



# SUPPLY CHAIN ISSUES: RESOLVED OR MERELY SHIFTED??



# Agenda: Supply Chain

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- Manufacturing
- Shipping
- Inventories
- Containers
- Cars
- Energy

# Two scenarios to drive the market

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## Inflation Booms

- Goods demand remains high vs services
- Supply chain problems are intractable, and will last for years
- Commodity demand will exceed supply for foreseeable future
- Energy costs remain high
- Wage growth will continue as workers are in short supply, which creates more demand

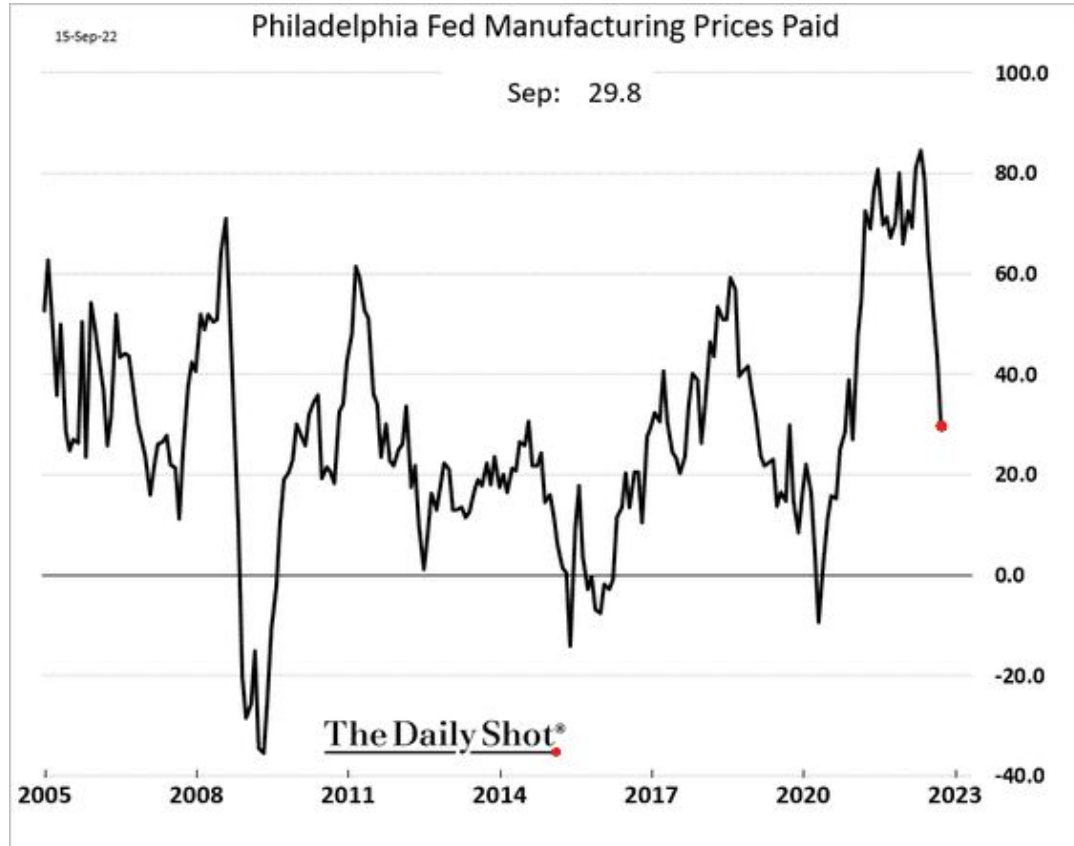
## Inflation Busts

- Goods demand reverts to trend with reopenings
- Supply chain problems are temporary
- Commodity demand falling (China construction) and supply increasing
- Energy costs to fall as alternative source to Russia emerge, China slows, interest rates bite
- Workers don't want more pay, they want better lifestyle. More employees needed for same job, productivity worse, profits lower, wages don't rise so demand weak

