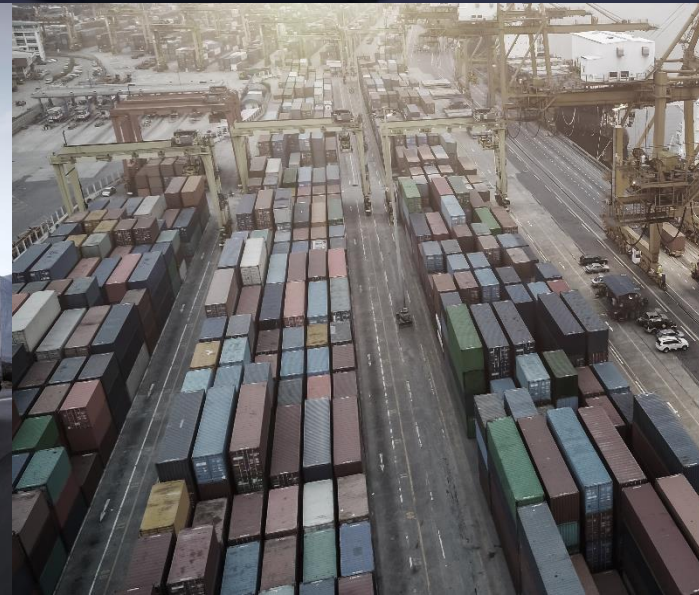




# Surface Transportation Industry Update

November 2022



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
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# U.S. Surface Transportation Industry

## Key Themes

- 1

Inflation pressures the entire Supply Chain
- 2

Retail & Homebuilding softness as recession spreads
- 3

Rail & West Coast Port Unions continue negotiations
- 4

Import levels subside and volume continues to shift East
- 5

“Bullwhip Effect” challenges Holiday Season volumes
- 6

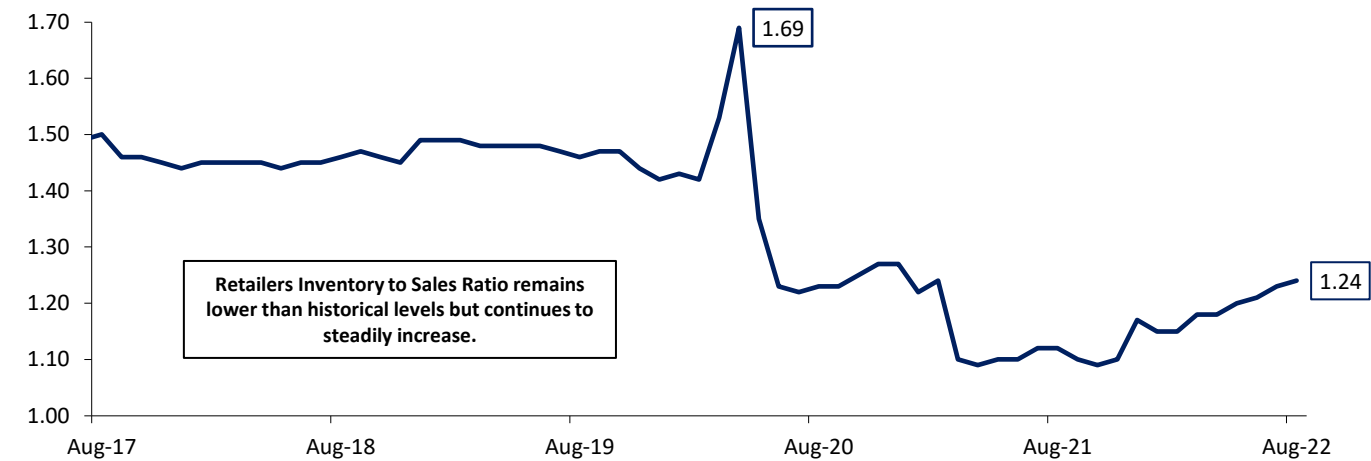
Warehouse vacancy rates are at all-time lows
- 7

Shippers see conditions improve as tender rejections drop
- 8

Mississippi water levels at historic lows & disrupt agricultural movements

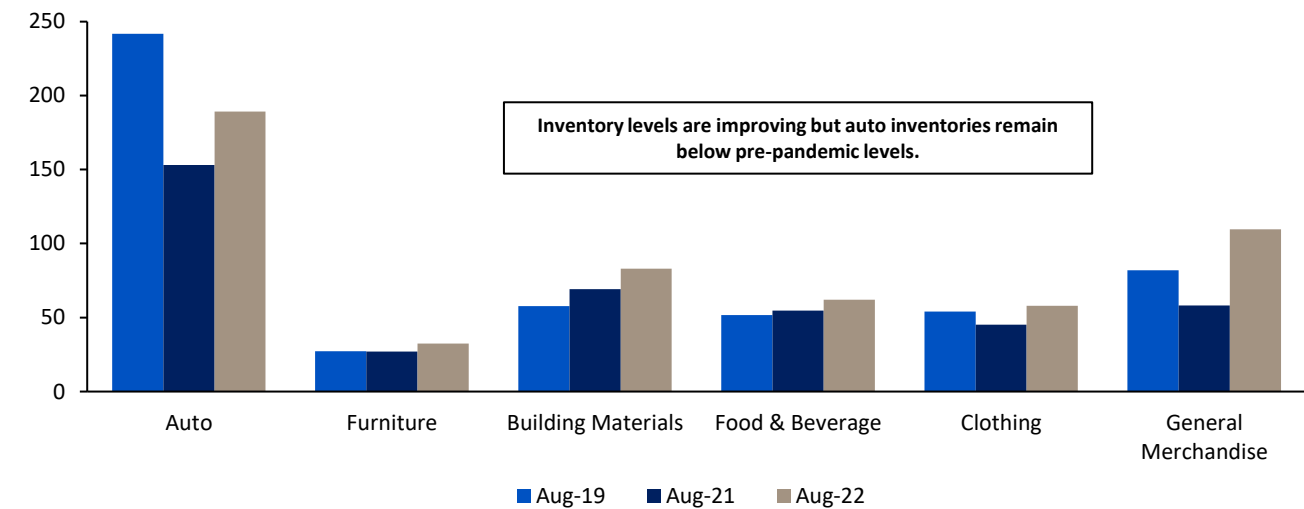
### Total Retailers Inventory-to-Sales Ratio

