

Uber Freight

Chemical Current
Supply chain newsletter for
chemical shippers

January 2025



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Executive summary

ISM's US Manufacturing PMI contracted for the ninth consecutive month, coming in at 49.3 for the month of December. Although contraction continues, manufacturing activity slowed at a slower rate than November, up 0.9% *MoM*, as demand showed signs of improvement. Chemical Products were one of the seven industries in contraction due to seasonality and end-of-year destocking.

Indicator	M/M	Y/Y	
Chemical Production (Dec)	↑ 1.1%	↑ 3.6%	
Chemical Export Prices (Dec)	↓ 0.2%	↑ 1.1%	
Chemical Producer Prices (Dec)	↓ 0.4%	↓ 0.9%	
M/M			
Chemical Capacity Utilization (Dec)	↑ at 79.9%		
	Carloads	W/W	Y/Y (13-wk MA)
Railcar Loadings (1/11)	31,330	↓ 1.3%	↑ 3.4%

Source: American Chemistry Council (www.americanchemistry.com)

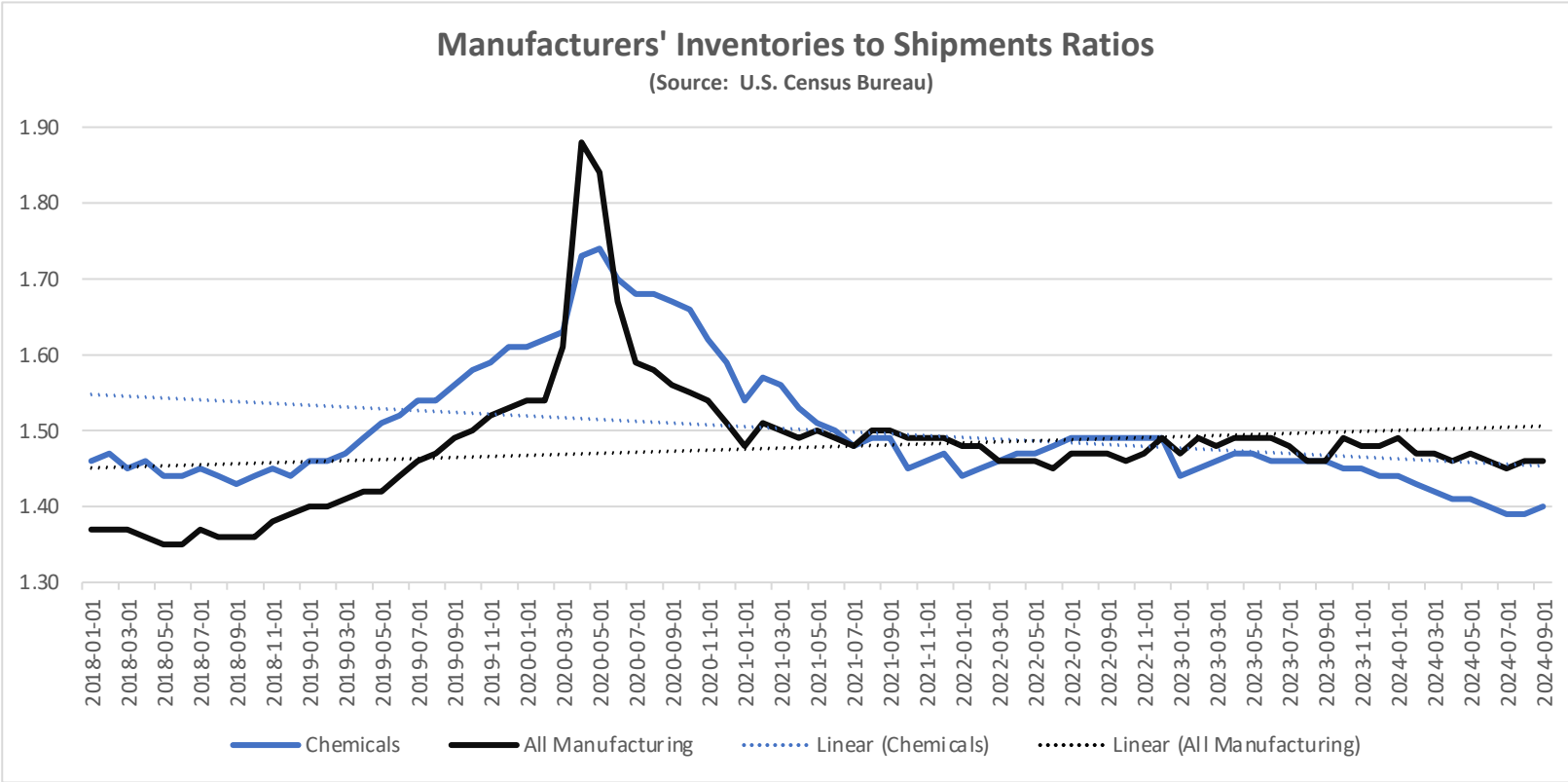
Although some challenges in manufacturing and construction continue to impact chemical demand, the US chemical industry is positioned to benefit from a growing economy. Chemical logistics will face complexities as interest rates decrease, spurring demand in sectors like automotive and housing, thus requiring more efficient distribution networks. The US petrochemical sector remains in a strong competitive position due to cost advantages, particularly with natural gas liquids, but capacity overbuilding and high construction costs for new facilities may limit expansion. Furthermore, the threat of tariffs under the incoming administration could disrupt trade flows and elevate costs, adding more uncertainty for global transportation. As shippers prioritize production of specialty chemicals, adjustments are needed to support rapid expansion in these high-demand sectors.

