

APOLLO GLOBAL MANAGEMENT

Supply chains normalizing

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Unless otherwise noted, information as of November 2022

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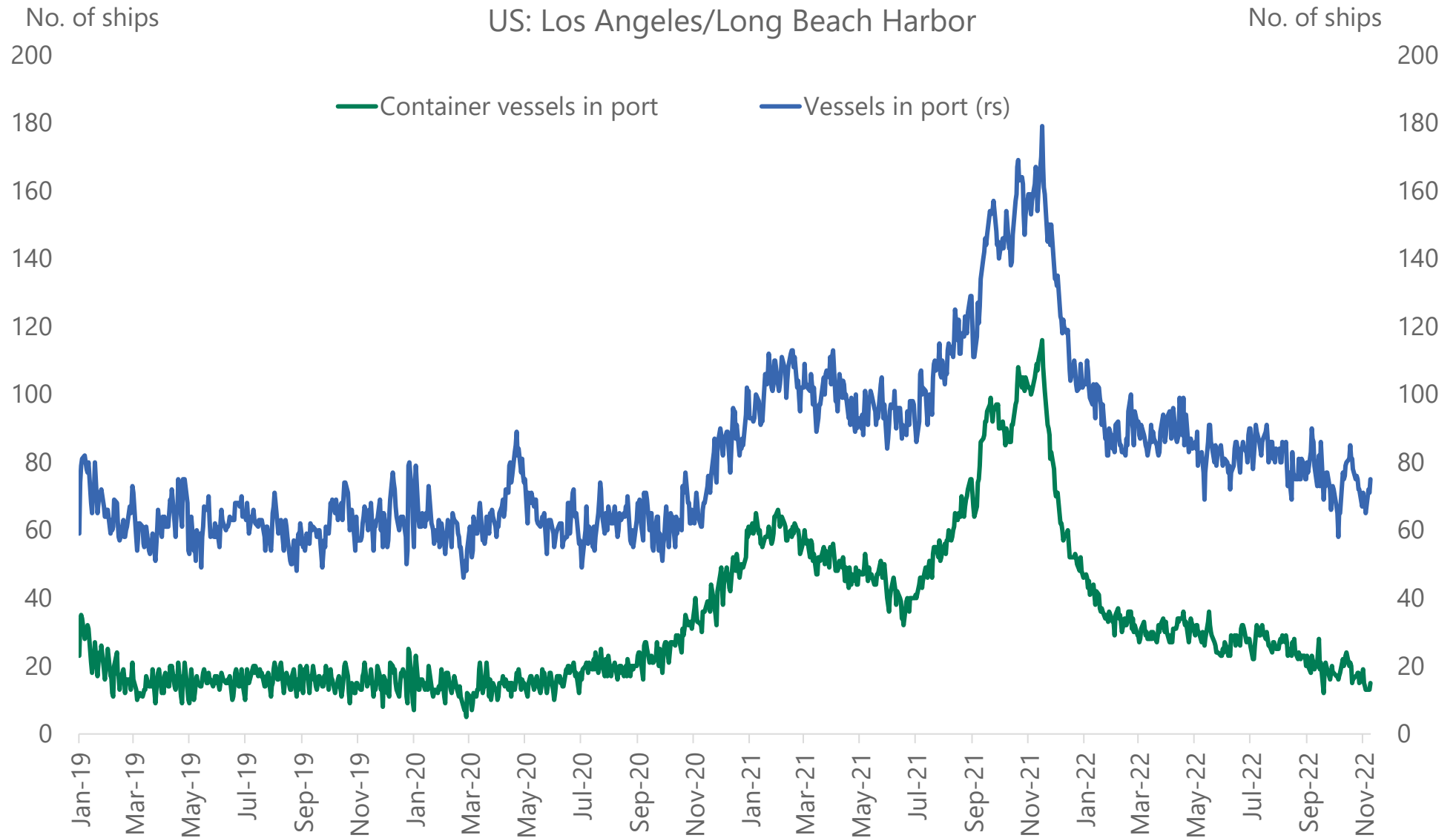
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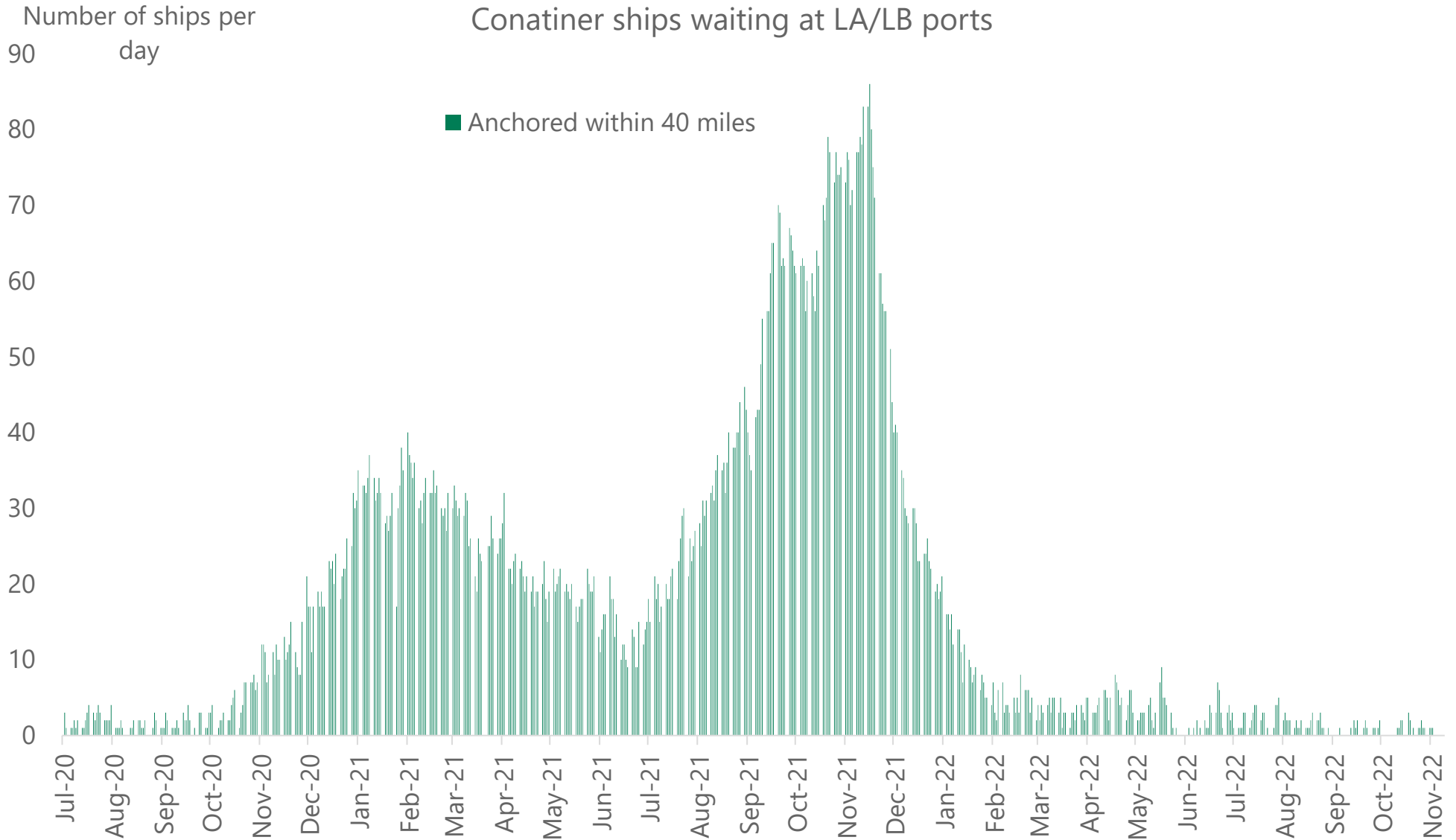
Overview: Delivery times for goods normalizing

Vessels at LA/Long Beach Harbor



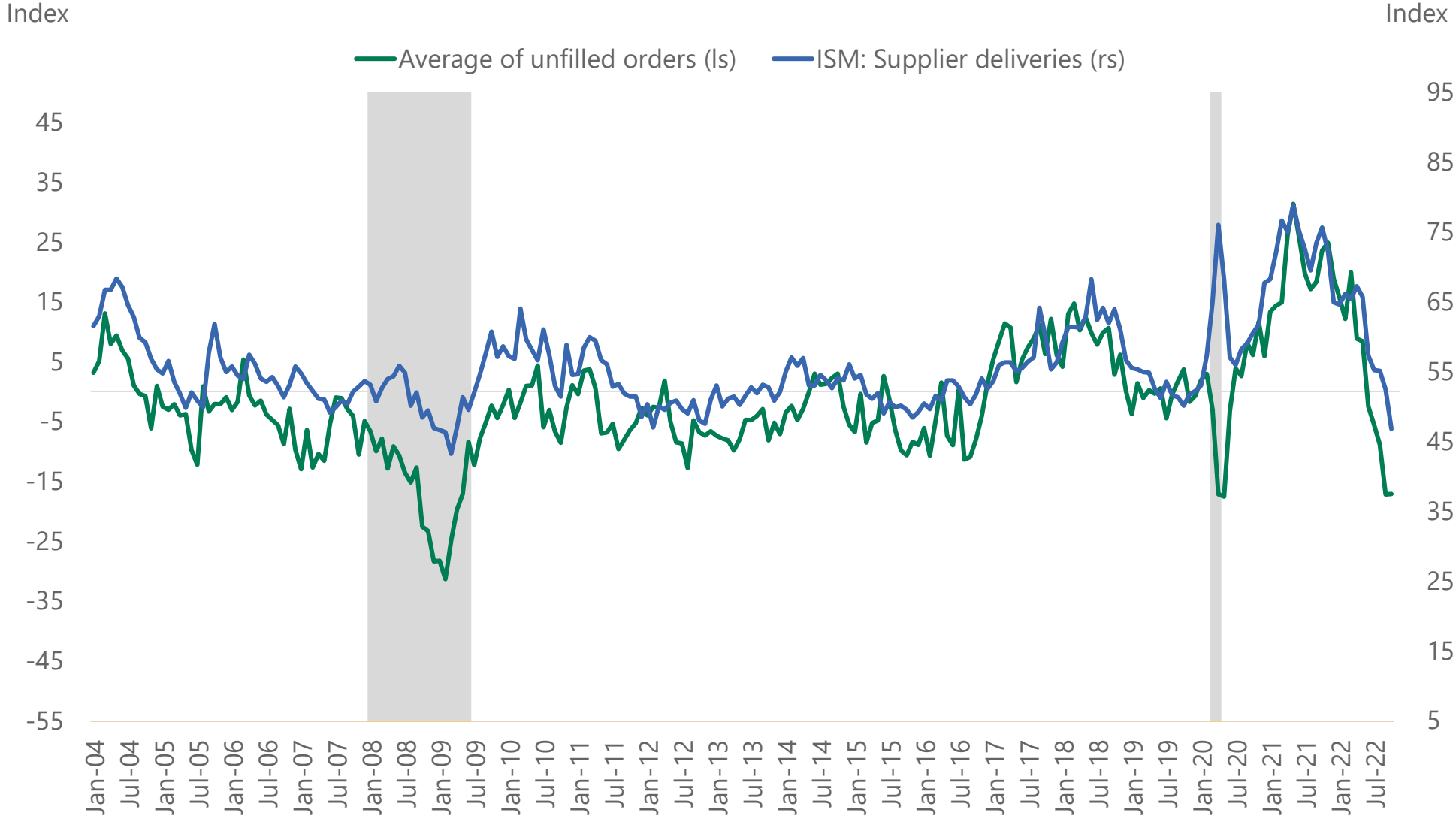
Source: The Marine Exchange of Los Angeles and Long Beach Harbors, Haver, Apollo Chief Economist

