

Ivent Solutions Market Trend Update

April 2022

China's ZERO-COVID Policy Exacerbating Broken Supply Chains

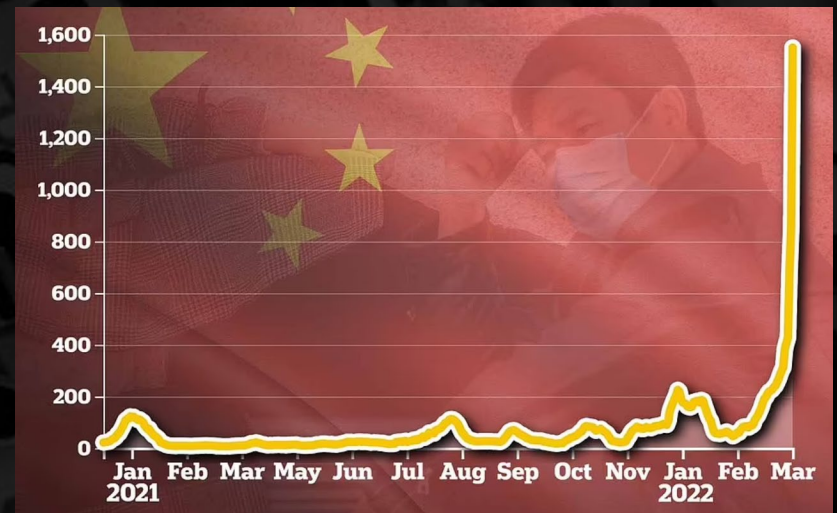
New Chinese lockdowns prompted by President Xi's zero-Covid policy is adding to the global supply chain crisis. Shortages of iPhones, cars and many other electronic products are starting to seriously affect global markets. Freight delays are adding to this with many of Ivent's forwarders simply refusing to collect goods from China, or even collect goods from our own warehouse here in Auckland to ship to China.

Authorities across the region are trying to stem the spread of the country's worst Covid outbreak in two years, putting tens of millions of people under harsh restrictions, curbing transport and shutting factories. Some of the toughest measures have been applied in the key manufacturing hubs of Shenzhen, Dongguan and Changchun, as well as the Chinese financial centre of Shanghai, which is home to the world's busiest container port. Shenzhen's port, Yantian, handles about 90% of all China's electronics shipments. Foxconn, which produces Apple iPhones, had to close down its factories in Shenzhen, although these have been allowed to re-open, but under strict Covid controls.

Experts warned the shutdowns could cause yet more disruption to global supply chains that have already been stretched to their limit by Covid - but added the situation will become more critical if the situation lasts for more than a few weeks. Shenzhen is one of the biggest manufacturing hubs in China, particularly for consumer electronics, components and hardware. The 17.5 million residents have been ordered to not leave their homes unless absolutely necessary and public transport services have been halted. We understand also that contract manufacturing services in Dongguan are struggling to procure the components needed for PCBA productions, all of which is attributable to the zero-COVID policy.

Lens Technology, which supplies LCD lenses and glass material to customers such as Apple, said on Monday the production and delivery of some products would be impacted after it suspended work at its plant in Dongguan. Laurence Dellicott, Director of Supply Chain Services at MySupply by Avnet Silica, warned Apple users could see delays to the launch of the new iPhone due later year if the disruption continues....

