



## December 2018

### Key findings

- Carrier sentiment for business conditions in December 2018 was 6.22, well off of June 2018's all-time high of 7.68. Month-to-month sentiment fell sharply for respondents with up to 100 power units from 6.47 to 5.87, while sentiment dropped from 6.73 to 6.34 for respondents from fleets with more than 100 power units. (Page 4)
- Month-over-month business conditions in December 2018 also declined, with 22.0% of all respondents saying it was worse and only 13.6% saying it was better than November 2018. 40.7% of survey respondents forecast even better business conditions in the next six months while an increasing number of respondents (22.0%) expect business conditions to worsen. (Pages 5 & 6)
- 53.3% of respondents from fleets with up to 100 power units and 72.7% of respondents from fleets with more than 100 power units plan to add full-time employees in the next six months. (Page 6)
- 47.5% of all respondents plan to increase the size of their fleets in the next six months (33.3% of respondents with more than 100 power units and 52.3% of respondents with up to 100 power units). 1.7% of respondents plan to decrease fleet size, while 50.8% expect to replace aging equipment while maintaining current fleet size or make no change in fleet size. (Page 7)
- Driver availability rose as the top concern for 81.3% of all respondents, up from 71.0% in November. Freight volume is the top concern for 8.5% of all respondents. (Pages 7 & 8)

### Quotes of the month

- **Up to 100 power units:** "December saw a solid rebound from a weak November and January is starting out very strong. We have made some progress filling empty trucks but we aren't yet to even 90% of potential capacity."
- **More than 100 power units:** "While I don't see a crash coming, perhaps a soft landing, there is a concern over where the economy is going because shippers can have short memories when freight slows. We need to hold on to our rate increases to encourage more good drivers to enter the industry ... all while trying to gain an understanding of what our shippers are going to need to do to compete in today's world of distribution."



# December 2018 MarketPulse Report

## Table of Contents

**Methodology** ..... 2

**December 2018 CCJ MarketPulse** ..... 3

Breakdown by type of operation ..... 3

Breakdown by fleet size ..... 3

Business conditions rating ..... 4

Business compared to last month ..... 5

Business compared to same month last year ..... 5

Business expectations ..... 6

Plans for workforce ..... 6

Plans for fleet ..... 7

Major concerns ..... 7

General comments ..... 9



3200 Rice Mine Road NE | Tuscaloosa, AL | 35406 | 800-633-5953

Prepared by: Jeff Crissey, Editor | *Commercial Carrier Journal* | 205-248-1244 | [jcrissey@randallreilly.com](mailto:jcrissey@randallreilly.com)

CCJ MarketPulse | For-hire trucking executives | Published monthly by *Commercial Carrier Journal*

Download more CCJ MarketPulse reports online at [www.ccjdigital.com/marketpulse](http://www.ccjdigital.com/marketpulse)

© 2019 Randall-Reilly, All Rights Reserved

Except as expressly authorized by statute or by a written permission from Randall-Reilly Publishing Company, LLC, no part of this publication (whether in print or electronic form) may be reproduced, distributed or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, scanning or typing in, without permission in writing from Randall-Reilly Publishing Company, LLC. Requests for permission to make copies of any part of this publication should be mailed to: Attn: Copyright Request, Randall-Reilly Publishing Company, LLC, 3200 Rice Mine Road NE, Tuscaloosa, AL 35406, USA.

For the sake of clarity, you may not copy this publication (or any portion of it) without our permission. For example, you cannot copy this publication (or any portion of it) for the purposes of distributing (handing out) copies, whether or not you give the copies away for free or for money. Also, the law prohibits taking our work and modifying it or manipulating it (such as rewording, rewriting, editing, incorporating with other material, etc.), and we request that you respect that right provided to us by statute. Should you have any questions, we encourage you to contact us.



---

## December 2018 MarketPulse Report

---

# Methodology

The December 2018 CCJ MarketPulse report is based on an ongoing survey sent to 200 senior executives of for-hire trucking companies who had agreed to participate monthly. The panel includes executives of carriers that operate at least 10 power units and does not change except to add new panel members that agree to join or to remove those who fail to participate for several consecutive months.

