

APOLLO

# Daily and weekly indicators for the US economy

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Unless otherwise noted, information as of November 9, 2024.

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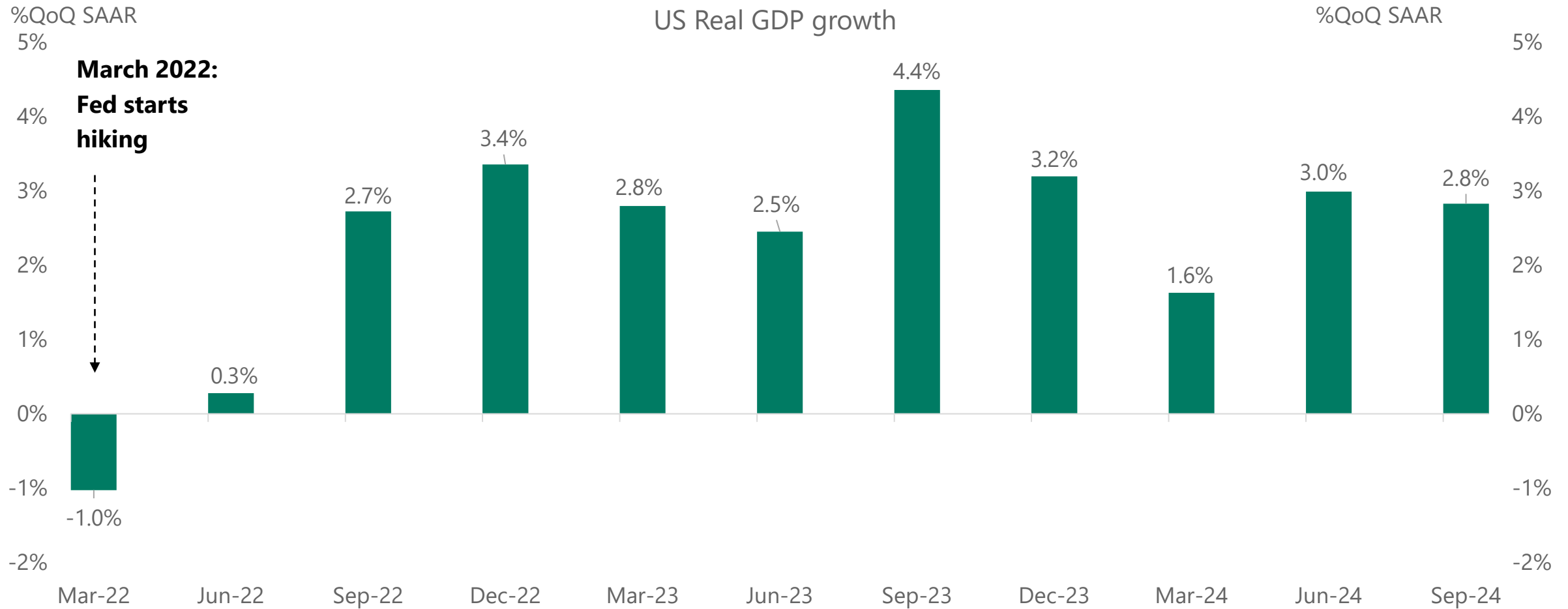
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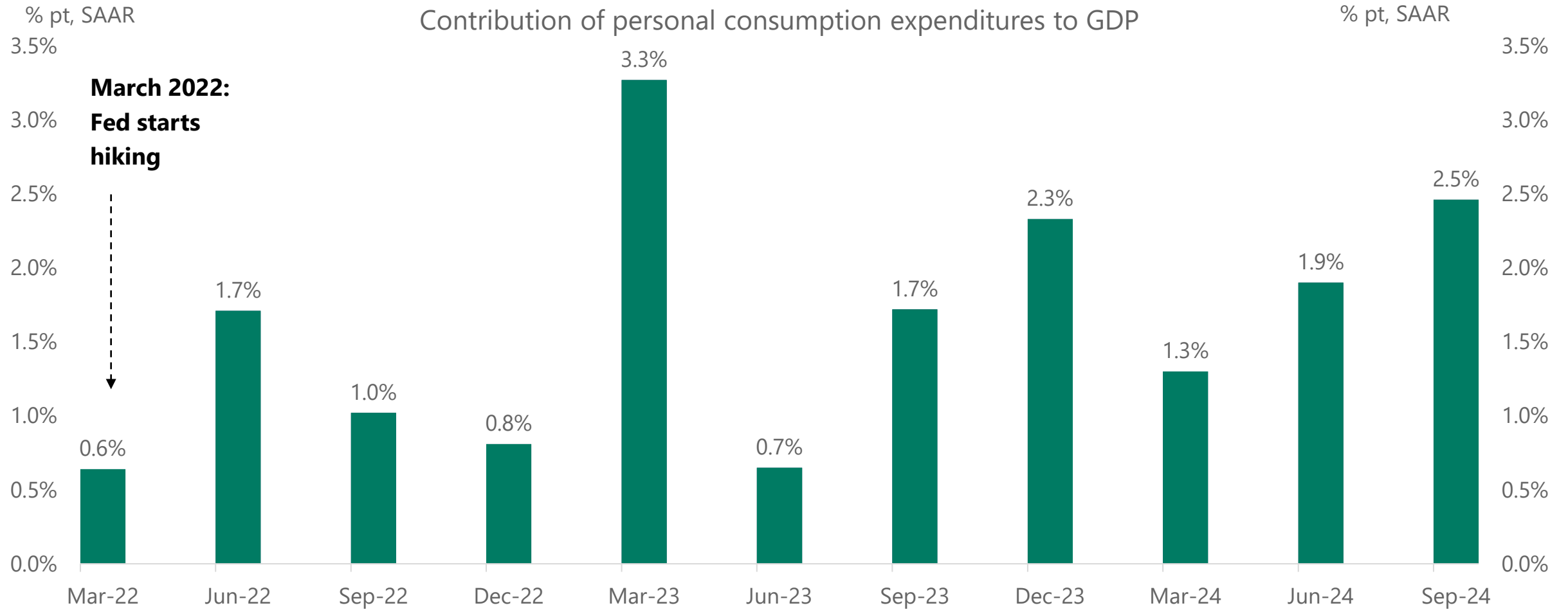


# Overview

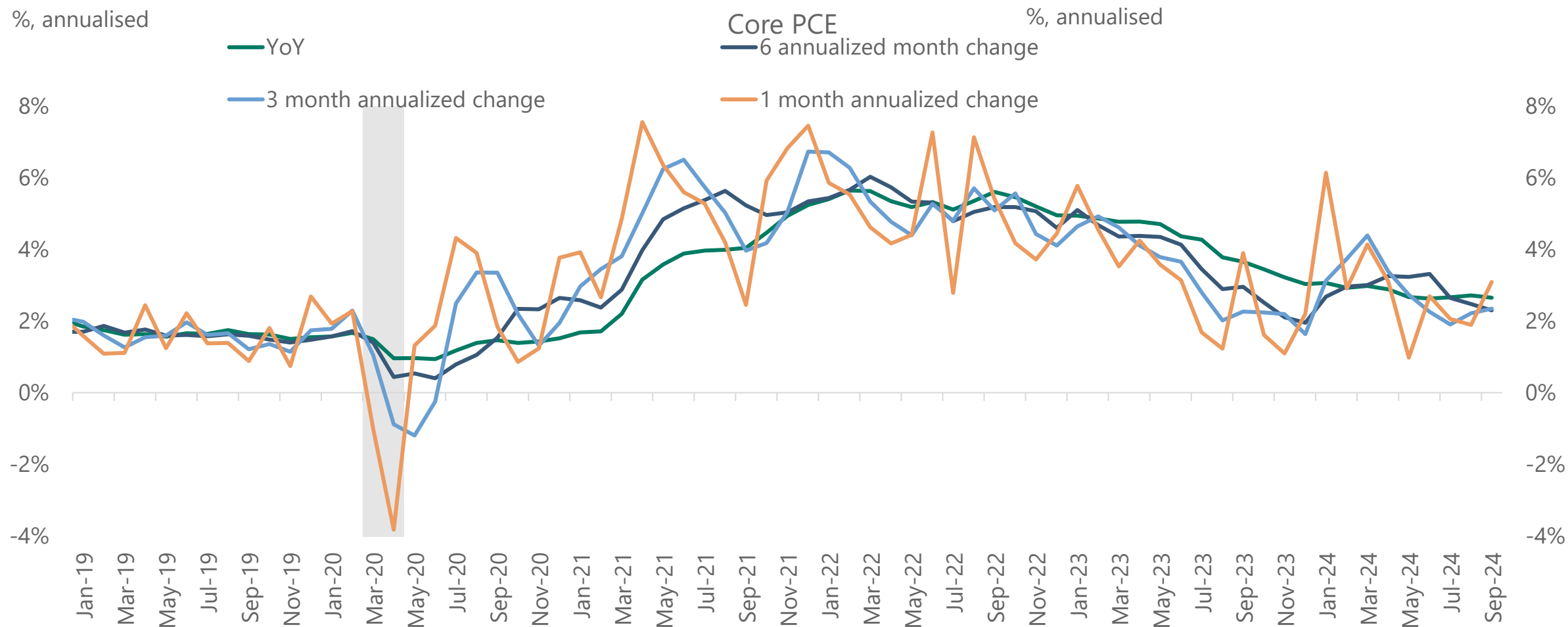
# The Fed started raising interest rates in March 2022: What happened to long and variable lags?



# Fed hikes have not slowed down the US consumer

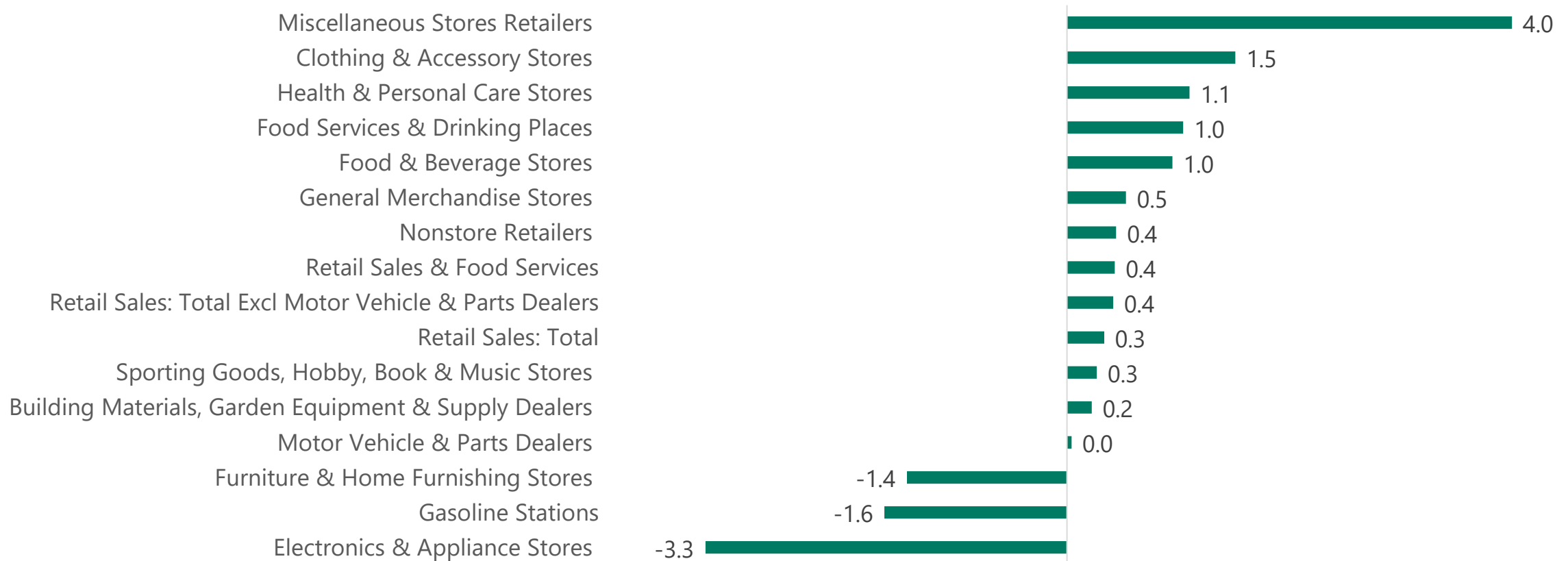


# Core inflation stabilizing at 2% or starting to move higher again?

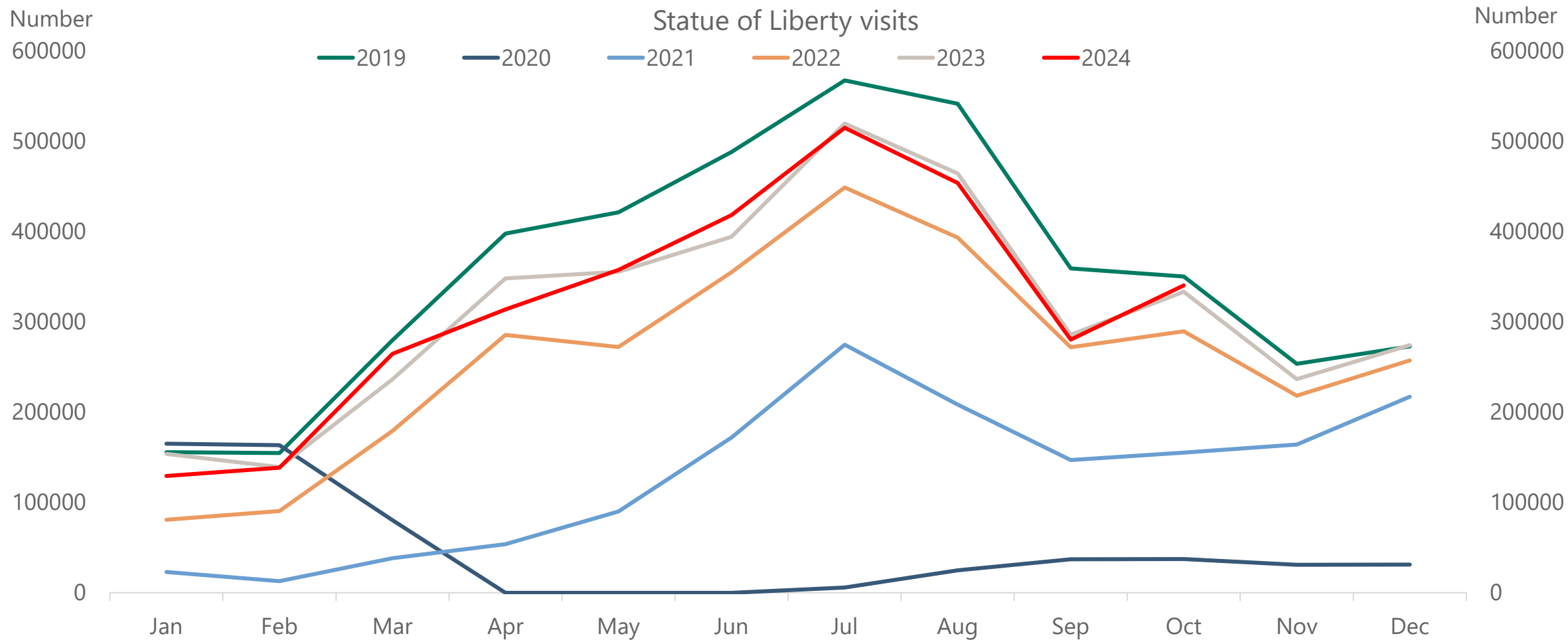


# Consumer spending remains strong and broad-based

September retail sales by category (% MoM)



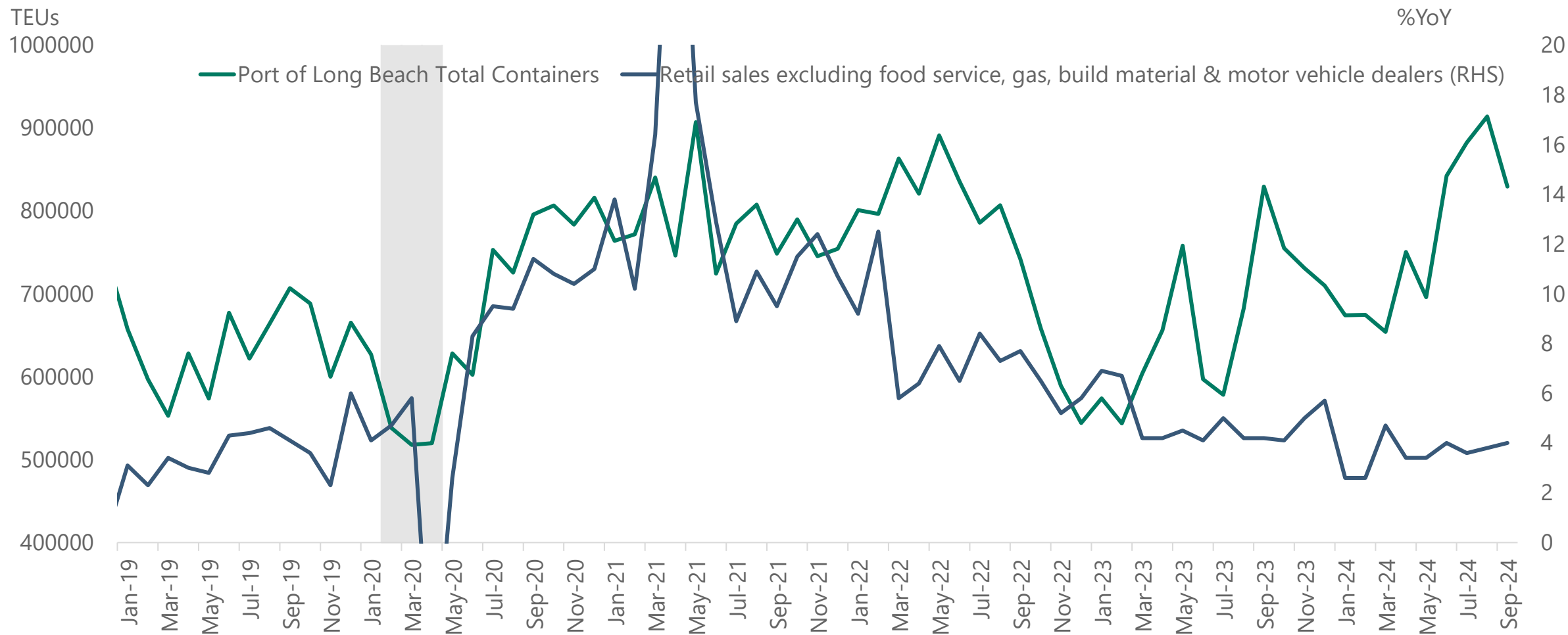
# Visits to the Statue of Liberty continue at 2023 levels, no signs of a slowdown



