



Webinars



# The Outlook for Freight Demand



May 28, 2009

3 p.m. to 4 p.m. EDT

**Robert F. Dieli**

Chief Economist

MacKay & Company

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Rob Hoffman (Me)

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Talking: Rob Hoffman

Questions

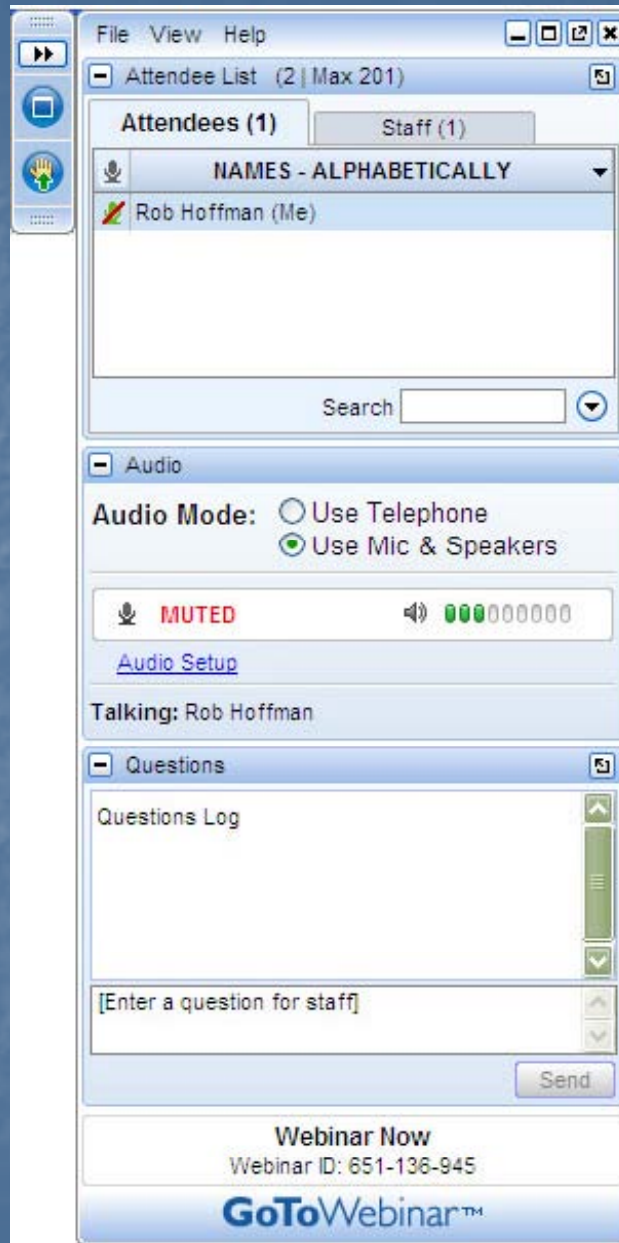
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What best describes your  
view on the recession?



**Robert F. Dieli**  
Chief Economist  
MacKay & Company

# MacKay & Company

- ▣ **MacKay & Company's core staff:  
15 employees – Over 140 years of industry experience.**
- ▣ **Headquarters in suburban Chicago.**
- ▣ **The company's focus for 40 years has been: On-highway commercial vehicles, construction equipment, farm field equipment and related components such as engines, transmissions, tires and lubricants.**
- ▣ **Professional relationships in England, Mexico, Germany, France, Brazil, and China.**
- ▣ **A large portion of our business relies on insight from fleets, dealers and distributors.**

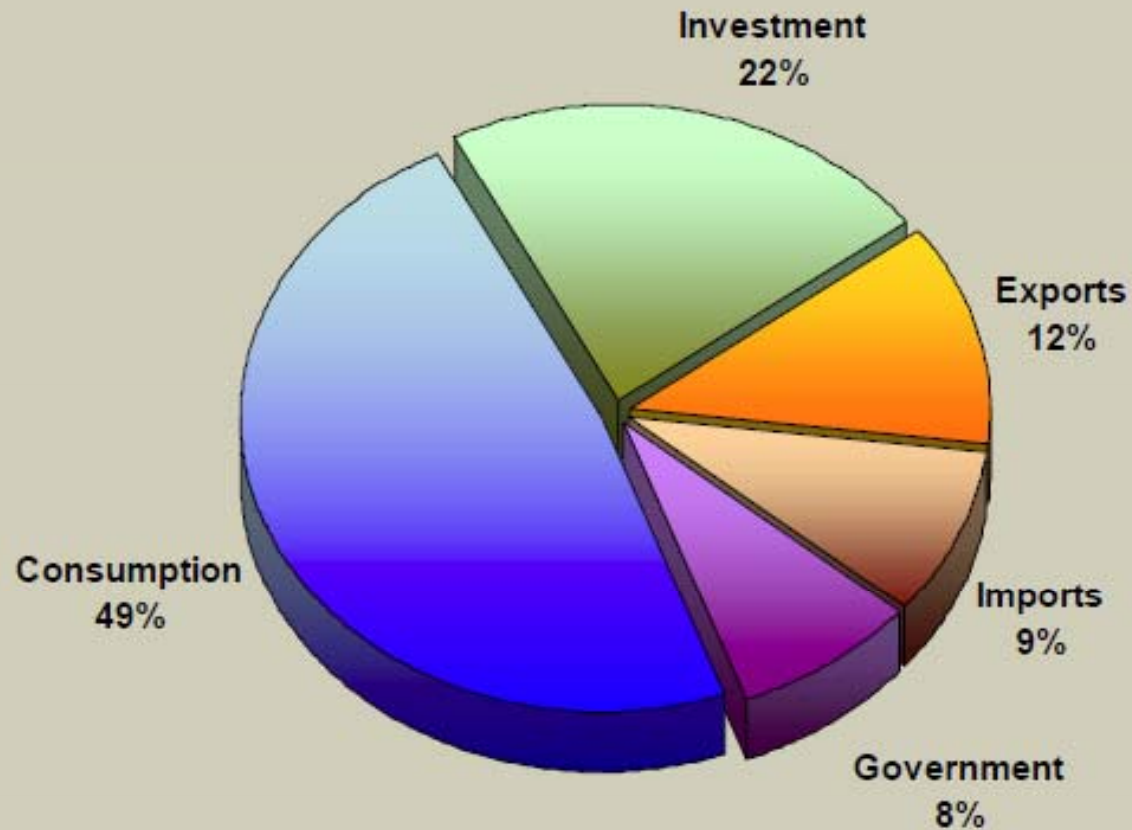
# Truckable Economic Activity (TEA)

**For this presentation, we will:**

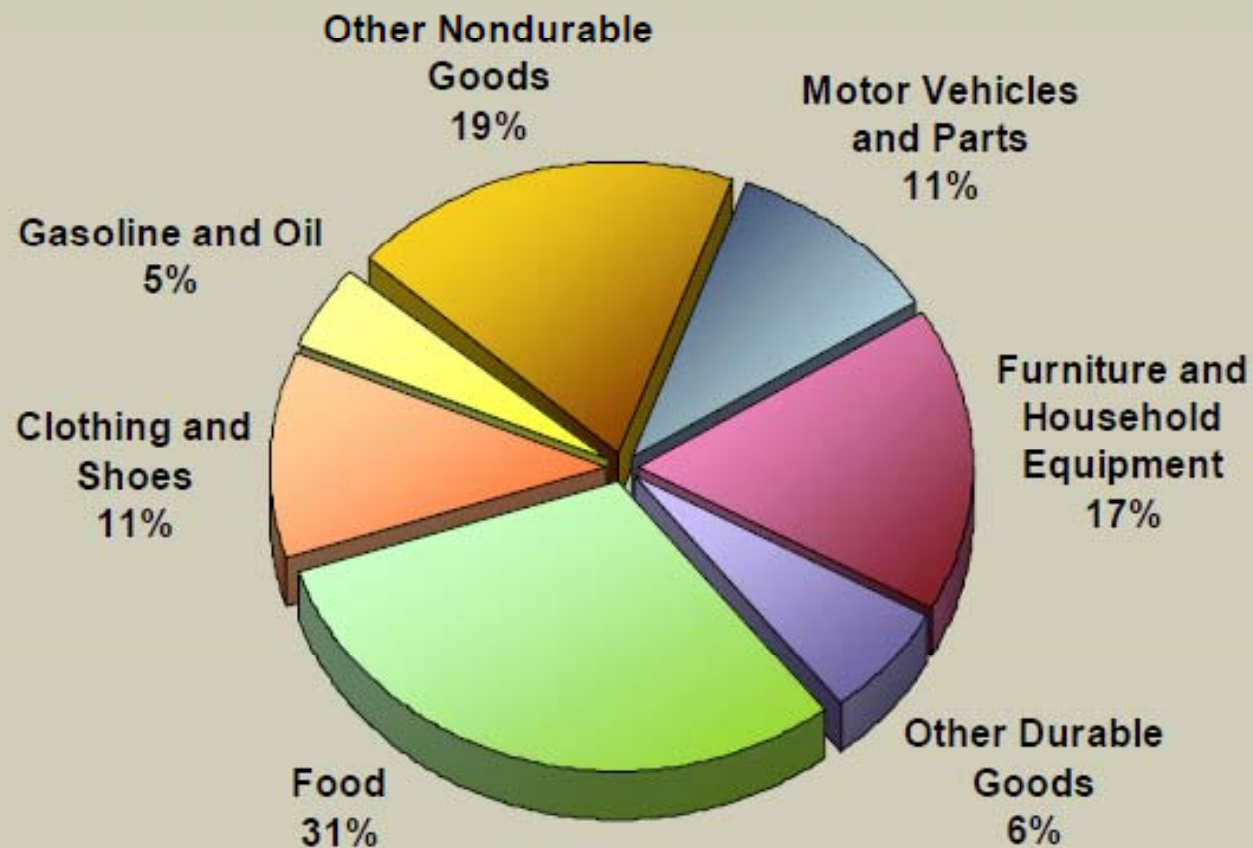
- **Examine the current configuration of TEA**
- **Compare that configuration to the way TEA looked in the two deep recessions of 1973 and 1981**
- **Examine how TEA recovered in both those cases**
- **Define the indicators of this recovery.**

