

AIR MARKET UPDATE

CURRENT STATE

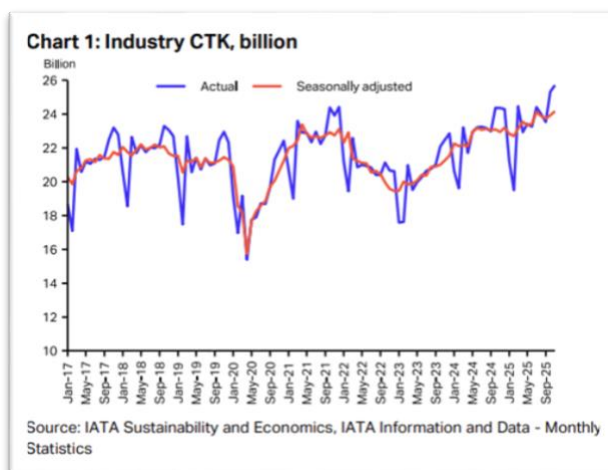
Air cargo demand, measured in Cargo Tonne-Kilometers (CTK), reached a record high in November, expanding 5.5% year-on-year (YoY). Growth was driven by sustained activity in key regions, highlighting resilience in global freight flows.

International CTK rose by 6.9% YoY. Africa maintained double-digit momentum, climbing 15.6%, while AsiaPacific accelerated to 11.1% YoY, the only other region with two-digit expansion.

Global available cargo space, (Available Cargo Tonne-Kilometers, ACTK) increased 4.7% YoY, supporting a Cargo Load Factor (CLF) of 49.1%, up 0.4 percentage points from November 2024. The capacity expansion accommodated rising demand while reflecting strategic fleet deployments across major markets.

Jet fuel prices recorded a third consecutive monthly gain, rising 5.9% YoY. The crack spread doubled from a year earlier. In this context, cargo yields continued to ease over the past seven months, with freight rates down 2.9% YoY. Month-on-month (MoM), yields climbed 8.2%, marking the strongest single-month increment since December 2021, buoyed by peak-season demand.

Chart 1 – Industry CTK (in billion)



JET FUEL DEVELOPMENTS





































Energy & fuel dynamics: Brent crude remained under sustained pressure, averaging USD 63.7 per barrel and trailing last year's level by 14.5%. Prices stayed depressed as supply continued to exceed demand, even though output was curbed by OPEC+ and exports from Russia and Venezuela softened.




Yield impact: Yields remained lower on an annual basis for a 7th consecutive month, sitting 2.9% below November 2024 at an average USD 2.65 per kilogram, although the pace of decline moderated compared with October. By contrast, yields strengthened sharply on a month-on-month basis, with an 8.2% rebound, the strongest since December 2021.

Chart 6: Jet fuel price and air cargo yield (with surcharges), global index, January 2019 = 100



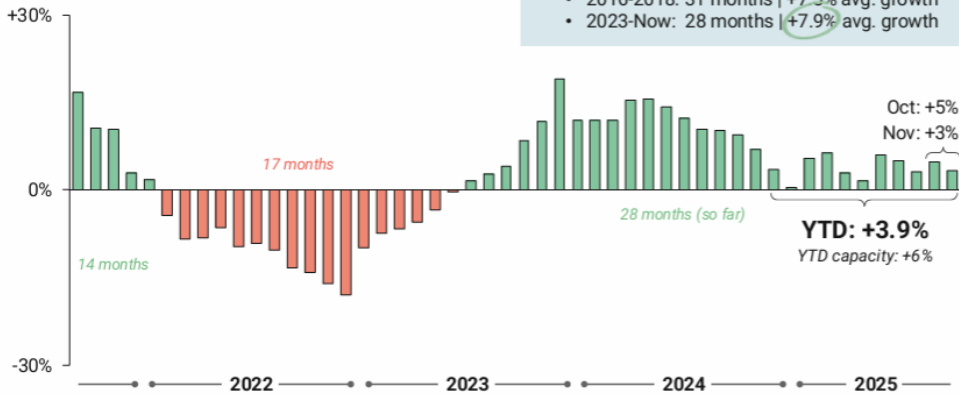
DEMAND & CAPACITY

ORIGINS		AMERICAS	LATAM	EMEA	INDIA	N. ASIA	S. ASIA
	AMERICAS						
	LATAM						
	EMEA						
	INDIA						
	N. ASIA						
	S. ASIA						


Demand exceeded capacity available. Rates increased.

Demand higher and or capacity is limited. Rates increasing.

Both demand & capacity are at normal levels.

2025 exceeded expectations in terms of demand, averaging +4%

International air cargo demand growth YoY change of FTKs¹ (%)



Air cargo is nearing its longest stretch of growth, with higher growth than previous periods:

- 2013-2015: 31 months | +4.0% avg. growth
- 2016-2018: 31 months | +7.3% avg. growth
- 2023-Now: 28 months | +7.9% avg. growth

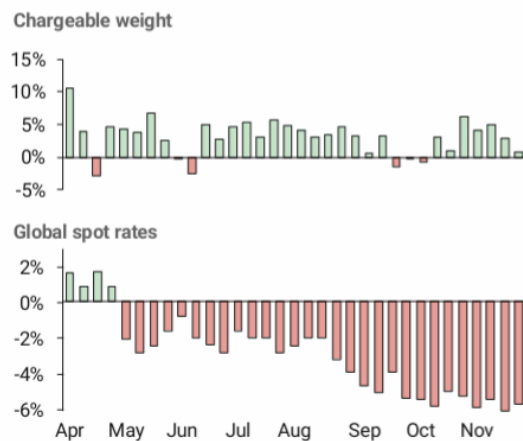
Four contributing factors

1. **Strong consumer spending**
limited inventory build-up even as shippers front-loaded, driving continued air cargo demand
2. Supply chains proven resilient, and were **reconfigured to the new reality of tariffs**; however, ex-US demand has deteriorated
3. Transpacific general cargo previously displaced by e-commerce is **returning**
4. **E-commerce growth** to markets other than the US has continued

While 2026 expectations are muted, there are reasons to be optimistic

Demand and yield growth have stabilized ...

Weekly air cargo market growth YoY change (%)



XENETA

... there are reasons for growth to (not) continue

Factors influencing future demand growth



Reasons to be optimistic

US inventories/sales

8/8 last months

Sales outgrow inventories, driving a need to restock

Freighter utilization¹

15 BH/day

Continues at record highs, indicating healthy demand



Reasons to be cautious

Uninterrupted growth

28 months

What goes up, must go down, at some point

Ocean reliability

>10x

Current multiple of air cargo yields vs. ocean rates



Reasons to be unsure

US tariff uncertainty

?

Tariffs and implications change constantly

Geopolitical risk

?

Continued unrest may drive or limit air cargo demand