# Manufacturing



# Manufacturing



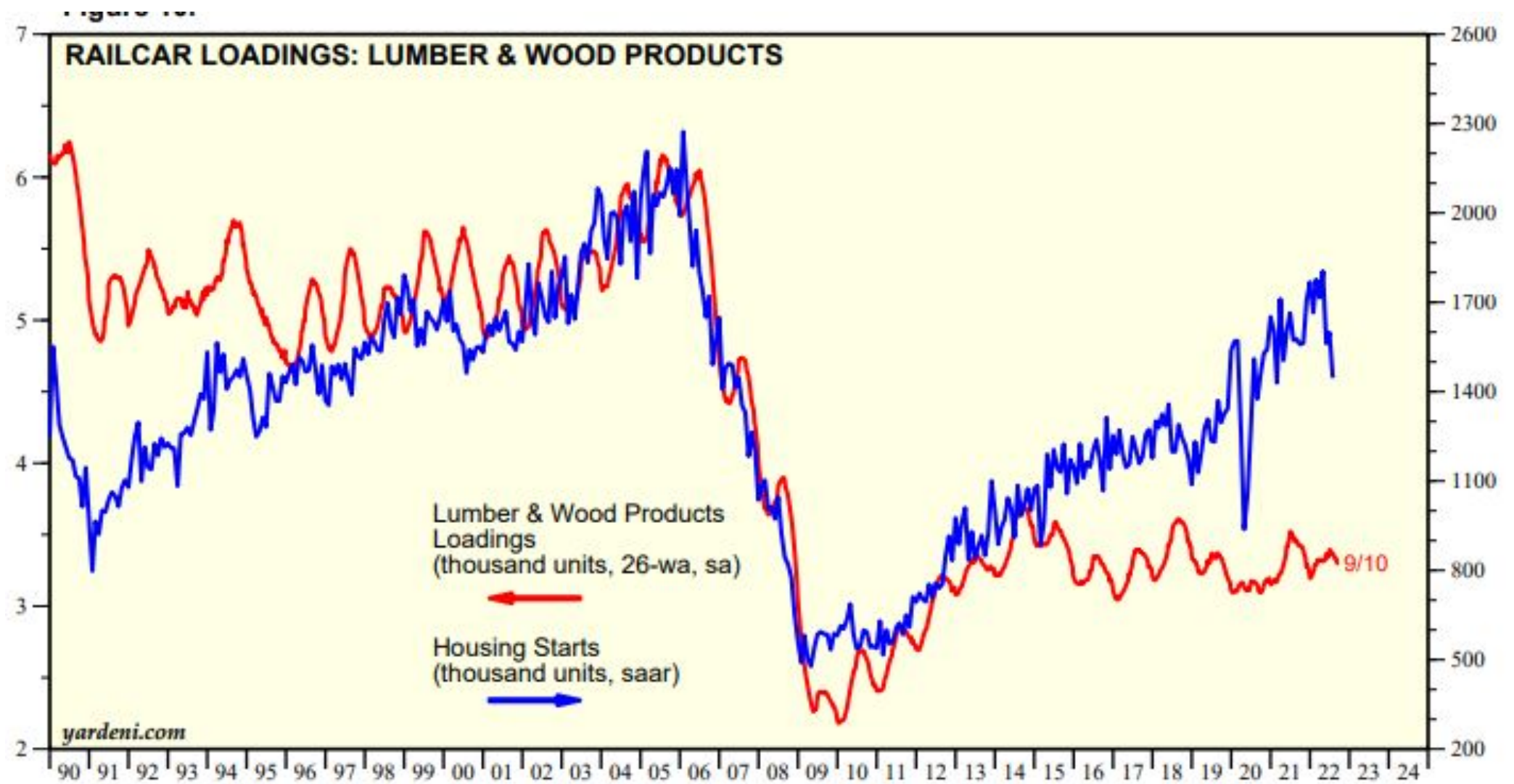
# Manufacturing



# Lumber Prices



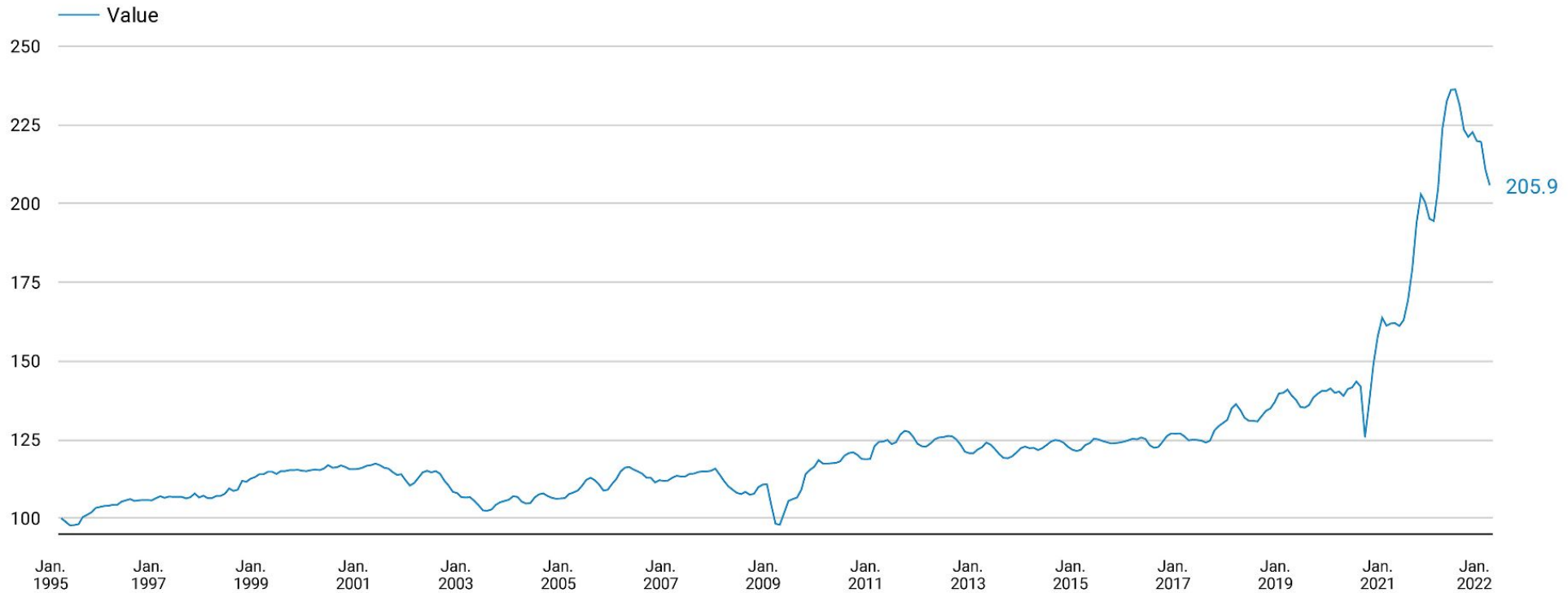
