

THE CATALYST

Accelerating smarter chemical logistics.

Q3 2026

OVER 40 YEARS IN THE GAME

EXECUTIVE SUMMARY

DEMAND

- Q3 freight demand remained stable across the chemical sector, supported by consistent production levels and shipment volumes. Manufacturing activity remained in expansion throughout Q3, though growth moderated from earlier in the year as export demand softened and customers maintained disciplined inventory positions. Despite the slower rate of growth, overall chemical freight activity remained healthy, providing a steady demand environment for bulk and tank transportation providers.

SUPPLY

- Truck capacity continued to tighten throughout Q3 as carriers maintained a disciplined approach toward equipment purchases and fleet expansion. Capacity constraints remained driven primarily by limited new equipment additions, carrier profitability concerns, rising operating costs, and an ongoing focus on asset utilization rather than aggressive growth. Bulk transportation remained one of the most constrained segments of the market, contributing to rising spot and contract rates. Looking ahead, capacity is expected to remain tight through year end, resulting in continued procurement challenges, longer lead times, and sustained pricing pressure, particularly across bulk and dedicated transportation networks.

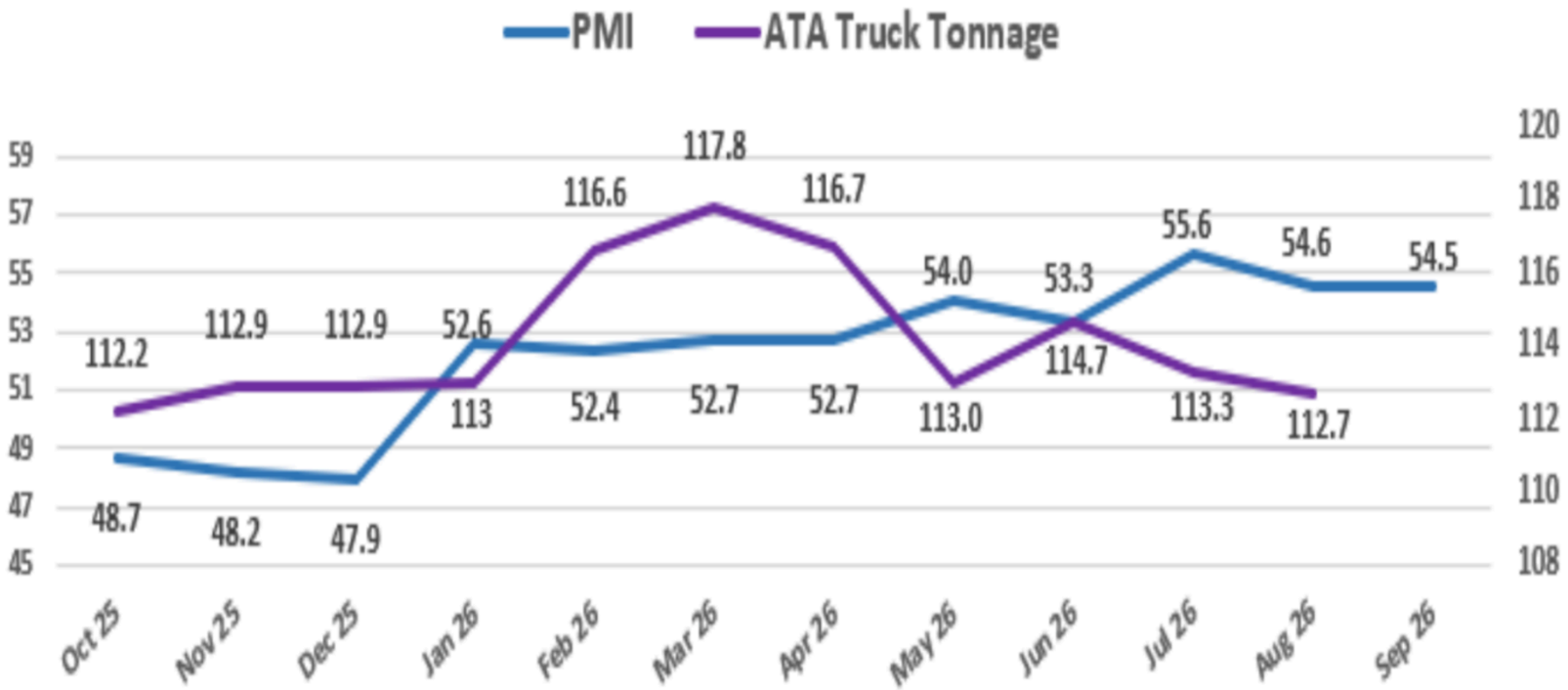
RAIL TRAFFIC

- U.S. rail traffic remained stable throughout Q3, supported by consistent demand from chemical manufacturers, agricultural markets, and other industrial sectors. Chemical carload volumes continued to serve as a key contributor to overall rail activity. While intermodal volumes remained exceptionally strong, growth moderated from the rapid pace experienced earlier in the year.

