

**The webinar will begin shortly...**



# Economic Outlook

Presented by FTR Transportation Intelligence



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FTR*



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*CEO  
FTR*



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## What's Included?



A market overview prepared by FTR experts exclusively for your organization



An opportunity for your team to gain insights from the FTR expert on the issues impacting your business

# Today's agenda

- Tariffs' impact on the economy and FTR's forecast
- Economic outlook
- Thinking through uncertainties

## Q&A



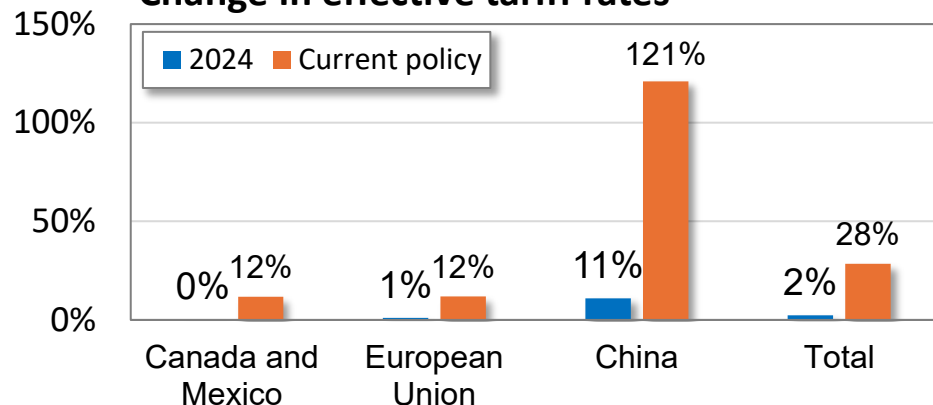
# Tariffs' impact on the economy and FTR's forecast

# How tariffs affected FTR's economic forecast

- Global tariff rate jumps to ~21% from ~2% (2024 rate).
  - FTR's estimate significantly below maximum potential impact of ~28%
  - Assumption allows for continued exceptions and potential deals
- Core inflation rises.
  - Rises sharply, peaking above 4% annualized before easing gradually
  - Fuel prices might restrain overall inflation but won't fully offset it
- The Fed delays further easing of interest rates.
- The unemployment rate rises this year.
  - Forecast assumes unemployment just above 5% by 2026
  - Gradual easing thereafter but staying above current level through 2027

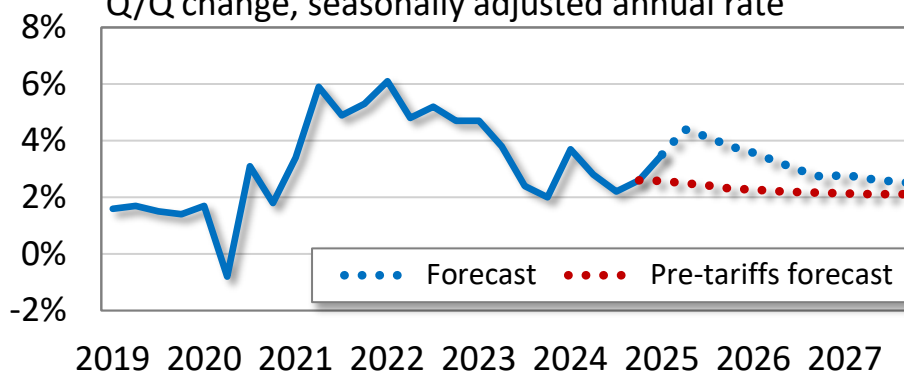
# How tariffs affected FTR's economic forecast

