

Transportation Market Update

July 9, 2021



SCHNEIDER

TRANSPORTATION MARKET UPDATE

Schneider's goal is to provide the latest market insights to help you navigate the ongoing market volatility.

Whether moving a critical load, keeping your supply chain going or long-term planning, Schneider remains committed to safely and securely delivering your freight.

Schneider leverages data and analytics from multiple sources to provide the most up-to-date insights available including, but not limited to, FTR, DAT, FreightWaves SONAR, Cass Information Systems, Inc., FleetOwner, FMCSA, The New York Times, ATRI and Transport Topics. For the latest information and updates, visit [Schneider's Trending Topics page](#).

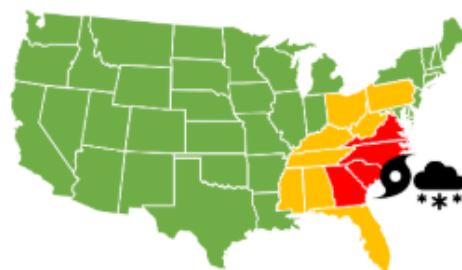
STORM SEASON IS COMING TO IMPACT TRANSPORTATION NETWORKS

[Tropical Storm Elsa](#) has officially kicked off this year's storm season.

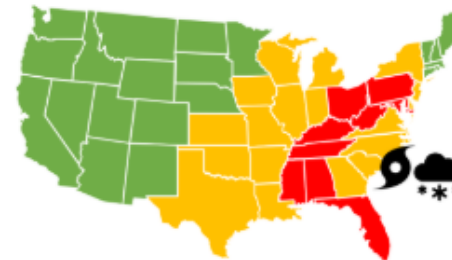
When powerful storms are at play, inbound shipment delays and other ripple effects are experienced across the nation – even in areas where weather may not be an issue.

Schneider carefully monitors weather across North America and works with our customers to communicate impacts and continue to keep freight moving as quickly and safely as possible.

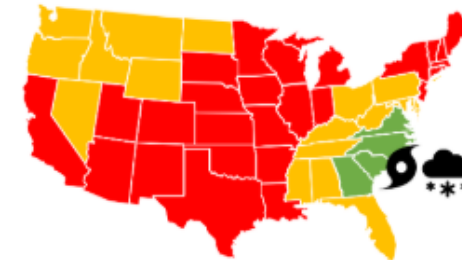
[Bookmark this page for timely weather updates from Schneider](#)



Day 0 – Inbound planning begins



Day 7 – Capacity surges to affected areas, reducing capacity in region



Day 15 – Scarcity spreads further...

IN THE NEWS: MOUNTING EVIDENCE THAT CONTAINER CRUNCH WILL PERSIST UNTIL 2022

Experts think that the capacity crunch will last well into 2022 for multiple reasons:

- As of the latest data through April, the inventory-to-sales ratio remains historically low. In addition to transportation issues, retailers/wholesalers are not able to get the inventory they need due to production issues.
- We're getting into the traditional peak season, including back-to-school and holiday shopping.
- Not all parts of the global economy are recovering as fast as the U.S. is, and when they do, more demand is coming.

[Read the full article](#)

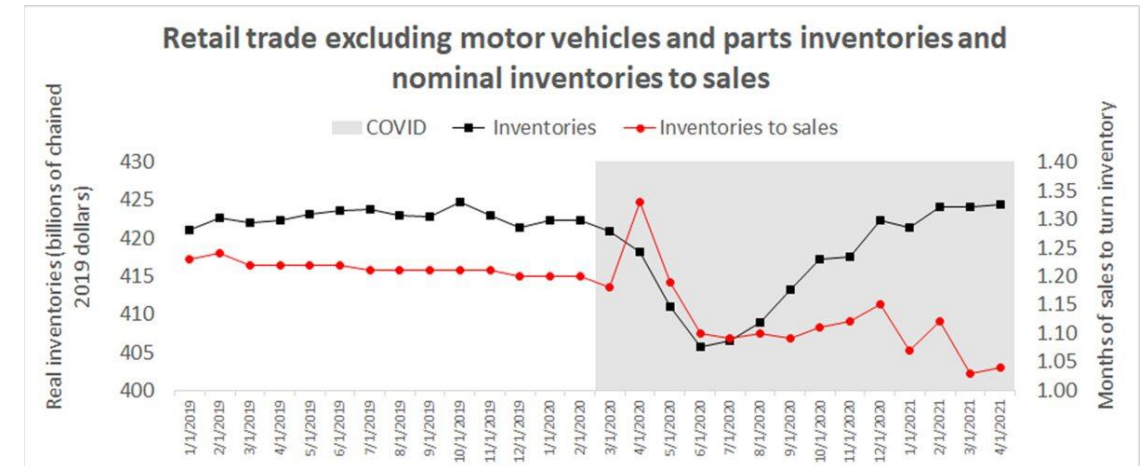


Chart: Jason Miller. Chart data: U.S. Census Bureau; inventories adjusted by Miller using implicit price deflators derived from the Bureau of Economic Analysis inventory data

