

Transportation Market Update

November 20, 2020



SCHNEIDER

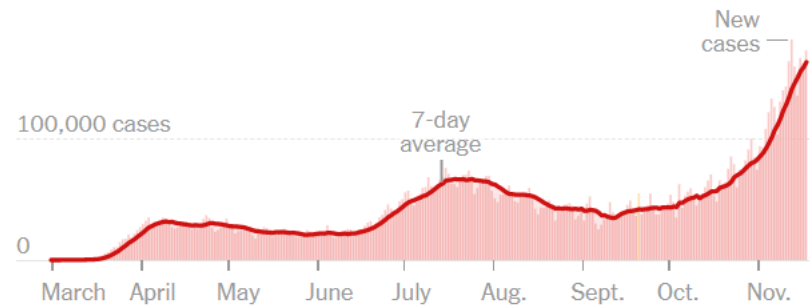
TRANSPORTATION MARKET UPDATE

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 FTR, DAT and FreightWaves SONAR. For the latest information and updates, visit [Schneider's Trending Topics page](#).

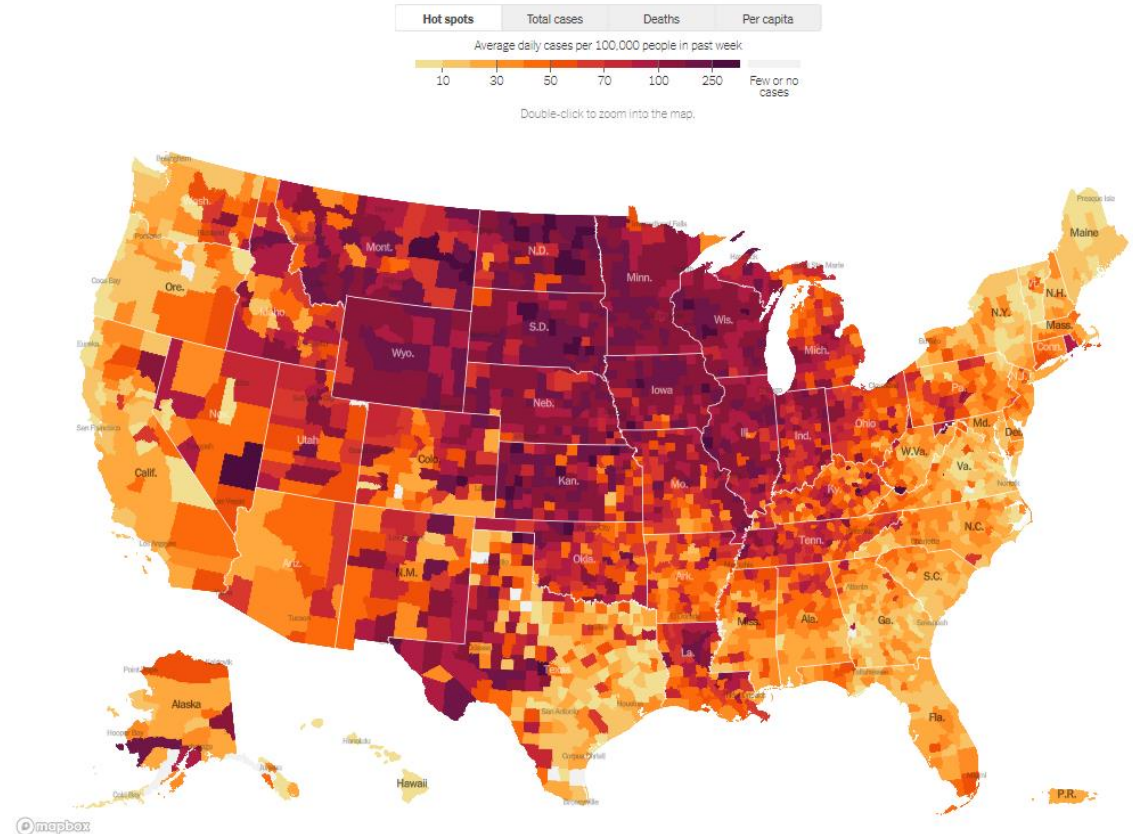
COVID-19 CASES CONTINUE TO RAPIDLY INCREASE ACROSS THE COUNTRY – WITH THE MIDWEST AND WESTERN STATES AS CURRENT HOT SPOTS



	TOTAL REPORTED	ON NOV. 18	14-DAY CHANGE
Cases	11.6 million+	172,391	+77% →
Deaths	251,194	1,923	+52% →
Hospitalized		79,410	+49% →

■ Day with data reporting anomaly.

