RAILCAR FORUM

EVOLVING FREIGHT:

ARE AG AND CHEMICALS STILL YOUR SAFE BET?



Joseph Towers
Senior Analyst, Rail, FTR



Eric Starks
Chairman, FTR

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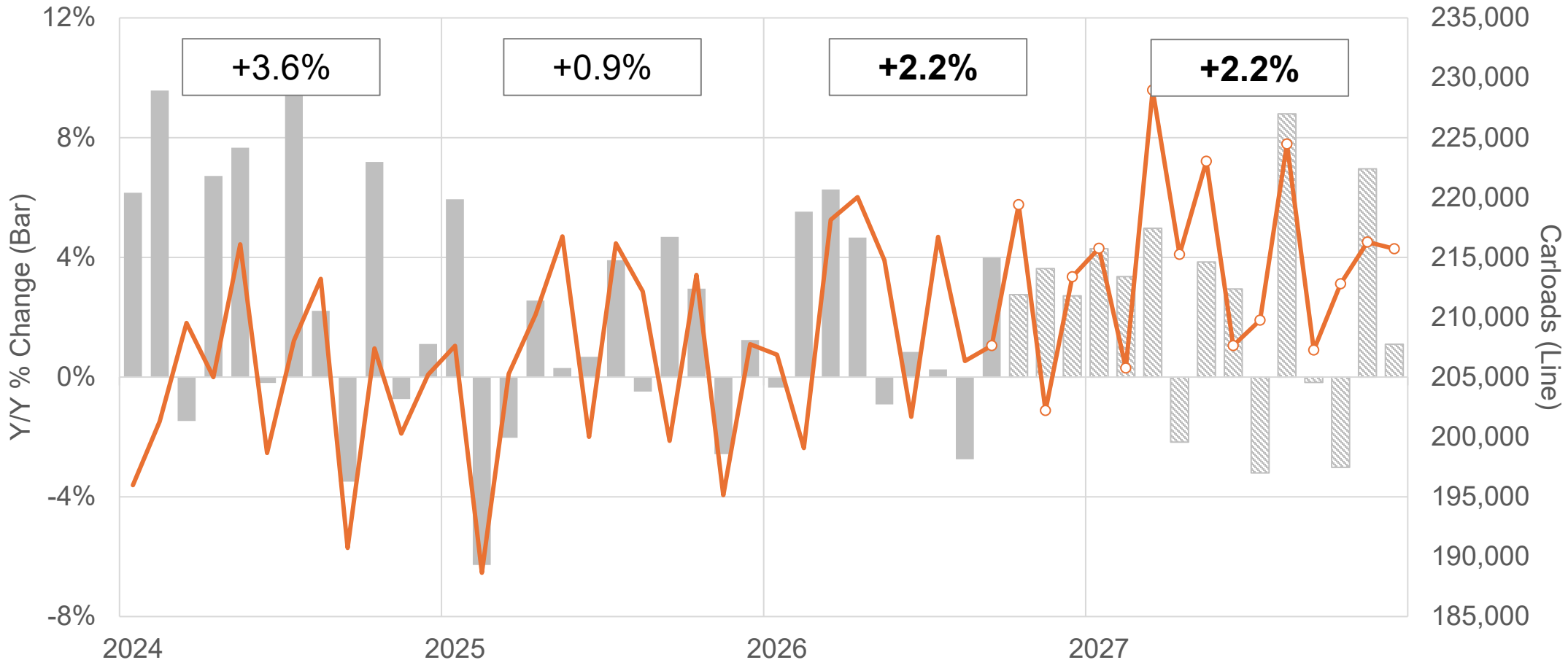
Agenda

