Sample Report

SHIPPERS UPDATE

With Expert Commentary from

Avery Vise and Joseph Towers

Powered By:

FTR | Freight•cast™

YOUR SECRET WEAPON FOR STRATEGIC DECISION MAKING

Make faster, smarter decisions with monthly forecasts and insights with FTR as your unbiased, third-party transportation advisor by subscribing to the Shippers Update service.

What to Expect

Each month, our Freight•cast™ forecasting methodology works for you, analyzing millions of data points across the transportation landscape to deliver a data-driven trucking, rail, intermodal, and economic forecast to support your decision-making and planning needs.

From rate outlooks and driver payroll analysis to commodity-specific freight forecasts, we provide the industry's best companies with the tools they need to succeed in a variety of formats.

Reports | Expert Access | Graphics Packages | Webinars | Databases

Each month, you'll receive:

- Exclusive forecasts for the Shippers Conditions Index and Active Truck Utilization.
- Truckload rate outlooks, including spot, contract, and blended rates, across key segments: dry van, refrigerated, flatbed, and LTL.
- Intermodal rate projections to guide precise planning.
- Railcar utilization forecasts and rate outlooks to optimize rail strategy.

Using the Shippers Update

The Shippers Update provides critical forecasts empowering leaders to make data-driven decisions. By leveraging this actionable intelligence, companies can gain a competitive edge, optimize operations, and drive sustained improvements in organizational health and profitability.

INFORMED DECISION-MAKING

Good data drives great decisions.

- Data-driven strategies
- Mitigated risks
- Opportunity identification

COMPETITIVE ADVANTAGE

Great decisions lead to winning in a competitive marketing place.

- Better benchmarking
- Strategic positioning
- Proactive adaptation

ORGANIZATIONAL HEALTH

Winning leads to a healthy bottom line.

- Efficiency
- Improved ROI
- Healthier margins

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Overview

Next State of Freight Webinar: Rail Outlook
Thursday, April 10, 2024 @ 11am Eastern

Shippers April 2025

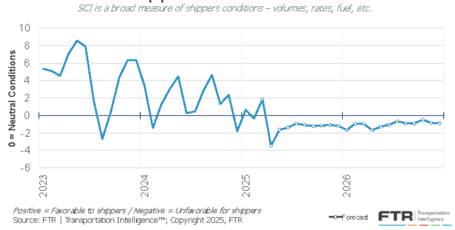
COMMENTARY (pg 10):

A refreshed view of freight dynamics

FTR completed a major update of the data driving our forecasting model.

Stability is the market forecast, but uncertainty is high.

FTR Shippers Conditions Index

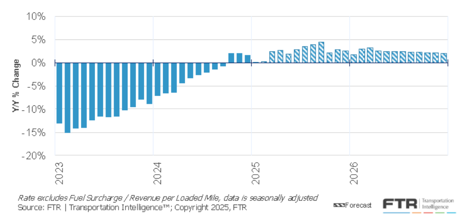


Tighter capacity and slightly stronger freight volume more than offset lower fuel costs and weaker freight rates to produce near-neutral market conditions for shippers.

FTR's Shippers Conditions Index (SCI) declined to -0.3 from January's 0.6 reading.

See page 2 for more on overall market conditions...

Truckload Rates Outlook

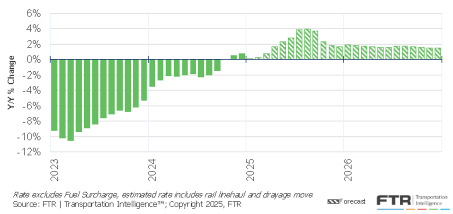


The 2025 truckload rate forecast is weaker at an increase of 2.5% y/y, excluding fuel. The culprit is spot.

The LTL contract rate forecast is little changed at +2.0% y/y, excluding fuel. However, we have yet to factor in any significant implications of LTL freight reclassification.

See page 3 for more on the trucking outlook...

Intermodal Rates Outlook

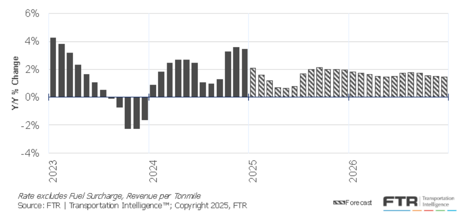


After falling y/y for two consecutive years, domestic intermodal pricing is expected to grow in 2025 at a rate of 2.1%, followed by 1.7% in 2026.

This gradual increase of rates comes amid tightening truck capacity and stable levels of intermodal demand.

See page 5 for more on the intermodal outlook...

Rail Carload Rates Outlook



Carload rates excluding fuel surcharges are forecast to rise 1.5% y/y in 2025 and another 1.6% in 2026. The outlook is modestly weaker for 2025 and more substantially weaker for 2026 than in the prior forecast.

See page 6 for more on the carload outlook...

WHAT'S INCLUDED

Exclusive FTR forecasts included:

- FTR Shippers Conditions Index
- Truckload Rates Outlook
- Intermodal Rates Outlook
- Rail Carload Rates Outlook

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Freight Transport Overview

Shippers
April 2025

Freight Transport Overview

Freight Indicators & Shippers Outlook

- Shippers' market conditions barely change.
- Freight volume forecasts are softer.
- Diesel prices could see more volatility.

Overall market conditions for shippers were basically neutral for a second straight month in February, offering a sample of the likely situation in the coming months. FTR'S **Shippers Conditions Index** (SCI) declined to -0.3 from the 0.6 reading in January. The base of 0 represents neutral market conditions.

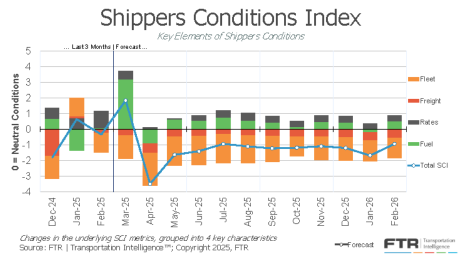
In broad strokes, more favorable fuel costs and freight rates were offset by stronger capacity utilization and freight volume. The current forecast envisions some near-term volatility but a settling into a near-neutral negative environment. However, the still-emerging implications of U.S. tariffs are a major source of uncertainty.

