

# Understanding Intermodal Performance Numbers

Thank you for joining us.  
The program will begin shortly.



# Understanding Intermodal Performance Numbers

Tuesday, February 13, 2:00 PM ET

*IANA's Intermodal University Series*





# INTERMODAL ***EXPLAINED***

2024 VIRTUAL EDUCATION PROGRAM



**IANA**

INTERMODAL ASSOCIATION  
OF NORTH AMERICA™



# Housekeeping



- Audience will be muted
- A question & answer session will follow the presentation
- Submit questions by clicking the Q&A icon at the bottom of your screen
- A recording of this webinar, including the slides, will be available in about a week on our “Education On-Demand” webpage.



# Today's Speakers from TTX

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Trevor Gillen

Director of Economic Planning



Peter Wolff

Director of Market Development



Jerry Vest

Director of Market Planning



# Understanding Intermodal Performance Numbers

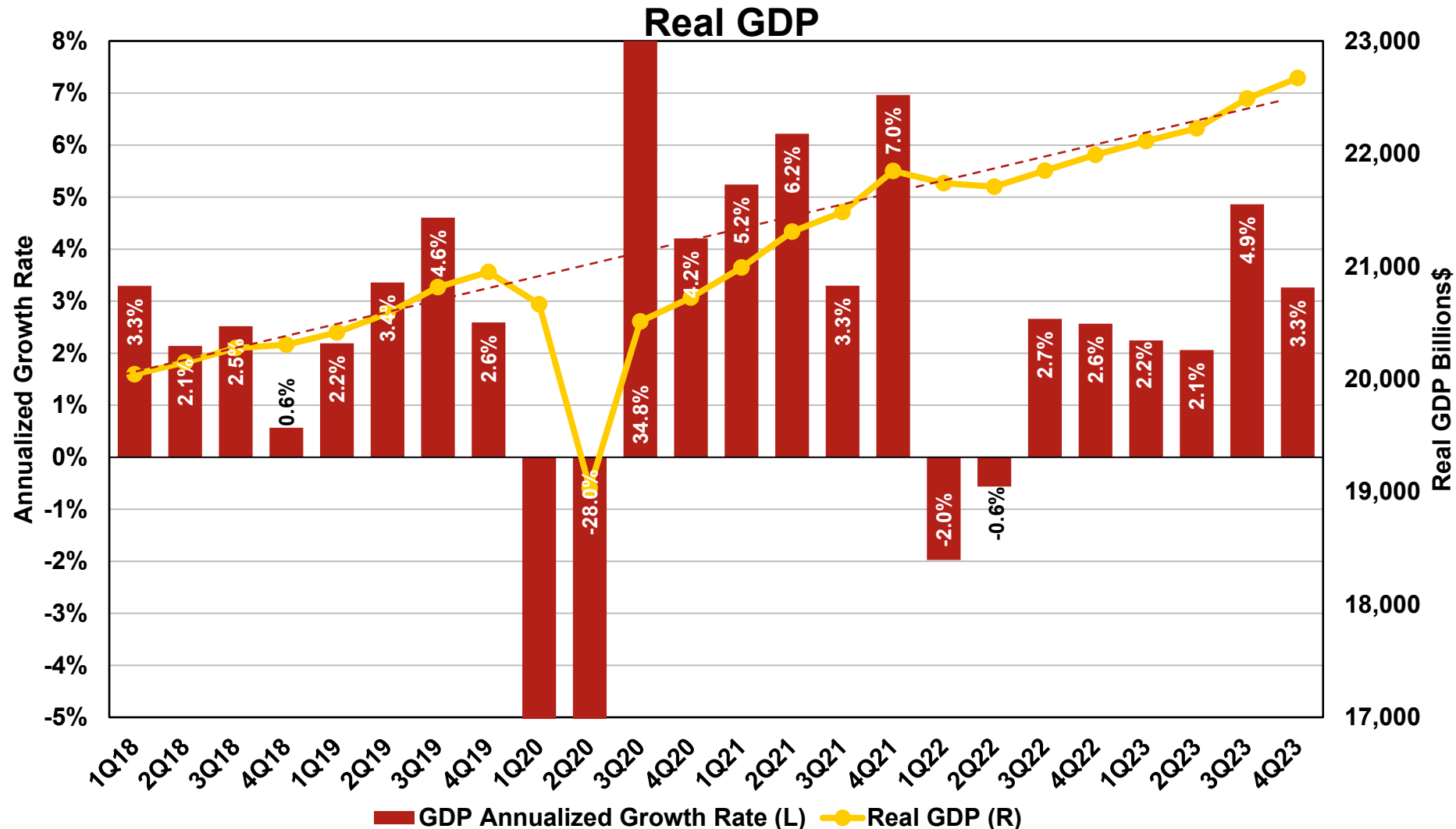
TTX Marketing

February 13, 2024

# Economic Update



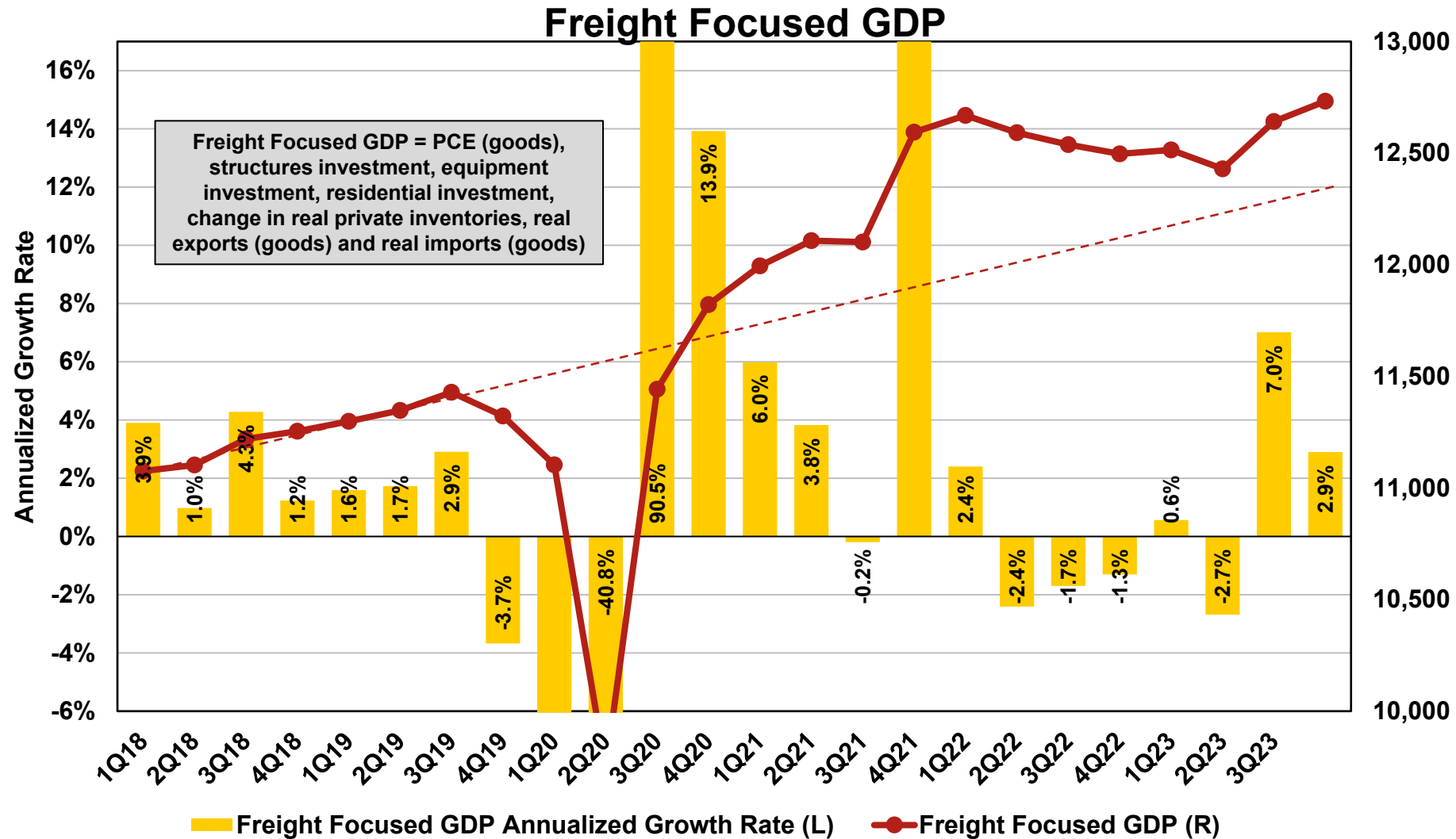
Recent GDP reports have increased the probability of a “soft landing” and improved the outlook for ‘23 and ‘24



Source: U.S. Bureau of Economic Analysis

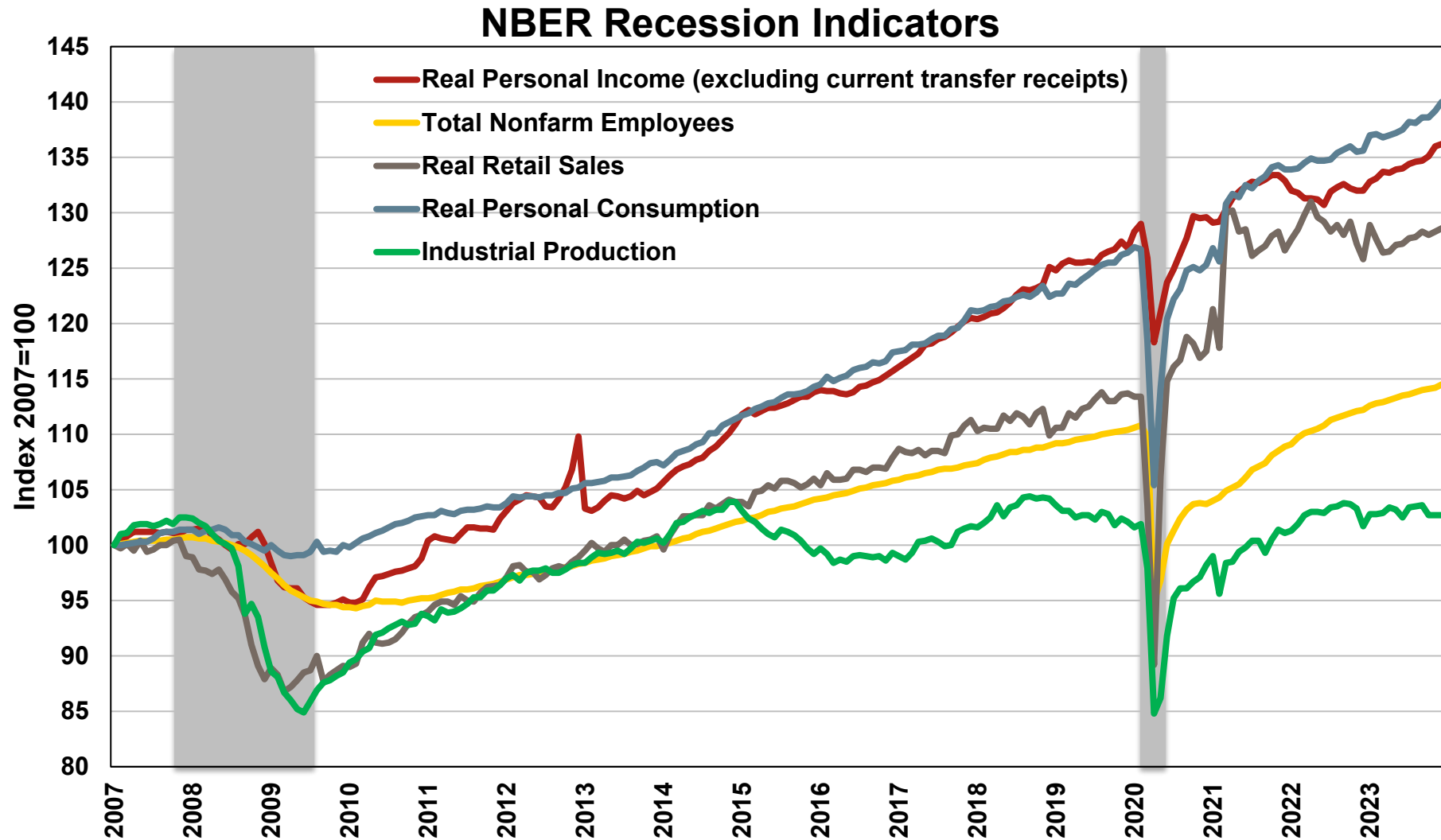


# Freight components of GDP had a strong finish to 2023 after a weak 2022



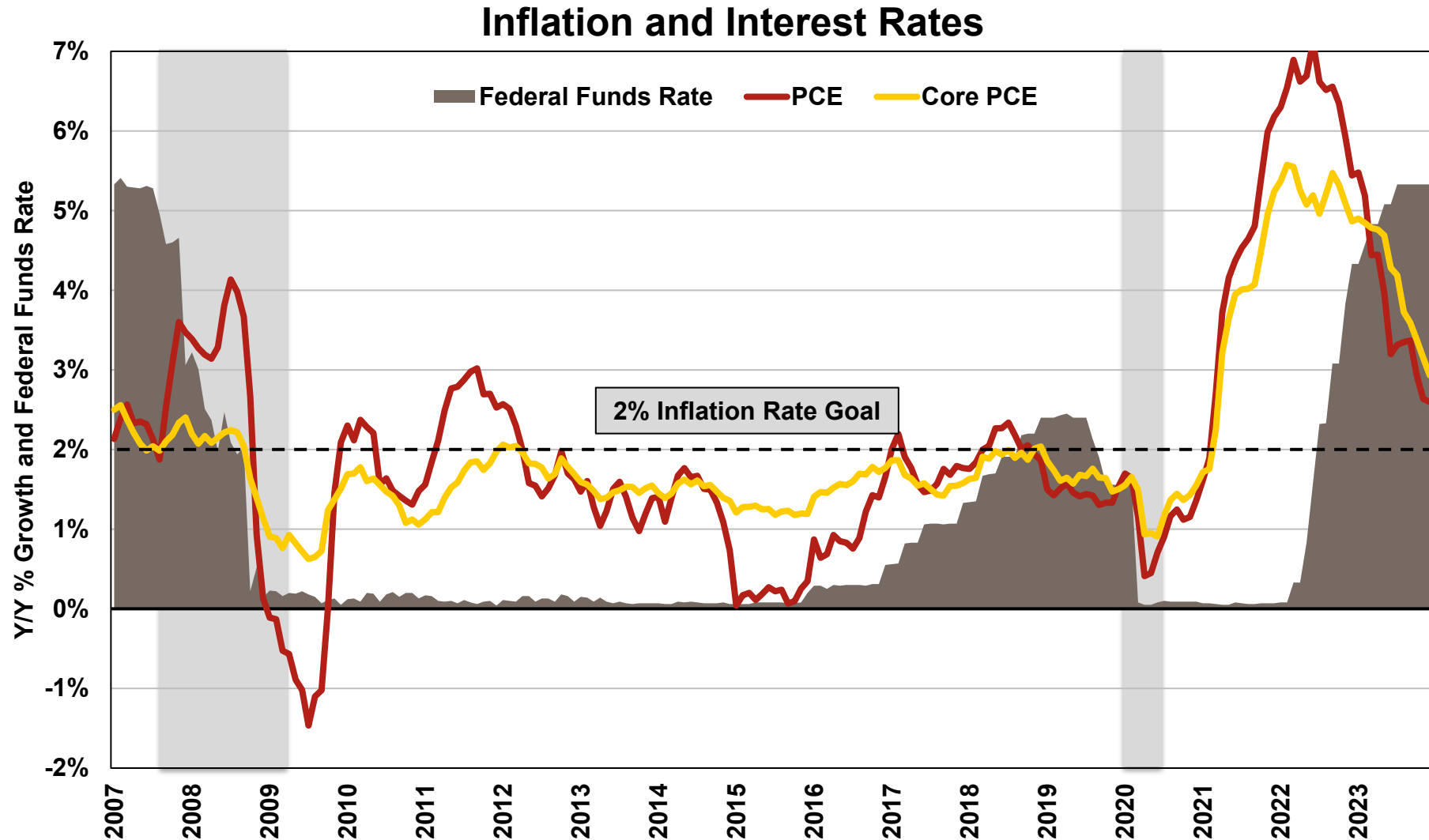
Source: U.S. Bureau of Economic Analysis, TTX