- Chemicals
- Petroleum
- Agriculture

- **Q/A**

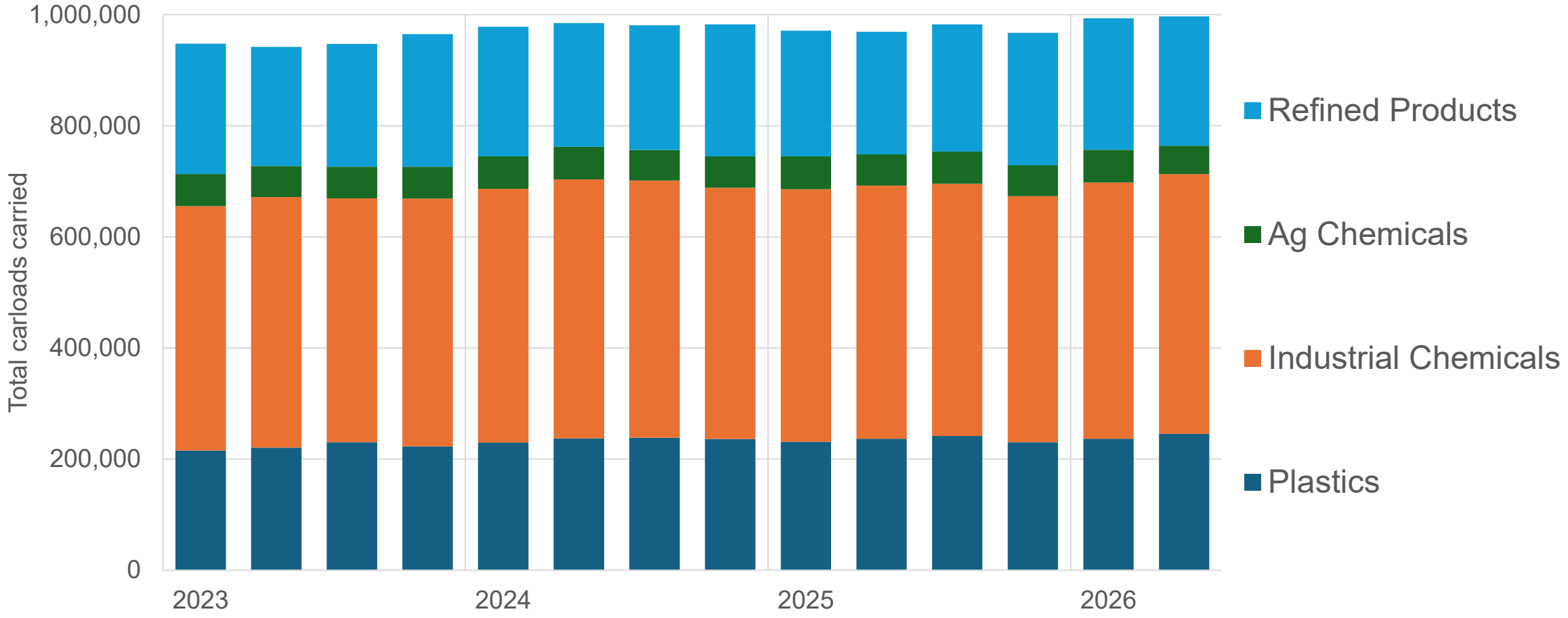
Chemical indicators

Chemical carload expectations



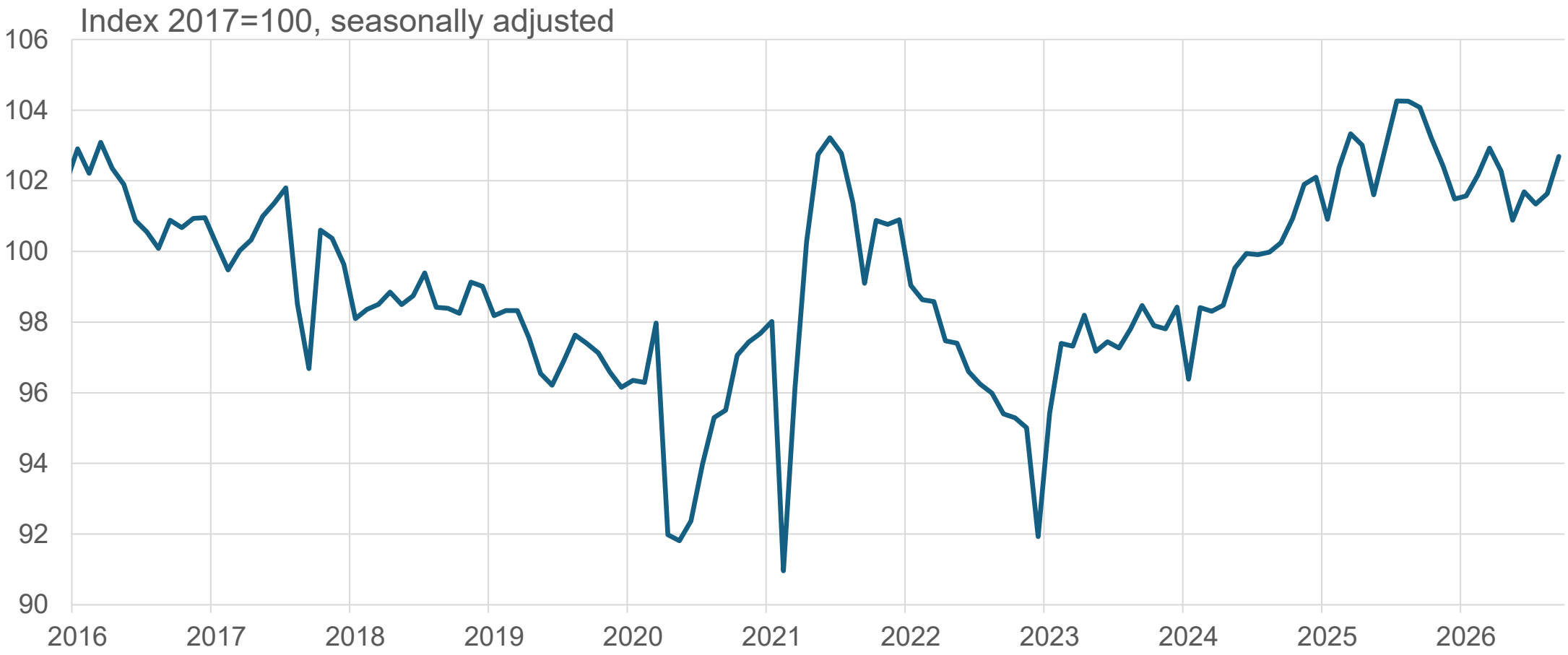
Source: AAR, FTR Transportation Intelligence
Forecast by FTR Transportation Intelligence

Rail traffic of chemicals (FCS)



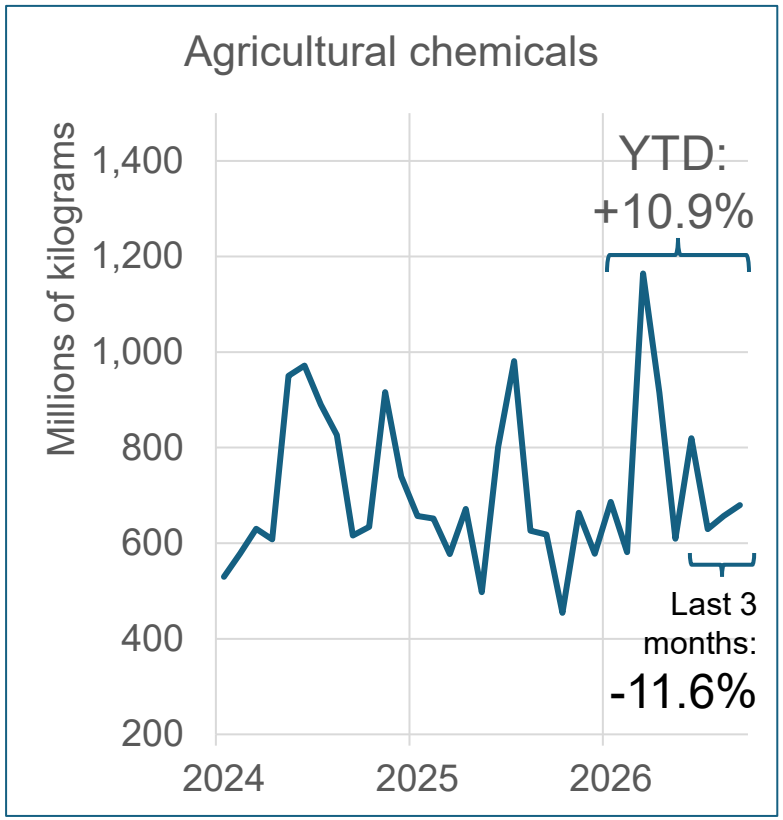
Source: STB Freight Commodity Statistics, FTR Transportation Intelligence
Analysis by FTR Transportation Intelligence

