APOLLO

Daily and weekly indicators for the US economy

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Apollo Global Management

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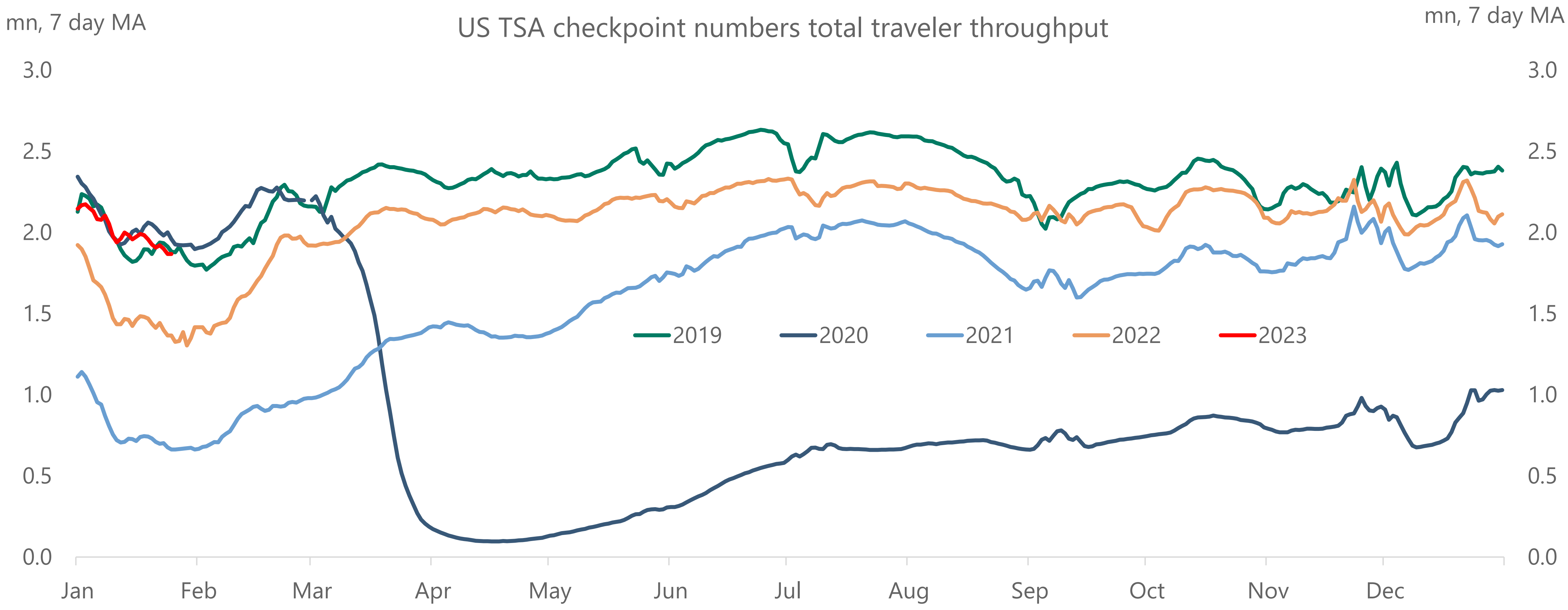
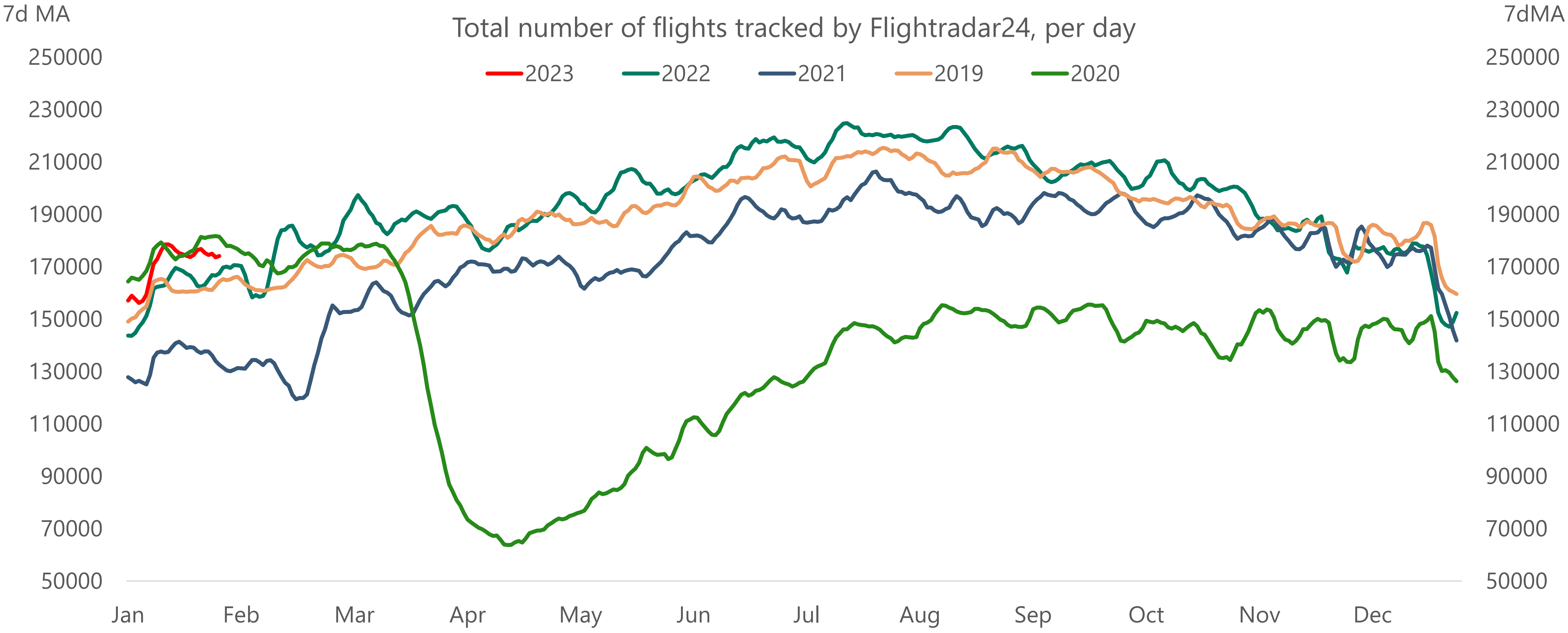
Daily economic indicators

US air travel still strong



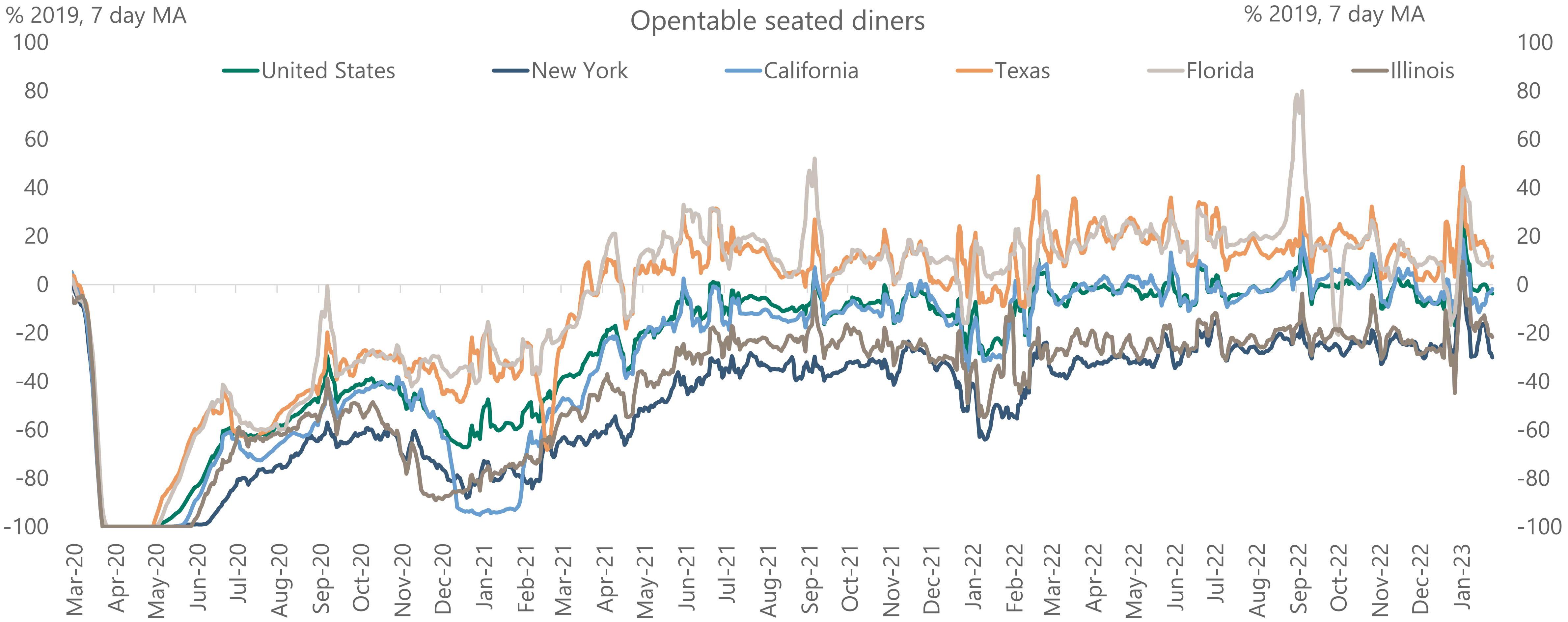
Source: TSA, Bloomberg, Apollo Chief Economist

Global air traffic still high



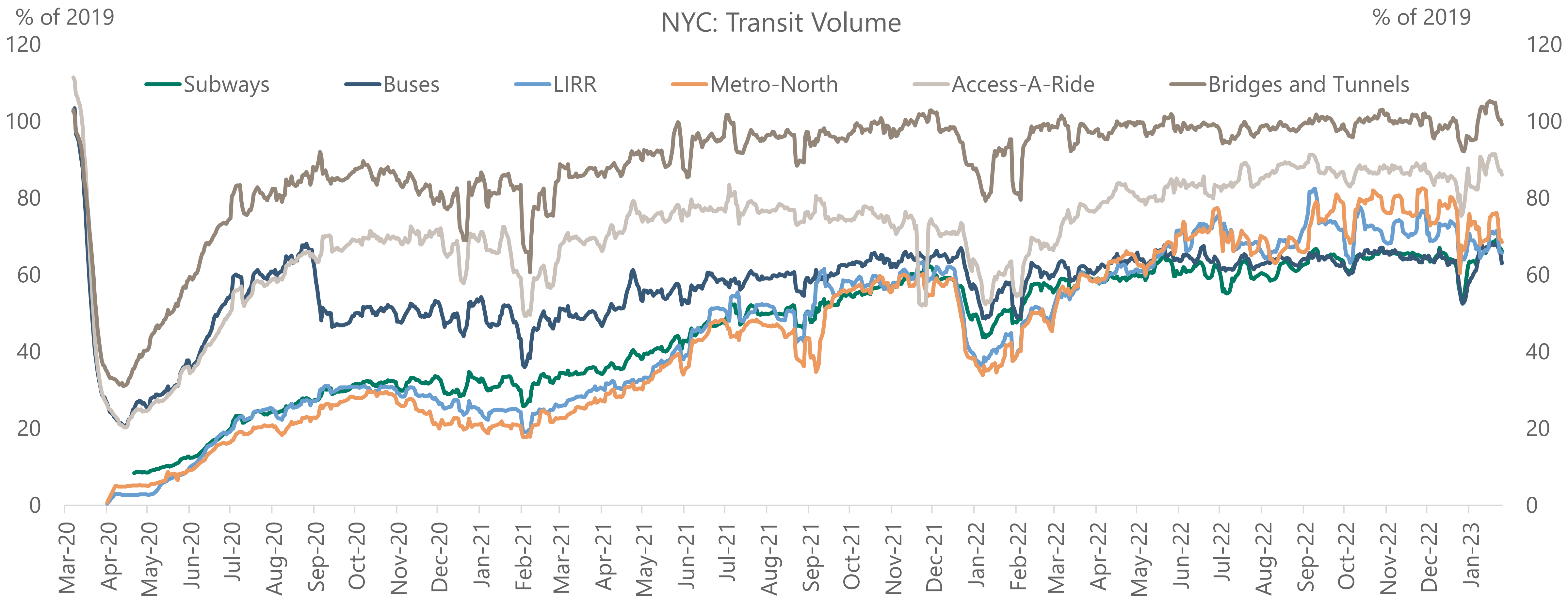
Source: Flightradar24.com, Apollo Chief Economist

Restaurant bookings still strong



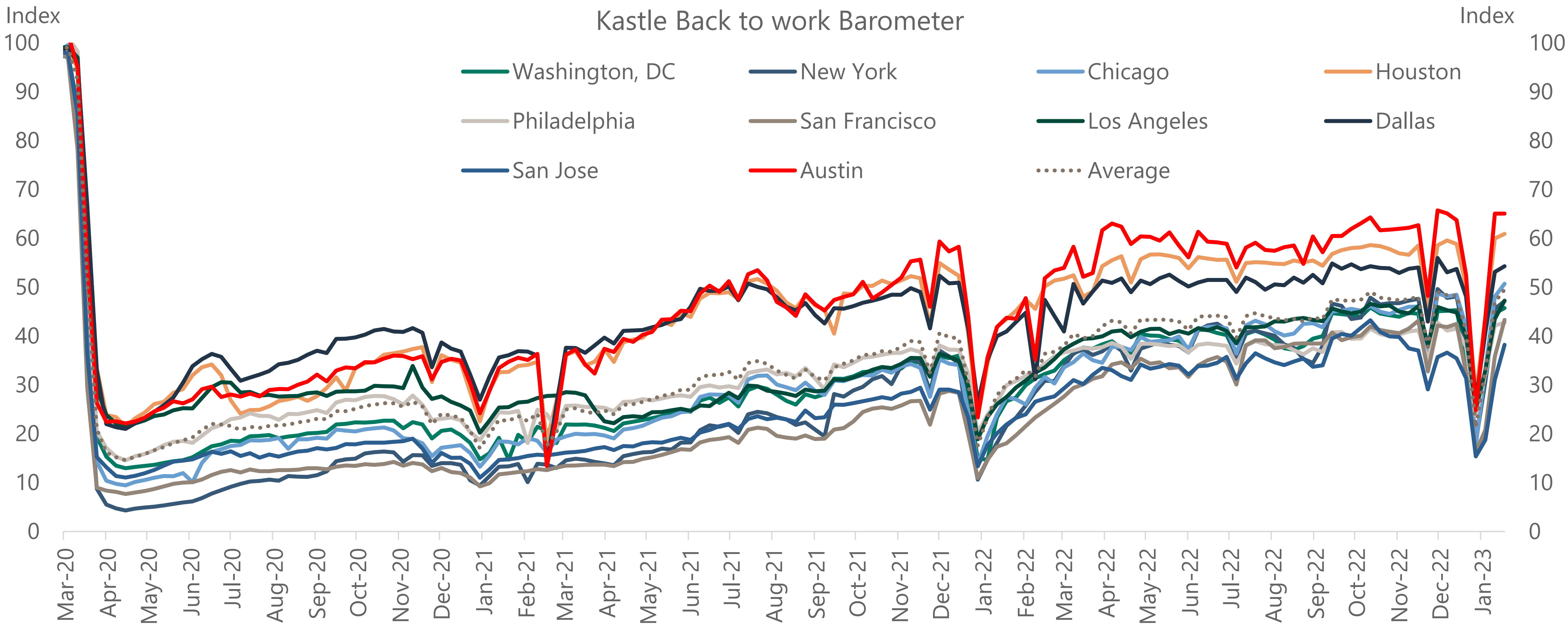
Source: OpenTable, Apollo Chief Economist

NYC mobility indicators improving



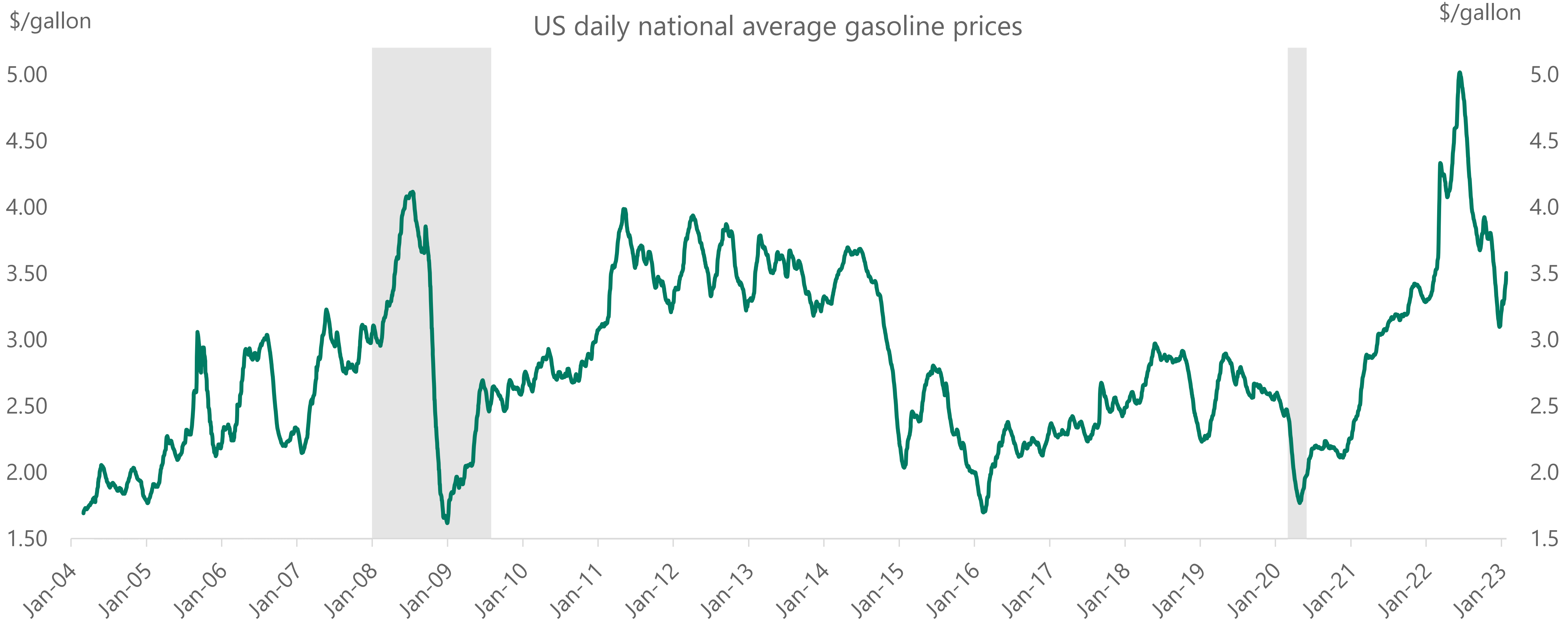
Source: MTA, Apollo Chief Economist

New York City: Office use 45% of capacity



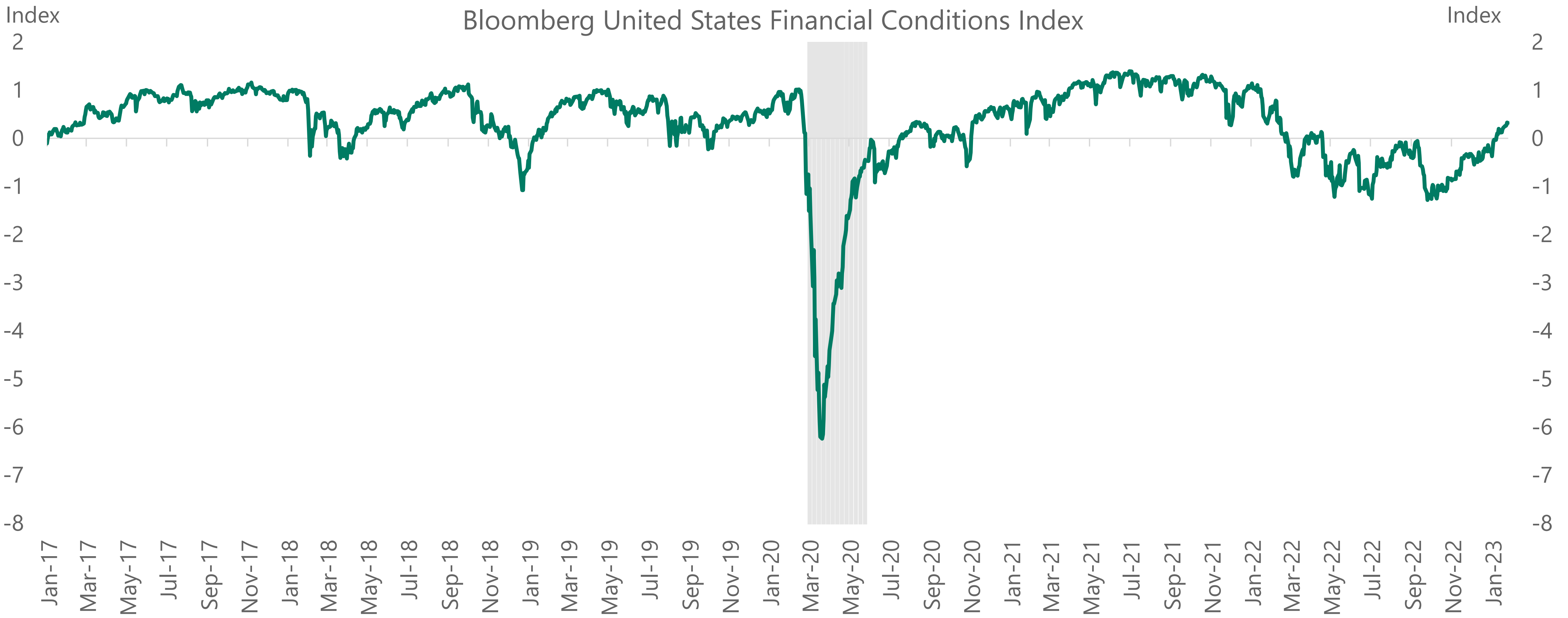
Source: Bloomberg, Apollo Chief Economist

