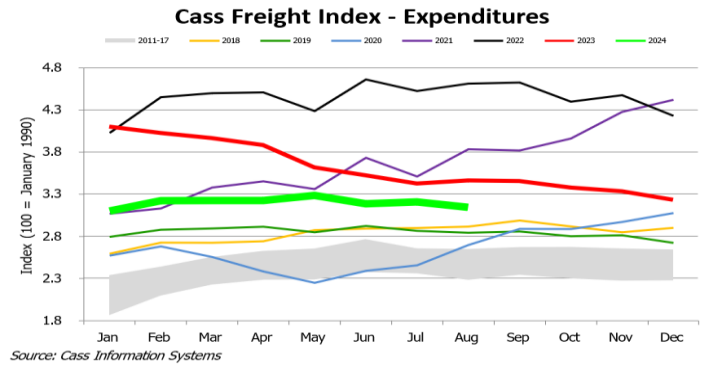




CURRENT STATE

During a podcast with an industry analyst a private TL carrier had the following to say about recent trends. This carrier continues to see a loose market with tender acceptance rates still hovering around 97%-98%, only modest capacity exiting the market, and spot rates still at a discount to contract rates. **That said, there are some pockets of seasonal tightness, and this carrier is optimistic that market conditions will improve in the months ahead. From a pricing standpoint, this carrier is still seeing mixed results coming out of bids, but overall is starting to see contract rates trend a little higher with around 1% increases. Looking out to next year, this carrier is planning for 3%-4% rate increases as they plan to remain firm on pricing where possible.** All in, this carrier expects his OR to be flattish sequentially from 2Q to 3Q. Finally, this carrier is maintaining its current fleet size and not seeing any increased pressure on driver turnover of late.....

The rates in the two components of the Cass Freight Index declined 7.2% year over year in August, after a 5.2% year over year drop in July. On a month over month basis, Cass Inferred Freight Rates™ fell 3.0% month over month in July (2.3% SA), reaching a new cycle low with the help of falling diesel prices.



Total freight spend in August was down ~9% year over year due to 2% lower shipment volumes and 7% lower prices (incl fuel) according to Cass Information Systems. Compared to July, expenditures were down 2%, while shipments were +1%. Seasonally adjusted expenditures appear to be +2% month over month as rates were down 2% month over month while shipments were +1% month over month.

MARKET FORECAST

DAT's linehaul rates measure a seven-day moving average for spot rates in dry van, reefer and flatbed hauls. They often reflect the balance of supply and demand in the spot market. The rates are derived from DAT's RateView database and do not include a fuel surcharge. National benchmark averages were mixed the week of Aug. 18, compared to the previous week. Per DAT:

- Dry van decreased by a penny to \$1.61
- Reefer stayed flat at \$1.97
- Flatbed stayed flat at \$1.97

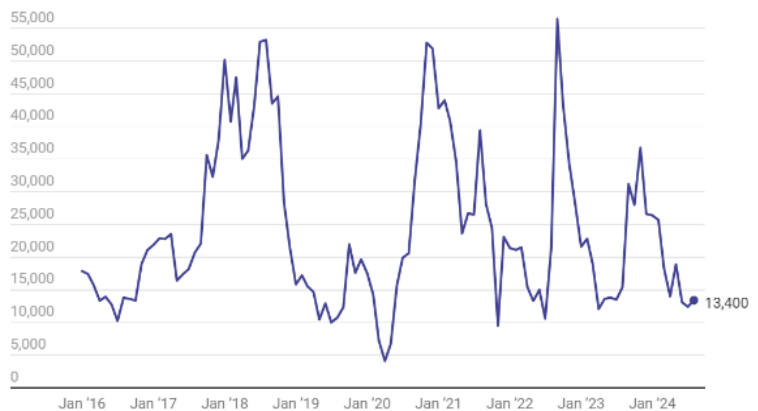
spot rates were flat at \$1.99 on DAT's top 50 lanes, Croke said on a weekly market update. He also noted a railroad unionized labor dispute in Canada affected some routes, particularly longhaul lanes, and cross-border volumes increased.

