SMBC AVIATION CAPITAL

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Plane insights

Commercial Aviation Market Intelligence

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Strategic & Market Analysis – SMBC Aviation Capital

Summary

Aviation professionals from around the world are beginning to descend on Dublin for one of the most important weeks in the aviation finance calendar. An annual event that is typically high on activity, but low on natural light, offers a good occasion to look back on 2025 and look forward to 2026.

In 2025 there was a divergence in sentiment between the macro environment and the commercial aviation space. Globally, there was uncertainty driven by geopolitical tensions, populist movements, tariffs, immigration and de-globalisation movements. More recently we have seen military strikes from the U.S into Venezuela, along with mass protests in Iran.

However, in the commercial aviation space 2025 has been a strong year. Demand for aircraft remains robust and outstrips supply, the trading market continues to increase, and the sector continues to attract more diverse sources of funding.

Although supply chain issues remain, we saw an increase in deliveries from Airbus and Boeing. It is reassuring to see Boeing hit their KPIs around production and begin ramp up of rates and increase the quality of the aircraft rolling off the line. Airbus had a trickier end to the year with the emergence of skin panel issues on their A320neo family but still delivered strong numbers.

The secondary market space continues to tighten – whatever can fly is flying. Storage rates are trending downwards, particularly for widebody aircraft while extension and re-lease rates remain elevated leading to constrained availability on the re-lease side.

On the airline side, we saw traffic growth of over 5% with global profits remaining stable. Overproduction in the oil sector saw a decline in jet fuel costs across the year, with a further decline forecast for 2026. A positive for airlines, particularly as labour and maintenance costs trend upwards.

We examined our long-term fleet forecast which relative to pre-Covid showed a meaningful delay to when the fleet of new technology narrowbodies outnumbers the incumbent ceo / NG fleets (which we now expect to be 2026 for the neo and 2029 for the MAX). In terms of deliveries, we see the strongest growth by far in the large narrowbody segment, on the widebody side we forecast that the medium-large segment will experience the highest growth.

Finally, we looked at global propensity to travel. As economies continue to expand, particularly the high population, underdeveloped nations, this has a positive correlation with airline traffic. Increasing middle-classes, urbanization and discretionary income leads to more air travel, whether for business, vacation, or visiting family, underscoring aviation's power for good.

Macro Environment

Global growth in 2025 was slightly lower at 3.2% versus 3.3% in 2024 according to the IMF. Tariffs, conflicts and protectionism were three of the key concerns of the year, leading to difficulty in forecasting, but it was positive to see upward revisions in the back-half of the year as some greater certainty emerged.

Looking into 2026, a further dip is expected with advanced economies to experience sub-2% growth while developing nations should grow at over 4%.

Interest rates in the US are coming down slowly, in December there was a 25-basis point reduction, but this was a highly contentious decision. The split amongst these policy makers suggests that the Central Bank may be done lowering rates for the time being, unless there are clear signs of a weakening labour market.

Meanwhile, over in Europe, the ECB is in a hold pattern as the weak dollar and trade diversion from China continues to dampen inflation. Markets no longer seem to be pricing in a cut, and some analysts forecast the next move will be up, but maybe not until 2027. Inflation is stickier in the US, forward looking composites show a pop-up in Q2, but a tapering back down in the following twelve months.

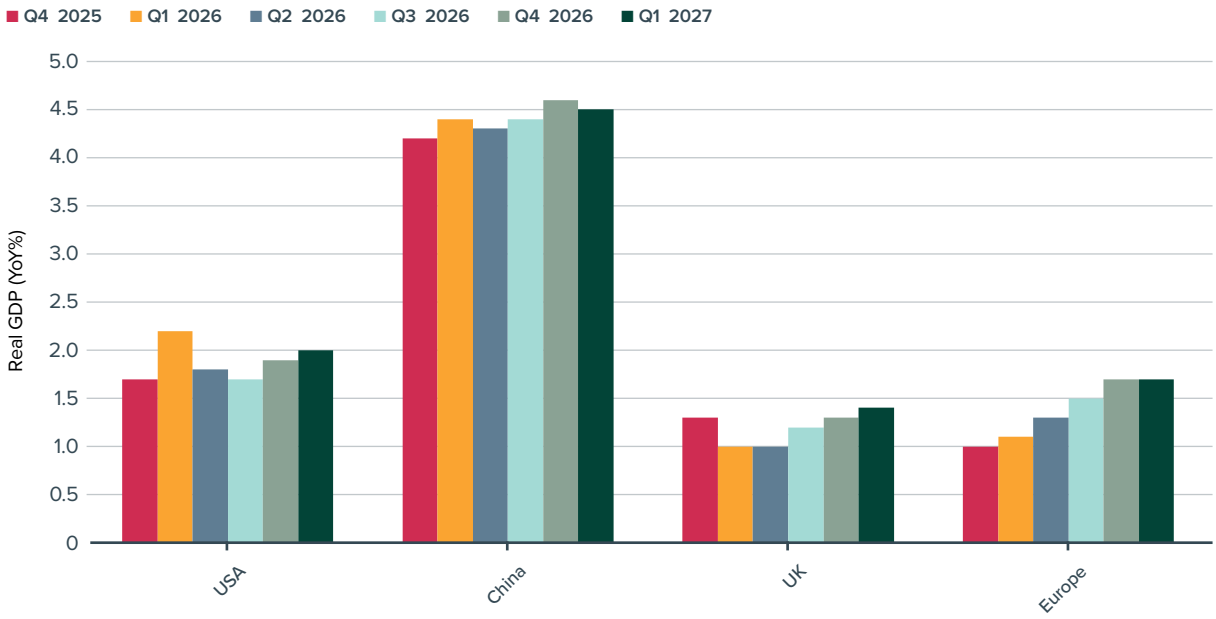
The US Dollar is on a recovery of sorts when benchmarked against the (US Dollar Index) DXY. It began the year at around 109 before declining steadily to a trough of around 97 in July. Since then, it has bumped along with a shallow increase and ended the year at around parity (100).

IATA claim that 55-60% of airline costs are in USD, versus 50-55% of revenues. Therefore a 1% appreciation of the USD could reduce operating margins by around 0.1 percentage point.

In this edition we will take a deeper look into the potential outlook for US equities. Historically, there has been a very strong relationship between market strength and demand for air travel especially luxury and international trips. This relationship held up well in 2025. The S&P 500 ended 2025 18% up on the start of the year, also up by 84% since the 2022 trough. Tech stocks are soaring, driven by hopes that AI will lead to vast profits, but the optimism seems to be waning slightly.

Wall Streets “fear-gauge”, the VIX, has been volatile reflecting uncertainty that even massive results like Nvidia’s can continue to push share prices higher, since valuations are already so high. For example, a VIX rating of 20 means that in a years’ time traders expect that a stock will be somewhere between +/-20% and in normal times should only move by a percentage point or two day-on-day. Recently we have seen much higher swings.

