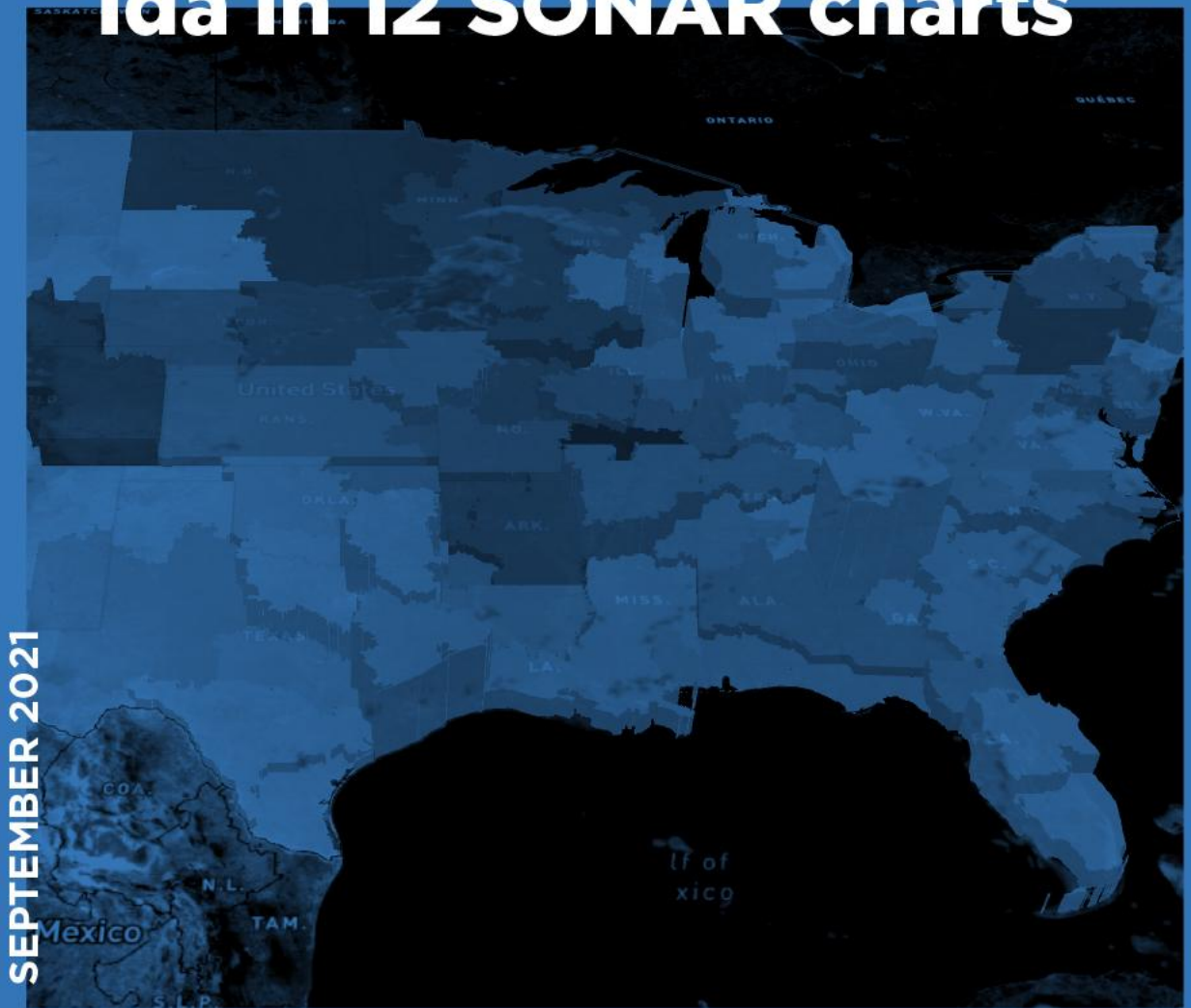


# Ida in 12 SONAR charts



WHITE PAPER

## Ida in 12 SONAR charts

There is never a good time for a Category 4 hurricane to make landfall, but what we heard repeatedly last week was that this hurricane could not have come at a worse time. Transportation networks are constrained by almost too many factors to list and that congestion seems only set to intensify as peak season approaches.