Average US retail gas prices coming down from $5 to $3.5 per gallon



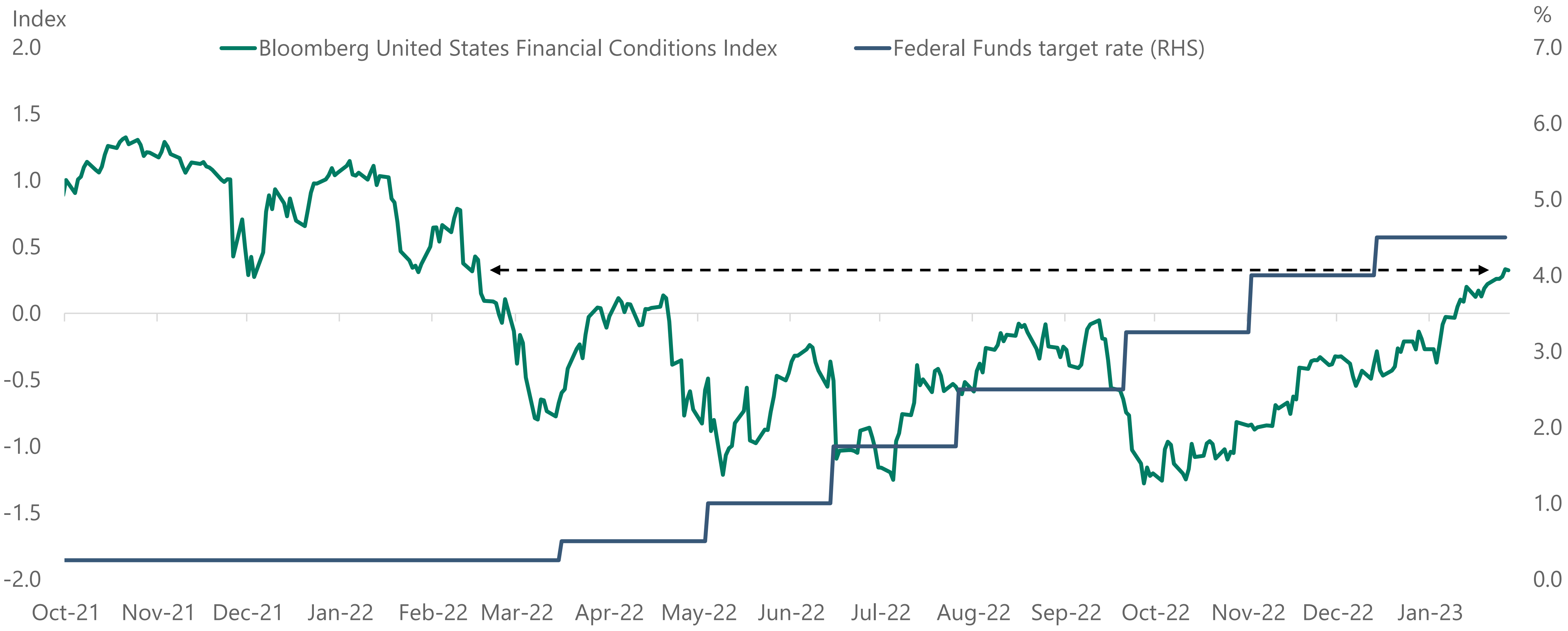
Source: Bloomberg, Apollo Chief Economist

Financial conditions easing



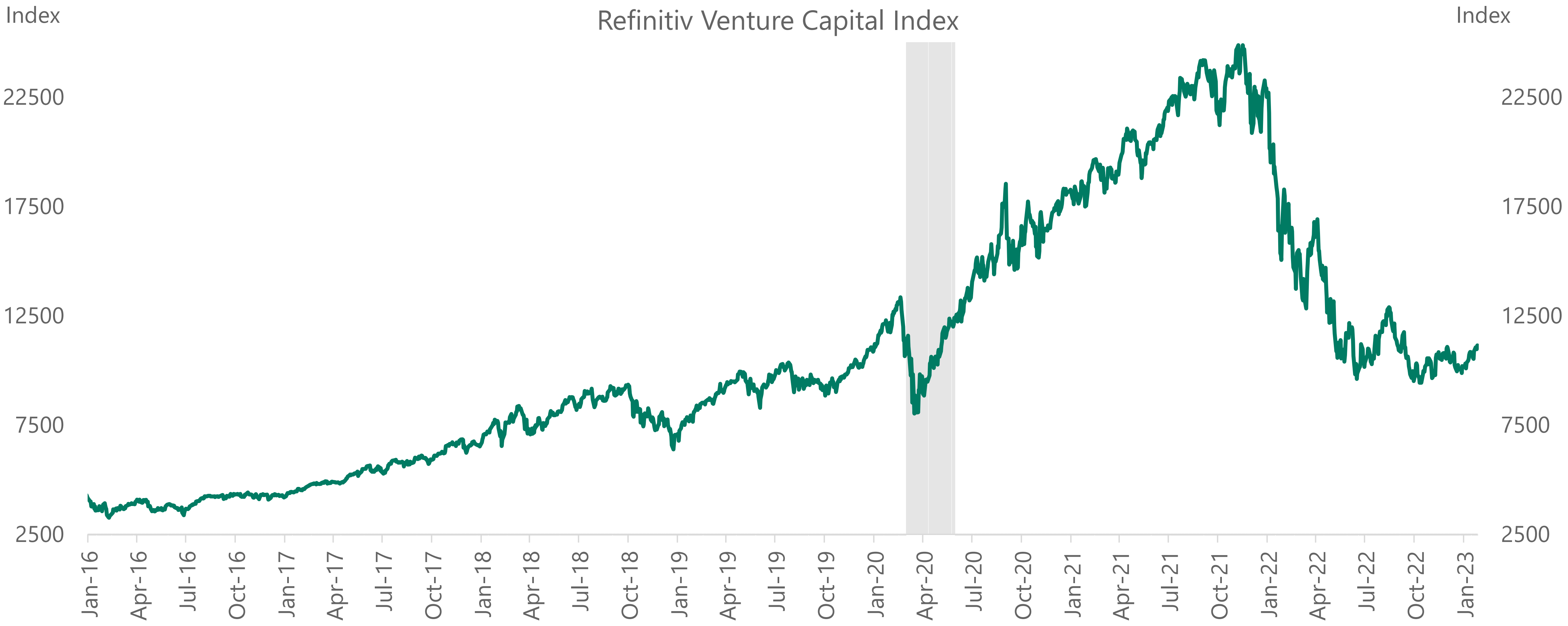
Source: Bloomberg, Apollo Chief Economist

Fed raising rates but financial conditions now as easy as before the Fed started hiking



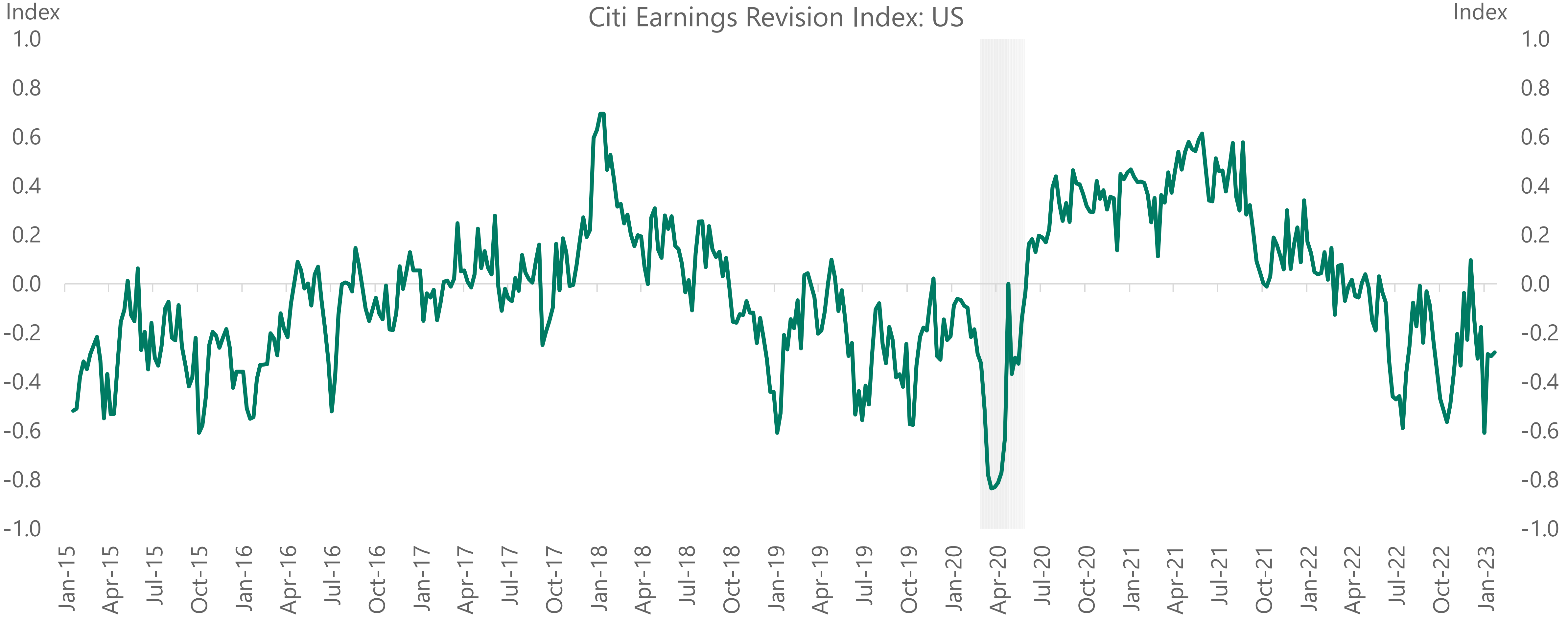
Source: Bloomberg, Apollo Chief Economist

US venture capital valuations down 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.

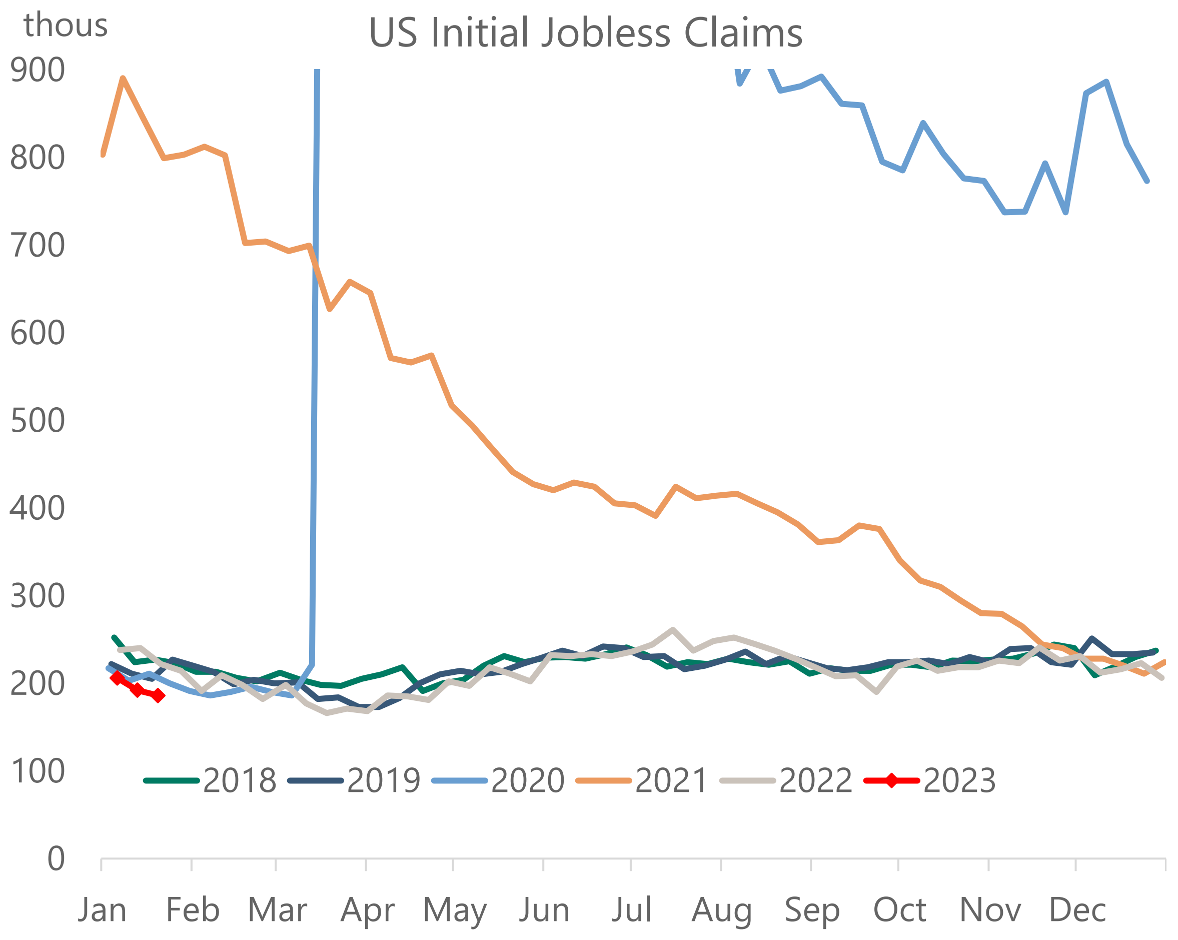
Corporate earnings revisions: Upgrades minus downgrades

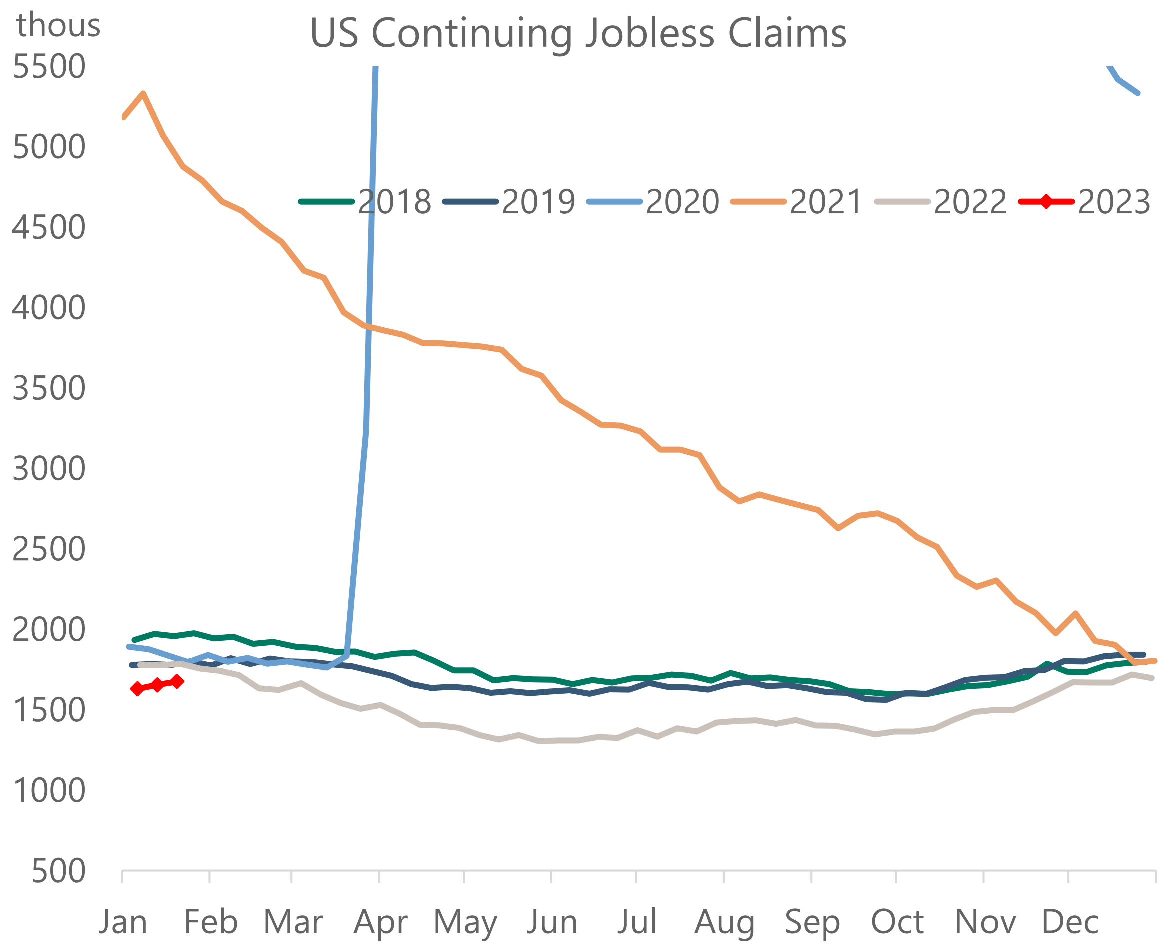


Source: Citi Research, Apollo Chief Economist. Note: Citi's Earnings Revision Index is defined as number of upgrades minus downgrades divided by number of upgrades plus downgrades

Weekly economic indicators

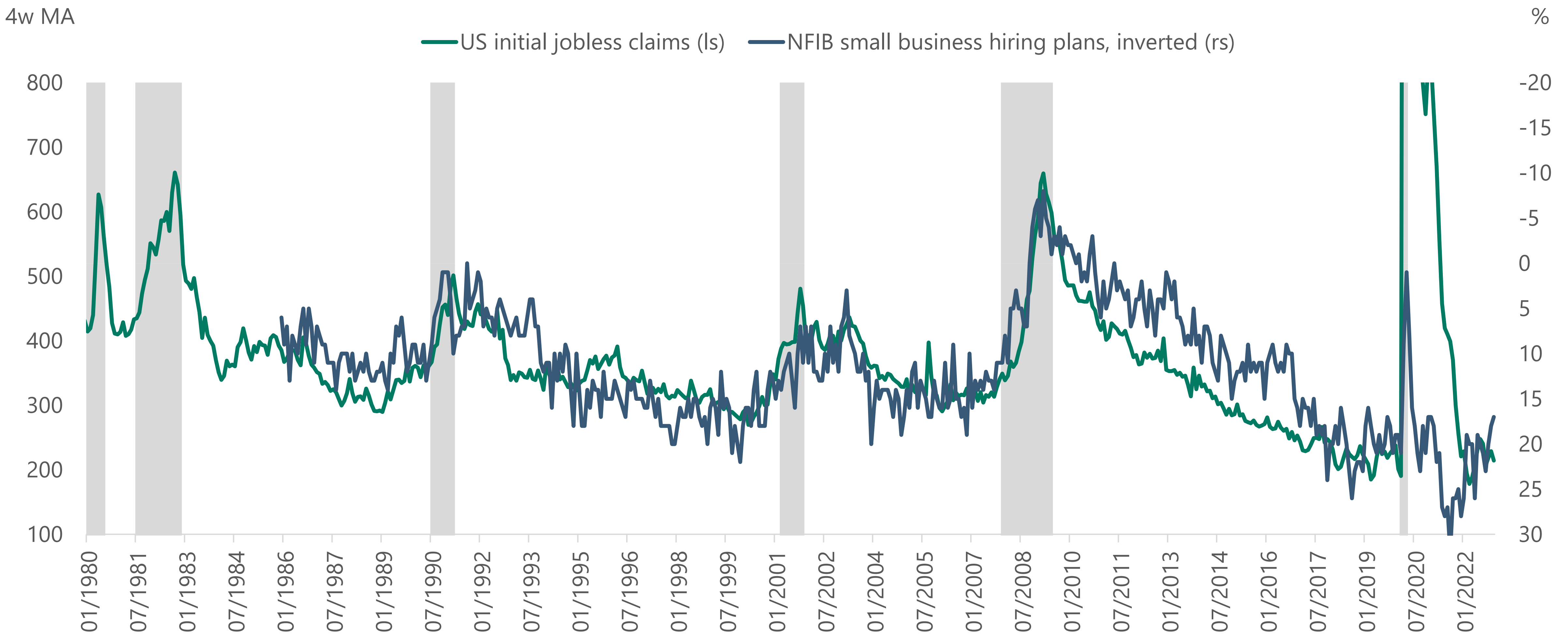
Jobless claims still low: No signs of a slowdown in the labor market





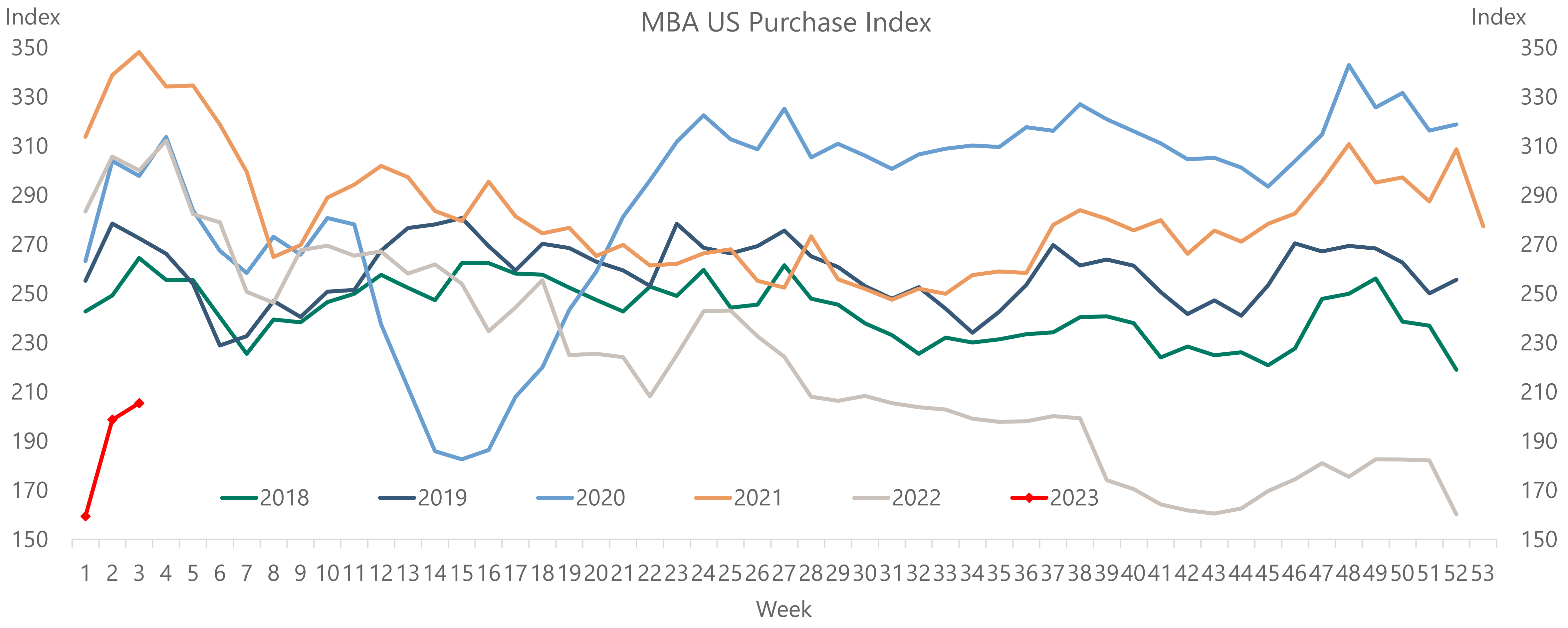
Source: Department of Labor, Bloomberg, Apollo Chief Economist

