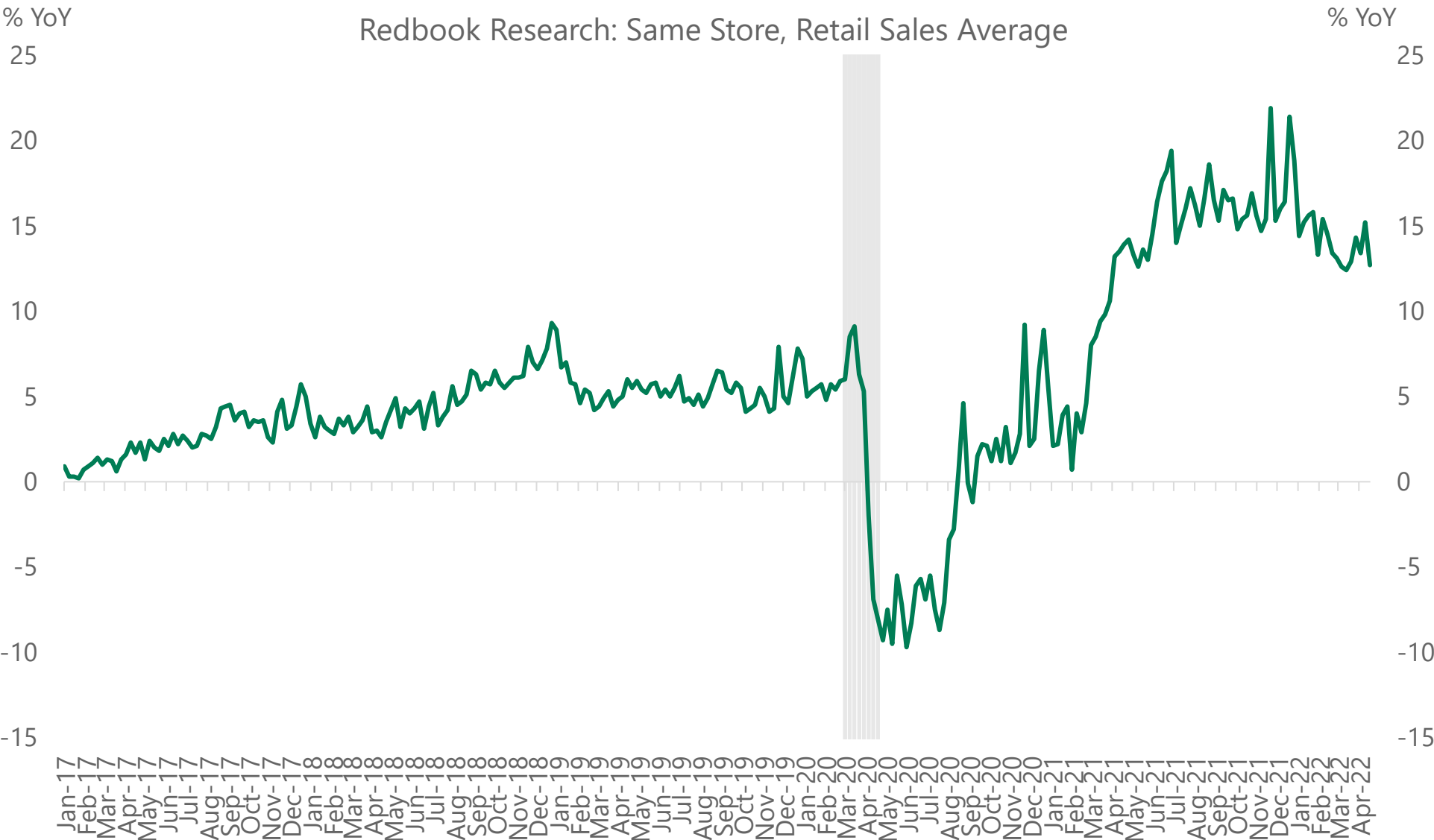
Source: BEA, Haver analytics, Apollo Chief Economist. Note: The weekly values represent the predicted percentage difference from the typical level of spending (prior to the pandemic declared by the World Health Organization on March 11, 2020) after adjusting for day-of-week, month, and year effects, based on daily data. The typical level corresponds to a value of zero.

