

COVID-19 economic data tracker

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

Week 37 – September 17, 2021

Trend watch and what's new this week

There's clear evidence the delta variant wave is receding in the U.S. in terms of new cases and the number of hospitalizations (slide 3). This is also apparent in the hotspot states, where cases (slide 7) and the rate of hospitalizations (slide 8) have continued to decline.

However, while the rate of deaths tends to lag cases by 10-14 days, U.S. adult COVID-19 deaths are climbing (slide 3). Additionally, the improvement among adults masks a surge within school-age children ages 5-17 (slide 9). This is particularly concerning for children under age 12, who are both increasingly getting infected and being hospitalized. Still, the deaths among school-aged children during the entire pandemic is just 0.07% of all U.S. COVID deaths.

Incoming economic data is beginning to reflect Hurricane Ida, especially in the restaurant and hotel figures. This week, we highlight the OpenTable restaurant bookings in Louisiana, New Orleans, and Houston, which illustrate the impact from Ida (slide 10).

Similarly, we revisit payment of apartment rents (slide 11). Rates have slipped of late, but it remains to be seen how much was related to the Labor Day holiday and Hurricane Ida.

Lastly, we show a longer-term view of the NY Fed weekly economic index (slide 12), which displays the strength and resilience of U.S.

economic activity. This complements the shorter view we've been showing in the weekly activity dashboard (slide 6).

Bottom line

The cross-currents that we mentioned last week abound. This week add the remnants of Hurricane Nicholas to cross-currents list of the Labor Day holiday, Hurricane Ida, the delta variant, and the wind down of summer.

All of these have conspired to dent some of the economic momentum gathered over the summer and are causing noise within some of the data recently. This will likely persist for the next few weeks and will spill into some of the monthly data.

Those factors have also made the unevenness by region and industry more apparent once again. Yet, in most cases, it is delay of plans rather than a derailing of the recovery. This view is supported by much of the traditional economic data, which remains strong, including consumer spending, housing figures, as well as several gauges of services and manufacturing. The latest was a solid retail sales report for August.