The timing of Hurricane Ida, which took place in the days leading up to Labor Day, made it difficult to separate the hurricane's impact and the impact of normal seasonality on many of the nationwide data sets. But, the hurricane clearly led to further tightening in the truckload market as FEMA and other recovery efforts contributed to freight demand.

One of the advantages of SONAR is the granularity down to local market levels (referred to as "X-markets" in SONAR). Many local datasets clearly show the impact that the hurricane had on local and regional freight markets. The hurricane had a particularly strong impact on the spot market with surges in both reefer and dry van spot rates in the past week and a half to fresh multi-year highs.

We show the SONAR charts in the following pages not only to say, "Look what a big impact Hurricane Ida had," but primarily to highlight those datasets we recommend tracking to see how freight networks are recovering.

### Dry van spot all-in rates per mile<sup>1</sup>

LAX-DAL	\$3.41
CHI-ATL	\$3.53
PHL-CHI	\$2.32
ATL-PHL	\$3.03
DAL-ATL	\$2.54
DAL-LAX	\$1.33

### Freight volumes (weekly change)

Ontario, CA	594.73 (-15.68%)
Atlanta	552.08 (-14.22%)
Dallas	439.59 (-18.59%)
Elizabeth, NJ	295.63 (-23.2%)
Chicago	212.67 (-20.61%)

### Tender rejection rates (weekly change)

Ontario	18.53% (-22 bps)
Atlanta	22.64% (+160 bps)
Dallas	24.83% (+88 bps)
Elizabeth	22.72% (+162 bps)
Chicago	19.53% (-202 bps)

#### Mike Baudendistel

Rail/Intermodal Market Expert  
 mbaudendistel@freightwaves.com  
 (773) 991-9534

#### Tony Mulvey

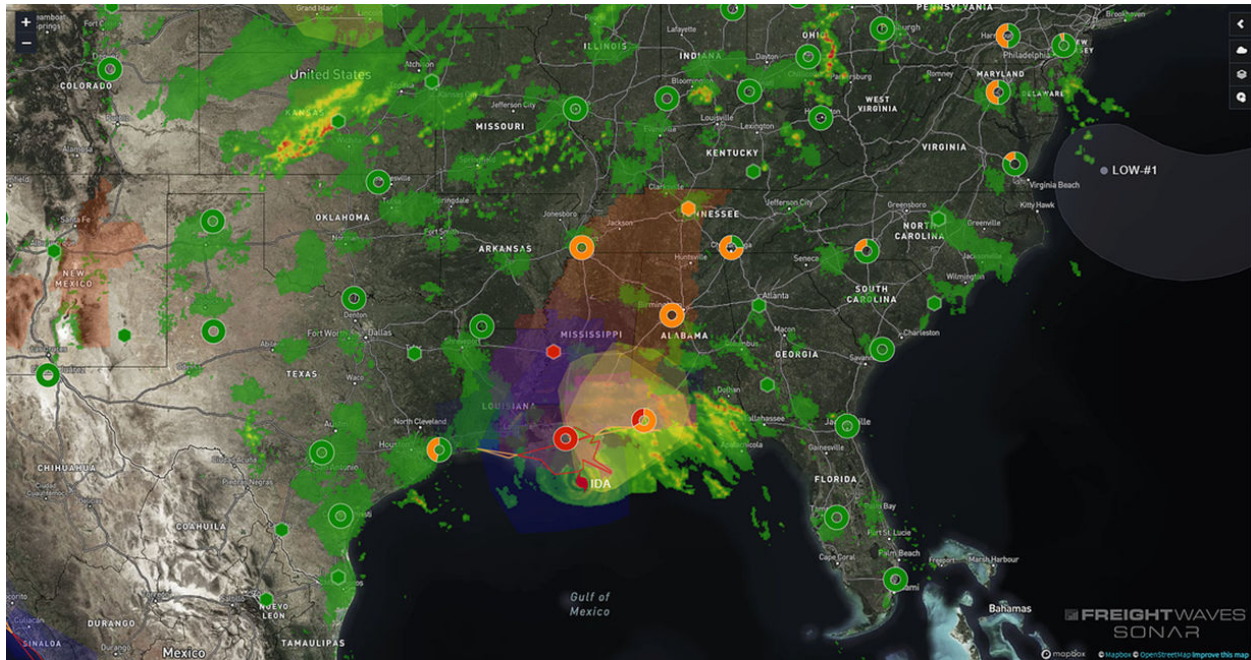
Analyst  
 tmulvey@freightwaves.com  
 (423) 637-1940

