

APOLLO

Daily and weekly indicators for the US economy

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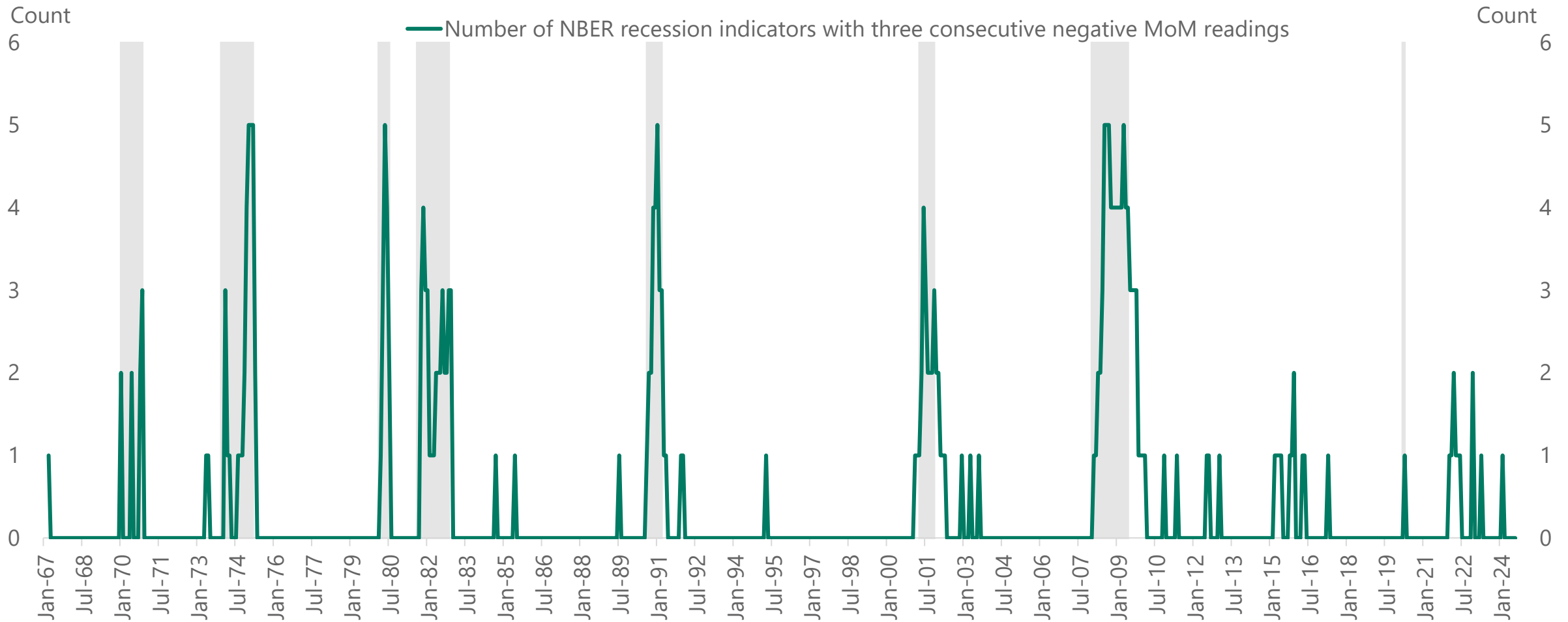
September 28, 2024

Unless otherwise noted, information as of September 28, 2024.

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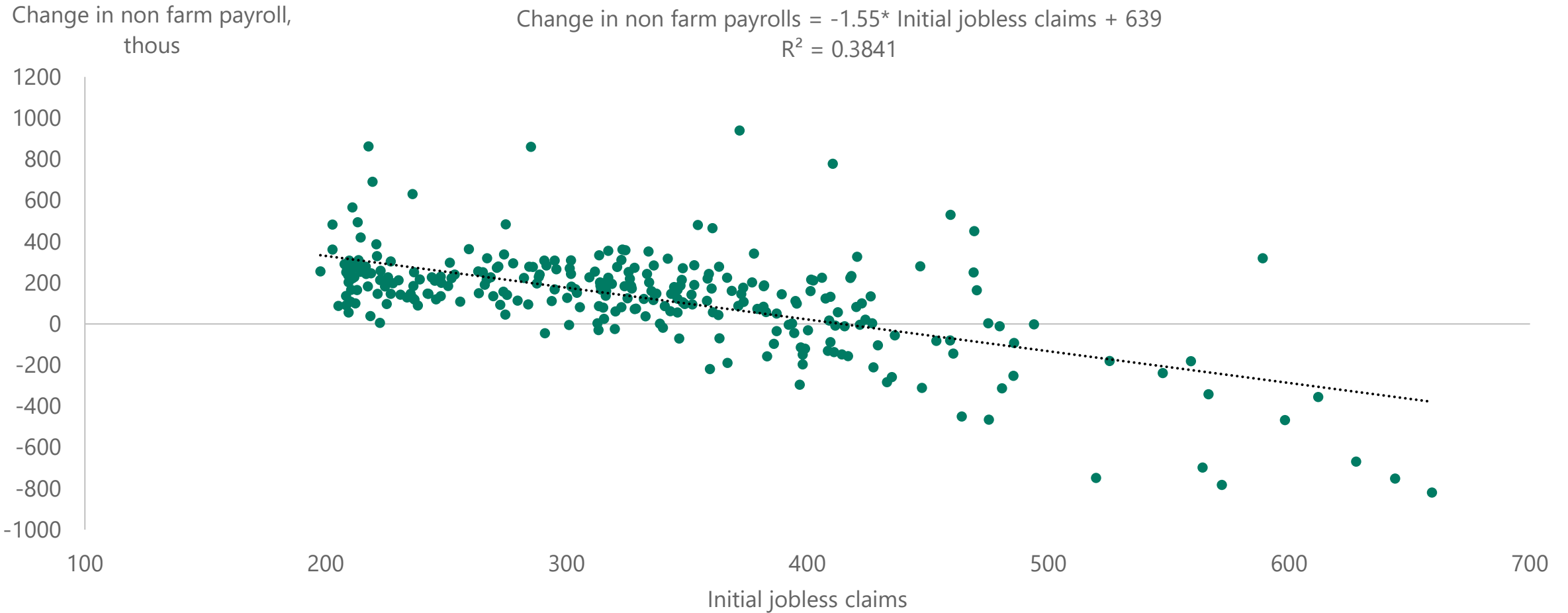
It should not be assumed that investments made in the future will be profitable or will equal the performance of the investments shown in this document.

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



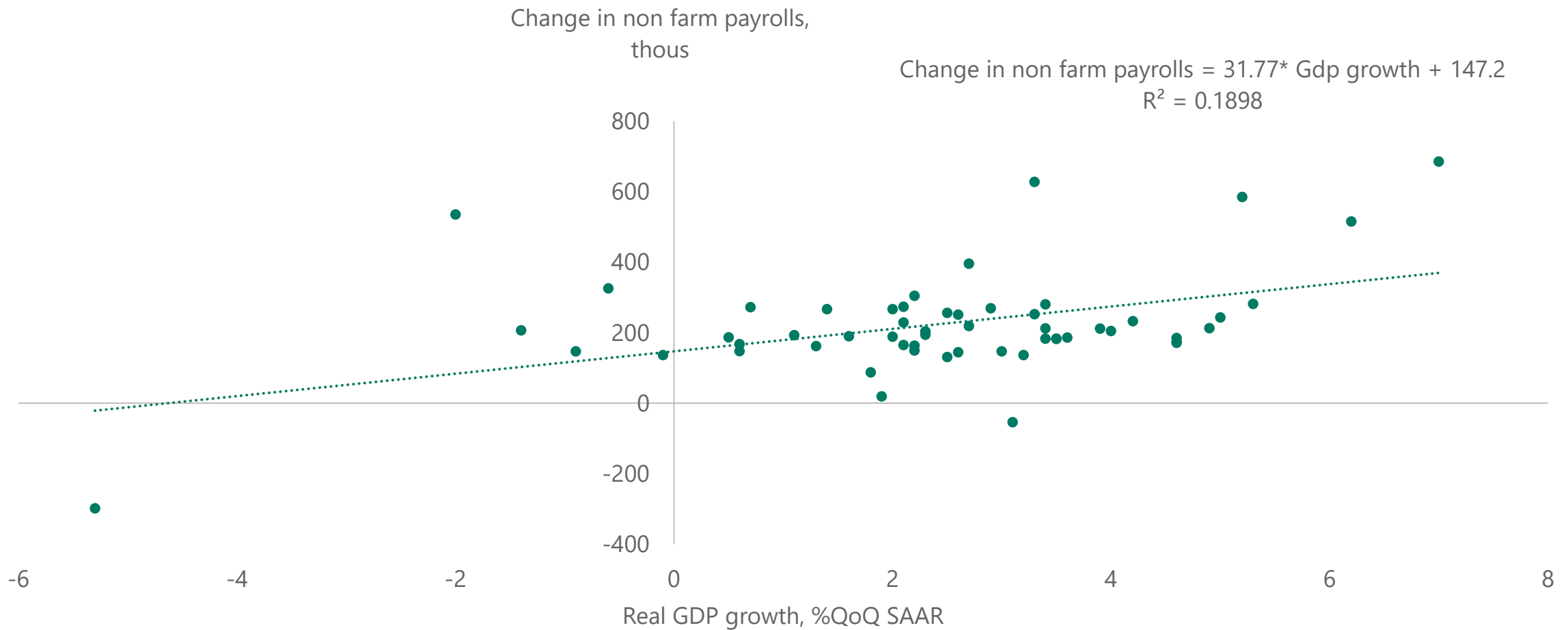
Source: BEA, FRB, BLS, NBER, Haver Analytics, Apollo Chief Economist. Note: NBER recession indicators include Real Manufacturing & Trade Sales, Industrial Production Index, Real Personal Income less Transfer Payments, Real Personal Consumption Expenditures, Nonfarm payrolls, and Household survey employment.

Jobless claims were 218K in the survey week for the September employment report. Looking at the historical relationship suggests September NFP could come in at 300K

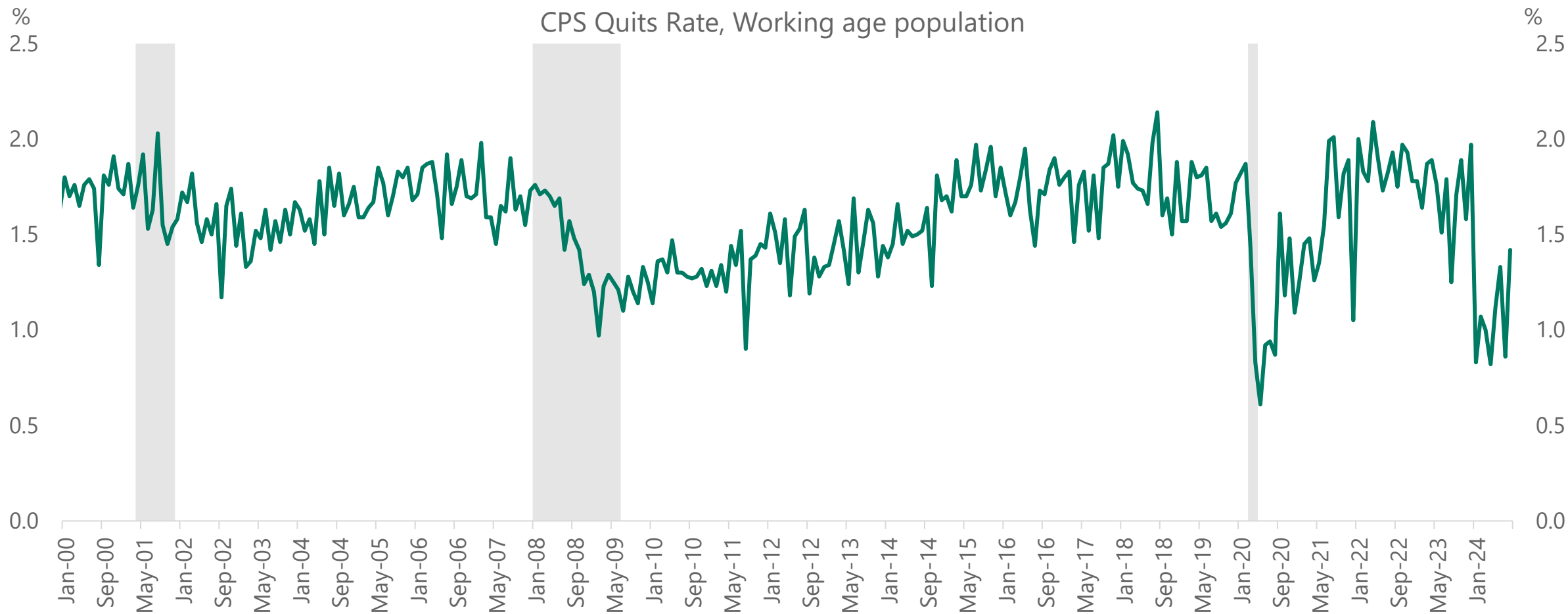


Atlanta Fed GDP Now for Q3 2024 is at 3.1%.

Looking at the historical relationship suggests Q3 average NFP could come in at 240K

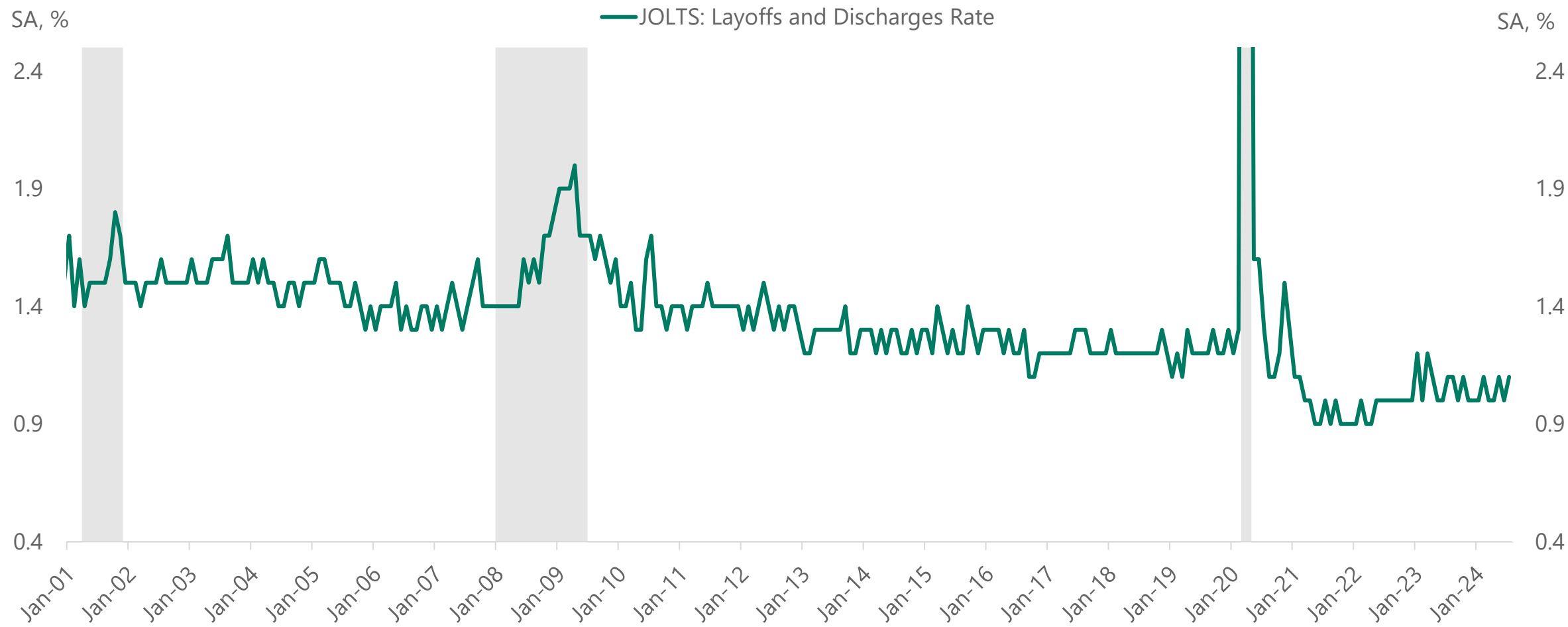


Quits rate to non-participation is rising

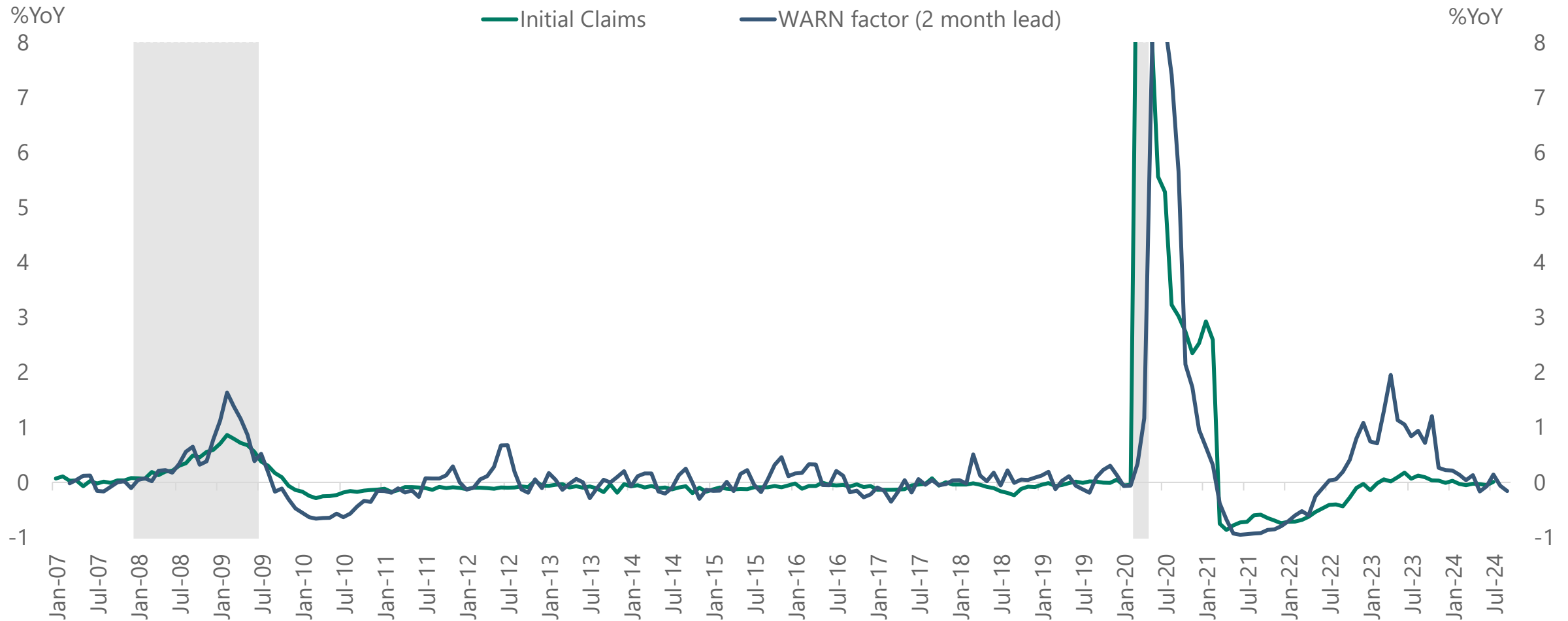


Source: Ellieroth and Mchaud (2024), "Quits, Layoffs, and Labor Supply", Fed Working Paper, Haver Analytics, Apollo Chief Economist

