



# Truck Freight and the US Economy V2

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December 15, 2021



# ABOUT OUR PRESENTERS

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Brent Hutto

## Brent Hutto

- Truckstop.com Chief Relationship Officer
- 23 Years of logistics experience



Noel Perry

## Noel Perry

- Principle at Transport Futures;
- Chief Economist at Truckstop.com and TIA
- Consultant on all matters of the freight transport within North America



# Primary Objective

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**At this end of this webinar, you will have a better understanding of the challenges being encountered in freight transportation and what the solutions might be moving forward.**



# Truckstop.com Freight Market Data

for the



association education alliance

INNOVATION THROUGH COLLABORATION



# About us



## Truckstop.com provides end-to-end freight management solutions.

Founded in 1995 as the first online load board.

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Largest digital freight matching marketplace in the transportation industry.

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Freight management services for Carriers, broker/3PL and Shippers

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US Freight Market is the largest in the world

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Spot Market - Data based on 100M loads annually

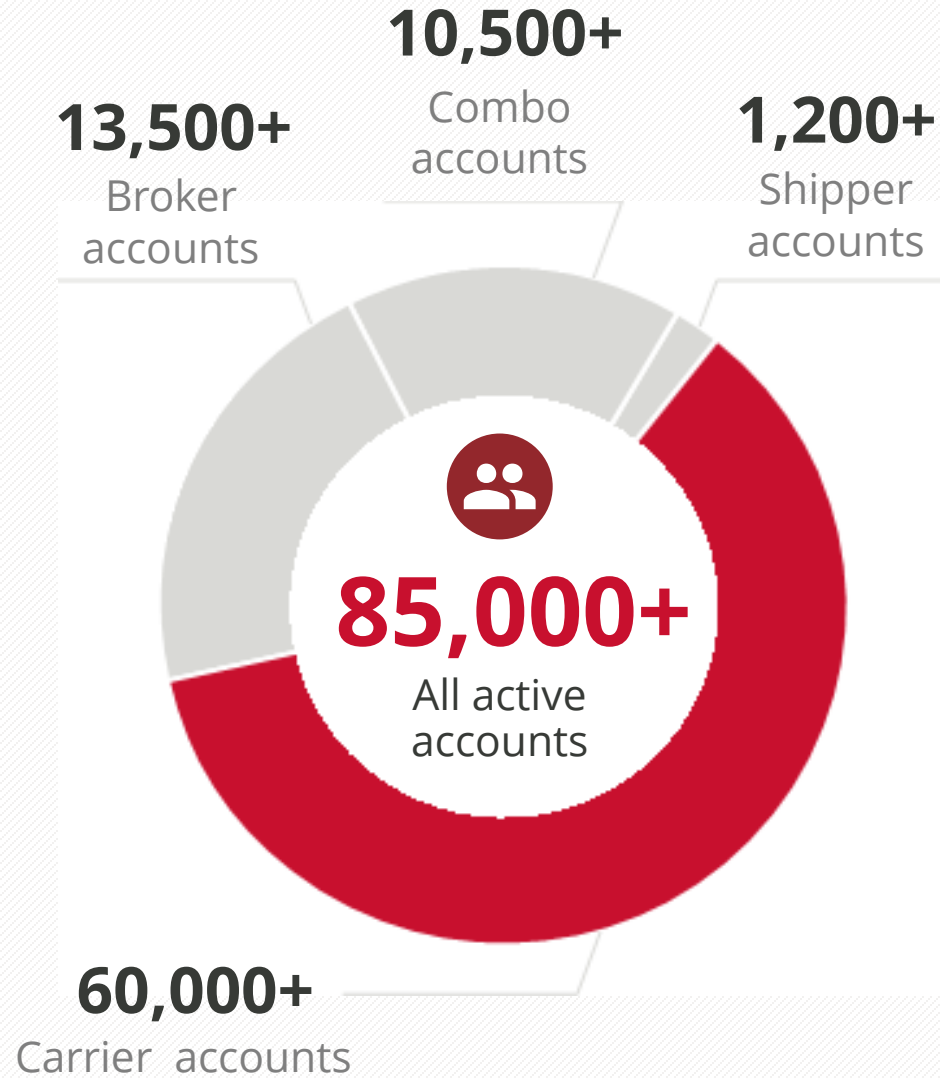
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Truckstop.com Market data used by Bloomberg, UBS Capital, Morgan Stanley, Stifel, Morgan Stanley, Bank of America and Wall Street analysts



**truckstop**  
.com

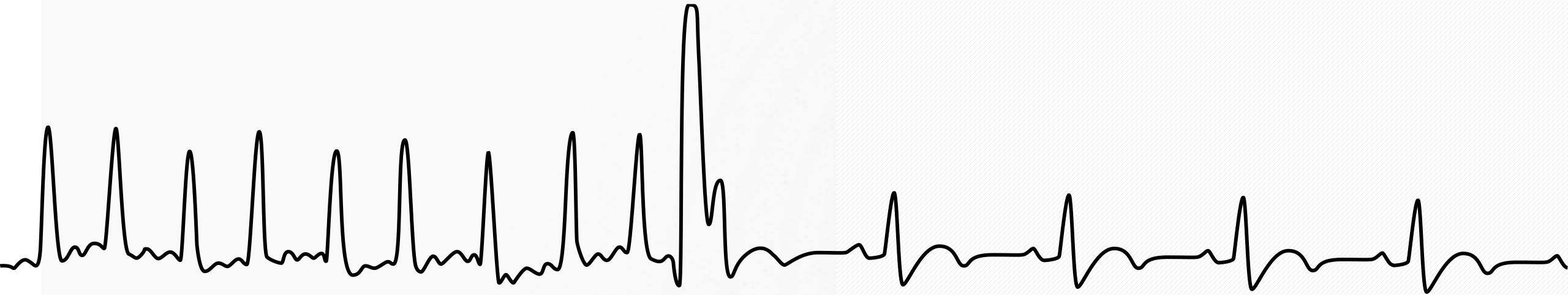
# - The platform for truckload freight



**89%**

**of users log in daily**

# **➤ The Big Shock**



**Heart rhythm in  
atrial fibrillation**

**Cardioversion  
(shock)**

**Normal heart  
rhythm**



# CSCMP Logistic Managers Index (Global)



**Brent Note:** Take notice to how long we have been above Breakeven (black dotted line). At present charting, we have had 5 years above the “normal” balance in the global freight markets.