In other words, while the pace has slowed somewhat from the peak, overall economic growth remains solid and well-above the pre-pandemic rate.

Securities and insurance products and services –

Are not FDIC or any other government agency insured | are not bank guaranteed | may lose value

U.S. COVID-19 economic data tracker matrix

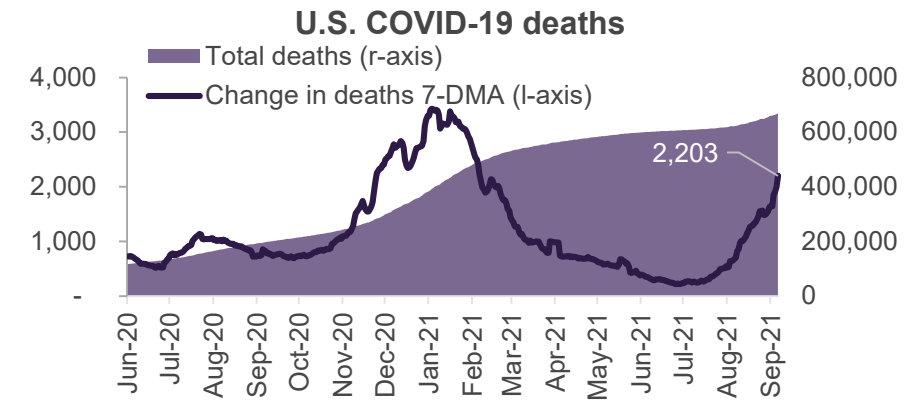
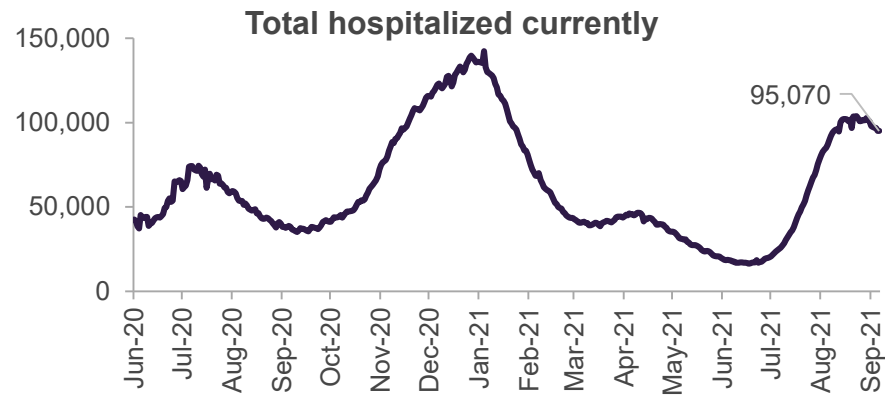
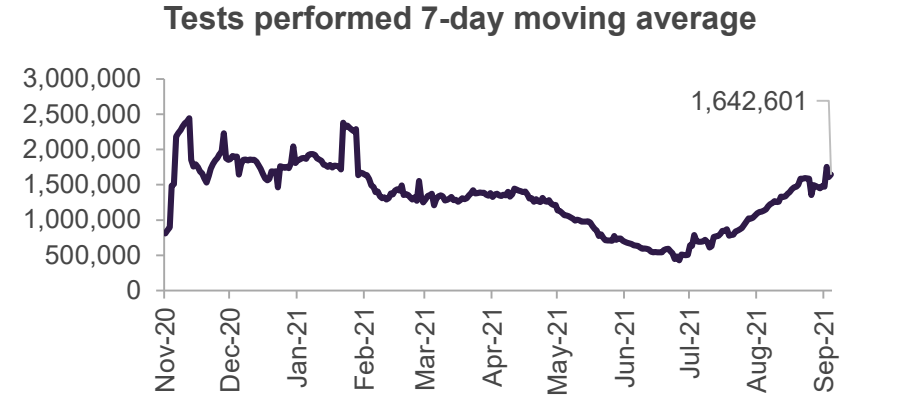
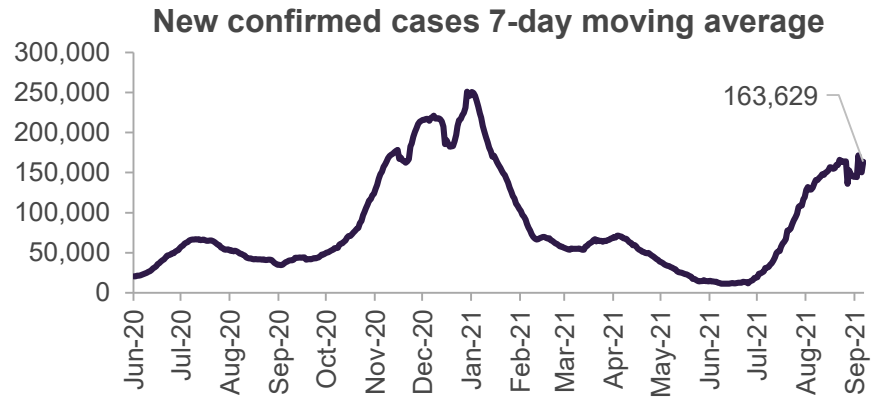
Indicator	Relative trend	What we're watching
U.S. state reopenings	▲	While new cases and hospitalizations are declining, the death rate is climbing. Also, schools are struggling with rising infections among children, especially those ages 5-11. Incoming economic data is beginning to reflect Hurricane Ida, especially in the restaurant and hotel figures.
TSA air passenger throughput	▲	Weekly passengers fell 6.2% WoW following the Labor Day holiday to 11.4 million. Passenger counts are -29% below the 2019 weekly average of 16.1M and -28% vs. the same week in 2019.
OpenTable restaurant bookings	▲	Slumped to -13.2%, likely due to Ida, from -3.6% the prior week. Top positive states were led by Rhode Island (+35%) and Connecticut (+22%); bottom are NY (-43%) and Louisiana (-36%). Houston (+98.9%) and Scottsdale (+22%) led the top cities; bottom are New Orleans (-70%), Philadelphia (-58%), and NYC (-57%).
Google mobility	↔	The Labor Day holiday boosted Parks to +41% from +31%. 7-day averages relative to 2020: Grocery/Pharmacy +2%, Residential +6%, Workplaces -29%, Transit -21%, Retail/Restaurant/Recreation -7%.
Hotel occupancy	▲	Occupancy fell to 60.0% from 61.3%, which was boosted by Hurricane Ida-related demand. The average daily rate was \$130.82, down 1.4% from the same week in 2019, while revenue per available room fell to \$78.46.
Apartment rent payments	▲	Payments through Sept. 6 th slipped to 72.0%, the lowest rate since the start of the pandemic, though the holiday weekend and Hurricane Ida likely were factors. Full month rents for August '21 were 93.7%, down from both August '20 (95.8%) and below the post-pandemic average of 94.6%.
Freight	▲	Container volumes at LA and Long Beach, the top 2 U.S. ports, jumped 5.2% MoM in August and were 15.5% above August 2019. Rail carloads slumped 5.2% WoW for the week of Labor Day, which is typical.
Staffing index	▲	It slipped to 97.2 from 98.0 two weeks ago. It remains just below the highest reading since December 2018. The low for this cycle was 59.6 set in April 2020.

