

APOLLO

# Supply chain stresses coming back: Container freight rates at over half of Covid peaks

Torsten Slok, Rajvi Shah, and Shruti Galwankar  
tslok@apollo.com

**Apollo Global Management**

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Unless otherwise noted, information as of July 2024

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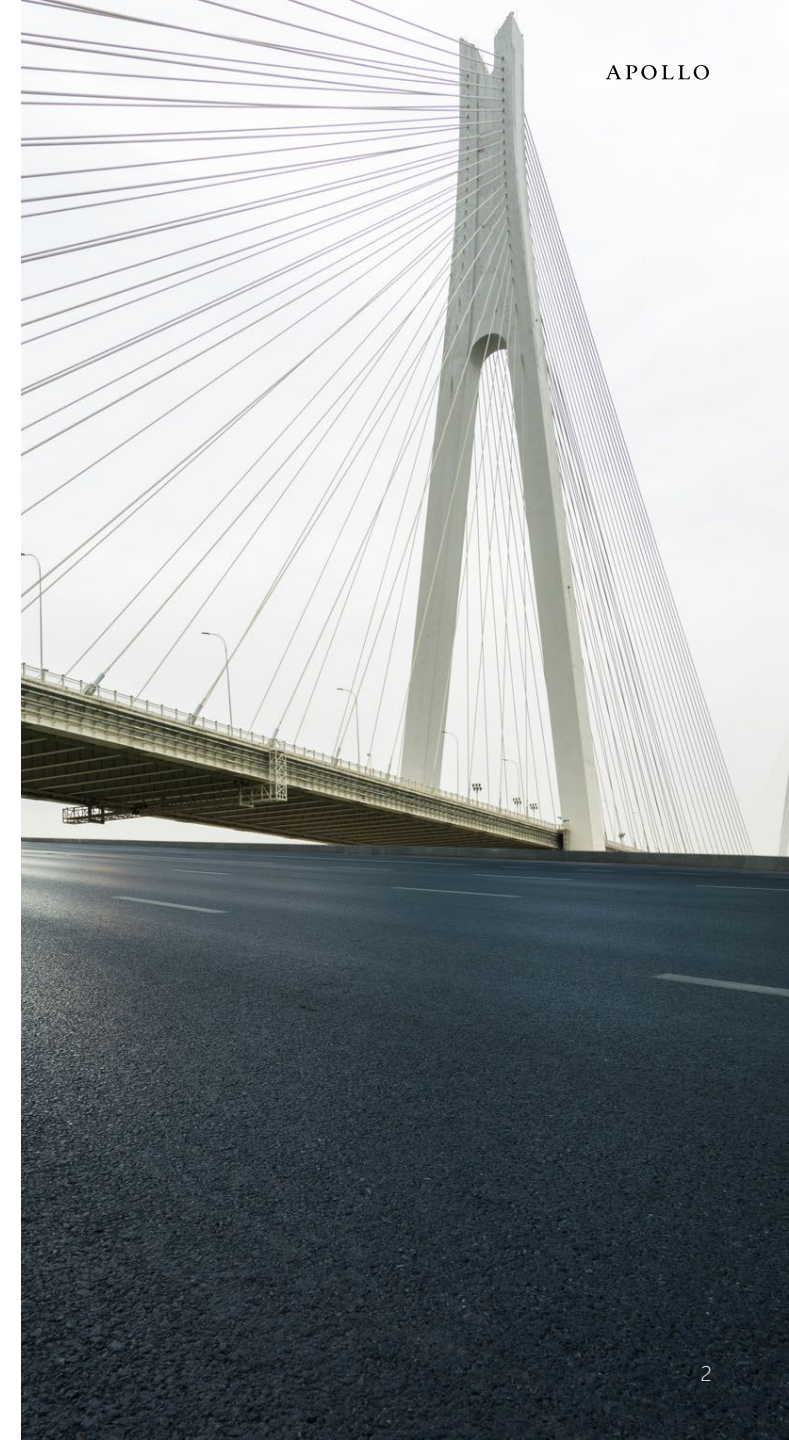
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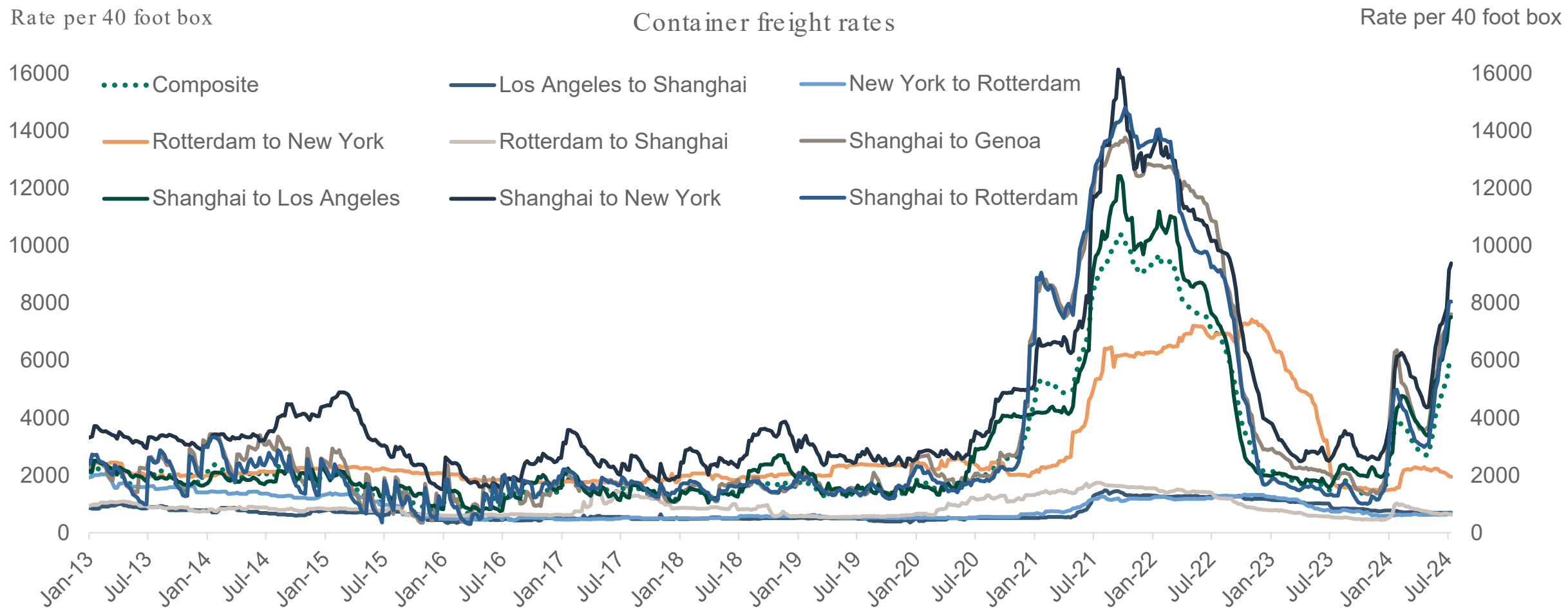
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# Overview