US: Los Angeles/Long Beach Harbor: Container Vessels in Port at Anchor



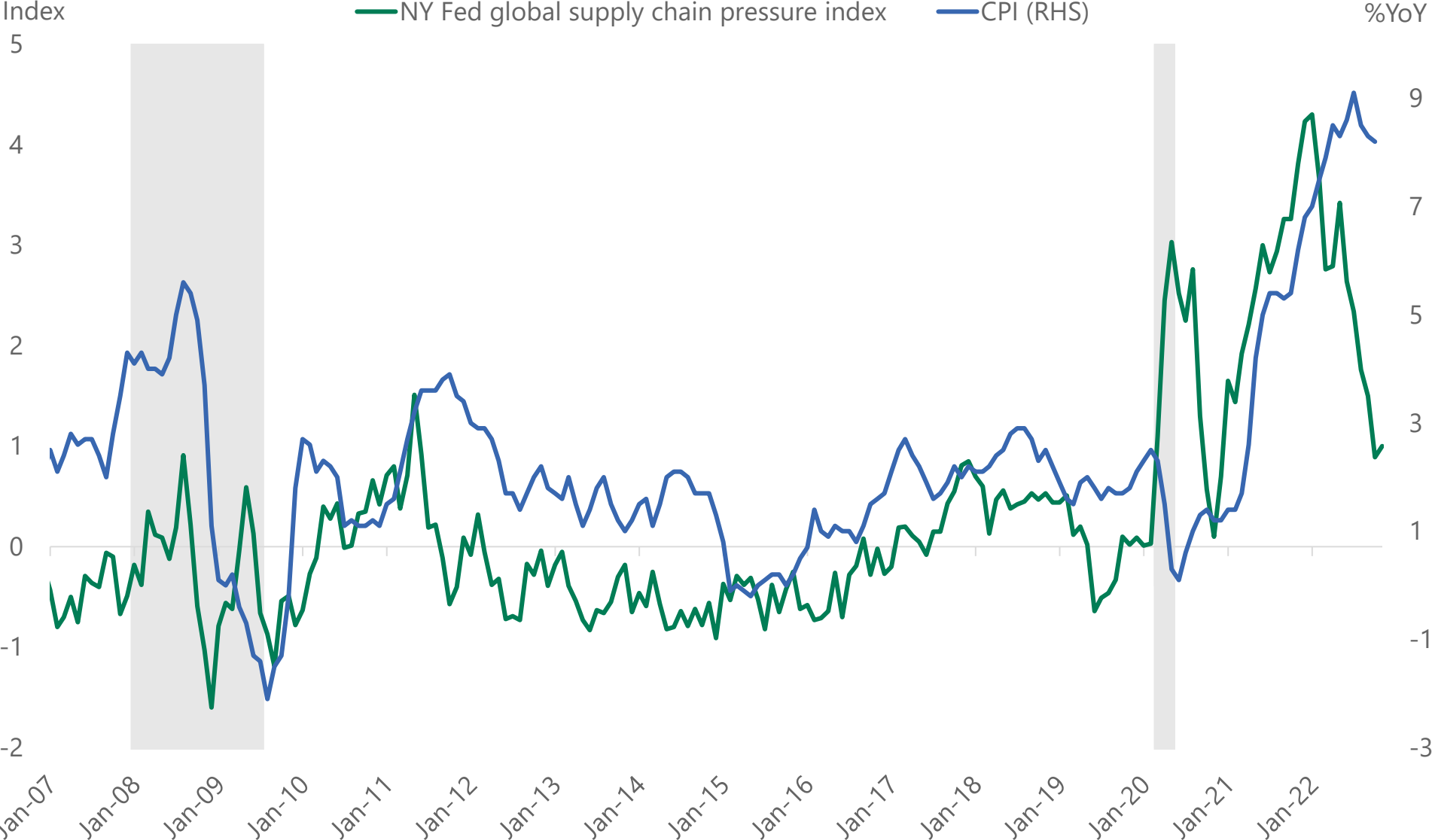
Source: Haver, Apollo Chief Economist

Supply chains are getting better



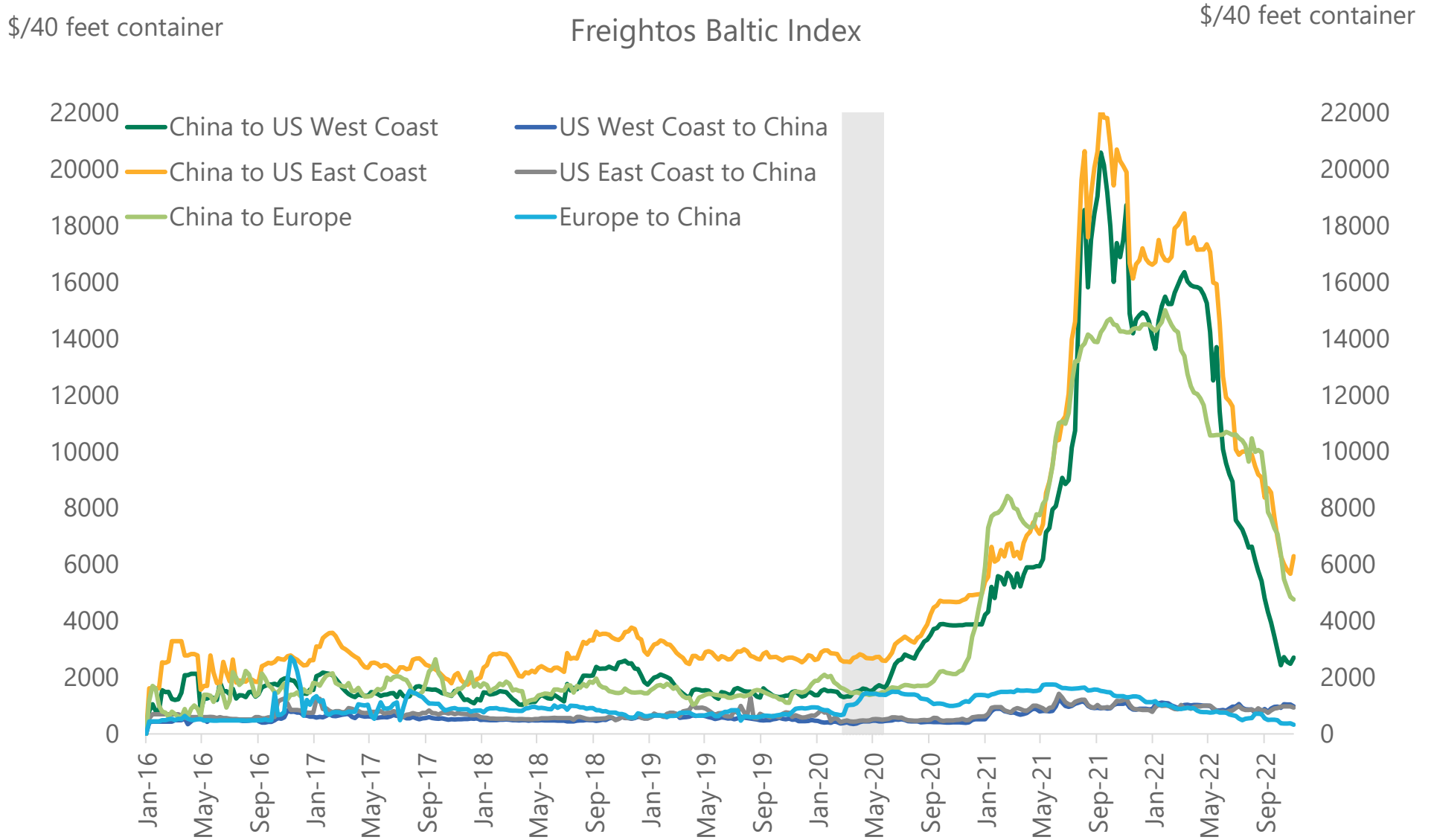
Source: Haver, Apollo Chief Economist (Note: Average of unfilled orders is average of Richmond Fed Mfg Survey: Current Manufacturing Order Backlogs, Philly Fed Mfg Business Outlook: Current Unfilled Orders, Empire State Mfg Survey: Delivery Time)

Supply chains normalizing, putting downward pressure on inflation



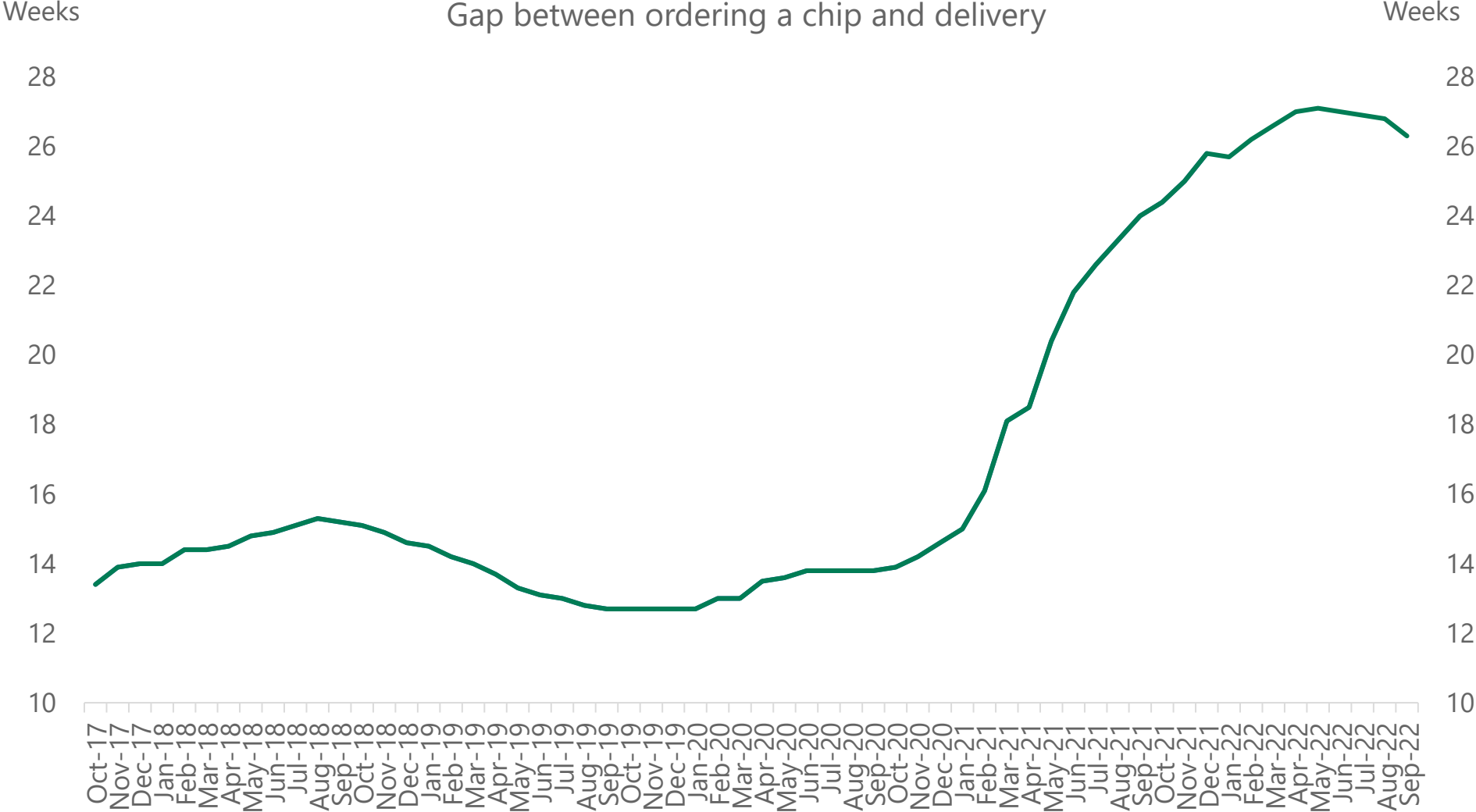
Source: NY Fed, BLS, Haver Analytics, Apollo Chief Economist