Source: Federal Reserve Bank of St. Louis; Seasonally Adjusted



### Total Retail Inventory Levels

Source: US Census Bureau; in Billions of Dollars; Seasonally Adjusted

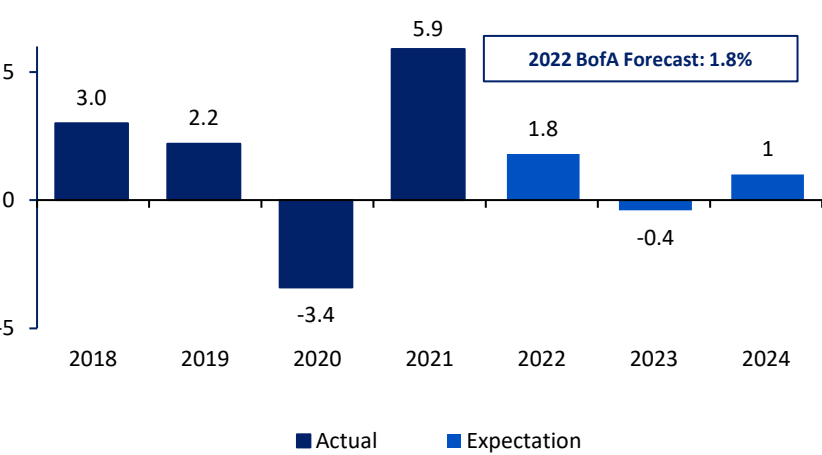


# U.S. Surface Transportation Industry

As Economy Falters, Questions Emerge for Direction of Transportation Industry

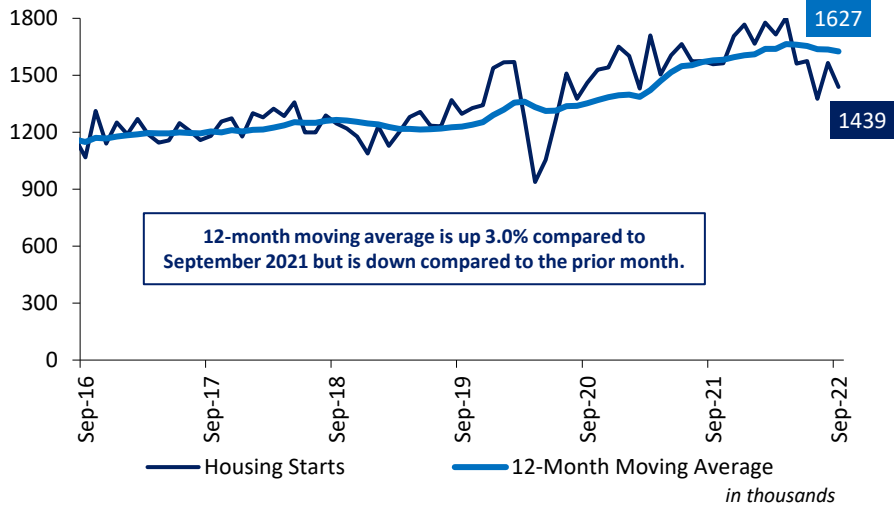
## U.S. GDP Growth Expectation

Source: Bank of America Merrill Lynch Global Economic Research



## Housing Starts

Source: U.S. Department of Housing and Urban Development



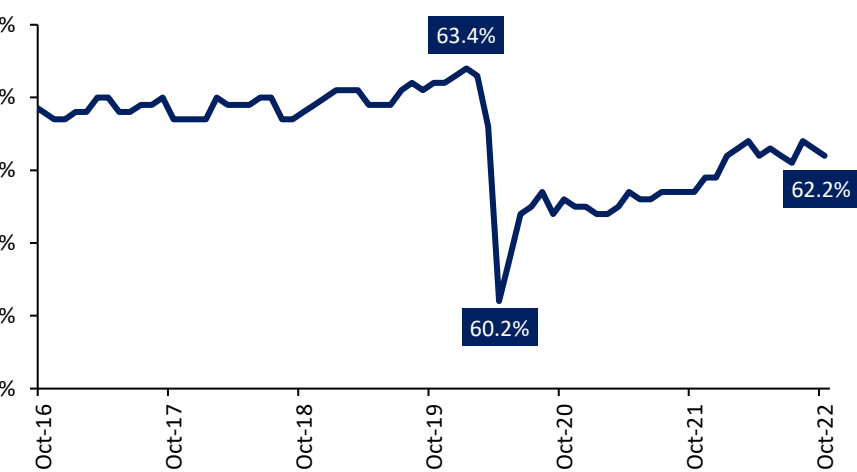
## Manufacturing Index

Source: ISM



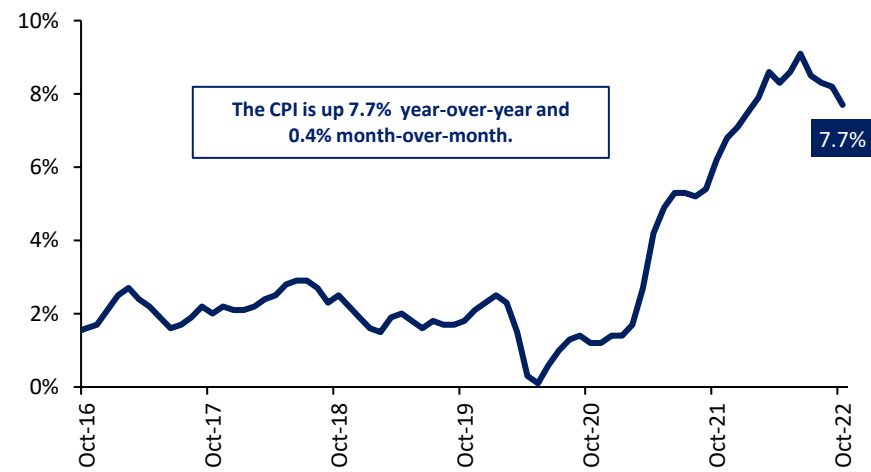
## U.S. Labor Participation Rate

Source: Bureau of Labor Statistics



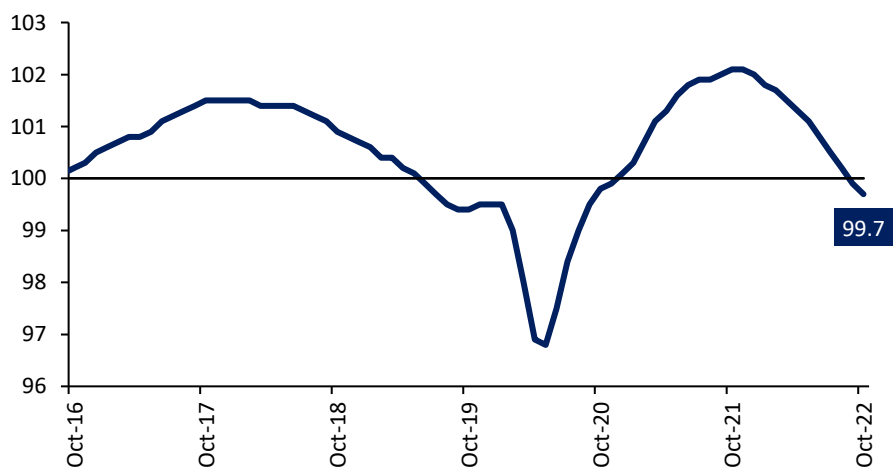
## Consumer Price Index

Source: Bureau of Labor Statistics



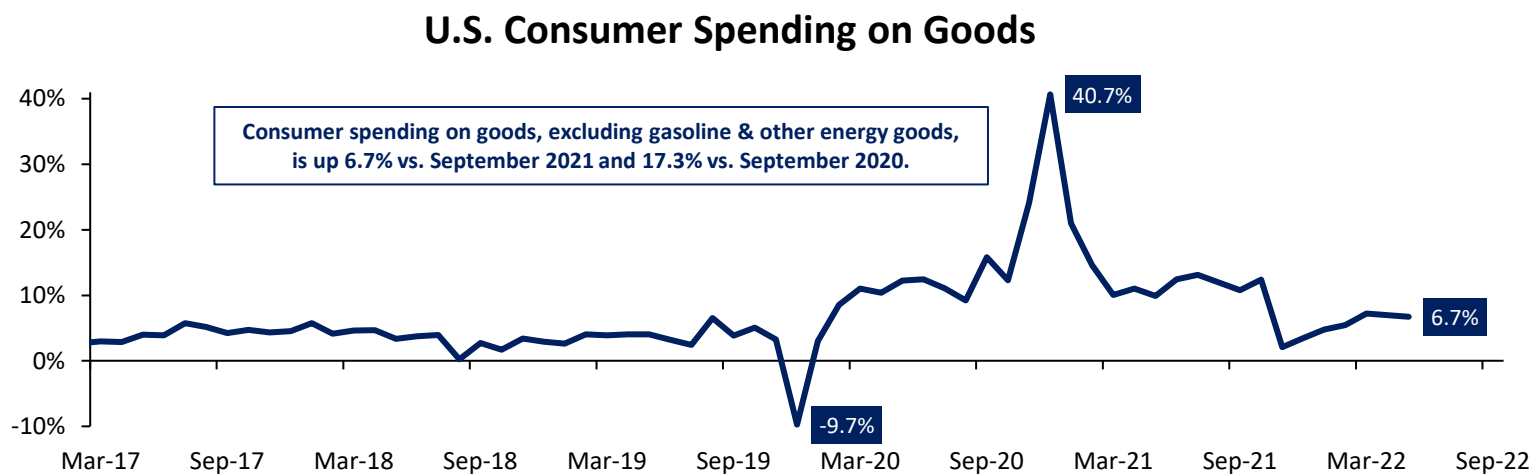
## U.S. Business Confidence Index

Source: OECD



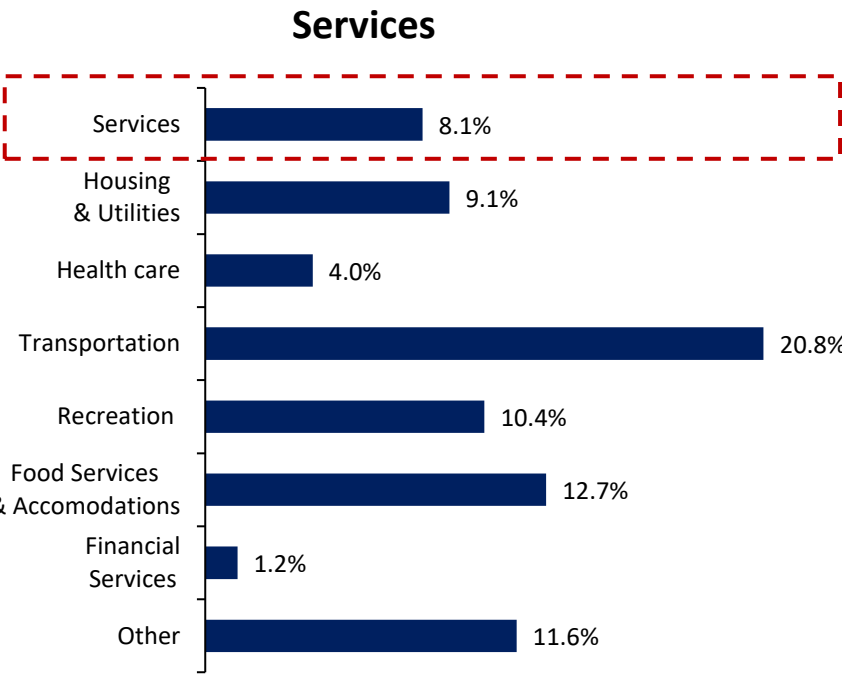
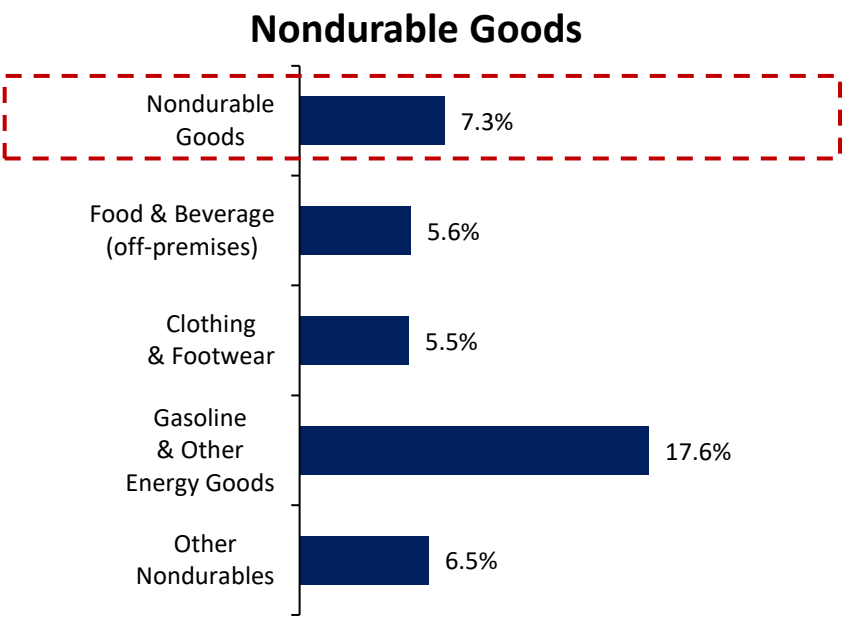
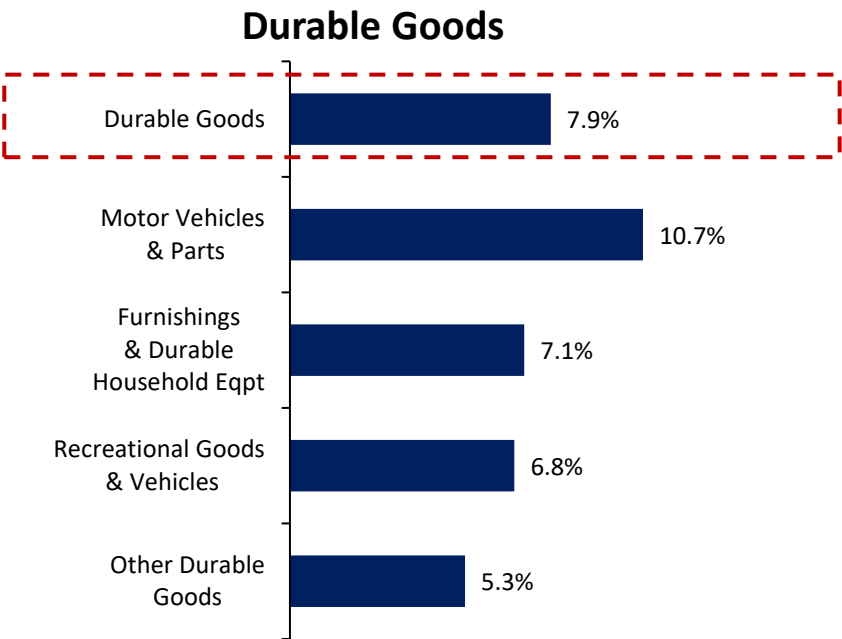
# U.S. Surface Transportation Industry

## Year-over-Year Consumer Spending Data



**BofA Card Spending Analysis**

- BAC credit and debit card spending increased 3.1% year-over-year and 0.5% month-over-month in October 2022.
- Card spending was likely boosted by an additional Amazon Prime Day and related promotions, as well as one-off stimulus payments distributed in California.
- Rising inflation and recession fear may have consumers shifting their spending to less expensive items. For example, “fast dining” spending out-paced “full-service dining” spending in October by the greatest amount since April 2021 and real (inflation-adjusted) grocery spending is now below pre-pandemic levels.



Note: Reflects % change for 2022 vs. 2021, seasonally adjusted (SA), for the month ending September 30<sup>th</sup>, 2022

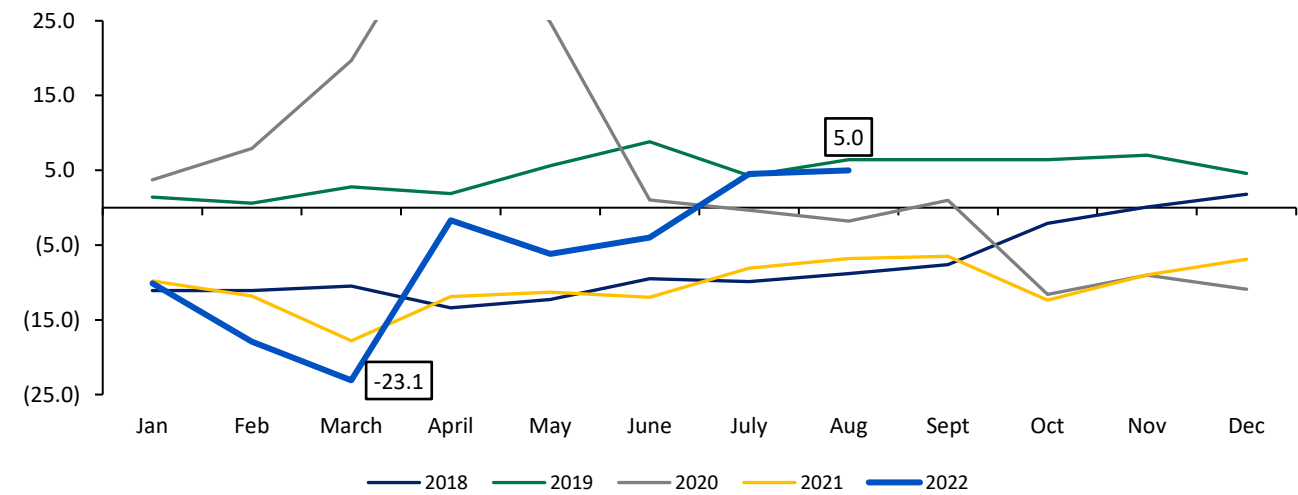


# U.S. Surface Transportation Industry

## Falling Diesel Prices and Loosening Congestion Positive for Shippers

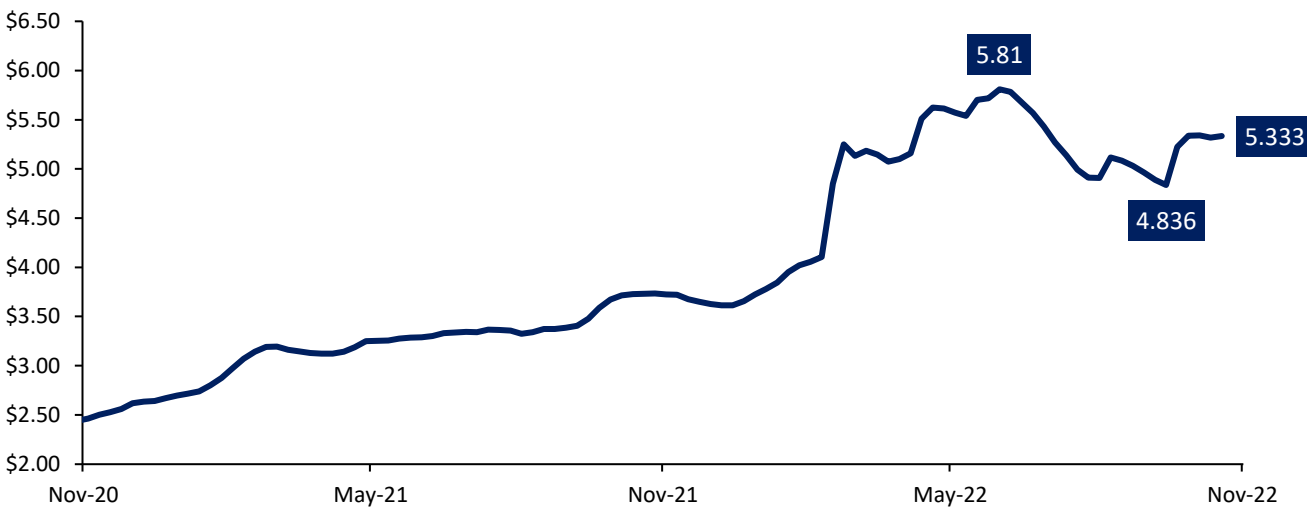
### FTR Shippers Condition Index

Index approaching 10 = Strongly Positive Environment  
Index around 0 = Neutral Environment  
Index approaching -10 = Strongly Negative Environment



### U.S. On-Highway Diesel Fuel Prices

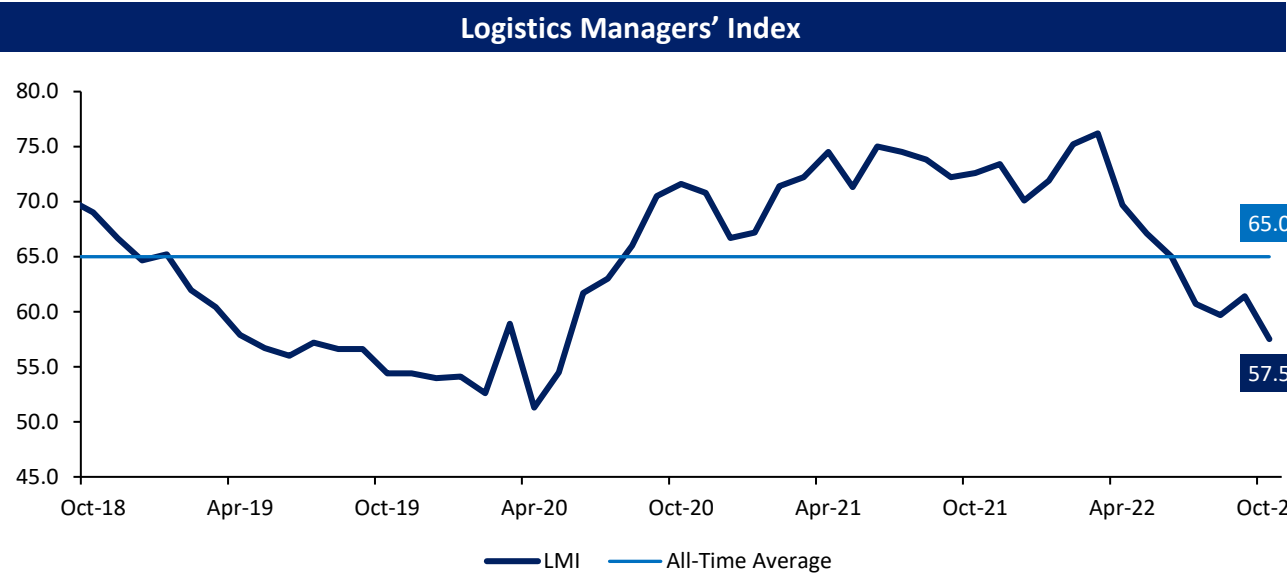
Source: Energy Information Administration; Prices in Dollars per Gallon and include Taxes



- The FTR Shipper’s Conditions Index (SCI) tracks the changes of four major conditions in the U.S. full-load freight market: freight demand, freight rates, fleet capacity and fuel price. After reaching the lowest reading on record in March, the SCI has rebounded and remained positive in August after reaching the first positive reading since 2020 in July. The positive reading was affected by the mildly favorable core freight conditions, but is mainly due to falling diesel prices. The outlook is for shippers’ market conditions to remain neutral through 2023; then readings are expected to be more firmly negative.
- FTR VP of Rail & Intermodal Todd Tranausky notes, “Shippers face multiple rounds of uncertainty in the coming months as diesel prices turn back higher and the harvest competes for capacity with other freight, while overall active trucking utilization eases back toward its historical average.”
- The U.S. economy and supply chains are extremely dependent on diesel – 97% of Class 8 trucks use diesel, nearly all trains depend on diesel and 80% of the ships that transport goods across the ocean are diesel-powered.