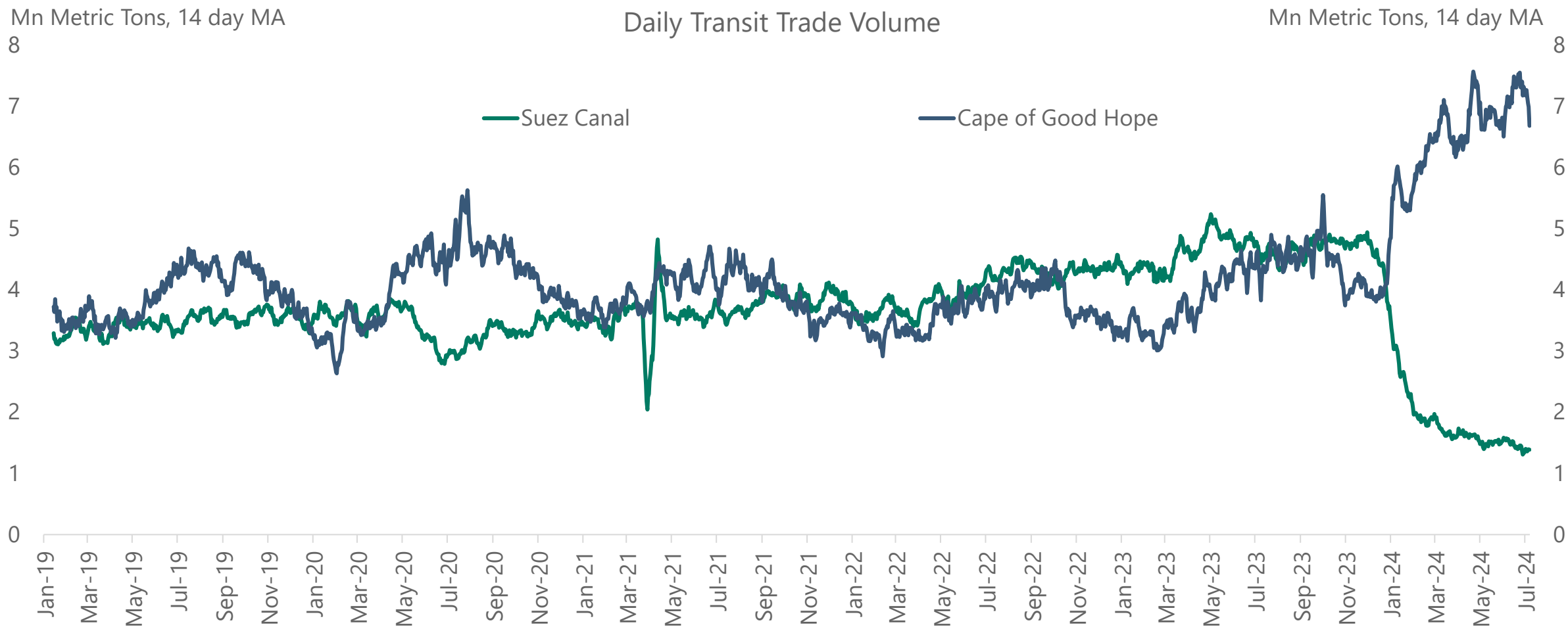


# Rising container freight rates: Now more than half of Covid levels.



Source: WCI, Bloomberg, Apollo Chief Economist

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

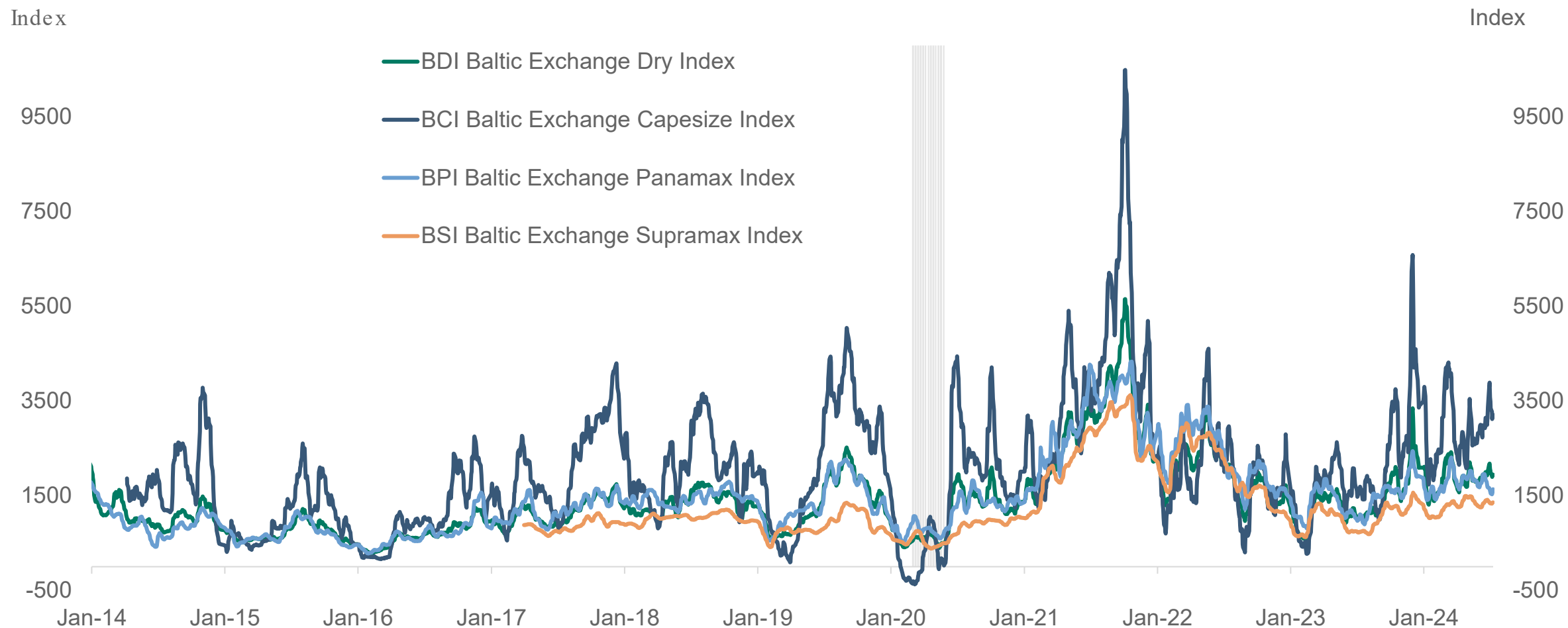


# China: Containerized freight index half of Covid peak

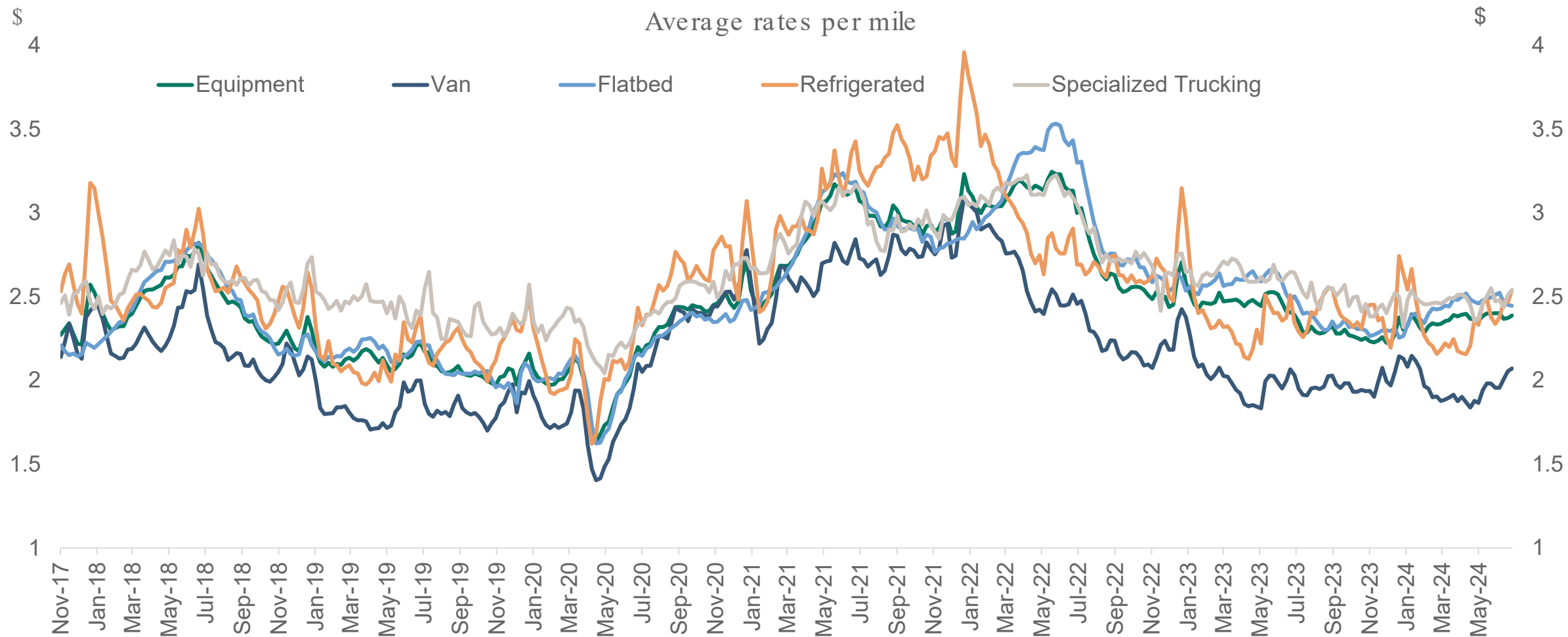