# Hotel demand still strong



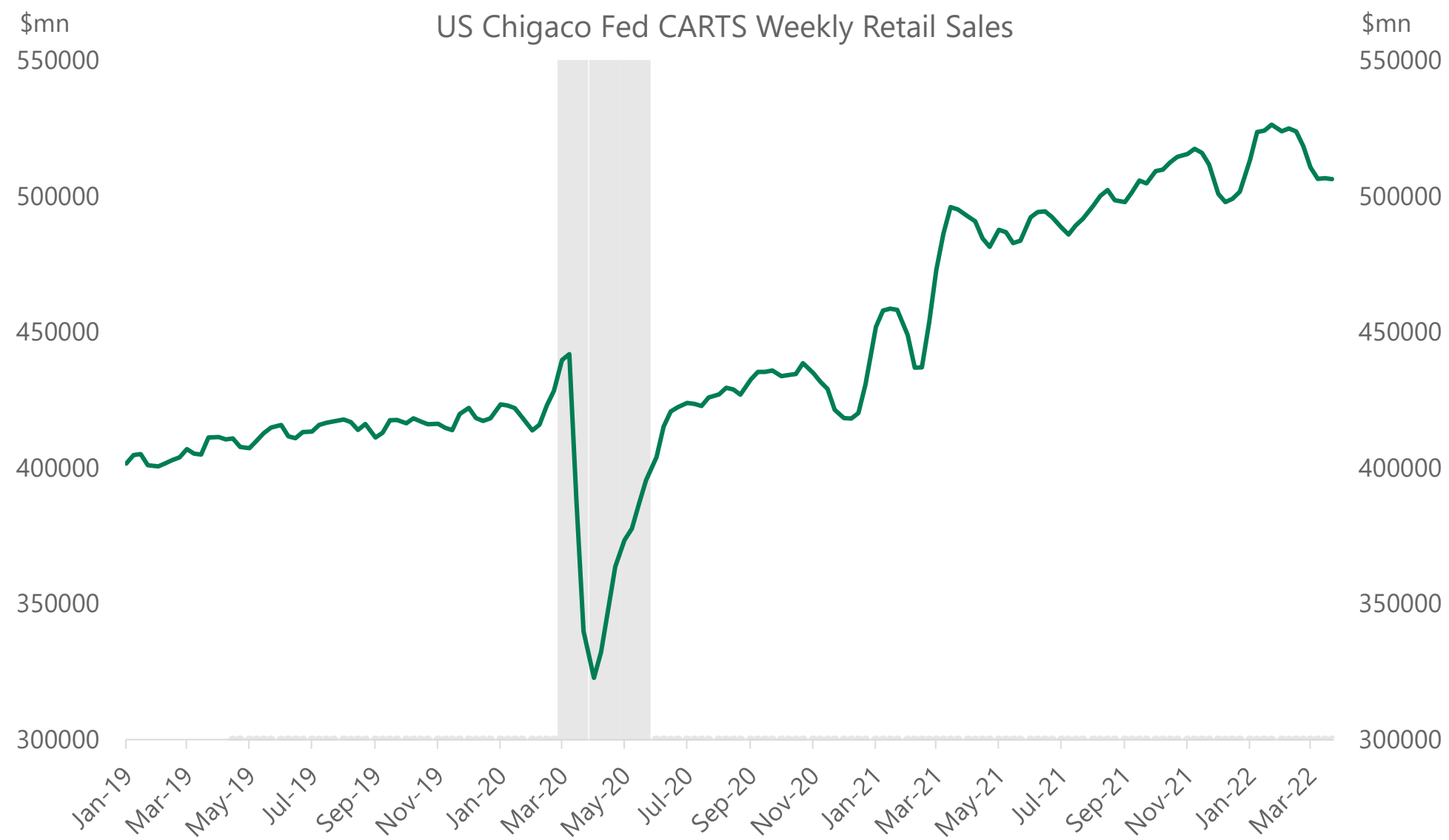
Source: STR, Haver Analytics, Apollo Chief Economist

# Strong weekly data for same-store retail sales



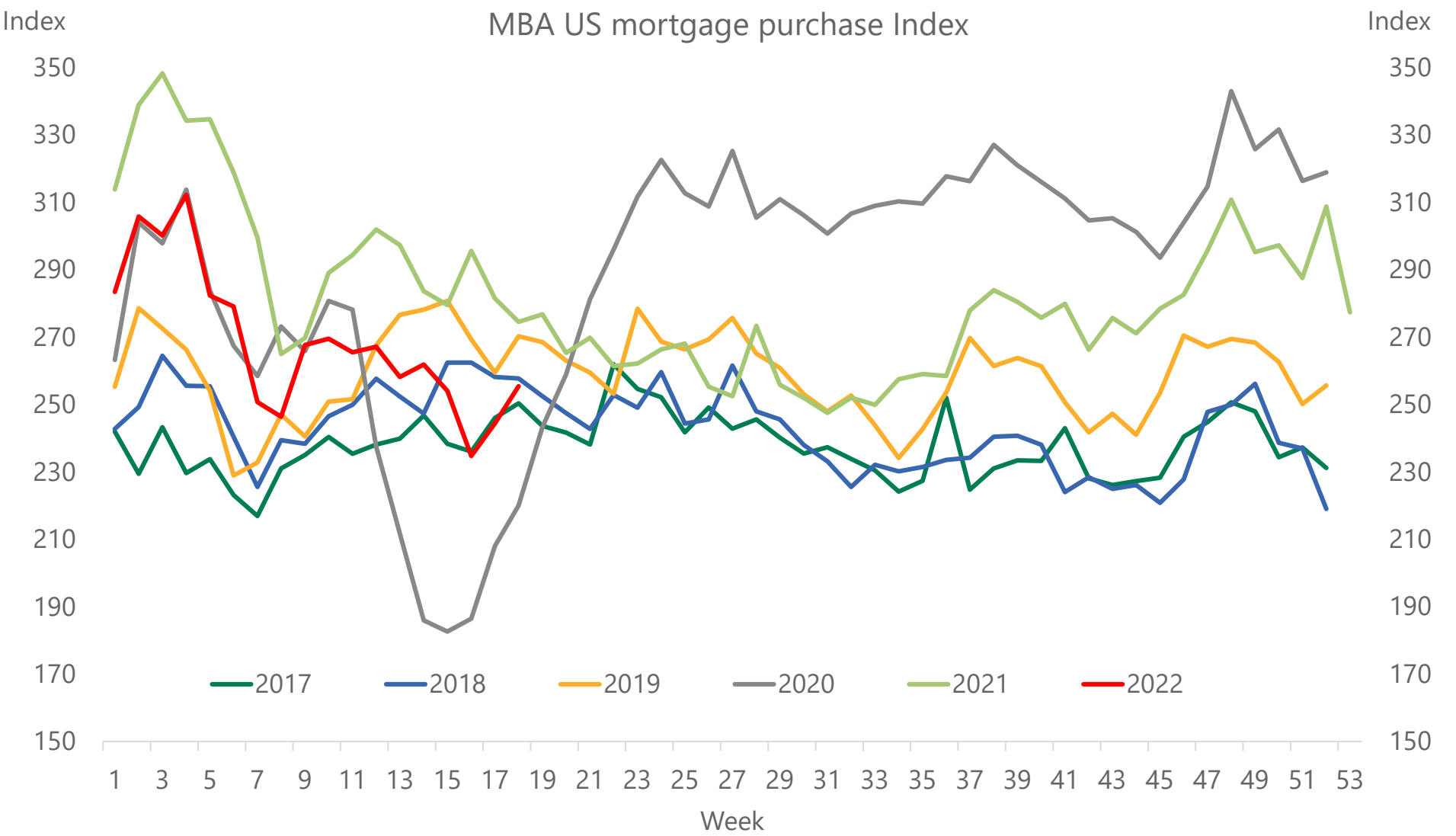
Source: Redbook, Haver Analytics, Apollo Chief Economist