Price of transporting a container from China to the US coming down



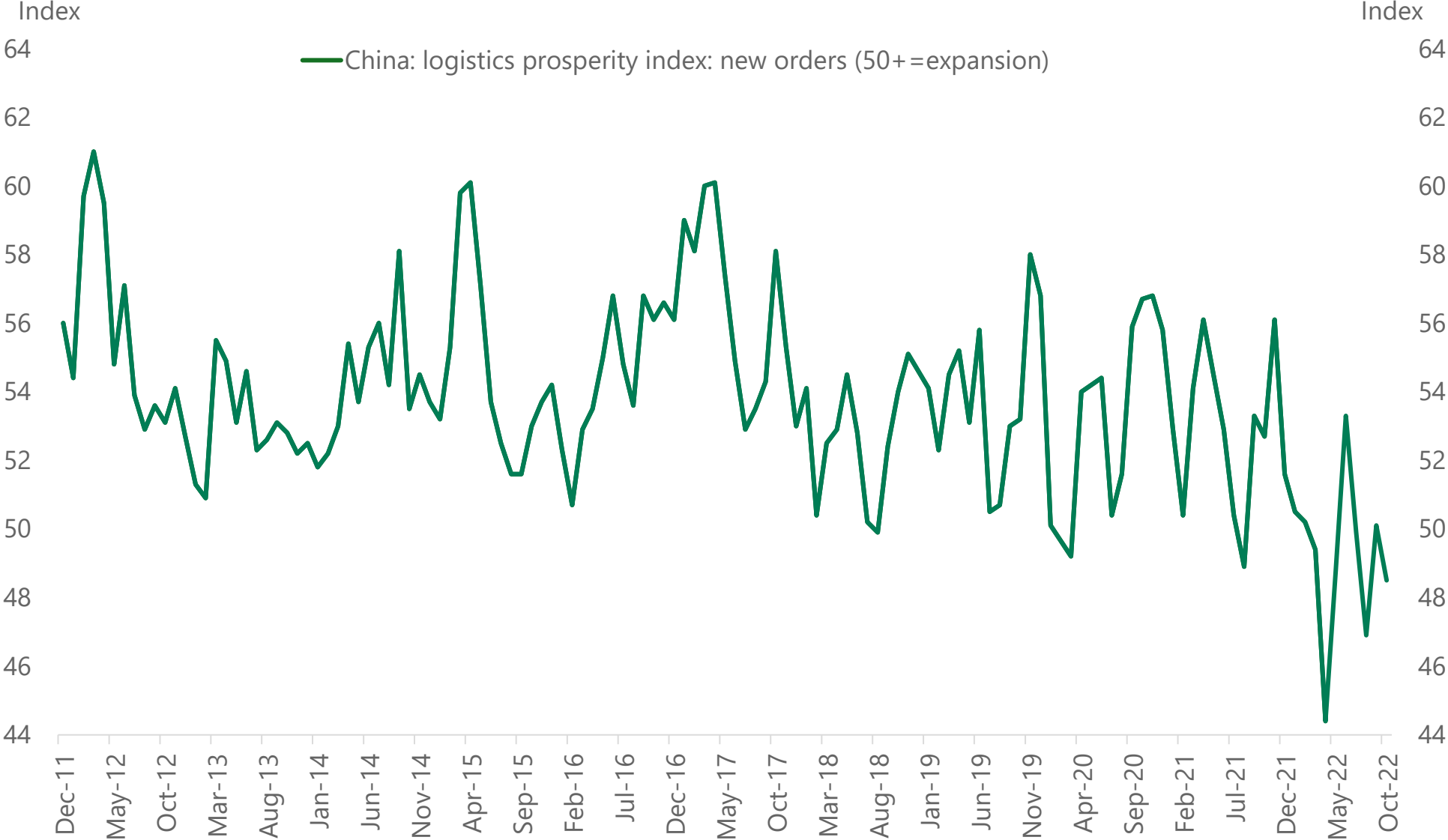
Source: Freightos, Bloomberg, Apollo Chief Economist

Gap between ordering a chip and delivery starting to decline



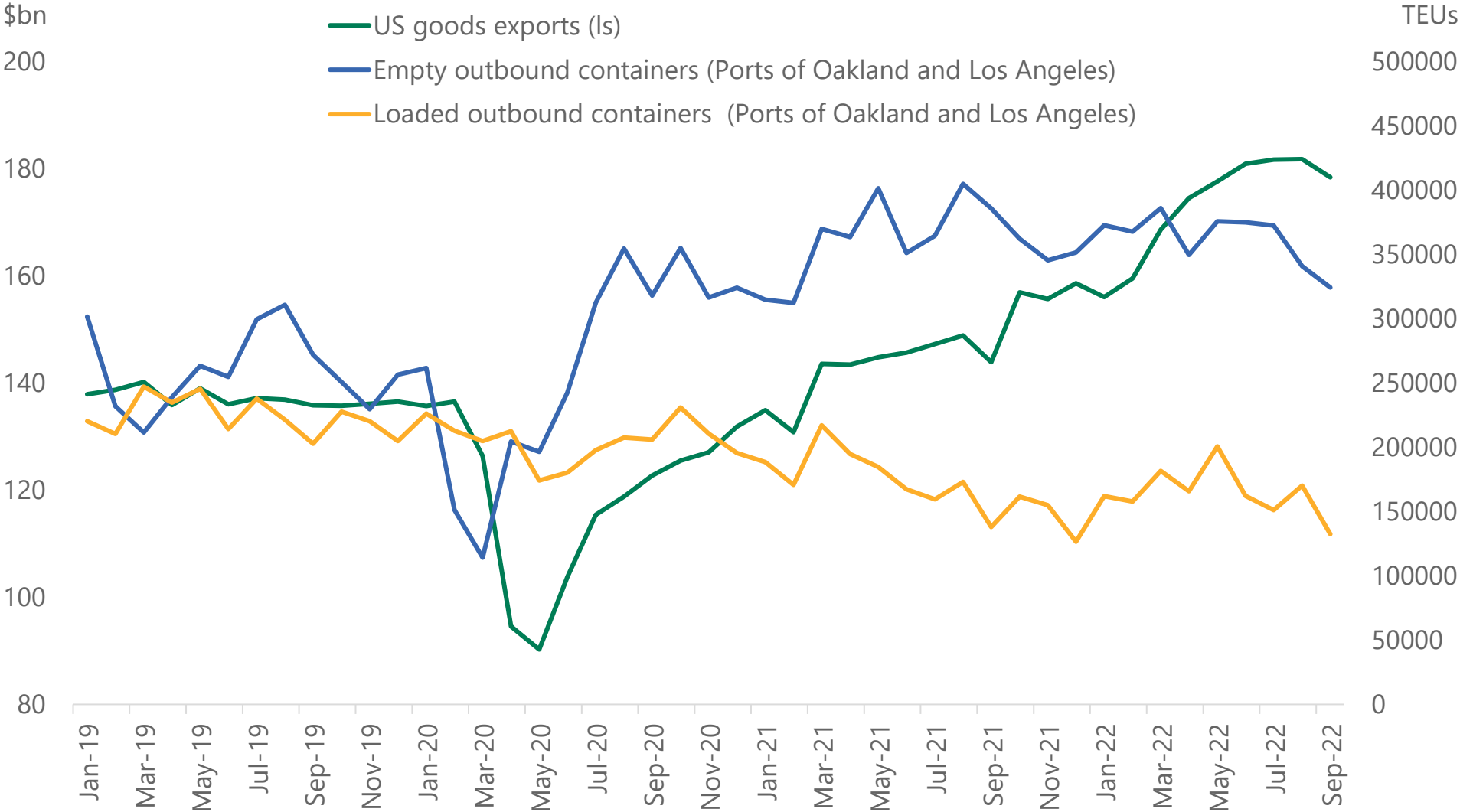
Source: Susquehanna Financial Group, Bloomberg, Apollo Chief Economist