Hospitalization data from the Covid Tracking Project; 14-day change trends use 7-day averages.



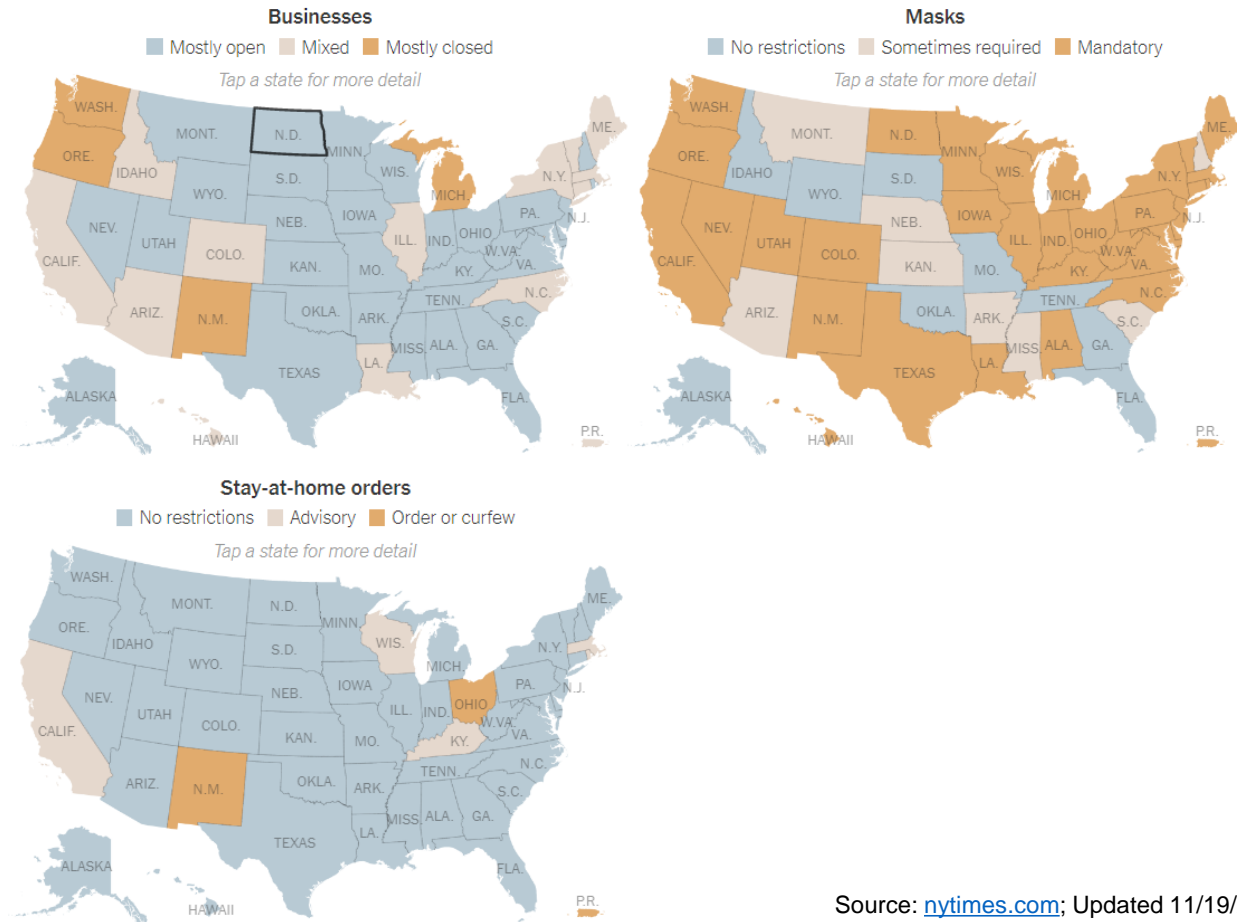
Source: [nytimes.com](https://www.nytimes.com); Updated 11/19/20

