

Transportation Market Update

October 15, 2021



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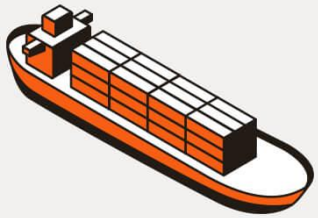
Transportation Market Update

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](#).

Miss the last virtual event? Watch it on-demand!



Now available on-demand

Creative solutions for your import supply chain

—
Dan Flaherty, Schneider
Mark Szakonyi, Journal of Commerce
Kevin O'Donnell, McKesson



Record high import volumes have been impacting shippers moving freight into and out of the U.S., through port operations and distribution networks. Meanwhile, market predictions show capacity issues aren't going away anytime soon. Join us to:

- Understand key developments of the current import market and a look forward into trends that will continue well into 2022.
- Learn how Schneider is helping shippers respond to these challenges with creative transload, dray and warehousing solutions for obtaining capacity and maintaining speed to market.
- Share your questions in an anonymous forum.

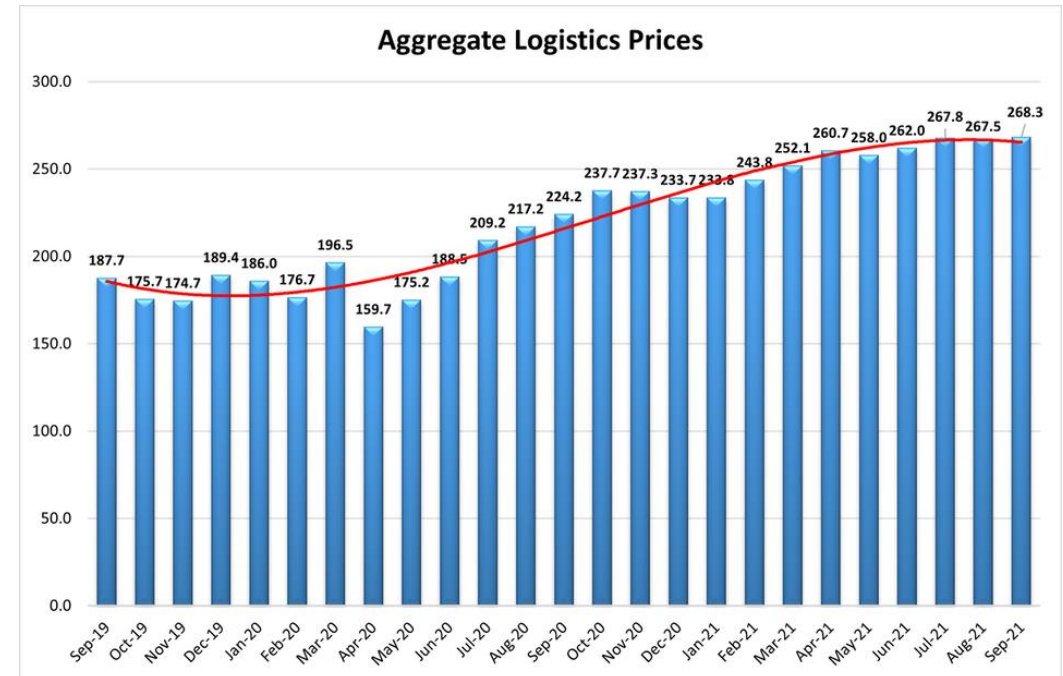
[Watch now](#)

In the news: Transportation capacity continues to decline; Sustained pressure on rates

For 16 consecutive months, capacity has been on the decline. The Transportation Capacity Index remains historically low and displays continued downstream pressure throughout the supply chain. This indicates that companies could be facing significant challenges in ramping up shipments for the holiday season. With this crunch, there has been sustained pressure on rates as well.

[Read article](#)

[Read September Logistics Managers' Index Report](#)



Source: Logistics Manager's Index

Sources: freightwaves.com, lmi.com; 10/11/21

In the news: Supply chain constraints garner action from the White House

The Biden administration has established a new Supply Chain Disruption Task Force to investigate transportation supply-demand imbalances.

