

APOLLO

Daily and weekly indicators for the US economy

Torsten Slok, Rajvi Shah, and Shruti Galwankar

tslok@apollo.com

February 15, 2025

Unless otherwise noted, information as of February 15, 2025.

Proprietary - Not for distribution, in whole or in part, without the express written consent of Apollo Global Management, Inc.

Legal Disclaimer

Unless otherwise noted, information included herein is presented as of the dates indicated. Apollo Global Management, Inc. (together with its subsidiaries, "Apollo") makes no representation or warranty, expressed or implied, with respect to the accuracy, reasonableness, or completeness of any of the information contained herein, including, but not limited to, information obtained from third parties. Opinions, estimates and projections constitute the current judgment of the author as of the date indicated. They do not necessarily reflect the views and opinions of Apollo and are subject to change at any time without notice. Apollo does not have any responsibility to update the information to account for such changes. Hyperlinks to third-party websites in these materials are provided for reader convenience only. There can be no assurance that any trends discussed herein will continue.

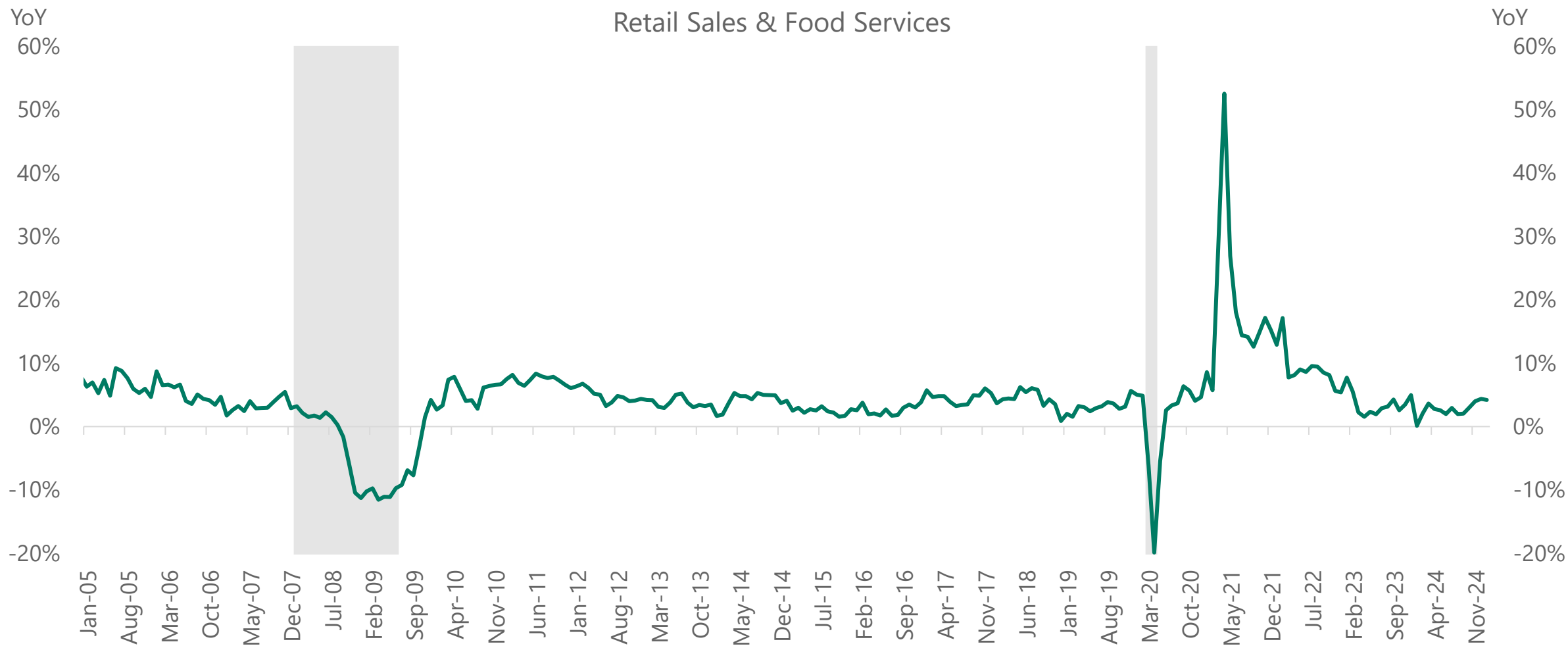
The information contained herein is not intended to provide, and should not be relied upon for, accounting, legal or tax advice and does not constitute an investment recommendation or investment advice. Investors should make an independent investigation of the information contained herein, including consulting their tax, legal, accounting or other advisors about such information. Apollo does not act for you and is not responsible for providing you with the protections afforded to its clients.

Certain information contained herein may be "forward-looking" in nature. Due to various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking information. As such, undue reliance should not be placed on such information. Forward-looking statements may be identified by the use of terminology including, but not limited to, "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology.



