Truist Advisory Services, Inc.

COVID-19 economic data tracker

Michael Skordeles, AIF®
Senior U.S. Macro Strategist

Week 7 – February 18, 2022

Trend watch and what's new this week

U.S. virus trends have continued to decline sharply, including new cases, hospitalizations, and the death rate (slide 3). This is corroborated by the regional U.S. and the state-level views of infections (slide 7).

Still, the percentage of new COVID-19 cases for elementary school children (ages 5-11) is climbing (slide 8). Meanwhile, the older cohorts—ages 12-15 and 16-17—have held fairly steady, even through the omicron spike.

This week, we take a deeper dive into the rebound in travel and activity-based data that has occurred in recent weeks. We highlight air travel (slide 9) and community mobility (slide 10). Hotel occupancy has also rebounded (slide 2). While some of the recent improvement is certainly related to the omicron spike fading, a February rebound is typical.

We also updated monthly sales at restaurant and bars (slide 11), which declined in three of the past four months. The likely culprit for the weakness may be the spike in COVID-19 cases due to the omicron variant, which impacted labor and supply chains.

Bottom line

We continue to see mixed economic data from January, including the aforementioned monthly sales at restaurant and bars. However, overall retail sales for January surged 3.8%, while existing home sales jumped 6.7%. Additionally, the activity-based data has continued to strengthen in February.

We are encouraged we're nearing the light at the end of the mixed economic data tunnel. That said, it's important to remain mindful that winter storms can still occur in late February or early March, particularly in the upper Midwest and Northeast.

U.S. COVID-19 economic data tracker matrix

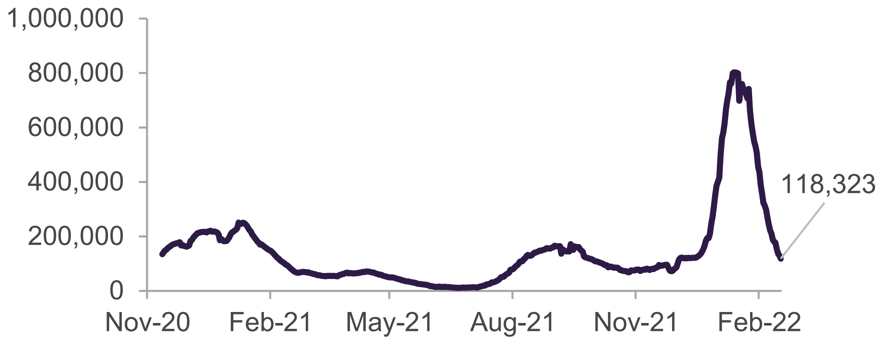
Indicator	Relative trend	What we're watching
Back to office	▼	Dipped to 31.6 from 33.0 in the prior week (pre-pandemic indexed to 100). Top cities are Houston (46), Austin (35), and Philadelphia (33); bottom are San Francisco (23), San Jose (27), and NYC (29).
TSA air passenger throughput	▲	Weekly passengers jumped 12.6% WoW to 12.1 million, -24.8% below the 2019 weekly average of 16.1M. Passenger counts are -15.9% from the same week in Feb. 2019, but 86% above Feb. 2021.
OpenTable restaurant bookings	⇆	Sharp improvement to -7.33% from -14.3% a week ago. Top positive states were led by Nevada (+13%) and Oklahoma (+12%); bottom was NY (-41%) and Illinois (-39%). Top cities were Miami (+24%), Tampa (+10%), and Las Vegas (+10%); bottom were NYC (-51%), Philadelphia (-50%), and Chicago (-49%).
Google mobility	▲	Activities dramatically rebounding with warmer weather. 7-day averages relative to 2020: Workplaces -18%, Parks -1%, Transit -25%, Grocery/Pharmacy +0.1%, Residential +5%, Retail/Restaurant/Recreation -11%.
Hotel occupancy	▲	Occupancy jumped to 54.6%, its highest since mid-December. The average daily rate rose to $133.72, down 1.2% from Feb. 2019, while revenue per available room rose to $73.05, also the highest level since mid-Dec.
Freight	▲	Rail carloads jumped 35% MoM in Jan. but jumped 10.1% WoW in the first full week of February. Container traffic at three of the top U.S. ports (LA, Long Beach, Savannah) rose 6.8% MoM and 4.1% YoY in January.
Staffing index	▲	Rose to 104.3, the fourth straight WoW increase and the highest level since the week before Christmas. We expect it to continue rising in the next few weeks, albeit modestly. The low for this cycle was 59.6 set in April 2020.
Apartment rental prices	⇆	Rent index jumped to 1.223 in January, up 3.3% MoM and was the first rise in 5 months. While the level is significantly above pre-pandemic levels, rents fell 2.6% during the second half of 2021.

Trend relative to whether it is favorable for economic growth:
▲Positive ▼Negative ⇆Neutral / Mixed

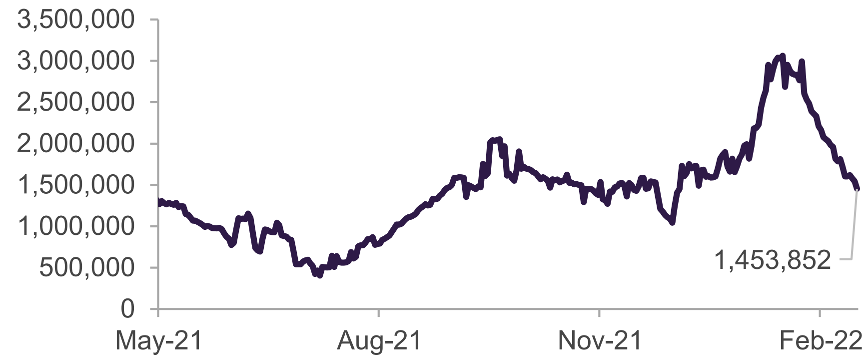
Data sources: Truist IAG, Bloomberg, Kastle Back to Work Barometer, Transportation Security Administration, OpenTable, Google COVID-19 Community Mobility Report, STR/CoStar, American Staffing Association, Zillow. Week-over-weak and year-over-year change are abbreviated as WoW and YoY, respectively.

