

DSV Air & Sea

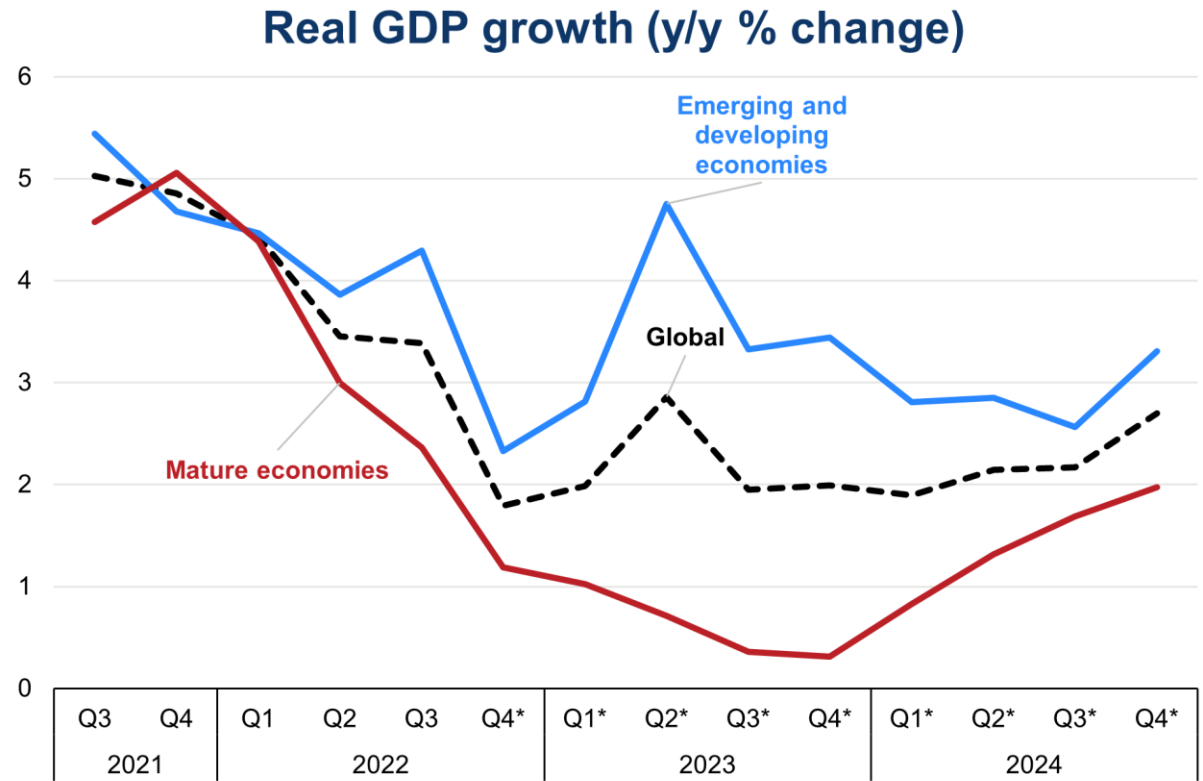
Market update January 2023



Economic update

Global real GDP is forecasted to grow by 2.2 percent in 2023, down from 3.2 percent in 2022

- **USA:** forecast of real GDP growth will be 2.0 percent year-over-year in 2022, slow to 0.2 percent in 2023, and then rebound to 1.7 percent in 2024.
- **Europe:** Large parts of Europe have likely entered into recession as of Q4 2022 and probably will remain so in the first quarter of 2023. After growing by an estimated 3.5 percent in 2022, real GDP is forecast to slow to 0.2 percent growth for the full year of 2023 and pick up again in 2024 with 1.1 percent growth.
- **China:** Businesses and consumers chafed at mobility restrictions and lockdowns, and the government has responded by abandoning its dynamic zero-COVID-19 policies at the end of 2022, the near-term situation looks extremely challenging. After growing by an estimated 2.7 percent in 2022, real GDP is forecast to pick up to 5.1 percent growth for the full year of 2023 and 4.8 percent for 2024.



Note: Regions are aggregated based on nominal GDP in international dollars (PPP converted); Data from 2022 Q4 are forecasts from The Conference Board.
 Source: The Conference Board, Global Economic Outlook (January 2023).

Consumer prices fell 0.1% in December, in line with expectations from economists

U.S. Consumer Price Index

Year-over-year percent change in December 2022

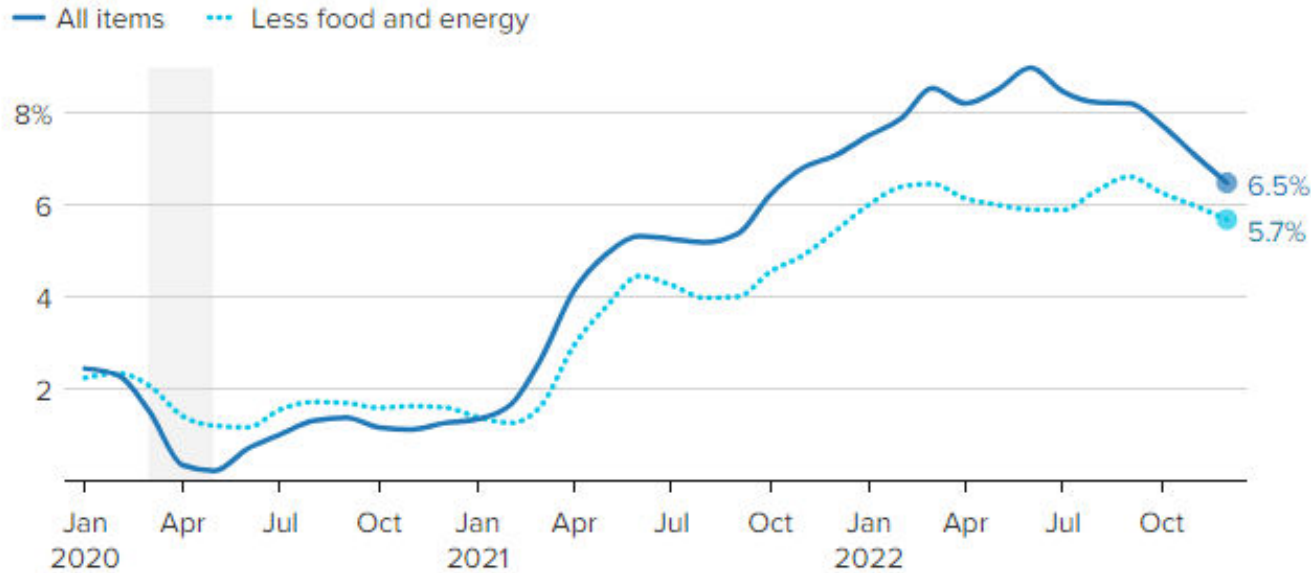


Chart: Gabriel Cortes / CNBC

Source: Bureau of Labor Statistics' [Consumer Price Index](#)



The consumer price index fell 0.1% in December, meeting expectations, for the biggest drop since April 2020.

Excluding food and energy, core CPI rose 0.3%, also in line with estimates.

On an annual basis, headline CPI rose 6.5% while core increased 5.7%.

The biggest reason for the easing in inflation came from a sharp drop in gasoline prices, which are now lower on a year-over-year basis.

China's Export Decline Deepens, Threatening Growth

The decline for Chinese exports got steeper in the final month of 2022, falling 9.9% from a year earlier, compared with a 8.7% drop in November, according to data from China's customs bureau. While the decline wasn't as steep as the 10.5% drop forecast by economists polled by The Wall Street Journal, it marked the biggest dip since February 2020, when a nationwide lockdown brought economic activity to a halt.

Imports fell by a narrower margin in December, down 7.5% from a year earlier and faring better than expectations for a 9% drop.

For all of 2022, shipments from China rose 7% from a year earlier to \$3.6 trillion, while imports edged up 1.1% to \$2.7 trillion.

Cooling exports leave Beijing with little choice but to try engineering an investment boom and stimulating consumption to achieve GDP growth of 5% or more this year, as officials are hoping.



Source: WJS

China lifts COVID restrictions from Jan 9th

From Jan 9th, China gov lifted many COVID-19 restrictions and opened its borders.

During the Lunar New Year holiday travel period, which runs from early January to mid-February, Chinese people are expected to crisscross the country, making more than two billion trips, as they travel home to see family, in some cases for the first time since the pandemic started. Many will carry the virus with them.

The government has made it clear that its priority is restoring the economy to the engine of growth it once was, with planners aiming for greater than 5% growth in gross domestic product this year. After years of dire warnings about Covid's dangers, officials now are portraying the Omicron variant as significantly weaker than earlier strains, encouraging workers to get back to their normal routines, even, in some cases, if they are testing positive.



Source: WSJ, CNBC and CNN

The current COVID-19 situation in China and the possible impact on supply chains

As China loosens their COVID restrictions, the (China CDC – Centre for Disease Control and Prevention) said China will likely experience a peak in cases by the middle of January 2023, followed by weaker second and third waves, according to experiences from other countries. CDC anticipate this is something China needs to go through for complete re-opening.

According to Chinese authorities there will be lower cases once most of the population acquires herd immunity without signs of new strains being investigated.

one peak, three waves, three months

Phase 1: The first wave is happening right now (from mid-December to mid-January) especially in the big cities.

Phase 2: A second wave is then expected to take place from late January to mid-February, partly due to mass movement within China ahead of Chinese New Year which will be celebrated from 21 January. Under normal circumstances, millions of Chinese will travel to their village or city of origin to spend time with family.

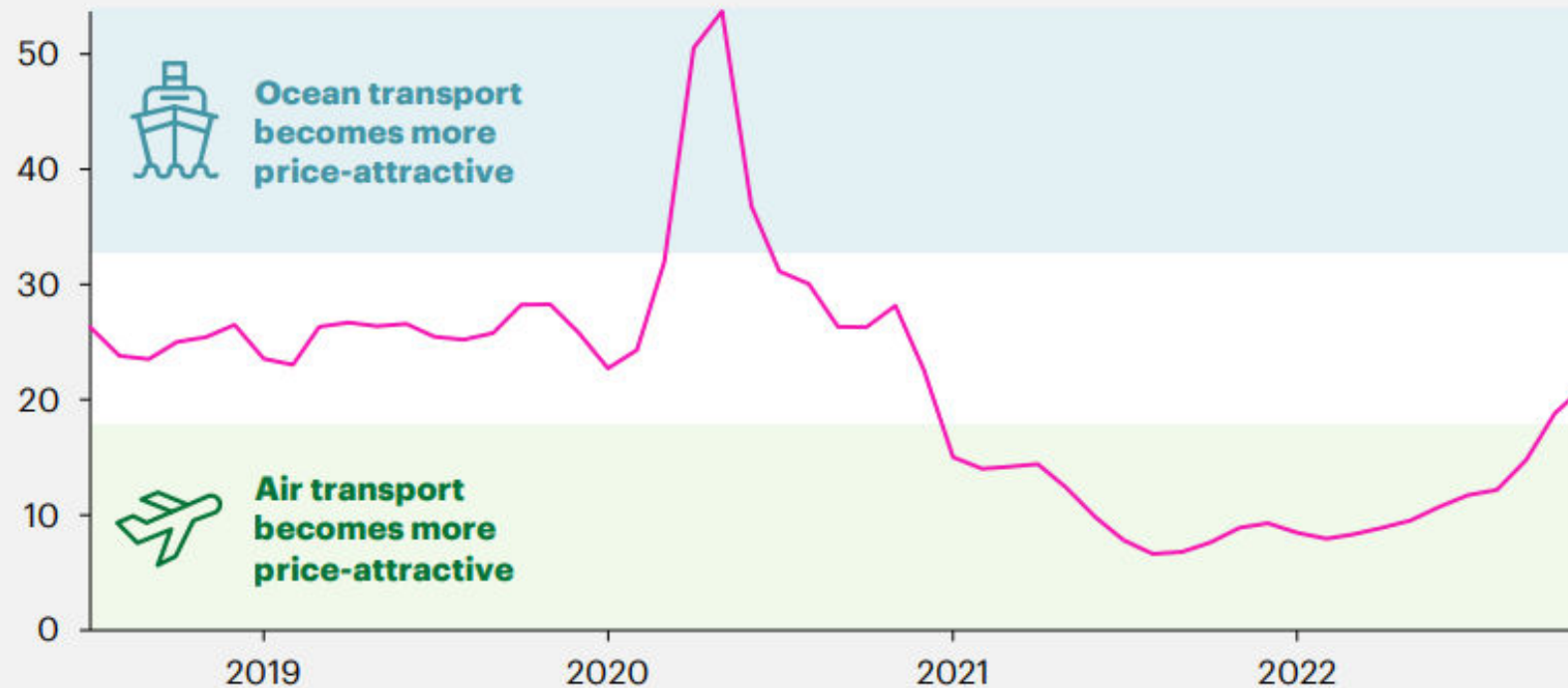
Phase 3: A third and final wave of infections will take place from late February to about the end of March when Chinese people “en masse” return to work the holiday weeks around Chinese New Year.