## Change in effective tariff rates



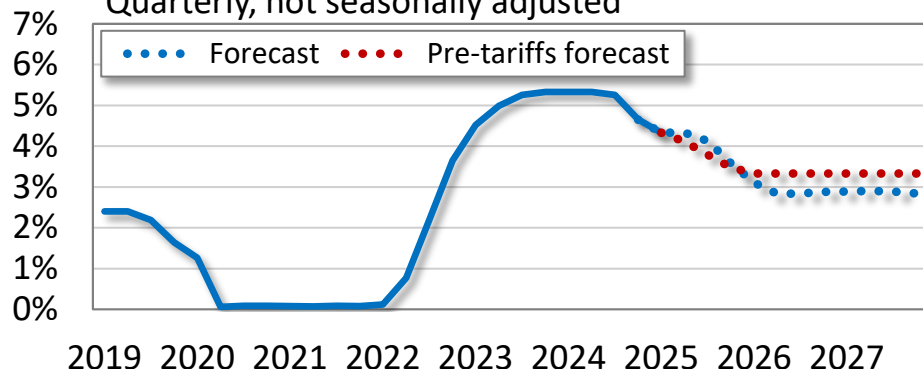
## Core PCE Price Index

Q/Q change, seasonally adjusted annual rate



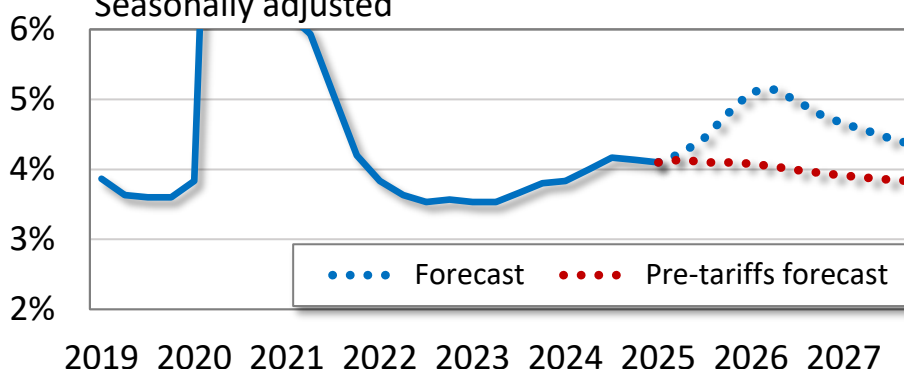
## Federal funds rate

Quarterly, not seasonally adjusted

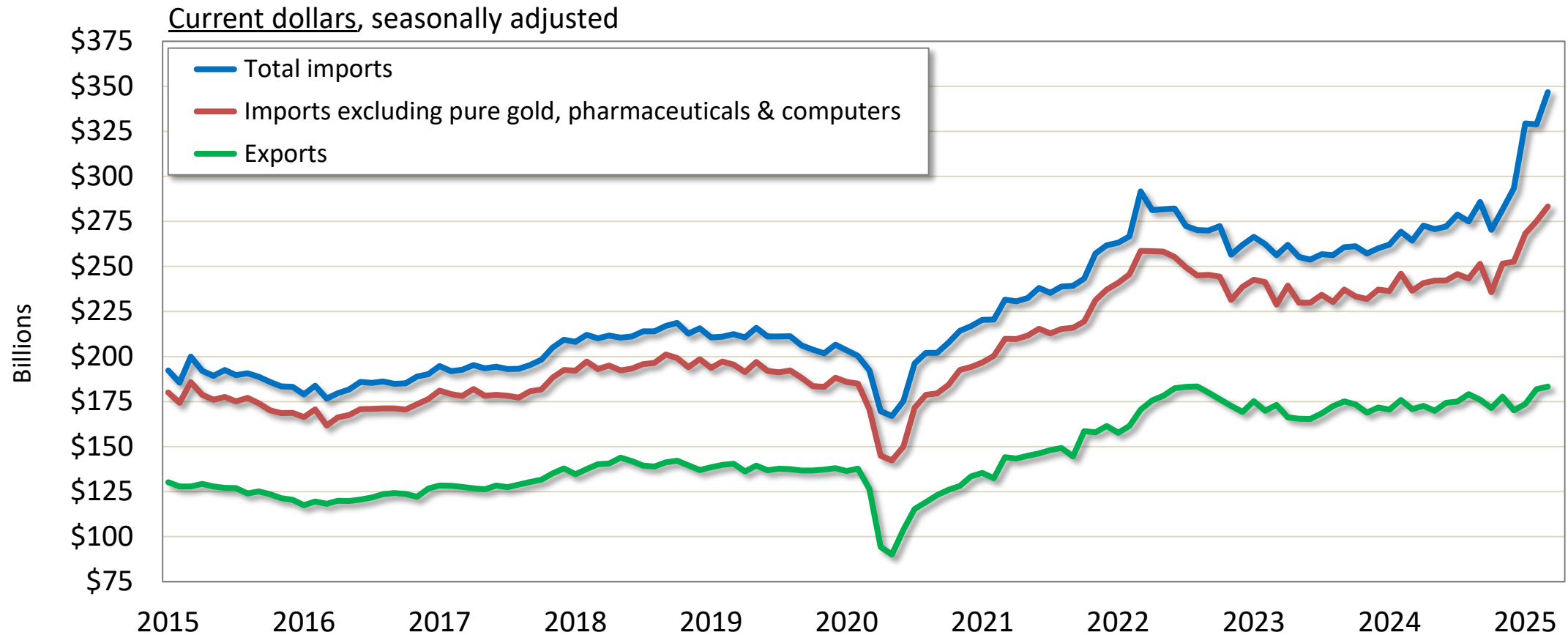


## Unemployment rate

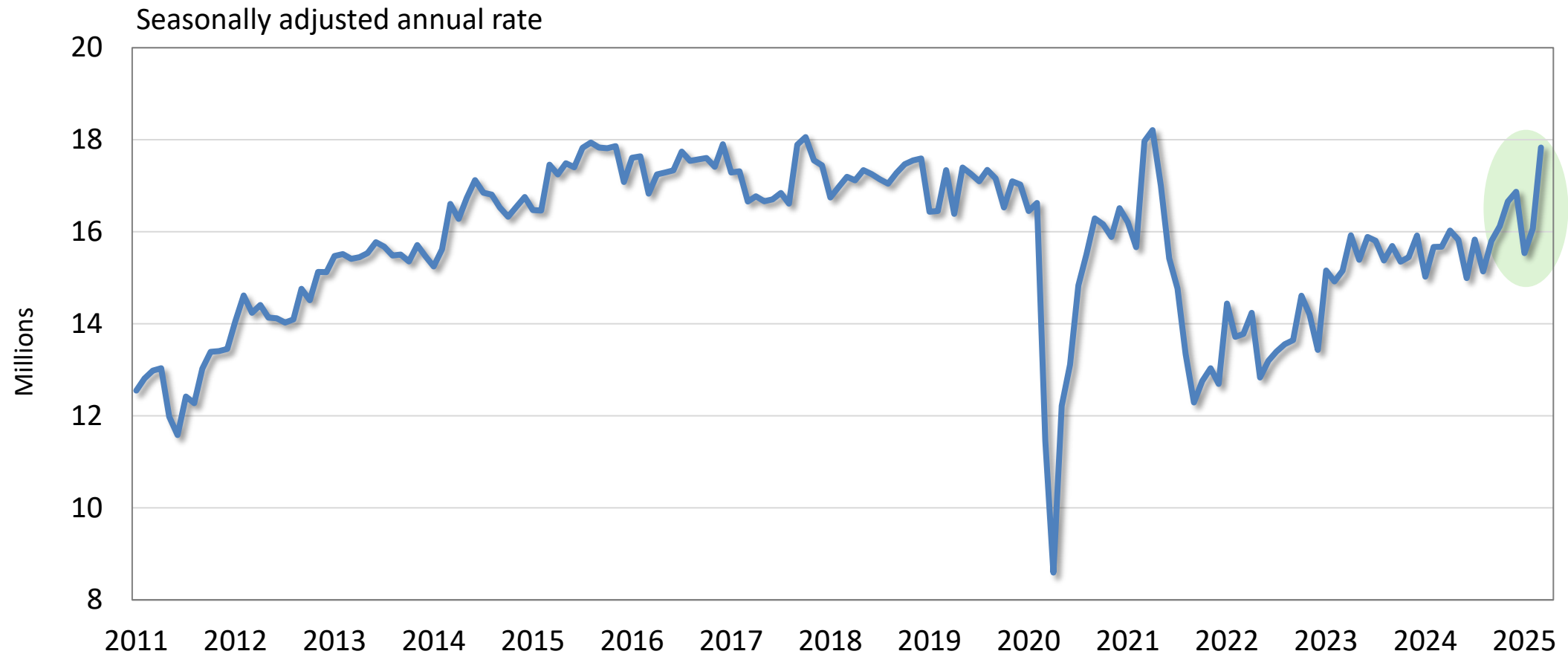
Seasonally adjusted