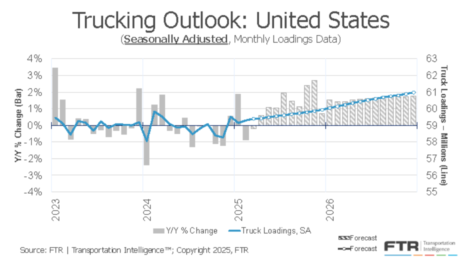
Although tariffs and the probably retaliation are big downside risks for the economy and shippers' revenues, there is potential for a more favorable transportation environment at least. The outlook for **freight volume** has weakened for all modes and would appear to have only downside potential.

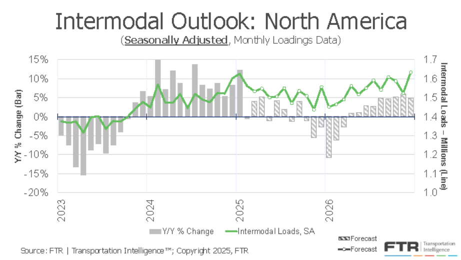
Diesel prices have become more volatile recently, and turmoil sparked by U.S. tariffs might mean even more volatility in the near term. The national average price had risen in eight of nine weeks earlier this year. Since then, diesel prices fell for three weeks before rising for two.

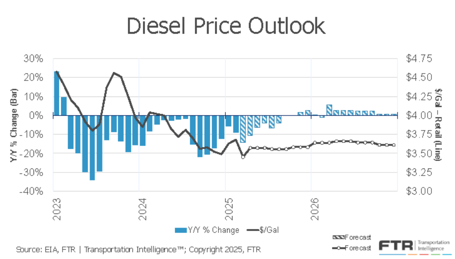
Crude prices had been signaling firmer diesel prices, but they plunged following President Trump's announcement of global reciprocal tariffs and an OPEC+ announcement of higher production. West Texas Intermediate crude plummeted nearly $10 a barrel in two days, settling at just under $62 a barrel – the lowest price in nearly four years.

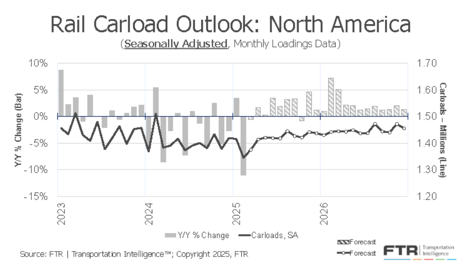
See pages 3-4 for more analysis on trucking conditions…
See page 5 for more on intermodal conditions…
See page 6 for more on carload conditions…











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WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Diesel Price Outlook
- Shippers Conditions Index
- Trucking Outlook: United States
- Intermodal Outlook: North America
- Rail Carload Outlook: North America

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Trucking Conditions

Trucking Indicators & Outlook

- For-hire trucking adds the most jobs in three years.
- Active truck utilization's recovery looks shallower.
- The truckload rate outlook is a bit softer.

After months of very little change, **payroll employment** in for-hire trucking jumped by 9,600 jobs, seasonally adjusted, in March, according to preliminary Bureau of Labor Statistics estimates. The increase is the largest since January 2022, although 2022 saw other months with increases that were close to March's level.

Trucking employment is at its highest seasonally adjusted level since April 2024 and down just 0.3% y/y, which is the strongest comparison since May 2023.

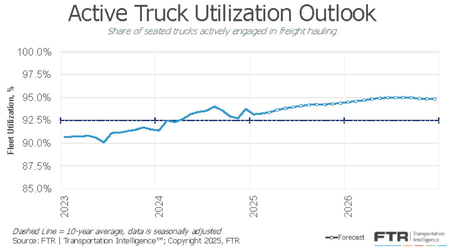
FTR's forecast for **active truck utilization** has shallowed further and looks to remain under 95% until mid-2026. FTR has revised its historical utilization estimates based on changes in productivity assumptions and a major revision of historical truck loadings.

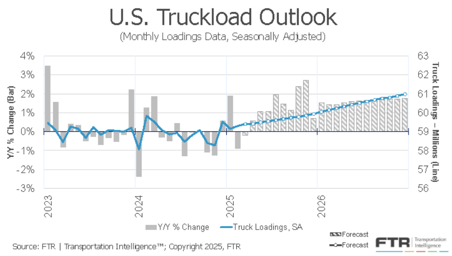
The revised data shows active utilization hitting a recent low in the second quarter of 2023 and then rising modestly until the third quarter of 2024 before moderating recently. (*See page 10 for more analysis of active utilization and other changes resulting from a forecasting model update.)*

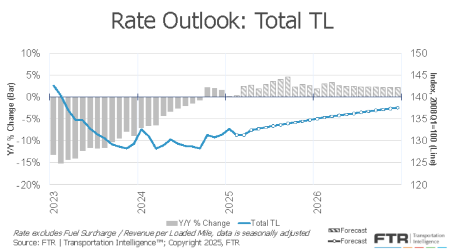
The forecast for total **truckload rates** is nearly a point weaker than in the previous outlook, and the principal factor is a much weaker recovery in spot rates. The total rate forecast excluding fuel surcharges for 2025 is +2.5% y/y, which is down from +3.3% in the previous forecast.

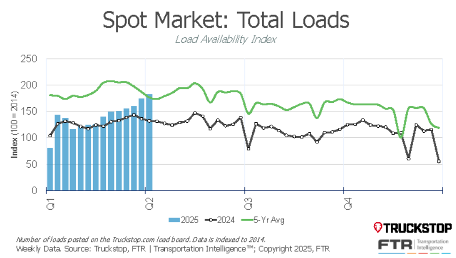
The **LTL contract rate** forecast is +2.0% y/y, down from 1.8% previously. However, FTR has not yet considered the consequences for rates of the upcoming LTL freight reclassification in July. We expect that reclassification likely will yield stronger rates than currently forecast, but our preliminary view is that any gains will be tempered by a still-sluggish dry van truckload sector.

