

FTR

Transportation Intelligence



STATE OF FREIGHT: KEY TRANSPORTATION ISSUES

MODERATED BY:

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FTR State of Freight

Webinar Series

July 9, 2015

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STATE OF FREIGHT UPCOMING WEBINARS



Second Thursday of the Month @ 11 a.m.

- August 13th – Current Rail Environment
- September – No Webinar - Annual Conference
- October – 2016 Economic Outlook

More info or register for upcoming webinars at:

www.FTRintel.com/webinars

FTR

Transportation
Conference 2015

The Premier Forecasting Event of the Year

TWO FULL DAYS



FOUR CONTENT CHANNELS

STATE OF FREIGHT | SHIPPERS, BROKERS & CARRIERS
TRUCK & TRAILER EQUIPMENT | RAIL EQUIPMENT

**Early Bird
Registration
Extended to
July 15th**

September 15-17 • Indianapolis, IN
www.FTRConference.com

WEBINAR REPLAY AVAILABILITY

- Replay will be available by Monday, July 13th
- Email will be sent out once it is available



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KEY TRANSPORTATION ISSUES

July 9, 2015

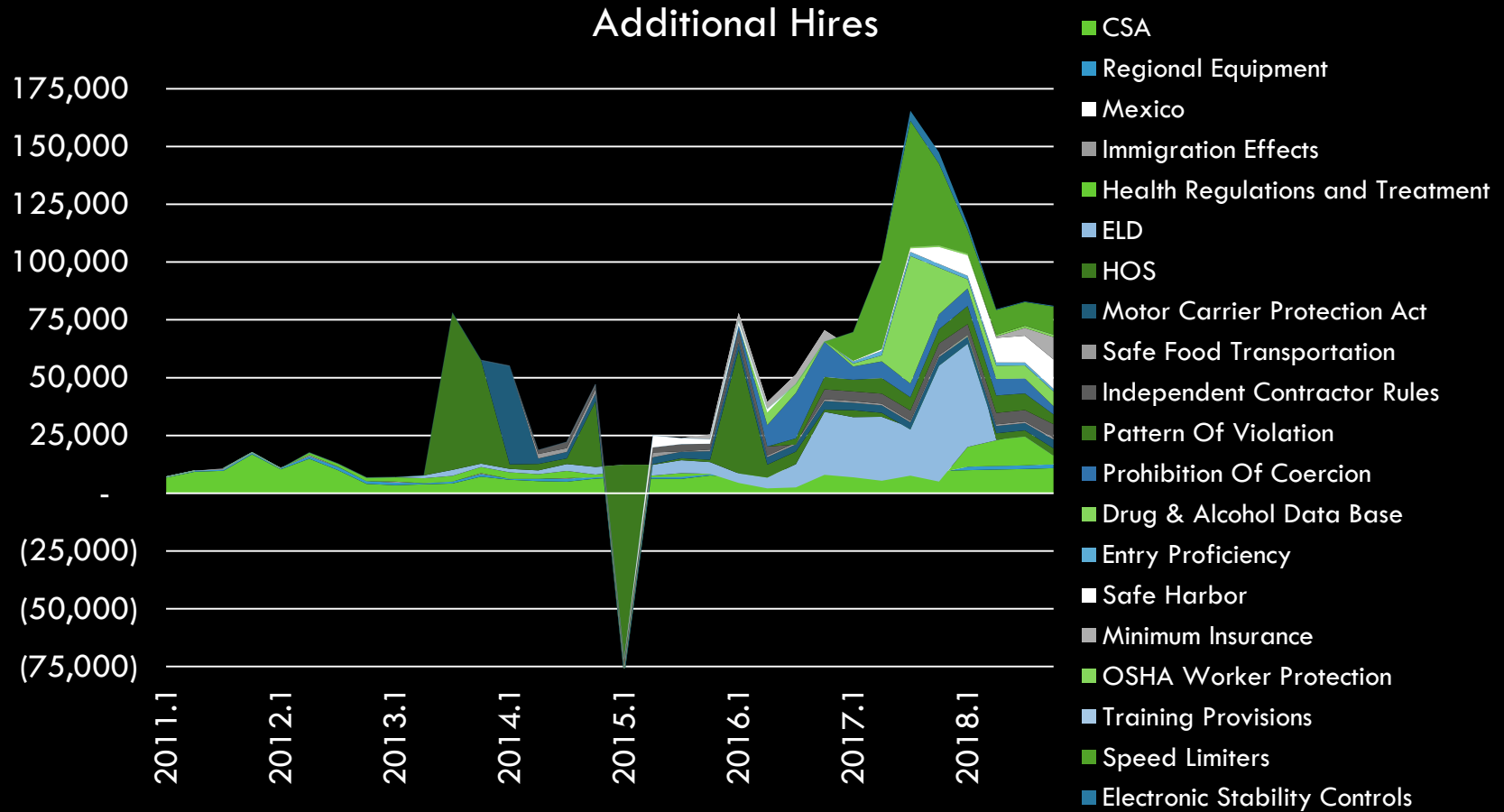
Are the regulatory risks a real threat?

NOËL PERRY



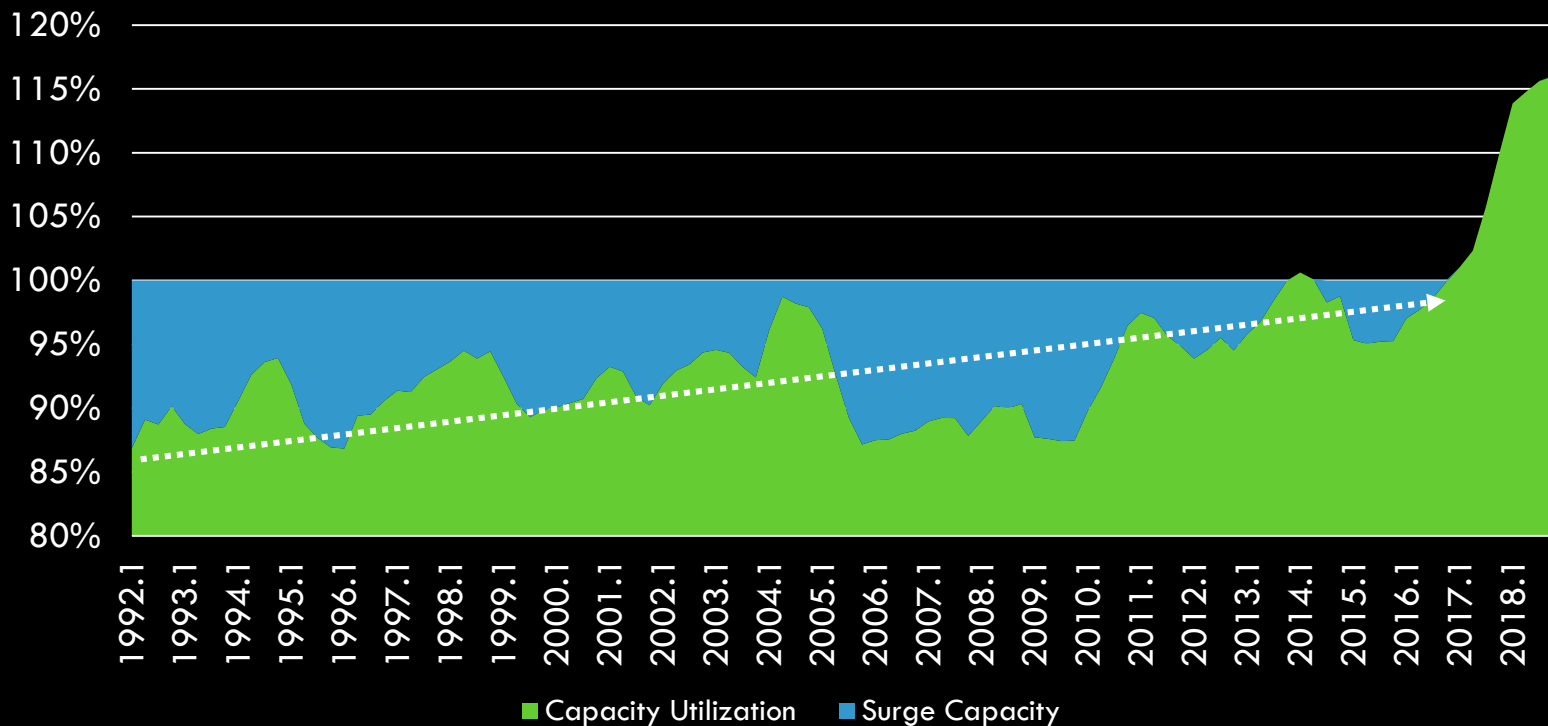
- President – Transportation Economics
- 30 year transportation veteran
- Has held senior research positions at Schneider National, CSX and Cummins Engine
- Substantial experience with truck, rail, barge and transport supplier segments
- Specialties include: Shipper logistics * North American transportation demand * Carrier competition * Truck driver supply and demand