U.S. cases, hospitalizations continue to drop sharply, death rate crested, too

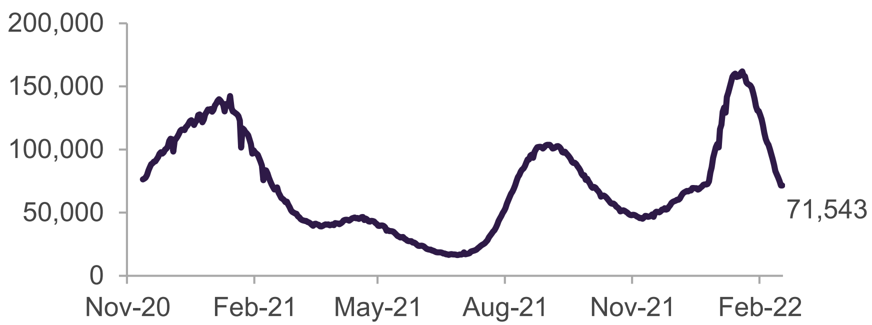
New confirmed cases 7-day moving average



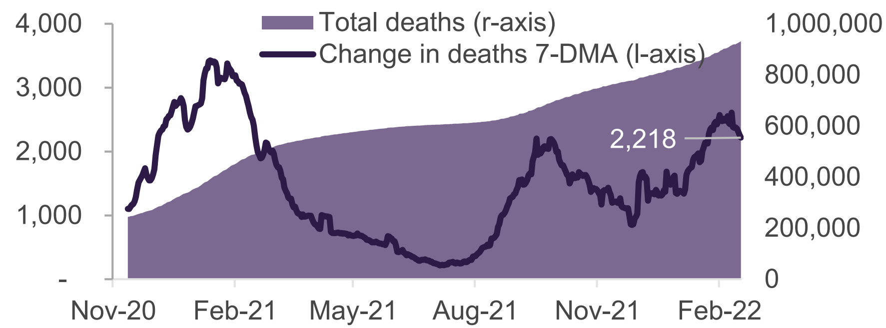
Tests performed 7-day moving average



Total hospitalized currently

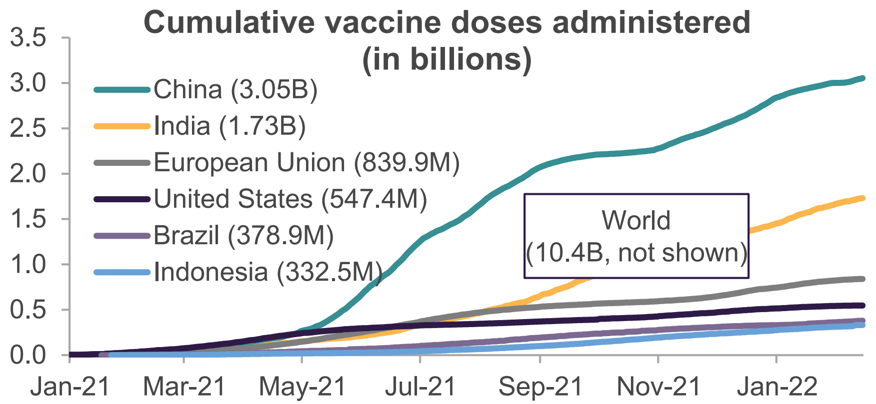


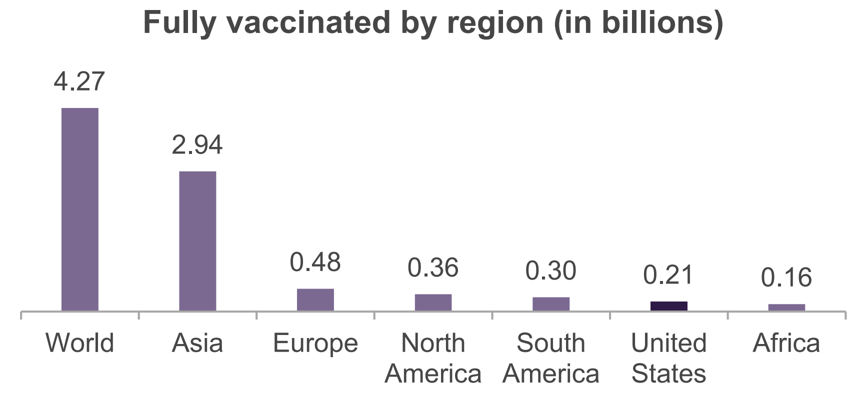
U.S. COVID-19 deaths

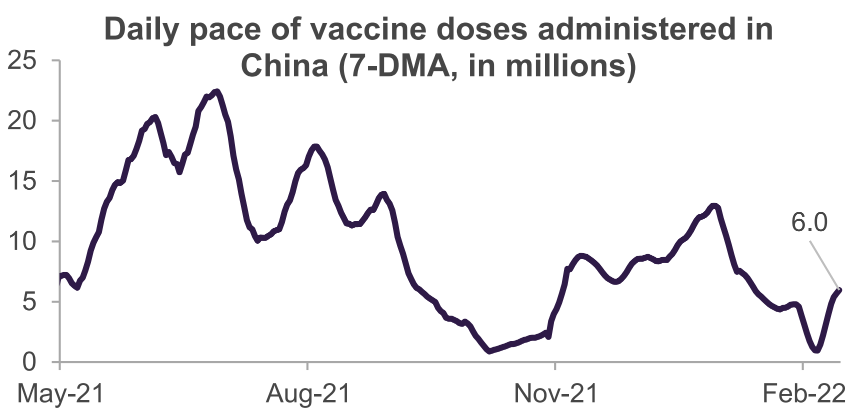


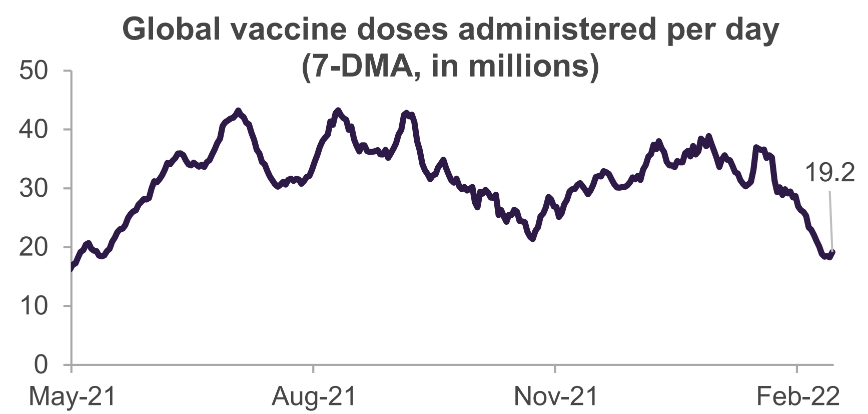
Data sources: Truist IAG, Bloomberg, Johns Hopkins University through February 17, 2021. Data for 50 U.S. states plus American Samoa, Washington D.C., Guam, Northern Mariana Islands, Puerto Rico, and U.S. Virgin Islands. 7-day moving average (DMA).