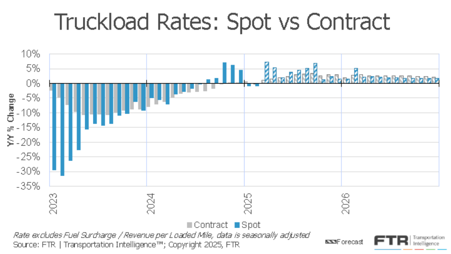
See page 4 for more charts and graphs on truck rates…











Additional information and insights into the trucking market are available in our Trucking Update *service*

WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Spot Market: Total Loads
- Active Truck Utilization Outlook
- U.S. Truckload Outlook
- Rate Outlook: Total TL
- Truckload Rates: Spot vs Contract

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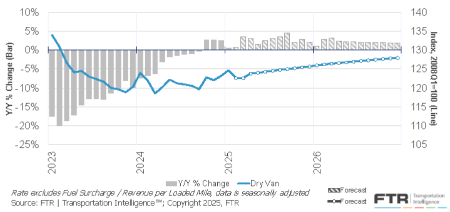
Trucking Rates

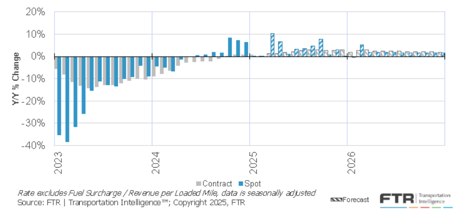
Shippers
April 2025

Trucking Rates

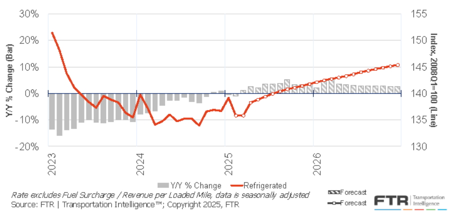
Rate Outlook: Dry Van



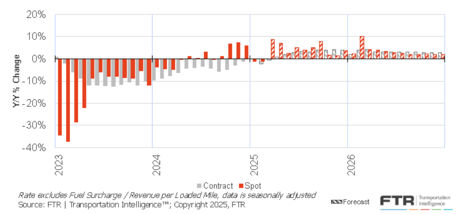
Dry Van Rates: Spot vs Contract



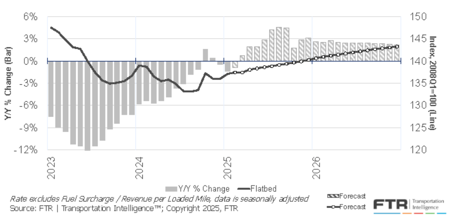
Rate Outlook: Refrigerated Van



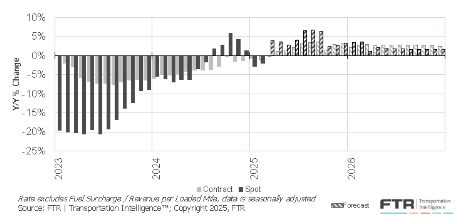
Refrigerated Rates: Spot vs Contract



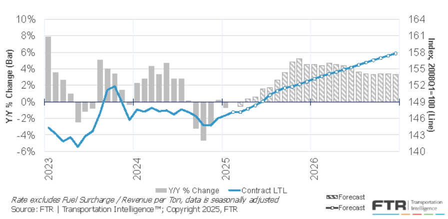
Rate Outlook: Flatbed



Flatbed Rates: Spot vs Contract



Rate Outlook: Contract LTL



Total Truckload Rates Overview

Y/Y % Change *F = Forecast*	Jan-25	Feb-25 F	Mar-25 F	2024	2025 F
Total Truck (Spot + Contract)	**0.1%**	**0.2%**	**2.4%**	**-2.5%**	**2.5%**
Spot Truck Rates	-0.9%	-0.7%	7.3%	-0.6%	3.2%
Contract Truck Rates	0.5%	-0.1%	1.0%	-3.4%	2.1%
Dry Van	0.6%	0.6%	3.4%	-1.9%	2.4%
Refrigerated	-0.4%	-1.0%	1.3%	-3.4%	2.5%
Flatbed	-1.4%	-0.9%	0.7%	-3.0%	2.1%
Contract LTL	-0.7%	0.0%	-0.5%	1.0%	2.0%

TL Rates are seasonally adjusted base linehaul, $/mi excluding fuel surcharge
Source: FTR | Transportation Intelligence™; Copyright 2025, FTR

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WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Rate Outlook: Dry Van
- Rate Outlook: Refrigerated Van
- Rate Outlook: Flatbed
- Rate Outlook: Contract LTL
- Dry Van Rates: Spot vs Contract
- Refrigerated Rates: Spot vs Contract
- Flatbed Rates: Spot vs Contract
- Total Truckload Rates Overview

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Shippers
April 2025

Intermodal Conditions

Intermodal Indicators & Outlook

- Intermodal volume was stable at high levels in March.
- Only modest volume growth projected for 2025.
- Softer traffic brings velocity more in line with 2024.
- Modest freight rate recovery is expected this year.

After softening in February from January's very strong traffic levels likely tied to tariff avoidance, North American **intermodal traffic** basically held steady at fairly strong levels in March, according to Association of American Railroads (AAR) figures.

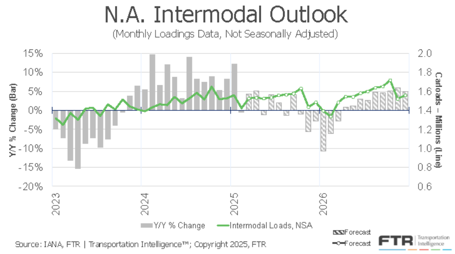
Through 13 weeks, intermodal volume was up 6.7% y/y. Traffic had been up 10.4% y/y in January but softened to +6.9% y/y through February. Not surprisingly, intermodal volume y/y strength this year has been centered within the U.S. due to tariff-related distortions and, perhaps, some residual pull-forward to avoid the ultimately averted port strike at the U.S. East and Gulf Coast ports.

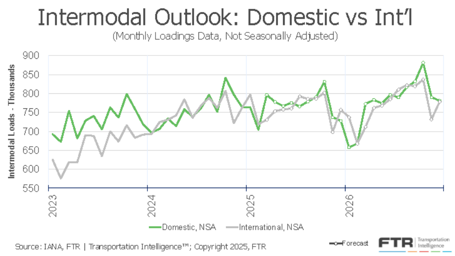
The intermodal **volume forecast** expects traffic to rise only modestly in 2025, growing just 1.5% in 2025. The domestic intermodal is forecast at slightly stronger rate of 1.7% while international is expected to grow 1.4%.

