Third Quarter Intermodal Report

IANA
INTERMODAL ASSOCIATION OF NORTH AMERICA

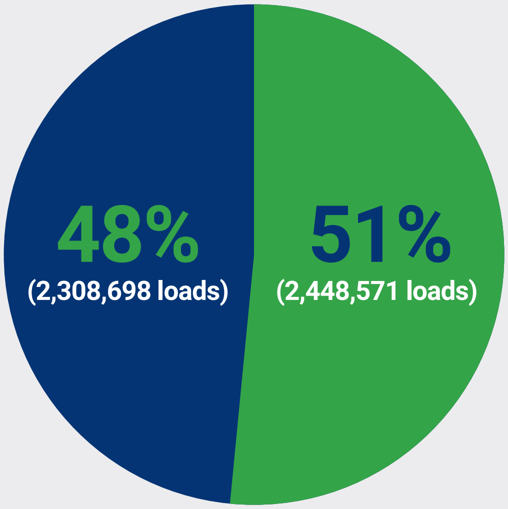
The North American intermodal market maintained a positive growth trajectory in the third quarter of 2025, despite increasing volatility and economic headwinds. The three months extended the strong performance seen in the first half of the year. Total intermodal volumes rose 2.8 percent year-over-year. International containers added 4.4 percent, domestic containers improved 2.5 percent, while trailers fell 18.7 percent.

Overall North American Intermodal Loadings

North American intermodal moves remained solid, supported by a resilient consumer and strong rail service. Loadings exceeded 4.7 million for the quarter, approaching 4.8 million – a level not seen since the second quarter of 2021.

- **Year-to-Date Growth:** Through the first nine months of 2025, total intermodal moves were up 3.8 percent.
- **Monthly Performance:**
  - July: Loadings were up 4.4 percent year-over-year.
  - August: Loadings slowed slightly, up 1.6 percent Y/Y.
  - September: Loadings finished strong, up 2.4 percent Y/Y.
- **Headwinds:** Growth became more challenging as the quarter progressed due to:
  - A significant month-over-month decline of 3.7 percent in September's total intermodal originations.
  - Slowing job and income growth and rising inflation due to tariffs, which may have weighed on consumer spending.
  - Tougher comparisons to the late surge in 2024 and the early 2025 import frontloading.

Q3 2025 Intermodal Load Composition



This graph shows the relative size and mix of the two core intermodal markets over the last quarter, with domestic loads totaling 2,308,698 and international loads totaling 2,448,571.

Load Segment

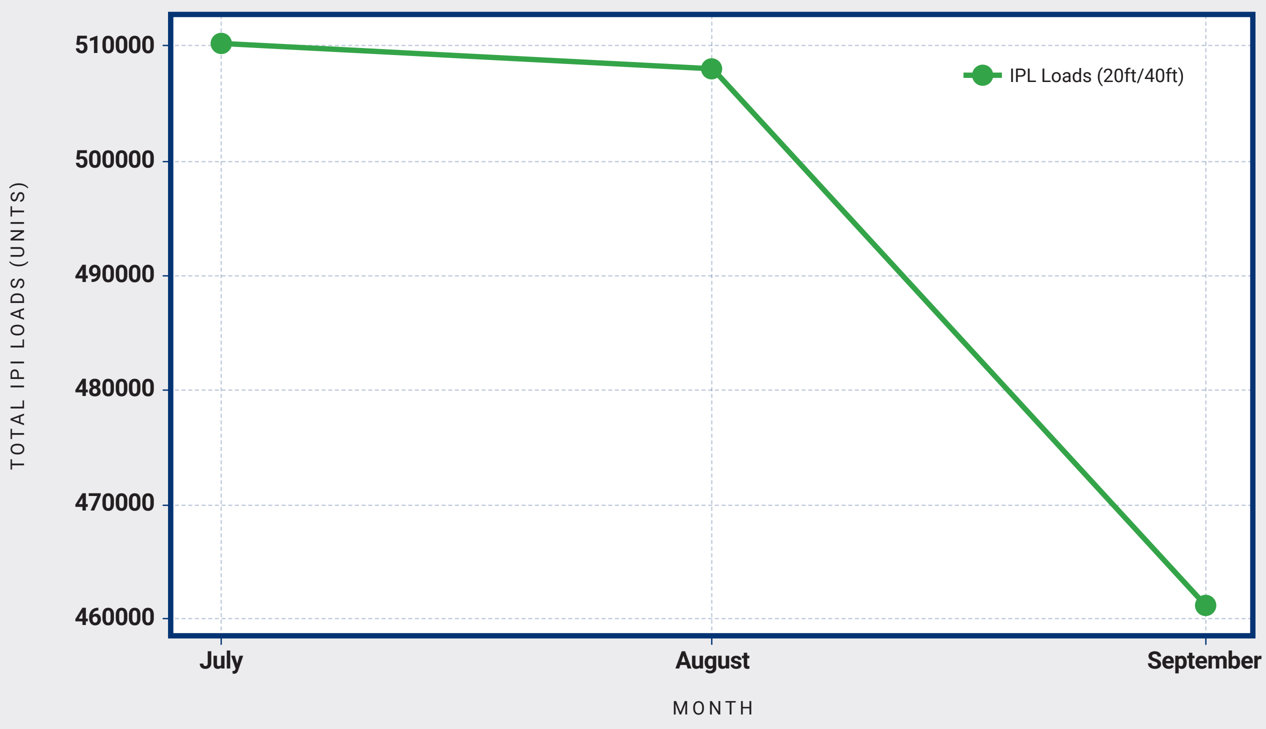
- Domestic Containers/Trailers
- International Containers