Global vaccination trend appears to be improving again



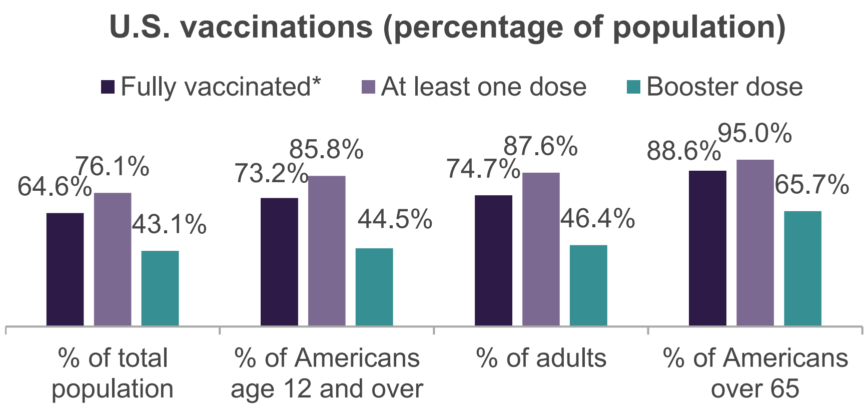


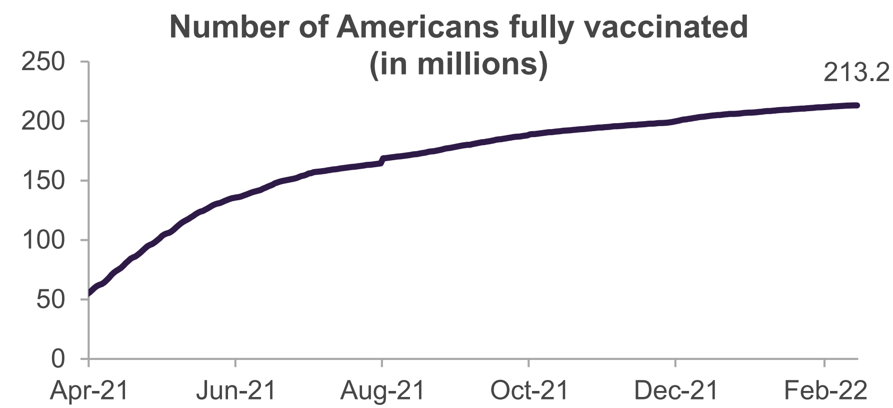


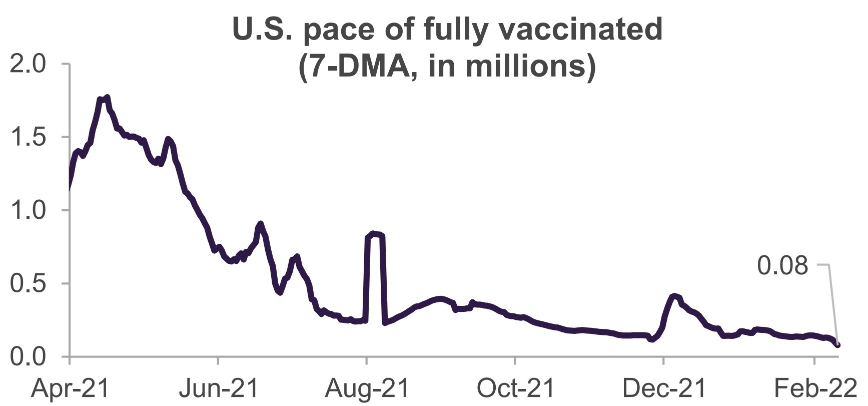


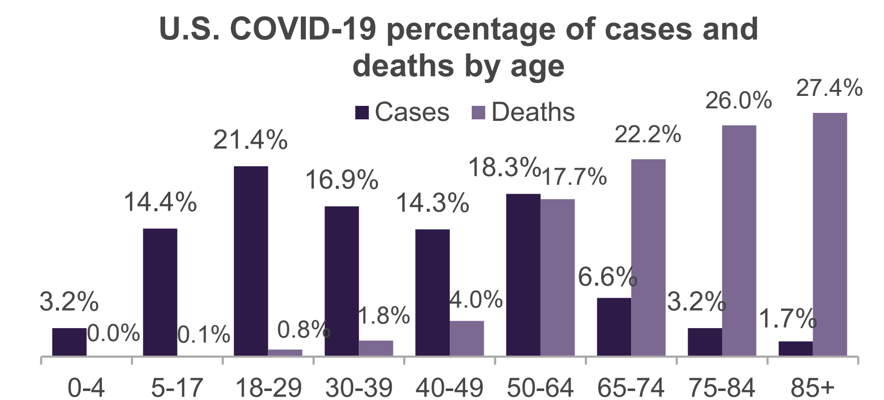
Data sources: Truist IAG, Our World in Data, Centers for Disease Control & Prevention (CDC), through February 14, 2021. U.S. figures includes all 50 states plus Washington D.C., U.S. military installations and territories. Figures for the United Kingdom are not included in the European Union. 7-day moving average (DMA).

About 75% of American adults are fully vaccinated and almost half have received a booster



