

THE BUSINESS OF INTERMODAL CONTINUES

*Intermodal Analyzed
With Larry Gross of Gross
Transportation Consulting*

January 26, 2021 - 2:00 PM ET

Housekeeping

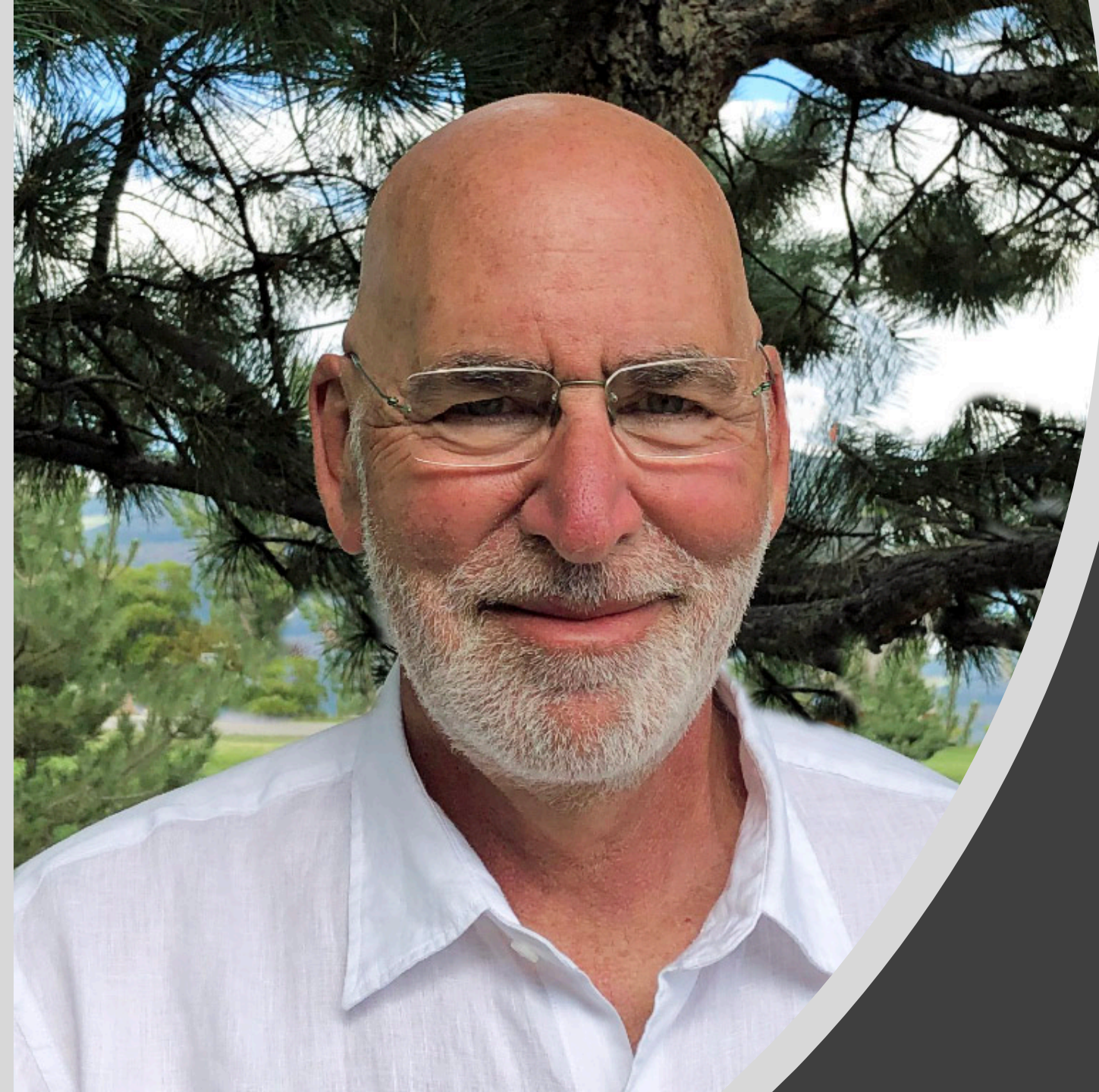
- Audience will be muted
- A question & answer session will follow the presentation
- Submit questions at any time via the Questions pane in the Control Panel
- A recording of this webinar, including the slides, will be available in the near future



Our
Moderator

Hal Pollard
Director of Education
IANA





**Our
Guest**

**Larry Gross
President
Gross
Transportation
Consulting**

Hello!

Larry Gross:

President

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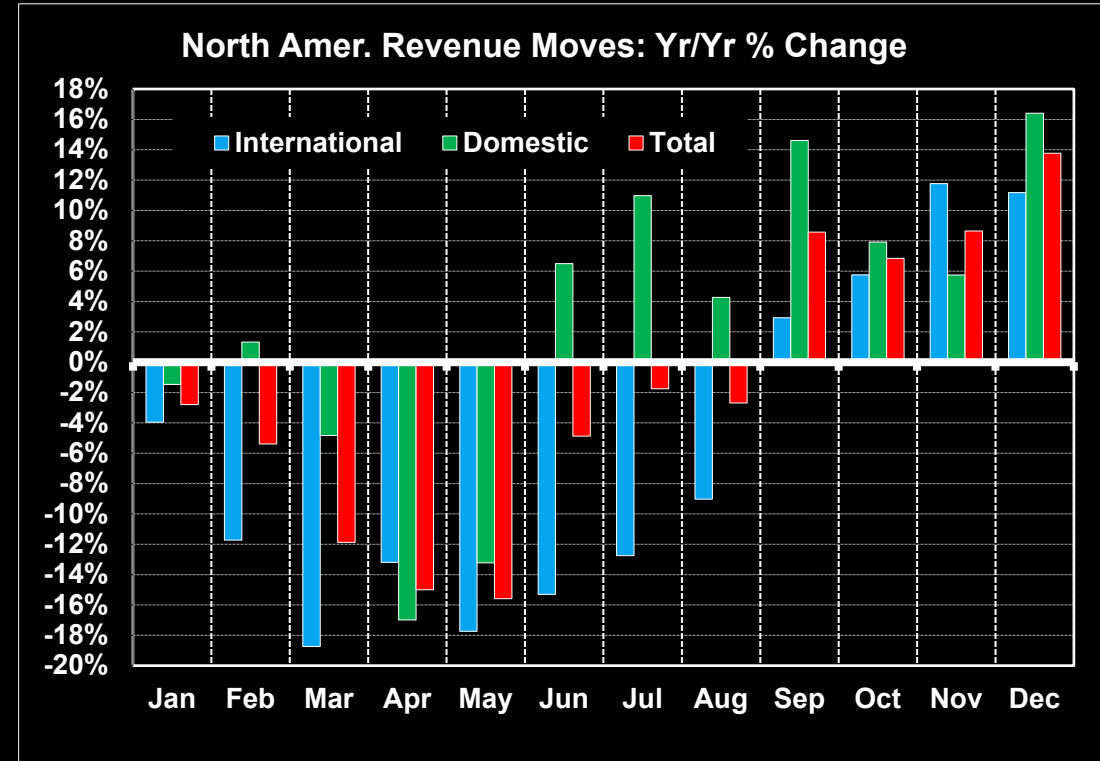
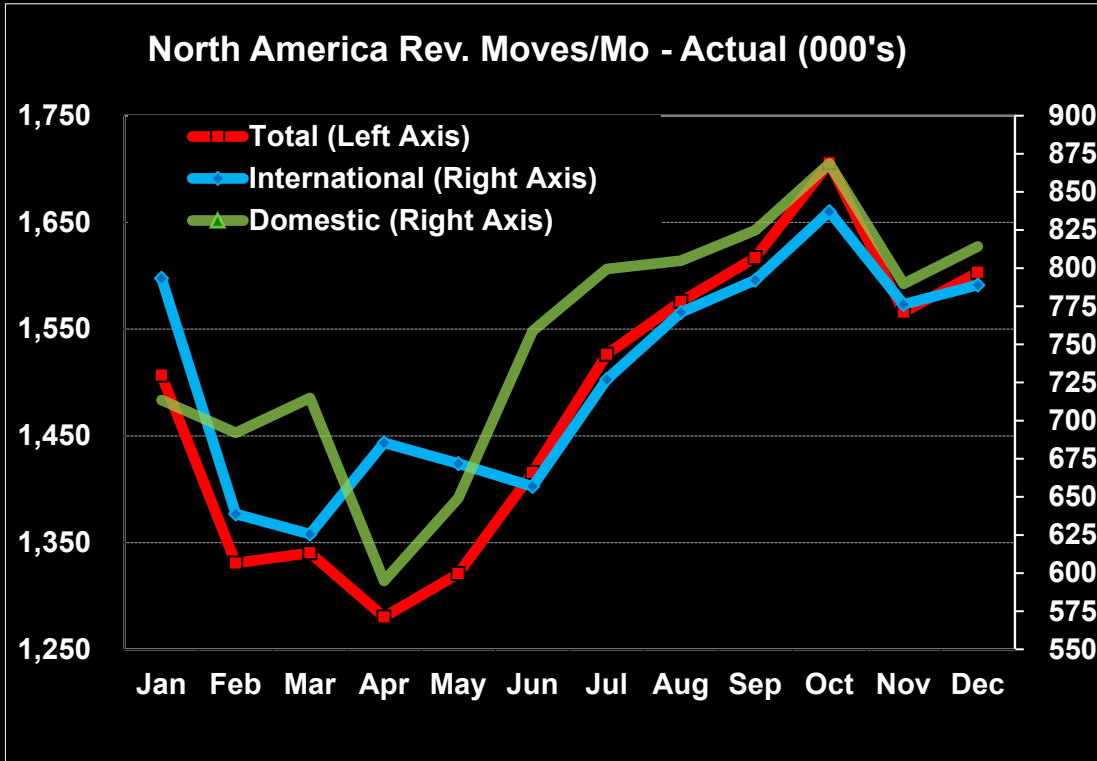
@Intermodalist