Source: Shanghai Shipping Exchange, Bloomberg, Apollo Chief Economist

# Baltic Exchange indexes: Capesize index rising

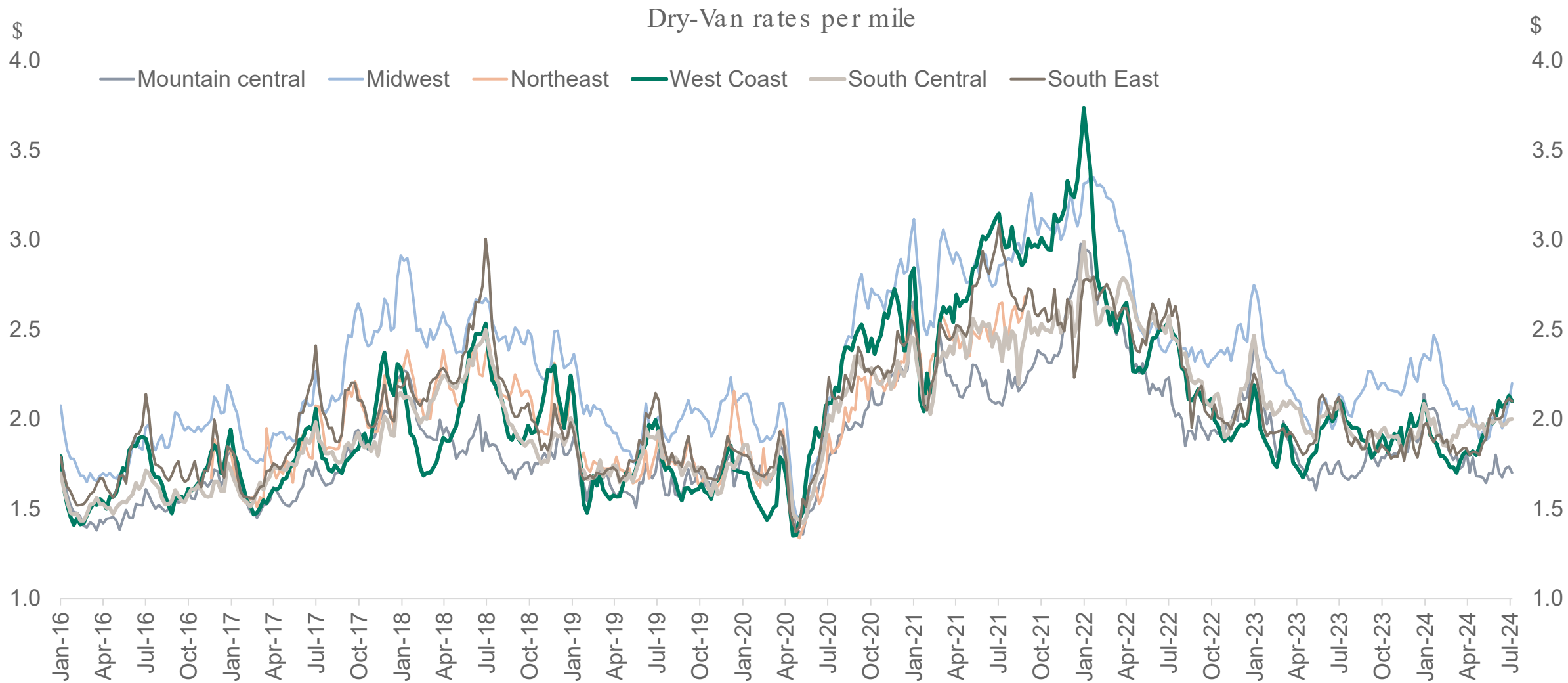


# Truck transportation costs

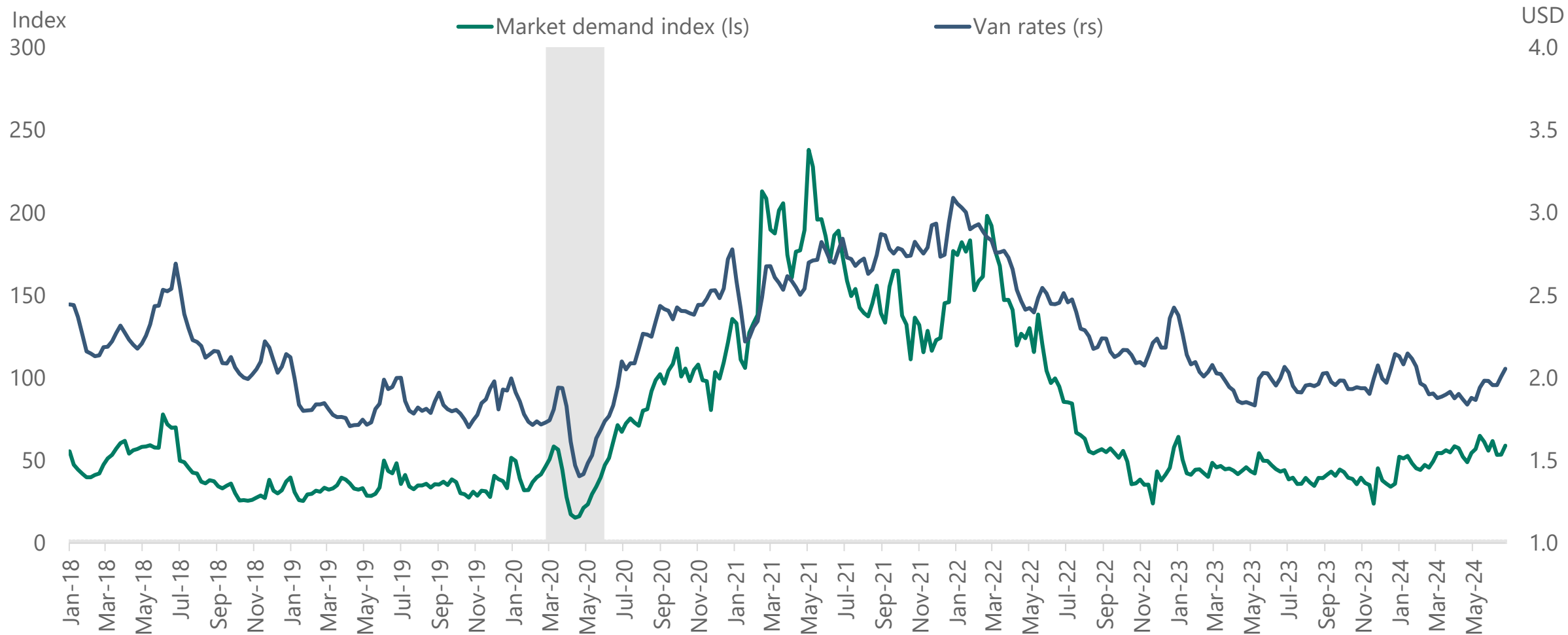




# Dry van spot rates

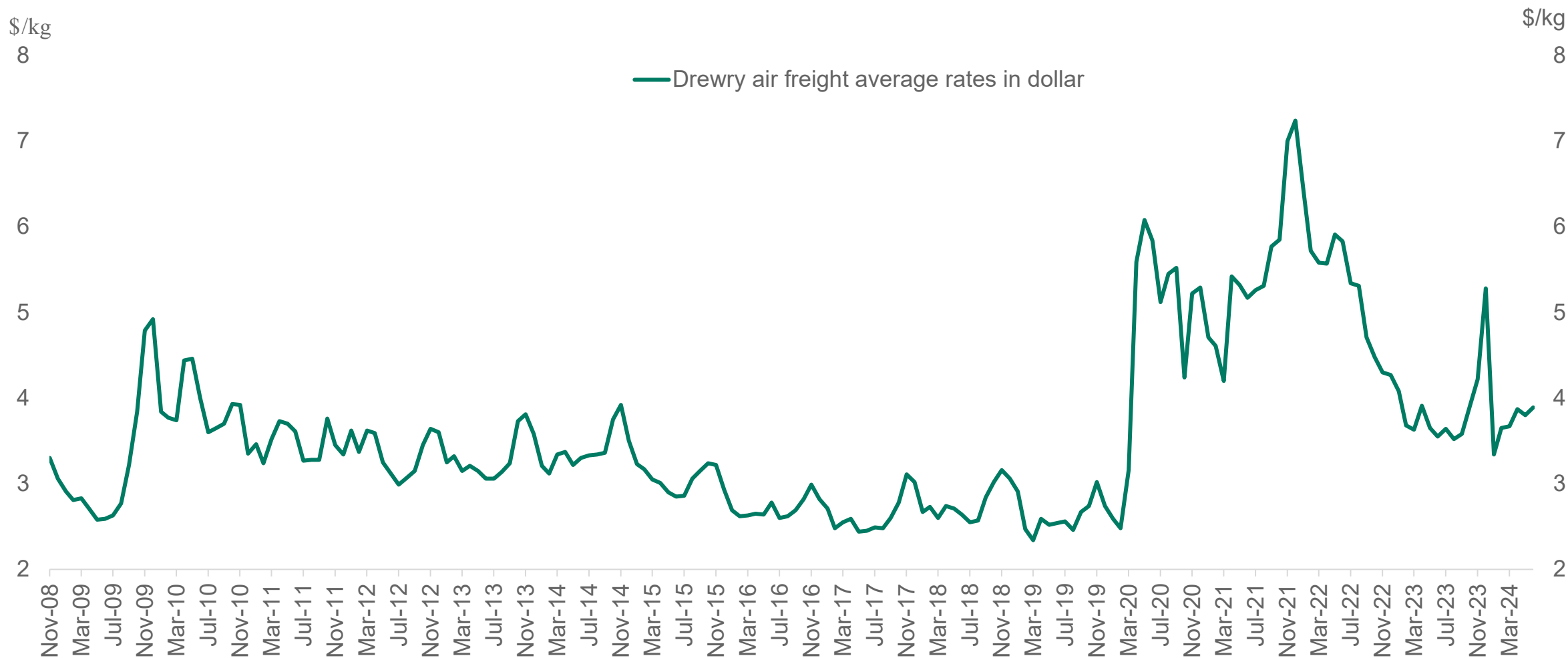


# Demand for trucks correlated with van rates



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)