Figure 1. GDP Forecast



Source: Bloomberg – Contributor Composite

Macro Environment (continued)

Some key points illustrating the risk in equities:

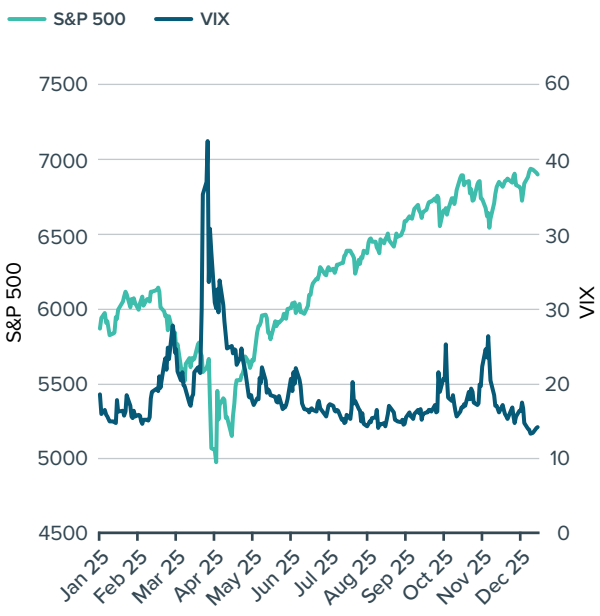
- Eight of the 10 biggest stocks in the S&P 500 are tech stocks. These eight account for 36% of the total US markets value, 60% of the gains since the April trough, and almost 80% of the S&P 500's net income in the past year.
- Since the launch of ChatGPT in November 2022, stocks linked to AI rose by 165%, S&P rose 70%, stocks not linked to AI rose 25%
- The markets Price-to-Sales Ratio is above levels of the dotcom bubble of 1999
- AI investment boom is one of the biggest movements of capital in modern history with the IMF claiming it helped the US avoid a sharp downturn – what happens when investment pulls back?
- 31% of US household wealth is owned by people over 70 – a record level
- Finally, the purest gauge of speculative fervour – cryptocurrencies, have seen a slump as Bitcoin has dropped c.40% from its annual high.

The potential impact of any significant fall in the stock market is hard to define. The impact of the collapse post the dot com bubble is complicated by the events of 9/11. That said, we could expect a fall in discretionary travel especially for long haul traffic. We could also expect to see a decline in premium travel as there are currently more discretionary travellers in what is now a larger premium seat offering.

On a positive note, aircraft since Covid have proven to be an attractive asset for investment for several reasons including they are a hard and mobile asset, resilient to inflation, stable cash flows and have long economic lives.

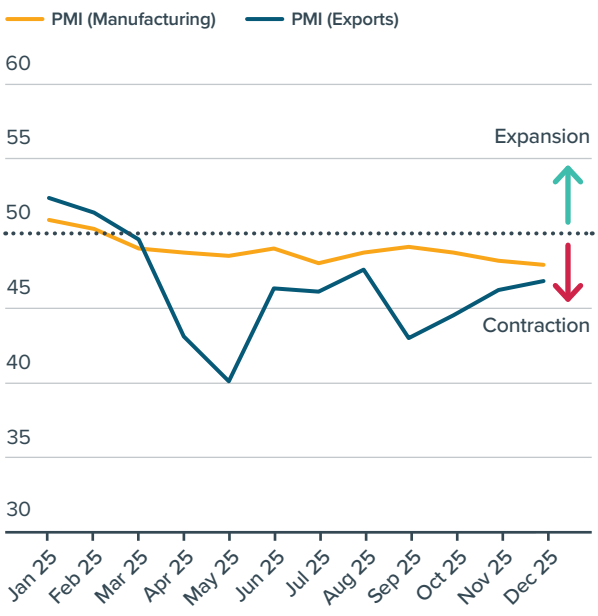
Purchasing Managers Indexes (PMI) are based on monthly business surveys and provide a useful forward-looking signal of global manufacturing activity. Simply, anything over 50 means expansion, anything below is contraction. Sentiment for manufacturing has been subdued over the past number of months according to the ISI manufacturing report, while exports are recovering from their September trough, most likely due to US tariff policy. However, sources can differ; according to IATA, PMI has shown expansion in three consecutive months, five times this year.

Figure 2. Stock Market Performance & Volatility



Source: Bloomberg – S&P 500 & VIX Index

Figure 3. Expansion Indices



Source: Bloomberg – ISI Manufacturing Report

Oil

Oil prices continued their gradual decline across 2025, averaging $70/b for the year, a $10/b reduction on the 2024 average. However, in the past quarter we saw the crack-spread jump close to $30/b, away from its generally stable refining cost of around $20/b. IATA estimates that fuel accounted for 29% of total industry costs in 2024, so the overall cost reduction remains a welcome change.

On the production side, OPEC+ commented in November that they were pausing plans to increase production in Q1 2026 over fears of an oil glut. In October the US placed sanctions on Russia's two largest oil firms, Rosneft and Lukoil who count for about half of Russia's production, combined. Even with the pause in OPEC+ ramp up and the Russian sanctions, oil prices are still expected to slide in 2026 due to the oversupply dynamic.

Production forecasts between the three main international organisations – IEA, OPEC, EIA continue to widen causing confusion in the market. The divergence between the three reached 1.8mn b/d, the equivalent of France's oil consumption and the biggest gap in over twenty years. Various reasons are impacting this such as the pace of transitioning to green energy, a larger share of oil production falling under sanctions and lack of visibility into China's storage rates.

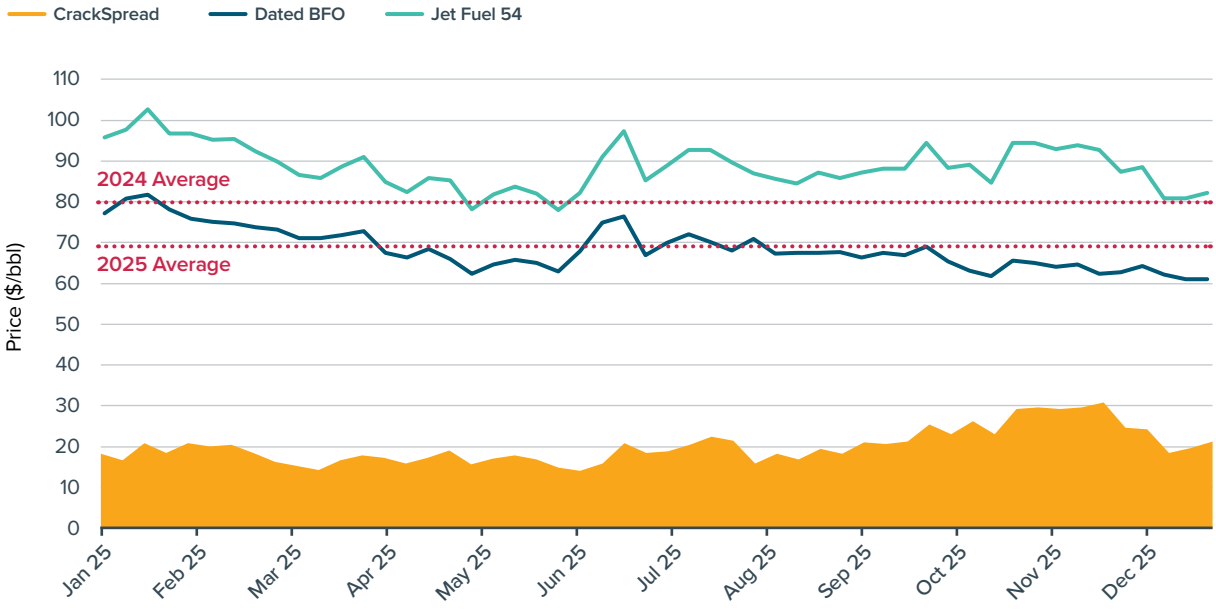
In the transportation sector, aviation and shipping accounted for all the increase in consumption in 2024, with demand for road transport flat, primarily due to the increase in electric cars.