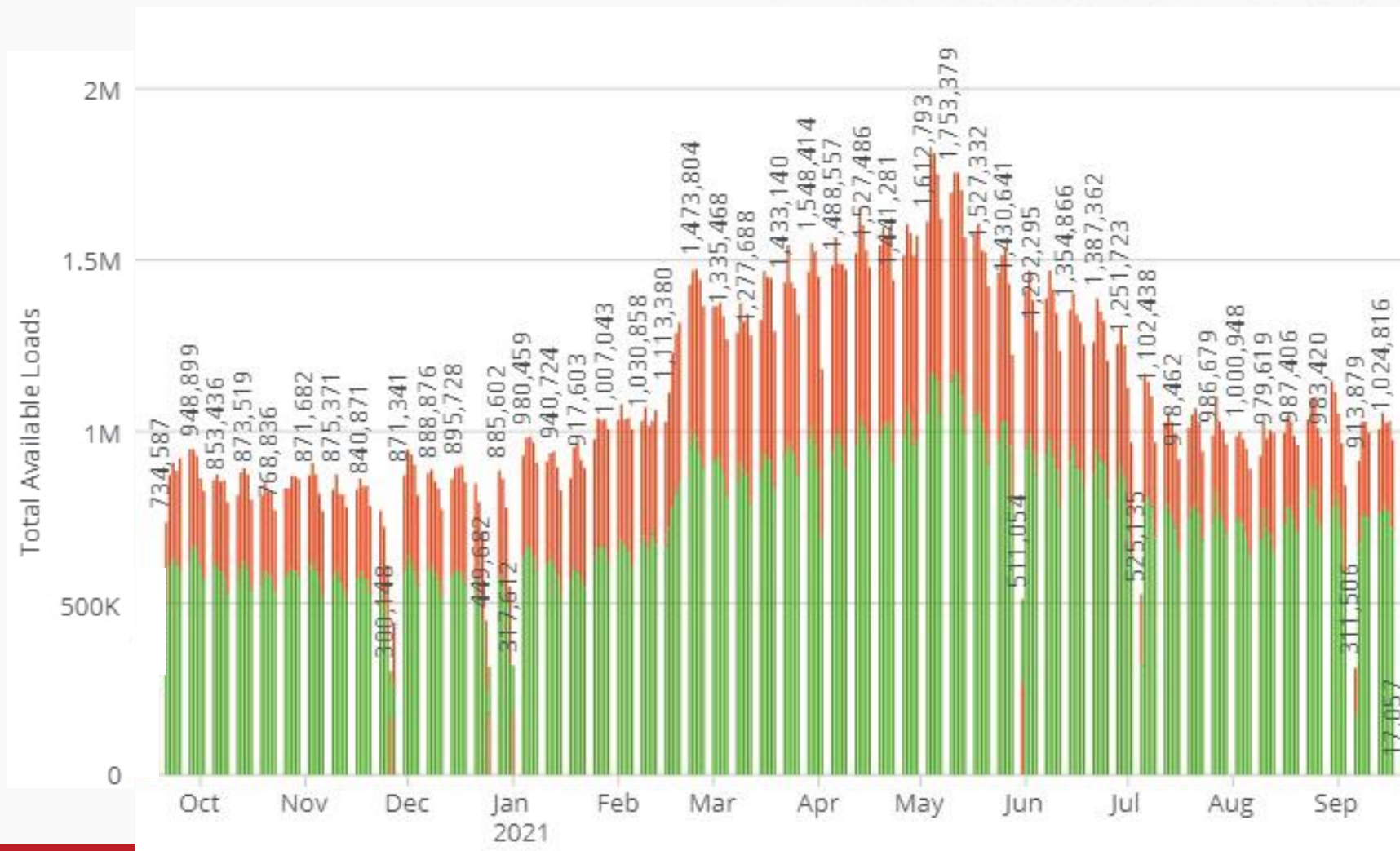
Source: the-lmi.com





# Truckstop.com - load postings per day

PRIVATE INFORMATION - DO NOT DISTRIBUTE

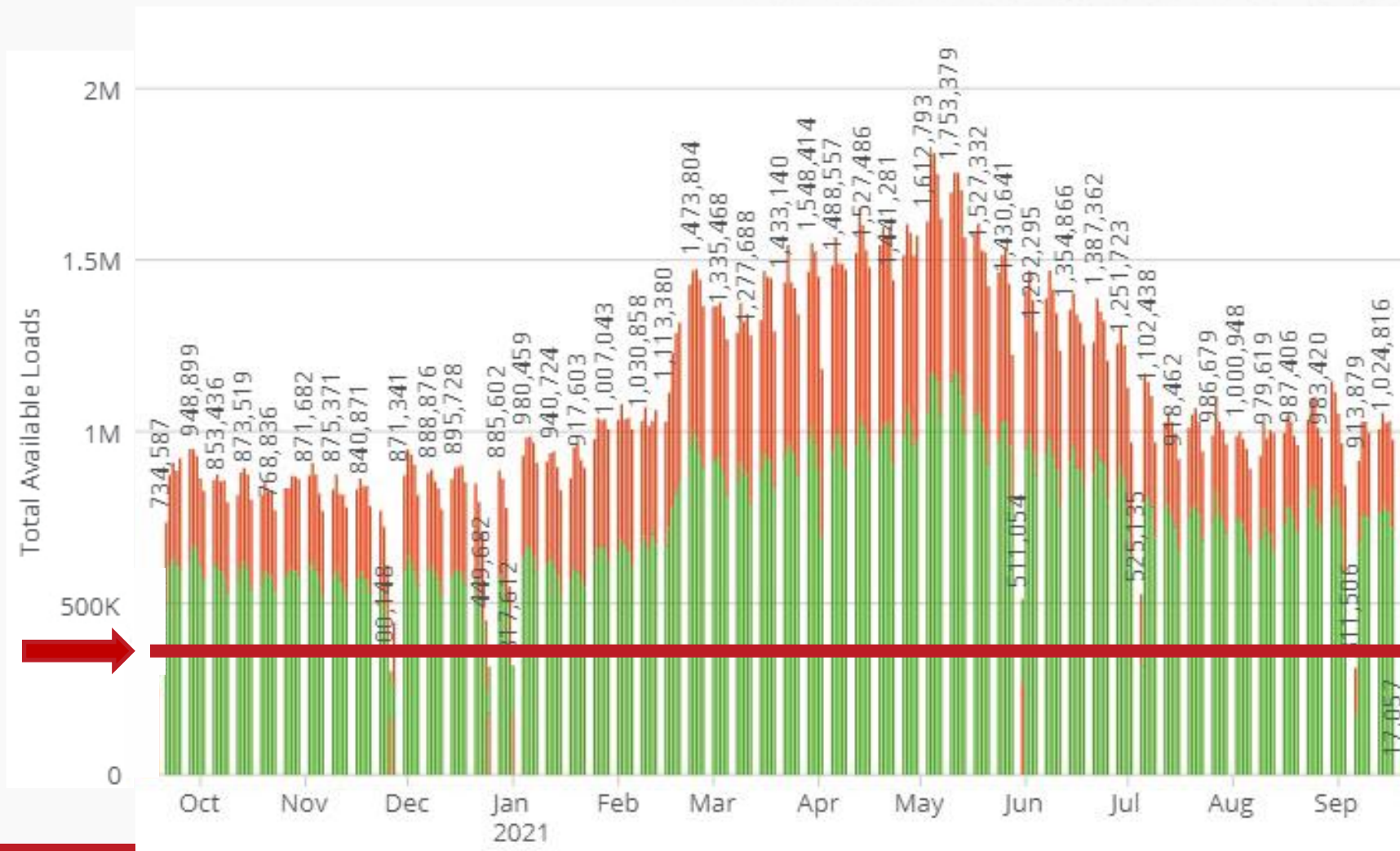




# Truckstop.com - load postings per day

PRIVATE INFORMATION - DO NOT DISTRIBUTE

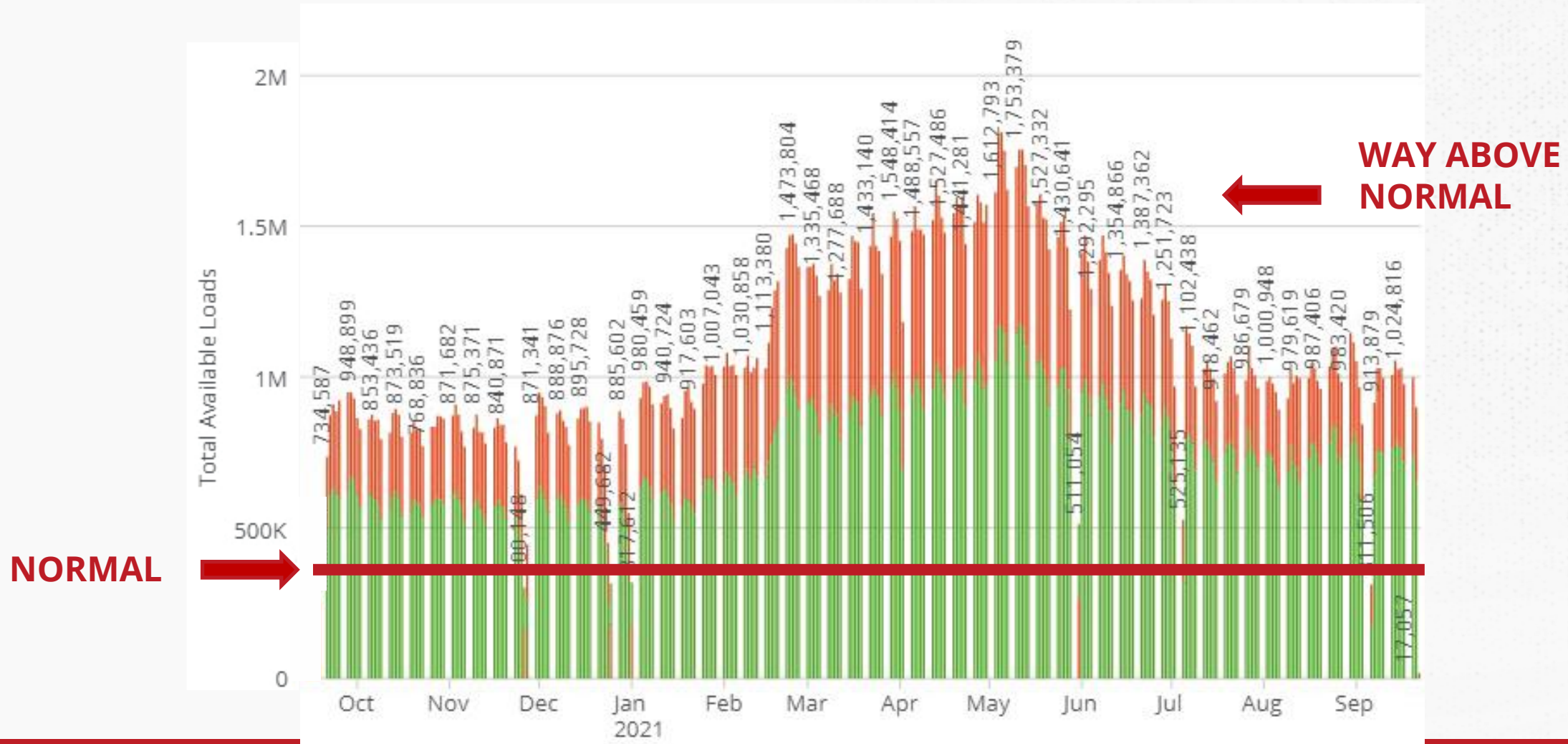
**NORMAL**





# Truckstop.com - load postings per day

PRIVATE INFORMATION - DO NOT DISTRIBUTE





## 3 leading factors to watch

**Total OTR Freight Market in US is 750M Loads**

- **Spot Freight = 100M Loads**
- **Contract Freight = 650M Loads**

Source: Transport Futures



# 3 leading factors to watch

## 1. SPOT Freight - Market Demand Index (MDI)

A. Load Volumes

B. Capacity

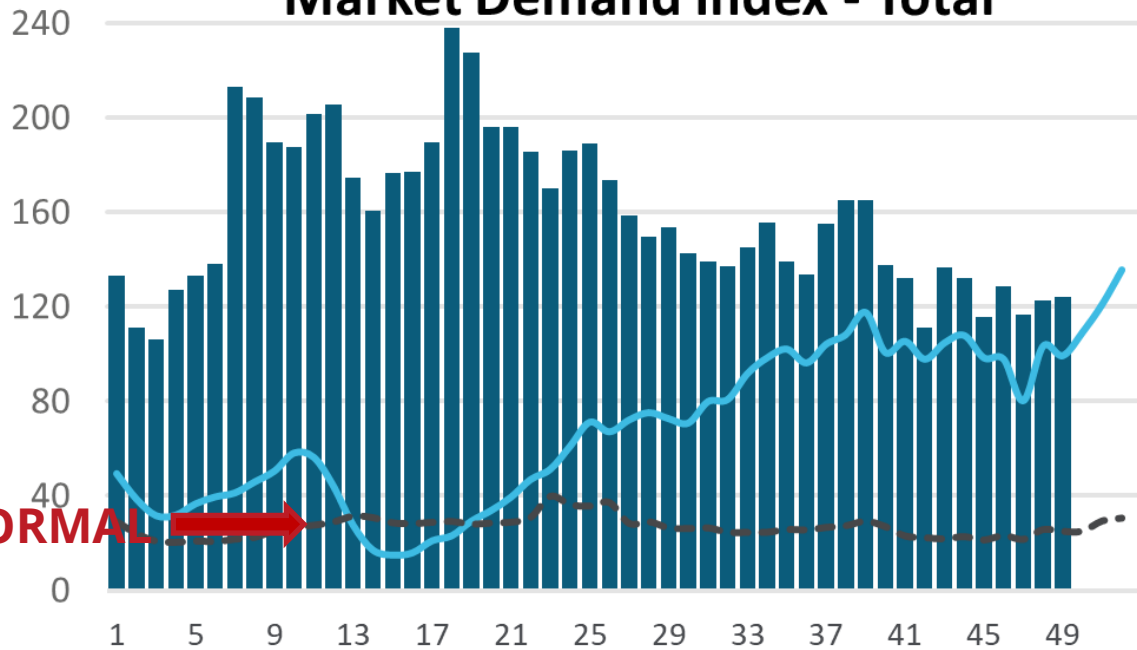
## 2. SPOT Rates

## 3. Contract Freight - Outbound Tender Rejection Index

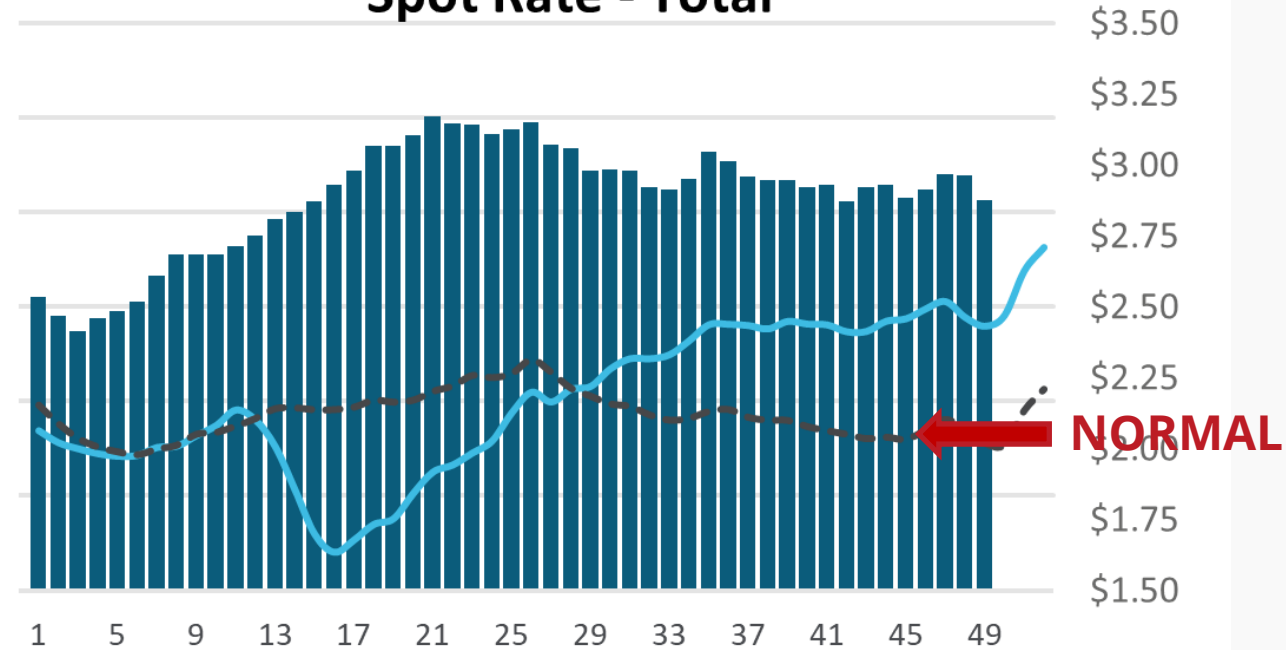