International Intermodal (IPI) Activity

Ongoing frontloading and fluid trade policy continued to impact IPI activity during Q3. IPI traffic totaled 2.4 million moves, the highest quarterly volume since the second quarter of 2021.

- **Surge and Slowdown:** IPI loads saw a surge of 8.4 percent Y/Y in July (the highest monthly total since May 2021) due to additional 90-day tariff exemptions for China and other trade agreements.
- **West Coast Weakness:** This import strength did not last. West Coast activity weakened, leading to IPI loads dropping 10.5 percent Y/Y in the Southwest and 23.9 percent Y/Y in the Northwest in September.
- **Trade Policy Impact:** The overall annual growth for IPI slowed to only 0.6 percent Y/Y in September, the second-lowest yearly growth rate since October 2023. This decline was partially offset by East Coast imports, which benefited from favorable comparisons with the previous year's labor strike-related diversions.
- **Outlook:** A relatively calm trade environment has supported IPI, but the expiring 90-day exemption and recent trade disputes may soon weigh on import demand.

Q3 2025 Monthly IPI Trend (West Coast Focus)



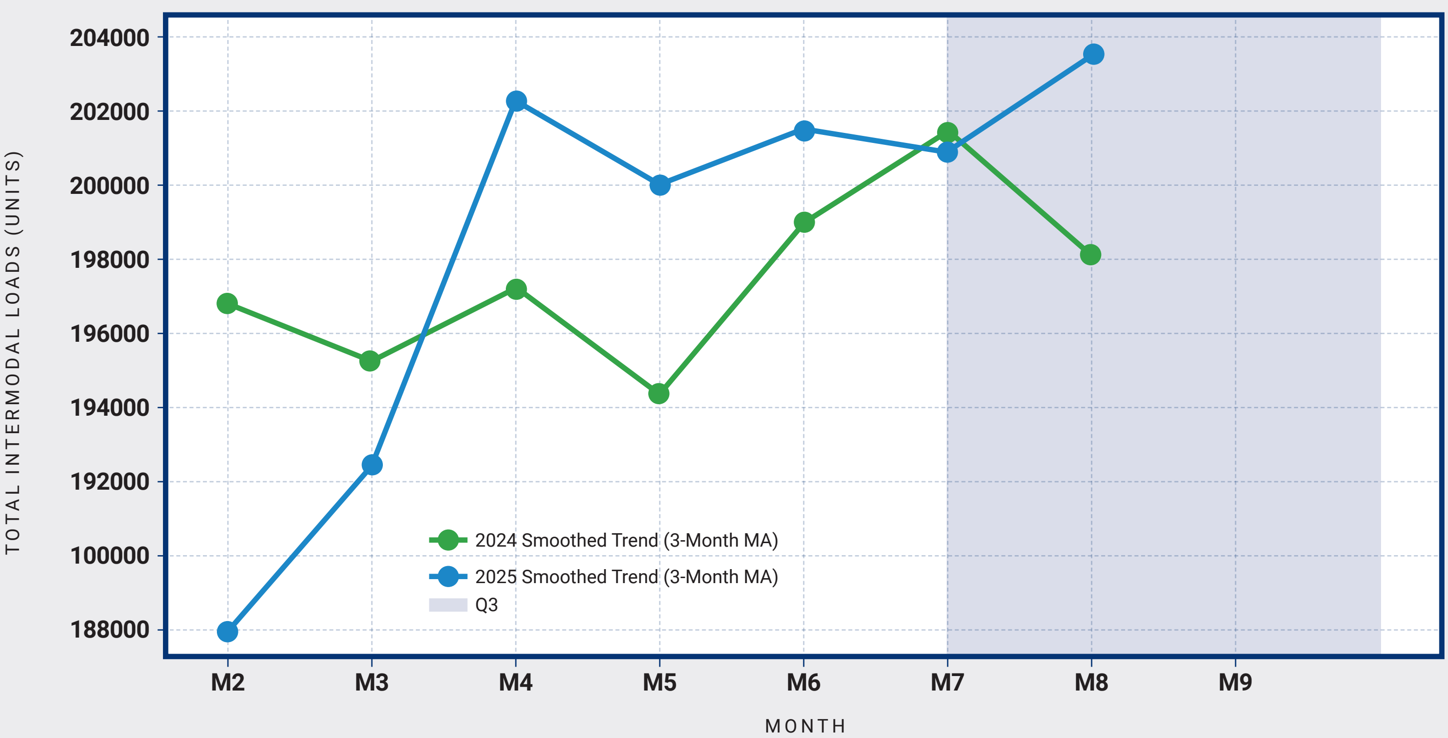
The above graph shows the flow and ebb of demand, as IPI surged in July, and declined sharply in August/September.

Domestic Container Performance

Total volume reached 2.2 million moves in 3Q25, just 25,000 off the record volume set during the same three months of 2024.

- **Strong Growth:** Domestic container traffic rose 5.8 percent Y/Y in September, marking the 19th consecutive month of annual gains and the highest September volume ever.
- **Industrial Support:** Manufacturing activity picked up in the second half of 2025, with the Capacity Utilization Rate increasing in five of the last seven months.
- **Trucking Conversion:** Despite lower volumes, consistently low trucking rates and high operating costs resulted in trucking company bankruptcies that allowed domestic intermodal to capture modal share.
- **Outlook:** Easing monetary policy is expected to spur new business investment and reshoring announcements, further incentivizing domestic production.

NE ⟷ MW Domestic Corridor: 2025 vs. 2024 (Smoothed)