Some upside risks to jobless claims



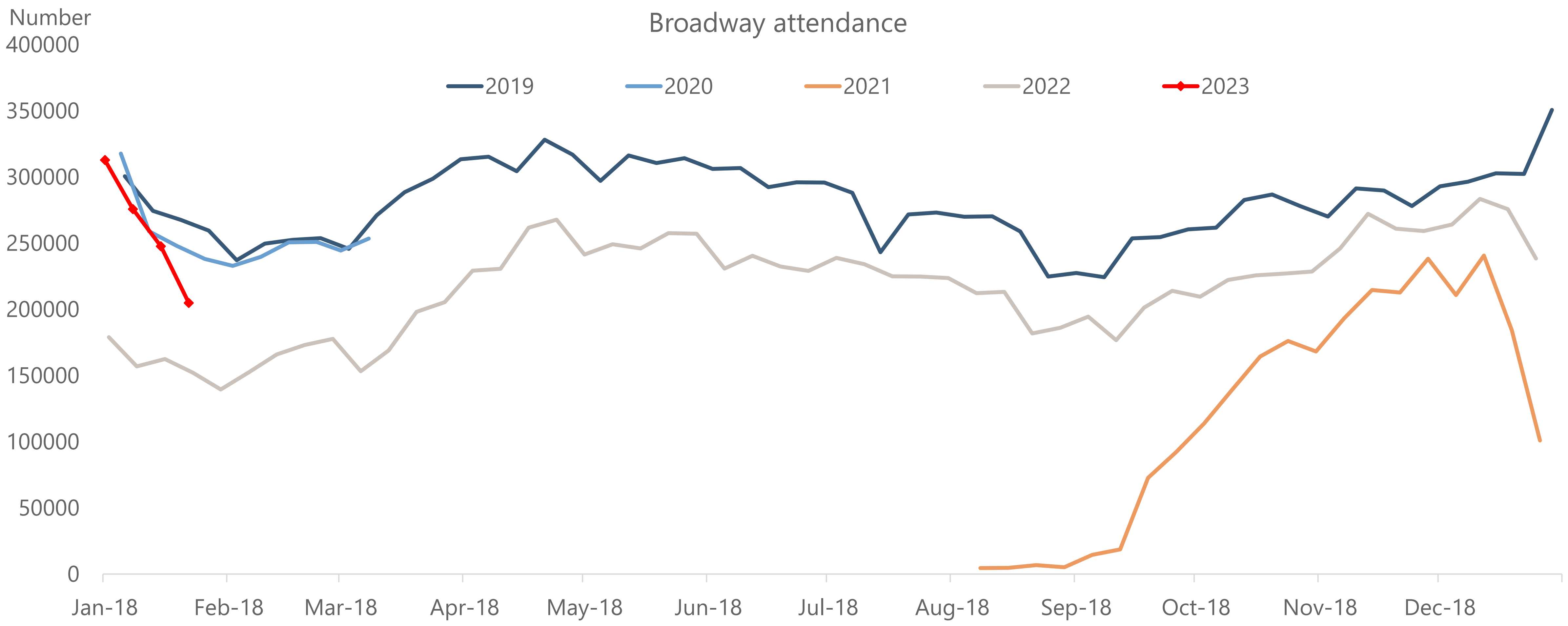
Source: Department of Labor, NFIB, Bloomberg, Apollo Chief Economist

Weekly mortgage purchase applications soft



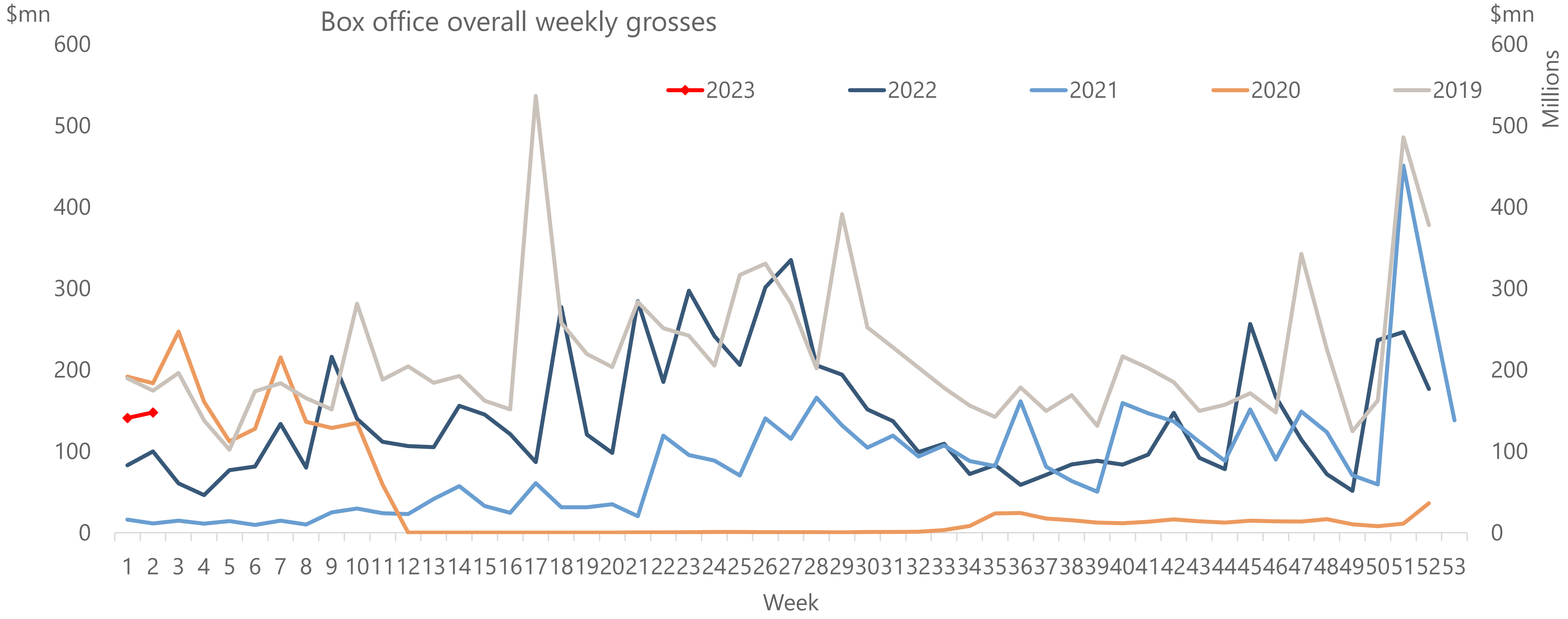
Source: Mortgage Bankers Association, Bloomberg, Apollo Chief Economist

Seasonal decline in the number of people going to Broadway shows



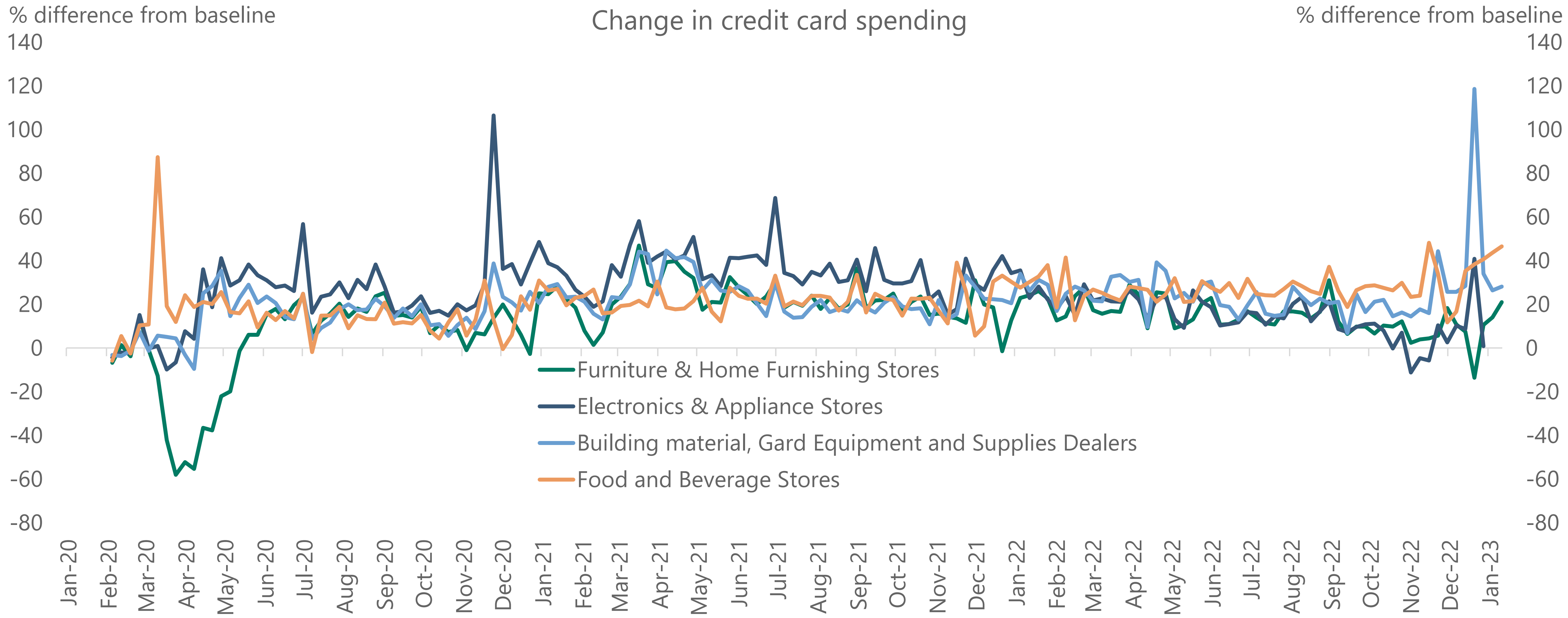
Source: Internet Broadway Database, Apollo Chief Economist

Movie theatre visits at pre-pandemic levels



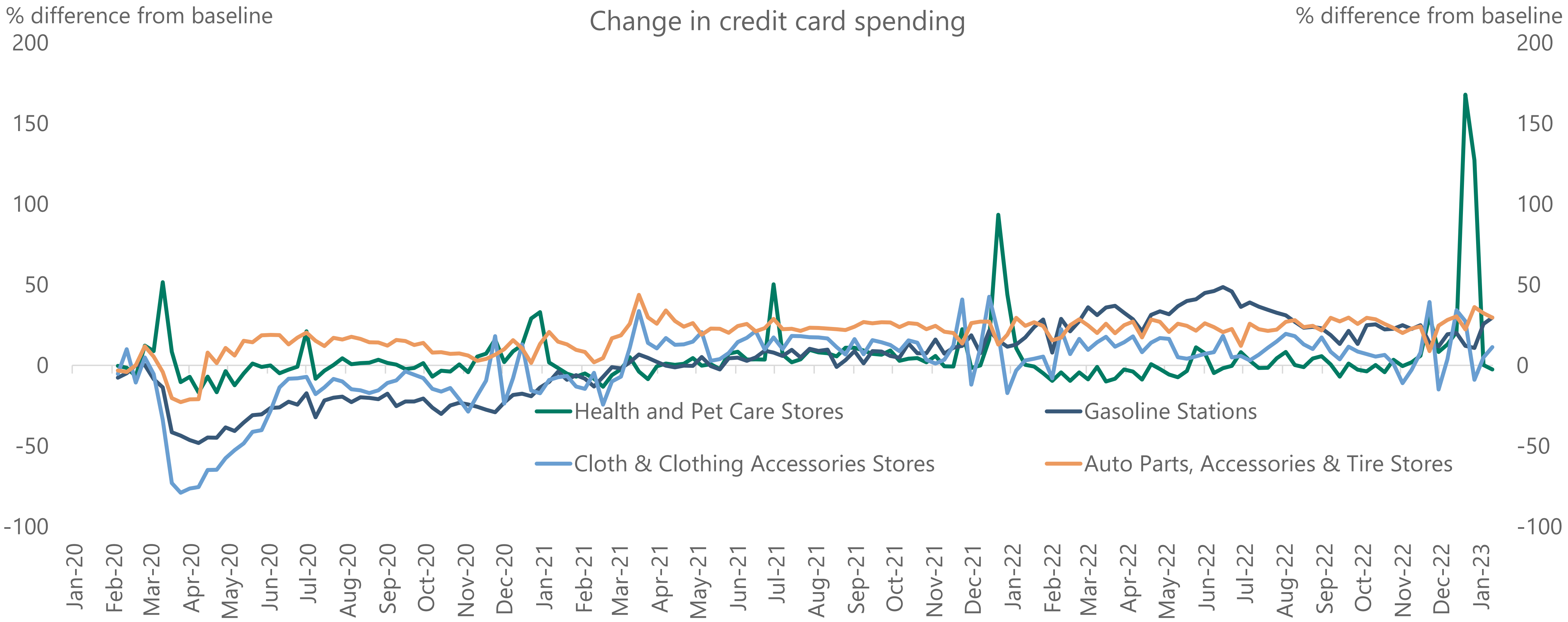
Source: Boxofficemojo.com, Apollo Chief Economist

US consumer still strong, some weakness emerging in furniture sales



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.

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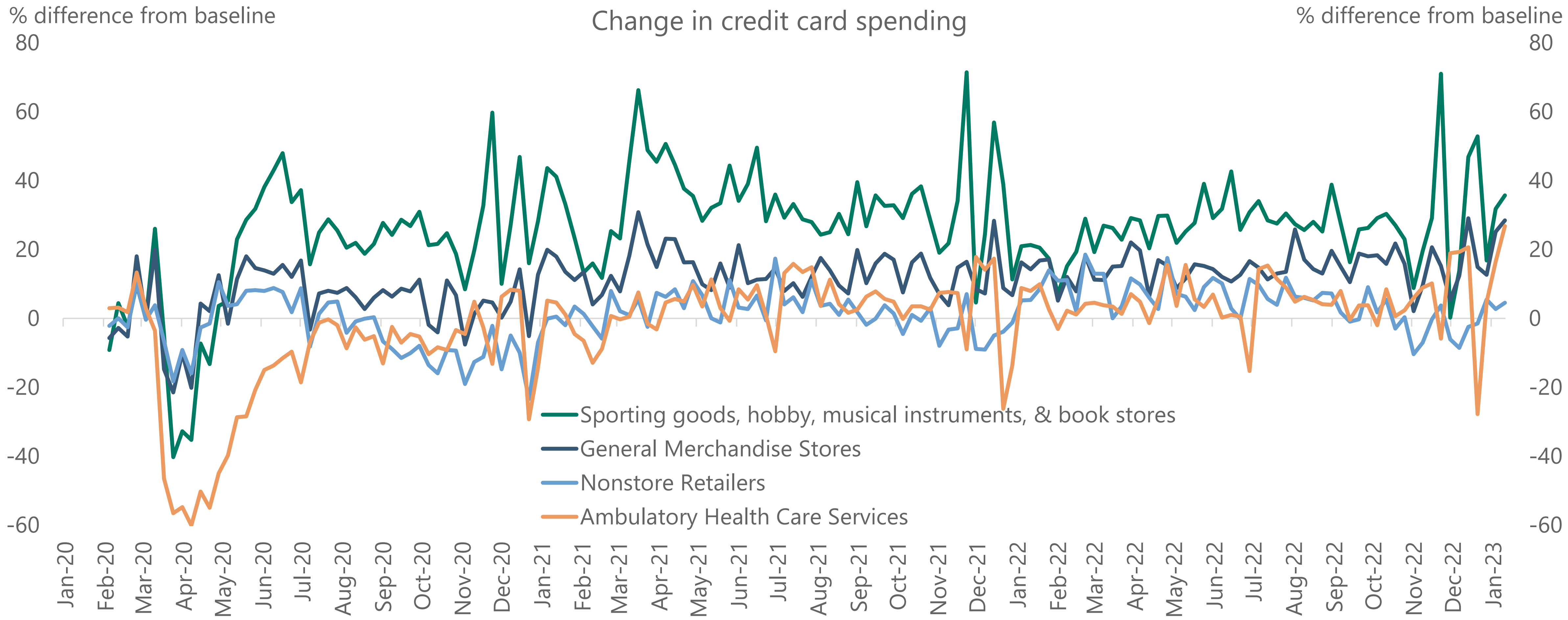

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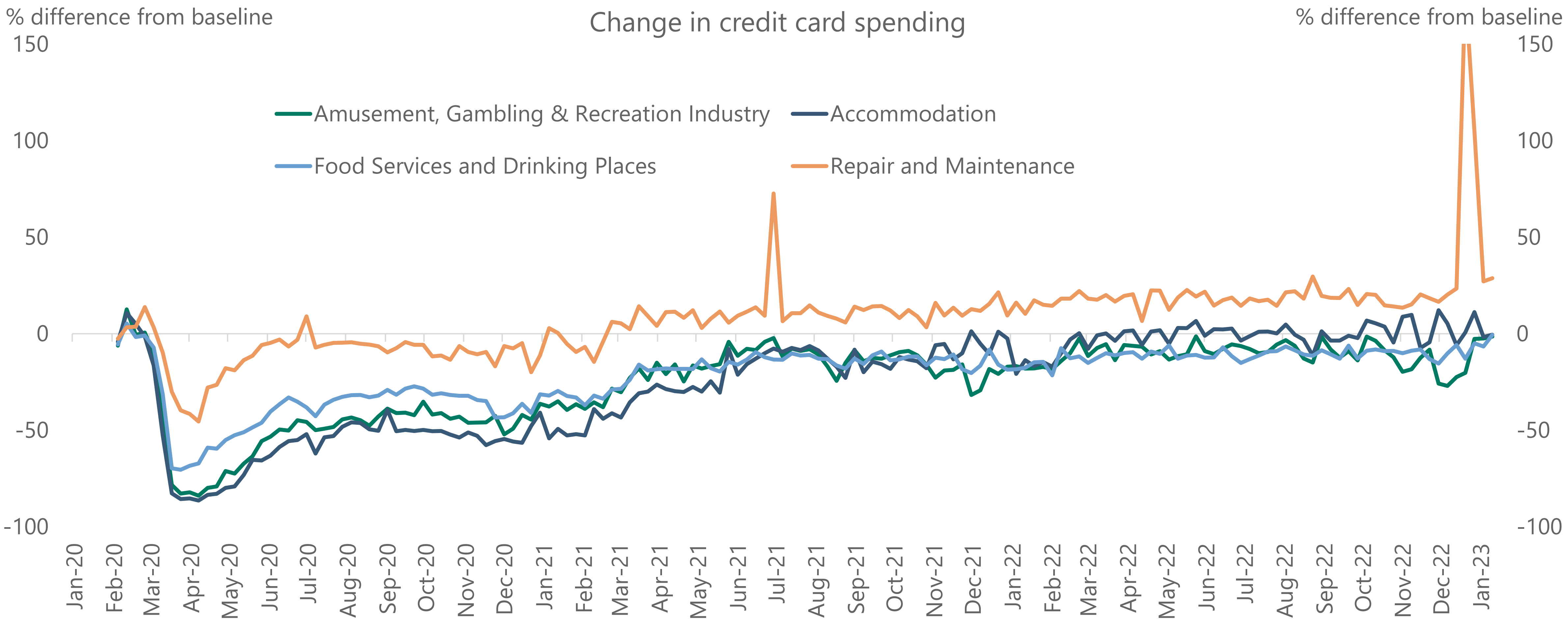
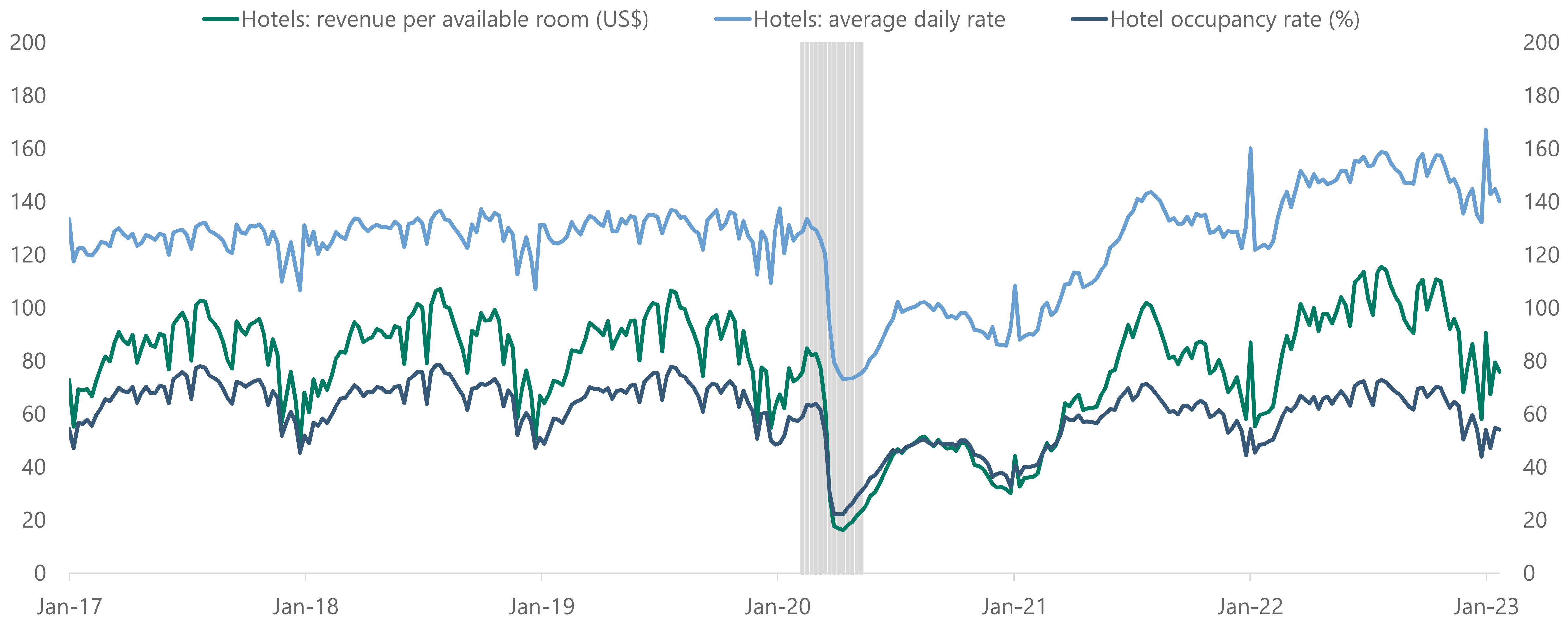


