

Transport Tracker

Issue #1107, week ending Jan. 10, 2024; JBHT 4Q23 Preview; Red Sea Call Thursday

Industry Overview

Hoexter's Thought of the Week

J.B.Hunt 4Q23 earnings to provide update on truck cycle

J.B. Hunt Transport Services, a leading multimodal carrier (Intermodal, Dedicated, Brokerage, Last Mile), is set to report 4Q23 earnings next Thu., January 18. We target 4Q23 EPS of \$1.70, below Street's \$1.76 given the residual impact of muted pricing. Yet we anticipate a rebound in 2024 as volumes return. We expect results to give an early read if we are moving past the floor of the recent freight cycle or remain in the trough band. We target revenues to decline 11% year-year, moderating from -18% in 3Q, partly aided by easier comps. We expect its Operating Ratio to deteriorate 190 bps year-year, led by continued pressure in Intermodal and Brokerage. We look for commentary on shipper inventory levels, restocking demand, and bid compliance to indicate a slight improvement in the backdrop.

In Intermodal (48% of Revenues), we target loads to grow 4% year-year in 4Q23, holding its 4% increase from September. We also target revenue/load to decrease 14.5% year-year, yet steady sequentially, as it completes the repricing of its book of freight. Given the year-year pricing pressure, yet improved volumes, we target an Intermodal operating ratio of 91.5%, a 300 bps deterioration year-year, yet a 30 bps improvement from 3Q. In Dedicated (28% of Revenues), we target revenue/tractor/week to decrease 1% year-year as more of its longer-dated contracts reprice lower. After losing a 200-truck fleet to Schneider in 3Q23, we believe pricing competition for long-term contracts settled, but carry lower year-year yields. We target a Dedicated operating ratio of 88.0%, a 60 bps improvement year-year. In Integrated Capacity Solutions (12% of Revenues), elevated costs, dilutive impacts from its BNSF acquisition, and continued rate pressure will likely lead to continued operating losses in 4Q23. We target loads to fall 33% year-year and revenue/load to decline 14% year-year. We expect an operating ratio of 103.7%, a 590 bps deterioration year-year, as it remains lossmaking for the 4th quarter.

Suez containership transits down 73% from Nov levels

We are co-hosting container-market industry expert Huajoo Tan from Linerlytica for a call on the Disruption in the Red Sea tomorrow, Jan 11, with our Asia and European Transport counterparts Nathan Gee and Muneeba Kayani. The call aims to focus on near and medium-term impacts to container shipping prices into contract renewal season. Additionally, we look for an update on the state of US import volumes, a leading indicator for domestic freight demand. Since the Houthi attacks began mid-December, major liners such as Maersk, Hapag-Lloyd, Evergreen, and COSCO have opted to divert freight around the horn of Africa, adding roughly two weeks of additional sailing days to Asia-Europe/US East Coast voyages. While tanker and bulkier transits across the Suez has remained relatively intact, containership transits have declined 73%, to 34 ship crossings in the week of January 5, from 125/week in Nov (product tanker transit was steady at 40/wk). The Suez Canal historically crosses 28% of global container traffic. Given the fluidity challenges near a major artery of the global supply chain, liner rates for impacted lanes have jumped 200% month-month with Asia-Europe container rates in the \$4,000/forty-foot-box-equivalent (FFE) range, from \$1,200/FFE a month ago.

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Equity
United States
Transport/Infrastructure

Ken Hoexter
Research Analyst
BofAS
+1 646 855 1498
ken.hoexter@bofa.com

Adam Roszkowski, CFA
Research Analyst
BofAS
+1 646 855 5498
adam.roszkowski@bofa.com

Nathan Ho, CFA
Research Analyst
BofAS
+1 646 855 3599
nathan.m.ho@bofa.com

Key Data This Week:

Week 1 Rail Carloads: Down 0.8% Y-Y vs Week 52: +2.7% Y-Y
(Down for the 4th time in 11 weeks)

Dry Van spot rates ex-fuel = \$1.44/mile vs \$1.41 last week, up 2% from \$1.41 on Dec 31, 2023. Spot rates with fuel were \$1.93 vs. \$1.91 last week, and up 1% from \$1.91 on Dec. 31, 2023.

DAT Load to Truck Ratio – 3.19 for the week of Jan. 07, up 30% seq. from 2.45 last week.

Prelim. December Class 8 Net Orders at 26,500 vs 41,732 in November

November Truck Tonnage: -1.5% Y-Y, -1.4% M-M vs October's -2.4% Y-Y, +0.9% M-M

Top 10 Ports in November: +5.5% Y-Y, LA/LB +23% Y-Y vs October's +2.8% Y-Y, +13% LA/LB

November IATA Vols: +8.3% Y-Y

Exhibit 1: Airfreight & Surface Transportation

Rails, Trucks, Airfreight, Other Transports Summary Valuation Table

Rating	Company	Price 01/10/24	Mkt Cap. (\$ bil.)	P/E '24e EPS	1-Wk Perf	Price Perf YTD %
B-2-7	Canadian National Railway (CNI)	124.35	80.3	20.4x	-1%	-1%
B-1-7	Canadian Pacific Kansas City (CP)	78.91	73.5	24.5x	0%	0%
B-1-7	CSX Corp. (CSX)	34.70	68.6	17.4x	0%	0%
B-1-7	Norfolk Southern Corp. (NSC)	228.85	51.8	17.6x	-2%	-3%
B-1-7	Union Pacific Corp. (UNP)	239.00	145.7	20.8x	-1%	-3%
NR	Grupo México Trans (GMXT*MM)(3)	MXN 38.01	9.8	--	-3%	0%
Rail Avg (ex GMXT for P/E)						
Intermodal / Container Lessors:						
B-1-7	J.B. Hunt Transport Svcs (JBHT)	192.97	19.9	22.1x	1%	-3%
NR	Hub Group (HUBG)	87.71	2.8	16.1x	-2%	-5%
NR	Textainer (TGH)	49.42	2.0	10.1x	0%	0%
Intermodal Average						
				16.1x	-1%	-3%
Less-than-Truckload (LTL) Carriers:						
C-3-7	ArcBest Corp. (ARCB)	118.69	2.8	11.4x	2%	-1%
B-1-7	Old Dominion Freight Line (ODFL)	391.02	42.7	29.7x	2%	-4%
B-1-9	Saia Inc. (SALA)	435.98	11.6	27.1x	4%	-1%
B-2-7	TFI International (TFII)	133.74	11.3	16.2x	2%	-2%
C-1-9	XPO, Inc. (XPO)	85.12	9.9	25.8x	3%	-3%
LTL Average						
				21.1x	2%	-2%
Truckload (TL) Carriers:						
B-1-7	Knight-Swift Transportation (KNX)	56.87	9.2	16.2x	2%	-1%
B-2-7	Schneider National (SNDR)	24.61	4.3	15.4x	0%	-3%
B-3-7	Werner Enterprises (WERN)	40.77	2.6	17.0x	0%	-4%
NR	Covenant Logistics (CVLG)	45.78	0.6	10.8x	3%	-1%
NR	Heartland Express (HTLD)	13.40	1.1	69.1x	-1%	-6%
NR	Marten Transport (MRTN)	20.01	1.6	19.9x	0%	-5%
NR	P.A.M. Transport (PTSI)	20.62	0.5	12.1x	2%	-1%
NR	Universal Logistics Holdings (ULH)	30.75	0.8	--	10%	10%
TL Average						
				22.9x	2%	-1%
Autonomous trucks						
NR	TuSimple (TSP)	0.78	0.2	--	3%	-11%
NR	Aurora Innovation (AUR)	3.40	5.2	--	4%	-22%
Autonomous trucks Average						
					3%	-17%
Airfreight Companies:						
B-1-7	FedEx Corp. (FDX)	250.81	62.7	14.2x	1%	-1%
B-2-7	UPS (UPS)	161.22	137.3	16.7x	2%	3%
NR	Deutsche Post (DHL GY) (2)	€ 44.76	60.8	--	1%	0%
Airfreight Average						
				15.4x	2%	0%
Freight Forwarders / Logistics:						
B-3-7	C.H. Robinson Worldwide (CHRW)	87.19	10.2	21.5x	0%	1%
C-1-9	RXO (RXO)	22.52	2.6	48.5x	0%	-3%
NR	Landstar System (LSTR)	188.99	6.8	24.5x	2%	-2%
NR	Expeditors International (EXPD)	125.08	18.2	25.6x	-2%	-2%
B-2-8	Kuehne + Nagel Intl (KHNGF) (2)	CHF 291.80	41.0	34.4x	-1%	1%
B-1-7	DSV Panalpina A/S (DSV DC) (2)	DKK 1,234.5	39.3	3.3x	4%	4%
NR	Forward Air Corp. (FWRD)	57.82	1.5	13.1x	-7%	-8%
NR	Ryder System, Inc. (R)	111.90	5.0	9.4x	0%	-3%
NR	Air Transport Services Group (ATSG)	16.55	1.1	10.2x	1%	-6%
NR	Fortress Transportation (FTAI)	46.60	4.7	22.0x	4%	0%
B-3-7	World Kinect (WKC)	22.03	1.3	10.2x	-2%	-3%
Freight Forwarder Avg.						
				20.2x	0%	-2%
Rail Equipment:						
C-3-7	The Greenbrier Companies (GBX)	47.28	1.5	12.6x	6%	7%
NR	Freightcar America Inc. (RAIL)	2.55	0.0	51.0x	-6%	-6%
NR	GATX Corporation (GATX)	118.01	4.2	16.8x	0%	-2%
NR	Koppers Holdings Inc. (KOP)	48.95	1.0	10.4x	5%	-4%
NR	Trinity Industries Inc. (TRN)	25.37	2.1	13.0x	-3%	-5%
B-2-7	Wabtec Corp. (WAB)	126.24	22.6	18.7x	1%	-1%
Rail Equipment Avg.(ex-RAIL)						
				14.3x	2%	-1%
Transport Average						
			982.5		1%	-2%
S&P 500						
		4,776.17		22.1x	2%	0%

Source: BoFA Global Research estimates, Bloomberg, and First Call Estimates (for stocks not covered by BoFA Global Research).

Covered by: (2) Muneeba Kayani, (3) Carlos Peyrelongue - NR: Not Rated.

BoFA GLOBAL RESEARCH

Exhibit 2: Marine Matters

Crude, Product, Container, Dry Bulk, LNG, Jones Act Summary Valuation Table

Rating	Company	Price 01/10/24	Mkt Cap. (\$ bil.)	P/E '24e EPS or Yield	1-Wk Perf	Price Perf YTD
Marine Matters						
Tanker Companies						
C-2-7	Teekay Tankers, Ltd. (TNK)	53.70	1.8	0.0%	0%	7%
NR	Teekay Shipping Corp. (TK)	7.73	0.7	--	3%	8%
NR	Euronav (EURN)	€ 16.09	3.9	9.8%	0%	1%
NR	DHT Maritime (DHT)	10.59	1.7	18.3%	3%	8%
NR	Frontline Ltd. (FRO)	21.81	4.9	14.3%	3%	9%
NR	Tsakos Energy Navigation (TNP)	23.44	0.7	--	0%	5%
NR	Nordic American Tanker (NAT)	4.40	0.9	10.8%	-1%	5%
NR	Ship Finance Limited (SFL)	11.62	1.5	8.9%	0%	3%
NR	KNOT Offshore Partners (KNOP)	6.06	0.2	--	-4%	5%
Tanker Average						
				10.4%	0%	6%
Product Tankers						
C-2-7	Scorpio Tankers (STNG)	62.62	3.4	2.9%	-3%	3%
NR	Capital Products (CPLP)	17.13	0.9	3.5%	14%	21%
NR	Ardmore Shipping (ASC)	14.70	0.6	6.2%	-1%	4%
Product Tankers Average						
				4.2%	3%	9%
LNG / LPG						
NR	Golar LNG (GLNG)	23.02	2.4	--	-1%	0%
NR	Dynagas LNG Partners (DLNG)	2.93	0.1	13.7%	0%	5%
NR	StealthGas (GASS)	7.00	0.2	--	1%	8%
LNG / LPG Average						
				13.7%	0%	4%
Container Ship Lessors						
NR	Costamare (CMRE)	10.79	1.3	4.3%	-1%	4%
NR	Danaos (DAC)	76.50	1.5	4.2%	0%	3%
NR	Global Ship Lease (GSL)	20.51	0.7	7.3%	1%	3%
Container Average						
				5.3%	0%	3%
Dry Bulk						
NR	Navios Maritime L.P. (NMM)	28.78	0.9	3.6x	0%	3%
NR	Safe Bulkers, Inc. (SB)	3.95	0.4	5.6x	-1%	1%
NR	Diana Shipping (DSX)	3.06	0.3	6.2x	0%	3%
NR	Eagle Bulk Shipping (EGLE)	54.13	0.5	10.5x	-4%	-2%
NR	Navios Maritime (NM)	28.78	0.9	--	0%	3%
NR	Eneti Inc (NETI)	11.33	0.4	--	0%	0%
NR	Golden Ocean Group (GOGL)	9.92	2.0	10.9x	0%	2%
C-1-7	Pacific Basin Shipping (PCFBF)(1)	HKD 2.41	1.6	5.8x	-7%	-6%
U.S. Dry Bulk Average						
				7.1x	-2%	0%
Jones Act Carrier/Other						
B-1-9	Kirby Corp. (KEX)	75.27	4.4	14.5x	-4%	-4%
NR	Matson Inc. (MATX)	111.59	3.9	15.2x	-3%	2%
NR	Tidewater Inc. (TDW)	64.82	3.4	11.4x	-7%	-10%
Jones Act Carrier/Other Average						
				13.7x	-5%	-4%
Container Shipping / Diversified Companies						
B-2-8	AP Moeller-Maersk (AMKBF) (2)	DKK 12,955	33.1	--	-5%	7%
B-2-8	COSCO Shipping Holding Co (CICOF)(1)	HK\$7.60	7.2	--	-4%	-3%
C-3-8	K-Line (KAKKF)(1)	¥6,395.00	10.5	15.4x	6%	6%
B-3-8	Mitsui O.S.K. Lines (MSLOF)(1)	¥4,780.00	11.9	8.1x	6%	6%
B-3-8	NYK Line (NYUKF)(1)	¥4,637.00	16.2	9.5x	6%	6%
NR	Wan Hai Lines (WHILF)	TWD 50.70	4.6	--	-8%	-8%
NR	Yang Ming Marine (YMGXF)	TWD 48.80	5.5	--	-10%	-5%
C-2-8	Evergreen Marine Corp (EVGQF)(2)	TWD 148.00	10.1	--	-5%	3%
NR	Hapag LLOYD ADR (HLA GY) (2)	€ 152.90	29.5	77.1x	4%	13%
C-3-9	ZIM Integrated Shipping Svcs (ZIM)	12.89	1.5	--	5%	31%
Container & Diversified Average						
				11.0x	-1%	6%
Shipping Mkt Cap / Shipping Avg						
			132.0		-1%	3%
S&P 500						
		4,776.17		22.1x	2%	0%

Source: BoFA Global Research estimates, Bloomberg, (for stocks not covered by BoFA Global Research)

Covered by: (1) Nathan Gee, (2) Muneeba Kayani

NR: Not Rated.

BoFA GLOBAL RESEARCH

Airfreight and Surface Transportation Weekly Movers

Best: ULH (+10%) GBX (+6%) KOP (+5%)
Worst: FWRD (-7%) RAIL (-6%) TRN (-3%)

Marine Transportation Weekly Movers

Best: CPLP (+14%) NYUKF (+6%) MSLOF (+6%)
Worst: YMGXF (-10%) WHILF (-8%) PCFBF (-7%)



Upcoming Calendar of Events

Jan 9-11	Midwest Assoc. of Rail Shippers Meeting, Westin Chicago Lombard
Feb 27	Wabtec's Field Trip at Fort Worth, Texas
Feb 28-29	Southeast Association of Rail Shippers Spring Meeting, Atlanta
Mar 3-6	Rail Equipment Finance (REF) Conference, La Quinta
Mar 3-6	TPM'24 – Transpacific Maritime Conference, Long Beach
Mar 13	World Kinect Corp (WKC) Investor Day, NYC
Mar 14	Aurora Analyst & Investor Day, Pittsburgh
Mar 19-21	BofA Global Industrials Conference, London
Mar 26	UPS Investor & Analyst Day, Atlanta
Apr 30-May 2	National Assoc of Rail Shippers (NARS) Ann Mtg, Chicago
May 14-16	BofA's 31st Annual Transport, Airline, & Industrials Conf, NYC

BofA Global Research Reports

Title: Subtitle	Primary Author	Date Published
STNG: Fluidity issues aiding rates, we see rising rate potential; PO to \$68	Ken Hoexter	10 January 2024
GBX: Org realignment sets structural change under CEO Tekorius	Ken Hoexter	10 January 2024
GBX: Targets low- to mid-teens F24 margins; PO \$40	Ken Hoexter	05 January 2024
C.H. Robinson: Reaches another pause with activist; seeks new CFO	Ken Hoexter	03 January 2024
Transport Tracker: Issue #1106, week ending Jan. 3, 2024	Ken Hoexter	03 January 2024

Company News

C.H. Robinson (CHRW) launched a CFO search as CFO Mike Zechmeister plans to step down by May 31 after a 4-year tenure. Separately, CHRW created The Program Management Office, an office designed to support the company's strategic initiatives (CHRW is looking to improve North American Surface Transportation productivity 15% in 24, as part of its goal for 50% productivity gains in the next 3 years).

The Greenbrier Companies (GBX) posted F1Q24 EPS of \$0.96, above our \$0.65 target & Street's \$0.73. Revenues were \$809 million, up 6% year-year and \$69 million above our target. EBIT was \$65 million, up from \$16 million in F1Q23, \$13 million above our target, for an operating margin of 8.0%, 590 bps above our target. It delivered 5,200 new railcar deliveries in the quarter, above our 4,900 target. The company reaffirmed its F2024 target of \$3.4-\$3.7 billion in revenues (BofA est. \$3.5 billion), and railcar deliveries of 22.5k-25.0k (vs our est 24.0k). It also reiterated that 45% of its full-year orders are scheduled for 1H. Separately, GBX launched a new geographic reporting structure (into Americas and Europe divisions) and noted its CFO Adrian Downes will be stepping down by March 31 (the company is launching a search for his replacement). CEO Lorie Tekorius noted the realignment supports its 'Better Together' strategy, and is aimed to increase accountability, efficiency, and customer experience in its next phase of growth. The Americas division (U.S., Mexico, Canada, and Brazil) will be led by Brian Comstock, a 26-year GBX veteran, who has served as Chief Commercial & Leasing Officer since 2021. The Europe division will be led by William Glenn, a 20-year GBX veteran.

The Surface Transportation Board (STB) announced the retirement of General Counsel Craig M. Keats after a career in public service of more than 51 years which began as an attorney at the Interstate Commerce Commission (ICC) in 1972, then serving continuously through the transition from the ICC to the STB.

Koppers Inc. has a transition plan that will occur throughout 2024 for key leadership roles. The plan will culminate in the retirement of James Healey, VP, Utility and Industrial Products, effective December 31, 2024, after 40 years with the company. Current VP, North American Carbon Materials and Chemicals Jason Bakk will succeed Mr. Healey, effective July 1, 2024. Brett Johnston, currently Commercial Director, North American CMC, will succeed Mr. Bakk effective July 1, 2024.



Hub Group announced a 2-for-1 stock split of its Class A Common Stock in the form of a one-time special stock dividend. Each stockholder at the close of business on Jan 16, 2024 will receive one share of Class A Common Stock for each share held on the record date, and the distribution will occur on Jan 26, 2024. Trading will begin on a split-adjusted basis on Jan 29, 2024.

Canadian National appointed Remi Lalonde as EVP and Special Advisor to the CEO in anticipation of his transition to the role of Chief Commercial Officer of the company later in the year.

Ryder System opened a one-million-square-foot North American distribution center in in Jeffersonville, Indiana for Lexmark. The new facility consolidates two Lexmark operations into one, streamlining the receiving and shipping of printers and copiers, toner cartridges, and spare parts, enabling 99% same-day shipping and 99% midnight parcel pick-up with next-day air service.

