

Transportation Market Update

April 30, 2021



SCHNEIDER

TRANSPORTATION MARKET UPDATE

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

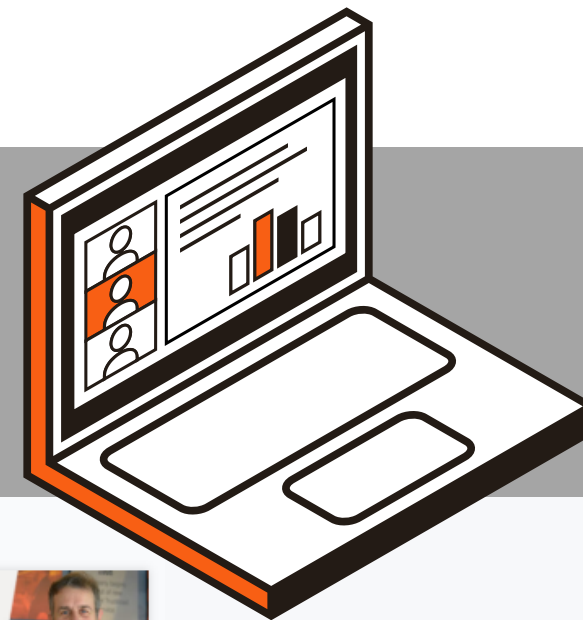
Whether moving a critical load, keeping your supply chain going or long-term planning, Schneider remains committed to safely and securely delivering your freight.

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, NPR, ATRI, the CDC and Transport Topics. For the latest information and updates, visit [Schneider's Trending Topics page](#).


SCHNEIDER'S VIRTUAL EVENTS

Schneider frequently hosts virtual events where attendees gain industry knowledge and an understanding of trends, solutions and best practices that can be implemented in their organization.

Our next virtual event **Intermodal – The Next 20 years**, features guest speaker and Intermodal expert, Larry Gross. **Visit our events page for more information as it becomes available or to register for any of our on-demand events.**



On-Demand Webinars




Bill Matheson
Schneider
Derick Townsend and Kelvin Frye
Syndicate Sales

The Pandemic Has Highlighted the Need for Flexible Capacity Options...

▶ WEBCAST

The Pandemic Has Highlighted the Need for Flexible Capacity Options That Turn on a Dime Even before the pandemic, Syndicate, a leading provider of...




Craig Paulsen
and **Barry MacArthur**
Schneider

Is Your Freight Ugly?

▶ WEBCAST

Is Your Freight Ugly? With the cycles of market disruption becoming more frequent, shippers are finding it increasingly difficult to secure the capacity they...




Kenneth Smith Ramos
AGON
Bernardo Rodarte and Haroon Syed
Schneider

Cross-border capacity crunch...solve for the new normal

▶ WEBCAST

The freight capacity demand/supply imbalance between Mexico and the United States does not appear to be going away anytime soon – in fact, it appears to be a...



Woody Richardson
and **Rodney Cromwell**
Schneider

Is the RFP Really Dead?

▶ WEBCAST

Is the RFP Really Dead? With the cycles of market disruption becoming more frequent, shippers are finding it increasingly difficult to secure the capacity...

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IN THE NEWS: SEVERE WEATHER COULDN'T STOP TRANSPORTATION IN FIRST QUARTER

While some analysts lowered estimates for the quarter during February's severe winter storms, the negative impact from the weather did not alter the course.

- Truckload volumes reached their highest level after the February storms with levels reaching what we saw during the 2020 peak season; they remain strong.
- Retail inventory-to-sales ratios remain below pre-pandemic levels but are ticking higher month to month.
- Retail sales are up year-over-year as more of the adult population becomes fully vaccinated and as federal stimulus makes its way to consumers' accounts.
- A nearly 27% YOY increase is expected in twenty-foot equivalent units (TEUs) at top U.S. container ports in the first half of 2021.