Source: irma.nps.gov, Apollo Chief Economist

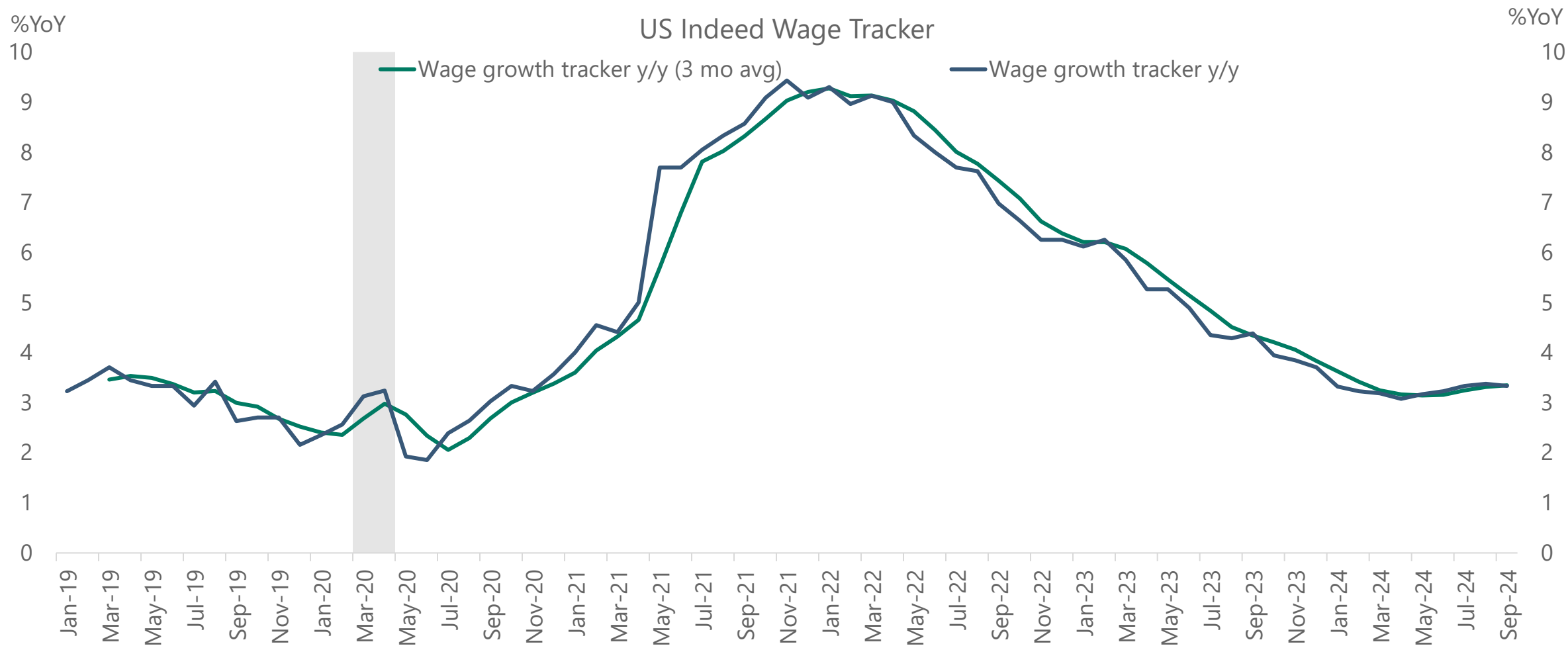


# Total containers coming through LA high. Bodes well for holiday retail sales



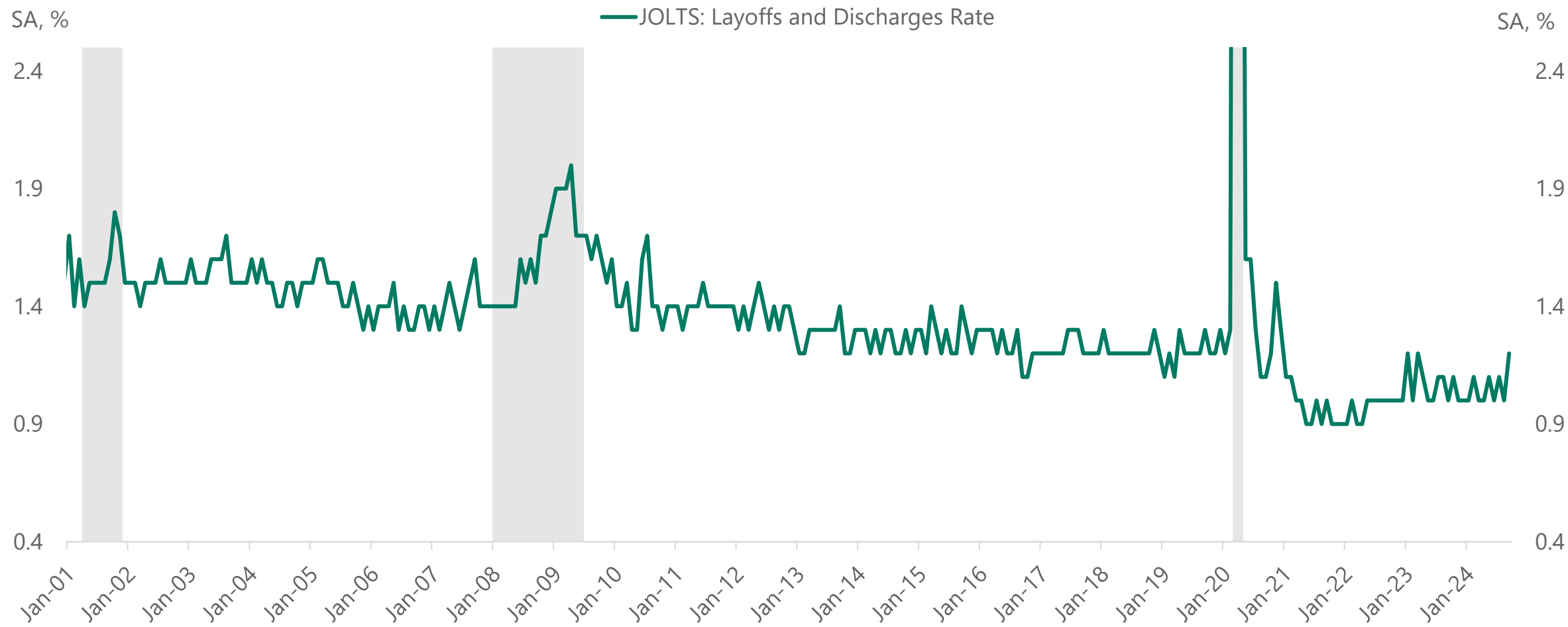
Source: Bloomberg, US Census Bureau, Apollo Chief Economist

# Wage growth tracker showing signs of rebounding

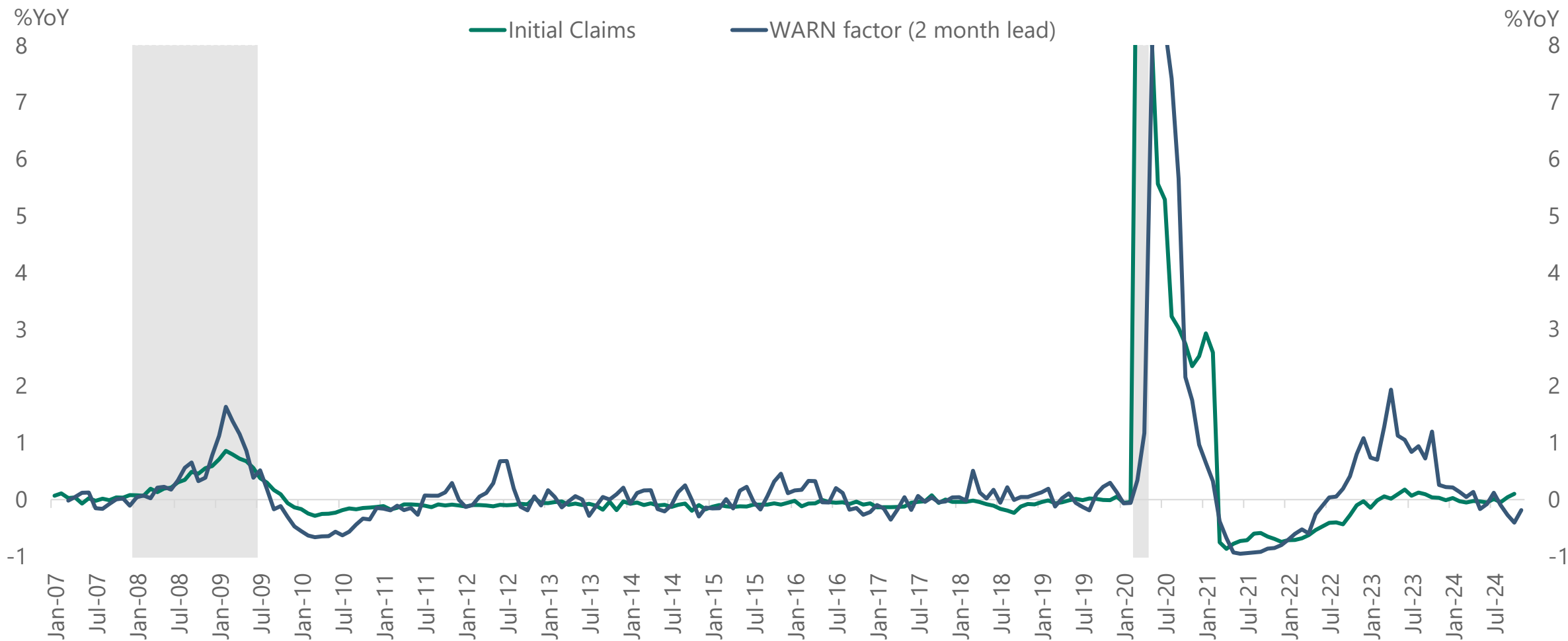


Source: Indeed Wage Tracker, Haver Analytics, Apollo Chief Economist.

# Very low levels of layoffs



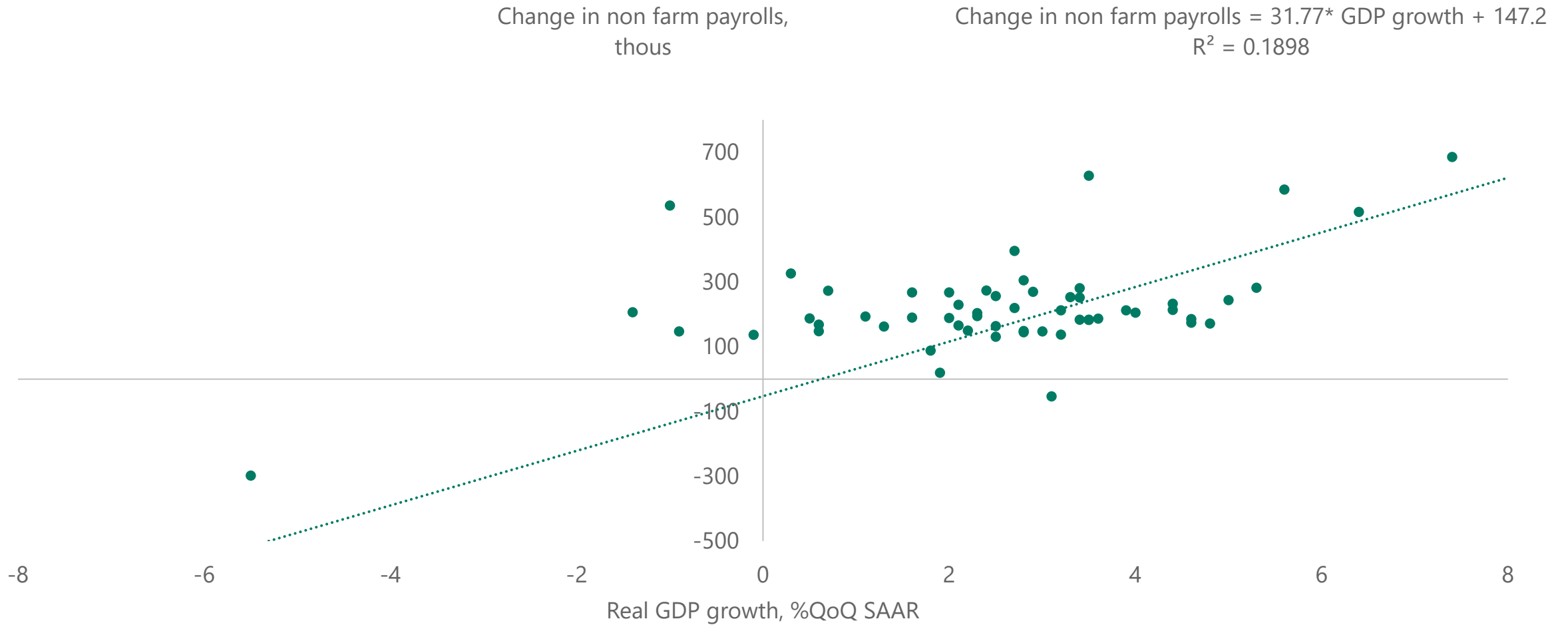
# WARN data points to lower claims in coming months



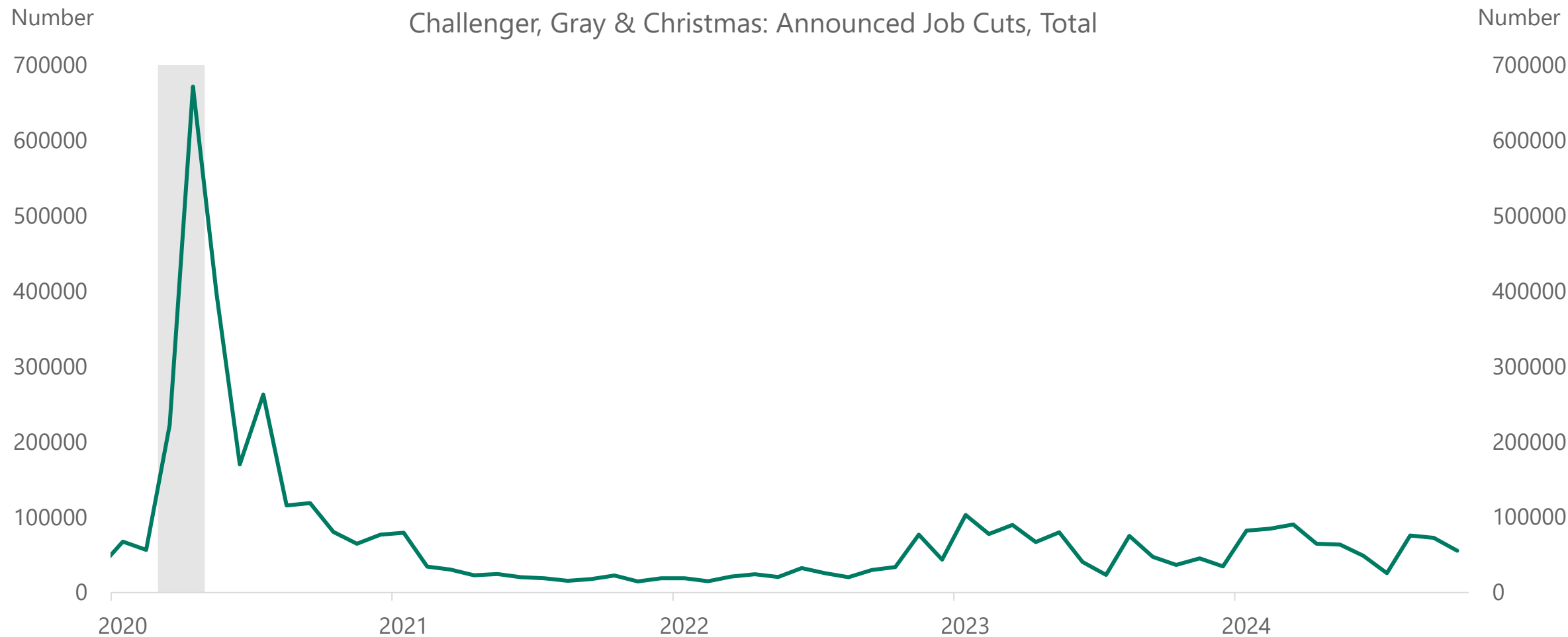
Source: Department of Labor, Haver Analytics, Federal Reserve Bank of Cleveland, Apollo Chief Economist. Note: The Worker Adjustment and Retraining Notification (WARN) Act helps ensure 60 to 90 days advance notice in cases of qualified plant closings and mass layoffs. WARN factor is the Cleveland Fed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

Atlanta Fed GDP Now for Q4 2024 is at 2.5%.

Looking at the historical relationship suggests average NFP at 240K

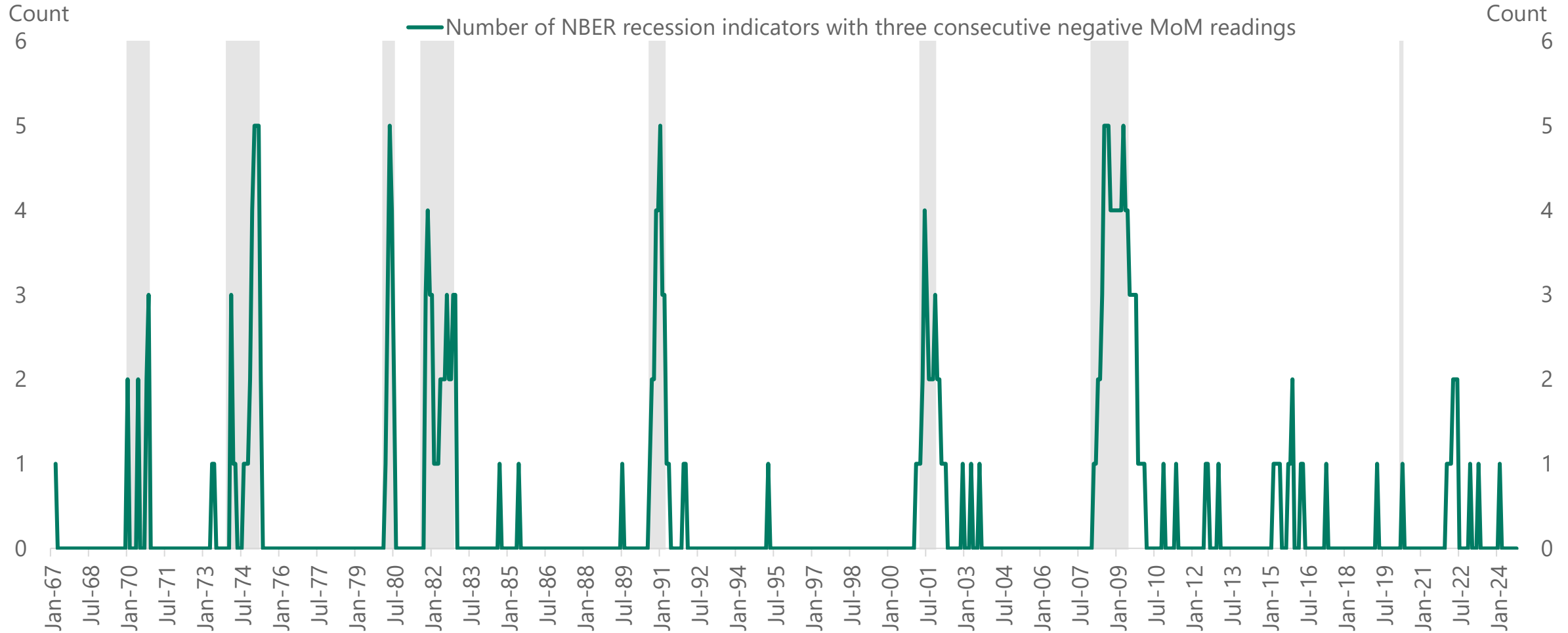


# Announced job cuts remain low



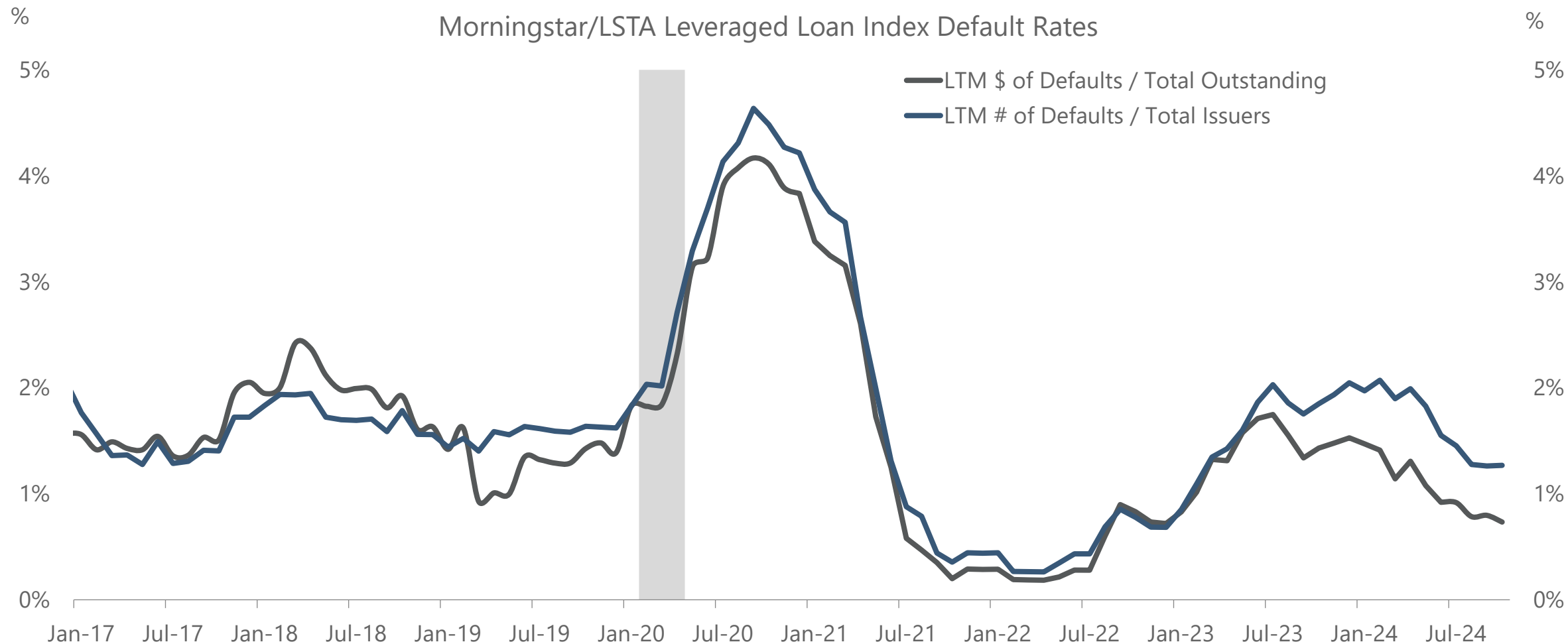
Source: Challenger, Gray and Christmas, Haver Analytics, Apollo Chief Economist

