

COVID-19 economic data tracker

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Trend watch and what's new this week

Key virus trends in the U.S. continue to slide (slide 3). Global vaccination trends appear to be tapering off (slide 4), including the pace of U.S. vaccinations (slide 5).

Incoming activity-based data has strengthened (slides 2 and 6). For instance, weekly air passenger counts rose 0.9% week over week and hit 15.0 million for the first time since the week of Christmas/New Year's ending January 1, 2020. Similarly, other data—such as staffing and restaurant reservations—remain solid.

This week, we highlight hotel occupancy (slide 7). While some of the improvement in travel-related data is related to spring break, hotel occupancy has risen in 8 of the 11 weeks this year, which counters the notion that the strength is “just due to spring break.”

Lastly, we show U.S. lumber prices (slide 8), which have dropped 30% in recent weeks. The reasons for the price decline appear to be two-sided, sawmills catching up in supply and demand softening, which we expect will continue.

Our take

On the virus front, trends are improving despite very relaxed social distancing and increased activity. The exception is vaccinations, though

this should be expected given roughly 75% of Americans over 12 years old are fully vaccinated and almost half have received a booster.

We are encouraged by the continued strength of the activity-based data. Yet, we are growing concerned that inflation dynamics have shifted upward due to the Russia-Ukraine conflict, especially for food and energy commodities, which will squeeze U.S. growth.

Given higher inflation, we now foresee broader impact to the U.S. economy, including higher interest rates generally, and mortgage rates specifically.

That said, there are upside offsets, including substantially more U.S. travel, particularly for businesses (think meetings, conferences, etc.), along with solid consumer demand. Importantly, most of our energy and food is sourced domestically, which means those higher prices drive additional U.S. growth and supports jobs.

Bottom line

We maintain our view that the risk of a U.S. recession within the next year remains low but acknowledge that the risk has increased from very low odds just two months ago.

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U.S. COVID-19 economic data tracker matrix

Indicator	Relative trend	What we're watching
Back to office	▼	Slipped to 39.6 (pre-pandemic indexed to 100) from 40.5 the prior week. Top cities are Austin (52), Houston (48), and Dallas (47); bottom are San Francisco (30) and San Jose (30). While the trend has steadily improved, it remains less than half of pre-pandemic levels, which is not conducive for overall growth.
TSA air passenger throughput	▲	Weekly passengers rose 0.9% WoW to 15.0 million, which was 6.9% below the 2019 weekly average of 16.1M. Passenger counts are -10.5% from the same week in March '19 but 59% above March '21.
OpenTable restaurant bookings	↔	Ticked down to -3.1% from -2.9% compared to pre-pandemic levels. Top positive states were led by Nevada (+53%) and Oklahoma (+30%); bottom were New York (-37.6%) and Minnesota (-28.8%). Top cities were Las Vegas (+49%), Miami (+43%), and Austin (+32%); bottom were Minneapolis (-59%) and Portland (-50%).
Google mobility	▲	Big jump at parks, thanks to warmer spring weather. 7-day averages relative to 2020: Parks +19%, Residential +4%, Transit -23%, Grocery/Pharmacy -6%, Workplaces -18%, Retail/Restaurant/Recreation -9%.
Hotel occupancy	▲	Occupancy jumped to 66.9%, its highest levels since August '21. The average daily rate rose to \$151.63, up 13.6% from March 2019, while revenue per available room rose to \$101.44, which is 9.5% above March '19.
Freight	▲	Rail carloads rose 0.7% WoW last week and rose 2.0% MoM in Feb. Container traffic at SeaTac, the fifth largest U.S. port, jumped 9.5% in February; LA and Long Beach (#1 and #2) fell 0.7% MoM in Feb.
Staffing index	▲	Ticked up to 105.7 from 105.2 in the prior week. We expect it to continue modestly rising in the next few weeks. It has risen in 9 of the past 11 weeks. The low for this cycle was 59.6 set in April 2020.
Apartment rental prices	↔	Rent index rose to 1.23 in February, up 3.3% MoM. While prices are significantly above pre-pandemic levels, rents are down 2.4% during 2022 and fell 2.6% during the second half of 2021.