# Recession indicators remain in positive territory, defying high interest rates an inverted yield curve



Source: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Federal Reserve

Inflation is heading in the right direction and the Fed is likely finished with raising interest rates

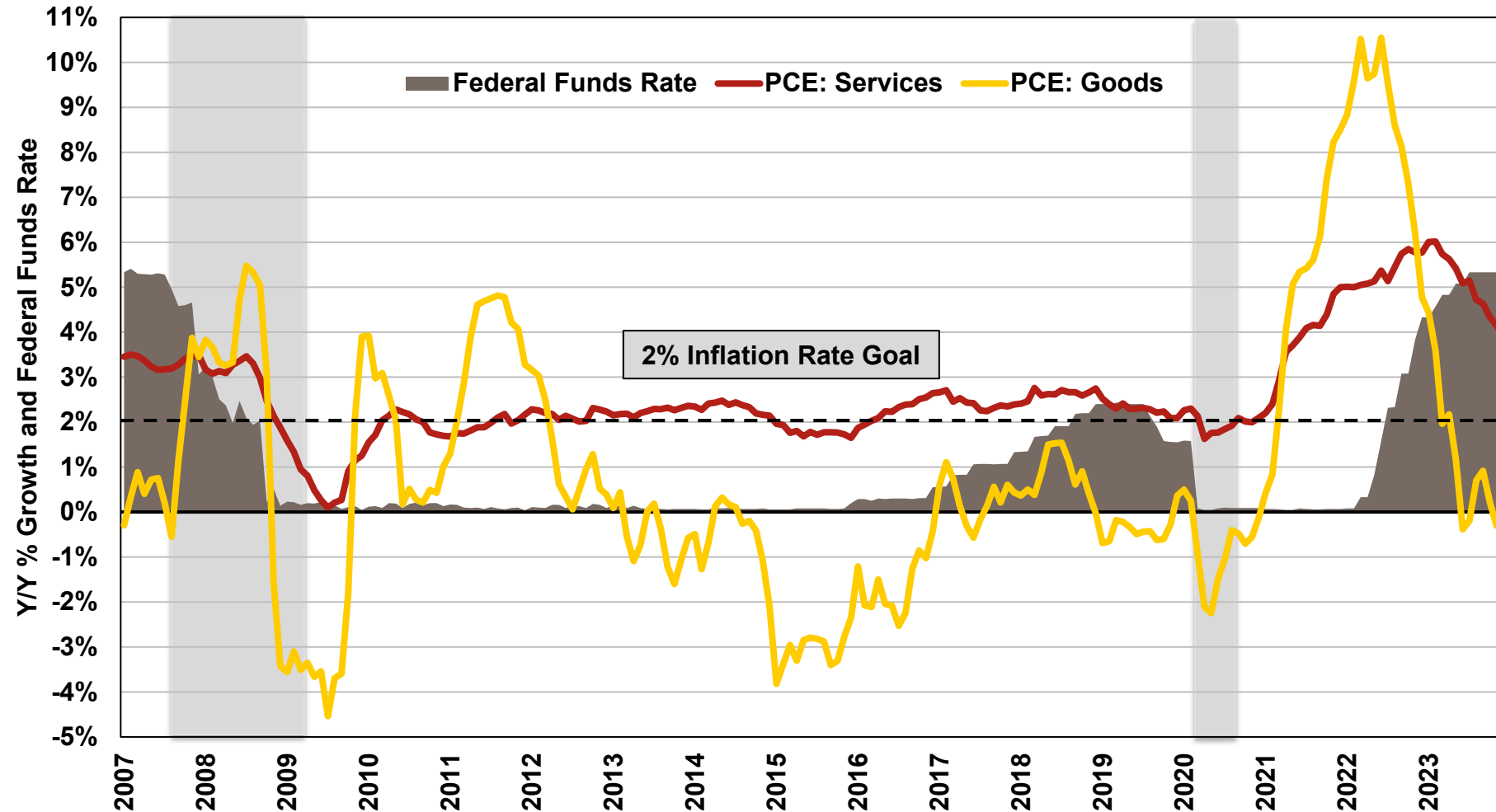


Source: Bureau of Economic Analysis, Federal Reserve



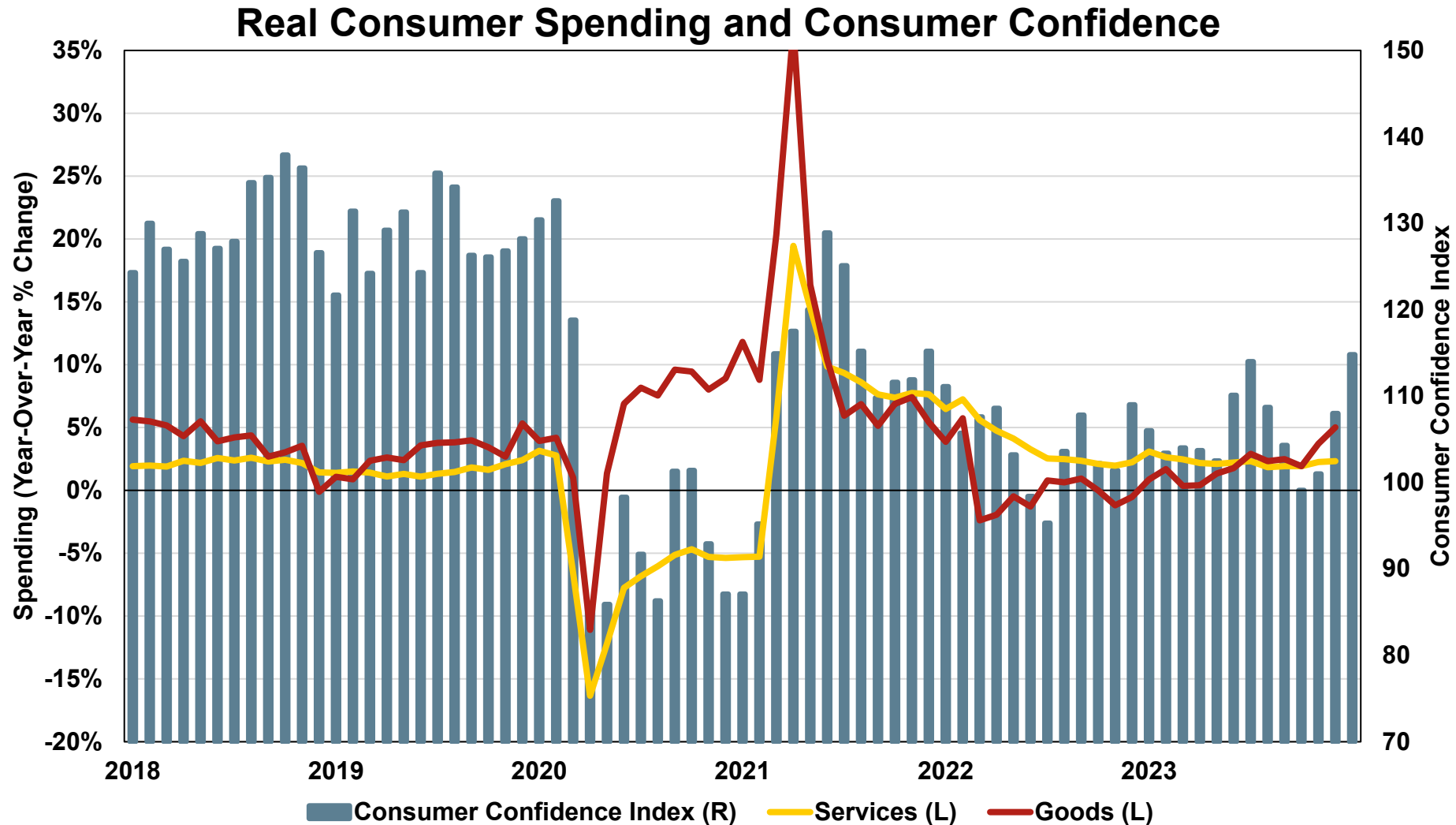
Inflation now stems primarily from persistently high services pricing while goods pricing remains in check

### Inflation: Goods vs Services



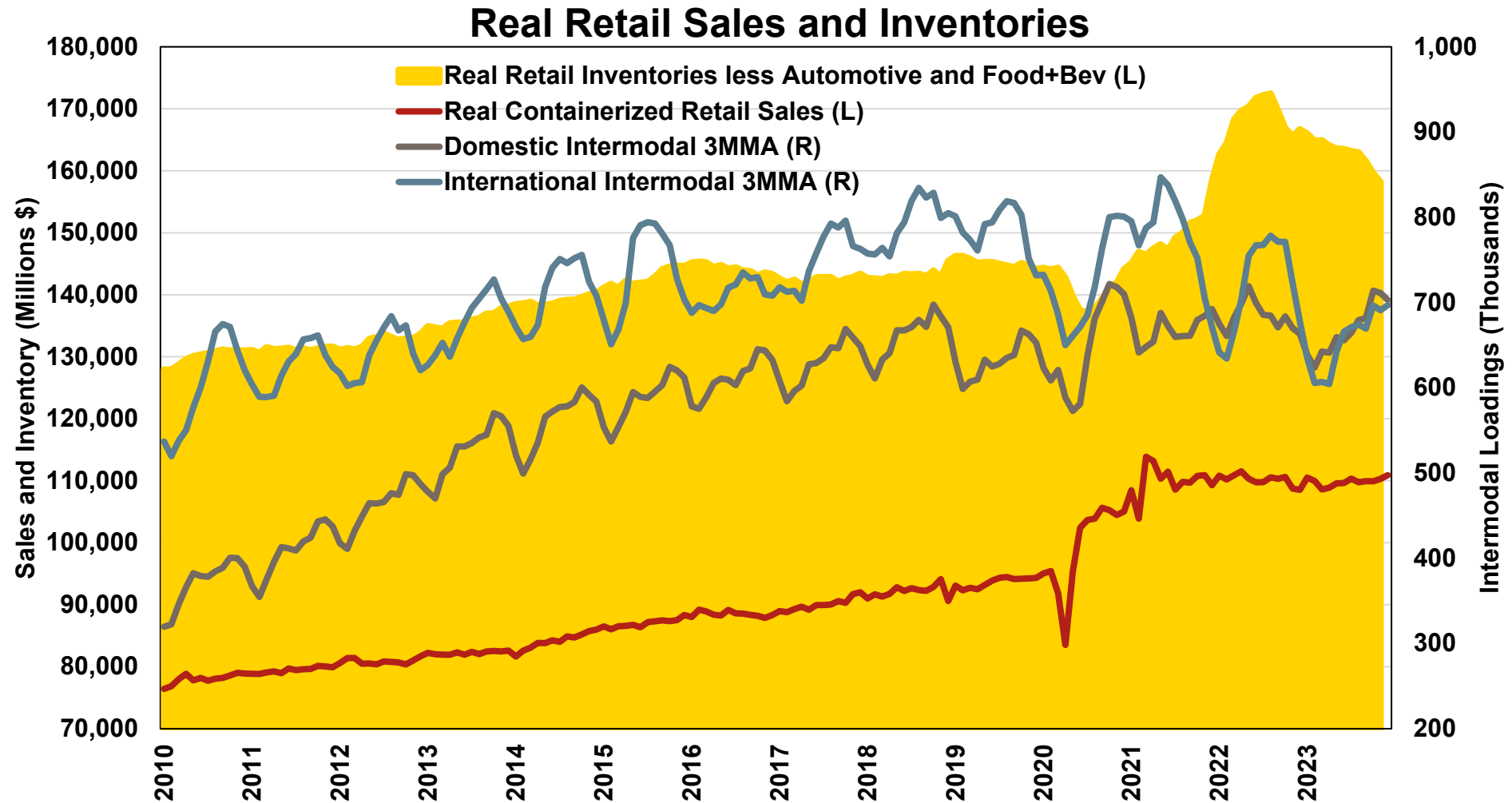
Source: Bureau of Economic Analysis, Federal Reserve

Goods spending has outpaced services for most of the second half of 2023 and are up 19% from pre-pandemic



