

Overall Summary

4.40% Demand (Loads)

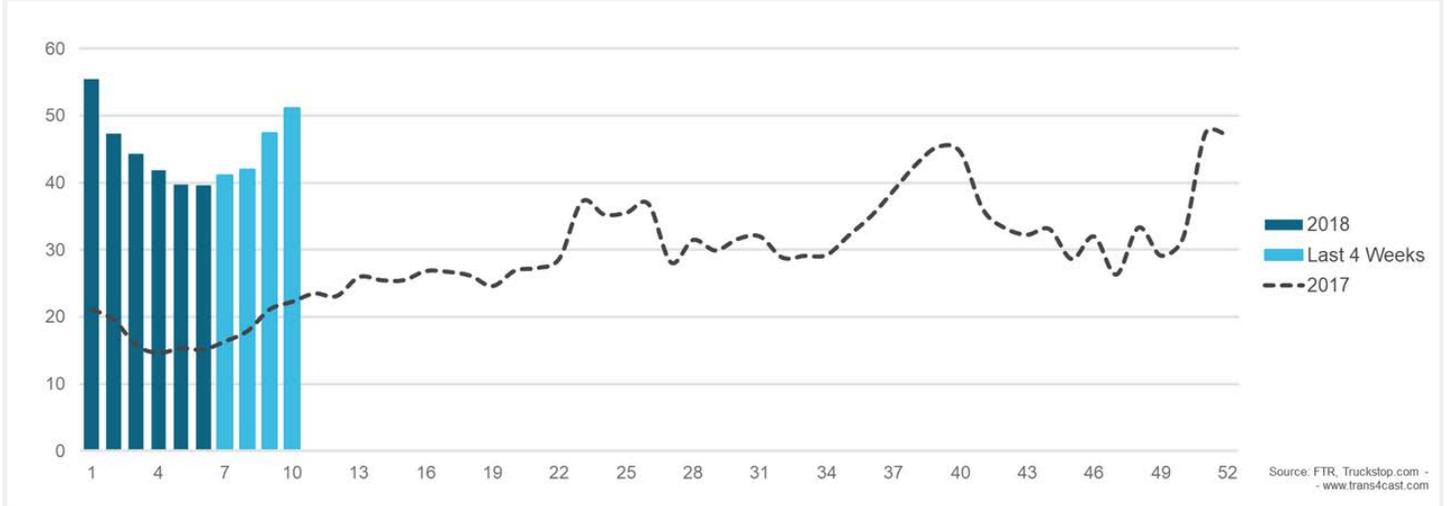
-3.15% Supply (Trucks)