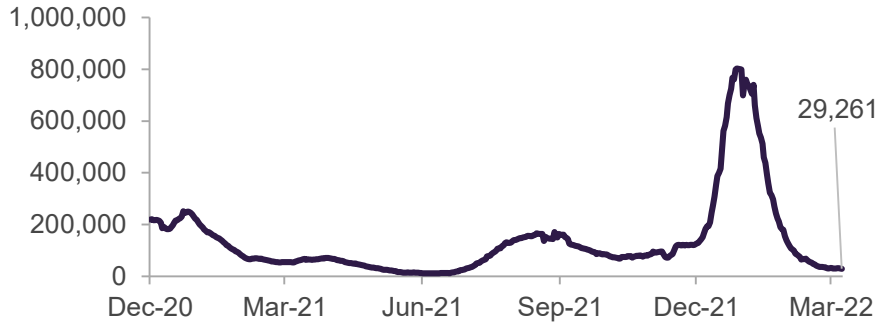
Trend relative to whether it is favorable for economic growth:

▲ 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-week and year-over-year change are abbreviated as WoW and YoY, respectively.

U.S. cases, hospitalizations, and death rate approaching mid-2021 lows

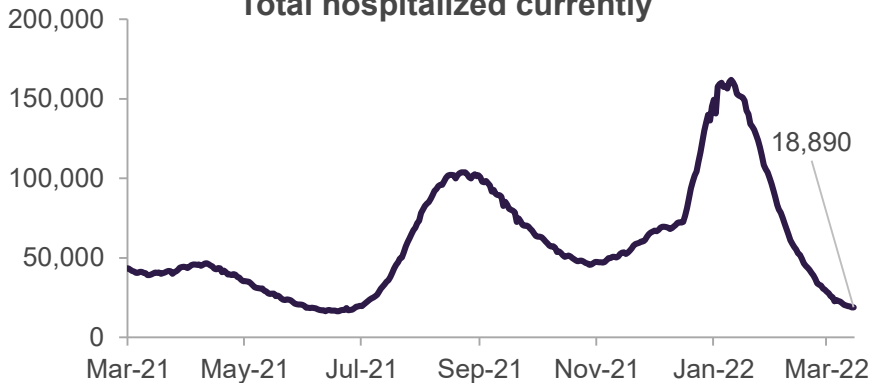
New confirmed cases 7-day moving average



