

Europe Transport

BofA Freight Follower: A short-lived bounce in Transpacific ocean rates

Industry Overview

A slow Transpacific ocean contracting season

Our tracker of the latest high-frequency freight indicators shows that ocean spot rates saw a rebound in April, in particular the Transpacific. Container spot rates improved by 8% m-m (now 1% above early Jan. 2020 levels and -75% y-y). A number of Transpacific contracts are yet to be signed, as per industry sources, as recent rate volatility complicates negotiations. Spot rates could continue to decline given low capacity utilisation on most key routes and carriers continuing to chase market share as per Mr. Tan at Linerlytica ([takeaways from call](#)). Air freight rates -10% in Apr. driven by weak demand, while capacity increased 10% y-y in March due to recovery in belly capacity.

Ocean: Surge in Transpacific rates but a weak month end

Ocean rates surged 8% m-m in April, compared to a -2% drop in Mar. SCFI posted a significant w-w gain of +8% on 14 April, before dropping to -4% on 28 April, with the initial rate surge concentrated in the America's (USEC/USWC rates improved 23%/41% m-m respectively), while Asia-Europe rates were flat m-m on high capacity utilisation. Global container volumes declined -5% y-y in Feb and benefited from a lower base (4% above 2019 levels) likely due to the timing of LNY. No resolution yet on the ILWU negotiations although the union announced that a tentative agreement was reached. Port congestion remains stable at 7.3% of the fleet, well below the peak of c15%. The unwind in port congestion is partially offset by slower vessel speeds. Liners continue to add more capacity with new ship deliveries amidst weak market conditions, with only 2% of the fleet as idle (ex-shipyards), which suggests lack of discipline by liners.

Air: volumes down -8% y-y in March, rates -10% in April

Air freight rates were down c10% m-m in April due to weak demand. Shanghai to N. America rates were down c13% m-m while Shanghai to Europe rates were down c17% in April. Global air freight volumes declined -8% y-y in March as per IATA data, an improvement from -9% in Feb. Global air cargo capacity was up 10% y-y in Mar. (7% in Feb) and c1% below 2019 levels, due to increase in belly capacity. Global loads improved 1ppt m-m to 46% in Mar. (down c9ppt y-y).

Demand trends remain lacklustre

BAC US aggregated credit and debit card data shows card spending per household remained slow in April, as consumers further cut spending. See latest [BofA on USA](#) report for limitations, disclosures and methodology in connection with BAC US card data. Retail inventories are 13% higher than 2019 levels. Furniture and general merchandise inventory to sales ratios both remain below 2019 levels. Kuehne + Nagel expects ocean volumes to improve sequentially ([KNIN](#) note), and noted that inventory levels have improved since the start of the year. DSV still expects a potential demand rebound in 2H23 but visibility is low ([DSV](#) note).

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Refer to important disclosures on page 20 to 21.

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Timestamp: 28 April 2023 08:42AM EDT

28 April 2023

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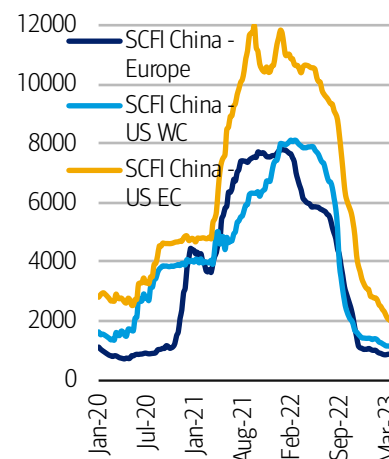
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Exhibit 1: SCFI indices by trade lane
TP rates increased in April



Source: Clarksons

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Definitions:

USWC: US West Coast

USEC: US East Coast

SCFI: Shanghai Containerized Freight Index

LNY: Lunar New Year

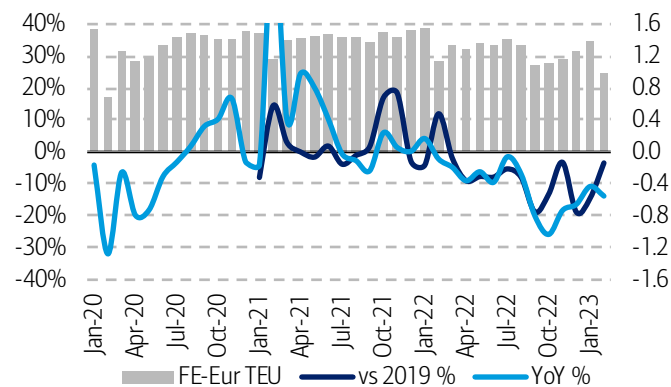
ILWU: International Longshore and Warehouse Union

Container shipping data

Shipping Volumes

Exhibit 2: Far East – Europe volumes (TEU) and growth (%)

Asia to Europe volumes were down c14% YoY in February 2023

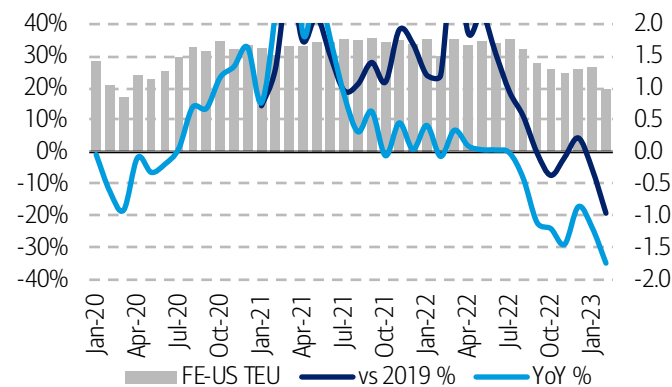


Source: Alphaliner

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Exhibit 3: Far East – US volumes (TEU) and growth (%)

Transpacific volumes were down c35% YoY in February 2023

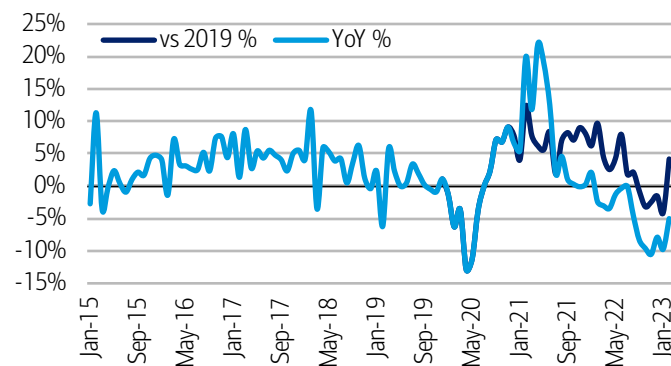


Source: Alphaliner

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Exhibit 4: Global container shipping volumes (YoY and vs 2019 %)

Global container volumes declined c5% YoY and were up 4% vs 2019 in February 2023



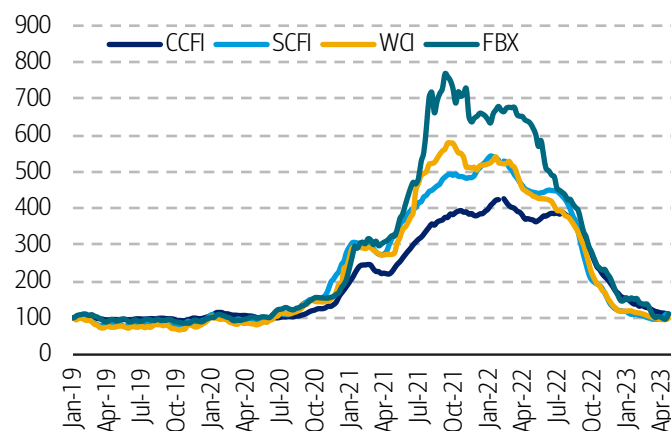
Source: Bloomberg

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Shipping rates

Exhibit 5: Container shipping freight rates, indexed to January 2019

SCFI surged 8% month-on-month

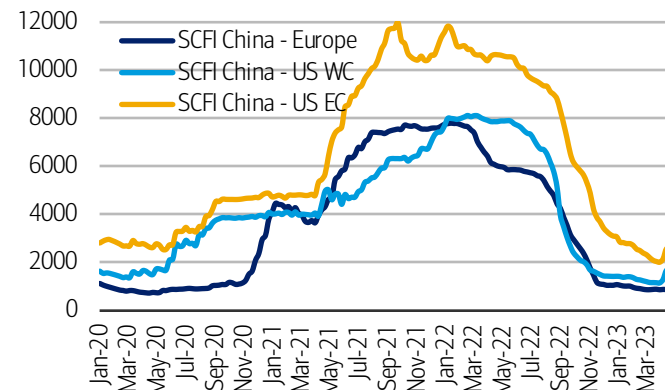


Source: Refinitiv Eikon, Drewry, Bloomberg

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Exhibit 6: SCFI indexes by trade lane

Asia-Europe rates are up largely flat month-on-month

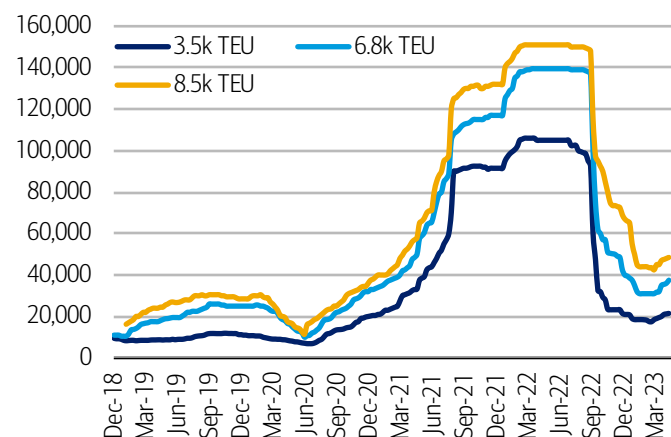


Source: Clarksons

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Exhibit 7: 6-12 month Timecharter rates

Short-term charter rates slightly improved in April...