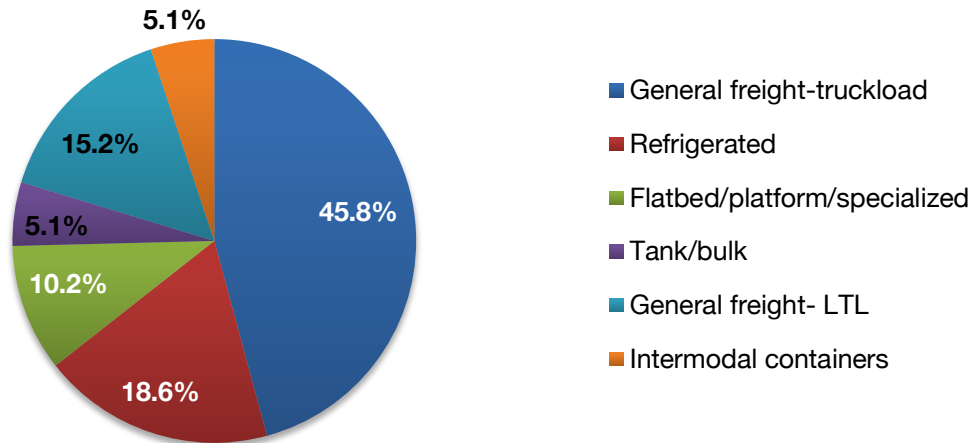
No attempt is made to weight the results to match the make-up of the trucking industry. The goal of MarketPulse is to provide a directional assessment of market conditions by polling a relatively stable panel of respondents each month. Variations in the respondent pool will, however, cause some fluctuations.

The survey was sent initially on January 10, 2019 with reminders sent out on January 14 and 15, 2019. Out of the total pool, 73 carrier executives completed the questionnaire.

