

APOLLO

Daily and weekly indicators for the US economy

Torsten Slok, Rajvi Shah, and Shruti Galwankar

tslok@apollo.com

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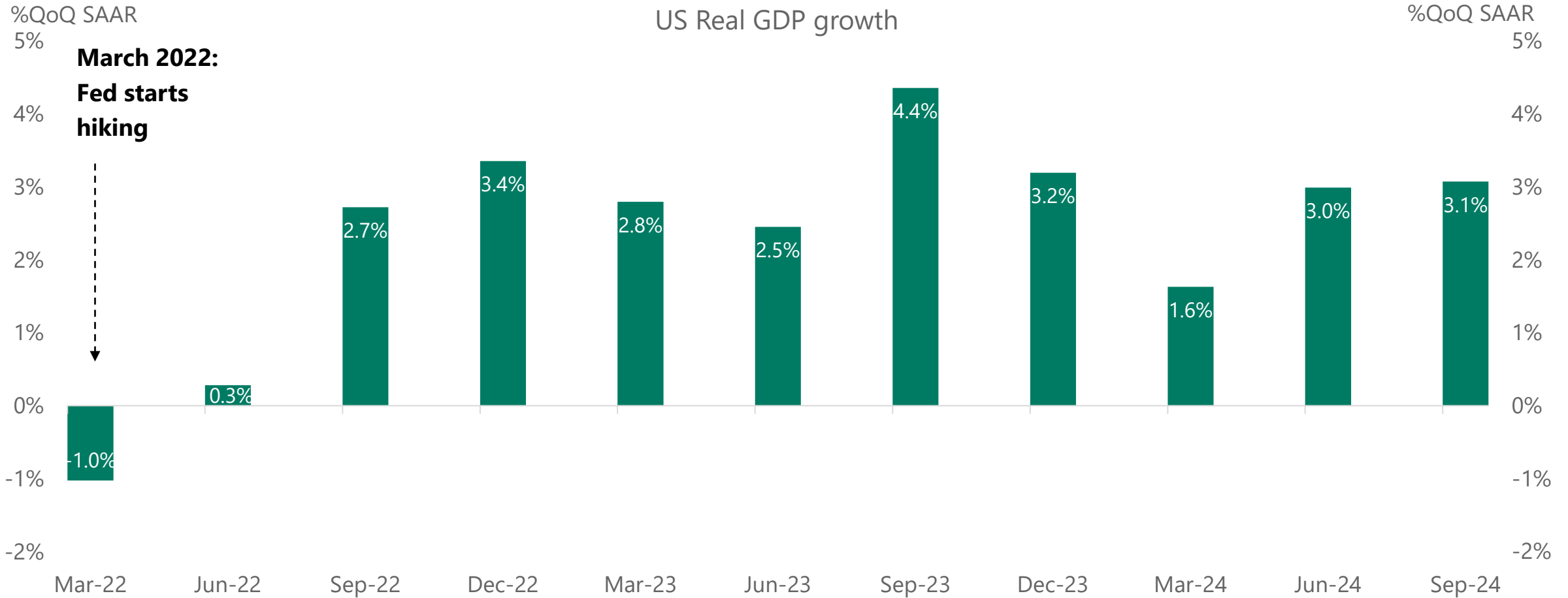
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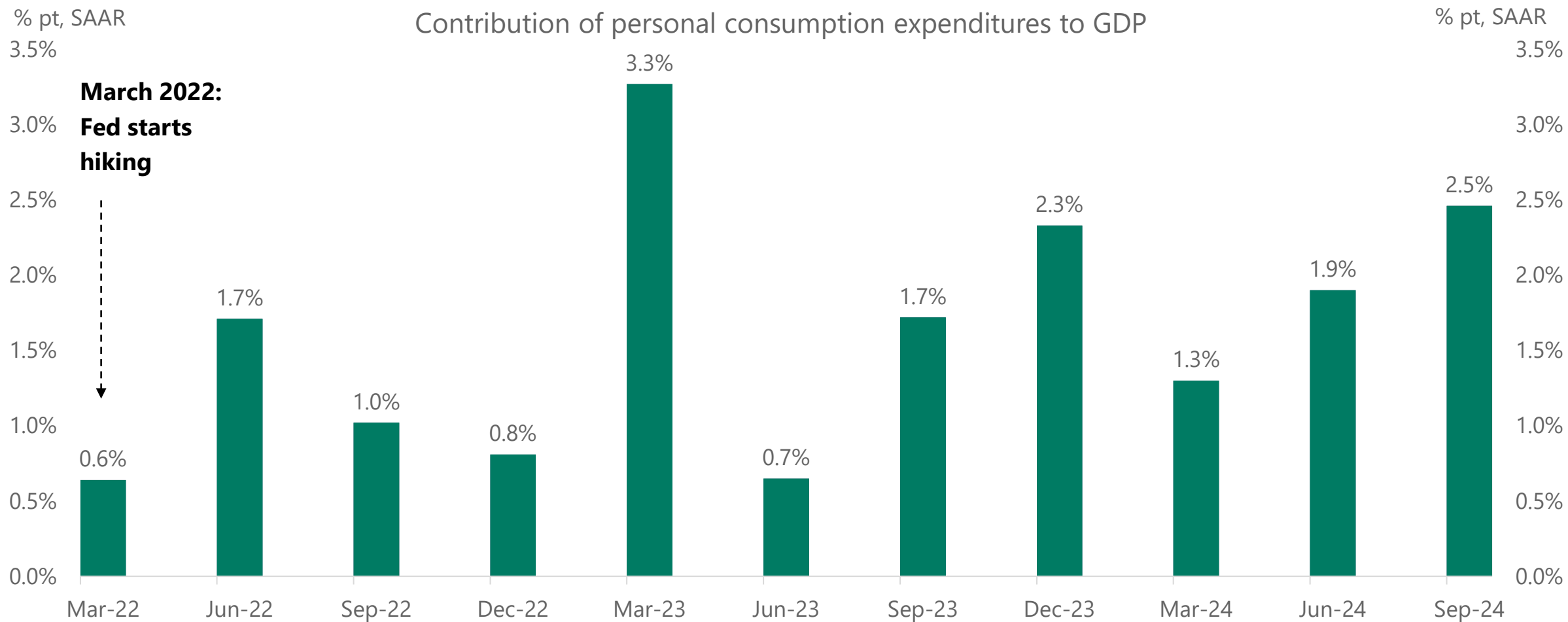


Overview

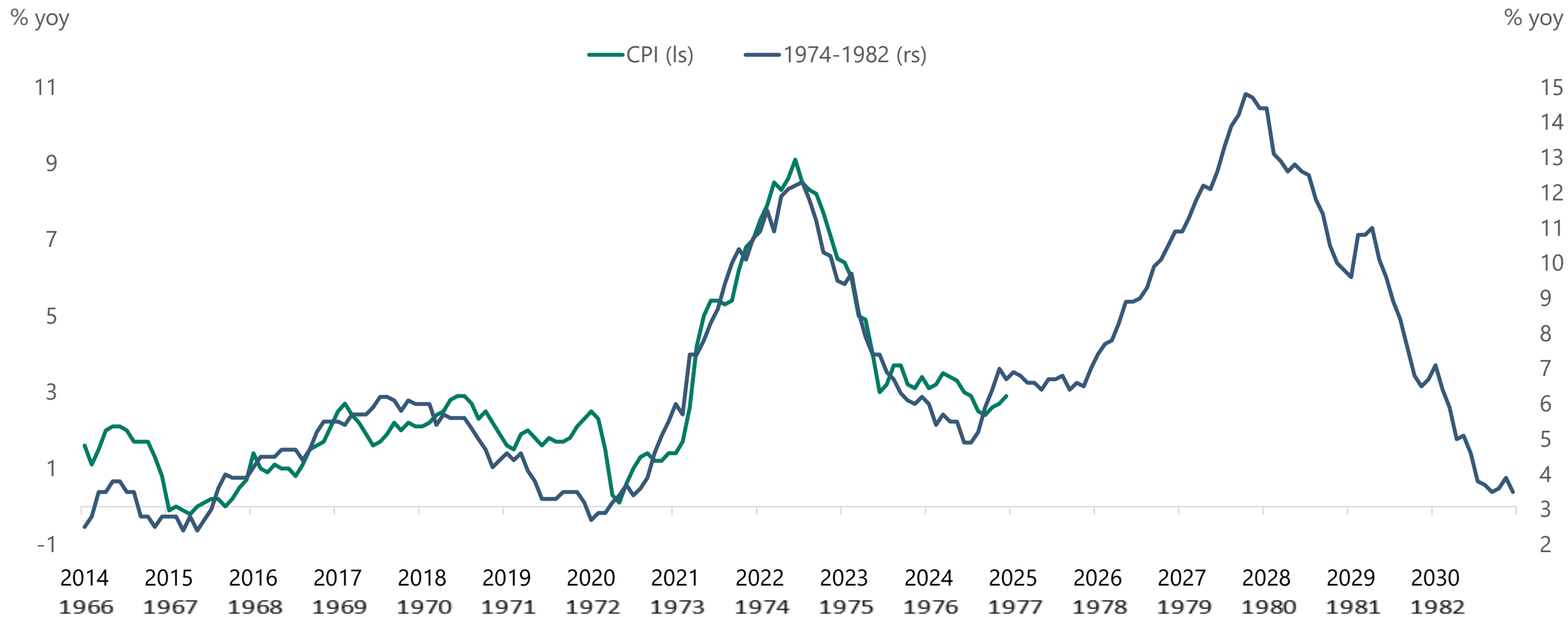
The Fed started raising interest rates in March 2022: What happened to long and variable lags?



Fed hikes have not slowed down the US consumer



Is inflation coming back?



Source: BLS, Apollo Chief Economist.

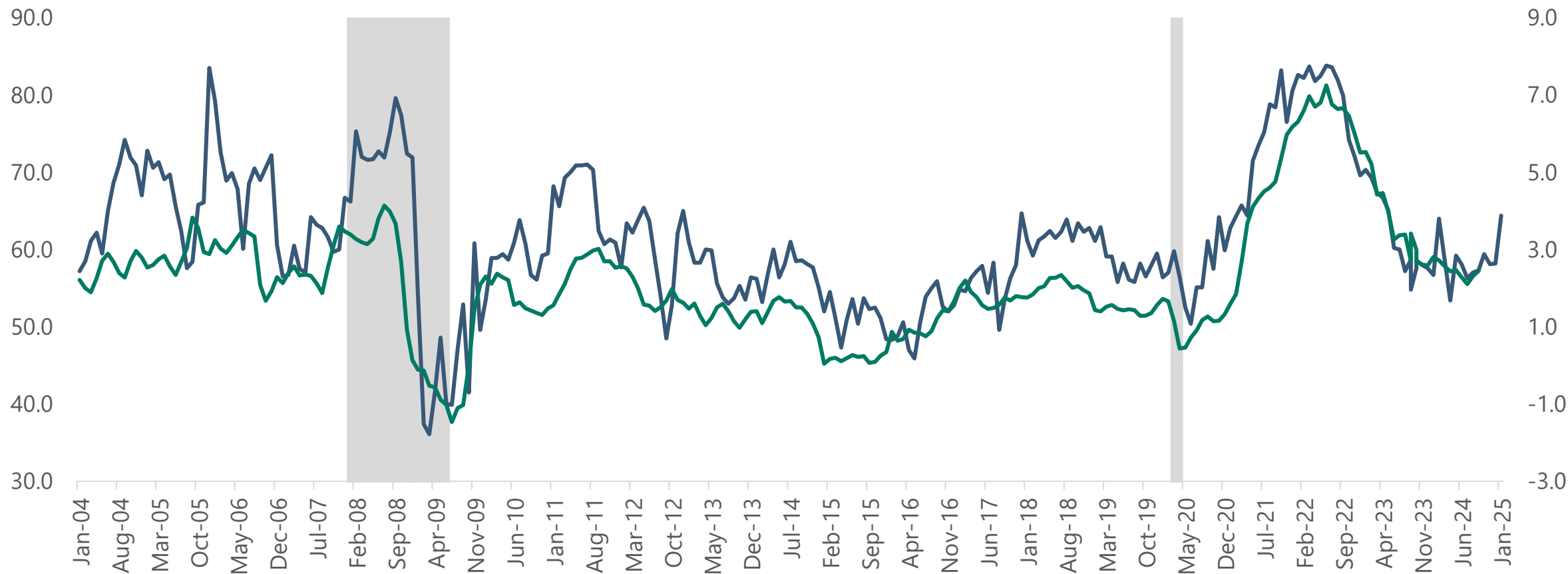
ISM Services Price Paid index is a leading indicator for PCE

SA, 50+ = expansion

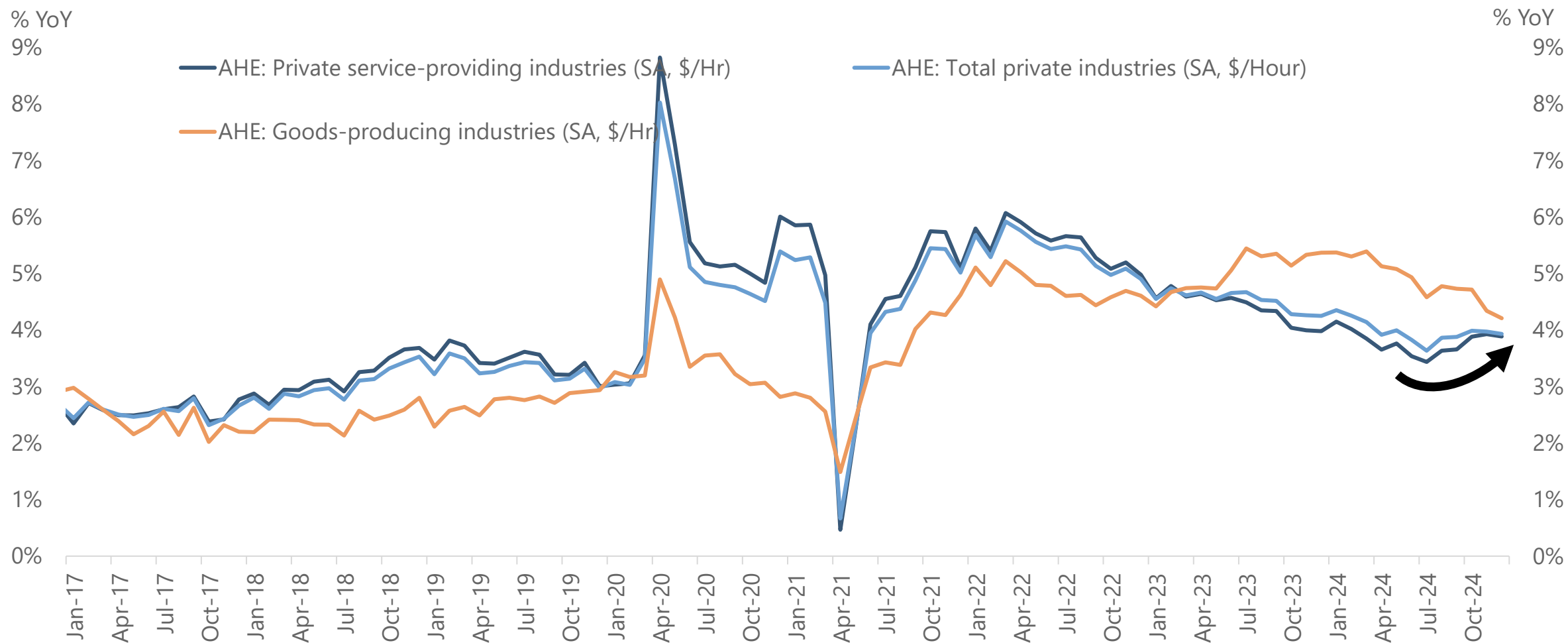
— ISM Services: Prices Index, 3m lead

— PCE (RHS)

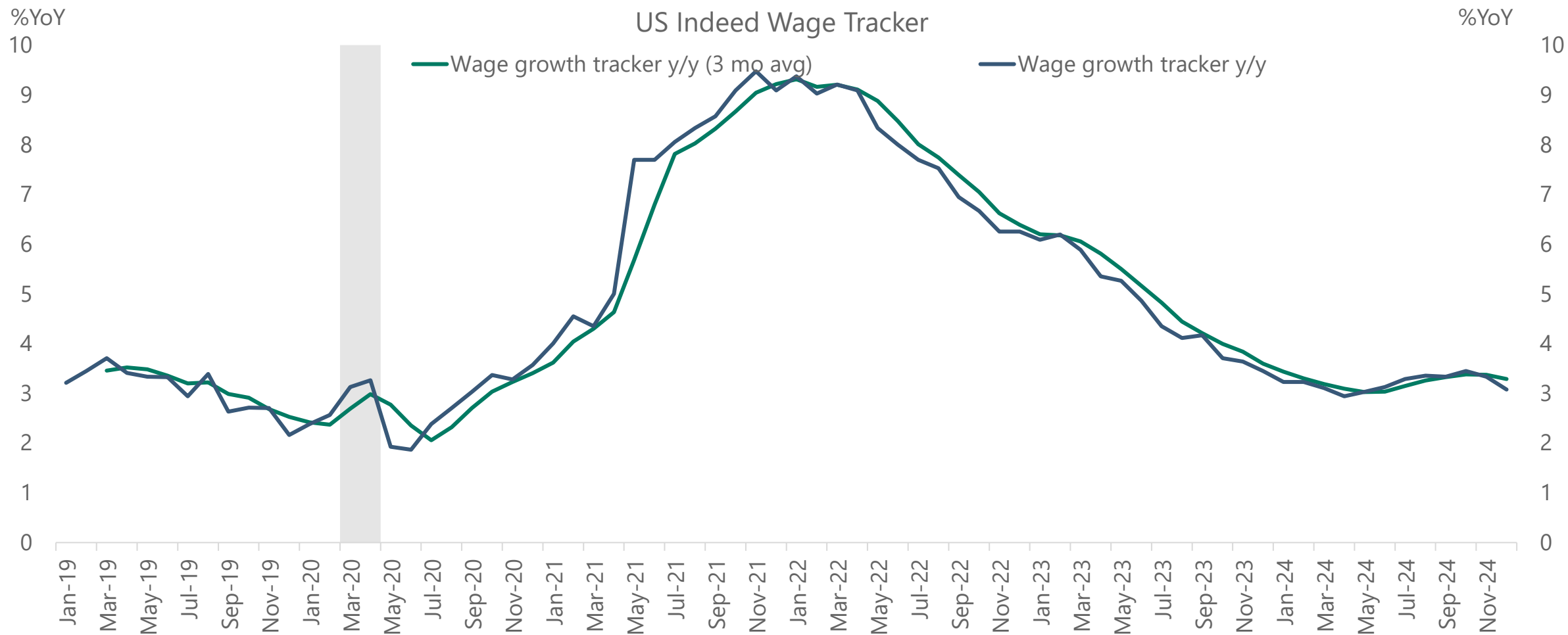
% YoY



Is wage growth rebounding?

