

APOLLO

Daily and weekly indicators for the US economy

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Apollo Global Management

July 2023

Unless otherwise noted, information as of July 2023

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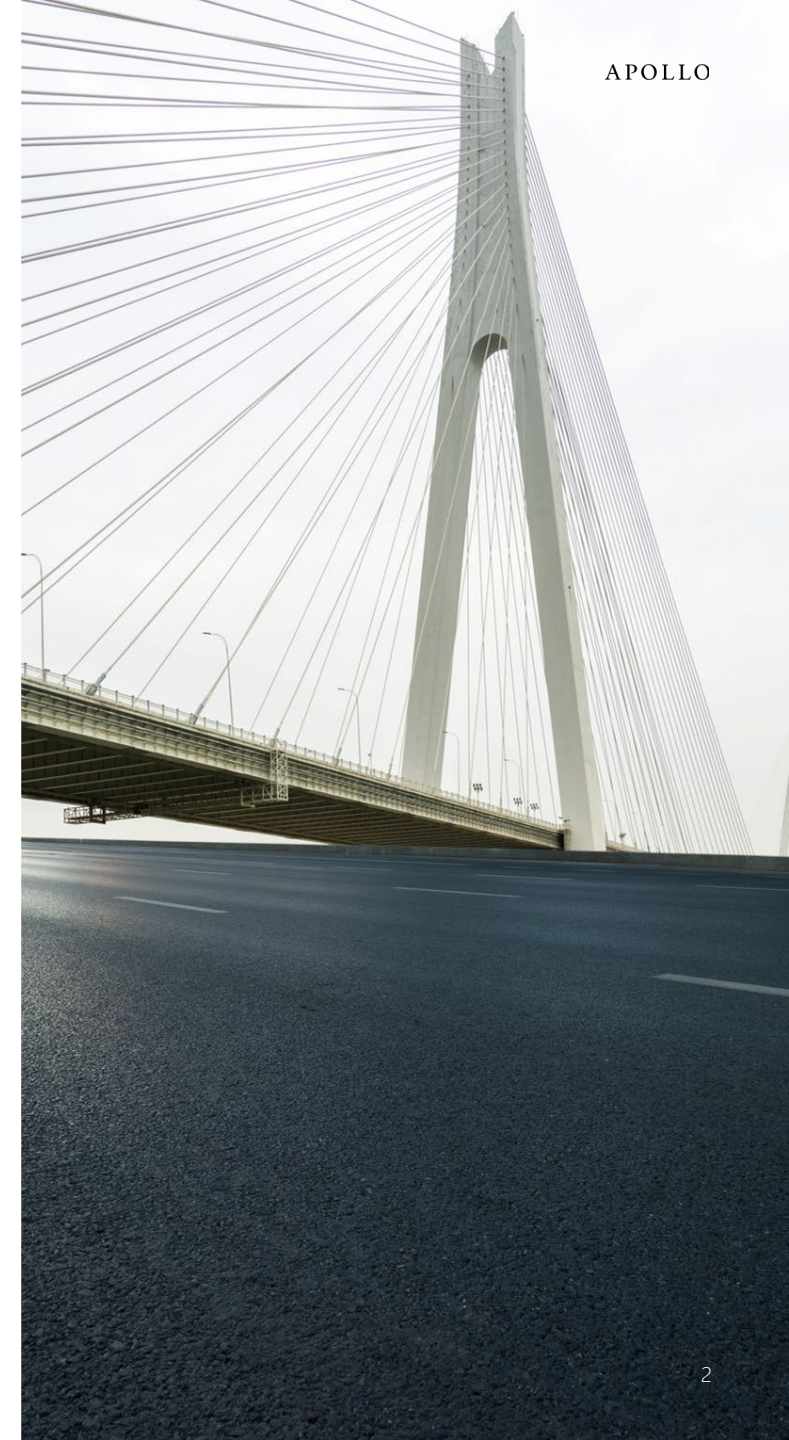
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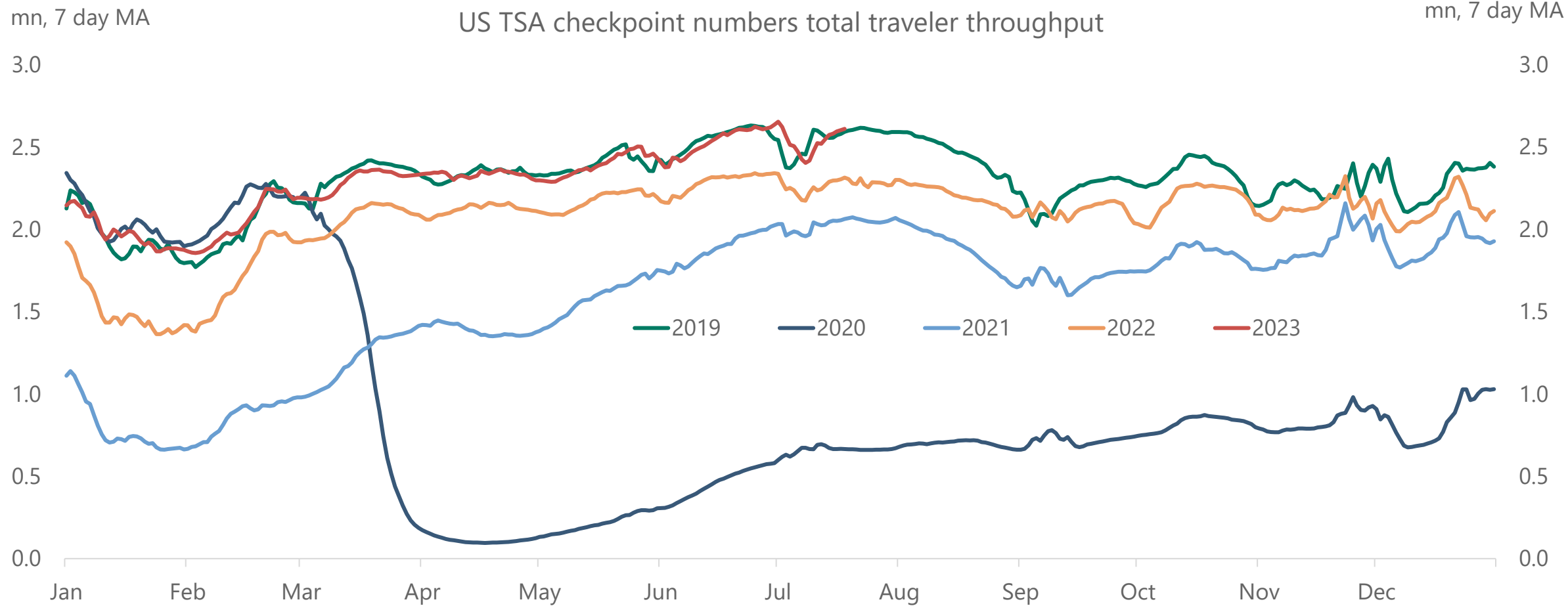
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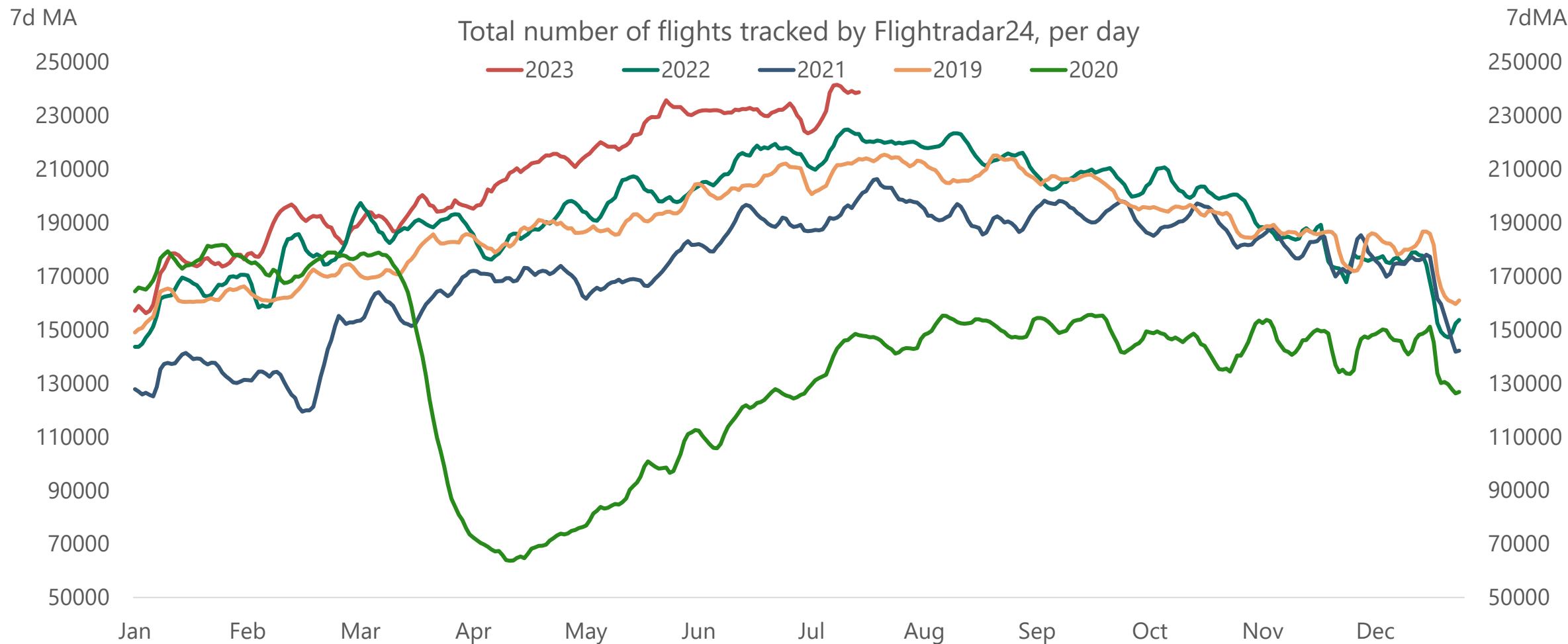


Daily economic indicators

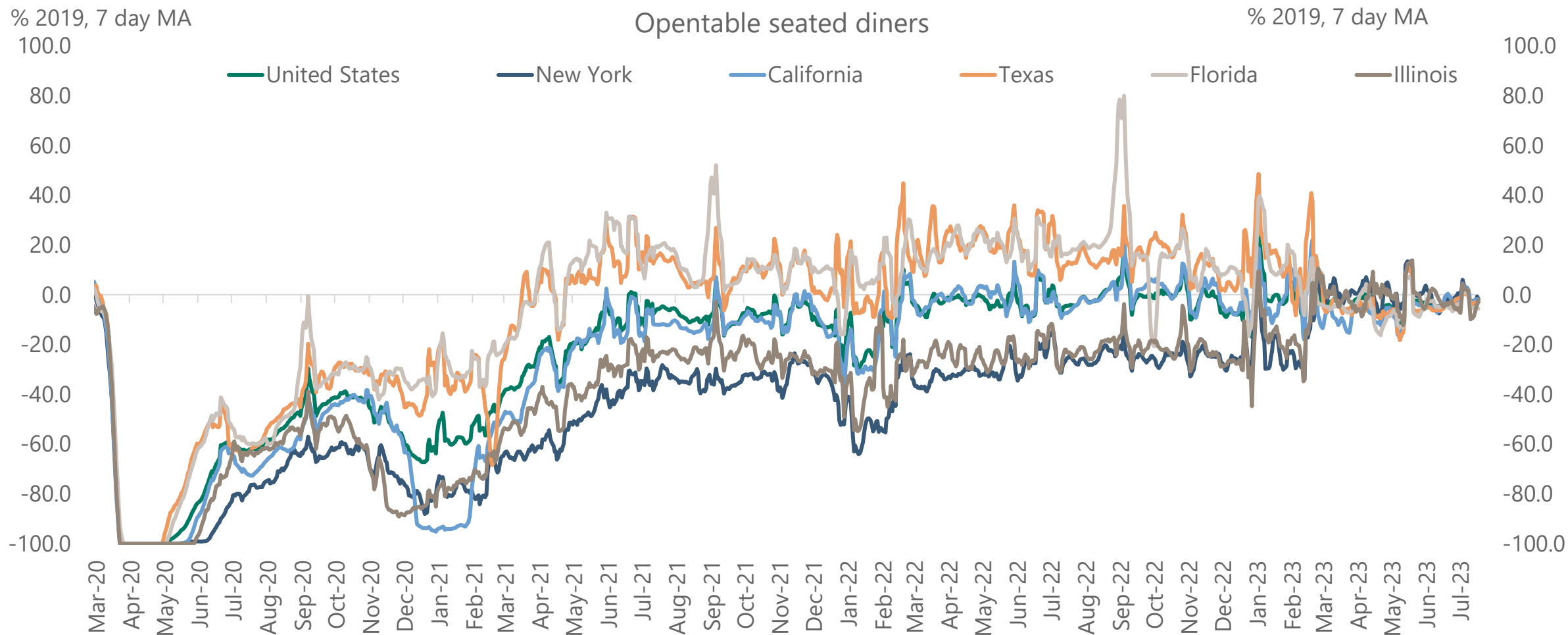
US air travel still solid



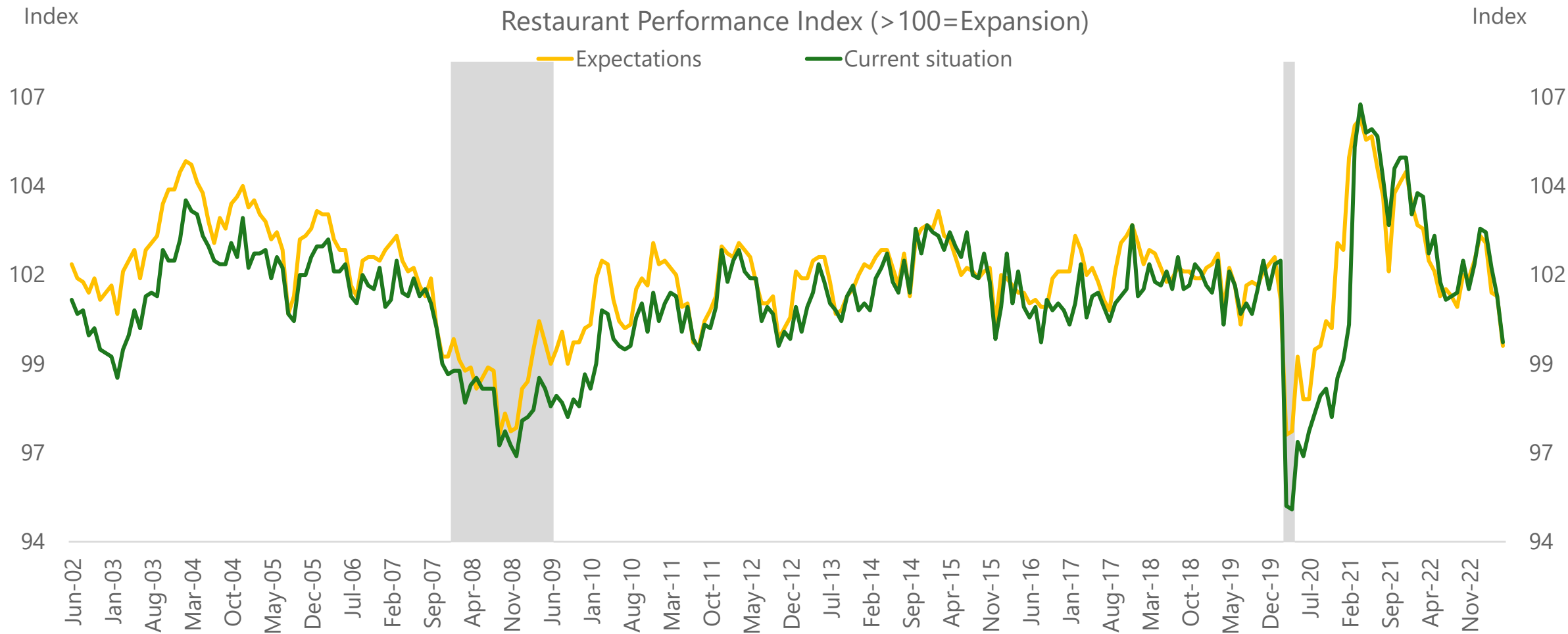
Global air traffic at the highest level in five years



Restaurant bookings have normalized

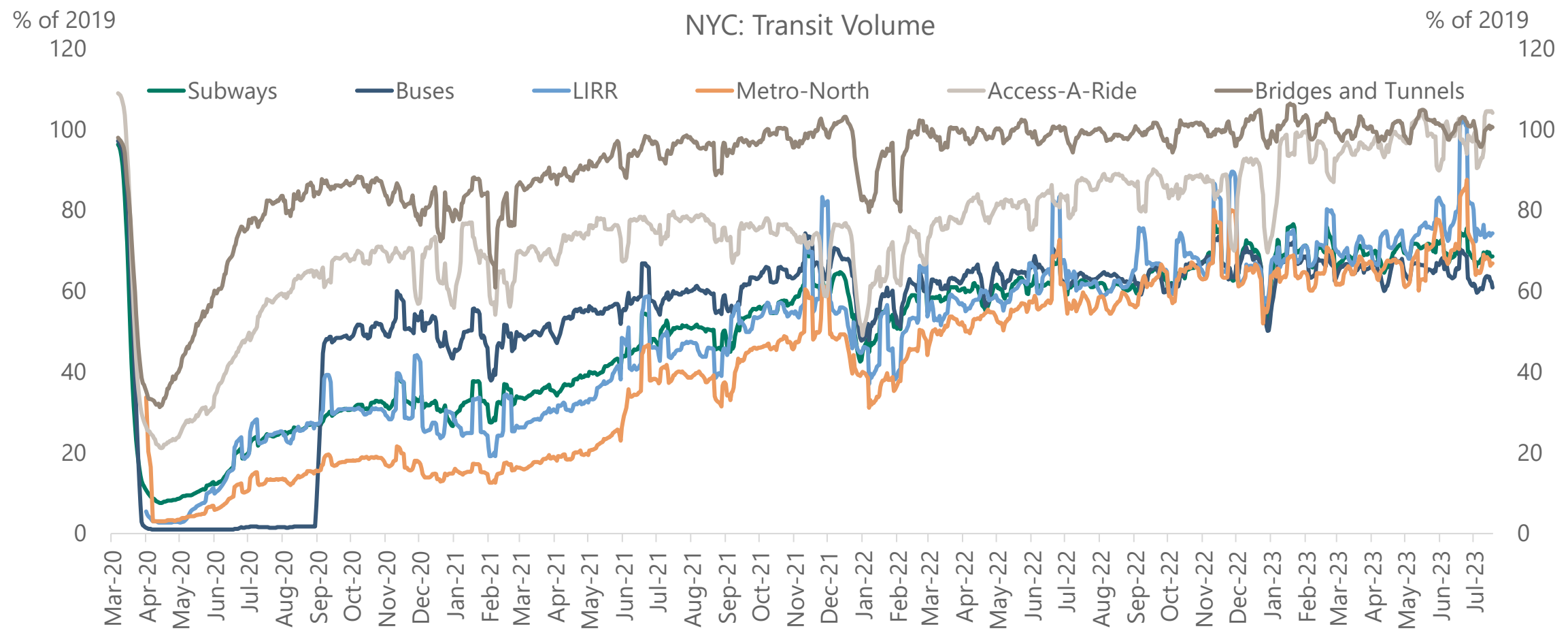


Restaurant demand starting to slow down



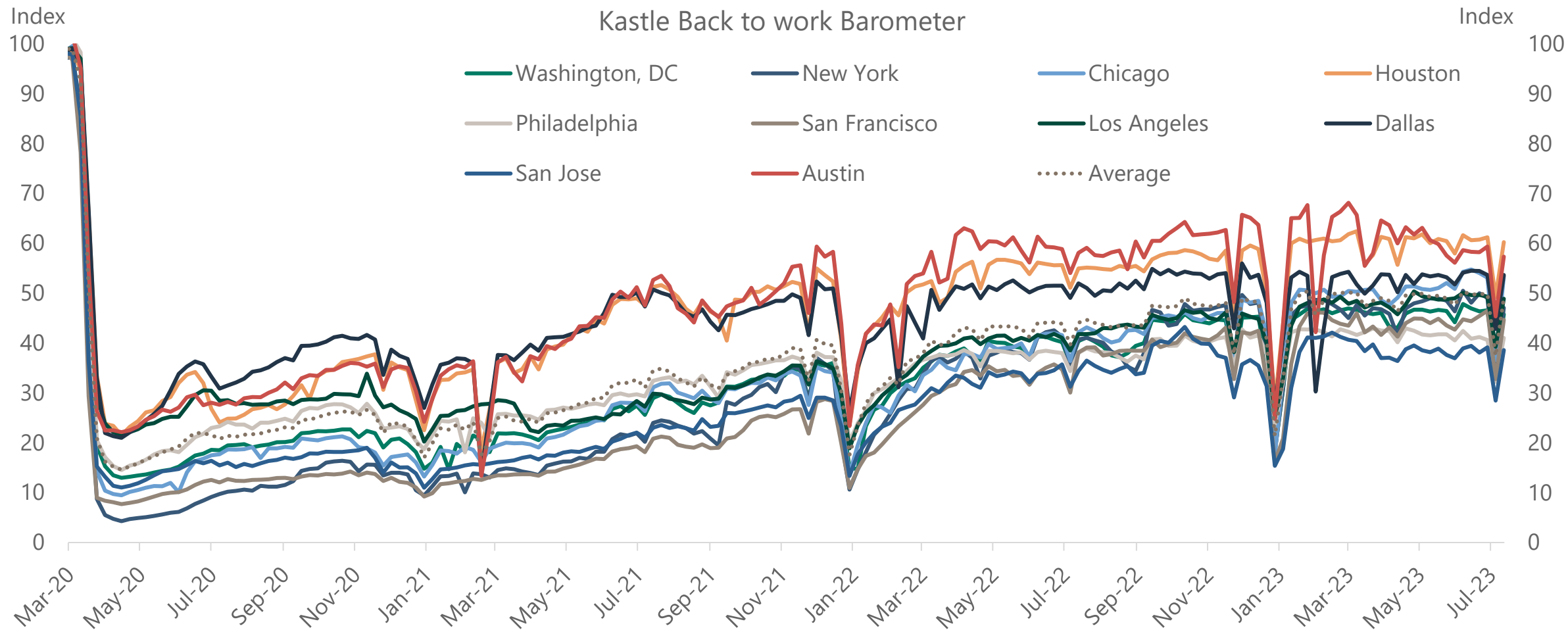
Source: National Restaurant Association, Haver, Apollo Chief Economist

NYC mobility indicators

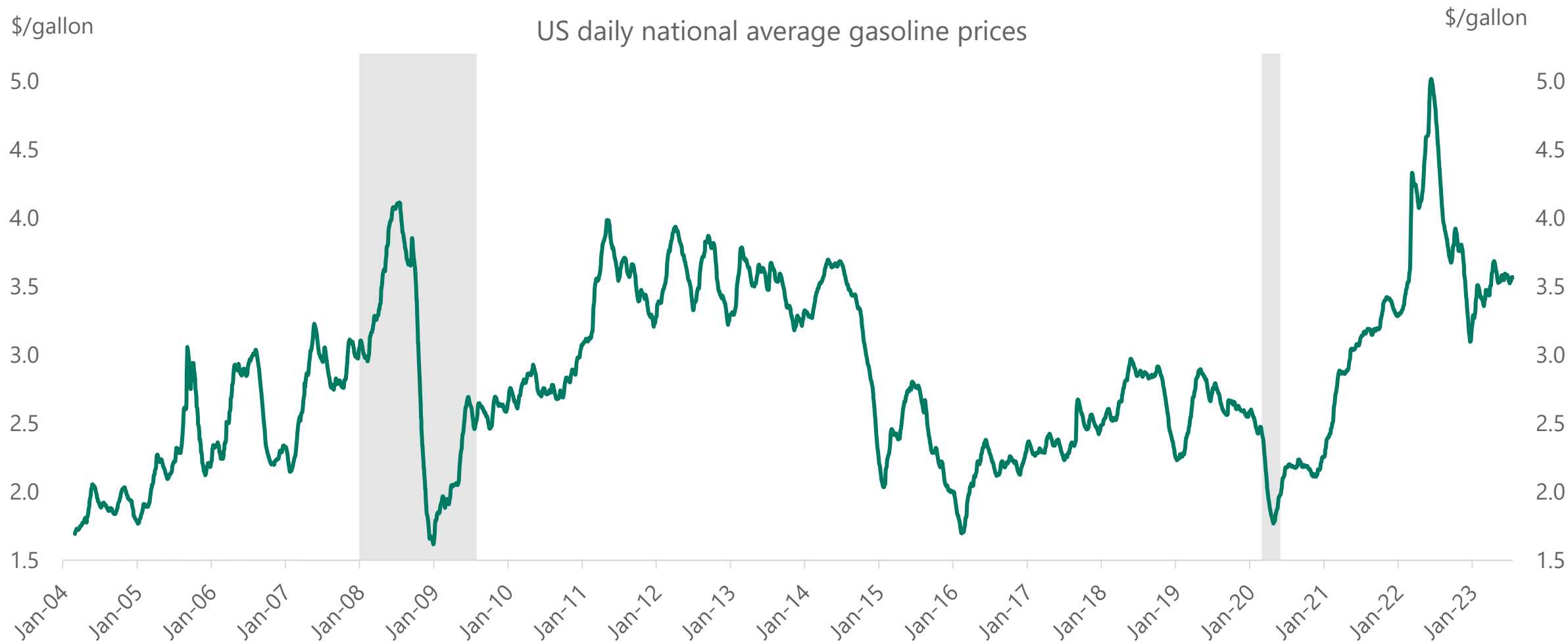


Source: MTA, Apollo Chief Economist

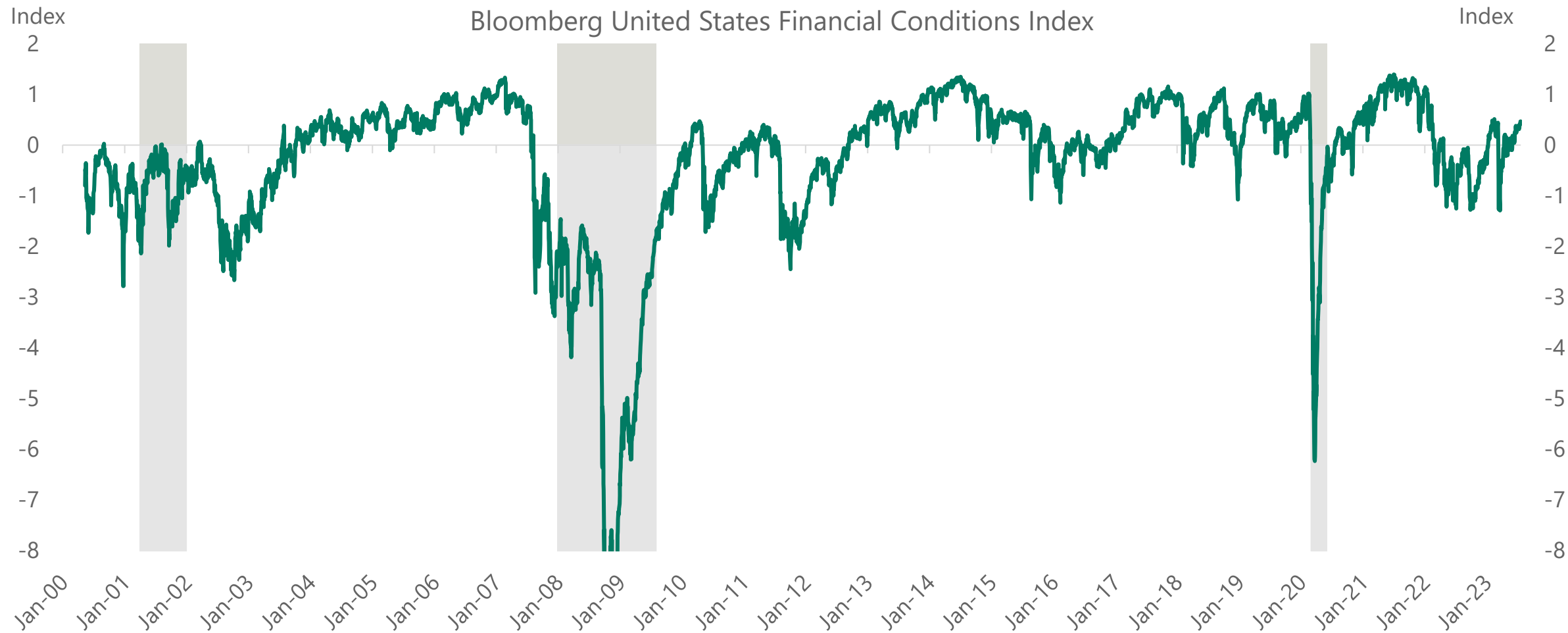
New York City office use at 47% of capacity



