



Guide to the FTR Shippers Update

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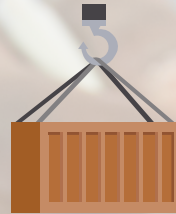


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Protect your company's bottom line

Defending your business from unnecessary rate hikes is not an easy task.

Transportation spend, once a cost center for most organizations, has progressively received more attention over the last few years as a way to manage expenses in the supply chain.



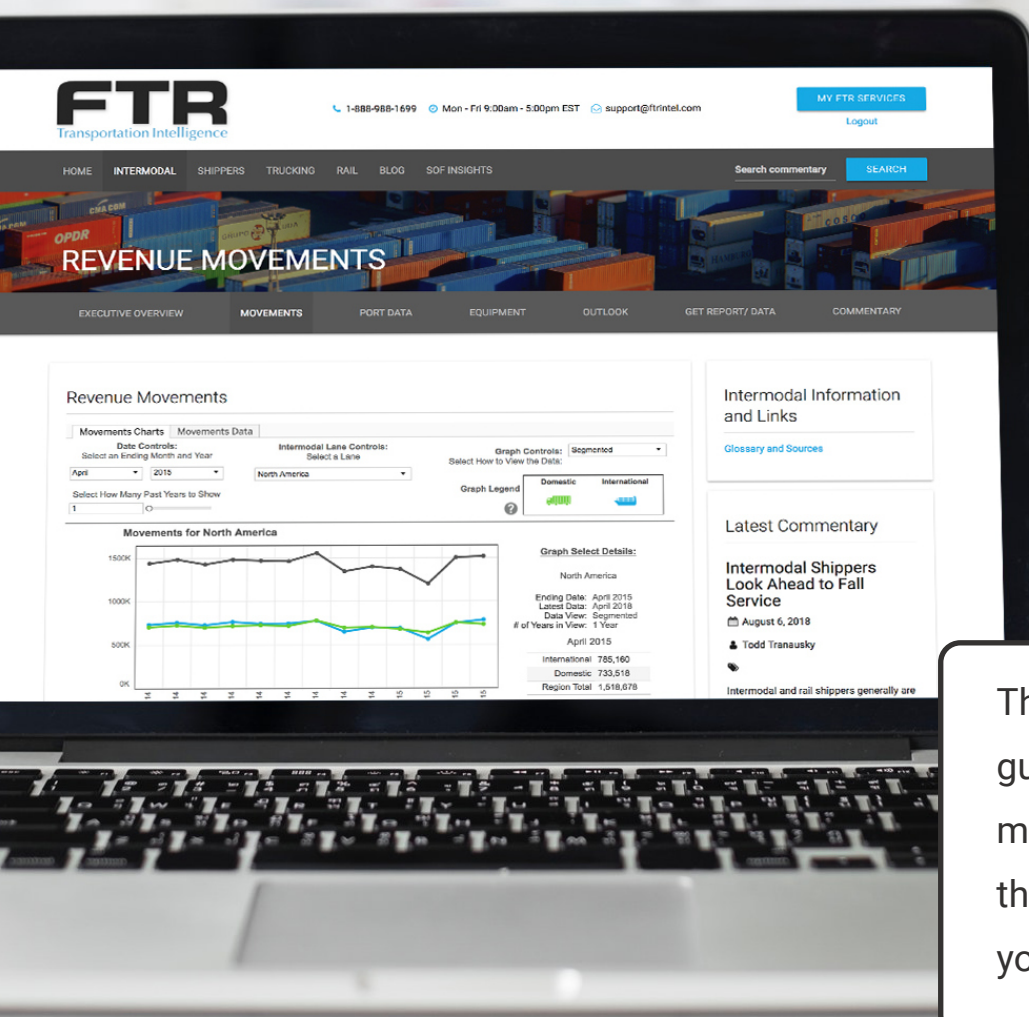
You understand that protecting your procurement stance at the negotiation table has a measurable impact on your bottom line. However, economic variables can make strategic planning a guessing game for many organizations.



The most successful shippers find a way to understand how economic factors are going to impact their ability to secure the best capacity with their transportation partners.