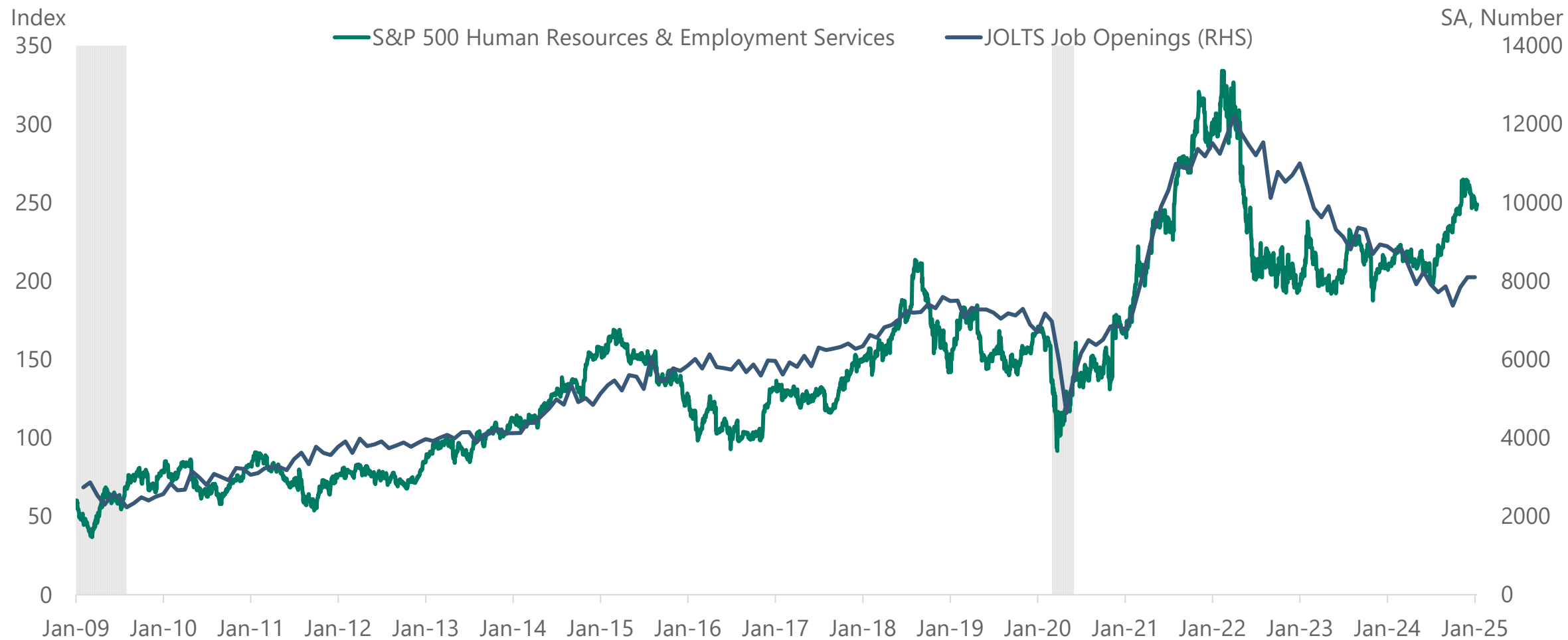


Wage growth tracker rebounding?



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

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

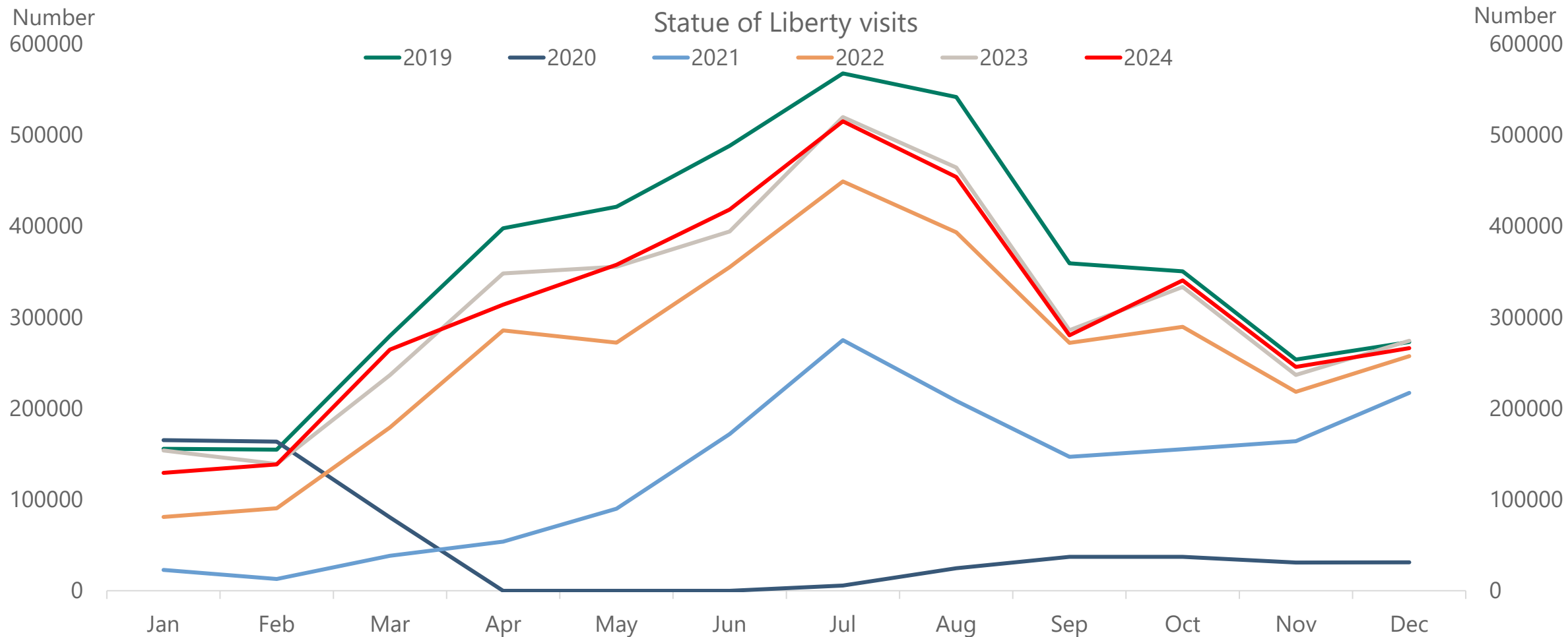


Consumer spending remains strong and broad-based

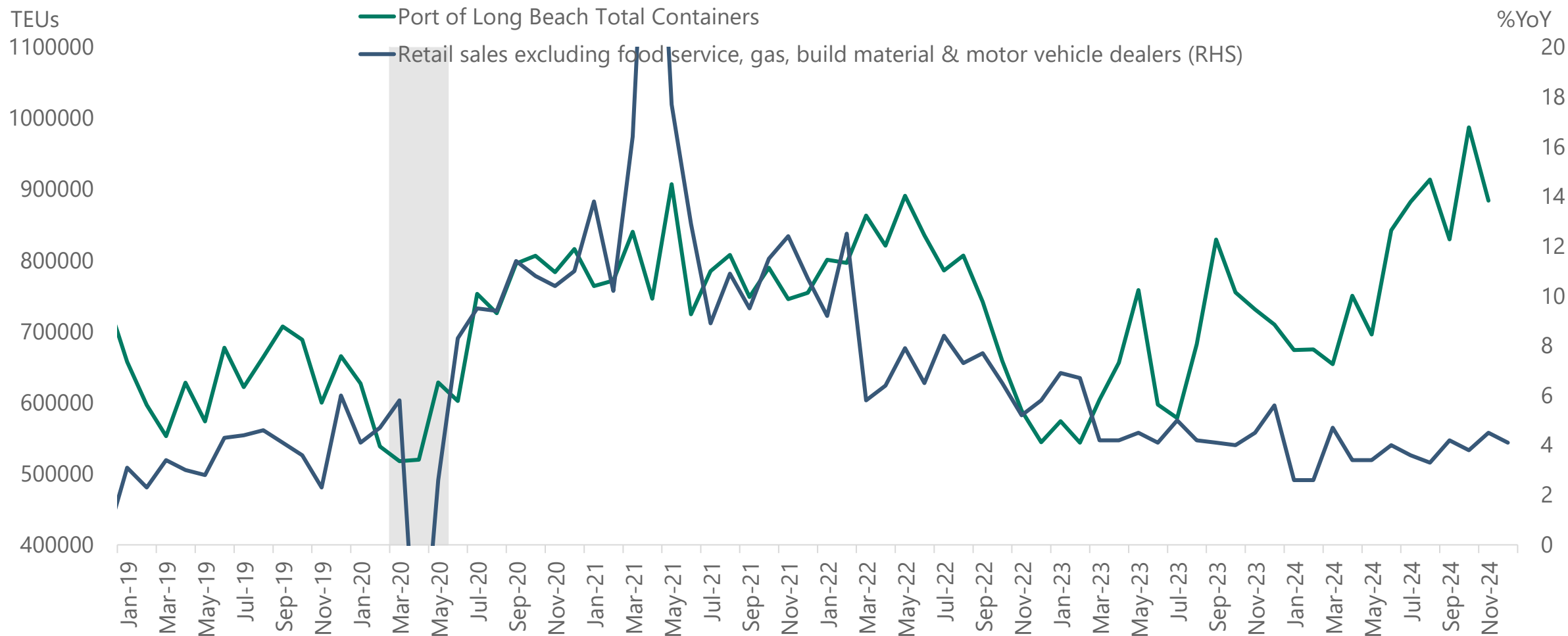
December retail sales by category (% MoM)



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

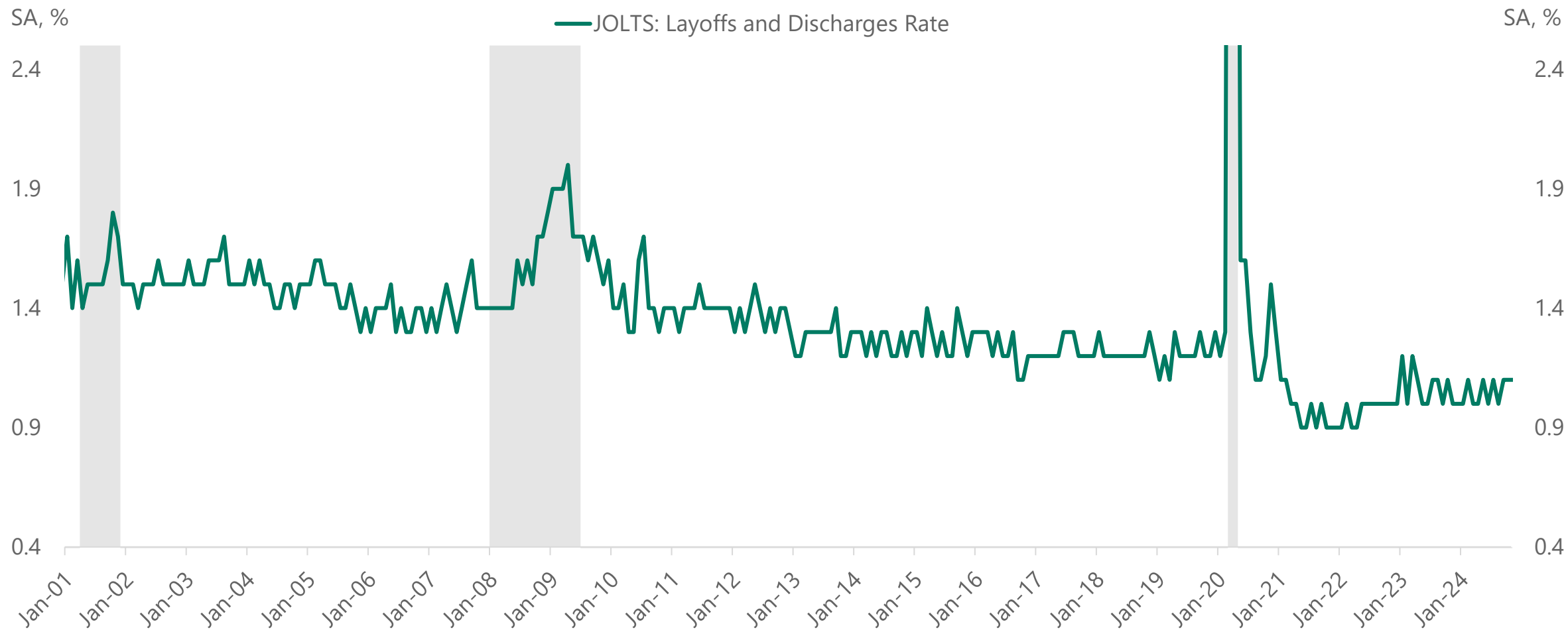


Total containers coming through LA high. Bodes well for retail sales

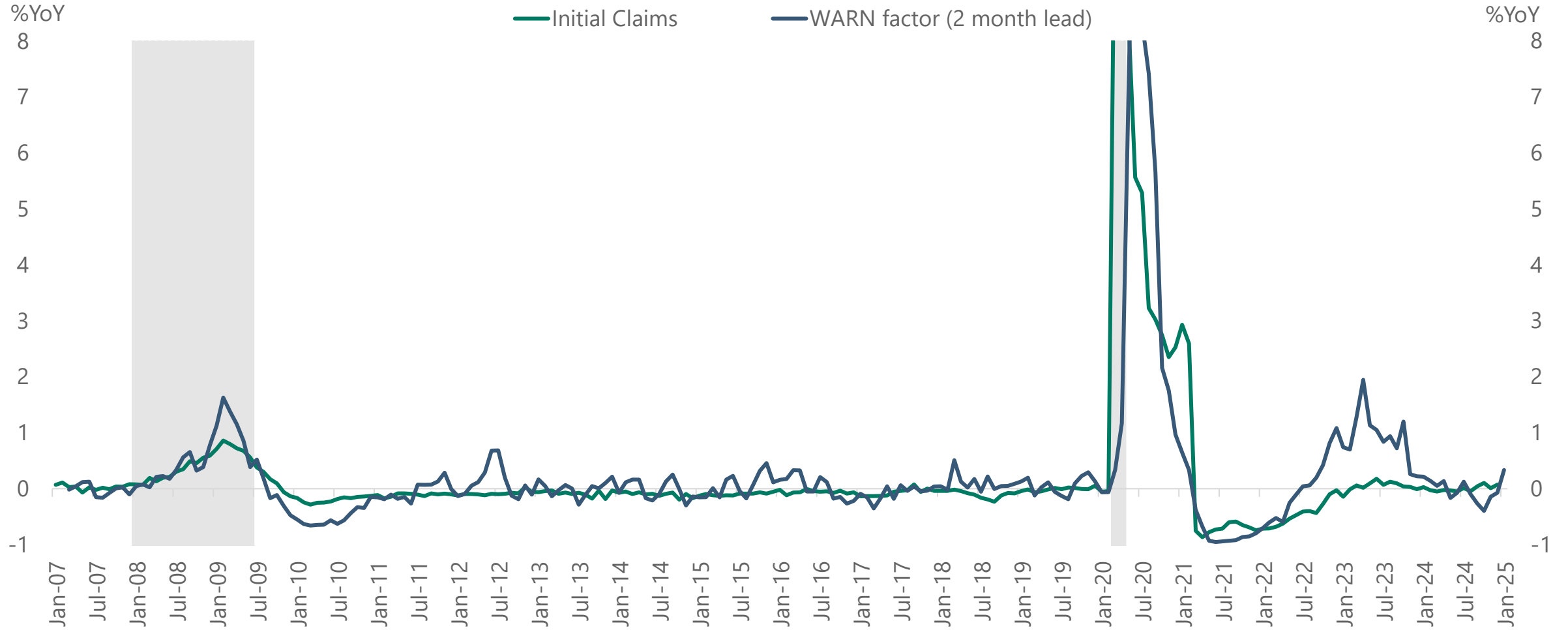


Source: Bloomberg, US Census Bureau, Apollo Chief Economist

Very low levels of layoffs



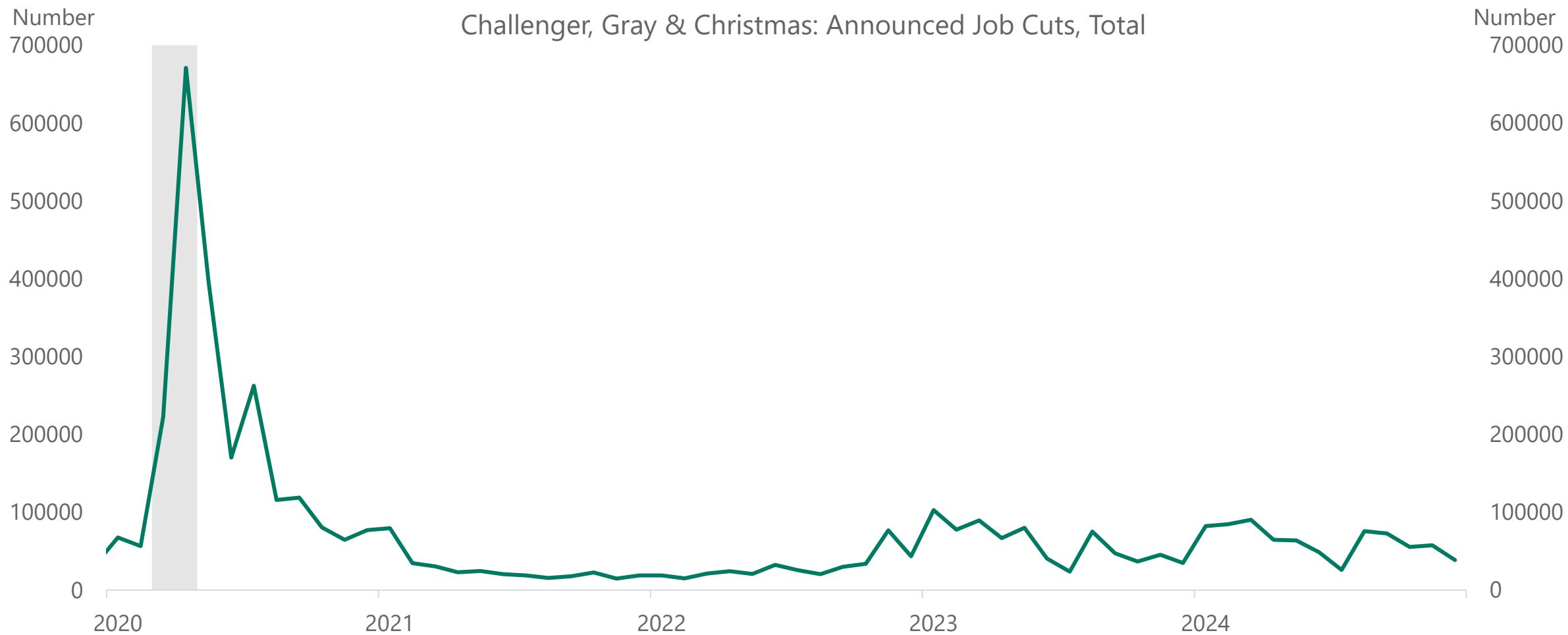
WARN data points to steady claims in coming months