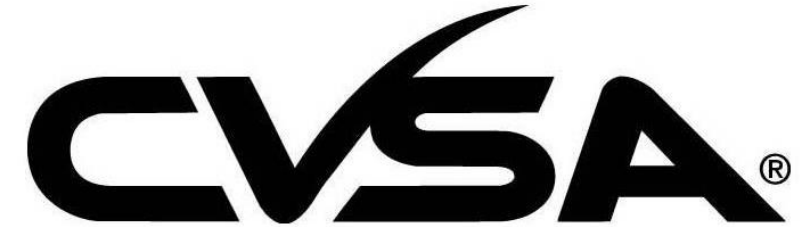
[Read the article](#)



Source: freightwaves.com; Updated 4/27/2021

AVOID COSTLY DELAYS: NEXT WEEK CVSA ROADCHECK STARTS, MAY 4-6

The 2021 CVSA International Roadcheck is coming up quickly, taking place from May 4-6 this year, with an emphasis on lighting and hours of service. If violations are found either the vehicle or driver will be placed out of service, causing supply chain interruptions.



During last year's Roadcheck:

- Hours of service was the top driver violation category in North America, accounting for 35% of all driver out-of-service conditions.
- "Lamps inoperable," was the top vehicle violation, accounting for about 12% of all vehicle violations.
- **A number of carriers and drivers may choose not to operate the week of the event and, as a result, our data shows that each year there is a significant drop in overall available capacity in the marketplace.**
- Reduced capacity or delays caused by non-compliant drivers or faulty equipment will add days to your supply chain. This could be even more with the already tight market conditions.

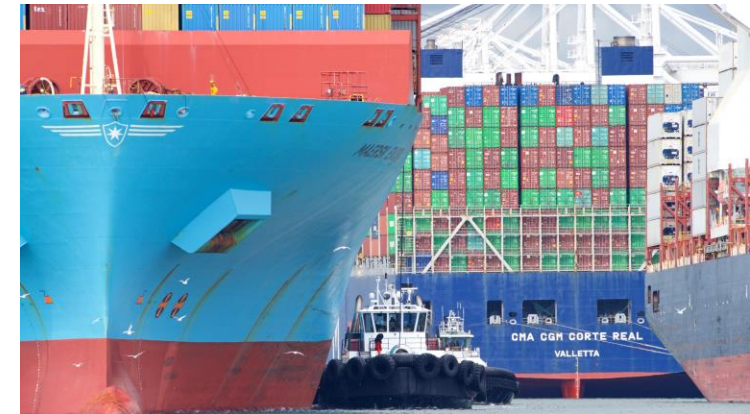
[Read the article](#)

Source: cvsa.org; Updated 2/2/2021

IN THE NEWS: TRANSPACIFIC IMPORT VOLUMES 1.5X PRE-PANDEMIC LEVELS AND CAPACITY SHORTAGES WILL LIKELY CONTINUE

Importers will continue to face supply chain bottlenecks due to equipment shortages driven by extreme import volumes. Nerijus Poskus, vice president of global ocean at Flexport, attributes the high volumes to restocking stating, “The restocking is actually affecting the trade even more than growth in demand. That tells me that this will last even longer. Let’s say U.S. consumer demand slows down in Q3 and Q4. That’s not expected, but even if it does, [capacity availability and rates] shouldn’t improve quickly, simply because of the huge restocking demand.” [Read the article.](#)

Maritime Market Expert Henry Byers says, “It’s time to sound the alarms. The shortage of container capacity is already affecting many supply chains, but almost no company will be spared from what lies ahead. The congestion and delays happening right now are primarily part of the downstream ripple effect that was largely caused by last year’s increased import volumes. Since we are able to see these volumes as they are leaving on vessels that are destined for the U.S., we can tell you that these TEU volumes are still hitting record highs. So, if the downstream supply chain is already under enormous pressure, we are likely to see rates reach new heights as well.” [Read the article.](#)



Source: freightwaves.com; Updated 4/24/2021
freightwaves.com; Updated 4/26/2021

IN THE NEWS: ELDs PROVING EFFECTIVE IN REDUCING HOURS OF SERVICE VIOLATIONS

Violation data captured during roadside inspections since the Federal Motor Carrier Safety Administration's ELD regulation went into effect indicates ELDs are effective in reducing both driving and non-driving hours of service violations.