Chemical transportation trends



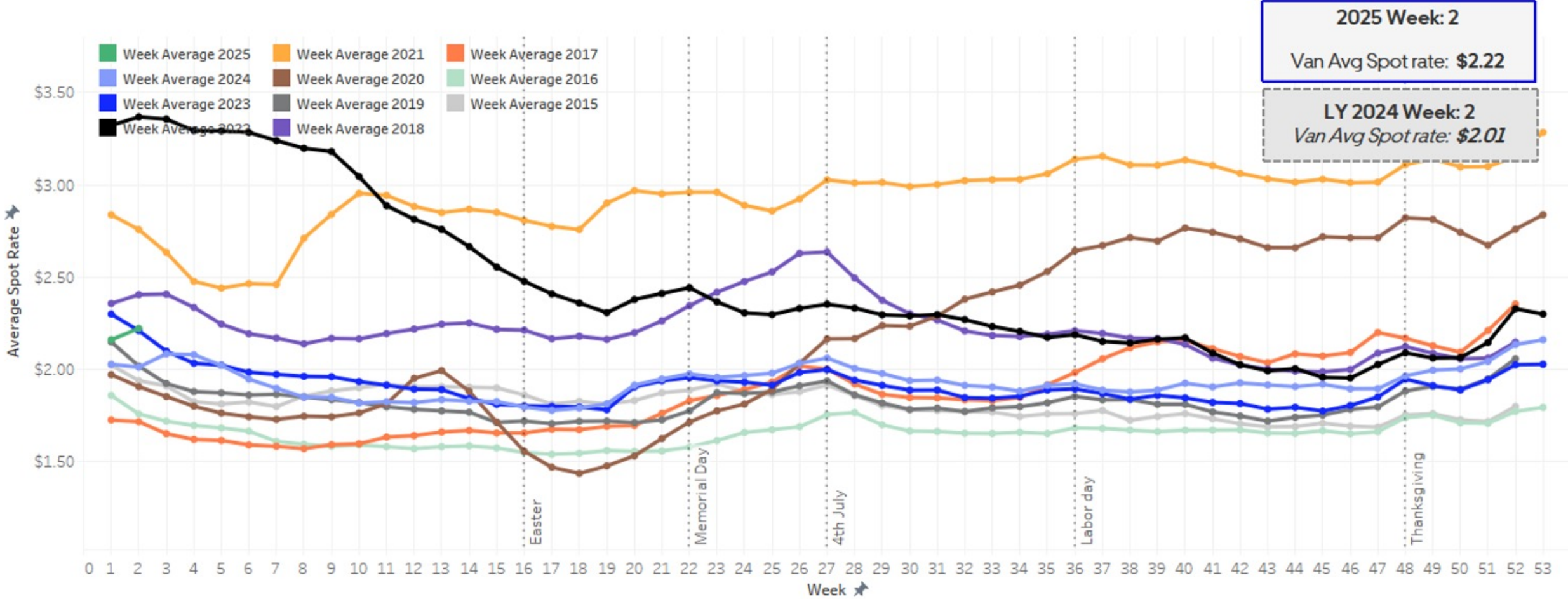
Inventory levels

- In September of 2024, chemical manufacturers realized inventory levels 13.6% below pre-pandemic levels (compared to February 2020) and down 4.1% on a YoY basis (when measured by inventories to shipment ratio).
- All manufacturers have also fallen below pre-pandemic levels, but at a much slower pace than chemicals (5.2% lower than 2020).
- In September, all manufactures had inventory to shipment levels remained flat MoM and flat YoY.
- Chemical inventories to shipments ratio remain near 10-year lows (comparable to winter of 2015).



