THE CATALYST

Accelerating smarter chemical logistics.

Q2 2026

OVER 40 YEARS IN THE GAME

EXECUTIVE SUMMARY

MARKET

- The U.S. Purchasing Managers' Index (PMI) remained in expansion throughout Q2, closing June at 53.3 and marking six consecutive months of manufacturing growth. Chemical manufacturing was among the industries reporting continued expansion, supporting steady demand for both bulk and tank transportation services. While production and new orders remain positive, growth has moderated from spring highs, and export demand has softened. Overall, the outlook for the second half of the year remains favorable, with stable manufacturing activity and disciplined inventories expected to support consistent freight volumes across chemical and bulk markets rather than a broad-based freight surge

CAPACITY

- Truck capacity remained tightened throughout Q2, with lead times extending from approximately 5–7 days to 7–10 days across many markets. Capacity constraints continued to be driven primarily by carrier attrition, regulatory changes, rising operating costs, and limited equipment additions rather than a significant increase in freight demand. Bulk capacity remains the most constrained segment, creating additional upward pressure on both spot and contract pricing. Looking ahead, capacity is expected to remain tight through the remainder of the year, resulting in long lead times, increased procurement challenges, and continued rate pressure, particularly for bulk and dedicated transportation lanes.

RAIL TRAFFIC

- U.S. rail traffic in Q2 showed stronger year-over-year growth, driven by continued gains in both carload and intermodal volumes. Carloads increased approximately 3% to 5%, supported by strength in grain, chemicals, coal, and select industrial commodities, while intermodal traffic improved as import activity and international container volumes accelerated ahead of anticipated tariff changes. Looking ahead, rail volumes are expected to remain relatively stable, with bulk commodities providing a solid base and intermodal performance dependent on consumer demand, inventory replenishment, and import trends during the second half of the year.

WHAT WE SEE

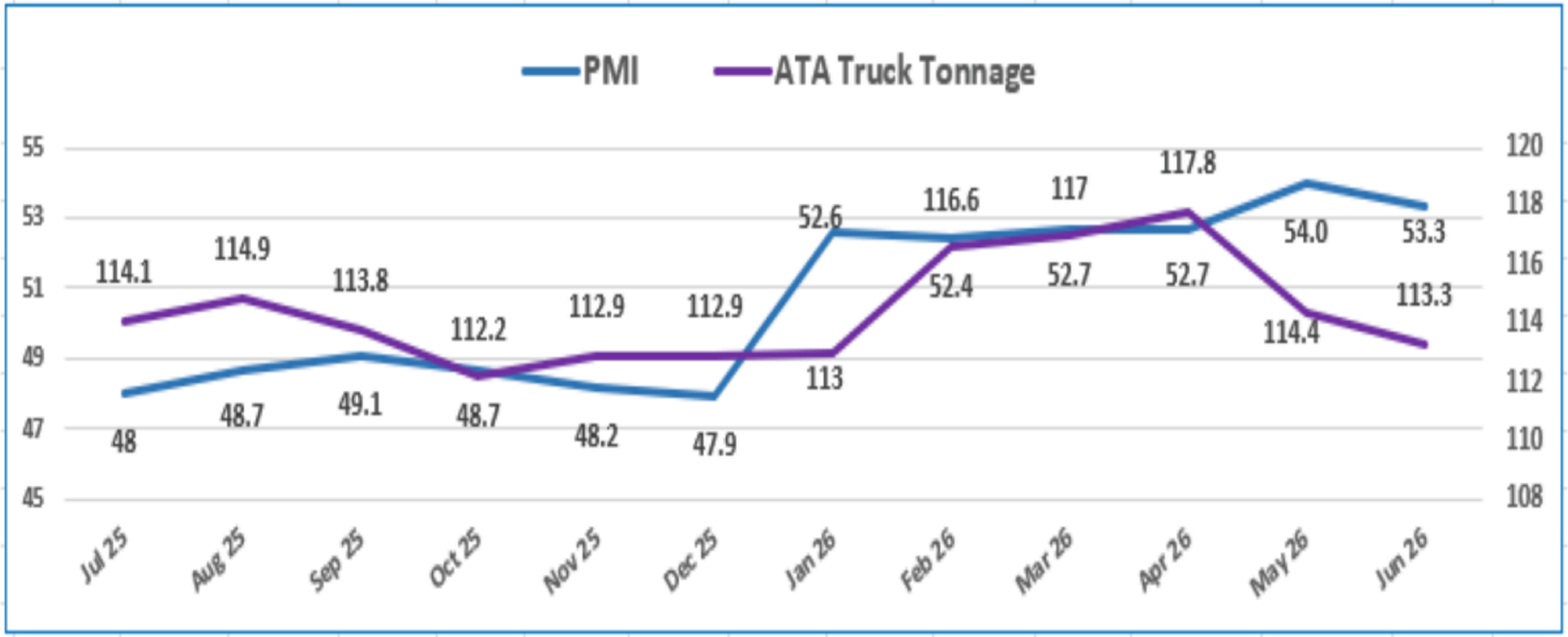
CHEMICAL TRANSPORTATION TRENDS

MARKET INDICES

PMI & ATA TRENDLINES:

U.S. MANUFACTURING PURCHASING MANAGER'S INDEX (PMI)

ATA TRUCK TONNAGE



Manufacturing conditions remained favorable in Q2 2026, with PMI holding above 52 and peaking at 54.0 in May. In contrast, ATA Truck Tonnage declined from 117.8 in April to 113.3 in June, indicating softer freight demand despite ongoing expansion in industrial activity. The disconnect suggests continued caution among shippers and retailers, with freight volumes expected to improve only as inventory restocking and demand growth accelerate.

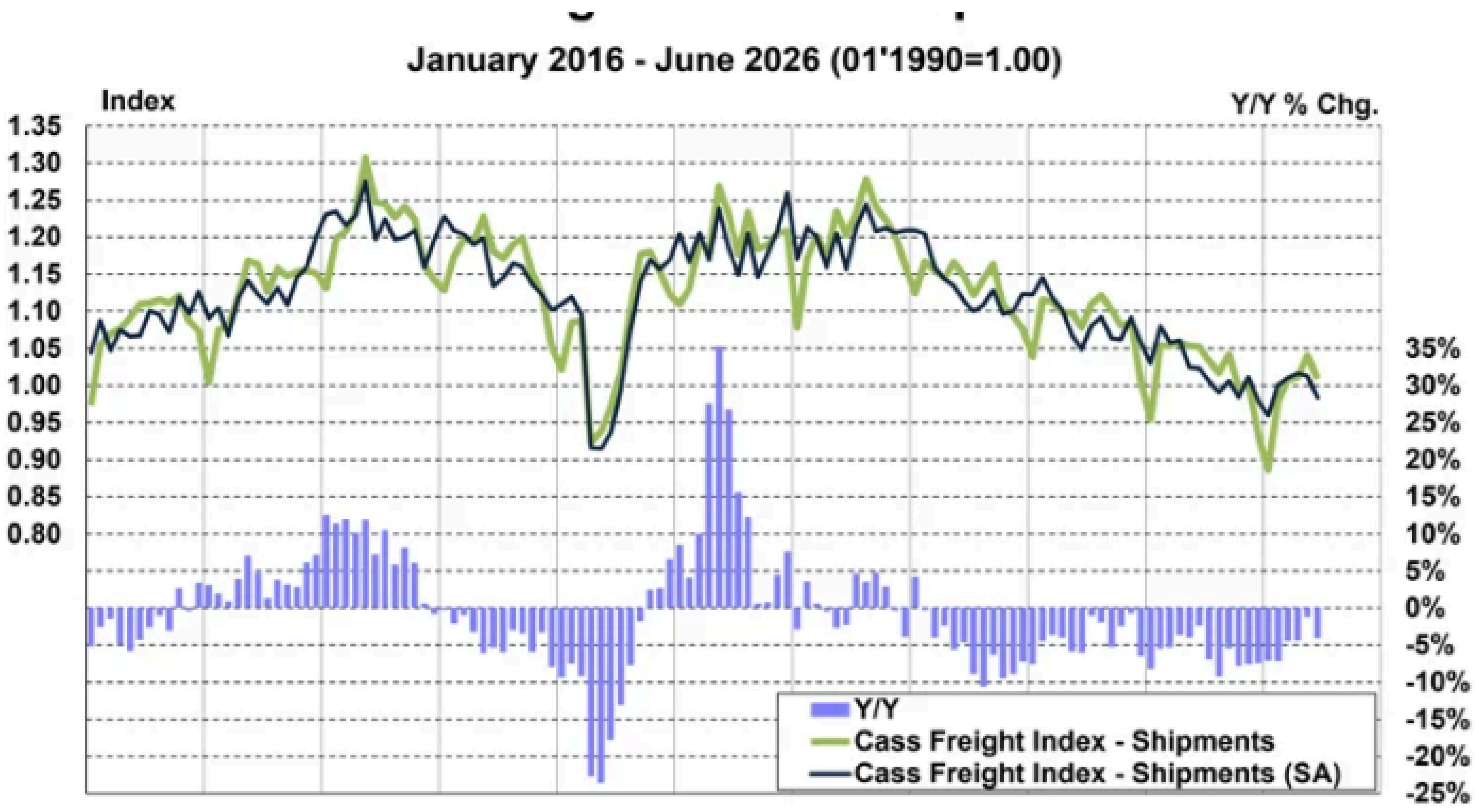