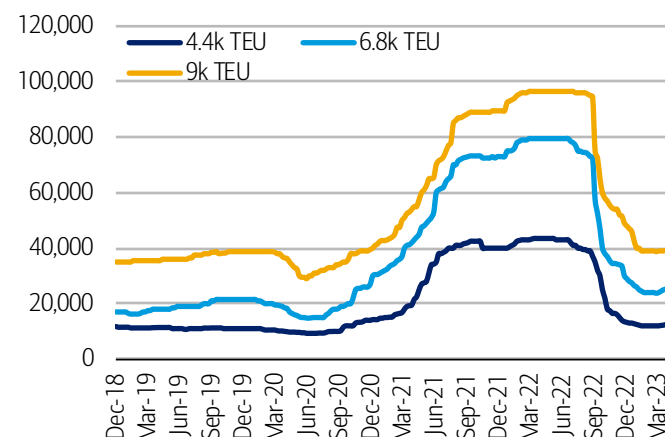


Source: Clarksons

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Exhibit 8: 3-5 years Timecharter rates

... with medium-term rates broadly steady in April...

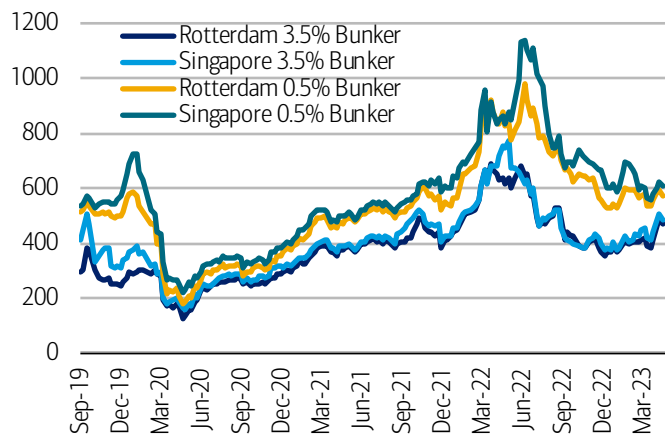


Source: Clarksons

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Exhibit 9: Bunker fuel prices (\$ per tonne)

Bunker fuel prices have slightly increased over the past month...

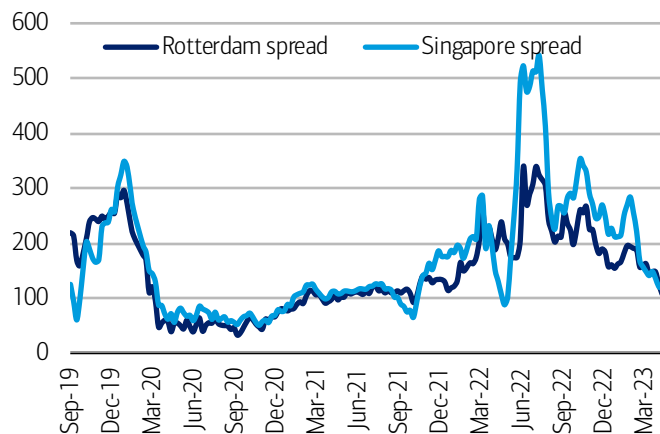


Source: Clarksons

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Exhibit 10: Rotterdam and Singapore 0.5% to 3.5% spread (ppts)

... while the high and low sulphur spread widening



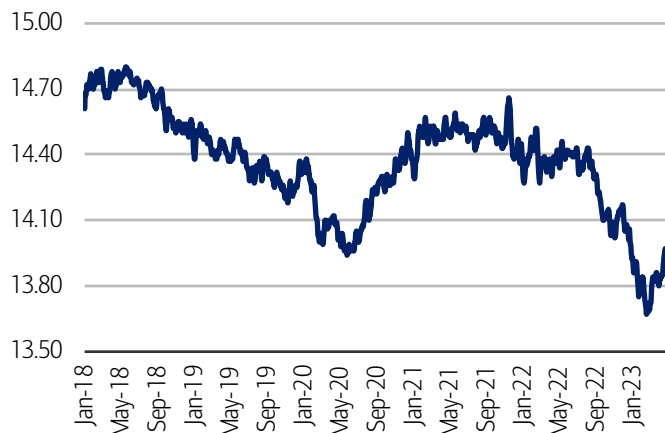
Source: Clarksons

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Shipping speed

Exhibit 11: Containership speed (Daily average speed Knots)

Average speed has increased after hitting a low earlier this year



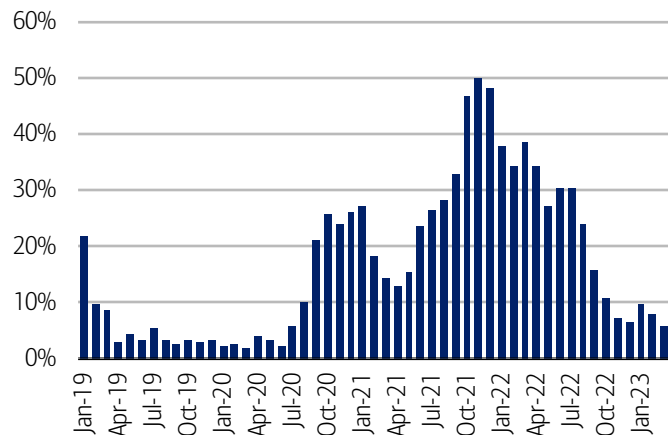
Source: Clarksons

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Port disruption

Exhibit 12: US West Coast container dwell time (% > 5 days)

USWC containers dwelling >5 days decreased to c6% in March 2023

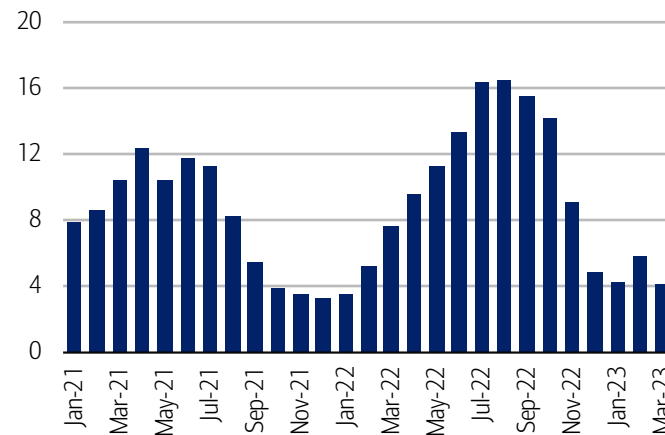


Source: PMSA

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Exhibit 13: US West Coast rail dwell time in days

USWC average rail dwell times decreased to 4 days in March 2023

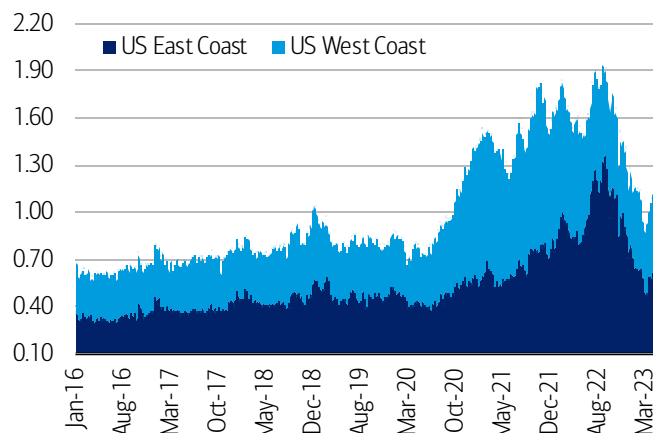


Source: PMSA

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Exhibit 14: Vessels in port – US East Coast & West Coast (TEUm)

