CSCRL FALL FORUM

The Road Ahead: Technology, Techniques and Tactics

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ABSTRACT

"Shifting Transport Chains and Ability to See Economic Signals"

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Traditionally, the Truckload carriers represent two-thirds of all freight moved in the U.S. (and 83% of all revenue dollars spent). The market is quite fragmented, with 500,000 registered trucking carriers and 3 million trucks on the road. The public market only tells the tale of a tiny portion, with the Top 10 public carriers representing 7% of the trucks on the road. Traditionally, the truckers provided the earliest read into the state of the economy, given the last mile moves to retail stores and refilling inventories. However, with shifting supply chains and e-commerce, look at the changing dynamics of the last mile. With two decades of following airfreight carries, the traditionally concurrent indicators are changing their operations quite rapidly, and facing new pressures from Amazon and same day delivery mandates. In the background, the railroads remain vital cogs in the sector (moving 15% of tonnage, but only 8% of transport dollars spent), yet growing focus on Intermodal – moving e-commerce to distribution centers. Disruption is the name of the game with automated brokers sending freight, Autonomous and electric trucking tests, airfreight carriers deploying drones, rails spending billions on positive train control which could lead to autonomous trains. What does the changing network tell us about the economy? What does the disruption do to existing carriers? 19x-time Institutional Investor All-Star Analyst Ken Hoexter, and Lehigh grad ('93) provides insight from 26 years of equity research at Lehman Brothers, Goldman Sachs, and BofA Merrill Lynch.

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