

THE EVANS DIFFERENCE

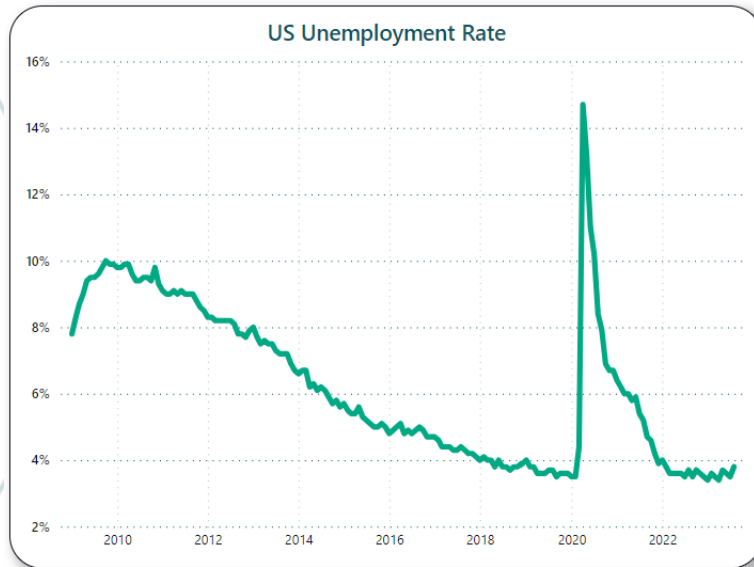
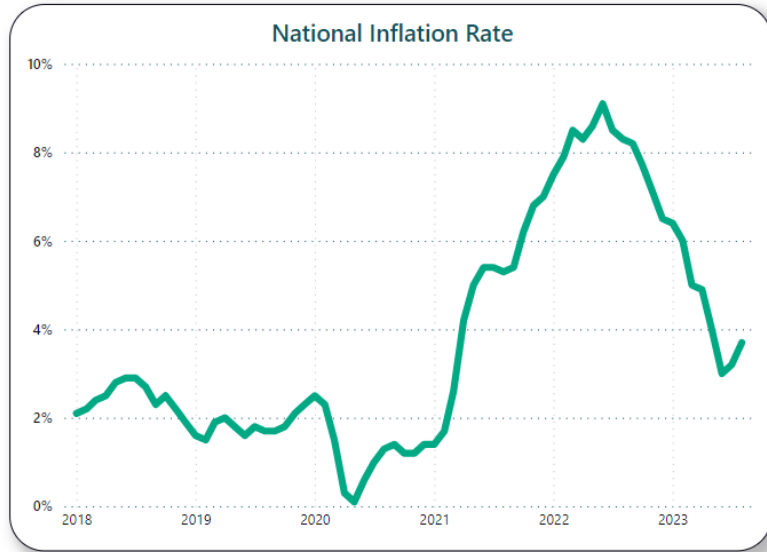
INDUSTRY UPDATE:

SEPTEMBER 2023

Industry Updates

Evans is here to support you with monthly industry updates, key metrics, forecasting, and trends. Leverage the #EX today and reach out to your Evans account manager!

- 1 [CPI Inflation Rates](#)
- 2 [Cass Expenditures and Volumes](#)
- 3 [DAT Truckload Data](#)
- 4 [Dry Van Cost Per Mile](#)
- 5 [Flatbed Cost Per Mile](#)
- 6 [LTL PPI Index](#)
- 7 [Average Crude and Diesel Costs](#)
- 8 [ISM PMI Index](#)
- 9 [Connected to Evans](#)