Wise Choice Trans. Corp., a third-party logistics company with headquarters in Hayward, California, filed for bankruptcy. The company had 34 power units and 33 drivers and listed its assets and liabilities as between \$1 million and \$10 million. The company was founded in 2009 and offered final mile, less-than-truckload and full truckload services in the San Francisco Bay area.

Uber Freight underwent a small reduction in force, cutting 40 to 50 jobs based on a source familiar with the matter, in order to align with its continued commitment to drive sustainable growth. This follows a series of layoffs in 2023, including 150 in January and 50 in July.

Werner Enterprises' Board appointed Nathan Meisgeier to serve as the company's President, effective January 5, 2024. Mr. Meisgeier will continue to hold the position of Chief Legal Officer. Derek Leathers will remain the company's Chairman & CEO.

Autonomous Trucking

Continental and **Aurora Innovation** finalized the design and architecture of the future fallback system and hardware of the Aurora Driver – an SAE (Society of Automotive Engineers) Level 4 autonomous driving system. Continental plans to start production in 2027.

Kodiak Robotics revealed its sixth-generation Class 8 autonomous truck that the company plans to launch later this year in Texas.

Shipping

Diana Shipping extended the time charter contract for the m/v *Amphitrite*, a 98,697 dwt Post-Panamax dry bulk vessel, at a gross charter rate of \$12,250/day for the first 30 days and \$15,000/day for the balance period of the time charter, for a period until Nov 15, 2024 (min) up to Jan 15, 2025 (max), starting on January 12, 2024. Revenues will be approximately \$4.5 million.

Five US and UK warships responded to missile and drone attacks carried out by Houthi rebels on commercial shipping lanes in the Red Sea. No injuries or damage to merchant vessels were reported.

Week 1 Rail Carload Data: Down 0.8% Y-Y

Key Takeaways – Down 0.8% (from +2.7% last week): Total carloads for Week 1 of 2024 were down 0.8% year-year, to 522,738 (BNSF has not reported yet), reversing last week's 2.7% increase (or 474,810 carloads impacted by the Christmas Holiday). This week included New Year's Day in 2023 and 2024, as Carloads declined for the fourth time in the past eleven weeks. Growth was below the past 10-week average of +3.3%, while the full 1Q24 Carloads is set to compare against a 0.9% decrease in 1Q23. Coal was up (-0.7% year-year), reversing last week's 3.6% increase. Nat Gas prices were up (+24%) to \$3.20/MMBtu from \$2.56 /MMBtu last week. Coal's absolute level of carloads was 57k, above 46k last week, but just below the past 10-week avg of 58k. Chemical volumes were up 12.4% year-year, moderating from last week's 21.3% increase. Chemicals posted an uptick for the 18th time over the past 19 weeks. Grain (-10.5%) was down, deteriorating from last week's 7.0% decrease. Grain was down for the 21st time over the last 24 weeks. Petroleum (+5.5%) was up, moderating from last week's 8.5% increase. This was the 18th uptick in the last 19 weeks for Petroleum. Intermodal (-1.9%) was down, deteriorating from last week's -0.7% decrease. Intermodal absolute volumes were 223k, above 208k last week, yet below the 272k past 10-week avg. Auto (-24.1%) was down, deteriorating from last week's 14.7% decrease.

Overall Carloads: Week 1 carloads were down 0.8% year-year, as decreases at CN (-1.7%), UP (-1.4%), CPKC (-0.8%), and CSX (-0.7%) more than offset an increase at NS (+0.8%). As the 1Q24 starts, carloads are down 0.8% which is below our +2.7% full quarter target for the Class I rails on average. The average carrier is trending below our target (-340 bps), with NSC the best at -240 bps vs. our target (+0.8% vs. our +3.2%), vs CN the worst at -420 bps (-1.7% vs. our +2.5%).

Revenue Ton Miles: Week 1 RTMs: CN's RTMs are up 1.5% y-y 1QTD. CPKC's RTM are up 13.5% y-y 1QTD.

Specifics: Intermodal carloads (42.7% of total) were down 1.9% year-year, as decreases at UP (-8.5%), CPKC (-7.2%), and CN (-1.9%) more than offset increases at CSX (+0.4%) and NS (+5.2%). **Coal carloads (11.0% of total)** were down 0.7% year-year, as decreases at NS (-18.0%) and UP (-6.3%) more than offset increases at CSX (+6.9%), CN (+9.8%), and CPKC (+18.5%). **Chemical carloads (10.5% of total)** were up 12.4% year-year, as all rails increased, led by: CN (+19.1%), NS (+16.5%), CPKC (+14.7%), UP (+10.7%), and CSX (+5.2%). **Grain carloads (4.3% of total)** were down 10.5% year-year, as decreases at CN (-27.4%), CPKC (-14.8%), CSX (-14.8%), and NS (-1.0%) more than offset an increase at UP (+6.6%). **Petroleum carloads (4.3% of total)** were up 5.5% year-year, as increases at UP (+28.8%) and CN (+3.8%) more than offset decreases at CPKC (-0.4%), CSX (-2.1%), and NS (-7.8%). **Auto carloads (3.6% of total)** were down 24.1% year-year, as all rails declined, led by: CSX (-29.8%), CPKC (-23.3%), UP (-23.0%), NS (-22.3%), and CN (-20.1%).

Exhibit 3: Carloads Week 1 2024 vs. 2023 and 1QTD volumes

Week 1 Rail Carload Data: Down 0.8% Y-Y

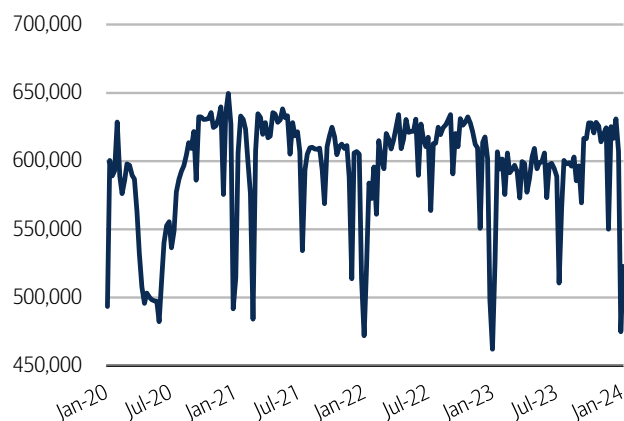
	% of total	2024 Wk 1	2023 Wk 1	% Δ	1Q24 QTD	% Δ
Intermodal	42.7%	223,144	227,475	-1.9%	223,144	-1.9%
Coal	11.0%	57,353	57,759	-0.7%	57,353	-0.7%
Chemicals	10.5%	54,945	48,892	12.4%	54,945	12.4%
Auto	3.6%	18,651	24,564	-24.1%	18,651	-24.1%
Grain	4.3%	22,352	24,975	-10.5%	22,352	-10.5%
Forest Prod.	3.9%	20,231	20,148	0.4%	20,231	0.4%
Petrol. Prod.	4.3%	22,464	21,284	5.5%	22,464	5.5%
Total Carloads		522,738	526,817	-0.8%	522,738	-0.8%

Source: BofA Global Research and AAR

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Exhibit 4: Total Weekly Carload Volumes

Total volumes were 522,738 for Week 1



Source: BofA Global Research and Association of American Railroads.

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Exhibit 5: Total Weekly Carload Growth Y-o-Y

Total volume growth was -0.8% y-y for Week 1



Source: BofA Global Research and Association of American Railroads.

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Exhibit 6: Total Quarterly Carload Growth Y-o-Y

Total Carloads Forecast Up 0.2% in 4Q23

	3Q19a	4Q19a	1Q20a	2Q20a	3Q20a	4Q20a	1Q21a	2Q21a	3Q21a	4Q21a	1Q22a	2Q22a	3Q22a	4Q22a	1Q23a	2Q23a	3Q23a	4Q23e
BNSF	-2.5%	-6.2%	-5.2%	-17.9%	-8.3%	2.6%	4.8%	24.5%	4.4%	-3.1%	-3.3%	-5.6%	-5.0%	-9.2%	-10.3%	-11.1%	-4.8%	-
CNI	0.4%	-7.3%	-5.9%	-15.9%	-5.9%	7.1%	7.2%	13.5%	-0.9%	-10.0%	-5.9%	0.3%	2.9%	2.5%	0.5%	-7.1%	-9.7%	-3.8%
CPKC							-1.1%	19.6%	-0.5%	-5.7%	-4.0%	0.1%	10.1%	7.5%	5.7%	-2.3%	-4.9%	0.2%
CSX	-5.3%	-6.6%	-1.1%	-20.5%	-3.0%	3.9%	1.0%	26.6%	2.7%	-1.8%	-2.0%	0.2%	1.5%	-1.8%	-0.8%	-3.0%	-2.3%	0.1%
NSC	-5.8%	-9.2%	-11.4%	-25.6%	-7.0%	-1.2%	2.9%	25.5%	-0.3%	-3.6%	-4.5%	-3.3%	-2.1%	-1.3%	-0.1%	-5.6%	-2.2%	2.6%
UNP	-8.1%	-11.1%	-7.0%	-19.6%	-4.0%	2.9%	-0.7%	21.9%	0.0%	-3.9%	4.1%	-1.4%	3.2%	0.8%	-1.4%	-1.8%	-2.7%	1.8%
Total	-4.1%	-7.7%	-1.2%	-16.2%	-1.9%	6.9%	2.5%	22.3%	1.2%	-4.4%	-2.4%	-2.1%	0.8%	-1.5%	-2.2%	-5.6%	-4.3%	0.2%

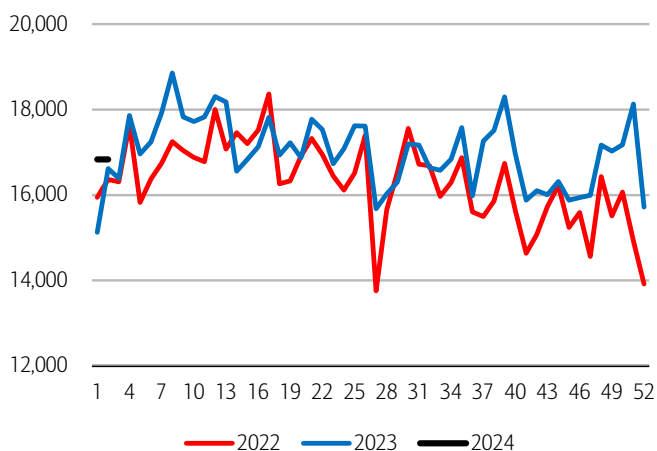
Source: BofA Global Research and Association of American Railroads.

Note: The total for 4Q23 is an average of the estimates; CPKC Reinstated data from 2020.

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Selected Segments Weekly Carloads**Exhibit 7: Metal Carloads**

Metal Carloads were 16,836 in Week 1, up 11.3% Y-Y

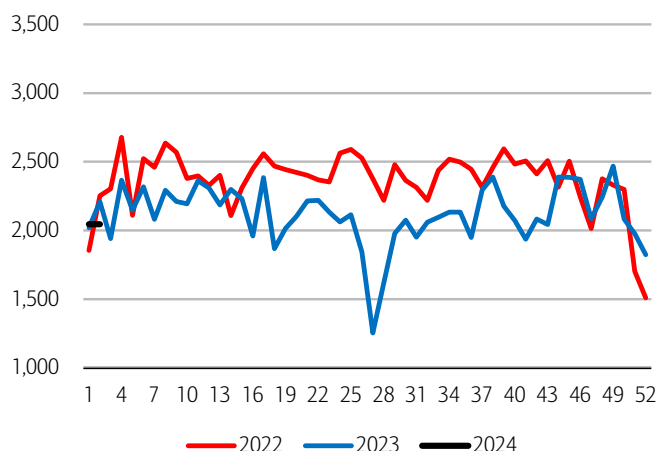


Source: BofA Global Research and Company data.

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Exhibit 8: Forest Product Carloads

Forest Product Carloads were 2,045 in Week 1, up 1.2% Y-Y



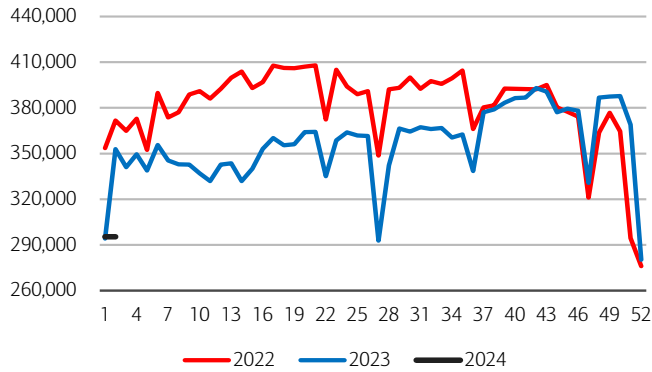
Source: BofA Global Research and Company data.

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Selected Segments Weekly Carloads

Exhibit 9: Intermodal Carloads

Intermodal Carloads were 295,295 in Week 1, up 0.4% Y-Y

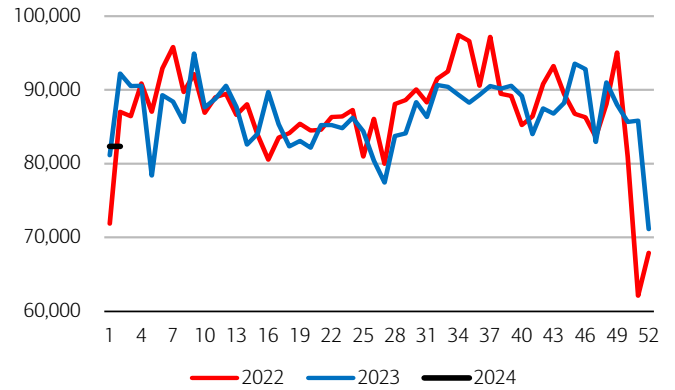


Source: BofA Global Research and Company data.

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Exhibit 10: Coal Carloads

Coal Carloads were 82,346 in Week 1, up 1.5% Y-Y

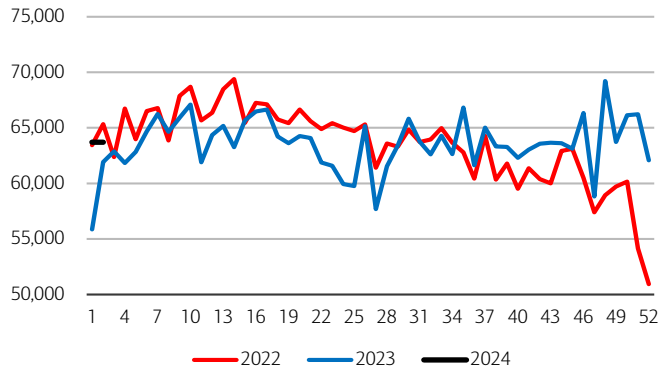


Source: BofA Global Research and Company data.

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Exhibit 11: Chemical Carloads

Chemical Carloads were 63,703 in Week 1, up 14% Y-Y

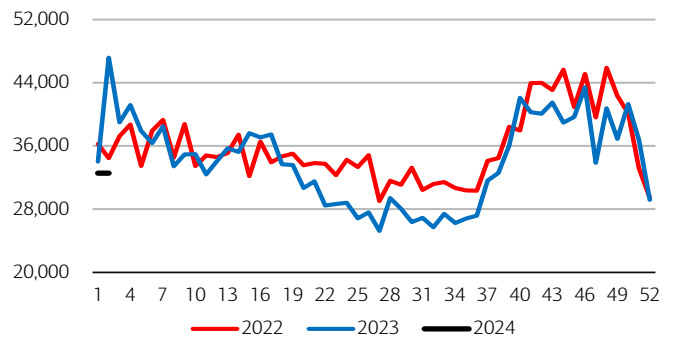


Source: BofA Global Research and Company data.

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Exhibit 12: Grain Carloads

Grain Carloads were 32,546 in Week 1, down 4.3% Y-Y

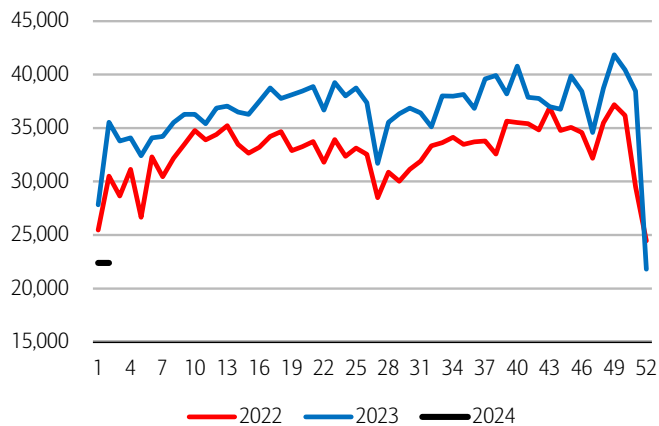


Source: BofA Global Research and Company data.

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Exhibit 13: Auto Carloads

Auto Carloads were 22,387 in Week 1, down 19.6% Y-Y

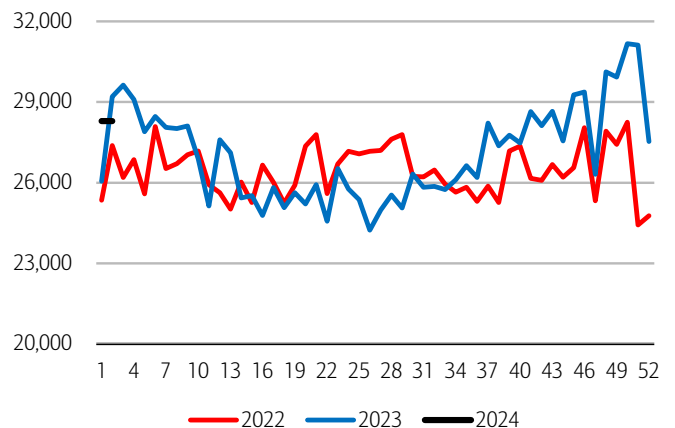


Source: BofA Global Research and Company data.

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Exhibit 14: Petroleum Products Carloads

Petroleum Products Carloads were 28,291 in Week 1, up 8.6% Y-Y



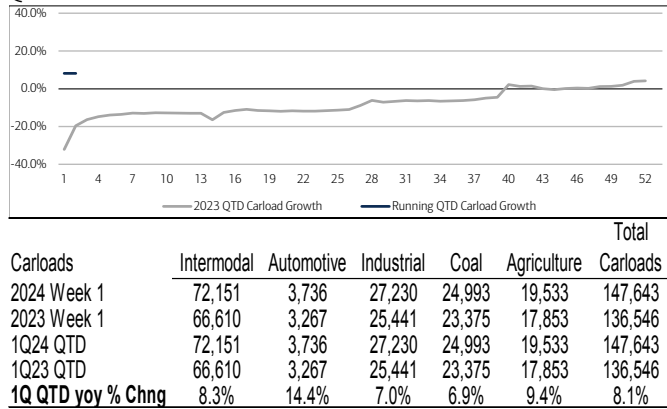
Source: BofA Global Research and Company data.