Trend relative to whether it is favorable for economic growth:

▲ Positive ▼ Negative ↔ Neutral / Mixed

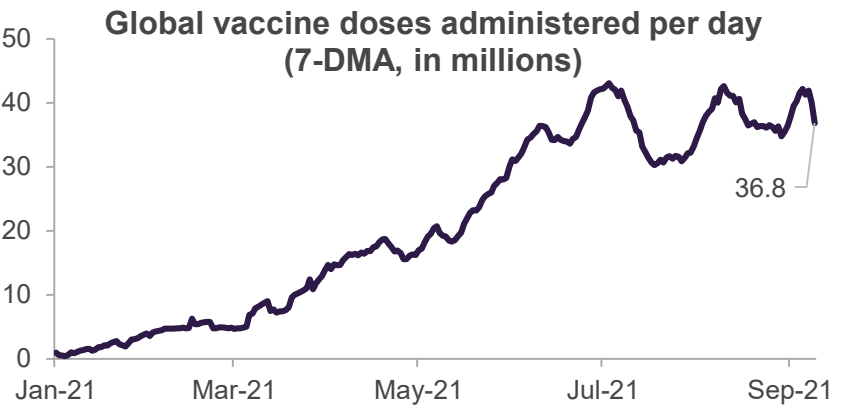
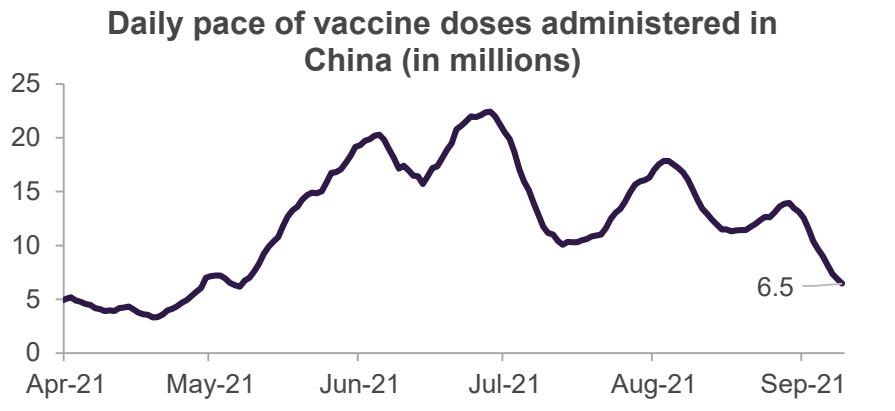
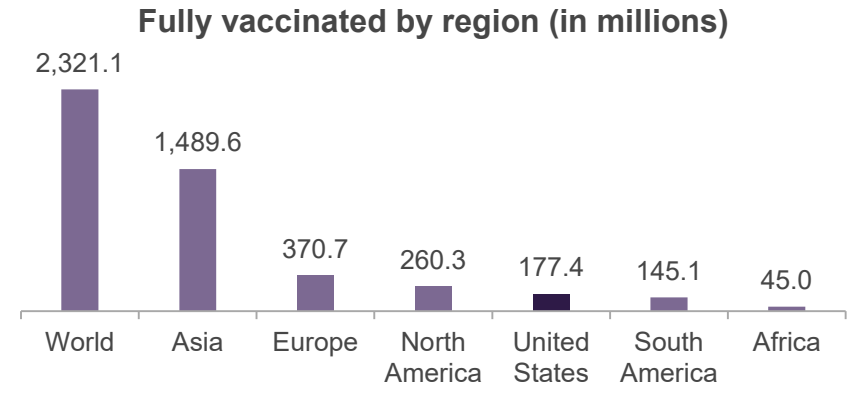
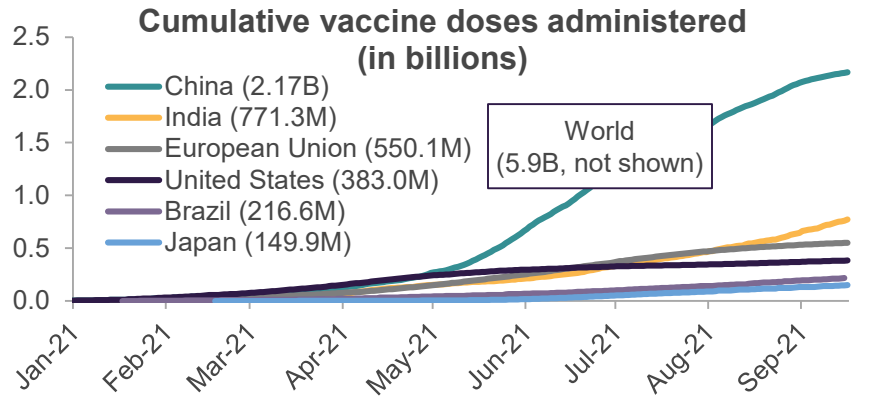
Data Sources: Truist IAG, Bloomberg, Our World in Data, Transportation Security Administration, OpenTable, Google COVID-19 Community Mobility Report, STR/CoStar, National Multifamily Housing Council Rent Payment Tracker, American Staffing Association. Week-over-week and year-over-year change are abbreviated as WoW and YoY, respectively.

U.S. cases and hospitalizations peaking, death rate trending up



Data Sources: Truist IAG, Bloomberg, Johns Hopkins University through September 16, 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).

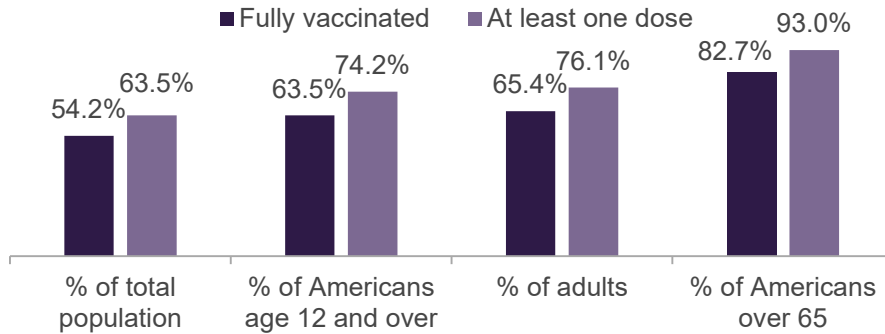
Global vaccinations climbing, rest of the world surpassing the U.S.



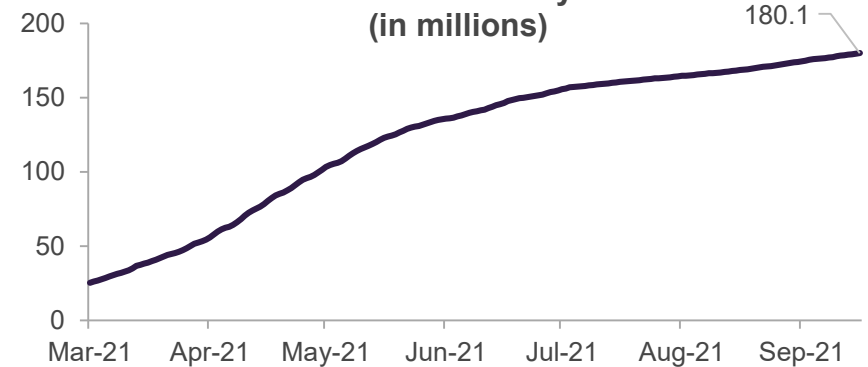
Data Sources: Truist IAG, Our World in Data, Centers for Disease Control & Prevention (CDC), through September 16, 2021. U.S. figures includes all 50 states plus Washington D.C., U.S. military installations and territories. Figures for the United Kingdom are not included in the European Union. 7-day moving average (DMA).