WHEN HIRING REQUIREMENTS SPIKE - THE CARRIERS GET BEHIND



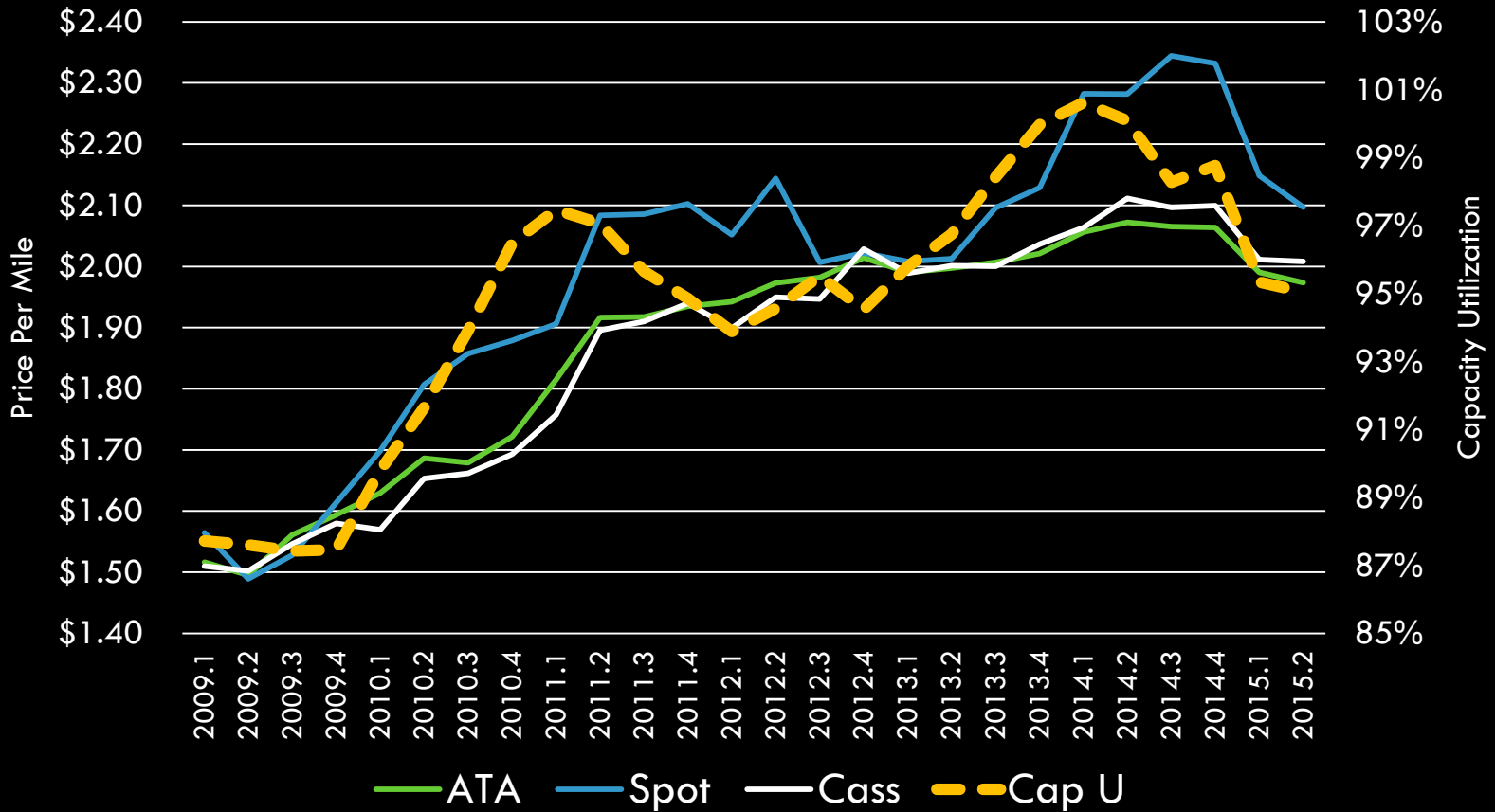
CAPACITY UTILIZATION & SURGE CAPACITY

FTR Active Capacity Utilization
Seasonally Adjusted



PRICING & CAPACITY UTILIZATION

Pricing And Capacity Utilization



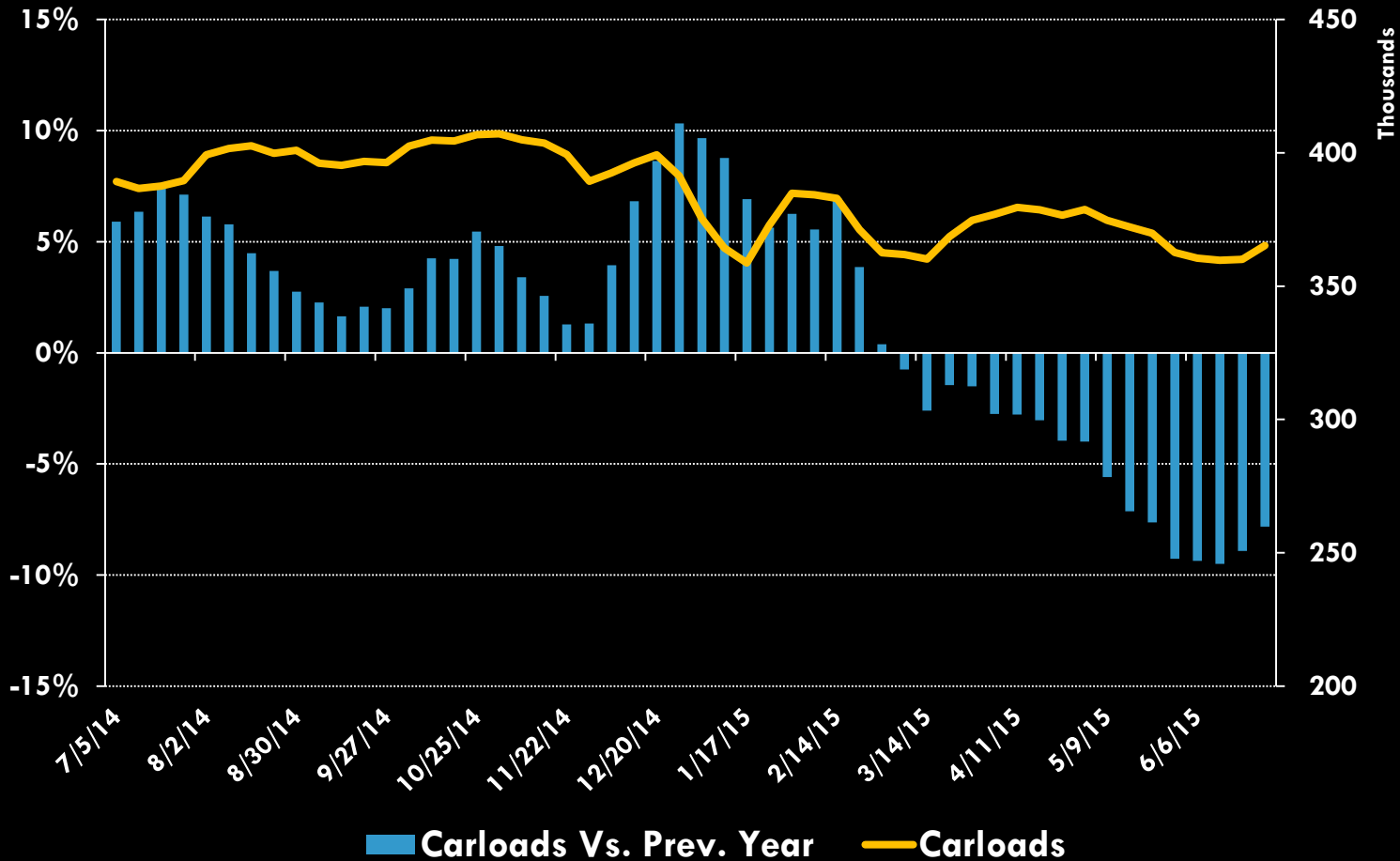
What is driving the recent declines in
rail carload?

LARRY GROSS

