



Holiday Travel Metrics Suggest 2022 Won't Be 2020, Too

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Author: Roxanna Islam, CFA

After a busy air travel season this Thanksgiving, the Christmas travel season was expected to display similar strength. But news headlines were dominated by a record amount of COVID-19 staffing-related flight cancellations starting around Christmas Eve. While resulting in some initial concern for the sector, underlying passenger flight data suggests that bookings and consumer demand are still strong, and most of the current capacity issues seem relatively short-term compared to 2020 and early 2021 disruptions. The leisure travel sector, as measured by the [S-Network Global Travel Index](#) (TRAVEL) showed resiliency to these late 2021 headwinds and stayed essentially flat during the past month. First of all, airline stocks held up relatively well during the disruptions—perhaps offsetting short-term uncertainty with the long-term demand outlook. Additionally, the TRAVEL index represents the broader leisure travel sector with a 25% weighting (as of January 7, 2022) to ancillary beneficiaries like consumer goods and services companies, which may be less sensitive to travel disruptions and can benefit more from consumer sentiment and retail spending.

Leisure travel has shown some resiliency to 2021 headwinds, but strong consumer demand could drive a larger recovery in 2022

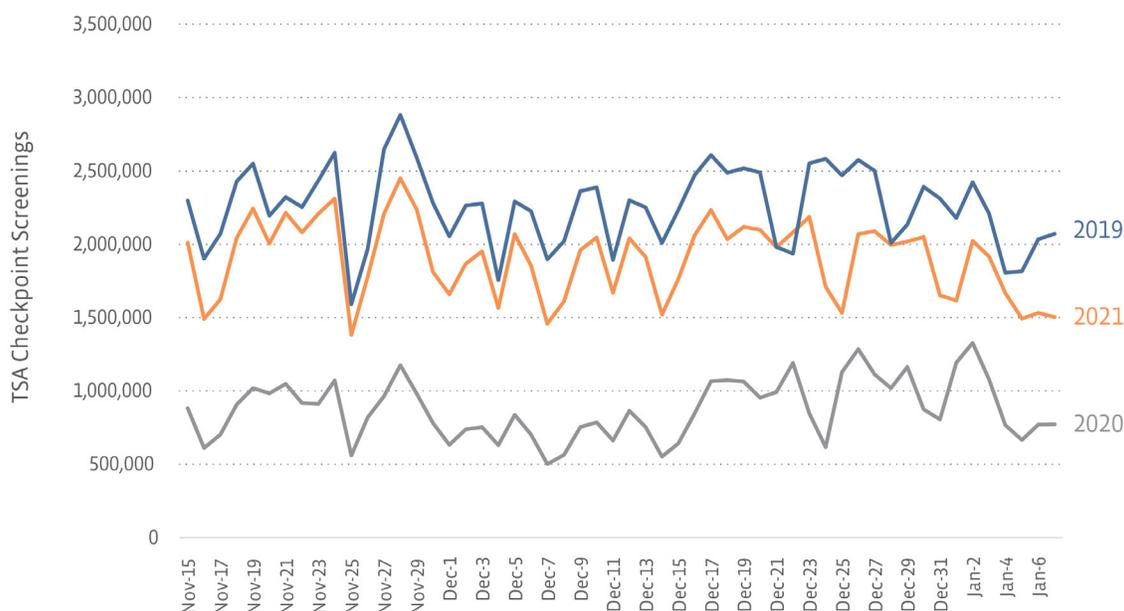


Source: Alerian S-Network Global Indexes
Data from inception date March 15, 2019 to January 7, 2022

Consumer leisure demand persists, while current capacity issues seem to be temporary.