  Rail service performance across major networks was generally reliable, although some markets continued to experience localized challenges related to railcar cycle times, asset availability, and terminal congestion. Looking ahead, rail volumes are expected to remain steady through year-end, with network fluidity, equipment availability, and inventory management continuing to play a significant role in supply chain performance for chemical shippers.



Manufacturing Expansion Continues Despite Slower Freight Growth



During Q3, manufacturing activity continued to expand, with the PMI remaining above 50 throughout the quarter and ending September at 54.5, indicating continued growth in industrial activity. ATA truck tonnage eased from its March peak, suggesting freight demand remained stable but showed little acceleration. Current market conditions indicate that capacity constraints and disciplined fleet growth continue to have a greater impact on transportation markets than underlying demand growth.

WHAT WE SEE

CHEMICAL TRANSPORTATION TRENDS

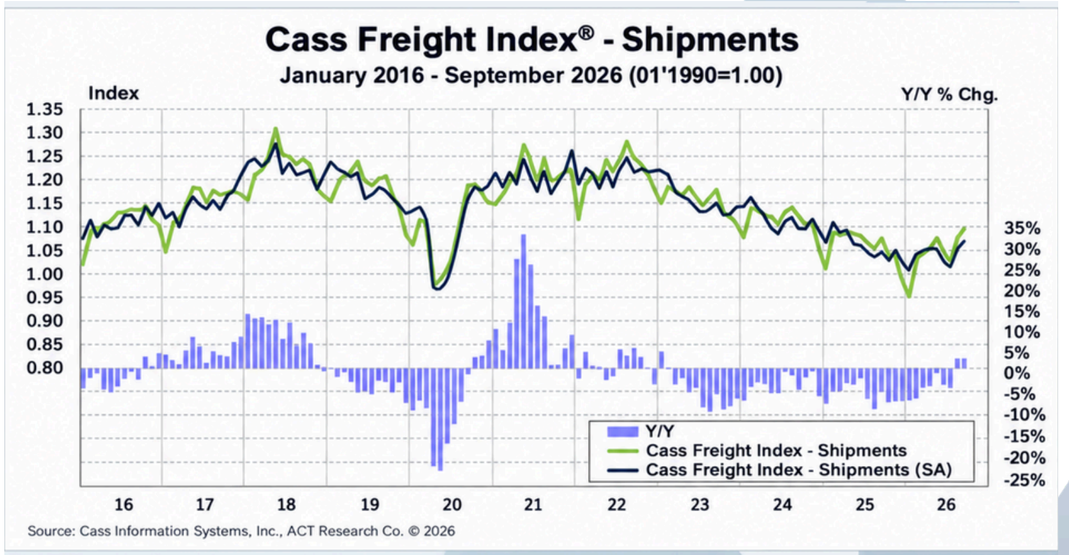
OCTOBER 2025

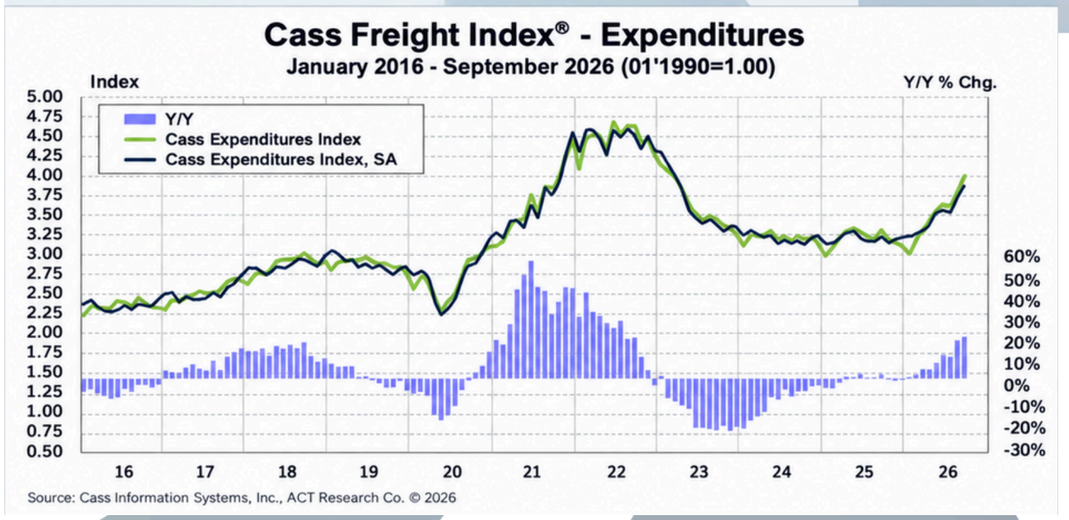
Freight Spending Outpaces Shipment Growth