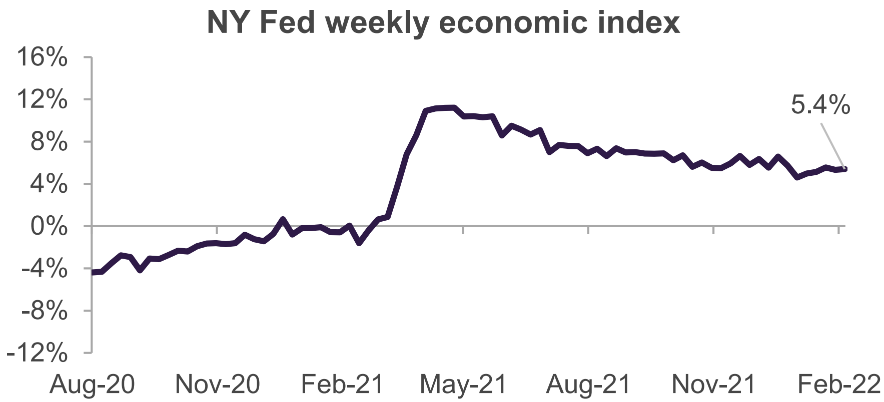


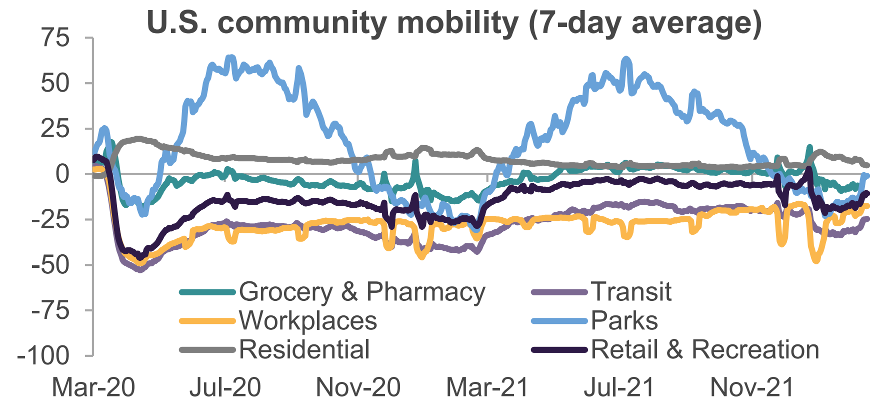


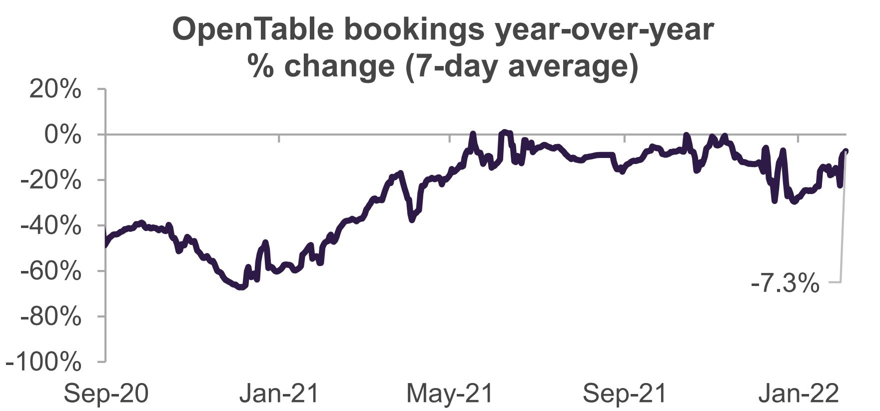


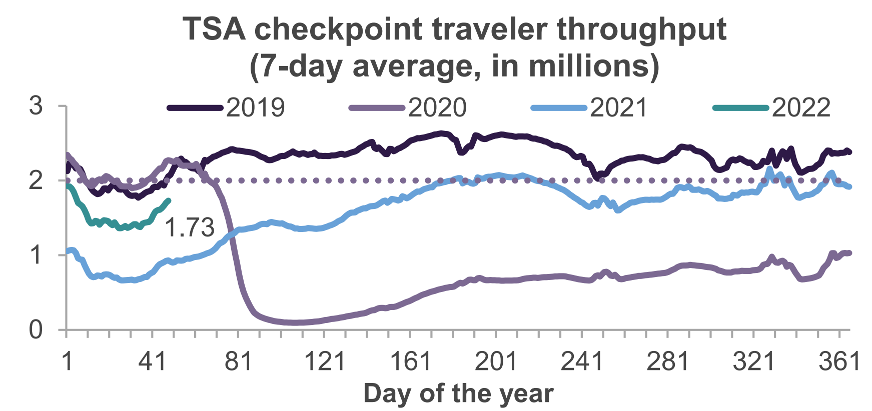
Data sources: Truist IAG and the following additional sources respectively: Top left, bottom right: Centers for Disease Control & Prevention (CDC), through February 17, 2021. Top right, bottom left: Our World in Data, Centers for Disease Control & Prevention (CDC), through February 14, 2022. U.S. figures includes all 50 states plus Washington D.C., U.S. military installations and territories. *Fully vaccinated is defined as receiving two doses on different days (regardless of time interval) of the two-dose mRNA series or receiving a single-dose vaccine regimen.

Most activity-based trends have rebounded from early January slowdown