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Selected Segments Weekly Carloads

Exhibit 15: BNSF Carloads

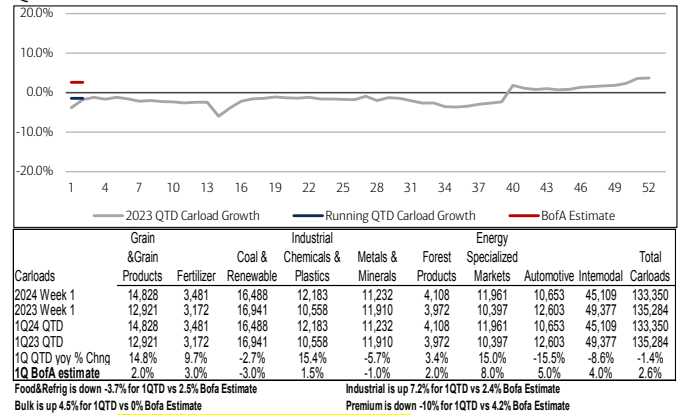
QTD Carloads are +8.1%



Source: BofA Global Research estimates, Association of American Railroads, and Company reports
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Exhibit 16: Union Pacific Carloads

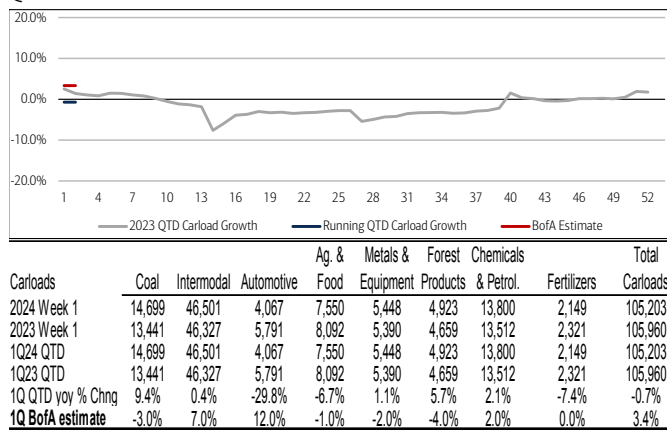
QTD Carloads are -1.4% vs. BofAe +2.6%



Source: BofA Global Research estimates, Association of American Railroads, and Company reports
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Exhibit 17: CSX Carloads

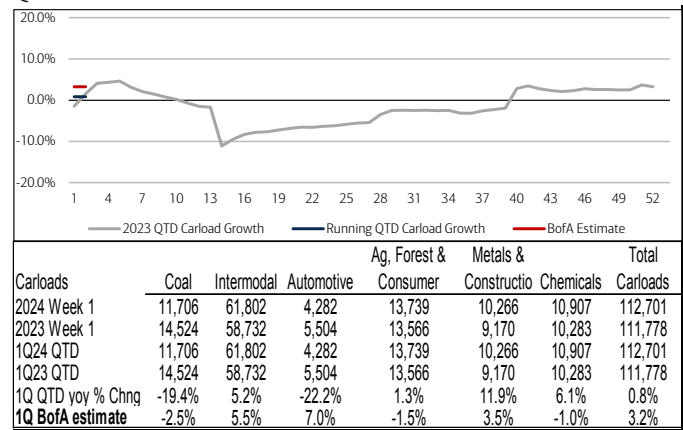
QTD Carloads are -0.7% vs. BofAe +3.4%



Source: BofA Global Research estimates, Association of American Railroads, and Company reports
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Exhibit 18: NSC Carloads

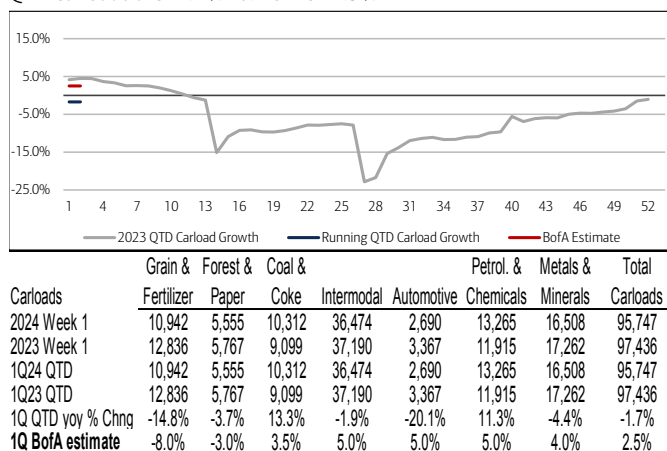
QTD Carloads are +0.8% vs. BofAe +3.2%



Source: BofA Global Research estimates, Association of American Railroads, and Company reports
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Exhibit 19: CNi Carloads

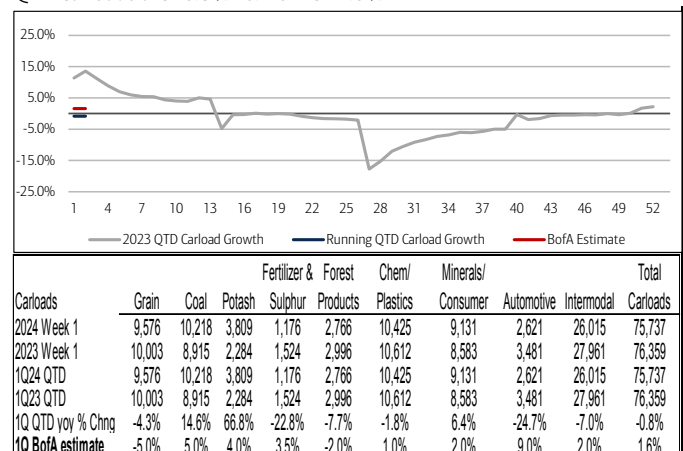
QTD Carloads are -1.7% vs. BofAe +2.5%



Source: BofA Global Research estimates, Association of American Railroads, and Company reports
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Exhibit 20: CPKC Carloads

QTD Carloads are -0.8% vs. BofAe +1.6%



Source: BofA Global Research estimates, Association of American Railroads, and Company reports
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Diesel Fuel Prices: -1.2% sequentially

Diesel fuel prices were down 1.2% from last week, to \$3.83 for week 1 of 2024. Prices remain below \$4.00 for the fifth consecutive week, while posting the 13th downtick in the past 14 weeks. The 1Q24 average for on-highway diesel is \$3.85/gallon, down 13% y-y from \$4.41 in 1Q23, and down 10% sequentially from 4Q23's \$4.26.

WTI crude oil futures closed at \$72.17, up 2% from last week's \$70.38. This was the third weekly uptick in four weeks. The 1Q24 average is \$72.00, down 5% from 1Q23's \$76.12 average, and down 8% from 4Q23's \$78.51. We target \$77 and \$80 for 1Q24 and 2024.

Brent crude oil futures closed at \$77.45, up 2% from last week's \$75.89. The 1Q24 average is \$77.34, down 6% from 1Q23 average of \$82.16, and down 7% from 4Q23's average of \$82.85.

The Brent to WTI gap is \$5.28, down from last week's \$5.51. The current spread is down 13% from the 1Q23 avg. of \$6.04.

Natural Gas futures closed at \$3.20 on January 9th, up 24% from \$2.57 last Tuesday. Nat Gas was up for the fourth consecutive week as it surged above \$3.00 following seven weeks below. The 1Q24 average is \$2.88, up 2% from the 1Q23 average of \$2.83.

Exhibit 21: Fuel surcharges

Weekly and Monthly surcharges table

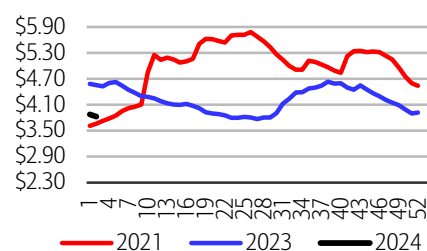
	<u>Week 52</u> <u>12/27/23</u>	<u>Week 1</u> <u>1/3/24</u>	<u>Week 2</u> <u>1/10/24</u>
ARCB - LTL	31.8%	31.4%	30.9%
XPO - LTL	32.8%	33.3%	32.8%
ARCB - TL	63.6%	62.8%	61.8%
XPO - TL	65.5%	66.5%	65.5%
FDX - Express	15.25%	16.50%	16.00%
UPS - Express	18.00%	18.00%	19.50%
FDX - Ground	15.25%	15.50%	15.25%
UPS - Ground	15.50%	15.50%	15.50%
	<u>Nov-23</u>	<u>Dec-23</u>	<u>Jan-24</u>
UP (standard)	\$0.50	\$0.49	\$0.44
y-y % change	-14%	-22%	-31%
UP (coal)	\$0.50	\$0.49	\$0.44
y-y % change	-14%	-22%	-31%
CSX	\$0.65	\$0.63	\$0.57
y-y % change	-13%	-22%	-30%
CPKC	\$0.61	\$0.60	\$0.53
y-y % change	-15%	-22%	-32%

Source: BofA Global Research and company reports.

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Exhibit 22: National Diesel Fuel Prices

Diesel fuel prices: \$3.83 for week 1 of 2024

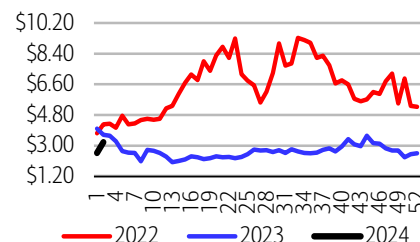


Source: BofA Global Research, DOE, Bloomberg

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Exhibit 23: US Nat Gas Price Per MMBtu.

Futures closed at \$3.20 on January 9th

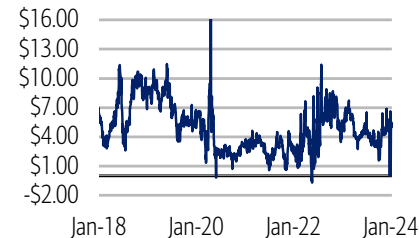


Source: BofA Global Research, DOE, Bloomberg

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Exhibit 24: Brent to WTI Spread

The Brent to WTI gap is \$5.28



Source: BofA Global Research, DOE, Bloomberg

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Exhibit 25: Thermal Coal, Europe Coal 6000kcal CIF ARA ForwardPrice = \$105.25 on January 10th

Source: BofA Global Research and Bloomberg.

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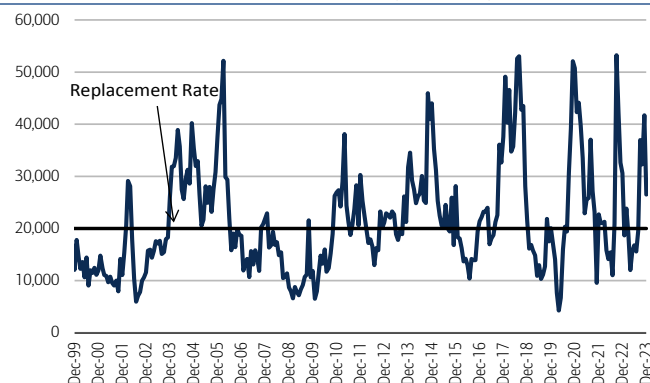
Exhibit 26: Australian Premium Coking Coal FuturesPrice = \$334.00 on January 10th

Source: BofA Global Research and Bloomberg.

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Exhibit 27: Class 8 Truck net orders

Prelim. December Class 8 Net Orders at 26,500 vs 41,732 in November



Source: BofA Global Research estimates and American Commercial Transportation Research (ACT)

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Prelim. December Class 8 Net Orders at 26,500 (from 41,732 in November)

Preliminary Class 8 Net Orders were 26,500 in December, above the 20k replacement level for the fourth consecutive month and fifth time YTD. With the preliminary result, orders totaled at 278,400 this year, compared to 299,400k in 2022. December orders were down 13% year-over-year, reversing November's 28% increase, and on a sequential basis, orders were down 36%, reversing November's 29% increase. Orders are now up 12% from the past 12-month average.

Exhibit 28: Class 8 Truck net orders

Final Class 8 Net Orders at 41,732 in November (Preliminary was 41,700)

CLASS 8 NET ORDERS

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
JAN	49,136	16,105	17,204	42,307	21,041	18,624
FEB	40,271	16,854	14,040	44,190	21,006	23,790
MAR	46,593	15,783	7,632	40,049	21,301	19,010
APR	34,735	14,859	4,251	33,353	15,820	12,016
MAY	35,721	10,886	6,690	23,072	14,081	15,623
JUN	42,213	12,979	16,010	25,824	15,444	16,773
JUL	52,618	10,298	20,359	25,876	11,025	15,573
AUG	53,040	11,119	19,389	37,096	20,892	19,513
SEP	42,781	12,692	30,768	27,323	53,271	36,974
OCT	43,526	21,864	39,089	23,391	42,359	32,287
NOV	28,114	17,483	52,104	9,902	32,630	41,732
DEC	21,381	20,073	50,760	20,651	30,623	
Year Total	490,129	180,995	278,296	353,034	299,493	251,984

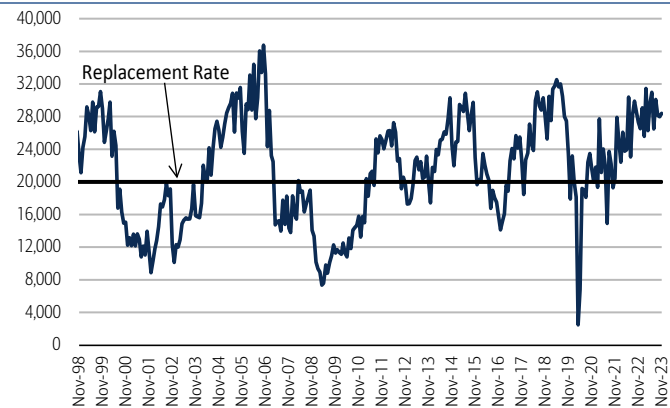
Source: American Commercial Transportation Research (ACT)

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November Class 8 Final Orders at 41,732

Exhibit 29: Class 8 Truck production

Class 8 Truck Production at 28,379 in November

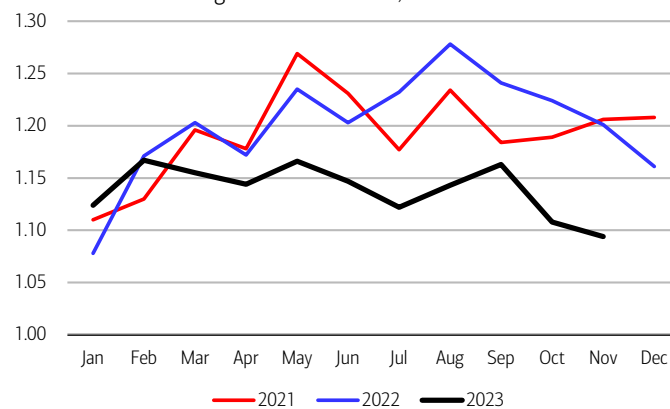


Source: BofA Global Research estimates and American Commercial Transportation Research (ACT)
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Class 8 Truck Production at 28,379 Up 1% Sequentially

Exhibit 30: Cass Freight Shipments Index

November's Cass Freight Index: -8.9% Y-Y, -1.3% M-M



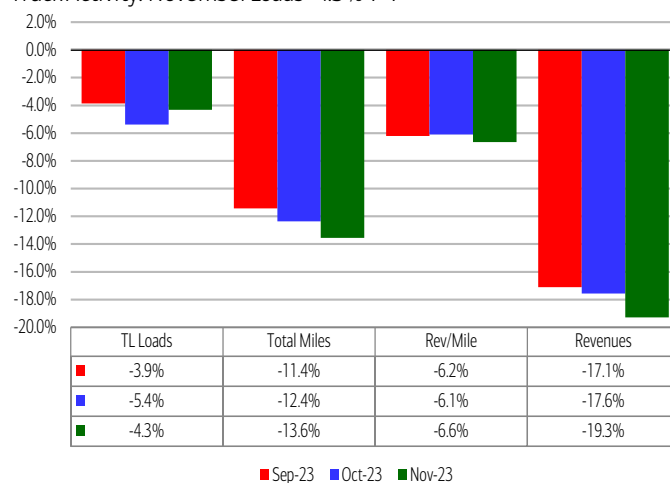
Source: Cass Information Systems, Inc.

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Cass Freight Index: -8.9% Y-Y, -1.3% M-M

Exhibit 31: Truck Activity

Truck Activity: November Loads -4.3% Y-Y



Source: American Trucking Association

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November Total Truck Loads: -4.3% Y-Y

Exhibit 32: Historical ATA Truck Tonnage Index

Preliminary November Truck Tonnage: -1.2% Y-Y, -1.0% M-M



Source: American Trucking Association

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Exhibit 33: Historical ATA Truck Tonnage Index

November Truck Tonnage: -1.5% Y-Y, -1.4% M-M

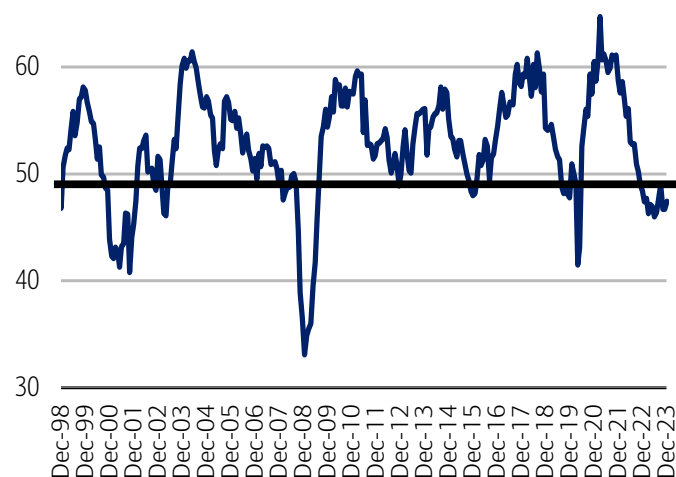
	2017	2018	2019	2020	2021	2022	2023
JAN	103.2	109.5	116.1	117.0	114.2	115.5	117.0
FEB	104.2	111.9	116.1	116.9	112.5	116.1	118.0
MAR	103.5	112.7	116.7	117.9	114.5	118.8	114.7
APR	104.3	111.9	117.6	107.3	113.7	116.5	112.7
MAY	105.0	113.3	117.4	109.7	112.9	117.1	114.1
JUN	103.7	113.8	117.1	111.1	111.3	117.5	113.8
JUL	106.9	113.0	118.3	113.1	110.6	115.8	115.0
AUG	108.2	113.7	119.7	110.9	110.8	118.2	115.2
SEP	108.8	114.7	117.3	111.0	112.7	119.1	113.9
OCT	109.2	116.0	117.9	111.1	113.1	117.6	114.9
NOV	109.9	116.8	116.9	111.8	113.8	114.8	113.3
DEC	111.6	114.7	116.1	113.1	114.9	116.2	
Avg.	106.5	113.5	117.3	112.6	112.9	116.8	114.8

Source: American Trucking Association

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Exhibit 34: ISM Manufacturing Index

December ISM Manufacturing Index 47.4, +0.7 pts.



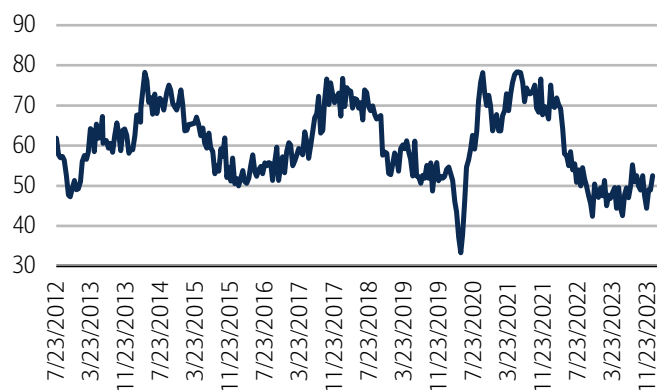
Source: BofA Global Research and Bloomberg.

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Prelim. November Truck Tonnage: -2.1% Y-Y, +1.1% M-M**November Truck Tonnage: -1.5% Y-Y, -1.4% M-M**

The American Trucking Association's (ATA) seasonally adjusted Truck Tonnage index declined 1.5% year-over-year in November, to 113.3, moderating from October's 2.4% decrease. This was the ninth consecutive year-over-year decline for the index. Compared to the preliminary result posted two weeks prior, the index declined 0.4 points. On a sequential basis, tonnage was down 1.4%, reversing October's 0.9% increase.

ISM Manufacturing Index 47.4, +0.7 pts.

Exhibit 35: BofA Truckload Diffusion IndicatorDemand Indicator at 52.4 from 49.0 (bi-weekly Issue #299 on Dec 28th)

Source: BofA Global Research estimates

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BofA TRUCK SHIPPER SURVEY**Survey Says: Demand (52.4)**

This week, our proprietary bi-weekly **BofA Truckload Demand Indicator** for shippers' 0- to 3-month freight demand outlook **increased to 52.4 from 49.0 last survey**. The Demand Indicator moves above 50 for the first time since week of Nov 3, and for the only the 5th time in the past 20 issues. Nevertheless, it remains below the 54.2 average level of the '12, '15, '19 Freight Recession periods, highlighting the still relatively soft backdrop, but ends 2023 on a continued upswing from its recent trough. The Demand Indicator was up 6% year-year, its 8th year-year uptick in the past 10 issues. Rail carloads increased 22% year-year this week, above expectations even given the shift of Christmas day, its 6th uptick in 9 weeks. Dry van spot rates ex-fuel was \$1.39/mile, flat with last week, and remaining nicely above the \$1.21-\$1.26 band it was at between Aug-Oct. Of the respondents, 24% had a positive short-term demand outlook, up from 19% last survey; Neutral outlooks were 56%, down from 58%, and Negative outlooks were 20%, down from 23% last survey. In the week of Dec 28th, we surveyed 41 shippers for views on demand, supply, pricing, inventory.

