

APOLLO

Supply chain outlook: Container and air freight prices rising

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Apollo Global Management

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Unless otherwise noted, information as of January 2024

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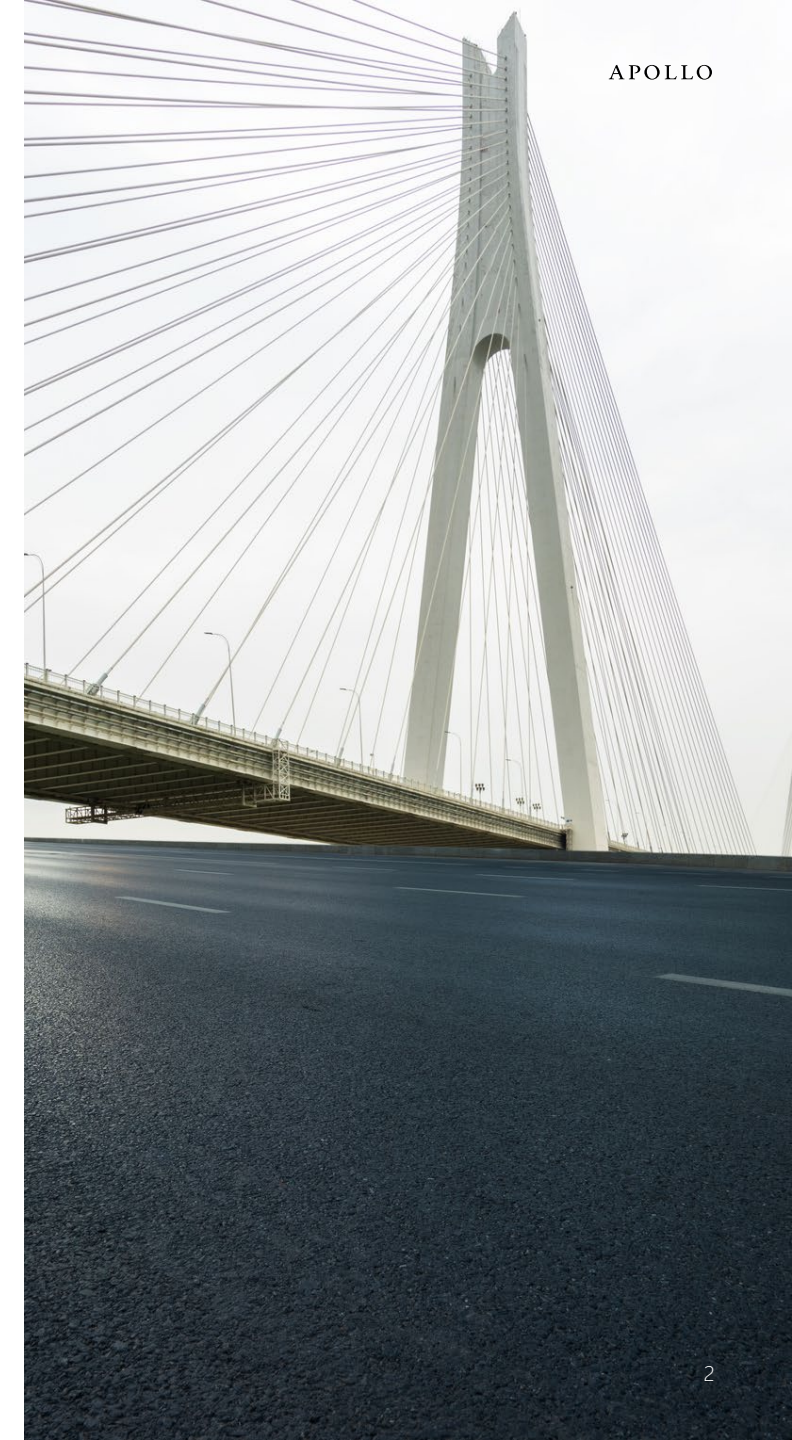
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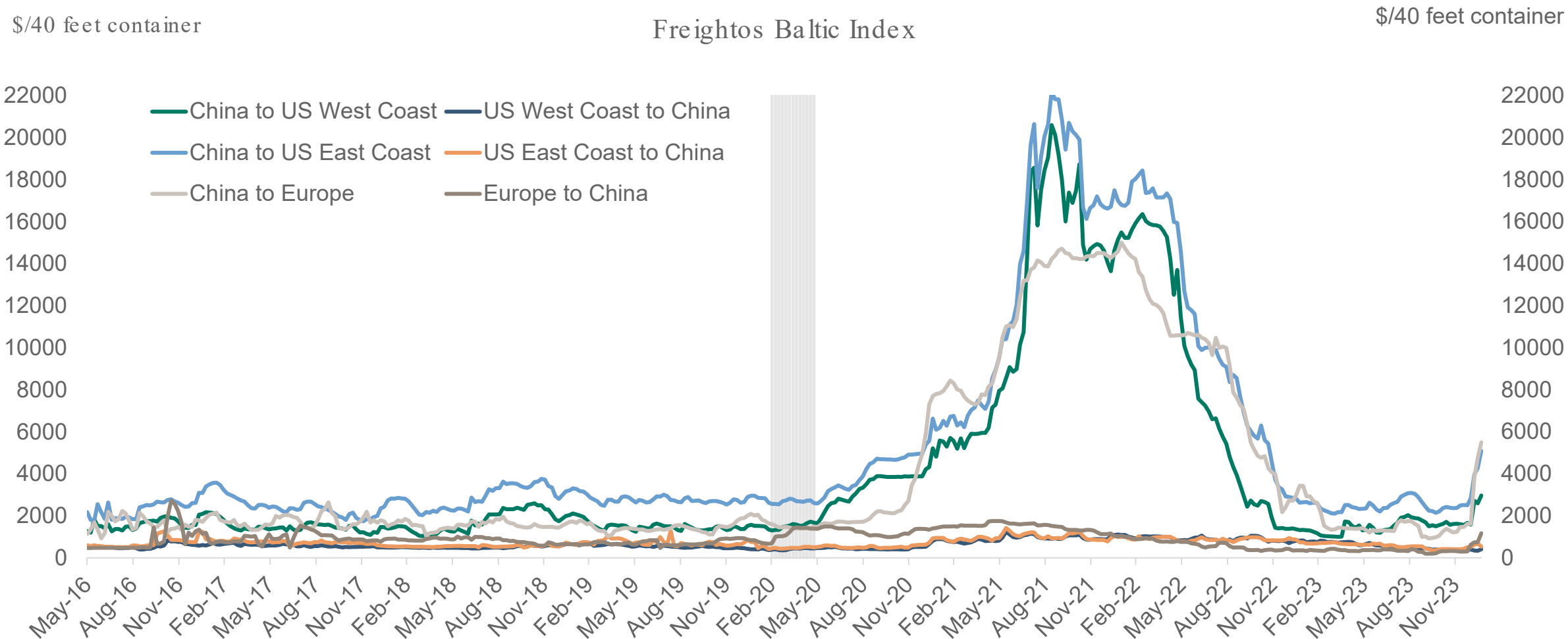
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Overview



The price of transporting a container from China



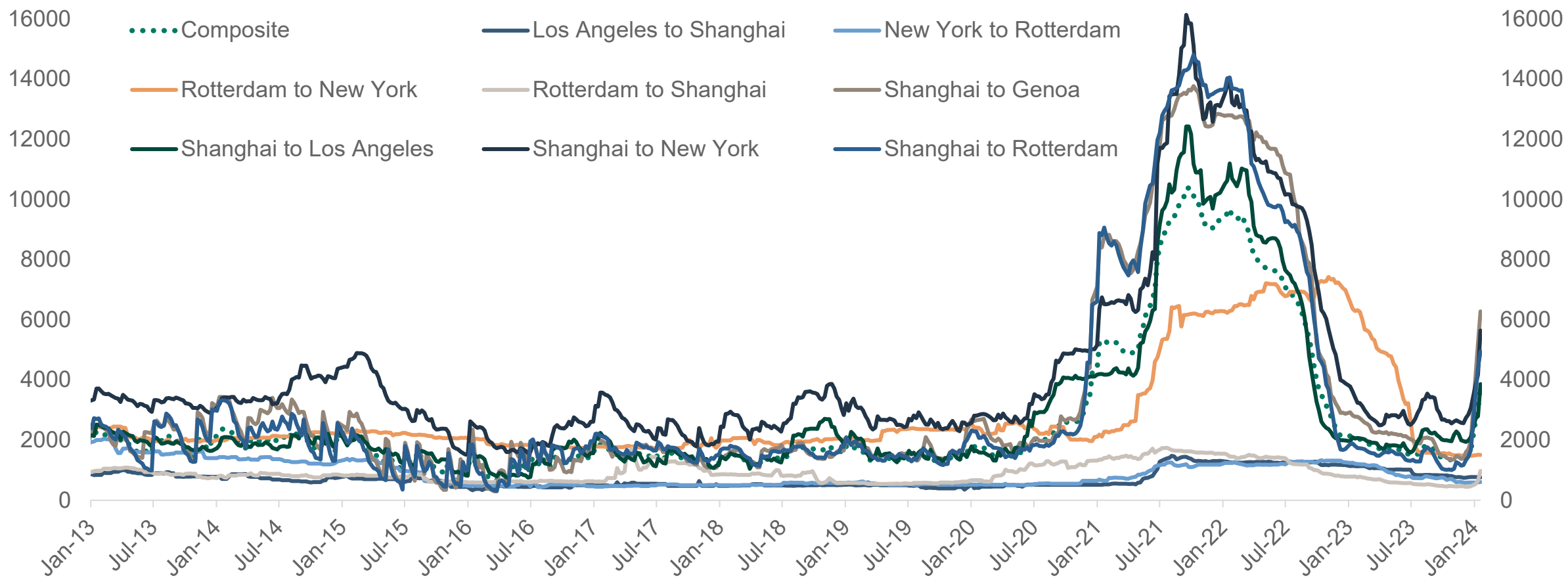
Source: Freightos, Bloomberg, Apollo Chief Economist