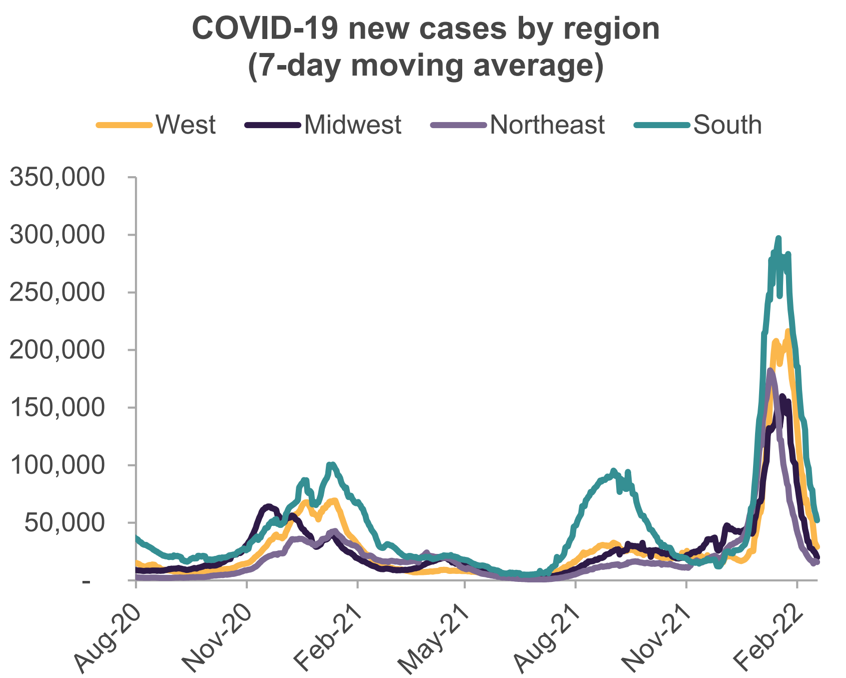


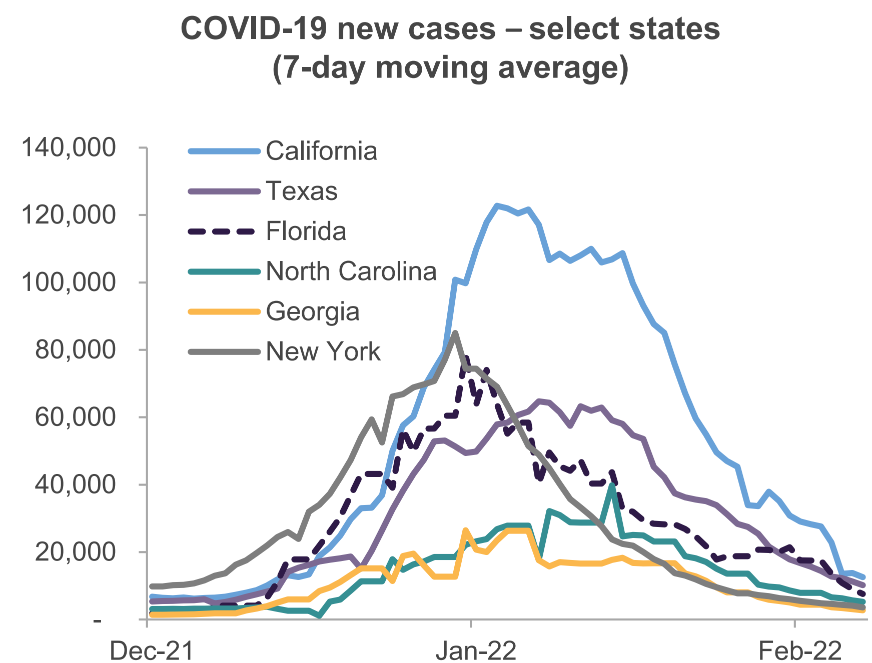


Data sources: Truist IAG and the following additional sources respectively: Top left: Bloomberg, NY Federal Reserve Weekly Economic Index through February 12, 2022. Top right: (U.S. Community Mobility) Google COVID-19 Community Mobility Reports 7-day average through February 15. Bottom left: Bloomberg, OpenTable 7-day average through February 17. Bottom right: Bloomberg, Transportation Security Administration (TSA) 7-day average through February 17.

Cases in most of the U.S. are down to their lowest level since November

New case trends have dramatically improved, regionally as well as nearly all states. Even the lagging states—such as California, Texas, and Florida—are joining the larger downtrend.