# U.S. Surface Transportation Industry

## Logistics Managers' Index and Cass Freight Index



### View of Inventory



- **Inventory Levels** – growing at a decreasing rate
- **Inventory Costs** – growing at an increasing rate

### View of Warehousing

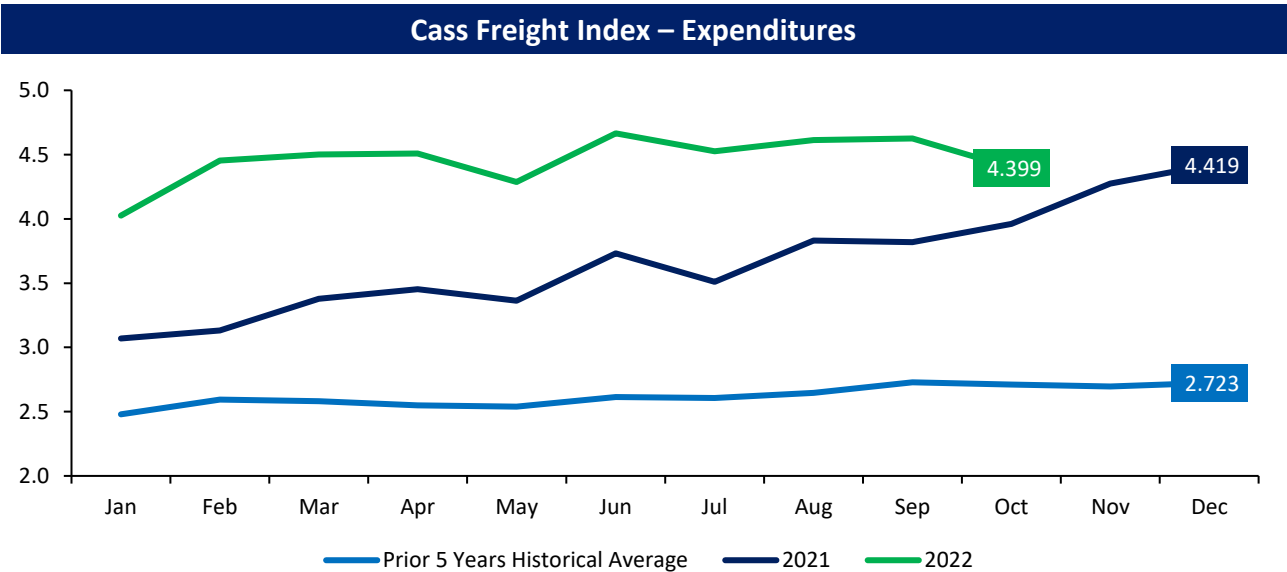
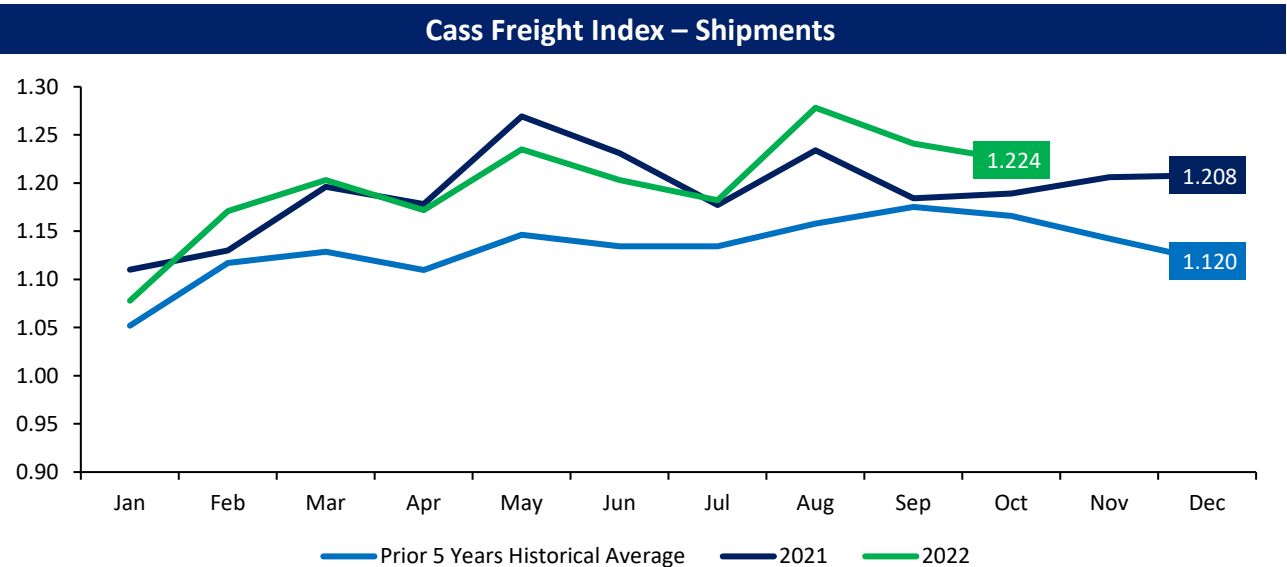


- **Warehousing Capacity** – contracting at a decreasing rate
- **Warehousing Utilization** – growing at a decreasing rate
- **Warehousing Prices** – growing at an increasing rate

### View of Transportation



- **Transportation Capacity** – growing at an increasing rate
- **Transportation Utilization** – growing at a decreasing rate
- **Transportation Prices** – growing at an increasing rate



Source: Logistics Managers' Index; Cass Information Systems, Inc.

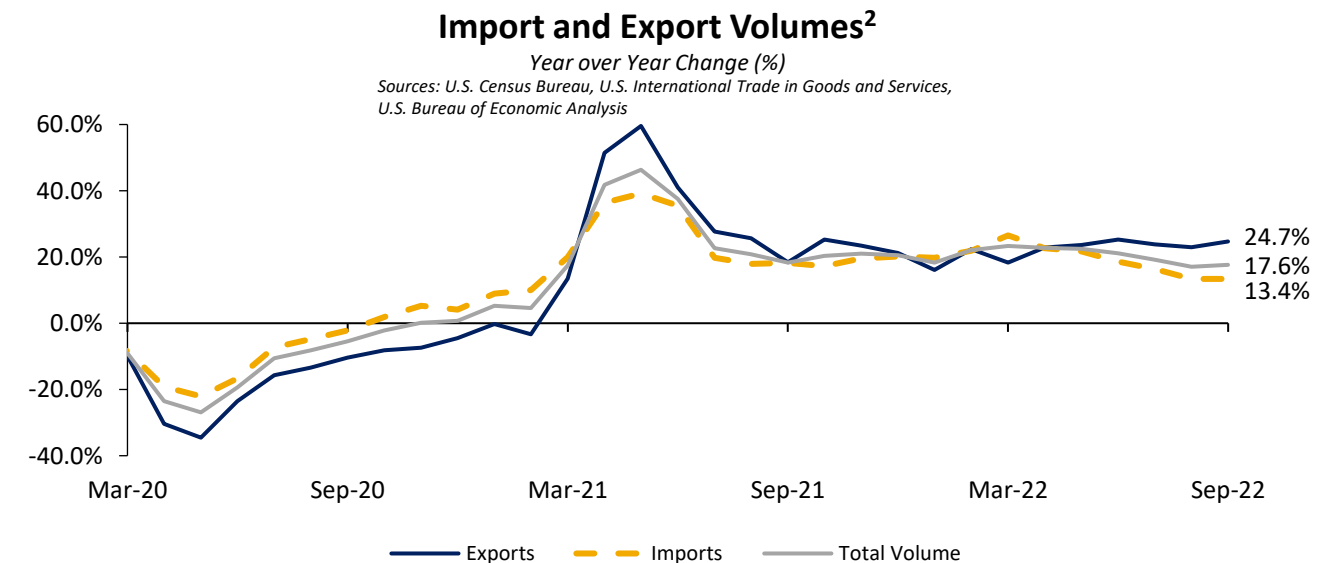
# U.S. Surface Transportation Industry

## U.S. Port Volumes

Top 10 U.S Ports	% of Total	Port Size TEU R12 Activity	R12 Y-o-Y %	Sep - 22 Y-o-Y <sup>1</sup>
Los Angeles	18%	6,398,876	-9%	-23%
Long Beach	18%	6,179,986	1%	-5%
Total LA/LB	36%	12,578,862	-4%	-14%
New York	18%	6,245,252	6%	10%
Savannah	12%	4,223,635	1%	-9%
Seattle/Tacoma	5%	1,912,591	-12%	-18%
Norfolk	8%	2,847,506	7%	-2%
Oakland	5%	1,777,842	-10%	-8%
Houston	9%	3,068,689	15%	37%
Charleston	6%	2,087,297	3%	2%
<b>Total Top Ten</b>		<b>34,741,674</b>	<b>0%</b>	<b>-4%</b>
Vancouver		2,583,527	-13%	-3%

Sources: Port of Los Angeles, Long Beach, New York, Savannah, SeaTac, Norfolk, Oakland, Houston, Charleston, and Vancouver

- In September, the Port of Los Angeles experienced its second month in a row of weakening cargo volumes, with loaded import TEUs down 27% year-over-year. High levels of retail and other inventory are already on shelves and in warehouses causing cargo volumes to decline.
- “Despite what will likely be a soft ending to 2022, we are on track to have the second-best year in our history,” Port of Los Angeles Executive Director Gene Seroka said at a media briefing. “More importantly, the cargo backlog that began last year has been nearly eliminated due to the diligent, combined efforts of our supply chain partners.”
- Volumes at the Northwest Seaport Alliance Ports of Seattle and Tacoma continue to be negatively impacted by reduced vessel calls in September, due to congestion at other ports and many major retailers having already built up inventories earlier in the year.
- In September, total trade volume was 17.6% higher vs. prior year due to increases in both exports +24.7% and imports +13.4%.



Sources: American Association of Port Authorities, Maritime Executive, U.S. Census Bureau, Global Port Tracker, American Shipper

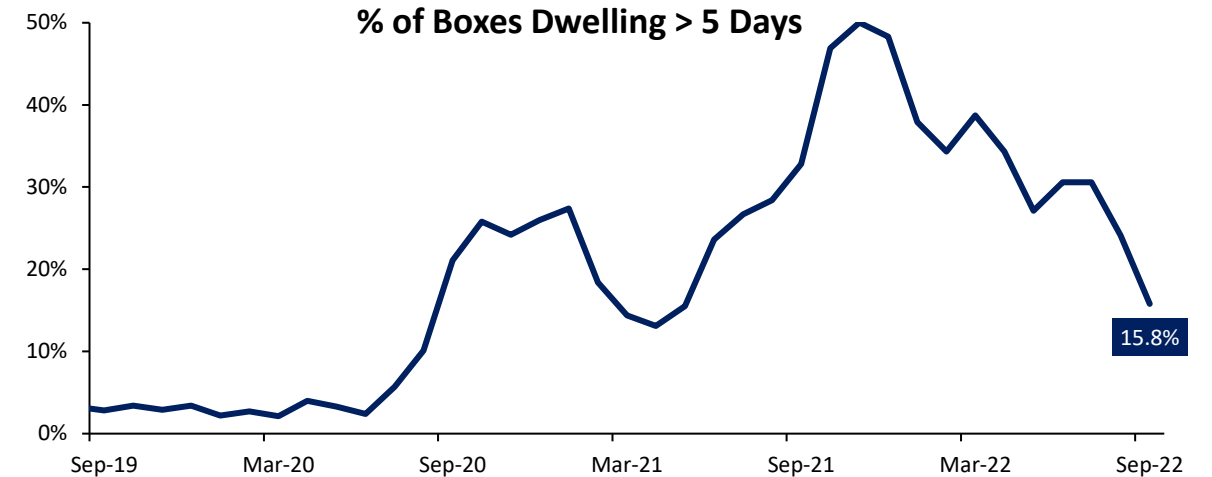
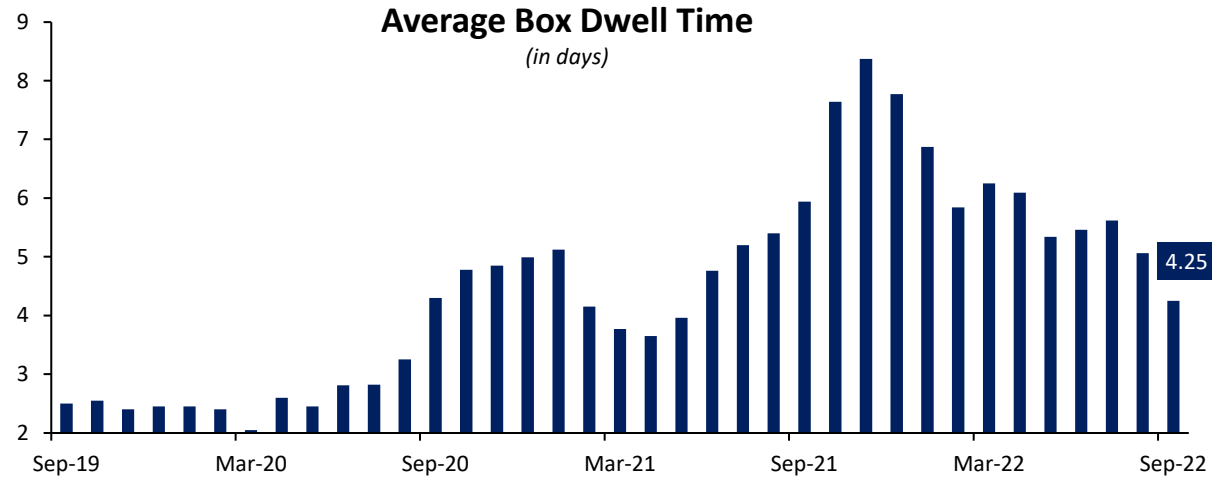
1) Loaded TEUs compared to Loaded TEUs prior period

2) Import and Export Volumes are calculated from seasonally adjusted dollar values and only include Goods; exclude Services



# U.S. Surface Transportation Industry

## U.S. Port Congestion



- Supply chain bottlenecks at the West Coast ports have significantly improved since their peak in November 2021. While dwell times ticked back up slightly in June and July, they have since declined and the Port of Los Angeles has been able to work through much of its significant backlog. September is typically peak season, but cargo volumes have eased due to many retailers already having high levels of inventory heading into the holidays.
- Rolf Habben Jansen, CEO of ocean carrier Hapag-Lloyd, believes that importers overreaction to last year's congestion and heightened consumer demand that brought too much cargo too early, may cause a "bullwhip effect" in the opposite direction next year. Jansen said, "Everybody is overreacting all the time. At the start of COVID, we lost 20% of our volume in two weeks because everybody started cutting their orders. Then the economy recovered and everybody started ordering like crazy. This year we saw lots of people ordering Christmas stuff [for early arrival] in the summer. So, a lot of volume was brought forward. Now we see congestion easing, inventories filling up and warehouses filling up and everybody is cutting orders like crazy. We've gone to the other extreme. I'm just waiting for the next step. Because I'm pretty sure what we're seeing right now is an overreaction — again. People trying to cut everything possible at this stage will see that underlying consumer demand is actually relatively healthy and all of a sudden, they'll become concerned that their inventories are a bit on the low end and we'll possibly see a bounce-back."