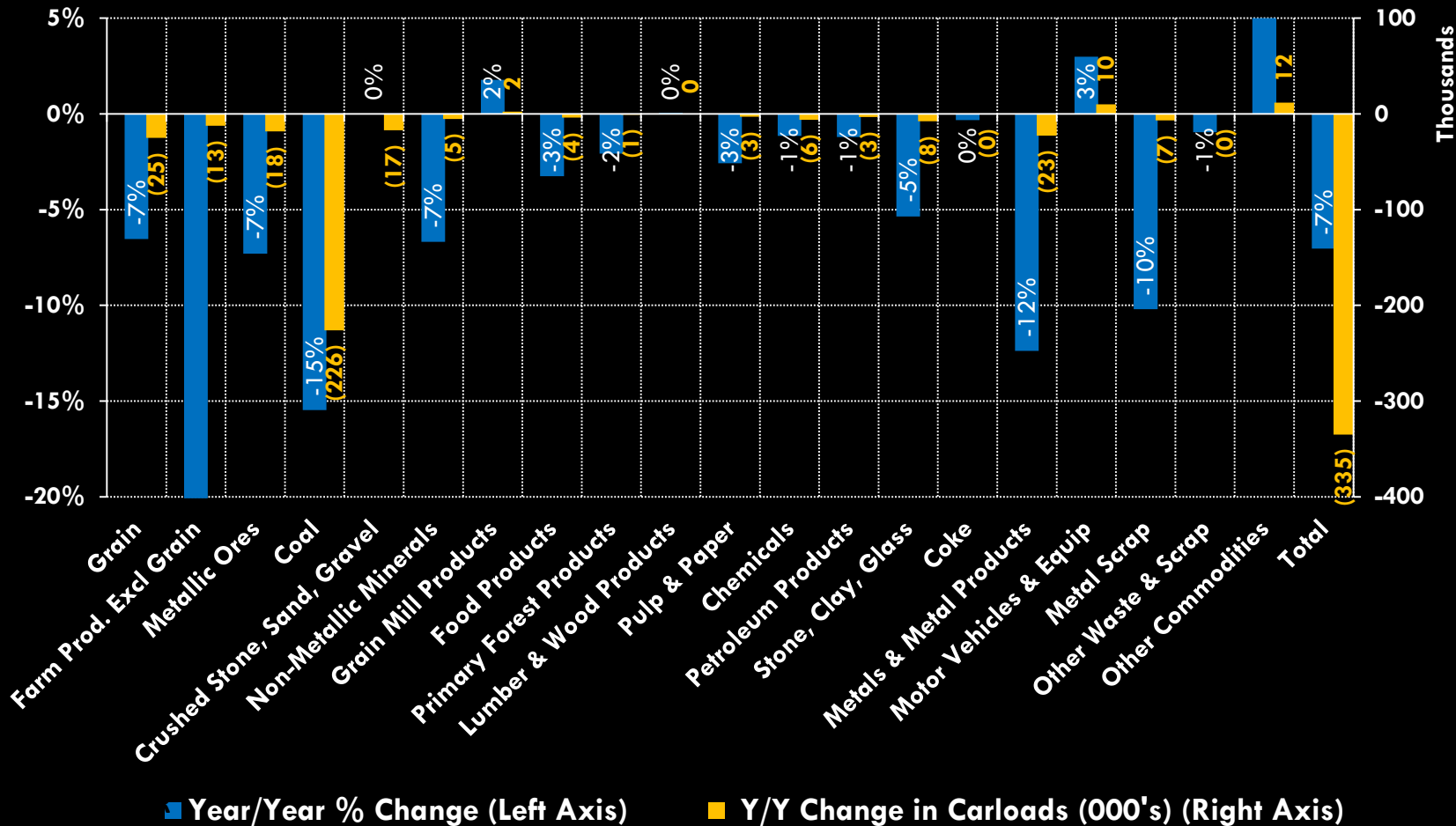


- President – Gross Transportation Consulting
- 30-year transportation veteran
- Held positions with RoadRailer, Thrall Car, Wabash National Corp.
- Experienced in intermodal and motor carrier and railroad supply sectors
- Specialties include: Intermodal transport * Rail and highway equipment * Motor carrier economics