# Air freight rates above 2019 levels

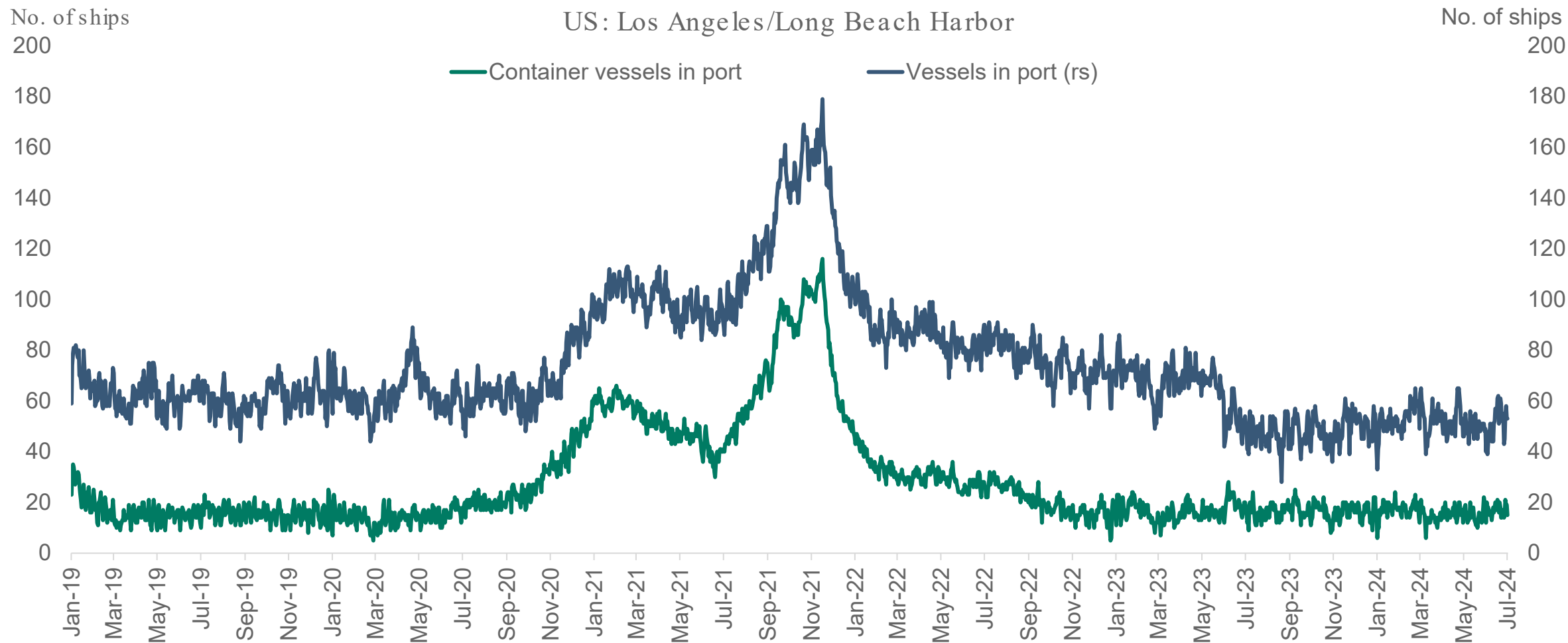


Source: Bloomberg, Apollo Chief Economist

# Costs of distribution and logistics



# Vessels at LA/Long Beach Harbor back to 2019 levels

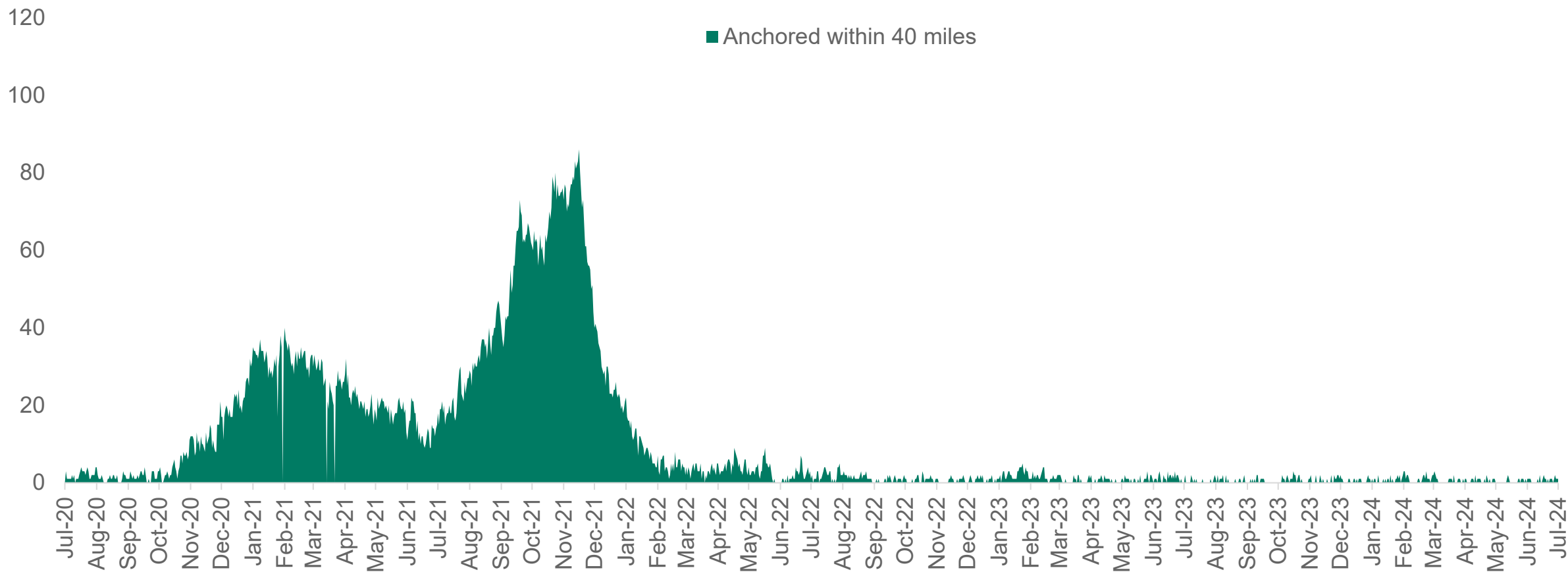


Source: The Marine Exchange of Los Angeles and Long Beach Harbors, Haver, Apollo Chief Economist

