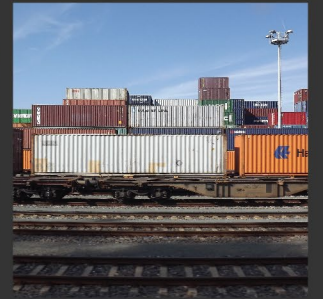
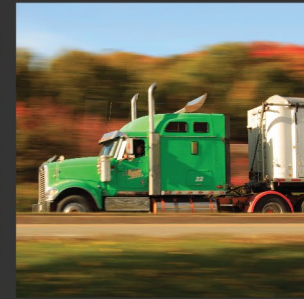


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Navigating an Uncertain Economy & Turbulent Supply Chain

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North American Rail Shippers Association | May 10, 2022



info@FTRintel.com

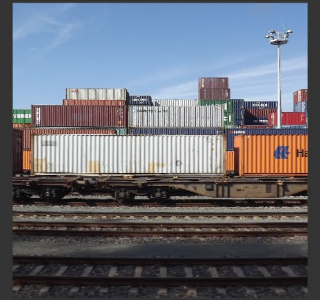


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Economic Conditions

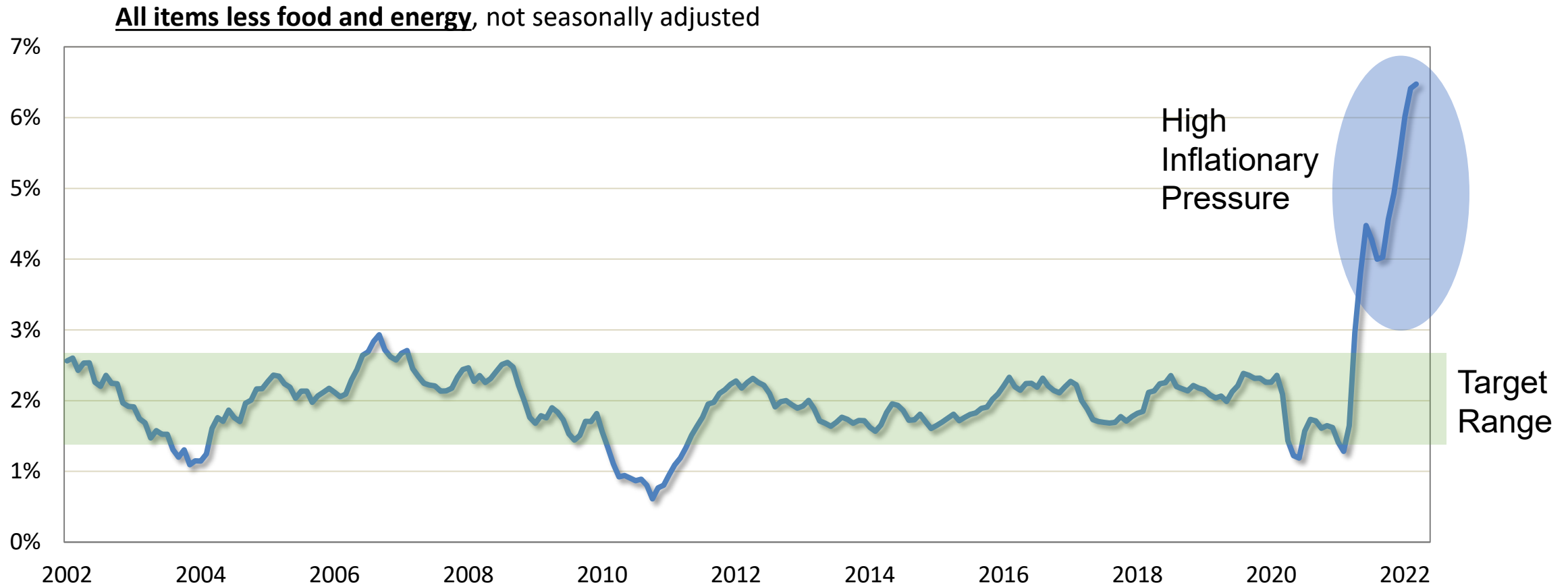
China zero-tolerance COVID policy impacts

- **What is it?**
 - Complete lock-down of any location with proven signs of COVID cases
- **What is happening right now (April 26, 2022)?**
 - Surge of Omicron and the BA.2 variant
 - Shanghai is in lockdown that started on April 1 (26 million people)
 - Beijing is in partial lockdown that started on April 25 (22 million people)
 - 45 Chinese cities are under total or partial lockdown, affecting an estimated 193 million people in areas accounting for +25% of its gross domestic product
- **What are possible impacts?**
 - Trade flow disruptions
 - Increased inflation
 - Post lockdown surge of Chinese exports could increase congestion at U.S. ports

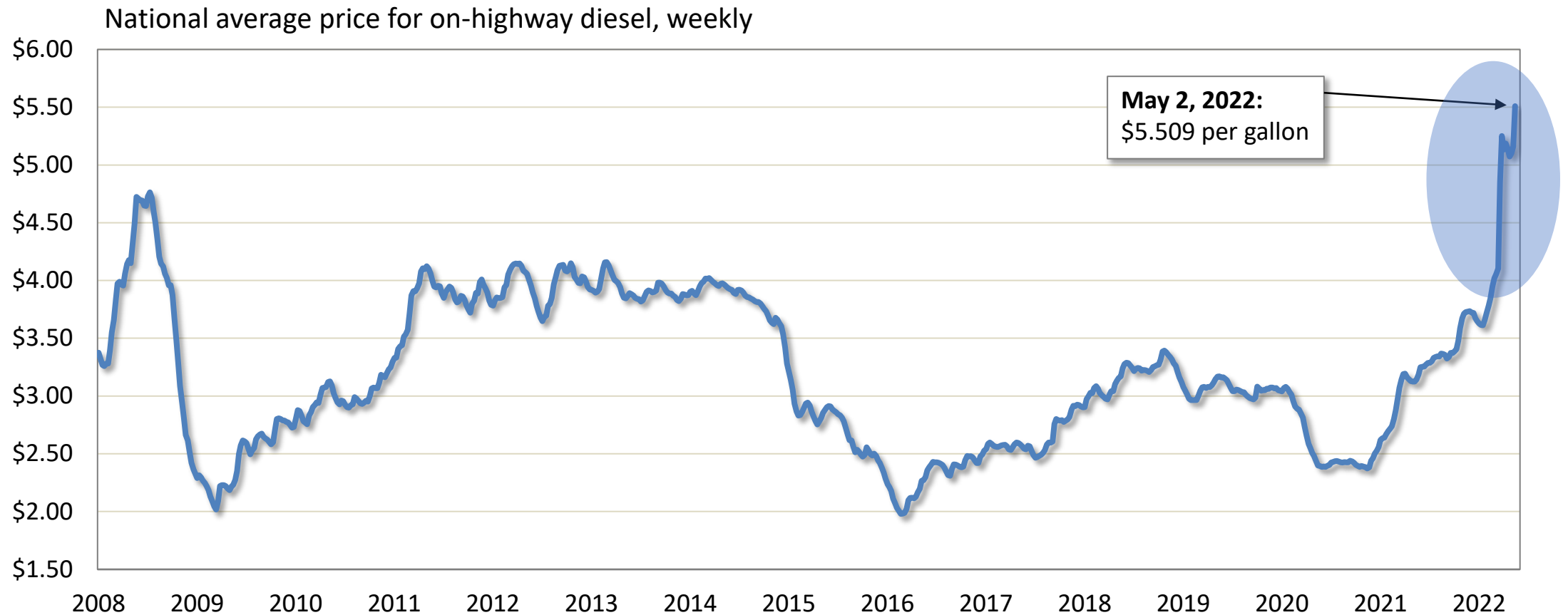
War impact on economy & trucking

- **Increased inflationary pressure**
- **Effects on commercial vehicle production:**
 - Wire harnesses made in Ukraine as well as Eastern European countries
 - Impacted Products: Anti-lock braking system assemblies, wiring harnesses for lights
 - Raw material prices
 - Aluminum: Russia was the 3rd largest exporter of aluminum to the U.S. in 2021, representing ~4% of total aluminum imports
 - Sources: (US DoC, Enforcement & Compliance, includes content supplied by IHS Global, LTD)

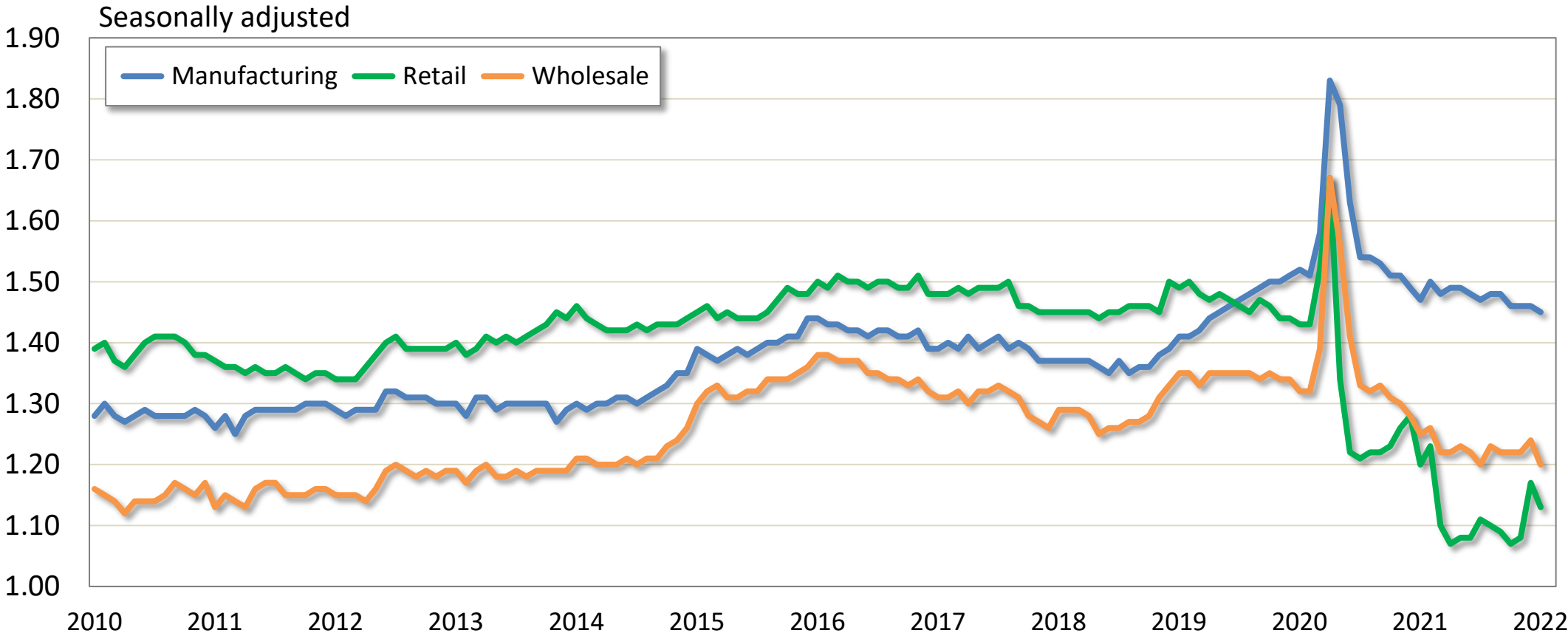
Core Consumer Price Index – 12-month change