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>

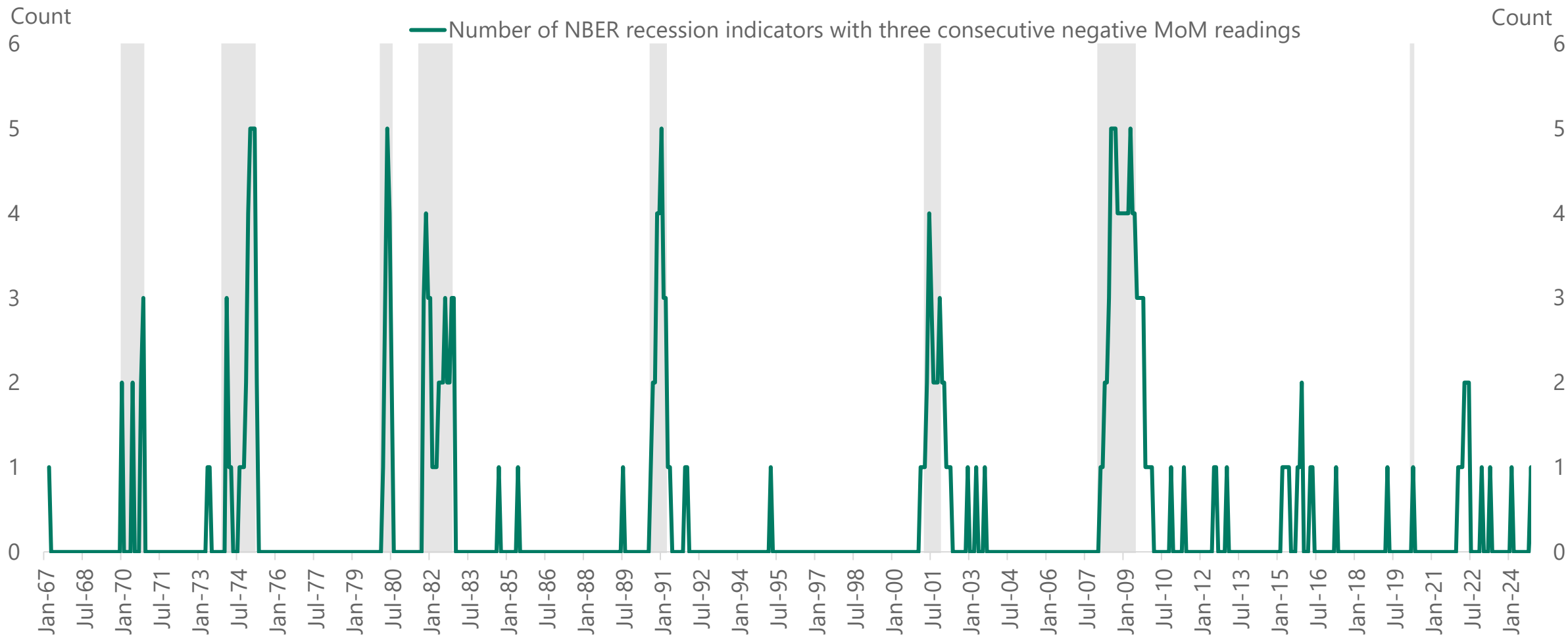
Announced job cuts remain low

Challenger, Gray & Christmas: Announced Job Cuts, Total



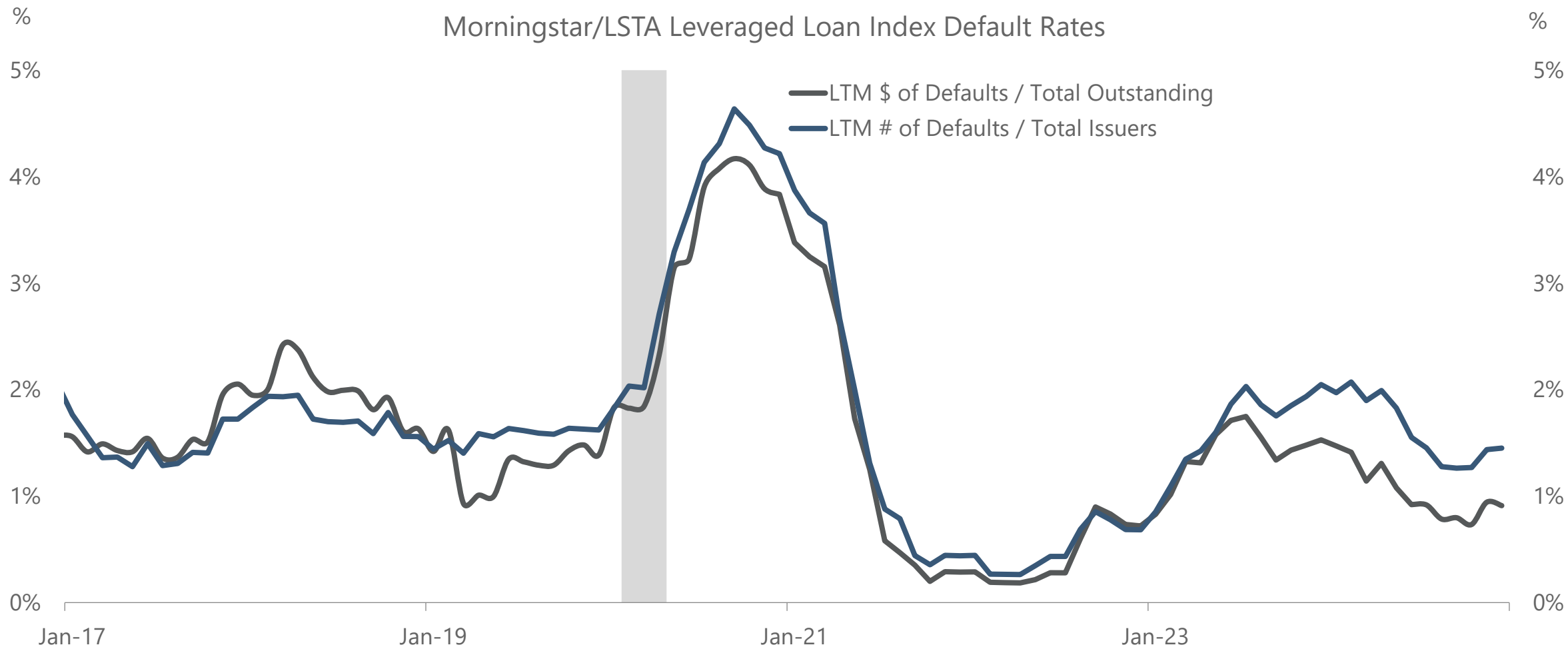
Source: Challenger, Gray and Christmas, Haver Analytics, Apollo Chief Economist

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

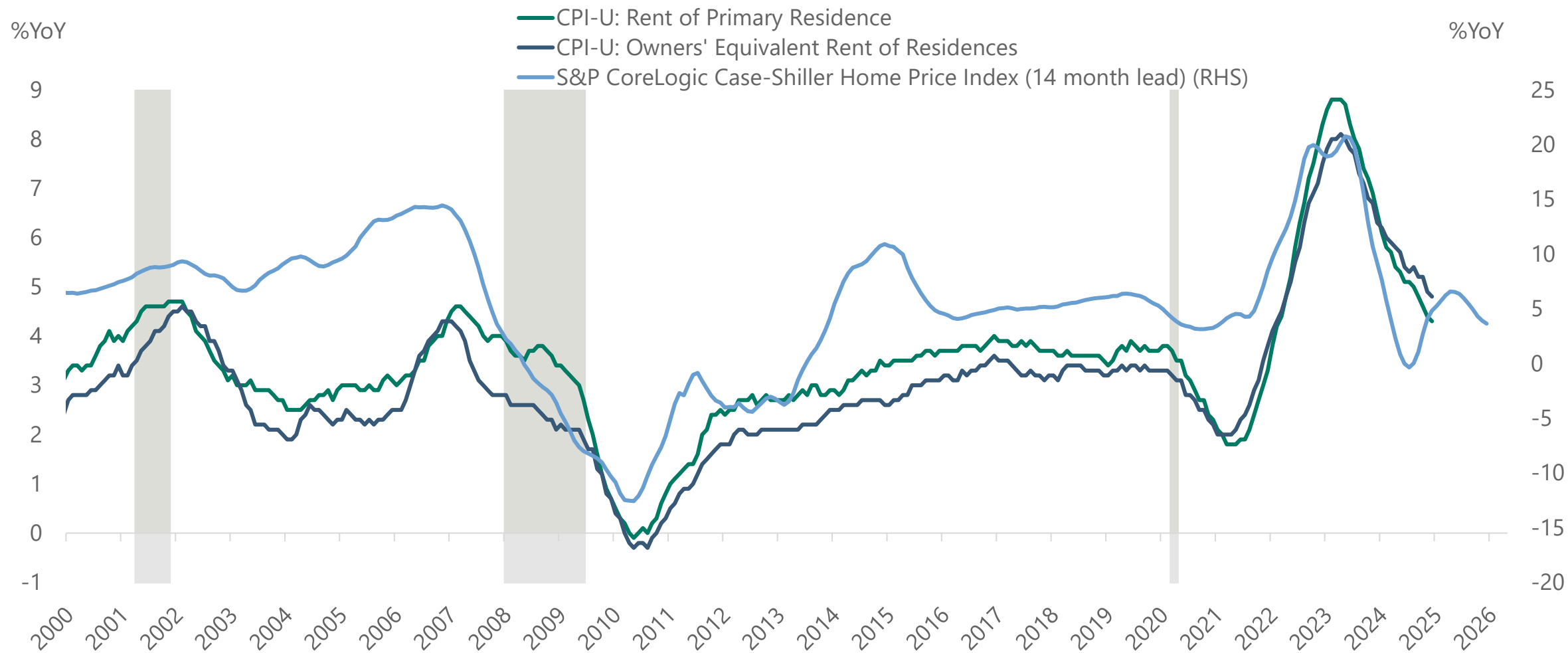


Source: BEA, FRB, BLS, NBER, Haver Analytics, Apollo Chief Economist. Note: NBER recession indicators include Real Manufacturing & Trade Sales, Industrial Production Index, Real Personal Income less Transfer Payments, Real Personal Consumption Expenditures, Nonfarm payrolls, and Household survey employment.

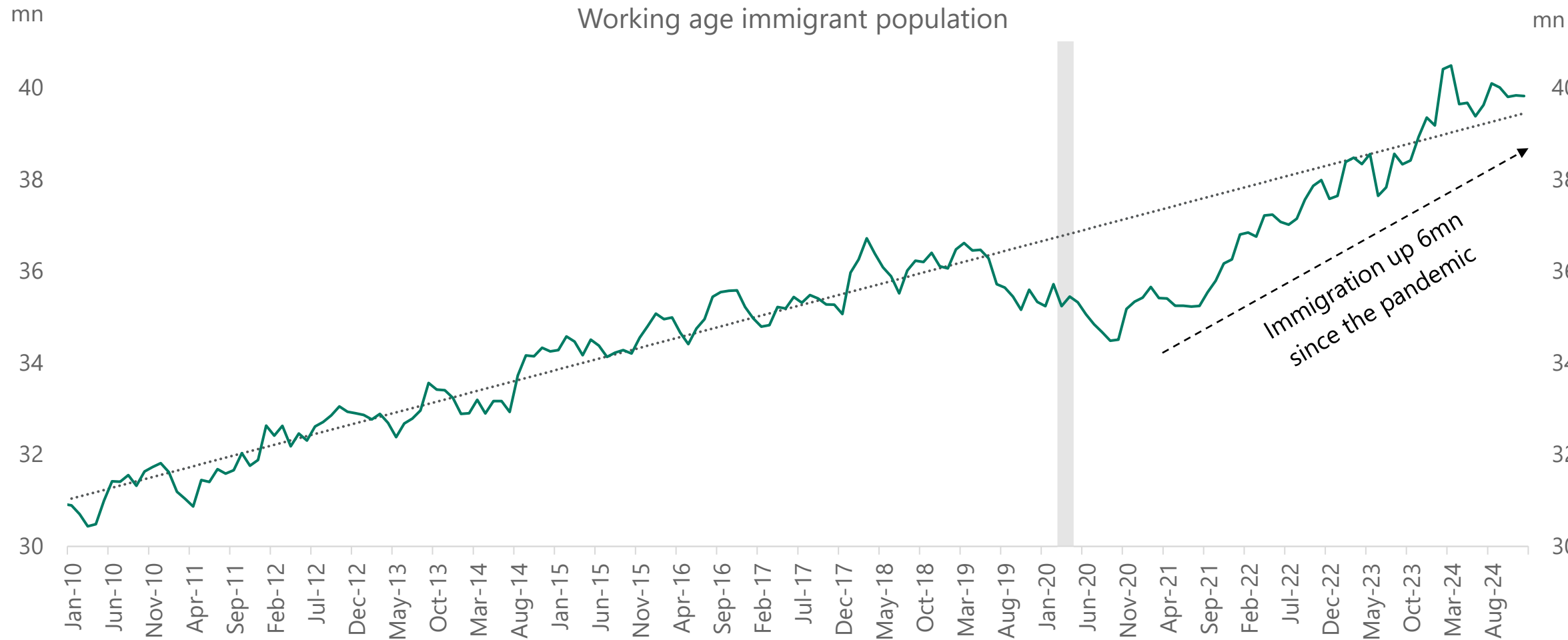
Default rates for loans



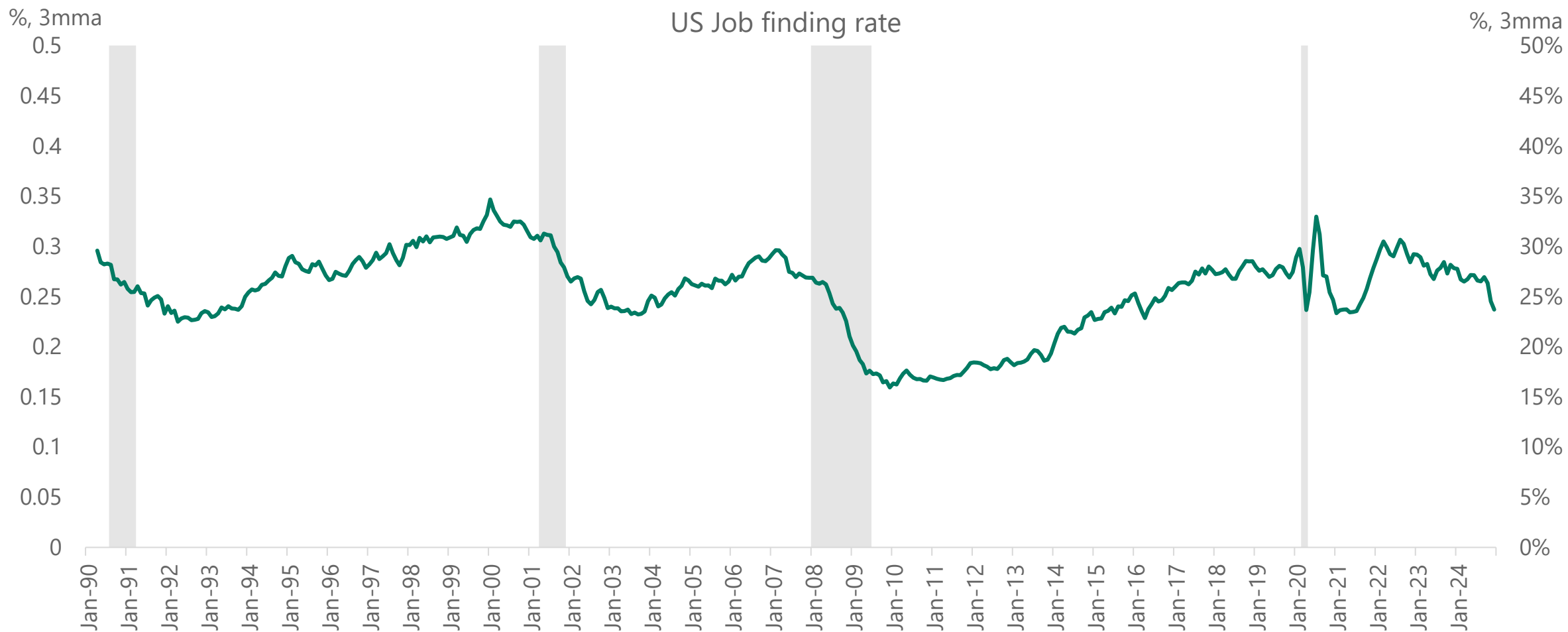
Rebound coming in housing inflation?



Immigration strong

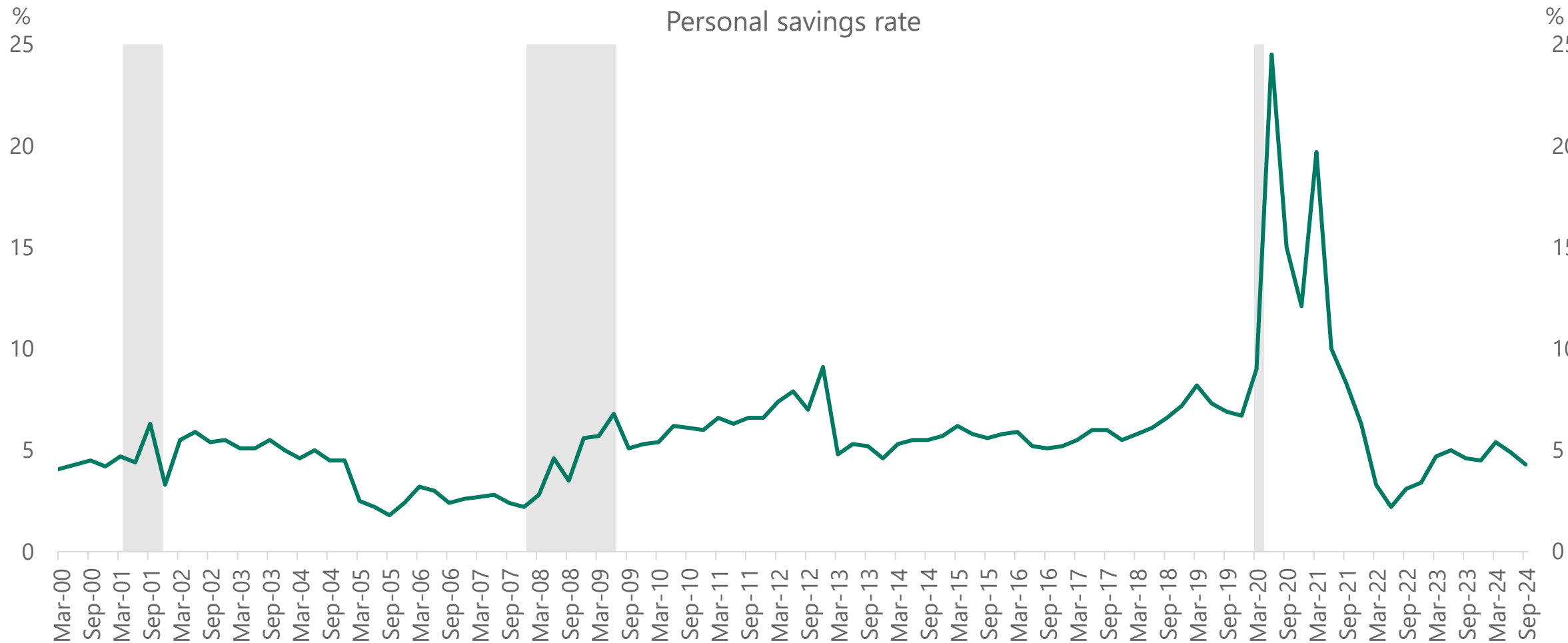


Job finding rate still solid

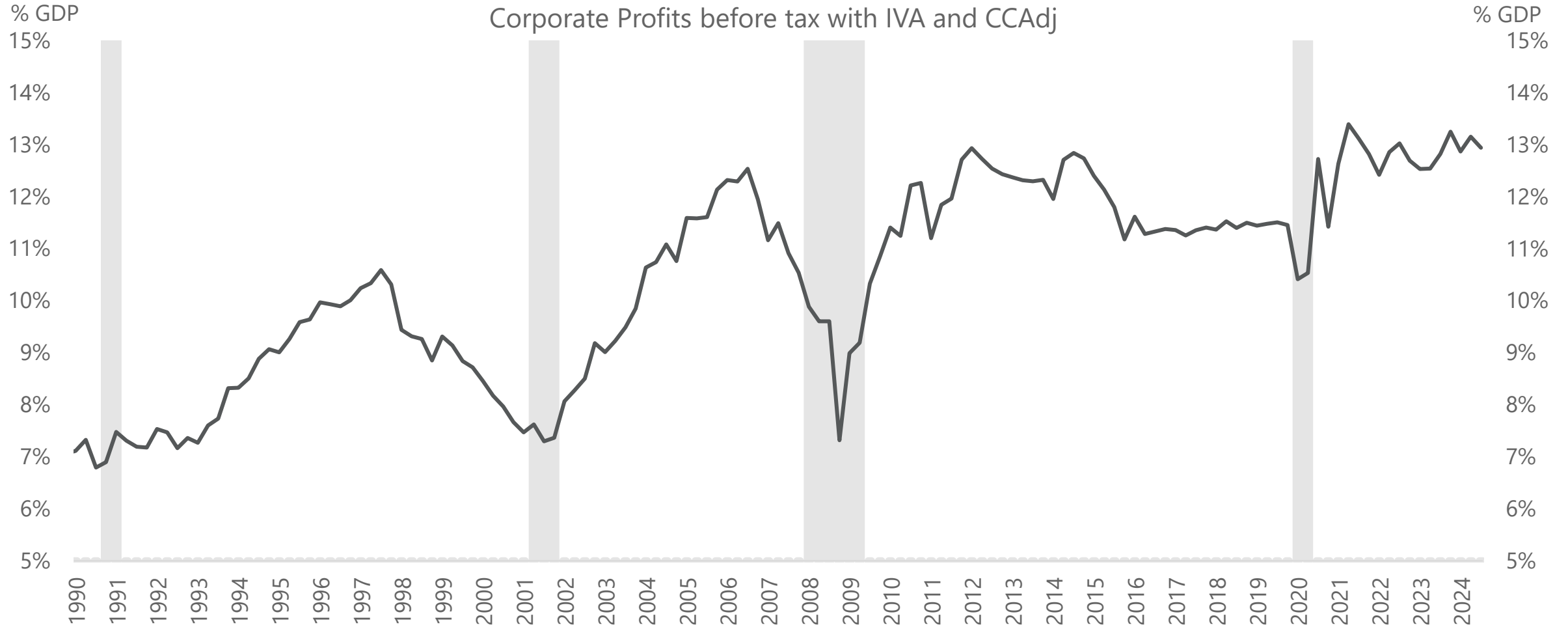


Source: BLS, Haver Analytics, Apollo Chief Economist. Note: Job finding rate is calculated as share of unemployed last month who are employed this month