7.80% Market Pressure

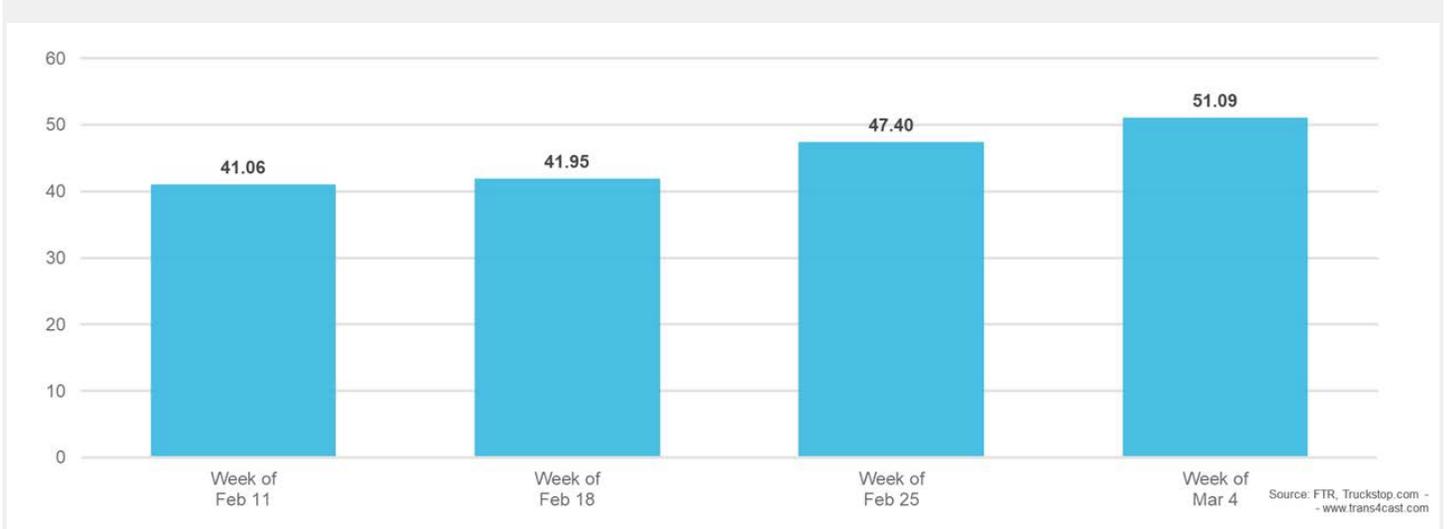
0.76% Rates

Weekly Market Demand Index (MDI)

Up 3.7 points from the previous week.