Source: Bureau of Economic Analysis, Conference Board

# Containerized retail sales have picked up in 2023 while inventories continue to be worked down

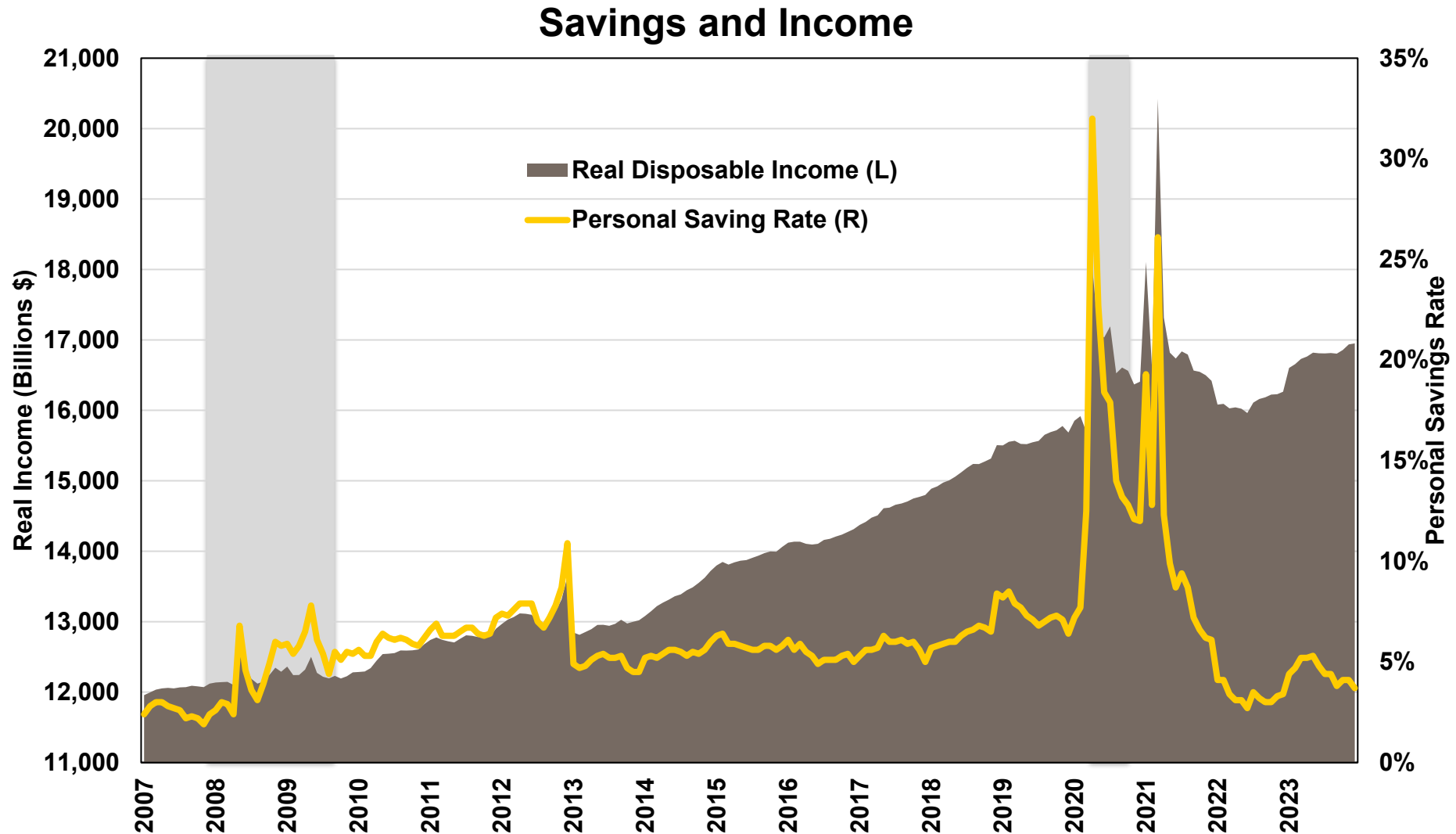


**Containerized Retail Sales Include:** furniture & home furniture stores; electronics & appliance stores; building material & garden equipment supplies dealers; health & personal care stores; clothing & clothing accessories stores; sporting goods, hobby, musical instrument and book stores; general merchandise stores; miscellaneous store retailers and non-store retailers

Source: Census Bureau, IANA

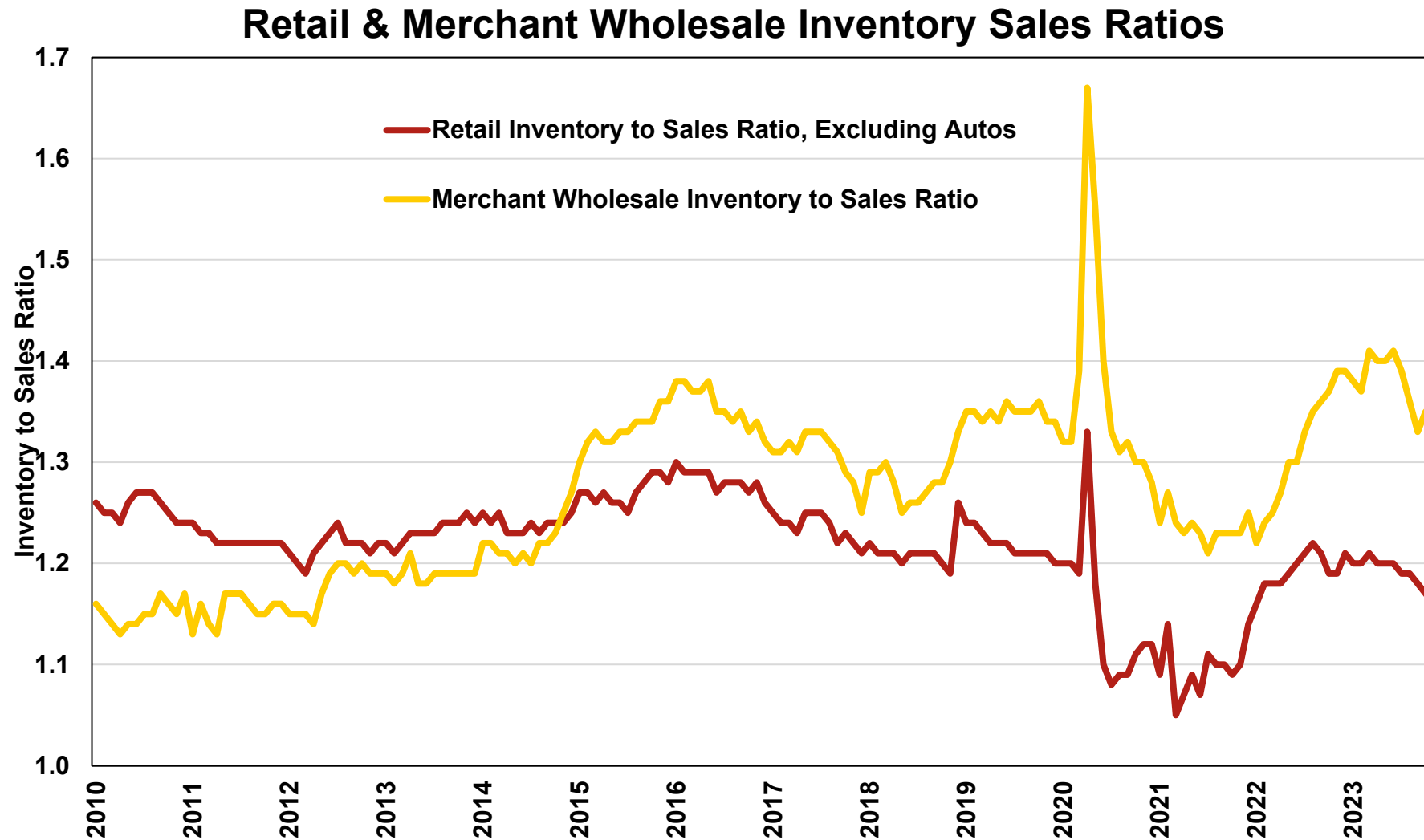


# Income growth is now outpacing inflation, but consumers continue to rely on credit and dip into savings



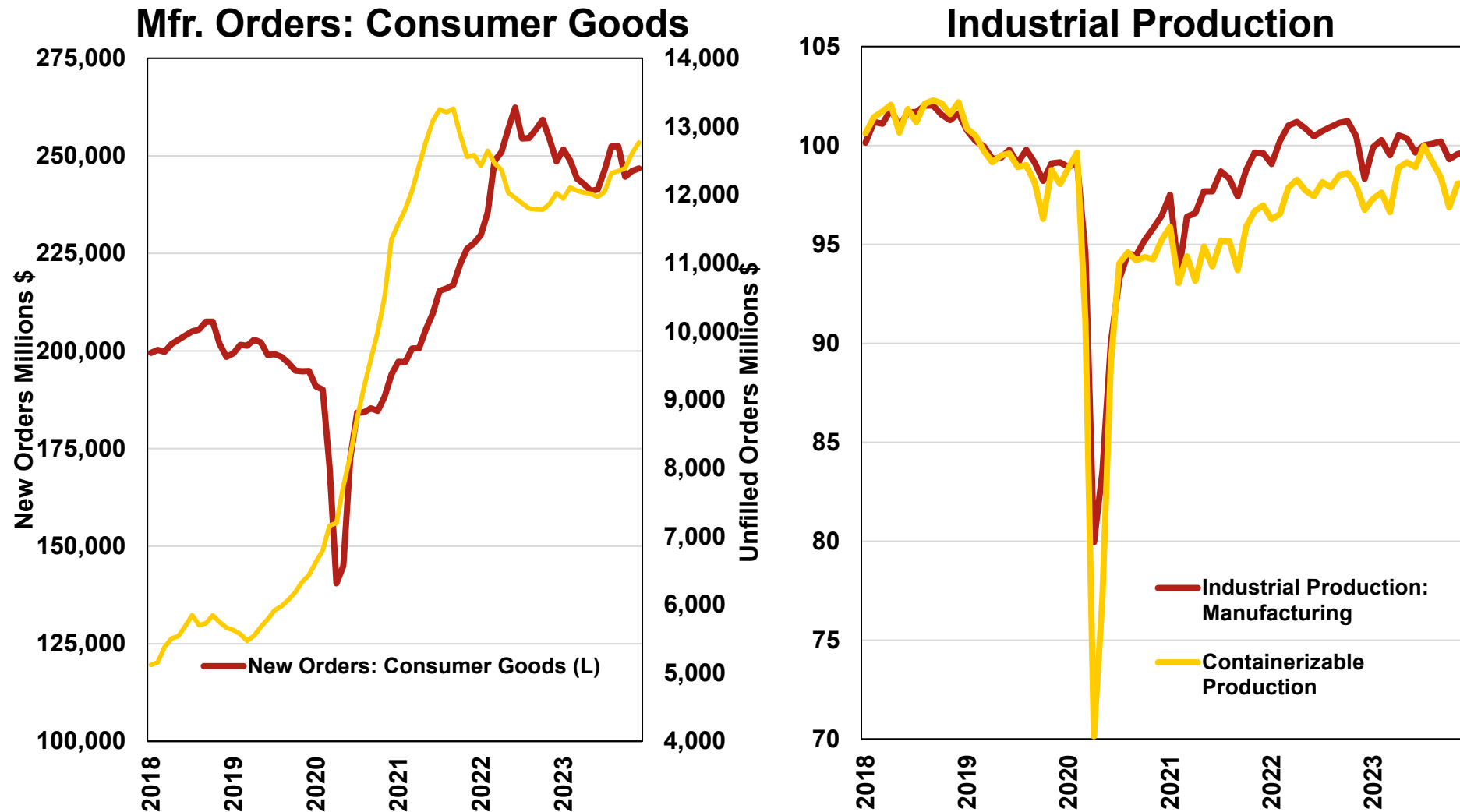
Source: Bureau of Economic Analysis

# Inventory-to-Sales ratios for retailers and wholesalers are gradually returning to pre-pandemic levels



Source: US Census Bureau

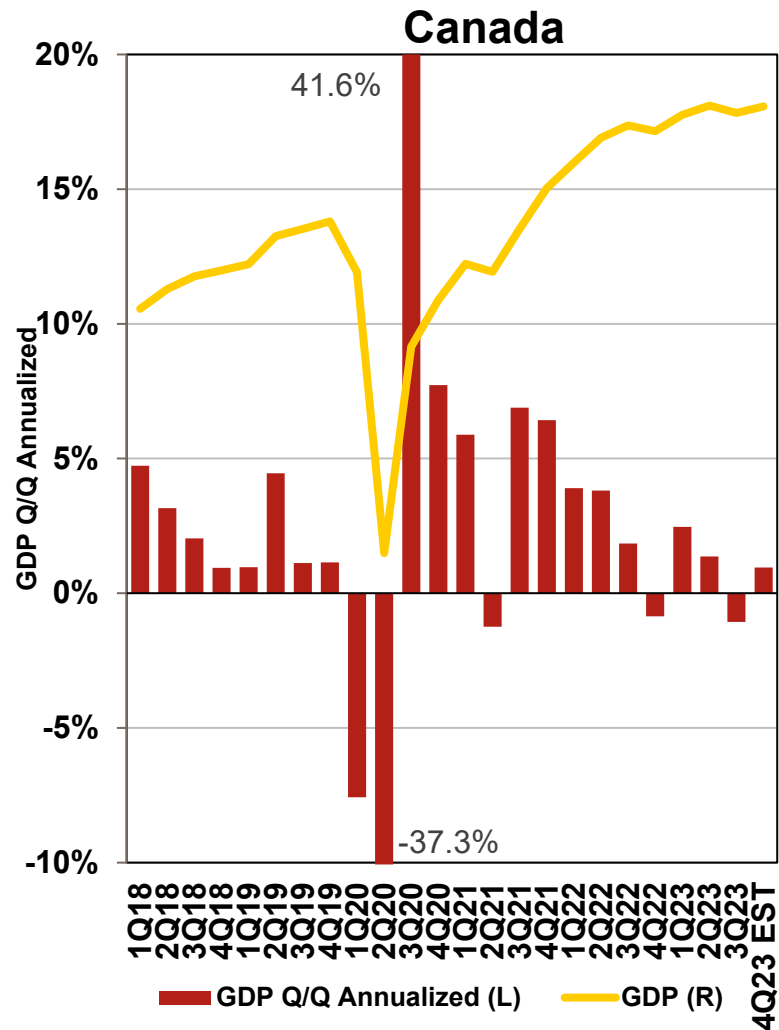
A resilient consumer has renewed demand for goods, providing some stability to industrial activity