# U.S. international trade in goods

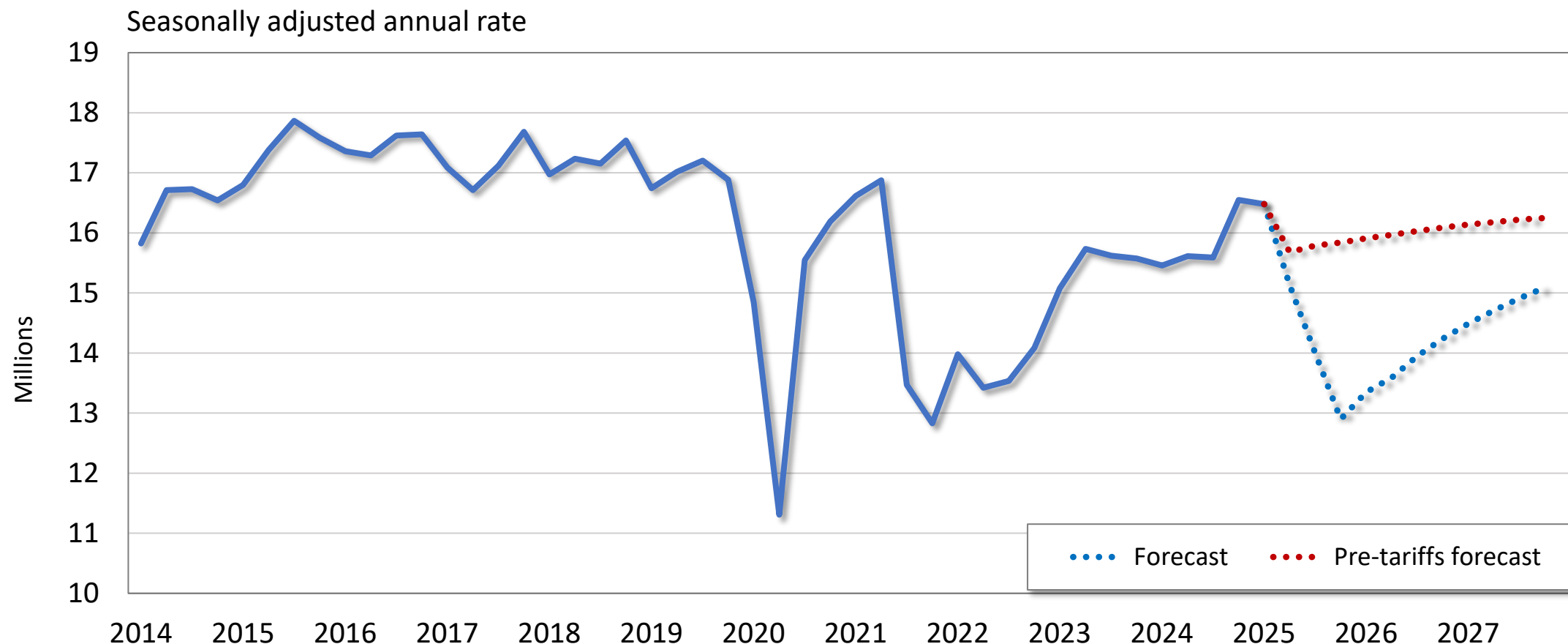


# Sales of autos and light trucks



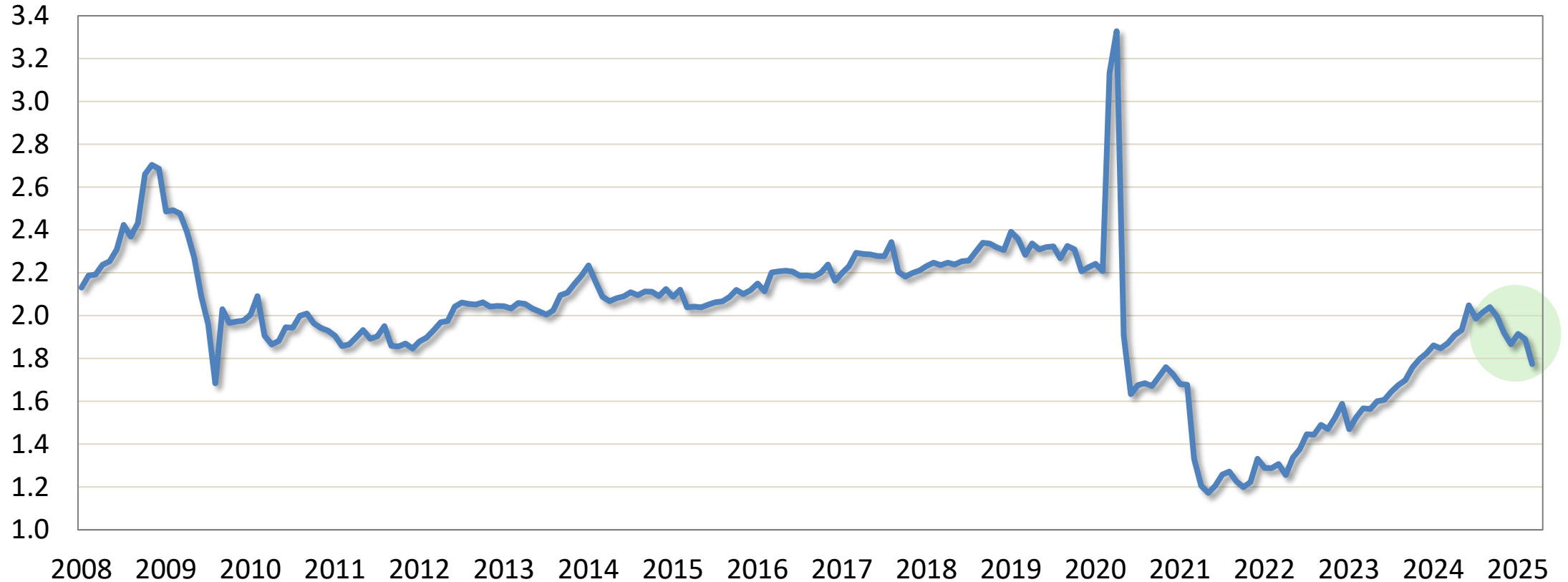


# Sales of autos and light trucks

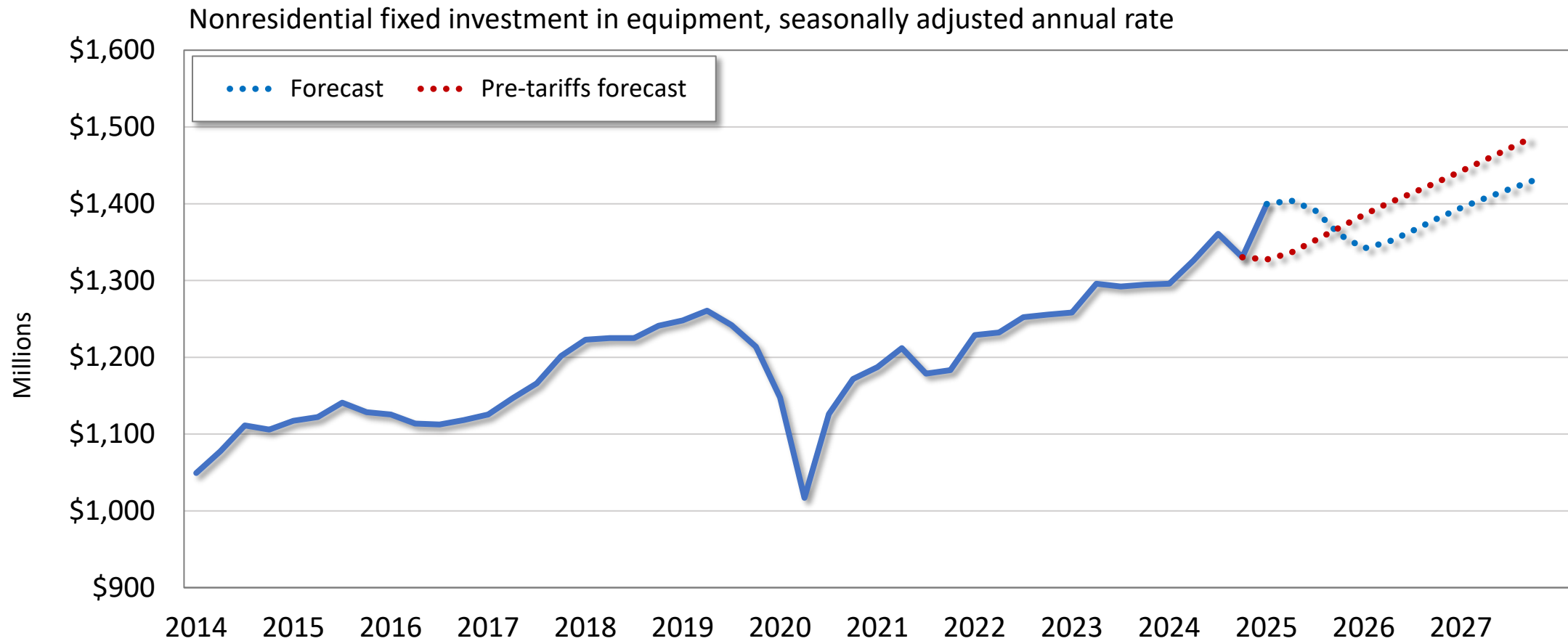


# Retail automotive inventories

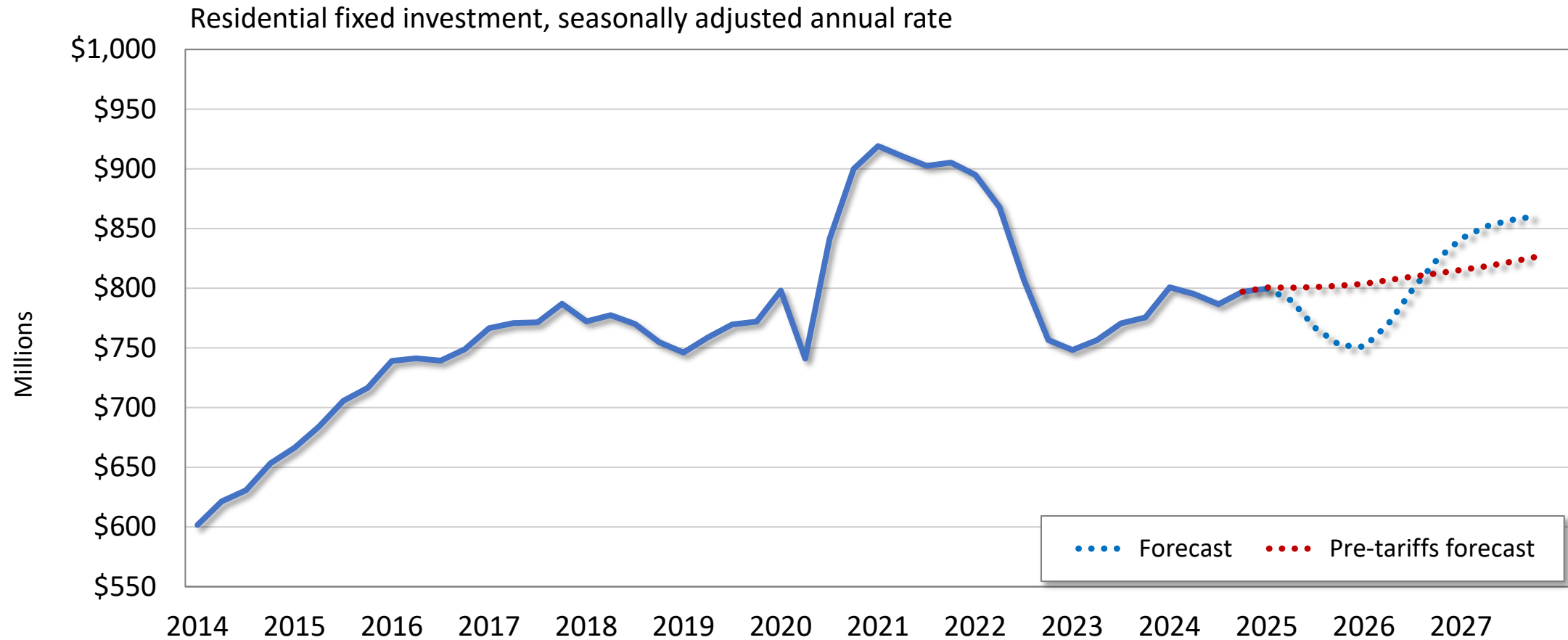
Inventories-to-sales ratio, seasonally adjusted



