

APOLLO GLOBAL MANAGEMENT

Slowdown Watch: Daily and weekly indicators for the US economy

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Unless otherwise noted, information as of May 2022

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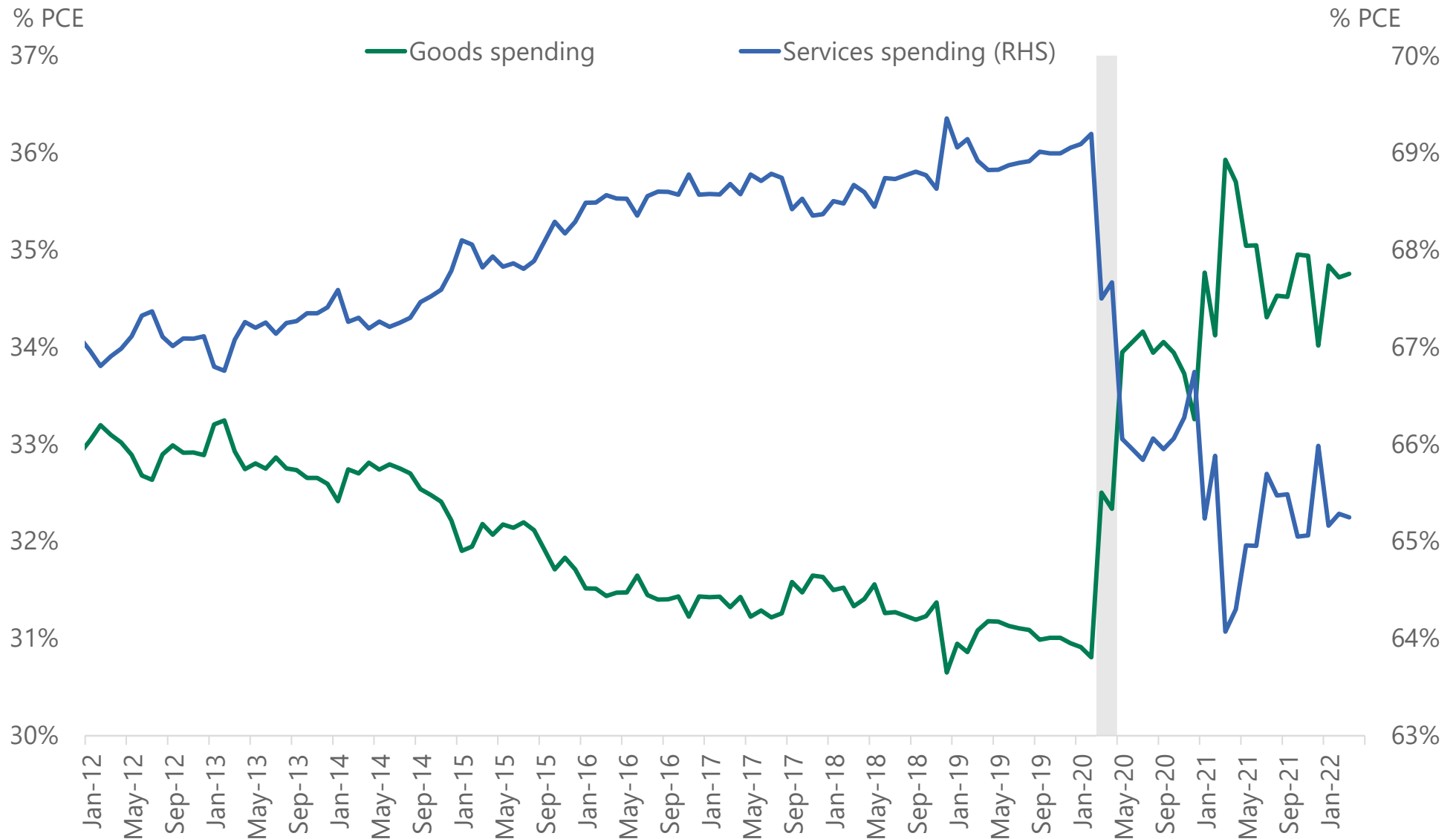
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Heatmap for the US economy and US financial markets

		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)	688.0	610.0	922.0	991.0	871.0	881.0	714.0	732.0	839.0	709.0	591.0
	Consumer Sentiment	99.3	89.1	78.1	80.4	80.7	84.9	85.5	72.8	70.6	59.4	59.1
	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	69
	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	184.4
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	16.7
	IG Spread (bps)	101	305	160	144	103	97	86	89	98	122	149
	HY Spread (bps)	360	877	644.0	541	386	336.0	304	315	310	343	474
	Yield curve (bps)	31	22	65	59	84	154	144	129	139	193	242
	10 year yield	1.92	0.67	0.66	0.69	0.92	1.74	1.47	1.49	1.51	2.34	2.75
	VIX	13.8	53.5	30.4	26.4	22.8	19.4	15.8	23.1	17.2	20.6	28.4
	MOVE Index	58.3	83.9	54.1	39.2	49.0	71.3	57.3	61.1	77.1	106.9	105.7
	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 stdev; Yellow = +/- 0.5 to 1 stdev; Red = +/- 1 stdev. 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.

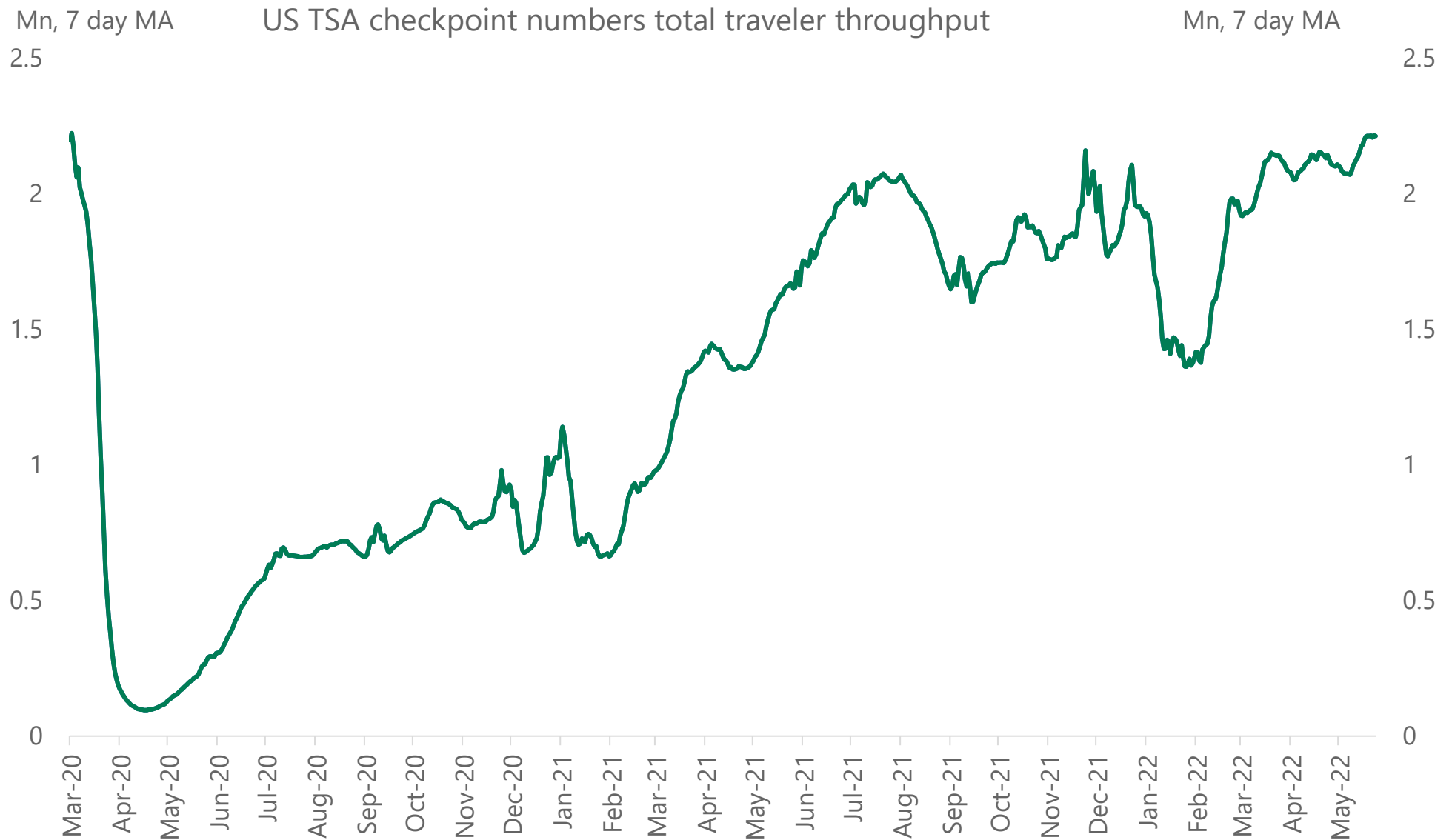
Shift from goods to services coming in US consumer spending