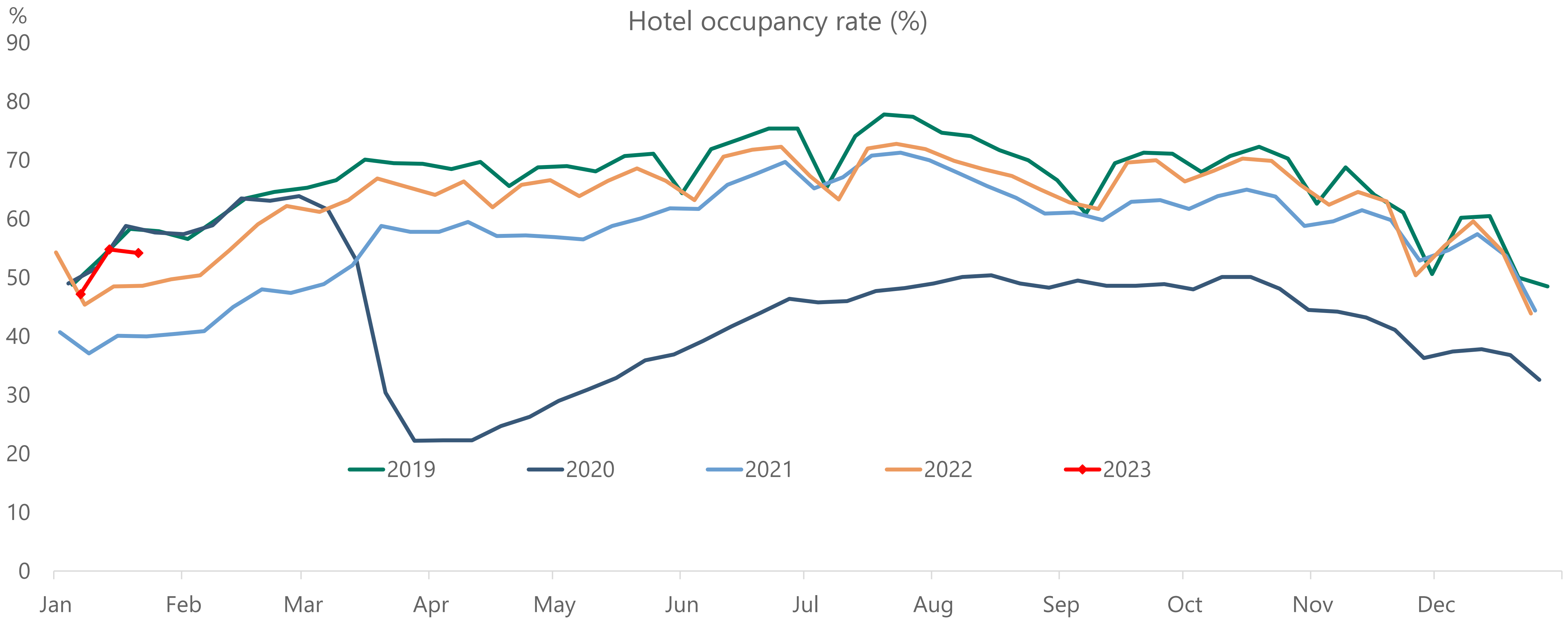
Source: BEA, Haver analytics, Apollo Chief Economist. Note: The weekly values represent the predicted percentage difference from the typical level of spending (prior to the pandemic declared by the World Health Organization on March 11, 2020) after adjusting for day-of-week, month, and year effects,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

Weekly data for hotel demand still strong



Source: STR, Haver Analytics, Apollo Chief Economist

Weekly data for hotel demand still strong



Source: STR, Haver Analytics, Apollo Chief Economist

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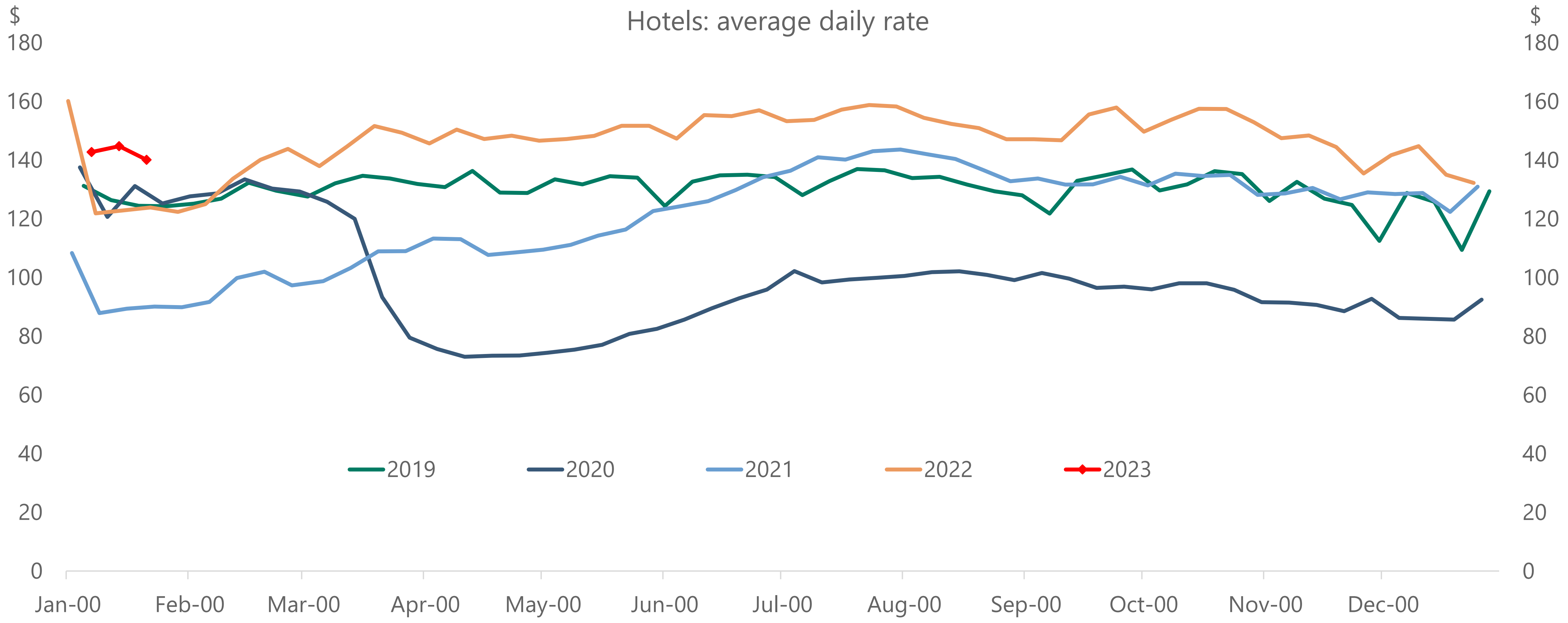
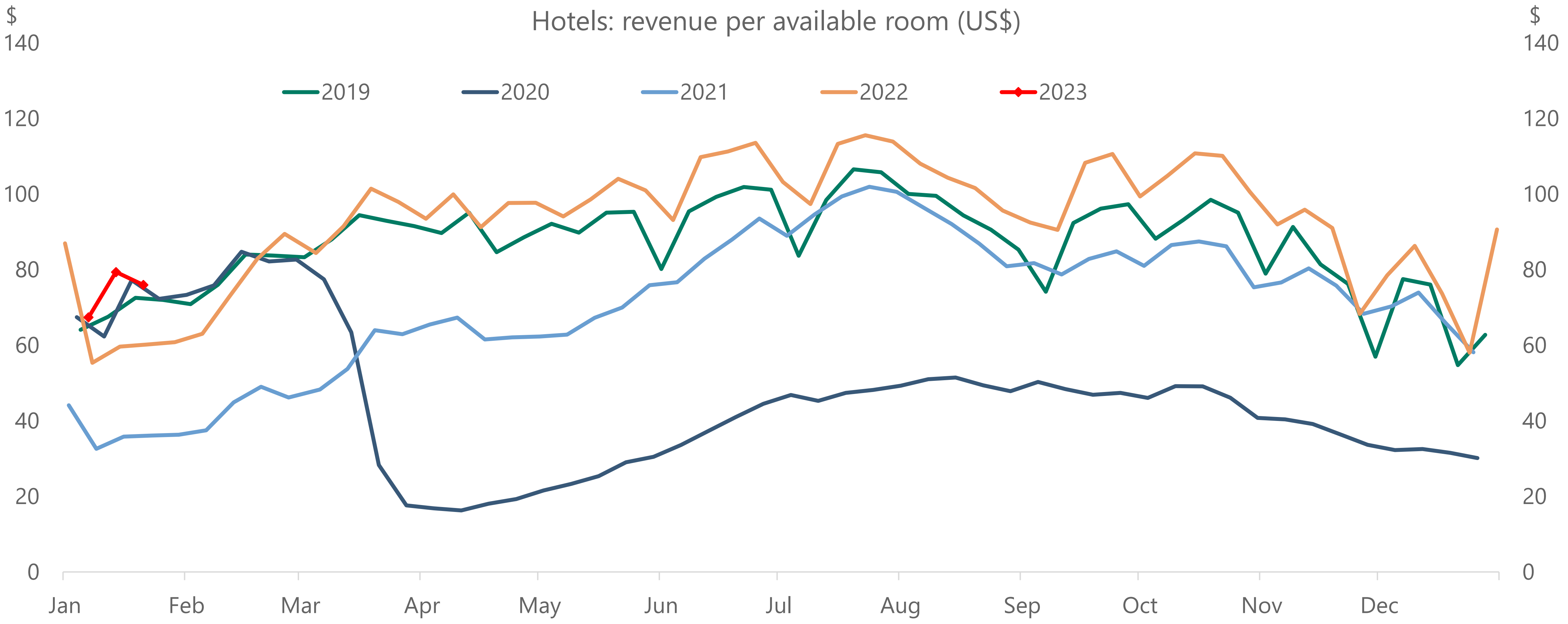


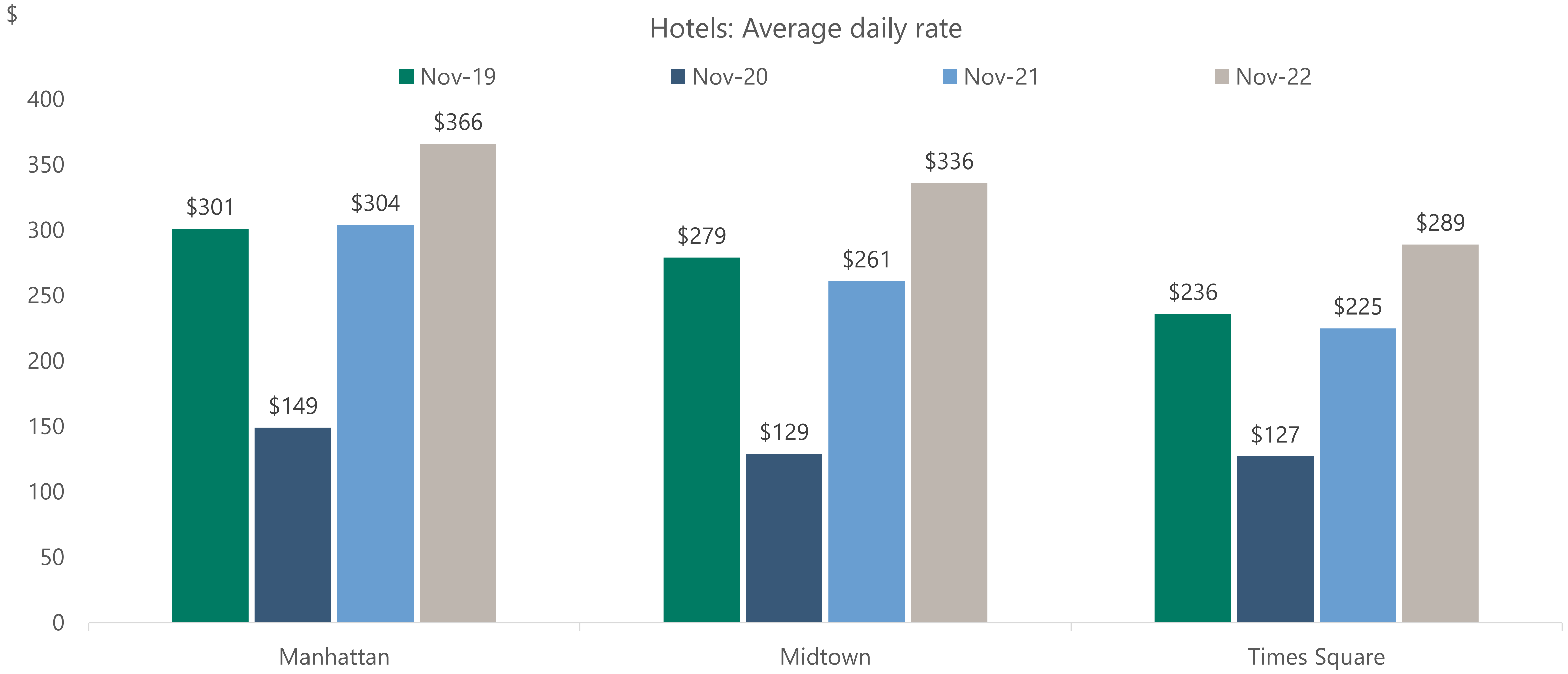
Source: STR, Haver Analytics, Apollo Chief Economist

Weekly data for hotel demand still strong



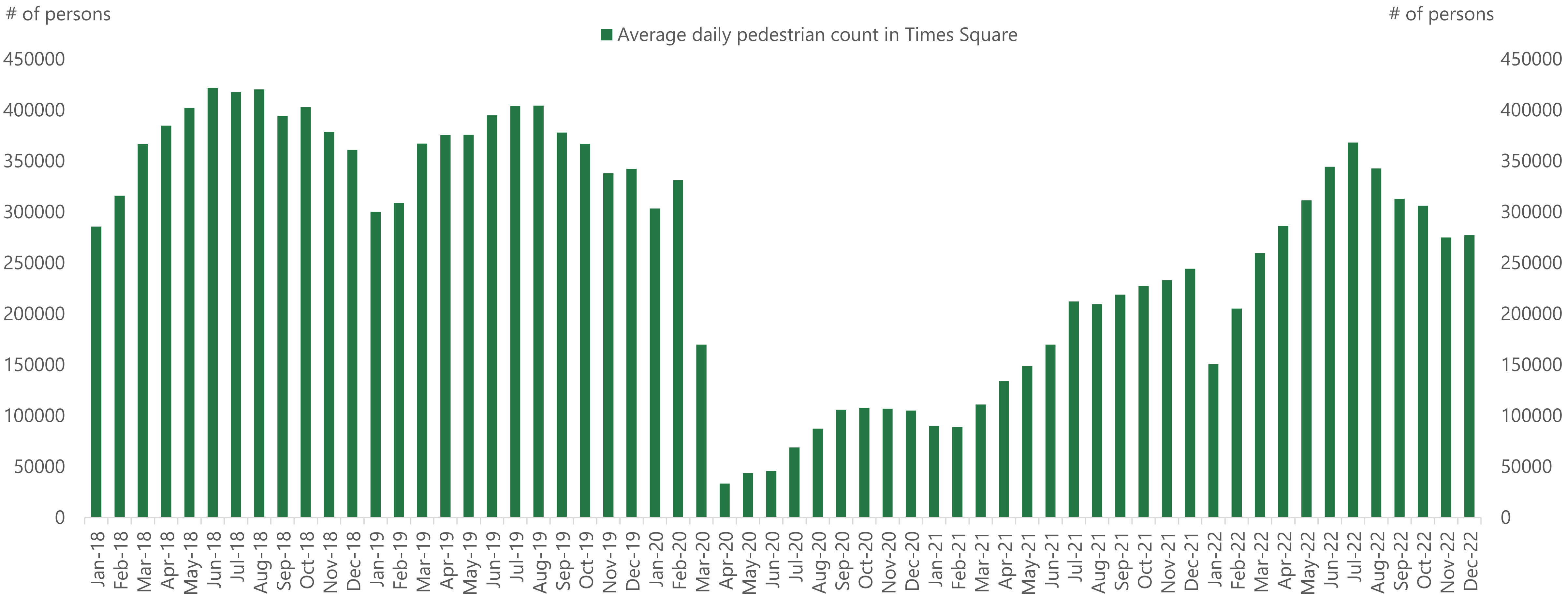
Source: STR, Haver Analytics, Apollo Chief Economist

Hotel prices are now above pre-pandemic levels



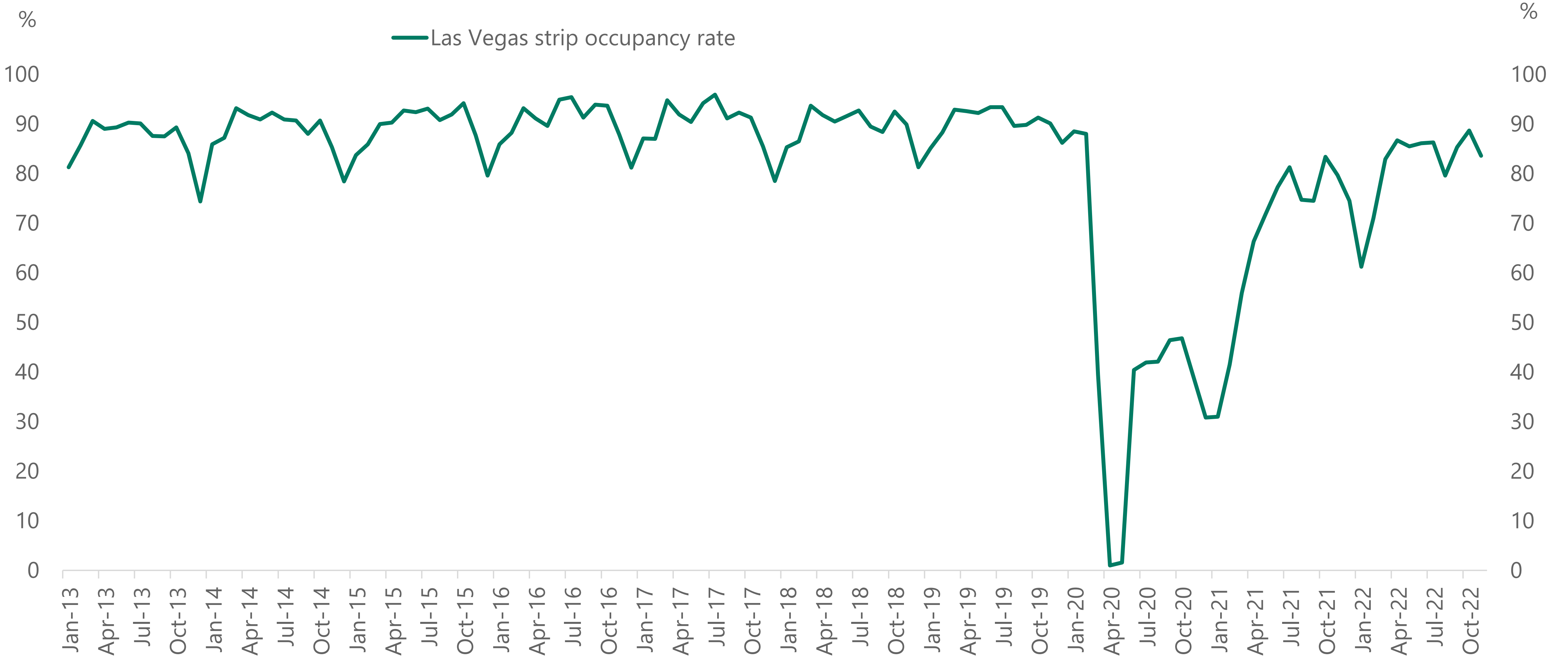
Source: Timessquarenyc.org, Apollo Chief Economist

Average daily pedestrian count in Times Square back at pre-pandemic levels



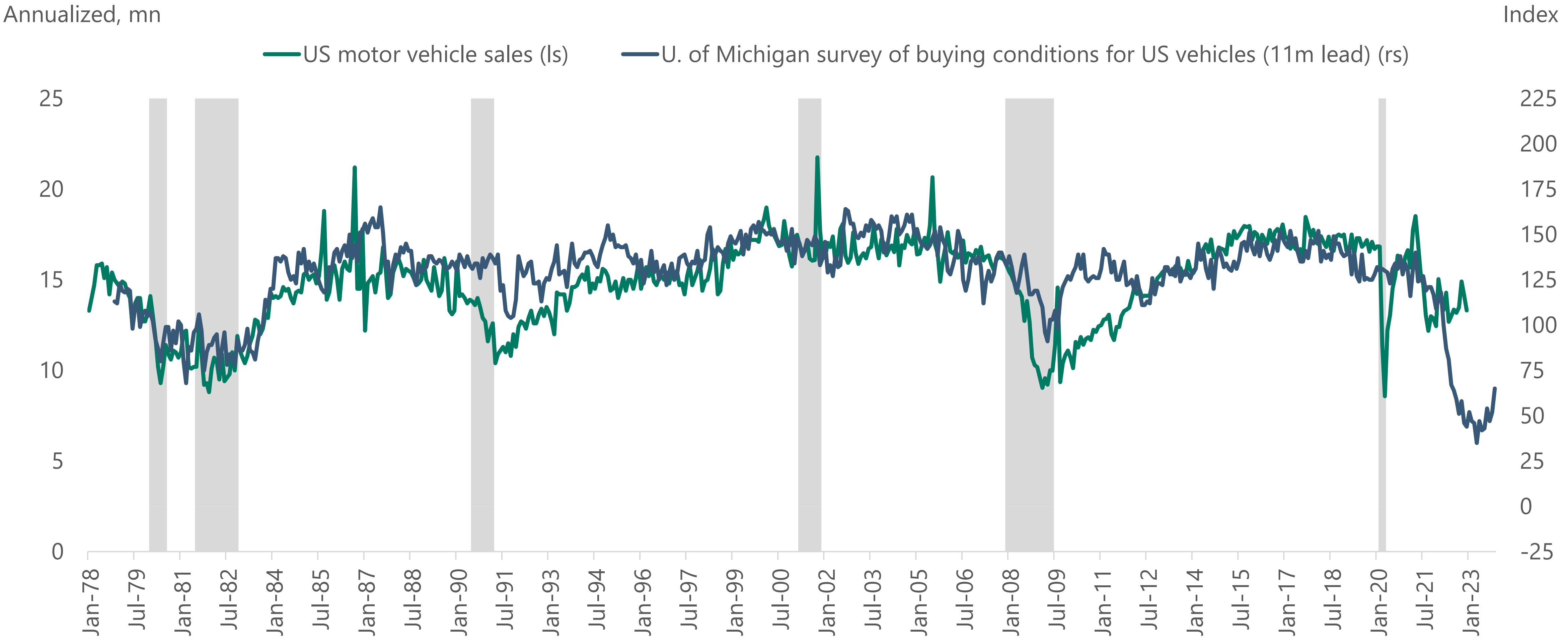
Source: Timessquare.com, Apollo Chief Economist