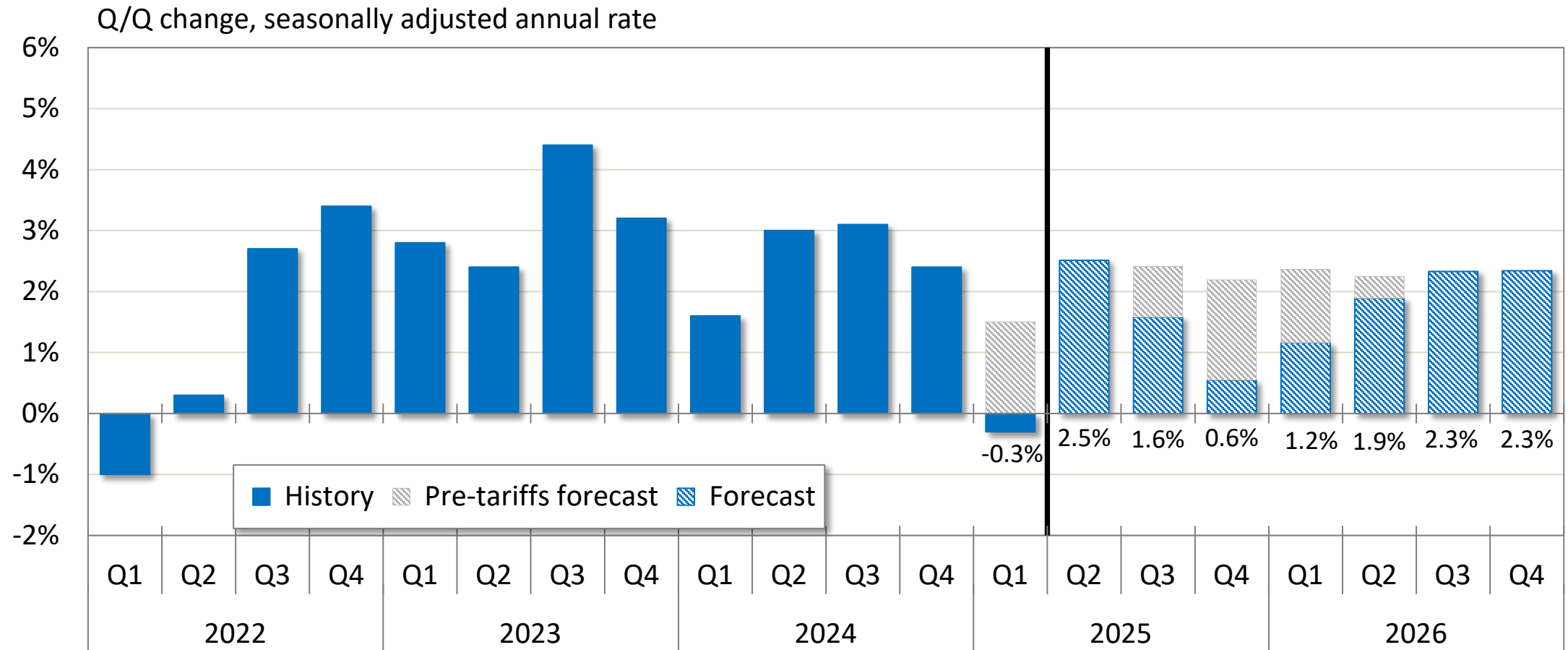
# Equipment investment



# Residential investment

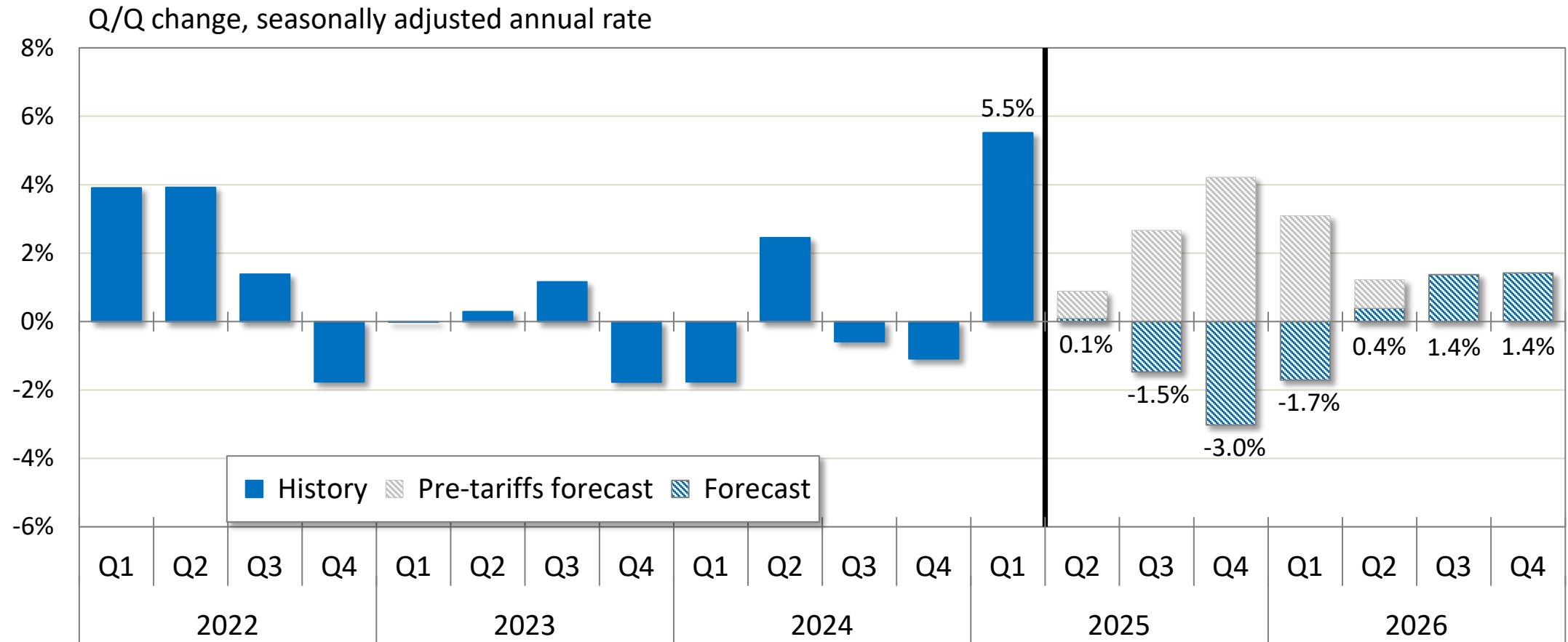


# Real Gross Domestic Product

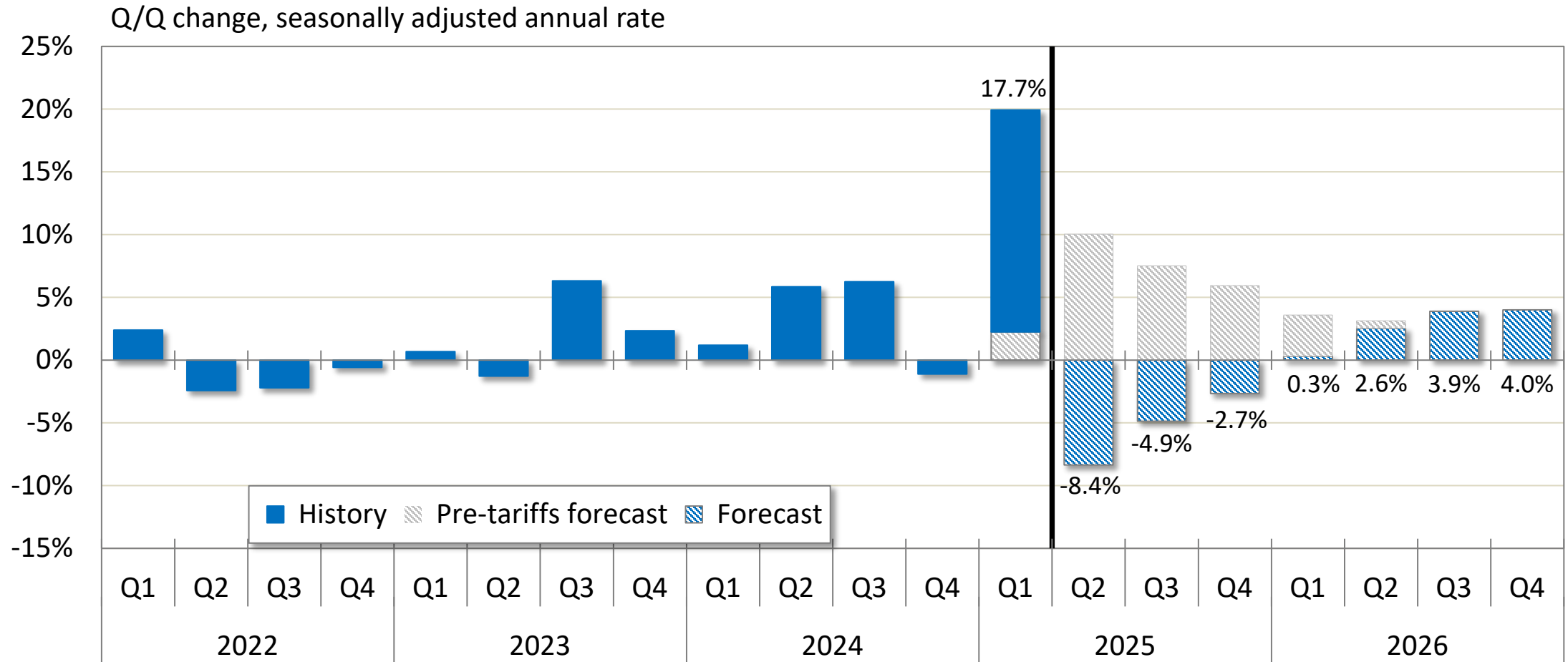




# Industrial production

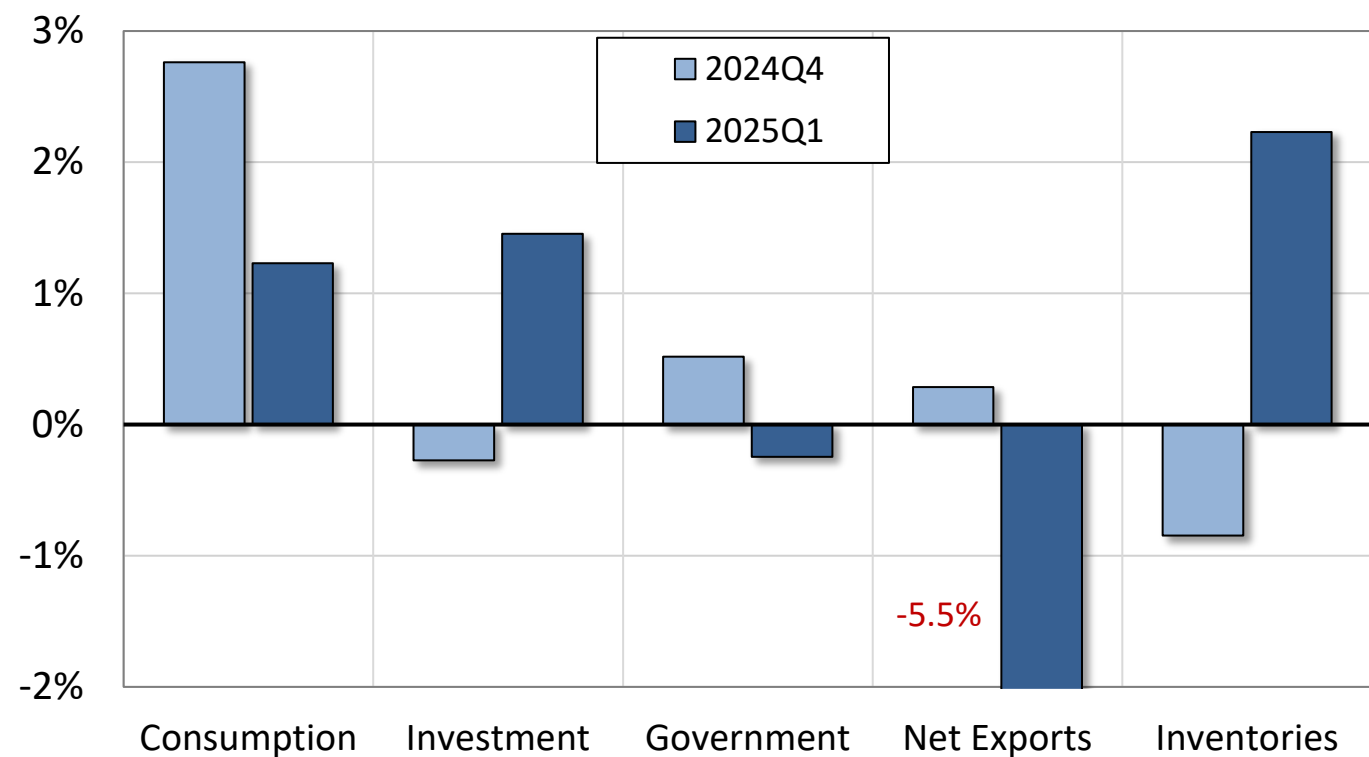


# GDP Goods Transport Sector



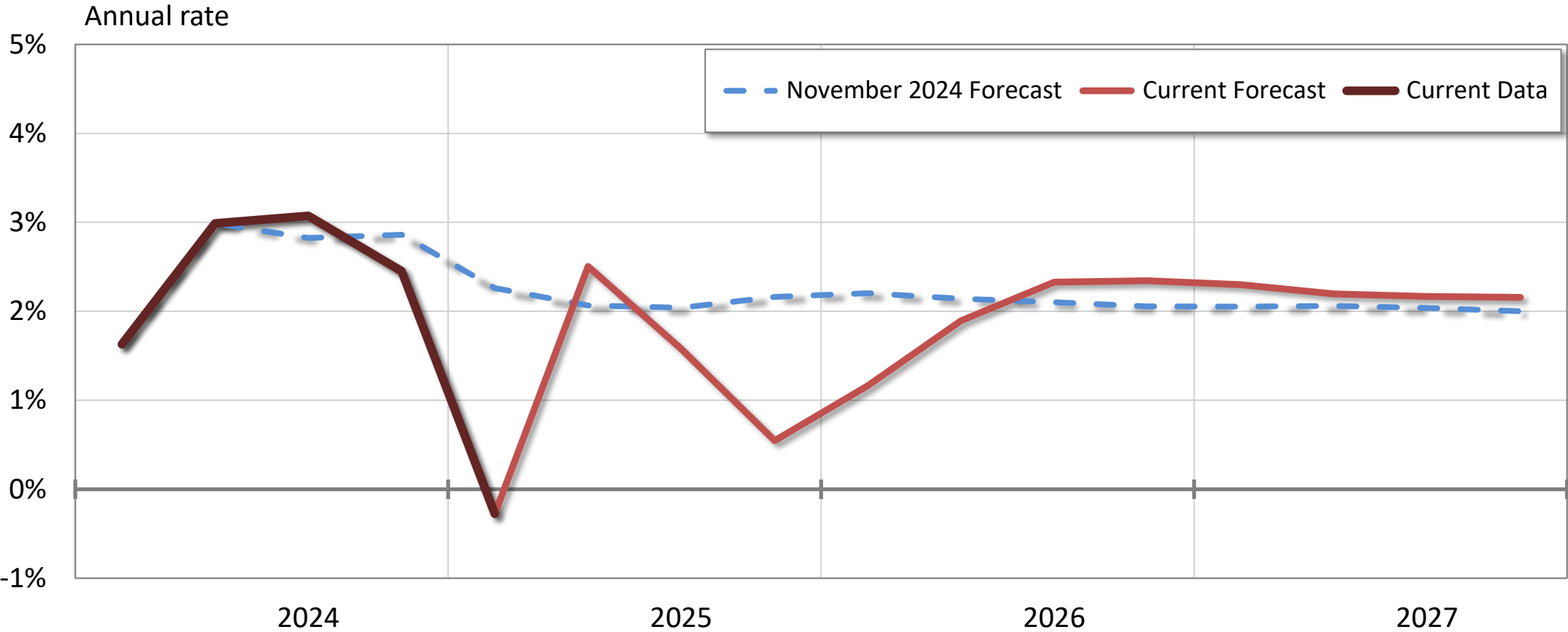