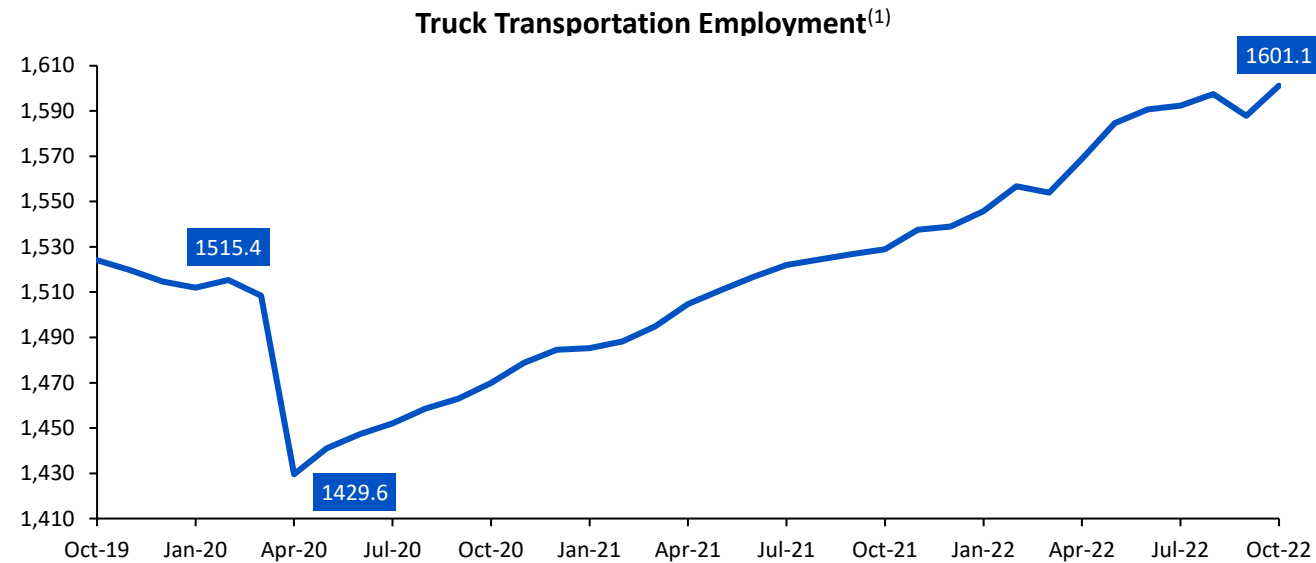


# U.S. Trucking Industry

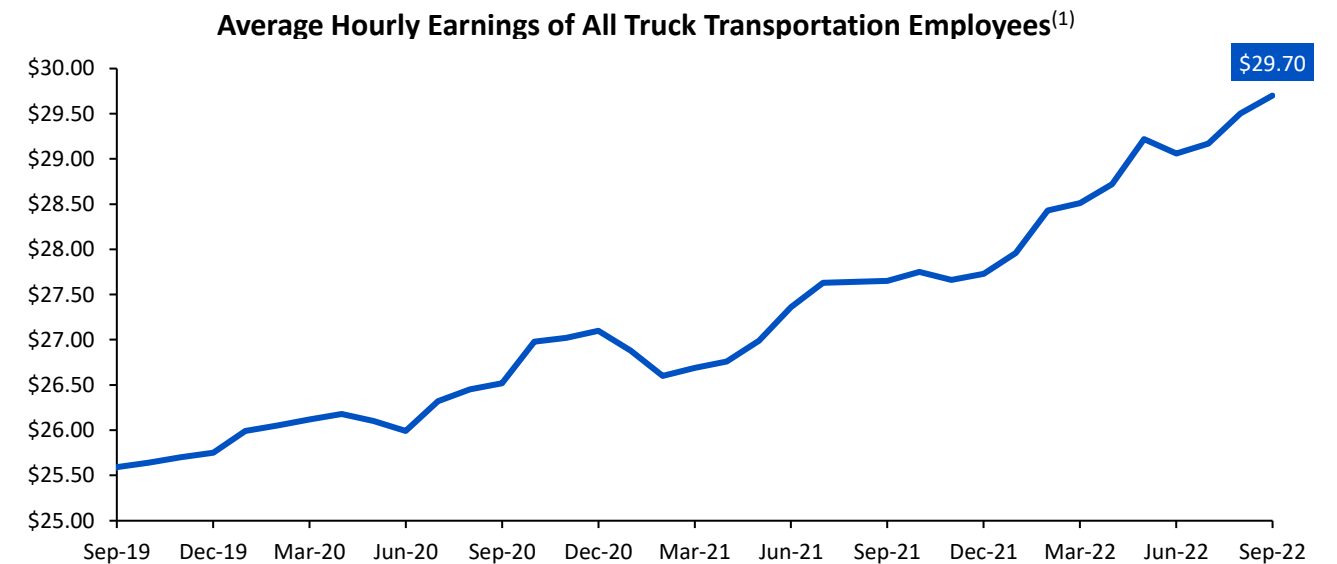
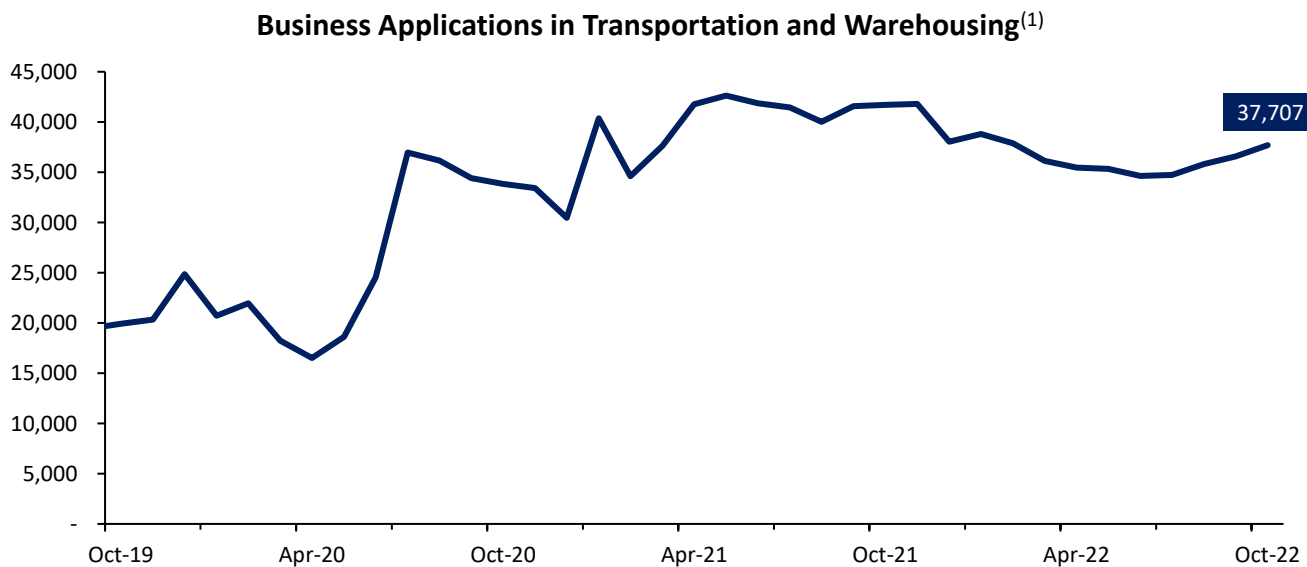


# U.S. Trucking Industry

## Labor Trends



- In the latest employment reports from the Bureau of Labor Statistics, the number of jobs in the trucking sector continues to increase to well above pre-pandemic levels and are up 4.7% year-over-year for October. The average hourly earnings in the trucking sector are also up at 7.4% year-over-year for September.
- In October, the American Trucking Associations (ATA) released their Driver Shortage Update for 2022. According to this report, the estimated truck driver shortage is at ~78,000 drivers, down slightly from the all-time high of ~81,300 drivers in 2021. This figure is calculated by determining the difference between the number of drivers currently in the market and the optimal number of drivers based on freight demand.
- Despite this report, most truck drivers and economists believe there is not a truck driver shortage and that large trucking companies have a driver retention problem that they would rather solve through increasing the driver pool instead of easing drivers' working lives.

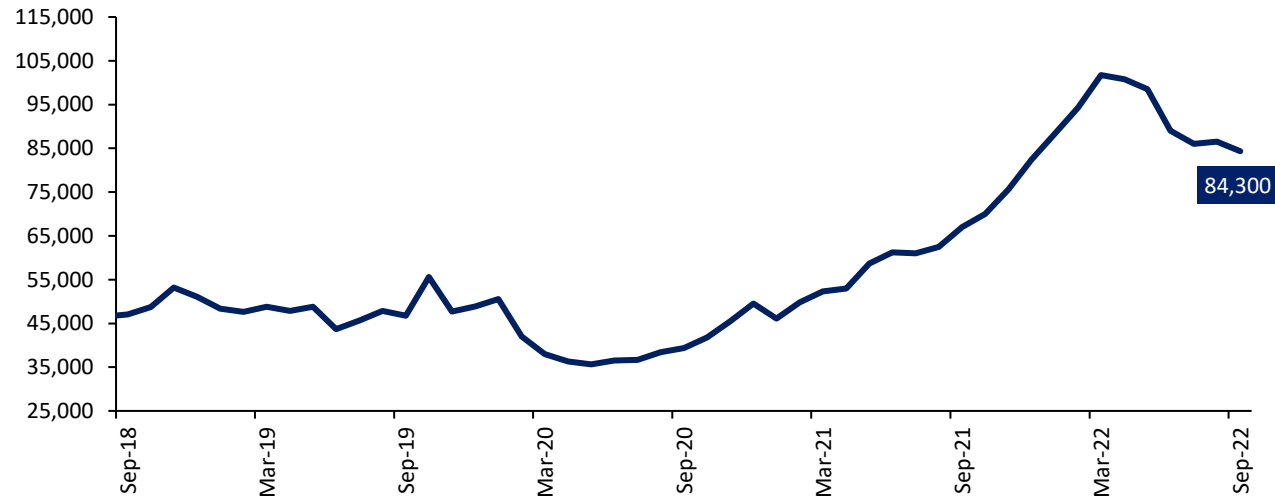


Sources: Bureau of Labor Statistics, United States Census Bureau, FreightWaves, American Trucking Associations  
Employment numbers are in thousands (February and March 2022 employment numbers are preliminary)  
(1) Seasonally Adjusted