Source: BEA, Haver Analytics, Apollo Chief Economist

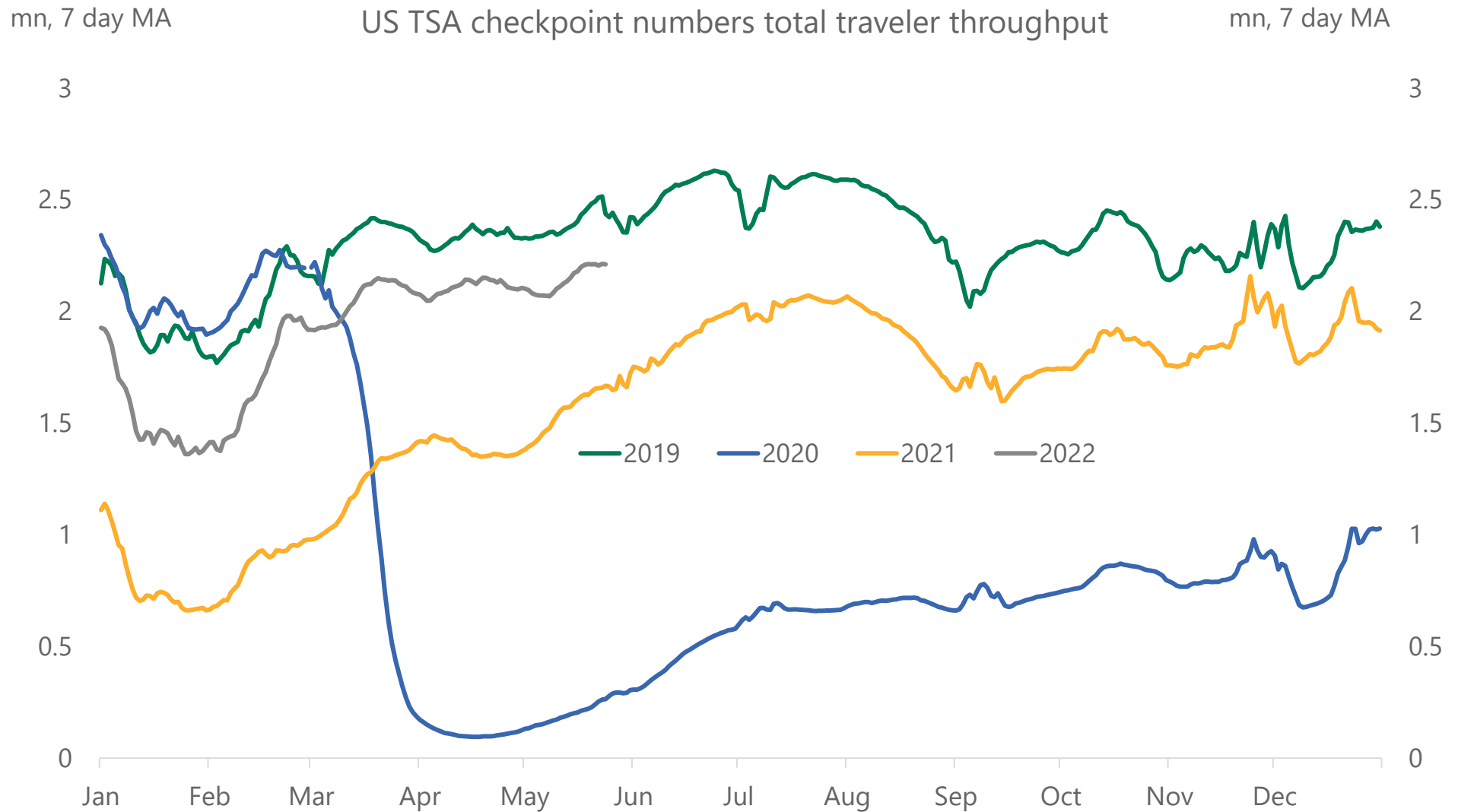
Daily economic indicators

US air travel is strong



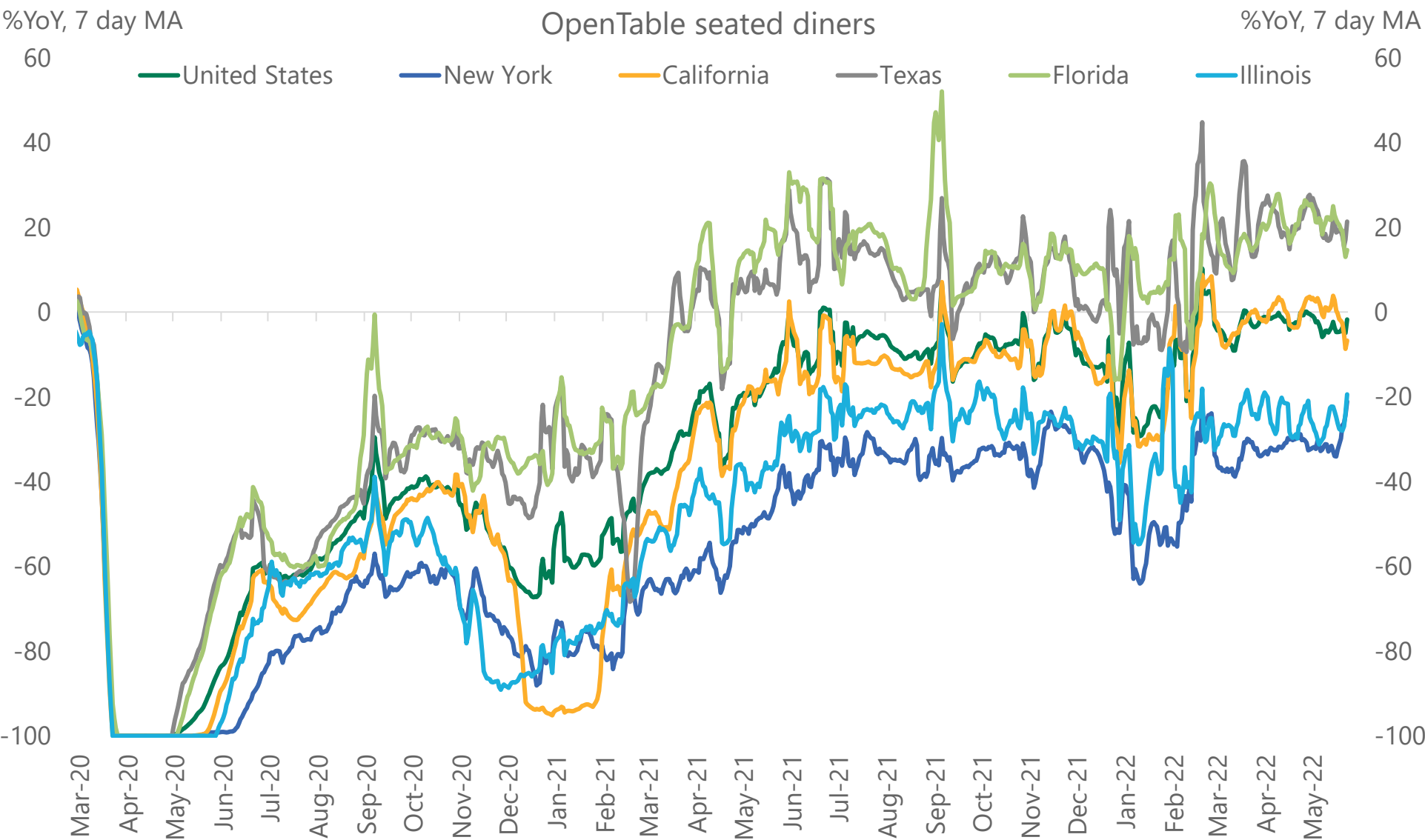
Source: TSA, Bloomberg, Apollo Chief Economist

US air travel near 2019 levels



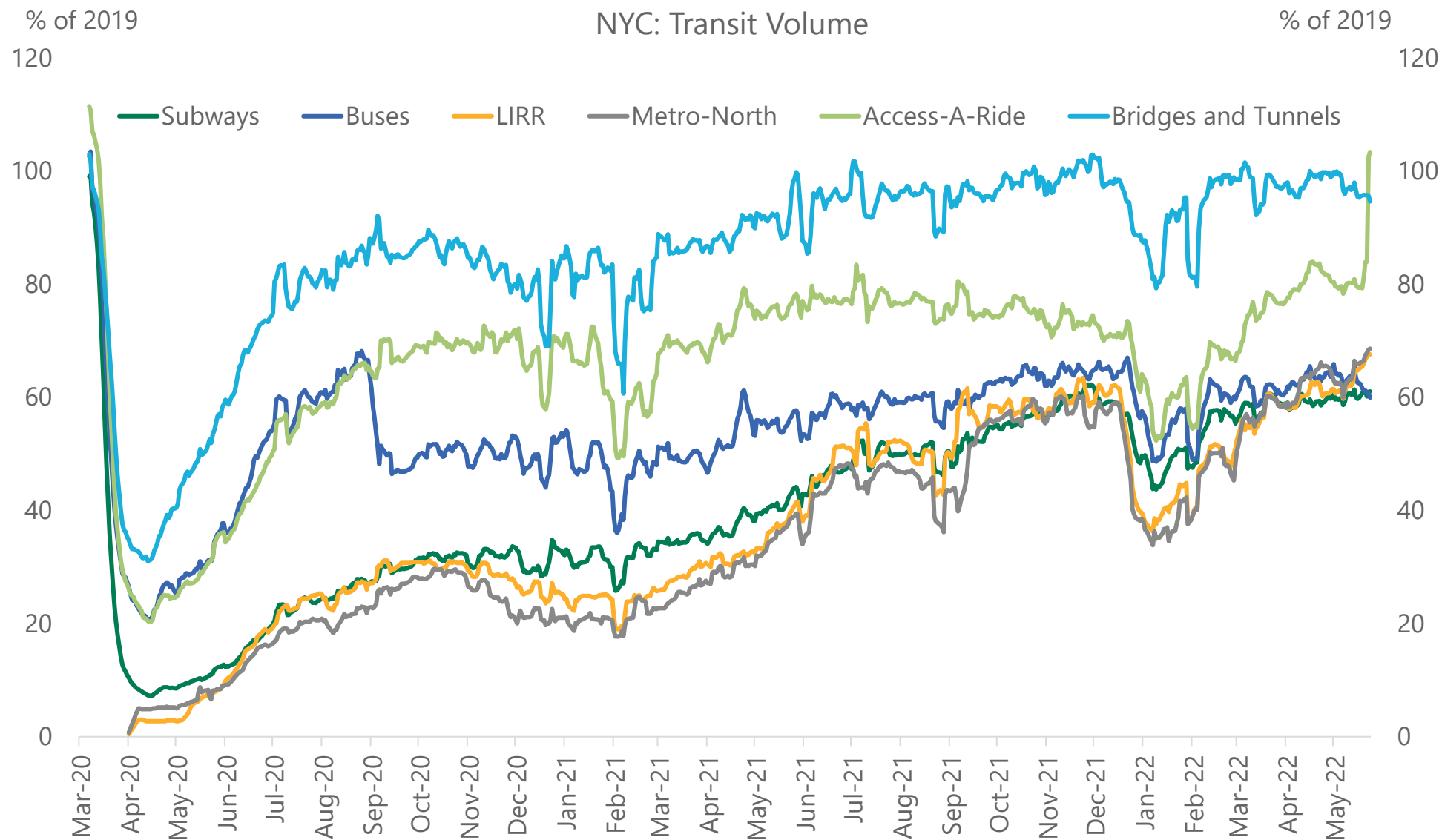
Source: TSA, Bloomberg, Apollo Chief Economist