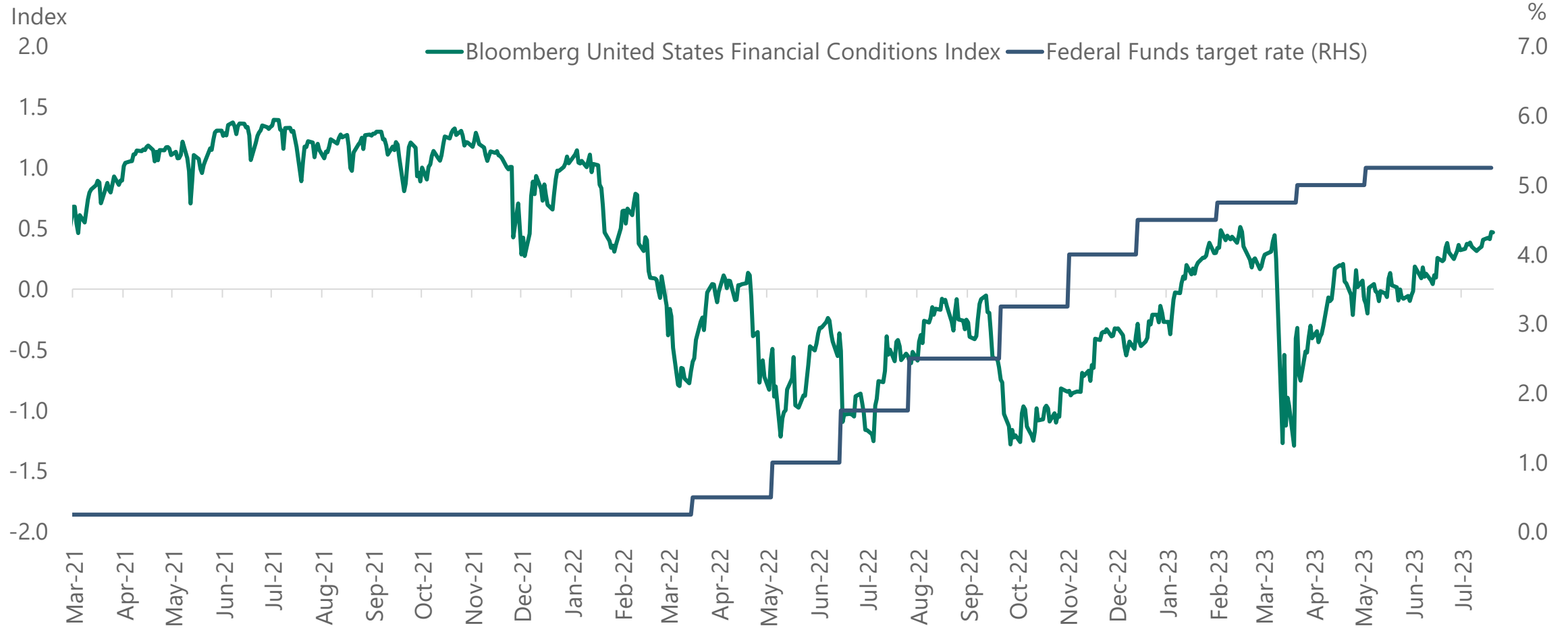
Average US retail gas prices down from \$5 to \$3.52 per gallon



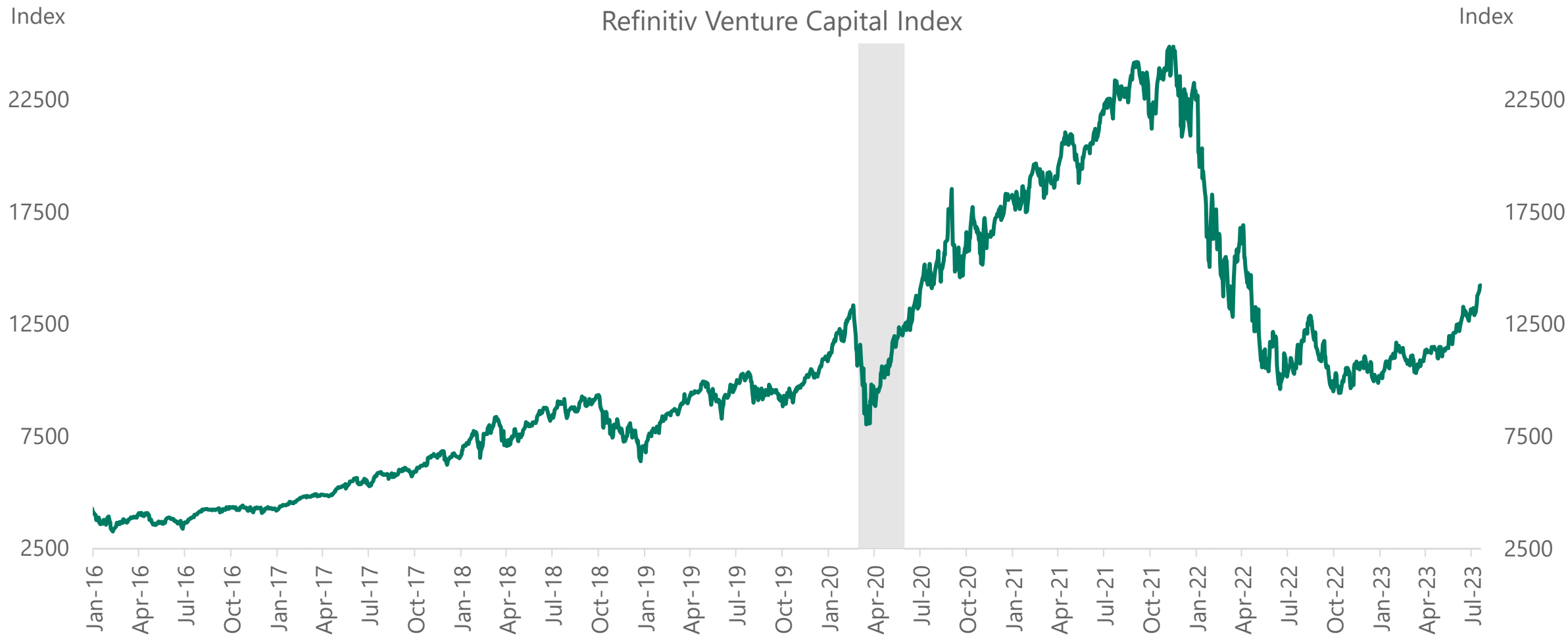
Financial conditions are easy, daily data



Financial conditions are now at the same levels as when the Fed started tightening

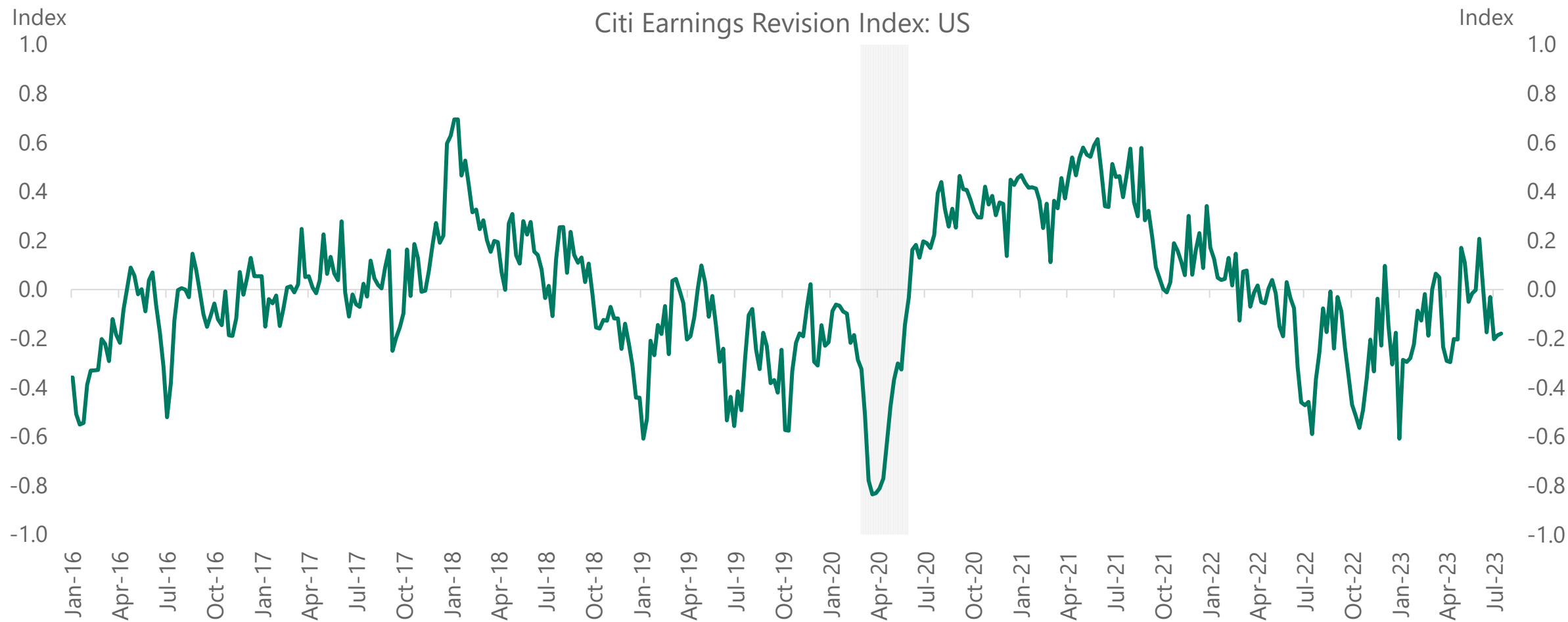


US venture capital valuations down 50% from the peak



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

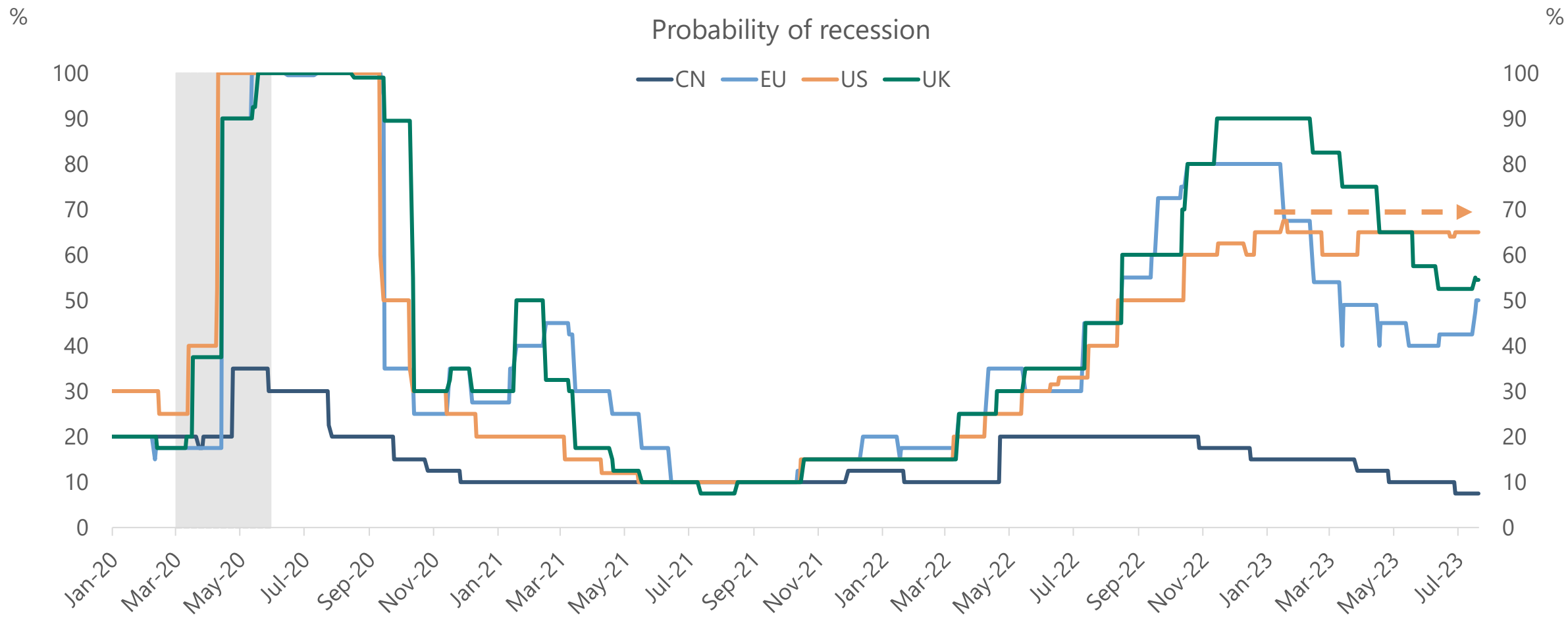


Source: Citi Research, Apollo Chief Economist. Note: Citi's Earnings Revision Index is defined as number of upgrades minus downgrades divided by number of upgrades plus downgrades

Not much additional yield left in passive IG relative to the Fed funds rate

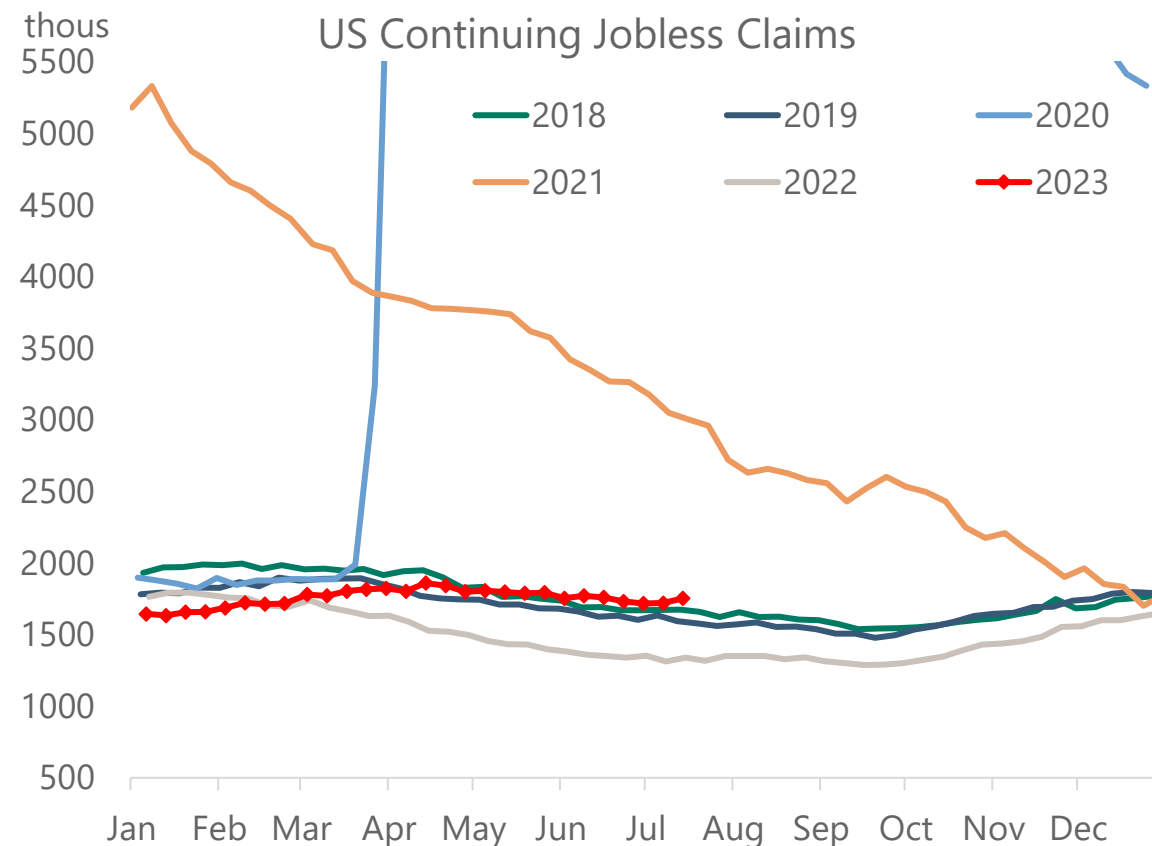
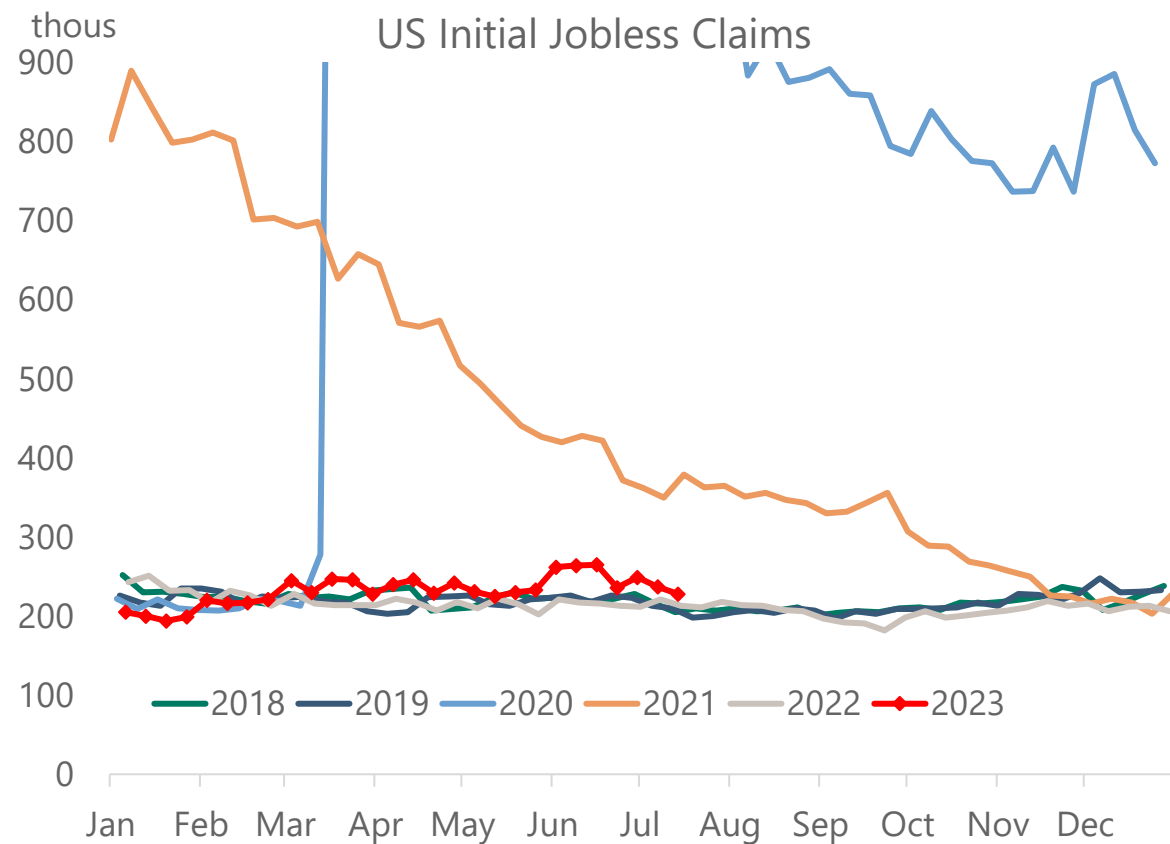


Consensus has lowered recession probability for Europe, UK, and China. But not the US.



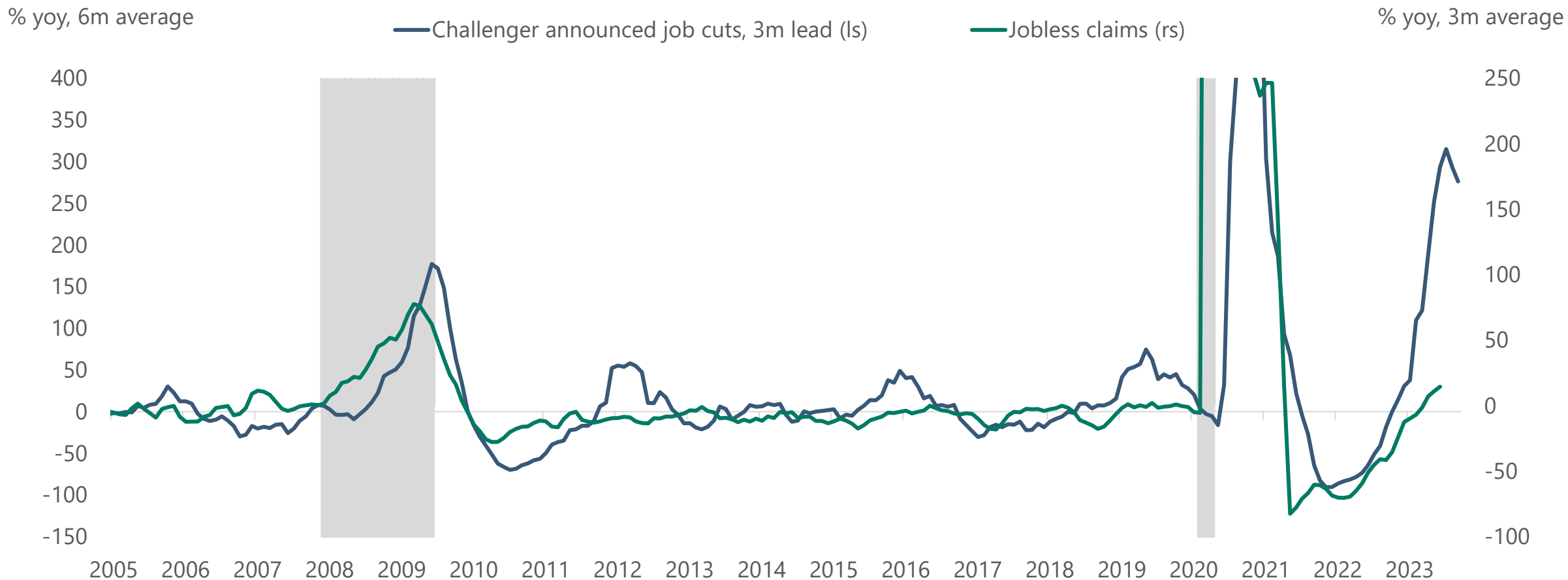
Weekly economic indicators

Continuing claims moved higher last week



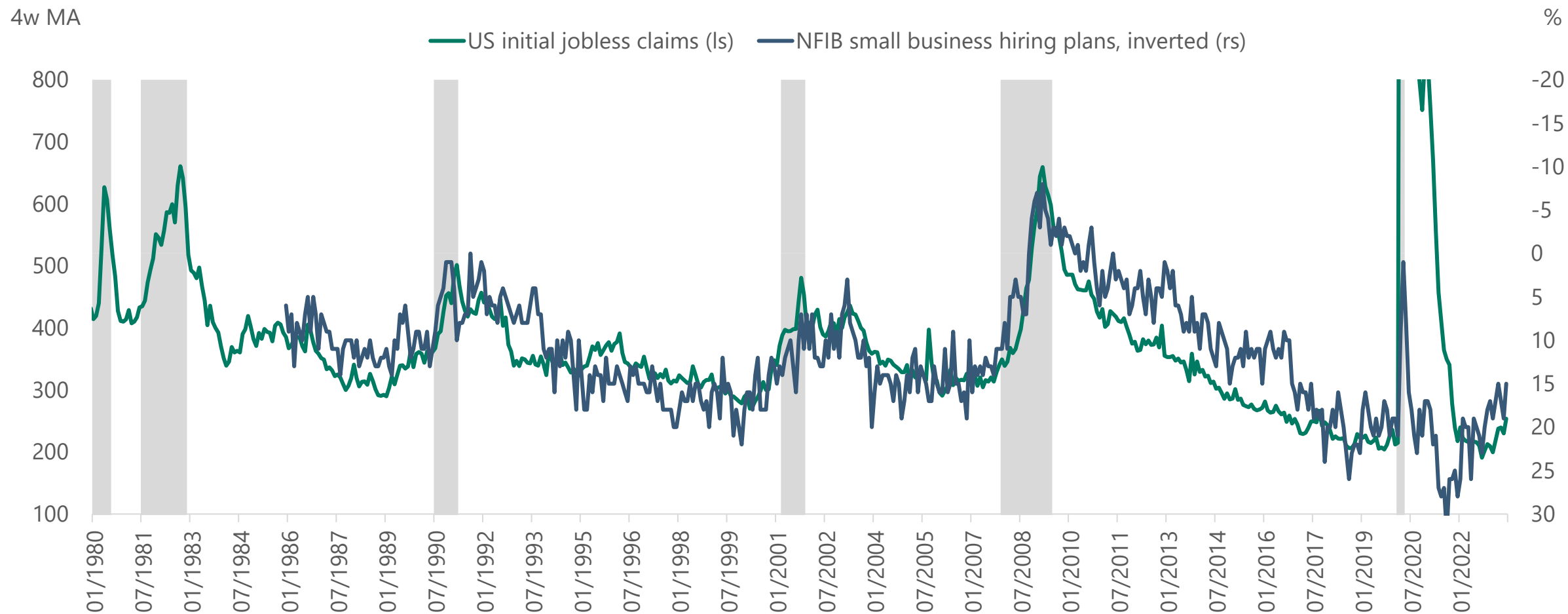
Source: Department of Labor, Bloomberg, Apollo Chief Economist

Job cuts announcements point to higher jobless claims



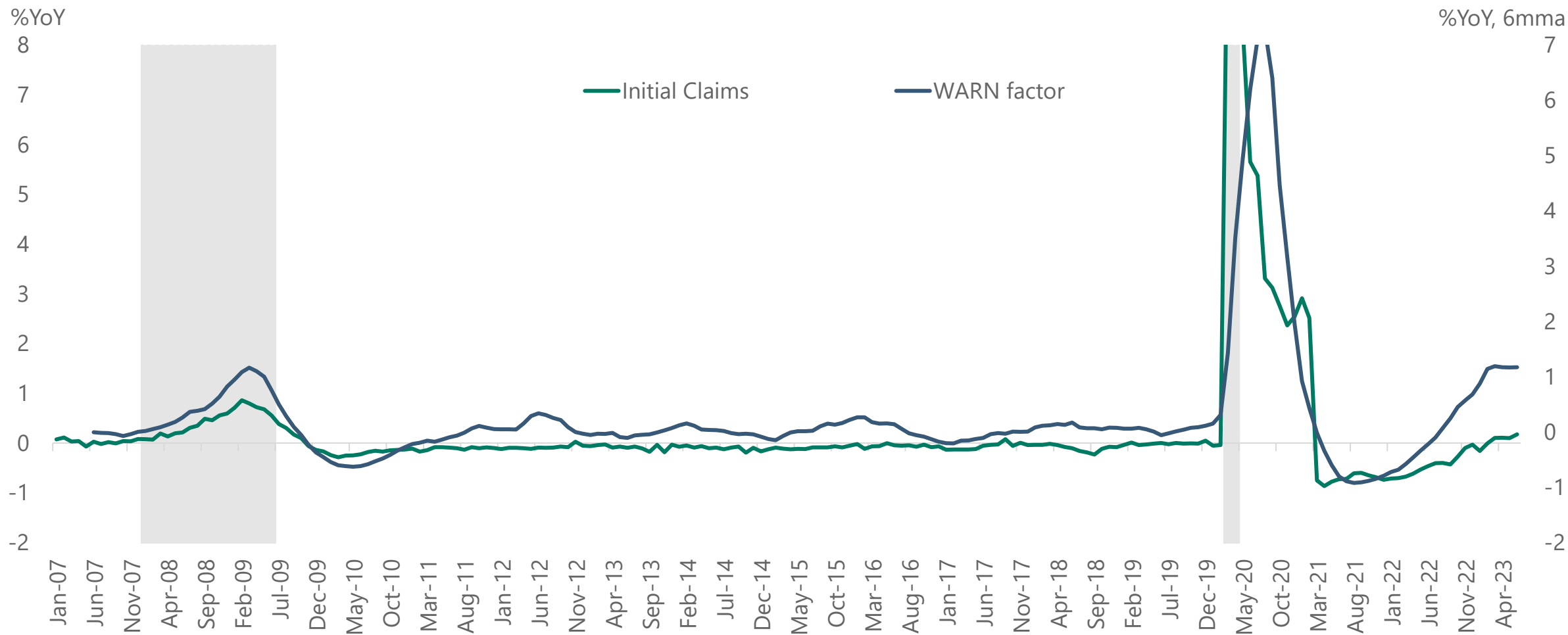
Source: Challenger, Gray & Christmas Inc., Bloomberg, Apollo Chief Economist