Research from the Department of Transportation shows violations have changed as follows:

- Driving more than eight hours without a 30-minute rest break
 - Rated No. 5 in 2016 and 2017, declined to No. 25 in 2020
- Driving beyond the 14-hour daily window violation
 - Rated No. 10 in 2016-2017, declined to No. 23 in 2020

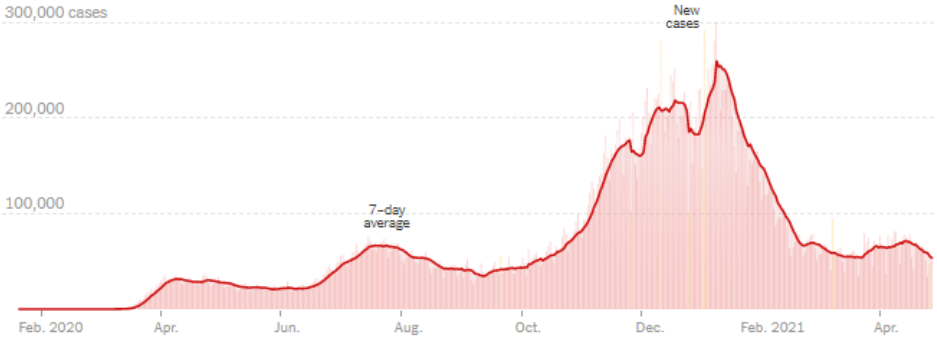


[Read the article.](#)

Source: tnews.com; Updated 4/26/2021

COVID-19 CASES DROP 24% FROM TWO WEEKS AGO

New reported cases

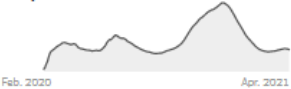


These are days with a reporting anomaly. Read more [here](#).

Tests



Hospitalized



Deaths



AVG. ON APR. 27 14-DAY CHANGE TOTAL REPORTED

Cases	53,803	-24%	32,203,090
Tests	1,127,934	—	—
Hospitalized	44,171	—	—
Deaths	696	-5%	573,001

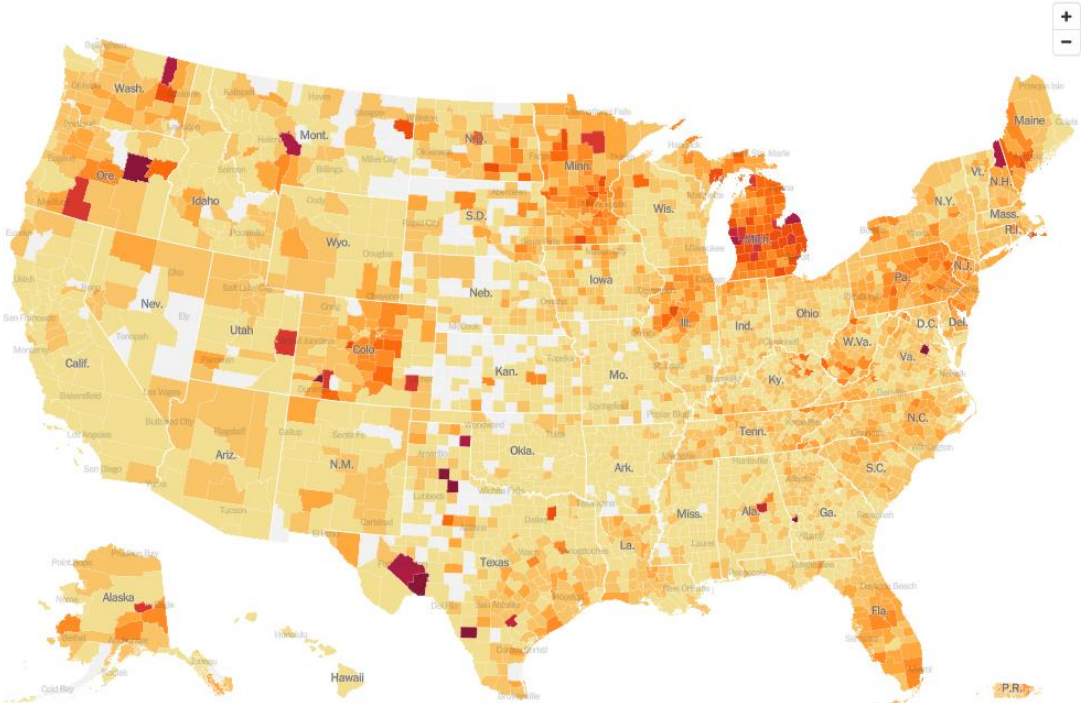
▼ About this data:

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. Number of average tests may not include tests from some states for the most recent days. 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 30 50 70 100 200 FEW OR NO CASES



© mapbox

© Mapbox © OpenStreetMap Improve this map

Source: [nytimes.com](https://www.nytimes.com); Updated 4/28/2021

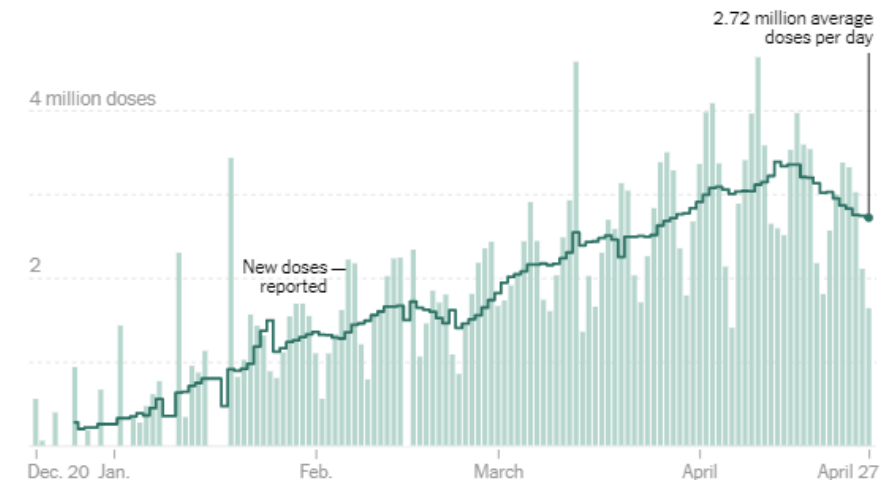
EXPECT THE COVID-19 VACCINATION CAMPAIGN TO CONTINUE THROUGHOUT 2021

Percent of population vaccinated (4/27/21)

	Vaccinated	Fully vaccinated
United States	42.7%	29.1%
Canada	31%	2.8%
Mexico	9.5%	4.8%

- All U.S. adults are now eligible for the COVID-19 vaccine.
- Vaccine administration has dropped about 20% from its peak in mid-April, from 3.38 million doses per day to 2.72 million doses per day.

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.

Source: [cdc.gov](https://www.cdc.gov), [nytimes.com](https://www.nytimes.com), [nytimes.com](https://www.nytimes.com); Updated 4/27/2021