Diesel prices



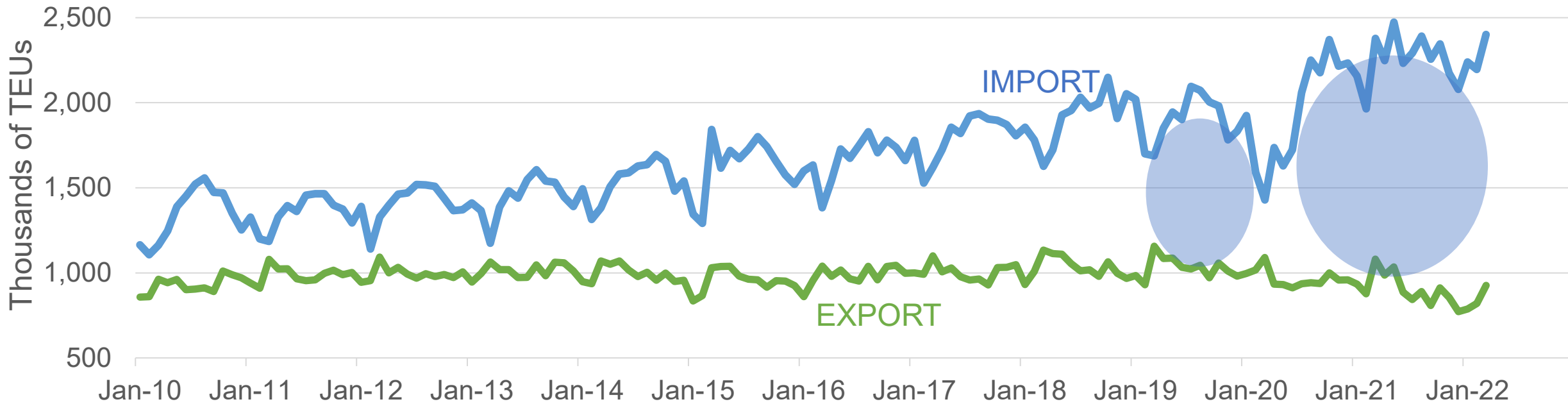
Inventories-to-sales ratio



Total North American Port Activity

Port Statistics and Analysis for North America

January 2010 to March 2022 | Results are shown as unadjusted TEUs



West Coast Port Activity

Port Statistics and Analysis for the United States – West Coast

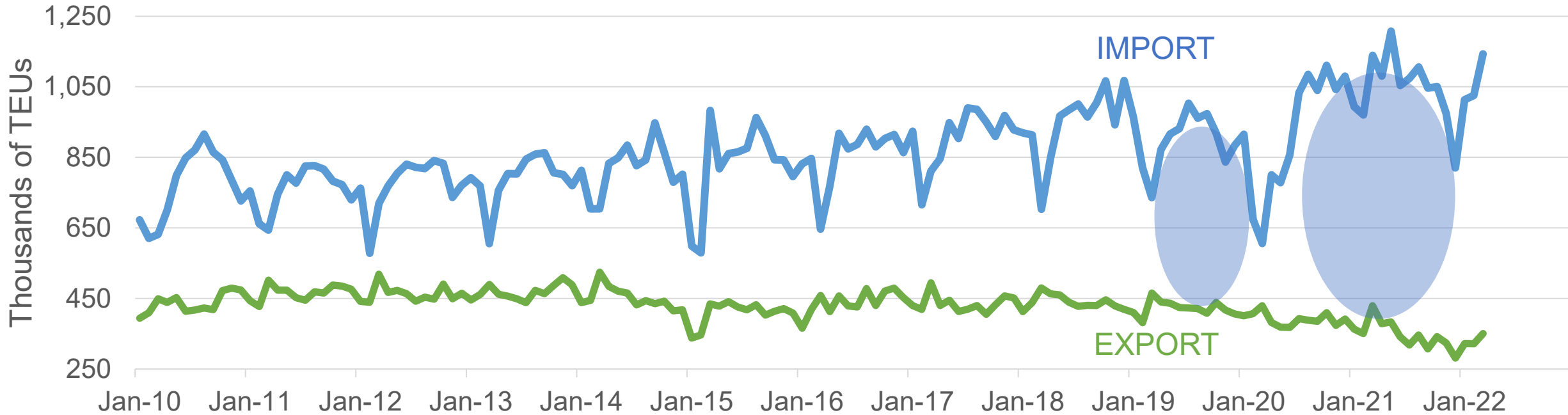
January 2010 to March 2022 | Results are shown as unadjusted TEUs

Ports Include: Los Angeles, Long Beach, Northern California, Pacific Northwest



LEGEND

- Export
- Import
- Total

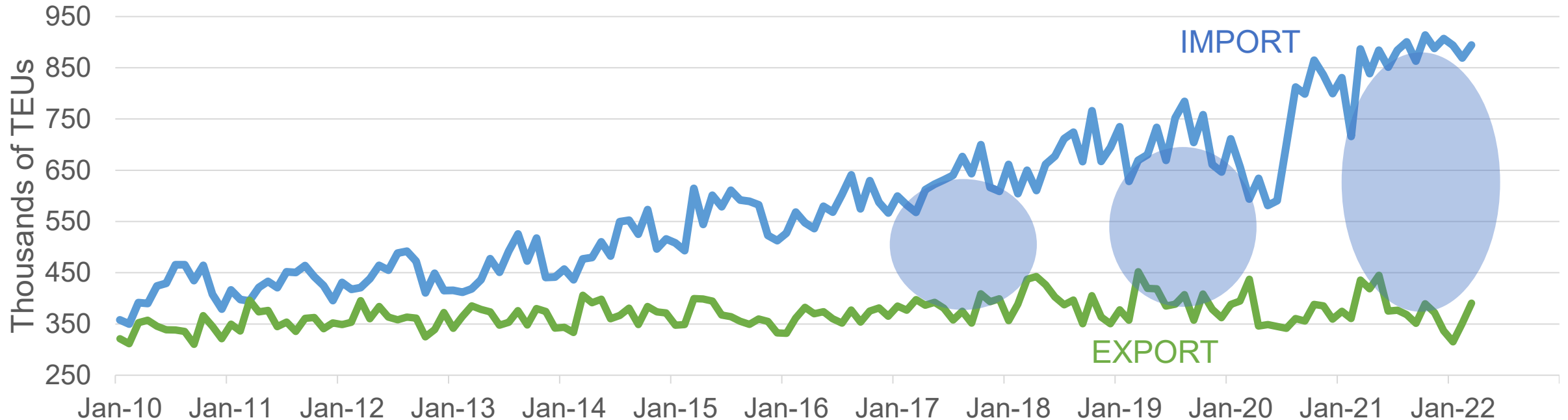
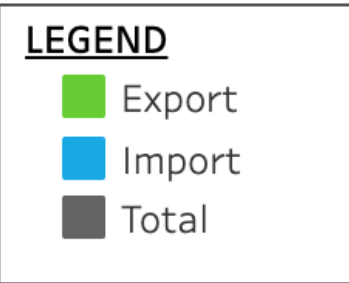


East Coast Port Activity

Port Statistics and Analysis for the United States – East Coast

January 2010 to March 2022 | Results are shown as unadjusted TEUs

Ports Include: New York/New Jersey, Savannah, Charlotte, Ports of Virginia



Gulf Coast Port Activity

Port Statistics and Analysis for the United States – Gulf Coast

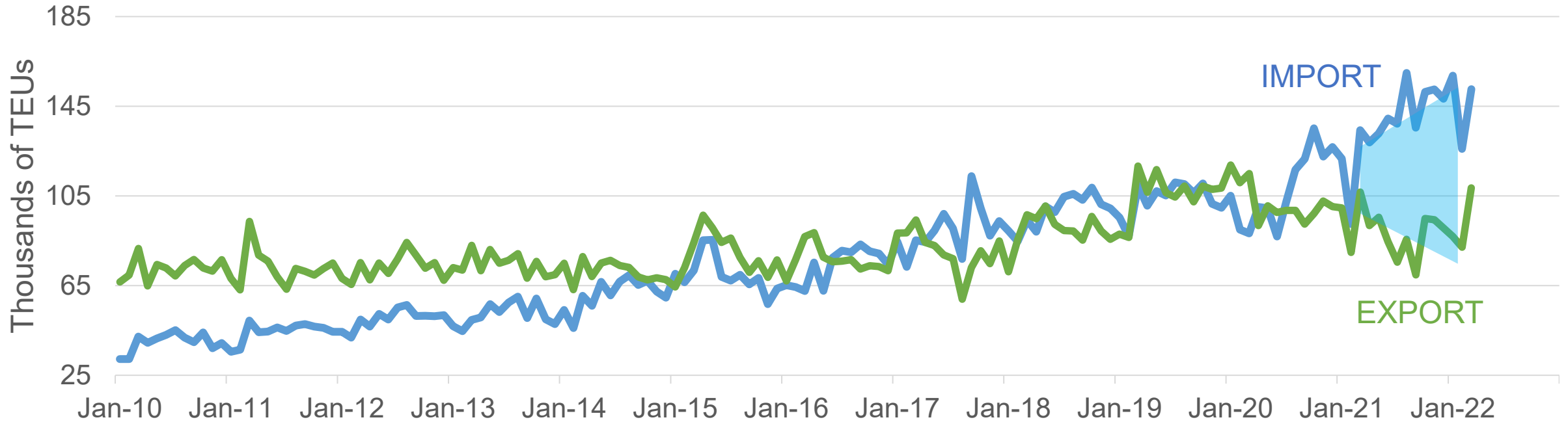
January 2010 to March 2022 | Results are shown as unadjusted TEUs

