

Commercial Aerospace

Airline Traffic Tracker – January pass. Traffic -0.4% and cargo +2.8% vs. 2019

Industry Overview

Passenger demand remains down 0.4% vs. 2019

In January 2024, total market passenger air travel (RPKs) was 0.4% below Jan 2019 pre-pandemic levels, reflecting receding headwinds from ongoing COVID-19 disruptions. The market has strongly recovered from April 2020 bottom (which was down 93.4% vs. 2019). RPKs on a LTM basis are in line with levels last seen in the mid-2010s, see Exhibit 7. IATA is estimating a return to 2019 levels by the end of 2024, with North America leading the regions. Passenger demand continues to increase since the beginning of 2023 as the reopening of China accelerated growth in Asia/Pacific.

PLF levels at 79.9% in January 2024

Total market capacity (ASKs) was down 0.5% vs. Jan 2019 levels, significantly up from the April 2020 trough of 85.5% below 2019. Passenger load factor (PLF) was 79.9% in Jan 2024, slightly below the August 2019 peak of 85.7%. PLF has recovered considerably from the bottom of 37.4% in April 2020.

International market still recovering

January 2024 international RPKs were down 4.3% vs. Jan 2019. International markets have reported a slower recovery in the last months from the April 2020 bottom (-98.3% vs. 2019). Economy international passenger volumes (PAX) were 2.3% above 2019 levels as of Jan 2024, compared to Premium PAX, which was 1.8% below 2019 levels. International PLF was 79.7% vs. the 28.9% low point in April 2020. APAC market RPKs are still down 16.3% vs. Jan 2019, the lowest of all the regions. However, the reopening of China accelerated international growth considerably in recent months.

Domestic markets up 6.7% vs. 2019 levels

Domestic RPKs were 6.7% above Jan 2019 levels, reflecting a significant recovery from the -84.7% vs. 2019 trough in April 2020. Domestic markets continue to be the main driver behind the recovery in air traffic demand, with China 15.0% above Jan 2019, and the U.S. 5.9% above Jan 2019. Asia/Pacific domestic markets were 5.8% above Jan 2019, vs. -46.8% trough in November 2022, largely driven by the reopening in China.

Cargo demand up 2.8% vs. 2019

Total market cargo demand (CTKs) increased 18.4% Y/Y in Jan 2024 and was up 2.8% vs. 2019. Total market cargo capacity (ACTKs) is 5.5% above 2019. Increasing lower belly capacity has pressured cargo load factor (CLF). January 2024 CLF of 45.7% is above 44.3% a year ago and below 46.9% in 2019. The air cargo market has cooled significantly in recent months after record highs during the COVID-19 pandemic. Parked freighters increased 3ppt year to date. We believe this implies slowing consumer demand and, more broadly, a slowdown in the global economy.

28 February 2024

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RPK: Revenue passenger kilometres

ASK: Available Seat Kilometres

ACTK: Available Cargo Tonne
Kilometres

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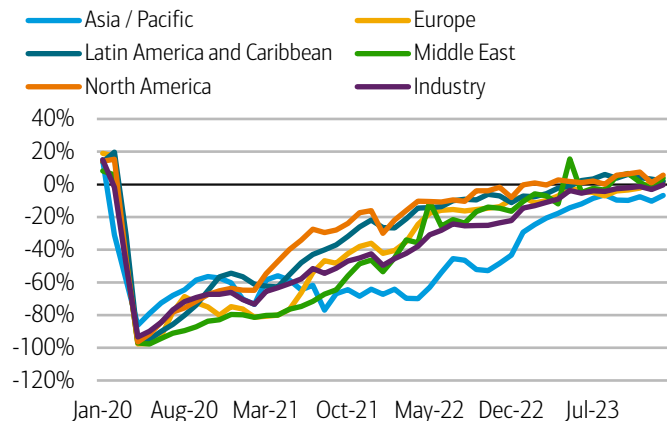
Timestamp: 28 February 2024 03:00AM EST

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Total market demand down 0.4% vs. 2019

Exhibit 1: 0.4% change in monthly RPKs vs. 2019

Total market demand was down 0.4% vs. 2019

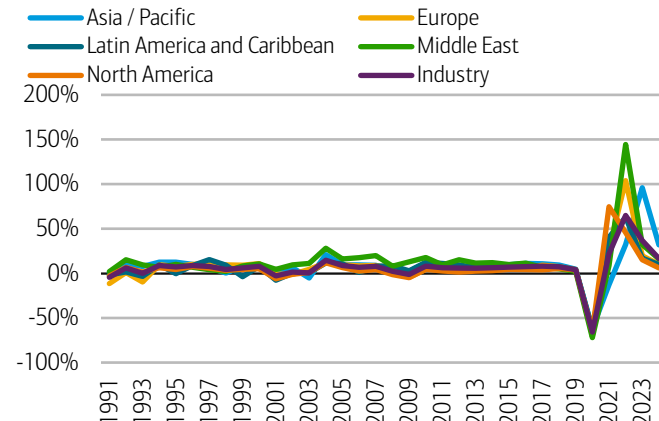


Source: IATA

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Exhibit 2: Y/Y % change in annual RPKs 1991 to date

The COVID pandemic has caused unprecedented declines on RPKs

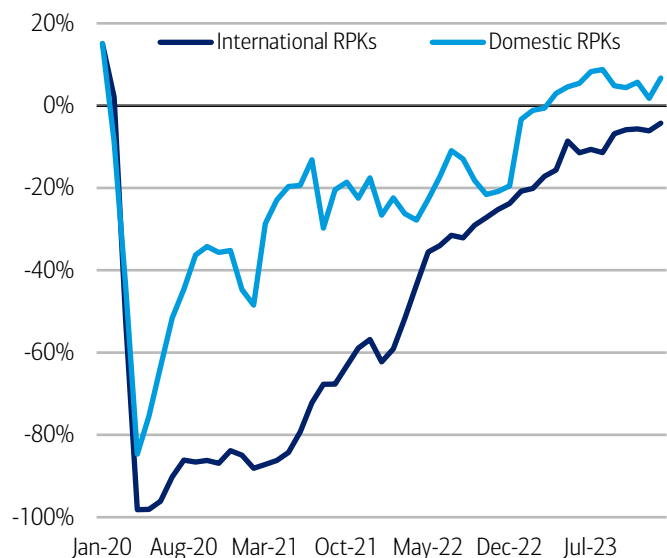


Source: IATA

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Exhibit 3: Exhibit 3: % change in monthly RPKs vs. 2019

Domestic RPKs were 6.7% above 2019

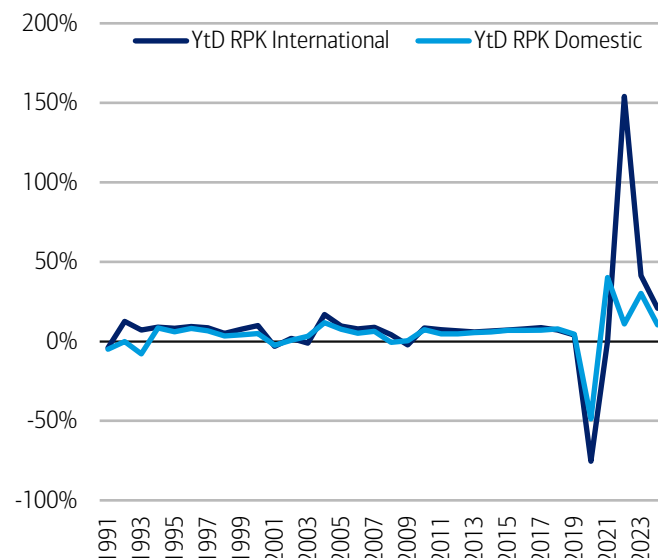


Source: IATA

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Exhibit 4: Exhibit 4: Y/Y % change in annual RPKs 1991 to date

International market demand has been stronger YTD

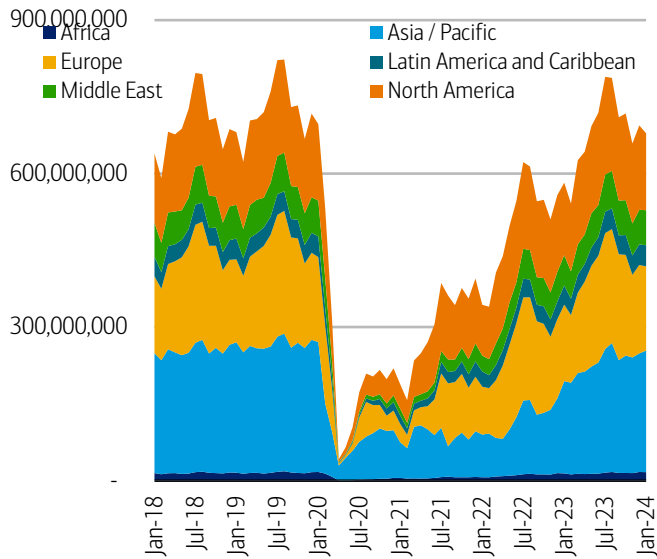


Source: IATA

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Exhibit 5: Exhibit 5: Total market RPKs