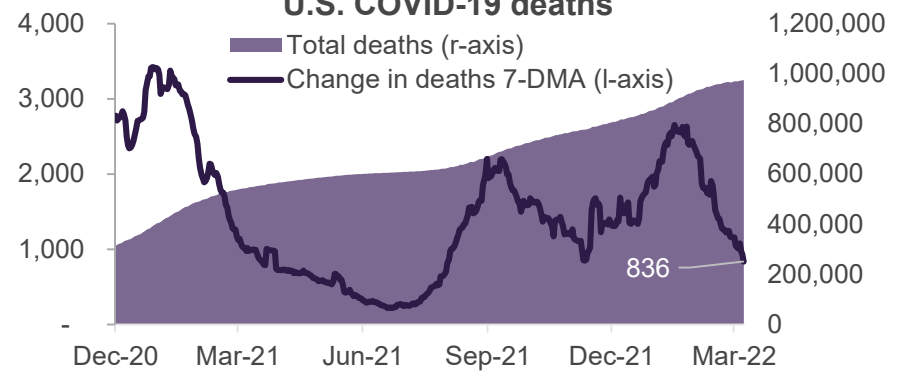
Tests performed 7-day moving average



Total hospitalized currently

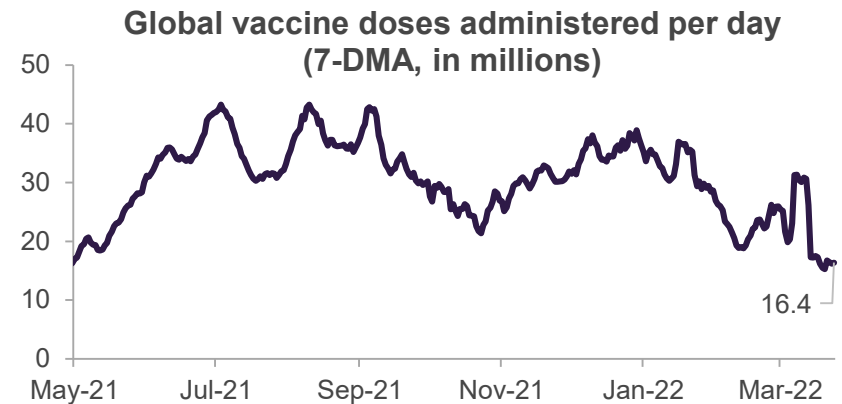
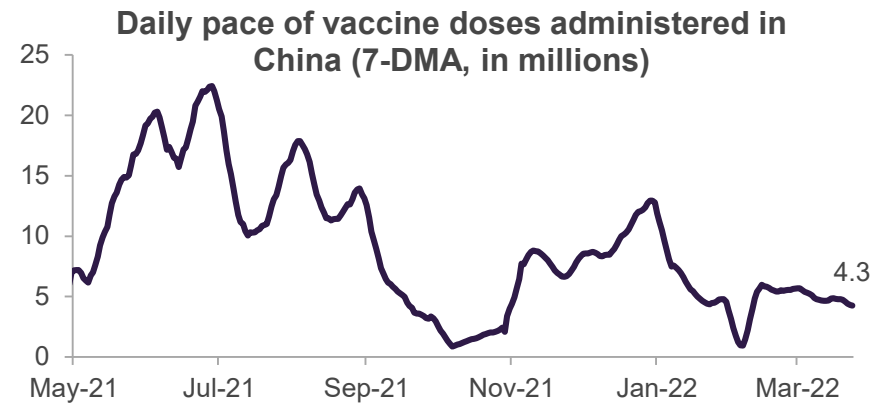
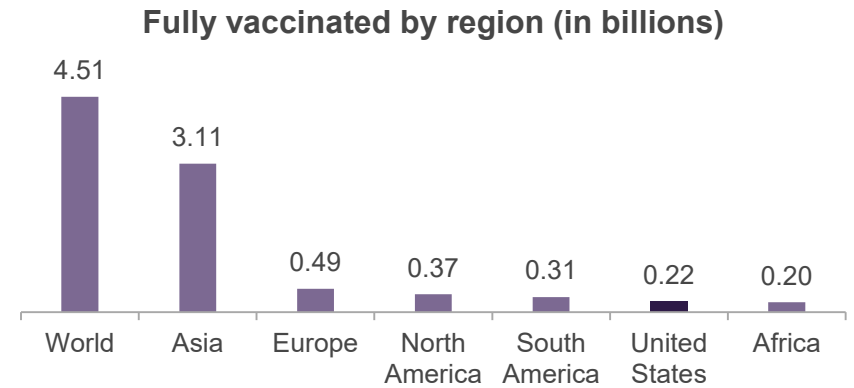
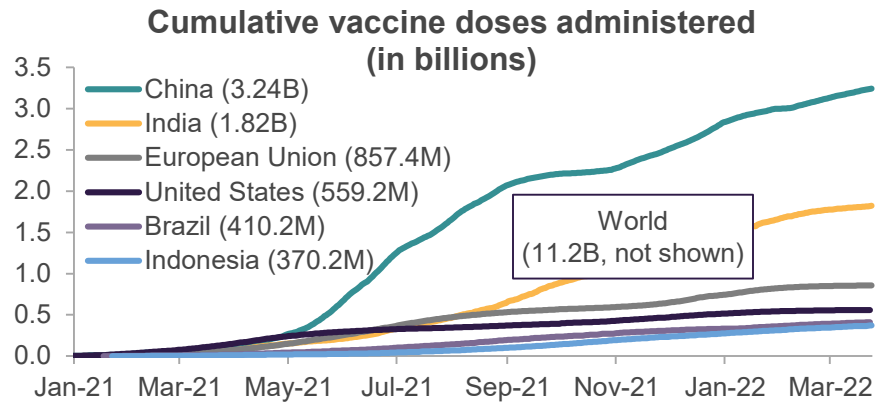