Source: freightwaves.com; Updated 7/6/21

IN THE NEWS: HOUSE PASSES \$715 BILLION TRANSPORTATION AND WATER INFRASTRUCTURE BILL

The House of Representatives voted recently to approve a \$715 billion transportation and water infrastructure bill focused on improving and repairing roads, bridges, transit and rail, and ensuring clean drinking water.

House Democrats say the bill -- known as the INVEST in America Act -- will deliver on key priorities in [President Joe Biden's](#) American Jobs Plan, and they hope the legislative text can be used to negotiate with the Senate and the White House to determine what specific policy proposals can be included as part of the recently announced [bipartisan infrastructure framework](#).

The INVEST in America Act authorizes \$343 billion for roads, bridges and safety measures, \$109 billion for transit, \$95 billion for passenger and freight rail, \$117 billion for drinking water infrastructure resources and roughly \$51 billion for wastewater infrastructure, according to a fact sheet on the bill. It is not defined where funding will come from yet.

[Read the full article](#)

IN THE NEWS: I-40 BRIDGE CONSTRUCTION UPDATE

A recent project update on the I-40/Hernando Soto bridge says that more repairs are needed, but it is still expected to reopen by end of July.

The 3.7-mile bridge is key to the east-west corridor from California to North Carolina. More than 41,000 vehicles per day crossed it prior to closing on May 11, about 29% of them freight trucks. Traffic has been diverted to the nearby I-55 bridge, causing long backups.

[Read article](#)

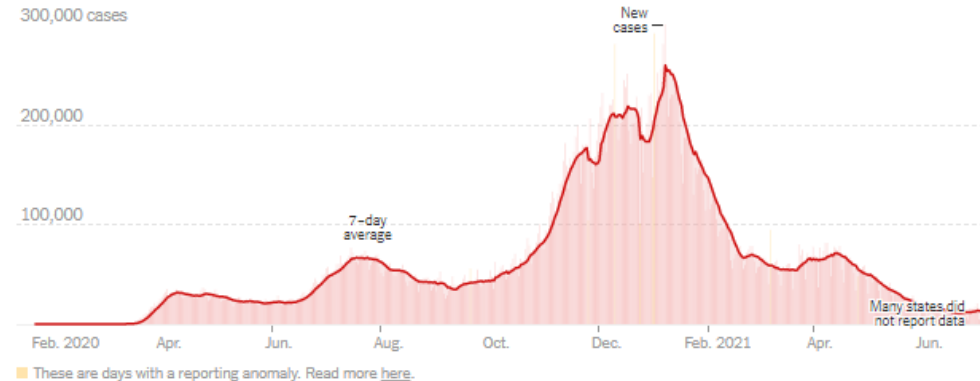


Source: Arkansas Department of Transportation, 5/13/21

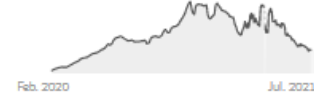
Source: commercialappeal.com; Updated 6/21/2021

COVID-19 CASES AT LOWEST LEVELS SINCE TESTING WAS WIDELY AVAILABLE – THOUGH THE DELTA VARIANT HAS RAISED CONCERNS

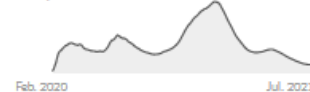
New reported cases



Tests



Hospitalized



Deaths



	AVG. ON JUL. 5	14-DAY CHANGE	TOTAL REPORTED
Cases	11,797	+5%	33,690,446
Tests	605,849	-17%	—
Hospitalized	16,981	-3%	—
Deaths	194	-38%	604,793

▼ About this data:

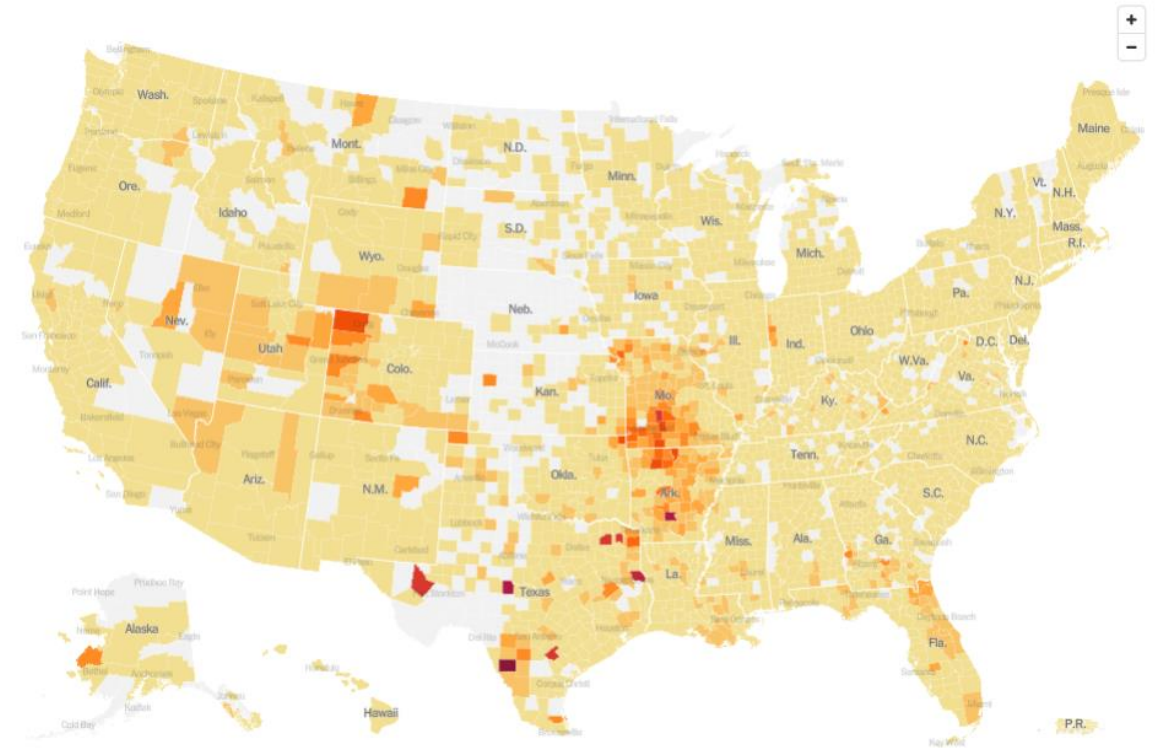
Sources: State and local health agencies (cases, deaths); U.S. Department of Health and Human Services (tests, hospitalizations). Tests, hospitalizations and deaths show seven-day averages. Hospitalization data may not yet be available for yesterday. The number of average tests is for the most recent day for which all states have reported data. 14-day change is hidden if not enough data is available to make a comparison. Figures shown are the most recent data available.

Hot spots

AVERAGE DAILY CASES PER 100,000 PEOPLE IN PAST WEEK

10 20 30 40 50 60 70 80 90 100 110 120 130 140 150 160 170 180 190 200

FEW CA



© mapbox

▼ About this data:

The hot spots map shows the share of population with a new reported case over the last week.

© Mapbox © OpenStreetMap contributors

Source: [nytimes.com](https://www.nytimes.com); Updated 7/6//2021

EXPECT THE COVID-19 VACCINATION CAMPAIGN TO CONTINUE THROUGHOUT 2021

More than 3.25 billion vaccine doses have been administered worldwide, equal to 42 doses for every 100 people.

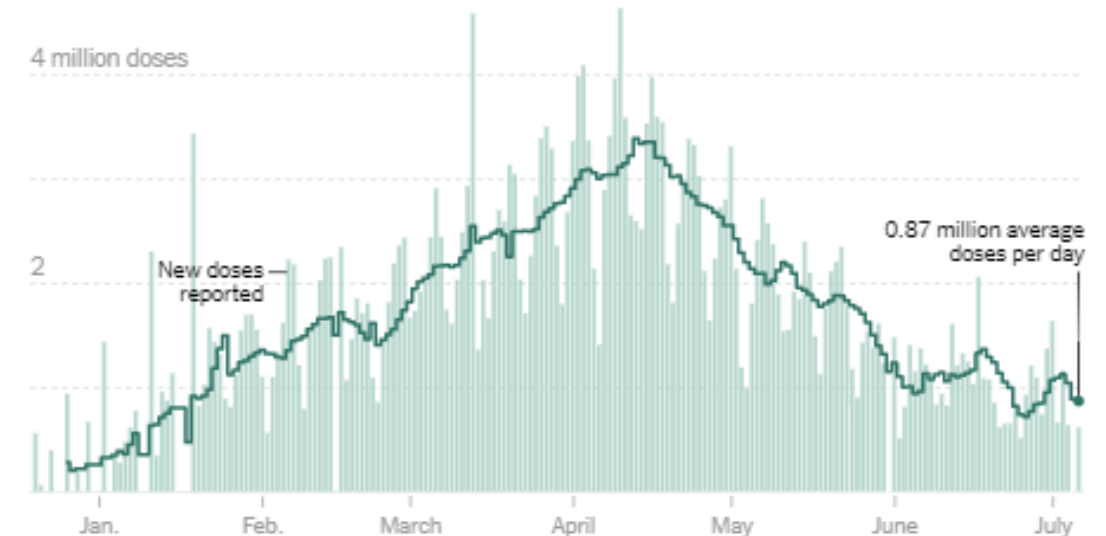
More than half of the U.S. has started the vaccine process. The pace of vaccination has slowed considerably.