# Weekly retail sales not showing signs of slowing



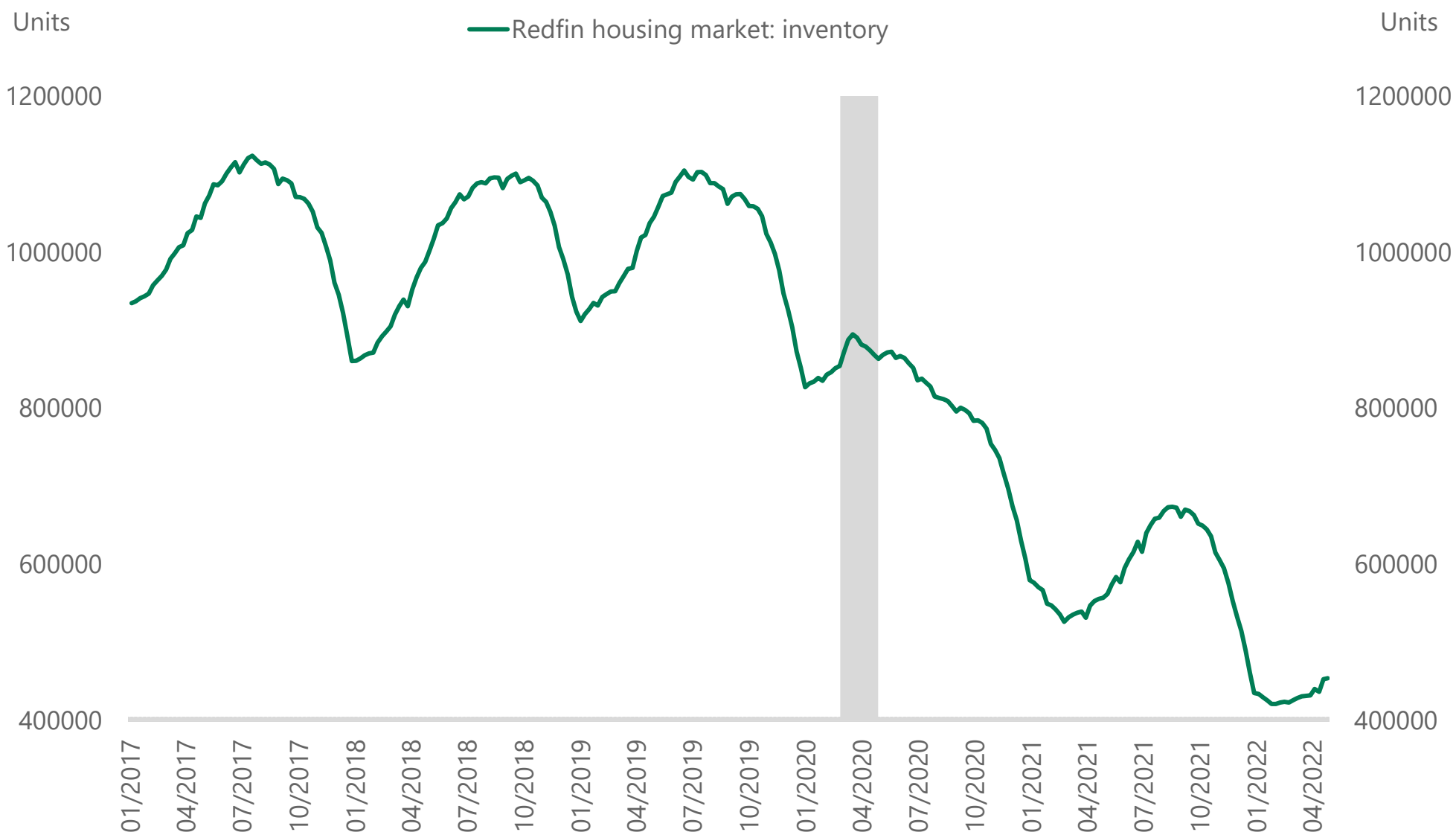
Source: Bloomberg, Apollo Chief Economist