# Truckable Economic Activity 2009 Quarter I

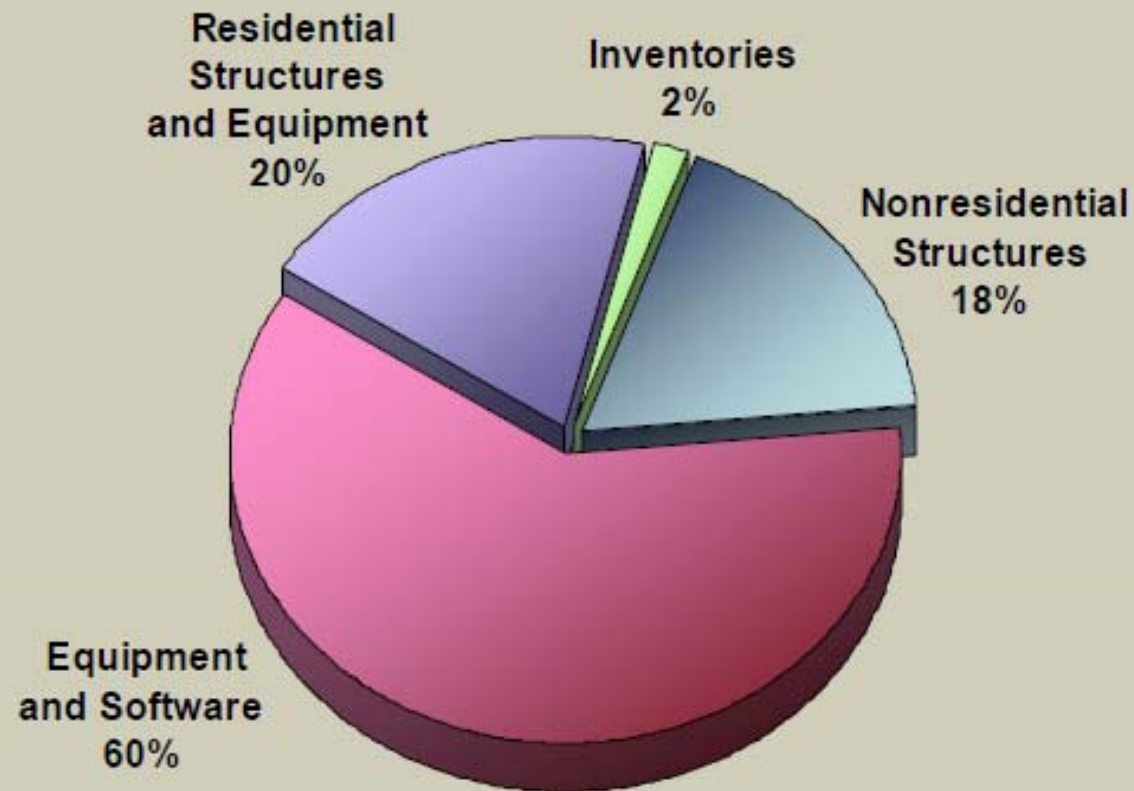
## Total TEA - \$7.3 Trillion



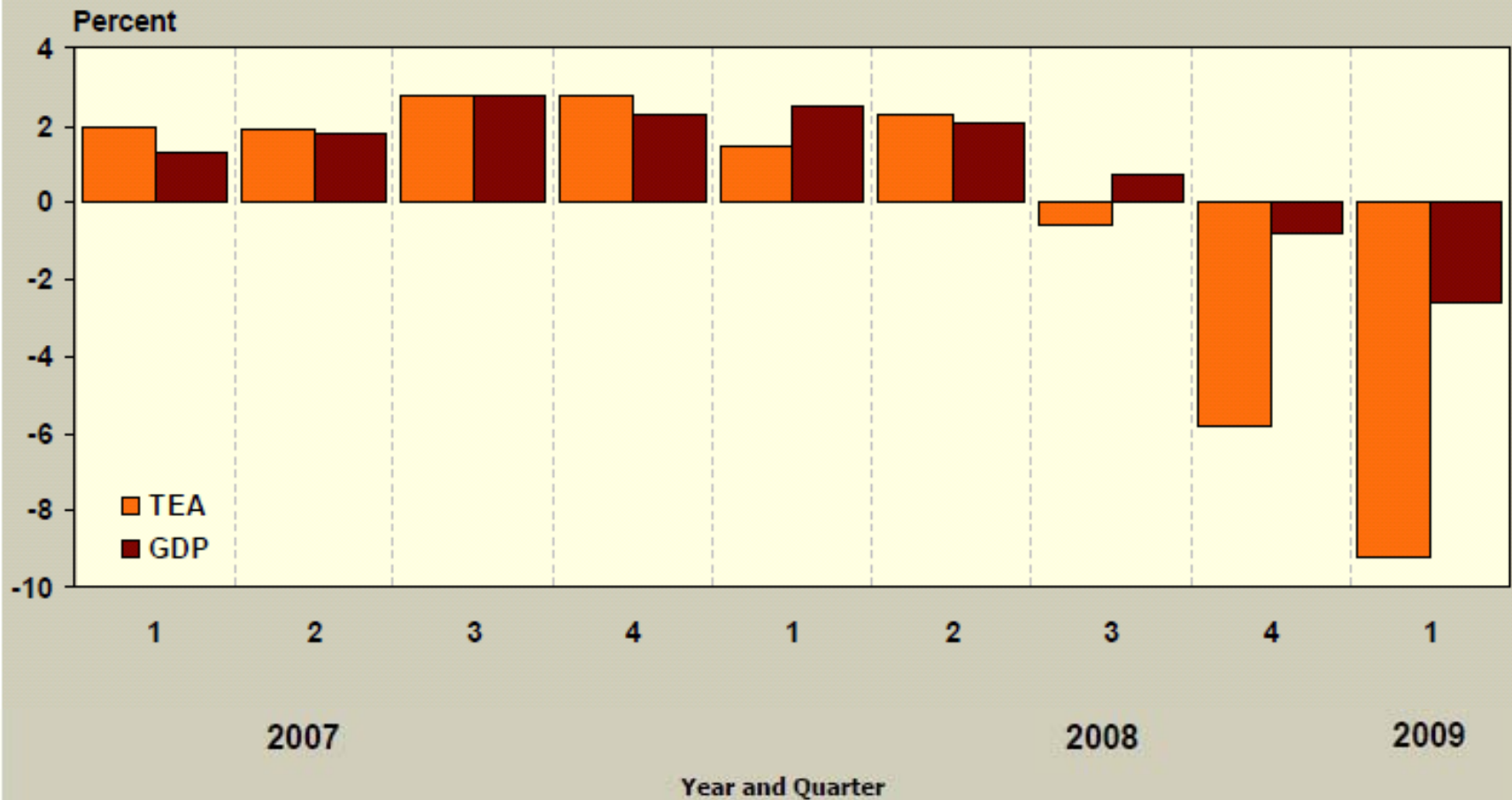
# Consumption



# Investment

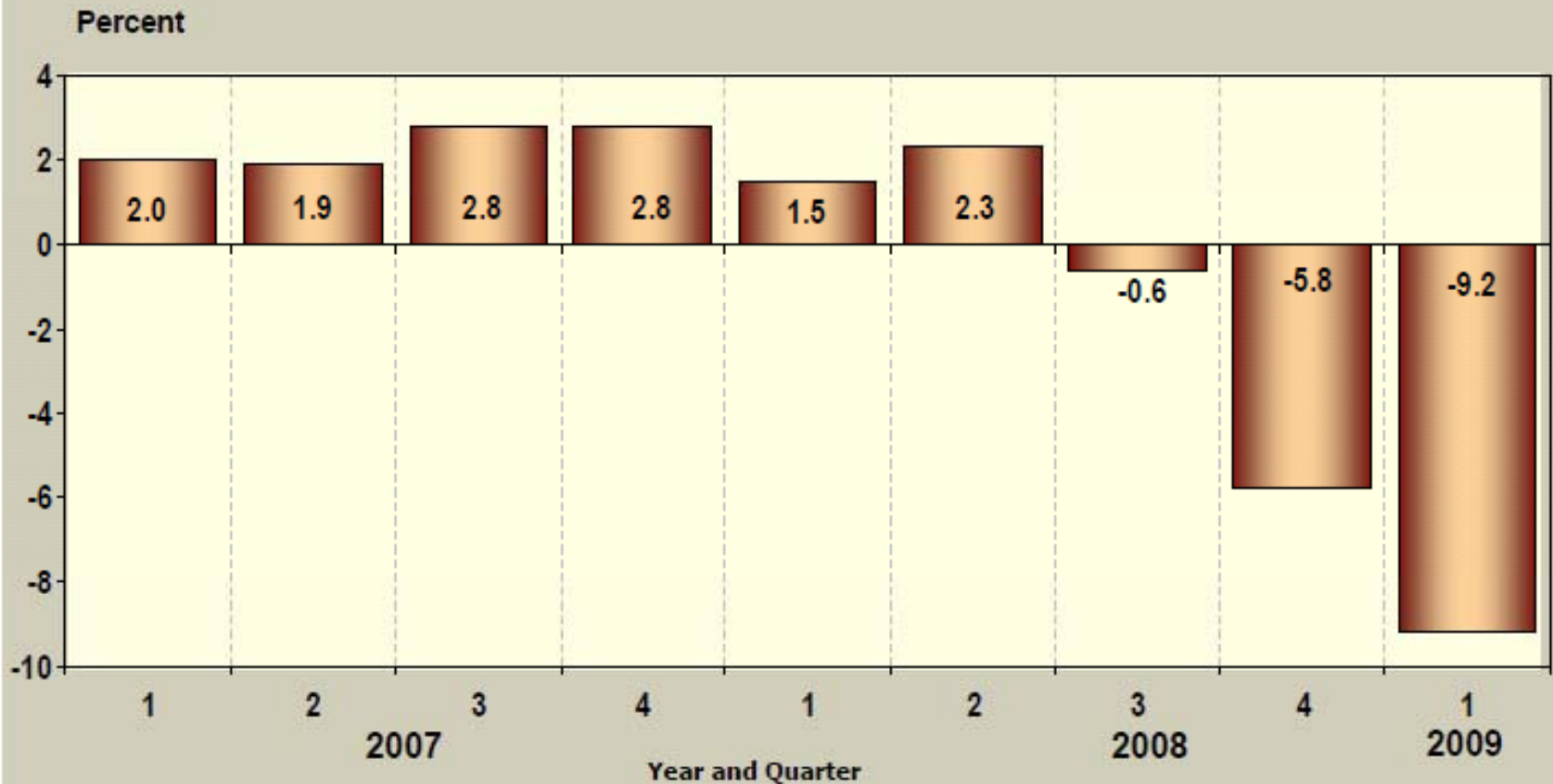


# Truckable Economic Activity and Gross Domestic Product (GDP) Change From Year-Ago Quarter

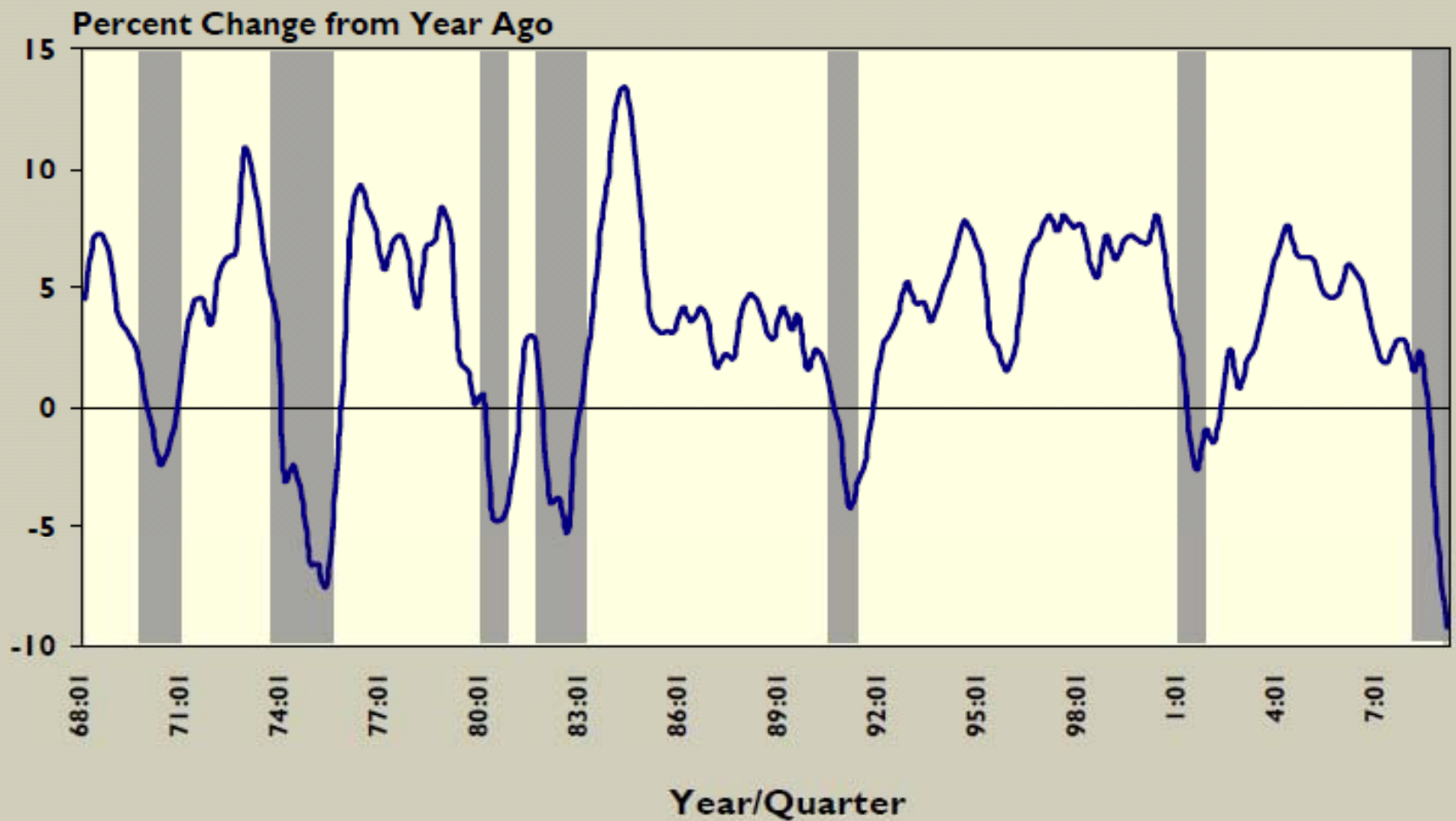