US East Coast and West Coast port congestion increased in April

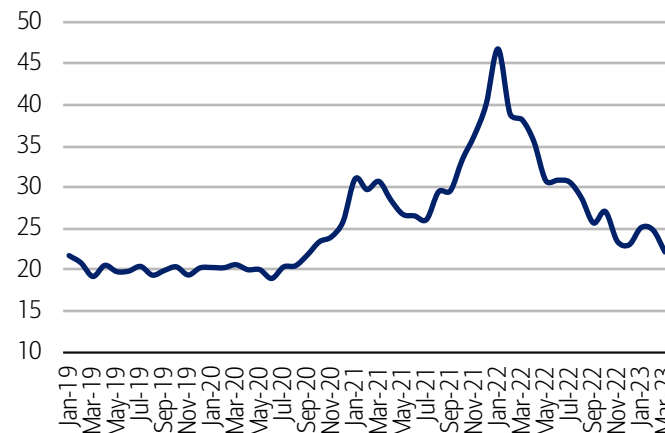


Source: Clarksons

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Exhibit 15: China to USWC average containership duration (days)

Transpacific transit times declined in April 2023

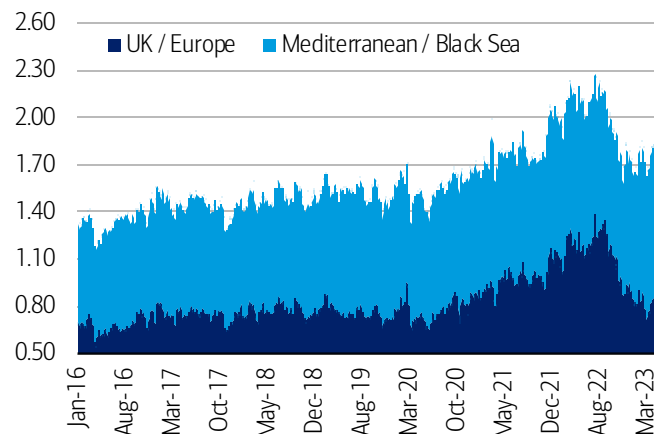


Source: Clarksons

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Exhibit 16: Vessels in Port – UK/Europe & Mediterranean (TEUm)

Port congestion in UK and Mediterranean is rising

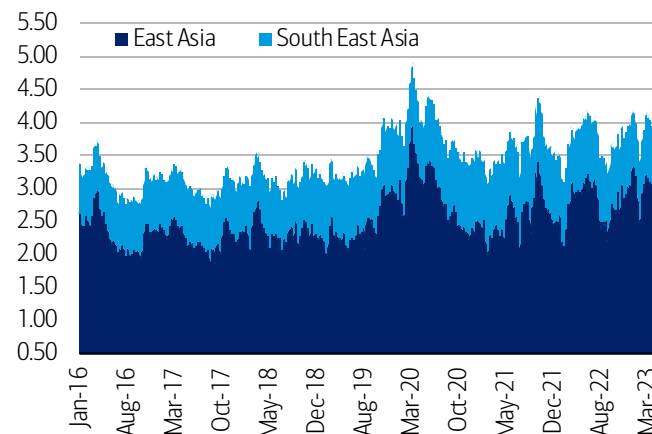


Source: Clarksons

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Exhibit 17: Vessels in port – East and South-East Asia (TEUm)

Port congestion in East Asia and South East Asia is easing

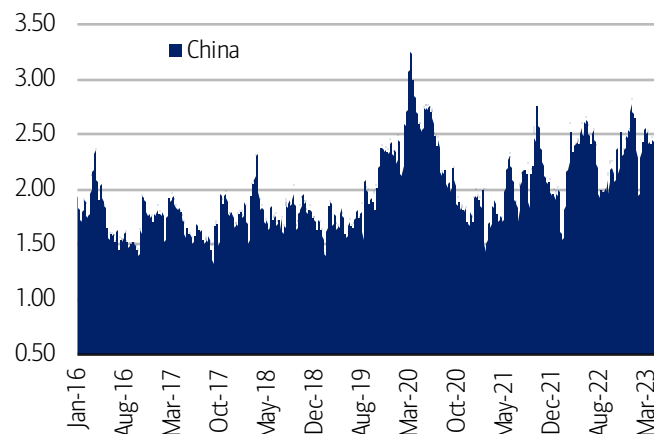


Source: Clarksons

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Exhibit 18: Vessels in port – China (TEUm)

Chinese port congestion has decreased over the past month

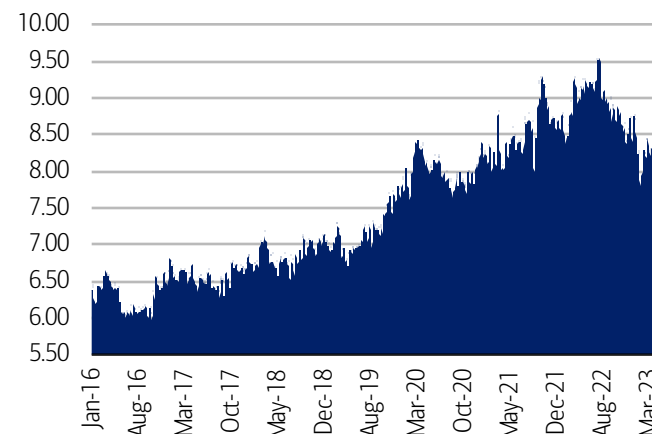


Source: Clarksons

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Exhibit 19: Vessels in port - Global (TEUm)

Global port congestion elevated but remains well below peak levels



Source: Clarksons

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Container boxes

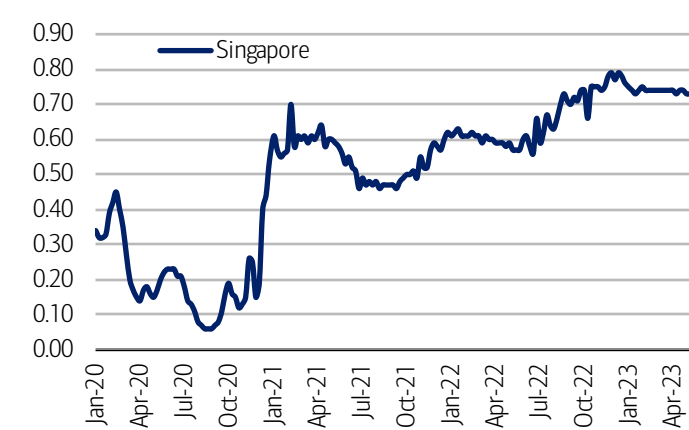
Exhibit 20: Box Availability in Shanghai (CAx)
Container box shortages have eased in Shanghai...



Source: Container xChange
Note: value of >0.5 means more boxes enter than leave and <0.5 means more boxes leave than enter. A low value reflects a deficit of containers.

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Exhibit 21: Box Availability in Singapore (CAx)
... and have also recovered in Singapore



Source: Container xChange
Note: value of >0.5 means more boxes enter than leave and <0.5 means more boxes leave than enter. A low value reflects a deficit of containers.

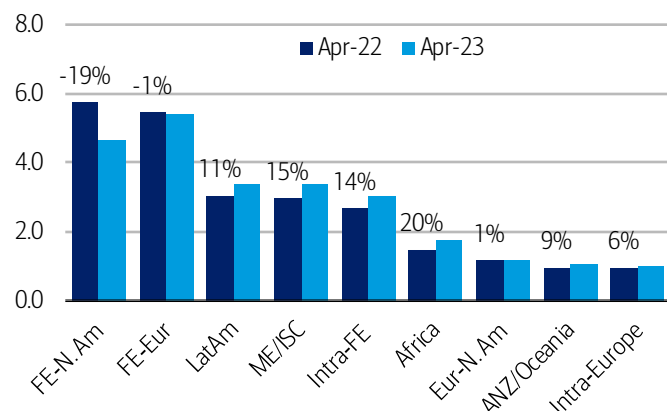
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Capacity deployment

Exhibit 22: Global deployment by cellular TEU capacity (TEUm)

Asia to N. America has seen the biggest YoY cut in capacity at -19%

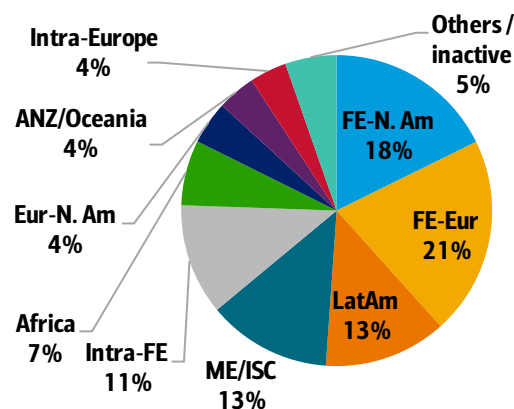


Source: Alphaliner

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Exhibit 23: Global deployment by TEU capacity in Apr-23 (% of total)