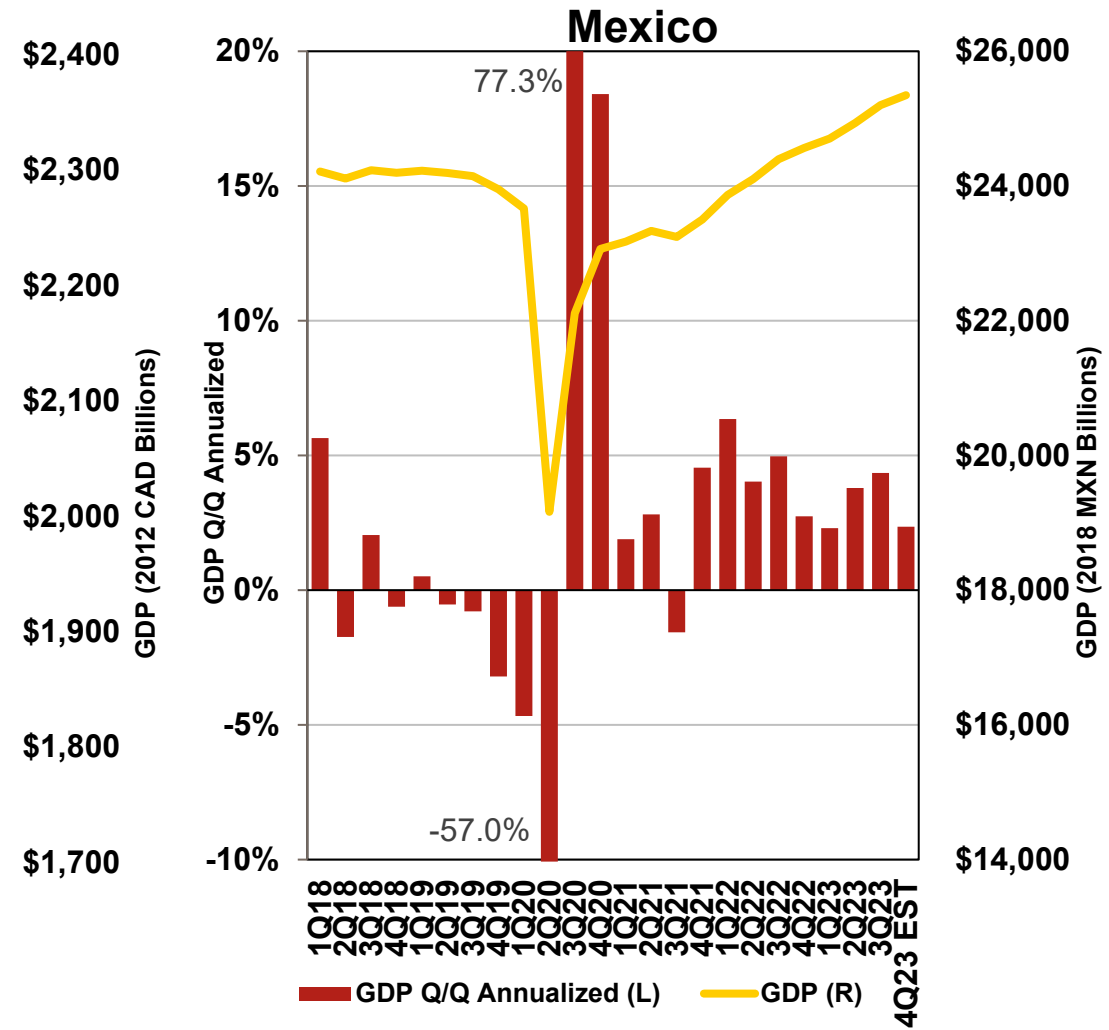
Source: U.S. Board of Governors of the Federal Reserve System; U.S. Census Bureau, TTX



# Canada's economy has slowed to a stop while Mexico continues to see consistent growth



Source: Moody's



Source: Moody's

# TTX's forecasts of key economic indicators

Economic Indicator	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast
U.S. GDP	2.5%	-2.2%	5.8%	1.9%	2.5%	2.0%
U.S. GDP: Freight Focused	1.7%	-2.8%	10.7%	3.1%	0.1%	2.1%
Real Consumer Spending	2.0%	-2.5%	8.4%	2.5%	2.2%	2.1%
Real Spending: Durable Goods	3.3%	8.0%	16.7%	-0.3%	4.3%	2.4%
Real Spending: Nondurable Goods	2.9%	3.3%	8.5%	0.6%	0.9%	3.0%
Unemployment Rate	3.7%	8.1%	5.4%	3.6%	3.6%	4.1%
Non-Res Fixed Investment	3.7%	-4.7%	5.9%	5.2%	4.4%	2.5%
Change in Real Private Inventories	71.3	-29.9	12.5	128.1	50.6	15.0
Change in Real Retail Inventories	6.3	-13.5	3.3	44.3	23.2	9.5
Housing Starts <sup>(Mil.)</sup>	1.29	1.40	1.61	1.55	1.41	1.35
U.S. Vehicle Prod. <sup>(Mil.)</sup>	16.96	14.47	14.95	13.75	10.38	11.36
U.S. Vehicle Sales <sup>(Mil.)</sup>	16.96	14.47	14.95	13.75	15.52	15.58
Industrial Production	102.4	95.1	99.2	102.6	102.8	103.4
Industrial Production: Manufacturing	99.5	93.0	97.7	100.5	99.9	101.0
PCE Price Index	1.4%	1.1%	4.2%	6.5%	3.7%	2.2%
Federal Funds Rate	2.2%	0.4%	0.1%	1.7%	5.0%	4.7%
Mexico GDP	1.9%	-5.0%	5.3%	3.8%	1.1%	0.7%
Canada GDP	-0.2%	-8.8%	6.0%	3.9%	3.4%	2.5%

Source: Bureau of Economic Analysis, U.S. Census Bureau, Federal Reserve, INEGI, Statistics Canada, Moody's Analytics, Autocast, TTX

Note: Percentages represent Year-over-Year change except for unemployment

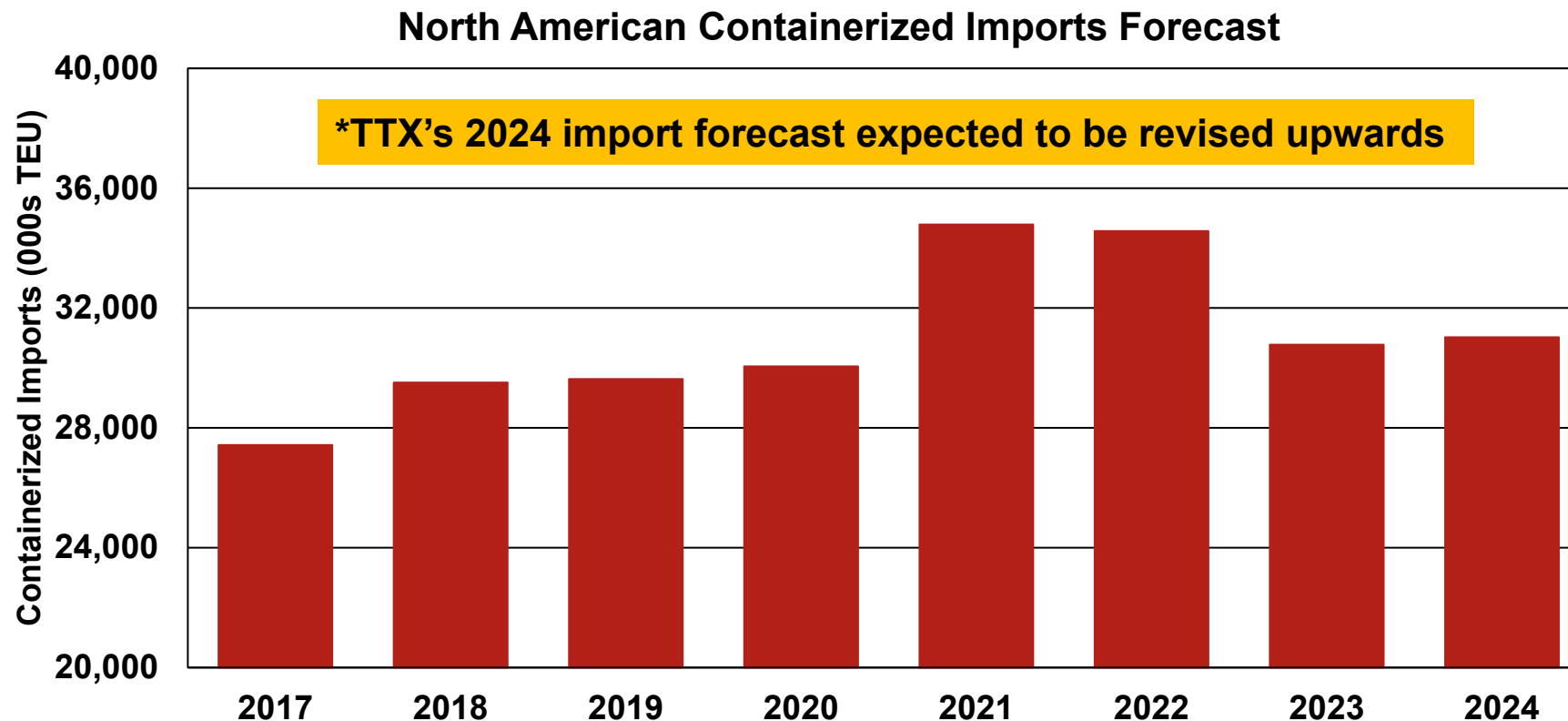


# International Intermodal Outlook





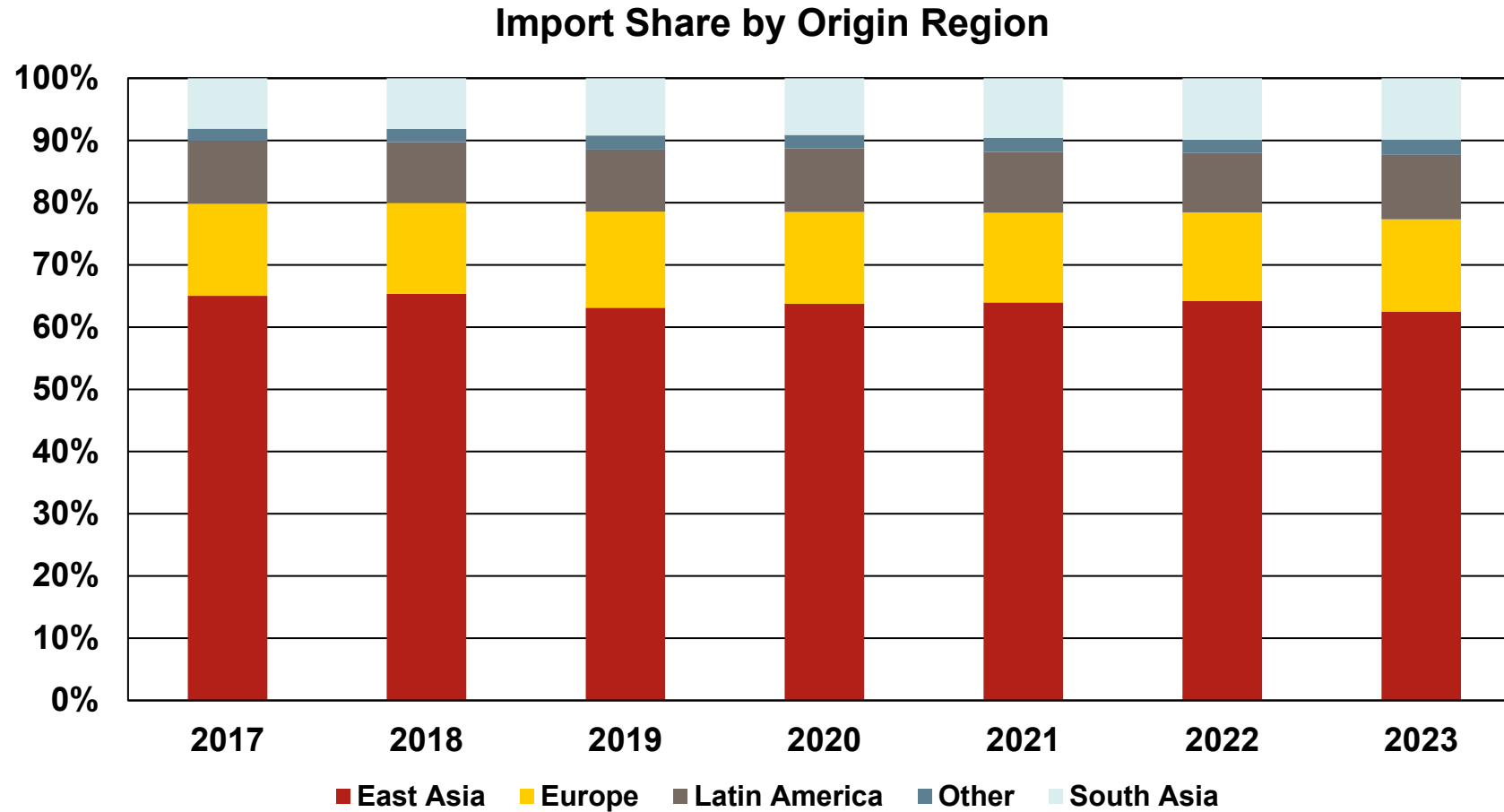
# North American imports declined 11.0% in 2023 but remained slightly above pre-COVID levels



	2017	2018	2019	2020	2021	2022	2023	2024
YoY Growth	6.4%	7.6%	0.4%	1.4%	15.8%	-0.6%	-11.0%	0.8%