Monthly RPKs Jan 2018 to date

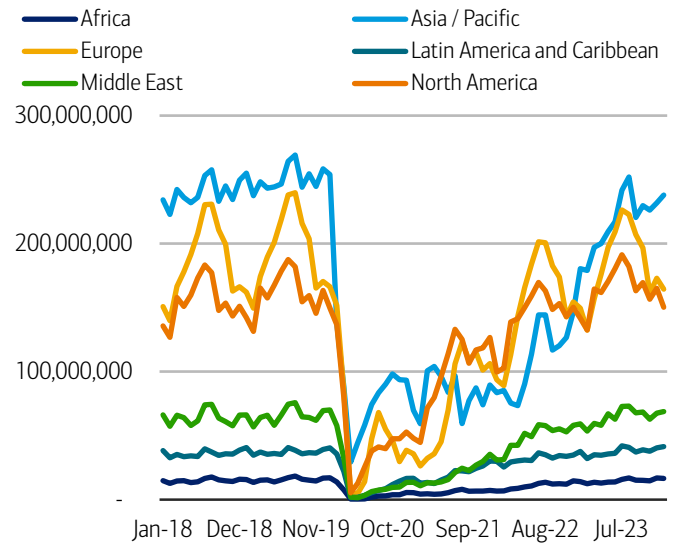


Source: IATA

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Exhibit 6: Exhibit 5: Total market RPKs

Monthly RPKs Jan 2018 to date

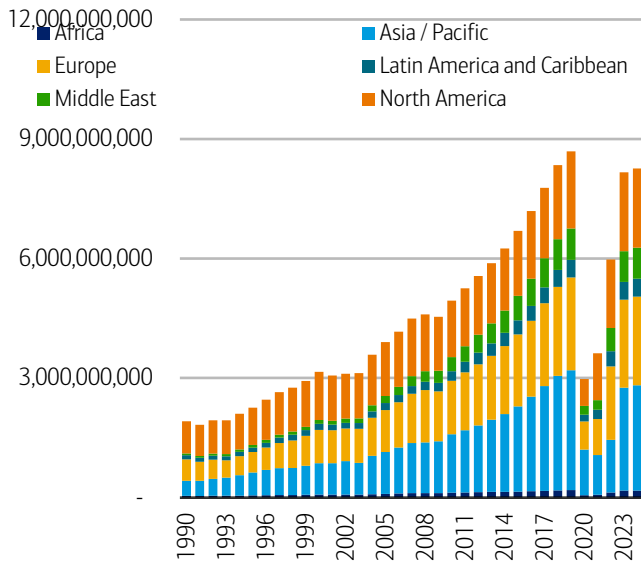


Source: IATA

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Exhibit 7: Annual RPKs 1991 to date

Annual RPKs 1991 to date

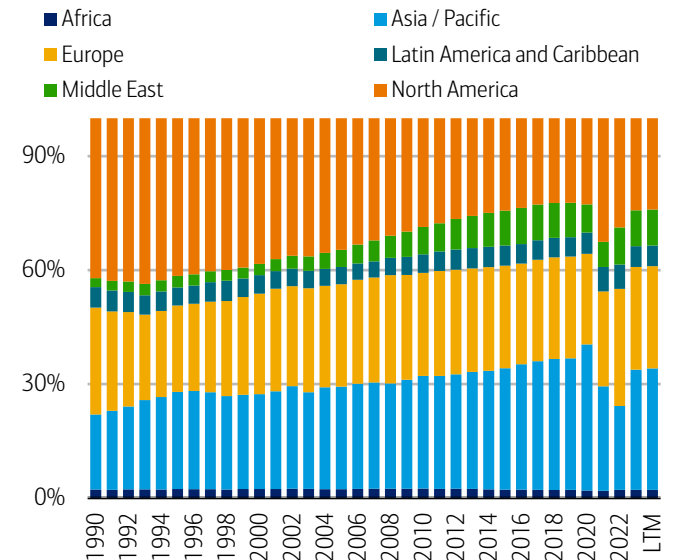


Source: IATA

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Exhibit 8: Annual RPKs 1991 to date – share by region

Annual RPKs 1991 to date – share by region

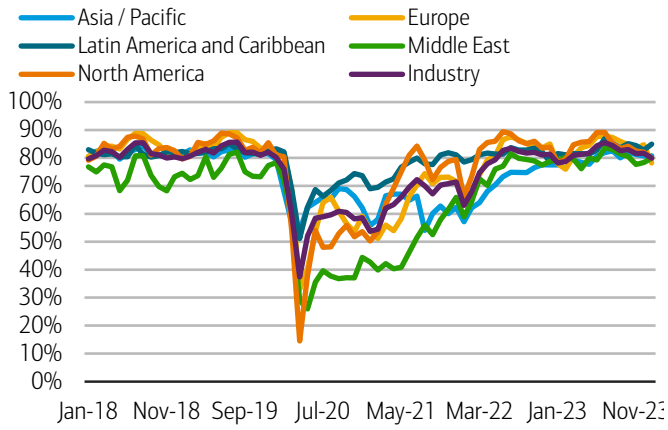


Source: IATA

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Exhibit 9: Total market PLF

PLF improved to 79.9% from a low of 37.4% in 2020

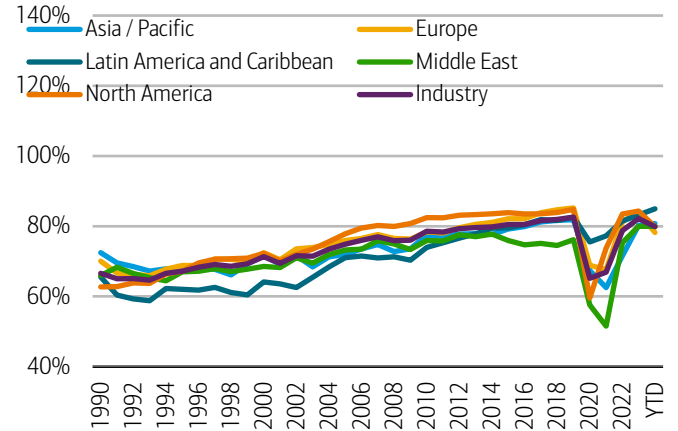


Source: IATA

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Exhibit 10: Annual PLF 1990 to date

Annual PLF 1990 to date

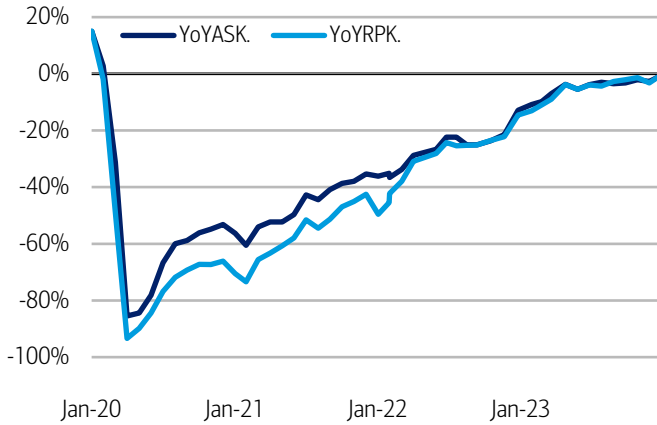


Source: IATA

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Exhibit 11: % change in monthly RPKs and ASKs vs. 2019

RPKs were more negatively impacted by COVID-19 than ASKs

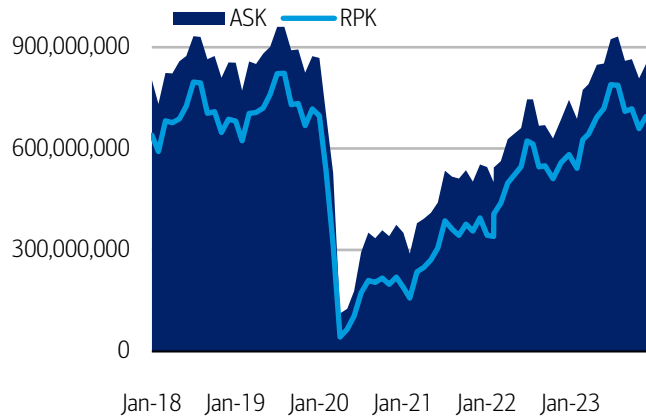


Source: IATA

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Exhibit 13: Monthly ASKs and RPKs Jan 2018 to date