U.S. COVID-19 deaths



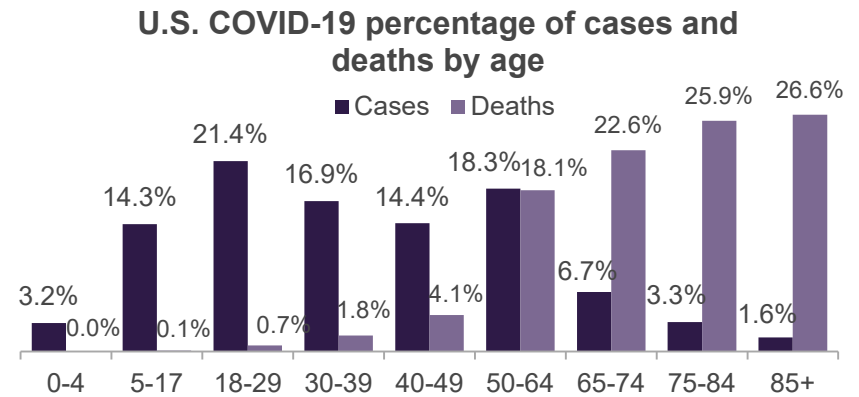
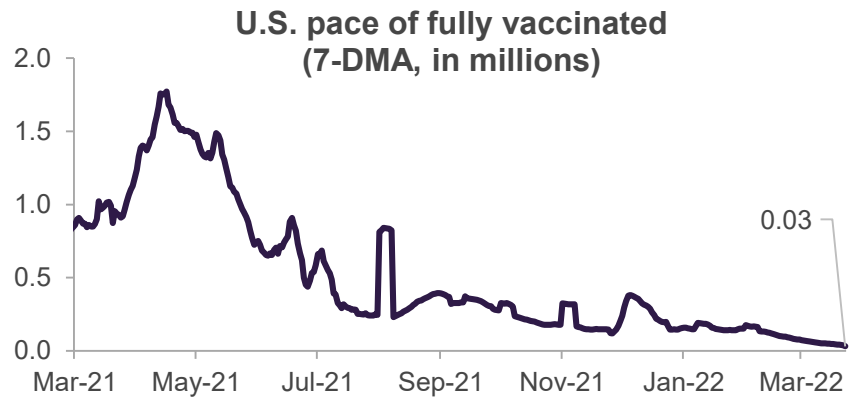
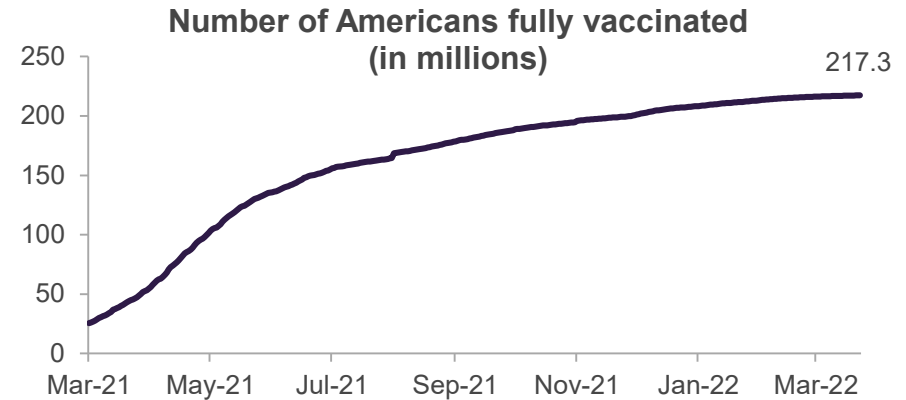
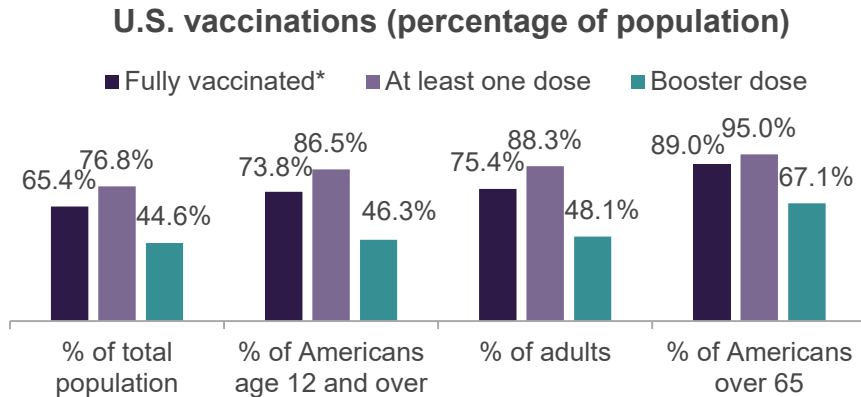
Data sources: Truist IAG, Bloomberg, Johns Hopkins University through March 24, 2021. Data for 50 U.S. states plus American Samoa, Washington D.C., Guam, Northern Mariana Islands, Puerto Rico, and U.S. Virgin Islands. 7-day moving average (DMA).