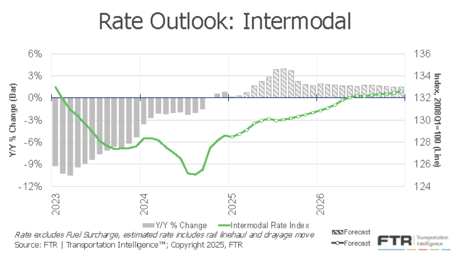
Similar total growth of 1.2% is expected in 2026 with 1.4% growth in domestic and 1.0% in international. An uncertain and likely more expensive trade environment along with a flat industrial economy likely will stifle demand for intermodal transportation.

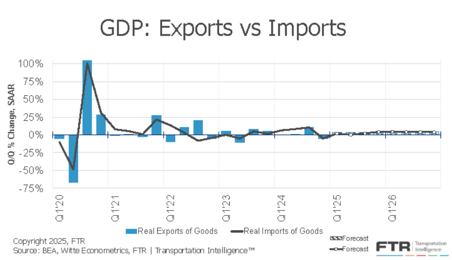
With the still-strong but slightly more moderate levels of rail traffic through March, intermodal **rail velocity** has fallen more in line with 2024 levels but has remained well below the five-year average. Unlike the pattern seen in recent months, velocity has not been consistent across the underlying rail carriers.

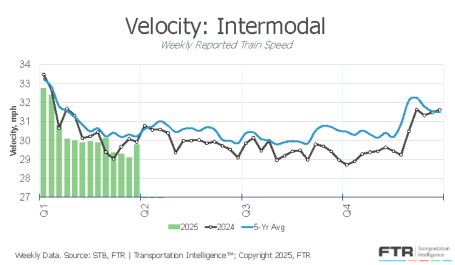
After falling 8.1% in 2023 and 1.6% in 2024, **domestic intermodal rates** are expected to finally grow this year. The forecast is a 2.1% increase y/y, excluding fuel surcharges, down marginally from the prior forecast of an increase of 2.3%.











Additional information and insights into the intermodal market are available in our Intermodal service

WHAT'S INCLUDED

Exclusive FTR forecasts included:

- GDP: Exports vs Imports
- N.A. Intermodal Outlook
- Intermodal Outlook: Domestic vs Int'l
- Rate Outlook: Intermodal
- Velocity: Intermodal

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Carload Conditions

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April 2025

Carload Conditions

Carload Indicators & Outlook

- Carload traffic improves mostly because of coal.
- The volume forecast softens due largely to tariffs.
- Velocity has started to decline due to improved traffic.
- Model revision yields a stronger utilization estimate.
- Carload rate growth looks slightly softer in 2025.

While **carload traffic** had a rough start to the year – especially in February due in part to severe winter weather – March proved to be the best month in more than a year. According to AAR weekly data, carload volume through 13 weeks is down just 0.9% y/y, which is a large improvement over the 2.4% y/y deficit through February.

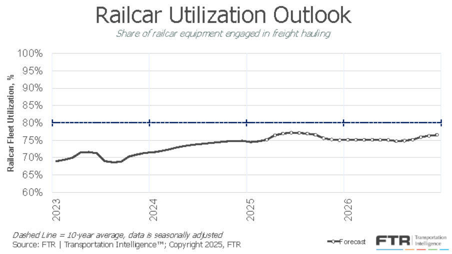
The most important improvement was in coal, which is, of course, the dominant carload category. Through February, coal traffic was down 3.1% y/y, but by the end of March it was up 1.1%.

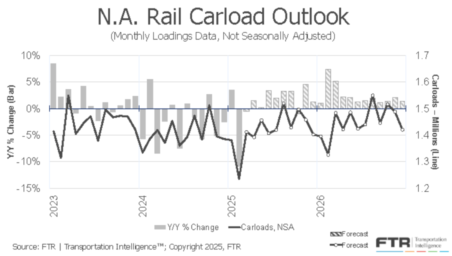
FTR has reduced its 2025 **carload volume forecast** to a 0.9% increase y/y, down from 1.6% previously. Tariff impacts are a significant driver of that downgrade. However, given the most recently announced tariffs, we believe that there is downside risk even to this lowered forecast, especially in steel and automotive.

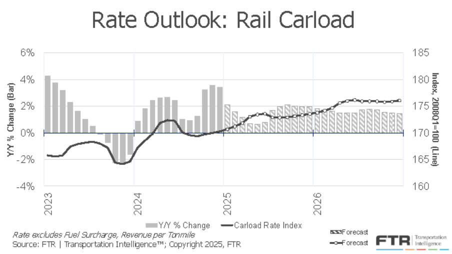
U.S. **rail velocity** had been stable during the first two months of 2025 in line with 2024 levels and the five-year average. Over the past month, velocity has been generally below the historical levels due mostly to the recent y/y increases in carload traffic.

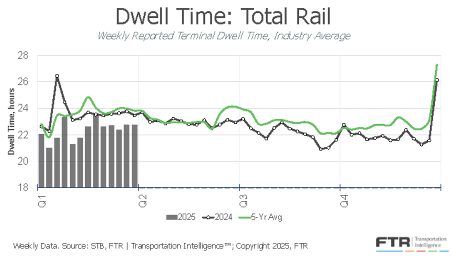
A refresh of economic indicators driving FTR's Freight-cast forecasting and analysis model resulted in an upward revision of **railcar utilization** estimates for the past couple of years, but the 2025 outlook changed little directionally.

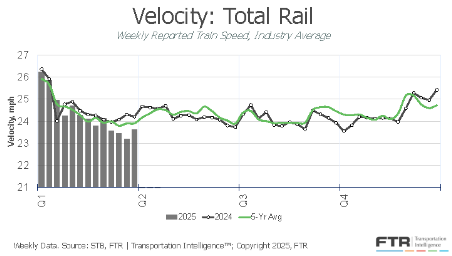
The 2025 **carload rate** forecast is slightly weaker than it was previously at a 1.5% y/y increase, down from +2.1%. The 2026 forecast is +1.6%, which is notably weaker than the prior forecast of +3.1%. FTR estimates that carload rates were up 2.2% y/y in 2024.