# Rising mortgage rates having little impact on purchases applications



Source: Mortgage Bankers Association, Bloomberg, Apollo Chief Economist

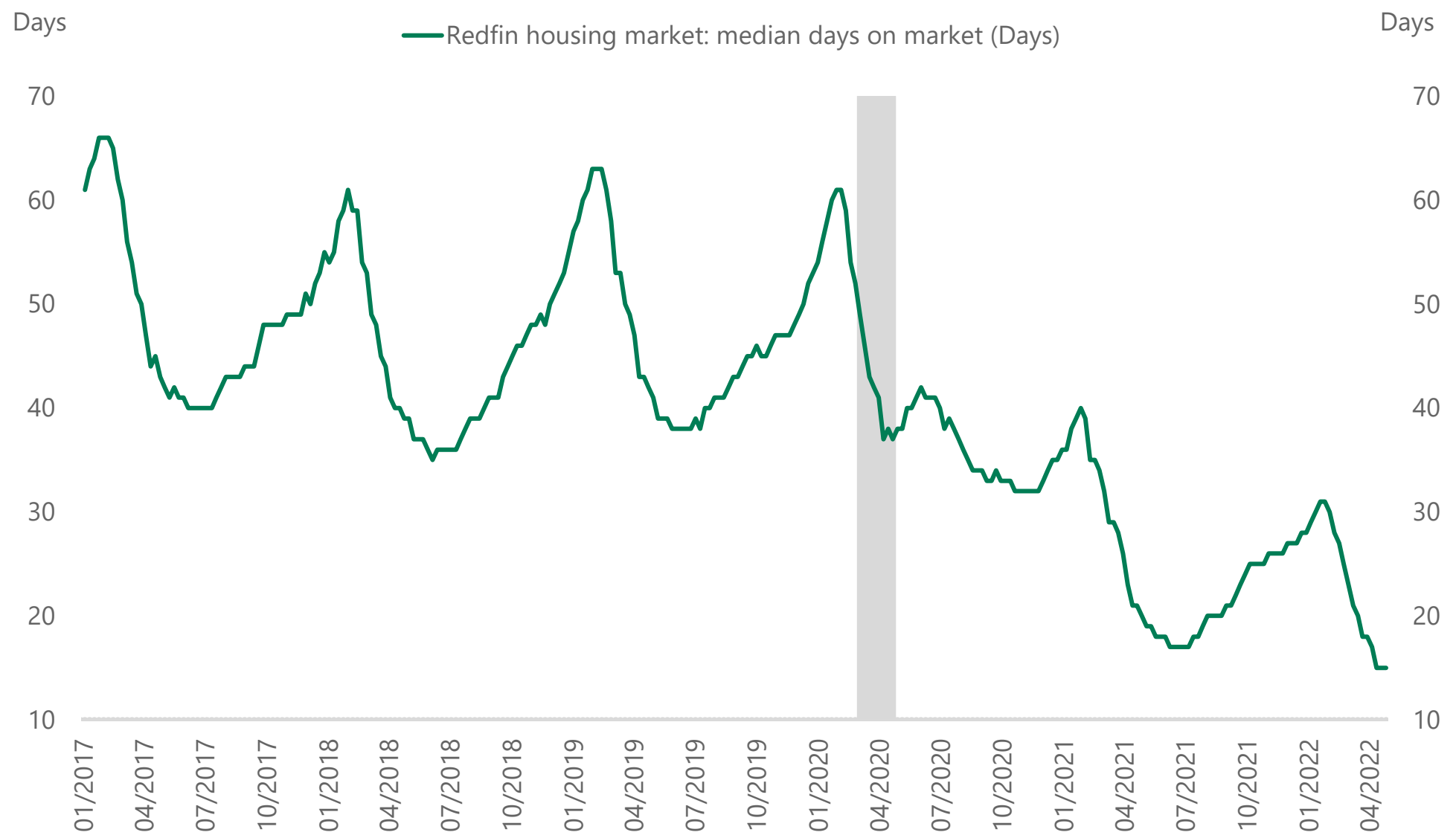
# Housing inventory still at very low levels