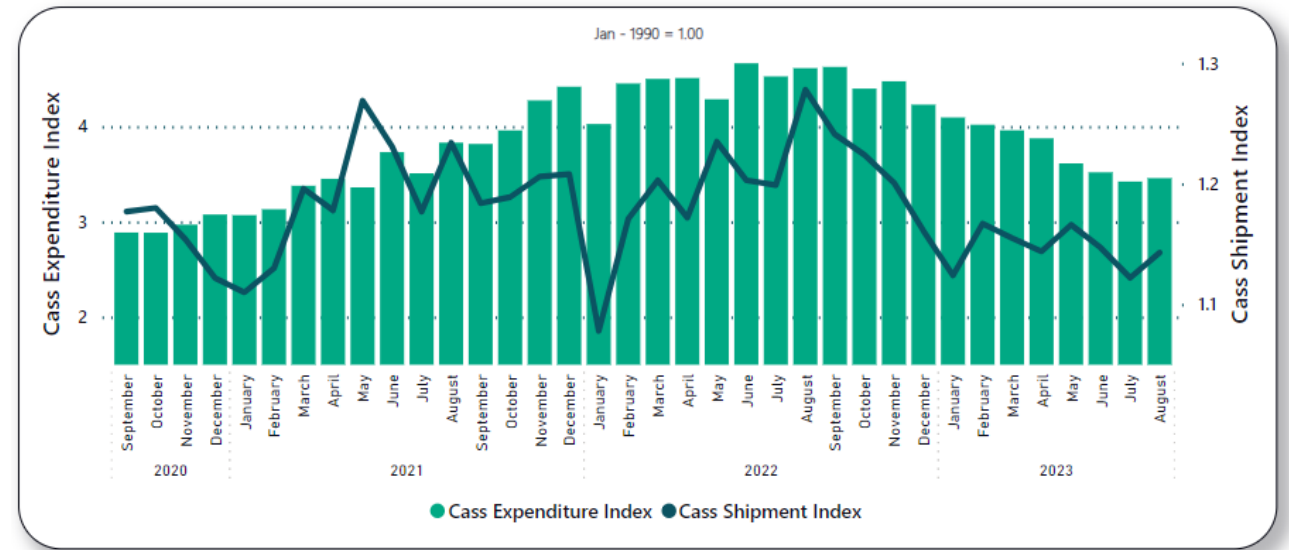


Have We Seen An End To Rate Hikes?

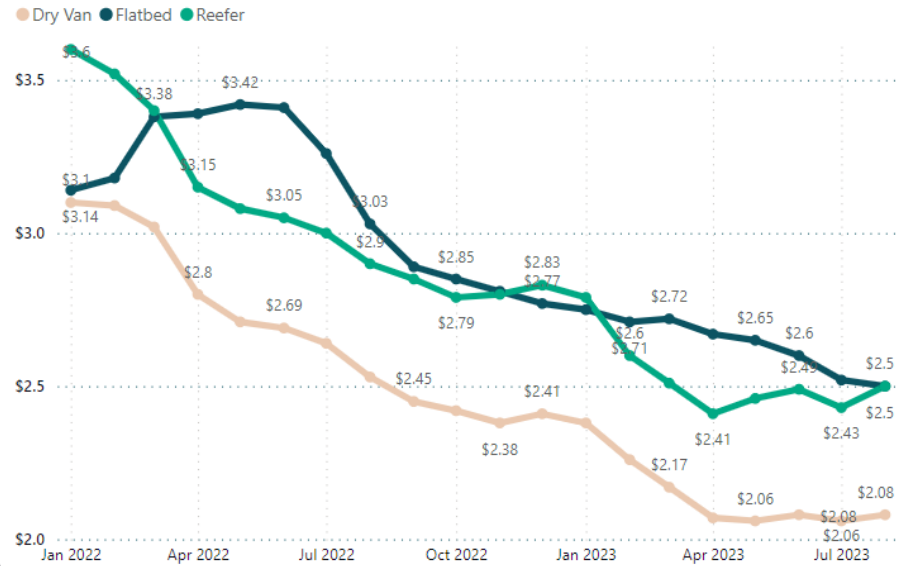
- In August, the CPI numbers increased for the second month in a row, with it attaining a rate of 3.7%.
- The Core CPI rate, which excludes energy and food, had a reverse trend, continuing its downward dip to 4.3%.
- The unemployment levels are still stronger than many anticipated, but it did creep up slightly to 3.8%.
- More than likely, the Feds will hold off from further interest rate hikes for the time being to let the current adjustments run their course.

