

Uber Freight

**Chemical Current**  
Supply chain newsletter for  
chemical shippers

July 2024

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# July 2024 overview



## Executive summary

Like many sectors of the US Economy, Chemicals continue to provide mixed signals on growth. US production pulled back in May, as measured by the [American Chemistry Council's U.S. CPRI](#), however Global chemical production saw a 4.2% Y-o-Y gain. Agricultural Chemicals and Resins lead the global push and demand from China was key to this growth.

After reporting Y-o-Y growth of 4.6% in May the [Association of American Railroads](#) is reporting 6.7% Y-o-Y increase in chemical carloads for June. The strength in Chemical Carloads is a signal that commodity and agricultural chemicals are realizing improved demand. FTR's Truck Loading Index for Chemicals and Allied products remains flat (down 0.2% Y-o-Y in May), however they are forecasting strength in Chemical Truck Loadings in Q4 2024.

Inventory levels continue to be at historic lows for chemical shippers. Inventory-to-shipment ratios are 13% lower than pre-pandemic levels (February 2020) feeding the general concern around manufacturing inventory levels being too low.

Oil (WTI Spot) continues to fluctuate between \$75-\$86 a barrel and remains above prior year levels. WTI Spot ended June up 17.9% on a Y-o-Y basis. The first two weeks of July marked the first weeks in 2024, where on-highway diesel was up on a Y-o-Y basis, giving shippers and carriers an area to keep their eye on for the back half of 2024.

# Chemical industry news and updates

## Hurricane Beryl

On Monday, July 8<sup>th</sup>, Beryl made landfall in Texas along the U.S. Gulf Coast as a Category 1 Hurricane. Although unfortunately 3 million Texas residents lost power, refiners are considering it a near-miss as major supply side disruptions were avoided in the region due to the direct impact of Beryl landing between the two key production hubs of Corpus Christi & Houston.

## STB public hearing

The Surface Transportation Board has scheduled a public hearing in September to address negative trends in carload volumes. According to a recent report published by the Federal Reserve of St. Louis, railroad carload traffic has decreased 28% from May 2014 to May 2024. The STB is requesting that customers, shippers, & rail labor participate to discuss both short and long-term strategies & plans for rail growth as sluggish consumer demand threatens to keep rail volume growth to a minimum.

## Exports for plastic resins are up 11% Y-o-Y

### U.S. Plastic Resin Exports

THOUSAND METRIC TONS



Source: USITC

Supply chain innovation:

**Uber Freight Rail service offerings**



# Uber Freight Rail product offering

Tiered model allowing customers to choose the level of support required to meet their business needs

## End-to-end Execution (4PL Services)

Automated shipment creation



Real-time visibility  
*(Rail, Intermodal, International, L/E)*



Rail analytics  
*(Cycle, Fleet, Congestion dashboards)*



Reporting  
*(Pipeline)*



Exception intervention



Booking  
*(Waybilling)*



Payments  
*(add on)*



## No new Rail Integrations

Existing Rail API integrations connect with every railroad in North America

## 73% ETA accuracy improvement

Access industry-best rail ETAs to the final placement event

## Empty and loaded shipments

Capture both empty and loaded moves to track inbound volume and measure cycling equipment

## Dedicated logistics team

Leverage our team of experienced rail experts to manage rail exceptions and keep your product moving

# Best-in-class: tracking

## Data aggregator - tracking layer

100% of North American network of RFID Scanners



Direct integrations with Class I railroads



Direct integrations with Class 2 + Class 3 railroads



Locomotive + railcar telematics

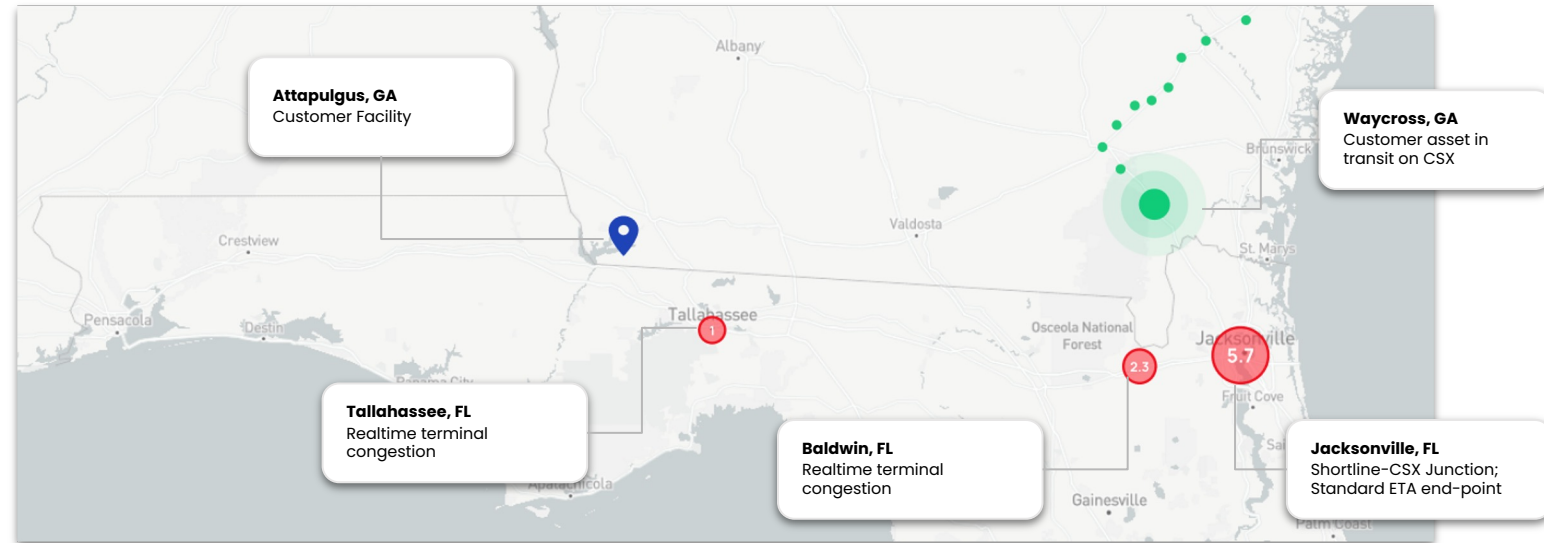


Uber Freight  
TMS

- Integrations with trackside detectors, railroad operating systems, and onboard telematics
- Operating at **96%** touchless automation
- Services all move types
- All data surfaced in visibility application suite including interchanges

# Best-in-class: predictive ETAs

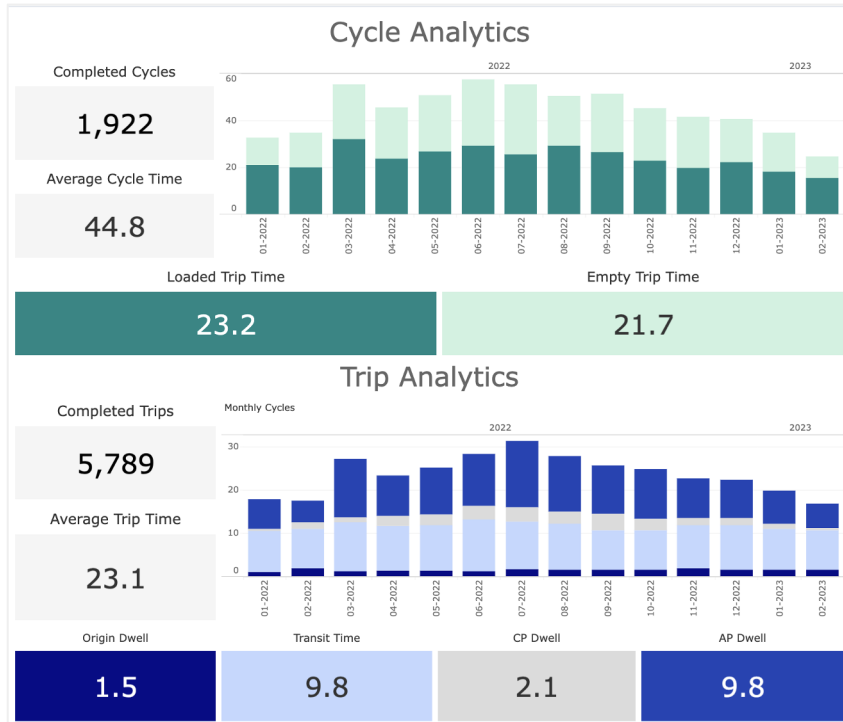
## Dynamic ETAs



- First dynamic rail ETA that incorporates all rail legs
- In transit dwell predictions across rail junctions based on real-time traffic congestion
- Case study: Customer experienced a **41%** ETA improvement with modeling