Spot linehaul rates



Updated Sept. 12, 2024

Class 8 net truck orders in North America



Source: FTR • Get the data • Created with Datawrapper

Preliminary Class 8 net orders increased to 13,400 units in August, from 12,400 units in July, according to a report from FTR (Freight Transportation Research). Remarkably on the small uptick, FTR said the typical increase during that time is around 20%. "The combination of a stagnant truck freight market and full or nearly full 2024 order boards presumably are the main factors behind a smaller than typical increase," the firm said...

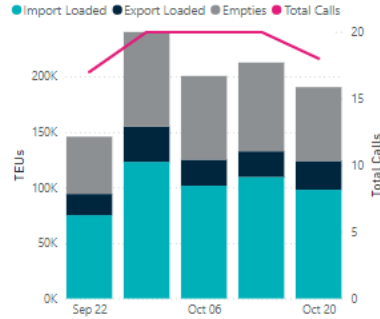
INDUSTRY INSIGHT

The Port of Long Beach currently has 10 container vessels at berth... Average at anchor is 0 days...



PROJECTED WEEKLY VOLUME (TEUS)

Week	Date	Import Loaded	Export Loaded	Empties
39	09/22/2024	75,163	19,157	51,552
40	09/29/2024	123,197	31,663	85,395
41	10/06/2024	101,673	23,513	75,397
42	10/13/2024	109,580	23,159	79,913
43	10/20/2024	98,039	25,910	66,518



PROJECTED VESSEL CALLS

Week	Date	Blank Sailings	Extra Loaders	Planned Calls
39	09/22/2024	2	1	18
40	09/29/2024	2	0	22
41	10/06/2024	2	3	19
42	10/13/2024	1	2	19
43	10/20/2024	2	1	19

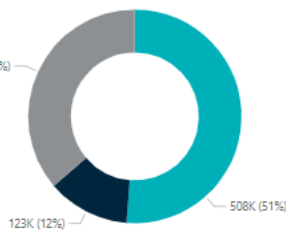
ESTIMATED CONTAINER MOVE TYPES (TEUS)

Week	Date	Import Local	Import On-Dock	Import Off-Dock	Export Local	Export On-Dock	Export Off-Dock
39	09/22/2024	51,444	17,498	3,890	19,606	6,669	1,482
40	09/29/2024	84,730	28,819	6,407	32,291	10,983	2,442
41	10/06/2024	70,739	24,061	5,349	26,959	9,170	2,038
42	10/13/2024	74,995	25,508	5,670	28,581	9,721	2,161
43	10/20/2024	67,171	22,847	5,079	25,599	8,707	1,936

ESTIMATED EXPORT AND EMPTY RETURNS (TEUS)

Week	Date	Export Loaded	Export Empty
39	09/22/2024	19,157	49,356
40	09/29/2024	31,663	83,197
41	10/06/2024	23,513	73,122
42	10/13/2024	23,159	77,711
43	10/20/2024	25,910	64,239

● Import Loaded ● Export Loaded ● Empties



AVERAGE TERMINAL GATE TURN-TIME (MINUTES)

Terminal	Day Shift	Night Shift
Pier A	42	28
Pier C	21	21
Pier E (LBCT)	37	42
Pier G (ITS)	60	65
Pier J (PCT)	67	48
Pier T (TTI)	54	50

Average turn-times vary by terminals, and based on terminals' data from the previous week

Revised 9/16/2024

Truckload PPI rebounds after nearly 2-year trough. The pricing measure was last positive year over year in December 2022. A pricing index showed signs of promise for long-distance trucking, following a lengthy downward drop. A long-distance truckload Producer Price Index inched its way into positive territory in August, reversing a nearly two-year-long trend and providing another sign that change from a prolonged freight downcycle may be in store. The year-over-year percent change for the Bureau of Labor Statistics' PPI eased its negative territory last month, regaining an annual growth status that was last seen in December 2022.

