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**Deliberate investing. Intentional value.**

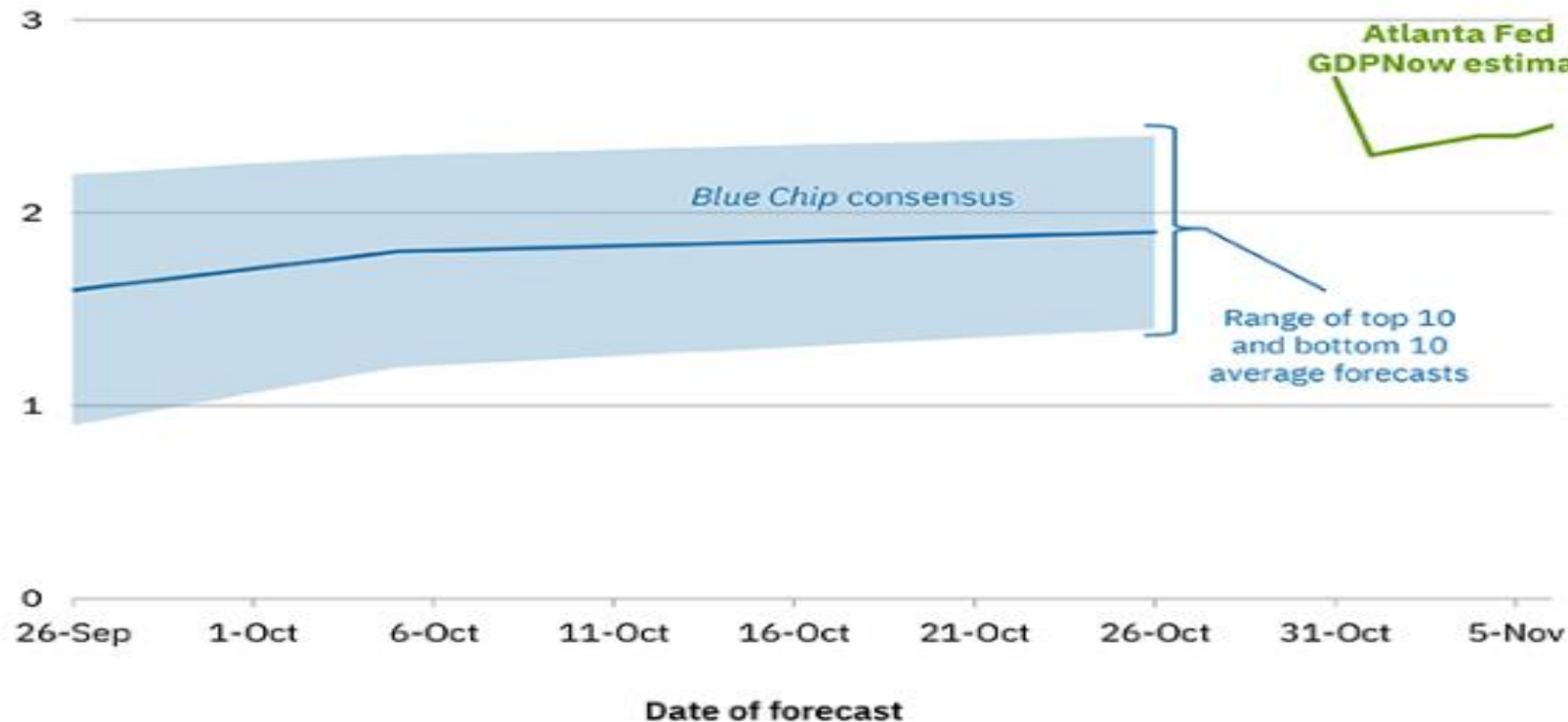
**STANDPOINT**

November 2024





### Evolution of Atlanta Fed GDPNow real GDP estimate for 2024: Q4 Quarterly percent change (SAAR)

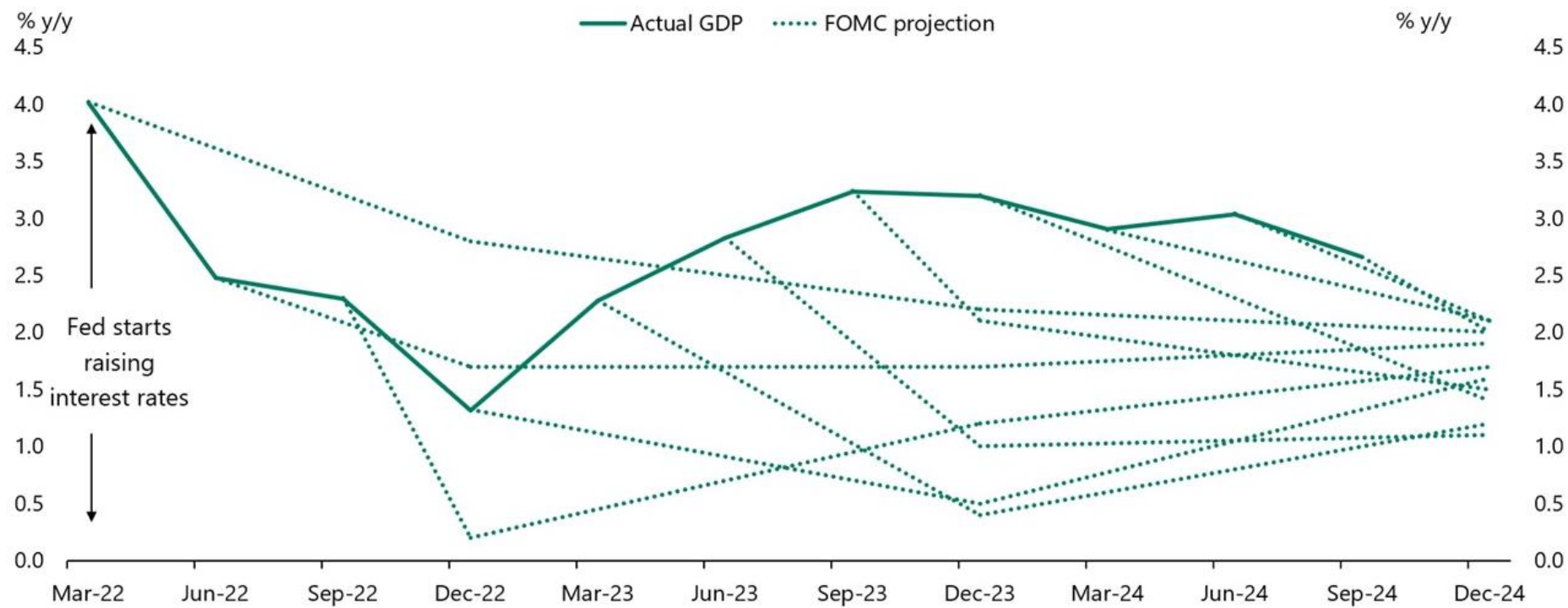


Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

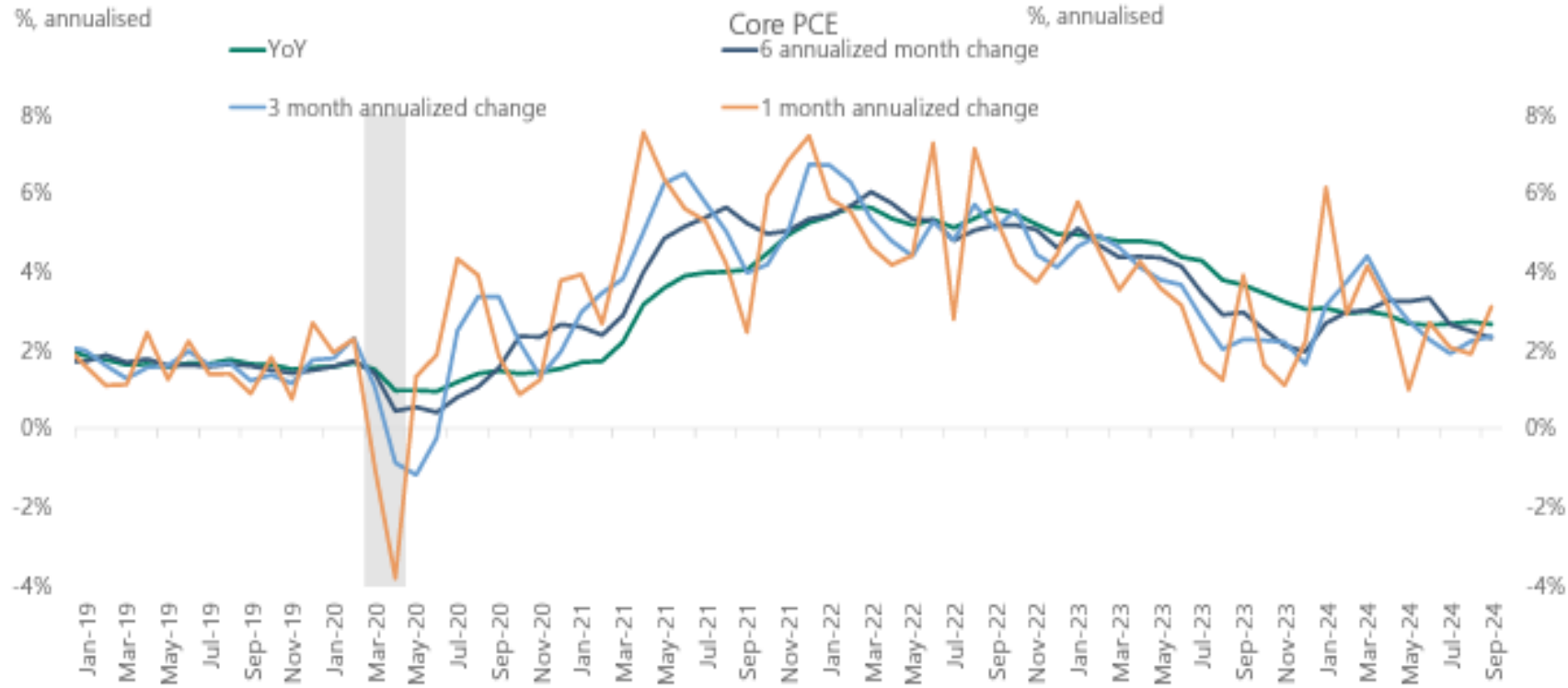


The FOMC has constantly expected the economy to slow down.  
But it still hasn't happened.



Source: Apollo

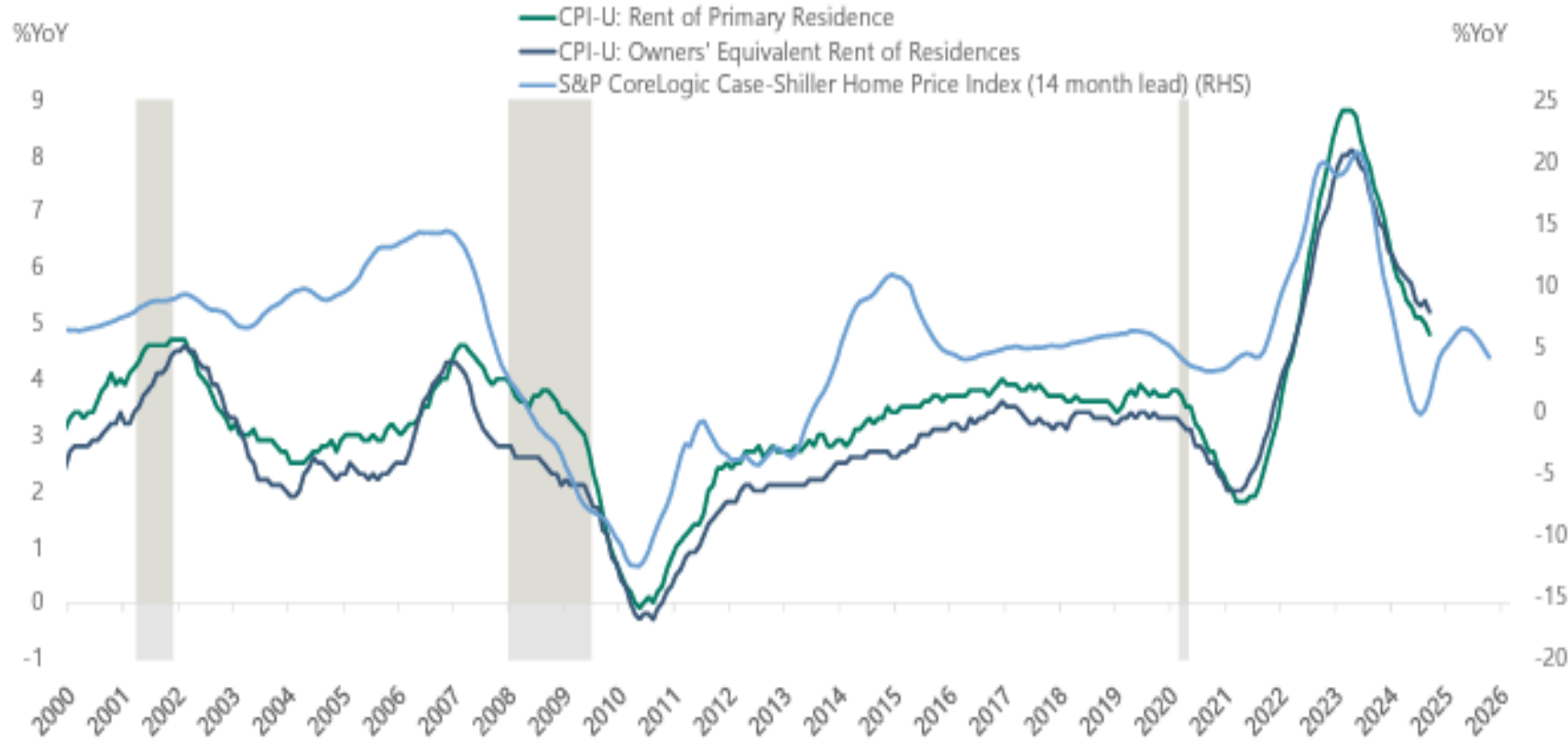
# Core inflation stabilizing at 2% or starting to move higher again?