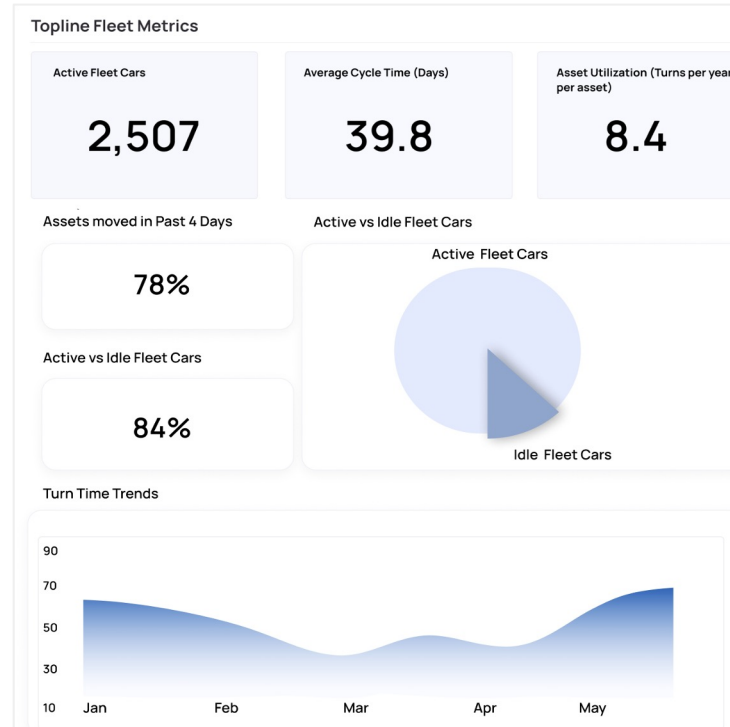
# Modern rail analytics geared to drive efficiency

## Cycle analytics



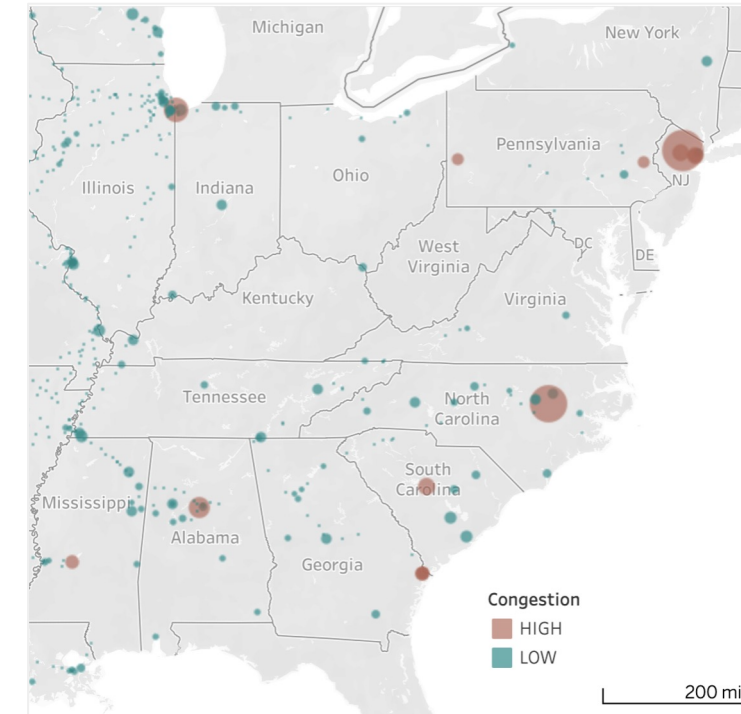
- Transit trends across your network
- Dwell breakout
- Filters for fleets and sub-fleets

## Fleet analytics



- Analytics geared to improve fleet utilization
- Turn time trends analysis
- Recurring exceptions across fleet equipment

## Congestion analytics



- Real-time congestion map shows where shipments are dwelling
- Flag facilities that are bottlenecks across your rail network