Data source: Truist IAG, Bloomberg, Johns Hopkins University, data through February 17, 2022.

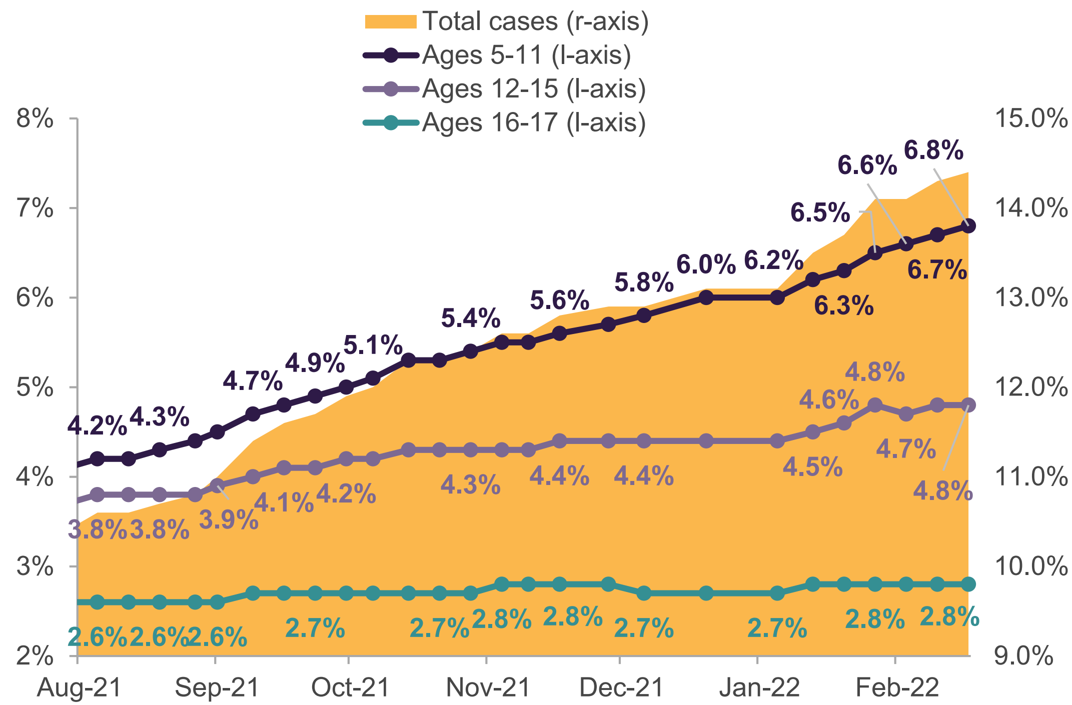
New cases still climbing for elementary school kids

The total number of new COVID-19 cases of school-aged children rose to 14.4% of all new U.S. cases. The mix between the age cohorts continues to tilt towards elementary school kids, likely reflecting their lower vaccination rate compared to older children.

New cases in the 5-11 age group edged up to 6.8% in the past week, and the 12-15 age cohort stayed at 4.8% for the second week in a row. Meanwhile, the 16-17 age group held steady at 2.8% for the sixth straight week.

There have been 854 deaths in school-aged children during the entire pandemic, or 0.1% of all U.S. COVID deaths.

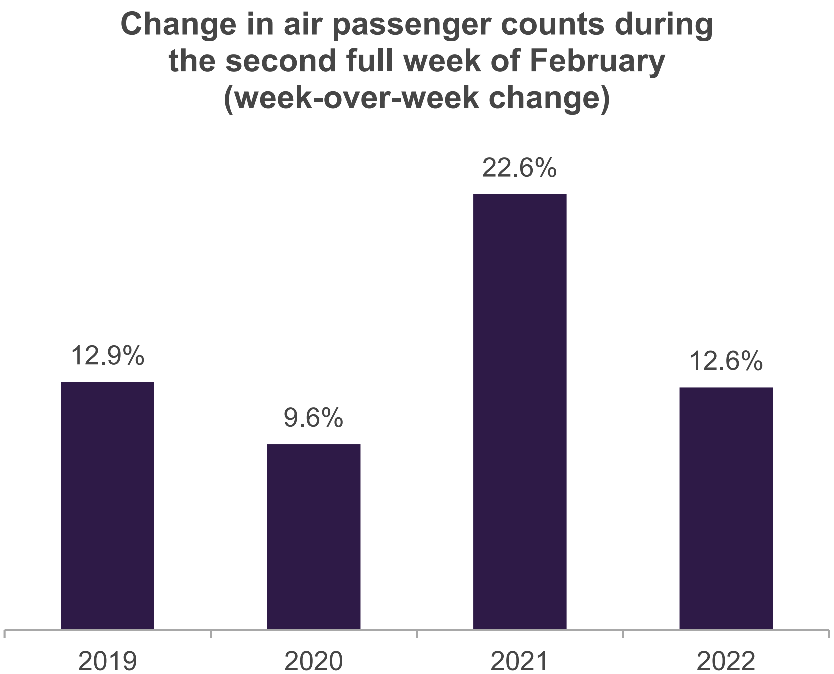
New COVID-19 cases of school-aged children as a percentage of total new U.S. cases