INTERMODAL ANALYZED

Intermodal Association of
North America

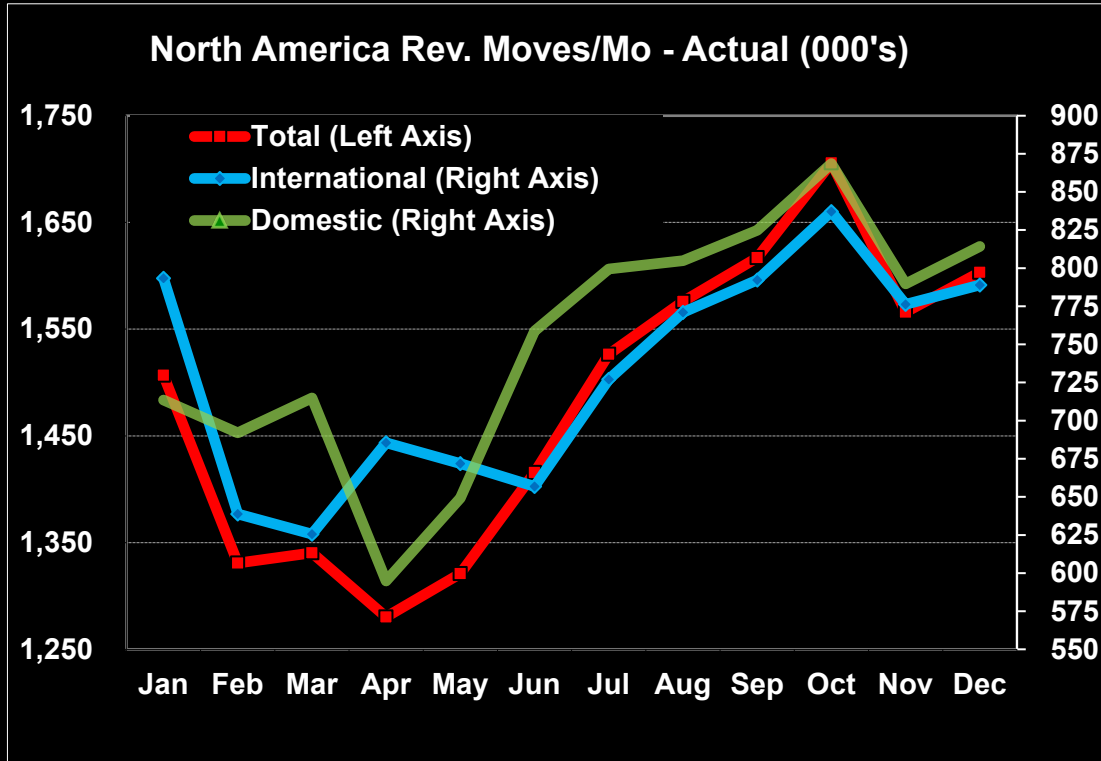
January 26, 2021

THE HEADLINE: INTERMODAL FINISHED 2020 STRONG



Source: IANA ETSO, Transport Futures, GTC Analysis

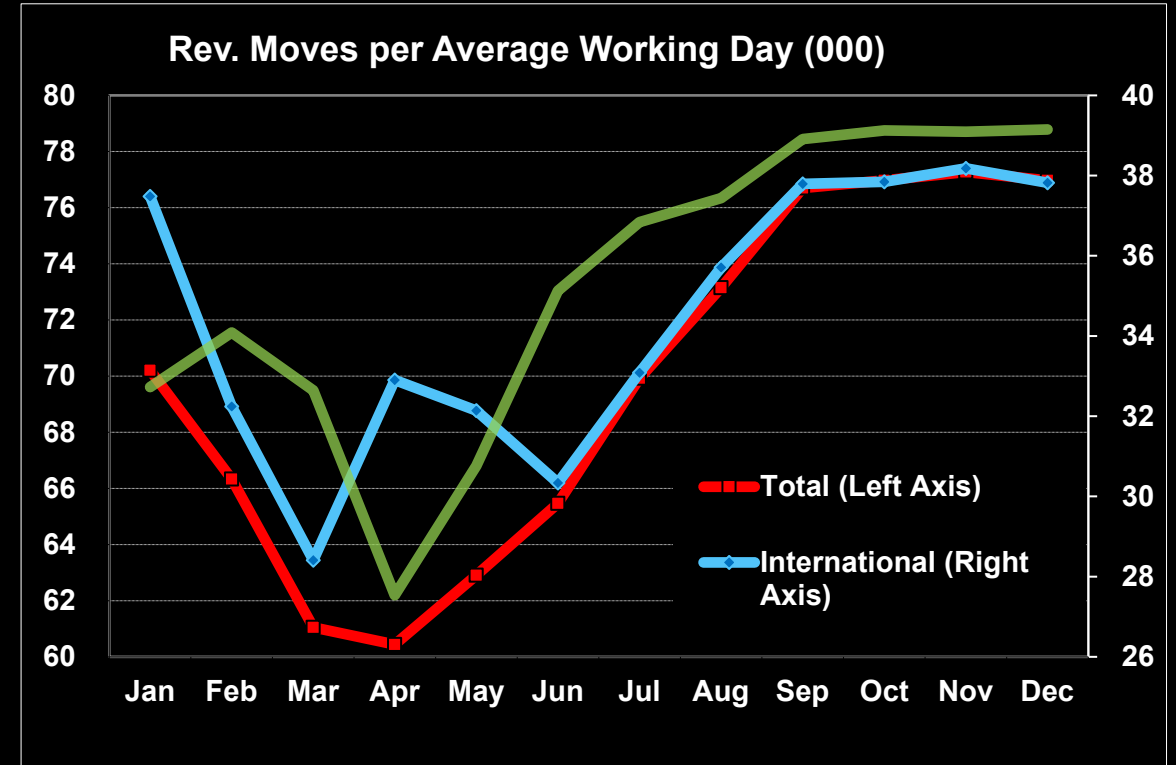
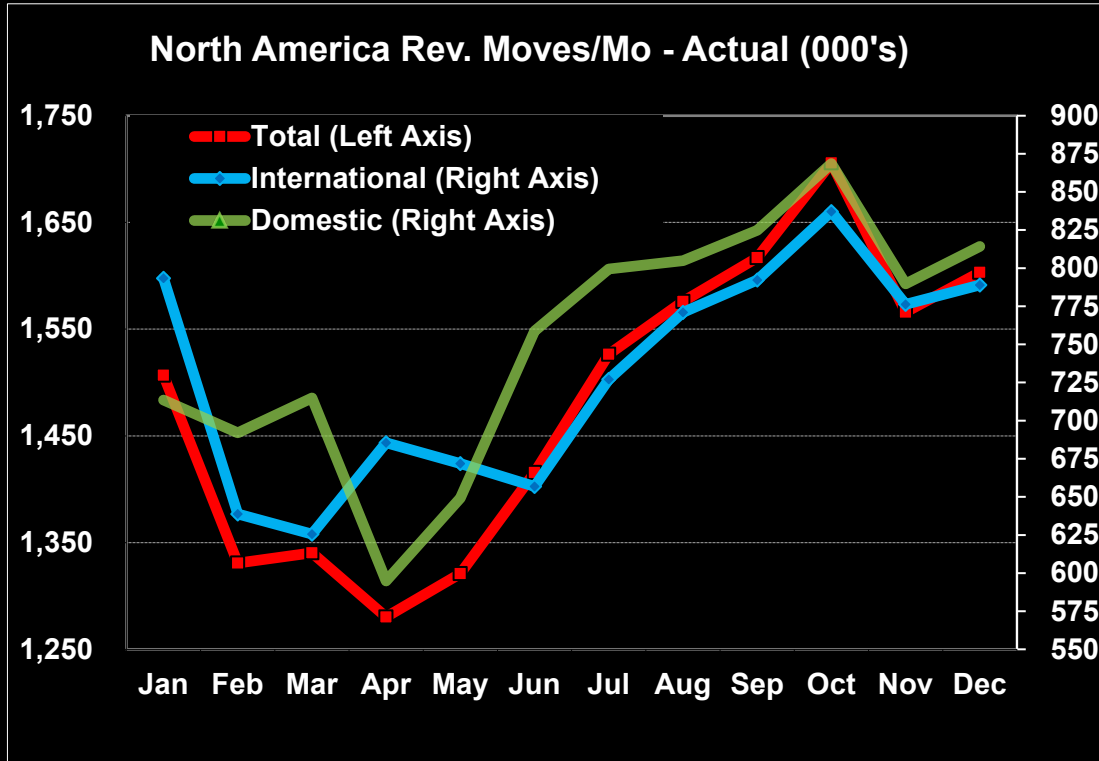
DECEMBER SAW Y/Y GAINS ACROSS THE BOARD



December 2020	M/M	Y/Y
International	+1.6%	+11.2%
<i>Short Trailer</i>	+12.5%	+11.0%
<i>53' Trailer</i>	+21.0%	+23.0%
Total Trailer	+18.6%	+19.6%
<i>Private Domestic Container</i>	+1.3%	+15.3%
<i>Rail Domestic Container</i>	-0.5%	+17.3%
Total Domestic Container	+0.7%	+15.9%
Domestic	+3.1%	+16.4%
Grand Total	+2.4%	+13.8%

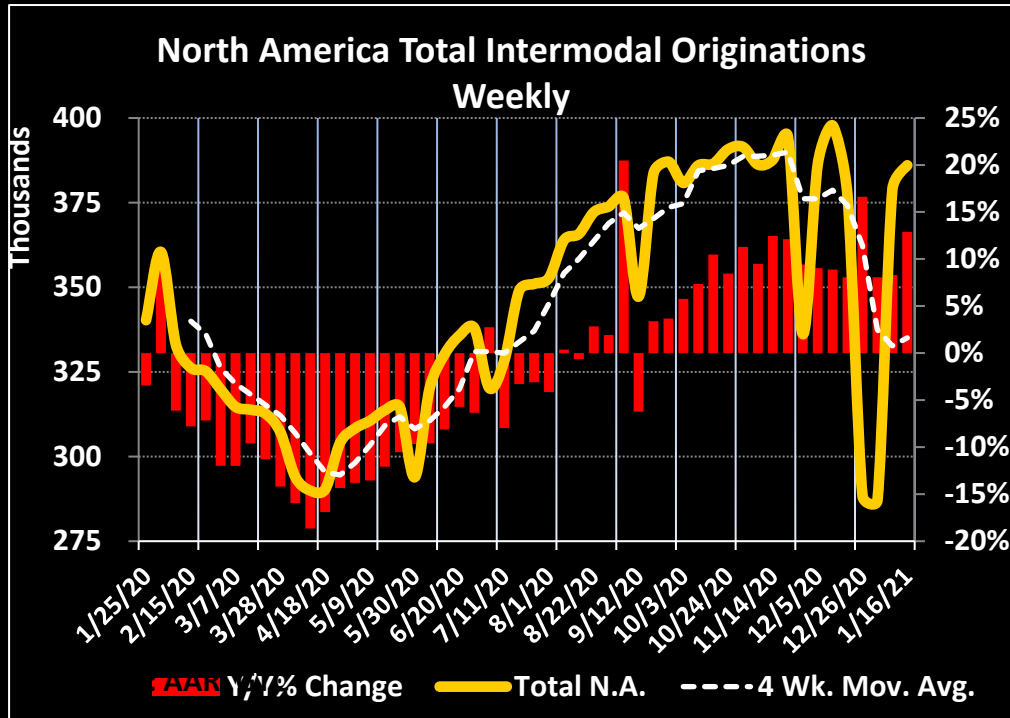
Source: IANA ETSO, Transport Futures, GTC Analysis