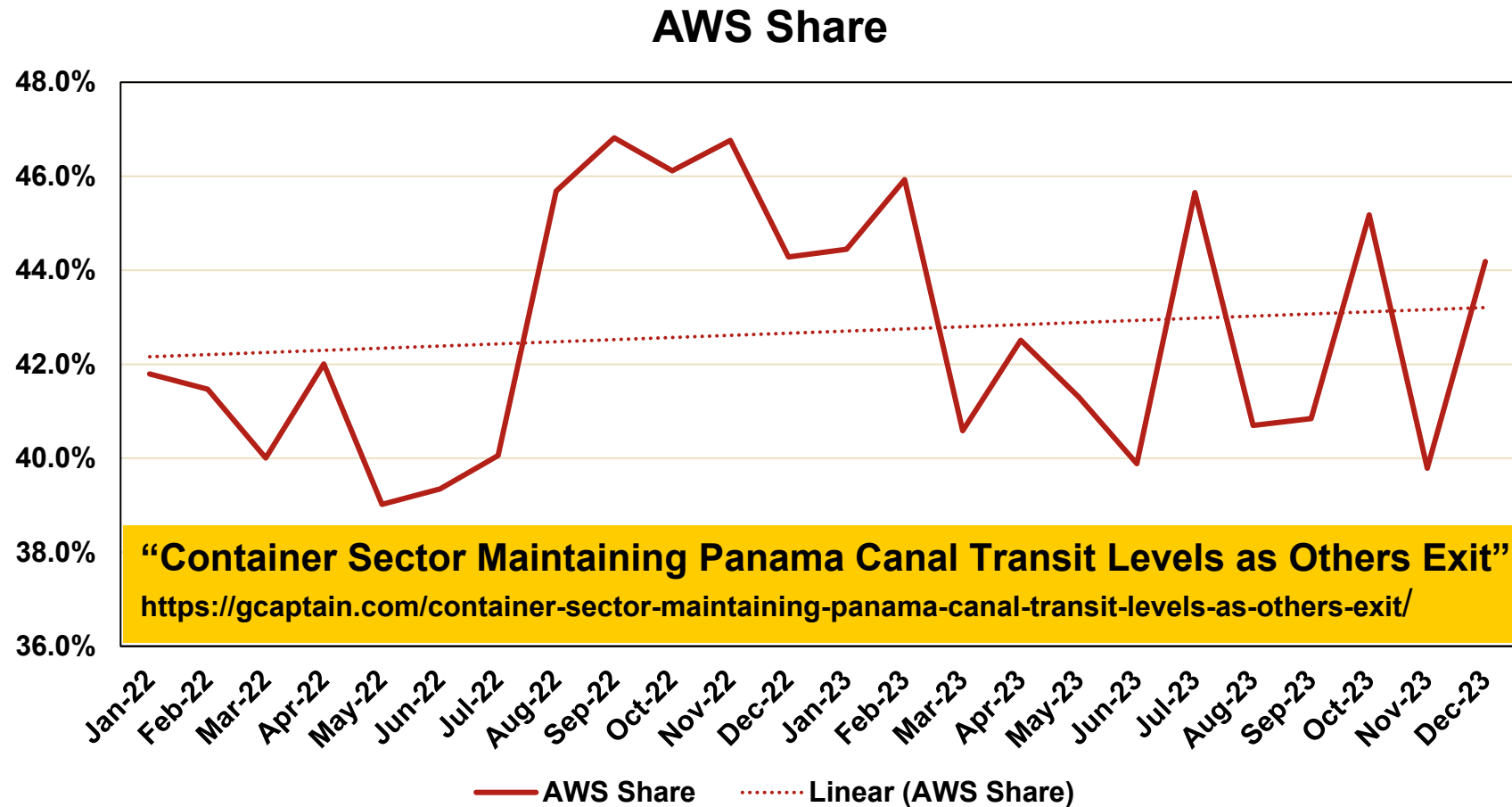
Source: PIERS, TTX Forecast, Moody's Analytics Forecast

# Off-shore production continues to migrate slowly from E. Asia to S. Asia; Mexico is now #1 U.S. trade partner



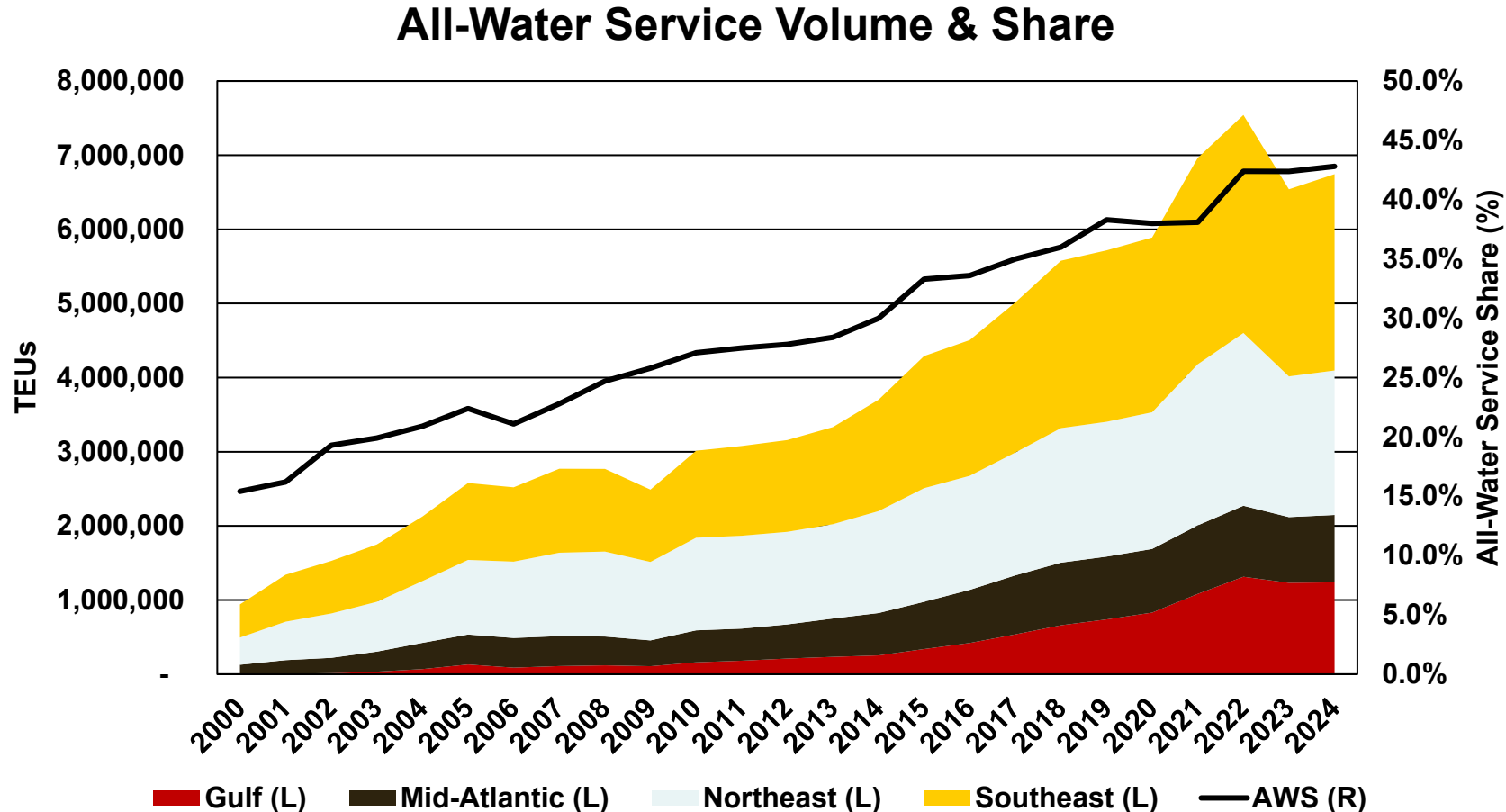
Source: PIERS, New York Times, TTX

# Panama drought has yet to reverse AWS trends in a meaningful way



Source: PIERS, TTX

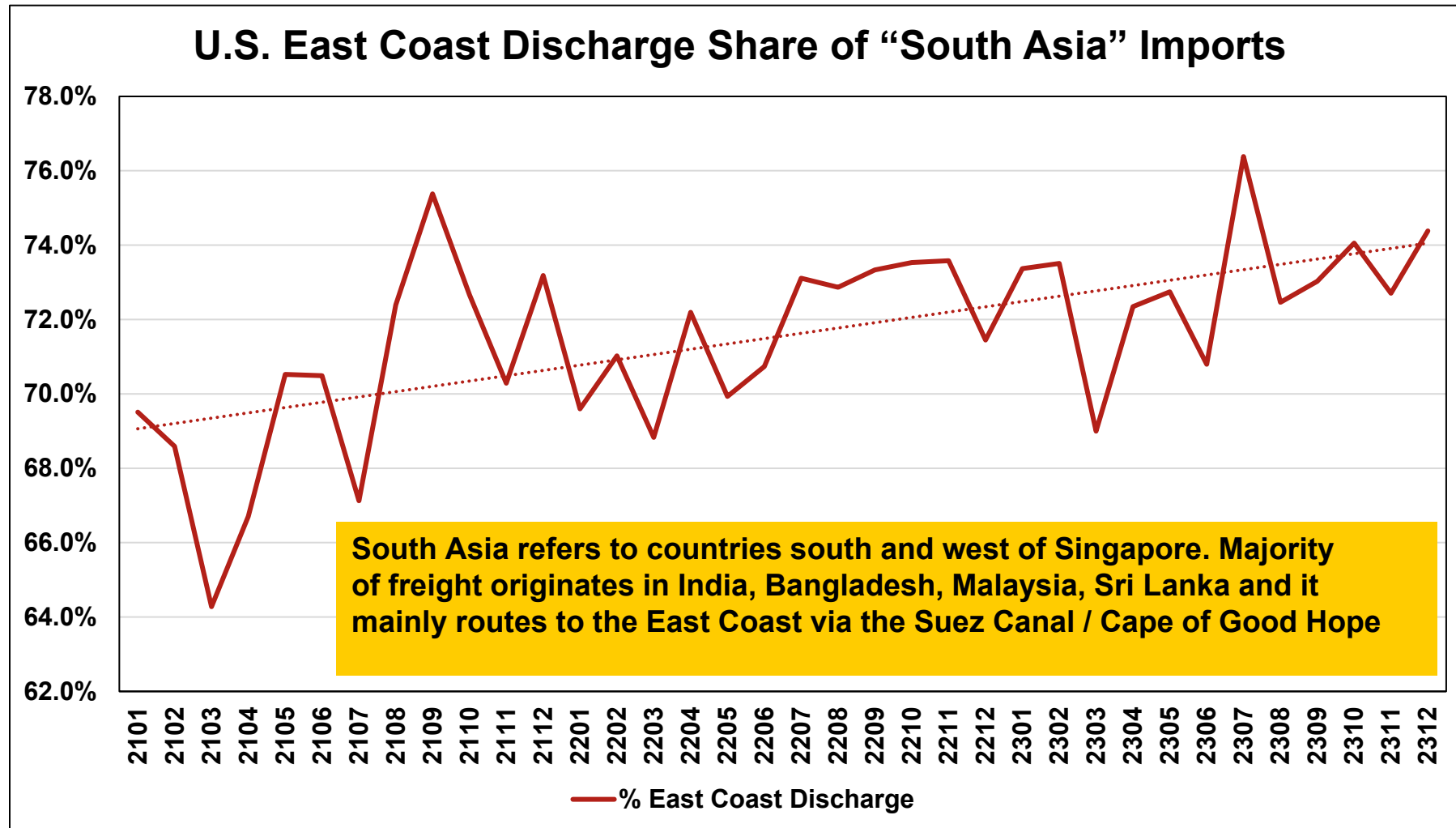
# The Gulf remains the fastest growing port region for AWS share



**2022 AWS volume = 7.4 mm TEUs, 2023 volume = 6.6 mm TEUs**  
**2021 AWS share = 38.2%, 2022 AWS share = 42.8%, 2023 AWS share = 42.6%**

Source: PIERS, TTX

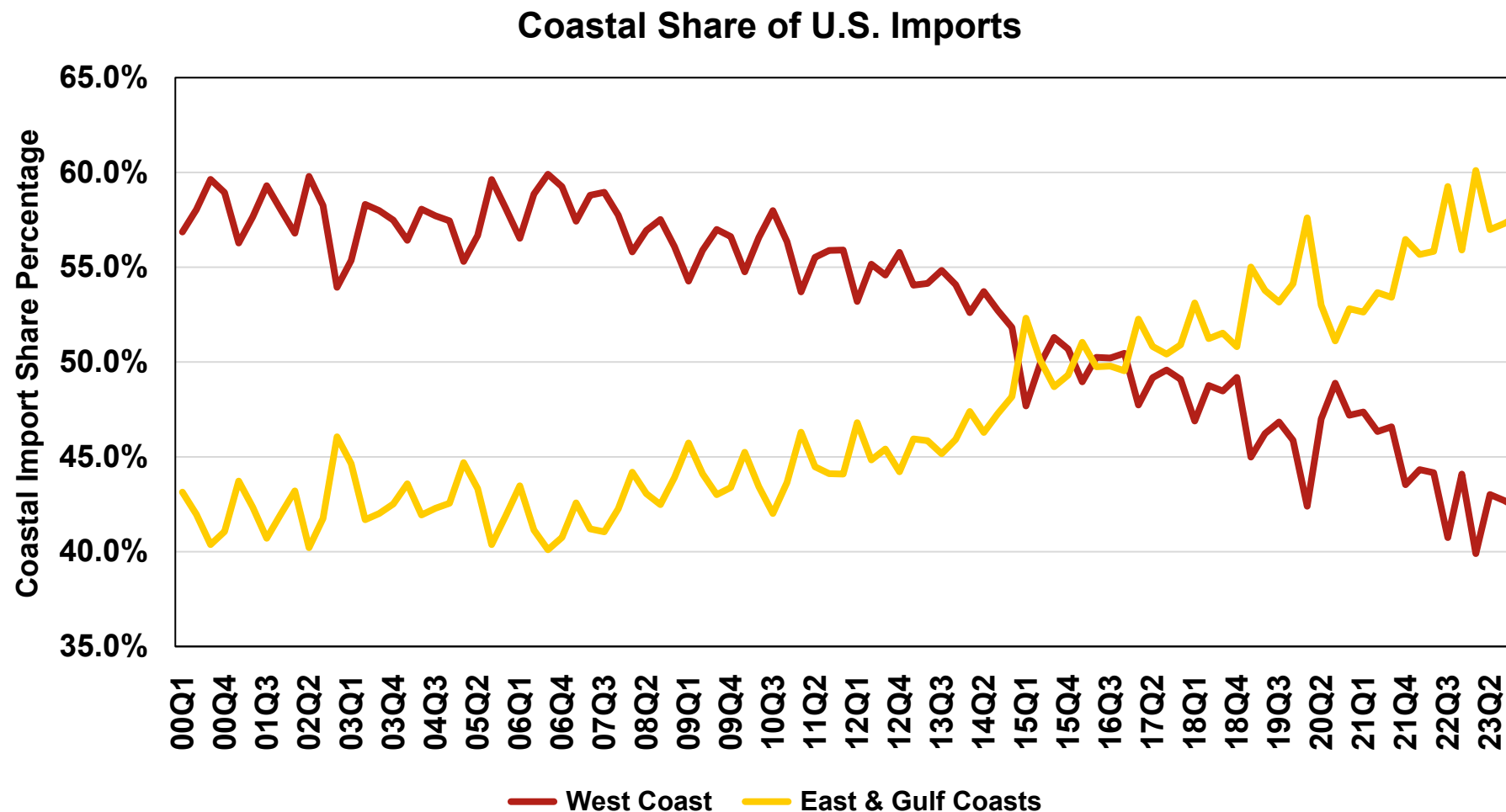
# Attacks on shipping in the Suez have not (yet) impacted the coastal splits of U.S. imports