Container freight rates from China

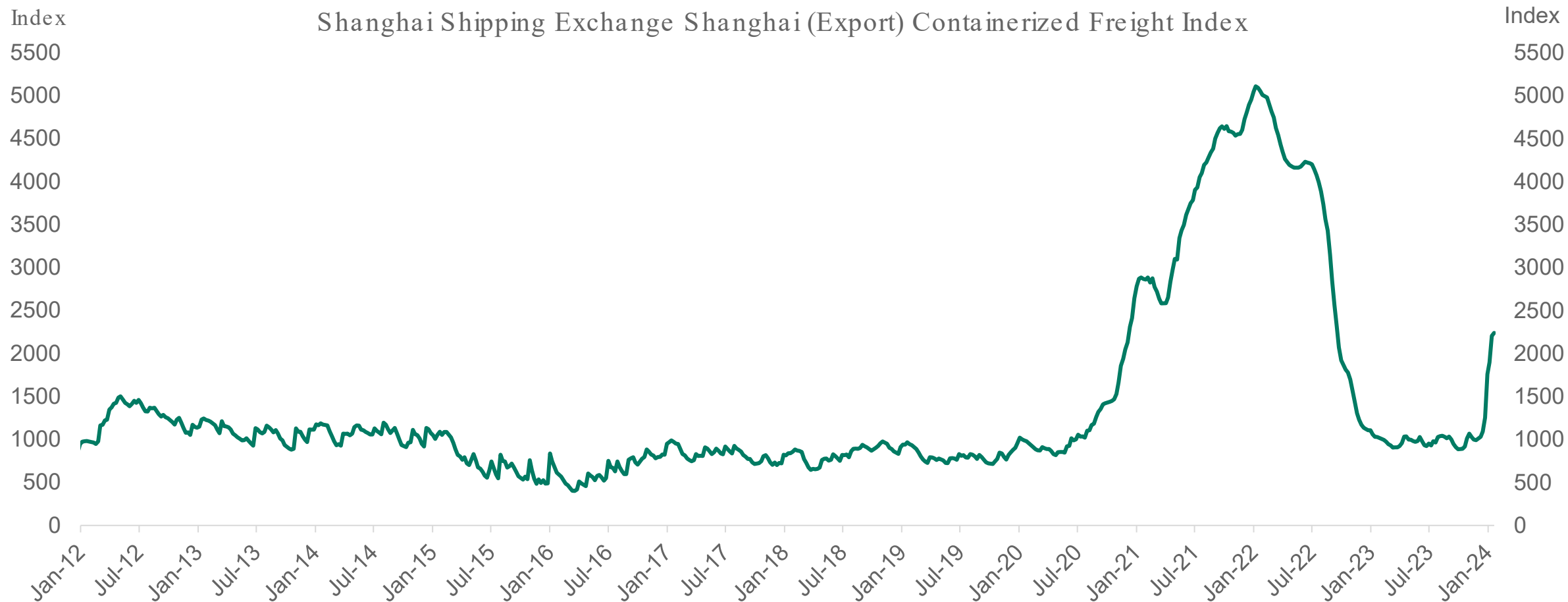
Rate per 40 foot box

Container freight rates

Rate per 40 foot box

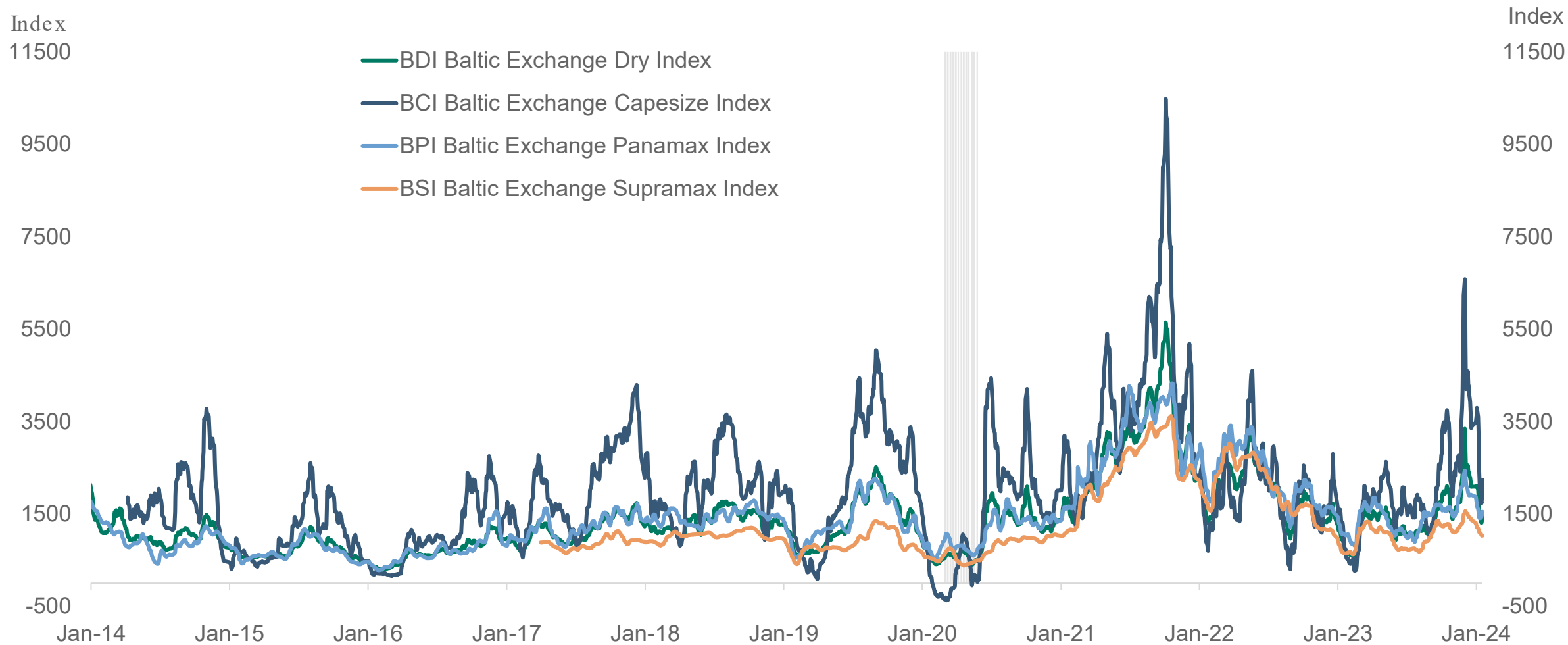


China: Containerized freight index

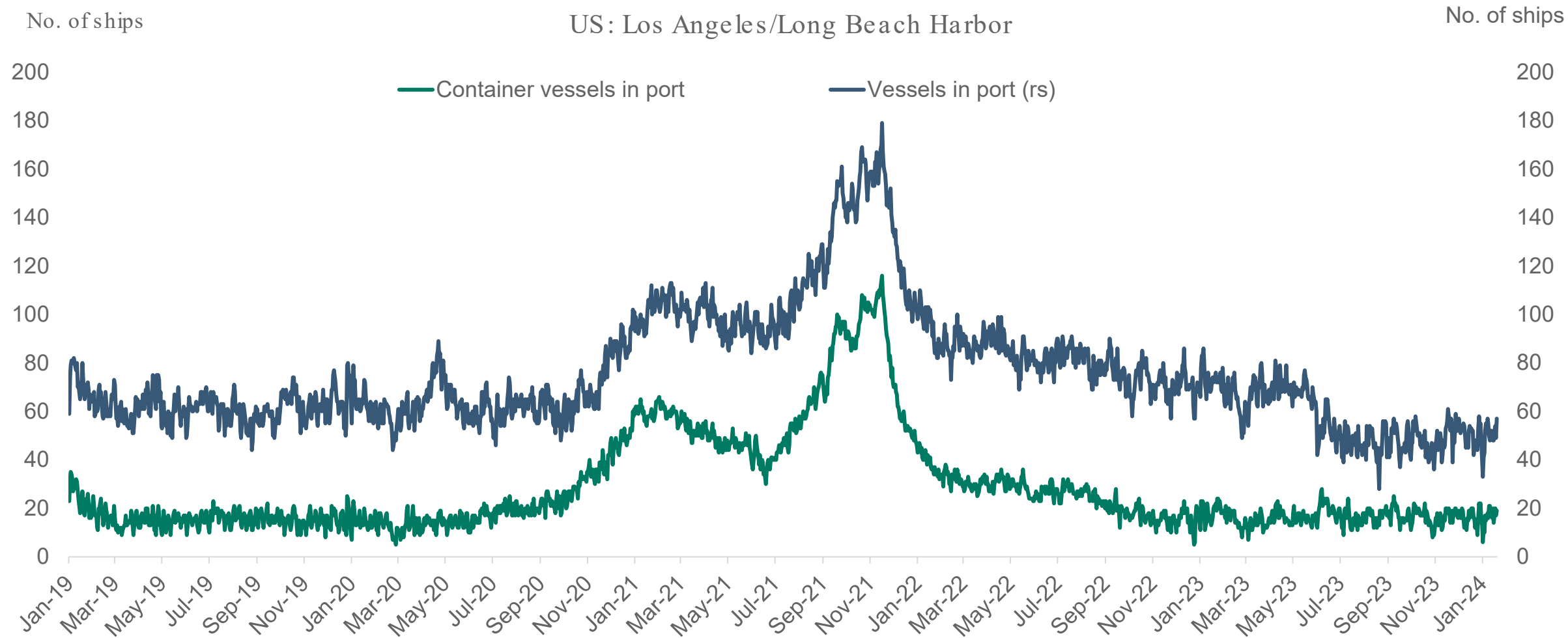


Source: Shanghai Shipping Exchange, Bloomberg, Apollo Chief Economist

Baltic Exchange indexes



Vessels at LA/Long Beach Harbor back to 2019 levels



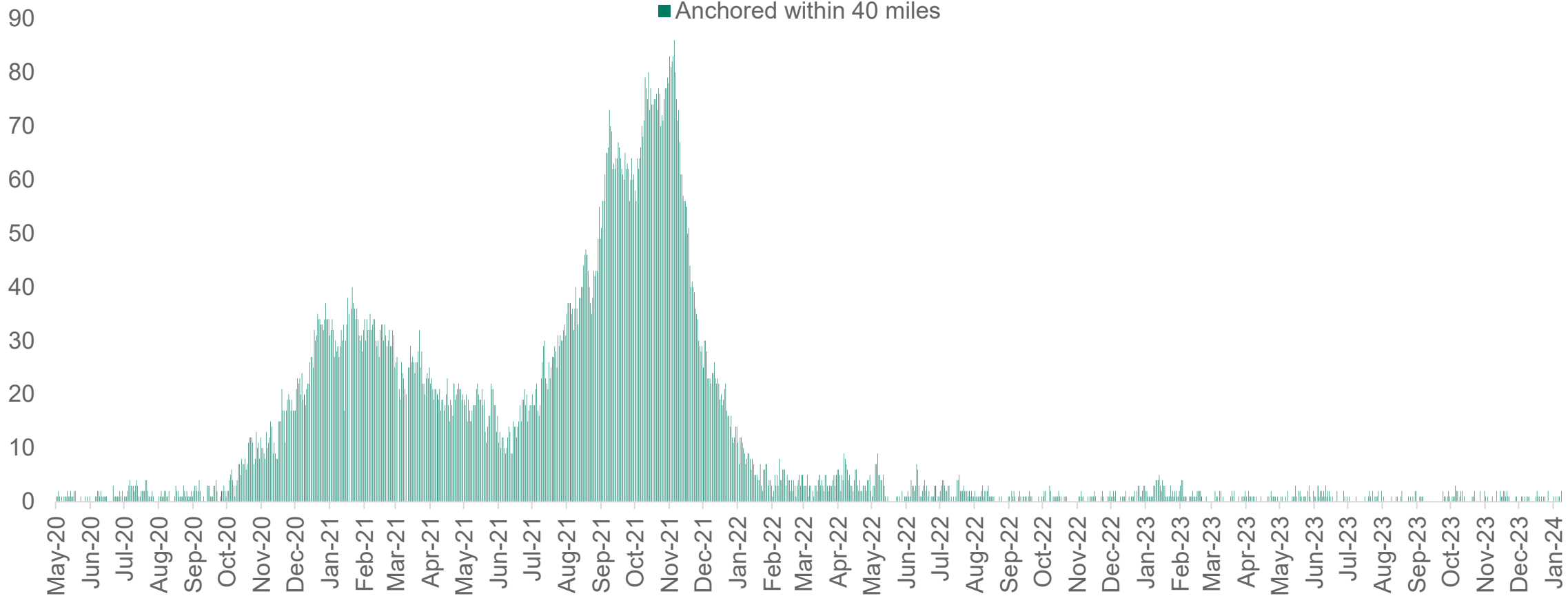
Source: The Marine Exchange of Los Angeles and Long Beach Harbors, Haver, Apollo Chief Economist