Asia-N. America and Asia-Europe dominate global trade lanes



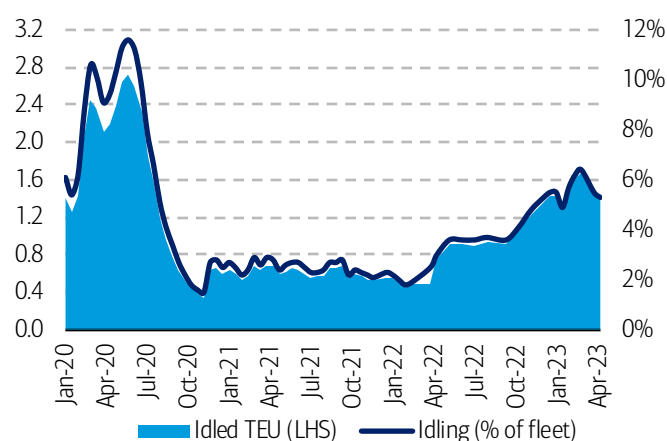
Source: Alphaliner

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Idle capacity

Exhibit 24: Idled TEU (and % of global fleet)

Idling (including capacity at shipyards) has declined to 5.3% of global fleet

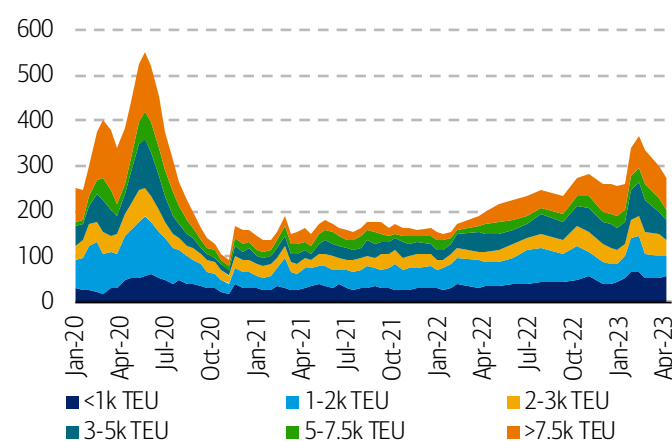


Source: Alphaliner

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Exhibit 25: Idled TEU breakdown by vessel size (number)

Inactivity was mixed across vessel sizes

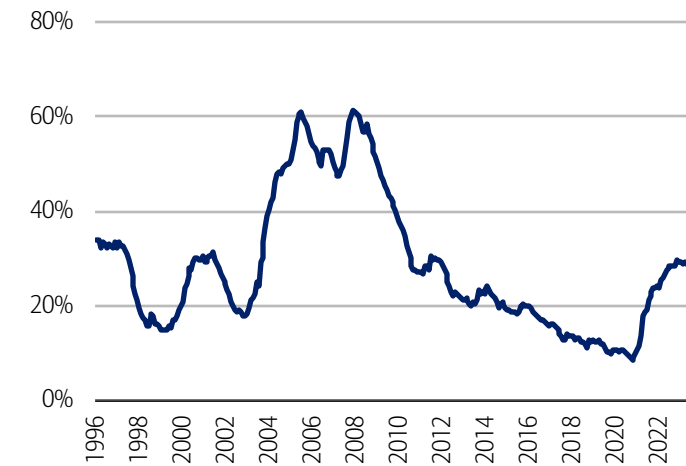


Source: Alphaliner

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New orders

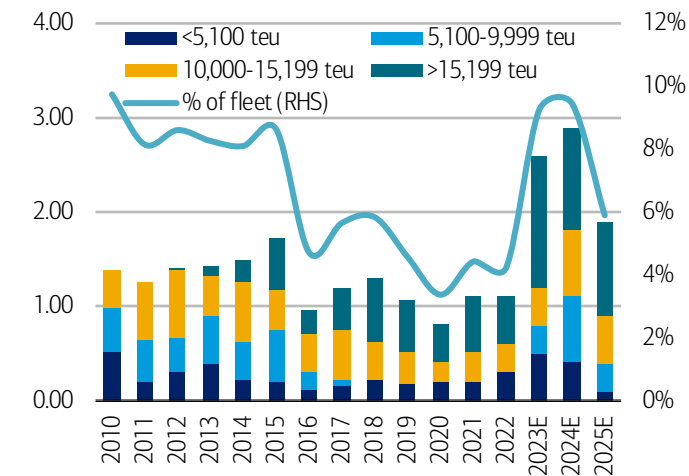
Exhibit 26: Global orderbook to fleet (%)
The global orderbook to fleet ratio remains steady at c29%



Source: Clarksons

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Exhibit 27: Deliveries per year (TEUm) and % of fleet
There will be a big step up in fleet deliveries in 2023E



Source: Alphaliner

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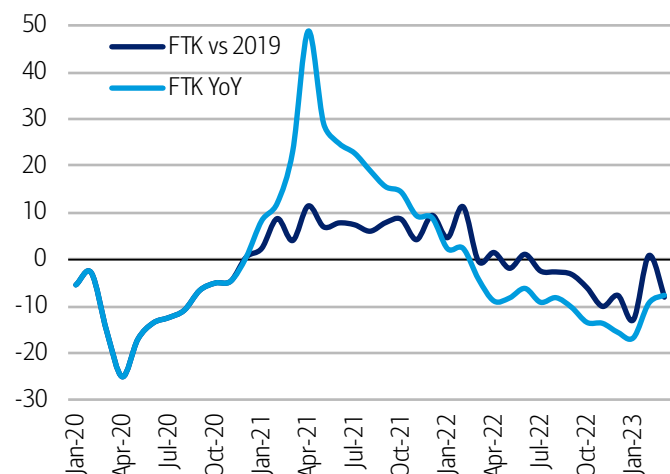


Air freight data

Air Freight Volumes

Exhibit 28: Global FTK (% vs 2019 and % YoY)

Global air cargo volumes were down c8% YoY in March 2023

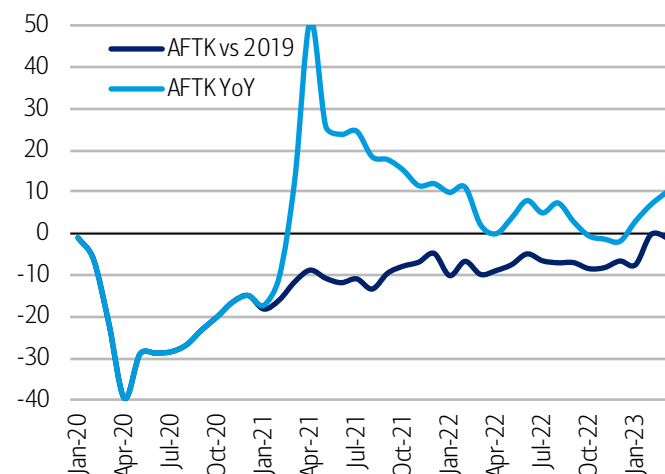


Source: IATA

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Exhibit 29: Global AFTK (% vs 2019 and % YoY)

Global air cargo capacity was up c10% YoY in March 2023

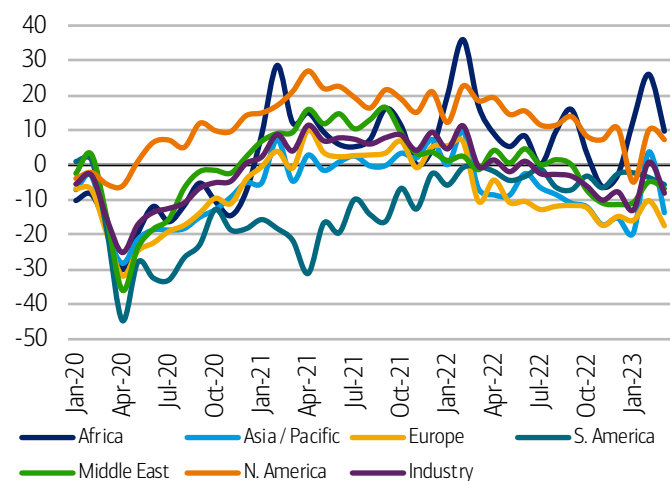


Source: IATA

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Exhibit 30: FTK growth by region (% vs 2019)