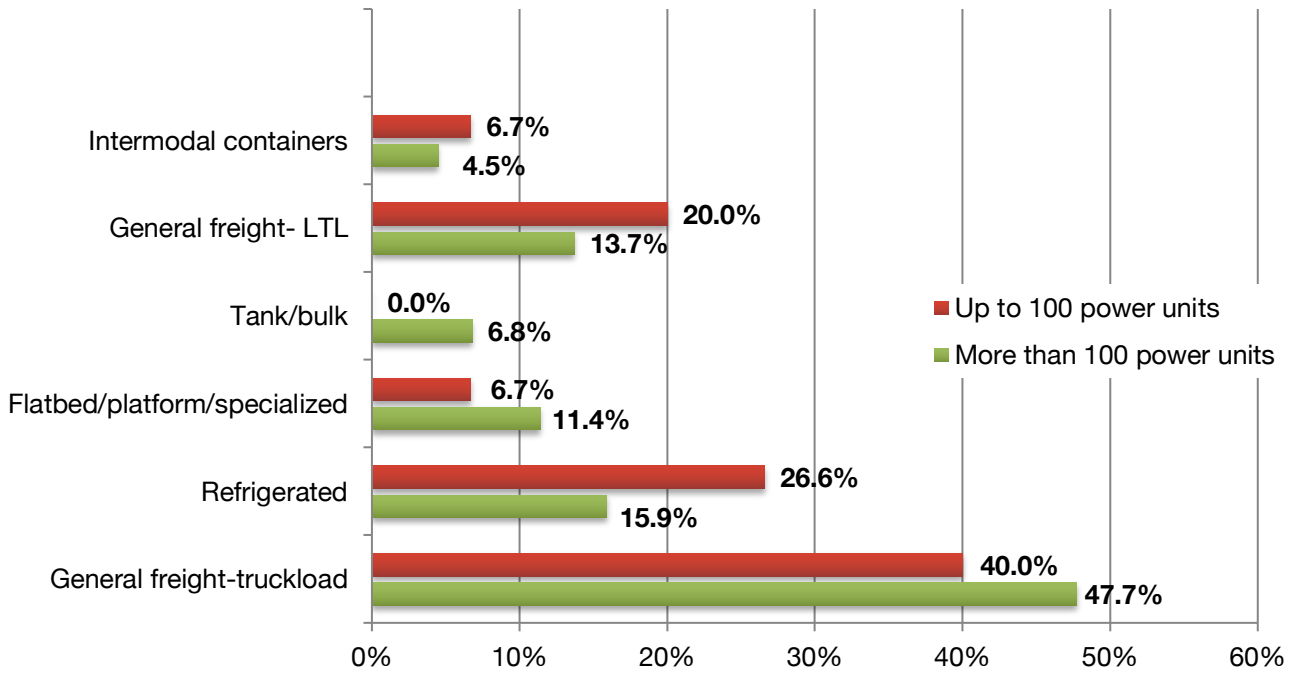
# Demographics

73 respondents

Which of the following represents the largest portion of your operation?

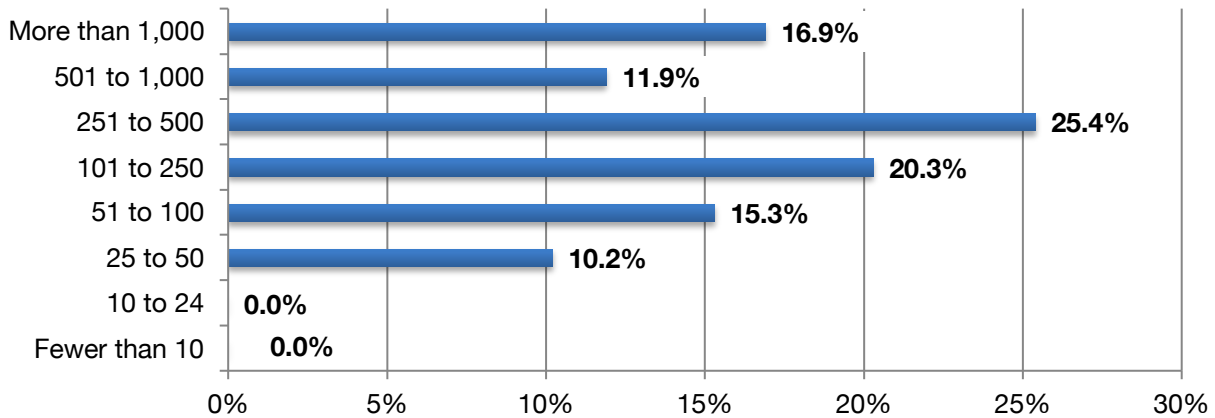


By fleet size:



## December 2018 MarketPulse Report

How many power units does your company operate (including owned, leased or independent contractors)?

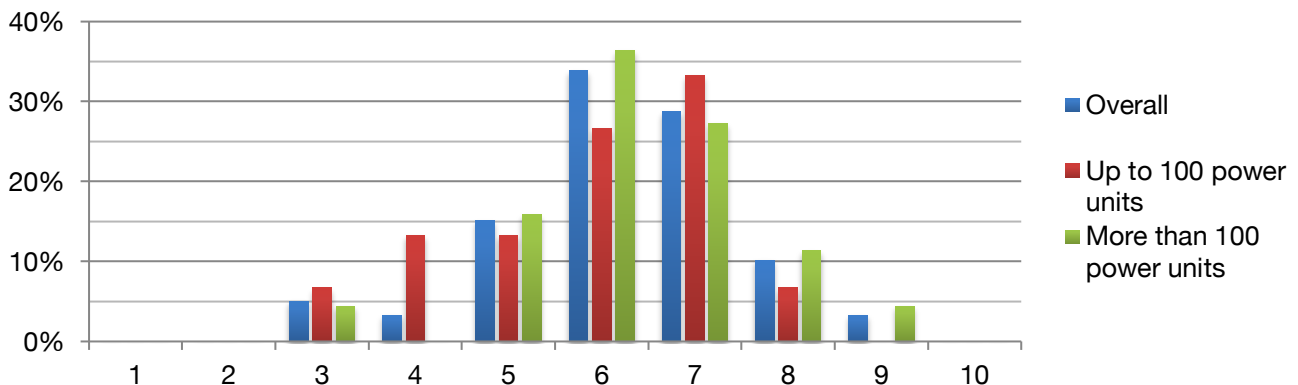


## Business conditions

On a scale of 1 to 10 (1 = worst month ever and 10 = best month ever), how would you rate overall business conditions during December 2018?