RPKs decreased faster than ASKs at the onset of COVID

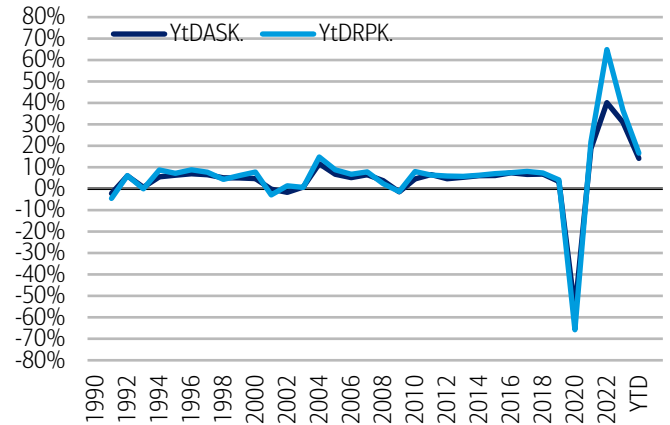


Source: IATA

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Exhibit 12: Y/Y % change in annual ASKs and RPKs 1991 to date

Y/Y % change in annual ASKs and RPKs 1991 to date

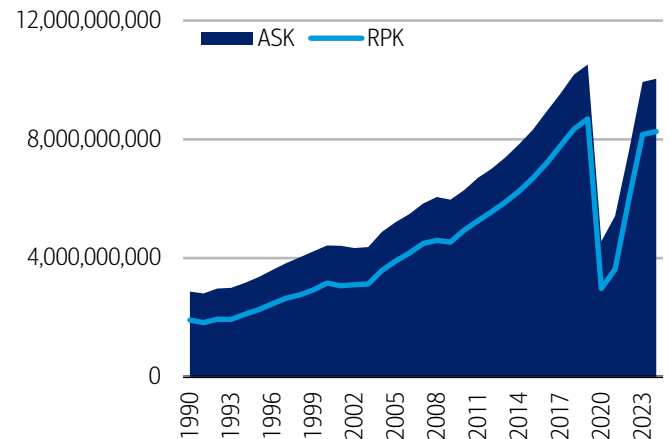


Source: IATA

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Exhibit 14: Annual ASKs and RPKs 1990 to date

Total market capacity (ASKs) was down 0.5% vs. 2019 levels



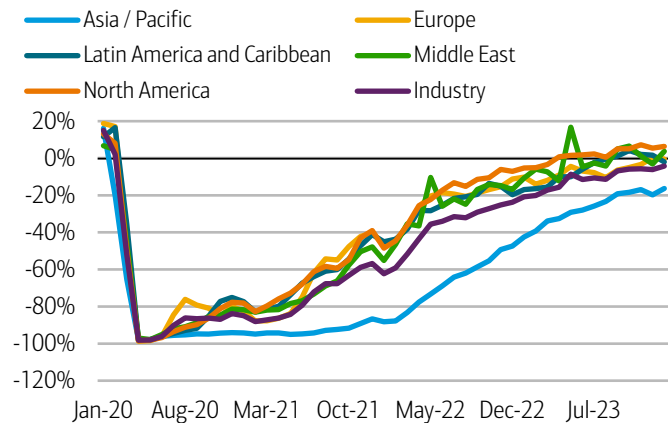
Source: IATA

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International demand down 4.3% vs. 2019

Exhibit 15: % change in monthly RPKs vs. 2019

International RPKs were 4.3% below 2019 levels

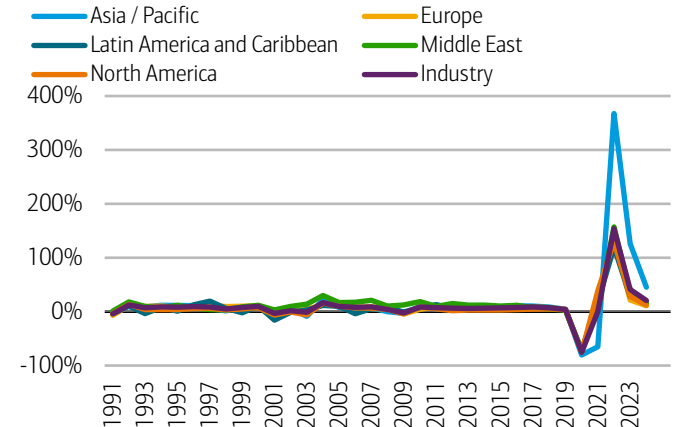


Source: IATA

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Exhibit 16: Y/Y % change in annual RPKs 1991 to date

The pandemic caused unprecedented declines in international demand

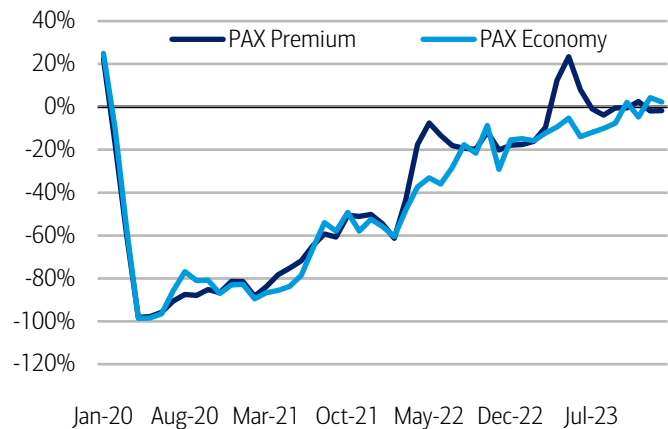


Source: IATA

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Exhibit 17: % change in monthly PAX volumes vs. 2019

Both premium and economy PAX volumes remain under pressure

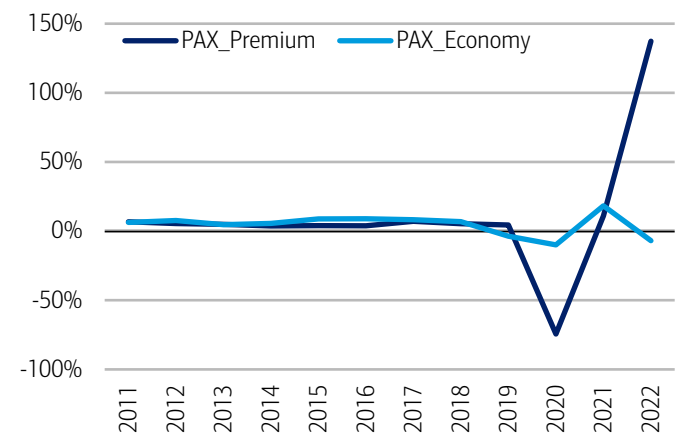


Source: IATA, note there is one month lag in data

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Exhibit 18: Y/Y % change in annual Premium vs. Economy passengers – 2011 to date*

Premium passenger volumes rose significantly in 2022 Y/Y

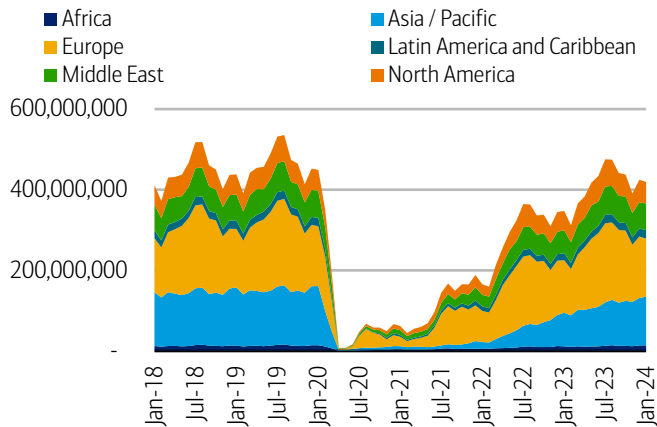


Source: IATA, note there is one month lag in data

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Exhibit 19: Monthly RPKs Jan 2018 to date