Ports Include: Houston

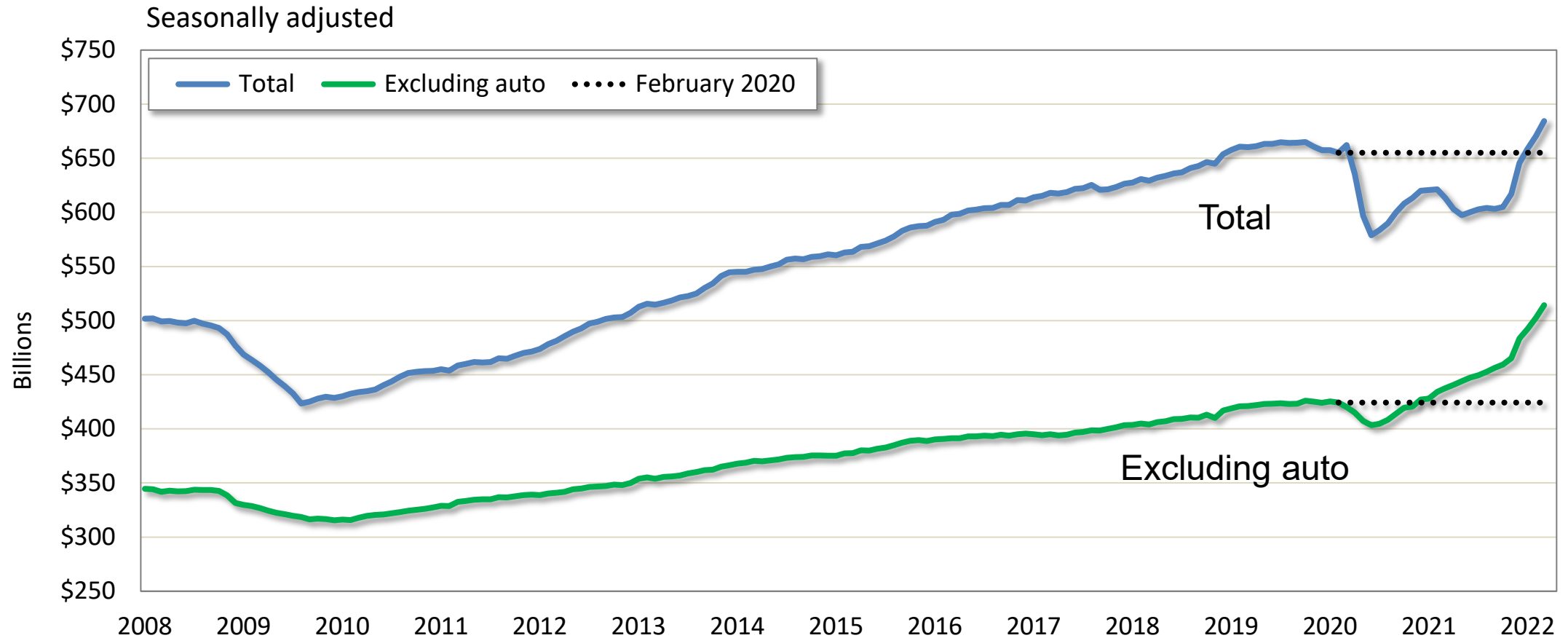


LEGEND

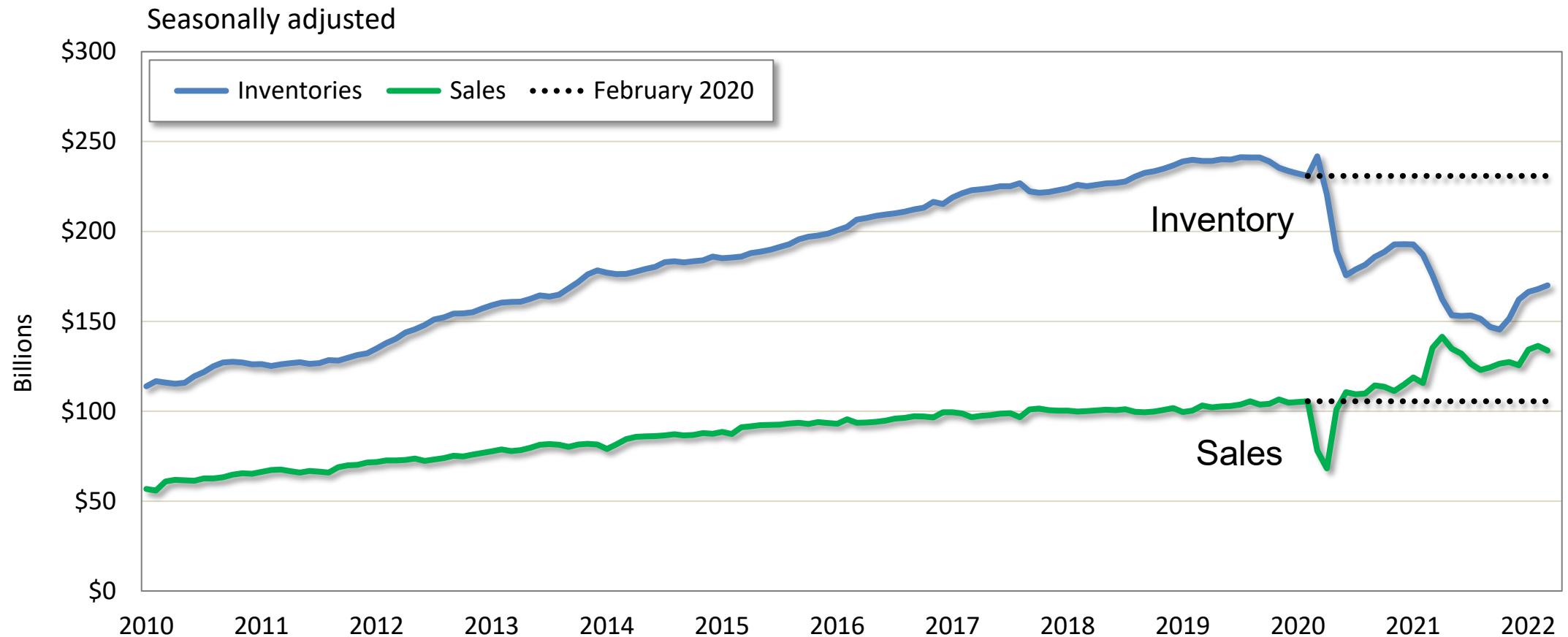
- Export
- Import
- Total



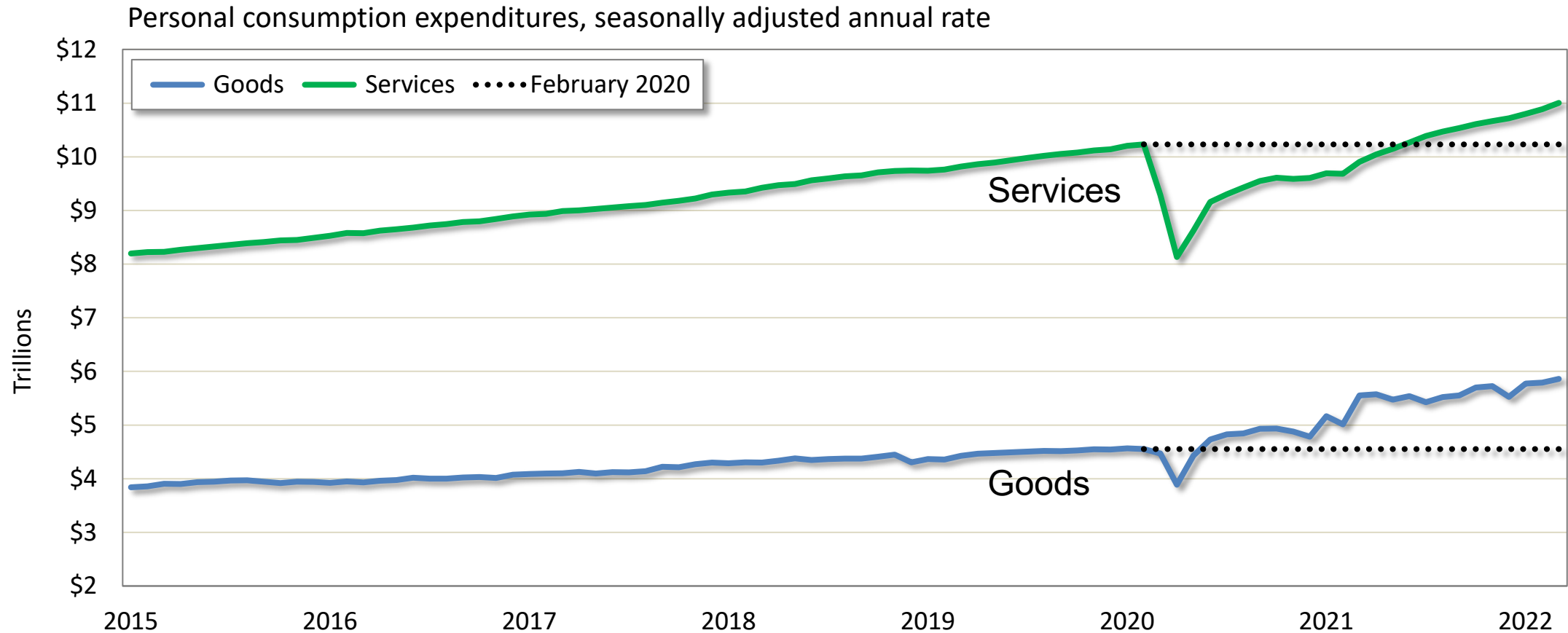
Retail inventories



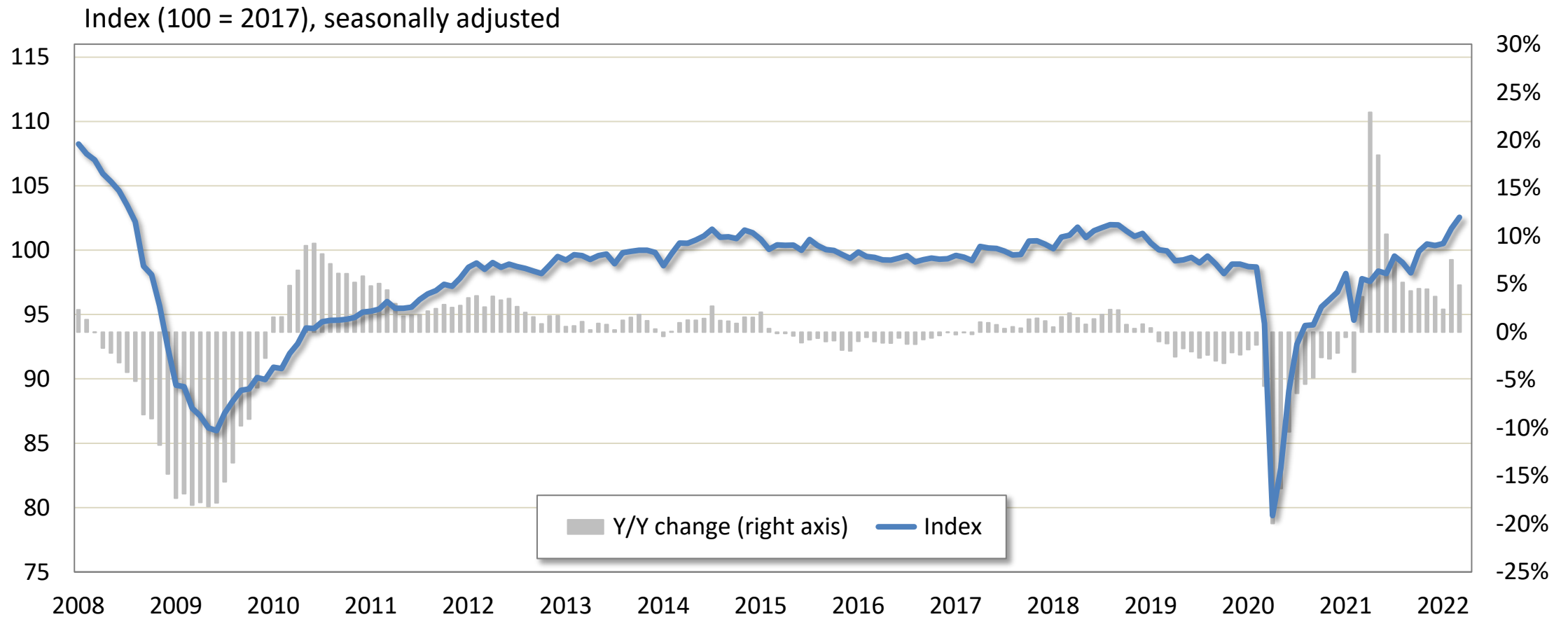
Retail automotive inventories vs. sales