Nearly 65% of Americans older than 12 are fully vaccinated, but pace stalled

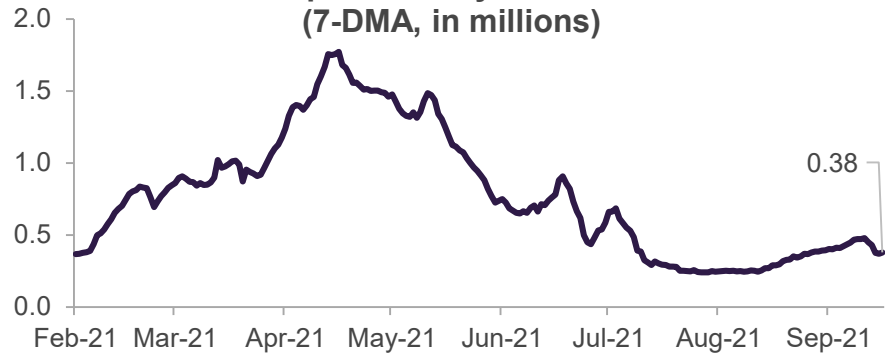
U.S. vaccinations (percentage of population)



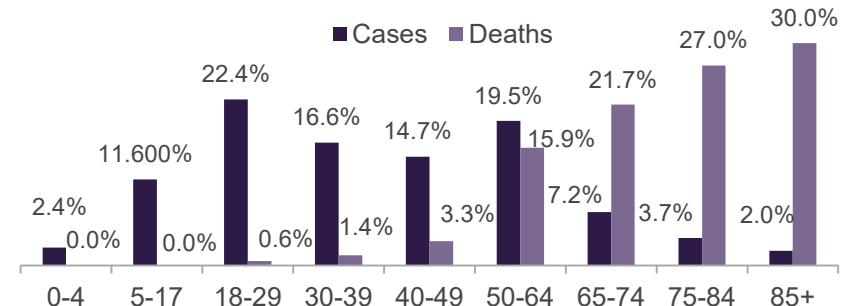
Number of Americans fully vaccinated (in millions)



U.S. pace of fully vaccinated (7-DMA, in millions)



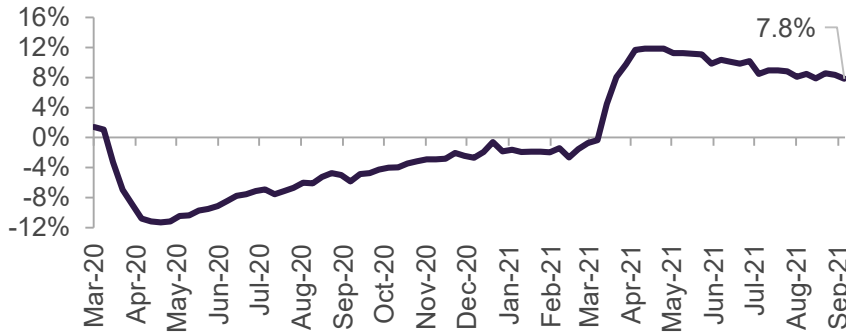
U.S. COVID-19 percentage of cases and deaths by age



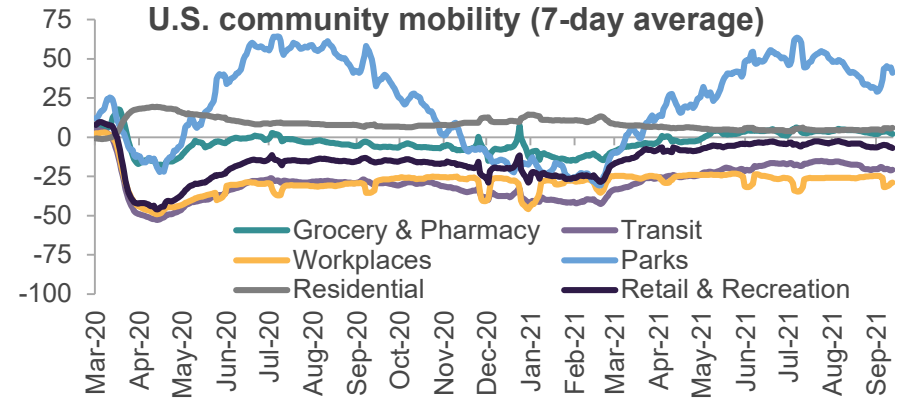
Data Sources: Truist IAG and the following additional sources respectively: Top left, bottom right: Centers for Disease Control & Prevention (CDC), through September 16, 2021. Top right, bottom left: Our World in Data, Centers for Disease Control & Prevention (CDC), through September 16, 2021. U.S. figures includes all 50 states plus Washington D.C., U.S. military installations and territories.

Activity-based trends have ebbed, but likely seasonal rather than delta strain

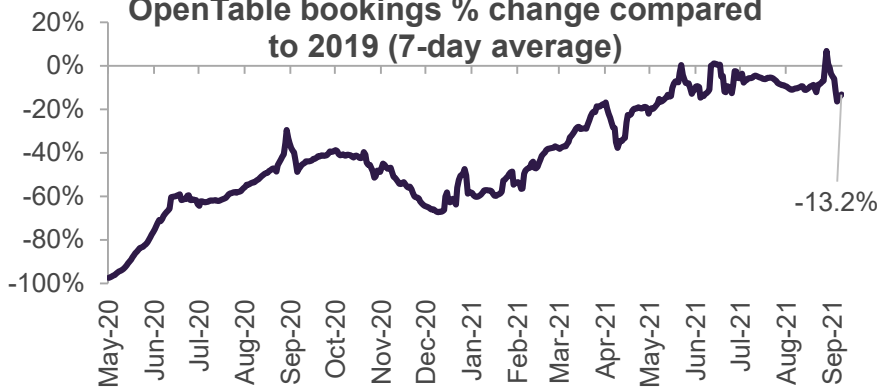
NY Fed weekly economic index



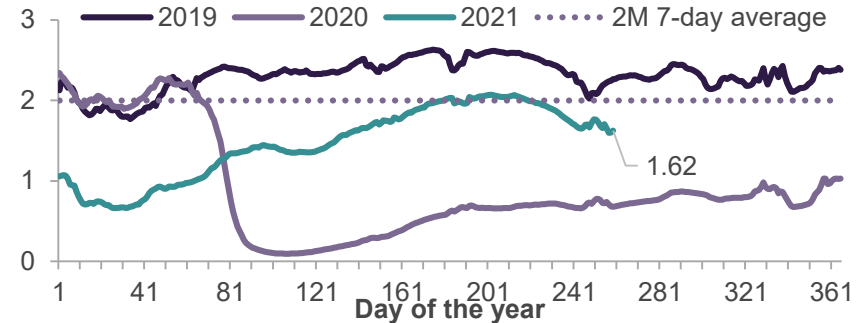
U.S. community mobility (7-day average)