Inventory falls slightly into end of 2023

The Rate Indicator, or shippers' view on truck rates, decreased to 46.3 from 47.9, down 3% sequentially, as expectations of rate increases fell. **The Inventory Indicator** fell to 52.4 from 53.1 last issue, down 1% sequentially, as shippers see slightly lower inventory levels after the holiday season and into yearend. **The Truck Capacity Indicator**, which measures shippers' views of available truckload capacity, decreased to 64.6 from 68.8 last survey, as shippers see tighter truck capacity.

Exhibit 36: Shippers' 6-12 months outlook for freight demand

L-T Demand Indicator at 58.5, up 10% sequentially

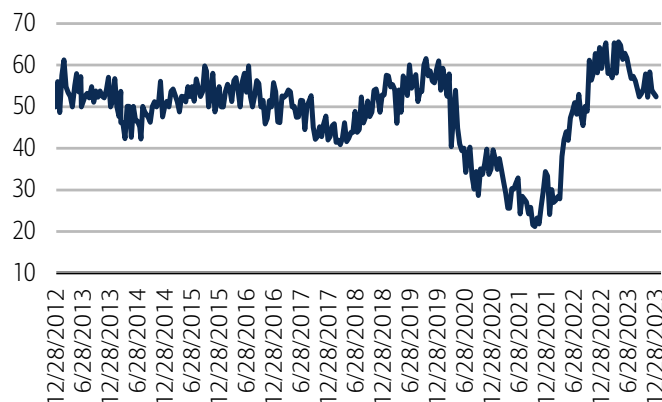


Source: BofA Global Research estimates

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Exhibit 37: Shippers' view of inventory levels

Inventory Indicator at 52.4, down 1% sequentially from last issue.



Source: BofA Global Research estimates

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Rates view remain flat

With respect to rates, 17% of shippers expect rates to fall, flat with last issue, 73% expect flat pricing, from 71% last issue, and 10% expect rates to rise, from 13% last issue. On capacity, 37% expect capacity to rise, from 46% last issue, 56% expect capacity to remain flat, from 46% last issue, 7% expect capacity to be lower, from 8% last issue. **SHIPPER COMMENTS:** A Consumer shipper sees a few factors impacting rates (squeezing higher) during the winter as icy roads and cold temps have an adverse impact on transportation. It believes these effects will drive up the cost of shipping and is always something that plays a part in shipping. (See survey for additional commentary).

Exhibit 38: Shippers' view of Trucking rates over the next 3 months

Rate Indicator at 46.3, -3% sequentially

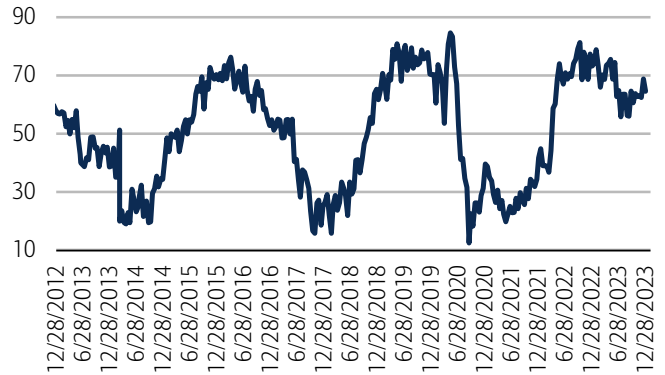


Source: BofA Global Research estimates.

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Exhibit 39: Shippers' view of Capacity over the next 3 months

Capacity Indicator slightly higher at 64.6, down 6% sequentially



Source: BofA Global Research estimates.

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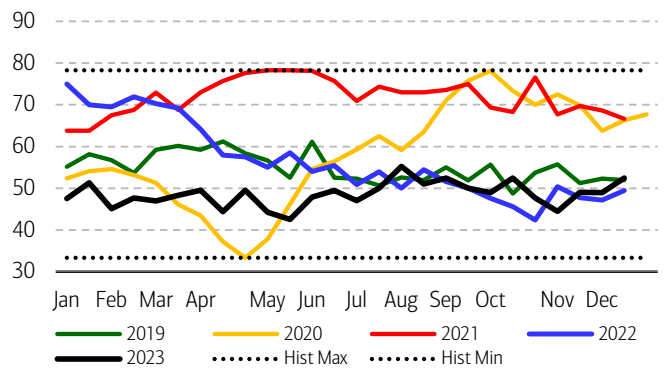
Exhibit 40: BofA Truckload 0-3 month Demand (Diffusion) Indicator

Diffusion indicator month-by-month levels

	2019		2020		2021		2022		2023	
Jan	1/3	55.1	1/2	52.3	1/14	63.8	1/13	75.0	1/12	47.5
	1/17	58.1	1/16	54.1	1/28	63.8	1/27	70.0	1/26	51.3
Feb	1/31	56.7	1/30	54.6	2/11	67.5	2/10	69.5	2/9	45.1
	2/14	53.7	2/13	53.1	2/25	68.8	2/24	71.9	2/23	47.6
Mar	2/28	59.2	2/27	51.3	3/11	72.9	3/10	70.3	3/9	46.9
	3/14	60.1	3/12	46.1	3/25	68.8	3/24	69.2	3/23	48.3
Apr	3/28	59.2	3/26	43.5	4/8	73.0	4/7	64.1	4/6	49.5
	4/11	61.2	4/9	37.2	4/22	75.7	4/21	58.0	4/20	44.4
May	4/25	58.3	4/23	33.3	5/6	77.6	5/5	57.5	5/4	49.5
	5/9	56.6	5/7	37.8	5/20	78.3	5/19	55.0	5/18	44.3
	5/23	52.5	5/21	46.2	6/3	78.3	6/2	58.5	6/1	42.6
Jun	6/6	61.1	6/4	54.6	6/17	78.1	6/16	54.0	6/15	47.9
	6/20	52.5	6/18	56.4	7/1	75.7	6/30	55.5	6/29	49.4
Jul	7/4	52.3	7/2	59.3	7/15	70.9	7/14	50.9	7/13	47.1
	7/18	50.6	7/16	62.5	7/29	74.3	7/28	53.9	7/27	50.0
Aug	8/1	52.6	7/30	59.1	8/12	73.0	8/11	50.0	8/10	55.2
	8/15	51.9	8/13	63.5	8/26	73.0	8/25	54.5	8/24	51.0
Sep	8/29	55.0	8/27	71.1	9/9	73.6	9/8	51.6	9/7	52.4
	9/12	51.9	9/10	75.8	9/23	75.0	9/22	50.0	9/21	50.0
Oct	9/26	55.6	9/24	78.1	10/7	69.4	10/6	47.6	10/5	48.9
	10/10	48.7	10/8	73.3	10/21	68.3	10/20	45.6	10/19	52.5
	10/24	53.8	10/22	70.0	11/4	76.6	11/3	42.4	11/2	47.7
Nov	11/7	55.7	11/5	72.5	11/18	67.7	11/17	50.4	11/16	44.4
	11/21	51.3	11/19	69.9	12/2	69.7	12/1	47.8	11/30	49.0
Dec	12/5	52.3	12/3	63.8	12/16	68.6	12/15	47.2	12/14	49.0
	12/19	51.9	12/17	66.3	12/30	66.7	12/29	49.4	12/28	52.4
			12/31	67.7						

Source: BofA Global Research estimates

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Exhibit 41: Demand (Diffusion) Indicator for 0-3-month demand outlook on stack basis (2019-2023)Demand Indicator to 52.4 (bi-weekly Issue #299 on December 28th)

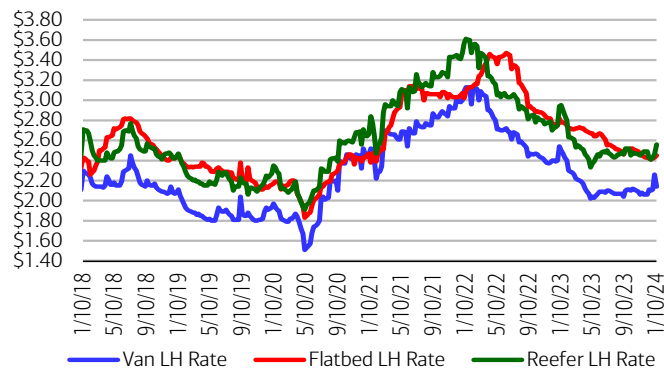
Source: BofA Global Research estimates

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Disclaimer: The indicator identified as BofA Truckload Diffusion Indicator in this report is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This indicator was not created to act as a benchmark.

Exhibit 42: Month-to-Date Run Rate

Van Rate = \$2.14 Flatbed Rate = \$2.45 & Reefer Rate = \$2.56

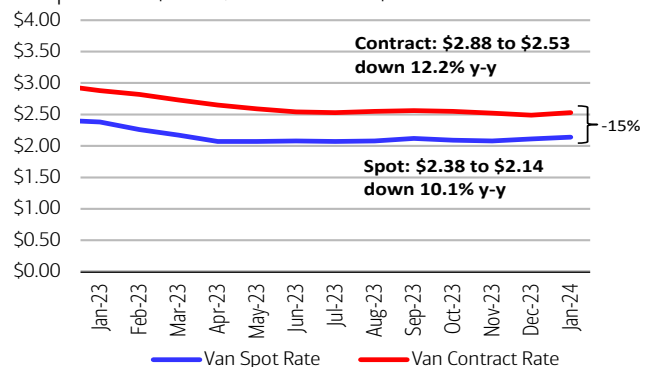


Source: DAT (Dial-A-Truck)

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Exhibit 43: Monthly Van Spot Rate vs. Contract Rate

Van Spot Rate = \$2.14 & Contract Rate = \$2.56



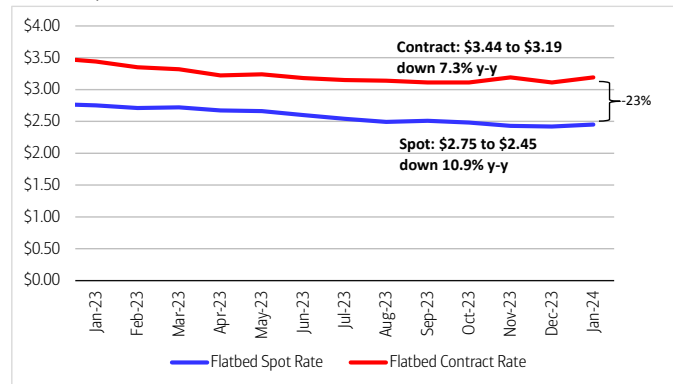
Source: DAT (Dial-A-Truck)

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Exhibit 44: Monthly Flatbed Spot Rate vs. Contract Rate

Flatbed Spot Rate = \$2.45 & Contract Rate = \$3.19

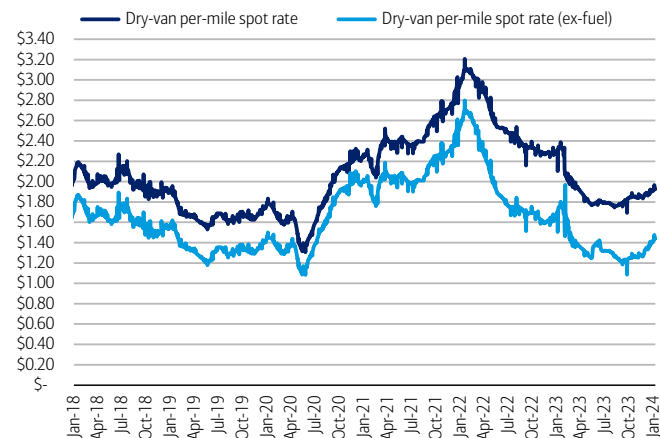


Source: DAT (Dial-A-Truck)

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Exhibit 46: Truckstop.com Spot Rates

Dry-Van Spot = \$1.93 Dry-Van (ex-fuel) = \$1.44

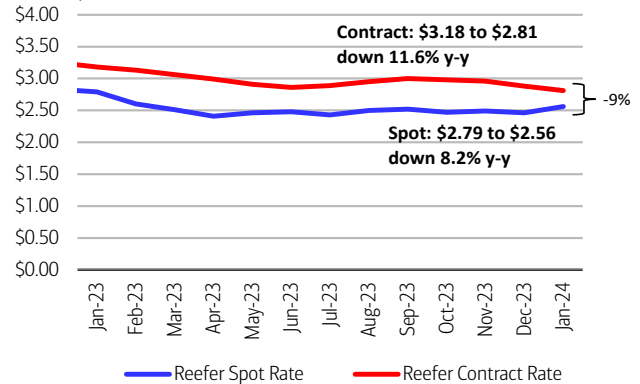


Source: Truckstop.com, Bloomberg

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Exhibit 45: Monthly Reefer Spot Rate vs. Contract Rate

Reefer Spot Rate = \$2.56 & Contract Rate = \$2.81



Source: DAT (Dial-A-Truck)

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TruckStop Spot Rates: Dry-Van Spot = \$1.93, Dry-Van (ex-fuel) = \$1.44

Truckstop.com's Dry van spot rates ex-fuel were \$1.44/mi for the week ending January 10, from \$1.41/mi the prior week (January 3) and are up 2% YTD (from \$1.41/mi on Dec 31).

Truckstop.com's Dry van spot rates (fuel included) were \$1.93/mi for the week ending January 10, from \$1.91/mi the prior week (January 3) and are up 1% YTD (from \$1.91/mi on Dec 31).

Fuel represented \$0.48/mi, down from last week's \$0.50/mi and down from \$0.50 on Dec 31.

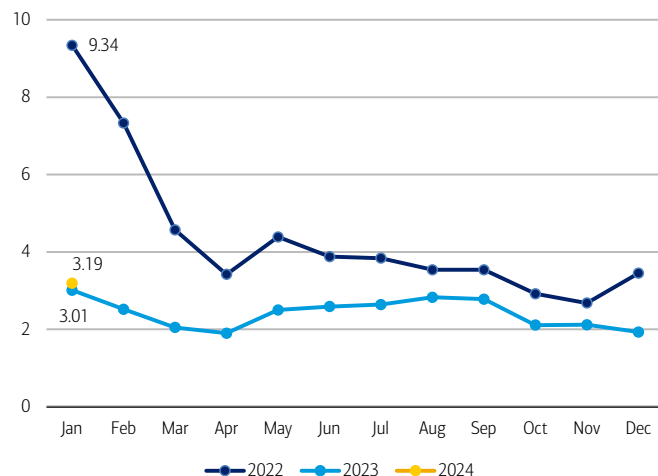
DAT Spot Dry-Van Load/Truck Ratio = 3.19

Weekly Update: DAT's (Dial-a-Truck) dry-van spot load-to-truck ratio was 3.19 for the week ended January 7, up from 2.47 (+30%) the prior week (December 31), and down from 5.56 (-43%) a year prior.

Monthly Update: DAT's (Dial-a-Truck) dry-van spot load-to-truck ratio was 1.93 on average for the month of December, down from 2.12 in November, and down from 3.45 (-44%) a year prior. The Ratio was down year-year for the 23rd consecutive month.

Exhibit 47: Van Load to Truck Ratio

December Load-to-Truck Ratio on average was 1.93, -9% M-M



Source: DAT (Dial-A-Truck), Bloomberg

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Exhibit 48: Top 10 US Ports Loaded Volumes

Top 10 Ports in November: +5.5% Y-Y, LA/LB +23.0% Y-Y

Top 10 U.S. Ports	2023 TEU's	2023 YTD Chg.	Oct-23 Y-Y %	Nov-23 Y-Y %	Oct-23 TEU's	Nov-23 TEU's
Los Angeles (18%)	5,247,091	-8%	16%	25%	493,731	496,374
Long Beach (16%)	4,649,779	-14%	10%	21%	453,373	464,137
Total LA/LB (35% of total US)	9,896,870	-11%	13%	23%	947,104	960,511
New York (17%)	4,844,602	-15%	0%	-5%	492,780	436,302
Savannah (13%)	3,416,871	-12%	-13%	-3%	332,072	318,679
Houston (11%)	2,904,925	-1%	0%	-10%	300,940	254,027
Norfolk (9%)	2,414,135	-7%	2%	6%	238,788	230,047
Seaport Alliance (6%)	1,511,028	-10%	13%	2%	155,388	138,832
Charleston (7%)	1,761,350	-6%	-1%	1%	181,674	157,512
Oakland (5%)	1,432,929	-12%	-2%	1%	142,255	132,648
Maryland (1%)	663,443	2%	4%	n/a	74,764	-
Total Top 10 (91.5% of US)	28,846,153	-8.4%	2.8%	5.5%	5	2,628,558
Vancouver	2,140,771	-2%	-4%	0%	203,535	205,516
Prince Rupert	450,373	-27%	-25%	-27%	41,589	33,894

Source: Ports of Los Angeles, Long Beach, New York, Savannah, Norfolk, Oakland, Houston, Charleston, Vancouver, Maryland, and BofA Global Research estimates

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Exhibit 49: Port of Los Angeles/Long Beach Vessels waiting to dock

On one-week moving average, vessels at anchor and loitering (given new queue system) were 10.4 on 01/10/23 (vs 6.4 on 01/03/23). On day-of basis: 13 vs 4 (includes 13 vs 4 vessels at dock), or 0 vs 0 in queue alone.

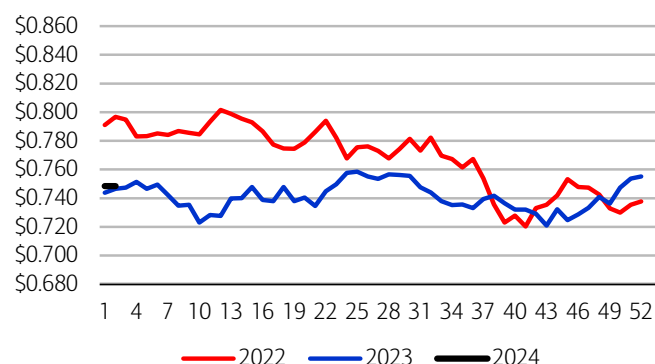


Source: BofA Global Research and Port of LA/Long Beach

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Canadian Dollar and Mexican Peso FX Rates**Exhibit 50: Price of 1 Canadian Dollar in US\$**

1 CAD = 0.748 US\$



Source: Bloomberg

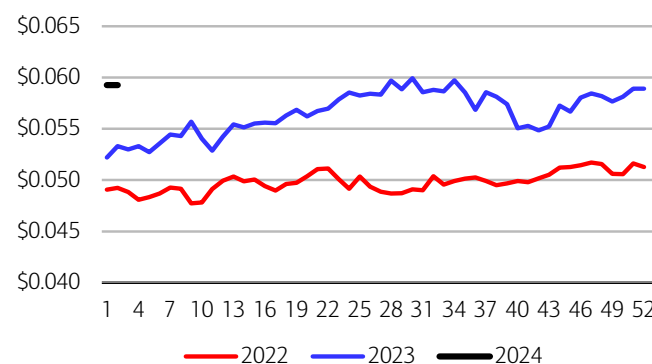
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Top 10 Ports in November: +5.5% Y-Y, LA/LB +23.0% Y-Y

November container volumes were up 5.5% year-year, improving from October's 2.8% increase at 9 of the 10 largest US ports that have reported volumes to-date (Maryland not incl.). Overall Port volumes were up for the third consecutive month, after 12 consecutive downticks. Of the 4 largest US ports, Savannah and New York declined sequentially, while Long Beach and Los Angeles posted upticks. Savannah (Nov: 318.6k, down from Oct: 332.0k) and New York (436.3k, down from 492.7k). Port of LB (Nov: 464.1k, up from Oct: 453.3k) and Port of LA (496.3k, up from 493.7k). Of the 9 of 10 ports reporting to date, only three declined year-year: Houston (-10%), New York (-5%), and Savannah (-3%). This was New York's 14th consecutive decline and Savannah was down for the 10th time over the last 11 months. Both Los Angeles (+25%) and Long Beach (21%) posted their strongest y-y uptick since May 2021. Inclusive of November's increase, overall loaded container volumes year-to-date remain down 8.4% (Maryland not incl.). For the Canadian ports, Vancouver remained flat and Prince Rupert (-27%) declined for the 12th consecutive month.