REVENUE MOVES PER DAY INDICATES SYSTEM IS RUNNING AT CAPACITY

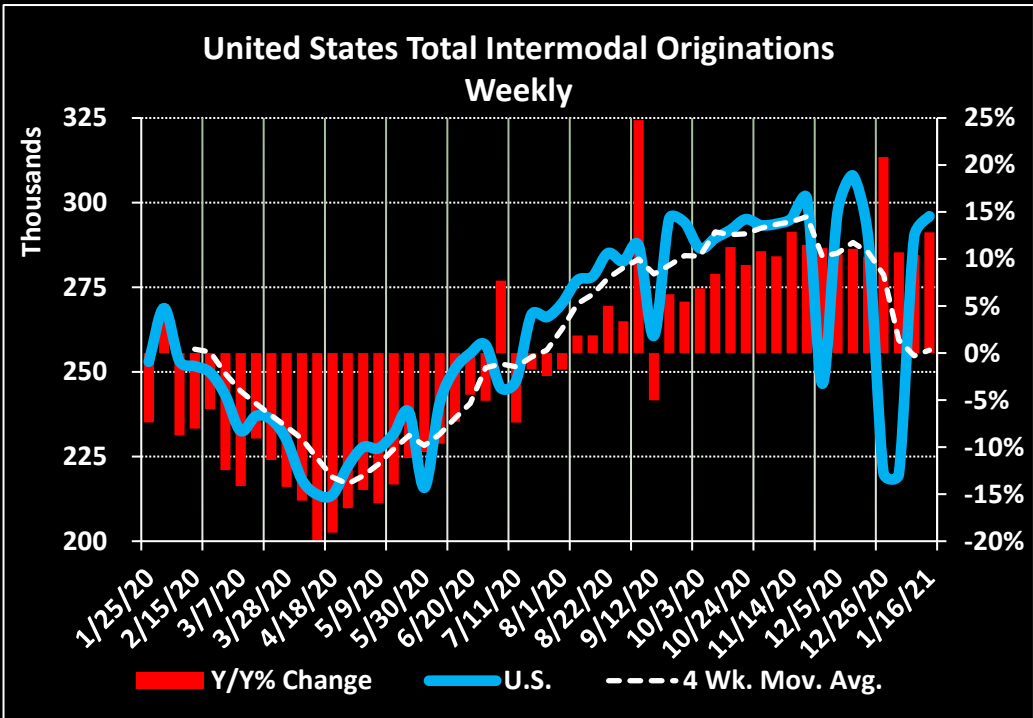


Source: IANA ETSO, Transport Futures, GTC Analysis

AAR WEEKLY DATA INDICATES THAT VOLUME MAY BE STARTING TO DECLINE



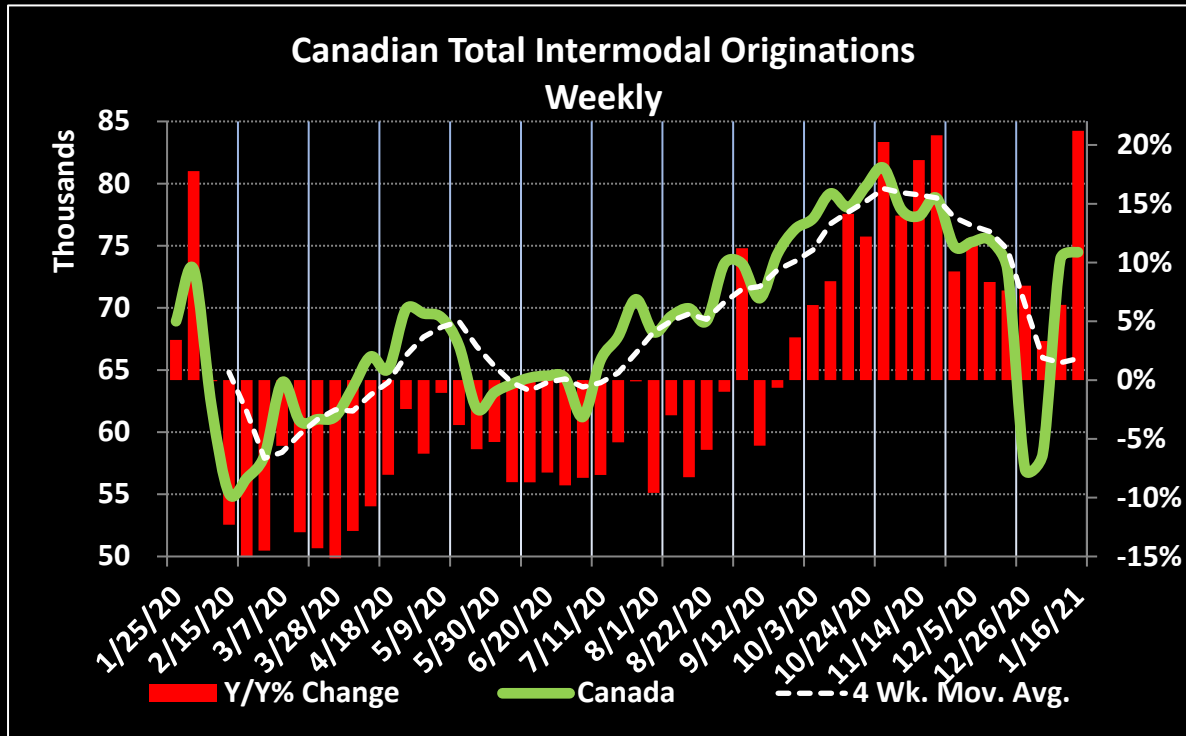
- Last Week: +12.9% Y/Y
- Last 4 Weeks: +11.3% Y/Y



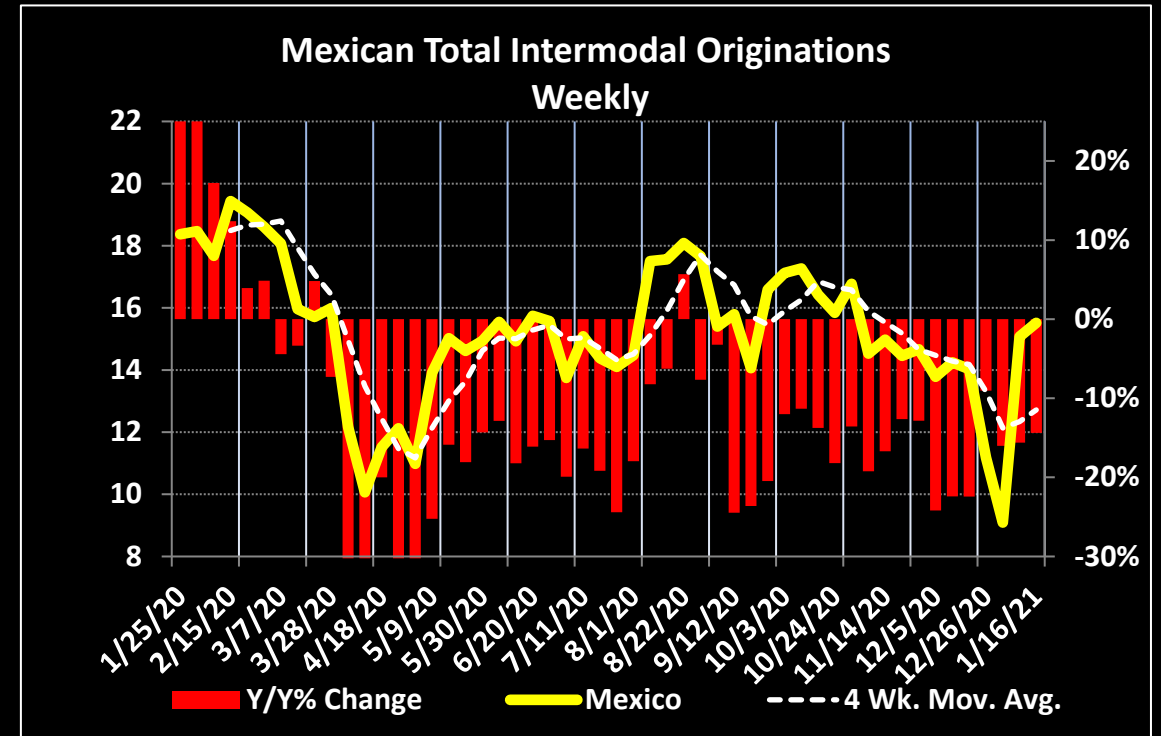
- Last Week: +12.8% Y/Y
- Last 4 Weeks: +13.3% Y/Y