# Dynamic Marketplace – Market Demand Index on December 10th, 2021

### Market Demand Index - Total



### Spot Rate - Total



**NORMAL**

**NORMAL**

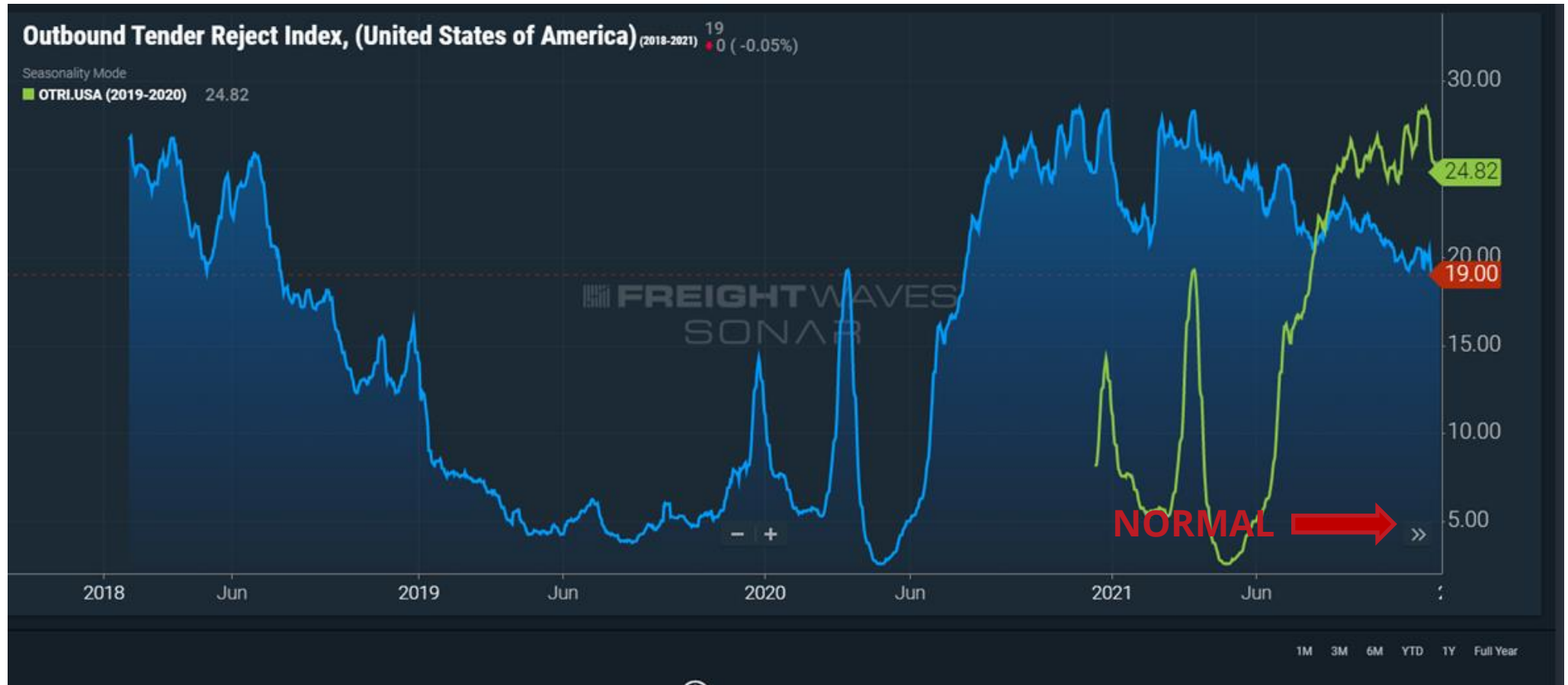


■ 2021 — 2020 - - - 5 Yr Avg ('15-'19)

Source: Truckstop.com and FTR Transportation Intelligence



# ➤ Outbound Tender Rejections (OTRI)



**4X  
HIGHER**

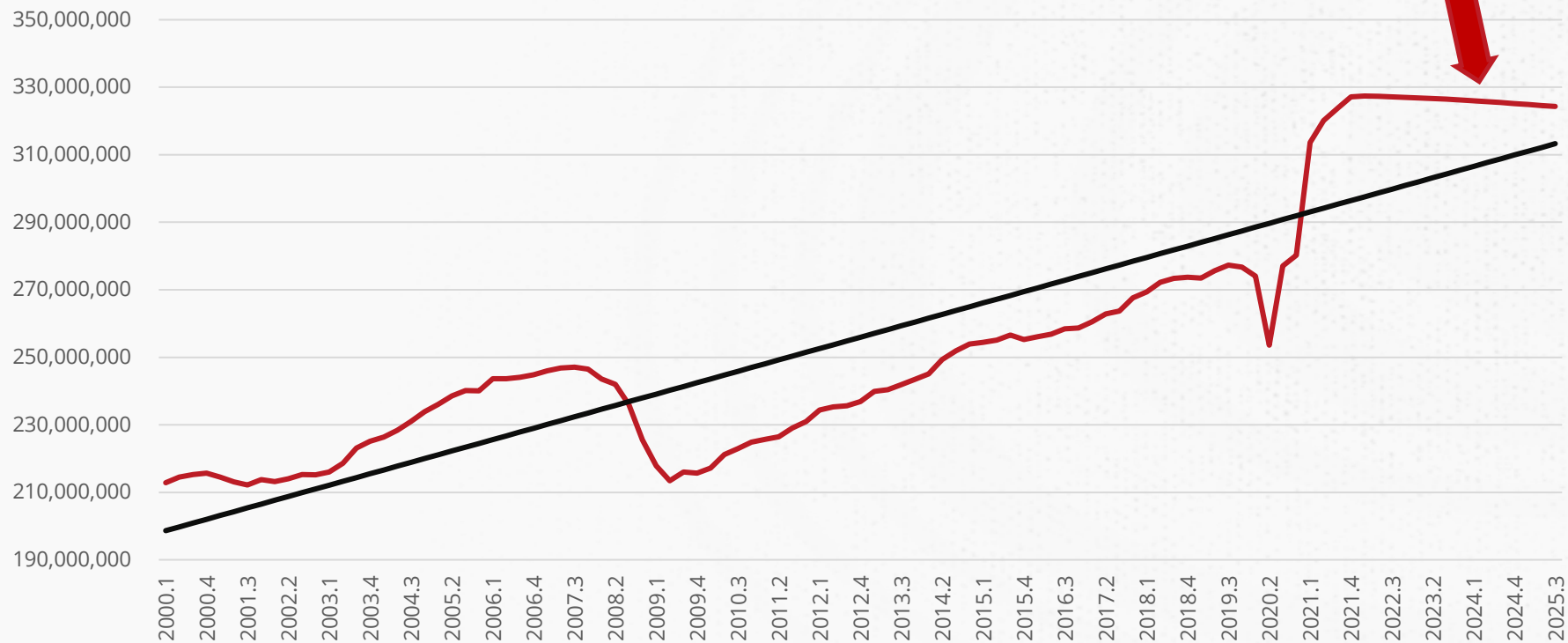
# The truckload freight

Load volume forecast – to 2025



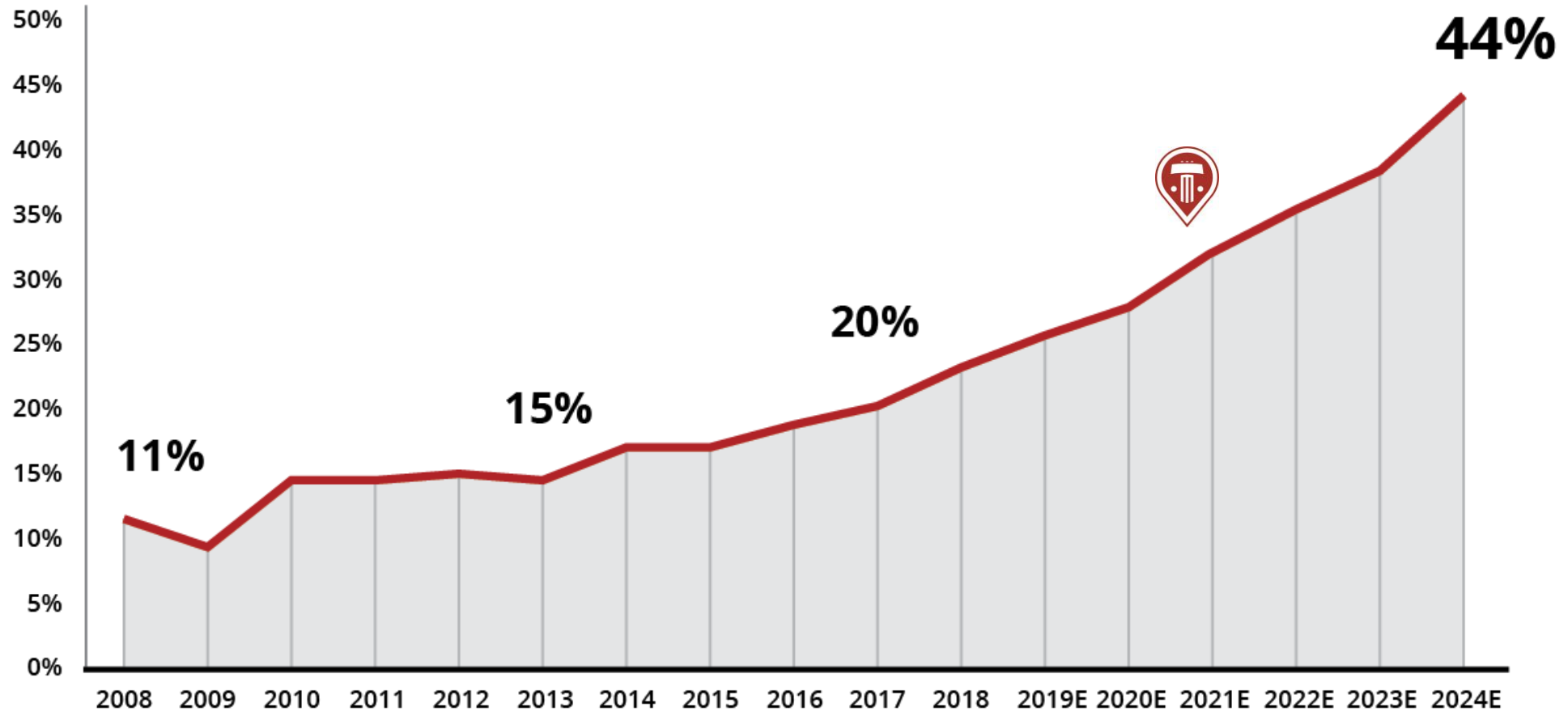
Actual Loads & Trend

**ABOVE TREND until 2025**





# ➤ 3PL is a Growing market



Source: CSCMP State of Logistics, Armstrong & Associates, and JBHT Analysis



# ➤ Fundamental Market Changes

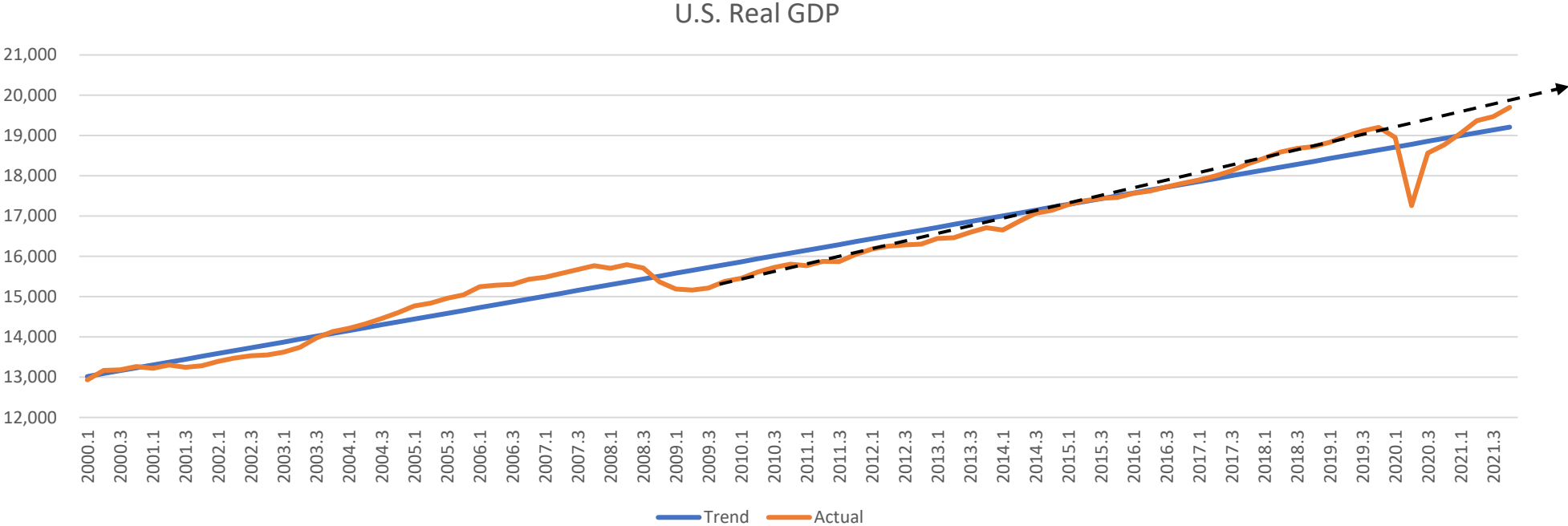
**4 Capacity Crunches in 18 years...but 3 in last 6 years.**