Source: PIER, TTX

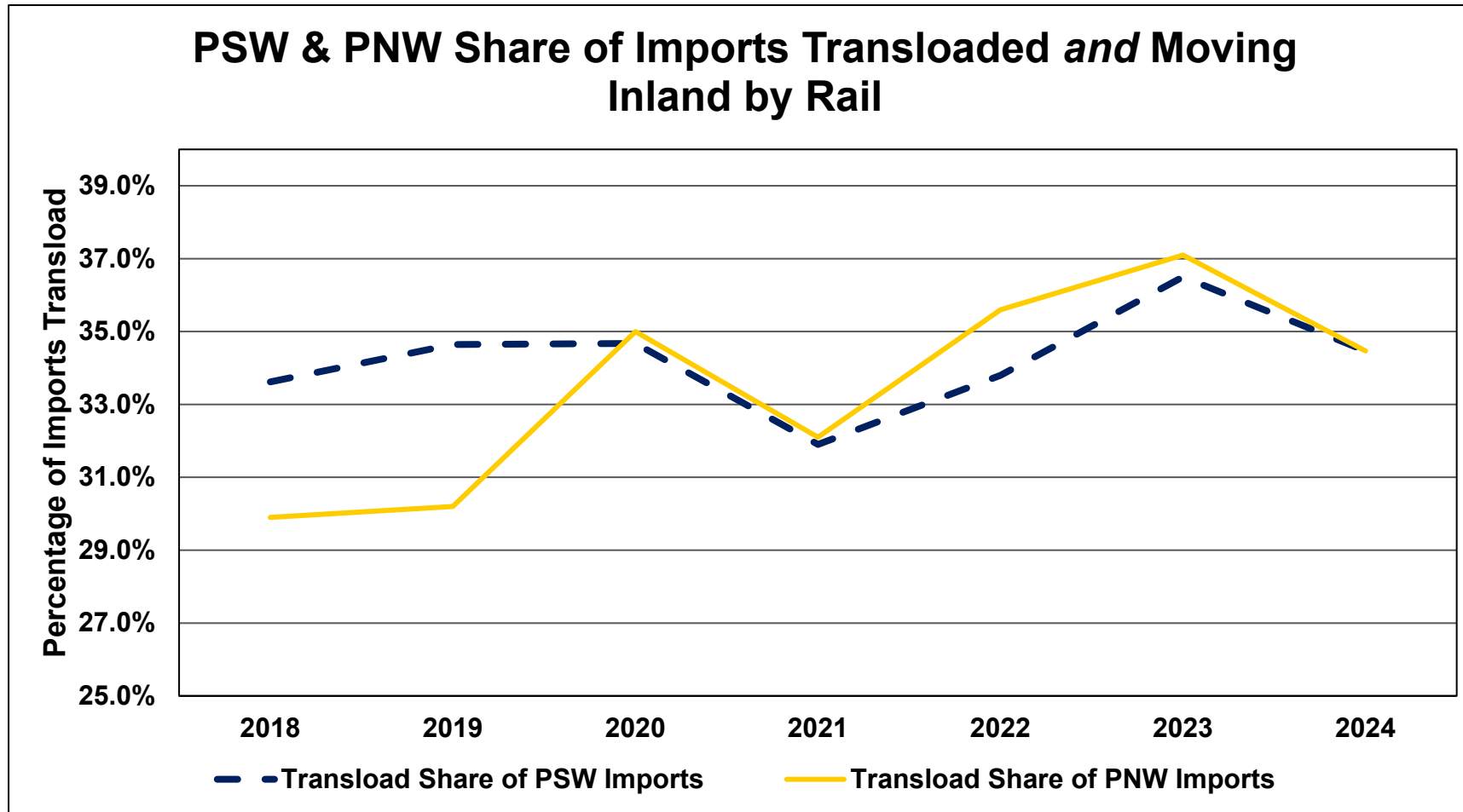


# As shippers continue with import diversification strategies East Coast continues gaining import share



Source: PIERS, TTX

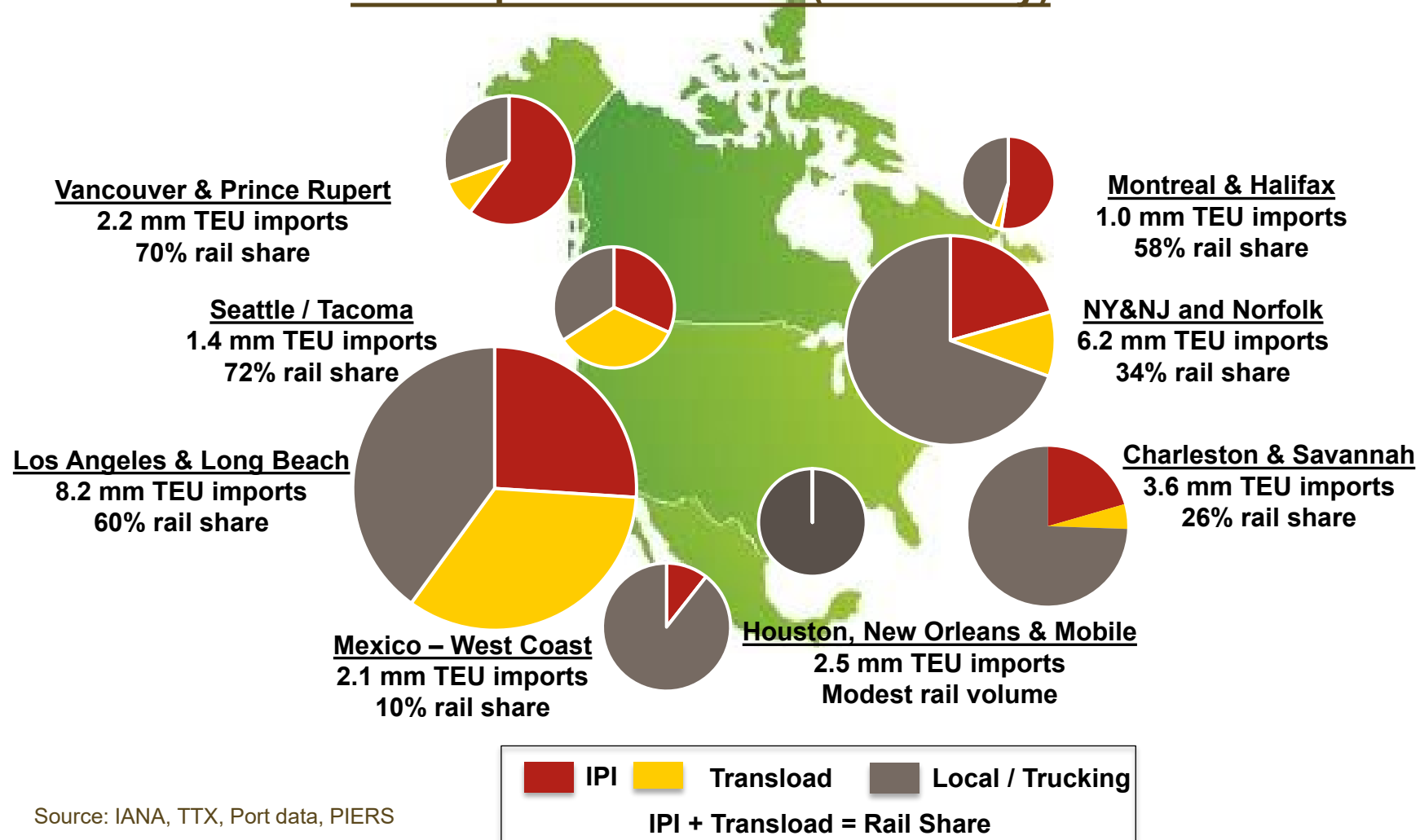
# Transload share of imports appears to be normalizing after 3 years of COVID disruption



Source: IANA, PIERS, TTX

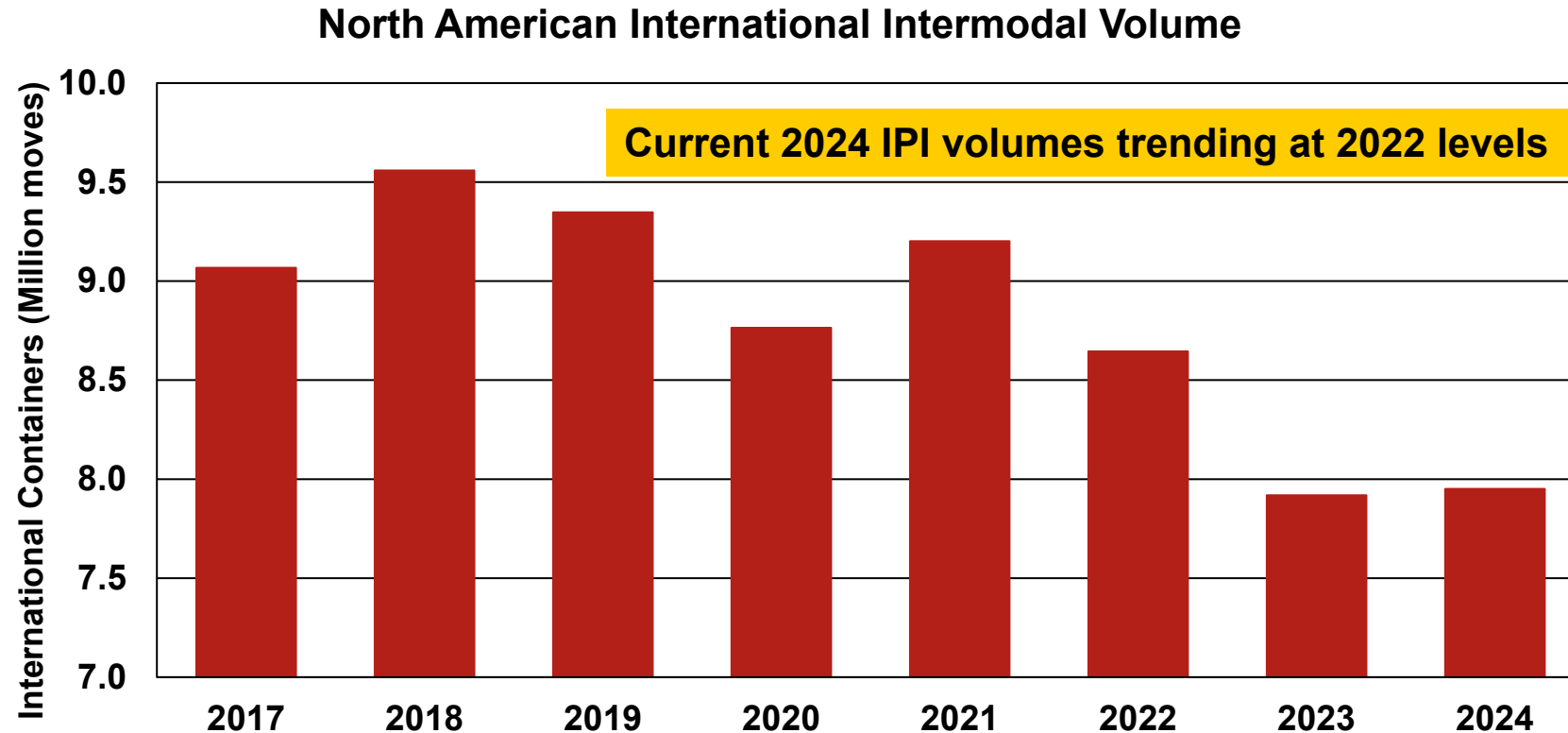
# West Coast discharge far more likely to experience a rail move; East Coast rail share seems consistent

## 2023 Import Distribution (Preliminary)



Source: IANA, TTX, Port data, PIERS

IPI fell 8.4% in 2023; TTX's forecast for 2024 will more than likely be revised upwards



	2017	2018	2019	2020	2021	2022	2023	2024
YoY Growth	6.2%	5.4%	-2.2%	-6.2%	5.0%	-6.0%	-8.4%	0.4%