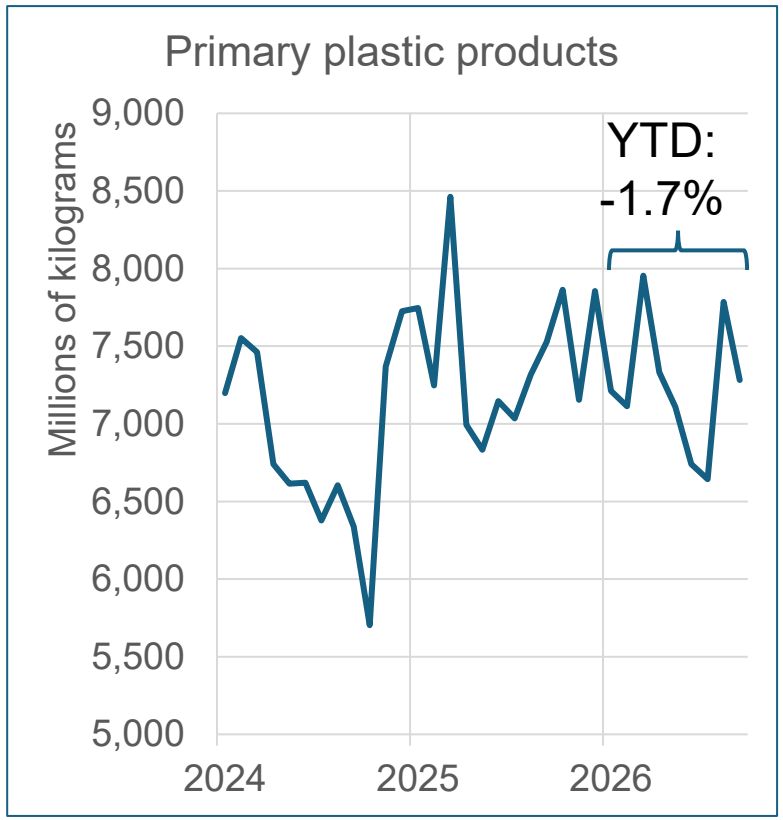
Industrial production of chemicals

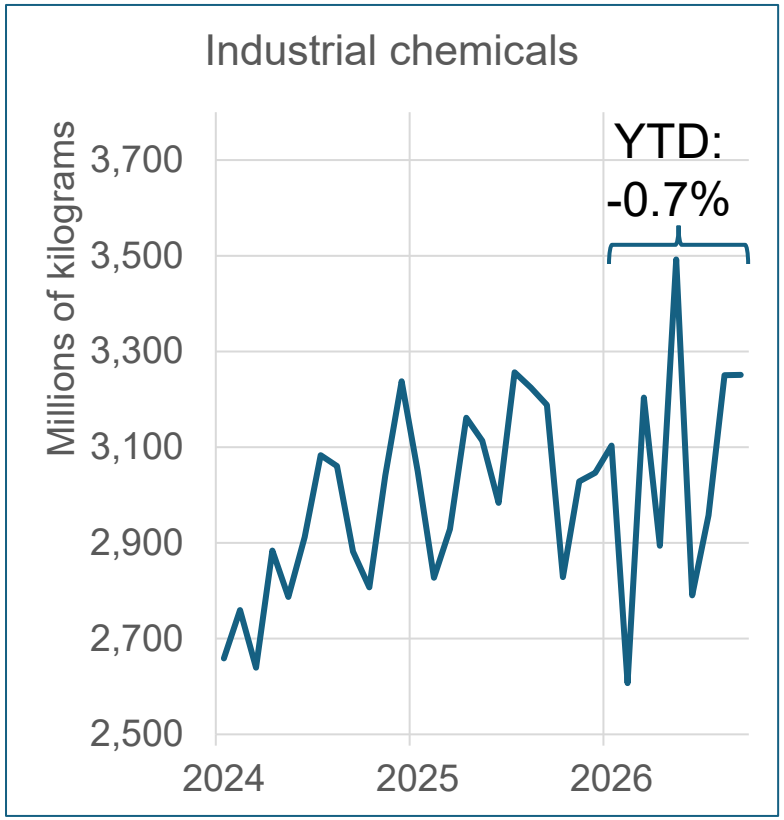


Source: Federal Reserve, FTR Transportation Intelligence
Analysis by FTR Transportation Intelligence

Overseas exports of chemicals

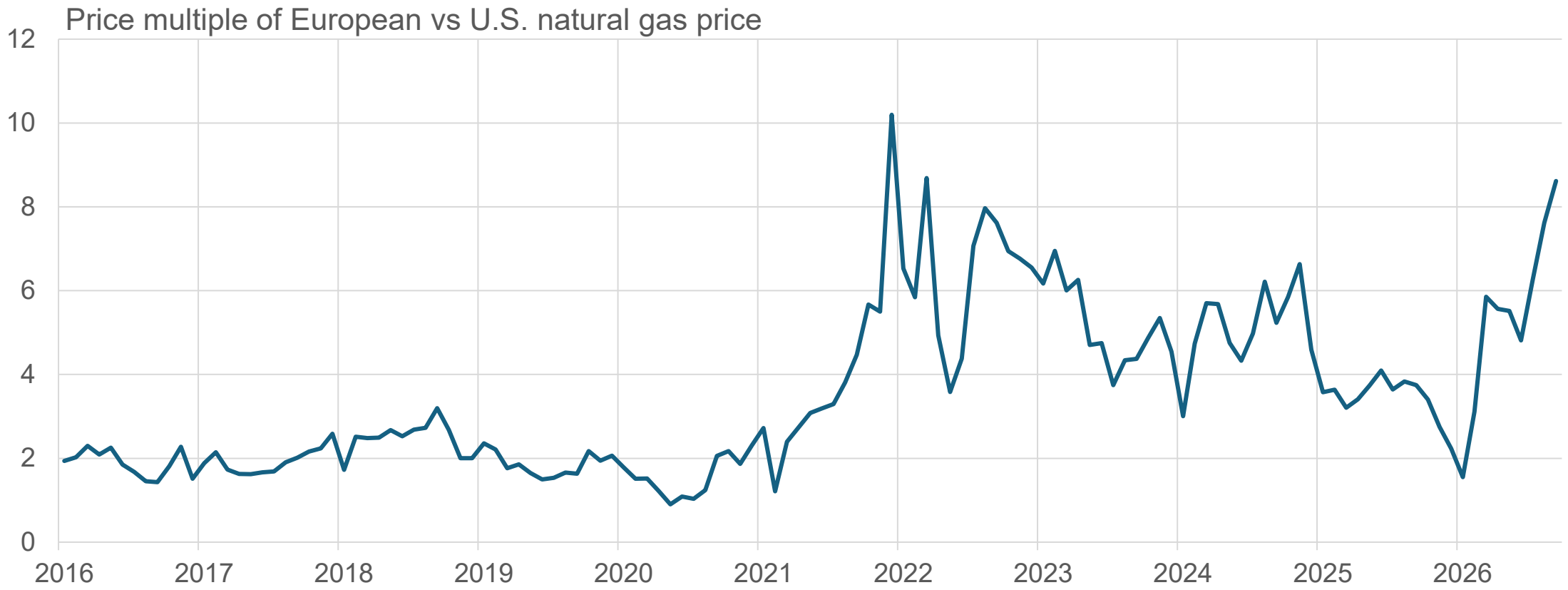






Source: U.S Census Bureau, FTR Transportation Intelligence
Analysis by FTR Transportation Intelligence