Small business hiring plans point to higher jobless claims



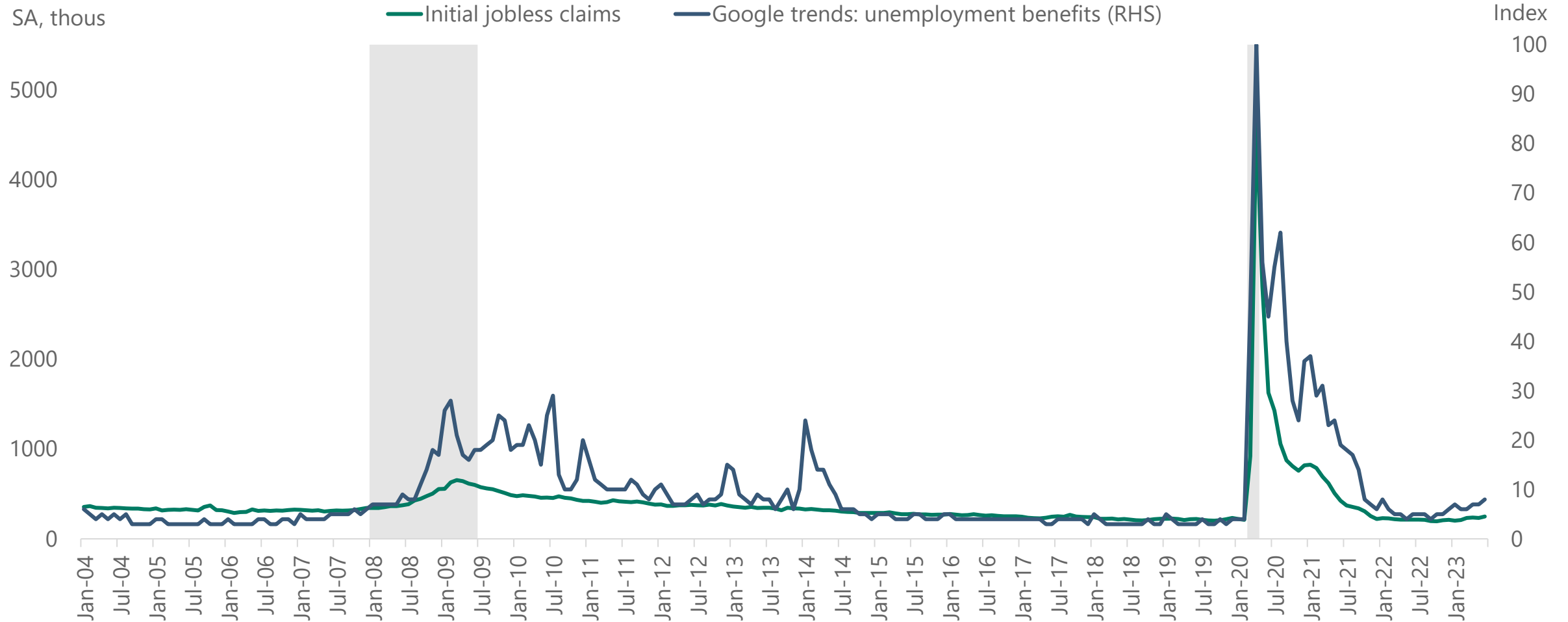
Source: Department of Labor, NFIB, Bloomberg, Apollo Chief Economist

WARN notices point to higher jobless claims



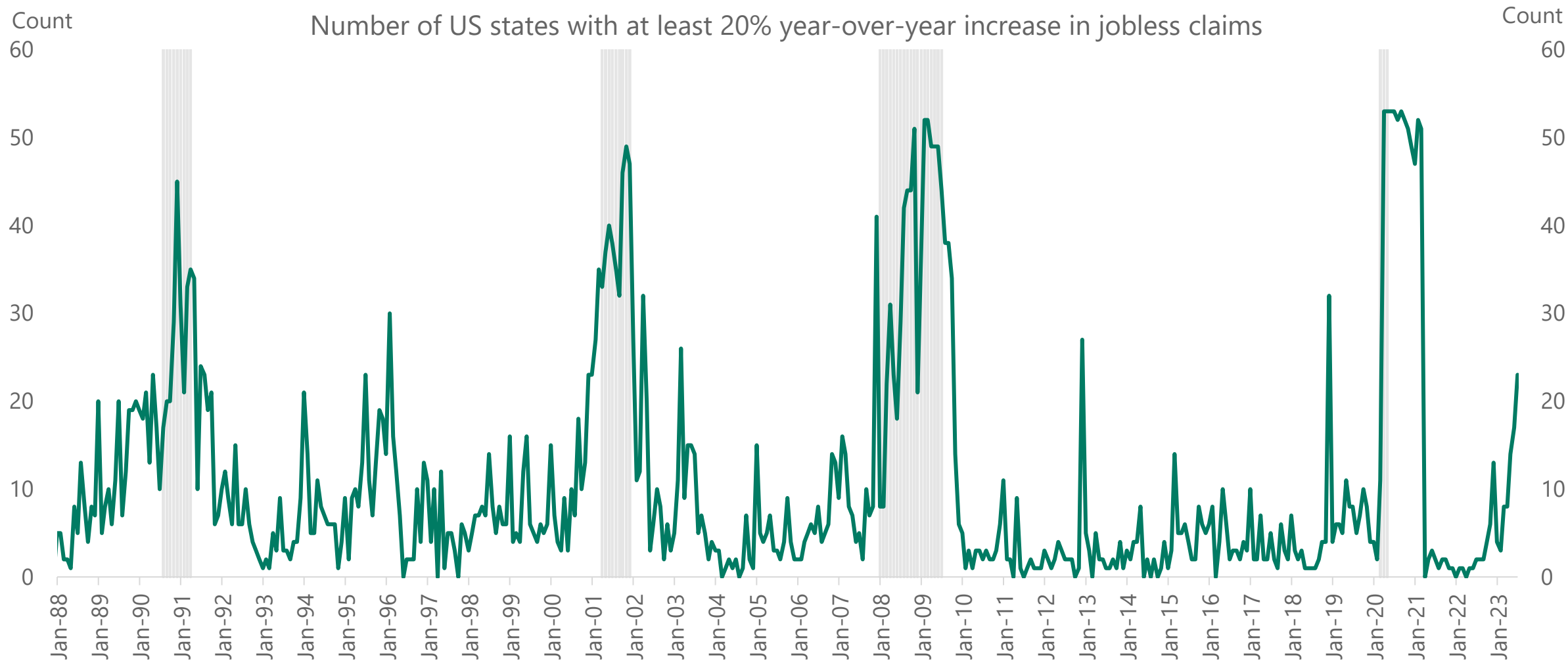
Source: Department of Labor, Haver Analytics, Federal Reserve Bank of Cleveland, Apollo Chief Economist. Note: The Worker Adjustment and Retraining Notification (WARN) Act helps ensure 60 to 90 days advance notice in cases of qualified plant closings and mass layoffs. WARN factor is the Cleveland Fed estimate for WARN notices <https://www.clevelandfed.org/publications/working-paper/wp-2003r-advance-layoff-notices-and-aggregate-job-loss>

Google searches point to higher jobless claims



Source: Department of Labor, Haver Analytics, Apollo Chief Economist. Note: Numbers represent search interest relative to the highest point on the chart for the given region and time. A value of 100 is the peak popularity for the term. A value of 50 means that the term is half as popular. A score of 0 means that there was not enough data for this term.

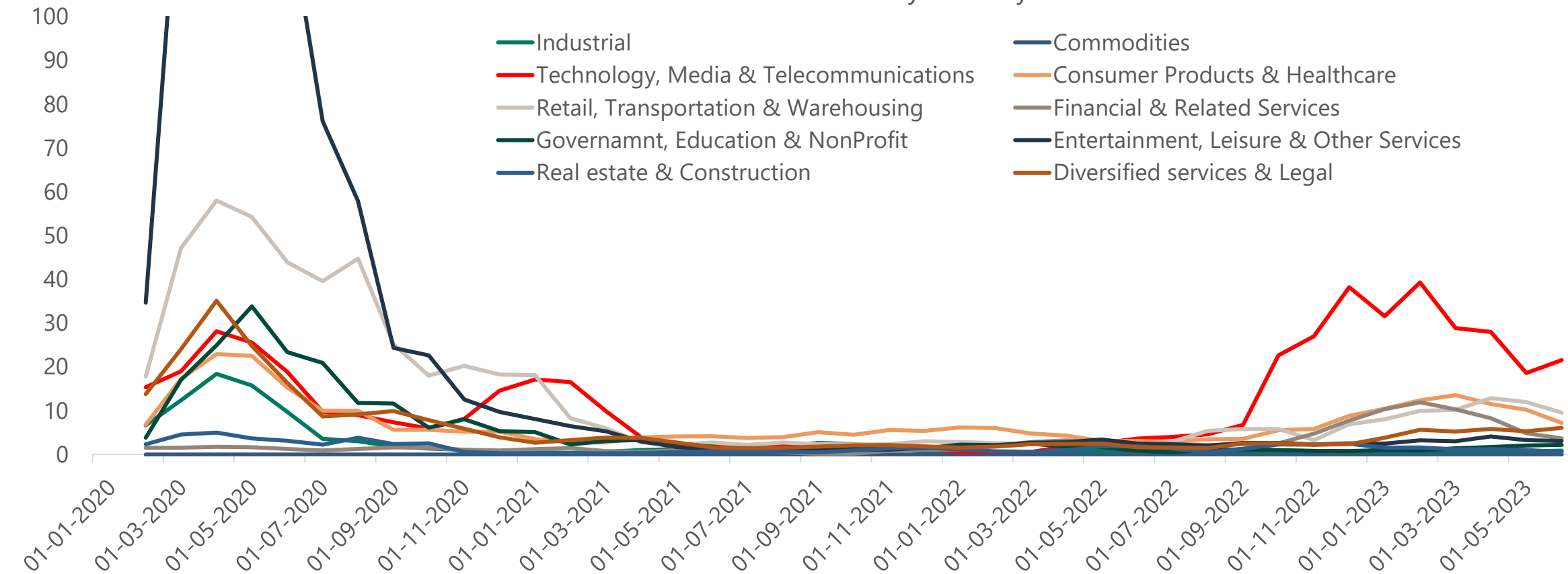
Number of states with at least 20% increase in jobless claims



Job cut announcements across industries

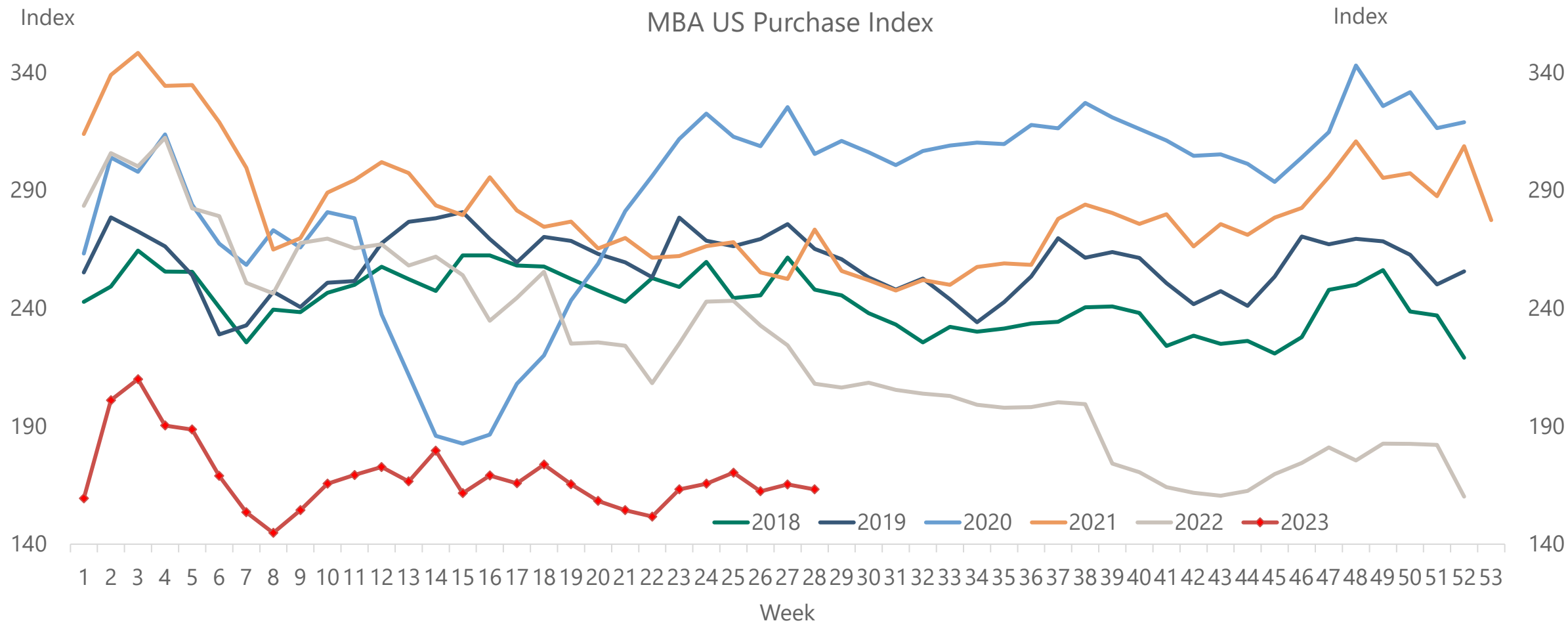
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Job cuts announcement by industry

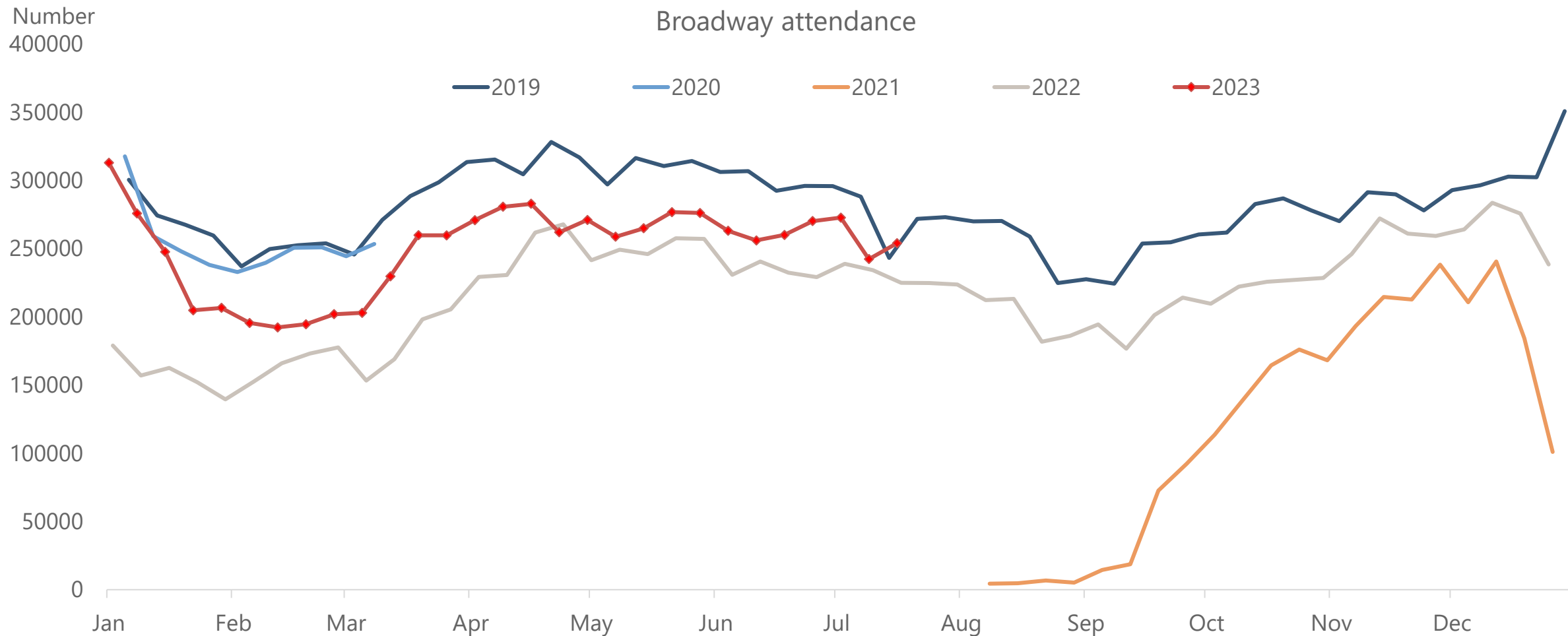


Source: Challenger, Gray and Christmas, Inc., Bloomberg, Apollo Chief Economist.

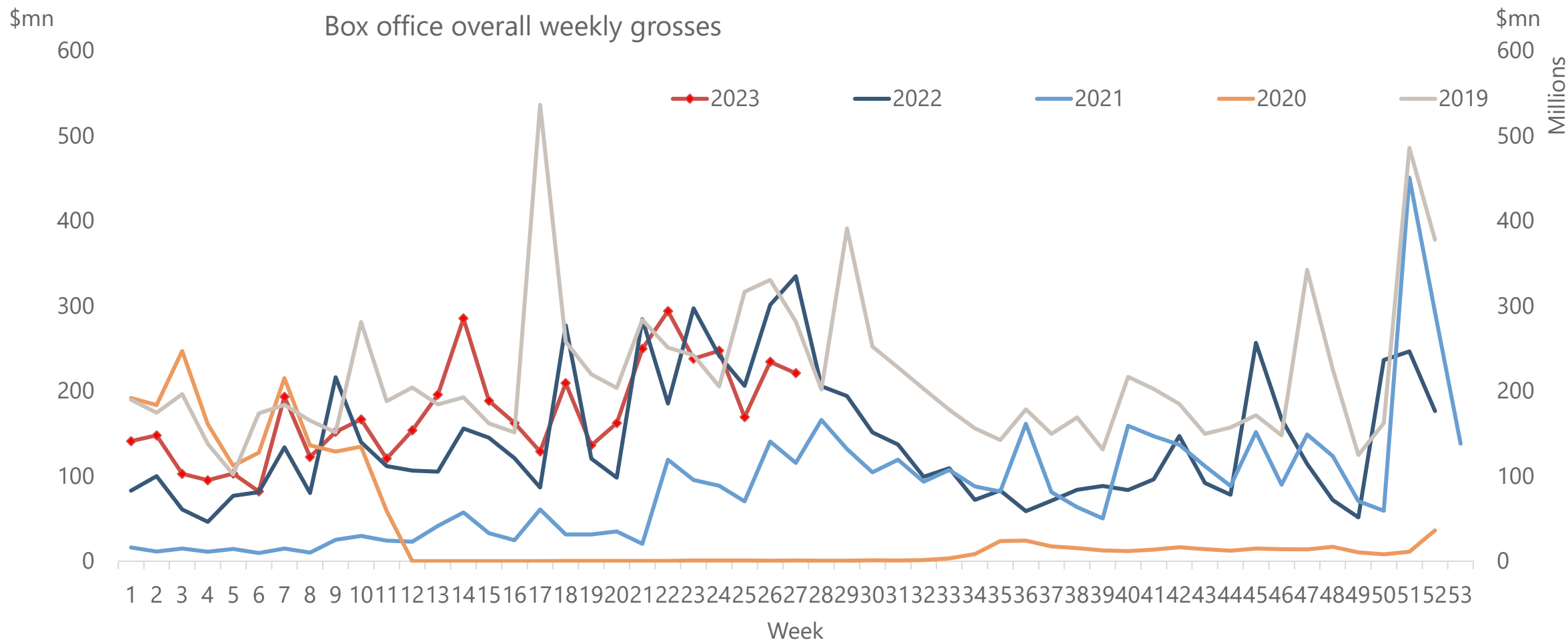
Weekly mortgage purchase applications soft



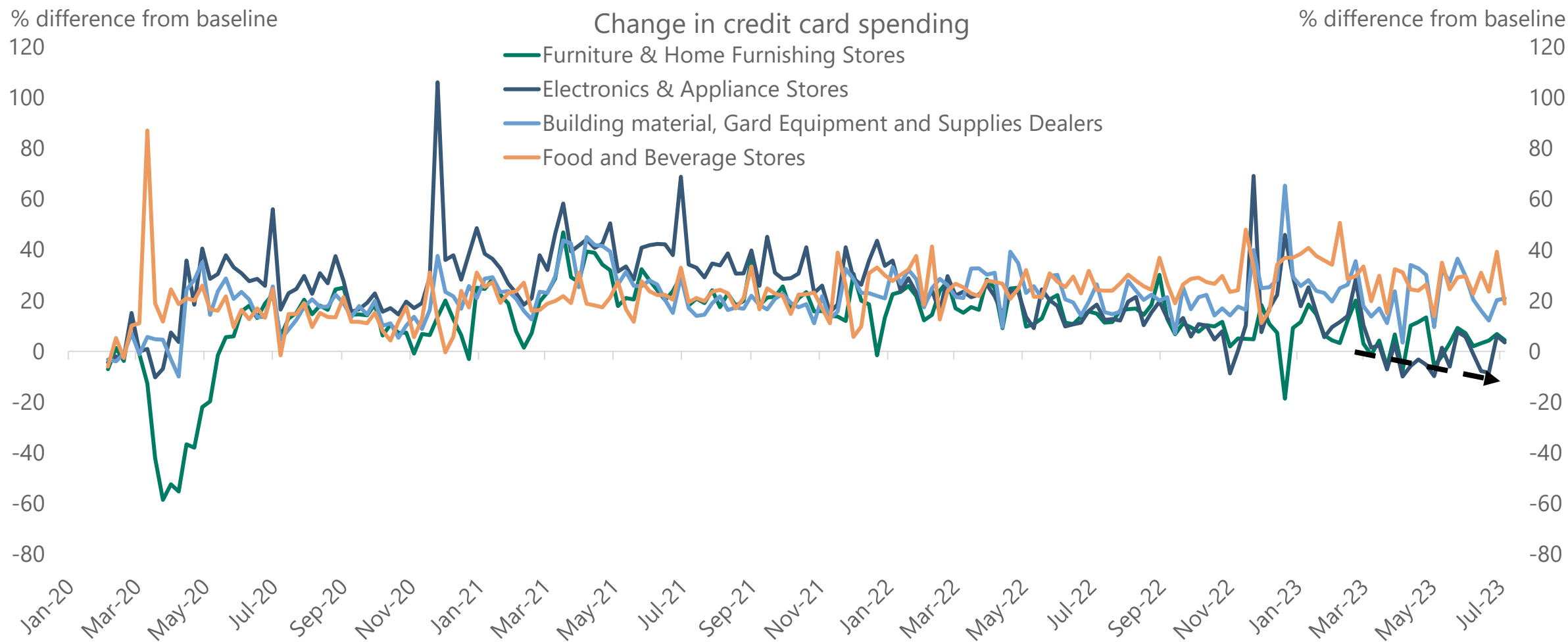
The number of people going to Broadway shows above 2022 levels



Movie theatre visits above pre-pandemic levels

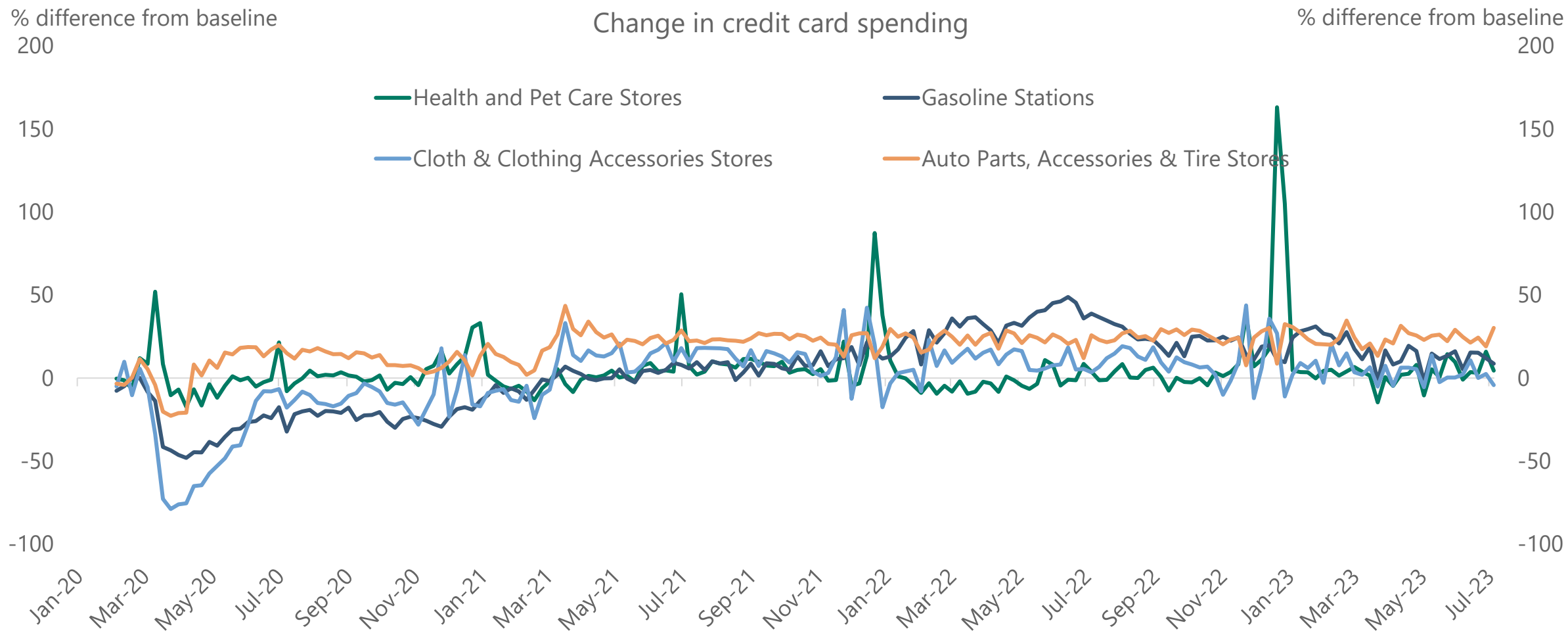


Consumer spending on Furniture and Electronics slowing



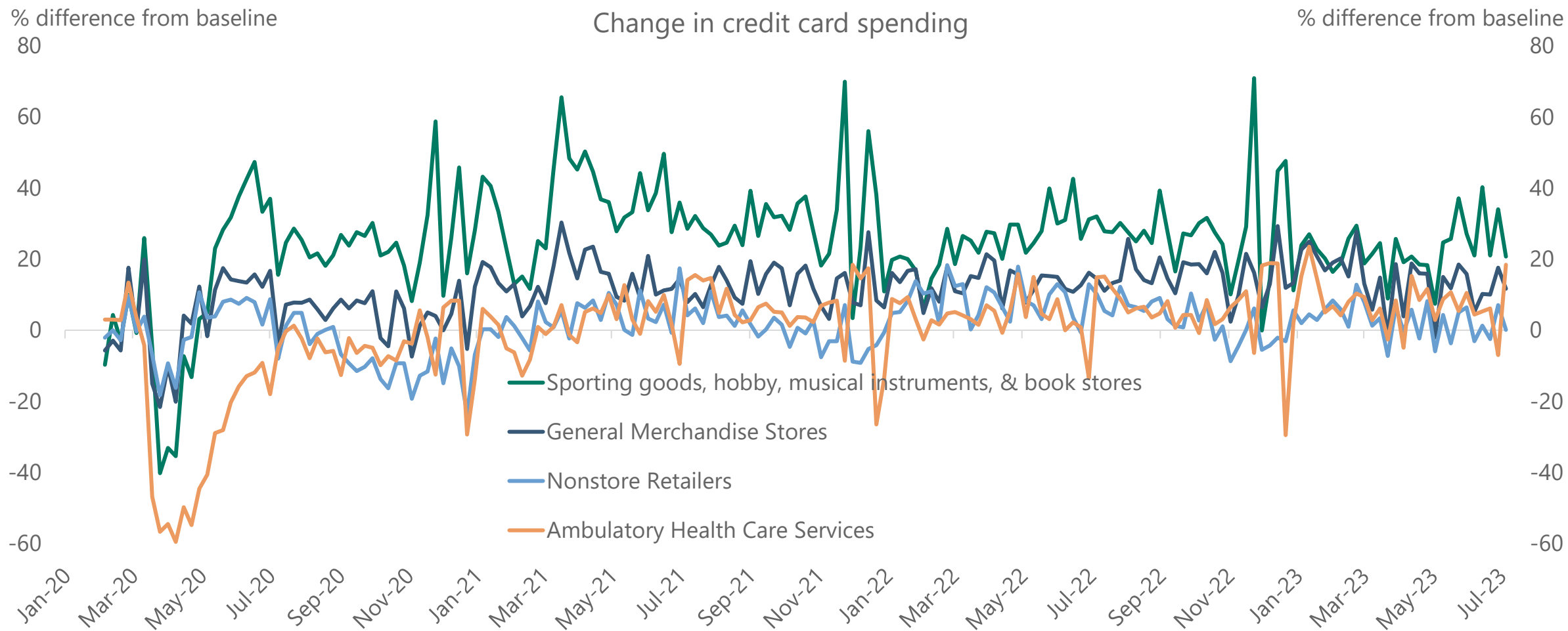
Source: BEA, Haver analytics, Apollo Chief Economist. Note: The weekly values represent the predicted percentage difference from the typical level of spending (prior to the pandemic declared by the World Health Organization on March 11, 2020) after adjusting for day-of-week, month, and year effects,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