Very low levels of layoffs

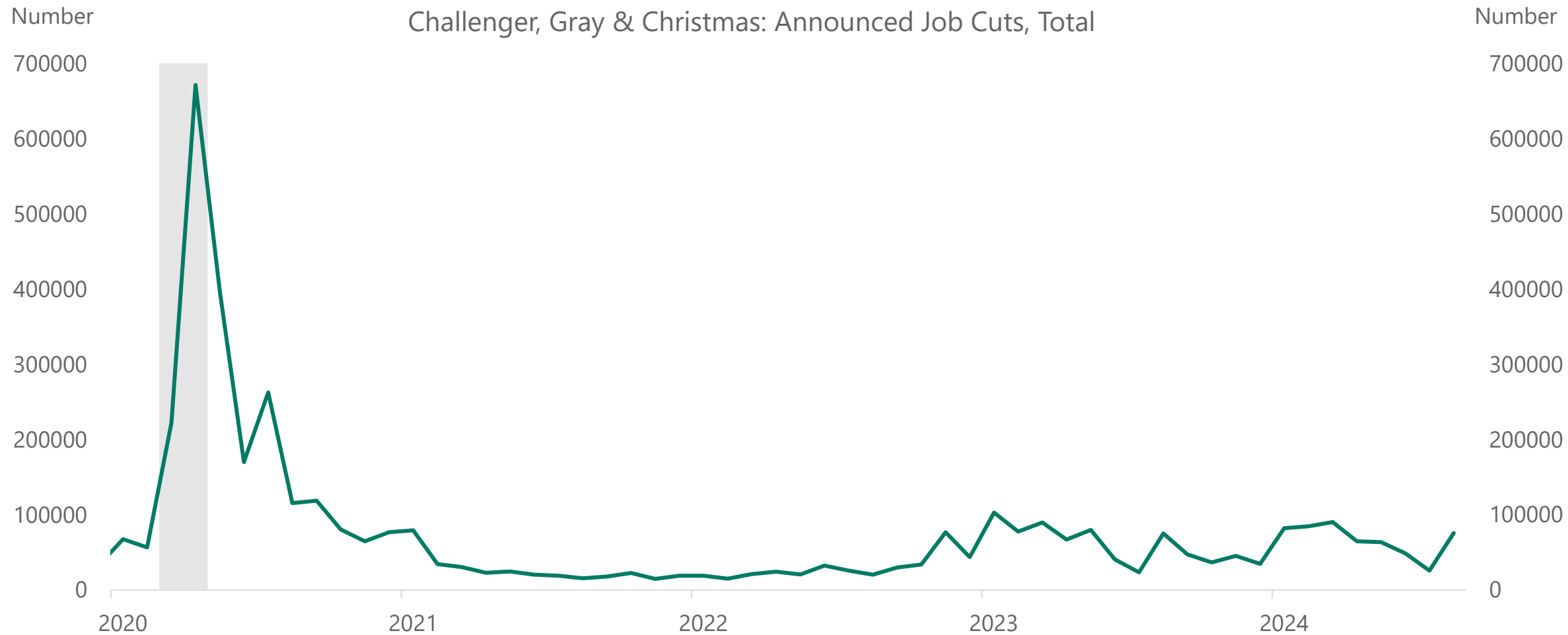


WARN data points to lower claims in coming months



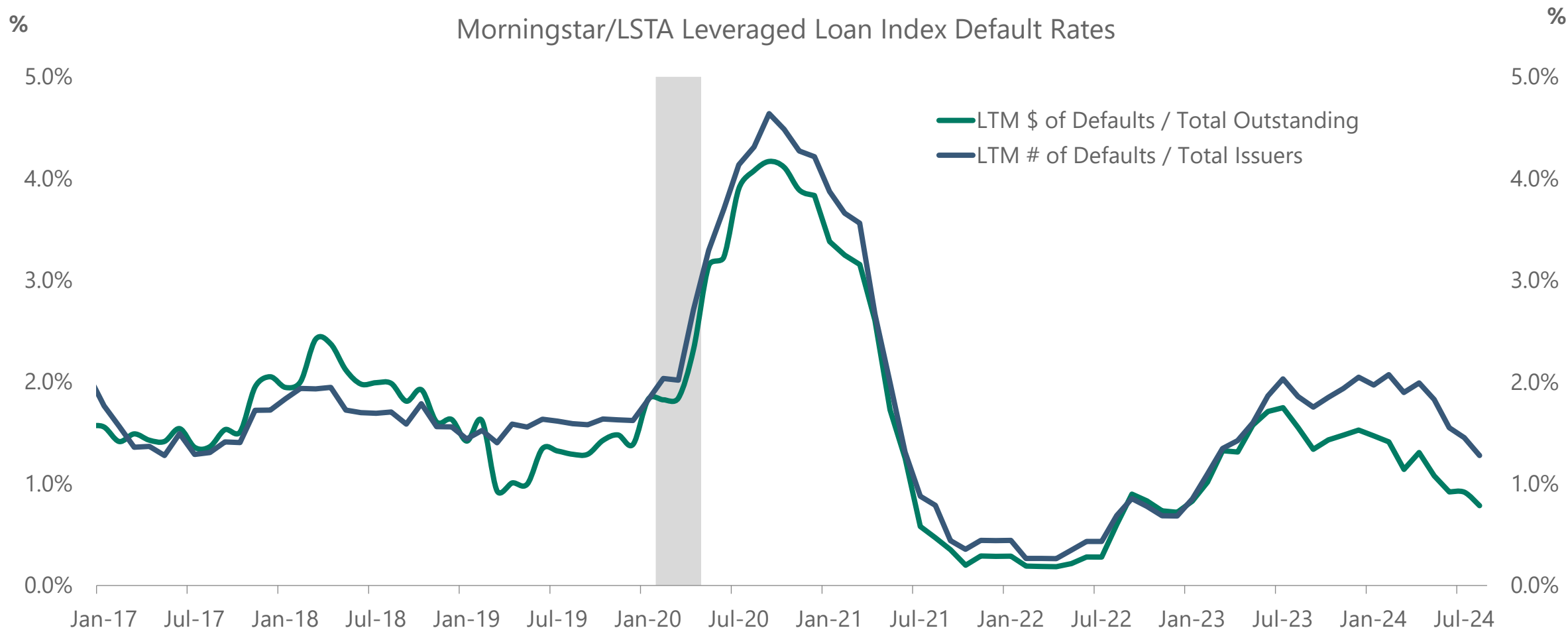
Source: Department of Labor, Haver Analytics, Federal Reserve Bank of Cleveland, Apollo Chief Economist. Note: The Worker Adjustment and Retraining Notification (WARN) Act helps ensure 60 to 90 days advance notice in cases of qualified plant closings and mass layoffs. WARN factor is the Cleveland Fed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

Announced job cuts remain low

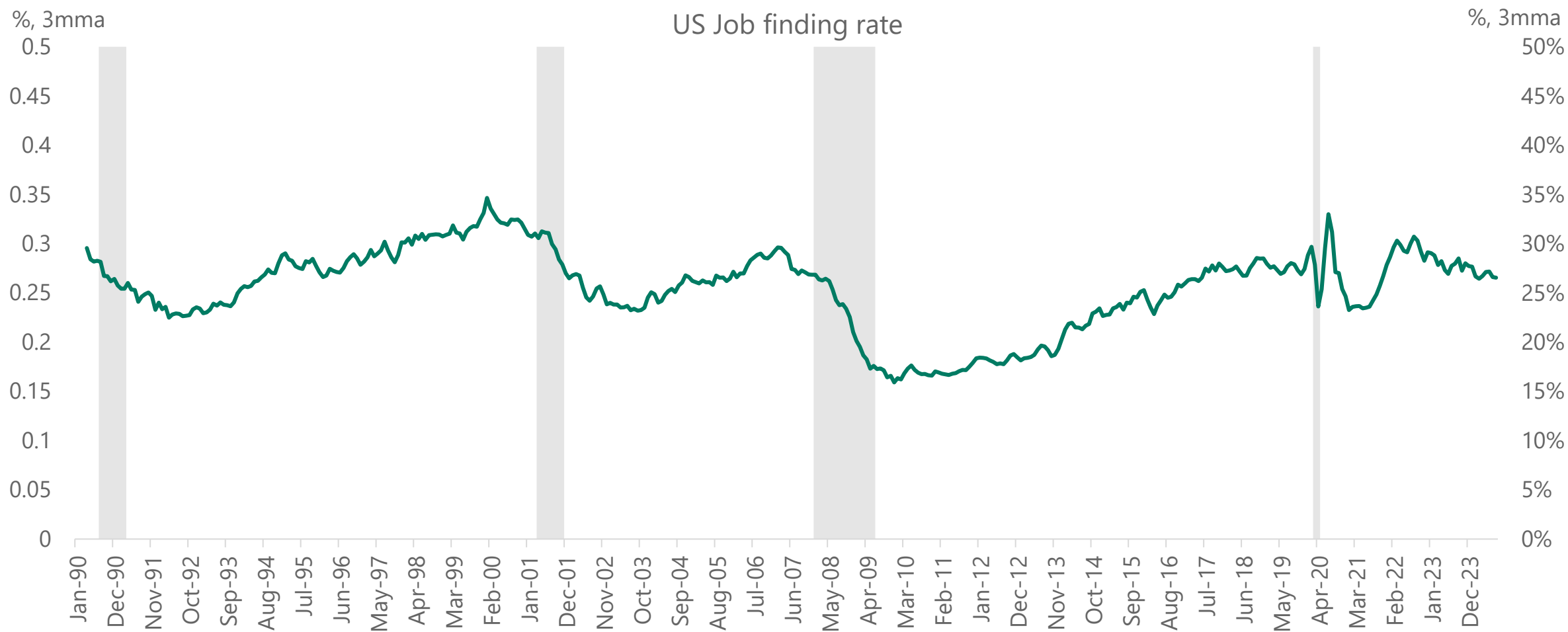


Source: Challenger, Gray and Christmas, Haver Analytics, Apollo Chief Economist

Default rates declining

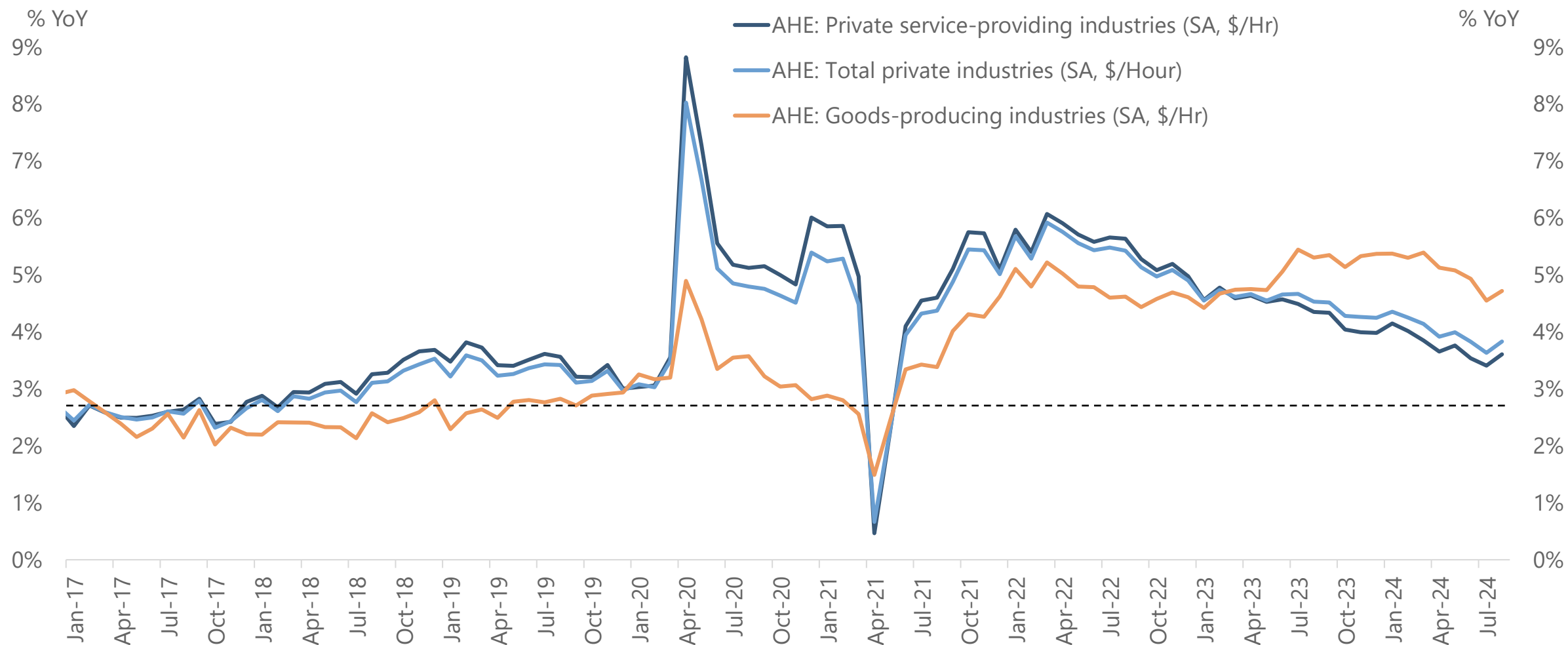


Job finding rate still strong

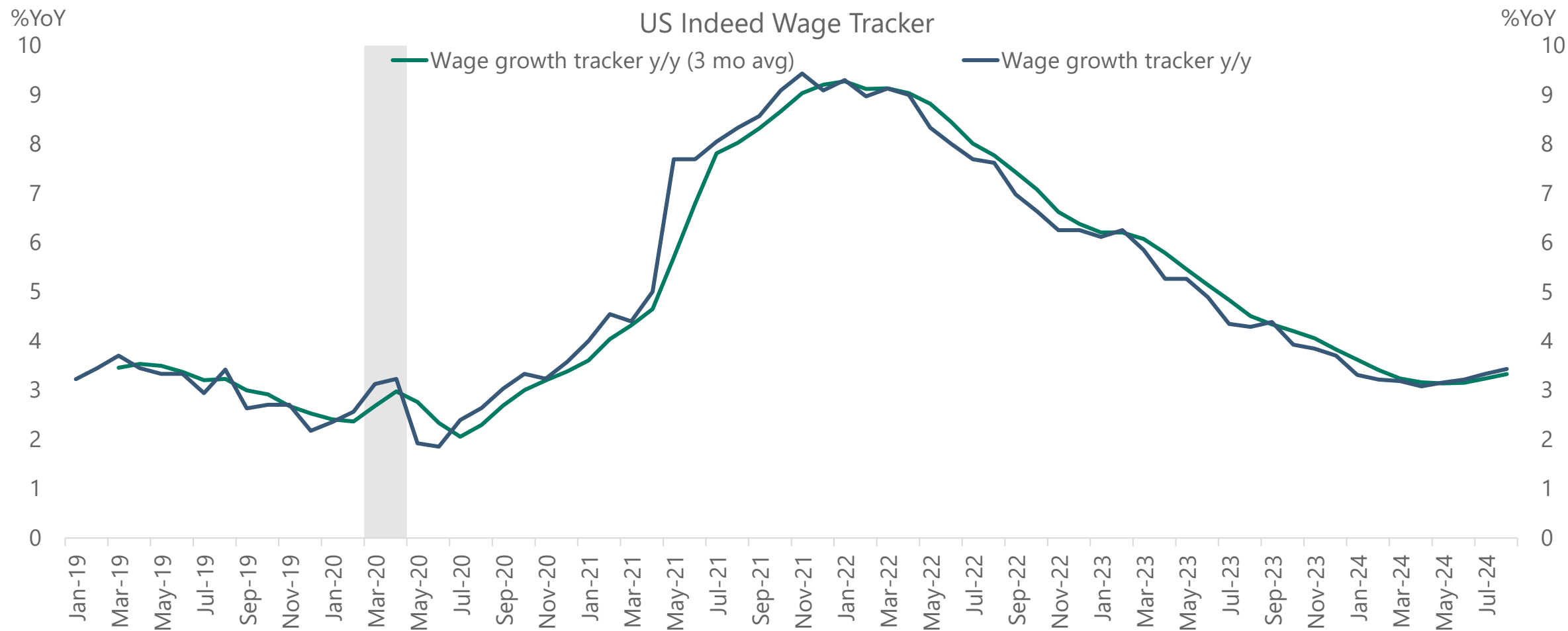


Source: BLS, Haver Analytics, Apollo Chief Economist. Note: Job finding rate is calculated as share of unemployed last month who are employed this month