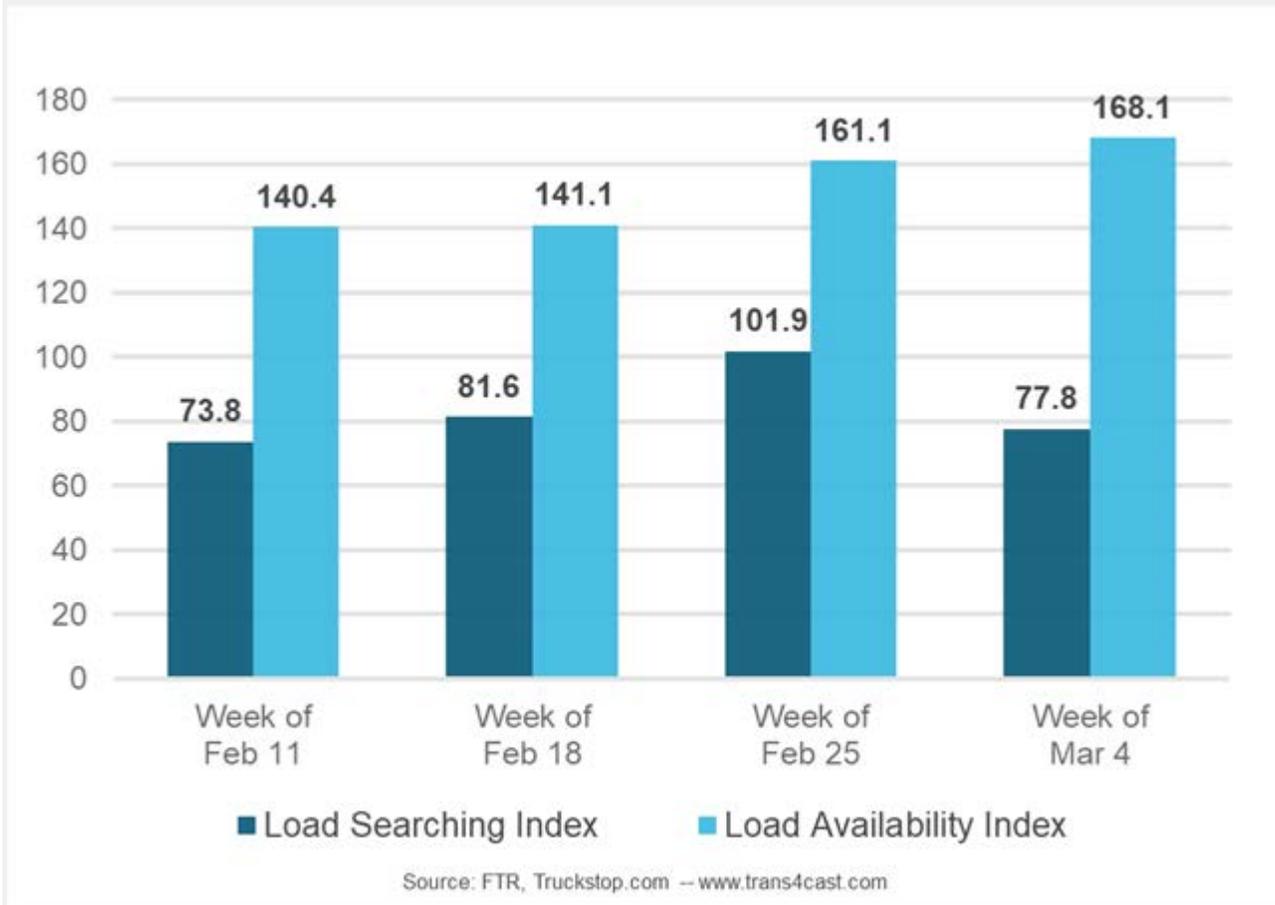


Last Four Weeks



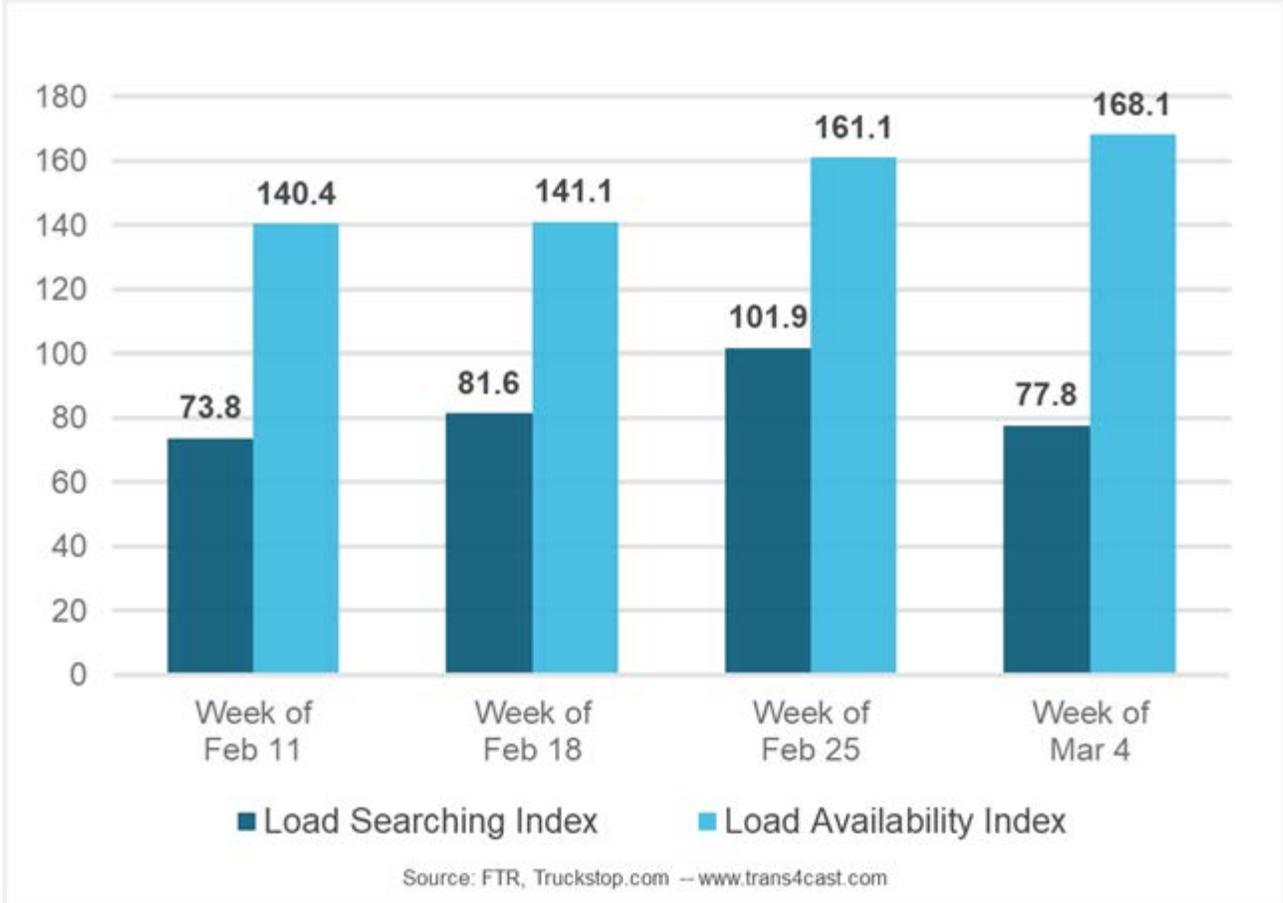
What is the Market Demand Index? The Market Demand Index (MDI) is a measure of relative truck demand in the spot market. It compares load availability to truck availability. Over the last four weeks MDI has on average **increased 2.9 points**. The latest week shows MDI is **up 3.7 from the previous week to 51.1**. **At this point last year MDI was 22.3**.