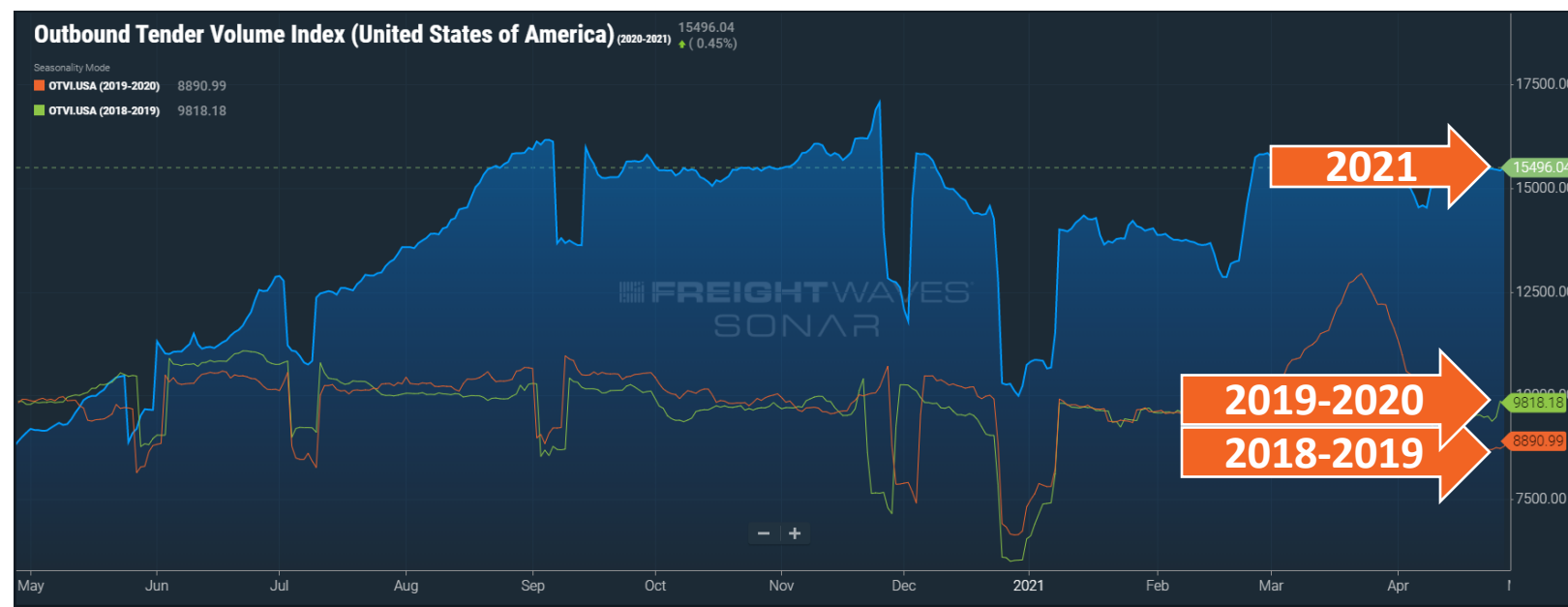
Important Reminder: As you review the next slides and the related YoY data, keep in mind that it was in April of 2020 when we saw tender volumes and rejects begin to plummet as businesses were forced to close due to lockdowns caused by the COVID-19 pandemic. The Outbound Tender Volume Index bottomed 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

Yesterday the Outbound Tender Volume Index saw a slight increase of 0.45% or 69 points.

Week over week, volumes have increased by 1.29%.

Compared to the Outbound Tender Volume Index levels during this time in the previous two years, current OTVI is 76.65% higher than 2020 and 58.59% higher than 2019.