DESPITE THE SURGE IN CASES, MOST STATES ARE OPEN FOR BUSINESS WITHOUT STAY-AT-HOME ORDERS – FOR NOW

Case numbers are spiking across most of the United States, leading to dire warnings about full hospitals, exhausted health care workers and potential lockdowns. Learn more about each area's policies on this [map from the New York Times](#).

While most states may have reopened, local orders may maintain certain restrictions for those areas.

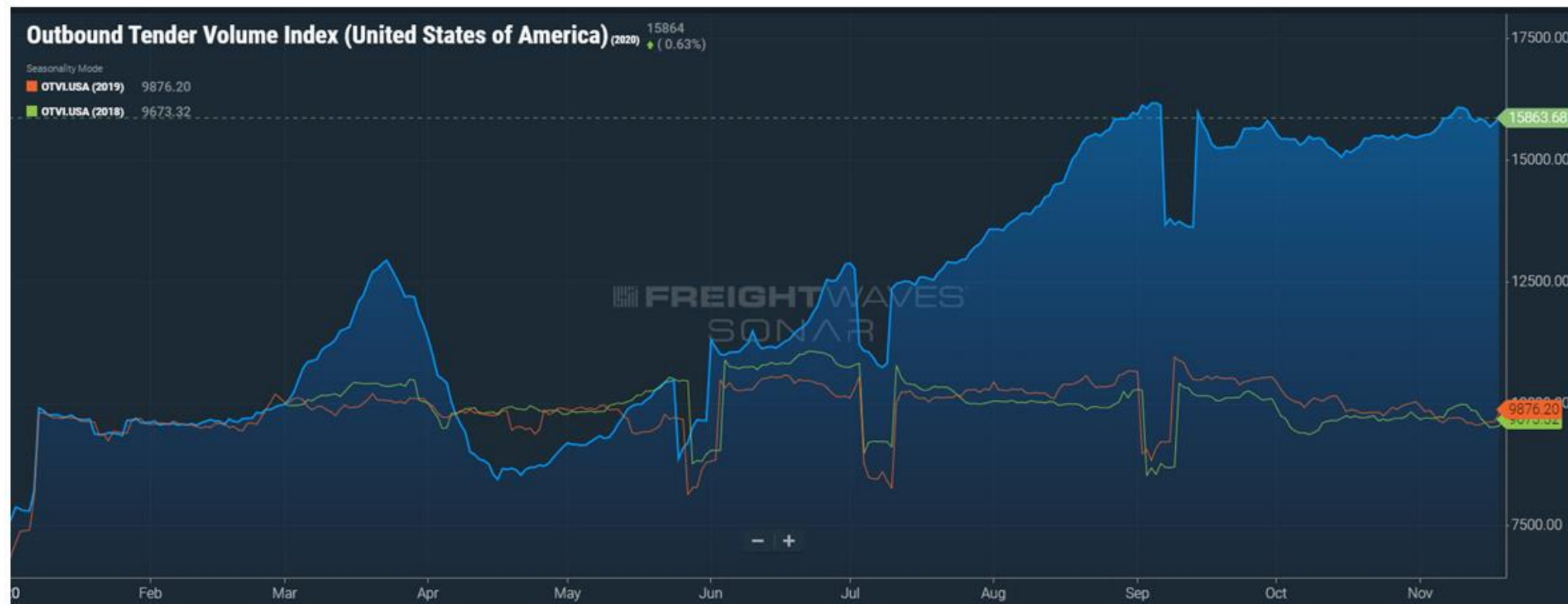
Transportation is an essential business – we continue operations in all geographies as permitted under stay-at-home orders.



Source: [nytimes.com](#); Updated 11/19/20

OUTBOUND TENDER VOLUME INDEX

Current outbound volumes have increased by 2% in the past two weeks, and are 62% higher than 2019 and 66% higher than 2018.