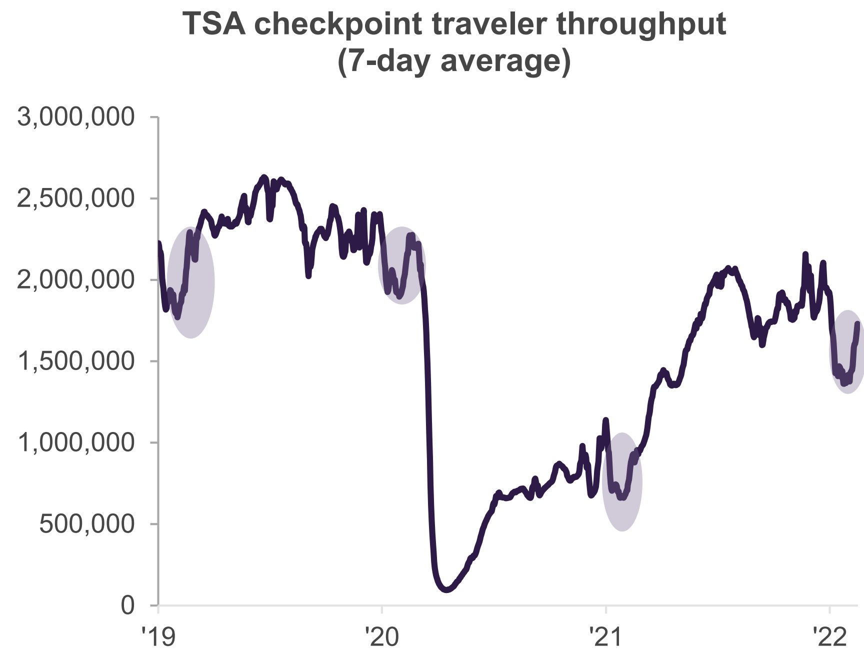


Data sources: Truist IAG, Centers for Disease Control & Prevention (CDC). Data from July 29, 2021 through February 10, 2021.

Strong travel rebound in February is encouraging, but fairly typical

We're encouraged by the 25% increase in air travelers in the past two weeks, particularly on the heels of the infection spike due to the omicron variant. However, a jump in air travel is typical during the second full week of February, when spring break begins in earnest and most of the U.S. is (hopefully) through the worst winter weather.





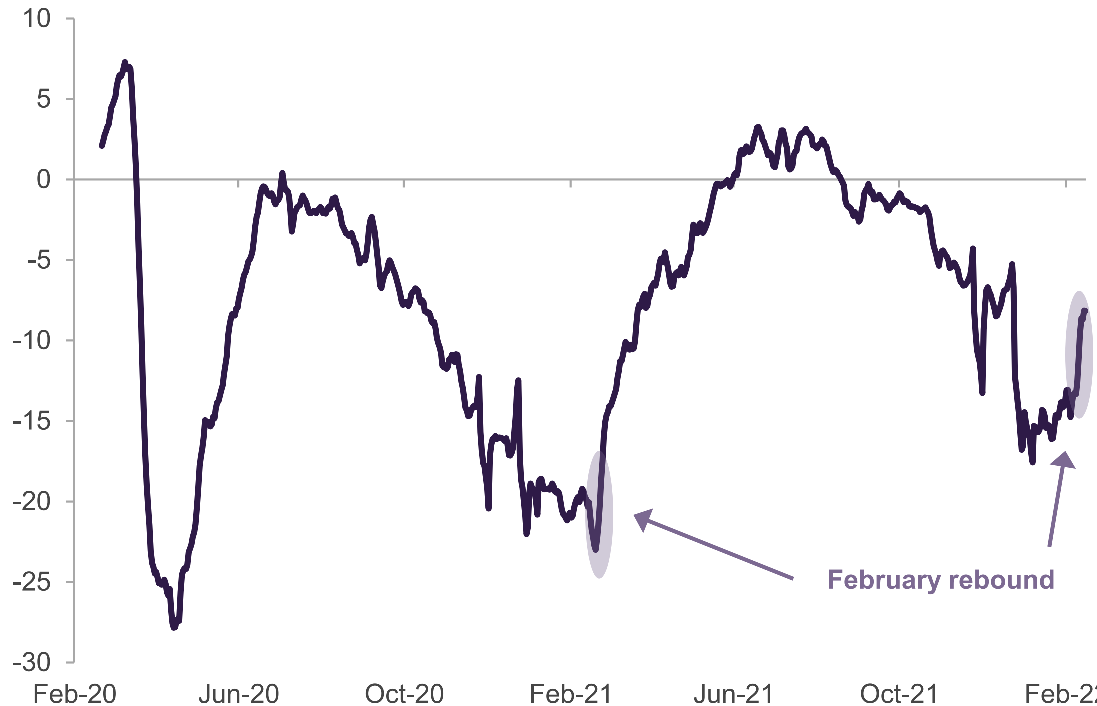
Source: Truist IAG, Bloomberg, Transportation Security Administration (TSA). Right chart shows 7-day average through February 17, 2022.

February rebound also apparent in everyday activities

Community mobility is anonymized data provided by Google. Recent community mobility data clearly shows a sharp increase in activity by Americans during the past two weeks.

However, similar to the jump in air travel (slide 9), it's typical to see an upswing in activity during the second full week of February, when spring break begins in earnest and most of the U.S. is (hopefully) through the worst winter weather.

U.S. community mobility (7-day average)



Source: Truist IAG, (U.S. Community Mobility) Google COVID-19 Community Mobility Reports; 7-day average change compared to baseline through February 15, 2022. Baseline is the median value from the 5-week period Jan 3 – Feb 6, 2020.