COVID Cases Per Day in China (7-Day Average)



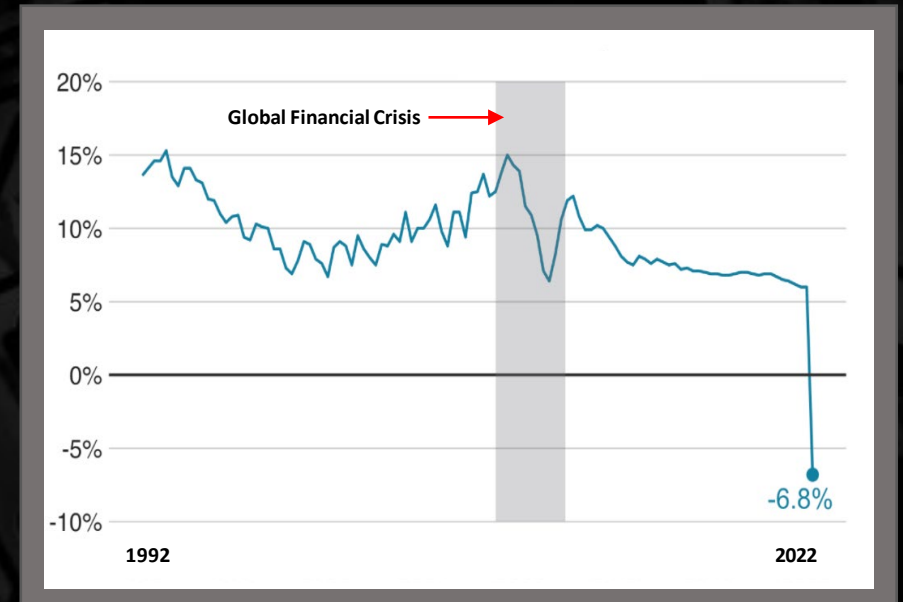
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“The Apple supply chain can expect delays to production, which are on top of existing global supply problems, however, we can't be certain how big the impact of this lockdown will be for the global tech giant” he told Metro.

We are anticipating that the supply chain will continue to be severely impacted for at least the next 12 months. This will include extended leadtimes, increasing pricing and inconsistent/inaccurate shipping leadtimes (especially sea-freight). The team at Ivent feel that the situation over the preceding 12 months, although tough was plain sailing compared to what is coming. As many of us have done since the supply chain started to tighten, stock was purchased from vendors in the grey market (buying houses), however even that stock is now starting to dry up. This means the options are becoming very limited to keep your production lines up and running. It is boiling down to just a few options:

- The first option is to literally just sit and wait for your components to arrive... Lead-times of up to 80+ weeks are still being quoted by global semiconductor factories and even then ship dates are highly unreliable.
- Purchase at highly inflated pricing, just to keep your production line running. A good example is an Atmel microprocessor which has a standard price of USD2.45/each now being sold for USD38.00/each. The inflated pricing is getting to the point where it may be cheaper to close the production line than to take a loss on the finished product, or increase pricing to the point customers demand drops off.
- Look to design out problematic parts in favour of more easily sourced products. This may or may not be possible for your given product, but does bring risk and cost along with it as an option. Engineering time, the risk of software problems and working with a new and unverified manufacturer are risks that need to be costed into any potential alternative component.



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New Zealand Berth Delays

March has seen extreme berth delays at the Ports of Auckland resulting in many services diverting away from Auckland altogether. This has resulted in congestion at all other NZ ports and nearly all vessels are now having to anchor at Tauranga and Napier prior to berthing. There are large delays between ports and vessels are spending a record number of days (often weeks) in NZ waters. Large gaps in all services remain, with some lines occasionally deploying alternate vessels to replace those whose lengthy delays have put them out of sequence. Forward schedules remain erratic and will suffer large delays both in departure dates (as previous voyage delays are confirmed and carried forward), and subsequent berth delays in NZ. To illustrate the extent of the issues, following are some recent examples :

JKN service

- NYK Furano omitted Auckland and discharged cargo in Tauranga
- Navios Miami 163 spent 25 days in NZ
- Further voyages have extended transit times from China through Australia to NZ.
- For example - Bernhard Schulte ETD Hong Kong 10|03 - ETB Auckland 06|04 - 27 days transit time

NZS service

- Tianjin Bridge omitted Auckland and called Northport (this vessel spent 29 days in NZ)
- Shiling ETD Singapore 23|01 - ETB Auckland 01|03 - 37 days transit time (this vessel spent 21 days in NZ)
- Kota Lembah ETD Singapore 07|02 arrived in NZ waters 23|02 but did not berth in Auckland until 15|03 - 20 days off NZ coast (then spent 21 days in NZ)
- Further voyages have extended transit times from Singapore to NZ including berth delays.