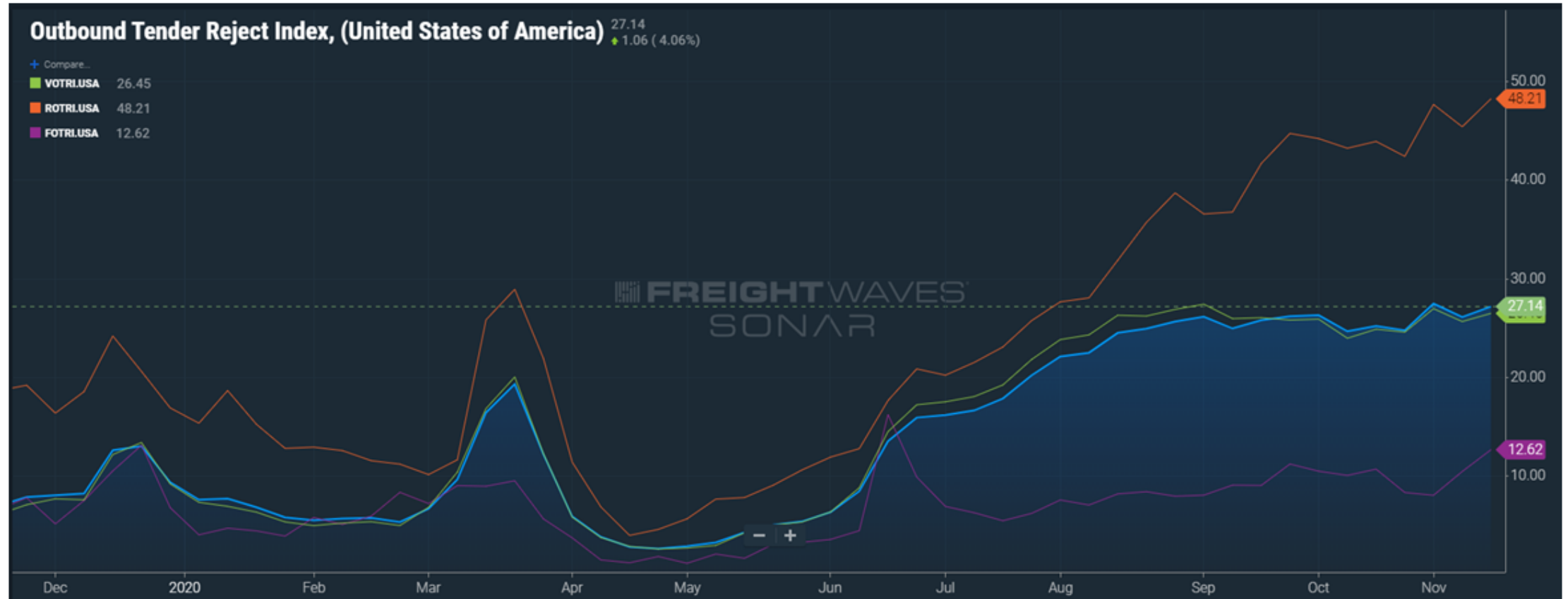


Outbound tender volumes represent demand for capacity in the origin area. An increase in volume represents an increase in demand.

Source: FreightWaves; Updated 11/19/20

OUTBOUND TENDER REJECT INDEX

Overall tender rejects are still around 27% – and are still a 420% increase from last year.



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 11/19/20

OUTBOUND TENDER REJECT INDEX BY LENGTH OF HAUL

The graph below details outbound tender rejects based on length of haul, regardless of mode. Mid-haul and long-haul tender rejects have increased month-over-month. All lengths of haul have experienced a significant year-over-year increase – 420% overall.