China: New orders index trending down; lower demand for logistics services



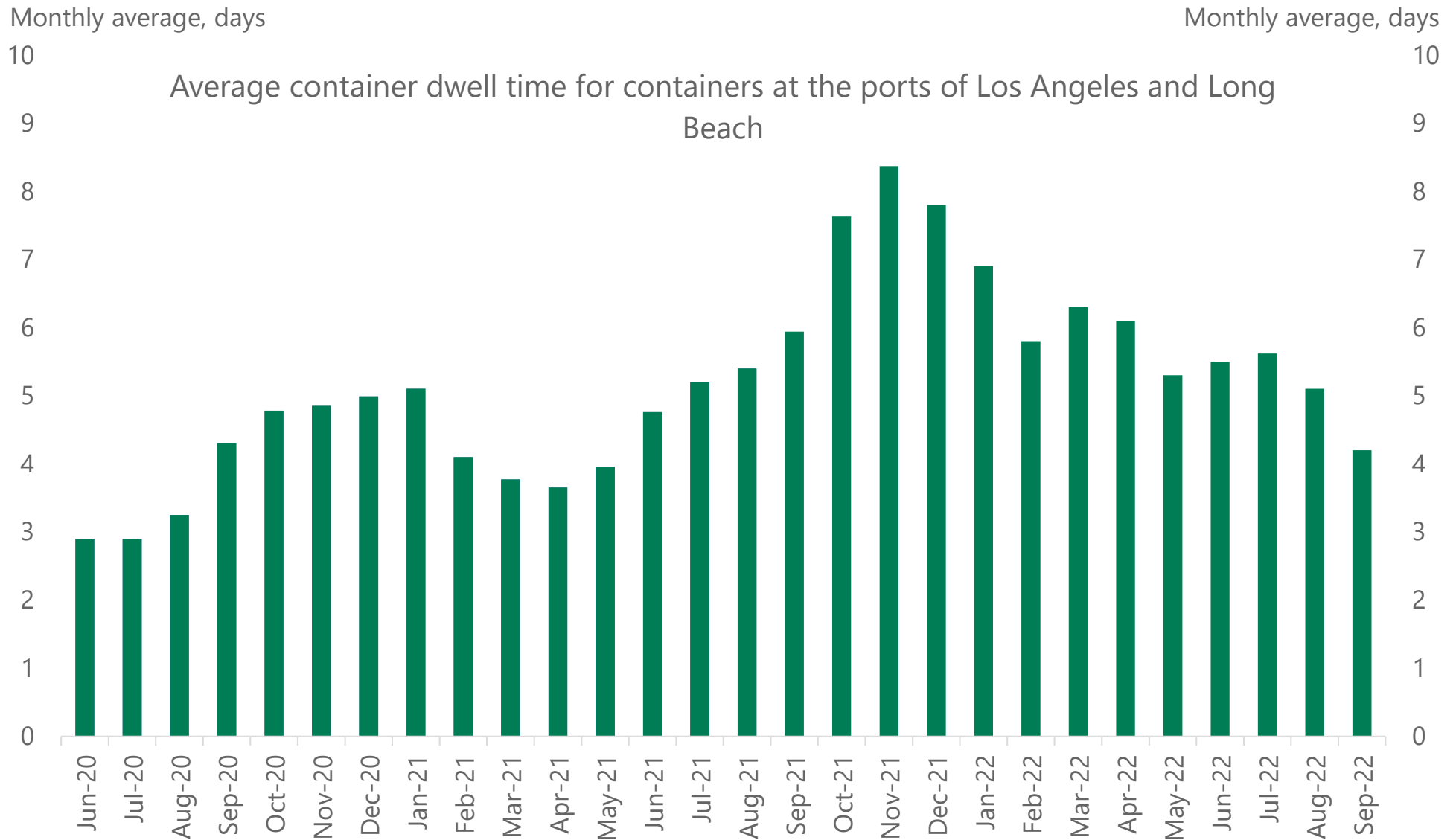
useful as a fore-indicator of economic and business conditions in China. It is published by China Federation of Logistics & Purchasing (CFLP). The Fung Business Intelligence Centre is responsible for drafting and disseminating the English LPI report. Every month questionnaires are sent to logistics enterprises all over China. There are 12 sub-indicators in the survey: Business Volume, New Orders, Average Inventory, Inventory Turnover, Cash Flow, Capacity Utilization, Logistics Service Charges, Operating Profit, Operating Cost, Investment in Fixed Asset, Employment and Business Expectations. An index reading above 50 indicates an overall positive change in a sub-indicator; below 50, an overall negative change.

US goods exports rising



Source: Haver Analytics, Census, Ports of Oakland and Los Angeles, Apollo Chief Economist

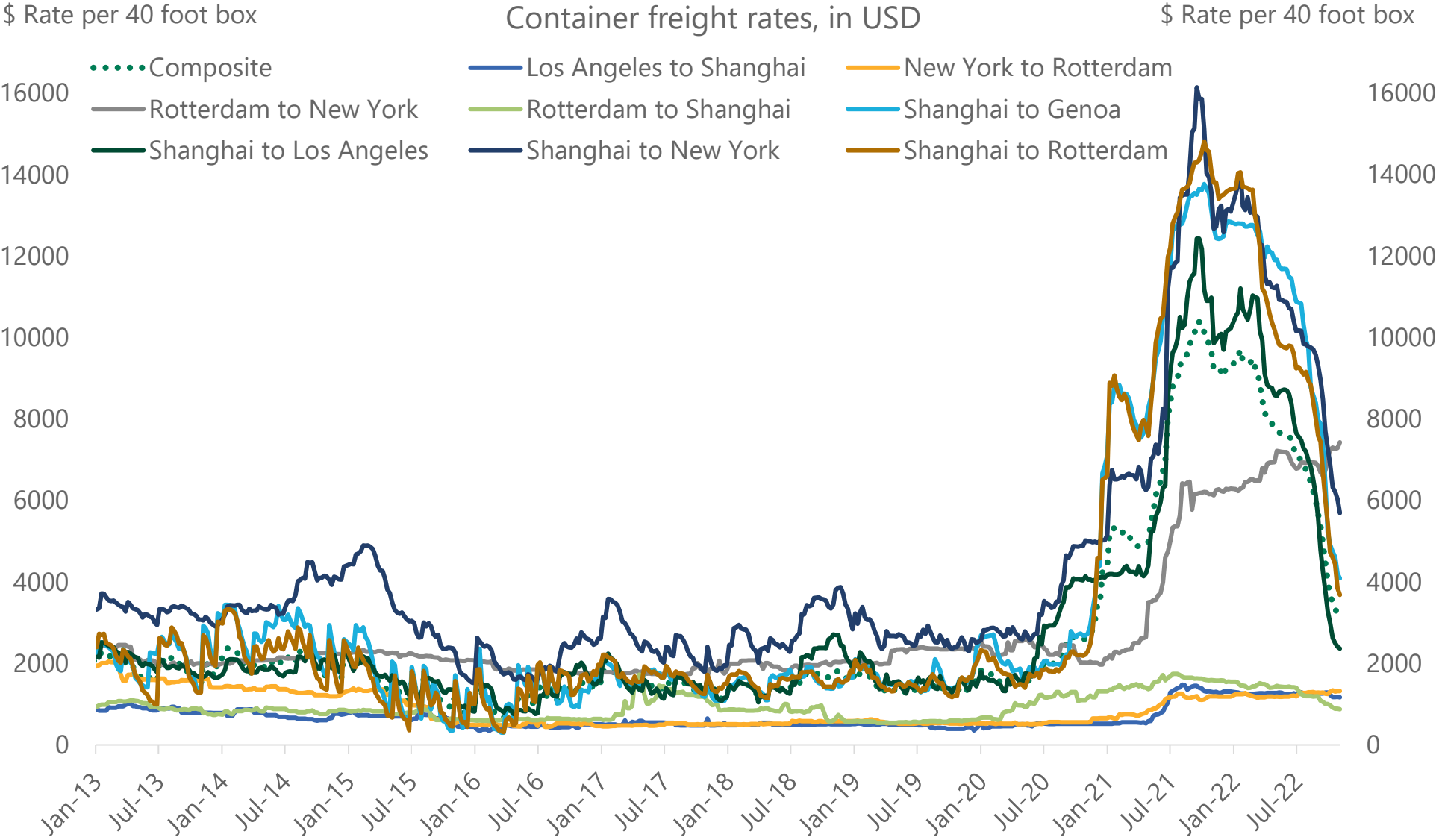
Amount of time a container waits to get picked up at a marine terminal after being unloaded from a vessel



Source: Pacific Merchant Shipping Association, Apollo Chief Economist

Costs of distribution and logistics normalizing

Container freight rates falling: Inflation pressures are easing



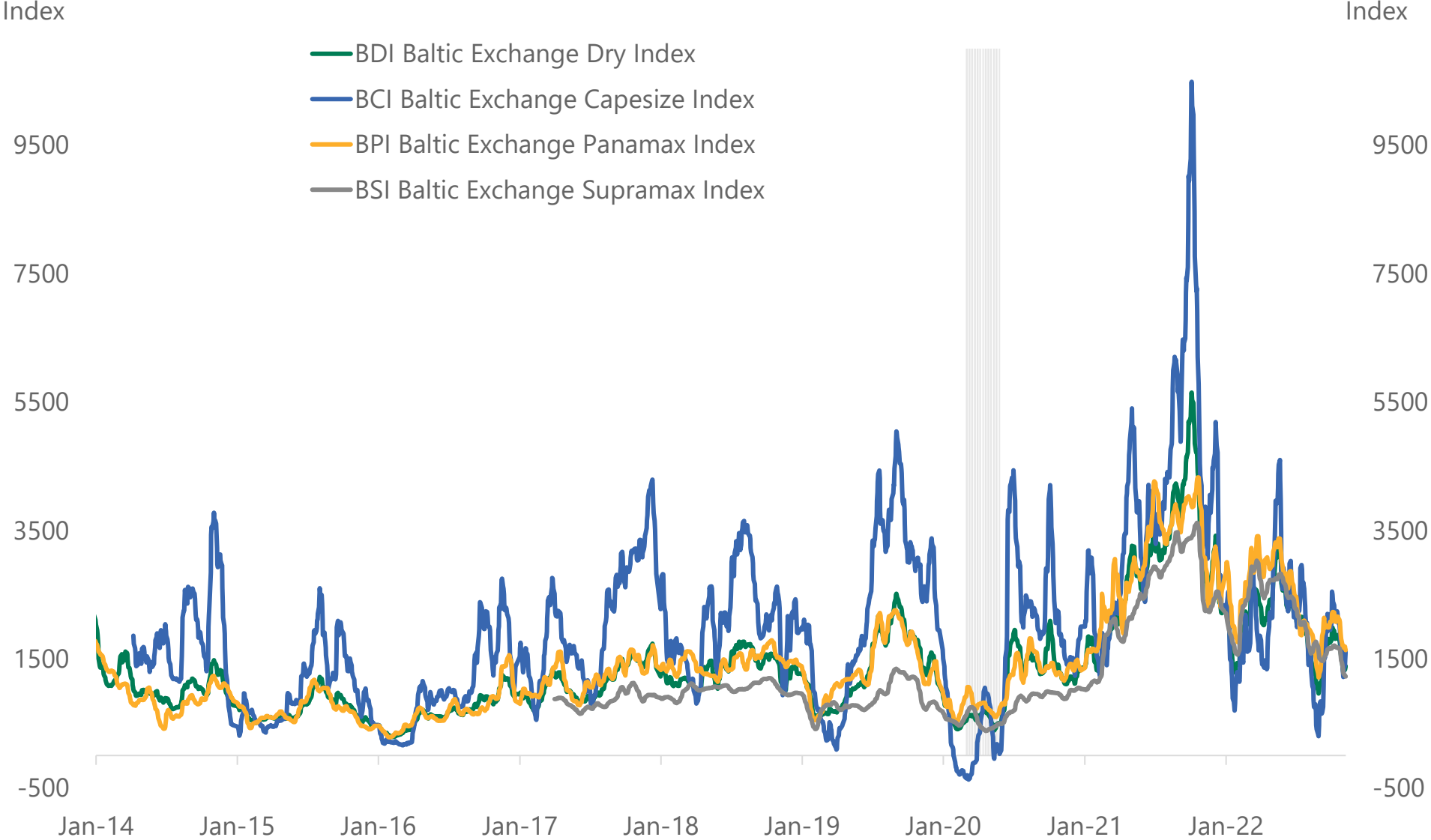
Source: WCI, Bloomberg, Apollo Chief Economist