- 1. 2003-2005: 3Q of 03 tax credit and HOS change in Jan 04**
- 2. 2014: Regulations**
- 3. 2017-2018: Economy & ELD (Highest in 38 years)**
- 4. 2020-???: Pandemic (Highest in 40 years)**

***What to watch:***

***Automation in Freight Markets is merging freight into one marketplace***

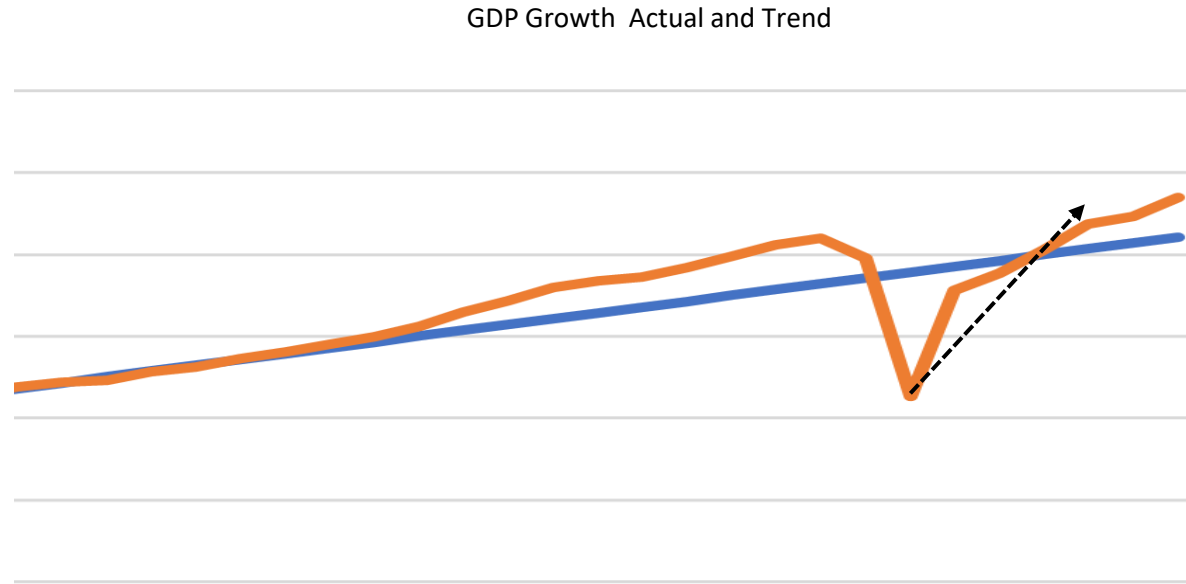
Anatomy of a capacity crisis. It is NOT an unusual peaking of economic activity



Source: Witte Economics, BEA, Transport Futures

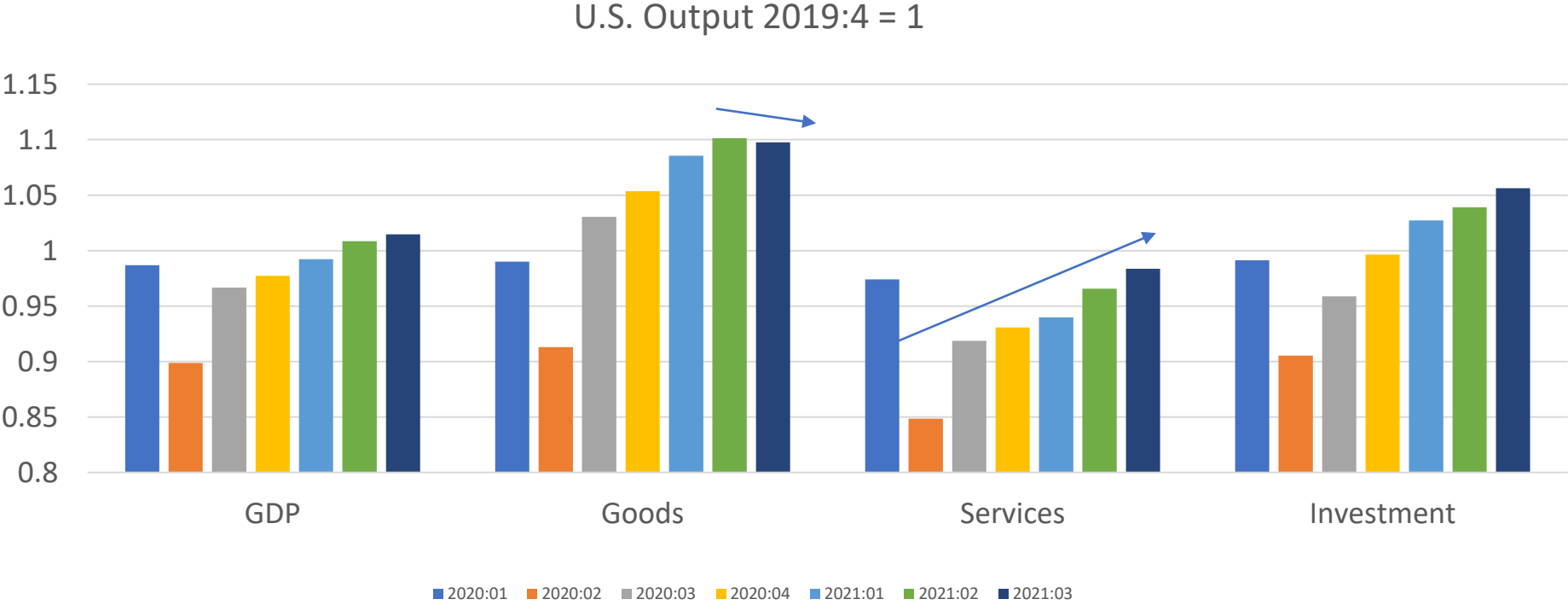
Anatomy of a capacity crisis. There was an unusual SURGE!

Over 12% in just four quarters, EIGHT times normal growth.



Source: Witte Economics, BEA, Transport Futures

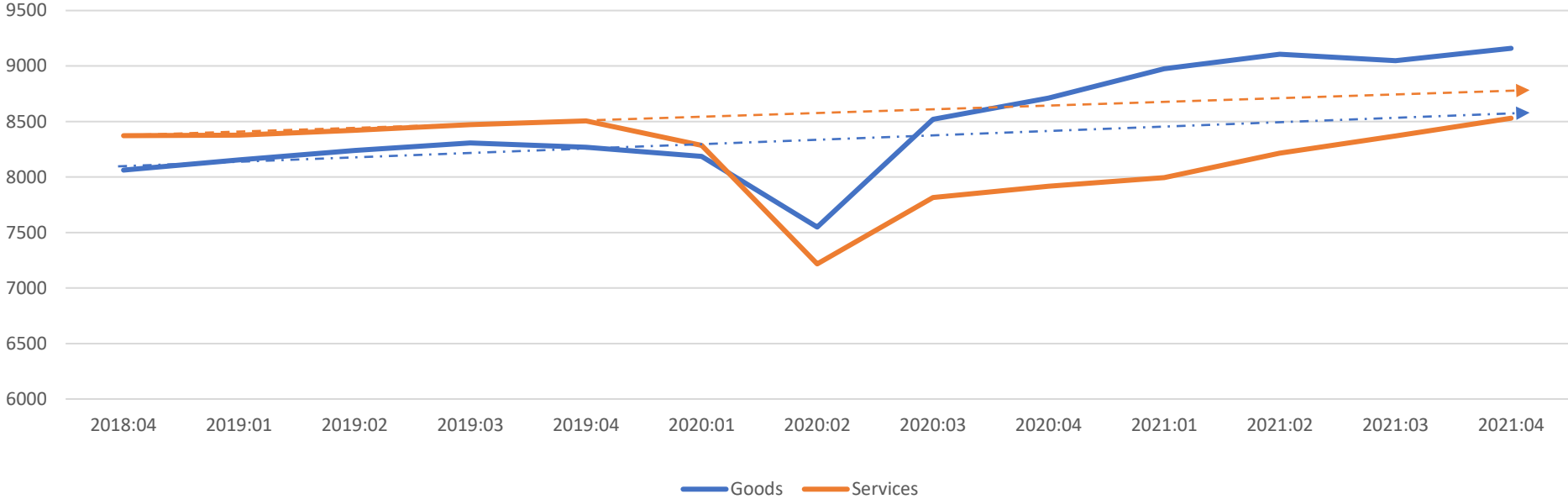
This event has an unusual shape:



Sources: Witte Economics, BEA, Transport Futures

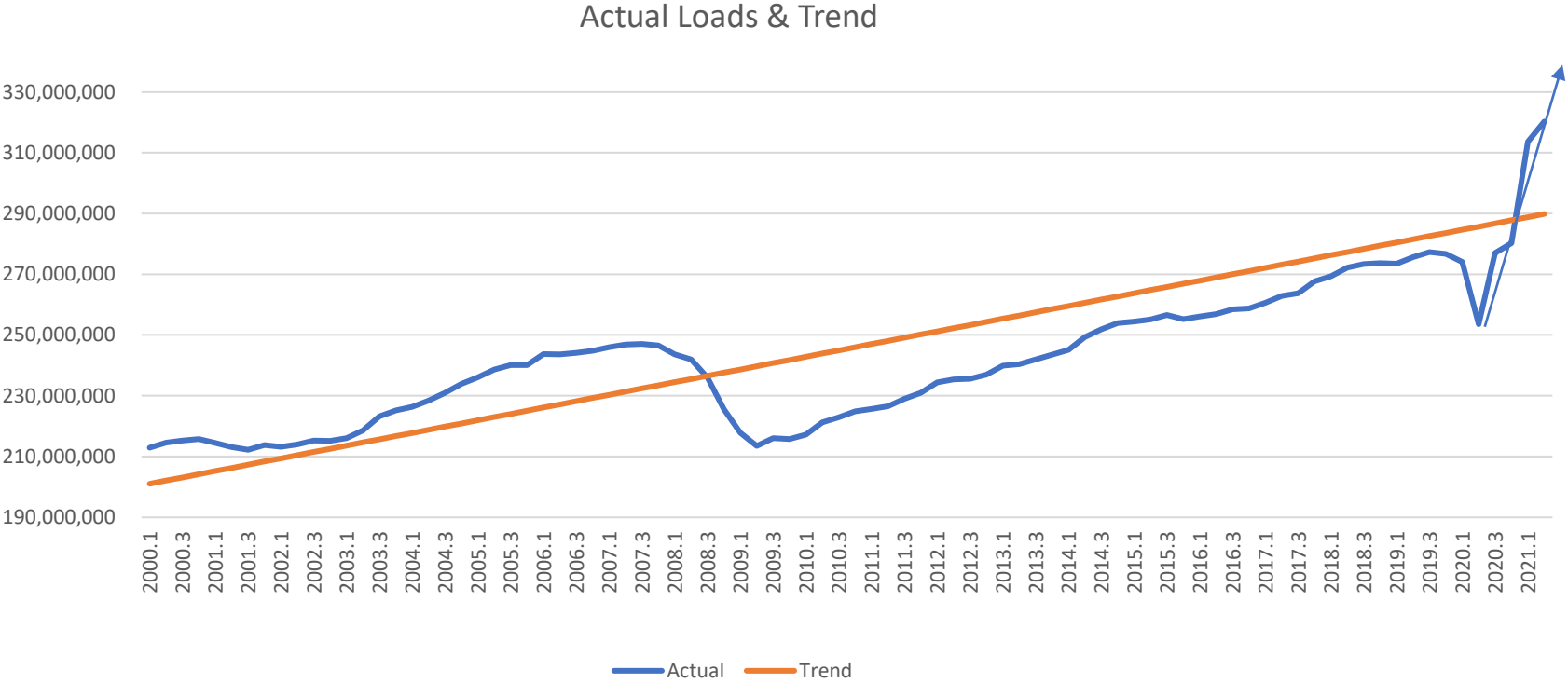
More on the spending balance.