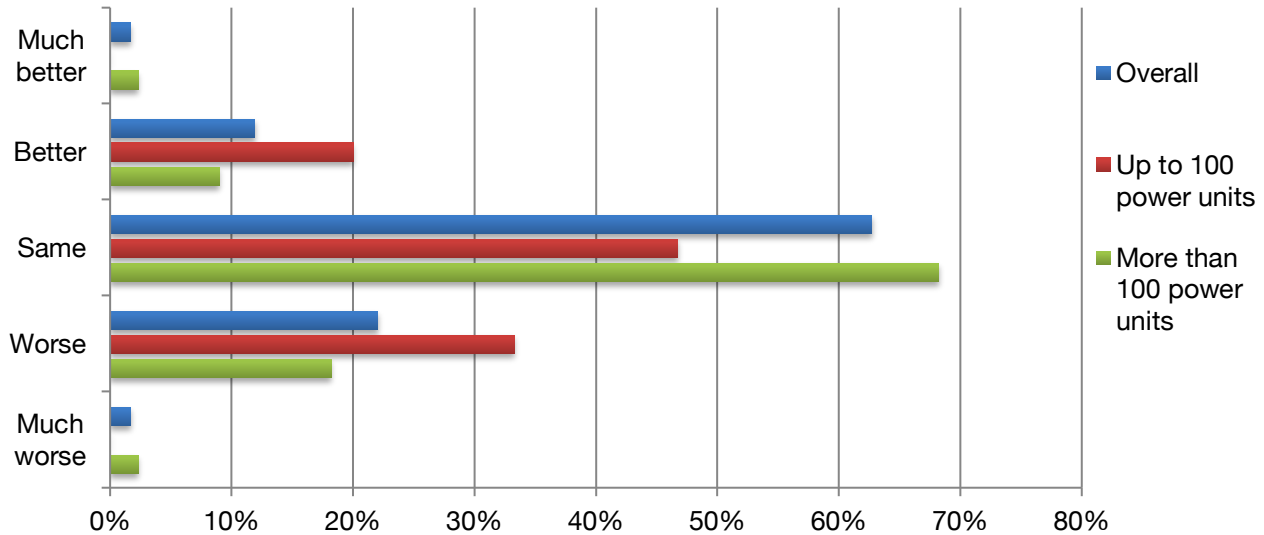
	<u>December 2018</u>	<u>November 2018</u>
<b>Average response:</b>	<b>6.22</b>	<b>6.64</b>
<b>Up to 100 power units:</b>	<b>5.87</b>	<b>6.47</b>
<b>More than 100 units:</b>	<b>6.34</b>	<b>6.73</b>