Truckload (TL) trends

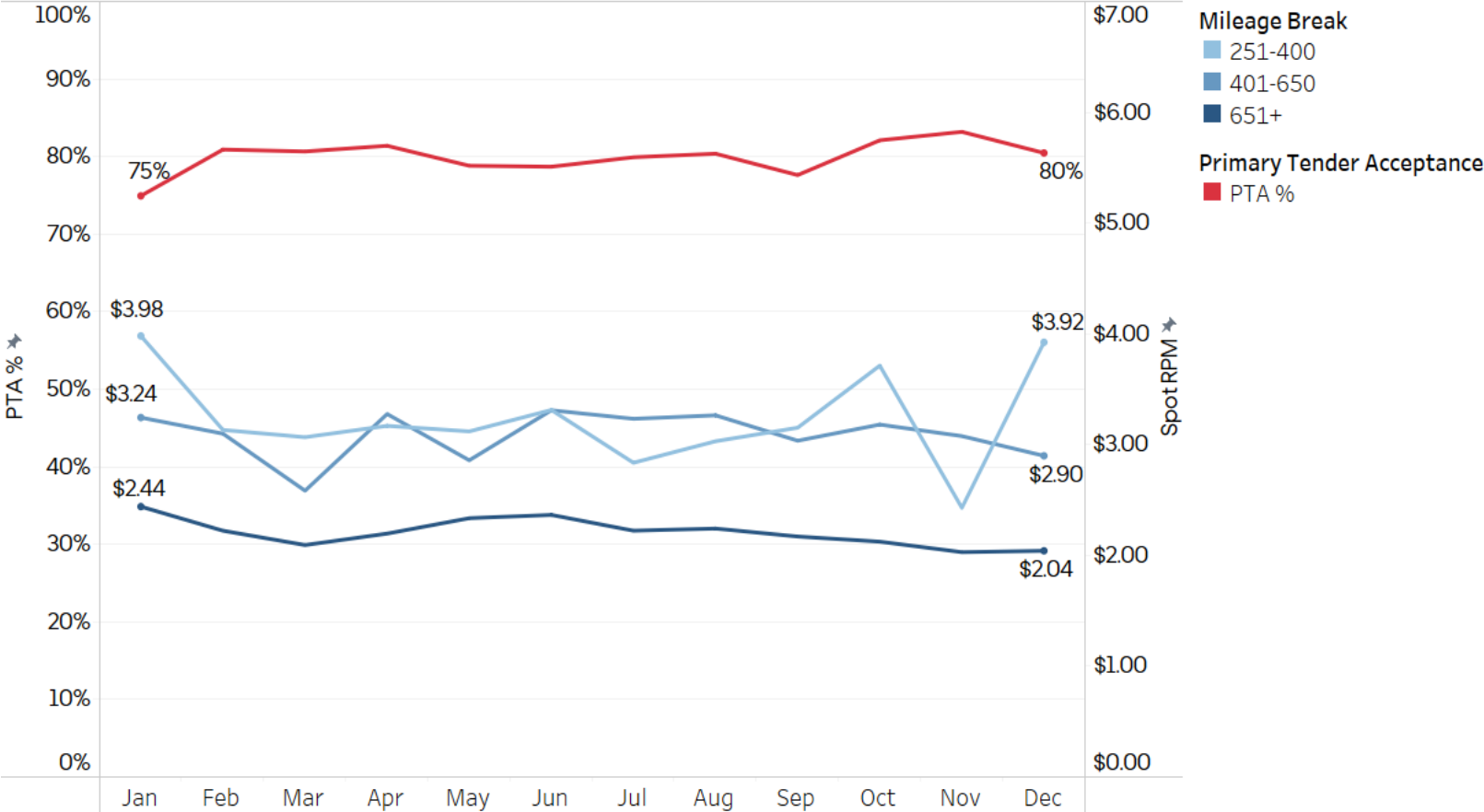
Weekly average dry van spot rate (Week 2)



Hazardous materials tendering trends

- Spot Rate per Mile (RPM) for long haul (> 650 miles) dry van Truckload (TL) Hazmat finishes the year down 16.39% at \$2.04/mi
- Primary Tender Acceptance (PTA) for Hazmat Truckload (TL) retreated from its most recent high but finished the year up 5%.