US consumer credit card spending



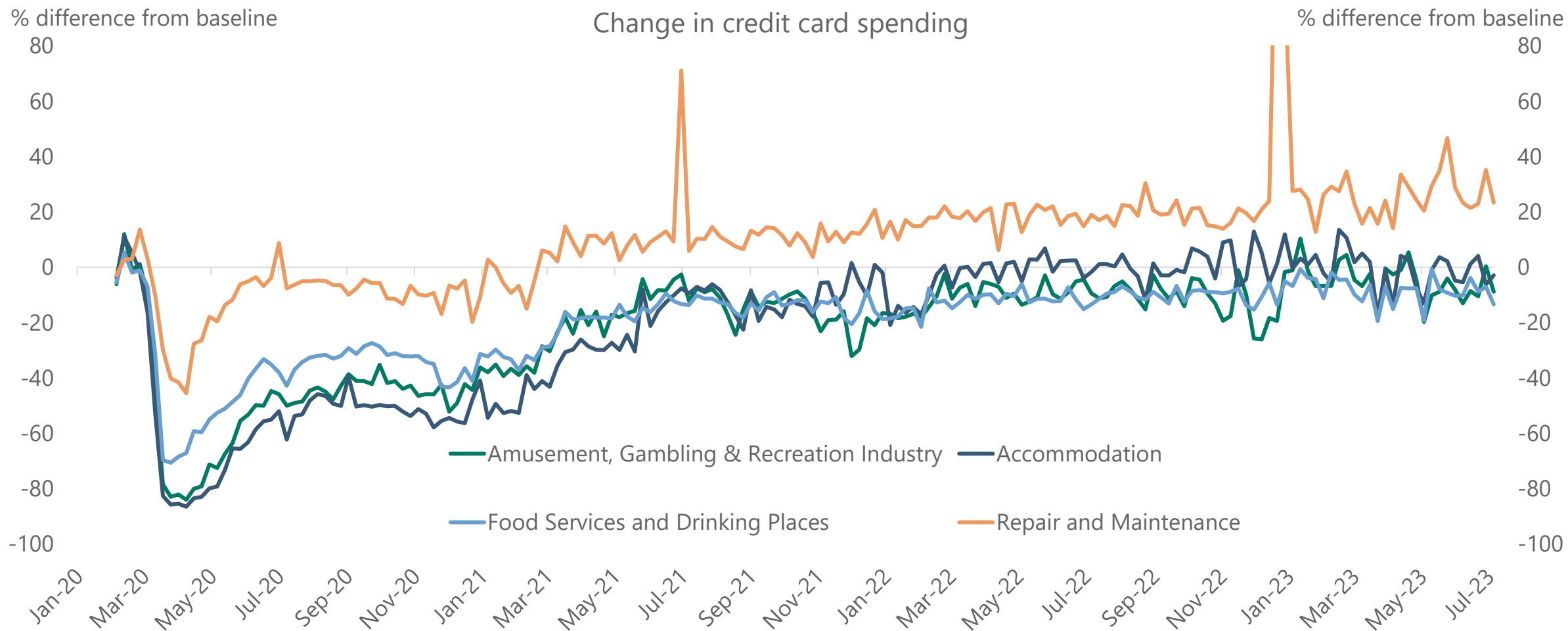
Source: BEA, Haver analytics, Apollo Chief Economist. Note: The weekly values represent the predicted percentage difference from the typical level of spending (prior to the pandemic declared by the World Health Organization on March 11, 2020) after adjusting for day-of-week, month, and year effects,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

US consumer credit card spending



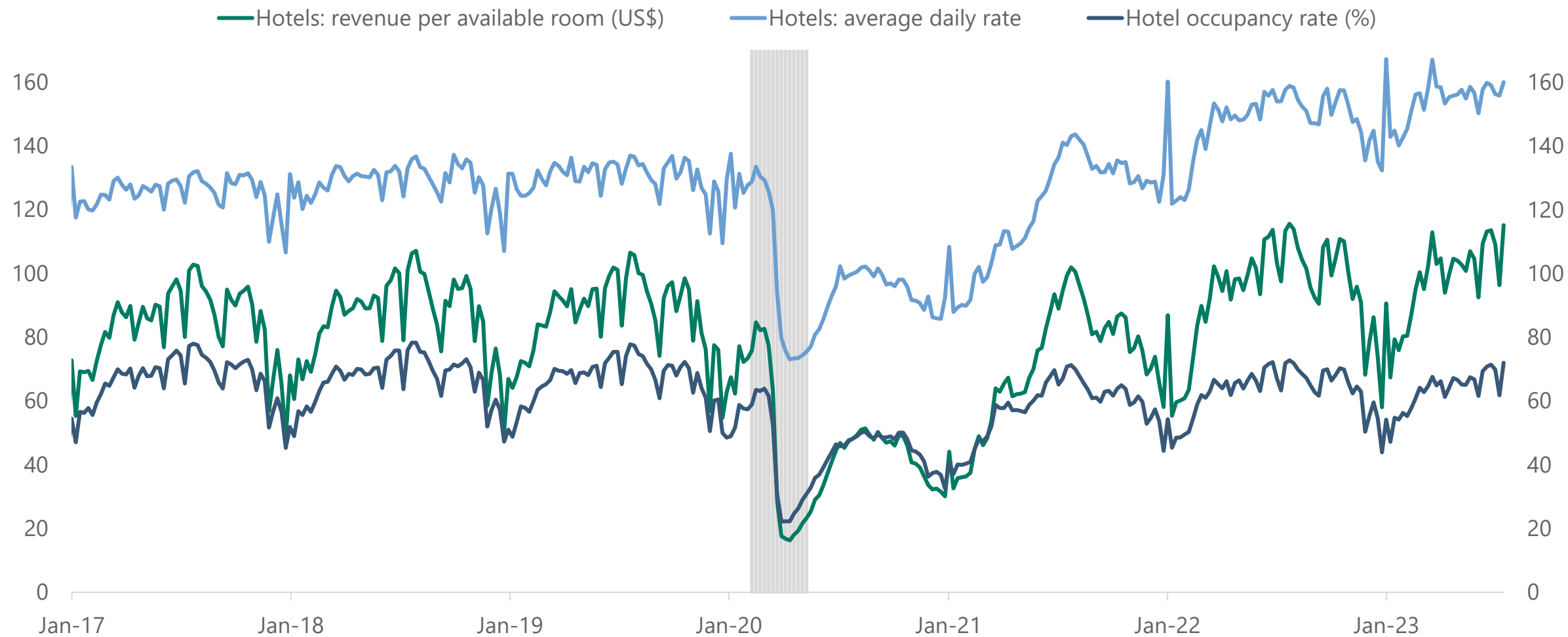
Source: BEA, Haver analytics, Apollo Chief Economist. Note: The weekly values represent the predicted percentage difference from the typical level of spending (prior to the pandemic declared by the World Health Organization on March 11, 2020) after adjusting for day-of-week, month, and year effects,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

US consumer credit card spending

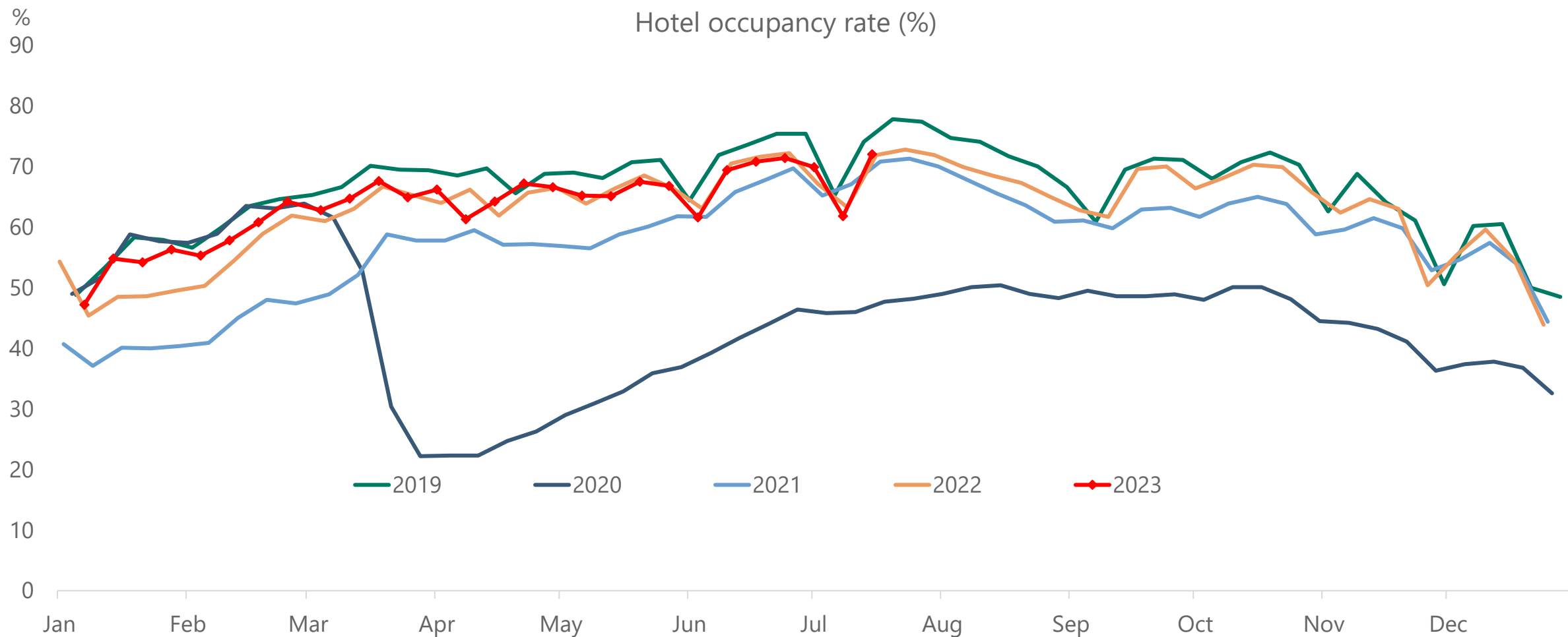


Source: BEA, Haver analytics, Apollo Chief Economist. Note: The weekly values represent the predicted percentage difference from the typical level of spending (prior to the pandemic declared by the World Health Organization on March 11, 2020) after adjusting for day-of-week, month, and year effects,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

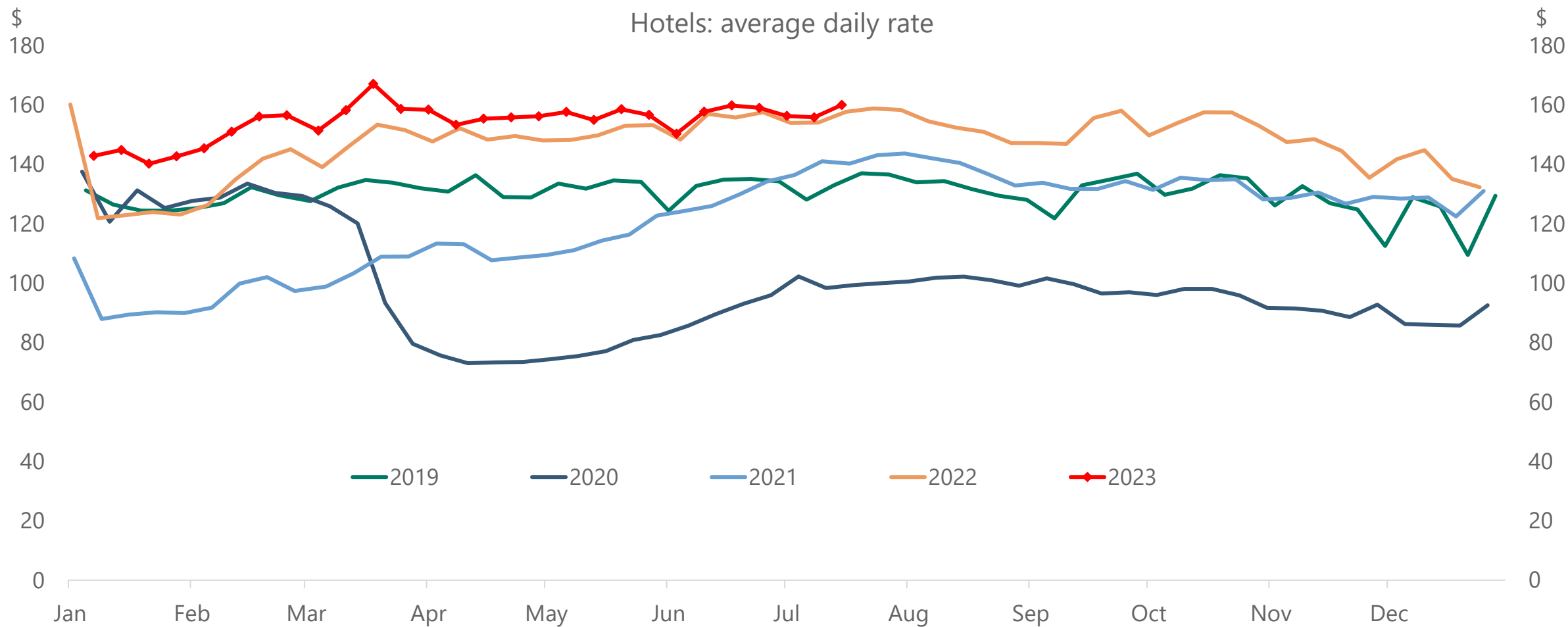
Weekly data for hotel demand still solid



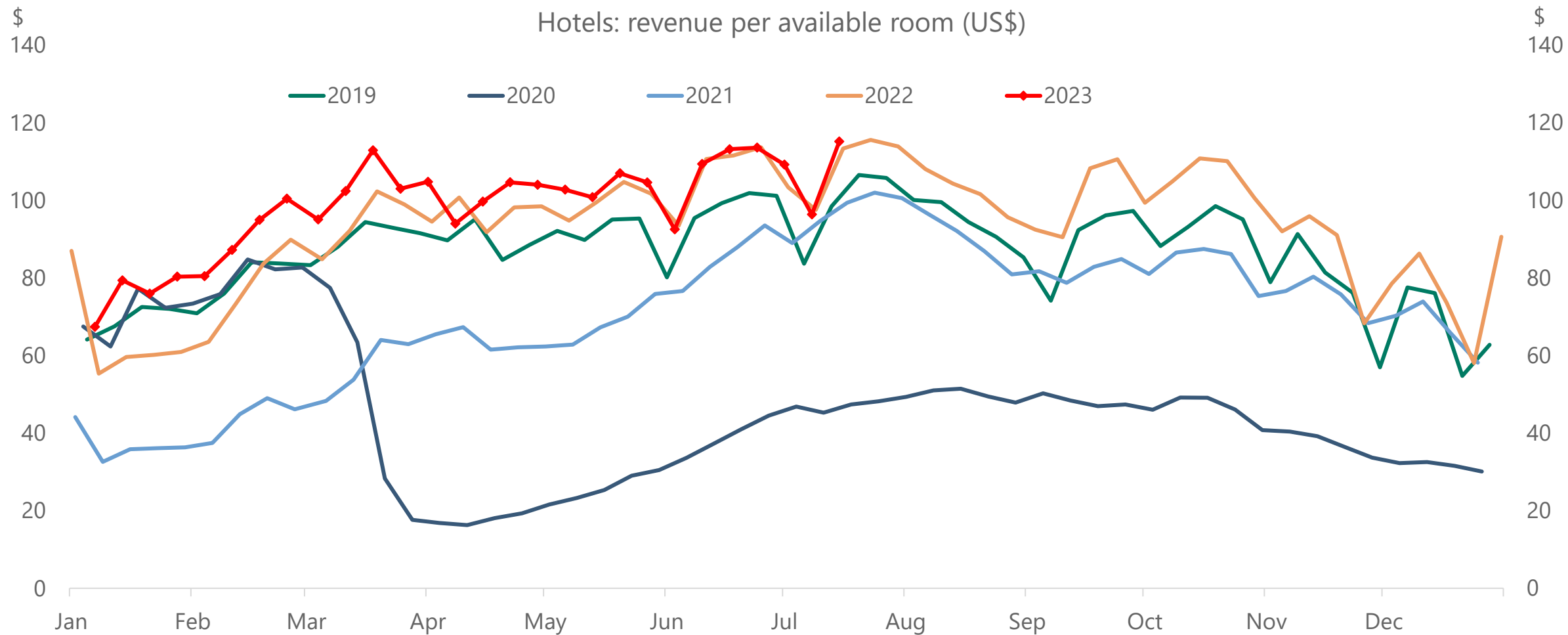
Weekly data for hotel demand



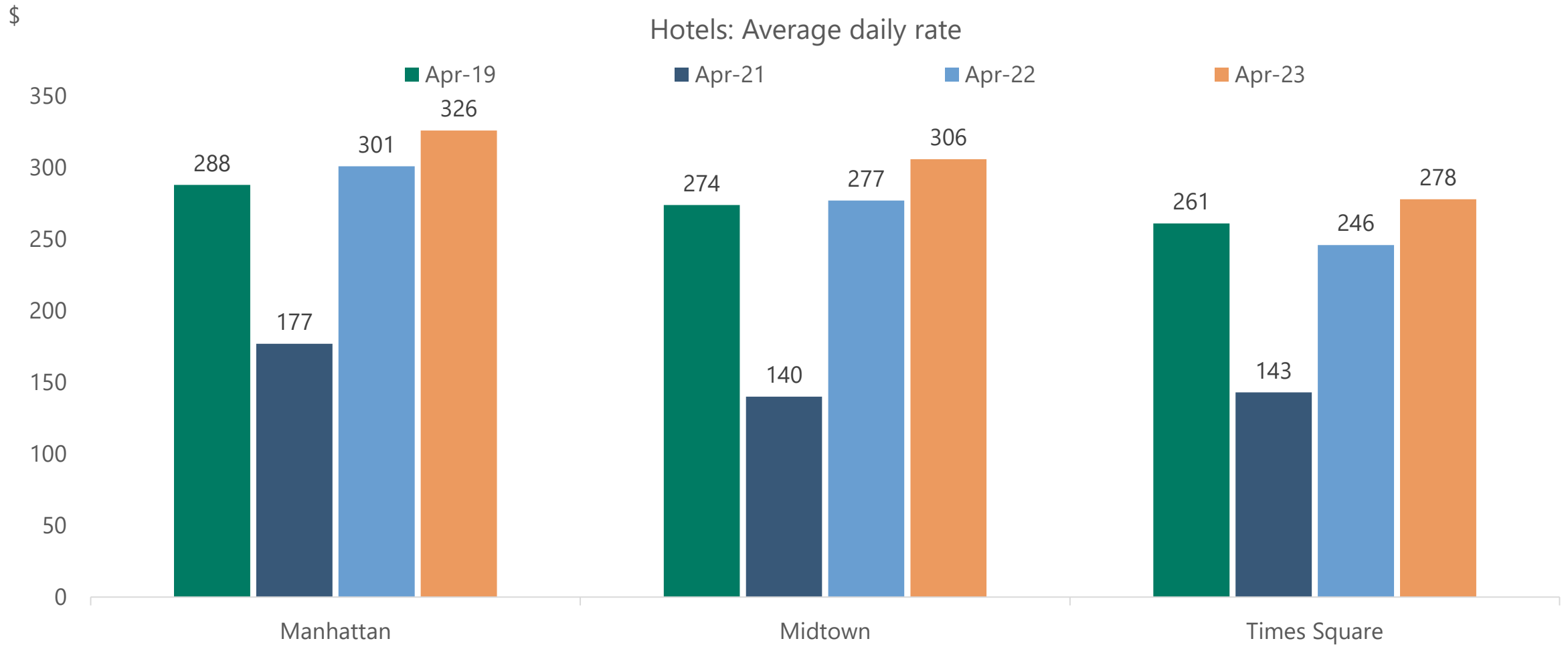
Weekly data for hotel demand



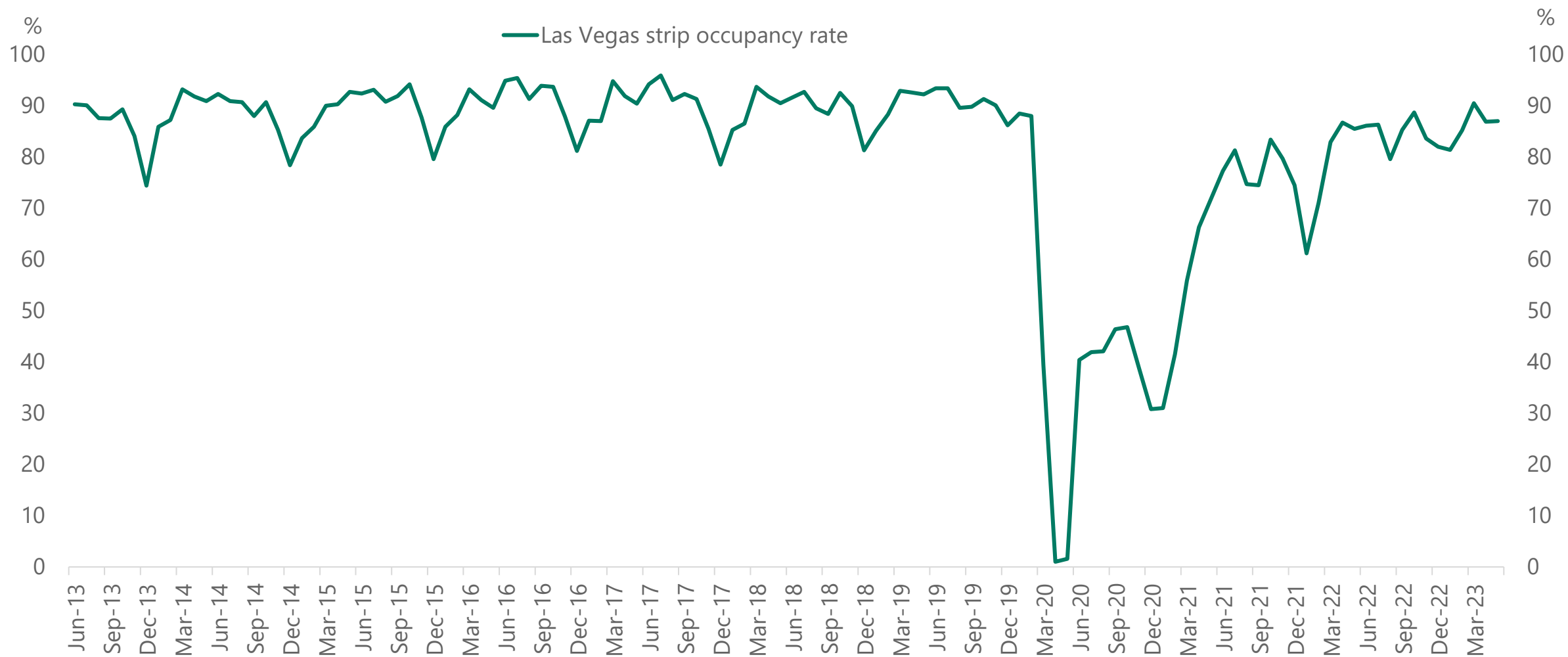
Weekly data for hotel demand



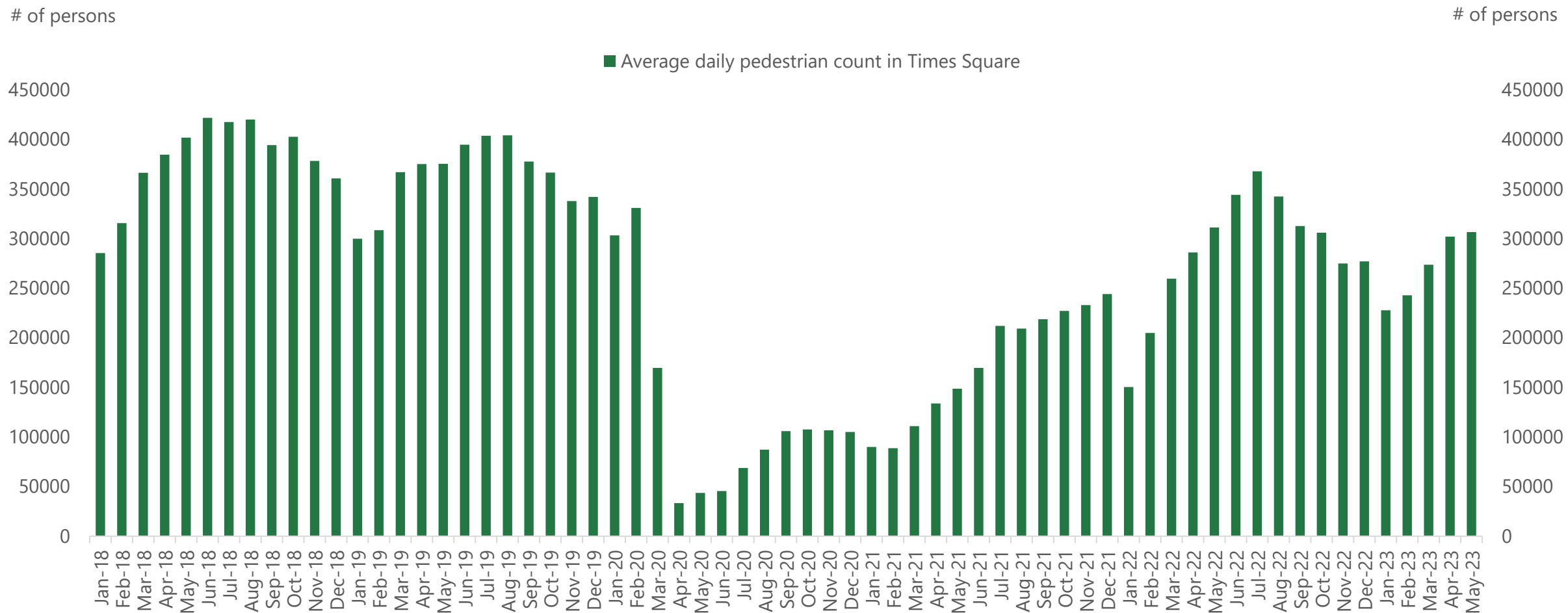
Hotel prices are above pre-pandemic levels



Las Vegas occupancy rate back at pre-pandemic levels



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

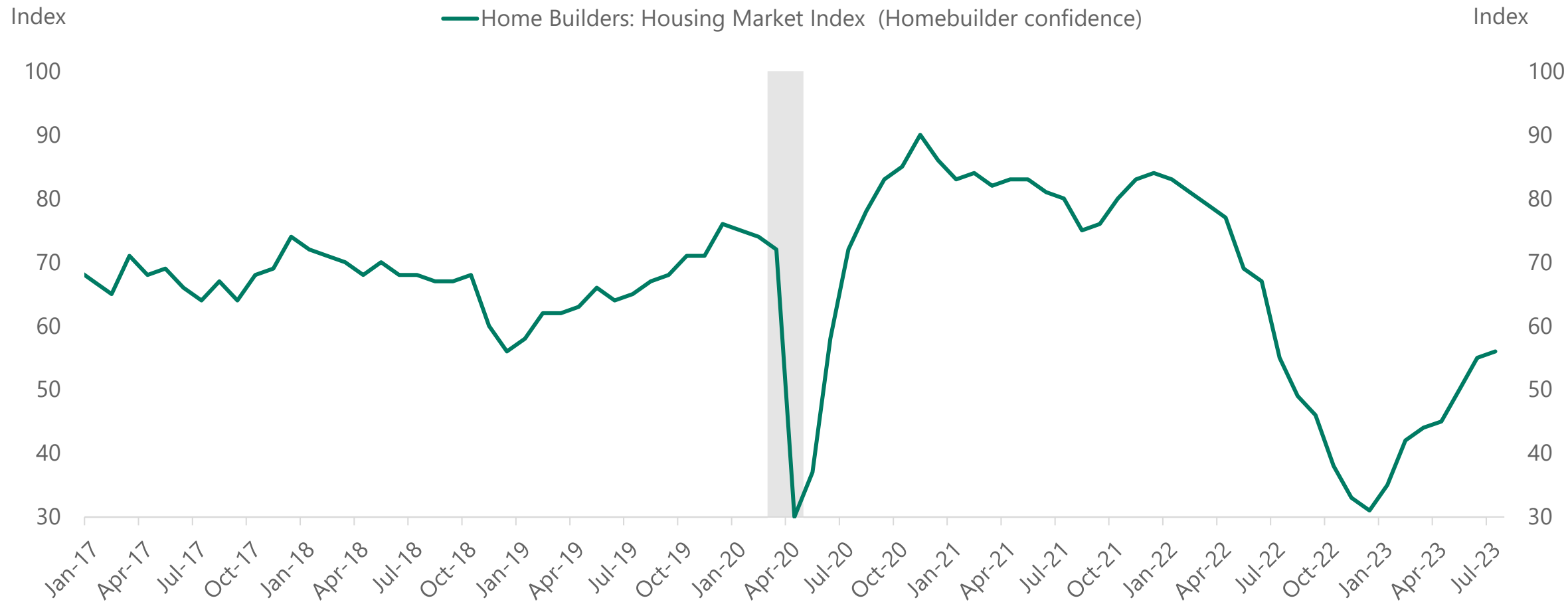


Weekly data for same-store retail sales slowing down

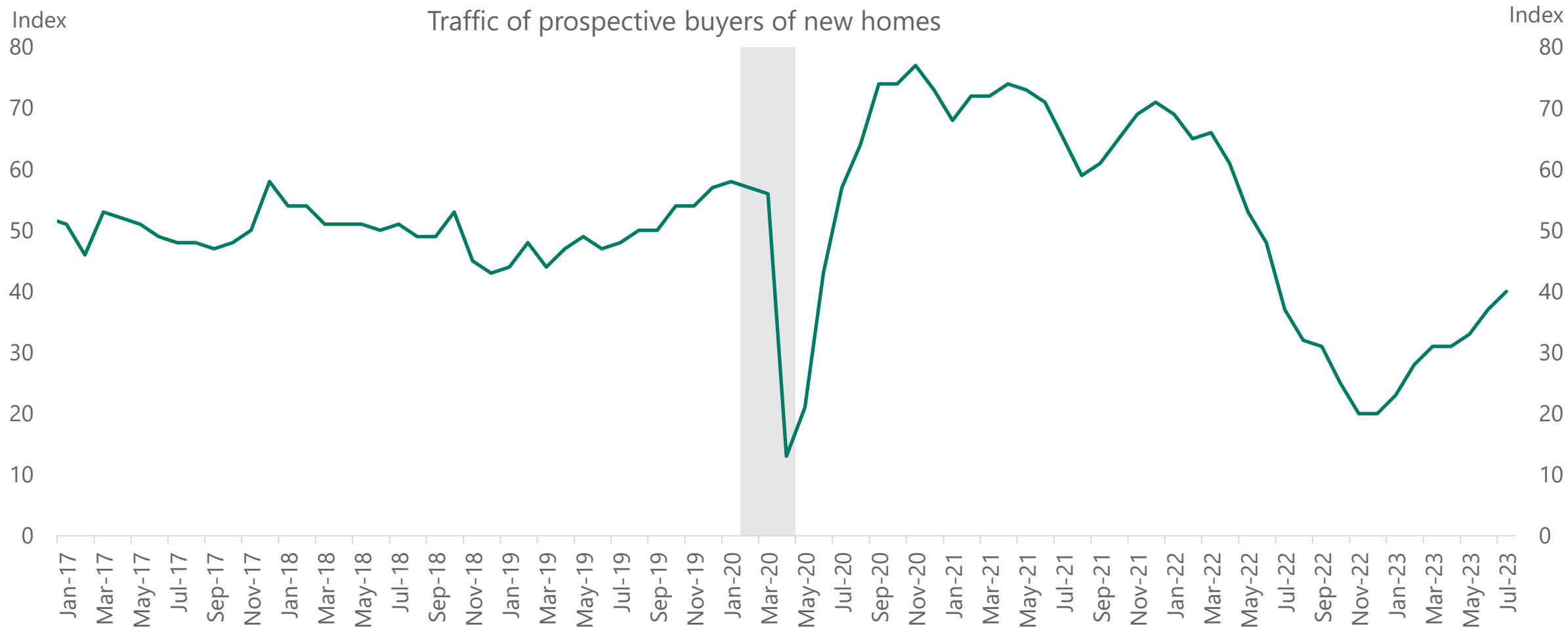
Redbook Research: Same Store, Retail Sales Average



