

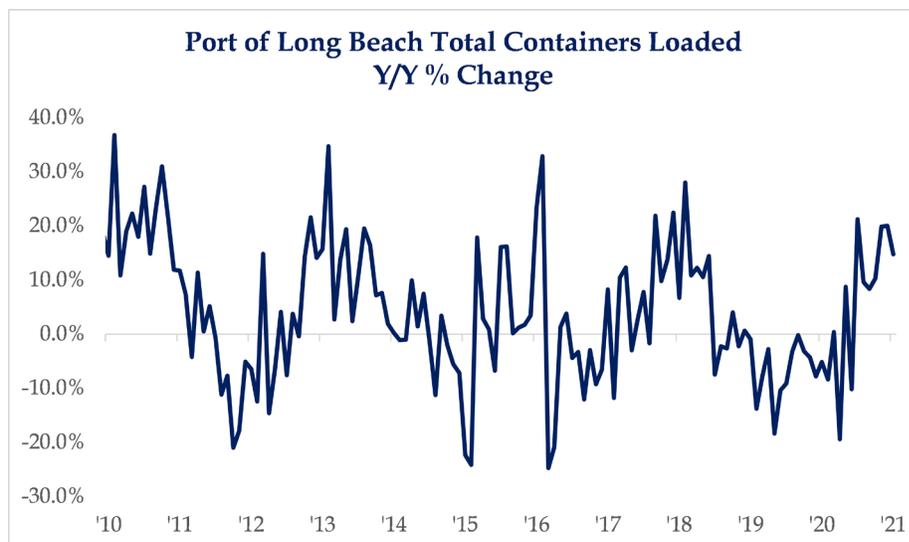
# Strategas Daily Macro Brief

## March 4, 2021

Prepared by Strategas Securities, a Baird Company

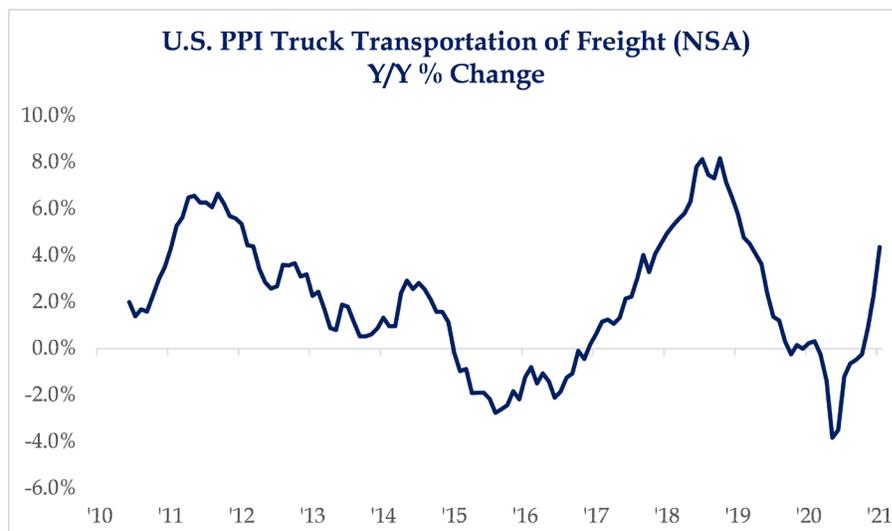
### PORT VOLUME GATHERING STEAM

North American shipping ports had seen notably lower volume over the past few years due to heightened global trade tensions and, more recently, because of the economic lockdowns resulting from the pandemic. However, it appears volume picked up since bottoming in April 2020. We'd expect port volume to continue improving as economic activity resumes and the global economy reopens.