Finally, worth touching on the US military involvement in Venezuela. Venezuela is overwhelmingly reliant on oil exports, which currently account for almost 90% of all export revenues. Venezuela has the largest oil reserves in the world, exceeding even that of Saudi Arabia but has been plagued with mismanagement, corruption and sanctions.

Donald Trump has stated that US oil companies will "spend billions of dollars, fix the badly broken infrastructure and start making money for the country". Easier said than done as even to increase daily production from 1 million b/d to 1.5 million b/d would cost up to $7 billion and would still leave the nation producing little more than 1% of global production. Venezuelan oil will be expensive to extract, and higher refining costs as it is defined as heavy and sour.

Hedging remains important for non-US airlines with strong balance sheets. Ryanair hedged around 85% of its fuel for the second half of 2025 at $76 per barrel and extended fiscal 2027 cover to 80% at just under $67 per barrel. In the US, while Southwest had run a fuel hedging policy over the past decades, they have joined their peers in becoming unhedged, citing difficulty in predicting future fluctuations in oil prices.

Figure 4. Fuel Price



Source: Bloomberg, Dated BFO Brent & Jet Fuel 54

Aircraft Supply

Boeing have had a strong 2025 as their recovery continues. Their flagship programs, the 737 MAX and 787 all delivered at highest rate since the onset of Covid. Quality has also improved, with 'travelled work' which is a task performed at a later stage than originally planned in the production process, significantly reduced, earning praise from the likes of Michael O'Leary and Copa Airlines' Pedro Heilbron. The FAA have also cleared Boeing to increase their production rate on the MAX from 38 per month to 42, with Boeing stating they have loaded the assembly line at that rate in November.

2025 was a challenging year for Airbus where they trailed their higher target for much of the year but had their typical strong December to reach their revised delivery target. The critical issues for Airbus relate to both engines and seats, at one point in time Airbus had 60 "glider" aircraft on the ground awaiting installation of engines. They are also dealing with a quality escape on some fuselage skin panels which will drag further into 2026.

On the seat side there are multiple issues combining to cause delays. Tighter certification requirements for aircraft seating have added to the lead times for new seat models. Further complexity comes from changes such as a new in-seat IFE which brings its own certification challenges. Resource availability at the aviation authorities is also leading to bottle necks and extended the time to certify new designs for both line fit and retrofits. The result of this is airlines have taken delivery of aircraft (predominantly widebodies) with no seats installed and/or seats blocked out for operation.

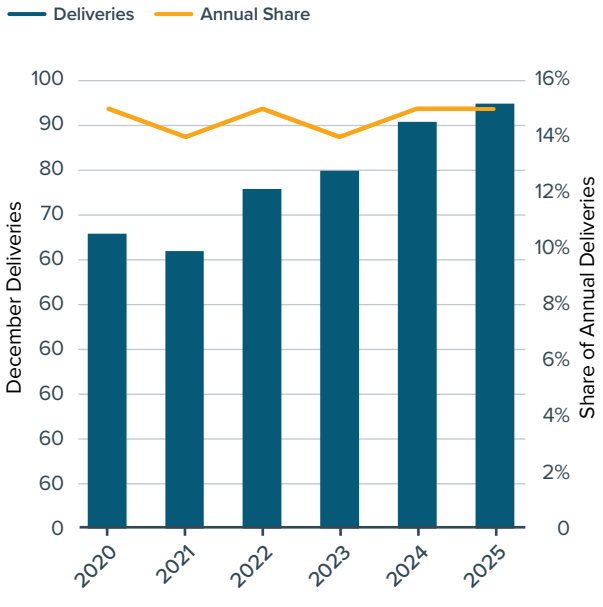
Ambiguity remains over timing of certification of aircraft models (MAX 10, 777X) which has led to some airlines swapping orders.

Finally, touching on COMAC, ramp-up of deliveries of their neo/MAX competitor, the C919, remains muted. 2024 deliveries were 13 units, with only a slight increase to 16 in 2025, largely due to component shortages. All deliveries remained in China.

Supply chain constraints remain and are being exacerbated by continued trade tensions and tariffs that increase costs and disrupt the flow of goods. The aviation supply chain has a long tail, and even if engines and aircraft are exempt, their raw materials and components are not.

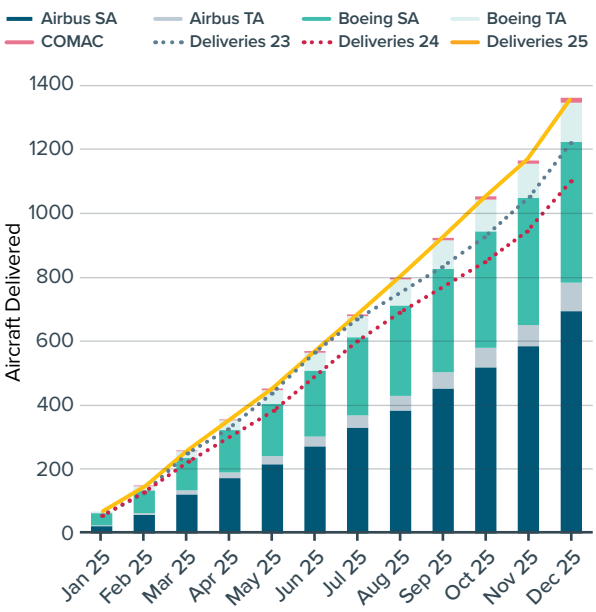
Boeing and Airbus have contrasting strategies when it comes to aircraft production. For Boeing all are built in the US while Airbus has four production sites across three continents. On the narrowbody side all MAX aircraft are currently manufactured in Renton, Washinton while the neo family is manufactured in Toulouse and Hamburg in Europe, Mobile in the US, and Tianjin in China.