Homebuilder confidence trending higher

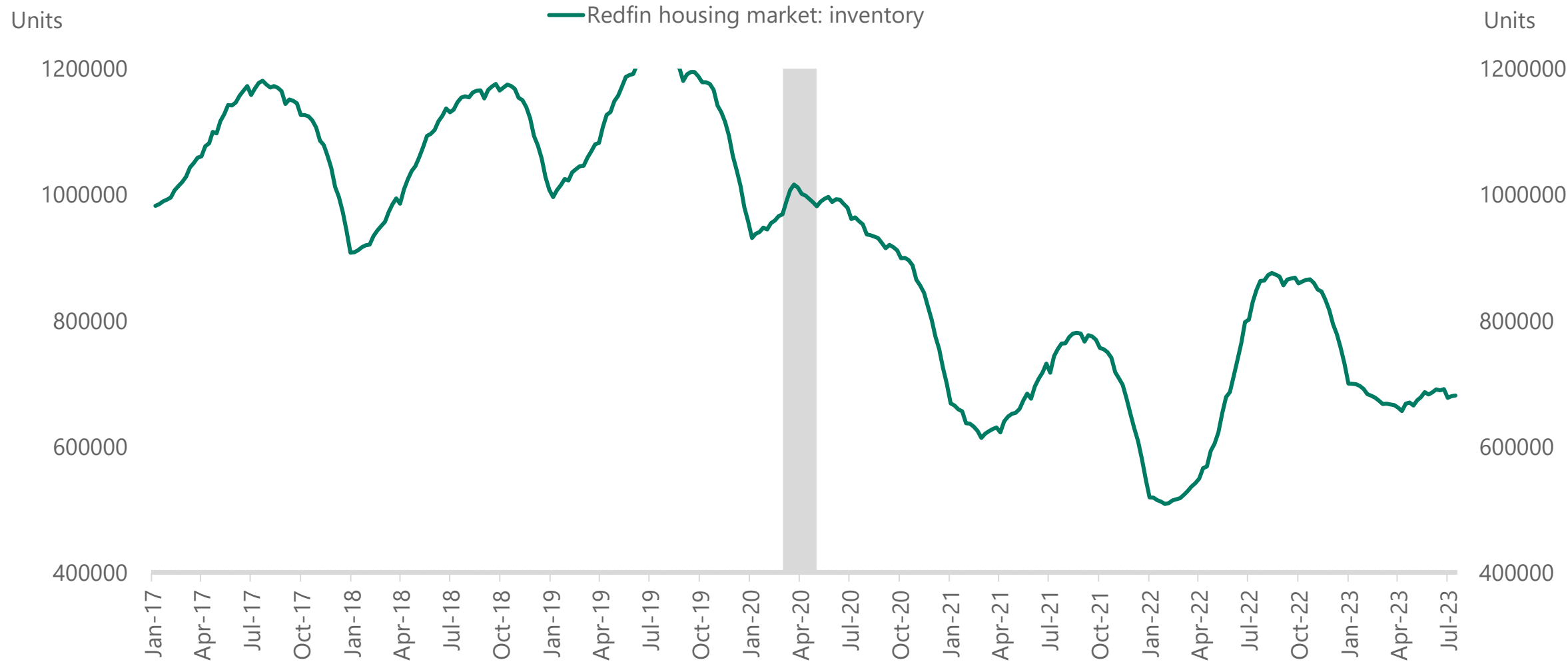


Traffic of prospective homebuyers starting to improve



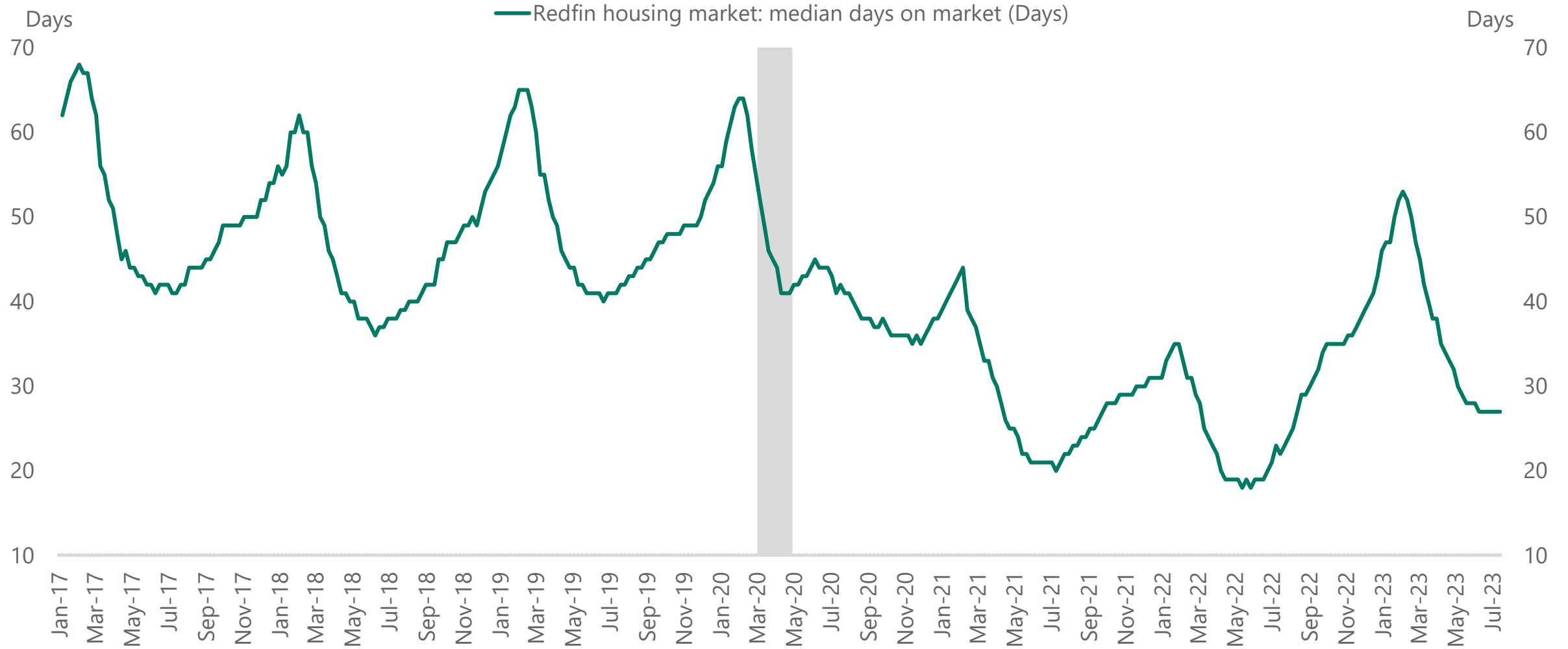
Source: National Association of Homebuilders, Bloomberg, Apollo Chief Economist

Housing inventory is low



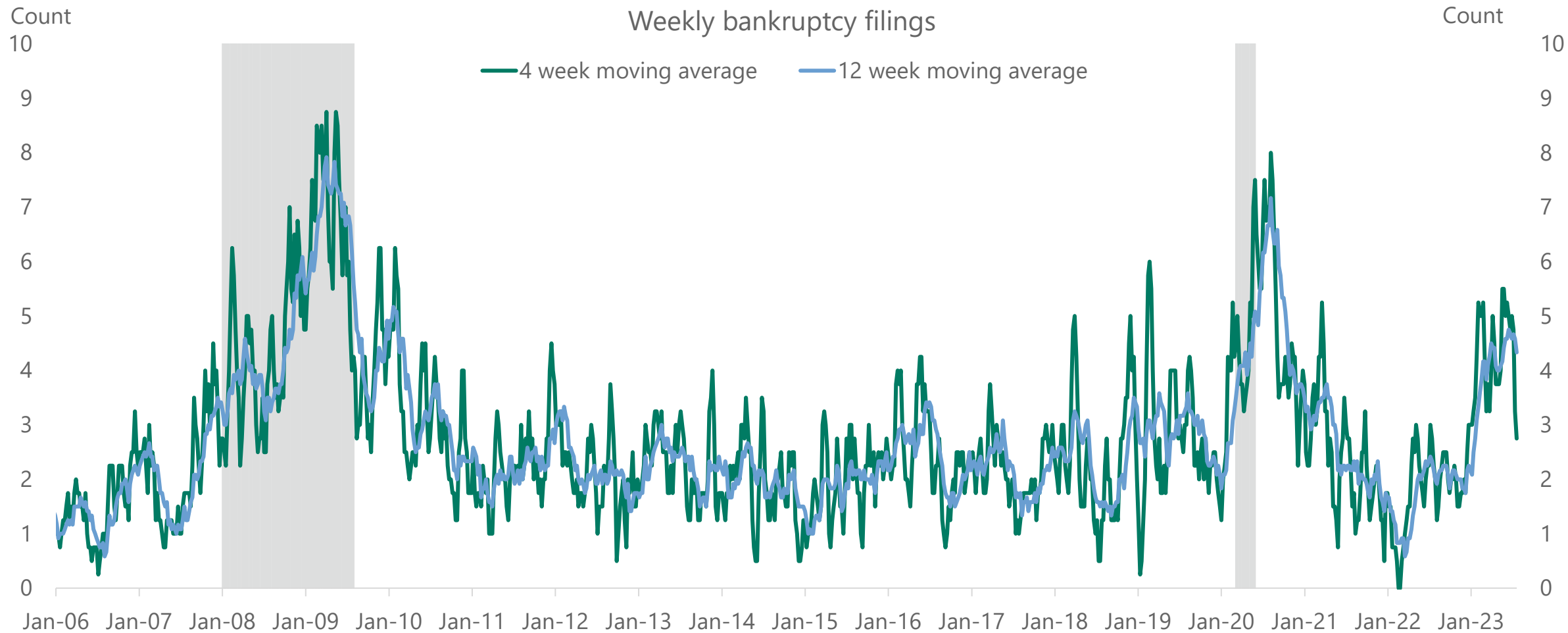
Source: Redfin, Haver, Apollo Chief Economist

Starting to see a decline in the number of days houses are for sale



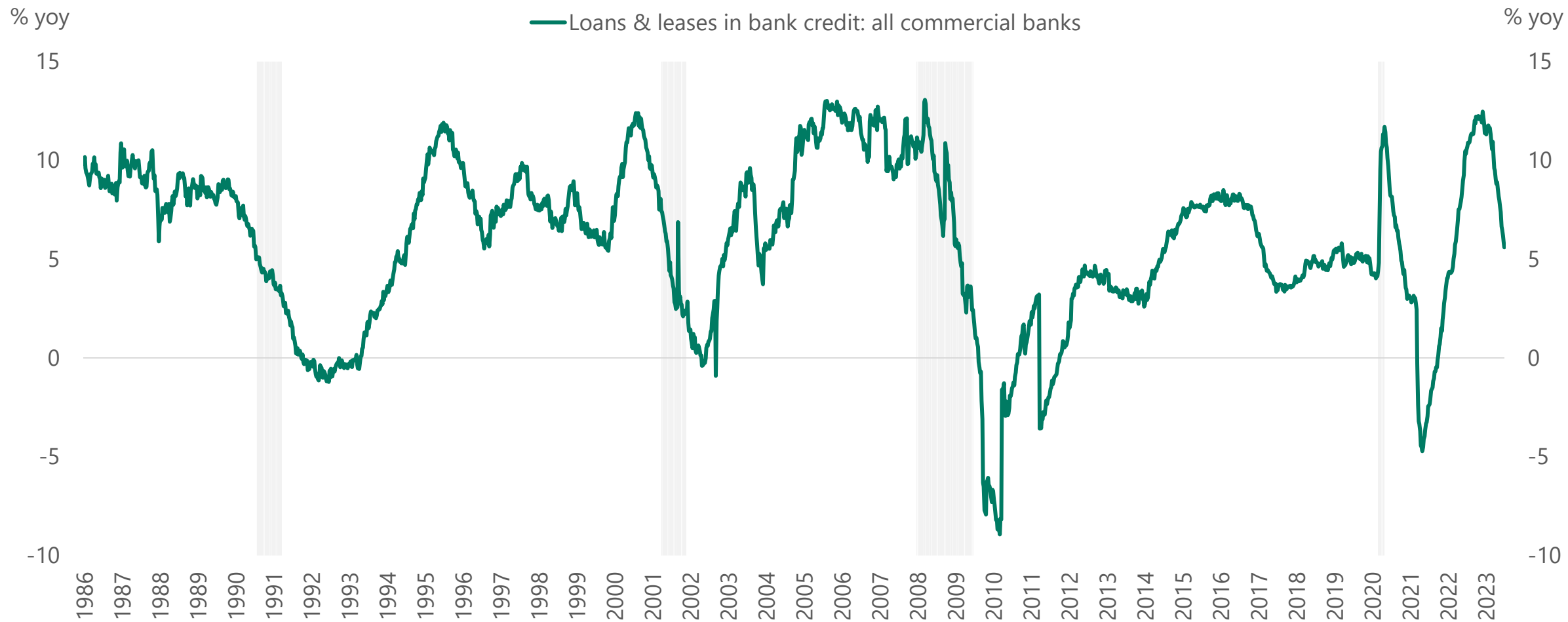
Source: Redfin, Haver, Apollo Chief Economist

Weekly bankruptcy filings

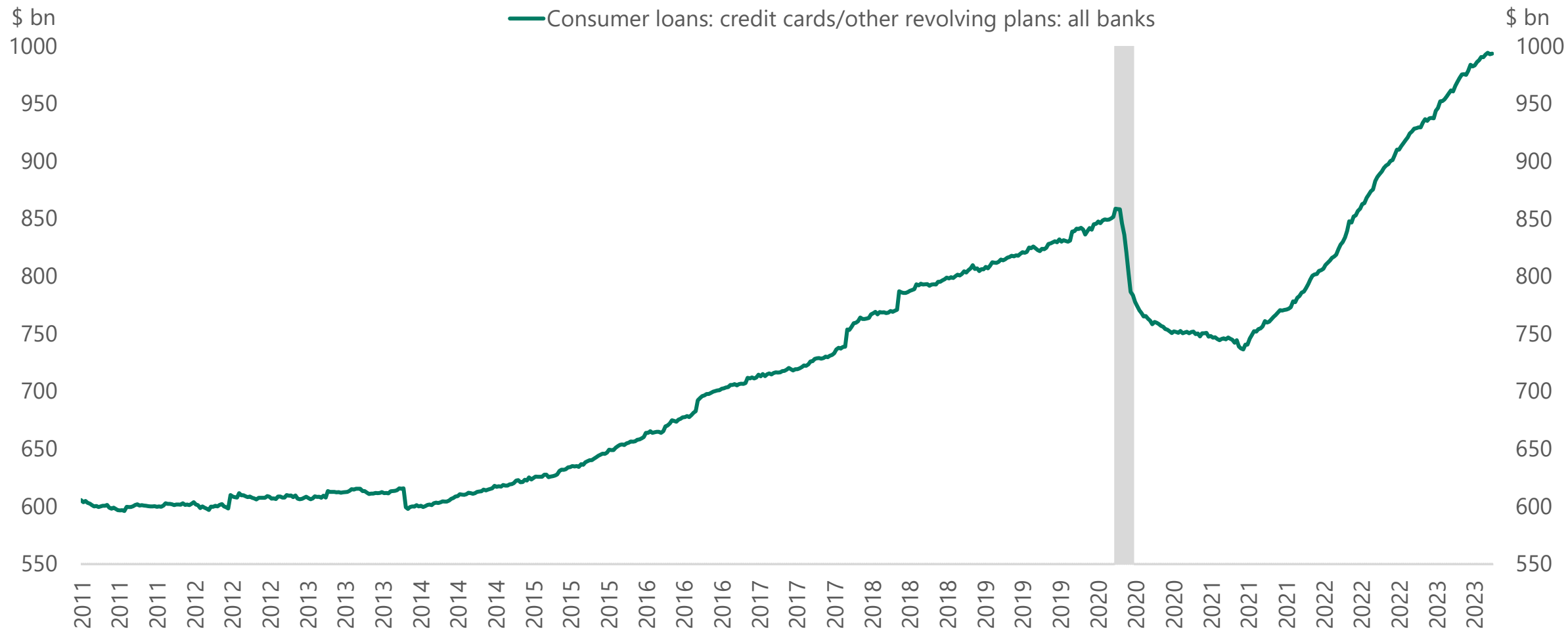


Source: Bloomberg, Apollo Chief Economist. Note: Filings are for companies with more than \$50mn in liabilities. For week ending on June 28, 2023.

Banks' weekly loan growth rolling over



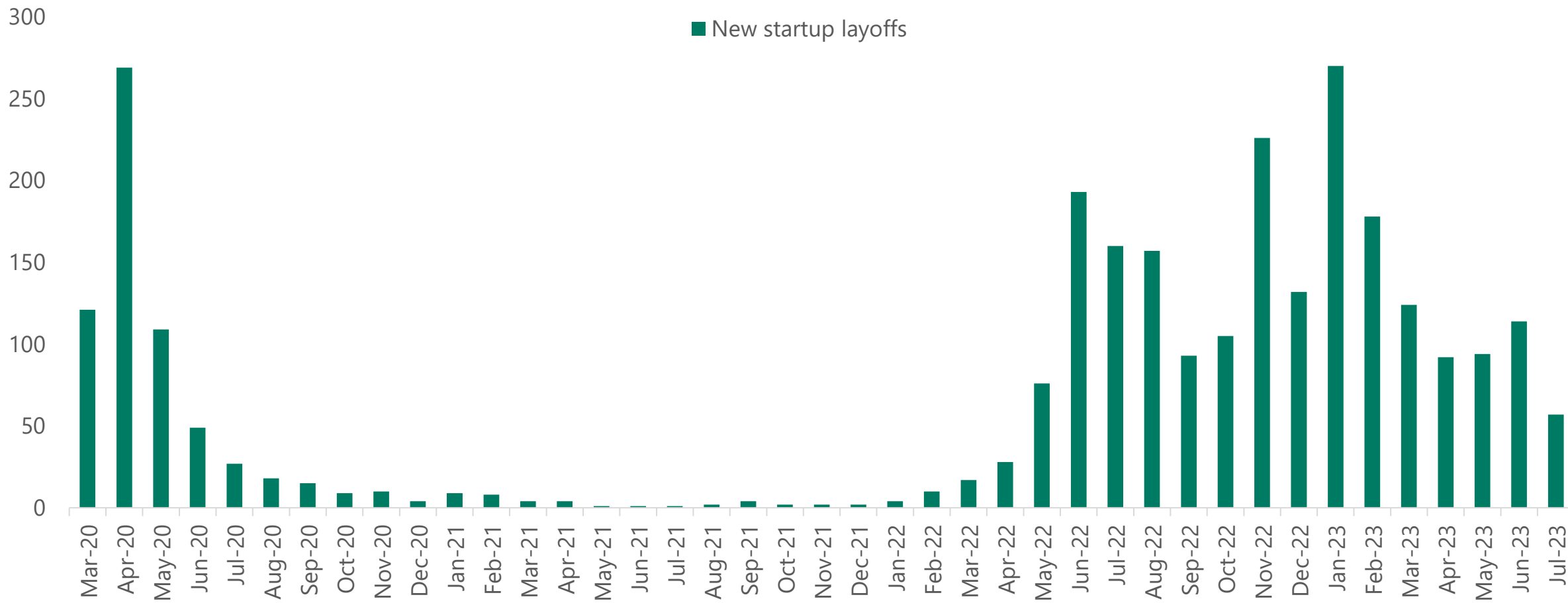
Weekly credit card debt is rising as the economy re-opens



Source: FRB, Haver, Apollo Chief Economist

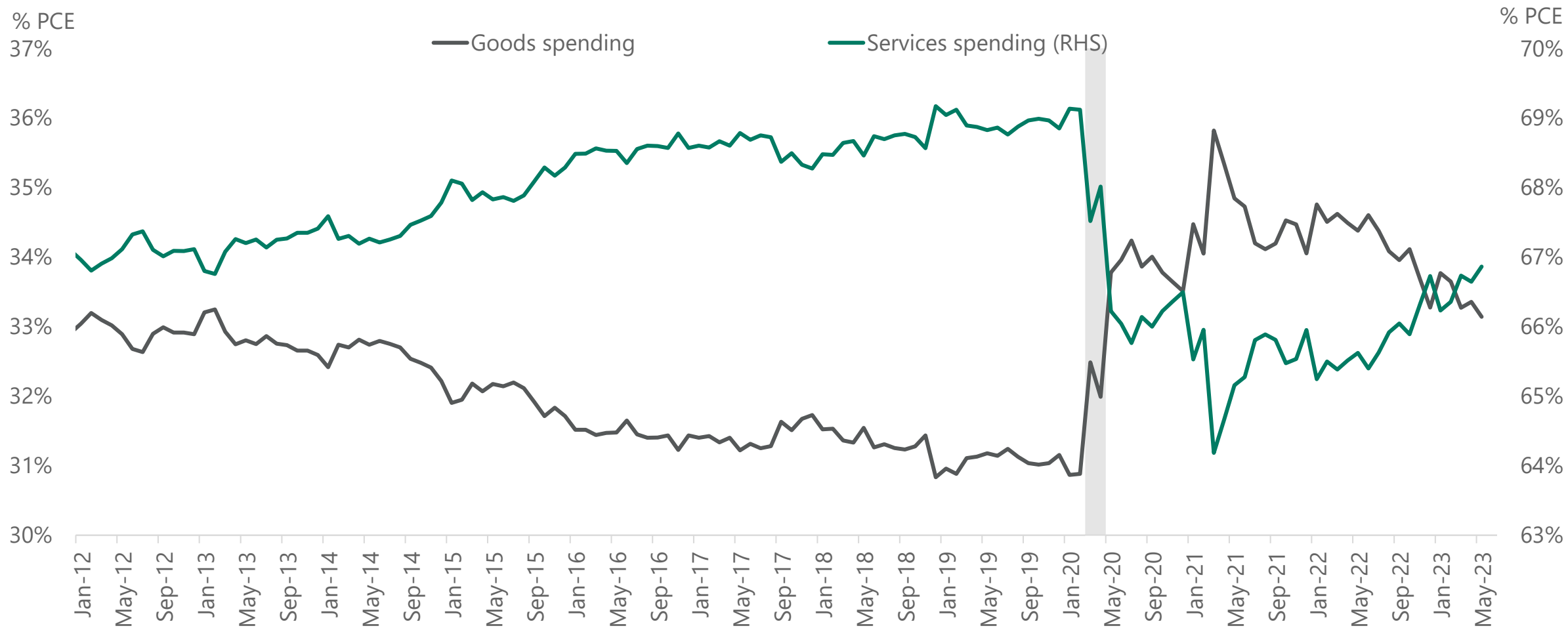
Layoffs at tech startups

of layoff events

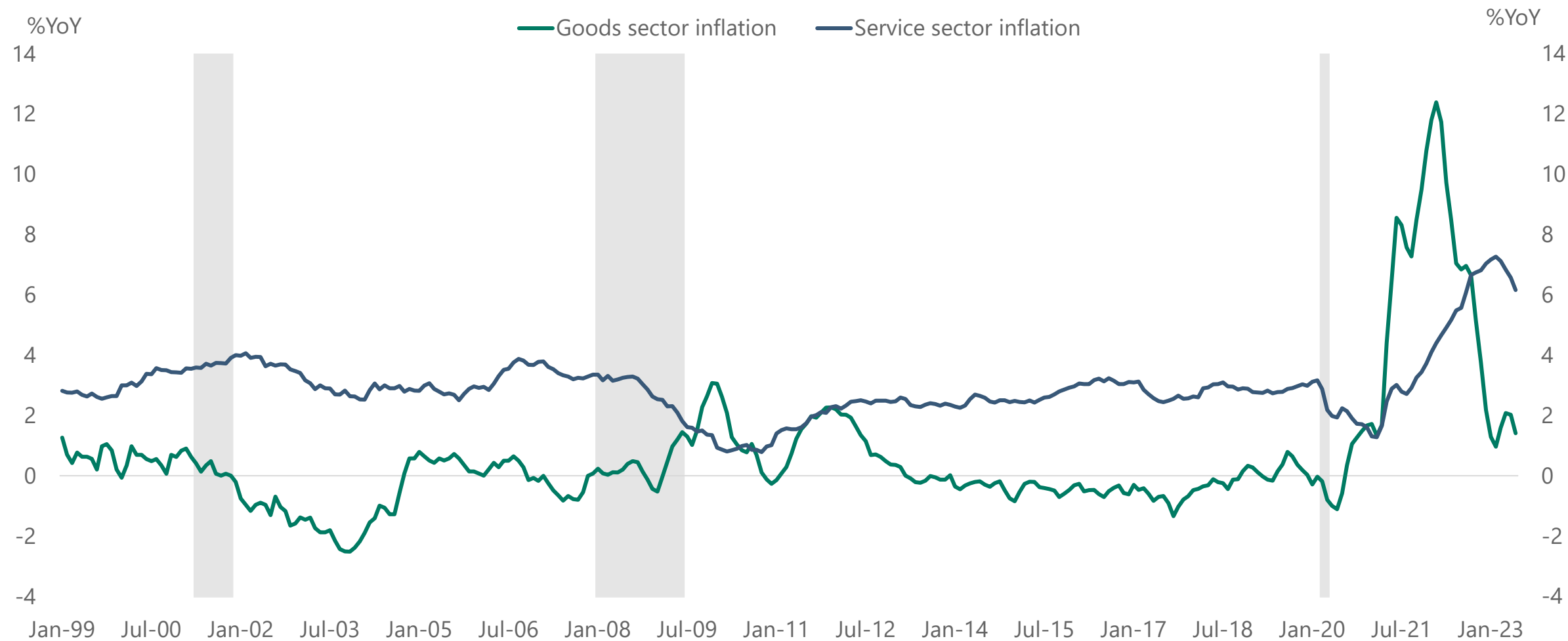


Source: Layoffs.fyi, Apollo Chief Economist. Note: Top 5 sectors that account for layoffs: Transportation, Food, Travel, Finance, and Real Estate.