Wage growth went up in August and remains sticky above pre-pandemic levels

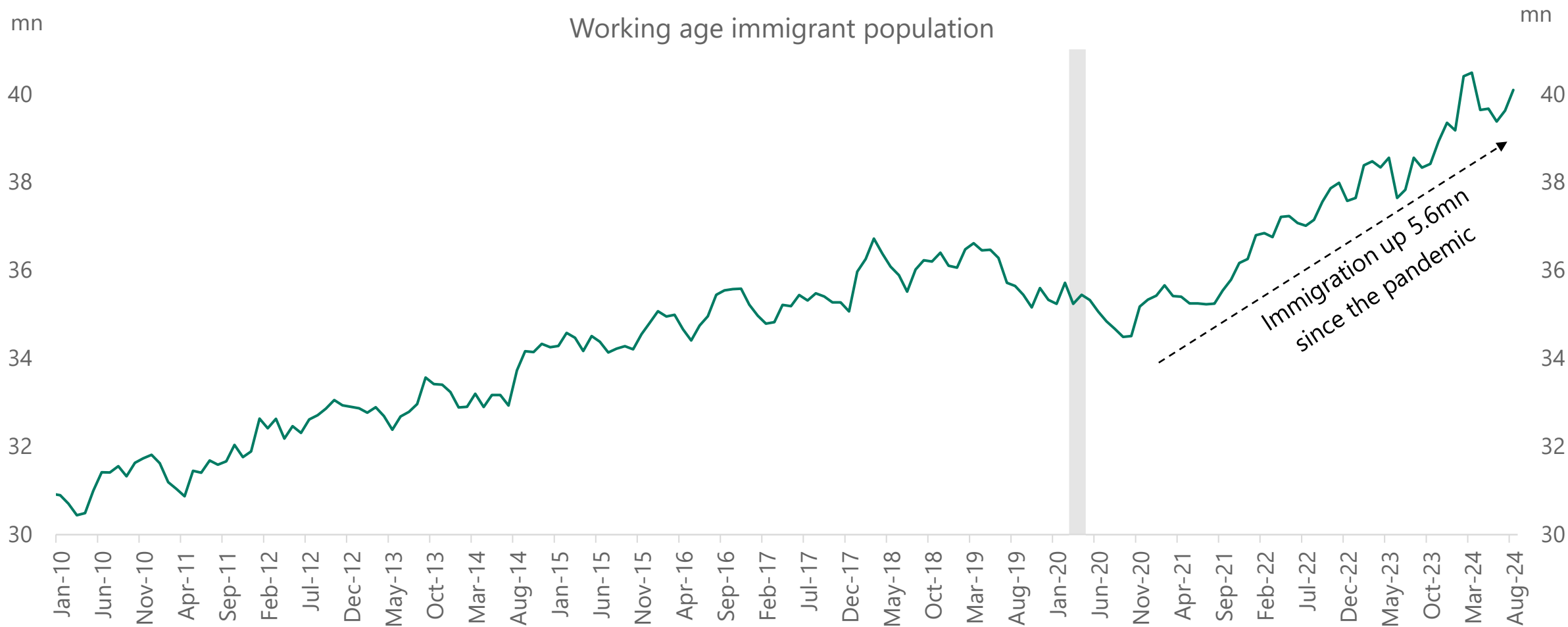


Wage growth is showing signs of rebounding

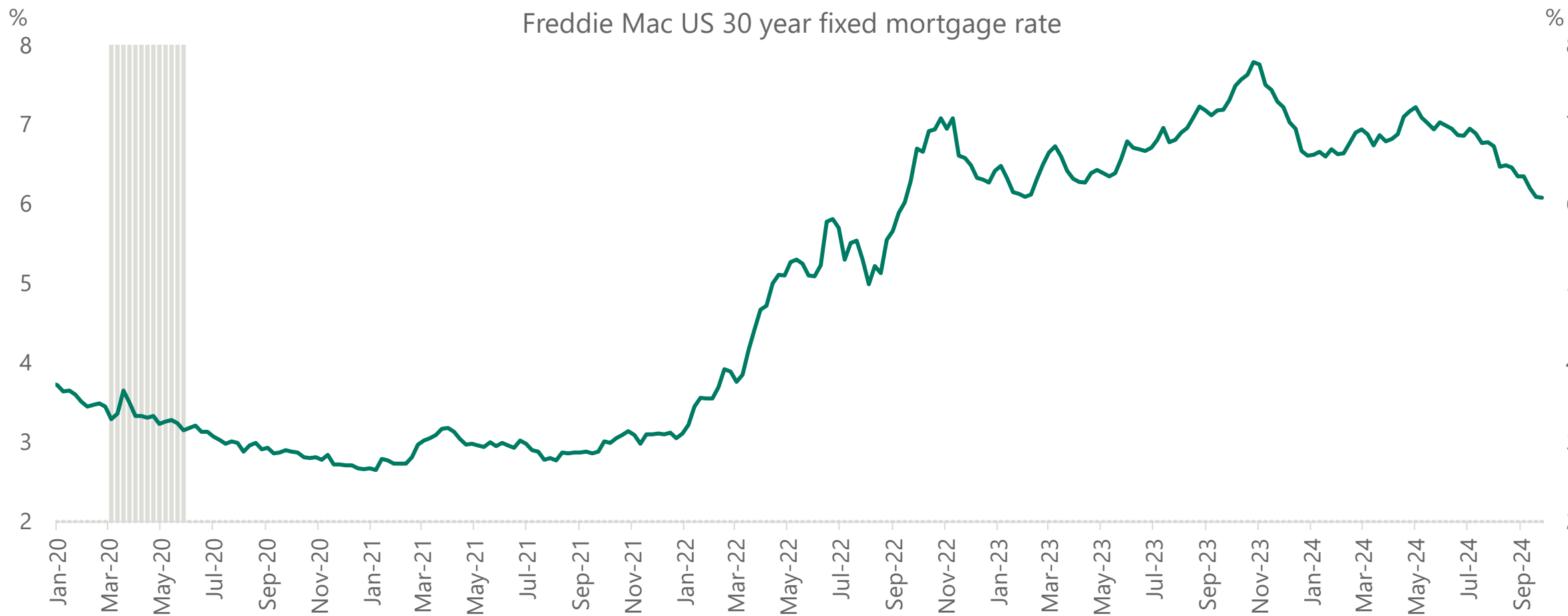


Source: Indeed Wage Tracker, Haver Analytics, Apollo Chief Economist.

Immigration strong

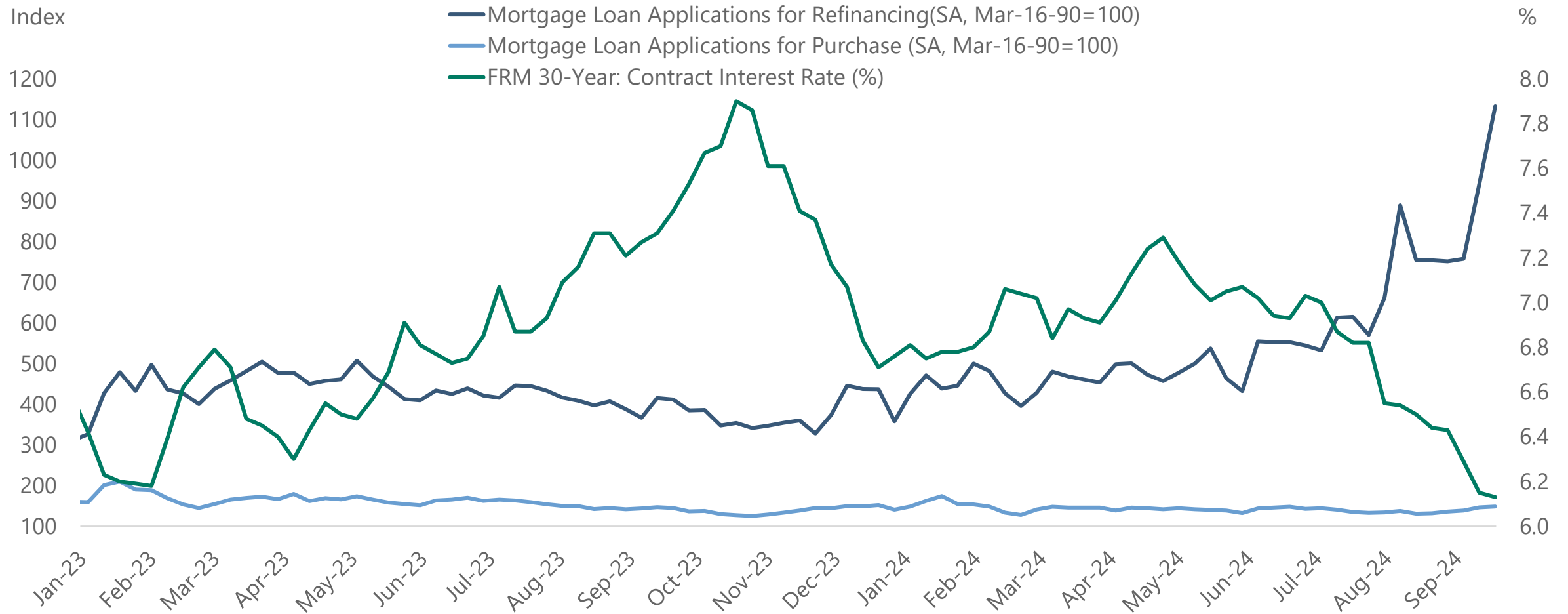


Mortgage rates declining



Source: Conference Board, Haver Analytics, Apollo Chief Economist

Mortgage applications for refinancings rise as interest rates decline

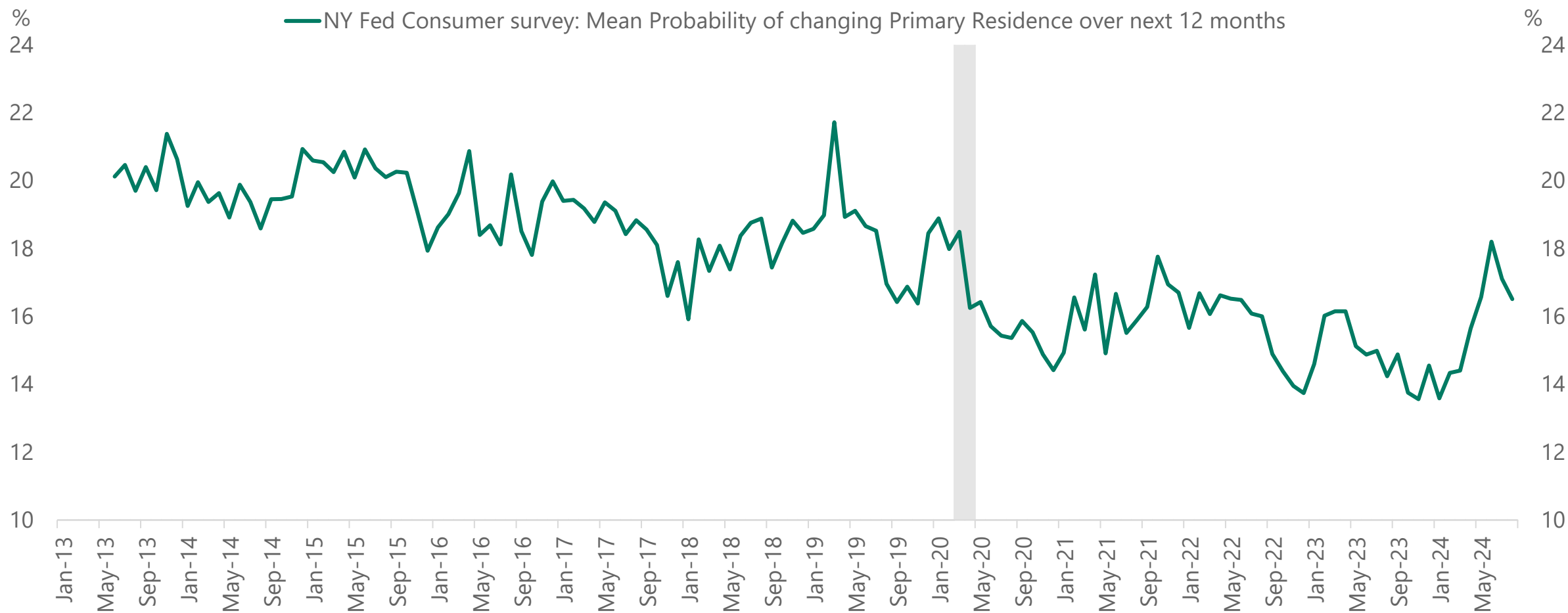


Source: Mortgage Bankers Association, Haver Analytics, Apollo Chief Economist.

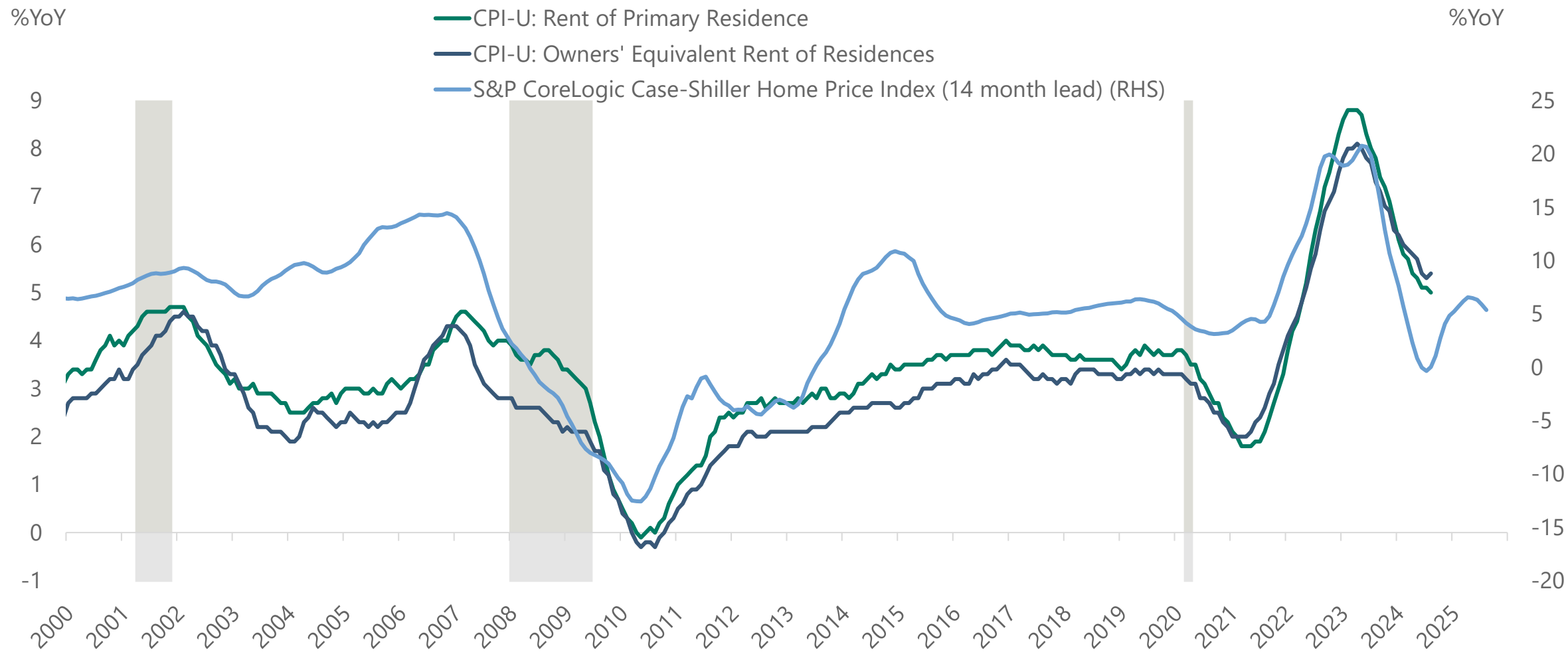
Home buying intentions improving



Share of households planning to move over the next 12 months higher



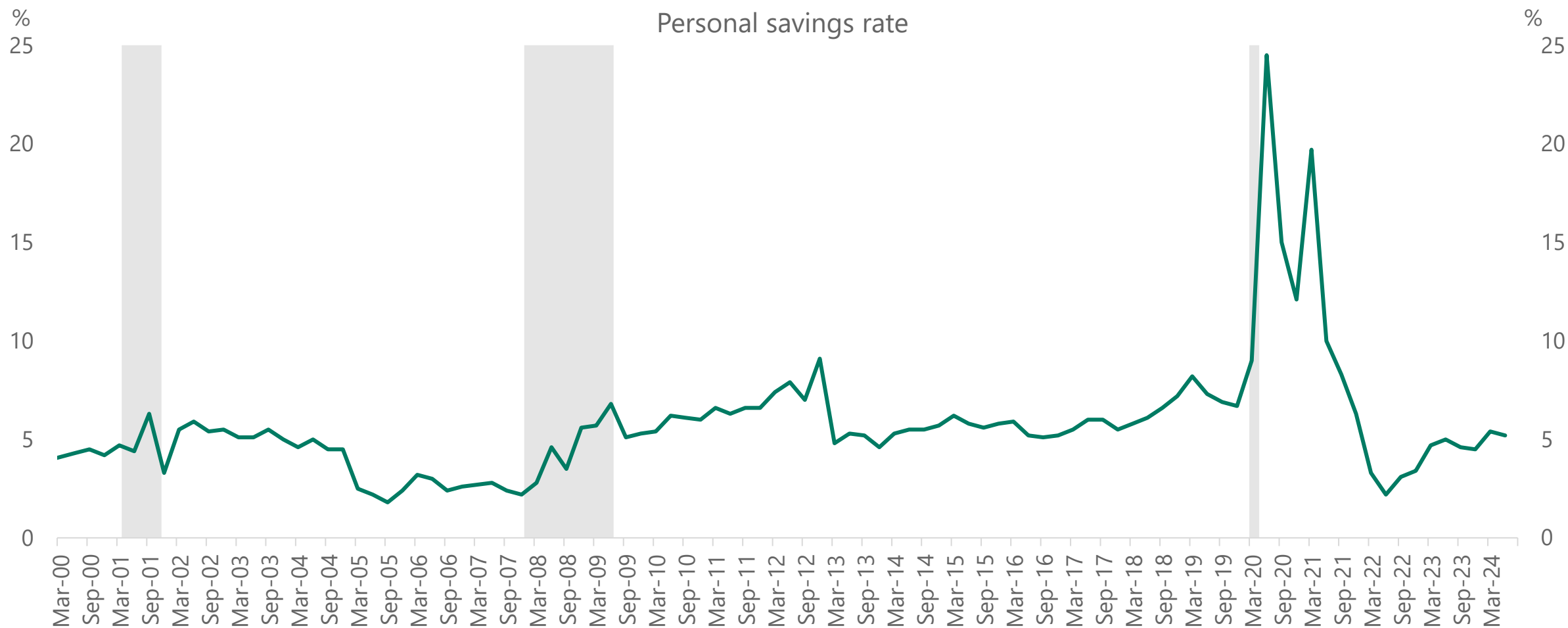
Rebound coming in housing inflation?



