

INDUSTRY INSIGHTS

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New at BNSF Logistics

- BNSFL named a Best Company for work-life balance by Comparably

Forward Statement

- Expect a small surge prior to December based on new tariffs that will go into effect December 1. It is not likely this will impact capacity large scale.
- Expect a slower Q1 if consumer spending declines as this may leave shippers carrying higher than expected inventory volumes.

Market Trends Update

Market Indicators

- US PMI: 47.8, indicating contraction
- Industrial Production: .04% increase, growth steadily trending down
- Jobs: 136,000, below 145K forecast; transportation sector one of the largest gains
- Unemployment: 3.5%, lowest since December 1969
- Consumer confidence: 125.1, down 9 points month-over-month
- US EIA: diesel: \$3.047
- Retail sales: up .4% as of 9/13

Industry Indicators

- Cass Freight Index (shipments): 1.19, up 1.6% from last month
- Truck utilization: 87.4, steady
- Tender Rejections: ~5%
- Tender Volume: ~10,000 (index falling)
- DAT postings: Spot loads -17.8% annually; Van, flatbed and reefer ratios all down [-25.6%, -30.6%, -25.1% respectively, year-over-year]
- DAT rates: down in all equipment types (Van -14%, Flat -14.2%, Reefer -13.9% annually)
- Air Freight: Global air freight down 3.2% July vs July '18
- Ocean Freight: 9.1% increase in TEU's at US ports in July (latest data)

Canada Market Data

- PMI: 51, increase of 1.9 points from previous month on increased output
- Consumer confidence: 53, falling from 55.6
- Unemployment: 5.7%

Mexico Market Data

- Consumer confidence at 44.7, up from 43.6 last month
- PMI: 48.1, up from 47.3, still in contraction
- Manufacturing confidence index: 50.3, up from 49.9
- Balance of trade shifted to surplus

Best Practice

Now is the time to build a robust technology infrastructure. Work with providers to utilize technology and data to field test and create best practices for 2020.