### Distribution of responses:

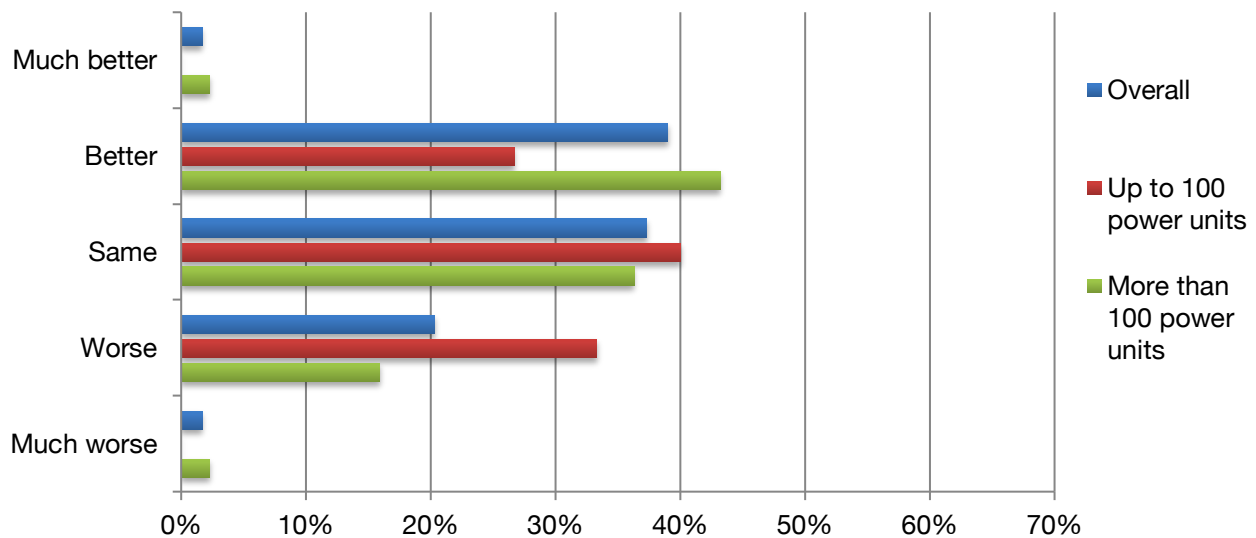


## December 2018 MarketPulse Report

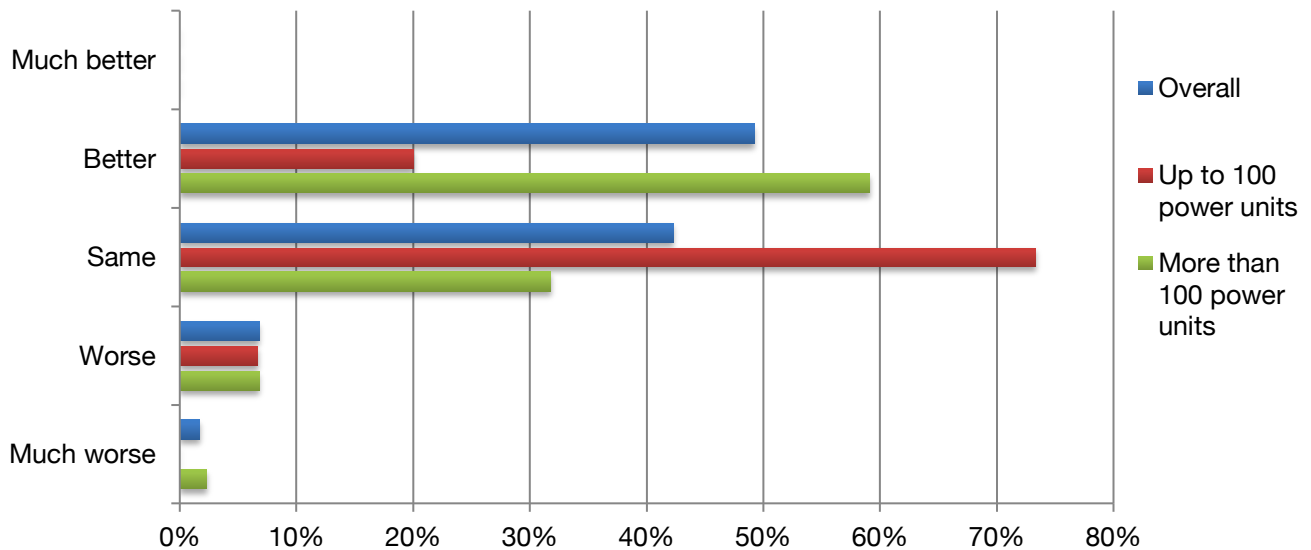
How is your business doing in December 2018 compared to November 2018?