# Lumber Volumes





# Wholesale Used car prices

## MANHEIM USED VEHICLE VALUE INDEX *Mid-September 2022*



Cox  
AUTOMOTIVE™



Manheim

# Retail Inventories



# Shipping Prices

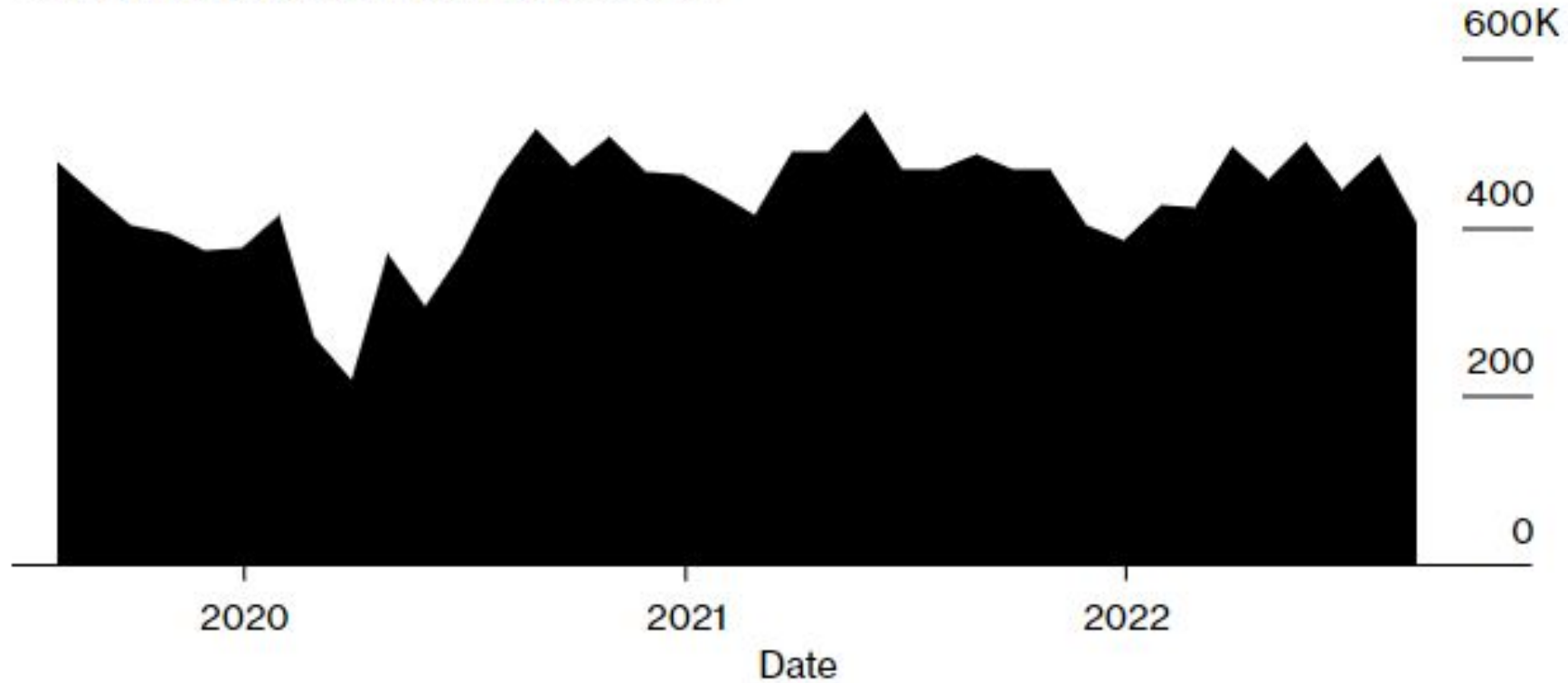


# Shipping Traffic Jam

## Imports Begin to Fall

Containers