MARKET INDICES

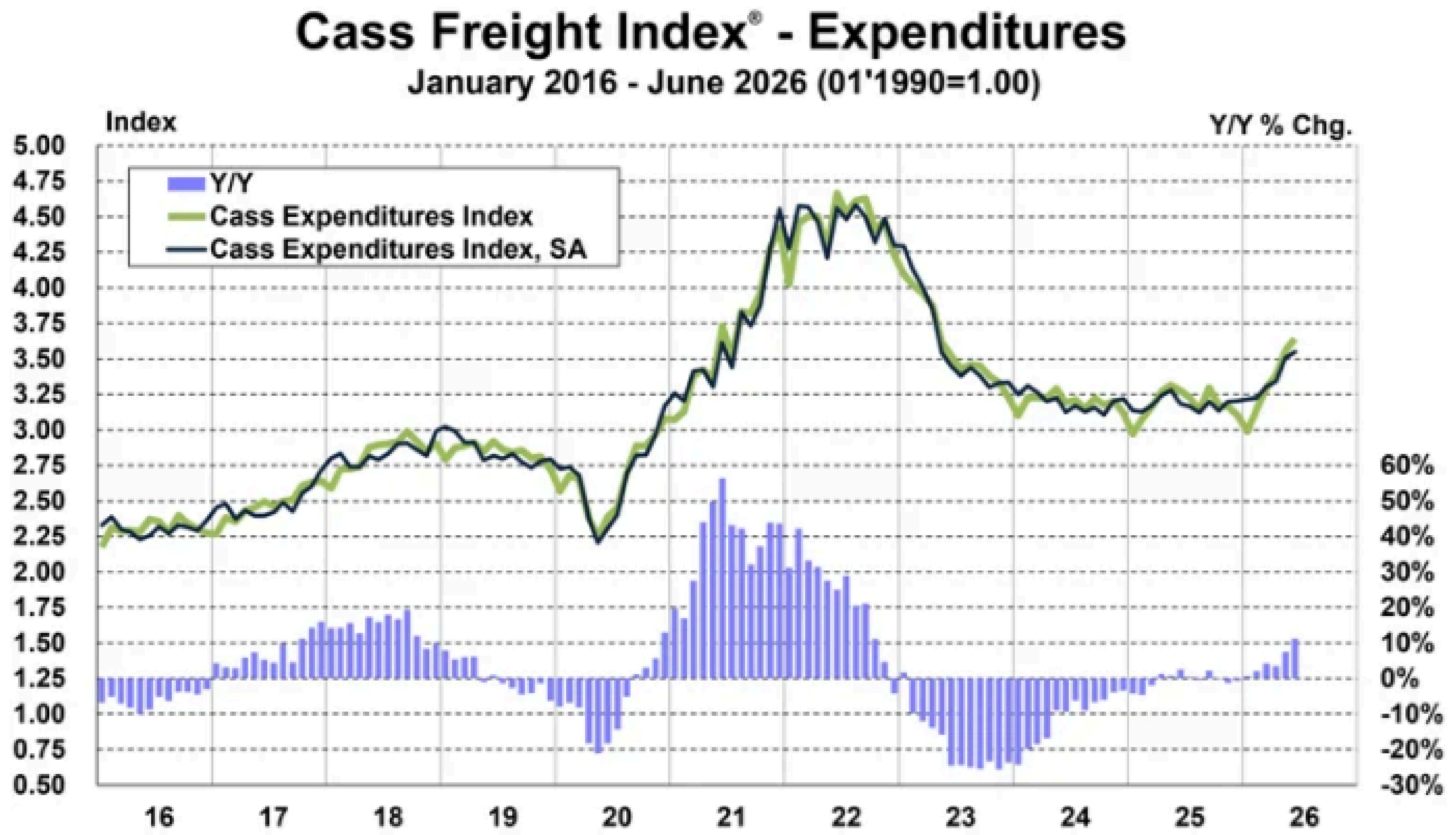
CASE FREIGHT INDEXES

Rate Recovery Still Supply-Led

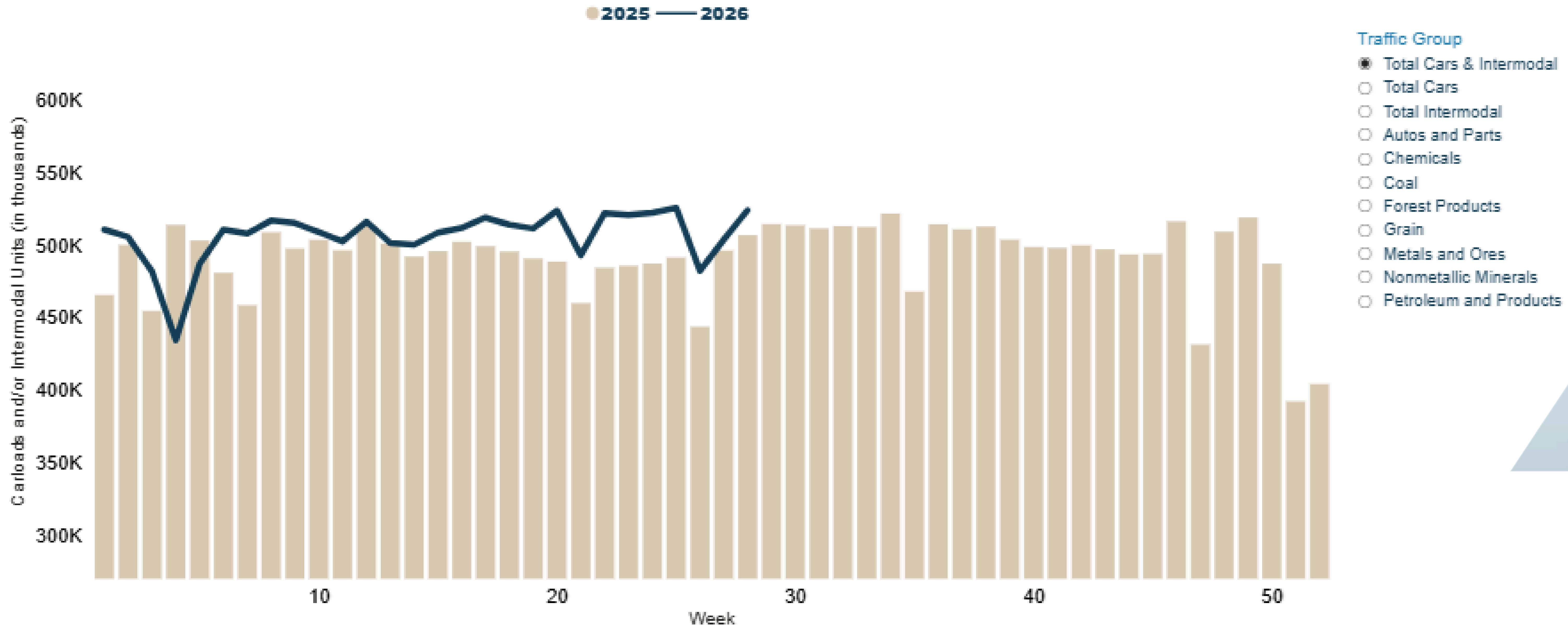
	June 2026	Year-over-year change	2-year stacked change	Month-to-month change	Month-to-month change (SA*)
Cass Freight Index - Shipments	1.009	-4.1%	-6.4%	-3.1%	-2.9%
Cass Freight Index - Expenditures	3.640	11.2%	14.1%	2.2%	1.2%
Truckload Linehaul Index	149.4	5.5%	7.6%	-0.9%	NA

- Freight demand remains soft, with Cass Shipments down 4.1% year over year in June, indicating shipment volumes have yet to fully recover despite broader economic resilience.
- Transportation pricing continues to improve, as the Cass Expenditures Index increased 11.2% year over year and truckload linehaul rates rose 5.5%, reflecting tightening capacity and a more favorable pricing environment for carriers.
- The disconnect between declining shipment volumes and rising freight costs suggests the current market recovery remains supply-led, with capacity exits and higher operating costs driving rate increases ahead of a meaningful demand rebound.