Volumes Showing Signs Of Life

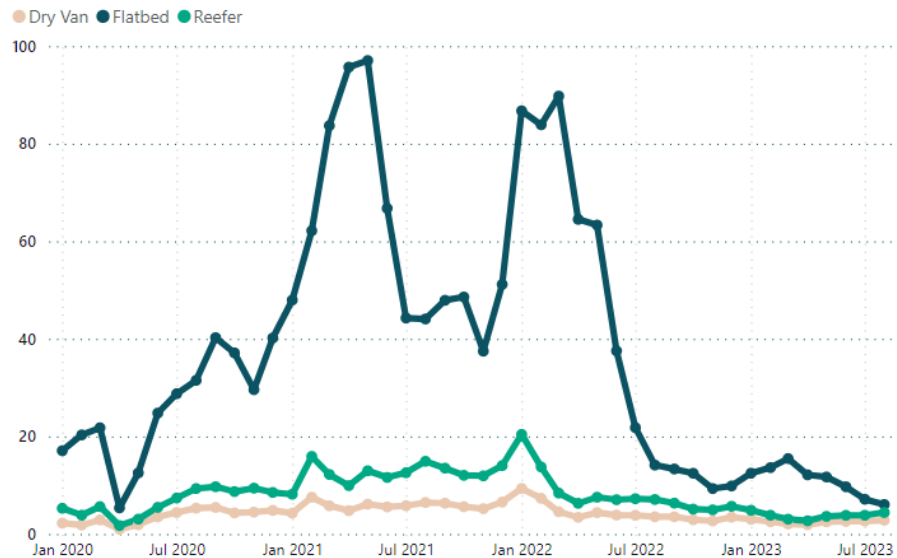
- In August, the shipment volumes improved MoM by 1.9% but were still down 10.6% year-over-year when looking at the Cass indexes.
- The expenditures saw a similar trend with a 1.1% improvement from July but were down 25% year-over-year.
- While the year-over-year numbers are frightening, August was the peak of last year, creating tough comparisons.
- If we see even a muted peak season, comparisons to last year could finally show some positive movement.
- The last three down cycles lasted between 21 and 28 months. The current downcycle is sitting at 20 months, causing many to keep a close eye on the up cycle.