#### Jared Kachmar

Analyst  
 jkachmar@freightwaves.com  
 (607) 201-7786

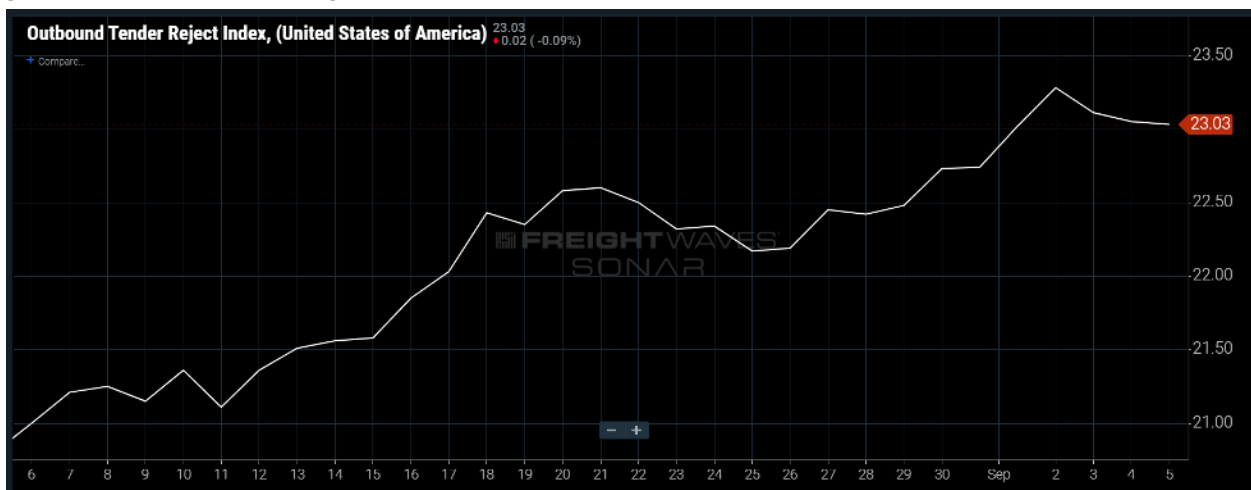
<sup>1</sup> Truckstop.com all-in per-mile rate

**The SONAR Critical Events map, as Ida made landfall.** When Ida made landfall early afternoon on Sunday, August 29, the SONAR Critical Events map showed its expected path of widespread destruction from winds, flooding and tornadoes.