Additional information and insights into the carload market are available in our Rail Update *service*

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WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Dwell Time: Total Rail
- Railcar Utilization Outlook
- N.A. Rail Carload Outlook
- Rate Outlook: Rail Carload
- Velocity: Total Rail

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Shippers
April 2025

Economic Environment

Summary

February's strength in economic indicators for industrial, consumer, and housing activity appears to be mostly just recovery from a weak January. In many cases, activity did not recover even to December levels let alone see any acceleration. Still, the gains were reassuring.

In some cases, however, it is difficult to assess how organic economic activity is as opposed to tariff avoidance moves. That dynamic is most pronounced in imports, which soared to a record level in January and essentially held steady in February. Likewise, stronger orders and shipments of primary metals might be related to the March 12 date for tariffs on steel and aluminum.

One clear red flag is acceleration in the core Personal Consumption Expenditures (PCE) price index, which could prompt the Fed to keep monetary policy tight.

Consumer

Retail and food service sales ticked up 0.2% m/m, seasonally adjusted, in February after dropping 1.2% in January. Sales were broadly weak but were bailed out by a 2.4% increase in nonstore retail – the second largest retail category after motor vehicles and parts, which declined 0.4%.

Adjusted for inflation, consumer spending basically held steady m/m in February as a partial recovery in spending on goods offset a dip in spending on services.

Manufacturing

The Institute for Supply Management's manufacturing index fell 1.3 points in March to 49.0%, indicating a return to contraction after two months in marginal expansion. The new orders component retreated further to 45.2% while the production component fell to 48.3%. Many survey respondents cited tariffs and other trade impacts.

Manufacturing output rose 0.9% m/m in February to its strongest seasonally adjusted level since October 2022. A sharp recovery in motor vehicles and parts production was a major factor. Excluding automotive, manufacturing production was up 0.3% m/m.

Residential Construction

Housing starts jumped 11.2% m/m, seasonally adjusted, in February after falling 11.5% in January. Starts were down 2.9% y/y. The decline in the number of homes under construction ended at 14 months based on initial data.

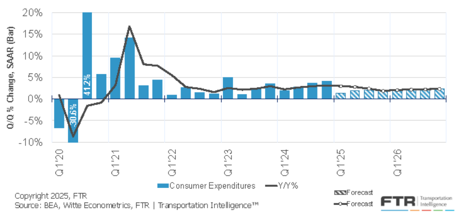
Sales of existing homes bounced back in February, rising 5.7% m/m after falling 5.2% in January. Sales of new homes also recovered somewhat after January's big drop. Seasonally adjusted, the number of new homes on the market is the highest since November 2007.

Economic Outlook Overview

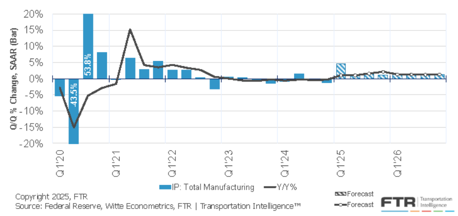
Q/Q % Change, SAAR	Q4'24	Q1'25F	2024	2025F
Real Gross Domestic Product (GDP)	2.3%	1.5%	2.8%	2.3%
Industrial Production (IP)	-0.9%	6.0%	-0.3%	1.8%
Goods Transportation Sector (GTS)	-1.3%	1.1%	3.2%	2.0%
F = Forecast				

Source: Witte Econometrics, FTR; Copyright 2025, FTR

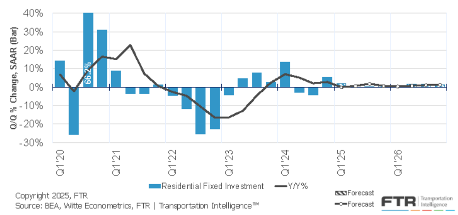
GDP: Consumer Expenditures



IP Outlook: Manufacturing



GDP: Residential Investment



WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Economic Outlook Overview
- GDP: Consumer Expenditures
- IP Outlook: Manufacturing
- GDP: Residential Investment

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Shippers
April 2025

Economic Environment ...

Monthly Business & Economic Highlights

February's Economic Environment:

● *Job growth continues and unemployment ticks up as industrial production remains in positive territory.*

	Nov	Dec	Jan	Feb	Impact	Y/Y Chg.	Comments
INDUSTRIAL PRODUCTION							
Total Industrial Production	-0.2%	1.1%	0.3%	0.7%	●	1.4%	Q1 of 2025 continued in positive territory for industrial production. This was primarily due to strong comparisons in durables, especially autos.
Total Manufacturing	0.2%	0.5%	0.0%	0.9%	▲	0.8%	
Automobile and Light Duty Motor Vehicle Production	2.9%	-4.7%	-7.1%	15.0%	●	-4.5%	
BUSINESS INDICATORS							
Unemployment Rate	4.2%	4.1%	4.0%	4.1%	●	20 bp	Overall job growth remained positive in the latest month, but unemployment ticked up. Leading indicators continued to decline for the third month in a row.
Job Creation (Payroll Employment)	261k	323k	125k	151k	▲	1,947k	
ISM Manufacturing Index	48.4	49.2	50.9	50.3	●	120 bp	
CONSUMER INDICATORS							
Consumer Confidence (Conference Board)	112.8	109.5	105.3	98.3	▼	-6.5 pts	Existing home sales, as well as mortgage rates, increased in the latest data. Housing starts fell in the prior month, but were up in the most recent one.
Housing Starts	-2.9%	16.9%	-11.5%	11.2%	●	-2.9%	
Retail Sales	0.7%	0.7%	-1.2%	0.2%	▲	3.1%	
Consumer Price Index	0.3%	0.4%	0.5%	0.2%	▲	2.8%	
OIL AND FUEL							
National Avg. Diesel/Gal.	$3.520	$3.490	$3.630	$3.670	●	-9.2%	Crude prices decreased significantly in the latest data, reversing most of the gain in the prior month. Diesel prices moved slightly higher.
W. Texas Int. Crude Oil ($Bbl.)	$69.95	$70.12	$75.74	$71.53	▲	-7.4%	

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

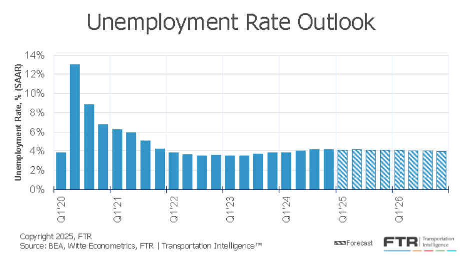
Source: Federal Reserve, BLS, ISM, Conference Board, Census Bureau, EIA, FTR | Transportation Intelligence™; Copyright 2025, FTR

Employment

The U.S. economy in March added 228,000 payroll jobs, seasonally adjusted, according to preliminary figures from the Bureau of Labor Statistics. As usual, the strongest increase was in private education and health services, led by health care. Trade, transportation, and utilities as well as leisure and hospitality saw strong gains, too.