Source: Redfin, Haver, Apollo Chief Economist

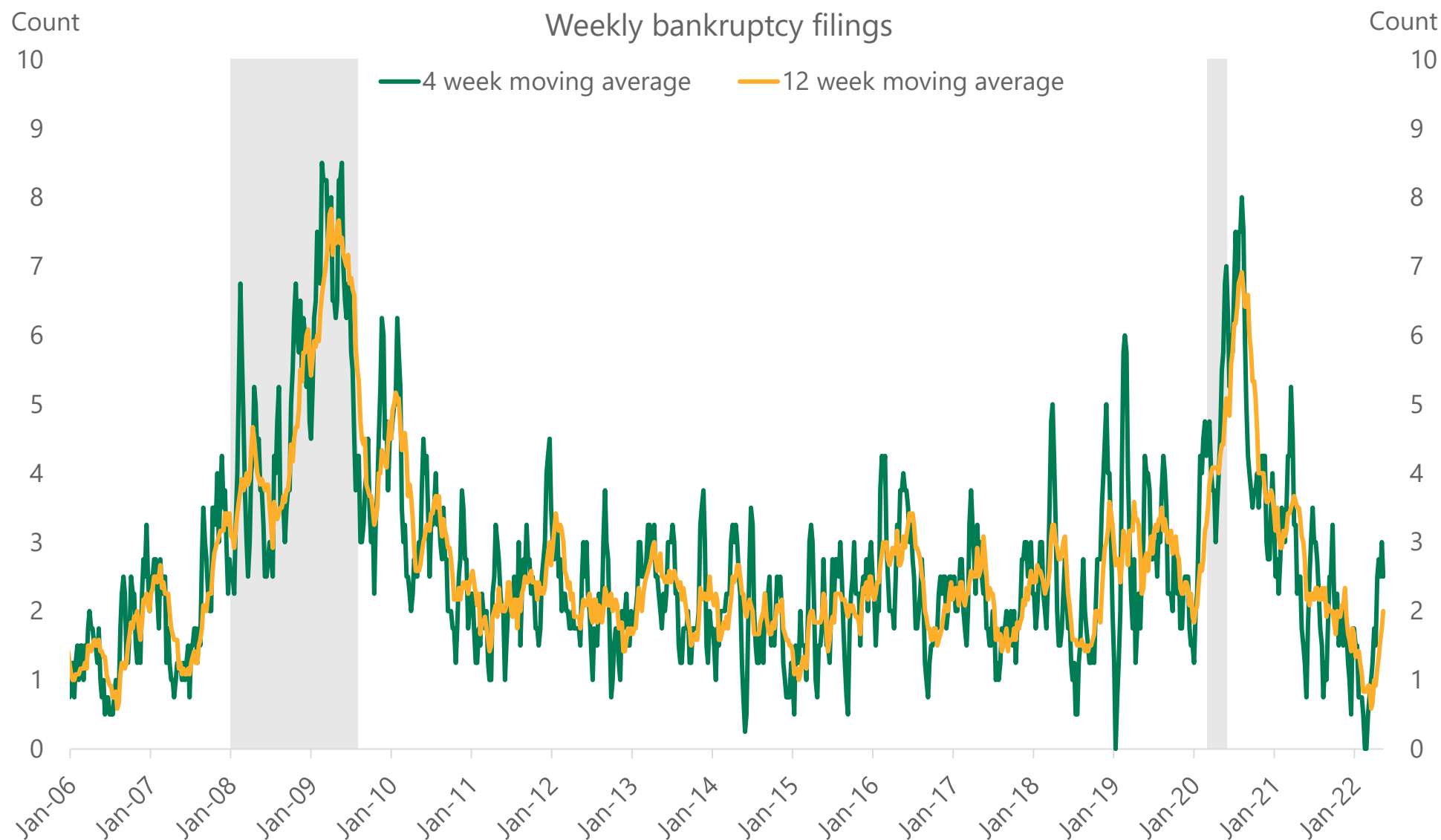


# Homes typically sold in 15 days compared to 61 days before pandemic



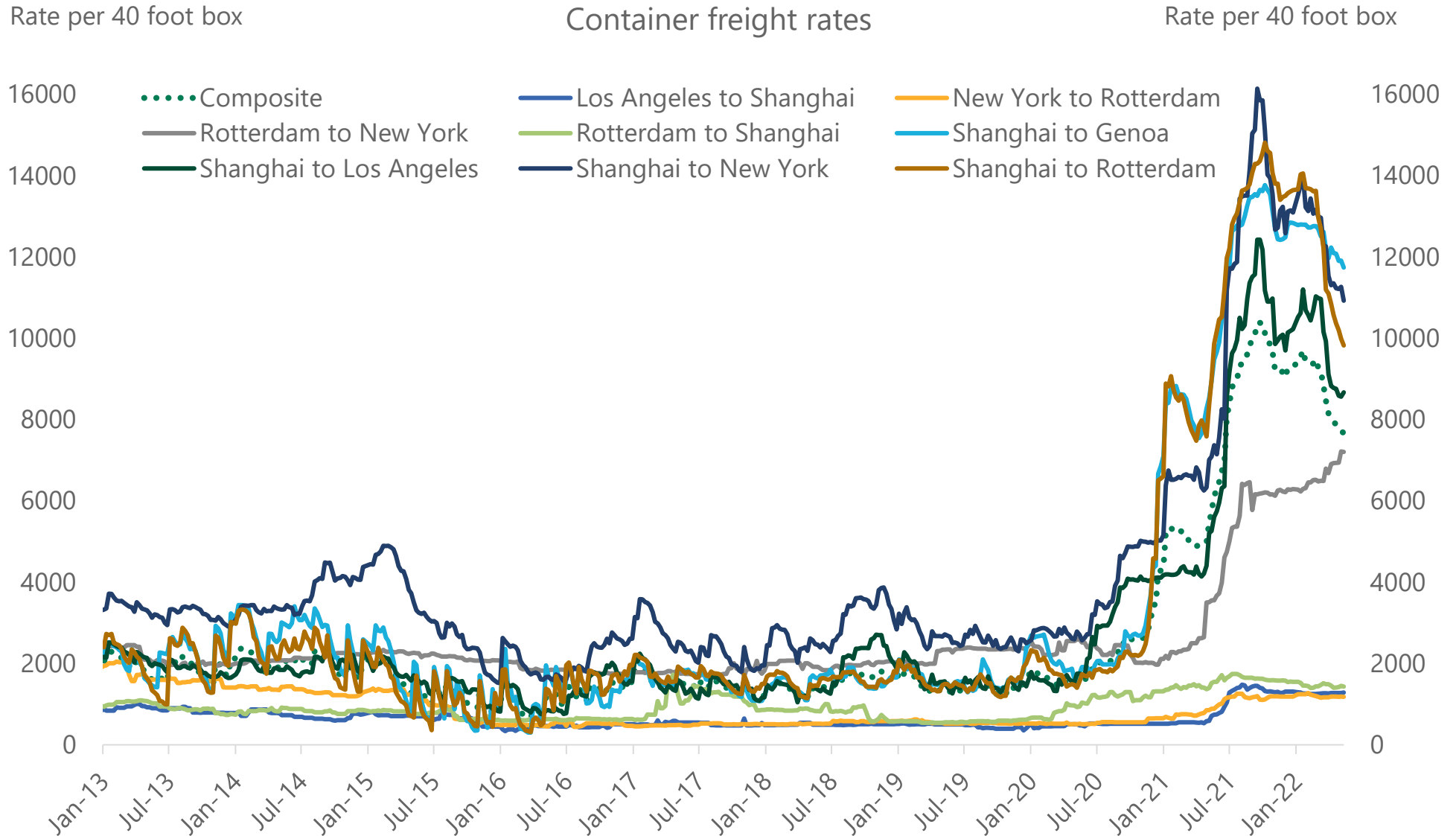
Source: Redfin, Haver, Apollo Chief Economist