Figure 5. A320neo Family December Deliveries



Source: Cirium Fleets Analyzer, SMBC Aviation Capital

Figure 6. Aircraft Deliveries 2025



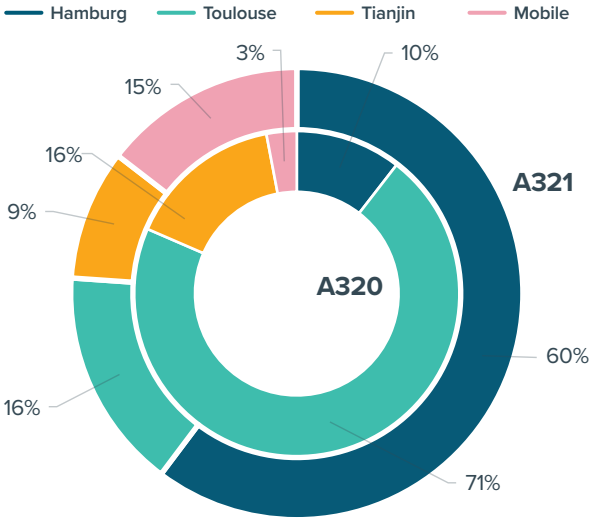
Source: Cirium Fleets Analyzer, Passenger & Freighter Aircraft.

Aircraft Supply (continued)

Airbus have opened a second line in Tianjin with deliveries schedule for 2026 and also recently opened a second line in Mobile. These were built to provide the additional capacity to reach rate 75 in 2027 and brings the total number of assembly lines to 10, including four in Hamburg, two in Toulouse and two in Mobile.

Toulouse currently has a heavy focus on the A320, while Hamburg focuses on the A321. This should adjust going forward, as Airbus have opened an A321 line on the site that used to produce A380s in Toulouse. Reflecting an orderbook that is now heavily weighted towards the longbody, it is key for Airbus to have as many FALs producing A321s as possible.

Figure 7. A320neo Family Delivery Locations



Source: Cirium Fleets Analyzer, SMBC Aviation Capital

Storage & Retirements

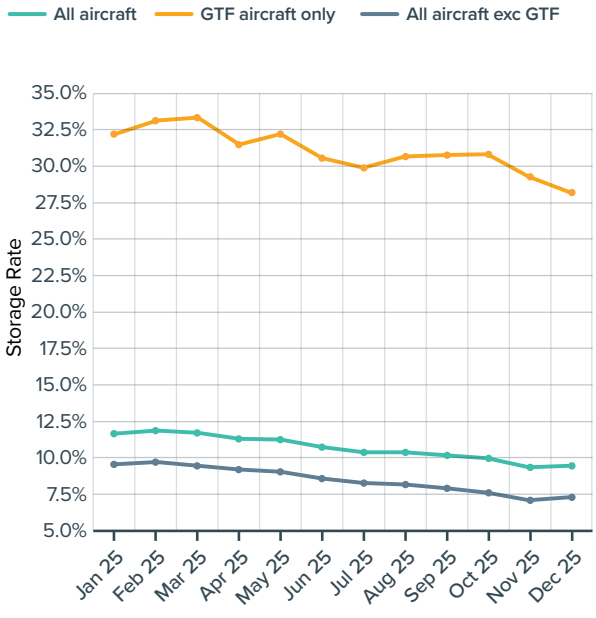
Storage rates across 2025 have shown a stable downward trend and excluding the GTF powered aircraft ended the year at c.7%, down from 9.5% in January. We specifically covered the GTF issue in our Q4 edition, which while remaining stubbornly high is starting to slip below the 30% storage rate.

Looking into the year-end numbers, we have identified a quarter of the stored fleet are types which are most likely heading for part-out (MD-83, 727, A300) and another third are GTF powered aircraft. The 6% which represents New-Tech aircraft are not a concern, so the 700 (30%) 737NGs and A320 are the key types here.

Drilling down into the numbers, the operators with the largest amount of idle fleet are undergoing various levels of restructuring and so these aircraft are not immediately available to the market. Many other aircraft are either undergoing airframe maintenance, transitioning operator or are set for retirement. The average age of the pax 737-800s is 16 years versus c.19 years for the A320/321.

Where we do see some softness is in the freighter space where over 80 NGs and A321s are currently stored, due to a combination of some oversupply in the cargo market and superior returns from leasing out their engines and storing the airframes. Over 100 MD-11 freighters remain grounded following the engine detachment of an aircraft during take-off in November. Although concentrated with three operators, this represents a significant amount of cargo capacity that cannot be utilized currently.

Figure 8. 2025 Storage Rate

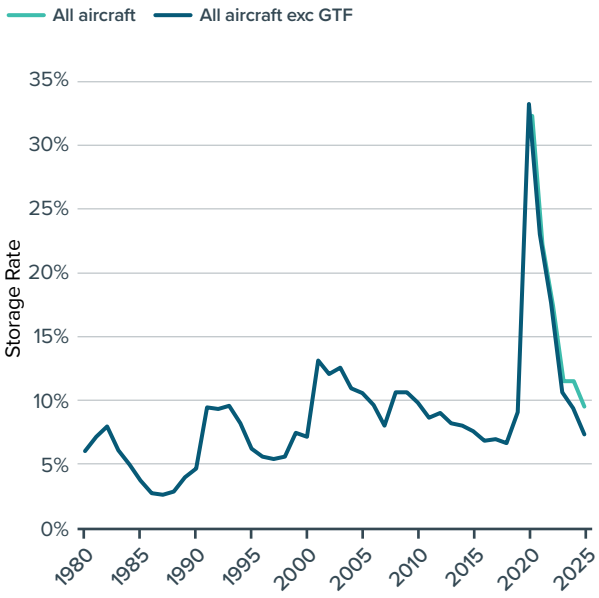


Source: Cirium Fleets Analyzer, SMBC Aviation Capital

Storage & Retirements (continued)

Overall, the excess storage for single-aisle aircraft is largely eliminated, with twin-aisles heading in the same direction.

Figure 9. Long Term Storage Rate



Source: Cirium Fleets Analyzer, SMBC Aviation Capital

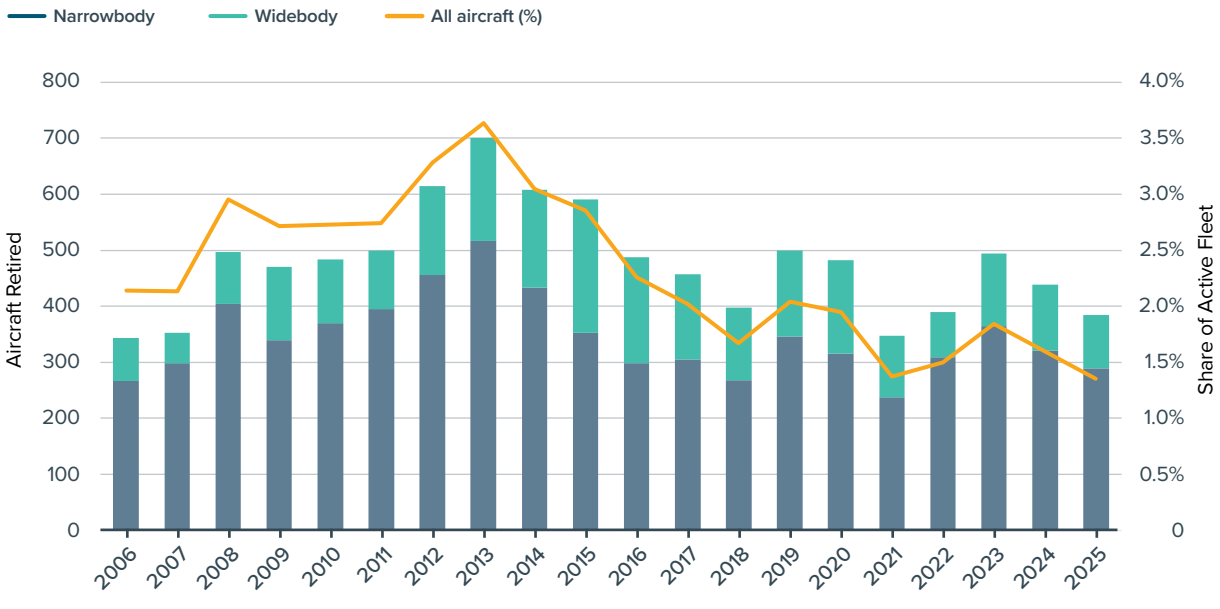
Taking a longer-term view and looking back since 1980 which captures five economic cycles, we see that by historical standards we still have some room to somewhat tighten storage rates. A fair estimation is that outside of a recessionary period the storage rate for commercial aircraft is around 6-8%. We are currently approaching this (excl GTF) but will need to sustain it for a number of years to maintain this average.