# NBER recession indicators show that the US economy is not in a recession



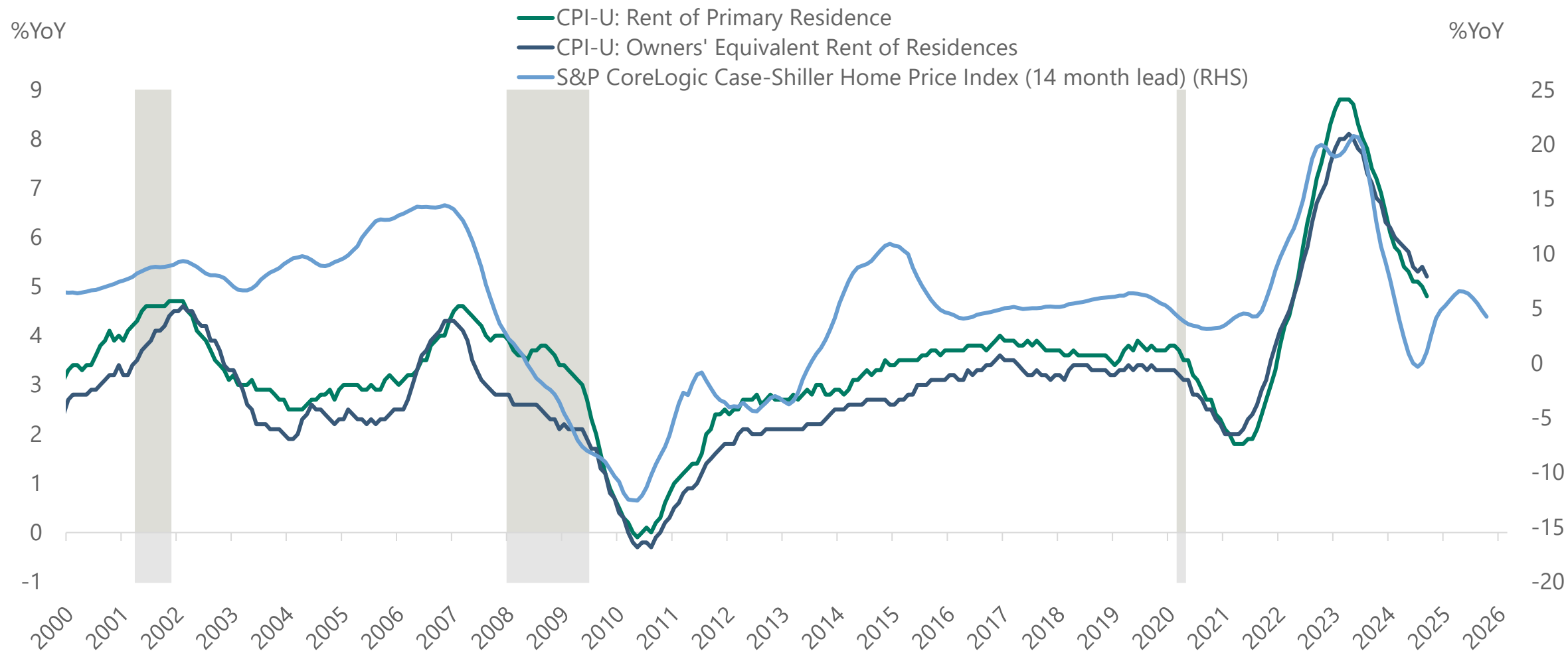
Source: BEA, FRB, BLS, NBER, Haver Analytics, Apollo Chief Economist. Note: NBER recession indicators include Real Manufacturing & Trade Sales, Industrial Production Index, Real Personal Income less Transfer Payments, Real Personal Consumption Expenditures, Nonfarm payrolls, and Household survey employment.

# Default rates declining

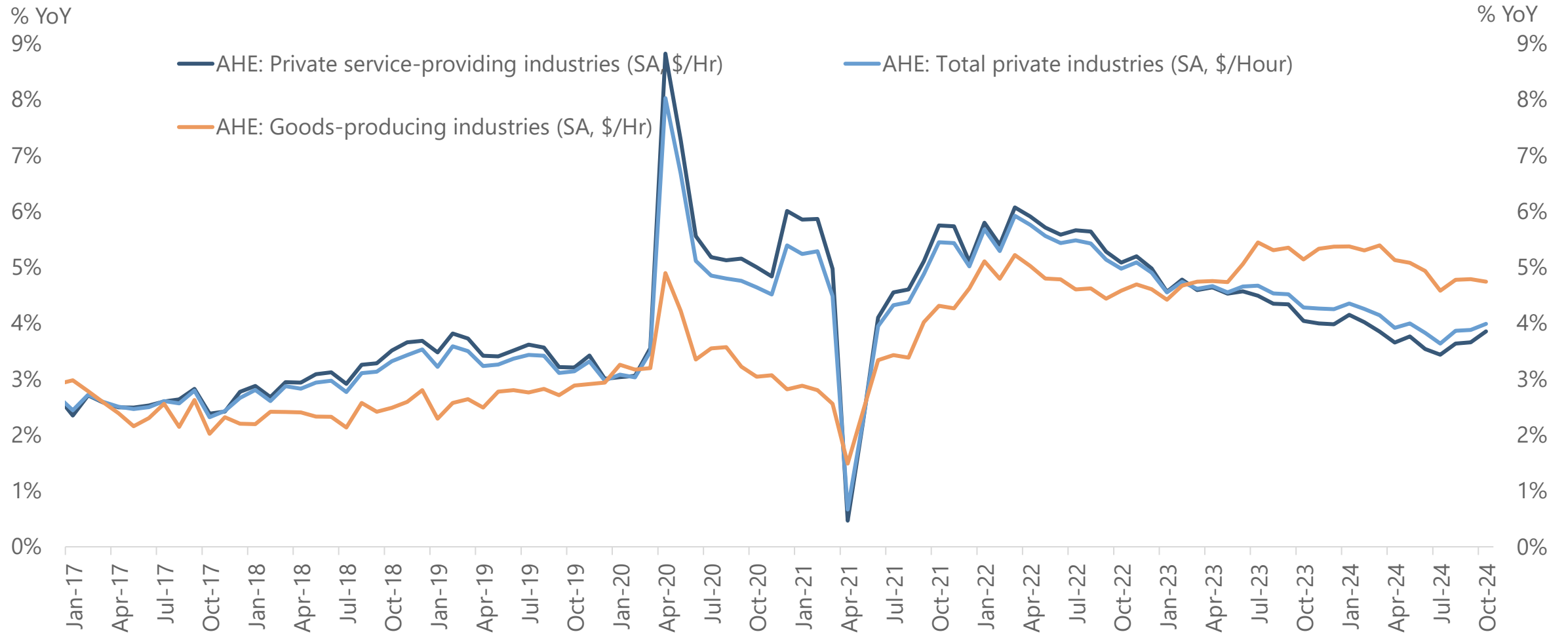




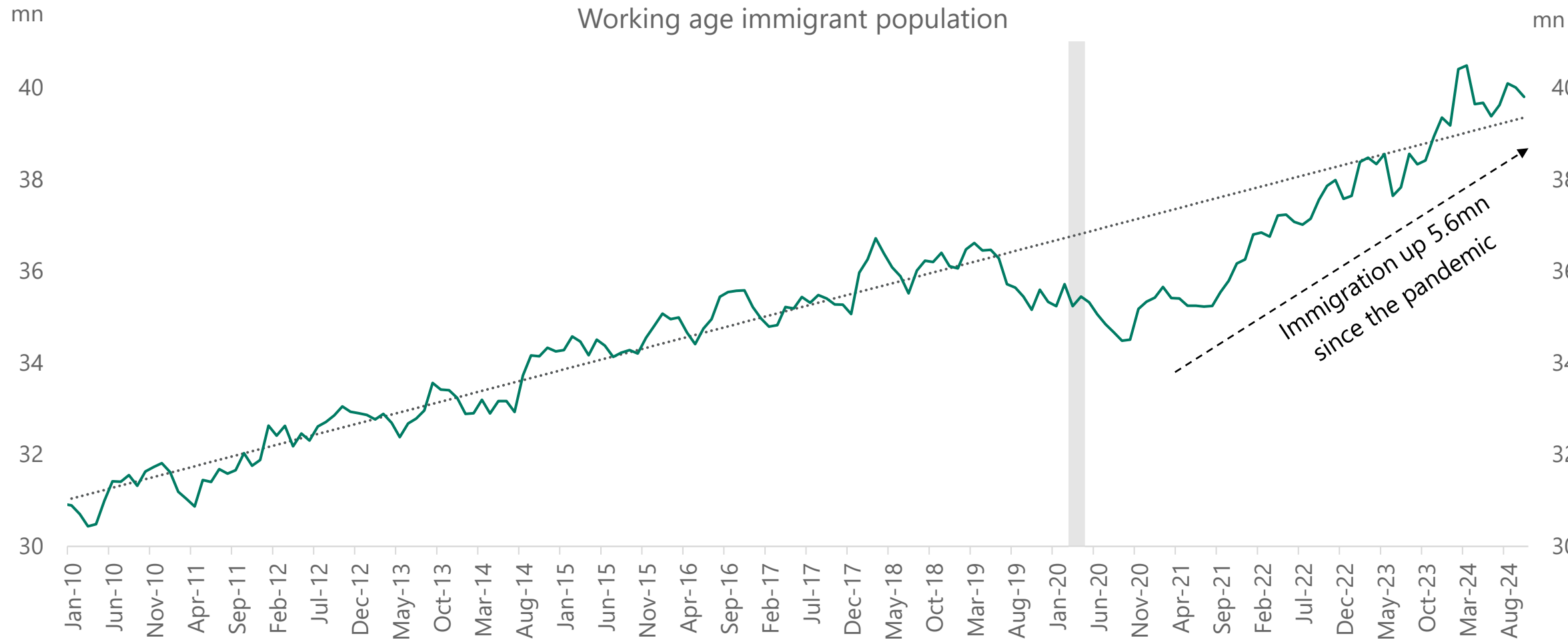
# Rebound coming in housing inflation?



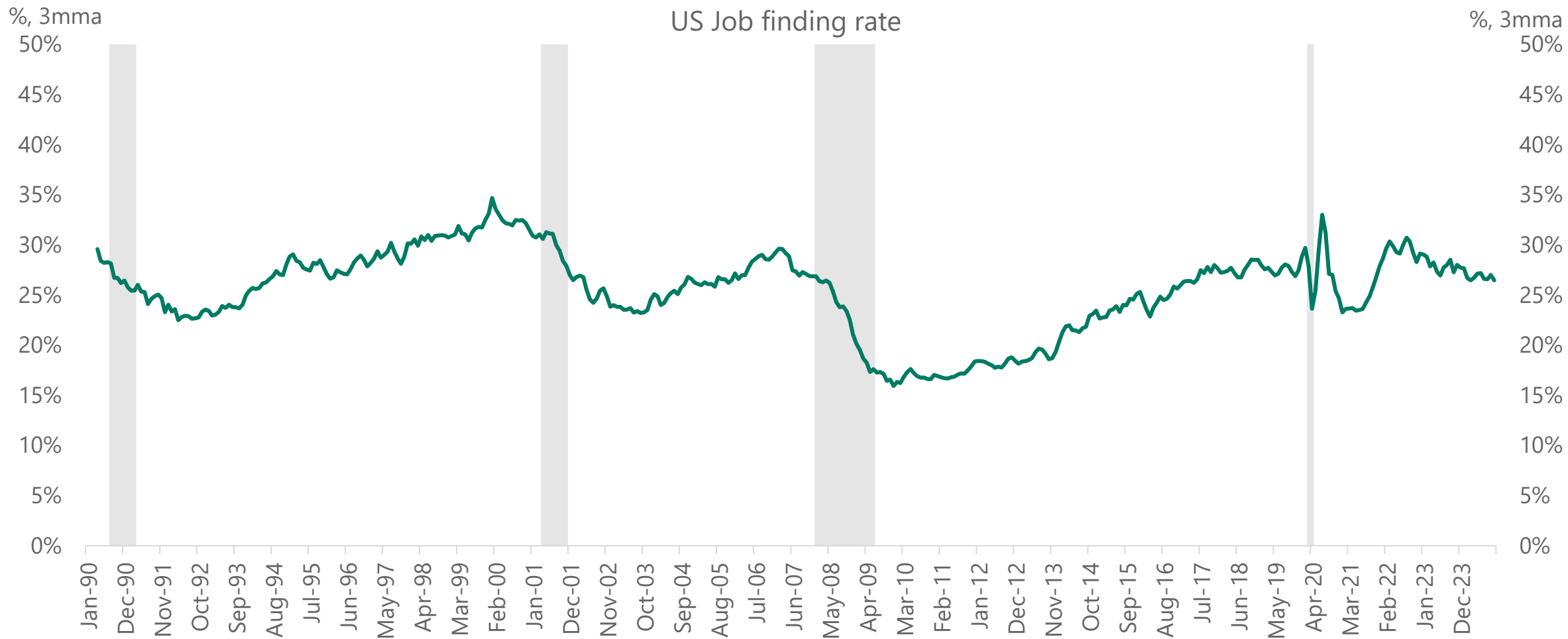
# Wage growth remains sticky above pre-pandemic levels



# Immigration strong

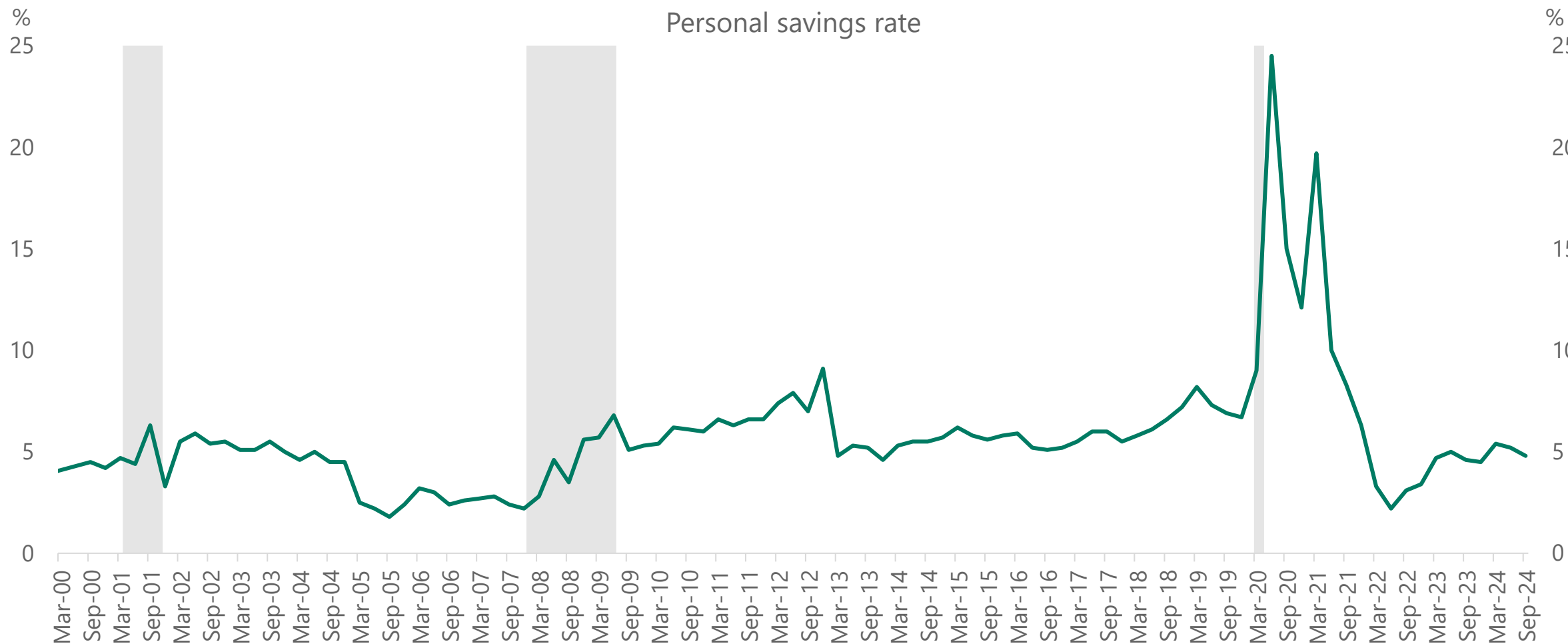


# Job finding rate still strong



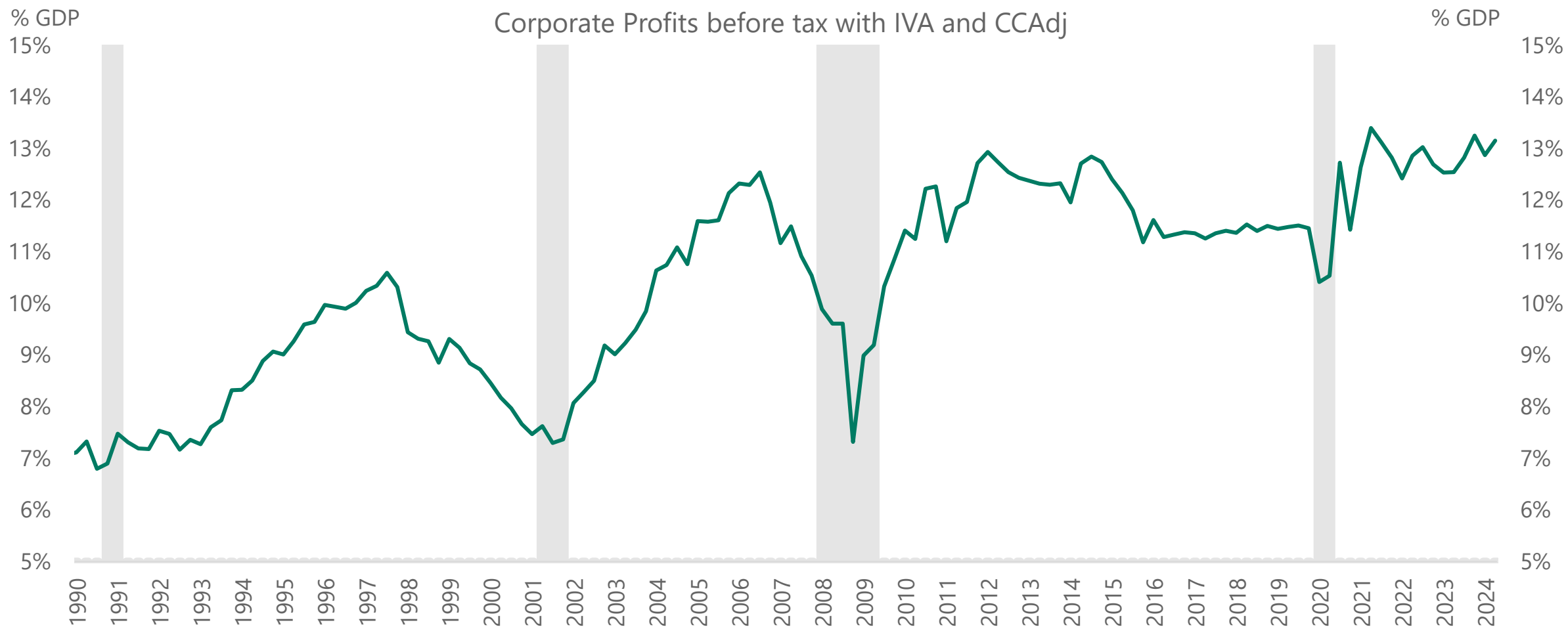
Source: BLS, Haver Analytics, Apollo Chief Economist. Note: Job finding rate is calculated as share of unemployed last month who are employed this month