Overview

Consumer spending still strong

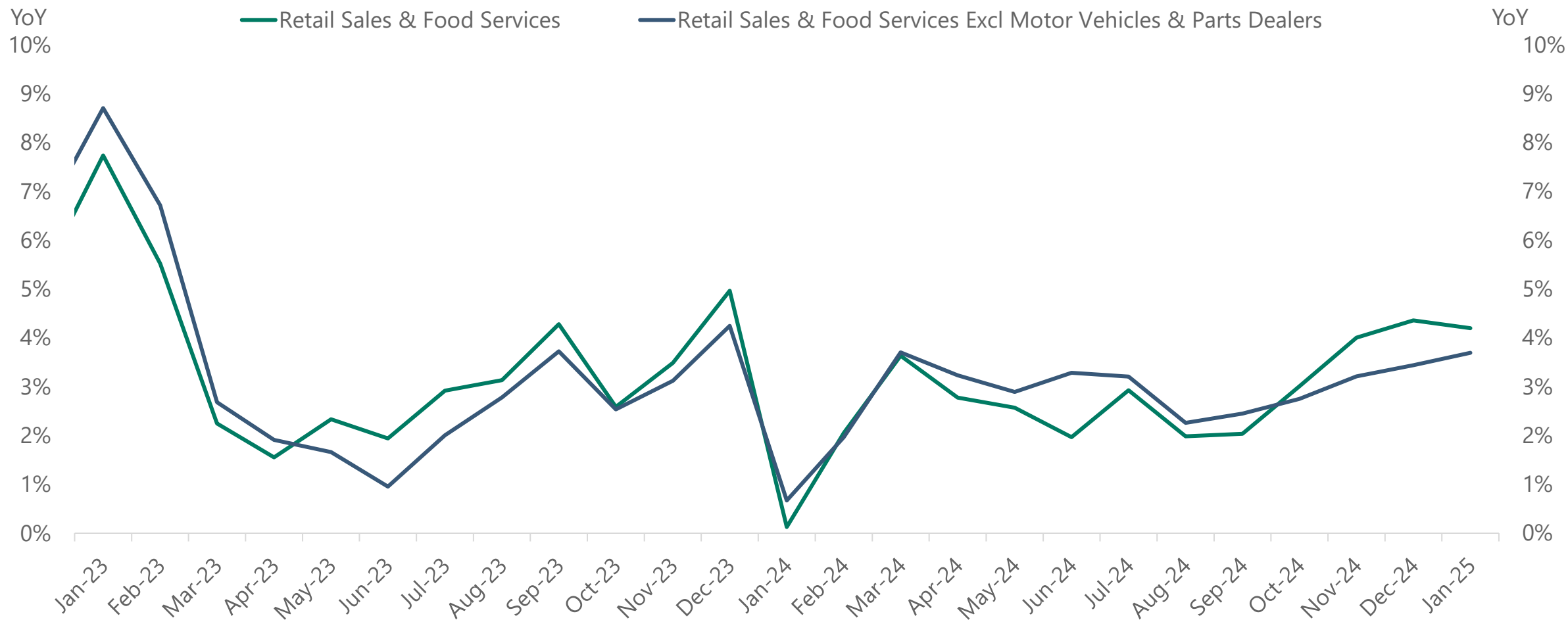


Retail sales control group still strong

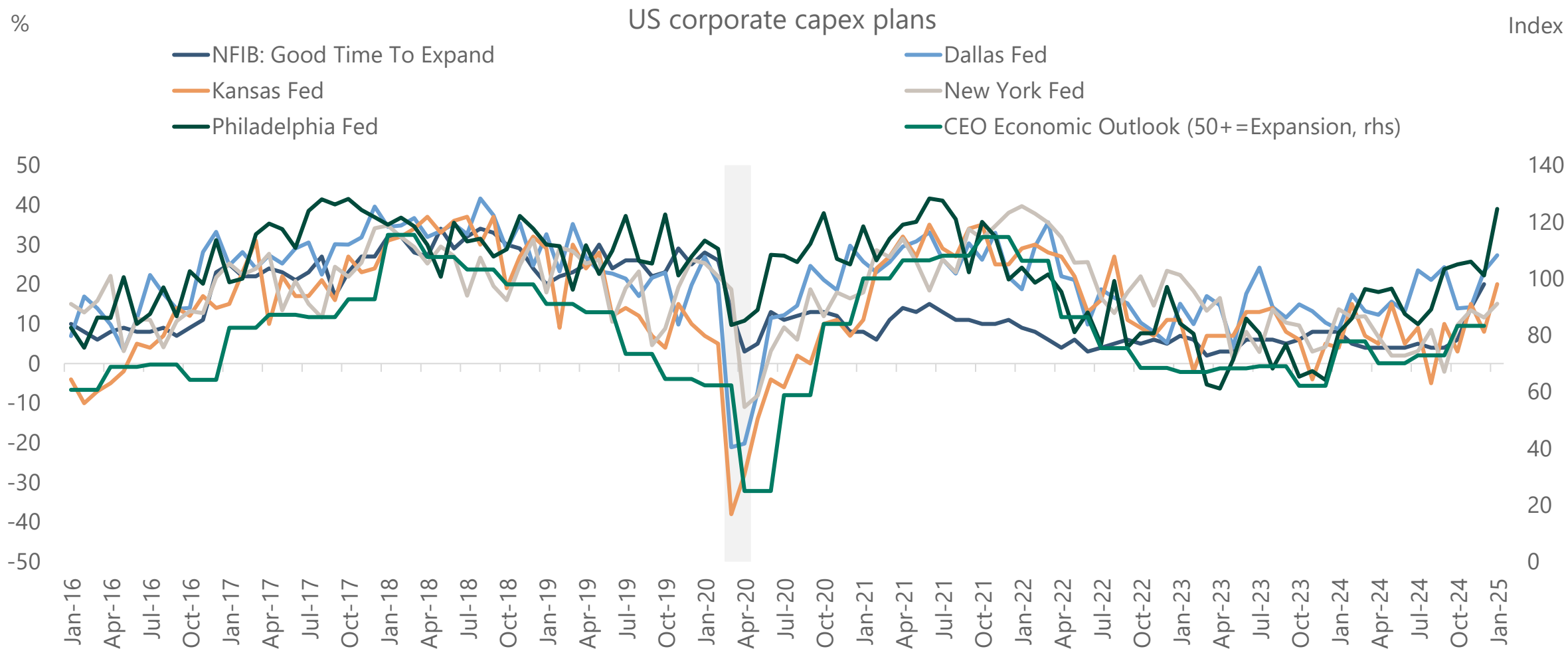


Source: Census Bureau, Haver Analytics, Apollo Chief Economist

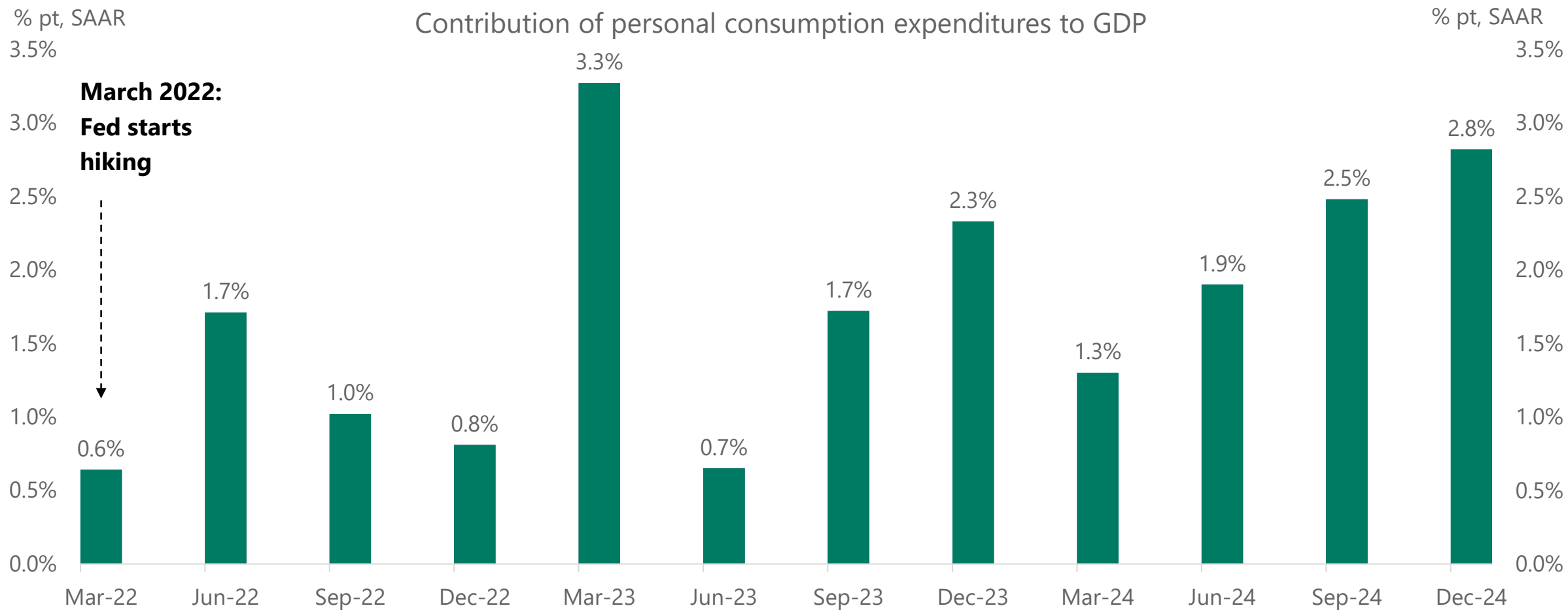
Retail sales still strong



Corporate capex spending plans



Fed hikes have not slowed down the US consumer



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: 2.3%

Fed's weekly GDP index: 2.5%

Retail sales: Strong

Jobless claims: Solid

Hotel occupancy rate, daily rate, and RevPAR: Strong

Bank lending to firms and consumers: Uptick

Bankruptcy filings: Sideways

Credit and debit card data: Solid

Gasoline demand: Strong

Broadway show attendance: Strong

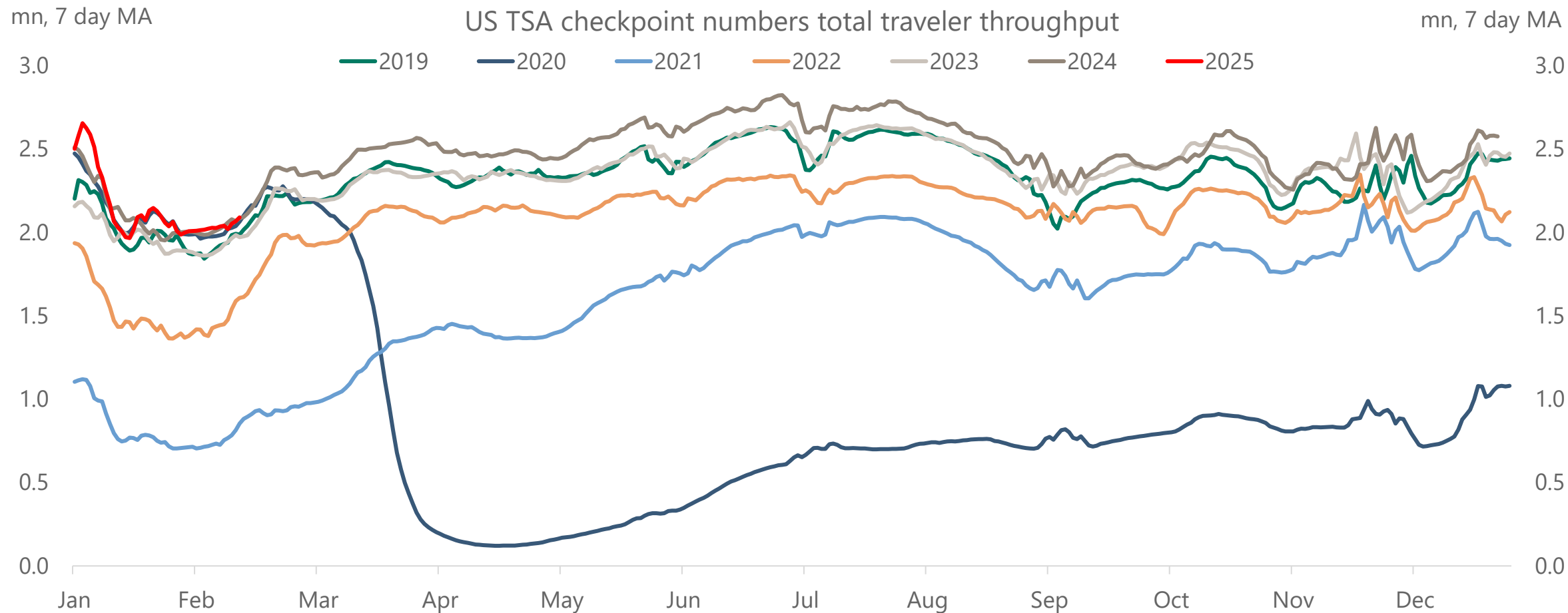
Box office weekly grosses: Strong

S&P 500 forward profit margins: At record highs

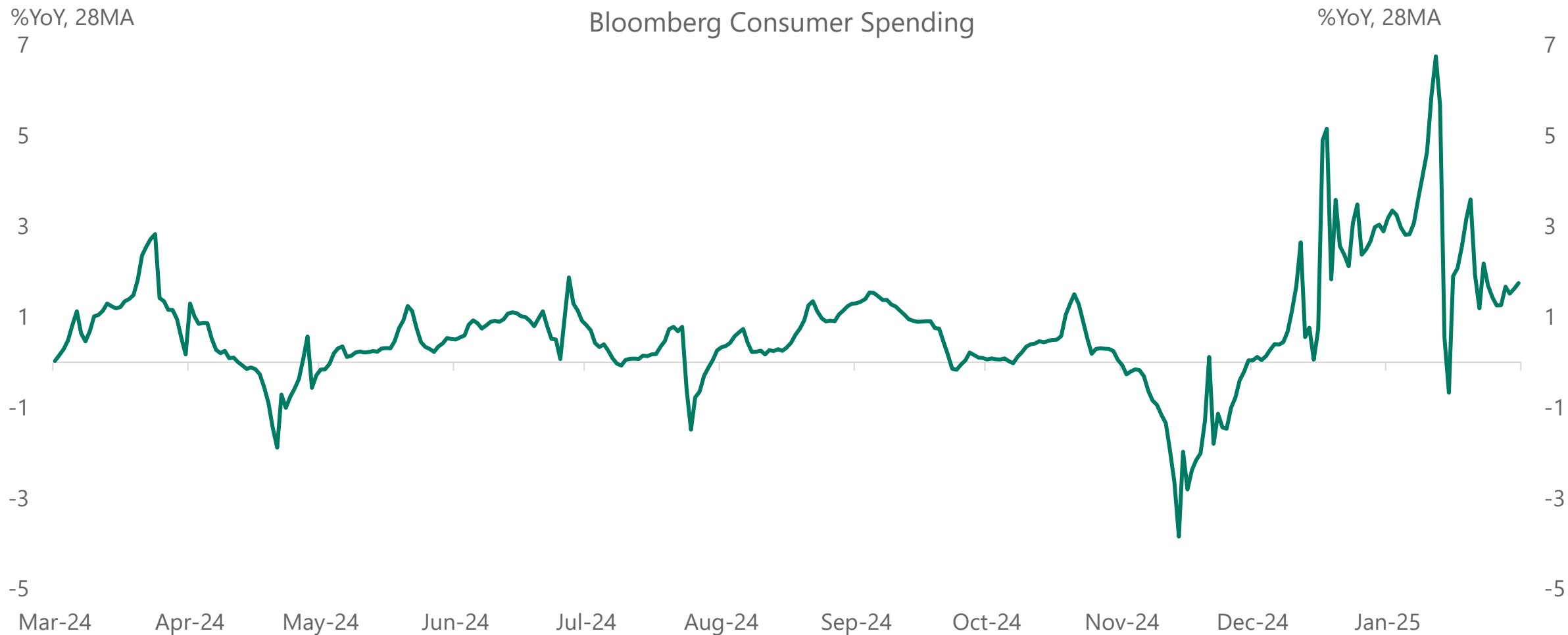
Business formation: Sideways

ASA temp worker staffing index: Weak

Daily data for US air travel



Daily data for debit card transactions



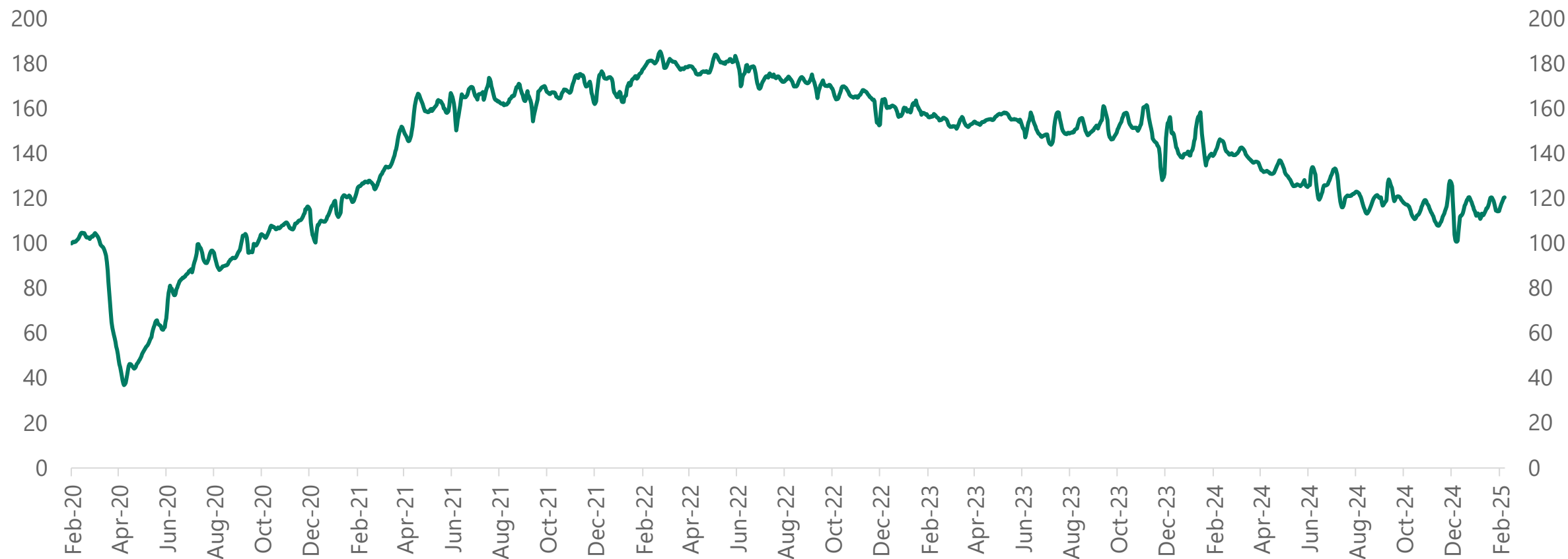
Source: Bloomberg, Apollo Chief Economist. Note: Consists largely of debit card transactions

Daily jobs postings

Index Feb1, 2020 = 100

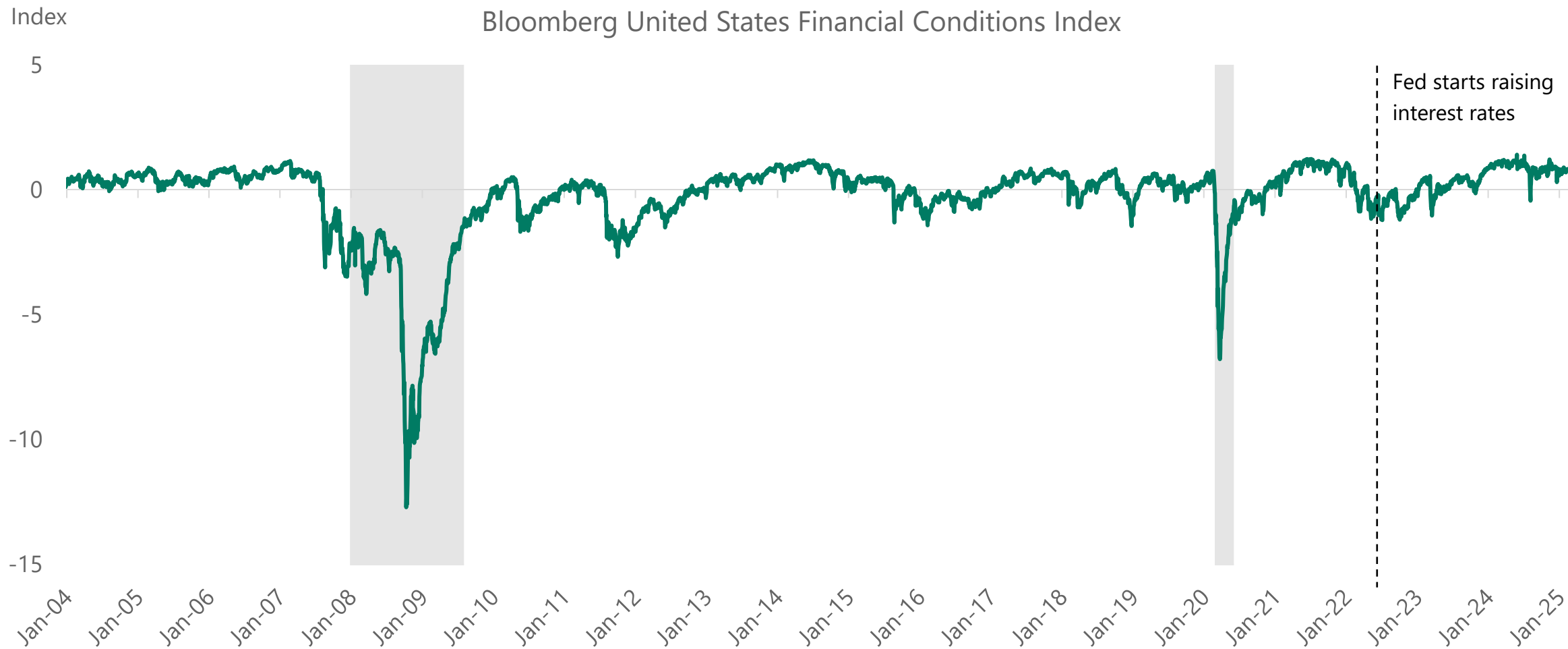
— New job postings on Indeed in the United States

Index Feb1, 2020 = 100

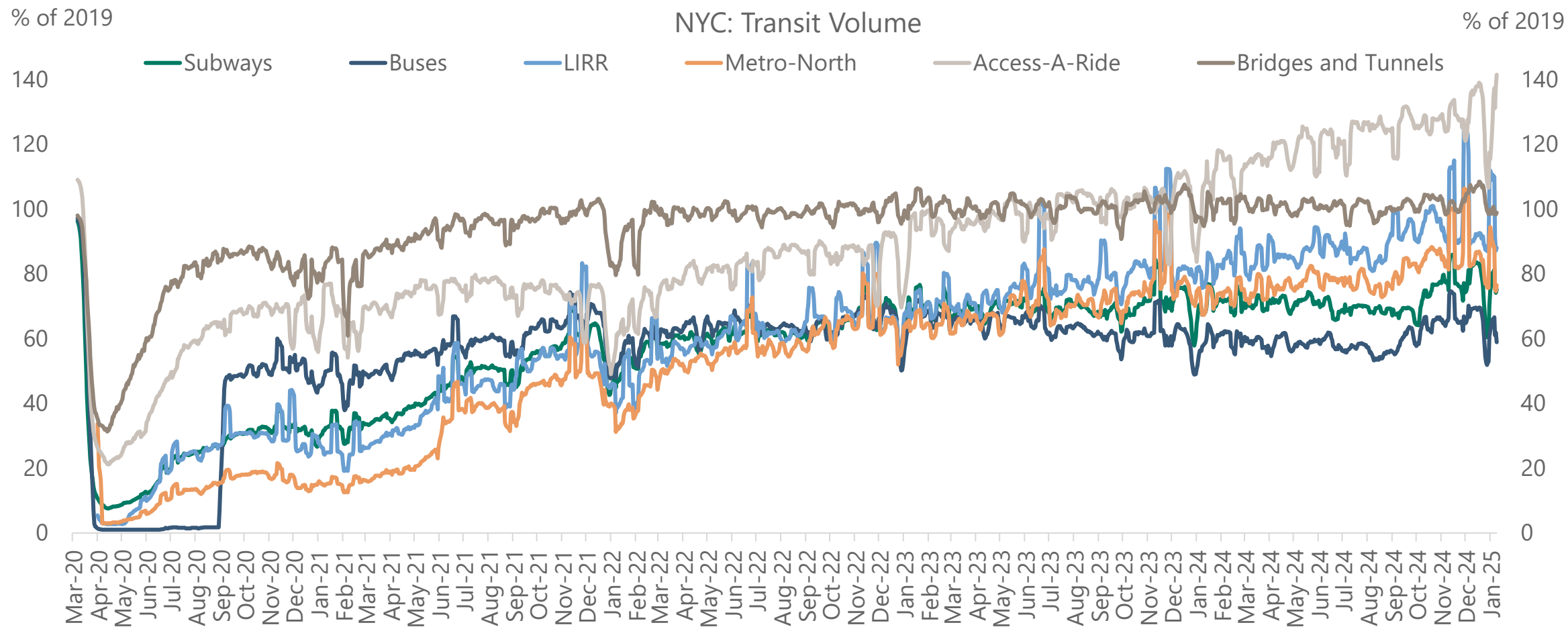


Source: Indeed, Bloomberg, Apollo Chief Economist. Note: The data is seasonally adjusted

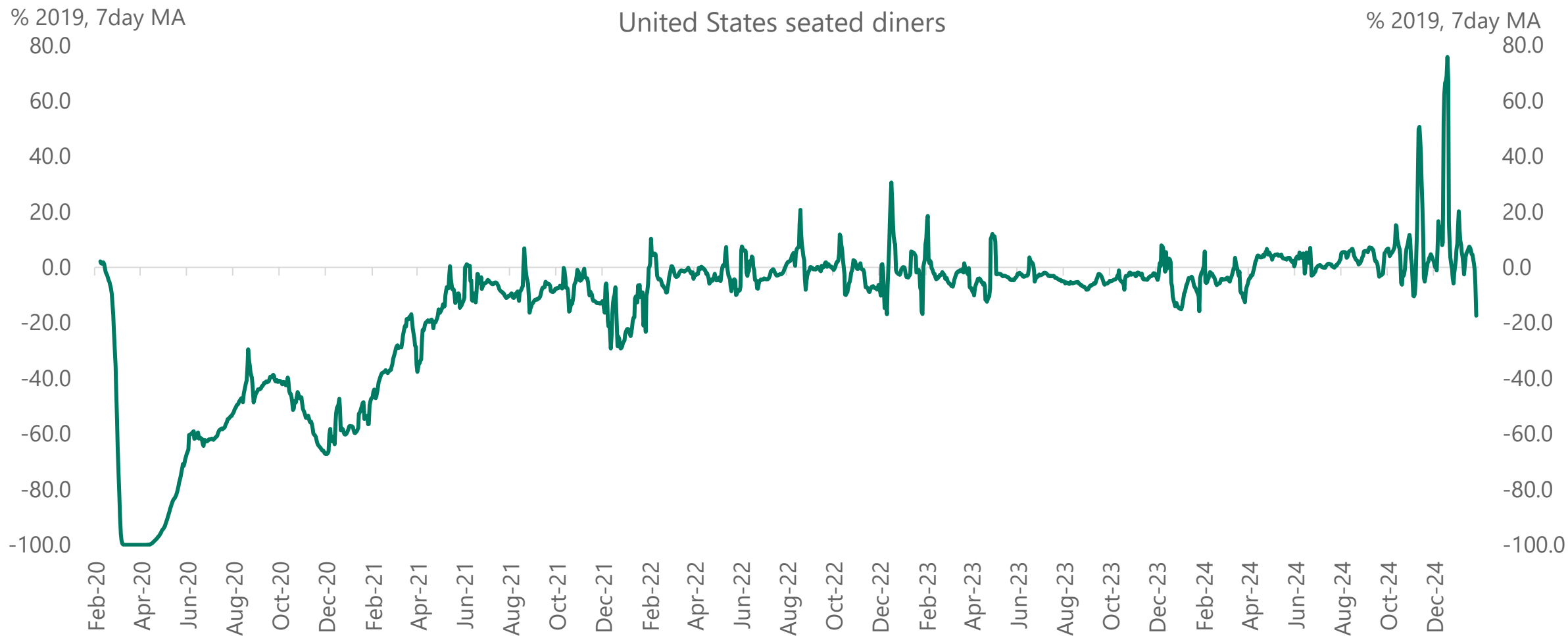
Financial conditions today are easier than when the Fed started raising interest rates