DAT Avg CPM Spot

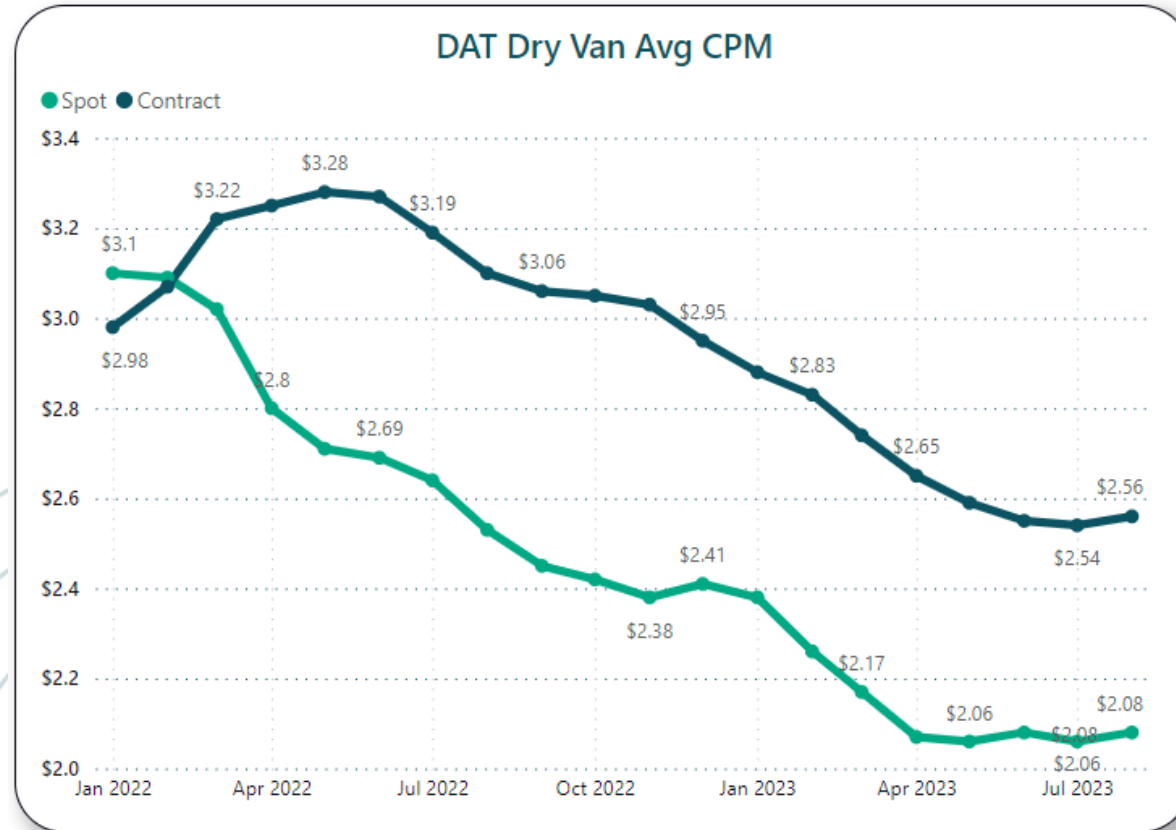


DAT Load to Truck Ratio



The Valley Continues Into August

- Dry van and refrigerated Load-to-Truck ratios are showing slight improvements over the past few months.
- Despite the demand pressures seeing increases, the cost per mile has not seen as much of an impact.
- The transportation market is still trying to find an appropriate balance without having an over-correction.



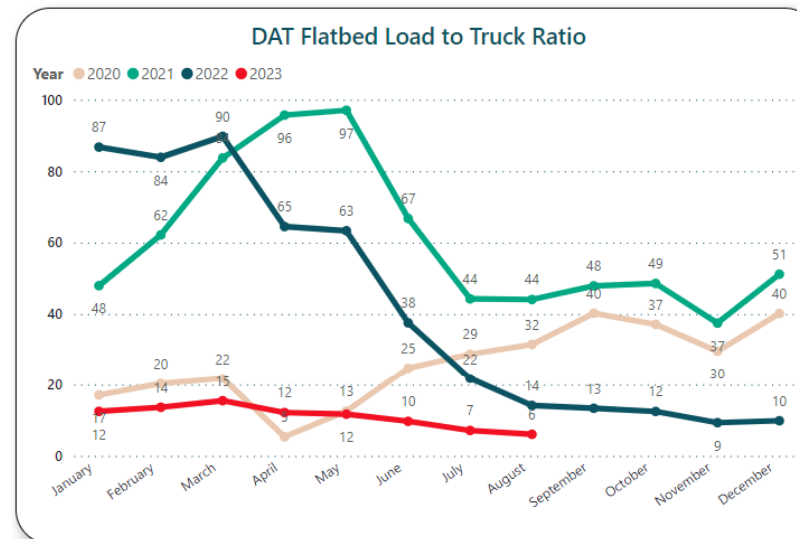
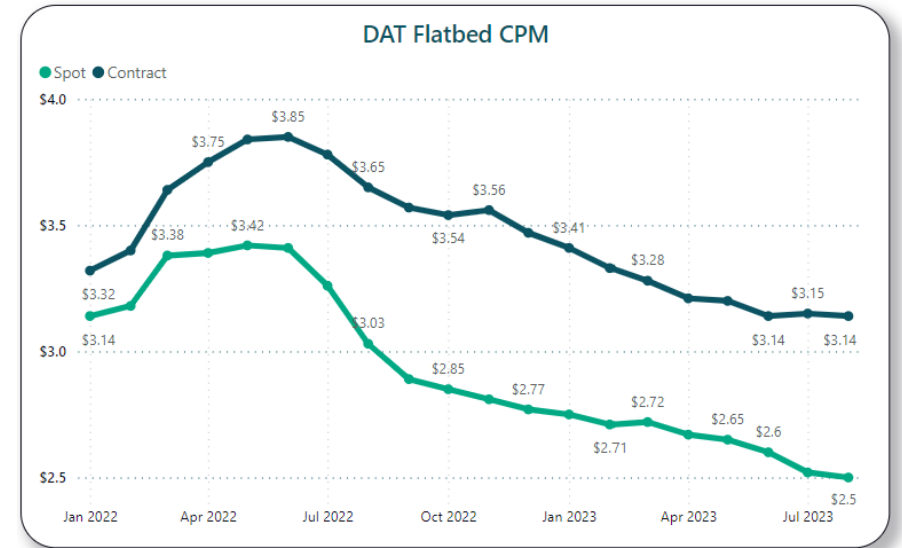
Contractual Pricing Could Have Hit The Bottom