# US consumers in good shape

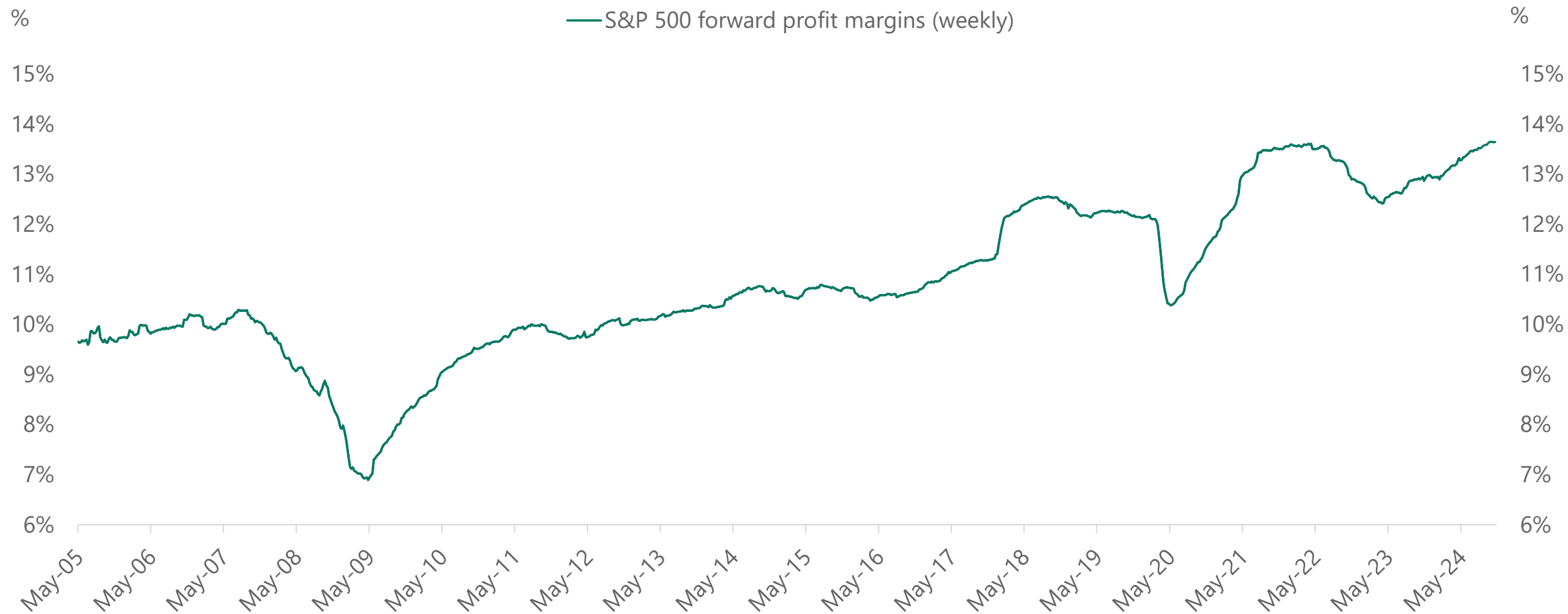


Source: BEA, Haver Analytics, Apollo Chief Economist

# Corporate profits near all-time highs as a share of GDP

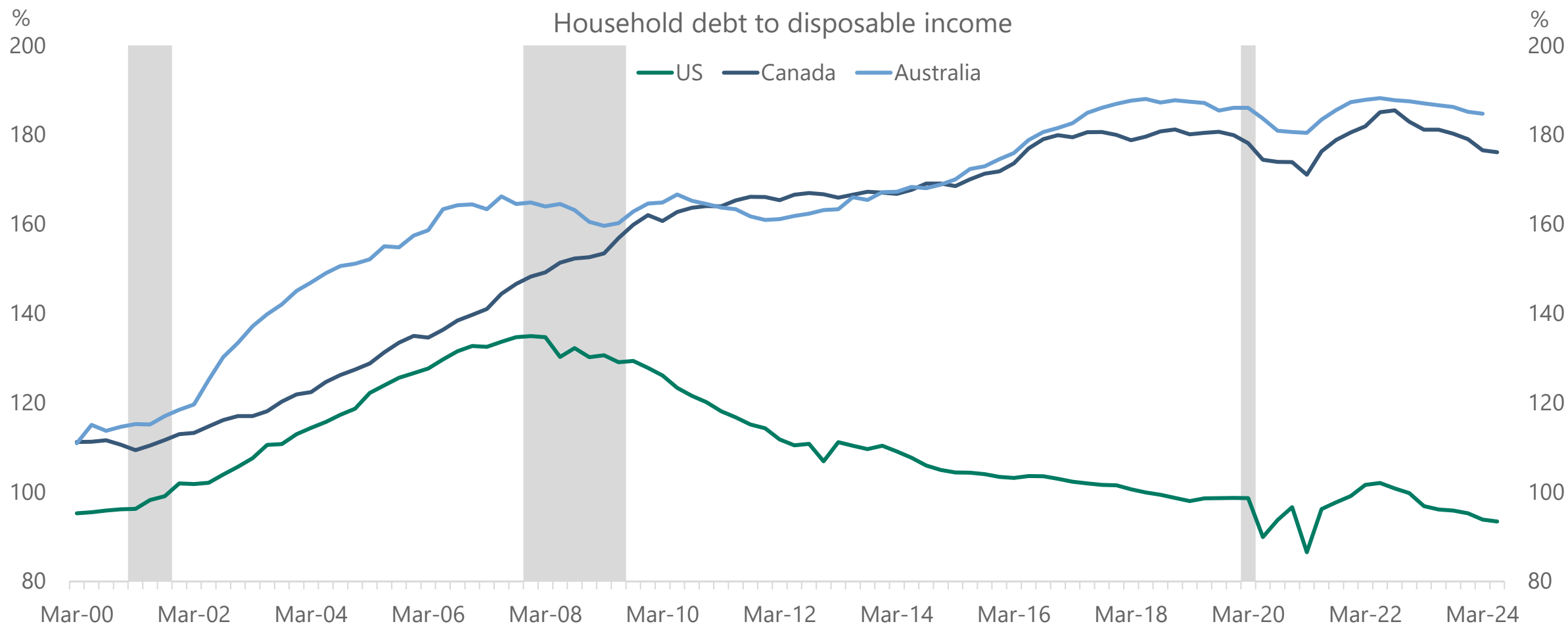


# S&P 500 weekly forward profit margins at record-high levels



Note: The 12-month forward profit margins are calculated by using the weighted average of 1FY (current year estimate) and 2FY (next year estimate) to smooth out fiscal year transitions. Source: Bloomberg, Apollo Chief Economist

# US household balance sheets are in excellent shape



Source: Statistics Canada, Reserve Bank of Australia, Bloomberg, Apollo Chief Economist.



Daily data

# What are daily and weekly indicators telling us about the US economy?

## Daily data:

**Restaurant bookings:** Strong

**TSA air travel data:** Strong

**Daily debit card data:** Solid

## Weekly data:

**Atlanta Fed GDPNow:** 2.5%

**Fed's weekly GDP index:** 1.7%

**Retail sales:** Strong

**Jobless claims:** Solid

**Hotel occupancy rate, daily rate, and RevPAR:** Strong

**Bank lending to firms and consumers:** Slowing

**Bankruptcy filings:** Trending lower

**Credit and debit card data:** Solid

**Gasoline demand:** Strong

**Broadway show attendance:** Strong

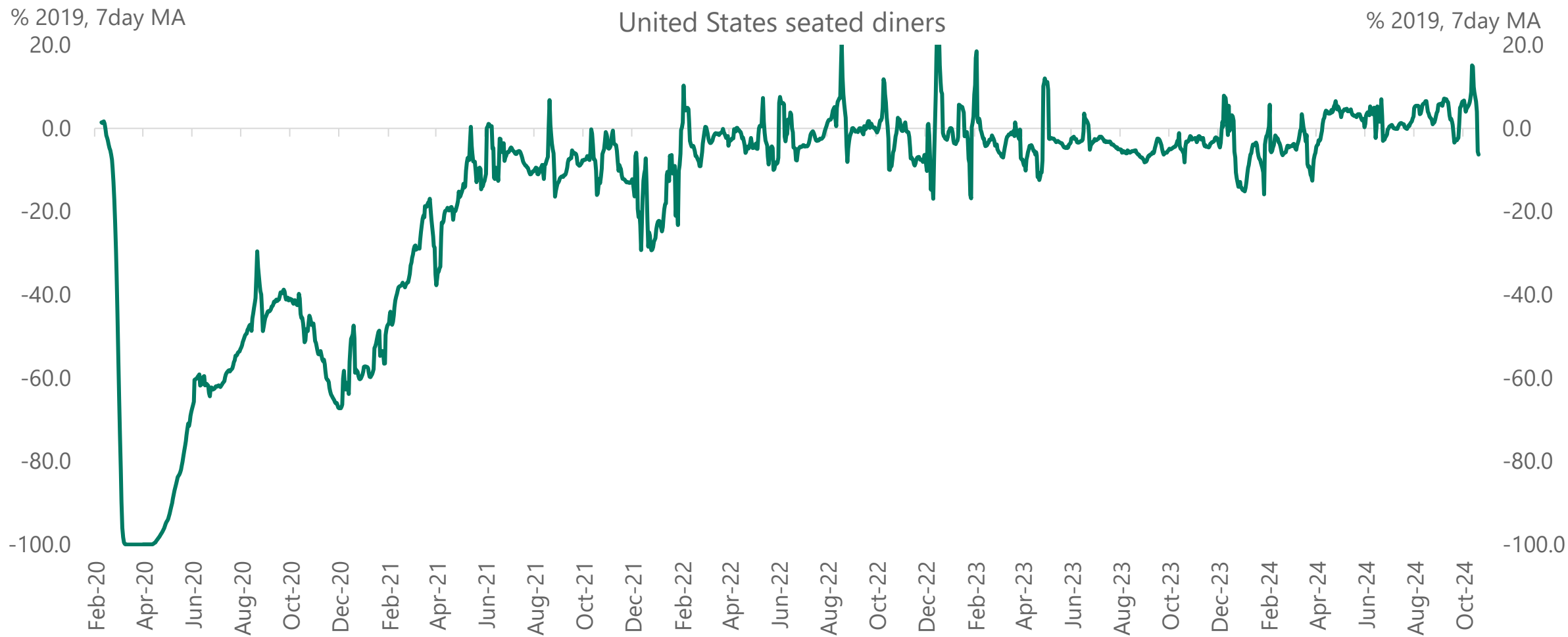
**Box office weekly grosses:** Strong

**S&P 500 forward profit margins:** At record highs

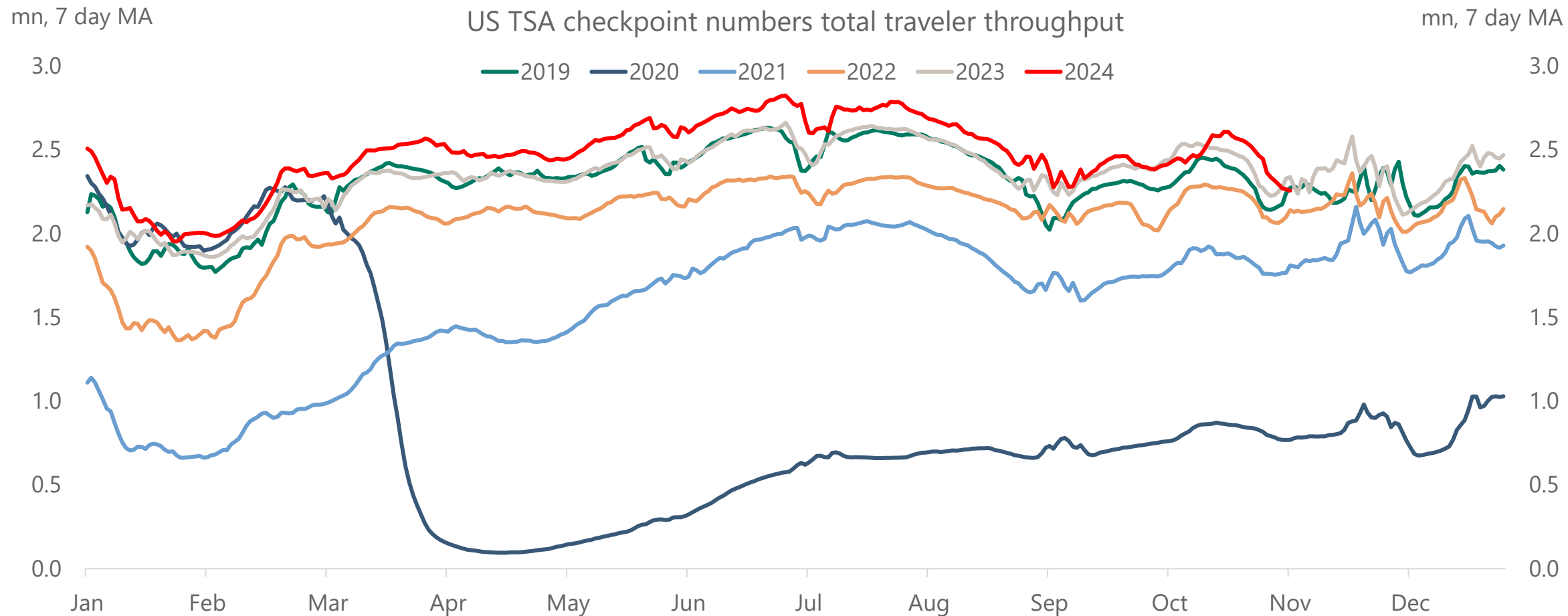
**Business formation:** Rebounding

**ASA temp worker staffing index:** Sideways

# Daily data for restaurant bookings



# Daily data for US air travel



# Daily data for debit card transactions



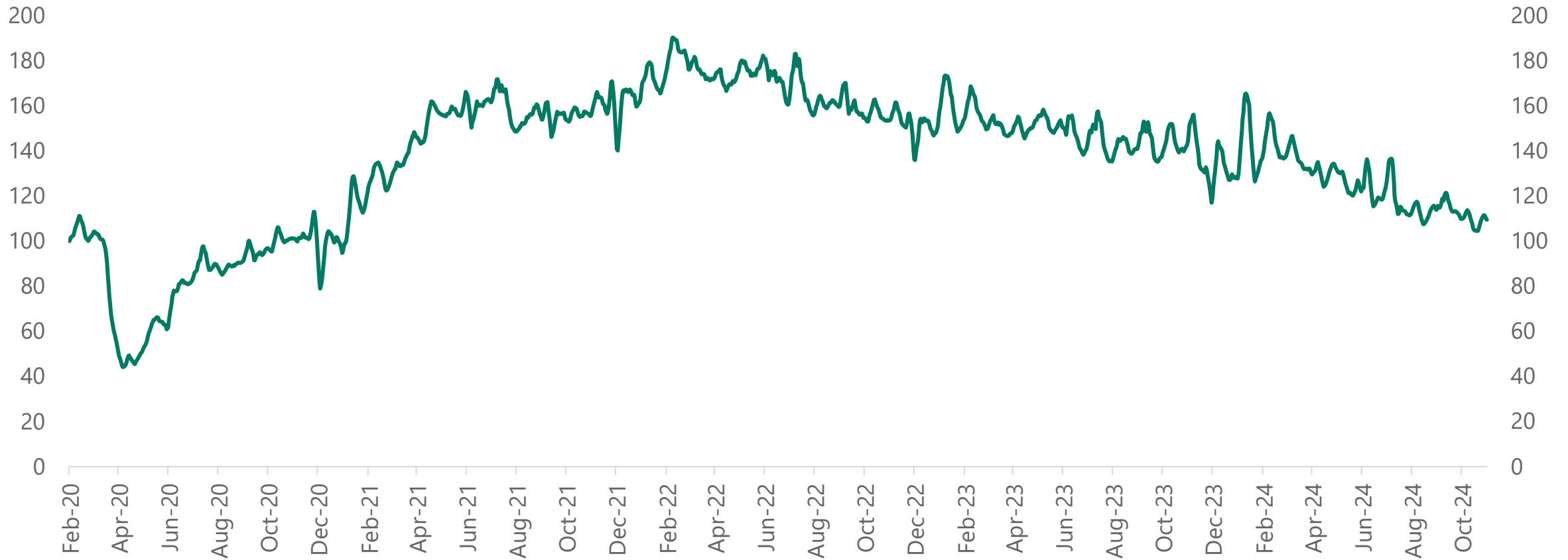
Source: Bloomberg, Apollo Chief Economist. Note: Consists largely of debit card transactions

# Daily jobs postings

Index Feb1, 2020 = 100

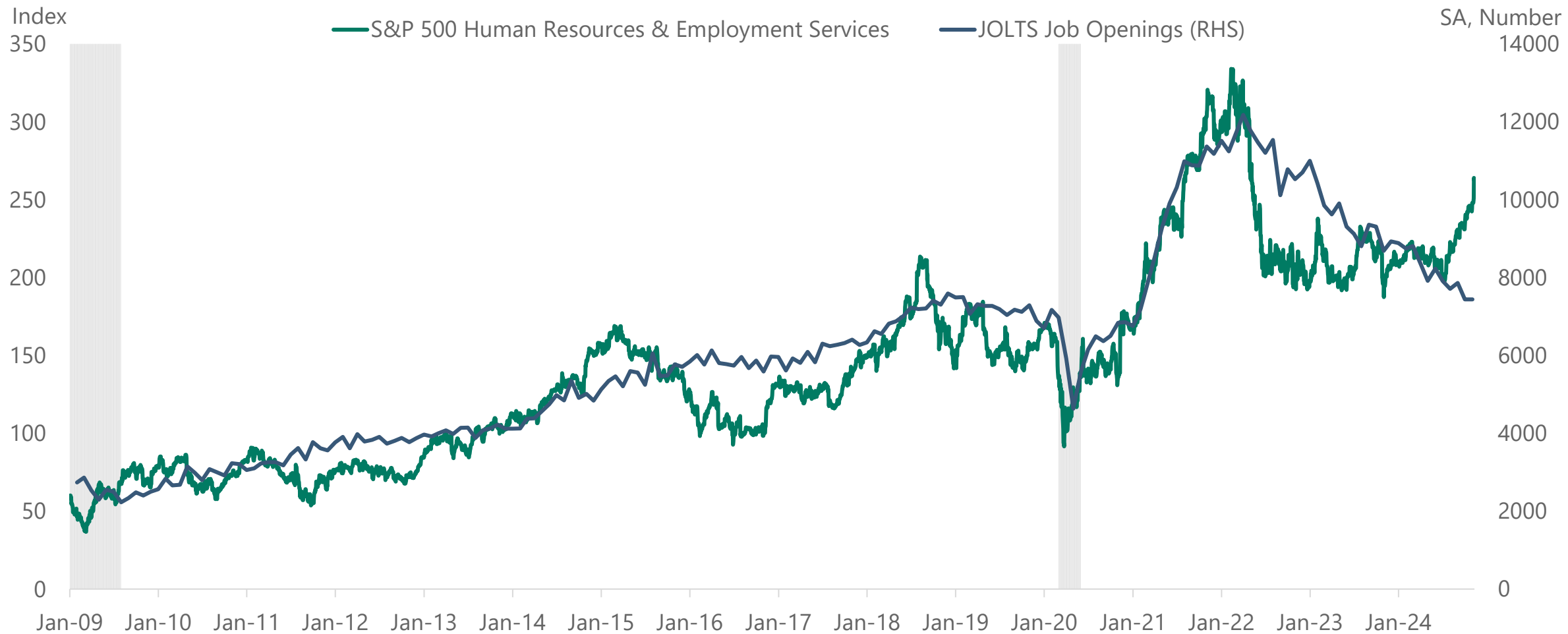
— New job postings on Indeed in the United States