Restaurant bookings still strong



Source: OpenTable, Apollo Chief Economist

NYC moving closer to normal

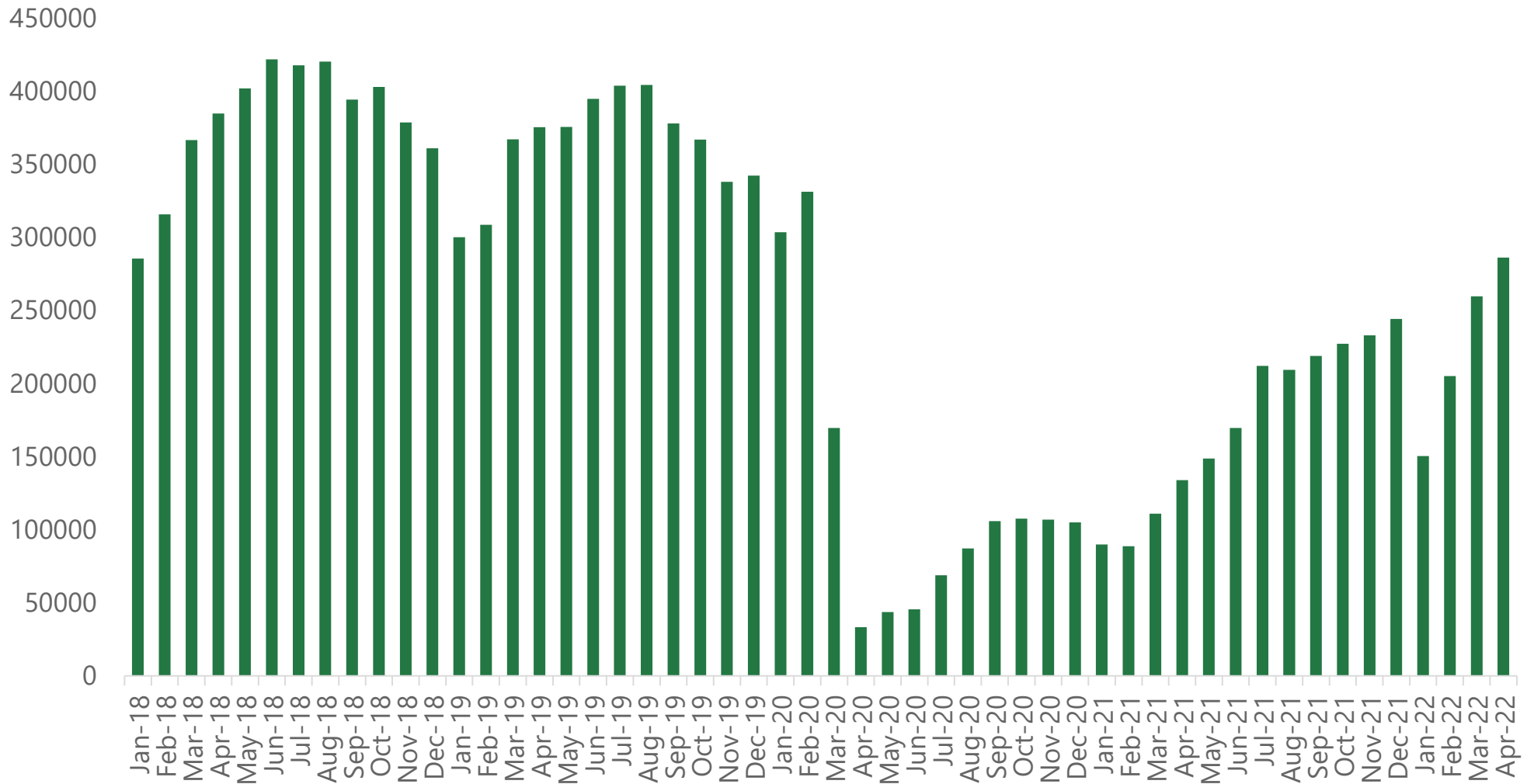


Source: MTA, Apollo Chief Economist

Average daily pedestrian count in Times Square

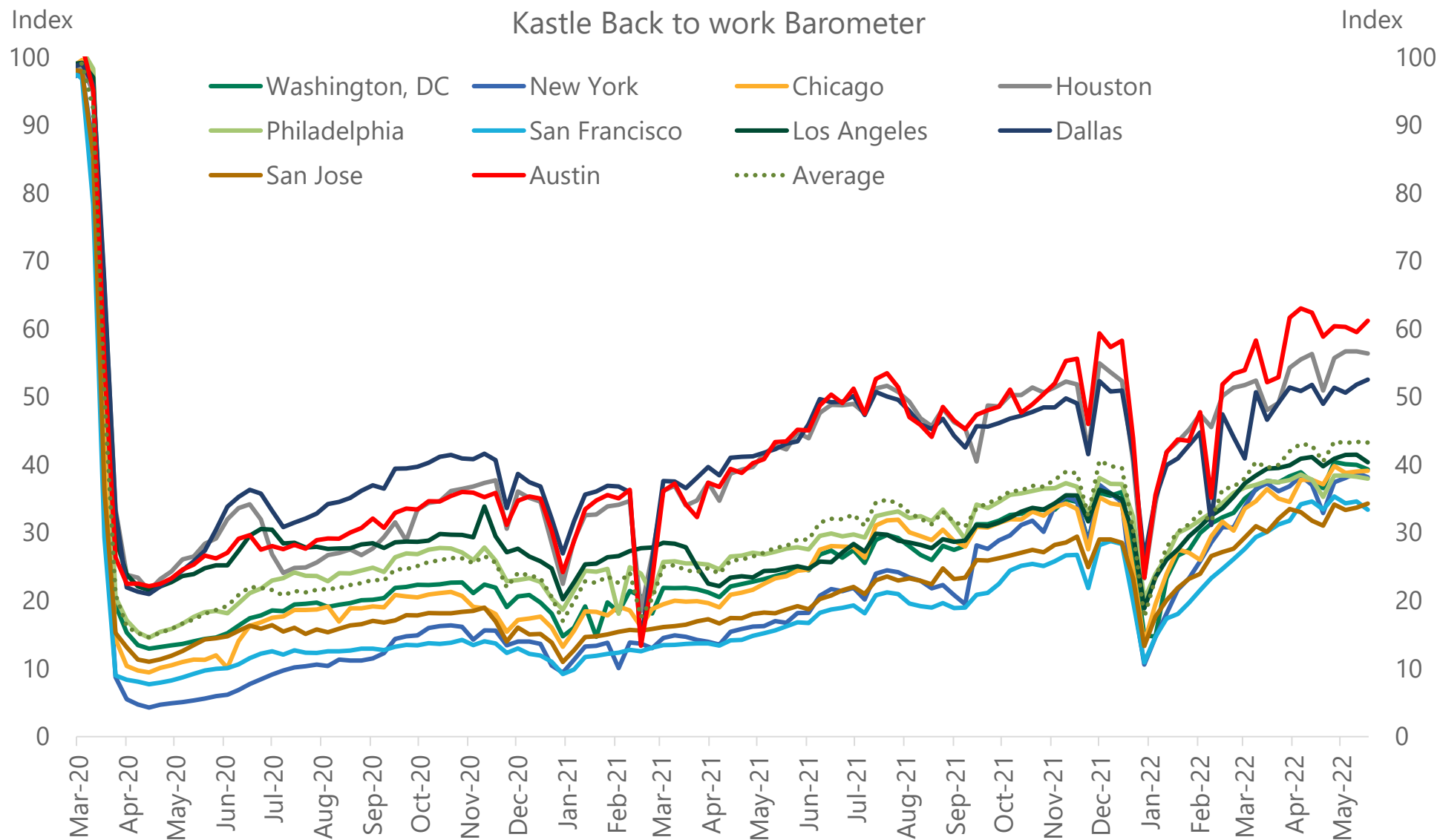
of persons

■ Average daily pedestrian count in Times Square



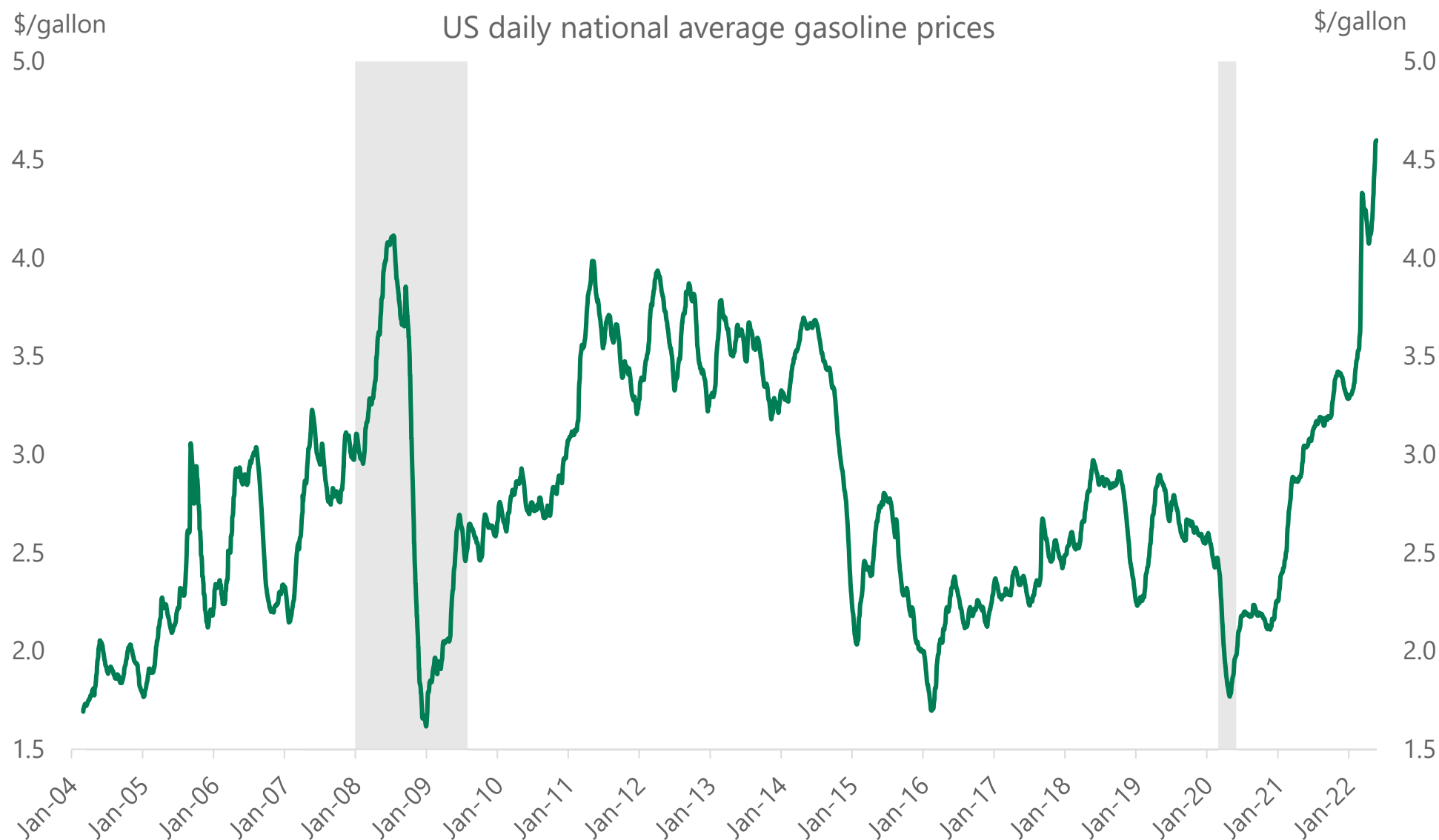
Source: [timessquarenyc.com](https://www.timessquarenyc.com), Apollo Chief Economist

New York City: Office use 39% of pre-pandemic levels



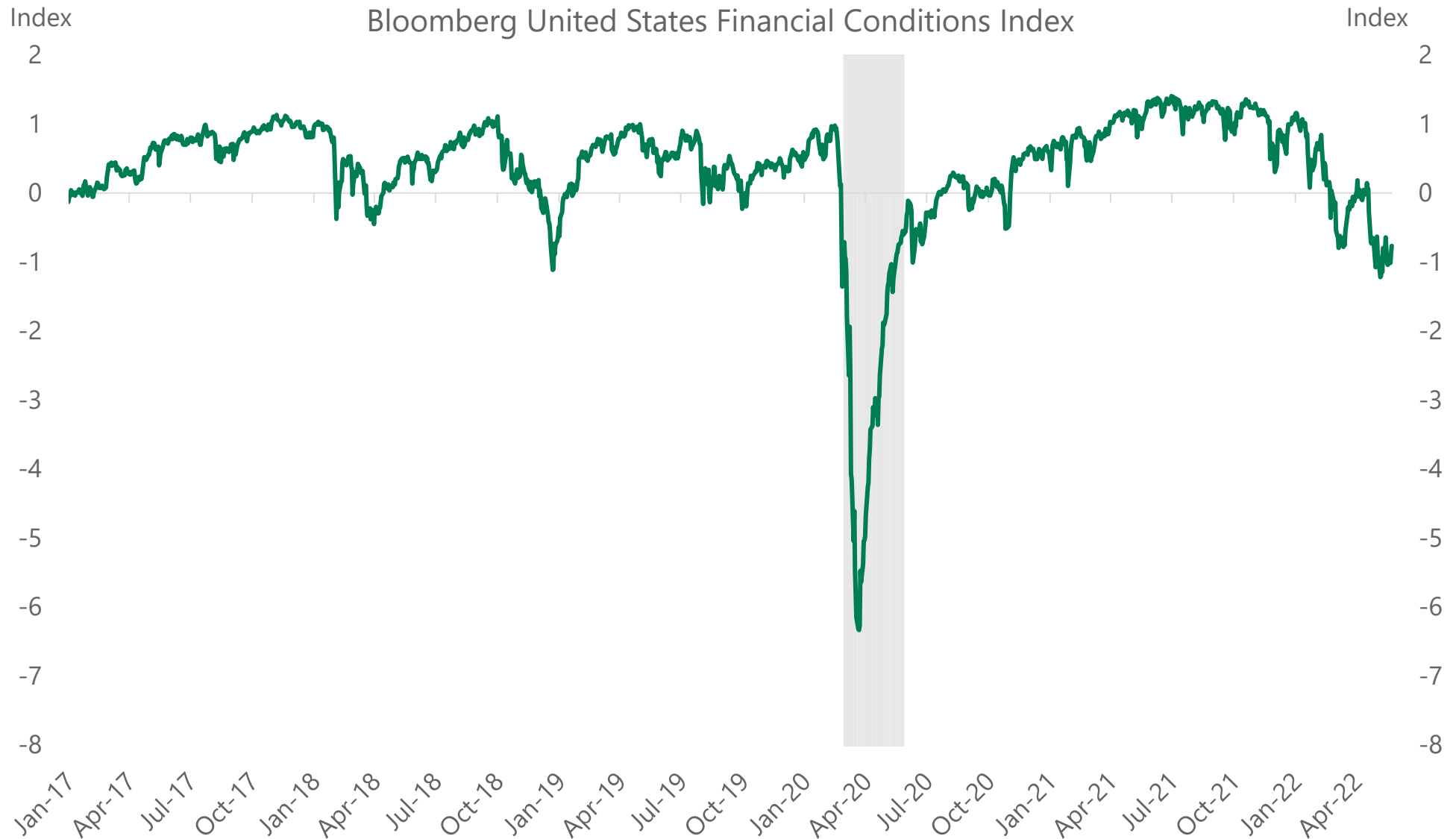
Source: Bloomberg, Apollo Chief Economist

US retail gas price at record-high levels: \$4.6 per gallon



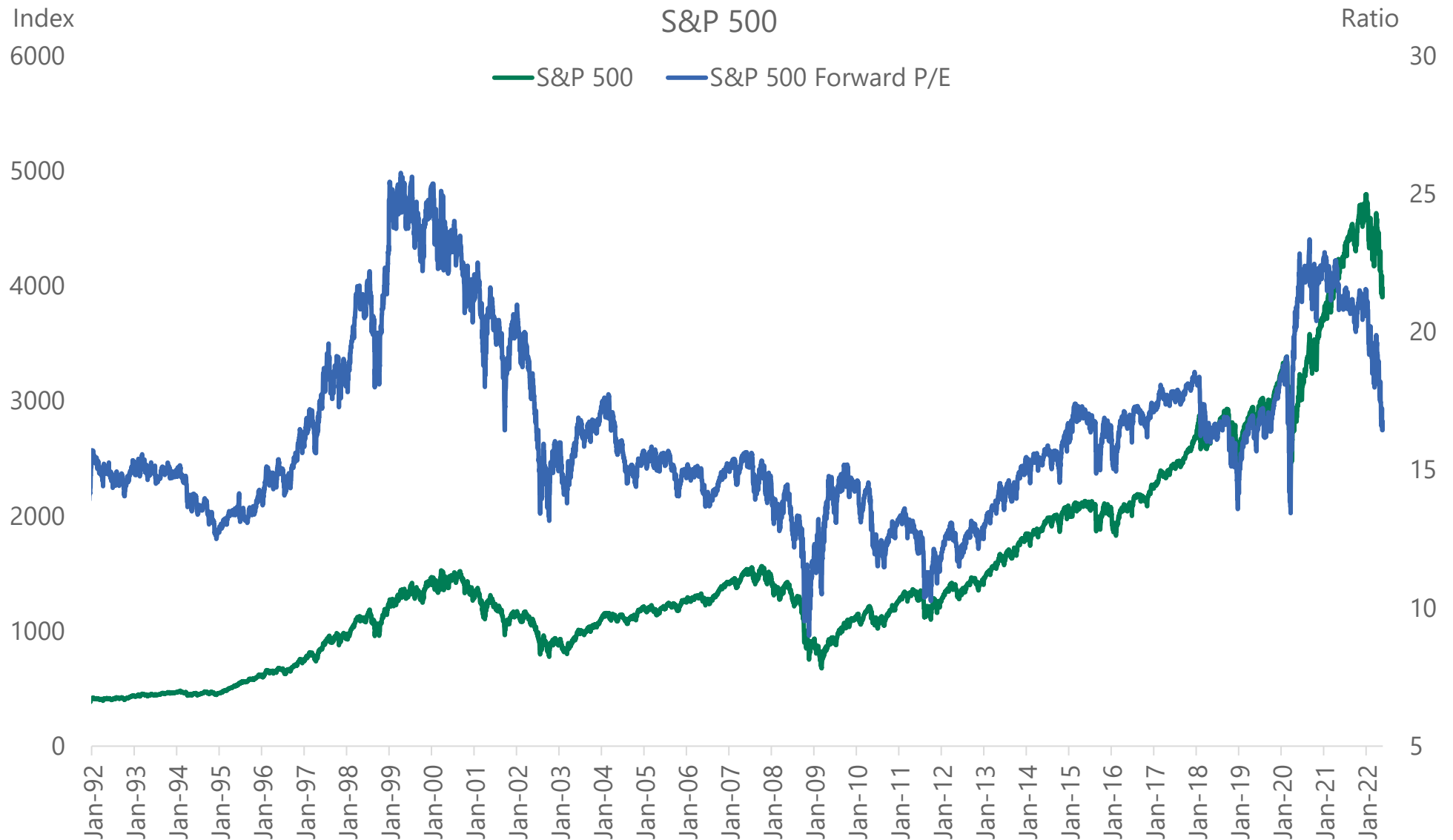
Source: Bloomberg, Apollo Chief Economist

Financial conditions gradually tightening



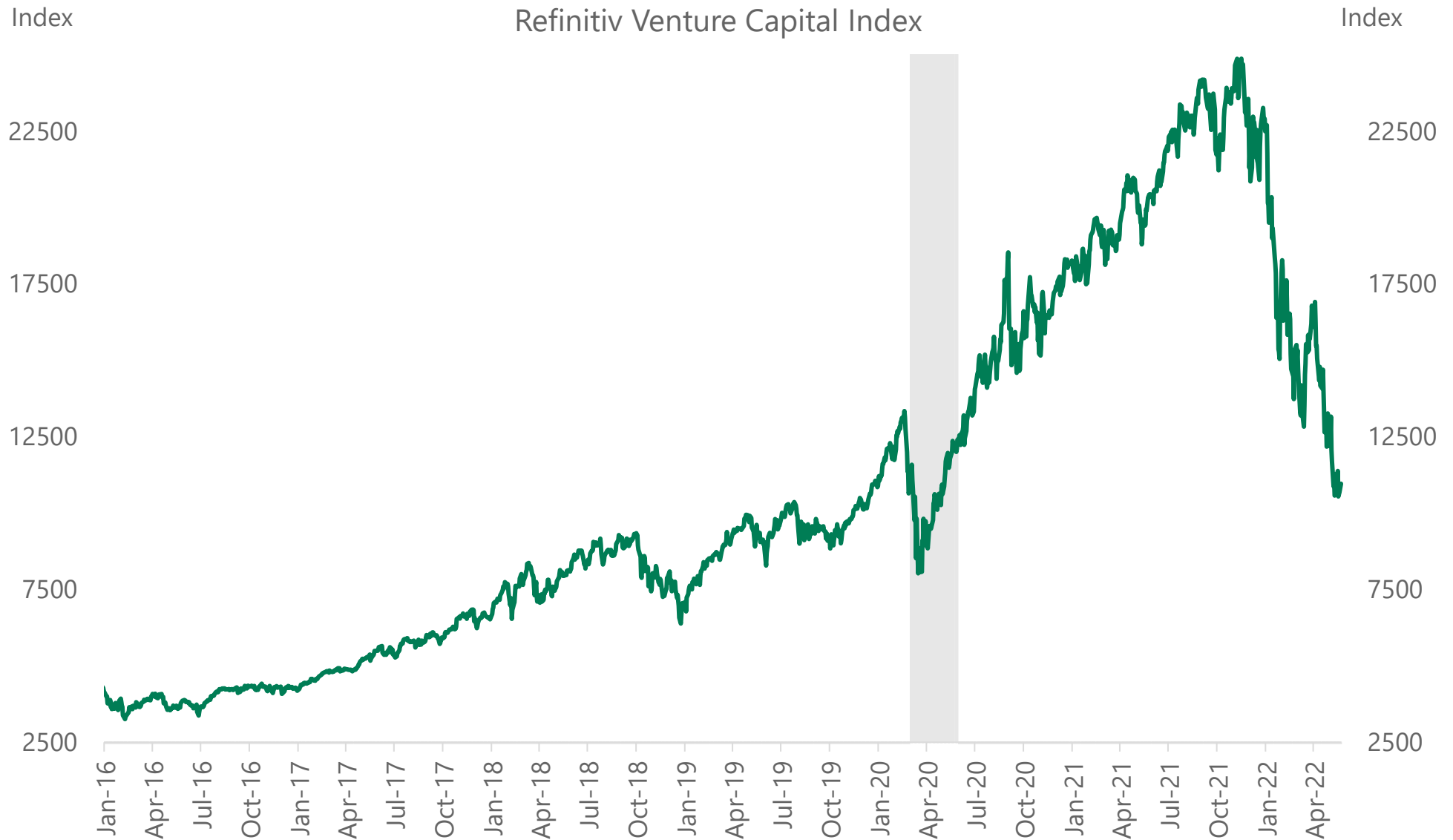
Source: Bloomberg, Apollo Chief Economist