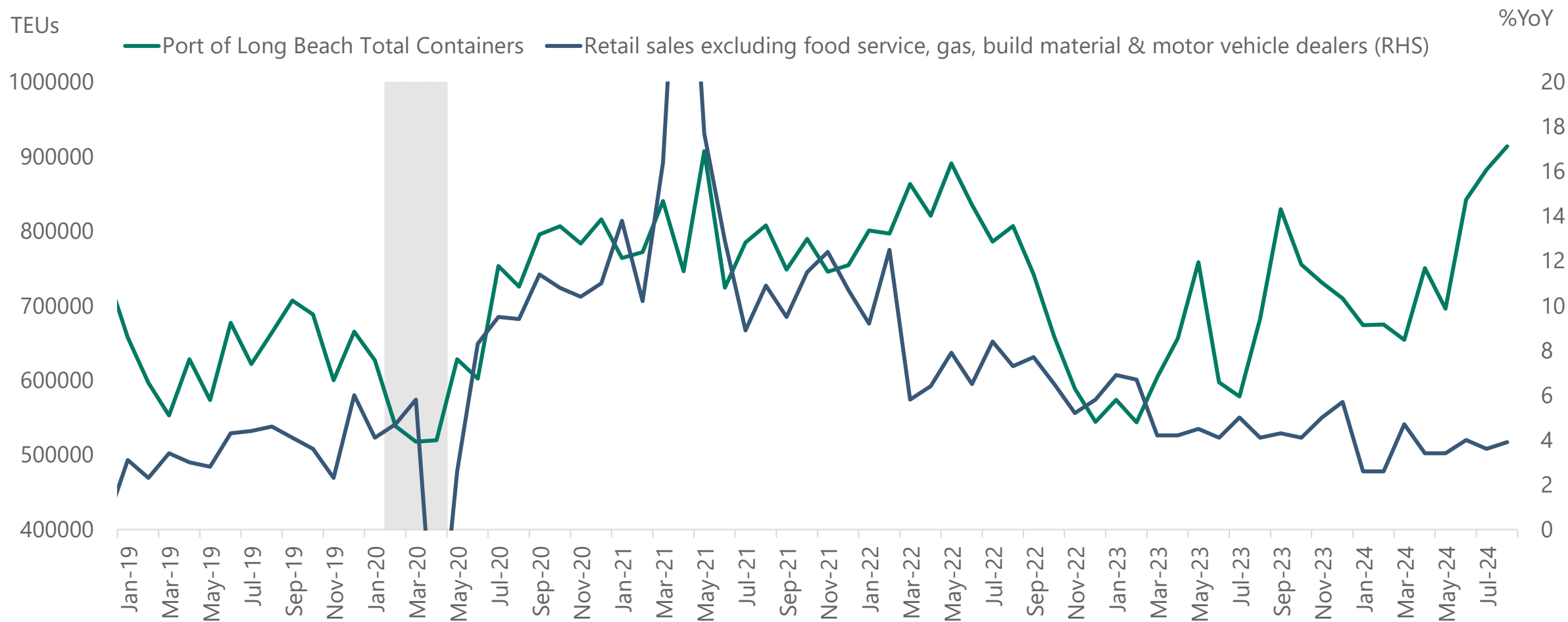
Real GDP growth remains strong



US consumers in good shape

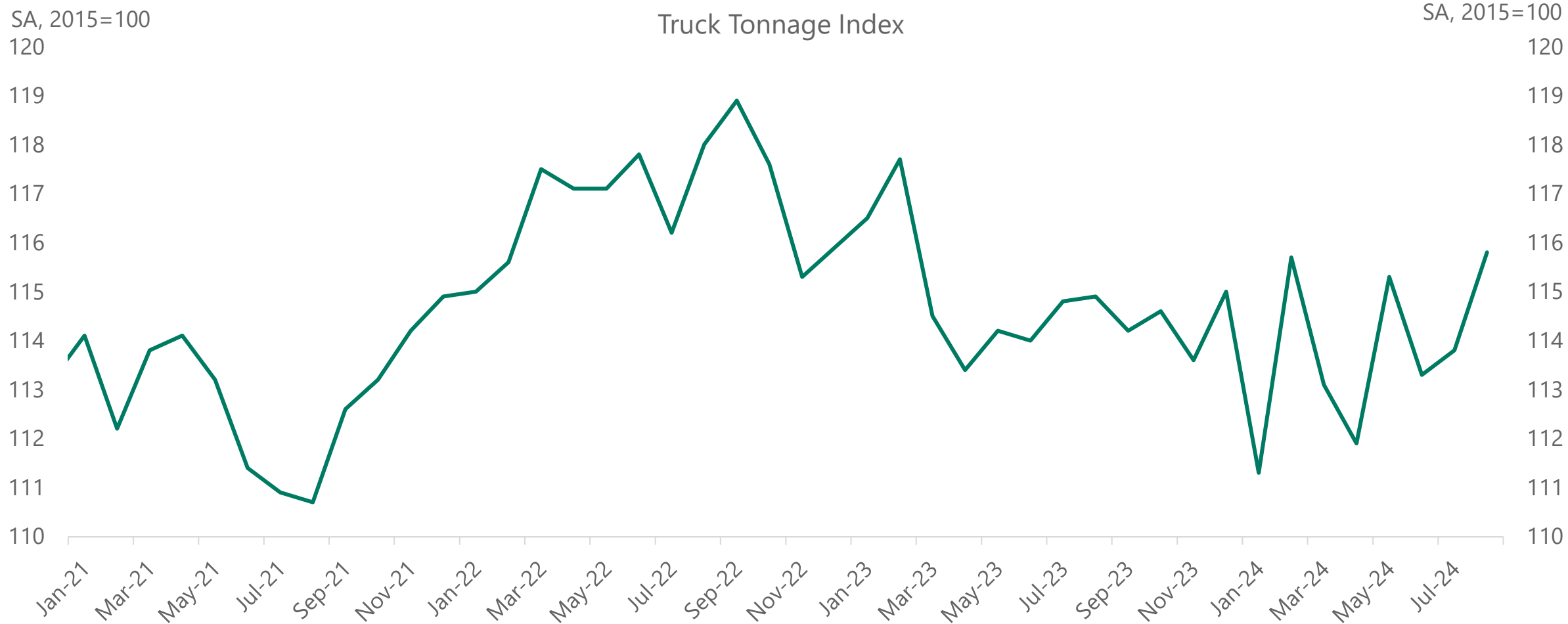


Total containers coming through LA at new highs. Bodes well for retail sales

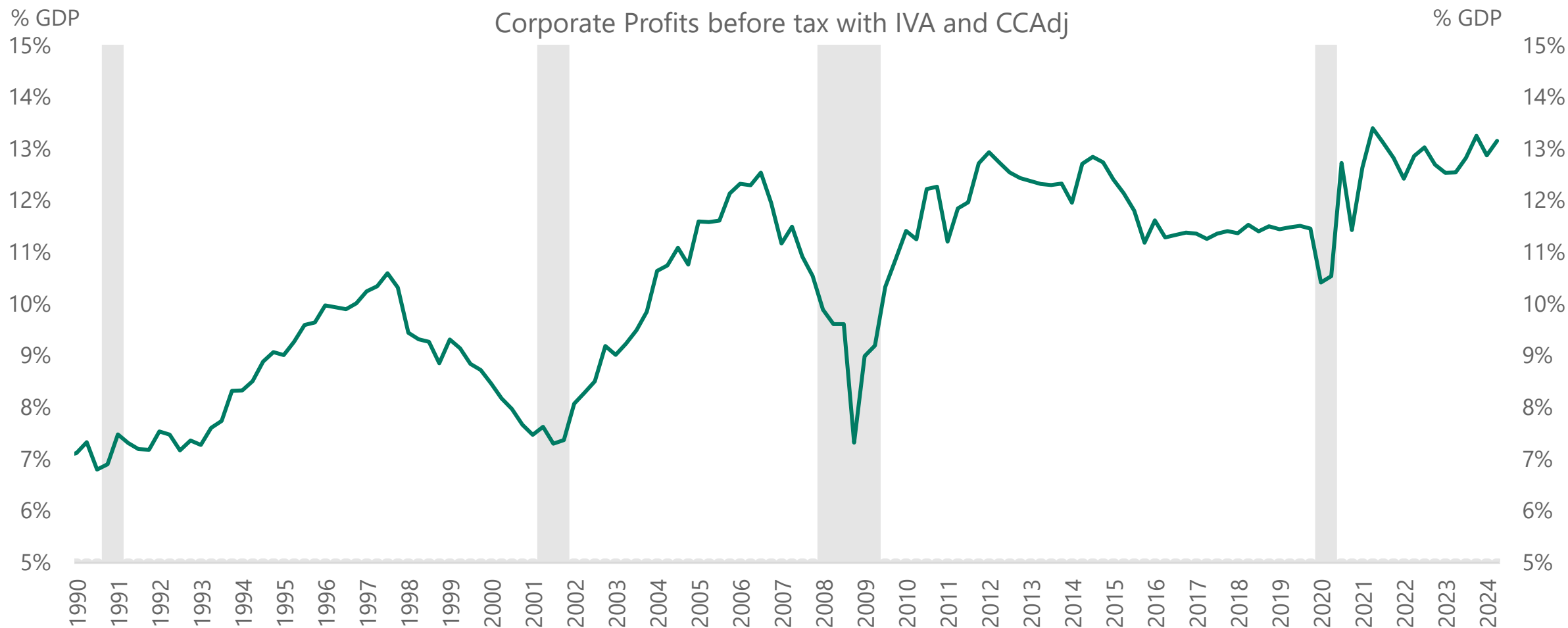


Source: Bloomberg, US Census Bureau, Apollo Chief Economist

Truck tonnage rising



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



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: Weak

Weekly data:

Atlanta Fed GDPNow: 3.1%

Fed's weekly GDP index: 2.7%

Retail sales: Strong

Jobless claims: Strong

Hotel occupancy rate, daily rate, and RevPAR: Strong

Bank lending to firms and consumers: Slowing down

Bankruptcy filings: Trending upward

Credit and debit card data: Solid

Gasoline demand: Strong

Broadway show attendance: Strong

Box office weekly grosses: Strong

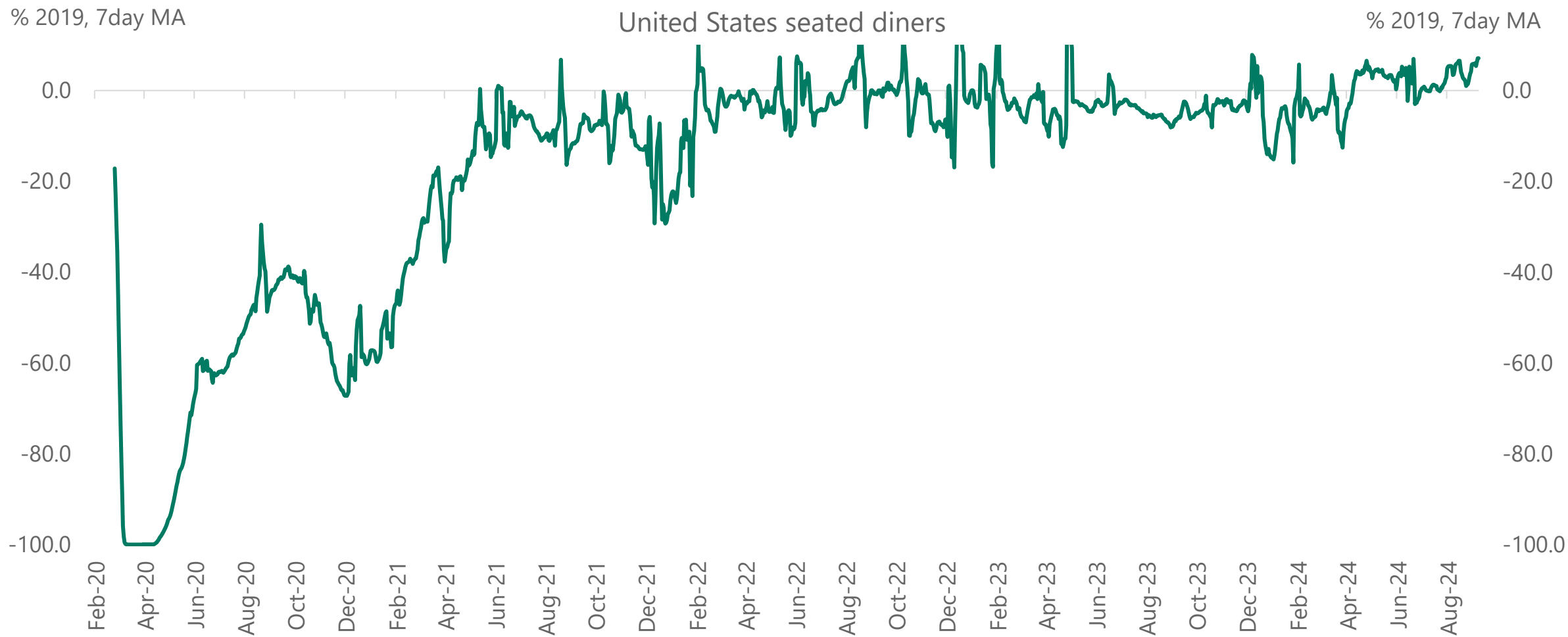
S&P 500 forward profit margins: Near record highs

Business formation: Rebounding

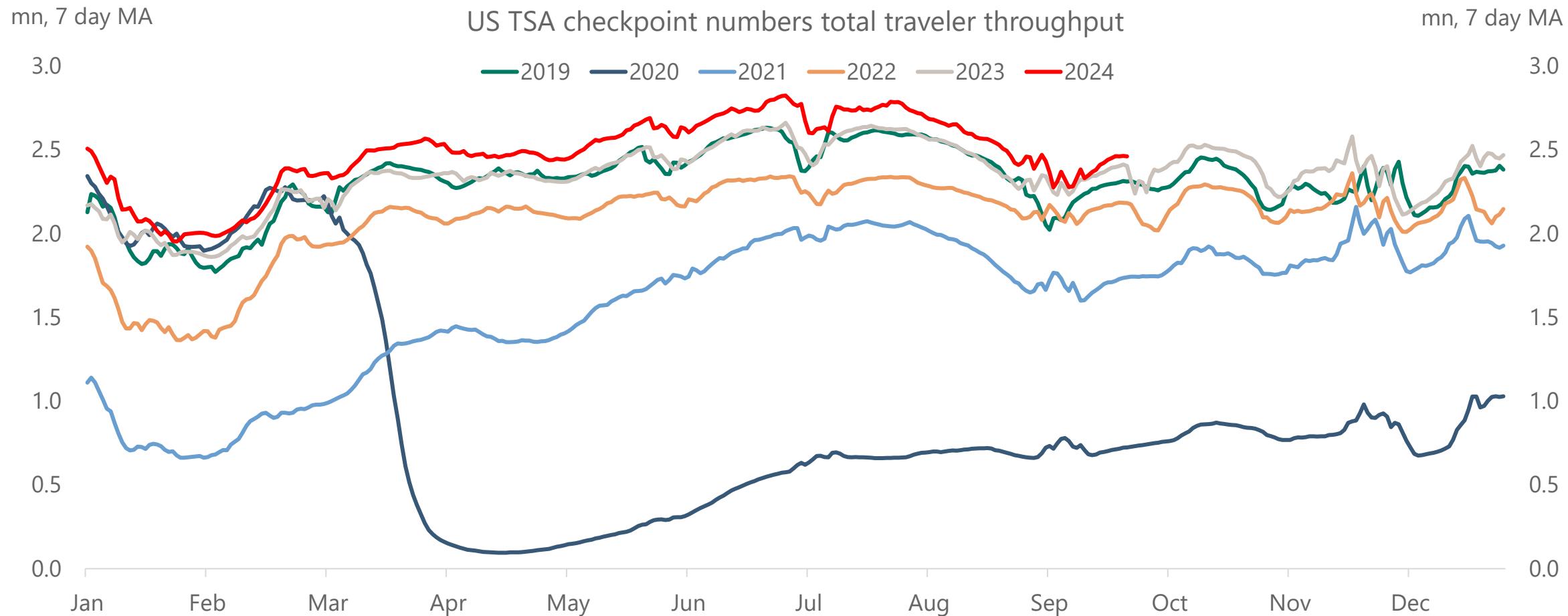
ASA temp worker staffing index: Sideways