Source: DSV

With ocean container rates falling faster than those in air cargo, air transport has become relatively more expensive

Ratio of average air-to-ocean rates, 2019-2022



- Lower ocean cargo rates have caused part of demand that previously shifted from ocean to air to return to container transport

Chinese New Year 2023

CNY this year begins on 22 January 2023 and will last until 5 February. Due to the length of these festivities, plus the necessary days before and after the celebration, the impact of Chinese New Year is huge every year. Not just in China, but across the Asian continent. This year we are celebrating the year of the Rabbit.

Although the impact of CNY this year may be different from previous years, We suggest to contact suppliers well before the start of CNY and make proper arrangements about accessibility and deliveries around this period.

DSV China will be closed from 21 January to 27 January, work will resume from 28 January. For any questions about CNY, please refer to your regular commercial or operational contacts within DSV Air & Sea.



Source: WSJ, CNBC and CNN

Latest restrictions COVID-19

APAC

Note: The following updates are based on various online sources and subject to changes due to the evolving COVID situation.

Australia

- Travelers from CN (including HK and Macau) must present a negative COVID-19 test result within 48 hrs before departure.
- Unvaccinated Australian citizens & permanent residents can leave AU without an individual travel exemption.

New Zealand

- Travelers to NZ are not required to be vaccinated or to test for COVID-19 after arriving.
- The requirement to not exhibit COVID-19 symptoms has also been removed. All travelers are however encouraged to complete a Day 0/1 and Day 5/6 RAT.

Mainland China

- From Jan 8, all travelers are required to present PCR negative result and submit an online Health Declaration Certificate within 48 hrs before arrival.
- From Jan 09, China gov lifted many COVID-19 restrictions and opened its borders.

Hong Kong

- All travelers are only required to undergo RATs daily until Day 5 after their arrival in Hong Kong.
- From Jan 8, all persons entering the Mainland from HK, or vice versa, are required to undergo a PCR test for COVID-19 within 48 hours prior to departure.

Taiwan

- From Jan 6 – Jan 31, travelers from mainland CN must present a PCR test result within 48 hrs or RAT test result within 24 hrs before departure.
- Travelers to TW need to undergo 7 days of “self-health monitoring”.

Japan

- From Jan, all travelers from mainland China and Macau (except Hong Kong) are required to submit a certificate of negative result of COVID-19 within 72 hours prior to departure, and take on-arrival test at the quarantine station.

Korea

- No. of pax flights to Korea from CN will be reduced, and addition of new flights will be restricted.
- Travelers from CN will be subject to testing before and after entry. From Jan 5, travelers are required to present PCR result within 48 hrs (or RAT result within 24 hrs) before departure.

Singapore

- No entry approvals, pre-departure tests, on-arrival tests and quarantine required for fully vaccinated travelers
- Non-fully vaccinated visitors will no longer need to apply for entry approval or undergo quarantine. PCR/ART is required.

Malaysia

- MY authorities will provide special lanes at its international entry points for arrivals from CN.
- Travelers who are symptomatic will be referred to health officials and must then undergo throat swabs as well as RTK-Antigen Covid-19 tests.

Vietnam

- Vietnamese gov already lifted the requirement for quarantine, Covid test result on arrival and presenting vaccination certificate for all incoming travelers.
- E-visa for a stay of up to 30 days is available to travelers.

Cambodia

- All COVID-19 restrictions were lifted. All travelers can now visit Cambodia without proof of COVID-19 vaccination, or a negative COVID-19 test result.
- E-visa for a stay of up to 30 days is available to travelers.

Thailand

- From Jan 10, travelers are no longer required to provide proof of vaccination. But travelers from CN/IN must present a negative PCR test result before departure.
- Travelers are required to show evidence of health insurance cover for COVID-19 if their next destination requires a negative pre-entry test.

Myanmar

- Fully vaccinated travelers are only required to present proof before arrival and must have done a RAT test upon arrival.
- COVID-19 vaccine is required to enter Myanmar for all travelers aged 12 and older.
- All travelers must present medical insurance at airport.

Philippines

- Fully vaccinated travelers are only required to show proof of vaccination.
- Unvaccinated or partially vaccinated travelers are required to have (within 24 hr) pre-departure test or upon arrival.
- Quarantine requirement was lifted.

Indonesia

- Fully vaccinated travelers are no longer required to provide PCR test result upon arrival and now exempted from mandatory quarantine.
- Non-fully vaccinated travelers must show the recovery certificate for entry to Indonesia.
- All travelers should have COVID-19 insurance coverage.

Port congestion



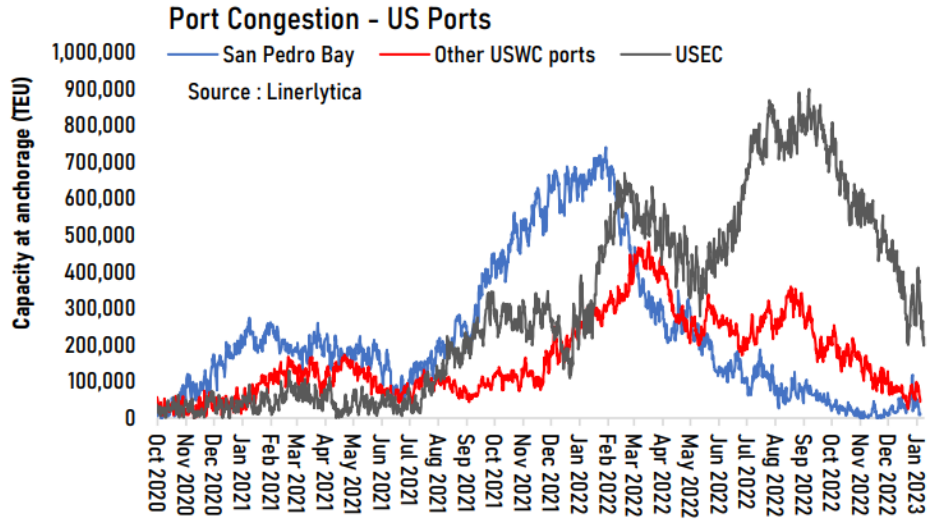
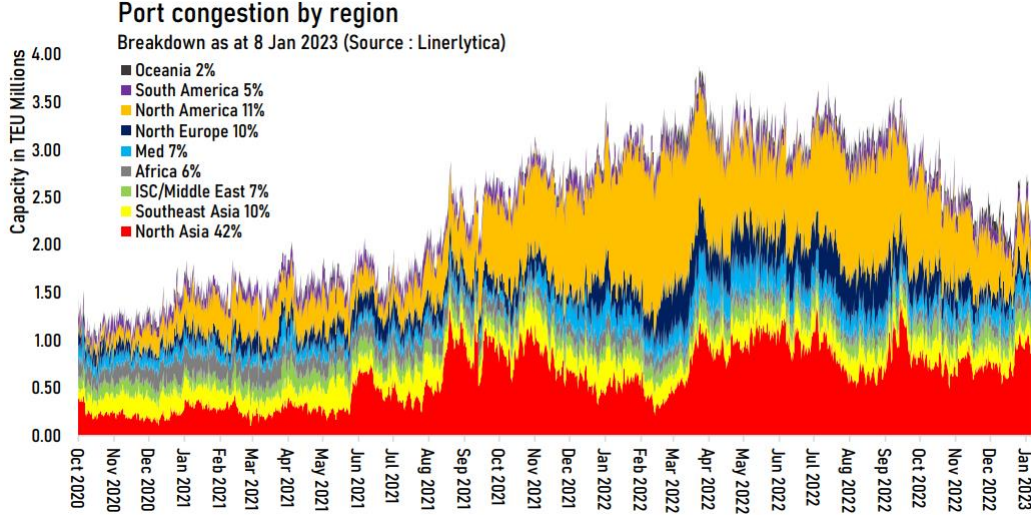
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Global port congestion

8,9 % congestion China continues to be the main congestion hotspot, with the Shanghai/Ningbo and Qingdao anchorage areas remaining highly congested



Global congestion continues to ease – 8.9% of global capacity



The situation is gradually easing as Chinese quarantine requirements have been relaxed while the larger cities start to recover from very high COVID infection rates. But progress remain slow with more ships expected to be anchored for the Chinese New Year holidays over the coming weeks.

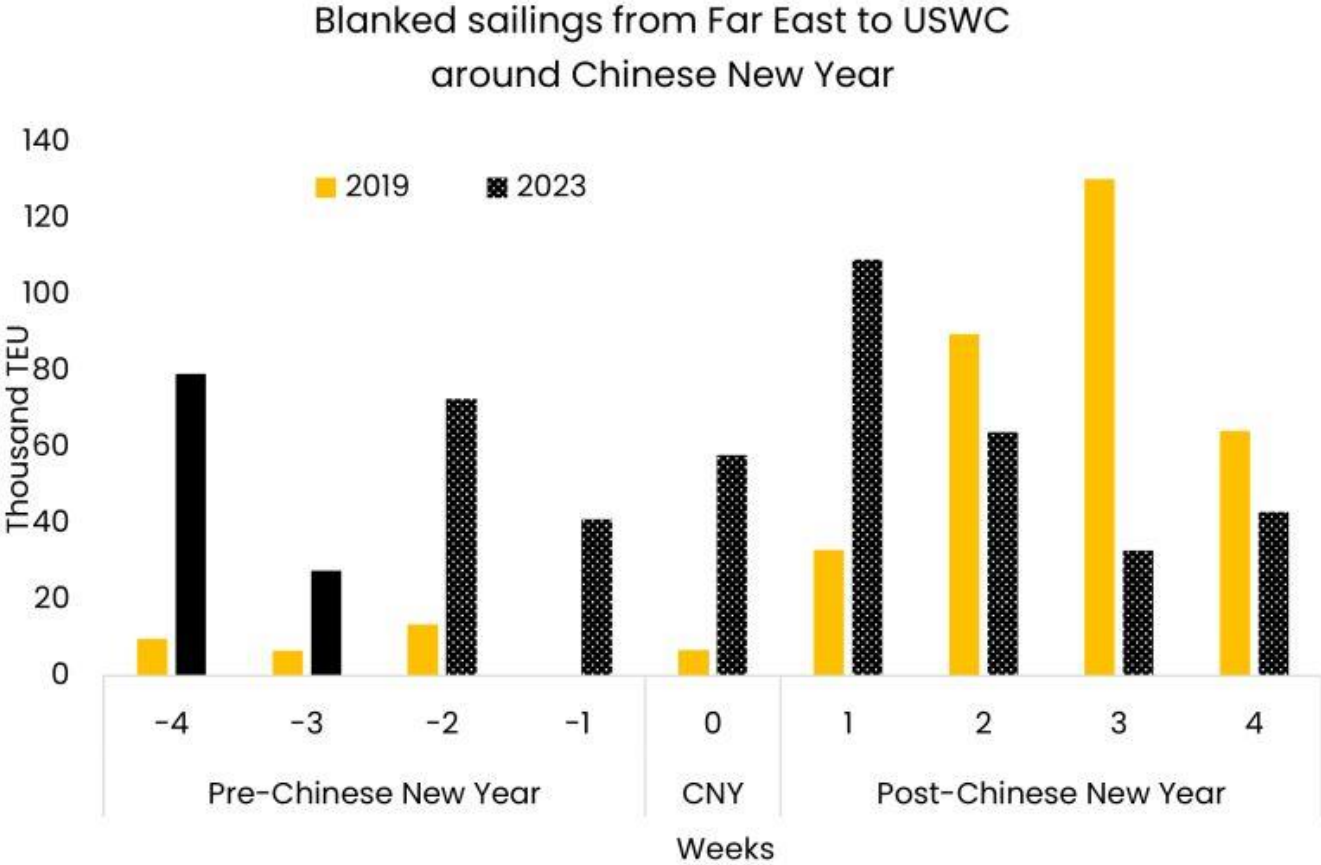
US port congestion continues to clear with East Coast ports making good progress over the past week. Delays at Savannah is gradually improving, with the vessel queue down to a low of just 7 ships last week before rebounding slightly to 12 over the weekend. During the height of the congestion at Savannah last year, there were as many as 50 ships waiting in the queue.