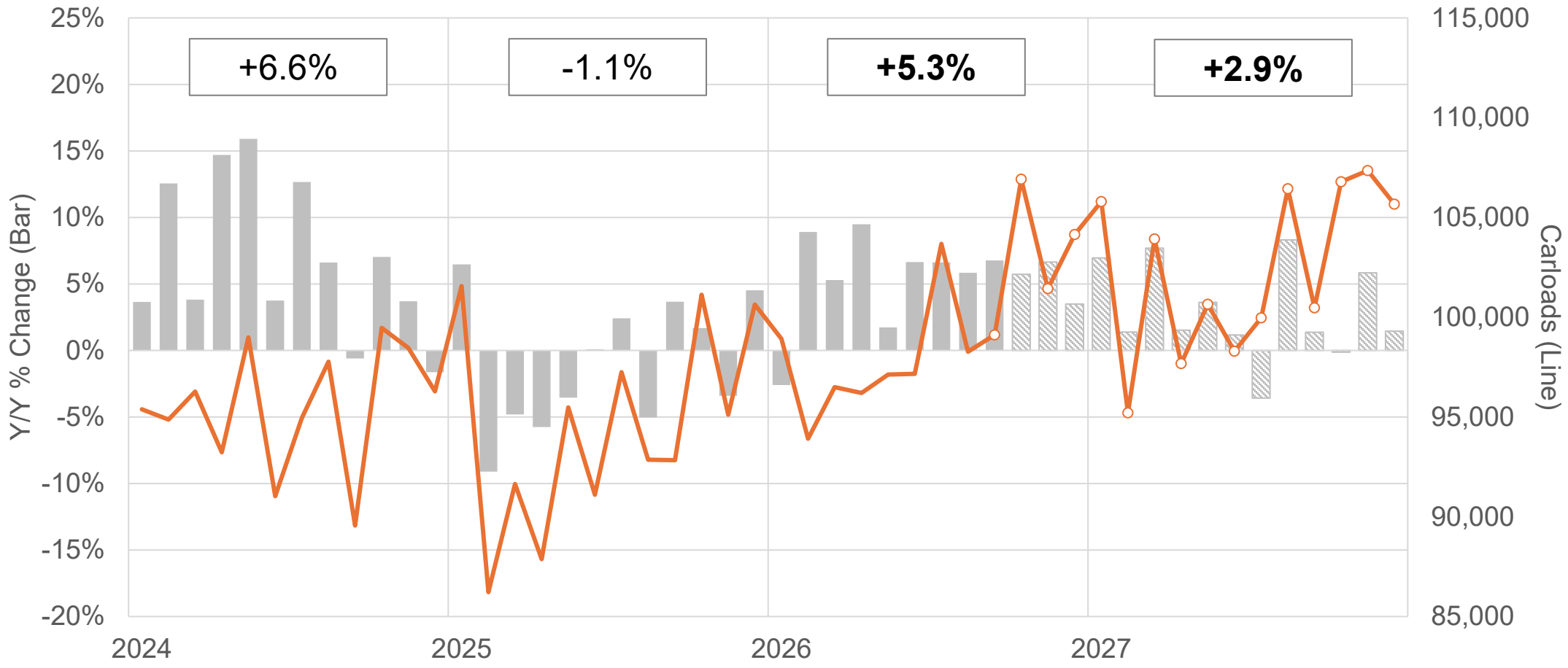
U.S. vs European natural gas prices



Source: United Nations' Pink Sheets, FTR Transportation Intelligence
Analysis by FTR Transportation Intelligence

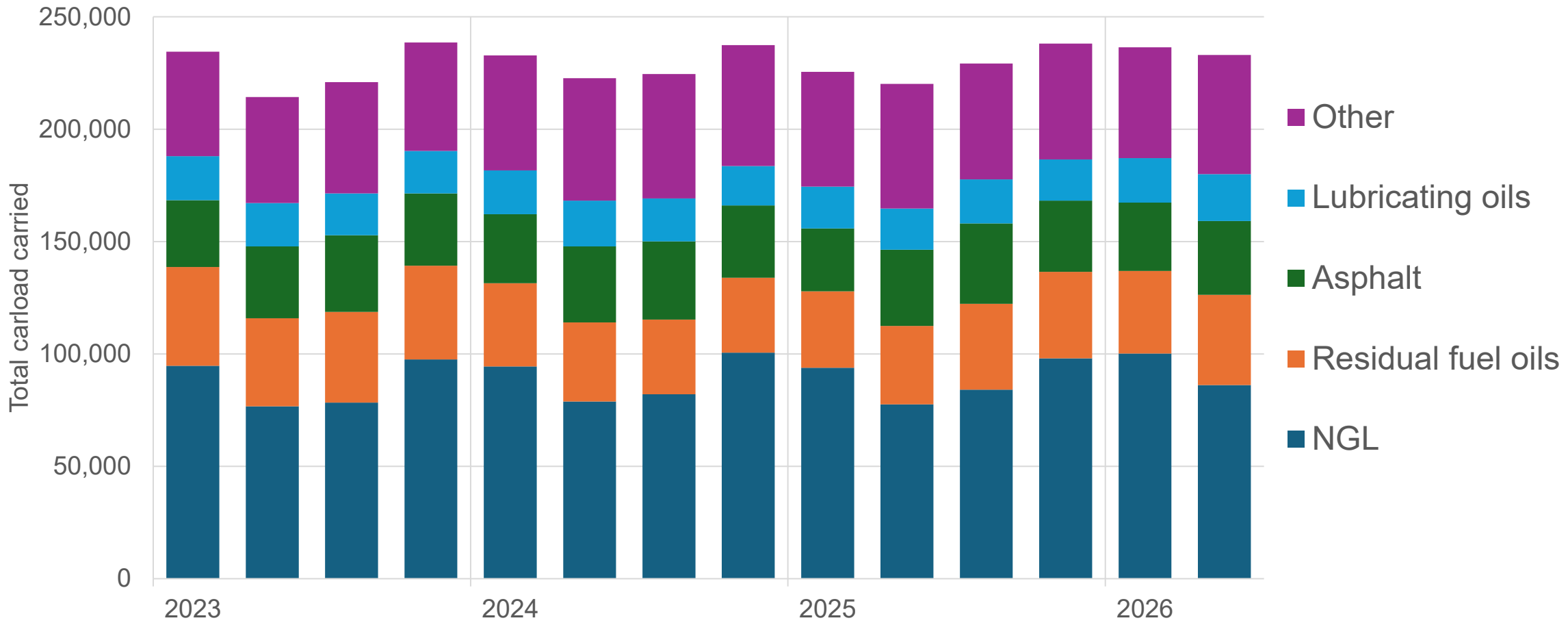
Petroleum indicators

Petroleum carload expectations



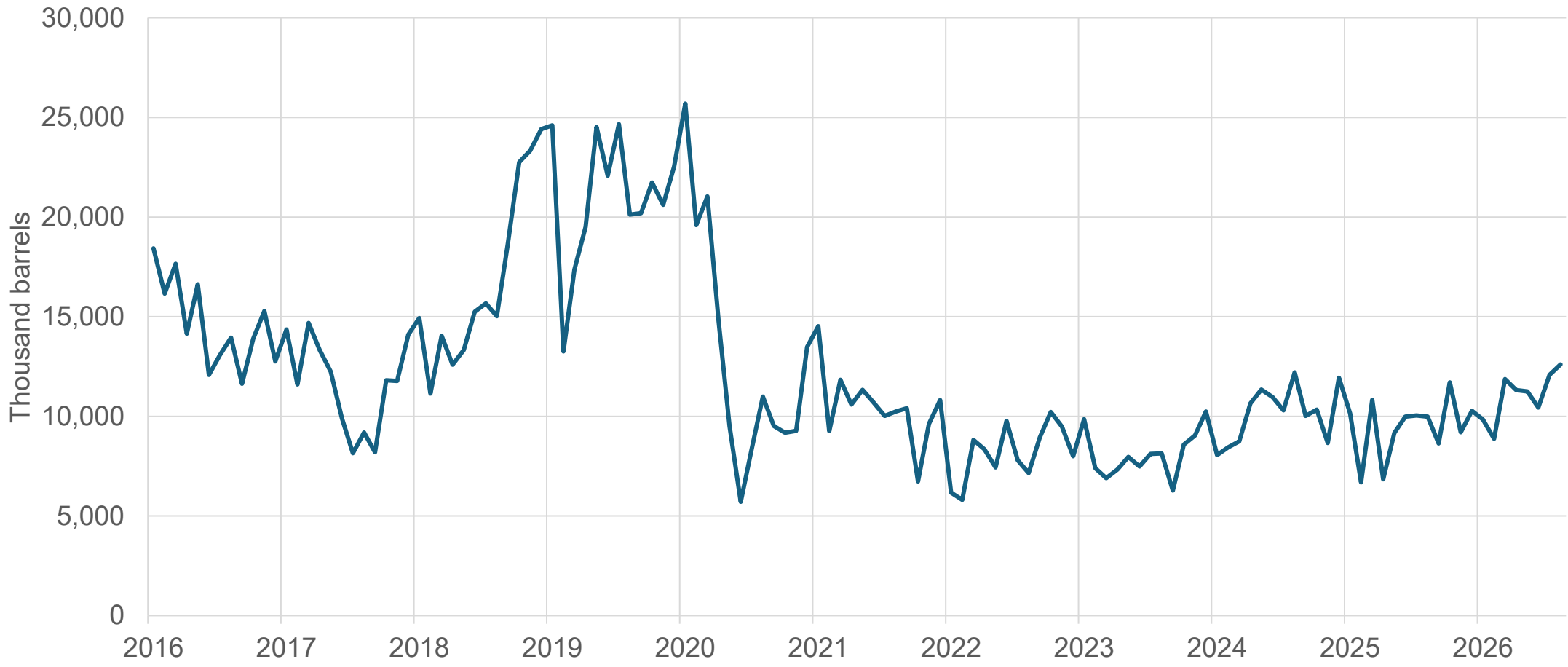
Source: AAR, FTR Transportation Intelligence
Forecast by FTR Transportation Intelligence