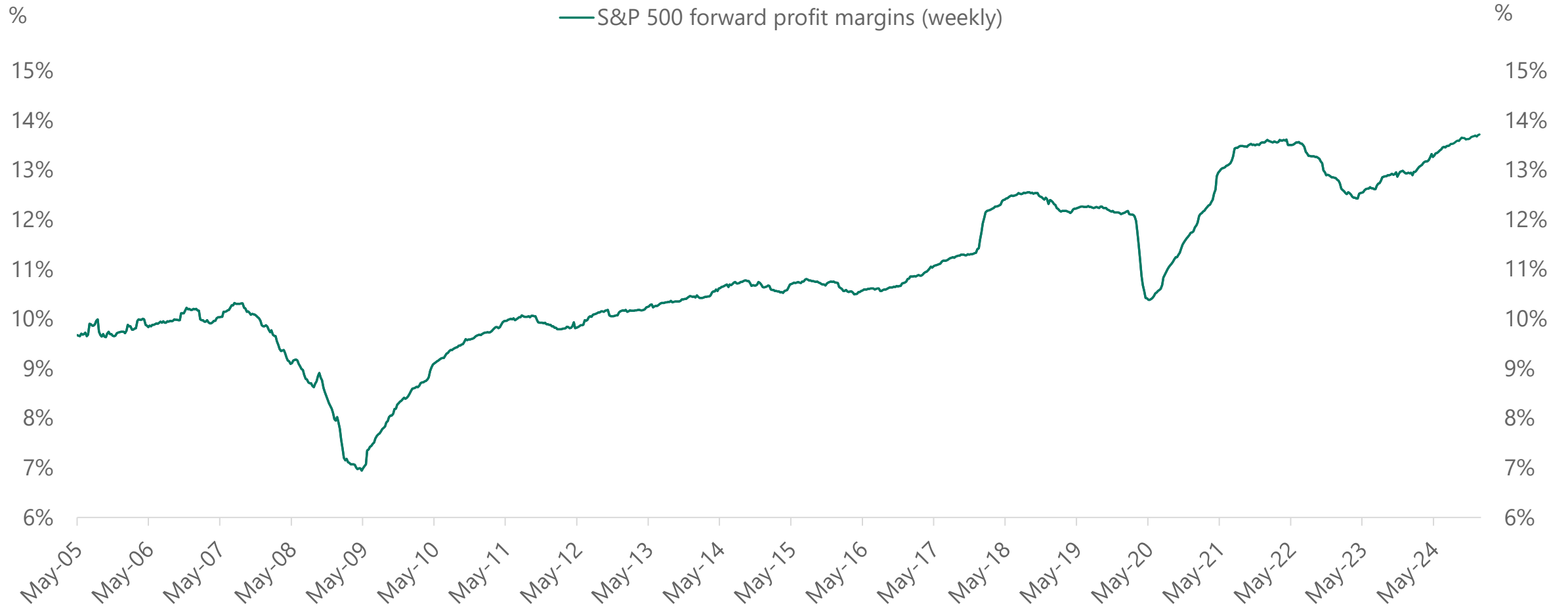
US consumers in good shape



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

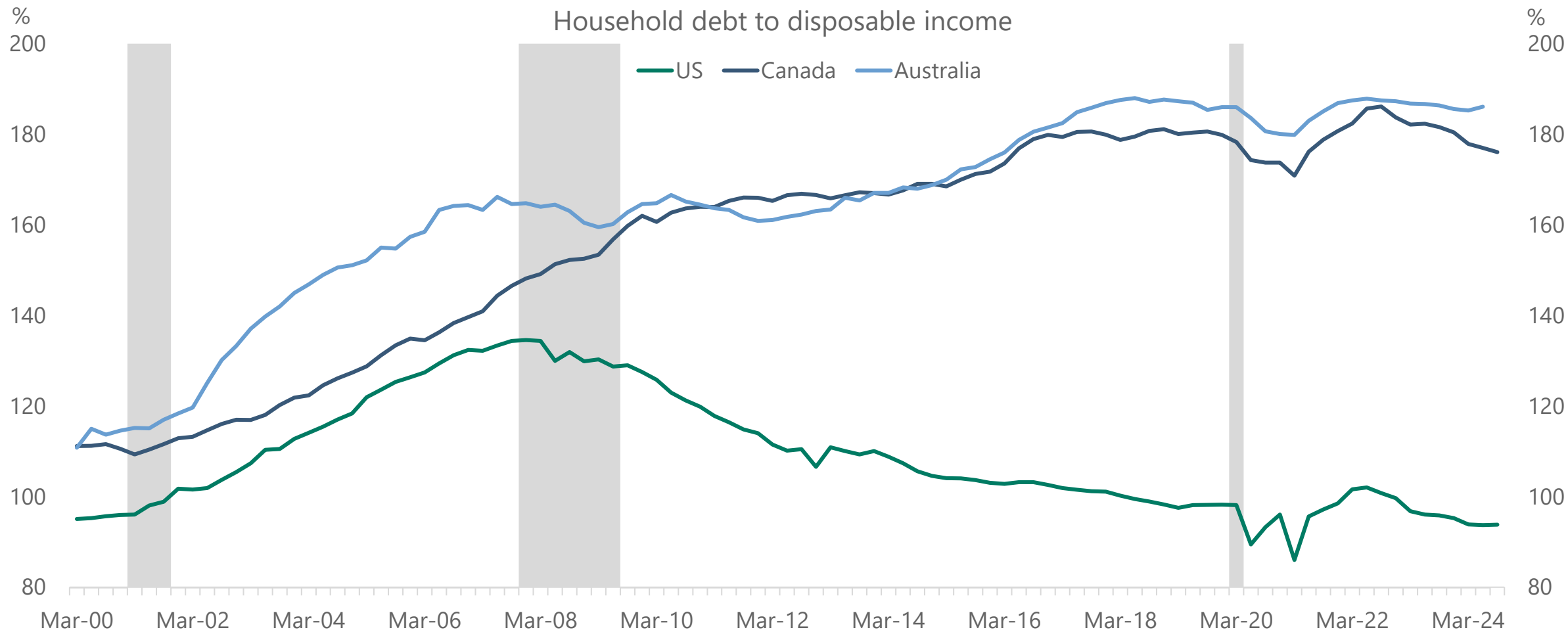


S&P 500 weekly forward profit margins at record high levels



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.