# Truckable Economic Activity

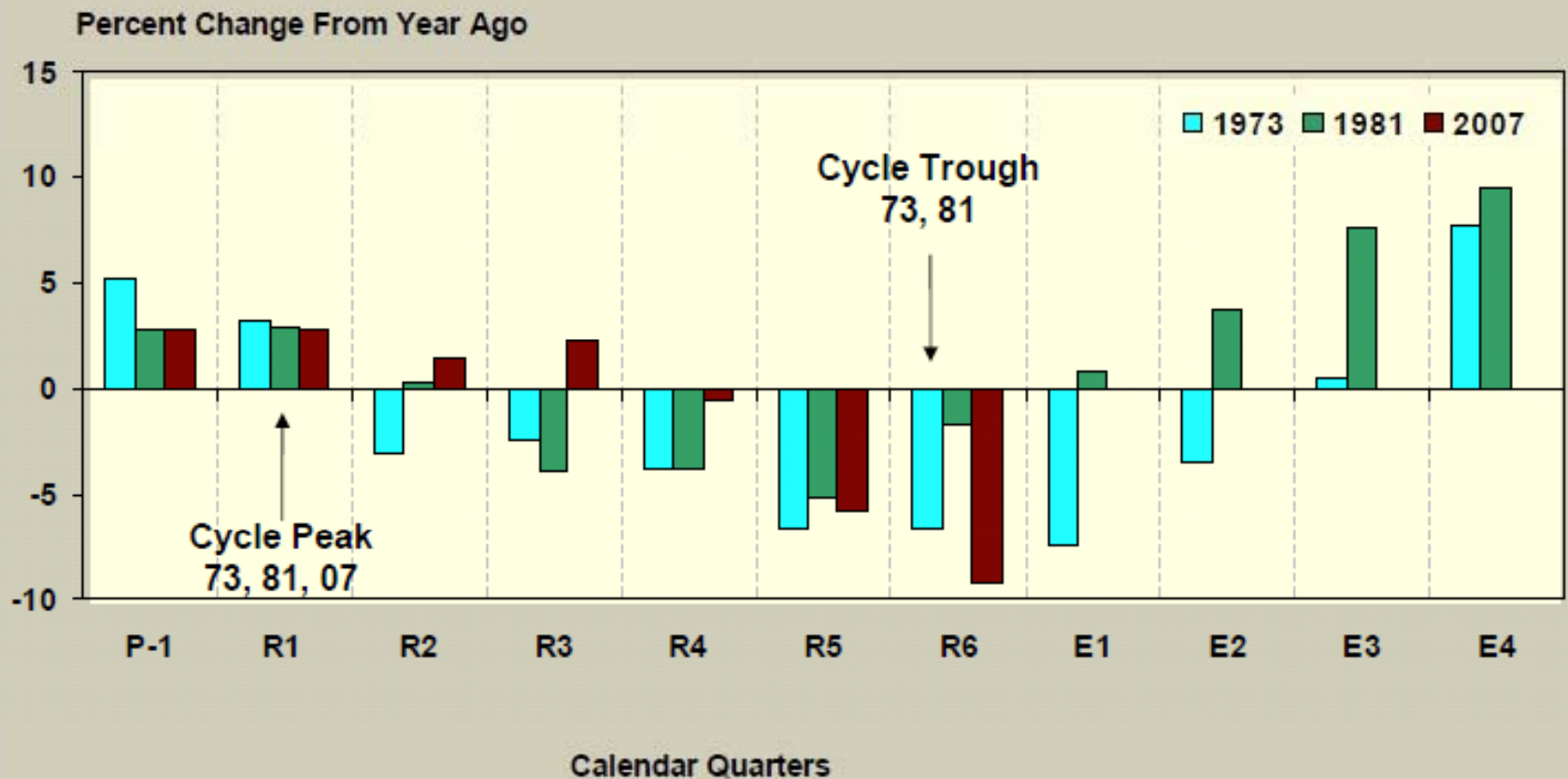
## Change From Year-Ago Quarter



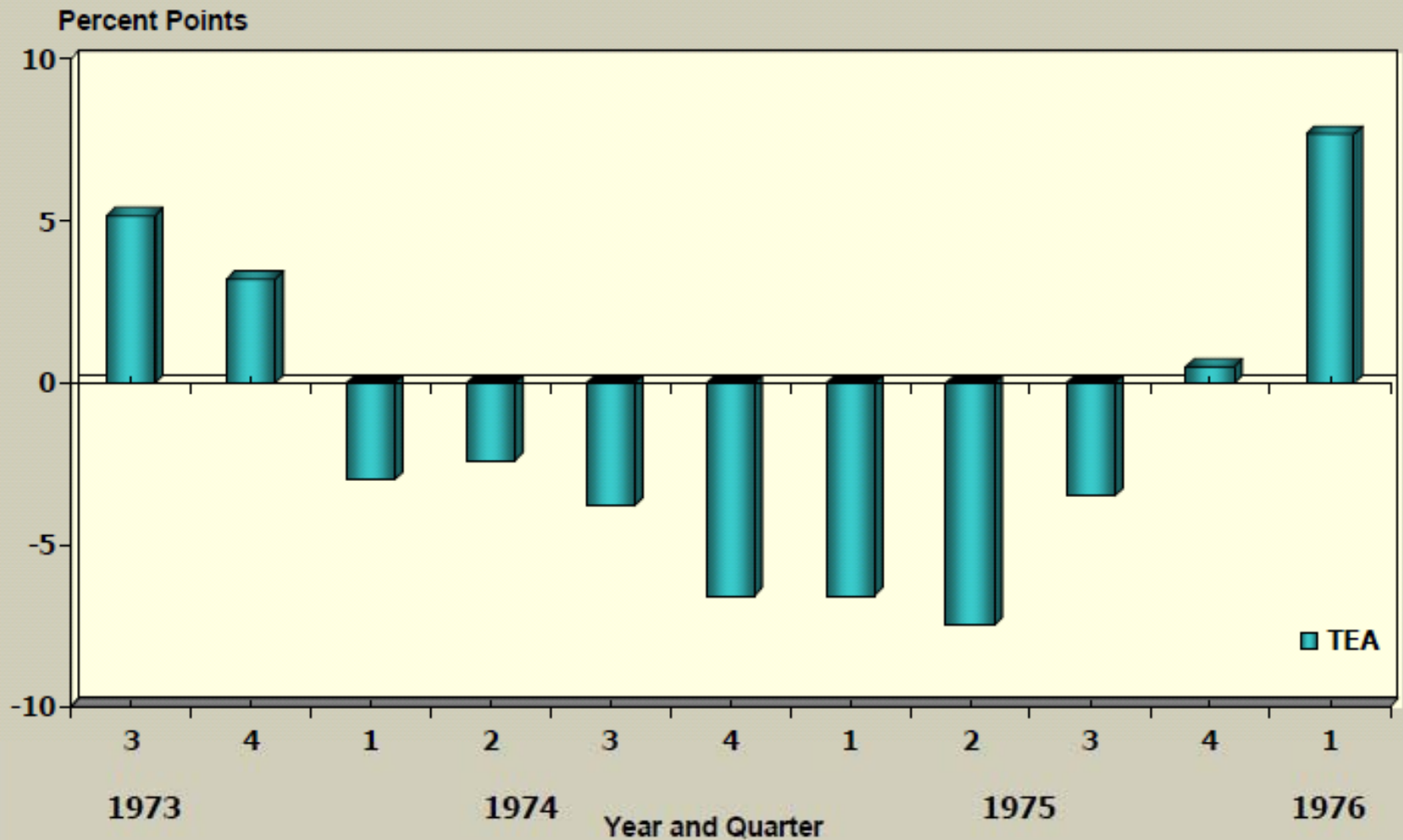
# Truckable Economic Activity



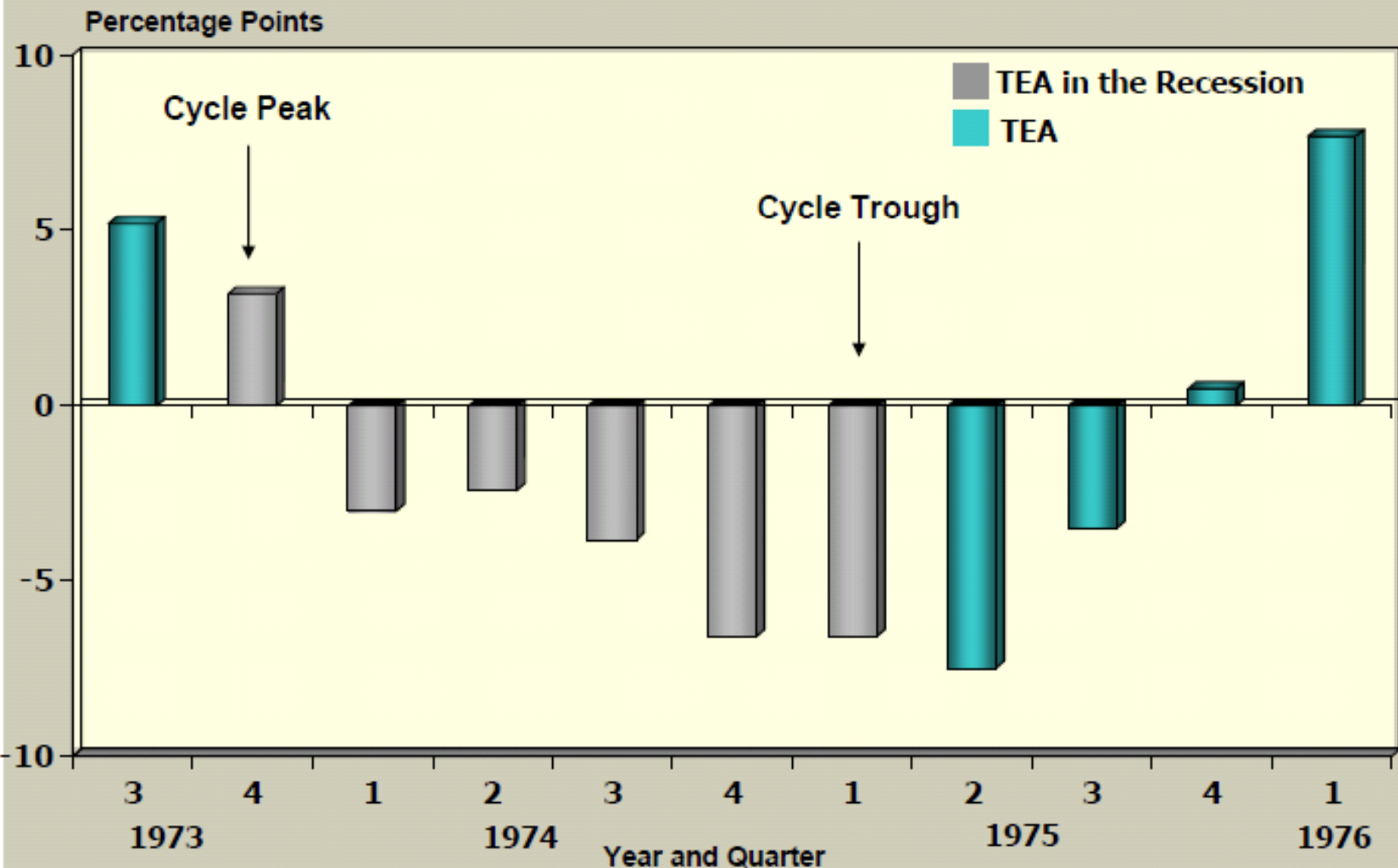
# Total Truckable Economic Activity in Deep Recessions