Total monthly RPKs increased in January 2024

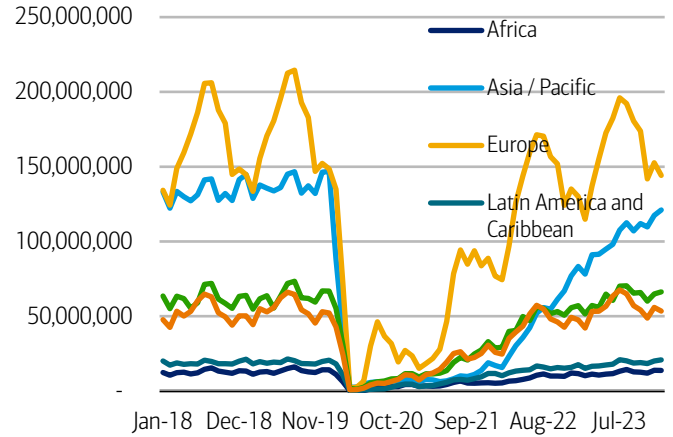


Source: IATA

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Exhibit 20: Monthly RPKs Jan 2018 to date by region

Europe RPKs showed a significant recovery in summer 2022

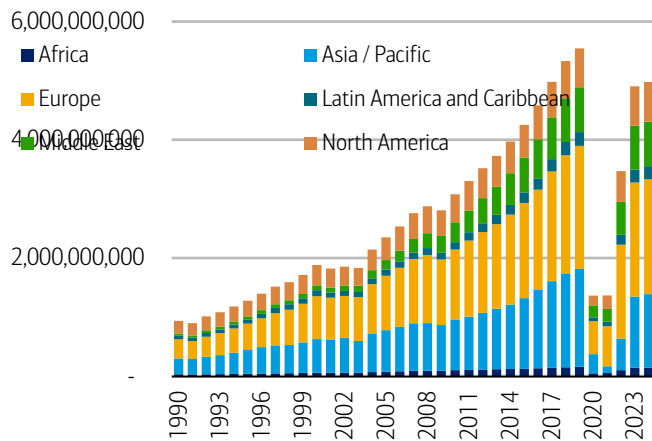


Source: IATA

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Exhibit 21: Annual international RPKs 1990 to date

LTM RPKs continue to recover post-COVID

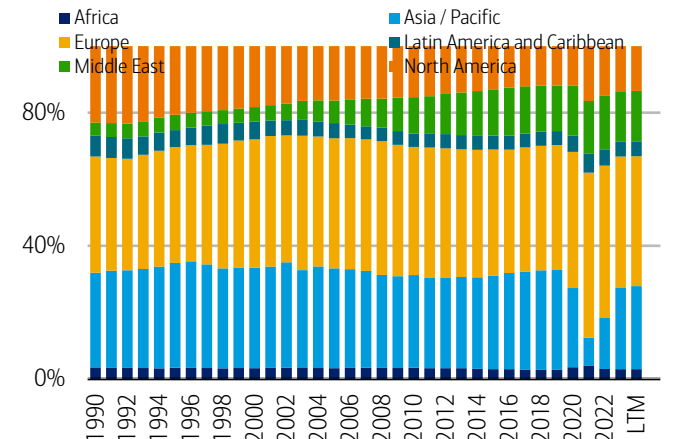


Source: IATA

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Exhibit 22: Annual RPKs 1990 to date – share by region

Europe represents ~50% of international demand

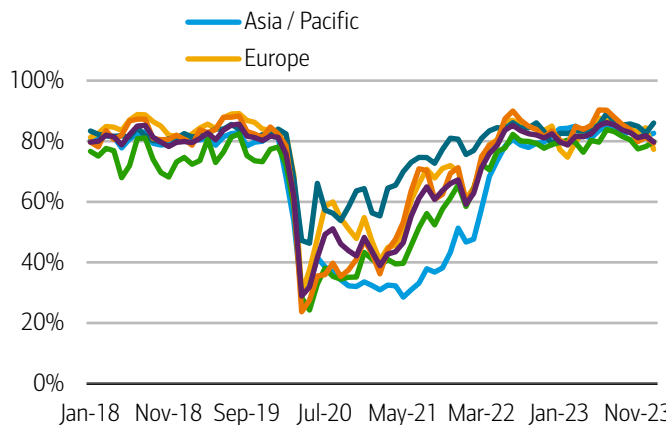


Source: IATA

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Exhibit 23: Monthly PLFs Jan 2018 to date

International PLFs were 79.7% in January 2024

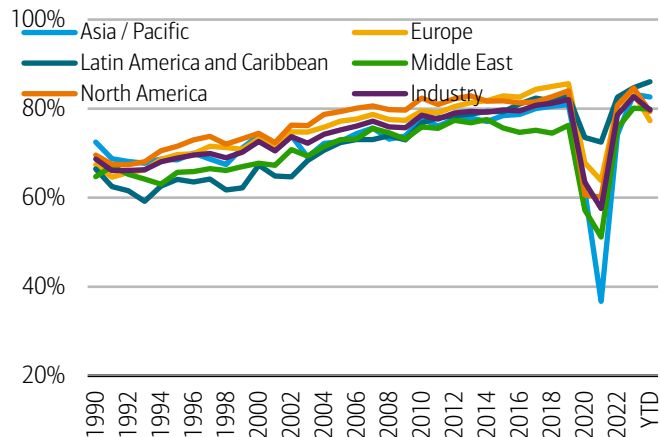


Source: IATA

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Exhibit 24: Annual PLFs 1990 to date

Industry PLF is showing signs of recovery

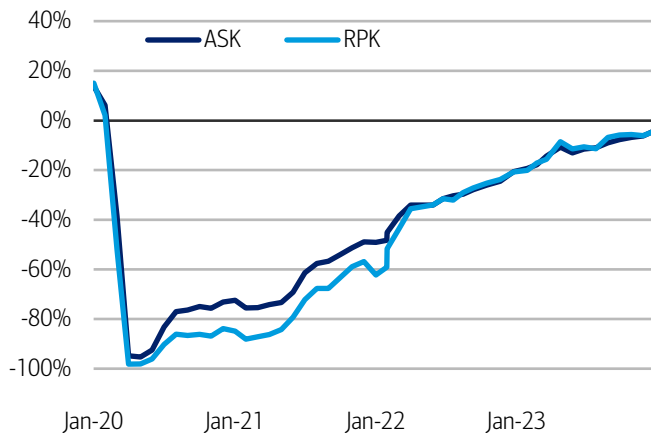


Source: IATA

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Exhibit 25: % change in monthly ASKs and RPKs vs. 2019

RPK declines have exceeded ASK cuts since the beginning of the pandemic

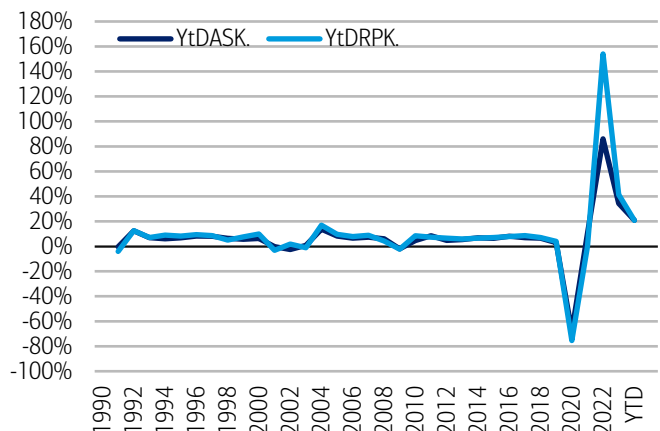


Source: IATA

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Exhibit 26: Annual ASKs and RPKs 1991 to date - y/y % change

Strong recovery in ASKs and RPKs in 2022

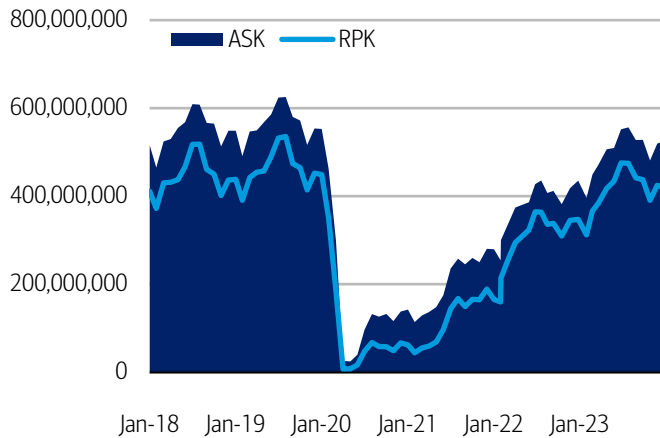


Source: IATA

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Exhibit 27: Monthly ASKs and RPKs Jan 2018 to date