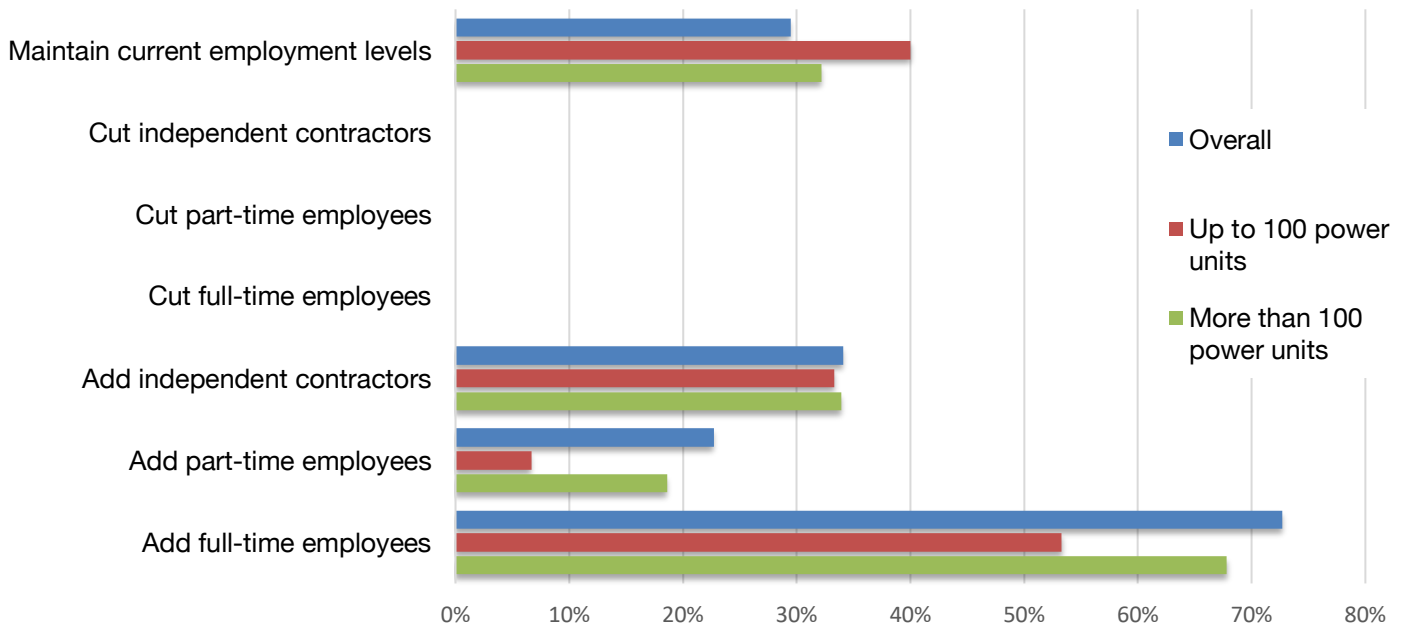
How is your business doing in December 2018 compared to December 2017?