CASE FREIGHT INDEXES

	September 2026	Year-over-year change	2-year stacked change	Month-to-month change	Month-to-month change (SA*)
Cass Freight Index - Shipments	1.062	1.9%	-3.6%	2.3%	1.4%
Cass Freight Index - Expenditures	3.970	20.4%	23.1%	6.7%	4.0%
Truckload Linehaul Index	154.8	10.1%	12.9%	0.6%	NA

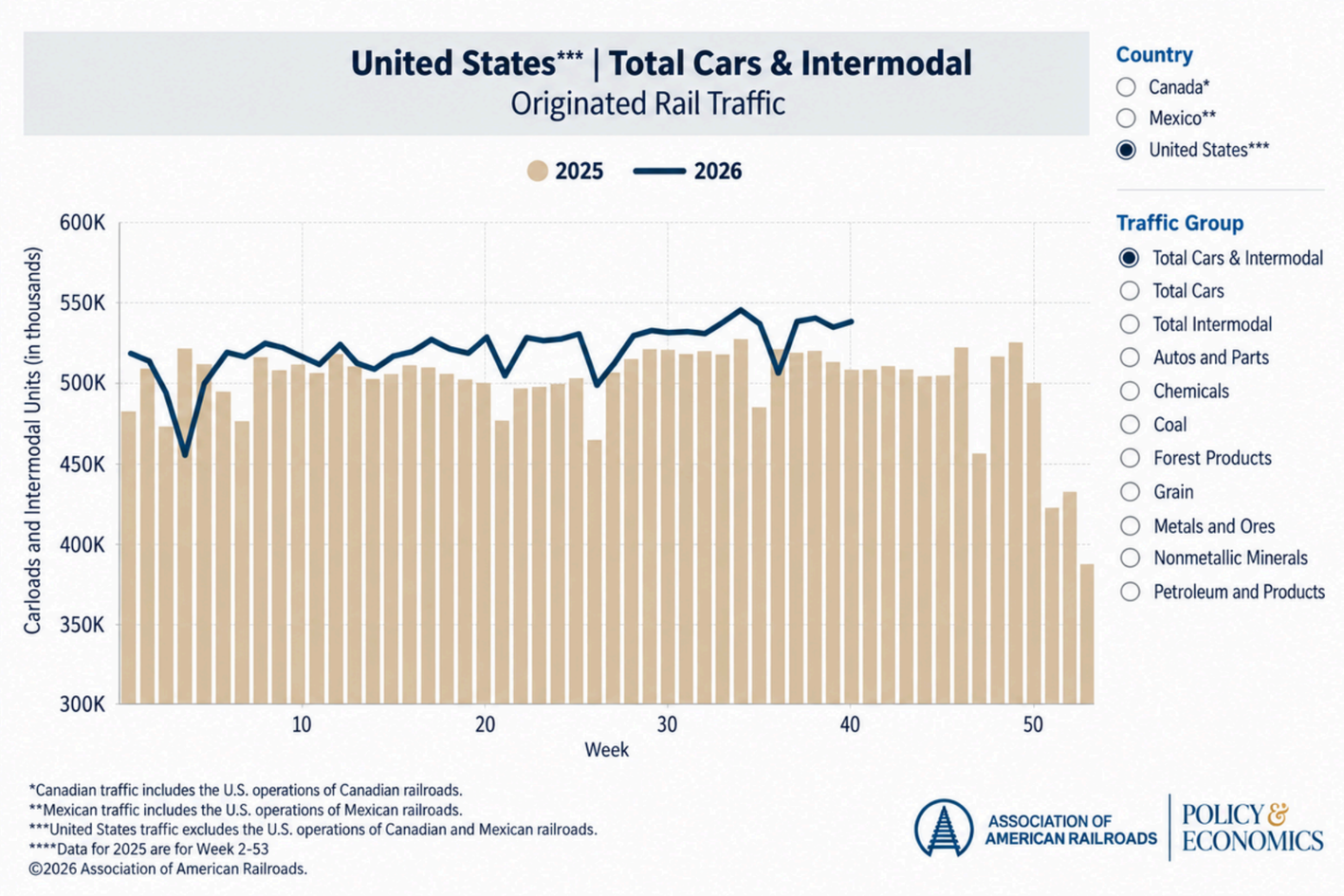
- Freight demand showed signs of stabilization during Q3, with the Cass Shipments Index increasing 1.9% year over year in September and improving throughout the quarter, indicating shipment volumes have largely recovered from the weakness experienced earlier in the cycle.
- Transportation pricing continued to strengthen, as the Cass Expenditures Index increased 20.4% year over year in September while the Truckload Linehaul Index rose 10.1%,
- Freight expenditures continued to outpace shipment growth, highlighting persistent transportation cost pressures across the market.