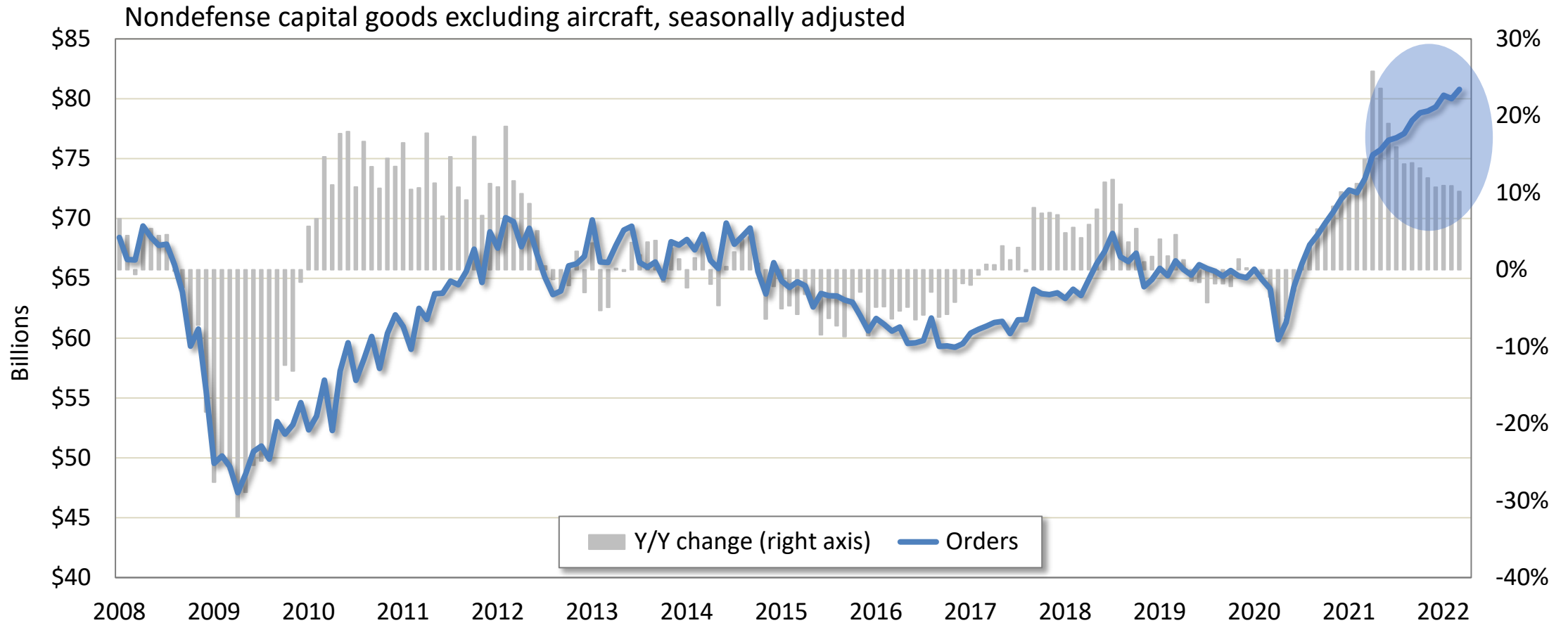
Spending on goods and services



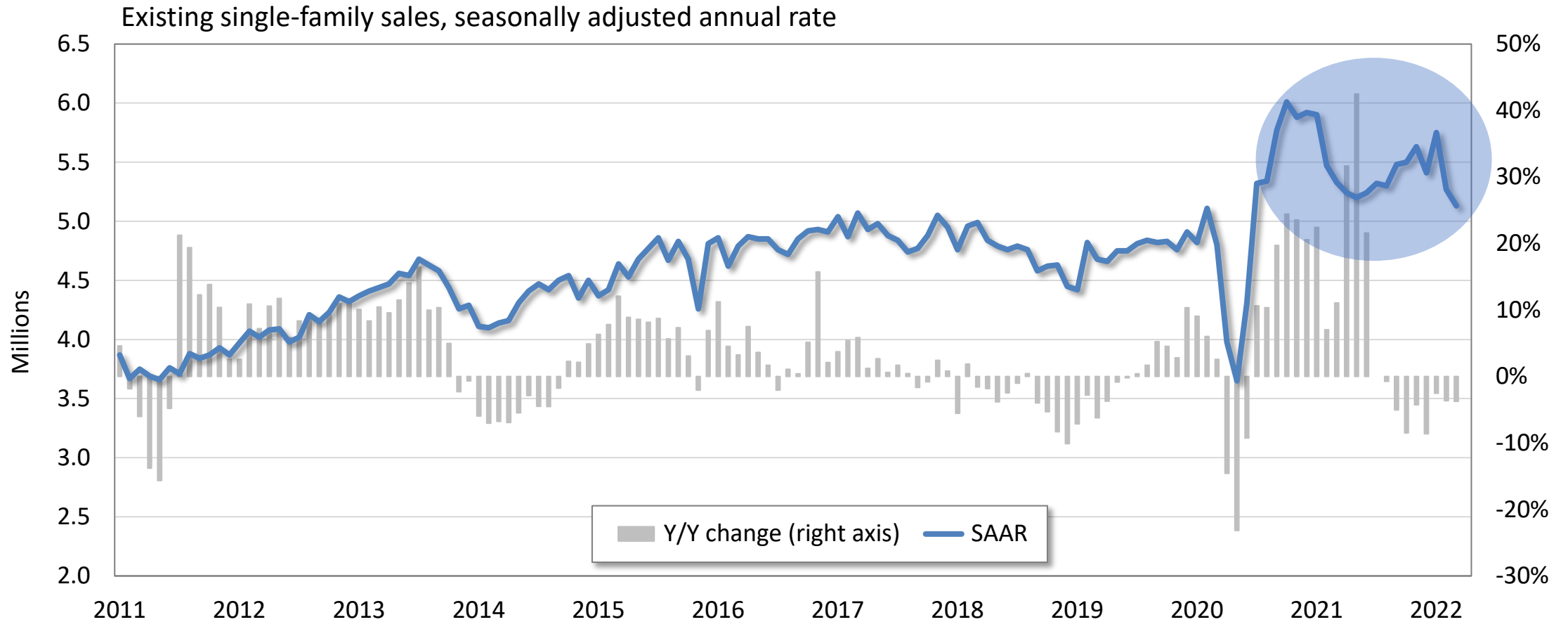
Manufacturing output



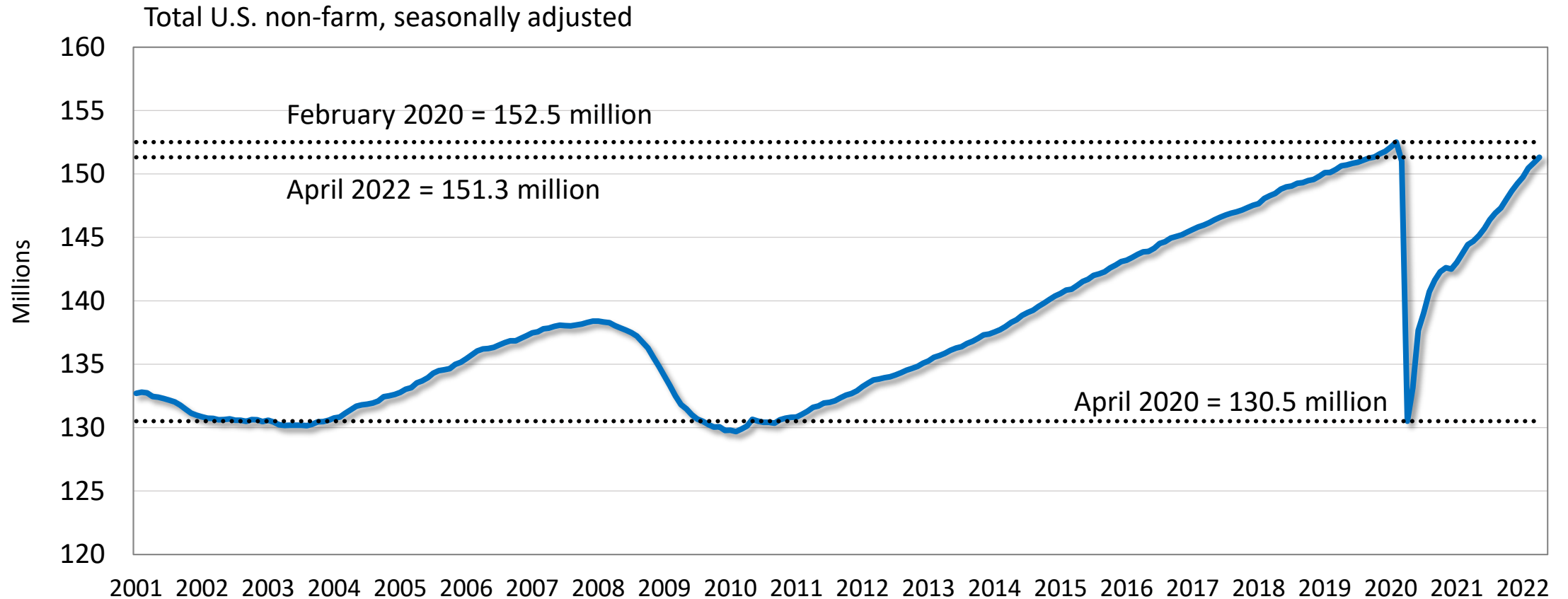
Core capital goods orders



Sales of existing homes

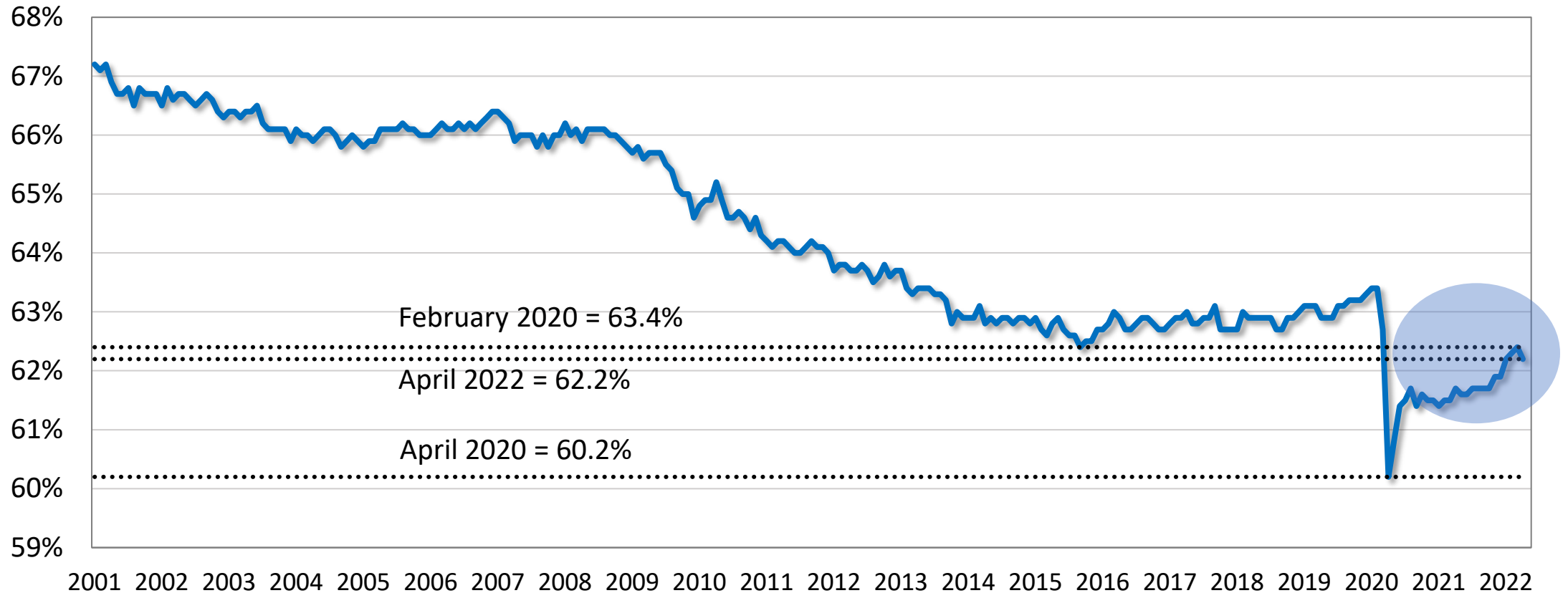


