

#MARKETREPORT



SHIPPING & TRANSPORTATION **November 2017**

Is this the perfect storm to drive down capacity and drive up rates?

No, but it's certainly a turbulent and volatile market right now. Here is a brief market overview and report on all the factors driving the current market, our expectations for where it's headed, and most importantly, how to manage this market and come out on top!

A stronger economy has been pushing more loads into the marketplace ([see Table 1 below, Nat'l Load Counts Year over Year](#)) while capacity has been shrinking with fewer drivers on the road. As this was a slower, smaller storm front, Mother Nature intervened with much bigger, disruptive plans. Hurricane Harvey with Irma on his heels swallowed up all the remaining capacity and with FEMA paying government rates, hijacked the entire market and set a new standard for pricing we haven't seen before.

To further compound these issues, [ELD's](#) (see: [What Shippers Need to Know About ELD's](#)) are around the corner and CSX Transportation on Thursday expanded its discontinuation of domestic intermodal services to [327 origin and destination pairs \(see: searchable list of lanes\)](#) in an overhaul to build cargo density amid peak season. CSX issues have been well documented but providing less overall capacity in this marketplace is one more handicap to add to this growing list.

The good news is that rates are slowly coming down as the southern ports and lanes normalize and the truck to load ratios ([see Table 2 below](#)) become more manageable. Noel Perry, of FTR and the chief economist of online load board [Truckstop.com](#), mentions that it took several months for annualized pricing to right itself following Hurricane Katrina.

We, at [Choptank Transport](#), are not expecting any quick or easy fixes. Relying on your partners and the experts can relieve a lot of stress and provide solutions in navigating these treacherous waters. An experienced

third-party logistics provider can utilize their established pool of carriers, up-to-date technologies to track the market ([see Table 3](#)) and well-trained staff to provide real-time information and the best rates available. [Request a quote today](#) to see how we can help you improve your supply chain.



TABLE 1. *National Load Counts – Reefer & Van

*Avg. of ~2 Million more loads over 2016

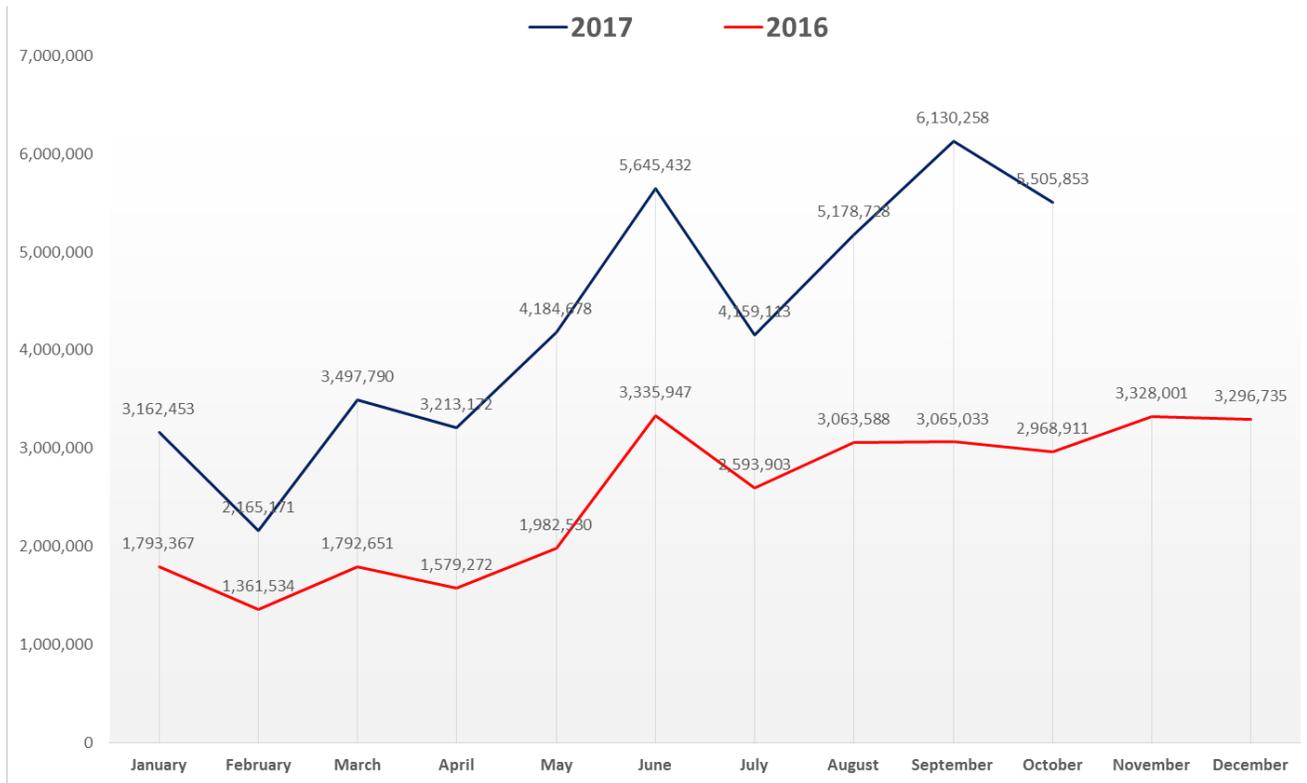


TABLE 2. *Market Demand Index (MDI) by [Truckstop.com](https://www.Truckstop.com)

*The MDI is a measure of relative truck demand in the spot market. It compares load availability to truck availability.