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: 3.0%

Fed's weekly GDP index: 2.2%

Retail sales: Strong

Jobless claims: Solid

Hotel occupancy rate, daily rate, and RevPAR: Strong

Bank lending to firms and consumers: Sideways

Bankruptcy filings: Trending lower

Credit and debit card data: Solid

Gasoline demand: Strong

Broadway show attendance: Strong

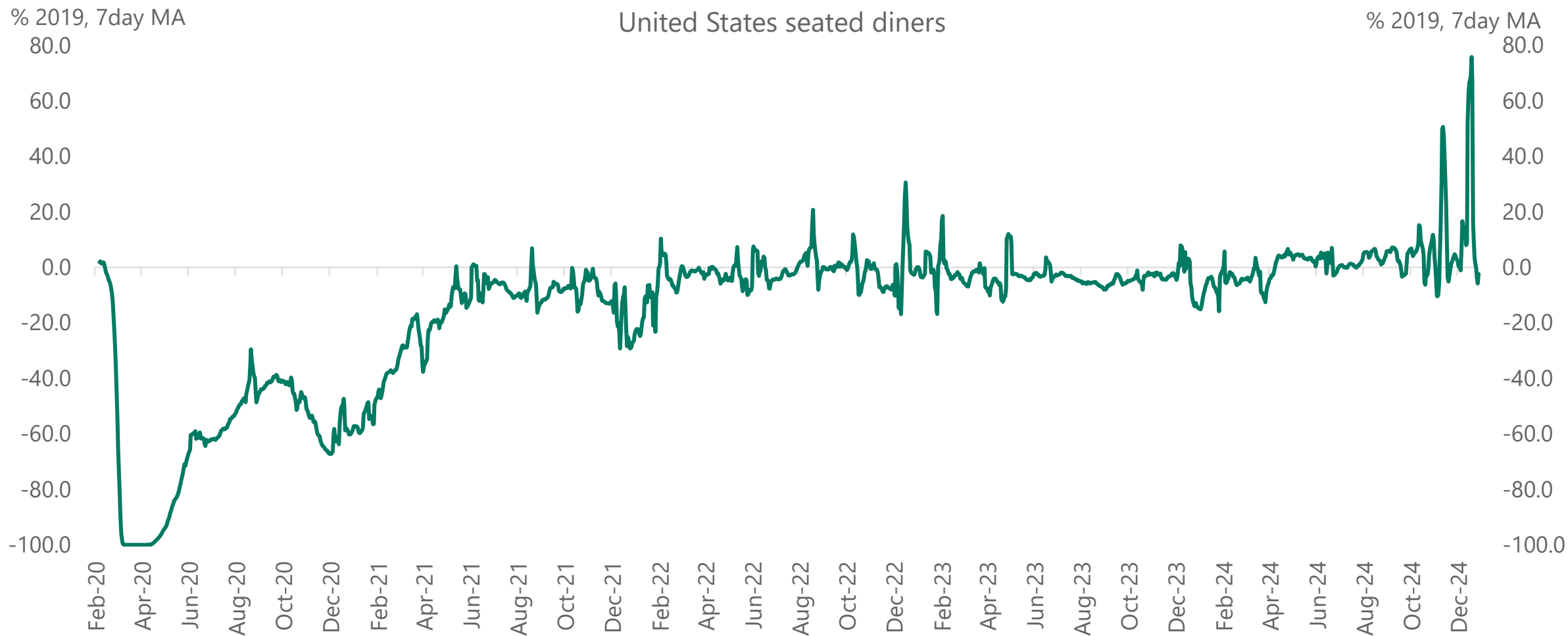
Box office weekly grosses: Strong

S&P 500 forward profit margins: At record highs

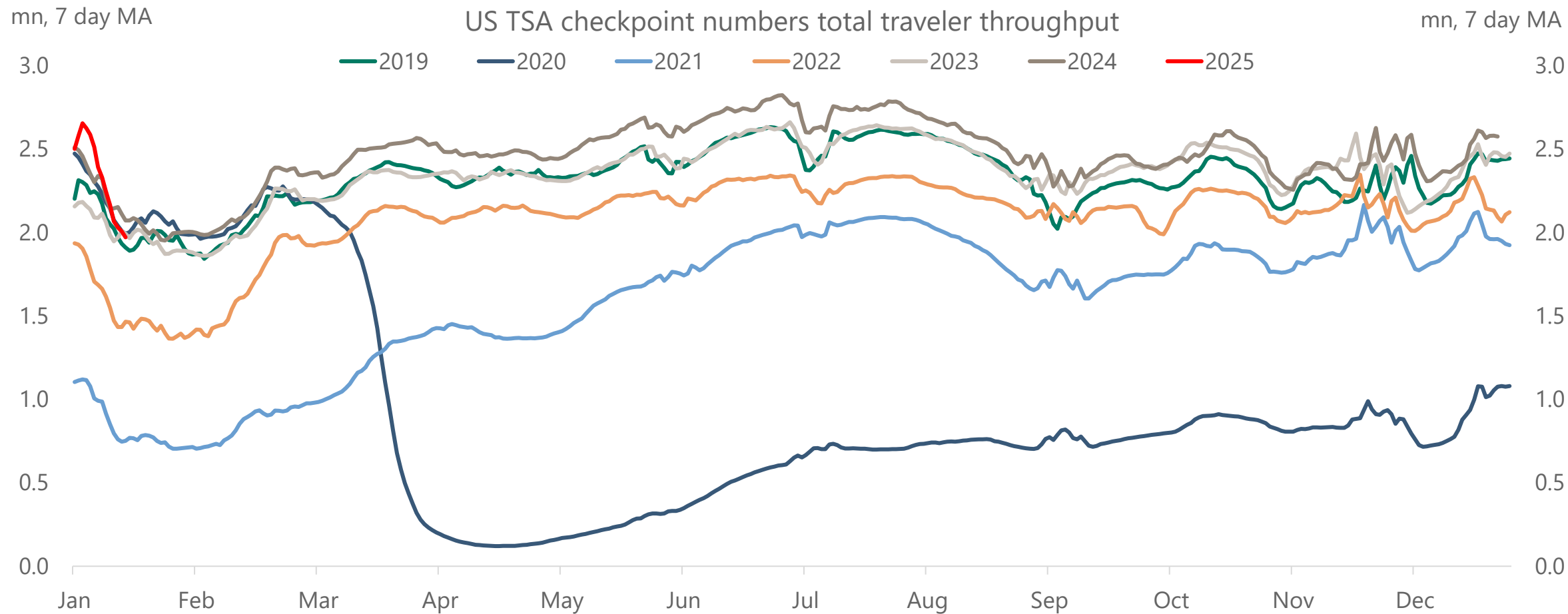
Business formation: Weak

ASA temp worker staffing index: Weak

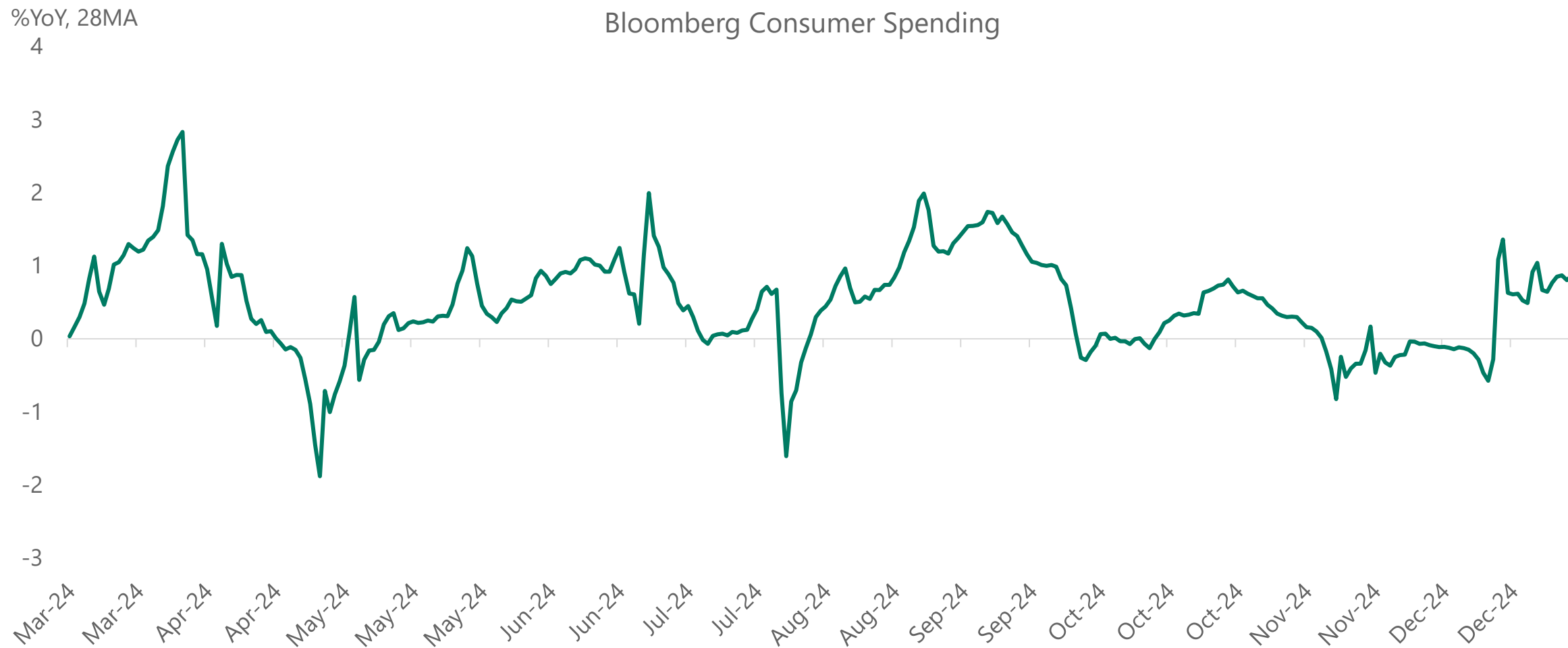
Daily data for restaurant bookings



Daily data for US air travel

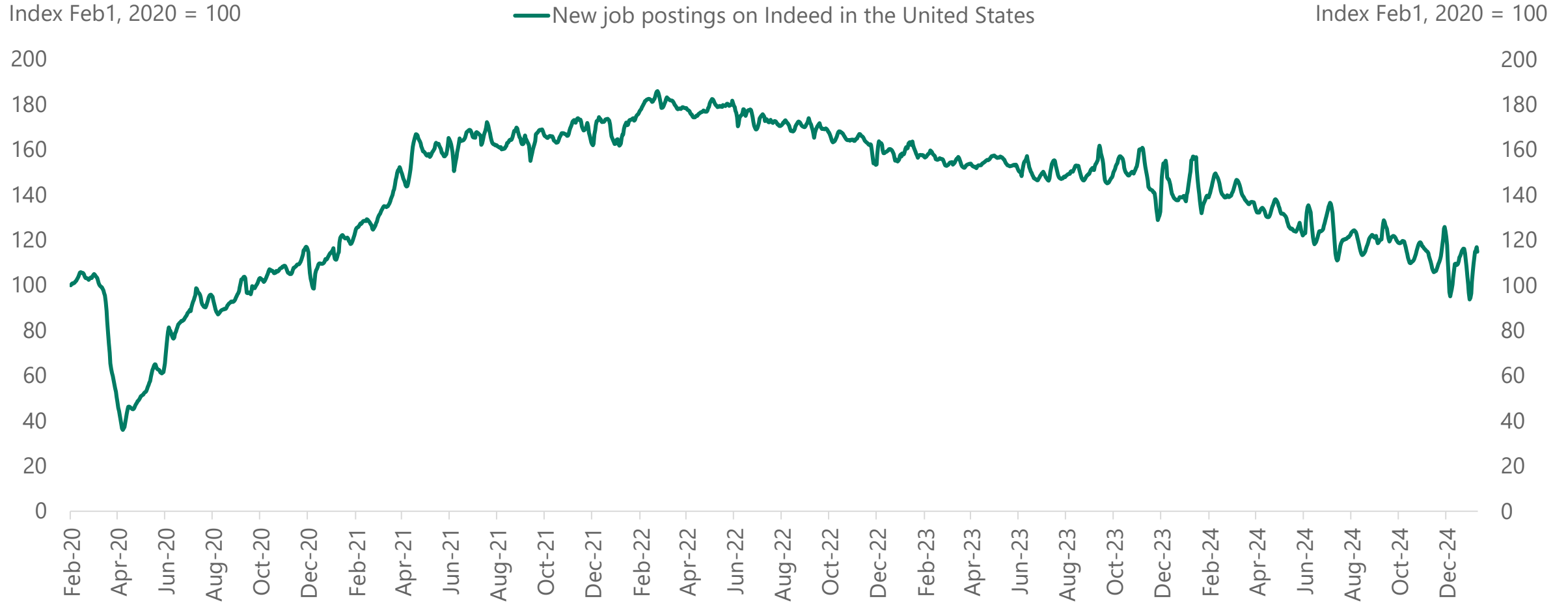


Daily data for debit card transactions



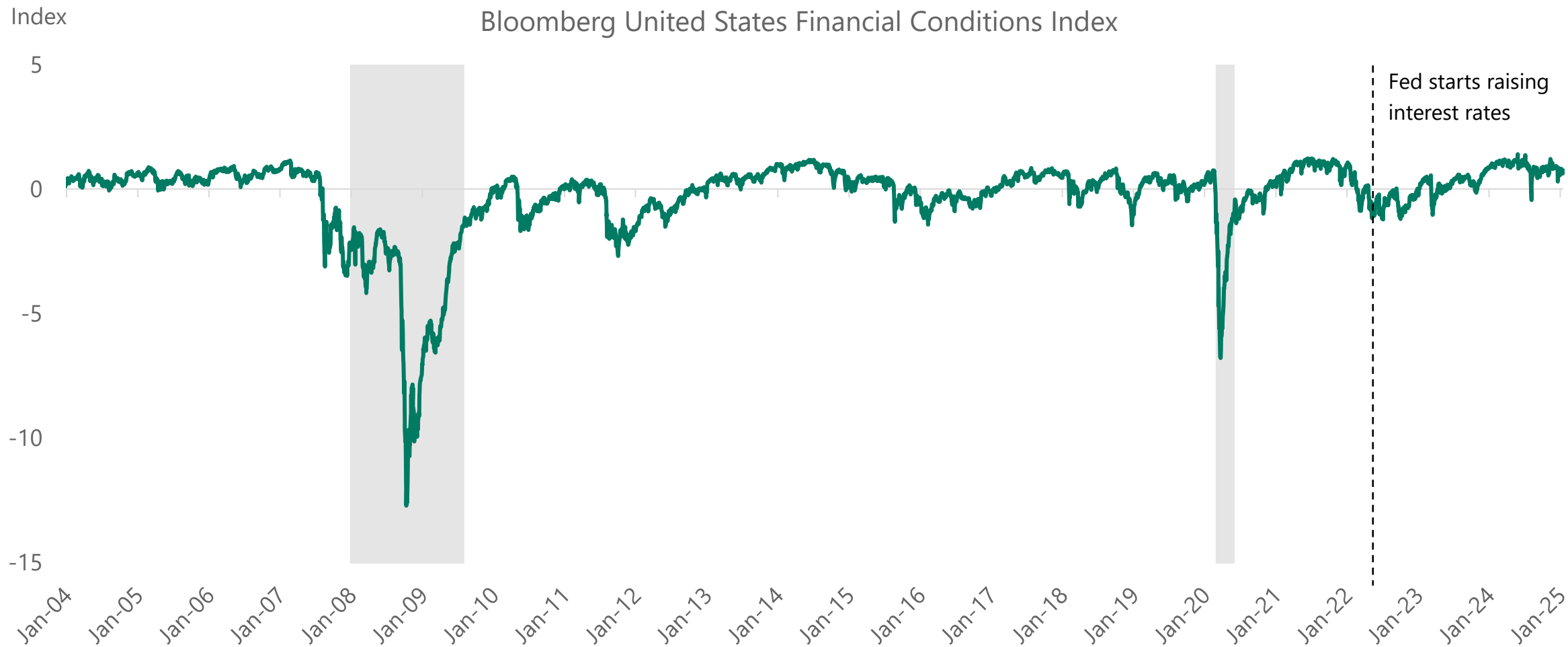
Source: Bloomberg, Apollo Chief Economist. Note: Consists largely of debit card transactions

Daily jobs postings

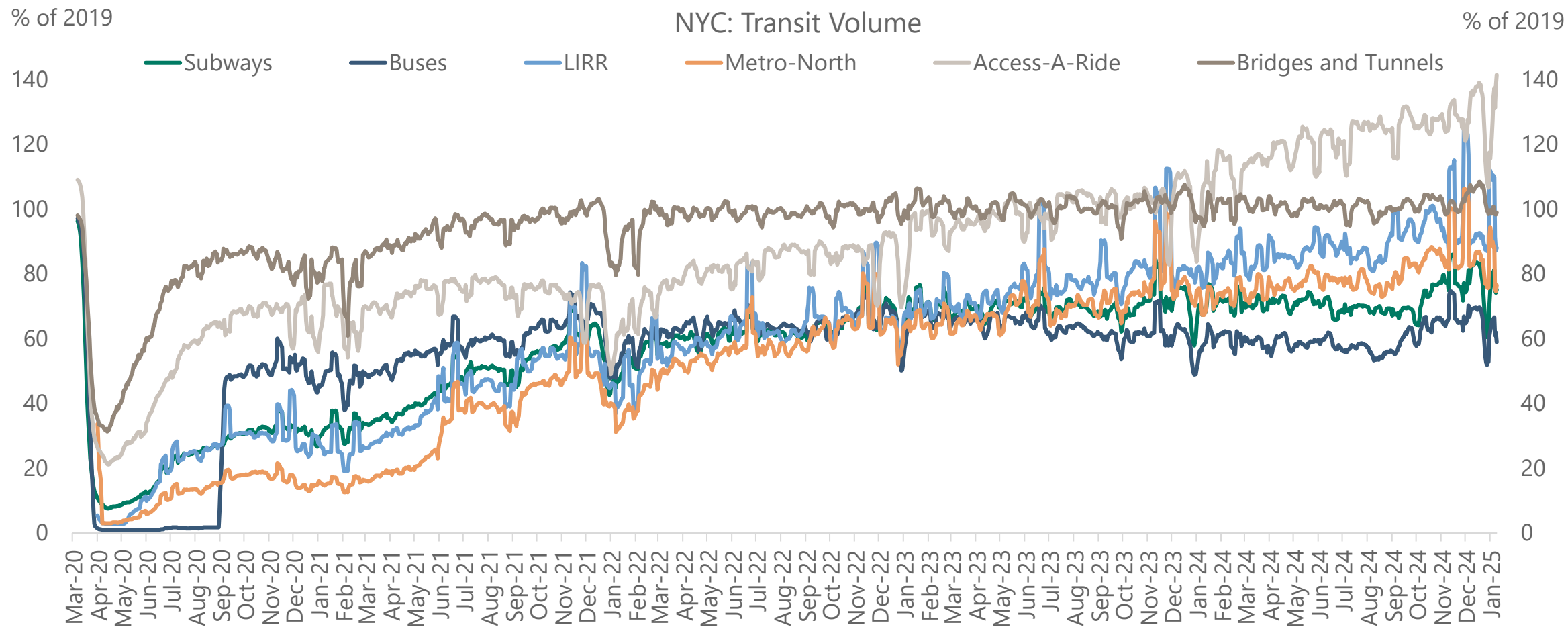


Source: Indeed, Bloomberg, Apollo Chief Economist. Note: The data is seasonally adjusted

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

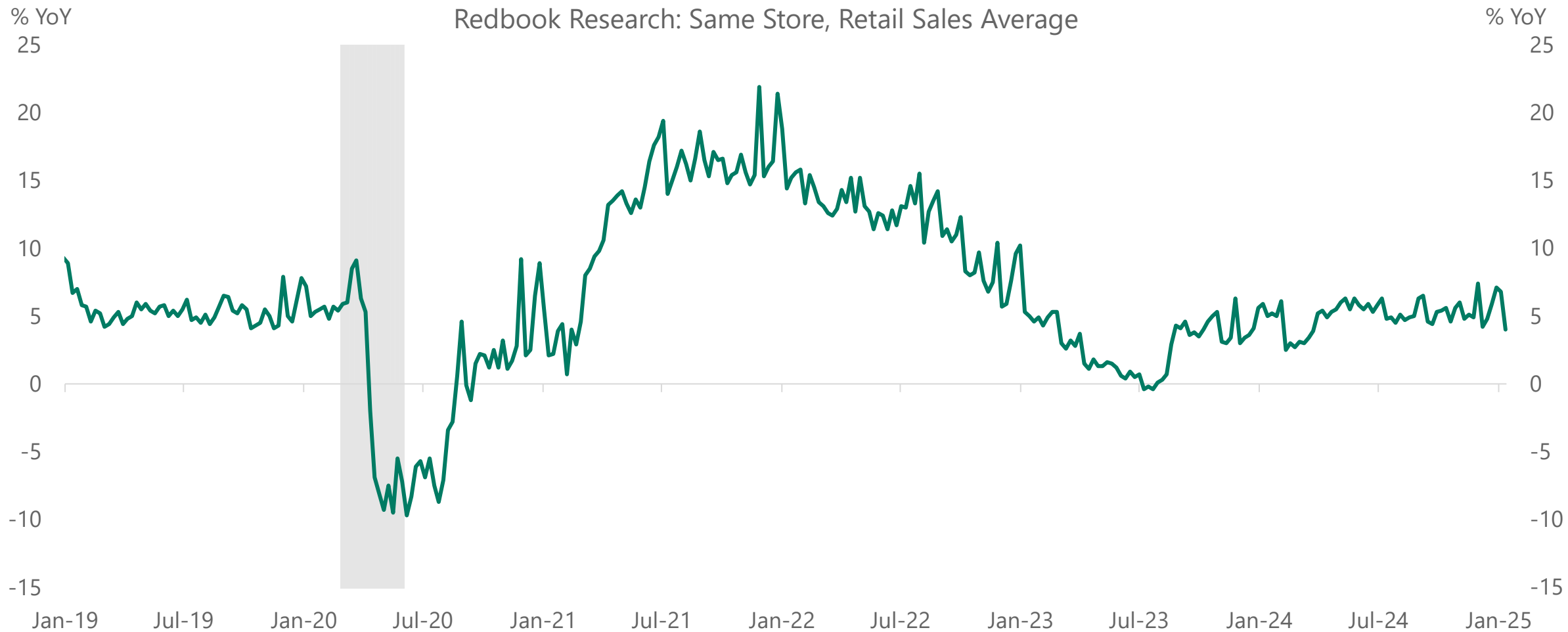


Daily NYC mobility indicators

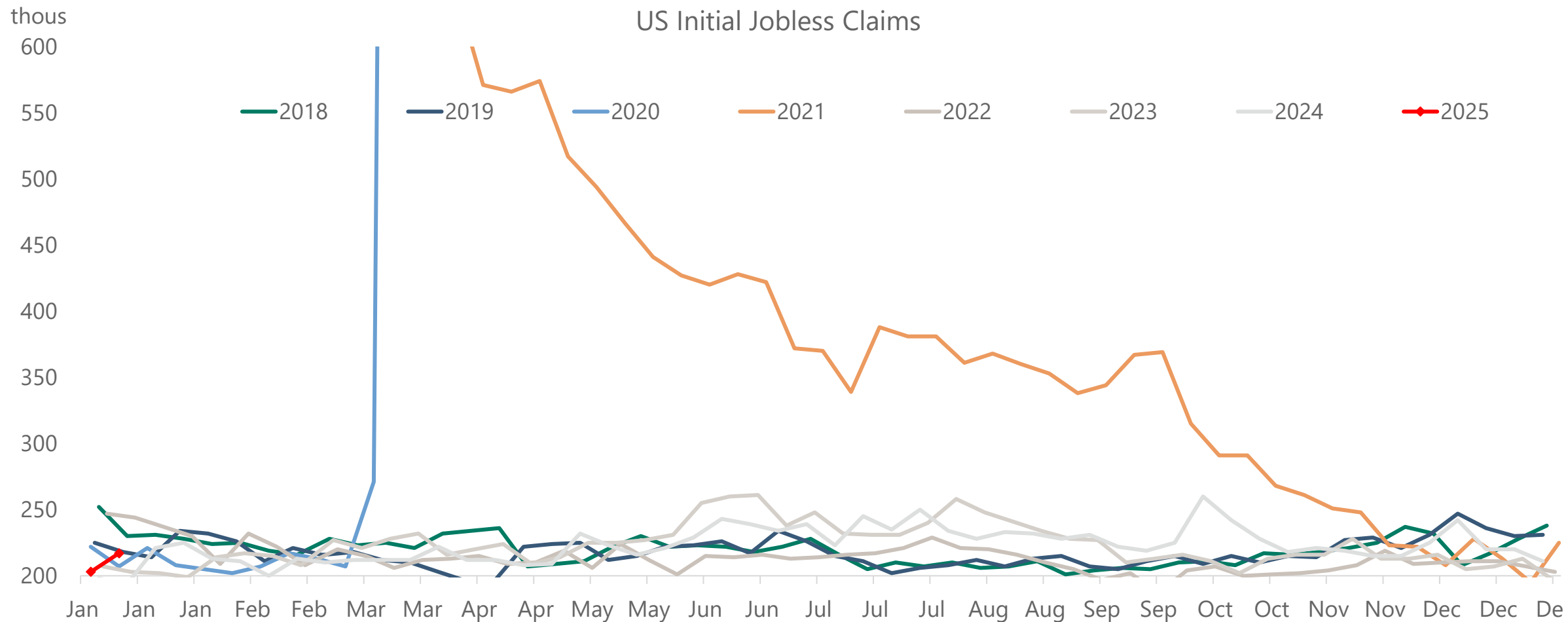


Weekly data

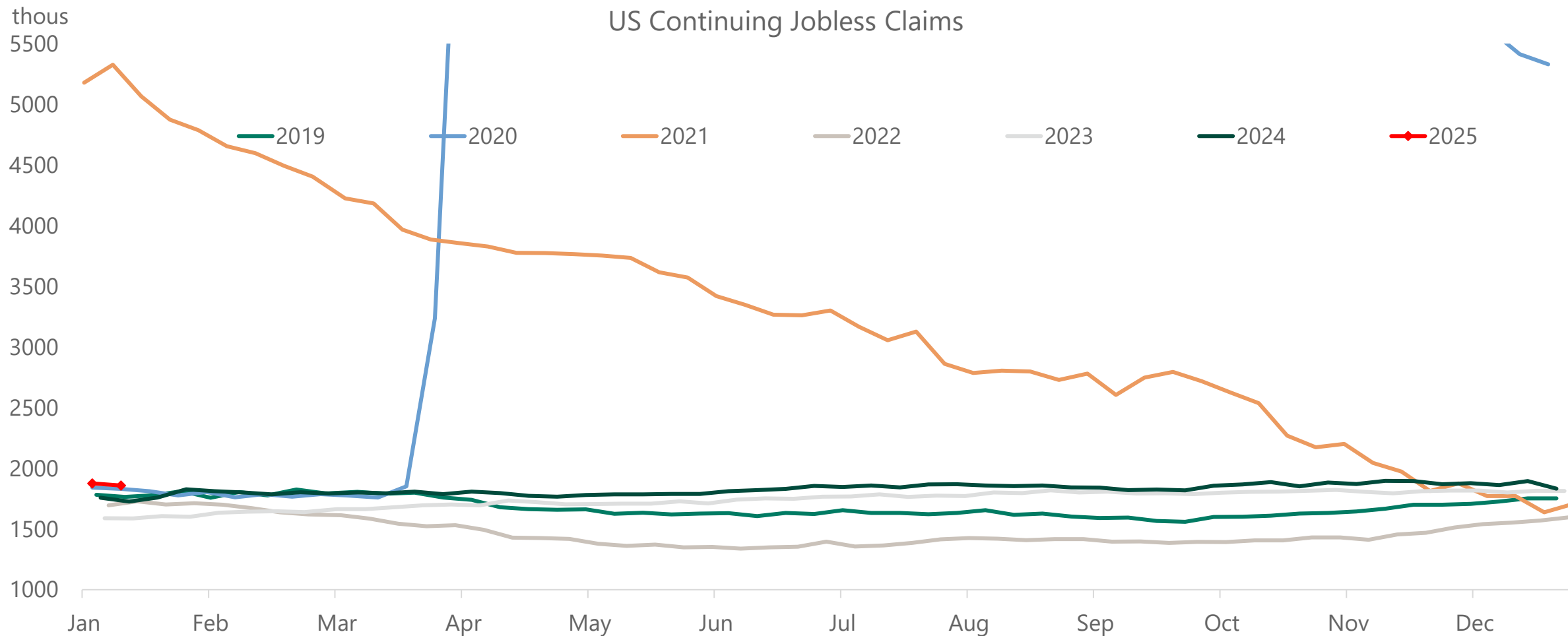
Weekly data for same-store retail sales



Weekly initial jobless claims

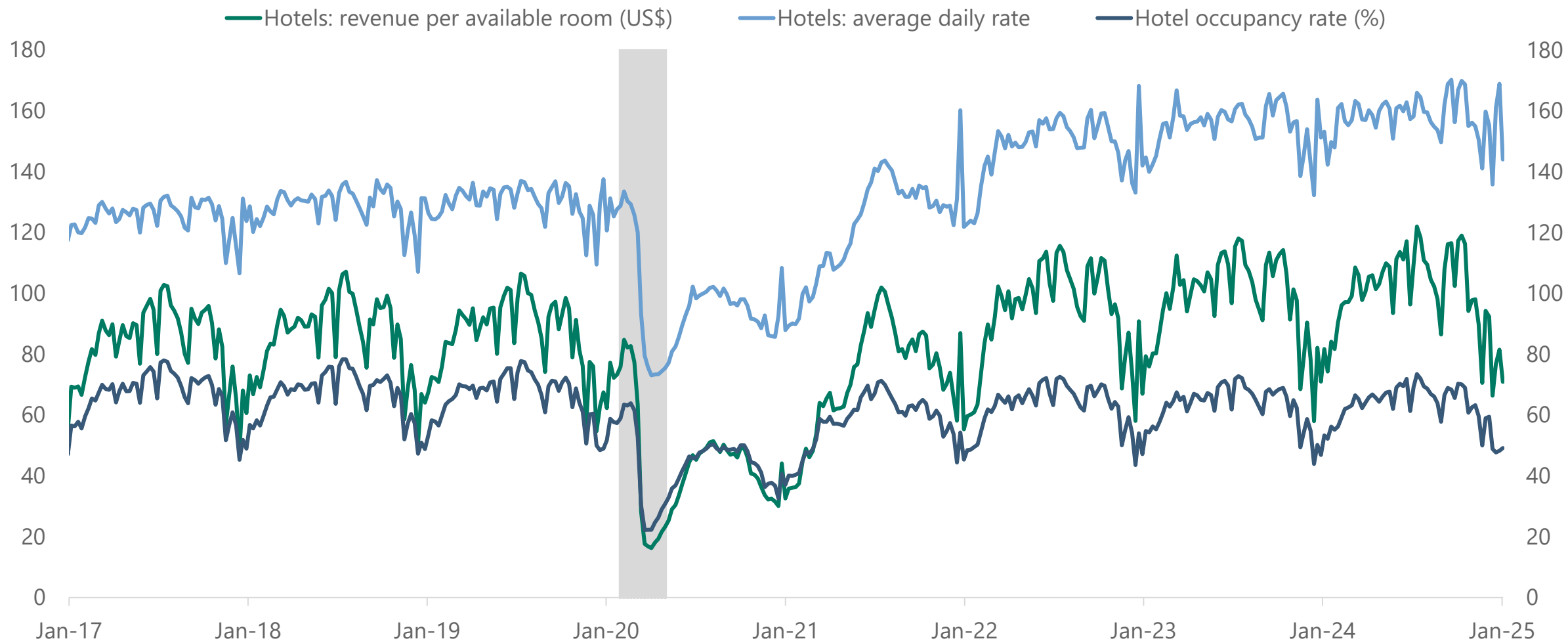


Weekly continuing jobless claims

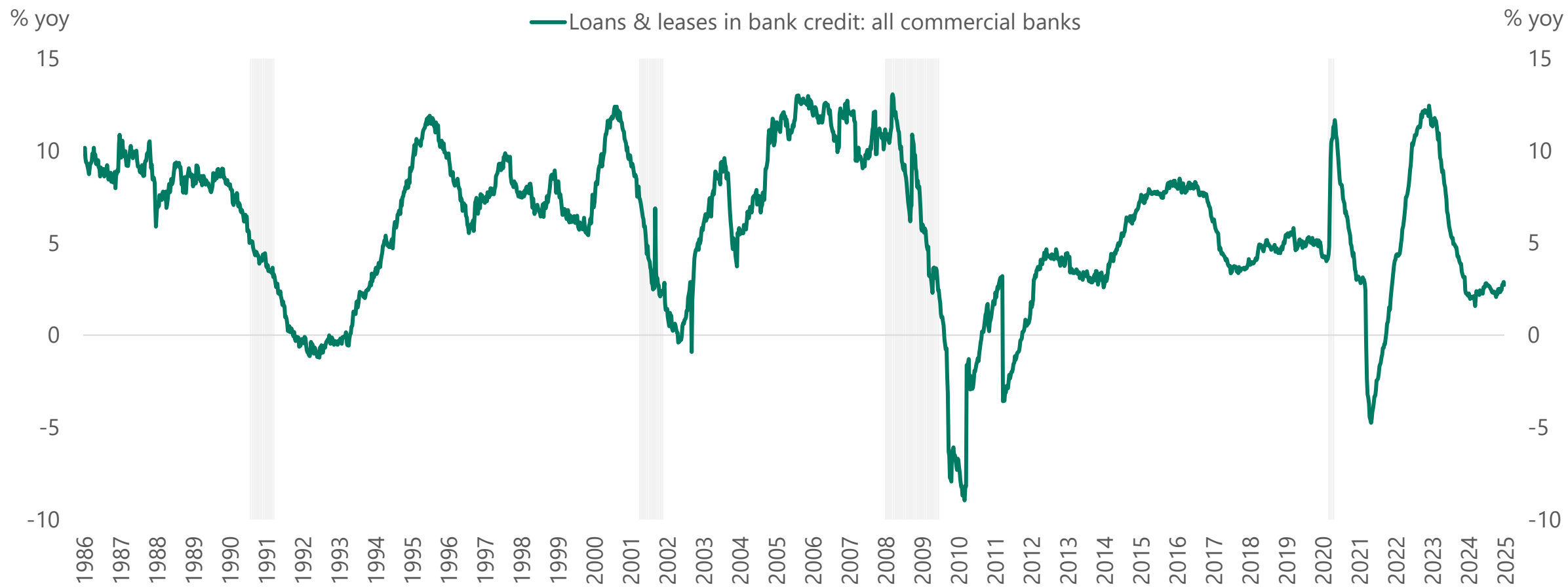


Source: U.S. Department of Labor, Apollo Chief Economist.