S&P500 P/E ratio coming down



Source: Bloomberg, Apollo Chief Economist

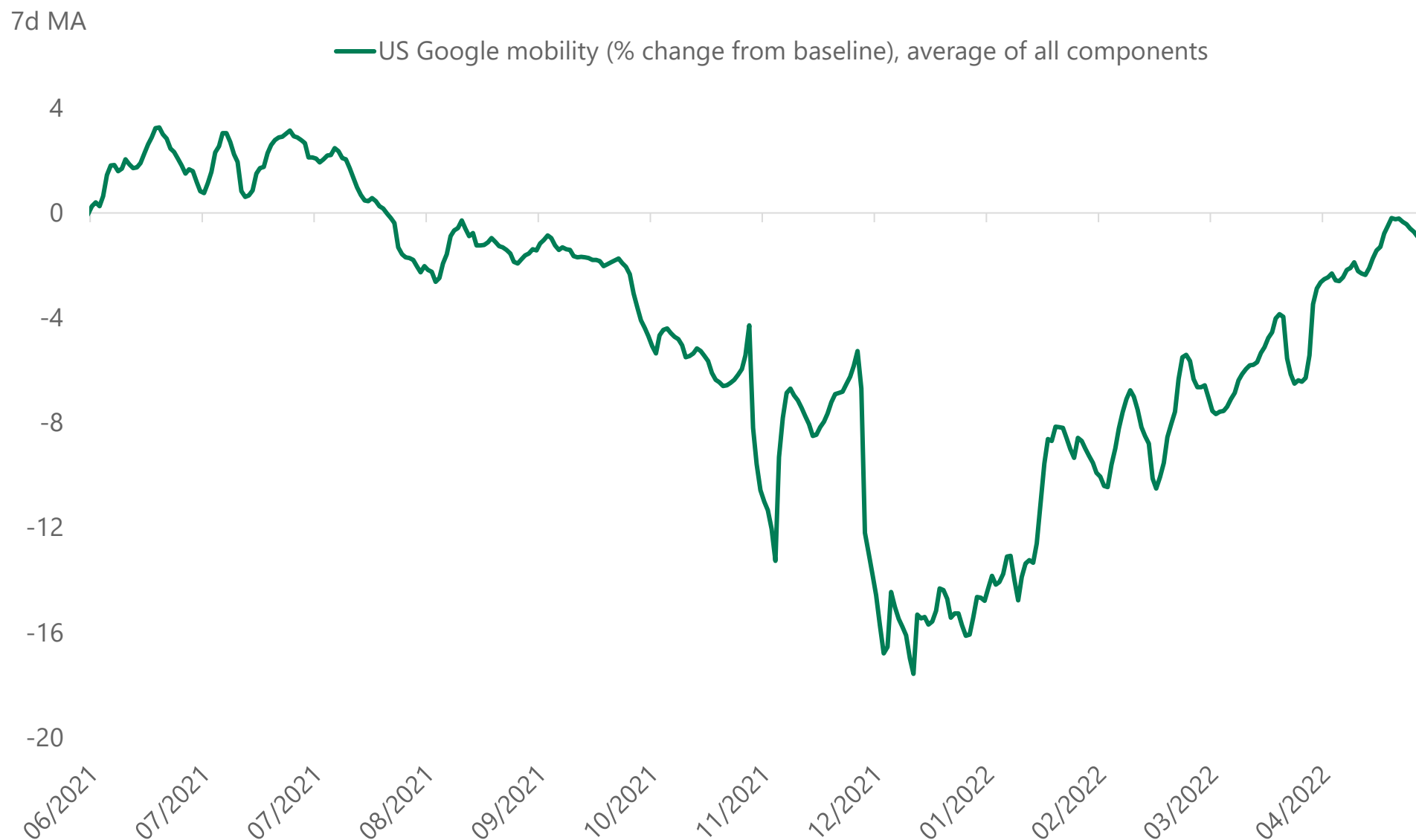
Venture capital valuations down almost 60% from the peak



Source: Bloomberg, Apollo Chief economist. Note: The Thomson Reuters Venture Capital Index is designed to measure the value of the US-based venture capital private company universe in which venture capital funds invest.

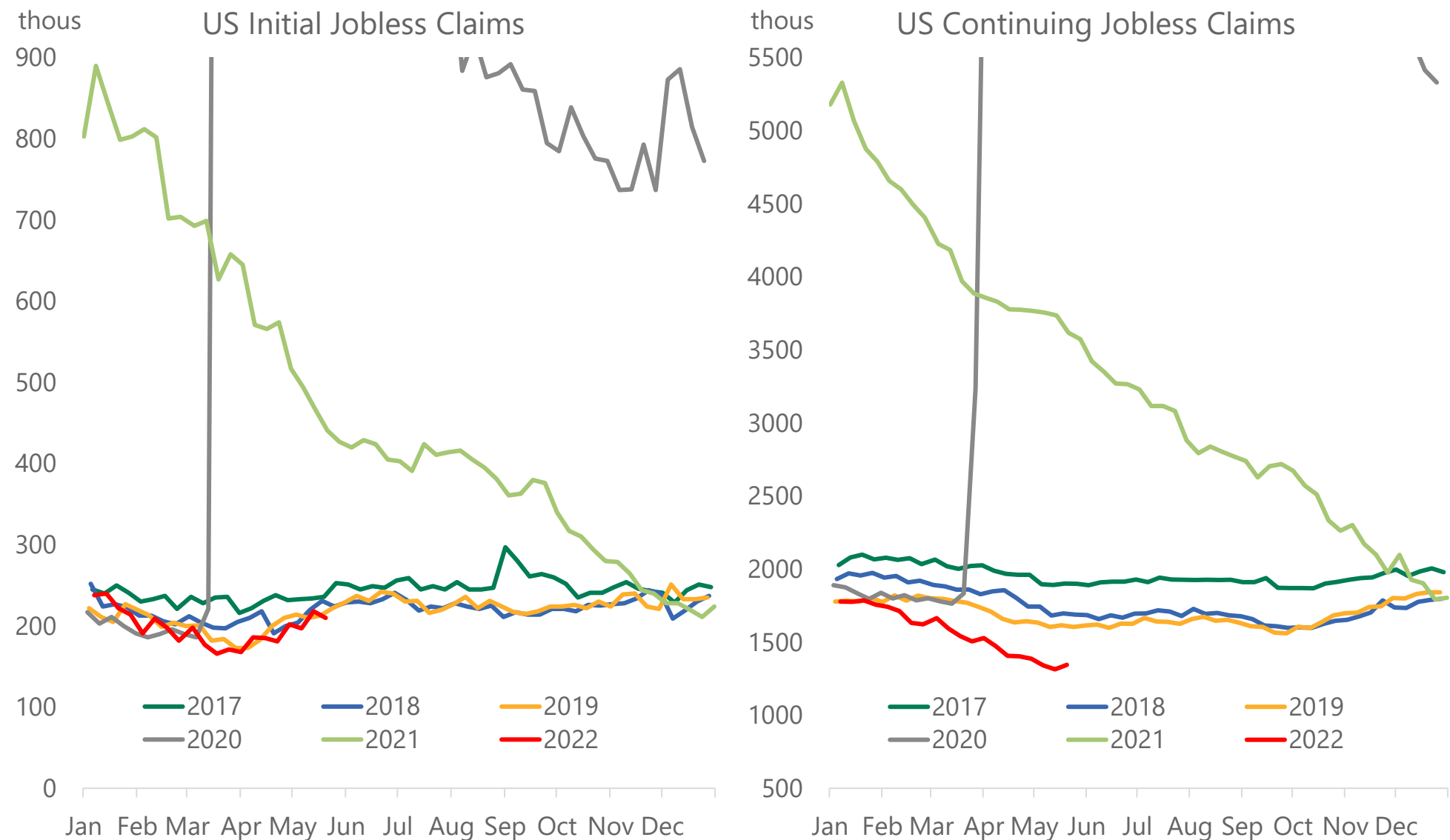
Weekly economic indicators

US nationwide consumer mobility now at 2019 levels



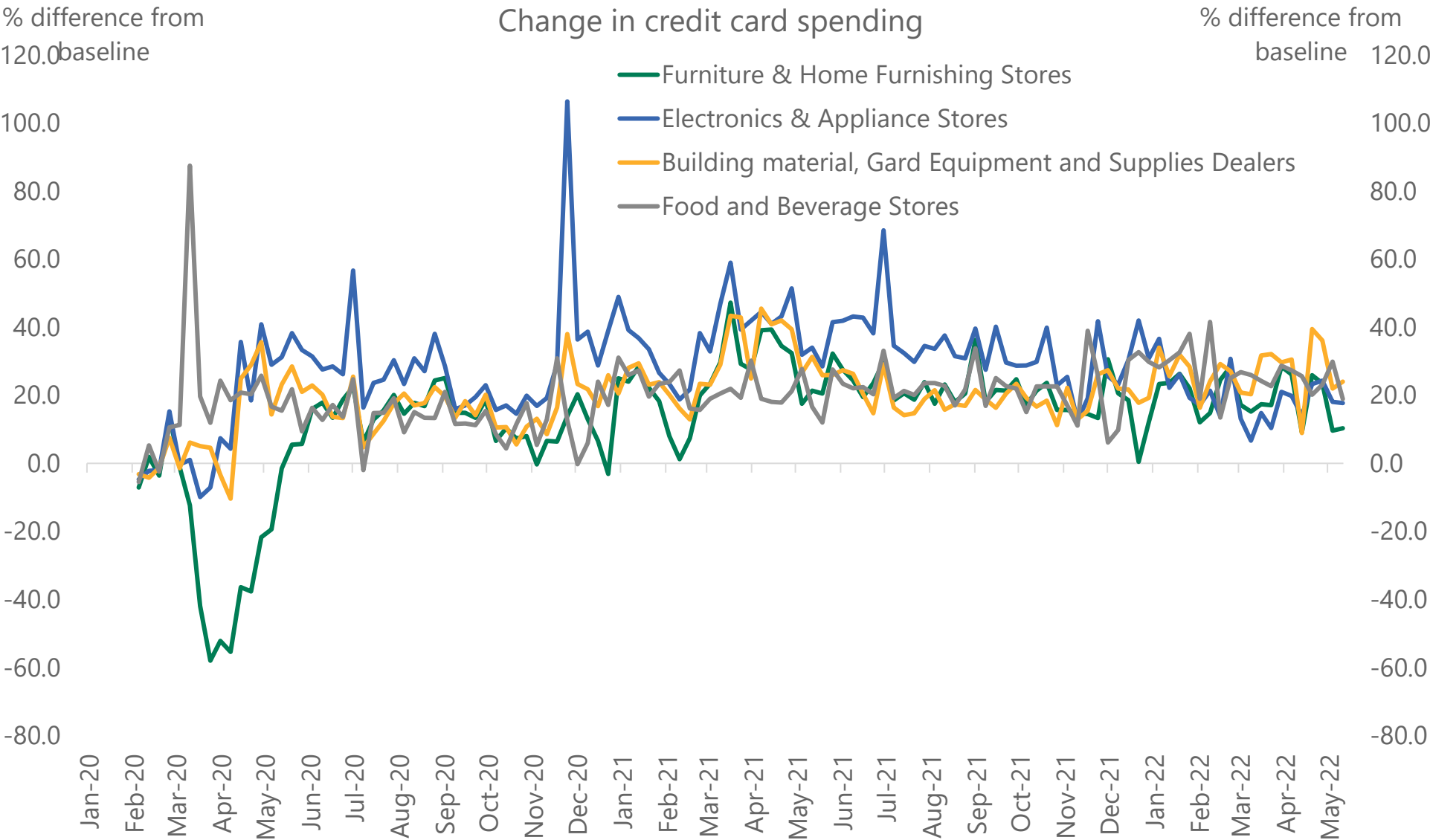
Source: Google mobility reports, Apollo Chief Economist