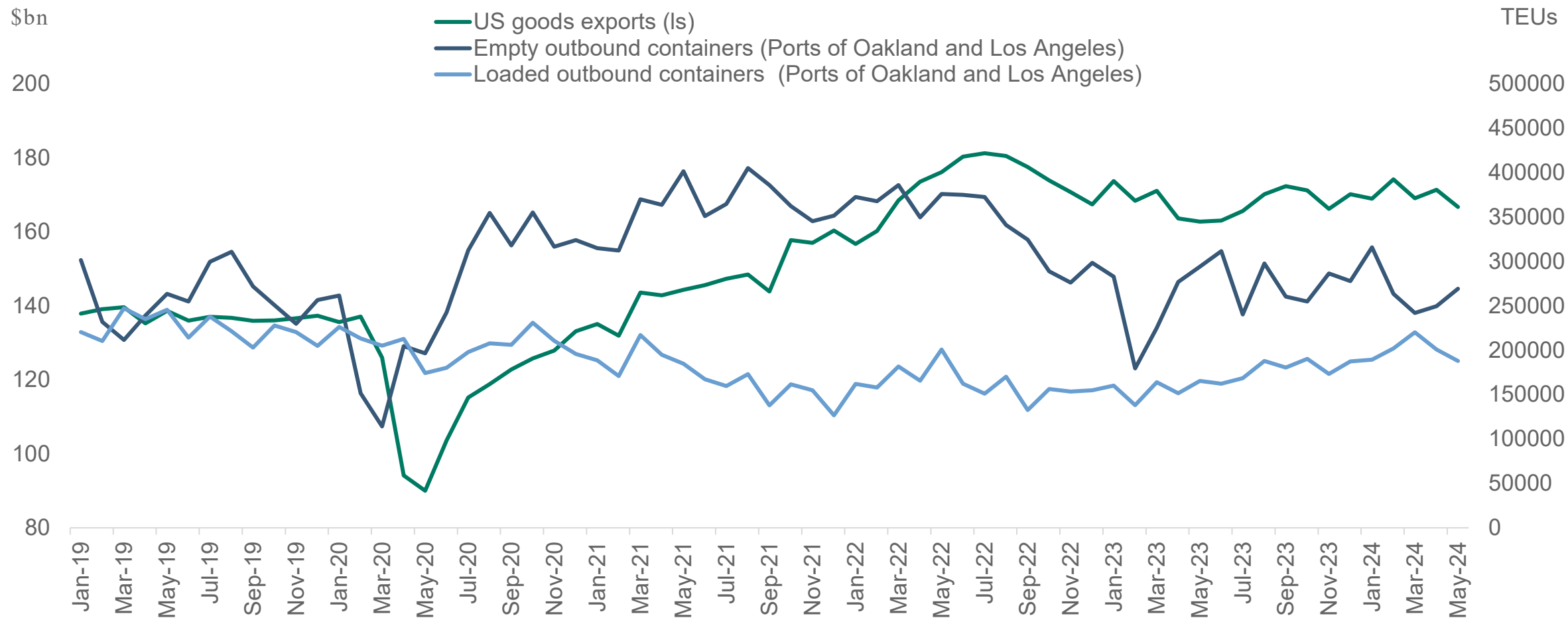
# US: Los Angeles/Long Beach Harbor: Container Vessels in Port at Anchor