Across the past 25 years retirements average c.430 units per annum, slightly higher than was experienced in the years post-Covid. While the retirement rate in the current upcycle has been considered low, this is when comparing against the high level experienced in the era post-GFC downturn.

However, the in-service fleet is considerably higher now than at the turn of the century. Over this time span on average 2.2% of the in-service fleet is retired annually, while this has dropped to 1.5% over the prior five years. Not surprising, as reduced production post-Covid led airlines to defer retirements to maintain their capacity requirements.

In general, anywhere between 20% and 40% of all retirements are of legacy technology types which have been in storage for a long time, part-out value is low and they are not viable candidates for reactivation. These include the likes of MD-80s, 747s and A340s. For 2025 this sat at just about a third.

Figure 10. Twenty-Year Retirements



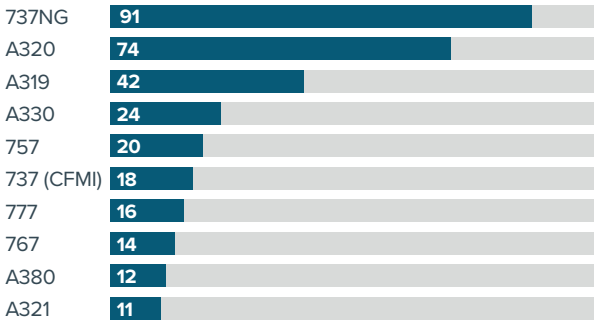
Source: Cirium Fleets Analyzer, SMBC Aviation Capital

Storage & Retirements (continued)

In our previous edition we spoke about the new-tech aircraft retirements, but retirements remain dominated by the current-tech class, particularly the A320ceo family. Here we saw a 40% increase over 2024, several of which were intended for retirement previously but had their lives extended by operators.

Just over half of this family have been retired by airlines, led by Delta and BA, with remainder parted-out by MROs and Operating Lessors where we will see their components flow into Used Serviceable Material (USM) part-pools.

Figure 11. 2025 Retirements by Type

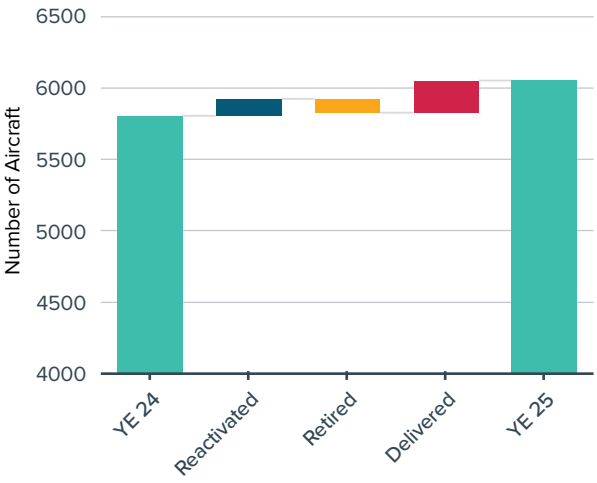


Source: Cirium Fleets Analyzer, SMBC Aviation Capital

Figure 12. 2025 Fleet Evolution

Single Aisle

Twin Aisle



Source: Cirium Fleets Analyzer, SMBC Aviation Capital

Air Travel

According to IATA, traffic grew by 5.2% in 2025, down from their 5.8% projection in June. Growth could have been higher, but capacity was restricted from maintenance backlogs, delivery delays and labour shortage across the spectrum.

Asia-Pacific was the star performer, expanding by over 7%, while North America is the laggard, particularly due to its domestic performance. Generally long-haul markets have seen higher capacity growth than short-haul and domestic markets, particularly in APAC, but the Middle East has also performed well.

Since the end of 2024 transatlantic and Europe-Asia capacity exceeded 2019 levels, but in recent months we are seeing some positivity on Transpacific and Chinese international routes. China international is up 10% this year and should get back to 2019 levels sometime in 2026. However, issues remain such as US-China relations which has seen limited direct flights while Russia overflight constraints significantly impact European operators on many routes to Asia. In fact, Chinese carriers are operating 45% more capacity than 2019, while European carriers are down 55%.

Looking ahead to 2026, IATA forecast traffic growth of 4.9% while Cirium projects a 3-4% increase in seat capacity, with variation across regions. With very little additional capacity from the secondary space, effectively all growth will come from new deliveries, so

Air Travel (continued)

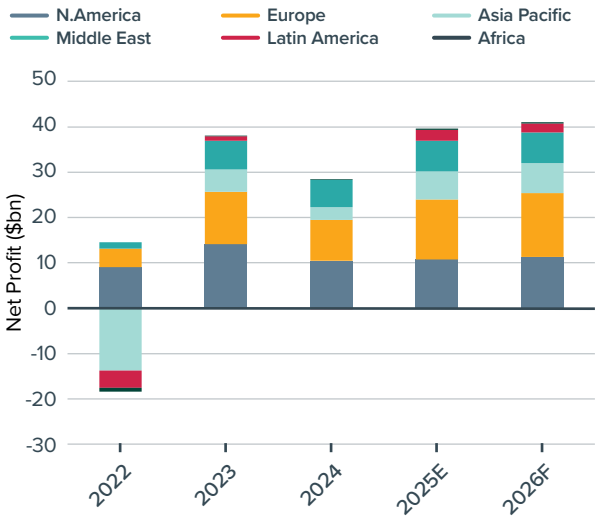
SMBC AC expect that traffic growth will be in region of 4.5-5% for 2026. While on a positive course, this still represents four years behind the pre-pandemic long-term trajectory.

Profits were the highest ever in 2025 – but not profit margins, 2025 was only the fifth highest margin in history. IATA forecast an incremental increase in profits for 2026, but margin to remain unchanged.