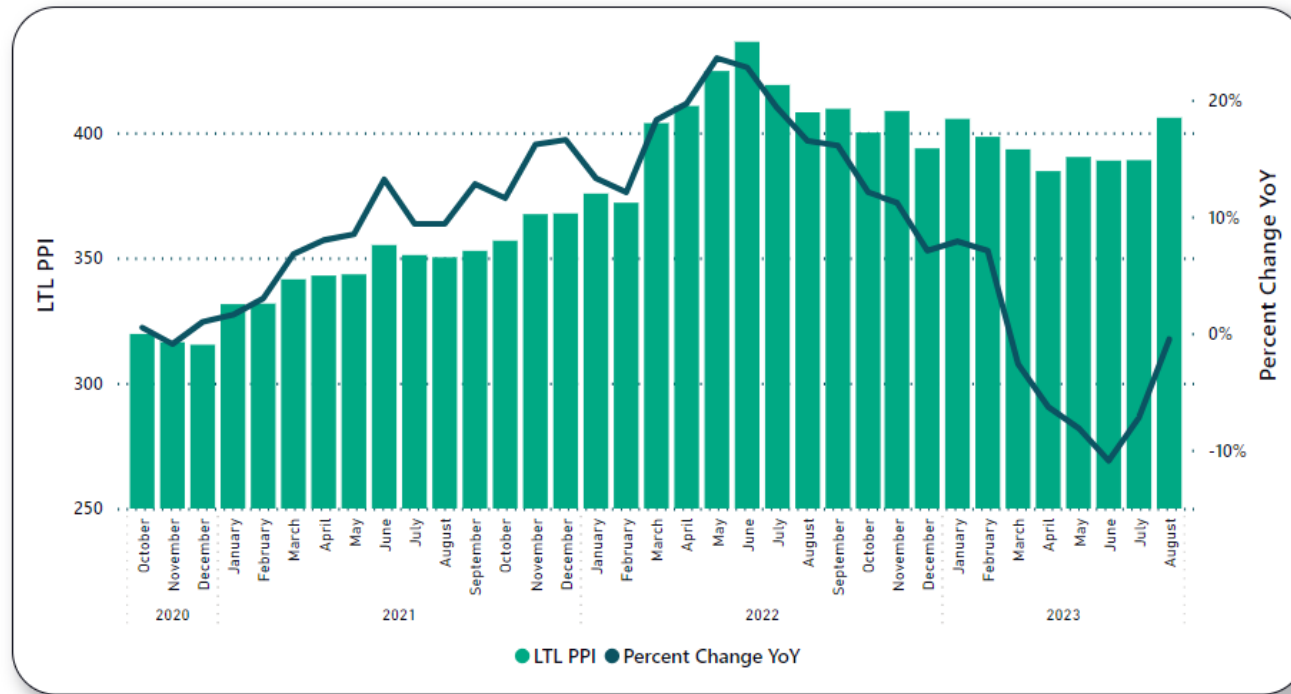
- For the first time since March of 2022, contractual rates increased, hitting \$2.56 per mile.
- While the spot rates saw a similar increase with a reading of \$2.08, they have remained neutral since April of this year.
- The Load-to-Truck ratios have been on a slow incline since April as well.
- So far in September, the cost per mile is continuing its path forward.
- For many shippers, the last quarter consists of RFPs for next year's pricing. If pressures are noticeable, it could cause an adjustment in carriers' pricing strategies for 2024.