Source: AAR, GTC Analysis

CANADA'S PEAK HAS BEEN MORE TYPICAL MEXICO CONTINUES TO STRUGGLE



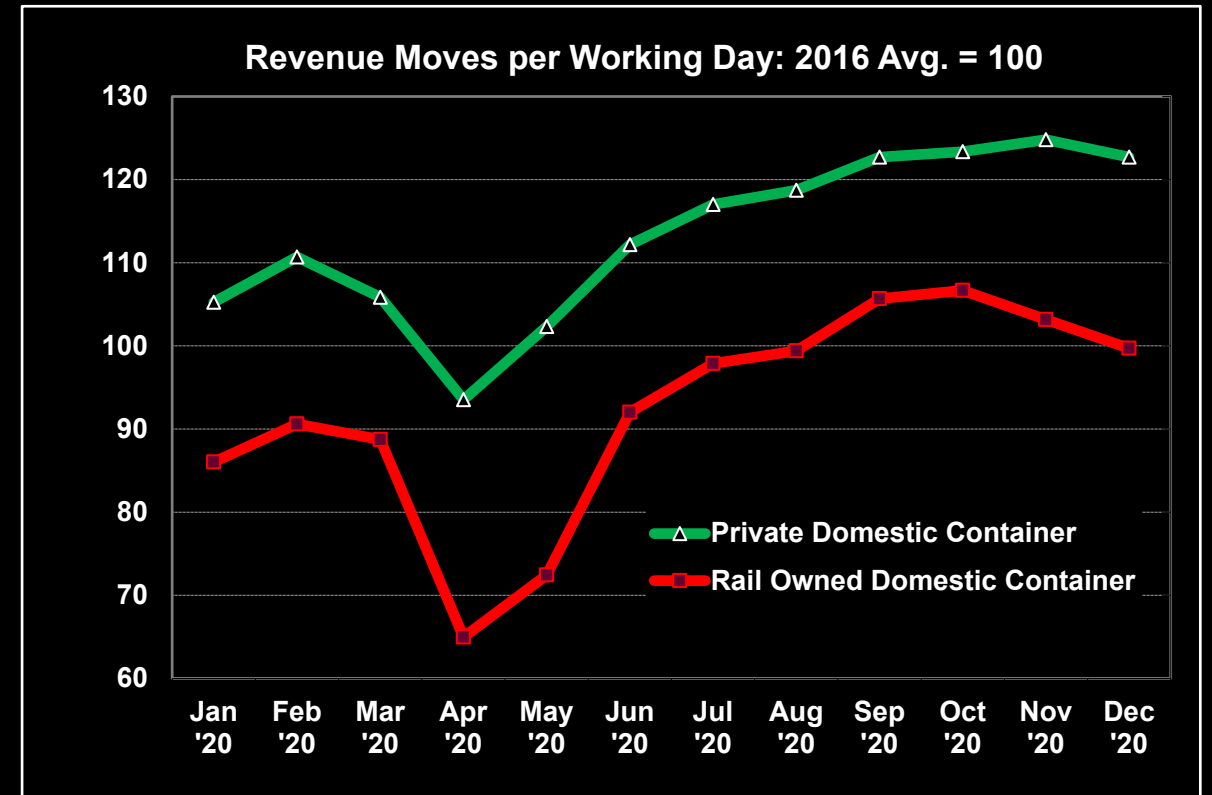
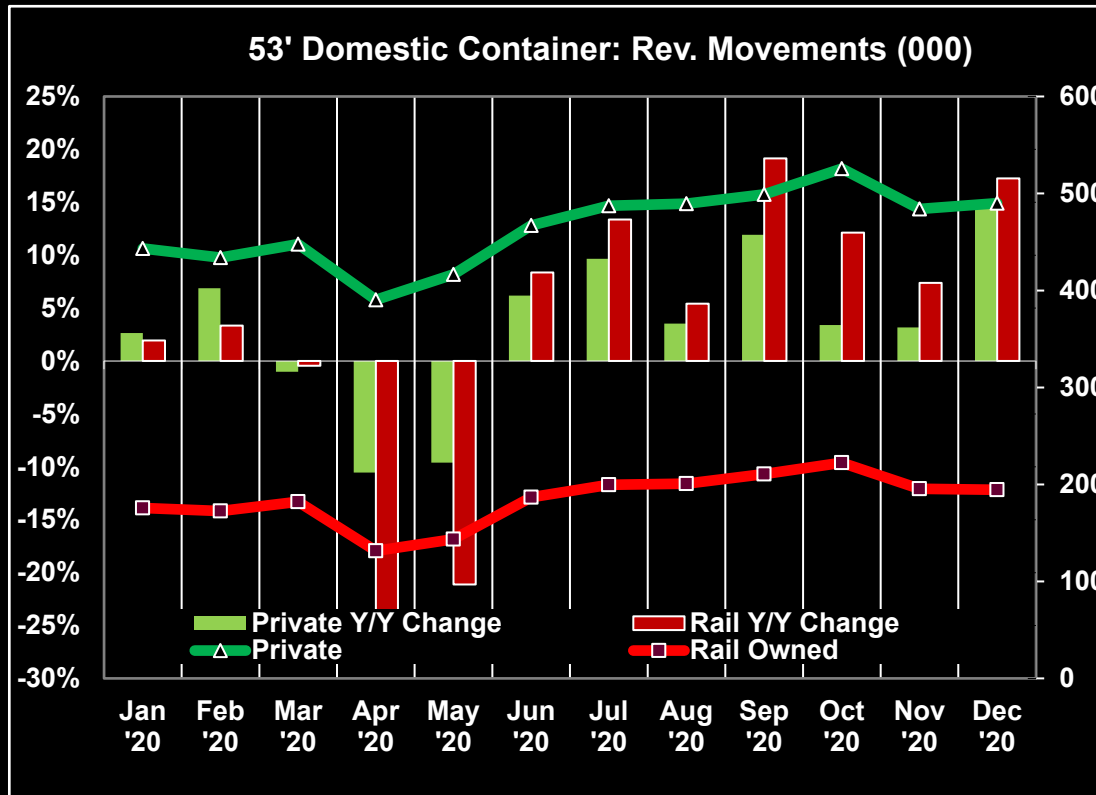
- Last Week: +21.2% Y/Y
- Last 4 Weeks: +9.8% Y/Y



- Last Week: -14.4% Y/Y
- Last 4 Weeks: -13.9% Y/Y

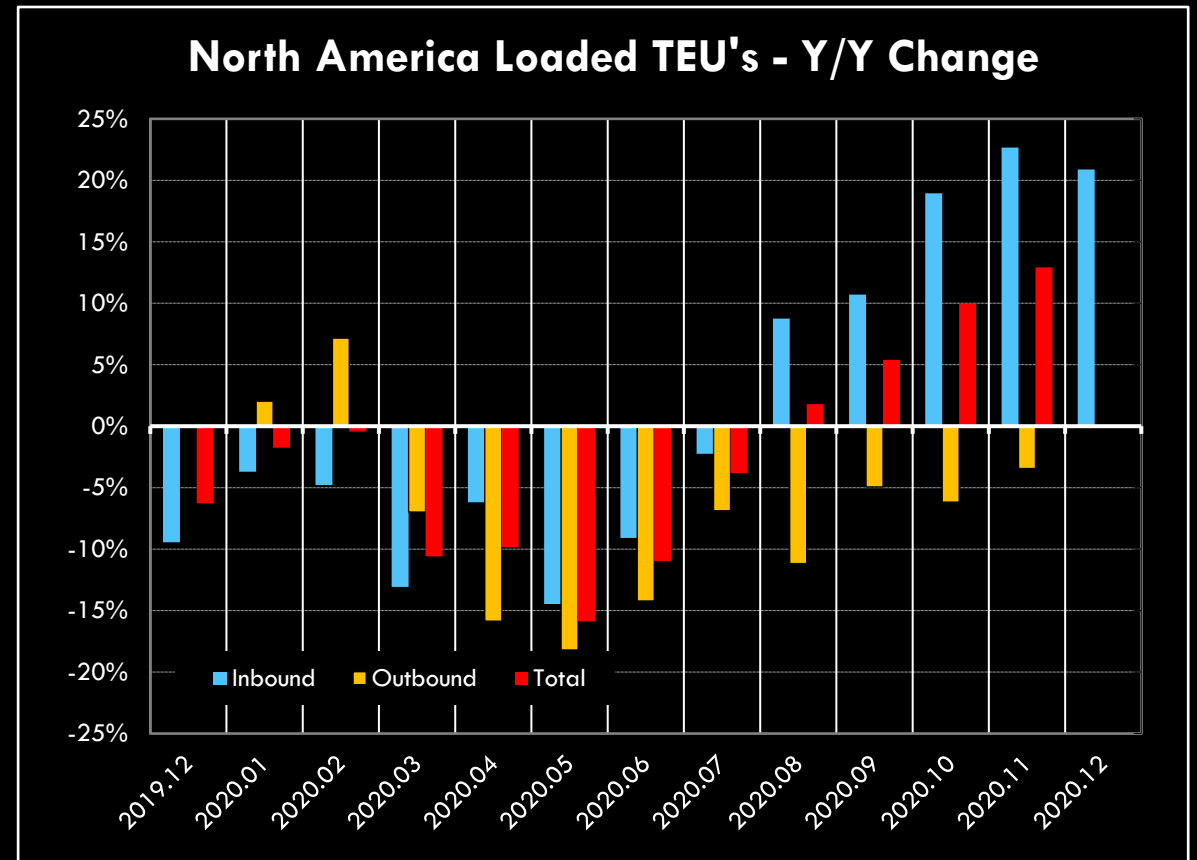
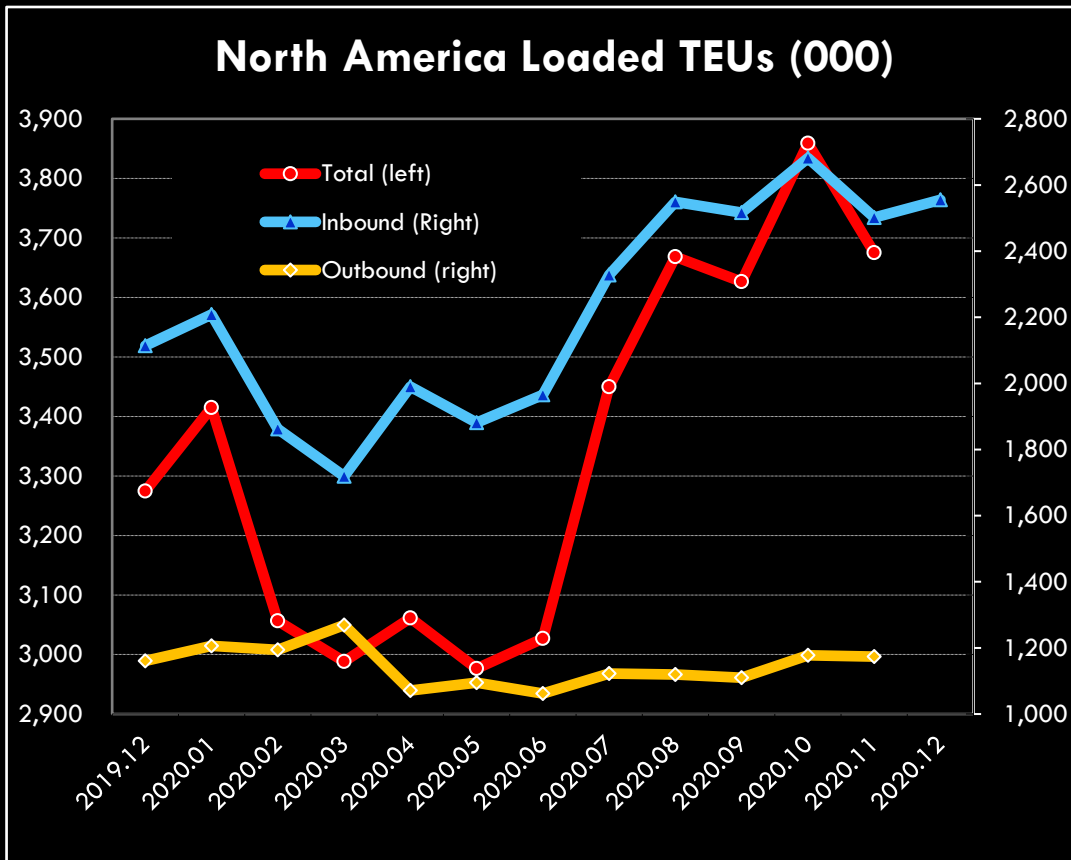
Source: AAR, GTC Analysis