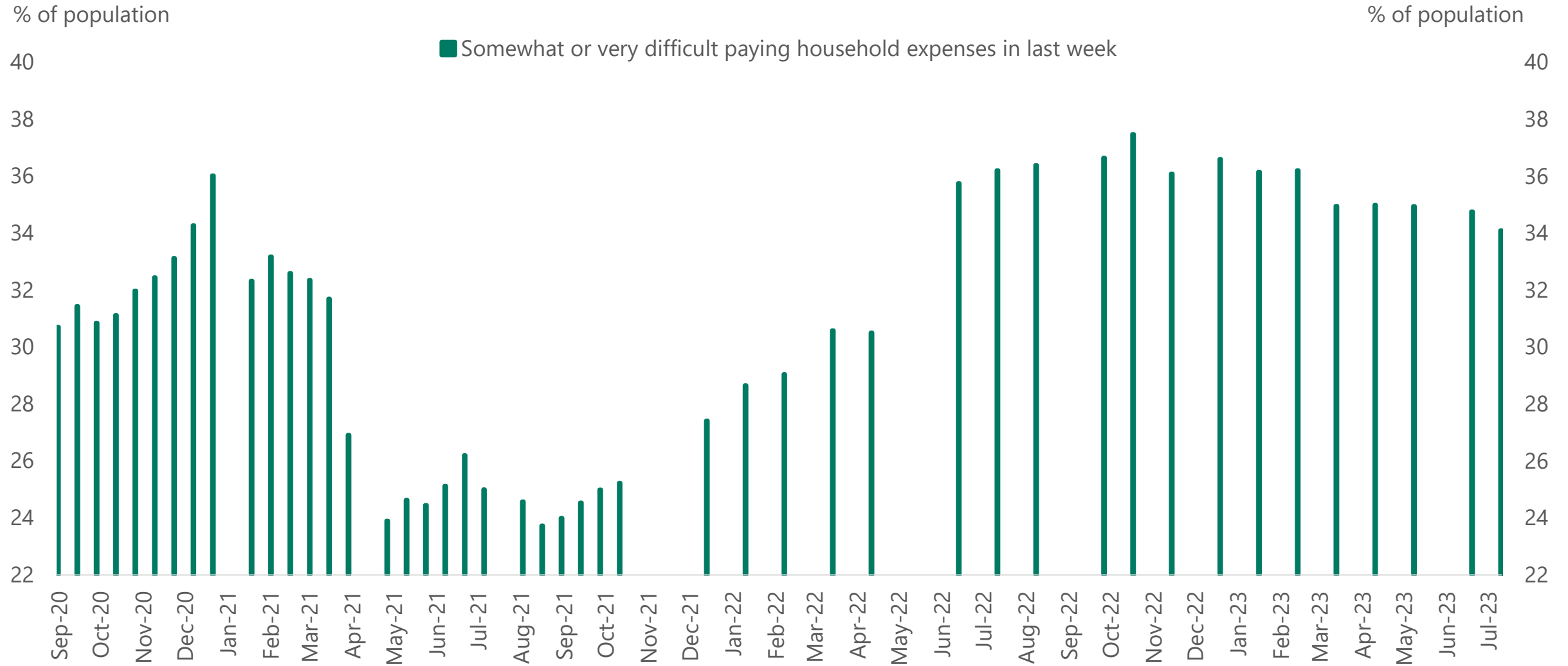
Shift from goods to services in US consumer spending



Goods sector inflation slowing. Service sector inflation rising

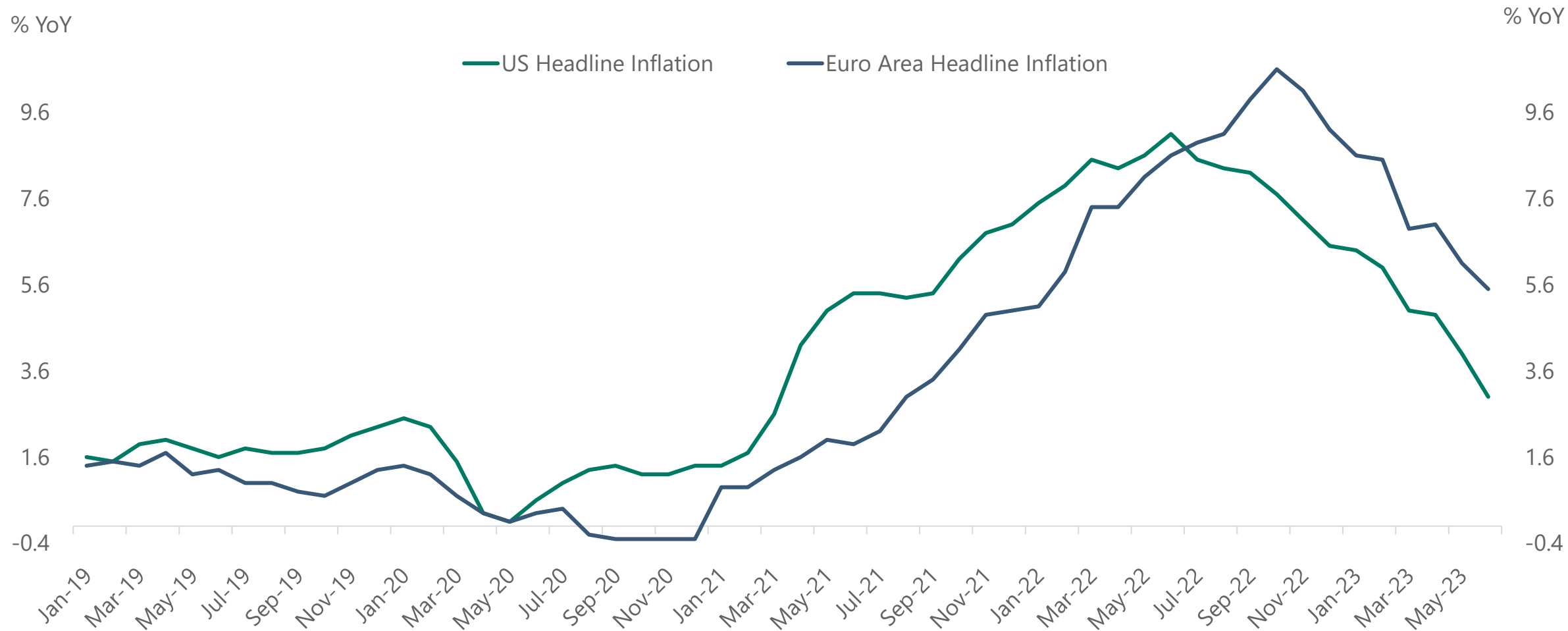


Share of households having difficulties paying expenses

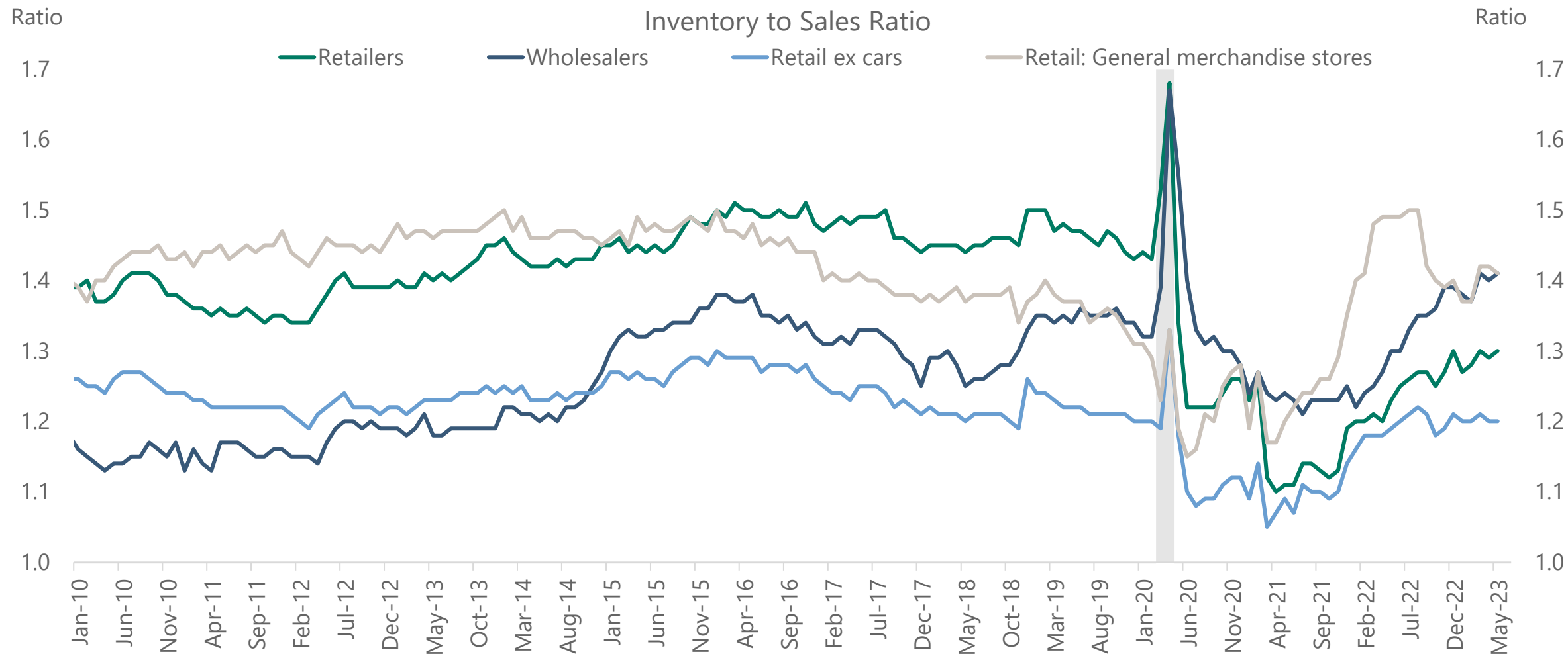


Source: Census Bureau, Apollo Chief Economist (Note: Household Pulse Survey)

Inflation has peaked both in the US and Europe

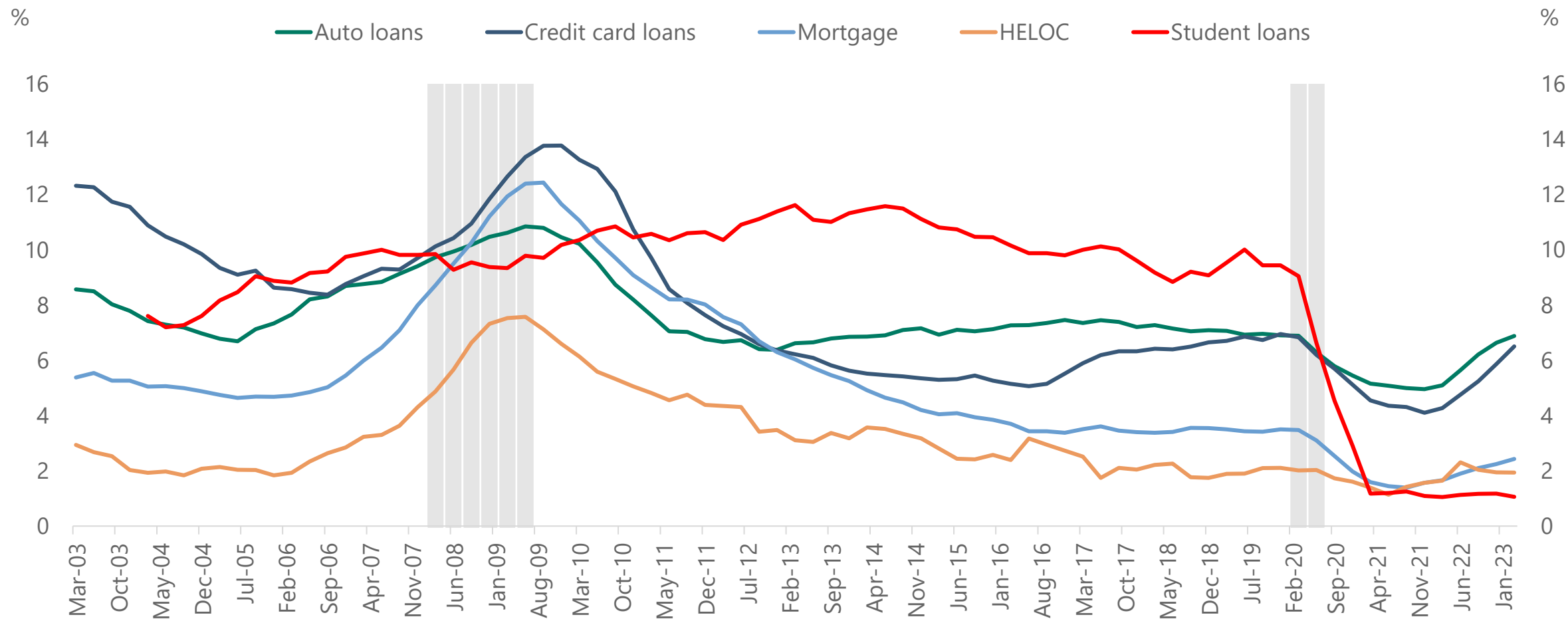


Inventory to sales ratio

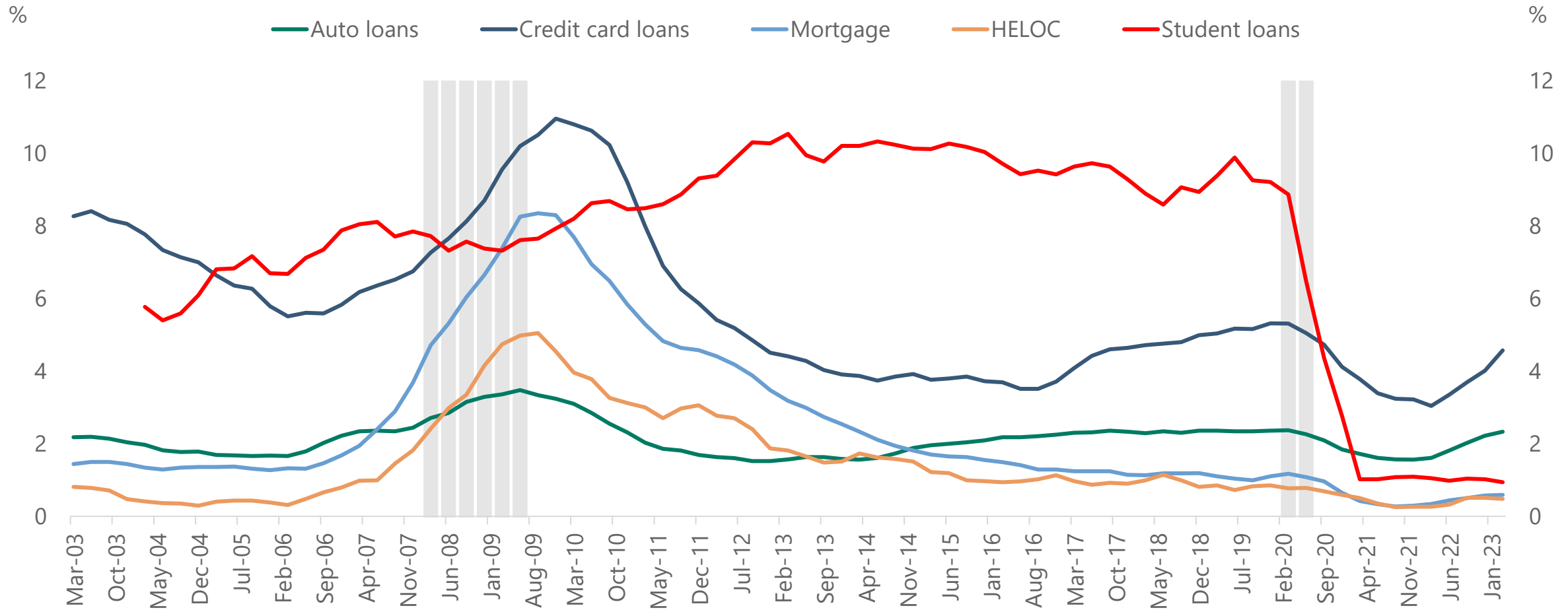


Source: Census, Haver Analytics, Apollo Chief Economist

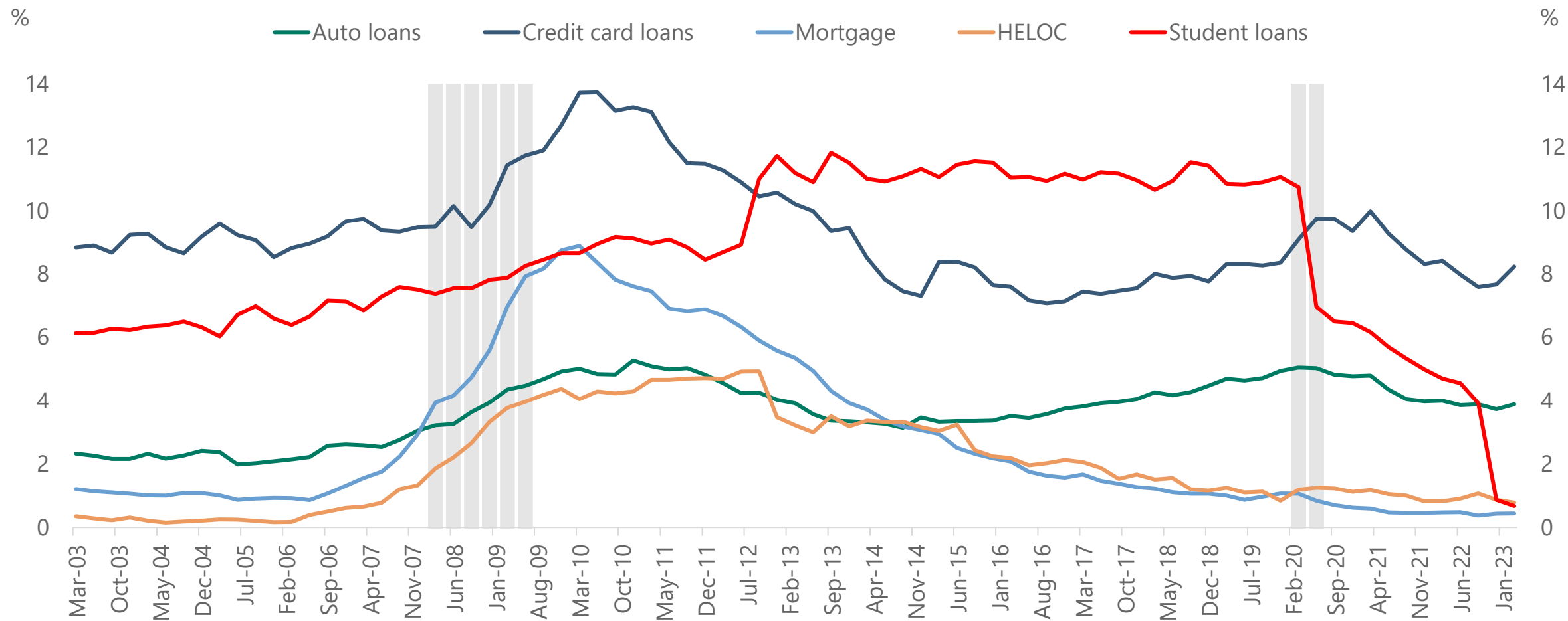
New delinquent (+30 days) balances by loan type, % of current balance



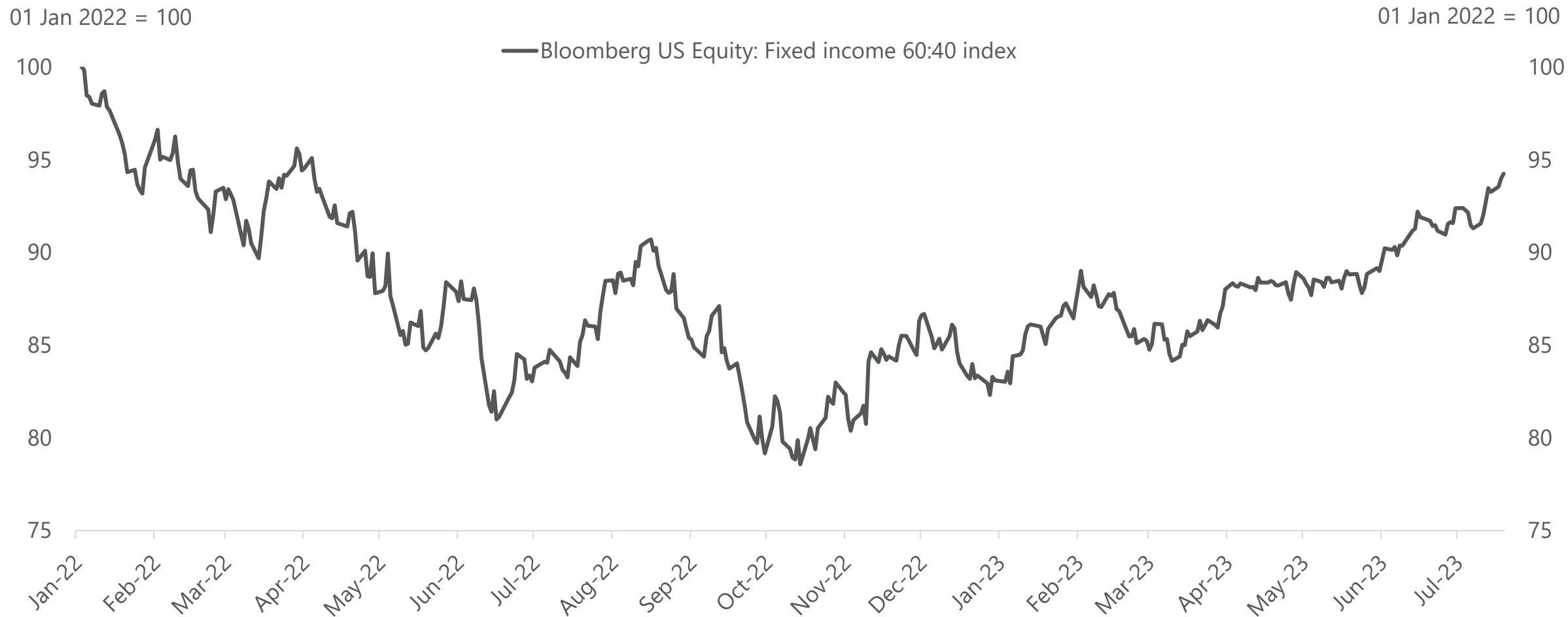
New seriously delinquent (+90 days) balances by loan type, % of current balance



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

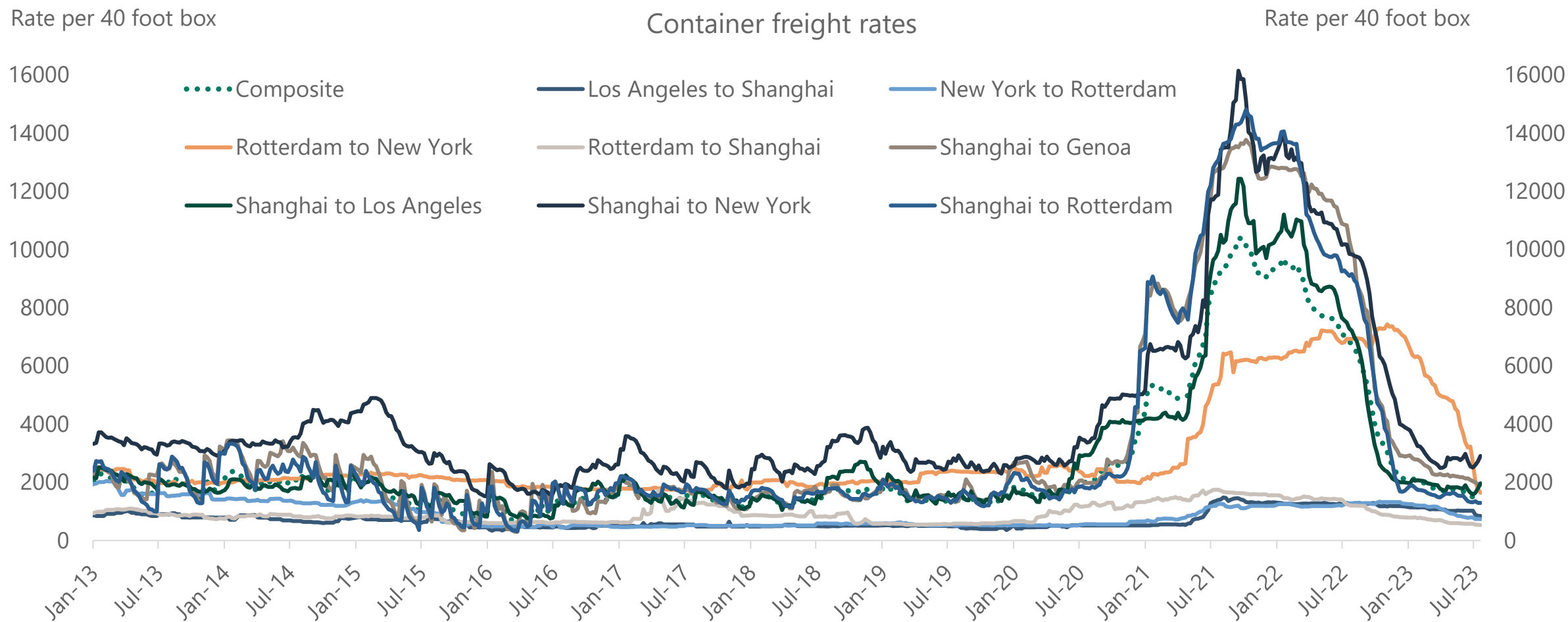


60/40 portfolio down 6%

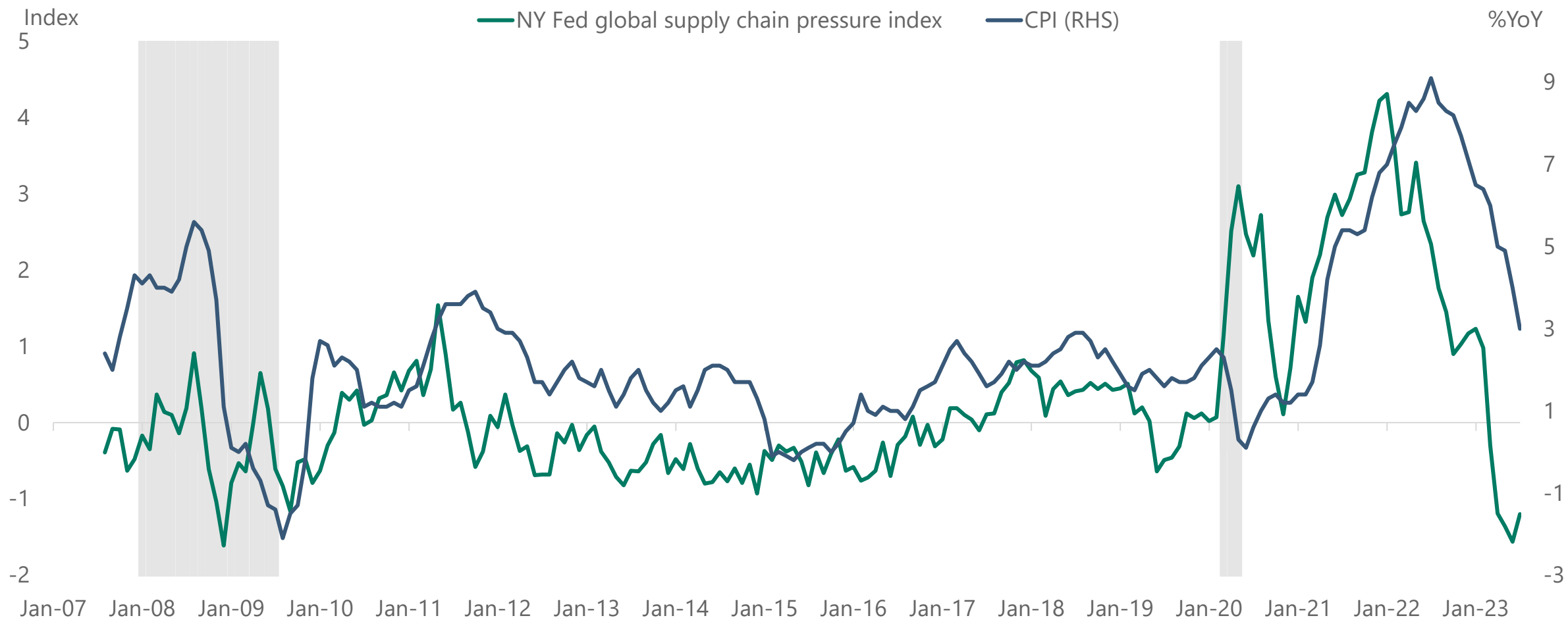


Source: Bloomberg, Apollo Chief Economist. The Bloomberg US BMA6040 Index rebalances monthly to 60% equities and 40% fixed income.