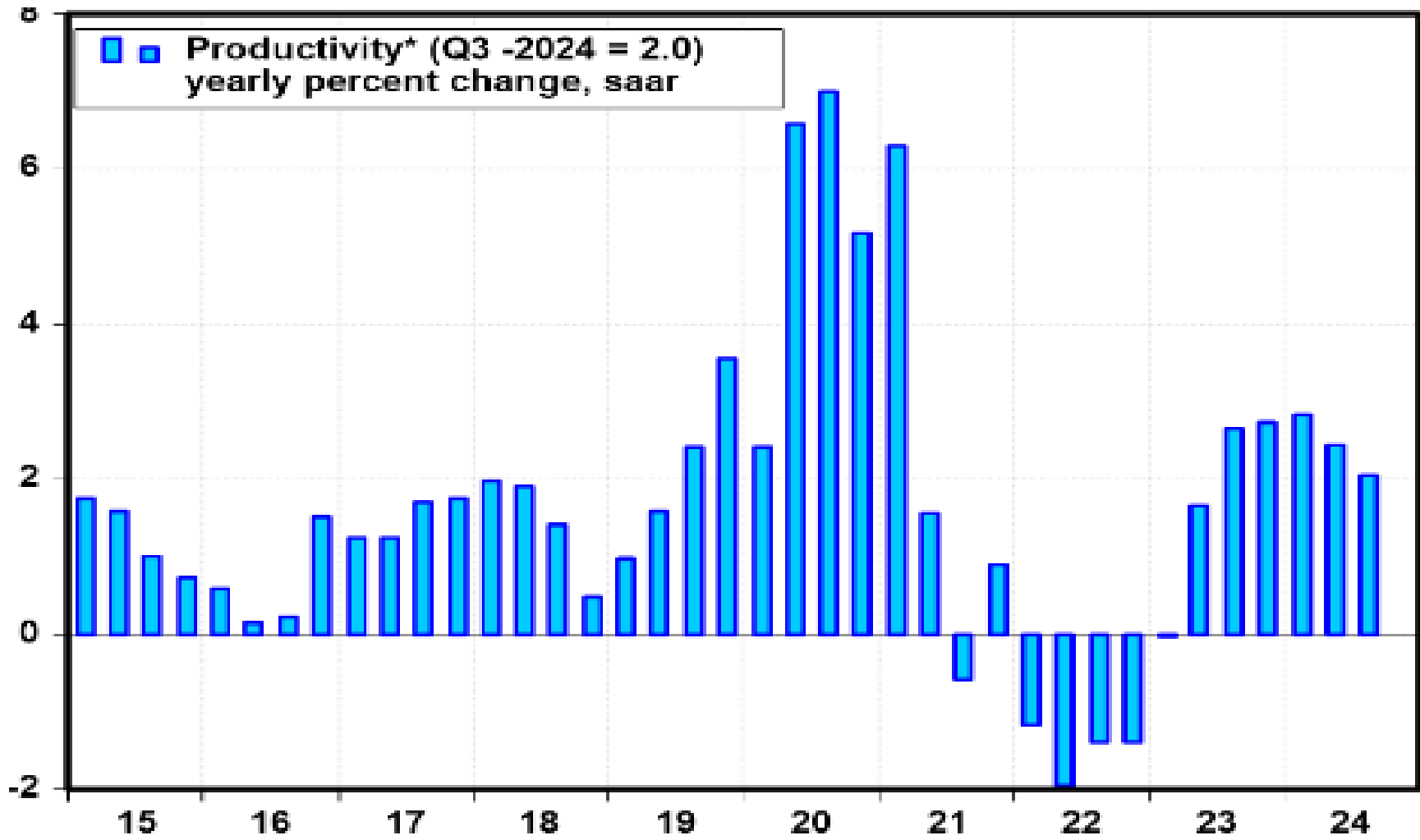
Source: BEA, Haver Analytics, Apollo Chief Economist



# Rebound coming in housing inflation?



Source: Haver Analytics, BLS, S&P, Apollo Chief Economist



Source: Bureau of Labor Statistics, Yardeni Research

# Productivity Examples



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Source: KCAL

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# Productivity Examples



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Source: CBS This Morning

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# Productivity Examples

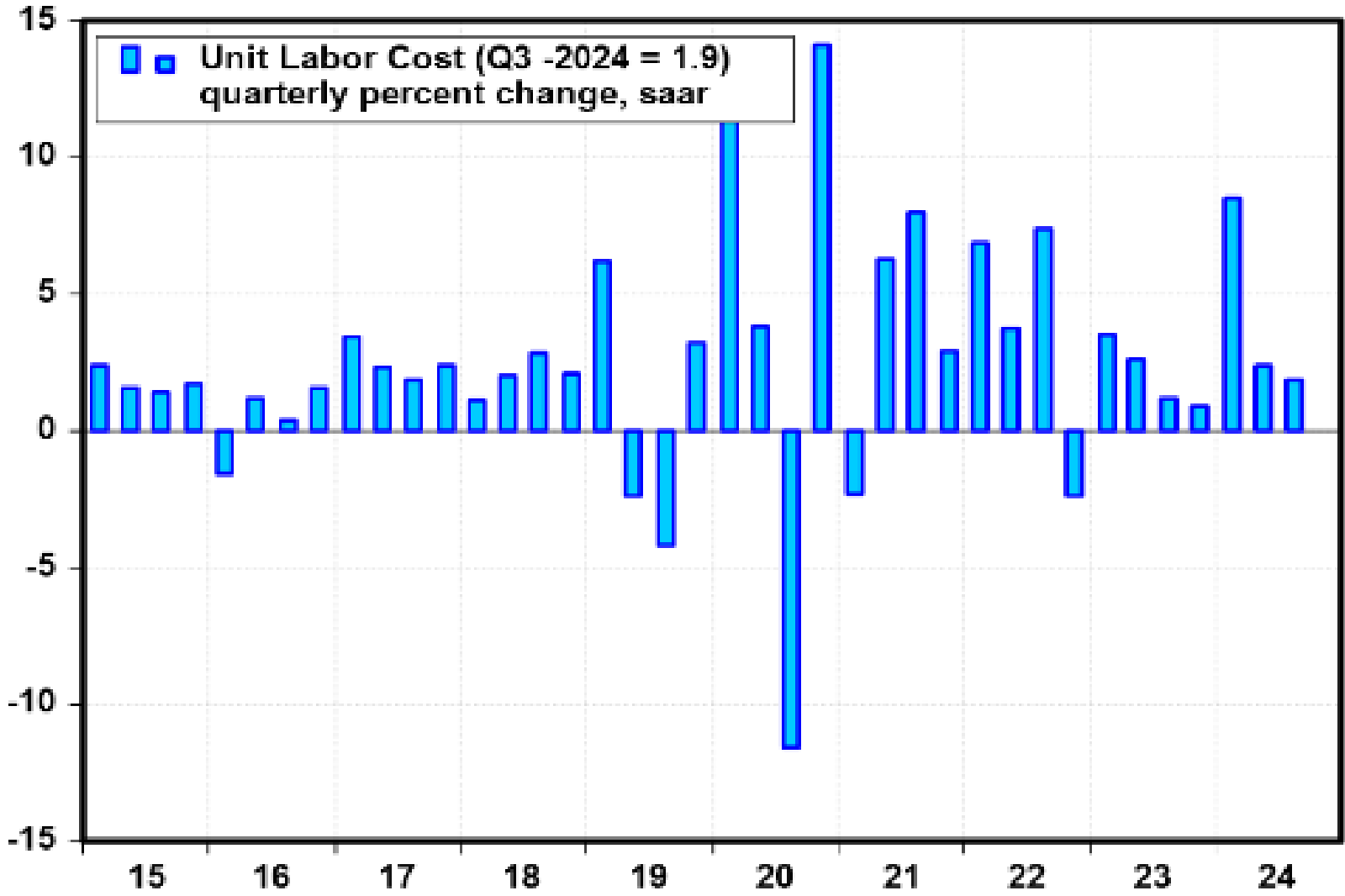


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Source: CBS This Morning

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Source: Bureau of Labor Statistics, Yardeni Research



## United States: Population growth from 2013 to 2023

*(compared to the previous year)*



[Additional Information](#)

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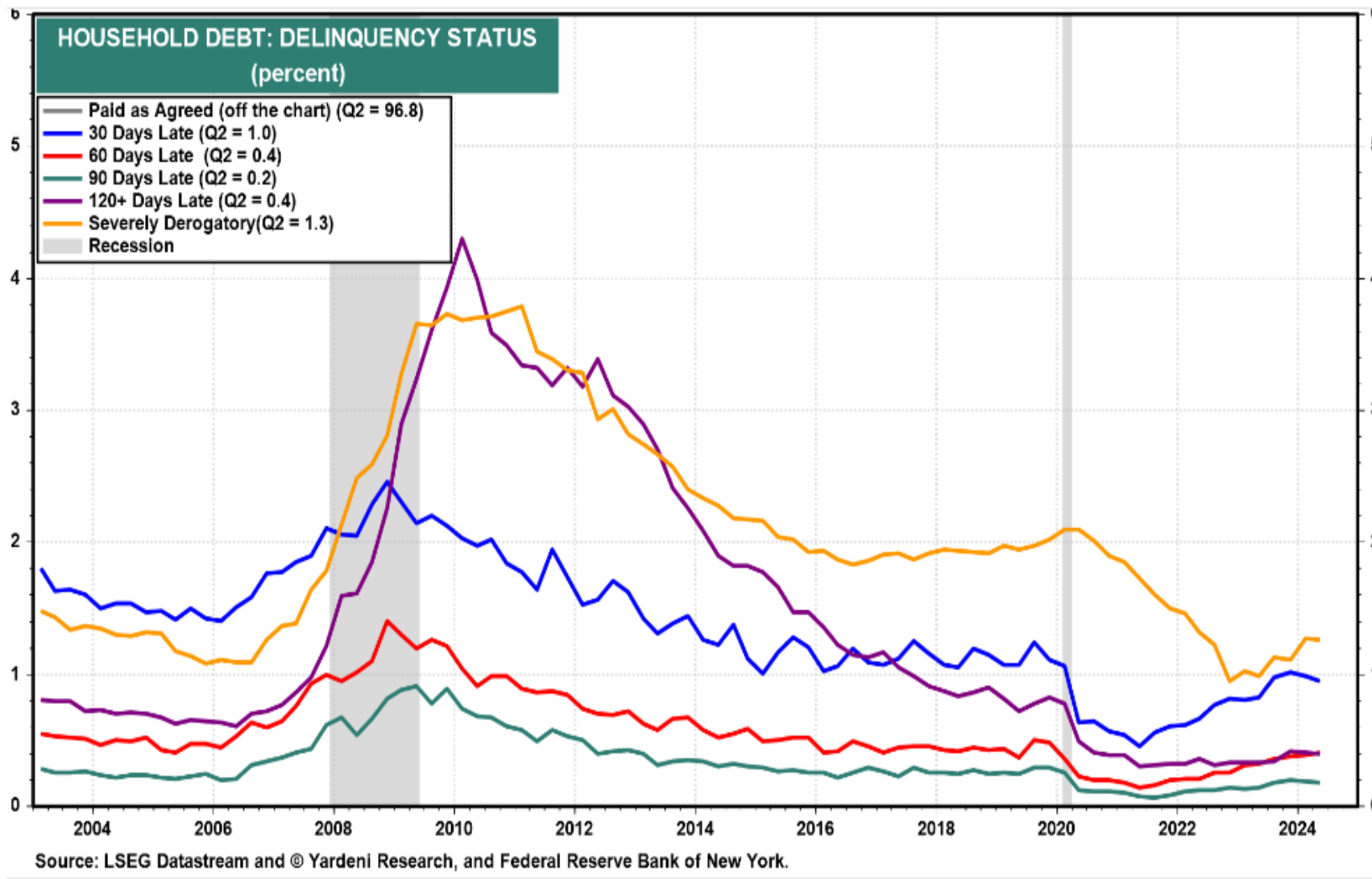
[Show source](#)

Source: U.S. Census Bureau

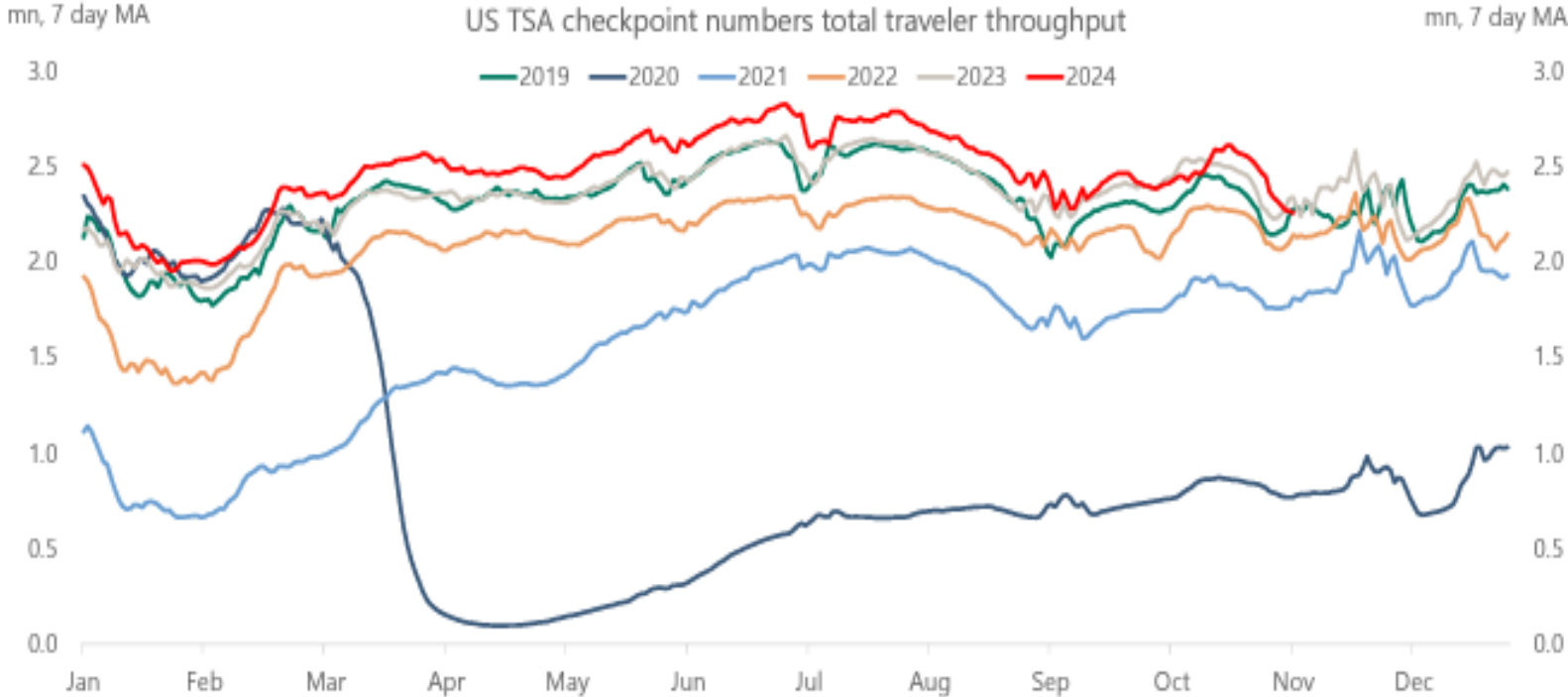


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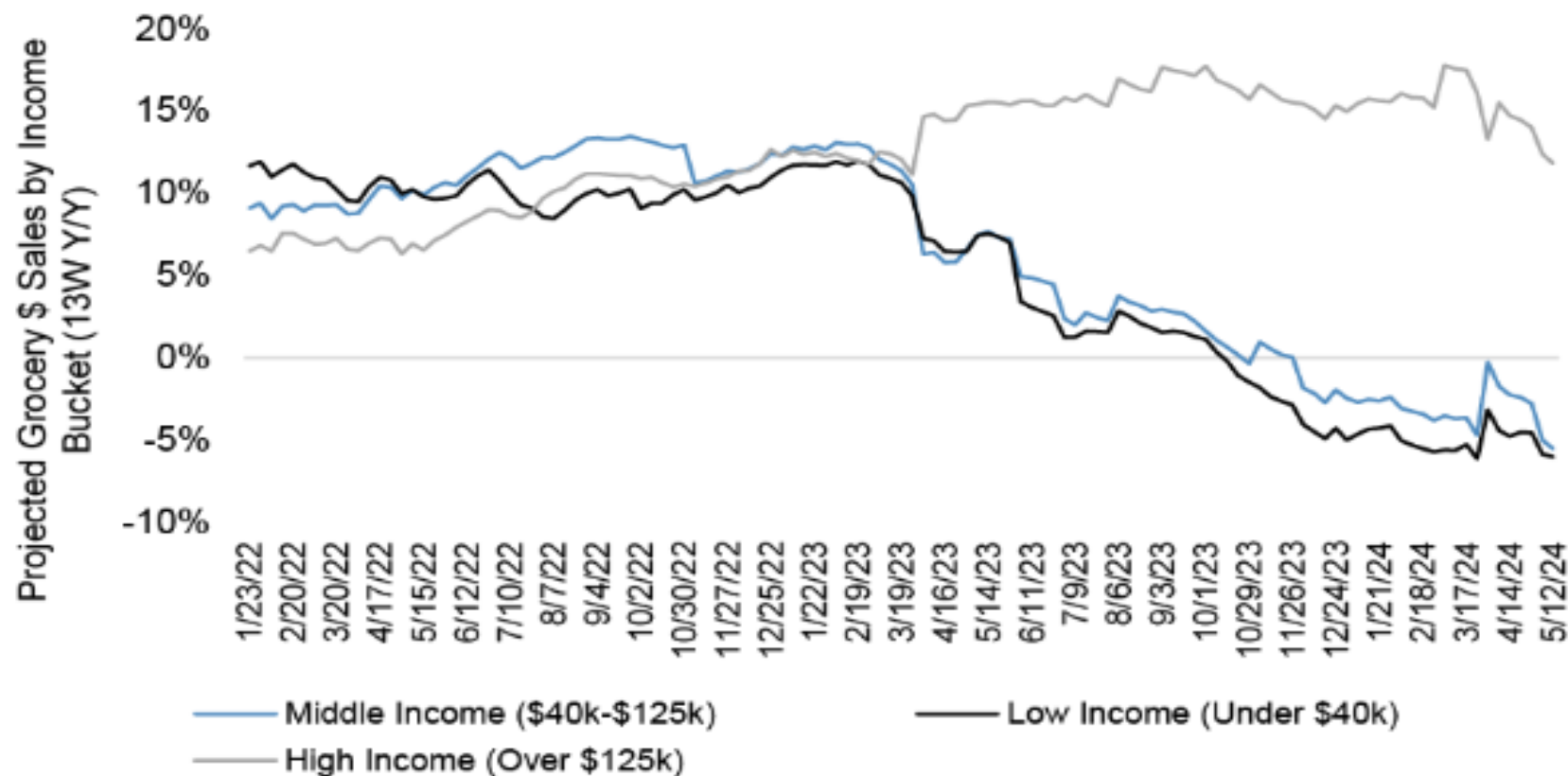
# Daily data for US air travel