Daily data

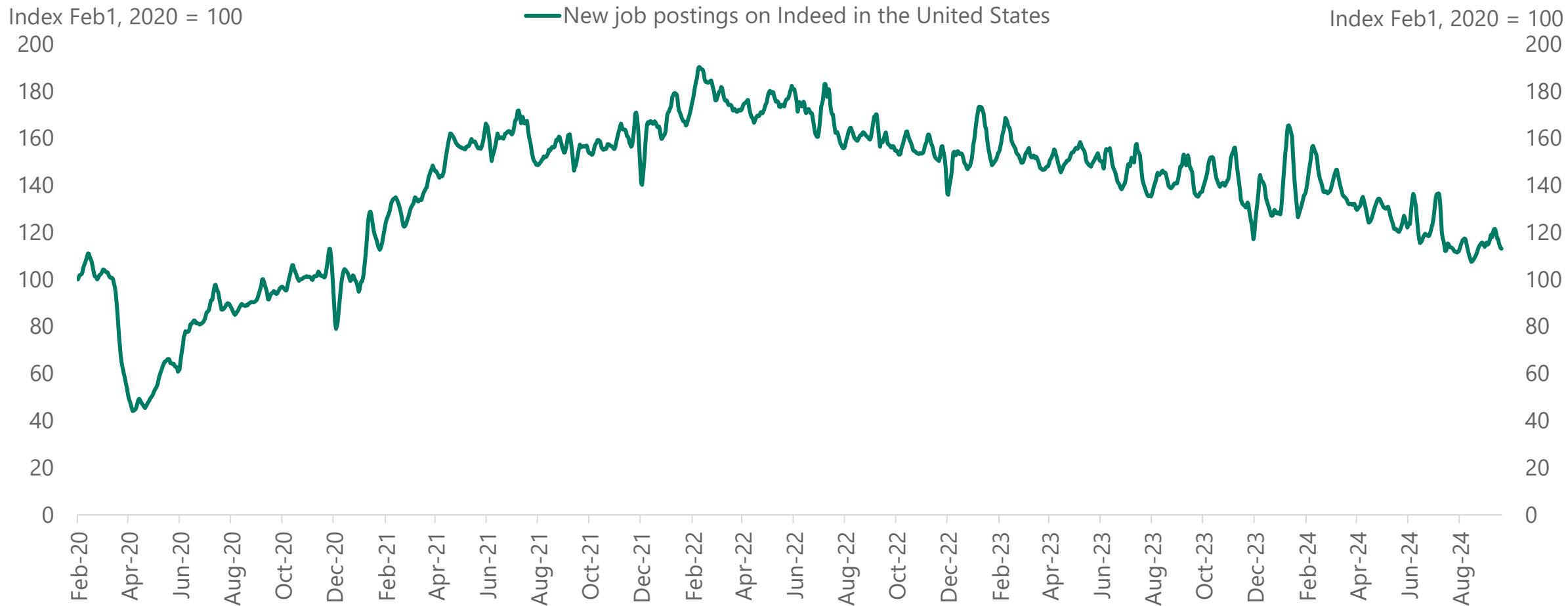
Daily data for restaurant bookings



Daily data for US air travel

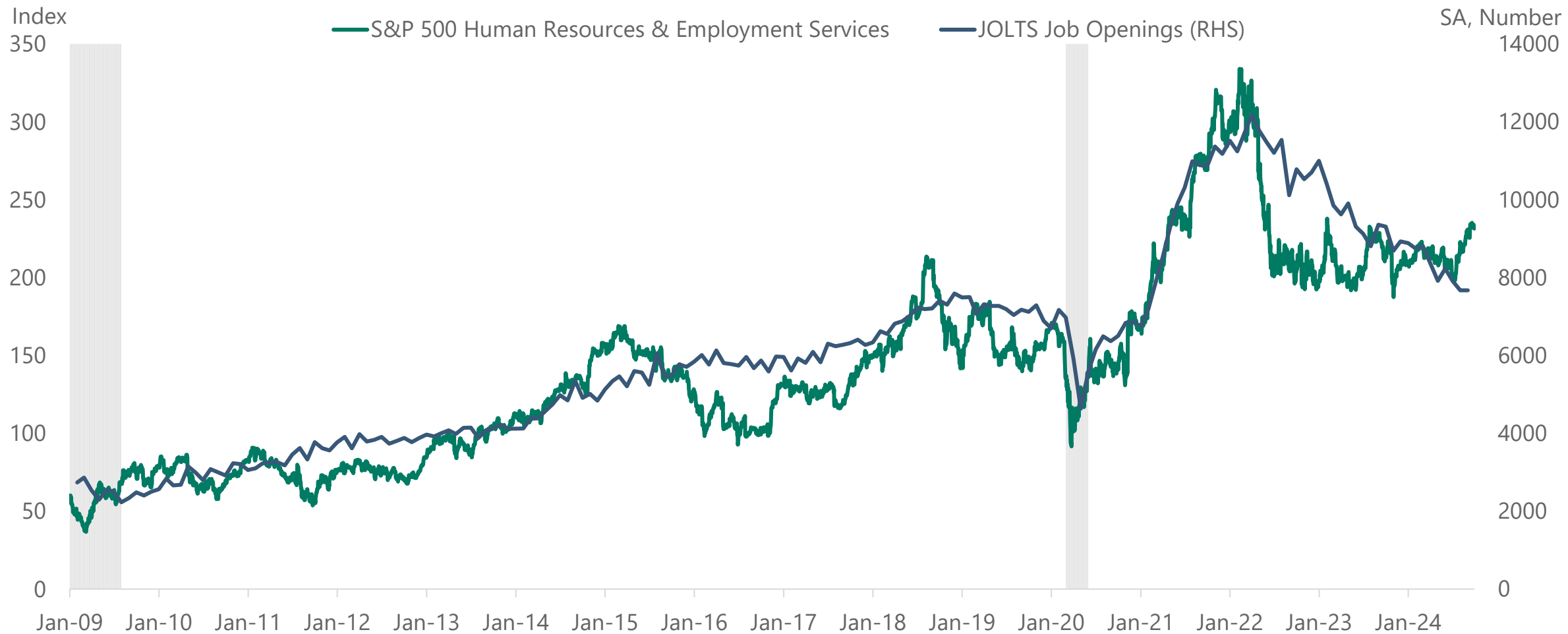


Daily jobs postings

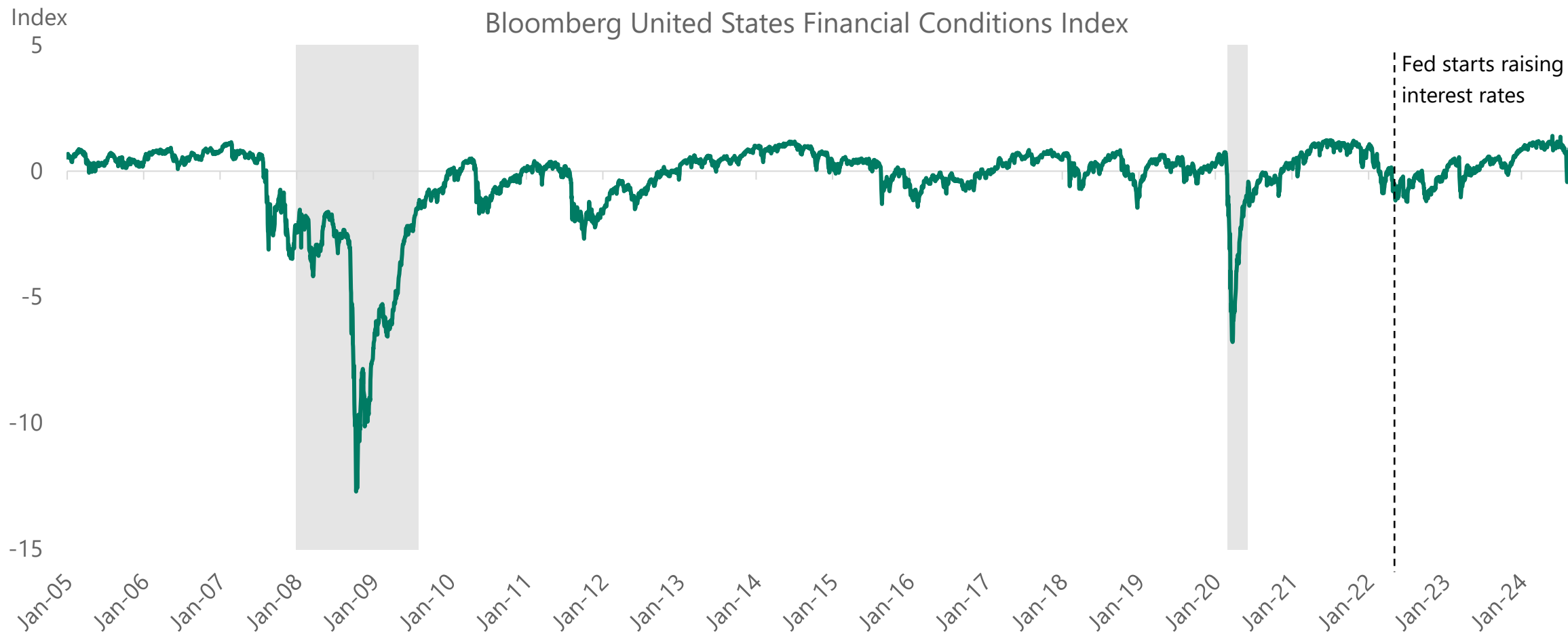


Source: Indeed, Bloomberg, Apollo Chief Economist. Note: The data is seasonally adjusted

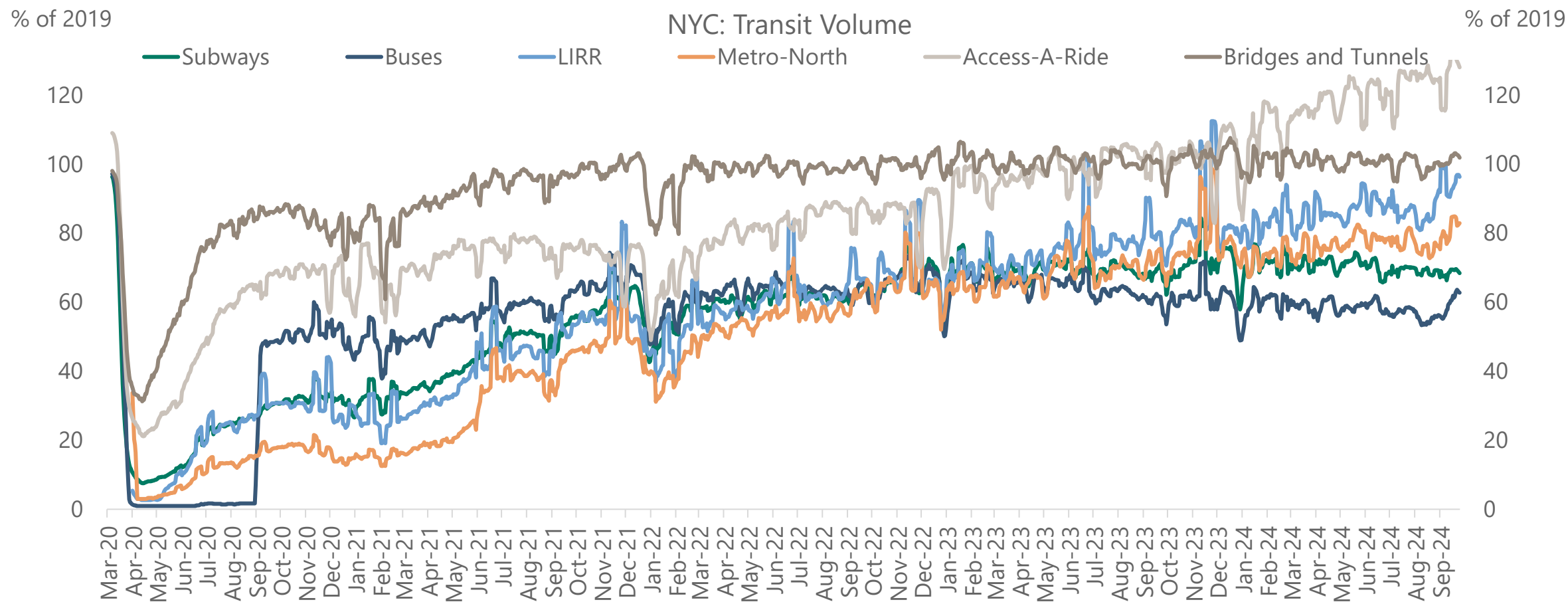
The stock price of staffing firms points to a rebound in job openings



