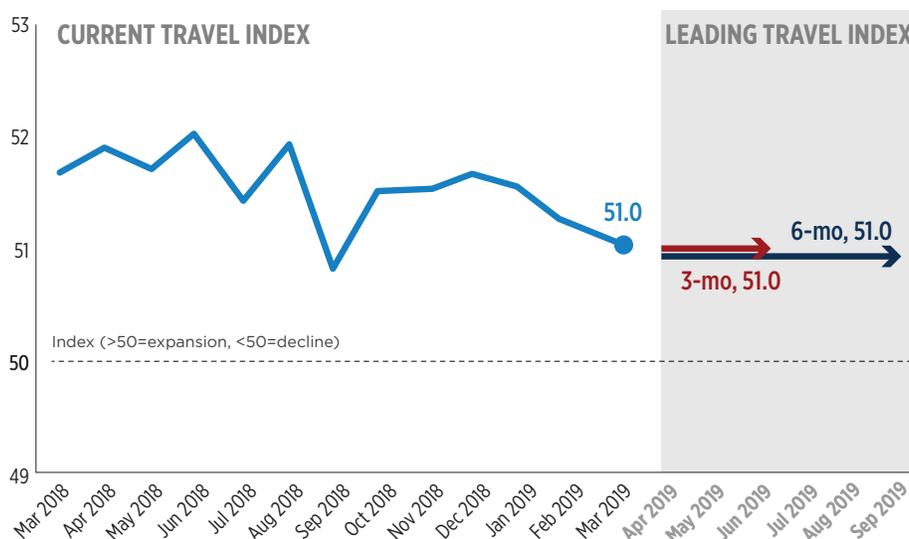


MARCH TRAVEL TRENDS INDEX

The Travel Trends Index measures the direction and pace of travel volume to and within the U.S. on a monthly basis. The index includes a Current Travel Index (CTI) and a Leading Travel Index (LTI). Both the CTI and the LTI include subcomponents (domestic, international, leisure and business).

Analysis provided by
 OXFORD
ECONOMICS



SOURCE: Oxford Economics, U.S. Travel Association

CTI reading of **51.0** in **March 2019** indicates that travel to or within the U.S. grew **2.0%** in **March 2019** compared to March 2018.

LTI predicts travel growth will remain at its current rate through September 2019, a result of moderate growth across all travel segments.

Overall travel volume (person trips to or within the United States involving a hotel stay or air travel) grew at a slower year-over-year (y/y) rate in March 2019 than in February 2019. International inbound travel contracted largely due to the timing of Easter in 2019 (April 21) and 2018 (April 1, which supported international inbound travel in March). At the same time, domestic business travel softened while domestic leisure travel picked up slightly.

HIGHLIGHTS:

* For CTI and LTI definitions, please see below.

- The Current Travel Index (CTI) has registered at or above the 50 mark for 111 straight months, as the industry sustains its 10th consecutive year of expansion.
- The CTI was positive in March, registering 51.0 (indicating 2.0% y/y growth). This is one percentage point slower than the 6-month moving average.
- International inbound fell 5.4% in March; however, the Leading Travel Index (LTI) continues to project international inbound travel growth will be positive, though relatively slow, over the next six months, settling around 1.4%.
- Domestic leisure travel ticked up in March (3.2%), edging closer to its six-month trend and outpacing the business segment (up 2.0%), which had the slowest y/y growth since last September.
- The 6-month LTI reading of 51.0 indicates that total U.S. travel volume is expected to grow at a rate of around 2.0% through September 2019. Over the same period, domestic travel will top 2.0% growth while international inbound travel will rebound, but y/y growth is expected to remain relatively slow at 1.4%.

The Oxford/U.S. Travel **Current Travel Index (CTI)** measures the direction and pace of travel volume to and within the U.S. on a monthly basis compared to the same month in the prior year. The index is comprised of a weighting of hotel room demand and air passenger enplanements that represents the overall volume of travelers each month. A score above 50 indicates expansion. A score below 50 indicates decline.