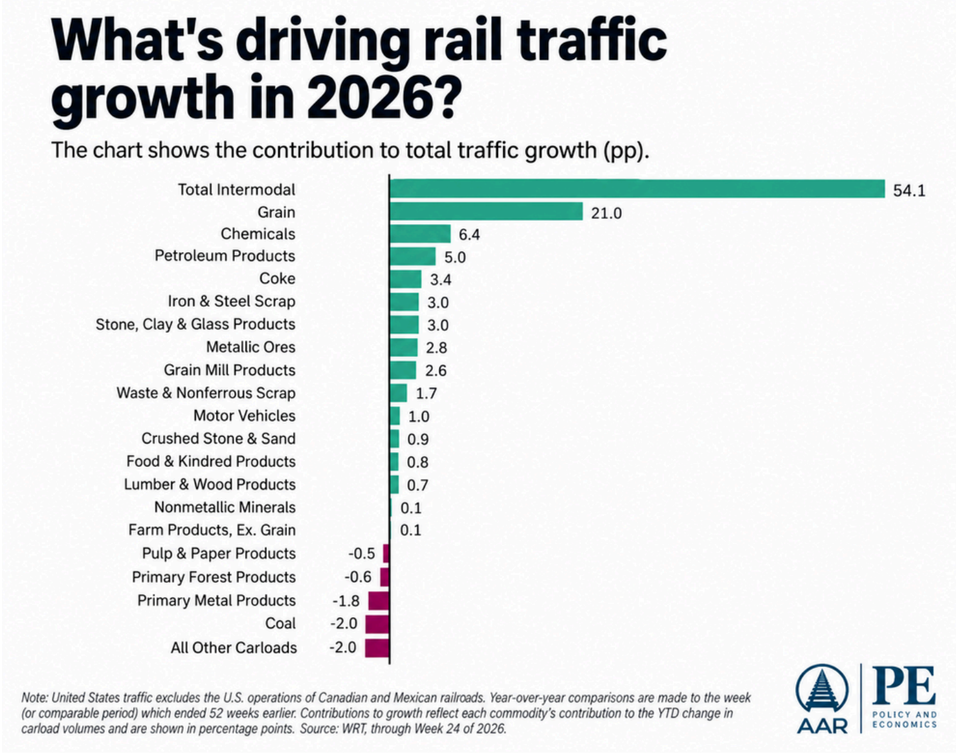




Railroads Report Strong Volumes

ASSOCIATION OF AMERICAN RAILROADS

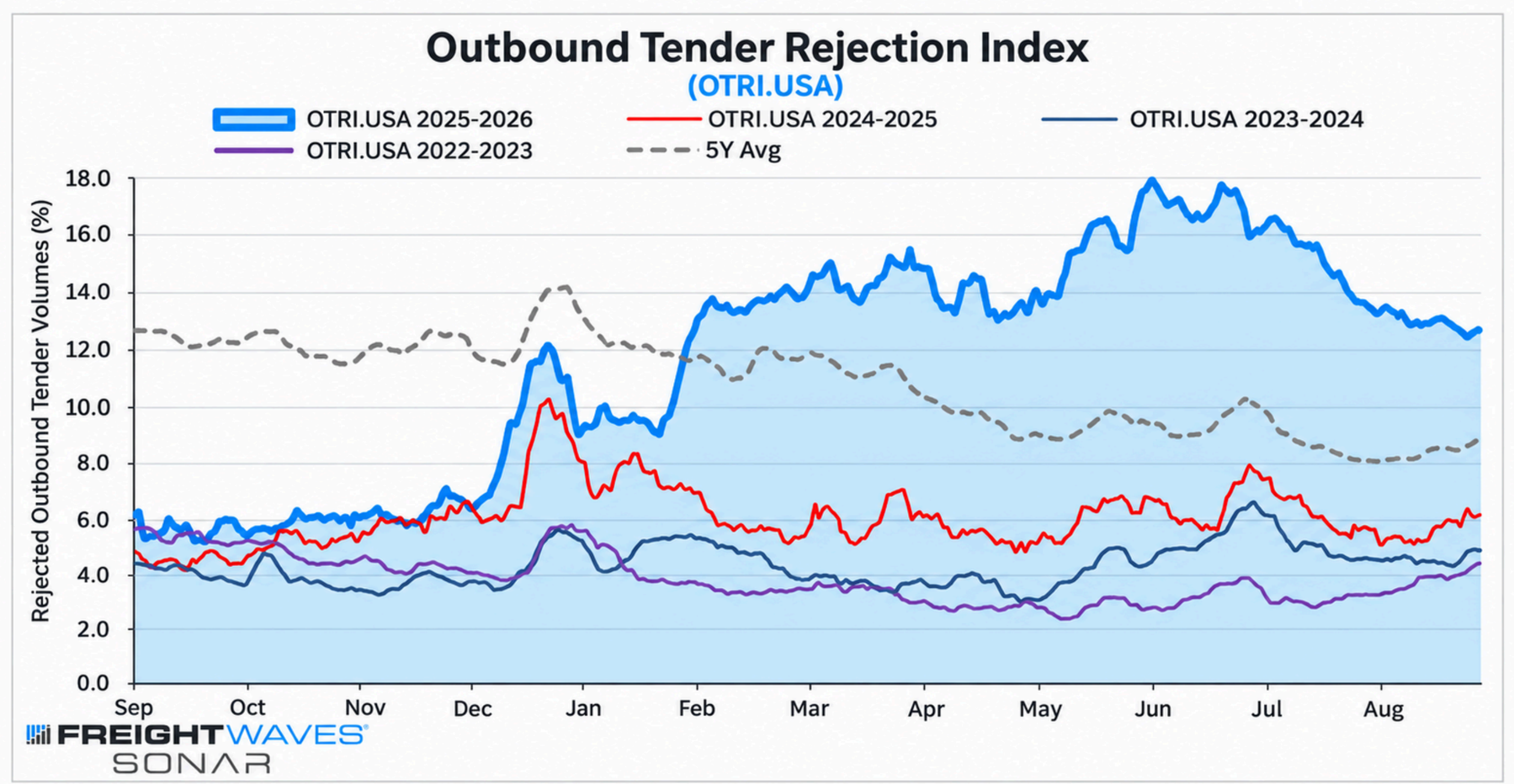




U.S. rail traffic remained strong throughout Q3, with total carload and intermodal volumes continuing to run above 2025 levels. Growth was driven primarily by intermodal traffic, grain shipments, and chemical carloads, with chemicals ranking among the largest contributors to overall rail traffic growth during 2026. August and September also marked the two highest intermodal volume months on record, reflecting strong import activity, inventory replenishment, and continued demand for rail transportation. For chemical shippers, stable rail service, healthy chemical carload volumes, and high levels of overall network utilization reinforced the importance of rail as a critical component of the bulk supply chain.

Carrier Selectivity Continues Throughout Q3

FREIGHT WAVES OUTBOUND TENDER REJECTION INDEX



The Outbound Tender Rejection Index (OTRI) remained elevated throughout Q3, reflecting continued tightness in available truck capacity. Although rejection rates declined from peak levels reached earlier in the year, carriers remained considerably more selective than they were over the past two years, particularly in specialized and bulk transportation markets. For chemical shippers, the sustained increase in tender rejections highlights the importance of strategic carrier relationships, effective procurement strategies, and proactive capacity planning as transportation markets continue to favor carriers more than in recent years.