Index Feb1, 2020 = 100

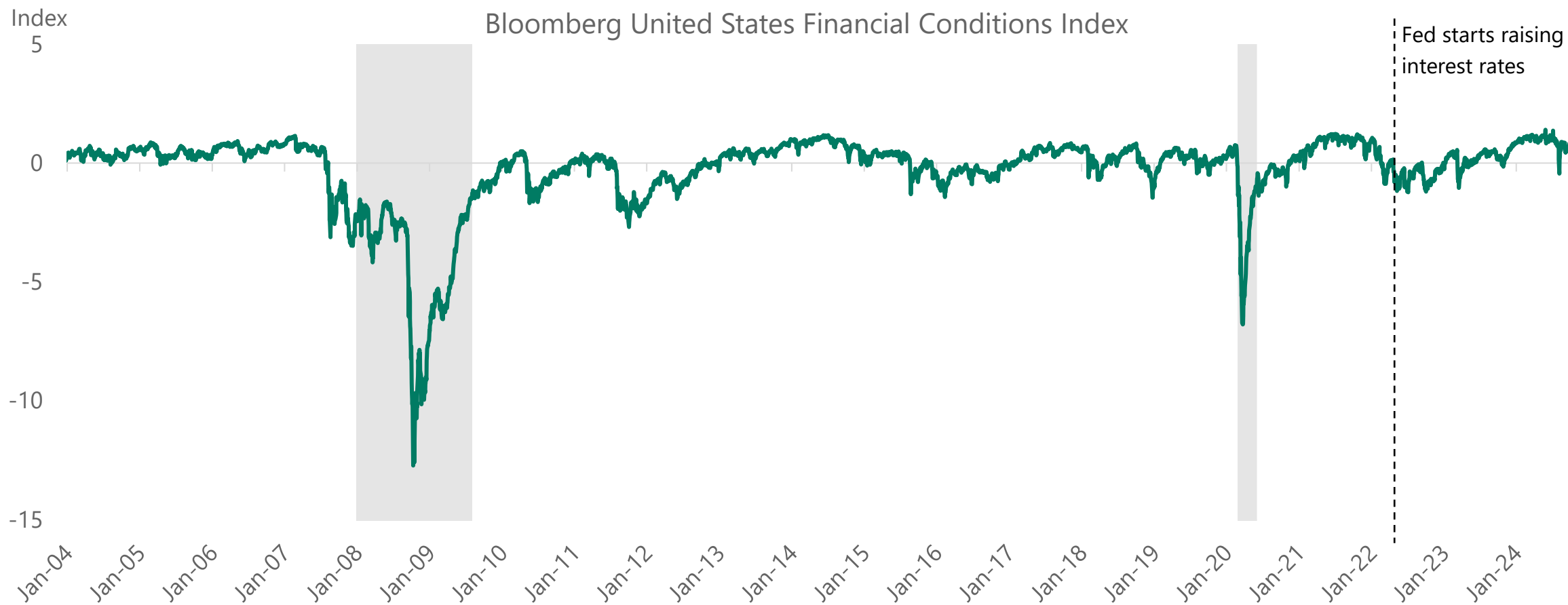


Source: Indeed, Bloomberg, Apollo Chief Economist. Note: The data is seasonally adjusted

# The stock price of staffing firms points to a rebound in job openings

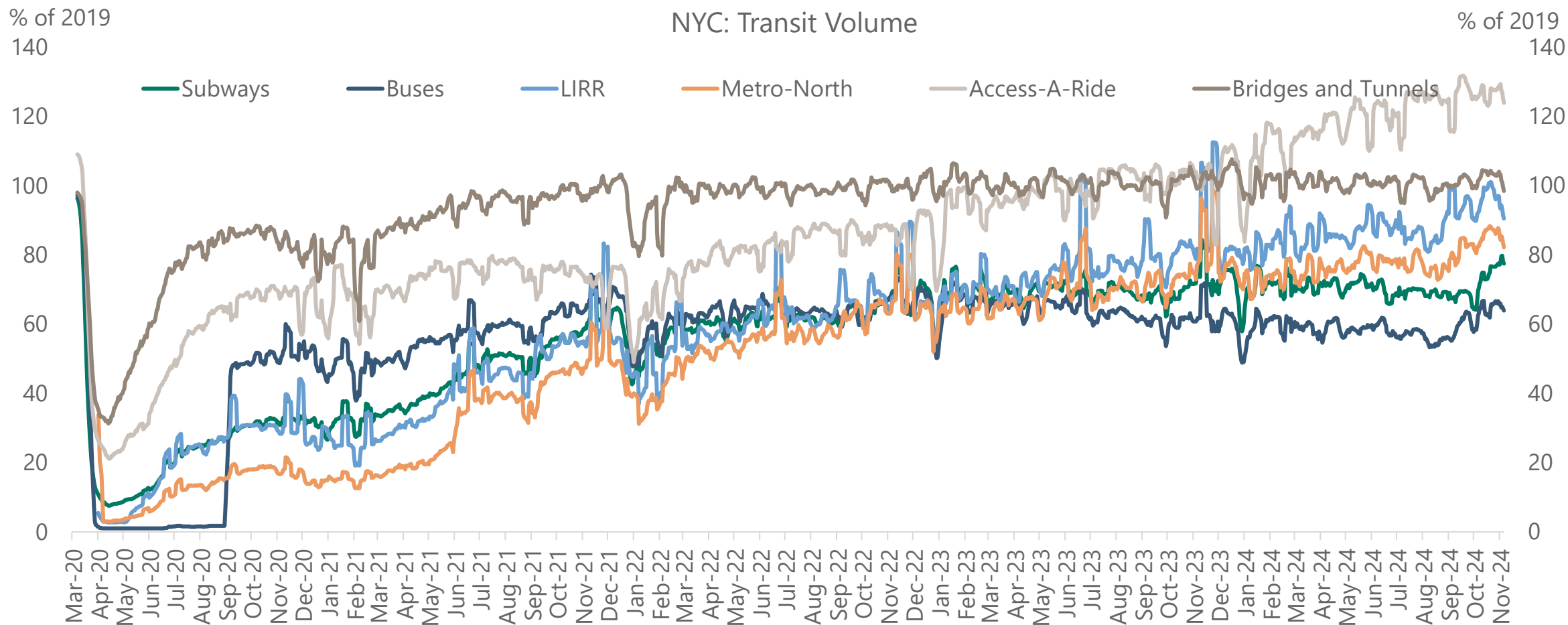


# Financial conditions today are easier than when the Fed started raising interest rates



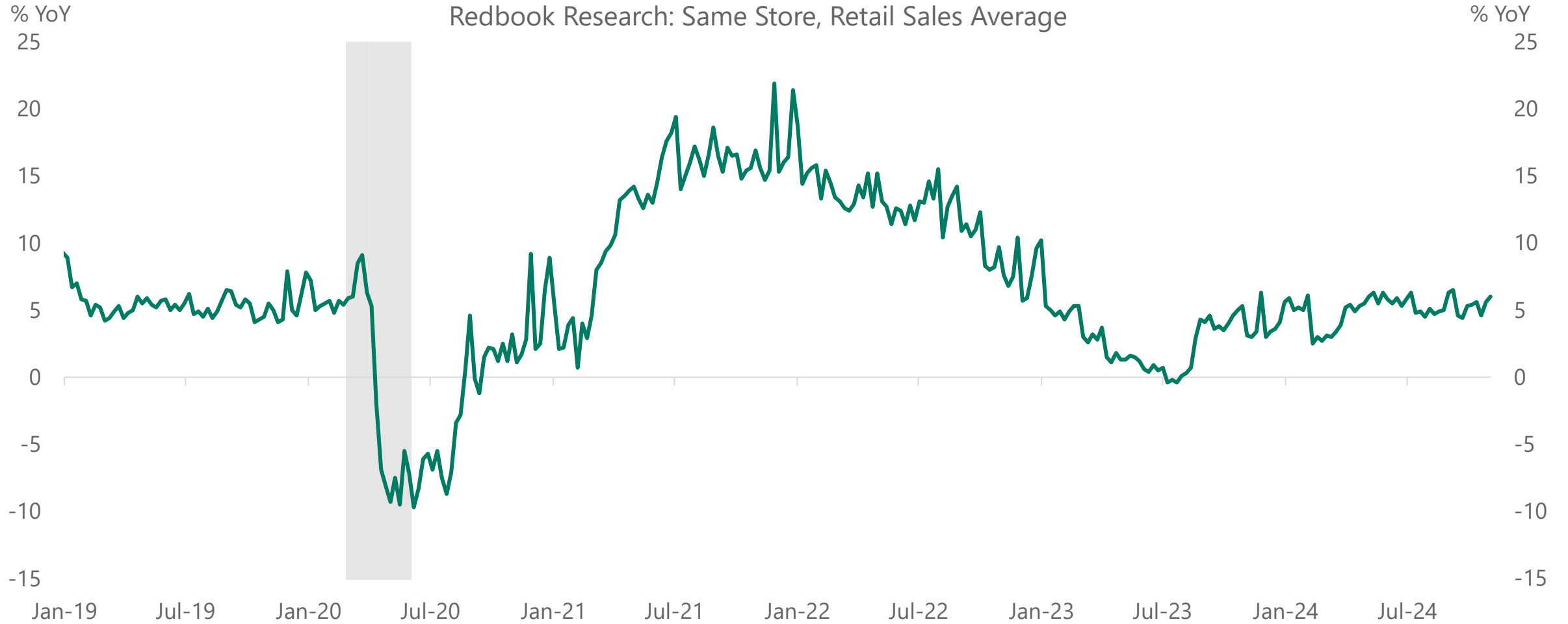


# Daily NYC mobility indicators

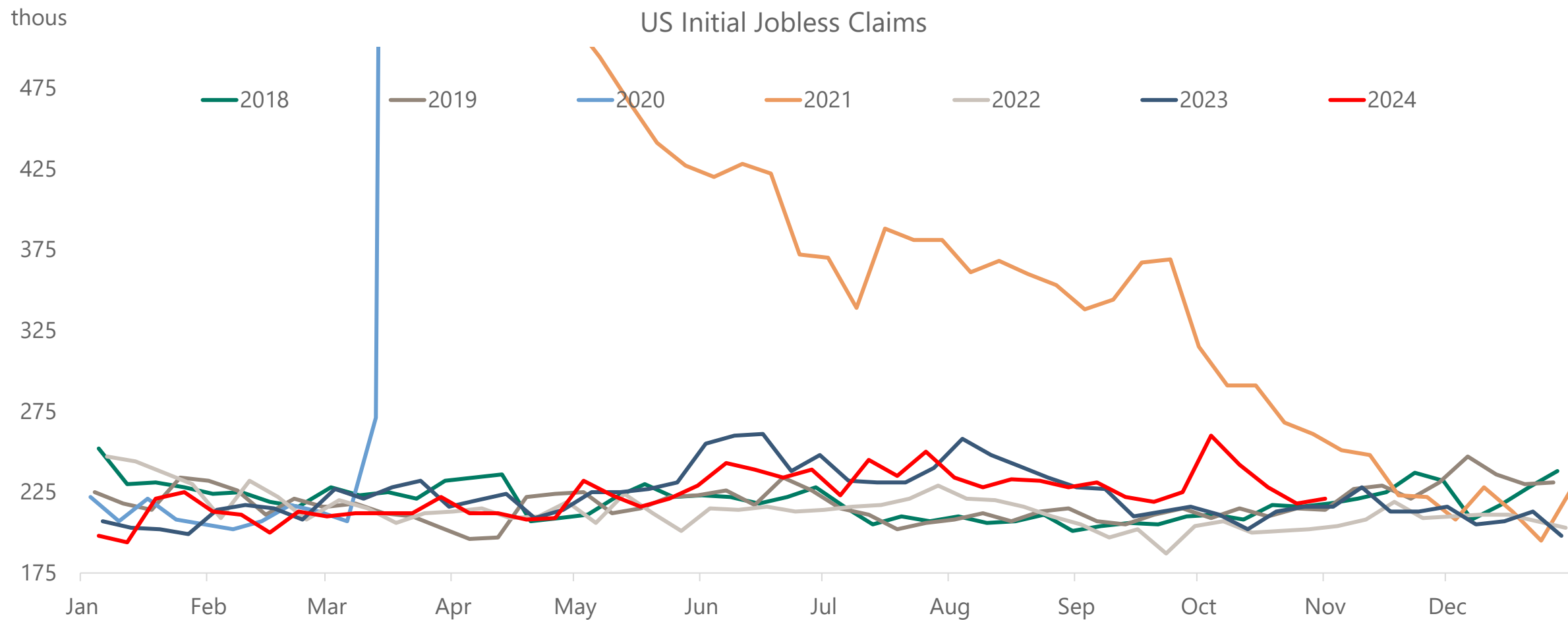


Weekly data

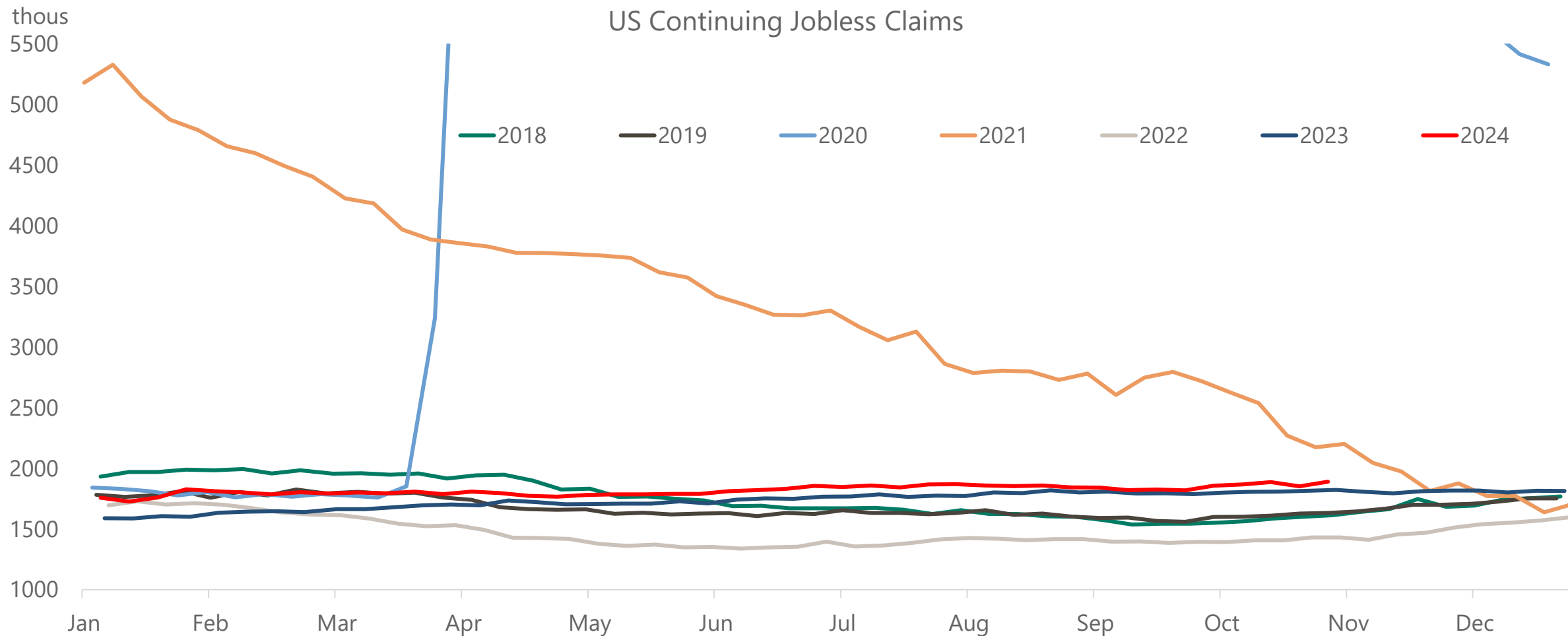
# Weekly data for same-store retail sales