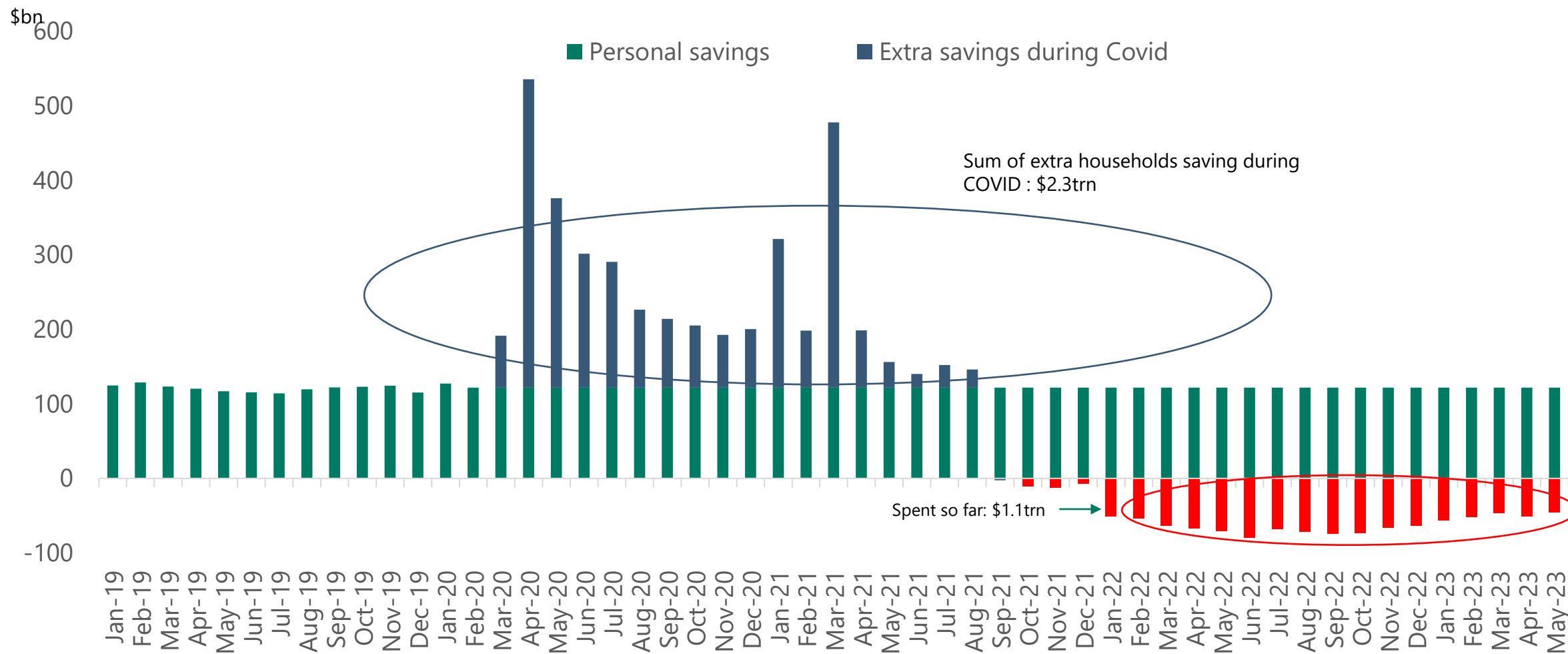
Container freight rates back at pre-pandemic levels



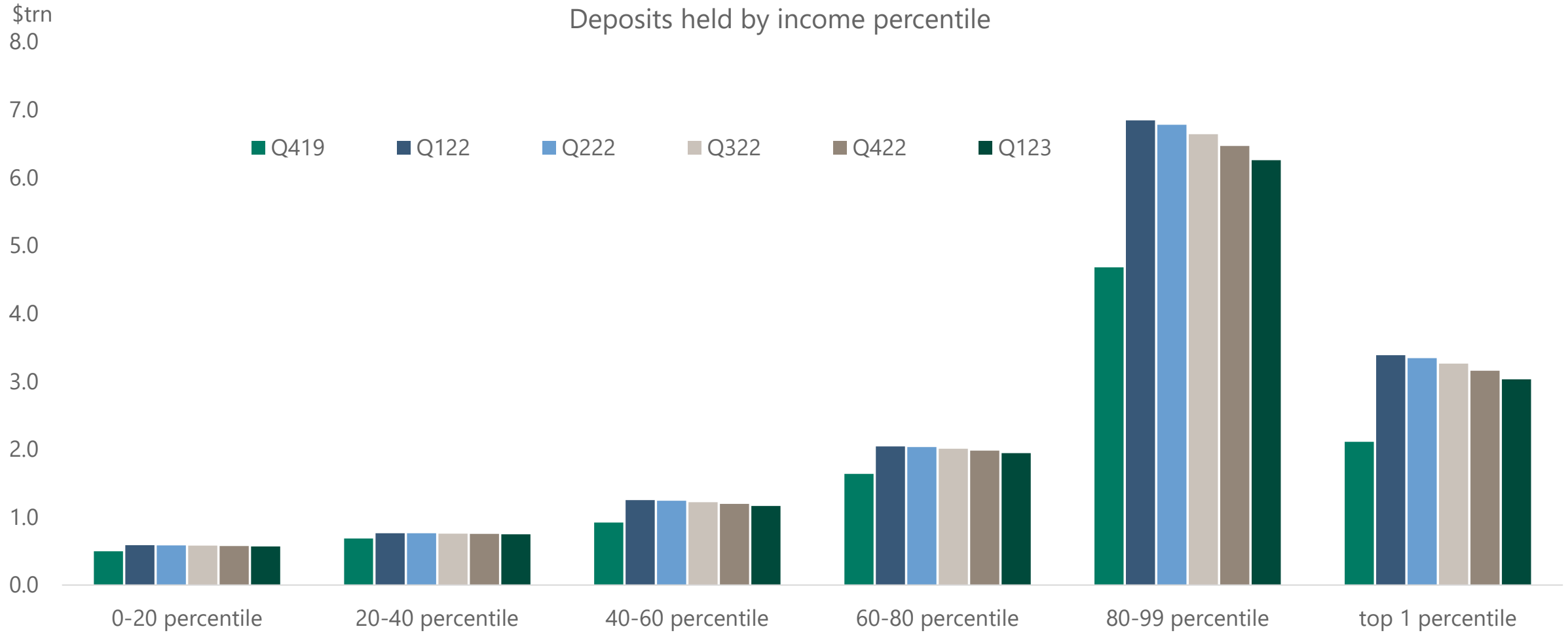
Supply chain improvements putting downward pressure on goods inflation



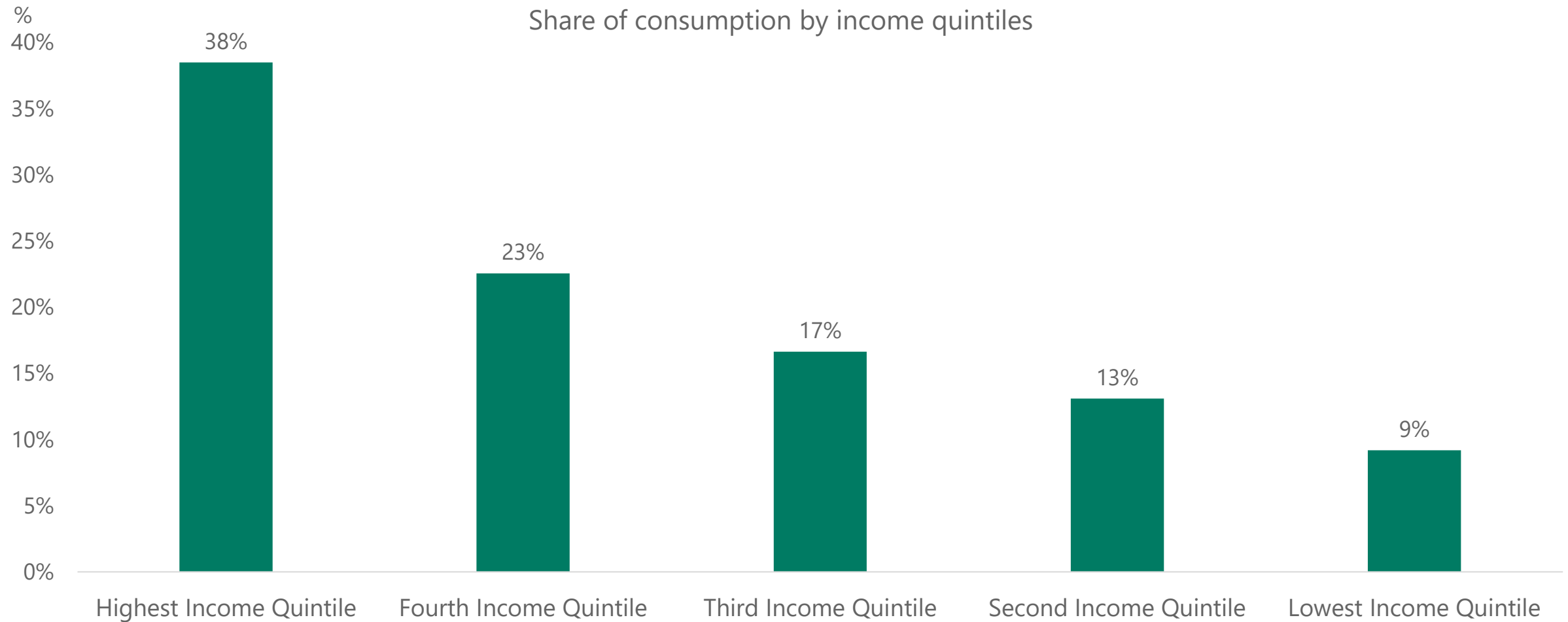
Households are running down their excess savings, but still about \$1.2trn left



Household savings across different income groups

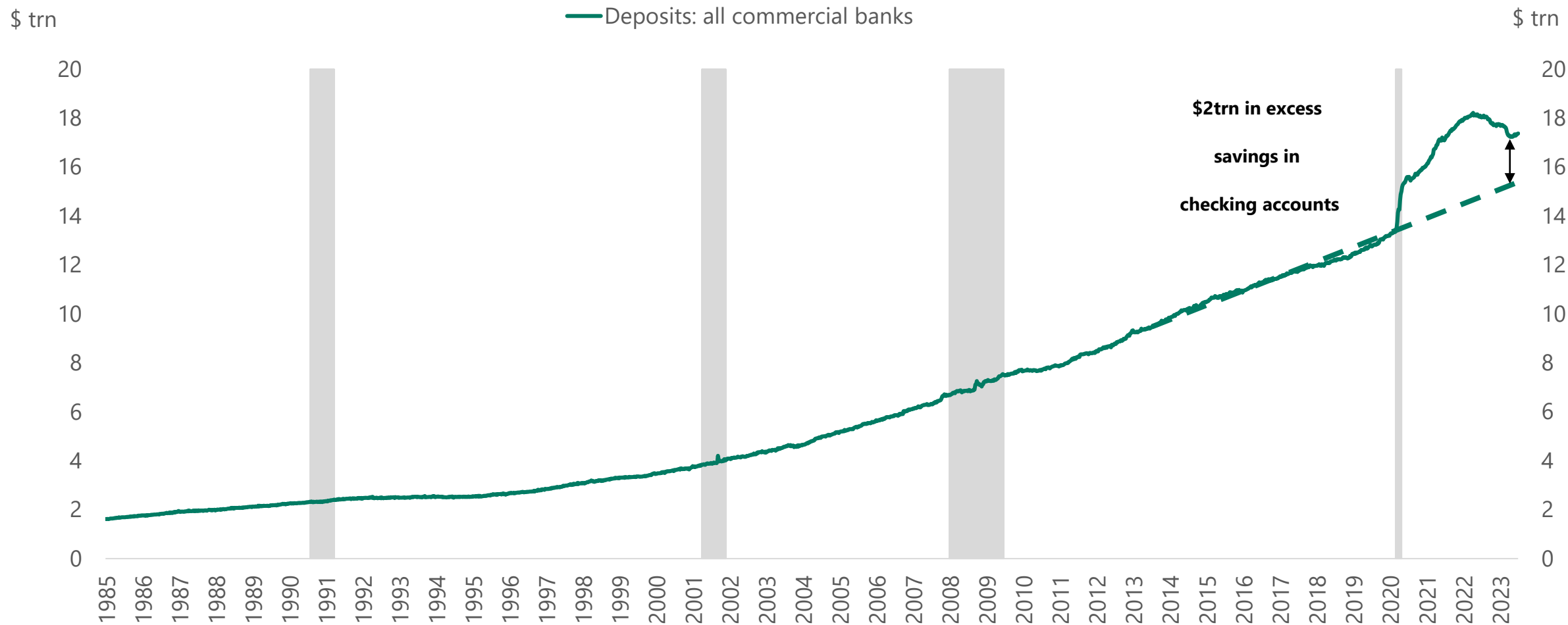


Share of US total consumer spending, by income

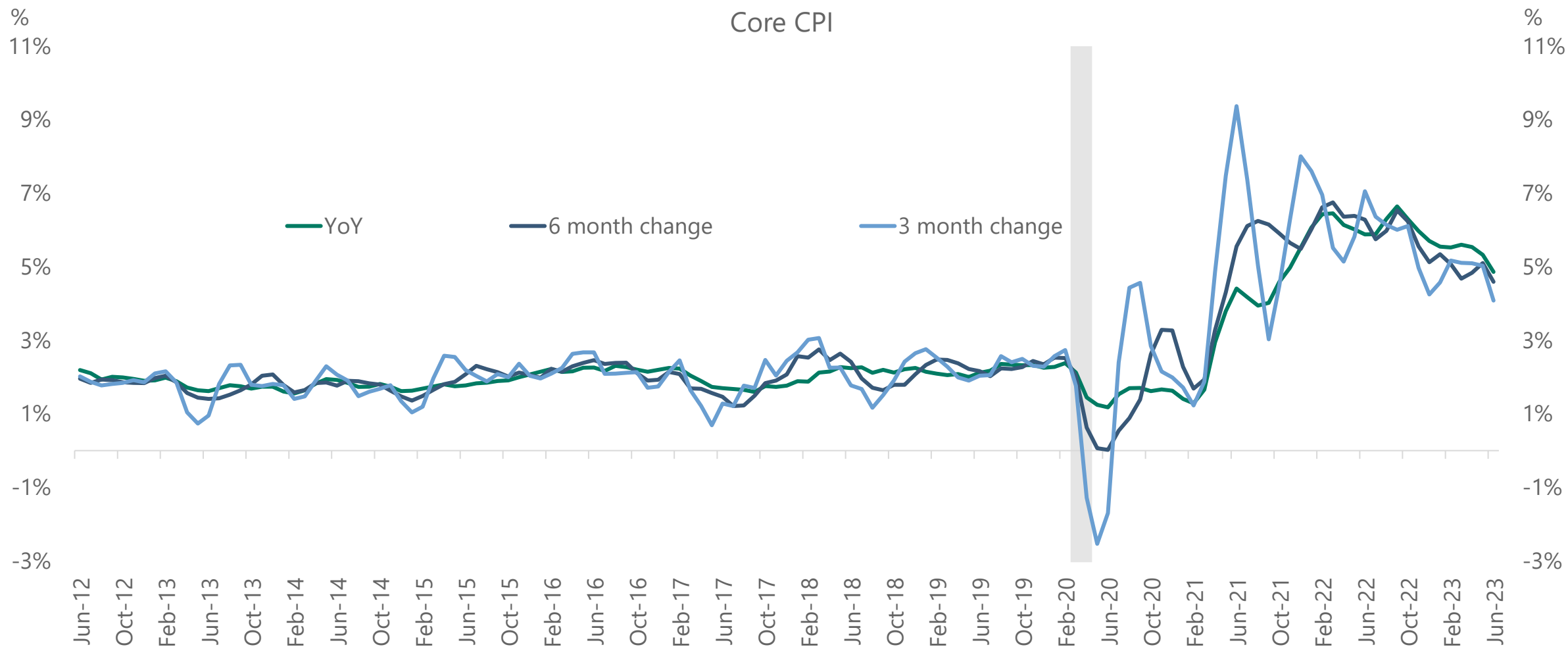


Source: Consumer Expenditure Survey, Haver Analytics, Apollo Chief Economist (latest data includes 2021)

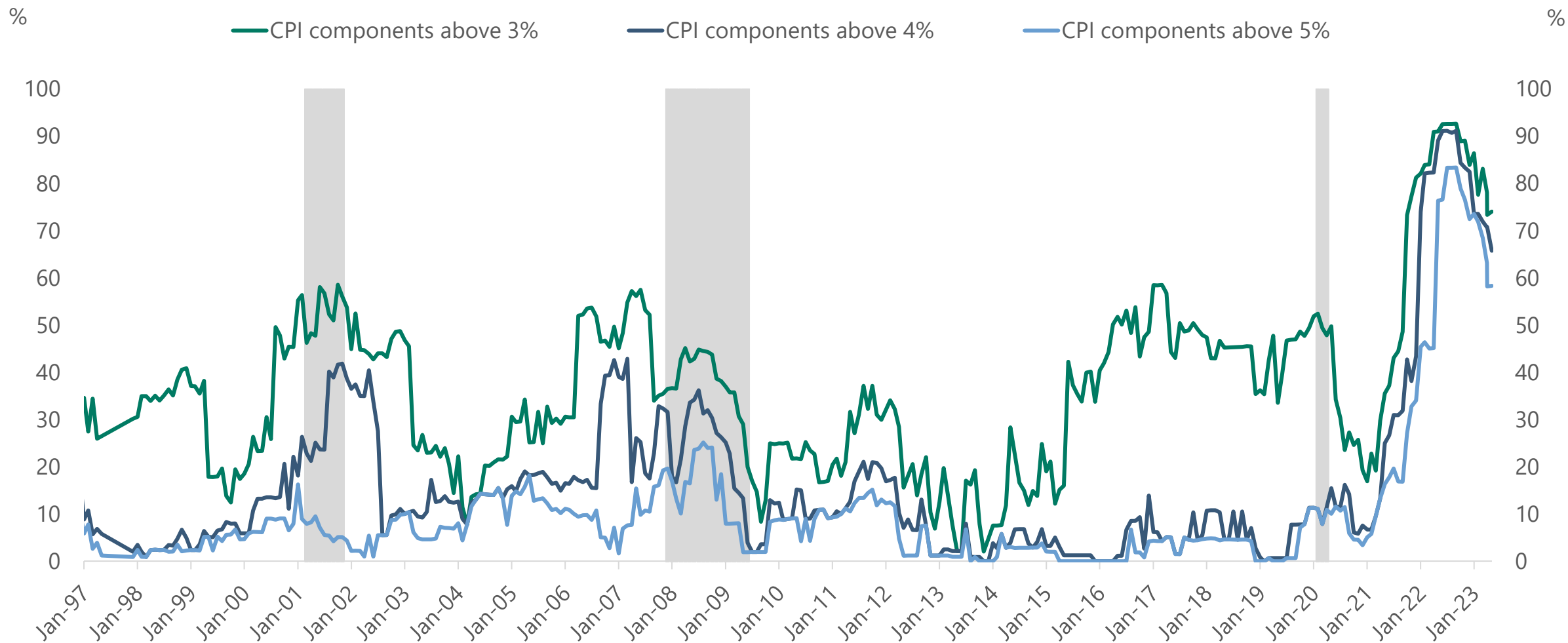
Record-high level of deposits at commercial banks



Inflation remains well above the Fed's 2% inflation target

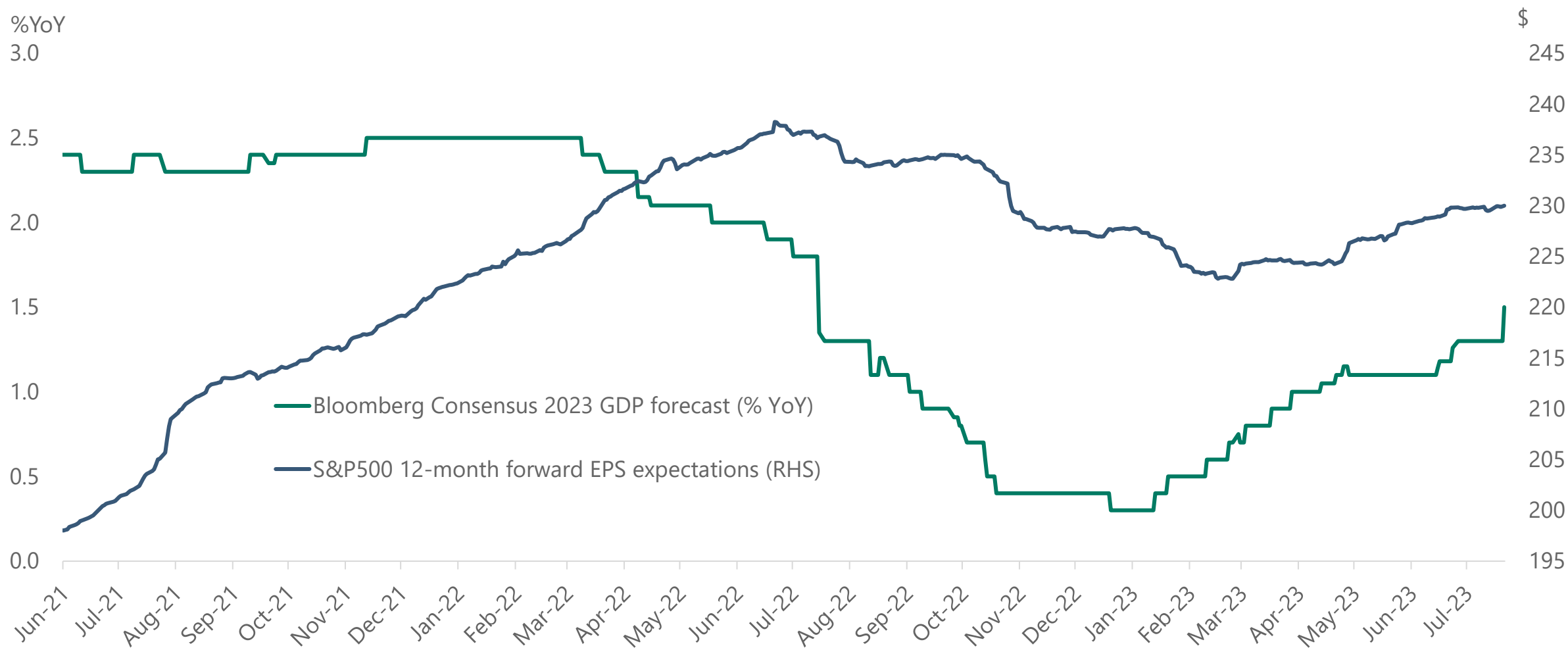


Inflation is still broad-based

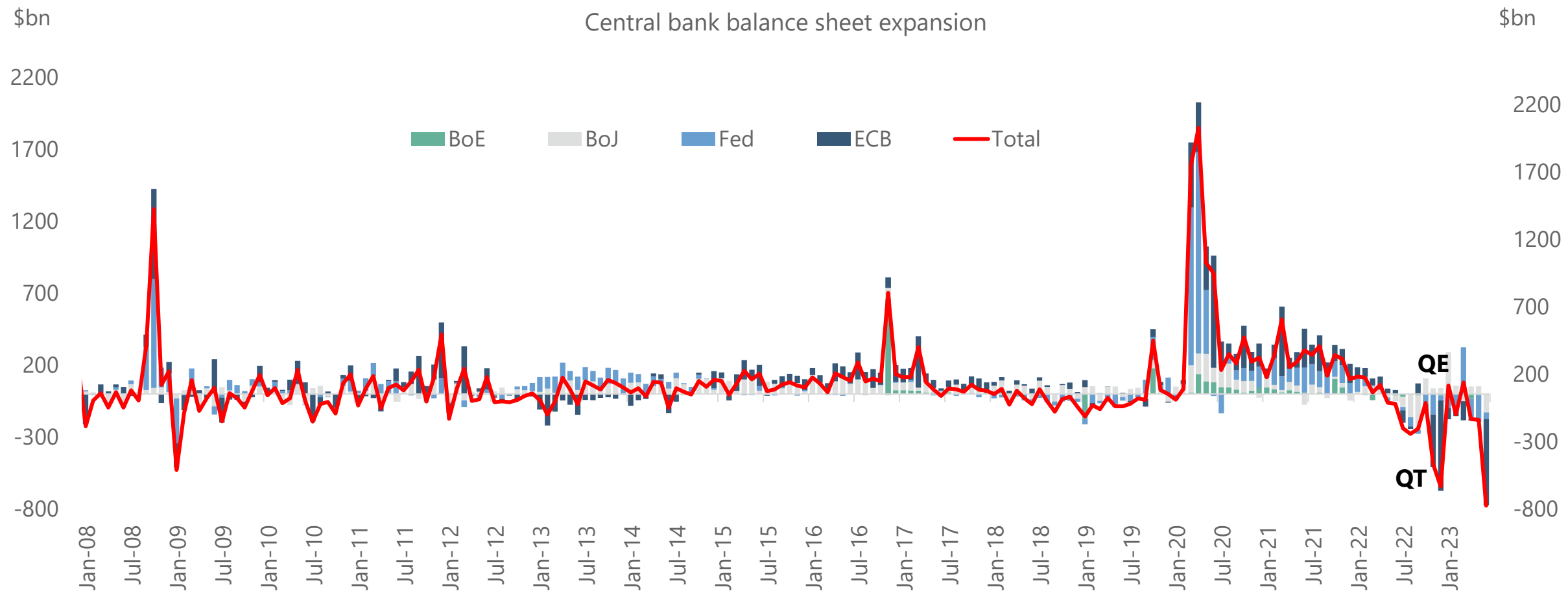


Note: Year-over-year growth used. Source: BLS, Haver, Apollo Chief Economist.