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



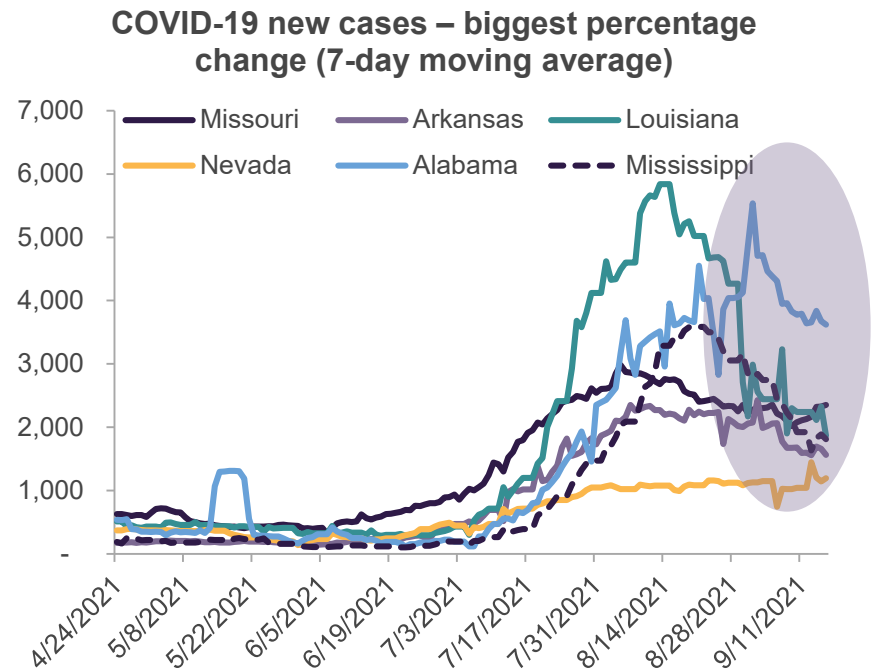
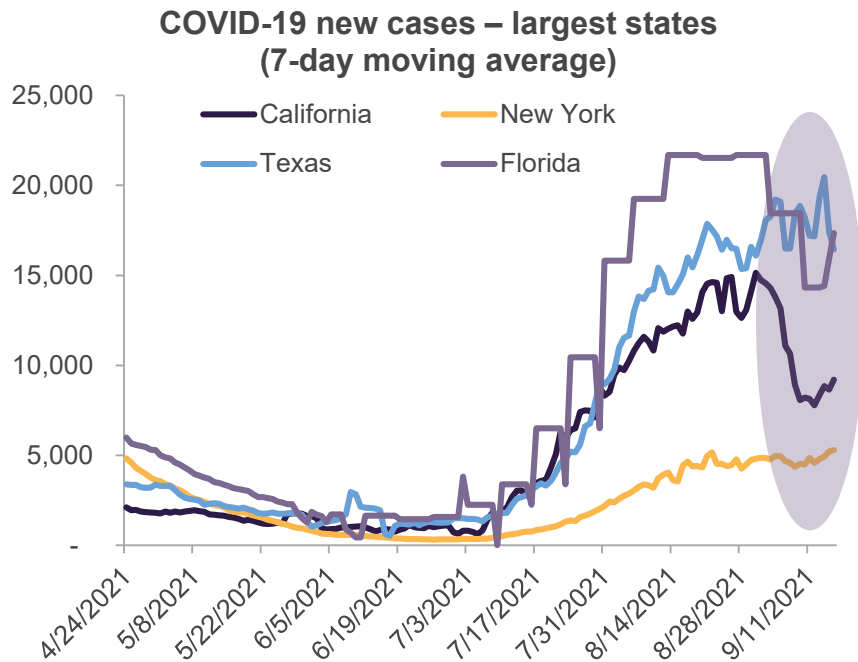
TSA checkpoint traveler throughput (7-day average, in millions)



Data Sources: Truist IAG and the following additional sources respectively: Top left: Bloomberg, NY Federal Reserve Weekly Economic Index through September 11, 2021. Top right: (U.S. Community Mobility) Google COVID-19 Community Mobility Reports 7-day average through September 12. Bottom left: Bloomberg, OpenTable 7-day average through September 16. Bottom right: Bloomberg, Transportation Security Administration (TSA) 7-day average through September 16.

Cases declining in most U.S. hotspots

Most of the regional hotspots caused by the delta variant appear to be receding. California, Texas, and Florida had hiccups this past week, but subsequently dropped. The delta variant complicates further reopening, including for schools, while also illustrating the necessity of vaccines.