The unemployment rate ticked up to 4.2%. The labor participation rate increased to 62.5%. The prime age participation rate declined to 83.3%.

Job openings fell 2.5% m/m to around 7.6 million in February following recent volatility. Openings were down more than 10% y/y. Job quits declined m/m after a fairly sharp increase in January.



Forecast Risks

Economic indicators remain solid throughout the economy, but it is difficult to assess the degree to which some indicators could be skewed by stakeholder activity ahead of anticipated tariffs. Our economic forecasts are a bit weaker due to organic data, but tariffs and uncertainty in other areas, such as immigration and government spending, represent major downside risks in the near term regardless of their longer-term implications. Another concern is that inflation is not continuing to moderate.

See page 9 for detailed economic outlook...

Economic Outlook Probabilities

GDP Forecast Confidence Levels

	Next 4 Quarters GDP Range	Next 4 Quarters Probability	Following 2 Years GDP Range	Following 2 Years Probability
Faster Growth	>3.0%	10%	>3.0%	20%
Base Forecast	**2.0%**	**45%**	**2.0%**	**50%**
Slower Growth	<1.0%	45%	<1.0%	30%

Source: FTR | Transportation Intelligence™; Copyright 2025, FTR

WHAT'S INCLUDED

Exclusive FTR forecasts included:

- Unemployment Rate Outlook
- Economic Outlook Probabilities

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U.S. Economic Outlook

Shippers
April 2025

TABLE: U.S. Economic Outlook

U.S. Economic & Industrial Outlook

Forecasts of key economic data

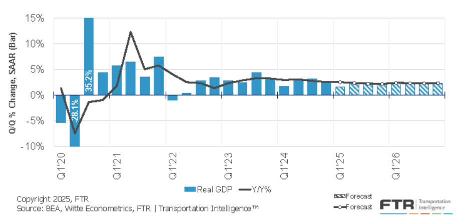
	2025 Q1'25	Q2'25	Q3'25	Q4'25	2026 Q1'26	Q2'26	Q3'26	Q4'26	Annual 2024	2025	2026	2027
F = Forecast	*F*	*F*	*F*	*F*	*F*	*F*	*F*	*F*		*F*	*F*	*F*
Gross Domestic Product (SAAR)												
Real GDP	**1.5%**	**2.4%**	**2.4%**	**2.2%**	**2.4%**	**2.2%**	**2.3%**	**2.3%**	**2.8%**	**2.3%**	**2.3%**	**2.3%**
Consumer Expenditures	1.4%	2.0%	2.1%	2.1%	2.3%	2.3%	2.4%	2.4%	2.8%	2.5%	2.2%	2.4%
Residential Fixed Investment	1.8%	0.0%	0.3%	0.6%	0.8%	1.6%	1.4%	1.4%	4.2%	0.8%	0.9%	1.5%
Change-Business Inventories	17.4	30.4	43.4	56.4	69.4	69.7	70.0	70.4	39.4	36.9	69.9	71.3
Real Exports of Goods	3.6%	3.6%	3.6%	3.6%	4.1%	4.1%	4.1%	4.1%	2.2%	2.6%	3.9%	4.1%
Real Imports of Goods	1.8%	0.3%	2.2%	4.4%	4.7%	4.3%	4.2%	4.2%	4.8%	1.8%	3.9%	4.3%
Goods Transportation Sector	1.1%	1.7%	2.6%	3.3%	3.6%	3.1%	3.1%	3.1%	3.2%	2.0%	3.1%	3.1%
CPI Index	2.5%	2.5%	2.5%	3.8%	2.5%	2.5%	2.4%	2.4%	3.0%	2.7%	2.7%	2.6%
Housing Starts - Millions (SAAR)	1.38	1.38	1.39	1.39	1.40	1.41	1.41	1.42	1.37	1.39	1.41	1.43
% Change (SAAR)	-2.8%	0.0%	2.9%	0.0%	2.9%	2.9%	0.0%	2.9%	-3.9%	1.3%	1.8%	1.1%
Auto Sales - Millions (SAAR)	15.8	15.7	15.8	15.8	15.9	16.0	16.0	16.1	15.8	15.8	16.0	16.2
3 Month T-Bill Rate, %	4.3%	4.1%	3.7%	3.4%	3.3%	3.3%	3.3%	3.3%	5.2%	3.9%	3.3%	3.2%
Moody AAA Bonds, %	5.2%	5.3%	5.3%	5.2%	5.3%	5.3%	5.3%	5.3%	5.0%	5.2%	5.3%	5.2%
Unemployment Rate, %	4.1%	4.1%	4.1%	4.1%	4.1%	4.0%	4.0%	4.0%	4.0%	4.1%	4.0%	3.9%
Federal Surplus, $ (SAAR)	-$1,857	-$1,860	-$1,821	-$1,808	-$1,818	-$1,790	-$1,790	-$1,788	-$1,847	-$1,836	-$1,796	-$1,764