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



Daily NYC mobility indicators

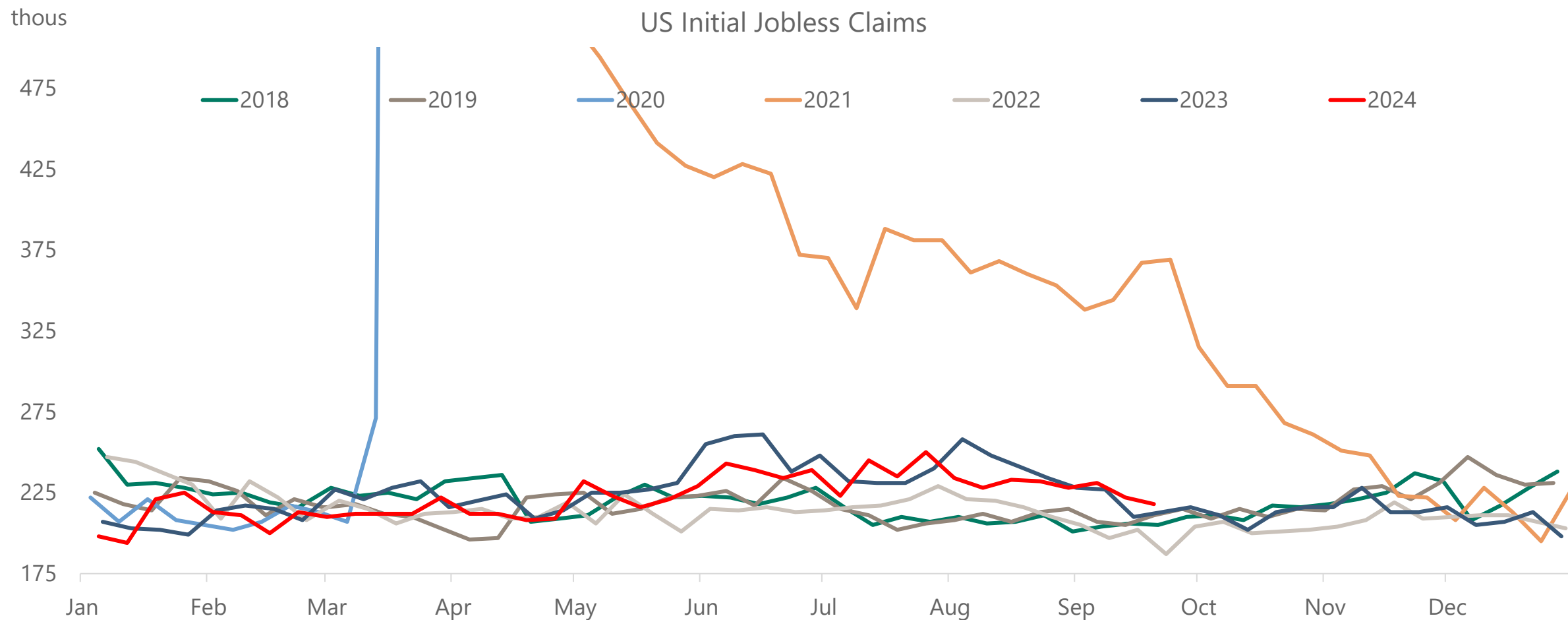


Weekly data

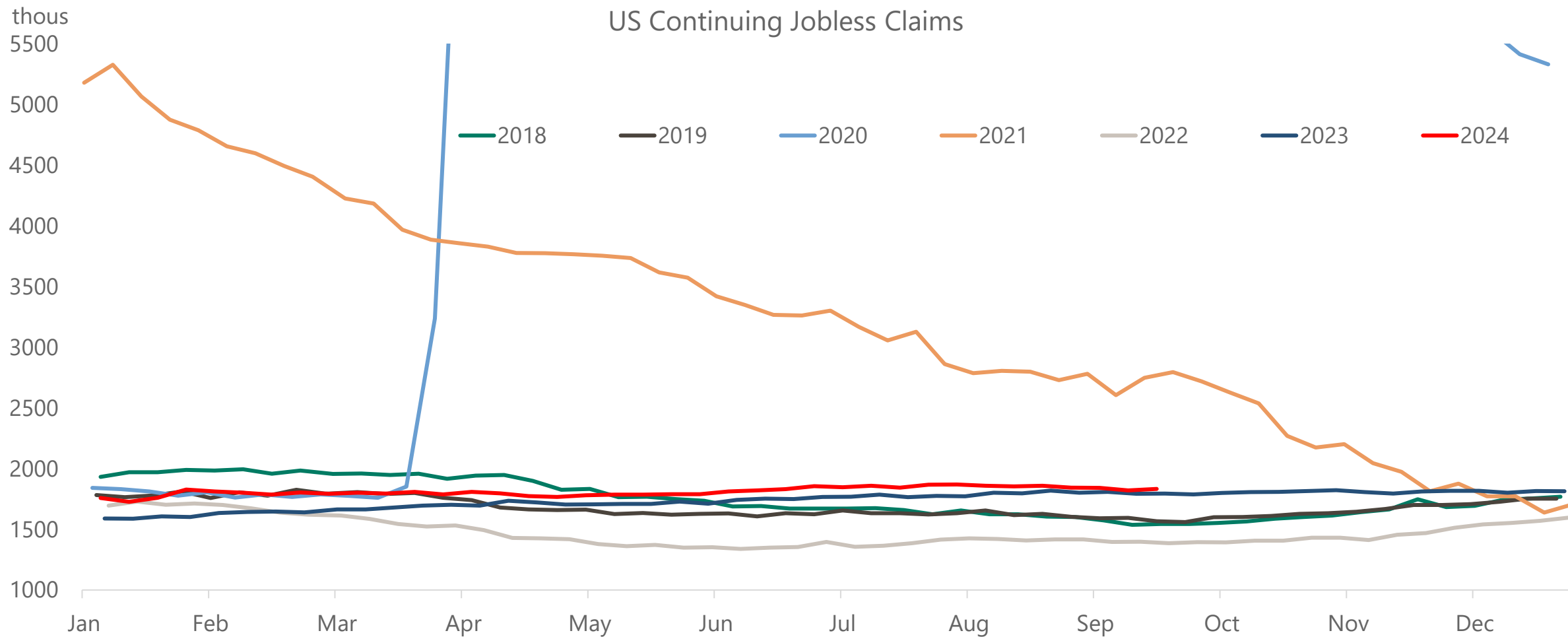
Weekly data for same-store retail sales



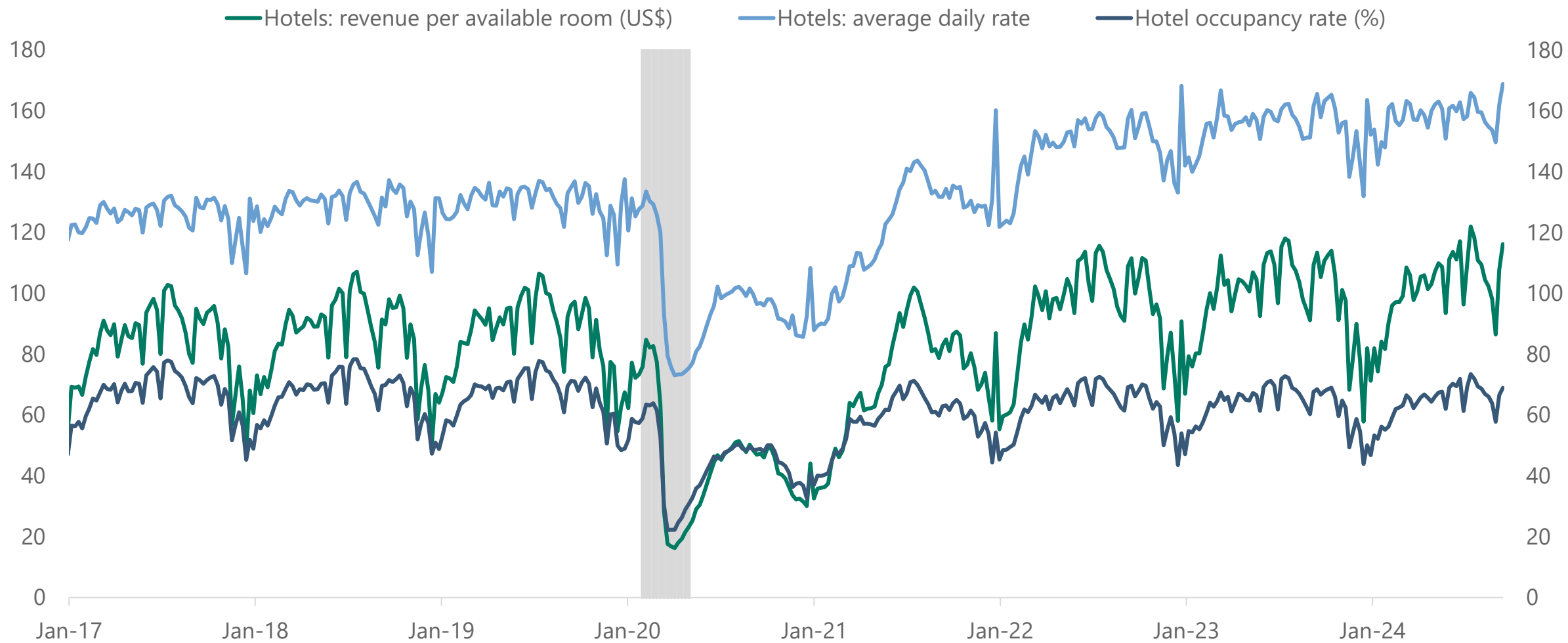
Weekly initial jobless claims



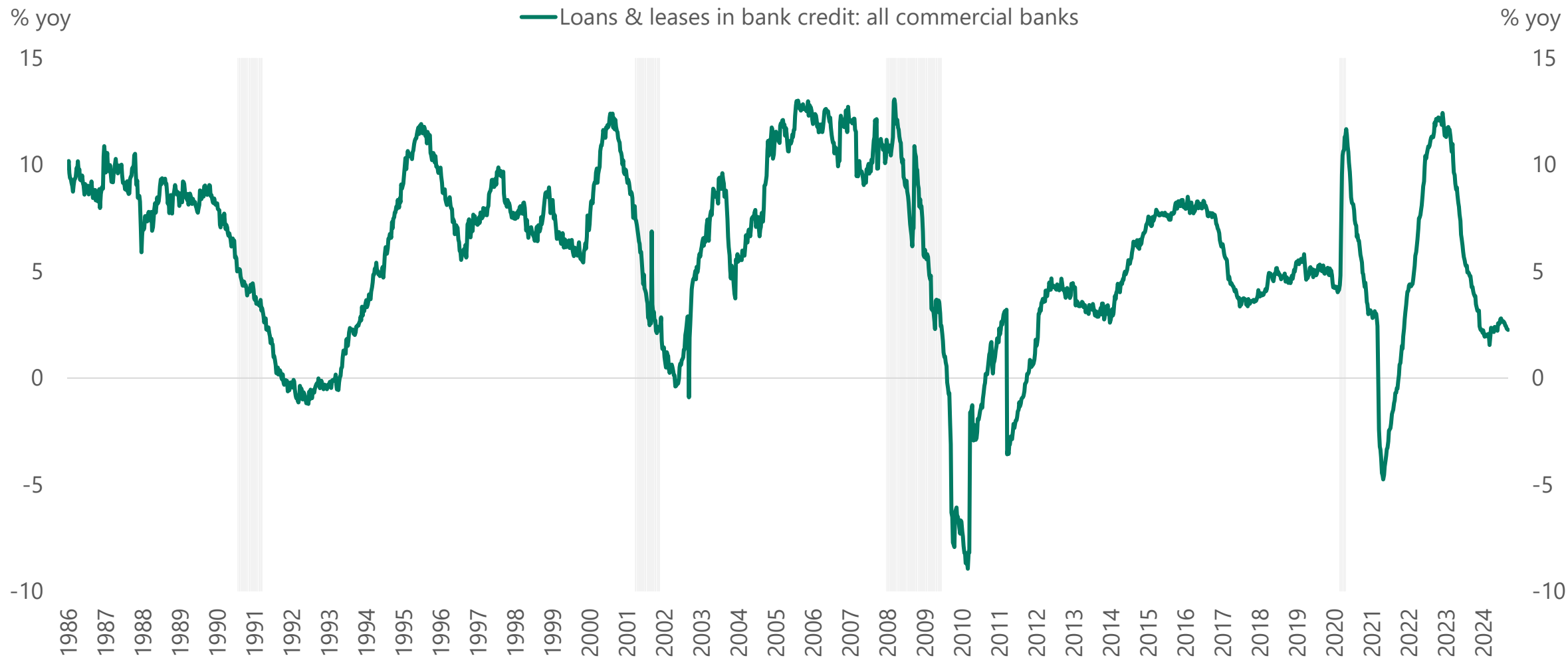
Weekly continuing jobless claims



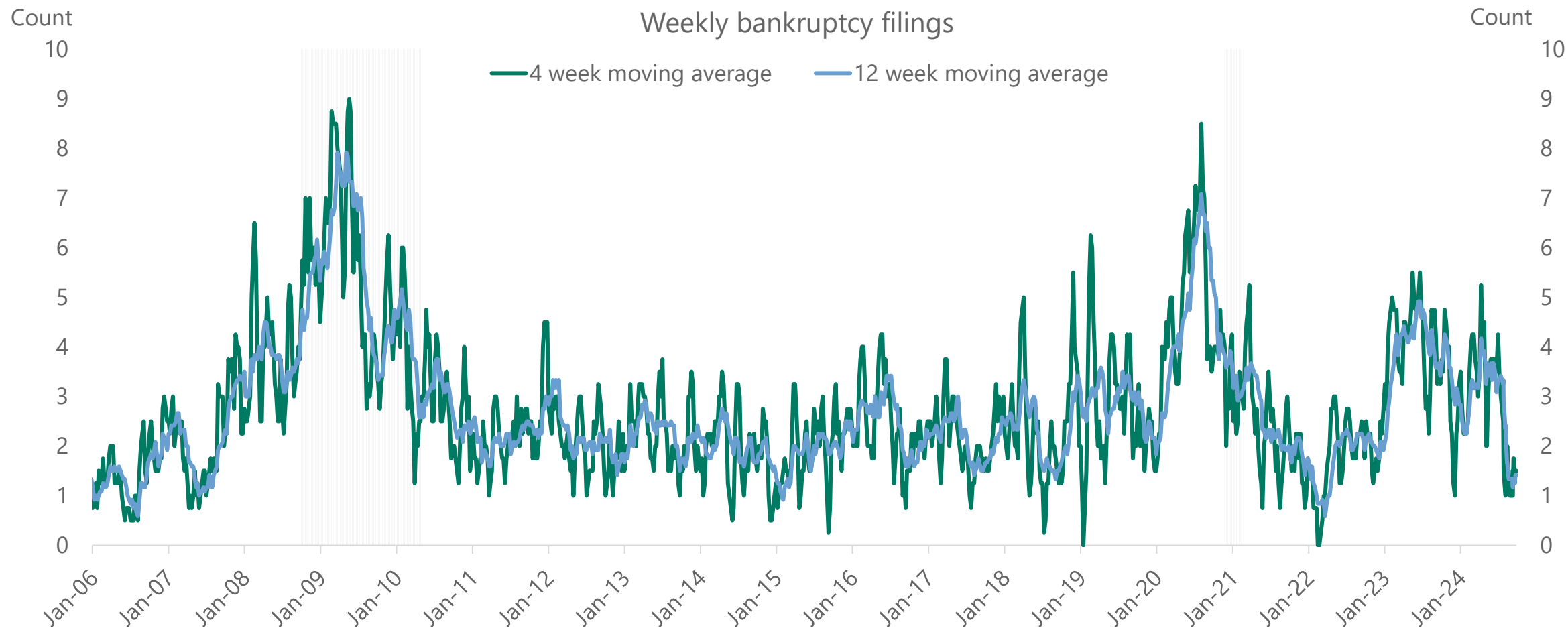
Weekly data for hotel demand



Weekly loan growth for banks

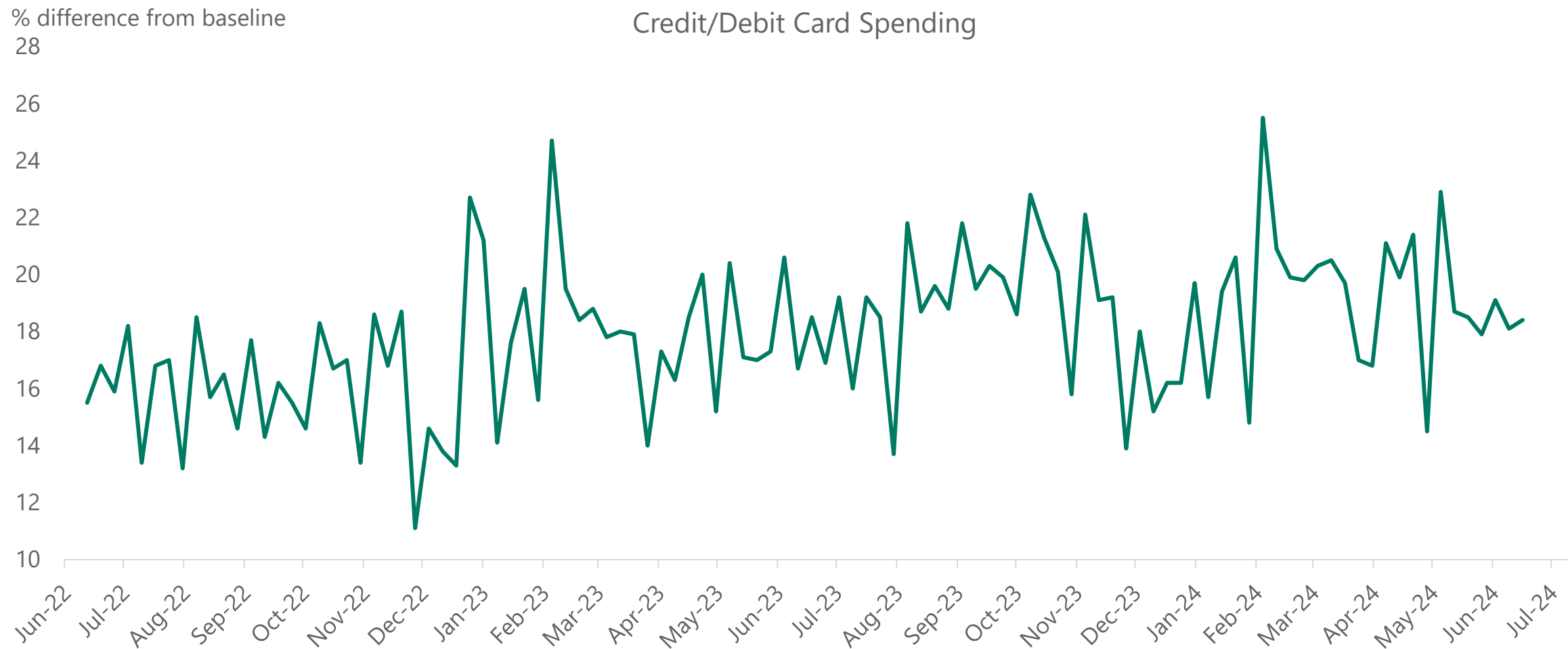


Weekly bankruptcy filings



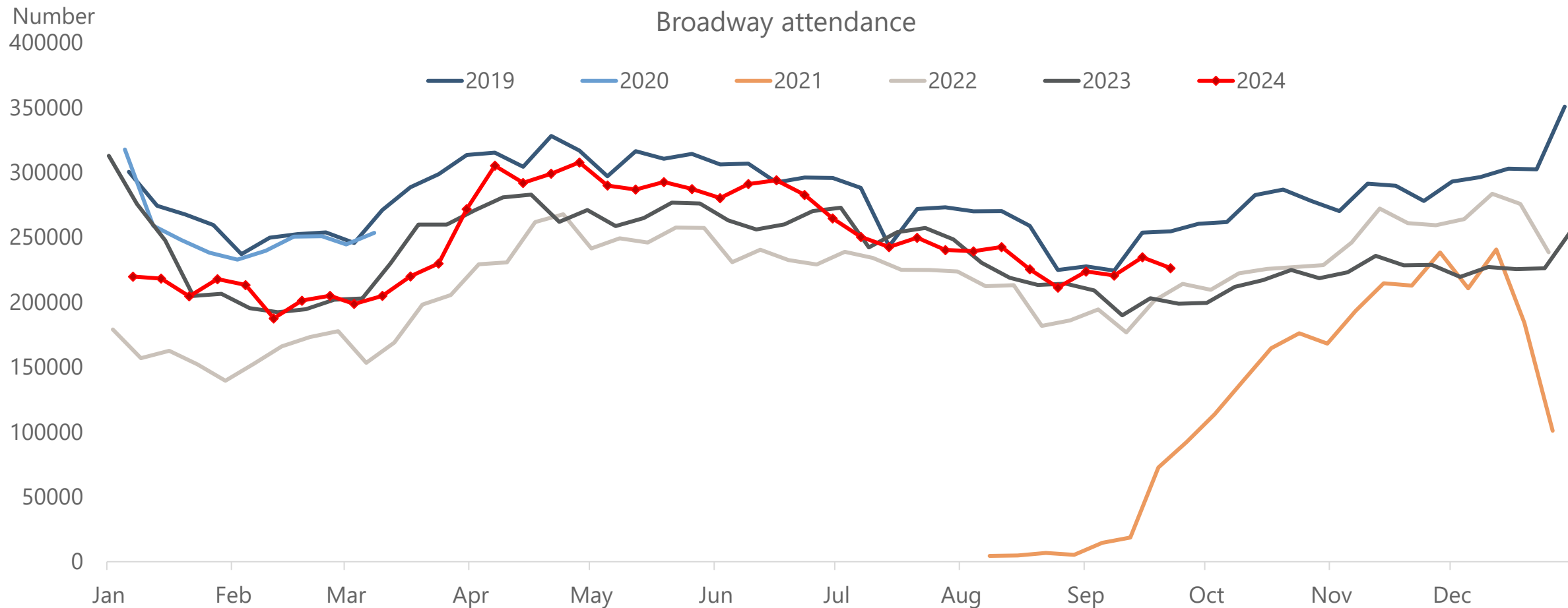
Source: Bloomberg, Apollo Chief Economist. Note: Filings are for companies with more than \$50mn in liabilities. For week ending on September 28, 2024.

Weekly credit and debit card spending

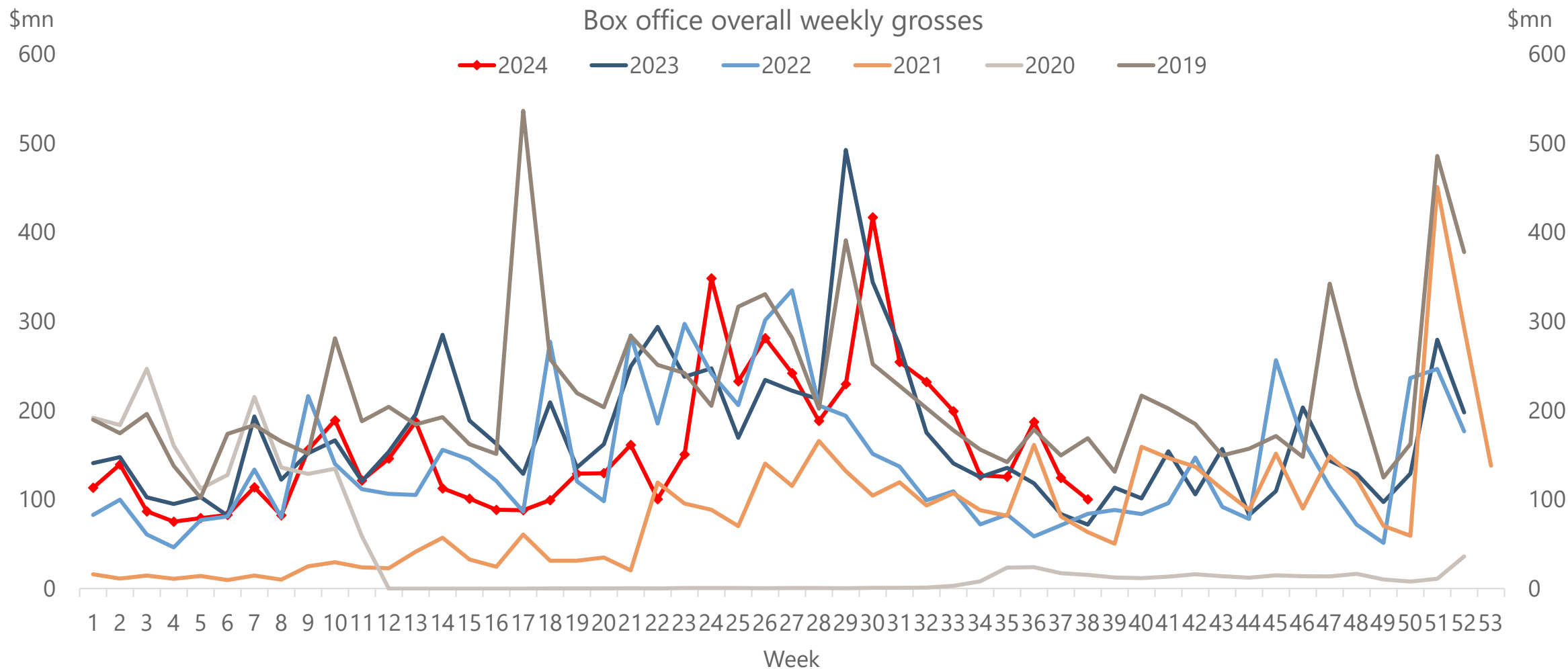


Source: Affinity solutions via Opportunity Insights, Haver Analytics, Apollo Chief Economist. Note: Baseline is January 2020