Port of LA/Long Beach – Ships in queue – 0 on 01/10/24 (from 0 a week prior)**Exhibit 51: Price of 1 Mexican Peso in US\$**

1 MXN = 0.059 US\$

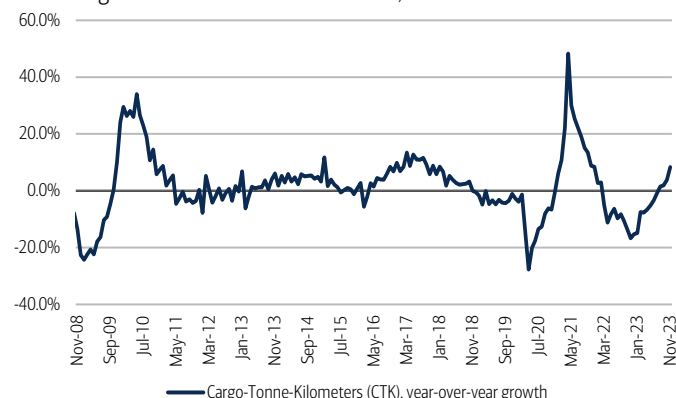


Source: Bloomberg

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Exhibit 52: IATA Volume year-over-year growth

IATA Freight Vols: +8.3% Y-Y in November, North America +1.8%



Source: International Air Transport Association

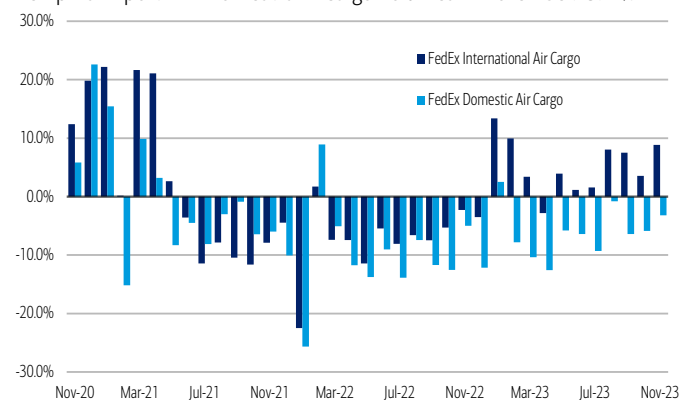
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IATA Freight Vols: +3.8% Y-Y in October, North America -1.8%

Total air freight volumes (both domestic and international) as reported by global air freight carriers to the International Air Transport Association (IATA) were up 8.3% year-over-year in November, improving from October's 3.9% increase. This was the fourth consecutive uptick in volumes, and it's also the strongest uptick since December 2021. IATA remarked that the sustained annual growth in volumes is partially attributed to a weak performance in 2022. The industry now remains 2.5% below pre pandemic levels. All regions were up in November, led by: Asia Pacific (+13.8%), Middle East (+13.5%), Europe (+6.7%), Latin America (+4.2%), Africa (+3.9%), and North America (+1.8%).

Exhibit 53: FedEx Air Cargo Volumes at Memphis International Airport

Memphis Airport FDX Domestic Air Cargo Volumes in November: -3.2 % Y-Y

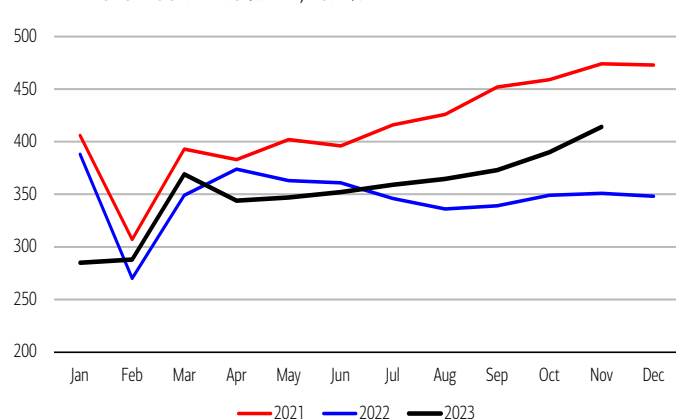


Source: BofA Global Research and Memphis International Airport Statistics

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Memphis Airport FDX Air Cargo Volumes in November: -3.2% Y-Y**Exhibit 54: Hong Kong Airport cargo (000 tons)**

HKIA in November: +17.9% Y-Y, +6.2% M-M



Source: Hong Kong International Airport

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Hong Kong Airport (HKIA): +17.9% Y-Y, +6.2% M-M

Rail Performance Measures

Overall Takeaway: The 3 main service level metrics for Class I Rails improved both on a year-over-year basis and sequentially this week, as Velocity, Cars-On-Line, and Dwell Time all posted upticks. Compared to last year, metrics were up for the 33rd time over the last 36 weeks. NSC (+15.8%) led the group in velocity this week, reversing last week's 11.6% decrease. UNP (+1.2%) trailed the group, posting the lowest upside this week, moderating from last week's 2.8% increase. BNSF has not reported yet.

Velocity (avg. speed of rail network, faster is better): Improved sequentially (+7.0%) and improved year-over-year (+2.8%).

Cars-on-Line (fewer cars-on-line is better): Improved sequentially (-1.9%) and improved year-over-year (-3.3%).

Terminal Dwell (lower is better): Improved sequentially (-19.6%) and improved year-over-year (-5.7%).

Exhibit 55: Rail Performance Metrics

Service levels improved on a year-over-year basis and sequentially

Rail Performance Measures

Velocity (avg. speed of rail network, faster is better)

	2024	2023	2023		
	Week 1	Week 52	Week 1	% Seq Chg	% y-y Chg
(miles per hour)					
CNI	21.3	19.9	20.9	7.0%	1.9%
CPKC	19.0	17.3	17.4	9.8%	9.2%
CSX	19.3	18.6	18.4	3.8%	4.9%
NSC	22.0	19.0	22.8	15.8%	-3.5%
UNP	26.3	26.0	25.5	1.2%	3.1%
BNSF (1)	28.0	28.0	26.9	0.0%	4.1%
Average	21.6	20.2	21.0	7.0%	2.8%

% Seq Chg	% y-y Chg
-----------	-----------

Faster
7.0%

Faster
2.8%

Cars On Line (fewer cars-on-line is better)

	2024	2023	2023		
	Week 1	Week 52	Week 1	% Seq Chg	% y-y Chg
(no. of cars)					
CNI	72,083	76,188	79,872	-5.4%	-9.8%
CPKC	85,656	90,177	97,289	-5.0%	-12.0%
CSX	120,372	123,282	125,993	-2.4%	-4.5%
NSC	169,696	170,447	167,016	-0.4%	1.6%
UNP	299,494	301,801	302,394	-0.8%	-1.0%
BNSF (1)	245,889	245,889	249,806	0.0%	-1.6%
Average	149,460	152,379	154,513	-1.9%	-3.3%

Better
-1.9%

Better
-3.3%

Terminal Dwell Time (lower is better)

	2024	2023	2023		
	Week 1	Week 52	Week 1	% Seq Chg	% y-y Chg
(time in hours)					
CNI	6.3	7.6	6.7	-17.1%	-6.0%
CPKC	9.0	10.3	10.7	-12.6%	-15.9%
CSX	9.9	12.6	9.5	-21.4%	4.2%
NSC	24.0	32.1	24.4	-25.2%	-1.6%
UNP	21.3	25.1	23.5	-15.1%	-9.4%
BNSF (1)	28.6	28.6	35.2	0.0%	-18.8%
Average	14.1	17.5	15.0	-19.6%	-5.7%

Better
-19.6%

Better
-5.7%

(1): Due the BNSF reporting schedule the reported data is delayed by one week and not included on the averages.

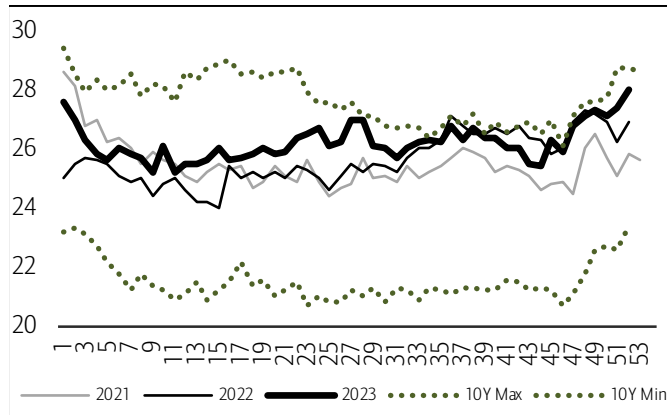
Source: BofA Global Research, company reports

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Weekly Rail Velocity Monitor

Exhibit 56: BNSF Velocity

BNSF velocity was 28.0 mph for week 52

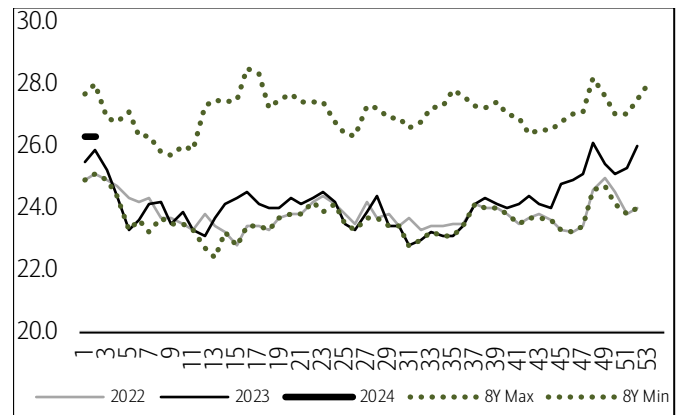


Source: Company reports, and Association of American Railroads.

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Exhibit 57: Union Pacific Velocity

UNP velocity was 26.3 mph for week 1



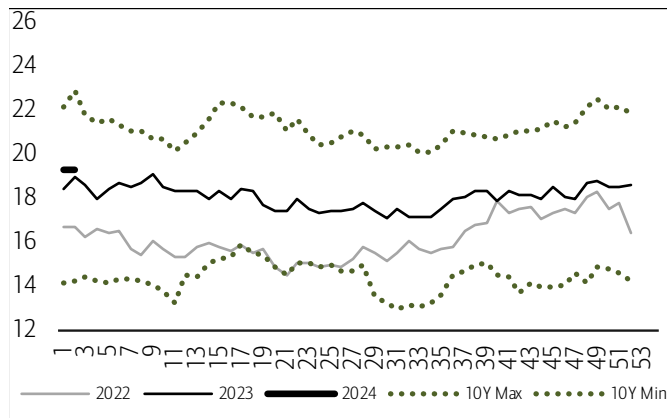
Source: Company reports, and Association of American Railroads.

UNP restated performance metrics, historical data available from 03/24/17

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Exhibit 58: CSX Velocity

CSX velocity was 19.3 mph for week 1



Source: Company reports, and Association of American Railroads.

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Exhibit 59: Norfolk Southern Velocity

NSC velocity was 22.0 mph for week 1

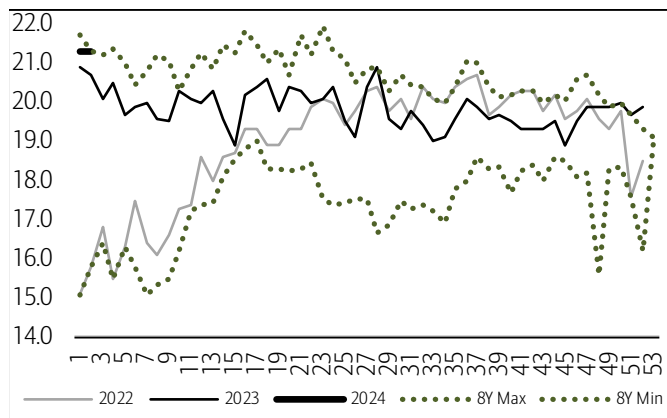


Source: Company reports, and Association of American Railroads.

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Exhibit 60: Canadian National Velocity

CNI velocity was 21.3 mph for week 1



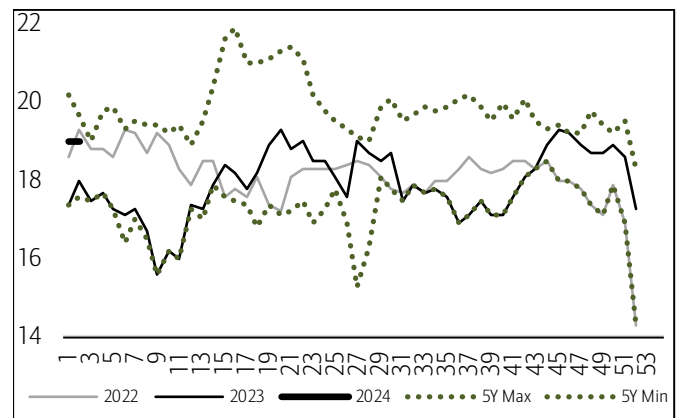
Source: Company reports, and Association of American Railroads.

CNI restated performance metrics, historical data available from 2017

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Exhibit 61: Canadian Pacific Kansas City Velocity

CPKC velocity was 19.0 mph for week 1



Source: Company reports, and Association of American Railroads.

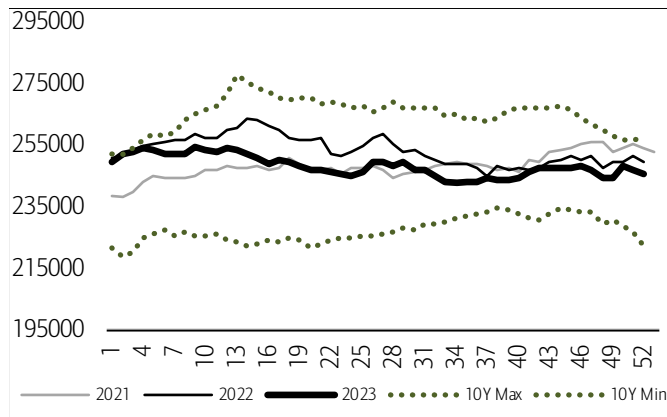
CPKC restated performance metrics, historical data available from 2020

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Weekly Cars On-Line Monitor

Exhibit 62: BNSF Cars-On-Line

BNSF cars on line were 245,889 for week 52

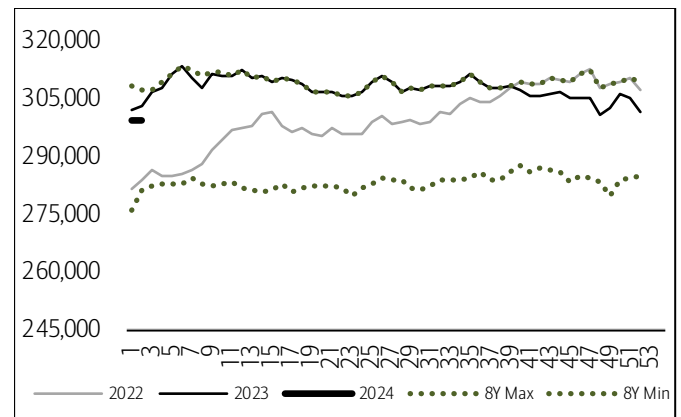


Source: Company reports, and Association of American Railroads.

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Exhibit 63: Union Pacific Cars-On-Line

UNP cars on line were 299,494 for week 1



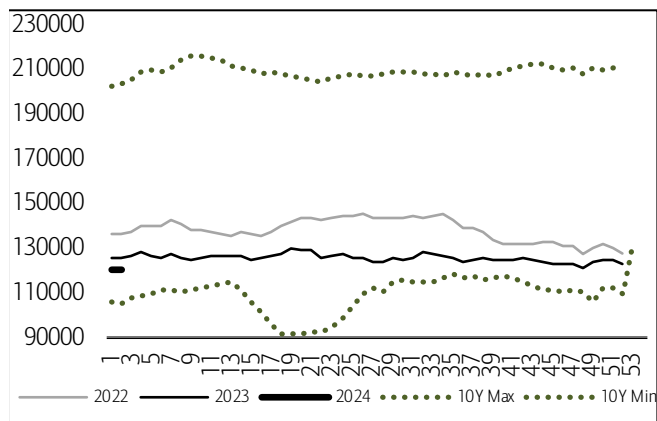
Source: Company reports, and Association of American Railroads.

UNP restated performance metrics, historical data available from 03/24/17

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Exhibit 64: CSX Cars-On-Line

CSX cars on line were 120,372 for week 1



Source: Company reports, and Association of American Railroads.

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Exhibit 65: Norfolk Southern Cars-On-Line

NSC cars on line were 169,696 for week 1

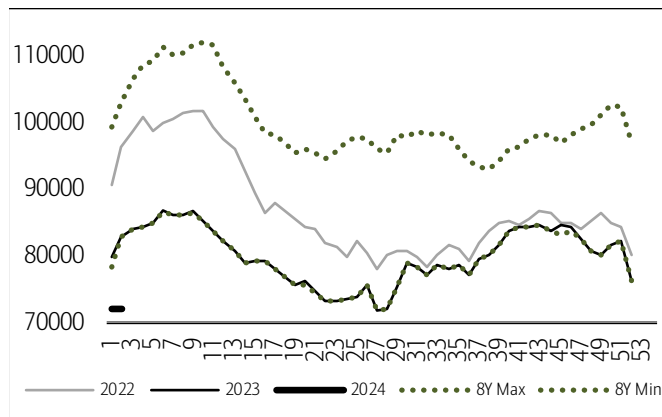


Source: Company reports, and Association of American Railroads.

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Exhibit 66: Canadian National Cars-On-Line

CNI cars on line were 72,083 for week 1



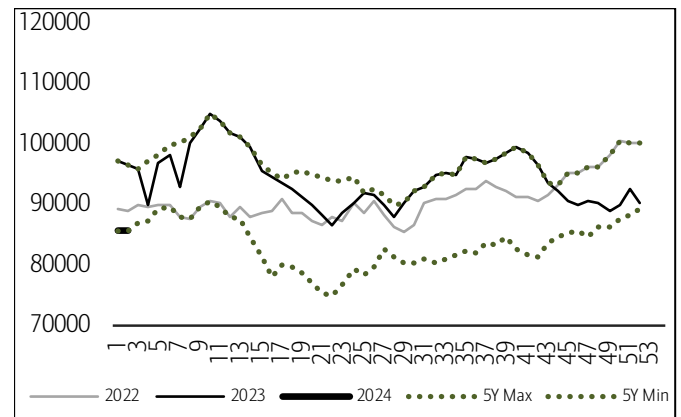
Source: Company reports, and Association of American Railroads.

CNI restated performance metrics, historical data available from 2017

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Exhibit 67: Canadian Pacific Kansas City Cars-On-Line

CPKC cars on line were 85,656 for week 1



Source: Company reports, and Association of American Railroads.