	2025 Q1'25	Q2'25	Q3'25	Q4'25	2026 Q1'26	Q2'26	Q3'26	Q4'26	Annual 2024	2025	2026	2027
F = Forecast	*F*	*F*	*F*	*F*	*F*	*F*	*F*	*F*		*F*	*F*	*F*
Industrial Production (SAAR)												
Total IP	**6.0%**	**0.9%**	**1.2%**	**1.2%**	**1.4%**	**1.2%**	**1.2%**	**1.2%**	**-0.3%**	**1.8%**	**1.2%**	**1.2%**
Manufacturing, Total	4.7%	1.4%	1.6%	1.0%	1.4%	1.4%	1.2%	1.2%	-0.4%	1.4%	1.3%	1.2%
Manufacturing, Non-Durables	1.9%	0.8%	0.8%	0.4%	0.8%	0.9%	0.8%	0.8%	0.3%	1.4%	0.7%	0.8%
Manufacturing, Durables	7.4%	1.9%	2.4%	1.5%	2.1%	1.9%	1.6%	1.6%	-1.0%	1.5%	1.9%	1.6%
Mining	4.0%	1.1%	1.4%	0.6%	1.1%	1.1%	0.9%	0.8%	-0.7%	1.9%	1.0%	0.9%
Utilities	19.0%	-2.5%	-1.1%	3.8%	1.8%	0.6%	1.7%	1.9%	1.7%	4.5%	1.3%	1.6%

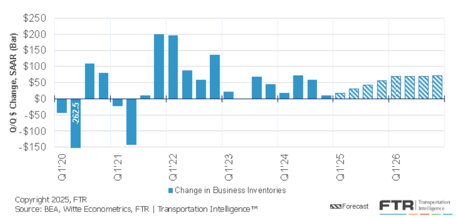
Q/Q % Change, SAAR // F = Forecast
SAAR is Seasonally Adjusted Annual Rates or Seasonally Adjusted Quarter to Quarter Changes at Annual Rates.

Source: Witte Econometrics, Federal Reserve, BEA, FTR | Transportation Intelligence™; Copyright 2025, FTR

Real GDP Outlook



GDP: Business Inventories



WHAT'S INCLUDED

Exclusive FTR forecasts included:
- GDP breakdown
- IP breakdown

Commentary

A refreshed view of trucking dynamics

FTR completed a major update of the data driving our forecasting model.

As we have pointed out occasionally in this commentary, FTR's historical estimates of key aspects of freight are subject to change. Our forecasting model, Freight•cast™, is grounded in economic activity, which the model converts to tonnage and tonmiles that are then allocated into specific modes and eventually – using various productivity factors – into volume by equipment type.

This process depends on lots of economic data, which is subject to change. Revisions occur routinely and typically are minor. Changes might be more substantial a couple of times a year due to annual revisions of government estimates of industrial production and Gross Domestic Product.

This time, though, we have just completed a rather tedious update of data that had become obsolete based on updates published at different frequencies by various entities, such as the U.S. Geological Survey, U.S. Department of Agriculture, or the Energy Information Administration.

This data generally requires more manual adjustment than the data that feeds our model routinely. The necessary manipulation simply is not feasible on monthly or even quarterly basis. We had not conducted this update in several years due mostly to a higher-priority focus on analyzing and forecasting freight dynamics in the wake of the huge disruptions and swings of the past five years.

Although revisions in economic data can affect some of our data related to rail and intermodal, such as in railcar utilization, the impact is much more significant in trucking. FTR's data on volume in rail carload and intermodal is tied to figures reported by the Association of American Railroads and Intermodal Association of North America.

Mostly due to the highly fragmented nature of the trucking industry in comparison to rail, trucking lacks a central repository of key metrics, and that's one of the main reasons FTR created the Freight•cast™ model in the first place.

The following analysis addresses principally the changes in trucking. Our goal with model updates is to improve our understanding of freight dynamics over time. After all, our update does not change anything that has happened. Freight was what it was regardless of what our data says. Our recalibration is valuable mostly for improved analysis of freight trends over time and for better understanding why what has already happened played out that way.

Moreover, the recalibration does not modify our current view of how freight dynamics will change. Those forecasts are based mostly on what current data trends and our economic forecasts are telling us to expect versus the prior baselines. What has changed is our estimate of those baselines.

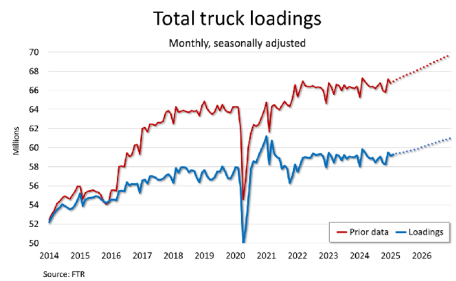
Weaker truck loadings, changed utilization

The model update resulted in large drops in estimated truck loadings and annual growth rates for all equipment types, starting in 2016. There were changes in loadings prior to 2016, but those were mostly incremental.

One exception to weaker annual growth in the revision is 2020. The revised data shows a far stronger rebound in truck loadings in 2020 following the lockdown period than reflected in our prior data. Rather than being down 4.0% y/y in our prior estimate, total truck loadings were down just 0.6%.

We will not go into detail here on how truck loadings changed by equipment type, although the changes are reflected in the data available to premium-level subscribers. However, in broad strokes, downward revisions in loadings of food/agricultural products and construction materials had

(Continued on page 11)



WHAT'S INCLUDED

What news matters? What doesn't?

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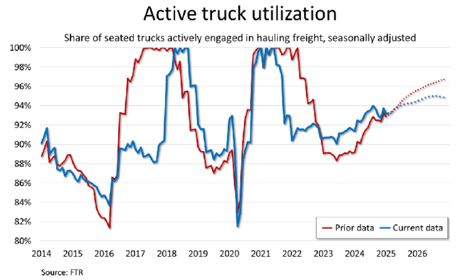
Commentary (Continued)

Shippers
April 2025

Commentary …

(Continued from page 10)



the biggest effect. Very few commodities saw upward adjustments, and those were mostly minor .

We will look a bit more closely at active truck utilization, which is presumably a bigger concern for most shippers as it addresses more pressing matters, such as how fluid capacity might be in the months ahead and how much that capacity will cost.

Our revised truck loadings estimates obviously factor heavily into our view of historical utilization. We know from the freight rate environment that utilization is not especially strong, but we consider it important for long-term analysis to adjust our historical active truck utilization estimates based on the new truck loadings estimates and revisions in our productivity and length-of-haul assumptions.

In our revised analysis, both 2018 and 2021 saw periods of essentially 100% utilization, but in both cases, those periods were much shorter. In the case of the 2018 peak market, the run-up occurred much later than in the prior analysis because it turns out that freight was not as strong prior to the stress caused by the electronic logging device mandate.

