

# Freight Trends

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NABE Holiday Sales Outlook

Nov. 20, 2019

113.19

YTD LIME

43.8 u

OPEN: 112.23

CLOSE: 113.19

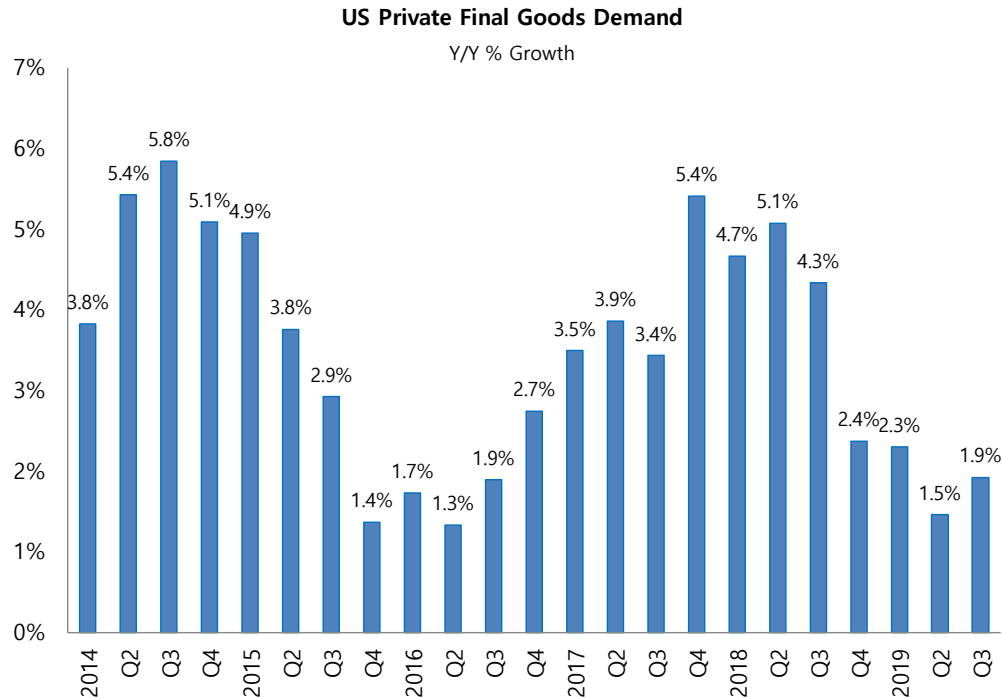
HIGH: 113.69

LOW: 112.13

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## Goods demand

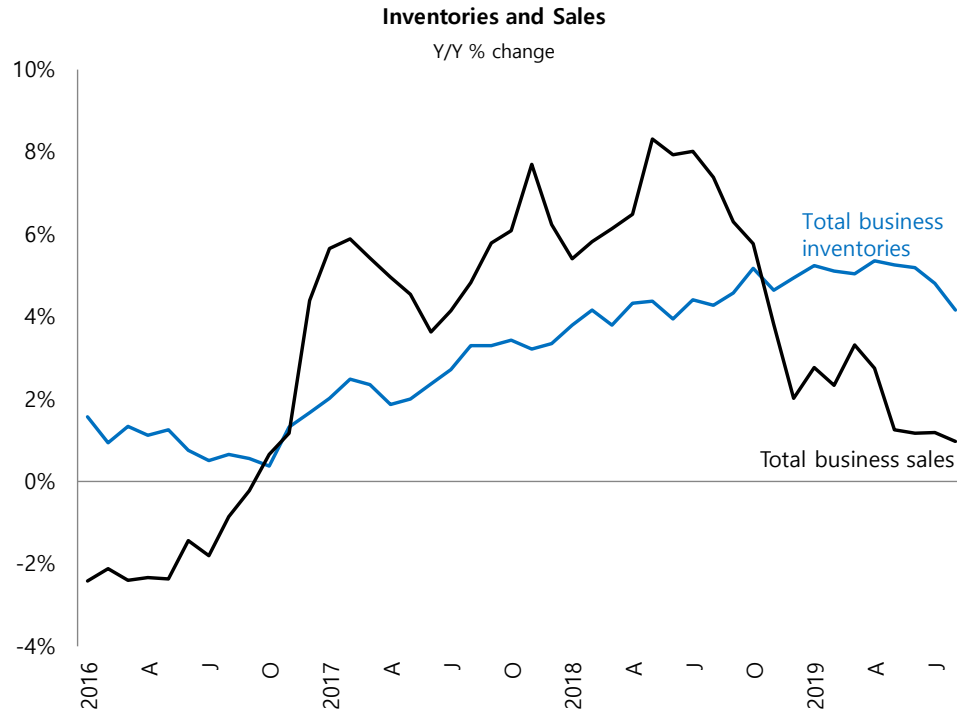


Source: Bureau of Economic Analysis

## Key Highlights

- Private final demand for goods focuses on the components of GDP that relate to the goods side of the economy
- Growth has decelerated below 2%, with only consumer spending driving growth