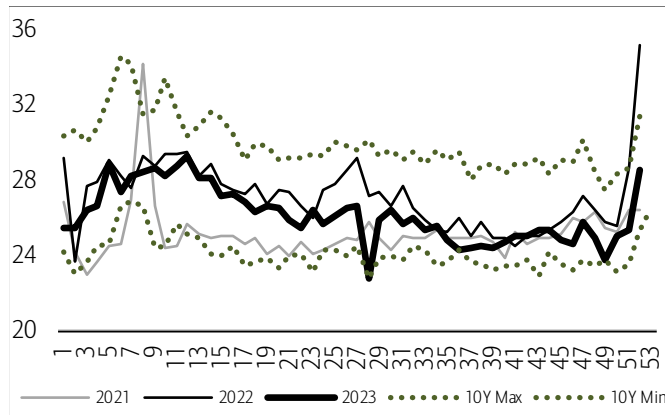
CPKC restated performance metrics, historical data available from 2020

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Weekly Dwell Time Monitor

Exhibit 68: BNSF Dwell Time

BNSF dwell time was 28.6 hrs for week 52

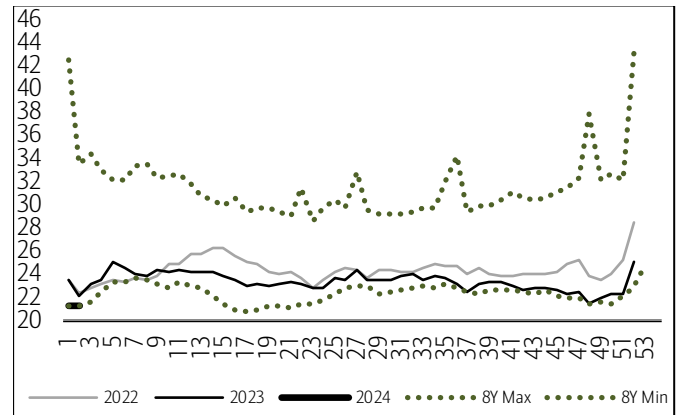


Source: Company reports, and Association of American Railroads.

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Exhibit 69: Union Pacific Dwell Time

UNP dwell time was 21.3 hrs for week 1



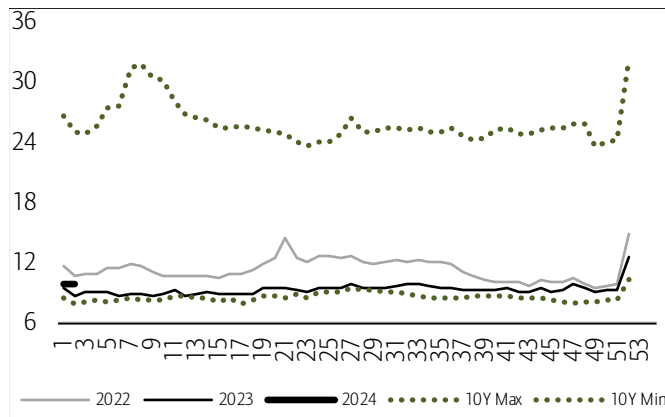
Source: Company reports, and Association of American Railroads.

UNP restated performance metrics, historical data available from 03/24/17

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Exhibit 70: CSX Dwell Time

CSX dwell time was 9.9 hrs for week 1

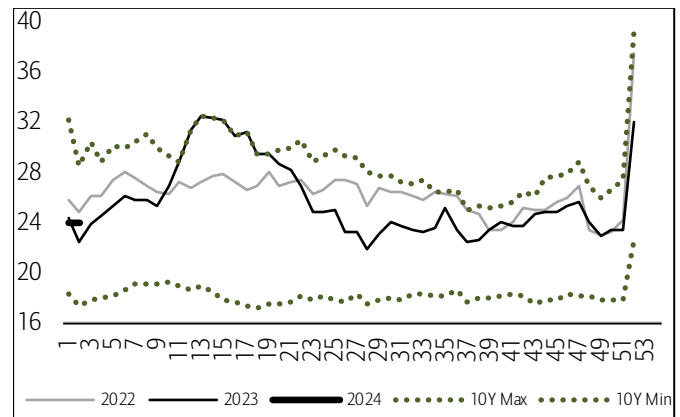


Source: Company reports, and Association of American Railroads.

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Exhibit 71: Norfolk Southern Dwell Time

NSC dwell time was 24.0 hrs for week 1

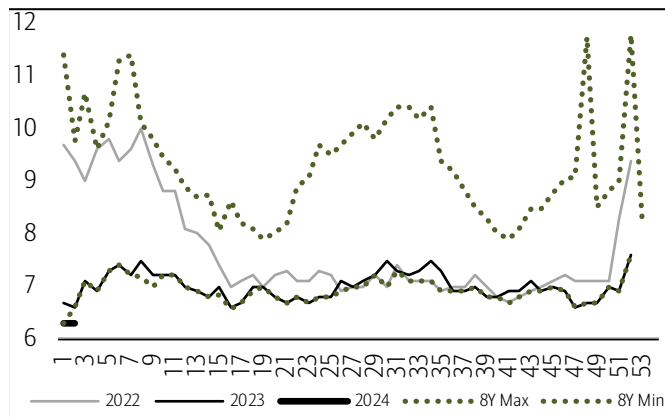


Source: Company reports, and Association of American Railroads.

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Exhibit 72: Canadian National Dwell Time

CNI dwell time was 6.3 hrs for week 1



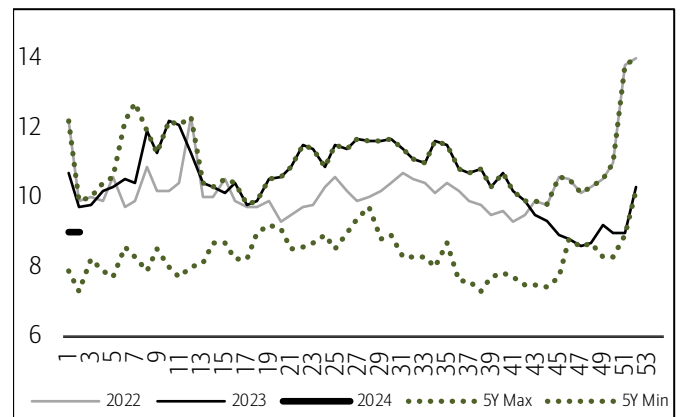
Source: Company reports, and Association of American Railroads.

CNI restated performance metrics, historical data available from 2017

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Exhibit 73: Canadian Pacific Kansas City Dwell Time

CPKC dwell time was 9.0 hrs for week 1



Source: Company reports, and Association of American Railroads.

CPKC restated performance metrics, historical data available from 2020

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Less-than-Truckload Data Update and Rail Employment

Exhibit 74: Less-than-Truckload Tons/Day Y-Y%

LTL Tons/Day is down 0.9% on avg y-y in Nov. (among peers that disclose)

	ODFL	YELL	ARCB	SAIA	XPO
Nov-22	-8.6%	-24.8%	-3.0%	-7.7%	
Dec-22	-11.5%	-27.1%	-9.4%	-13.2%	
Jan-23	-7.8%	-17.2%	1.6%	-3.7%	2.8%
Feb-23	-12.4%	1.3%	2.1%	-7.6%	-2.0%
Mar-23	-15.8%	-16.9%	4.3%	-5.2%	-5.5%
Apr-23	-14.5%	-16.4%	1.3%	-1.1%	-2.0%
May-23	-14.4%	-16.3%	2.0%	-2.0%	-2.3%
Jun-23	-13.3%	-18.3%	-0.2%	-2.2%	-4.0%
Jul-23	-11.1%		-5.2%	3.4%	4.2%
Aug-23	-6.0%		-7.1%	6.8%	3.3%
Sep-23	-3.7%		-6.6%	9.7%	2.2%
Oct-23	-1.9%		-4.0%	7.8%	2.5%
Nov-23	-2.3%		-10.0%	9.2%	-0.4%

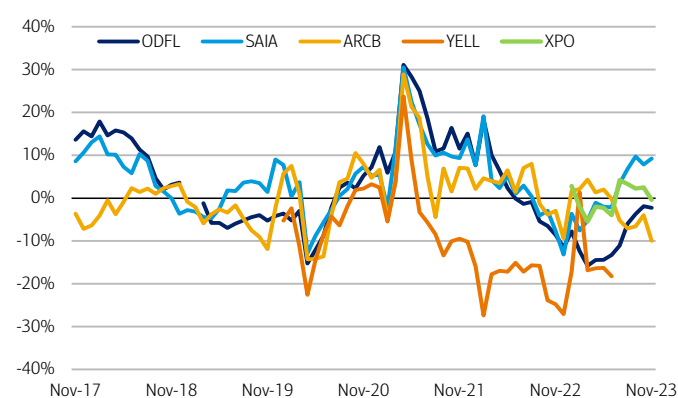
No data provided (BofA quarterly average)

Source: BofA Global Research estimates and company reports

BofA GLOBAL RESEARCH

Exhibit 75: Less-than-Truckload Tons/Day Y-Y%

LTL Tons/Day is down 0.9% on avg y-y in Nov. (among peers that disclose)



Source: BofA Global Research estimates and company reports

BofA GLOBAL RESEARCH

Exhibit 76: Less-than-Truckload Shipments/Day Y-Y%

Shipments/Day is up 2.9% on avg y-y in Nov. (among peers that disclose)

	ODFL	YELL	ARCB	SAIA	XPO	FDX
Nov-22	-7.3%	-23.2%	4.0%	-8.6%		-11.0%
Dec-22	-10.9%	-25.0%	-3.2%	-12.3%		-11.0%
Jan-23	-5.9%	-18.1%	7.1%	-4.0%	5.0%	-10.0%
Feb-23	-10.1%	-2.5%	9.5%	-7.6%	1.1%	-14.0%
Mar-23	-12.9%	-19.3%	7.3%	-9.4%	-0.5%	-19.0%
Apr-23	-11.8%	-15.4%	4.7%	-5.7%	3.1%	-17.0%
May-23	-11.4%	-13.8%	2.0%	-4.2%	1.8%	-17.0%
Jun-23	-11.2%	-16.4%	5.4%	-1.8%	0.9%	-16.0%
Jul-23	-8.5%		1.4%	6.0%	8.8%	-14.0%
Aug-23	-1.2%		2.1%	14.2%	8.3%	-8.0%
Sep-23	1.0%		0.9%	16.3%	6.6%	-6.0%
Oct-23	2.7%		3.7%	18.0%	6.2%	-5.0%
Nov-23	0.6%		-5.0%	18.9%	3.8%	-4.0%

No data provided (BofA quarterly average)

Source: BofA Global Research estimates and company reports

BofA GLOBAL RESEARCH

Exhibit 77: STB employment data

November STB employment: 122,356, up 2.9% Y-Y



Source: STB

BofA GLOBAL RESEARCH

Exhibit 78: STB quarter to date data vs BofAe labor estimates

Data as of November 2023

	2023 4Q Avg #	4Q Avg. chg. %	BofAe	Diff	4Q Vols
UNP	33,165	0.6%	1.5%	-0.9%	1.8%
CSX	19,176	5.7%	3.3%	2.4%	0.1%
NSC	20,666	6.6%	7.0%	-0.4%	2.6%
CN	6,551	3.0%	4.6%	-1.6%	-3.8%
CP	2,914	1.1%	1.0%	0.1%	0.2%
KSU	2,925	-0.7%	-	-	-
BNSF	36,978	2.2%	-	-	-
Total	122,375	3.0%	-	-	-

Note: Monthly average quarter-to-date; 4Q Volumes are estimates

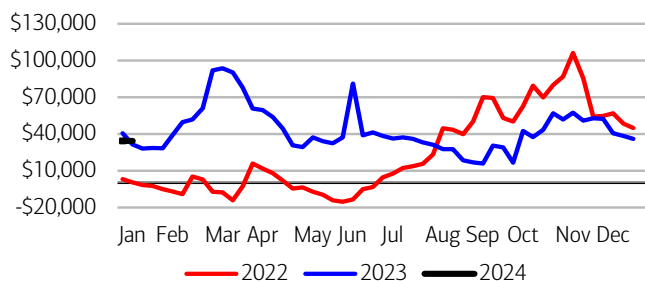
Source: STB, BofA Global Research estimates

BofA GLOBAL RESEARCH

Weekly Shipping Rates

Exhibit 79: VLCC Spot Rates

VLCC Spot Rates at \$34,268 as of 01/05/2024

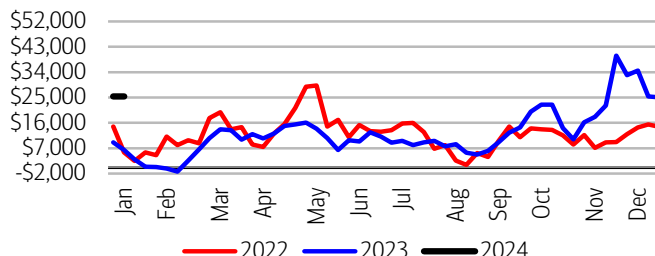


Source: BoFA Global Research and Clarksons

BoFA GLOBAL RESEARCH

Exhibit 80: Capesize spot Rates

Capesize Spot rates at \$25,371 as of 01/05/2024

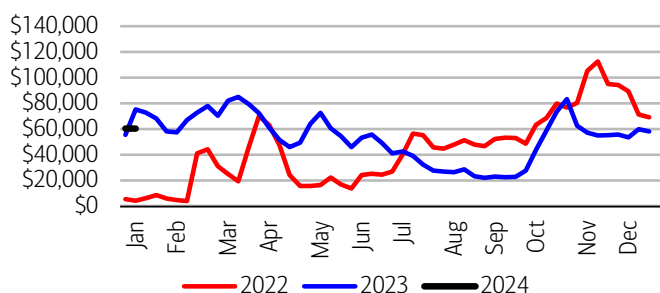


Source: BoFA Global Research and Clarksons

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Exhibit 81: Suezmax Spot Rates

Suezmax Spot Rates at \$60,307 as of 01/05/2024

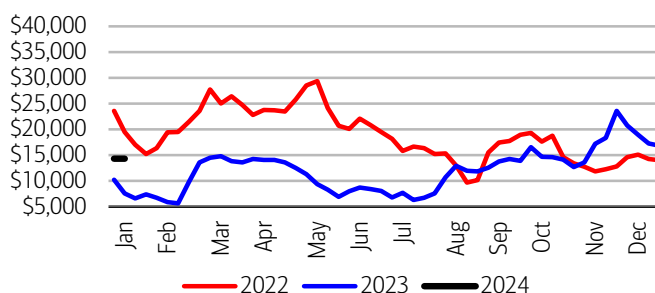


Source: BoFA Global Research and Clarksons

BoFA GLOBAL RESEARCH

Exhibit 82: Panamax Spot Rates

Panamax Spot Rates at \$14,317 as of 01/05/2024

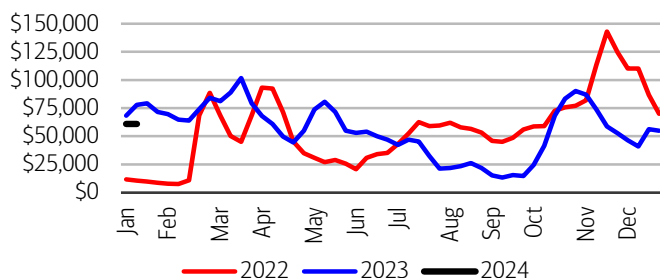


Source: BoFA Global Research and Clarksons

BoFA GLOBAL RESEARCH

Exhibit 83: Aframax Spot Rates

Aframax Spot Rates \$60,856 as of 01/05/2024

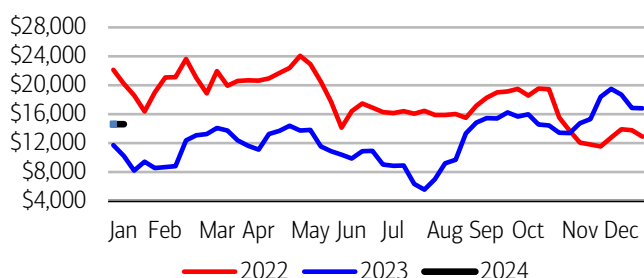


Source: BoFA Global Research and Clarksons

BoFA GLOBAL RESEARCH

Exhibit 84: Supramax Spot Rates

Supramax Spot Rates at \$14,615 as of 01/05/2024

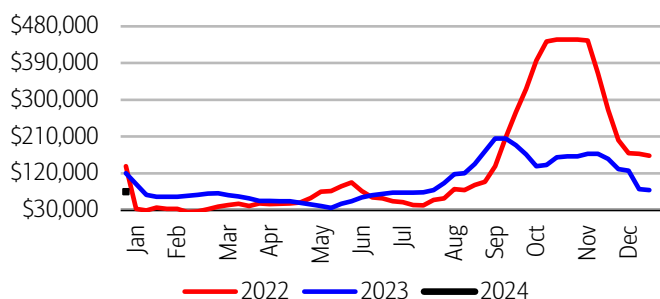


Source: BoFA Global Research and Clarksons

BoFA GLOBAL RESEARCH

Exhibit 85: LNG TFDE Spot Rates

LNG TFDE Spot Rates at \$75,000 as of 01/05/2024



Source: BoFA Global Research and Clarksons

BoFA GLOBAL RESEARCH

Exhibit 86: Yearly and Quarterly Gas Carrier Rate Data

LNG Carrier Rate is up 1QTD while down YTD

Gas Carrier	1QTD Average	2024 YTD Avg.	Orderbook % of Fleet
LNG TFDE	\$75,000	\$75,000	76%
% chg. Y-Y	5%	-23%	

Source: Clarkson

BoFA GLOBAL RESEARCH



Exhibit 87: Yearly and Quarterly Tanker Rate Data

Tanker Rates are down 1QTD, but mixed YTD

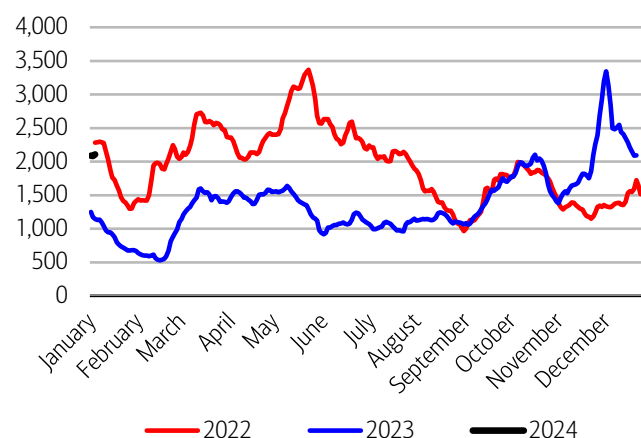
Tanker	1QTD Average	2024 YTD Avg.	Orderbook % of Fleet
VLCC	\$34,268	\$34,268	2%
% chg. Y-Y	-37%	-21%	
Suezmax	\$60,307	\$60,307	5%
% chg. Y-Y	-15%	13%	
Aframax	\$60,856	\$60,856	11%
% chg. Y-Y	-21%	10%	

Source: Clarkson

BofA GLOBAL RESEARCH

Exhibit 89: Baltic Dry Index

Baltic Dry Index is at 2,110 as of 01/05/2024

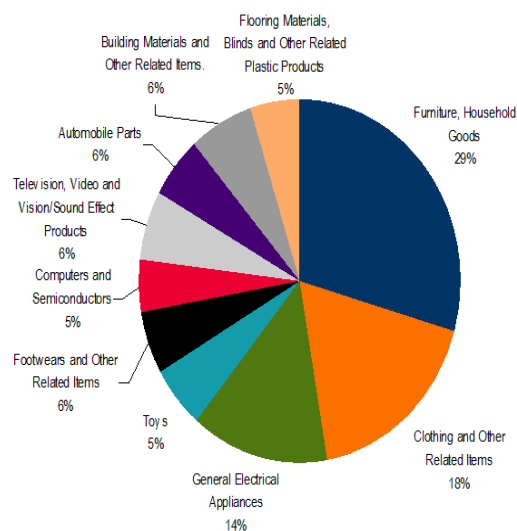


Source: Bloomberg

BofA GLOBAL RESEARCH

Exhibit 91: Container Breakdown by Commodity

Furniture, Household & Goods represents almost 30%



Source: OOCL, BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 88: Yearly and Quarterly Dry Bulk Rate Data

Dry Bulk Rates are up 1QTD and YTD

Dry Bulk	1QTD Average	2024 YTD Avg.	Orderbook % of Fleet
Capesize	\$25,371	\$25,371	5%
% chg. Y-Y	342%	104%	
Panamax	\$14,317	\$14,317	9%
% chg. Y-Y	43%	19%	
Supramax	\$14,615	\$14,615	8%
% chg. Y-Y	32%	17%	