ASKs and RPKs still lag pre-pandemic levels

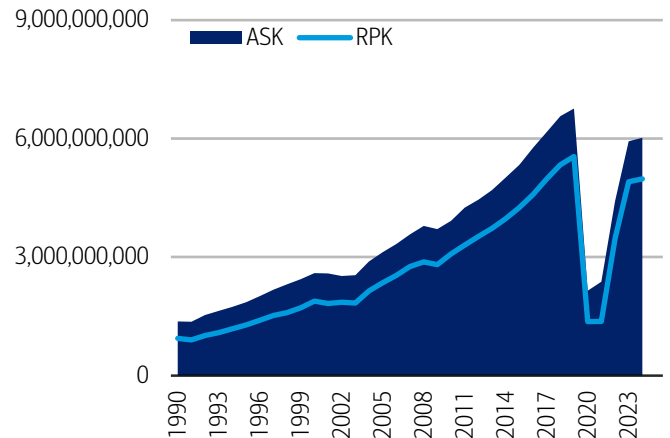


Source: IATA

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Exhibit 28: Annual ASKs and RPKs 1990 to date

The recovery since the trough in April 2020 continues

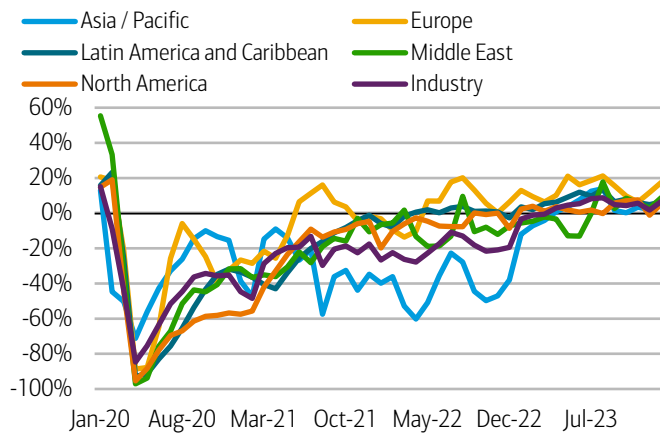


Source: IATA

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Domestic demand up 6.7% vs. 2019**Exhibit 29: % change in monthly RPKs vs. 2019**

Domestic RPKs are recovering to pre-COVID levels

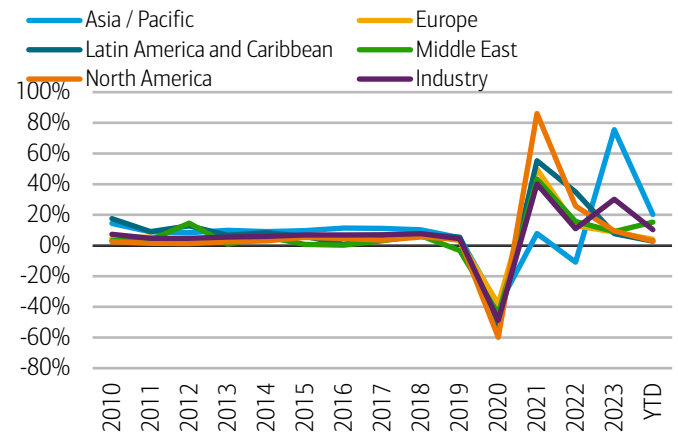


Source: IATA

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Exhibit 30: Y/Y % change in annual RPKs 1991 to date

The COVID pandemic has caused unprecedented declines on RPKs

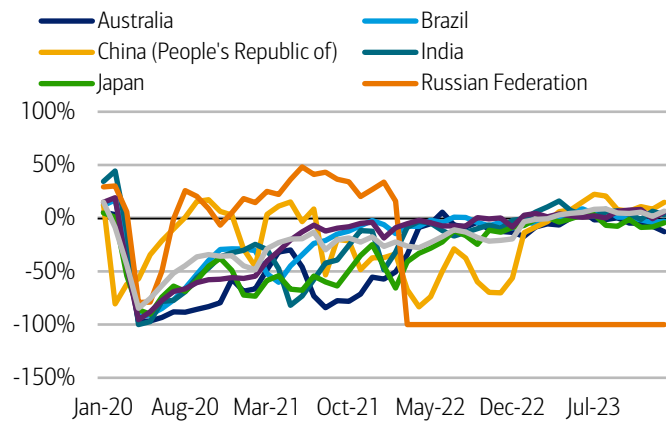


Source: IATA

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Exhibit 31: % change in monthly RPKs vs. 2019

US RPK shows the higher recovery from 2019 levels

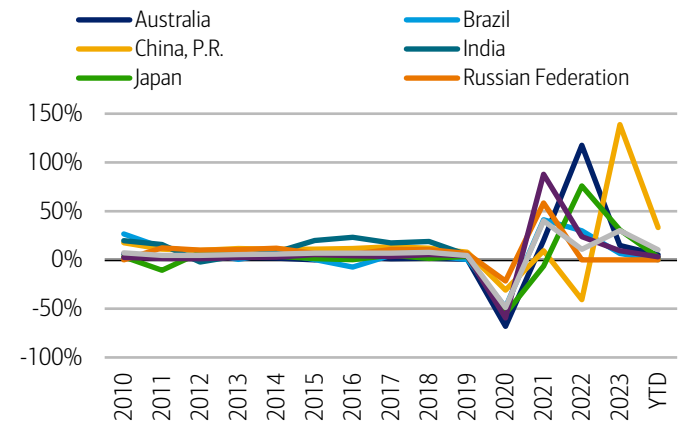


Source: IATA

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Exhibit 32: Y/Y % change in annual RPKs 2010 to date by country

Y/Y % change in annual RPKs 2010 to date by country

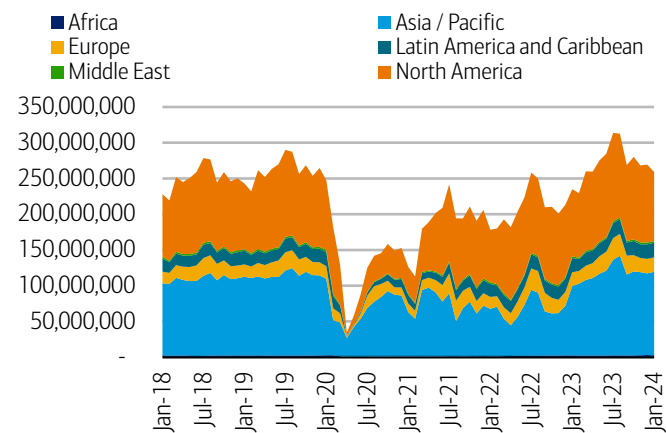


Source: IATA

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Exhibit 33: Monthly RPKs Jan 2018 to date

Monthly RPKs Jan 2018 to date

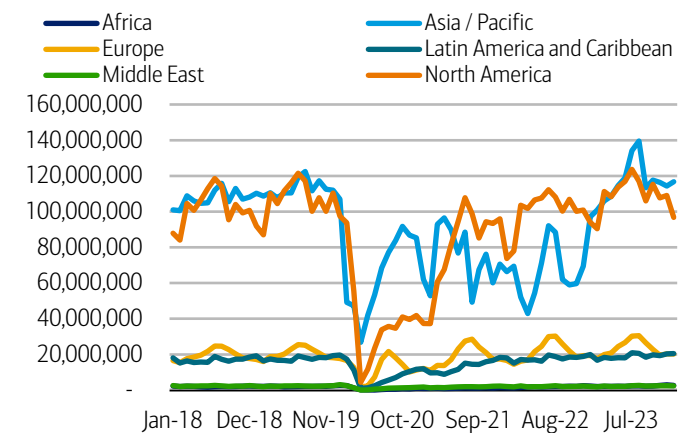


Source: IATA

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Exhibit 34: Monthly RPKs Jan 2018 to date by region