# Bankruptcy filings a bit higher in recent weeks



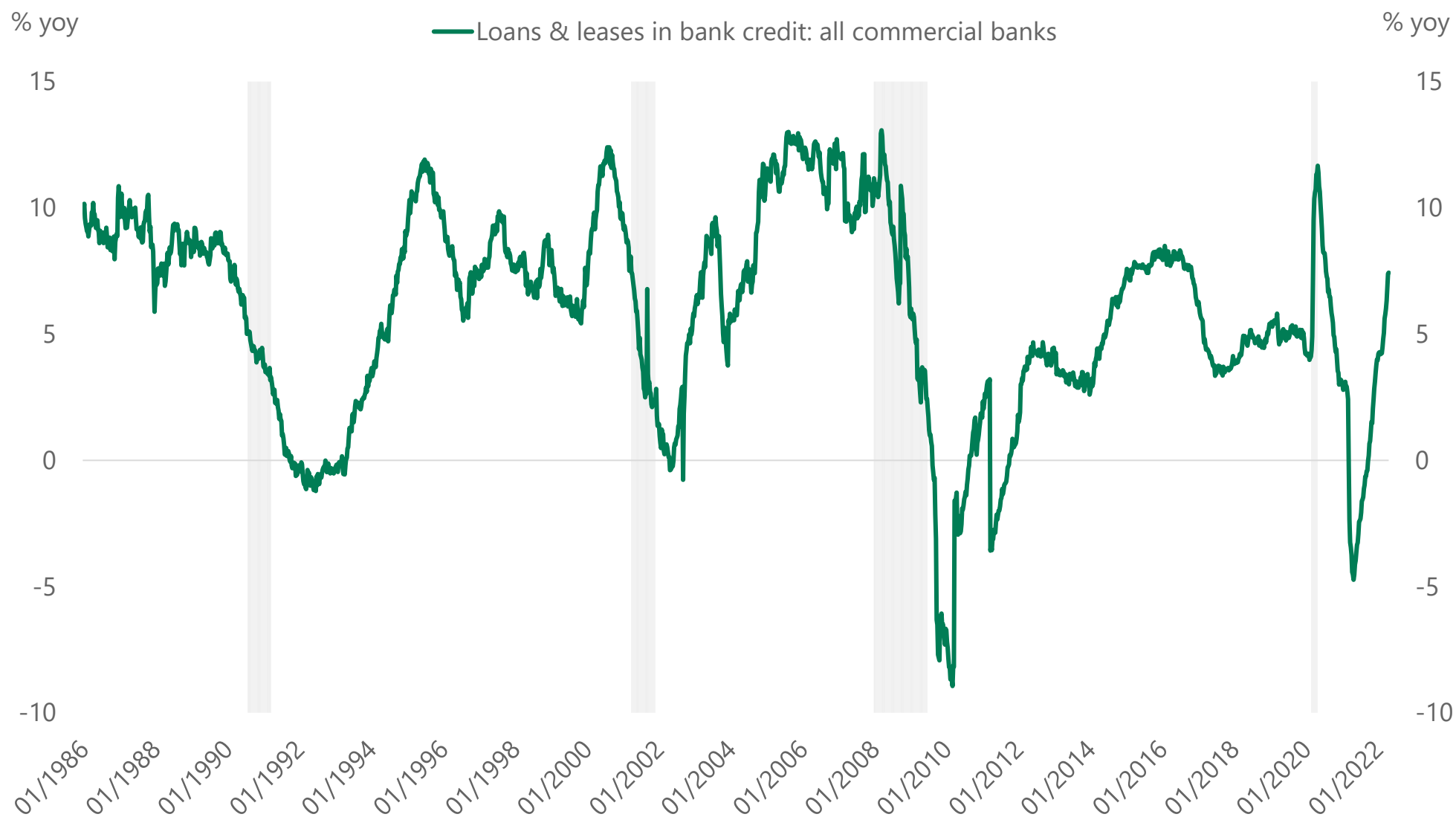
Source: Bloomberg, Apollo Chief Economist. Note: Filings are for companies with more than \$50mn in liabilities. For week ending on Thursday