Volumes declined across all regions' vs 2019 levels in March 2023

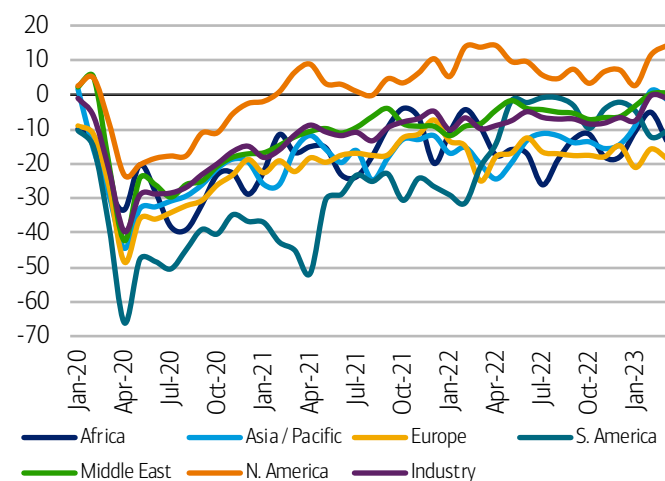


Source: IATA

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Exhibit 31: AFTK growth by region (% vs 2019)

Mixed trend in capacity vs 2019 levels in March 2023

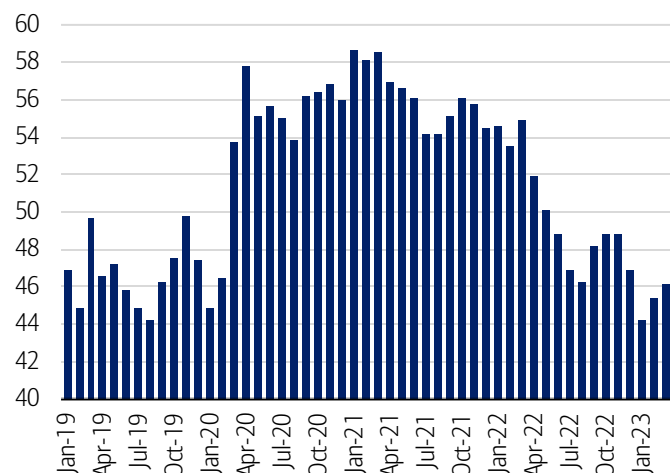


Source: IATA

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Exhibit 32: Global air freight load factor (%)

Load factor increased M-o-M to c46% in March 2023

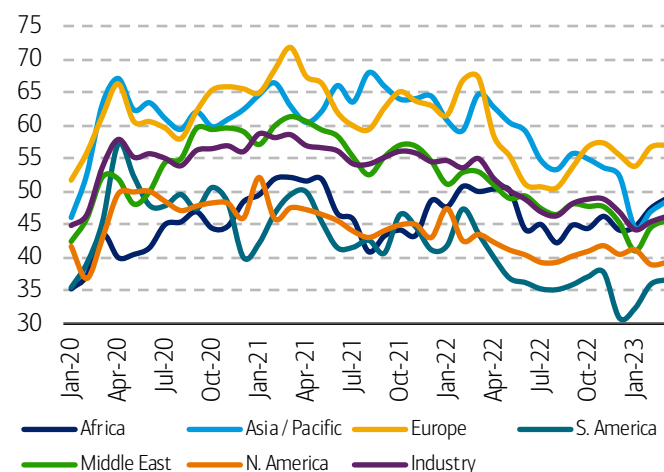


Source: IATA

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Exhibit 33: Air freight load factor by region (%)

Load factor improved M-o-M the most in Asia-Pacific in March 2023



Source: IATA

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Air Freight Rates**Exhibit 34: Shanghai to Europe Air Cargo Index (USD per kg)**

China to Europe air freight rates were down -c17% M-o-M in April

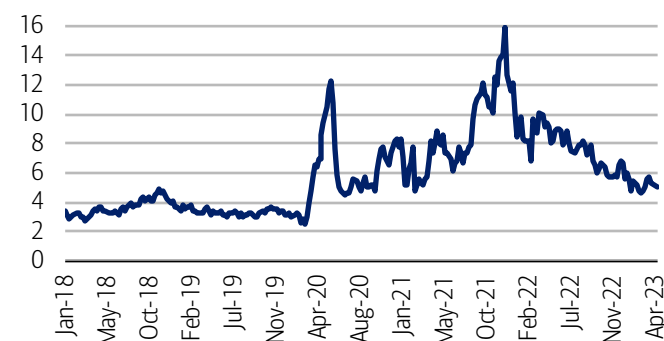


Source: Refinitiv Eikon (Baltic Air Freight Indices powered by TAC data)

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Exhibit 35: Shanghai to North America Air Cargo Index (USD per kg)

China to N. America air freight rates were down by -c13% M-o-M in April

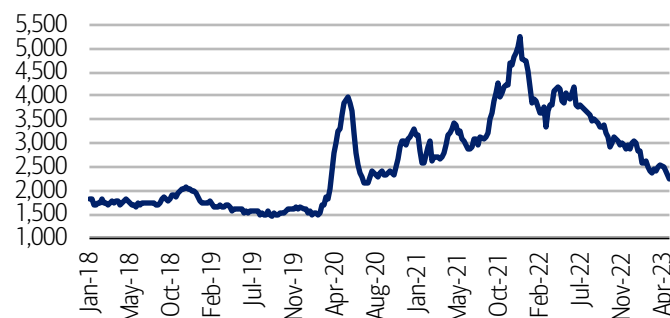


Source: Refinitiv Eikon (Baltic Air Freight Indices powered by TAC data)

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Exhibit 36: Baltic Exchange Air Freight Index

Global air freight rates were down -c10% M-o-M in April



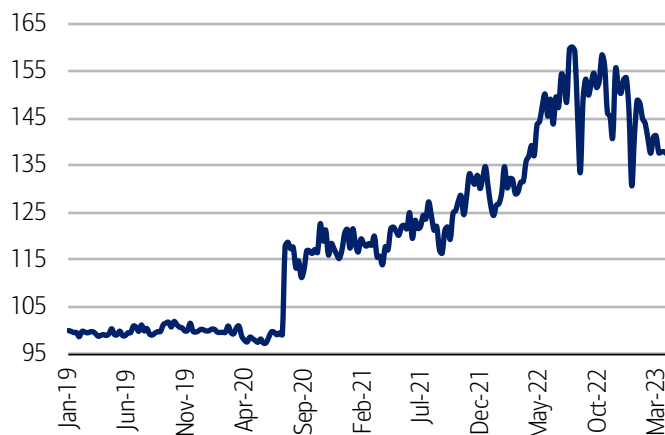
Source: Refinitiv Eikon (Baltic Air Freight Indices powered by TAC data)

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European road freight rates

Exhibit 37: Europe road freight rates (indexed to January 2019)

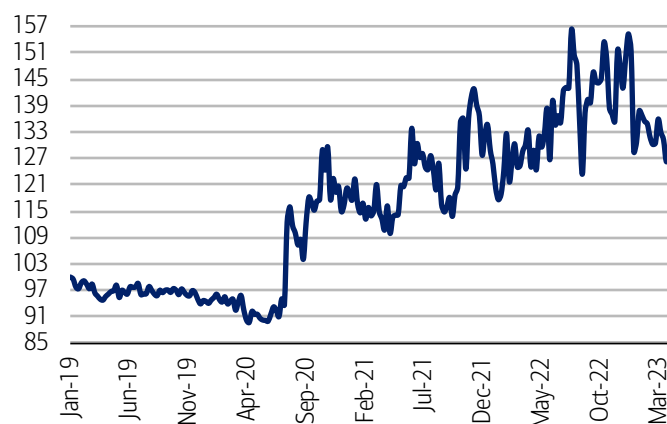
European road freight rates were 40% above 2019 levels in Mar'23



Source: BofA Global Research, Transport Intelligence, Upply. Note: average of selection of routes.
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Exhibit 38: Road freight rates out of Germany (indexed to January 19)

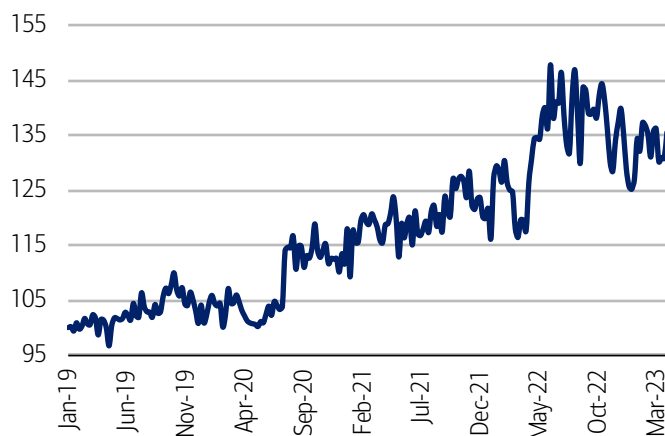
German outbound road freight rates were 37% above 2019 levels in Mar'23



Source: BofA Global Research, Transport Intelligence, Upply. Note: average of selection of routes.
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Exhibit 39: Road freight rates out of France (indexed to January 19)

French outbound road freight rates were 31% above 2019 levels in Mar'23



Source: BofA Global Research, Transport Intelligence, Upply. Note: average of selection of routes.
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Exhibit 40: Road freight rates out of UK (indexed to January 19)