Payroll employment



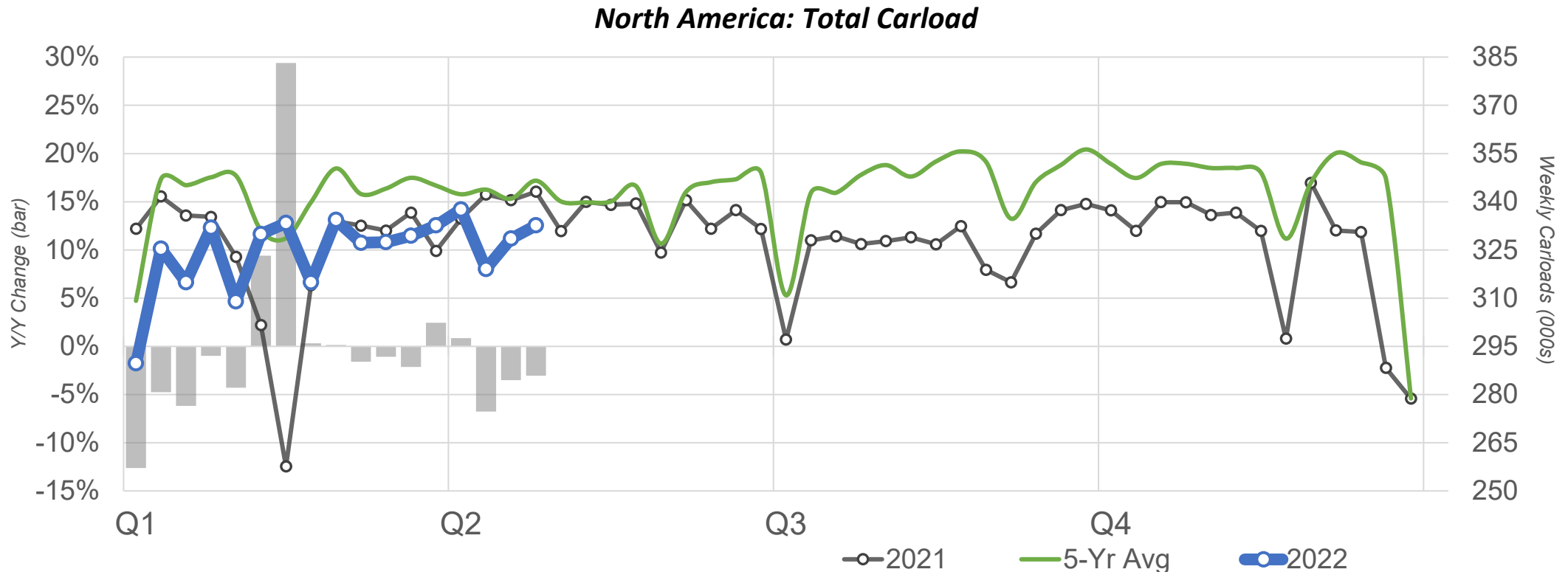
Labor participation rate

Noninstitutionalized population 16 years and older, seasonally adjusted



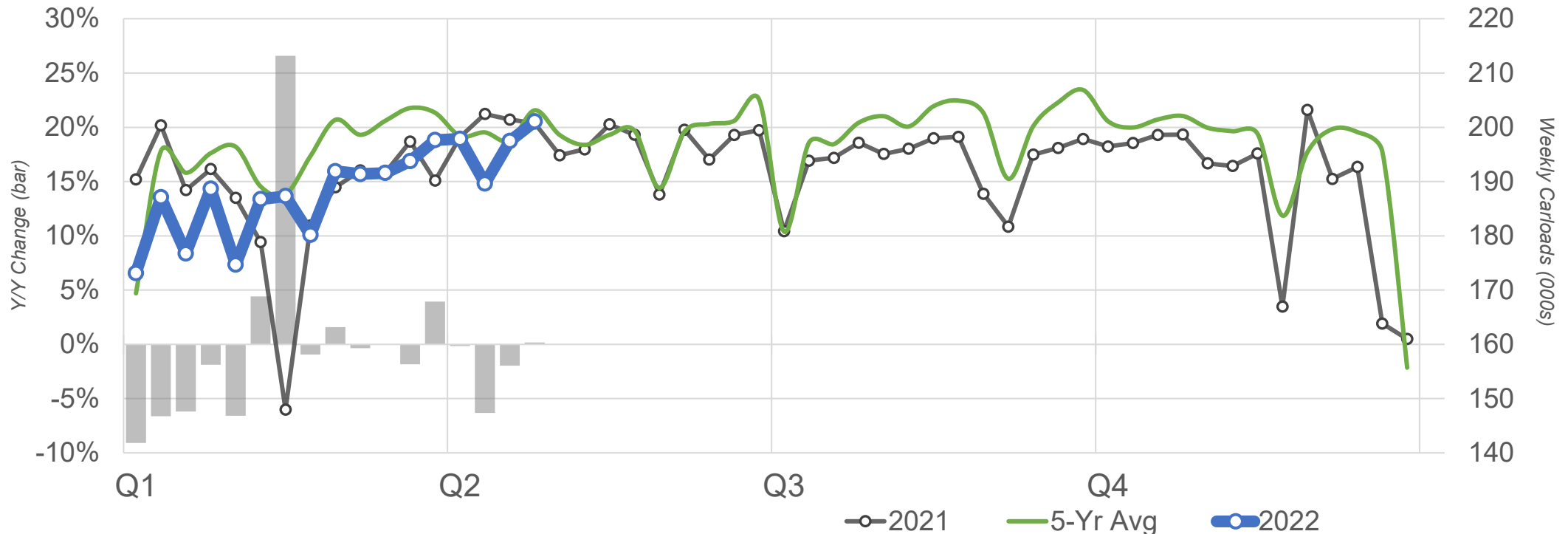
Carload & Intermodal: Freight, Capacity, & Rates

