

Note to Reader

Prince Rupert unloads have been lower than normal for a number of weeks as a result of ongoing maintenance at the terminal which is reducing unload capacity. Over the last four weeks unloads have averaged 770 unloads although this reflects a consistent week over week decline from 950 four weeks ago to less than 500 last week. While unloads were anticipated to be reduced due to the ongoing maintenance work the last two weeks have seemingly fallen below expectations which is in part attributable to lower shipper demand in the Prince Rupert corridor during this time period - averaging 700 orders per week. Order volumes for Rupert have jumped almost 50% this week surpassing 1,000 for the first time in four weeks.

SPEED READ

- Loads on wheels increased slightly overnight following three consecutive days of declines. The uptick on volumes was led by CN - principally in the Vancouver corridor - while CP volumes declined somewhat.
- With the pending two month shutdown at Alliance Grain Terminal in Vancouver set to begin June 15 loads on wheels in the Vancouver corridor have begun to decline as shippers stop shipping to the terminal. This can be seen to some degree in the reduction of volumes in the Vancouver corridor for CP which have declined by 37% (1,000 cars) over the course of the last week while CN volumes have remained relatively steady. At less than 1,700 cars CP Vancouver volumes are at their lowest levels in more than 30 days. Looking further out it is expected that unloads will begin to decline toward the tail end of this week.
- Network fluidity improved overnight for both CN and CP with the count of idle cars falling by more than 300 cars. Counts have now been reduced by nearly 800 cars (75%) over the course of the last two days. CP counts have now dropped below 250 cars - the lowest level seen in months.
- Week 46 unloads continue to track at last week's pace two days in.
- Prince Rupert appears to be positioned for reasonable unloads over the next 3 - 4 days with 450 cars west of Prince George including roughly 100 currently on site. Assuming the inbound pipeline continues to flow smoothly - which appears to be case currently - and there are no issues at the Port with the unloading of cars it is expected that unloads in Week 46 should far exceed last week's performance which came in below 500 cars.
- Thunder Bay and Vancouver pipelines remain robust which should support strong unloads for the next few days particularly at Thunder Bay. As noted above Vancouver unloads may begin to tail off leading up to the planned shutdown at Alliance Grain Terminal set to begin on Friday June 15th.

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Loads on Wheels

- Loads on wheels rose nominally overnight following three consecutive days of declining volumes. The slight increase reflects an increase on CN (+286) and lower volumes on CP (-131) - now at 7,548 and 10% below the trailing 30 day average
- On a net basis the decline in loads on wheels reflects primarily higher volumes in the Vancouver (+245) and Prince Rupert (+74) corridors offset by declines in other corridors.
- CN volumes rose 7% (286 cars) reflecting higher volumes in the Vancouver and Prince Rupert corridors offset by declines in Thunder Bay volumes. System wide CN loads on wheels now at 4,138 and 3% above the trailing 30 day average.
- CP volumes declined modestly overnight reflecting most notably a decline in Vancouver volumes. CP system wide loads on wheels now at 3,209 - 20% below the trailing 30 day average.
- Vancouver now at 4,338 - 13% below the trailing 30 day average.
- The Prince Rupert pipeline currently sits at 951 - the highest level in three weeks and 13% above the trailing 30 day average.
- Thunder Bay volumes declined for the fourth consecutive day now falling below the 1,100 car threshold and in line with the trailing 30 day average with 80% of traffic moving on CP

Hopper Car Rationing

- No hopper car rationing has been reported for either CN or CP in week 44 and none expected in week 45.