Jobless claims: Labor market still strong



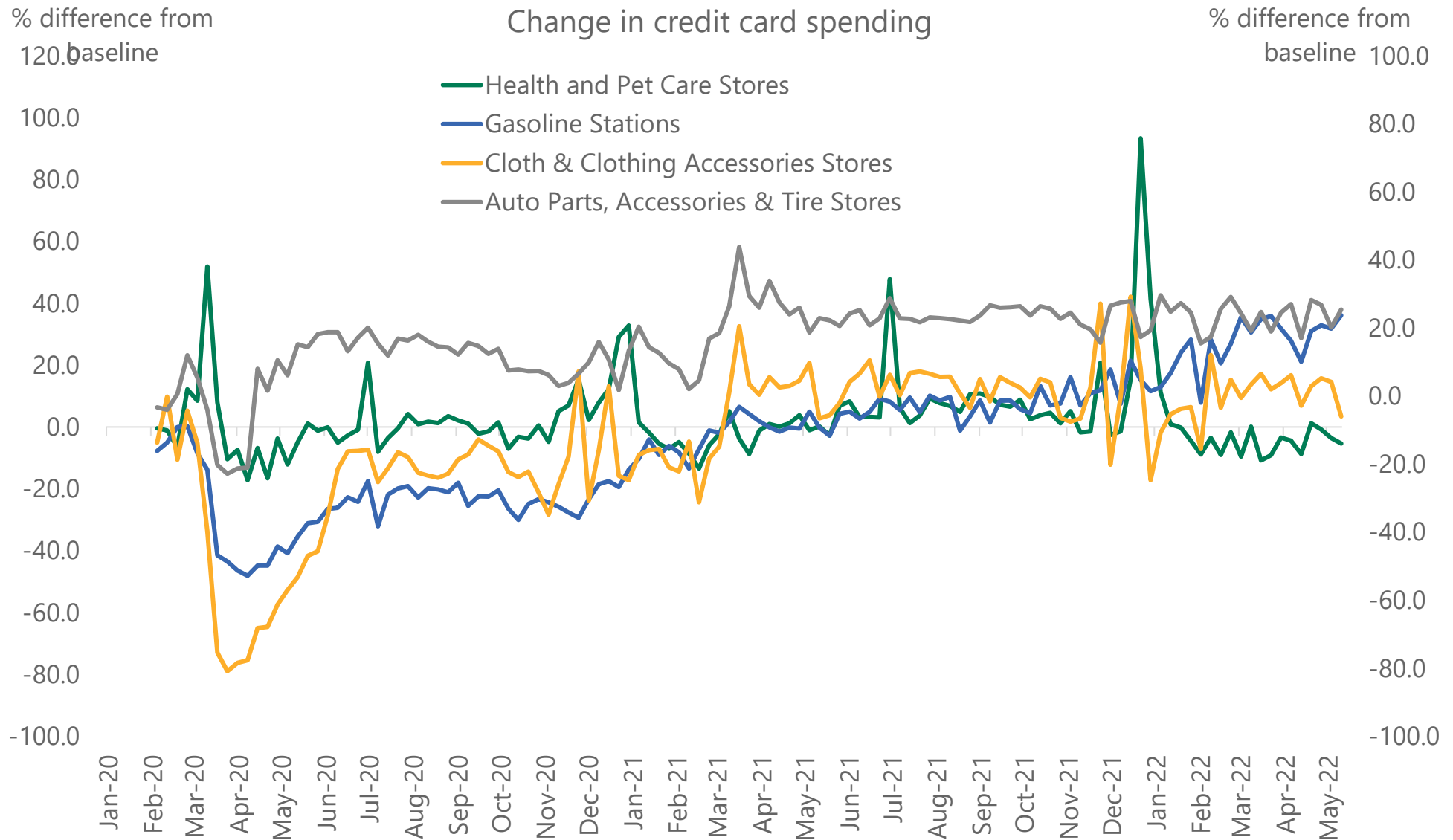
Source: Department of labor, Bloomberg, Apollo Chief Economist

US consumer still strong



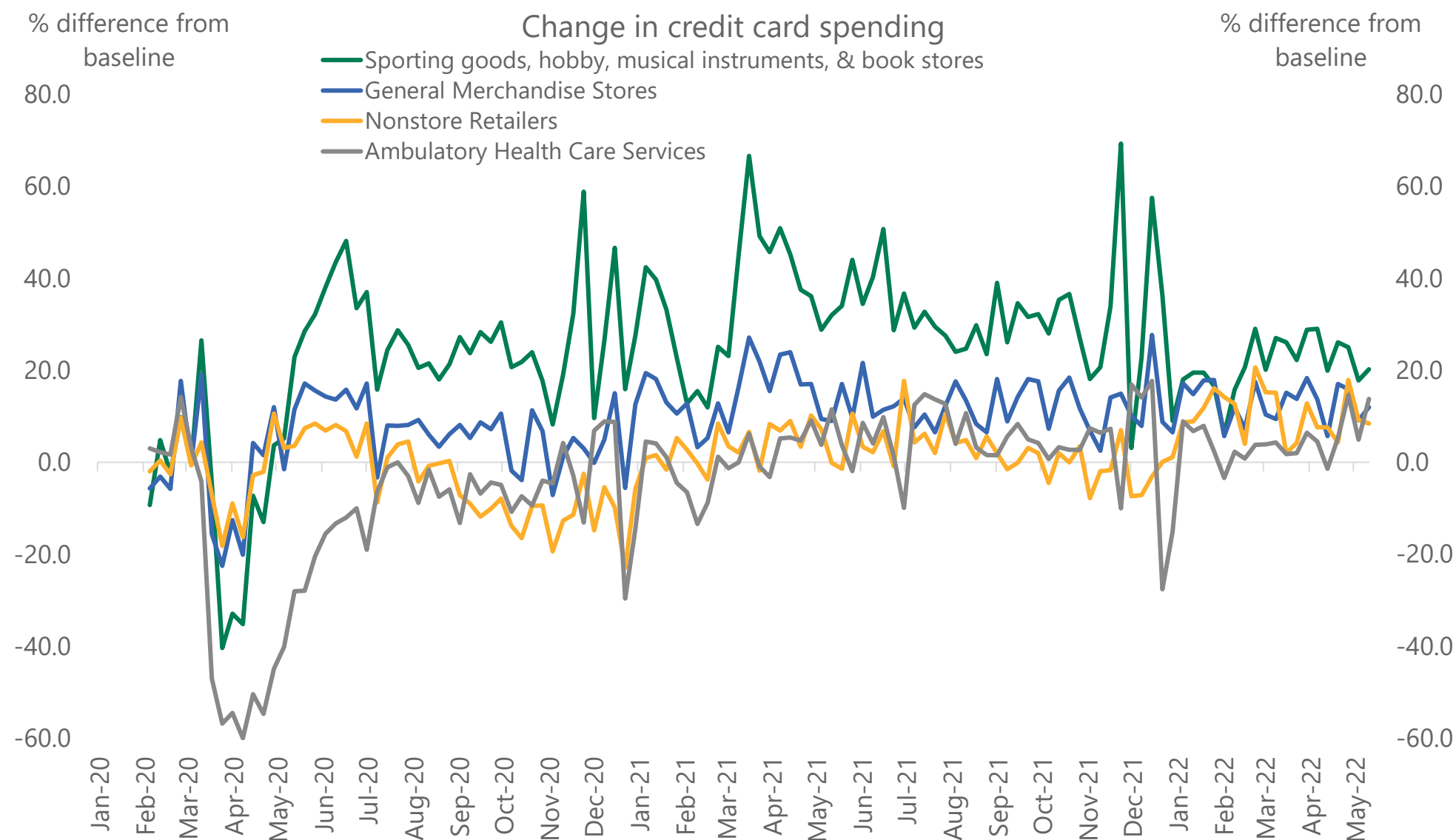
Source: BEA, Haver analytics, Apollo Chief Economist. Note: The weekly values represent the predicted percentage difference from the typical level of spending (prior to the pandemic declared by the World Health Organization on March 11, 2020) after adjusting for day-of-week, month, and year effects,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

US consumer still strong



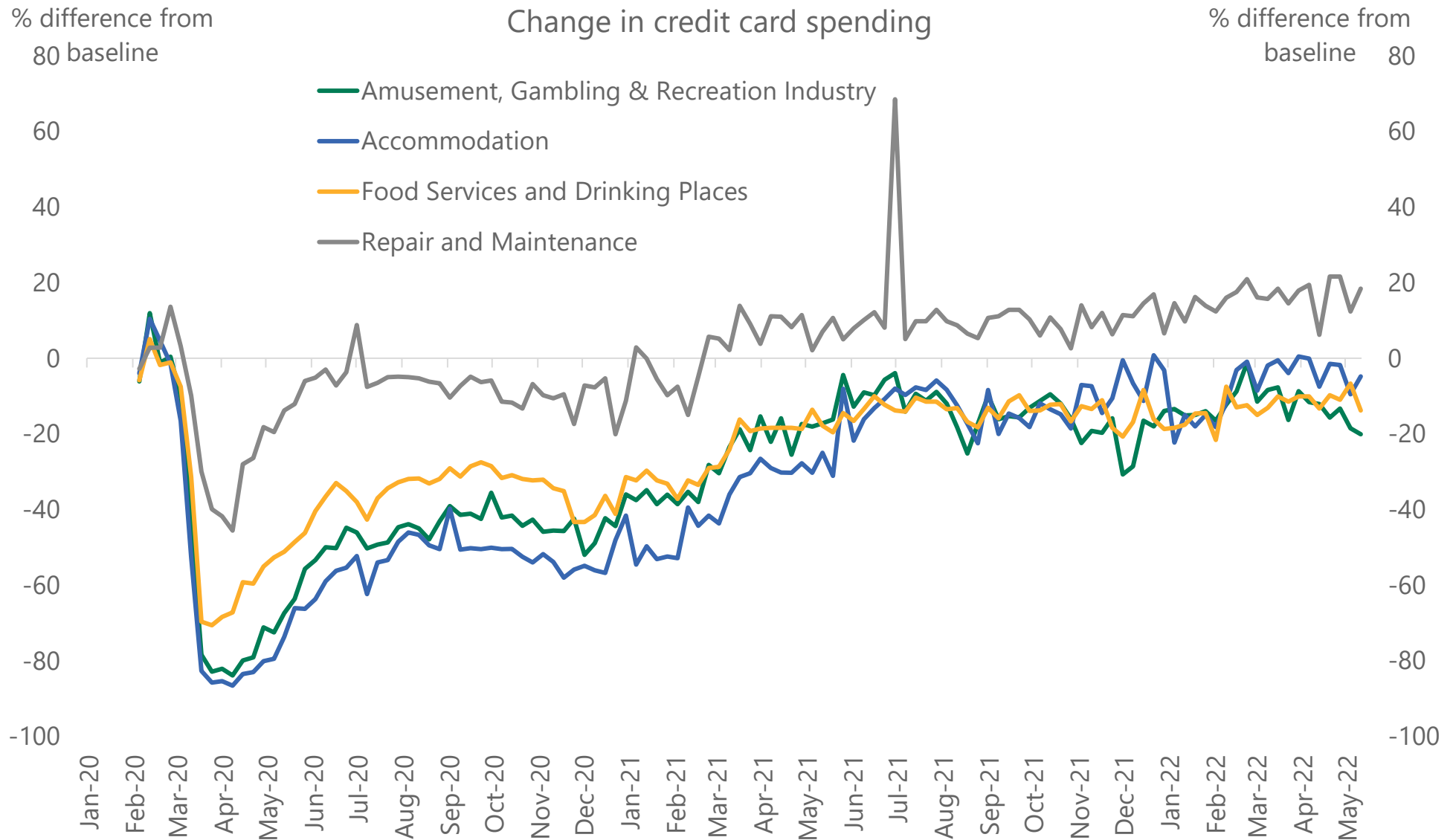
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US consumer still strong



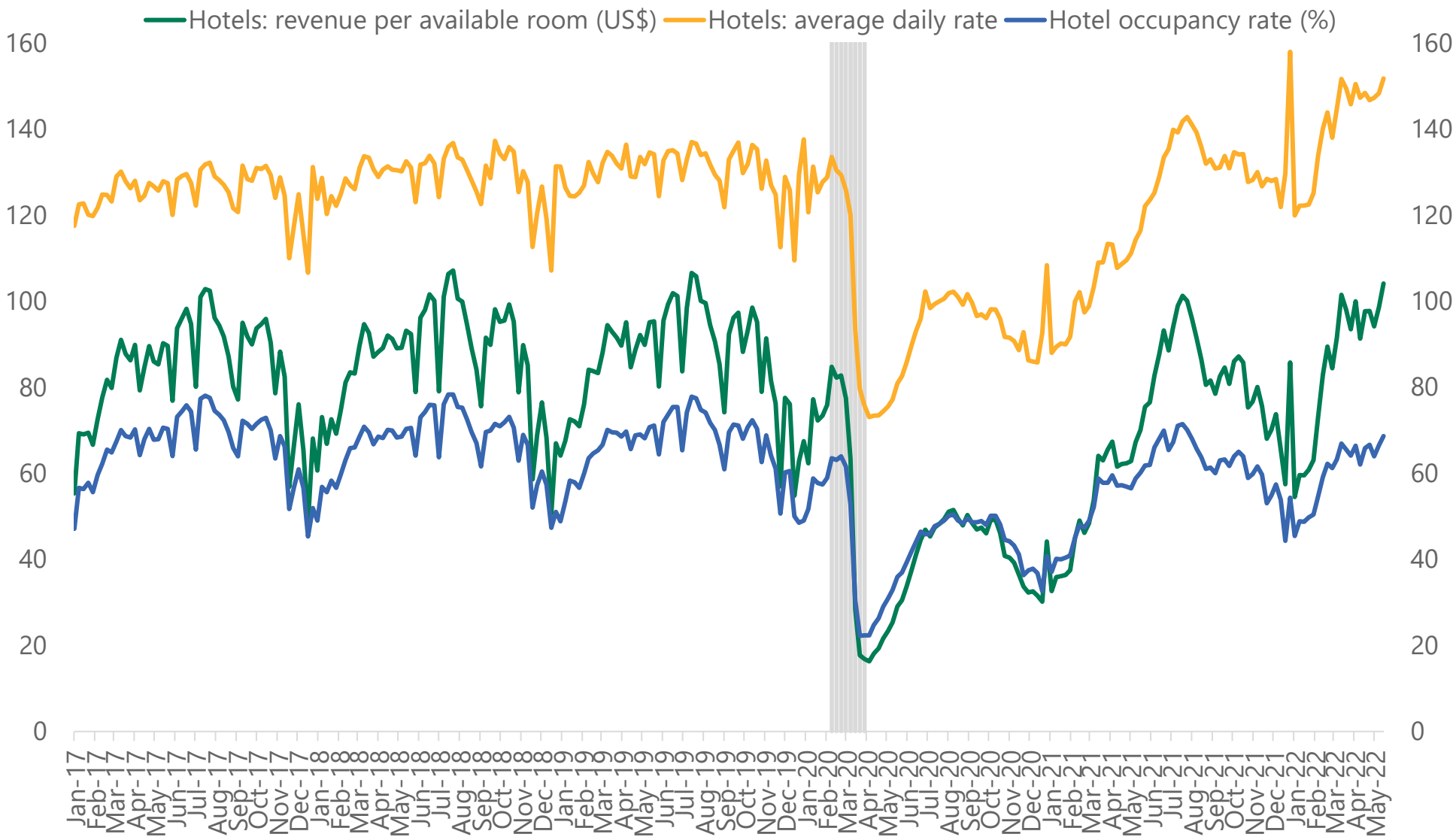
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Slowdown in amusement parks and gambling likely a seasonal pattern