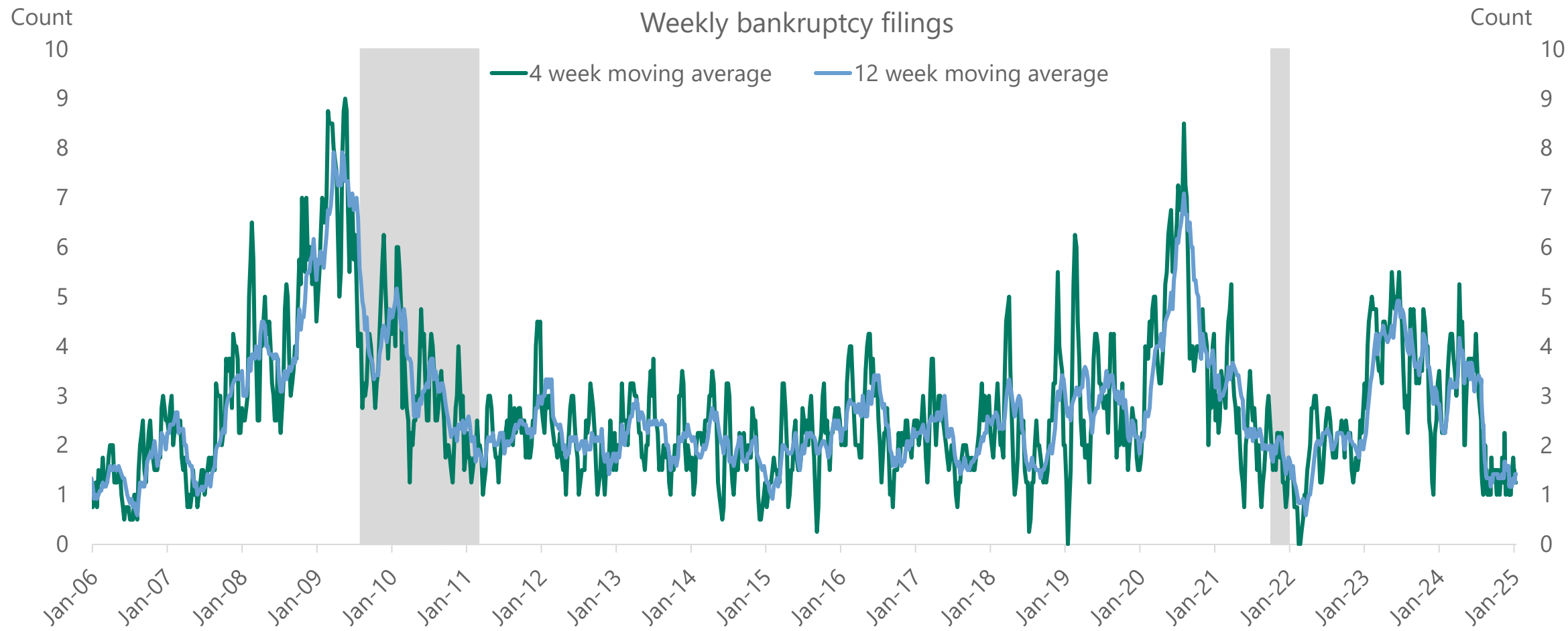
Weekly data for hotel demand



Weekly loan growth for banks

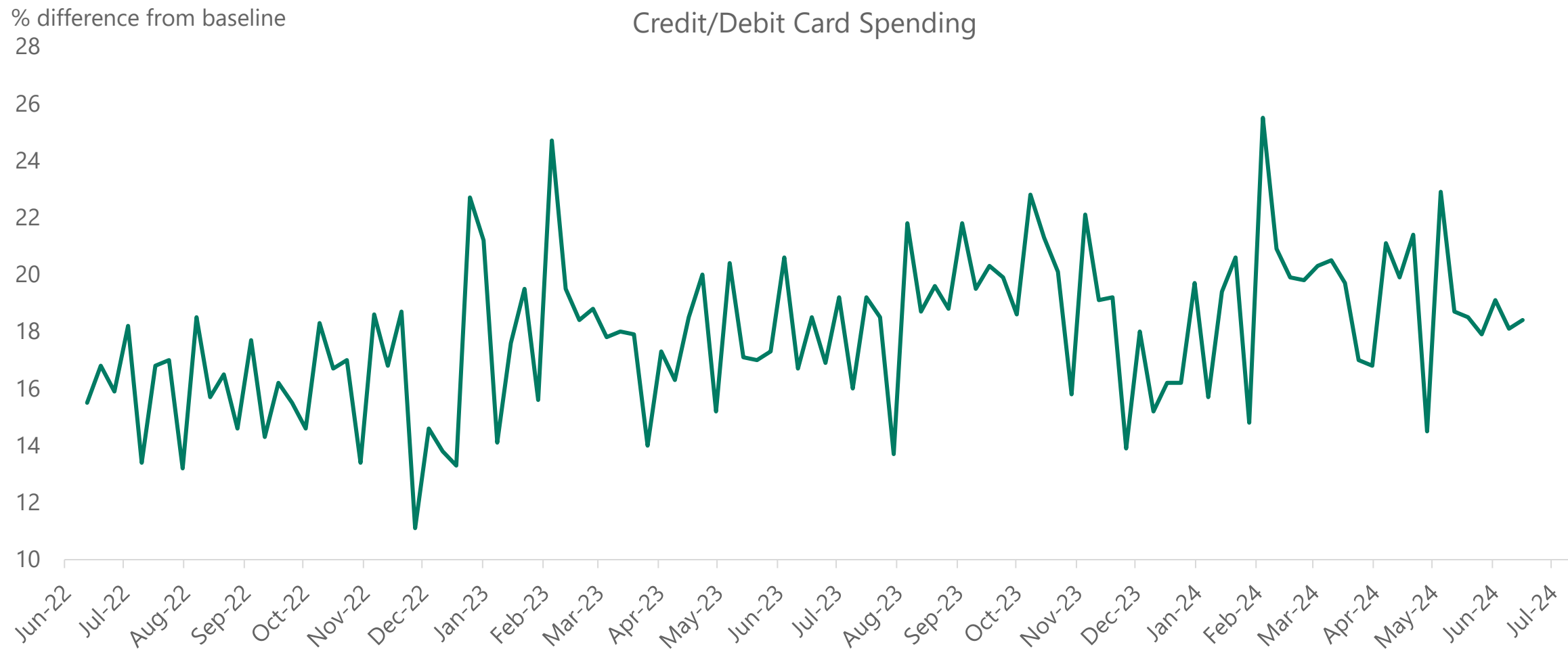


Weekly bankruptcy filings



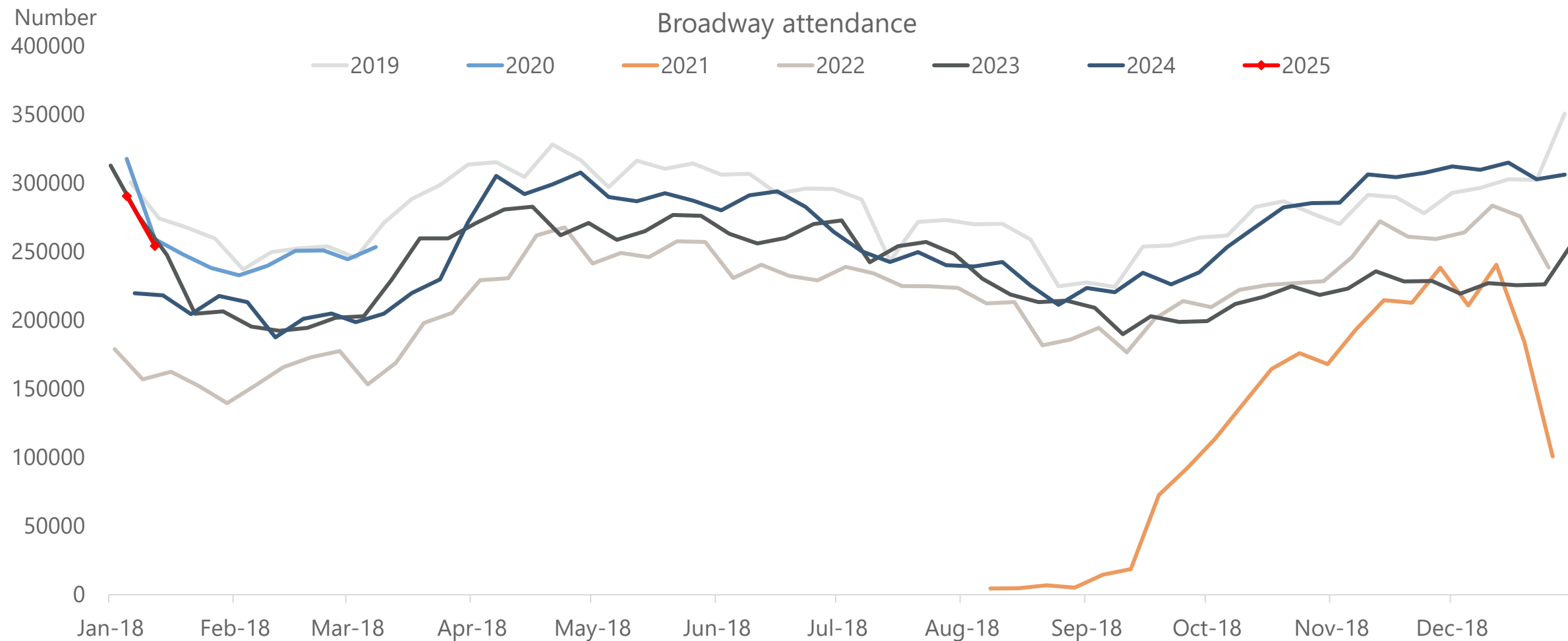
Source: Bloomberg, Apollo Chief Economist. Note: Filings are for companies with more than \$50mn in liabilities. For week ending on January 16th, 2025.

Weekly credit and debit card spending

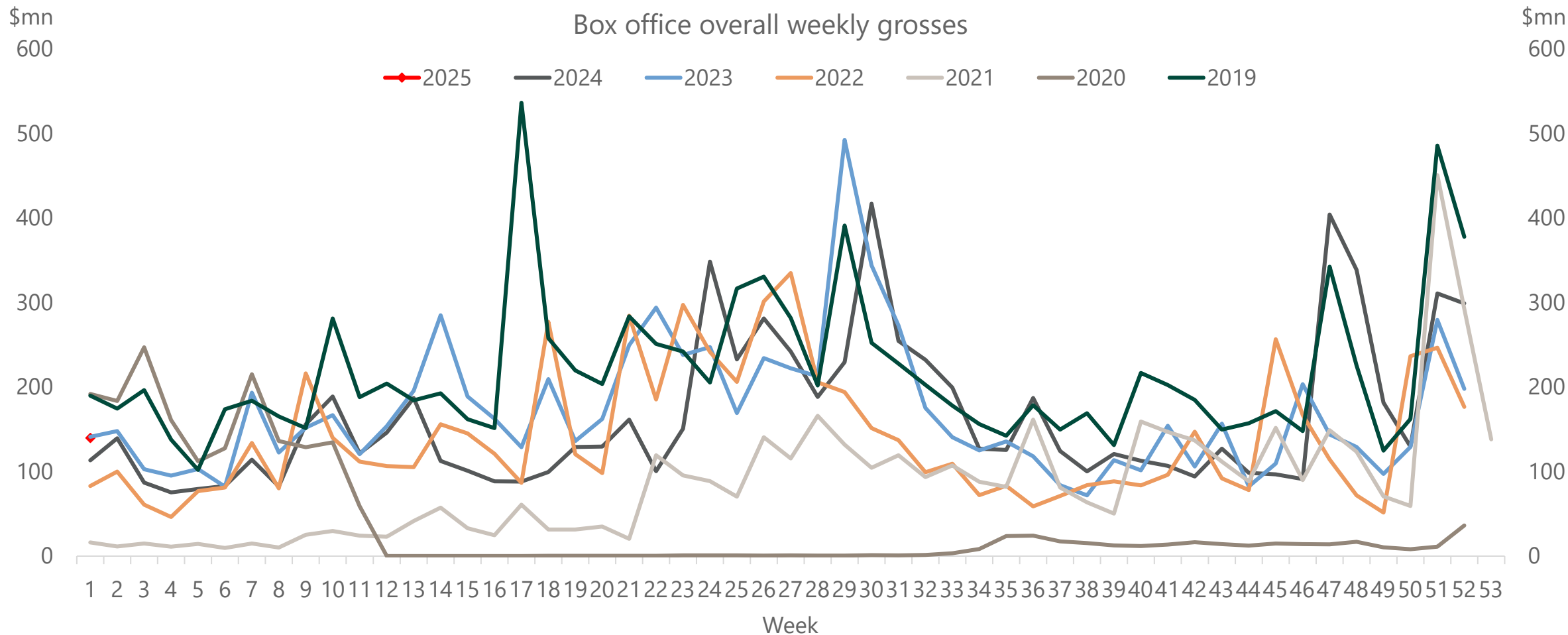


Source: Affinity solutions via Opportunity Insights, Haver Analytics, Apollo Chief Economist. Note: Baseline is January 2020