Ocean update

DSV

Chinese New Year fails increase rates, as blank sailings soar

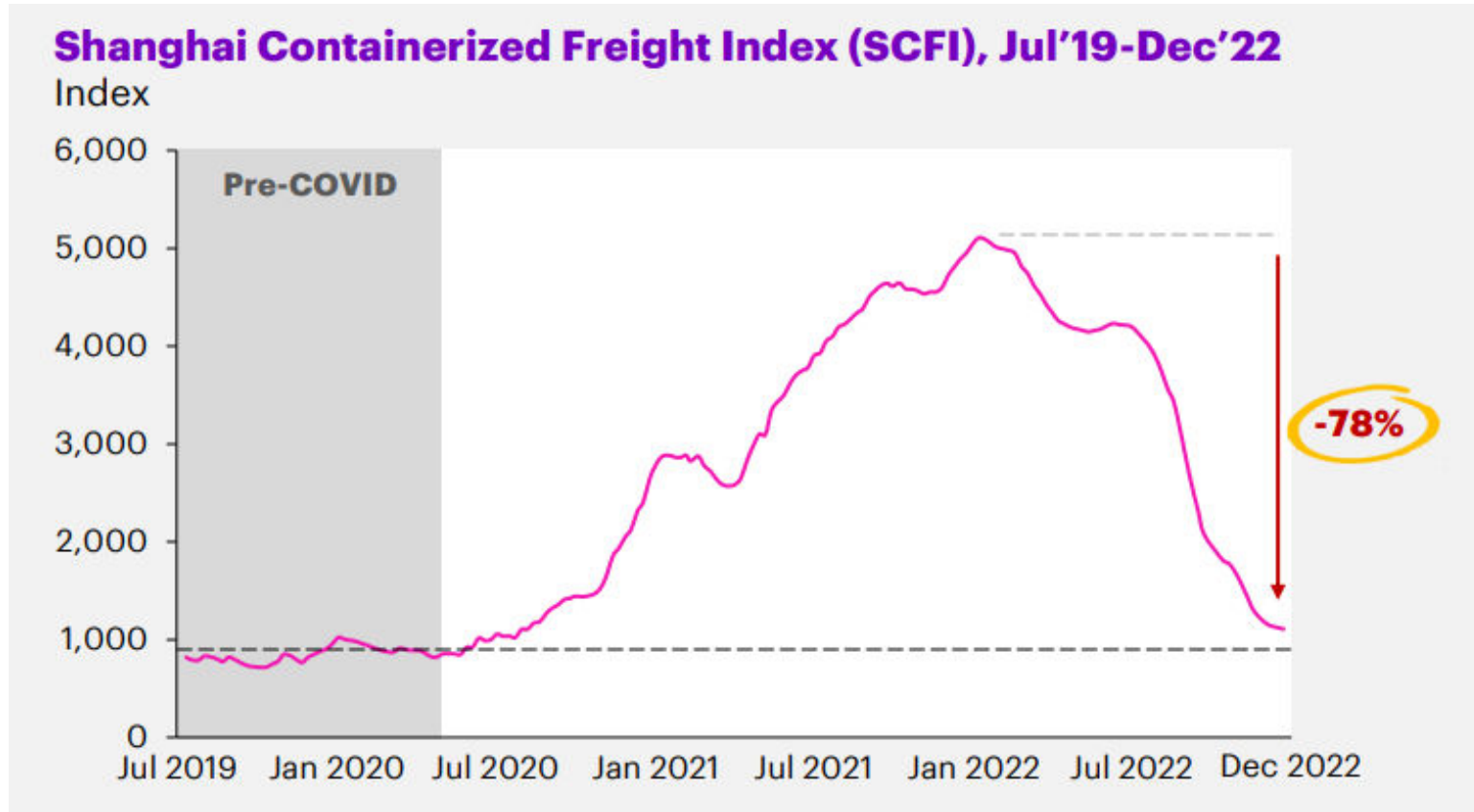


Dotted bars show preliminary data, with carriers still able to announce more blanked

In a stark display of the weak demand undermining the containerized ocean freight industry, the latest data from Xeneta and Sea-Intelligence reveals carriers blanked more than six times the number of sailings on the main Asia to US West Coast corridor leading up to Chinese New Year as they did in the equivalent period of 2019. And, according to Xeneta, this may be just the tip of the iceberg, as current data only counts blanked sailings announced before 6 January, with the New Year arriving on 22 January.

Other leading corridors also suffered, with the Asia - North Europe trade seeing blanked sailings increase 715% against 2019 figures, currently standing at 226 000 TEU, while those from the Far East to the US East Coast climbed by 340% to 140 000 TEU.

Ocean container rates have plummeted nearly -80% in a year, as a result of reduced demand and increased capacity



Ocean container rates have almost reverted to 2019 price levels

Container spot rates end 43-week falling streak

The Drewry's World Container Index finally shot green in its first-ever quote for 2023, ending at US\$2,135, recording an appreciation of 0.7%

The Global Supply Chain Pressure Index (GCSPI) has bounced off its September lows to record 1.20 for November 2022, impacted primarily by Chinese Delivery times. The relaxation in Zero-Covid policy in China could be a fillip towards shifting action on trade.

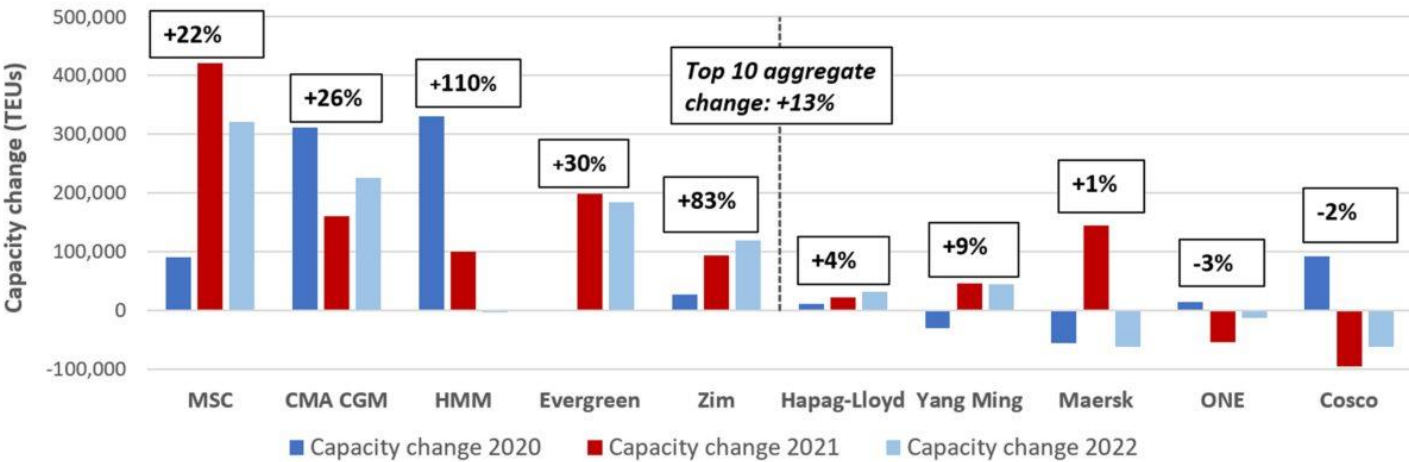
The Shanghai Containerized Freight Index (SCFI) had broken its fall streak, since the Chinese New Year 2022, during the last recorded quote for 2022, while the Freightos Global Index (FBX) had recorded an appreciation of over 6% in its latest weekly quotes, suggesting there has been some immediate cushioning.

It must also be noted that the cancellation of sailings had been a record high (17%) as against the average of 12-13% witnessed over the past few weeks. This could have aided in cushioning some of the falls.

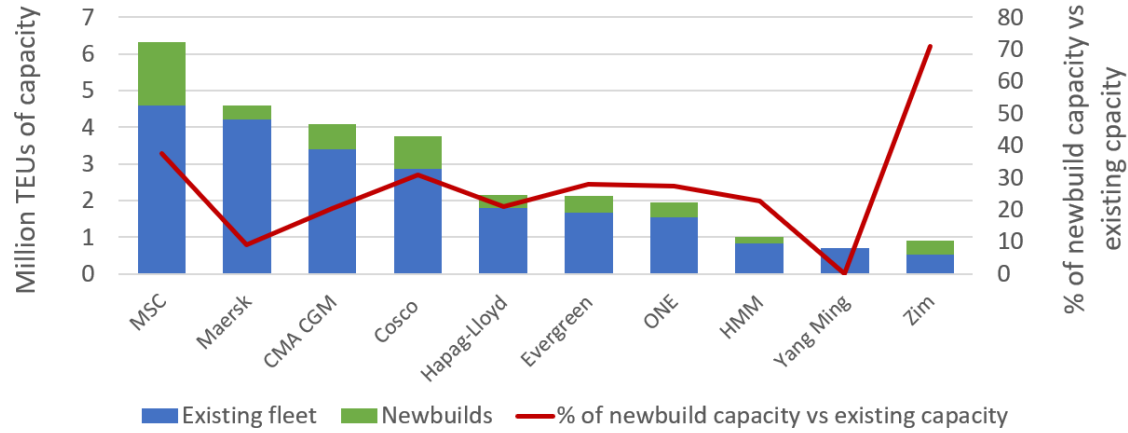


The big carrier changes during the “container boom”

Liner capacity changes: Jan. 1, 2020-Jan. 1, 2023



Existing fleet capacity + newbuilds



Changes in operating fleet size during the COVID era are only part of the story. Another is the orderbook. Ocean carriers used profits from the consumer boom to contract a massive wave of new ships for delivery in 2023 and beyond.

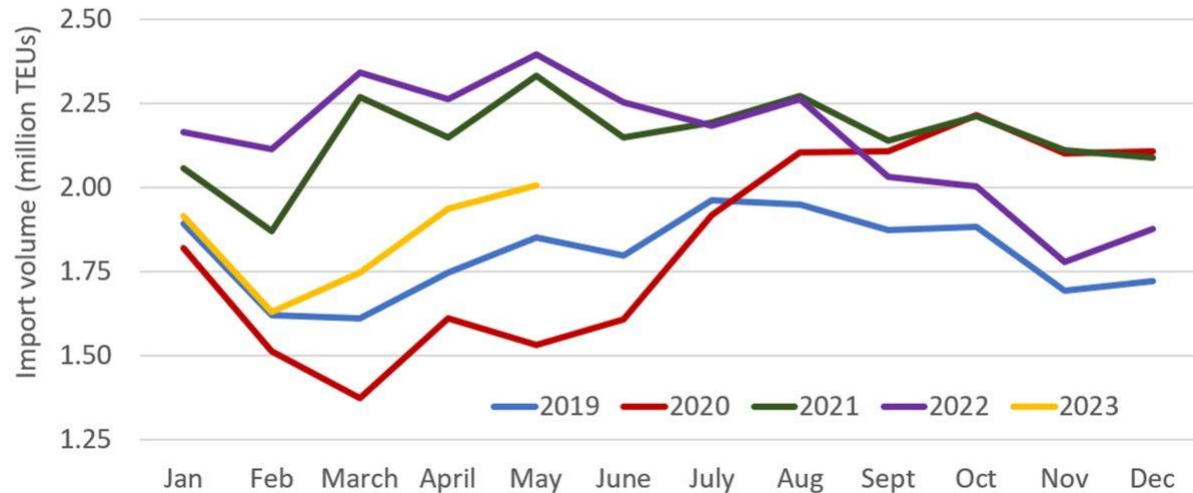
MSC has by far the largest orderbook, with more than double the capacity under construction of any other carrier group, CMA-CGM has also increased considerably

Current cargo demand projections do not support the fleet growth implied by this many orders. Rather, the new deliveries, whether owned or chartered, would to a certain extent replace existing vessels in the fleet. Carriers could sell or scrap currently owned ships and/or let existing charters expire to make room for the more cost-efficient newbuilds.

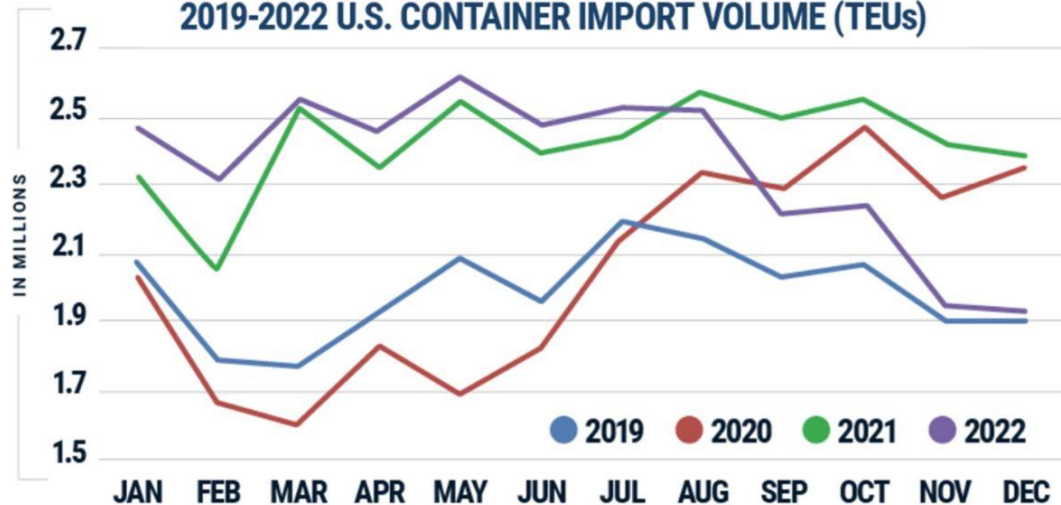


‘Surge finally over,’ US imports back near pre-pandemic levels

Port Tracker: Import volumes (actual and forecast)



2019-2022 U.S. CONTAINER IMPORT VOLUME (TEUs)



The “new normal” is looking a lot like the old normal as U.S. imports continue to fall. Volumes began declining sharply in September and were already close to 2019 levels by the end of last year. They’re expected to pull even with pre-COVID numbers this month and next.