UK outbound road freight rates were 38% above 2019 levels in Mar'23



Source: BofA Global Research, Transport Intelligence, Upply. Note: average of selection of routes.
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Demand drivers

PMI indicators

Exhibit 41: US ISM Manufacturing

US PMI dropped to c46 in March 2023



Source: Datastream, Institute for Supply Management

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Exhibit 42: Eurozone Manufacturing Purchasing Managers Index (PMI)

Euro area PMI declined to c46 in April 2023



Source: Datastream, IHS Markit

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US consumption trends

Exhibit 43: US retail (ex. Auto) spending based on BAC US aggregated daily card data (% YoY)

US retail (ex. auto) spending was down c3% YoY in the week ending April 1

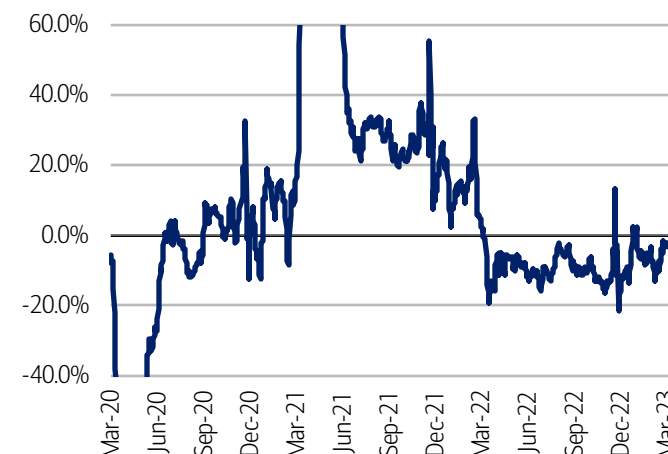


Source: BAC internal data.

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Exhibit 44: US clothing spending based on BAC aggregated US daily card data (% YoY)

US clothing spending was down c6% YoY in the week ending April 1



Source: BAC internal data.

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Exhibit 45: US general merchandise spending based on BAC US aggregated daily card data (% YoY)

US general merchandise spending was down c1% YoY in the week ending April 1



Source: BAC internal data.

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Exhibit 46: US furniture spending based on BAC US aggregated daily card data (% YoY)

US furniture spending was down c18% YoY in the week ending April 1

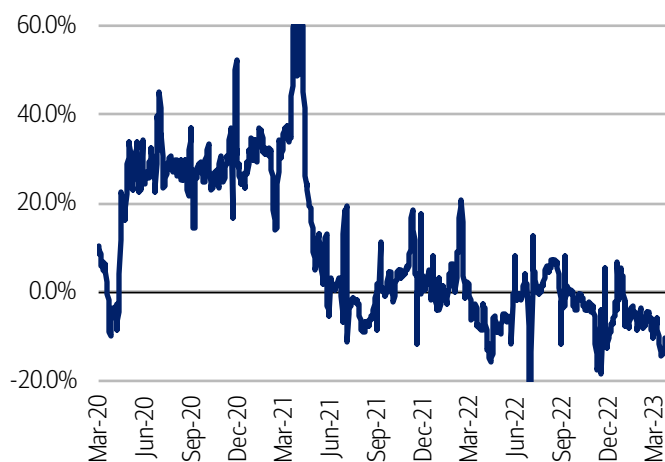


Source: BAC internal data.

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Exhibit 47: US home improvement spending based on BAC US aggregated daily card data (% YoY)

US home improvement spending was down c10% YoY in the week ending April 1



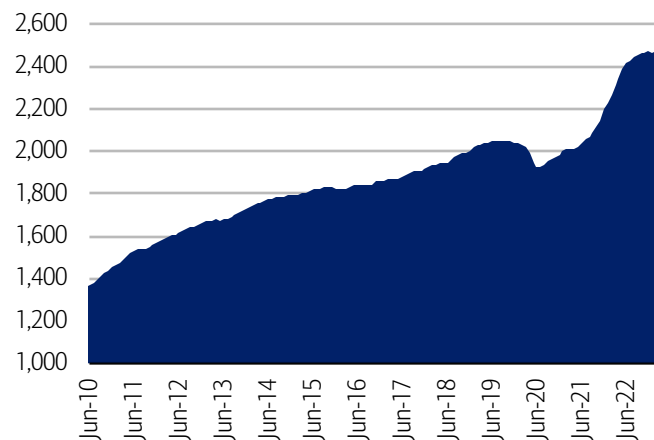
Source: BAC internal data.

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US inventories

Exhibit 48: US total manufacturing and trade inventories (\$bn)

US manufacturing & trade inventories were 22% above 2019 levels in February

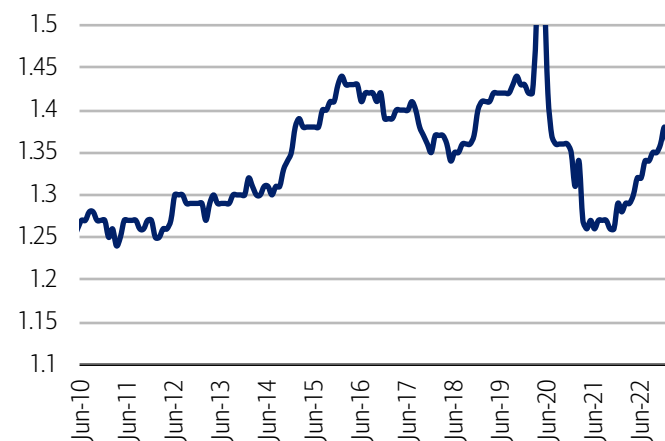


Source: US Census Bureau

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Exhibit 49: US total manufacturing and trade inventory to sales ratio

US total inventory to sales ratio remained flat at 1.36 in February

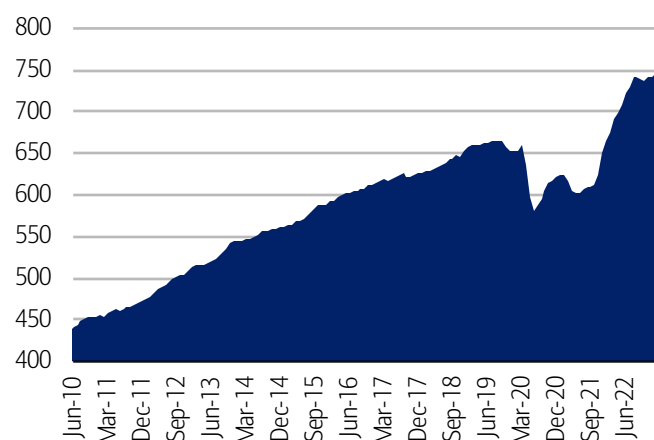


Source: US Census Bureau

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Exhibit 50: US retail inventories (\$bn)

US retail inventories were 13% above 2019 levels in February 2023



Source: US Census Bureau

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Exhibit 51: US retail manufacturing and trade inventory to sales ratio

US retail inventory to sales increased to 1.23 in February 2023

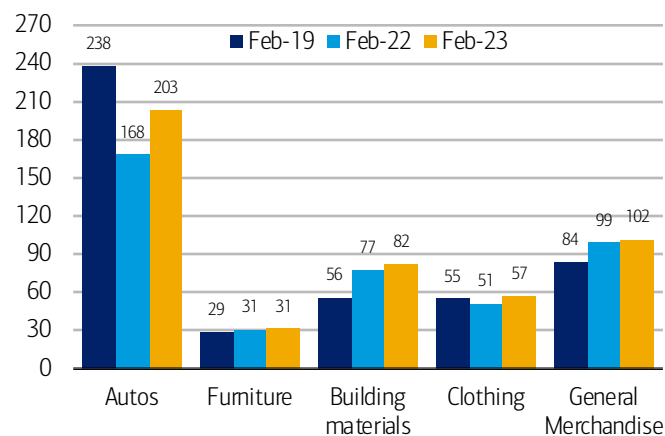


Source: US Census Bureau

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Exhibit 52: US retail inventories by product category (\$bn)

Most retail product inventory levels were above 2019 in February...