The Oxford/U.S. Travel **Leading Travel Index (LTI)** is an indicator of the future direction and pace of travel volume to and within the U.S. over the coming three and six months compared to the same period in the prior year. The LTIs represent average readings over the next three and six months. The LTI econometric model is based on data sets that have demonstrated to predict near-term future travel: online travel searches and bookings for future travel, consumer travel intentions data, and economic fundamentals. A score above 50 indicates expansion. A score below 50 indicates decline.

MARCH TRAVEL TRENDS INDEX (CONT.)

	CTI	3-MONTH LTI*	6-MONTH LTI**
FEBRUARY INDEX	51.3	51.0	50.9
MARCH INDEX	51.0	51.0	51.0
DIRECTION AND SPEED	Travel demand increased; at a slower rate than the previous month	Travel is expected to grow over the coming 3 months; at the same rate	Travel is expected to grow over the coming 6 months; at the same rate

* Average outlook reading for Apr 2019 to Jun 2019
 ** Average outlook reading for Apr 2019 to Sep 2019



Following steady growth in the first quarter of the year, the expected slowing of domestic travel is consistent with moderating economic growth in the near term. Meanwhile, the outlook for international inbound travel remains lackluster, suggesting a further loss of global market share is in the cards for 2019.

DAVID HUETHER
 Senior Vice President, Research

DETAILED RESULTS:

Domestic travel demand increased by 2.8% y/y in March, supported by firm leisure segment growth and tepid business segment growth. Leisure travel has retaken precedence in the domestic market while growth in business travel broke below its recent strength.

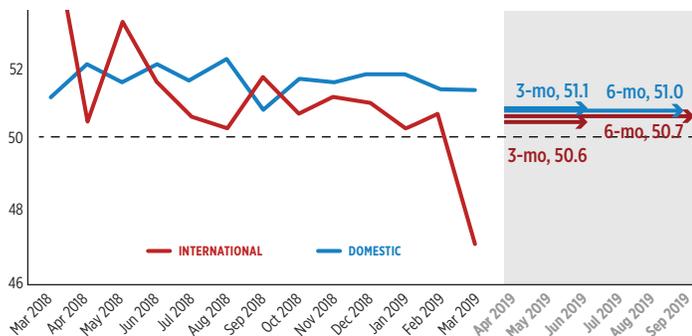
International inbound travel contracted 5.4% y/y in March, indicating the weakest growth since 2015. The magnitude of the decline is likely due to the calendar shift of Easter, which boosted March traffic in 2018. Global trade activity and growth remained weak in the first quarter, but conditions are expected to improve beginning in the second half of 2019, supporting the expectation that international inbound growth will be modestly positive over the next six months.

	CURRENT TRAVEL INDEX (CTI)				LEADING TRAVEL INDEX (LTI)		6-MO LTI VS. CTI 6-MO AVG.	
	6-MONTH AVG	JANUARY	FEBRUARY	MARCH	3-MONTH*	6-MONTH**	DIRECTION	SPEED
TOTAL MARKET	51.5	51.5	51.3	51.0	51.0	51.0	Increasing	Slower
INTERNATIONAL	50.0	50.2	49.9	47.3	50.6	50.7	Increasing	Faster
DOMESTIC	51.6	51.6	51.5	51.4	51.1	51.0	Increasing	Slower
BUSINESS	51.4	51.4	51.6	51.0	50.9	50.8	Increasing	Slower
LEISURE	51.7	51.7	51.4	51.6	51.1	51.1	Increasing	Slower

* Average outlook reading for Apr 2019 to Jun 2019
 ** Average outlook reading for Apr 2019 to Sep 2019