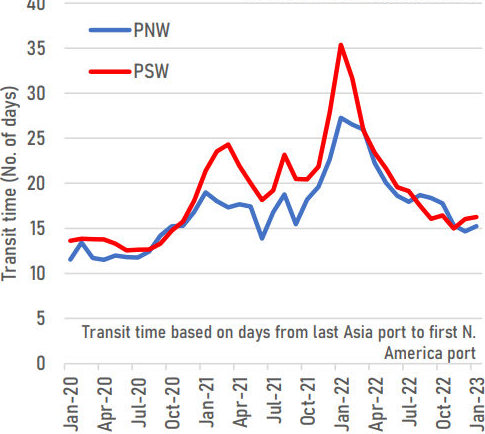
Import patterns appear to be returning to what was normal prior to 2020

Port Tracker forecasts that import volumes in January and February will be roughly even with pre-COVID levels then will bounce back above them again in March-May.

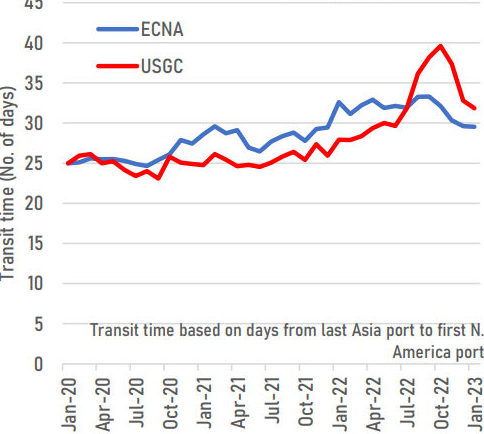
There could also be another inventory effect ahead: this time in the opposite direction. In 2022, importers brought in too much; at some point in 2023, they may find they have too little.

Transit times for most major east-west trades edged a touch higher in January

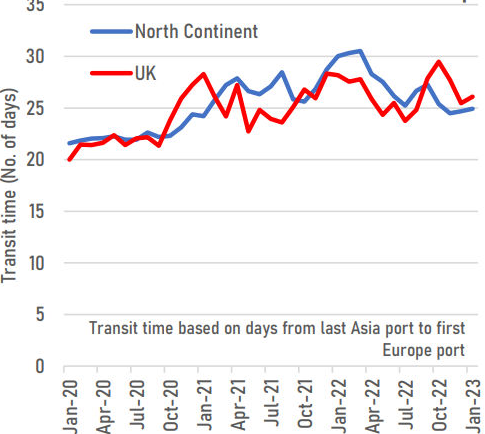
Average transit times : Far East to West Coast North America



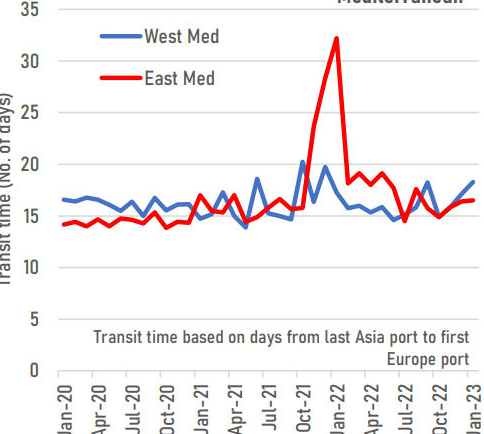
Average transit times : Far East to East Coast North America



Average transit times : Far East to North Europe



Average transit times : Far East to Mediterranean



In Transpacific 14 out of 19 arrivals since 2023 took 15 days or more to sail from Shanghai to LA. THE Alliance vessels continued to require on average over 20 days in transit.

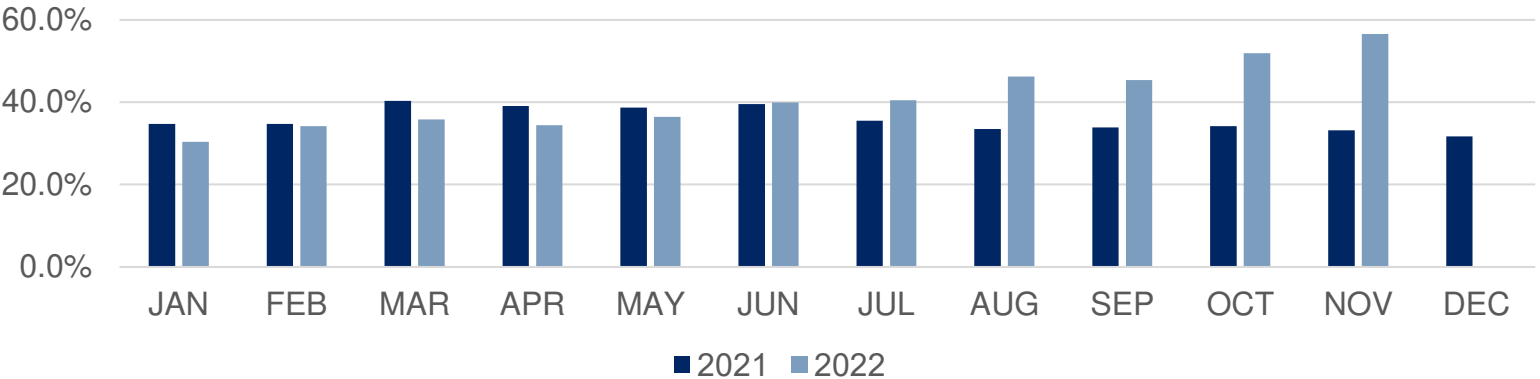
Average transit times for arrivals at East Coast North America were largely unchanged over the past 7 days as transit times for arrivals at New York port remain steady since December. Arrivals at Savannah and Houston took 28 days as both ports continue to see reduction in berthing delays.

In UK, transit times for arrivals at Felixstowe showed little changes at about 23 days from last Asia port. Delays persist at Southampton with transit times reaching 34 days. Average transit time for arrivals to North Europe moved up just because there were higher mix of ships sail directly from China to Europe over the last 7 days.

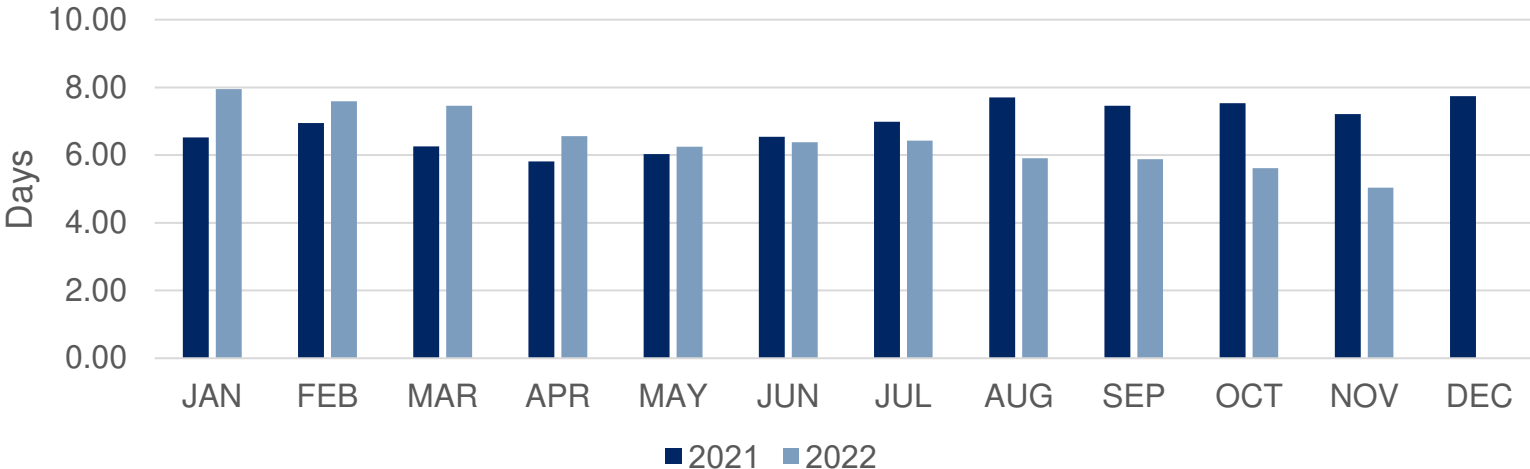
For arrivals at west Mediterranean took 21 days from Singapore

Global Liner performance on November 2022– 56% on time a 7% improvement

Carriers Schedule Reliability 2021 vs 2022/2023



Average Delays 2021 vs 2022/2023



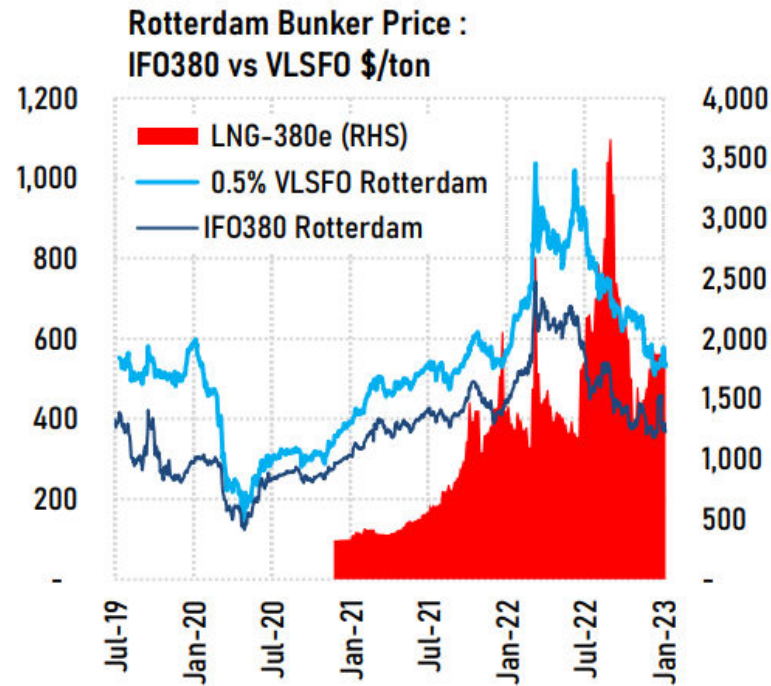
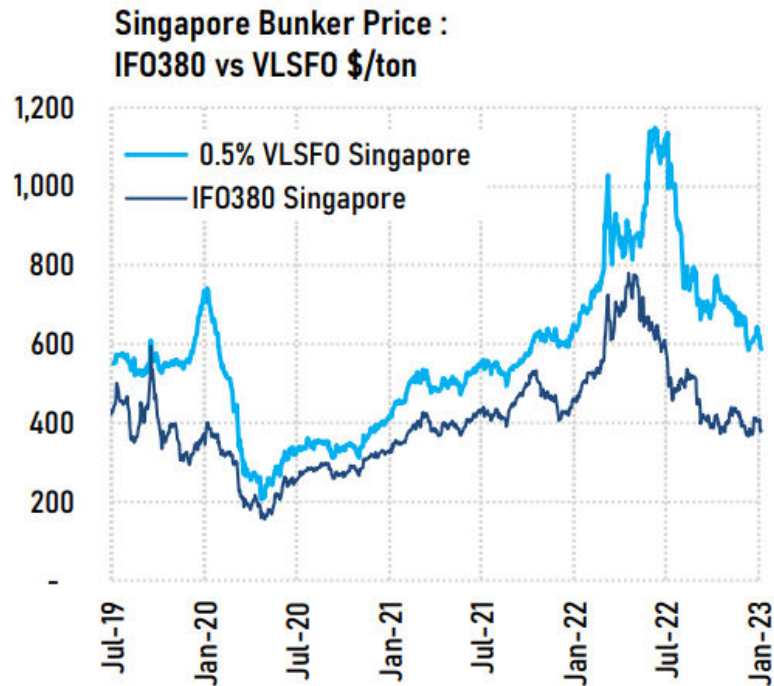
Vessel reliability per tradelane on November:

- Schedule reliability continues to trend upwards, and in November 2022 improved M/M by 4.7 percentage points, reaching 56.6%. This meant that schedule reliability in November 2022 was not only higher by 23.3% Y/Y, but also surpassed the 2020 level.
- The average delay for LATE vessel arrivals has been dropping consistently since the turn of the year. In November 2022, average delay dropped by another -0.58 days M/M and reached 5.04 days. The November 2022 figure is now slightly below the 2020 level, and a massive -2.17 days below the 2021 level of 7.21 days.