Consumer spending



Sources: Witte Economics, Transport Futures

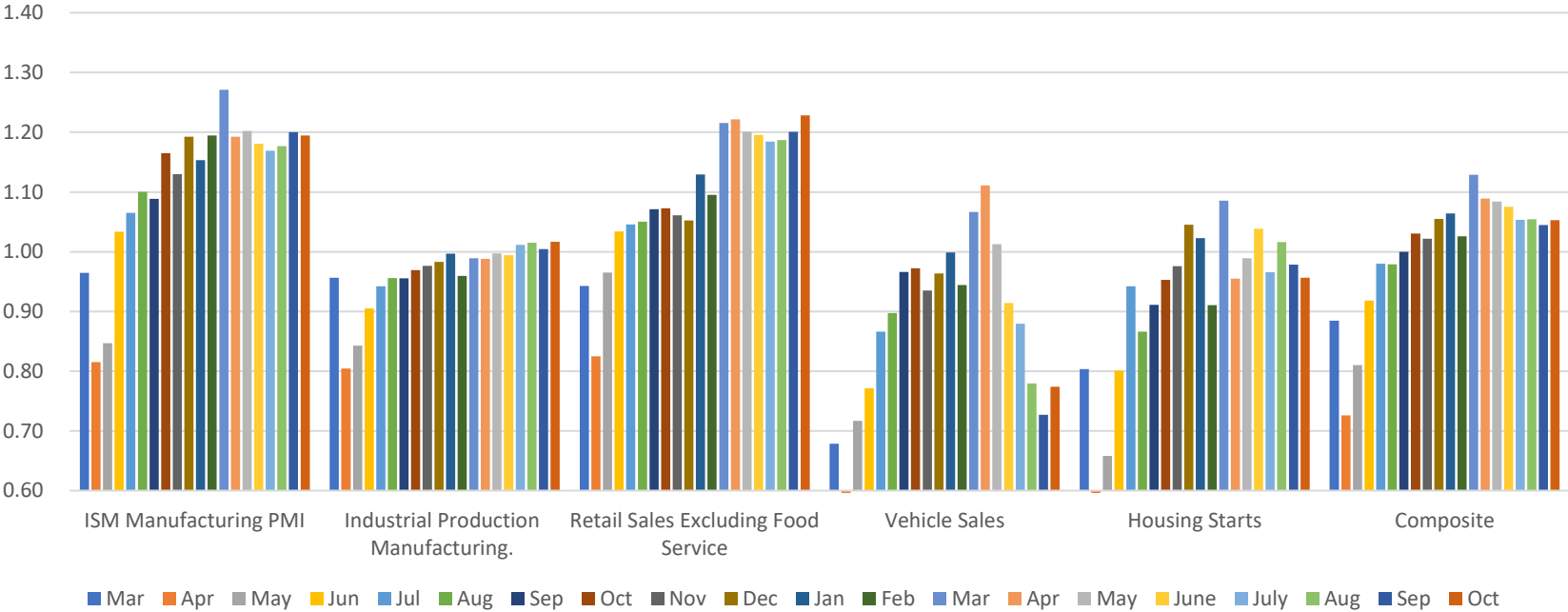
# Translation to trucking .