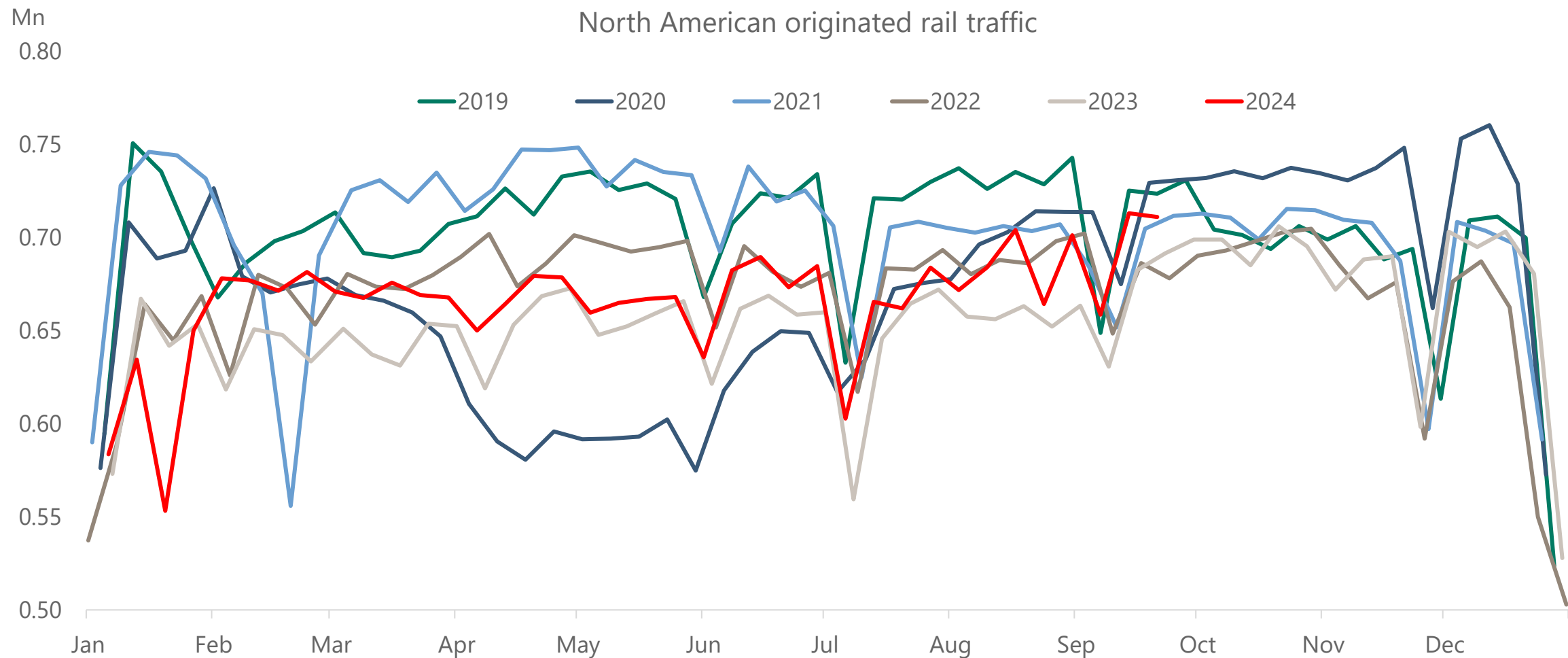
Weekly Broadway show attendance



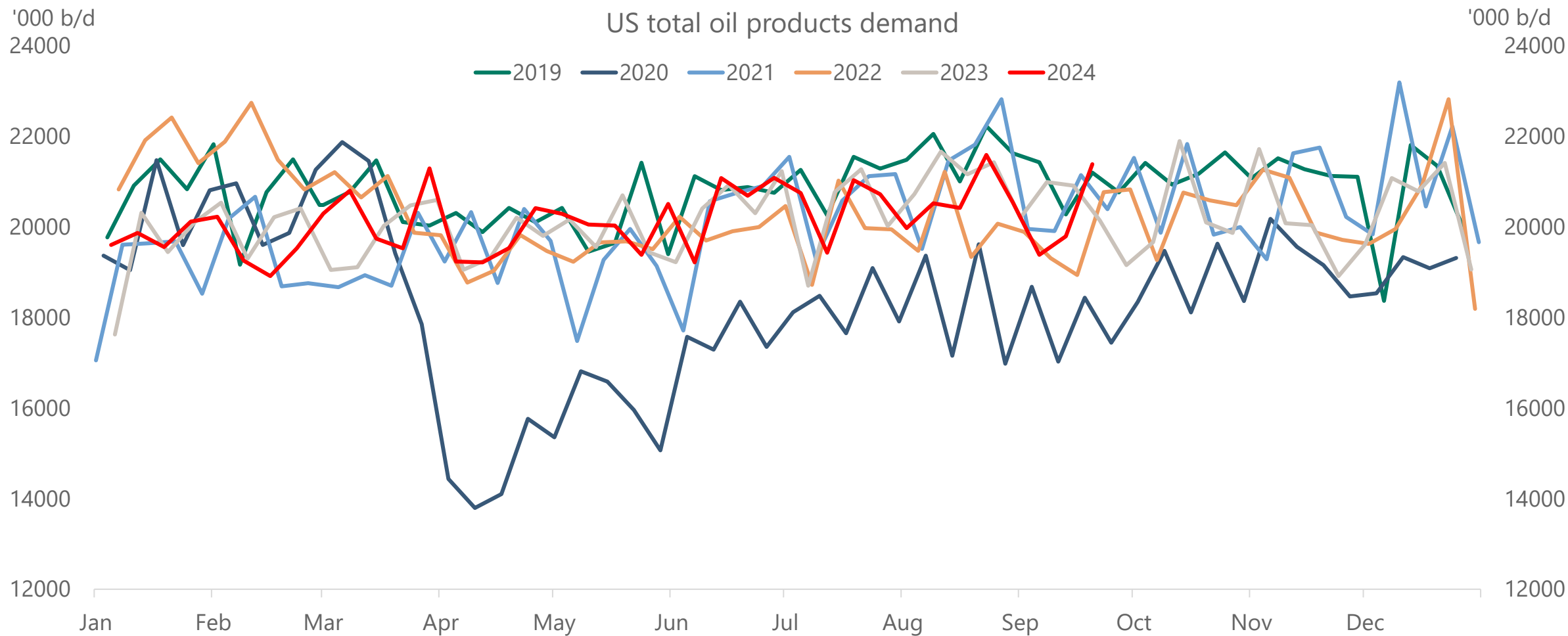
Weekly movie theatre visits



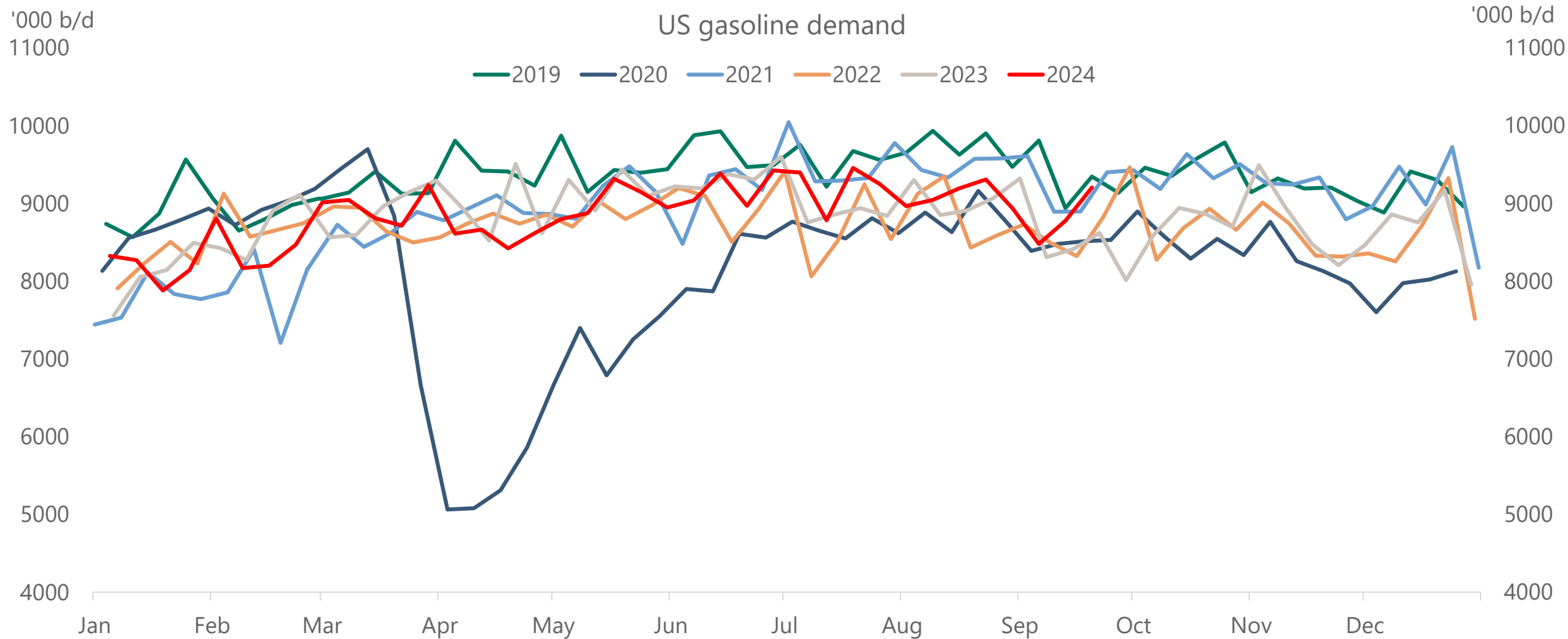
Rail traffic volumes



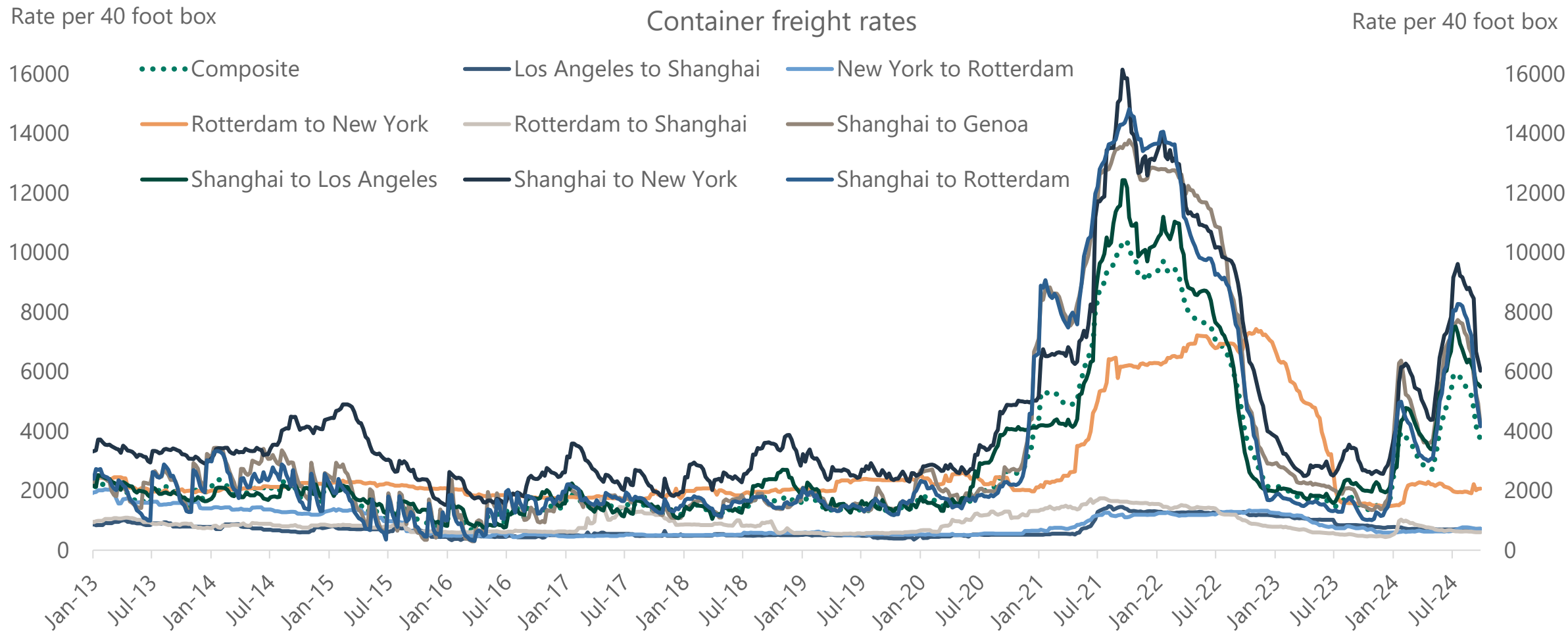
Weekly oil demand



Weekly gasoline demand



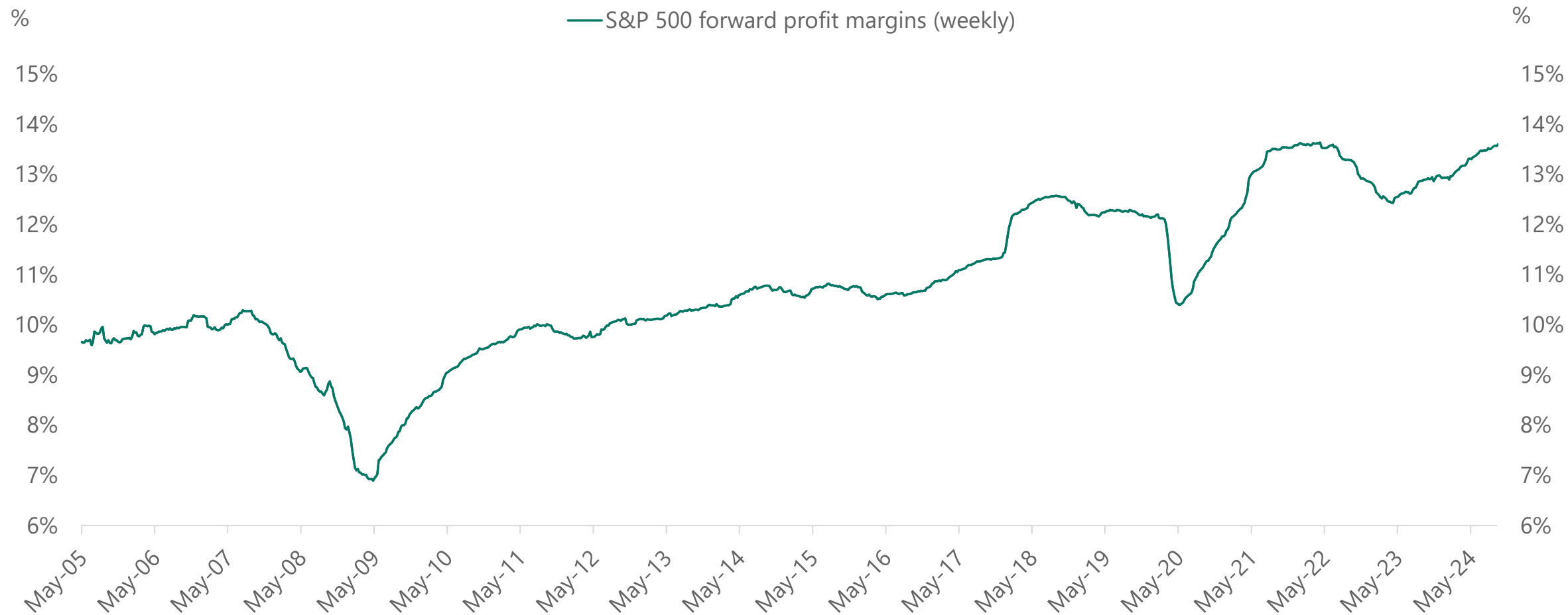
Weekly container freight rates



China: Containerized freight index

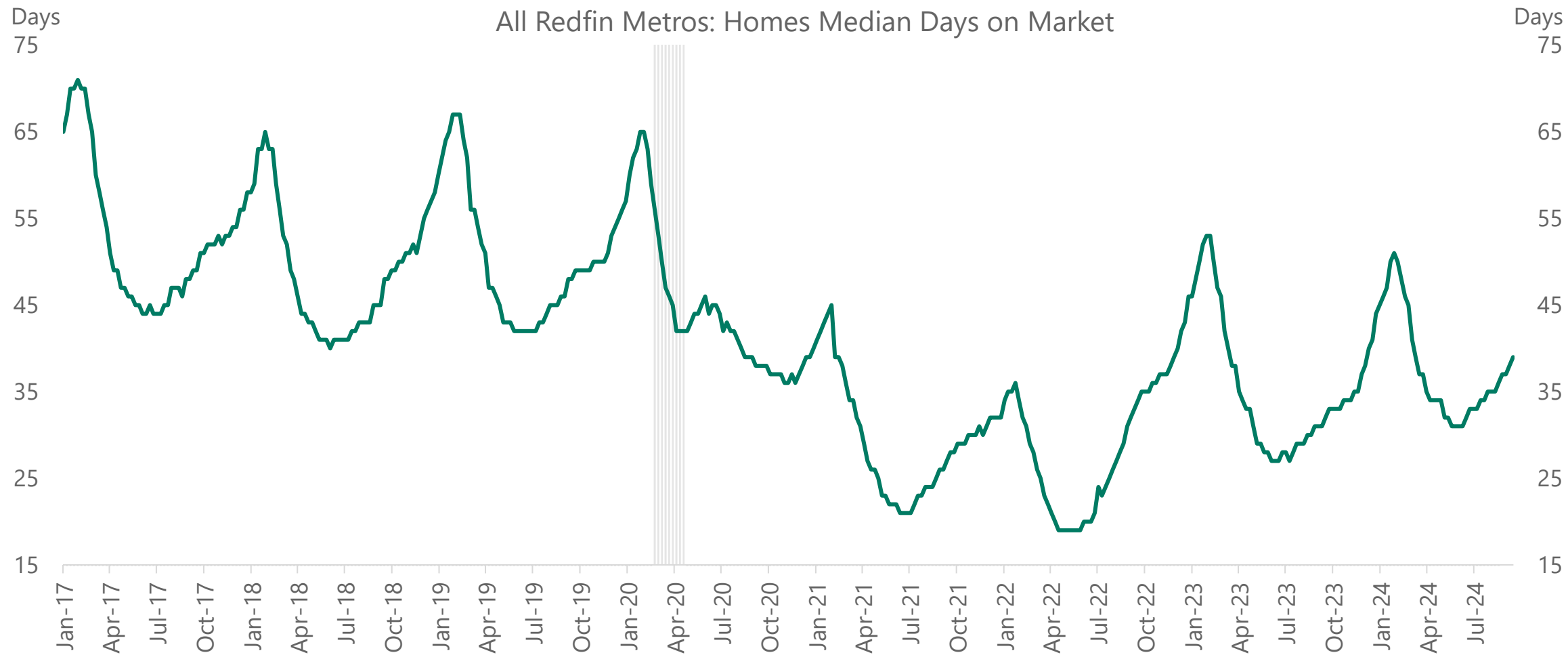


S&P 500 weekly forward profit margins at record high levels



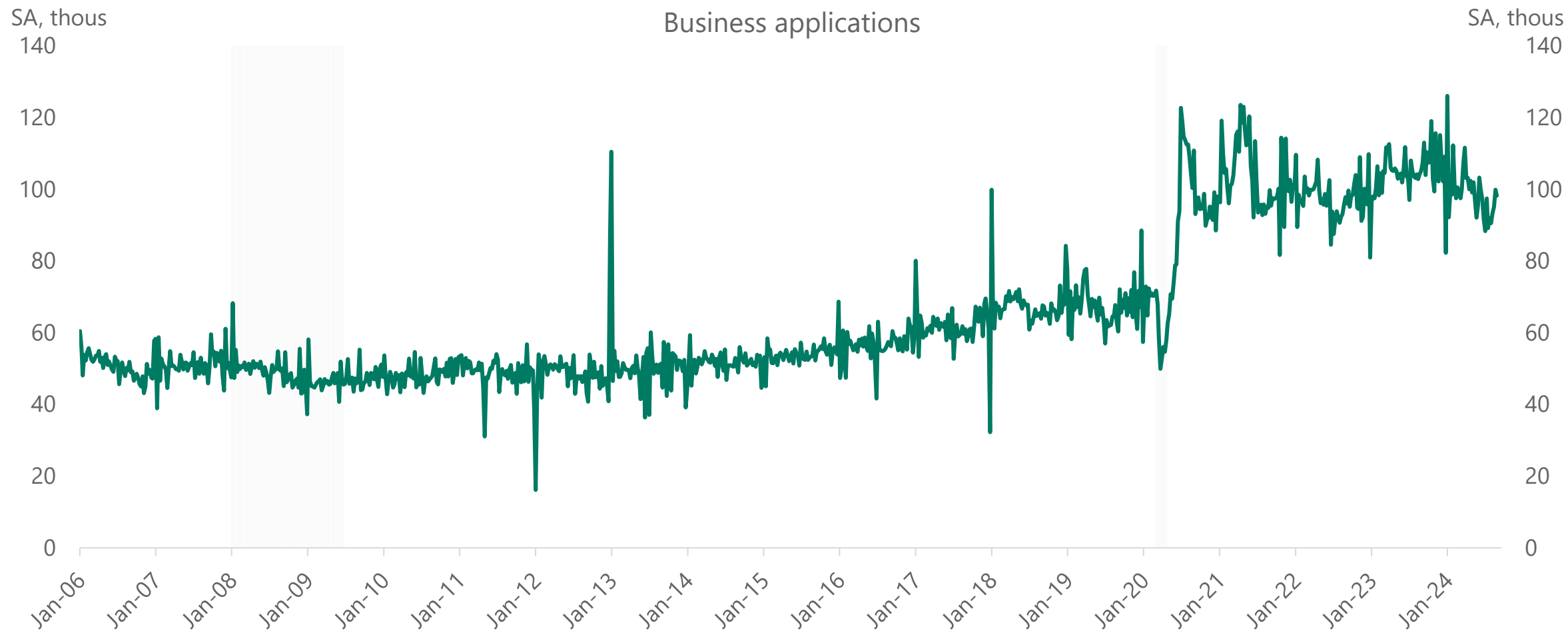
Source: Bloomberg, Apollo Chief Economist. Note: The 12 months forward profit margins are calculated by using the weighted average of 1FY (current year estimate) and 2FY (next year estimate) to smooth out fiscal year transitions.

Homes for sale: Median days on the market



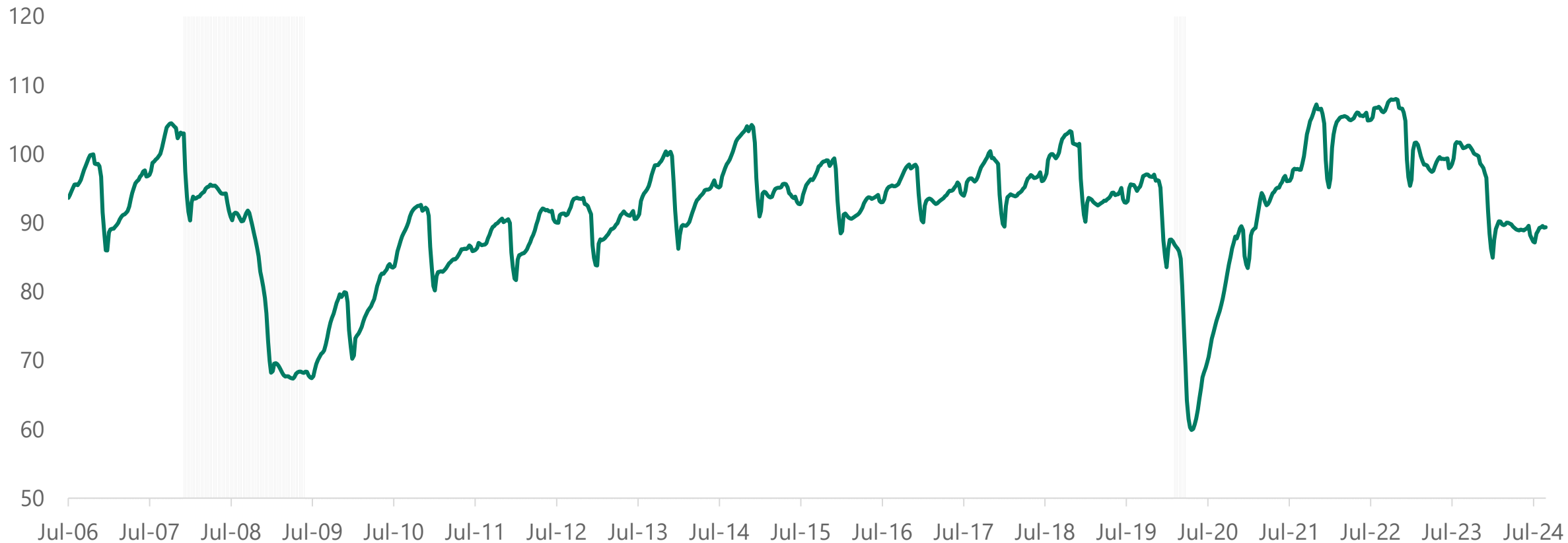
Source: Redfin, Haver Analytics, Apollo Chief Economist