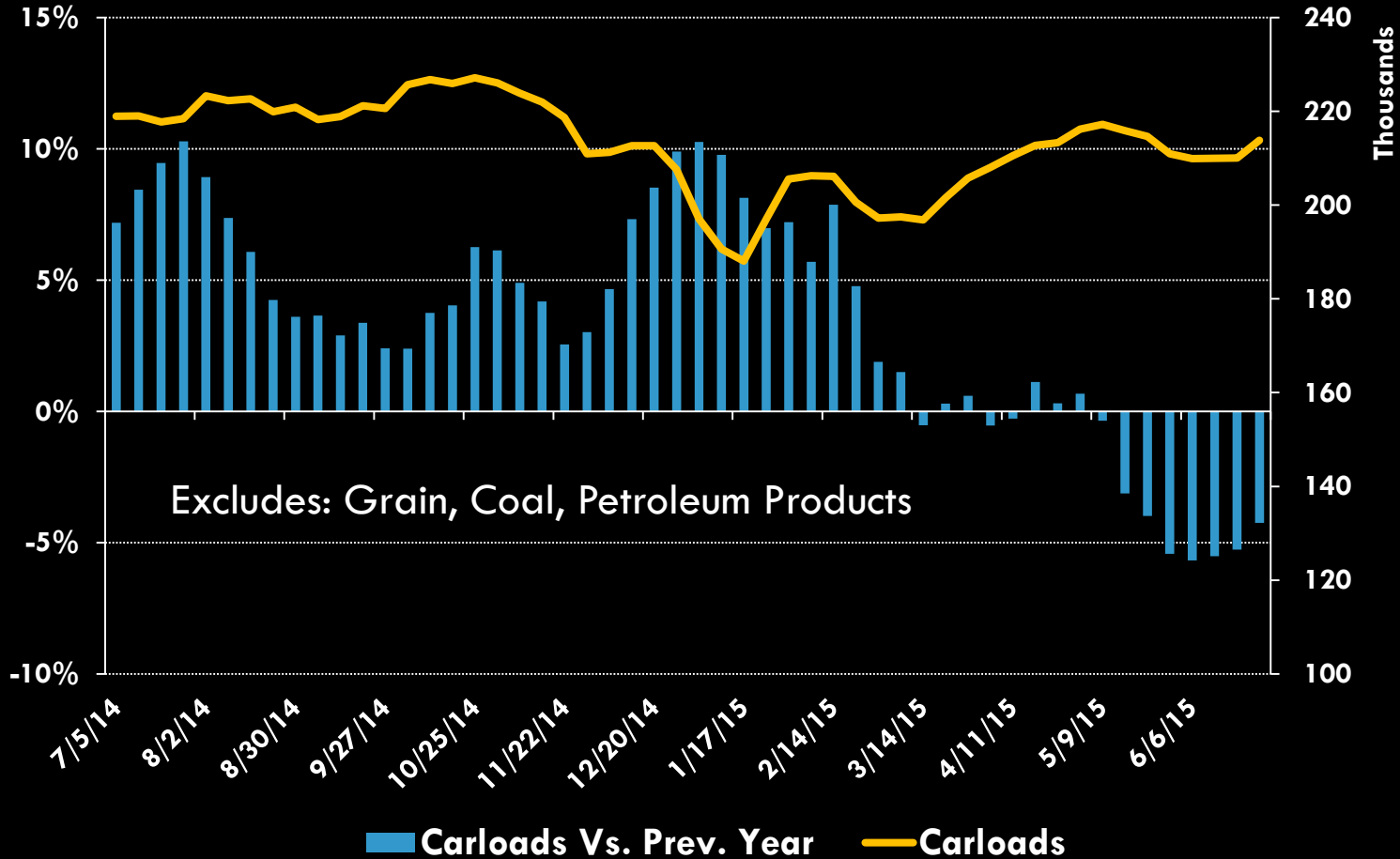
N.A. CARLOADS THRU WEEK 25 4-WEEK MOVING AVERAGE



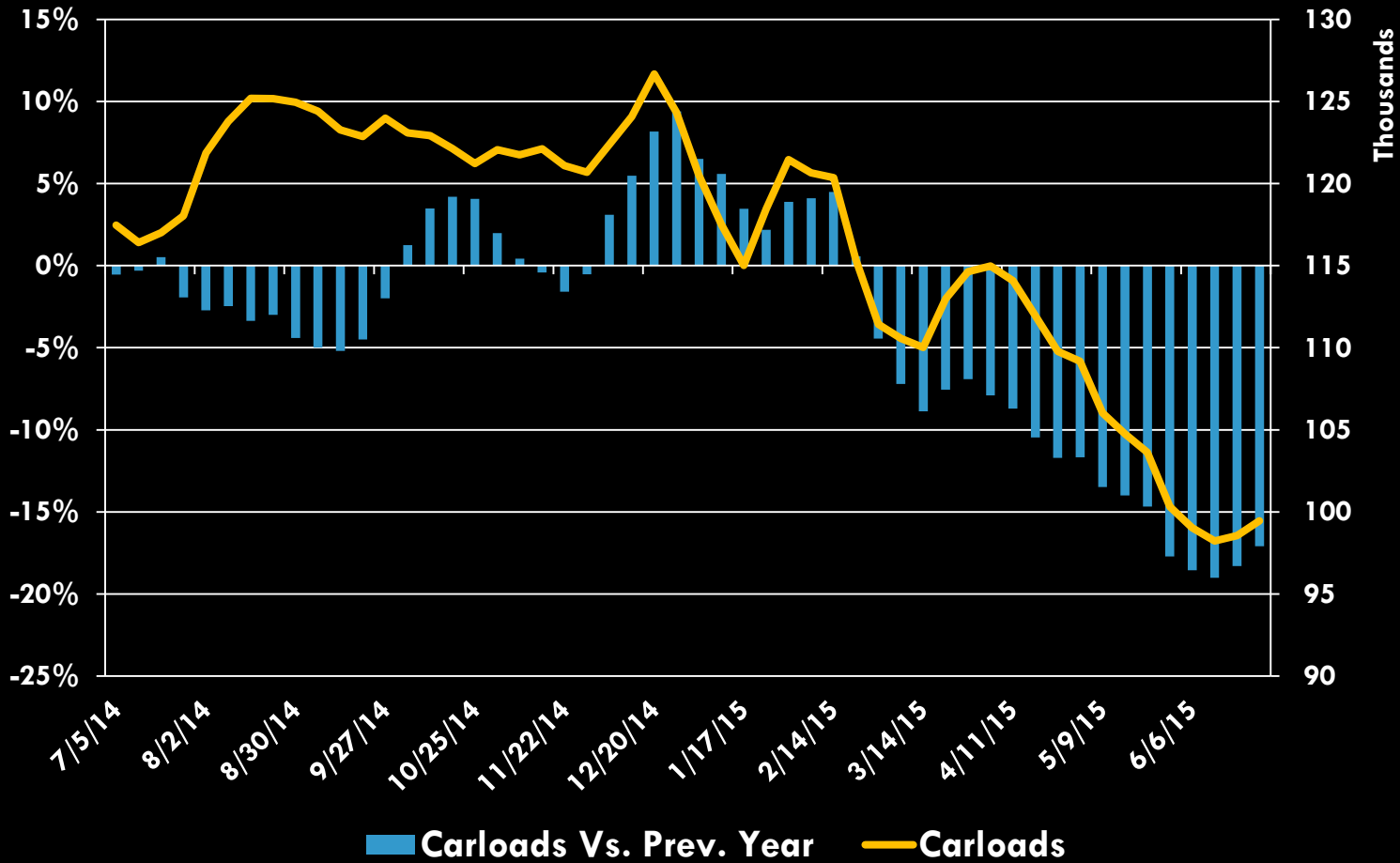
Q2 CARLOAD Y/Y VOLUME CHANGE Q2 THRU 6/27