US: Los Angeles/Long Beach Harbor: Container Vessels in Port at Anchor

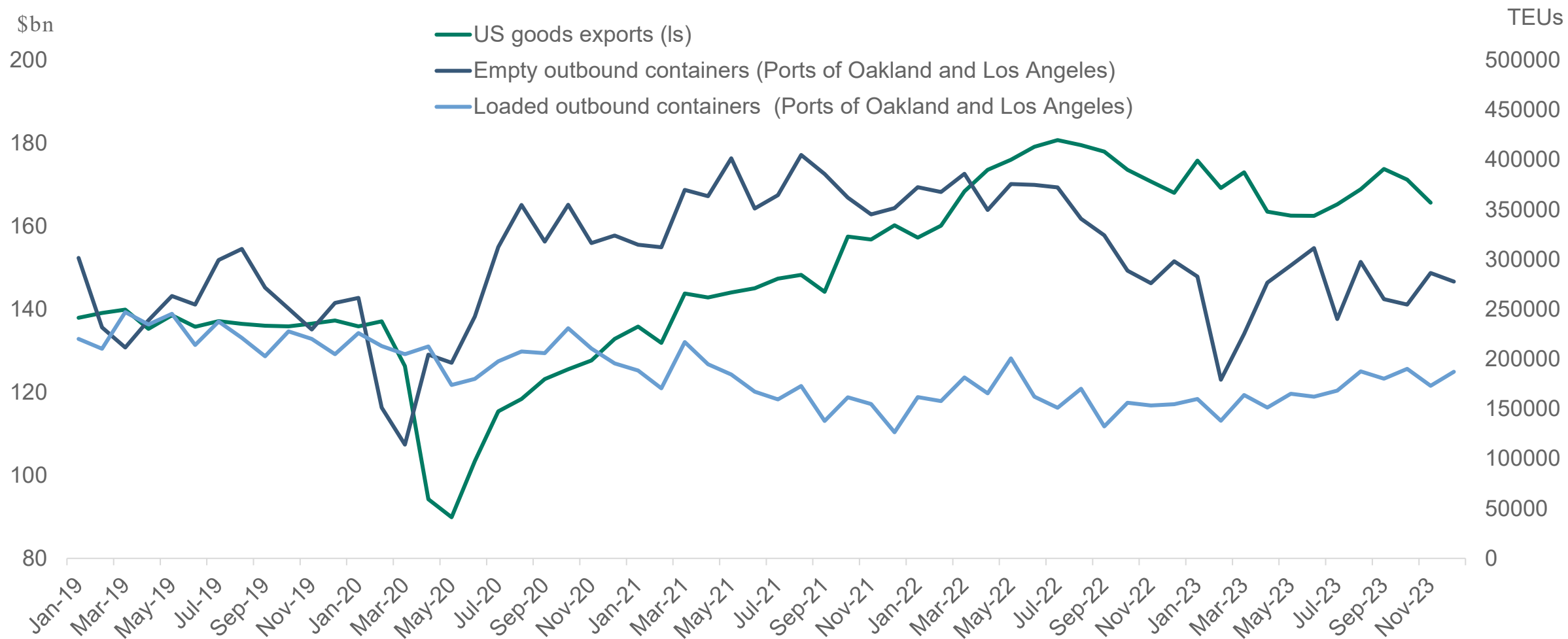
Number of ships per day

Conatiner ships waiting at LA/LB ports

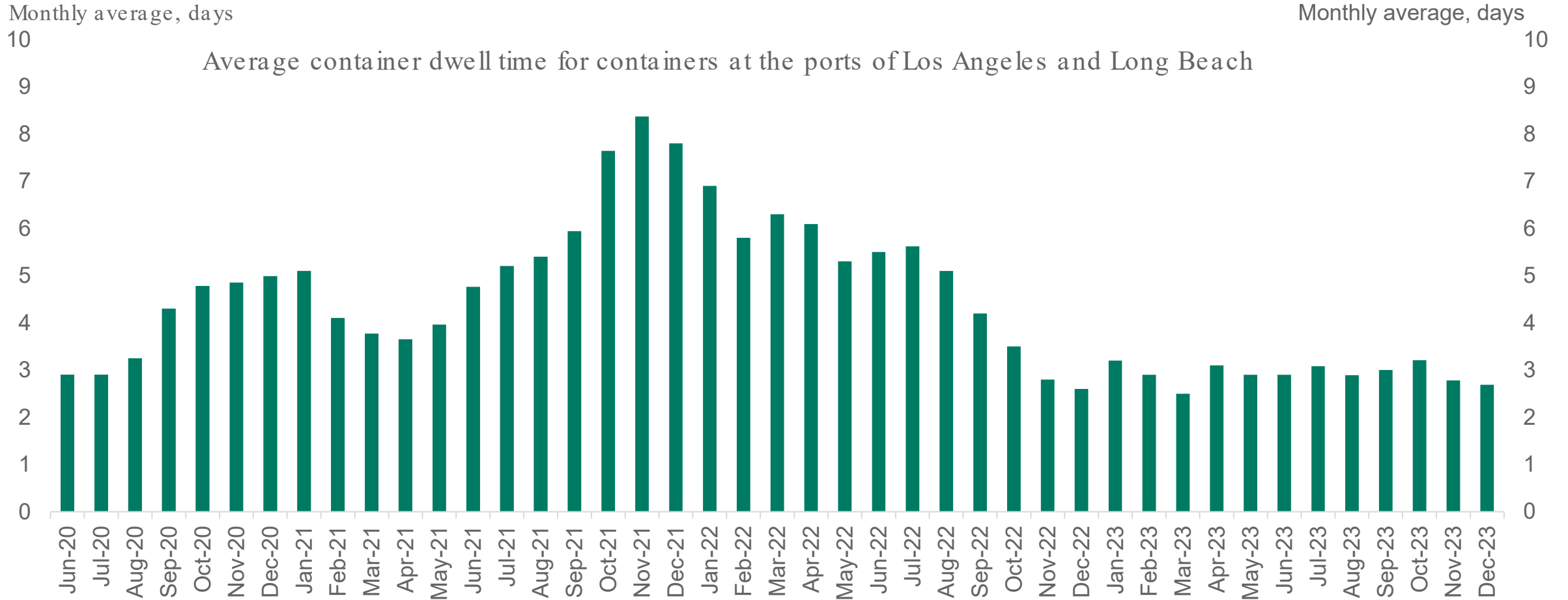
■ Anchored within 40 miles



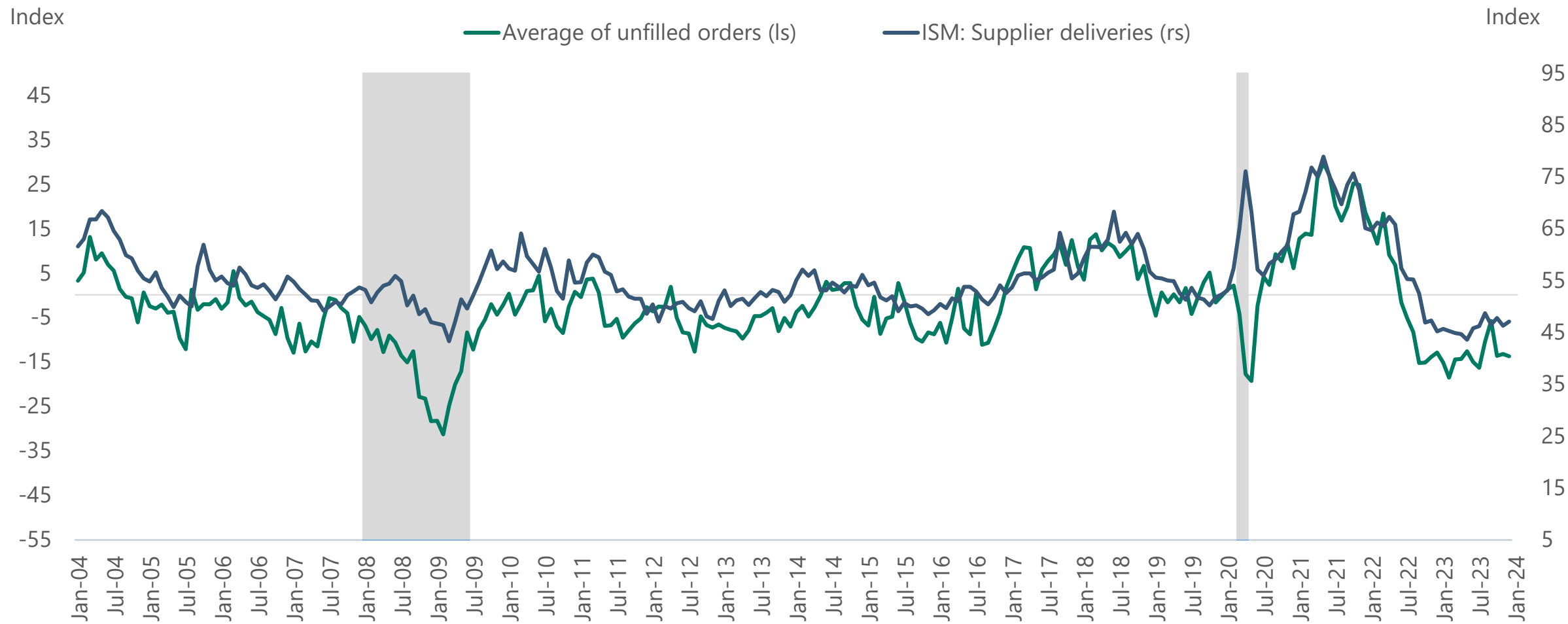
US goods exports



Amount of time a container waits to get picked up at a marine terminal after being unloaded from a vessel