Rail traffic of refined products (FCS)



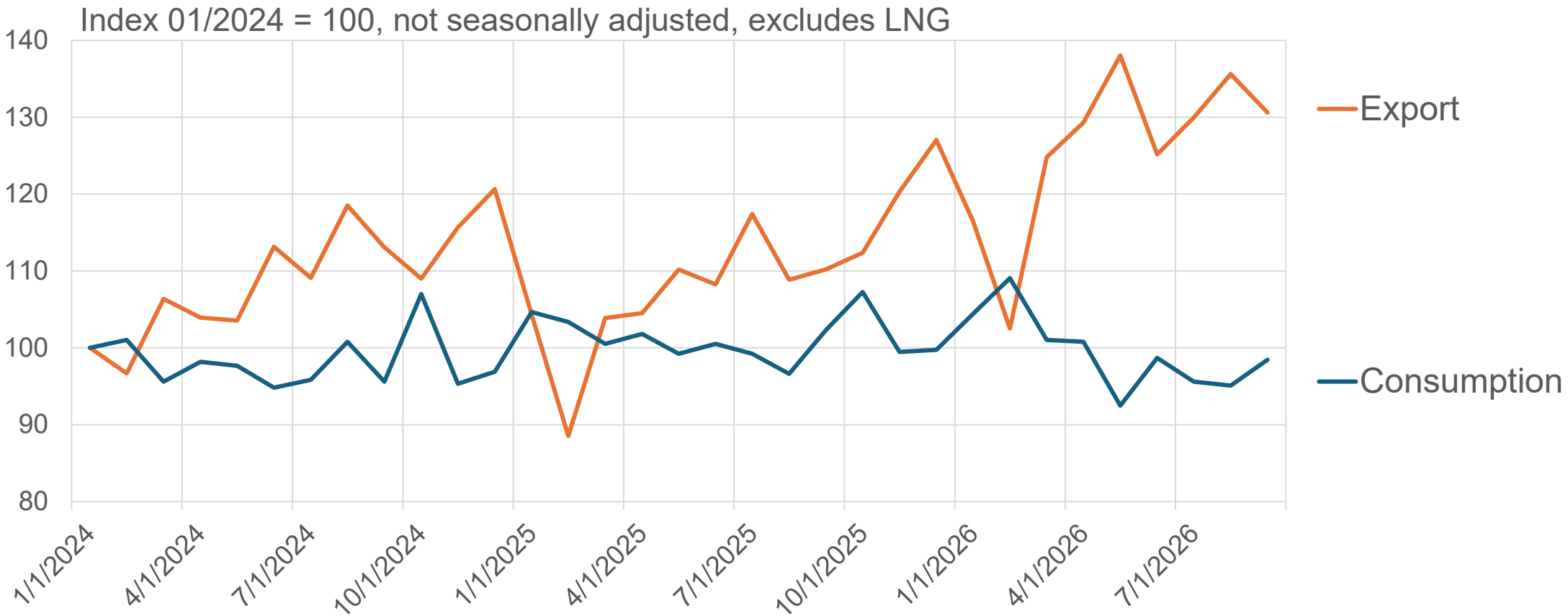
Source: STB Freight Commodity Statistics, FTR Transportation Intelligence
Analysis by FTR Transportation Intelligence

Rail traffic of crude oil



Source: Energy Information Administration (EIA), FTR Transportation Intelligence
Analysis by FTR Transportation Intelligence

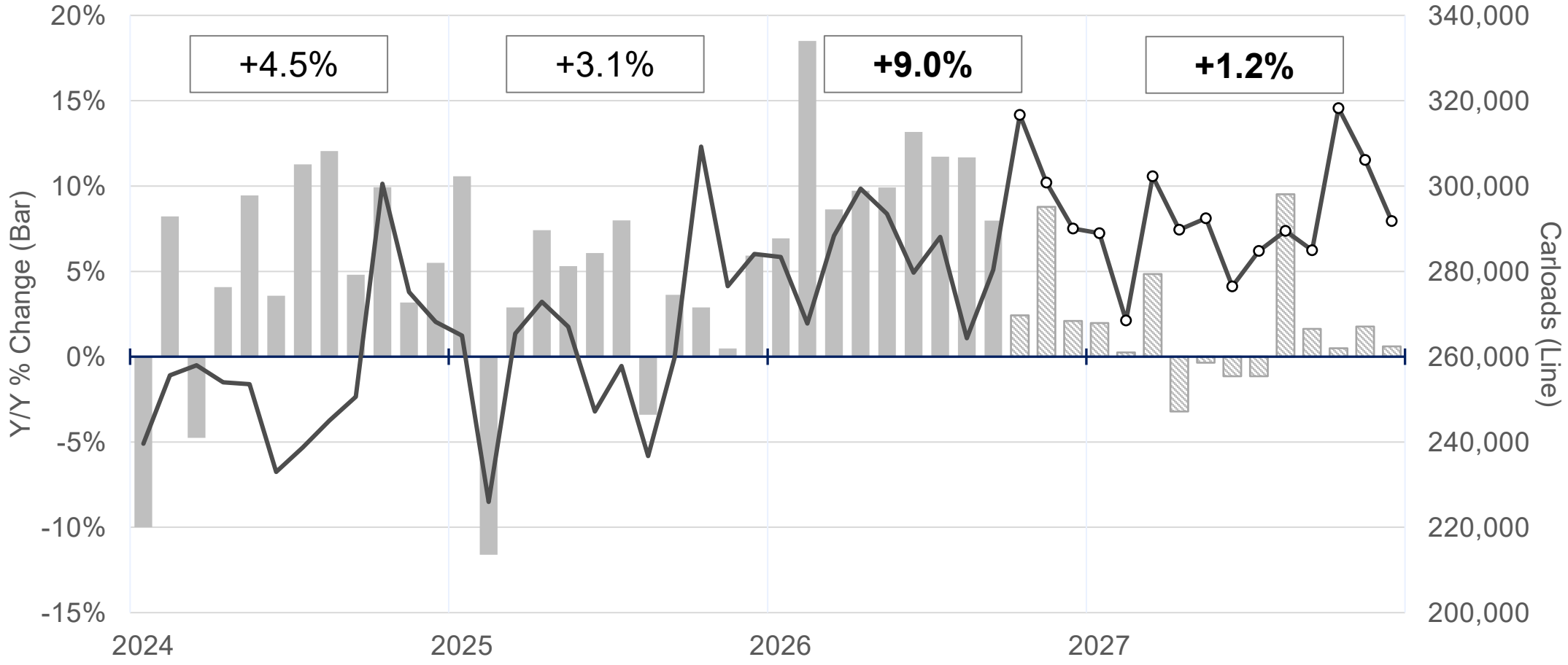
Domestic vs foreign demand for petroleum



