



the course of a trip. In general, cargo includes almost everything under the sun, from electronics to food to furniture. In both the U.S. and Canada, retail sales is generally the best gauge for prospective movements in intermodal volumes.



Since 2000, U.S. and Canadian Intermodal volumes have increased at a 2.4% and 3.4% CAGR, respectively (vs. 2016) with growth averaging roughly 5% from 2011-2014 as railroad customers made significant investments in capacity and improved service. Volumes were also positively impacted in 2013-2014 in part by tighter trucking capacity (which drives spill-over effect to rails) and higher fuel costs given rail's significant fuel efficiency advantage. Intermodal volumes came under pressure in late-2015 due to the collapse in fuel prices, looser truck capacity, and a stronger USD. To that point, NA intermodal volumes declined 1.5% yoy in 2016. Year-to-date, however, intermodal volume growth has returned (up 5% yoy through 3Q) due to a modestly tighter truckload market and a weaker USD (reviving international trade).

