

Cancellation Wave Continues, China Leasing Firm Scraps Boeing 737 MAX Order

By [Zero Hedge](#)

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As thousands of Boeing employees head back to work in the Puget Sound region over the last week, the Washington-based aircraft manufacturer has noticed a string of recent cancellations of the grounded 737 MAX jet.

Last Tuesday (April 14), Boeing [announced](#) a total of 150 MAX cancellations in March, including 75 previously reported from Irish leasing company Avolon. Cancellations also came from other buyers, including 34 of 135 aircraft ordered by Brazil's GOL.

Now on Monday morning (April 20), China Development Bank Financial Leasing Co. (CDB) has joined the cancellation party, slashing 29 MAX planes from its order, worth about \$2.9 billion, reported [Bloomberg](#).

The MAX jet has been grounded globally for a little more than a year after two deadly crashes in Indonesia and Ethiopia.

"In light of evolving aviation market dynamics, we've been working together with Boeing over many months to re-calibrate our MAX order book to be in line with our long-term view of the market and related opportunities," Xuedong Wang, chairman of CDB Financial unit CDB Aviation, said in a statement to the Hong Kong stock exchange Monday.

The statement says CDB's outstanding MAX order is now 70 after the adjustment.

The coronavirus pandemic coupled with MAX groundings, has crushed Boeing. CEO Dave Calhoun recently warned that the commercial jet market could take years to recover.

Boeing published a statement on Monday outlining how it continues to partner with CDB amid challenging times.

"As we work to return the 737 MAX to service, our focus remains on addressing our customers' fleet needs while optimizing the delivery of the more than 4,000 airplanes in our 737 backlog," it said.

"As market conditions normalize, Boeing anticipates that lessors who have restructured or reduced their order books will continue to add MAX aircraft to their portfolios through sale-leaseback agreements with airlines," Boeing said. "Longer term, we expect these lessors will again place orders for direct MAX purchases."

Boeing suspended MAX production in January, and it plans a phased restart by the end of April. We noted last month how the struggling company [drew down a \\$13.8 billion revolver](#) and is also seeking billions of dollars in [bailouts](#) from the US government.



Boeing shares are down several percent on Monday morning (April 20) following the news of more cancellation orders.

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