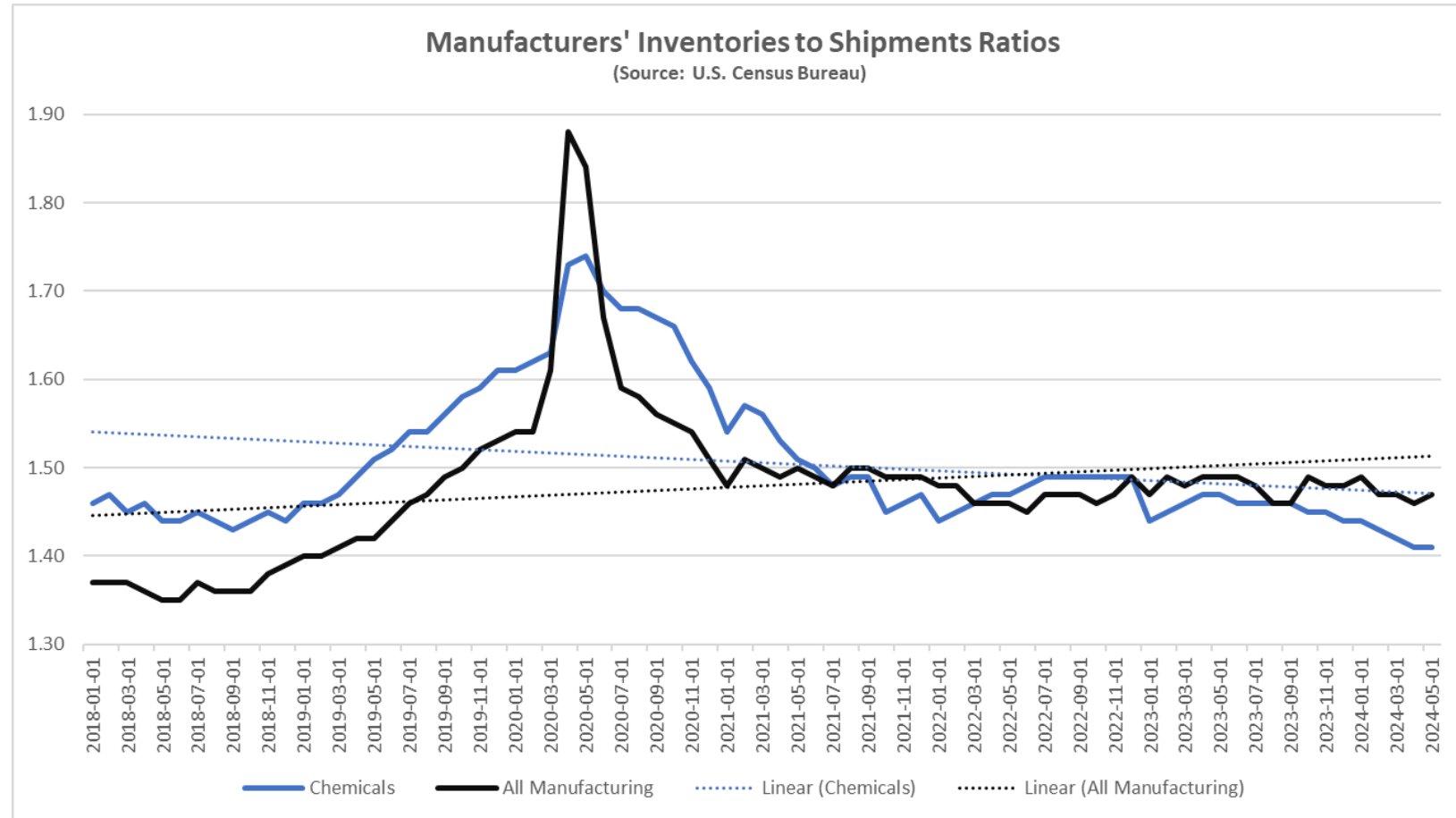


# Chemical transportation trends



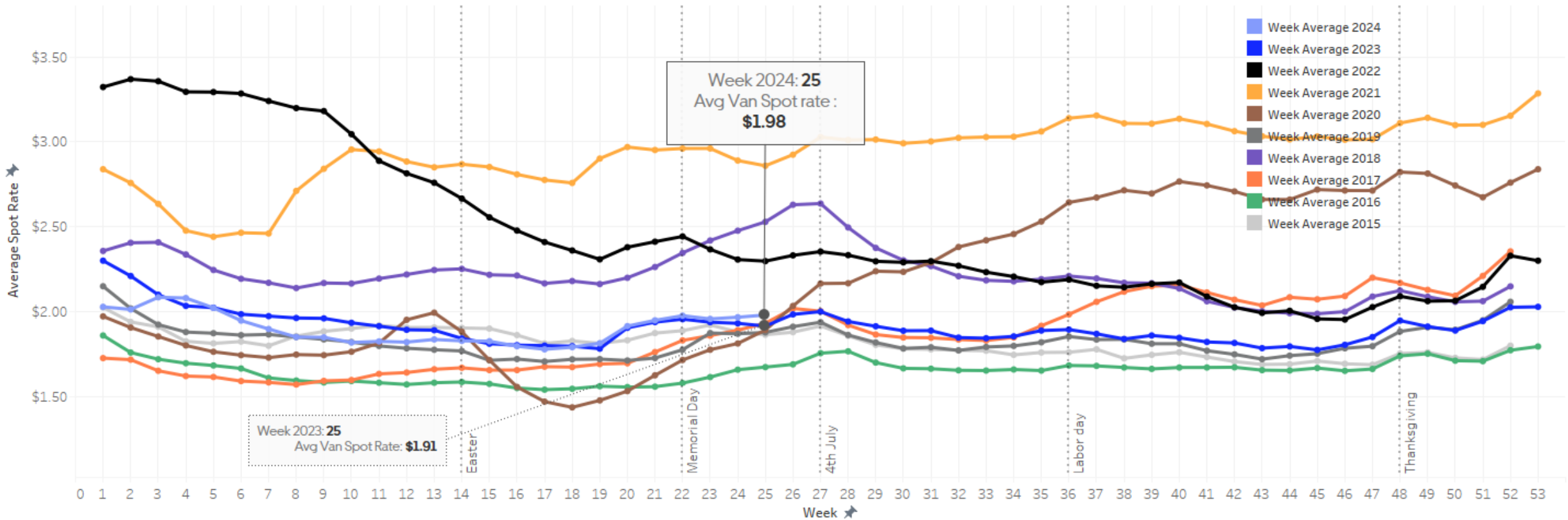
# Inventory levels

- In May of 2024, chemical manufacturers realized inventory levels 13.0 % below pre-pandemic levels (compared to February 2020) and down 4.1% on a Y-o-Y 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 (4.5% lower than 2020).
- In May, all Manufacturers had a slight rise in inventory levels, but remain 1.3% lower Y-o-Y.
- Chemical inventories to shipments ratio reached their lowest level in 8 years (comparable to spring of 2016).



# Truckload (TL) trends

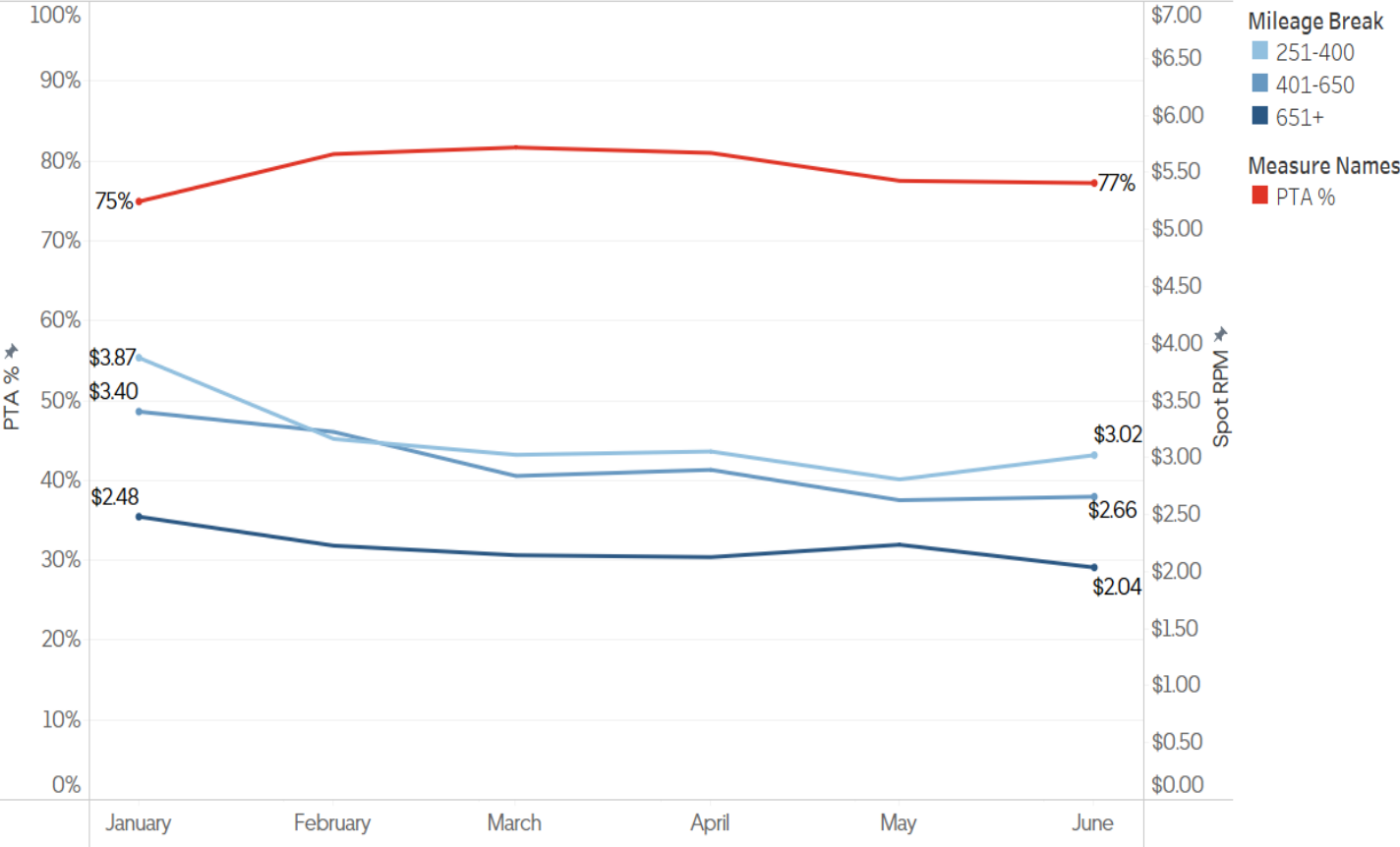
## Weekly average Dry Van Spot Rate (Week 25)



# Hazardous materials tendering trends

- Spot Rate per Mile (RPM) for dry van Truckload (TL) Hazmat shipments fell to \$2.04/mi for long haul (> 650 miles) in the month of June but still holds a currently a 3.03% premium over NON-Haz dry van TL spot rates
- Halfway through the year, Primary Tender Acceptance (PTA) for Truckload (TL) hazmat has remained virtually flat. Coming in at 77% for the month of June, only 2% higher than January.