"FTR's economic projections and shippers index provides valuable insights that allow fact based and balanced conversations with carrier partners. The forward looking economic trend forecasts assist with developing freight budgets with higher confidence critical for business planning. The trend charts and analysis reports also provide C-suite leadership with reliable industry summaries at a glance."

Group Director, Planning & Logistics
Coca-Cola North America



The Shippers Update is your guide to managing your spend more wisely across all modes in the near term, with forecasts so you can plan for the long term.

Who benefits from the Shippers Update



Transportation directors, managers, and analysts leverage the Shippers Update to make strategic shifts among modes or carriers when they see potential disruptions in the market that will impact rates or capacity.

Procurement teams monitor the rate environment and communicate how hot topics in today's environment may impact rates in the future.

C-Suite use it to keep tabs on the movements in the transportation markets and plan their budgets accordingly for the future.

Sales teams and analysts can find correlations with the included economic forecasts to their product sales trends.



Pricing managers and C-Suite use the Shippers Update to monitor the competitiveness of trucking to other modes and potentially prevent shippers from shifting goods to intermodal or rail.



Brokers use the comprehensive analysis and forecasting across all modes in the market to identify potential savings for their shipper base and proper benchmarking for their carrier network.



Shippers Update Report

At a glance

Rate Outlooks

Total Truckload, LTL, Railroad, Intermodal

Shipping Snapshot

Shippers Conditional Index

Shipping Cost Outlook (Admin/ service, inventory, warehouse, transport)

Freight Overview

US: truck loadings, railcar loadings, US water traffic, air freight

Shipping Costs Overview

Fuel outlook

Truckload costs outlook, (fuel, margin, equipment, overhead, labor)

Rail costs outlook (fuel, margin, materials, equipment, overhead, labor)

Trucking Environment

Active truck utilization, truck loading index, truck loadings by trailer type, rate outlook:
total truckload

Trucking Rates

TL Dry Van, TL Reefer, TL Flatbed, TL Tank, TL Dump, LTL

Rail Intermodal Environment (Commentary + Visuals)

Total Intermodal rev. moves, NA intermodal rev. moves, NA intermodal outlook,

Intermodal rate outlook, intermodal train speed (4week avg.)

Rail Carload Environment (commentary + visuals)

Railcar capacity utilization, US rail carloads, avg. train speed (4 week avg.), rate outlook

Rail Metrics & Freight Outlook

Avg. train speed, cars online, swell time, coal carloads, agriculture carloads, chemical carloads, metallic ores & metals

Economic Outlook (commentary + visuals)

Economic forecast summary, consumer expenditures, industrial production, housing starts

Current Economic Environment

Business & Economic Environment, unemployment rate, retail sales, ISM Manufacturing Index, Inventory/sales ratio

Commentary by FTR Experts

Understanding Key Metrics

Shippers Conditions Index

Found on page 2 in the report.

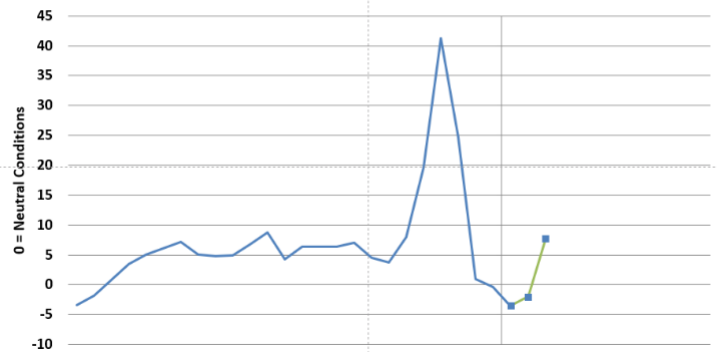
[Knowledge Base: Shippers Conditions Index explained](#)

You can:

Use this index to compare current market conditions to convenient historical benchmarks.

Know, in one chart, if the transport market will be, favorable (positive values) or unfavorable (negative values) to shippers.