This comes after the White House issued a report following the review that began earlier this year in which the administration assessed vulnerabilities for semiconductor manufacturing and advanced packaging, large capacity batteries such as those used in electric vehicles, critical minerals and materials, and pharmaceuticals and advanced pharmaceutical ingredients.



Source: Jim Allen/FreightWaves

[Read article](#)

[Read White House Fact Sheet](#)

[Read Full Report from White House](#)

Sources: freightwaves.com; 10/11/21

In the news: Speeding is the top violation during CVSA Operation Safe Driver Week

The Commercial Vehicle Safety Alliance (CVSA) held Operation Safe Driver Week during the week of July 11.

Speeding, which was the focus of this year's event, was also the top driver behavior violation among commercial motor vehicle and passenger drivers in the U.S., Canada and Mexico.

This is especially concerning as the U.S. Department of Transportation reported that traffic fatalities were up 10.5% in Q1 2021.

[Read article](#)

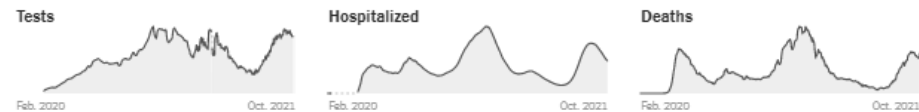
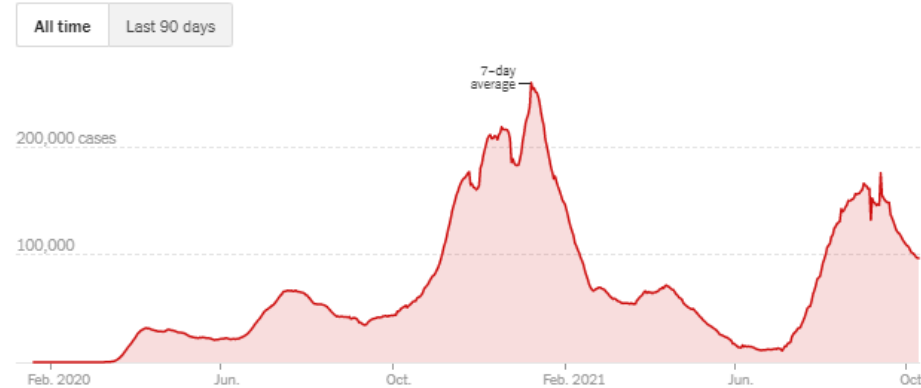


Source: RistoArnaudov/Getty Images

Sources: tnews.com; 10/11/21

COVID-19 cases, hospitalizations and deaths are all on the decline. Hot spots remain in the Upper Midwest and Northwest parts of the U.S.

New reported cases



	DAILY AVG. ON OCT. 10	14-DAY CHANGE	TOTAL REPORTED
Cases	96,549	-19%	44,330,001
Tests	1,574,404	-10%	—
Hospitalized	67,323	-21%	—
Deaths	2,000	-2%	713,806

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

Vaccination rates continue to be slow but consistent

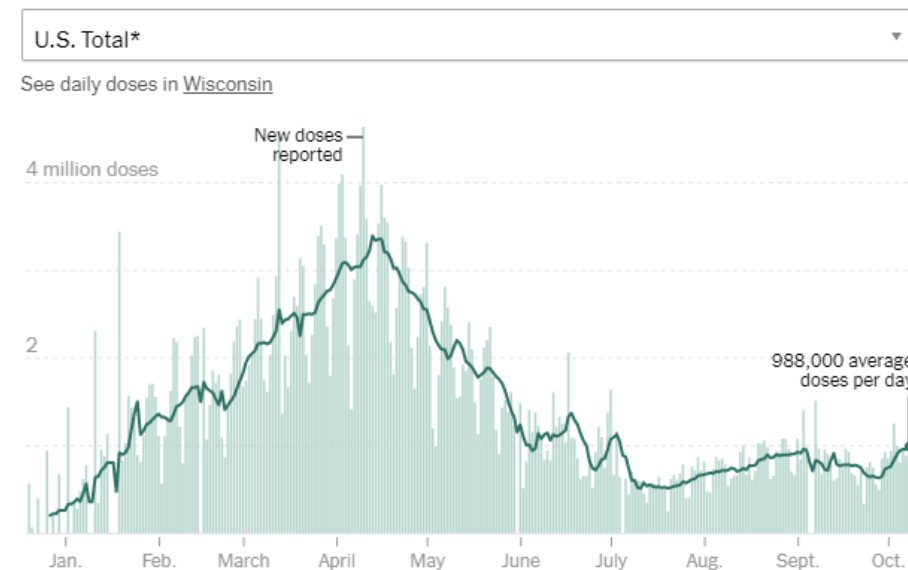
More than 6.5 billion vaccine doses have been administered worldwide, equal to 85 doses for every 100 people.