Las Vegas occupancy rate at pre-pandemic level



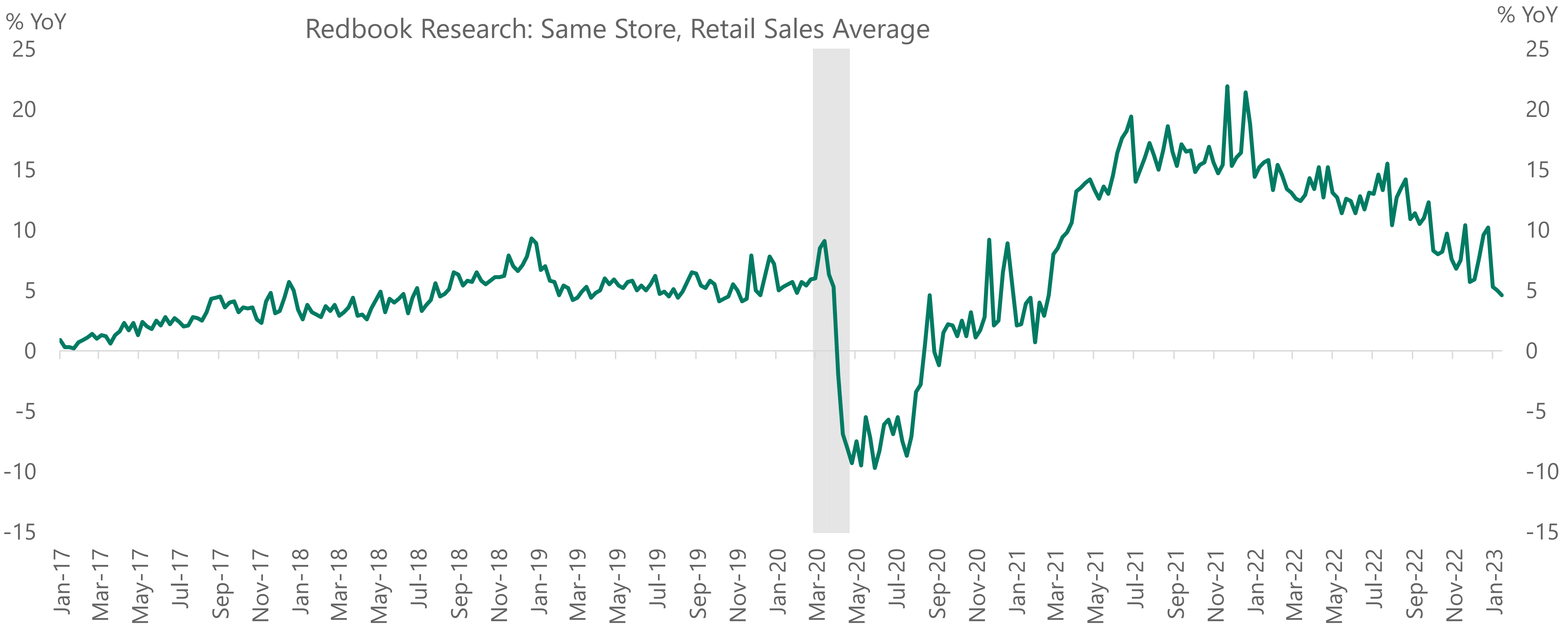
Source: Bloomberg, Apollo Chief Economist

Some downside risks to US car sales but sentiment is turning more positive



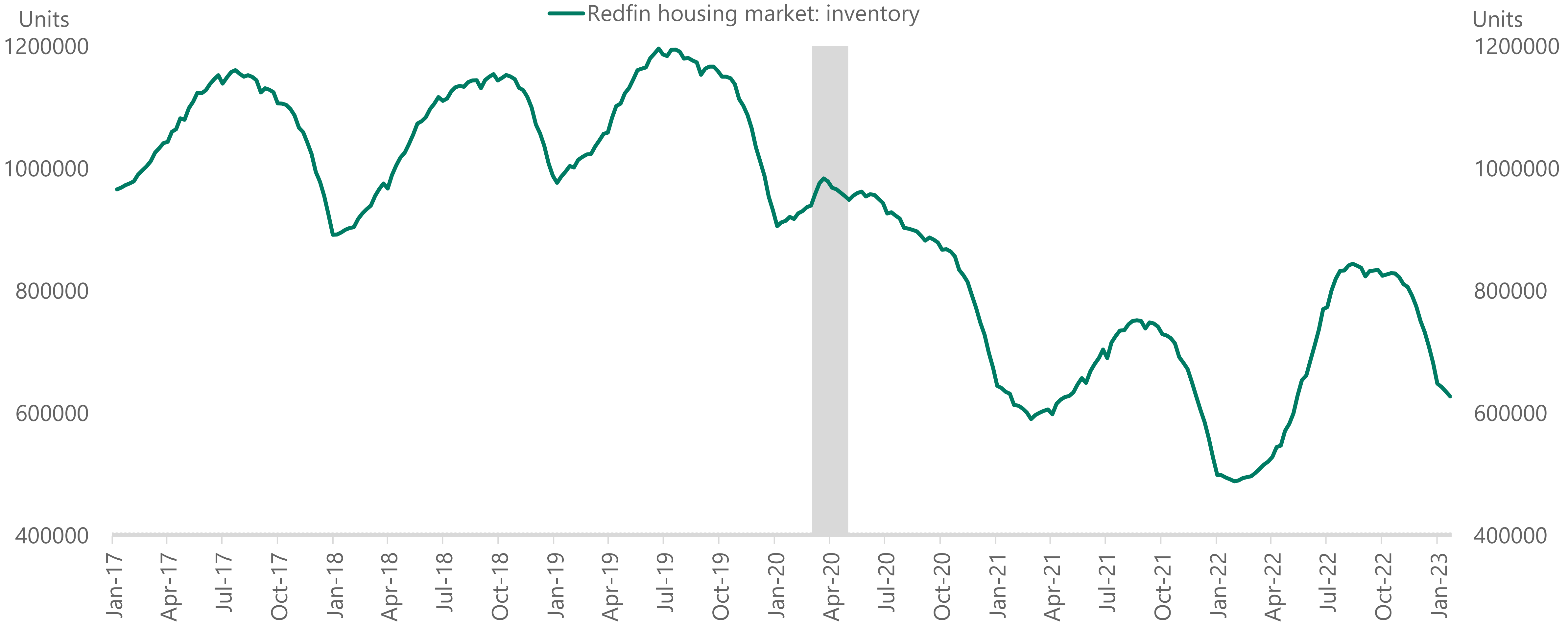
Source: Bloomberg, Apollo Chief Economist

Same-store retail sales slowing down gradually



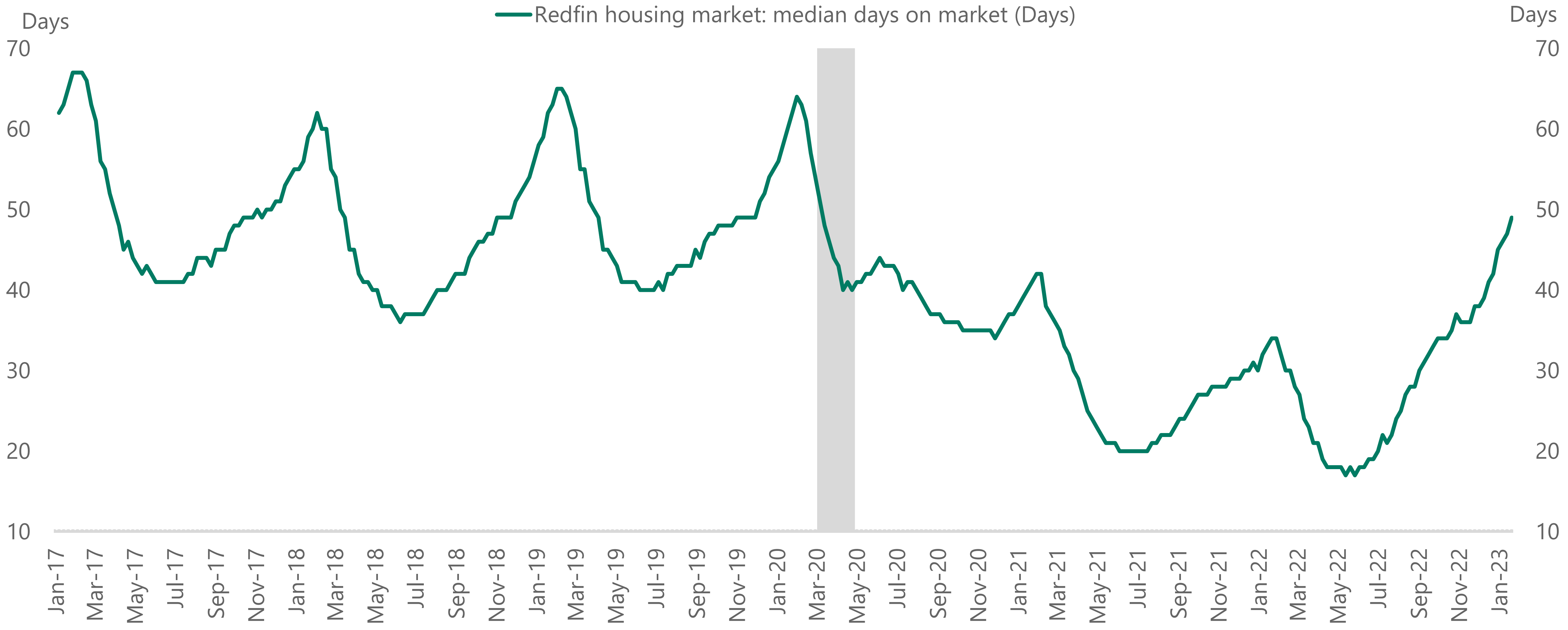
Source: Redbook, Haver Analytics, Apollo Chief Economist

Weekly housing inventory declining



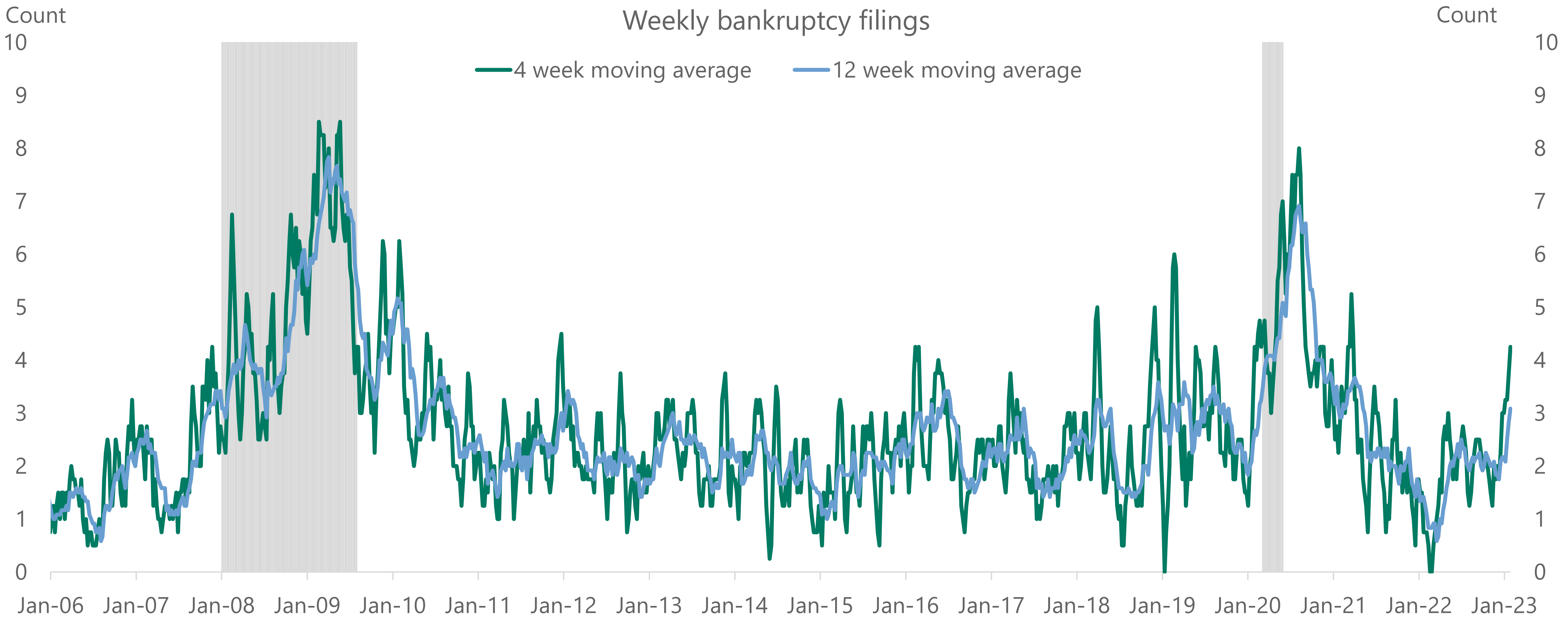
Source: Redfin, Haver, Apollo Chief Economist

Homes typically sold in 49 days compared to 61 days before pandemic



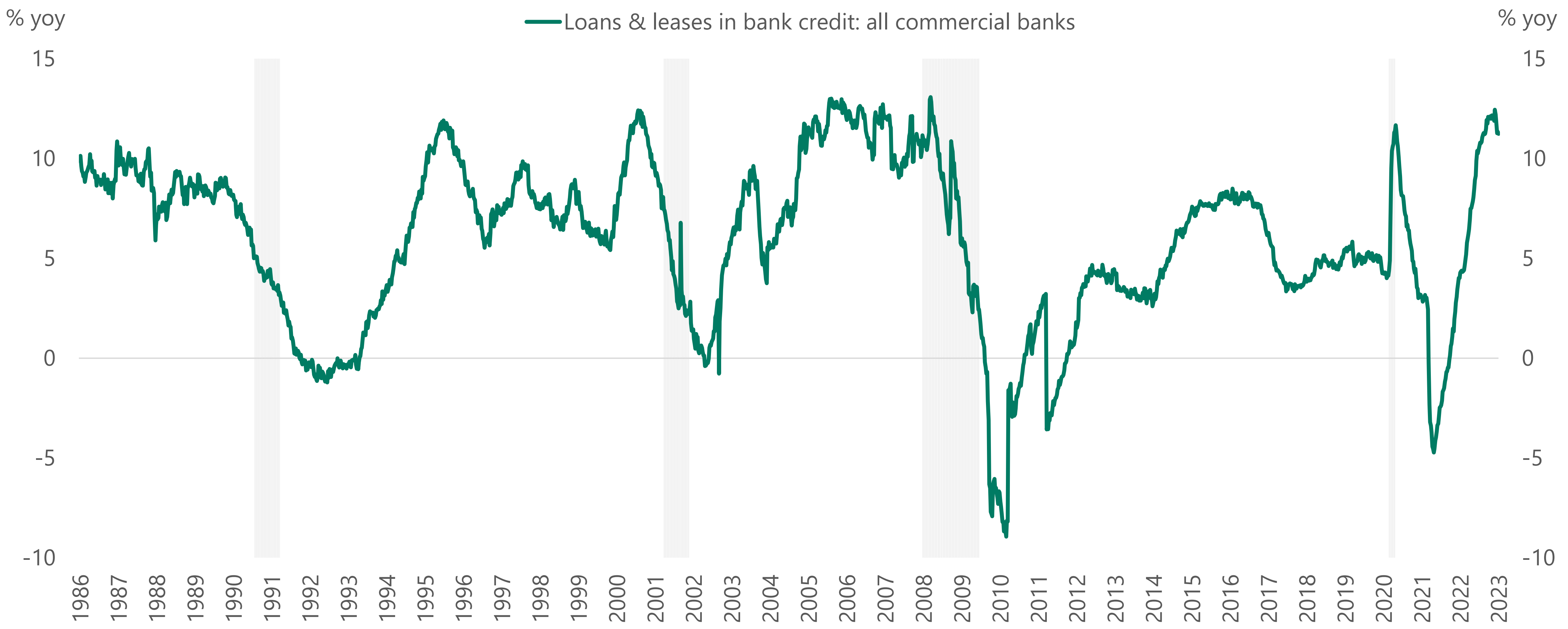
Source: Redfin, Haver, Apollo Chief Economist

Weekly bankruptcy filings rising from low levels



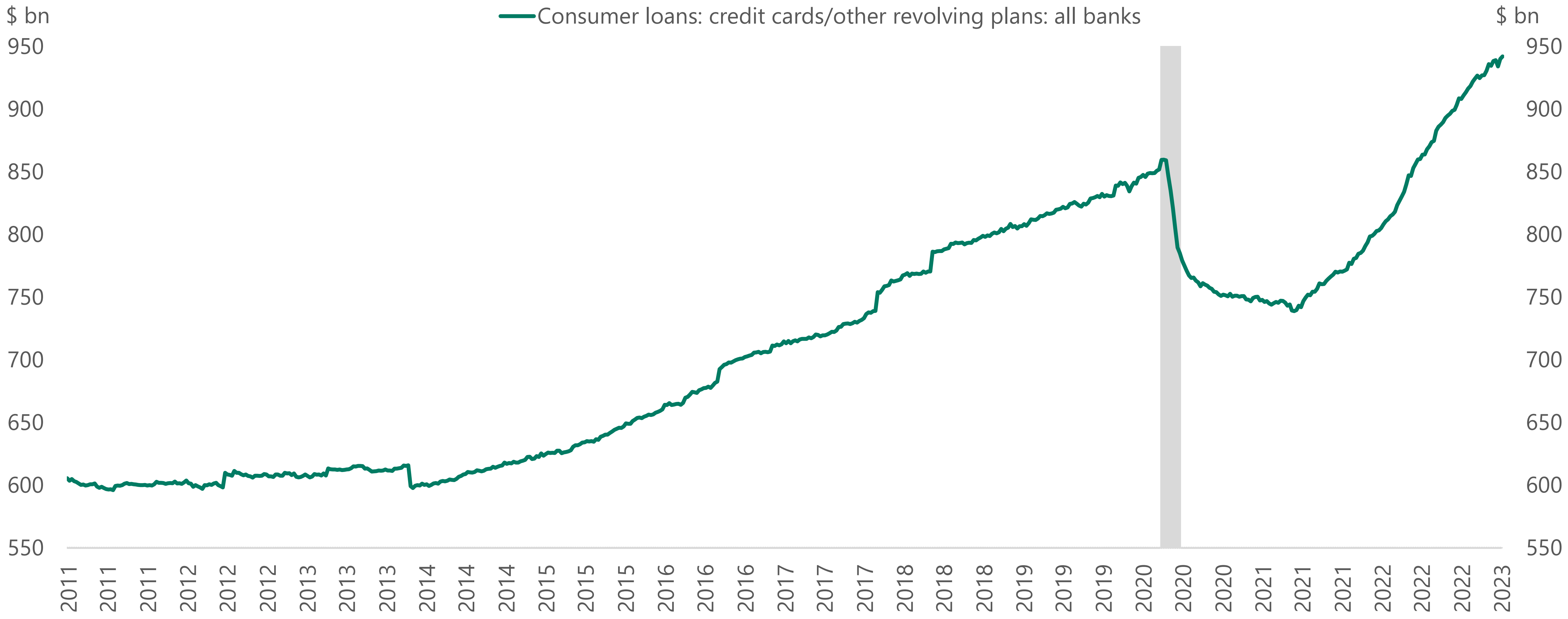
Source: Bloomberg, Apollo Chief Economist. Note: Filings are for companies with more than $50mn in liabilities. For week ending on Thursday 26 Jan

Banks' weekly loan growth still strong



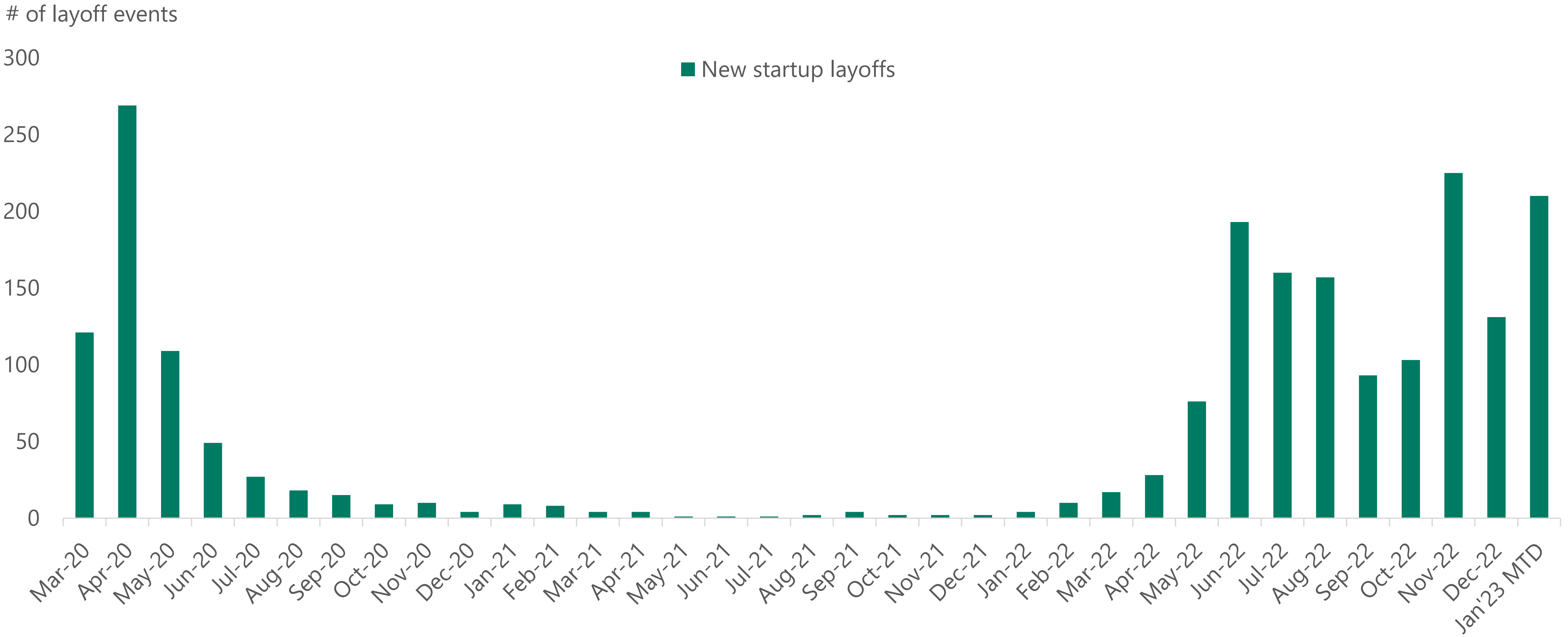
Source: FRB, Haver, Apollo Chief Economist

Weekly credit card debt is rising as the economy re-opens



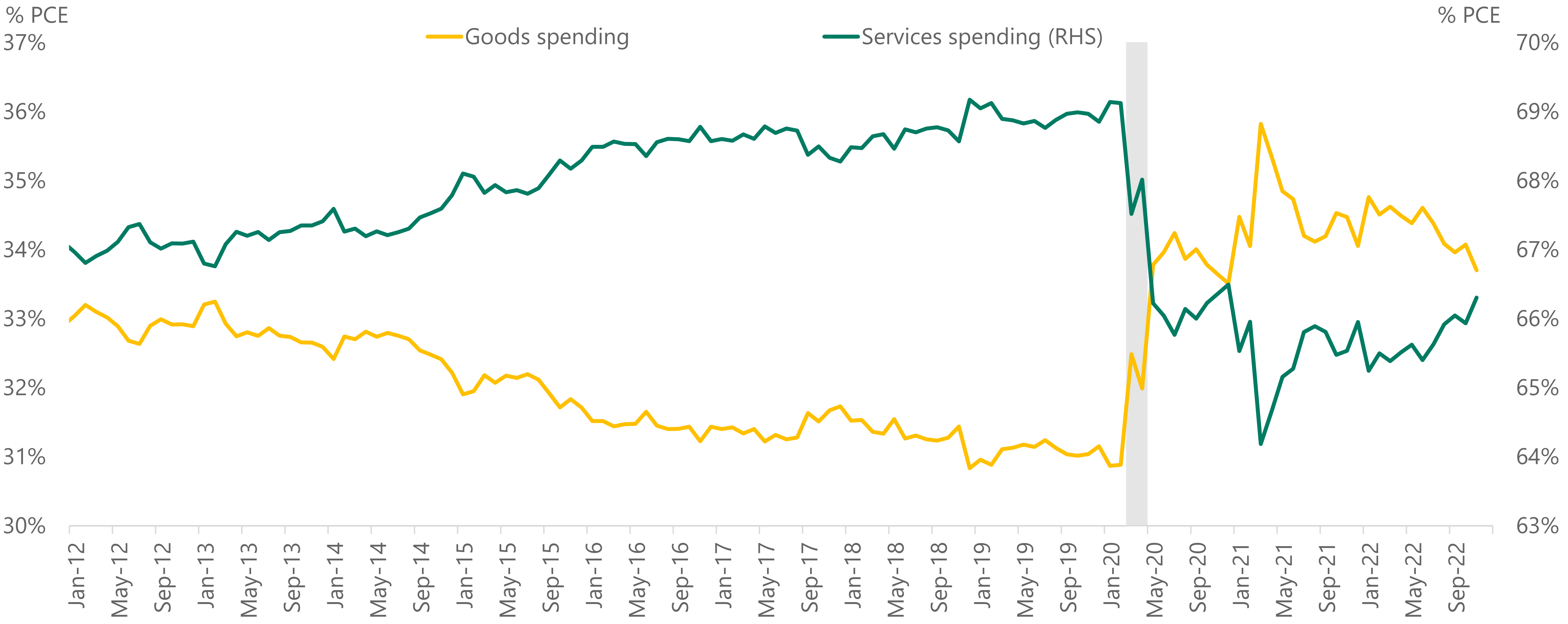
Source: FRB, Haver, Apollo Chief Economist