Source: Clarkson

BofA GLOBAL RESEARCH

Exhibit 90: Shipping Rates

Shipping Rates are mixed year-over-year

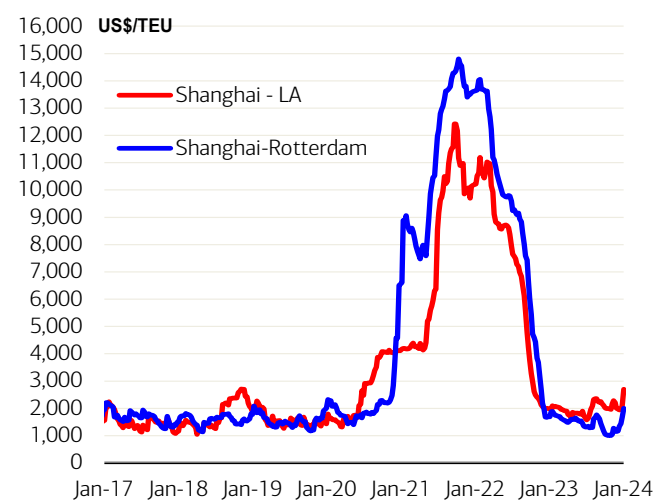
	Current Wk 01/05/24	Prior Wk 12/29/23	YOY Wk 01/06/23	Seq % Change	YOY % Change
Vessel Type					
VLCC	\$34,268	\$35,878	\$40,565	-4.5%	-15.5%
Suezmax	\$60,307	\$58,234	\$55,587	3.6%	8.5%
Aframax	\$60,856	\$54,777	\$68,227	11.1%	-10.8%
LNG TFDE	\$75,000	\$78,750	\$120,000	-4.8%	-37.5%
Baltic Dry Index	2,110	2,094	1,130	0.8%	86.7%

Source: Bloomberg and Clarkson

BofA GLOBAL RESEARCH

Exhibit 92: Container Rates – Shanghai Containerized Freight Index (SCFI)

Shanghai – LA and Shanghai – Rotterdam are up year-over-year



Source: Chinese Shipping, and BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 93: Railroads Comp Sheet

Data as of 01/10/2024

			Share	Shares	Mkt Cap	Net Debt	EV	EPS				Forward P/E			EBITDA (\$ bil)			Forward EV/EBITDA			
		QRQ		Out.				BofA	BofA	BofA	Cons.										
Company	Ticker	Price		(mil.)	(\$ bil.)	(\$ bil.)	(\$ bil.)	2022a	2023e	2024e	2024e	2022a	2023e	2024e	2022a	2023e	2024e	2022a	2023e	2024e	
Canadian National	CNI	B-2-7	\$124.35	646	\$80.3	\$13.4	\$93.7	\$5.75	\$5.36	\$6.08	\$5.99	21.6x	23.2x	20.4x	\$6.61	\$6.19	\$6.74	14.2x	15.1x	13.9x	
Canadian Pacific	CP	B-1-7	\$78.91	932	\$73.5	\$17.6	\$91.1	\$2.89	\$2.80	\$3.23	\$3.31	27.3x	28.2x	24.5x	\$4.92	\$4.98	\$5.54	18.5x	18.3x	16.5x	
CSX Corporation	CSX	B-1-7	\$34.70	1976	\$68.6	\$17.0	\$85.6	\$1.91	\$1.82	\$2.00	\$1.98	18.2x	19.1x	17.4x	\$7.42	\$7.08	\$7.39	11.5x	12.1x	11.6x	
Norfolk Southern	NSC	B-1-7	\$228.85	226	\$51.8	\$15.1	\$66.8	\$13.60	\$11.75	\$13.00	\$12.88	16.8x	19.5x	17.6x	\$6.12	\$5.31	\$5.85	10.9x	12.6x	11.4x	
Union Pacific	UNP	B-1-7	\$239.00	610	\$145.7	\$32.1	\$177.8	\$11.23	\$10.11	\$11.50	\$11.36	21.3x	23.6x	20.8x	\$12.26	\$11.32	\$12.47	14.5x	15.7x	14.3x	
												21.0x	22.7x	20.1x				13.9x	14.8x	13.5x	
2024Q1EPS								Revenue		2023Q3	Net	ROIC			Total Return (w/reinvested dividends)					Dividend	
		est.	Δ to	EPS Growth			YoY	Growth	Op.	Debt/											
Company		BofA	Cons.	Street	1yr	3yr	5yr	3Q2023	1yr	5yr	Ratio	EBITDA	1yr	1 week	YTD	1yr	3yr	5yr	Annual	Yield	
Canadian National		\$1.36	\$1.36	0%	4%	11%	6%	18%	4%	2%	62%	2.2x	9.6%	-1%	-1%	4%	4%	11%	\$3.11	1.9%	
Canadian Pacific		\$0.77	\$0.75	2%	-1%	8%	1%	65%	17%	15%	61%	3.8x	12.1%	0%	0%	4%	2%	17%	\$0.77	0.7%	
CSX Corporation		\$0.45	\$0.46	-2%	3%	88%	6%	19%	1%	4%	64%	2.4x	9.3%	0%	0%	9%	4%	11%	\$0.44	1.3%	
Norfolk Southern		\$3.08	\$2.96	4%	-33%	15%	2%	14%	0%	1%	69%	3.3x	7.6%	-2%	-3%	-8%	-1%	9%	\$5.40	2.4%	
Union Pacific		\$2.60	\$2.61	0%	-7%	11%	4%	14%	-1%	1%	63%	3.0x	10.5%	-1%	-3%	15%	5%	11%	\$5.20	2.2%	
												64%	2.9x	10%	-1%	-1%	5%	3%	12%		

Source: BofA Global Research estimates, Company reports, Bloomberg (for stocks not covered by BofA Global Research)

BofA GLOBAL RESEARCH

Exhibit 94: Intermodal/Container Lessors Comp Sheet

Data as of 01/10/2024

		EPS																					
		Share	Shares	Mkt Cap	Net Debt	EV	EPS				Forward			P/E			EBITDA (\$ bil)			Forward EV/EBITDA			
		QRQ	Out.					BofA	BofA	BofA	Cons												
Company	Ticker	Price	(mil.)	(\$ bil.)	(\$ bil.)	(\$ bil.)		2022a	2023e	2024e	2024e	2022a	2023e	2024e	2022a	2023e	2024e	2022a	2023e	2024e	2022a	2023e	2024e
J.B. Hunt Transp.	JBHT	B-1-7	\$192.97	103	\$19.9	\$1.4	\$21.3	\$9.79	\$7.05	\$8.75	\$8.08	19.7x	27.4x	22.1x	\$2.06	\$1.77	\$2.05	10.3x	12.0x	10.4x			
Textainer Group	TGH	n/a	\$49.42	41	\$2.0	\$4.9	\$6.9	n/a	\$4.55	n/a	\$4.87	8.1x	10.9x	10.1x	\$0.75	\$0.65	\$0.65	9.2x	10.6x	10.6x			
Hub Group Inc	HUBG	n/a	\$87.71	31	\$2.8	\$0.2	\$2.9	n/a	\$5.36	n/a	\$5.44	8.3x	16.4x	16.1x	\$0.62	\$0.38	\$0.38	4.7x	7.6x	7.6x			
												12.0x	18.2x	16.1x				8.1x	10.1x	9.5x			
2024Q1EPS																							
		est.	Δ to	EPS Growth				Revenue Growth		2023Q3	Net	ROIC			Total Return (w/reinvested dividends)					Dividend			
Company		BofA	Cons.	Street	1yr	3yr	5yr	3Q2023	1yr	5yr	Op. Ratio	Debt/EBITDA	1yr	1 week	YTD	1yr	3yr	5yr	Annual	Yield			
J.B. Hunt Transp.		\$1.85	\$1.66	11%	-22%	26%	13%	22%	-10%	9%	92%	0.8x	12%	1%	-3%	11%	10%	16%	\$1.68	0.9%			
Textainer Group		n/a	\$1.14	-1%	118%	176%	7%	7%	-2%	8%	54%	7.1x	6%	0%	0%	58%	40%	35%	\$1.20	2.4%			
Hub Group Inc		n/a	\$1.01	-36%	70%	6%	26%	26%	-15%	3%	96%	0.3x	18%	-2%	-5%	11%	14%	16%	--	--			
												81%	2.7x	12%	-1%	-3%	27%	22%	22%				

Source: BofA Global Research estimates, Company reports, Bloomberg (for stocks not covered by BofA Global Research)

BofA GLOBAL RESEARCH

Exhibit 95: Less-than-Truckload (LTL) Comp Sheet

Data as of 01/10/2024

			Share	Shares	Mkt Cap	Net Debt	EV	EPS				Forward P/E			EBITDA (\$ bil)			Forward EV/EBITDA						
Company	Ticker	QRQ	Price	Out. (mil.)	(\$ bil.)	(\$ bil.)	(\$ bil.)	BofA	BofA	BofA	Cons.	2022a	2023e	2024e	2022a	2023e	2024e	2022a	2023e	2024e				
Arcbest Corp	ARCB	C-3-7	\$118.69	24	\$2.8	\$0.0	\$2.8	\$13.63	\$7.65	\$10.40	\$10.19	8.7x	15.5x	11.4x	\$0.58	\$0.36	\$0.45	4.8x	7.8x	6.2x				
Old Dominion	ODFL	B-1-7	\$391.02	109	\$42.7	(\$0.1)	\$42.5	\$12.18	\$11.17	\$13.15	\$13.26	32.1x	35.0x	29.7x	\$2.10	\$1.96	\$2.24	20.2x	21.7x	19.0x				
Saia Inc	SAIA	B-1-9	\$435.98	27	\$11.6	(\$0.1)	\$11.5	\$13.40	\$13.11	\$16.10	\$16.03	32.5x	33.3x	27.1x	\$0.63	\$0.64	\$0.76	18.3x	17.9x	15.1x				
TFI Int'l	TFII	B-2-7	\$133.74	85	\$11.3	\$1.8	\$13.1	\$8.02	\$6.34	\$8.25	\$7.70	16.7x	21.1x	16.2x	\$1.13	\$0.91	\$1.13	11.6x	14.5x	11.6x				
XPO, Inc.	XPO	C-1-9	\$85.12	116	\$9.9	\$2.9	\$12.7	\$3.53	\$2.77	\$3.30	\$3.40	24.1x	30.7x	25.8x	\$0.66	\$0.64	\$0.79	19.3x	19.9x	16.1x				
												22.8x	27.1x	22.0x				14.8x	16.4x	13.6x				
2024Q1EPS										2023Q3		ROIC		Total Return (w/reinvested dividends)					Dividend					
Company		est.	Δ to	EPS Growth			Revenue Growth			Op.	Net Debt/		1 year			YTD			1 year	3 year	5 year	Annual	Yield	
		BofA	Cons.	Street	1yr	3yr	5yr	3Q2023	1yr	5yr	Ratio	EBITDA	1yr	1 week	1 year	3 year	5 year	1 year	3 year	5 year	1 year	Yield		
Arcbest Corp		\$2.28	\$1.70	34%	-42%	108%	24%	34%	-11%	8%	93%	0.3x	7.2%	2%	-1%	52%	36%	26%				\$0.48	0.4%	
Old Dominion		\$2.87	\$2.83	2%	-4%	35%	19%	19%	-5%	8%	71%	-0.1x	18.7%	2%	-4%	28%	24%	36%				\$1.60	0.4%	
Saia Inc		\$3.35	\$3.42	-2%	-7%	48%	31%	22%	1%	13%	83%	-0.2x	11.9%	4%	-1%	88%	31%	50%				--	--	
TFI Int'l		\$1.81	\$1.60	13%	-16%	62%	26%	22%	-17%	22%	90%	1.6x	10.9%	2%	-2%	28%	35%	--				\$1.60	1.2%	
XPO, Inc.		\$0.61	\$0.62	-2%	-22%	86%	n/a	7%	0%	-9%	91%	3.8x	--	3%	-3%	128%	25%	31%				--	--	
												86%	1.1x	12.2%	2%	-2%	65%	30%	36%					

Source: BofA Global Research estimates, Company reports, Bloomberg (for stocks not covered by BofA Research)

BofA GLOBAL RESEARCH



Exhibit 96: Airfreight Comp Sheet

Data as of 01/10/2024

			Share	Share	Mkt Cap	Net Debt	EV	EPS				Forward P/E			EBITDA (\$ bil)			Forward EV/EBITDA				
		QRQ	Price	Out.					BoFA	BoFA	BoFA	Cons.										
Company	Ticker			(mil.)	(\$ bil.)	(\$ bil.)	(\$ bil.)		2022a	2023e	2024e	2024e	2022a	2023e	2024e	2022a	2023e	2024e	2022a	2023e	2024e	
Fedex Corp	FDX	B-1-7	\$250.81	250	\$62.7	\$13.8	\$76.5		\$14.96	\$17.70	\$20.85	\$17.66	16.8x	14.2x	12.0x	\$9.55	\$11.60	\$11.60	8.0x	7.3x	6.6x	
United Parcel-B	UPS	B-2-7	\$161.22	723	\$137.3	\$16.8	\$154.2		\$12.95	\$8.80	\$9.65	\$9.53	12.4x	18.3x	16.7x	\$16.97	\$14.06	\$14.06	9.1x	11.8x	11.0x	
													14.6x	16.2x	14.4x				8.5x	9.6x	8.8x	
2024Q1EPS est.			Δ to	EPS Growth			YoY	Revenue Growth		2023Q3 Op. Ratio	Net Debt/EBITDA	ROIC	Total Return (w/reinvested dividends)					Dividend				
Company		BoFA	Cons.	Street	1yr	3yr	5yr	3Q2023	1yr	5yr			1yr	1 week	YTD	1yr	3yr	5yr	Annual	Yield		
Fedex Corp		\$3.13	\$3.59	-13%	-7%	94%	11%	-4%	-7%	5%	94%	3.3x	5%	1%	-1%	36%	3%	10%	\$5.04	2.0%		
UPS		\$2.14	\$1.97	9%	-23%	257%	0%	3%	-8%	4%	92%	1.3x	15%	2%	3%	-6%	4%	14%	\$6.48	4.0%		
													93%	2.3x	10%	0%	-1%	18%	1%	13%		

Source: BoFA Global Research estimates, Company reports, Bloomberg.

Note: FedEx fiscal calendar ends May 31. Fiscal year 2024 goes from June 1, 2023 - to - May 31, 2024. Quarter estimates correspond to 3Q24, and year metrics correspond to fiscal years 2023, 2024, and 2025.

BoFA GLOBAL RESEARCH

Exhibit 97: Truckload Carriers Comp Sheet

Data as of 01/10/2024

		QRQ	Share Price	Shares Out. (mil.)	Mkt Cap (\$ bil.)	Net Debt (\$ bil.)	EV (\$ bil.)	EPS				Forward P/E			EBITDA (\$ bil)			Forward EV/EBITDA			
Company	Ticker							BofA	BofA	BofA	Cons.	2022a	2023e	2024e	2022a	2023e	2024e	2022a	2023e	2024e	2022a
Knight Transportation	KNX	B-1-7	\$56.87	161	\$9.2	\$2.7	\$11.8	\$5.10	\$2.15	\$3.50	\$2.88	11.2x	26.5x	16.2x	\$1.77	\$1.20	\$1.59	6.7x	9.9x	7.5x	
Schneider National	SNDR	B-2-7	\$24.61	93	\$4.3	\$0.2	\$4.6	\$2.63	\$1.41	\$1.60	\$1.42	9.4x	17.5x	15.4x	\$0.97	\$0.70	\$0.79	4.7x	6.5x	5.8x	
Werner Enterprises	WERN	B-3-7	\$40.77	63	\$2.6	\$0.6	\$3.2	\$3.71	\$2.02	\$2.40	\$2.37	11.0x	20.2x	17.0x	\$0.61	\$0.49	\$0.53	5.3x	6.6x	6.1x	
Covenant Transport	CVLG	n/a	\$45.78	11	\$0.6	\$0.2	\$0.8	n/a	n/a	n/a	\$4.23	7.8x	11.0x	10.8x	\$0.15	\$0.12	\$0.12	5.5x	6.8x	6.8x	
Heartland Express	HTLD	n/a	\$13.40	79	\$1.1	\$0.3	\$1.4	n/a	n/a	n/a	\$0.19	9.5x	311.6x	69.1x	\$0.25	\$0.23	\$0.23	5.5x	6.2x	6.2x	
Marten Transport	MRTN	n/a	\$20.01	81	\$1.6	(\$0.1)	\$1.6	n/a	n/a	n/a	\$1.01	15.0x	22.0x	19.9x	\$0.25	\$0.21	\$0.21	6.2x	7.4x	7.4x	
Pam Transport	PTSI	n/a	\$20.62	22	\$0.5	\$0.1	\$0.5	n/a	n/a	n/a	\$1.70	4.7x	14.1x	12.1x	\$0.20	\$0.11	\$0.11	2.7x	4.8x	4.8x	
Universal Logistics	ULH	n/a	\$30.75	26	\$0.8	\$0.5	\$1.3	n/a	n/a	n/a	n/a	4.8x	--	--	\$0.32	--	--	3.9x	--	--	
												9.2x	60.4x	22.9x				5.1x	6.9x	6.4x	
		2024Q1EPS est.		Δ to Street	EPS Growth			YoY		Revenue Growth		2023Q3 Op. Ratio	Net Debt/EBITDA	ROIC	Total Return (w/reinvested dividends)					Dividend	
Company		BofA	Cons.	Street	1yr	3yr	5yr	3Q2023	1yr	5yr				1yr	1 week	YTD	1yr	3yr	5yr	Annual	Yield
Knight Transportation		\$0.63	\$0.47	35%	-54%	42%	7%	24%	-7%	10%	95%	2.3x	6.1%	2%	2%	-1%	4%	10%	16%	\$0.56	1.0%
Schneider National		\$0.31	\$0.24	30%	-33%	49%	29%	18%	-14%	2%	96%	0.2x	7.0%	0%	0%	-3%	1%	5%	7%	\$0.36	1.5%
Werner Enterprises		\$0.44	\$0.39	12%	-28%	19%	-4%	20%	4%	6%	95%	1.3x	9.6%	0%	0%	-4%	-4%	0%	9%	\$0.56	1.4%
Covenant Transport		n/a	\$0.75		-35%	--	--	16%	-7%	5%	95%	0.0x	15.6%	3%	3%	-1%	30%	44%	18%	\$0.44	1.0%
Heartland Express		n/a	(\$0.08)		-84%	27%	--	59%	69%	18%	103%	1.3x	12.0%	-1%	-1%	-6%	-16%	-10%	-6%	\$0.08	0.6%
Marten Transport		n/a	\$0.22		-26%	22%	2%	30%	-2%	8%	94%	-0.3x	13.5%	0%	0%	-5%	2%	6%	15%	\$0.24	1.2%
Pam Transport		n/a	\$0.31		-58%	162%	37%	34%	-6%	11%	96%	0.7x	15.6%	2%	2%	-1%	-24%	18%	12%	--	--
Universal Logistics		n/a	n/a		-32%	73%	--	15%	-15%	3%	91%	1.6x	18.6%	10%	10%	10%	-10%	14%	11%	\$0.42	1.4%
											95%	0.9x	12%	2%	2%	-1%	-2%	11%	10%		

Source: BoFA Global Research estimates, Company reports, Bloomberg (for stocks not covered by BoFA Global Research).