Daily NYC mobility indicators



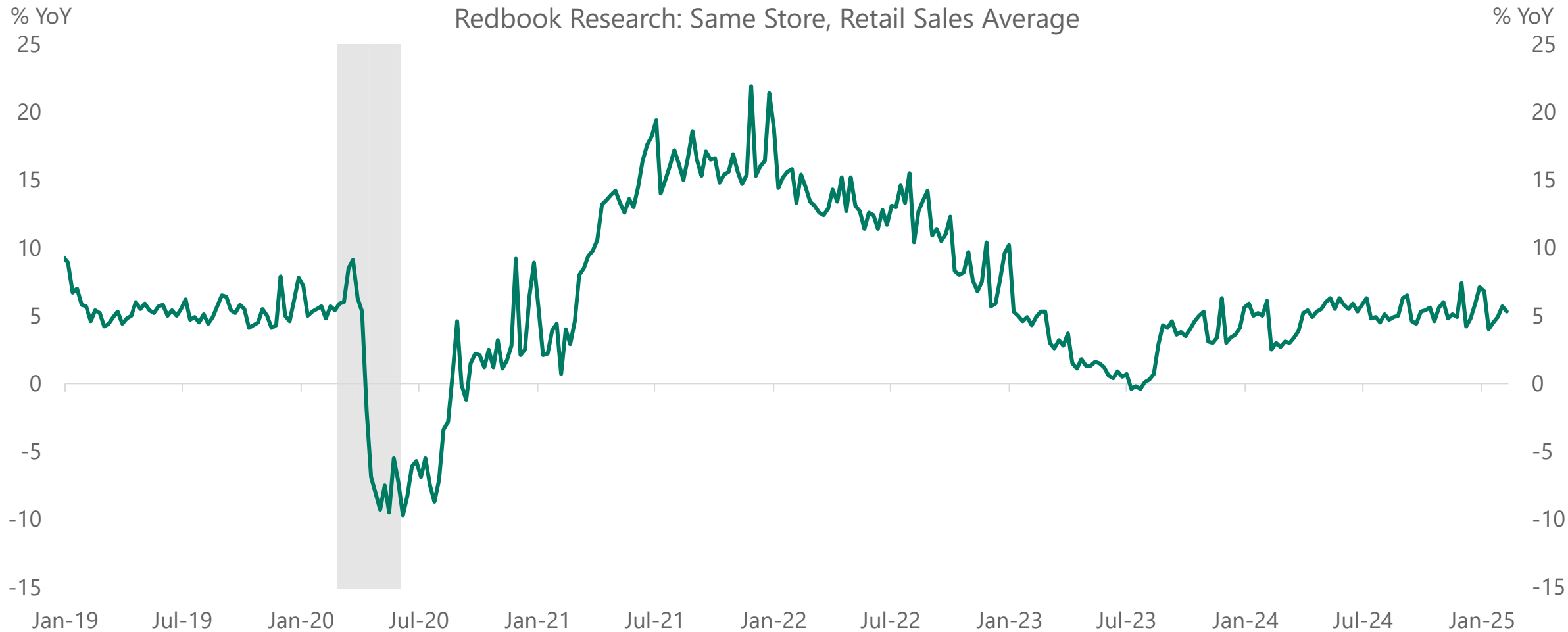
Daily data for restaurant bookings



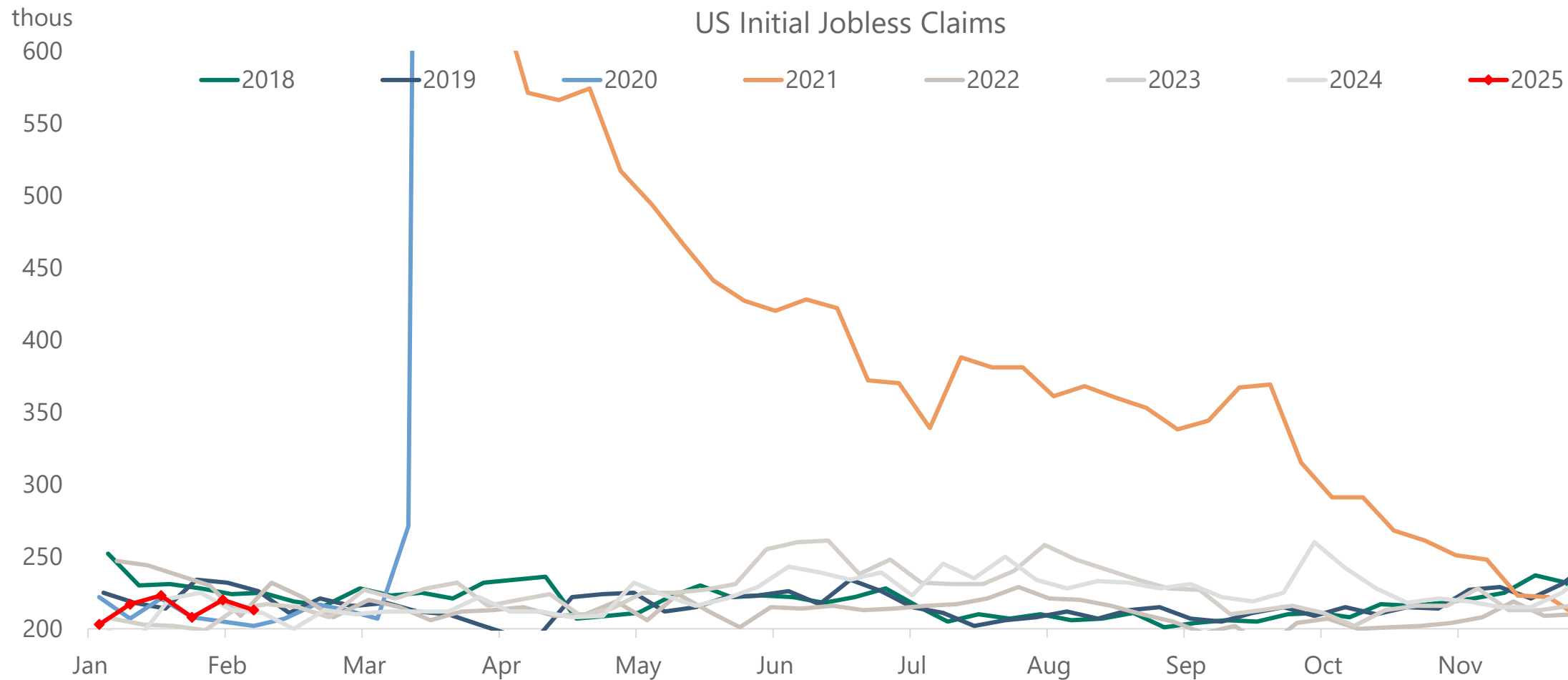
Weekly data

Weekly data for same-store retail sales

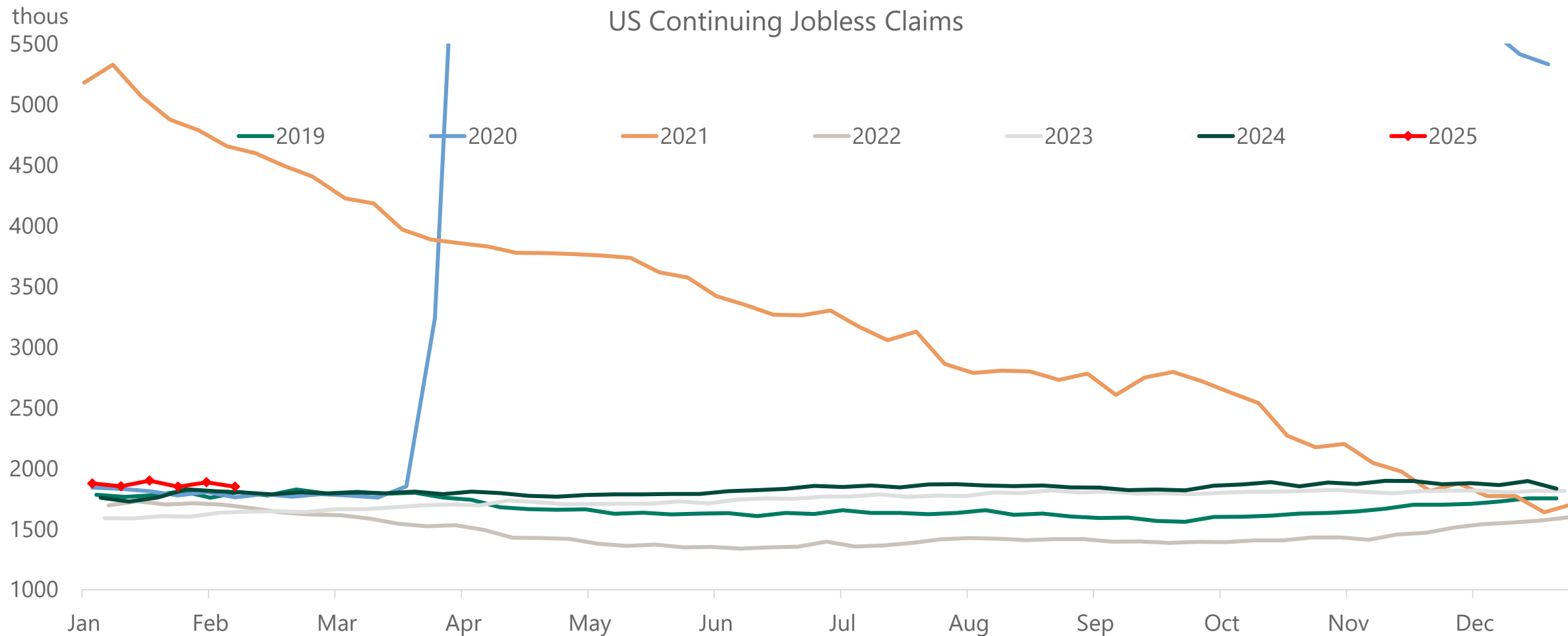
Redbook Research: Same Store, Retail Sales Average