THE PERFORMANCE OF THE RAIL-OWNED FLEET DETERIORATED OVER THE FOURTH QUARTER



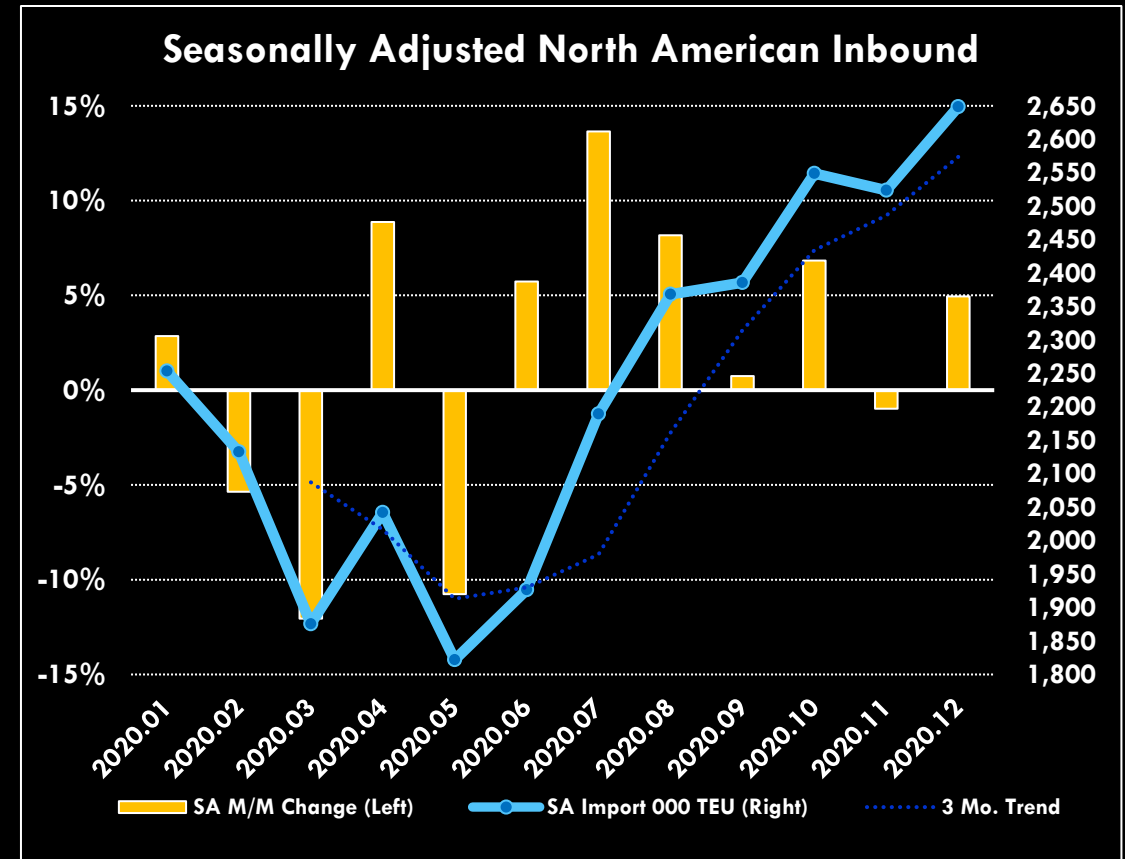
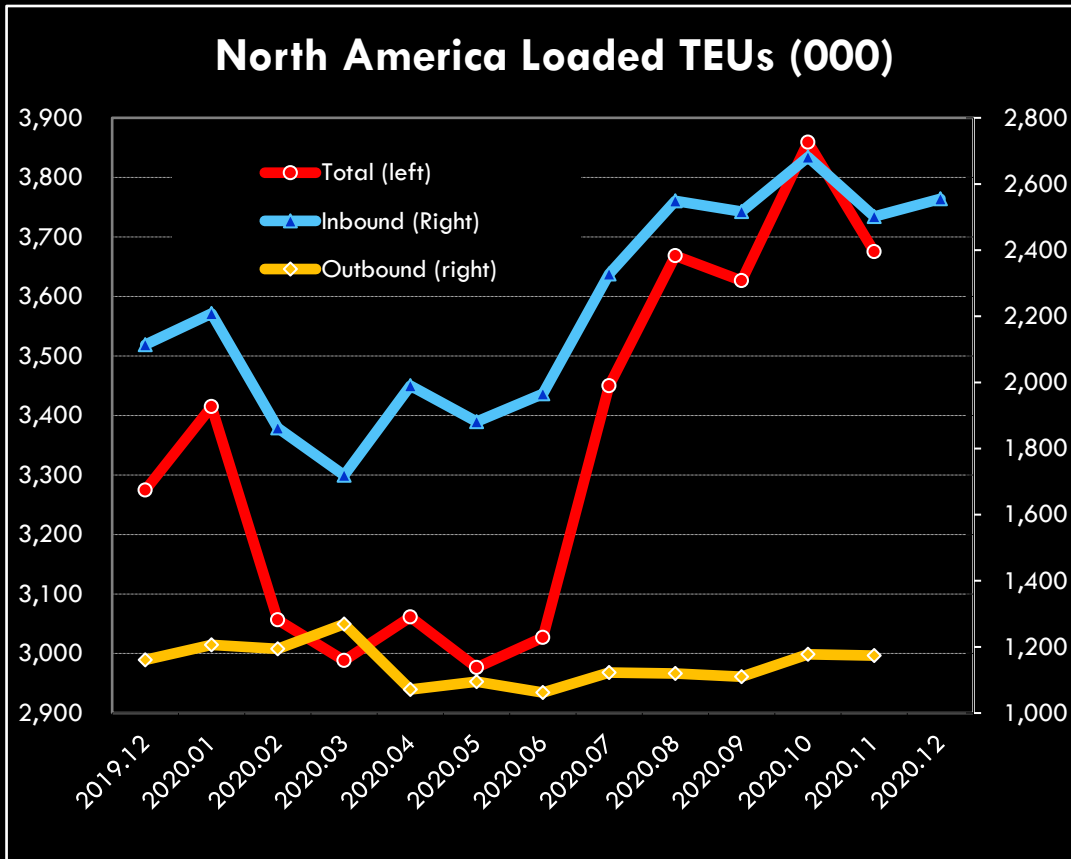
Source: IANA ETSO, GTC Analysis