## Adjusting for seasonality, how do you see business in the next 6 months?

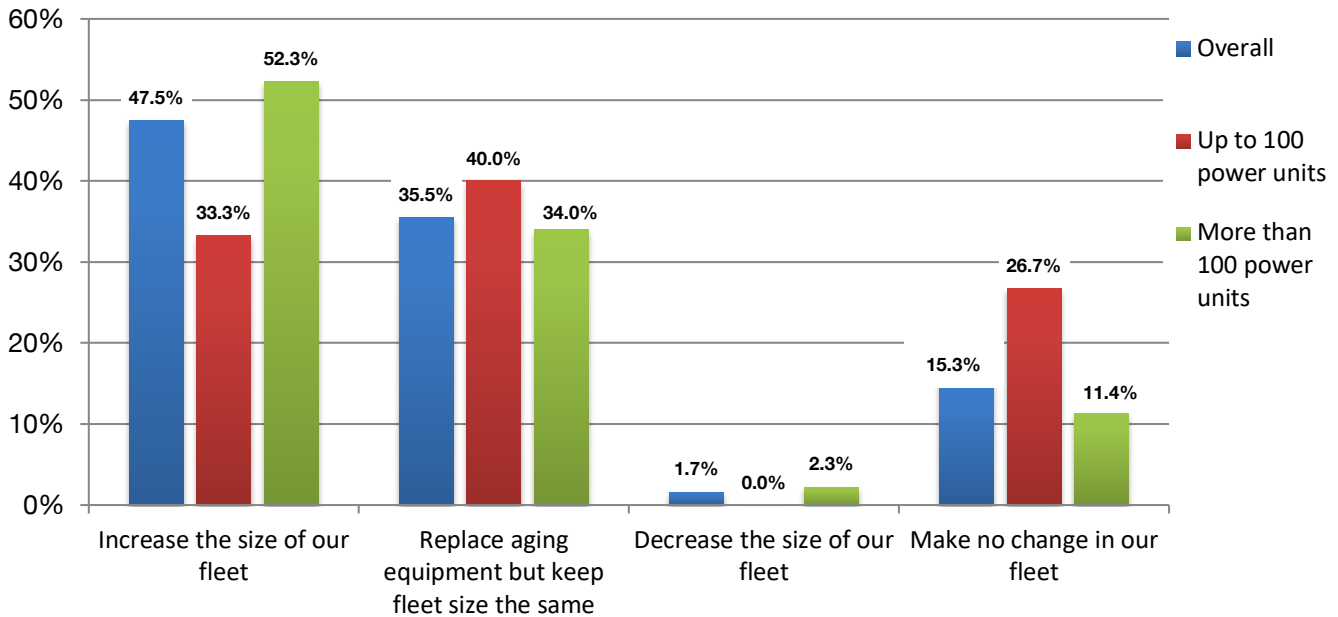


## Not counting seasonal employees, in the next 6 months, do you plan to:

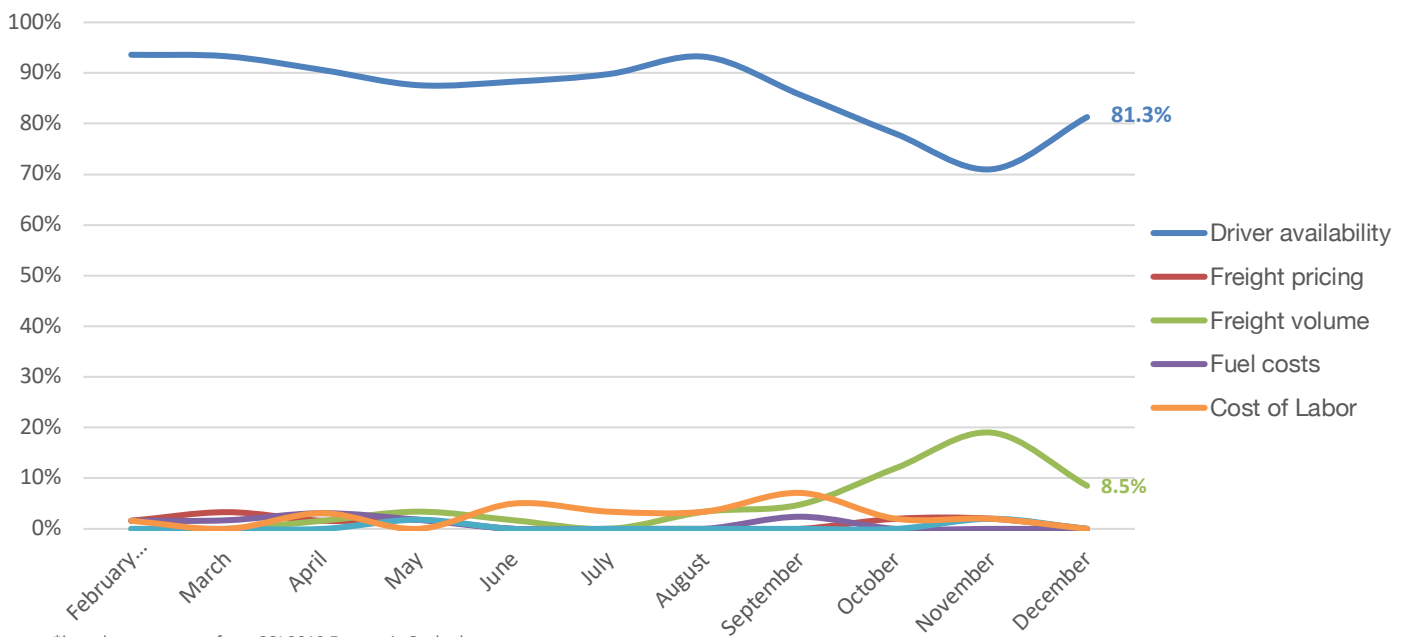


# December 2018 MarketPulse Report

In the next 6 months, we plan to:



Please rank your top five concerns right now (with 1 being the biggest concern).