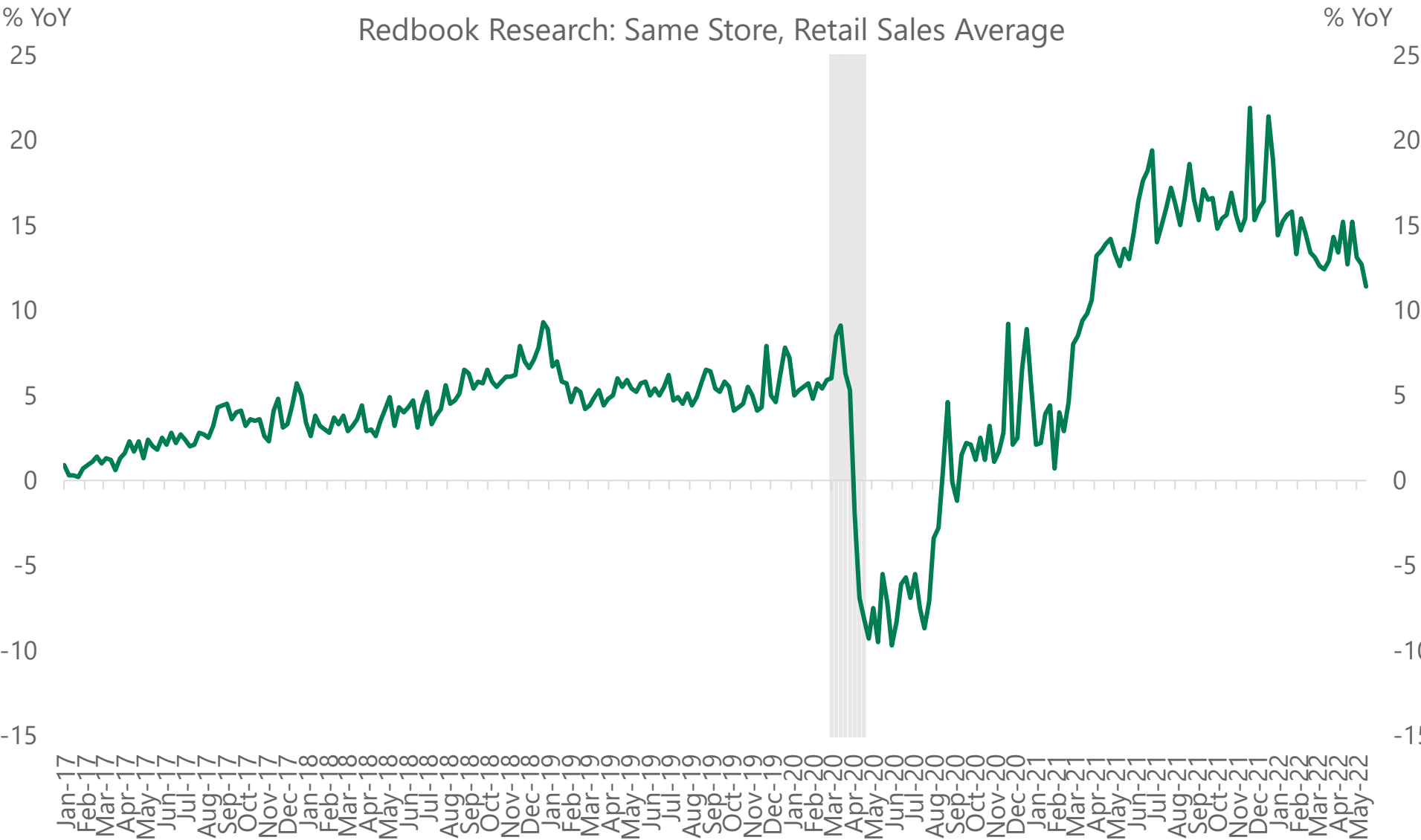
Source: BEA, Haver analytics, Apollo Chief Economist. Note: The weekly values represent the predicted percentage difference from the typical level of spending (prior to the pandemic declared by the World Health Organization on March 11, 2020) after adjusting for day-of-week, month, and year effects,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

Hotel demand still strong



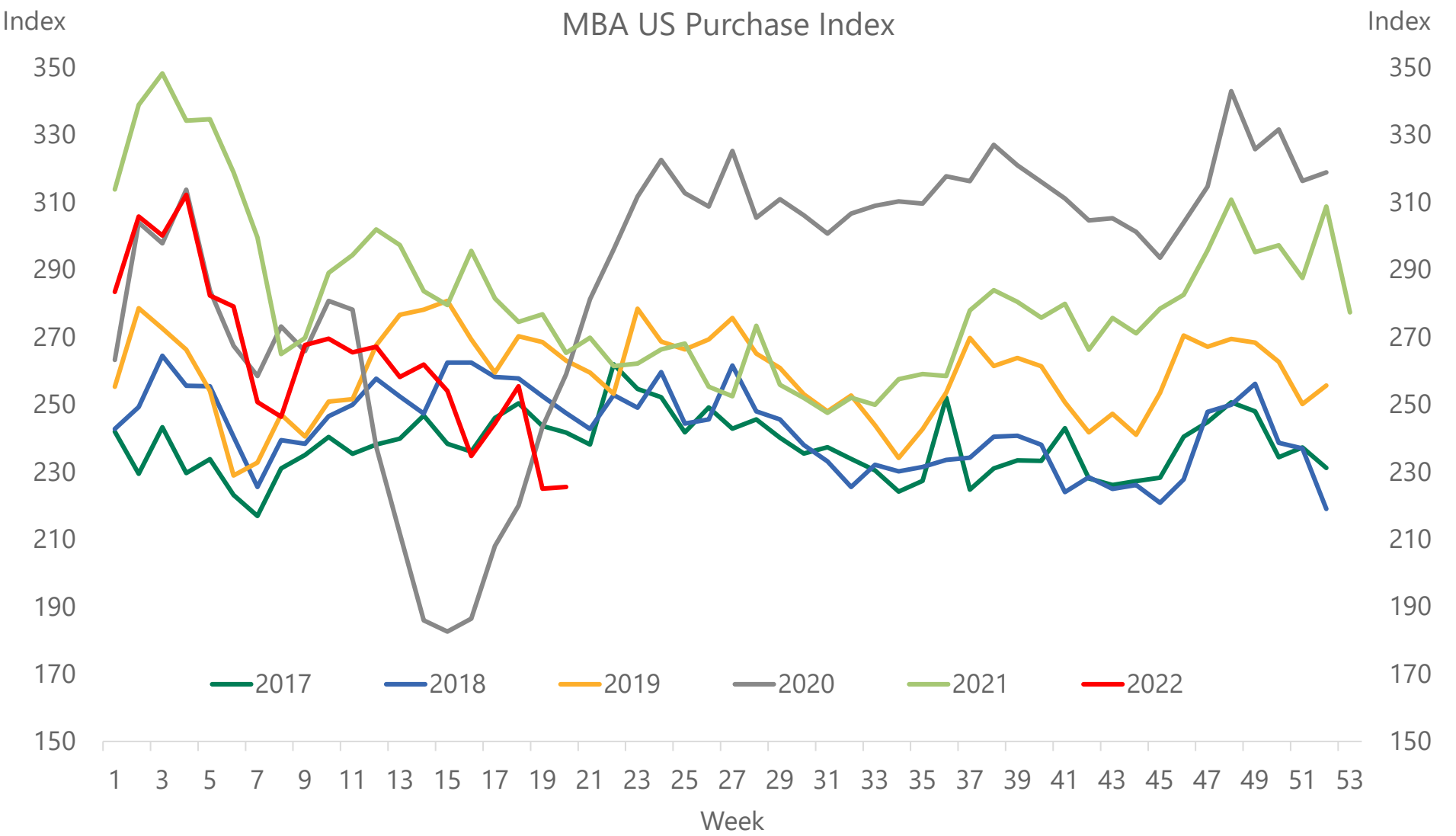
Source: STR, Haver Analytics, Apollo Chief Economist

Slowdown in same-store retail sales consistent with shift from goods to services



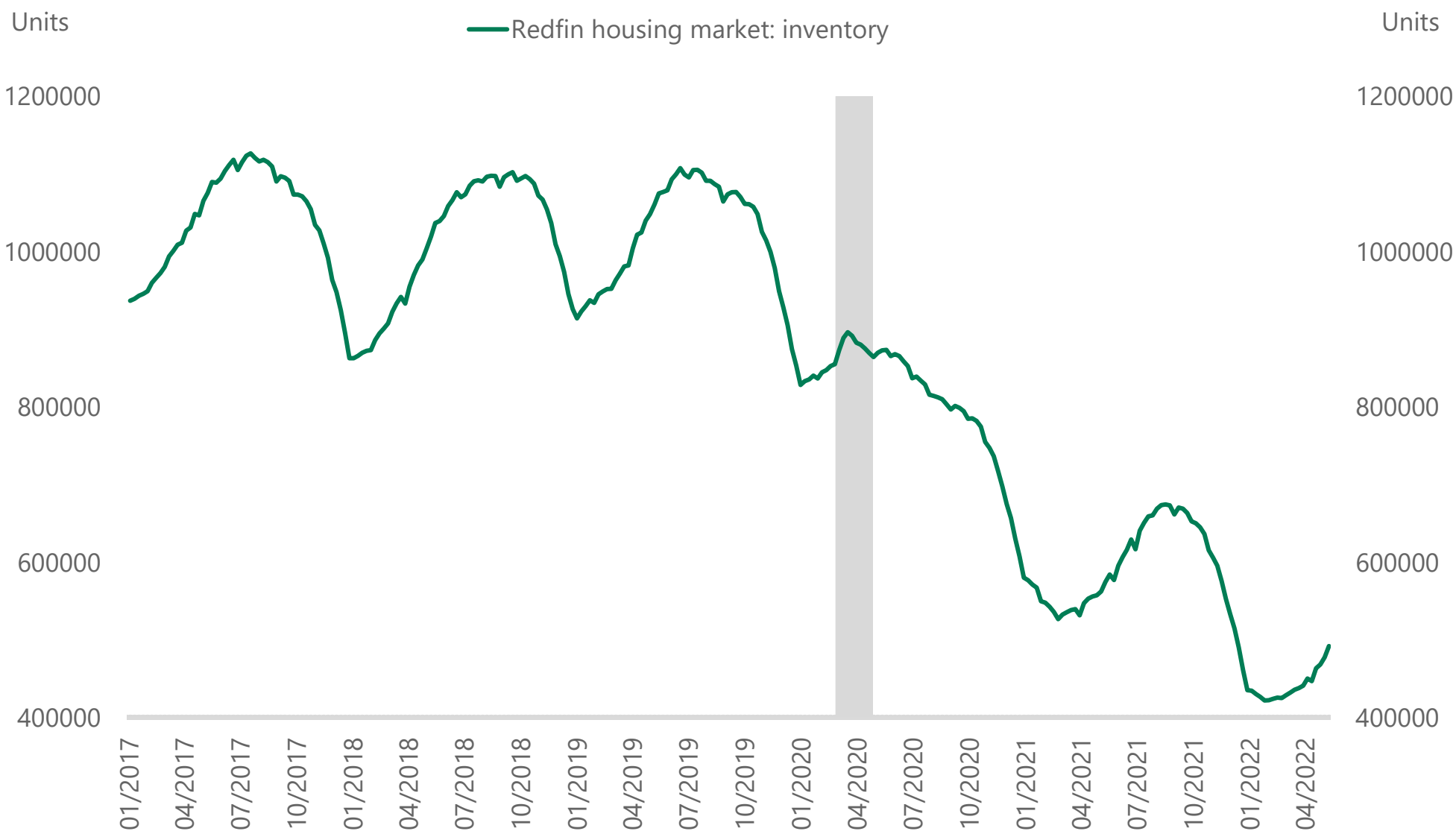
Source: Redbook, Haver Analytics, Apollo Chief Economist

Rising mortgage rates starting to impact purchase applications?



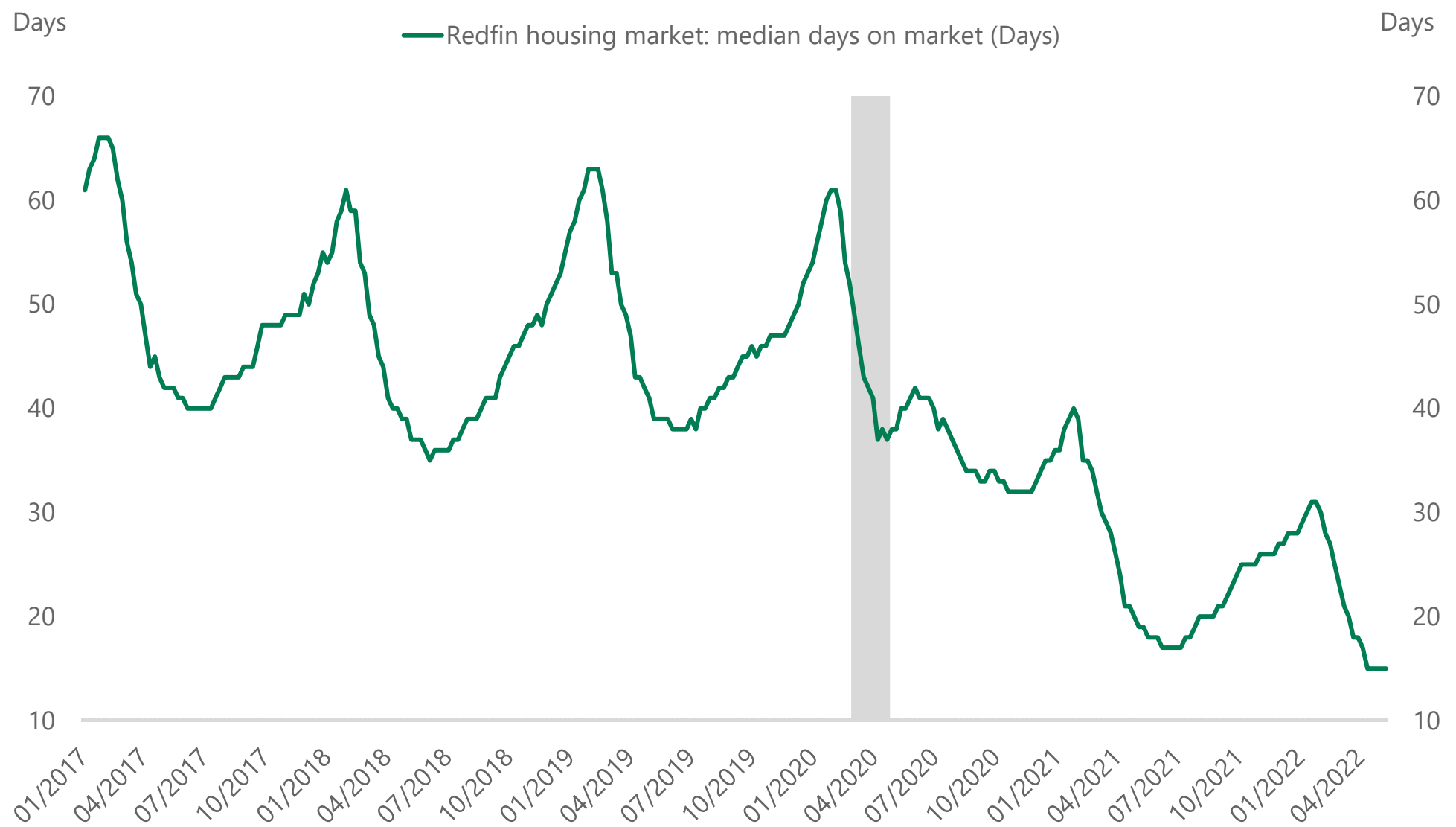
Source: Mortgage Bankers Association, Bloomberg, Apollo Chief Economist