Loads Not Moving

- **The count of cars not moving for 48+ hours declined 40% (341 cars) overnight reflecting reductions on both CN and CP. The count of idle cars now stands at 524 the lowest level seen in months.**
- CN
 - **The count of idle cars fell 40% (203 cars) overnight - idle car counts now at 288, nearing the lowest levels seen in months.**
 - The number of cars idle for 4+ days unchanged overnight - remains below 100 cars.
 - The count of cars not moving for 7+ days unchanged overnight - remains below 50 cars.
 - Vancouver represents 68% of all idle cars.
- CP
 - **CP counts declined 37% (138 cars) overnight. CP counts have now dropped below 250 cars reaching the lowest level in more than 30 days. The count of idle cars on CP now at 236.**
 - The number of cars idle for 4+ days up slightly overnight - remains below 150 cars.
 - The count of cars idle for 7+ days unchanged overnight - remains below 50 cars.
 - Vancouver accounts for only 15% of all idle cars.
 - In total 45% of all idle cars are dwelling at origin locations.

Port Performance

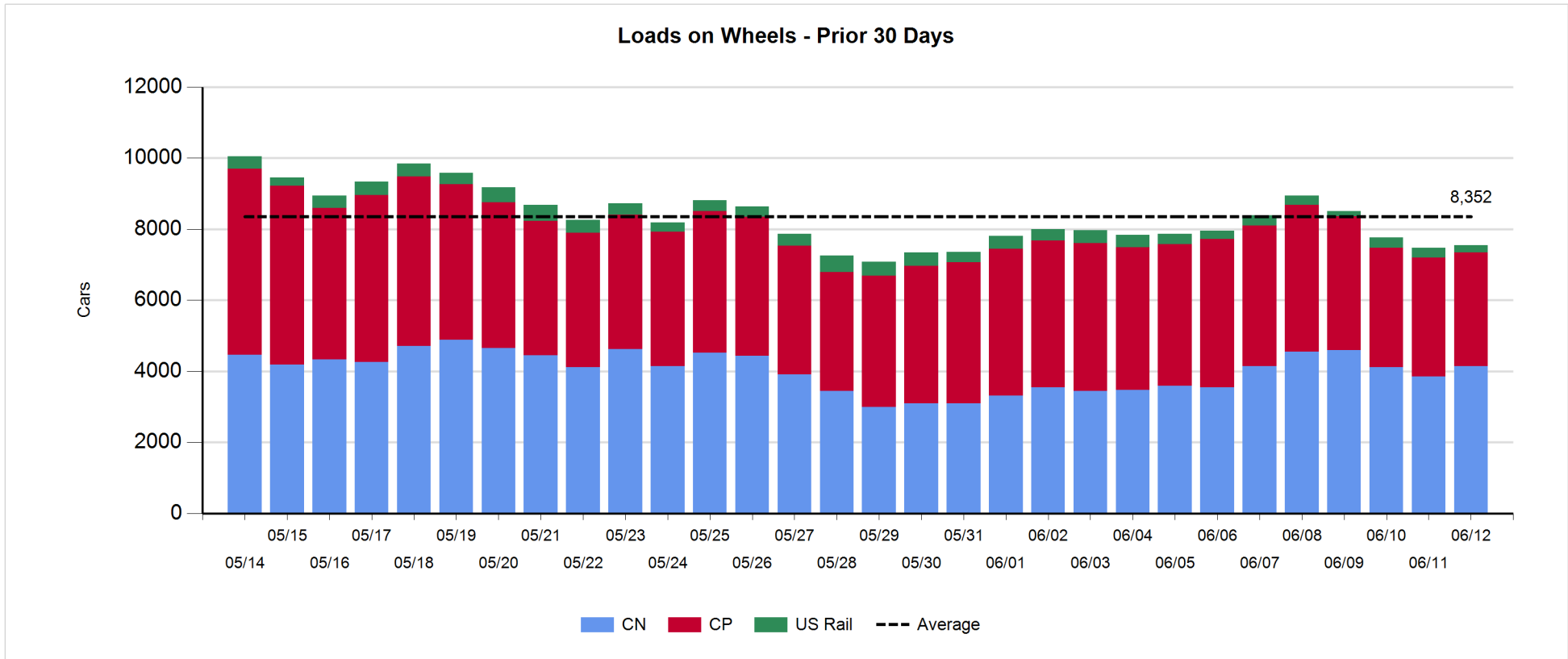
- CN and CP reported a total of 1,059 cars unloaded at the three western ports - above the 1,000 car mark for the first time in four days. Two days in Week 46 unloads continue to track at last week's pace.
- Vancouver
 - 654 cars reported unloaded by CN and CP at the Port of Vancouver; CN - 359 and CP - 295.
 - There are nearly 1,100 cars on hand at Vancouver waiting placement for unloading with 1,100+ cars arriving at the port in the last 24 hours.
 - CN and CP have fewer than 350 cars enroute to Vancouver west of Alberta - fewer than 100 Kamloops and west - with 70% of traffic currently moving on CP.
- Prince Rupert
 - Prince Rupert unloaded 100 cars yesterday and are currently tracking almost 150 unloads ahead of last week's pace after two days.
 - Loads on wheels at 951 - up slightly from yesterday.
 - There are 450 cars west of Jasper - 350 Prince George and west.
 - With roughly 100 cars on site and the proximity of inbound cars to the Port it is expected that the Port is well positioned to maintain a pace of 100-150 unloads a day for the next 3-4 days assuming no disruptions in unloading and the timely movement of cars currently enroute.
- Thunder Bay
 - 305 unloads reported at Thunder Bay yesterday resulting in Week 46 unloads trailing last week's pace by almost 150 unloads through the first two days of the week.
 - There are 700+ cars on site at Thunder Bay with less than 100 cars arriving at the Port in the prior 24 hours.
 - There are now 500+ cars enroute to Thunder Bay - 400+ Winnipeg and east. Given the number of cars on hand and the proximity of inbound cars the Port remains well positioned for strong unload performance over the next few days.

