

INDUSTRY INSIGHTS

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New at BNSF Logistics

- Our first company-wide internship program is designed for active engagement and learning over the 12-week period, running May 28 – August. We will have 16 interns in 4 departments across 11 offices. Interns will end the program with hands on experience in their field as well as professional development skills. Top interns will also have the chance to win a scholarship.

Best Practice

- Start looking for incremental ways to save in the supply chain via thorough data analysis with trusted partners
- Keep a sharp eye on global economy as worldwide product demand may dwindle in 2019

Market Trends Update

Market Indicators

- US PMI: 52.4
- Jobs: 196,000 added in March
- Unemployment: 3.8% in March, unchanged
- Cass Freight Index: 1.173, up from Jan
- Fed announced it will be patient with future interest rate hikes
- US EIA: diesel: \$2.745, short-term outlook is to remain stable
- US/MX border: threats of closing and/or adding tariffs to automobiles
- Potential trade agreement reached between US and China

Industry Indicators

- Market Demand Index: Dow Jones Transportation Index: 10,695
- Truck utilization: 97.3%
- Tender Rejections: 5.51
- Tender Volume: 9,804
- DAT postings: Spot market loads up 8% month-over-month; van, flatbed and reefer loads ratios down -22%, -1.8% and -21% respectively
- DAT Van rates: van and reefer rates down close to 2%, flatbed flat month-over-month
- IMDL growth – year-over-year down ~5%
- Weather – seasonal

Canada Market Data

- Consumer confidence: 55.08, up from Feb
- Unemployment: 5.8% in Feb (latest number)
- PMI: 50.5, down from 52.6

Mexico Market Data

Border situation uncertain, increased congestion slowing commerce and threats of potential closure are concerning markets.

Forward Statement

- The bounce back of jobs seems to support the idea that economic growth, although weaker than last year, is still attainable in the coming months
- Unstable global economy coupled with situations like the US/MX border have markets nervous and in a “wait and see” mode
- More talk from the White House regarding tariffs, including new ones aimed at European trading partners, could affect trade even further