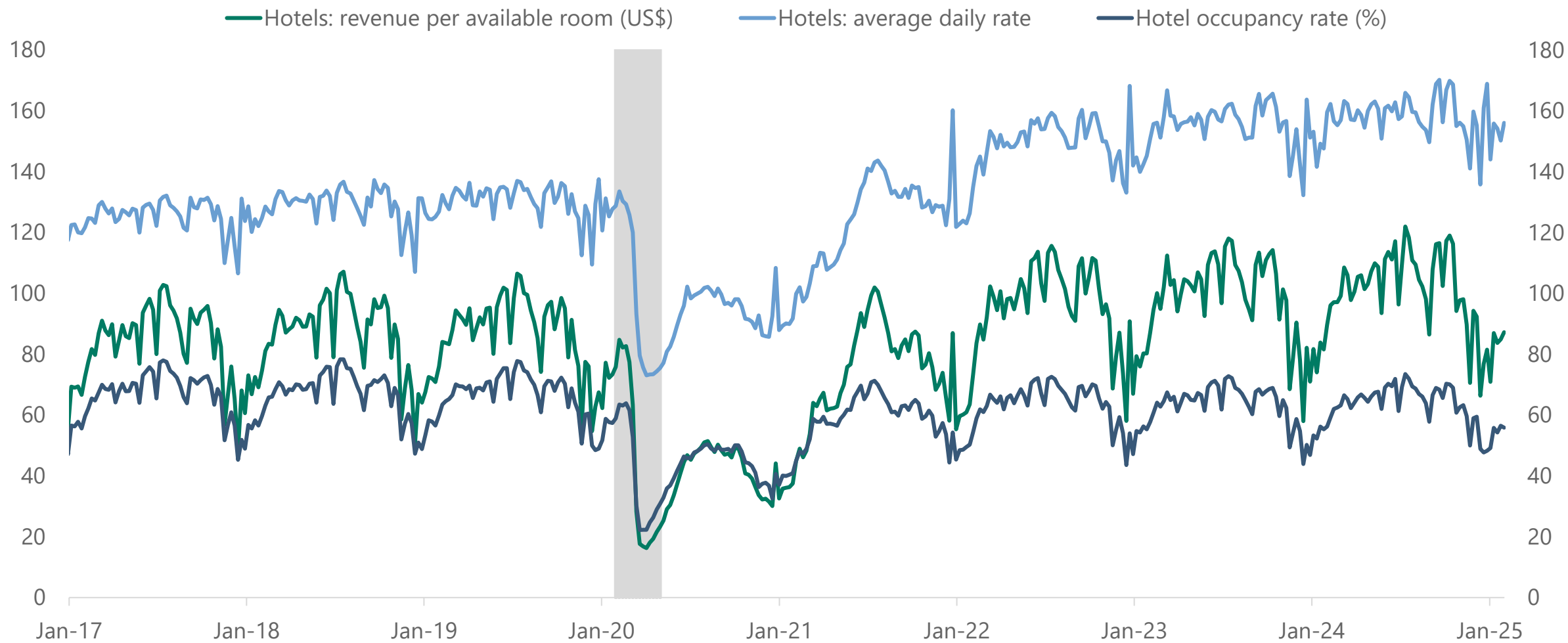
Weekly initial jobless claims



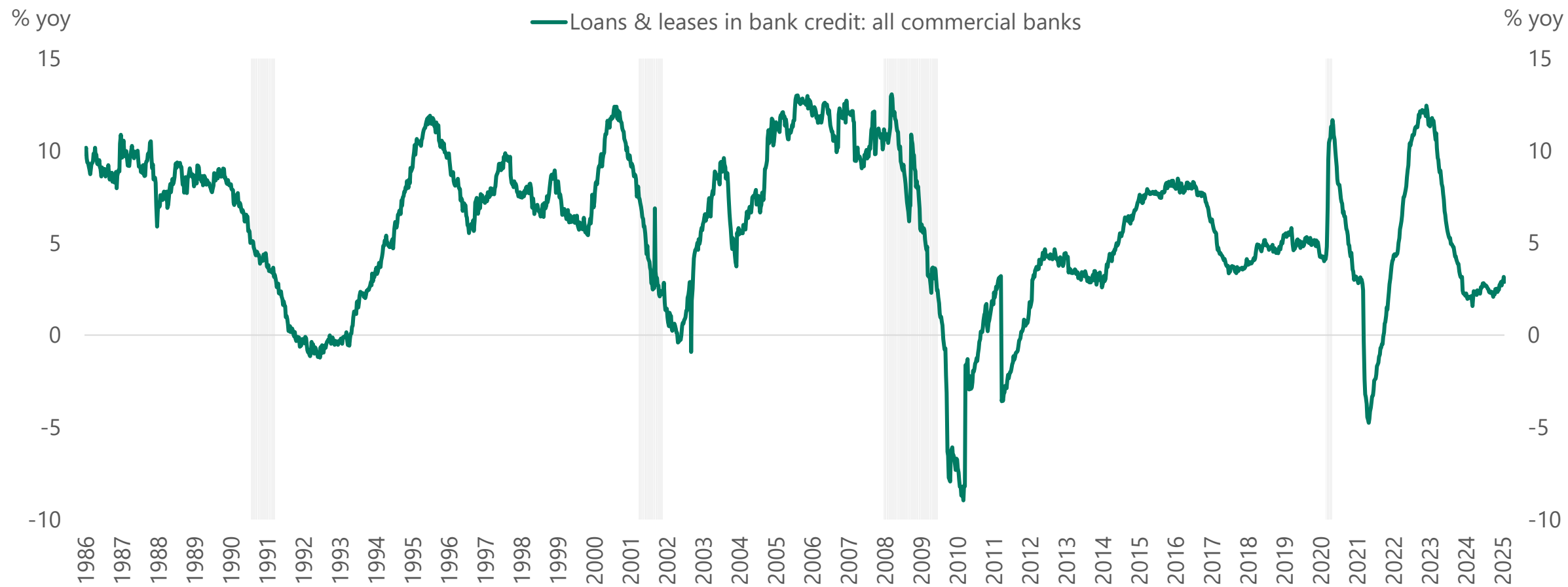
Weekly continuing jobless claims



Weekly data for hotel demand

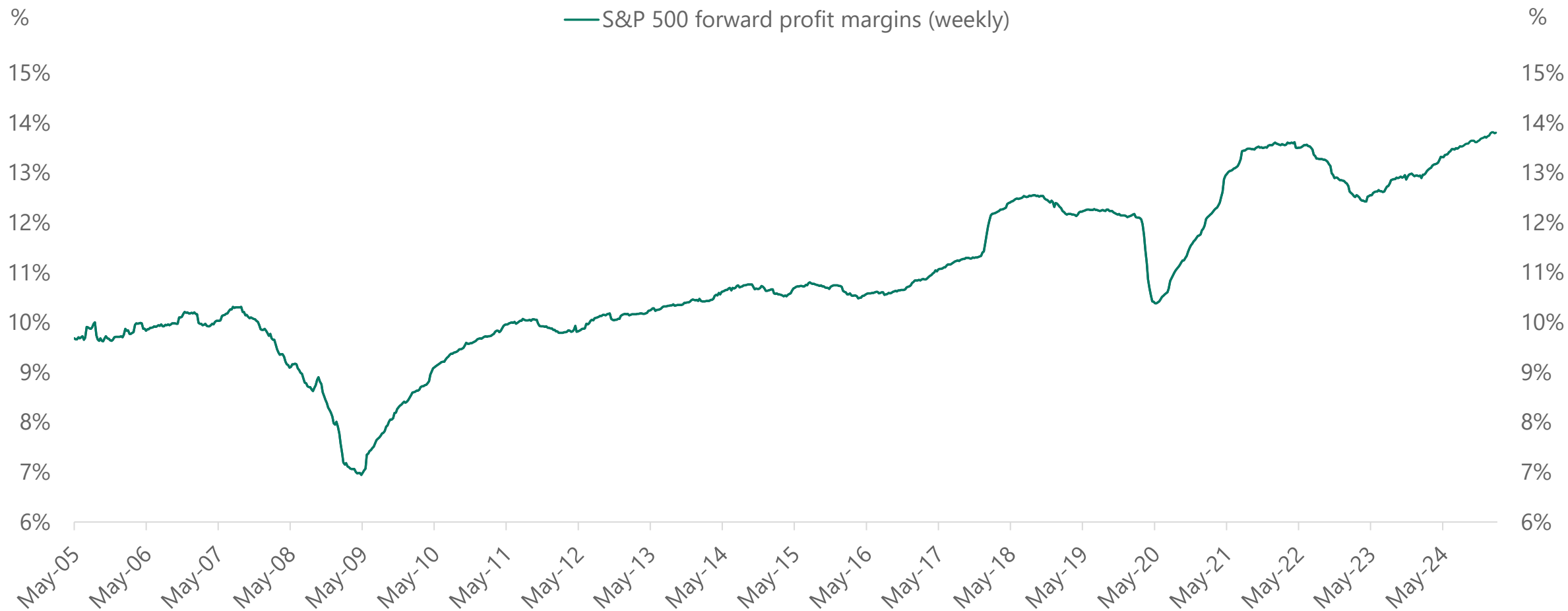


Weekly loan growth for banks



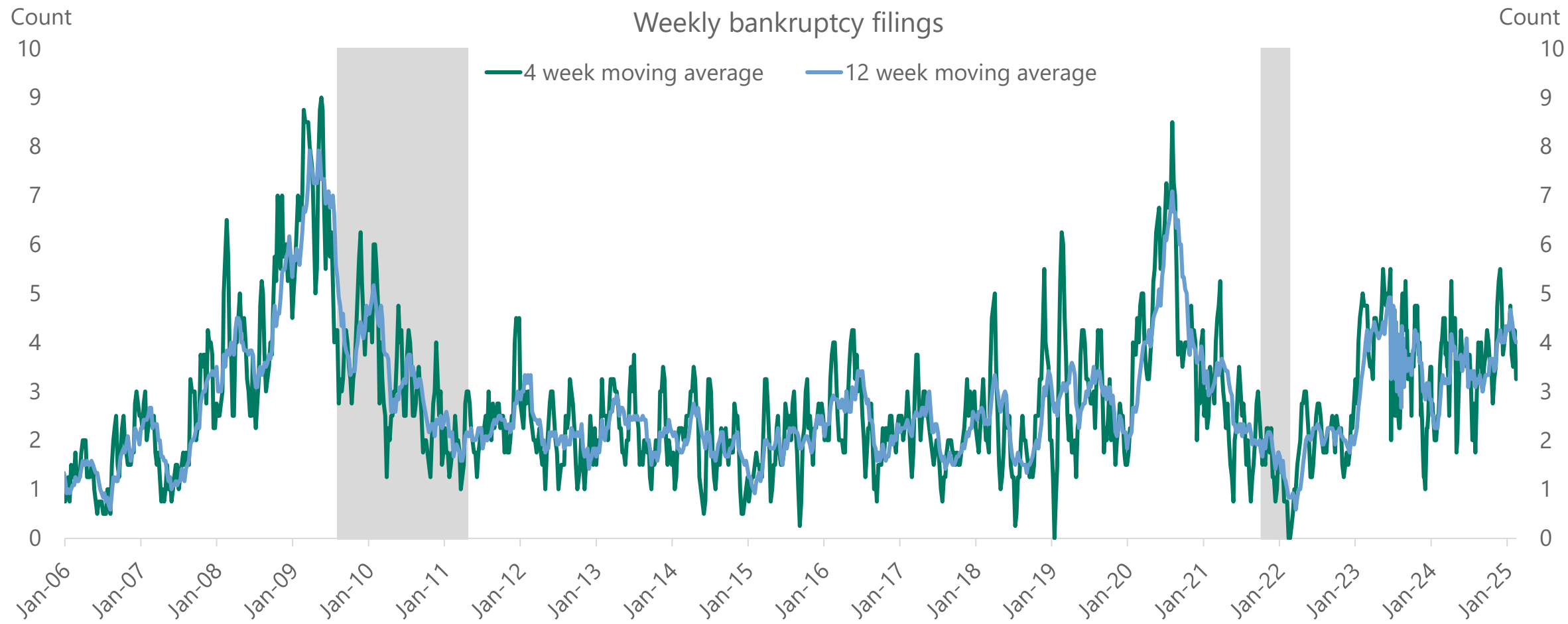
Source: FRB, Haver, Apollo Chief Economist

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



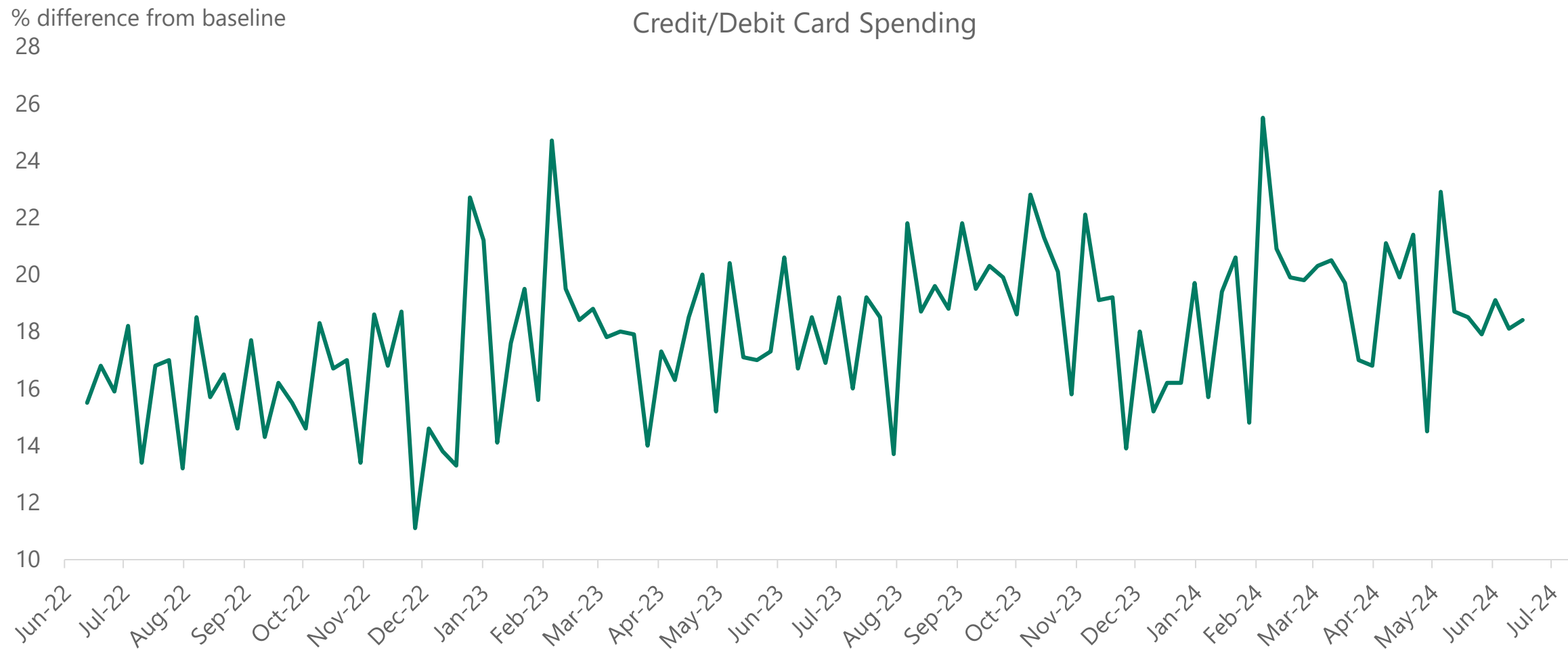
Source: Bloomberg, Apollo Chief Economist. Note: The 12 months forward profit margins are calculated by using the weighted average of 1FY (current year estimate) and 2FY (next year estimate) to smooth out fiscal year transitions.

Weekly bankruptcy filings



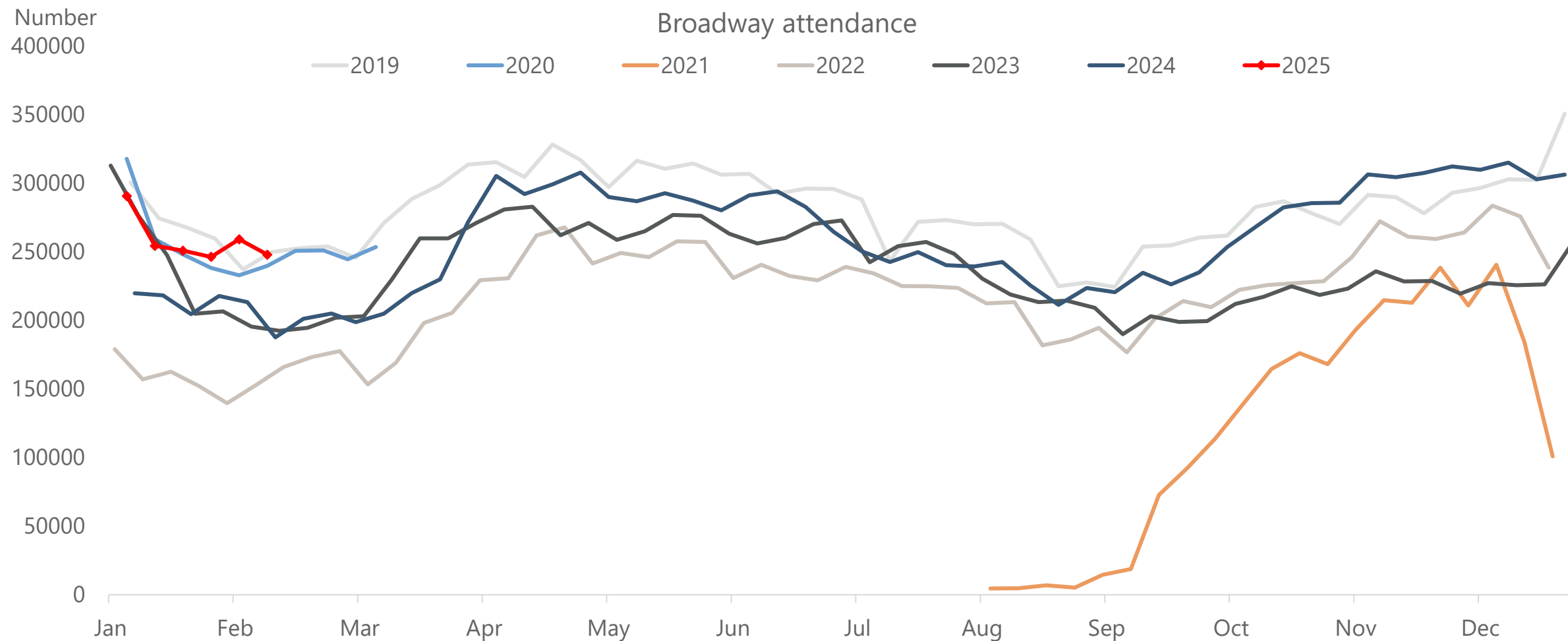
Source: Bloomberg, Apollo Chief Economist. Note: Filings are for companies with more than \$50mn in liabilities. For week ending on February 13th, 2025.

Weekly credit and debit card spending

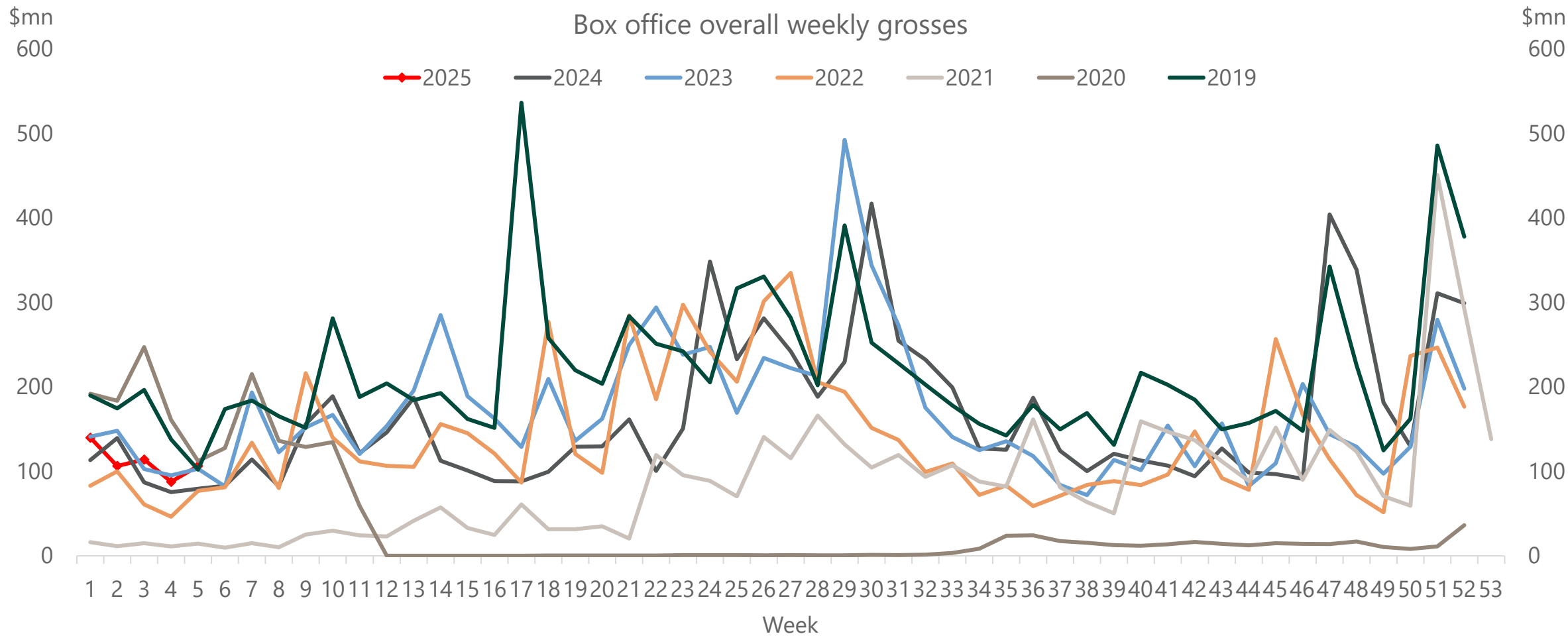


Source: Affinity solutions via Opportunity Insights, Haver Analytics, Apollo Chief Economist. Note: Baseline is January 2020