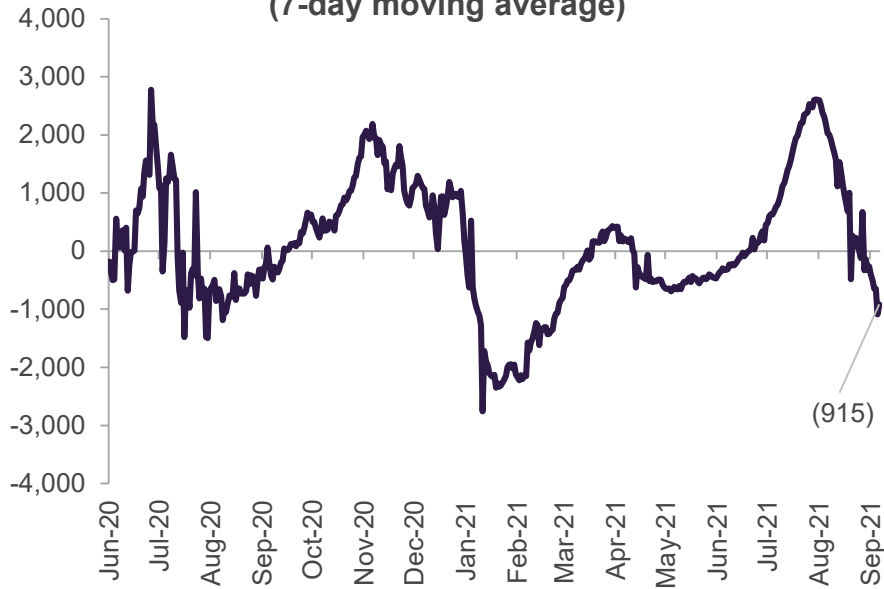


Data Source: Truist IAG, Bloomberg, Johns Hopkins University, data through September 9, 2021.

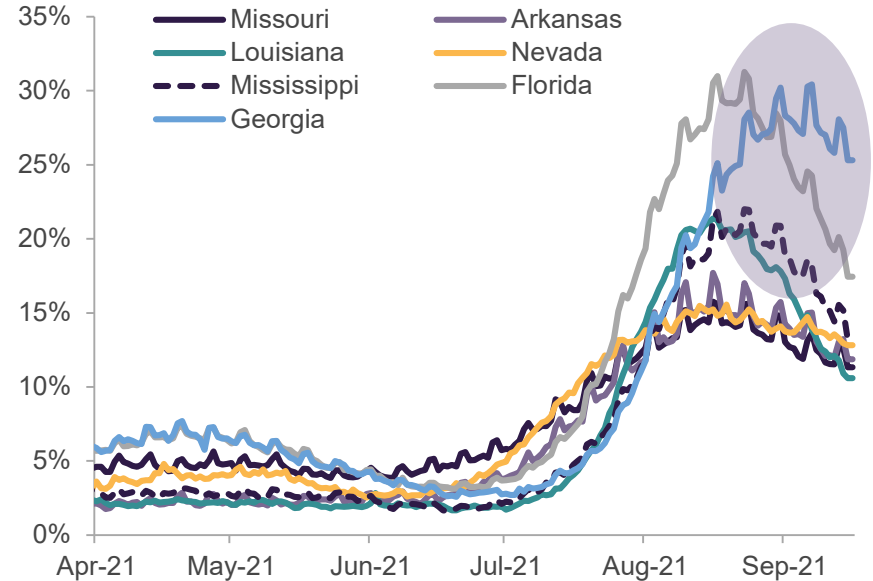
More signs that delta strain is peaking

The rate of COVID-19 hospitalizations nationally for the past seven days has crested. Similarly, the state-level percentage of COVID-19 hospitalizations has stabilized in all of the hotspot states and appears to have peaked in Florida, Georgia, and Louisiana.

Change in COVID-19 hospitalizations (7-day moving average)



COVID-19 hospitalizations as percentage of total beds



Data sources: Truist IAG, Bloomberg, U.S. Department of Health & Human Services, data through September 16, 2021. 7-day moving average (DMA).

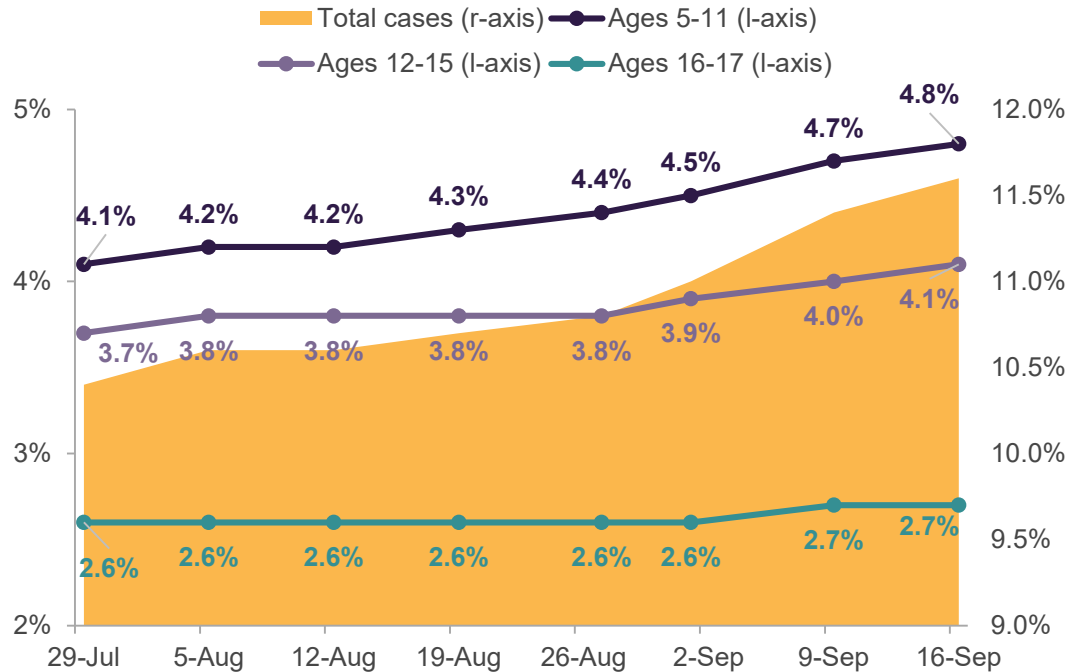
In U.S., delta variant disproportionately impacting young children, highlighting vaccine effectiveness

In the seven weeks since the school year restarted, new COVID-19 cases of school-aged children are up one full percentage point to 11.4% of all new U.S. cases. Accordingly, there's also been a marked increase in hospitalizations.