China: Transportation costs coming down from record highs



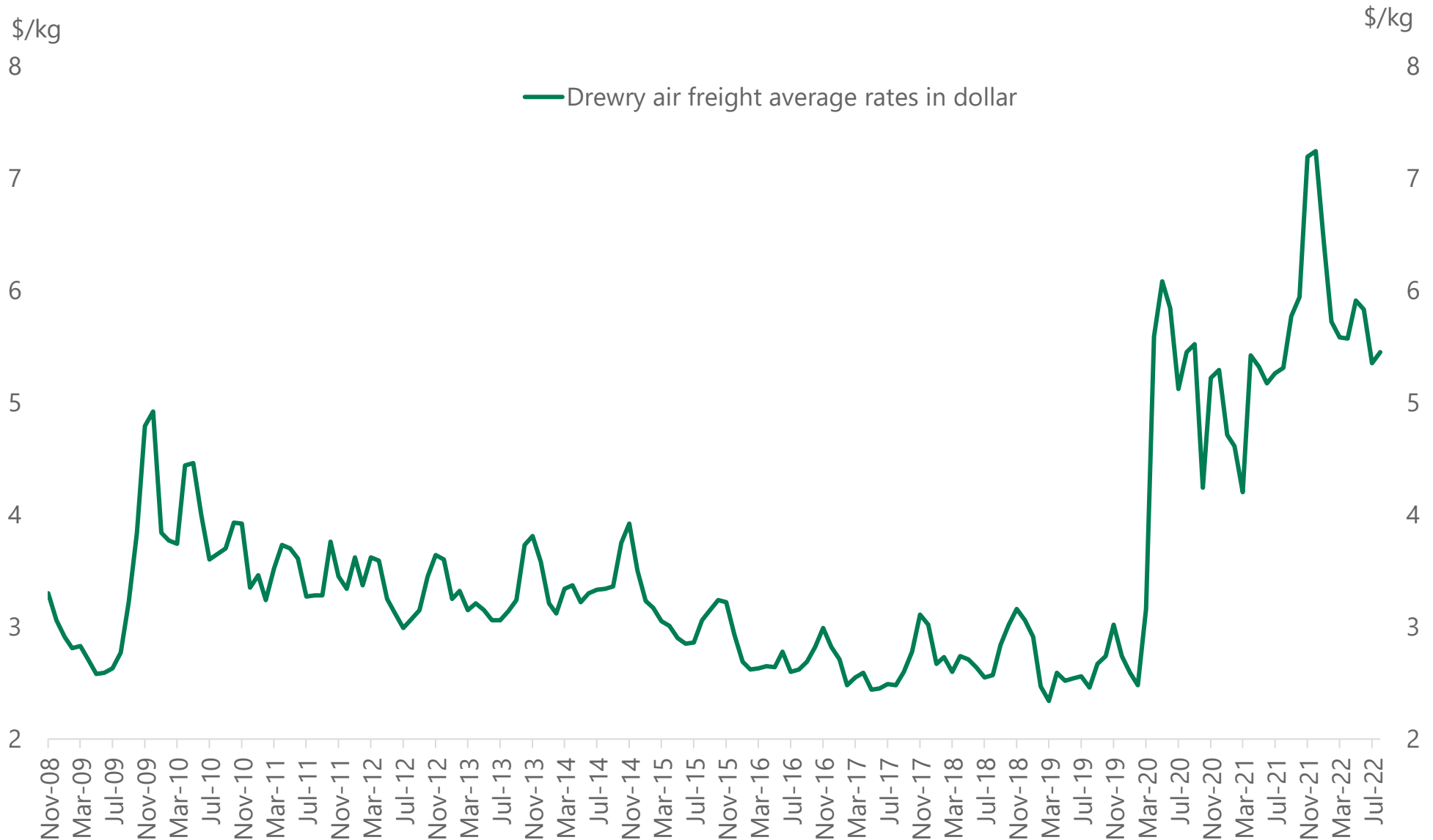
Source: Shanghai Shipping Exchange, Bloomberg, Apollo Chief Economist

Baltic exchange indexes falling



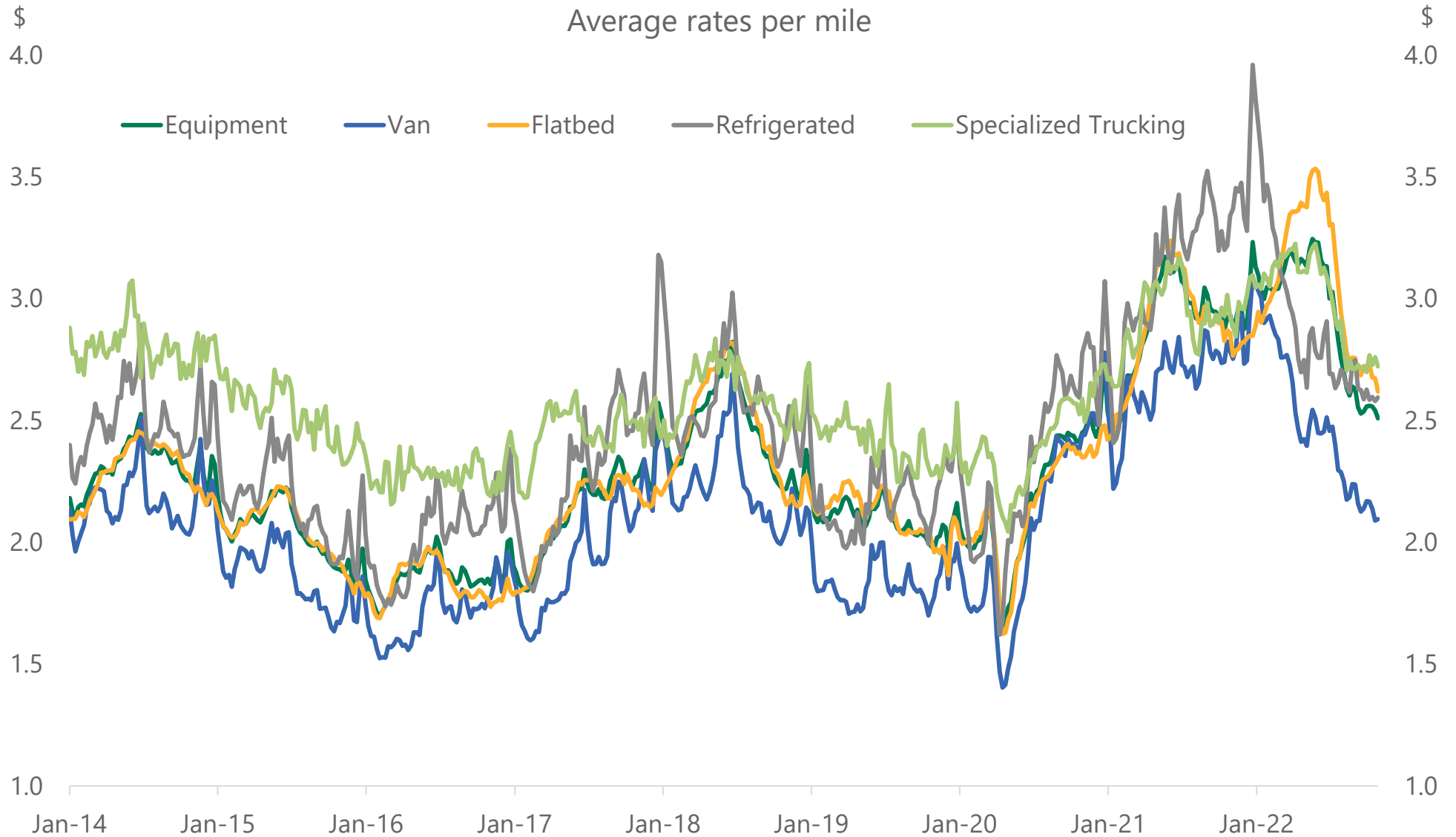
Source: Bloomberg, Apollo Chief Economist

Air freight rates coming down from peak



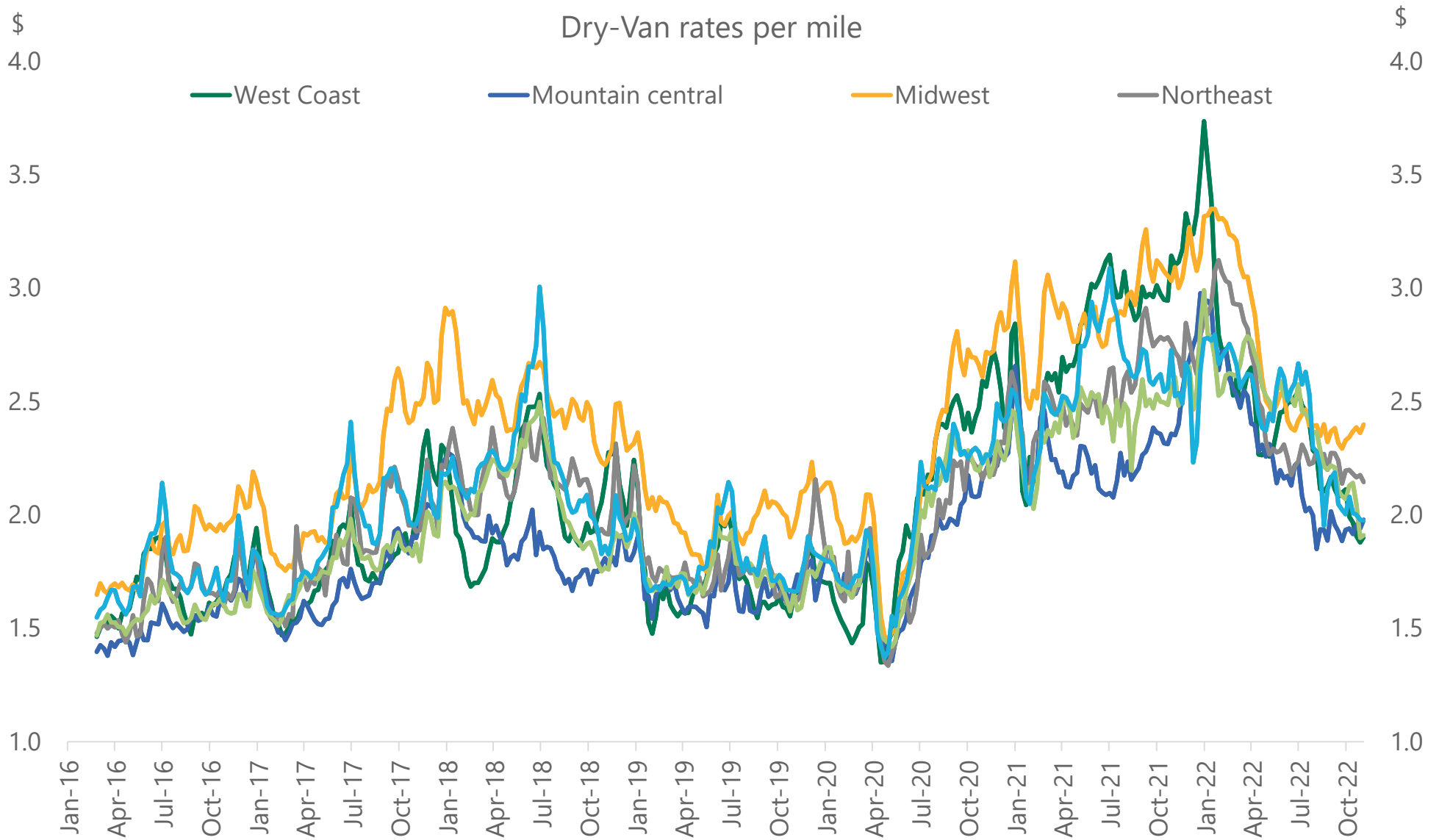
Source: Bloomberg, Apollo Chief Economist