### TRUCKING PRICES ACCELERATING

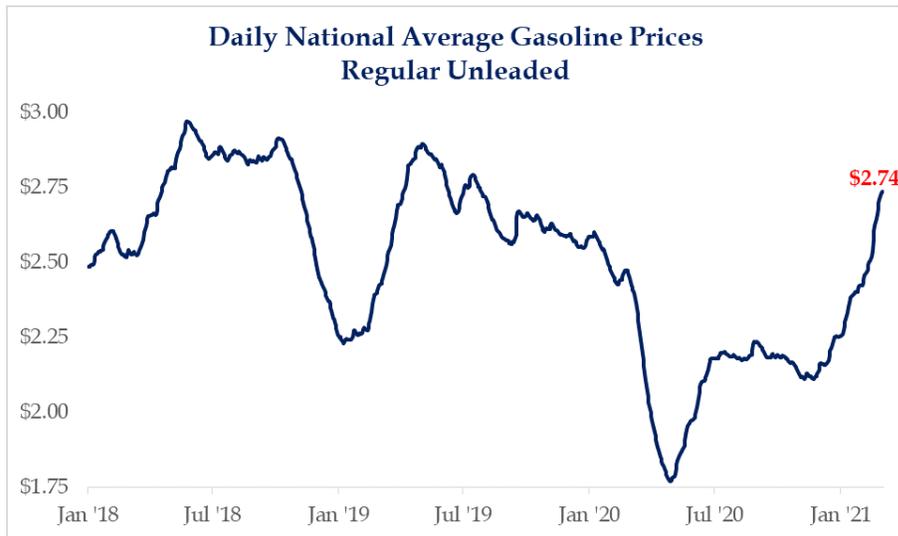
In mid-January, we highlighted how e-commerce has likely accelerated the need for logistical services. The PPI for Truck Transportation of Freight seems to be evidencing this heightened demand for trucking, with the latest reading showing a 4.4% year over year. If e-commerce becomes more widely adopted and this new level of logistics demand proves durable, elevated trucking prices could be here to stay.



Please see the Appendix on page 3 for important disclosures.

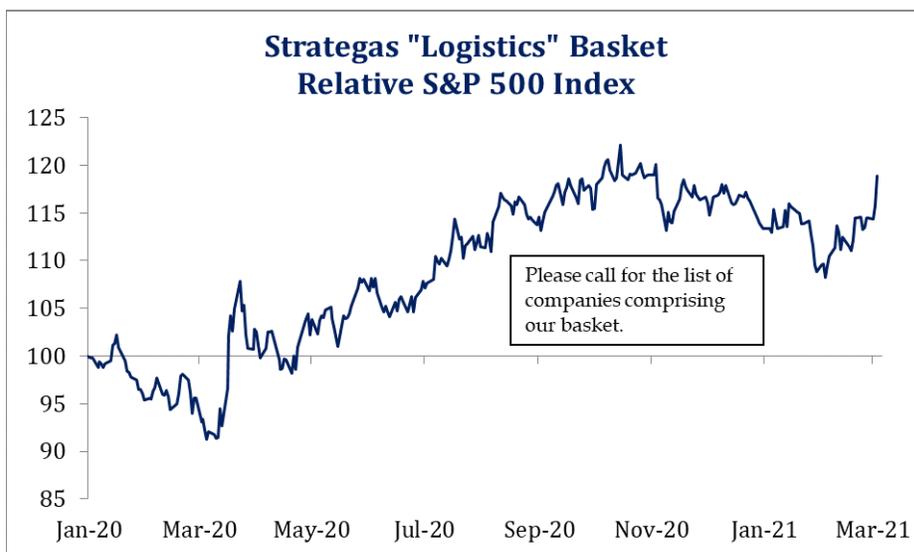
### HIGHER FUEL COSTS ARE A HEADWIND

With the rise in oil prices, we are also seeing a significant pick up in fuel prices which has broad-based implications. Not only will consumers face higher fuel costs this year, whether it's gasoline for their car or heating oil for the house, but corporations will also face higher prices too. Margins concerns may mount for transportation companies, airlines, and cruise lines even before their businesses have the opportunity to normalize.



### LOGISTICS COMPANIES BEGINNING TO OUTPERFORM

Despite the headwinds of higher trucking prices and higher fuel prices, our logistics basket has showed renewed signs of life after moving lower for the better part of the last three months. Year-to-date, our basket is up 7.0% versus a return for the S&P 500 of 2.0% fueled by a strong day yesterday.



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