Source: TSA, Bloomberg, Apollo Chief Economist



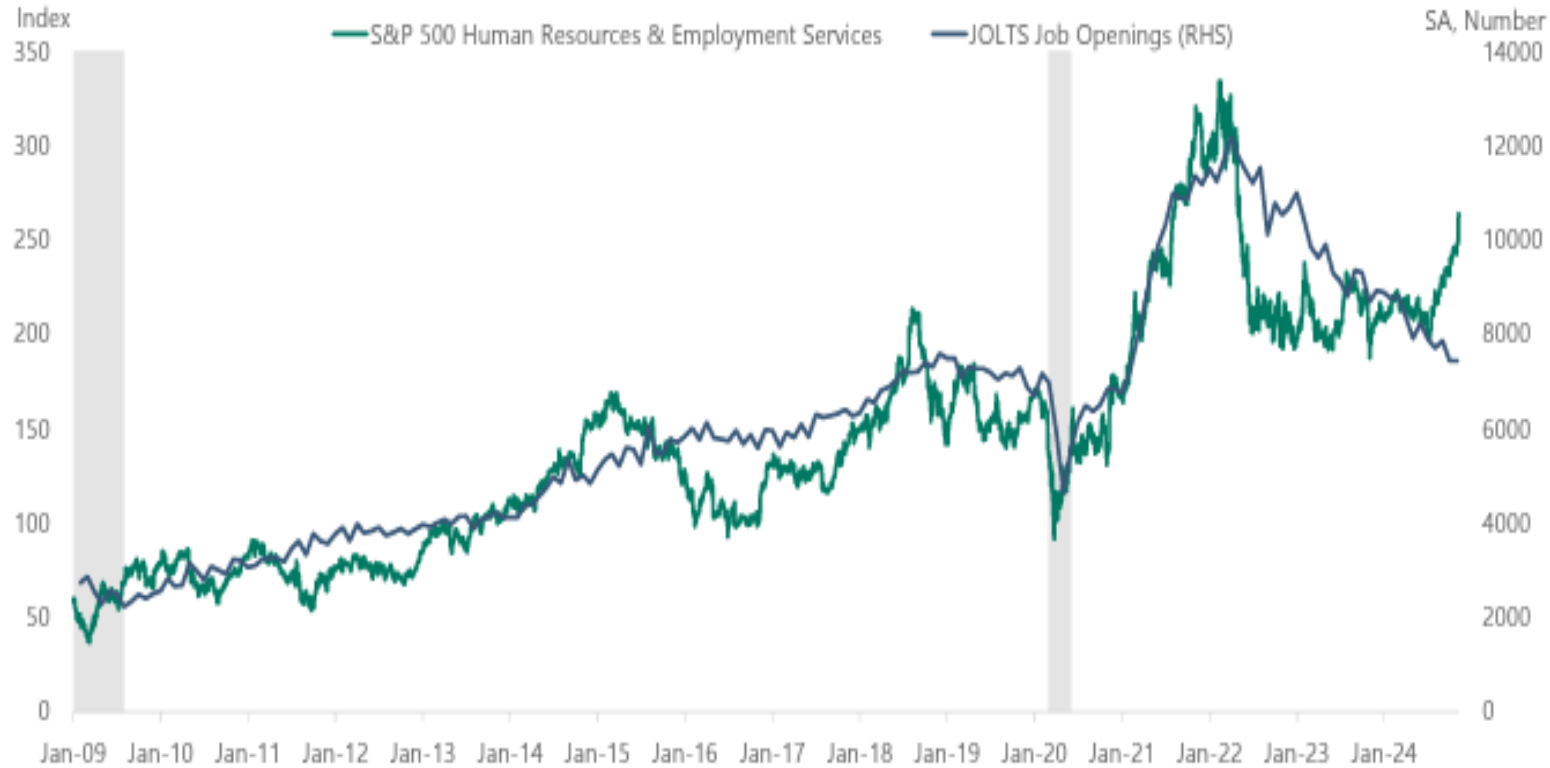
projected grocery \$ sales by income bucket (13W Y/Y)



Source: Numerator.



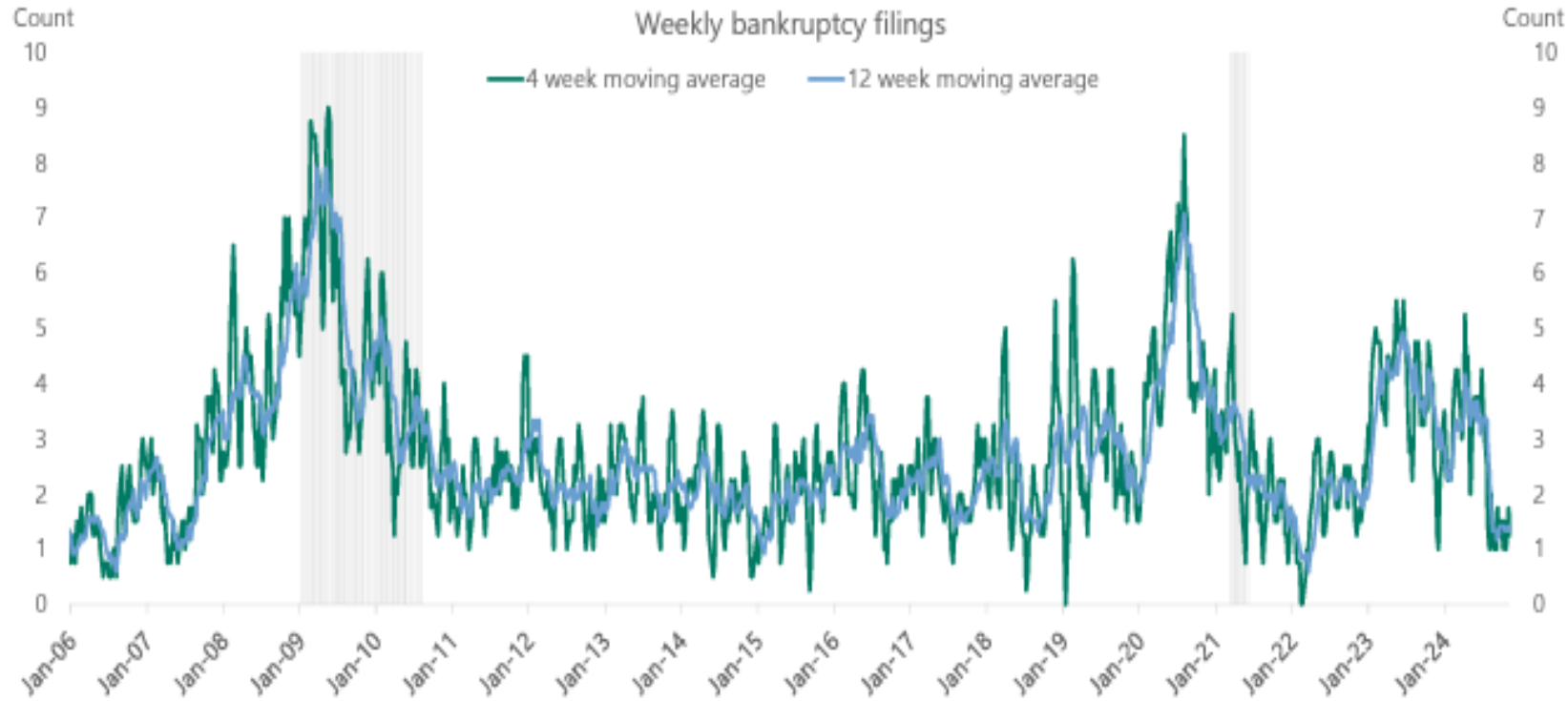
## The stock price of staffing firms points to a rebound in job openings



Source: Bloomberg, BLS, Apollo Chief Economist

# Weekly bankruptcy filings

APOLLO



Source: Bloomberg, Apollo Chief Economist. Note: Filings are for companies with more than \$50mn in liabilities. For week ending on November 6, 2024.

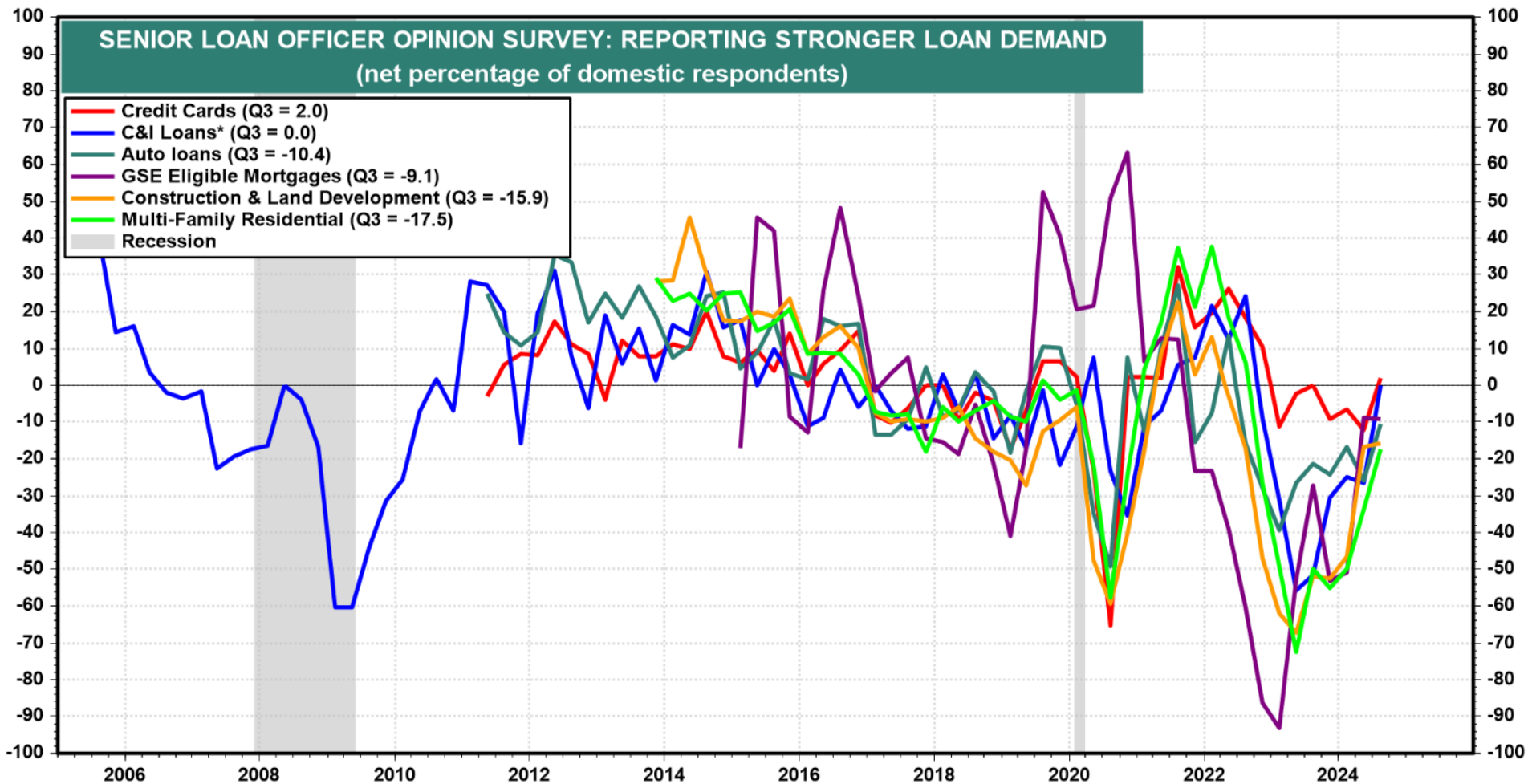
41





## Weekly loan growth for banks



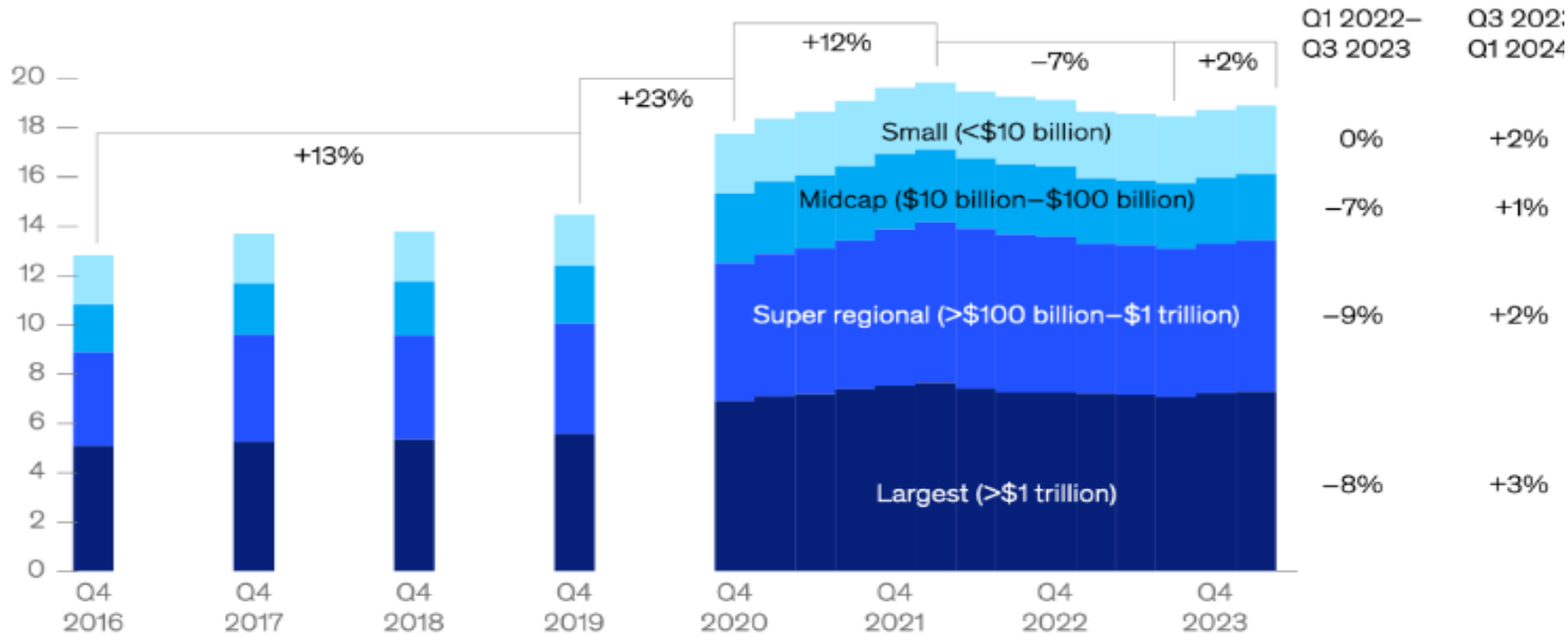


Source: LSEG Datastream and © Yardeni Research, and Federal Reserve Board.