FTR Shippers Conditions Index



Total Shipping Costs Outlook

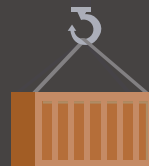
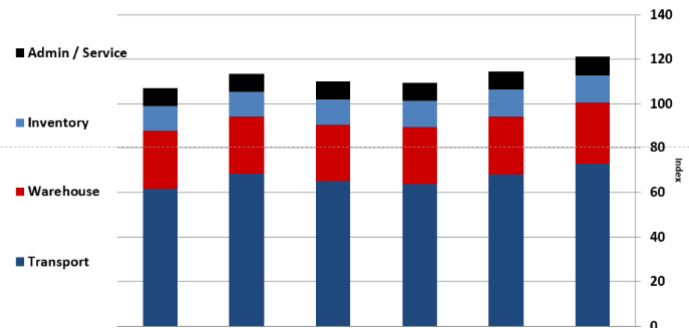
Found on page 3 in the report.

You can:

Use the Shipping Cost Outlook as a pressure gauge to benchmark your company's transportation costs against an industry index.

The index will allow you to monitor whether your trends in your spend are in line with the industry averages for inventory costs, administrative fees, warehousing, and transportation spend.

Total Shipping Costs Outlook



Understanding Key Metrics

Truckload Rates Outlook

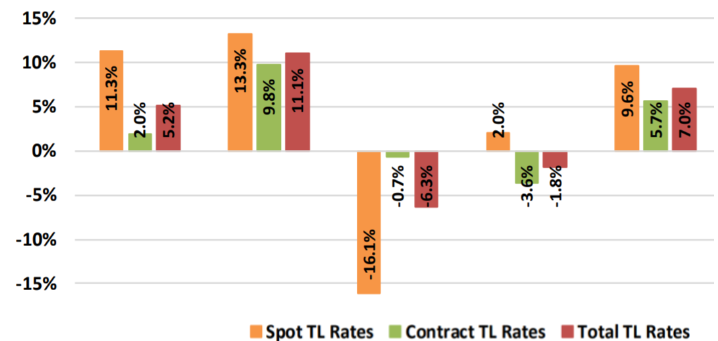
Found on page 4 in the report.

[Knowledge Base: Truckload Rates Outlook explained](#)

You can:

Use this exclusive FTR forecast to understand current and forecasted rate pressures for spot and contract. It also keeps you informed on how the overall current environment is performing (total rates). This measurement provides an important view that you can use for strategic planning.

Truckload Rates Outlook



Active Truck Utilization

Found on page 4 in the report.

[Knowledge Base: Active truck utilization explained](#)

You can:

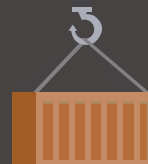
Understand the current capacity situation and overall rate outlook for trucking.

A figure over 95% indicates a shortage of capacity in the market which could enable carriers to raise rates.

A figure below 90% indicates an over-capacity situation which could enable shippers to increase rate pressure.

Active Truck Utilization (%)

(Truck Fleet in Use vs. Active Trucks Available)



Understanding Key Metrics

Truck Loadings Index

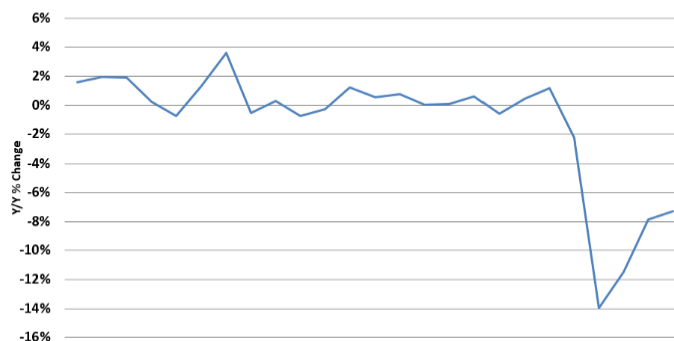
Found on page 4 in the report.

[Knowledge Base: Truck loadings explained](#)

You can:

Use this measurement to monitor capacity in the marketplace over the long term. Another input that provides a glimpse into how difficult it may be to secure capacity in the market.

U.S. Truck Loadings



Monthly Economic Indicators Summary

Found on page 10 in the report.

You can:

Use this summary chart to understand trends in the monthly business and economy data released by the government. These are key indicators that FTR uses in our analysis and we provide a few important talking points that you can use when defending your forecasts.

Monthly Business & Economic Highlights

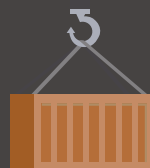
August's Economic Environment:

● Stability seems to have emerged in August, but the economy needs more than stability in order to have a strong recovery.