Source: Energy Information Administration (EIA), FTR Transportation Intelligence
Analysis by FTR Transportation Intelligence

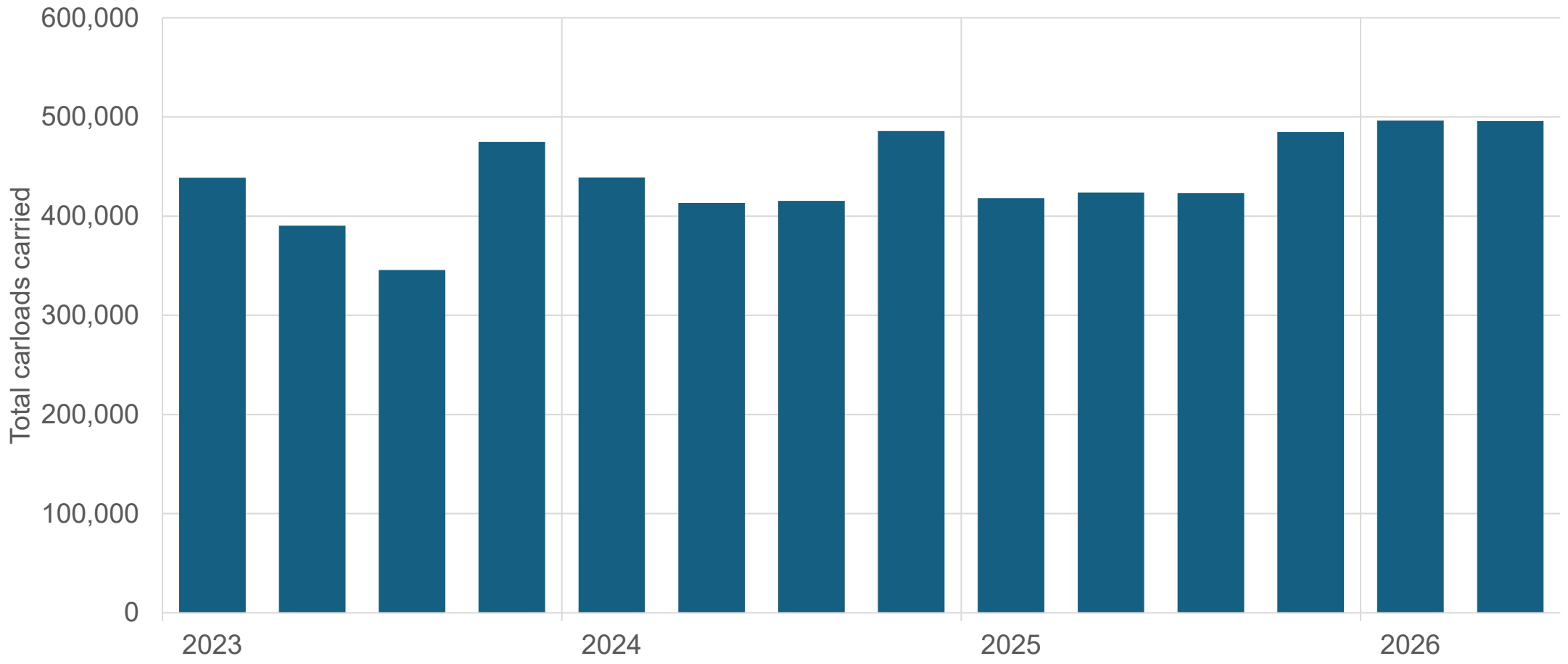
Agricultural indicators

Agriculture rail traffic expectations



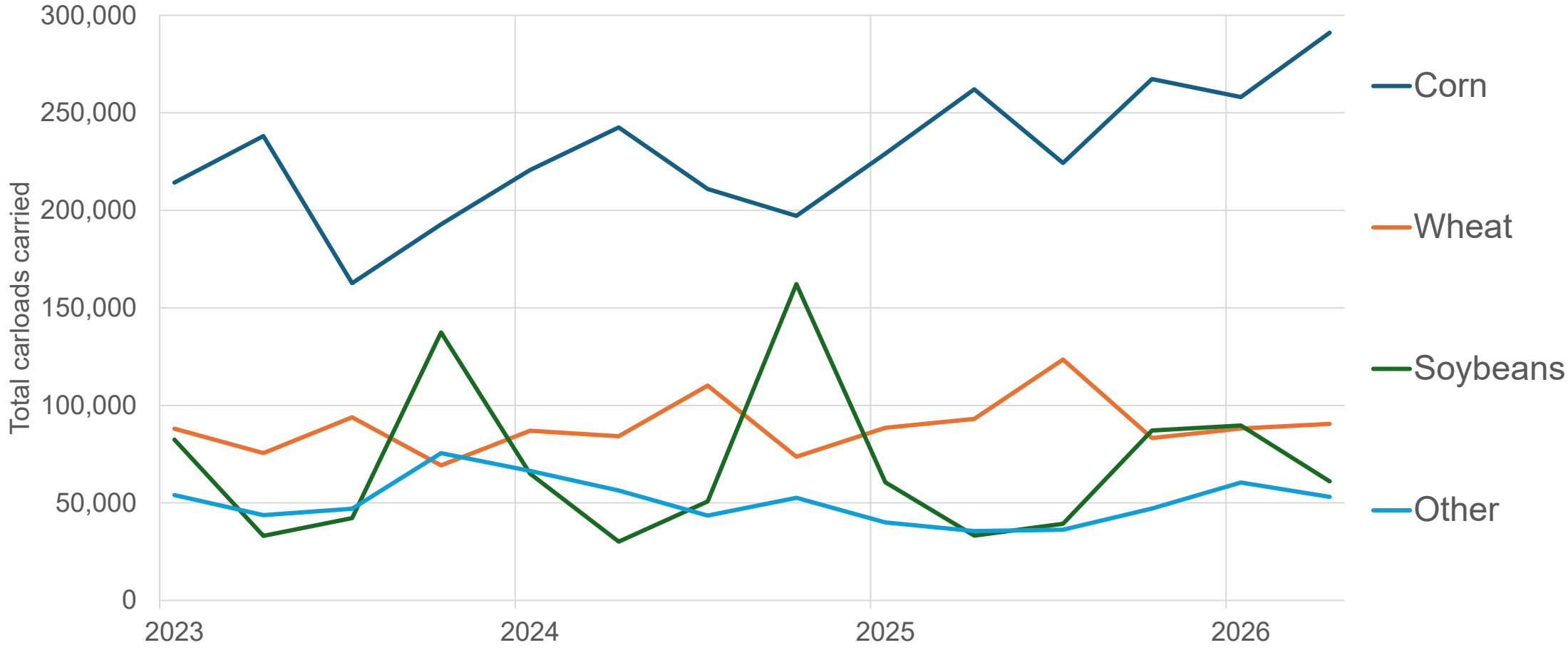
Source: AAR, FTR Transportation Intelligence
Forecast by FTR Transportation Intelligence