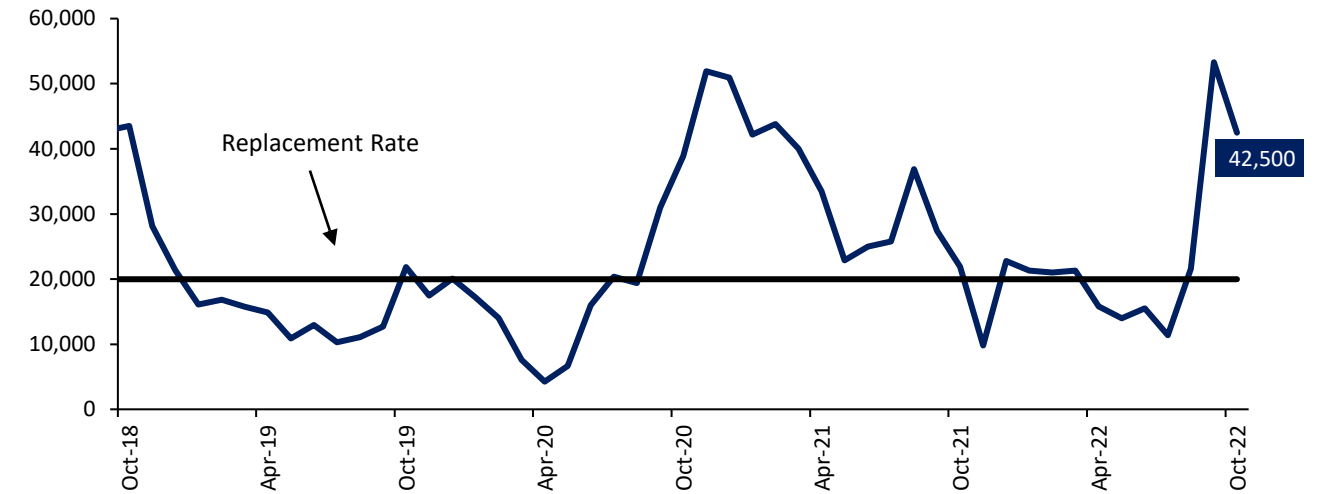
# U.S. Trucking Industry

## Equipment Trends

**Class 8: U.S. Used Truck Average Sale Price**



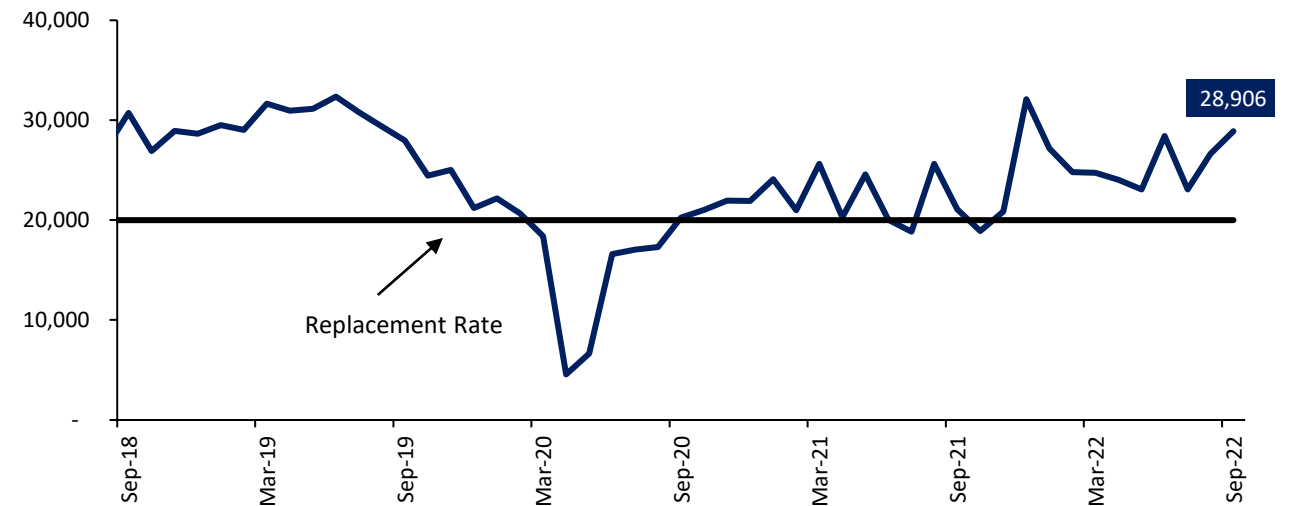
**Class 8: Net Truck Orders**



### Used Truck Sale Price and Mileage Updates:

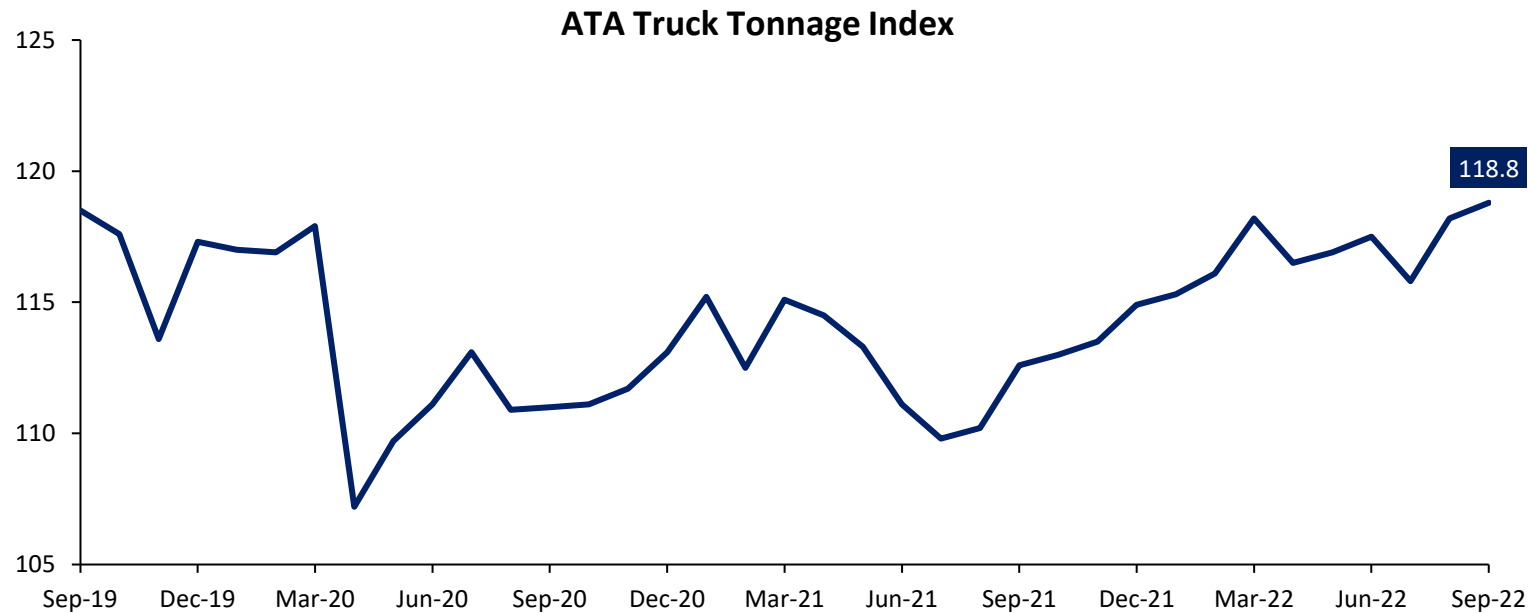
- Average retail prices of Class 8 trucks sold in September shrank 3.0% M/M, to \$84,300. The smaller decline is heartening but may send a false signal that prices are nearing trough. Longer-term prices comparisons underscore those Y/Y and YTD gains of 20% and 58%, respectively.
- The average mileage of used Class 8 sold in September was 2.0% higher M/M, and up 3.0% both Y/Y and YTD. Miles may be starting to see their peak, as original equipment manufacturers deliver more trucks and trades start flowing more freely.
- The average age of used Class 8 trucks sold in September was lower M/M (-3%) and Y/Y (-1%) but up YTD 5%.

**Class 8: N.A. Build**



# U.S. Trucking Industry

## ATA Truck Tonnage Index



“The latest gain put tonnage at the highest level since August 2019 and the third highest level on record. This is another example of how the contract freight market remains strong despite weakness in the spot market this year. During the third quarter, tonnage increased 0.5% over the second quarter while increasing 5.6% over the same period in 2021. That was the largest quarterly year-over-year increase since the second quarter of 2018.”

**Bob Costello, ATA Chief Economist**

- American Trucking Associations’ advanced seasonally adjusted (SA) For-Hire Truck Tonnage Index increased 0.5% in September after increasing 2.1% in August. In September, the index equaled 118.8 (2015=100) compared with 118.2 in August. In calculating the index, 100 represents 2015. ATA’s For-Hire Truck Tonnage Index is dominated by contract freight as opposed to spot market freight.
- The not seasonally adjusted index, which represents the change in tonnage actually hauled by the fleets before any seasonal adjustment, equaled 119 in September, 3.8% below the August level of 123.7.
- Compared with September 2021, the SA index increased 5.5%, which was the 13<sup>th</sup> straight year-over-year gain. In August, the index was up 6.7% from a year earlier. Year-to-date through September, compared with the same period in 2021, tonnage was up 4.0%.



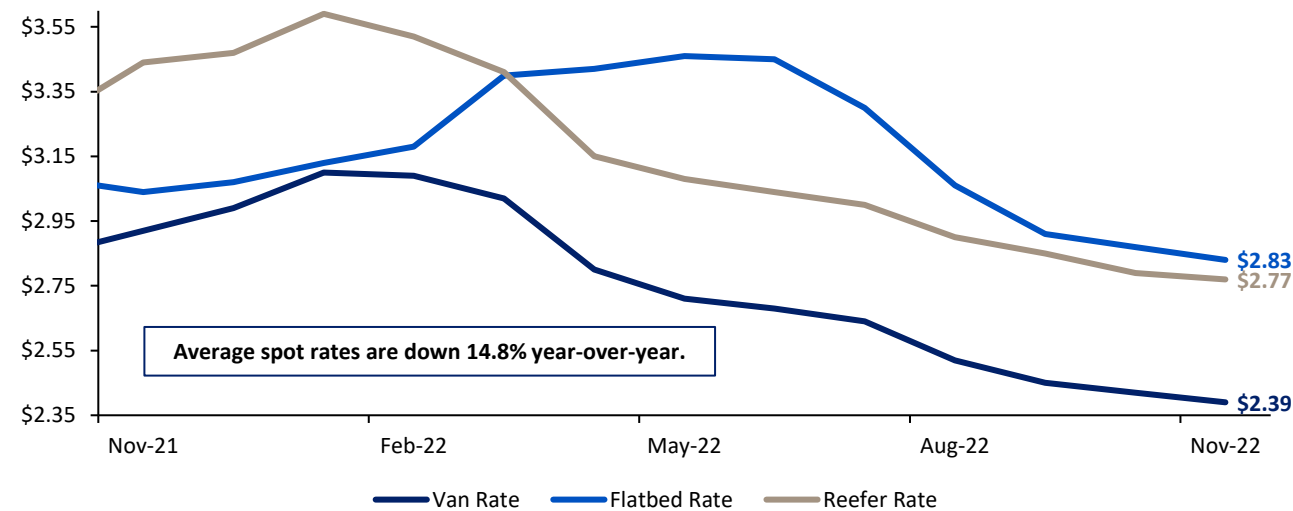
Source: American Trucking Associations as of April 20<sup>th</sup>, 2021

**\*\* Note;** ATA calculates the tonnage index based on surveys from its membership and has been doing so since the 1970s. This is a preliminary figure and subject to change in the final report issued around the 10th day of the month. The report includes month-to-month and year-over-year results, relevant economic comparisons and key financial indicators..

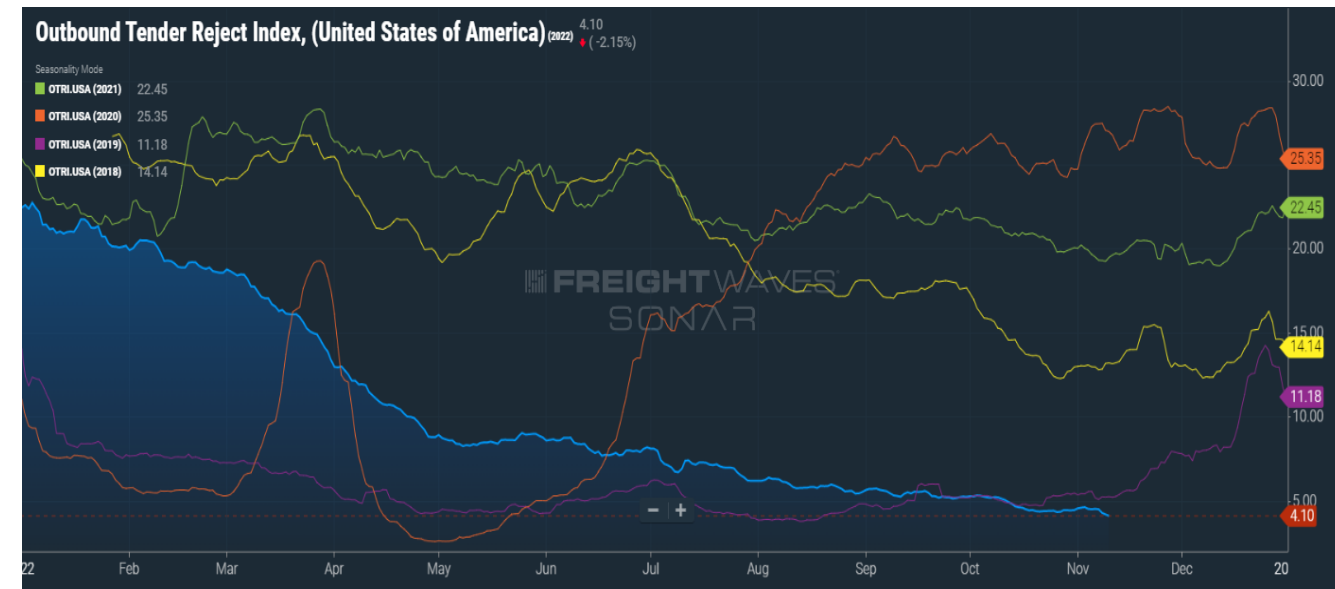
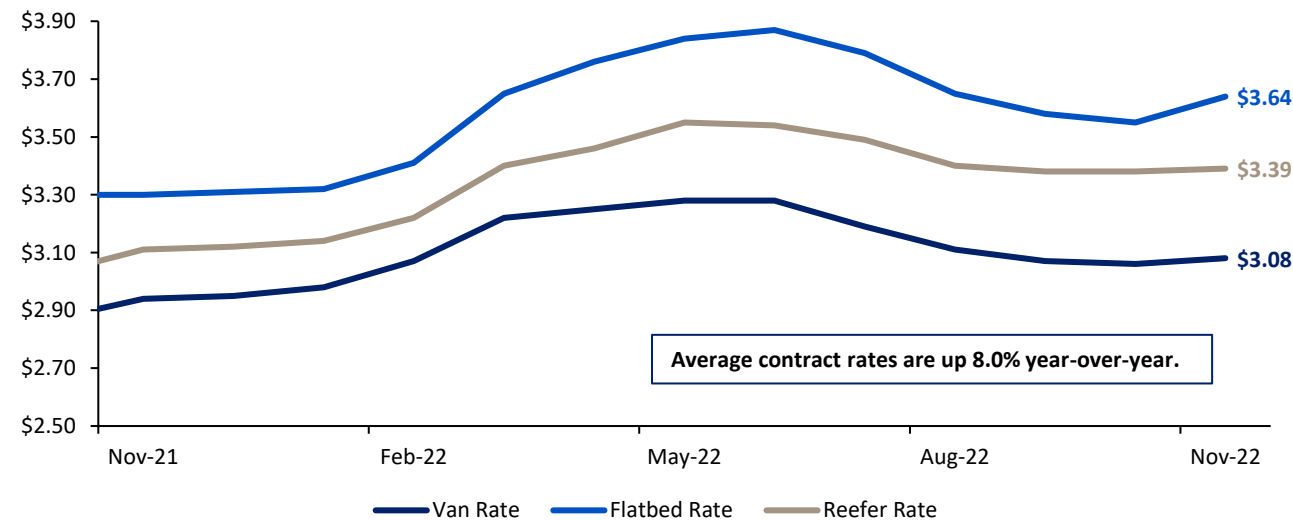
# U.S. Trucking Industry

## Outbound Tender Rejection Rates and DAT Rates

### Monthly Average Spot Rate



### Monthly Average Contract Rate



- The current outbound tender rejection rates indicate that shippers are seeing extremely high routing guide compliance on contractual freight. This is the lowest rejection rate we have ever experienced this time of year.
- Van, flatbed and reefer spot rates have dropped by 22.9%, 9.6% and 22.8%, respectively, from January to November 2022.
- Load posts increased on the DAT Load Board network last week, but at a slower pace than truck posts. The lower ratios kept spot rates in check. The exception was the reefer load-to-truck ratio, which increased more than 7% as food shippers move freight ahead of Thanksgiving.