	May	Jun	Jul	Aug	Impact	Y/Y Chg.	Comments
INDUSTRIAL PRODUCTION							
Total Industrial Production	1.0%	6.1%	3.5%	0.4%	●	-7.7%	Industrial activity slowed drastically in August. After being led by a resurgence in automotive activity for 3 months we finally saw a decline of motor vehicle output in August.
Total Manufacturing	3.9%	7.6%	4.0%	1.0%	▲	-6.6%	
Automobile and Light Duty Motor Vehicle Production	2881.4%	256.3%	48.6%	-8.0%	▼	2.2%	
BUSINESS INDICATORS							
Unemployment Rate	13.3%	11.1%	10.2%	8.4%	▼	470 bp	Employment gains continued but are still slowing. Unemployment is now down to "normal" recession levels. Business indicators are still mixed, but they remain positive.
Job Creation (Payroll Employment)	2,725k	4,781k	1,734k	1,371k	▲	-10,246k	
ISM Manufacturing Index	43.1	52.6	54.2	56.0	▲	720 bp	
CONSUMER INDICATORS							
Consumer Confidence (Conference Board)	85.9	98.3	91.7	84.8	▼	-40.4 pts	Housing starts and home sales took a bit of a breather in August. Confidence continued to weaken in August after a modest bump up in June. Inflation remains a non-concern.
Housing Starts	11.1%	21.9%	17.9%	-5.1%	●	2.8%	
Retail Sales	18.3%	8.6%	0.9%	0.6%	▲	2.6%	
Consumer Price Index	-0.1%	0.6%	0.6%	0.4%	●	1.3%	
OIL AND FUEL							
National Avg. Diesel/Gal.	\$2.392	\$2.408	\$2.434	\$2.429	●	-19.2%	Hurricanes come and go ... and energy markets are unphased. As there is less demand for fuel, prices remain lower.
W. Texas Int. Crude Oil (\$Bbl.)	\$28.56	\$38.31	\$40.71	\$42.34	●	-22.8%	

Impacts: ▲ = Positive / ▼ = Negative / ● = Neutral

Source: Federal Reserve, BLS, ISM, Conference Board, Census Bureau, EIA, FTR | Transportation Intelligence™, Copyright 2020, FTR



Understanding Key Metrics

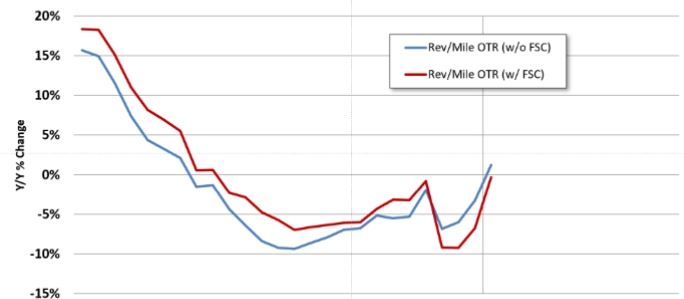
Rate Outlook: Total Truckload

Found on page 5 in the report.

You can:

Manage capacity effectively by knowing the right time to consider moving freight to the spot market, to lock in longer term contracts with your network when rates are forecasted to increase, or to go short if the rate environment is soft.

Rate Outlook: Total Truckload



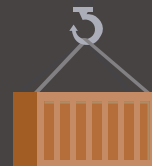
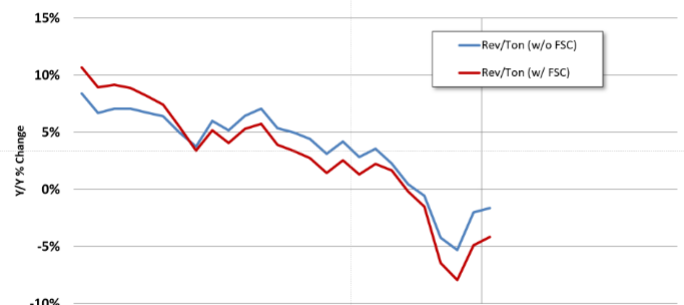
Rate Outlook: Less-Than-Truckload

Found on page 5 in the report.