Percent of population vaccinated (7/6/21)

	Vaccinated	Fully vaccinated
United States	55%	47%
Canada	69%	37%
Mexico	26%	16%

Source: [cdc.gov](https://www.cdc.gov), [nytimes.com](https://www.nytimes.com), [nytimes.com](https://www.nytimes.com); Updated 7/6/21

New reported doses administered by day



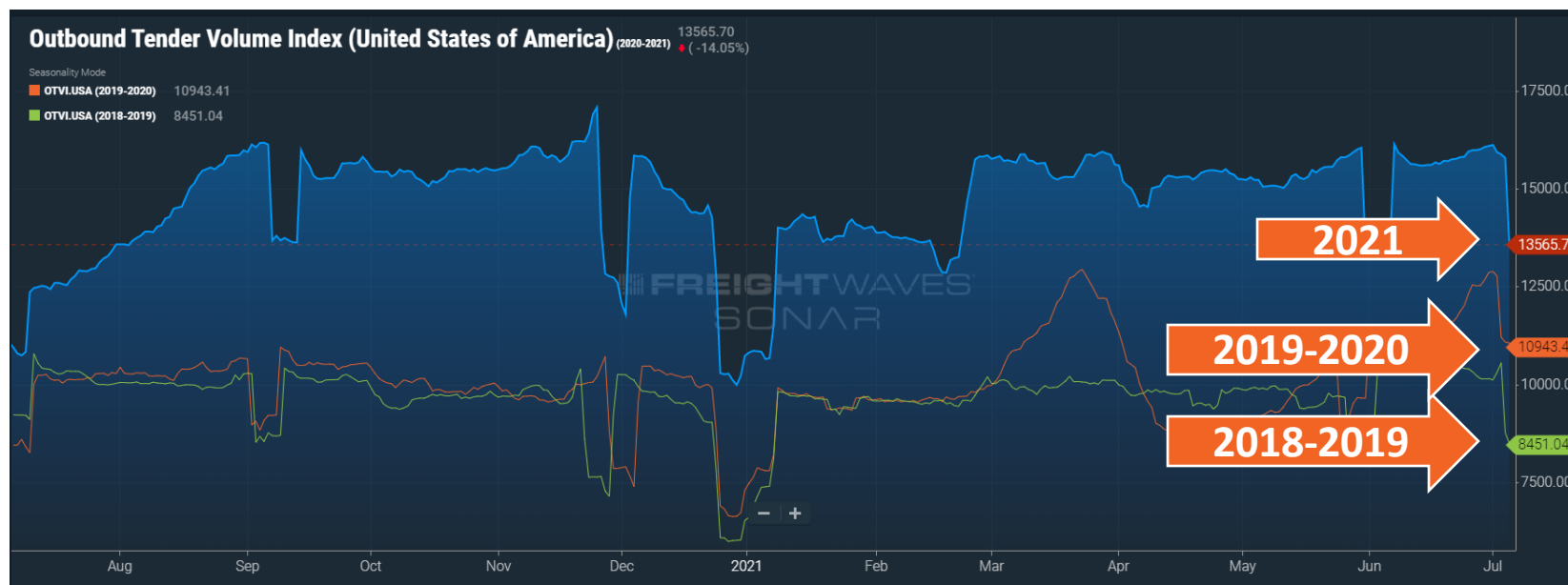
Source: Centers for Disease Control and Prevention | Note: Line shows a seven-day average. Data not updated on some weekends and holidays. Includes the Johnson & Johnson vaccine as of March 5.

Important Reminder: As you review the next slides and the related YoY data, keep in mind that it was in April of 2020 when we saw tender volumes and rejects begin to plummet as businesses were forced to close due to lockdowns caused by the COVID-19 pandemic. The Outbound Tender Volume Index bottomed out on April 16th at 8439.35, while Overall Outbound Tender Rejects bottomed out on April 30th at 2.57%. After this time, both volumes and rejects began their slow climb upwards to extremely elevated levels.

OUTBOUND TENDER VOLUME INDEX

Consistent with the past few years, Outbound Tender Volumes dipped during the U.S. Independence Day holiday.