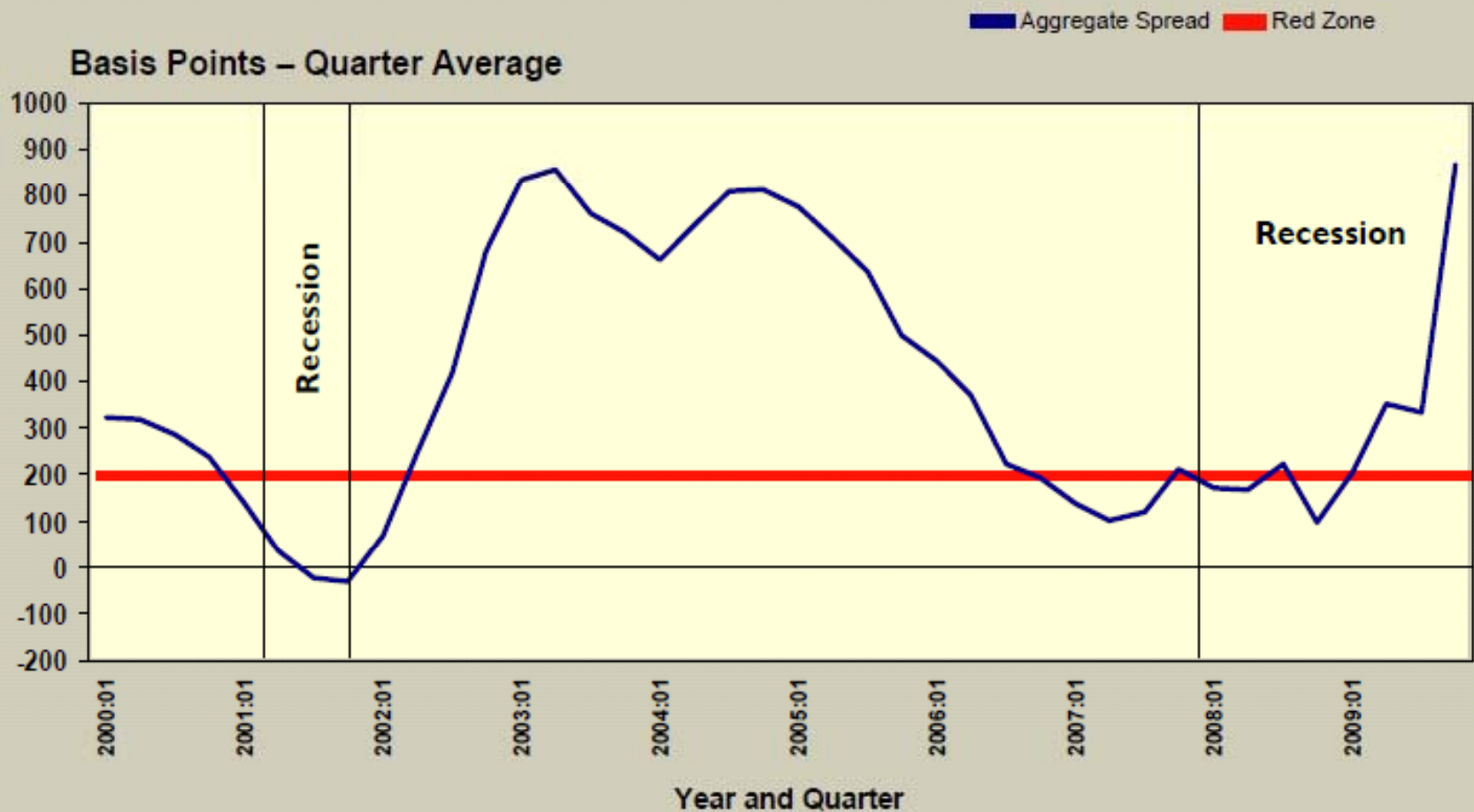
# Making the Turn – 1973



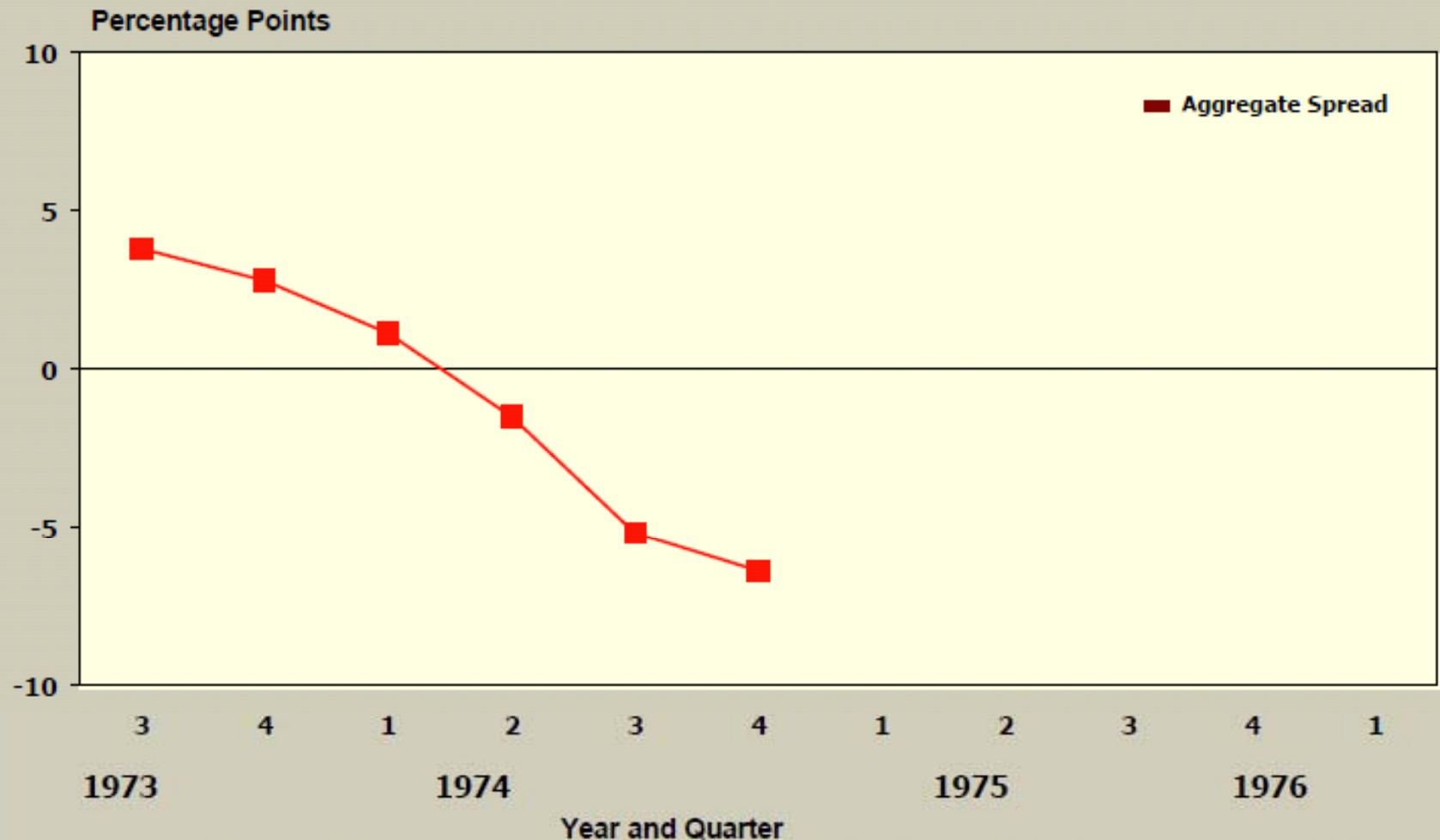
# Making the Turn – 1973



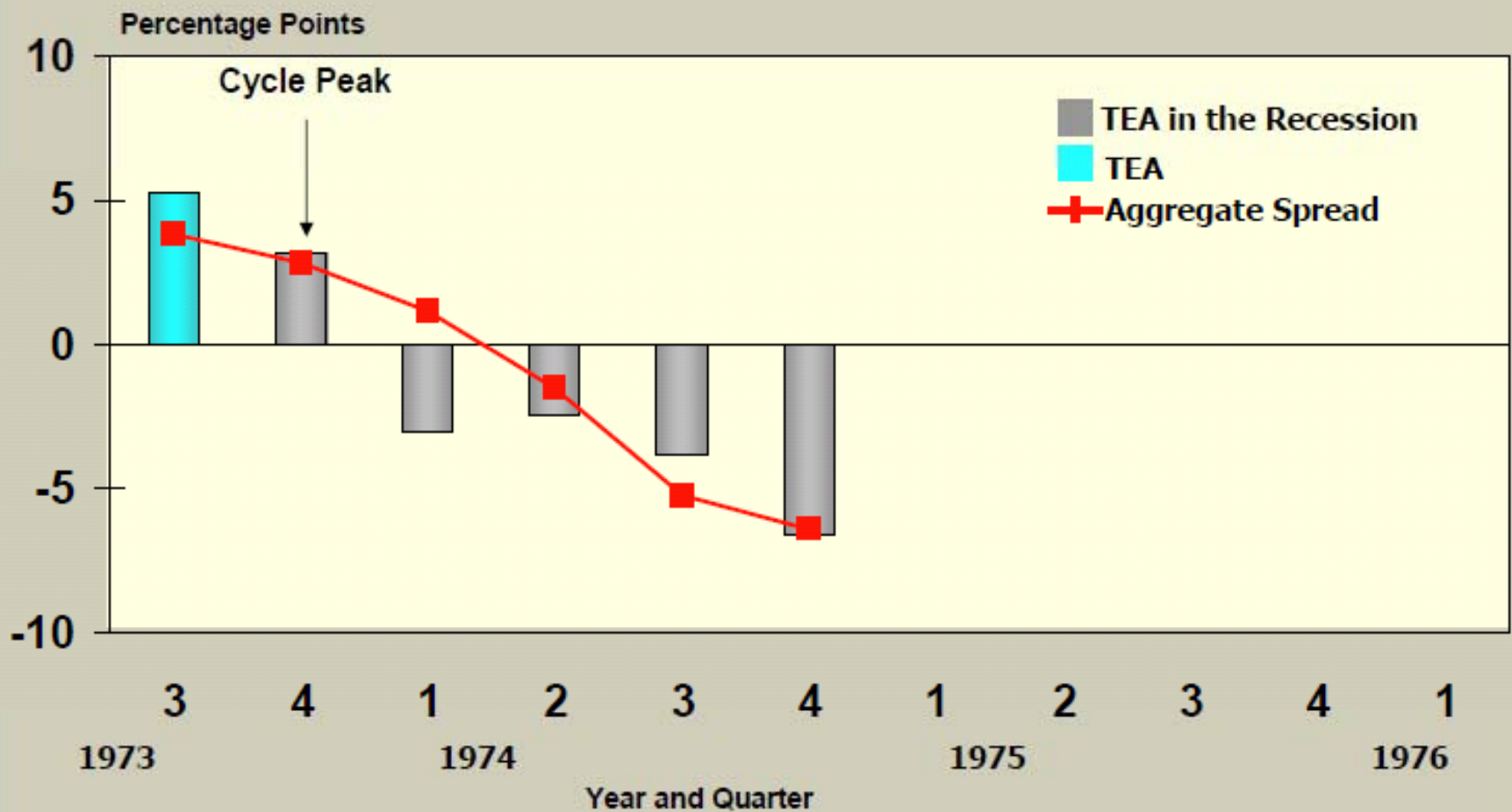
# Aggregate Spread and Recessions



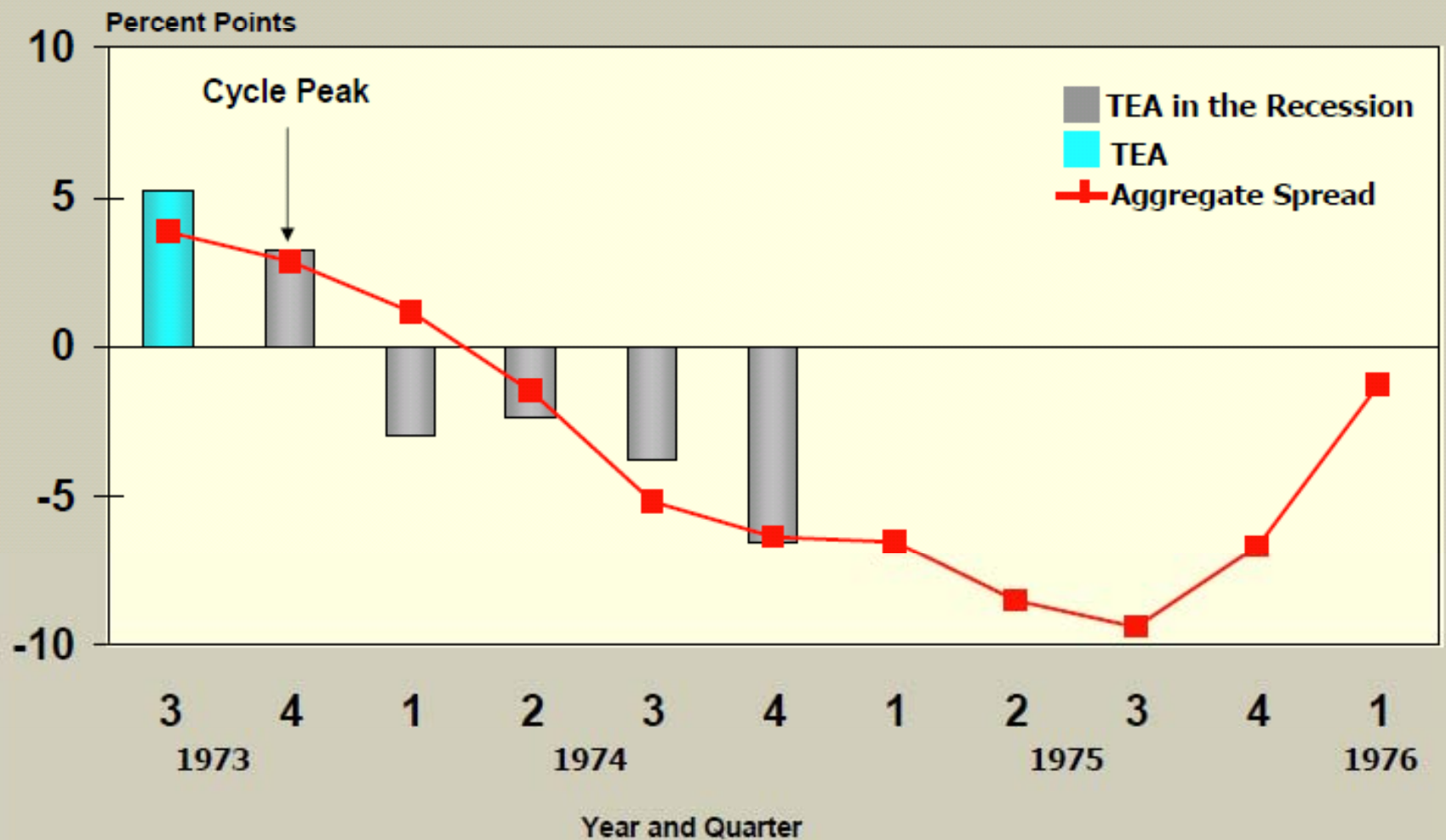