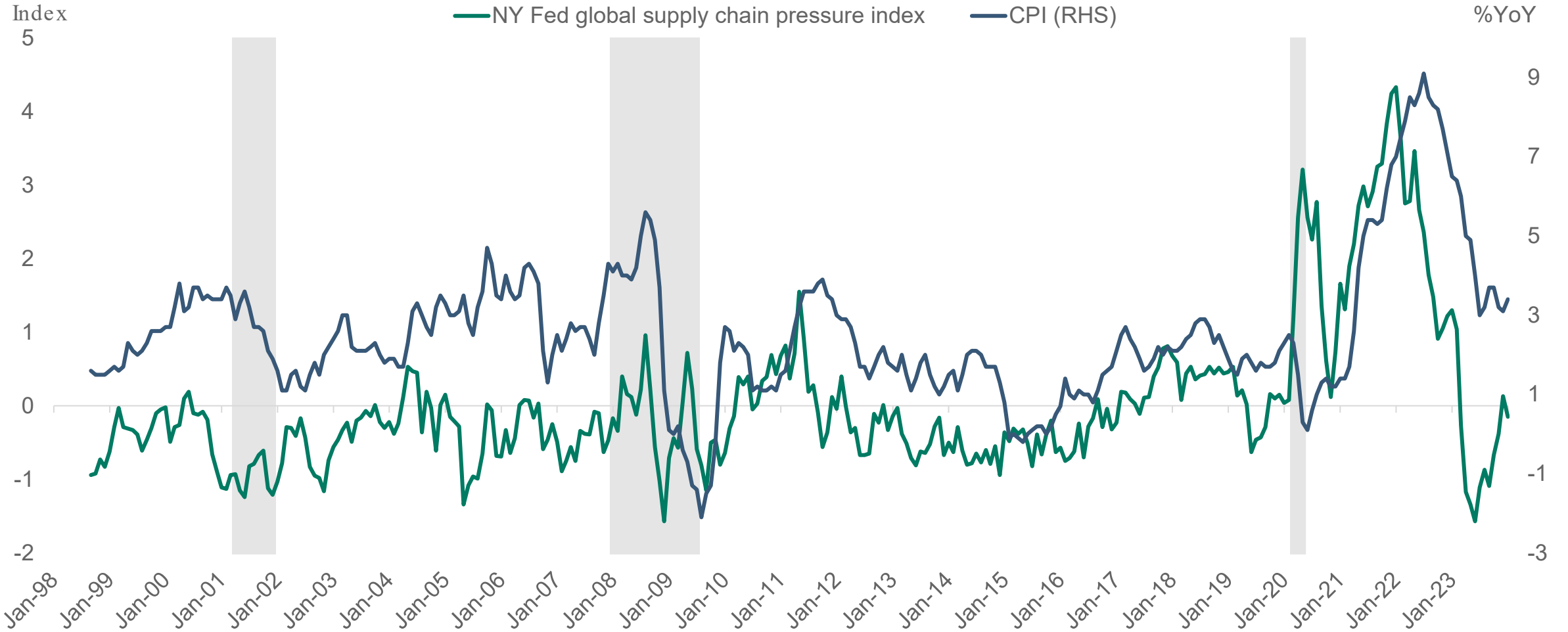


Supply chains: Unfilled orders and supplier deliveries



Source: Haver, Apollo Chief Economist (Note: Average of unfilled orders is average of Richmond Fed Mfg Survey: Current Manufacturing Order Backlogs, Philly Fed Mfg Business Outlook: Current Unfilled Orders, Empire State Mfg Survey: Delivery Time)

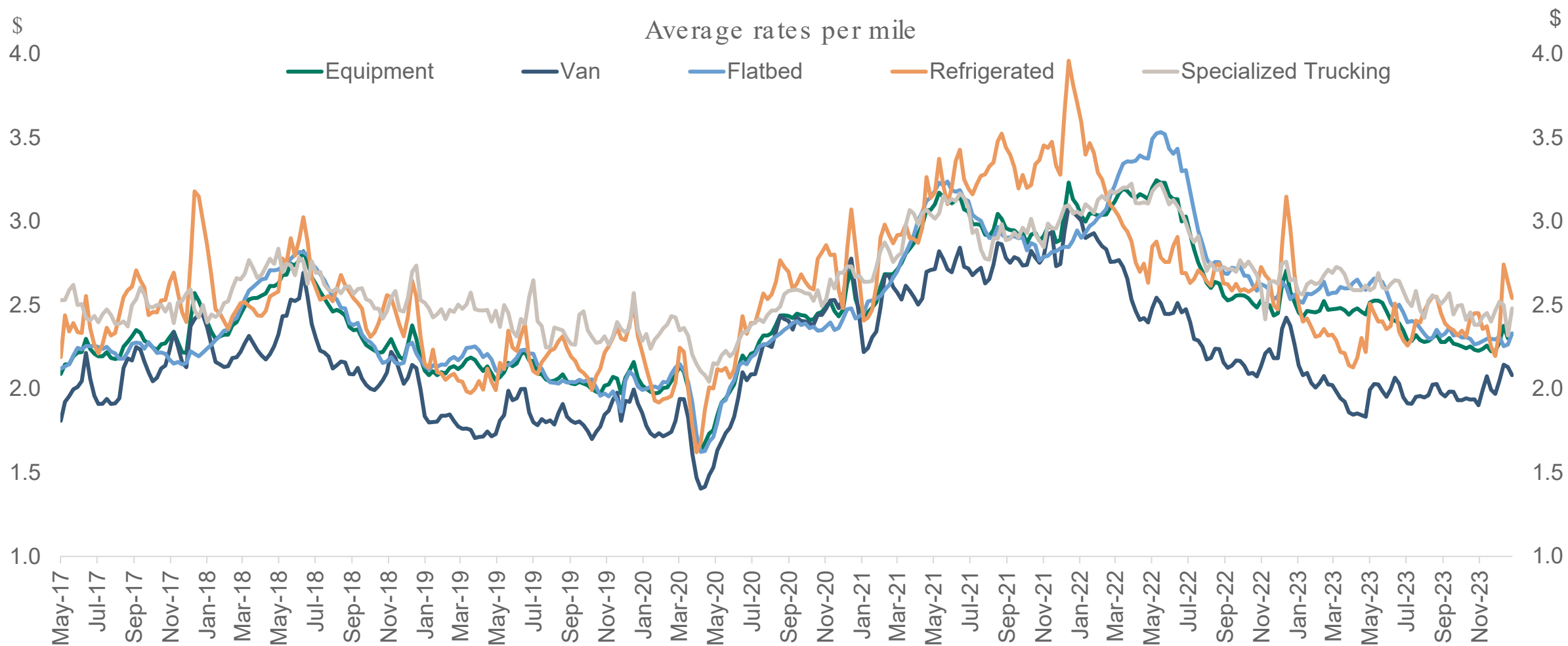
New York Fed supply chain index has increased recently