Source: Transport Futures

# Latest Monthly Macro Data

Key Trucking Indicators  
Jan 2020 = 1

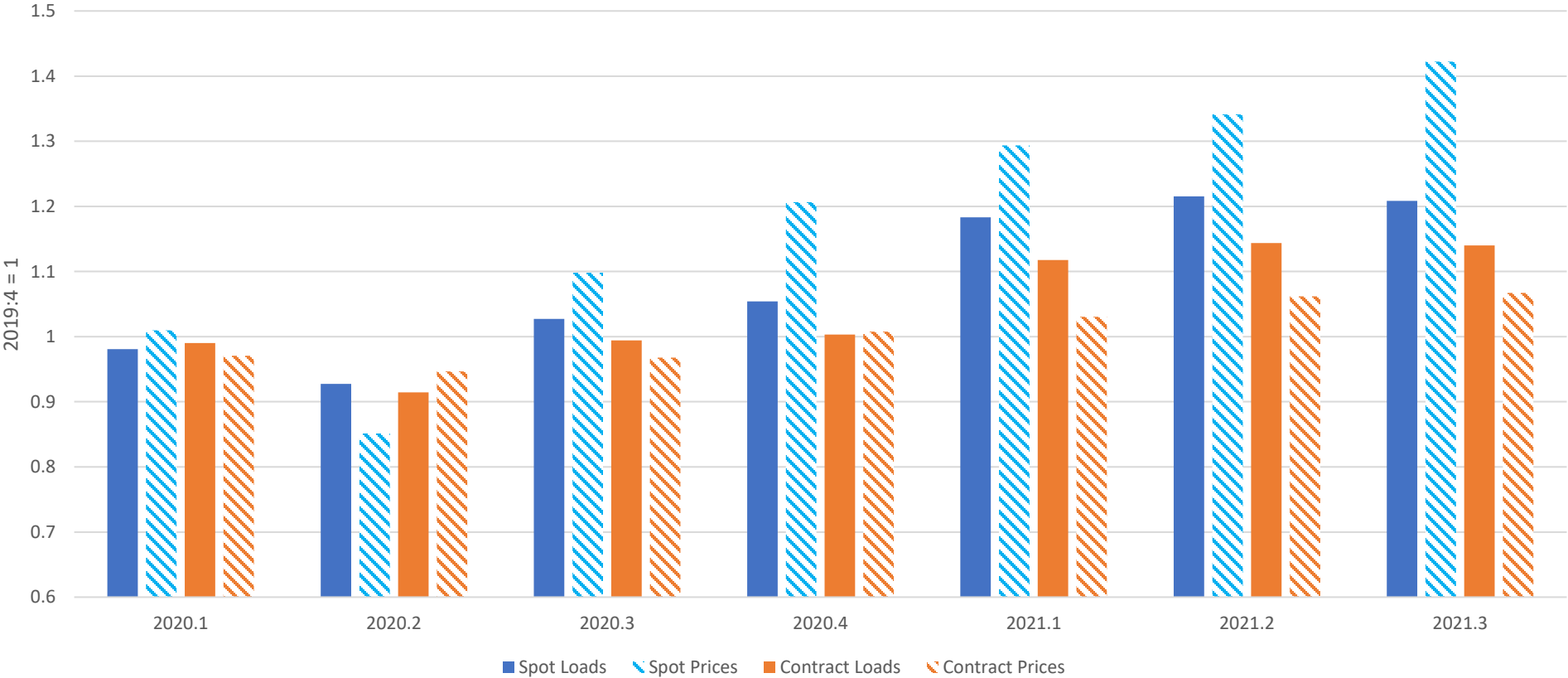


Source: ISM, St. Louis Fed, Transport Futures



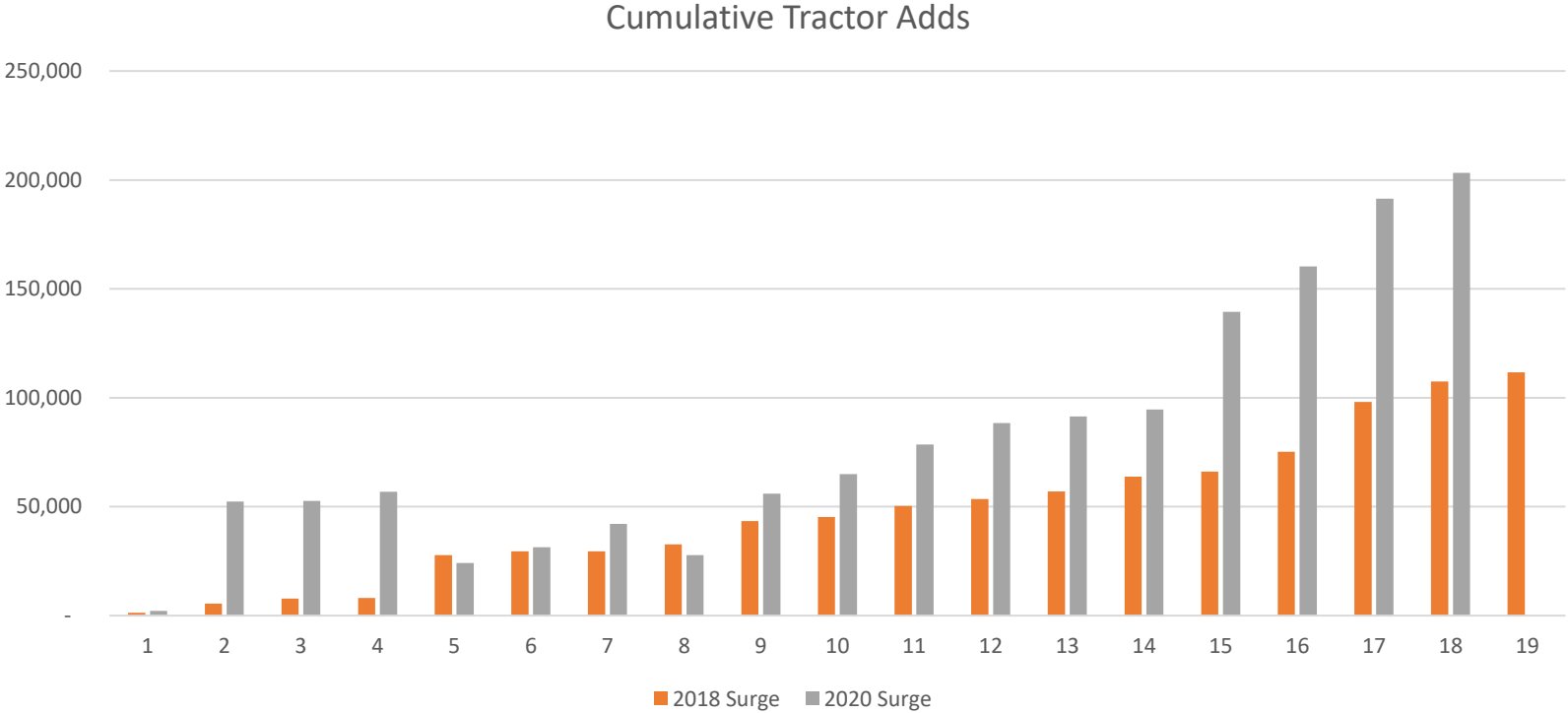
# Current Trucking Overview

## Truck Market Conditions



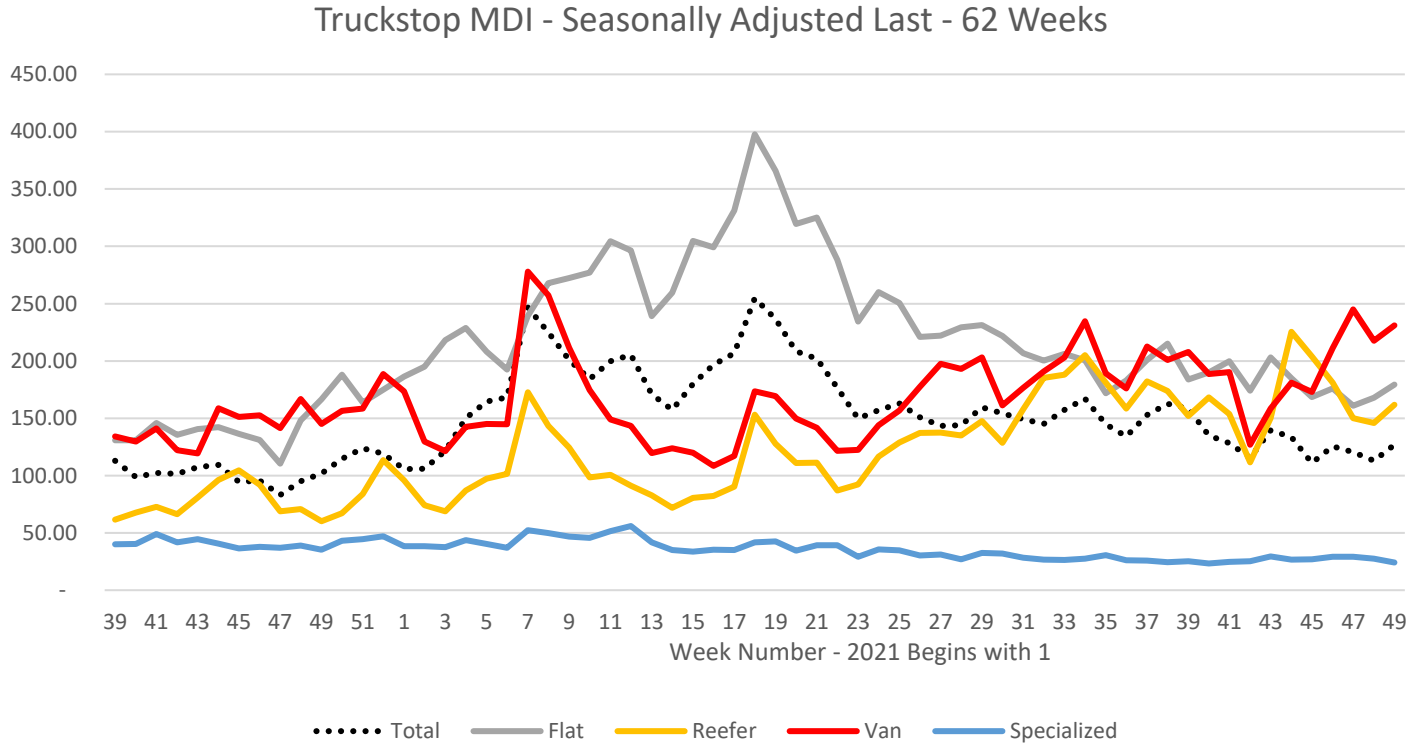
Source: Transport Futures, Truckstop.com, ATA, DAT, Cass, Truckloadrate.com

# Driver Supply



Source: Transport Futures, BLS, FMCSA

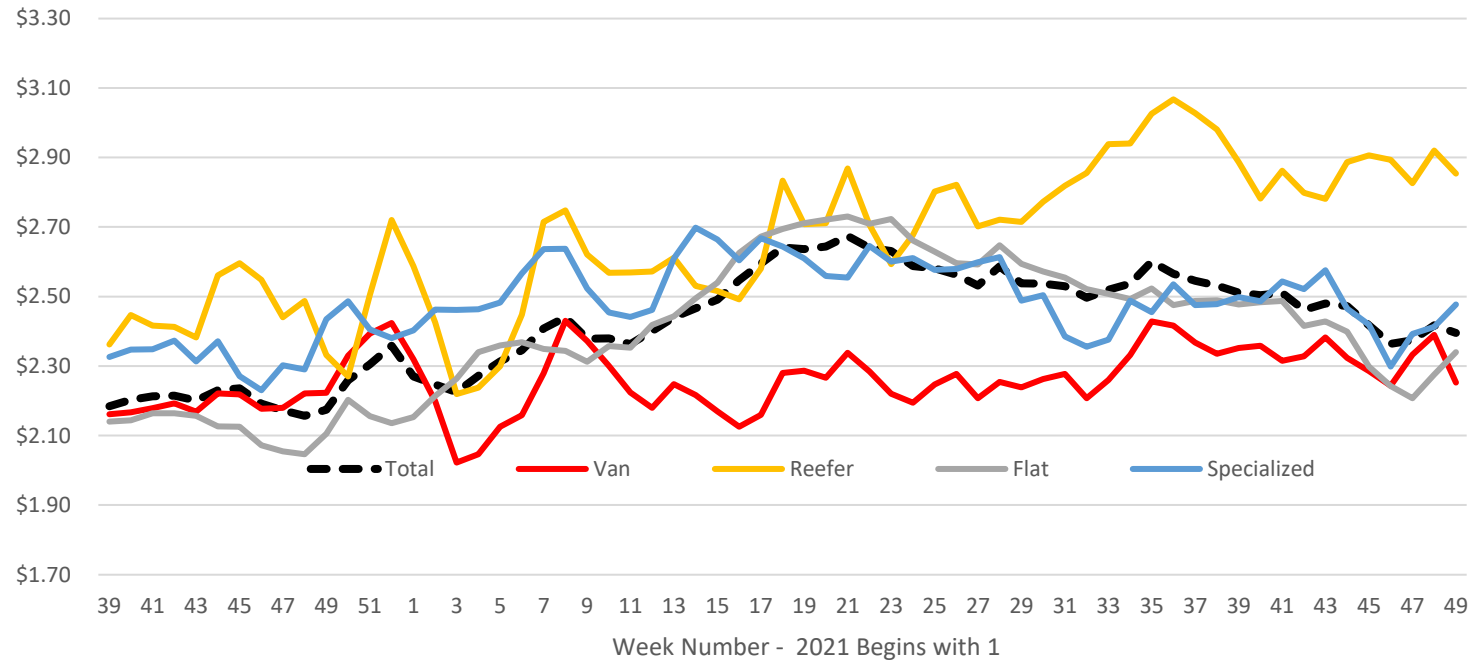
# Latest Spot Market Trucking Data - Tightness



Source: Transport Futures, Truckstop.com

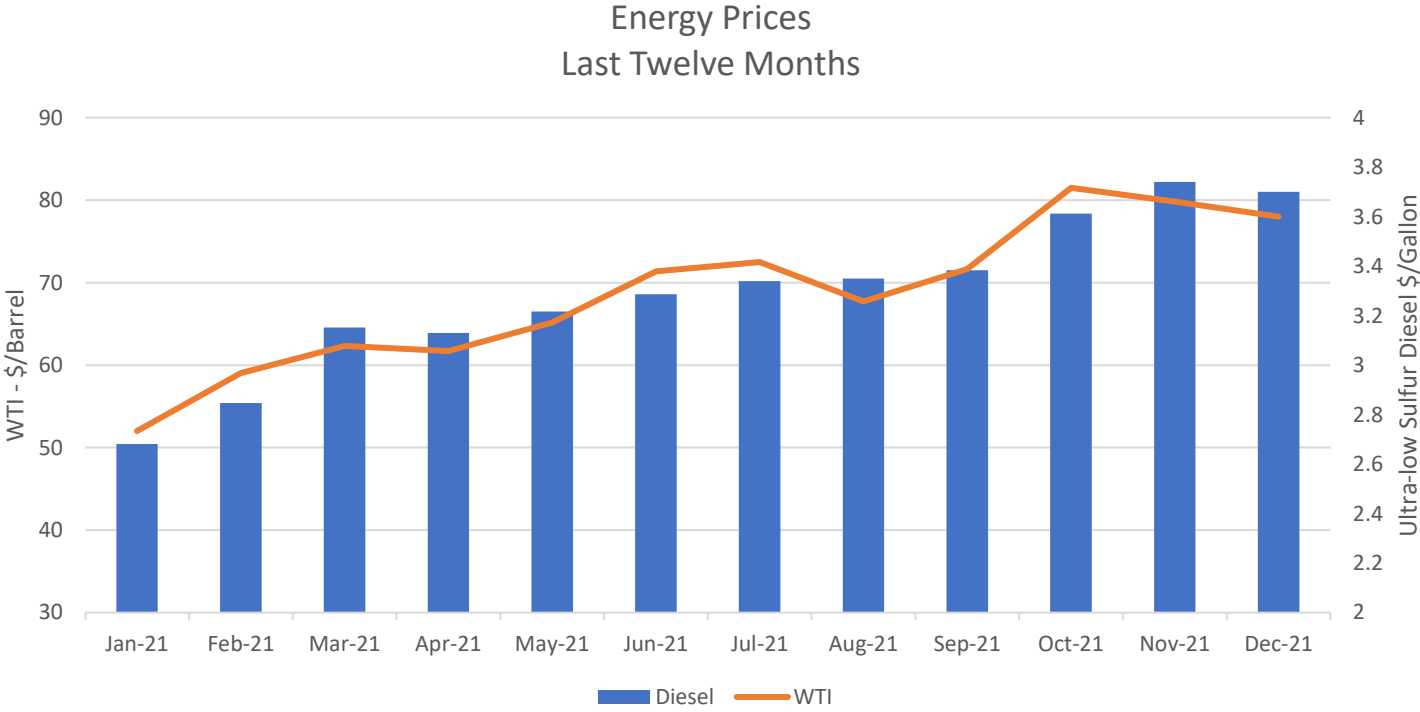
# Latest Spot Market Trucking Data - Pricing

## Spot Rates - Before Fuel, Seasonally Adjusted - Last 62 Weeks



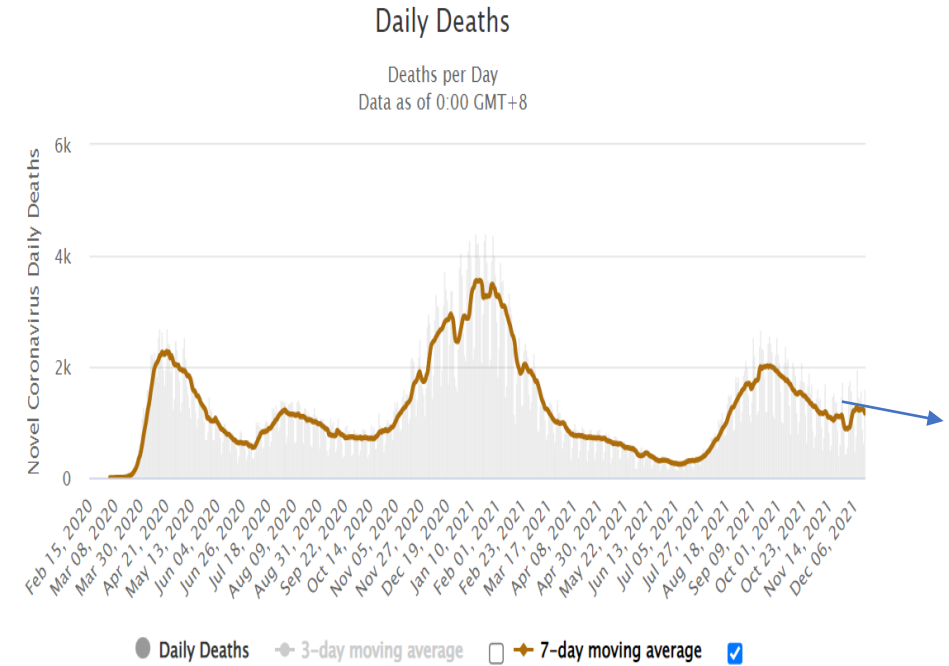
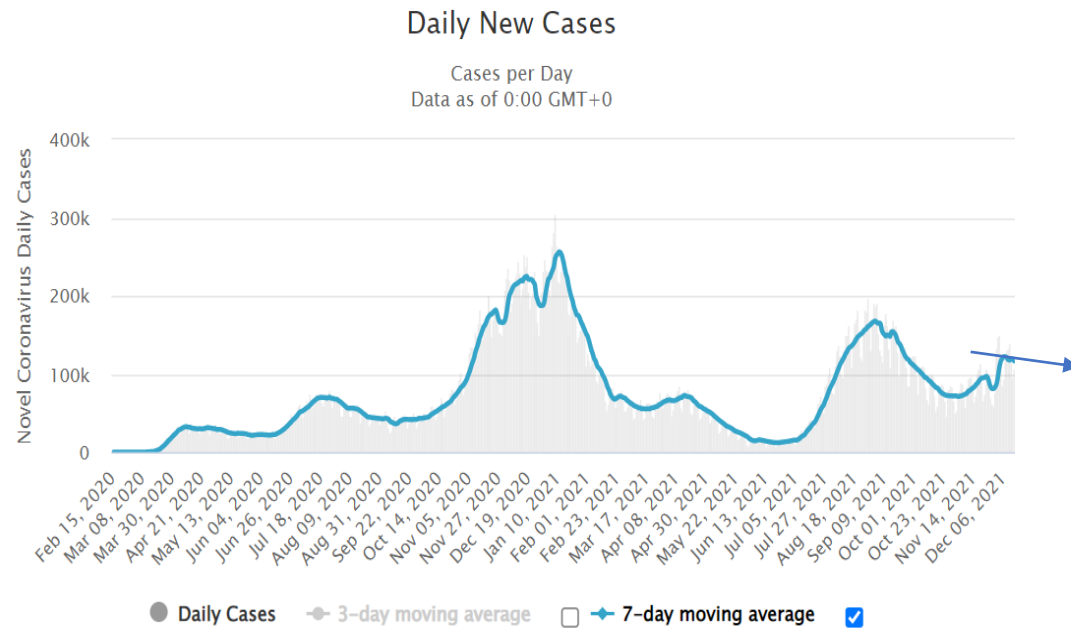
Source: Transport Futures, Truckstop.com

