

# 10 Second Weekly Update

 **NATIONAL BANK  
FINANCIAL**  
WEALTH MANAGEMENT

**ANGUS WATT  
ADVISORY GROUP+**

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## **SUPPLY CHAIN WOES**

- + The ports of Los Angeles and Long Beach account for almost 40% of USA imported goods.
  - o Approximately 17 million containers (20-foot) have been processed through the port YTD vs 15 million in calendar 2020
  - o 70 ships are forming queues as they wait for an anchorage spot to open vs 111 on Nov 12/21, waiting an average of 18 days
  - o Last year 6 container ships had been waiting in port
- + Shipping time from China has doubled to more than 18 days since Jan 2020.
  - o Costs have increased 5x since prior to the pandemic
- + Ships are unloading slower than usual because unloaded containers are not moving inland fast enough, sitting on port property for weeks awaiting further distribution.
  - o Chassis, the frame containers are transported on, are in short supply
  - o The US is currently lacking about 80,000 truck drivers
  - o Vacant warehouse space in southern California is only 1% while rents have increased 30%
    - 50 million sq. ft. of new space is needed to meet demand, 20 million is under construction
- + Carriers are expediting empty containers back to Asia so they can charge high rates for the US-bound journey.
  - o 4 in 5 containers leaving Los Angeles are now empty, up from 3 in 5 pre-pandemic
  - o Outbound containers have been piling up in the shipping yard, occupying space that could be used for inbound containers
    - To incentivize companies to clear cargo fast, the twin ports introduced a fee on ocean carriers that fail to clear containers off the docks
- + US barges are now carrying gasoline to BC to deliver fuel to the region as land routes are severely limited.
  - o BC government has imposed a maximum purchase of 30 liters for drivers in some areas

## **ENERGY AND ENVIRONMENT**

- + Canada is forecast to drill 6,457 oil and gas wells in 2022 (up 27% Y/Y) and the most since 2018. (Source: Canadian Association of Energy Contractors)
- + Ford has abandoned its plans to jointly develop electric vehicles with Rivian because of extraordinary demand for the first-generation electric vehicles under the Ford brand.
- + Quebec Maple Syrup producers have released 50 million pounds of syrup; representing 50% of their strategic reserve, the highest release since 2008.
  - o Output was down 24% because of a warmer and shorter harvest plus surging overseas demand
- + Over 50% of world fish stocks are being overfished.
  - o 10% of fish stocks are on the brink of collapse, down 90% from their original size

## **TIDBITS**

- + Canadian wages are up 2% in the past 12 months vs 4.9% in the US.
  - o Wage increases have been limited by the high level of immigration in Canada
- + Canadian job vacancies hit 1,014,600; approximately 0.8 vacant jobs for each unemployed Canadian.
  - o Food services and hotels have 14.4% of all unfilled positions
- + Twitter is testing a 'live shopping' feature with Walmart for the holidays this year.
  - o Products are promoted during a real-time video broadcast
- + US doubled softwood duty rates (to 17.9%) against most Canadian producers effective December 1/21.
- + Paris is planning to have 'flying taxis' on two routes for the 2024 summer Olympics.

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