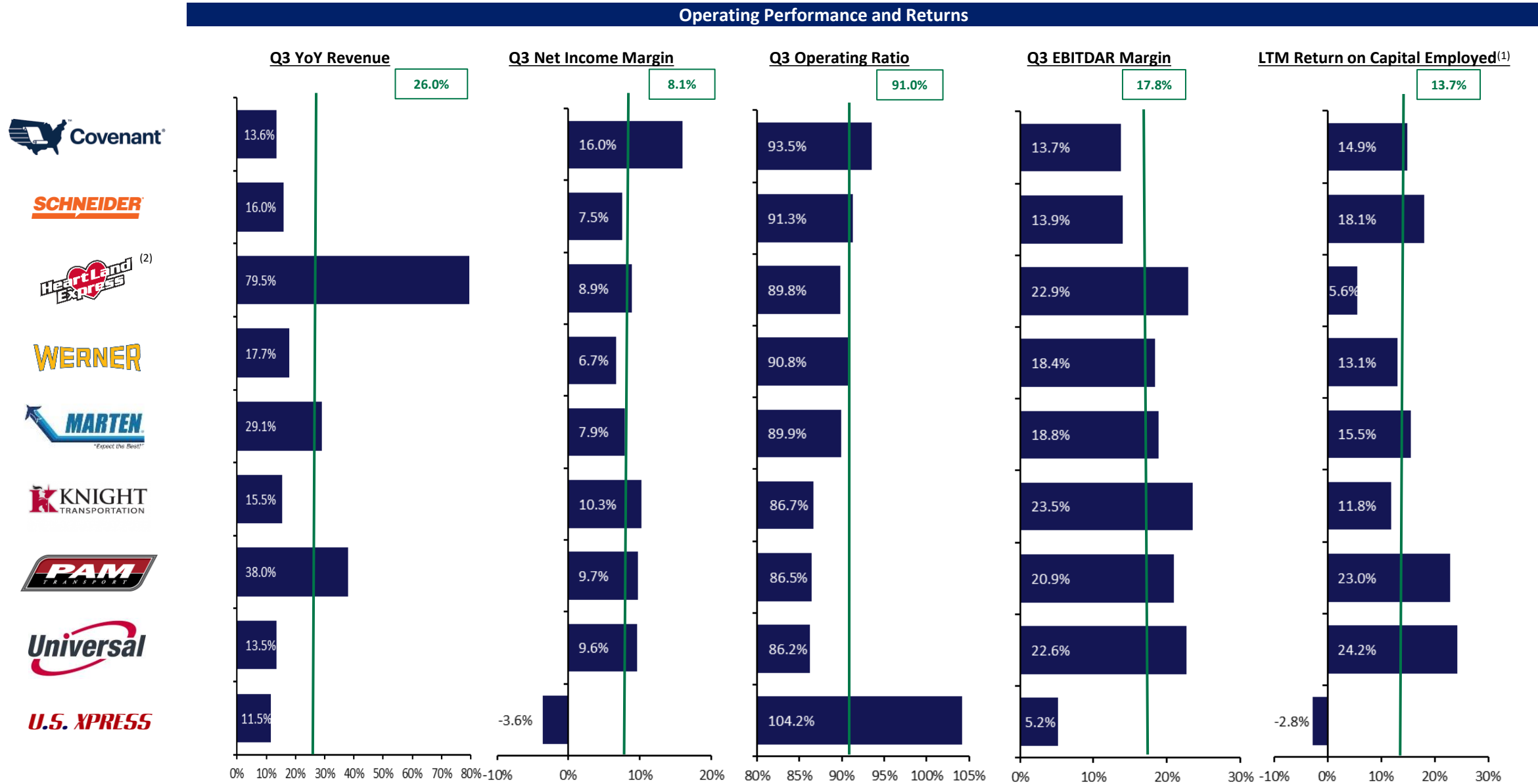


Source: DAT (Dial-A-Truck) as of November 14<sup>th</sup>, 2022; Arrive Logistics, Freightwaves Sonar



# Operating Metrics – Truckload

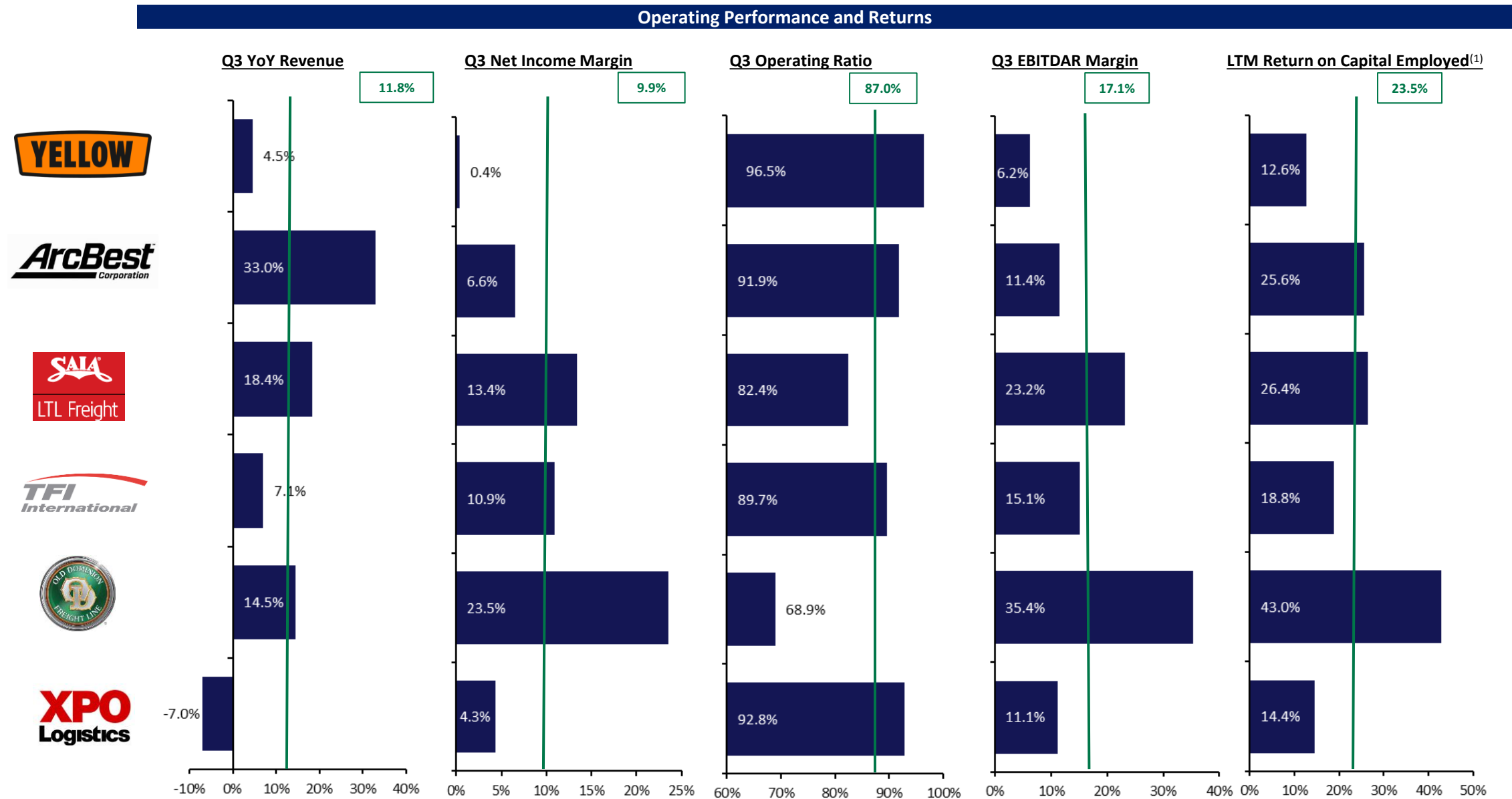
## Q3 2022 Performance



Source: FactSet as of 11/14/2022  
LTM as of 9/30/22  
Third Quarter Data for the period only  
(1) Return on Capital Employed calculated as EBIT / Capital Employed (Total Assets – Current Liabilities)  
(2) HTLD sold a terminal property that generated a large gain on sale of assets in 2Q22

# Operating Metrics – Less-Than-Truckload

## Q3 2022 Performance



Source: FactSet as of 11/14/2022  
LTM as of 9/30/22  
Third Quarter Data for the period only  
(1) Return on Capital Employed calculated as EBIT / Capital Employed (Total Assets – Current Liabilities)

# North American Rail Industry



# N.A. Rail Industry

Association of American Railroads Weekly Carload Volumes – November 5, 2022

## Carloads by Category Year-over-Year

Source: Association of American Railroads

U.S.	% of Total	4Q22 QTD	4Q21 QTD	% Change	YTD 2022	YTD 2021	% Change
Intermodal	52.5%	1,321,252	1,346,041	-1.8%	11,580,806	12,158,149	-4.7%
Coal	13.6%	341,079	324,727	5.0%	2,916,138	2,812,745	3.7%
Chemicals	6.2%	156,963	164,226	-4.4%	1,457,993	1,425,564	2.3%
Auto	2.9%	72,977	64,478	13.2%	585,472	568,659	3.0%
Grain	5.0%	125,300	125,124	0.1%	976,797	1,017,953	-4.0%
Forest & Farm Products	5.2%	130,051	134,267	-3.1%	1,145,535	1,136,525	0.8%
Petroleum Products	2.0%	50,720	48,408	4.8%	421,550	462,269	-8.8%
<b>Total Carloads</b>		<b>2,516,602</b>	<b>2,528,639</b>	<b>-0.5%</b>	<b>21,794,681</b>	<b>22,350,386</b>	<b>-2.5%</b>

- Total U.S. carloads for fourth quarter to date of 2022 were down -0.5% year-over-year, while YTD 2022 carloads were down -2.5% year-over-year. This decrease is mainly due to the decline in intermodal traffic – excluding intermodal, total carloads would be up both on a QTD and YTD basis.
- According to Association of American Railroads (AAR) Senior Vice President John T. Gray, “October is usually one of the highest-volume months of the year for rail carloads, and it [was] the top month so far this year”. He also noted that U.S. intermodal volumes “remain subdued thanks largely to high inventories at many retailers, lower port volumes and still-scarce warehouse capacity for many rail intermodal customers.”
- Gray also offered insight into October’s grain, auto and chemical volumes stating, “Carloads of grain surged upward as U.S. producers sought alternatives to the Mississippi River constraints while motor vehicles had one of their better months since pre-pandemic times. Carloads of chemicals were down in part because of high natural gas feedstock prices.”



Sources: Association of American Railroads; Railway Age

Note: 7 categories listed represent 85.4% of total carloads, Association of American Railroads reports 10 carload commodity groups

# N.A. Rail Industry

## Association of American Railroads Weekly Carload Volumes – November 5, 2022

### Carloads by Category Year-over-Year

Source: Association of American Railroads

North America	% of Total	4Q22 QTD	4Q21 QTD	% Change	YTD 2022	YTD 2021	% Change
Intermodal	50.5%	1,756,716	1,777,626	-1.2%	15,356,077	15,980,668	-3.9%
Coal	10.9%	378,736	364,646	3.9%	3,270,709	3,141,759	4.1%
Chemicals	6.3%	218,985	227,875	-3.9%	2,024,796	1,995,244	1.5%
Auto	3.4%	117,637	102,165	15.1%	958,546	908,519	5.5%
Grain	5.6%	194,489	179,591	8.3%	1,386,154	1,494,838	-7.3%
Forest & Farm Products	6.2%	216,678	215,505	0.5%	1,778,241	1,828,087	-2.7%
Petroleum Products	2.9%	101,990	96,489	5.7%	875,170	876,785	-0.2%
<b>Total Carloads</b>		<b>3,476,150</b>	<b>3,451,778</b>	<b>0.7%</b>	<b>29,844,784</b>	<b>30,446,186</b>	<b>-2.0%</b>
Canada	% of Total	4Q22 QTD	4Q21 QTD	% Change	YTD 2022	YTD 2021	% Change
Intermodal	45.9%	351,422	354,333	-0.8%	3,086,405	3,136,315	-1.6%
Coal	4.9%	37,494	39,507	-5.1%	351,784	326,031	7.9%
Chemicals	7.4%	56,716	58,969	-3.8%	524,102	530,993	-1.3%
Auto	3.0%	23,198	19,365	19.8%	195,164	178,528	9.3%
Grain	7.9%	60,672	46,088	31.6%	337,648	389,784	-13.4%
Forest & Farm Products	9.9%	75,977	70,019	8.5%	536,180	595,118	-9.9%
Petroleum Products	5.5%	42,103	42,834	-1.7%	383,039	363,209	5.5%
<b>Total Carloads</b>		<b>765,090</b>	<b>747,534</b>	<b>2.3%</b>	<b>6,422,164</b>	<b>6,530,220</b>	<b>-1.7%</b>
Mexico	% of Total	4Q22 QTD	4Q21 QTD	% Change	YTD 2022	YTD 2021	% Change
Intermodal	43.2%	84,042	77,252	8.8%	688,866	686,204	0.4%
Coal	0.1%	163	412	-60.4%	2,787	2,983	-6.6%
Chemicals	2.7%	5,306	4,680	13.4%	42,701	38,687	10.4%
Auto	11.0%	21,462	18,322	17.1%	177,910	161,332	10.3%
Grain	4.4%	8,517	8,379	1.6%	71,709	87,101	-17.7%
Forest & Farm Products	5.5%	10,650	11,219	-5.1%	96,526	96,444	0.1%
Petroleum Products	4.7%	9,167	5,247	74.7%	70,581	51,307	37.6%
<b>Total Carloads</b>		<b>194,458</b>	<b>175,605</b>	<b>10.7%</b>	<b>1,627,939</b>	<b>1,565,580</b>	<b>4.0%</b>