The stark difference between age groups appears to be vaccines. New cases in the 5-11 age group have jumped during this span, while infections in 16-17 age group are up modestly.

Thankfully, there have only been 355 deaths in school-aged children during the entire pandemic, or 0.07% of all U.S. COVID deaths.

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



Sources: Truist IAG, Centers for Disease Control & Prevention (CDC). Data from July 29, 2021 through September 16, 2021.

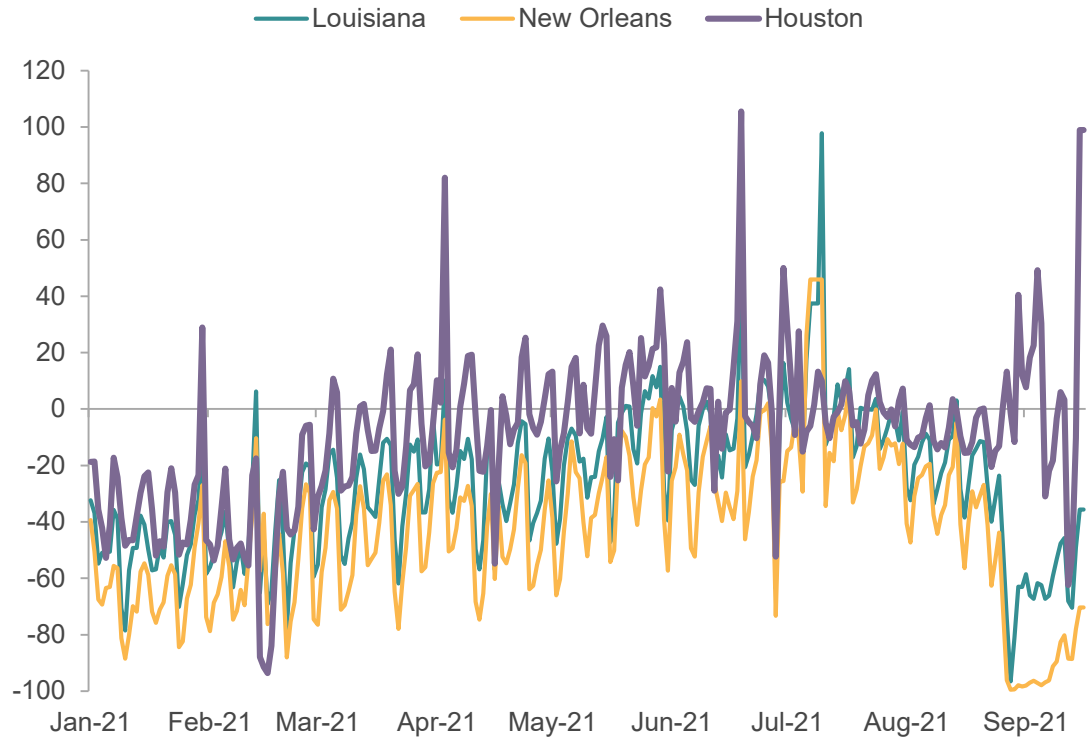
Hurricane Ida hammered Louisiana, boosting Houston

The economic impact of Hurricane Ida and its aftermath can clearly be seen within the OpenTable restaurant bookings data.

Residents of Louisiana and New Orleans evacuated ahead of storm to cities such as Houston. Some have returned home, but many—particularly in New Orleans—remain impacted. OpenTable bookings in the “Big Easy” are down 70% compared to 2019.

Conversely, restaurants in Houston have seen continued strong readings since late August and spiked to almost 99% above 2019 levels.

OpenTable bookings percent change compared to 2019

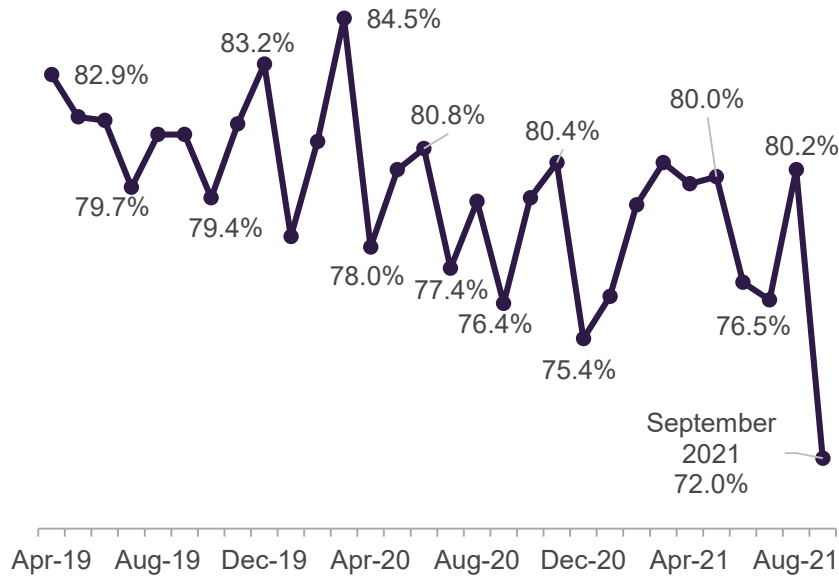


Sources: Truist IAG, Bloomberg, OpenTable 7-day average through September 16, 2021.