WHAT'S IN MOTION

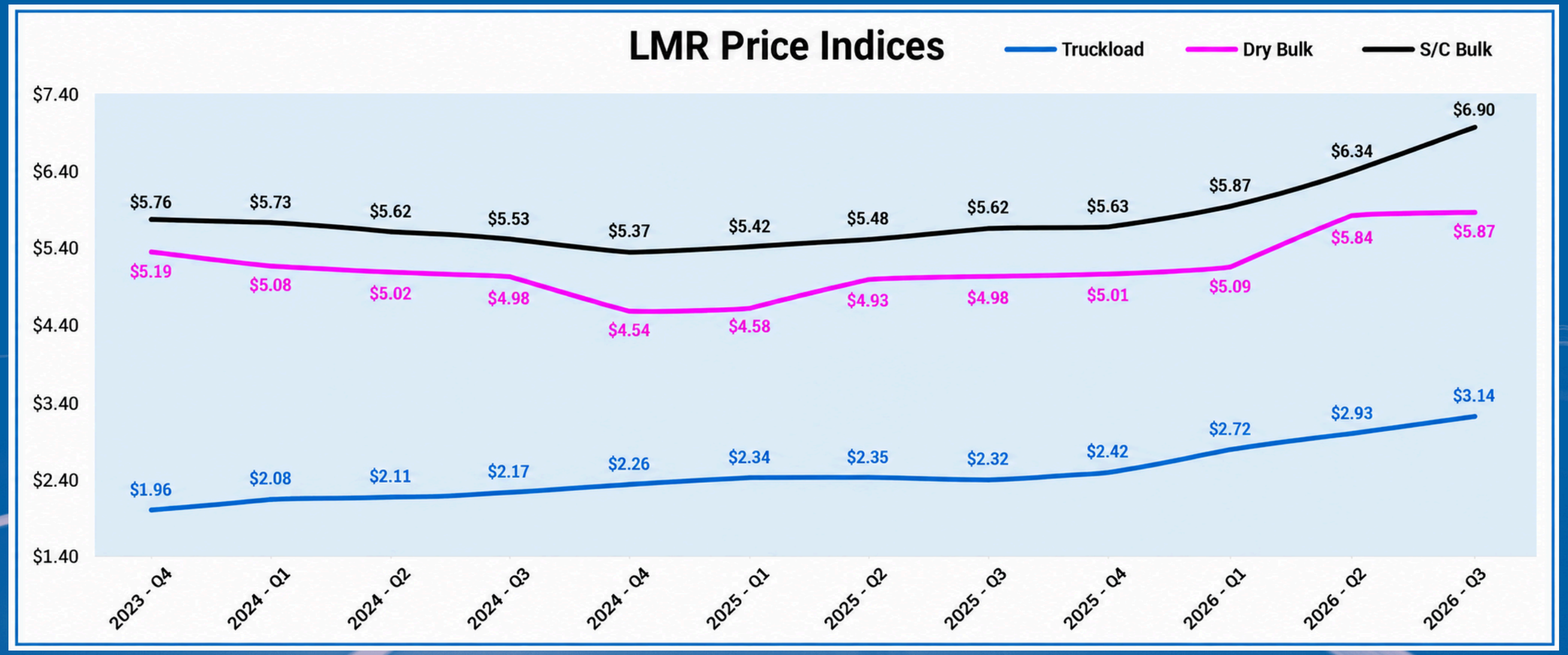
THE LATEST MOVES SHAPING CHEMICAL FREIGHT

OCTOBER 2025

LMR Price Indices Reach 3 Year Highs

LMR PER MILE COST PER MODE (LH + Fuel)

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



LMR transportation pricing indices reached three-year highs during Q3, with truckload, dry bulk, and liquid bulk rates increasing to $3.14, $5.87, and $6.90 per mile, respectively. Specialized chemical transportation experienced the greatest upward pressure, reinforcing the importance of carrier relationships and secured capacity as market conditions continue to tighten.