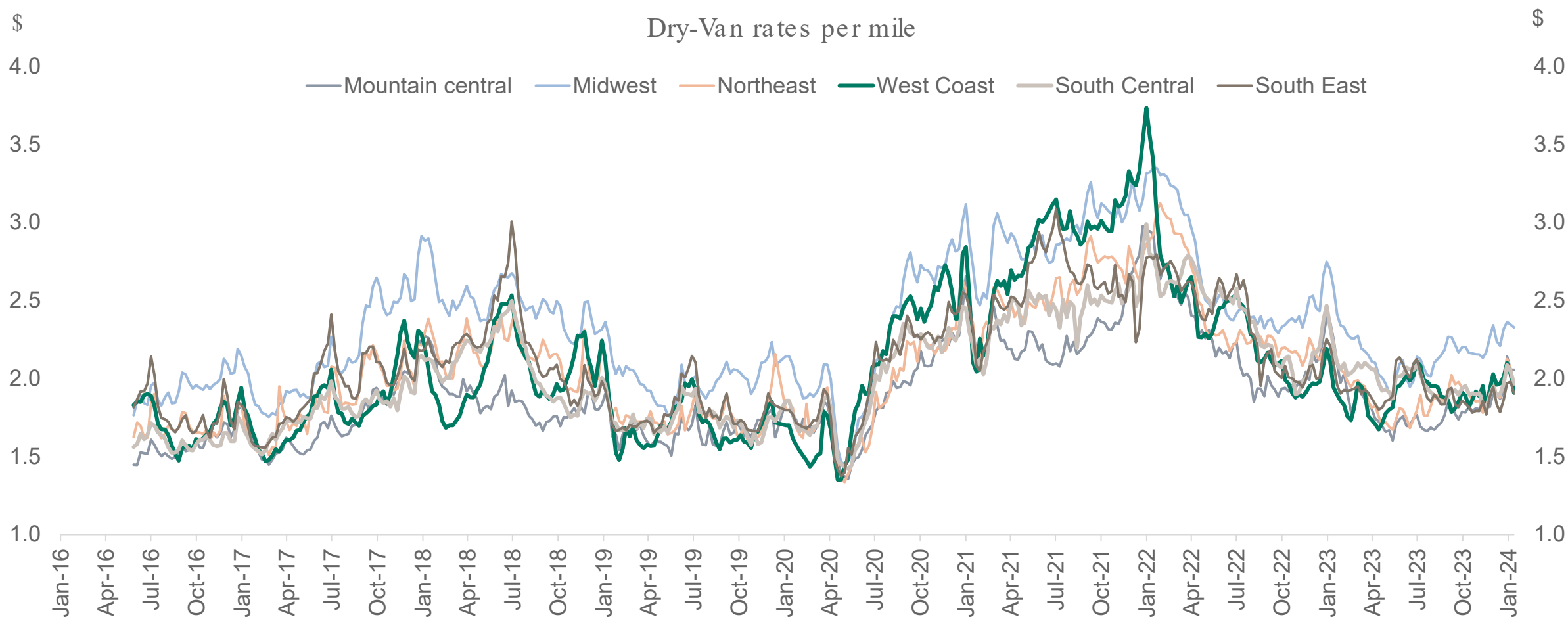
Costs of distribution and logistics



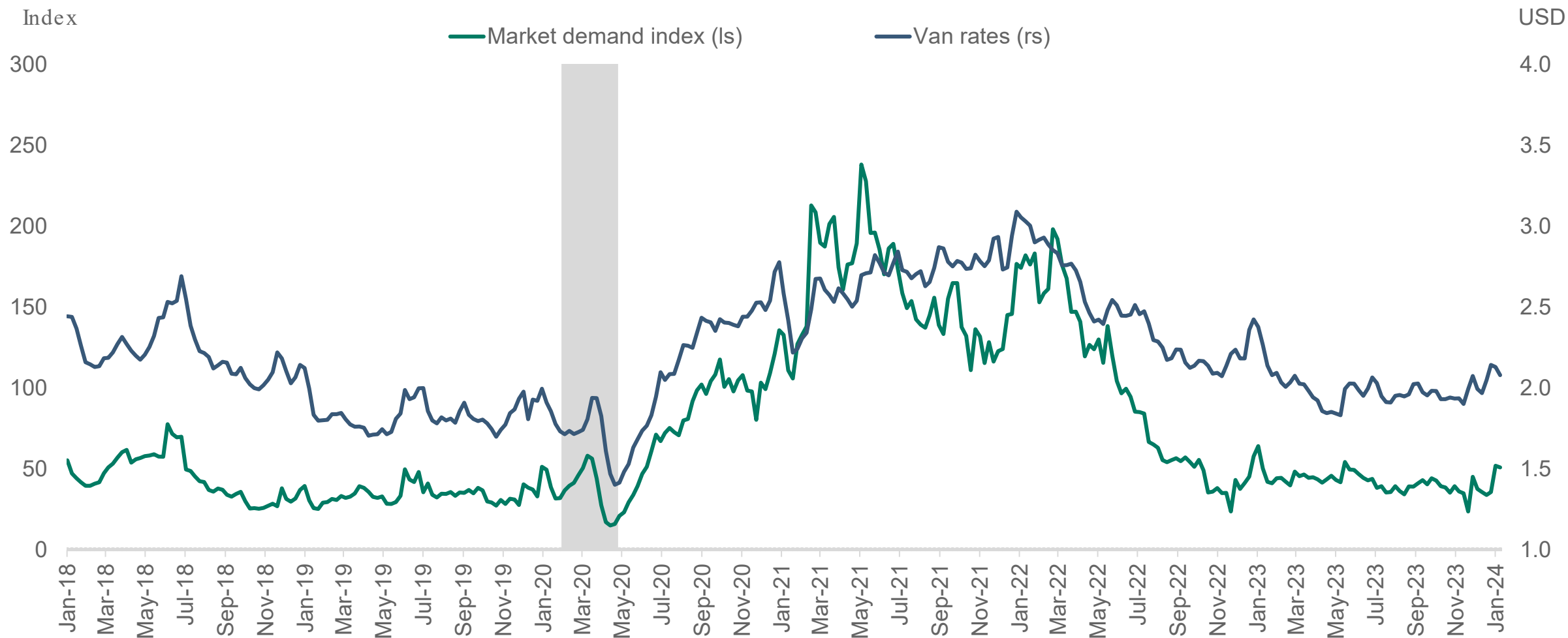
Truck transportation costs



Dry van spot rates

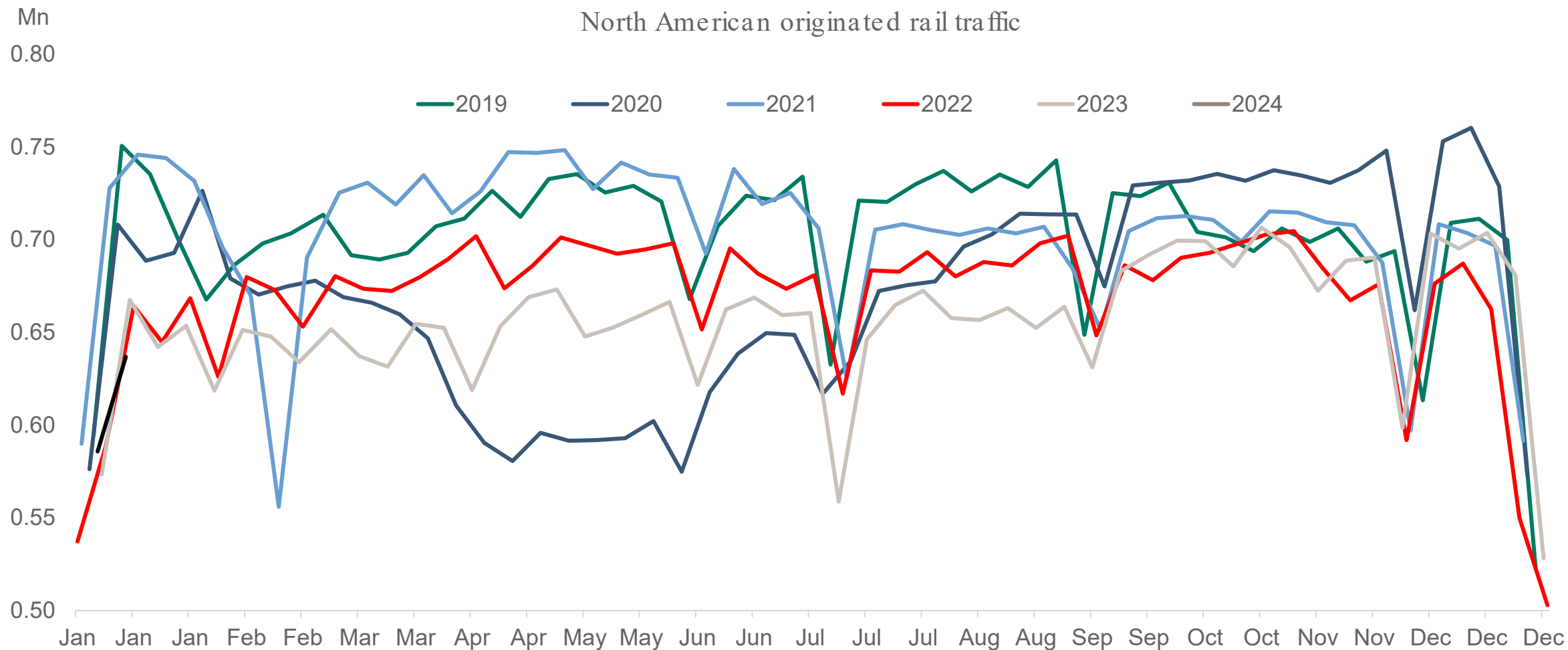