Monthly RPKs Jan 2018 to date by region

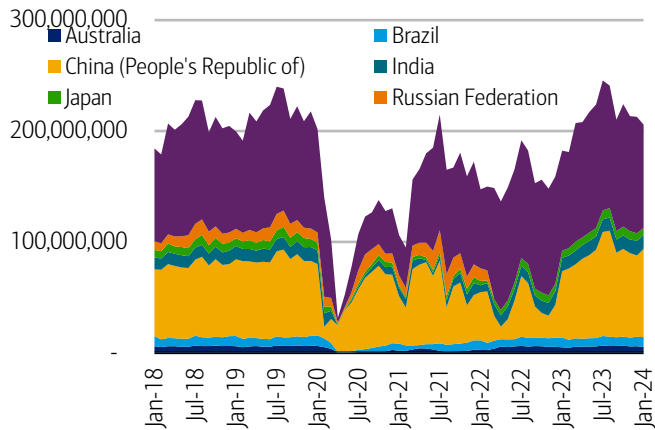


Source: IATA

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Exhibit 35: Monthly RPKs Jan 2018 to date by country

Monthly RPKs Jan 2018 to date by country

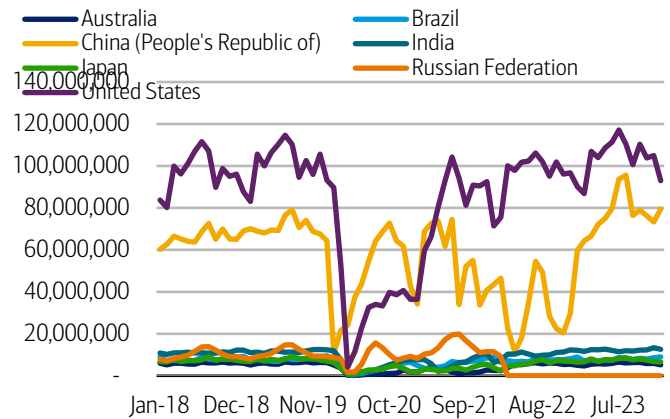


Source: IATA

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Exhibit 36: Monthly RPKs Jan 2018 to date by country

Monthly RPKs Jan 2018 to date by country

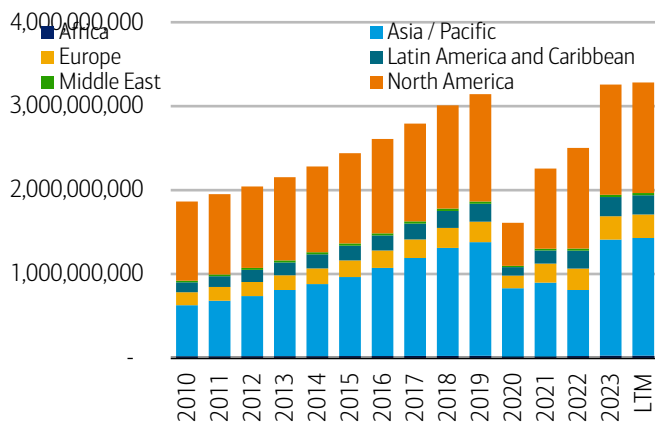


Source: IATA

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Exhibit 37: Annual RPKs 1991 to date

Annual RPKs 1991 to date

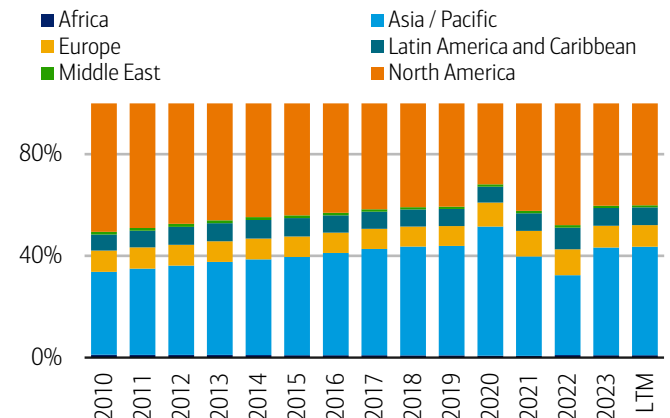


Source: IATA

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Exhibit 38: Annual RPKs 1991 to date – share by region

Annual RPKs 1991 to date – share by region

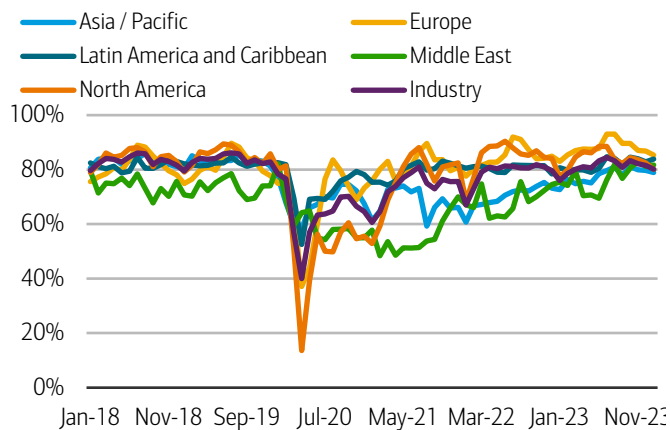


Source: IATA

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Exhibit 39: Monthly PLF Jan 2018 to date

Monthly PLF Jan 2018 to date



Source: IATA

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Exhibit 41: % change in monthly ASKs and RPKs vs. 2019

RPK declines have exceeded ASK cuts since the beginning of the pandemic

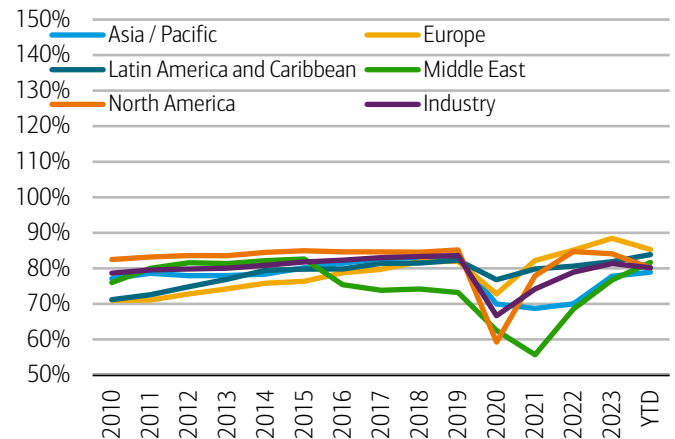


Source: IATA

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Exhibit 40: Annual PLF 1990 to date

Annual PLF 1990 to date

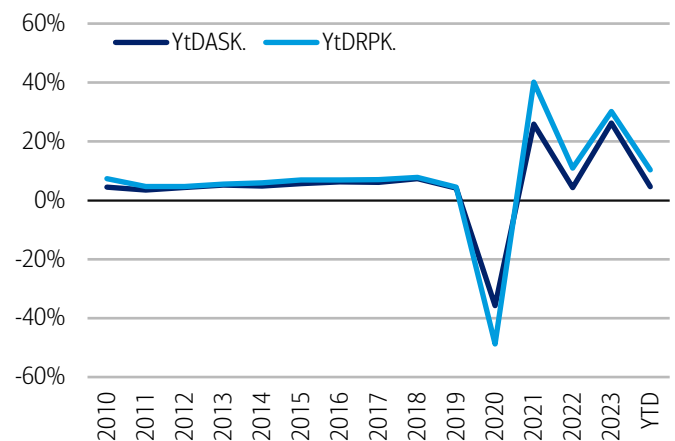


Source: IATA

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Exhibit 42: Y/Y % change in annual ASKs and RPKs 1991 to date

Y/Y % change in annual ASKs and RPKs 1991 to date

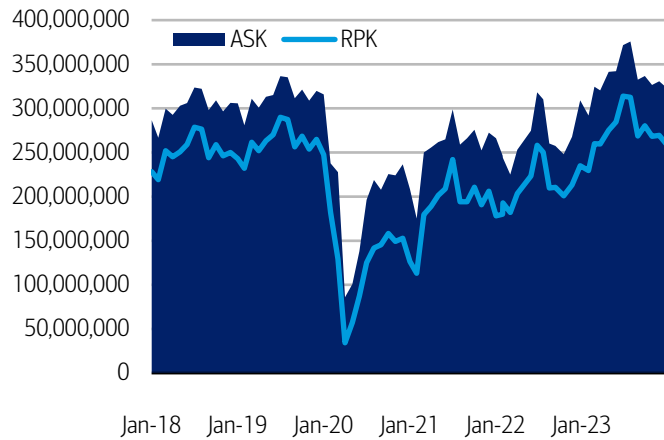


Source: IATA

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Exhibit 43: Monthly ASKs and RPKs Jan 2018 to date