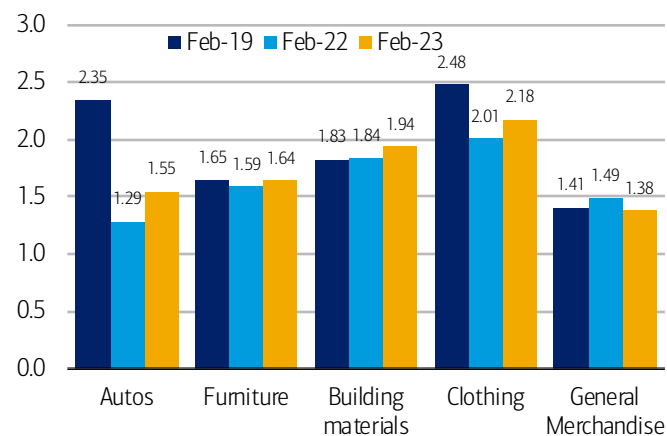


Source: US Census Bureau

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Exhibit 53: US retail inventory to sales ratio by product category

... while most inventory to sales ratios were below 2019 in February

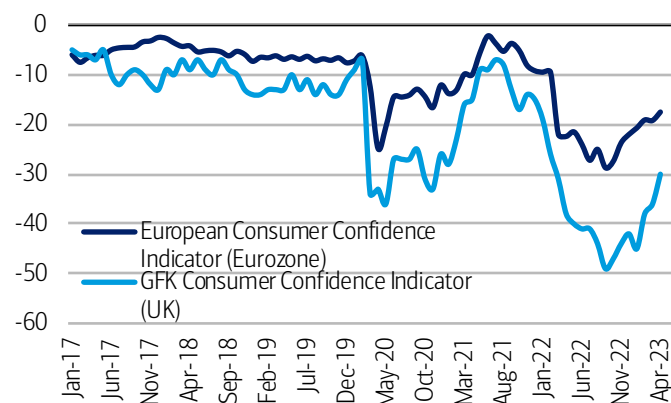


Source: US Census Bureau

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Consumer sentiment**Exhibit 54: Consumer confidence indicators (Eurozone & UK, monthly)**

Eurozone consumer confidence improves in April, UK rebounds from record lows to highest since Feb'22

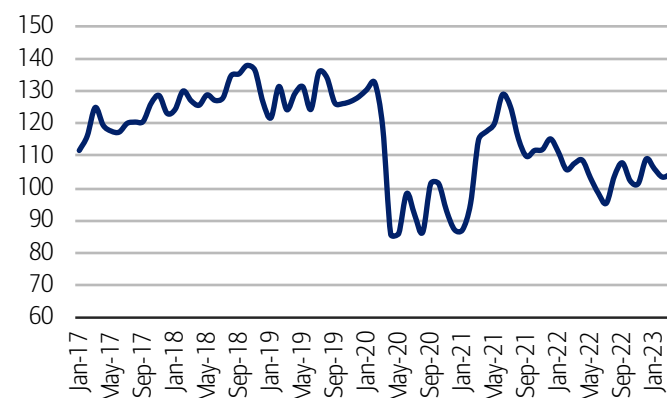


Source: Datastream

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Exhibit 55: US consumer confidence indicator

US consumer confidence rises marginally in March



Source: Datastream, The Conference Board

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Exhibit 2: Aggregated daily card spending growth per HH by major category, Apr 12-22 (1-year and 4-year %change of the 7-day ma of spending levels)

Total card spending growth picked up to 2.4% y/y in the week ending April 22. The four-year growth increased to 25.8% in the same period

	4/22	4/21	4/20	4/19	4/18	4/17	4/16	4/15	4/14	4/13	4/12
Total card spending											
1-yr % change	2.4%	1.5%	1.2%	1.0%	1.1%	0.9%	-2.3%	-5.1%	-4.0%	-3.2%	-2.7%
4-yr % change	25.8%	24.7%	20.7%	20.9%	21.3%	20.7%	20.1%	16.8%	18.0%	18.3%	19.3%
Retail ex auto											
1-yr % change	1.3%	-0.1%	-0.7%	-1.1%	-1.1%	-1.5%	-5.4%	-8.7%	-6.7%	-4.9%	-3.8%
4-yr % change	22.3%	22.1%	16.9%	18.3%	20.0%	21.1%	21.8%	17.1%	18.5%	19.4%	20.6%
Airlines											
1-yr % change	2.5%	3.6%	5.5%	5.5%	6.5%	7.1%	4.7%	1.7%	0.5%	-1.0%	-1.7%
4-yr % change	13.5%	14.0%	12.8%	11.4%	11.2%	11.0%	9.8%	6.9%	5.6%	4.5%	4.4%
Lodging											
1-yr % change	-5.1%	-3.6%	-2.7%	-2.0%	-1.1%	-1.1%	-3.8%	-7.5%	-8.5%	-8.9%	-8.6%
4-yr % change	15.4%	15.2%	13.1%	12.7%	12.9%	14.4%	15.2%	11.9%	11.9%	9.9%	10.5%
Entertainment											
1-yr % change	11.7%	7.7%	8.1%	6.6%	7.1%	9.3%	9.1%	8.2%	10.4%	14.8%	18.5%
4-yr % change	26.3%	23.9%	24.8%	22.2%	26.0%	29.8%	32.9%	34.0%	36.9%	39.2%	39.4%
Restaurants & bars											
1-yr % change	6.8%	6.1%	5.4%	5.2%	5.2%	4.8%	1.8%	-1.5%	-1.8%	-0.6%	0.6%
4-yr % change	30.6%	29.6%	26.5%	25.2%	26.3%	28.0%	28.4%	25.9%	25.0%	25.3%	26.0%
Transit											
1-yr % change	2.3%	4.4%	5.2%	5.7%	6.4%	9.2%	9.6%	9.5%	7.9%	6.1%	5.8%
4-yr % change	4.2%	4.9%	4.7%	4.1%	3.8%	5.9%	6.2%	5.9%	5.2%	1.4%	3.9%
Gas											
1-yr % change	-7.6%	-7.2%	-7.4%	-7.6%	-7.7%	-7.4%	-8.6%	-10.4%	-11.2%	-11.9%	-11.9%
4-yr % change	20.7%	21.8%	20.7%	20.1%	19.3%	19.8%	20.4%	19.0%	18.6%	17.3%	18.0%
Clothing											
1-yr % change	-0.3%	-1.8%	-1.4%	-1.3%	-0.6%	-1.0%	-6.4%	-11.0%	-9.2%	-7.8%	-7.1%
4-yr % change	11.9%	11.9%	4.6%	5.8%	8.9%	9.8%	10.8%	5.4%	6.0%	6.7%	7.6%
Furniture											
1-yr % change	-10.3%	-11.0%	-10.3%	-10.4%	-10.1%	-9.5%	-15.5%	-22.1%	-22.6%	-23.4%	-23.9%
4-yr % change	15.7%	14.6%	6.1%	5.6%	5.5%	6.2%	6.6%	-0.3%	0.0%	-1.2%	-1.8%
Department store											
1-yr % change	2.0%	1.3%	1.3%	0.2%	0.9%	1.2%	-9.6%	-18.9%	-16.5%	-15.1%	-15.3%
4-yr % change	-6.6%	-4.3%	-15.2%	-13.8%	-10.5%	-9.5%	-9.4%	-20.0%	-19.3%	-19.3%	-19.5%
Home improvement											
1-yr % change	1.3%	3.0%	3.2%	3.7%	3.9%	3.5%	0.1%	-5.7%	-8.3%	-10.0%	-11.2%
4-yr % change	31.9%	33.3%	27.7%	26.7%	25.9%	25.9%	26.6%	20.4%	17.5%	14.9%	14.3%
Online electronics (card not present)											
1-yr % change	3.7%	2.8%	1.9%	3.2%	12.5%	-0.6%	-3.0%	-8.3%	-7.0%	-6.6%	-5.9%
4-yr % change	80.6%	62.4%	54.6%	49.3%	34.3%	20.0%	13.3%	16.7%	25.2%	28.4%	31.3%
Grocery											
1-yr % change	1.6%	-2.2%	-3.8%	-4.9%	-5.6%	-5.9%	-9.5%	-10.1%	-2.7%	2.4%	5.2%
4-yr % change	5.2%	4.9%	0.4%	4.9%	8.3%	10.4%	11.3%	6.9%	12.1%	15.7%	18.2%
General Merchandise											
1-yr % change	6.8%	4.7%	3.7%	3.0%	3.3%	3.9%	-5.6%	-14.9%	-11.5%	-8.4%	-6.8%
4-yr % change	34.6%	36.9%	23.3%	27.1%	32.4%	35.2%	38.5%	23.6%	25.9%	27.3%	28.0%
Total B&M retail											
1-yr % change	1.4%	-0.3%	-1.0%	-1.5%	-1.6%	-1.4%	-5.7%	-9.5%	-6.9%	-4.6%	-3.2%
4-yr % change	9.2%	9.6%	4.7%	6.3%	8.5%	10.0%	11.2%	6.1%	7.5%	8.5%	9.6%
Total online retail (card not present)											
1-yr % change	1.3%	1.1%	1.0%	1.1%	1.4%	-0.4%	-2.8%	-4.8%	-5.2%	-5.4%	-5.2%
4-yr % change	85.3%	81.6%	77.4%	76.0%	73.9%	72.0%	69.6%	67.3%	67.9%	68.6%	69.3%
Total card debit											
1-yr % change	1.6%	0.6%	0.5%	0.5%	0.7%	0.6%	-2.5%	-4.8%	-3.5%	-2.8%	-2.2%
4-yr % change	24.0%	23.2%	19.4%	20.0%	20.9%	20.8%	20.6%	17.1%	18.3%	18.6%	19.9%
Total card credit											
1-yr % change	3.5%	2.7%	2.0%	1.7%	1.8%	1.4%	-2.2%	-5.4%	-4.7%	-3.8%	-3.2%
4-yr % change	28.1%	26.6%	22.3%	22.0%	21.7%	20.5%	19.5%	16.4%	17.6%	17.9%	18.6%

Source: BAC internal data. Note: The 1-yr % change shows the change between the current date at the head of the table column and its comparable date a year ago and the 4-yr % change shows the percentage change with the comparable date four years ago. Total card spending includes total BAC card activity, which captures retail sales and services that are paid with cards. Does not include ACH payments. B&M (Brick & Mortar) retail means retail purchases at the store. Card not present is largely online but could include purchases made over the phone.