IMPORTS REMAINED EXCEPTIONALLY STRONG THROUGHOUT Q4, BUT NOT EXPORTS



Source: Port Reports, IHS PIERS, GTC Analysis

IMPORTS REMAINED EXCEPTIONALLY STRONG THROUGHOUT Q4, BUT NOT EXPORTS

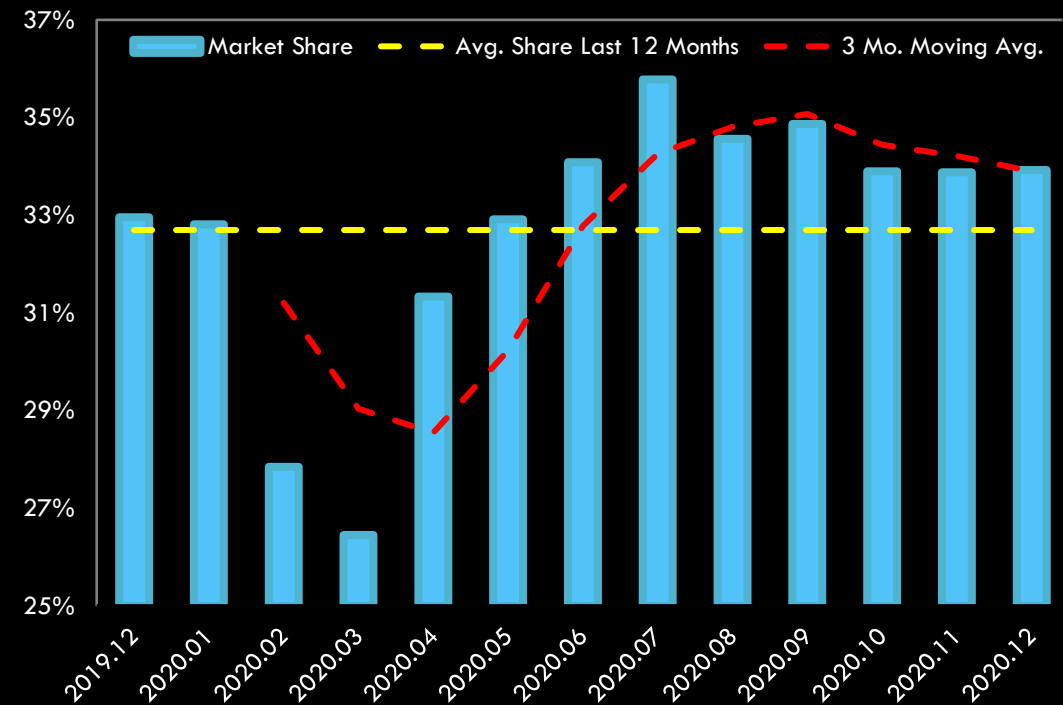


Source: Port Reports, IHS PIERS, GTC Analysis

IMPORTS REMAINED STRONG IN DECEMBER BUT AGAINST EASY COMPS

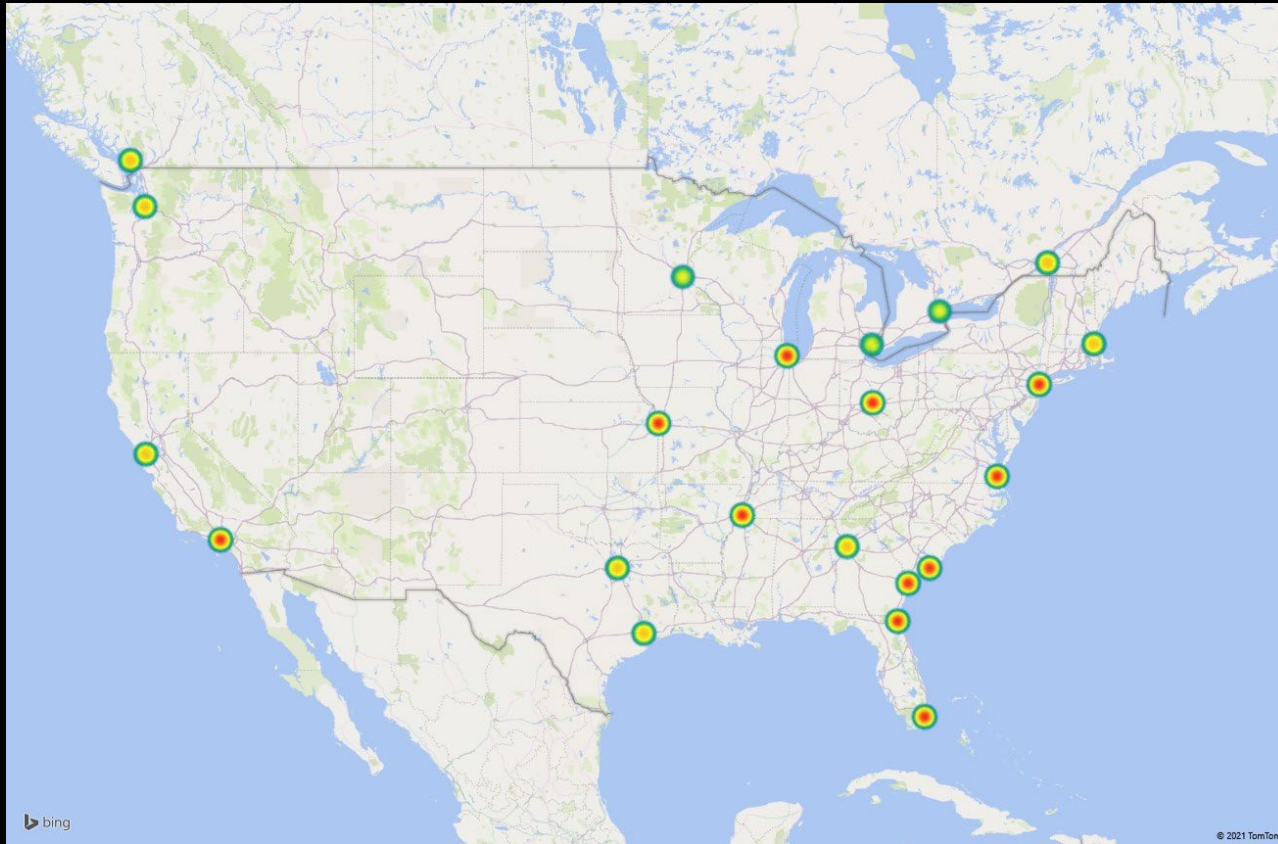
December Import TEUs	M/M	Y/Y
North America	+2.2%	+20.9%
LA/LB	+2.3%	+24.4%
Nor Cal	+15.6%	+11.0%
PNW	+3.5%	+17.2%
W. Can	+6.0%	+12.0%
Northeast	-2.0%	+20.0%
Southeast	+1.8%	+24.8%
Gulf	+6.7%	+21.5%

L.A./Long Beach: Share of Inbound N.A. TEU



Source: Port Reports, IHS PIERS, GTC Analysis

DRAYAGE DEMAND INDEX SHOWS TROUBLE SPOTS REMAIN

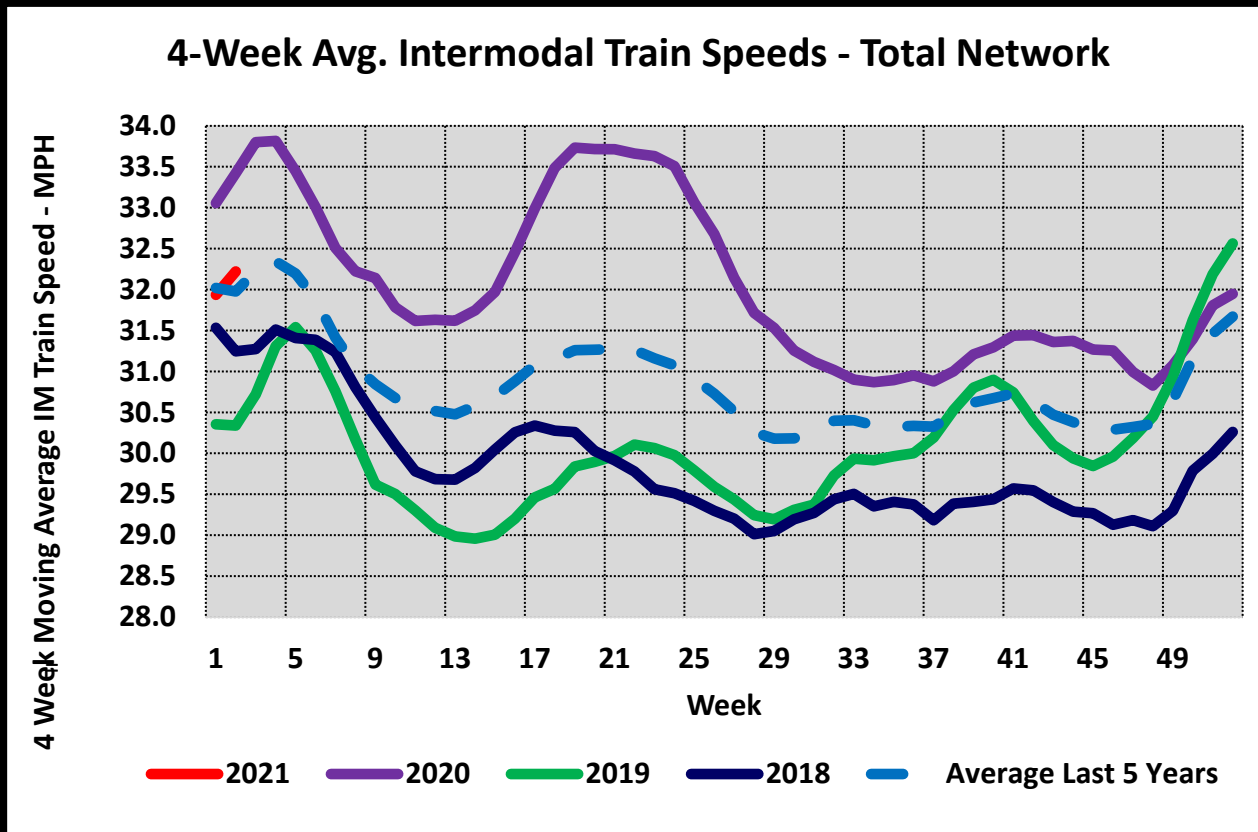


0 to 50	Blue	Loose
51 to 100	Green	Low Normal
101 to 150	Yellow	High Normal
150 to 200	Orange	Tight
Above 200	Red	Very Tight

- Critical conditions in LA, Norfolk, NY, Savannah
- Strong on East Coast, major interior points

Source: Drayage.com, GTC Analysis

INTERMODAL TRAIN SPEEDS ARE ABOUT AVERAGE

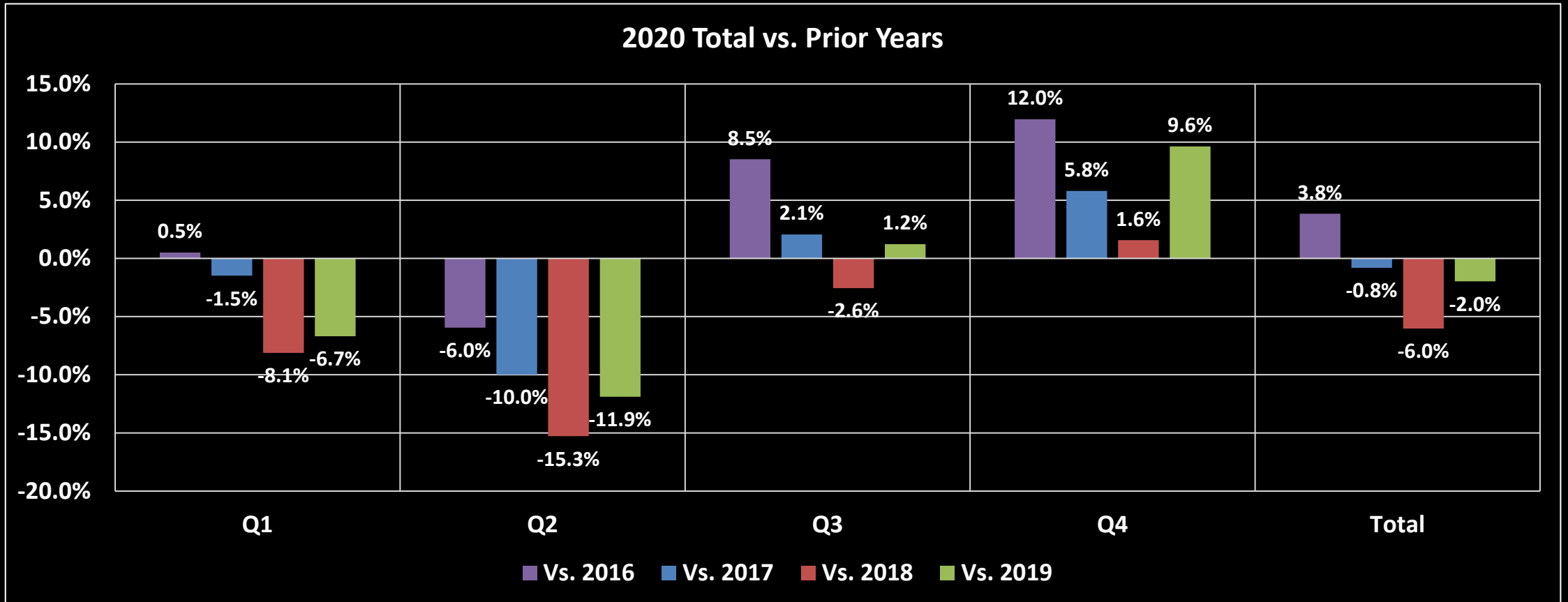


- Average speed most recent week: 32.2 mph
- 0.8%/0.2 mph better than 5-year average
- 3.6%/1.2 mph worse than prior year
- *Terminal delays, chassis issues remain problematic*