Monthly ASKs and RPKs Jan 2018 to date

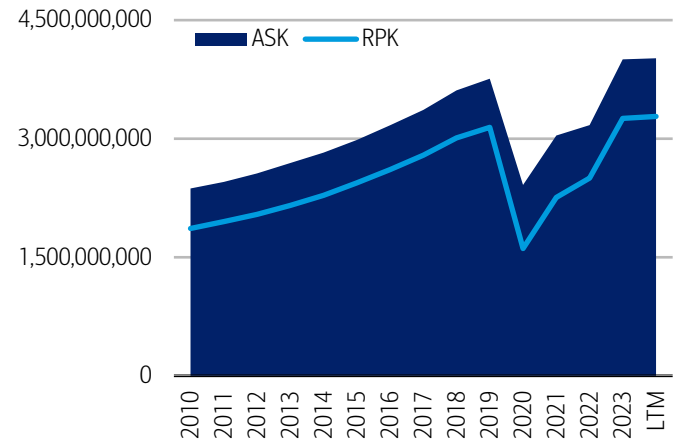


Source: IATA

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Exhibit 44: Annual ASKs and RPKs 1990 to date

Domestic RPK declines exceeded ASK cuts since the pandemic started



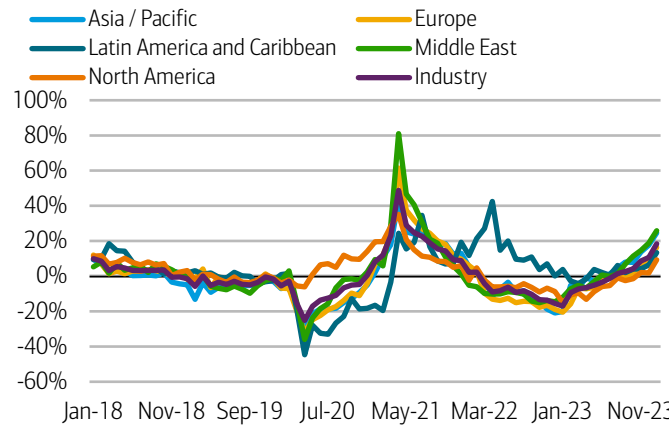
Source: IATA

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Total mkt. cargo demand up 2.8% vs. 2019

Exhibit 45: Y/Y % change in monthly CTGs Jan 2018 to date

Y/Y % change in monthly CTGs Jan 2018 to date

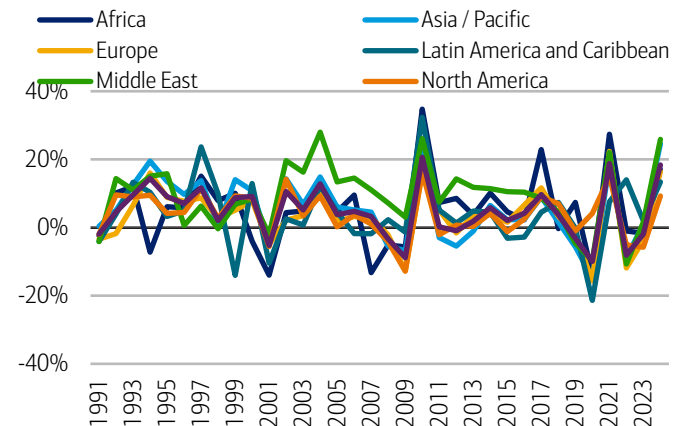


Source: IATA

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Exhibit 46: Y/Y % change in annual CTGs 1991 to date

Y/Y % change in annual CTGs 1991 to date

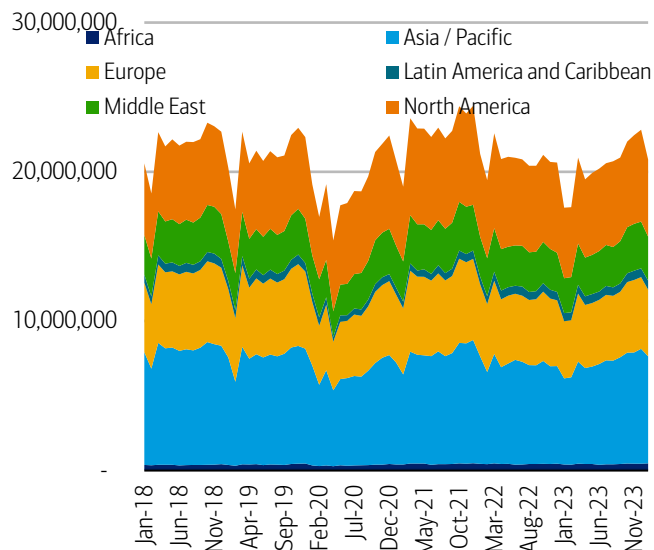


Source: IATA

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Exhibit 47: Monthly CTGs Jan 2018 to date

Monthly CTGs Jan 2018 to date

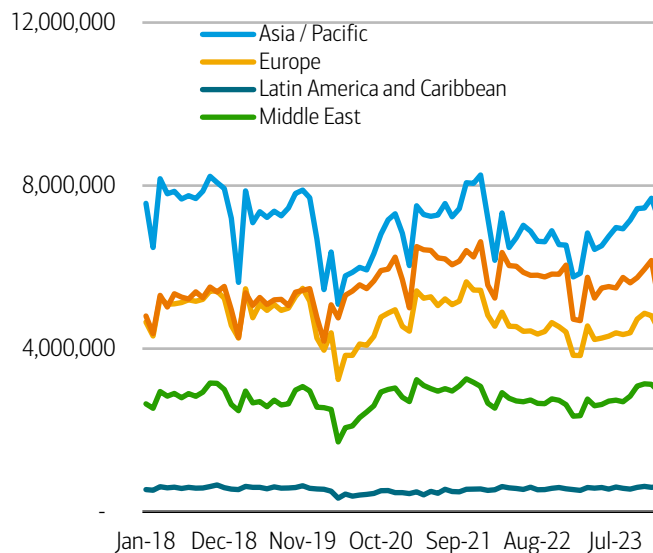


Source: IATA

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Exhibit 48: Monthly CTGs Jan 2018 to date

Monthly CTGs Jan 2018 to date

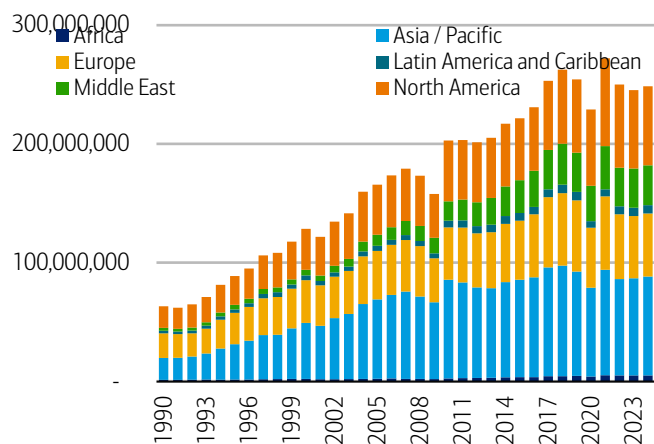


Source: IATA

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Exhibit 49: Annual CTGs 1991 to date

Annual CTGs 1991 to date

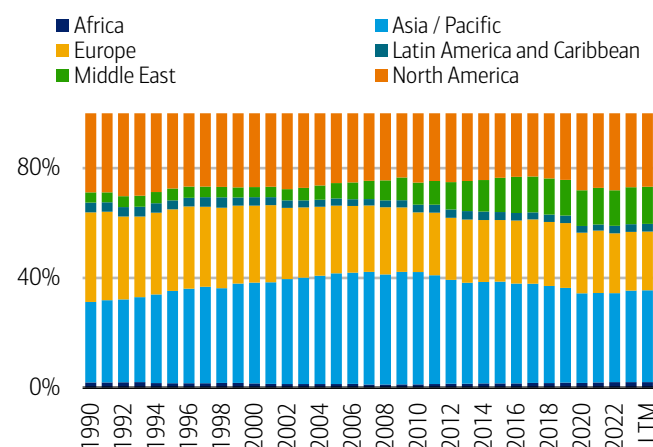


Source: IATA

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Exhibit 50: Annual CTGs 1991 to date – share by region