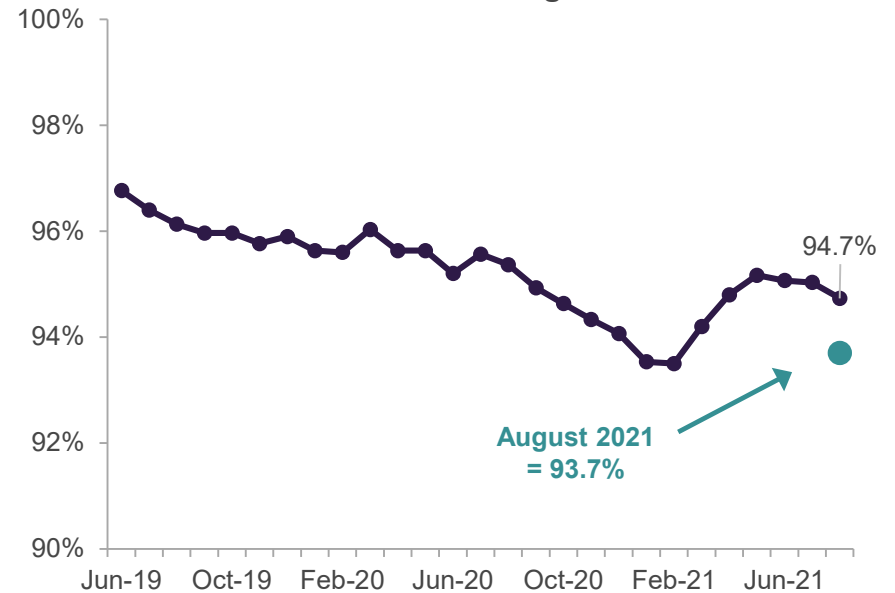
Apartment rental payments have slipped of late

Apartment rents have generally remained steady over the past two years. However, payments through Sept. 6th slipped to 72.0%, the lowest rate since the start of the pandemic, though the Labor Day holiday and Hurricane Ida likely were factors. Similarly, full month rents for August 2021 were 93.7%, down from 95.8% in August 2019. Still, the 3-month average of full month rental payments was 94.7% (through August), which is modestly below the pre-pandemic average of 96.0% and up from the cycle lows made in January and February.

Apartment first week rental payment rates



Apartment full month rental payment rate 3-month average

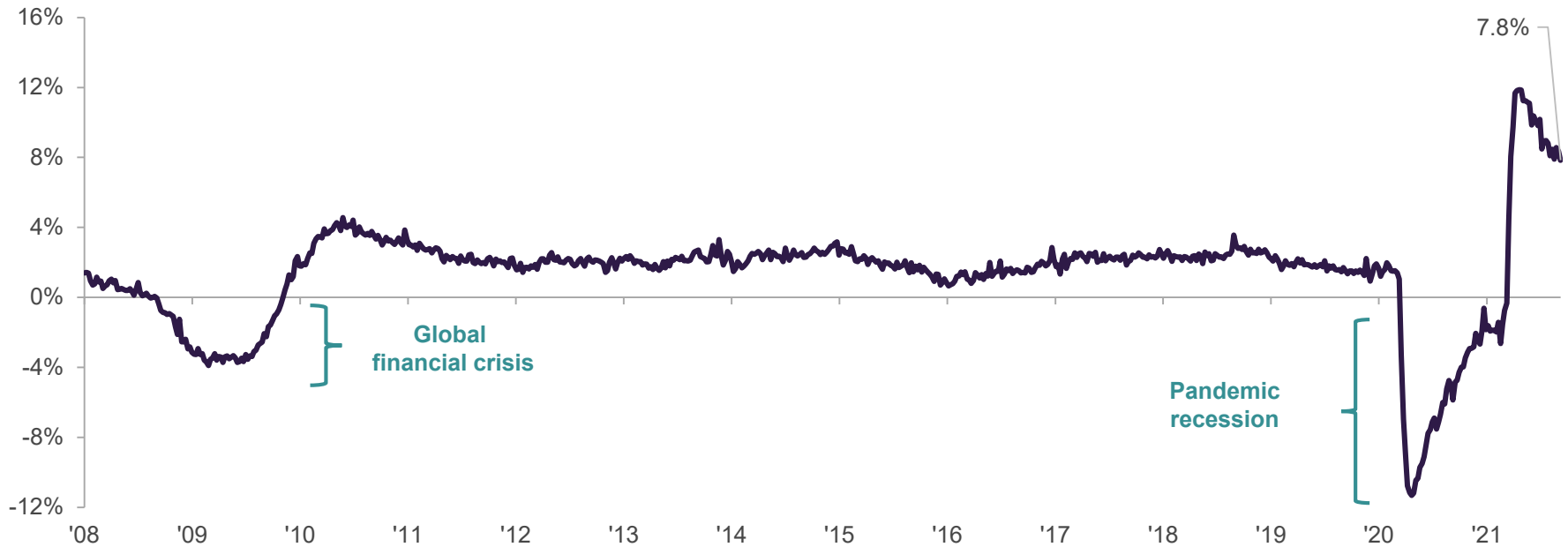


Sources: Truist IAG, National Multifamily Housing Council (NMHC). Represents the percentage of payments made at professionally managed units; data through September 6, 2021.

Though down from the spring peak, U.S. economy is strong

Besides the emergence of the COVID-19 delta variant, the U.S. economy has withstood repeated setbacks in 2021, including hurricanes, winter storms, wildfires, and political turmoil. While it has ebbed from its peak this past spring, the pace of economic growth remains strong by nearly every metric and is well-above the pre-pandemic rate.

NY Fed weekly economic index



"Source: Truist IAG, Bloomberg, Federal Reserve Bank of New York; data through September 11, 2021. The index includes 10 daily and weekly data series: initial unemployment insurance claims, continuing unemployment insurance claims, Federal taxes withheld, Redbook same-store sales, Rasmussen Consumer Index, the American Staffing Association Staffing Index, raw steel production, U.S. railroad traffic, U.S. fuel sales to end users, U.S. electricity output.

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.

The information contained in this material is produced and copyrighted by Truist Financial Corporation and any unauthorized use, duplication, redistribution or disclosure is prohibited by law.

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

© 2021 Truist Financial Corporation. Truist, the Truist logo and Truist purple are service marks of Truist Financial Corporation

CN2021-3420 EXP 12-2021



Wealth