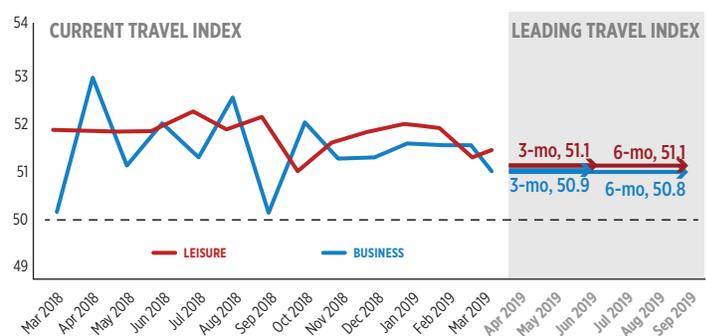
MARCH DOMESTIC AND INTERNATIONAL TRAVEL INDEX

Index (>50 = expansion, <50 = decline)



MARCH DOMESTIC BUSINESS AND LEISURE TRAVEL INDEX

Index (>50 = expansion, <50 = decline)



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The Oxford/U.S. Travel **Leading Travel Index (LTI)** is an indicator of the future direction and pace of travel volume to and within the U.S. over the coming three and six months compared to the same period in the prior year. The LTIs represent average readings over the next three and six months. The LTI econometric model is based on data sets that have demonstrated to predict near-term future travel: online travel searches and bookings for future travel, consumer travel intentions data, and economic fundamentals. A score above 50 indicates expansion. A score below 50 indicates decline.

MARCH TRAVEL TRENDS INDEX (CONT.)

Domestic travel is expected to grow approximately 2.0% y/y through September 2019, with leisure travel contributing more to the expansion than business travel. Both the business and leisure segments are projected to cool in response to continued moderation in consumer spending, vacation intentions and business investment. Financial markets have fully recovered from a difficult end to 2018 and volatility has eased; however, persistent trade and manufacturing uncertainty contribute to the suppressed business investment growth, which is expected to continue through 2019.

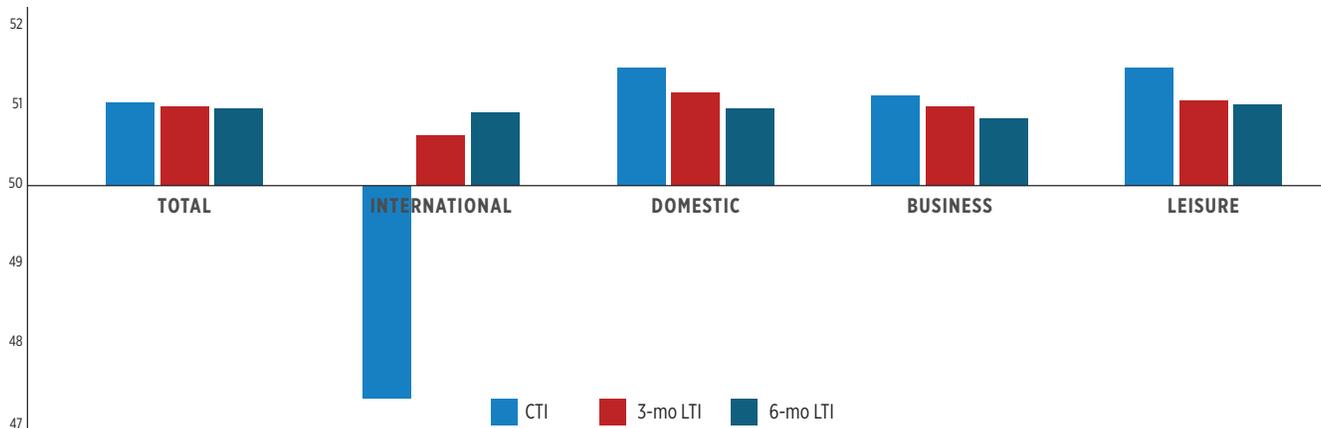
International inbound travel demand, which was flat in February, declined 5.4% y/y in March, primarily as a result of the timing of Easter compared to last year. Looking ahead, we expect growth to recover and remain just below 1.5% over the coming six months. Soft global economic activity, persistent trade tensions and uncertainty surrounding the Trump administration remain major risks to international traveler sentiment. Ongoing U.S.-China and U.K.-Eurozone trade discussions, if resolved, have the potential to ease these downside risks.