Recent grain volumes (FCS)



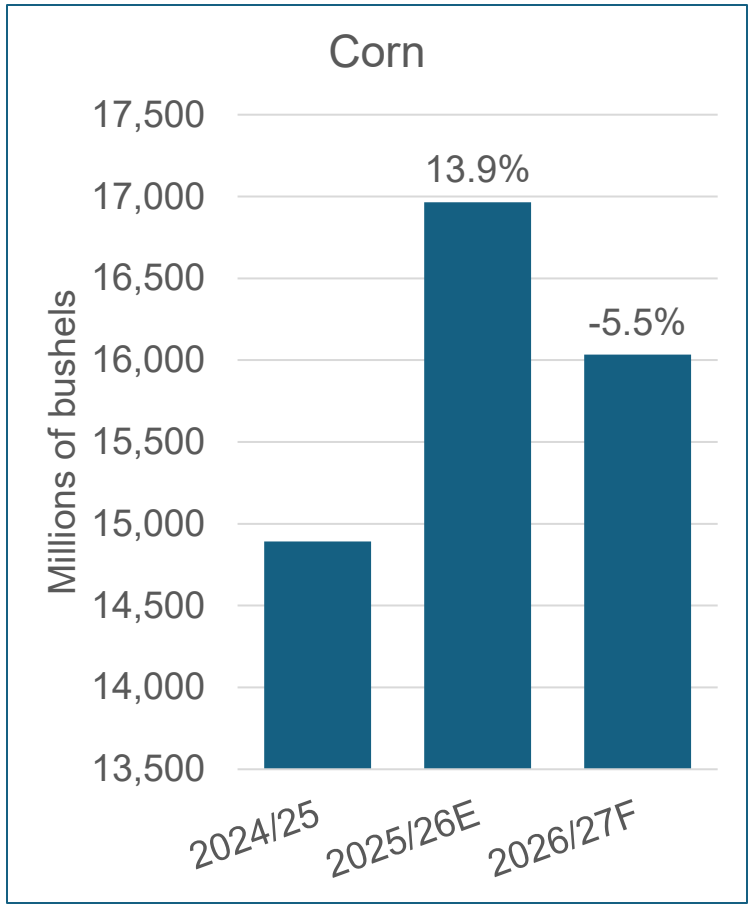
Source: STB Freight Commodity Statistics, FTR Transportation Intelligence
Analysis by FTR Transportation Intelligence

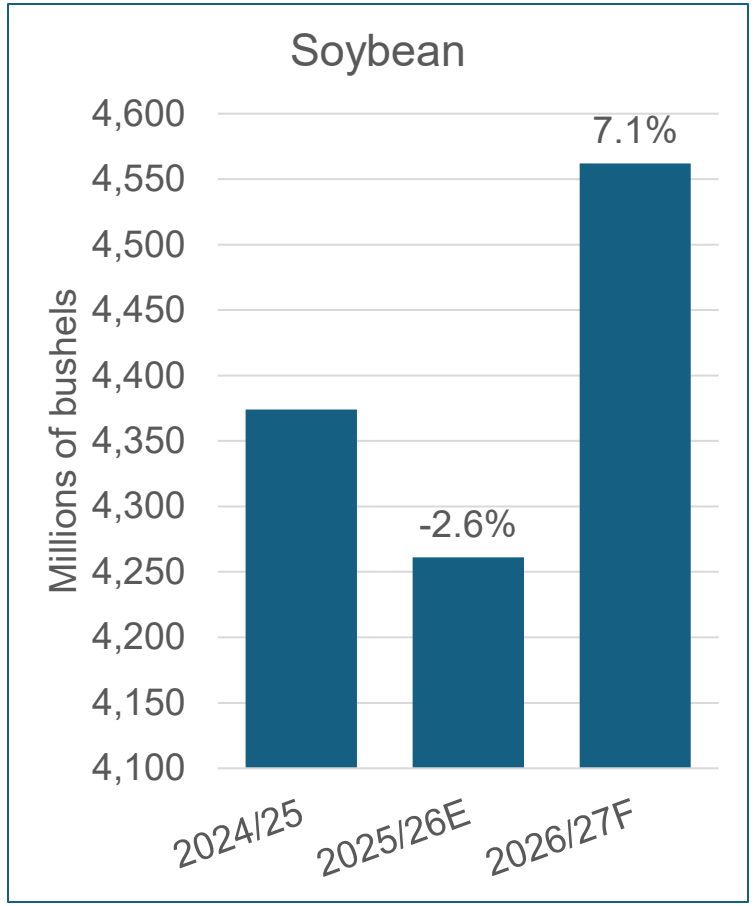
Recent grain volumes (FSC)

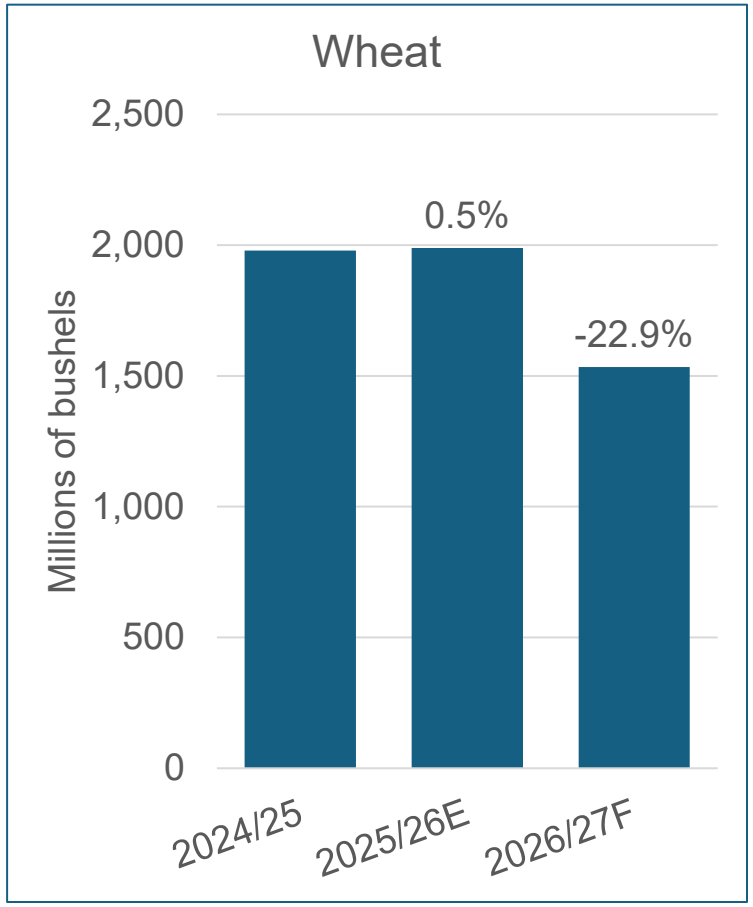


Source: STB Freight Commodity Statistics, FTR Transportation Intelligence
Analysis by FTR Transportation Intelligence