Number of ships per day

Containerships waiting at LA/LB ports

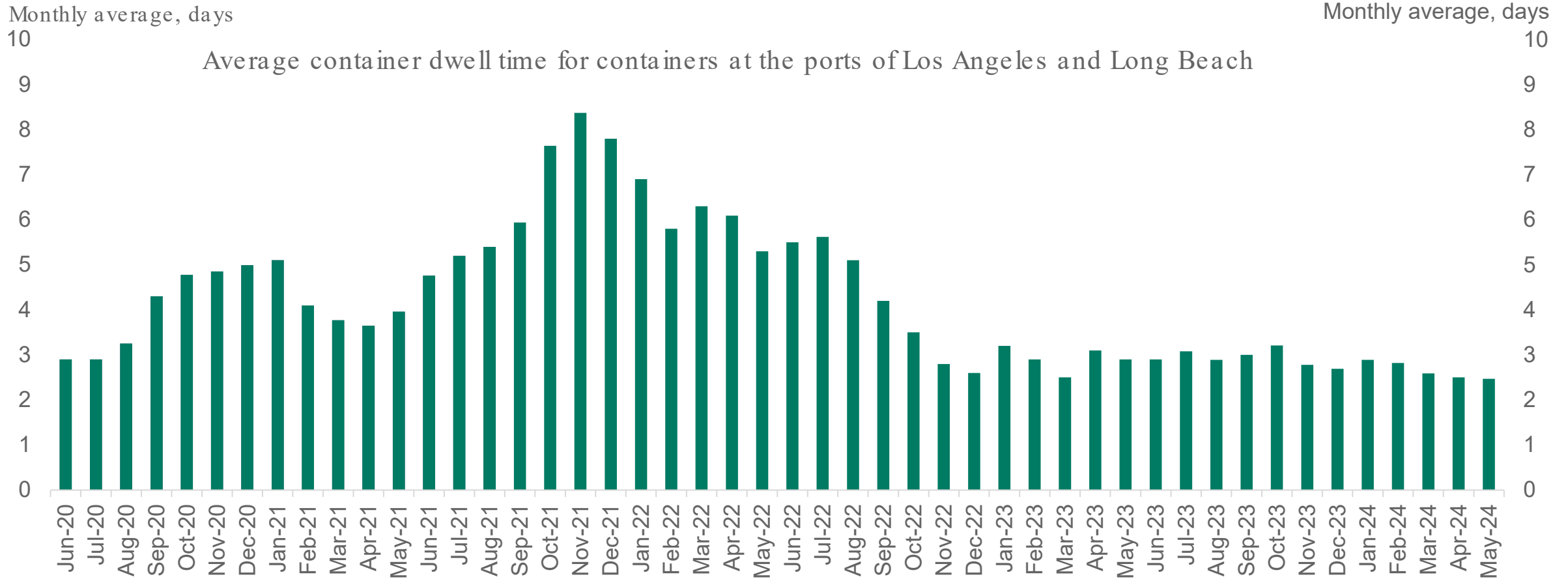


# US goods exports



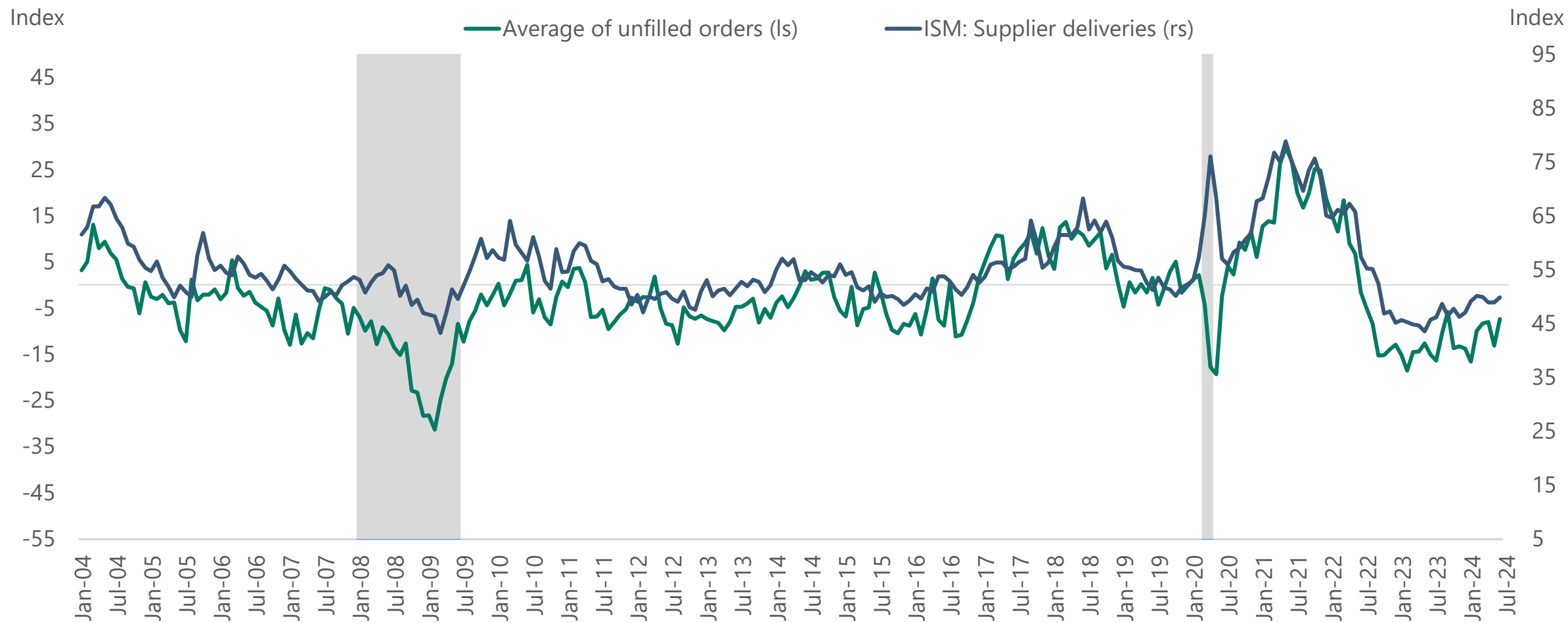
Source: Haver Analytics, Census, Ports of Oakland and Los Angeles, Apollo Chief Economist

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



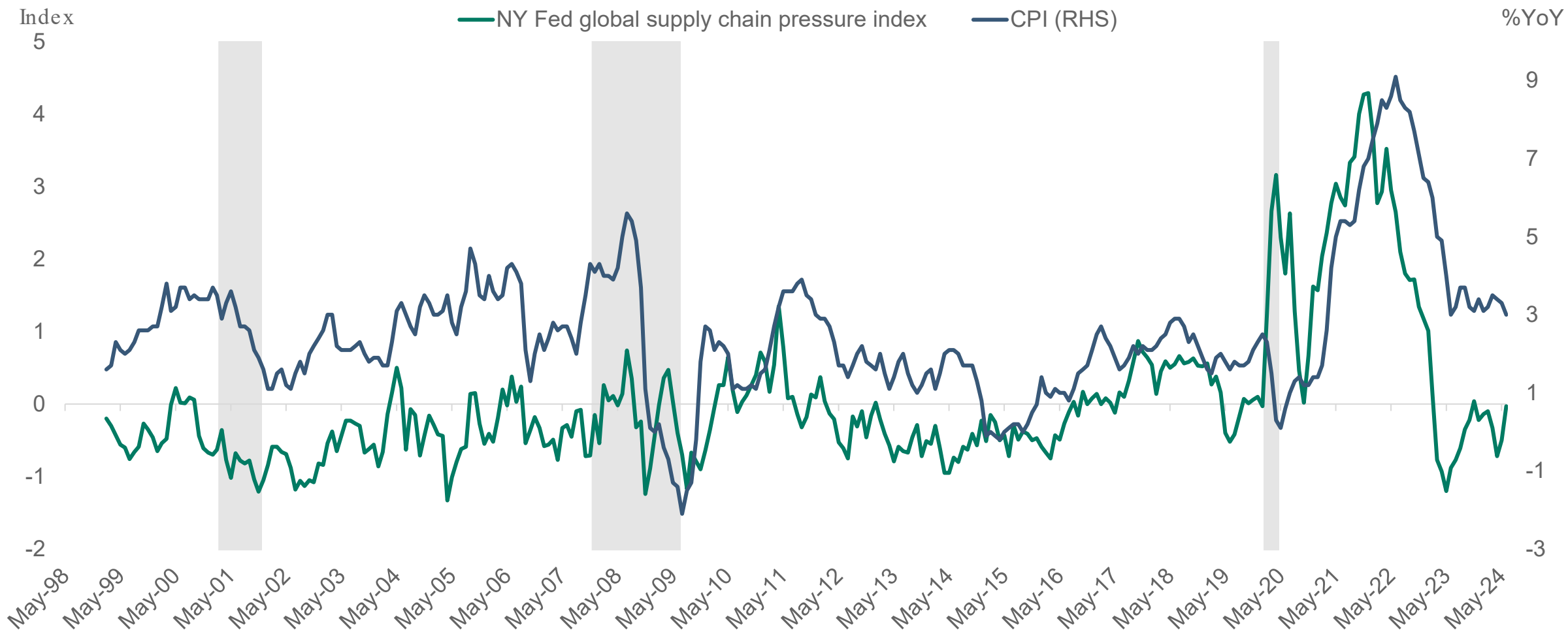


# Supply chains: Unfilled orders and supplier deliveries

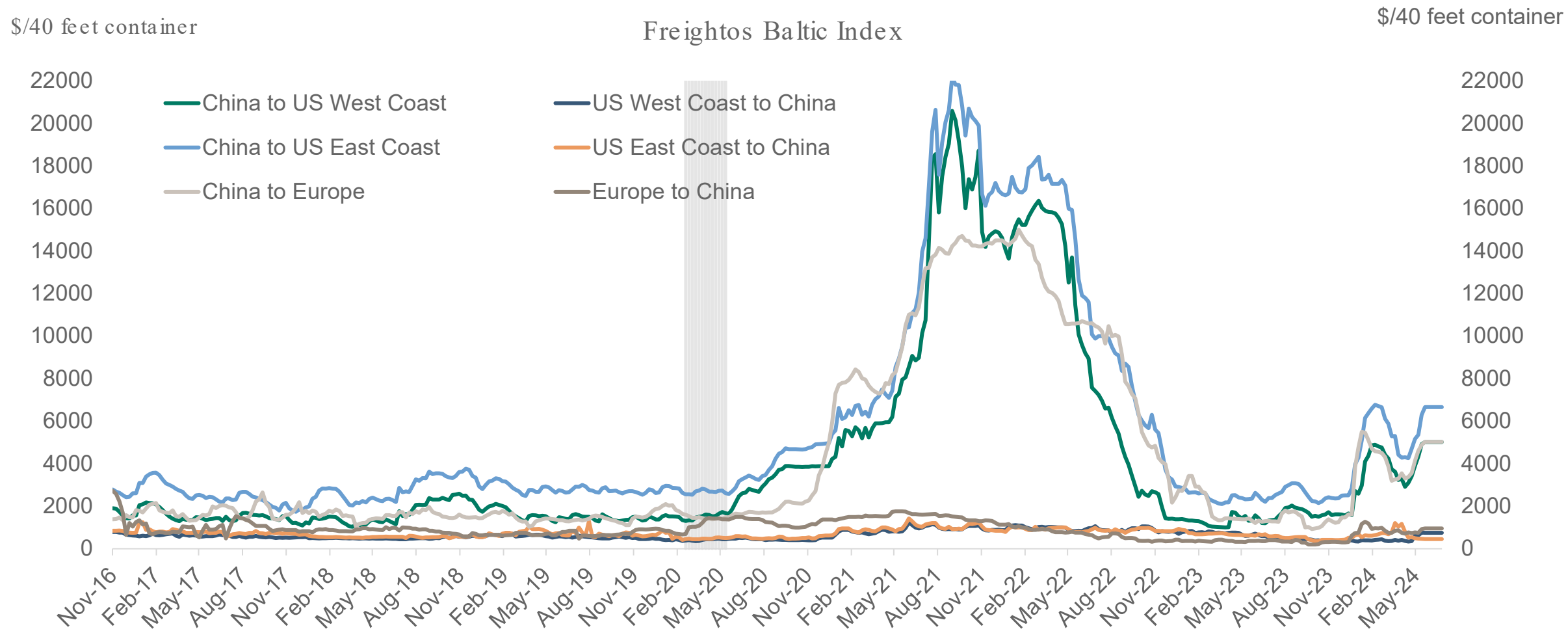


Source: Haver, Apollo Chief Economist (Note: Average of unfilled orders is average of Richmond Fed Mfg Survey: Current Manufacturing Order Backlogs, Philly Fed Mfg Business Outlook: Current Unfilled Orders, Empire State Mfg Survey: Delivery Time)