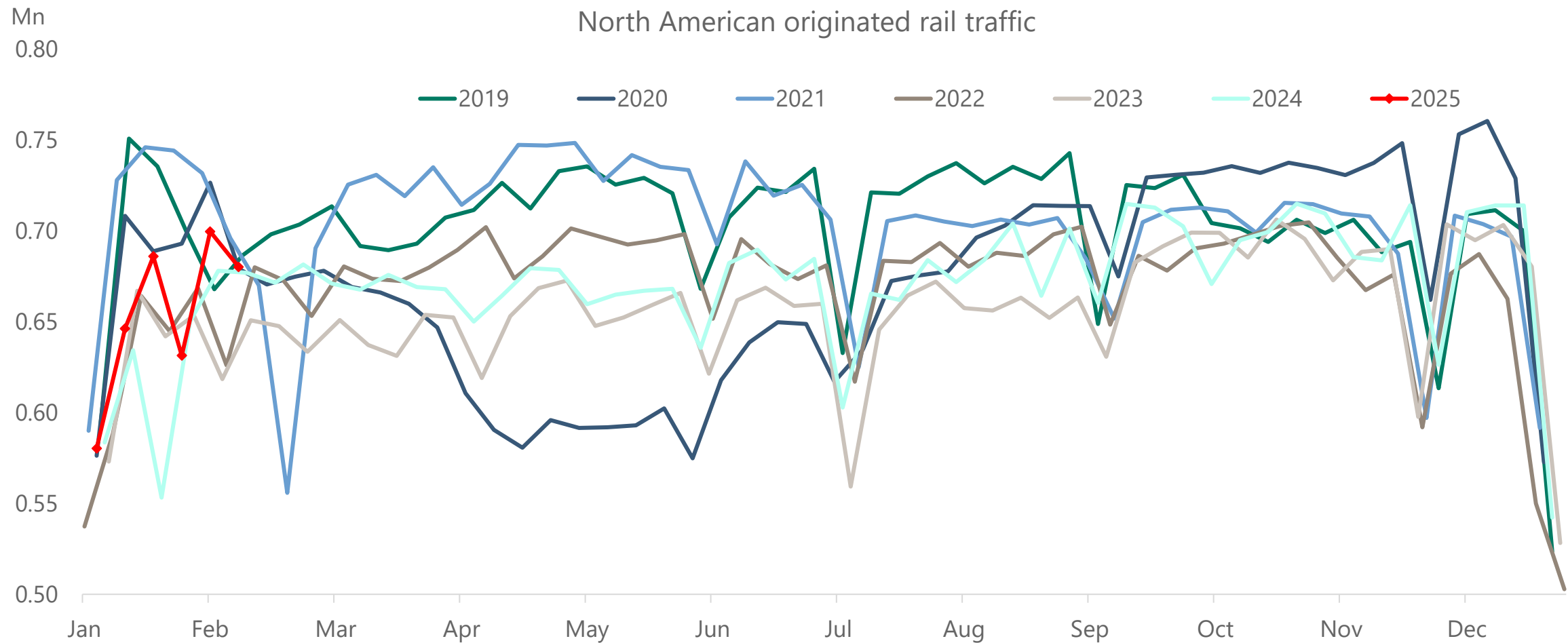
Weekly Broadway show attendance



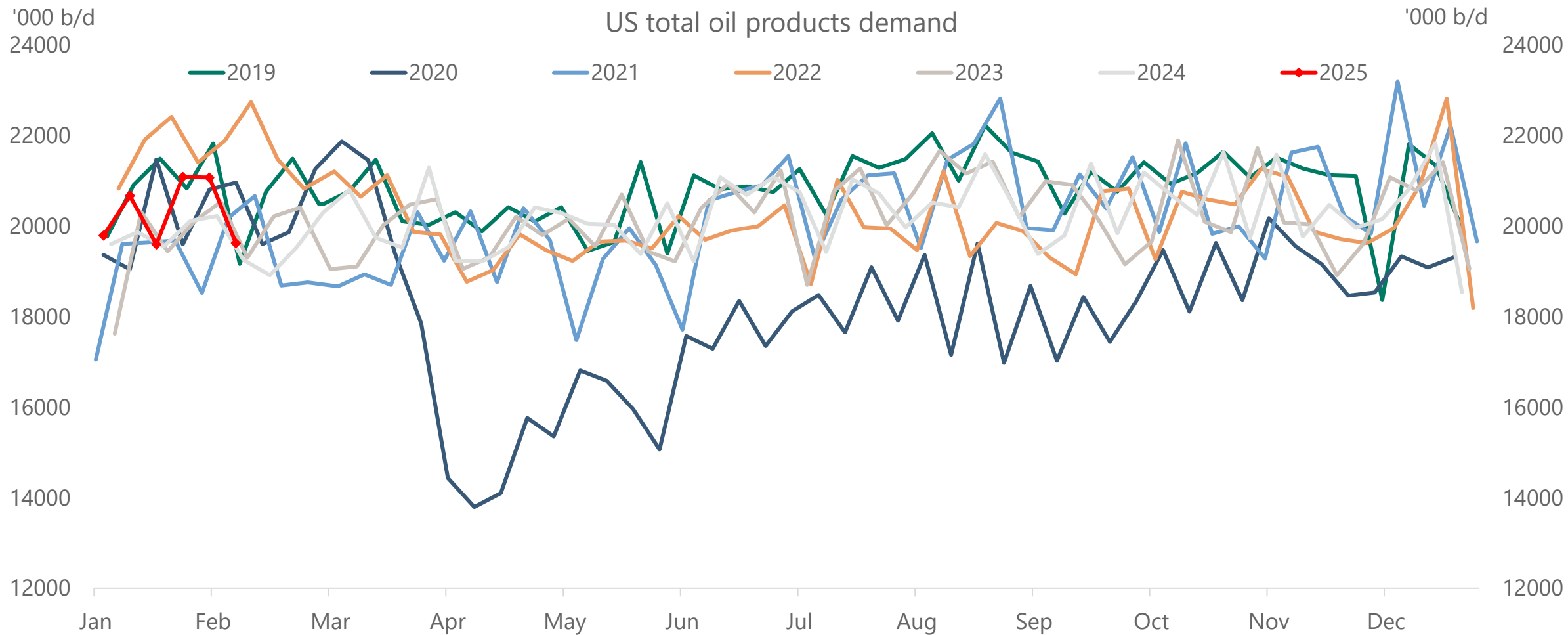
Weekly movie theatre visits



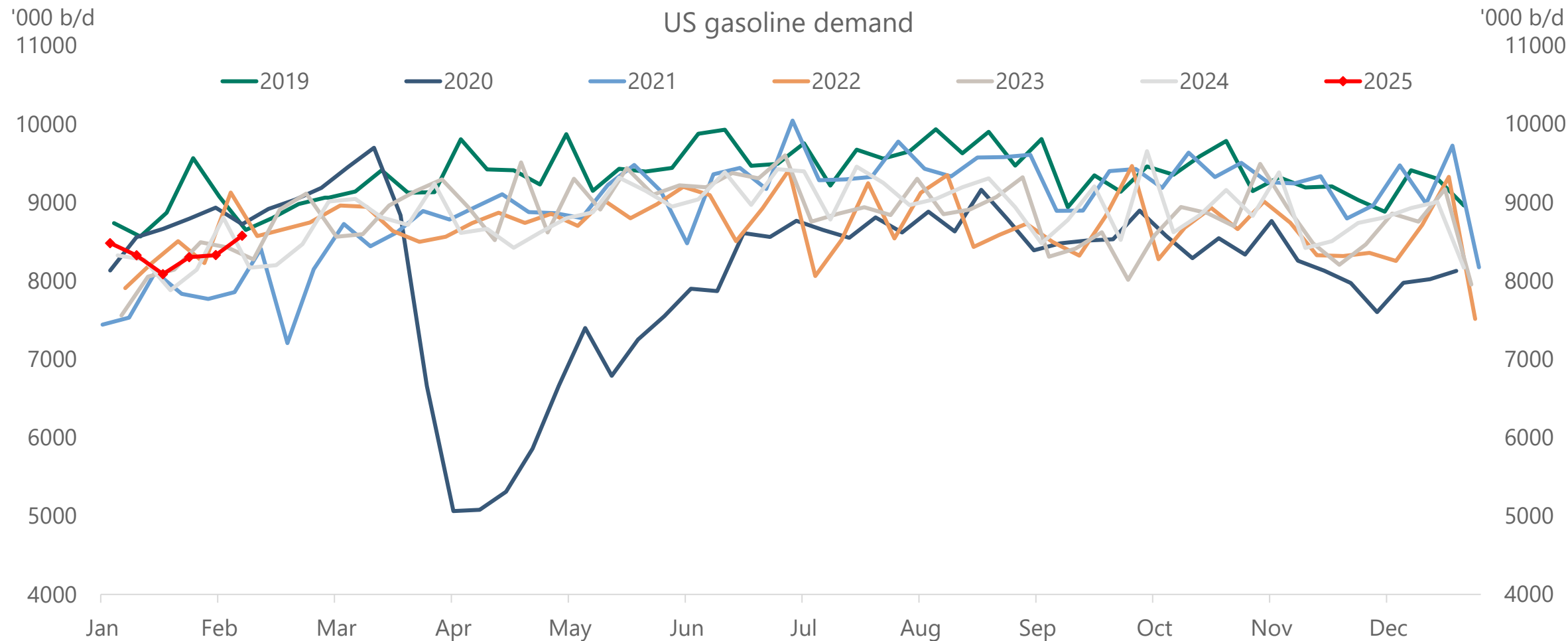
Rail traffic volumes



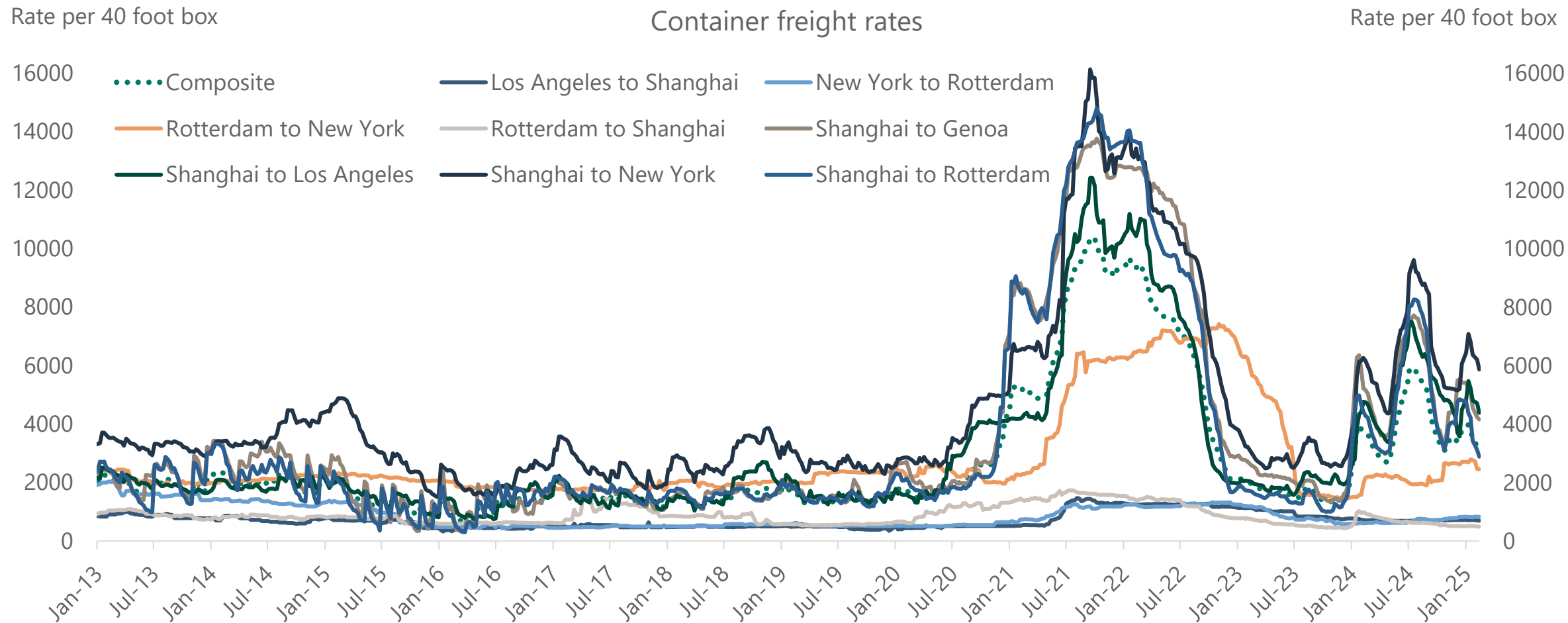
Weekly oil demand



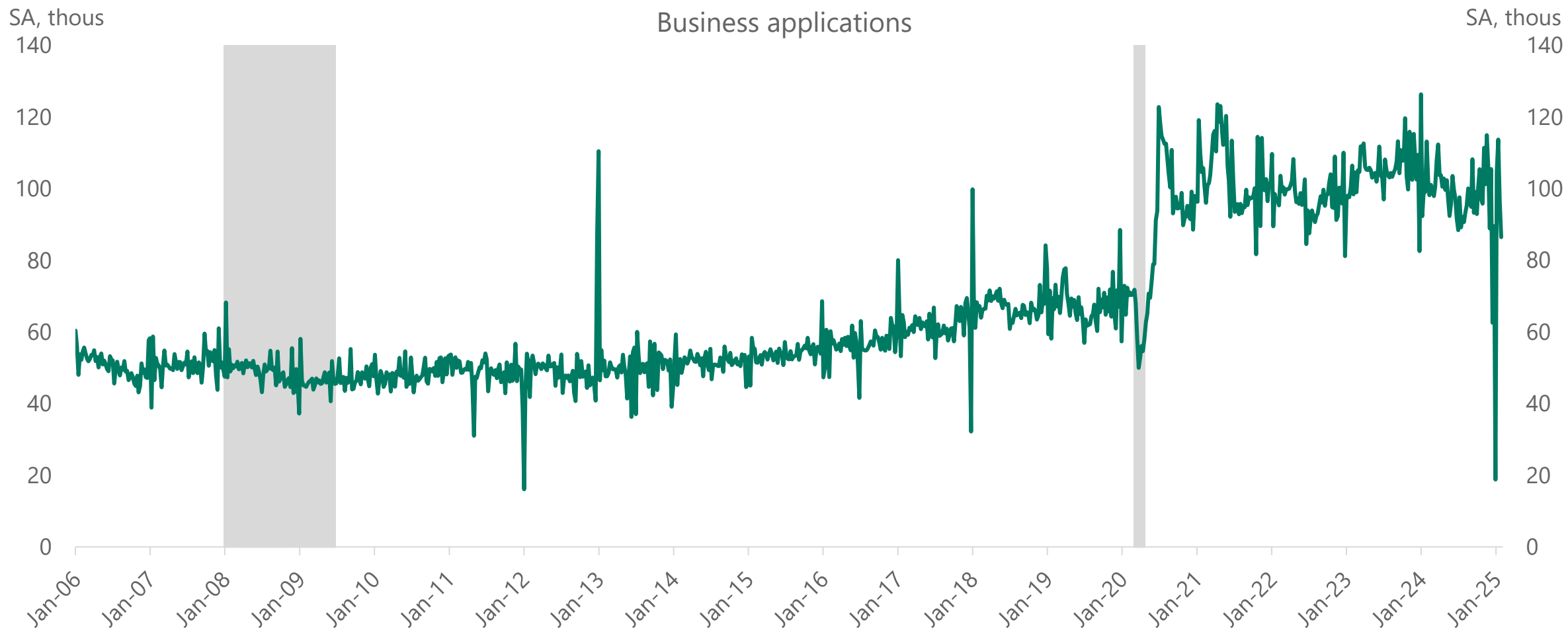
Weekly gasoline demand



Weekly container freight rates



Weekly business formation statistics

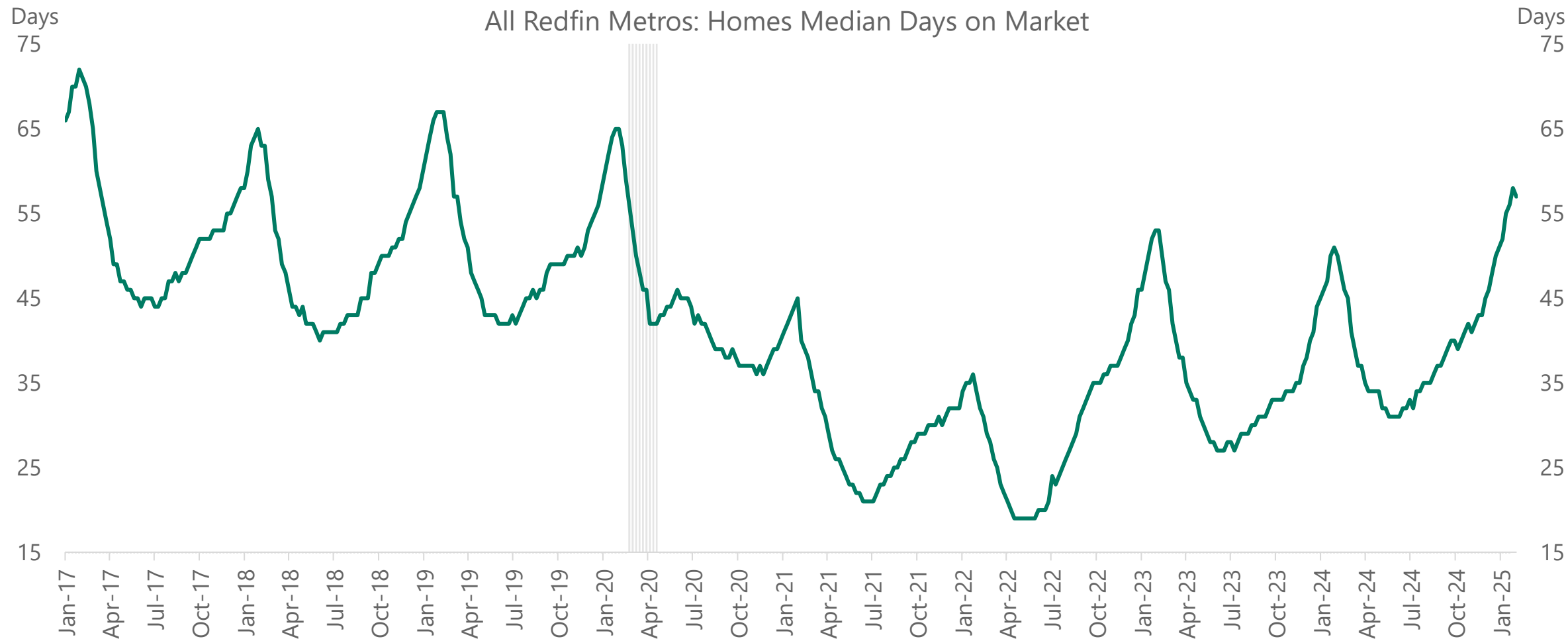


China: Containerized freight index

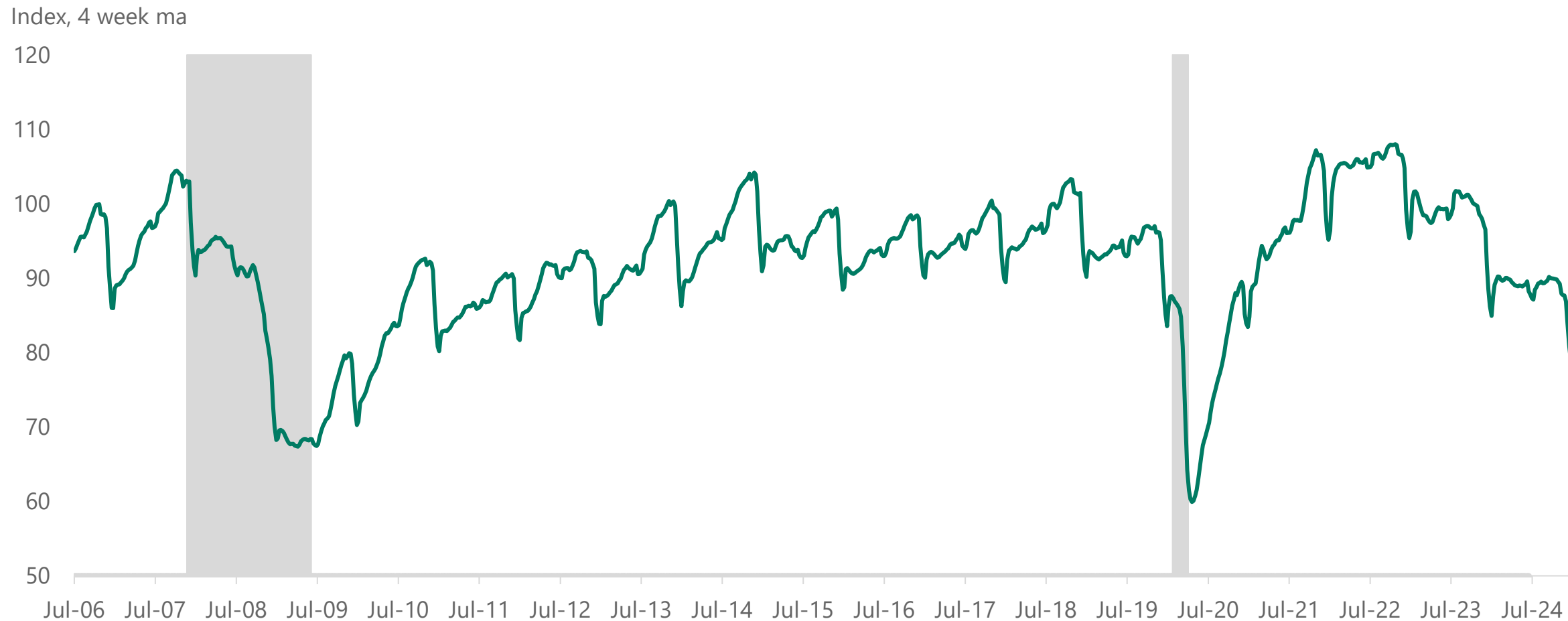


Source: Shanghai Shipping Exchange, Bloomberg, Apollo Chief Economist

Homes for sale: Median days on the market

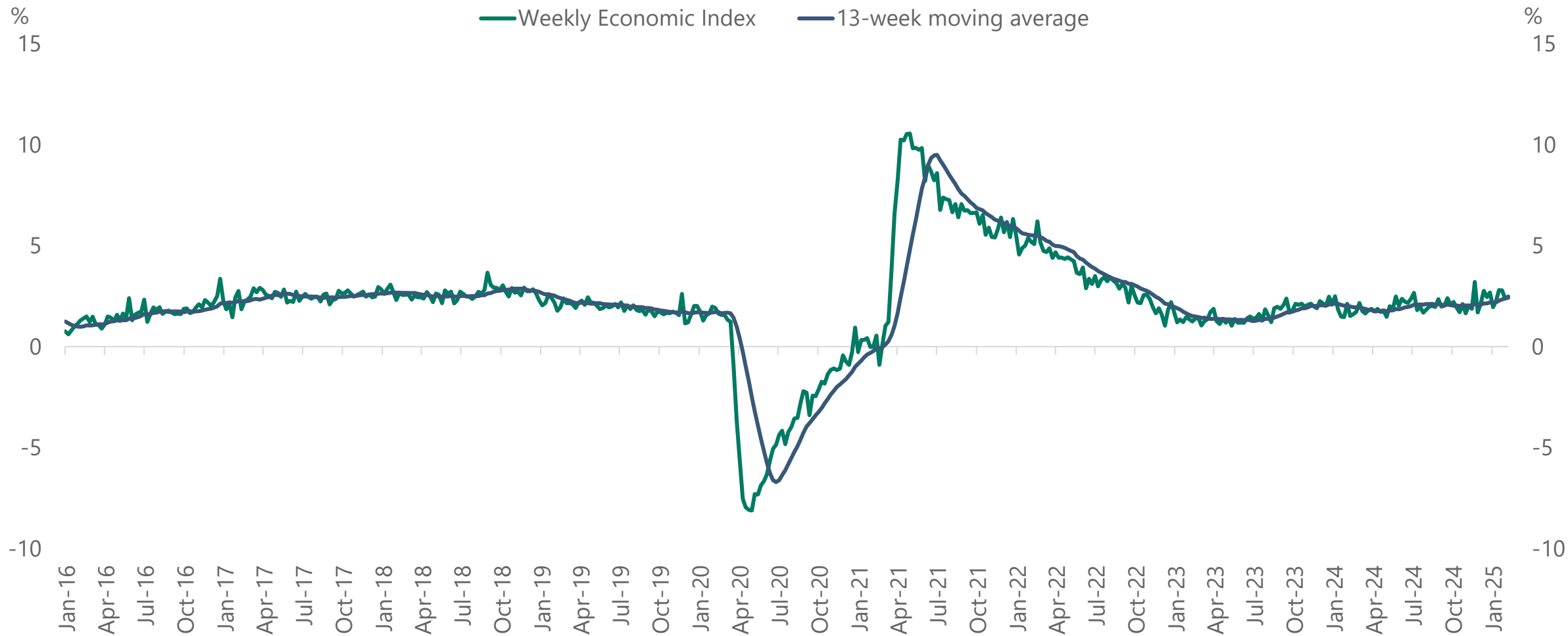


Weekly ASA temp worker staffing index

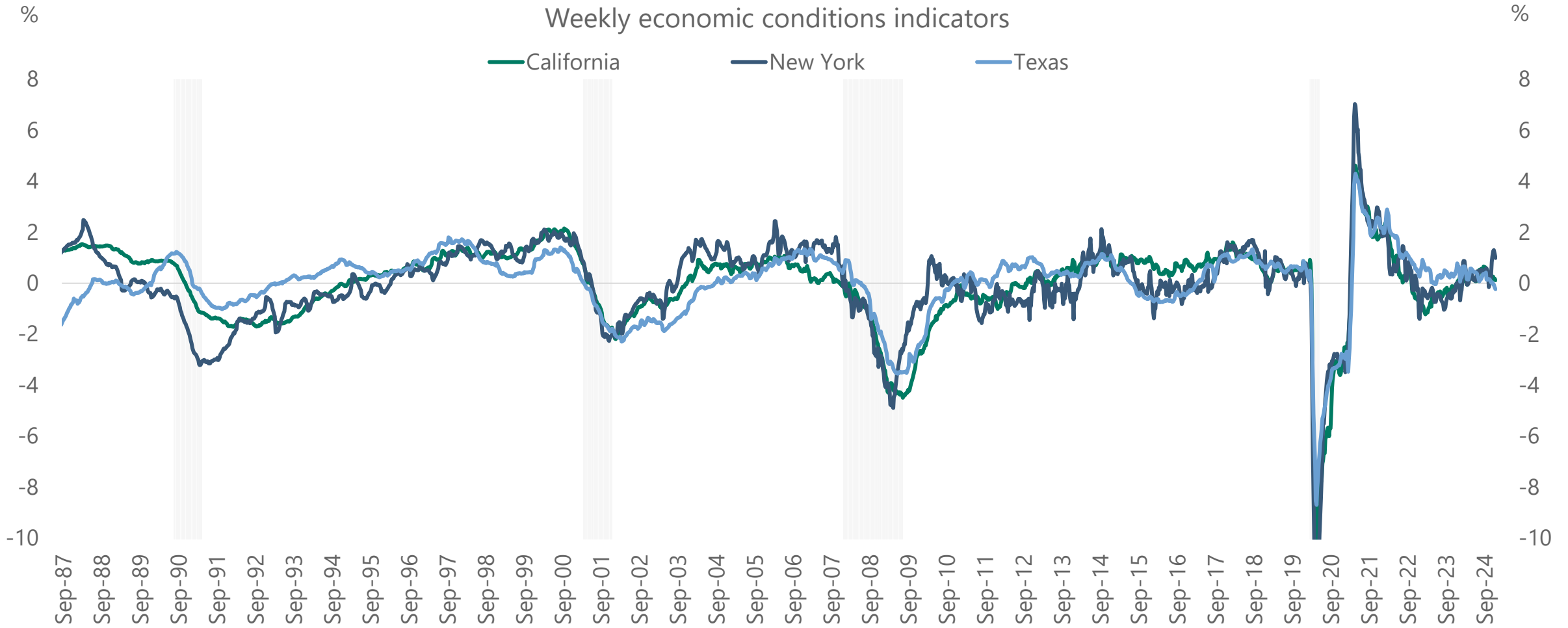


Source: American Staffing Association (ASA), Bloomberg, Apollo Chief Economist. Note: The ASA Staffing Index tracks weekly changes in temporary and contract