MSC are omitting Auckland for 8 weeks – contingency unknown. ZIM are now calling at Ferguson terminal and Tauranga container terminal. TS Lines are omitting Auckland until further notice – offering only Metroport via Tauranga. So... the situation is not good at all...!!!

This is all being caused by the current berth delay at Auckland being in the region of **22 days** (that is not a misprint!).

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NZD versus AUD - AU\$0.910 vs NZ\$1.00



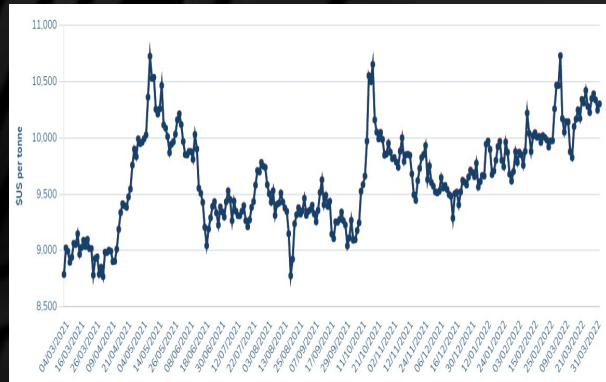
NZD versus USD - US\$0.700 vs NZ\$1.00



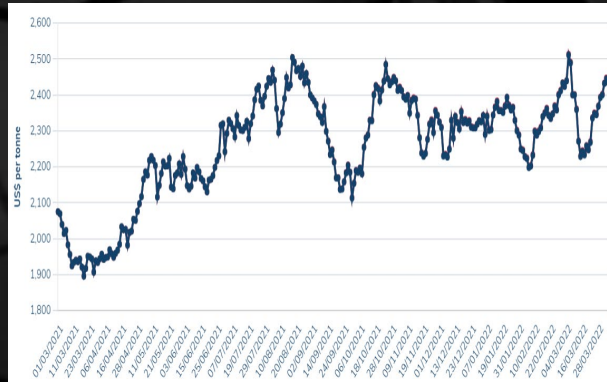
NZD versus EUR - EU\$0.640 vs. NZ\$1.00



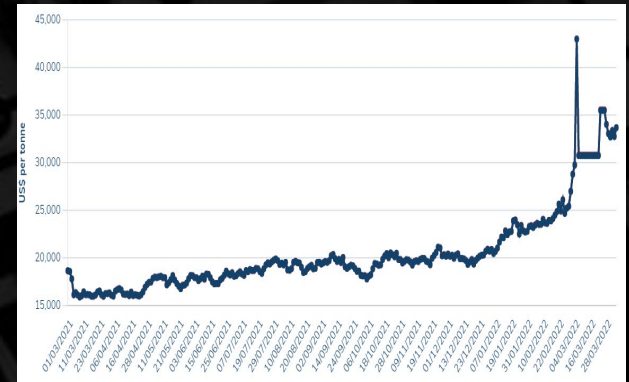
Copper - USD10300 / tonne



Lead - USD2450 / tonne



Nickel - USD33500 / tonne



IT'S ALWAYS WONDERFUL TO WITNESS



THE BIRTH OF A NEW MEME

imgflip.com

REUTERS



Thabang E Sepenyane
@Thabangsepenya1

Will smith : I did that for you baby 🙄

Jada : "I'm not impressed, Tupac would have shot him"

#AcademyAwards



**POV: You have seen too many
Will Smith vs Chris Rock memes**



How it found me

"I hope this email
finds you well"

**KEEP MY WIFE'S NAME
OUT YO FUCKIN'
MOUTH!**



Will Smith clearing up a question I've had since childhood.