Compared to the Outbound Tender Volume Index levels during this time in the previous two years, current OTVI is 22.67% higher than 2020 and 59.88% higher than 2019.

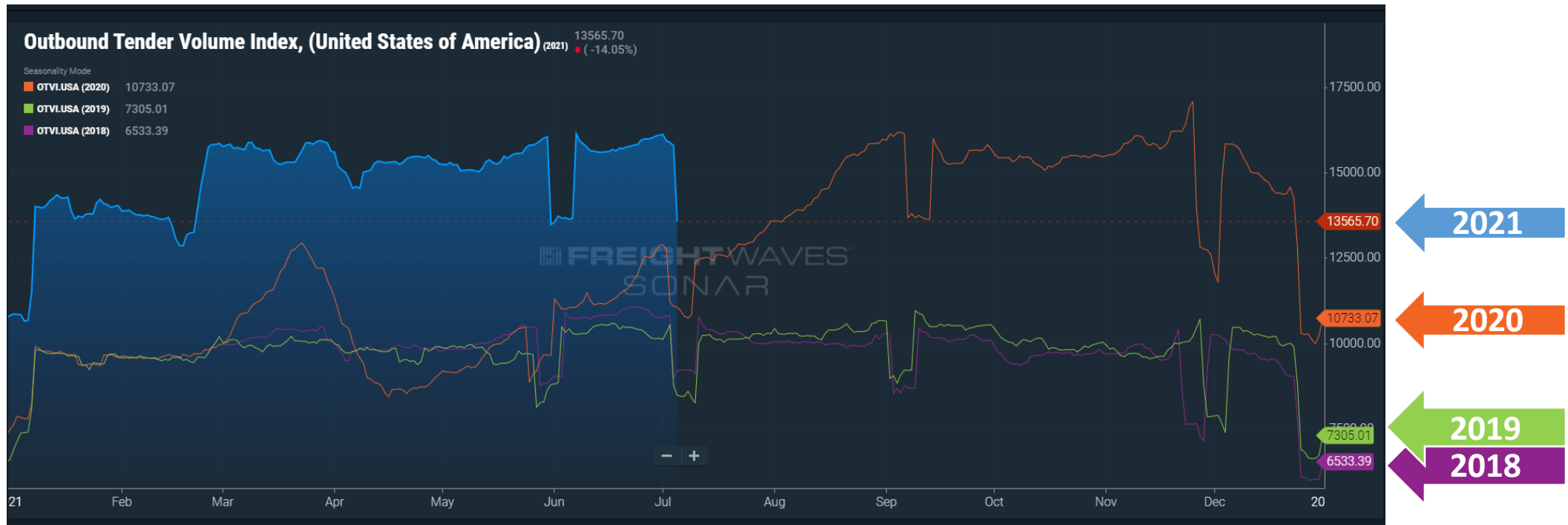


Outbound tender volumes represent demand for capacity in the origin area. An increase in volume represents an increase in demand.

Source: FreightWaves; Updated 7/6/2021

OUTBOUND TENDER VOLUME INDEX

This chart combines the current year-to-date trend with full year trends from 2018-2020. You will see consistent trends in reduced outbound tender volumes during holidays. More importantly, it shows the sustained length of time that record-level outbound tender volumes have remained. Compared to the Outbound Tender Volume Index levels during this time in the previous two years, current OTVI is 22.67% higher than 2020 and 59.88% higher than 2019.