Global vaccination trends slowing as the largest countries near targets for percentage of fully vaccinated



Data sources: Truist IAG, Our World in Data, Centers for Disease Control & Prevention (CDC), through March 24, 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).

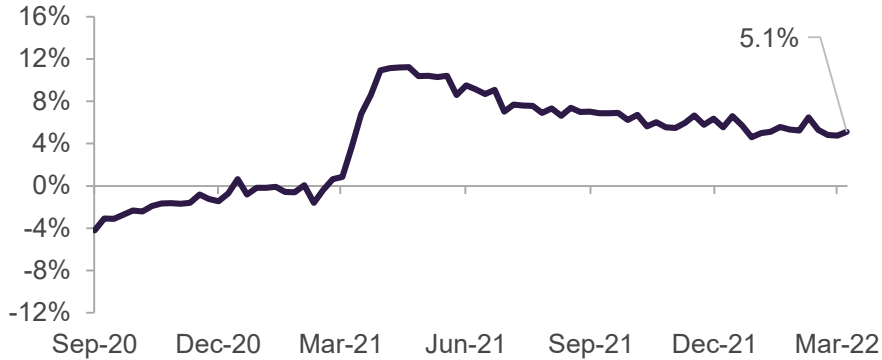
Nearly 75% of Americans over 12 years old are fully vaccinated and almost half have received a booster



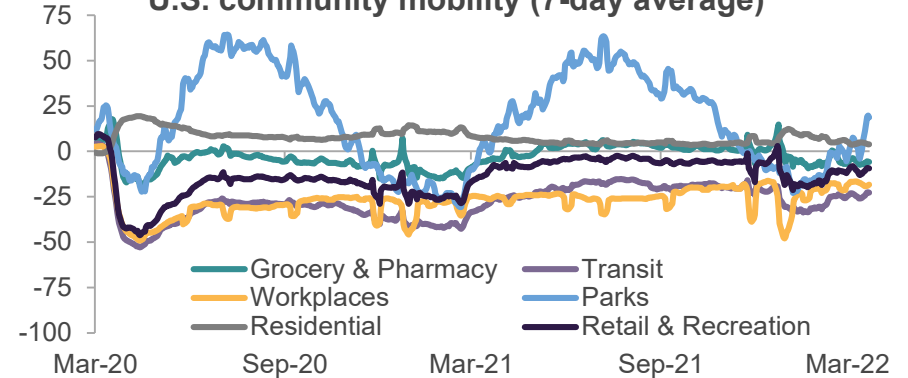
Data sources: Truist IAG and the following additional sources respectively: Top left, bottom right: Centers for Disease Control & Prevention (CDC), through March 24, 2021. Top right, bottom left: Our World in Data, Centers for Disease Control & Prevention (CDC), through March 24, 2022. U.S. figures includes 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.