Housing inventory starting to trend higher



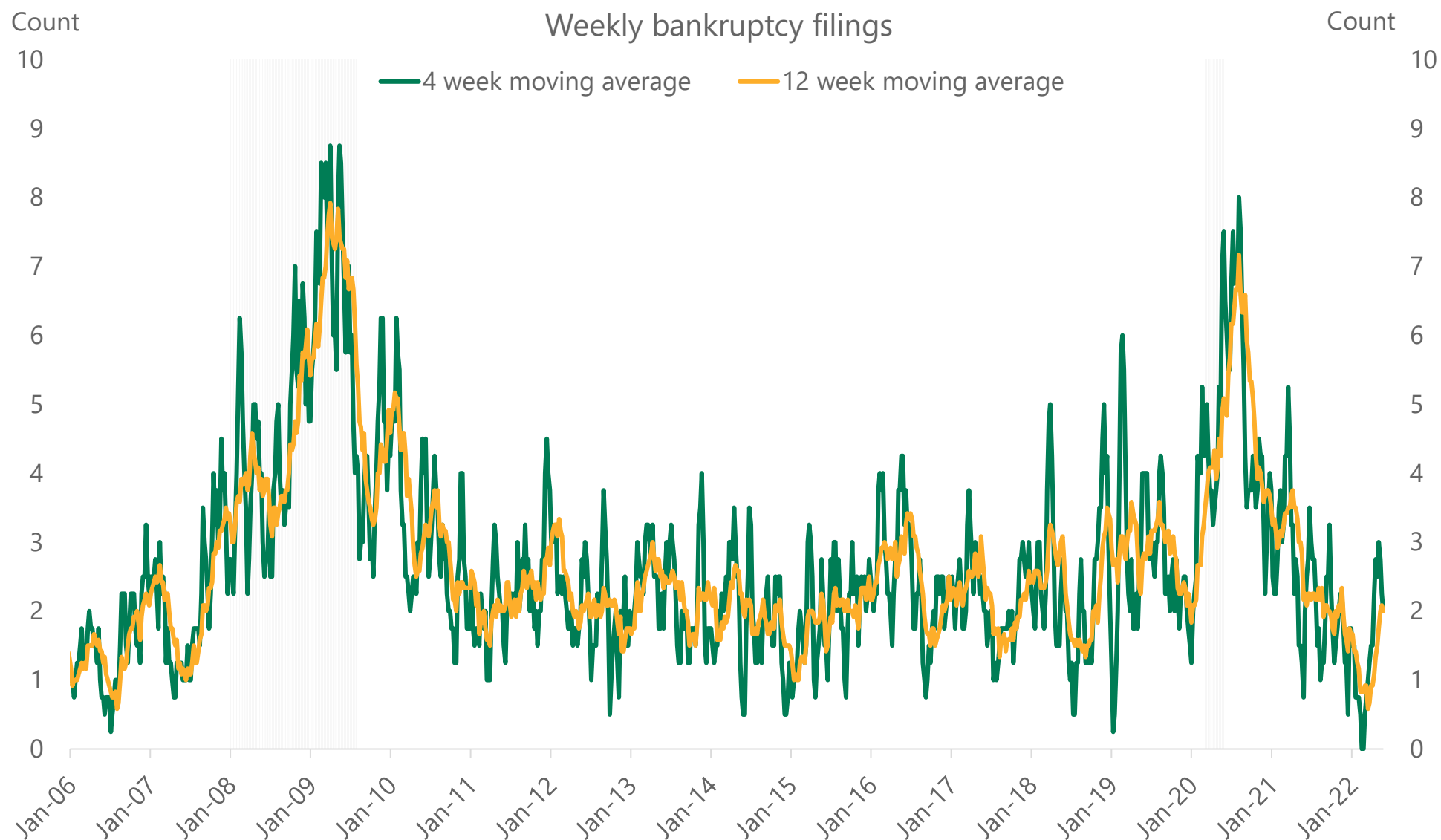
Source: Redfin, Haver, Apollo Chief Economist

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



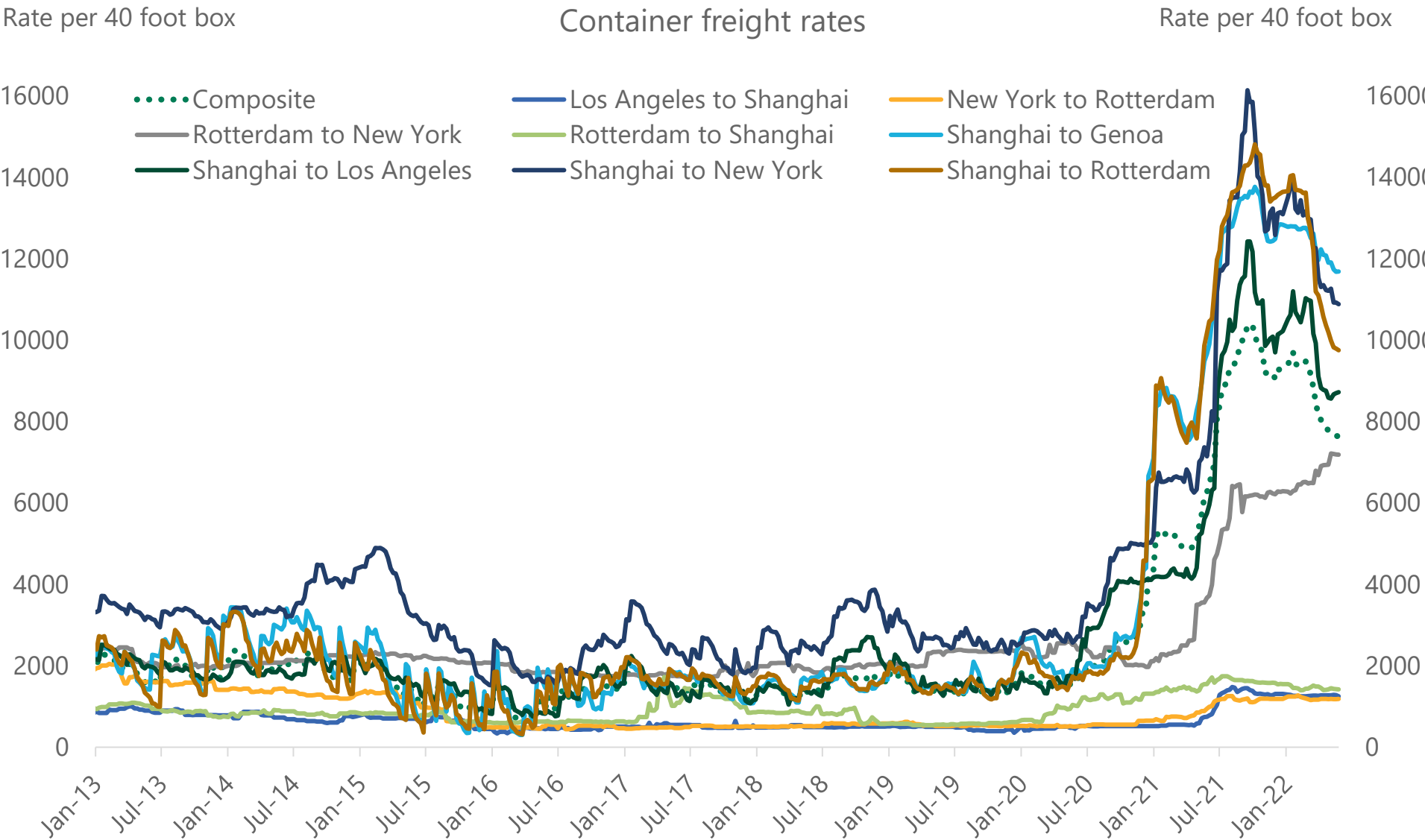
Source: Redfin, Haver, Apollo Chief Economist

Bankruptcy filings starting to trend higher



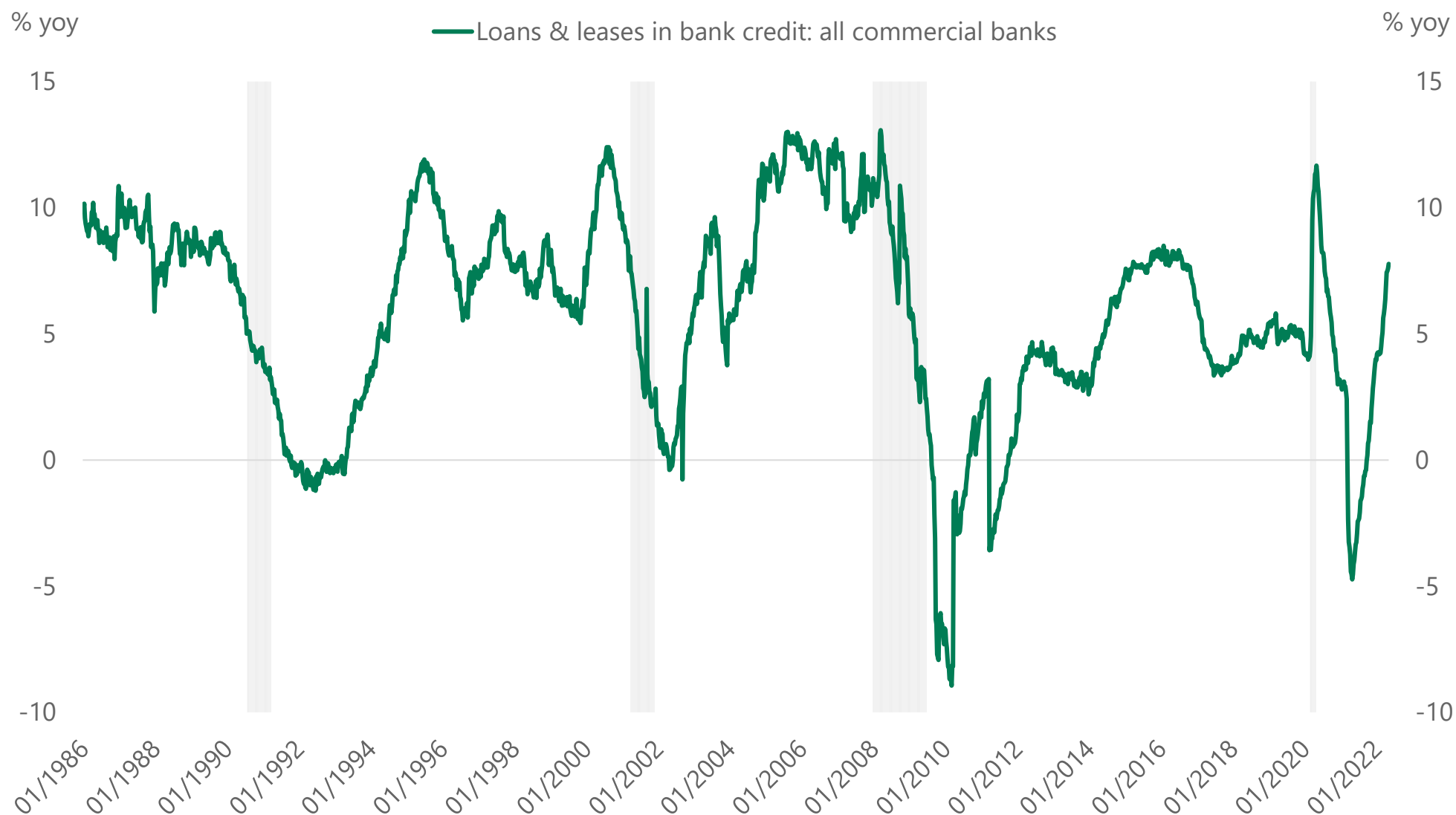
Source: Bloomberg, Apollo Chief Economist. Note: Filings are for companies with more than \$50mn in liabilities. For week ending on Thursday