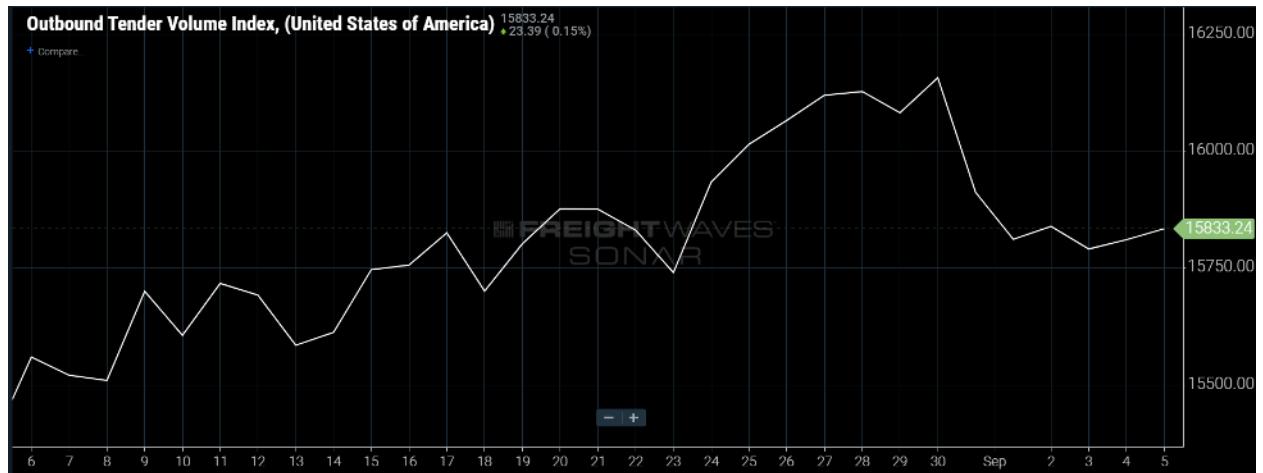
(Chart: FreightWaves SONAR. Critical Events app)

**Relative capacity was tightening ahead of Hurricane Ida.** The massive hurricane accelerated the rate at which relative capacity was tightening and rejection rates increased by over 100 basis points (bps) prior to the storm making landfall. In response to the hurricane, many trucking companies received requests to haul water, ice, food, medical supplies, generators, wood, roofing materials, etc. into the areas most affected.



(Chart: FreightWaves SONAR. Outbound Tender Reject Index)

**Overall electronic contract tenders slid 2% w/w.** Many shippers were without power and had to shut down in the wake of Ida. Ahead of the storm and before recovery plans were finalized, carriers generally avoided the affected areas to avoid getting drivers and equipment stuck amid road conditions that were difficult or impossible to traverse and spotty cell service.



(Chart: FreightWaves SONAR. Outbound Tender Volume Index)

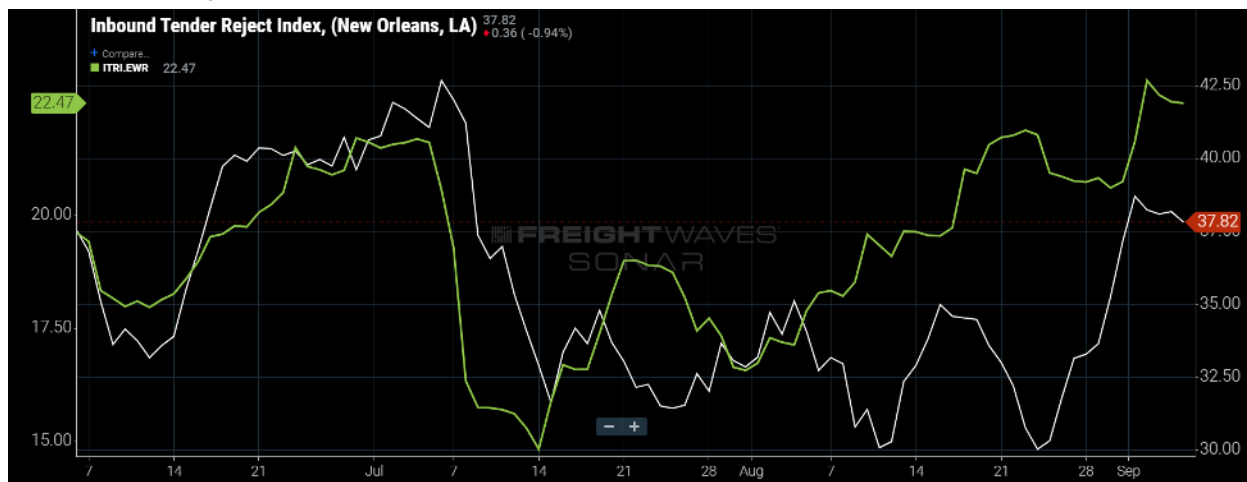
**Tender volumes in New Orleans are down 35% in the past month, thanks to Hurricane Ida.** Over the past two weeks, New Orleans freight volumes have been cut by 25% as manufacturing and outbound freight have been put on pause while recovery has gotten under way.