Weekly volumes – Total AAR carload

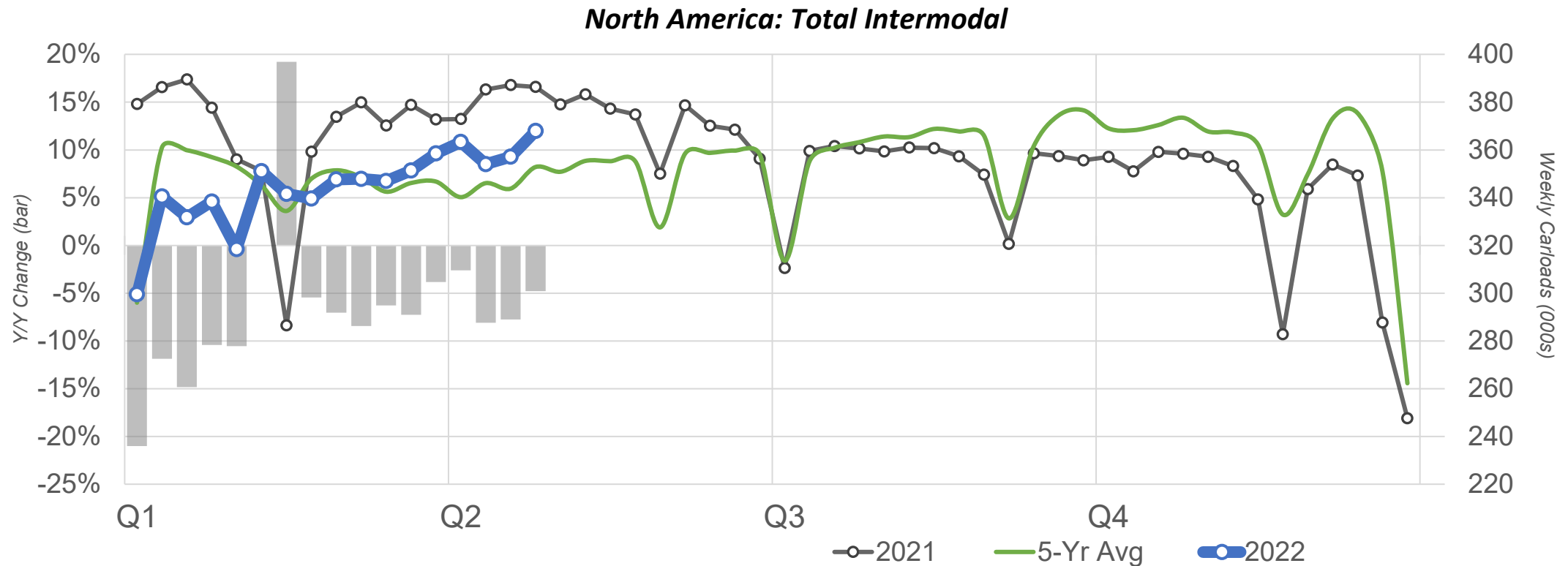


Weekly volumes – Economically sensitive freight

North America: Economically Sensitive Freight

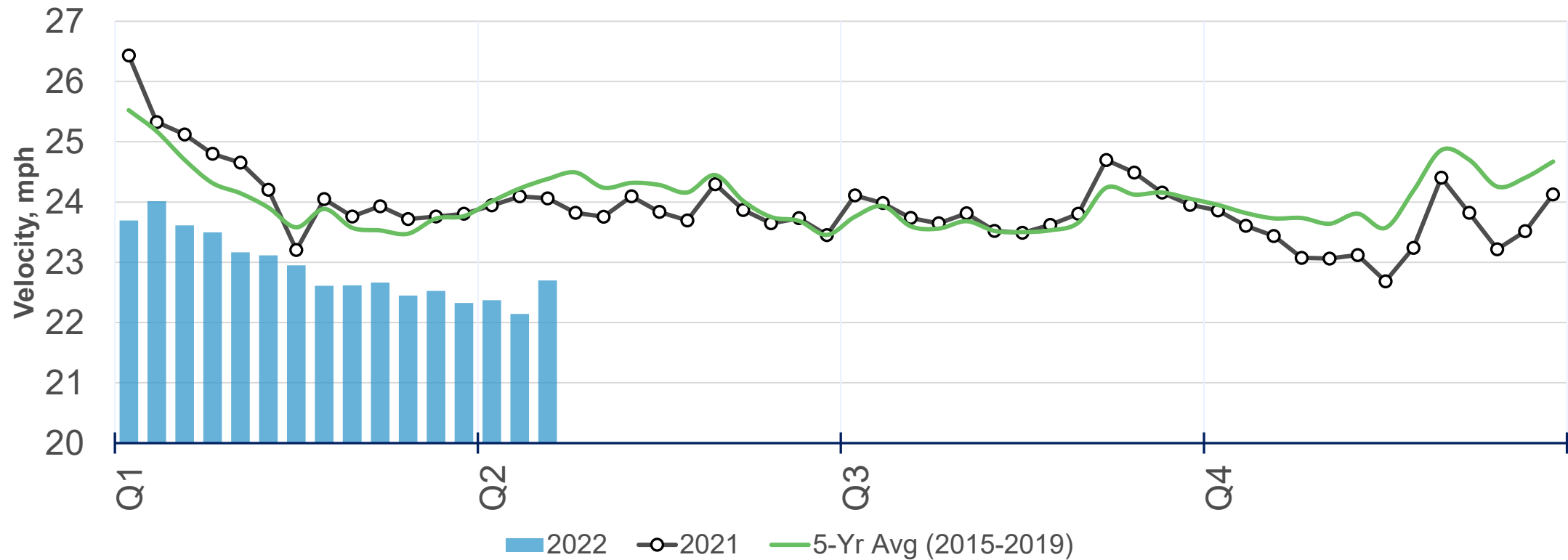


Weekly volumes - Total AAR intermodal



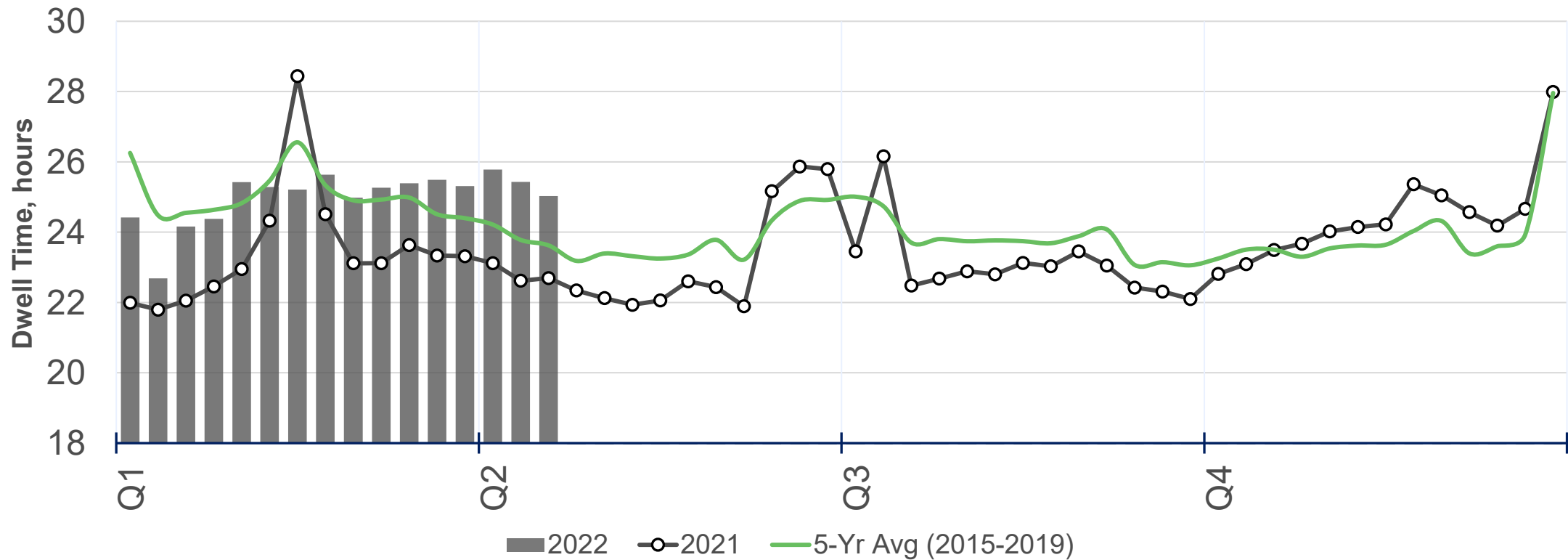
Velocity: Total Rail

Weekly Reported Train Speed, Industry Average



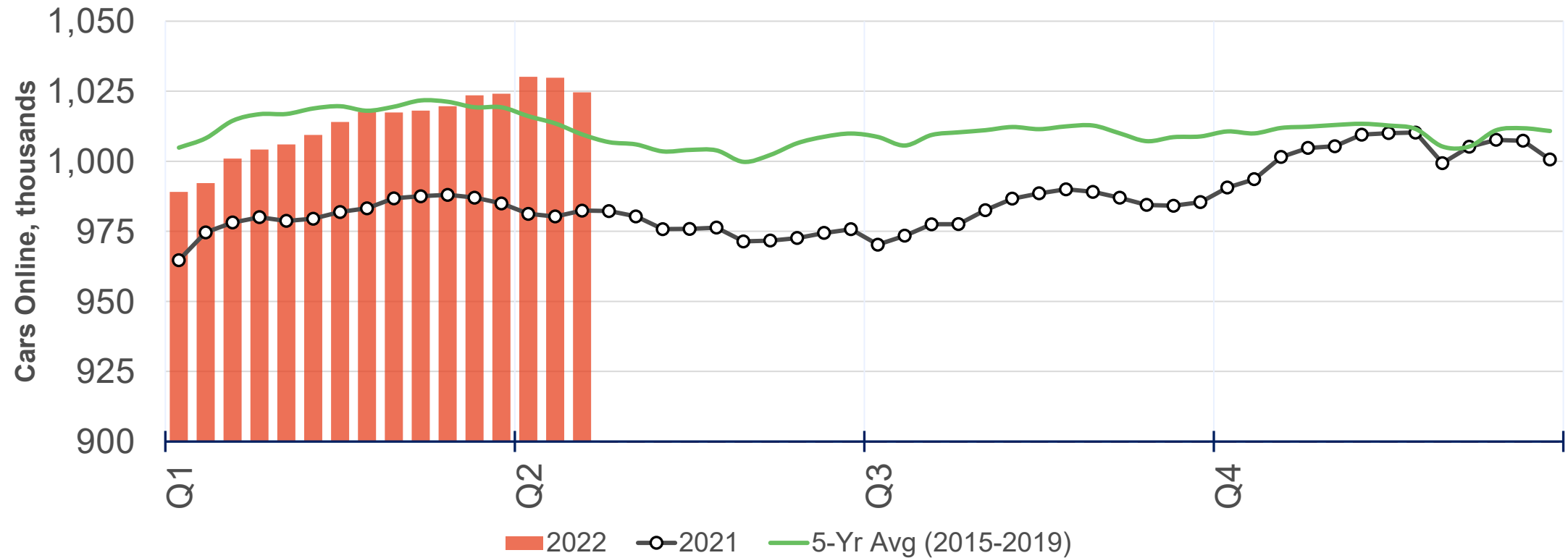
Dwell Time: Total Rail

Weekly Reported Terminal Dwell Time, Industry Average