We are seeing airlines in the US expand their fare offerings, on the more price sensitive side they are offering stripped back options to compete with the LCCs while also leaning more heavily on the premium product. This distribution across fare offerings has enabled a wider capture rate of customers, while leaving the LCCs with the question of are we offering what the customers want. LCCs outside of the US remain more robust, such as within Europe with secondary airport flying, shorter stage lengths and comparatively less emphasis on connections. Currently, premium travel is remaining sticky and can no longer be considered "revenge travel" as increasing numbers are moving to the front of the plane enabled by airline loyalty and airline / credit card points. The large carriers are lean into this by redesigning their cabins to offer even more premium seats. However, as we mentioned earlier, we think there may be some risk here if the US stock market suffers a severe correction.

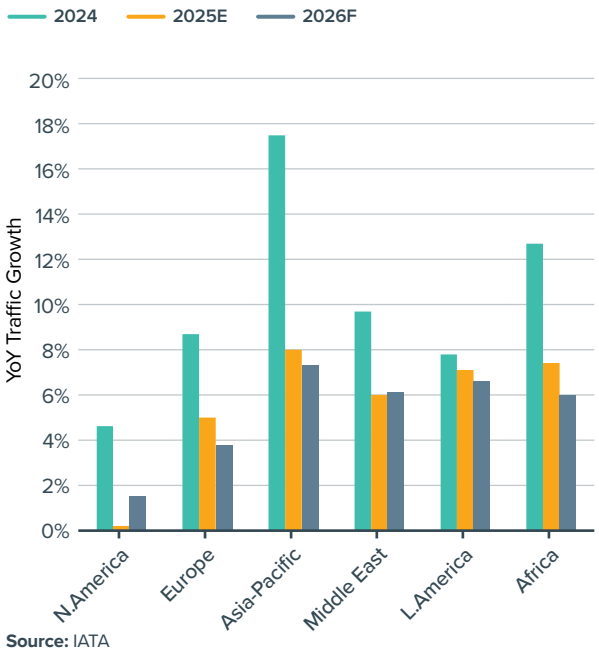
On the cost side, IATA expect a c.4% increase in 2026, despite the forecast further reduction in fuel costs, driven by employment numbers, wage growth and maintenance costs. The MRO sector is one to watch here, according to Aerodynamic Advisory the cost structure for airlines has shifted dramatically since 2019, MRO spending is expected to increase about 40% in 2025 compared with 2019, while airline capacity has risen only 10%, implying a unit cost growth of around 30%.

Figure 14. Airline Profits



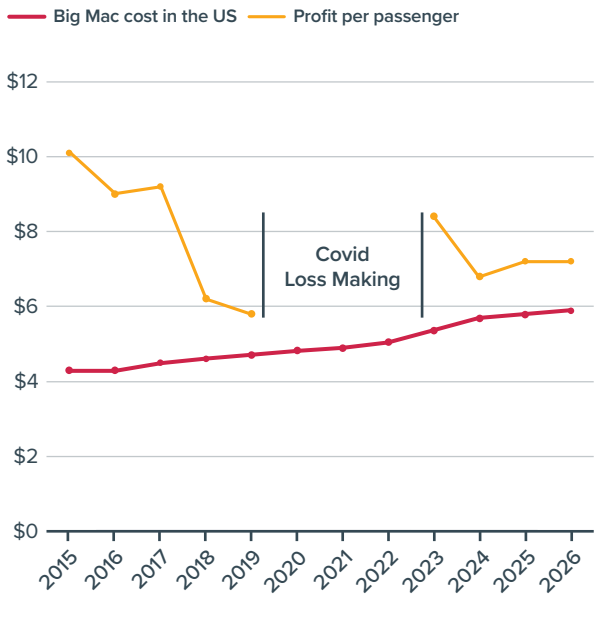
Source: IATA

Figure 13. Airline Traffic Growth



Source: IATA

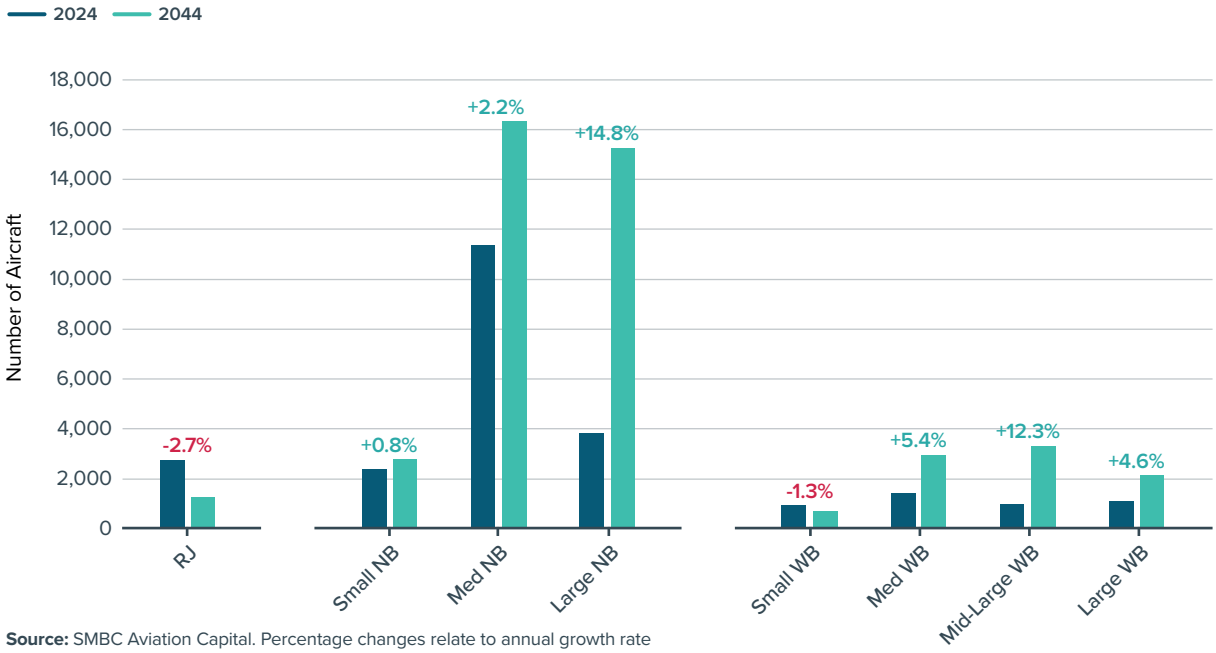
Figure 15. Airline Returns vs Big Mac



Source: IATA, The Economist

Fleet Forecast

Figure 16. SMBC AC 20-Year Fleet Forecast



Source: SMBC Aviation Capital. Percentage changes relate to annual growth rate

The most evident trend in the narrow body market is the shift in demand from the smaller and medium sized aircraft to the larger variants (A321 / MAX-10). Our long-term fleet forecast sees the fleet of larger variants catching up with the traditional workhorses of the industry.

Today, almost 75% of the A320 Family backlog is for the largest A321 variant (This compares to ~50% in 2020 and ~10% in 2010).