Load Searching vs. Load Availability



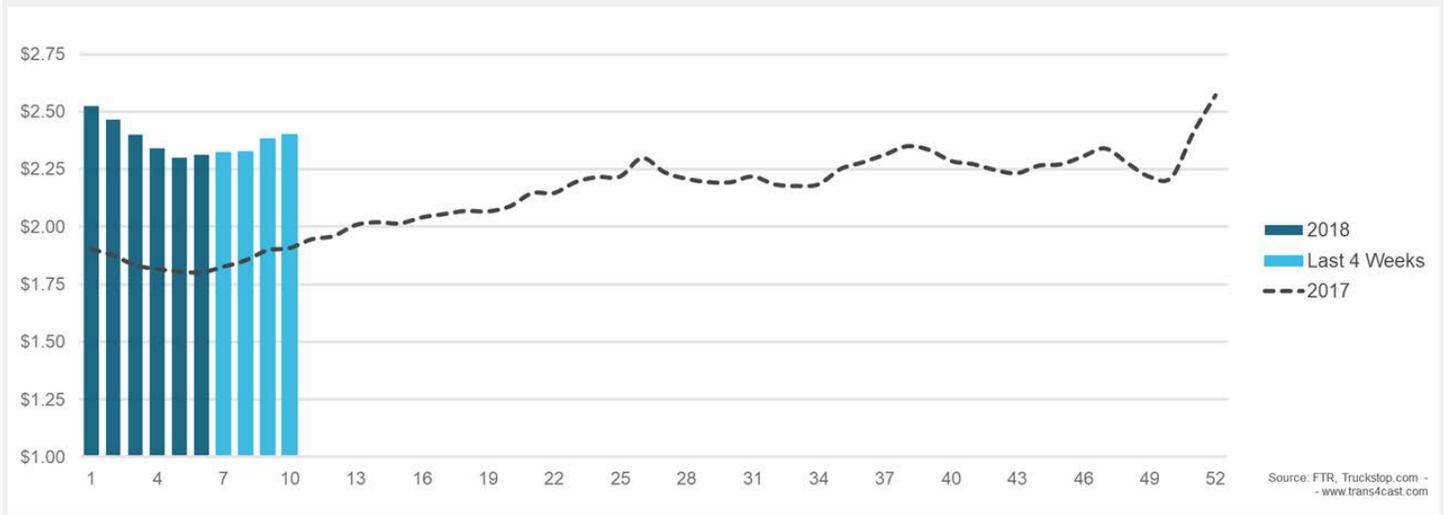
Load Availability increased 4.4% from the previous week. **Growth in Load Availability in the most recent week was more than growth in Load Searching. Load Searching decreased 23.7%** from the previous week.

Truck Searching vs. Truck Availability



Truck Availability decreased 3.2% from the previous week. **Growth in Truck Availability in the most recent week was less than growth in Truck Searching. Truck Searching increased 0.6%** from the previous week.