Truck transportation costs declining



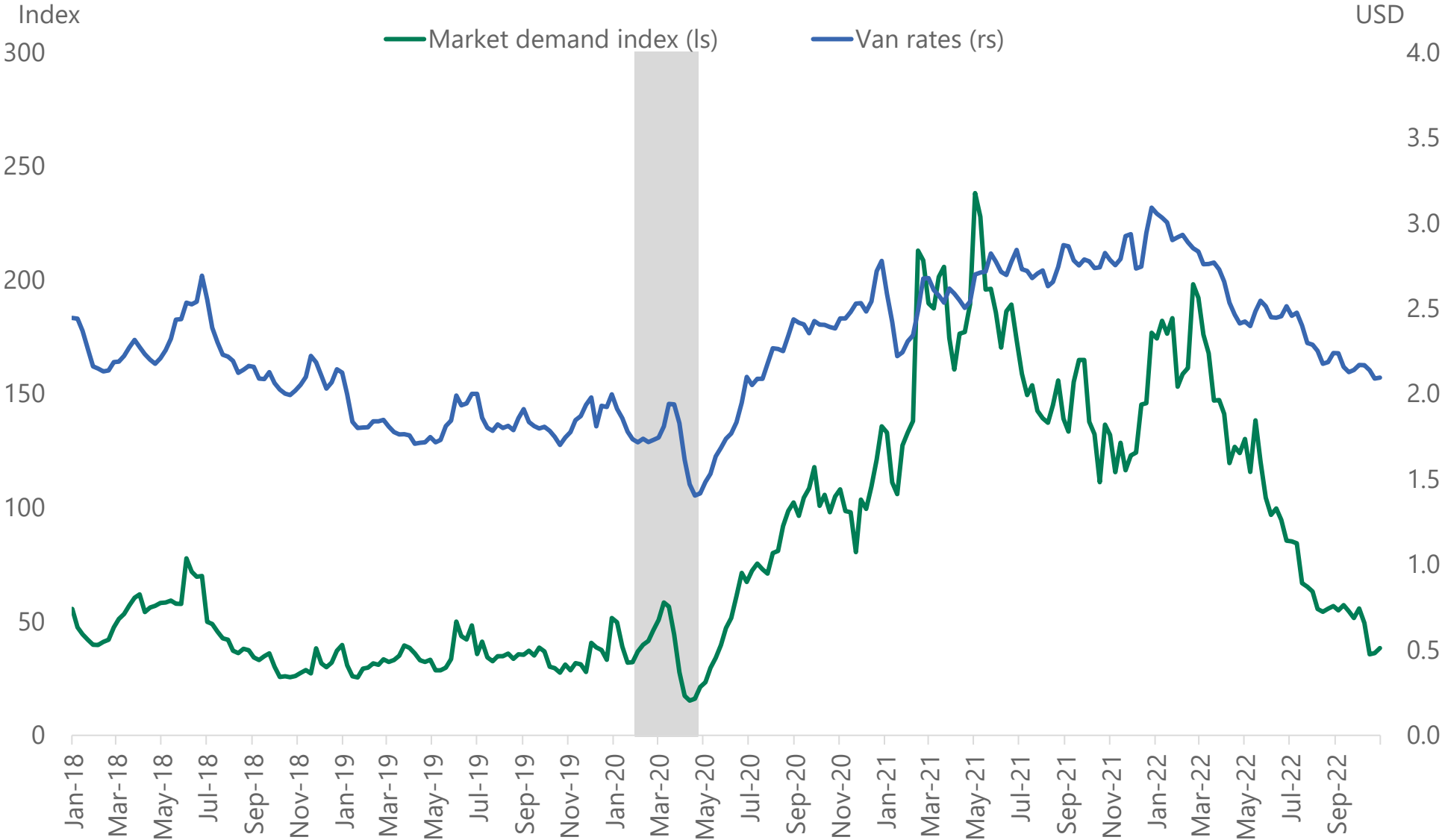
Source: Bloomberg, Apollo Chief Economist

Dry van spot rates by region



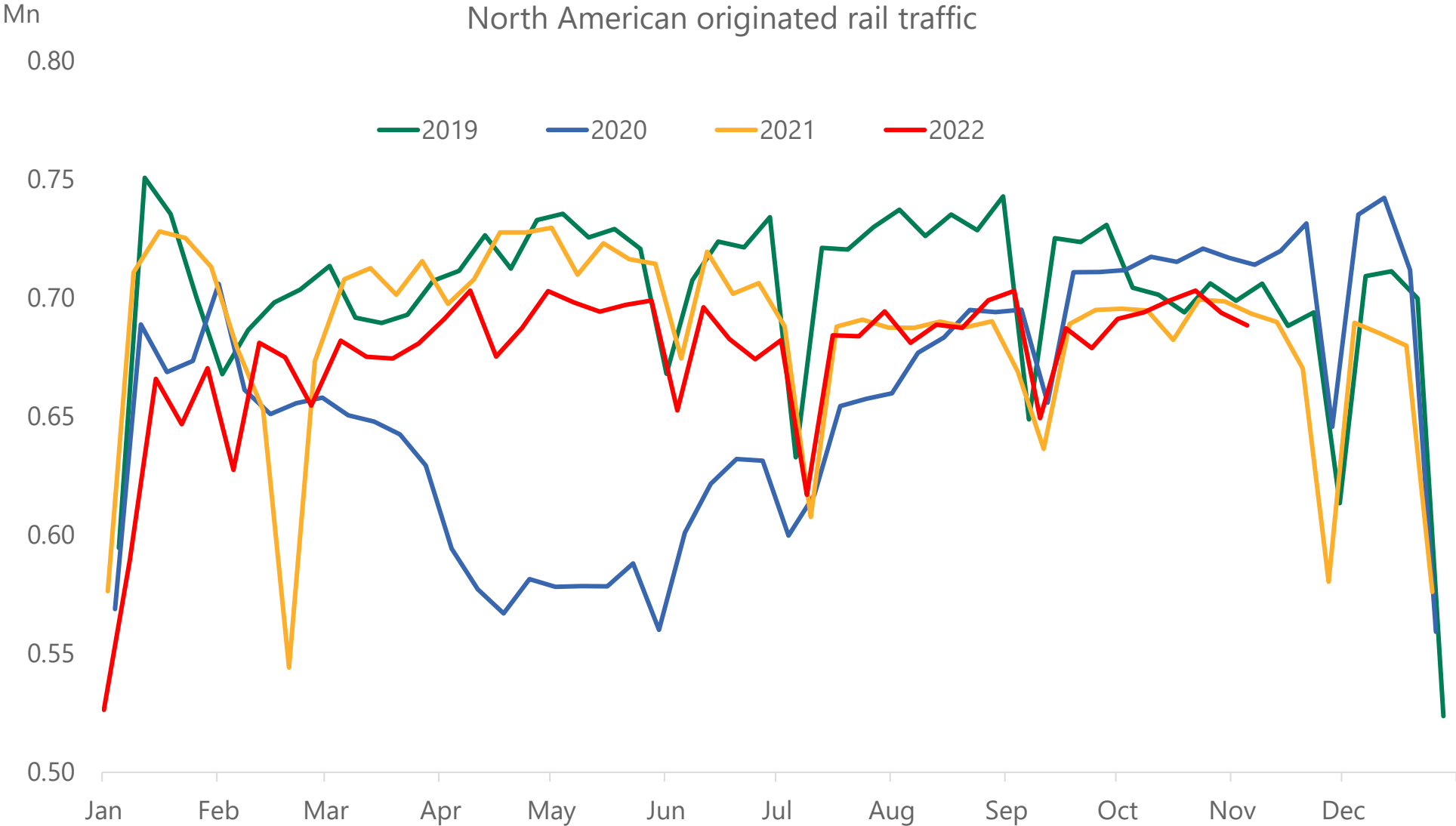
Source: Bloomberg, Apollo Chief Economist

Demand for trucks correlated with van rates



Source: Bloomberg, Apollo Chief Economist (Note: Market demand index is ratio of loads over trucks and measures the relative truck demand; Van rates are measured in USD)