Annual CTGs 1991 to date – share by region

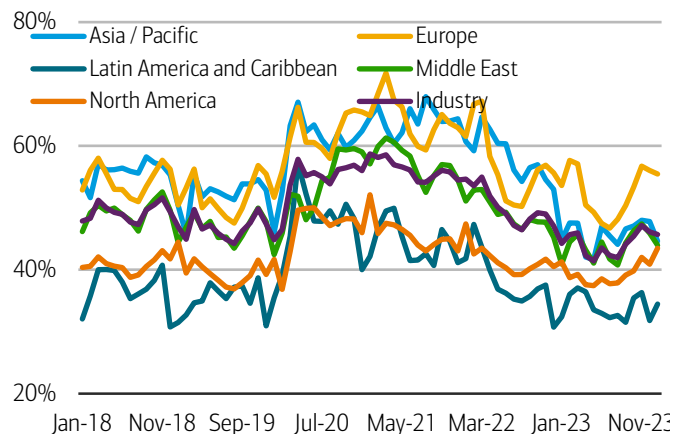


Source: IATA

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Exhibit 51: Total market CLF

Monthly CLF Jan 2018 to date

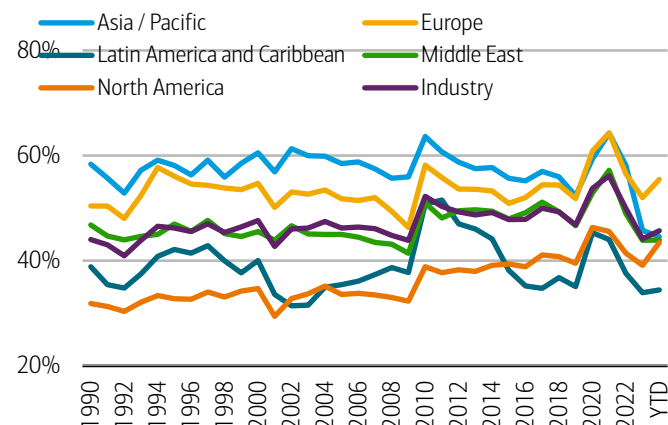


Source: IATA

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Exhibit 52: Annual CLF 1990 to date

Annual CLF 1990 to date

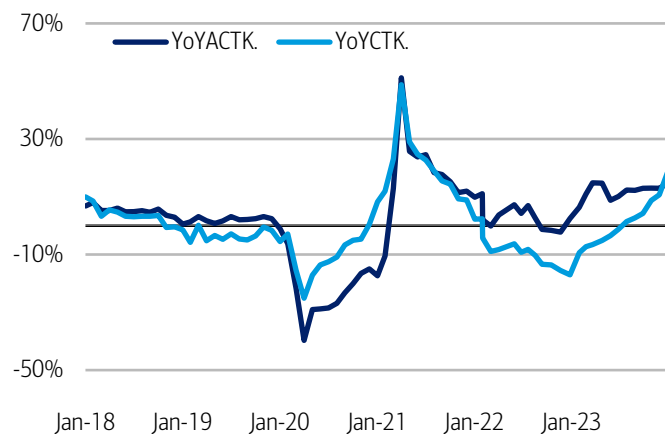


Source: IATA

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Exhibit 53: Total market ACTK vs. CTK growth

Y/Y % change in monthly CTks and ACTks Jan 2018 to date

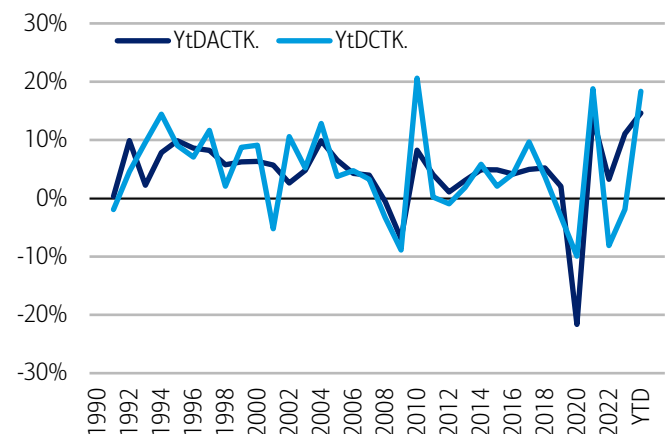


Source: IATA

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Exhibit 54: Y/Y % change in annual ACTks and CTks 1991 to date

Y/Y % change in annual ACTks and CTks 1991 to date

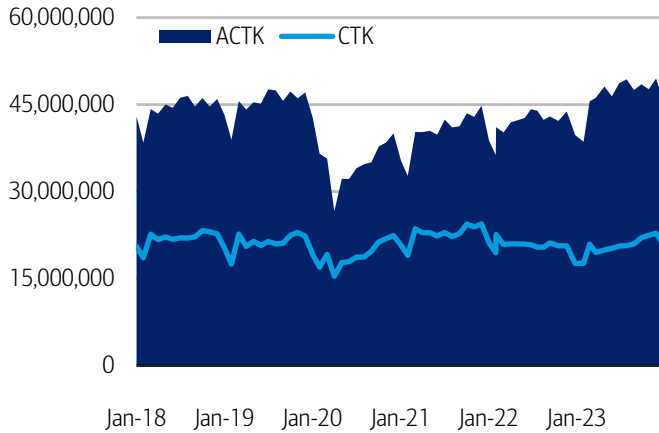


Source: IATA

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Exhibit 55: Monthly ACTKs and CTKs Jan 2018 to date

The cargo market is showing some signs of softening

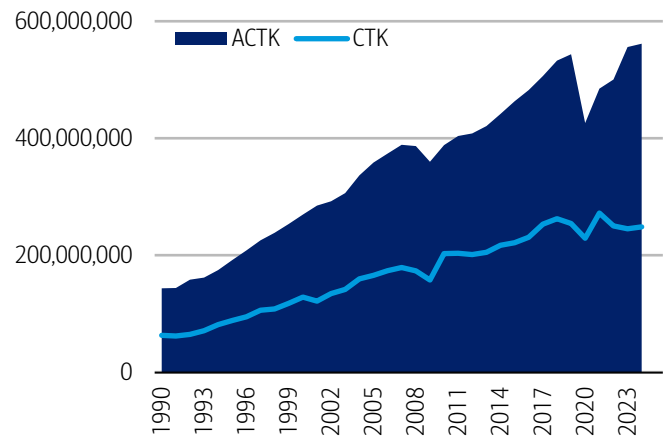


Source: IATA

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Exhibit 56: Annual ACTKs and CTKs 1991 to date

Air cargo market has cooled in recent months after record highs during the pandemic

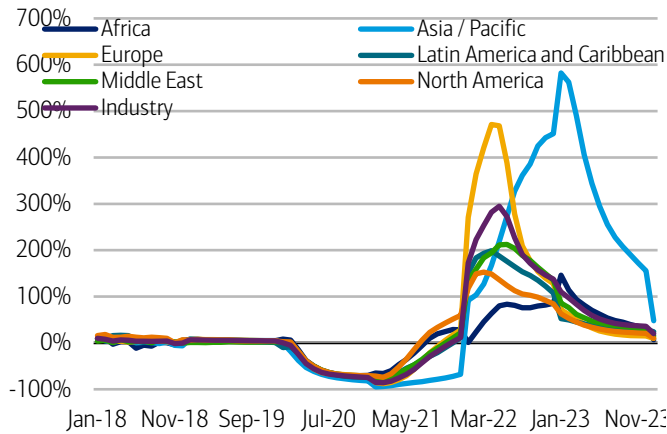


Source: IATA

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Exhibit 57: Y/Y % change in monthly international FRT volumes - Jan 2018 to date*

Y/Y % change in monthly international FRT volumes - Jan 2018 to date*

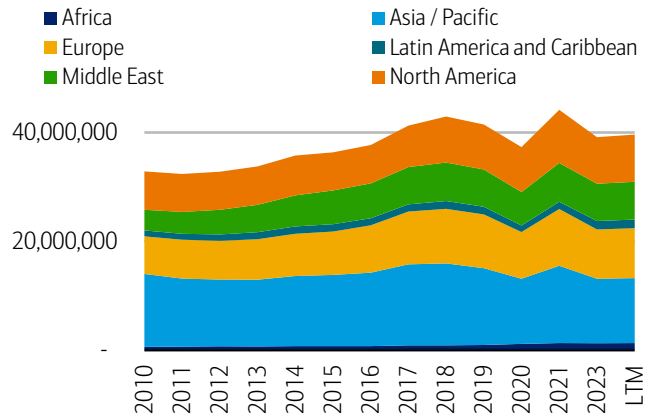


Source: IATA, note there is one month lag in data

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Exhibit 58: Annual international FRT volumes 2010 to date

Annual international FRT volumes 2010 to date



Source: IATA

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R1}
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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R1} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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