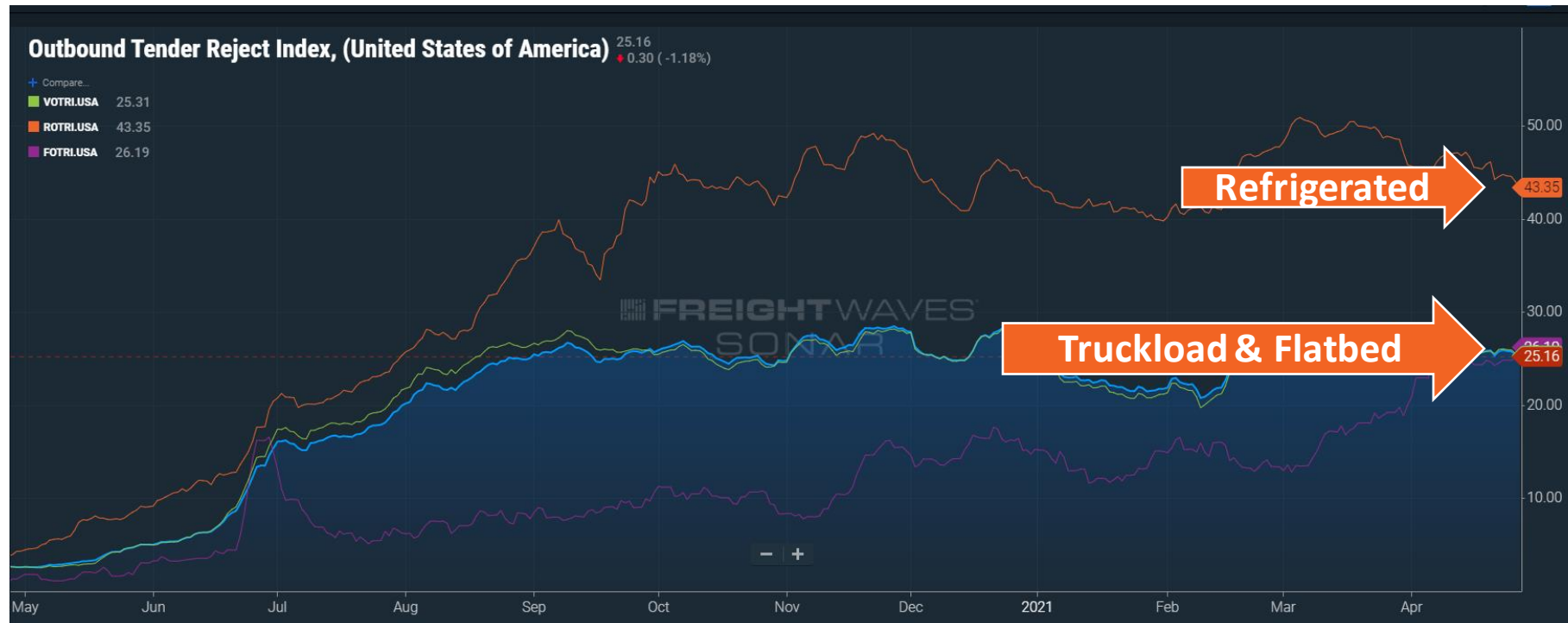


Outbound tender volumes represent demand for capacity in the origin area. An increase in volume represents an increase in demand.

Source: FreightWaves; Updated 4/27/2021

OUTBOUND TENDER REJECT INDEX

Outbound Tender Rejects across all modes of truckload are shown below. On Tuesday, April 27, Flatbed saw a strong increase in rejects while all other modes saw strong decreases in rejects.



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 4/27/2021

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 the increases to short-haul, mid-haul and tweener are minimal.