Hazmat TL: PTA % vs Spot RPM by Mileage Break



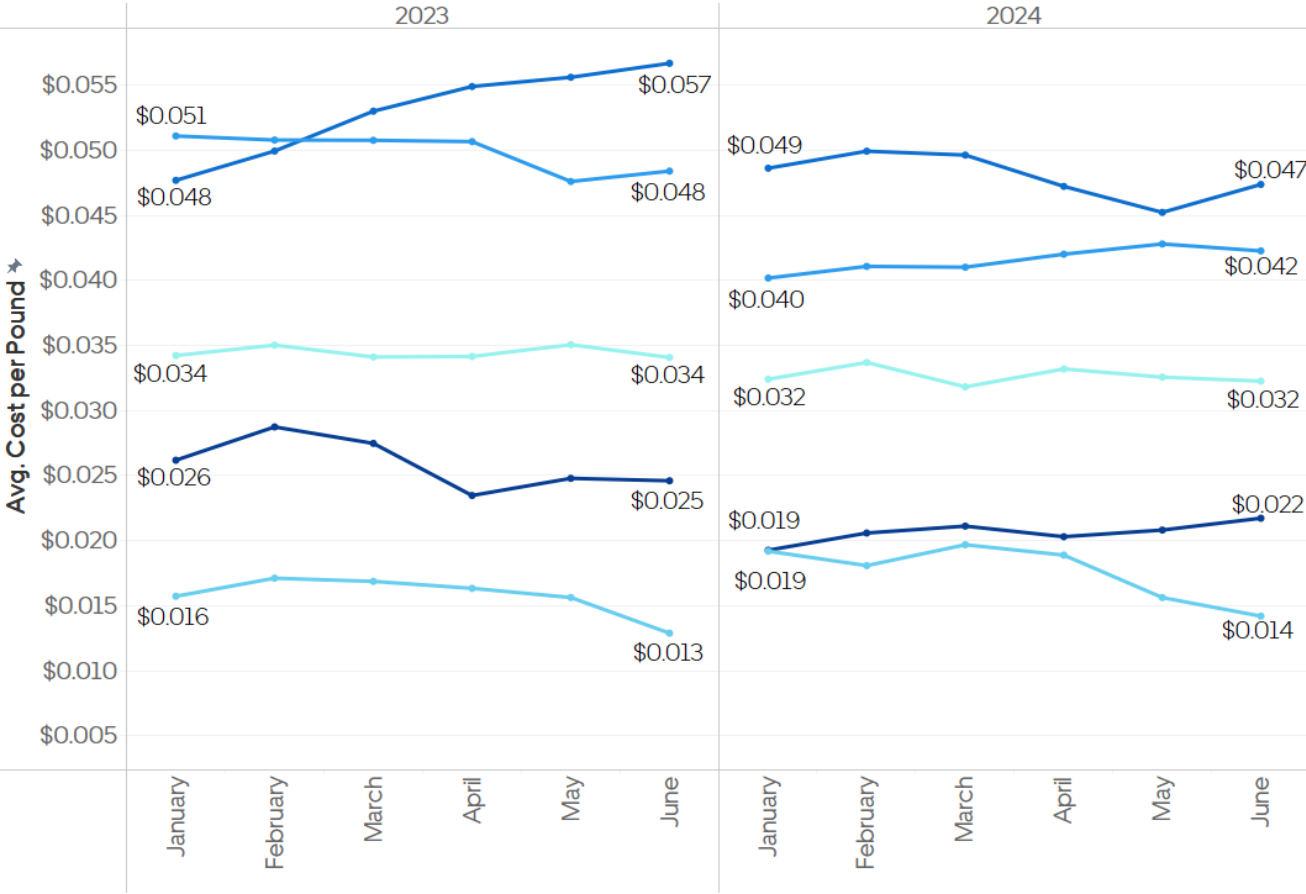
# Bulk pricing trends

- ISO Tanks/Intermodal Container rates have accelerated, up 6.28% since April and just over 30% year to date.

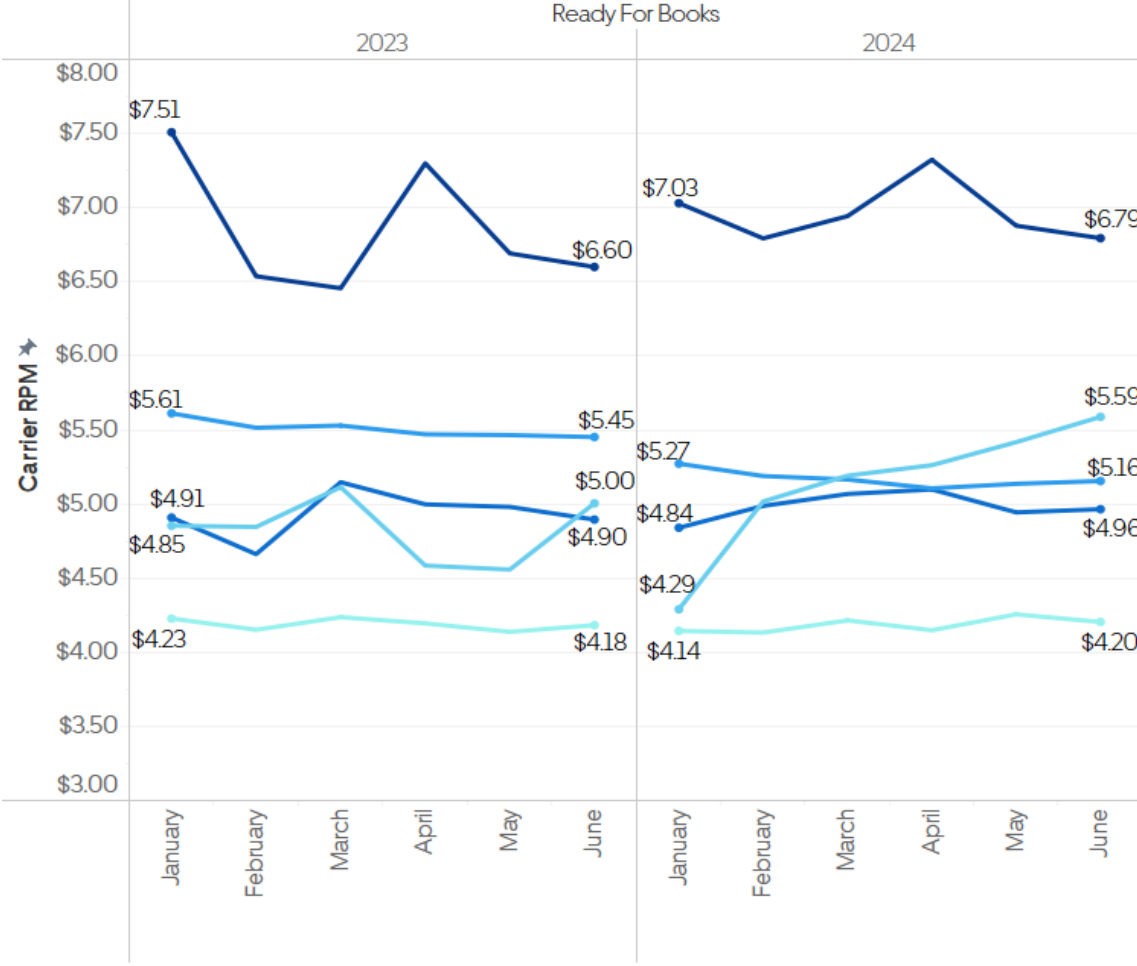
Bulk Equipment Type

- Dry Bulk Tanker
- ISO Tank/Intermodal Container
- Liquid Bulk Tanker
- Multi-Compartment Bulk Trailer
- Specialized

Bulk Cost per Pound by Equipment Type



Bulk Rate per Mile by Equipment Type



# Intermodal

Intermodal volume growth remains strong but is forecasted to moderate by the end of the year