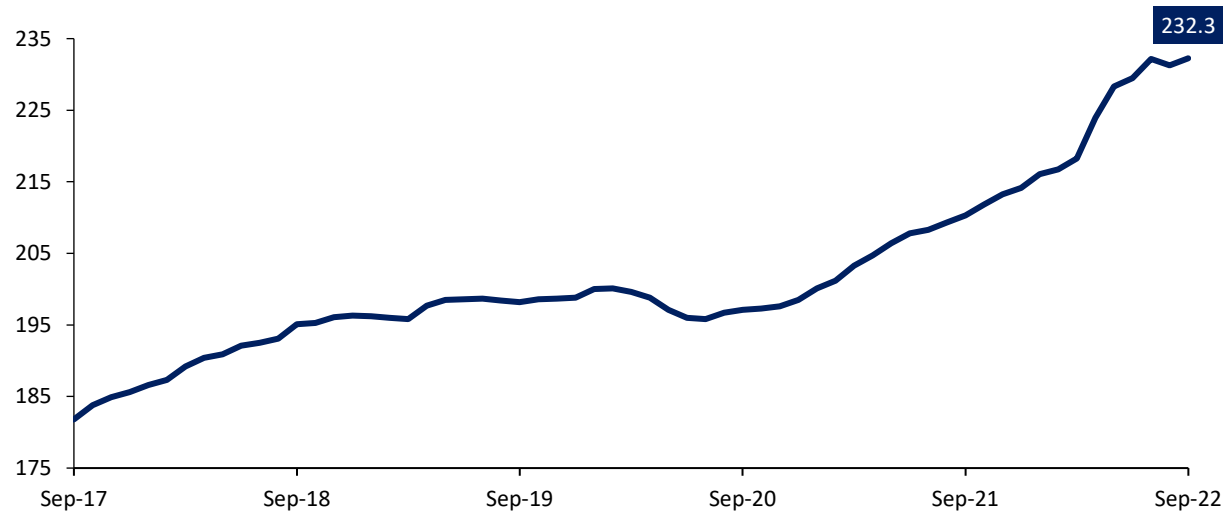
Sources: Association of American Railroads

Note: 7 categories listed represent 85.9%, 84.6% and 71.6%, respectively, of total carloads, Association of American Railroads reports 10 carload commodity groups

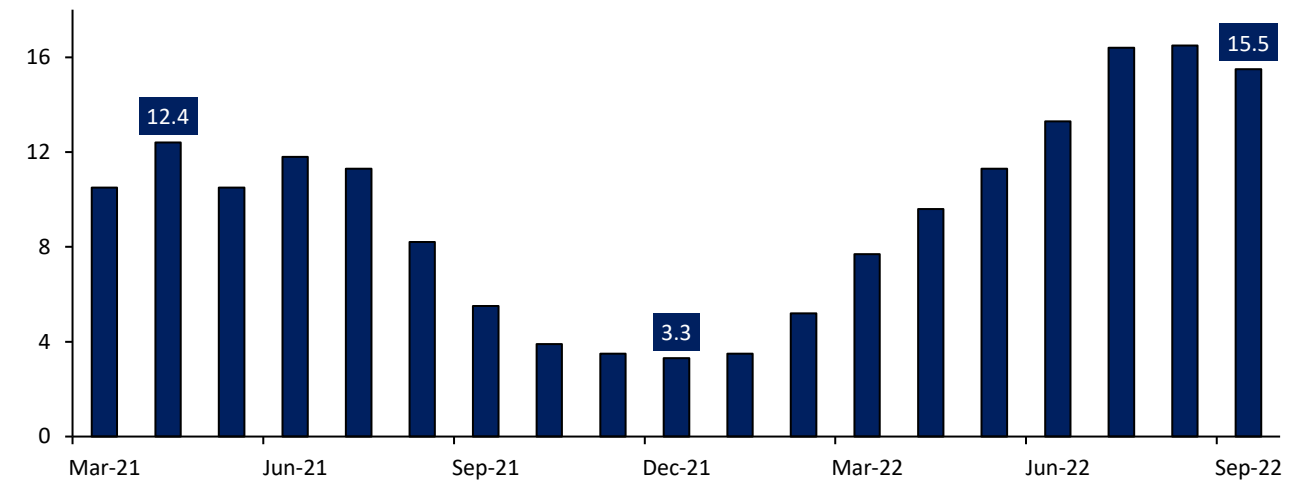
# N.A. Rail Industry

## Monthly Indices

Rail Transportation Producer Price Index



Rail Dwell Time in Days



- The Rail Transportation Producer Price Index for September 2022 was up 0.4% versus the prior month and up 10.4% versus the prior year.
- Rail unions have been negotiating with their employers since January 2020 and remain unsatisfied with the rail carriers' proposals. According to STB Chairman Marty Oberman, "[Rail carriers have] cut labor below the bone ... in order to make up for the shortage of labor, they are overworking and abusing the workforces they have."
- There has been progress made since tentative agreements were reached in September 2022, narrowly avoiding what would have been the first nationwide rail strike in over 30 years. Seven of the twelve unions have ratified the amendments to contracts setting wages, benefits and work rules on most Class I railroads and many smaller railroads. Three unions are in the process of completing their ratification votes which should be completed by November 14<sup>th</sup> and November 21<sup>st</sup>.
- The other two unions both voted not to ratify, again creating concern that there could be a nationwide rail stoppage in early December. Under pressure from the Biden Administration, these two unions have returned to the bargaining table in an effort to gain additional concessions from the carriers. In October, however, railroads said there would be no further sweeteners.





# Operating Metrics – Class 1 Rail

Q3 2022 Performance



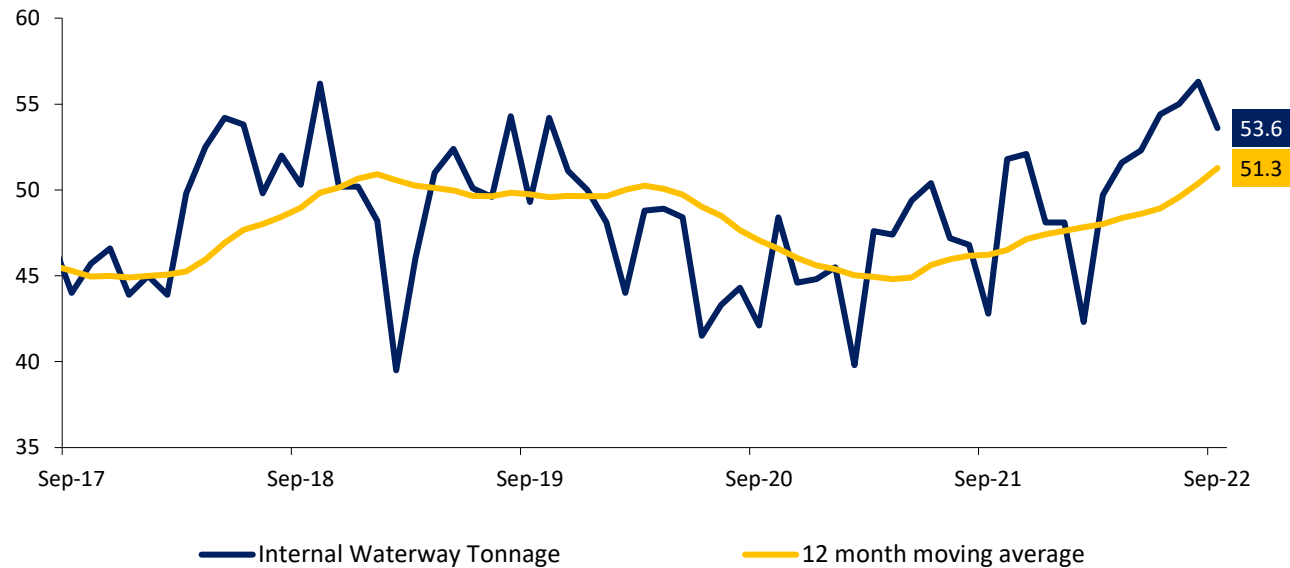
# U.S. Maritime Shipping Industry



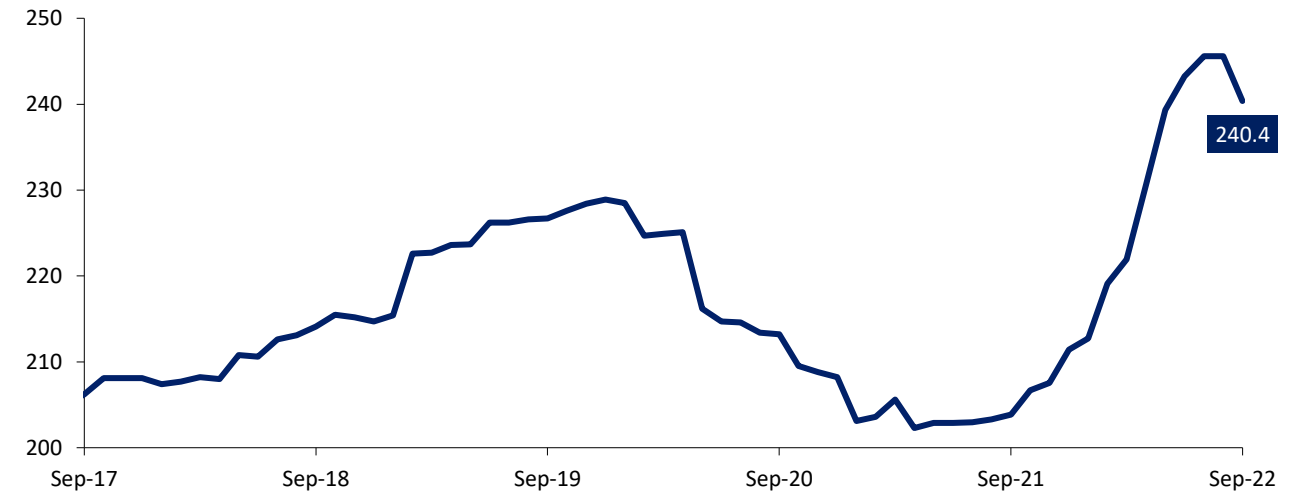
# U.S. Maritime Shipping Industry

## Monthly Indices

**U.S. Internal Waterway Tonnage**  
Tonnage Increased 25.2% vs. September 2021



**Inland Water Freight Transportation: Producer Price Index**  
Index Increased 17.9% vs. September 2021

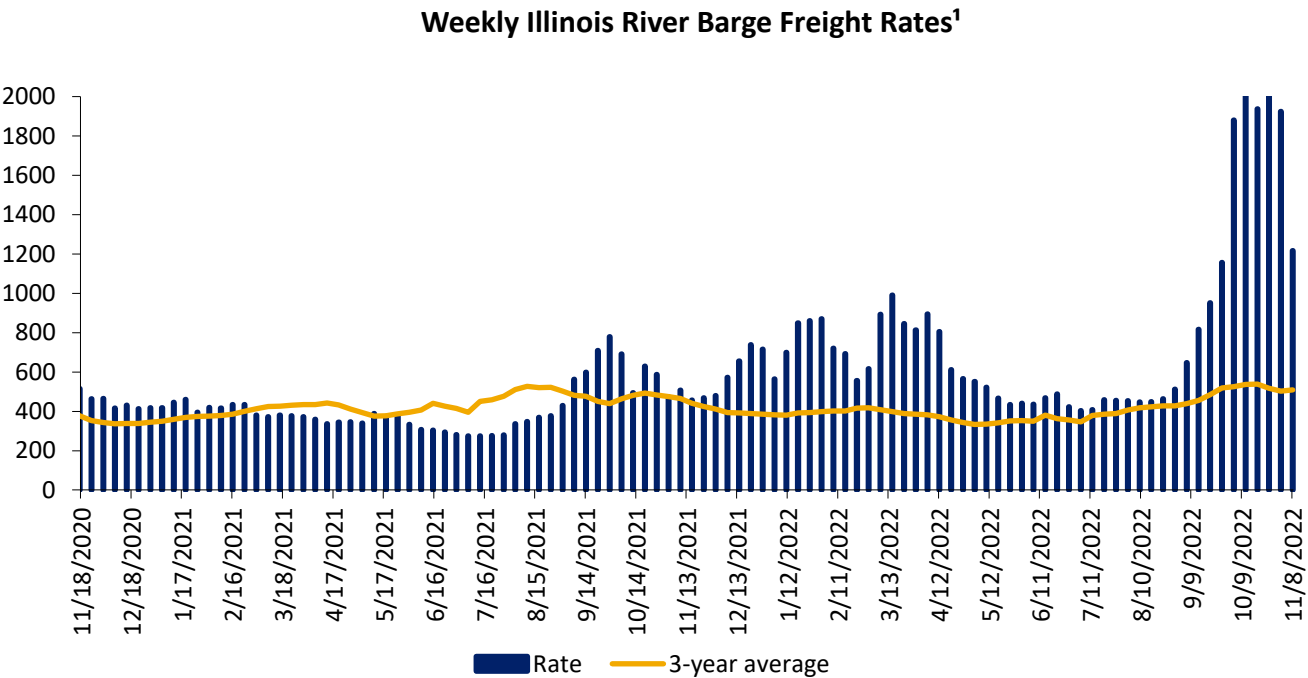


- In September, internal waterway tonnage decreased -4.8% versus the prior month, but increased 25.2% versus September 2021 and increased 27.3% versus September 2020.
- According to David Grzebinski, president and CEO of Kirby Corp., Houston, the largest tank barge operator in the U.S., “We’re seeing inflationary pressures, and that’s frankly why the industry is able to get some of this pricing. We need it to absorb some of the inflationary costs. We repair a lot of barges and steel is up over 200 percent. And, as expected, significant supply chain issues delayed many new equipment deliveries during the [second] quarter.”
- The U.S. Department of Transportation’s Maritime Administration (MarAd) has awarded \$12.6 million in grants to nine marine highway projects across the nation under the America’s Marine Highway Program (AMHP). The funding will help address supply chain disruptions, enhance the movement of goods along navigable waterways, and expand existing waterborne freight services in Delaware, Hawaii, Indiana, Kentucky, Louisiana, North Carolina, New York, New Jersey, Tennessee, Texas and Virginia.