Rates 2018 YTD and 2017



Last Four Weeks

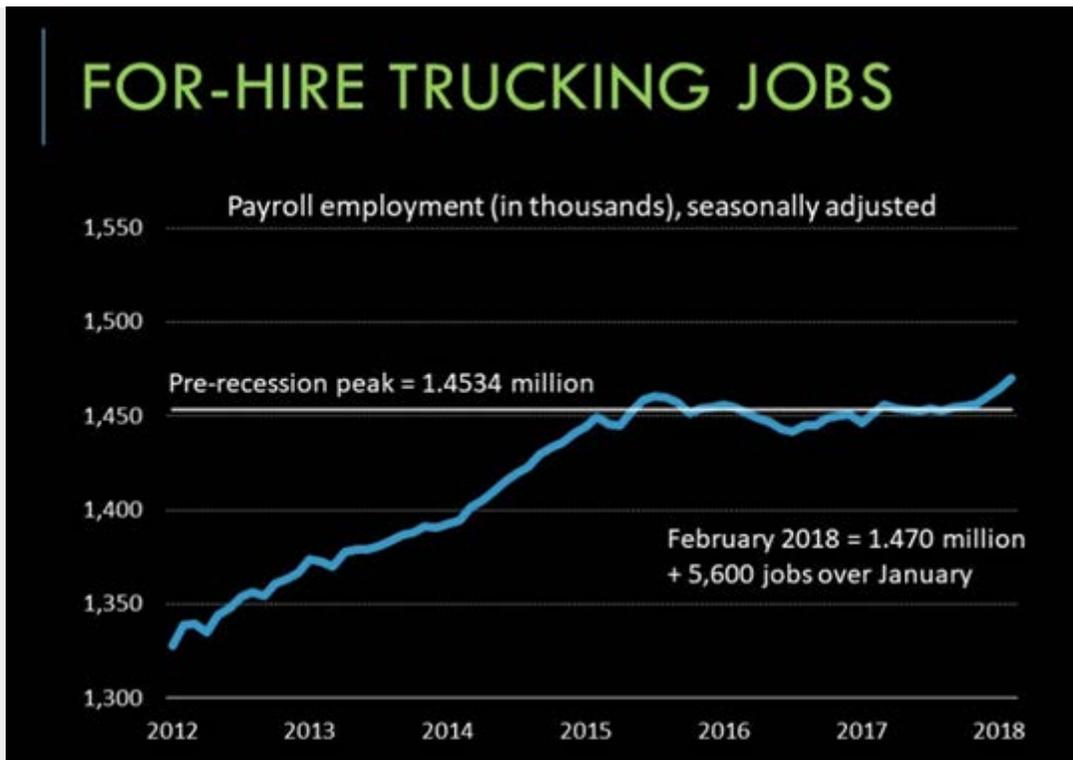


Increased

0.8% from previous week. This graph represents broker rates (including fuel) posted on the Truckstop.com load board. The latest week shows **rates were increased 0.8% from the previous week to \$2.40.** **Over the last four weeks rates have averaged an increase of 0.9%. Rates are 25.8% higher versus this time last year.**

Have We Turned the Corner on Drivers?

FOR-HIRE TRUCKING JOBS



The conventional wisdom is that tight capacity is a long-term situation because of the driver shortage. Indeed, demand likely will outpace supply for months to come due to strong freight volume and lost productivity and driver population due to electronic logging device (ELDs) mandate. However, it should not go unnoticed that January 2018 was a milestone for the for-hire trucking industry. The 1.464 million-plus payroll employees recorded by the Bureau of Labor Statistics (BLS) was the highest level ever for the industry. Then in February, the industry added another 5,600 employees for an even 1.47 million. That's the most workers added in a single month since May 2015. In fact, trucking has added more jobs in each of the last three months than it had in any month since last March.

It is important to recognize that BLS does not track monthly truck driver employment, specifically, although most jobs in for-hire trucking are driving positions. Also, these figures are preliminary and could go down – or up – when revised in early April. Moreover, March employment levels could drop – or rise. However, barring a major revision or reversal, it appears that wage increases, sign-on bonuses, and other recruiting tactics are paying off. Moreover, an all-time high in employment levels comes a couple of months after the industry surely lost some drivers over the ELD mandate.

The impact of ELDs is complicated, however, due to the delay in hard enforcement until April and the waivers in place transporters of agricultural commodities. The productivity losses that presumably will require more drivers and trucks to haul the same freight volume did not hit all at once on December 18. Also, with wages and freight rates high, most drivers who might ultimately refuse to use electronic logs likely will continue running at least until hard enforcement kicks in. So we might not have a good picture until May or June.

Another potential challenge is strength in labor-competitive markets. February was a strong labor month generally for the U.S., including construction and manufacturing. Construction added 61,000 jobs; manufacturing added 31,000. If these industries continue to show strength – and various indicators suggest that will be the case – it could become even harder for trucking to add drivers.

Regardless of how deep of a hole carriers ultimately might have to fill, they seem to be having success today. With impending productivity losses due to ELDs, either payroll employment will have to grow significantly or shippers, brokers, and carriers will need to work together to improve dock efficiency and squeeze out more capacity. Indeed, probably both will be needed to achieve stability in truck transportation in the coming year. Stay tuned.