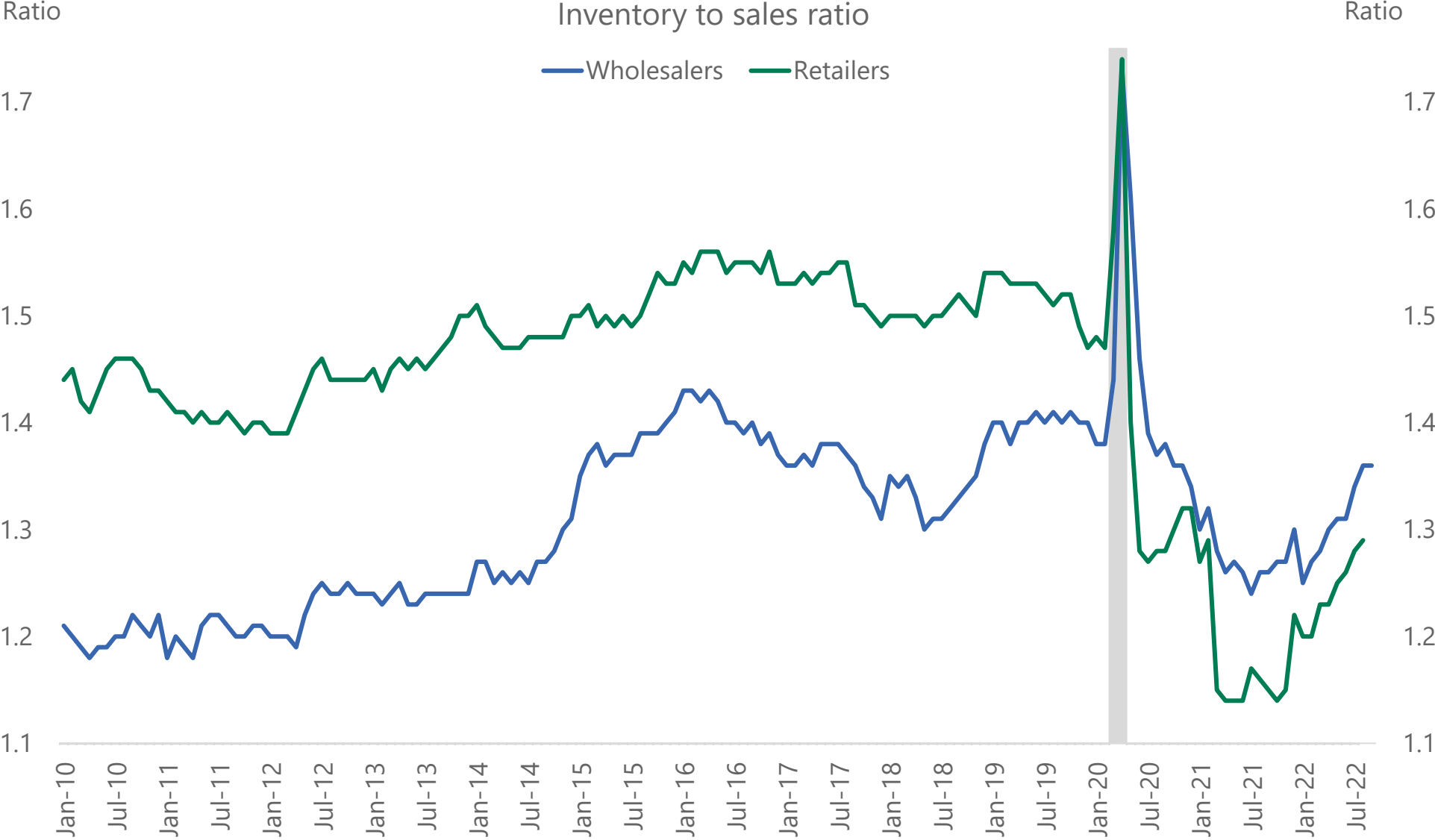
Rail traffic volumes lower in 2022



Source: AAR, Bloomberg, Apollo Chief Economist

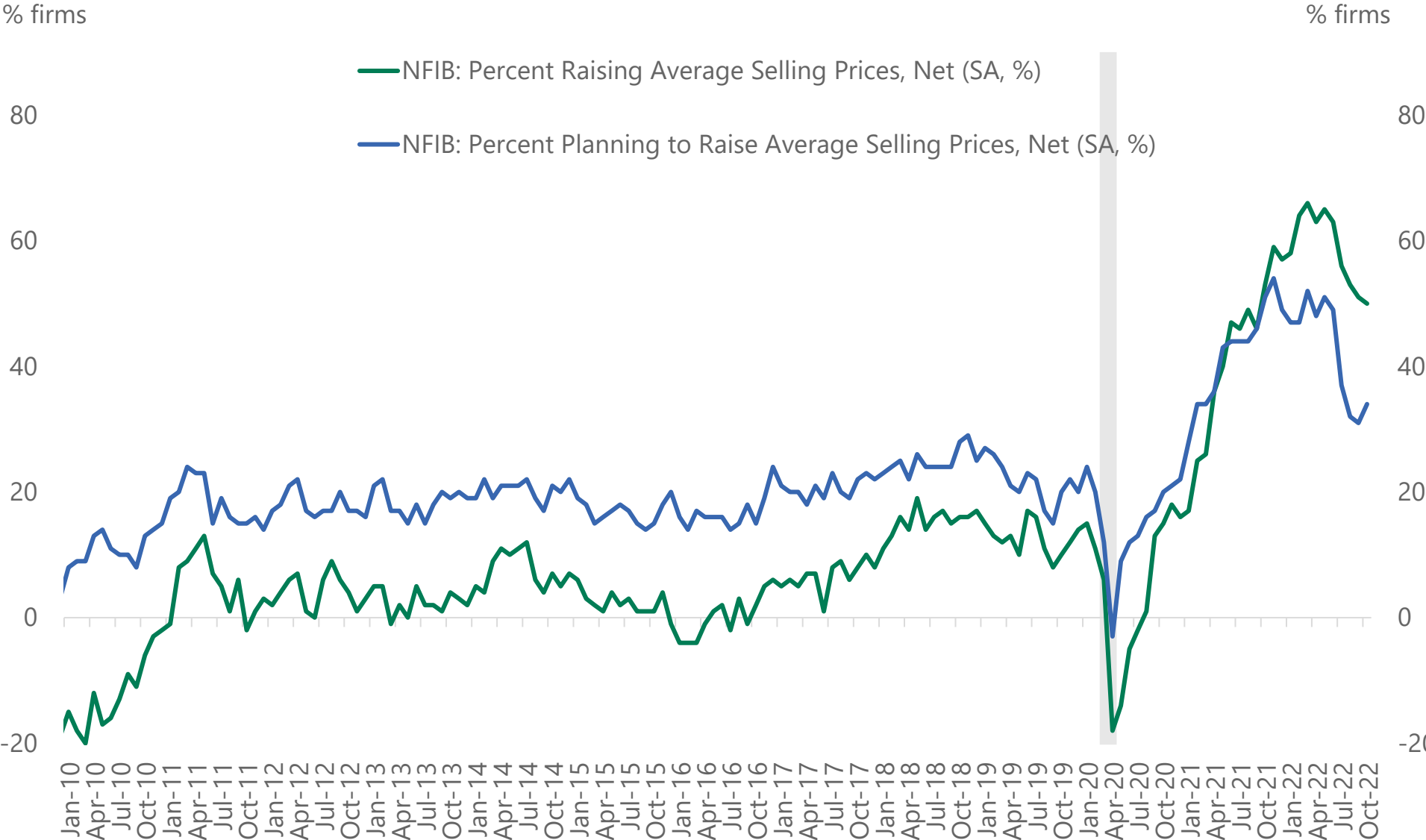
Inventory to sales ratio normalizing

Inventory to sales ratio normalizing



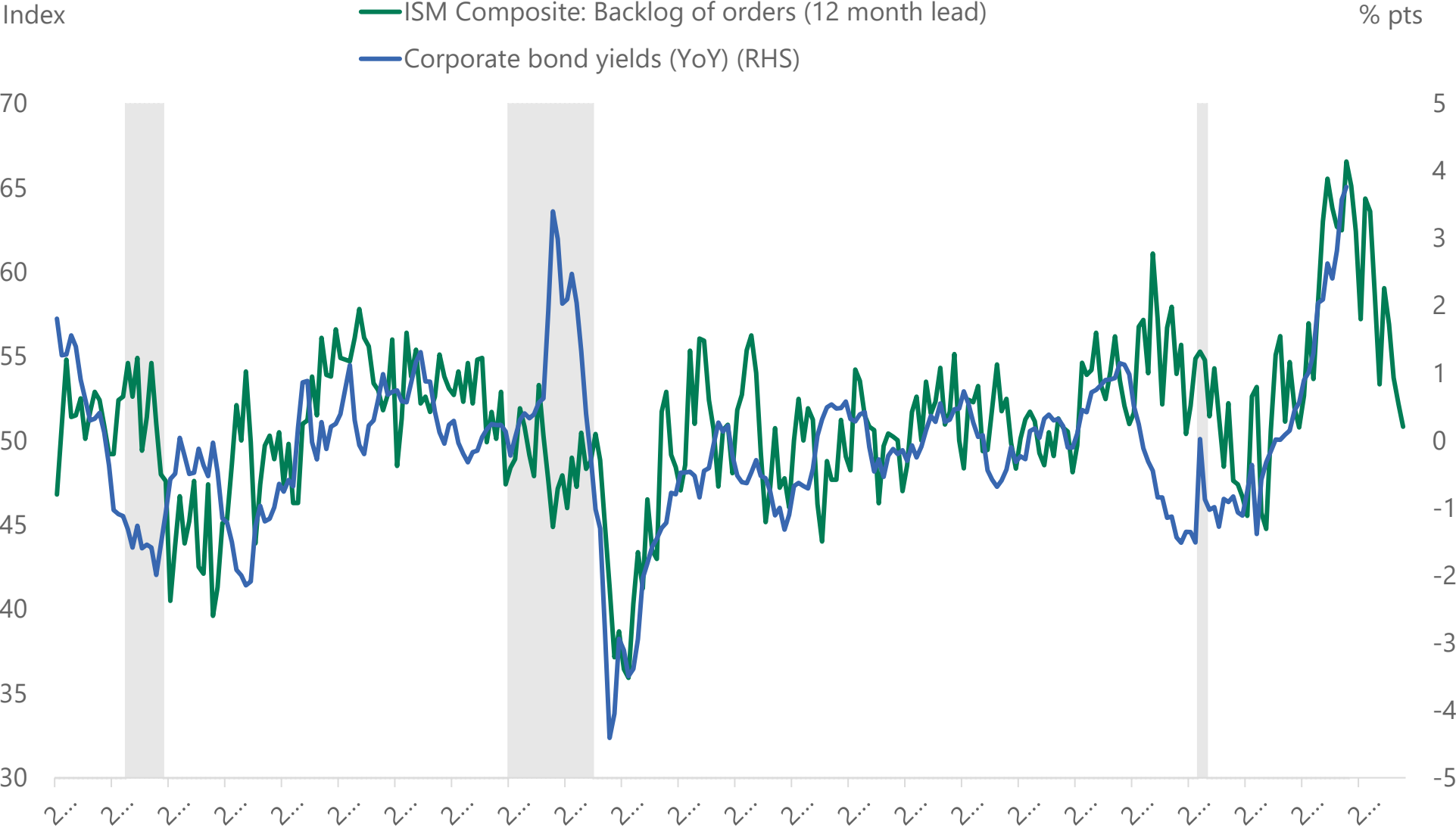
Source: Census, Haver Analytics, Apollo Chief Economist