# Economic outlook

# Contributions to GDP growth



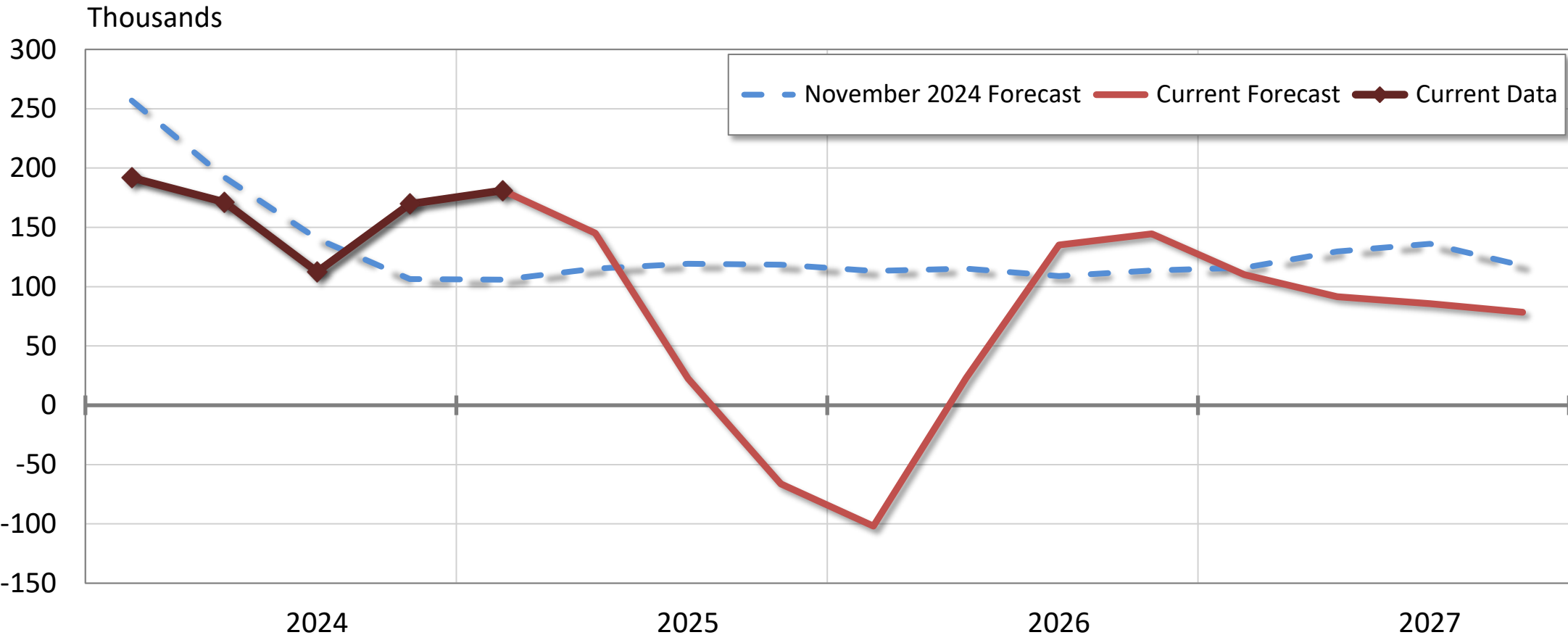
	2024Q4	2025Q1
<b><u>Growth Rates</u></b>		
<b>GDP</b>	<b>2.5%</b>	<b>-0.3%</b>
<b>Final Sales</b>	<b>3.3%</b>	<b>-2.5%</b>
<b>Domestic FS</b>	<b>2.9%</b>	<b>2.4%</b>
<b>Private FS</b>	<b>2.9%</b>	<b>3.1%</b>

# Change in real GDP

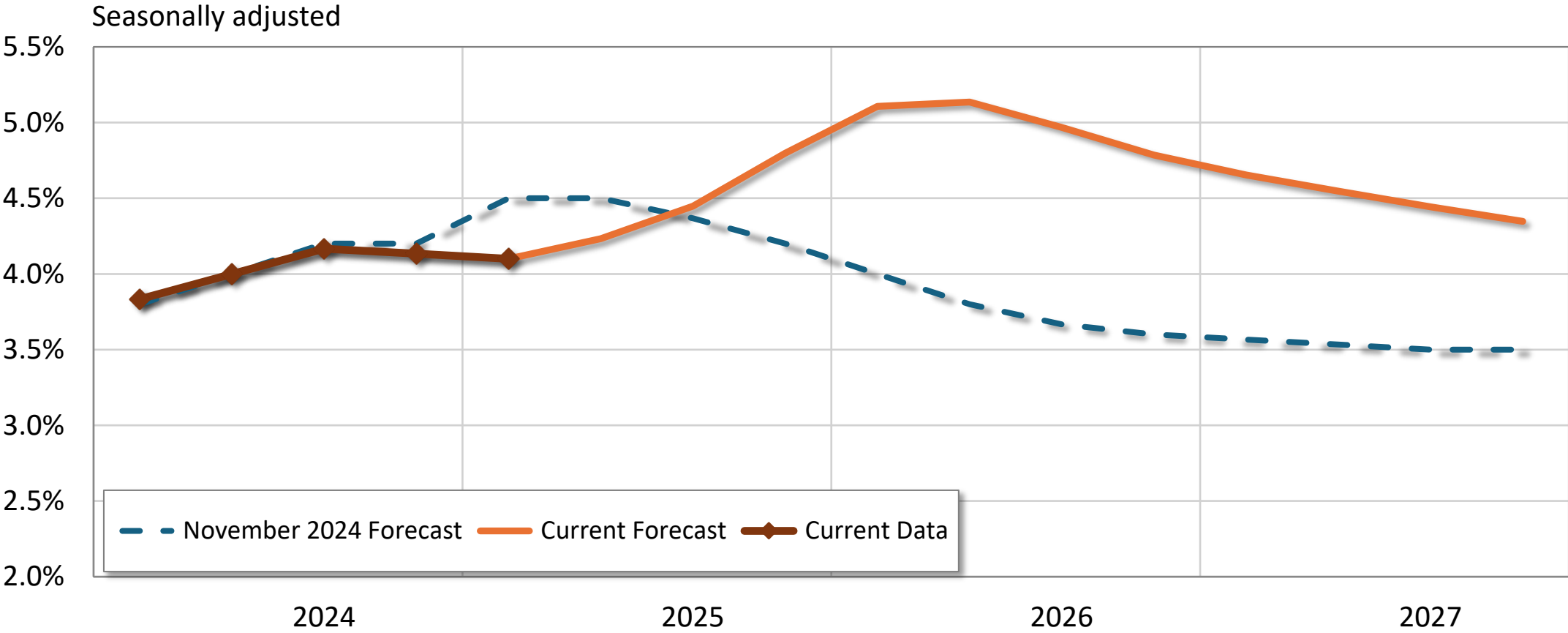




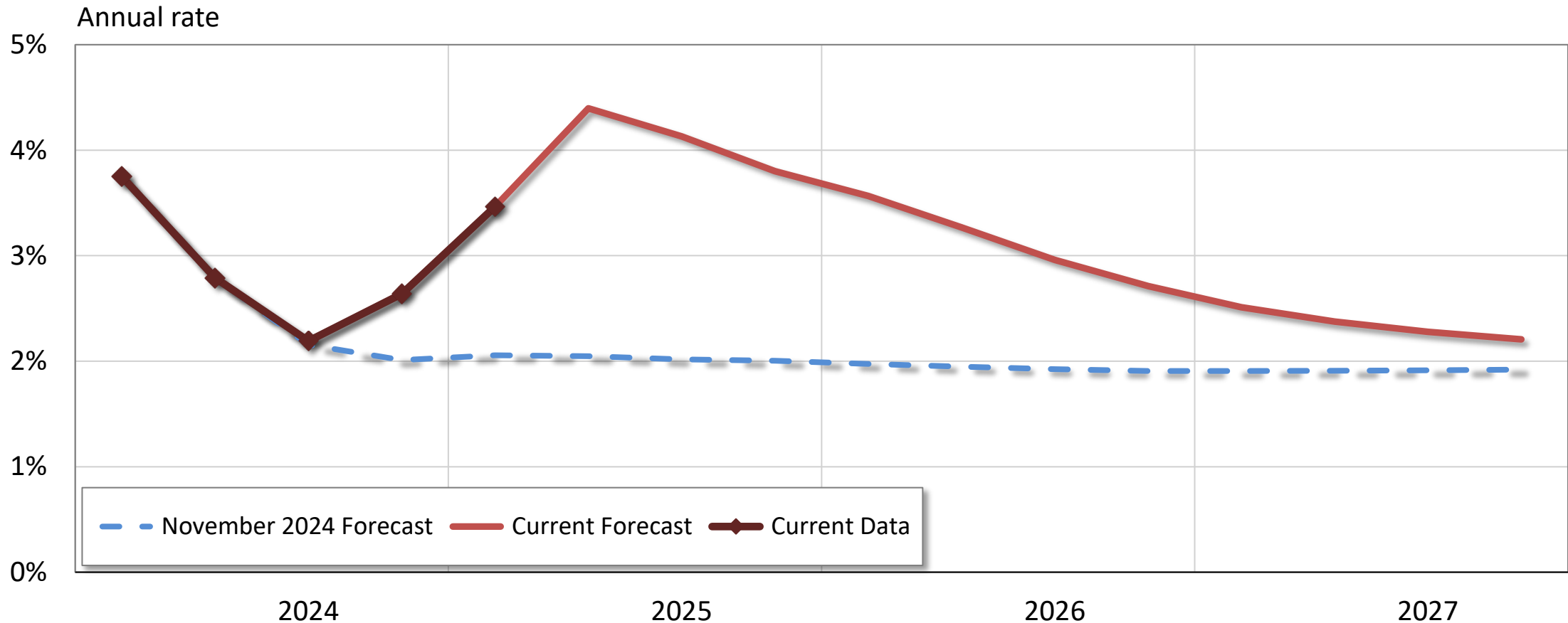
# Monthly change in employment



# Unemployment rate



# Change in core PCE prices



# Key points

- The economy ended 2024 in good shape but overly dependent on consumer spending.
- This carried over to Q1 hard data except for imports/inventories.
- Soft data this year have been lousy, and uncertainty is off the charts.
- We expect volatility in the rest of 2025 with continued uncertainty.