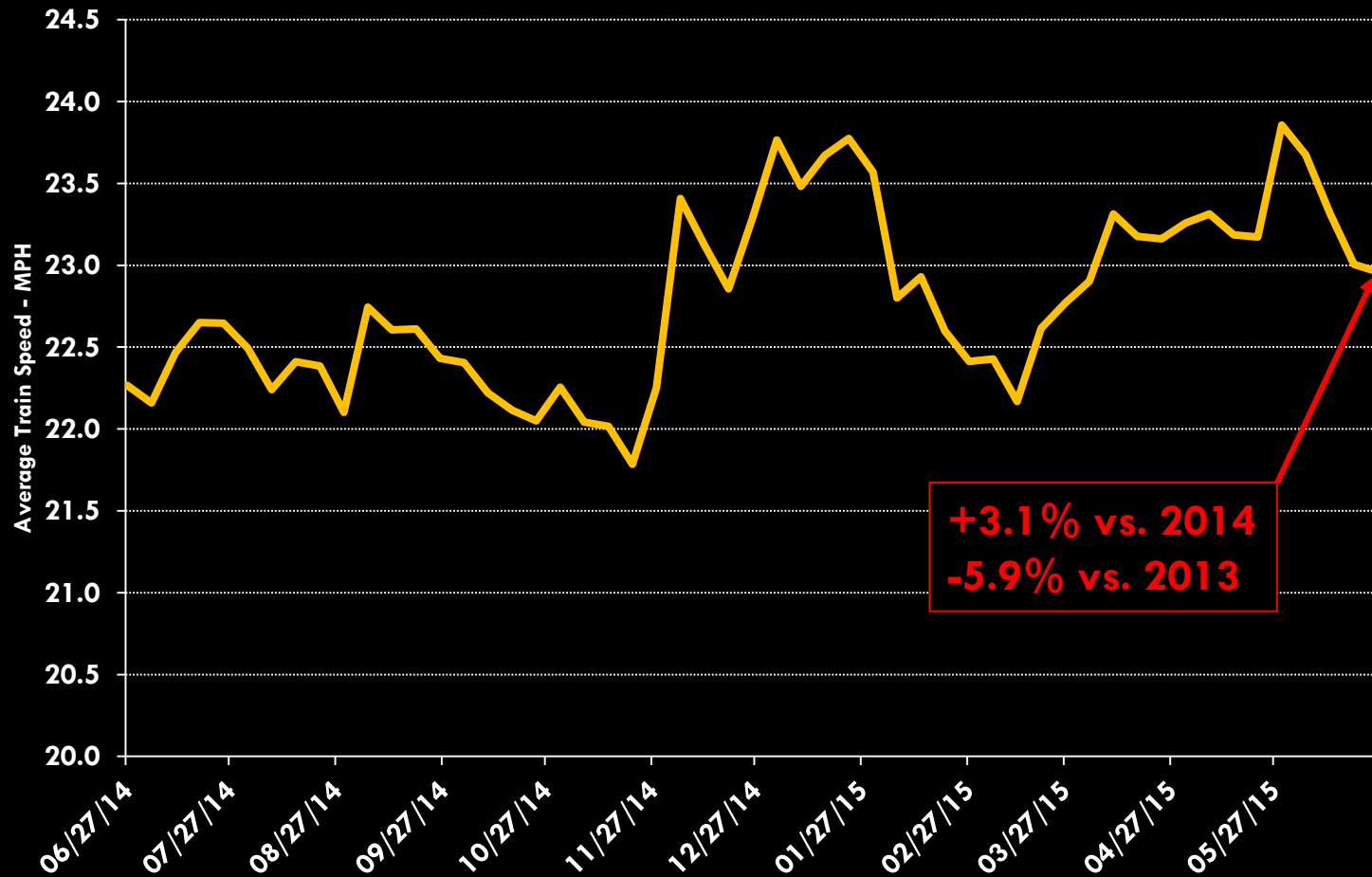
N.A. SELECTED CARLOADS THRU 6/27 - 4-WEEK MOVING AVG.



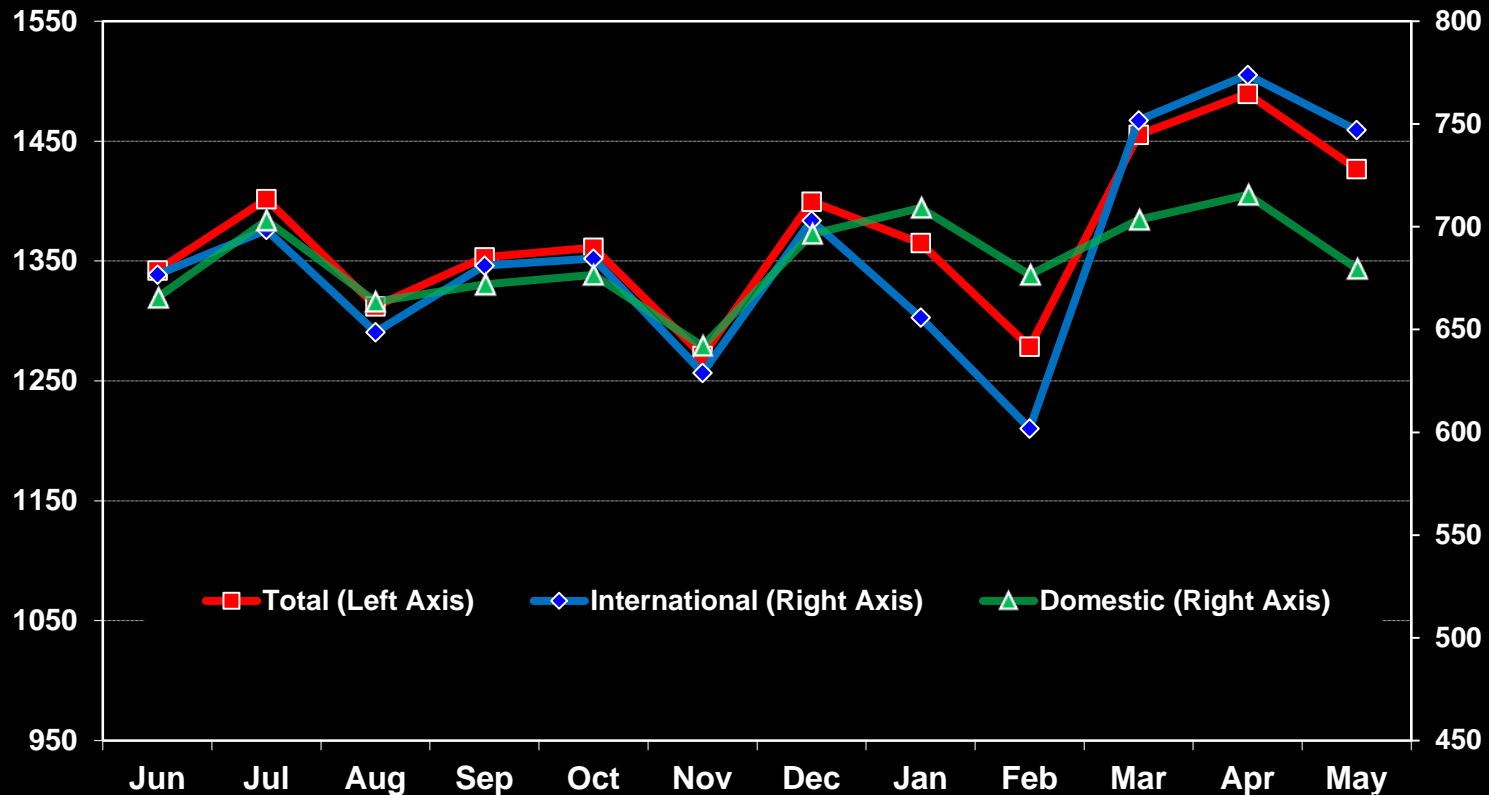
N.A. COAL CARLOADS THRU 6/27 - 4-WEEK MOVING AVG.