\* Average of large & medium firms and small firms.

# US bank deposits began rising again in the fourth quarter of 2023, a recovery that came after six straight quarters of declines.

**Total deposits at US financial institutions, by asset size,<sup>1</sup> \$ trillion**



<sup>1</sup>Includes commercial, retail, and government deposits; excludes deposits in foreign offices of US institutions.  
Source: Federal Financial Institutions Examination Council

# CBOE Interest Rate 10 Year T No (^TNX) ☆

Cboe Indices - Cboe Indices Delayed Price. Currency in USD

4.3060 -0.0350 (-0.8063%)

At close: November 8 01:59PM CST

Comparison Indicators Technicals Corporate Events Candle

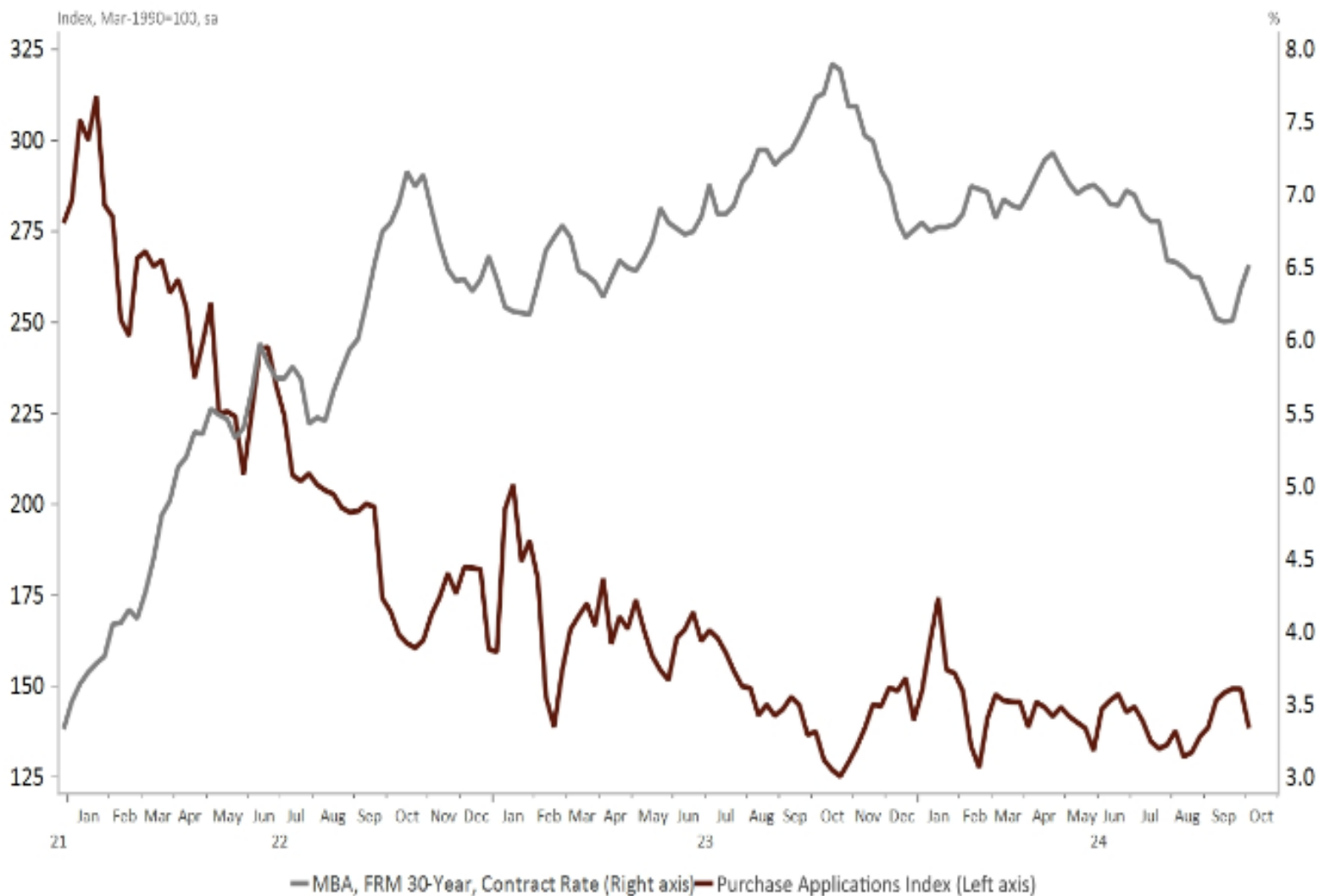




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## Mortgage purchase applications drop as interest rates climb in past two weeks

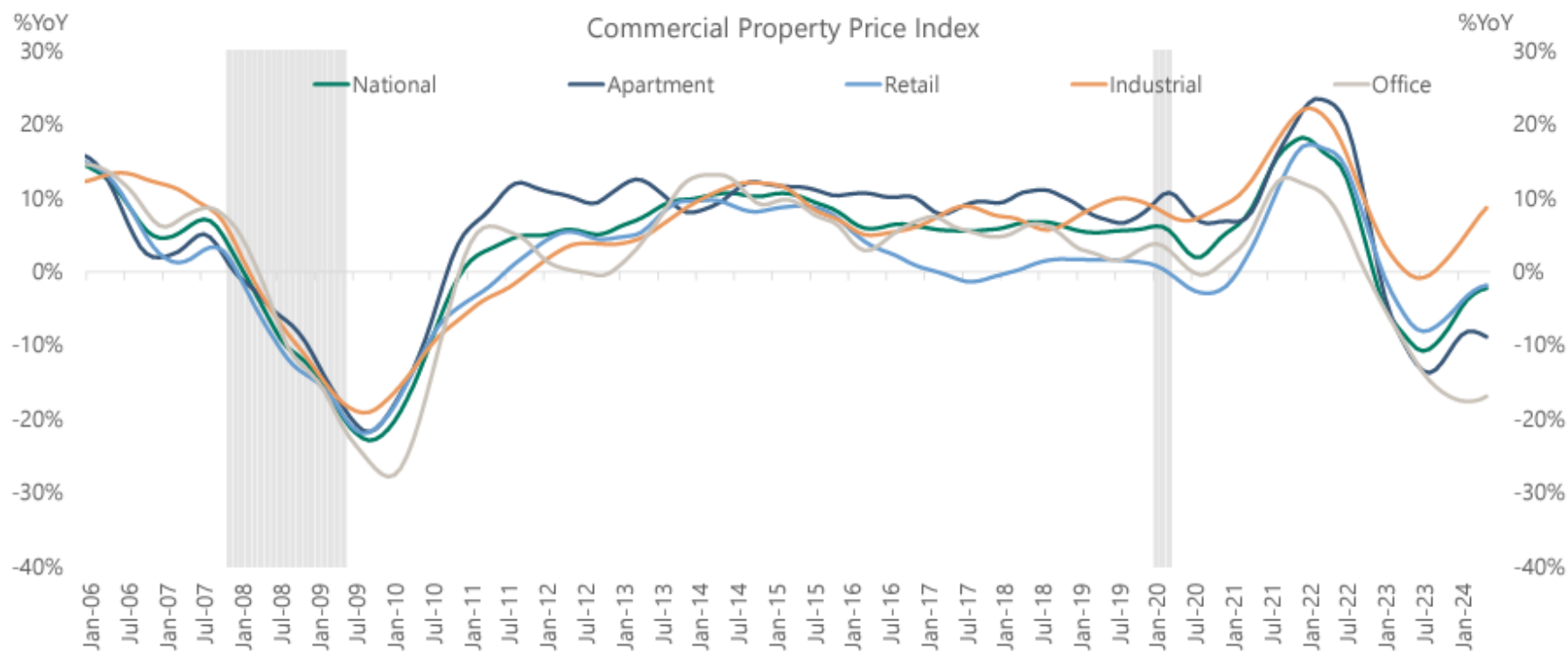


Source: Renaissance Macro Research, Macrobond

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## CRE prices mixed

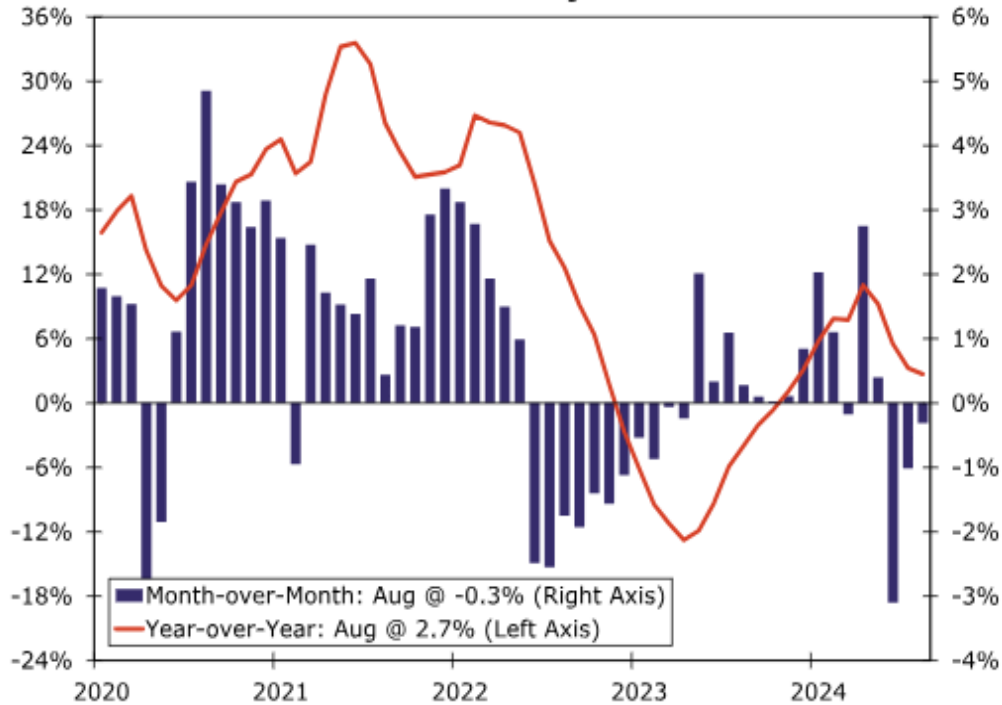


Source: RCA, Bloomberg, Apollo Chief Economist

# The need for Housing continues to be strong

### Total Residential Construction

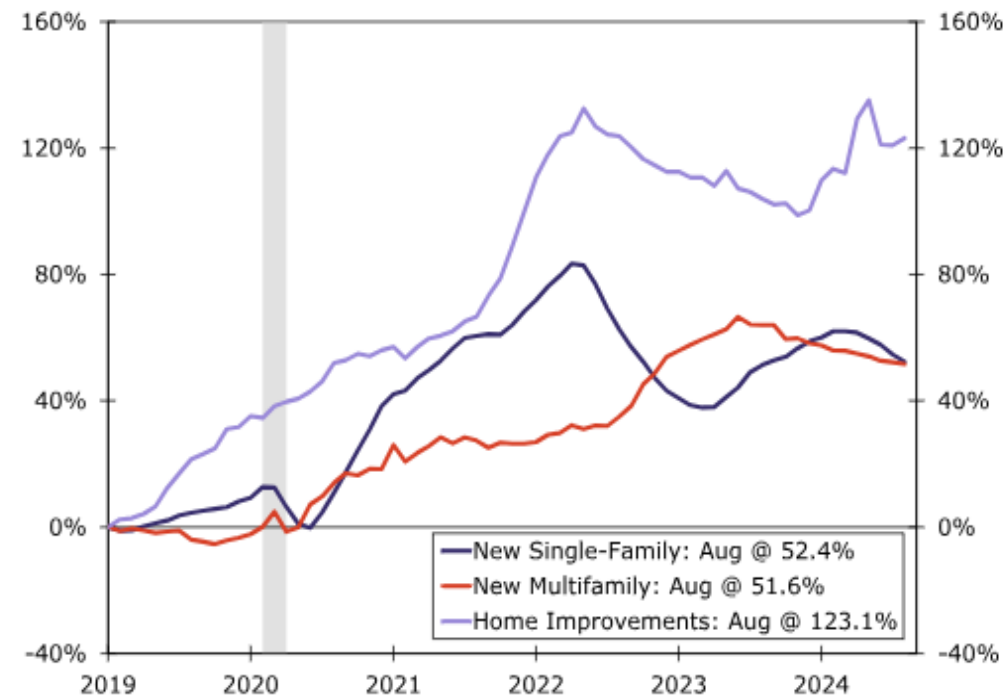
Percent Change



Source: U.S. Department of Commerce and Wells Fargo Economics

### Private Residential Construction

Percent Chg. From January 2019

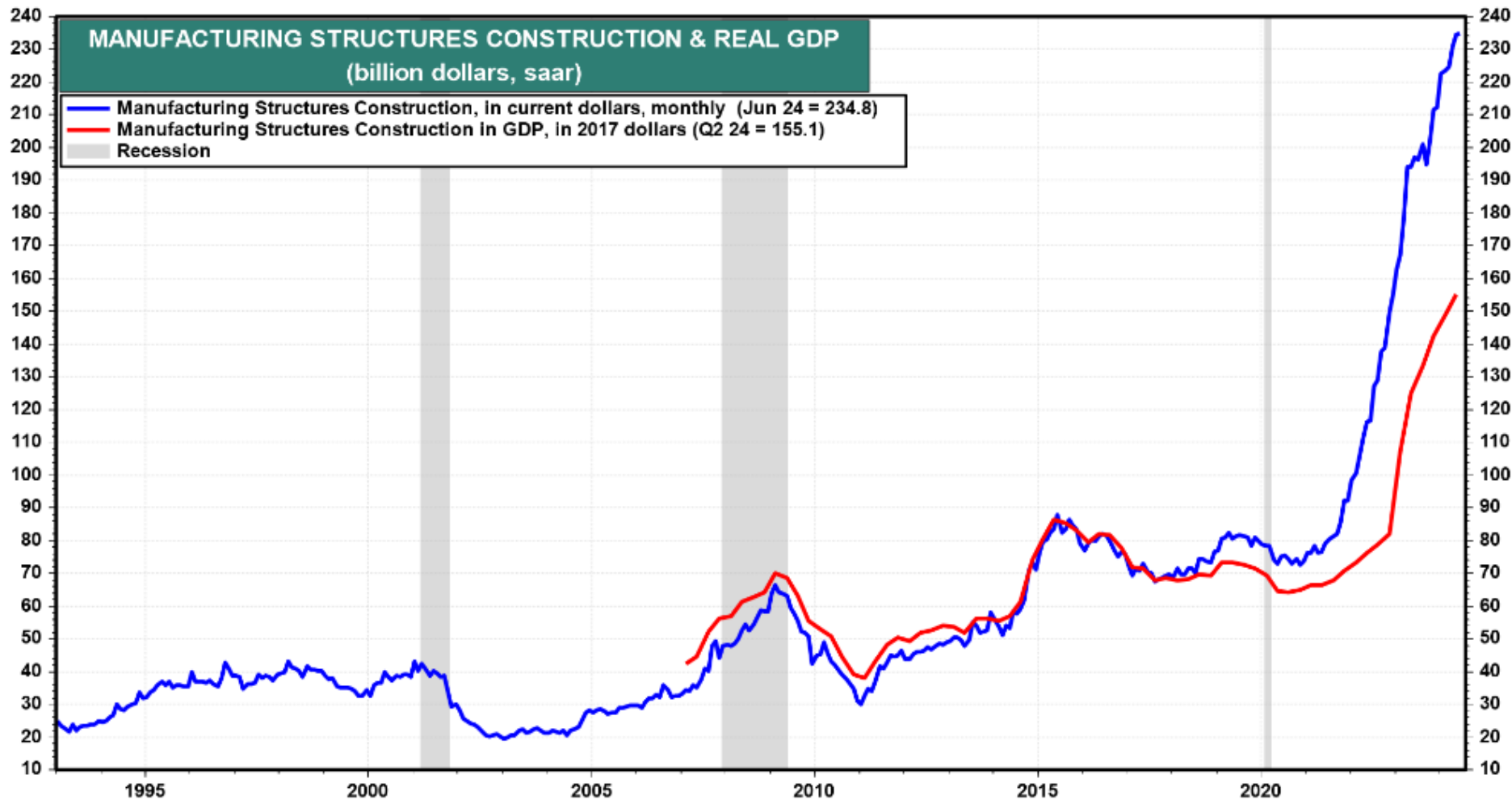


Source: U.S. Department of Commerce and Wells Fargo Economics



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Source: LSEG Datastream and © Yardeni Research.