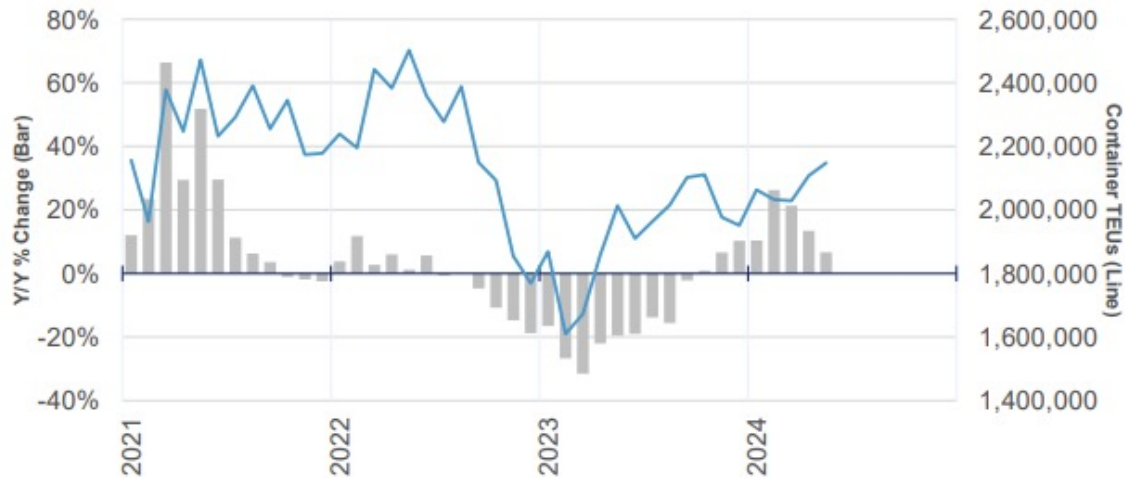
International containers continue to drive majority of gains in container imports

Dwell times are down y/y but have begun to trend upward in recent weeks which is typically out of line with seasonal trends

Longshoremen strike looms over the East & Gulf Coast as negotiations between the ILA and USMX have stalled. Current contract expires in September

## Port Imports: Total N.A.

Loaded Container TEUs (Twenty-foot equivalent units)

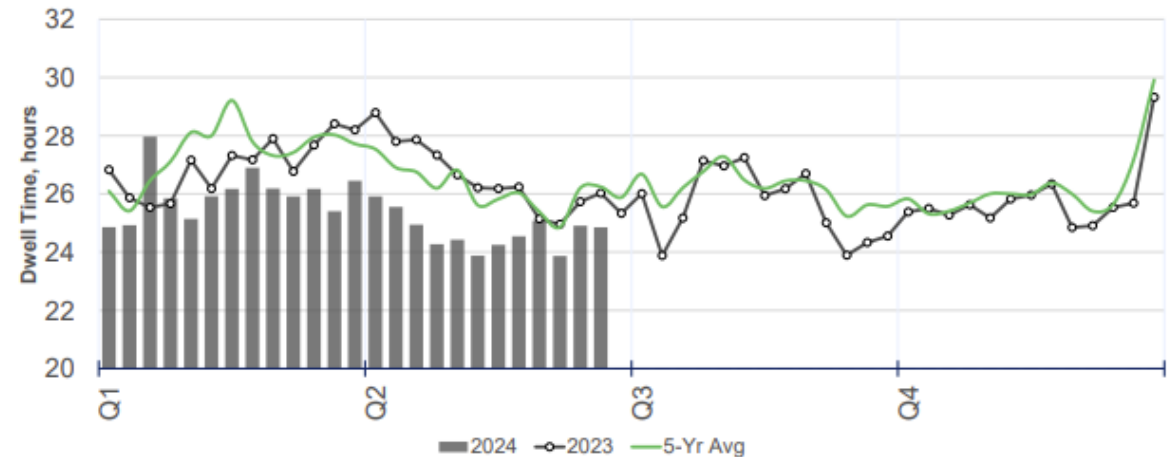


Source: Port Reports, FTR | Transportation Intelligence™; Copyright 2024, FTR



## Dwell Time: Total Intermodal

Weekly Reported Terminal Dwell Time, FTR Estimate



Weekly Data. Source: STB, FTR | Transportation Intelligence™; Copyright 2024, FTR



# Diesel fuel pricing trends



Current national diesel price - **\$3.826/gal**  
(As of 7/15/24)



Brent Crude - **\$86.42(\$/bbl)**  
(As of 7/15/24)



WTI Crude - **\$83.22(\$/bbl)**  
(As of 7/15/24)

Current dry van fuel surcharge



Fuel Surcharge

**\$0.44** (-\$0.01)

↘ Rate is decreasing

Source: DAT (as of 7/16/24)

Current reefer fuel surcharge



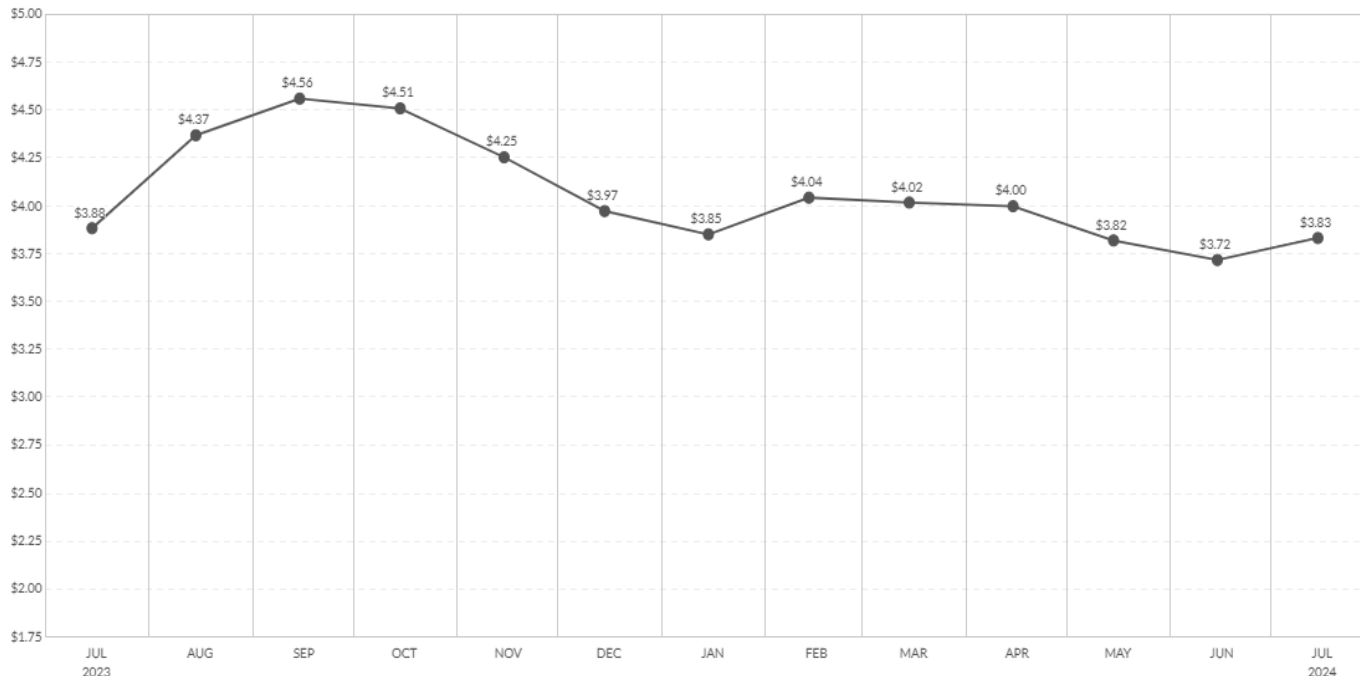
Fuel Surcharge

**\$0.48** (-\$0.01)

↘ Rate is decreasing

Source: DAT (as of 7/16/24)