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Exhibit 3: Aggregated daily card spending growth per HH by major category, Apr 2-11 (1-year and 4-year %change of the 7-day ma of spending levels)

Total card spending growth started to drop on Easter (Apr 9, 2023), because the timing of the holiday shifted from 2022

	4/11	4/10	4/9	4/8	4/7	4/6	4/5	4/4	4/3	4/2
Total card spending										
1-yr % change	-2.3%	-2.0%	-0.8%	2.2%	1.5%	1.5%	1.3%	0.8%	0.8%	-0.6%
4-yr % change	20.1%	21.3%	23.6%	27.9%	28.5%	29.1%	28.0%	26.5%	25.4%	23.3%
Retail ex auto										
1-yr % change	-3.2%	-2.8%	-2.3%	1.8%	0.8%	-0.3%	-0.9%	-1.5%	-1.7%	-2.4%
4-yr % change	21.2%	22.0%	22.9%	28.6%	27.6%	26.5%	25.2%	24.1%	23.4%	22.5%
Airlines										
1-yr % change	-1.5%	-2.2%	-2.2%	-0.3%	0.6%	0.9%	1.1%	1.0%	1.4%	2.2%
4-yr % change	4.6%	4.3%	4.8%	7.2%	8.5%	8.5%	9.2%	9.1%	9.5%	10.1%
Lodging										
1-yr % change	-8.5%	-8.2%	-6.8%	-3.2%	-2.4%	-2.0%	-2.1%	-2.3%	-2.6%	-3.6%
4-yr % change	10.5%	10.9%	11.5%	14.8%	14.1%	15.4%	14.2%	13.9%	13.2%	13.1%
Entertainment										
1-yr % change	21.7%	20.9%	22.4%	25.9%	25.0%	21.7%	19.3%	18.2%	17.4%	15.5%
4-yr % change	40.7%	38.2%	35.5%	27.1%	24.3%	19.9%	15.2%	11.2%	7.2%	7.2%
Restaurants & bars										
1-yr % change	1.3%	1.8%	2.7%	5.8%	6.8%	6.5%	5.9%	5.6%	5.3%	4.8%
4-yr % change	26.3%	26.9%	28.1%	32.3%	33.7%	33.5%	32.5%	31.6%	30.4%	29.7%
Transit										
1-yr % change	5.4%	3.6%	4.8%	3.6%	4.4%	4.7%	4.1%	4.6%	4.0%	0.7%
4-yr % change	3.2%	2.0%	2.7%	2.2%	3.4%	7.1%	5.2%	6.0%	5.5%	3.7%
Gas										
1-yr % change	-12.3%	-12.8%	-13.4%	-12.3%	-12.5%	-12.3%	-12.9%	-13.7%	-14.1%	-14.6%
4-yr % change	19.0%	19.6%	19.7%	22.2%	22.8%	23.9%	23.2%	22.1%	21.5%	20.9%
Clothing										
1-yr % change	-7.4%	-6.7%	-6.0%	-0.4%	-1.1%	-2.8%	-3.7%	-3.9%	-4.2%	-4.6%
4-yr % change	8.1%	8.4%	9.3%	15.9%	15.2%	13.4%	10.9%	9.8%	9.1%	8.3%
Furniture										
1-yr % change	-23.9%	-24.0%	-24.0%	-18.5%	-17.9%	-17.5%	-17.0%	-17.3%	-17.3%	-18.0%
4-yr % change	-1.7%	-1.6%	-0.7%	6.8%	7.9%	8.5%	8.6%	8.1%	7.3%	6.3%
Department store										
1-yr % change	-15.8%	-15.6%	-15.3%	-5.1%	-7.0%	-9.1%	-9.7%	-10.1%	-10.7%	-11.3%
4-yr % change	-20.1%	-20.0%	-19.1%	-8.6%	-10.4%	-11.9%	-11.2%	-11.1%	-11.8%	-12.8%
Home improvement										
1-yr % change	-12.1%	-13.1%	-14.6%	-10.7%	-10.4%	-10.3%	-10.1%	-10.7%	-9.8%	-10.2%
4-yr % change	14.9%	14.2%	14.3%	21.6%	23.2%	24.4%	24.2%	22.4%	22.6%	22.2%
Online electronics (card not present)										
1-yr % change	-5.6%	-3.9%	-3.1%	-2.4%	-2.6%	-2.3%	-2.7%	-3.0%	-2.2%	-3.4%
4-yr % change	33.0%	35.6%	37.0%	37.9%	40.3%	38.6%	37.6%	37.6%	37.6%	33.6%
Grocery										
1-yr % change	6.9%	7.7%	8.8%	13.1%	8.5%	5.7%	4.6%	3.4%	3.2%	2.0%
4-yr % change	19.4%	20.5%	21.7%	27.0%	22.5%	19.1%	16.6%	15.3%	14.4%	13.4%
General Merchandise										
1-yr % change	-6.3%	-5.7%	-6.4%	5.1%	4.0%	1.9%	0.9%	0.1%	-0.1%	-0.1%
4-yr % change	27.8%	28.2%	28.0%	43.8%	42.8%	40.4%	39.3%	38.5%	38.1%	37.7%
Total B&M retail										
1-yr % change	-2.6%	-2.3%	-2.1%	2.9%	1.5%	0.1%	-0.7%	-1.5%	-1.7%	-2.4%
4-yr % change	10.3%	10.8%	11.3%	17.4%	16.2%	14.9%	13.3%	12.1%	11.3%	10.5%
Total online retail (card not present)										
1-yr % change	-5.0%	-4.4%	-3.2%	-2.0%	-1.9%	-1.6%	-1.6%	-1.6%	-1.9%	-2.4%
4-yr % change	69.4%	70.7%	73.3%	76.5%	76.7%	77.2%	77.0%	77.2%	76.7%	75.7%
Total card debit										
1-yr % change	-2.0%	-1.8%	-0.5%	2.3%	1.5%	1.6%	1.4%	1.0%	0.9%	-0.7%
4-yr % change	20.8%	22.3%	25.0%	29.8%	31.4%	32.4%	31.0%	29.2%	28.0%	25.5%
Total card credit										
1-yr % change	-2.7%	-2.3%	-1.2%	1.9%	1.5%	1.2%	1.0%	0.6%	0.6%	-0.6%
4-yr % change	19.3%	20.0%	21.7%	25.3%	24.7%	24.7%	24.1%	23.0%	22.1%	20.5%

Source: BAC internal data. Note: The 1-yr % change shows the change between the current date at the head of the table column and its comparable date a year ago and the 4-yr % change shows the percentage change with the comparable date four years ago. Total card spending includes total BAC card activity, which captures retail sales and services that are paid with cards. Does not include ACH payments. B&M (Brick & Mortar) retail means retail purchases at the store. Card not present is largely online but could include purchases made over the phone. This heat map fills out the data since our last publication, which had data through Apr 1. Going forward, we will generally show heat maps with two weeks' worth of data.

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Methodology explained

Readers should be aware that although the BAC datasets utilized in our analysis represent a significant number of data points, they nevertheless present a degree of selection bias, including but not limited to income levels and geographies. In addition, the data is limited to debit and credit cards and does not include other payment methods such as cash or checks.

Data regarding merchants who receive payments are identified and classified by the Merchant Categorization Code (MCC) defined by financial services companies. The data are mapped using proprietary methods from the MCCs to the North American Industry Classification System (NAICS), which is also used by the Census Bureau, in order to classify spending data by subsector. Spending data may also be classified by other proprietary methods not using MCCs.

BAC data used in this report include spending from active US households (HHs) only. Spending from corporate cards is excluded.

Our methodology for calculating the growth rates for daily data: we calculate the %y/y growth rate and the 4-year % change by matching calendar days (Jan 1, 2023 matched to Jan 1, 2022, and Jan 1, 2019, respectively). The % change is calculated based on the 7-day moving average of spending levels.

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