

## MARKET TRENDS

SEPTEMBER 2018

### CONTACT

#### Marketing Department

marketing@bnsflogistics.com

+1-855-481-9658

www.bnsflogistics.com

1600 Lakeside Pkwy, Ste. 100

Flower Mound, TX, 75028

## Market Trends Update

### Market Indicators

- US PMI up to 61.3, 14 year high
- Retail Sales up 6.4%
- Unemployment unchanged at 3.9%
- Cass Freight Index – shipments up 6% YoY, down 1.4% MoM
- US EIA: diesel currently \$3.27, relatively flat, outlook remains flat for 2018
- Tariffs - \$200B announced earlier this week, trade agreement reached with MX, currently looking for ways to add CAN

### Industry Indicators

- Truck utilization still at 100%
- TL shipment growth expected to remain at 3-5% growth through 2018
- Spot market easing
- DAT postings: van load posting down 17%, truck posting down 21%; flatbed load posting down 12%, truck postings down 23%
- IMDL growth ~7%
- Driver shortage contracted, will continue as market cools and hiring in TL sector remains high
- Truck orders up 28% in July
- Hurricane Florence disrupted Carolina markets with a dip as much as 60% in volume, as efforts continue to recover this could be more impactful on capacity in the region
- Produce: Celery and carrots out of MI, potatoes out of ID, apples out WA and sweet potatoes out of SC

### Forward Statement

The future at this point remains mostly unchanged from last month. We expect prices to remain high and capacity to remain tight. The impact of a robust peak retail season could have further effects on both. The elevated contract pricing has cooled the spot market activity, however, shipments hitting the spot market are subject to tighter capacity in regards to OTR and IMDL.

### Best Practice

- Lock in short term contract pricing (12 months or less).
- Keep a flexible capacity strategy in place (3PL)
- Continue discussing lead time with customers, the more lead time they can give the better they will be prepared to stay off the spot market. This is especially poignant as we head into peak retail season as current inventories are outpaced by demand and could create even more demand for replenishment which will end up tightening capacity further.

### New at BNSF Logistics

- Rolling out Phase 1 of propriety BNSF Logistics TMS in October
- New office in Baltimore, Branch Manager hired and space identified