Percent of population vaccinated (10/11/21)		
	Vaccinated	Fully vaccinated
United States	65%	56%
Canada	79%	73%
Mexico	52%	38%

Source: [cdc.gov](https://www.cdc.gov), [nytimes.com](https://www.nytimes.com), [nytimes.com](https://www.nytimes.com); Updated 10/11/21

Providers are administering about 988,000 doses per day on average, about a 71 percent decrease from the peak of 3.38 million reported on April 13.

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. The C.D.C., in collaboration with the states, sometimes revises data or reports a single-day large increase in vaccinations from previous dates, which can cause an irregular pattern in the daily reported figures.

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

Compared to the Outbound Tender Volume Index levels during this time in the previous two years, current OTVI is 2.35% higher than 2020 and 57.10% 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 10/11/2021

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 2.35% higher than 2020 and 57.10% higher than 2019.

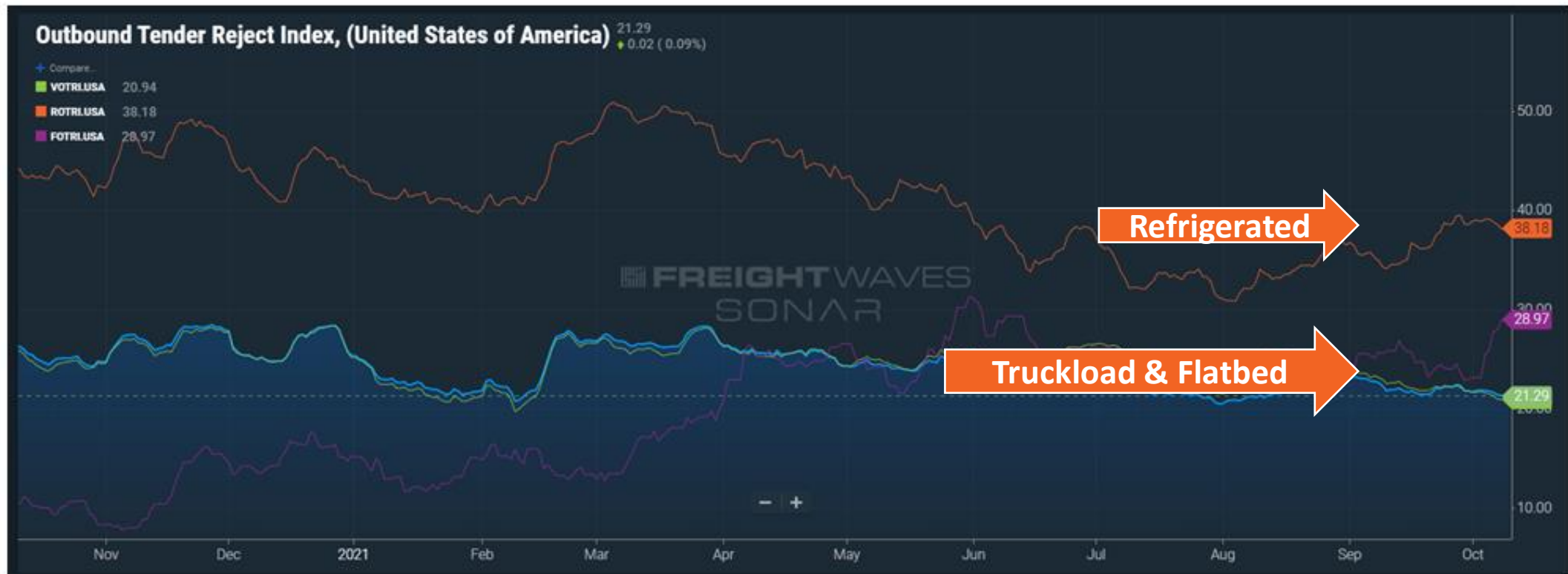


Outbound tender volumes represent demand for capacity in the origin area. An increase in volume represents an increase in demand.