You can:

Forecast your LTL budget confidently in the long-term based on the underlying fundamentals like freight demand, fuel cost, macro-economic fundamentals, driver employment pressures, capacity constraints, the spot and contract markets, and competitiveness with other modes of transportation.

Rate Outlook: Less-Than-Truckload



Understanding Key Metrics

Rate Outlook: Intermodal

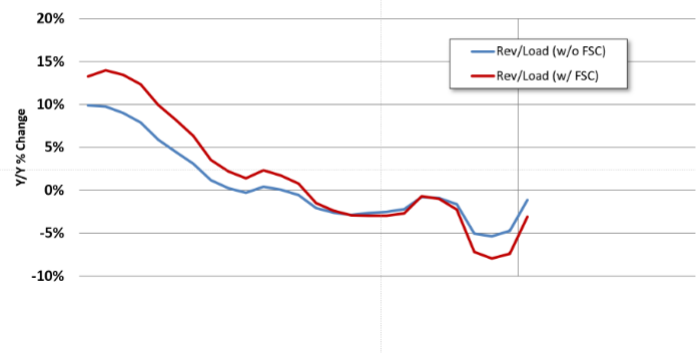
Found on page 6 in the report.

You can:

Forecast your intermodal budget confidently in the long-term based on the underlying fundamentals, including competitiveness with rail and trucking.

Agile shippers can use the Intermodal rate outlook in the near-term to determine proper timing on when intermodal provides a competitive pricing advantage over trucking and secure capacity or negotiate accordingly.

Rate Outlook: Intermodal



Rate Outlook: Rail Carload

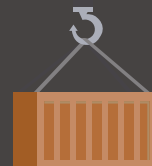
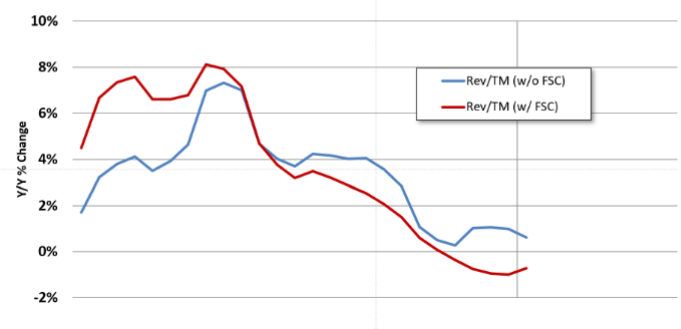
Found on page 7 in the report

You can:

Forecast your rail budget confidently in the long-term based on the underlying fundamentals, including competitiveness with intermodal and trucking.

Agile shippers can use the Rail rate outlook in the near-term to determine proper timing on when rail provides a competitive pricing advantage over trucking and secure capacity or negotiate accordingly.

Rate Outlook: Rail Carload



Which service level is right for your team?

Standard service provides overviews and outlooks that capture the pulse of market conditions and highlight trends and forecasts. You want key information at your fingertips, but don't need to manipulate the data. Includes monthly presentations.



**PDF
Report**

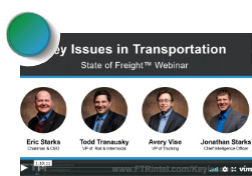


**Monthly
Presentations**

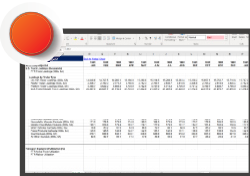
Premium service provides access to the underlying database (with history) as well as additional insights and access to FTR experts. Premium is geared towards power users who want to manipulate the information for their companies, or for those who need additional analysis and insights.



**PDF
Report**



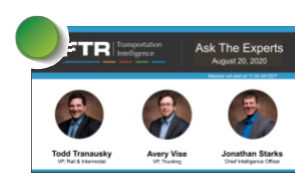
**Monthly
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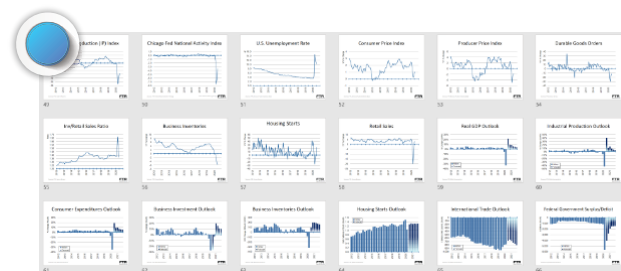
Database