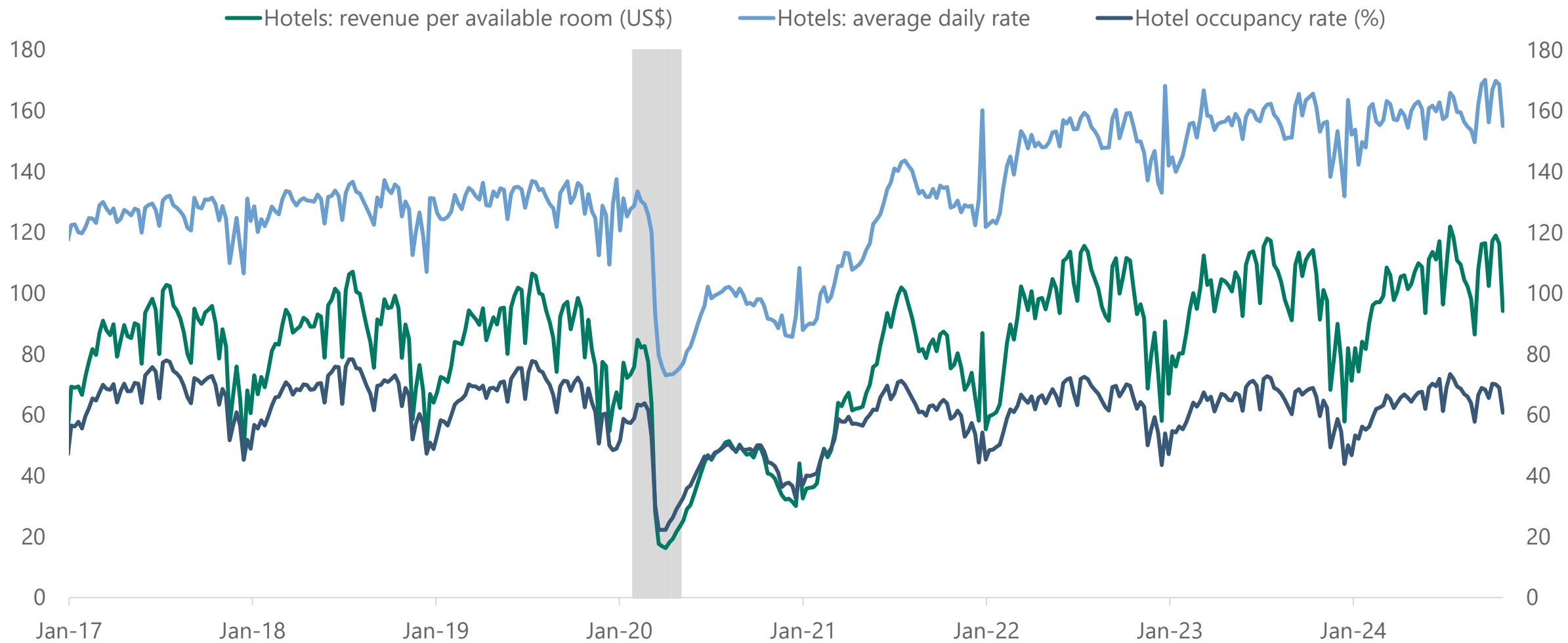
# Weekly initial jobless claims



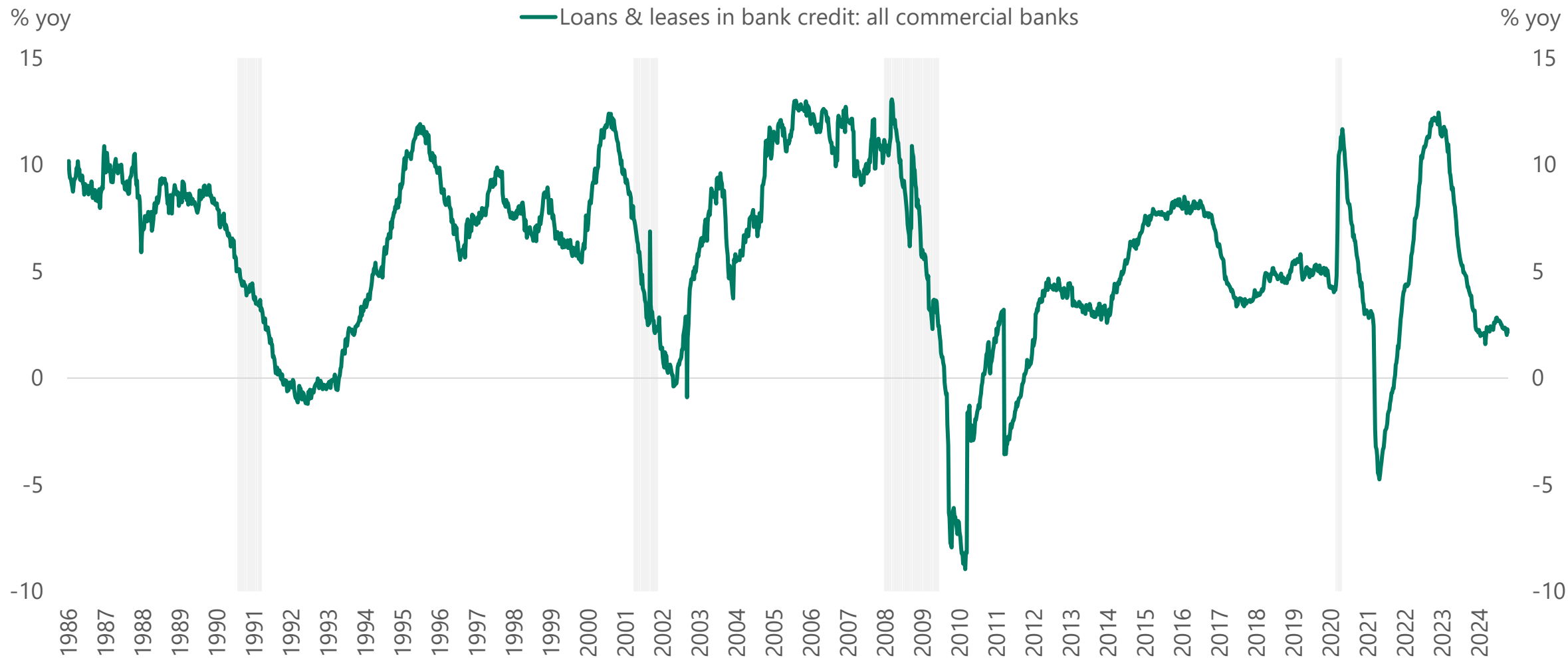
# Weekly continuing jobless claims



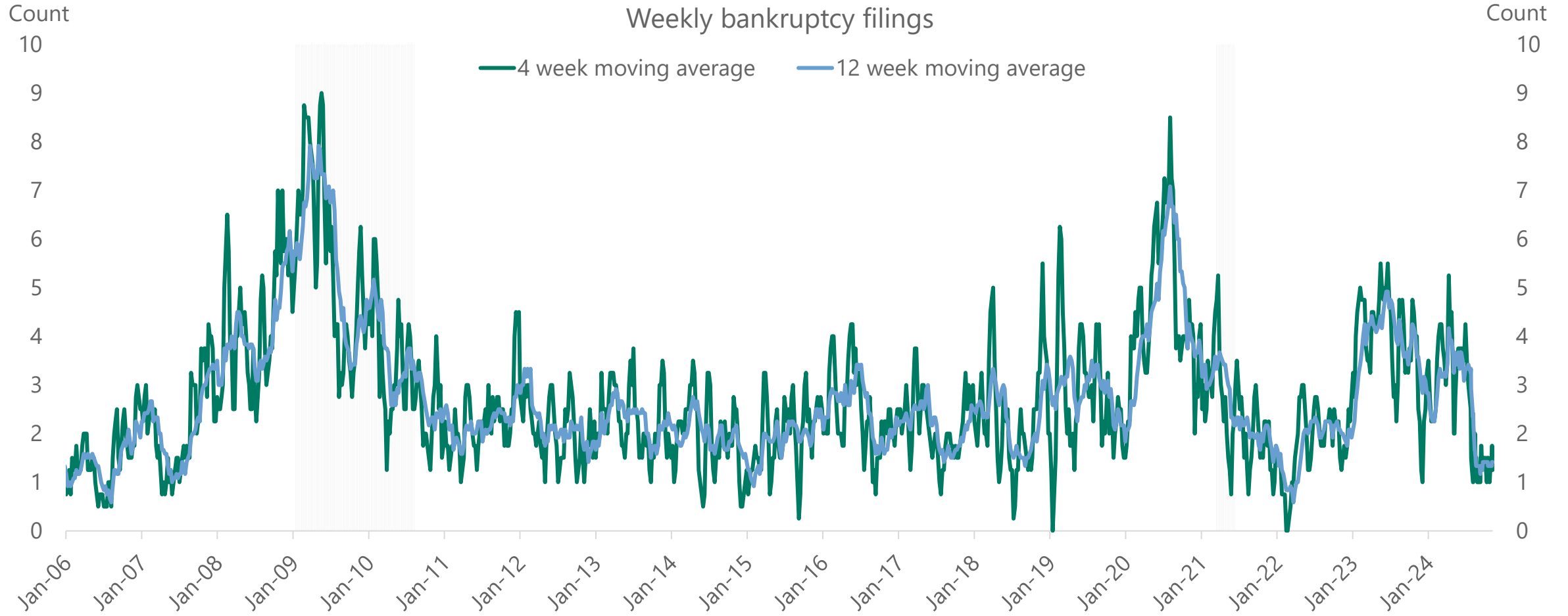
# Weekly data for hotel demand



# Weekly loan growth for banks



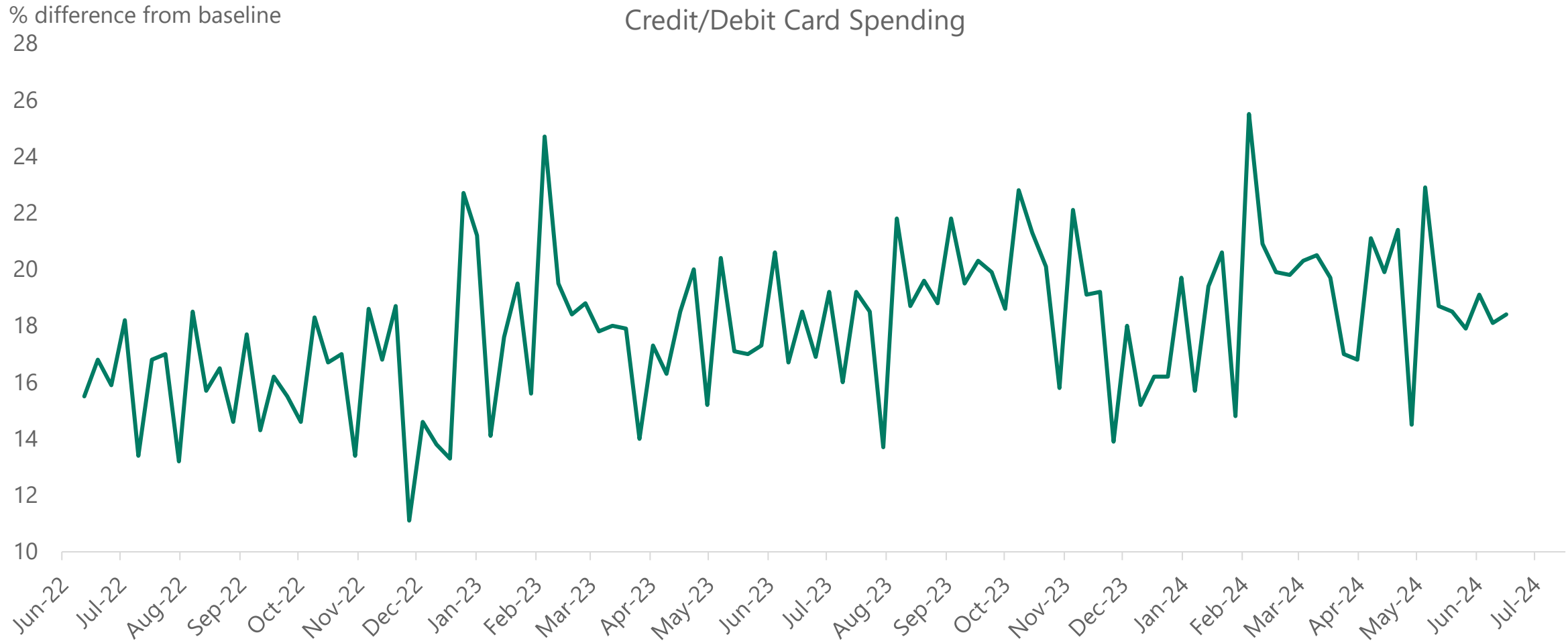
# Weekly bankruptcy filings



Source: Bloomberg, Apollo Chief Economist. Note: Filings are for companies with more than \$50mn in liabilities. For week ending on November 8, 2024.

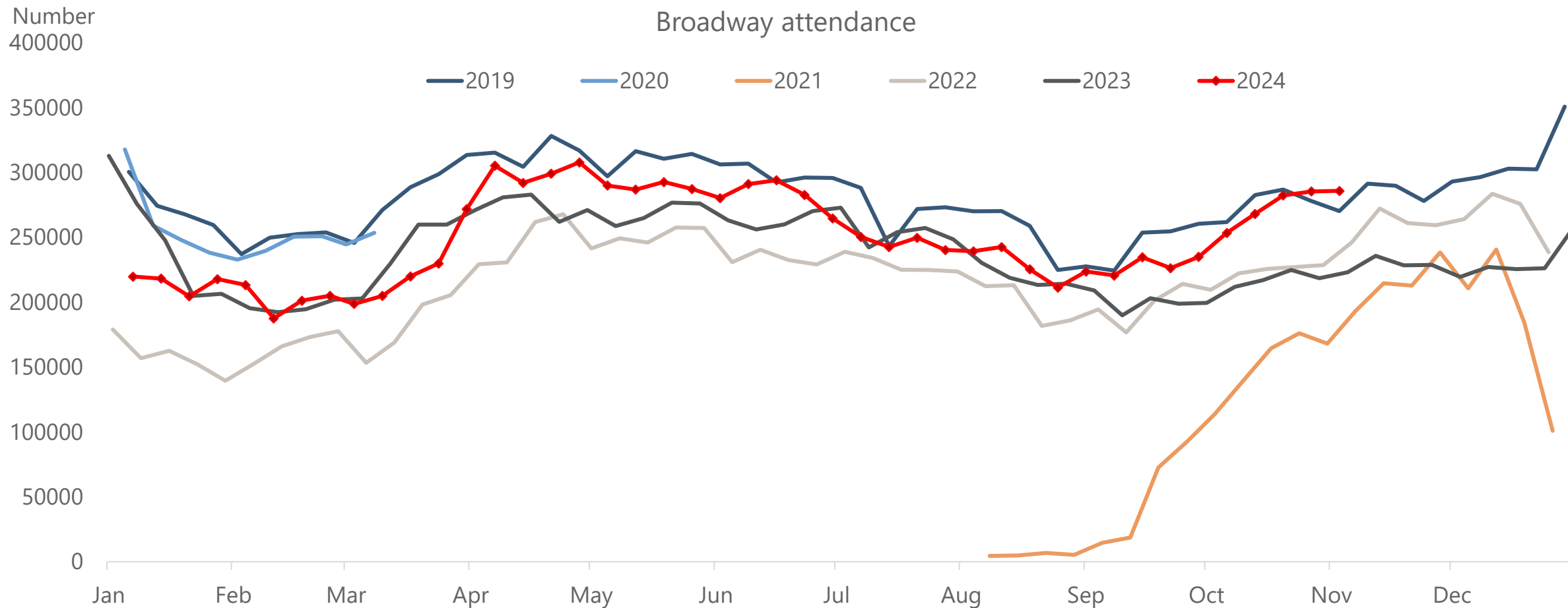


# Weekly credit and debit card spending

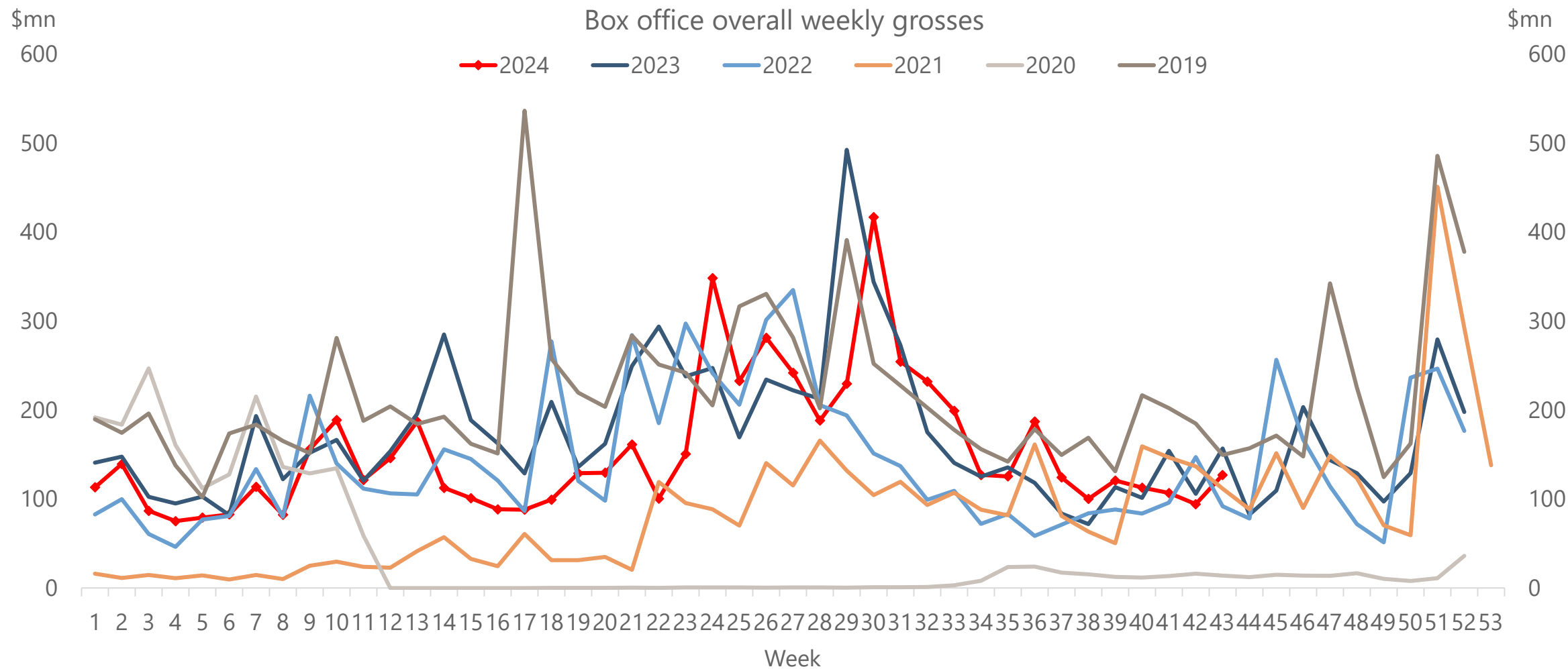


Source: Affinity solutions via Opportunity Insights, Haver Analytics, Apollo Chief Economist. Note: Baseline is January 2020