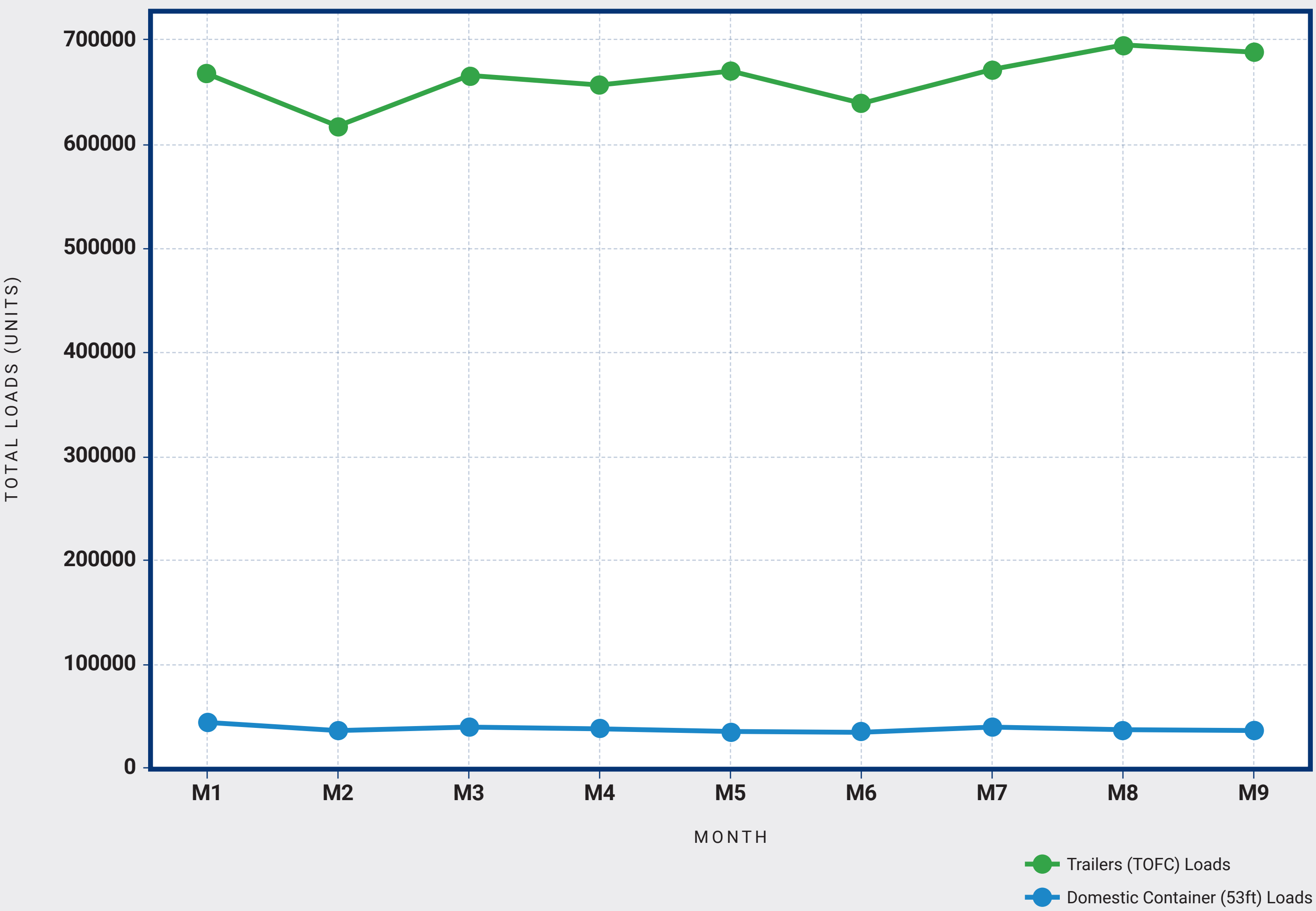
This graph shows the out-performance of the NE<->MW corridor, which correlates to domestic manufacturing. The 9.3% Y/Y growth demonstrates sustained momentum and growth potential. However, the trend is beginning to plateau, and could possibly reflect some of the economic headwinds mentioned earlier, such as slowing job and income growth.

Trailers (TOFC)