Inflation pressures are easing



Source: NFIB, Haver Analytics, Apollo Chief Economist

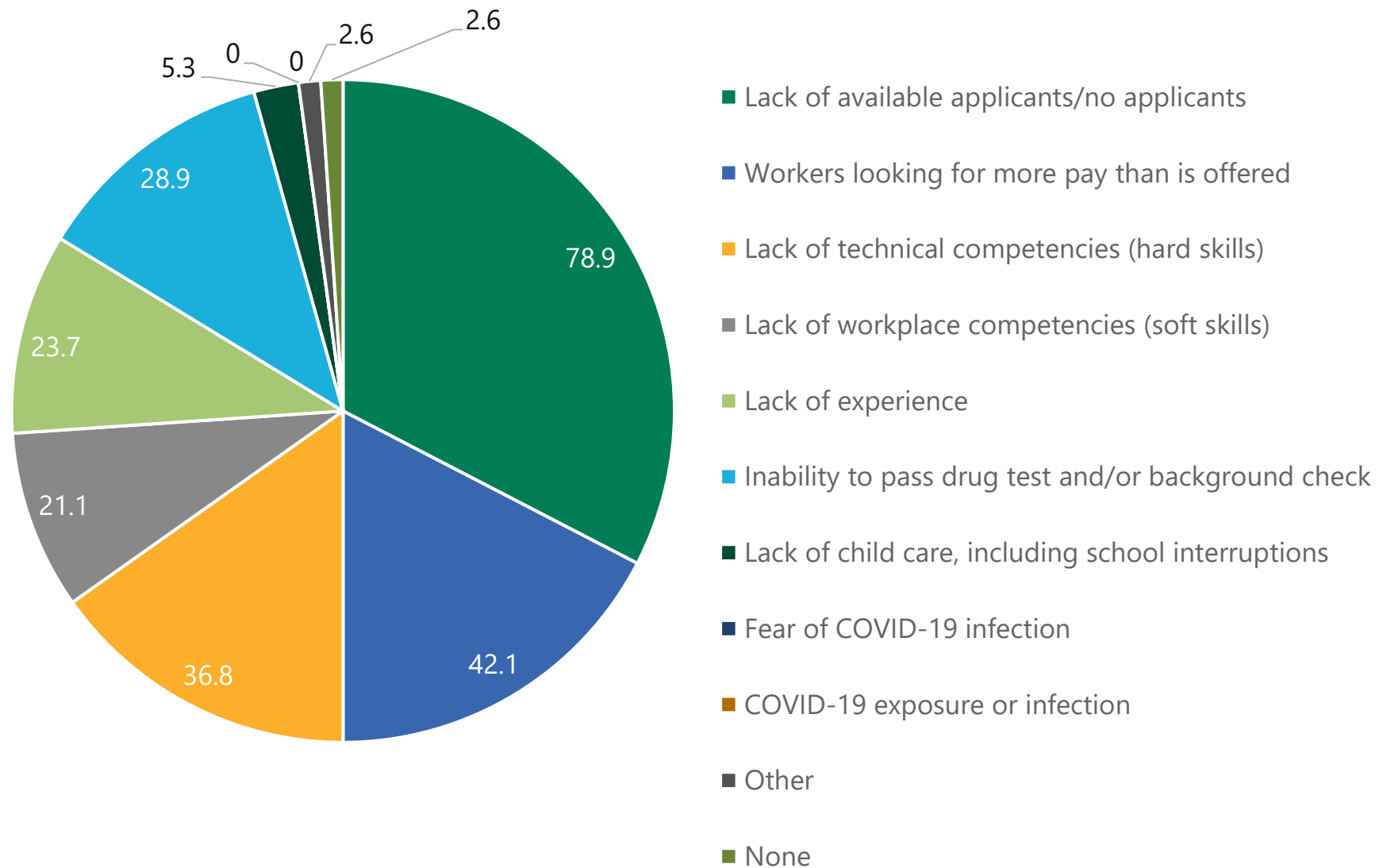
Supply chain bottlenecks correlated with corporate bond yields



Source: ISM, ICE BofA, Haver Analytics, Apollo Chief Economist. Note: ISM Composite Index is weighted average of services and manufacturing indices, with weight for services index 80% and manufacturing index 20%.

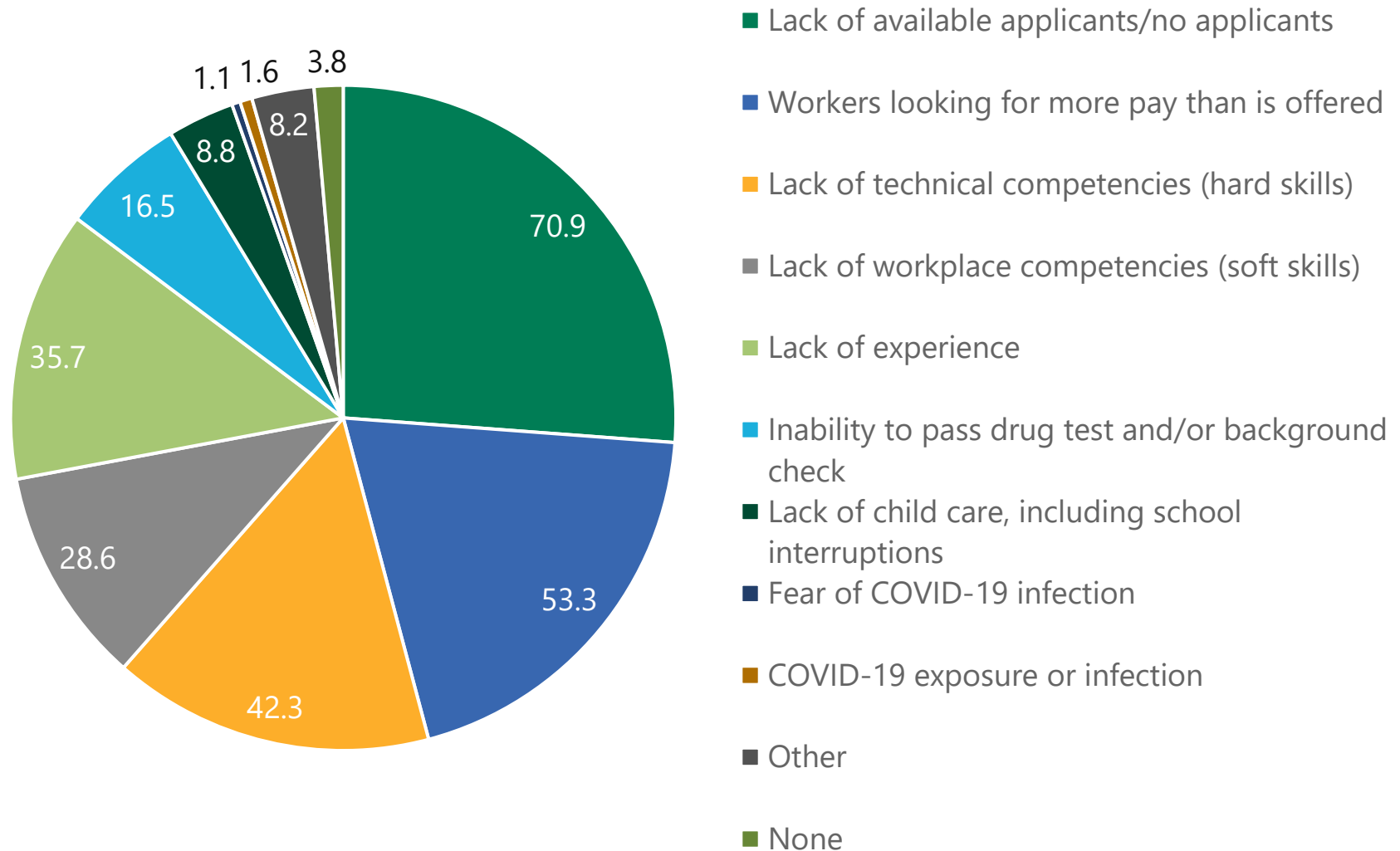
Supply chain problems and labor shortages still weighing on margins

Are there any impediments to hiring or recalling workers? Retail sector



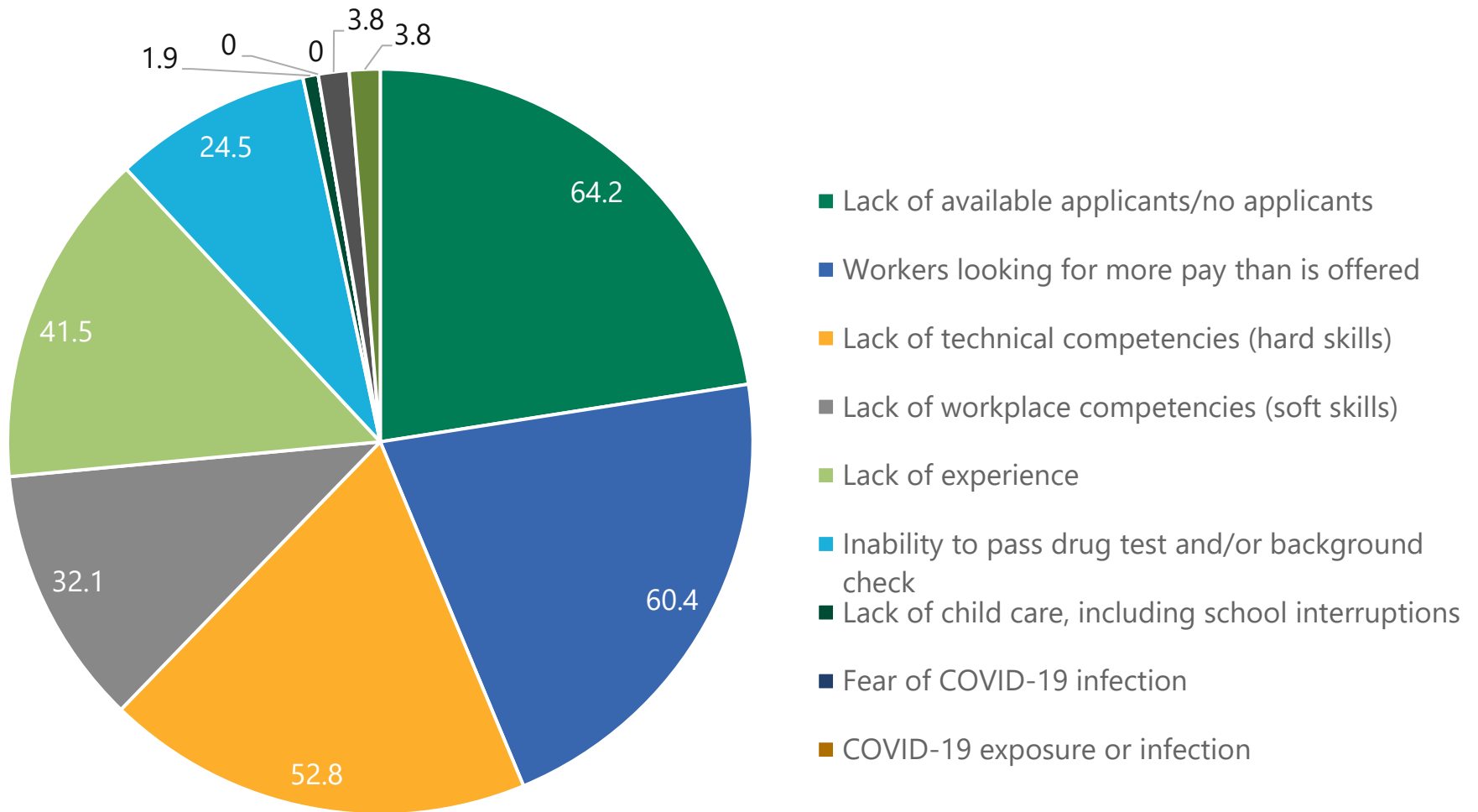
Source: FRB of Dallas Texas Retail Sector Outlook Survey, Apollo Chief Economist (Data were collected October 18–26, and 94 Texas manufacturers responded to the survey.)

Are there any impediments to hiring or recalling workers? Service sector



Source: FRB of Dallas Texas Service Sector Outlook Survey, Apollo Chief Economist (Data were collected October 18–26, and 94 Texas manufacturers responded to the survey.)

Are there any impediments to hiring or recalling workers? Manufacturing sector



Source: FRB of Dallas Texas Manufacturing Sector Outlook Survey, Apollo Chief Economist (Data were collected October 18–26, and 94 Texas manufacturers responded to the survey.)

Biography



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Torsten Slok joined Apollo in August 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.