Hazmat TL: PTA % vs Spot RPM by Mileage Break

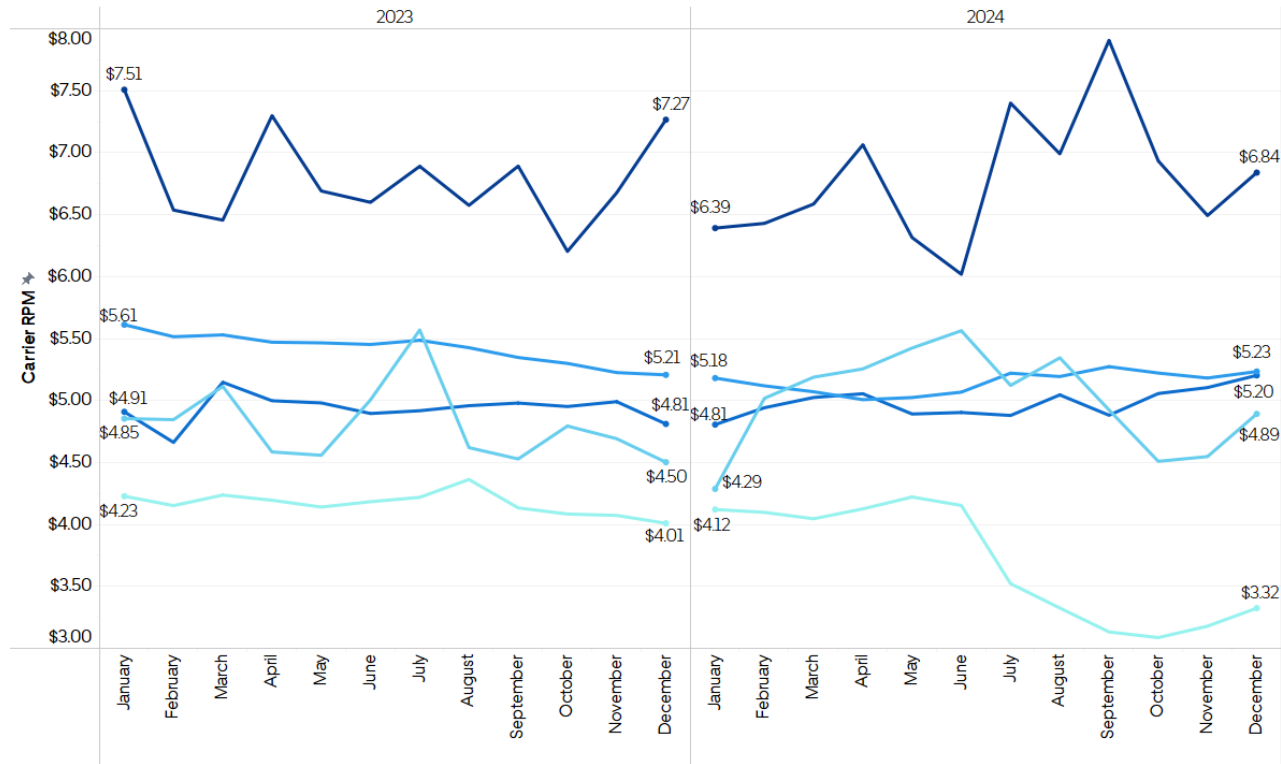


Bulk pricing trends

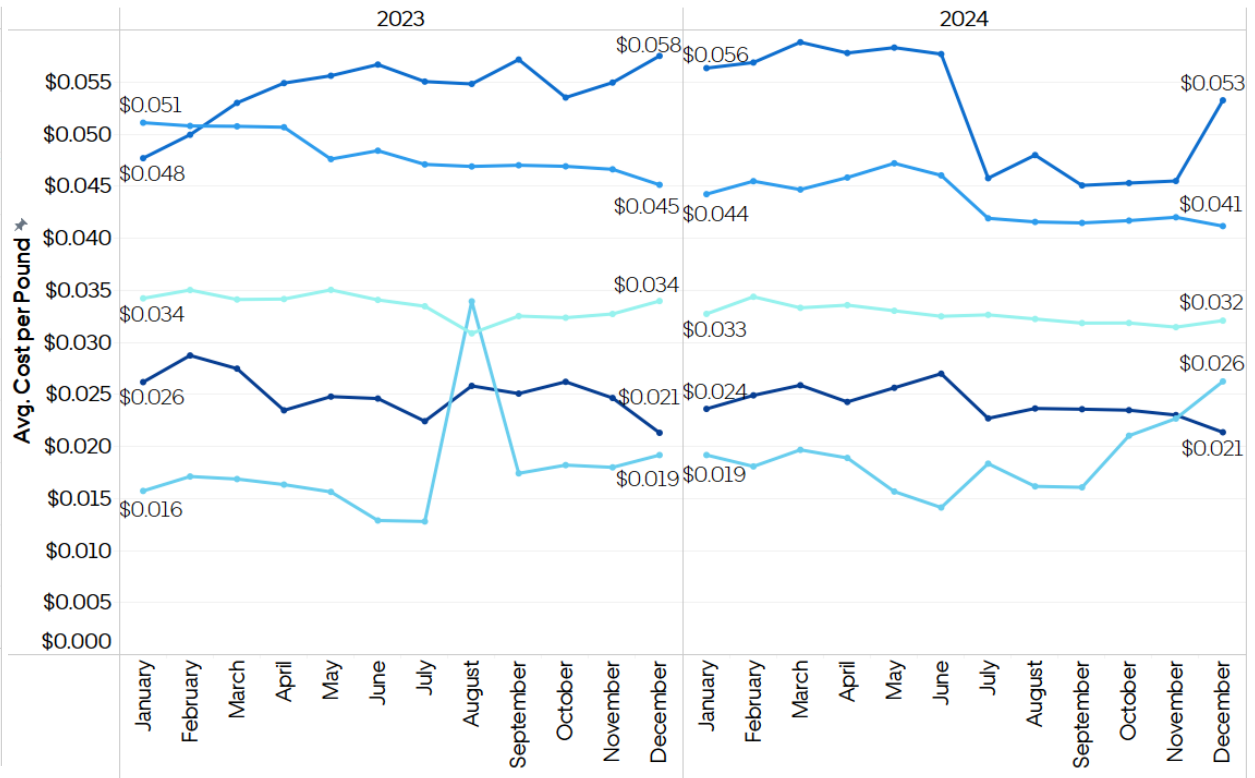
- Rates for ISO Tank/Intermodal Containers rose in December as shippers pull forward inventory in anticipation of tariffs from the new administration.
- RPM for Liquid Bulk Tankers remained stable through the entirety of 2024, ending the year up 0.97%



Bulk Rate per Mile by Equipment Type



Bulk Cost per Pound by Equipment Type



Diesel fuel pricing trends



Current national diesel price - **\$3.476/gal**
(As of 1/20/25)



Brent Crude - **\$79.52(\$/bbl)**
(As of 1/21/25)



WTI Crude - **\$75.89(\$/bbl)**
(As of 1/21/25)

Current dry van
fuel surcharge



Fuel Surcharge

\$0.44 (\$0.02)

↗ Rate is increasing

Source: DAT (as of 1/22/25)