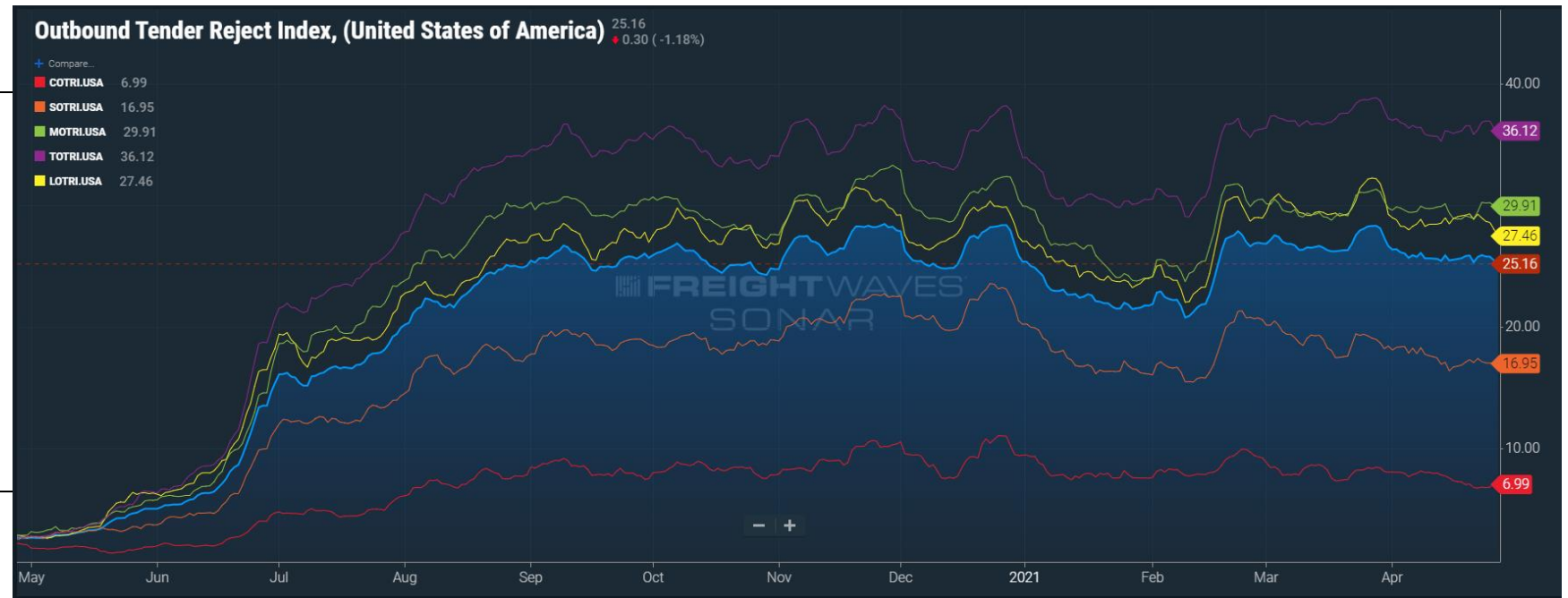
City/local (< 100 miles): **6.9%** ↓

Short-haul (100-250 miles): **16.95%** ↑

Mid-haul (250-450 miles): **29.91%** ↑

Tweener (450-800 miles): **36.12%** ↑

Long-haul (800+ miles): **27.46%** ↓



Outbound tender rejects are an indication of available capacity in the origin market of the freight.
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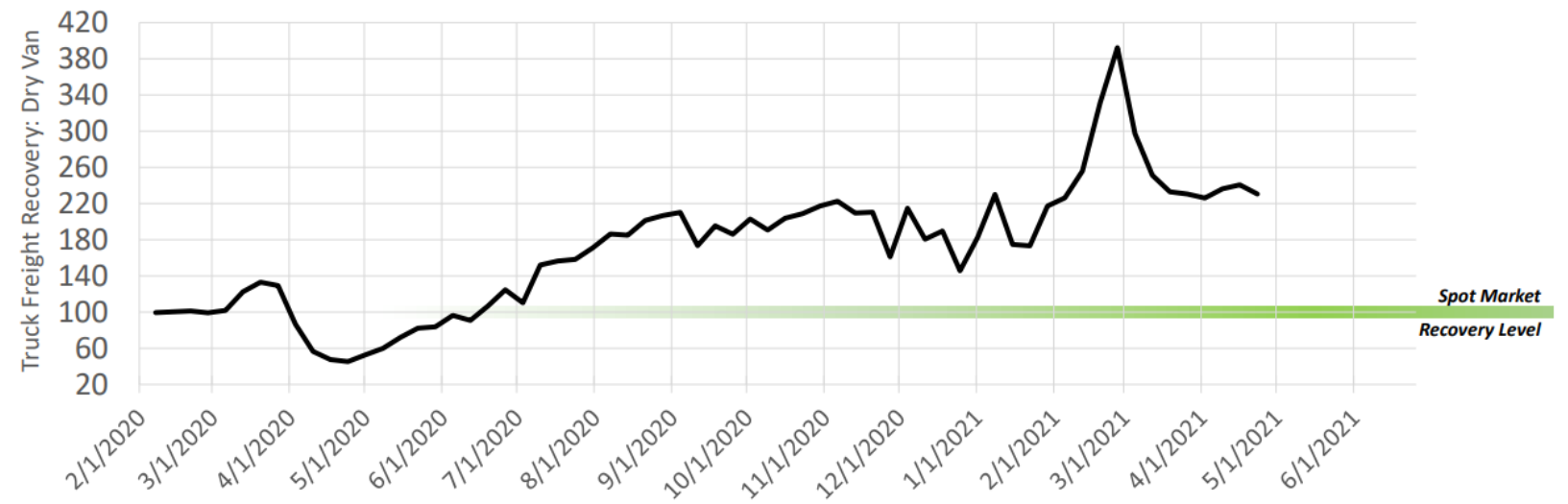
Source: FreightWaves; Updated 4/27/2021

TRUCK FREIGHT RECOVERY INDEX

Seasonally adjusted freight activity remains relatively stable since the February spike.

The dry van index is roughly 41% below February's peak, but about 131% above the pre-pandemic base.