PPI for TL improves



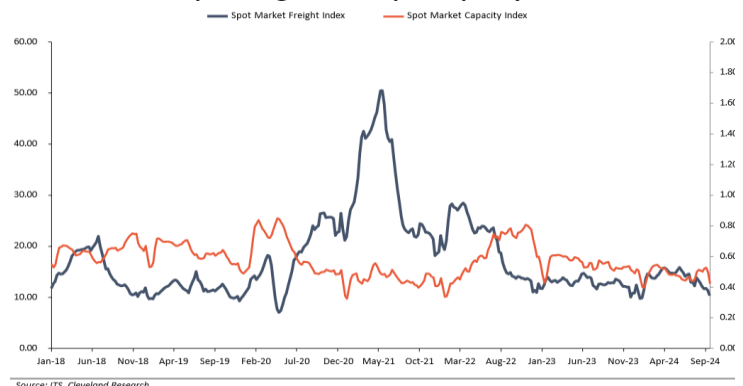
Chart: David Taube/Trucking Dive • Source: U.S. Bureau of Labor Statistics • Get the data • Created with Datawrapper

INDUSTRY INSIGHT

"It isn't going to work": Carrier execs slam EPA emissions rule. Trucking leaders challenged the feasibility of the Phase 3 greenhouse gas reduction rule for new heavy-duty trucks during a Q&A with an EPA official Wednesday. Trucking executives blasted the Environmental Protection Agency's Phase 3 emissions reduction rule after a briefing from an EPA official during the Truckload Carriers Association's Fall Business Meeting. Alejandra Nunez, deputy assistant administrator for mobile sources in the EPA's Office of Air and Radiation, took copious notes as company leaders raised their concerns, and she promised to share them with her colleagues and other government regulators. "That's why we have this process," Nunez said, "so that if the information warrants making adjustments, we have time to do that. We want a rule that works, just like everybody else, right? So, we will continue to engage with everybody." Truckload leaders lined up to identify issues in the rule, such as the EPA's 2027-2032 implementation timeline, the cost for carriers, the lack of underlying charging infrastructure, increased truck weights and truck counts, and effects on drivers' hours of service. Trucking executives agree with the EPA's goals of reducing pollution, said Mark Seymour, president and CEO of Canada-based Kriska Transportation Group. "But it isn't going to work," Seymour said, drawing laughter from the room. "Now, it can work in parts and it can work in places. ... It simply isn't going to work because it's going to be too expensive. It's not a matter of people not wanting to do the right thing, it's we can't afford to do what's being asked. Joey Hogan, former president and board member at Covenant Logistics Group, pointed out that the EPA and California Air Resources Board have different emissions standards, with California's more stringent than the federal government's. "It's hard to get a meeting with CARB, and so, if you could ... kind of talk us through this train wreck that's happening," Hogan said. "We've heard, 'Well, we know it's a tough goal, but you'll figure it out.'" "How in the world can an agency, whether it's a state or [federal] government agency, tell an industry that?" he added. A lack of clear communication, as well as the significant up-front cost for carriers, fuels the industry's anxiety on the shift to zero-emissions vehicles, Hogan said. "We are happy to actually relay this feedback that we're hearing to the California Air Resources Board," Nunez replied, "because I think it's very important for the agency to be engaging with you."

Truckload capacity has been slowly exiting the spot market likely due to lack of demand and carriers shifting operations toward contract/dedicated services, plus seasonal trend (holiday). Demand remains soft, with markets signaling continued balance between supply/demand, and keeping price in check as a result.

TL Spot Freight vs. TL Spot Capacity Index



Source: ITS, Cleveland Research