Strong rebound in activity-based trends from early January slowdown

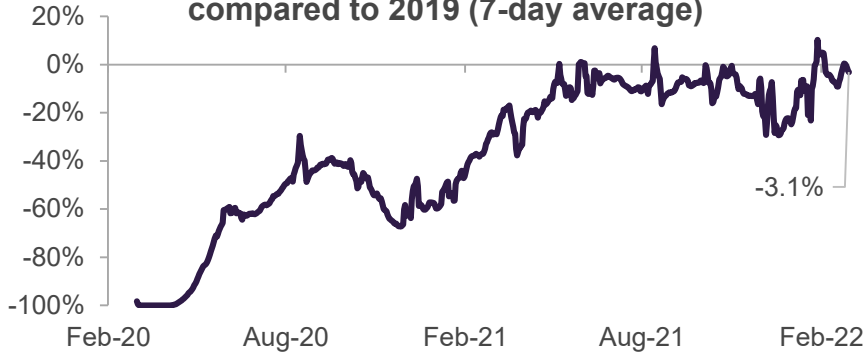
NY Fed weekly economic index



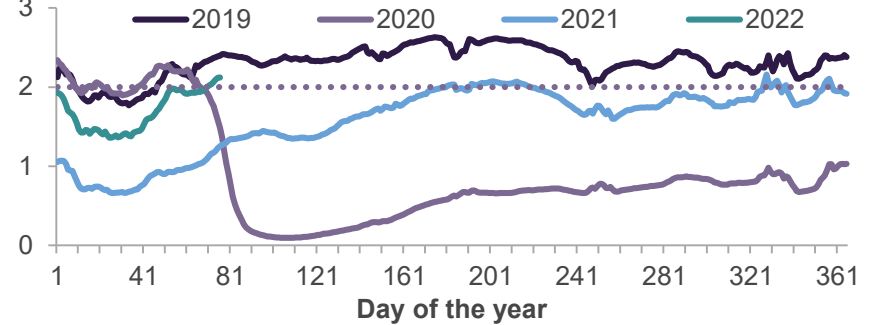
U.S. community mobility (7-day average)



OpenTable bookings % change compared to 2019 (7-day average)