(Chart: FreightWaves SONAR. Outbound Tender Volume Index: Relative change over the past month in New Orleans {white}, Houston {orange} and Mobile, Alabama {purple})

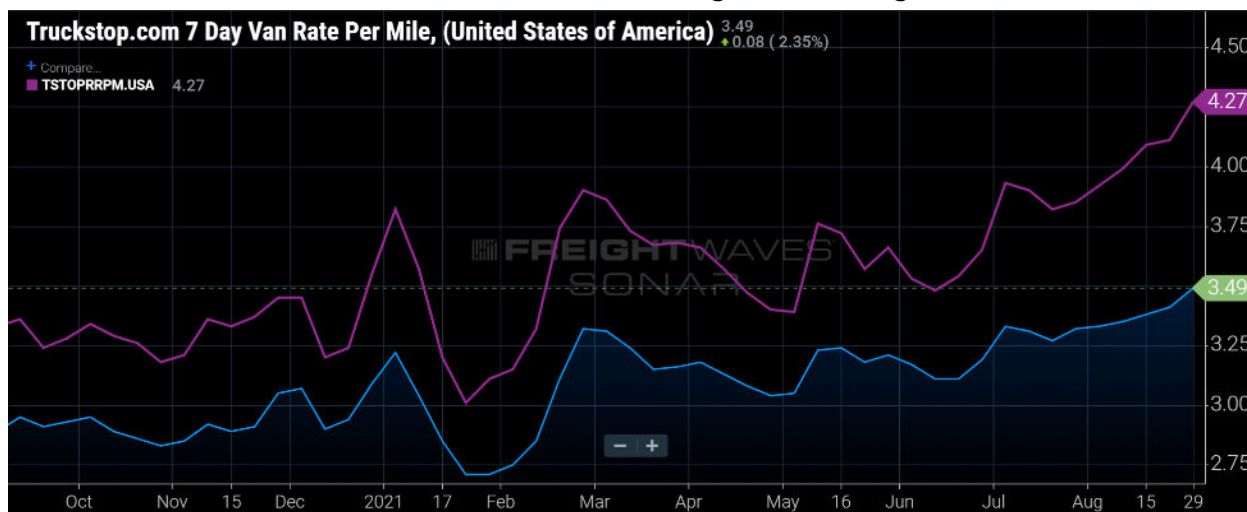
**Carriers say no to the flooded cities.** Inbound tender rejection rates, a measure of carriers' willingness to enter a market, surge in markets where flooding due to Ida was the most

severe. The Inbound Tender Reject Index (ITRI) into New Orleans increased over 800 bps in a week and there was an almost 300 bps increase in Elizabeth, NJ, home to the Port of New York/New Jersey.



