

STALLION  
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Newsletter Oct. 29, 2019

*"Be a Stallion!"*



**STALLION EXPRESS**

Perhaps you've heard in the news of a likely economic downturn or in other words an impending recession. A downswing in the U.S. economy cannot be ruled out as the treasury bond market has formed an inverted yield curve, which is a strong indicator of a bear market.

A yield curve inversion affects the profit margins of companies that borrow cash at short-term rates and lend at long-term rates. This impact on profit margins affects investments and purchases and in turn has a trickle-down affect on other industries and thus the entire economy.

The impact of a slowing economy and reduced shipping due to restricted imports caused by the current U.S.-China trade dispute has made potential investments in a transportation company expansion seem particularly speculative given the large capital investment needed for the purchase of new equipment.

Due to these factors, Stallion Express is halting expansion in 2019. As we evaluate the ongoing economic health of our great country we will continue to operate at our current capacity and grow our freight network.

Always maintain the faith. Keep Driving and remember...  
***Be a Stallion!***

Sincerely,

A handwritten signature in cursive script that reads "Derrick M. Smith". The signature is written in a dark blue or black ink.

Derrick M. Smith  
President & Chief Executive Officer