Current reefer
fuel surcharge



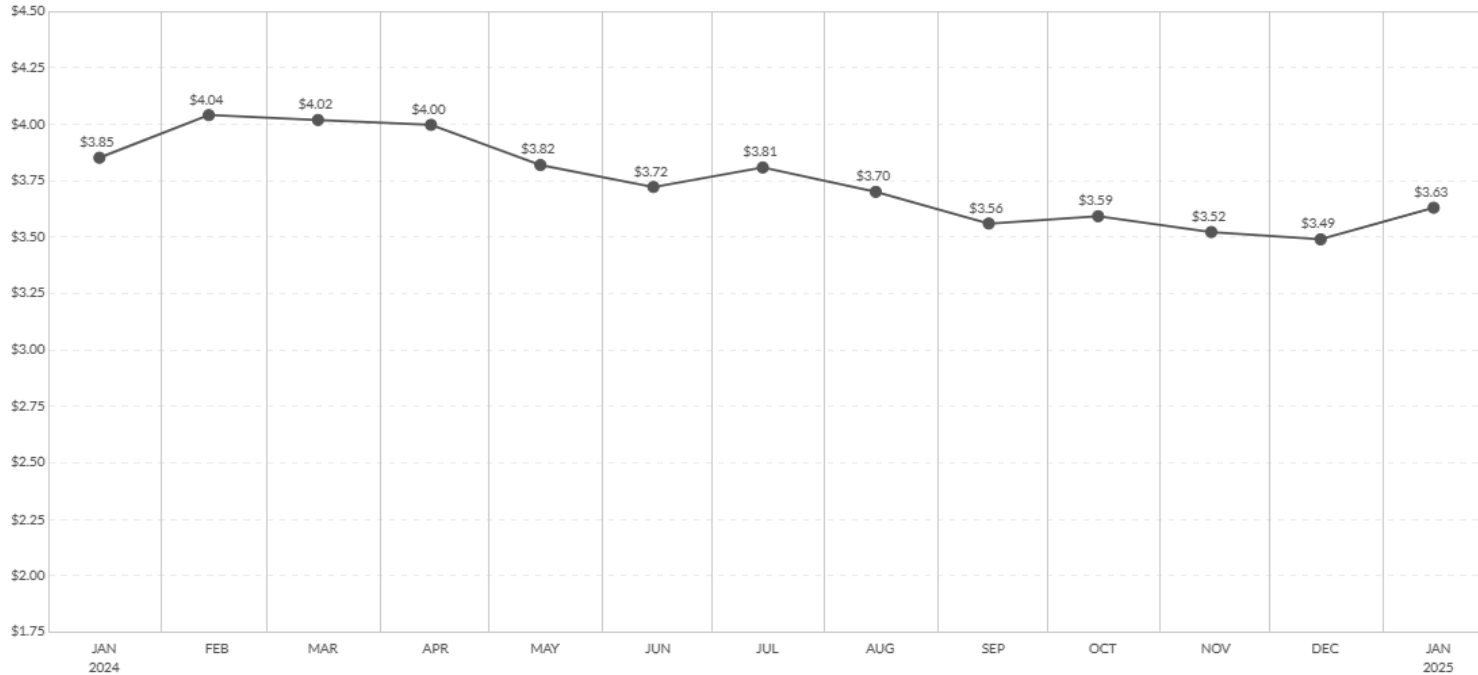
Fuel Surcharge

\$0.48 (\$0.02)

↗ Rate is increasing

Source: DAT (as of 1/22/24)

1 Year national diesel fuel averages



Source: DAT

- Global oil demand grew robustly by 1.5 mb/d in 4Q24, driven by lower fuel prices, colder weather, and abundant petrochemical feedstocks, with annual growth projected at 940 kb/d in 2024 and 1.05 mb/d in 2025
- Oil prices reached \$80/bbl in early January, driven by sanctions on Russia and Iran but have since begun to retreat on approval of a ceasefire deal in Gaza

Chemical supply chain overview



Chemical industry news and updates: Energy

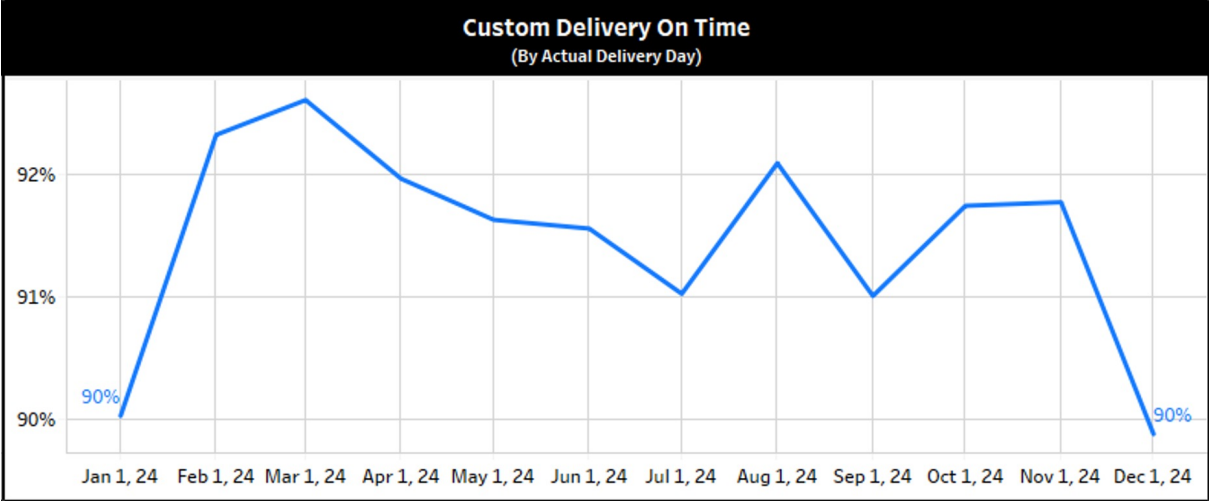
- 12-week moving average of WTI prices and US Rig Counts have historic correlation
- Spot WTI has been range-bound, currently
- Rig counts are have dropped to 580, down -0.68% from last week and -6.3% YoY