Source: FreightWaves; Updated 10/11/2021

Outbound Tender Reject Index

Outbound Tender Rejects are declining but are consistent at 21.29% overall. Truckload rejects are at 20.94%, Flatbed rejects are around 28.97% and Reefer rejects are highest at 38.18%.



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 10/11/2021

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 stayed consistent for most lengths of haul, except for a small decrease in short- and mid-haul.

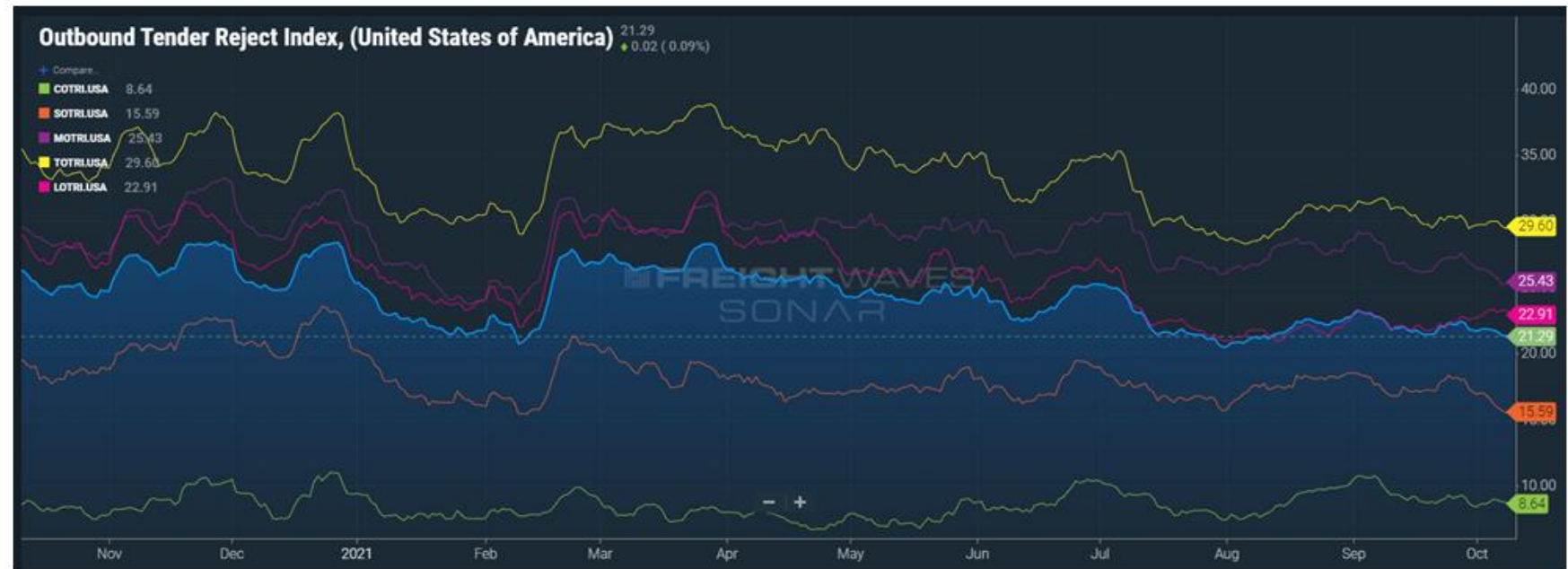
City/local (< 100 miles): 8.64%