MARKET INDICES
ASSOCIATION OF AMERICAN RAILROADS



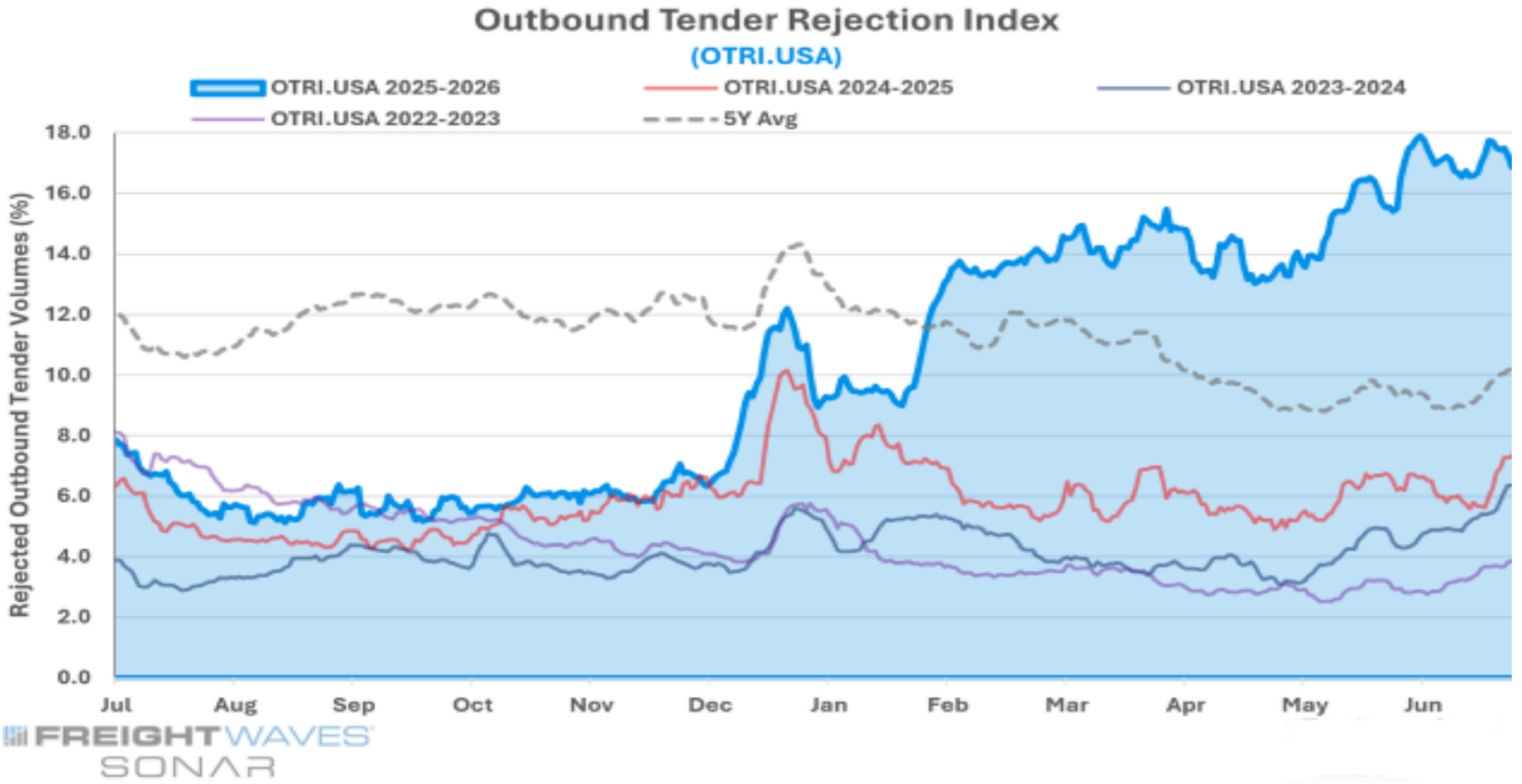
*Canadian traffic includes the U.S. operations of Canadian railroads.

U.S. rail traffic remained resilient through the first half of 2026, with weekly originated volumes generally running above comparable 2025 levels. Total carload and intermodal traffic consistently exceeded 500,000 units during most weeks, reflecting stable demand across industrial, agricultural, and consumer-oriented freight markets. While some week-to-week volatility occurred, the overall trend points to improving rail activity and stronger freight fundamentals compared to the prior year. The sustained year-over-year gains suggest railroads continue to benefit from solid industrial production, import flows, and bulk commodity shipments as the economy moves through 2026.