# Container freight rates slowly coming down



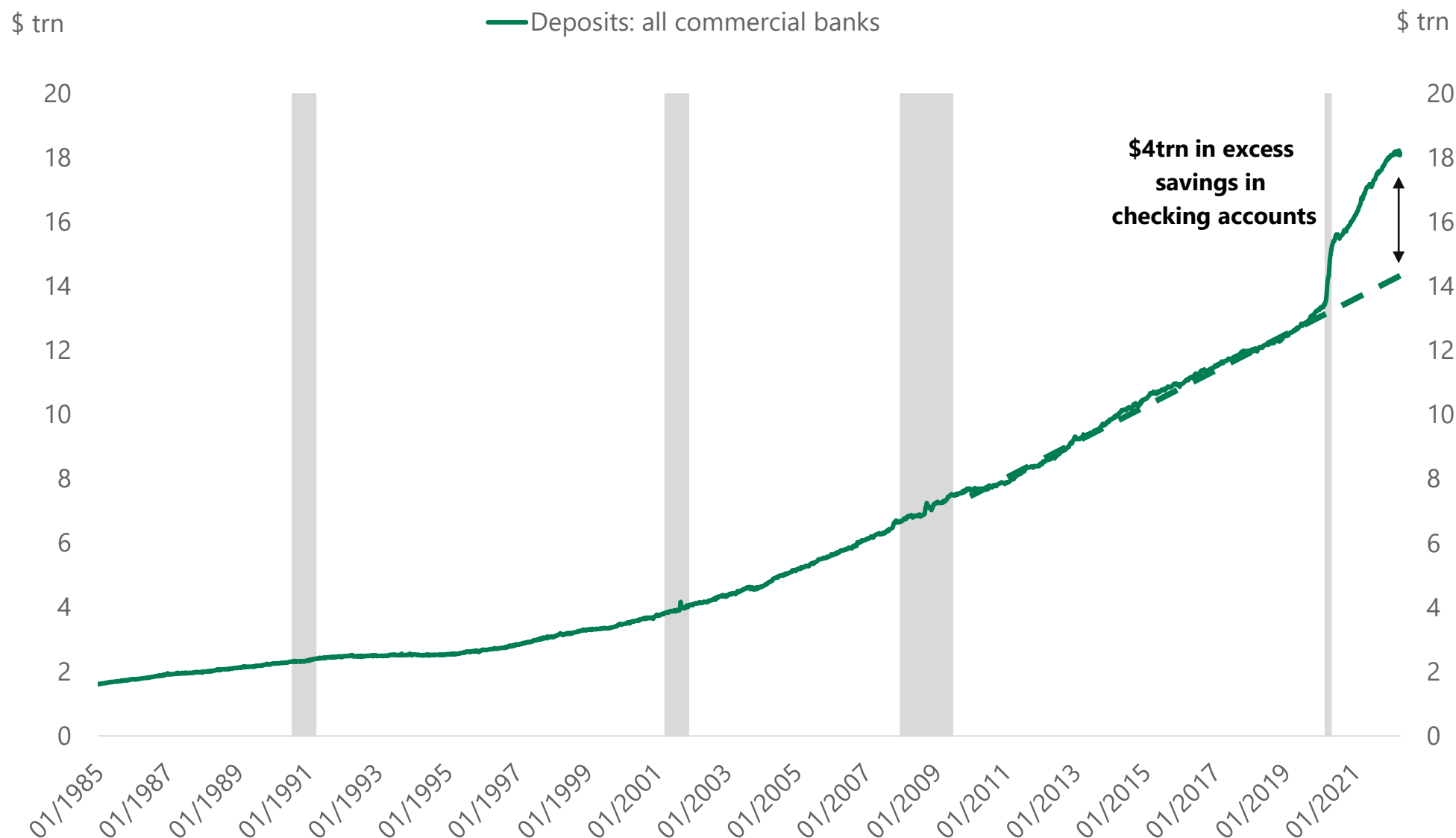
Source: WCI, Bloomberg, Apollo Chief Economist

# Banks' loan growth is strong



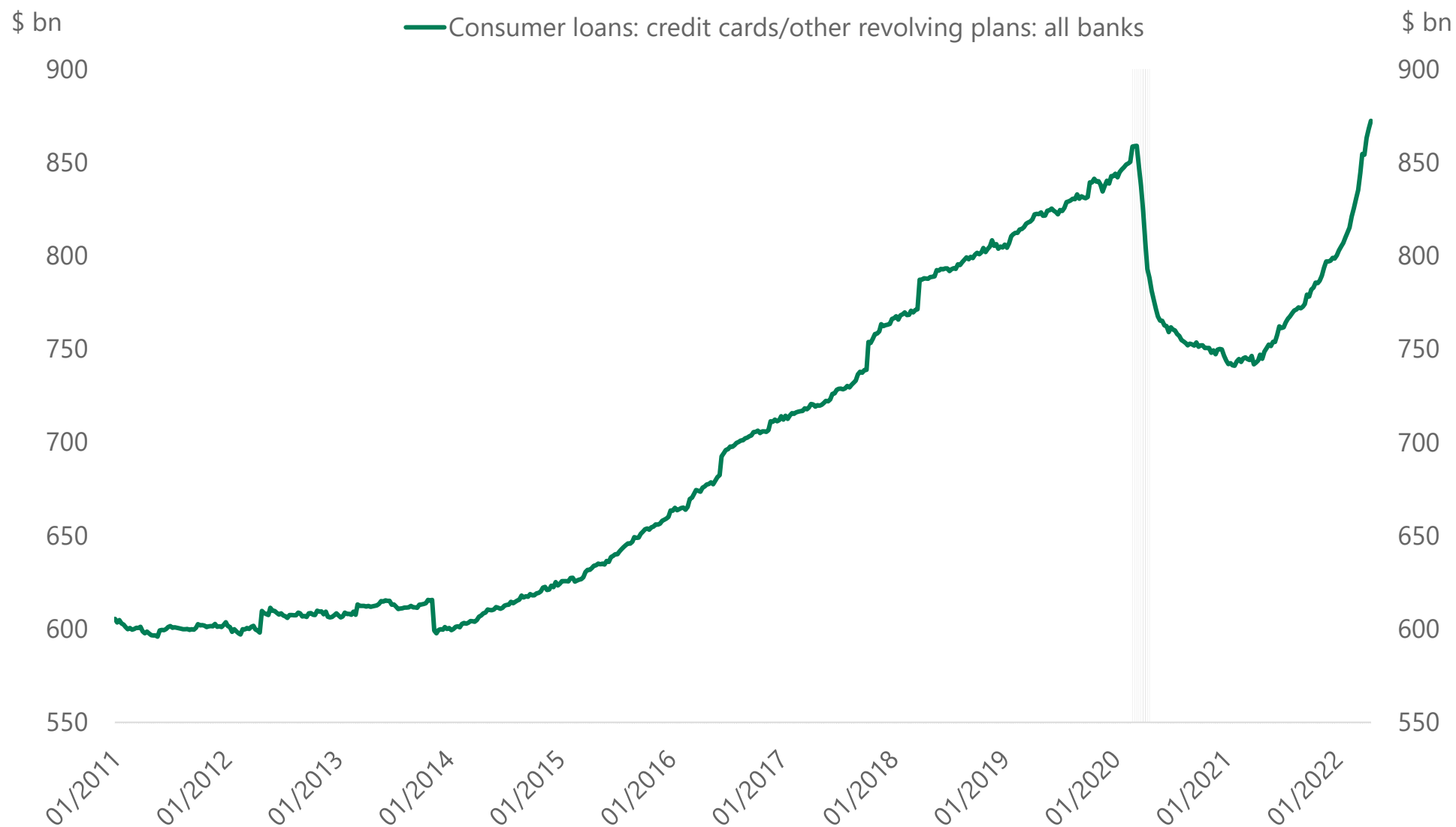
Source: FRB, Haver, Apollo Chief Economist