Container freight rates slowly coming down



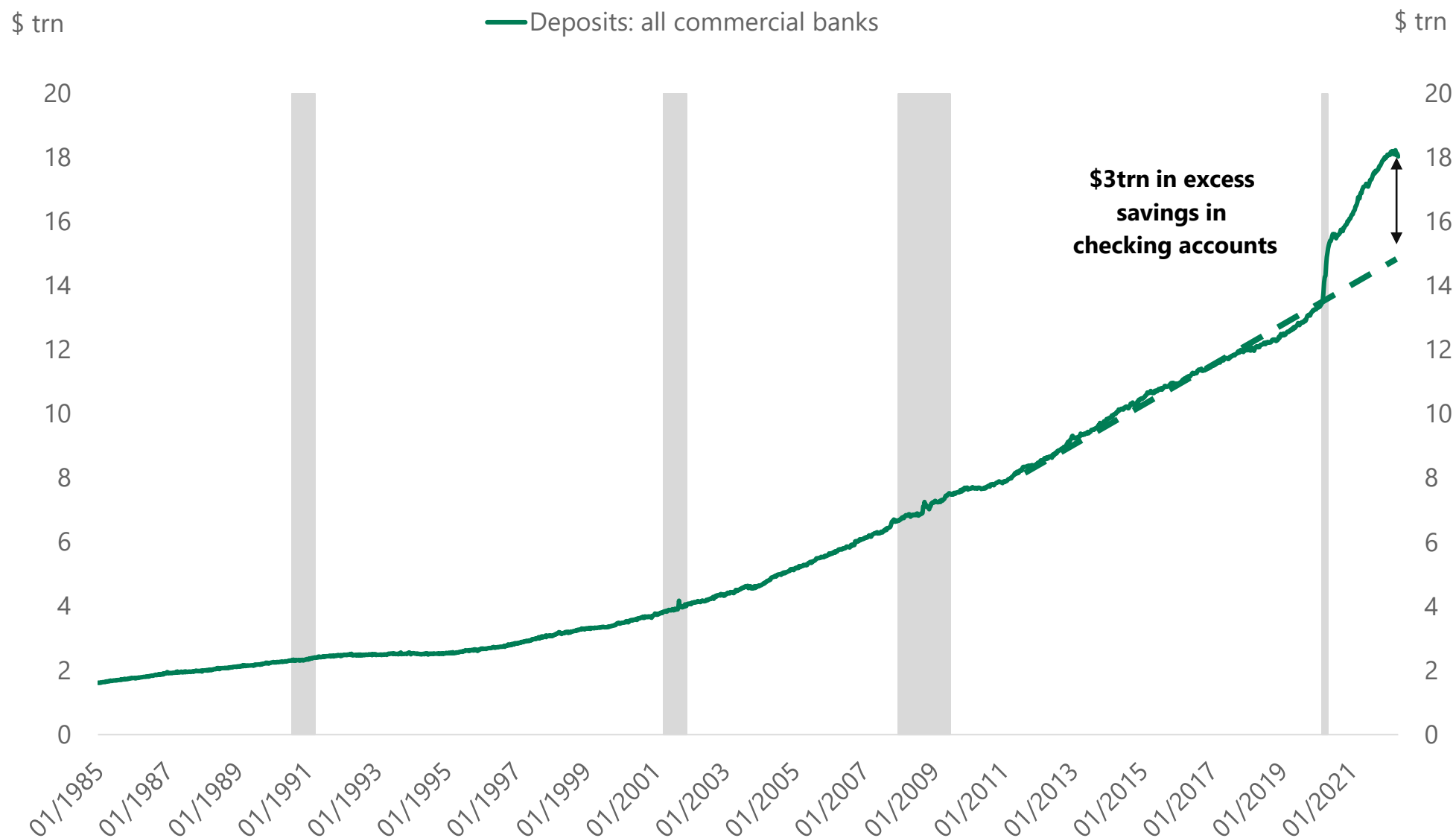
Source: WCI, Bloomberg, Apollo Chief Economist

Banks' loan growth is strong



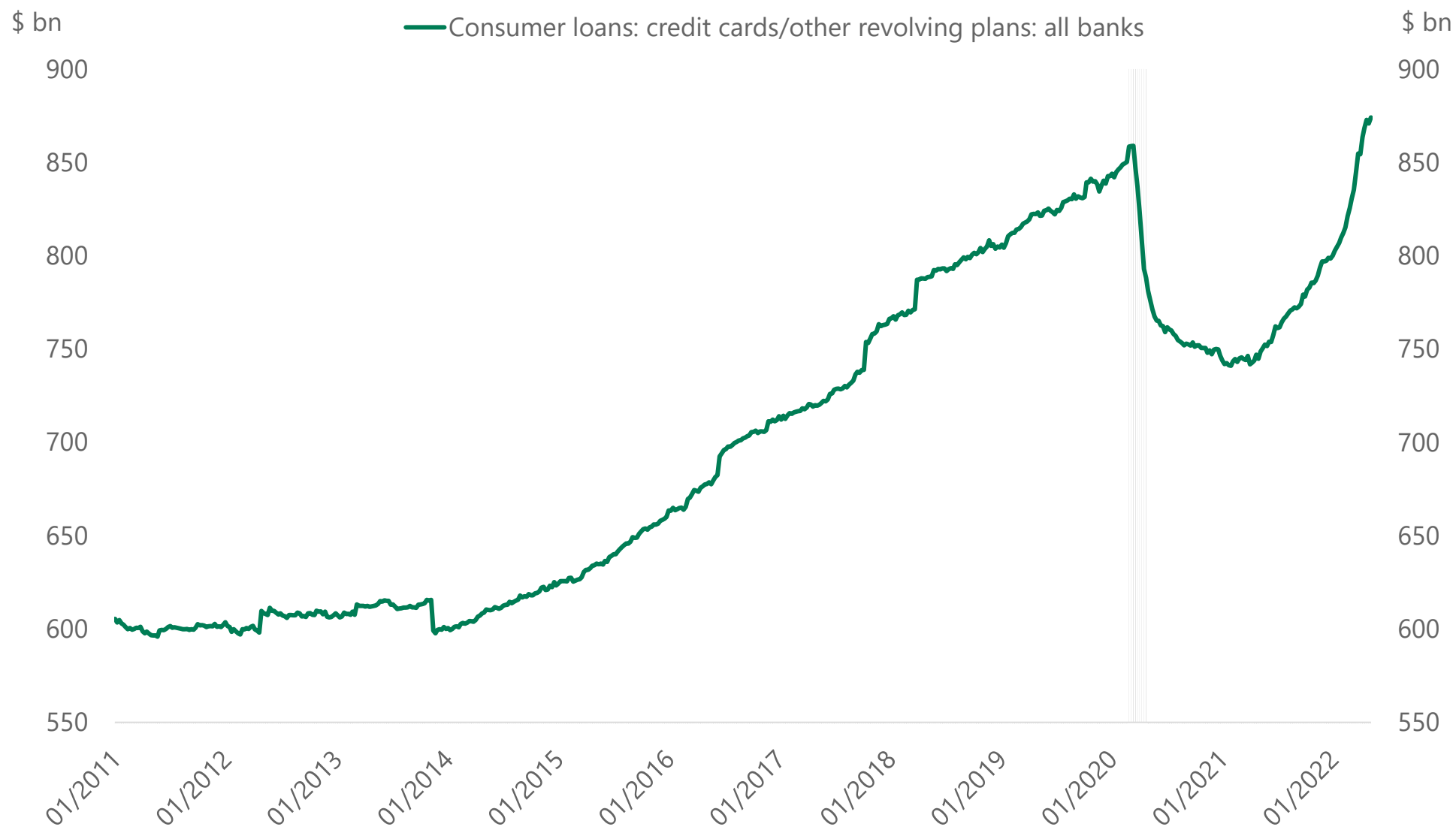
Source: FRB, Haver, Apollo Chief Economist

Record-high level of deposits at commercial banks



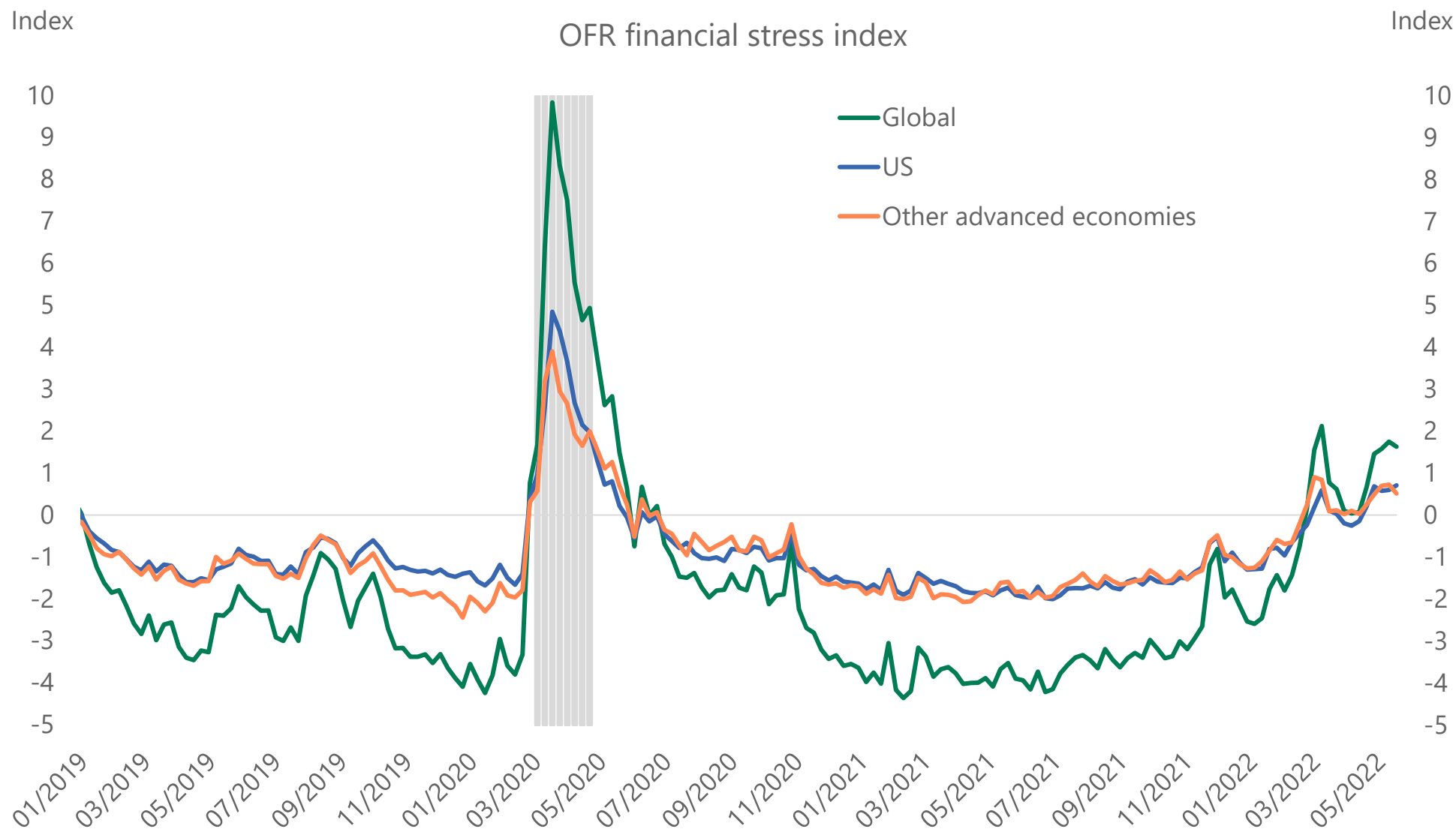
Source: FRB, Haver, Apollo Chief Economist

Credit card debt is rising as the economy re-opens



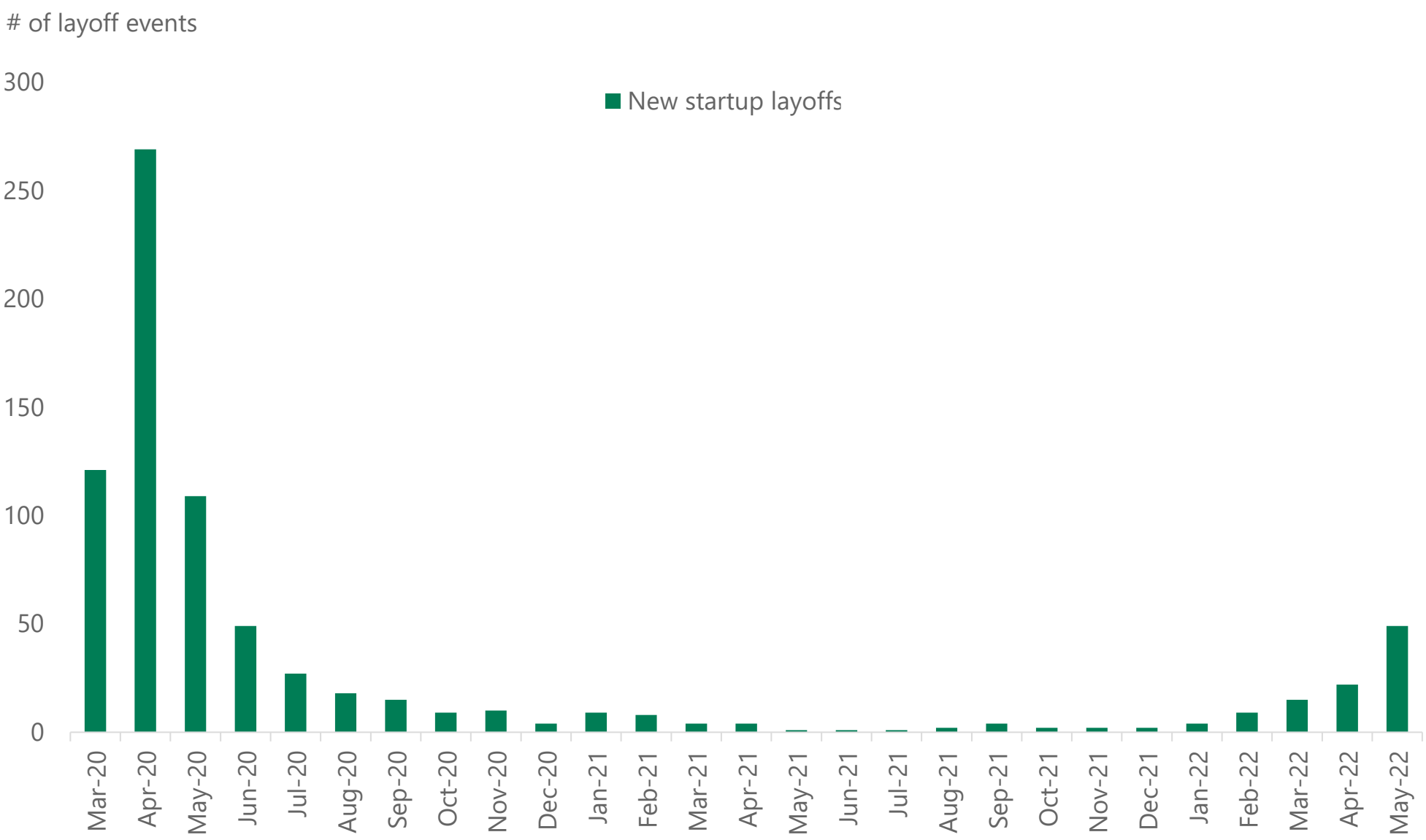
Source: FRB, Haver, Apollo Chief Economist

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.)

Rising number of layoffs at startups



Source: Layoffs.fyi, Apollo Chief Economist. Note: Top 5 sectors that account for layoffs in May 2022: Transportation, Food, Travel, Finance, and Real Estate.

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.