Given the delayed EIS of the MAX-10 and Boeing's more limited "Long body" production capacity the 737 numbers are less stark but still trending in the same direction with the MAX-9/10s accounting for ~27% of the current backlog compared to ~15% in 2020 and ~9% in 2010. The expect EIS of the MAX in late 2026 should see a future rise in these numbers as we expect some carriers to switch their orders to the large aircraft once it is certified.

In the widebody space we expect to see a similar but less dramatic shift from the small WB segment (e.g. A330-200 / 787-8) to the medium (e.g. A330 neo / 787-9) and medium to large (A350-900 / 787-10) segments where it is far more challenging for airlines to match capacity and demand.

The large WBs e.g. (777X and A350-1000) will remain popular with flag carriers on trunk routes.

This ultimately backs up our forecast that the average aircraft will carry more people via a combination of densification and size resulting in less aircraft required for the same demand – a positive environmental message.

Fleet Crossover

When a new aircraft type enters service, it can take a long period of time to replace the incumbent technology. One metric, that we monitor, is the point at which the fleet of new technology aircraft out numbers the existing fleet. This of course depends on several factors such as the size of the existing fleet and the speed of the production ramp up. While far from an exact science, history would suggest that after this point the value retention characteristics of the existing fleet comes under increasing scrutiny particularly in an economic downturn with older examples more at risk.

Prior to Covid and the temporary grounding of the Max, SMBC AC were forecasting that this "crossover" point would be 2025 for the NEO and 2026 for the MAX.

Fleet Crossover (continued)

Figure 17. Fleet Crossover - Airbus

Source: SMBC Aviation Capital

Figure 18. Fleet Crossover - Boeing

Source: SMBC Aviation Capital

Covid resulted in a significant scale back in production and delayed ramp-up plans for both OEMs with Boeing impacted even more.

Our latest forecast shows these crossover points pushed further into the future: 2 years to 2027 for the NEO and 3 years to 2029 for the MAX.

While Boeing and Airbus production issues have frustrated business planning for both lessors and airlines it has helped support the residual values and trading of the incumbent fleet. It has also extended the life of some aircraft as investors and operators will be looking to get a return on the investment they have made into aircraft to keep them flying.

As a final point, we would highlight that this change over is somewhat different than the one we saw when we moved from classics to new generation aircraft. Previously, the aircraft in that change over, offered both significant costs savings and increased capacity. This time round the capacity is broadly the same and the saving is very closely linked to the fuel price. Accordingly, we think airlines and owners will be better able to assign relative value to both fleets in a downturn.

Propensity to Travel

A rough rule of thumb is that airline traffic increases at twice the rate of GDP. Ignoring the distorting effects of Covid-19, since 1980 the multiplier is 1.9:1 so it's a pretty accurate rule of thumb although it varies by a nations level of development. It has a correlation of 0.6 which is considered medium to strong, but correlation and causation are not always the same thing. As economies expand and the wealth of the population increases the propensity to travel increases, both for business and leisure. Indeed, in many western nations the annual summer vacation is now considered a core expense along with mortgage and electricity costs, rather than a "nice to have".

Airbus in their annual Global Market Forecast (GMF) create a 'Propensity to Travel' chart which we have modified with GDP data from the International Monetary Fund (IMF). The analysis is fundamentally based on population – how many trips are taken as a function of GDP per capita. The bubbles relate to population and what is immediately striking is that, the US aside, the countries with the highest GDP and trips per capita such as Ireland, Norway and Singapore are all countries with low populations.

Propensity to Travel (continued)

Therefore, the future of aviation growth is in those high population, low travel countries clustered in the bottom left quadrant.

The second chart looks forward a decade and while it shows a stretch of the smaller, richer countries increasing their GDP and propensity to travel it is encouraging to see the larger countries move up and to the right. In 2019, of the 15 largest nations only the US and Japan had over 1 trip per capita, removing these two countries the average was 0.24. Looking forward to 2029 and while the list of most populated countries slightly changes, the trips per capita jumps to 0.58, a significant increase.

China and India as the most populated countries are expected to almost double their trips per capita from 0.5 to 0.84 for China and 0.12 to 0.24 for India but Türkiye is a stellar performer expected to go from one trip per year to 2.5 by 2029 – the same as the US.

Figure 19. Propensity to Travel 2019

Source: Airbus GMF, IMF, SMBC Aviation Capital

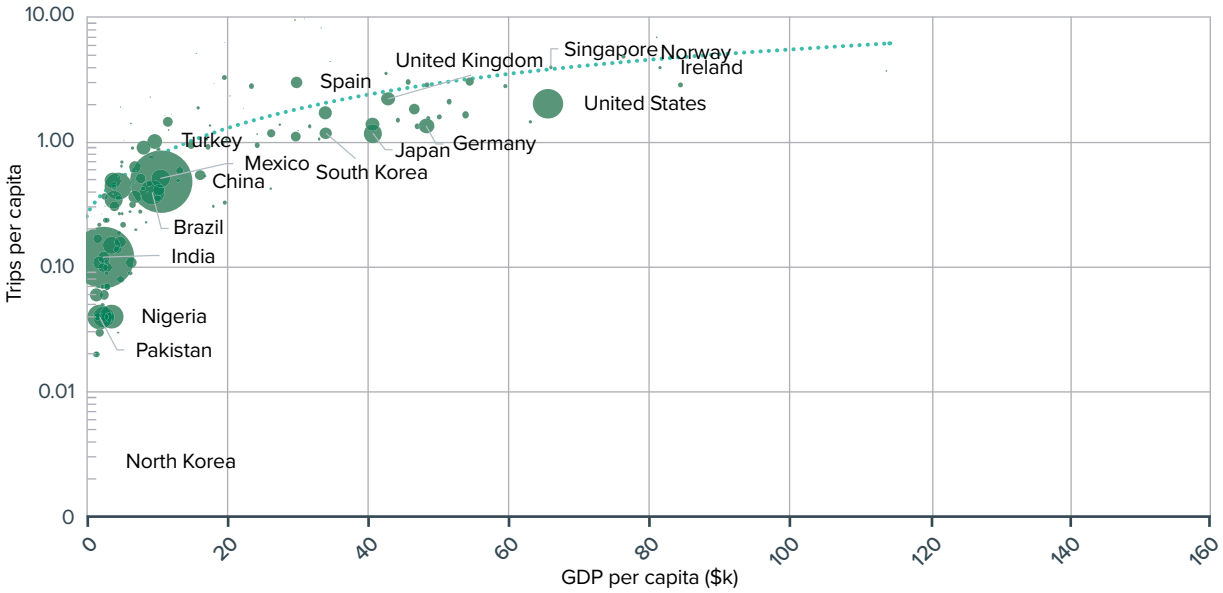
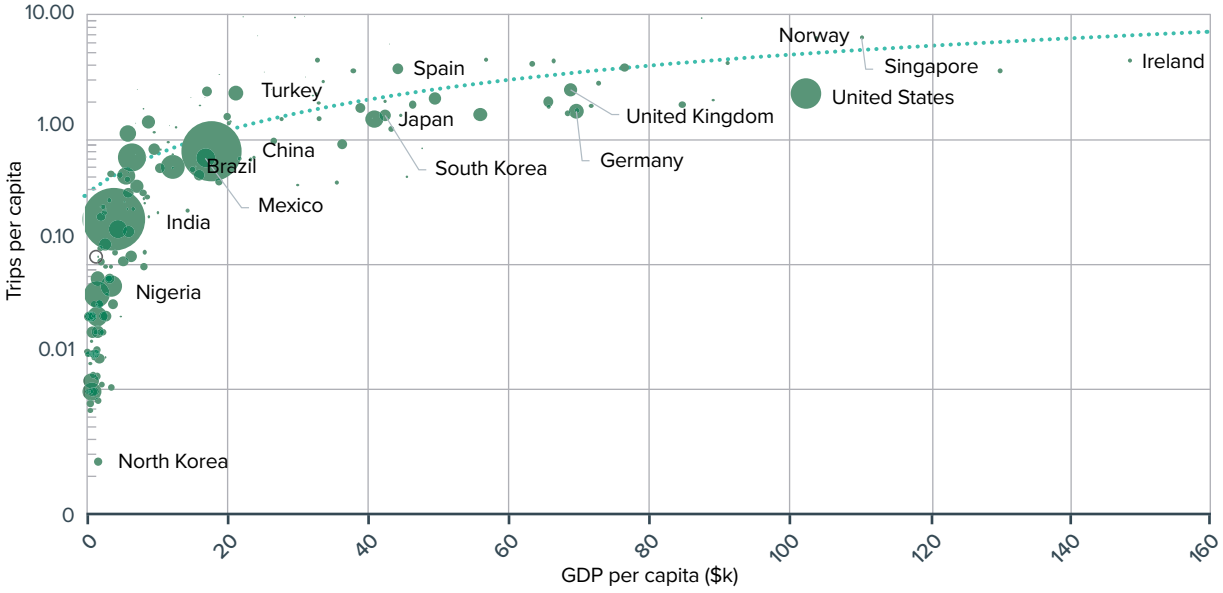