# Record-high level of deposits at commercial banks



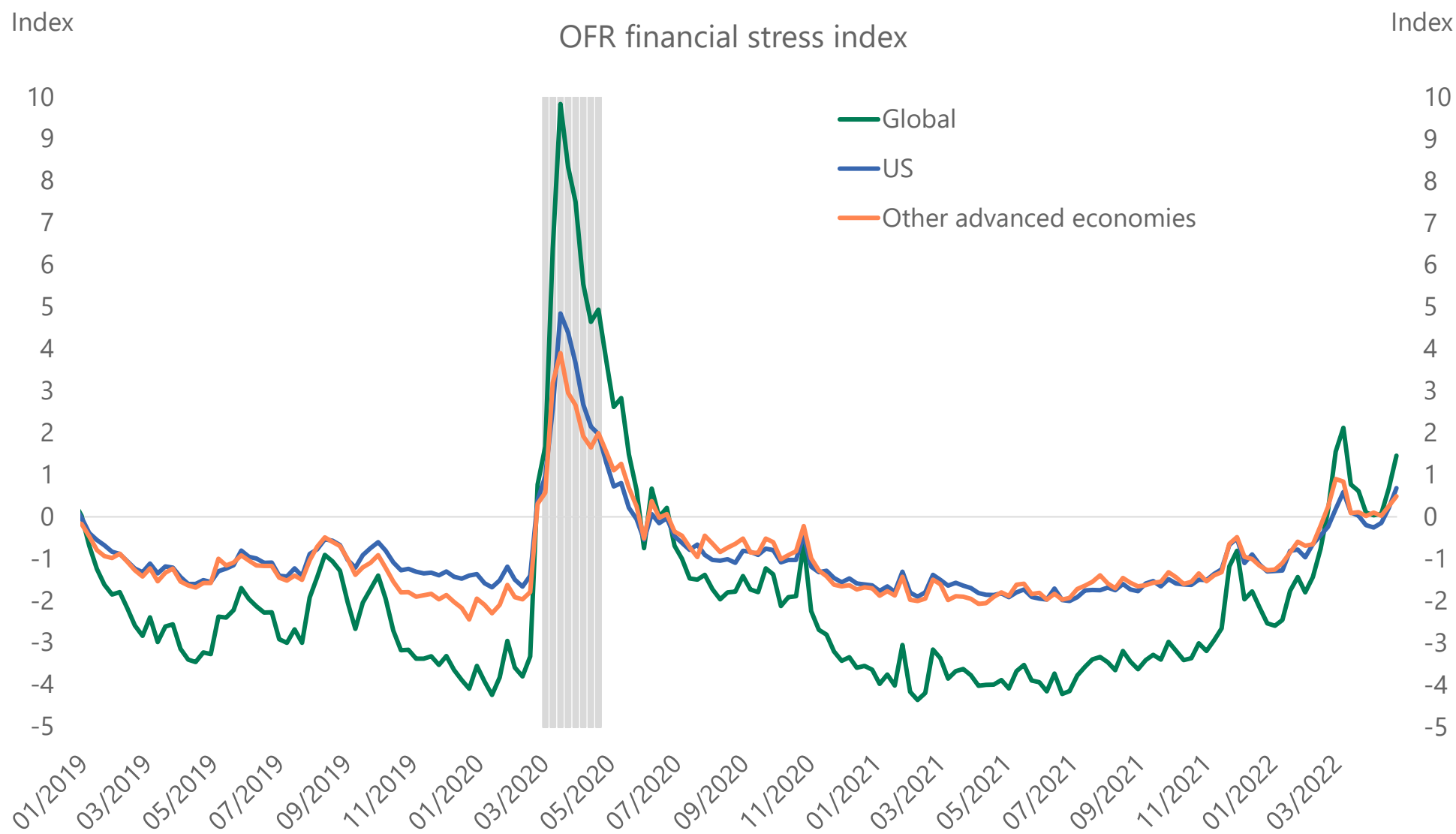
Source: FRB, Haver, Apollo Chief Economist

# Credit card debt is rising as the economy re-opens



Source: FRB, Haver, Apollo Chief Economist

# Stress in financial markets still limited



Source: Office for Financial Research, Haver, Apollo Chief Economist (Note: The OFR Financial Stress Index (OFR FSI) is a daily market-based snapshot of stress in global financial markets. It is constructed from 33 financial market variables, such as yield spreads, valuation measures, and interest rates. The OFR FSI is positive when stress levels are above average, and negative when stress levels are below average.)

# Biography



## **Torsten Slok, Ph.D.**

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Torsten Slok joined Apollo in 2020 as Chief Economist and he leads Apollo's macroeconomic and market analysis across the platform.

Prior to joining, Mr. Slok worked for 15 years as Chief Economist at Deutsche Bank where his team was top ranked in the annual Institutional Investor survey for a decade, including #1 in 2019. Prior to joining Deutsche Bank Mr. Slok worked at the IMF in Washington, DC and at the OECD in Paris.

Mr. Slok has a Ph.D in Economics and has studied at the University of Copenhagen and Princeton University.