

# Global drivers of air travel

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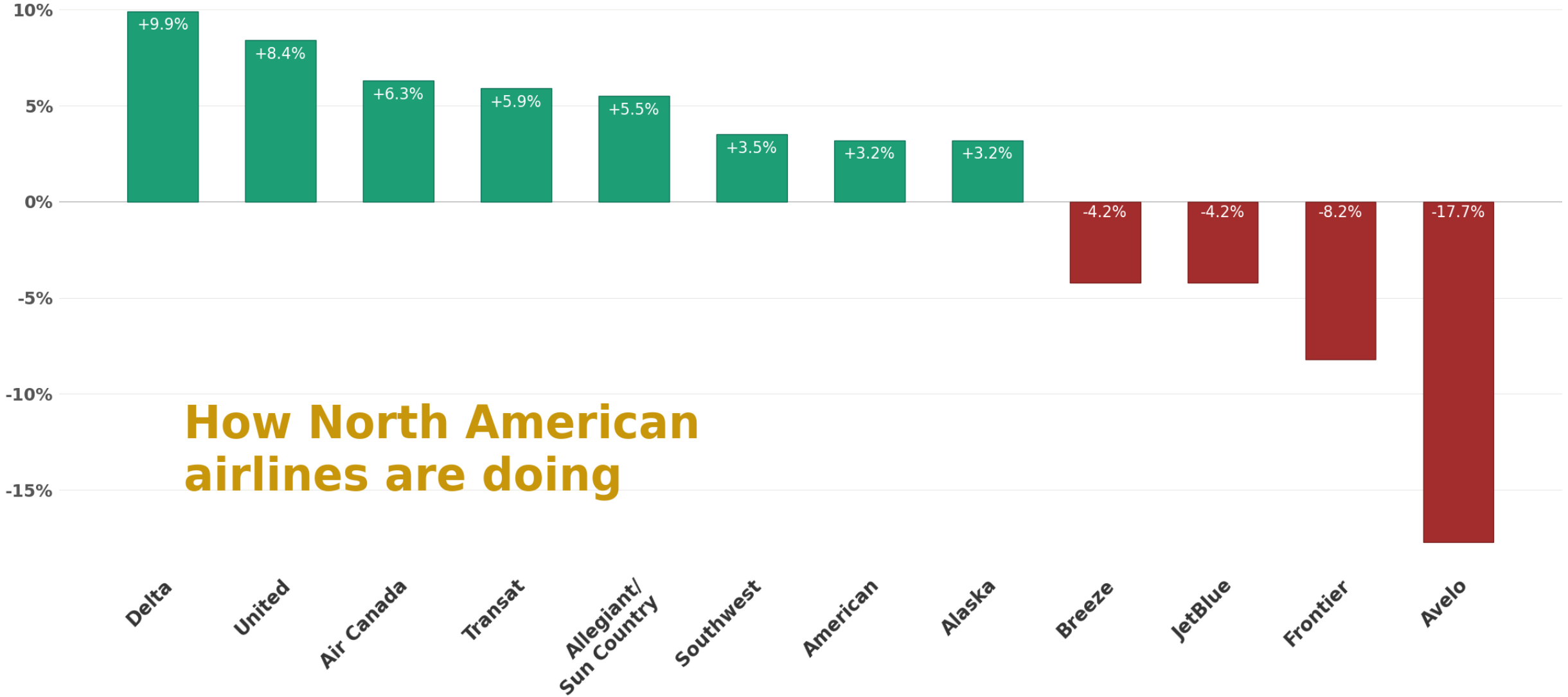
# My path



# Today's flight plan

- How North American airlines are doing
- Supply and demand trends
- Iran war *opportunities*?
- JetBlue and Spirit did merge!\*
- Is it “different this time?”

