



## Friday, April 9th, 2021

### Trucking gets another shot in the arm from quarantined consumers

*Freight Waves, April 3<sup>rd</sup>*

"Consumers spent 22% more on goods in January, tightening capacity back to peak level in March. Just as the consumer goods boom appeared to be in decline, spending got another boost on the heels of more stimulus and spiking COVID-19 cases, posting an unexpected 12% sequential gain in January over December after the holiday spending has passed."

### Suez Canal disruptions could have ripple effects through summer

*DAT Freight & Analytics, April 5<sup>th</sup>*

"Ports on the East Coast of the U.S. are already experiencing higher import volumes and congestion, which means this vessel grounding will add more delay to everything from food, furniture, clothes, shoes, exercise, equipment, electronics, car parts, and carpets being imported to the U.S. Even though the Ever Given was bound for Rotterdam from China, there are numerous vessels delayed that are bound for East Coast ports. The blockage also delays the return of empty containers to Asia for reloading."

### UPS partially reinstates money-back delivery guarantee—with a twist

*Freight Waves, April 5<sup>th</sup>*

"Shipments booked for next-afternoon air service can be delivered as late as 11:59 p.m. and still make guarantee, UPS says. In a message posted on its website, Atlanta-based UPS said that air deliveries that are typically made during the next afternoon can now be delivered by 11:59 p.m. and still meet the service guarantee. The company did not state in the message what its prior deadline was, but an industry source said it was 3 p.m. The next-afternoon air delivery product primarily supports UPS' business-to-business (B2B) customers."

### Truckload spot volumes continue 3-week climb

*DAT Freight & Analytics, April 6<sup>th</sup>*

"The capacity crunch caused by extreme weather in February pushed spot rates above contract rates March, but spot market van rates have dipped back below contract rates in April. Capacity remains tight for reefer and flatbed. For reefer, spot rates have been higher than contract since August, while in flatbed spot rates are now higher than contract for the first time since June 2018."



National Spot Rates: Van, Flatbed, Reefer



### Tender volumes fall back this week

*Freight Waves, April 3<sup>rd</sup>*

“As we enter the second quarter, the setup couldn’t be much more favorable to carriers. The Outbound Tender Volume Index (OTVI) retreated 4% this week but remains not far off of an all-time high at 15,178. The economy is in full-on recovery mode, driven by stimulus-aided consumer spending. But the consumer economy is not the only sector in growth mode. The ISM Purchasing Managers Index for the manufacturing sector rose to 64.7 in March, the highest reading since December of 1983.”

### Diesel Slips 1.7 cents to \$3.144 in Second Straight Drop

*Transportation Topics, April 5<sup>th</sup>*

“The decline was the second consecutive after 20 straight weeks of increases. Trucking’s main fuel slid 3.3 cents a gallon the week of March 29<sup>th</sup>. Based on the National average, a gallon of diesel is 59.6 cents more expensive than it was a year ago.”

## **NEWS FROM OUR ARIZONA OFFICE:**

### BD will build \$65M State-of-the-art facility in Tucson

*AZ Big Media, April 6<sup>th</sup>*

“BD (Becton, Dickinson and Company), a leading global medical technology company, announced today it will invest \$65 million to construct a state-of-the-art facility in Tucson, Arizona that will be a hub for the company’s supply chain, serving as a final-stage manufacturing and sterilization center. The new 120,000 square-foot facility will be built on approximately 32 acres at the northeast corner of Valencia and Kolb Road and is planned to be operational in mid-2022.

### Arizona's GDP growth down in 2020, still outpaced nation

*Phoenix Business Journal, March 29<sup>th</sup>*

“Arizona, like every other state in the United States, experienced negative GDP growth during 2020, according to data released Friday by the Bureau of Economic Analysis. However, Arizona fared better than most of the nation, with a change over the year of -0.9%, the third best in the nation behind Utah and Washington, which experienced -0.1% and -0.7% respectively. Accommodation and food services contributed to a decrease in all 50 states and in Washington, D.C., according to BEA data.”

## **The Good News:**

- The COVID-19 outbreak creased a volatile U.S. third-party logistics market in 2020, which presented growth opportunities for 3PLs with strong carrier management, e-commerce and airfreight forwarding capabilities. Overall, strong domestic and international transportation demand has continued into 2021, further driving up domestic and international transportation rates. With inventories increasing and COVID-19 cases waning, demand for 3PL services seems to be becoming more stable and manageable. As the nation gets closer to herd immunity in the COVID battle, we should continue to see increasingly strong demand as more consumers leave quarantine and boost spending. In fact, 2021 might be the true start of our generation’s roaring ‘20s. ([Transportation Topics](#))