Short-haul (100-250 miles): 15.59% ↓

Mid-haul (250-450 miles): 25.43% ↓

Tweener (450-800 miles): 29.60%

Long-haul (800+ miles): 22.91%



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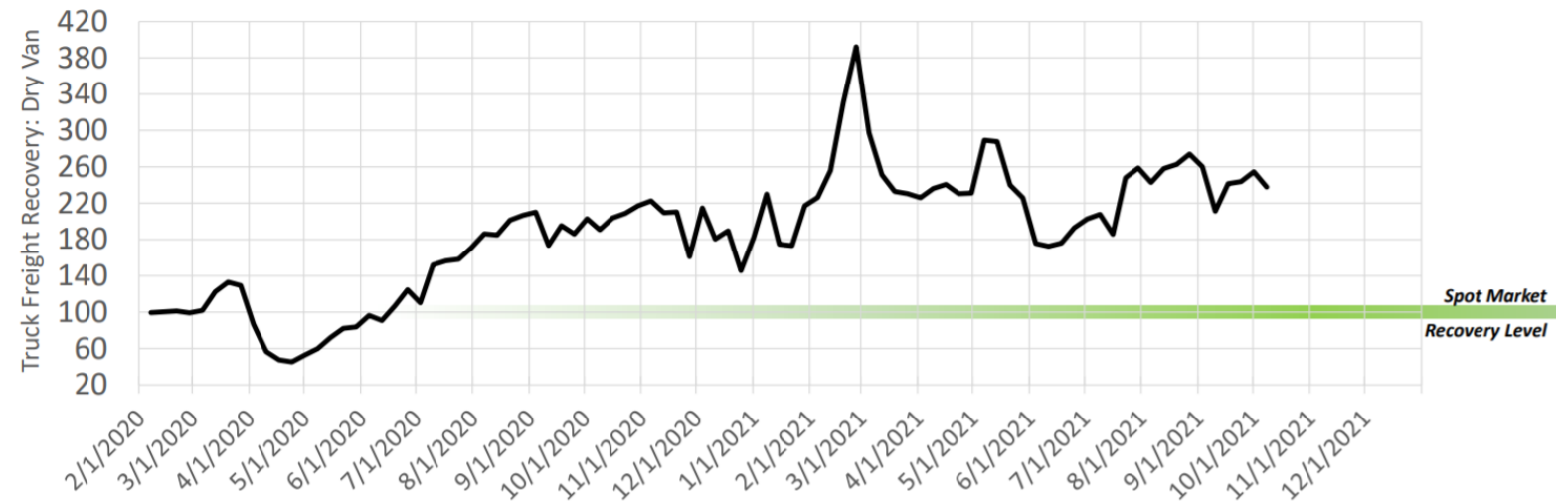
Source: FreightWaves; Updated 10/11/2021

Truck Freight Recovery Index

The Dry Van segment index is about 39% below February's weather-induced peak but still about 138% above the pre-pandemic baseline.

[Read more](#)

COVID-19 Truck Freight Recovery Index Dry Van Spot (100 = Full recovery to pre-pandemic volumes)