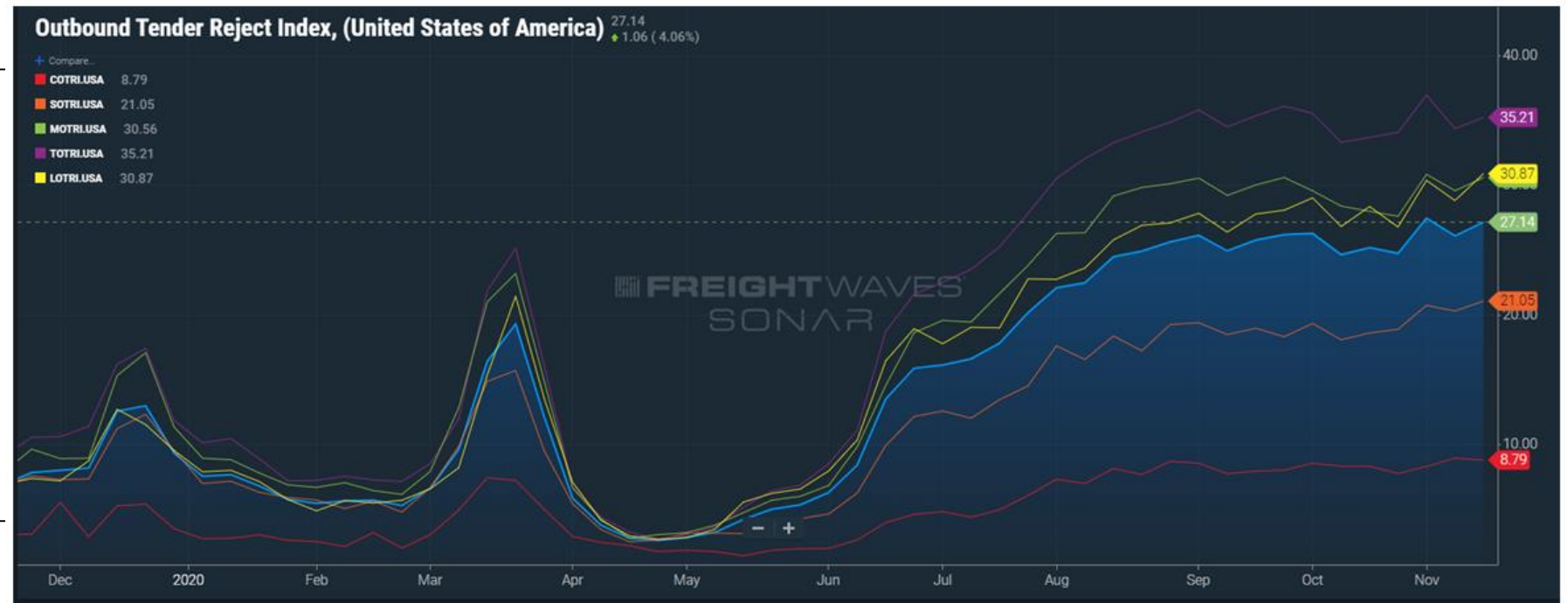
City/local (< 100 miles): 9%

Short-haul (100-250 miles): 21%

Mid-haul (250-450 miles): 31%↑

Tweener (450-800 miles): 35%

Long-haul (800+ miles): 31%↑



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Source: FreightWaves; Updated 11/19/20

MARKET CONDITIONS

Typically, spending on services makes up more than half of all economic activity (services include health care, education and financial services), but as a result of the pandemic, consumer spending on services in the third quarter was down by 5.78% or \$551 billion lower than the same period in 2019, while spending on goods was up \$301 billion or 6.2% q/q.

According to the Bureau of Economic Analysis, this has resulted in carriers having more freight to haul this year for certain commodities, such as fast-moving consumer goods that need constant replenishment and on-off expenditures on:

- motor vehicles (up 11.42% q/q)
- furniture (up 12% q/q)
- recreational goods (up 16% q/q).

