

## Trans4Cast: Truck Orders

### **Truck Orders on a Tear**

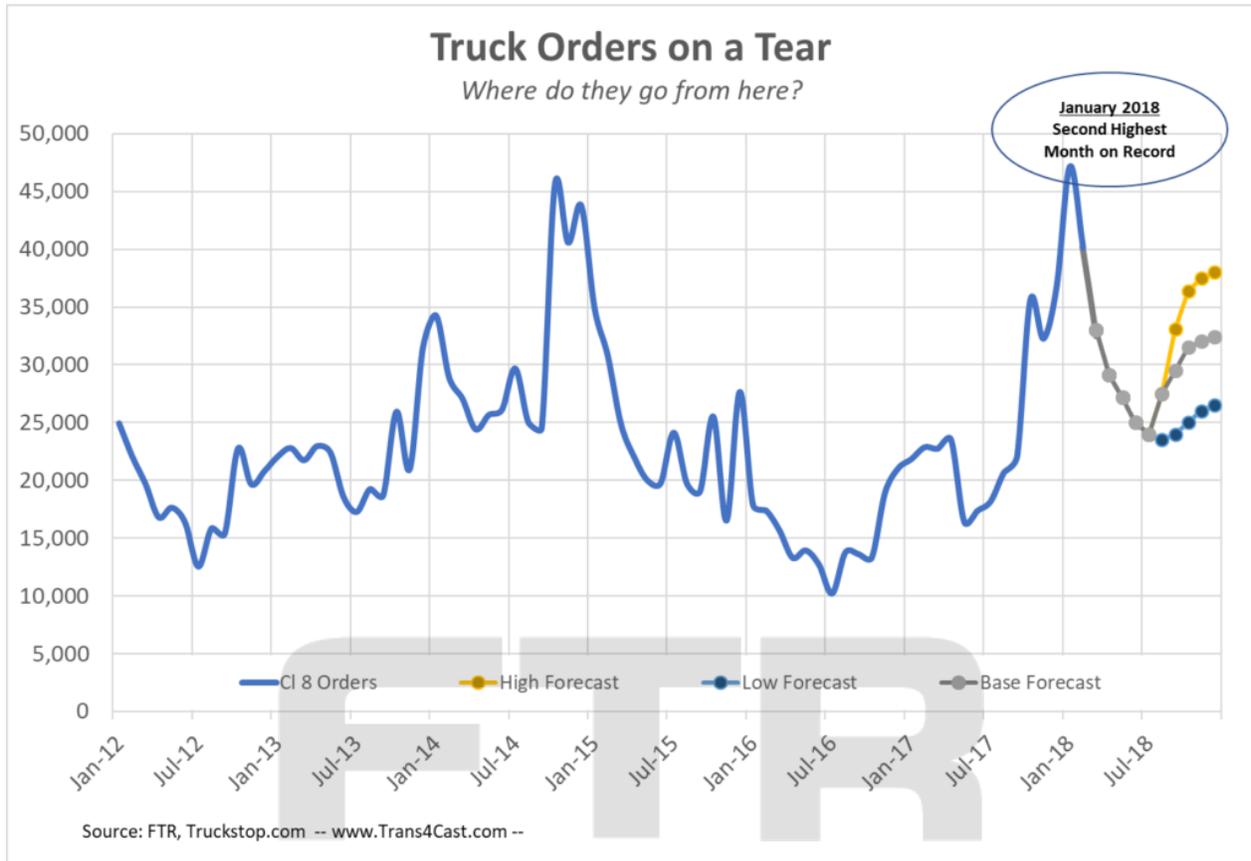
After weaker truck conditions that persisted through most of 2016, 2017 was a much better year and truck orders finished the year very strong. And then 2018 hit. January orders hit a near-record level and they stayed above 40k orders in February. Those are big numbers.

That we had a strong finish to 2017 wasn't a surprise given the strength in the freight market that we had seen prior to Q4. However, orders typically slack off after the new year hits, even if they stay elevated. Not so in 2018. Towards the end of 2017 we analyzed spot market data and compared that to ordering behavior. We found a clear correlation. When freight is strong, orders improve a few months down the line.

The end of 2017 and early 2018 was different than the norm. Hurricanes, Polar Vortexes, and ELDs put an additional crimp on the marketplace and pushed additional freight into the spot market. Looking ahead through the end of 2018, it is very likely that new truck order activity is going to stay elevated. Even our low side assumptions keep us well above where we were in 2016. And the high side potential would indicate another hot start for equipment going into 2019.

Combine all of these elements with accelerating strength in the economy - and the industrial sector, in particular - and we have a significant need to add more equipment into the system.

The question then becomes... can they seat all those trucks?



This post first appeared on [Trans4Cast.com](http://Trans4Cast.com).