# Latest Spot Market Trucking Data - Fuel



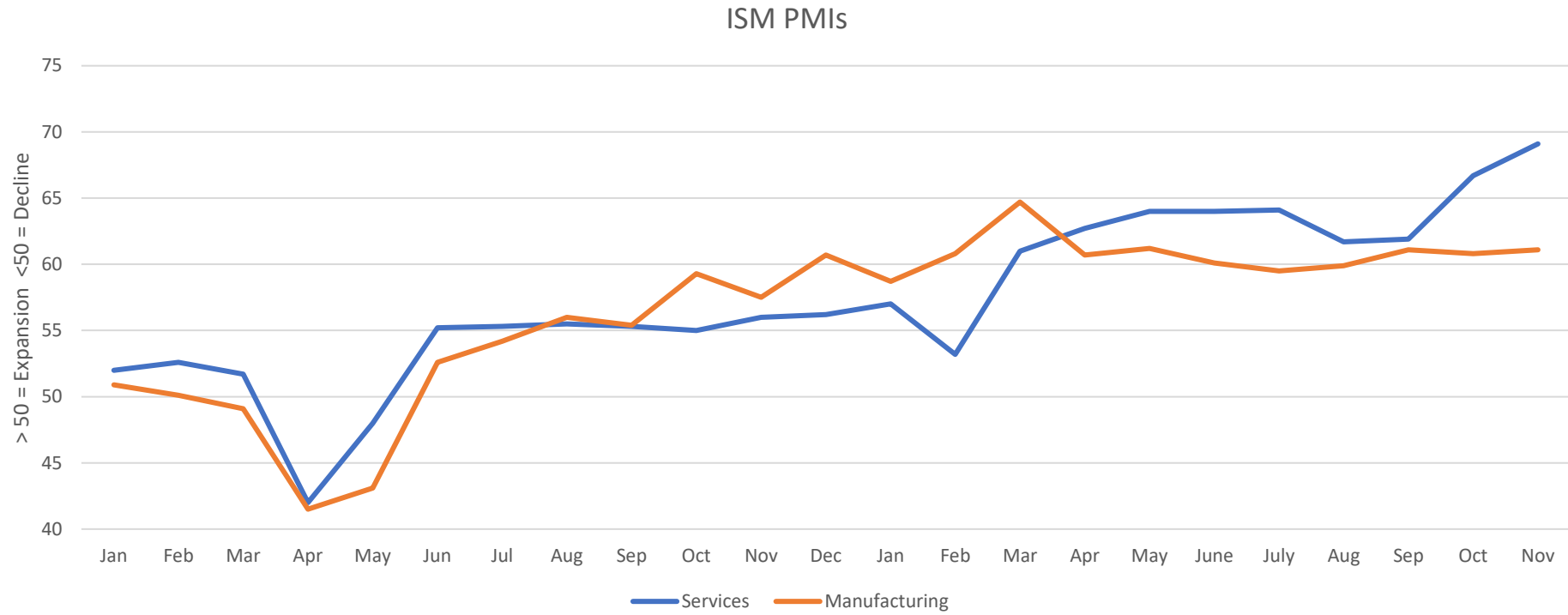
Source: EIA

# COVID Update



Sources: Worldometer

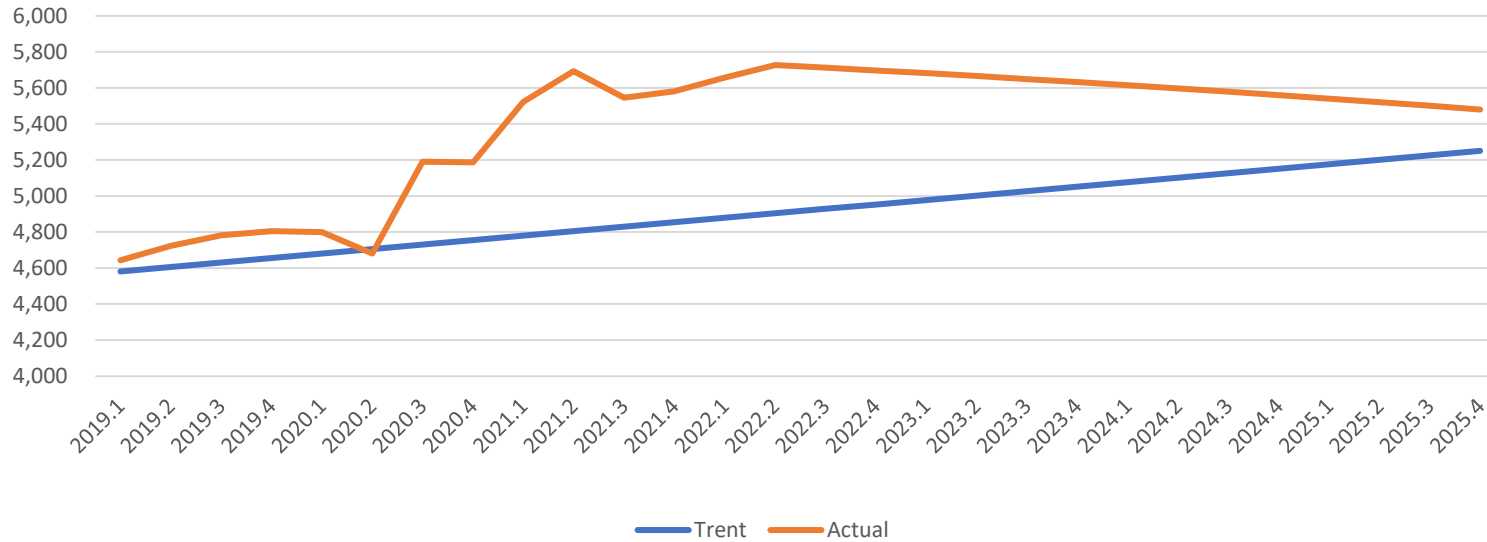
# Economic Mix



Source: Institute of Supply Management

# The Economic Forecast

## Goods Consumption - Trend & Actual

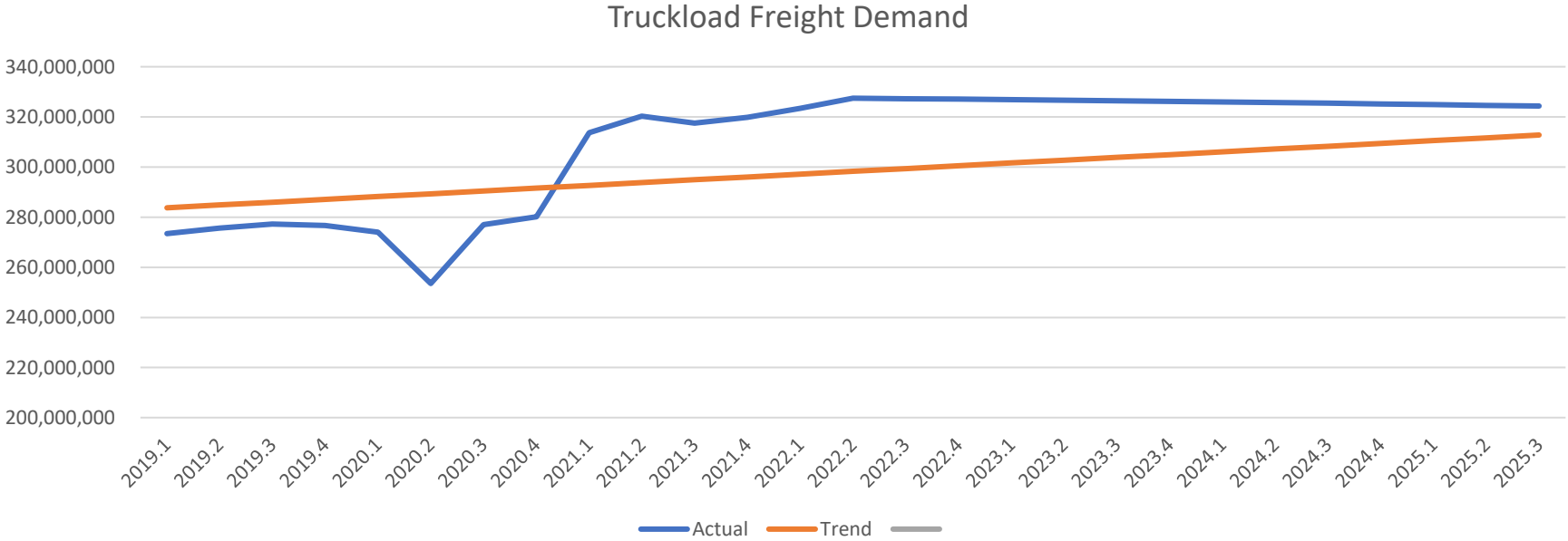


QQQ Annualized Growth													
	2019.4	2020.1	2020.2	2020.3	2020.4	2021.1	2021.2	2021.3	2021.4	2022.1	2022.2	2022.3	2022.4
<b>GDP</b>	1.9%	-5.1%	-31.2%	33.8%	4.5%	6.3%	6.7%	2.0%	4.8%	4.6%	5.0%	-0.8%	1.9%
<b>Durable Goods</b>	5.0%	-12.0%	-1.5%	89.0%	1.2%	50.0%	11.6%	-26.2%	0.6%	8.7%	7.8%	-1.0%	-1.1%
<b>Non Durable Goods</b>	0.3%	7.1%	-13.9%	31.8%	-1.1%	15.9%	13.9%	2.6%	3.9%	3.5%	3.3%	-1.0%	-1.0%
<b>Consumer</b>	1.7%	-6.9%	-33.4%	41.4%	3.4%	11.4%	12.0%	1.6%	5.2%	5.0%	5.6%	1.2%	1.2%
<b>Manu</b>	-2.6%	-6.7%	-42.4%	44.5%	8.2%	229.5%	6.4%	4.3%	3.9%	3.4%	4.1%	0.0%	0.0%
<b>Investment</b>	-1.2%	-3.4%	-30.4%	25.8%	16.6%	13.0%	4.6%	-0.1%	3.0%	5.7%	7.0%	0.7%	0.6%