MARKET INDICES

FREIGHT WAVES OUTBOUND TENDER REJECTION INDEX

OTRI, USA

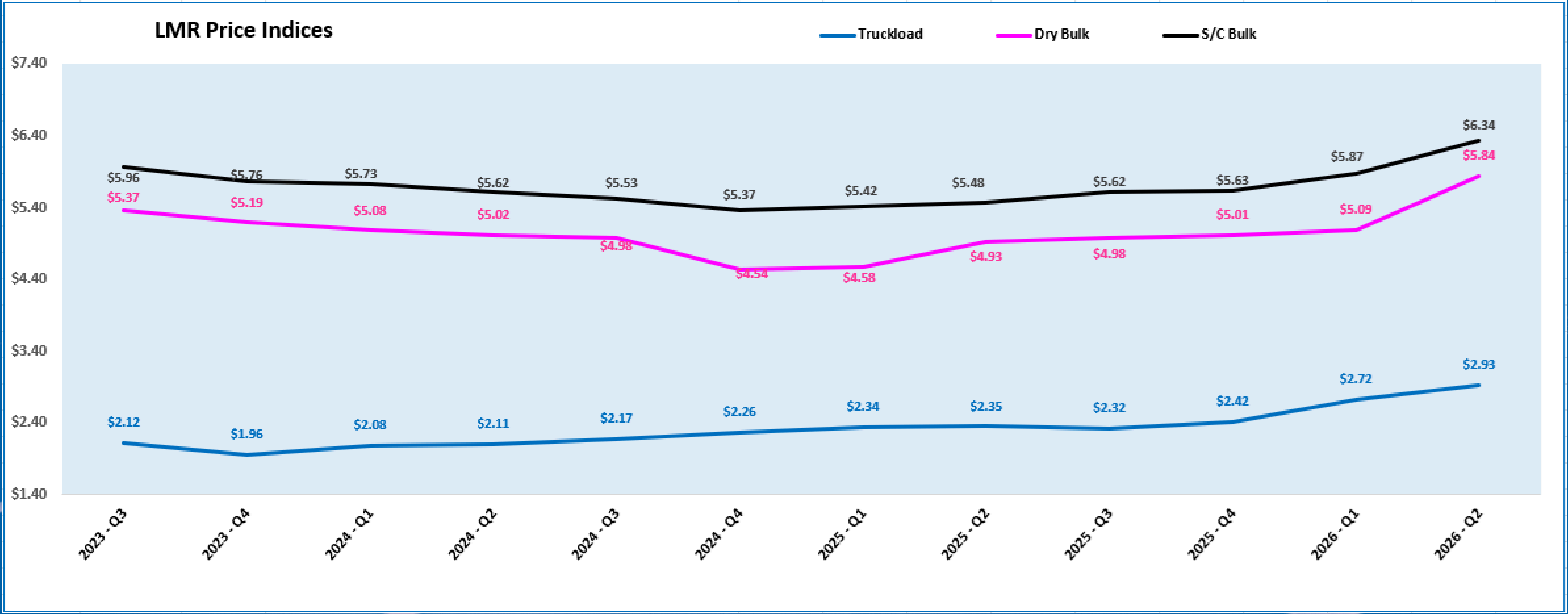


The Outbound Tender Rejection Index (OTRI) has risen significantly above both prior-year levels and the five-year average, indicating a much tighter truckload market. Rejection rates increased from roughly 6% in late 2025 to more than 15% by May 2026, suggesting carriers have become more selective as available capacity has tightened. Elevated rejection rates typically lead to upward pressure on spot market pricing as shippers are forced to seek alternative capacity. Overall, the trend points to improving carrier conditions and a more balanced freight market after several years of excess capacity.

WHAT'S IN MOTION

THE LATEST MOVES SHAPING CHEMICAL FREIGHT

MARKET SUMMARY
LMR PER MILE COST PER MODE



Per mile costs are based on LMR over the road line haul plus fuel > 400 miles. Excludes any shipments using dedicated capacity.