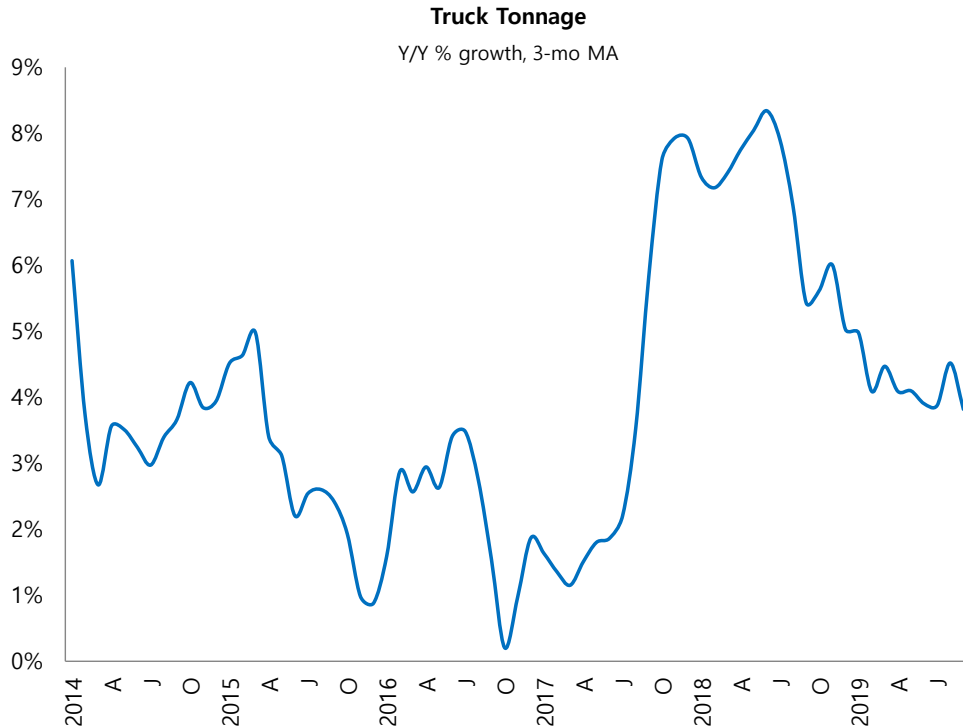
## Inventory overhang



## Key Highlights

- Tariffs concerns and disappointing sales have caused strong inventory growth
- Particularly true among wholesalers and manufacturers
- Reduces demand for manufacturing, imports

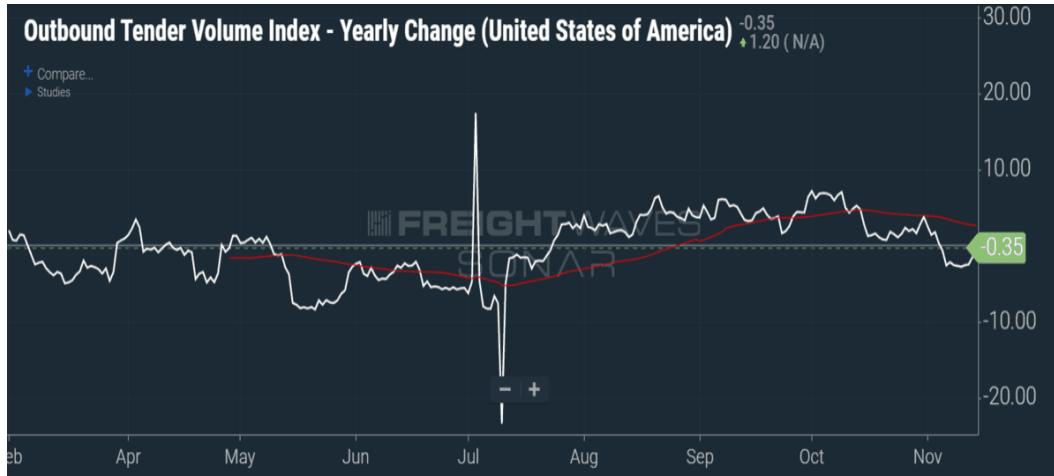
## Freight performance



## Key Highlights

- Truck tonnage data fell in September but has been generally strong prior to holiday season
- ATA tonnage data is skewed to contract freight, overstating trucking strength
- Falling trucking rates have also helped the industry