Figure 20. Propensity to Travel 2029

Source: Airbus GMF, IMF, SMBC Aviation Capital



Appraiser Market Values & Lease Rates

In previous editions of Plane Insights, we have focused on the single-aisle market where values and lease rates have stabilised at elevated levels over recent months. However, the twin-aisle market continues to go from strength to strength. Coming out of the downturn, the recovery in twin-aisles lagged the single-aisles as long-haul markets were slowest to recover and storage rates of twin-aisles remained quite sticky.

According to the four appraisers tracked, the CMV on three new build twin-aisle types is 4-5% higher than it was two years ago, but the rate of increase is higher for older vintages.

On a percentage basis the appraisers see a considerably higher increase in lease rates over values, largely a function of recovering from a lower base. Versus two years ago market lease rates are up between 10 and 20% according to appraisers, while the AC view is that this growth will continue.

As long-haul routes reopen and airlines reactivate aircraft, supply of widebodies remains constrained which is pushing up both values and lease rates. Production rates for existing platforms are slow to ramp-up while the 777X continues to be delayed leading to high extension rates for legacy types such as the A330ceo and 777-300ER.

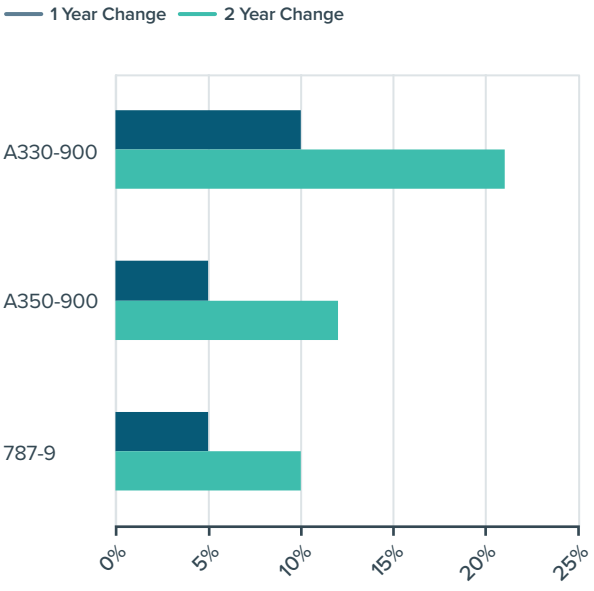
The age profile of the A350s and 787s means that we are now seeing an increase in possible lease transitions. However, such is the demand, airlines are generally extending meaning any aircraft being re-marketed are being placed for high rates.

While the aircraft covered in these charts are new-tech widebodies, we also see significant uplift for current-tech aircraft, particularly the 777-300ER.

Figure 21. Appraiser CMV – Twin-Aisles

Source: Cirium Ascend, IBA, mba & Avitas. Age 0

Figure 22. Appraiser CMLR – Twin-Aisles



Source: Cirium Ascend, IBA, mba & Avitas. Age 0

SMBC Aviation Capital Macro Monitor

Economic Growth	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
US GDP							
China GDP							
Euro Area GDP							
Economic Expansion							
PMI – Manufacturing							
PMI – Exports							
Money Supply (M2)							
New House Starts (US)							
Global Supply Chain Pressure Index							
Stocks							
S&P 500							
Inflation							
US CPI							
Euro Area CPI							
Oil							
Brent Price							
Crack Spread							
Commodities							
Aluminium							
Gold							
Titanium							
Interest rates							
10 Yr Swap							
10 Yr T							
Yield Curve							
EFFR							
ECB Rate							
Currency							
DXY/Dollar							
Euro/Dollar							
Yen/Dollar							
Air Traffic							
Air Traffic (YoY)							
Air Cargo (YoY)							
Market Values							
SA Current Tech MV							
SA New Tech MV							
TA New Tech MV							
Market Lease Rates							
SA Current Tech MLR							
SA New Tech MLR							
TA New Tech MLR							

Sources: Bloomberg, Market Watch, Trading Economics, IATA, Cirium, IBA, mba, Avitas

About the authors

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Shane is Head of the Strategic and Market Analysis Team leading a team of six analysts who have responsibility for SMBC Aviation Capital's proprietary models, databases and market analysis. He joined the company in 2005 as a credit risk analyst covering customers in Asia Pacific. Shane spent 10 years as an equity analyst covering airlines with NCB Stockbrokers and HSBC Securities in Singapore. He holds a Bachelor of Commerce Degree and a Masters in Business Studies in Banking and Finance from University College Dublin.

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Darren is SVP Strategic and Market Analysis. He joined SMBC Aviation Capital in 2004 as a Residual Value Risk Analyst before joining the credit risk team covering airlines in Europe and North Africa. In 2014 he joined the Strategic and Market Analysis team with responsibility for industry analysis, forecasting and portfolio risk management. Prior to joining SMBC Aviation Capital, Darren worked in the semiconductor industry and has an Engineering Degree and an MBA from Trinity College Dublin.

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Queries

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