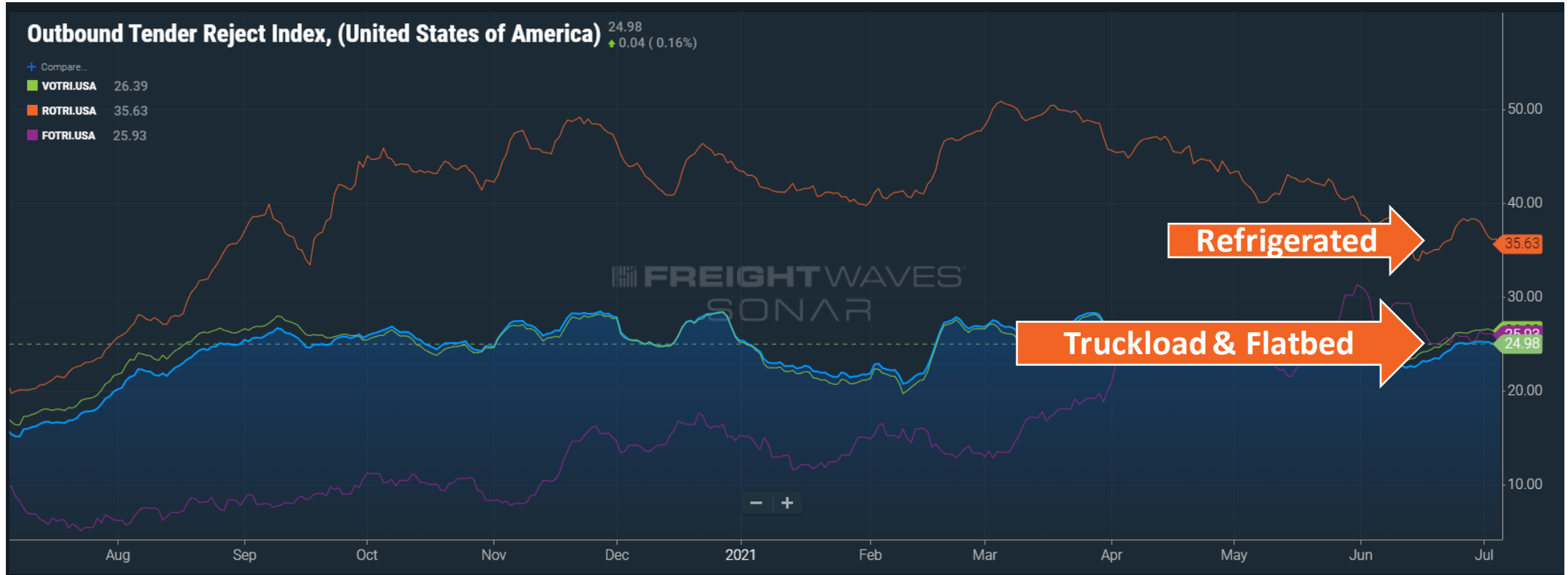


Outbound tender volumes represent demand for capacity in the origin area. An increase in volume represents an increase in demand.

Source: FreightWaves; Updated 7/6/2021

OUTBOUND TENDER REJECT INDEX

Outbound Tender Rejects are sitting at 24.98% overall. Truckload and Flatbed rejects are around 26%, while reefer rejects are at 35%.



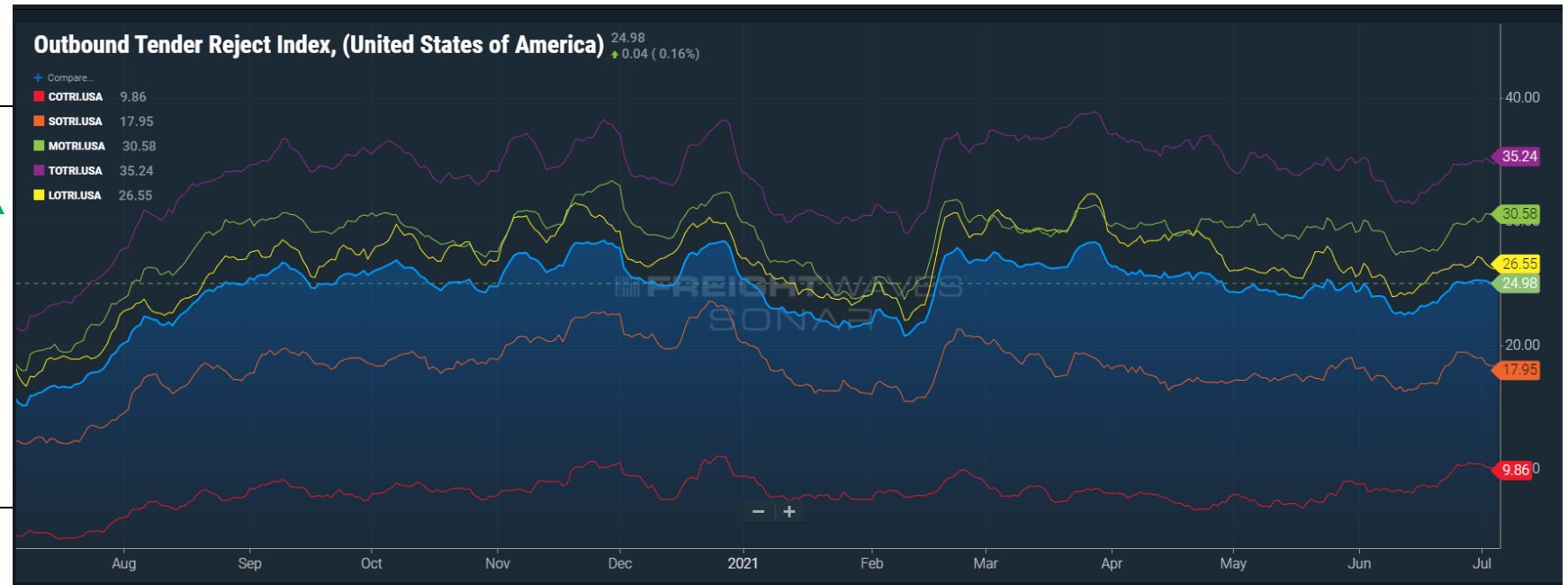
Outbound tender rejects are an indication of available capacity in the origin market of the freight. If rejections are increasing, capacity may be tightening in that area.

