

INDUSTRY INSIGHTS

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New at BNSF Logistics

- Career Fair season has kicked off. Our recruiting team will be visiting 8 universities this month looking for great talent to join our team as part of the Management Trainee and Internship Programs.

Forward Statement

- Beware of potential rise in spots rates through Q4 as retail volumes pick up.
- Expect trade war talks to cool as we move closer to the 2020 election.

Market Trends Update

Market Indicators

- US PMI: 50.3, continued weak expansion, lowest since September 2009
- Industrial Production: -2.1% in Q2, forecast Q3 -0.2%
- Jobs: 130,000, short of estimate
- Unemployment: 3.7%, unchanged
- University of Michigan Consumer Sentiment: 92, up 2.2 points from previous month
- US EIA: diesel: \$2.971, continuing to decline. Crude averaged \$59/b in August (down \$13/b from last year)

Industry Indicators

- Market Demand Index: held steady in line with seasonal expectations
- Cass Freight Index: 1.171, down 0.8% month over month
- Truck utilization: 87.5%, still below historical average
- Tender Rejections: 4.85%, slightly increasing since mid-August (up ~1.05%)
- Tender Volume: 10,620, increasing
- DAT postings: Van and reefer up 8.2% and 22.8% month over month, flatbed down 17.6%
- DAT Van rates: All categories down (van -1.6%, reefer -2.0%, flatbed -3.1%) month over month
- New truck orders: 8,900, down 81% year over year

Canada Market Data

- PMI: 49.1, decreased from last month
- Consumer confidence: 55.6, increased from last month
- Unemployment: 5.7%, unchanged

Mexico Market Data

- In August, MX economy contracted for the first time since 2009
- Growth expected to be half of 2018
- Weaker domestic demand, lower confidence and policy uncertainty along with trade tension and weaker global demand all contribute to a weaker outlook

Best Practice

- Use caution during bid events with extremely low rates. The whiplash that can occur if/when capacity tightens can be a source of strain on budgets.
- Continue pushing suppliers for better performance and ancillary offerings.