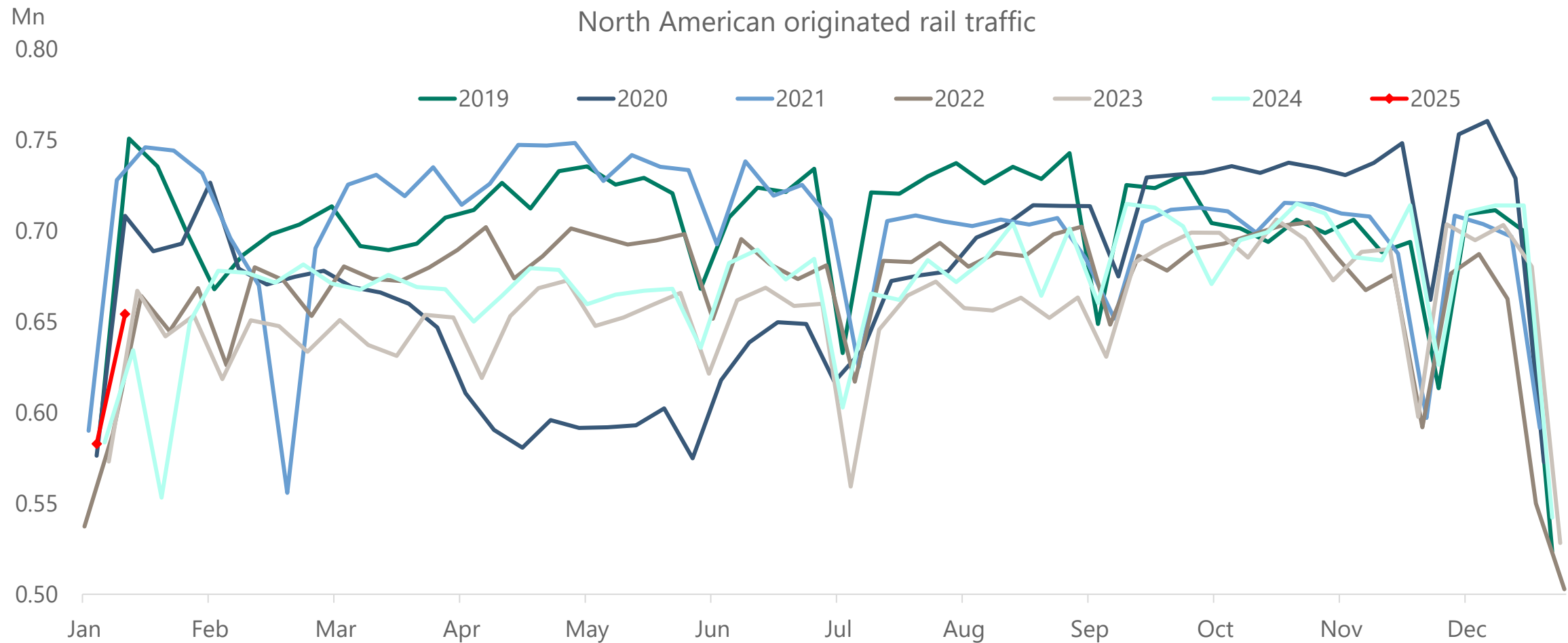
Weekly Broadway show attendance



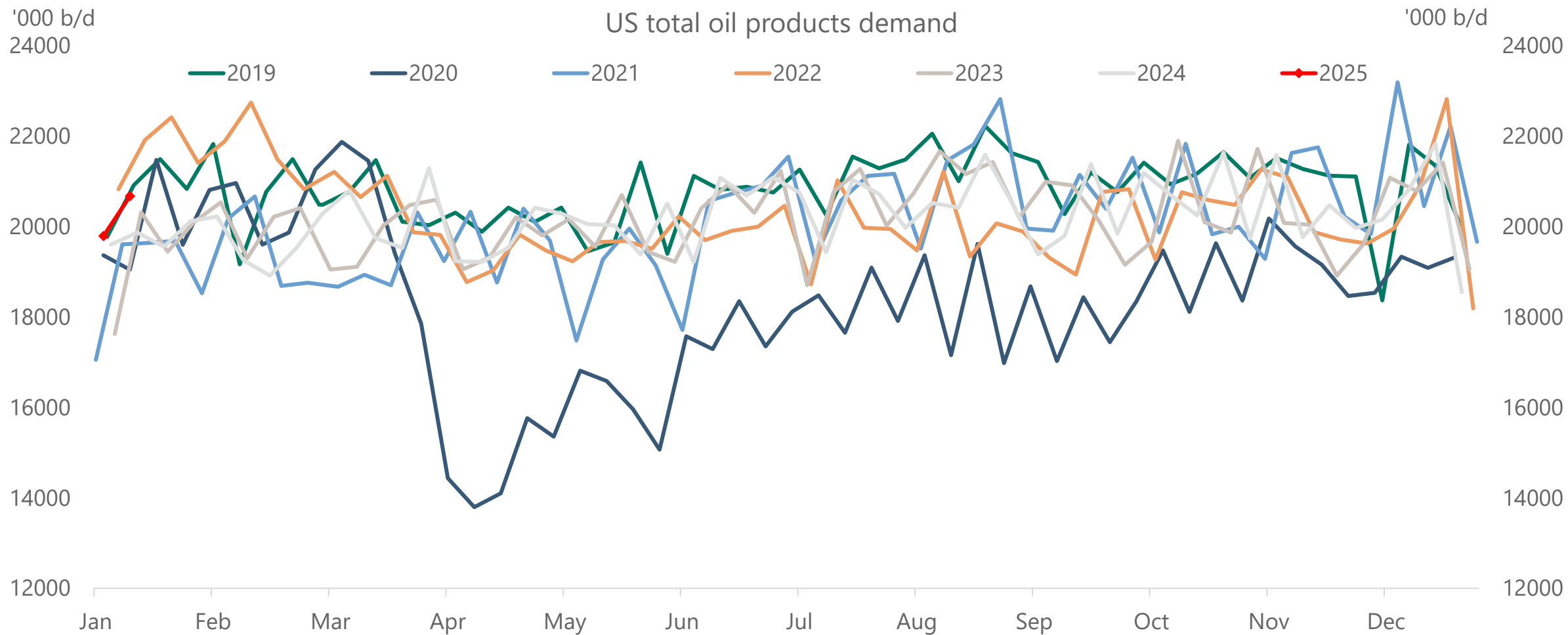
Weekly movie theatre visits



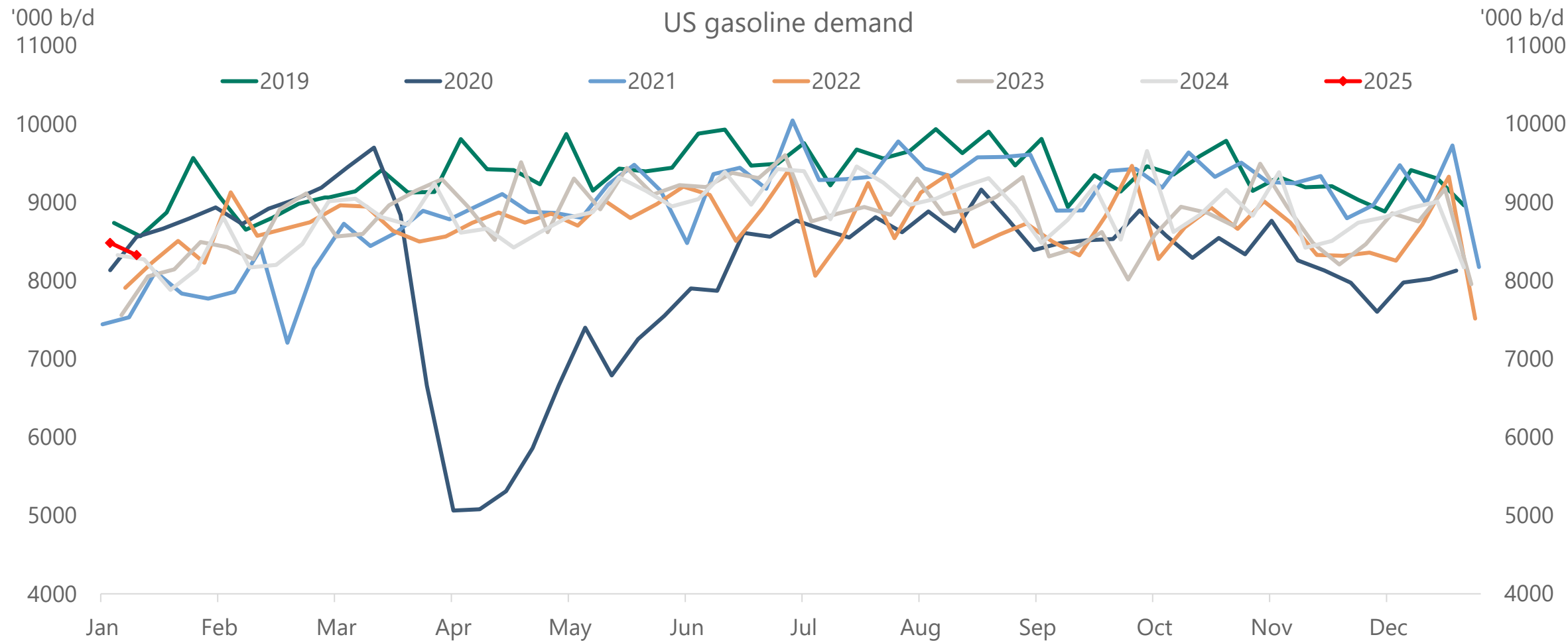
Rail traffic volumes



Weekly oil demand

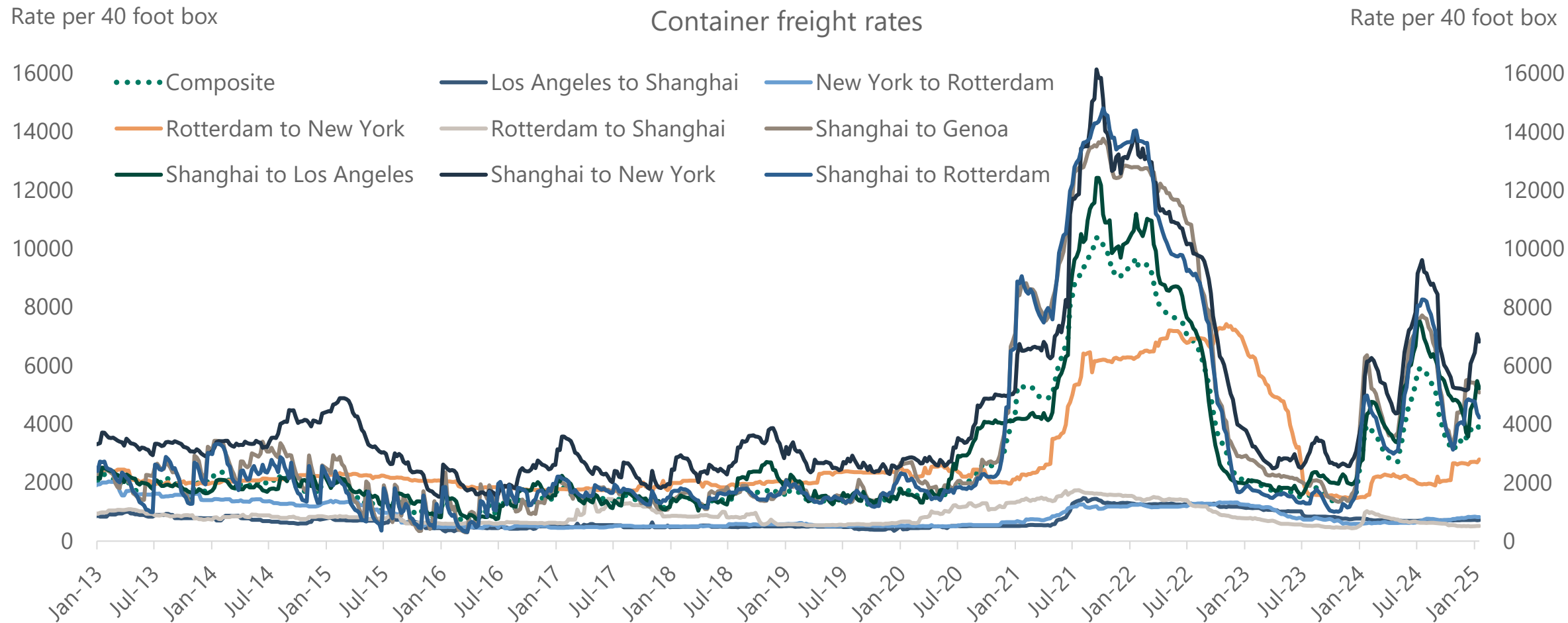


Weekly gasoline demand



Source: Department of Energy, Bloomberg, Apollo Chief Economist

Weekly container freight rates



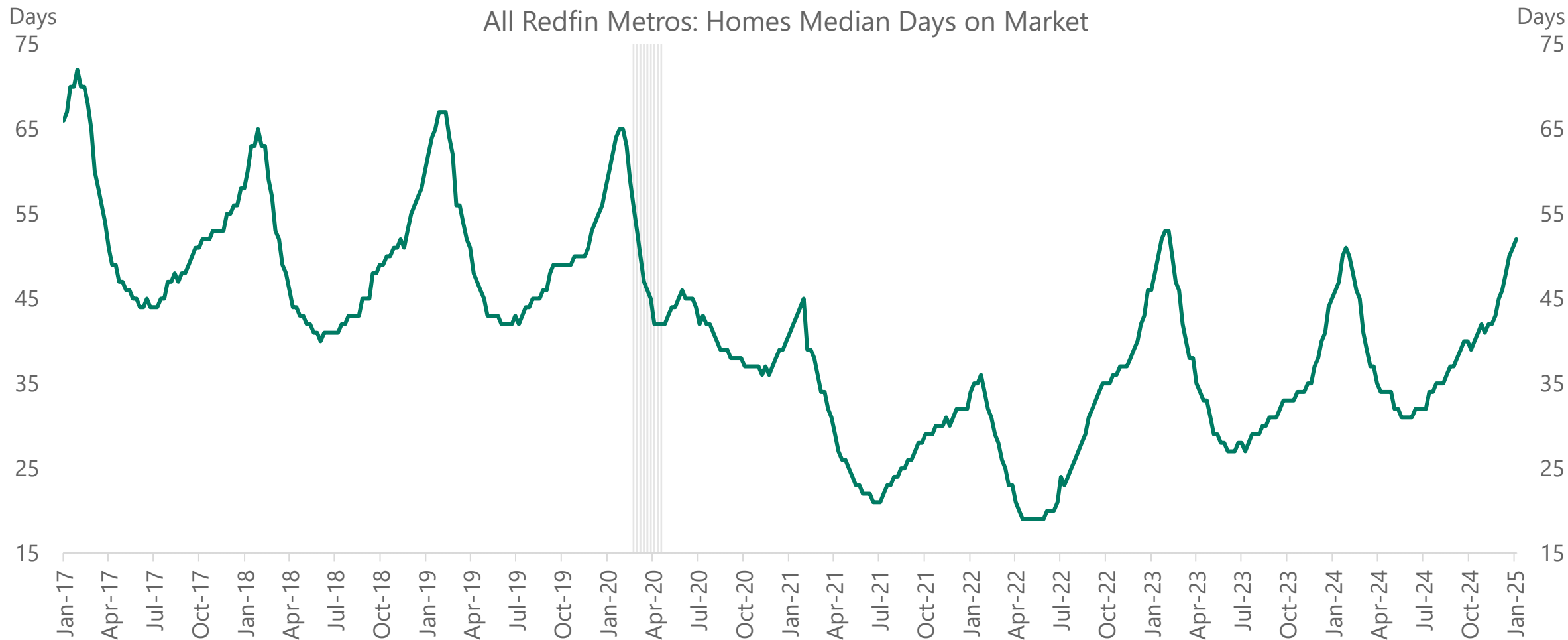
Source: WCI, Bloomberg, Apollo Chief Economist