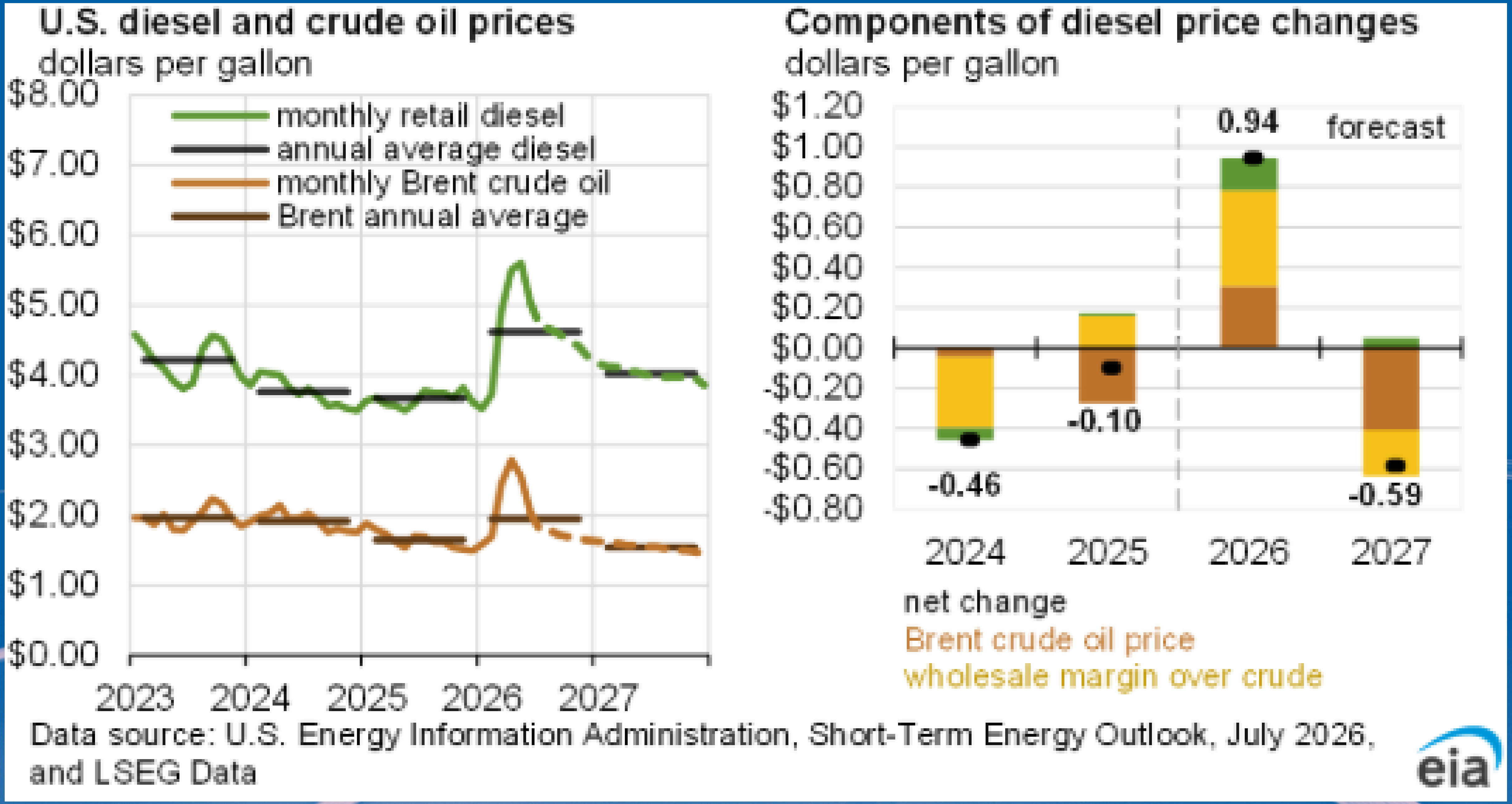
MARKET SUMMARY

SPOT MARKET RATES/CAPACITY

INDUSTRY TRENDS	WEEK JUL 13 - JUL 19 VS JUL 06 - JUL 12	MONTH JUN 2026 VS MAY 2026	YEAR JUN 2026 VS JUN 2025
Spot Load Posts	-9.6%	+0.0%	+64.9%
Spot Truck Posts	+1.7%	+7.3%	-17.0%
Van Load to Truck	-9.8%	-4.6%	+83.2%
Van Spot Rates	+4.8%	+9.7%	+28.7%
Flatbed Load to Truck	-14.9%	-17.0%	+139.7%
Flatbed Spot Rates	+1.9%	+11.0%	+34.7%
Reefer Load to Truck	-13.4%	-2.0%	+93.8%
Reefer Spot Rates	-8.4%	+28.8%	+22.6%
Fuel Prices	+6.9%	-3.6%	+28.0%

Q2 2026 spot market conditions tightened considerably, driven by a significant increase in load postings and continued reductions in available truck capacity. Load-to-truck ratios across van, flatbed, and reefer equipment remained substantially above prior-year levels, signaling stronger demand relative to capacity. As a result, spot rates increased across all equipment types, with flatbed, van, and reefer rates posting double-digit year-over-year gains. Despite some moderation in fuel prices during June, the overall market environment reflects a strengthening freight cycle and improved pricing power for carriers.