# Making the Turn – 1973



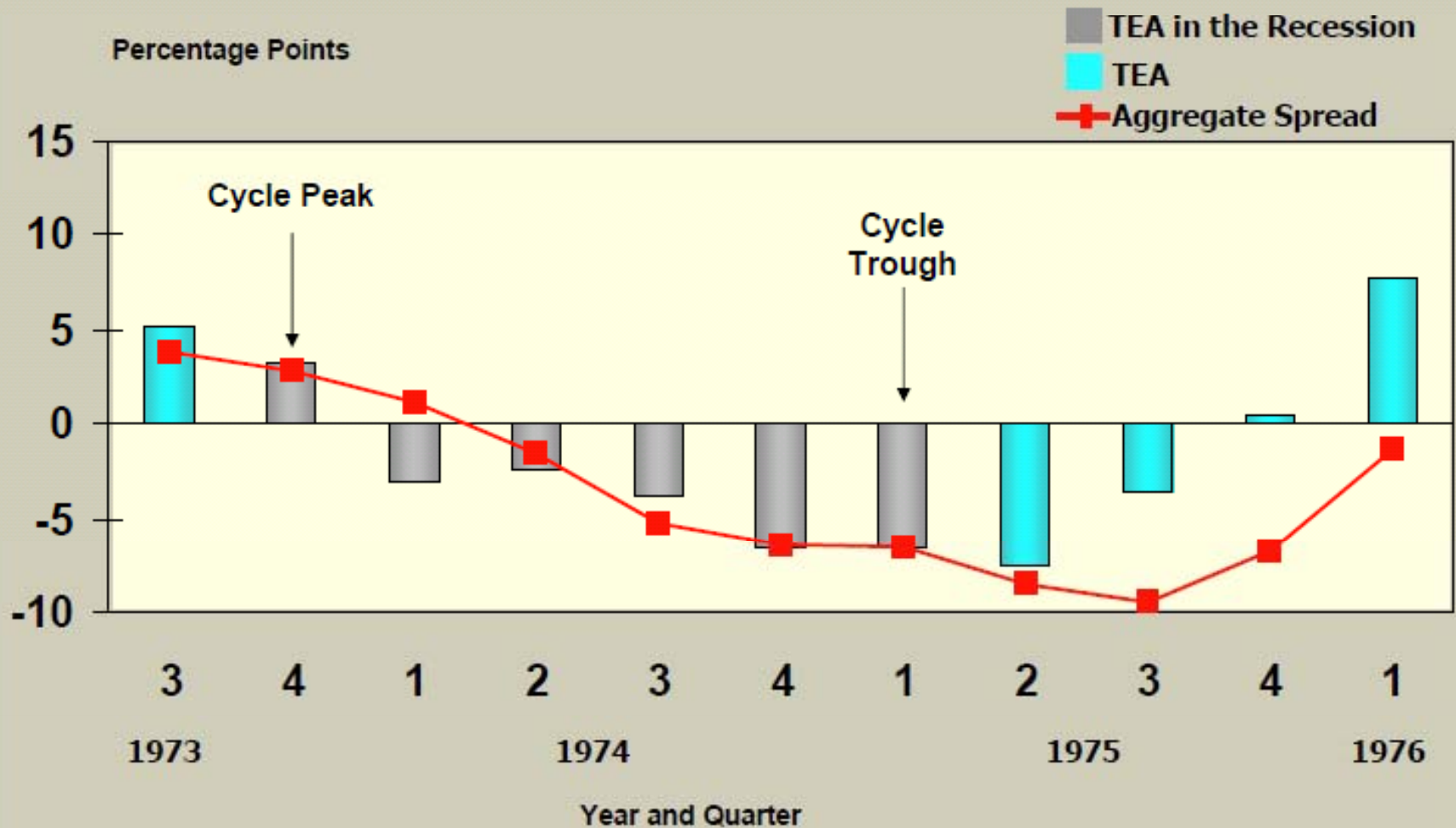
# Making the Turn – 1973



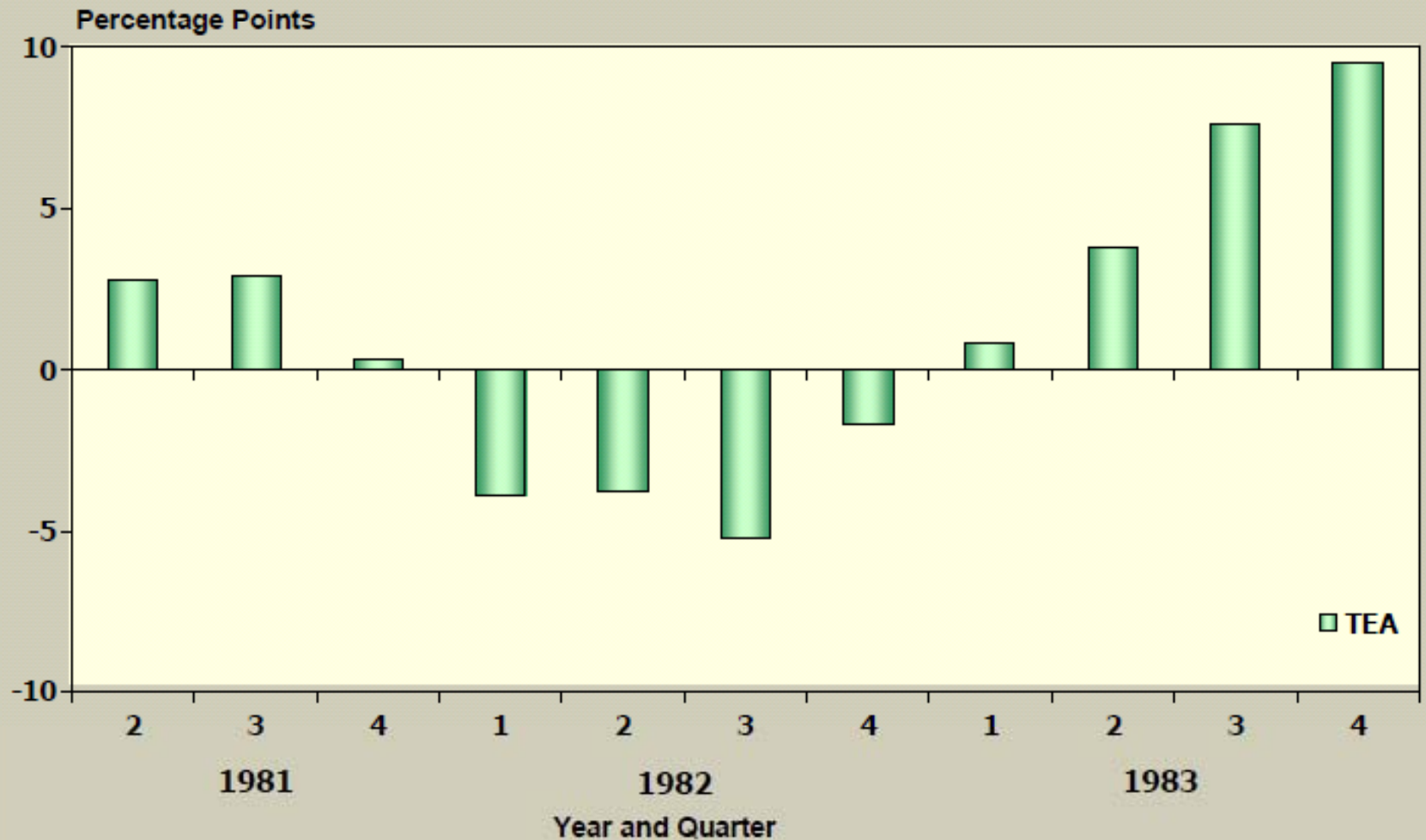
# Making the Turn – 1973



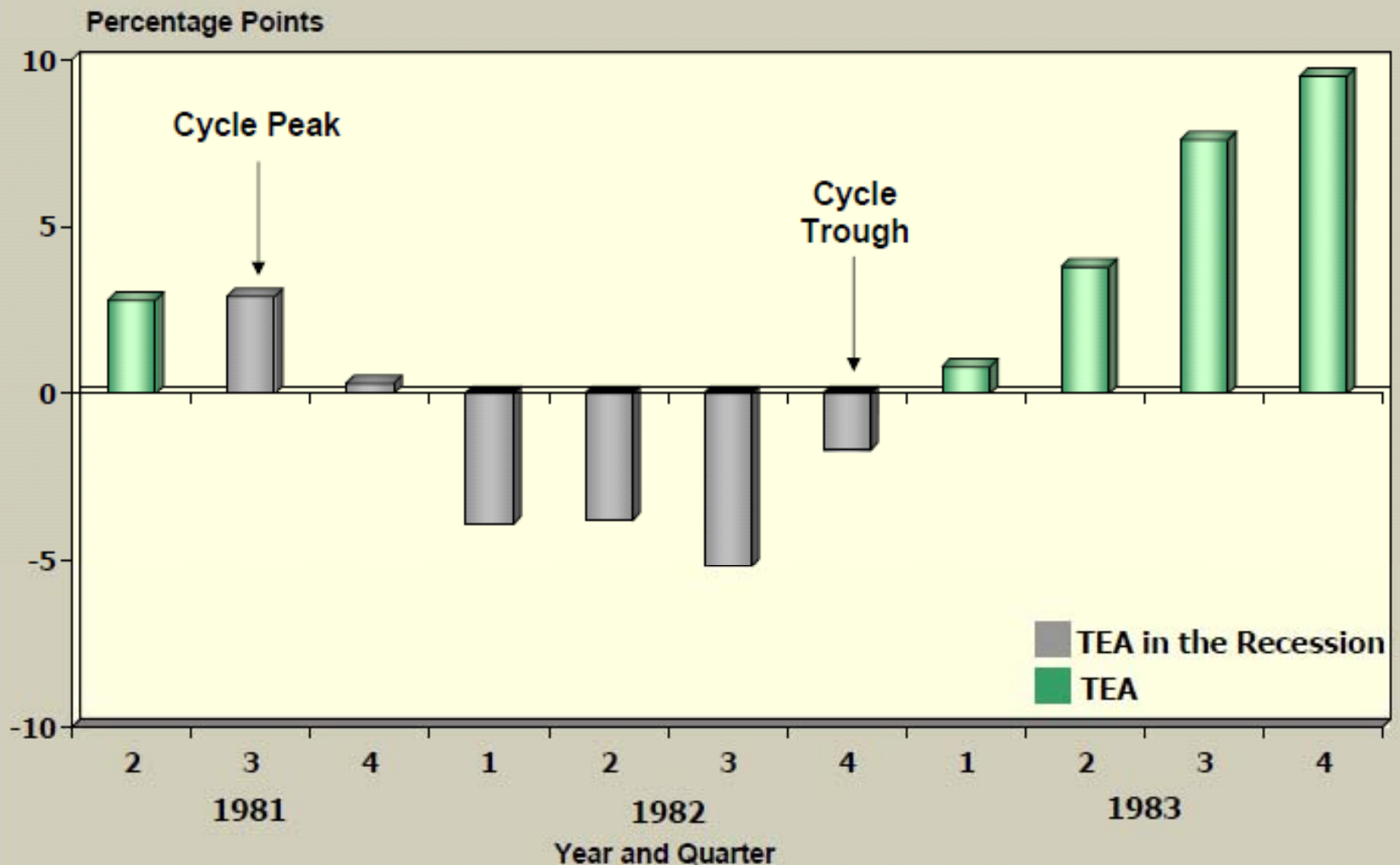