arriving at the Port of Los Angeles fall the most since May 2020

■ Los Angeles loaded inbound containers



Source: Port of Los Angeles

# Semiconductor Producer Price Index

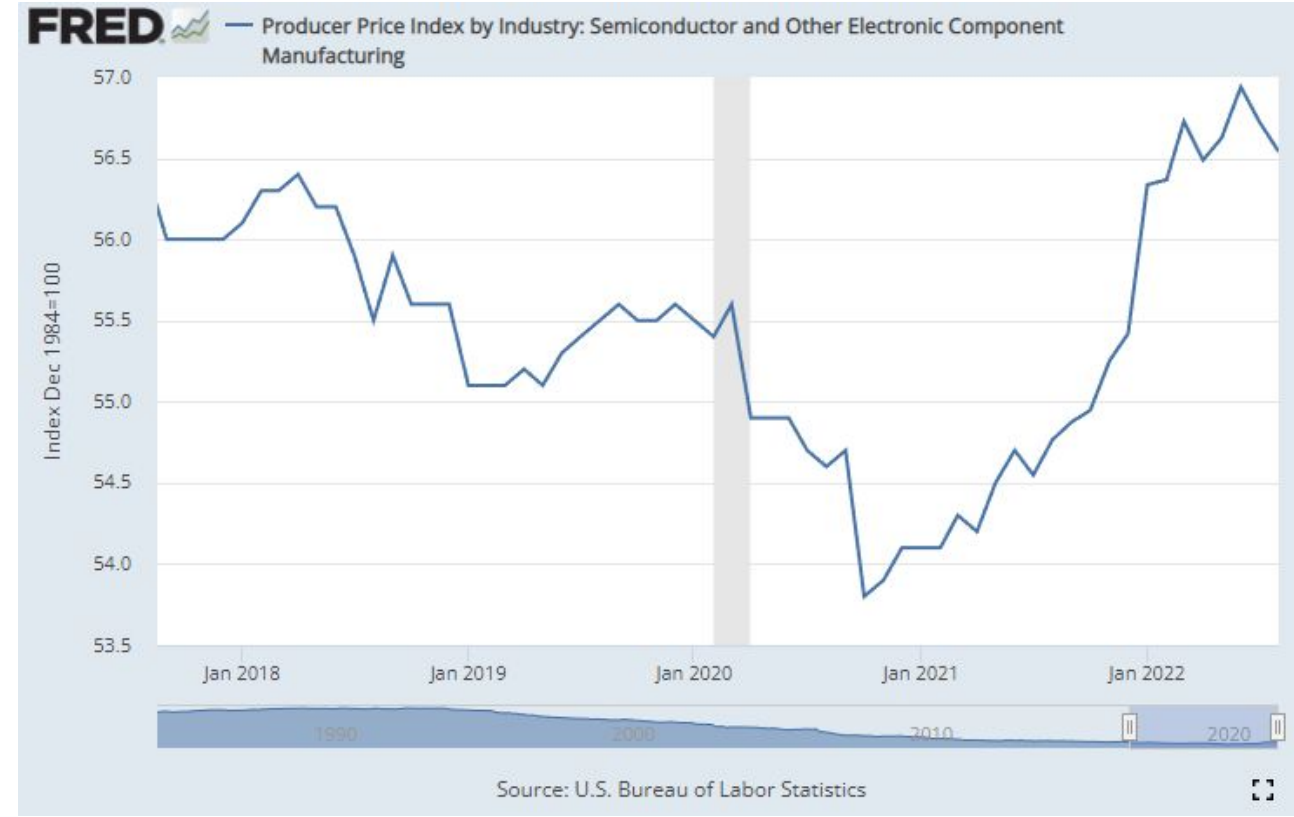
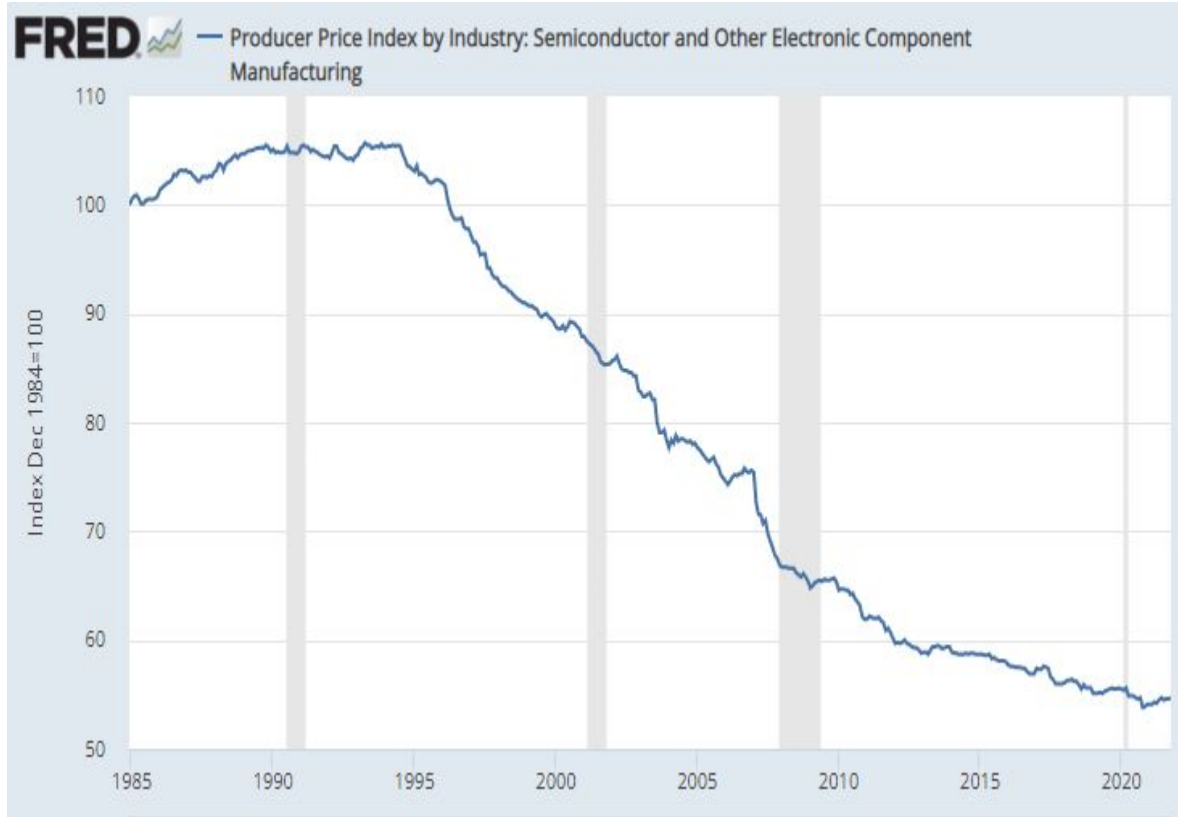
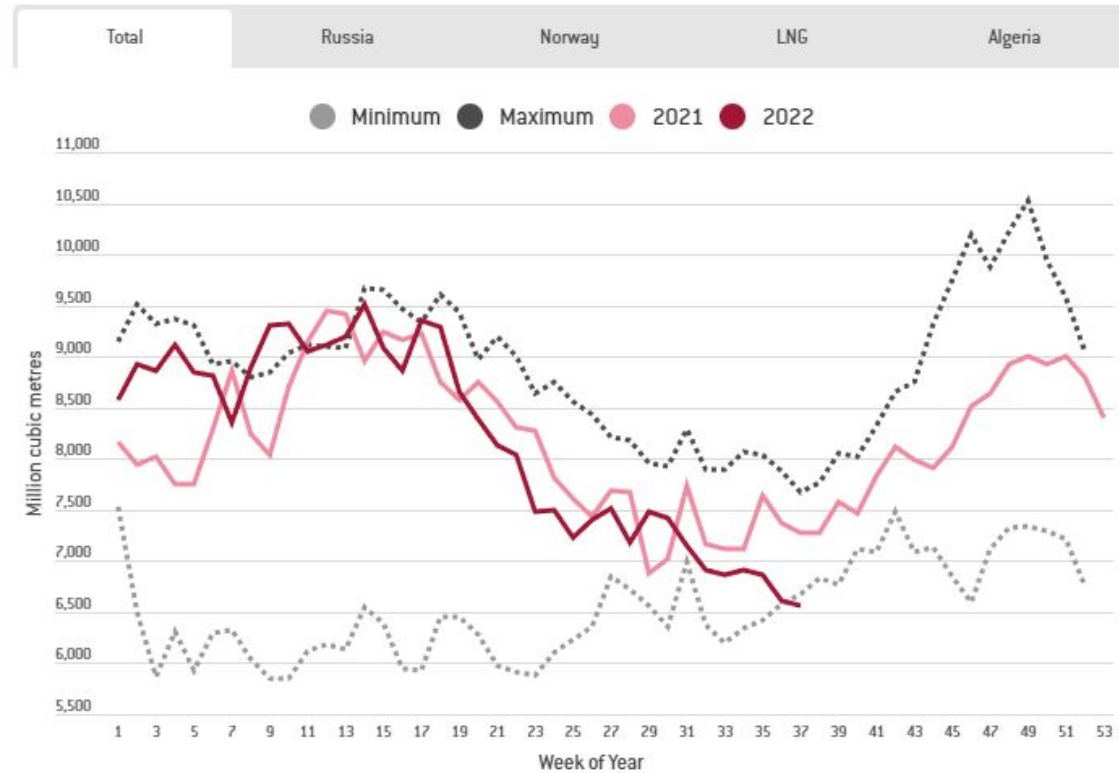