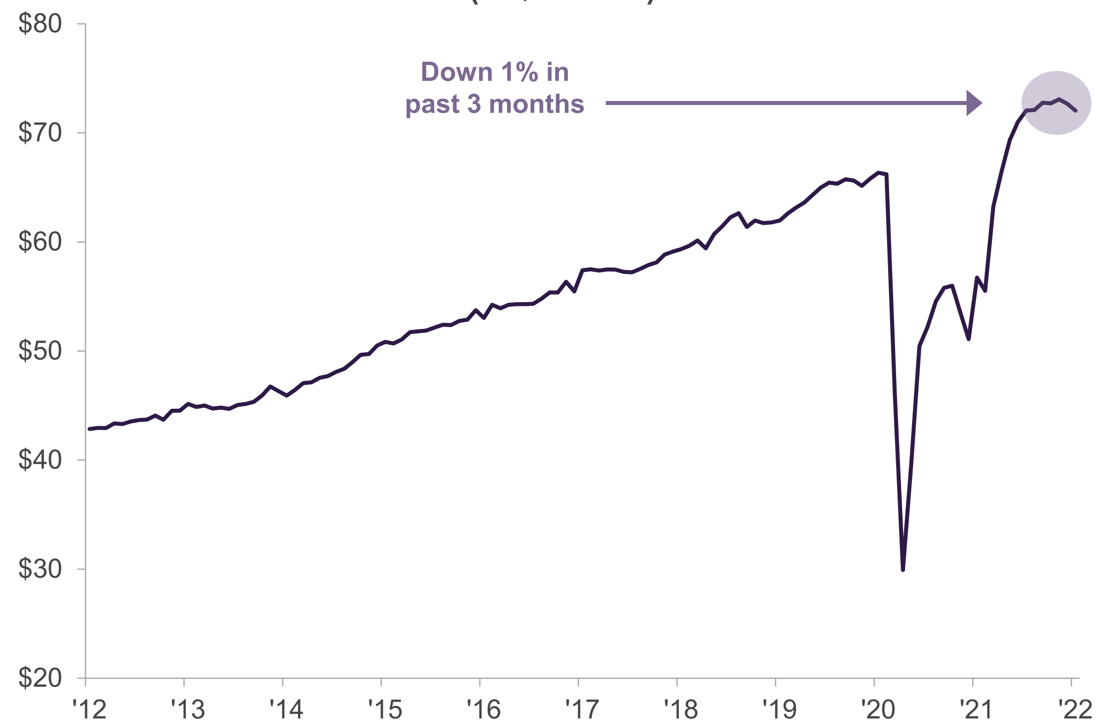
Restaurant & bar sales fell for third time in four months, likely omicron related

Monthly sales at restaurants and bars edged lower for January, the third month-over-month decline in the past four months. The likely culprit may be the spike in COVID-19 cases due to the omicron variant, which has now passed.

More than half of restaurants shortened hours during January and 34% closed on days they would normally be open, according the National Restaurant Association's January survey. Labor and supply chain-related issues were the most common reasons.

Still, monthly sales for restaurants and bars are 9.5% above pre-pandemic levels on a dollar basis and remain near the all-time high.

Change in monthly sales at restaurants & bars (in $billions)



Source: Truist IAG, Bloomberg, U.S. Census Bureau, monthly data through January 2022.

Disclosures

Advisory managed account programs entail risks, including possible loss of principal and may not be suitable for all investors. Please speak to your advisor to request a firm brochure which includes program details, including risks, fees and expenses.

Truist Wealth is a marketing name used by Truist Financial Corporation. Services offered by the following affiliates of Truist Financial Corporation: Banking products and services, including loans and deposit accounts, are provided by SunTrust Bank and Branch Banking and Trust Company, both now Truist Bank, Member FDIC. Trust and investment management services are provided by SunTrust Bank and Branch Banking and Trust Company, both now Truist Bank, and Truist Trust Company. Securities, brokerage accounts and /or insurance (including annuities) are offered by Truist Investment Services, Inc., and P.J. Robb Variable Corp., which Delaware are each SEC registered broker-dealers, members FINRA, SIPC, and a licensed insurance agency where applicable. Life insurance products are offered through Truist Life Insurance Services, a division of Crump Life Insurance Services, Inc., AR license #100103477, a wholly owned subsidiary of Truist Insurance Holdings, Inc. Investment advisory services are offered by Truist Advisory Services, Inc., GFO Advisory Services, LLC, Sterling Capital Management, LLC, and Precept Advisory Group, LLC, each SEC registered investment advisers. Sterling Capital Funds are advised by Sterling Capital Management, LLC.

While this information is believed to be accurate, Truist Financial Corporation, including its affiliates, does not guarantee the accuracy, completeness or timeliness of, or otherwise endorse these analyses or market data.

The opinions and information contained herein have been obtained or derived from sources believed to be reliable, but Truist Financial Corporation makes no representation or guarantee as to their timeliness, accuracy or completeness or for their fitness for any particular purpose. The information contained herein does not purport to be a complete analysis of any security, company, or industry involved. This material is not to be construed as an offer to sell or a solicitation of an offer to buy any security.

Opinions and information expressed herein are subject to change without notice. TIS and/or its affiliates, including your Advisor, may have issued materials that are inconsistent with or may reach different conclusions than those represented in this commentary, and all opinions and information are believed to be reflective of judgments and opinions as of the date that material was originally published. TIS is under no obligation to ensure that other materials are brought to the attention of any recipient of this commentary.

Comments regarding tax implications are informational only. Truist and its representatives do not provide tax or legal advice. You should consult your individual tax or legal professional before taking any action that may have tax or legal consequences.

Investments involve risk and an investor may incur either profits or losses. Past performance should not be taken as an indication or guarantee of future performance.

TIS/TAS shall accept no liability for any loss arising from the use of this material, nor shall TIS/TAS treat any recipient of this material as a customer or client simply by virtue of the receipt of this material.

The information herein is for persons residing in the United States of America only and is not intended for any person in any other jurisdiction.

TIS/TAS's officers, employees, agents and/or affiliates may have positions in securities, options, rights, or warrants mentioned or discussed in this material.

CN2022- 4342629.1 EXP02-2023