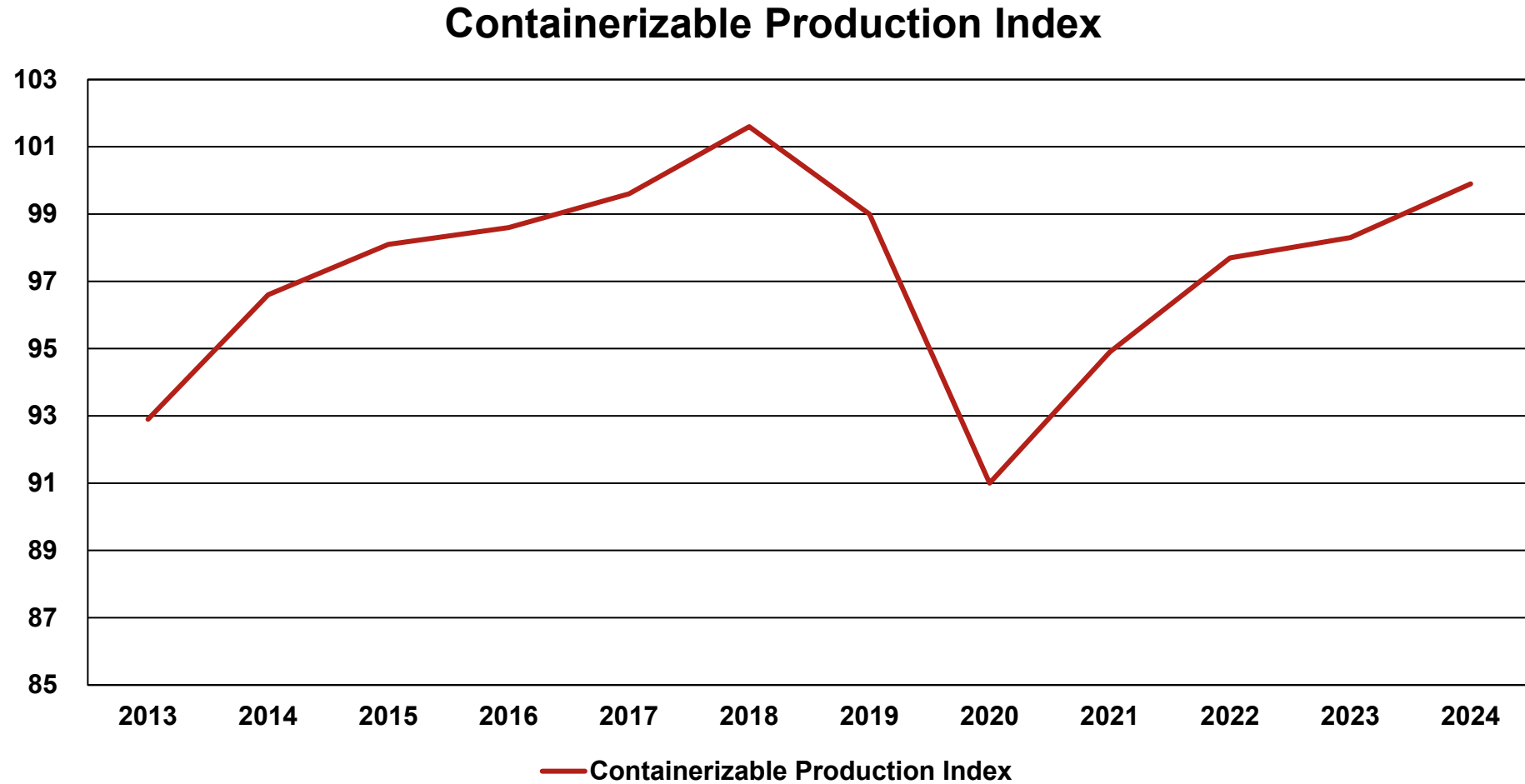
Source: IANA, TTX

# Domestic Intermodal Outlook

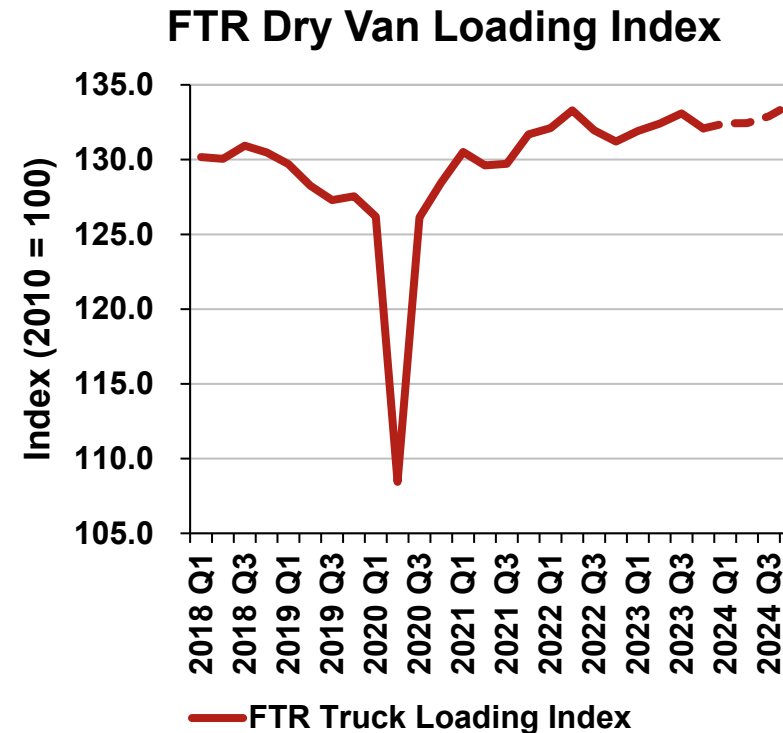
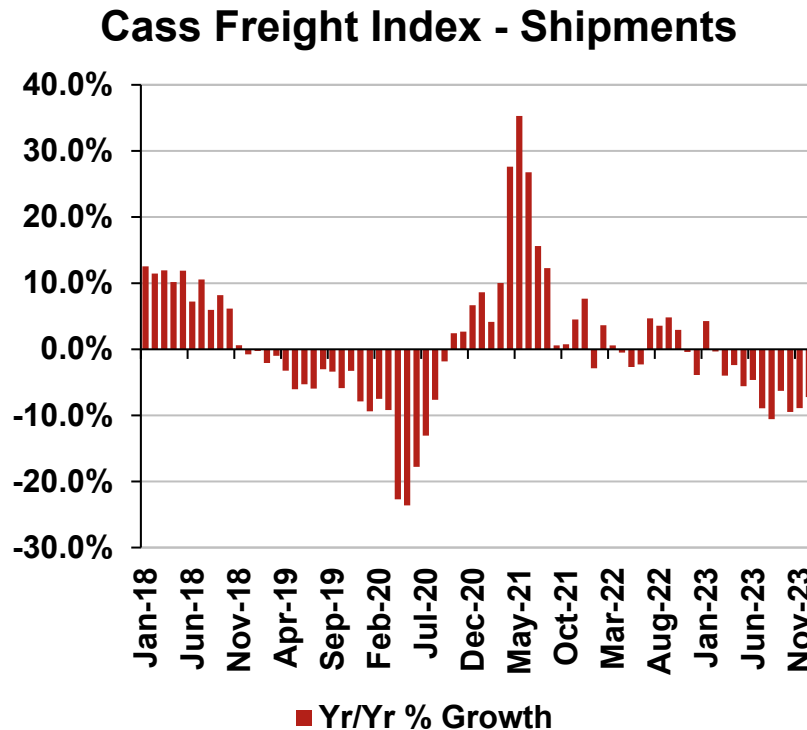




As supply chains solidify, Containerized Production is expected to continue with its gradual recovery in 2024

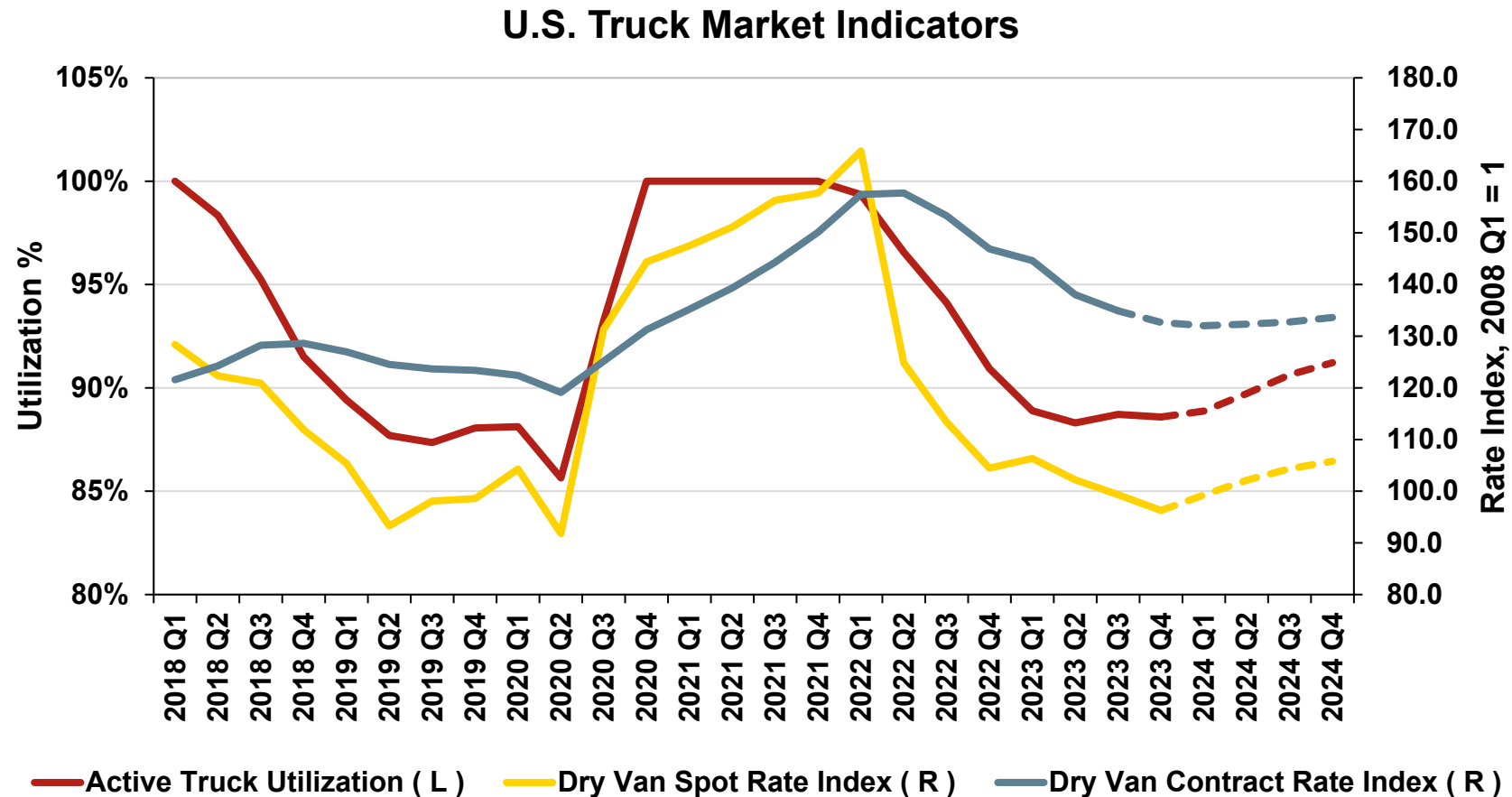


# Freight demand measures show a slow freight market in 2023, recovery is expected to begin in 2H 2024



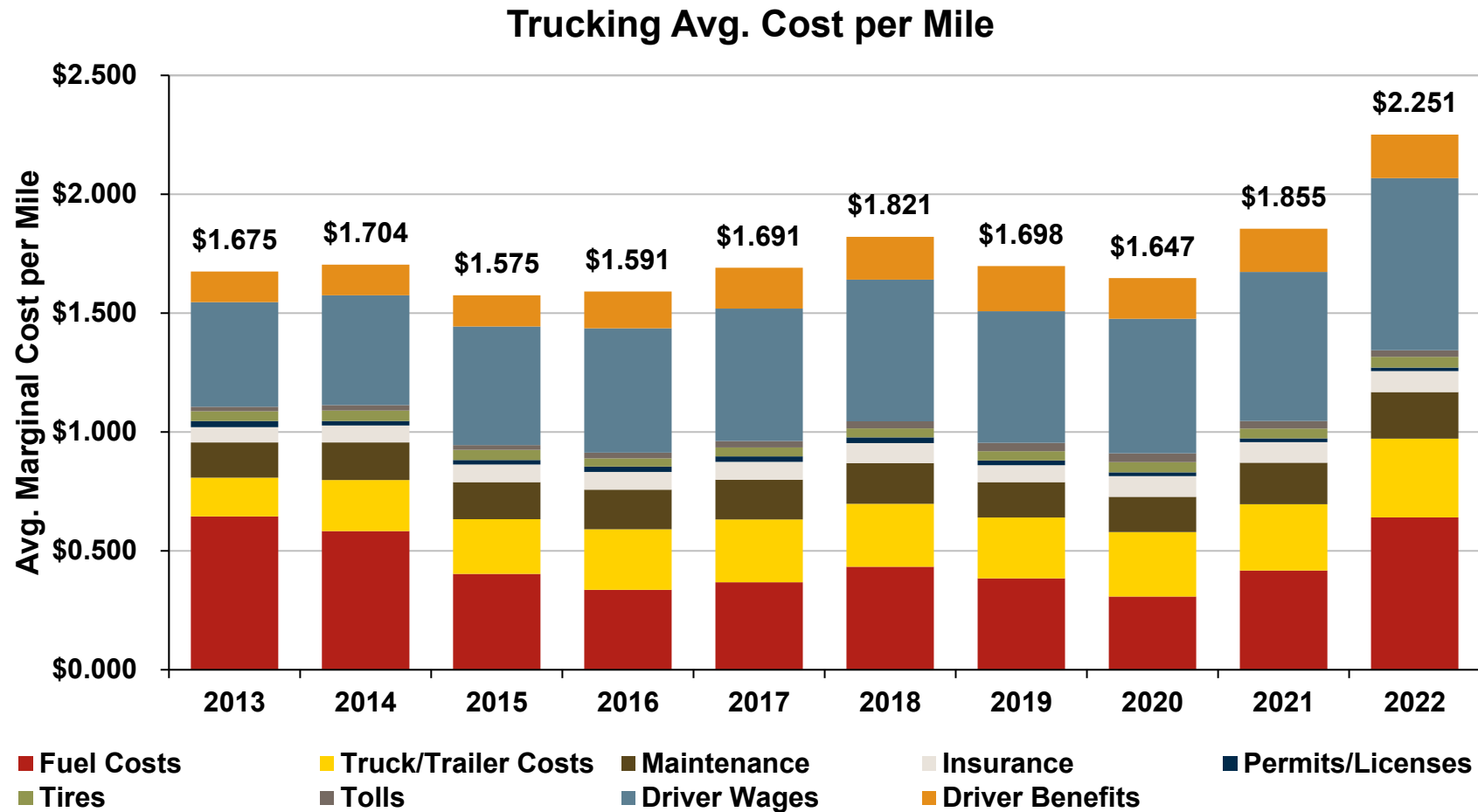
Source: FTR, Cass, TTX

Truck utilization is expected to trend higher through 2024, but remain below the long-term average of ~92%