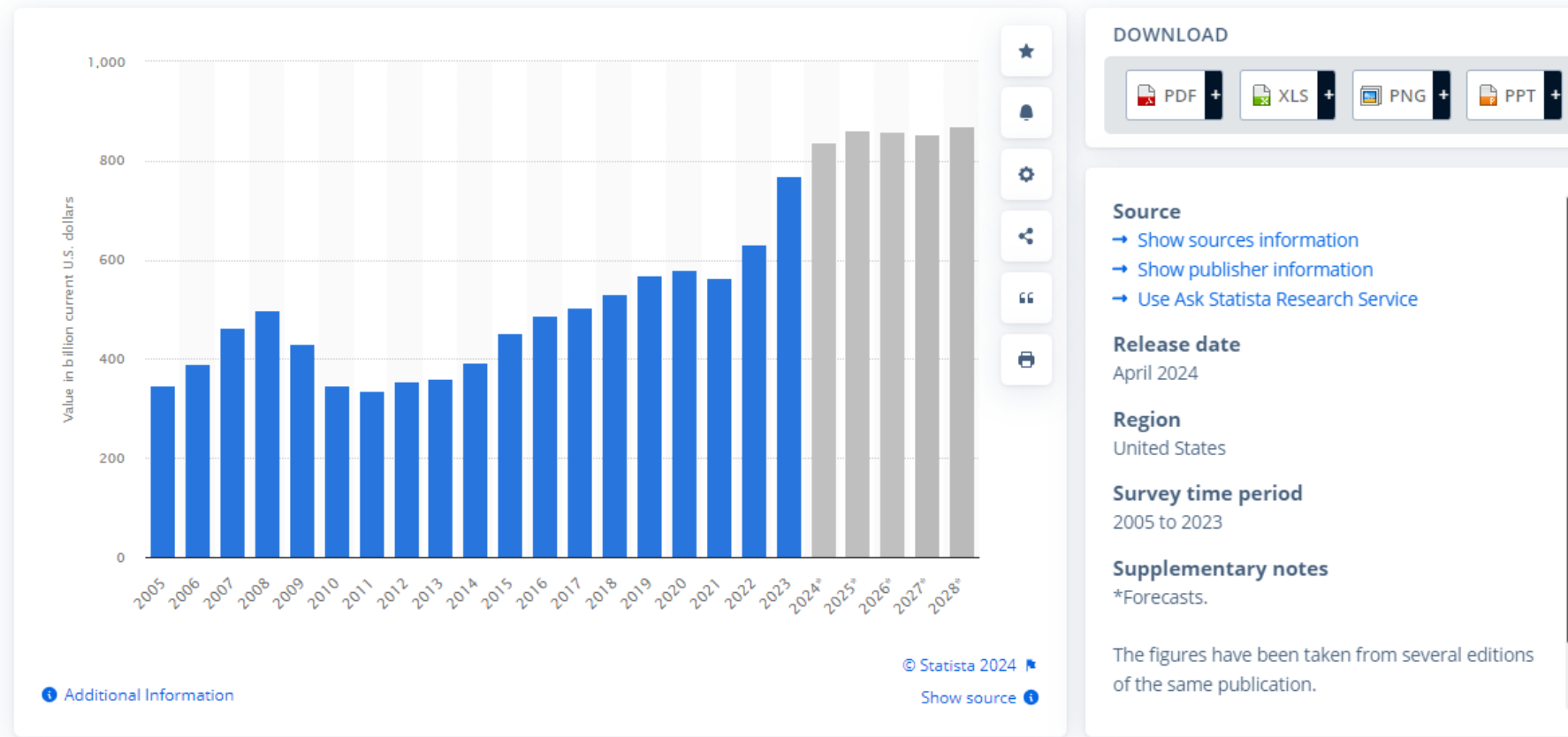
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## New non-residential construction spending in the United States from 2005 to 2023, with forecasts until 2028

(in billion current U.S. dollars)



Source: ISI, Federal Reserve

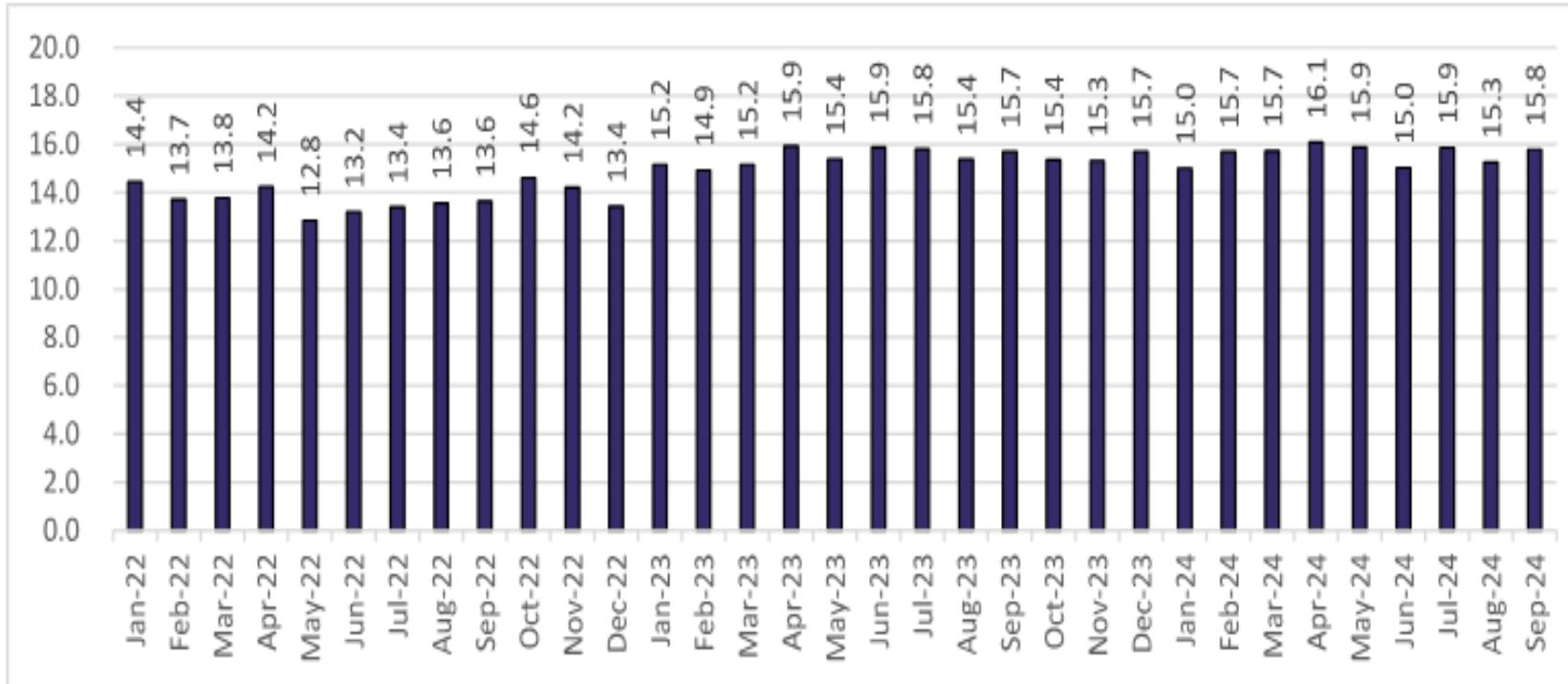
# United Rentals

- Takeaways from investor meeting with management - highlighted 2024 demand moderation in-line with expectations, 2025 directionally a growth year in FY25
- In “the third of nine innings” on the mega project timeline
- Utilization of assets, trending up over the last few years, to continue
- Increasingly resilient and diversified portfolio to reduce cyclicity in downturns vs. 5-10 years ago
- Several notable tailwinds including IIJA, IRA, CHIPS, transition to EVs and parallel development in infrastructure, investments in LNG projects, expansive data center construction and re-shoring/nearshoring activities to provide growth opportunities for the next several years
- Supply chain bottlenecks have largely healed

Source: URI and JP Morgan

# Pick-up Truck Sales – Showing Improvement

Exhibit 1 - Monthly Light Vehicle SAAR



Source: Wards; Wells Fargo Securities, LLC

Note: SAAR is the "seasonally adjusted annual rate"



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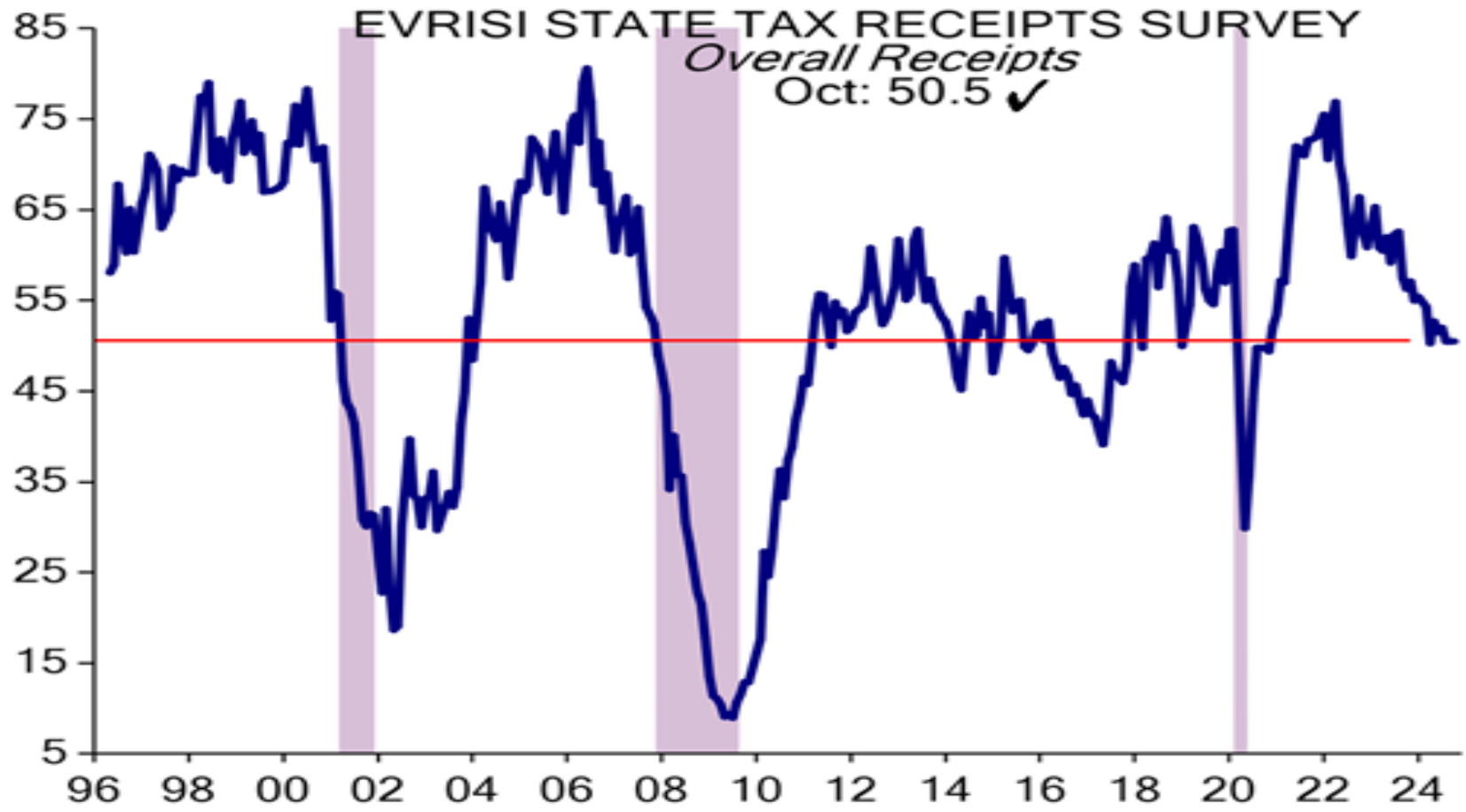
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## Architecture Billings Index (ABI)