Source: STB EP 724 Rail Service Issues Reports, GTC Analysis

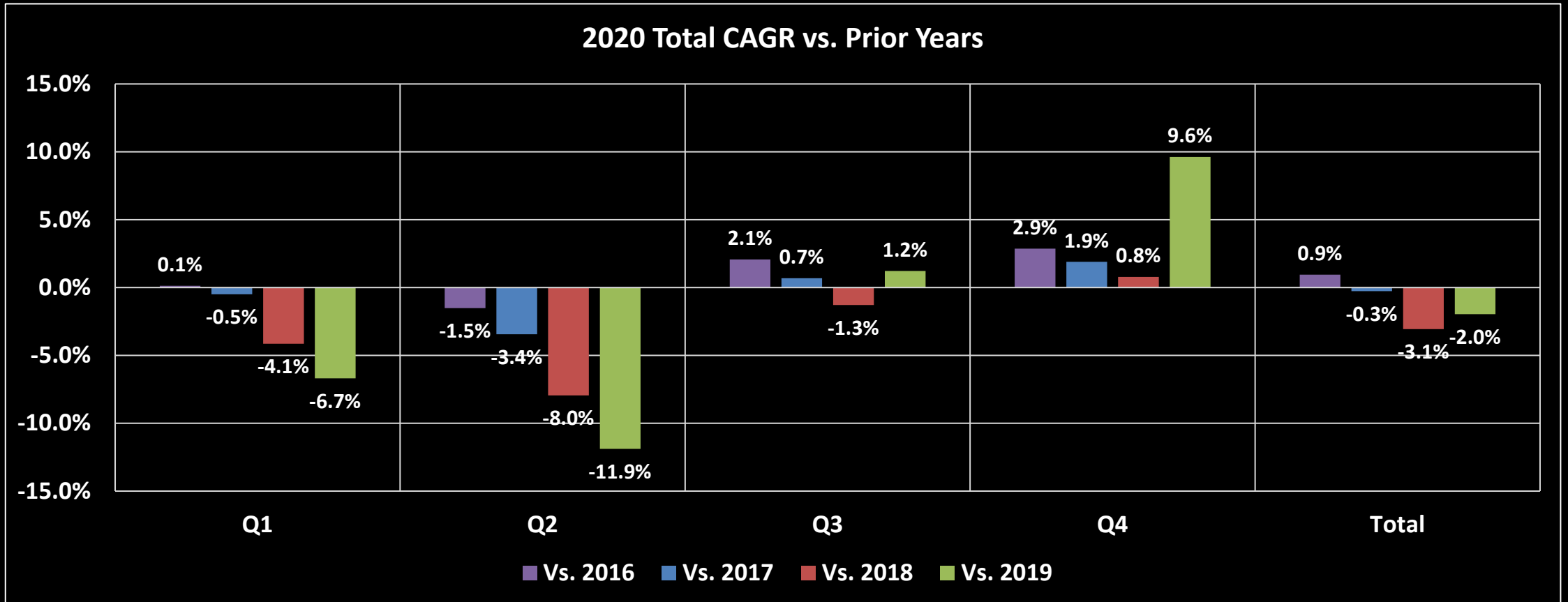
PUTTING 2020 IN CONTEXT

TOTAL BY QUARTER VS. PRIOR YEARS



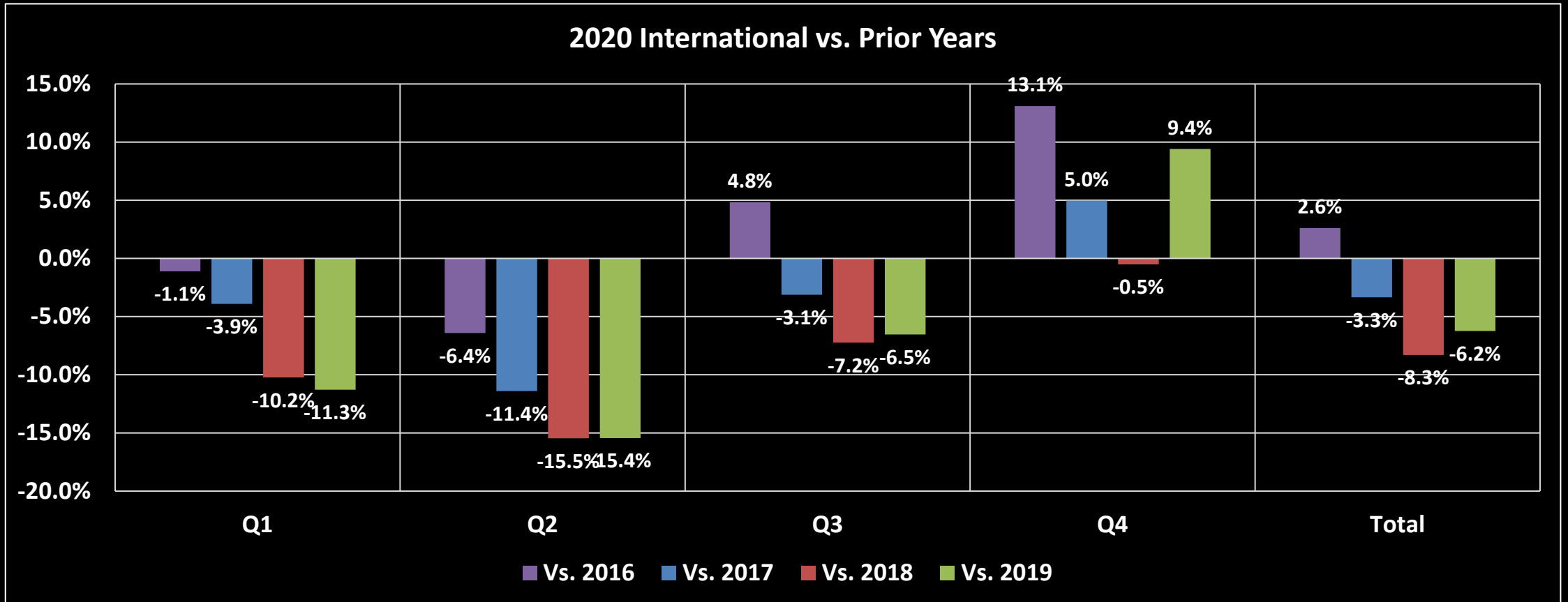
Source: IANA ETSO, GTC Analysis

PUTTING 2020 IN CONTEXT: TOTAL CAGR VOLUME BY QUARTER VS. PRIOR YEARS



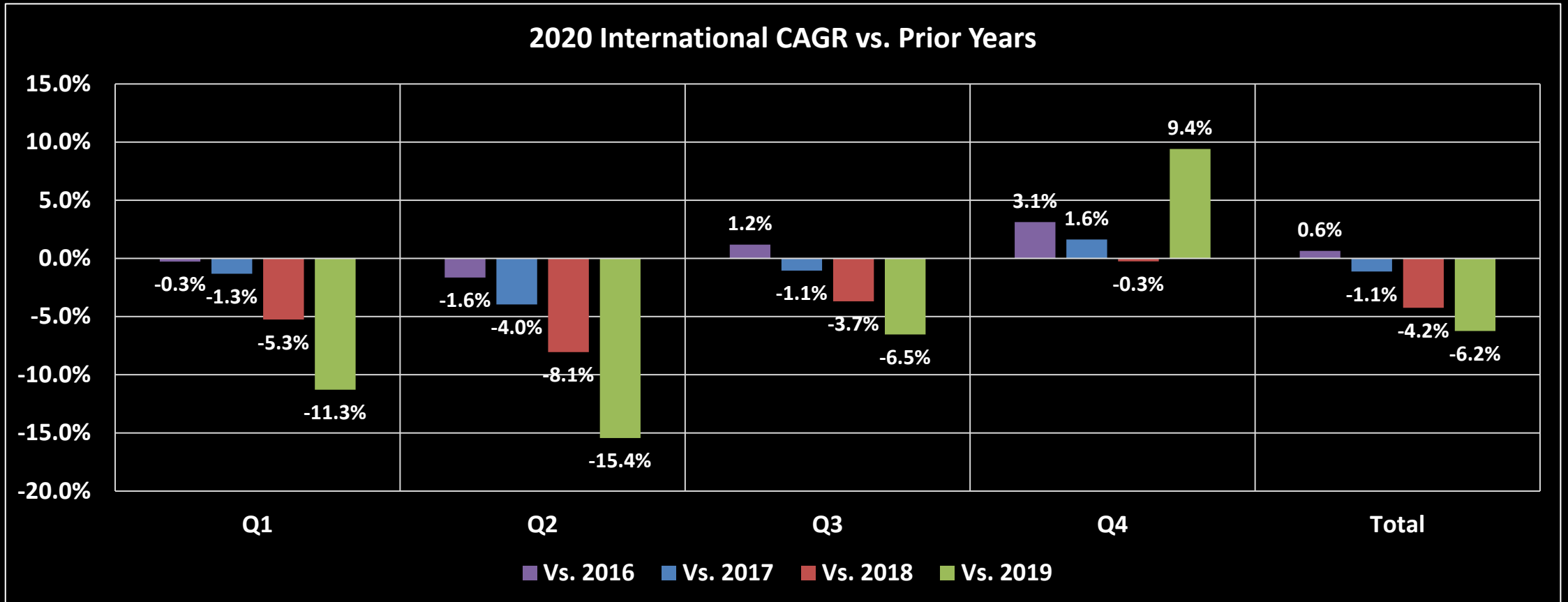
Source: IANA ETSO, GTC Analysis

INTERNATIONAL BY QUARTER VS. PRIOR YEARS



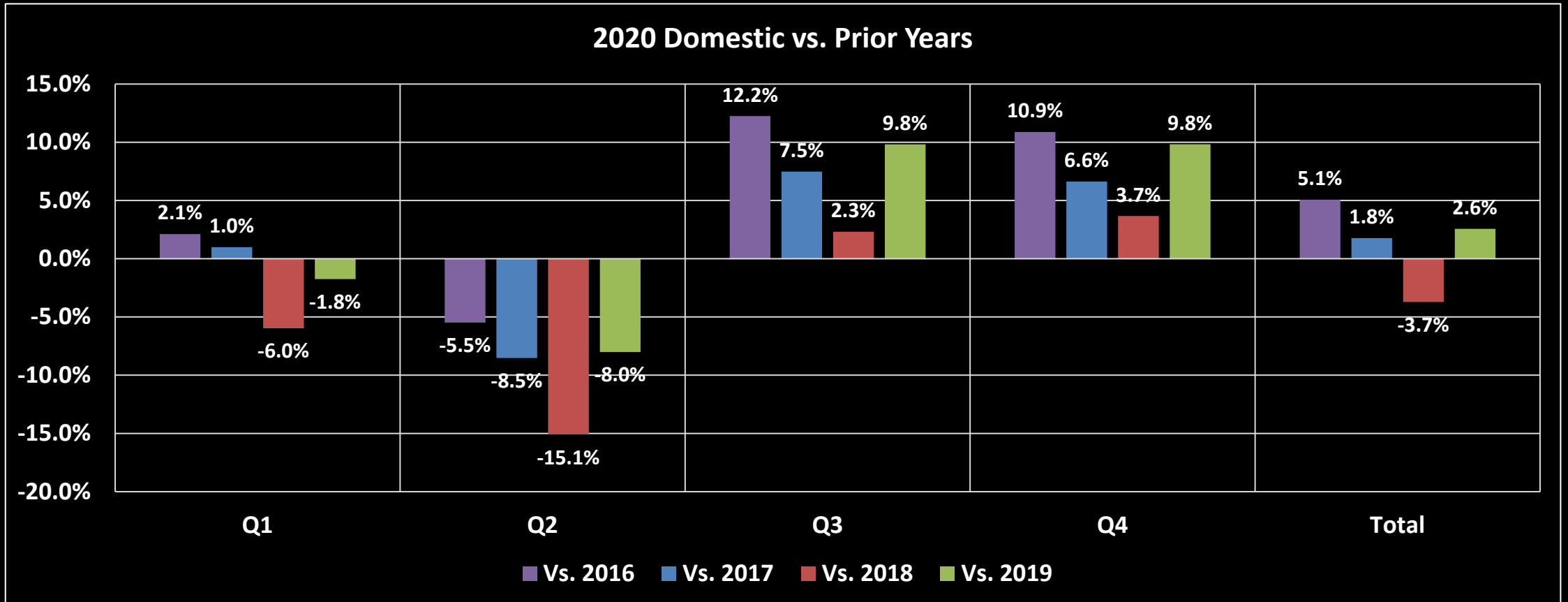
Source: IANA ETSO, GTC Analysis

INTERNATIONAL CAGR BY QUARTER VS. PRIOR YEARS



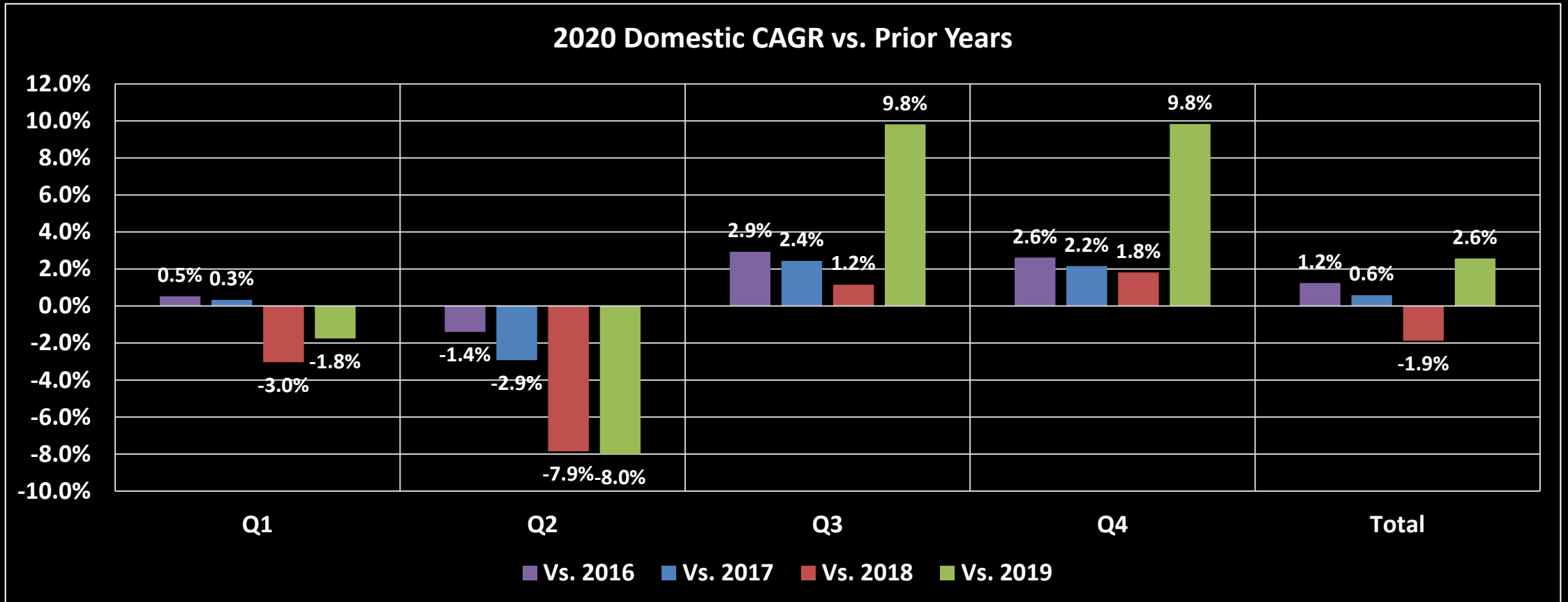
Source: IANA ETSO, GTC Analysis

DOMESTIC BY QUARTER VS. PRIOR YEARS



Source: IANA ETSO, GTC Analysis

DOMESTIC CAGR BY QUARTER VS. PRIOR YEARS



Source: IANA ETSO, GTC Analysis

INTERMODAL STRENGTH SHOULD CONTINUE IN THE NEAR TERM

- Perhaps 30 ships awaiting berths in Los Angeles/Long Beach = 175-200,000 TEU??
- Truck capacity still quite tight although normal seasonality should help things loosen up.
- Prior-year comps will get much easier as we begin to lap the beginning of the pandemic
- Conclusion: Big y/y growth through mid-year

KEY ASSUMPTIONS THAT COULD GO VERY WRONG

- Vaccine program will get more on track enabling a beginning of return to normalcy in Q3
- Federal assistance will largely bridge the gap between now and then
- GDP growth will accelerate but services will dominate
- No additional calamities beyond the ones we already know about

THE SECOND HALF OF THE YEAR WILL BE MUCH MORE CHALLENGING

- Truck capacity will increase
 - Contract rates will rise, giving intermodal rates top cover
 - But capacity will catch up with demand, so loads won't come to intermodal just because capacity is available.
- GDP growth will accelerate but...