Weekly business formation statistics



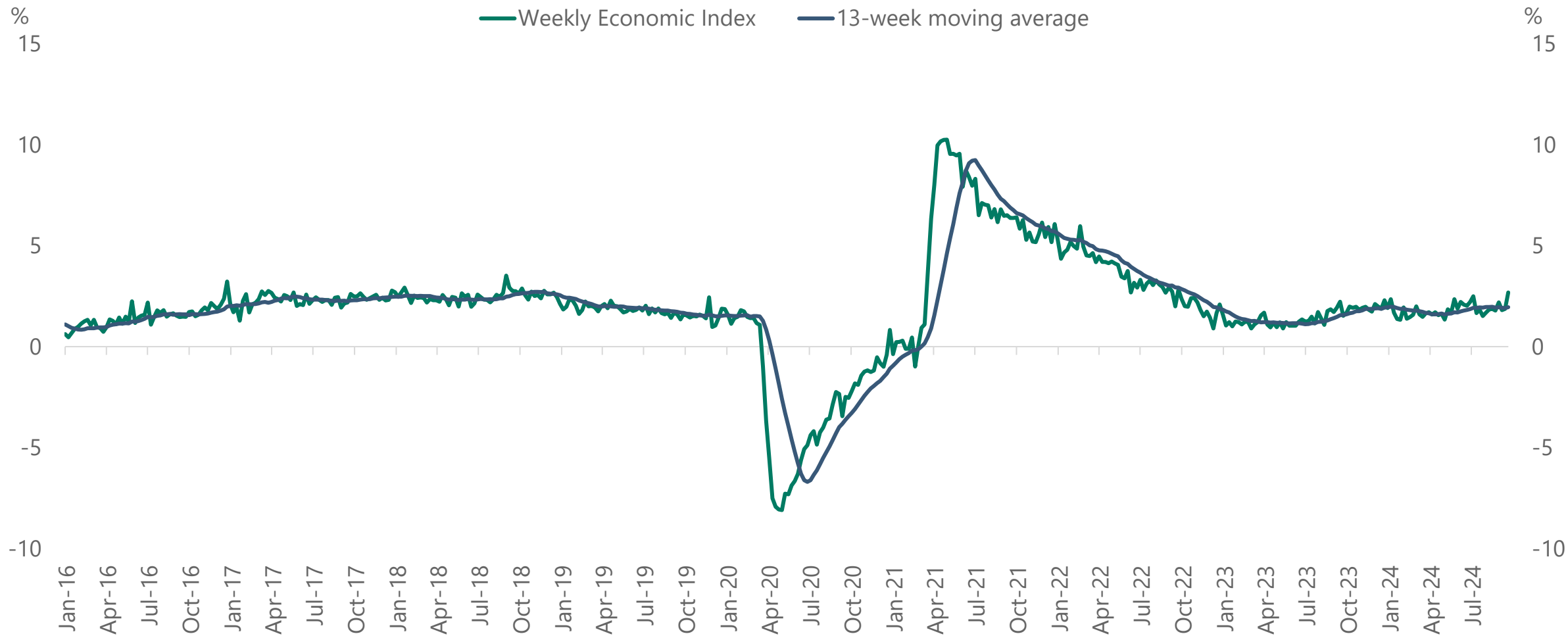
Weekly ASA temp worker staffing index

Index, 4 week ma



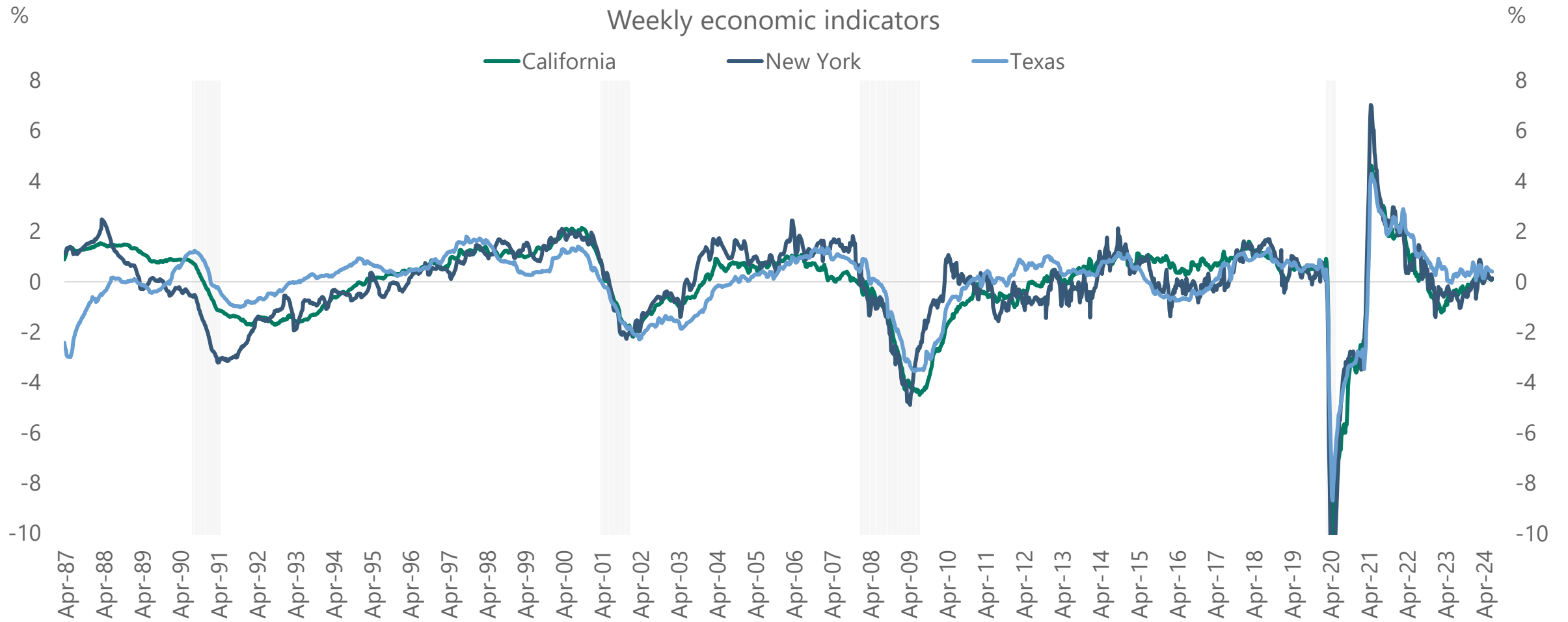
Source: American Staffing Association (ASA), Bloomberg, Apollo Chief Economist. Note: The ASA Staffing Index tracks weekly changes in temporary and contract employment and serves as an indicator of current economic conditions. All staffing firms with U.S. operations are invited to participate in the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

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



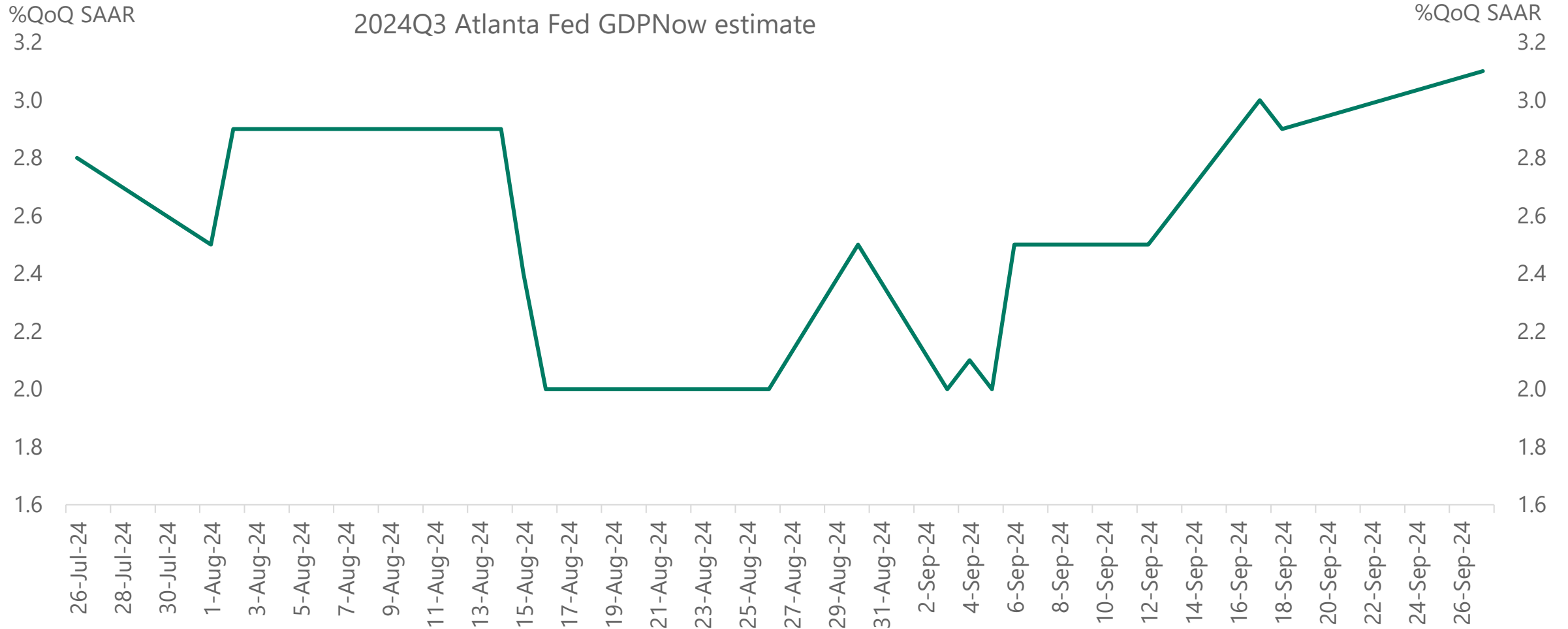
Source: Federal Reserve Bank of Dallas, Bureau of Economic Analysis, Apollo Chief Economist.

Weekly economic indicators for New York, California, and Texas



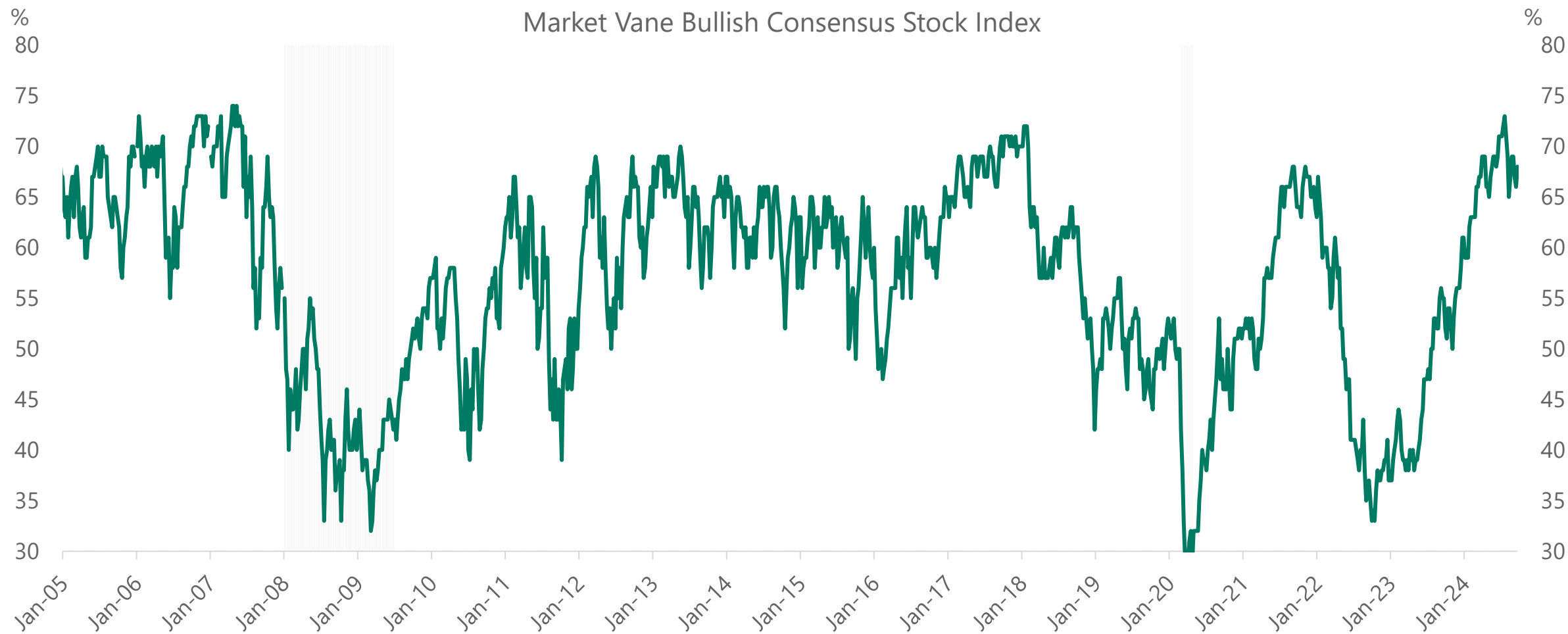
Source: Baumeister, Christiane, Danilo Leiva-Leon, and Eric Sims (2024), "Tracking Weekly State-Level Economic Conditions," *Review of Economics and Statistics*, 106(2), 483-504., Apollo Chief Economist. Note: The economic conditions indices are computed with mixed-frequency dynamic factor models with 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 Q3 GDP estimate from Atlanta Fed: 3.1%



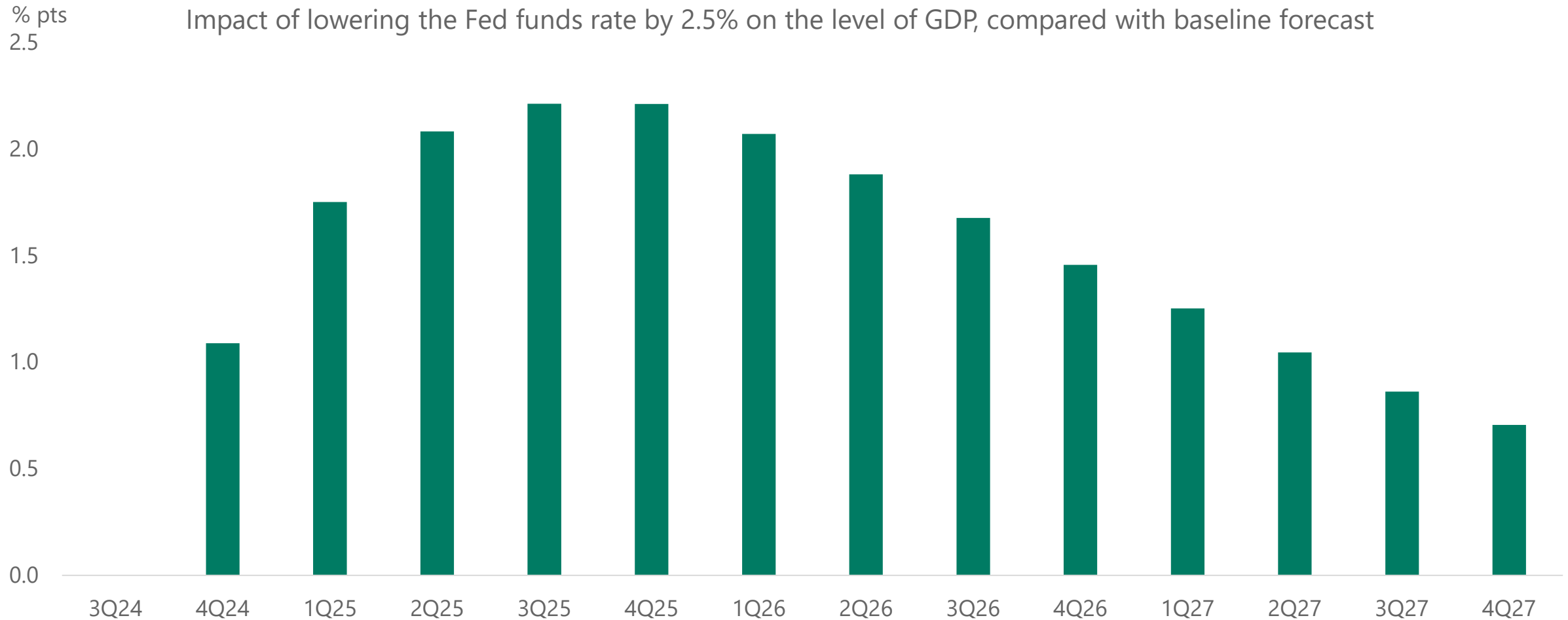
Source: Federal Reserve Bank of Atlanta, Haver Analytics Apollo Chief Economist

Weekly bullish consensus stock index



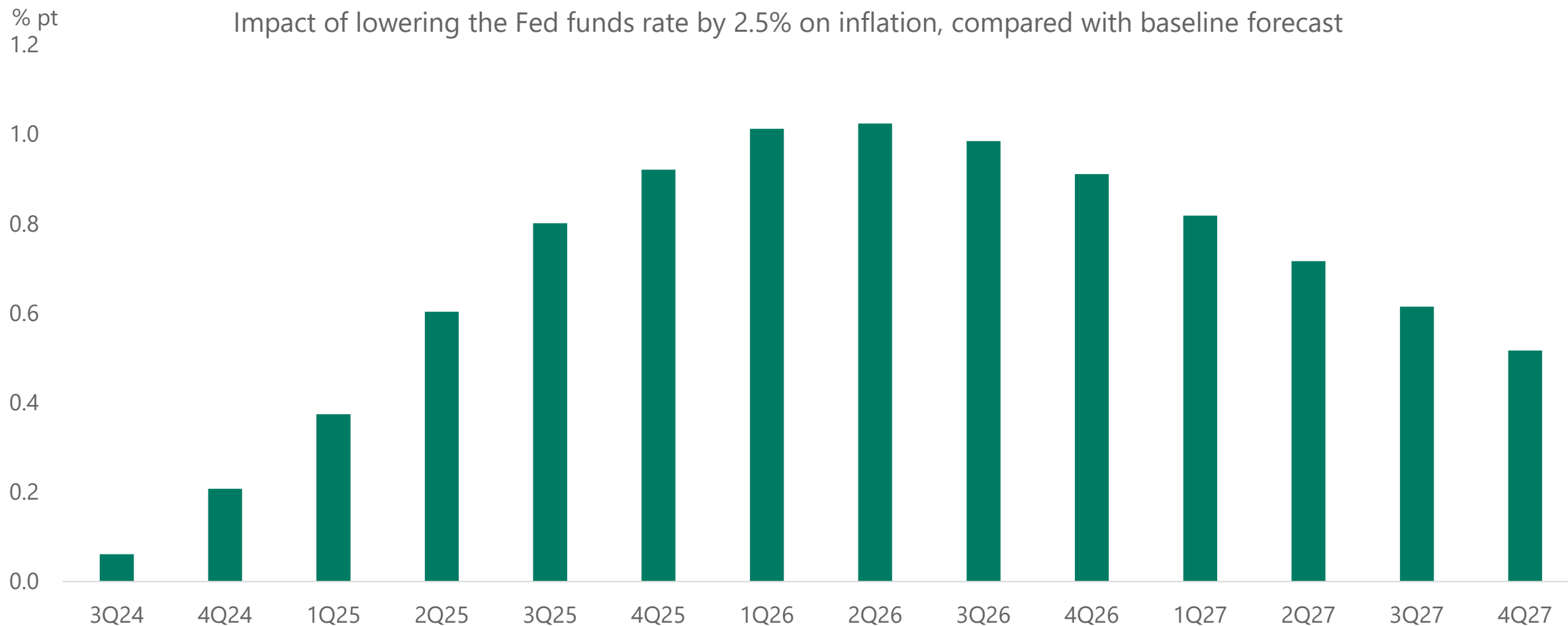
Source: Barron's, Haver Analytics, Apollo Chief Economist. Note: Market Vane Bullish = the degree of bullish sentiment for the S&P 500. For example: a Bullish Consensus of 65% for the S&P 500 implies that 65% of the traders are bullish and expect the S&P 500 to rise. Conversely, 35% of the traders are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