The chart below shows TSA checkpoint figures around the Thanksgiving and Christmas holidays, which serve as a proxy for passenger volumes and can provide a readthrough for leisure travel demand. Flight bookings are usually the highest during the winter holidays—as opposed to hotel bookings which are usually lower since people tend to spend time visiting family. On average, there were only about 15% less passengers in the 2021 holiday season compared to the 2019 holiday season, which suggests that most travelers are resuming their regular vacation schedules. The widening gap toward the end of December can be attributed to the record number of flight cancellations starting in late December—mostly due to staffing shortages from COVID-19 infections. According to data from FlightAware, over 24,000 U.S. flights were cancelled in between Christmas Eve and January 7, which amounted to as much as 7% of planned capacity.¹

For the 2021 holiday season, TSA passenger volumes averaged about 15% below pre-pandemic levels



Source: Transportation Security Administration; Alerian S-Network Global Indexes
Data from November 15-January 7 for 2019/2020, 2020/2021, and 2021/2022 holiday season

What's different this time?

While COVID-19 related flight cancellations and staffing shortages might seem like a repeat of the early pandemic days, the environment should be very different in 2022. Unlike 2020, many consumers are vaccinated and ready to resume travel after holding off vacation plans for almost two years. Long-term demand fundamentals are further supported by a large annual increase in 2021 aircraft orders reported by airline manufacturers this week.² This suggests that airlines are starting to see a recovery in demand, in addition to being in a better position to spend cash. On the supply side, while December's COVID-related

¹ [Wall Street Journal](#)

² [CNBC](#)

staffing shortages may be detrimental to operations in the next quarter, these are easier to overcome relative to factors like global travel regulations. Countries seem less reactionary and restrictive now than they were during the initial outbreak in 2020 given more widespread vaccine distribution.

Bottom Line:

While the leisure travel sector held up relatively well despite headwinds in 2021, gains were muted relative to expectations that the COVID-19 vaccine would revive the travel industry. 2022, however, is a very different environment relative to both 2020 and 2021. On top of higher vaccination rates and more lenient travel restrictions, years of pent-up consumer demand and widespread inflation may contribute to both higher volumes and prices within the travel industry, which could support a more positive outlook for 2022. These may be reflected first within airline bookings and consumer discretionary spending but should eventually extend into other leisure sectors like hotels, rental car agencies, and cruise lines.

The S-Network Global Travel Index (TRAVEL) is the underlying index for the ALPS Global Travel Beneficiaries ETF (JRNY).

Index	Ticker	Total-Return Performance				
		30 Days	YTD	1-Year	3-Year	5-Year
Healthcare						
S-Network Healthcare Technology Index	HLTHX	-9.07%	-7.91%	-25.36%	88.72%	185.59%
S-Network Medical Breakthroughs Index	PMBI	-9.74%	-7.89%	-29.00%	24.04%	68.53%
S-Network Healthcare Innovation Index	PHIX	-8.02%	-6.48%	-24.50%	41.08%	104.78%
Technology						
O'Shares Global Internet Giants Index	OGIGX	-13.54%	-9.44%	-18.26%	124.93%	233.71%
S-Network North American Disruptor Index	SNNADX	-9.57%	-5.72%	1.96%	93.05%	N/A
S-Network US Disruptor Index	SNUSDX	-10.90%	-6.10%	-5.28%	88.61%	146.16%
S-Network Tech Target Index	SNTECH	-5.97%	-3.81%	-0.94%	59.19%	124.97%
Water						
S-Network Global Water Index	JGI	-1.66%	-3.72%	14.45%	66.80%	84.39%
S-Network Global Water Works Index	JWW	1.02%	-3.56%	12.94%	49.66%	80.34%
S-Network Global Water Technology Index	JWT	-4.25%	-3.88%	15.92%	83.13%	82.33%
Smart Climate Risk						
S-Network Smart Climate Risk 50 Index	SNSC50	2.27%	-1.77%	17.99%	85.03%	118.06%
S-Network Smart Climate 250 Index	SNSC250	0.89%	-1.18%	21.01%	81.46%	125.52%
Blockchain and Cryptocurrency						
Alerian Galaxy Global Blockchain Equity, Trusts & ETPs Index	BCHAIN	-13.92%	-4.91%	5.37%	N/A	N/A
Alerian Galaxy Global Cryptocurrency-Focused Blockchain Equity, Trusts & ETPs Index	CRYPTO	-22.68%	-7.39%	5.49%	N/A	N/A
Other						
S-Network Streaming & Gaming Index	STREAM	-8.11%	-5.10%	-8.73%	115.31%	N/A
S-Network Emerging Infrastructure Builders Index	EIBI	1.78%	0.83%	0.11%	33.84%	44.48%
S-Network Space Index	SPACE	-4.90%	-2.22%	2.89%	16.67%	25.10%
S-Network MicroSectors Gold Miners Index	MINERS	-3.47%	-6.33%	-23.07%	42.58%	N/A
S-Network Global Travel Index	TRAVEL	0.25%	0.06%	8.57%	N/A	N/A