employment and serves as an indicator of current economic conditions. All staffing firms with U.S. operations are invited to participate in the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

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

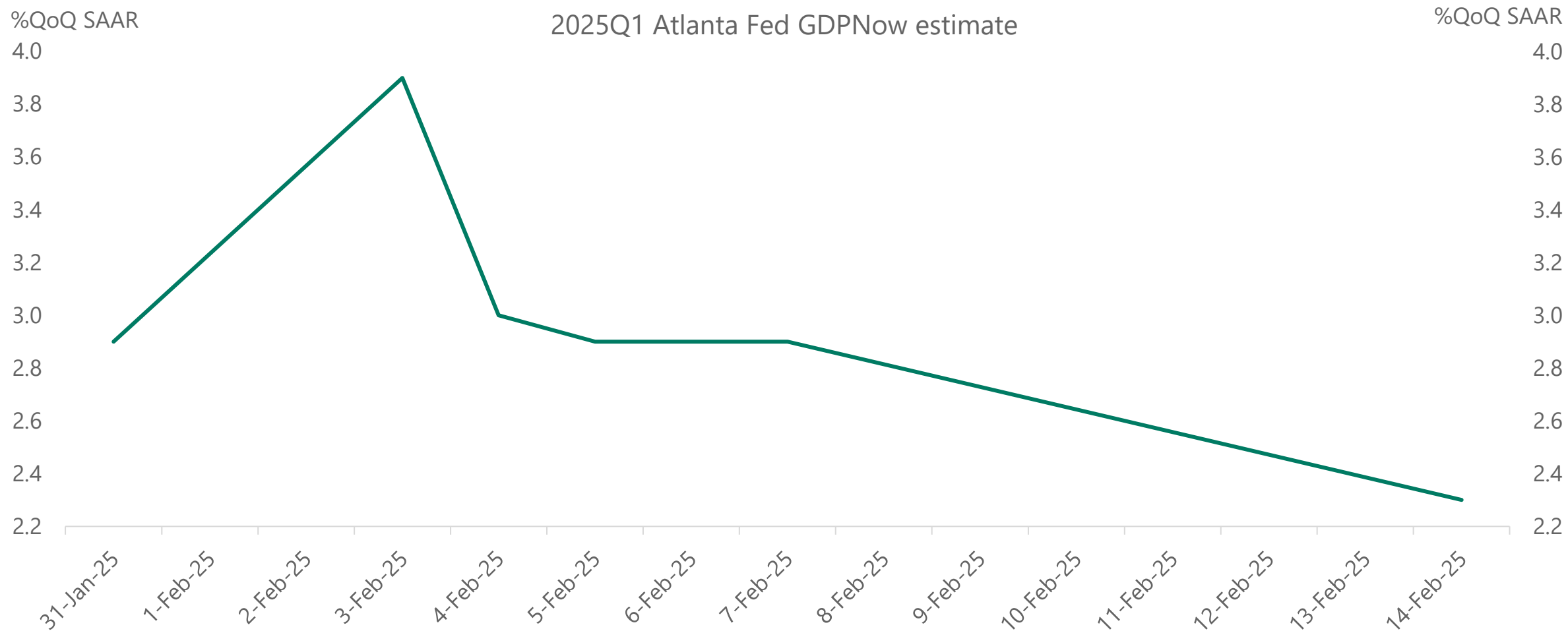


Weekly economic indicators for New York, California, and Texas trending higher

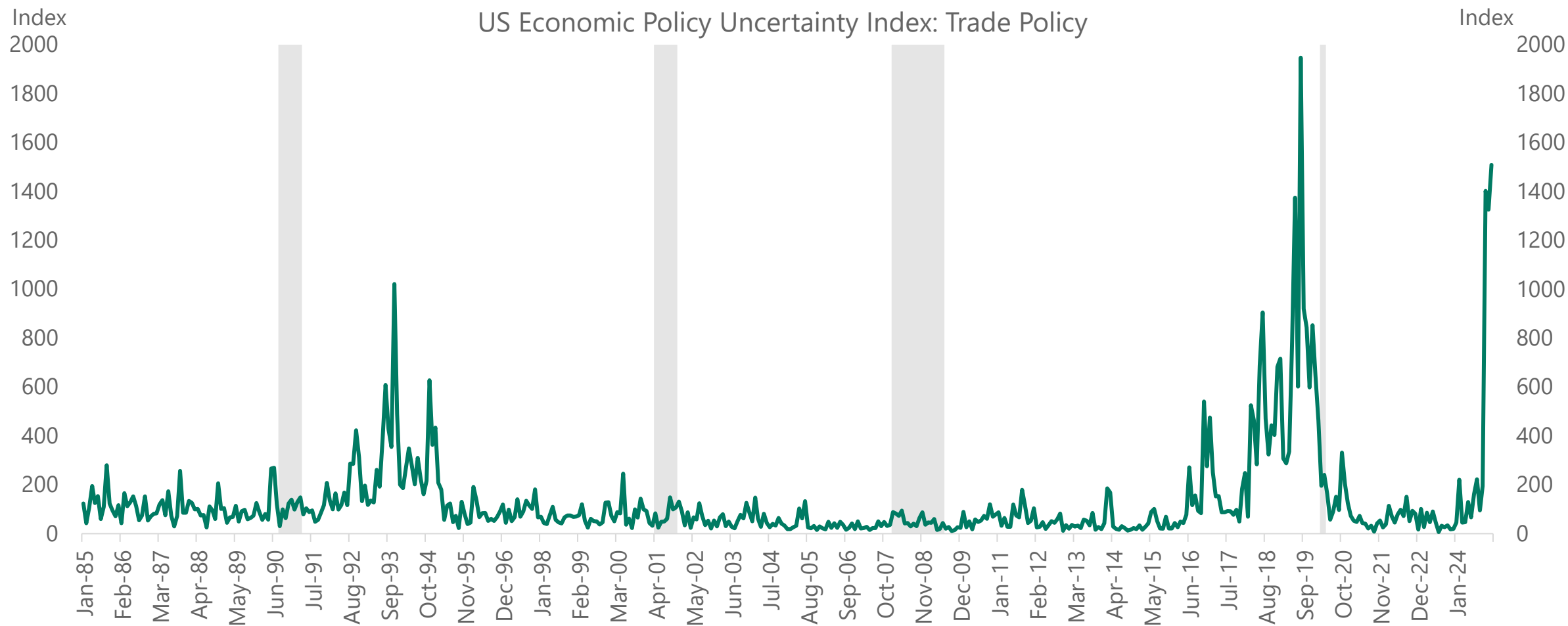


Source: Baumeister, Christiane, Danilo Leiva-Leon, and Eric Sims (2024), "Tracking Weekly State-Level Economic Conditions," *Review of Economics and Statistics*, 106(2), 483-504., Apollo Chief Economist. Note: The economic conditions indices are computed with mixed-frequency dynamic factor models with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

2025 Q1 GDP estimate from Atlanta Fed: 2.3%



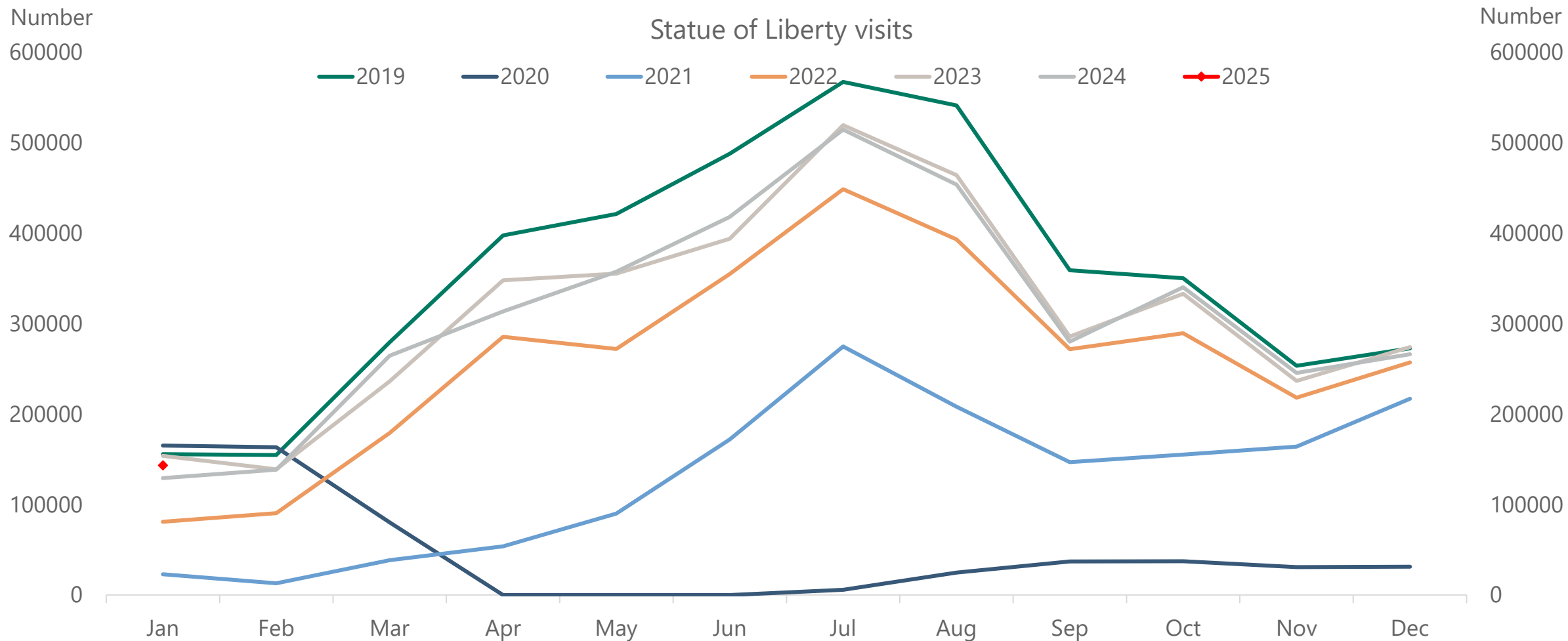
Changes in trade policy has increased economic policy uncertainty