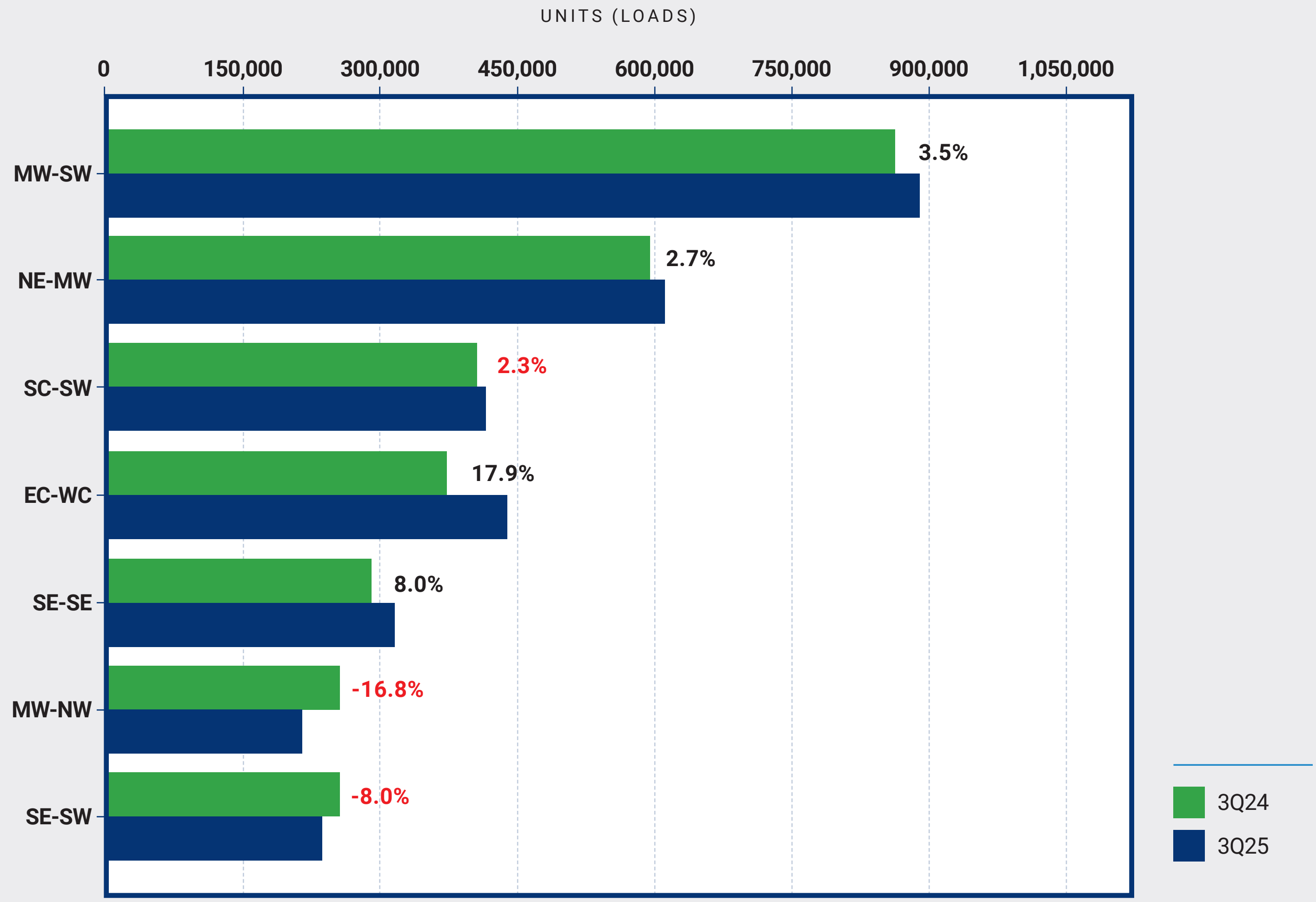
Trailer loadings continued their predictable long-term decline, falling to just under 116,000 loads in the quarter.

- **Long-Term Trend:** Trailer loadings extended their downward trend with the 53rd consecutive month of Y/Y declines in September.