Baker Hughes Total US Rig Count verse WTI Price

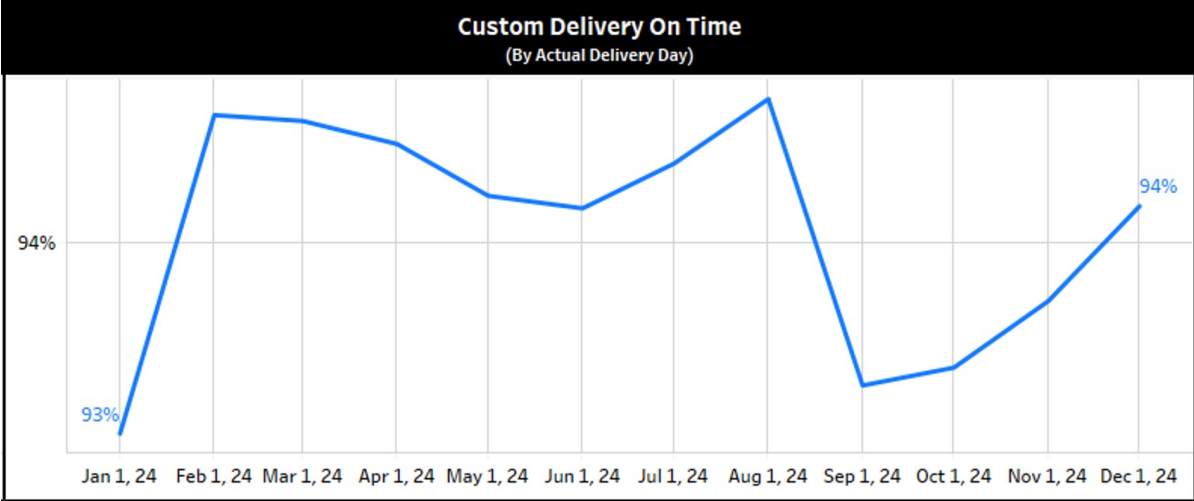


Chemical vertical on-time delivery by mode

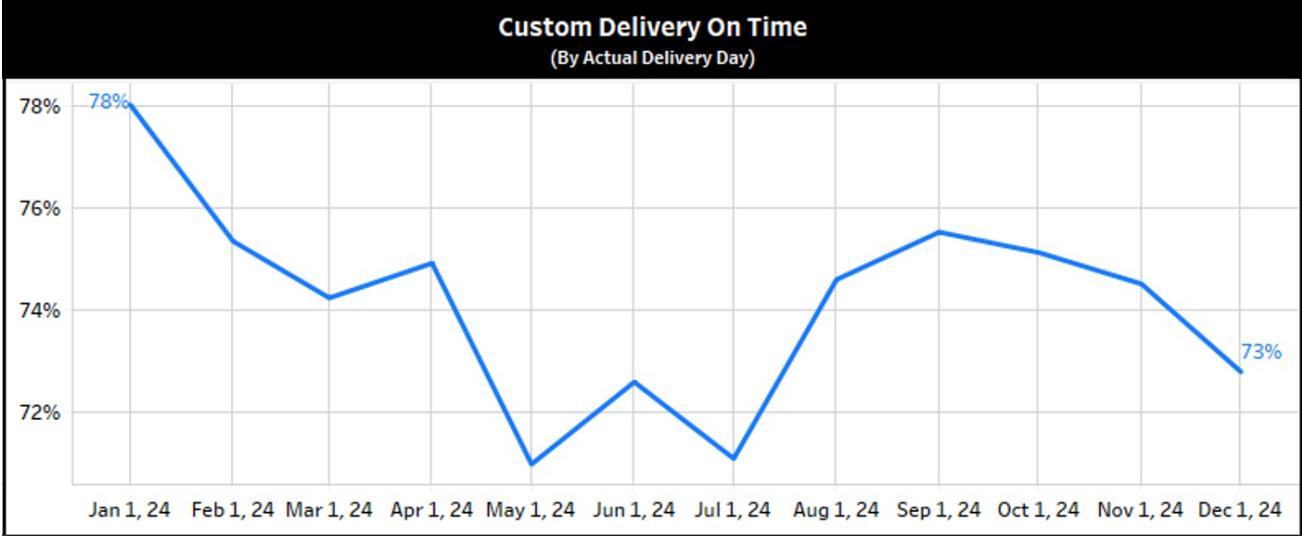
LTL



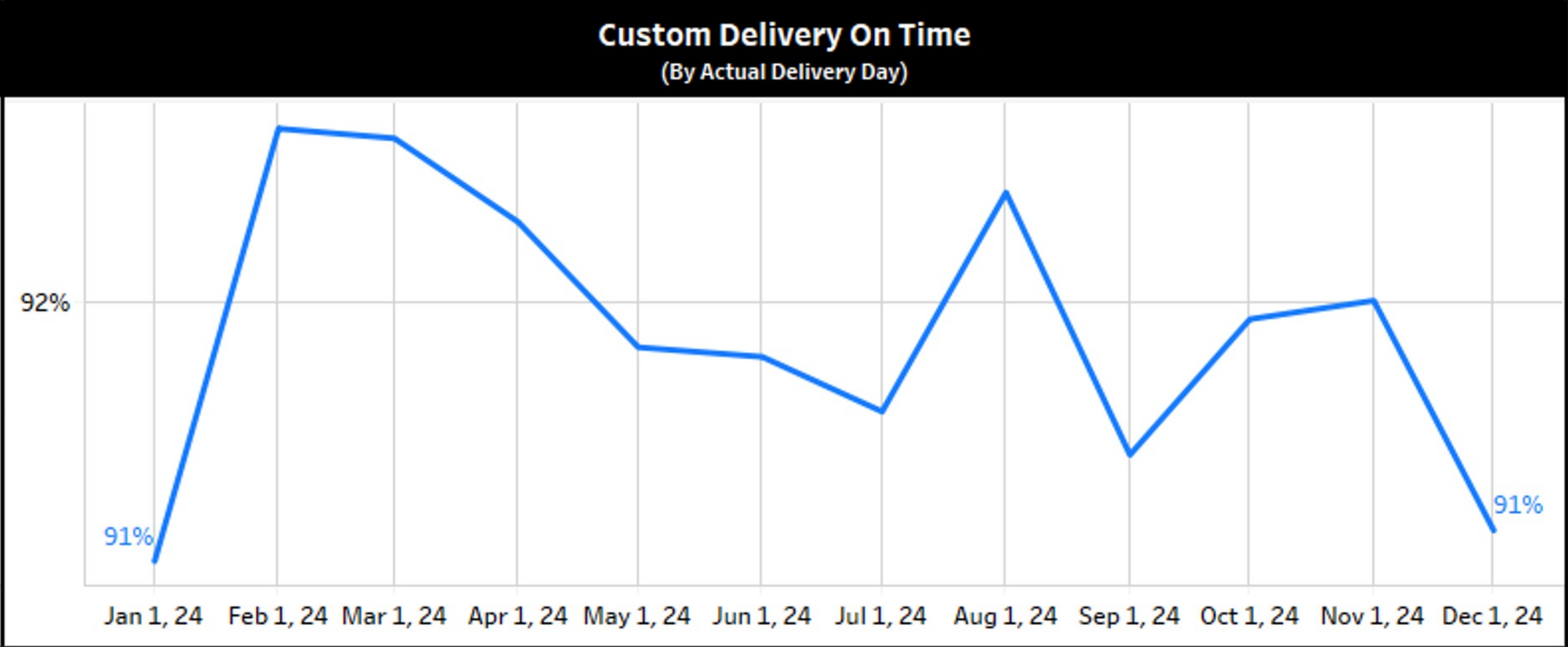
TL



Other



Chemical vertical on-time delivery*



*More than 170,000 shipments each month, including all modes and two-hour tolerance for delivery appointments

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