Price of ship fuel falling

Waiting to see UE sanctions for banning of Russian destilates on Feb 5th



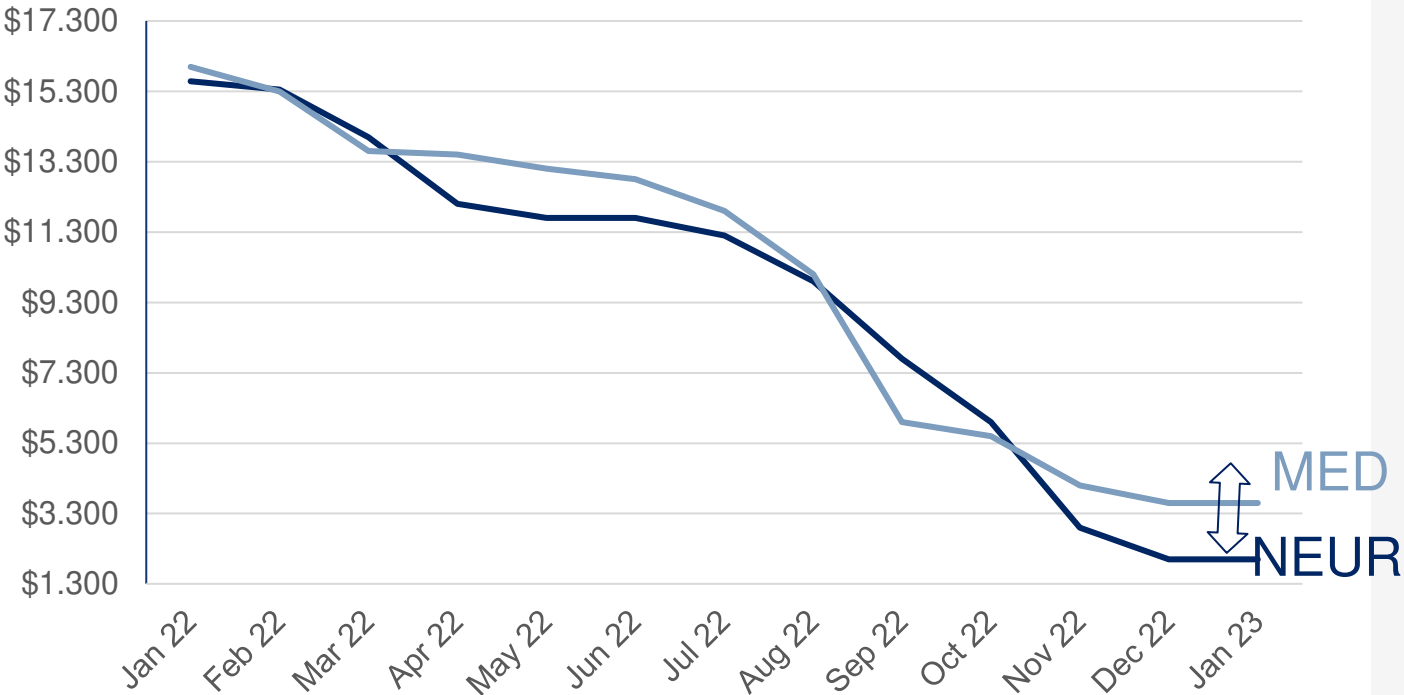
- Oil price took another nosedive – this time by over 5% - due to worries over escalating Covid infections in China and their potential impact on global demand.
- With oversupply now a concern, Saudi Arabia stated it could cut prices for its flagship Arab Light crude grade to Asia in February, in addition to the commodity having been set at a 10-month low for January.

Source: Ship&Bunker - LinerLytica

Ocean Freight Asia - Europe

The price gap between North continent and Mediterranean is maintained

SCFI – North Europe WB Rate Index (US\$/40ft)



Source: SCFI Week 02-2023

Alert: To guarantee space and equipment carriers are applying additional surcharges that are not part of the index rate aggregation and they can be a large amount. Carriers have partially stopped accepting bookings for the time being in some origins

Carriers are activating blank sailing programmes and this affects service performance (not being measure on the vessel reliability)

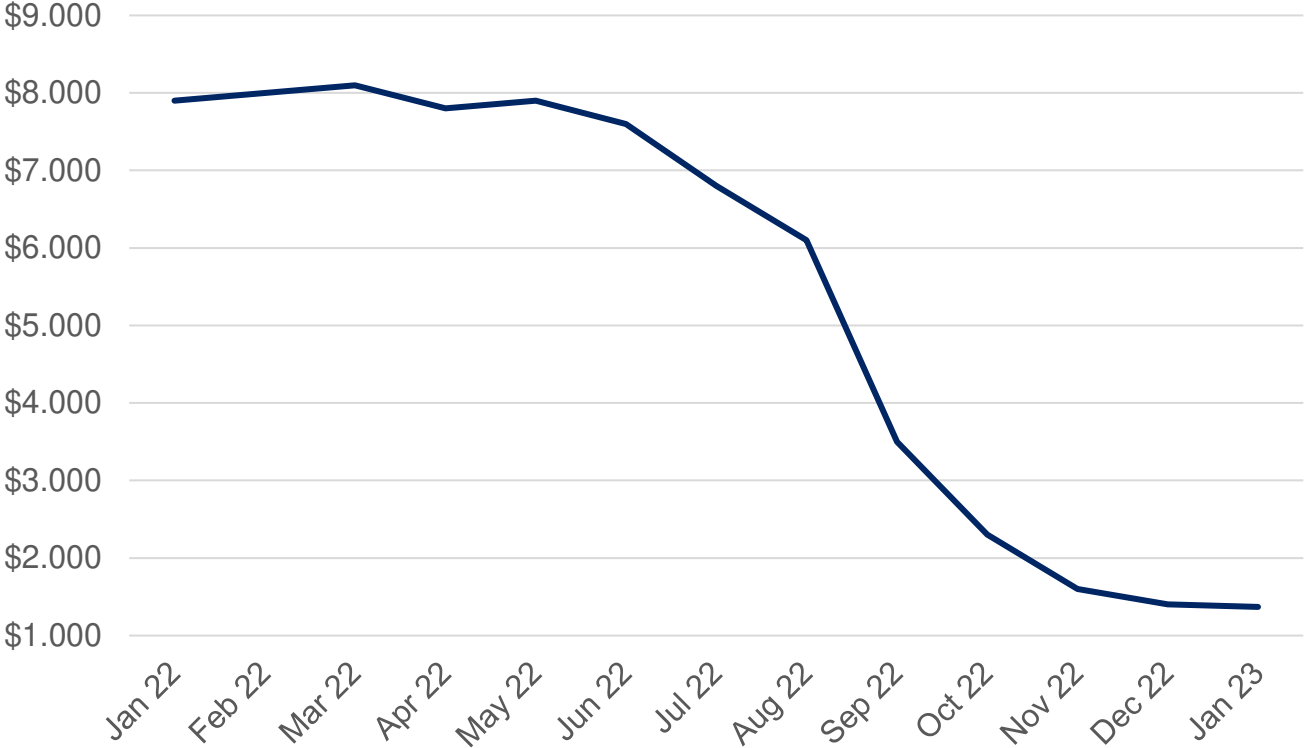
- SCFI Levels Week 02-2023:
- Shanghai – North Europe: USD 2,040/ FEU
 - Shanghai – Mediterranean: USD 3,672/ FEU
 - There are ONLY 3 services active from Asia to Mediterranean
 - Market has changed back to pre-Covid situation, carriers are fighting for every container
 - Over 24 blank sailings have been announced lately



Ocean Freight Asia - North America

Stabilization of rates after large rate decreases

SCFI Transpacific EB Rate Index (US\$/40ft)



Source: SCFI Week 02 2023

Alert: To guarantee space and equipment carriers are applying additional surcharges that are not part of the index rate aggregation and they can be a large amount. Carriers have partially stopped accepting bookings for the time being in some origins

The market seems to be slowing further and we are seeing some slack to the USWC

SCFI Levels Week 02-2023:

- Shanghai – US West Coast: USD 1,378/ FEU
- Shanghai – US East Coast: USD 2,825/ FEU

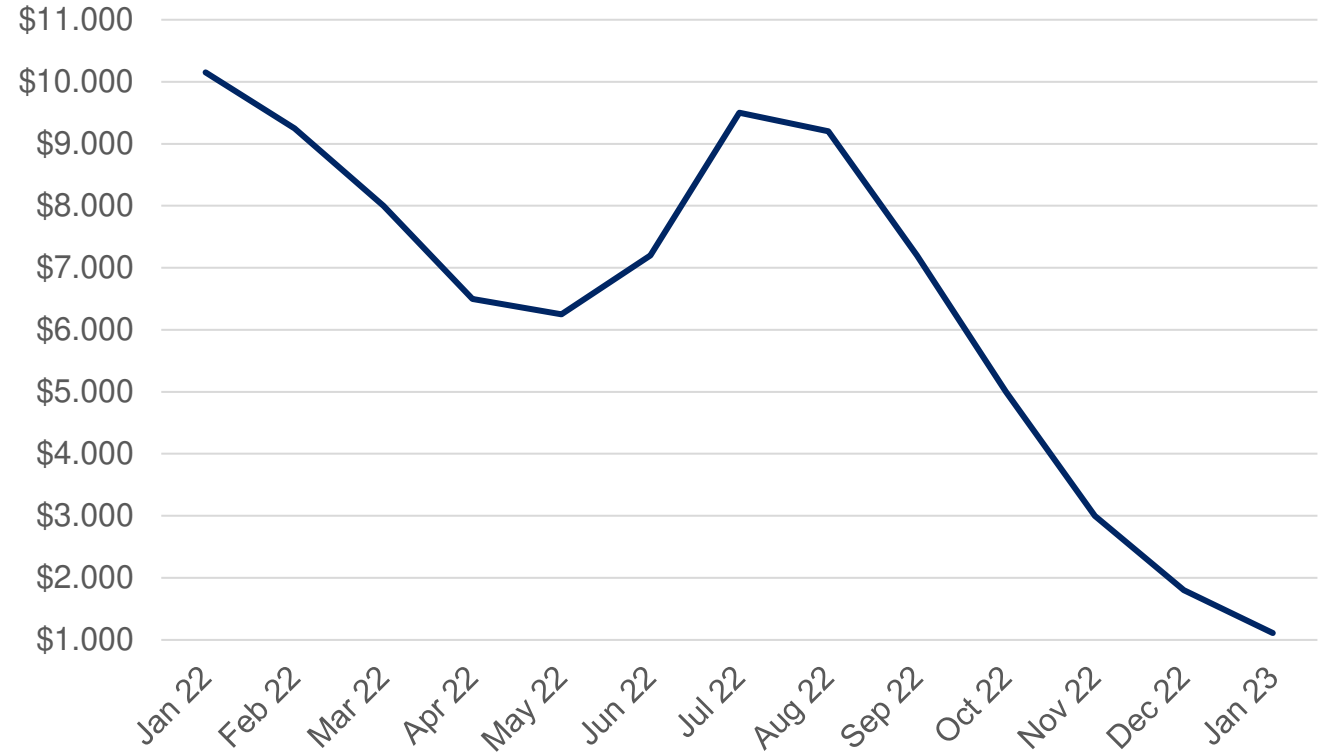
- Lines continue to report lower utilized vessels.
- Space is available to all of North America, USWC being the most open.
- Lines are aggressively blanking sailings to the USA and will continue to try and manage capacity. We are seeing the most delays to berth on the USEC and Gulf Coast.
- Lines have started to pull capacity with 2M removing a west coast string and other lines suspending low utilized services



Ocean Freight Asia – South America (East Coast)

We continue with rate erosion on both West Coast and East coast

SCFI to Santos Brazil (US\$/20ft)



Source: SCFI Week 02-2023

Alert: To guarantee space and equipment carriers are applying additional surcharges that are not part of the index rate aggregation and they can be a large amount. Carriers have partially stopped accepting bookings for the time being in some origins

SCFI Levels Week 02-2023:

- Shanghai – Santos: USD 1,117/ TEU

ECSA: Pushed by a slower market demand, ocean rates are deteriorating on weekly basis. We don't expect any recovery within 2022.