USDA grain production forecast



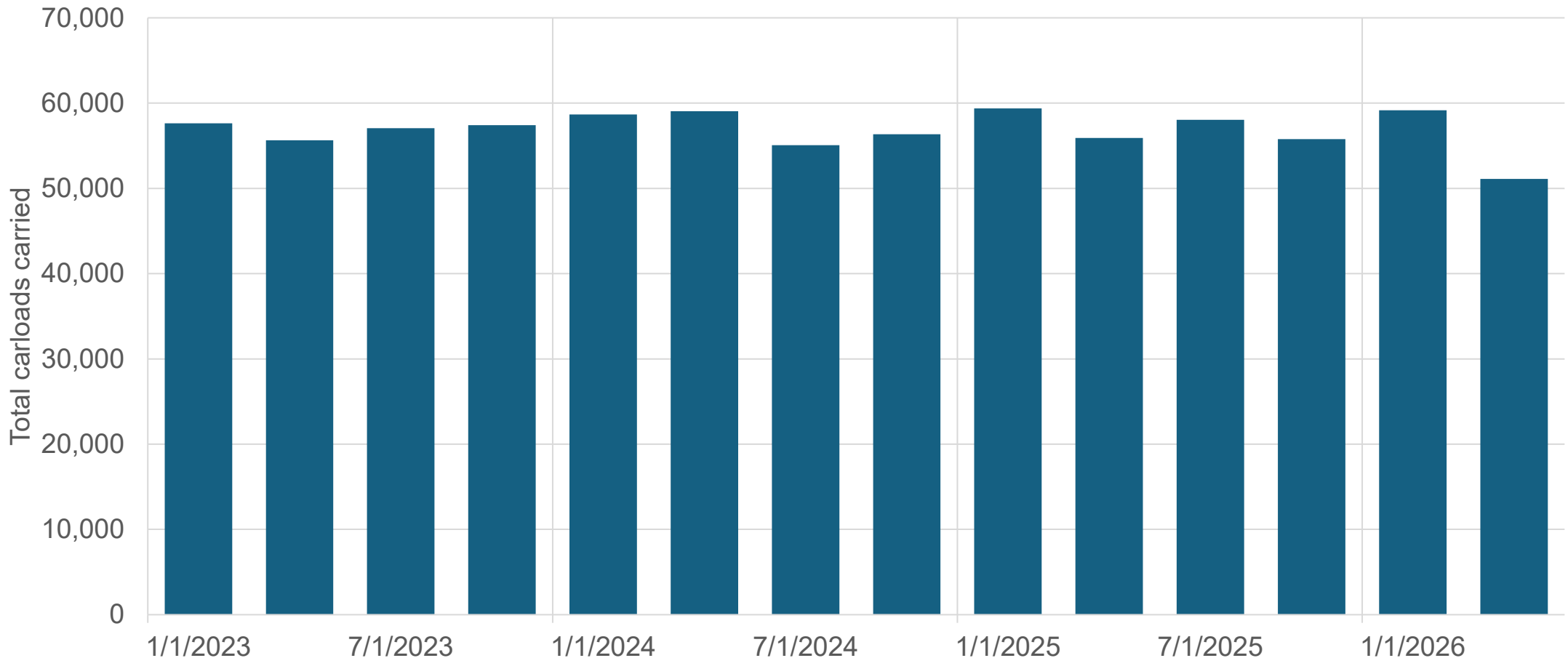




Note: Percentages denote y/y change

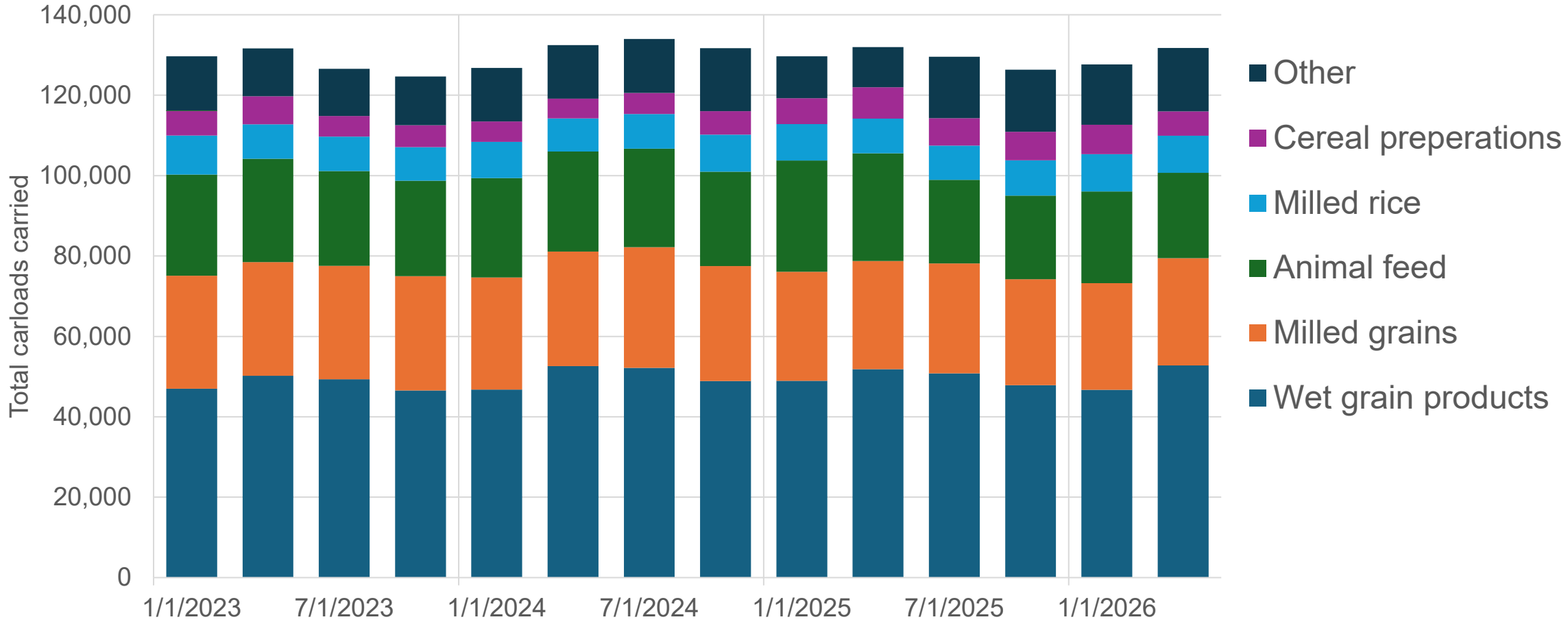
Source: USDA WASDE, FTR Transportation Intelligence

Rail traffic of agricultural chemicals (FCS)



Source: STB Freight Commodity Statistics, FTR Transportation Intelligence
Analysis by FTR Transportation Intelligence

Rail traffic of other agricultural products (FCS)



Source: STB Freight Commodity Statistics, FTR Transportation Intelligence
Analysis by FTR Transportation Intelligence

Key points

- Chemicals
  - Modest growth in rail traffic expected in the coming years, primarily resulting from a modest expansion in the industrial economy.
- Petroleum
  - Iranian war has played an outsized role in this year's strength of petroleum shipments.
  - Traffic levels will likely continue to grow, though at a lesser rate.
- Agriculture
  - Significant moderation expected in the near term, due mostly to grain.
  - Agriculture to remain a steady long-term driver of rail demand.

Q&A

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