# New York Fed supply chain index shows improvement has stalled

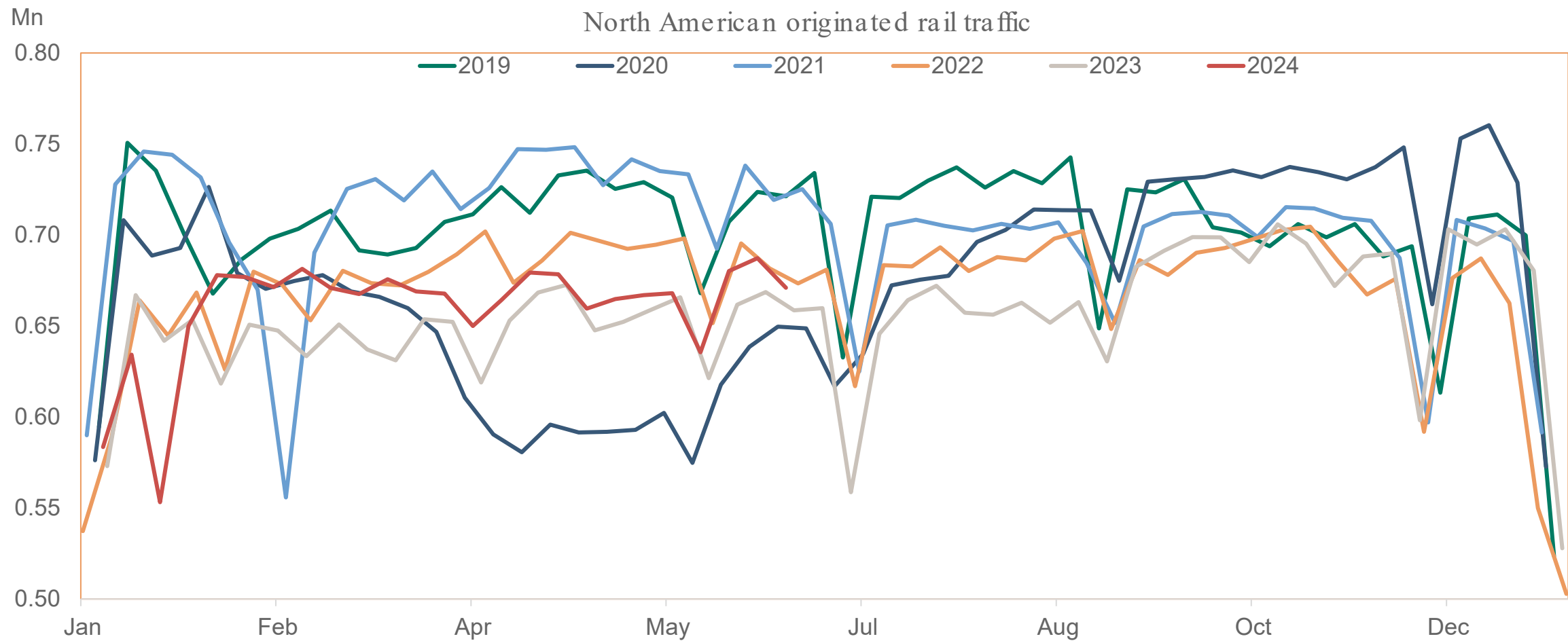


# Freightos Baltic index

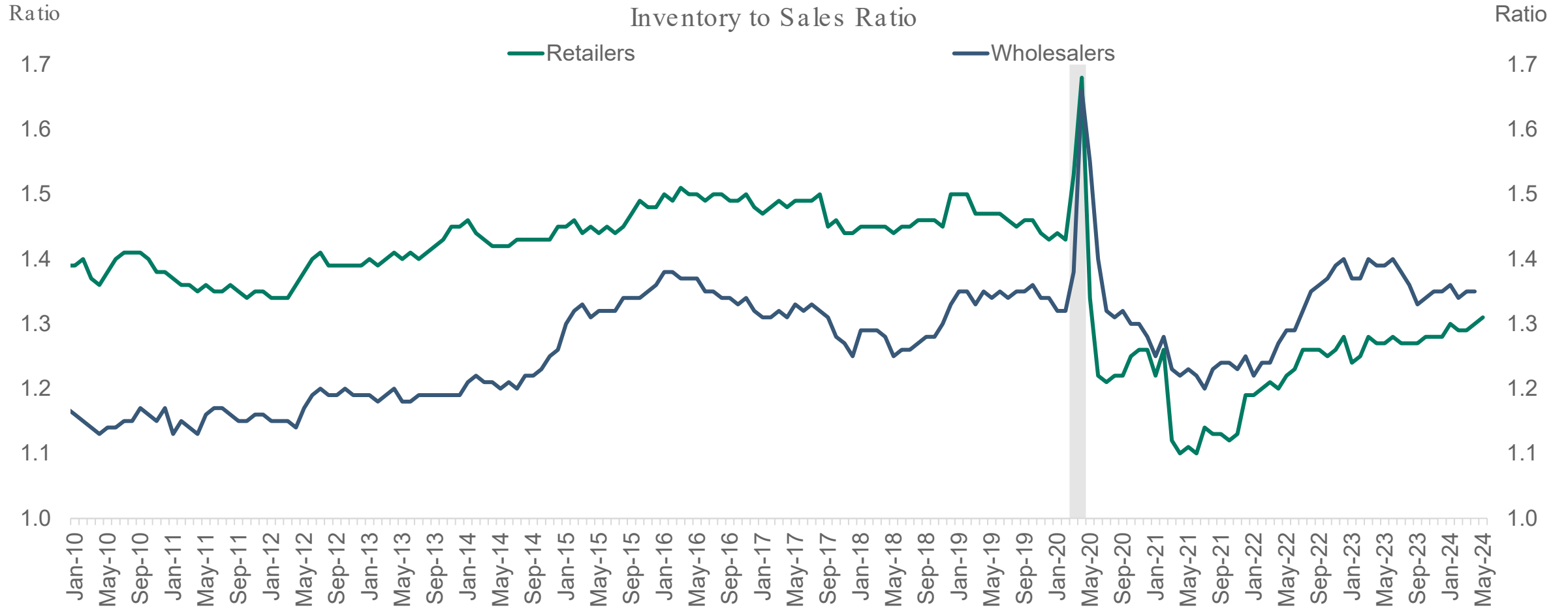


Source: Freightos, Bloomberg, Apollo Chief Economist

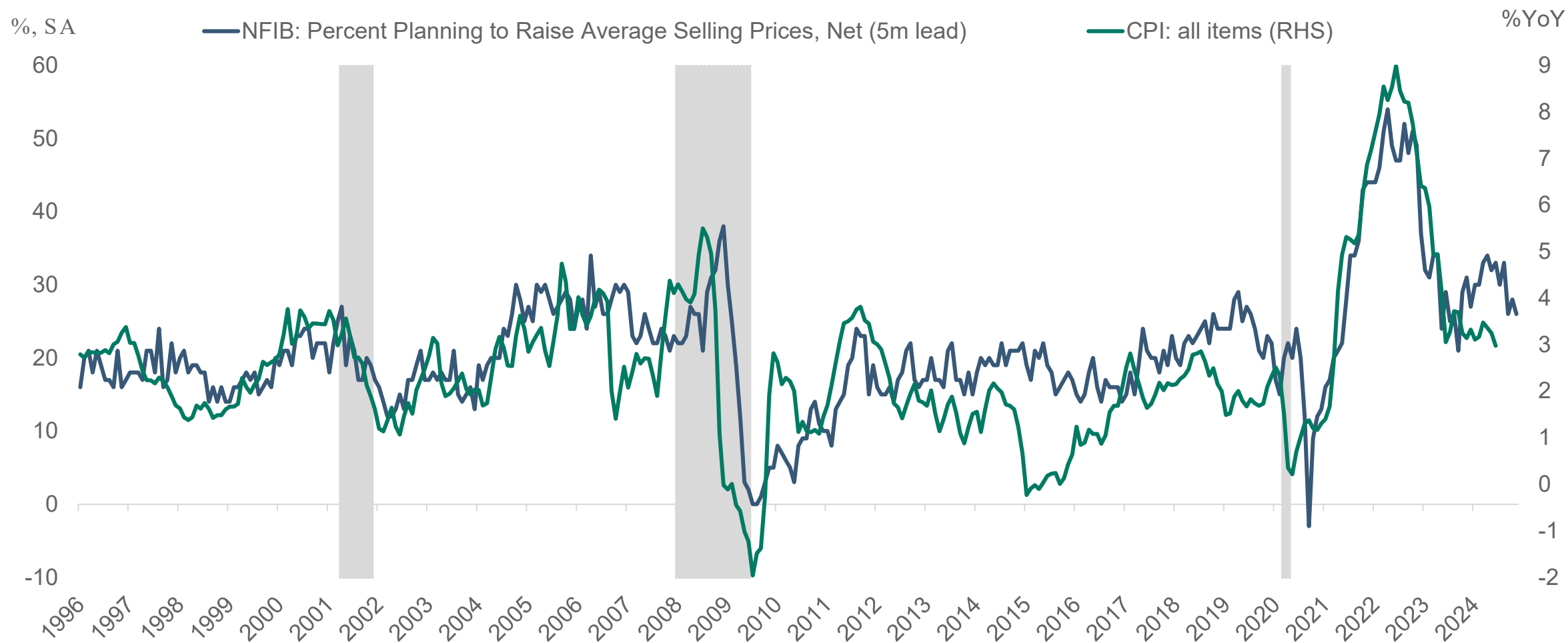
# Rail traffic volumes



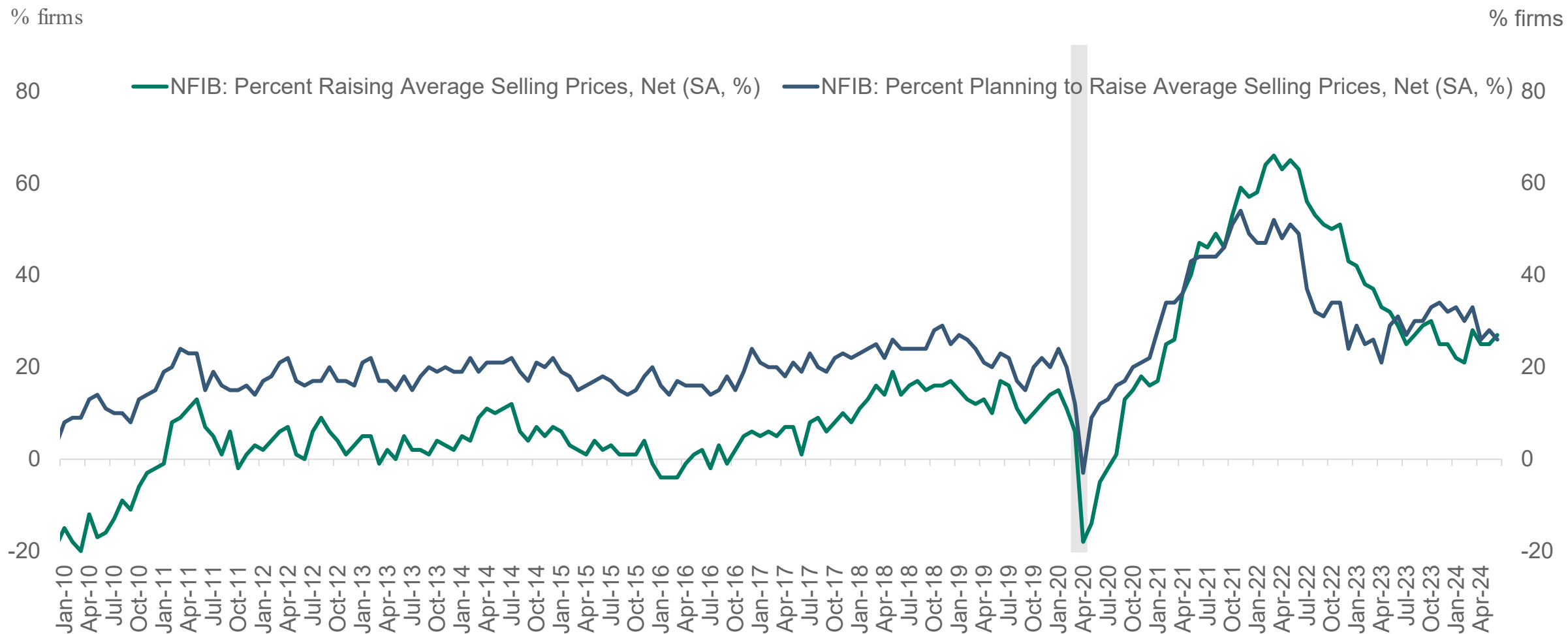