# Uncertainties

- Tariffs, tariffs, TARIFFS
- Weakness in labor market
- Financial shocks



# Thinking through uncertainties

# Q&A

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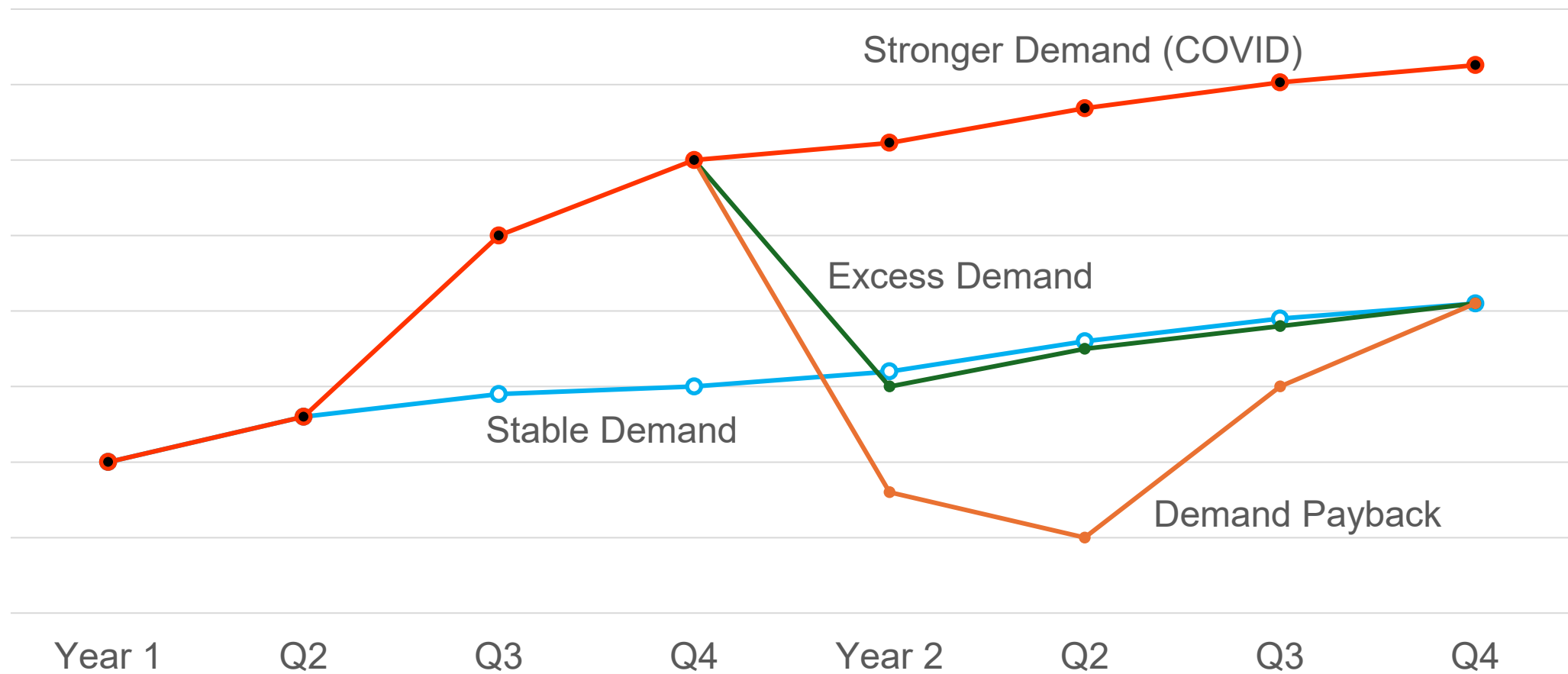
[ftrintel.com/2025cv-symposium](https://ftrintel.com/2025cv-symposium)