Figure 1: EU Natural Gas Imports (by source)

Last updated: 20/09/2022 (updated every Tuesday)



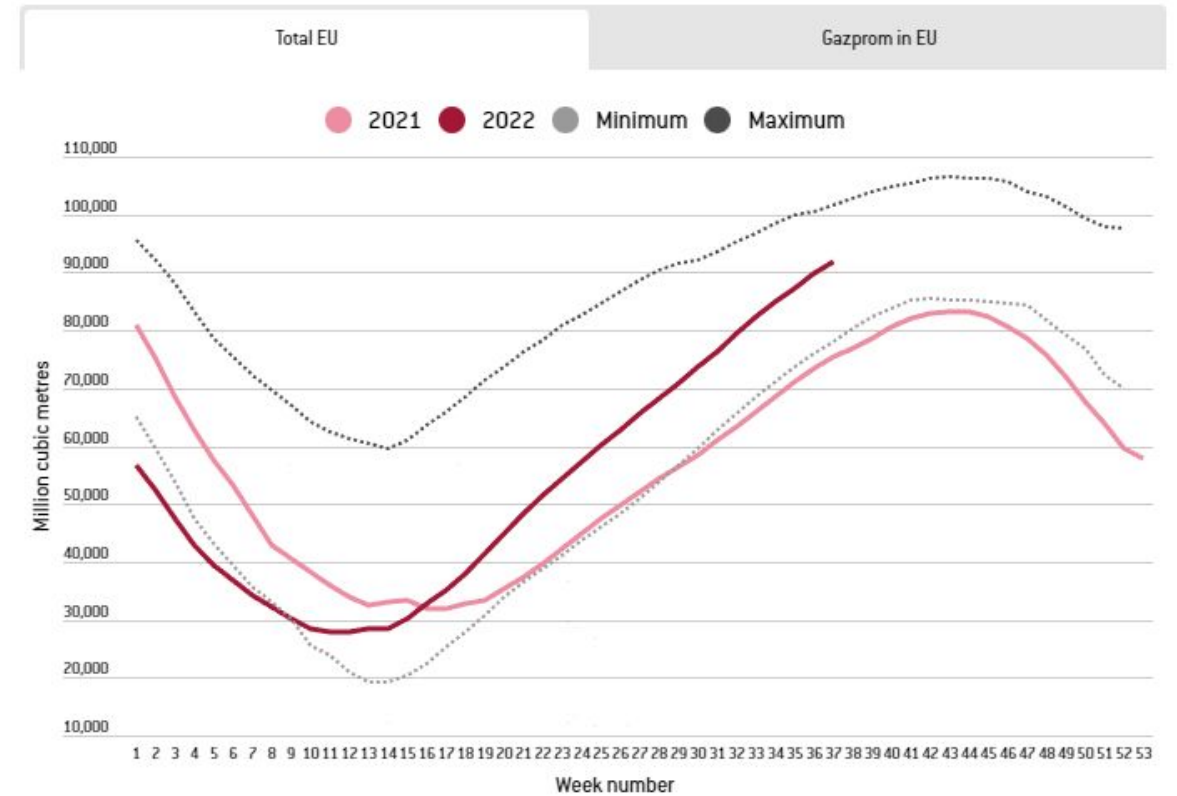
Source: ENTSO-G, <https://transparency.entsog.eu/#/map>

Note: Minimum and Maximum values are calculated from the period 2015-2020.

Data for the last week may be changed following updates to ENTSO-G points. As of 25/12/21, Norway imports at Emden were updated and Krk Croatian LNG was included resulting in changes to underlying data. On 01/04/2022, weeks 10,11,12 LNG data were revised downward due to a double-counting of Spanish LNG imports which arose as a result of changes to the reporting at the ENTSO-G transparency platform.

Figure 5: EU Gas Storage

Last updated: 20/09/2022 (updated every Tuesday)