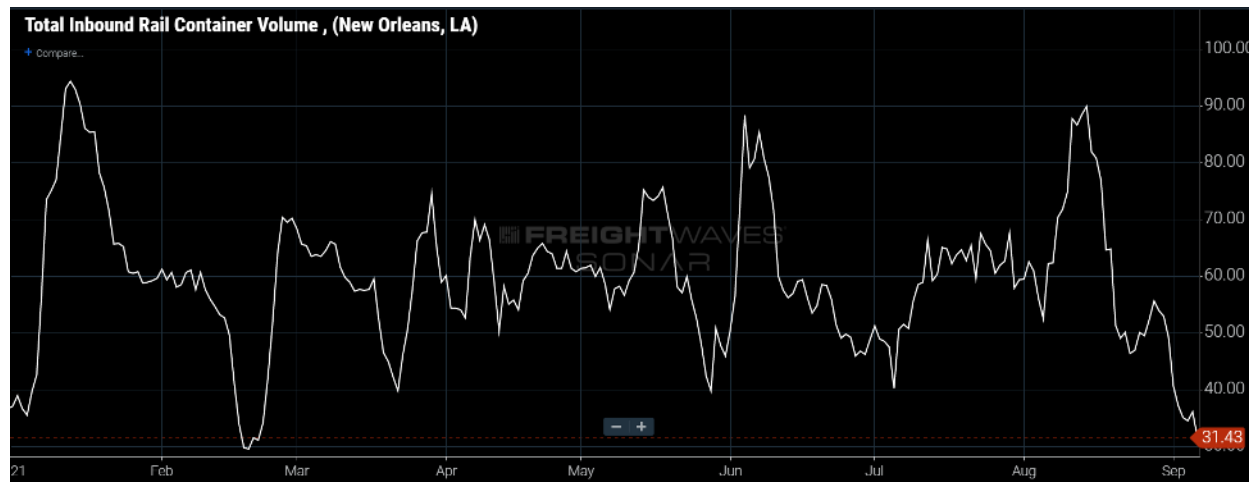
(Chart: FreightWaves SONAR)

**National spot rates hit new highs.** In the past week, average reefer spot rates increased from \$4.11/mile to \$4.27/mile, including fuel surcharges. At the same time, average dry van spot rates increased from \$3.41/mile to \$3.49/mile, including fuel surcharges.



(Chart: FreightWaves SONAR)

**Hurricane Ida hampers intermodal networks around New Orleans.** Total inbound intermodal container volumes into New Orleans have fallen by over 43% since August 28. Total inbound intermodal volumes into New Orleans rival levels experienced during the winter storm in mid-February. In addition to intermodal, the Port of New Orleans is a major center for grain exports.



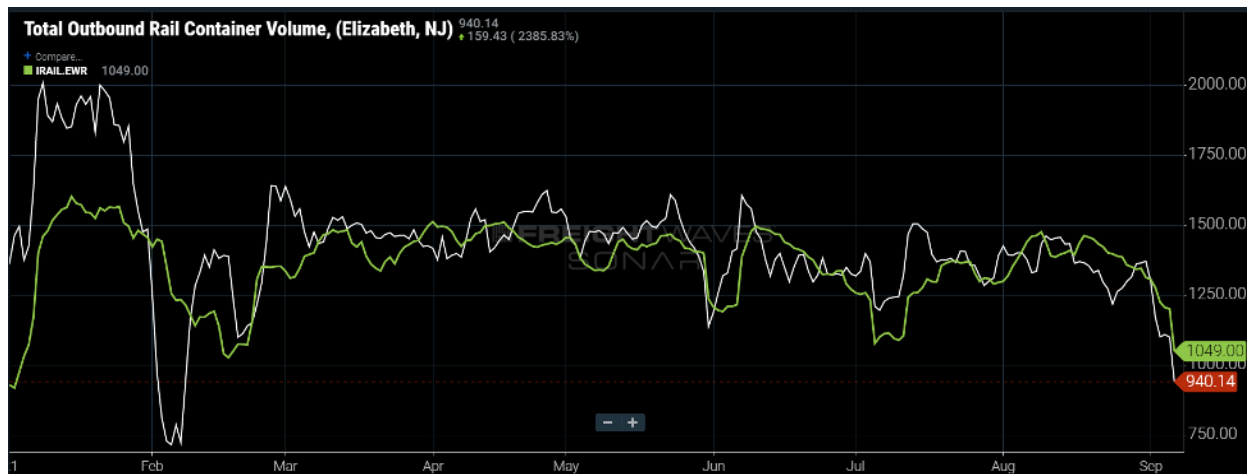
(Chart: FreightWaves SONAR. Inbound Intermodal Container Volumes into New Orleans.)

