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Fitch: January Air Traffic Should Lift Most U.S. Airports.

Fitch Ratings-New York-02 March 2016: US airports will likely see benefits from the continued increases in air traffic that were indicated by January's air traffic results, Fitch Ratings says. However, even with solid overall growth that follows 2015's impressive gains, a few air carriers are lagging the others, which may cause their shared hubs to underperform compared with other US airports. We expect some of the carriers' key airports to be at some near-term risk to maintain their recent growth given their relative tightness in expanding carrier capacity as well as capital development at their respective terminals and airfields.

The five largest US airlines reported that their January traffic and capacity numbers rose despite a northeast blizzard that cancelled an estimated 10,000 flights and closed airports from the Carolinas through New England. The median traffic growth rate rose 3.7% compared with January 2015.

In our view, January traffic numbers can be a leading indicator of annual momentum. Both economic conditions and carrier profitability can cause some deviation. Fitch expects 3.0%-3.5% passenger growth at US airports in 2016, following a nearly 5% gain in 2015. We expect major market airports to lead while performance at smaller airports and secondary hubs will see mixed results.

JetBlue and Southwest Airlines reported top growth consistent with prior periods, indicating that airports like Logan International Airport in Boston, Orlando International Airport, Fort Lauderdale-Hollywood International Airport and Tampa international Airport will benefit.

In contrast, growth at United Airlines and American Airlines was lower than that of the other major carriers in January, as it was in all of 2014 and 2015. Chicago O'Hare International Airport is unique in that it is a big hub for both carriers but is benefiting from infrastructure investments at the airfield to limit delays, increasing its attractiveness to travelers. O'Hare has other carriers serving the market that should help it rise to even higher levels this year. Newark Liberty International Airport, George Bush Intercontinental Airport, Dallas/Fort Worth International Airport and Charlotte Douglas International Airport also have United and American near their top.