WCSA: Pushed by a slower market demand, ocean rates are deteriorating on weekly basis. We don't expect any recovery within 2022.

Considering 2023 CNY is relatively early (end of January), we foresee an extremely SLOW Q1 & Q2 2023, .



Ocean Freight Europe – Asia

Rates have stabilized at low level

Baltic Freightos Europe to Asia (US\$/40ft)



Source: Freightos Baltic Week 02-2023

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Freightos Baltic (FBX12) index Levels 02-2023:

- Europe to ASIA : USD 360/ FEU

Ongoing softening in the spot market

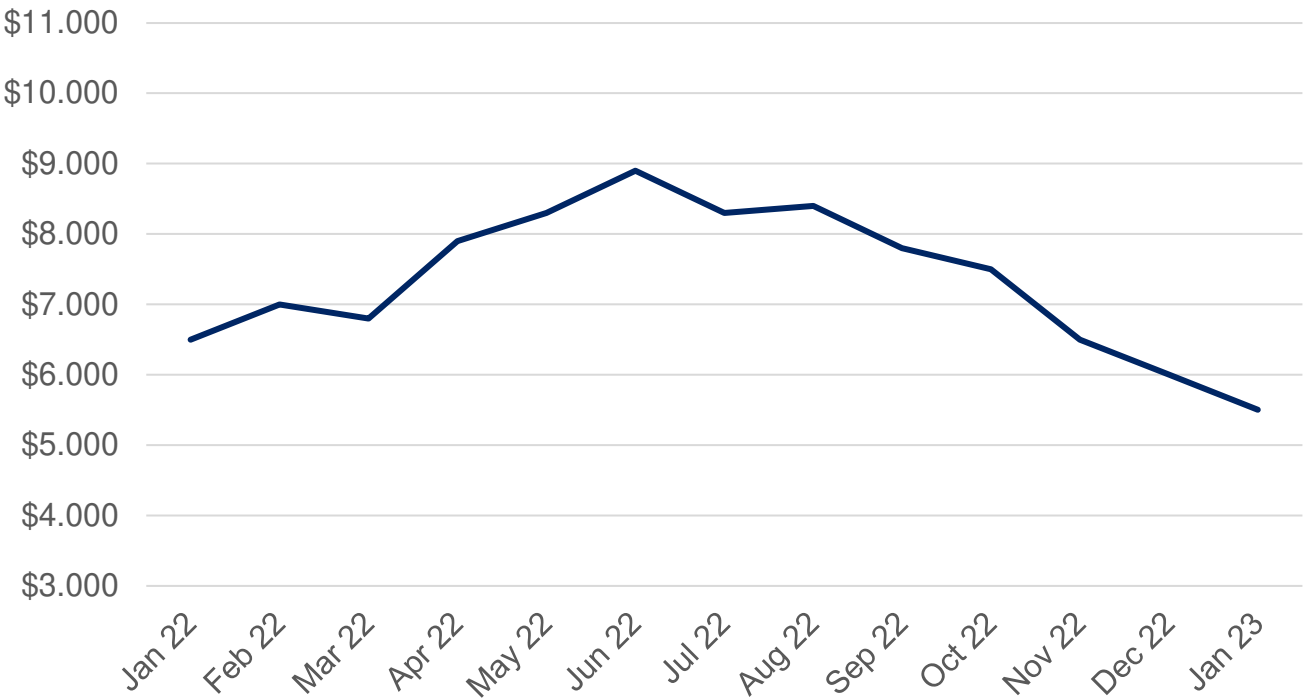
- Sufficient space available on the majority of loops
- Ongoing operational challenges due to port congestion, vessel delays and equipment availability problems
- Post-CNY blank sailings might create further operational obstacles



Ocean Freight Europe – North America

Utilization ratio is stable, trending to shrink a little during coming months

Freightos FBX 22 Europe North America (US\$/40ft)



Source: Freightos Baltic W02-2023

Alert: To guarantee space and equipment carriers are applying additional surcharges that are not part of the index rate aggregation and they can be a large amount. Carriers have partially stopped accepting bookings for the time being in some origins

Freightos Baltic index (FBX22) Levels Week 02-2023:

- Rotterdam – New York: USD 5,507/ FEU
- Short term demand softened for January/February, expect to see an increase in activity second half of Q1.
- Long term, demand will be stabilized, however, still driven by the fluctuations in the global economy as well as changes in customers sourcing strategies.

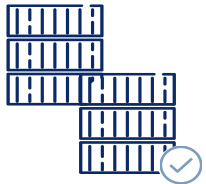


Trade Update

Intra Asia

As per week 2 status, which is evolving and depends on latest updates

Demand



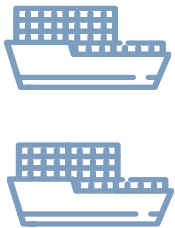
- Lower factory output than expected is leading to less need for capacity in particular China outbound. Many factories closed early for the upcoming CNY due to COVID outbreak.
- SEA countries export is decreasing, which are leading to open space across all strings and services. Despite the shift of production from China to SEA, the demand is getting weaker.

Rate



- The market slows down and the supply/demand scenario is getting in favour of supply.
- The long-term contract level remains higher than short-term rate.
- Raw material indexes are decreasing, which implies the effect of an increasing interest rate is calming down the inflation spikes.
- The market could go up when China resumes from the CNY closure as the country will be open for full force for the first time in 3 years.







Supply



- Capacity reverts to the IA trade as the feeder space is getting less demand from the TP & FEWB movements.
- New services have been launched for the Intra-Asia trade and schedule reliability is improving.
- Carriers have added capacity across all main trades out of China, with the idle fleet slipping even as port congestion continues to ease. The additional capacity has negated most of the seasonal uptick in demand ahead of the Chinese New Year holidays.



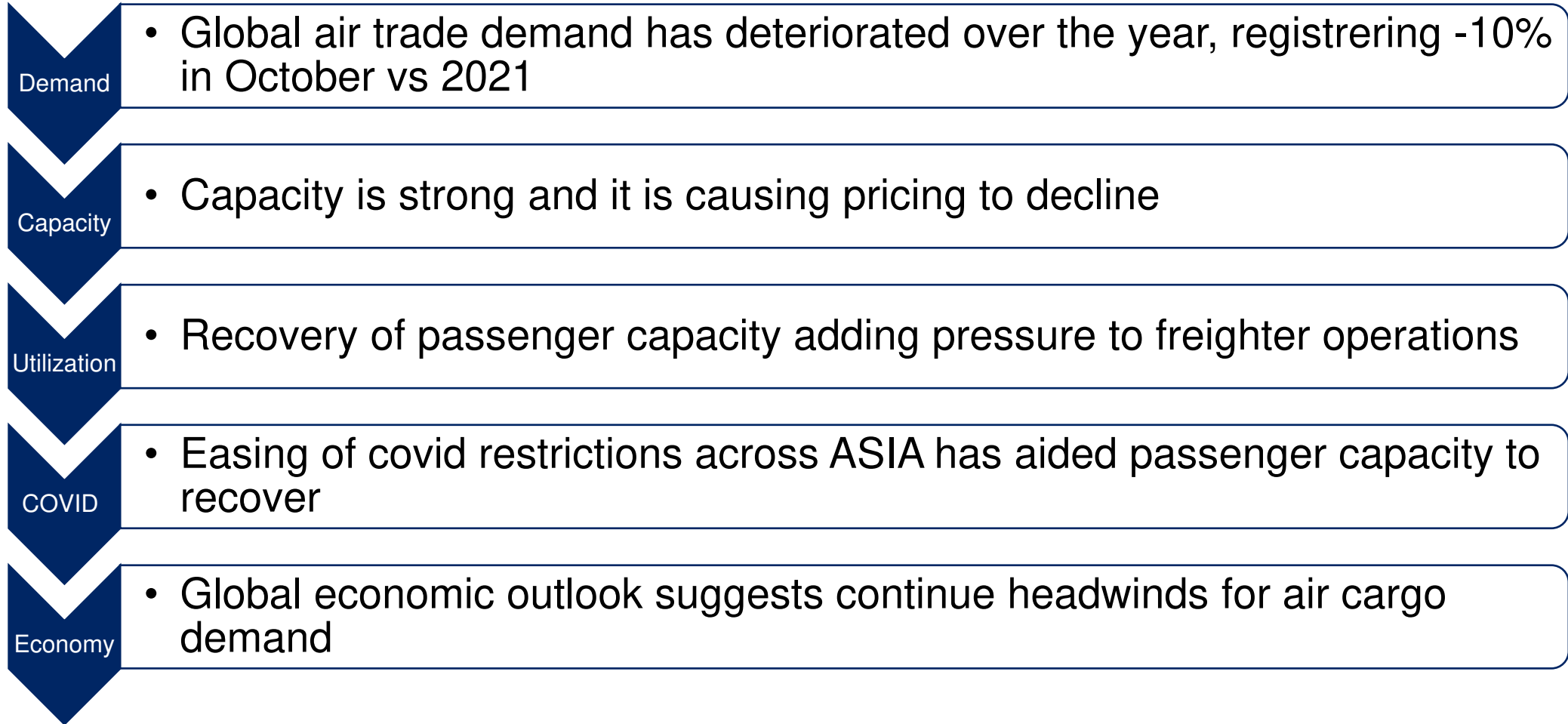
Ocean freight market overview – Rates have stabilized

TRADE LANE	COMMENTS	RATES AND SPACE	
ASIA to Europe	<ul style="list-style-type: none"> • Carriers are performing blank sailing vessels before Chinese new year • Space is open from China and there is equipment available • Congestion is easing at the terminals, UK is improving 	↓	
ASIA to NAM	<ul style="list-style-type: none"> • Market is open, it seems we have reached the end of price cuts • Equipment is available • Less problems of congestion in USA, specially in East Coast 	↓	
Europe to NAM	<ul style="list-style-type: none"> • Less congestion in both North American and European ports affects service • Vessel are full and less capacity available • Demand has normalized 	→	
Exports from India	<ul style="list-style-type: none"> • Space is open • Shipping lines are opening long term contract rates to negotiate • Ports, terminals and ICD continue to work normally 	↓	
ASIA to LATAM	<ul style="list-style-type: none"> • Flexibility to place booking • ASIA to LATAM space is open in both East and West Coast • Equipment is available 	↓	
INTRA ASIA	<ul style="list-style-type: none"> • Port congestion improving in some south Asian ports • New bunker level. Congestion is increasing in North Asia ports • Overstock of container equipment 	↓	

Airfreight update



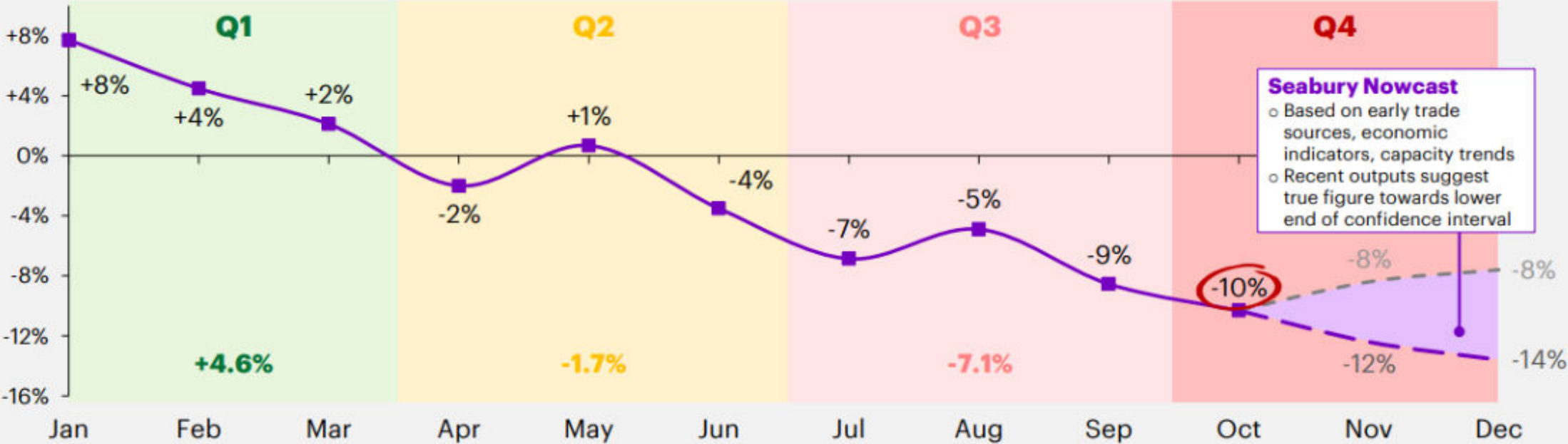
Both air trade, air cargo capacity and economic indicators point at a strongly weakening market in Q4 2022