# Making the Turn – 1973



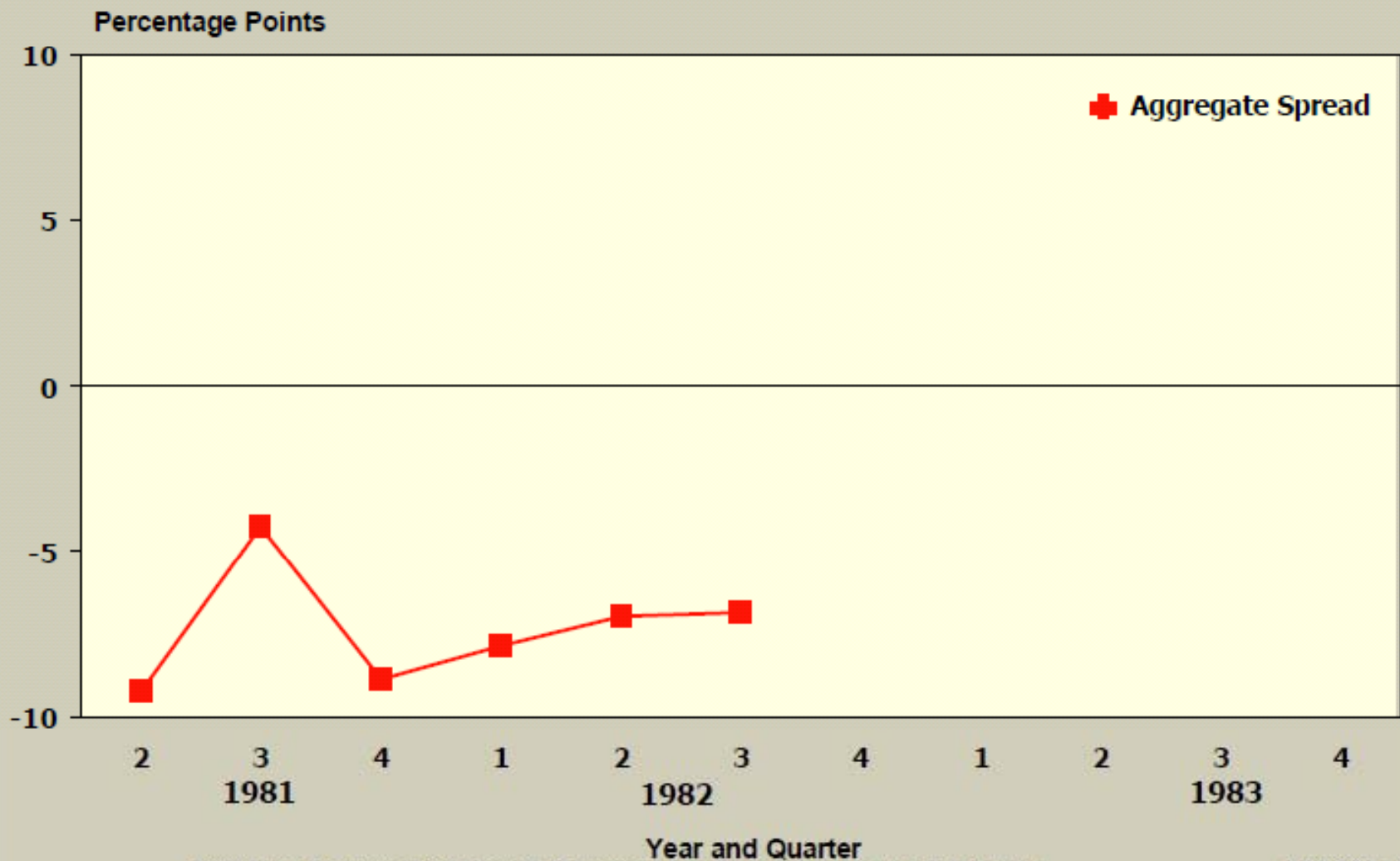
# Making the Turn – 1981



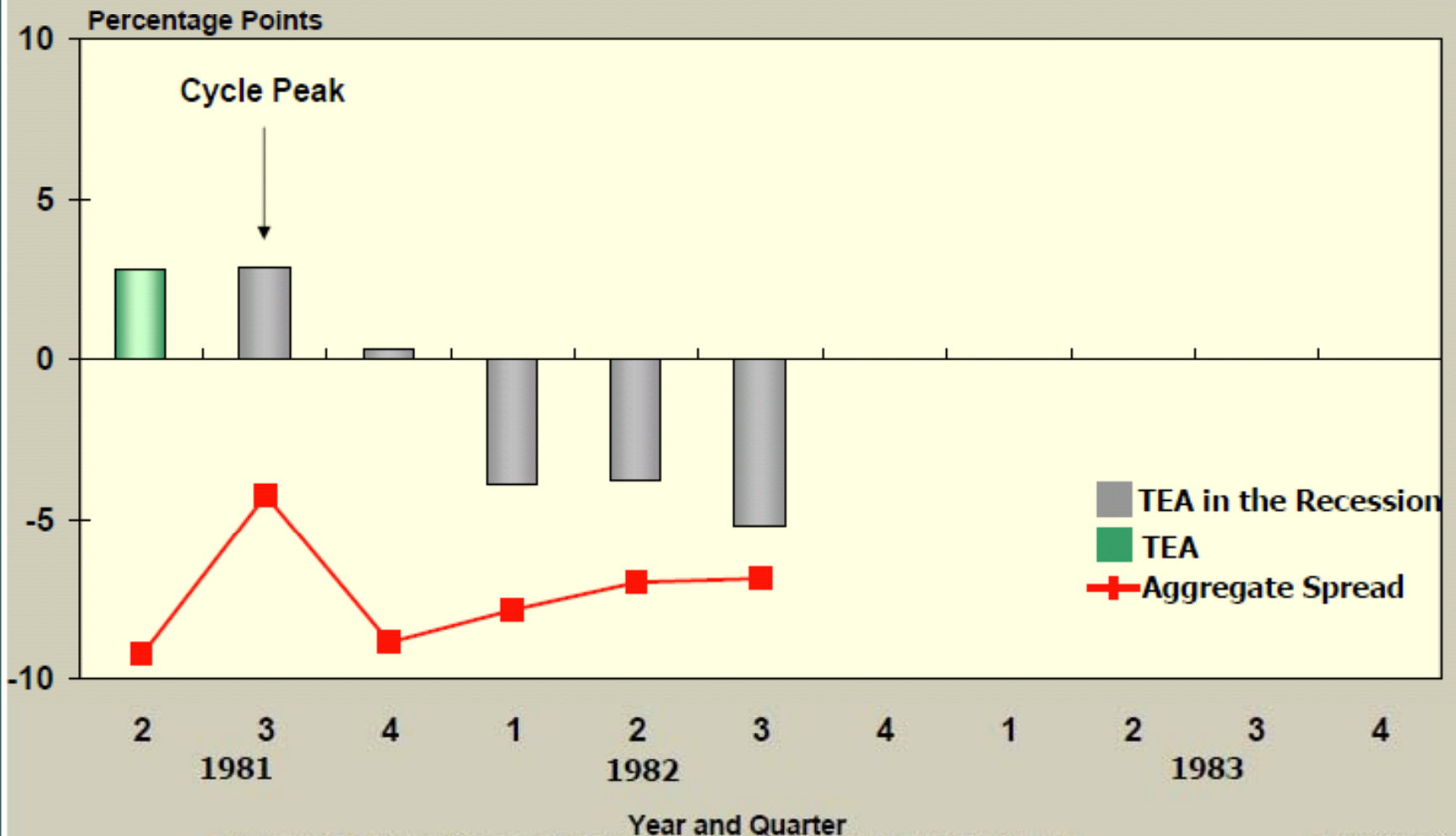
# Making the Turn – 1981



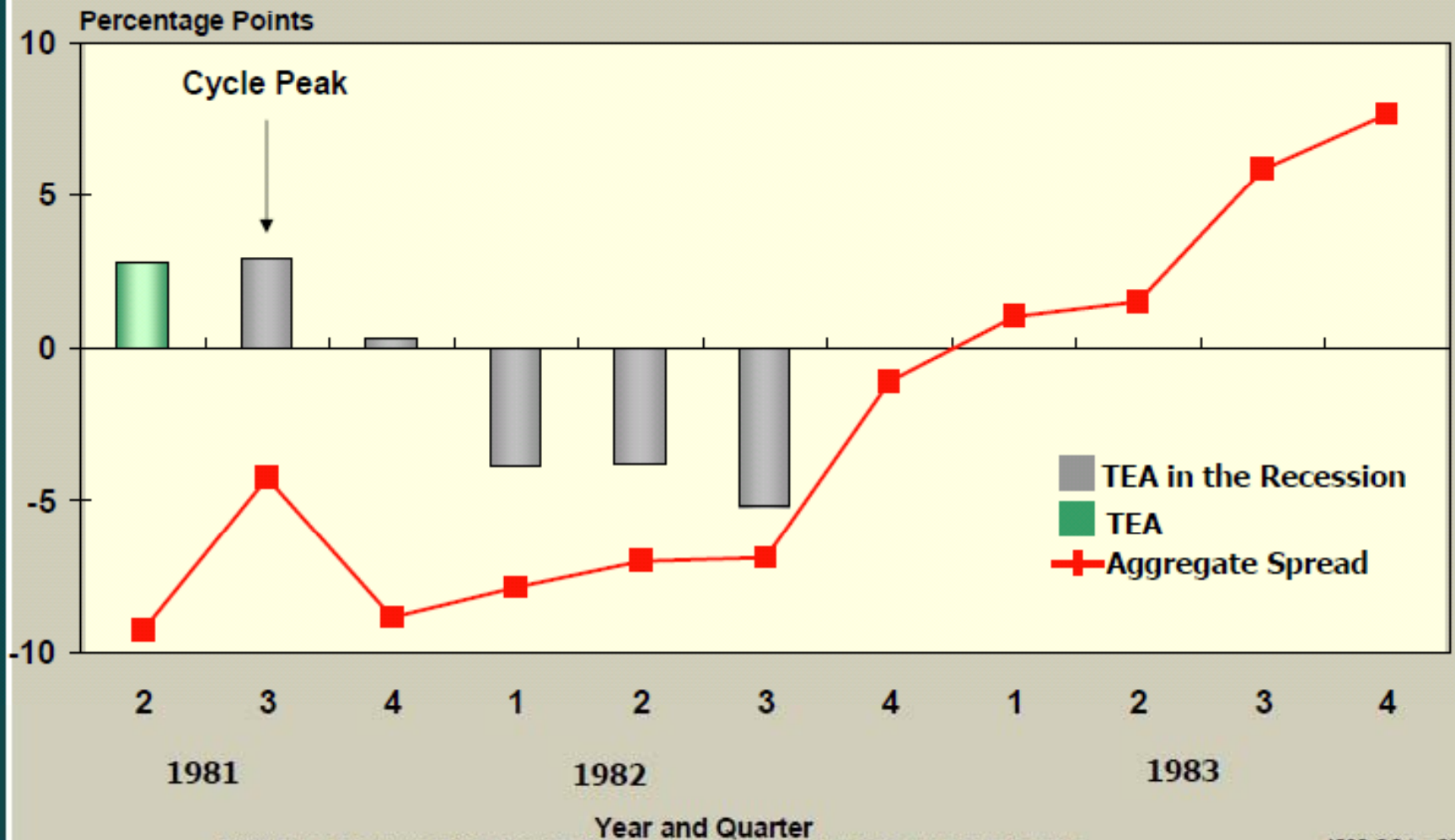
# Making the Turn – 1981



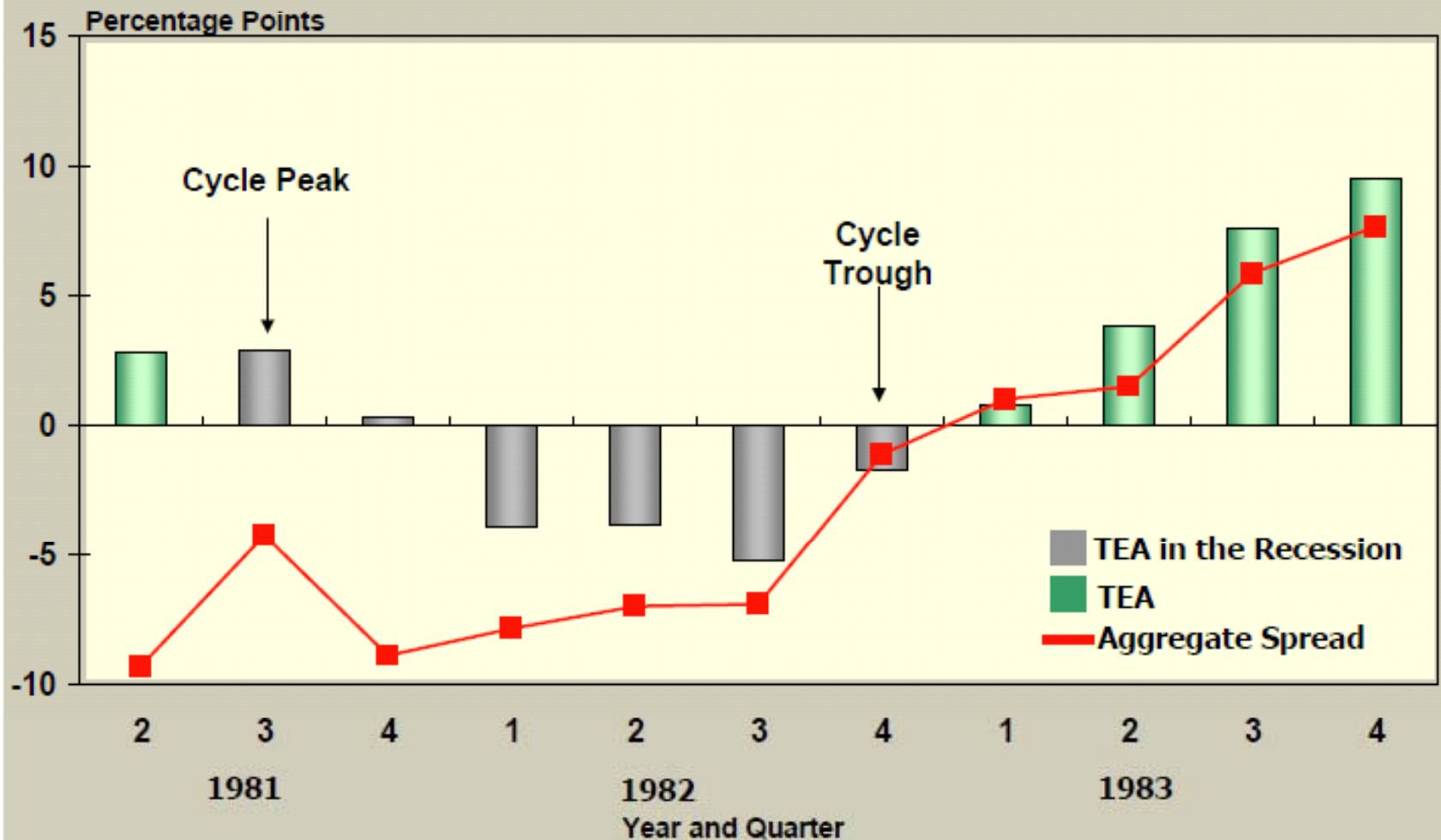
