

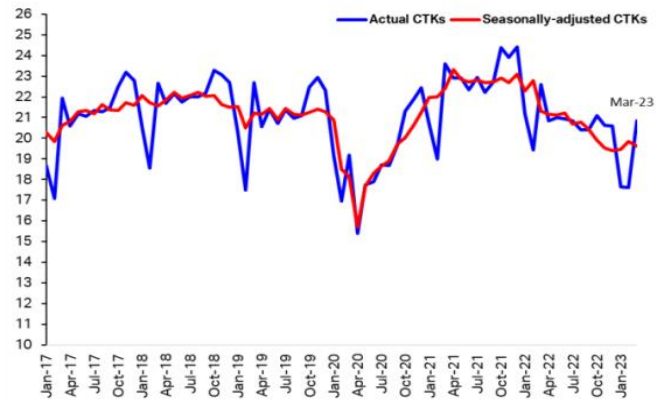


CURRENT STATE

- Global air cargo demand decreased in March, but at a slower rate than in February and January, with cargo tonnekilometers (CTKs) falling by 7.7% year-on-year (YoY). This reflects a continued trend of improvement compared to the steep annual decline of -16.8% observed in January and double-digit decreases in earlier months (**right chart**).
- Air cargo capacity grew 9.9% YoY, primarily due to the increasing belly-hold capacity from passenger aircraft. As a result, cargo load factors fell to 46.2%, 8.8 percentage points (ppts) lower than last year's load factors.
- The diminished strength of fundamental air cargo drivers, such as trade and manufacturing exports, continued to dampen potential gains in air cargo traffic, as global new export orders remained weak for a full year.
- The air cargo industry has experienced volatility in recent months, which can be attributed to different economic and operational challenges that have hindered global trade. Even with record low unemployment rates, the global economy continues to decelerate due to a combination of factors such as

Source: IATA

Industry CTKs (billions per month)



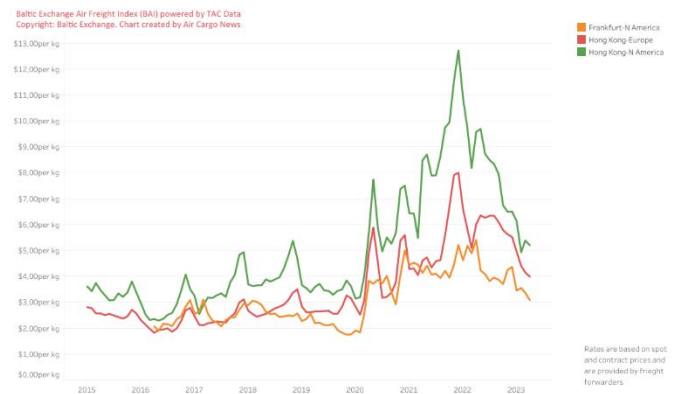
Sources: IATA Economics, IATA Monthly Statistics

tightening global financial conditions, high levels of global debt, and supply chain problems including those linked to the war in Ukraine.

MARKET DEVELOPMENTS

- The latest statistics from Baltic Exchange Airfreight Index (BAI) show declines in prices between Asia and Europe, Asia and North America and across the Atlantic. The falls are unusual as rates tend to rise slightly – or at least stay flat – in April compared with March. The average price – across contract and spot rates – on services from Hong Kong to North America declined to \$5.20 per kg in April compared to \$5.38 per kg a month earlier.
- Against last year, rates on the trade are down 45.7% but they remain above the \$3.60 per kg registered for the month in pre-Covid 2019.

Source: Baltic Exchange Air Freight Index (BAI)



Rates are based on spot and contract prices and are provided by freight forwarders.

- IATA Jet Fuel Price Monitor shows the jet fuel price for the week ending May 12th was down 45.20% compared with a year ago at \$90.3/bbl.
- The largest decrease vs. previous month were seen in North America, at -16.1%, followed by Latin & Central America at -15.2%.

Source: IATA

Jet Fuel & Crude Oil Price (\$/barrel)



Source: S&P Global, Macrobond

RED
Demand exceeded capacity available. Rates increased.

YELLOW
Demand higher and or capacity is limited. Rates increasing.

GREEN
Both demand & capacity are at normal levels.

		DEMAND & CAPACITY			DEMAND		
		AMERICAS	LATAM	EMEA	INDIA	N. ASIA	S. ASIA
ORIGINS	AMERICAS	●	●	●	●	●	●
	LATAM	●	●	●	●	●	●
	EMEA	●	●	●	●	●	●
	INDIA	●	●	●	●	●	●
	E. ASIA	●	●	●	●	●	●
	S. ASIA	●	●	●	●	●	●

IMPACTED EXPORT MARKETS

ORIGIN REGION	DESTINATION REGION	STATUS	SPECIFICS
AMERICAS	EMEA	●	Capacity is opening and more carriers continue to look for more cargo. The overall export markets in US continue to be soft with capacity available to EMEA and LATAM. The pricing is decreasing.
	SOUTHEAST ASIA	●	Available capacity is outscoring the demand- Capacity is opening and more carriers continue to look for more cargo.
	LATAM	●	Capacity is opening and more carriers continue to look for more cargo. Stable rates and available capacities into LATAM
LATAM	ALL REGIONS	●	Capacity is back a normal levels, except ex Asia to Brazil. The rates are still not at pre-pandemic, but much easier to procure and all seems getting back to a normal environment.
EMEA	ASIA	●	Stable rates and available capacities into Greater China, capacities into Australia as well as Taiwan, Japan and South Korea are opening up which reflects a reduction in airfreight rates.
	AMERICAS	●	Available capacity is still outscoring the demand – therefore we are seeing stable rates into all major US-Airports on a lower level.
INDIA	AMERICAS & EMEA	●	Currently rates are still decreasing to EMEA and AMERICAS, with large space available.
N. ASIA	AMERICAS & EMEA	●	The capacity is increasing from European, Asian and Middle East carrier's ex CN/JP/KR/HK to EU&USA. Rates are decreasing to EMEA and AMERICAS from JP/KR. The rates ex CN And HK declined to EU and maintained to US, the rates to EU should decrease again in the coming weeks with the increase of the European carrier's capacity.
S. ASIA	AMERICAS & EMEA	●	The overall export markets in Southeast Asia continue to be soft with capacity available to AMERICAS and EMEA. The rates are decreasing to EU, maintained to US.

IMPACTED IMPORT MARKETS

DESTINATION REGION	STATUS	SPECIFICS
AMERICAS	●	No major updates
EMEA	●	No major updates