- **Reasons for Decline:** The long-term shift from trailers to containers continues to put downward pressure on TOFC as a mode of transport. Excess capacity also means trucking requires less rail line-haul assistance.

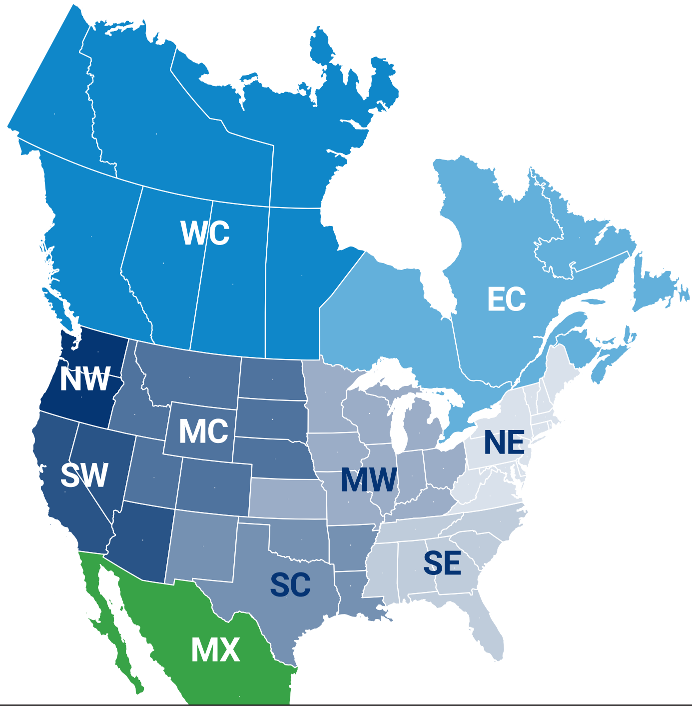
YTD 2025 Structural Shift: Trailers vs 53ft Containers