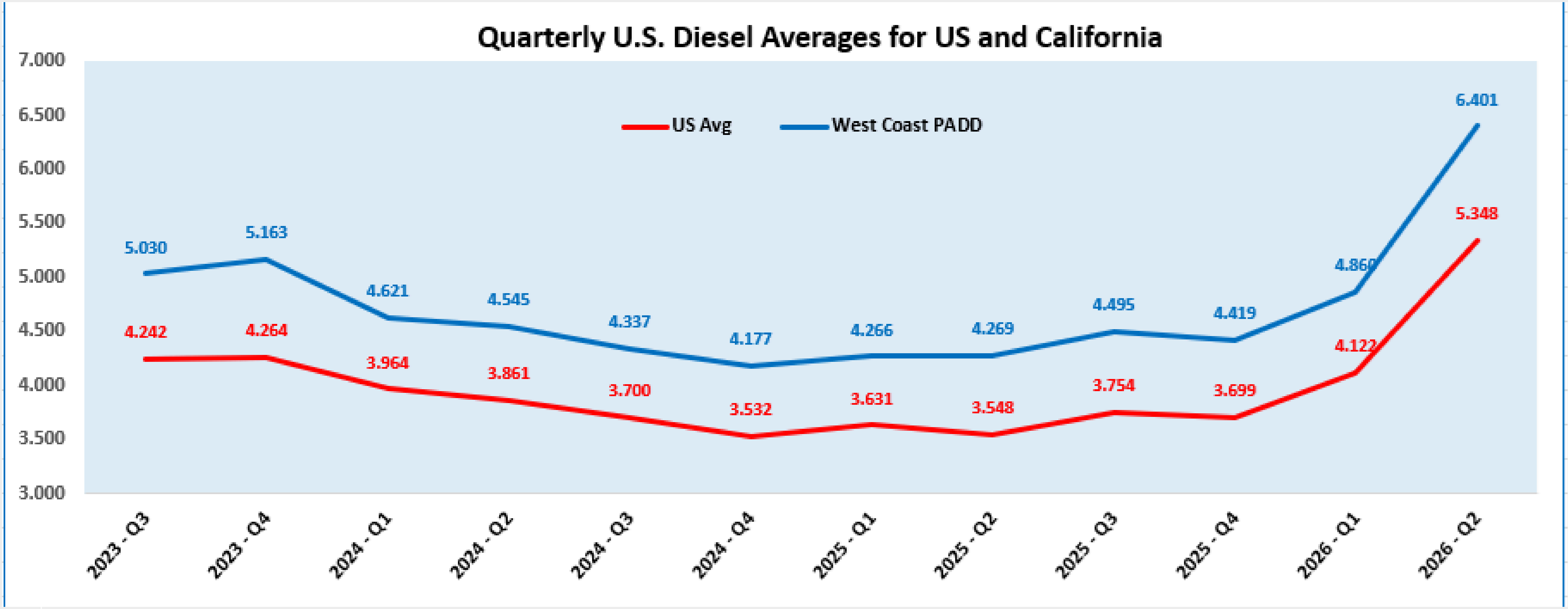
MARKET SUMMARY
CRUDE OIL/DIESEL FUEL PRICING



Q2 2026 fuel markets remained relatively stable following the sharp volatility seen earlier in the year. WTI crude oil prices retreated from their Q1 highs and trended lower through the quarter, while U.S. retail diesel prices declined from peak levels but remained elevated versus historical averages. EIA forecasts suggest diesel prices will continue to ease through the second half of 2026 as crude oil markets stabilize and refinery supply improves. For the remainder of the year, fuel costs are expected to remain manageable, though geopolitical developments and global supply disruptions could still create periodic price volatility.

QUARTERLY

U.S. DIESEL AVERAGES FOR US AND CALIFORNIA



Q2 2026 diesel prices rose sharply across the U.S., reversing the relatively stable pricing environment that characterized most of 2024 and 2025. The national average diesel price increased from $4.12 per gallon in Q1 to $5.35 per gallon in Q2, while West Coast prices surged from $4.86 to $6.40 per gallon, significantly outpacing the national average. The sharp escalation reflects supply constraints, refinery disruptions, and higher crude oil costs that disproportionately impacted West Coast markets. Going forward, fuel prices are expected to remain elevated and volatile, with regional supply dynamics and geopolitical developments continuing to influence diesel costs

THE EXPERTS IN CHEMICAL LOGISTICS & FREIGHT MANAGEMENT

EXPERTISE

- Bulk Chemical Focus Since 1981
- Non Asset Based (Access To ~100 Bulk Assets Via Grammer)
- Avg Mngt Tenure - 25 Years
- Avg Ops Tenure - 13 Years
- Quick & Effective Response
- Mulitmodal
- Dedicated Resources 24/7

SERVICES

Total Shipment Management

- Pricing/RFPs
- Scheduling
- Performance
- Qualifications/Contract
- Freight Audit/Payment
- Analytics/Business Intel
- Customized Processes

RELATIONSHIPS

- 475 Tankers
- 8,000 Van / LTL / Drayage
- 900 Flatbed
- 800 End-Dump
- 120 Roll-Off
- 900 Haz Mat
- 200 Haz Waste
- Rail/Transload
- Puerto Rico

VISIBILTY

- Tracking - Real Time Access To Asset/Trail Map
- Automated Notification Alerts to Selected Users
- Automated Analytics
- Web Portal
- Detailed Summary Billing

SYSTEMS/SECURITY

- McLeod Power Broker
- Cloud Hosted
- Connectivity with SAP, Elemcia, E2Open, Czarlite, DAT
- AS2/SFTP
- MFA Protection

LOGISTICS MANAGEMENT RESOURCES

WE DON' T MIMIC SOLUTIONS. WE CREATE THEM.

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