Layoffs at startups are elevated



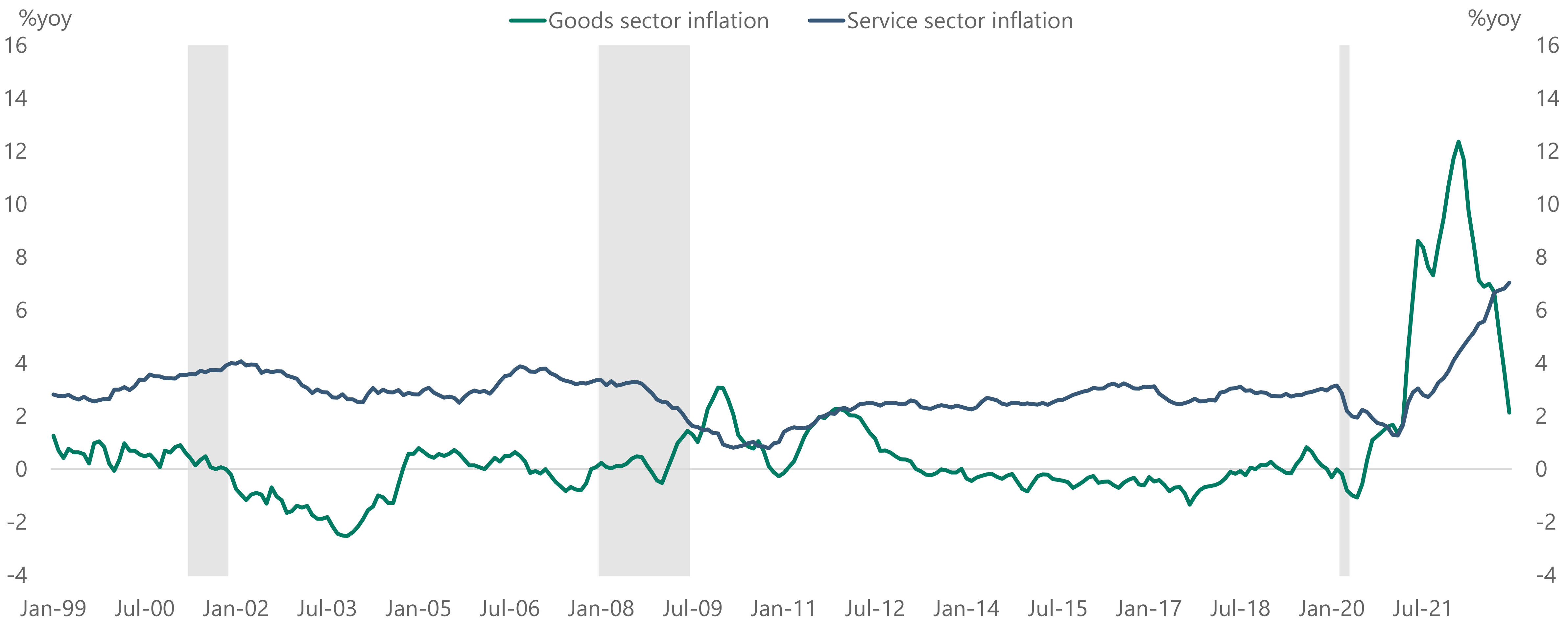
Source: Layoffs.fyi, Apollo Chief Economist. Note: Top 5 sectors that account for layoffs: Transportation, Food, Travel, Finance, and Real Estate.

Shift from goods to services coming in US consumer spending



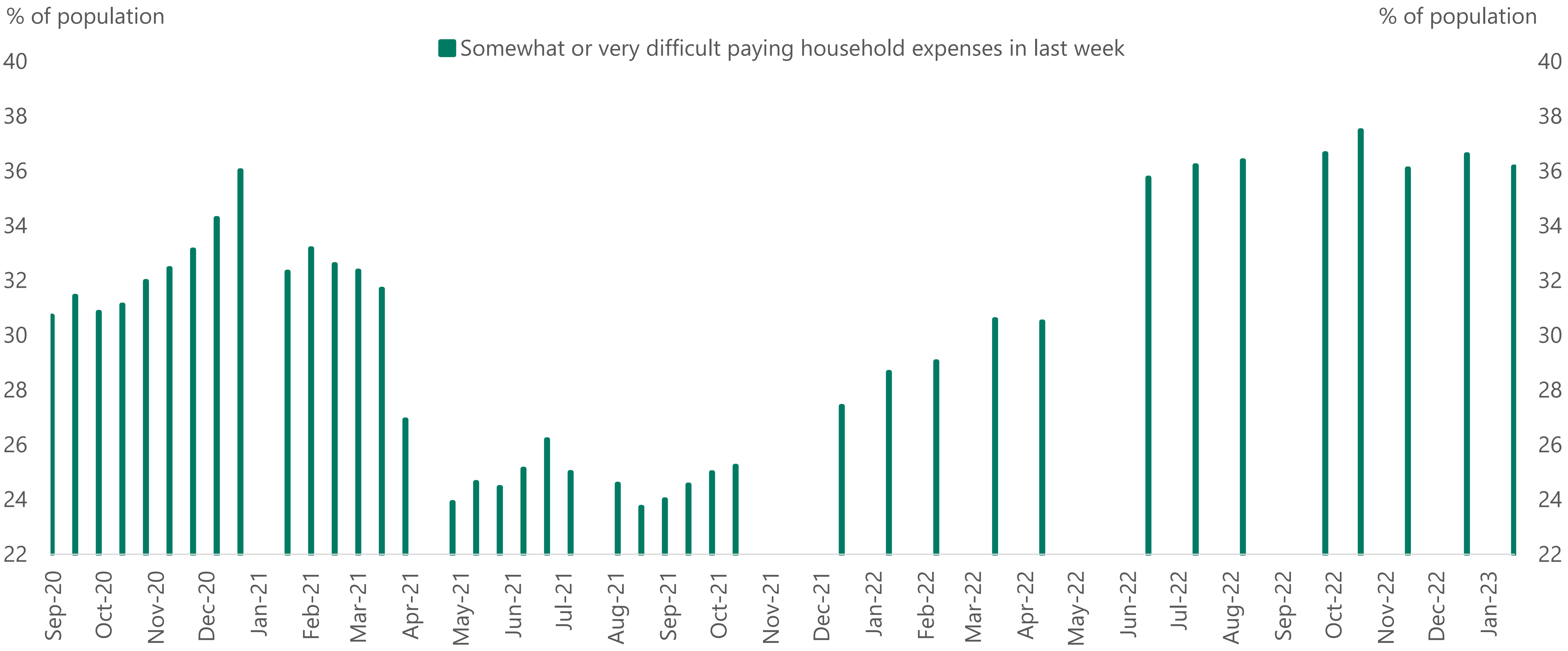
Source: BEA, Haver Analytics, Apollo Chief Economist

Goods sector inflation slowing. Service sector inflation rising



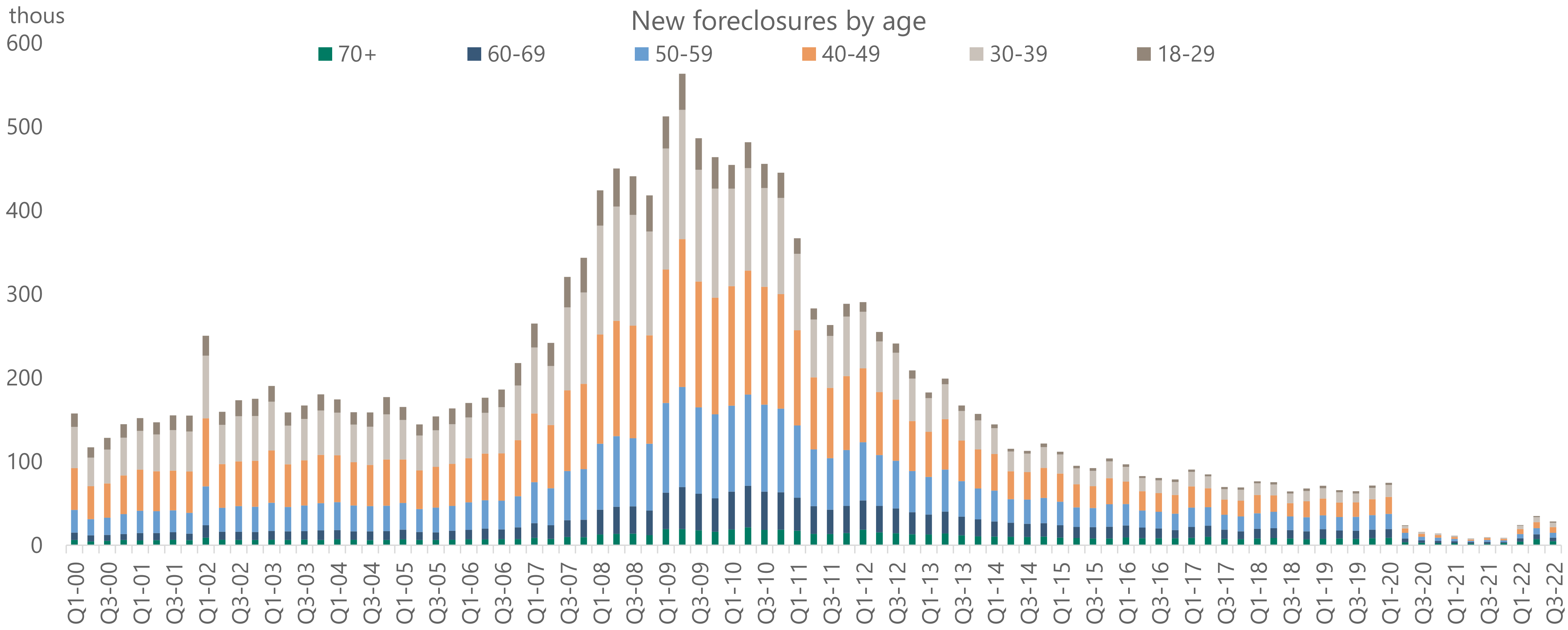
Source: BLS, Haver Analytics, Apollo Chief Economist

More households having difficulties paying expenses



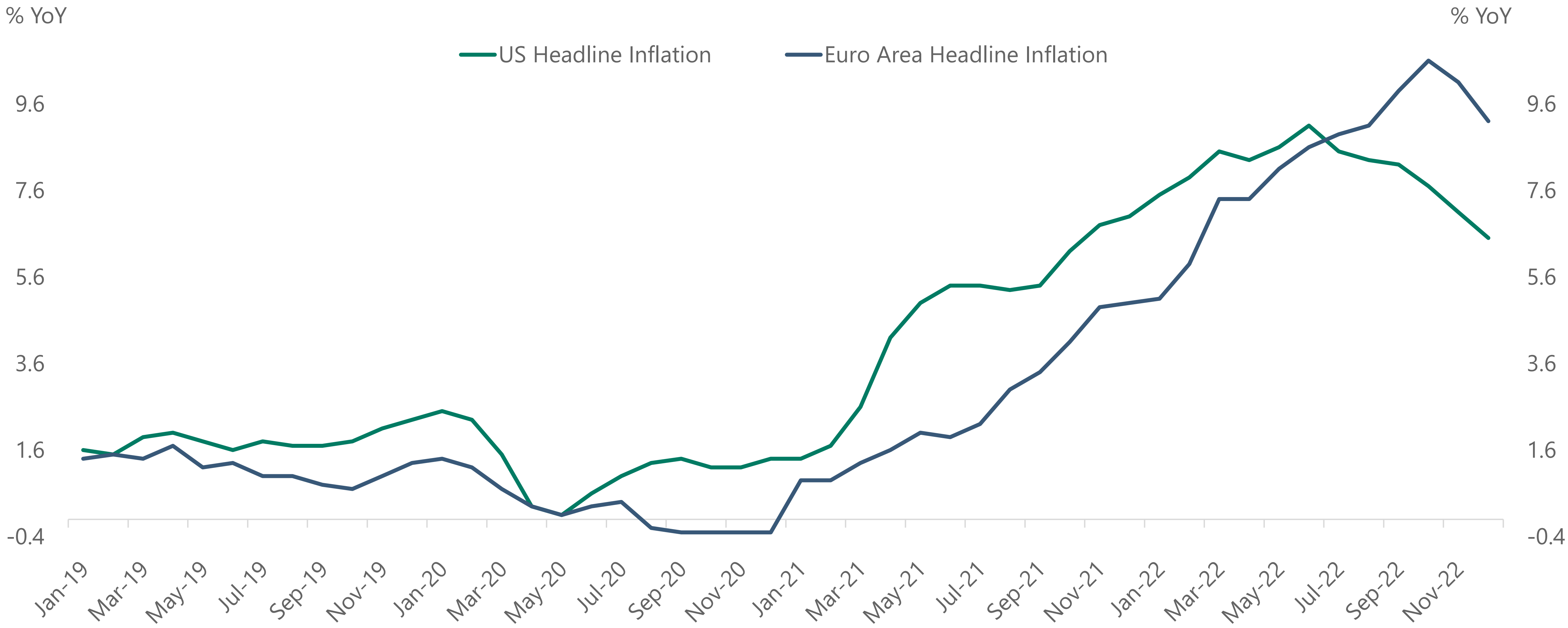
Source: Census Bureau, Apollo Chief Economist (Note: Household Pulse Survey)

New foreclosures starting to move up a bit



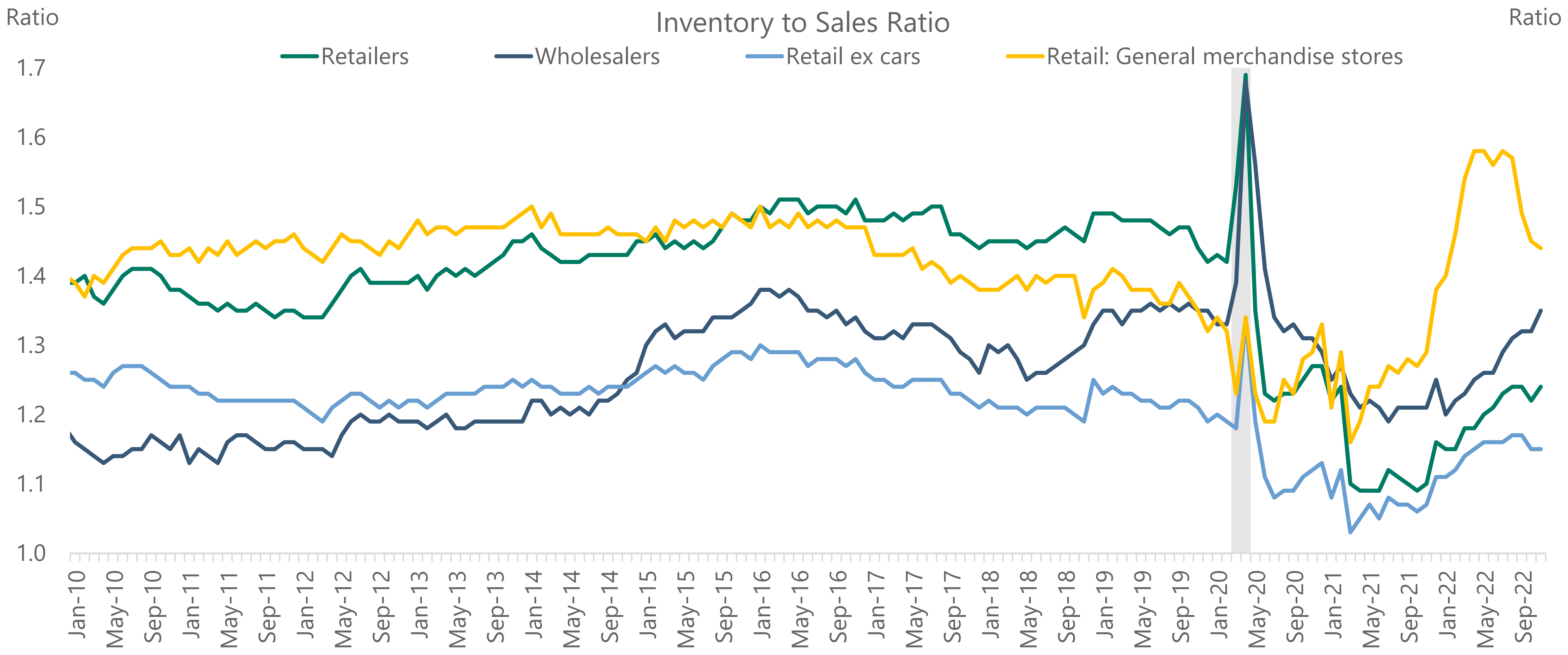
Source: FRBNY Consumer Credit Panel, Equifax, Haver Analytics, Apollo Chief Economist

Inflation has peaked both in the US and Europe



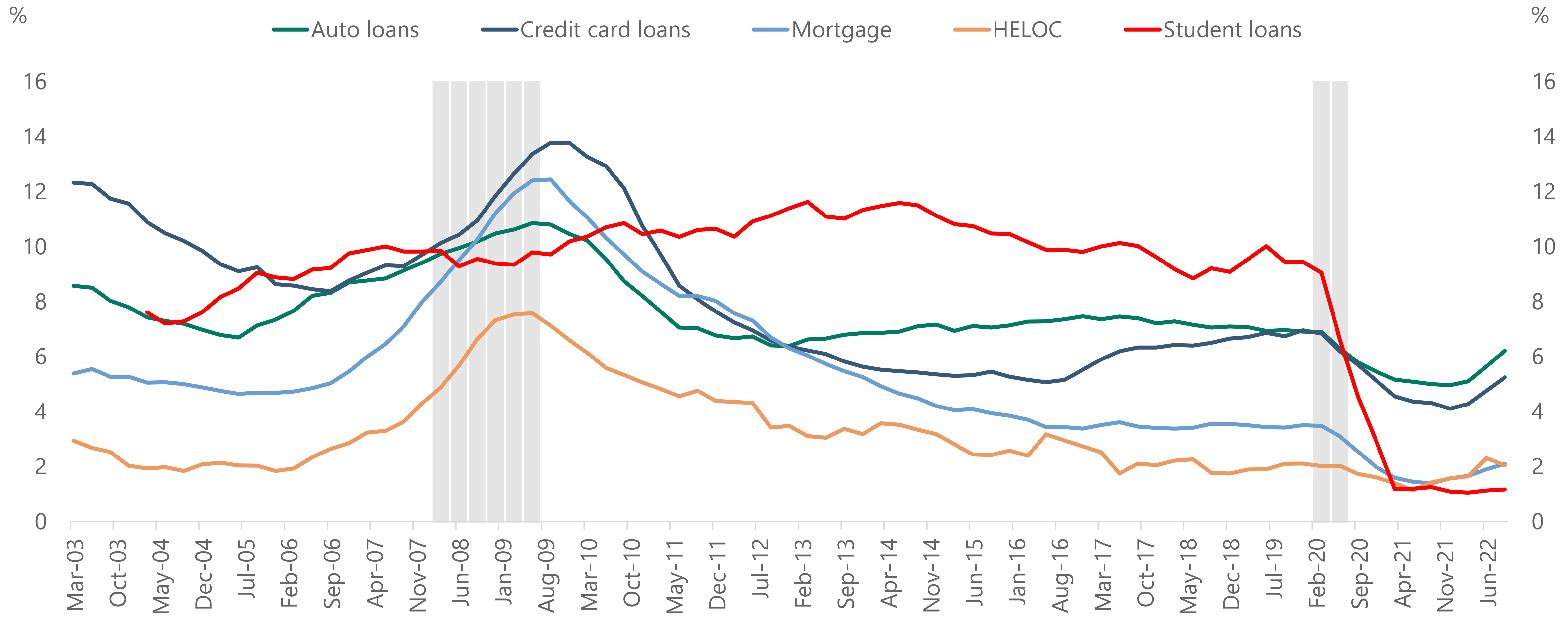
Source: Bloomberg, Apollo Chief Economist

Inventory to sales ratio for general merchandise stores falling



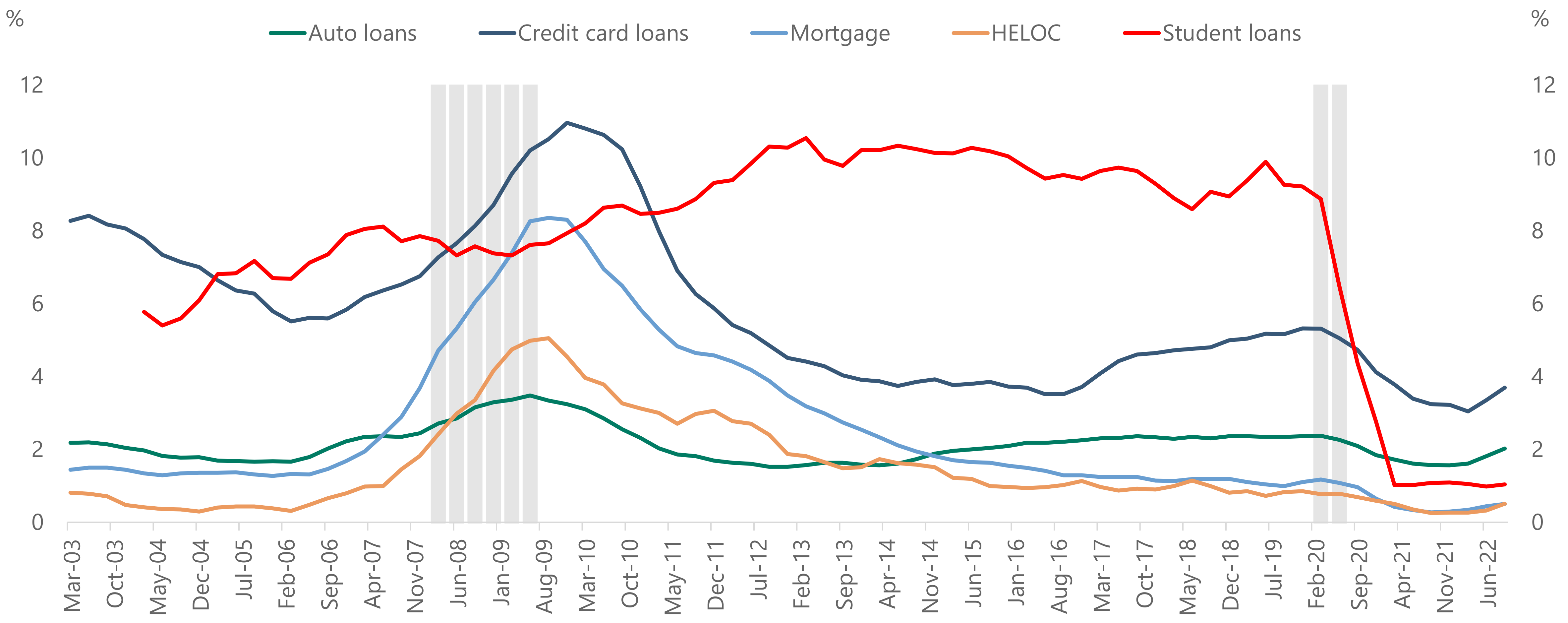
Source: Census, Haver Analytics, Apollo Chief Economist

