

INDUSTRY INSIGHTS

AUGUST 2019

CONTACT

Marketing Department

marketing@bnsflogistics.com

+1-855-481-9658

www.bnsflogistics.com

1600 Lakeside Pkwy, Ste. 100
Flower Mound, TX, 75028

New at BNSF Logistics

- Employee Recognition Month: we will be celebrating Employee Recognition Month in September to recognize and celebrate the accomplishments of all our employees.
- Truckers Against Trafficking: we are excited to announce our partnership with Truckers Against Trafficking, a non-profit organization that educates and mobilizes members of the trucking industry to combat domestic human trafficking.

Forward Statement

- Look for increased port activity ahead of peak retail season as well as potential local capacity tightness.
- Expect rates to remain steady throughout the remainder of 2019.

Market Trends Update

Market Indicators

- US PMI: 51.2, weakest growth since August 2016
- Jobs: 164,000
- Unemployment: 3.7%, flat
- Consumer Confidence Index: 135.7
- University of Michigan Consumer Sentiment: 98.4
- GDP: 2.3%
- US EIA: diesel: \$3.032, July crude was \$64/barrel, short-term outlook remains flat

Industry Indicators

- Market Demand Index: trending above 5-year average since June
- Cass Freight Index: 1.18
- Truck utilization: 87.8%, below historical average of 88% and 10-year average of 91%
- Tender Rejections: 3.9, averaging below 4 month-to-date
- Tender Volume: 10,300; slight upward trend since mid-July
- DAT postings: Load to truck ratios down in all 3 modes (van -32.8%, reefer -28.3%, flatbed -28.1%)
- DAT Van rates: Rates in all 3 modes were lower in July vs. June (van -2.6%, reefer -3.0%, flatbed -1.4%)
- New truck orders: 9,800 units, falling below 10,000 units for the first time since 2010, -82% year-over-year
- Produce: Citrus, berries, melons and vegetables continue from CA, TX, FL while the season moves north to WI and ID where there is new potato activity, tomatoes out of TN and VA, apples from WA

Canada Market Data

- PMI: 50.2, up from last month marking first expansion since March
- Consumer confidence: 54.51, decreased from June, still over 10 year average
- Unemployment: rose slightly to 5.7%, highest since April

Mexico Market Data

- Mexico narrowly escapes recession with minimal second-quarter growth
- Mexico's economy likely did not grow in the second quarter, weighted down by a
 - Slump in industrial production
 - Declining investment
 - Weakening of the vast service sector
- Analysts forecast 0.8% 2019 GDP growth

Best Practice

Ask vendors and partners to bring solutions to the table. There are many programs available to shippers and carriers alike and this is a prime time to implement ahead of 2020.