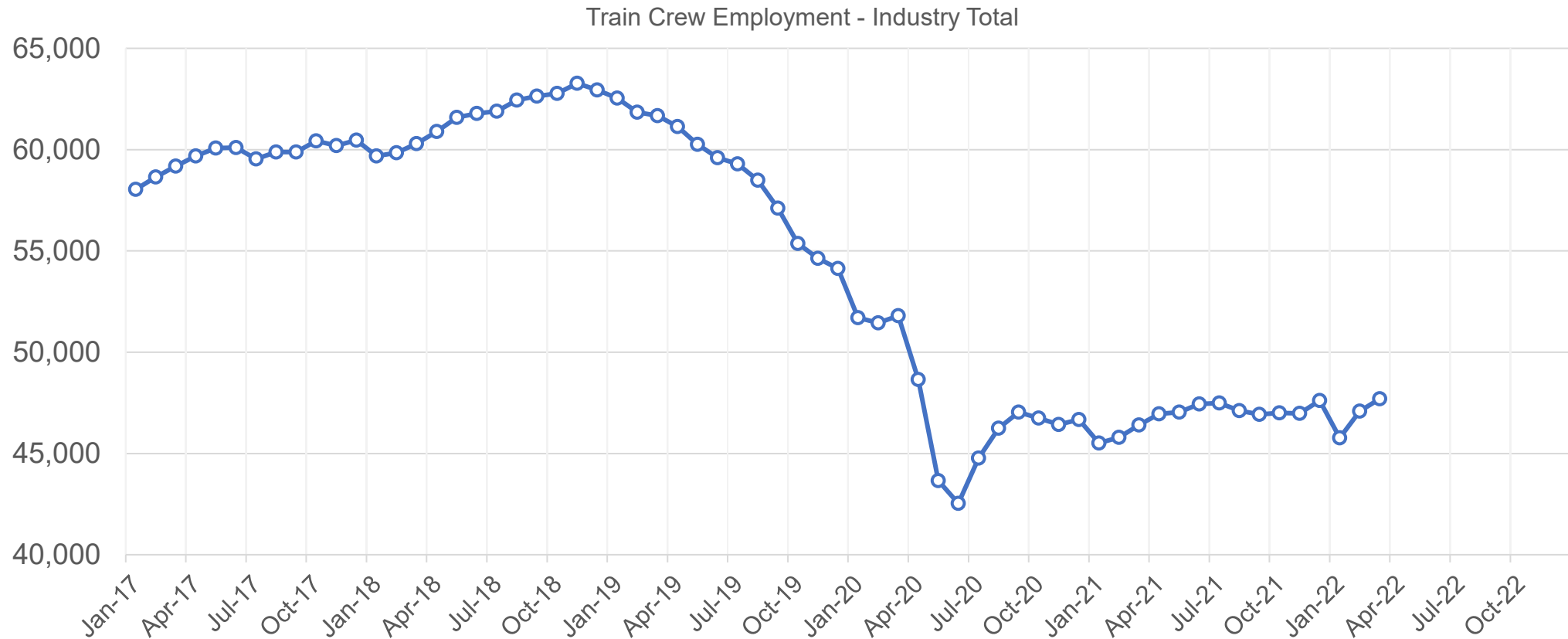


Cars Online: Total Rail

Weekly Reported Cars Online, Industry Total

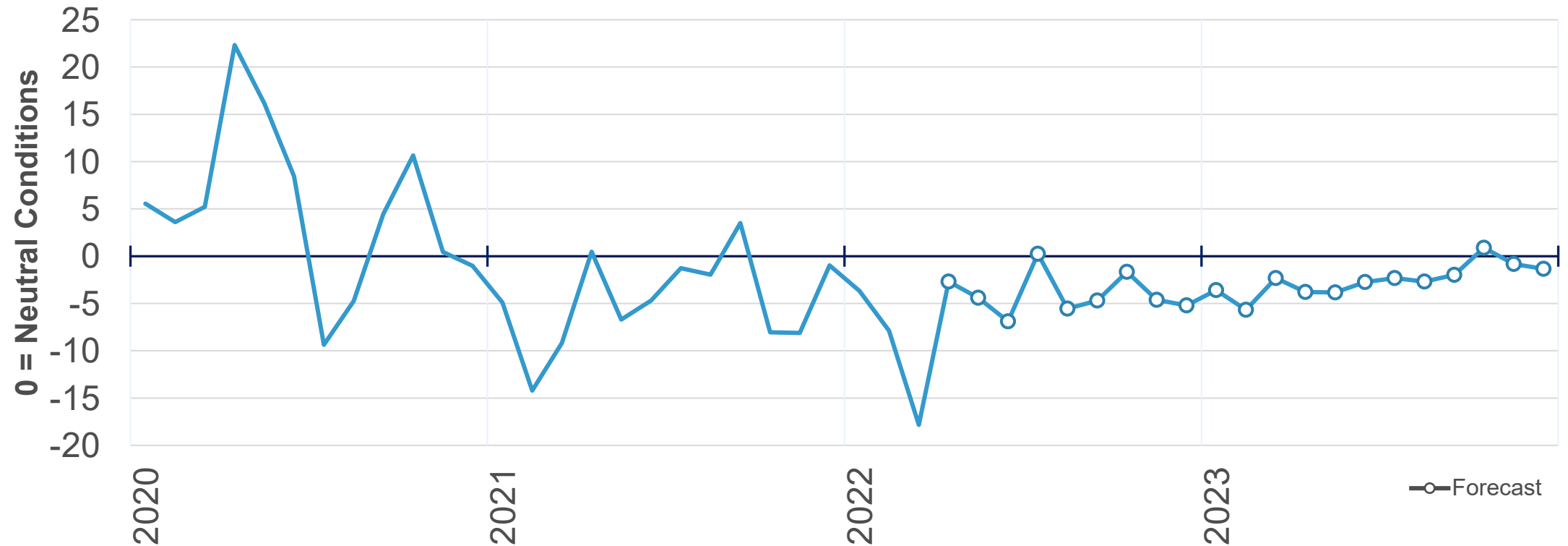


Train crew employment not recovered



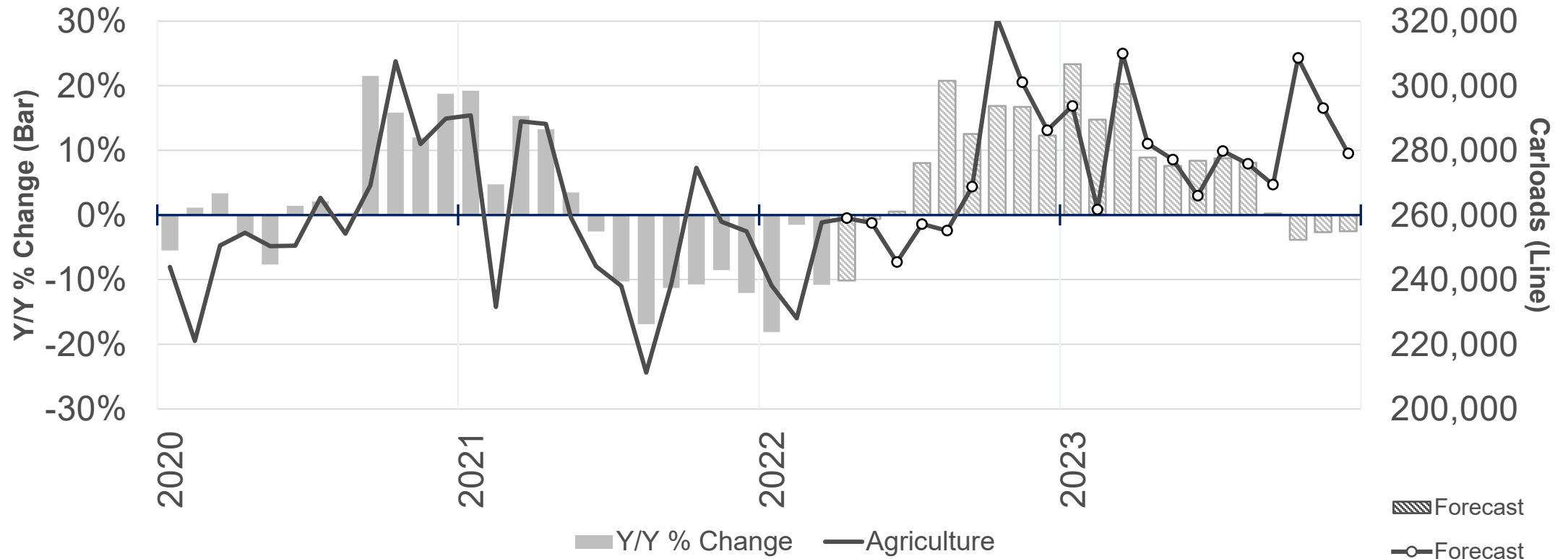
FTR Rail Shippers Conditions Index

RCI is a broad measure of railroad conditions – volumes, rates, service, etc.

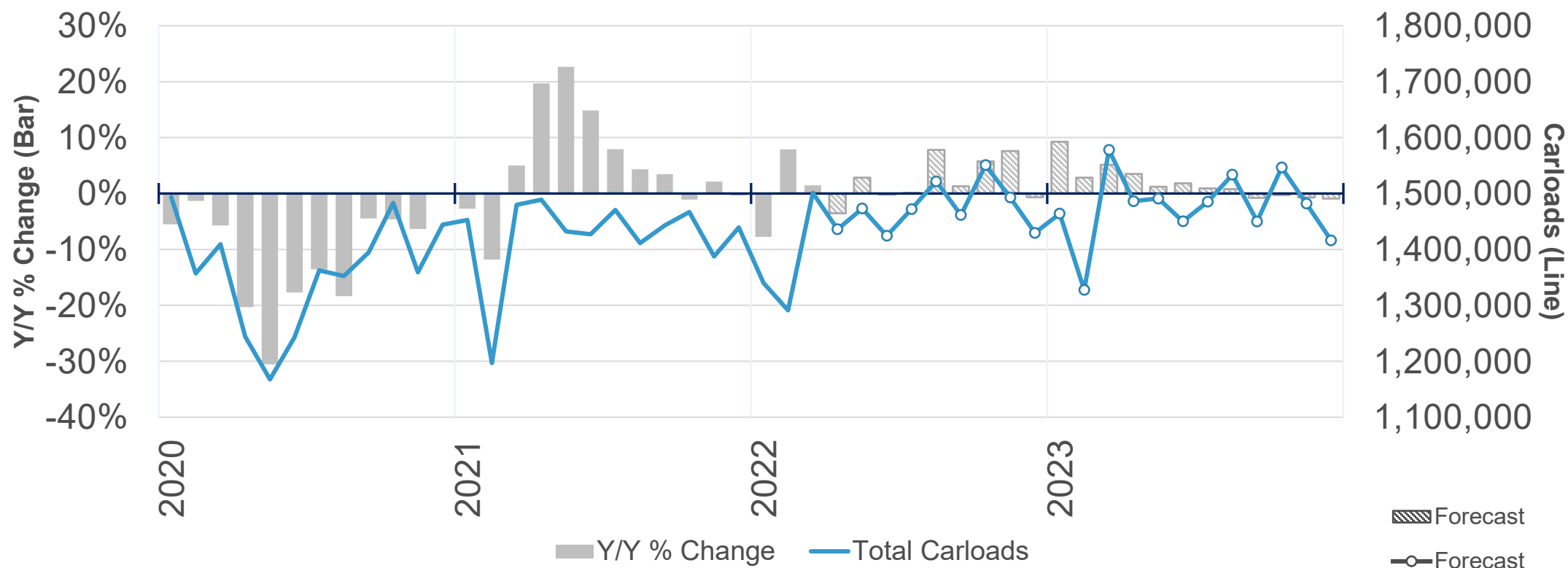


Positive = Favorable for rail shipping / Negative = Unfavorable for rail shipping