Diffusion Index, Seasonally Adjusted

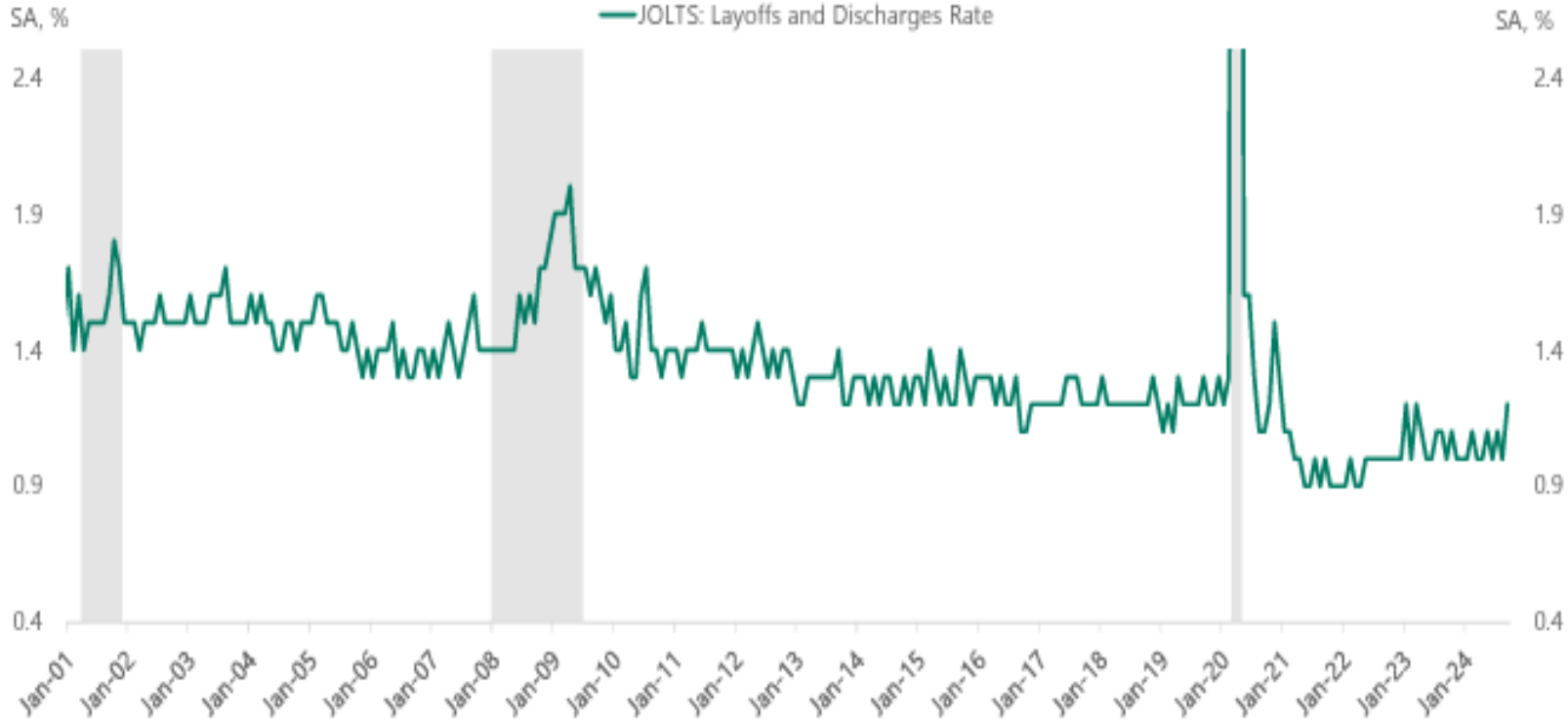


Source: American Institute of Architects and Wells Fargo Economics



Source: ISI

# Very low levels of layoffs



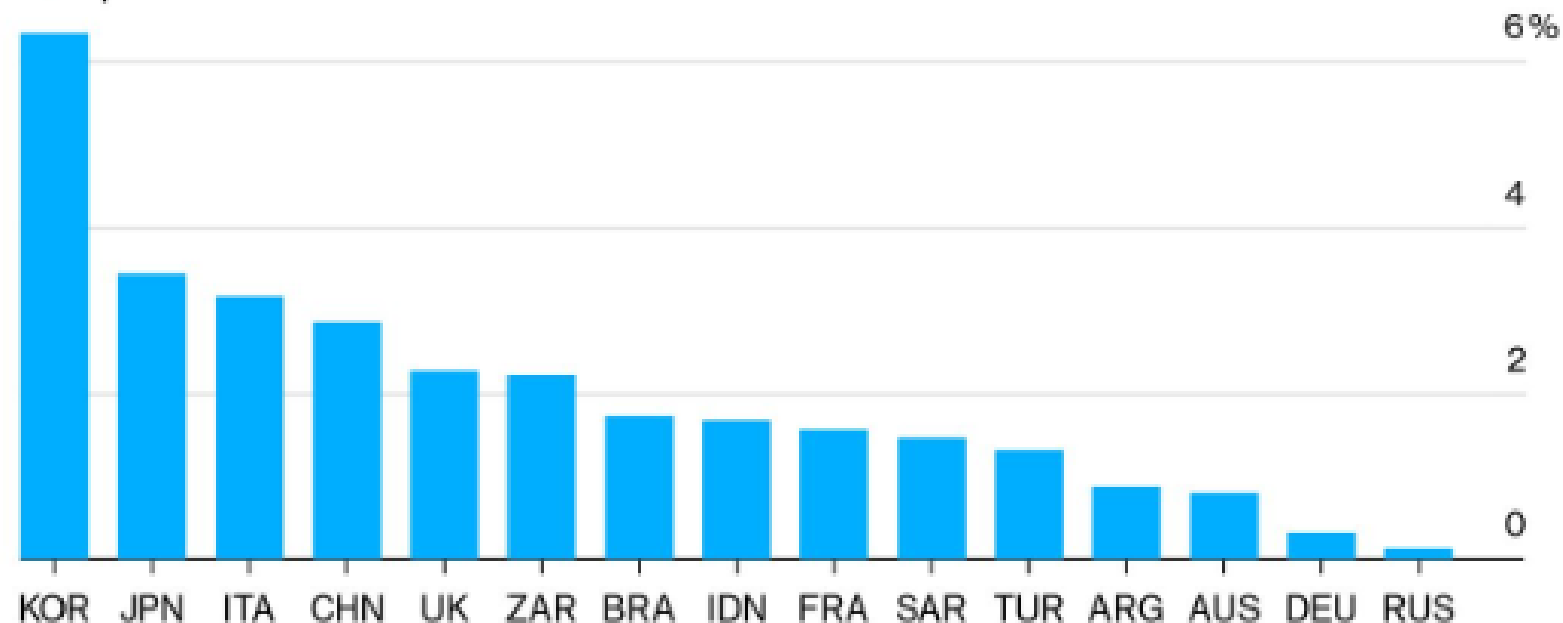
Source: BLS, Haver Analytics, Apollo Chief Economist



## Who's Vulnerable to Trump's Across-Board Tariffs?

Exports to US as share of GDP for G20 countries\*

■ Exports to US as Share of GDP



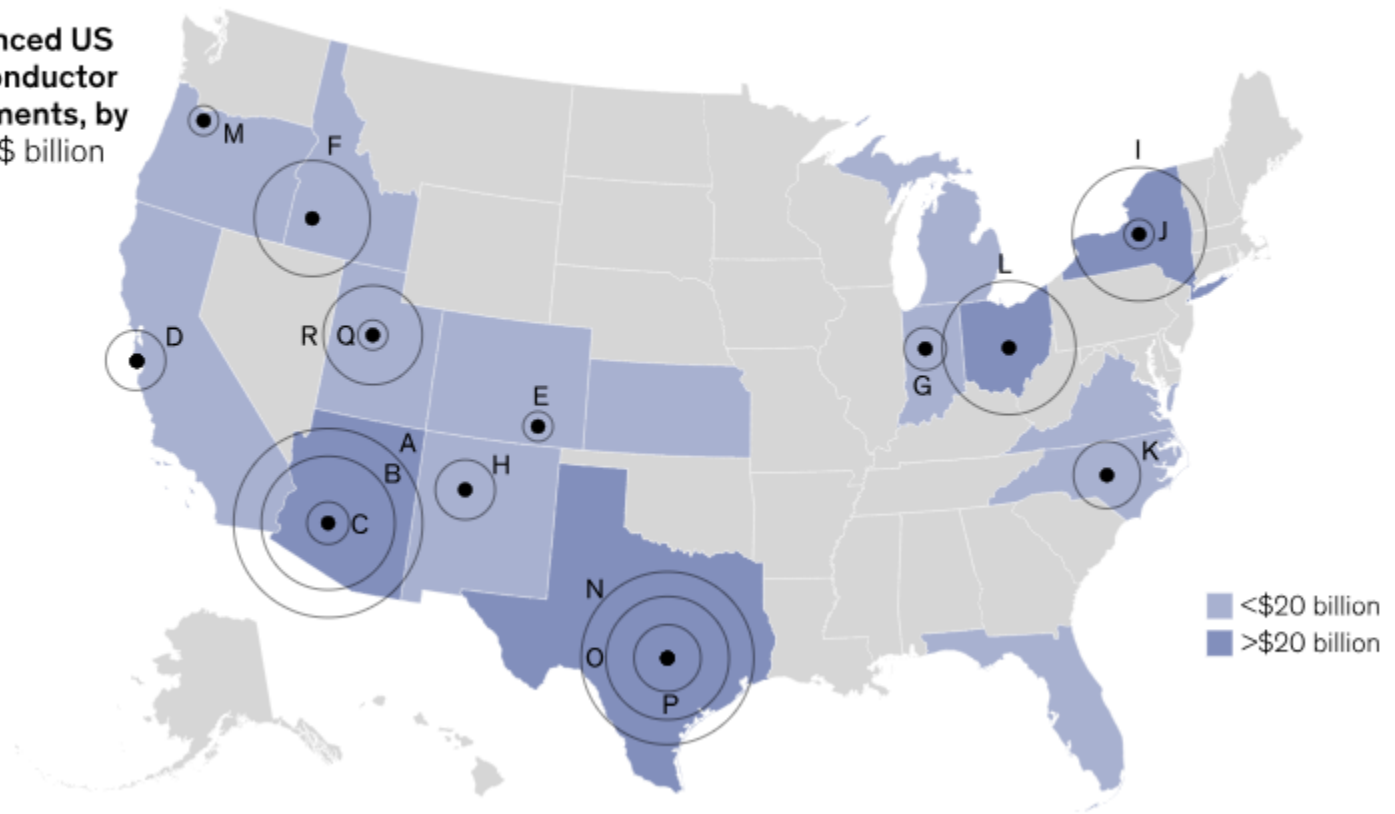
Source: International Monetary Fund

Note: \* Excludes US neighbors and USMCA members Canada and Mexico whose share is 21% and 27% respectively

Bloomberg

**New US semiconductor builds could reach \$200 billion to \$350 billion, with the largest investments in Arizona, New York, Ohio, and Texas.**

Announced US semiconductor investments, by state,<sup>1</sup> \$ billion



Source: McKinsey

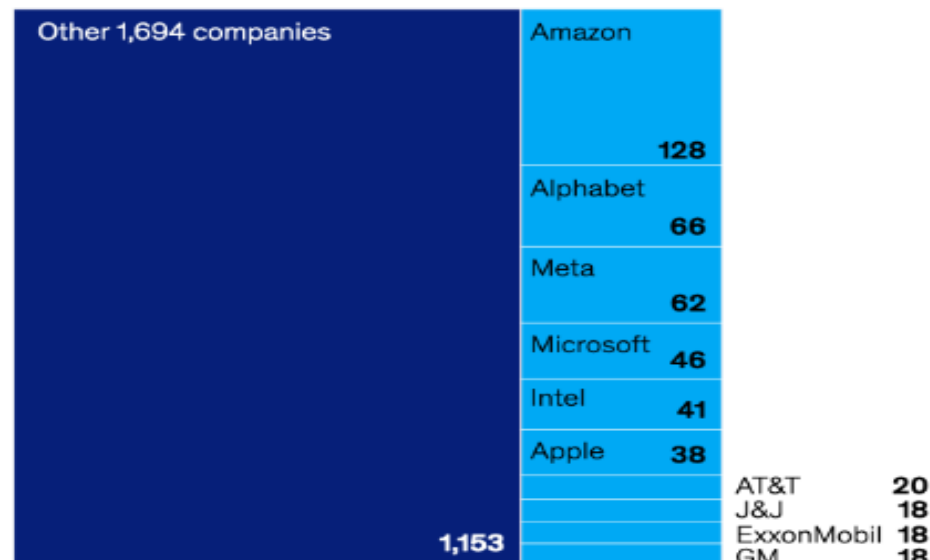




## The top ten US companies invest three times as much as Europe's top ten.

Capital expenditure and R&D spending of large<sup>1</sup> European<sup>2</sup> and US corporates, 2022,<sup>3</sup> € billion

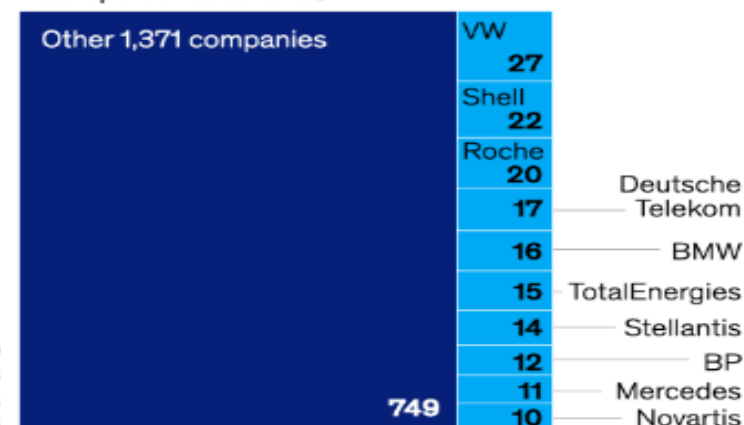
US total **1,609**



**28%**

of US spending is driven by  
the top ten US companies  
**€456 billion**

Europe 30<sup>2</sup> total **913**



**18%**

of European spending is driven by  
the top ten European companies  
**€164 billion**

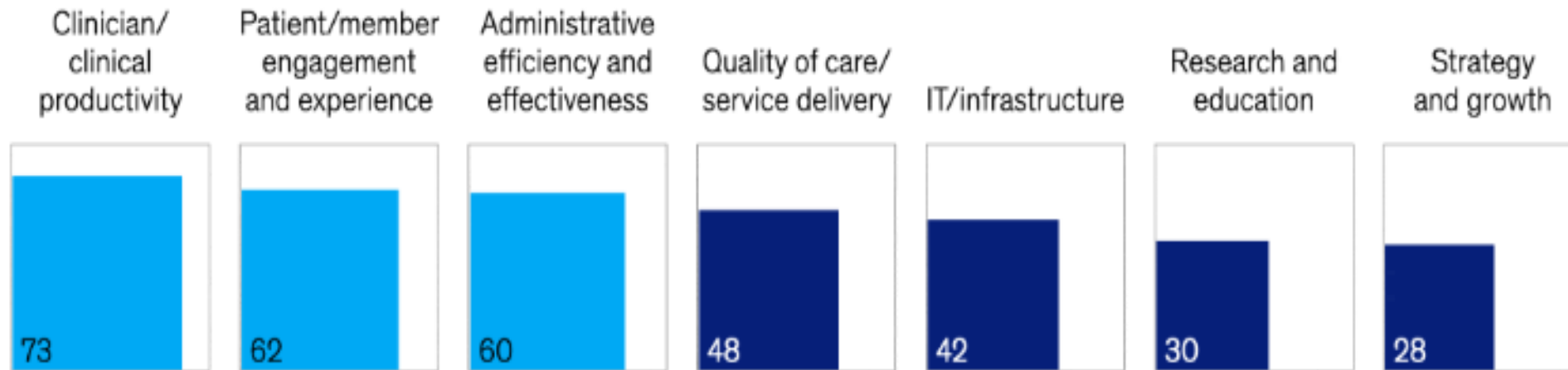
Note: Figures may not sum due to rounding.

<sup>1</sup>Large defined as having revenue of >\$1 billion.

<sup>2</sup>Europe 30 = EU-27 plus Norway, Switzerland, and the United Kingdom.

<sup>3</sup>Considers only public companies; excludes intangible assets.

## Areas believed to benefit the most from generative AI (gen AI), % of respondents (n = 100)



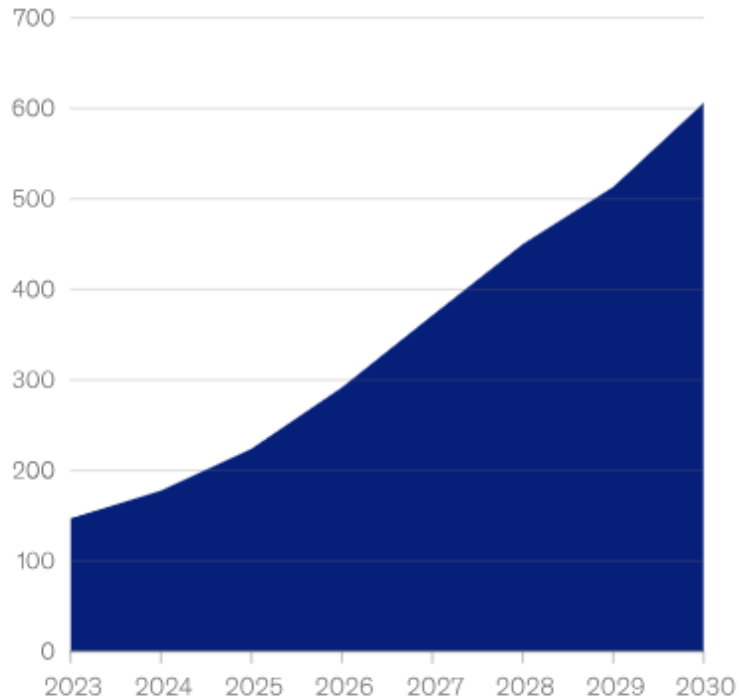
Source: McKinsey US survey on gen AI in healthcare, Mar 11–13, 2024