Spot Markets Shift Further Toward Carriers

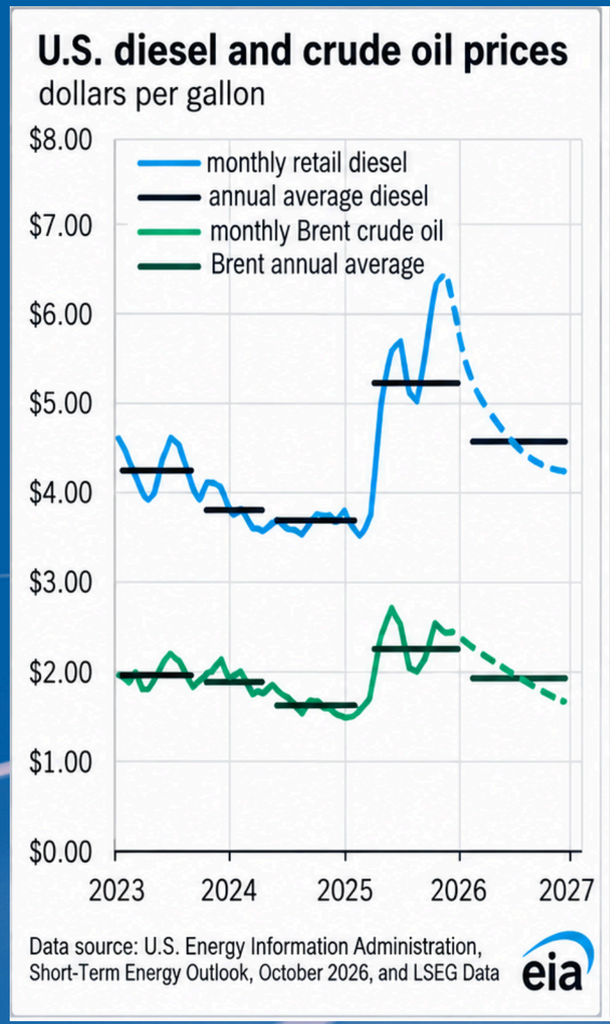
DAT SPOT MARKET RATES/CAPACITY

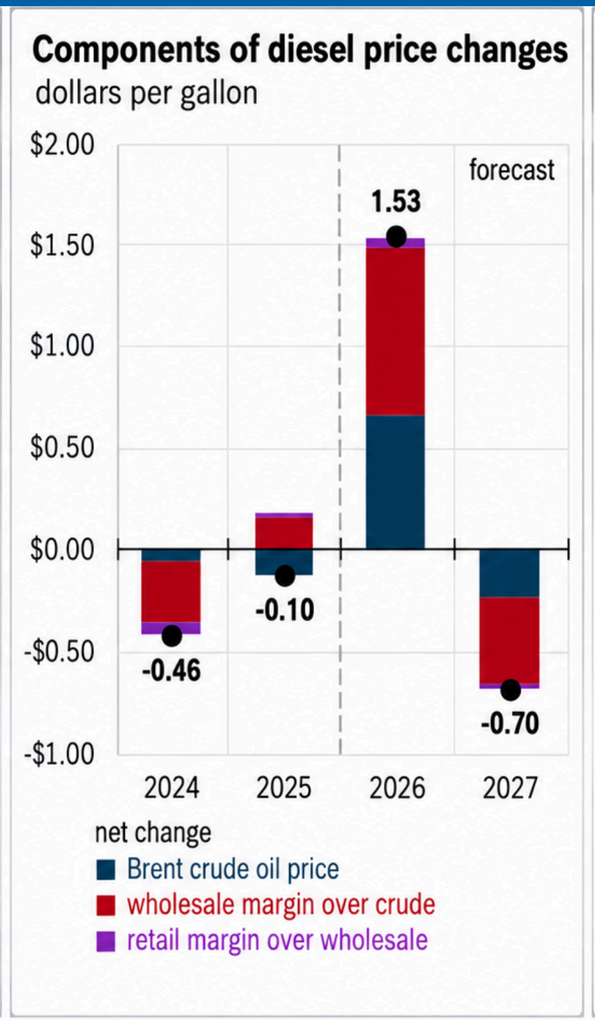
INDUSTRY TRENDS	WEEK OCT 05 - OCT 11 VS SEP 28 - OCT 04	MONTH SEP 2026 VS AUG 2026	YEAR SEP 2026 VS SEP 2025
Spot Load Posts	-18.2%	+11.4%	+26.9%
Spot Truck Posts	+4.4%	+5.3%	-24.5%
Van Load to Truck	-23.9%	+9.6%	+73.4%
Van Spot Rates	+1.6%	+4.2%	+46.8%
Flatbed Load to Truck	-17.4%	+8.3%	+50.4%
Flatbed Spot Rates	+0.6%	+2.3%	+44.2%
Reefer Load to Truck	-23.2%	-4.0%	+75.4%