Source: Transport Futures, Witte Economics



# The Truckload Volume Forecast

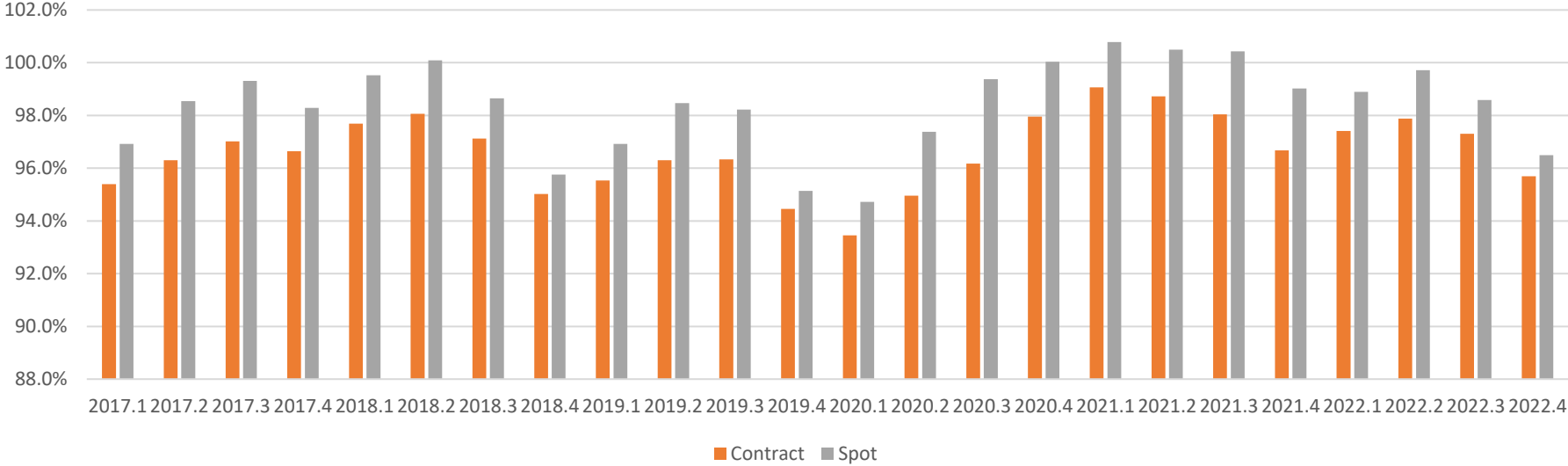


	QOQ Volume Growth											
	2020.1	2020.2	2020.3	2020.4	2021.1	2021.2	2021.3	2021.4	2022.1	2022.2	2022.3	2022.4
Spot	-3.3%	-4.7%	11.7%	6.2%	13.3%	2.2%	-2.3%	-0.8%	1.2%	0.7%	-0.5%	-1.5%
Contract	-0.8%	-7.8%	8.6%	0.4%	11.2%	2.4%	-0.1%	1.9%	1.2%	1.2%	0.0%	0.2%

Source: Transport Futures

# Capacity Utilization Forecast

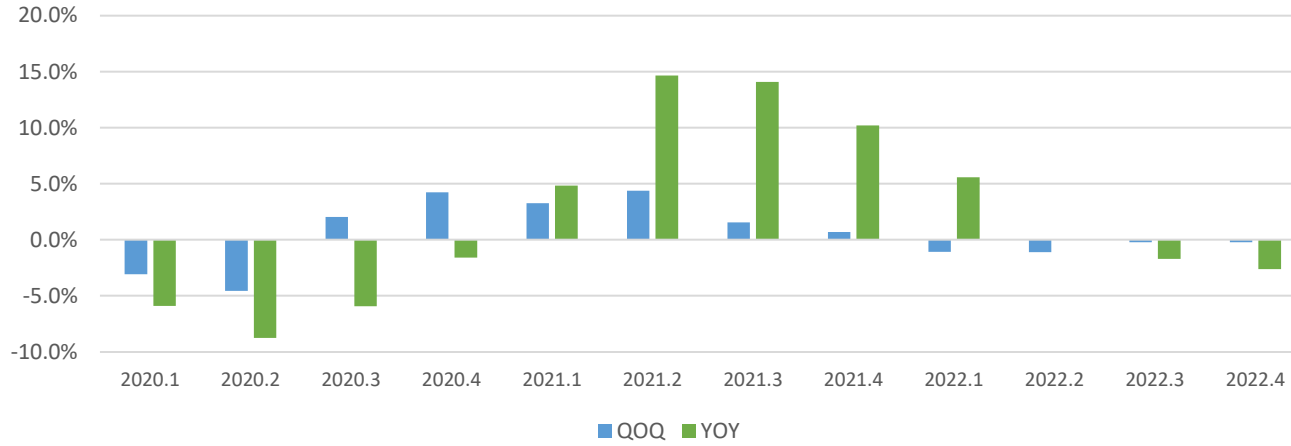
Truckload Capacity Utilization  
Not Seasonally Adjusted



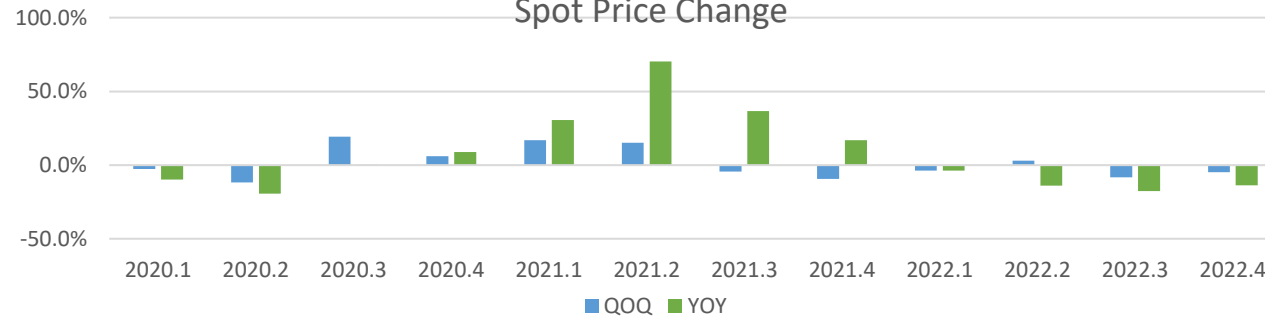
Source: Transport Futures

# Pricing Forecasts - After Fuel, Not Seasonalized

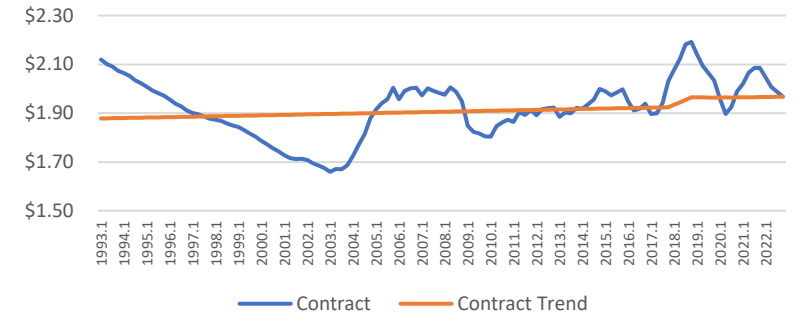
## Truckload Contract Price Change



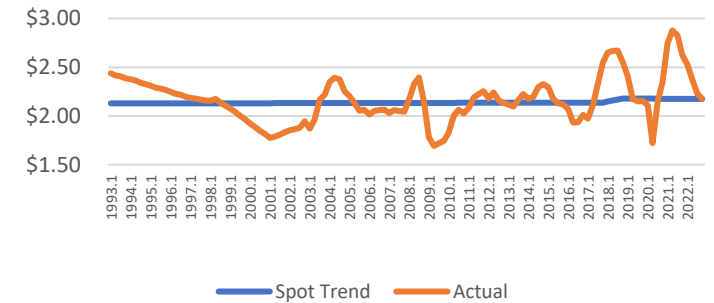
## Spot Price Change



## Contract Prices - Total Before Fuel

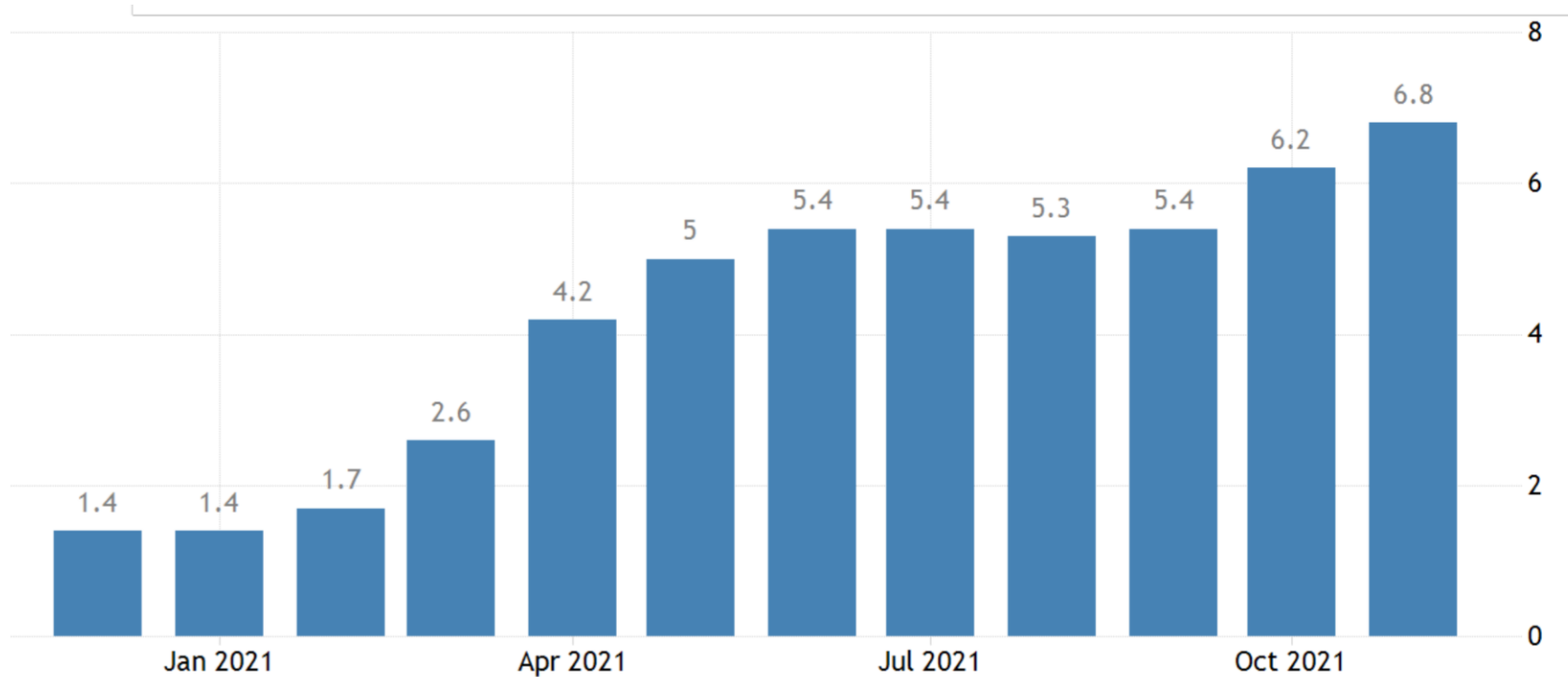


## Spot Pricing Before Fuel



Source: Transport Futures, ATA, DAT, Truckstop.com, Cass, Truckloadrate.com, St. Louis Fed.

## Exposures – Watch Inflation



SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

Source: Trading Economics

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# QUESTIONS & WRAP UP

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**Connect with our Presenters:  
Brent Hutto & Noel Perry**

[brenthutto@truckstop.com](mailto:brenthutto@truckstop.com) or [noelperry@truckstop.com](mailto:noelperry@truckstop.com)

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**Thank you for participating!**