# Making the Turn – 1981



# Making the Turn – 1981



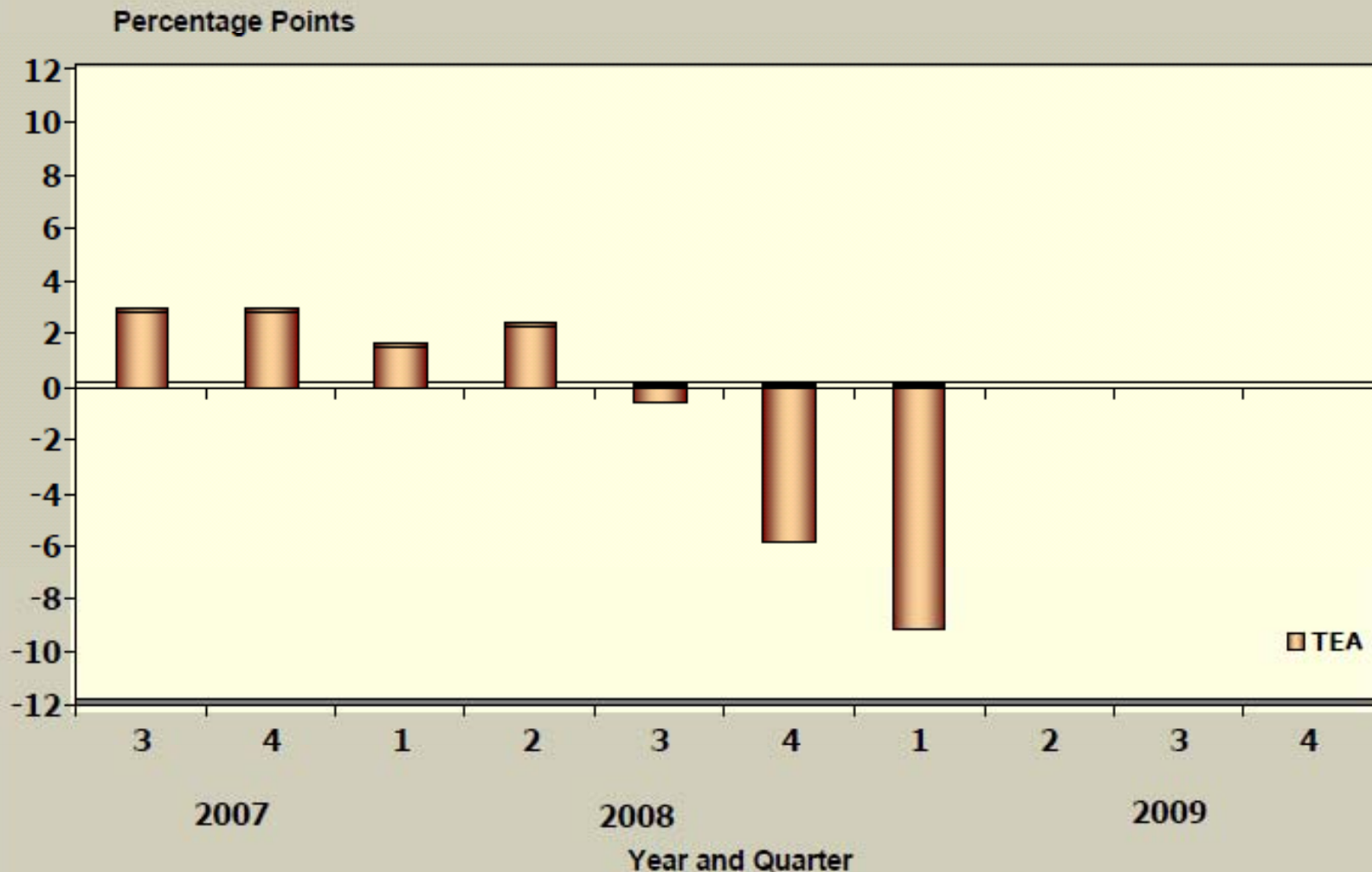
# Making the Turn – 1981



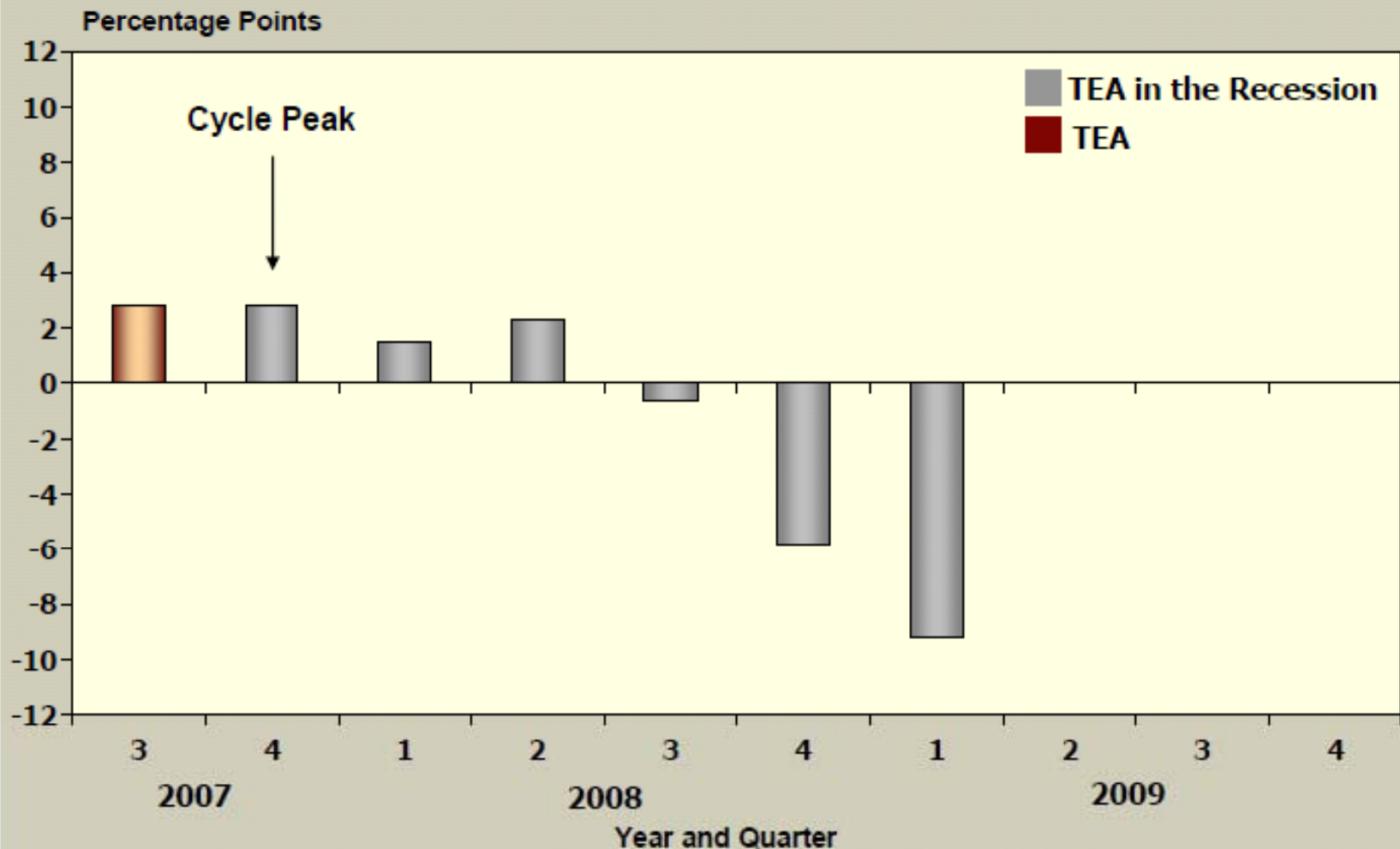


When do you predict the  
recession will end?