Q3 Corridor Loadings: 2025 vs 2024 (All Intermodal Loads)



Region Map



Region	Code	States/Provines
Eastern Canada	EC	NB, NL, NS, ON, PE, QC
Mountain Central	MC	CO, ID, MT, NE, ND, SD, UT, WY
Mexico	MX	MX
Midwest	MW	IL, IN, IA, KY, KS, MI, MN, MO, OH, WI
Northeast	NE	CT, DE, DC, ME, MD, MA, NH, NJ, NY, PA, RI, VT, VA, WV
Northwest	NW	OR, WA
South Central	SC	AR, LA, NM, OK, TX
Southeast	SE	AL, FL, GA, MS, NC, SC, TN
Southwest	SW	AZ, CA, NV
Western Canada	WC	AB, BC, MB, NT, SK

Competitive Dynamics: Trucking Market Analysis

The third quarter of 2025 was characterized by a consistently sluggish truck freight market, in line with tepidness observed in the first half. While current demand offers little competitive advantage for intermodal, key regulatory and structural changes affecting capacity are finally creating a path for domestic intermodal to strengthen its competitive position.

Q3 Truck Loadings Performance

Overall, Class 8 tractor-trailer loadings were up modestly 0.7% year-over-year in Q3. The growth remained highly skewed toward the shortest lengths of haul, which are not competitive with intermodal rail.

Length-of-Haul	Q3 2025 Y/Y % Change	Competitive Implication
Short-Haul (<125 Miles)	**3.7%**	Non-competitive growth led by local deliveries and logistics.
Medium-Haul (125-299 Miles)	**-0.1%**	Essentially flat, slowing significantly from Q2's nearly 1% growth.
Long-Haul (300-549 Miles)	**0.3%**	Modest Y/Y gain, mirroring the Q1 decrease.
Super Long-Haul (550+ Miles)	**1.2%**	**Most competitive LOH**. Up from 0.4% in Q2, this strength correlates with the solid Y/Y volume performance seen in the intermodal sector itself during the quarter.

Dry van tractor-trailer loadings remained sluggish declining 0.4 percent Y/Y.

Structural and Capacity Tightening

The structural landscape is changing, which will eventually yield a stronger market and improve the competitive position of domestic intermodal, despite the current weakness in demand. Government data implies that for-hire trucking employment is tighter than official estimates suggest, and several pressures are aligning to constrain capacity:

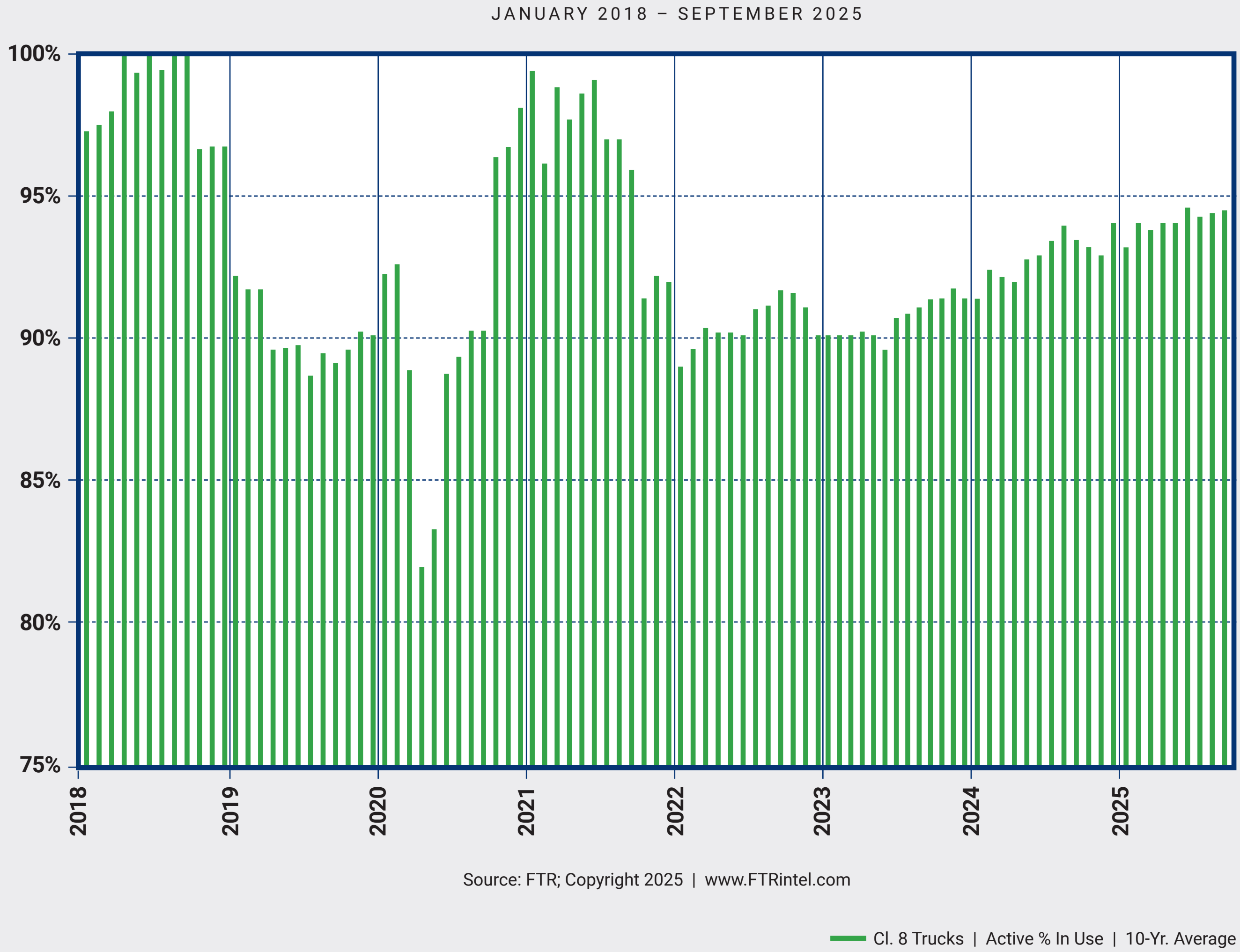
- **Regulatory and Enforcement Impacts:** Ongoing regulatory and enforcement efforts are expected to reduce the population of foreign drivers, tightening the available driver supply.
- **Insurance Surge:** A surge in trucking insurance premium costs is expected this fall and into early next year, which could force many small, marginal fleets out of the market as their policies come up for renewal.
- **Future Equipment Constraint:** While tariffs on heavy-duty trucks appear less onerous than originally feared, low truck orders will eventually constrain future capacity. Net Class 8 truck orders in September were down 40.6% Y/Y, reinforcing this long-term constraint.

These capacity pressures are the primary reason a competitive shift finally seems within reach.

Near-Term Outlook and Conclusion

Near-term freight demand remains a neutral to negative catalyst. The overall freight forecast is tepid, with the outlook for the dry van segment, the most competitive aspect for domestic intermodal, looking especially sluggish.

Heavy-Duty Truck – Active Utilization Rate



A stronger truck freight market, and consequently an improved competitive dynamic for domestic intermodal, is firmly on the horizon but it will be a journey to get there. Sluggish demand and the lead time required for capacity constraints to fully materialize and affect rates are expected to take time.