## North American airline operating margins, most recent 12 months



**How North American  
airlines are doing**

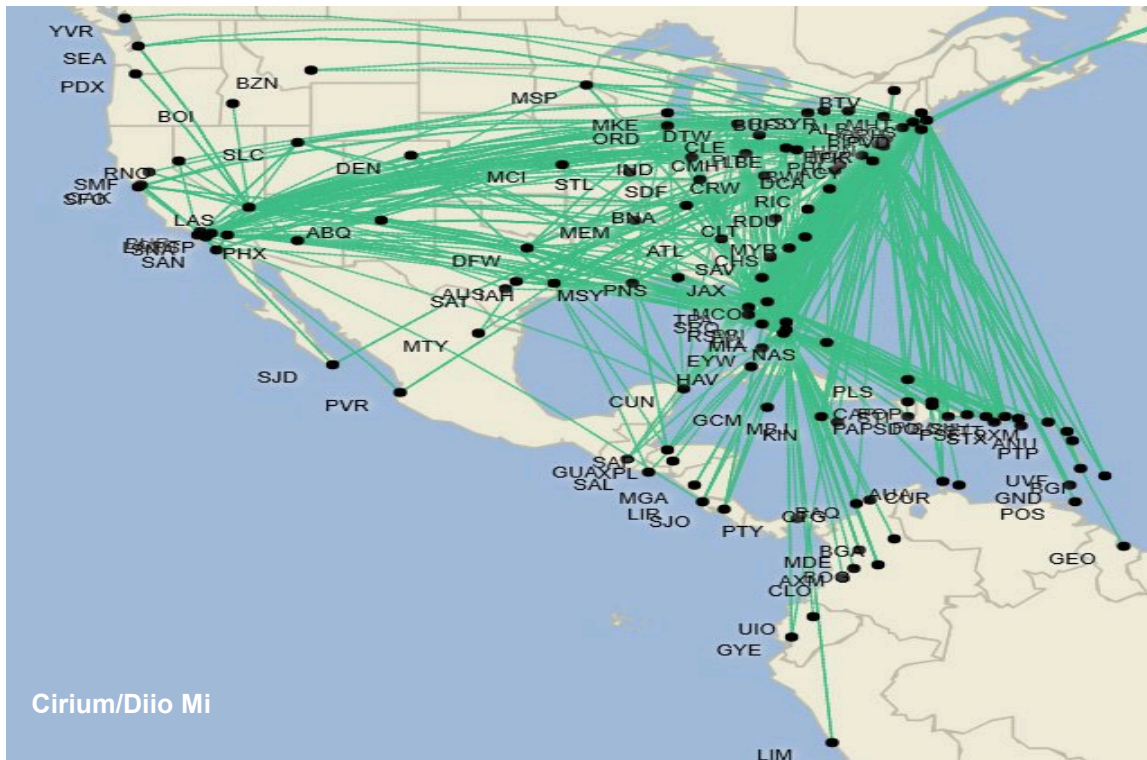
# Supply and demand trends

- **Demand:**
  - Extremely strong
  - Especially for premium
- **Supply:**
  - Shortages: planes, engines, seats
  - Airport capacity
  - Upgauging, *but...*
  - Spirit's demise

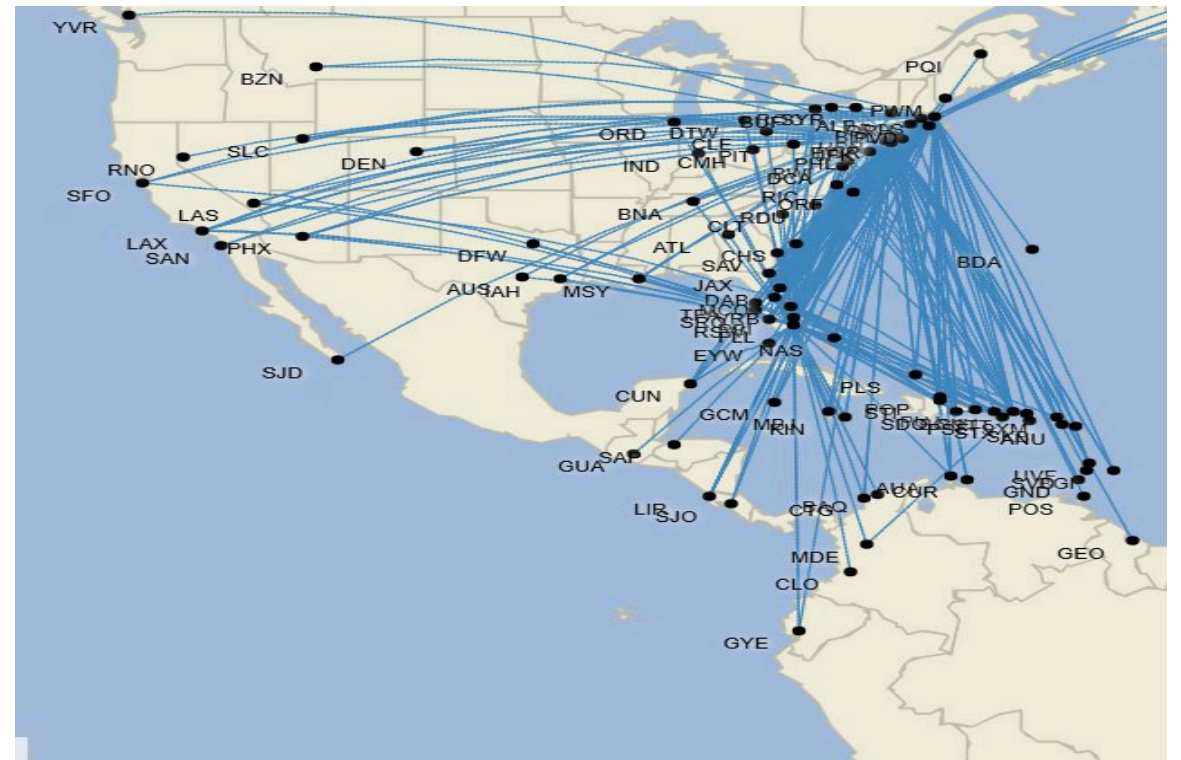
# JetBlue and Spirit did merge!\*

Well, no. But...

**B6+NK Dec. 2022**



**B6 Dec. 2026**



# Iran war opportunities

- Race to the *top*: fuel prices vs. airfares
- Oil markets: Guyana, Argentina, Alberta, Texas
- Hubs and nonstop flights competing against Gulf hubs
- Different from past oil spikes: Gulf economies suffering

# Is it “different this time?”

- Historic premium demand
- Fuel prices
- 2008 vs. 2009: Delta vs. AirTran
- Ebola