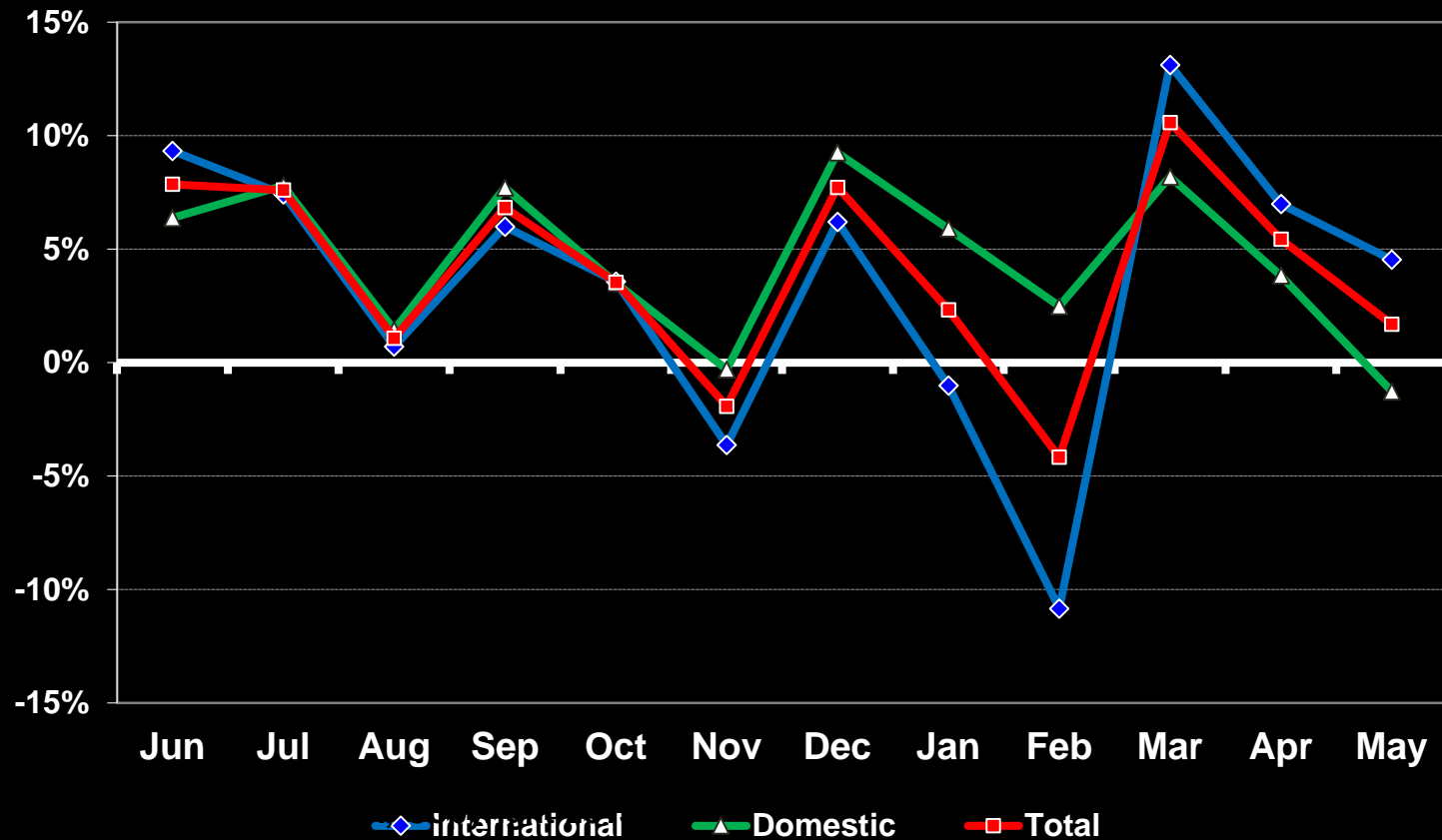
AVERAGE CLASS I TRAIN SPEEDS ALL TRAINS



SEASONAL ADJUSTMENTS REVEAL DOMESTIC NOT GROWING MUCH

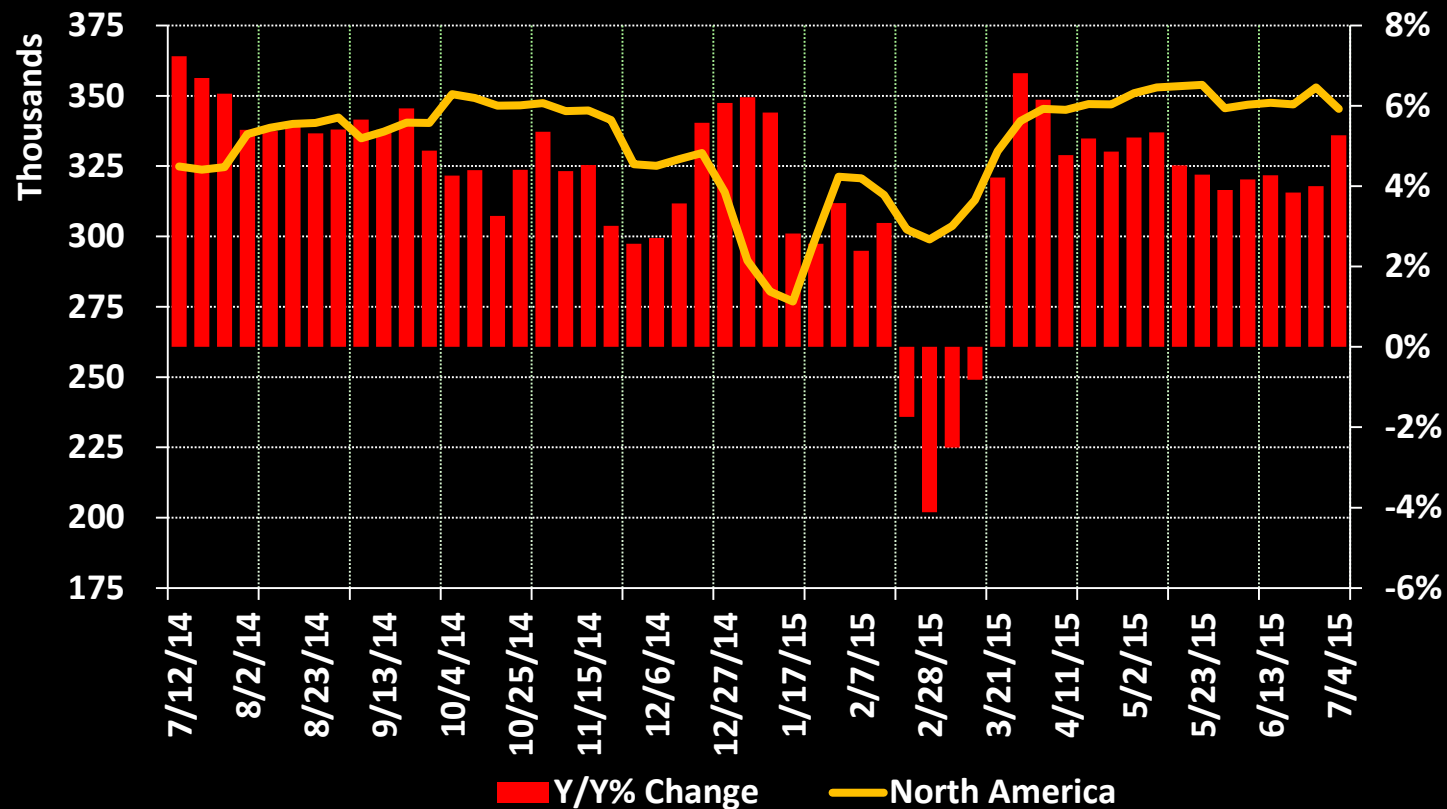


MAY WAS A WEAK MONTH FOR DOMESTIC



JUNE GROWTH LOOKS LIKE ABOUT 4% OVERALL

**AAR Weekly Intermodal Loadings
(North American 4 Week Rolling Average)**



The economy and manufacturing are soft, but truck operations are holding up well. What is occurring?

JONATHAN STARKS



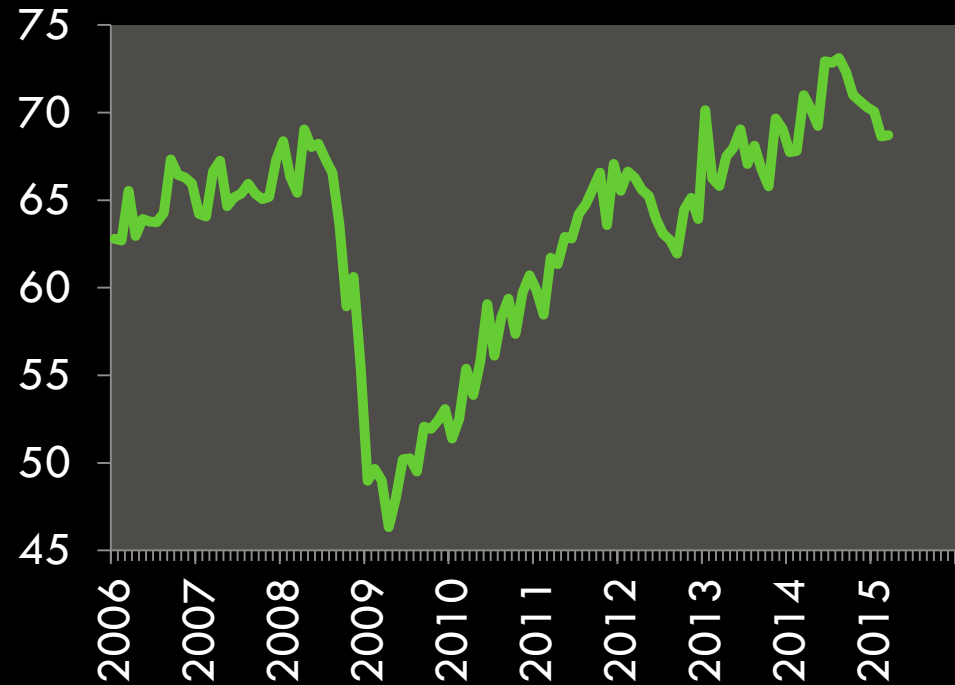
- Director, Transportation Analysis
- 10+ years in the freight transportation sector