Source: FreightWaves; Updated 7/6/2021

OUTBOUND TENDER REJECT INDEX BY LENGTH OF HAUL

The graph below details outbound tender rejects based on length of haul, regardless of mode. Since our last report, rejects have slightly increased for all lengths of haul.

City/local (< 100 miles):	9.86%	↑
Short-haul (100-250 miles):	17.95%	↑
Mid-haul (250-450 miles):	30.58%	↑
Tweener (450-800 miles):	35.24%	↑
Long-haul (800+ miles):	26.55%	↑



*Outbound tender rejects are an indication of available capacity in the origin market of the freight.
If rejections are increasing, capacity may be tightening in that area.*

Source: FreightWaves; Updated 7/6/2021

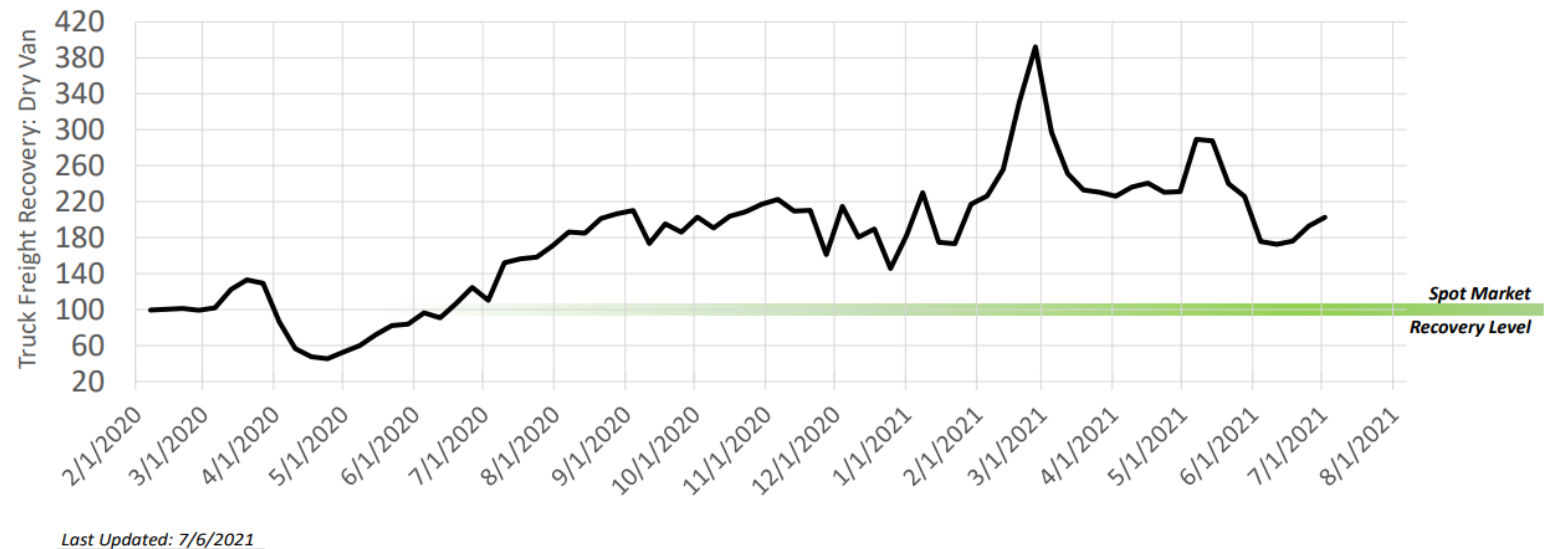
TRUCK FREIGHT RECOVERY INDEX

The Dry Van segment rose 5% from the prior week. Volume was more than 48% below the spike in February that was related to extreme weather conditions, but it is more than double the pre-pandemic baseline.