[Read more](#)

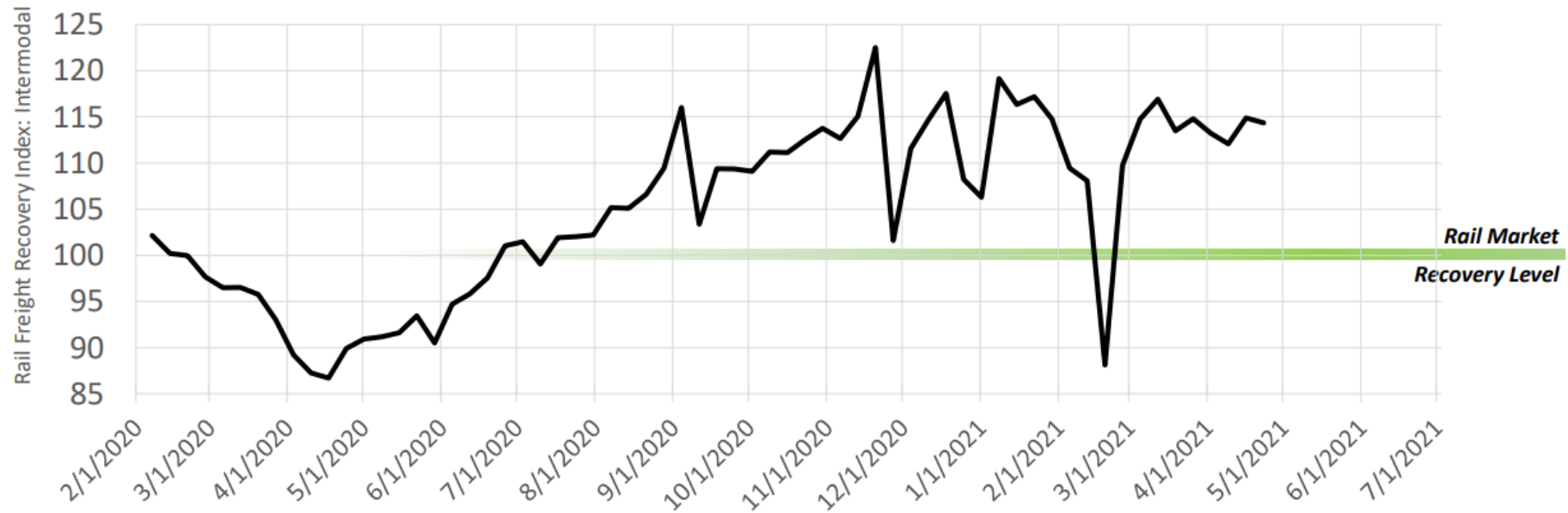


Last Updated: 4/26/2021

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

RAIL FREIGHT RECOVERY INDEX

Intermodal networks are stabilizing out and have held just about flat in the last week at strong levels, well above what would be considered full recovery levels. [Read more](#).



Last Updated: 4/21/2021

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

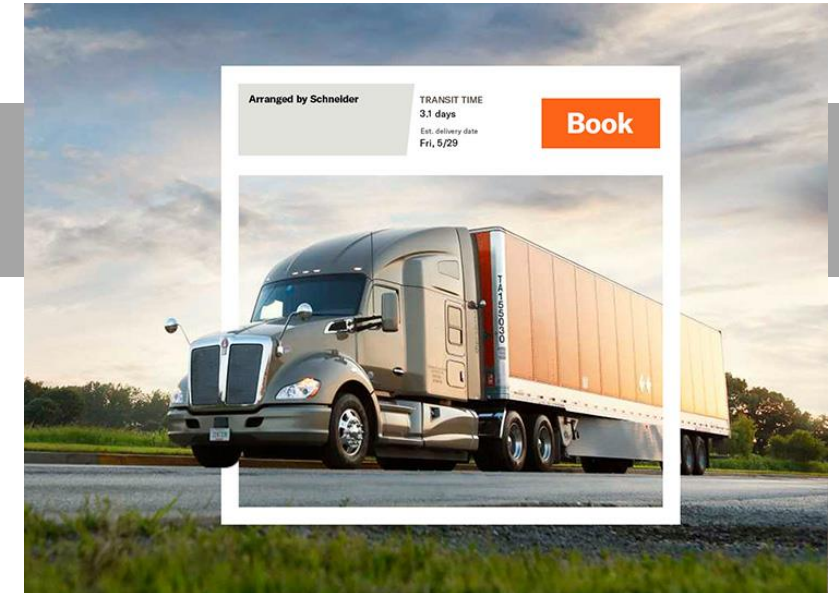
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