In the non-durable good sectors:

- food and beverage expenditures were up 9% q/q
- clothing and footwear was down by 9% q/q

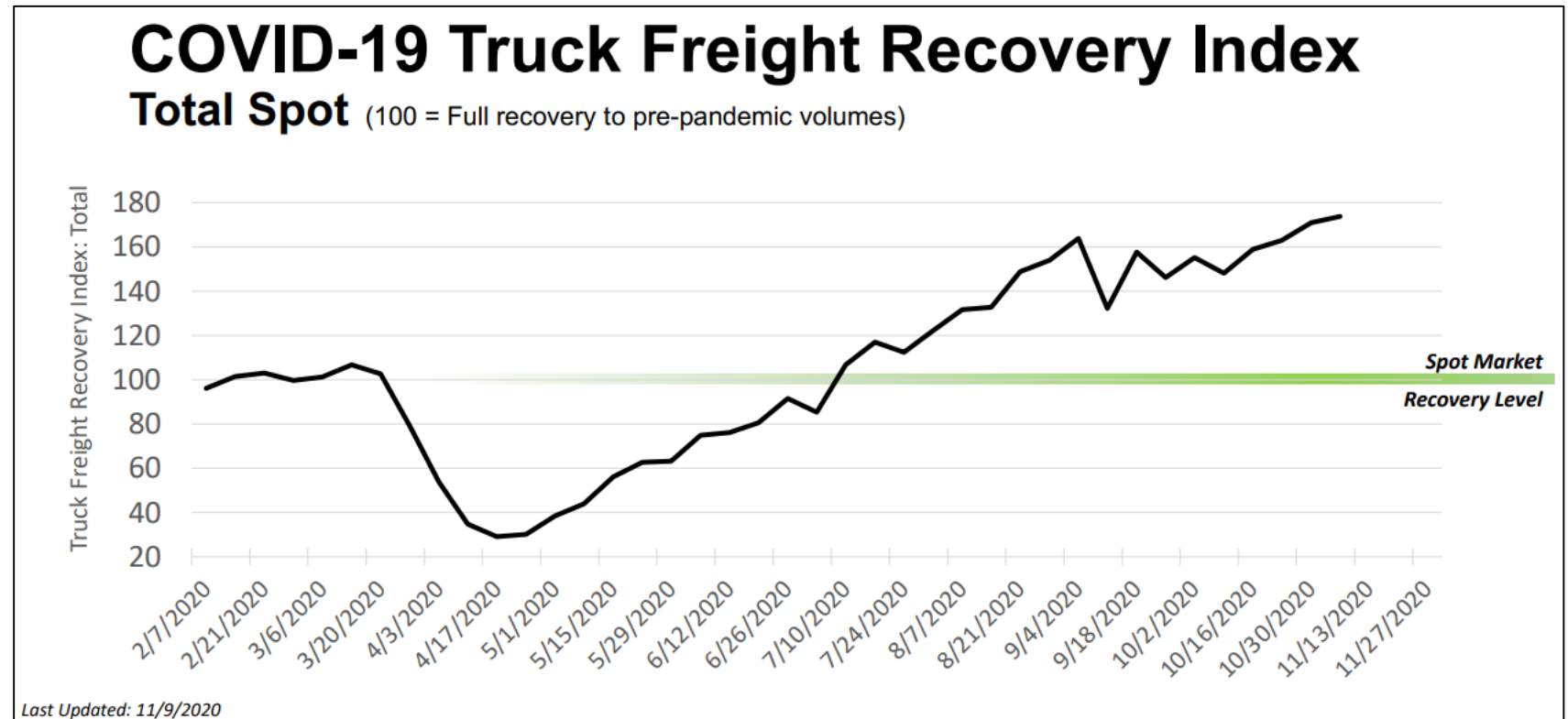
The current rise in COVID-19 cases would suggest the current freight volume imbalance at the commodity and lane level is likely to continue well into 2021 as consumers dig in for the long-haul.

[Click here](#) for more info from DAT.

TRUCK FREIGHT RECOVERY INDEX

Seasonally adjusted freight activity has moved higher for the fourth straight week and surpassed the prior week's post-pandemic high reading. Strong seasonal expectations could challenge the index through Thanksgiving.

[Read more](#) from FTR on the Truck Freight Recovery Index.