[Read more](#)

COVID-19 Truck Freight Recovery Index

Dry Van Spot (100 = Full recovery to pre-pandemic volumes)



Source: Truckstop.com SpotMarket Insights
Analysis by FTR | Transportation Intelligence

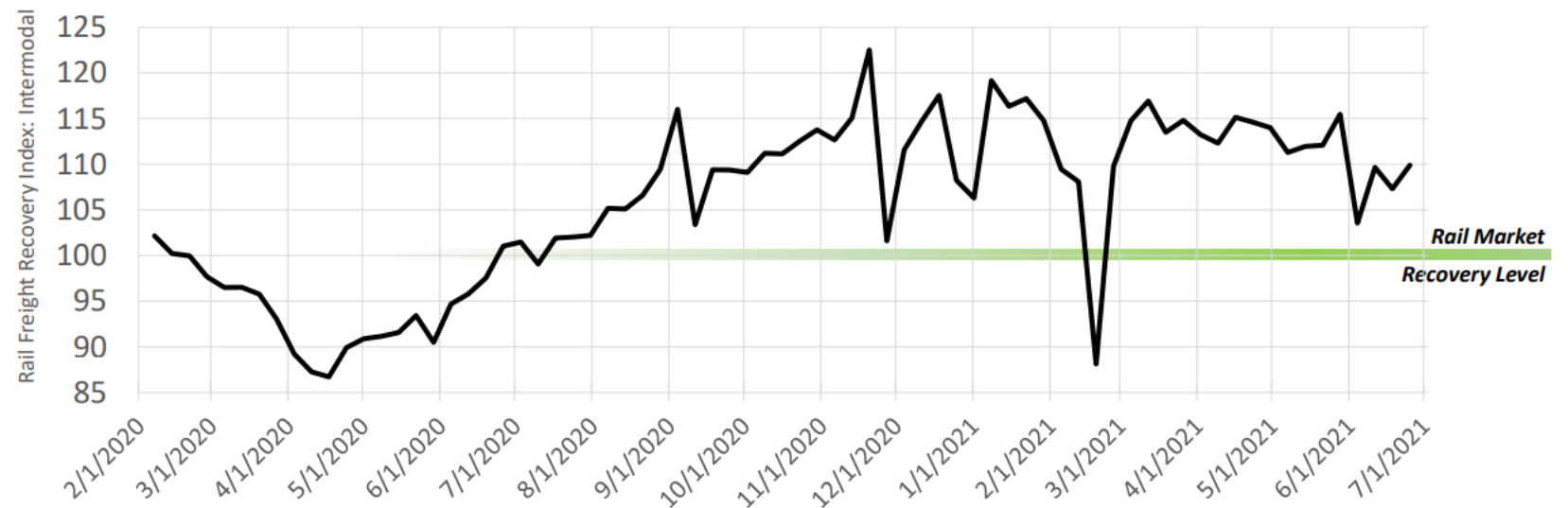
RAIL FREIGHT RECOVERY INDEX

Intermodal volumes have slowed following the U.S. Memorial Day holiday, while going into a weaker seasonal period.

[Read more](#)

COVID-19 Rail Freight Recovery Index

N.A. Intermodal (100 = Full recovery to pre-pandemic volumes)



Last Updated: 6/23/2021

Source: Truckstop.com SpotMarket Insights
Analysis by FTR | Transportation Intelligence

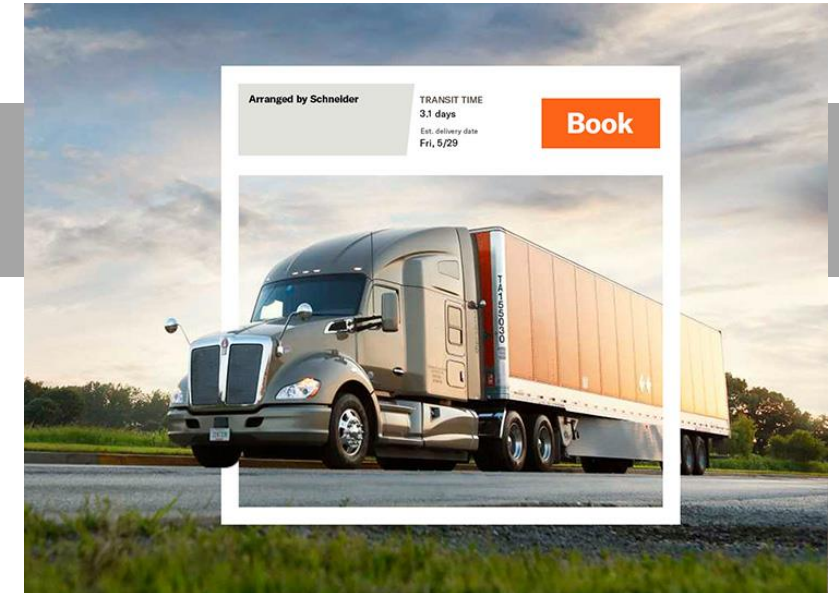
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The logo consists of the word "SCHNEIDER" in a bold, orange, sans-serif font. Below the text is a thick orange horizontal bar. In the center of this bar, there is a stylized white lightning bolt or 'Z' shape that extends slightly above and below the bar.