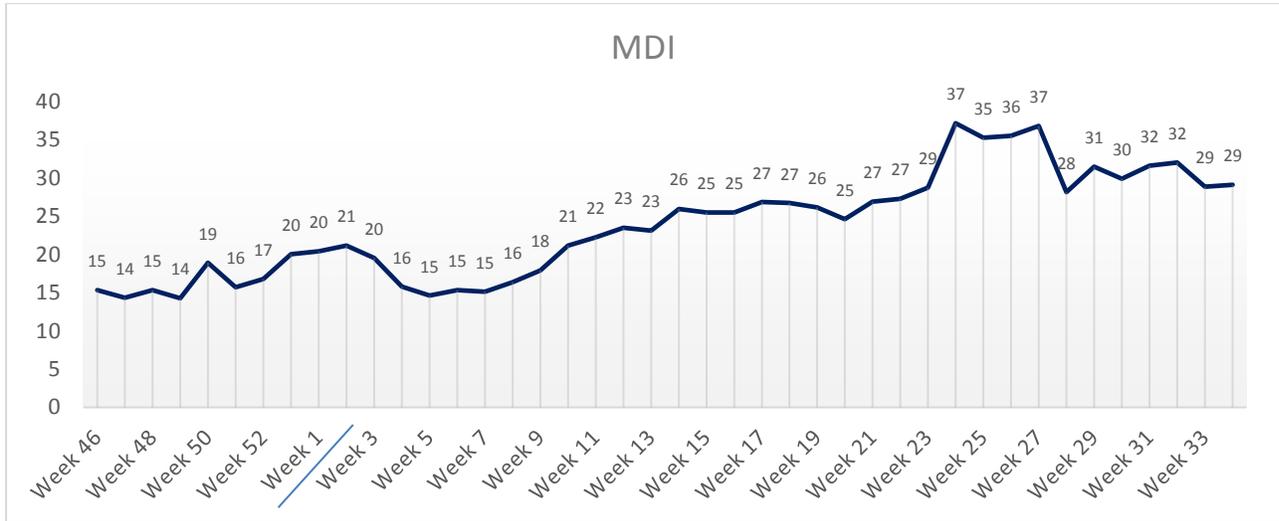
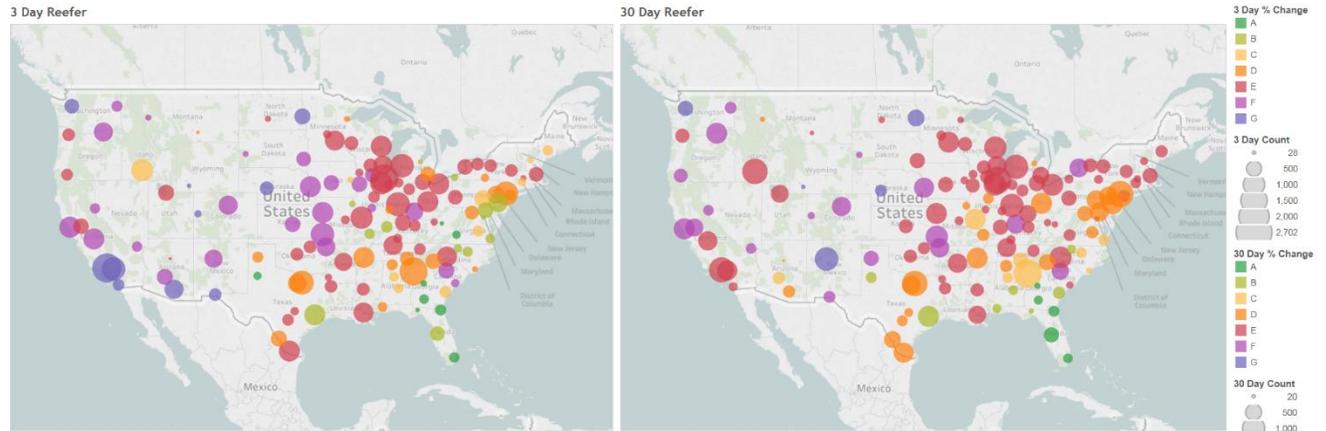


TABLE 3. *Density Maps

*Load density maps are based on percent change and are not indicative of actual load count. Drastic change in color represents drastic **percent change** in load count. Red is a large change.

REEFER



DRY VAN