\*based on responses from CCI 2019 Economic Outlook survey



## December 2018 MarketPulse Report

### Top concerns for carriers with up to 100 power units

	1 (Biggest concern)	2	3	4	5
Freight volume	26.6%	21.4%	14.3%	6.7%	6.7%
Freight pricing	0.0%	35.9%	21.4%	13.3%	13.3%
Cash flow	6.7%	0.0%	0.0%	6.7%	6.7%
Fuel costs	0.0%	0.0%	0.0%	6.7%	0.0%
Driver availability	66.7%	7.1%	7.1%	6.7%	0.0%
Cost of labor	0.0%	21.4%	14.3%	13.3%	6.7%
Maintenance costs	0.0%	7.1%	28.7%	6.7%	6.7%
Cost of equipment	0.0%	7.1%	7.1%	13.3%	20.0%
Unionization	0.0%	0.0%	0.0%	0.0%	0.0%
Access to credit	0.0%	0.0%	0.0%	0.0%	0.0%
Cost of credit	0.0%	0.0%	0.0%	0.0%	0.0%
Regulation	0.0%	0.0%	0.0%	13.3%	13.3%
Taxes	0.0%	0.0%	7.1%	6.7%	6.7%
Political climate in Washington	0.0%	0.0%	0.0%	6.7%	19.9%
Other	0.0%	0.0%	0.0%	0.0%	0.0%

### Top concerns for carriers with more than 100 power units

	1 (Biggest concern)	2	3	4	5
Freight volume	2.3%	31.8%	11.4%	19.5%	12.2%
Freight pricing	0.0%	9.1%	45.4%	9.8%	9.8%
Cash flow	2.3%	0.0%	2.3%	2.4%	2.4%
Fuel costs	0.0%	0.0%	0.0%	2.4%	2.4%
Driver availability	86.3%	2.3%	2.3%	2.4%	0.0%
Cost of labor	0.0%	43.2%	6.8%	17.2%	4.9%
Maintenance costs	0.0%	0.0%	9.0%	14.6%	12.2%
Cost of equipment	0.0%	0.0%	6.8%	9.8%	17.2%
Unionization	0.0%	0.0%	2.3%	0.0%	0.0%
Access to credit	0.0%	0.0%	0.0%	0.0%	2.4%
Cost of credit	0.0%	2.3%	0.0%	2.4%	0.0%
Regulation	0.0%	4.5%	0.0%	7.3%	14.6%
Taxes	0.0%	0.0%	2.3%	0.0%	0.0%
Political climate in Washington	6.8%	6.8%	11.4%	12.2%	19.5%
Other	2.3%	0.0%	0.0%	0.0%	2.4%

### General comments

#### Up to 100 power units

- Tariffs have really hurt business.
- December saw a solid rebound from a weak November and January is starting out very strong. We have made some progress filling empty trucks but we aren't yet to even 90% of potential capacity.
- Southeastern U.S. seems consistent for our customer base although storms continue to be challenging. If we can hire qualified personnel in all aspects of our logistics business would expect to continue current growth objectives.

#### More than 100 power units

- Hopefully the new Congress doesn't mess with the economy.
- The holidays in December 2018 created much more downtime related to manufacturing with Christmas and New Years falling on Tuesdays.
- 2019 is going to be an interesting year. While I don't see a crash coming, perhaps a soft landing, there is a concern over where the economy is going because shippers can have short memories when freight slows. We need to hold on to our rate increases to encourage more good drivers to enter the industry, while improving our drivers' economics to help their families, all while trying to gain an understanding of what our shippers are going to need to do to compete in today's world of distribution.
- Decent demand during the winter months - not always the case for flatbed. Expect 2019 to be solid but not as strong as 2018.
- The government shutdown may lead to funding issues for the entire year, which could slow freight.
- Still growing, but it has slowed down to a more normal pace.
- Things seem to be steady, driver turnover seems to be flat which is good.

(continued)

### More than 100 power units (continued)

- I like the growth under Trump and I hope we can get the tariff issue with China solved soon. That will really move the economy up!
- As the economy continues to roll we need to stay focused on our driver shortage and ELDT project.