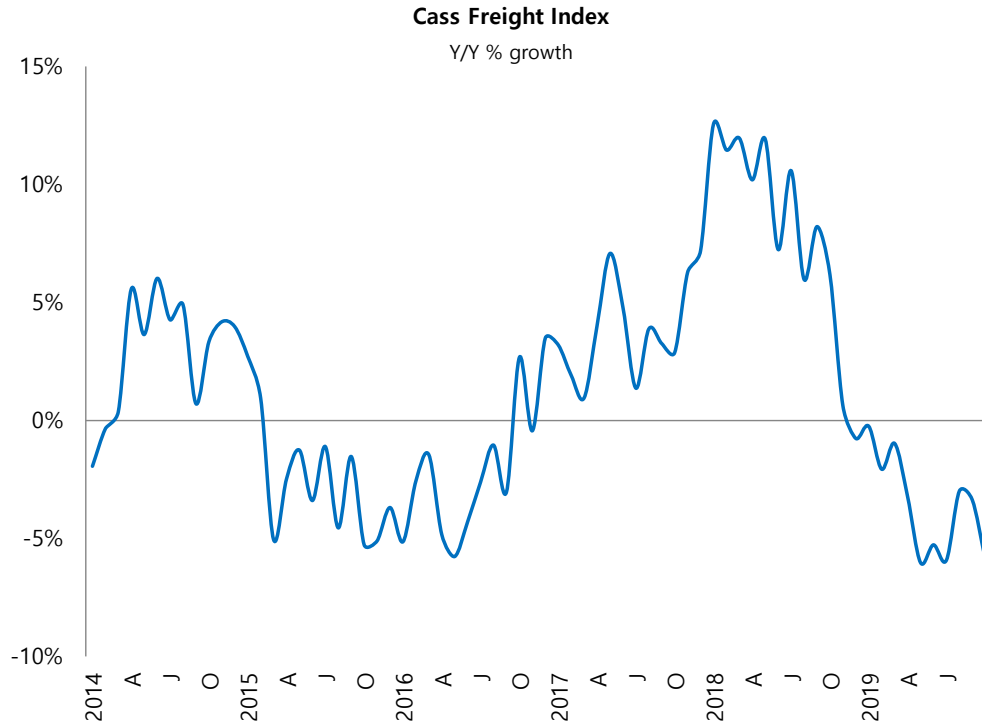
## Freight performance



## Key Highlights

- Tender volume measures the number of truckloads offered by shippers
- Year-over-year growth was solid Aug-Oct, suggesting healthy trucking activity
- Tougher comps have pushed growth negative

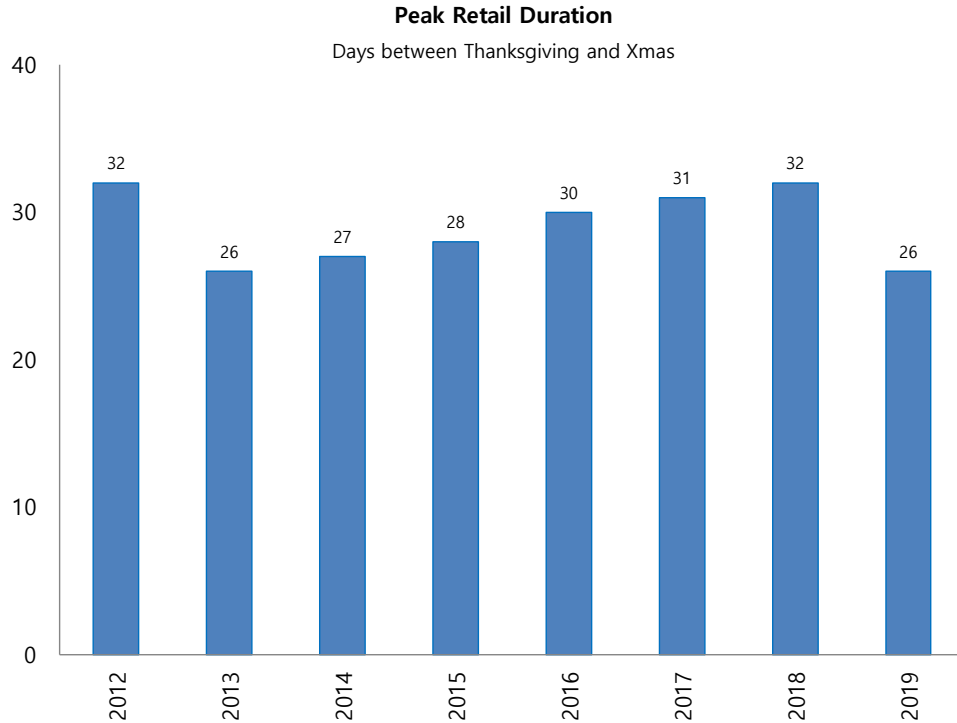
## Freight performance



## Key Highlights

- Cass freight provides a view of all for-hire freight
- Year-over-year growth negative throughout 2019
- Ignores expansion of private fleets, likely overstates 2019 freight weakness

## Peak duration



## Key Highlights

- 2019 calendar has late Thanksgiving, shortened peak
- Similar to 2013 peak season
- Pressure on parcel companies to deliver in a compressed time frame



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**Thank You**