 - Consumer spending (70% of GDP) will divert from goods to dearly missed services
 - Manufacturing won't fill all of the gap
- While intermodal's recent performance has been remarkable, the basic ground rules haven't changed
- Import growth will slow
- With the domestic fleet already at capacity, growth will be limited by the growth in the fleet.

INTERMODAL IN DEPTH

Intermodal In Depth is a monthly analytical report that summarizes the latest trends

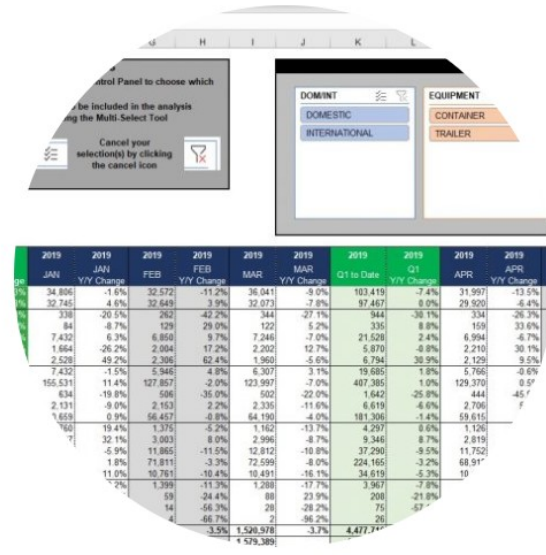
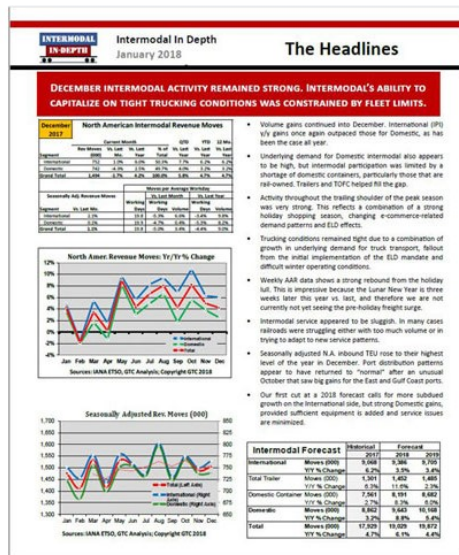
Drawing from a variety of data sources, Intermodal In Depth provides a timely and detailed look at the key drivers of the North American intermodal sector. More than just data, Intermodal In Depth goes deep to analyze what the data means, providing the reader with a thorough understanding of the current state of Intermodal. All the information and analysis presented in one convenient package.

The Intermodal Volume Analyzer puts detailed data on equipment flows at your fingertips

Gross Transportation Consulting has teamed up with the Intermodal Association of North America to produce a powerful database tool for understanding detailed equipment flows by type throughout North America. Obtain the information you need on region-to-region flows by equipment type at the push of a button.

- Try Intermodal in Depth for six months for as little as \$200

- Add the IANA Intermodal Volume Analyzer and save another 20% on both!



www.IntermodalInDepth.com

Thanks! Questions?

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Q&A

Please type your questions
in the control panel



For more information about **IANA** data, including and the
Volume Analyzer & ETSO Database

And now:



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