# U.S. Maritime Shipping Industry

## Barge Freight Rates



Weekly Southbound Barge Freight Rates <sup>1</sup>								
Grain Shipping Points on Mississippi, Ohio, and Arkansas Rivers								
		Twin Cities	Mid-Mississippi	Lower Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Rate	11/8/2022	945	1067	1217	1021	1108	1108	958
	11/1/2022	1363	1844	1925	2008	2338	2338	1738
\$/ton	11/8/2022	58.50	56.76	56.47	40.74	51.97	44.76	30.08
	11/1/2022	84.37	98.10	89.32	80.12	109.65	94.46	54.57
Current week % change from the same week:								
	Last year	112	113	140	145	123	123	146
	3-year avg.	80	103	139	128	127	127	122
Rate	December	-	-	1067	917	946	946	850
	February	-	-	938	754	754	754	683

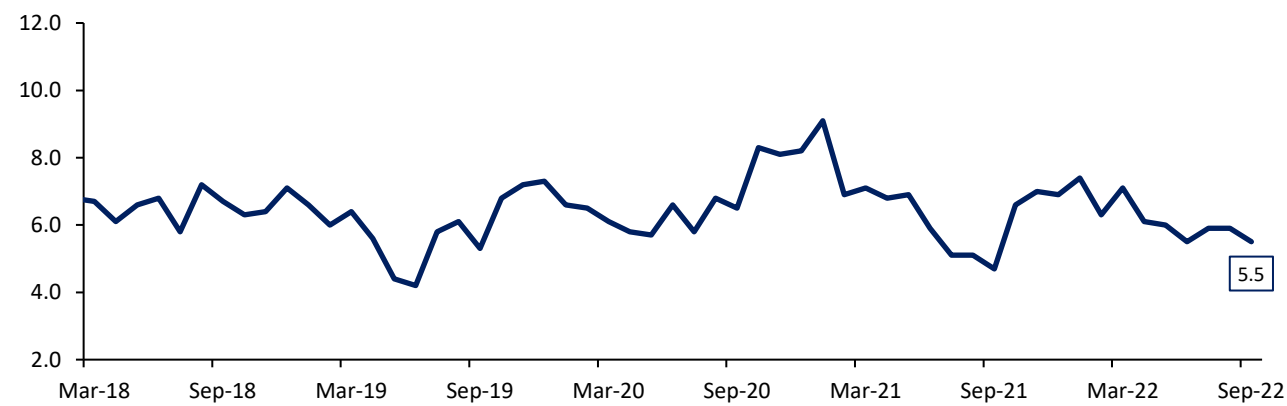
- The Illinois Waterway and Mississippi River are the major waterways in the region that are responsible for moving agricultural and farm products through barges. The advantages of barges in terms of capacity, emissions, and fuel usage in comparison with trucks and railcars are the major factors responsible for industry growth.
- The Illinois River barge freight rates have skyrocketed in the last two months due to the extremely low water levels on the Mississippi River Basin. According to a Coast Guard spokesperson, “Current water levels are the lowest we have seen in recent years and in some locations have reached or surpassed historic low-water levels set as far back as 1988. These conditions have created significant navigation hazards to the Marine Transportation System.”
- The Mississippi River mayors are working on seven proposals to introduce a national drought policy, which they hope will improve drought resilience and response. The barge industry is essential for moving goods like aluminum, petroleum, fertilizer, coal, grain and soybean therefore the disruption of the barge industry can affect the still recovering global supply chain.

# U.S. Maritime Shipping Industry

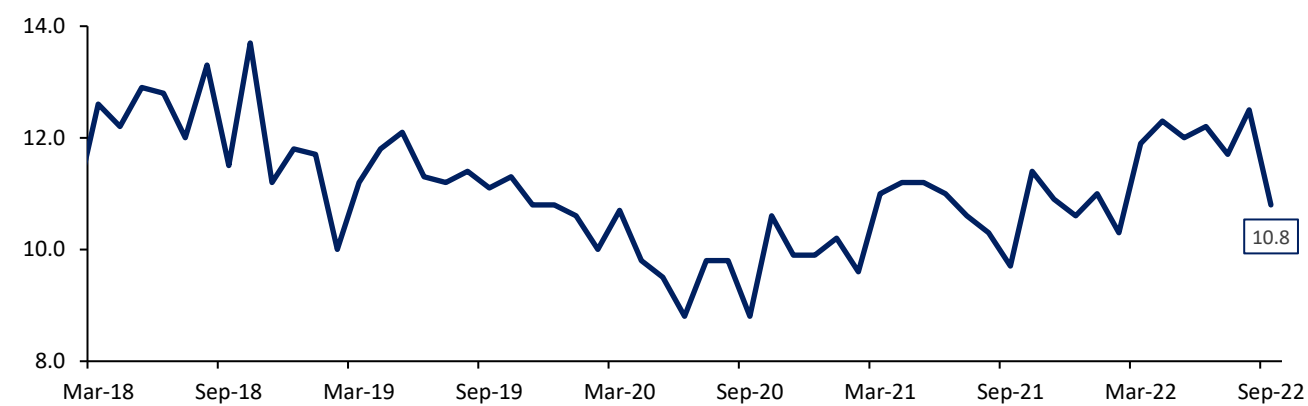
## Monthly Commodity Indicators

- Farm and Food Products, Coal and Petroleum all decreased versus the prior month, while Chemicals remained flat
- Year over Year Changes: Farm Products +17.0%, Coal +11.3%, Petroleum +22.7%, and Chemicals +17.1%

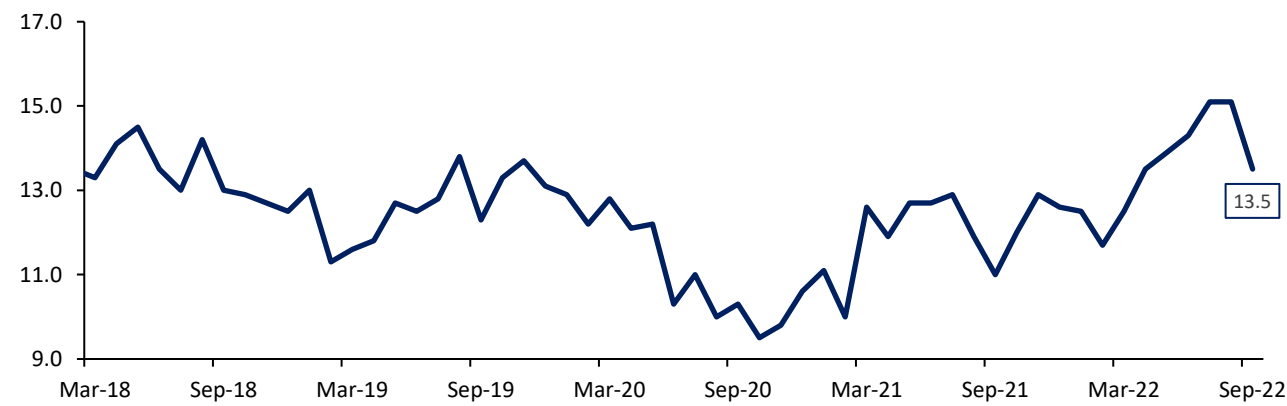
Farm and Food Products



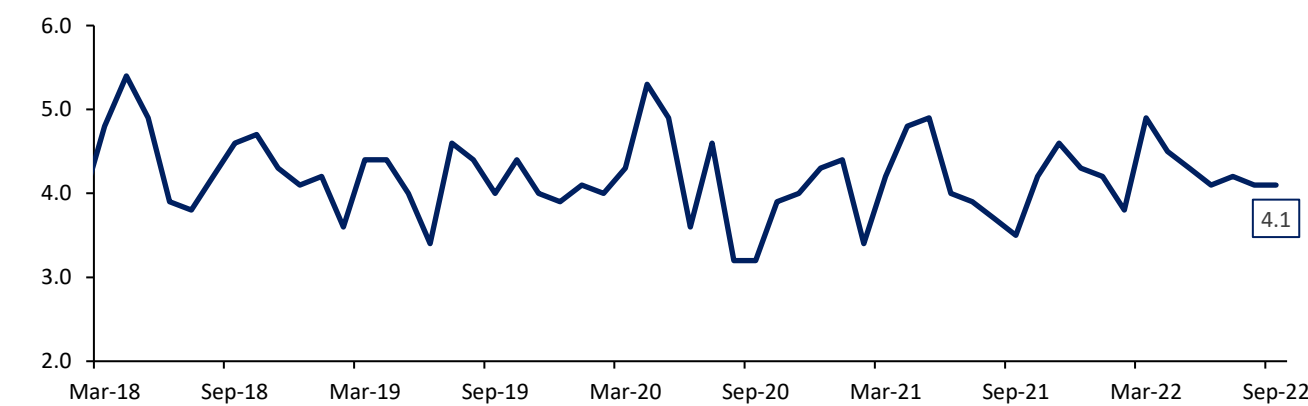
Coal



Petroleum



Chemicals



Source: U.S. Army Corps of Engineers  
Monthly Indicators are shown in millions of tons; indicate amount of commodities moving through inland locks  
Note: Estimates for the most recent month are based on lock performance management data. The estimates will be superseded by actual data when available

# Appendix





# U.S. Economic Forecast Summary

Real Economic Activity, % SAAR	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023	2Q2023	3Q2023	4Q2023	2021	2022	2023	2024
Real GDP	(1.6)	(0.6)	2.6	0.5	(1.5)	(1.5)	(1.5)	1.0	5.9	1.8	(0.4)	1.0
% Change, Year Ago	3.7%	1.8%	1.8%	0.2%	0.2%	0.0%	(1.0)	(0.9)%	0.0%	0.0%	0.0%	0.0%
Final Sales	(1.8)	1.4	3.3	1.0	(1.5)	(1.5)	(1.5)	1.0	5.7	1.2	0.0	1.0
Domestic Demand	1.3	0.2	0.5	0.5	(1.5)	(1.5)	(1.5)	1.0	6.7	1.5	(0.6)	1.2
Consumer Spending	1.3	2.0	1.4	1.0	(1.5)	(1.5)	(1.5)	1.0	8.3	2.6	(0.3)	1.0
Residential Investment	(3.1)	(17.8)	(26.4)	(15.0)	(13.5)	(10.0)	(7.0)	2.0	10.7	(9.9)	(13.7)	(0.6)
Nonresidential Investment	7.9	0.1	3.7	3.0	0.0	(1.0)	(0.5)	3.0	6.4	3.5	1.0	2.7
Structures	(4.4)	(12.7)	(15.4)	(3.0)	(2.0)	(1.5)	(1.5)	2.0	(6.4)	(9.0)	(4.3)	1.3
Equipment	11.4	(2.1)	10.8	1.0	(4.5)	(4.0)	(2.0)	2.0	10.3	4.6	(0.7)	1.4
Intellectual Property	10.8	8.9	6.9	8.0	6.0	2.0	2.0	4.0	9.7	8.9	5.3	4.6
Government	(2.3)	(1.6)	2.4	0.5	0.5	0.5	0.5	0.5	0.6	(0.9)	0.6	0.8
Exports	(4.6)	13.8	14.4	2.0	1.0	0.0	(1.0)	(1.0)	6.1	7.5	2.9	0.2
Imports	18.4	2.3	(6.9)	(1.0)	(1.0)	(1.5)	(0.5)	0.0	14.1	8.5	(1.5)	1.0
Net Exports (Bil 12\$)	\$(1,489)	\$(1,431)	\$(1,274)	\$(1,252)	\$(1,235)	\$(1,221)	\$(1,223)	\$(1,229)	\$(1,233)	\$(1,361)	\$(1,227)	\$(1,262)
Contribution to growth (ppts)	(3.1)	1.2	2.8	0.4	0.3	0.2	0.0	(0.1)	(1.3)	(0.4)	0.6	(0.1)
Inventory Accumulation (Bil 12\$)	214.5	110.2	61.9	43.0	33.0	23.0	13.0	8.0	(19.4)	107.4	19.1	20.1
Contribution to growth (ppts)	0.2	(1.9)	(0.7)	(0.4)	(0.2)	(0.2)	(0.2)	(0.1)	0.2	0.6	(0.5)	0.0
Nominal GDP (Bil \$, SAAR)	\$24,741	\$25,249	\$25,663	\$26,025	\$26,277	\$26,496	\$26,671	\$27,014	\$23,315	\$25,419	\$26,614	\$28,025
% SAAR	6.6%	8.5%	6.7%	5.8%	3.9%	3.4%	2.7%	5.2%	10.7%	9.0%	4.7%	5.3%
Key Indicators												
Industrial Production (% SAAR)	4.7%	5.2%	2.9%	0.5%	(1.0)%	(1.5)%	(1.0)%	0.5%	4.9%	4.3%	0.1%	0.7%
Capacity Utilization (%)	79.4%	80.0%	80.2%	80.0%	80.0%	80.0%	80.0%	80.0%	77.4%	80.0%	79.9%	80.3%
Nonfarm Payrolls (Avg M-o-M ch, 000s)	539.0	349.0	372.0	183.0	(175.0)	(200.0)	(175.0)	25.0	562.0	361.0	(131.0)	138.0
Civilian Unemployment Rate (%)	3.8	3.6	3.5	3.6	4.0	4.6	5.1	5.5	5.4%	3.6	4.8	5.2
Civilian Participation Rate (%)	62.3%	62.3%	62.3%	62.4%	62.5%	62.5%	62.6%	62.6%	61.7%	62.3%	62.5%	62.5%
Productivity (% SAAR)	(5.9)%	(4.1)%	0.5%	(1.5)%	(1.0)%	0.0%	0.0%	1.5%	2.4%	(1.6)%	0.1%	1.6%
Personal Savings Rate (%)	4.3%	3.4%	3.3%	6.9%	6.4%	6.9%	7.5%	7.7%	11.8%	4.2%	7.1%	6.8%
Light Vehicle Sales (Millions SAAR)	14.1	13.3	13.4	14.9	14.9	14.8	14.7	15.1	14.9	13.9	14.9	16.6
Housing Starts (Thous. SAAR)	1,720.0	1,647.0	1,460.0	1,395.0	1,390.0	1,400.0	1,405.0	1,415.0	1,605.0	1,556.0	1,403.0	1,439.0
Current Account (% of GDP)									(3.7)%	(4.4)%	(4.0)%	(4.0)%
U.S. Budget Balance (\$BN, Fiscal Year)									\$(2,776)	\$(1,375)	\$(1,100)	\$(1,100)

Inflation	GDP Price Index (% SAAR)	Core PCE Chain Prices (% SAAR)	CPI, Consumer Prices (% SAAR)	CPI ex Food & Energy ( % SAAR)
2022	7.0%	5.0%	8.1%	6.3%
2023	5.2%	3.8%	4.4%	4.4%