China: Containerized freight index

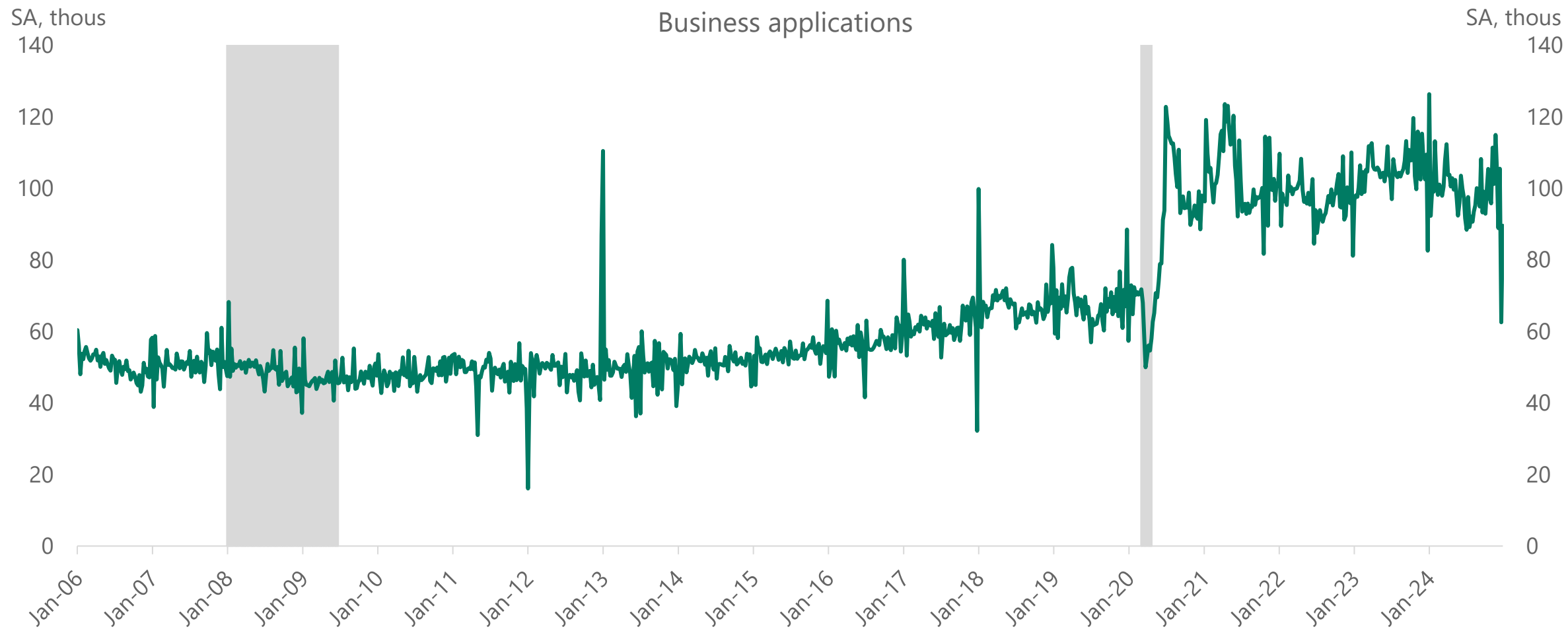


Source: Shanghai Shipping Exchange, Bloomberg, Apollo Chief Economist

Homes for sale: Median days on the market

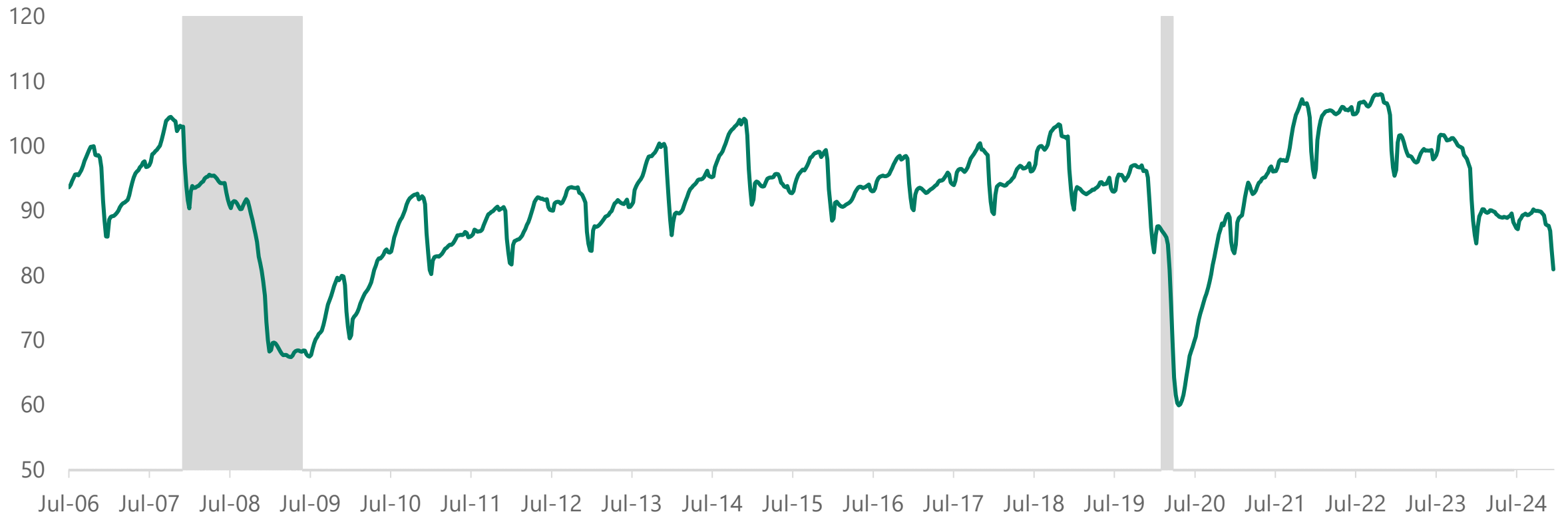


Weekly business formation statistics



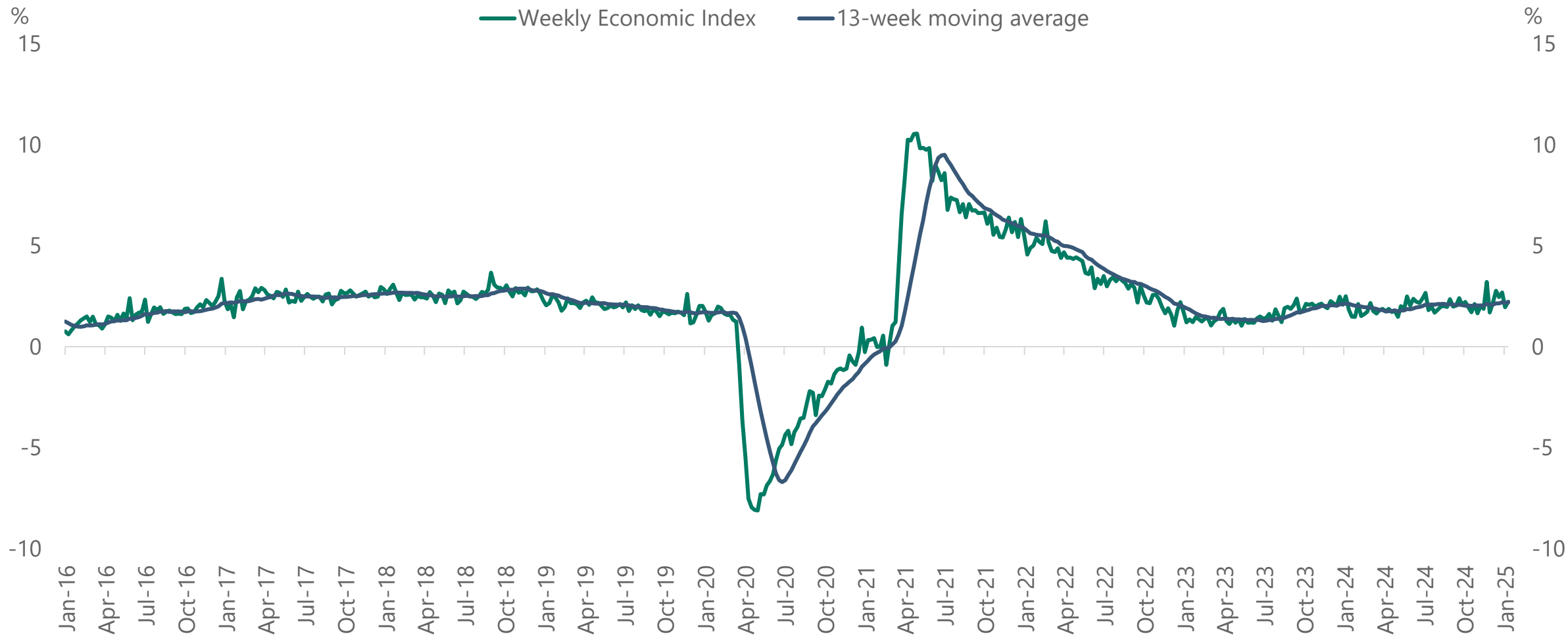
Weekly ASA temp worker staffing index

Index, 4 week ma

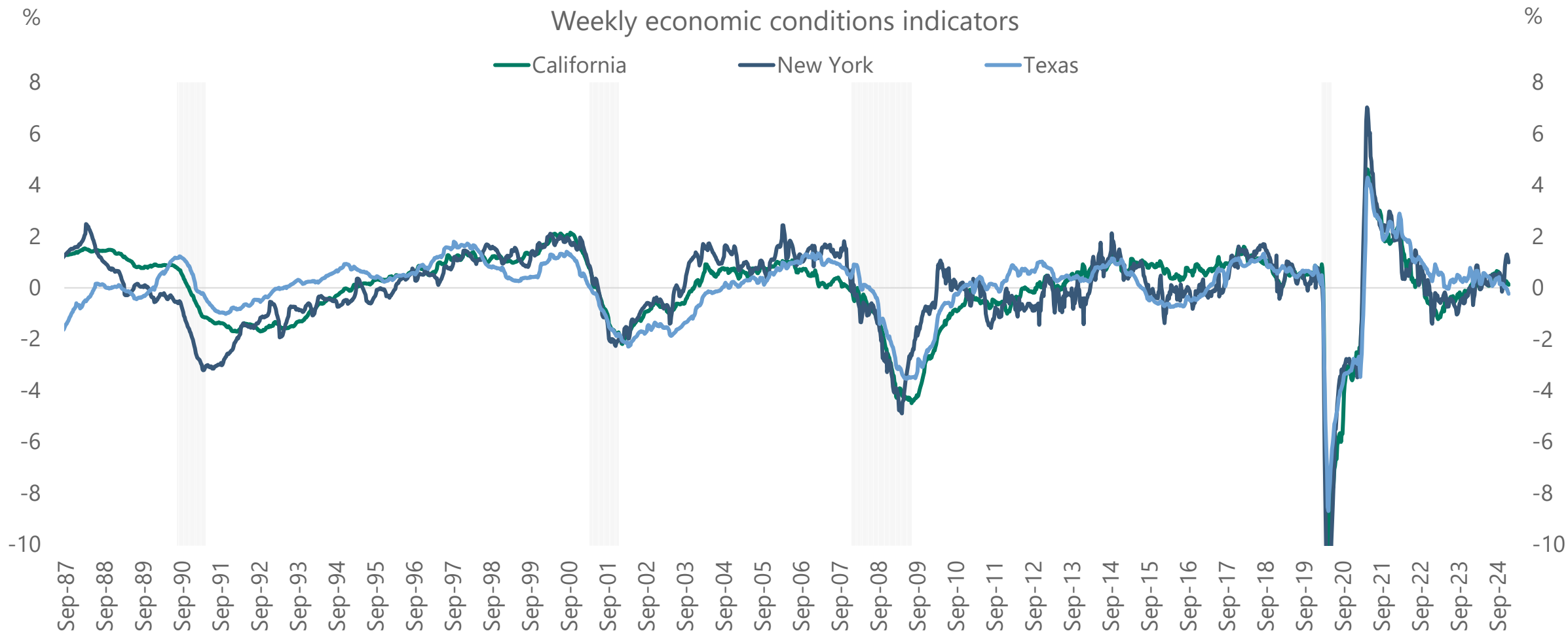


Source: American Staffing Association (ASA), Bloomberg, Apollo Chief Economist. Note: The ASA Staffing Index tracks weekly changes in temporary and contract employment and serves as an indicator of current economic conditions. All staffing firms with U.S. operations are invited to participate in the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

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

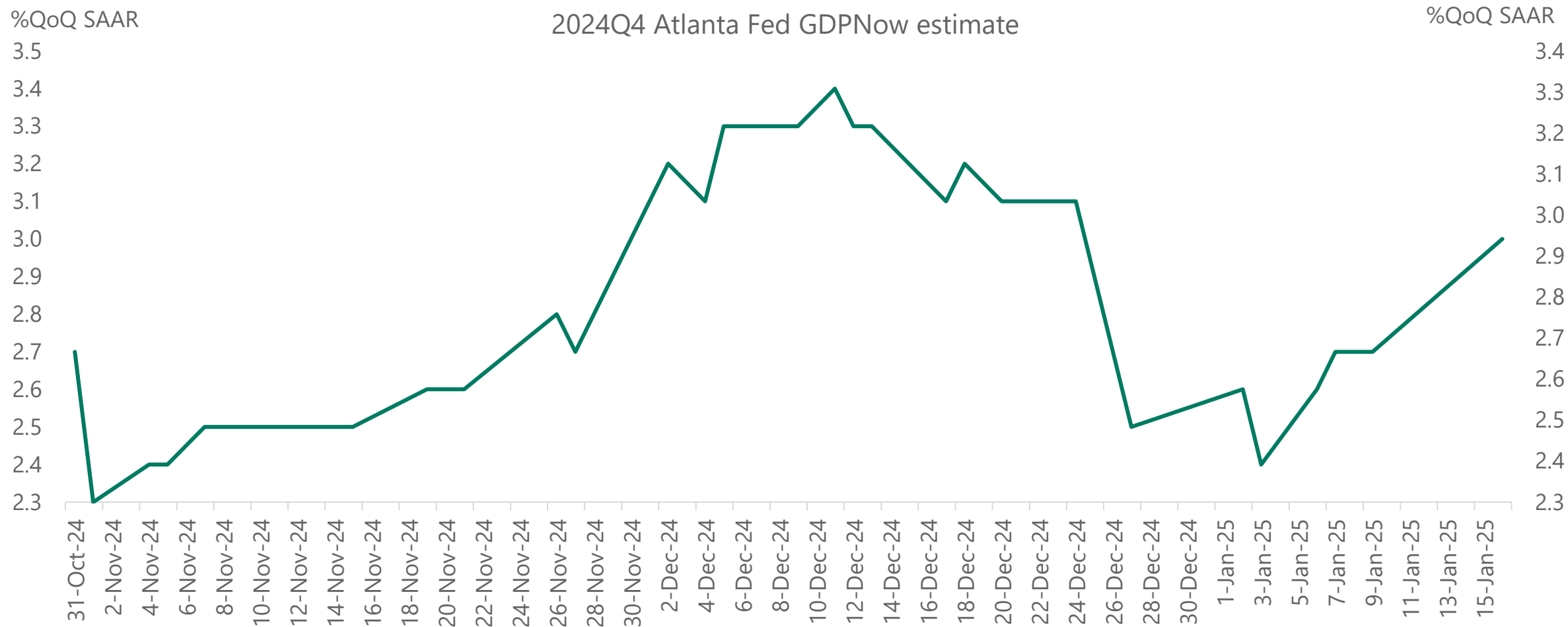


Weekly economic indicators for New York, California, and Texas trending higher



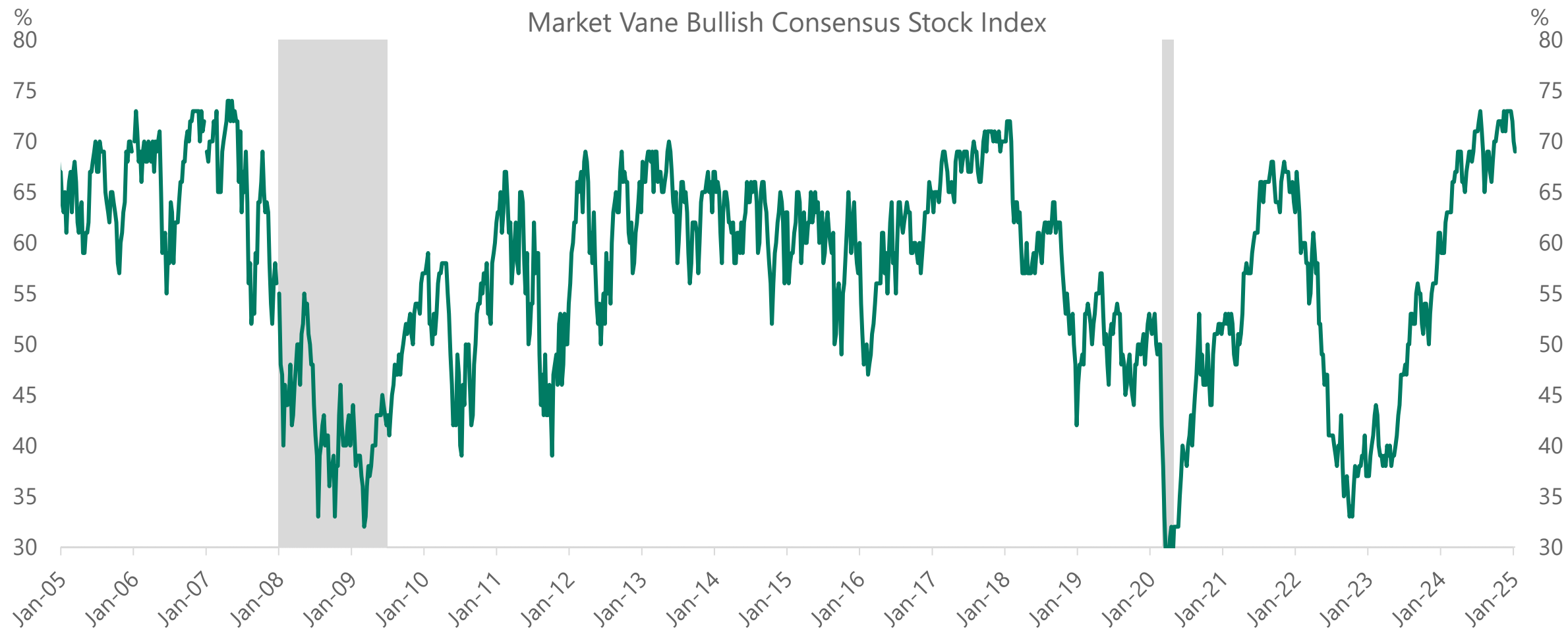
Source: Baumeister, Christiane, Danilo Leiva-Leon, and Eric Sims (2024), "Tracking Weekly State-Level Economic Conditions," *Review of Economics and Statistics*, 106(2), 483-504., Apollo Chief Economist. Note: The economic conditions indices are computed with mixed-frequency dynamic factor models with 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: 3.0%



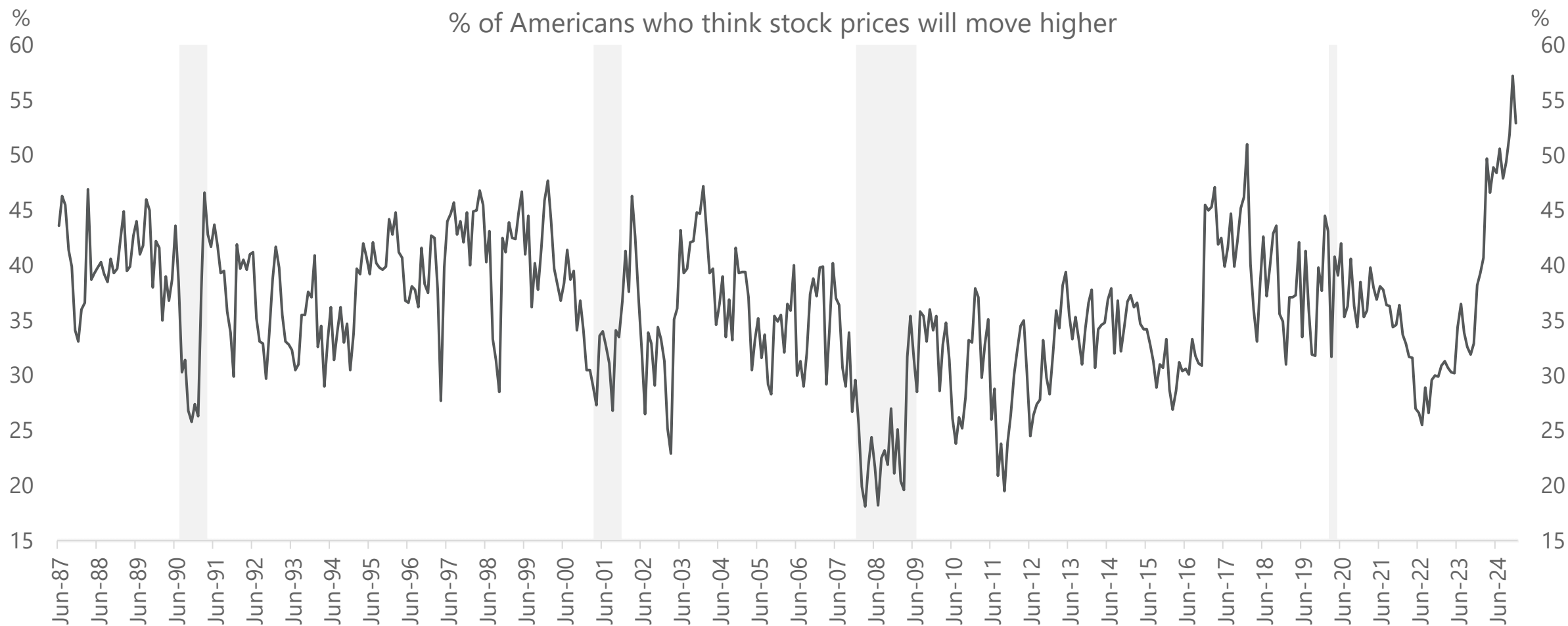
Note: Updated as of January 16, 2025. Source: Federal Reserve Bank of Atlanta, Haver Analytics Apollo Chief Economist

Weekly bullish consensus stock index

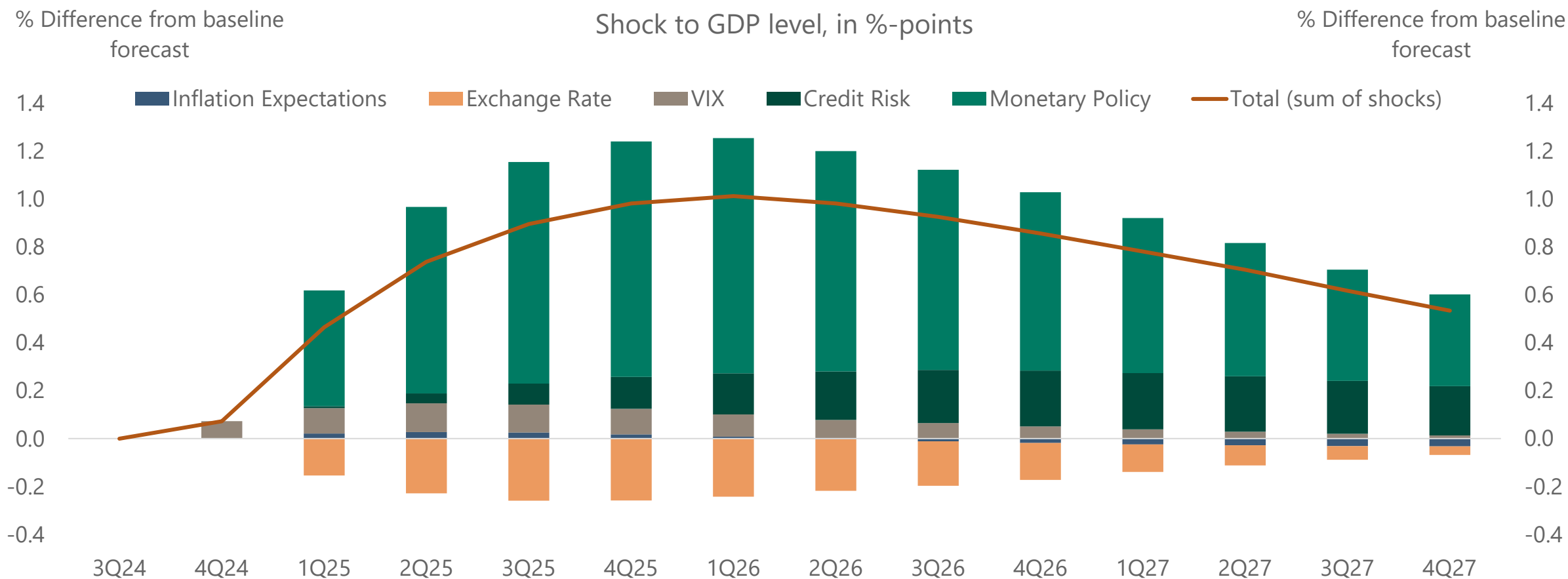


Source: Barron's, Haver Analytics, Apollo Chief Economist. Note: Market Vane Bullish = the degree of bullish sentiment for the S&P 500. For example: a Bullish Consensus of 65% for the S&P 500 implies that 65% of the traders are bullish and expect the S&P 500 to rise. Conversely, 35% of the traders are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

53% of Americans think stock prices will move higher

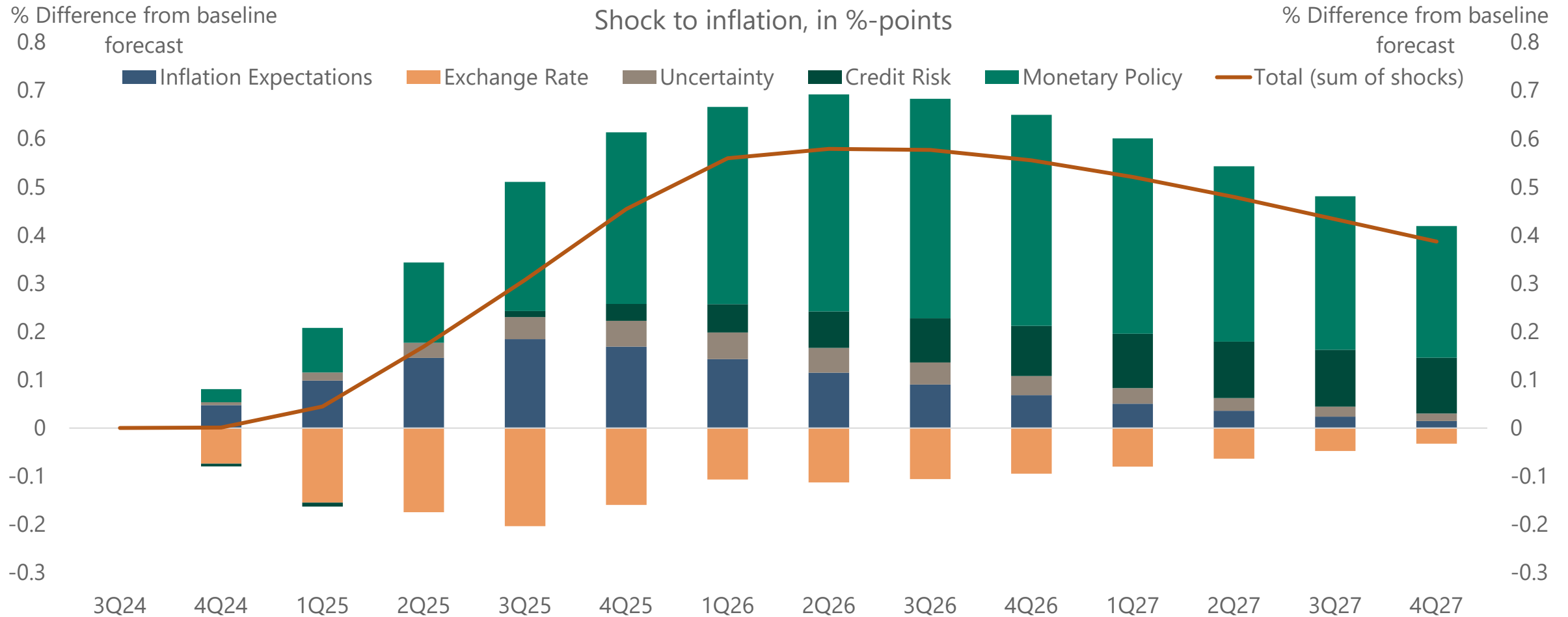


Impact on GDP of Fed cuts and changes in financial conditions since the Fed started cutting interest rates in September 2024



Source: Bloomberg SHOK model, Apollo Chief Economist. Note: The following shocks are applied to Q4 2024: A 0.2%-pt rise in inflation expectations, 7% appreciation in the exchange rate, 0.5 standard deviation fall in VIX, 30 bps tightening of credit spreads, -100 bps rate cuts and -50 bps forward guidance.

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Torsten Slok, Ph.D.

Chief Economist

Apollo Global Management

tslok@apollo.com

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.