New delinquent (+30 days) balances by loan type, % of current balance



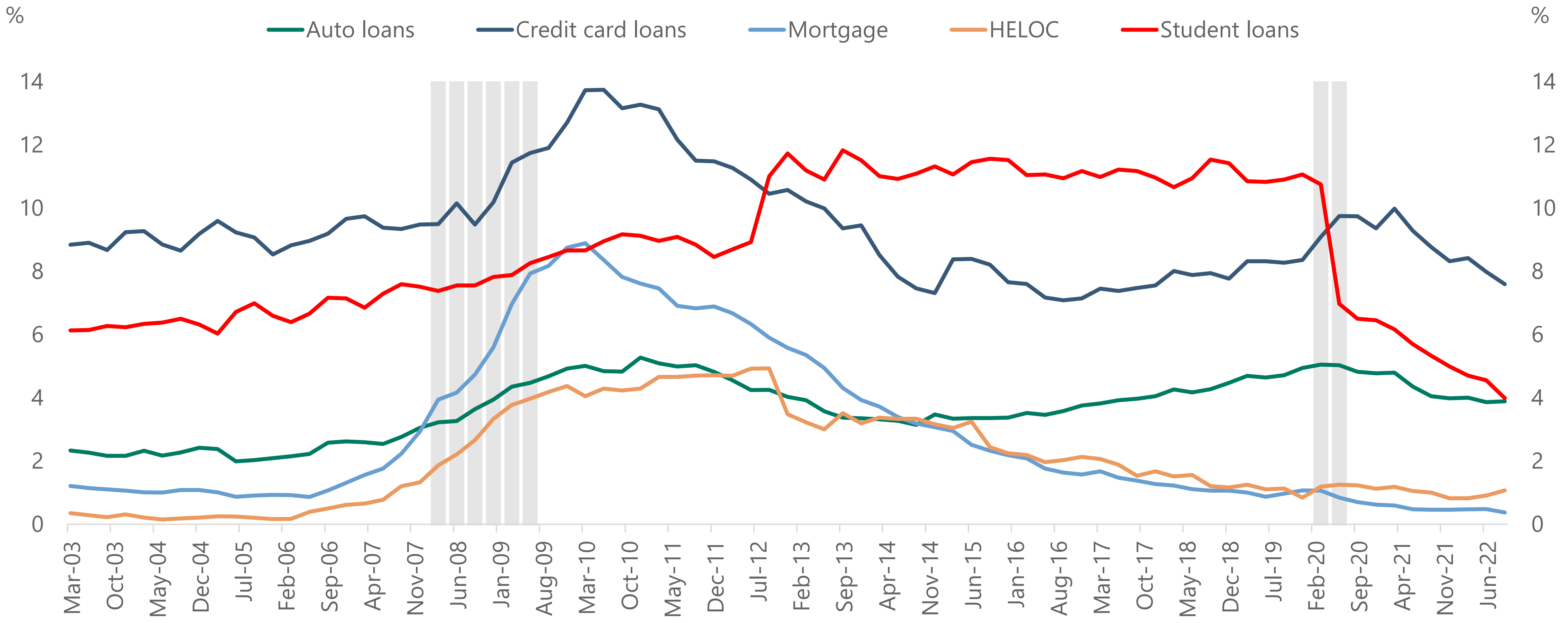
Source: FRBNY, Haver, Apollo Chief Economist

New seriously delinquent (+90 days) balances by loan type, % of current balance



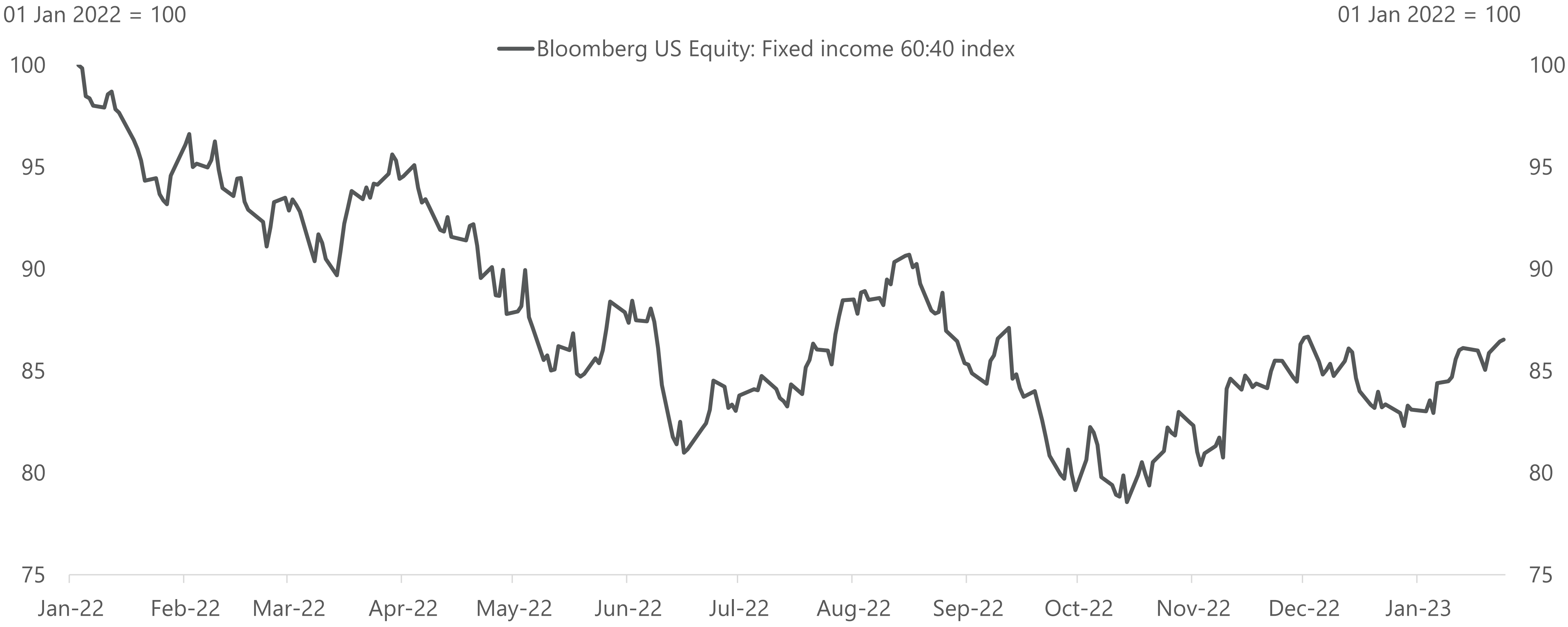
Source: FRBNY, Haver, Apollo Chief Economist

Percent of balance +90 days delinquent by loan type, in %



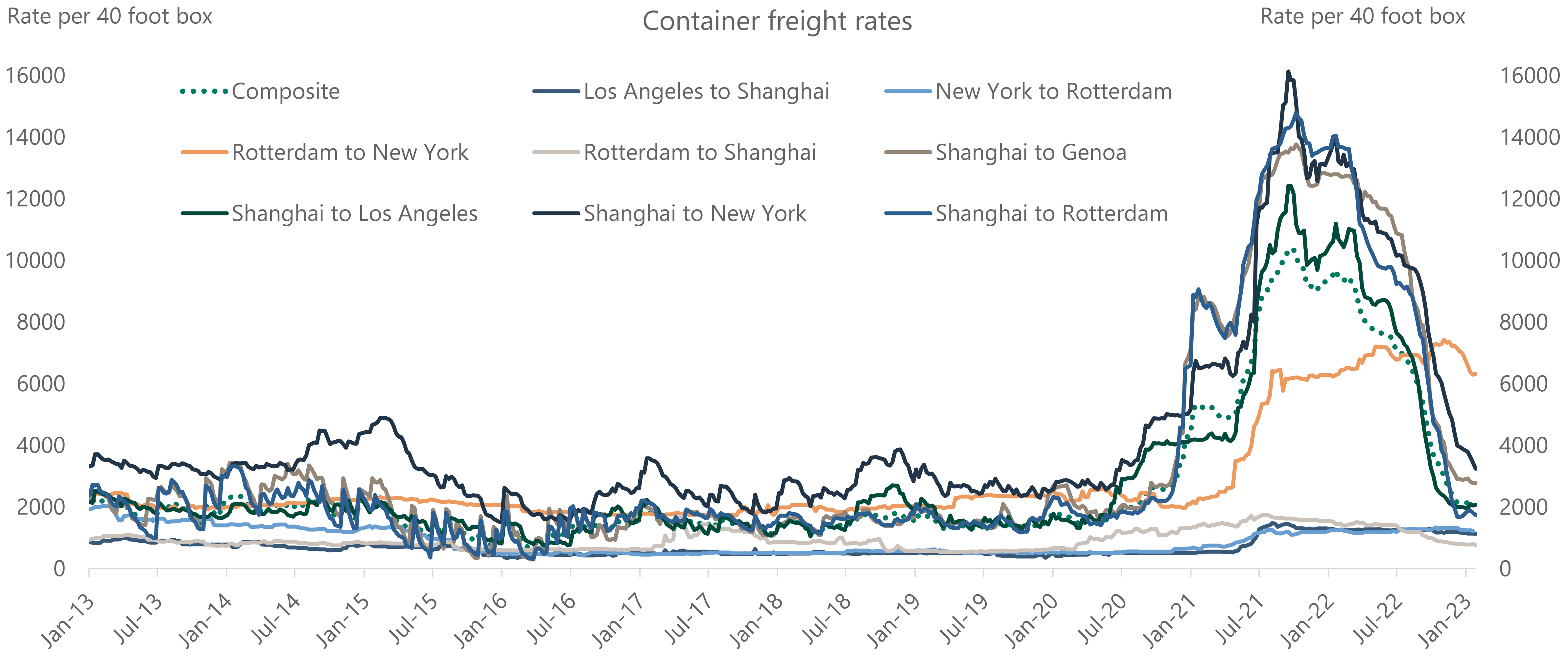
Source: FRBNY, Haver, Apollo Chief Economist

60/40 portfolio down 13%



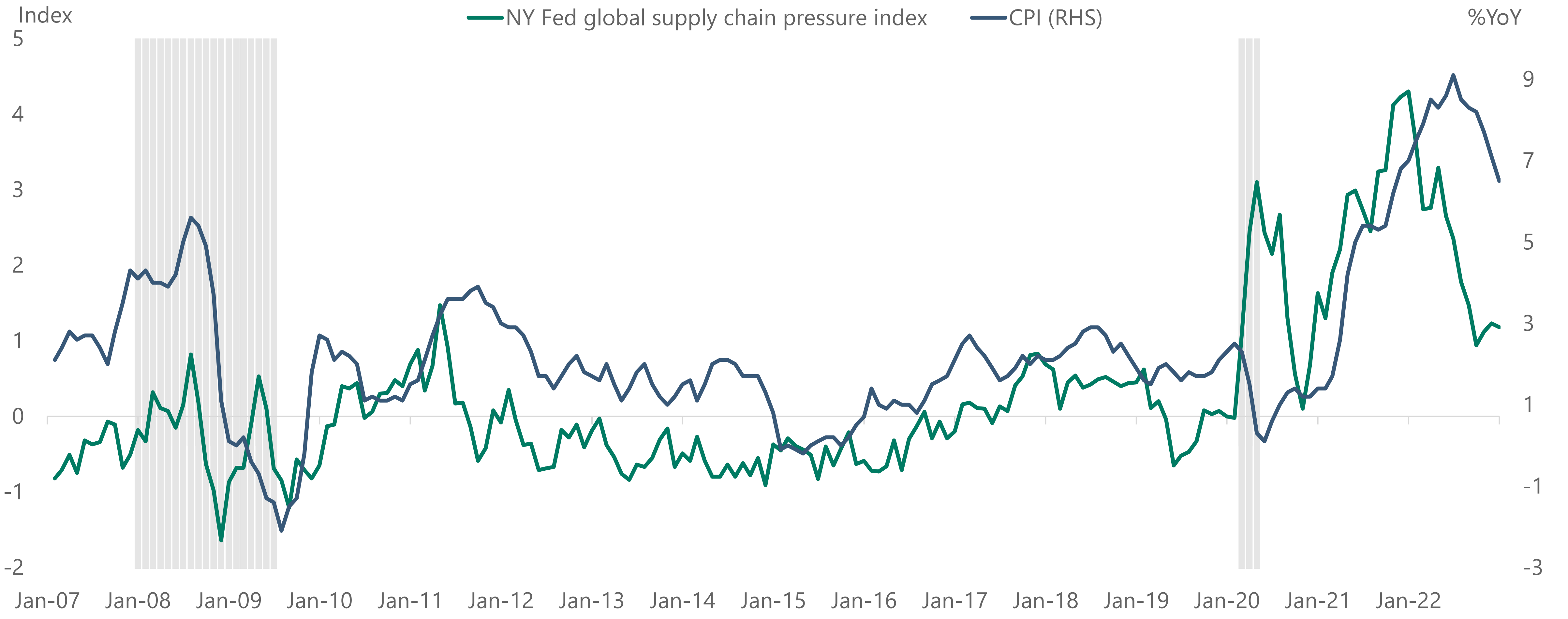
Source: Bloomberg, Apollo Chief Economist. The Bloomberg US BMA6040 Index rebalances monthly to 60% equities and 40% fixed income.

Container freight rates falling. Goods inflation pressures are easing



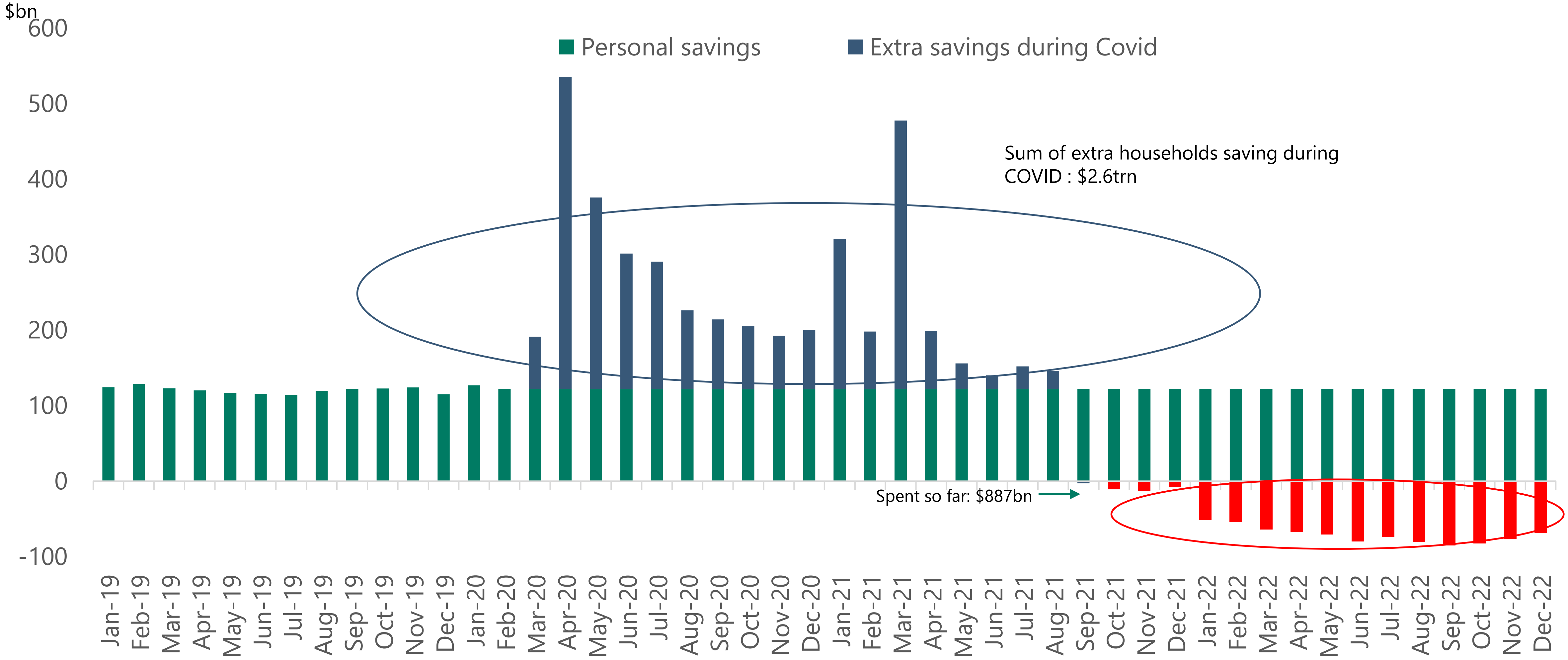
Source: WCI, Bloomberg, Apollo Chief Economist

Supply chain improvements putting downward pressure on goods inflation



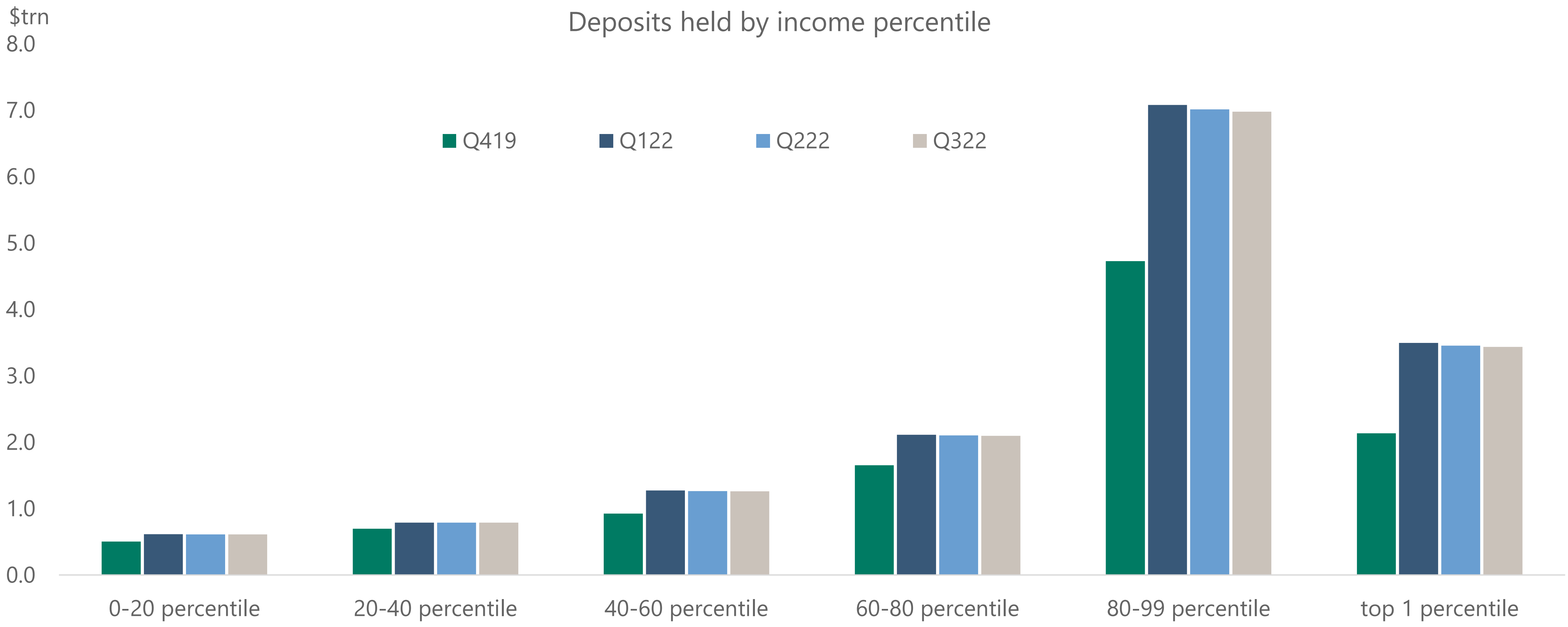
Source: NY Fed, BLS, Haver Analytics, Apollo Chief Economist