Global air trade demand growth has deteriorated throughout 2022, hitting double-digit declines in October

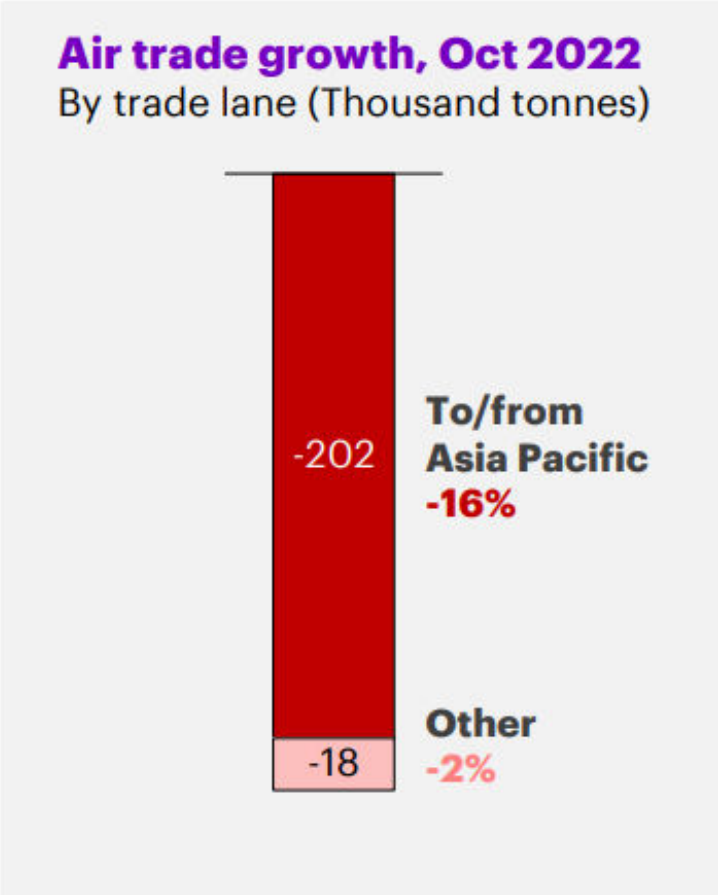
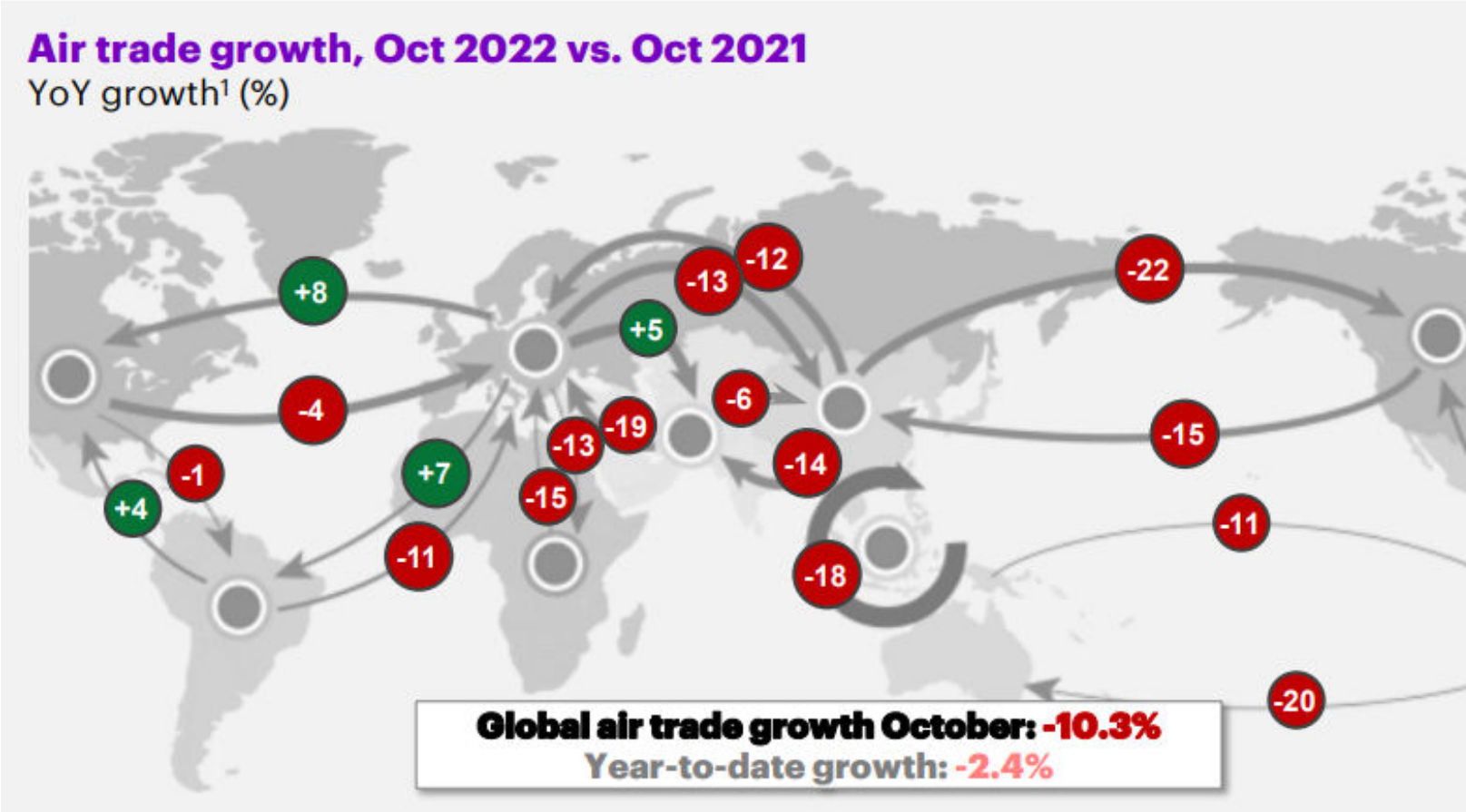
Year-over-year air trade growth, 2022

% (vs 2021)



Based on economic indicators and capacity trends, Q4 2022 air trade demand is expected to fall well short of record Q1 2021 volumes

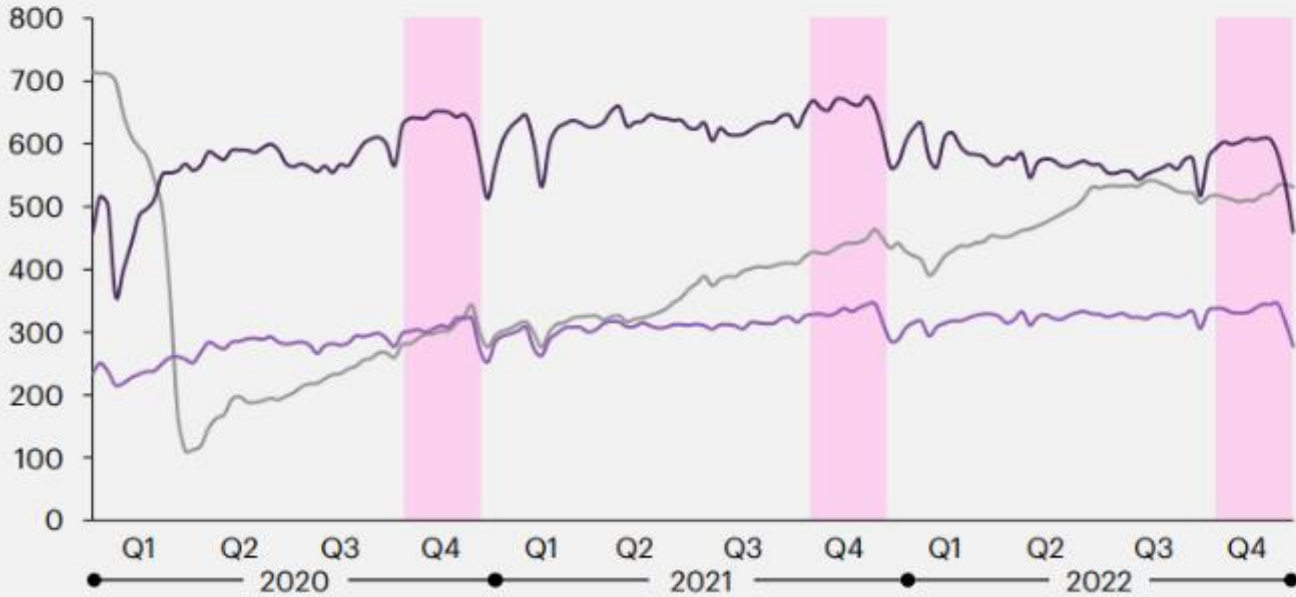
Decreasing air trade demand is driven almost entirely by Asia Pacific, which accounts for 90+% of declines



Global air cargo capacity increased (+1%) in Q4 2022 (vs last year), however remains below (-3%) pre-COVID levels

International air cargo capacity, Jan 2020 – Dec 2022

Thousand tonnes per week

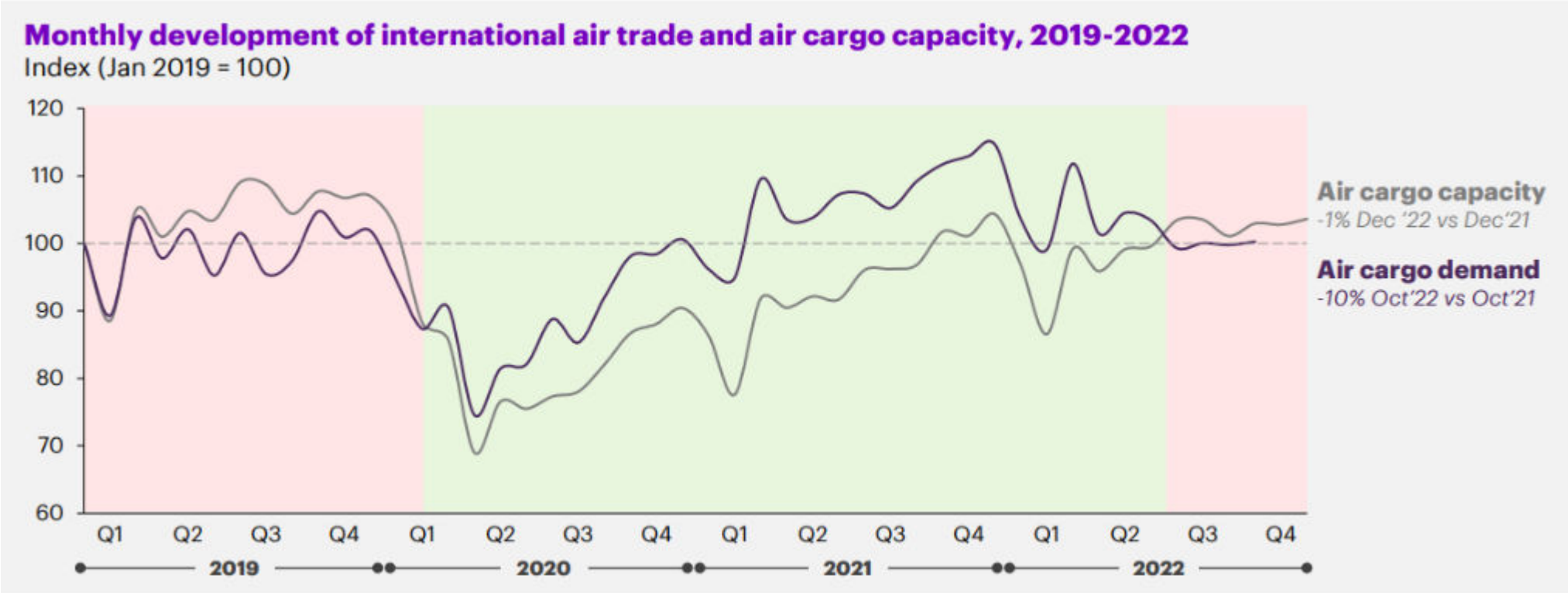


Q4 2022 air cargo capacity
vs 2019¹ vs 2021

	vs 2019 ¹	vs 2021
Total capacity	-3%	+1%
Passenger belly Widebody aircraft only	-26%	+19%
Airline freighters	+10%	-11%
Integrator freighters	+32%	0%

Airline freighter capacity declines as widebody passenger belly capacity continues to recover