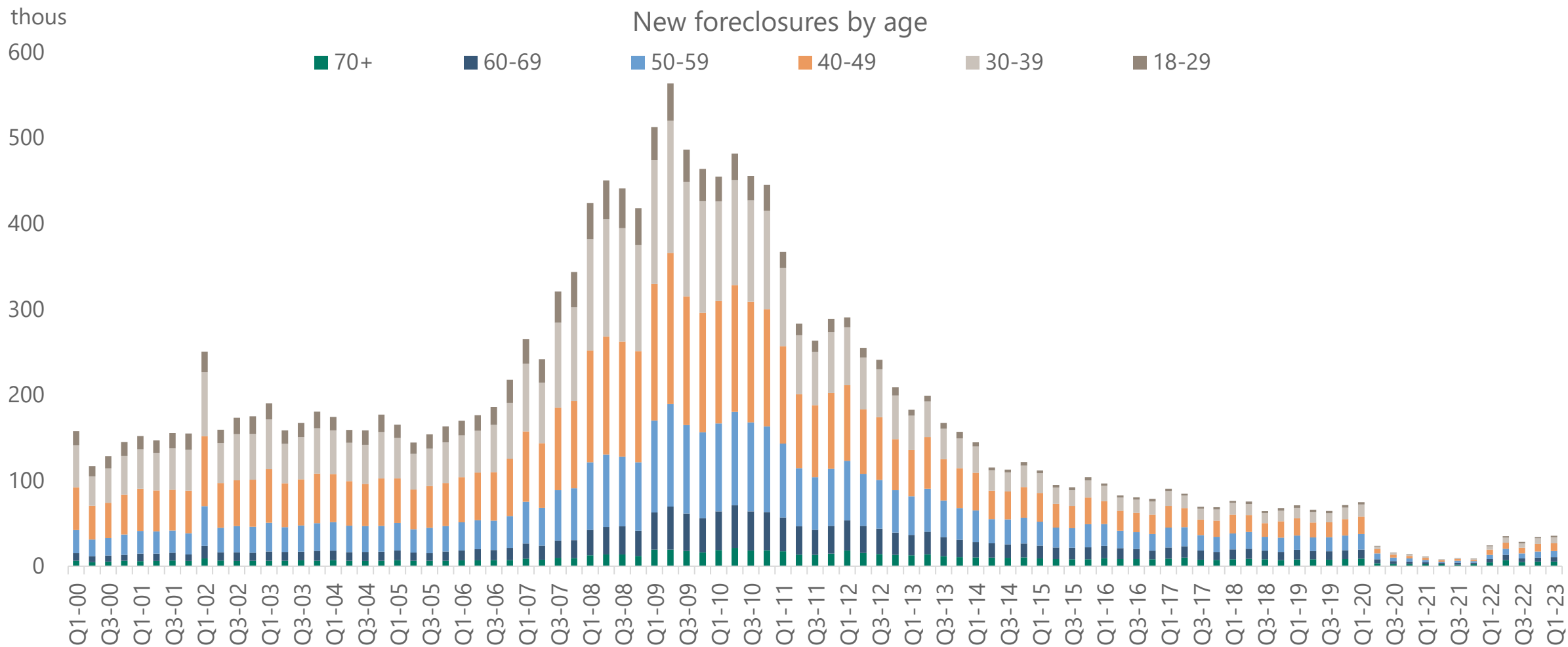
Divergence between S&P500 earnings expectations and GDP growth expectations



QE vs QT

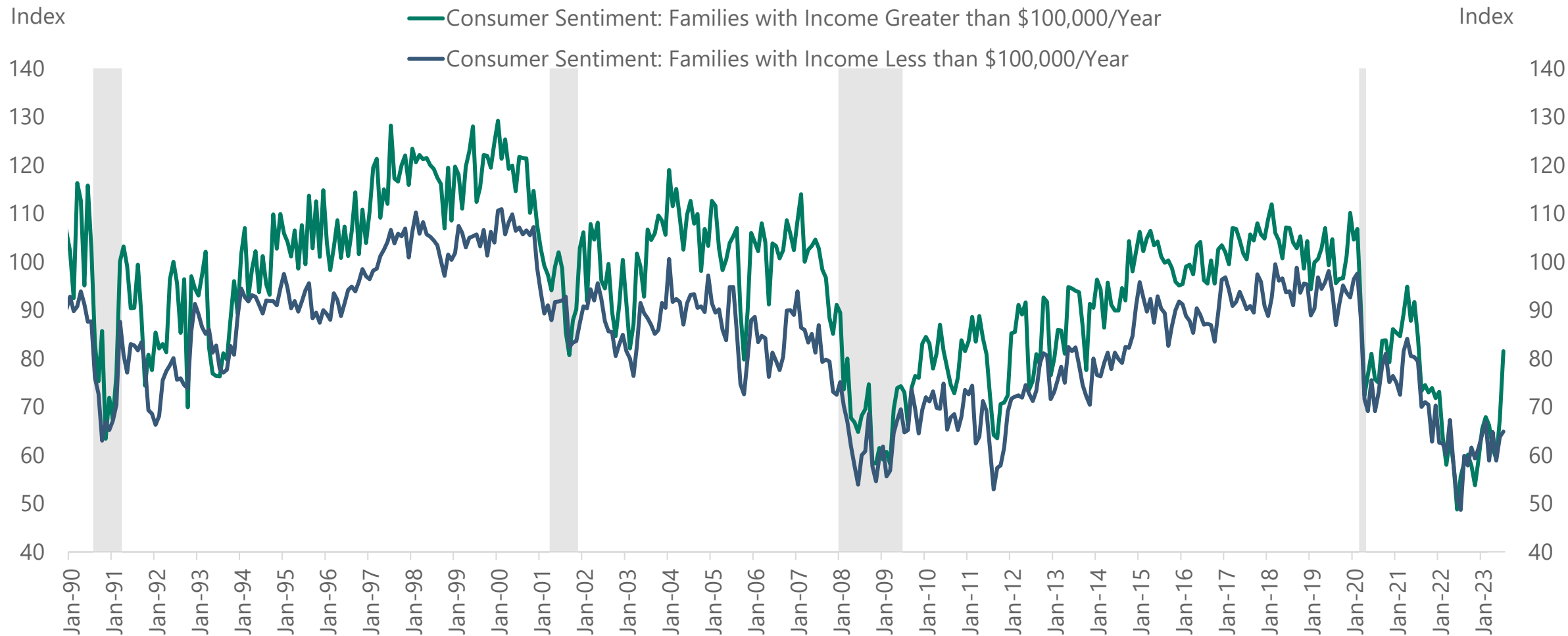


New foreclosures, by age

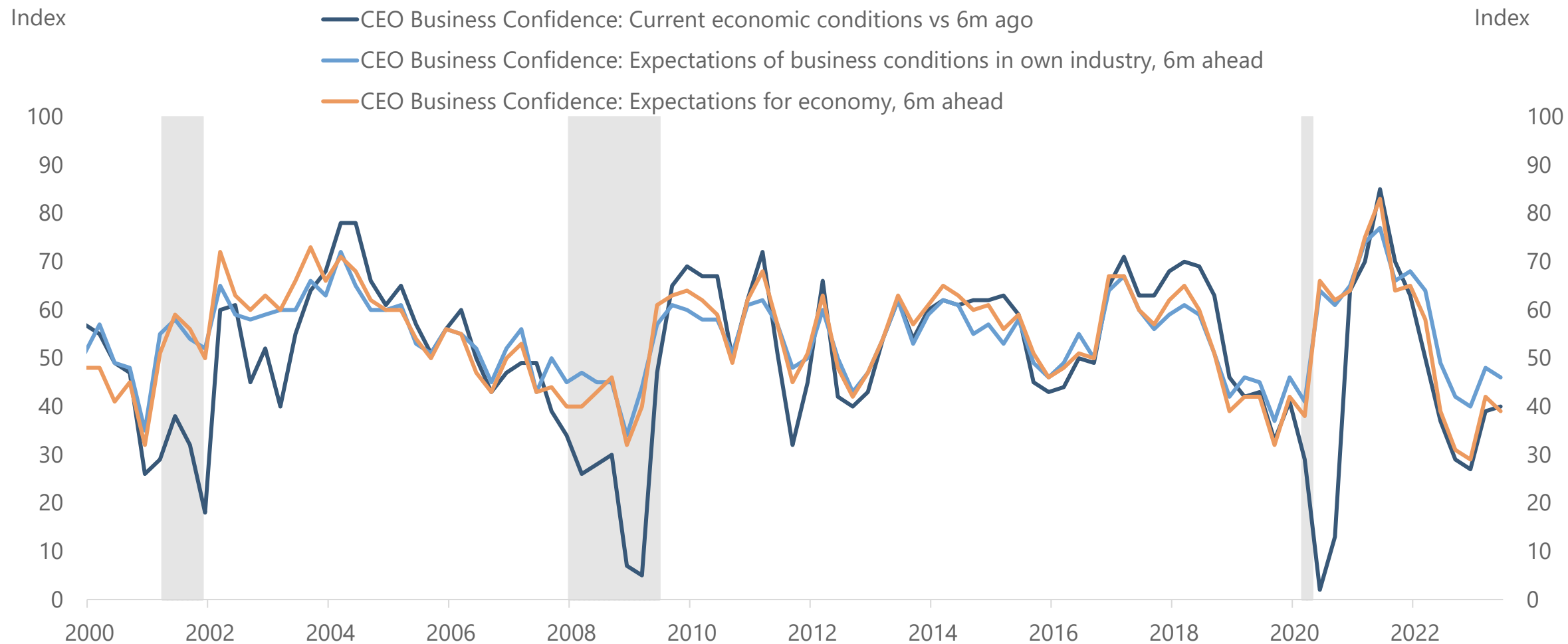


Source: FRBNY Consumer Credit Panel, Equifax, Haver Analytics, Apollo Chief Economist

Consumer sentiment rising again



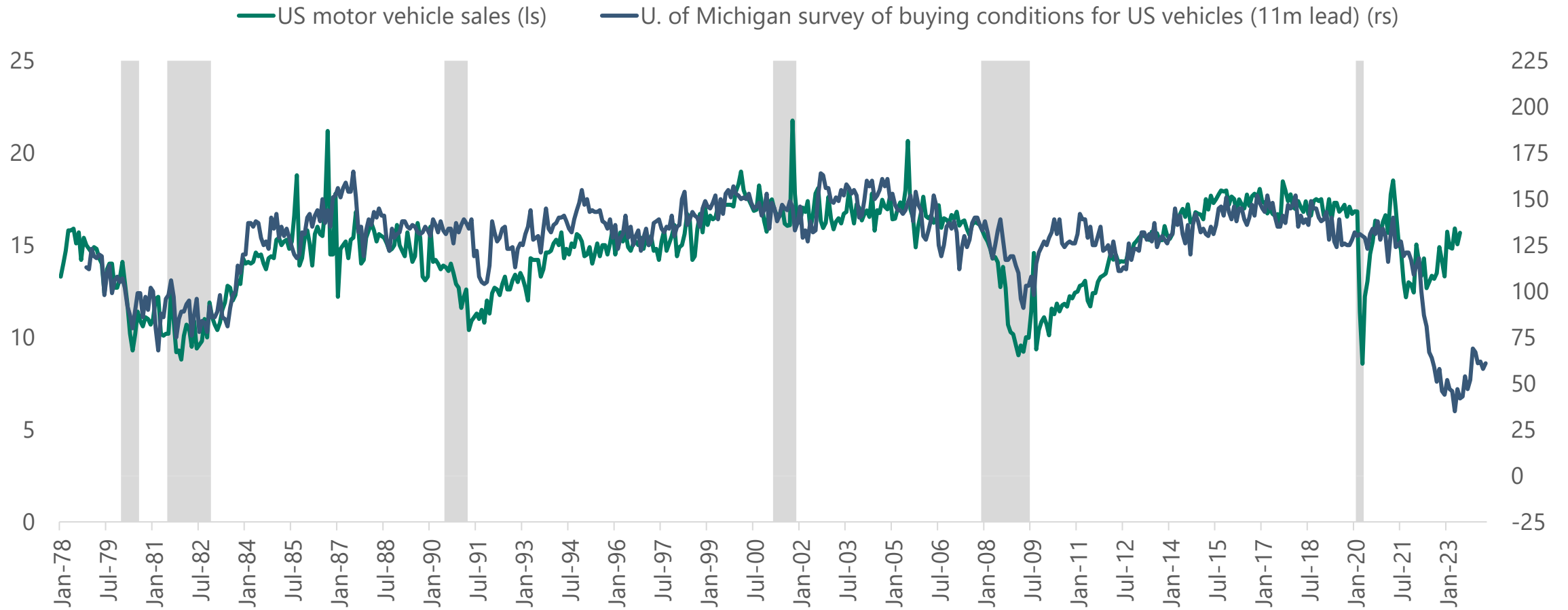
CEOs are slightly more optimistic about the outlook



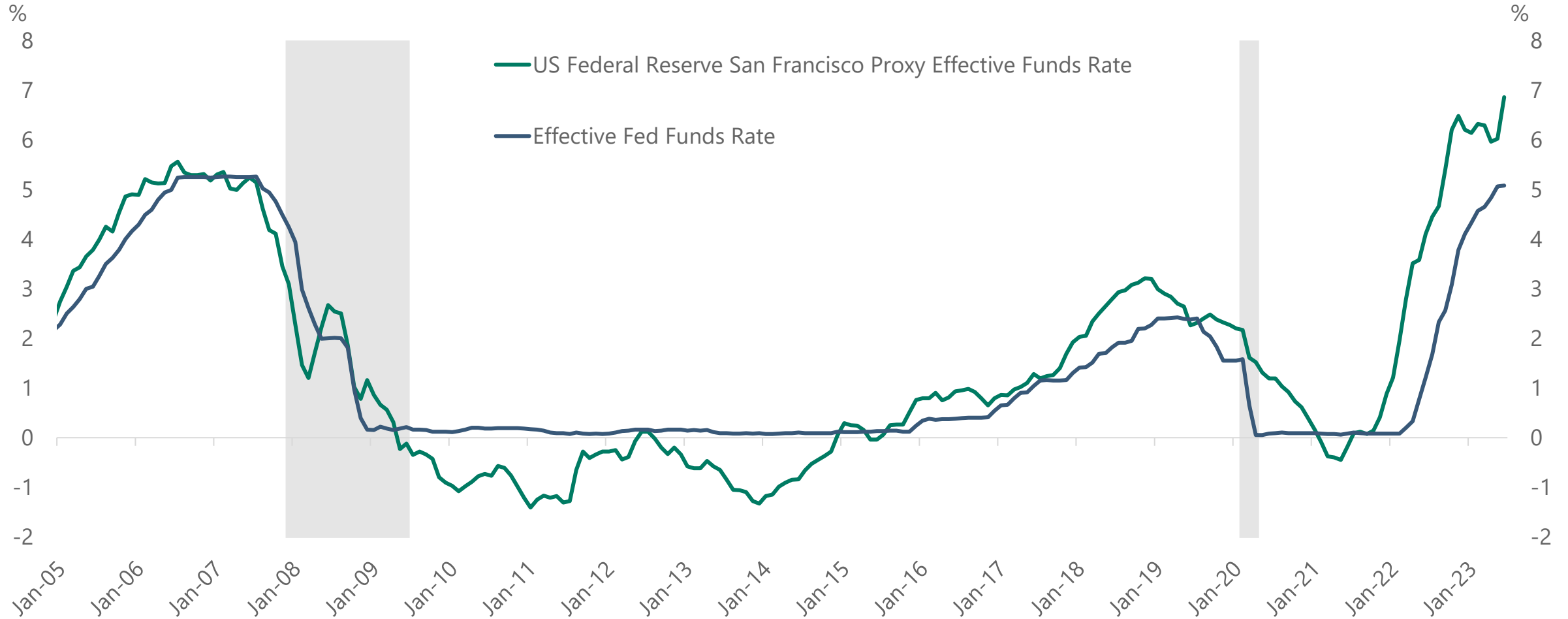
US car buying sentiment is turning around

Annualized, mn

Index

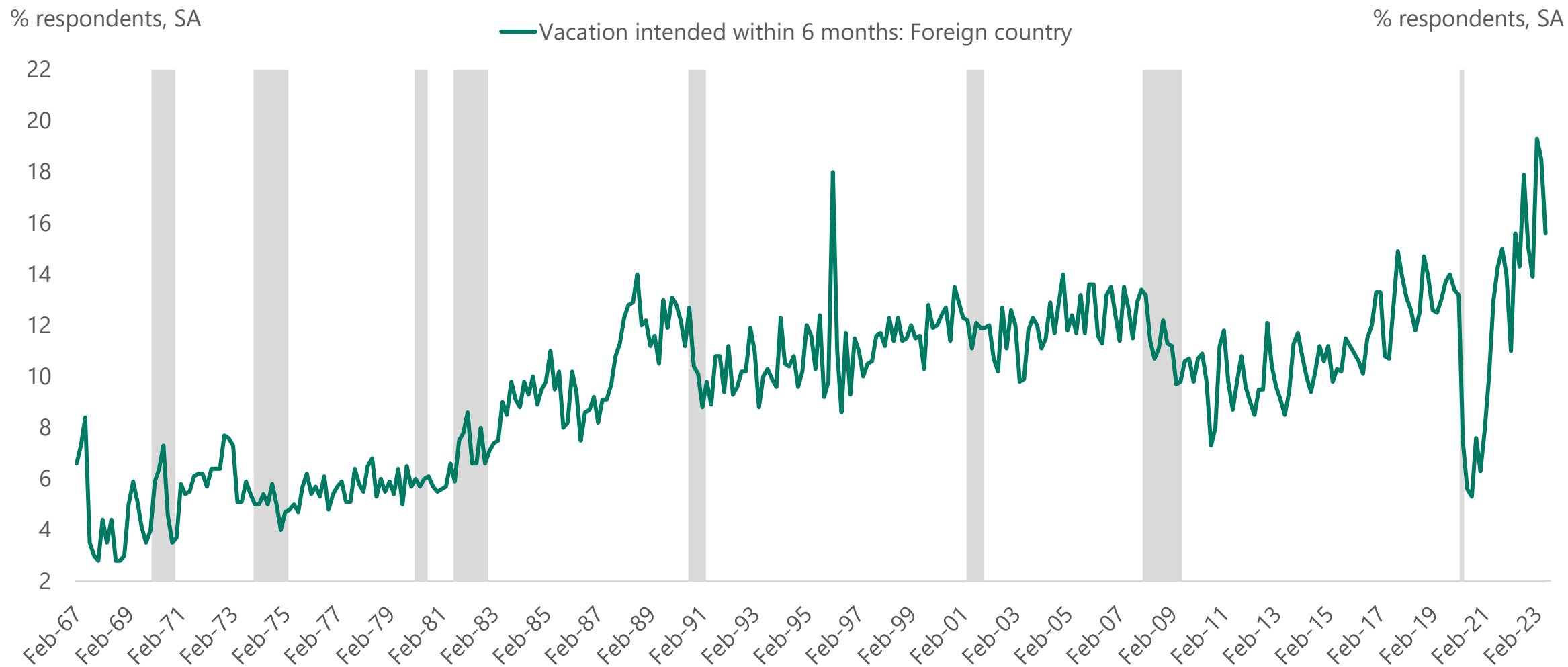


The Fed's own proxy Fed funds rate is around 6%



Source: Bloomberg, Apollo Chief Economist. Note: Source: Monthly series of the proxy funds rate, from Doh and Choi (2016) and Choi, Doh, Foerster, and Martinez (2022). This measure uses public and private borrowing rates and spreads to infer the broader stance of monetary policy. When the Federal Open Market Committee uses additional tools, such as forward guidance or changes in the balance sheet, these policy actions affect financial conditions, which the proxy rate translates into an analogous level of the federal funds rate. The proxy rate can be interpreted as indicating what the federal funds rate would typically be associated with prevailing financial market conditions if these conditions were driven solely by the funds rate.

Consumers' international vacation plans weakened recently



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	Dec-22	Mar-23	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	5.0	3.0
	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	5.6	4.8
	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	0.9	1.8	1.8
	New Home sales (000s)	693.0	609.0	936.0	988.0	873.0	850.0	716.0	742.0	830.0	707.0	563.0	567.0	636.0	657.0	763.0
	Consumer Sentiment	99.3	89.1	78.1	80.4	80.7	84.9	85.5	72.8	70.6	59.4	50.0	58.6	59.7	62.0	64.4
	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	1.3	1.3	1.3	1.3	1.3
	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	46.3	46.0
	Homebuilder sentiment	76	72	58	83	86	82	81	76	84	79	67	46	31	44	55
	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	3.5	3.6
	Average hourly wage (% YoY)	2.9	3.6	5.1	4.8	5.5	4.3	3.9	4.9	5.0	5.9	5.4	5.1	4.8	4.3	4.4
	JOLTS Quits rate (%)	2.3	1.9	1.9	2.2	2.4	2.5	2.8	2.9	2.9	2.9	2.7	2.6	2.6	2.5	2.6
	Jobless claims	235.5	2337.8	1490.3	851.8	836.8	669.3	410.5	340.5	214.5	218.0	216.8	190.5	210.6	242.0	256.8
MARKET CYCLE	S&P 500 Forward P/E ratio	18.4	16.5	21.7	21.5	22.6	21.9	21.4	20.1	21.4	19.6	16.0	15.3	16.9	18.3	19.5
	IG Spread (bps)	101	305	160	144	103	97	86	89	98	122	164	167	138	145	127
	HY Spread (bps)	360	877	644.0	541	386	336.0	304	315	310	343	587	543	481	458	395
	Yield curve (bps)	31	22	65	59	84	154	144	129	139	193	193	96	-48	-99	-149
	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	3.88	3.47	3.82
	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	21.7	18.7	13.5
	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	121.6	135.9	114.1
	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	353.1	444.9
	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	211.2	215.5	215.5
	IPO volume (\$bn, 3 month sum)	12.2	23.0	29.3	65.7	65.7	151.1	48.3	39.3	51.1	7.1	2.9	1.6	1.0	7.6	2.6
	SPAC volume (\$bn, 3 month sum)	3.8	5.9	11.9	40.4	39.3	109.6	13.8	13.8	20.8	3.5	2.3	0.8	0.6	0.8	0.7

Source: Apollo Chief Economist. Colours based on deviation from mean. Green = mean +/- 0.5 stdddev; Yellow = +/- 0.5 to 1 stdddev; 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	Dec-22	Mar-23	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	6.9	5.5
	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	5.7	5.5
	Economic Growth (% YoY)	1.2	-2.8	-14.1	-3.9	-4.0	-0.7	14.3	4.1	4.8	5.4	4.2	2.4	1.7	1.1	1.1
	House prices (% yoy)	4.3	5.1	5.1	5.2	5.9	6.2	7.4	9.2	9.5	9.8	9.2	6.6	#N/A	0.0	2.9
	Consumer Confidence	-7.6	-12.3	-14.6	-12.9	-12.0	-9.9	-2.2	-3.7	-9.2	-22.0	-24.1	-28.7	-22.0	-19.1	-15.1
	ISM Manufacturing PMI	#N/A	#N/A	#N/A	53.7	55.2	62.5	63.4	58.6	58.0	56.5	52.1	48.4	47.8	47.3	43.4
	Economic sentiment indicator	103	94	75	95	97	103	115	118	115	106	103	95	97	99	95
	Unemployment rate (%)	7.5	7.2	8.1	8.6	8.2	8.2	7.9	7.3	7.0	6.8	6.7	6.7	6.7	6.6	6.5
	wages & salaries	1.4	-0.6	-10.3	-4.2	-2.0	-0.3	10.1	4.0	3.3	6.2	5.6	5.4	#N/A	0.0	5.5
	MARKET CYCLE	EURO STOXX Forward P/E ratio	14.5	12.7	17.2	17.3	18.0	18.2	17.1	15.4	15.4	13.2	11.0	10.0	11.6	12.4
IG Spread (bps)		94	238	148	118	93	91	84	85	98	129	212	221	167	168	150
HY Spread (bps)		308	754	521.0	472	355	314.0	296	304	331	400	641	625	498	474	435
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	0.565	-0.711	-1.078
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	2.57	2.29	2.42
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	22.4	21.1	17.0

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.

Heatmap for the UK economy and UK financial markets

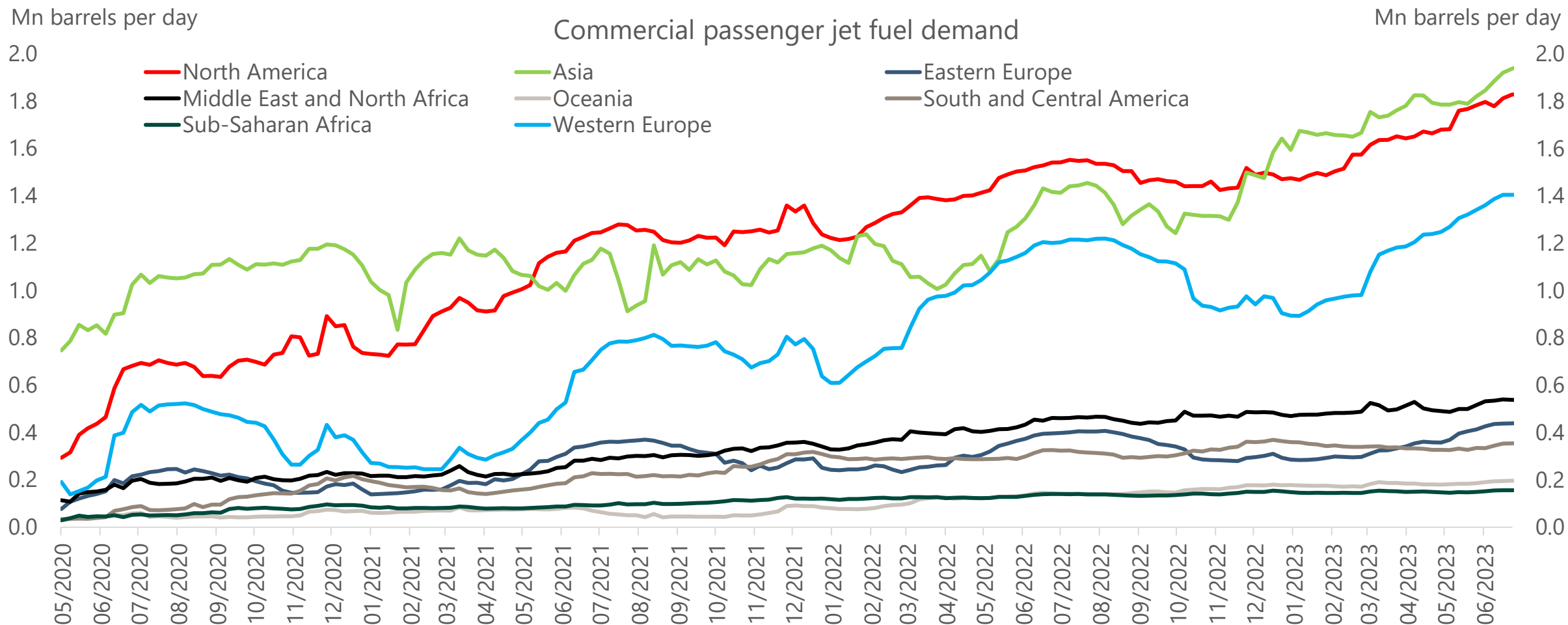
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Latest		
ECONOMIC CYCLE	Inflation (% YoY)	1.3	1.5	0.6	0.5	0.6	0.7	2.5	3.1	5.4	7.0	9.4	10.1	10.5	10.1	7.9	
	Core Inflation (% YoY)	1.4	1.6	1.4	1.3	1.4	1.1	2.3	2.9	4.2	5.7	5.8	6.5	6.3	6.2	6.9	
	Economic Growth (% YoY)	1.3	-2.0	-22.6	-10.3	-9.2	-7.7	24.4	8.5	8.9	10.6	3.8	2.0	0.6	0.2	0.6	
	Home sales(units)	98450	90090	64360	95890	125980	173690	209420	161850	98200	109960	103200	103630	97660	89040	80020	
	Consumer Confidence	-11.0 #N/A	-9.0 #N/A	-30.0 #N/A	-25.0	-26.0	-16.0	-9.0	-13.0	-15.0	-31.0	-41.0	-49.0	-42.0	-36.0	-30.0	
	PMI composite	N/A	N/A	N/A	56.5	50.4	56.4	62.2	54.9	53.6	60.9	53.7	49.1	49.0	52.2	52.8	
	Home price expectations in the next 3 months	29	-82	-9	19	-1	40	29	24	33	22	1	-34	-61	-47	-55	
	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	3.9	4.0	
	Average weekly earnings 3m average (% YoY)	2.7	2.5	-1.3	1.3	4.6	3.9	9.2	6.1	4.6	6.6	5.1	6.0	6.0	6.1	6.9	
	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	3.5	2.8	3.3	
	Jobless claims change MoM	7.9	2.4	-65.2	-17.5	-17.5	-13.7	-169.2	-94.1	-70.8	-67.8	-24.5	6.5	7.0	26.5	25.7	
	MARKET CYCLE	FTSE Forward P/E ratio	13.3	12.1	15.9	14.6	14.7	14.0	13.0	12.0	12.2	11.6	9.9	8.6	10.0	10.4	10.9
		IG Spread (bps)	131	265	175	150	113	113	106	104	115	145	206	244	194	191	159
HY Spread (bps)		445	993	721.0	607	463	379.0	372	353	390	463	709	698	669	631	552	
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	0.172	-0.76	-0.728	
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	3.67	3.49	4.27	

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

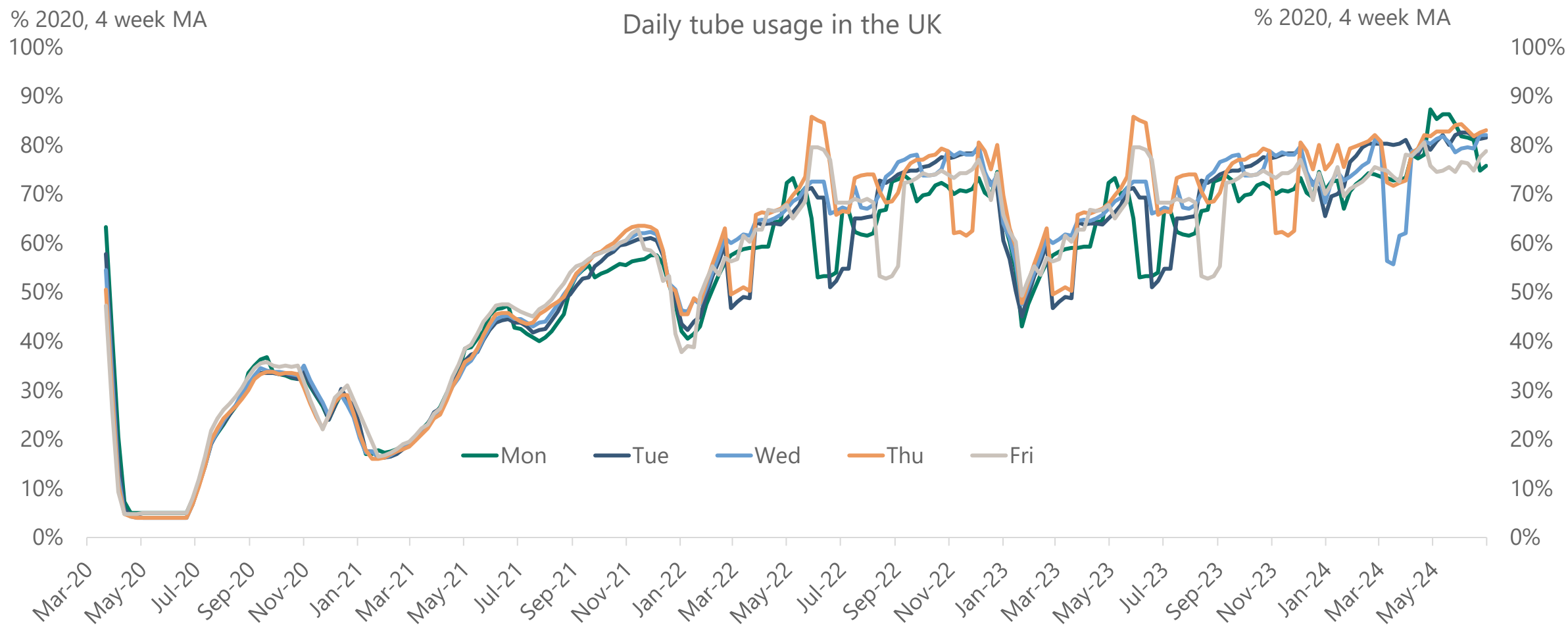
China: Metro passenger volumes close to pre-pandemic level



Flight activity: North America is catching up with Asia



UK tube usage





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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.