Now I know

Why paper beats Rock

This Month in Tech History...

April 1, 1826 – Samuel Morey patents the internal combustion engine. However, he didn't have a car to rev it in to impress the chicks.

April 3, 1966 – The Soviet space probe Luna 10 becomes the first spacecraft to orbit around the Moon. It was launched by the USSR from an Earth orbiting platform on March 31, 1966. Luna 10's battery will operate for 460 lunar orbits before deactivating as planned on May 30, 1966.

April 3, 1973 – Martin Cooper, considered the "father of the cellular phone", makes the first cell phone call on a New York City street.

April 4, 1975 – Microsoft is founded as a partnership between Bill Gates, age 19, and Paul Allen, age 22, in Albuquerque, New Mexico. The company is founded to develop BASIC for the MITS Altair 8800. MITS is headquartered in Albuquerque so Gates and Allen move there from Boston to launch their company. Eventually they decide to move Microsoft to the Seattle, Washington area, where both men were from originally and met in high school.

April 12, 1981 – NASA launches the first Space Shuttle mission, STS-1, sending the Columbia on its maiden voyage. This mission intended to prove the feasibility of the Space Shuttles in specific, and reusable spacecraft in general. Originally set to launch on April 10th, problems delayed the launch by two days, which caused the launch to occur exactly 20 years after Yuri Gagarin became the first man to fly into space.

April 6, 1992 – Microsoft Corporation releases Windows 3.1, an operating system that provided IBM and IBM-compatible PCs with a graphical user interface (though Windows was not the first such interface for PCs). Retail price was \$149.00. In replacing the previous DOS command line interface with its Windows system, however, Microsoft created a program similar to the Macintosh operating system, and was sued by Apple for copyright infringement. (Microsoft later prevailed in this suit).

April 26, 1999 – The first known virus to target the flash BIOS of a PC, the CIH/Chernobyl Virus triggers on this day, erasing hard drives and disabling PCs primarily in Asia and Europe. One of the most destructive viruses in history, Turkey and South Korea alone report 300,000 infected systems.

April 1, 2004 – The now ubiquitous Gmail service is launched as an invitation-only beta service. At first met with skepticism due to it being launched on April Fool's Day, the ease of use and speed that Gmail offered for a web-based e-mail service quickly won converts. The fact that Gmail was invitation-only for a long time helped fueled a mystique that those who had a Gmail address were hip and uber-cool. Those of us who are actually hip and uber-cool didn't mind, of course, as those types of things don't bother hip and uber-cool people.





CHINA HOLIDAYS 2022



JANUARY

						01
02	03	04	05	06	07	08
09	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

FEBRUARY

Chinese New Year						
		01	02	03	04	05
06	07	08	09	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

Lantern Festival

MARCH

		01	02	03	04	05
06	07	08	09	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

APRIL

Qingming Festival						
				01	02	
03	04	05	06	07	08	09
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

MAY

May Day						
01	02	03	04	05	06	07
08	09	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

JUNE

				01	02	03	04
05	06	07	08	09	10	11	
12	13	14	15	16	17	18	
19	20	21	22	23	24	25	
26	27	28	29	30			

Dragon Boat Festival

JULY

						01	02
03	04	05	06	07	08	09	
10	11	12	13	14	15	16	
17	18	19	20	21	22	23	
24	25	26	27	28	29	30	
31							

AUGUST

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07	08	09	10	11	12	13	
14	15	16	17	18	19	20	
21	22	23	24	25	26	27	
28	29	30	31				

SEPTEMBER

Mid-Autumn Festival						
		01	02	03		
04	05	06	07	08	09	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

OCTOBER

National Day (Golden Week)						
						01
02	03	04	05	06	07	08
09	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

NOVEMBER

		01	02	03	04	05
06	07	08	09	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

DECEMBER

				01	02	03
04	05	06	07	08	09	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