- Directly responsible for producing FTR's Freight-cast transportation model, producing more than 13 million datapoints and 85,000 forecasted items each and every month
- Specialties include: Carrier Analysis * Equipment Demand * Jedi Master * Transportation Economics

MANUFACTURING WEAKNESS

ISM Manufacturing Index



Core Capital Goods Orders



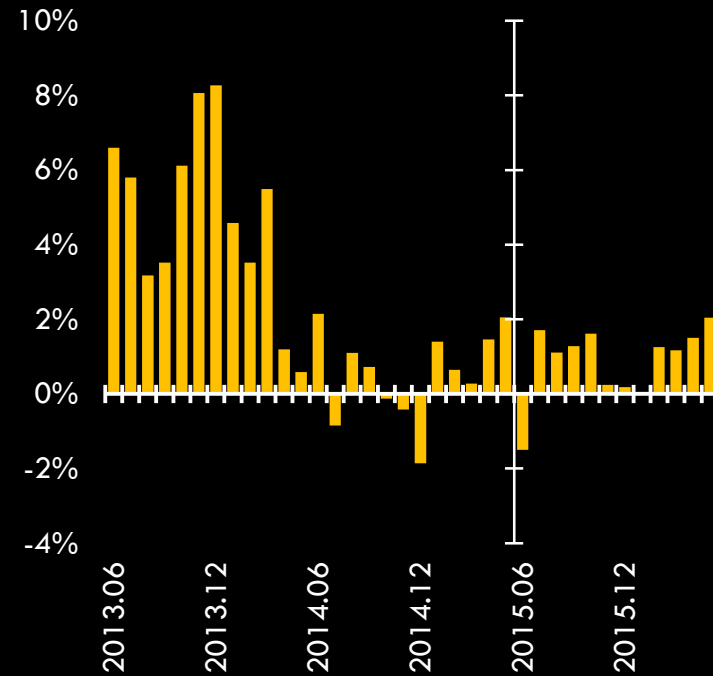
Sources: Institute for Supply Management (ISM) Report on Business; Census Bureau

LOADINGS ARE WEAKENING

Total Truck Loadings

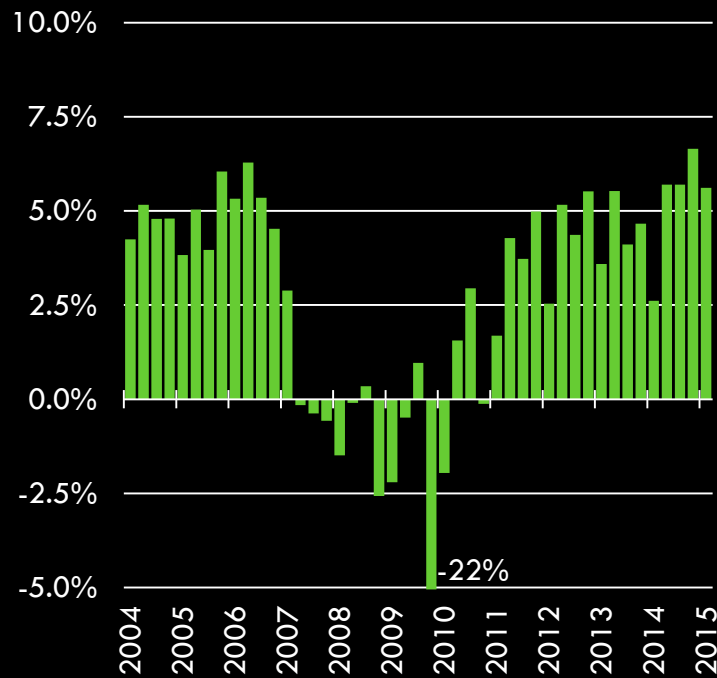


Super Long-Haul Loadings (>550 miles)