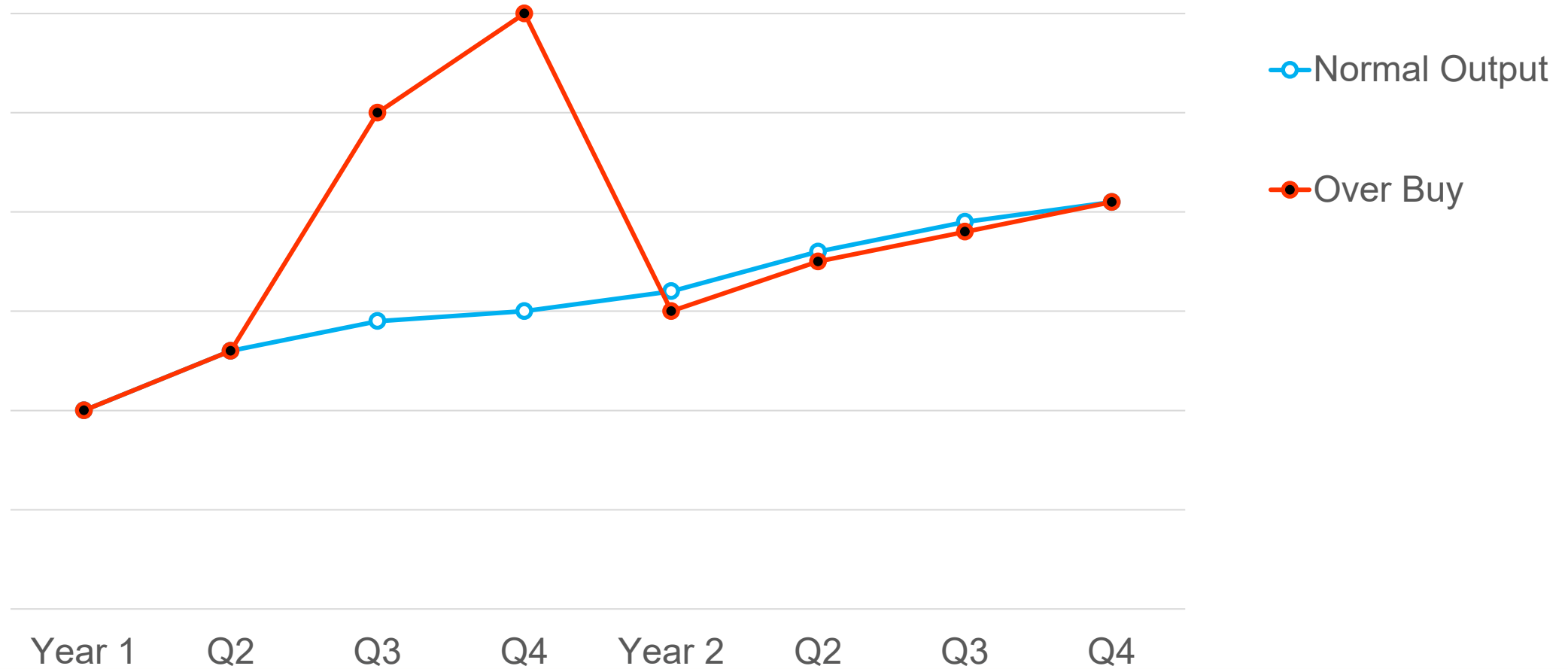


# Smooth Demand vs Changing Demand

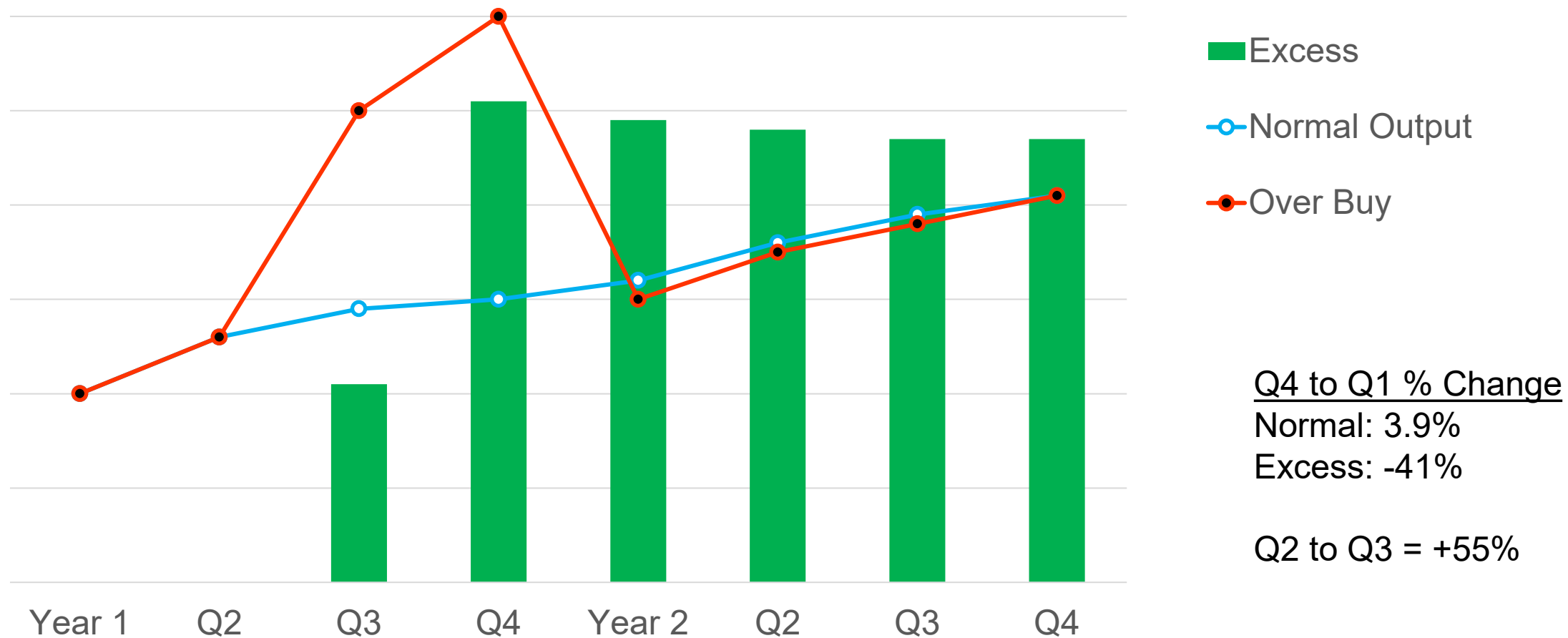
# Demand Changes



# Excess vs Smooth Demand – example 1

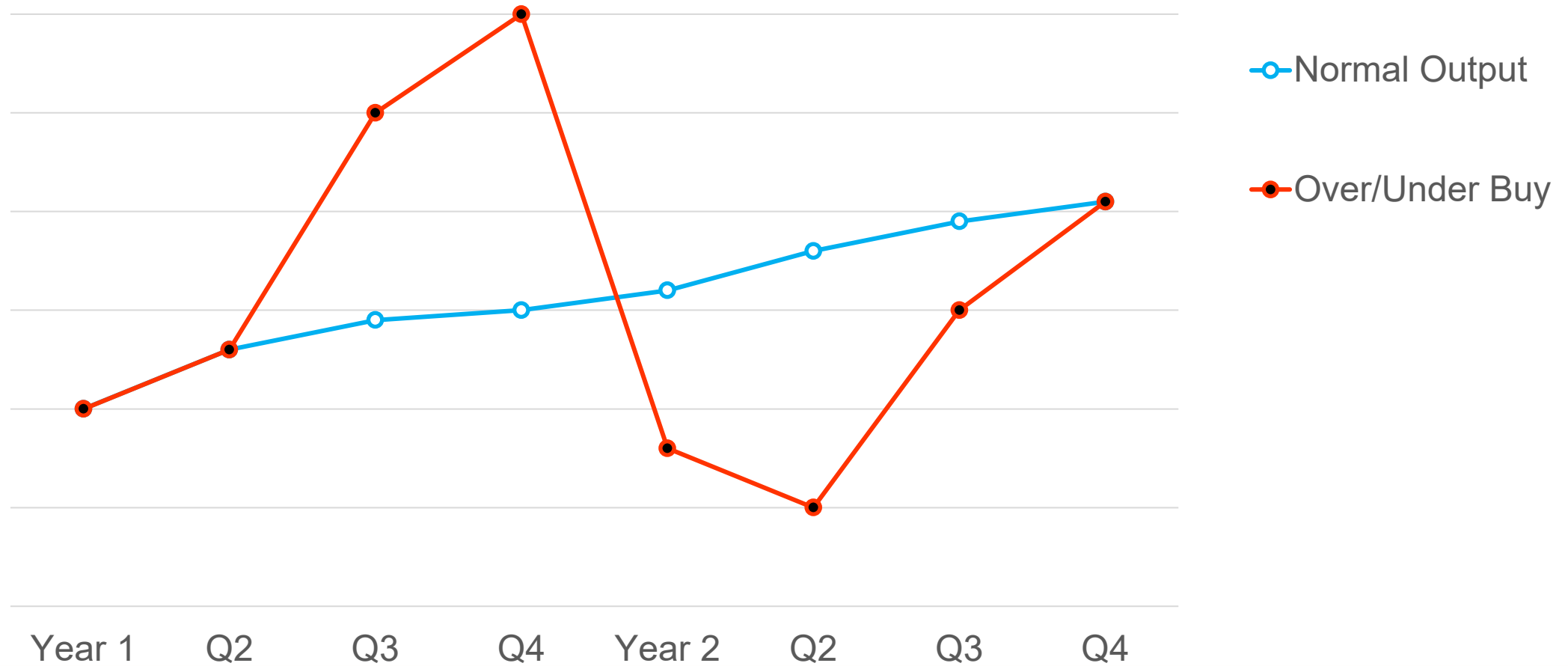


# Excess vs Smooth Demand – example 1

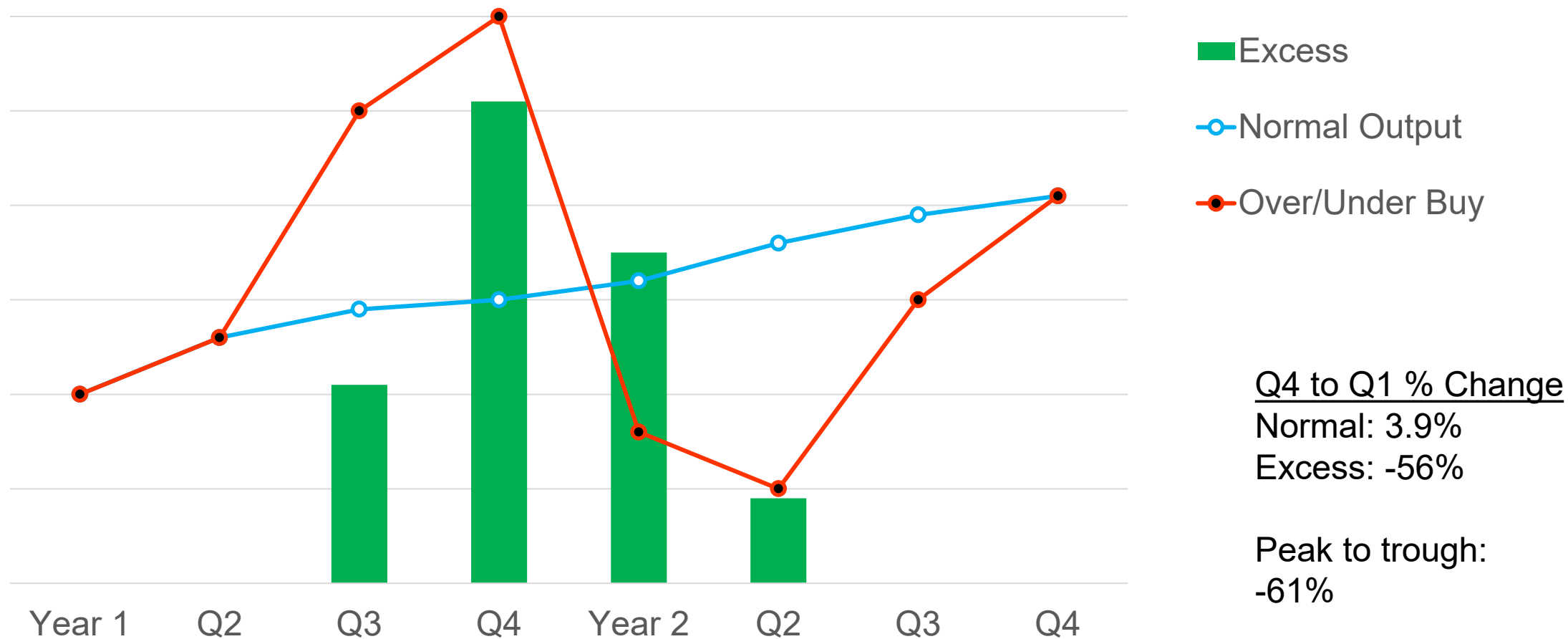





# Excess vs Smooth Demand – example 2



# Excess vs Smooth Demand – example 2



A werewolf with brown fur and a beard is peeking from behind a tree trunk in a misty, dark forest. The background is filled with tall, thin, bare trees.

**Q&A**

WHERE THE WILD THINGS ARE  
**Uncertainties**

# Accessing Today's Replay



Replay will be available shortly



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