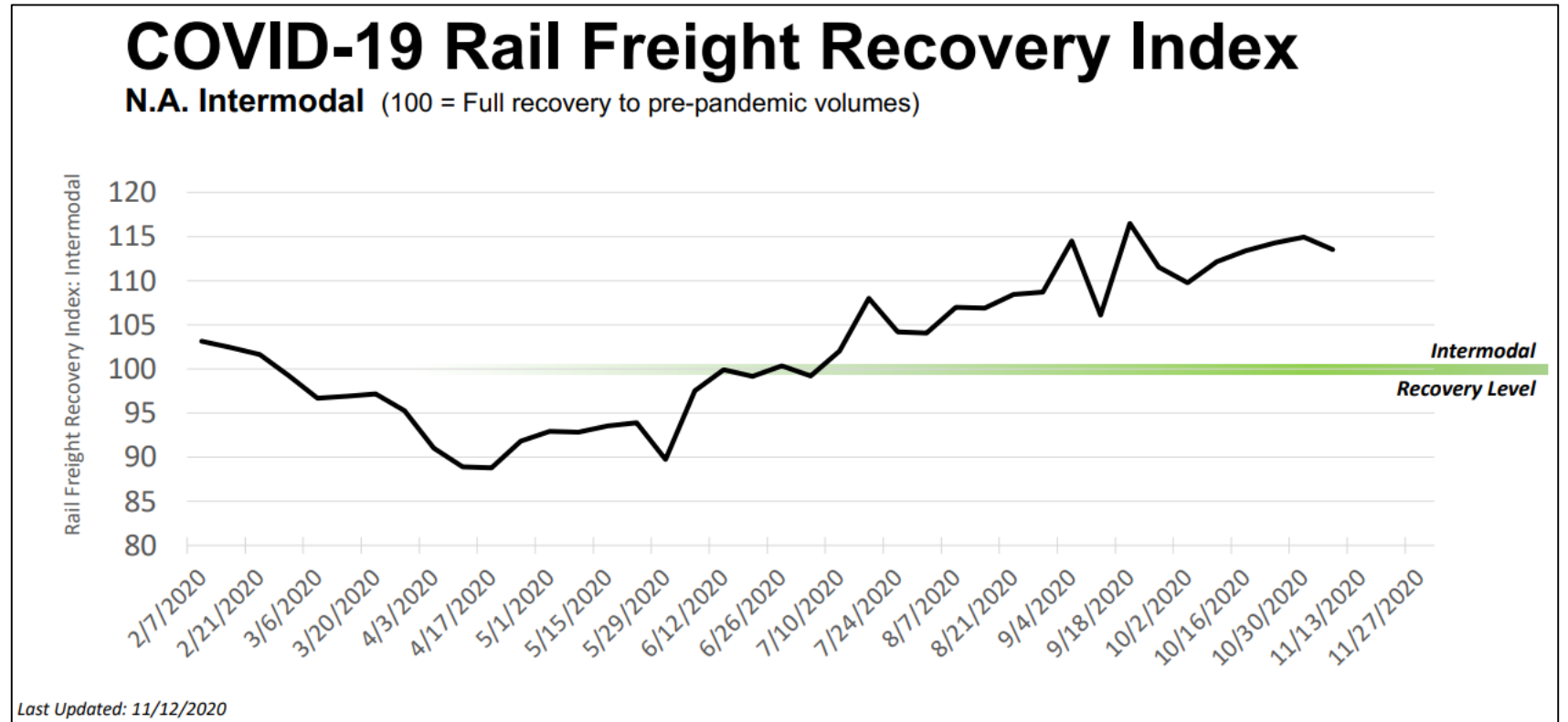


Source: Truckstop.com Spot Market Insights
Analysis by FTR | Transportation Intelligence
11/2/20

RAIL FREIGHT RECOVERY INDEX

Intermodal traffic maintains a much stronger upward trajectory, though inconsistent.

[Read more](#) from FTR on the Rail Freight Recovery Index.



Source: AAR, FTR
Analysis by FTR | Transportation Intelligence
11/12/20

ALWAYS DELIVERING, ALWAYS AHEAD

Schneider FreightPower® delivers expanded, flexible capacity options for shippers, regardless of market condition or location. Start harnessing the power of [Schneider FreightPower®](#) today and set your business up for success.