Adam Sacks, President of Oxford's Tourism Economics group says, "Broad U.S. economic indicators have remained firm in the face of softer consumer spending and business investment, supporting expectations that overall economic cooling will be gradual. Domestic travel demand will likely follow a similar path. On the international front, the LTI projects continued, albeit slower, travel growth."

Please note: The Travel Trends Index is based on public and private sector source data which are subjected to revision by the source agency.

MARCH CTI, 3-MONTH AND 6-MONTH LTI

Index (>50 = expansion, <50 = decline)



The Oxford/U.S. Travel **Current Travel Index (CTI)** measures the direction and pace of travel volume to and within the U.S. on a monthly basis compared to the same month in the prior year. The index is comprised of a weighting of hotel room demand and air passenger enplanements that represents the overall volume of travelers each month. A score above 50 indicates expansion. A score below 50 indicates decline.

The Oxford/U.S. Travel **Leading Travel Index (LTI)** is an indicator of the future direction and pace of travel volume to and within the U.S. over the coming three and six months compared to the same period in the prior year. The LTIs represent average readings over the next three and six months. The LTI econometric model is based on data sets that have demonstrated to predict near-term future travel: online travel searches and bookings for future travel, consumer travel intentions data, and economic fundamentals. A score above 50 indicates expansion. A score below 50 indicates decline.

METHODOLOGY

The **Current Travel Index (CTI)** measures monthly travel volumes in the U.S., including both domestic and international inbound travel. A score over 50 indicates an expansion in travel relative to the same month the prior year.

The index measures person trips that involved a hotel stay and/or a flight.

The following methods and sources are used to estimate (1) total travel; (2) international visitations; and (3) domestic travel (which is the residual of total travel minus international visitations):

- 1. Total travel (domestic and international):** Total travel is calculated based on hotel stays of domestic and international travelers as well as air travel of domestic travelers. While most international visitors are assumed to stay in hotels, domestic travelers often do not. As such, the domestic travel estimate is further informed by domestic air enplanements to help capture the entire domestic market. STR provides monthly data on hotel room demand, and domestic air passenger enplanements are calculated based on monthly investor relations reports for all major domestic airlines. The research firm TNS provides representative data on U.S. travelers to determine the average length of stay, persons per traveler party, and the proportion of hotel guests who also fly. The CTI encompasses three traveler types on these bases that are shown below with their basic calculation.

HOTEL GUESTS & FLYERS

$$\frac{\text{enplanements}}{\text{enplanements per trip}} \times \% \text{ of flyers that stay in hotel}$$

HOTEL GUESTS & NON-FLYERS

$$\frac{\text{occupied rooms x people per room}}{\text{length of stay}} \times \% \text{ of hotel guests that did not fly}$$

NON-HOTEL GUESTS & FLYERS

$$\frac{\text{enplanements}}{\text{enplanements per trip}} \times (1 - \% \text{ of flyers that stay in hotel})$$

- 2. International visits:** The international component of the CTI is based on the Department of Homeland Security’s Advanced Passenger Information System (APIS), which tracks international travel to the U.S., and distinguishes between foreign nationals and U.S. citizens. Visits from Canada are tracked by Statistics Canada and visits from Mexico are tracked by Banco de Mexico. Further analysis of international markets is informed by origin-destination air travel data from OAG, Sabre Market Intelligence aviation passenger data, and IATA Billing Settlement Plan data. Each of these datasets tracks non-resident air travel to the U.S. by country of origin based on unique sources. Official estimated of international visitation to the U.S. (I-94) are released by the U.S. Department of Commerce on approximately a four-month lag. As this data becomes available, historic CTI estimates will be revised.
- 3. Domestic travel:** The domestic component of the CTI is measured as the residual of total travel minus international. The domestic leisure travel component is based on STR room demand data that is segmented by type of property and day of the week. A domestic leisure travel proxy has been developed based on the location, type of property, and day of the week of travel. Domestic business travel is measured as the residual of total domestic travel minus domestic leisure travel.