Households are running down their savings, but still about $1.4trn left



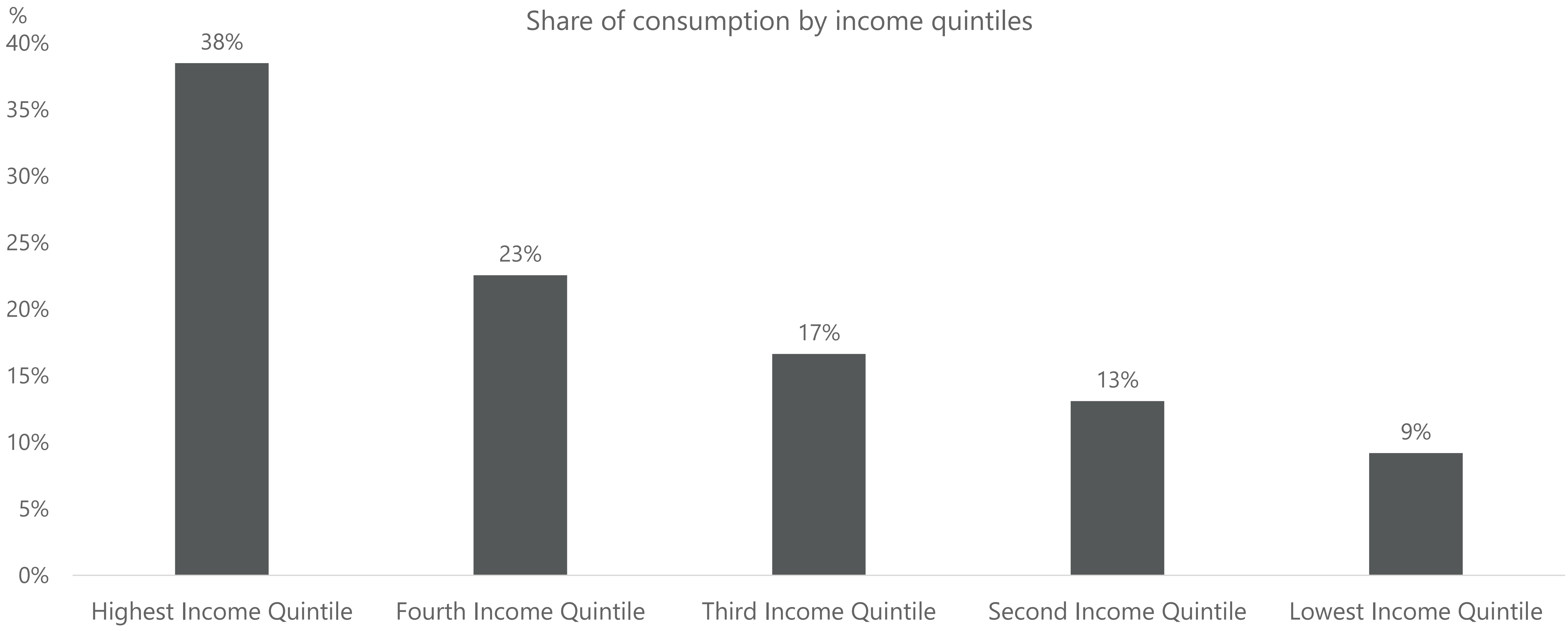
Note: Bloomberg, Apollo Chief Economist

Household savings across different income groups



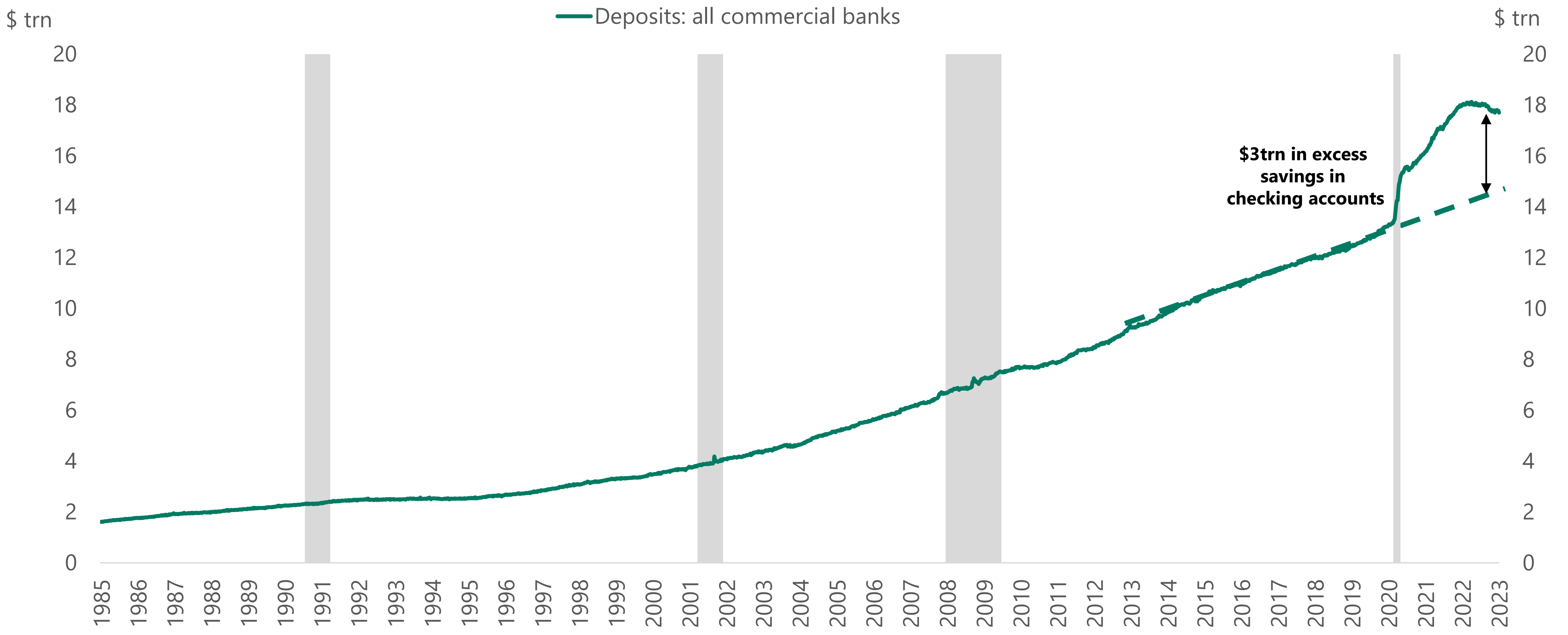
Source: FRB, Haver Analytics, Apollo Chief Economist

Share of US total consumer spending, by income



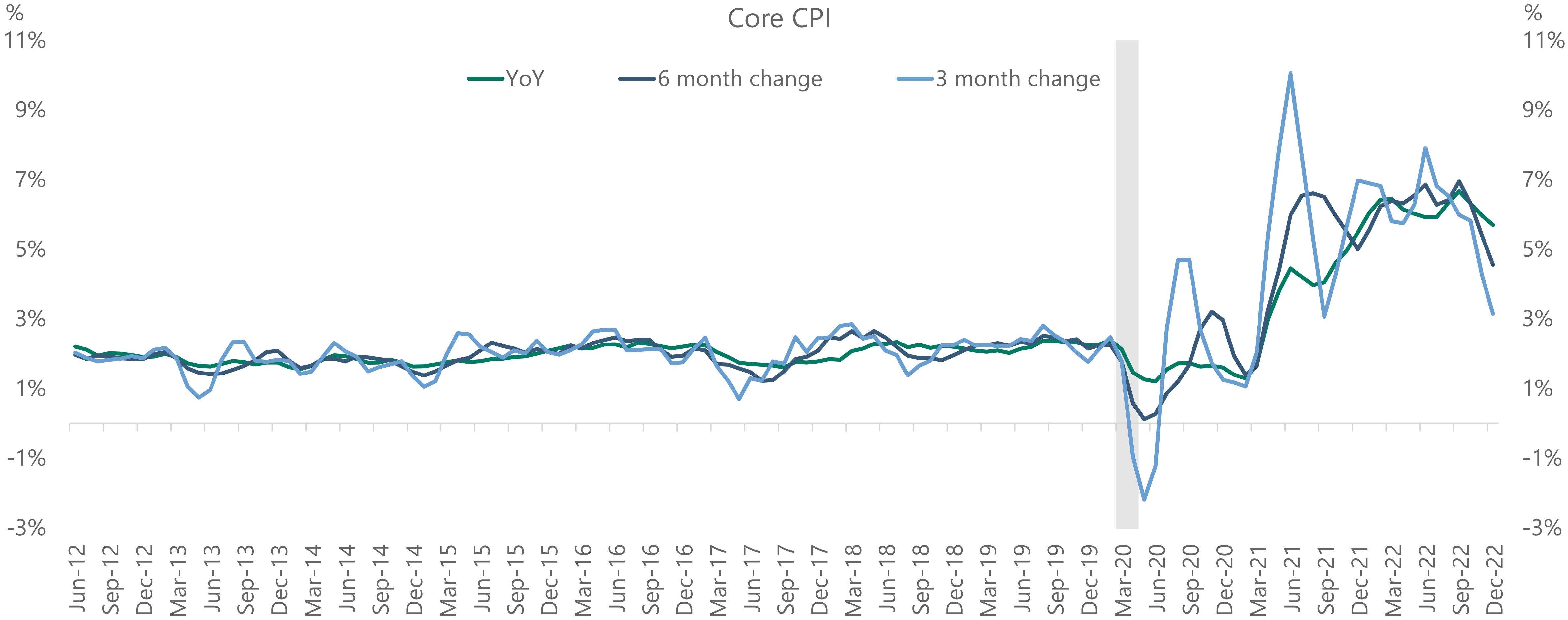
Source: Consumer Expenditure Survey, Haver Analytics, Apollo Chief Economist (latest data includes 2021)

Record-high level of deposits at commercial banks



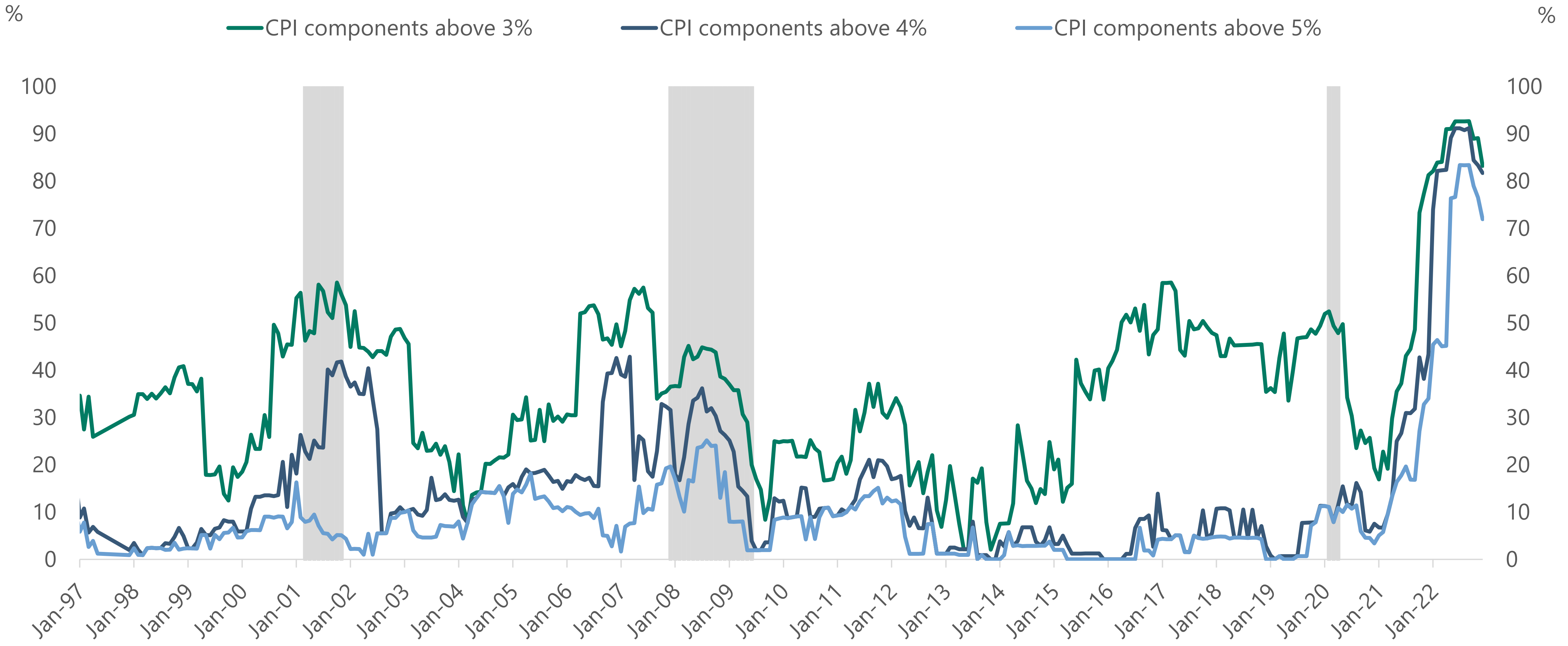
Source: FRB, Haver, Apollo Chief Economist

The 3-month and 6-month change in inflation coming down



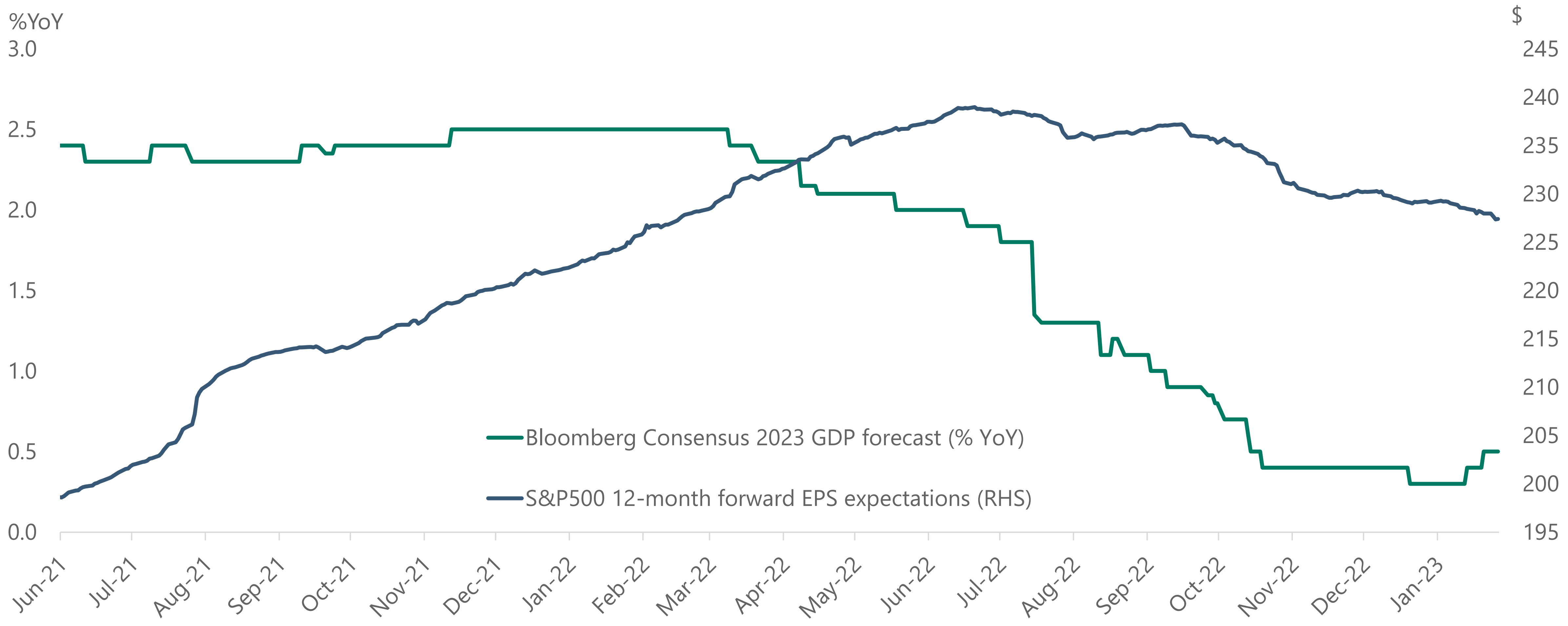
Source: BLS, Haver Analytics, Apollo Chief Economist

Inflation is still broad-based but starting to come down



Note: Year-over-year growth used. Source: BLS, Haver, Apollo Chief Economist.

Divergence between S&P500 earnings expectations and GDP growth expectations



Source: Bloomberg, Apollo Chief Economist

China: Metro passenger volumes declining

Source: Bloomberg, Apollo Chief Economist

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	Jun-22	Sep-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	9.1	8.2	6.5
	Core Inflation (% YoY)	2.3	2.1	1.2	1.7	1.6	1.6	4.5	4.0	5.5	6.5	5.9	6.6	5.7
	Economic Growth (% YoY)	2.6	0.8	-8.4	-2.0	-1.5	1.2	12.5	5.0	5.7	3.7	1.8	1.9	1.0
	New Home sales (000s)	688.0	610.0	922.0	991.0	871.0	881.0	714.0	732.0	839.0	707.0	571.0	550.0	616.0
	Consumer Sentiment	99.3	89.1	78.1	80.4	80.7	84.9	85.5	72.8	70.6	59.4	50.0	58.6	64.6
	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	1.2	1.2
	ISM Manufacturing PMI	47.9	49.0	52.6	55.5	60.2	63.8	61.1	60.7	58.6	57.0	53.1	51.0	48.4
	Homebuilder sentiment	76	72	58	83	86	82	81	76	84	79	67	46	35
	Unemployment rate (%)	3.6	4.4	11.0	7.9	6.7	6.1	5.9	4.8	3.9	3.6	3.6	3.5	3.5
	Average hourly wage (% YoY)	2.9	3.6	5.1	4.8	5.5	4.4	4.0	4.8	4.9	5.6	5.2	5.1	4.6
	JOLTS Quits rate (%)	2.3	2.0	1.9	2.2	2.4	2.6	2.8	2.9	3.0	2.9	2.8	2.7	2.7
	Jobless claims	238.0	2316.8	1490.3	851.8	836.8	669.3	419.5	370.0	221.8	178.0	231.8	206.3	217.6
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	19.5	15.9	15.2	17.9
	IG Spread (bps)	101	305	160	144	103	97	86	89	98	122	164	167	126
	HY Spread (bps)	360	877	644.0	541	386	336.0	304	315	310	343	587	543	424
	Yield curve (bps)	31	22	65	59	84	154	144	129	139	193	193	96	-48
	10 year yield	1.92	0.67	0.66	0.69	0.92	1.74	1.47	1.49	1.51	2.34	3.02	3.83	3.53
	VIX	13.8	53.5	30.4	26.4	22.8	19.4	15.8	23.1	17.2	20.6	28.7	31.6	18.7
	MOVE Index	58.3	83.9	54.1	39.2	49.0	71.3	57.3	61.1	77.1	106.9	135.5	141.9	104.3
	M&A Transaction value ($bn)	483.2	365.0	155.9	557.8	762.8	716.0	929.7	859.7	850.1	714.6	685.6	397.5	429.2
	S&P 500 buybacks ($bn)	181.6	198.7	88.7	101.8	130.6	178.1	198.8	234.6	270.1	281.0	219.6	210.8	210.8
	IPO volume ($bn, 3 month sum)	12.2	23.0	29.3	65.4	65.7	151.6	48.5	39.4	51.9	7.9	3.1	2.0	0.9
	SPAC volume ($bn, 3 month sum)	3.8	5.9	11.9	40.4	39.3	110.1	13.9	14.0	21.3	4.2	2.4	0.7	0.6

Source: Apollo Chief Economist. Colours based on deviation from mean. Green = mean +/- 0.5 stddev; Yellow = +/- 0.5 to 1 stddev,; 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.

Heatmap for the EU economy and EU financial markets

		Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Latest
ECONOMIC CYCLE	Inflation (% YoY)	1.3	0.7	0.3	-0.3	-0.3	1.3	1.9	3.4	5.0	7.4	8.6	9.9	9.2
	Core Inflation (% YoY)	1.3	1.0	0.8	0.2	0.2	0.9	0.9	1.9	2.6	3.0	3.7	4.8	5.2
	Economic Growth (% YoY)	1.2	-2.8	-14.2	-3.8	-4.1	-0.8	14.2	3.9	4.8	5.5	4.3	2.3	2.3
	House prices (% yoy)	4.3	5.1	5.1	5.2	6.0	6.3	7.4	9.2	9.5	9.8	9.2	6.8	6.8
	Consumer Confidence	-7.9	-12.1	-14.3	-12.8	-12.3	-9.6	-1.9	-3.6	-9.4	-21.7	-23.7	-28.7	-20.9
	ISM Manufacturing PMI	#N/A N/A	44.5	47.4	53.7	55.2	62.5	63.4	58.6	58.0	56.5	52.1	48.4	48.8
	Economic sentiment indicator	103	94	76	95	96	103	116	118	114	106	103	94	96
	Unemployment rate (%)	7.5	7.2	8.1	8.6	8.2	8.2	7.9	7.3	7.0	6.8	6.7	6.6	6.5
	wages & salaries	1.3	-0.5	-10.5	-4.3	-1.9	-0.2	10.3	4.1	3.1	6.1	5.5	5.3	5.3
MARKET CYCLE	EURO STOXX Forward P/E ratio	14.3	12.6	16.9	16.8	17.8	18.0	17.0	15.2	15.2	12.9	10.8	9.8	12.6
	IG Spread (bps)	94	238	148	118	93	91	84	85	98	129	212	221	149
	HY Spread (bps)	308	754	521.0	472	355	314.0	296	304	331	400	641	625	440
	Yield curve (bps)	0.312	0.026	0.044	-0.023	-0.072	0.207	0.291	0.3	0.318	1.045	1.833	1.355	0.258
	10 year yield	-0.19	-0.47	-0.46	-0.52	-0.57	-0.29	-0.21	-0.20	-0.18	0.55	1.33	2.11	2.26
	VIX	15.6	53.3	35.7	30.5	28.7	21.1	21.5	26.9	21.8	32.1	31.2	30.1	19.4

Source: Apollo Chief Economist. Colours based on deviation from mean. Green = mean +/- 0.5 stddev; Yellow = +/- 0.5 to 1 stddev,; 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.

Heatmap for the UK economy and UK financial markets

		Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Latest
ECONOMIC CYCLE	Inflation (% YoY)	1.3	1.5	0.6	0.5	0.6	0.7	2.5	3.1	5.4	7.0	9.4	10.1	10.5
	Core Inflation (% YoY)	1.4	1.6	1.4	1.3	1.4	1.1	2.3	2.9	4.2	5.7	5.8	6.5	6.3
	Economic Growth (% YoY)	1.3	-2.0	-22.6	-10.3	-9.2	-7.7	24.4	8.5	8.9	10.7	4.0	1.9	1.9
	Home sales(units)	99050	90090	63570	96990	126980	174100	205860	164160	99360	110130	101070	105450	107190
	Consumer Confidence	-11.0	-9.0	-30.0	-25.0	-26.0	-16.0	-9.0	-13.0	-15.0	-31.0	-41.0	-49.0	-45.0
	PMI composite	#N/A N/A	36.0	47.7	56.5	50.4	56.4	62.2	54.9	53.6	60.9	53.7	49.1	47.8
	Home price expectations in the next 3 months	26	-81	-8	19	-4	42	29	24	29	25	1	-35	-66
	Unemployment rate (%)	3.8	4.0	4.1	4.9	5.2	4.9	4.7	4.3	4.0	3.7	3.8	3.6	3.7
	Average weekly earnings 3m average (% YoY)	2.7	2.5	-1.3	1.3	4.6	3.9	9.2	6.1	4.6	7.0	5.2	6.0	6.4
	Job layoffs (%)	3.9	3.8	4.8	11.4	12.8	5.4	3.5	3.7	2.6	2.5	1.9	2.7	3.4
	Jobless claims change MoM	7.9	-1.8	-65.0	-11.2	-11.3	-22.9	-168.8	-83.4	-61.7	-81.6	-26.8	3.9	19.7
MARKET CYCLE	FTSE Forward P/E ratio	13.5	12.0	15.9	14.6	14.7	14.0	13.2	12.2	12.6	11.2	9.8	8.5	10.3
	IG Spread (bps)	131	265	175	150	113	113	106	104	115	145	206	244	164
	HY Spread (bps)	445	993	721.0	607	463	379.0	372	353	390	463	709	698	618
	Yield curve (bps)	0.072	0.256	0.072	0.129	0.097	0.745	0.616	0.922	0.721	0.86	0.979	1.843	-0.149
	10 year yield	0.82	0.36	0.17	0.23	0.20	0.85	0.72	1.02	0.97	1.61	2.23	4.09	3.35

Source: Apollo Chief Economist. Colours based on deviation from mean. Green = mean +/- 0.5 stddev; Yellow = +/- 0.5 to 1 stddev,; 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.

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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.

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