Source: PolicyUncertainty.com, Haver Analytics, Apollo Chief Economist

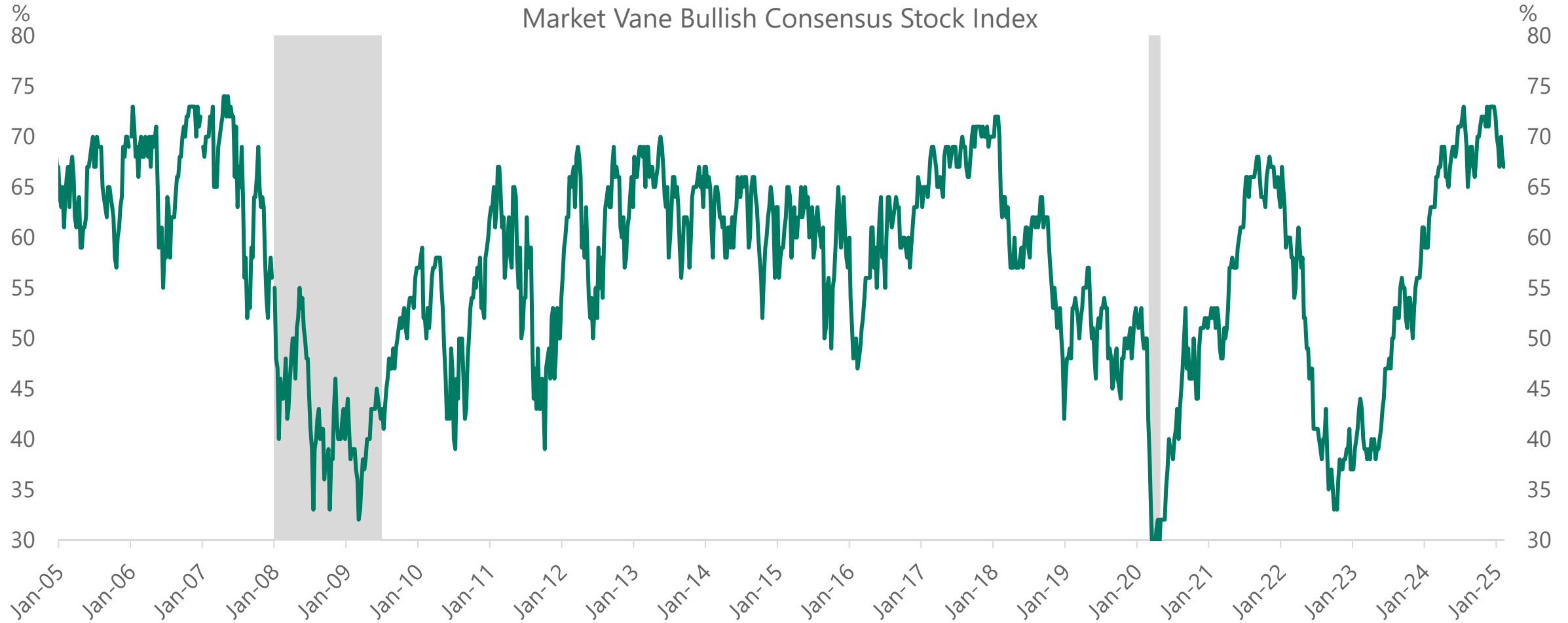
Other US economic indicators

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



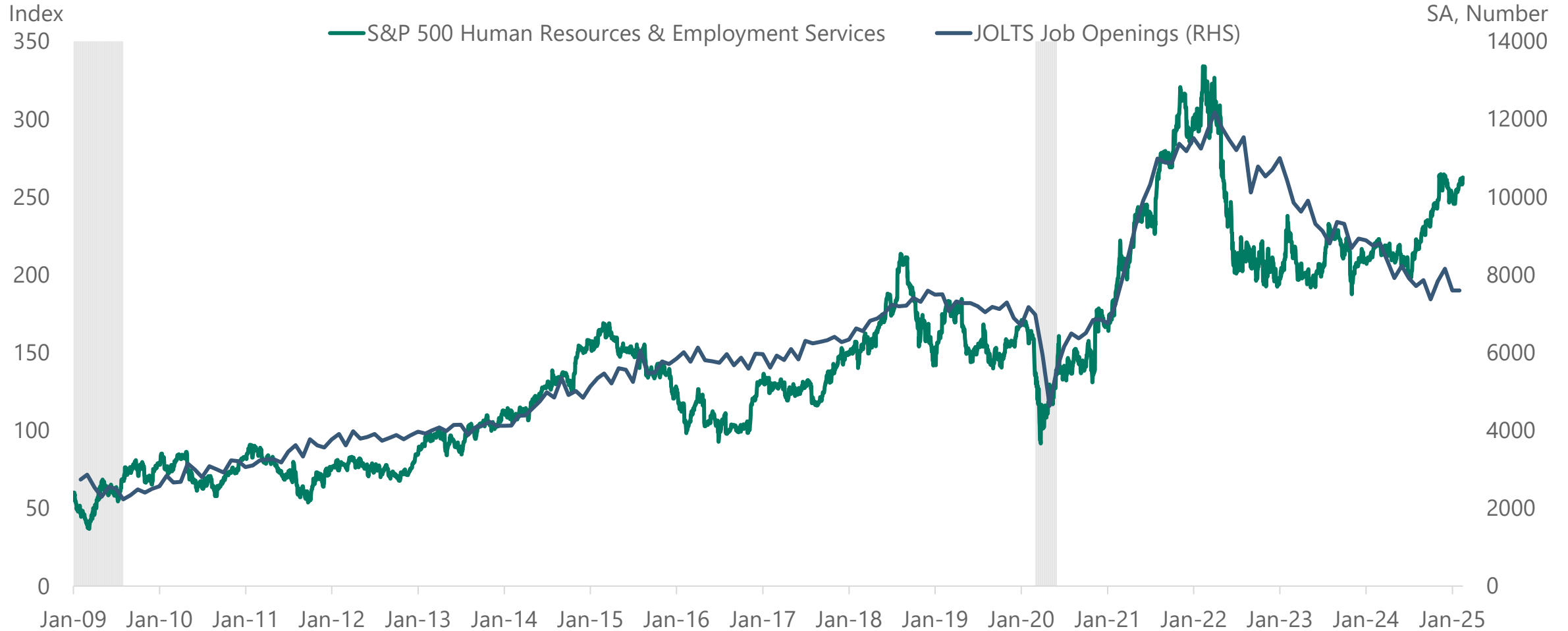
Source: irma.nps.gov, Apollo Chief Economist

Weekly bullish consensus stock index

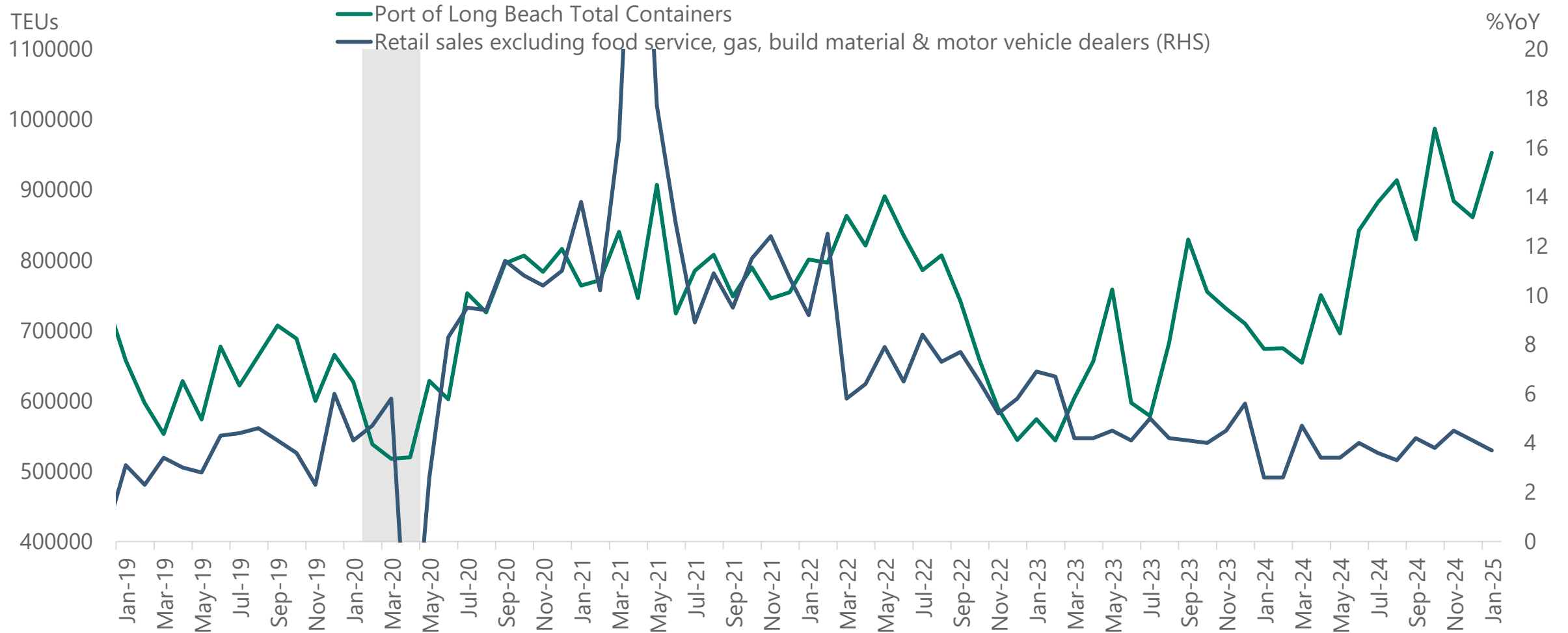


Source: Barron's, Haver Analytics, Apollo Chief Economist. Note: Market Vane Bullish = the degree of bullish sentiment for the S&P 500. For example: a Bullish Consensus of 65% for the S&P 500 implies that 65% of the traders are bullish and expect the S&P 500 to rise. Conversely, 35% of the traders are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

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

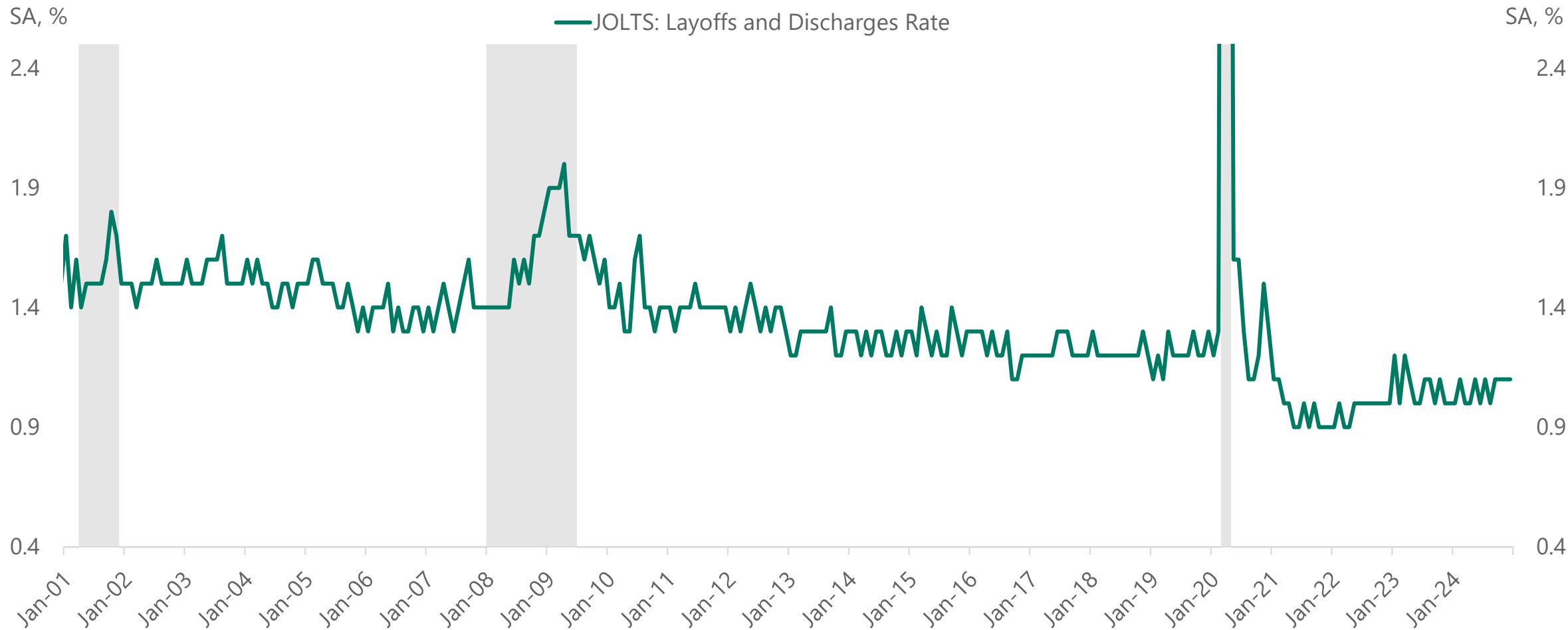


Total containers coming through LA high. Bodes well for retail sales

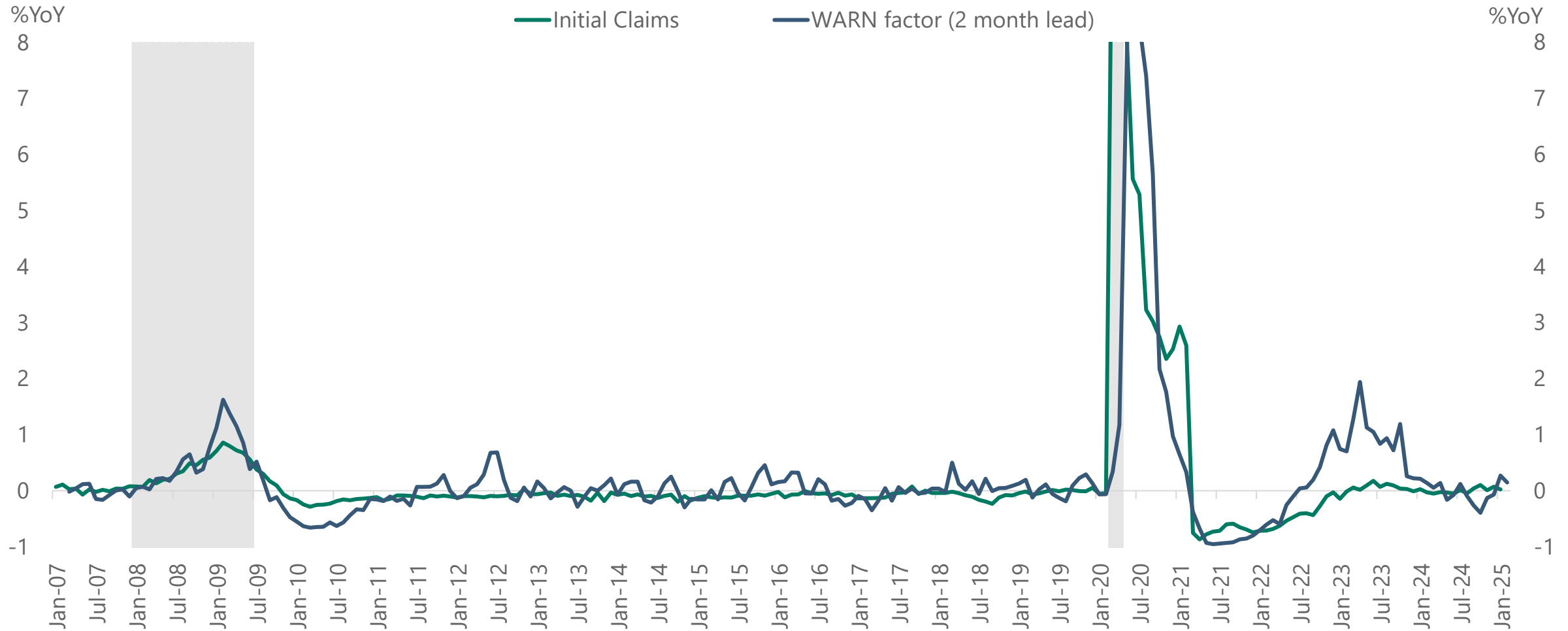


Source: Bloomberg, US Census Bureau, Apollo Chief Economist

Very low levels of layoffs



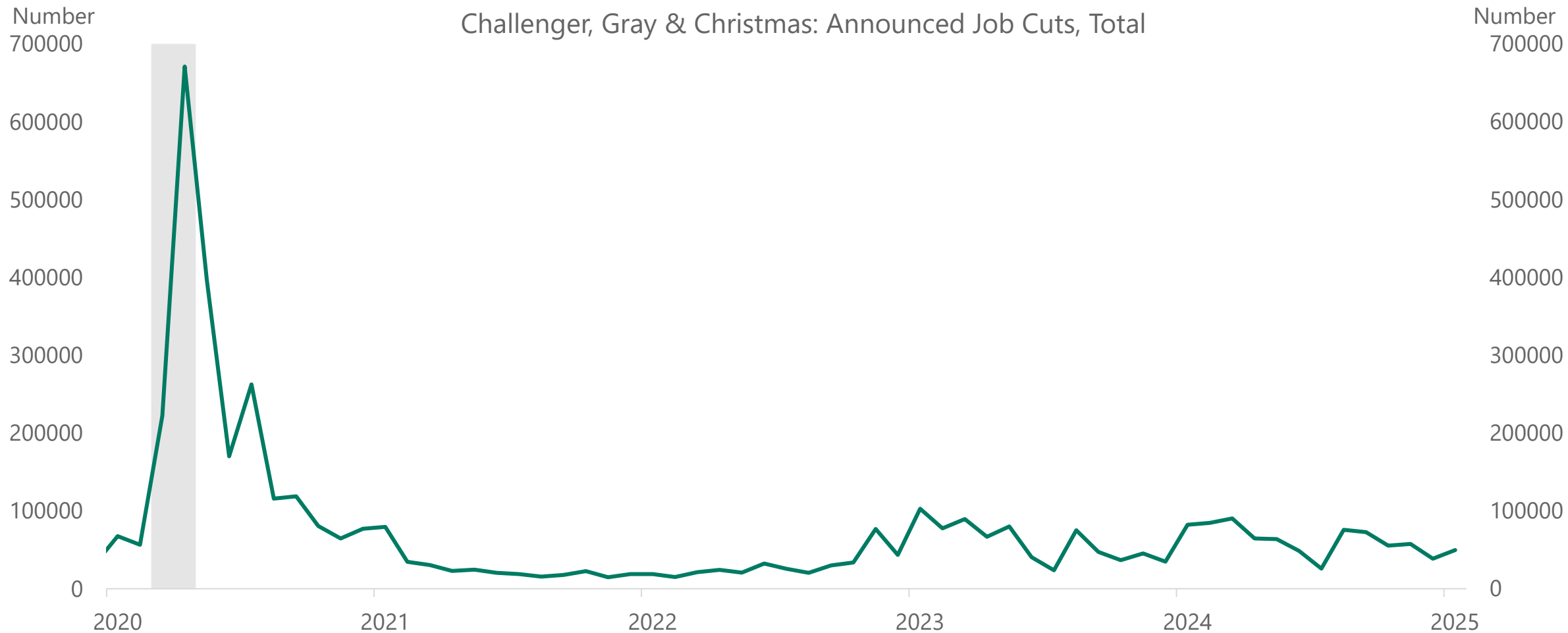
WARN data points to steady claims in coming months