# Making the Turn – 2007



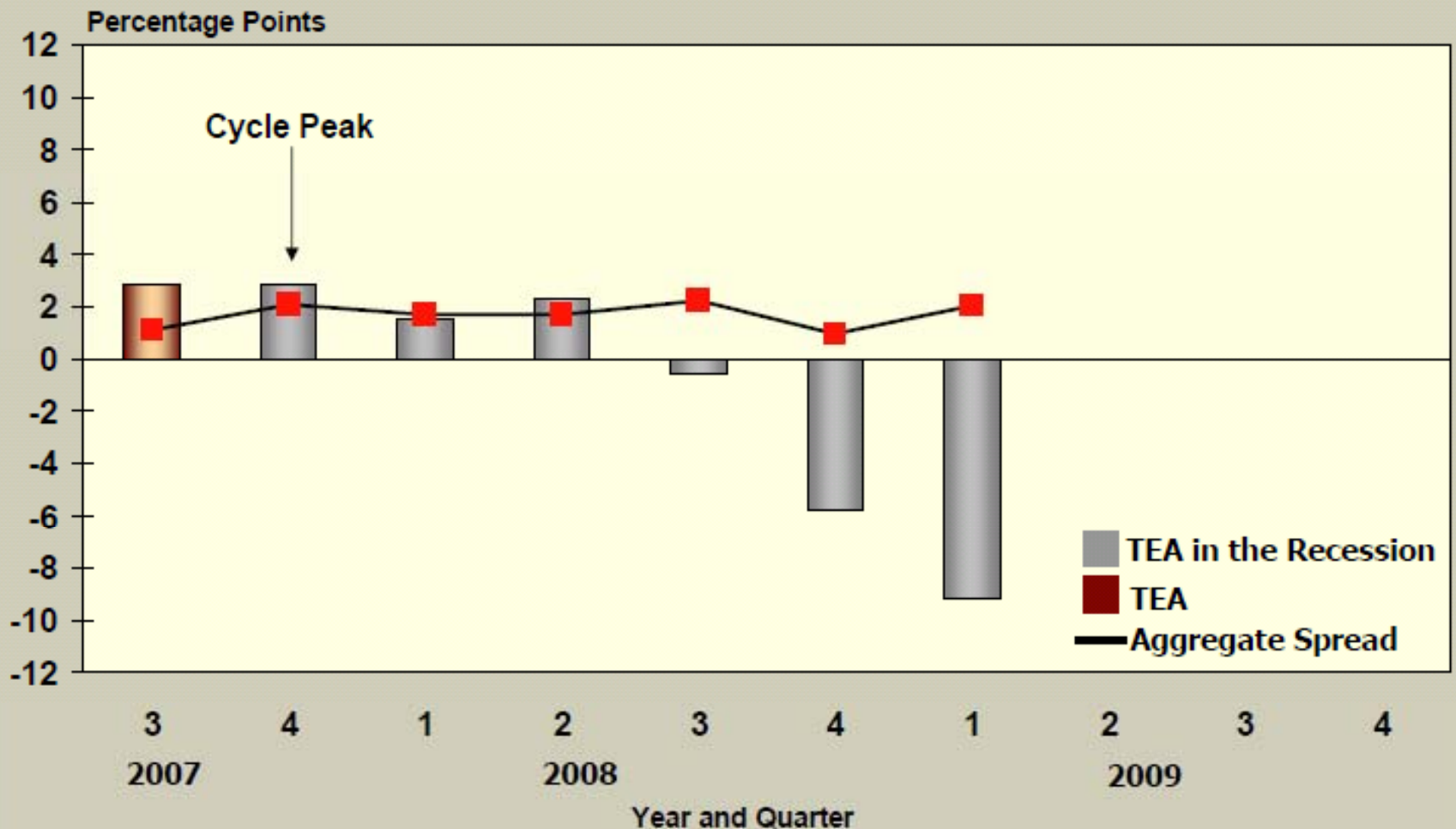
# Making the Turn – 2007



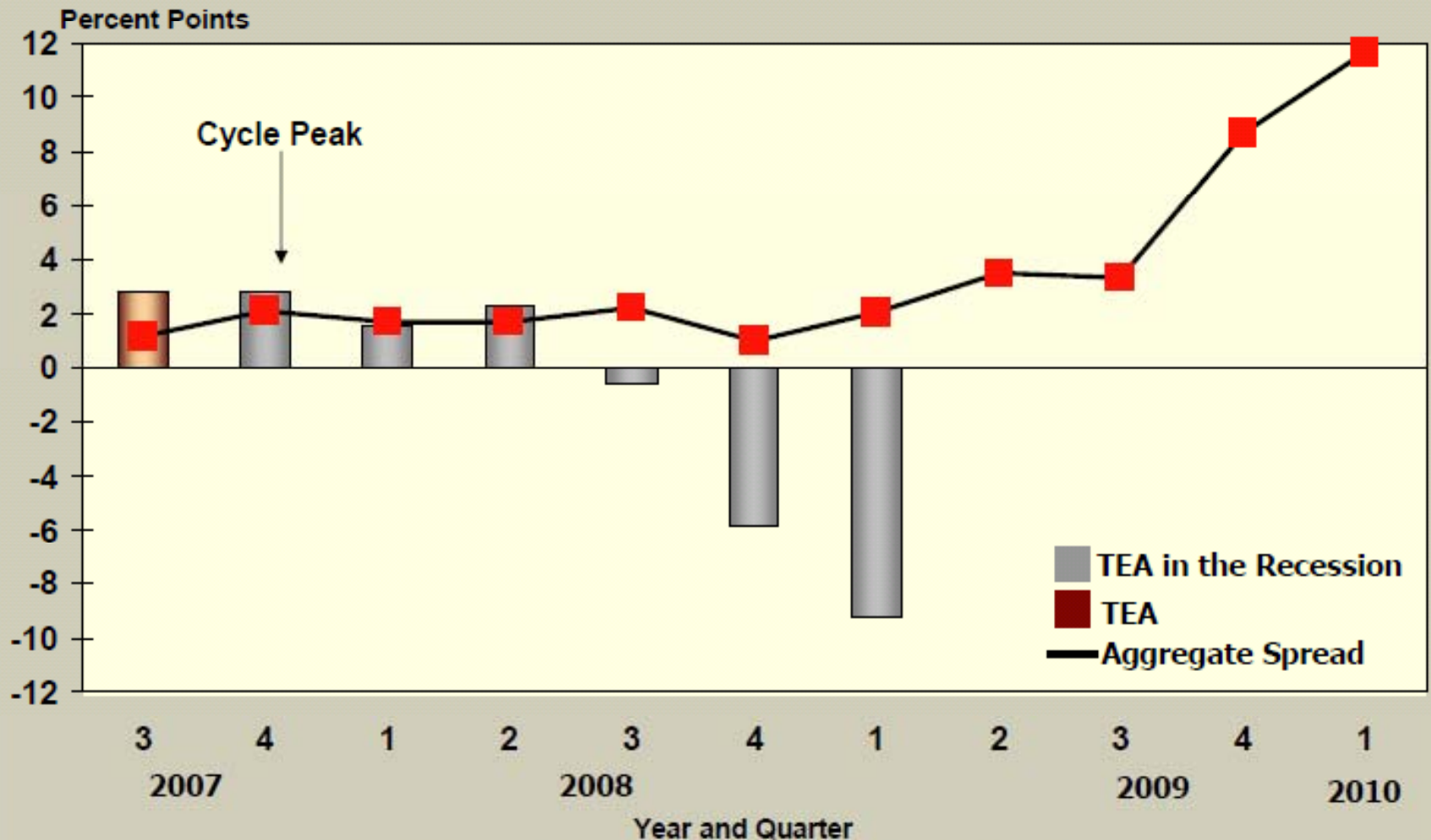
# Making the Turn – 2007



# Making the Turn – 2007

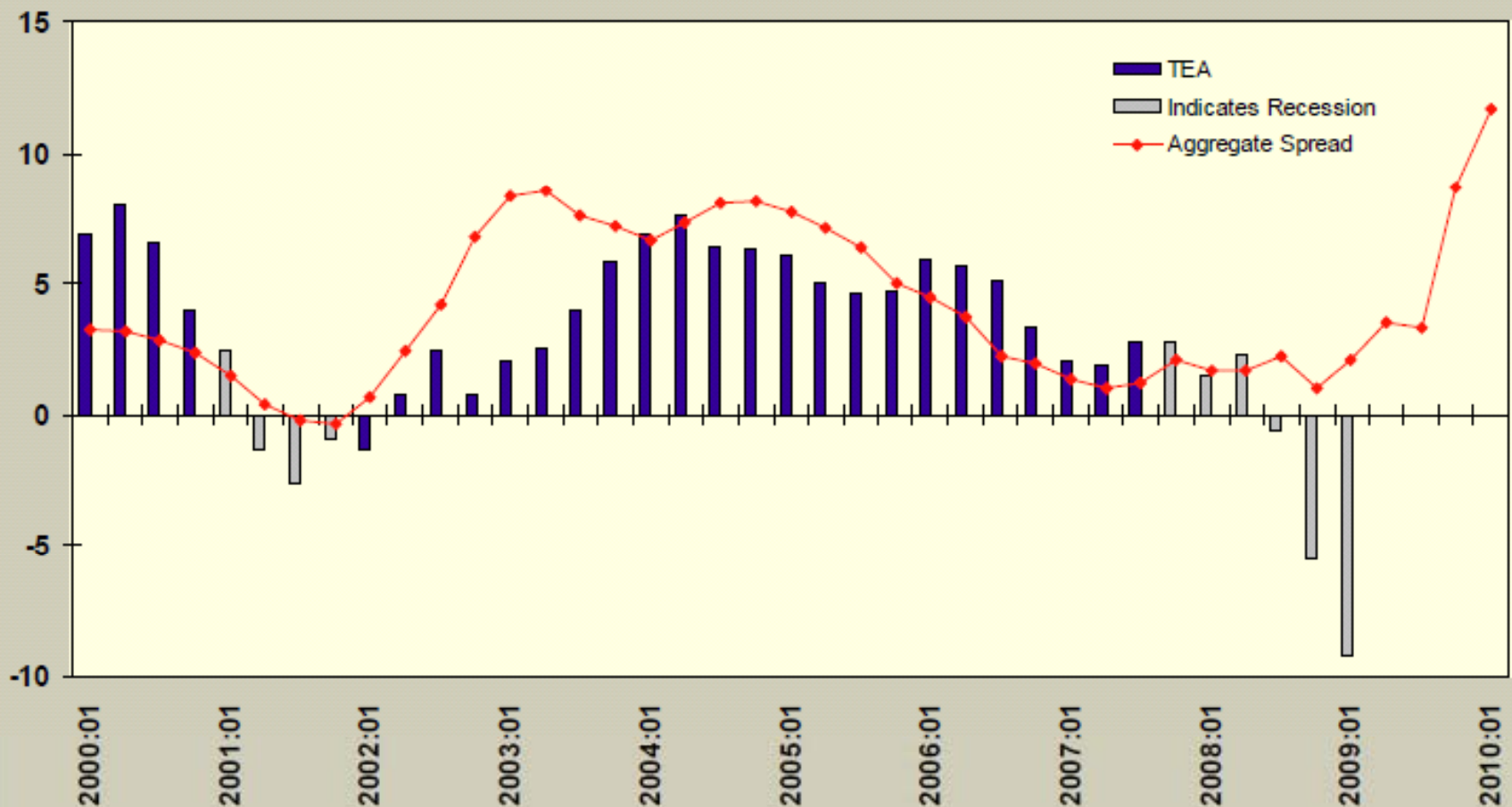


# Making the Turn – 2007



# Real Truckable Economic Activity (TEA) and The Aggregate Spread

TEA Percent Change from Year Ago Quarter  
Aggregate Spread in Percentage Points



# Conclusions

- ☐ **The overall economy is starting to show signs of finding a bottom. But it is quite likely that GDP growth in both the second and third quarters will be negative.**
- ☐ **The attention of the Federal Reserve will continue to be focused on the repair of the banking system. As a result, we do not expect any significant change in monetary policy before the end of 2009.**
- ☐ **The effects of the fiscal stimulus package should be more evident by the third quarter. However, the effects will unevenly distributed both geographically and by economic sector.**
- ☐ **TEA growth is expected to be constrained for the rest of 2009. While we think the most severe declines are behind us, we also think that it will not be until 2010 that all of the components of TEA start reporting positive growth.**

# TEA (Truckable Economic Activity)

- ▣ Quarterly Report Produced by MacKay & Company and RDLB
  
- ▣ Annual Subscription \$900
  
- ▣ Contact:
  - ▣ John Blodgett - MacKay & Company  
630-916-6110 [john.blodgett@mackayco.com](mailto:john.blodgett@mackayco.com)

*Thank You!*



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mobile communications

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[www.peoplenetonline.com](http://www.peoplenetonline.com)

# PeopleNet Is the Leading Provider of Commercial Vehicle Telematics

- **Profitable**, privately held company incorporated in 1994, Headquartered in Minnesota and Toronto.
- Operations throughout the **U.S. and Canada**. PeopleNet de Mexico planned for 2010.
- Over **1,500 Customers** and **80,000 Units**
- PeopleNet averaging **30% annual growth** vs. 13% for the \$1.5B industry\*
- PeopleNet is **100% focused on fleet management**
- PeopleNet has **won more industry awards** than our competitors combined

## Industry Leader



## Award Winning Solutions



\* Source: SEC Filings, PeopleNet Data, Frost & Sullivan, North American Vehicle Report

# PeopleNet Eases Choice and Flexibility

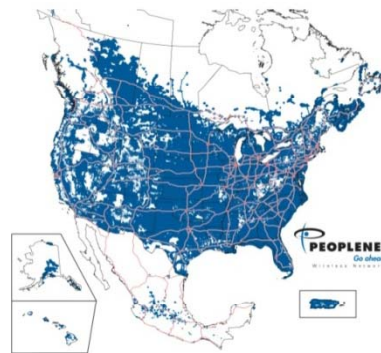
## Onboard Equipment

- OTAP
- Equipment configurations
- g3 Services & BLU ICAP



## Wireless Network

- Multi-Network (data and voice)
- Satellite option
- Canada & US (Mexico 2010)
- Wi-Fi (2009)



## Back Office

- Open Interface
- Third party
- PeopleNet Link



mobile communications

fleet management

onboard computing

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