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Exhibit 98: Freight Forwarding Comp Sheet

Data as of 01/10/2024

		Share	Shares	Mkt Cap	Net Debt	EV	EPS				Forward P/E		EBITDA (\$ bil)			Forward EV/EBITDA					
	QRQ		Out. (mil.)	(\$ bil.)	(\$ bil.)	(\$ bil.)	BoFA	BoFA	BoFA	Cons.											
Company	Ticker	Price					2022a	2023e	2024e	2024e	2022a	2023e	2024e	2022a	2023e	2024e					
CH Robinson	CHRW	B-3-7	\$87.19	117	\$10.2	\$1.4	\$11.6	\$6.29	\$7.50	\$3.55	\$3.88	11.6x	24.6x	21.5x	\$1.38	\$0.7	\$0.76				
RXO Inc	RXO	C-1-9	\$22.52	117	\$2.6	\$0.4	\$3.0	\$1.43	\$1.59	\$0.29	\$0.46	14.2x	77.7x	40.9x	\$0.31	\$0.1	\$0.17				
World Kinect	WKC	B-3-7	\$22.03	60	\$1.3	\$0.5	\$1.9	\$1.36	\$2.04	\$1.85	\$2.30	10.8x	11.9x	10.7x	\$0.38	\$0.4	\$0.40				
Landstar System	LSTR	n/a	\$188.99	36	\$6.8	(\$0.4)	\$6.4	n/a	n/a	\$11.76	\$7.72	16.1x	25.7x	24.5x	\$0.63	\$0.4	\$0.40				
Expeditors Intl	EXPD	n/a	\$125.08	145	\$18.2	(\$1.1)	\$17.1	n/a	n/a	\$8.83	\$4.89	14.2x	24.3x	25.6x	\$1.98	\$1.0	\$1.03				
Forward Air Corp	FWRD	n/a	\$57.82	26	\$1.5	\$0.3	\$1.8	n/a	n/a	\$14.24	\$4.43	4.1x	--	--	\$0.32	\$0.2	\$0.22				
												11.8x	32.8x	24.7x			7.9x	14.1x	12.9x		
2024Q1EPS							2023Q3		ROIC		Total Return (w/reinvested dividends)					Dividend					
Company		est. BoFA	Cons.	Δ to Street	EPS Growth 1yr	EPS Growth 3yr	YoY 3Q2023	Revenue Growth 1yr	Revenue Growth 5yr	Op. Ratio	Net Debt/ EBITDA	1yr	1 week	YTD	1yr	3yr	5yr	Annual	Yield		
CH Robinson		\$0.87	\$0.82	6%	-56%	26%	0%	7%	-29%	3%	97%	2.2x	23%	0%	1%	-4%	-1%	3%	\$2.44	2.8%	
RXO Inc		\$0.05	\$0.04	43%	--	--	--	2%	--	--	99%	--	--	0%	-3%	--	--	--	--	--	
World Kinect		\$0.35	\$0.46	-24%	12%	-4%	24%	88%	-10%	18%	99%	1.4x	7%	-2%	-3%	-17%	-11%	0%	\$0.56	2.5%	
Landstar System		n/a	\$1.63	--	-32%	35%	6%	14%	-25%	5%	94%	-0.8x	38%	2%	-1%	11%	11%	16%	\$1.32	0.7%	
Expeditors Intl		n/a	\$1.16	--	-45%	41%	15%	3%	-45%	10%	90%	-1.0x	35%	-2%	-2%	17%	11%	14%	\$1.38	1.1%	
Forward Air Corp		n/a	\$0.90	--	-32%	124%	13%	19%	-12%	6%	96%	0.9x	20%	-7%	-8%	-43%	-9%	1%	\$0.96	1.7%	
												96%	0.5x	25%	-1%	-3%	-7%	0%	7%		

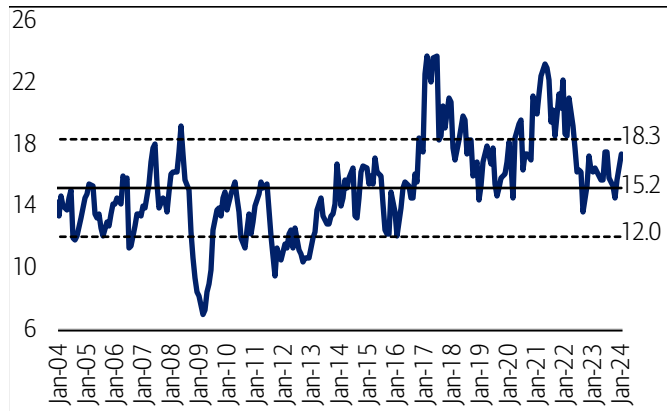
Source: BoFA Global Research estimates, Company reports, Bloomberg (for stocks not covered by BoFA Research)

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Exhibit 99: CSX forward P/E

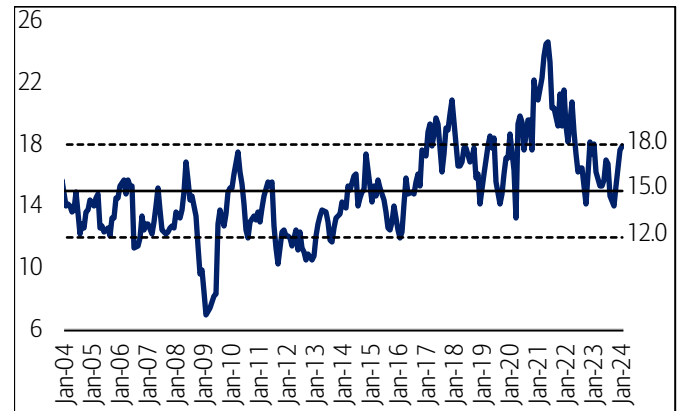
CSX Forward P/E is 17.34x



Source: BofA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 100: NSC forward P/E

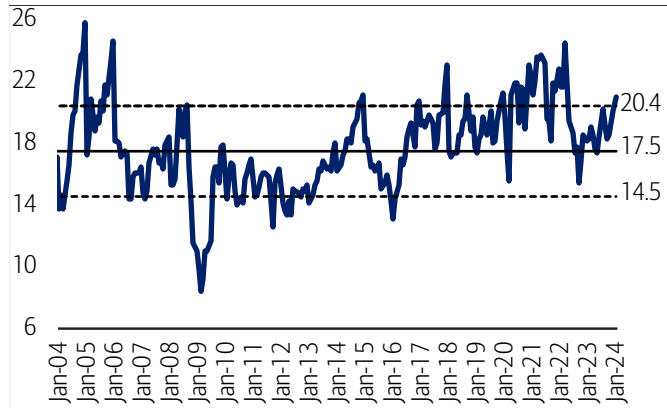
NSC Forward P/E is 17.6x



Source: BofA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 101: UNP forward P/E

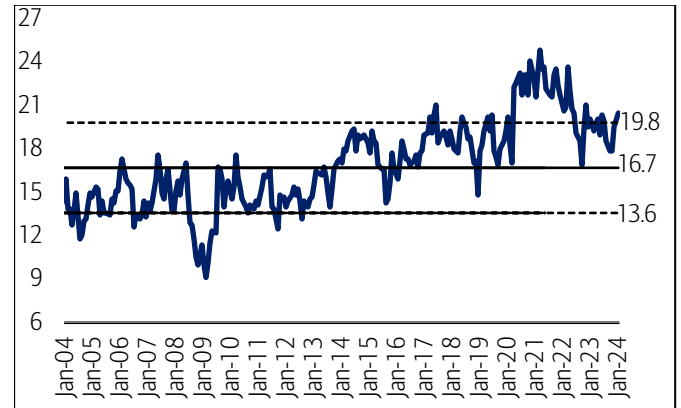
UNP Forward P/E is 20.8x



Source: BofA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 102: CNI forward P/E

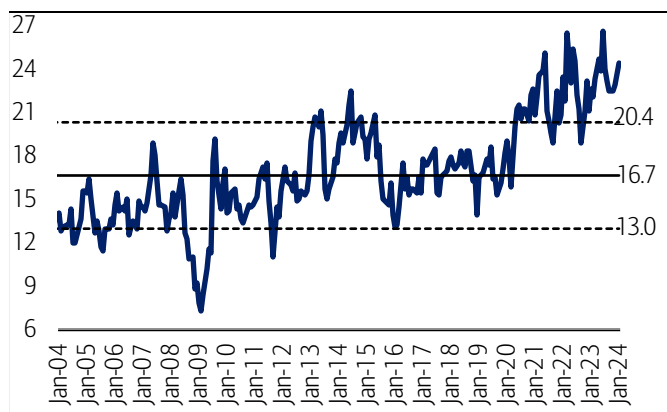
CNI Forward P/E is 20.4x



Source: BofA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 103: CP forward P/E

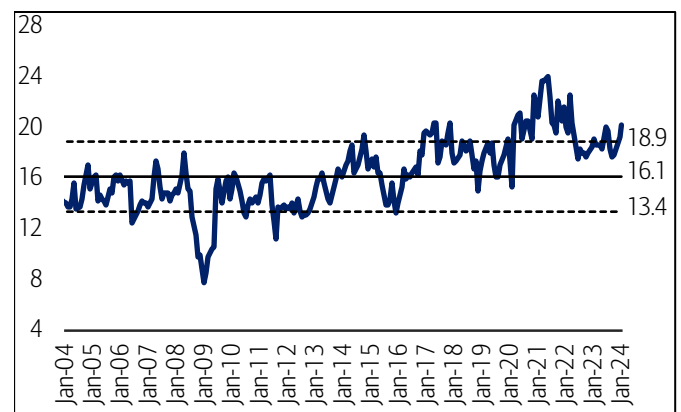
CP Forward P/E is 24.5x



Source: BofA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 104: Rails Average forward P/E

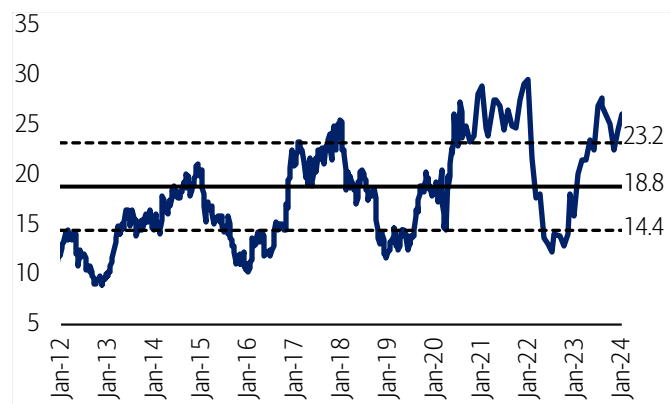
Rails Average Forward P/E is 20.1x



Source: BofA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 105: SAIA forward P/E

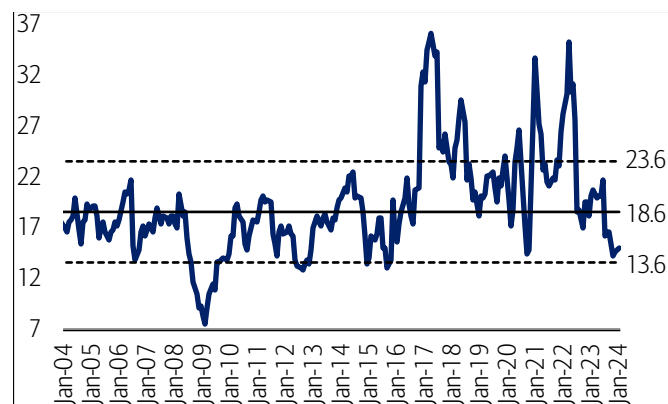
SAIA Forward P/E is 27.1x



Source: BofA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 106: KEX forward P/E

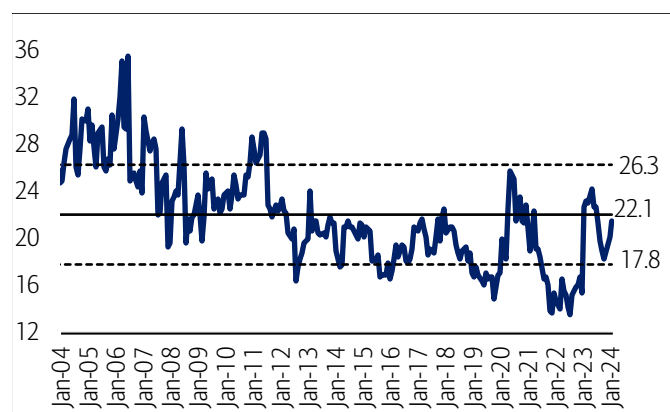
KEX Forward P/E is 14.5x



Source: BofA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 107: CHRW forward P/E

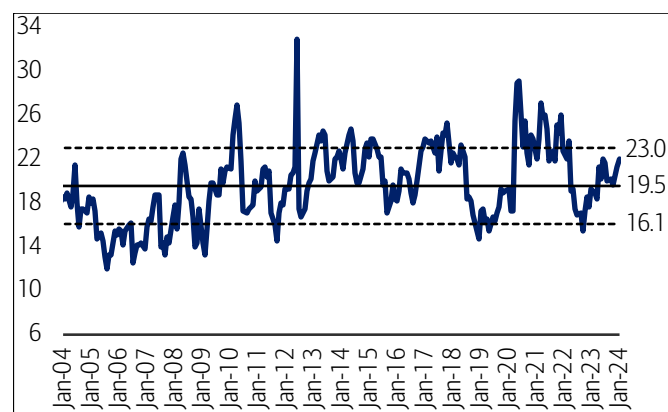
CHRW Forward P/E is 21.5x



Source: BofA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 108: JBHT forward P/E

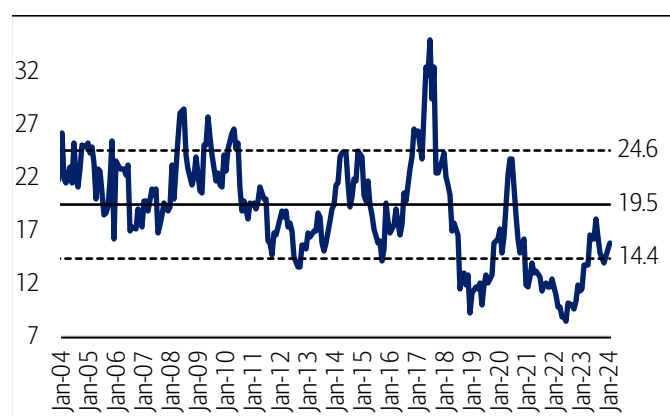
JBHT Forward P/E is 22.1x



Source: BofA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 109: KNX forward P/E

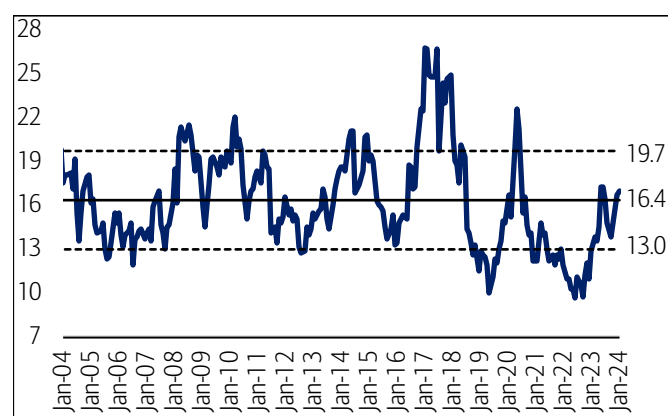
KNX Forward P/E is 16.2x



Source: BofA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 110: WERN forward P/E

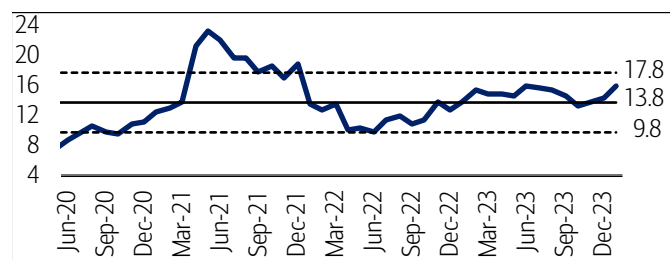
WERN Forward P/E is 17.0x



Source: BofA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 111: TFII forward P/E

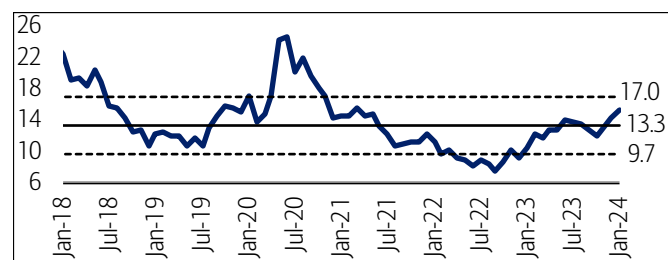
TFII Forward P/E is 16.2x



Source: BoFA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 112: SNDR forward P/E

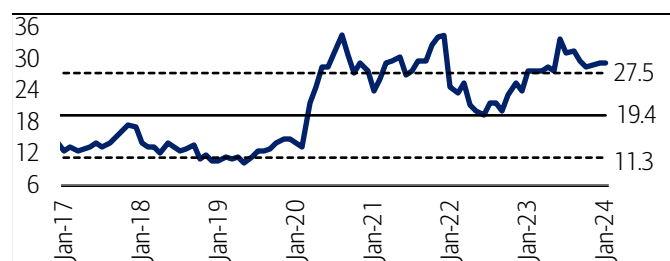
SNDR Forward P/E is 15.4x



Source: BoFA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 113: ODFL forward P/E

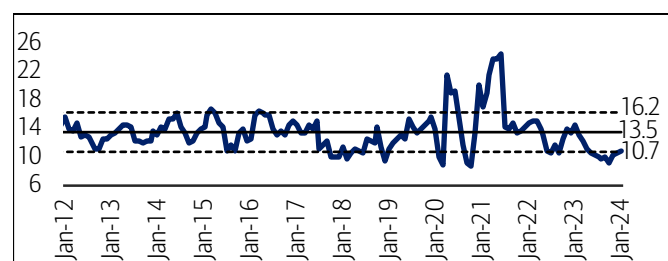
ODFL Forward P/E is 29.7x



Source: BoFA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 114: WKC forward P/E

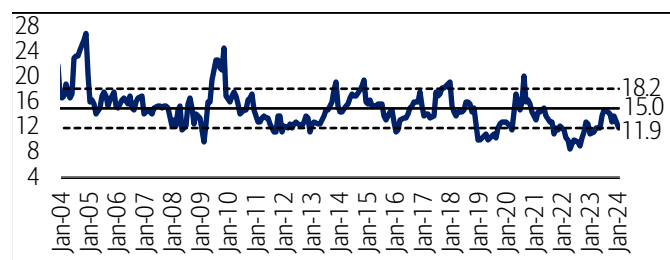
WKC Forward P/E is 10.7x



Source: BoFA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 115: FDX forward P/E

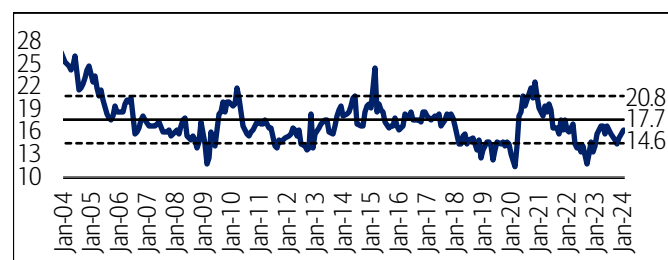
FDX Forward P/E is 12.0x



Source: BoFA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 116: UPS forward P/E

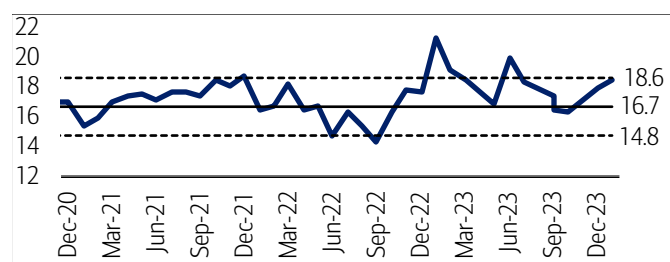
UPS Forward P/E is 16.7x



Source: BoFA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 117: WAB forward P/E

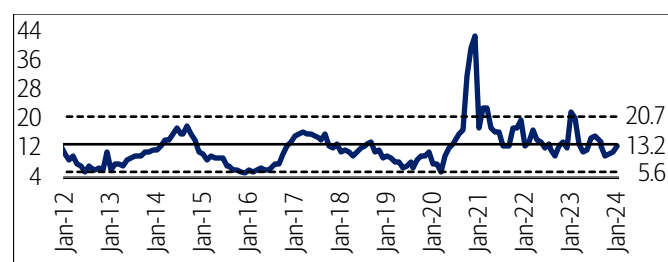
WAB Forward P/E is 18.7x



Source: BoFA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Exhibit 118: GBX forward P/E

GBX Forward P/E is 12.6x



Source: BoFA Global Research estimates, company reports, Bloomberg, Reuters, First Call, Factset.
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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R1}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R1} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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