The **Leading Travel Index (LTI)** measures the likely average pace and direction of U.S. travel volumes over the coming three and six-month periods. A reading over 50 indicates an expansion in travel relative to the same period last year.

The LTI econometric model includes three categories of information that have shown a strong predictive capability of short-term travel trends. High frequency macroeconomic data capture underlying movements in the labor market, exchange rates and company performance. Consumer sentiment data from the Conference Board provide a long-term trend of consumer attitudes that can be tracked with future travel patterns; online search and bookings data provide a window into traveler planning based on data from ADARA and nSight, and data from ARC measures bookings.

TRAVEL TRENDS INDEX DATA CATEGORY	MEASUREMENT	TRAVEL SEGMENTS	DETAILS
MACROECONOMIC TRENDS	Unemployment rate	Total, international, domestic (leisure)	Share of labor force
	Exchange rates	Total, international	\$US market rates, weighted average of inbound markets
	GDP by visitor origin	Total, international, domestic (business & leisure)	Gross output, U.S. and weighted average of inbound markets
	Corporate profits	Total, international, domestic (business)	Corporate earnings, U.S. and weighted average of inbound markets
	Personal disposable income	Total, international	Personal income, weighted average of inbound markets
CONSUMER AND BUSINESS SENTIMENT	Consumer travel intentions	Total, domestic (leisure)	Visitor intentions & air visitor intentions
	S&P stock market index	Total, domestic (business)	Stock market index, period average
TRAVEL SEARCH AND BOOKING	ADARA online searches and bookings for future travel	Total, international, domestic (business & leisure)	Domestic/international & business/leisure
	ARC bookings for future travel	Total, domestic	Air travel with 6-month booking windows
	nSight online searches and bookings for future hotel stays	Total, domestic, international	Domestic/international forward bookings

ABOUT THE U.S. TRAVEL ASSOCIATION

The U.S. Travel Association is the national non-profit organization representing all components of the travel industry, which generates \$2.5 trillion in total economic output and supports 15.7 million American jobs. U.S. Travel's mission is to increase travel to and within the United States.

ABOUT OXFORD ECONOMICS

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Its best-of-class global economic and industry models and analytical tools give it an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

DATA CONTRIBUTORS

The U.S. Travel Index project is dependent upon unique datasets to track and predict travel trends. The U.S. Travel Association and Oxford Economics wish to thank the following organizations for their significant contributions:

ADARA is the world's travel data co-op providing a unique holistic understanding of travel patterns, trends and behavior. It's a safe and secure way to share and analyze historical and real time data about more than 500 million monthly unique traveler profiles from more than 175 of the world's top travel brands. The ADARA data co-op fuels three core business areas: Advertising, Measurement & Analytics and Traveler Intelligence. Together they provide unparalleled access to insights and knowledge allowing travel markets to increase marketing efficiency, maximize revenues and grow their brands.

Airlines Reporting Corporation (ARC) is a leading technology solutions company providing the U.S.-based travel industry with world-class business products, travel agency accreditation services, process and financial management tools, and powerful data analytics.

nSight combines the world's largest view of consumer shopping data with predictive marketing and revenue management solutions to deliver more guests to your hotel and visitors to your destination.

STR is the leading global provider of competitive benchmarking, information services and research to the hotel industry.

TRAVEL TRENDS INDEX	55	54	53	52	51	50	49	48	47	46	45
12-MONTH % CHANGE IN TRIPS	+10.0%	+8.0%	+6.0%	+4.0%	+2.0%	+0.0%	-2.0%	-4.0%	-6.0%	-8.0%	-10.0%