# Inventory to sales ratio for wholesalers near pre-pandemic levels



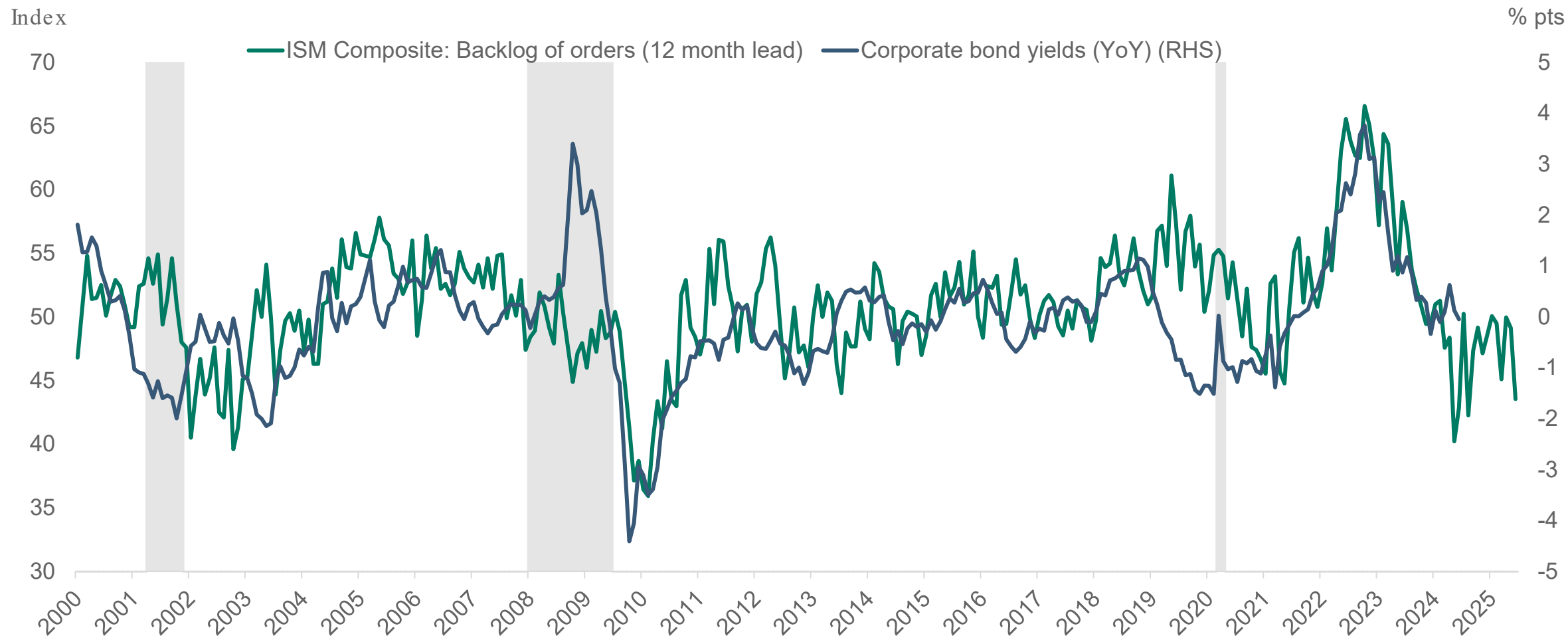
# Upside risks to inflation remain



# Some upside risks to inflation



# 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%.





# Torsten Slok, Ph.D.

**Chief Economist**

Apollo Global Management

tslok@apollo.com

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.