In the 2021 peak freight market, our current view indicates a far faster normalization than the prior analysis did. However, active truck utilization stabilized at a higher level before beginning to recover modestly in 2024.

Interestingly, the new and old looks put current active truck utilization at almost the same level. Fortunately for shippers, the active truck utilization forecast is softer than it was previously, and it was not particularly strong before. However, the uncertainty and turmoil due to global tariffs and other factors could result in forecast volatility.

The unexpected jump in payroll employment for trucking in March – the largest single-month increase in more than three years – might reflect recently stronger industrial production and perhaps some pull-forward of inventories ahead tariffs.

Another possibility is that carriers had an easier time hiring drivers in March due to failures of very small carriers that are not captured fully in monthly payroll jobs figures. Although carrier entry and exit was balanced in March, the data lags due to the time required to revoke operating authority. A similar dynamic occurred in the spring of 2022.

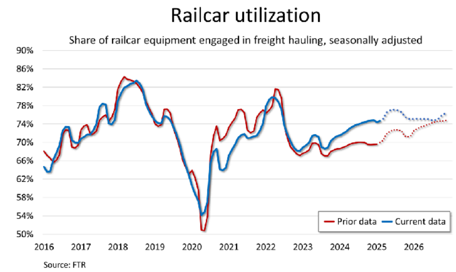
Slight shifts in railcar utilization

Although we are focusing primarily on trucking, which saw the most change given big revisions in both volume and utilization, the model updates did affect railcar utilization notably due to revisions in some of the economic data.

The railcar utilization changes were not significant until the post-lockdown period in 2020. Starting that fall, our revised estimates of railcar utilization are weaker until the beginning of 2022. Since around the beginning of 2023, we now have railcar utilization higher than the previous estimate, especially since late that year.

As with our volume and utilization forecasts, the model update changed the baseline but not the rate of change. Our railcar utilization forecast is stronger in 2026 but not because of the updated data.

Note: This analysis addresses selected outcomes from the Freight•cast™ update. For broader freight implications and more information on the process, see the State of Freight Insights analysis that was recently distributed to all FTR clients.



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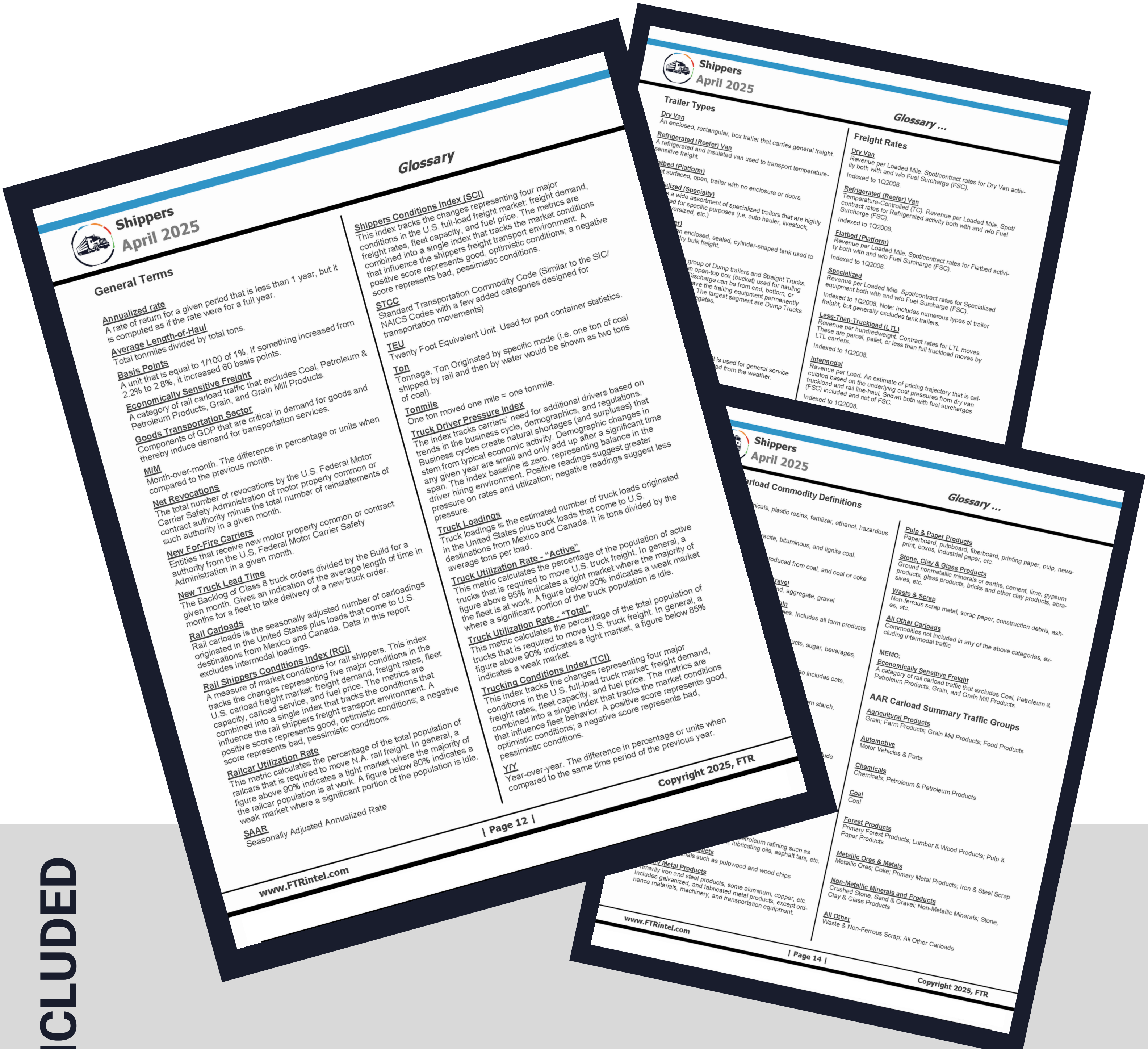
Glossary



WHAT'S INCLUDED

New to the industry?

If you have new employees in the transportation department, or need a refresher, the glossary provides a great starting point to understanding the FTR and industry lingo you need to know.

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