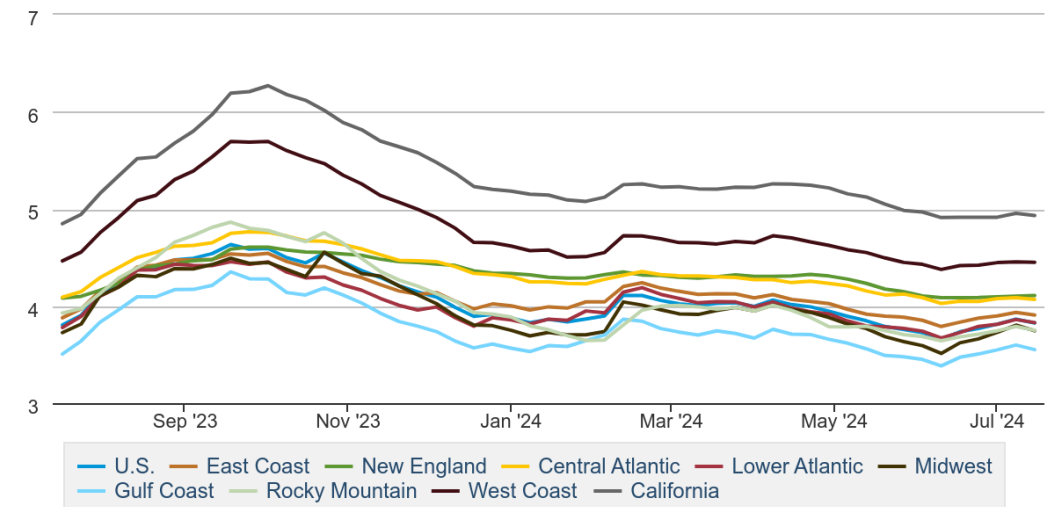
## 1 Year national diesel fuel averages



Source: DAT

## On-Highway Diesel Fuel Prices

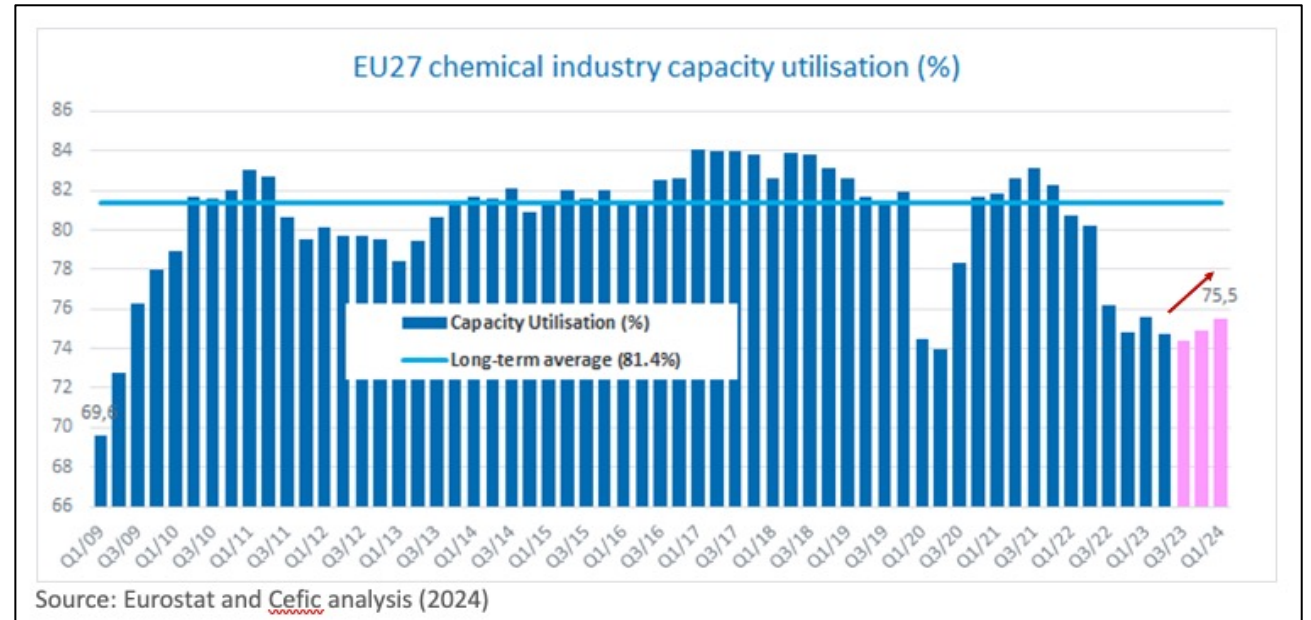
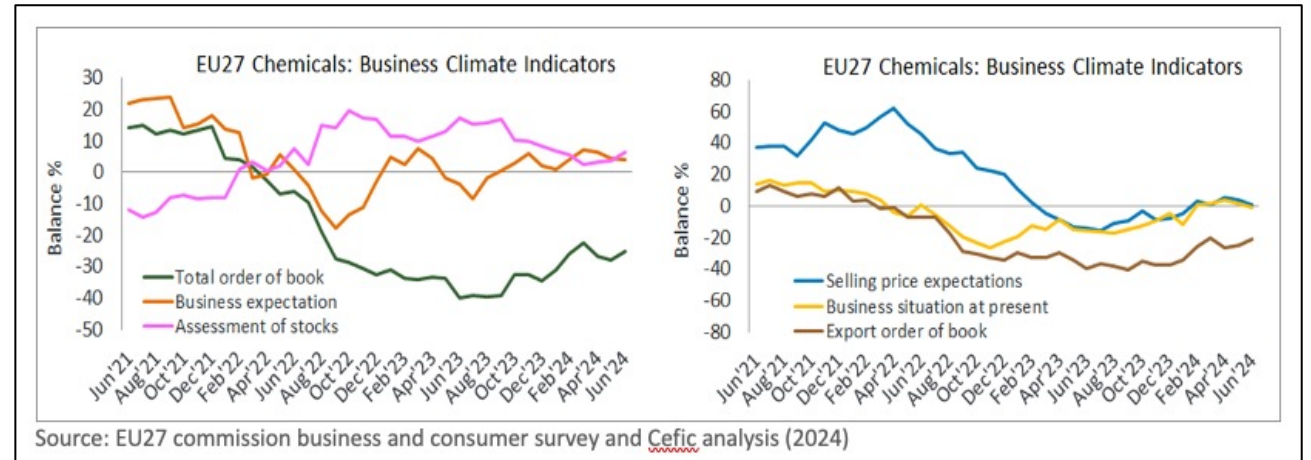
(dollars per gallon)



eia Data source: U.S. Energy Information Administration

# Europe – EU27 chemical market trends

- The EU27 chemical industry business climate shows small signs of improvement as managers views on total order books continues an upwards trend.
- The ongoing destocking trend is abating with 3 consecutive months of increased stock levels following six months of decline.
- The EU27 chemical industry capacity utilisation is trending upwards. Output in Q1-2024 was 1.8% higher than in Q4-2023, and there was an increase of capacity utilisation in the EU27 chemical industry from 74.4% in Q3-2023 to 75.5% in Q1-2024.
- The EU 27 chemical trade surplus reached its highest level (€14.8Bn) since Q1 2022. Exports increased in Q1 2024 compared to Q4 2023, whilst imports decreased.
- Led by Dow and H.Essers and supported by sector associations ECTA and CEFIC, a new industry-wide initiative, the Women in Logistics (WIL) consortium, has been launched to promote gender diversity and inclusion within the European logistics sector. The consortium will work on raising awareness of the issue, securing leadership endorsement for diversity initiatives, sharing best practices amongst members, and advocating for policies that promote gender equality.