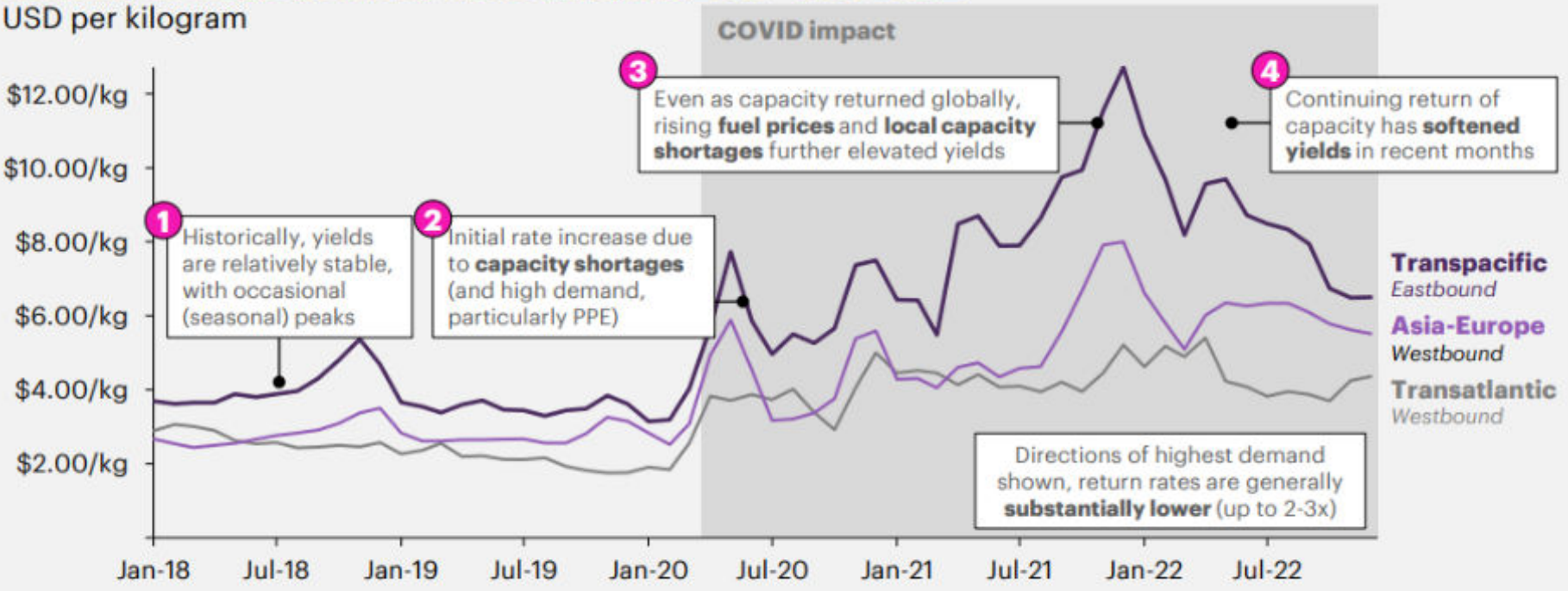
As air cargo demand fell, air cargo's global demand-supply balance reverted to pre-COVID levels



Declining air trade coupled with capacity recovery lowers load factors and puts further pressure on yields

Air cargo yields continue to decline amidst a weakening market, particularly out of Asia Pacific

Monthly average yields by trade lane, Jan 2017 - Nov 2022



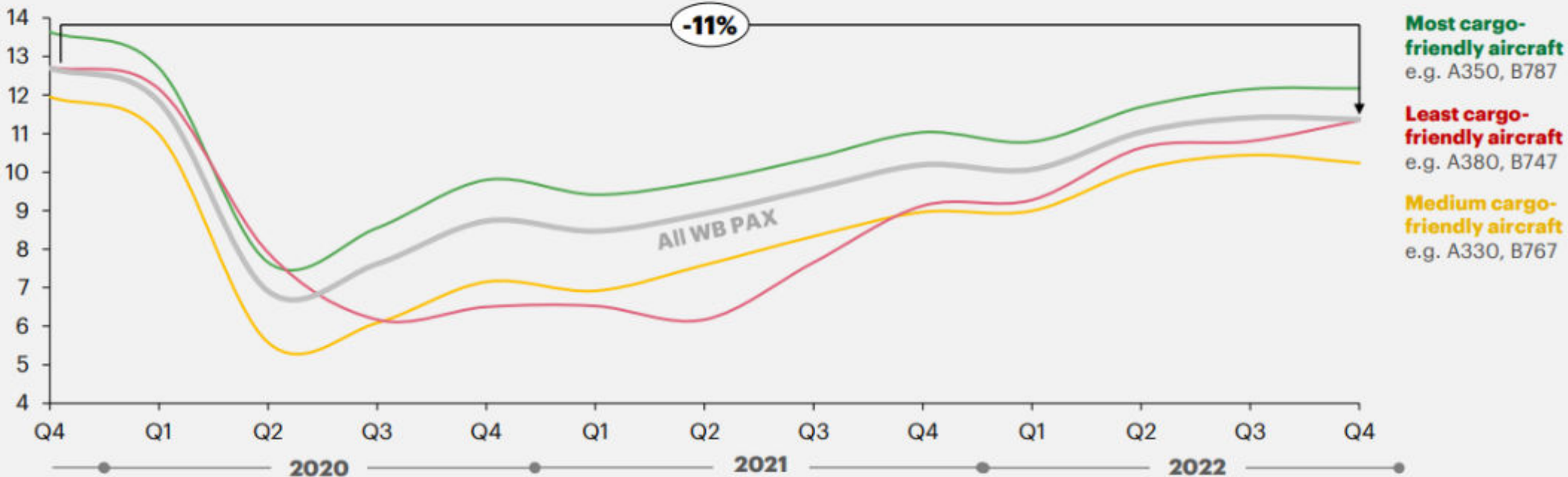
YoY yield comparison	
Dec'22 vs. Dec'21	
Transpacific Eastbound	-49%
Asia-Europe Westbound	-31%
Transatlantic Westbound	-16%

Longer-term contracts likely keep average yields elevated, further yield declines may show as contracts expire

Utilization of widebody passenger aircraft continues to recover and is now at -11% of pre-COVID levels

Widebody passenger aircraft block hour utilization, 2019-2022

Hours flown per day





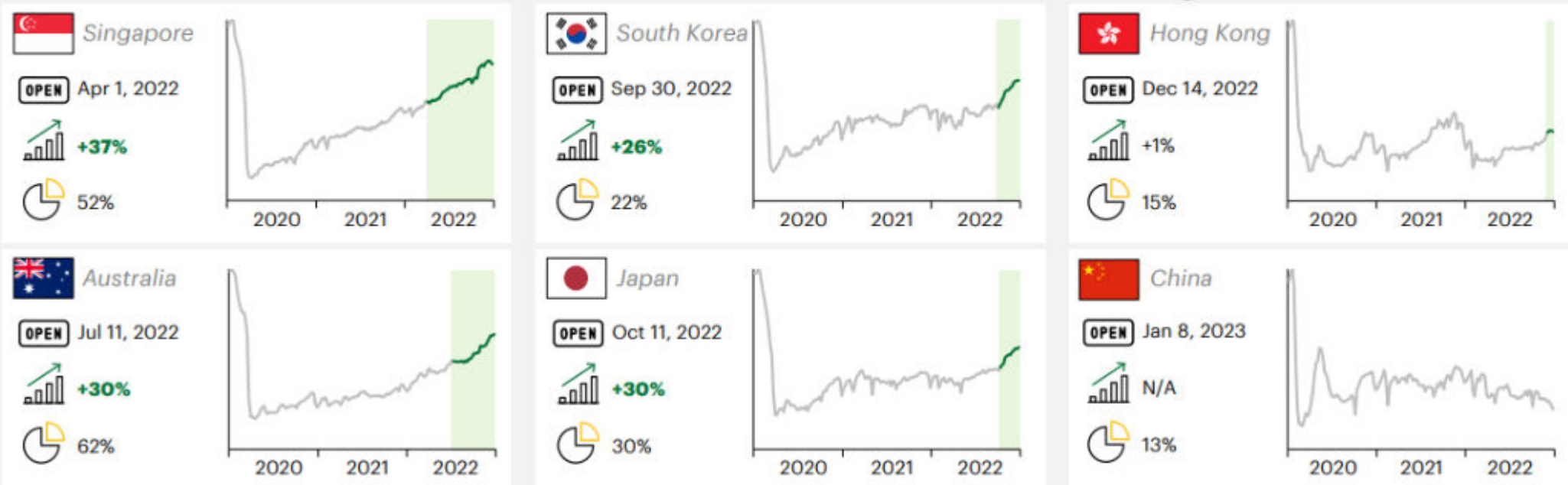
Continued redeployment of A380s causes faster recovery of its utilization than other aircraft types in recent months

Relaxed travel restrictions boosted Japan & S. Korea belly air cargo capacity by +30%, China may follow in early 2023

Effect of COVID travel-relaxations on Asia Pacific belly air cargo capacity

International widebody passenger aircraft cargo capacity per week

OPEN Travel restrictions eased on
 Belly capacity growth since reopening
 Belly share of cargo capacity (Q4 2022)

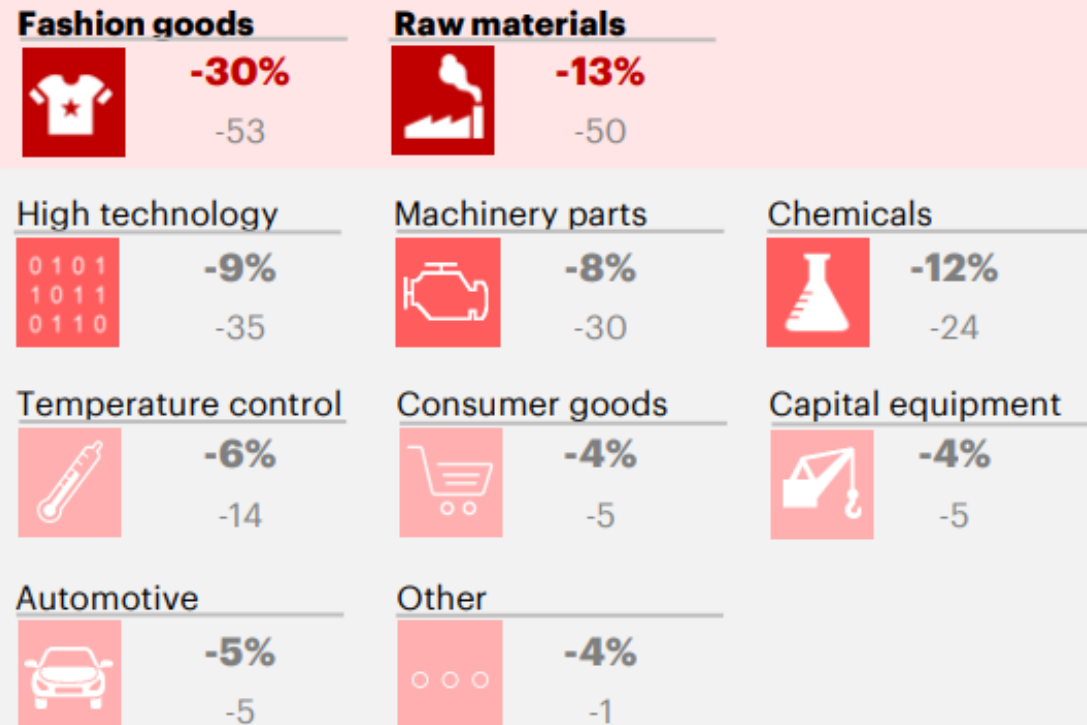


Passenger aircraft's limited share of air cargo capacity in North East Asia means freighter operations remain key

While all industries air trade decreases, fashion air trade recorded most significant decline of -30% in October 2022

Global air trade growth by industry, Oct 2022 ..

Growth (Thousand tonnes, %)







..and top changes by commodity¹

Growth (Thousand tonnes, %)



Air freight market overview

We see increasing demand to North America from peak season

TRADE LANE	COMMENTS	RATES AND SPACE	
Exports from China / Hong Kong	<ul style="list-style-type: none"> Demand and rates have decreased and some factories have already begun taking off for LNY. With the lifting of all Covid measures in mainland China, cross-border traffic is expected to gradually resume. 	→	
South East Asia	<ul style="list-style-type: none"> The overall export markets in Southeast Asia continue to be soft. There is a trend of volumes switching back to ocean freight as reliability and rates stabilize, with clients opting to use air freight for more urgent requests. 	→	
Exports from India/Bangladesh	<ul style="list-style-type: none"> This has led to carriers passing on rate deductions for many key lanes Capacity is recovering 	→	
Export from Europe	<ul style="list-style-type: none"> Demand levels have dropped again after a slight increase during the holiday season. Capacity is stable, with no constraints into main U.S. hubs. Rates are expected to gradually decrease, in line with the low demand. 	↓	
Exports from NAM	<ul style="list-style-type: none"> Export demand remains steady from all markets. US airports are running at a normal pace. 	↓	