Demand for trucks correlated with van rates

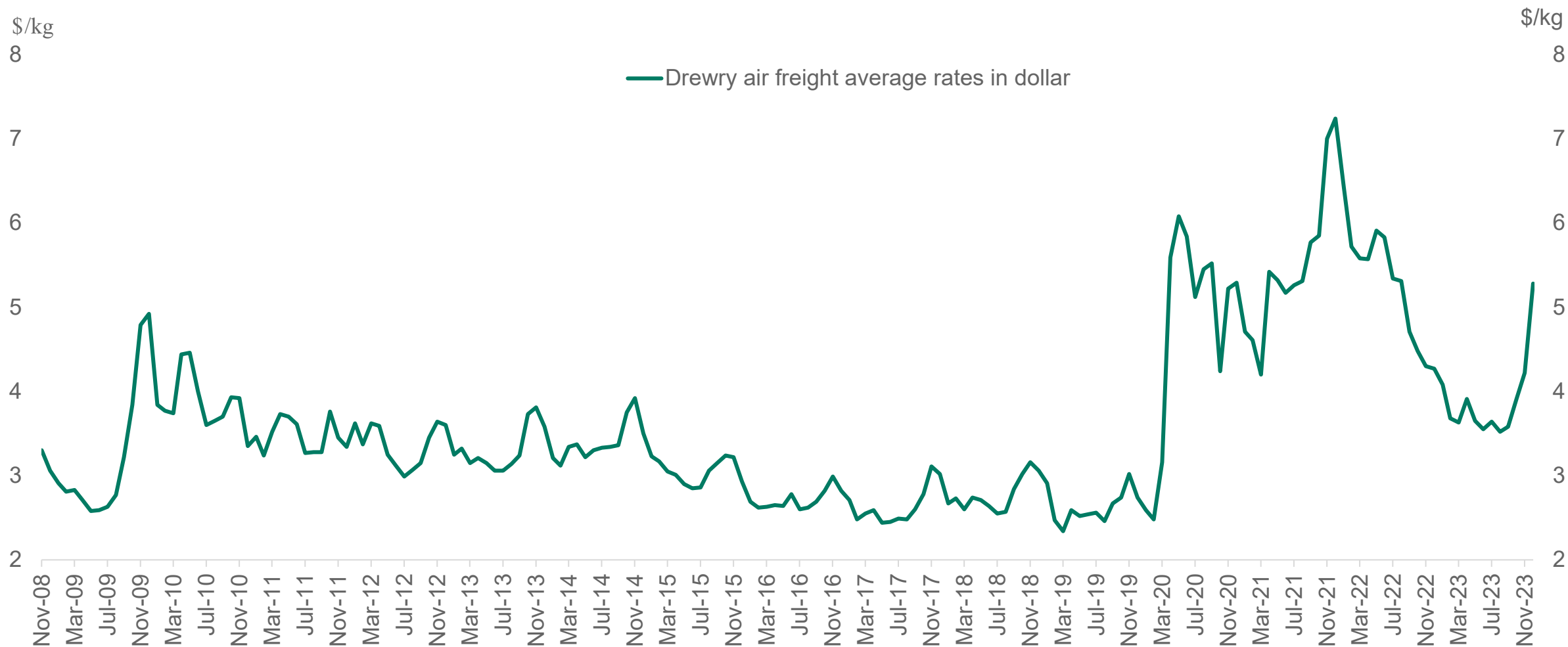


Source: Bloomberg, Apollo Chief Economist (Note: Market demand index is ratio of loads over trucks and measures the relative truck demand; Van rates are measured in USD)