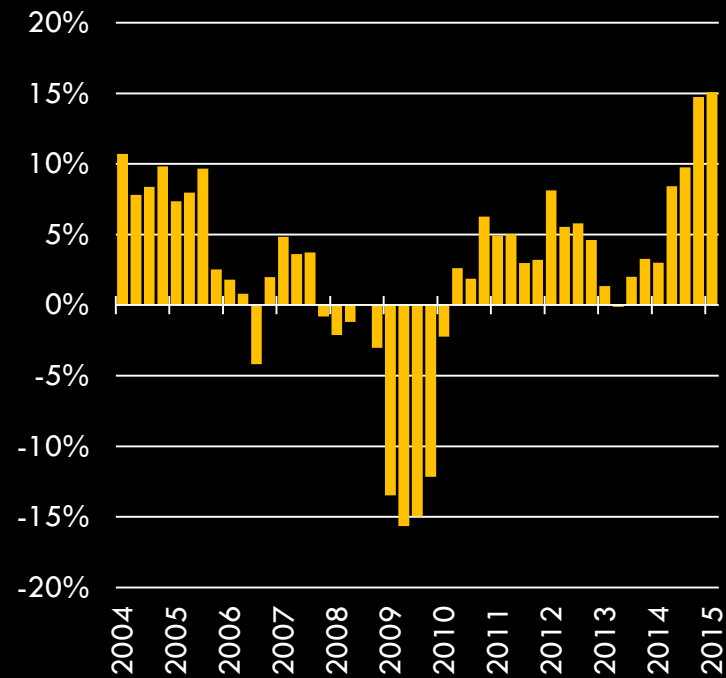


PROFITS ARE GOOD - COST MIX IS CHANGING

Net Profit Margins (excluding FSC Rev)



Wages





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KEY TRANSPORTATION ISSUES

July 9, 2015

Q & A

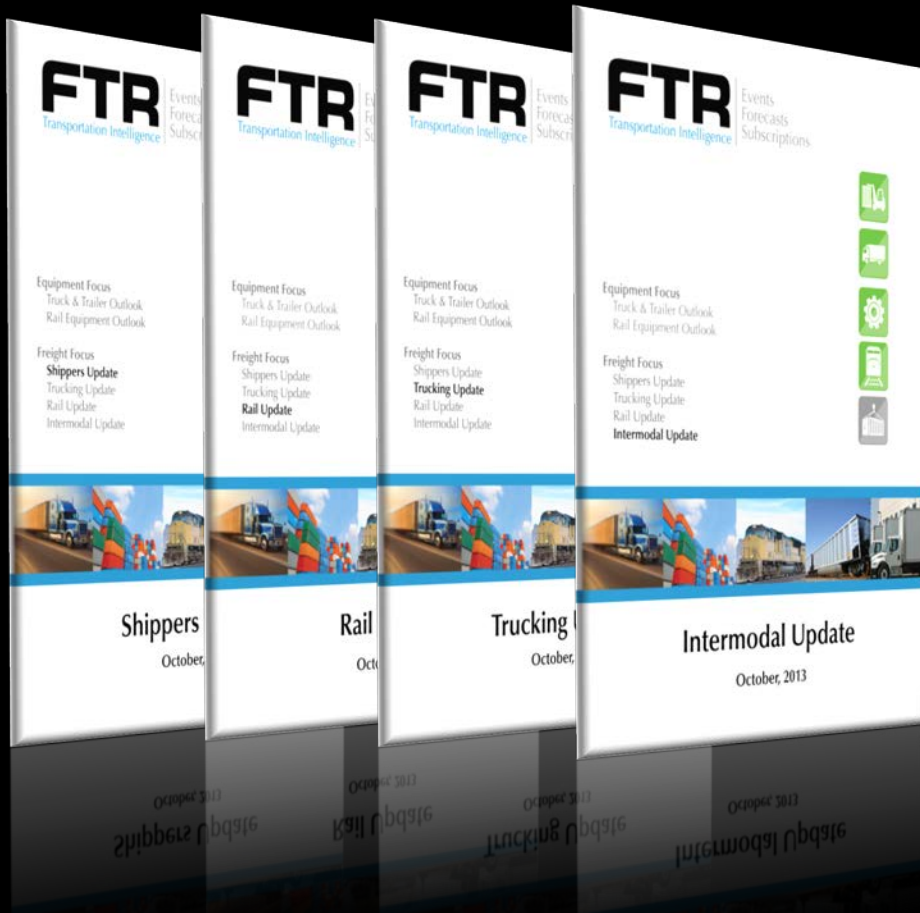


- Type a question into the 'Question' pane.

*We will attempt to answer
as many of your questions
as time permits*



FREIGHT FOCUS



Shippers Update



Rail Update



Trucking Update



Intermodal Update



www.FTRintel.com/Freight-Focus

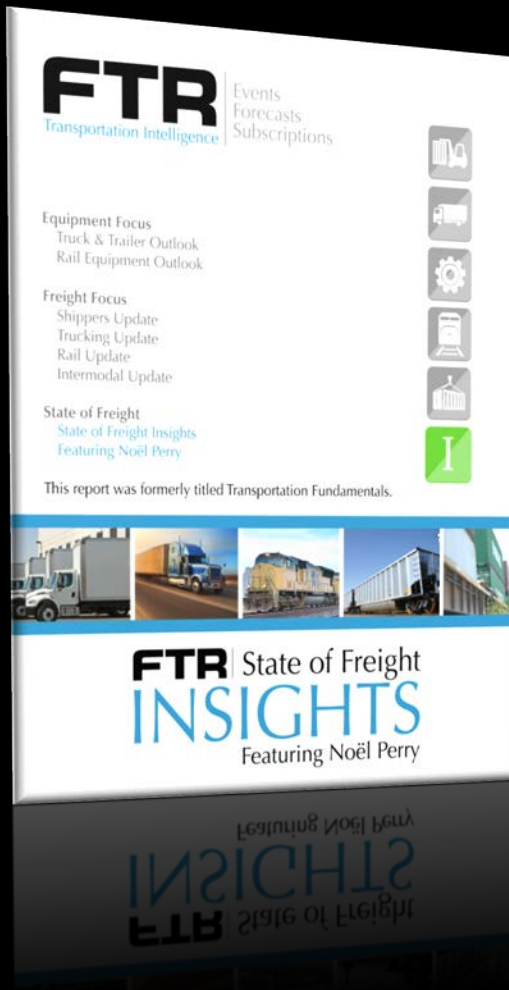
STATE OF FREIGHT INSIGHTS

FEATURING NOËL PERRY

Monthly analysis & commentary on the transport markets

- The influence of the economy on transportation (volume, prices, capacity)
- Management decision making
- The meaning of industry statistics
- Freight and purchase cycle dynamics
- Trends in productivity
- Driver labor

www.FTRintel.com/SOFinsights



Q & A



- Type a question into the 'Question' pane.

*We will attempt to answer
as many of your questions
as time permits*



REPLAY/SLIDES WILL BE AVAILABLE

- A replay, along with slides, will be available by Monday, July 12th
 - Free for all current FTR Subscribers
- Check your email to find out when it is ready
- Feel free to follow up at any time with any of our speakers, or anyone else on the FTR team
 - Phone: 888.988.1699
 - Email: ftr@ftrintel.com

Thank You!

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