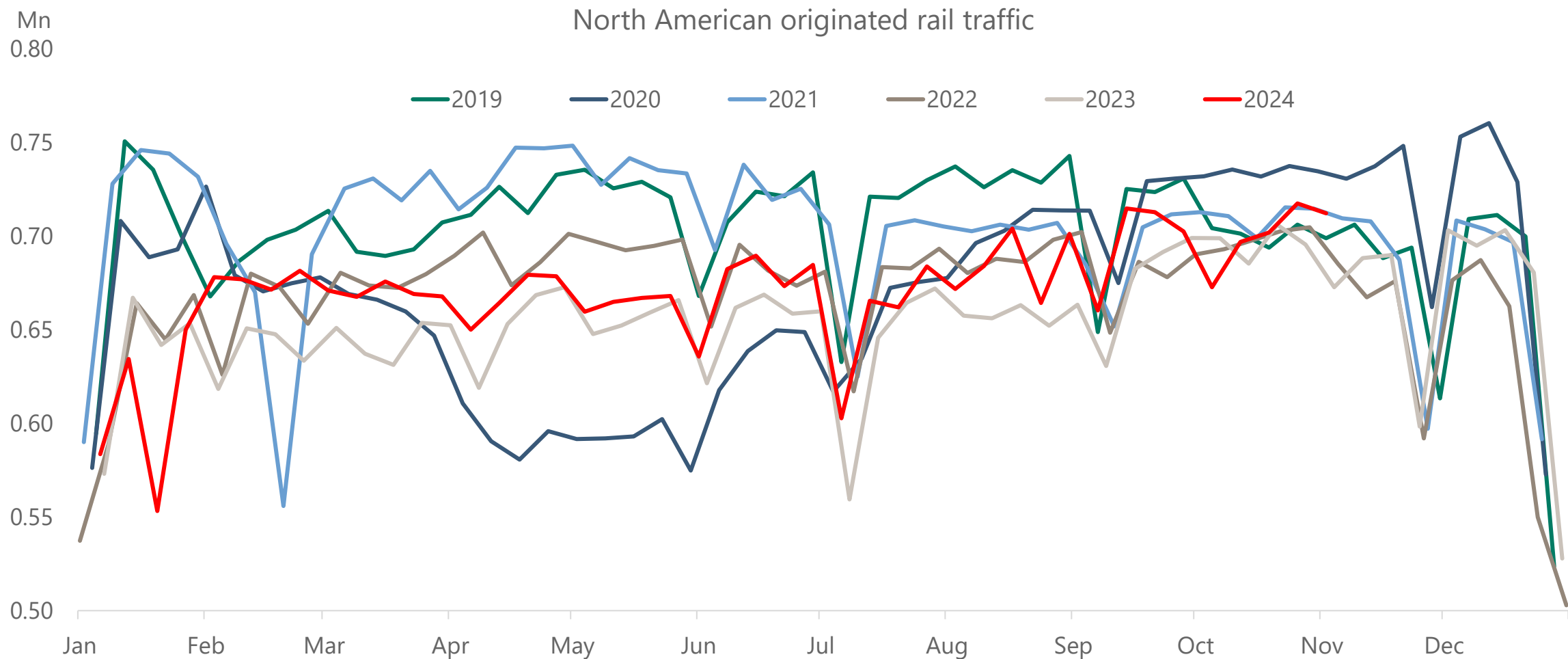
# Weekly Broadway show attendance



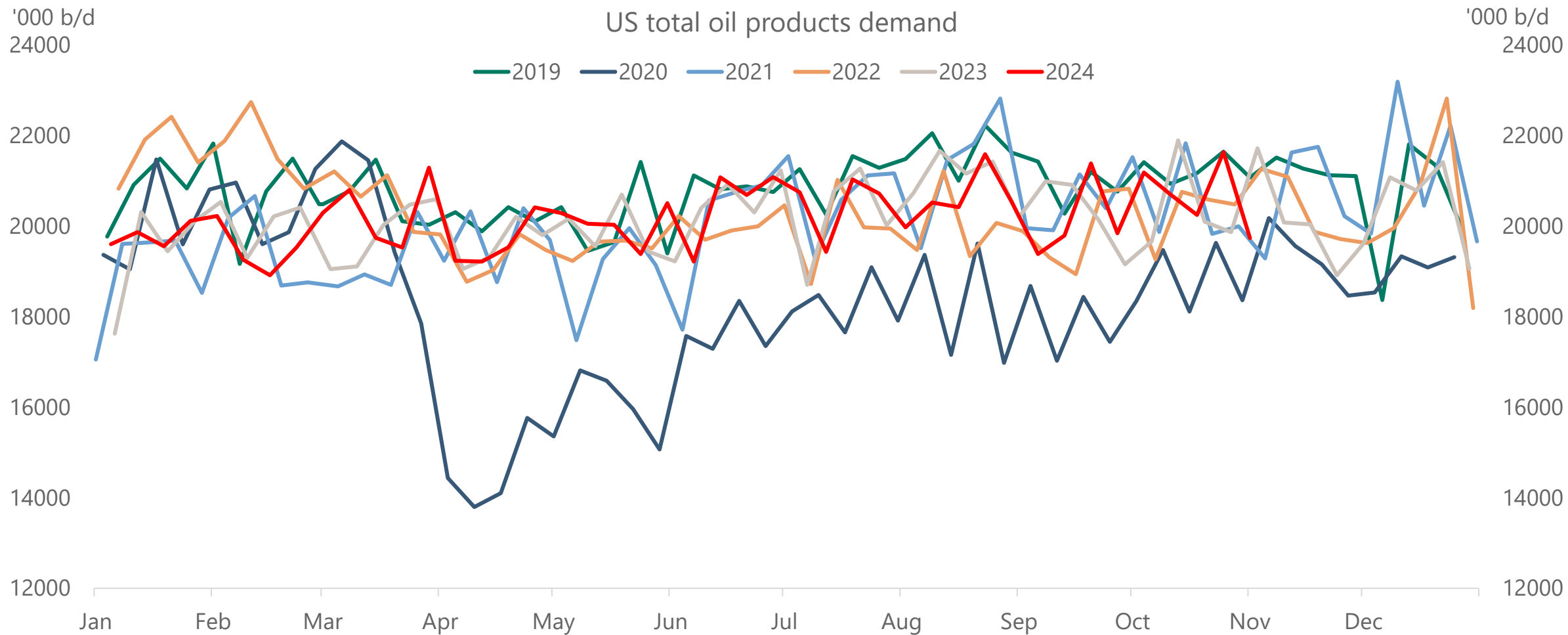
# Weekly movie theatre visits



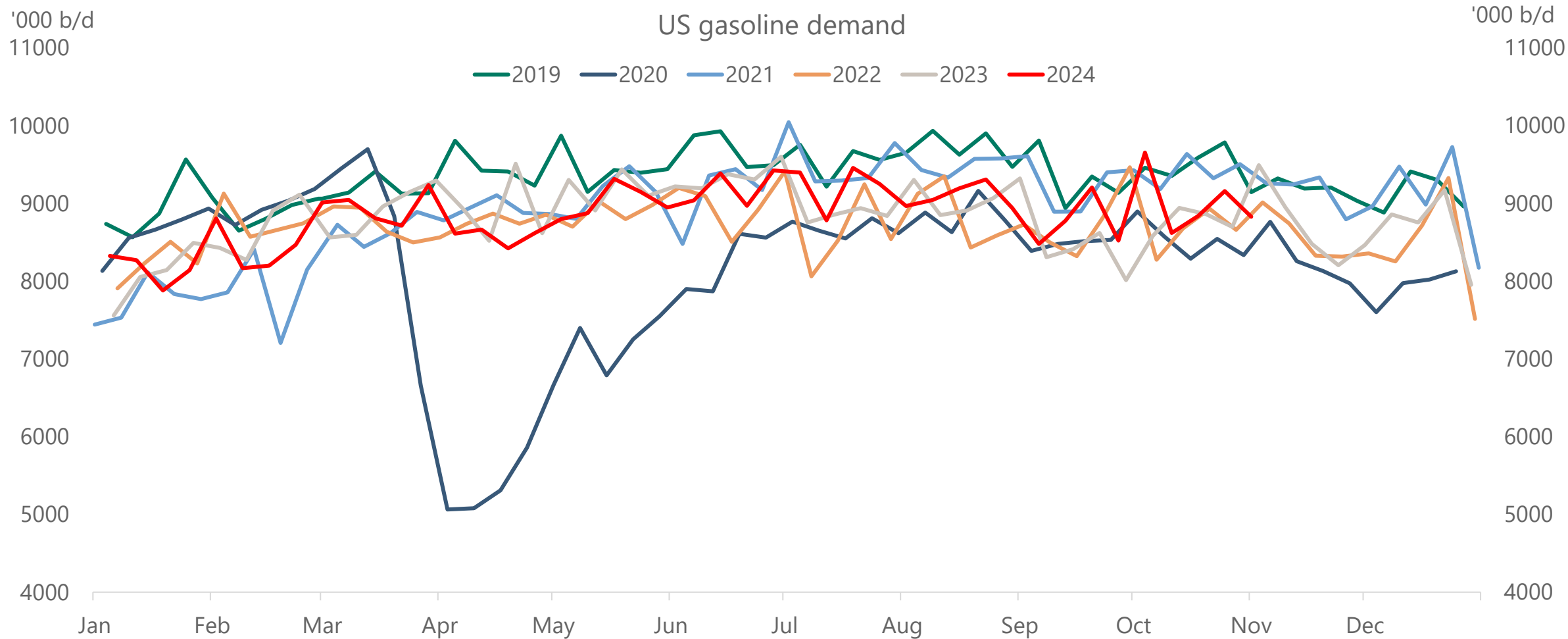
# Rail traffic volumes



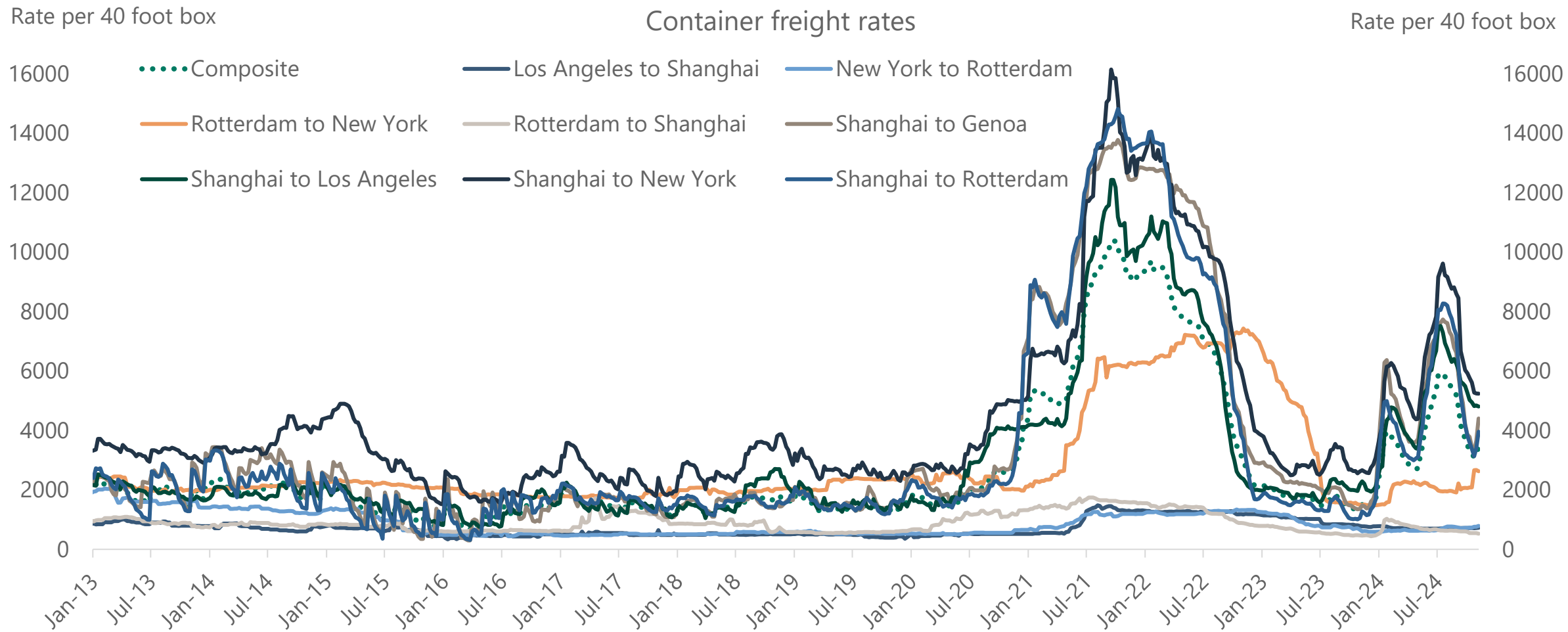
# Weekly oil demand



# Weekly gasoline demand



# Weekly container freight rates



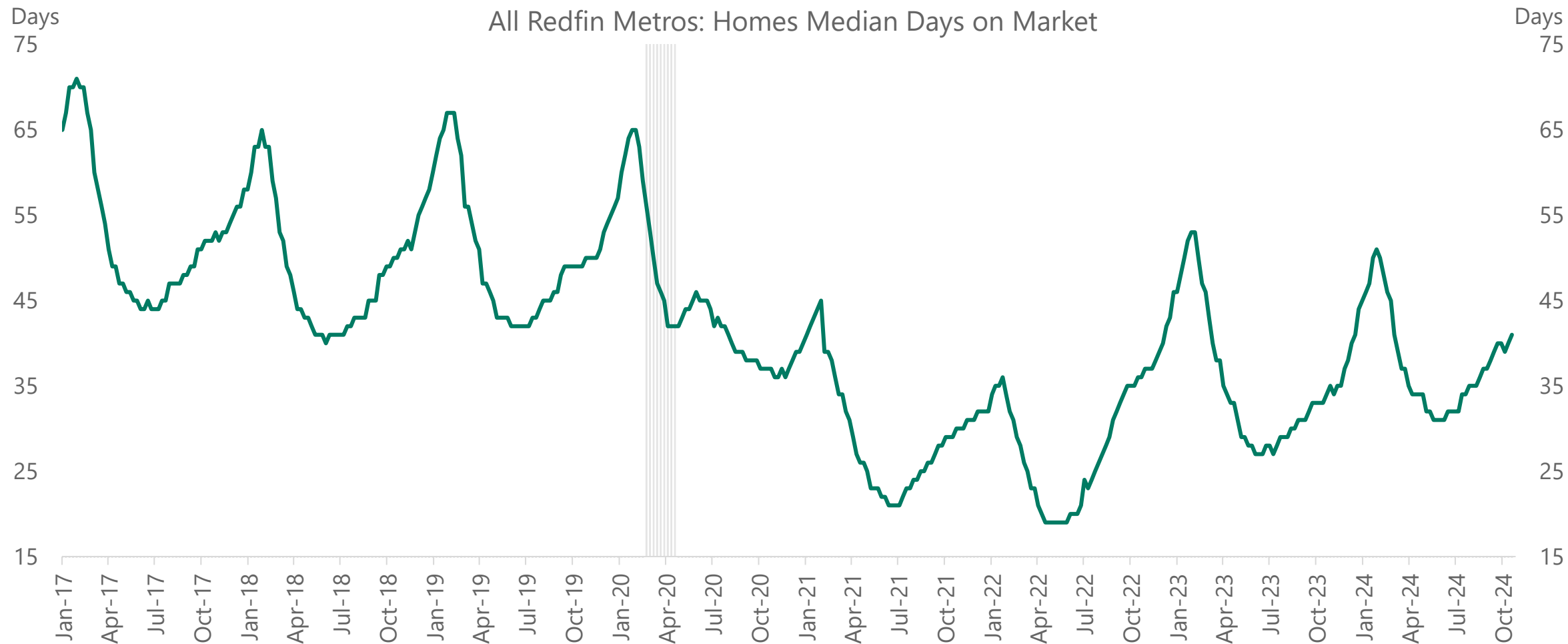
# China: Containerized freight index



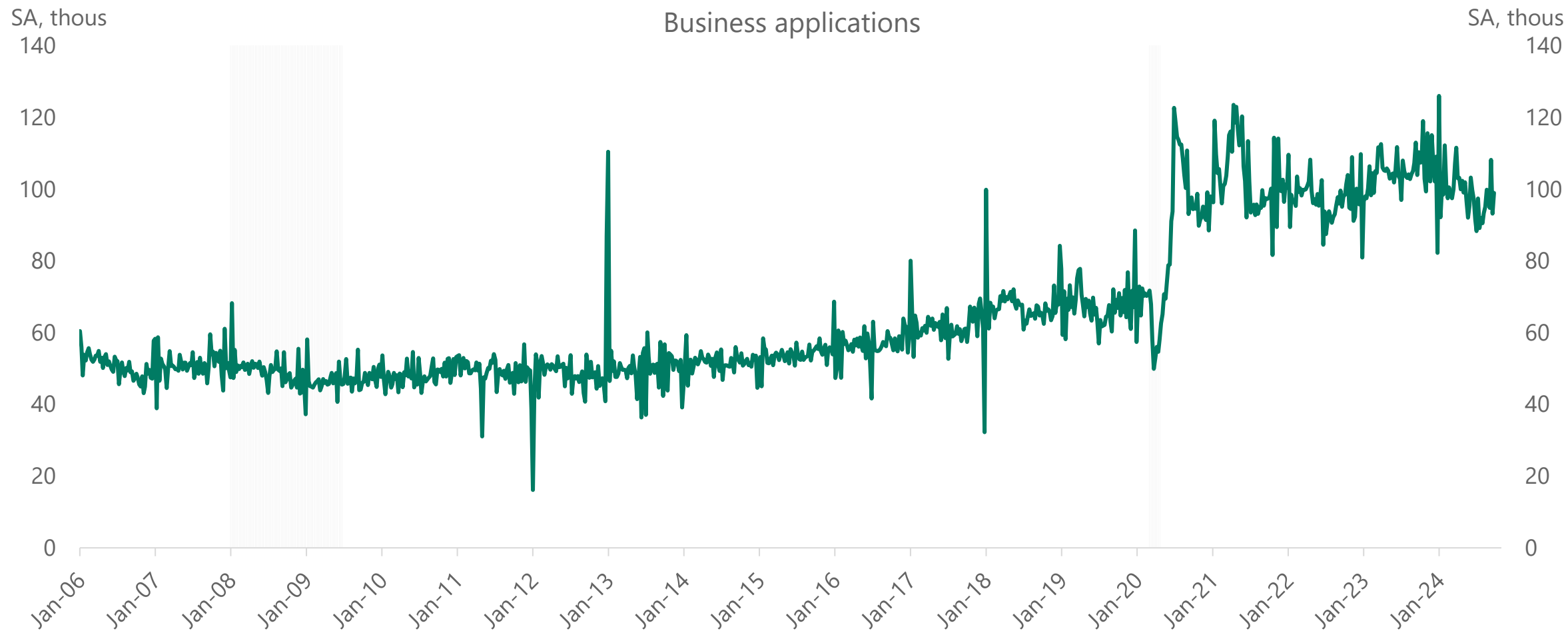
Source: Shanghai Shipping Exchange, Bloomberg, Apollo Chief Economist