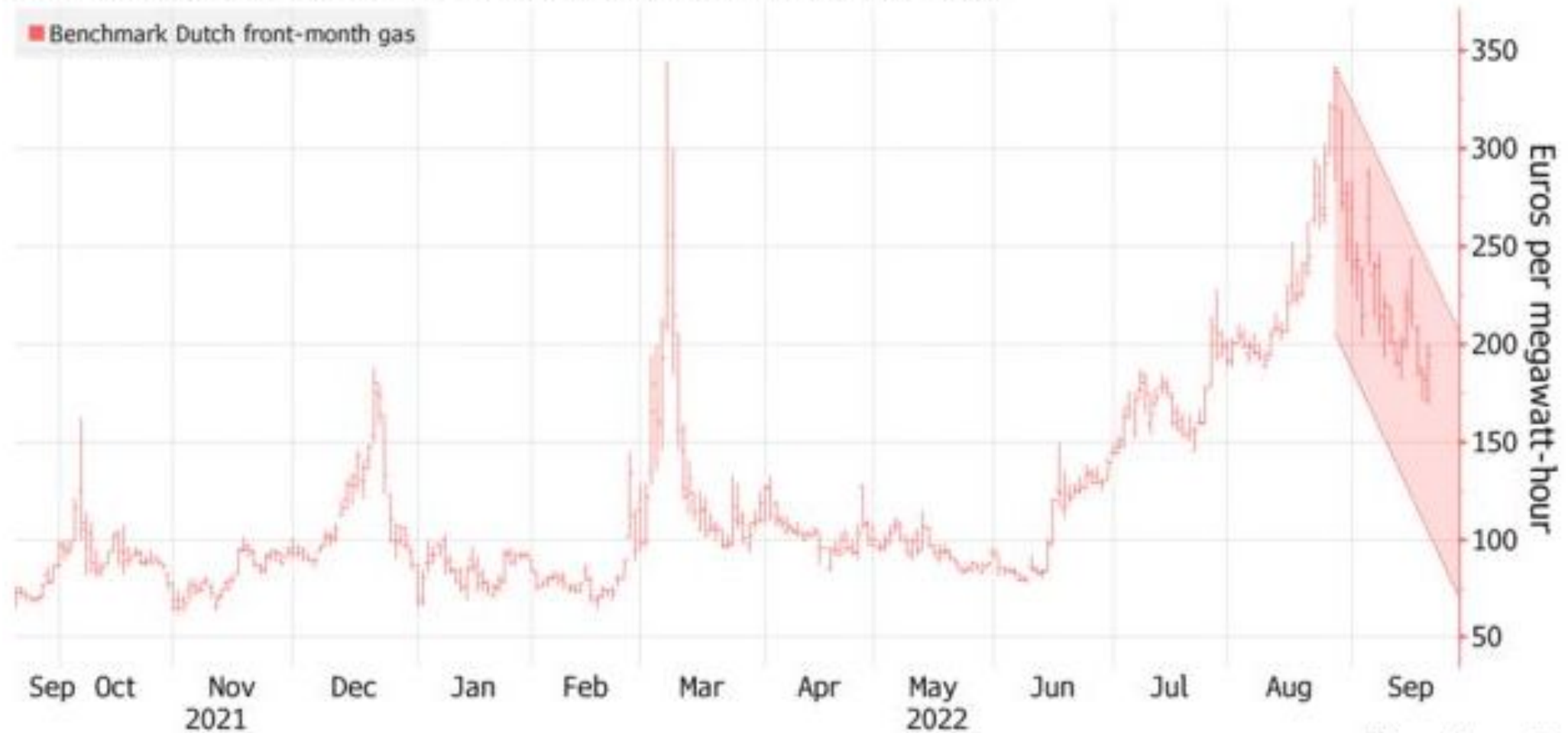
Source: AGSI: <https://agsi.gie.eu/#/>

Note: Minimum and Maximum values are calculated from the period 2015-2020.

Note: On 15 December 2021 we improved the methodology for the aggregation of Gazprom storage and revised the data accordingly. On 6 July 2022 we added previously missing data for Jemgum (EWE) SSO to the Gazprom aggregate.

## Volatile Market

Gas prices rebound but are still near lowest since July



Source: ICE-Endex

Bloomberg

# Inflation





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- Energy costs to fall as Nordstream 2 is resolved, China measures take hold
- Workers don't want more pay, they want better lifestyle. More employees needed for same job, productivity worse, profits lower, wages don't rise so demand weak

Viewer question of the week:

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**Which supply chains should we be watching?**

**Drop your answers in the comments**

# More from Nucleus Wealth:

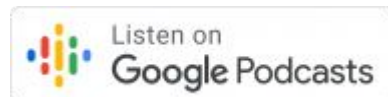
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