

Truckload Market Update

April 6, 2020

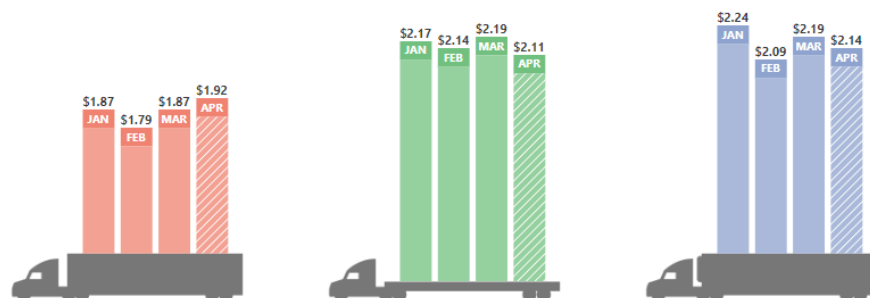
On March 31 during the COVID-19 Business Continuity conference call, Landstar announced additional funds to its Pandemic Relief Effort to support independent Landstar agents and business capacity owners.

Effective for each load delivered by a BCO with a delivery date from April 1 through April 30, 2020, Landstar will pay an extra \$50 per load to both the BCO hauling the load and the agent dispatching the load.

Landstar continues to closely monitor the global progression of COVID-19 and its potential impact of the virus on Landstar operations and the freight market . Business continuity updates will be posted weekly on LandstarOnline.com .

According to the **DAT Solutions Trendlines™** report published March 31, spot rates continued to rise for van and reefer equipment, but DAT analysts say that declined load-to-truck ratios could signal the end of the coronavirus-fueled spike in spot freight.

Truckload rates rise again, but not for much longer



National Spot Rates: Van, Flatbed, Reefer

The DAT Solutions graphs above show the National average van, flatbed and reefer spot market rates for the past three months and DAT's predictions for April, including fuel charges.

DAT Solutions reported rates continued to rise during the week of March 23-29, as retail inventories were depleted and replenished at a rapid pace. However, DAT analysts say there was “more slack” in the supply chain due to slowdowns and closures in all industrial sectors that are considered “non-essential.”

**DAT Solutions provides transportation industry data on trends, including monthly spot market freight index and weekly Trendline updates.*

The **Truckstop.com Market Demand Index (MDI)*** which shows the measure of relative truck demand in the spot market, decreased an average of 0.5 points over the last four weeks. The latest week ending March 27, according to Truckstop.com shows the MDI was 44.3, down 12.2 points from the previous week ending March 20. At this point in 2019, truck demand was lower with the MDI at 35.0

Truckstop.com’s weekly report shows load availability decreased 19.1% from the week ending March 20 to the week ending March 27, while truck availability for that same period increased 3.3%. Rates (including fuel) posted on the Truckstop.com load board during the last full week of March decreased 1.7% from the previous week to \$2.10.

Truckstop.com reports rates have averaged an increase of 1.1% from the first week of March to the final week of March and are currently 1.7% lower than they were at this time in 2019.

**The MDI, published by Truckstop.com, is a measure of relative truck demand in the spot market, comparing load availability to truck availability.*

According to FTR’s April 2020 Trucking Update, “the novel coronavirus (COVID-19) pandemic has transformed the entire economy.” In the FTR report published April 2, industry analysts forecast the Trucking Conditions Index (TCI) to turn sharply negative after the current coronavirus-related restocking push. In addition, FTR analysts say positive TCI readings are unlikely until mid-2021.

FTR reports its 2020 truckload rate outlook is clouded by uncertainty over COVID-19 containment strategies and the amount of capacity that could be lost because of the

virus. The most recently published FTR April 2020 truckload rate forecast, as compared to FTR's March 2020 truckload rate forecast, is a 2.7% decline in total truckload rates with spot rates predicted to fall 3.5%. FTR's pre-crisis truckload rate forecast for April published in March 2020 was for a 0.4% increase in rates.

**FTR is an industry source for Transportation Intelligence, providing forecasts, quantitative market intelligence, key trends and comprehensive analysis on North American freight transportation.*

We hope that you and your families remain healthy during the coronavirus pandemic and encourage you to follow the CDC guidelines to protect yourself and those around you. Information about COVID-19 is available from the Centers for Disease Control and Prevention: www.CDC.gov.

Landstar BCOs should always consider current market conditions when searching for freight, and when reviewing and adjusting Load Alerts® settings to best take advantage of the freight environment. Rates vary daily and what worked last week may not be appropriate this week. Current rates and predictions are being monitored closely throughout the industry.

To provide customers with accurate and timely quotes, to identify available capacity, and to access pricing trend information, **independent Landstar agents are encouraged to use Landstar's pricing tools.** This technology allows agents to react faster to emerging market trends and commit to opportunities.

Thank you for taking the time to read this email. If you have follow-up questions to find out more specific pricing information and trends relating to your business, BCOs should contact BCOBizHelp@Landstar.com and agents should contact the Pricing Services department at Pricing@Landstar.com.

**This update is intended for independent Landstar BCOs and agents to help you stay informed with the truckload market and hear what others are experiencing. The information in this email, gathered from publicly available information or shared with the permission of third parties, is for informational purposes only and does not necessarily represent the views of Landstar*

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