

# Monthly Airlines Market Report

December 2022

**HANetf & U.S. Global Investors**

**U.S. Global Jets UCITS ETF**

JETS

65bps

IE00BN76Y761

Product Inception Date: 15/06/21

For Professional Clients Only. Capital at risk.

All data as of 30/11/2022

This report was written by, and is the opinion of, the JETS index providers U.S. Global Investors.

## Key Takeaways

According to TSA checkpoint travel numbers, flights have returned to pre-Covid pandemic highs, reports Investing.com. Meanwhile, the Bureau of Labor Statistics reported airline fares have increased by 43% year-over-year for the month of September. A tough first half of the year due to pilot shortages, delays flight cancellations and high fuel prices gave airlines no choice but to cut back on how many flights they offered, the article continues.<sup>1</sup>

American Airlines will no longer offer first class seats on international flights, reports the carrier. As confirmed by the airlines' Chief Commercial Officer, Vasu Raja, the choice aligns the carrier with competitors like Delta Air Lines and United Airlines, which already dumped first class on international services in 1998 and 2016, respectively.<sup>2</sup>

China has reduced the amount of time travellers entering the country must spend in quarantine and removed a major restriction on international flights, reports CNN, in a sign of a limited easing of its stringent zero-Covid policy. The new measures were announced at the start of November, following a meeting by the ruling Communist Party's top decision-making body.<sup>3</sup>

## Macro Outlook

Travel during the holiday season is expected to rebound greatly despite high inflation, reports Zacks Research. After two years of travel bans, restrictions and lockdowns, Americans are set to hit the road and skies. Thanksgiving and Christmas are normally two of the most travelled holidays in the fourth quarter.<sup>4</sup>

Thanksgiving has always been one of the busiest and most expensive times to travel in the US. However, this Thanksgiving season looks like it will be the most expensive on record, reports Simple Flying. With demand exceeding supply for air travel, many U.S. passengers find themselves paying significantly more for airfare than they did before the pandemic.<sup>5</sup>

Destination Canada published its Fall Tourism Outlook on November 22, in which it forecasts that despite ongoing challenges, the recovery trajectory for Canada's tourism sector is strengthening, bolstered by the

<sup>1</sup> <https://uk.investing.com/news/stock-market-news/travel-returns-to-prepandemic-levels-but-some-airlines-other-industryrelated-companies-struggle-2817390>

<sup>2</sup> <https://simpleflying.com/american-airlines-eliminating-international-first-class/>

<sup>3</sup> <https://www.cnn.com/2022/11/11/business/china-covid-flight-bans-quarantine-updates-intl-hnk/index.html>

<sup>4</sup> [https://www.zacks.com/stock/news/2011562/best-etf-areas-of-october?cid=CS-MKTWTCH-HL-etf\\_news\\_and\\_commentary-2011562&mod=mw\\_quote\\_news](https://www.zacks.com/stock/news/2011562/best-etf-areas-of-october?cid=CS-MKTWTCH-HL-etf_news_and_commentary-2011562&mod=mw_quote_news)

<sup>5</sup> <https://simpleflying.com/thanksgiving-travel-2022-expensive/>

lifting of Covid restrictions and resilience in travel demand. According to the press release, leisure travel is now expected to recover to 2019 levels by 2024.<sup>6</sup>

**All performance figures are showing net data.** Please remember that past performance is not indicative of future performance, and when you invest in ETFs, your capital is at risk.

## U.S. Global Jets UCITS ETF Performance Table

As of 30.11.2022

	1M	3M	6M	YTD	12M	SI
U.S. Global Jets UCITS ETF (Acc)	5.84%	8.92%	-8.51%	-11.14%	-6.84%	-27.05%
<i>U.S. Global Jets Index</i>	<i>6.01%</i>	<i>8.75%</i>	<i>-8.54%</i>	<i>-10.80%</i>	<i>-6.55%</i>	<i>-26.53%</i>

**Please note that all performance figures are showing net data.** Source: Bloomberg / HANetf. Data as of 30/11/2022. Performance before inception is based on back tested data. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. Past performance for the index is in USD. Past performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product. Investors should read the prospectus of the Issuer ("Prospectus") before investing and should refer to the section of the Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in this product. When you invest in ETFs and ETCs, your capital is at risk.

### Product Details

The U.S. Global Jets UCITS ETF is designed to capture global companies' performance in the **commercial airline, aircraft manufacturing, and airport & terminal services industries**.

The index that the ETF is based on uses a **smart-beta 2.0** strategy to determine the most efficient airline carriers in the world and provides diversification through exposure to international airline companies.

Unlike investing in individual commercial airline names alone, this ETF will also offer exposure to the industries that support them, including aircraft manufacturers, airports, and terminal service industries.

**Pre-COVID**, the airline industry was booming as carriers streamlined operations, improved their balance sheets, and managed to grow profits by introducing more ancillary (non-ticket) fees. The coronavirus disrupted the industry tremendously, but as vaccinations start ramping up around the world and the economy opens back up, we are confident that **the airline industry will recover**. Leisure travel has already begun to recover, and we expect business travel to do the same.

Visit the [JETS Fund Page](#) for more information.

<sup>6</sup> <https://www.newswire.ca/news-releases/latest-outlook-indicates-full-recovery-for-canada-s-tourism-industry-as-early-as-2024-one-year-earlier-than-previously-forecast-890462515.html>

Exchange	Ticker	RIC	SEDOL	ISIN	Valoren	WKN	CCY	Listing Date
LSE	JETS LN	JETS.L	BMTQZX0	IE00BN76Y761	-	-	USD	17/06/2021
LSE	JETP LN	JETPL	BMTR005	IE00BN76Y761	-	-	GBP	17/06/2021
Borsa Italiana	JETS IM	JETS.MI	BL6KDX4	IE00BN76Y761	-	-	EUR	30/06/2021
Xetra	JETS GY	JETSG.DE	BL6KDY5	IE00BN76Y761	-	A3CPGH	EUR	28/06/2021
SIX	JETS SW	JETS.S	BMX8D94	IE00BN76Y761	111372919	-	CHF	01/03/2022
Euronext Paris	JETZ FP	JETS.PA	BPG9NC8	IE00BN76Y761			EUR	07/03/2022

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  - the carbon securities ETCs under the terms in the base prospectus approved by the UK Financial Conduct Authority ("FCA") and the relevant final terms of the carbon securities (together, "FCA Carbon ETC Prospectus"); and
  - the carbon securities ETCs under the terms in the base prospectus approved by the Central Bank of Ireland ("CBI") and the final terms of the carbon securities (together, "CBI Carbon ETC Prospectus").

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The ETF Prospectus, Metals ETC Prospectus, FCA Carbon ETC Prospectus, CBI Carbon ETC Prospectus and Cryptocurrency Prospectus can all be downloaded from [www.hanetf.com](http://www.hanetf.com).

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