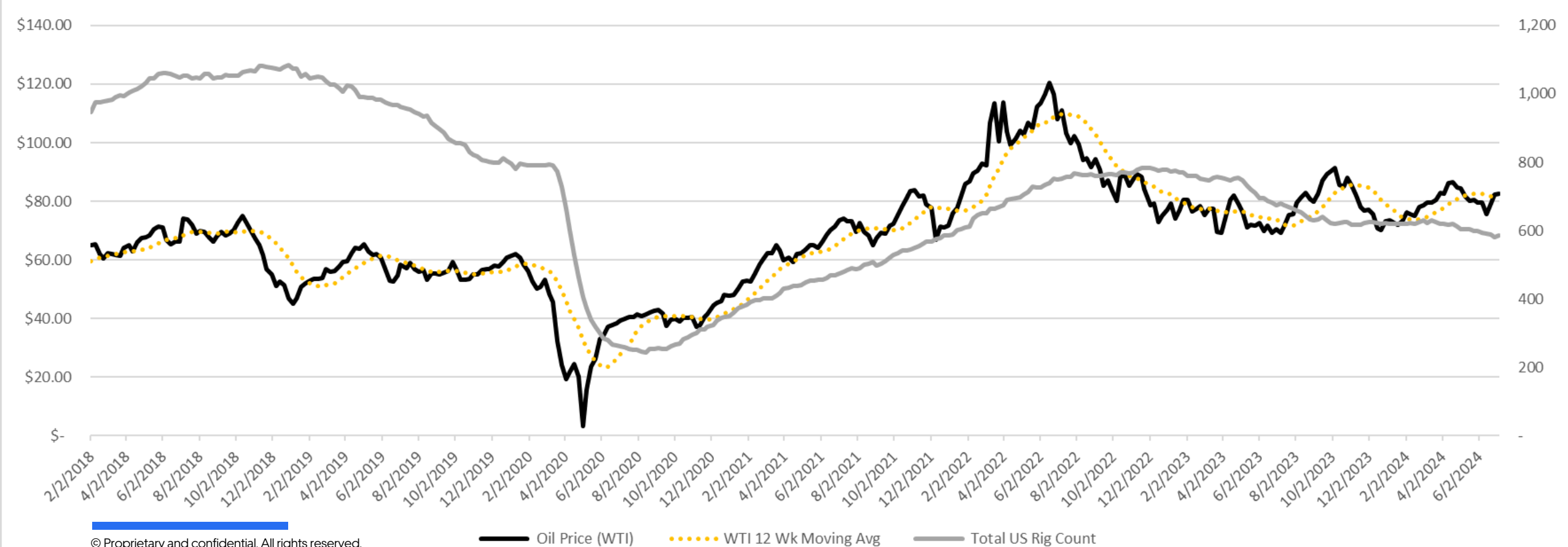
# Chemical supply chain overview



# Chemical industry news and updates: Energy

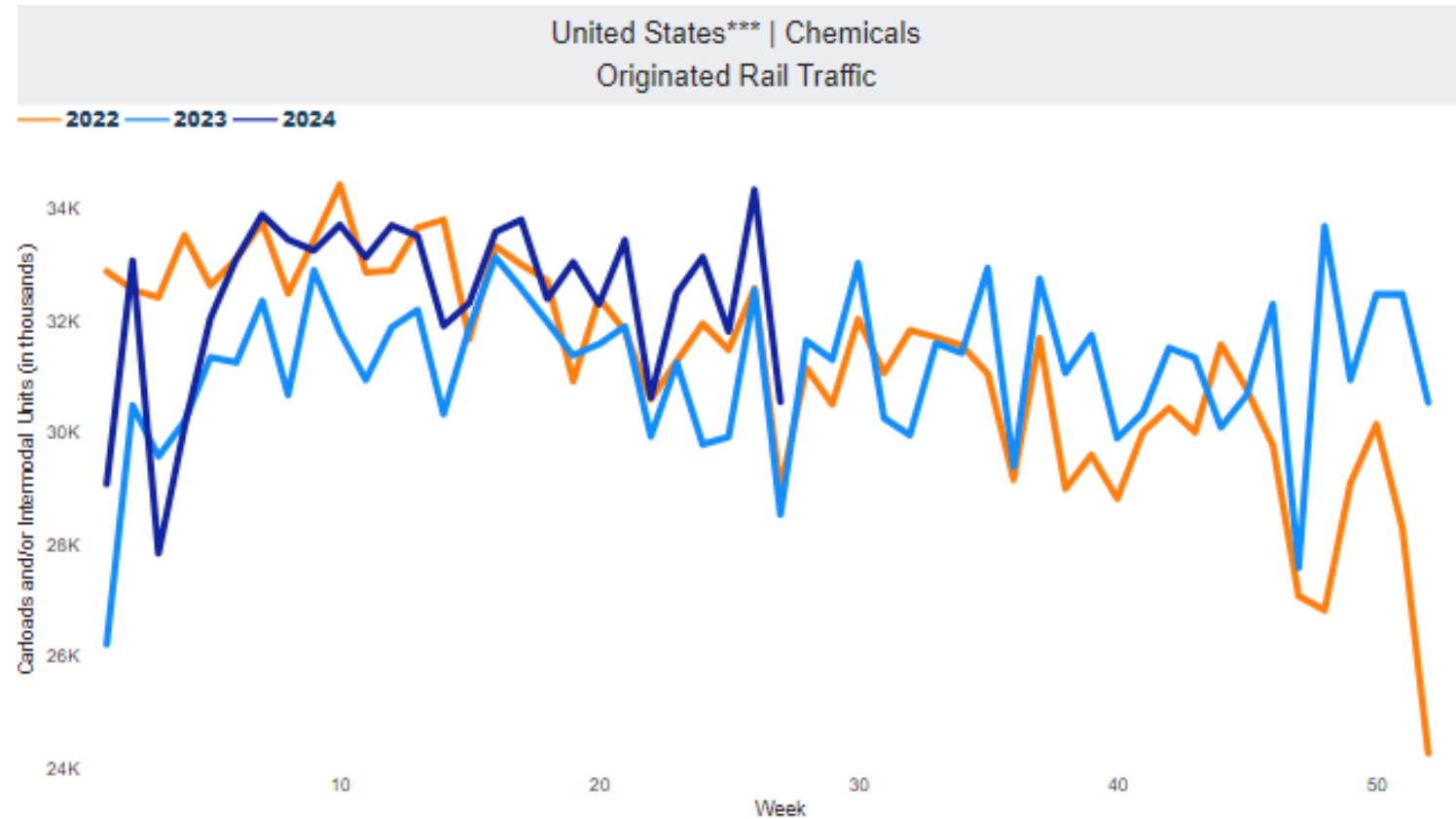
- 12-week moving average of WTI prices and US Rig Counts have historic correlation
- Spot WTI is 17.9% higher than same week prior year at \$84.61 per barrel (July 5, 2024, verse July 7, 2023)
- US rig counts are 14.0% lower over the same period in 2023 decoupling on the short-term with oil prices. Rig counts are at their lowest level since January 2022

Baker Hughes Total US Rig Count verse WTI Price



# Chemical industry news and updates: Rail traffic

- In June total US originated rail volumes were up 3.8% on a Y-o-Y basis. This was primarily driven by Intermodal Boxes which are up 8.7% verse carloads which are down 1.7% YTD
- US Chemical volumes (chart below) continues to show strength on a Y-o-Y basis thru the start of summer
- In June, Chemical carloads continue to outpace the market and prior year being up 6.7% (Intermodal stats are not captured at the commodity level).



\*Canadian traffic includes the U.S. operations of Canadian railroads.

\*\*Mexican traffic includes the U.S. operations of Mexican railroads.

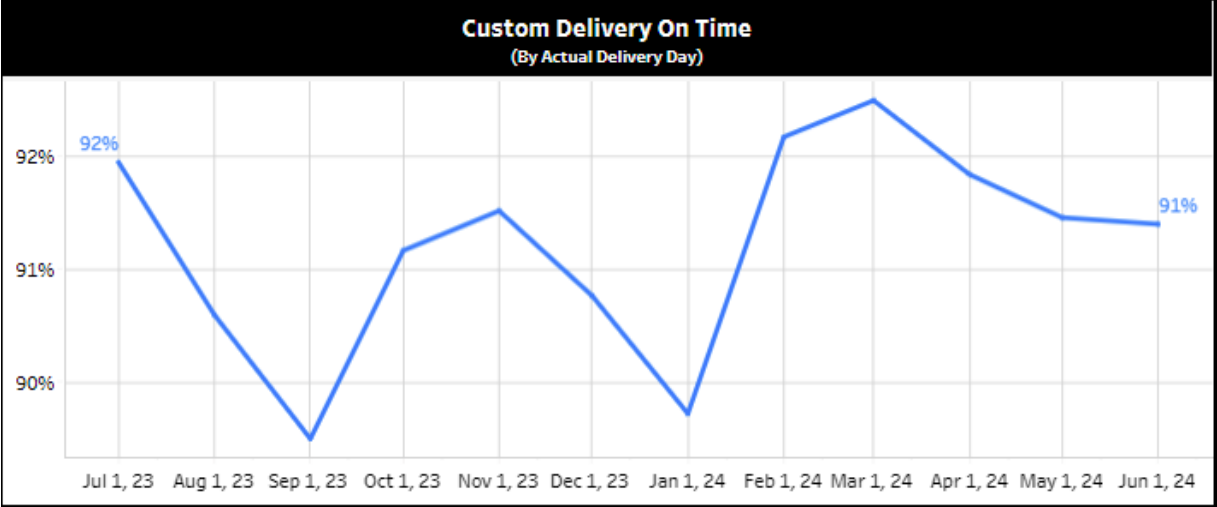
\*\*\*United States traffic excludes the U.S. operations of Canadian and Mexican railroads.