Reefer Spot Rates	+2.2%	+6.8%	+48.4%
Fuel Prices	-0.3%	+15.2%	+67.7%

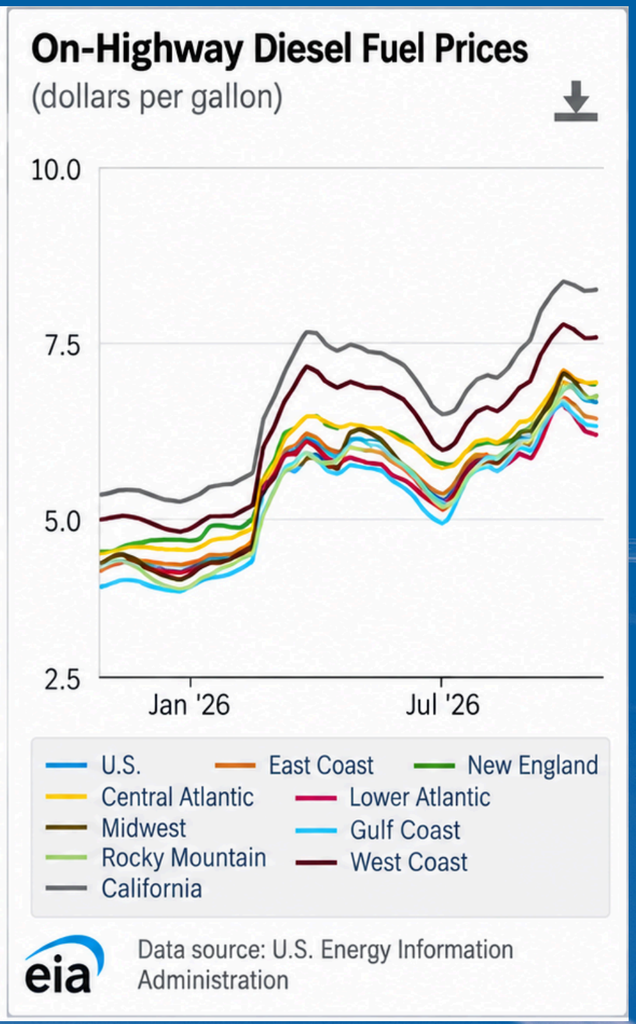
Q3 freight conditions remained favorable for carriers as steady industrial demand combined with constrained capacity. Load to-truck ratios increased across major equipment types, driving spot rates more than 40% above prior-year levels by September. While elevated diesel prices contributed to transportation spend, tightening equipment availability remained the primary driver of stronger spot market conditions.