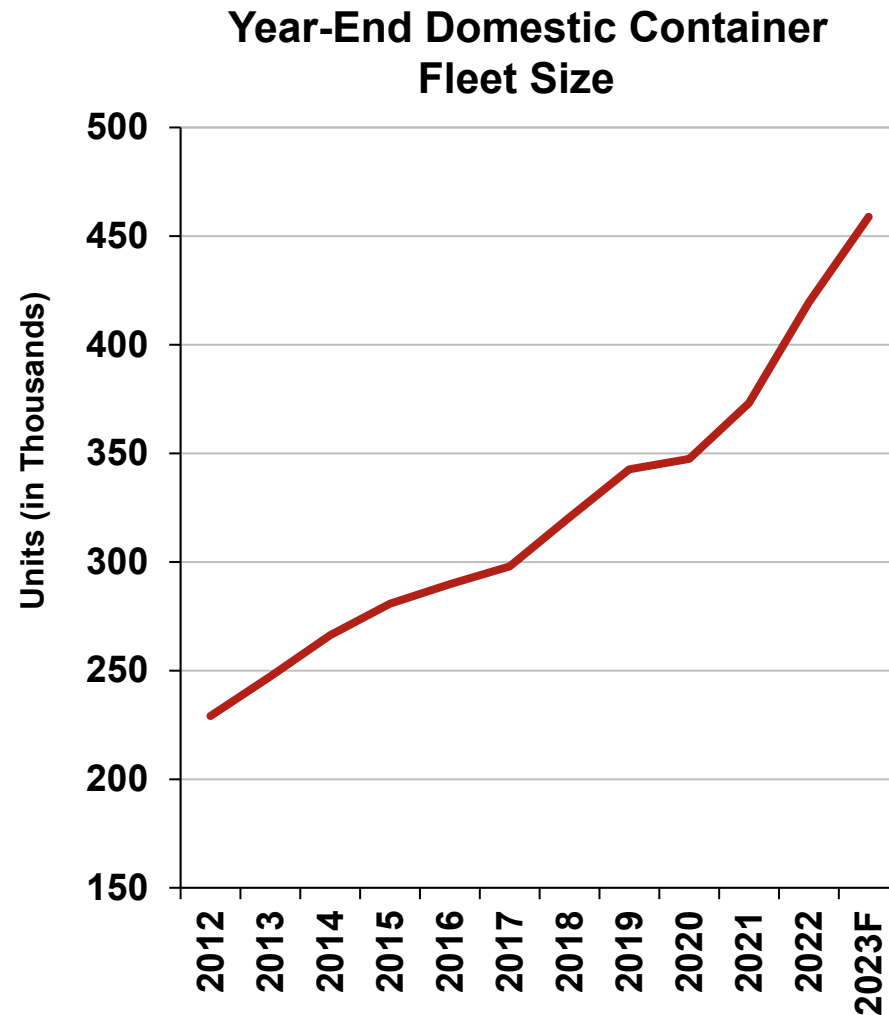
Source: FTR

# Trucking's cost structure was deeply impacted in the pandemic's wake



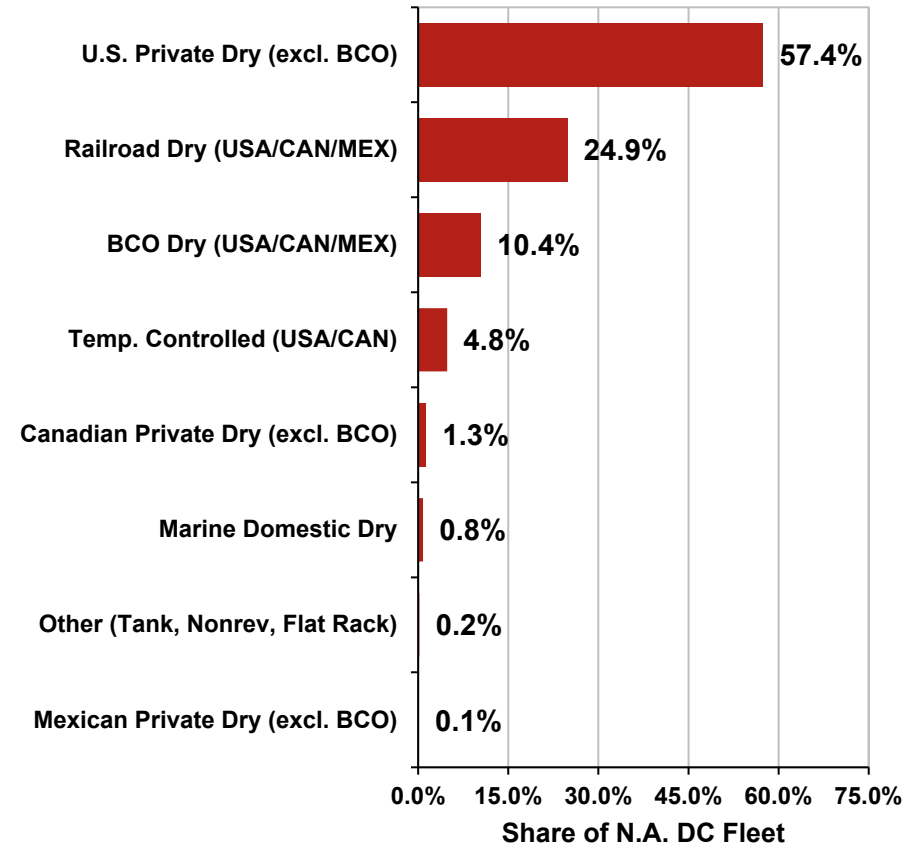
Source: ATRI

# The domestic intermodal container fleet continued to expand in 2023



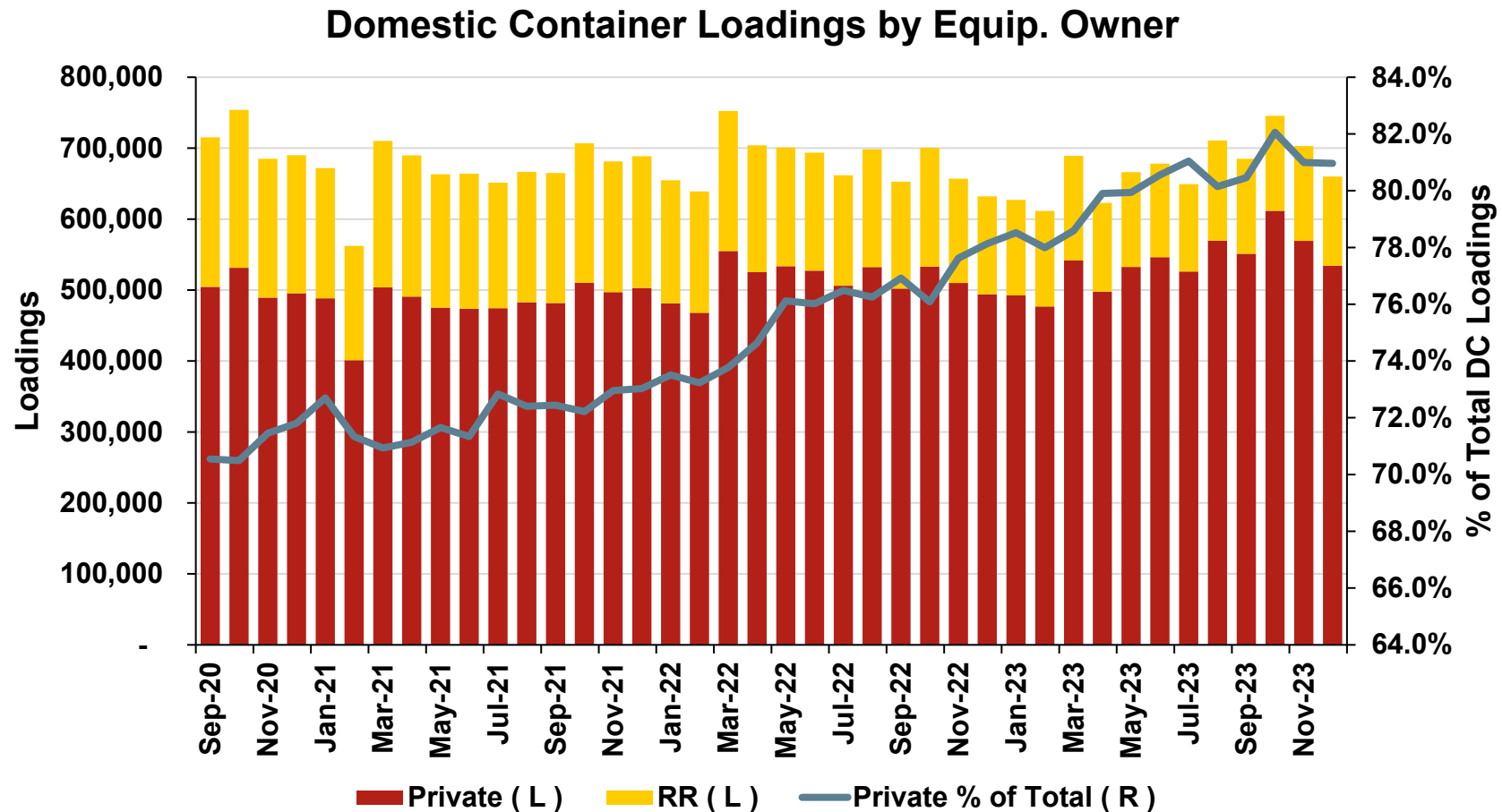
Source: TTX

## 2023 Domestic Container Fleet, by Market Segment



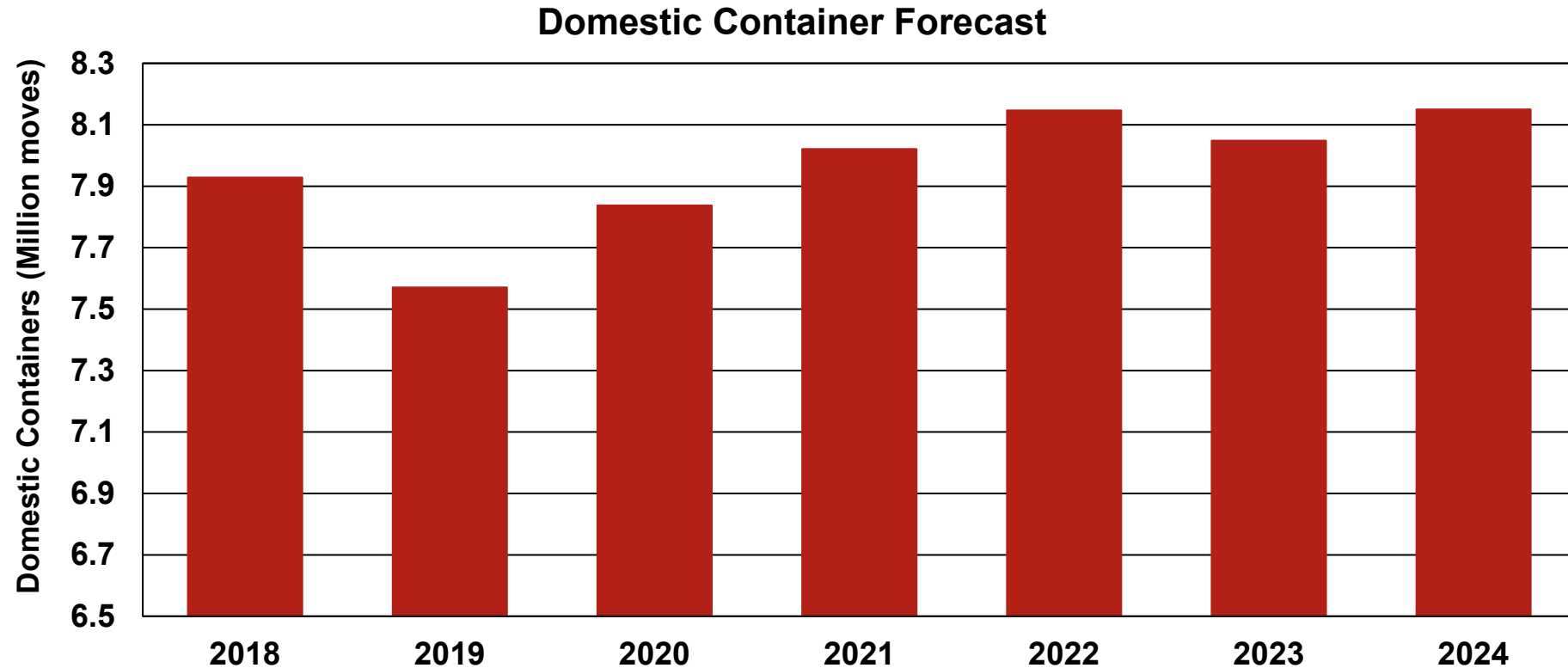


# Private containers have accounted for an increasing share of domestic container loadings



Source: IANA

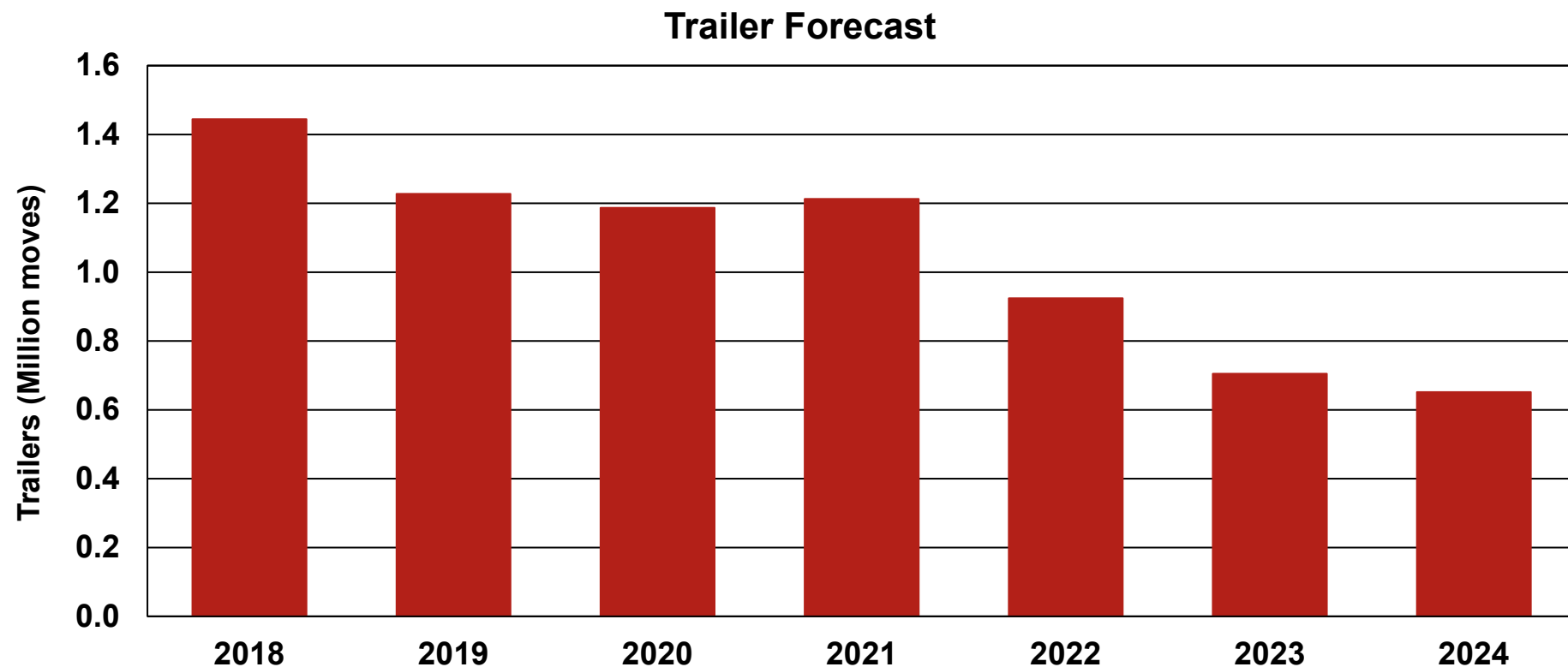
Domestic container volumes decreased 1.2% last year, TTX anticipates an increase of 1.3% in 2024



	2018	2019	2020	2021	2022	2023	2024
YoY Growth	4.9%	-4.5%	3.5%	2.3%	1.6%	-1.2%	1.3%

Source: IANA, TTX

Trailer volumes fell 23.7% last year, TTX is forecasting volumes will decrease 7.6% in 2024



	2018	2019	2020	2021	2022	2023	2024
YoY Growth	10.6%	-15.0%	-3.3%	2.2%	-23.8%	-23.7%	-7.6%

Source: IANA, TTX



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# Q&A



Enter your questions using  
the Q&A button





# More Information from IANA

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- Visit the [Upcoming Education page](#) for more information about 2024's *Intermodal Explained* Virtual Education Program
- [Business Meeting Registration is OPEN!](#)  
May 6-8, 2024, in Lombard, IL
- E-mail us @ [info@intermodal.org](mailto:info@intermodal.org)  
Visit us @ [intermodal.org](http://intermodal.org)



# IANA

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