Source: Alerian S-Network Global Indexes. All performance data as of January 7, 2022.

Related Research:

[Strong Airline Demand Gives Wings to the Travel Industry](#)

[Digging into 2021 Gold Miners Index Performance](#)

[A Healthy Dose of Good News for SMID-Cap Biotech Indexes](#)

[Four Megatrends Elevating the Commercial Space Industry](#)

[Crypto Mining for Digital Gold is Turning Green](#)

Underlying Index | Associated Product/Direct-Indexing Platform Availability**Healthcare**

[S-Network Medical Breakthroughs Index \(PMBI\)](#) | ALPS Medical Breakthroughs ETF (SBIO)

[S-Network Healthcare Innovation Index \(PHIX\)](#) | SmartTrust Healthcare Innovations Trust; Available on the C8 platform and the SMArtX platform

Technology

[O'Shares Global Internet Giants Index \(OGIGX\)](#) | O'Shares Global Internet Giants ETF (OGIG)

[S-Network North American Disruptor Index \(SNNADX\)](#) | SmartTrust Technology Revolution Trust – Includes 30 stocks from SNNADX

Water

[S-Network Global Water Index \(JGI\)](#) | Invesco Global Water Portfolio – Includes 25 stocks from JGI; Available on the C8 platform

Smart Climate Risk

S-Network Smart Climate Risk 50 Index (SNSC50) | Available on the C8 platform and the SMArtX platform

S-Network Smart Climate Risk 250 Index (SNSC250) | Available on the C8 platform

Blockchain and Crypto

[Alerian Galaxy Global Blockchain Equity, Trusts & ETPs Index \(BCHAIN\)](#) | Invesco Alerian Galaxy Blockchain Users and Decentralized Commerce ETF (BLKC)

[Alerian Galaxy Global Cryptocurrency-Focused Blockchain Equity, Trusts & ETPs Index \(CRYPTO\)](#) | Invesco Alerian Galaxy Crypto Economy ETF (SATO)

Other

[S-Network Infrastructure Builders Index \(EIBI\)](#) | Available on the C8 platform

[S-Network Space Index \(SPACE\)](#) | Procure Space ETF (UFO), Procure Space UCITS ETF (YODA)

[S-Network MicroSectors Gold Miners Index \(MINERS\)](#) | MicroSectors Gold Miners 3x Leveraged ETN (GD XU), MicroSectors Gold Miners -3x Inverse Leveraged ETN (GD XD)

[S-Network Global Travel Index \(TRAVEL\)](#) | ALPS Global Travel Beneficiaries ETF (JRNY)

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Alerian

alerman.com
info@alerman.com | 972.957.7700
3625 N. Hall St., Suite 1200, Dallas, TX 75219

S-Network Global Indexes

snetworkglobalindexes.com
info@snetworkinc.com | 972.957.7700
267 Fifth Avenue, Suite 508, New York, NY, 10016

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