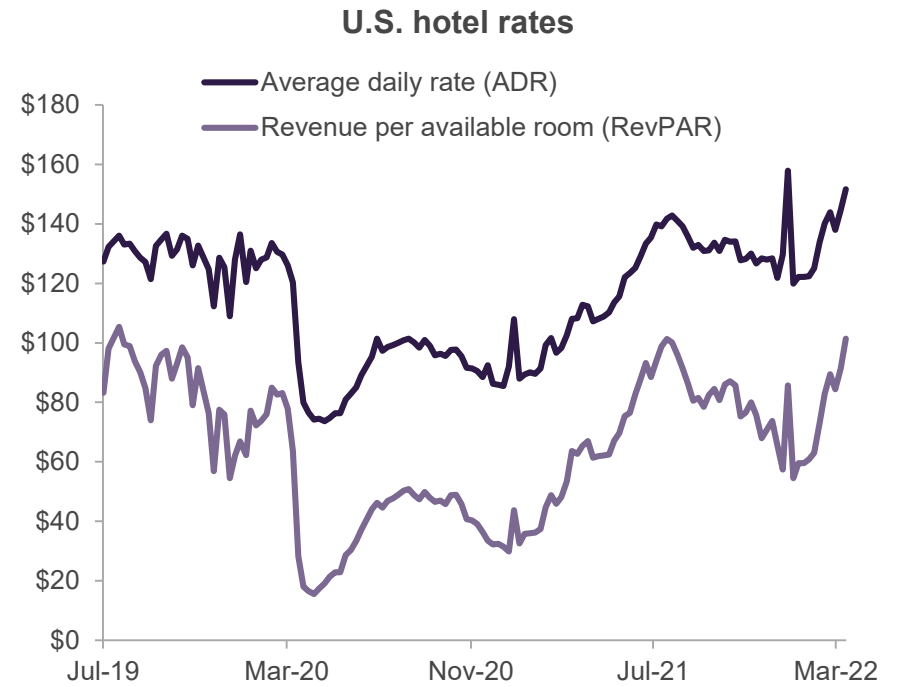
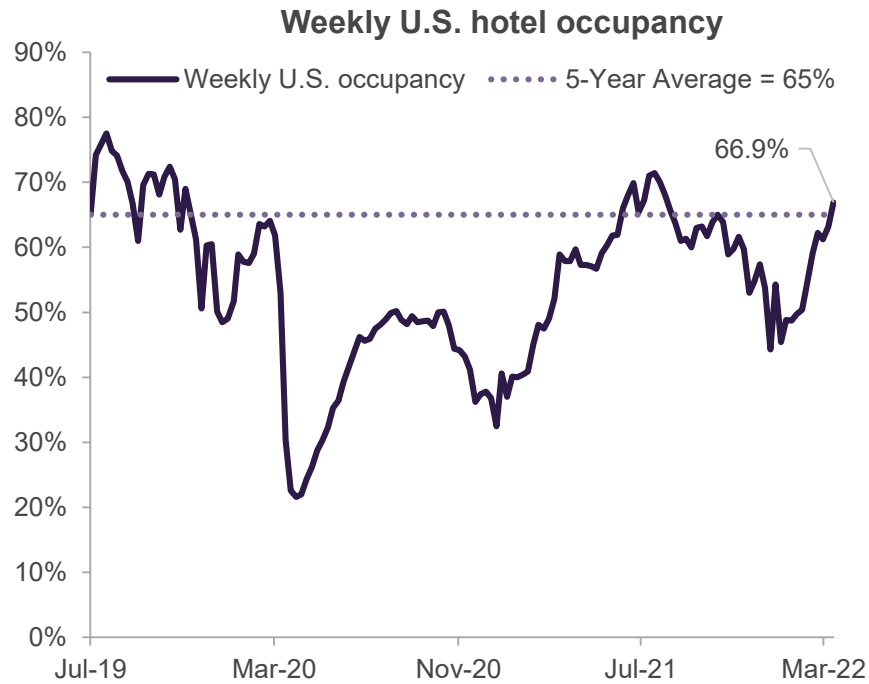
TSA checkpoint traveler throughput (7-day average, in millions)



Data sources: Truist IAG and the following additional sources respectively: Top left: Bloomberg, NY Federal Reserve Weekly Economic Index through March 19, 2022. Top right: (U.S. Community Mobility) Google COVID-19 Community Mobility Reports 7-day average through March 15. Bottom left: Bloomberg, OpenTable 7-day average through March 24. Bottom right: Bloomberg, Transportation Security Administration (TSA) 7-day average through March 17.

Hotel occupancy still climbing despite a gasoline spike and the Russia-Ukraine conflict, while daily rate and RevPar near multi-year highs

Despite the spike in gasoline price and the Russia-Ukraine conflict, hotel occupancy continues to climb. Occupancy jumped to 66.9%, its highest levels since August '21. It appears to be more than a season shift as occupancy has risen in 9 of the 12 weeks this year. The average daily rate rose to \$151.63, near its all-time high set during New Year's week 2022, while revenue per available room hit \$101.44, the highest since July '19.



Data Source: Truist IAG, STR/CoStar; weekly data through March 19, 2022

Lumber prices starting to slip following recent rollercoaster as supply returns and demand normalizes

U.S. lumber prices—based on futures prices for 2-inch by 4-inch wood studs, the staple in the construction trade—have fallen to \$1,000. That's down more than 30% from the recent high earlier this month and is 40% below the May 2021 spike. Still, it is 56% above the pre-pandemic all-time high set in May 2018.

The price decline appears to be two-sided. On one hand, supply is increasing as sawmills have ramped up production. On the other hand, demand is softening following the pandemic remodeling boom.

Lumber price (\$ per 110,000 board feet)



Data source: Bloomberg, Chicago Mercantile Exchange; daily data through March 25, 2022. Random length futures contract for 110,000 board feet for lengths between 8' and 20' softwood 2 x 4s, the type used for rehabbing and construction.

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