**International intermodal containers are stuck in New Orleans.** Over the past year, an average of 50 international containers left New Orleans daily. Hurricane Ida’s impact on intermodal networks has caused that number to fall to just 8, even lower than in February.



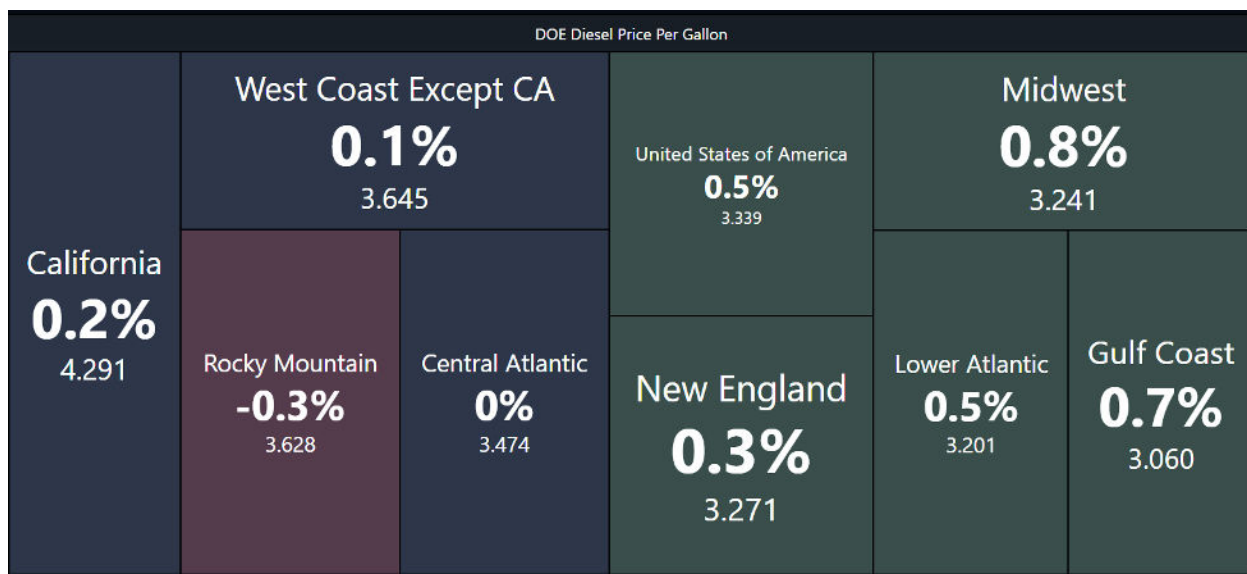
(Chart: FreightWaves SONAR. The line shows the seven-day moving average of international intermodal container volume, which includes 20-, 40- and 45-foot containers, outbound from New Orleans)

**Elizabeth is facing disruption in the intermodal market.** Both inbound and outbound intermodal volumes from Elizabeth have fallen to the lowest level since February as flooding swept across the New York metropolitan area.



(Chart: FreightWaves SONAR)