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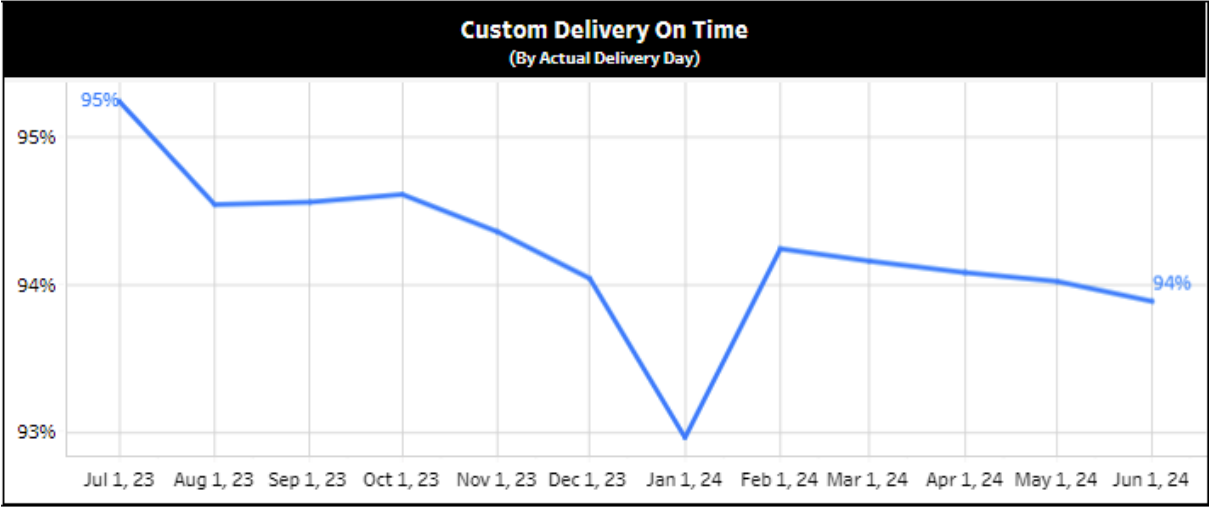


# Chemical vertical on-time delivery by mode

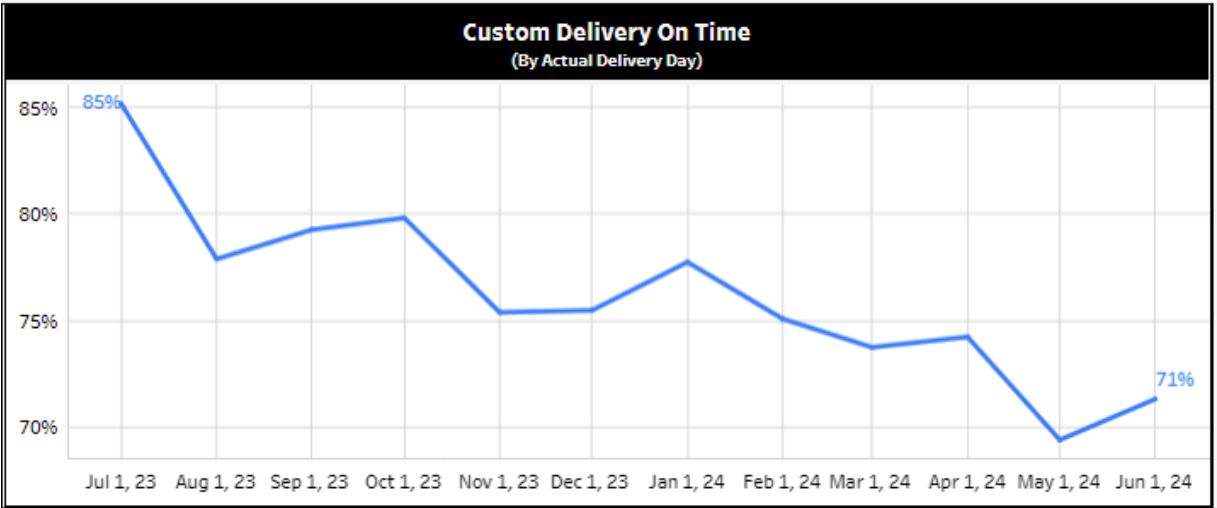
## LTL



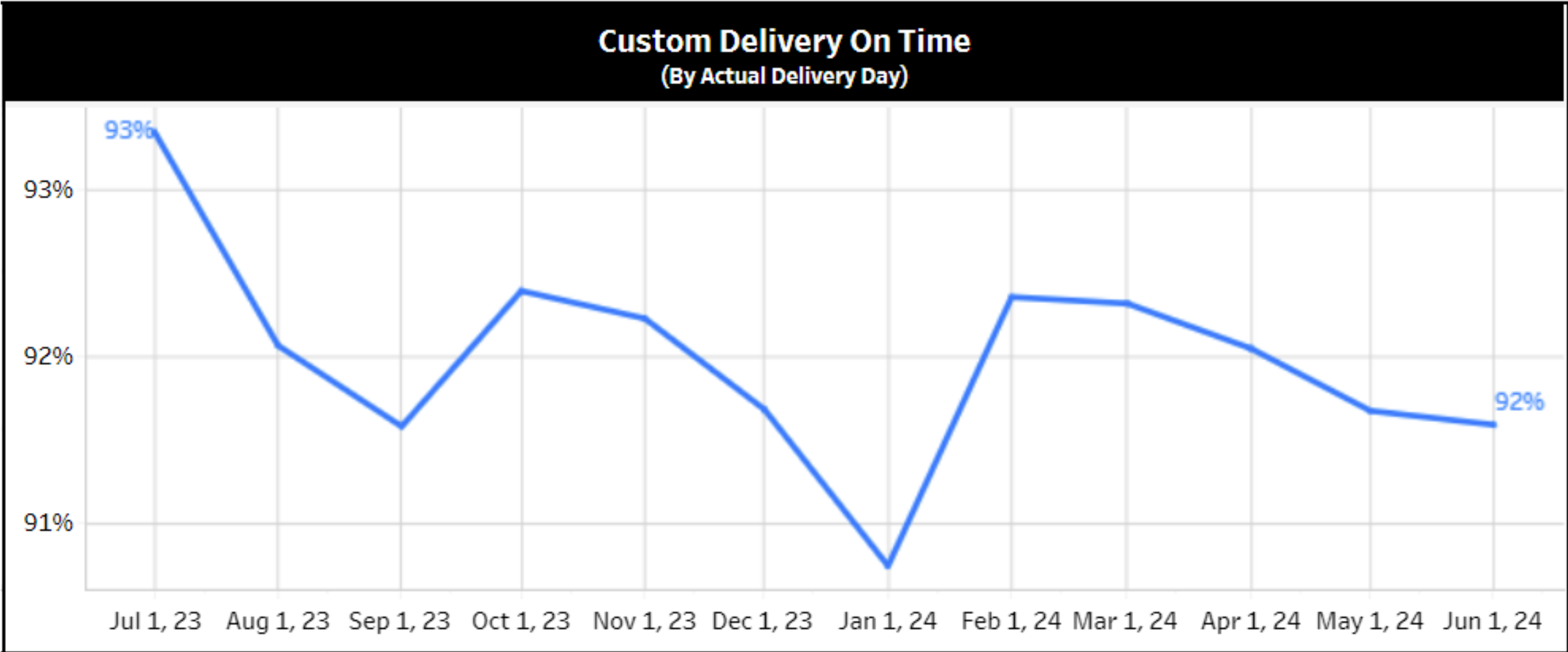
## TL



## Other



# Chemical vertical on-time delivery\*



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

Uber  
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# Deliver 2024

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September 9-11

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