

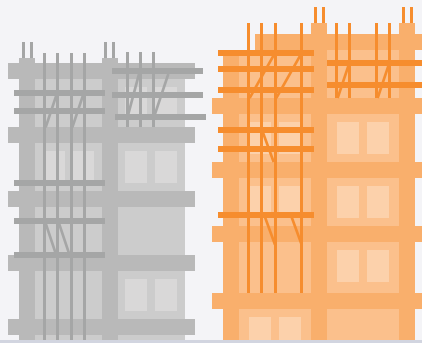
FIRING ON MOST CYLINDERS

The transportation sector has seen year-over-year (YOY) growth in Class 8 tractor sales in the first quarter of 2019. While trailer and Class 8 tractor orders have begun to slow down due to available capacity constraints, demand remains strong thanks to a continued increase in freight tonnage, which has increased 3.6% YOY.

REVENUE UP, SPENDING HIGH

With major construction equipment manufacturers posting double-digit revenue increases, and projected increases in total U.S. engineering and construction spending, the overall outlook of the industry remains positive.

▲ 3%
TOTAL U.S. ENGINEERING & CONSTRUCTION SPENDING
2019, Projected



Source: FMI Corporation

TOWER POWER

A steady growth in non-residential building starts in 2019 has contributed to increased demand for tower cranes, to the tune of 75%–90% industry utilization rates in most parts of North America.

▲ 1%
NEW CONSTRUCTION STARTS
\$808 BILLION
2019, Projected



Source: Dodge Data & Analytics

EVERY TRACTOR HAS ITS PRICE

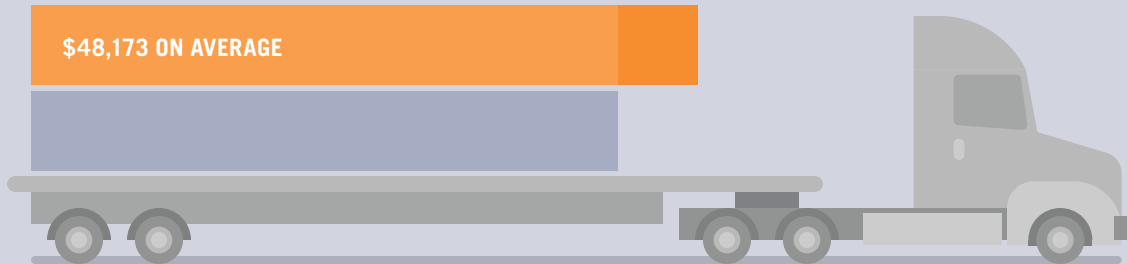
As the market tightens, prices for used Class 8 tractors continue to be affected—evident in February of this year as average prices increased to \$48,173.

Source: FMI Corporation

USED CLASS 8 TRACTOR PRICES

▲ 15% (YOY)
Feb. 2019

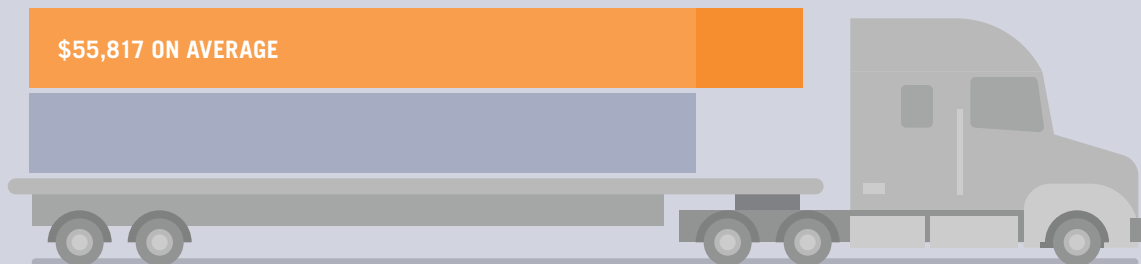
\$48,173 ON AVERAGE



USED CLASS 8 SLEEPER CABS

▲ 14.9% (YOY)
Feb. 2019

\$55,817 ON AVERAGE

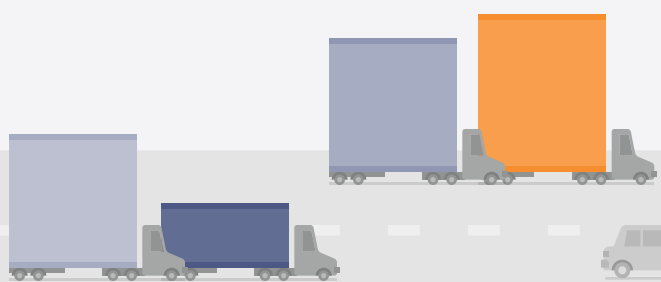


TRUCKIN' ALONG

While orders slowed considerably in March 2019 due to record backlogs, Class 8 tractor sales surged ahead 18%. Sales are projected to jump 3% overall YOY, with a forecast of approximately 264,000 units to be sold this year.

Source: ACT Research

▲ 18%
NEW CLASS 8 TRACTOR SALES
Mar. 2019



▼ 52% (YOY)
NEW CLASS 8 TRACTOR ORDERS
-13,500 UNITS
Mar. 2019

LOOKING FOR THE ON-RAMP

After a slow start to 2019 with decreases in total intermodal volumes, a fall in ISO container units, a downturn in combined U.S. carloads, and the largest annual decline for domestic containers, the North American intermodal market hopes for a more promising second quarter.

724K UNITS
INTERNATIONAL (ISO) CONTAINERS
▼ 2.4% (YOY)
Feb. 2019



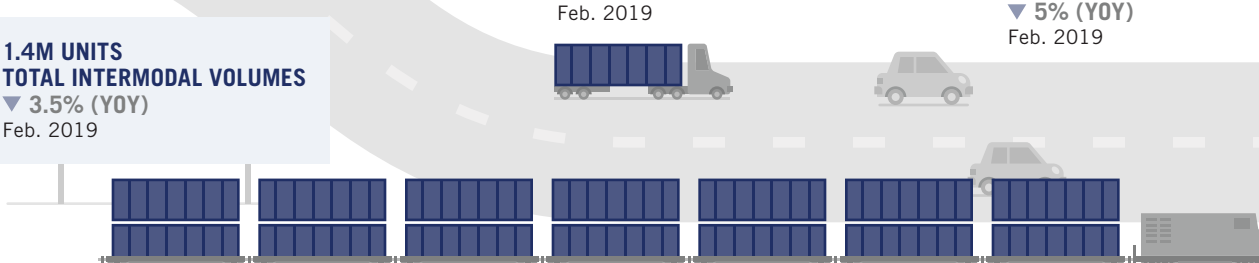
108K UNITS
TRAILERS
▼ 2.3% (YOY)
Feb. 2019



575K UNITS
DOMESTIC CONTAINERS
▼ 5% (YOY)
Feb. 2019



1.4M UNITS
TOTAL INTERMODAL VOLUMES
▼ 3.5% (YOY)
Feb. 2019



SMOOTH SAILING AHEAD

Engineering and construction spending is projected to pick back up after a slight decrease in the first quarter of 2019. Class 8 tractor prices are trending high and, while the North American intermodal market has been hit hard, the outlook for a bounce back remains promising.

Sources: FMI Corporation, Transport Topics

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