# Homes for sale: Median days on the market

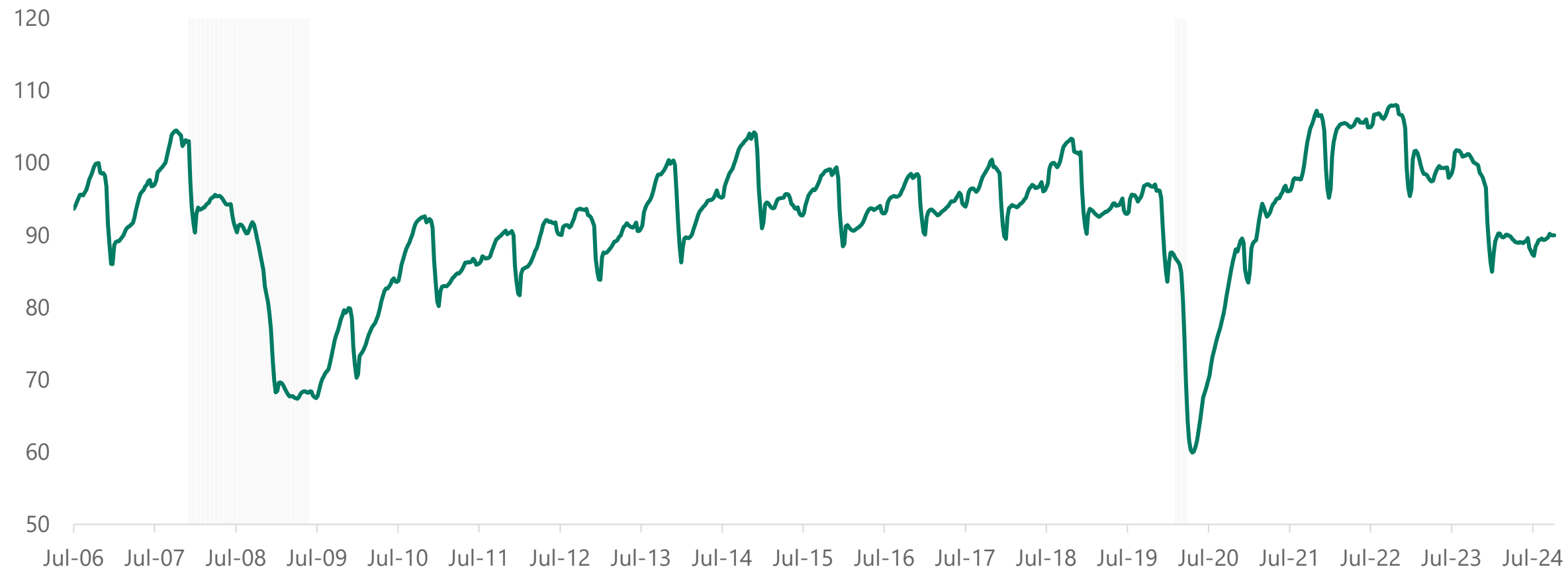


# Weekly business formation statistics



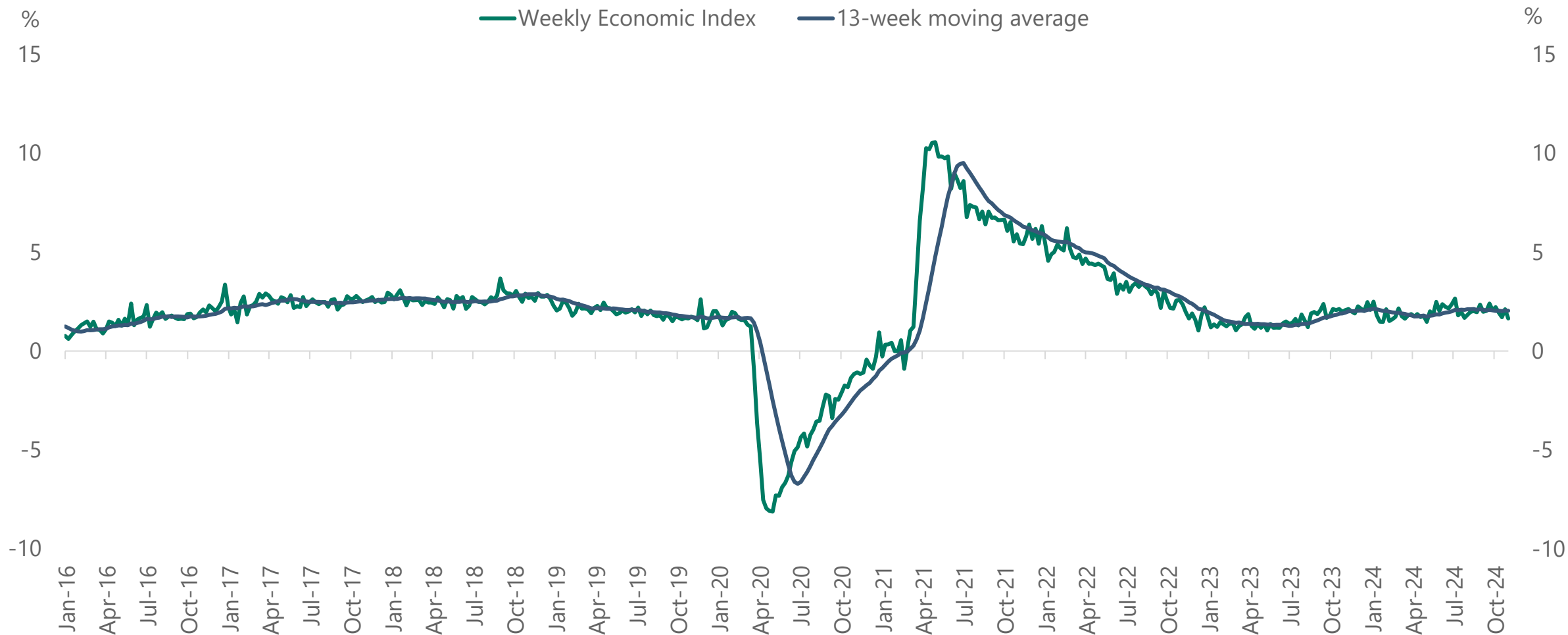
# Weekly ASA temp worker staffing index

Index, 4 week ma

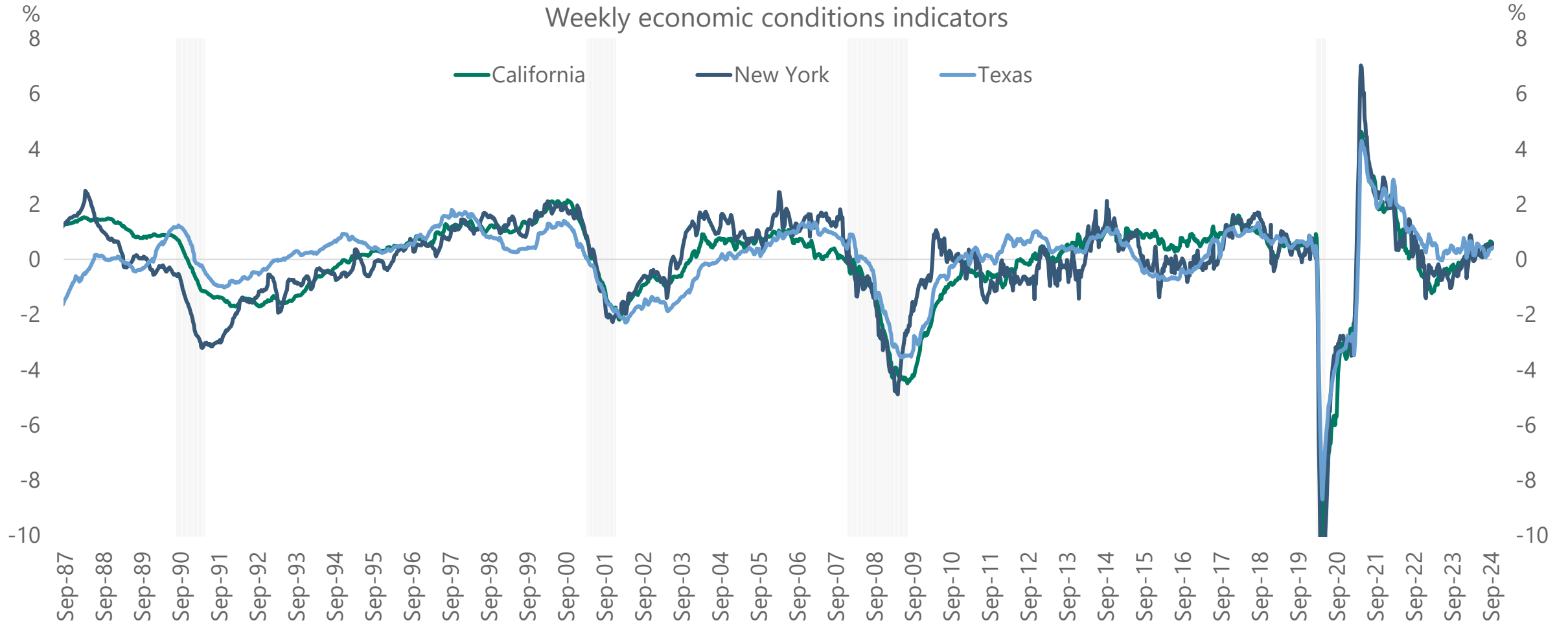


Source: American Staffing Association (ASA), Bloomberg, Apollo Chief Economist. Note: The ASA Staffing Index tracks weekly changes in temporary and contract employment and serves as an indicator of current economic conditions. All staffing firms with U.S. operations are invited to participate in the ASA Staffing Index survey.

# The Fed's Weekly Economic Index, measured in GDP units

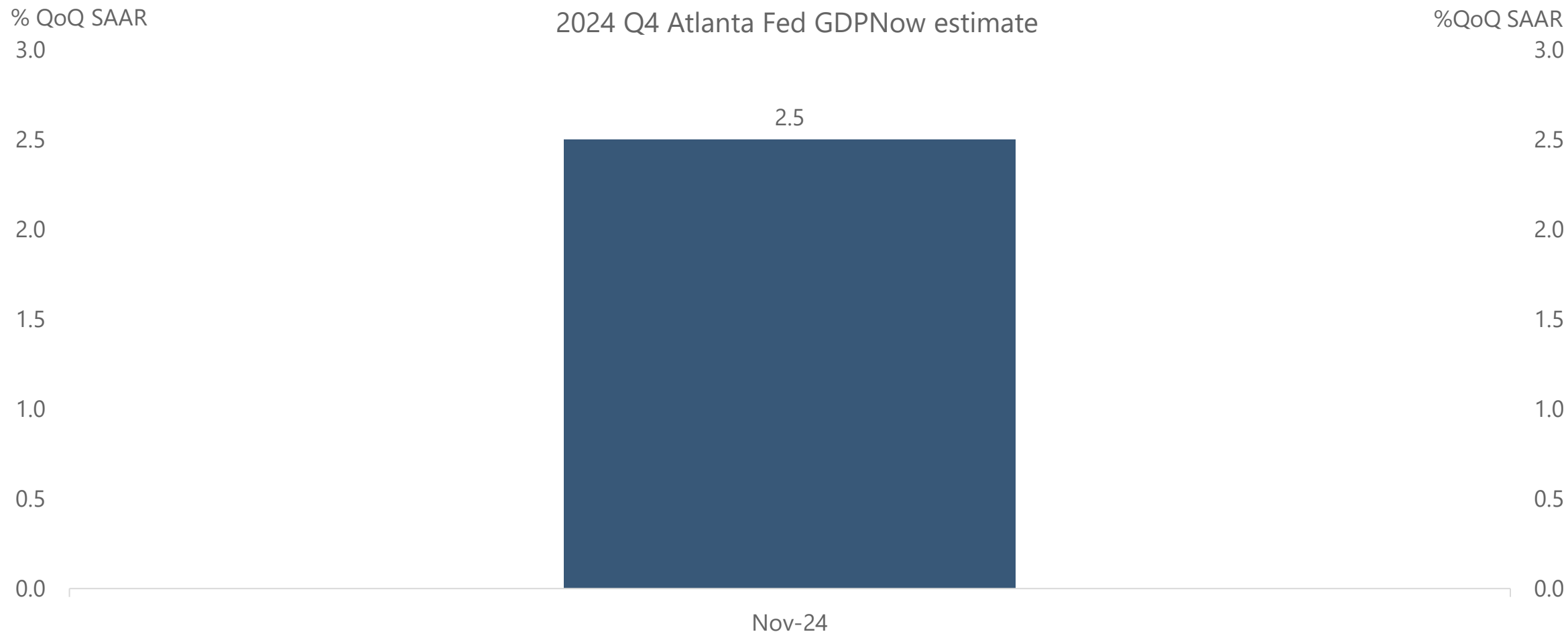


# Weekly economic indicators for New York, California, and Texas

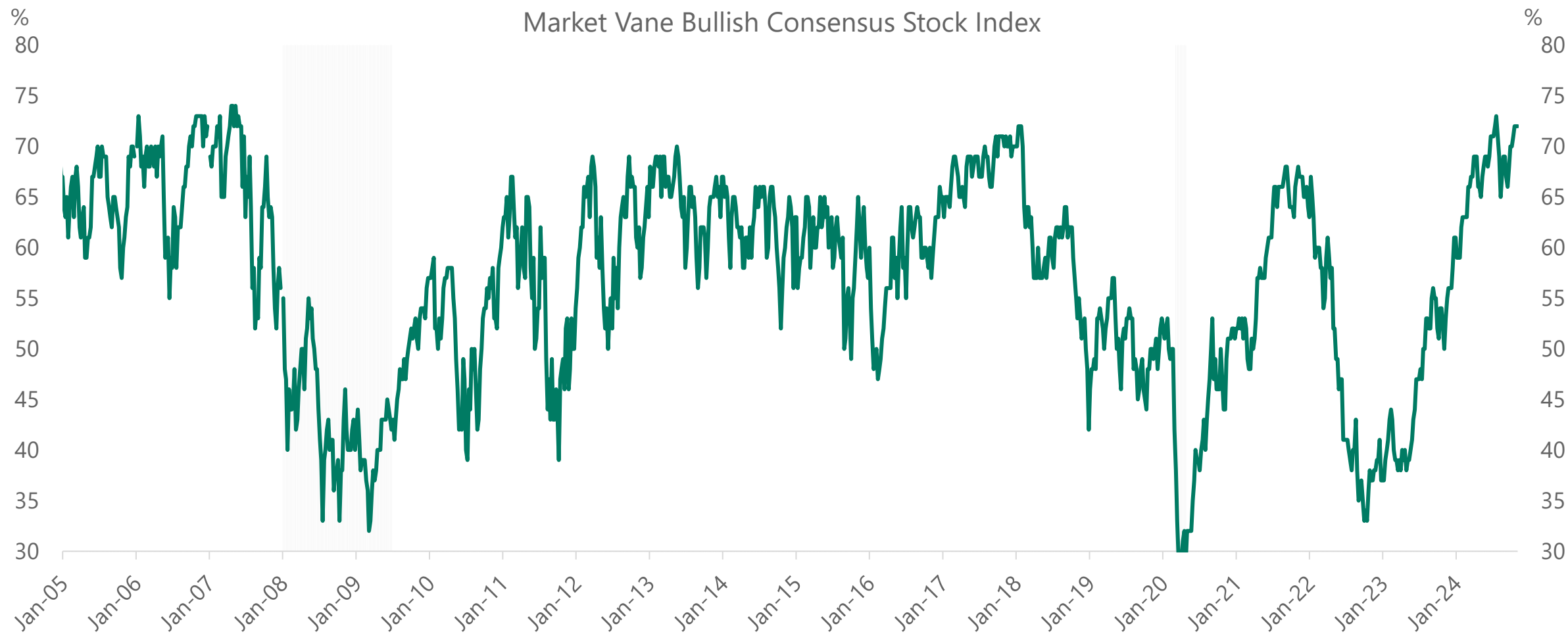


Source: Baumeister, Christiane, Danilo Leiva-Leon, and Eric Sims (2024), "Tracking Weekly State-Level Economic Conditions," *Review of Economics and Statistics*, 106(2), 483-504., Apollo Chief Economist. Note: The economic conditions indices are computed with mixed-frequency dynamic factor models with weekly, monthly, and quarterly variables that cover multiple dimensions of state economies. The indices are scaled to 4-quarter growth rates of U.S. real GDP and normalized such that a value of zero indicates national long-run growth.

# 2024 Q4 GDP estimate from Atlanta Fed: 2.5%

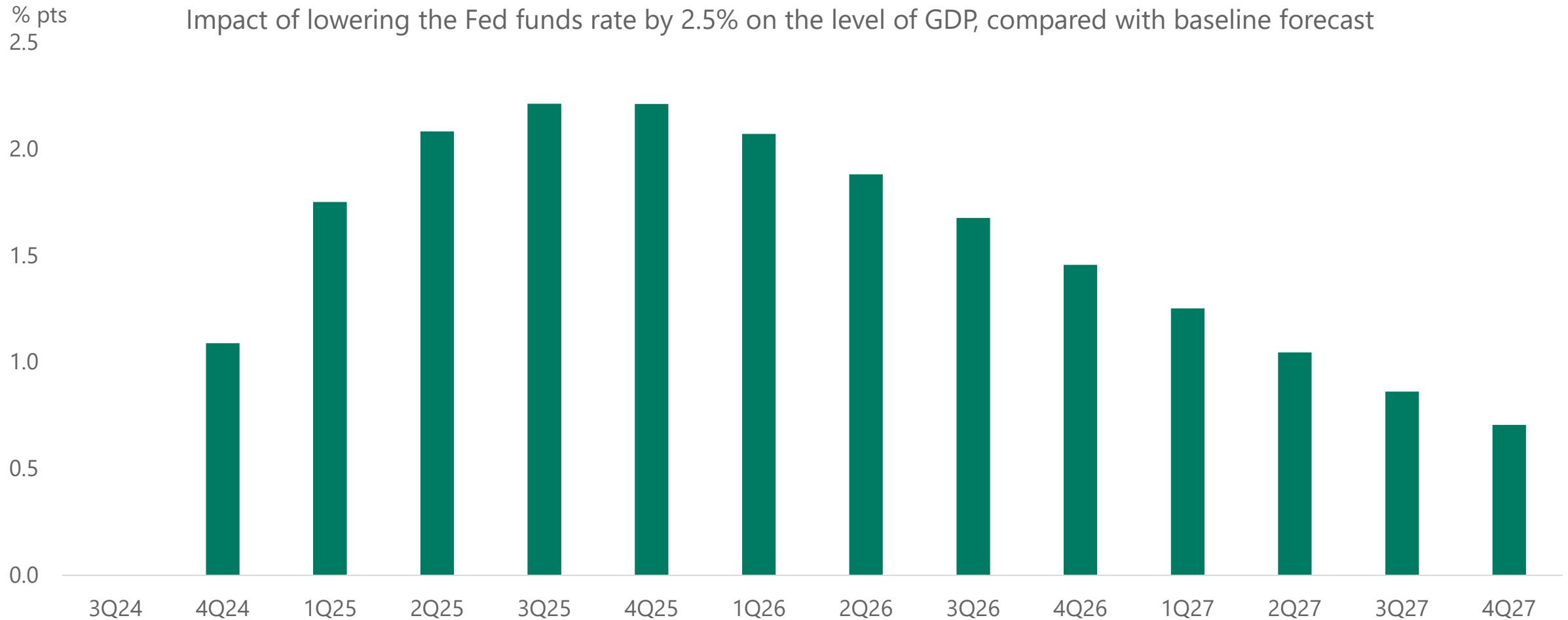


# Weekly bullish consensus stock index



Source: Barron's, Haver Analytics, Apollo Chief Economist. Note: Market Vane Bullish = the degree of bullish sentiment for the S&P 500. For example: a Bullish Consensus of 65% for the S&P 500 implies that 65% of the traders are bullish and expect the S&P 500 to rise. Conversely, 35% of the traders are bearish and expect the index to decline.

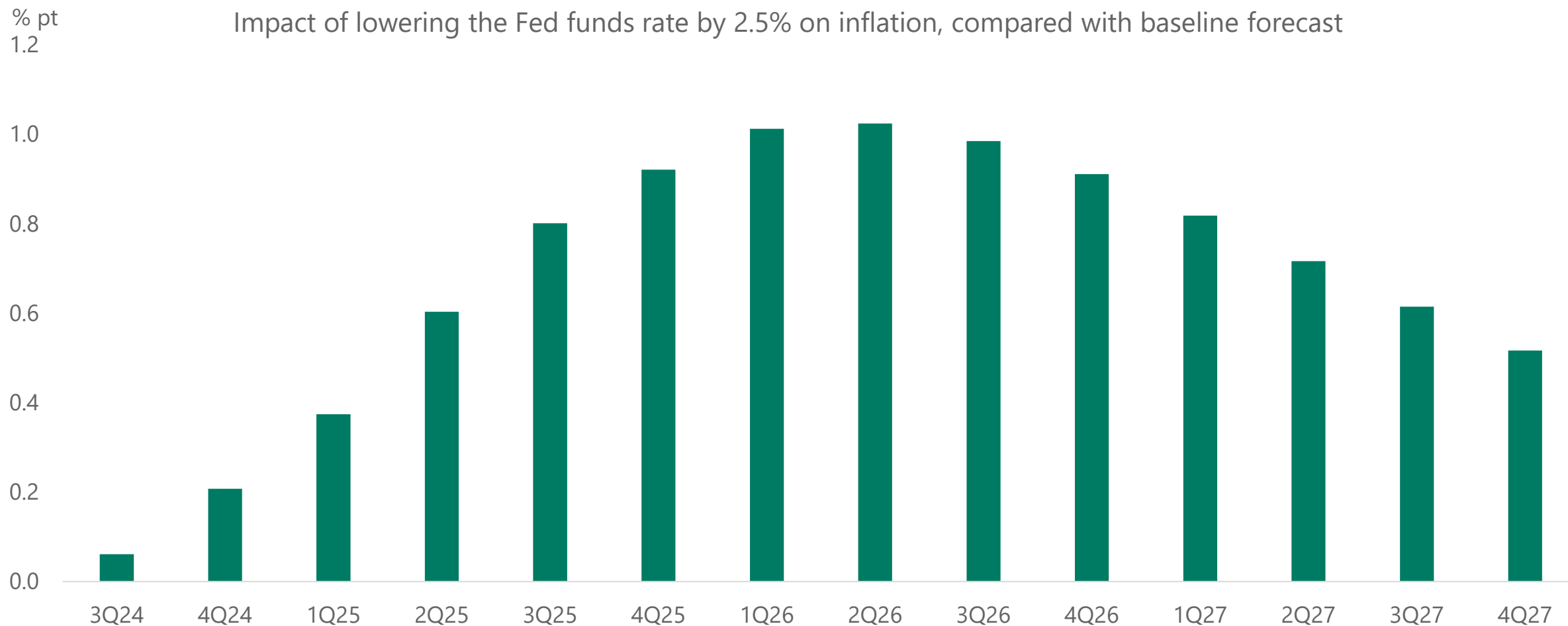
# Fed normalizing interest rates to 3% will boost GDP by 2.2%



Source: Bloomberg SHOK Model, Apollo Chief Economist. Note: Monetary policy shock: 100bps decline in the Fed funds rate and Fed forward guidance signaling that another 150bps of cuts are coming (to ultimately bring the Fed funds rate down to the Fed's estimate of r-star at 3%).



# Fed normalizing interest rates to 3% will boost inflation by 1%



Source: Bloomberg SHOK Model, Apollo Chief Economist. Note: Monetary policy shock: 100bps decline in the Fed funds rate and Fed forward guidance signaling that another 150bps of cuts are coming (to ultimately bring the Fed funds rate down to the Fed's estimate of r-star at 3%).



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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. 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.