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-notice-and-aggregate-job-loss>

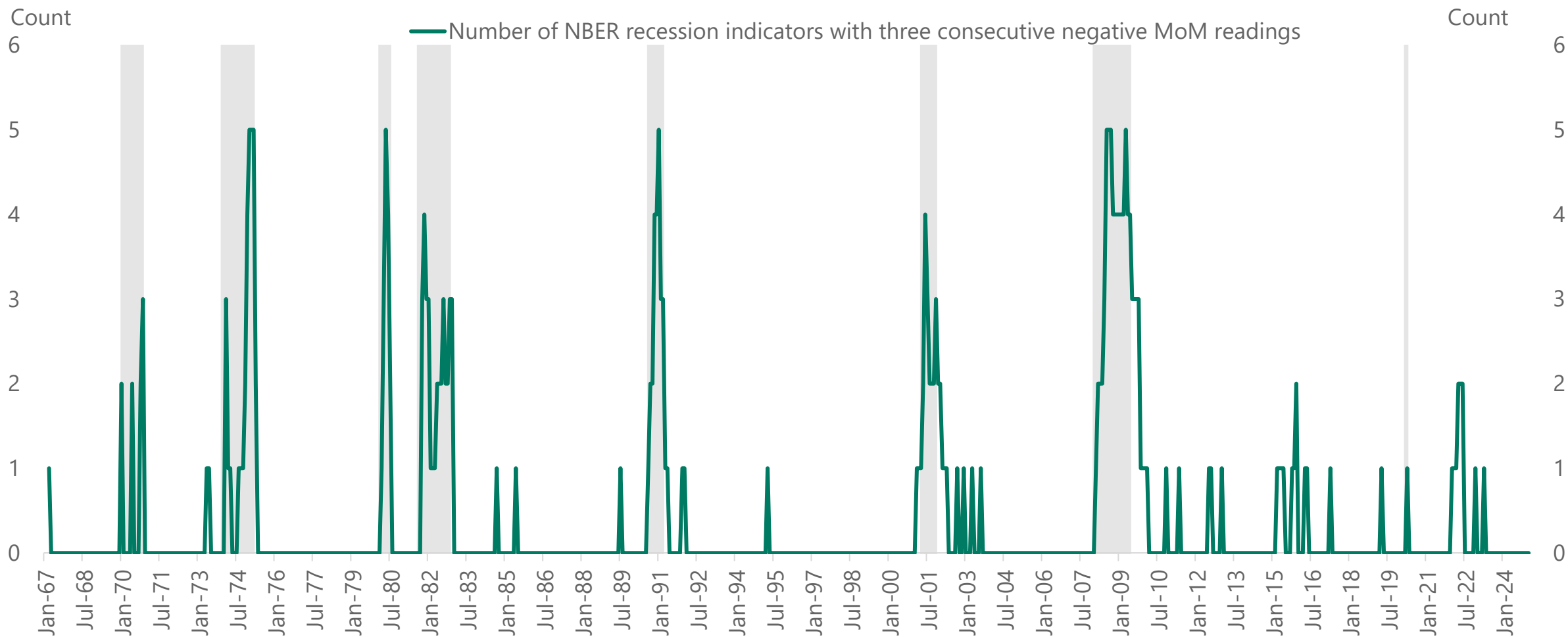
Announced job cuts remain low

Challenger, Gray & Christmas: Announced Job Cuts, Total



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

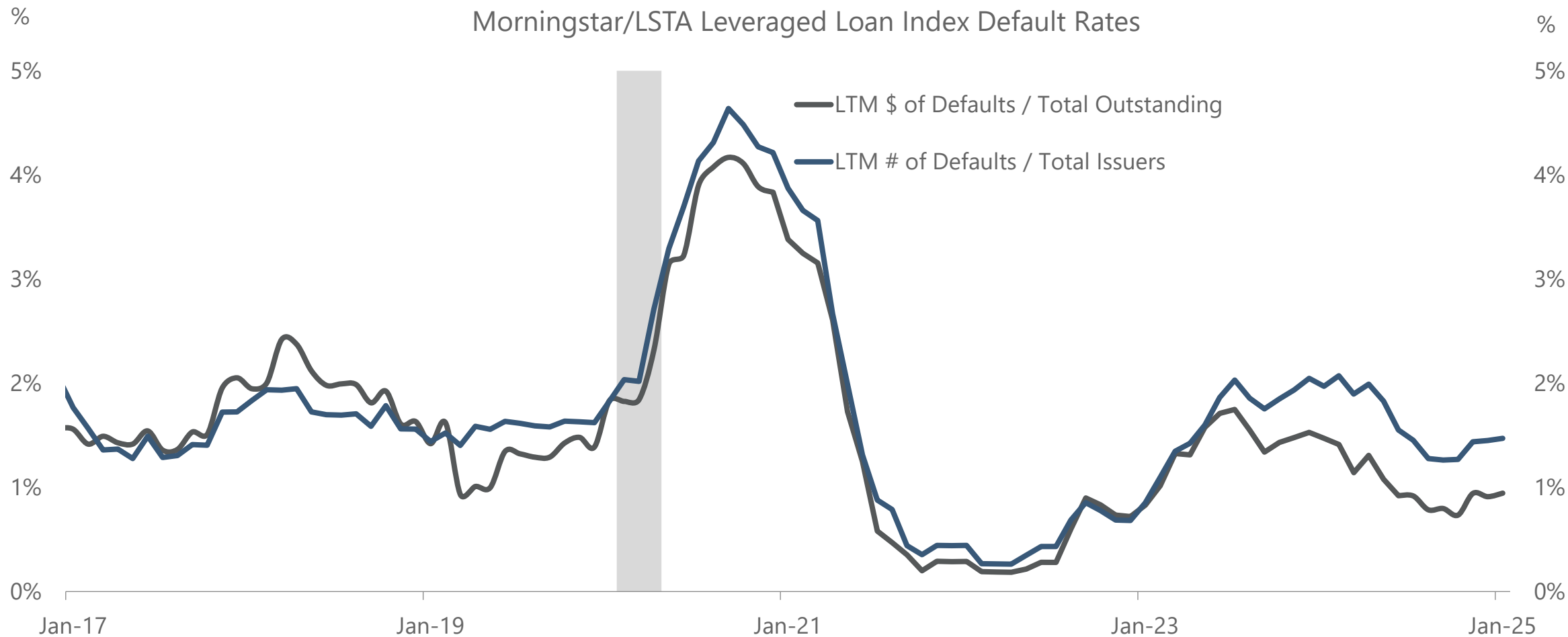
NBER recession indicators show that the US economy is not in a recession



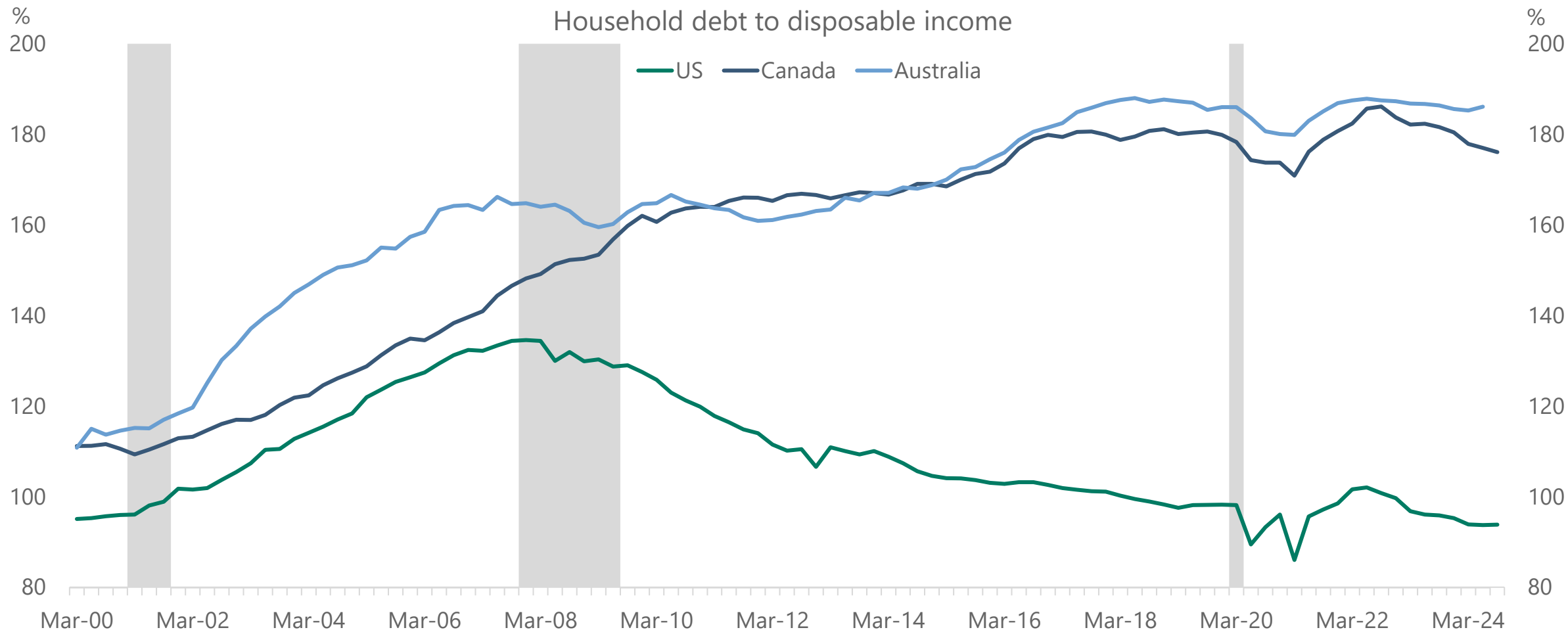
Source: BEA, FRB, BLS, NBER, Haver Analytics, Apollo Chief Economist. Note: NBER recession indicators include Real Manufacturing & Trade Sales, Industrial Production Index, Real Personal Income less Transfer Payments, Real Personal Consumption Expenditures, Nonfarm payrolls, and Household survey employment.

Default rates for loans

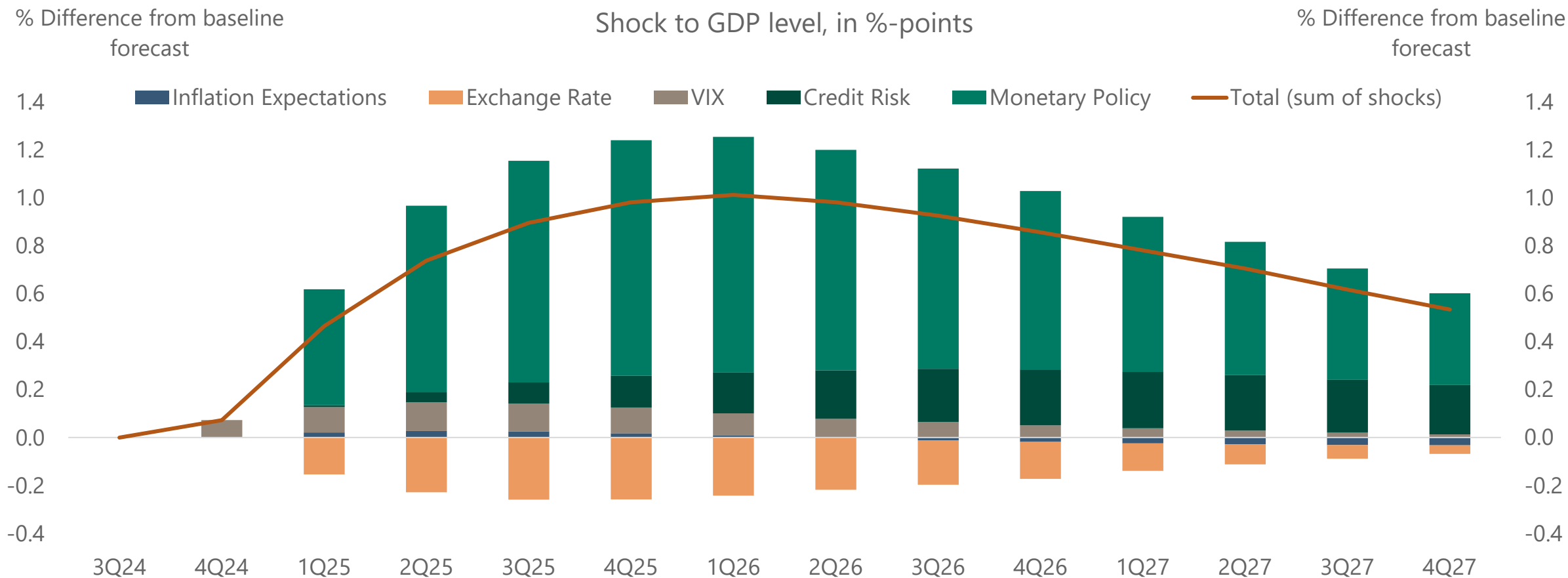
Morningstar/LSTA Leveraged Loan Index Default Rates



US household balance sheets are in excellent shape

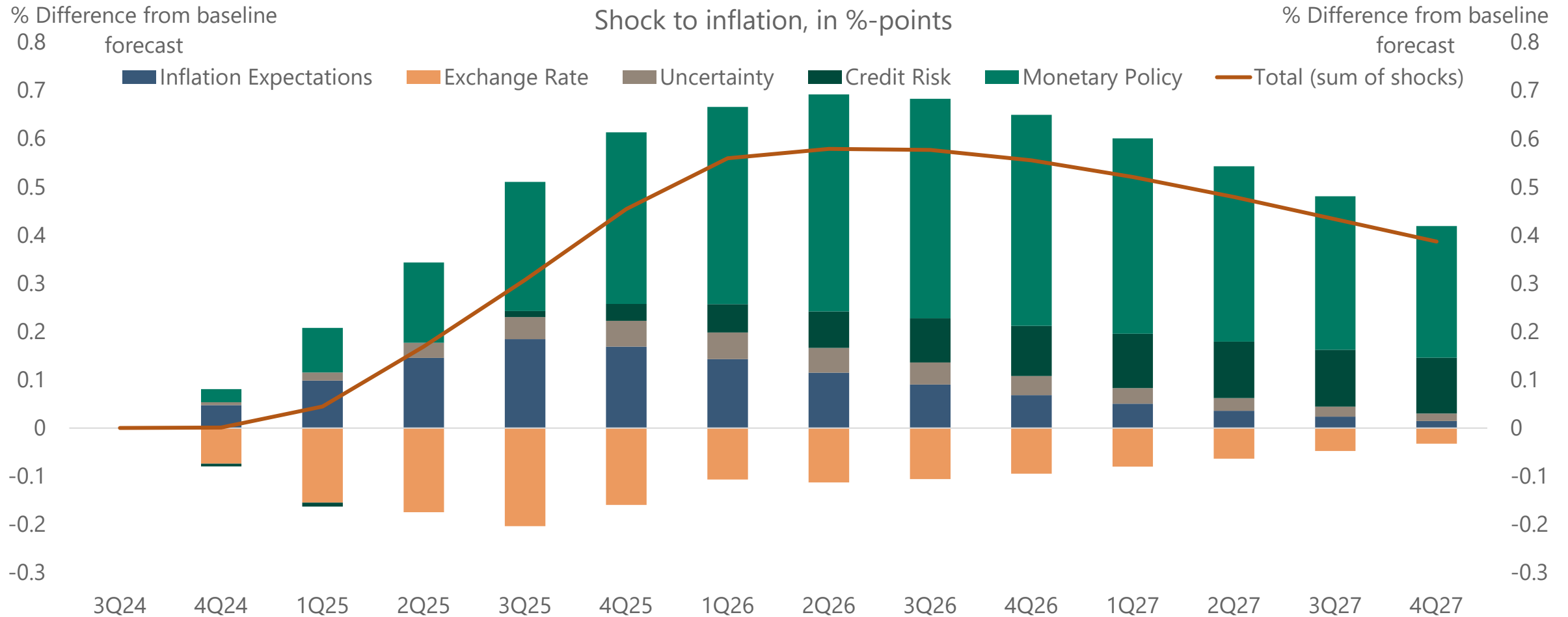


Impact on GDP of Fed cuts and changes in financial conditions since the Fed started cutting interest rates in September 2024



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.

Impact on inflation 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.



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.