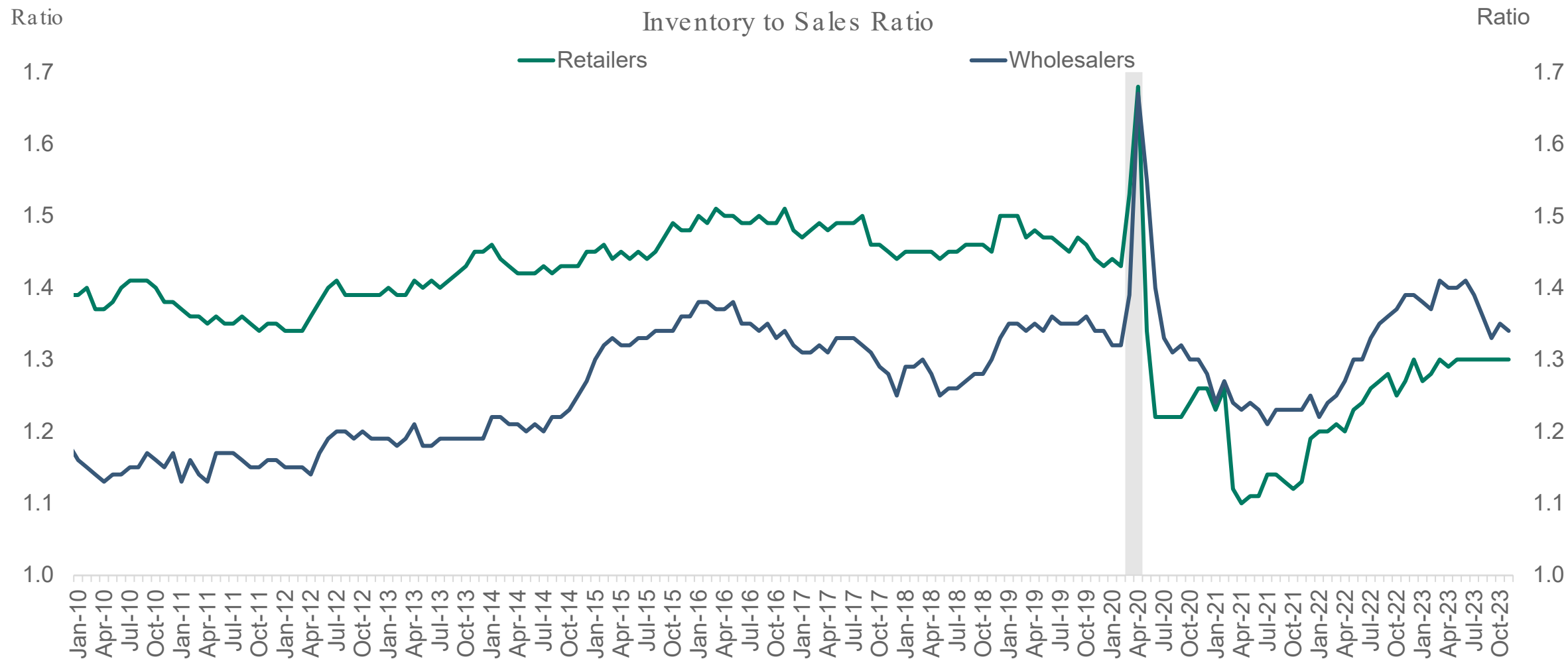
Rail traffic volumes



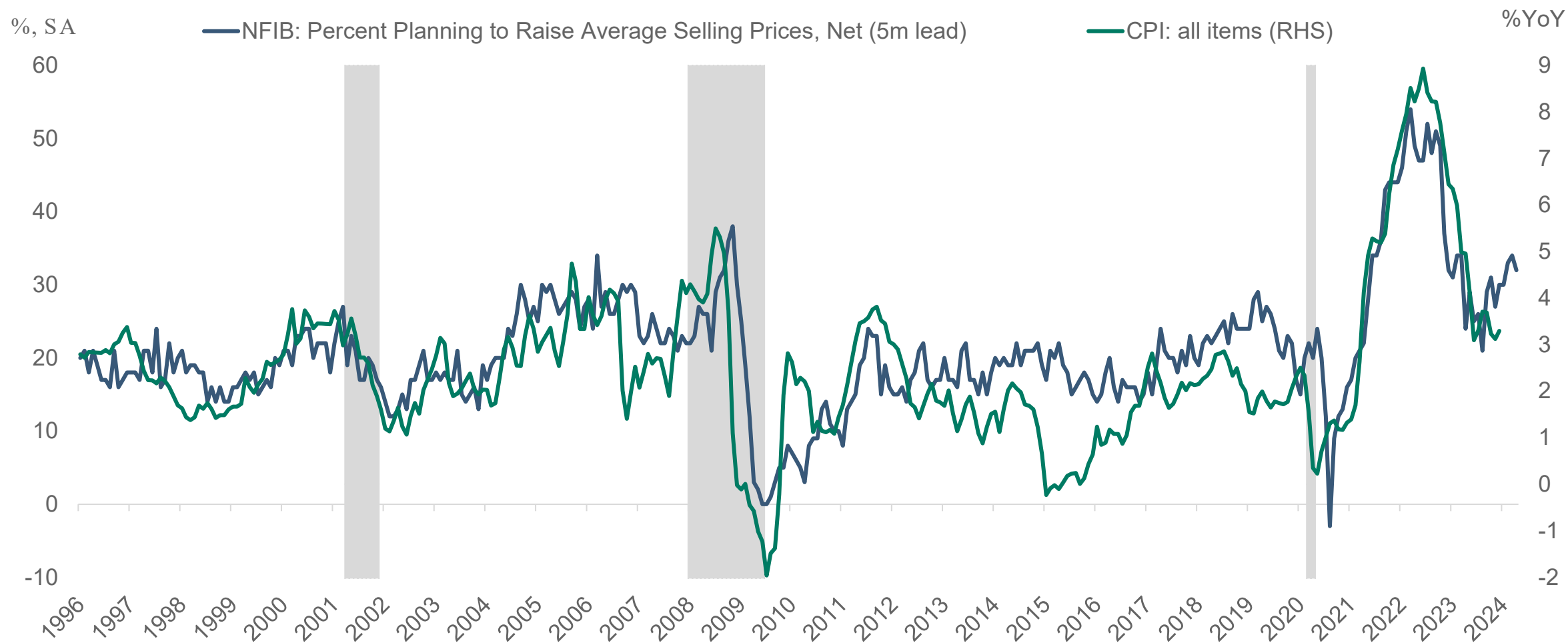
Air freight rates above 2019 levels



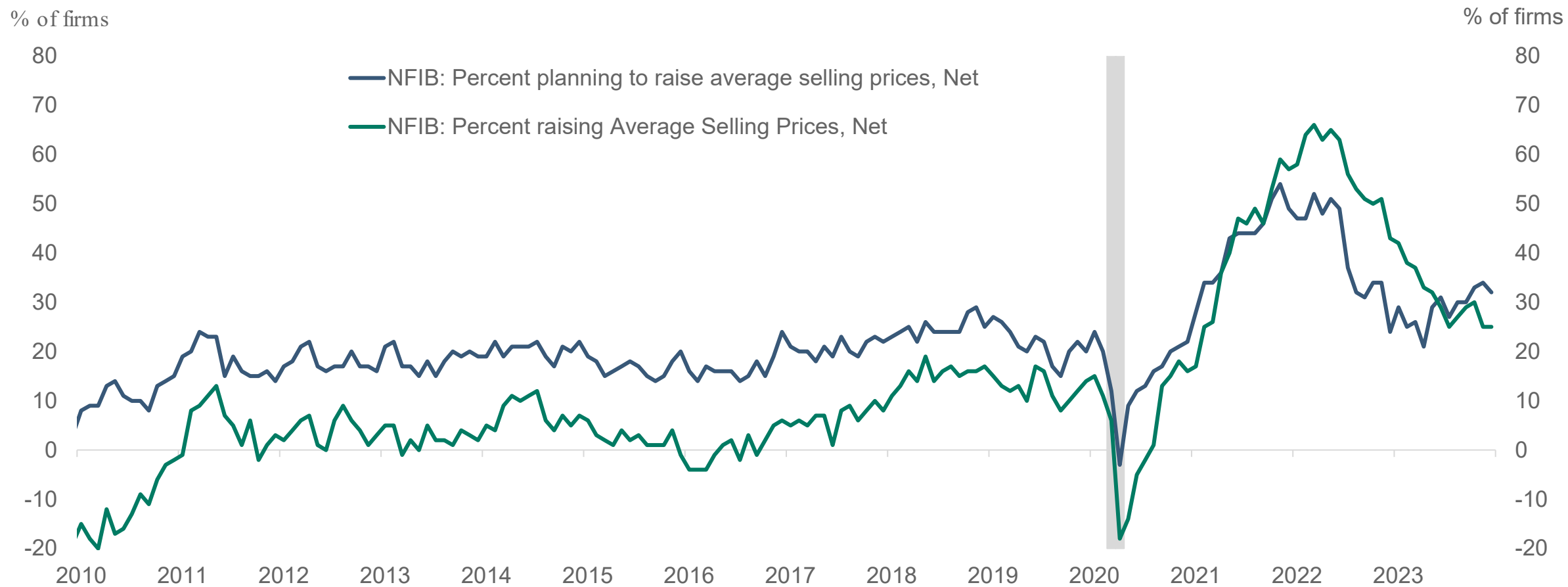
Inventory to sales ratio for wholesalers near pre-pandemic levels



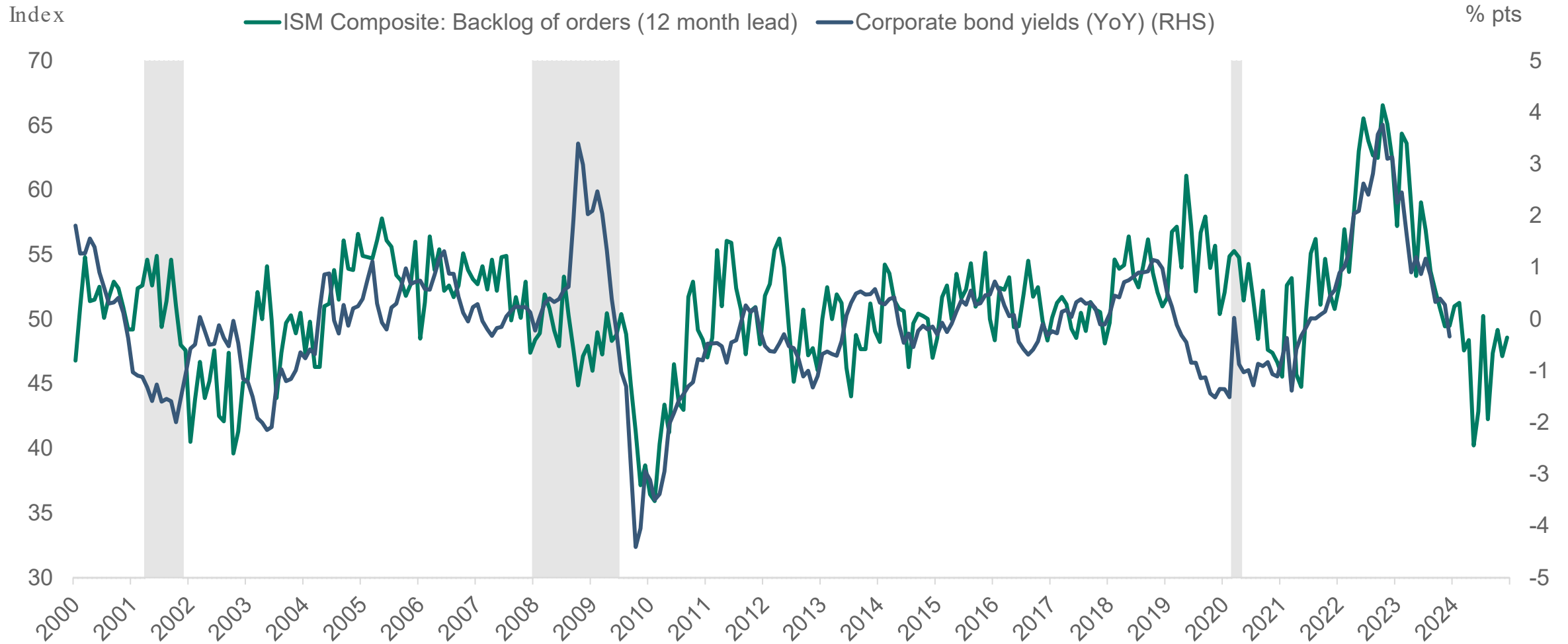
Inflation pressures coming back?



Inflation pressures coming back?

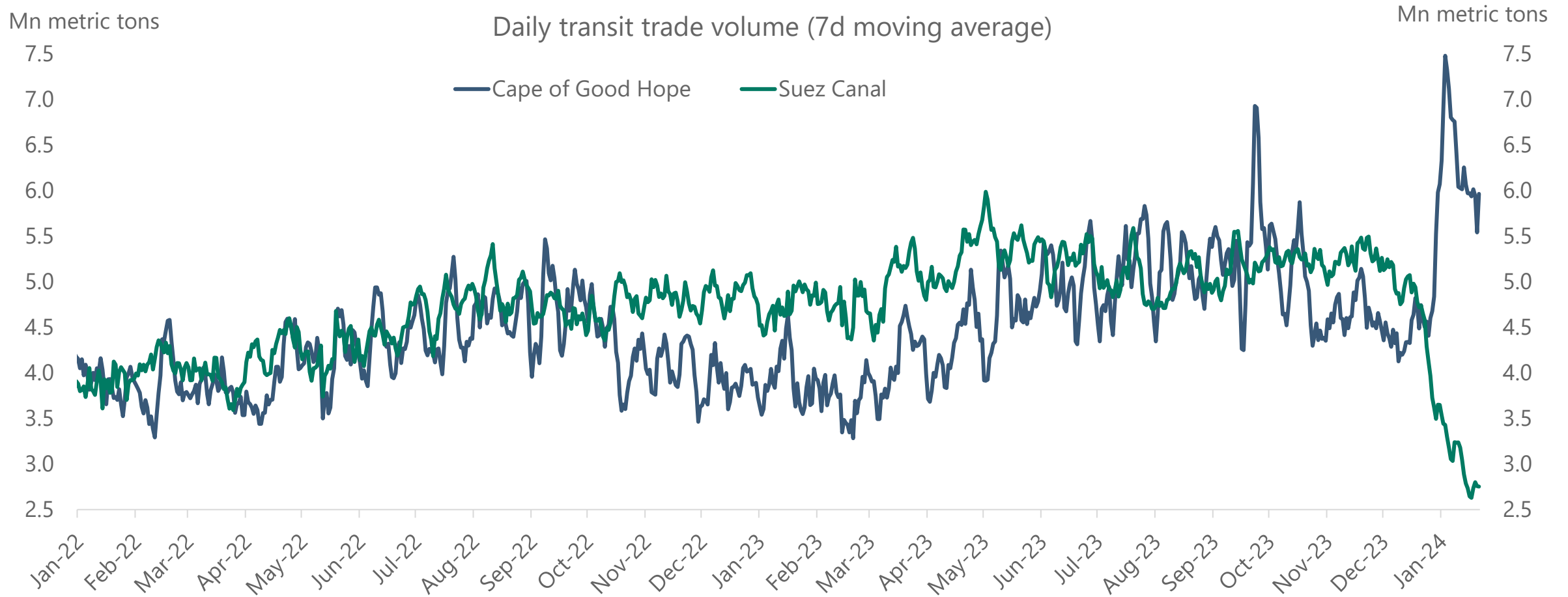


Supply chain bottlenecks correlated with corporate bond yields



Source: ISM, ICE BofA, Haver Analytics, Apollo Chief Economist. Note: ISM Composite Index is weighted average of services and manufacturing indices, with weight for services index 80% and manufacturing index 20%.

Daily transit volumes: Cape of Good Hope and the Suez Canal





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Torsten Slok joined Apollo in August 2020 as Chief Economist and he leads Apollo's macroeconomic and market analysis across the platform.

Prior to joining, Mr. Slok worked for 15 years as Chief Economist at Deutsche Bank where his team was top ranked in the annual Institutional Investor survey for a decade, including #1 in 2019. Prior to joining Deutsche Bank Mr. Slok worked at the IMF in Washington, DC and at the OECD in Paris.

Mr. Slok has a Ph.D in Economics and has studied at the University of Copenhagen and Princeton University.