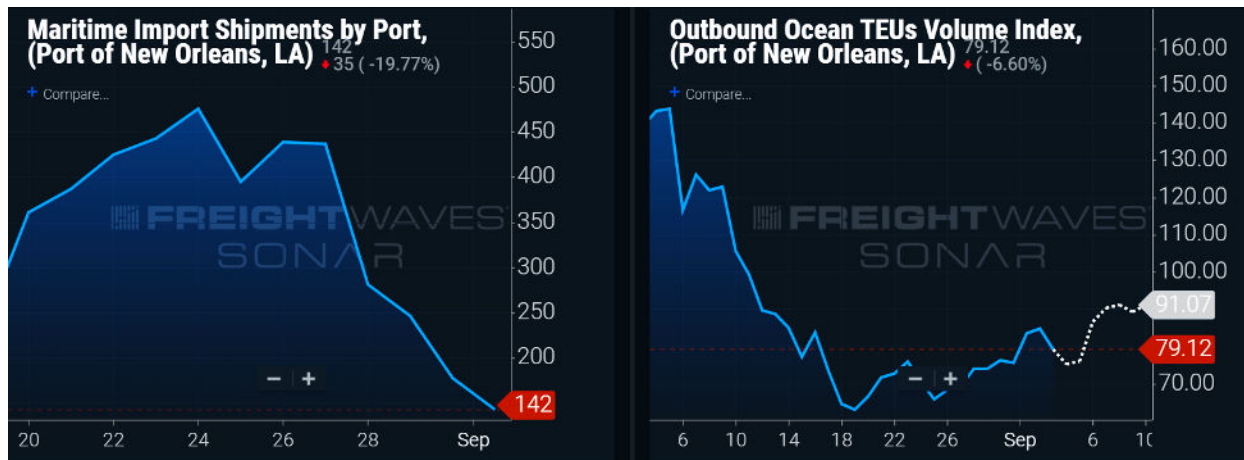
**Prices at the pump shift marginally as Ida knocks out 95% of Gulf oil production.** While the dust is still settling, initial assumptions of significantly elevated diesel prices may not come to fruition, as greater national fuel reliance comes from Texas and parts of New Mexico, which were unaffected.



(Chart: FreightWaves SONAR)

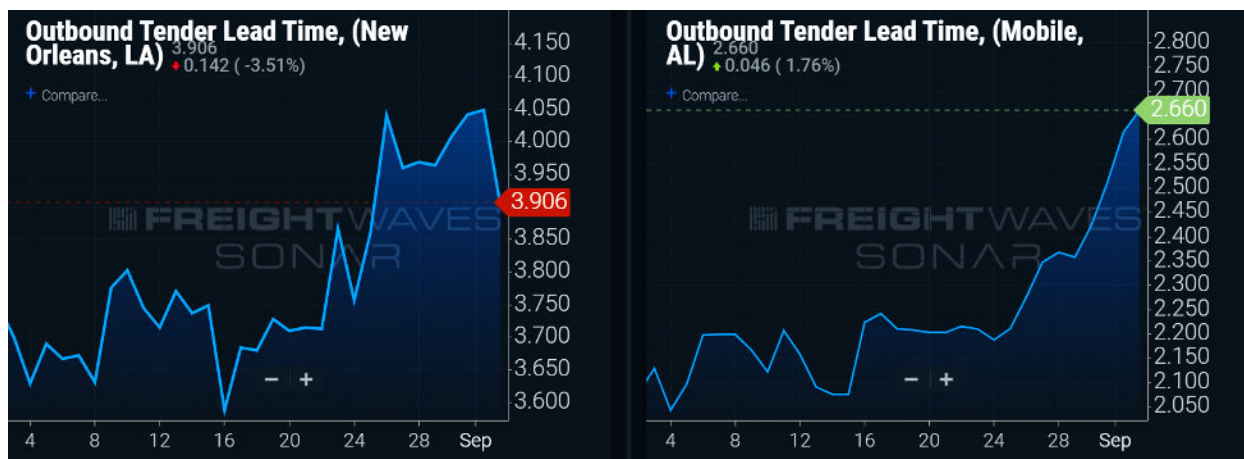
### What to watch for with an inflection point (aside from a reversal in the charts above)

**Import and export recovery at the Port of New Orleans.** Watch for containerized and non-containerized import shipments passing through U.S. Customs to rebound to about 250 index points. Confirmed outbound TEU volumes should experience a more modest recovery, as export loading equipment comes back online.



(Chart: FreightWaves SONAR)

**Contraction of outbound tender lead times** As conditions continue to improve in the most impacted markets, shippers will become less anxious to secure available capacity, dragging down tender lead times.



(Chart: FreightWaves SONAR)

Like what you've read? Sign up for Passport Research [here](#) or request a SONAR demo [here](#).