McKinsey & Company

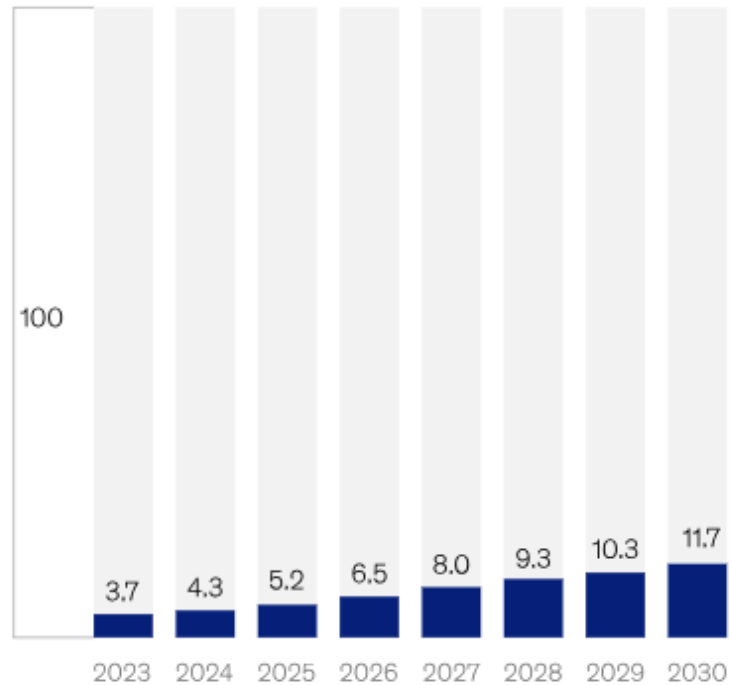


## Demand for power for data centers is expected to rise significantly in the United States.

Projected US data center energy consumption (medium scenario), terawatt-hours



Projected US data center share of total US power demand, %

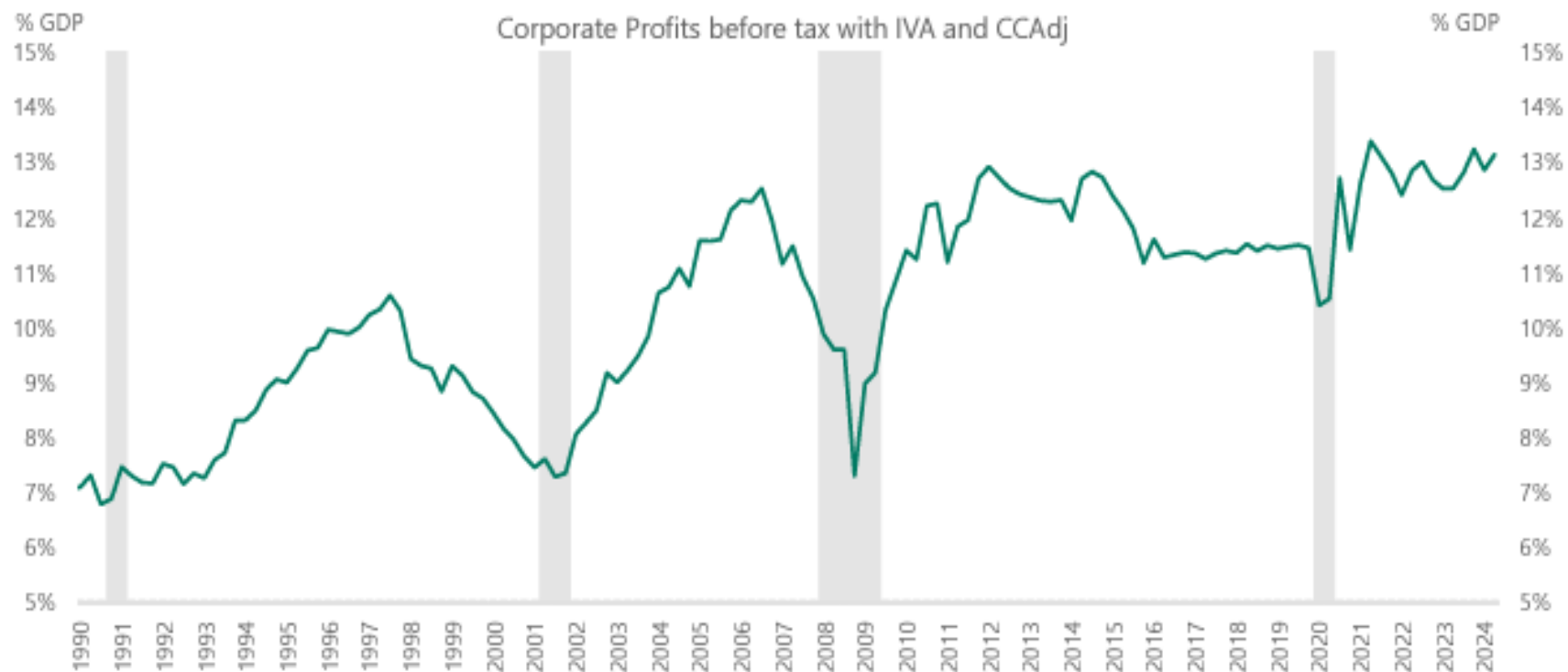


Source: *Global Energy Perspective 2023*, McKinsey, Oct 18, 2023; McKinsey analysis

McKinsey & Company



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

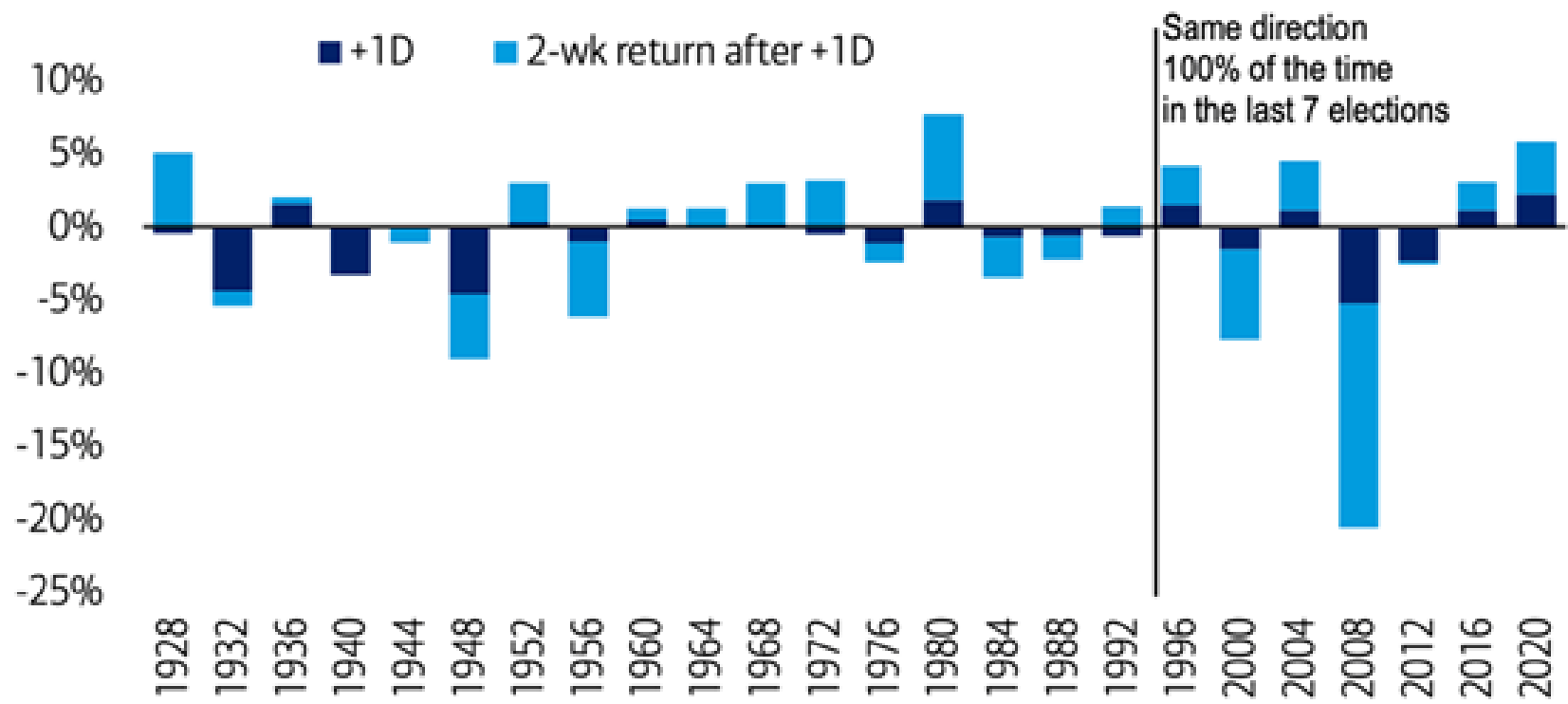


Source: BEA, Haver Analytics, Apollo Chief Economist



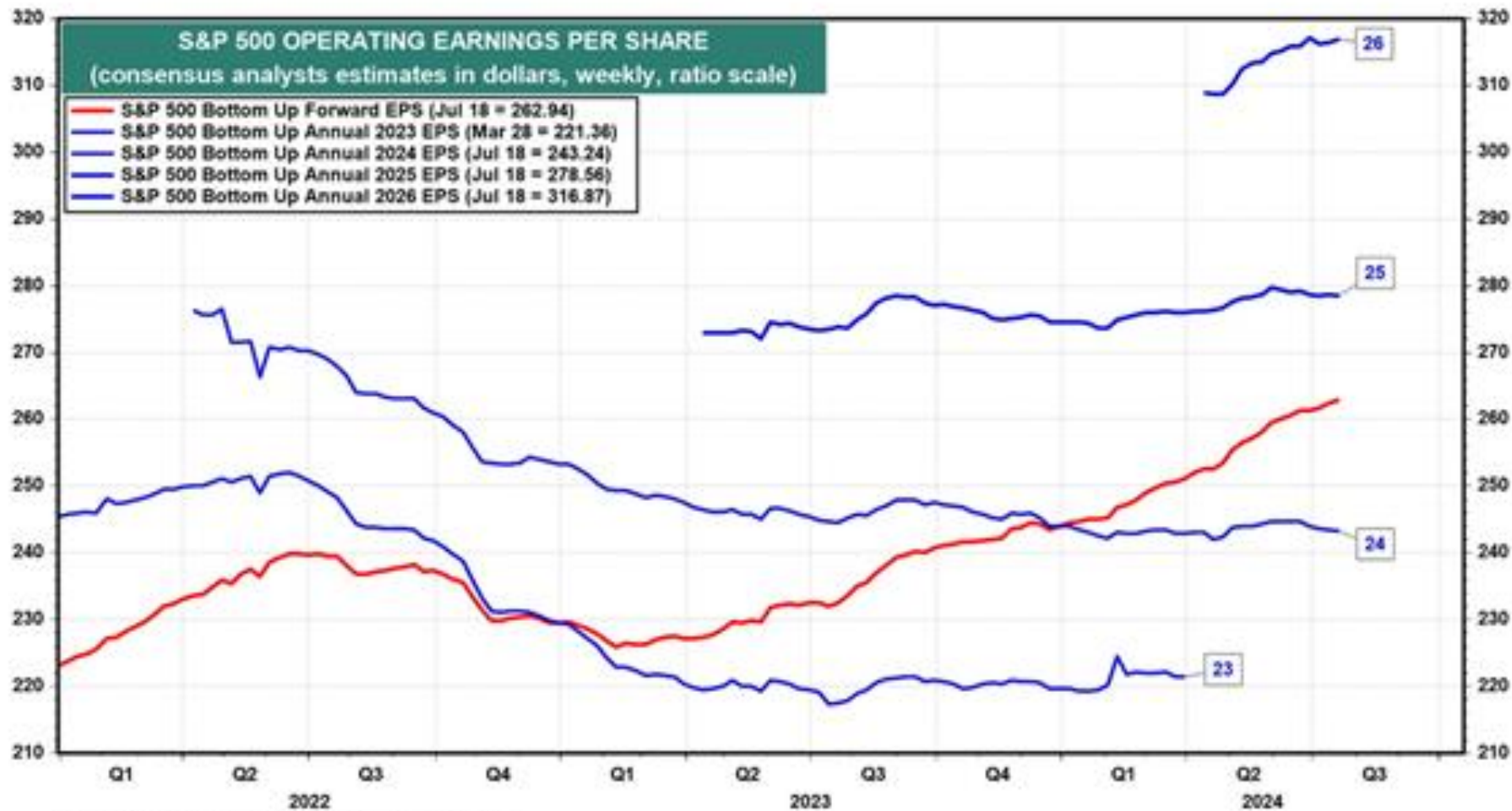
### Exhibit 6: Price momentum usually continue into following weeks after elections

S&P 500 return the day after election vs. 2-wk after the day after election



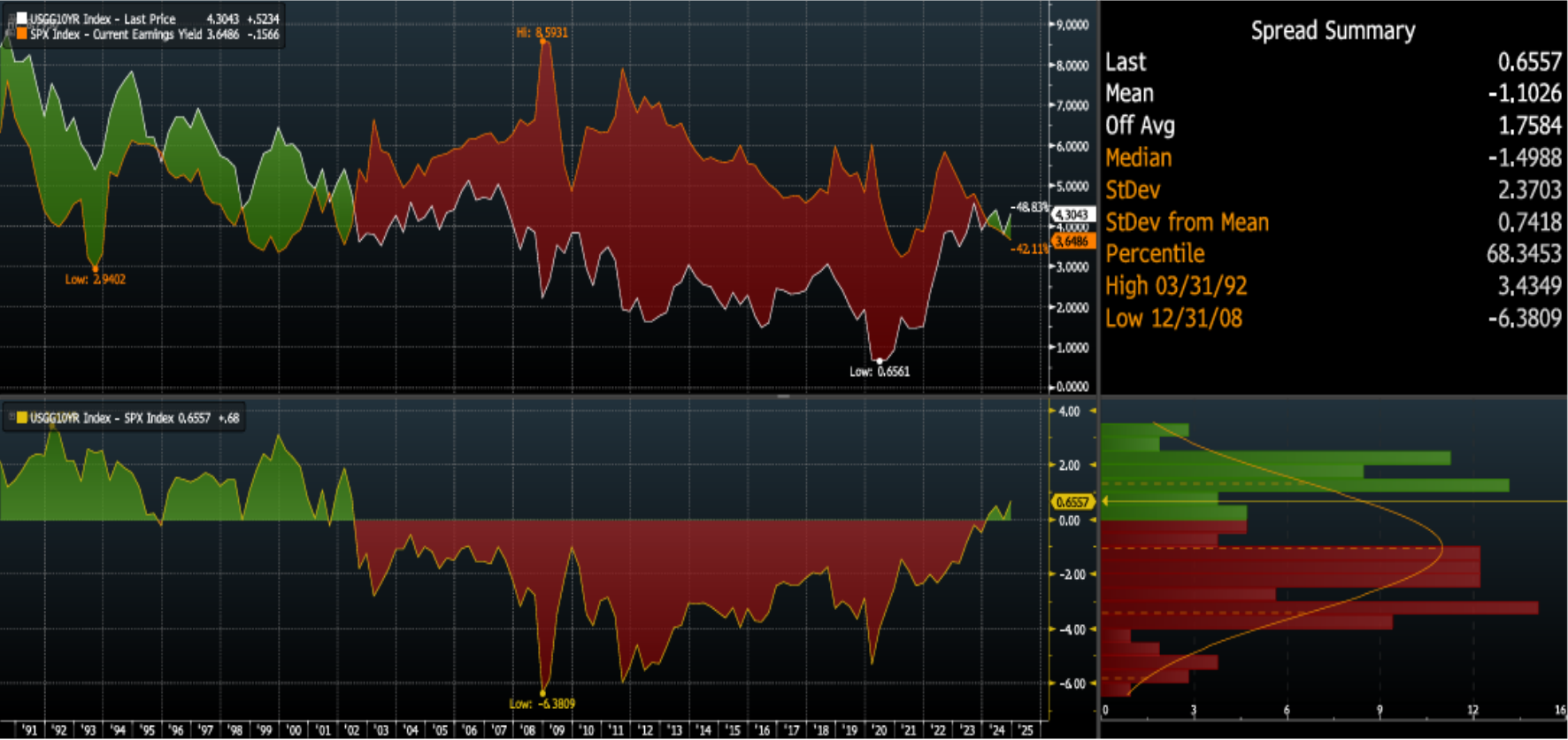
Source: BofA Global Research, Bloomberg

BofA GLOBAL RESEARCH



Source: LSEG Datastream and © Yardeni Research.