**INSIGHTS
Commentary**



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Package**

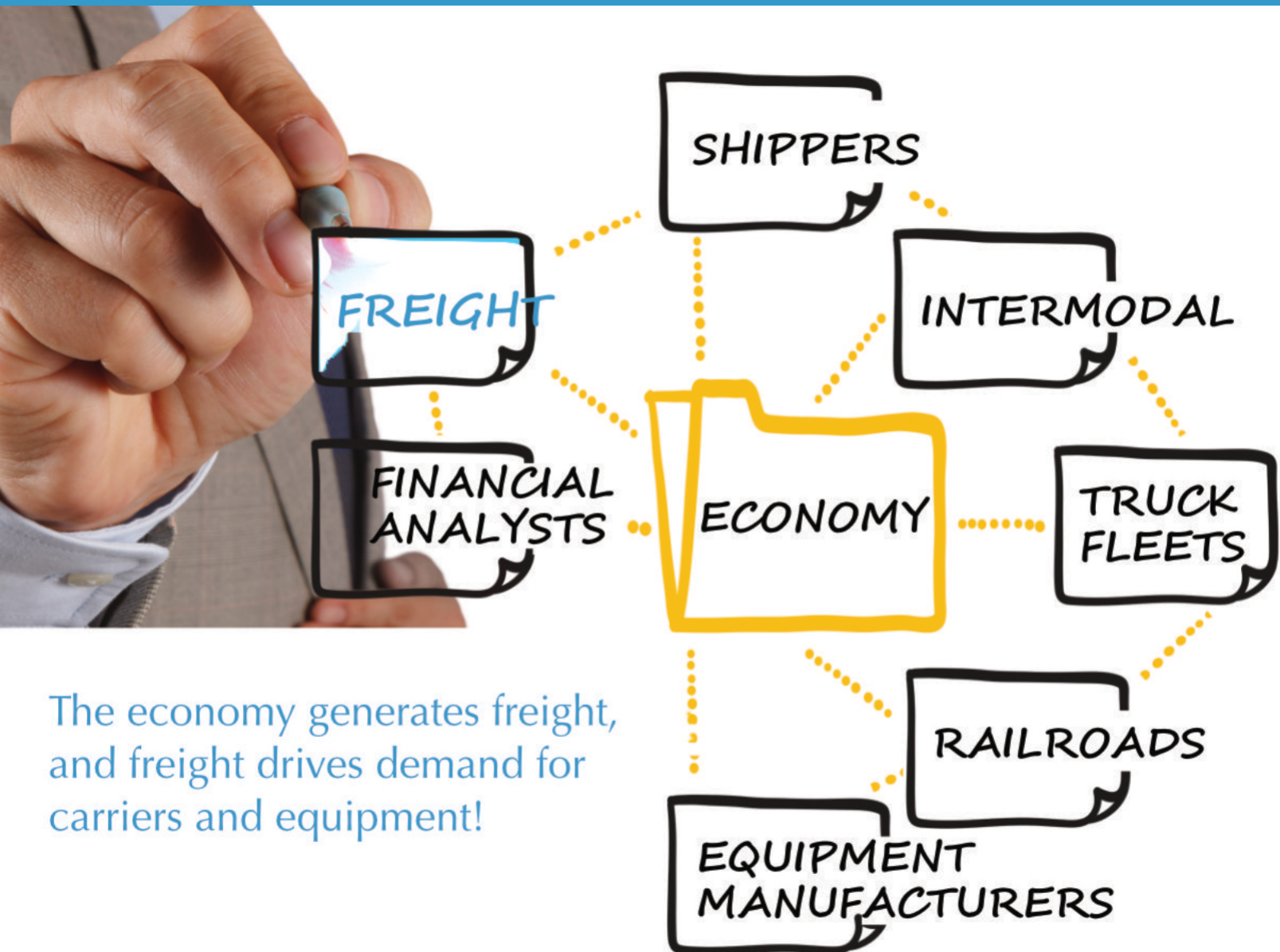
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The economy generates freight,
and freight drives demand for
carriers and equipment!