Last Updated: 10/11/2021

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

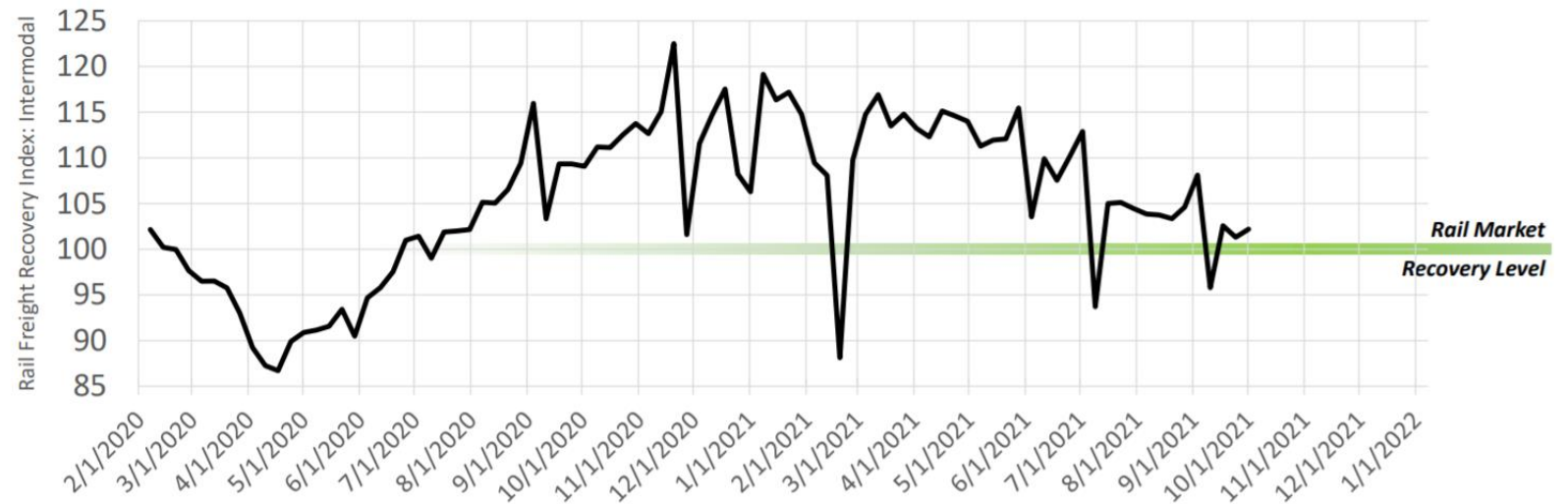
Rail Freight Recovery Index

Intermodal volumes have been slowly declining closer to the pre-pandemic baseline.

[Read more](#)

COVID-19 Rail Freight Recovery Index

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



Last Updated: 10/6/2021

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

A checklist for shippers: How to make freight more attractive to carriers

With capacity continuing to tighten, we need to work together more effectively than ever to alleviate congestion so that you can secure reliable and economical freight capacity to ensure your loads get from point A to B.

Carrier capacity decisions are heavily influenced by multiple factors. Here's what you can do as a shipper to help make your freight more attractive to carriers and secure more capacity.

[Get the entire checklist](#)

☑ **Maximize your carrier relationship**

Using a **multimodal carrier** like Schneider can offer shippers a combination of transportation mode options, which can optimize supply chain service, cost and capacity. We also highly recommend reserving capacity with your carrier early through a peak season volume agreement.

☑ **Provide forward visibility**

Solid forecasting helps carriers plan for your needs. Two to three days advance notice is best, but informing carriers 24 hours ahead of anticipated surges makes freight more attractive.

☑ **Convert predictable freight to dedicated capacity**

Schneider Dedicated offers freight capacity that is guaranteed for your routine shipping needs, where and when your business calls for it. When your shipping volume surges, Schneider leverages our network — including **Brokerage** capacity through qualified carriers — to keep freight moving on time.

☑ **Consider alternative options for your challenging or difficult-to-cover freight. Schneider offers two options for covering your spot freight:**

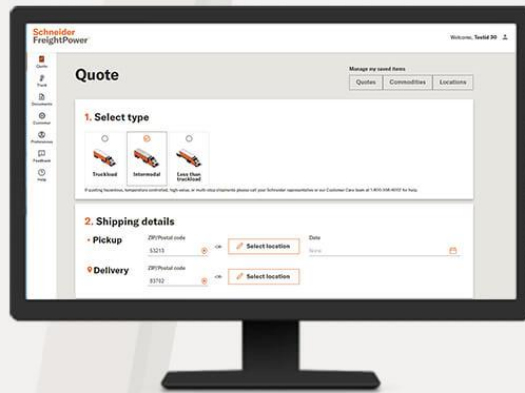
› **Schneider FreightPower** allows you to quote and book your freight online.

› **Market Index Pricing** is a simple pricing model and Schneider accepts 100% of your freight.

☑ **Leverage trailer pools and utilize power only capacity**

Carriers can make more drop-and-hook moves versus live loading and unloading. This grab-and-go option allows carriers to simply bring their power unit (power only), pick up a pre-loaded trailer and get back on the road quickly. Schneider also offers **power only** options with a qualified carrier power unit and a Schneider trailer for additional capacity when you need it.

Schneider FreightPower®



**Schneider FreightPower® offers
multi-modal options for online booking**



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and track your Intermodal,
Truckload and LTL freight with
Schneider FreightPower®.**

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The logo features the word "SCHNEIDER" in a bold, orange, sans-serif font. Below the text is a stylized orange underline that consists of two horizontal bars connected by a small, upward-pointing chevron shape in the center.