# Earnings Yield vs. Fixed Income Yield



Source: Bloomberg

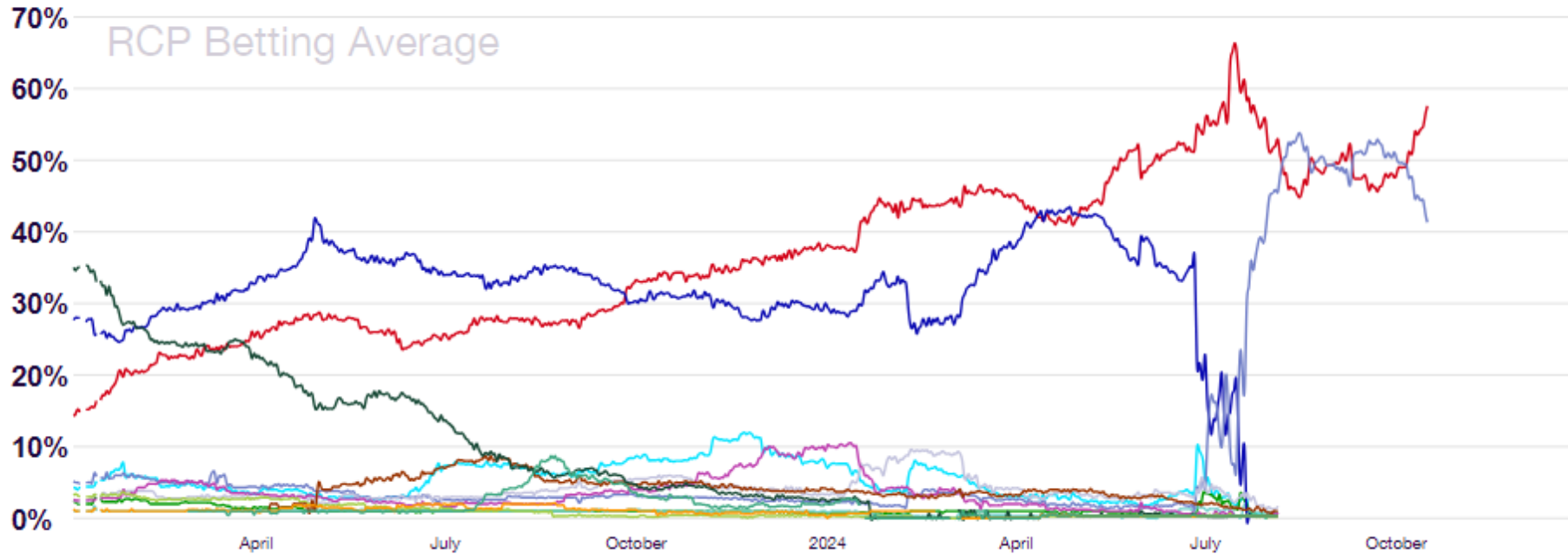


RealClearPolitics Betting Average

57.6 Trump

41.3 Harris

# 2024 U.S. President



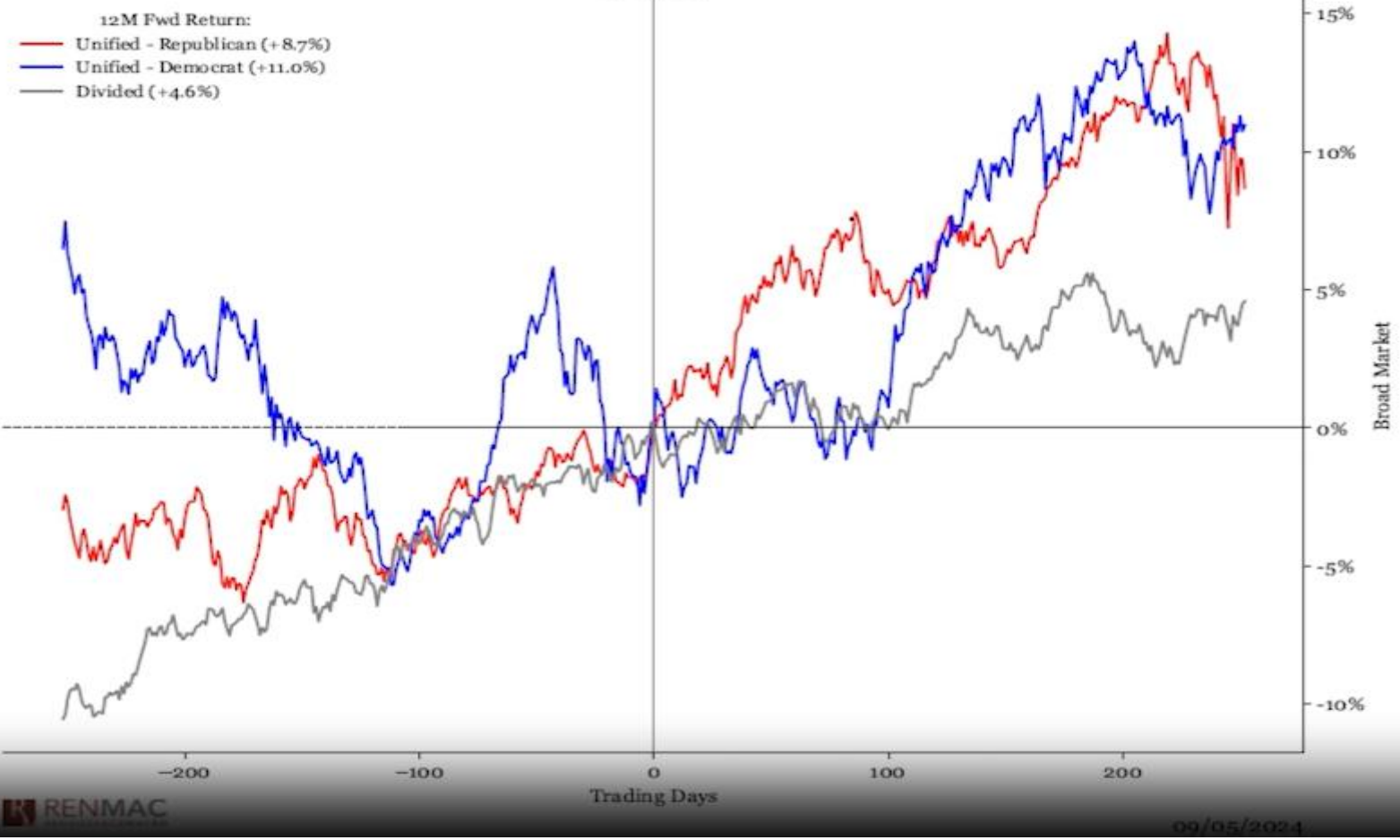
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# Election Scenarios Generally O.K.

S&P 500 Index  
Around Presidential Elections  
1920-2024



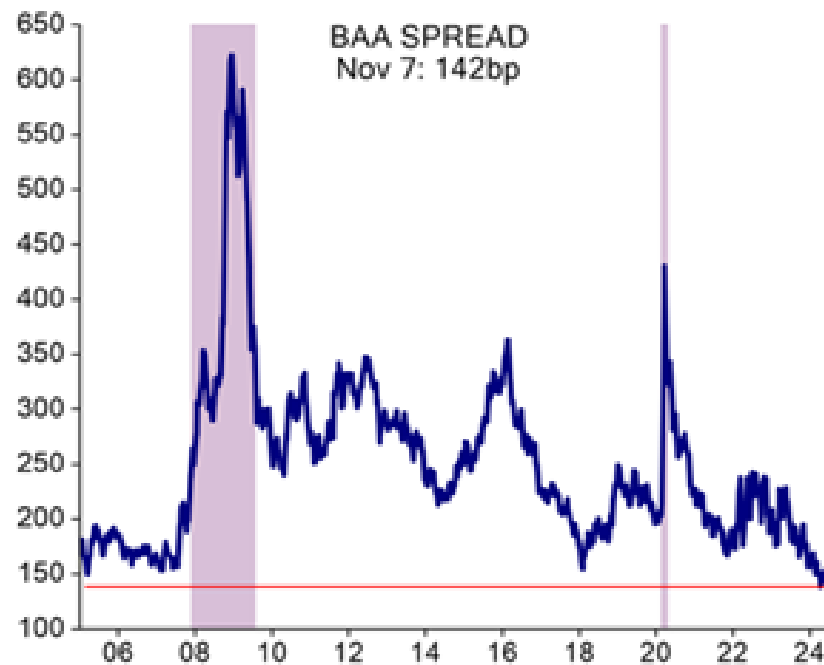


## 2015 to 2019



**CPI**

**AHEs**

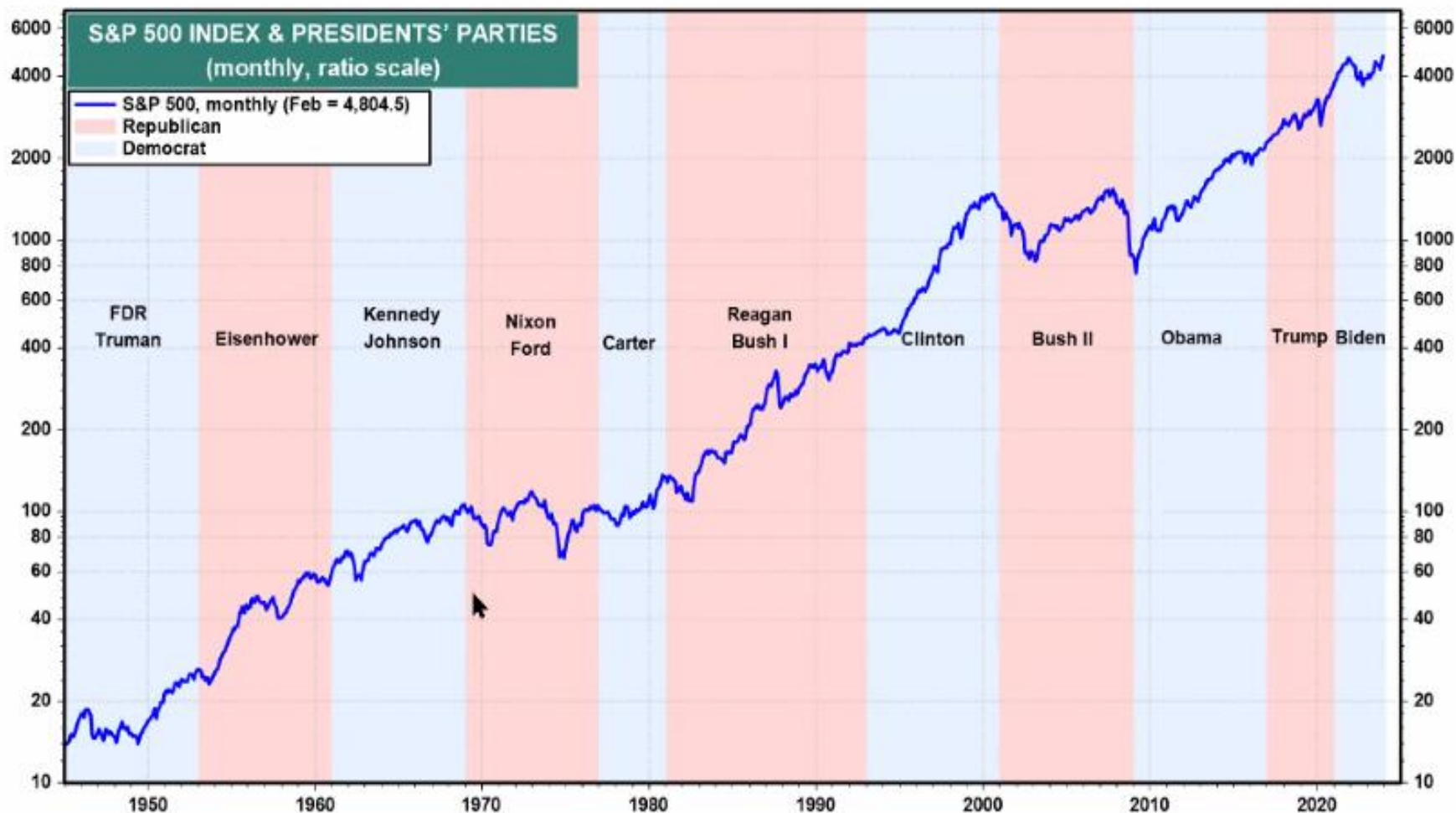


Source: ISA



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Source: LSEG Datastream and © Yardeni Research.

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# Chinese Air Pollution

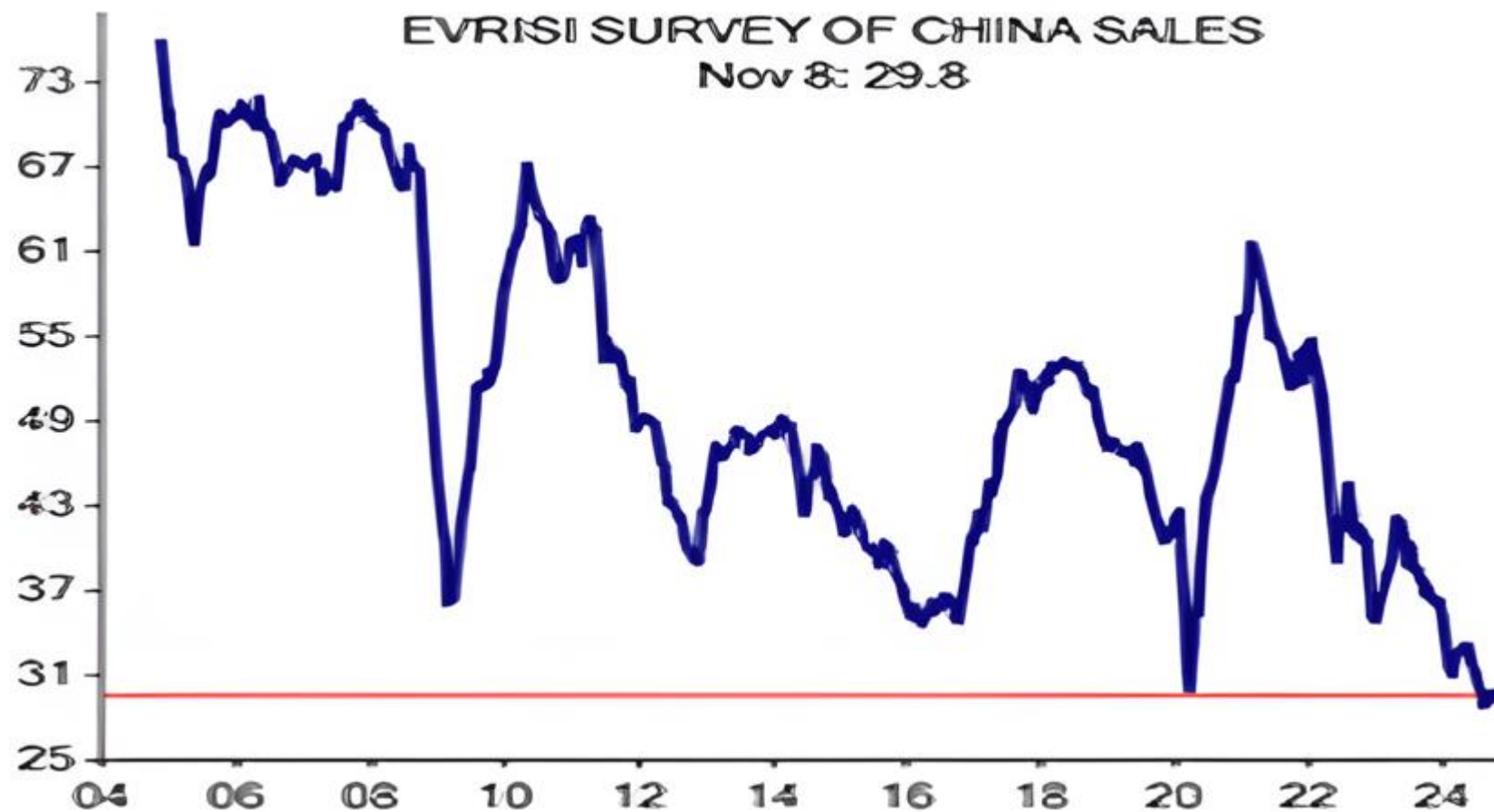


Source: World Air Quality Index



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Source: ISA

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