Fuel Prices Stabilize at Elevated Levels

EIA CRUDE OIL/DIESEL OUTLOOK



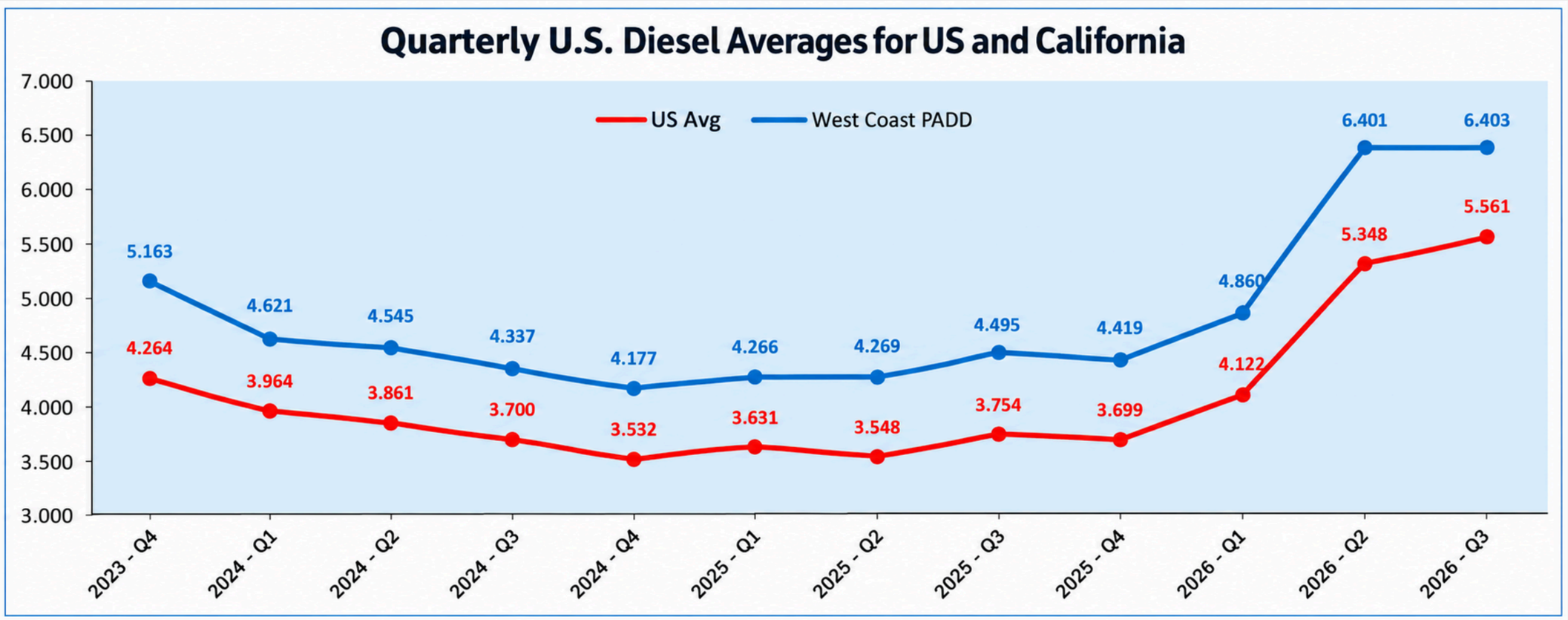




Following the sharp increases experienced during the first half of 2026, fuel markets entered a more stable phase during Q3. According to the EIA, diesel prices are expected to gradually decline through 2027 as crude oil prices soften and refining margins normalize. While geopolitical events and refinery disruptions remain risks, current forecasts suggest a more predictable fuel environment than shippers experienced earlier in the year.

What Shippers Paid: Fuel Costs Remain Elevated

U.S. DIESEL AVERAGES FOR US AND CALIFORNIA



Despite diesel prices reaching their highest levels since 2023, the impact on overall truckload rates remained muted during Q3 as carrier capacity remained disciplined and contract structures passed fuel costs through to shippers. National diesel prices averaged $5.56 per gallon during the quarter, while West Coast prices remained above $6.40 per gallon. While EIA forecasts suggest gradual moderation in fuel prices over the coming quarters, surcharge costs are expected to remain a meaningful component of total freight spend into early 2027.

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

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