Carload Outlook: Ag Products

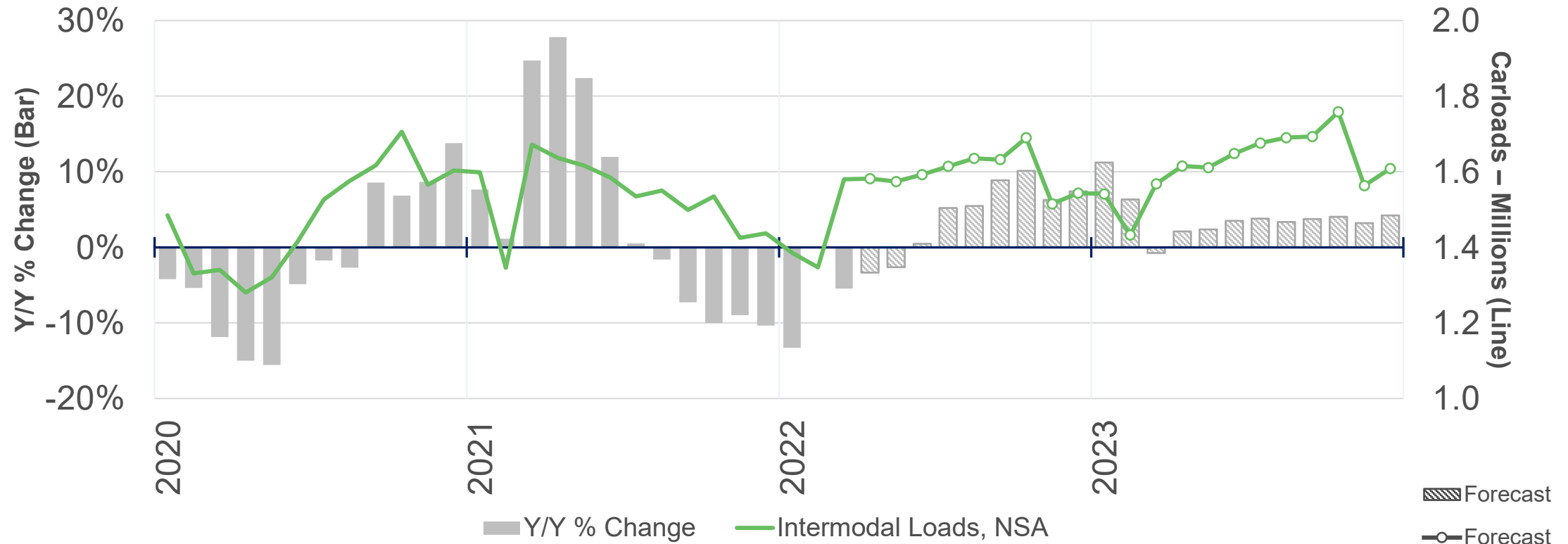


Carload Outlook: Total



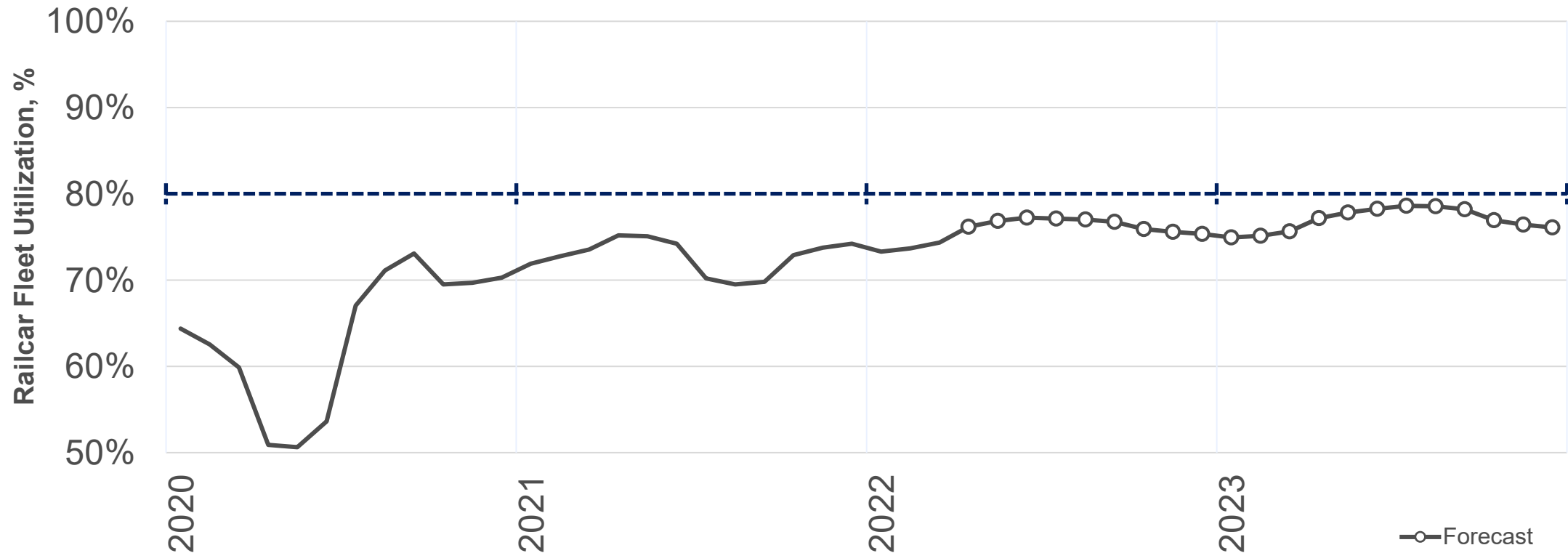
N.A. Intermodal Outlook

(Monthly Loadings Data, Not Seasonally Adjusted)



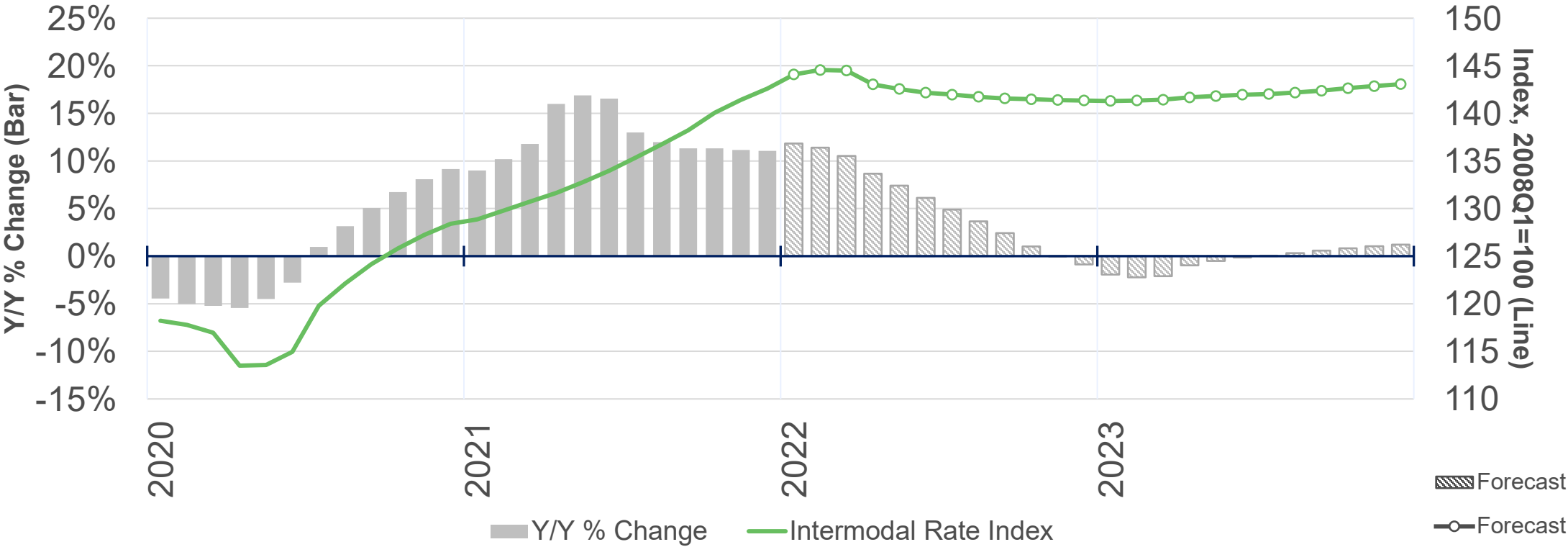
Railcar Utilization Outlook

Share of railcar equipment engaged in freight hauling



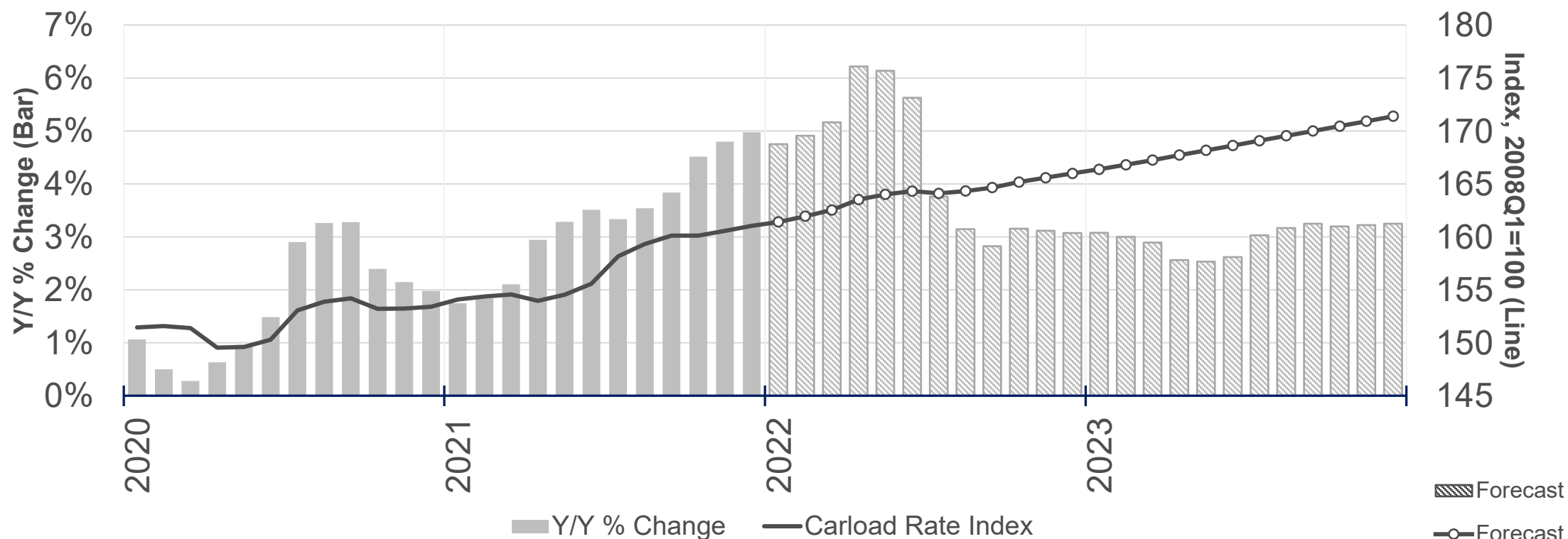
Dashed Line = 10-year average, data is seasonally adjusted

Rate Outlook: Intermodal



Rate excludes Fuel Surcharge, Estimated rate includes rail linehaul and drayage move

Rate Outlook: Rail Carload



Rate excludes Fuel Surcharge, Revenue per tonmile



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Sept. 13-16, 2022



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