A Construction Boost Around the Corner

- The flatbed sector has seen no improvement in over a year.
- While summer is a challenging time for flatbeds due to the heat, the fall could see a boost in construction jobs leading to an increase in demand for flatbeds.
- So far in September the cost per mile is slightly elevated over August.
- Even if the fall construction push is muted the expectation for spring demand is strong with more infrastructure money coming into the market.

EVANS TRANSPORTATION: Flatbed Outlook



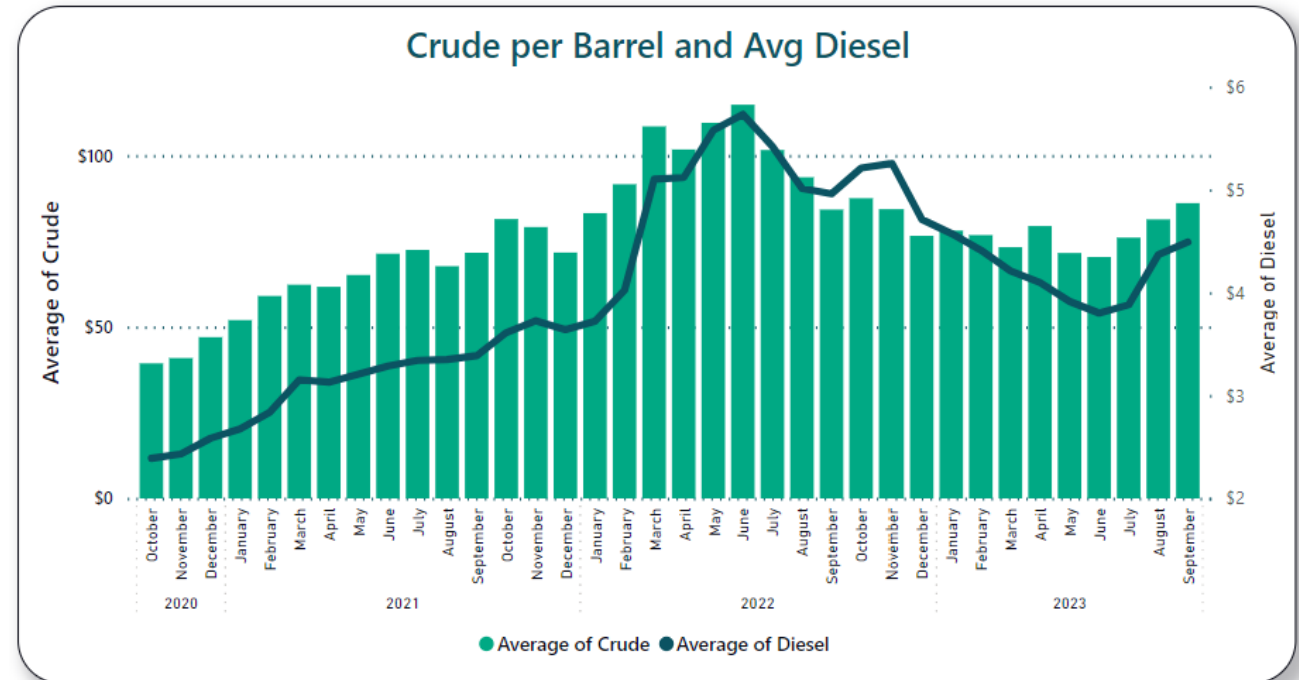


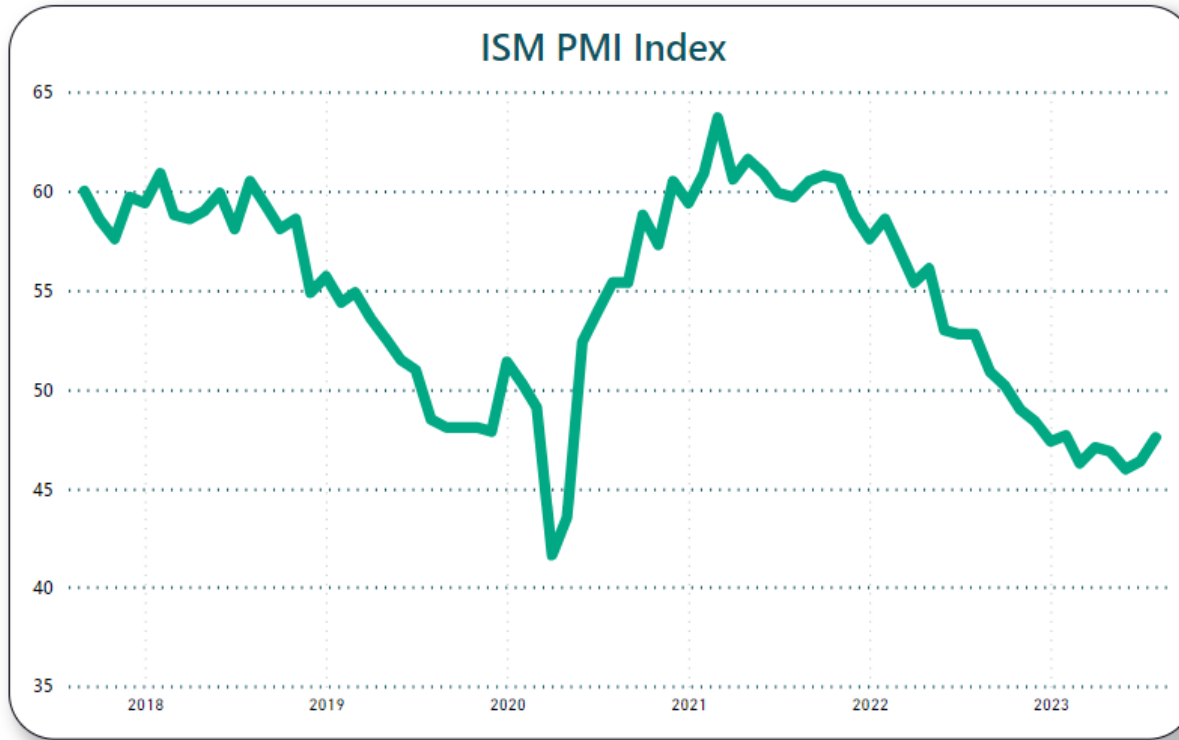
Yellow Impact Is Felt

- Despite the major shock created by Yellow Freight, the remaining carriers have handled the additional volumes well.
- As expected, the carrier rates saw an increase as they had to absorb the additional volumes.
- The LTL PPI is only .5% below last August but up 4.4% from last month.
- The current assets of Yellow are still being bid on, with Estes at the top of the list with a \$1.525 billion bid. With these assets held up and annual rate increases coming, the LTL PPI should remain strong into next year.

Fuel Costs Are Not Backing Down

- The oil cuts from OPEC and Saudi Arabia have not changed course, which has caused global pressure on the demand for crude oil.
- The increases did not stop in August, and so far in September, they are doubling down. Rates are soaring past \$90 per barrel.
- Many are forecasting the market to hit the \$100 unless relief is seen somewhere else.
- The cost of diesel is almost at the \$4.50 mark.
- Fuel is a leading factor causing increased expenditures in indexes such as Cass's expenditures index.





Manufacturing Turning a Corner?

- While we are still in the contraction category of the PMI index, August saw the first upward movement two months in a row since October of 2021.
- The PMI reading came in at 47.6%, which was a 1.2 percentage point bump.
- August was the 10th month in a row that we have been in a contracting direction.
- The index engine, New Orders, is still stuttering below the 50 mark.
- If the trend holds steady, we could hit the magic 50 number in the coming months.

Did You Know?



Learn what it is like to have the [#EX](#) on your side!

Evans Now Has an In-House Parcel Solutions Team!

“We are thrilled to introduce our Parcel Solutions Division as a testament to our commitment to anticipating and addressing the evolving needs of our clients,” said Ryan Keepman, CEO of Evans Transportation. “Our collaborative, customer-centric approach, coupled with the expertise of industry veterans like Matt Huckeba and Brian Broadhurst, ensures that we continue to deliver solutions that empower our clients to become better shippers.”

[What Can Evans Parcel Solutions Do For You?](#)