Daily Loads on Wheels - 6/12/2018

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN	272	951	193	126	2,596	4,138
CP	87		897	531	1,694	3,209
Short Line	15				48	63
US Rail				138		138
	374	951	1,090	795	4,338	7,548

Change in Loads on Wheels - Prior 24 Hours

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN	-39	74	-127	2	376	286
CP	-9		46	-13	-155	-131
Short Line	-8				24	16
US Rail				-89		-89
	-56	74	-81	-100	245	82

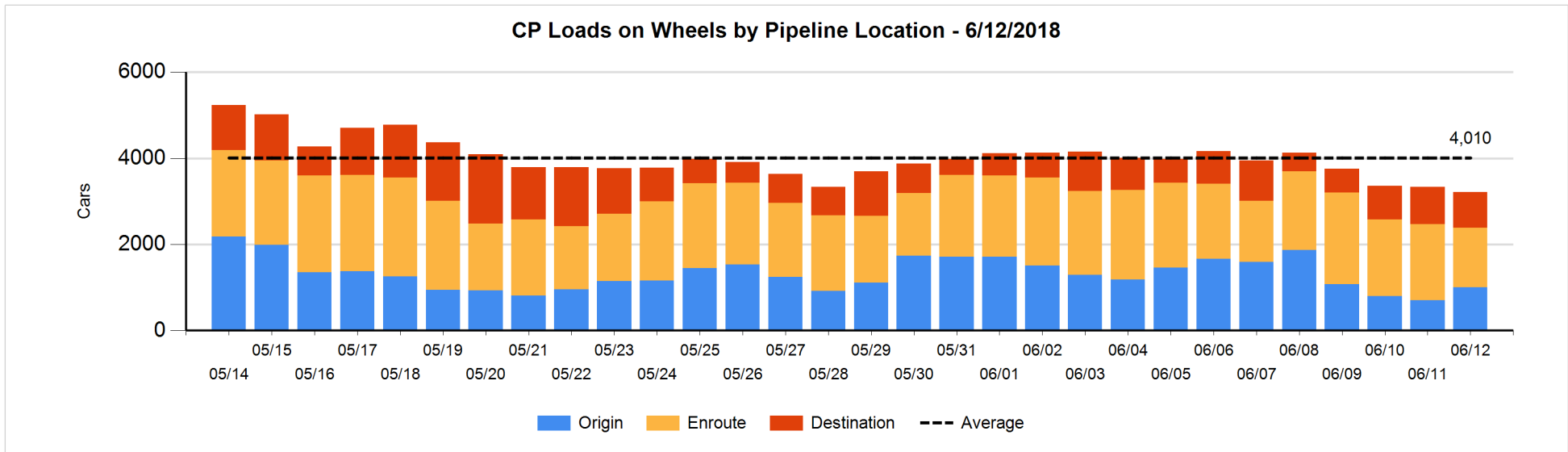
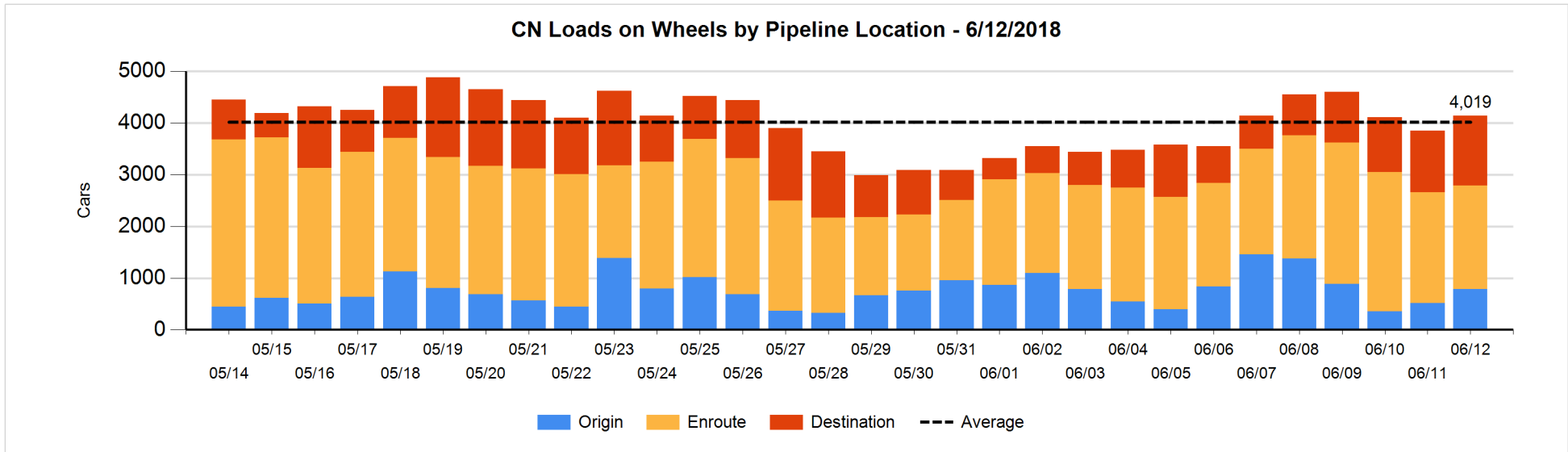


Daily Loads on Wheels By Pipeline Location - 6/12/2018

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN						
Origin	26	202		21	534	783
Enroute	219	633	120	95	936	2,003
Destination	27	116	73	10	1,126	1,352
	272	951	193	126	2,596	4,138
CP						
Origin	22		145	229	607	1,003
Enroute	63		392	269	654	1,378
Destination	2		360	33	433	828
	87		897	531	1,694	3,209
US Rail / Short Line						
Origin						
Enroute				88		88
Destination	15			50	48	113
	15			138	48	201

Change in Daily Loads on Wheels By Pipeline Location - Prior 24 Hours

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN						
Origin	-22	99		-17	212	272
Enroute	8	-23	-32	22	-122	-147
Destination	-25	-2	-95	-3	286	161
	-39	74	-127	2	376	286
CP						
Origin	0		112	-11	205	306
Enroute	2		85	8	-495	-400
Destination	-11		-151	-10	135	-37
	-9		46	-13	-155	-131
US Rail / Short Line						
Origin						
Enroute				1		1
Destination	-8			-90	24	-74
	-8			-89	24	-73

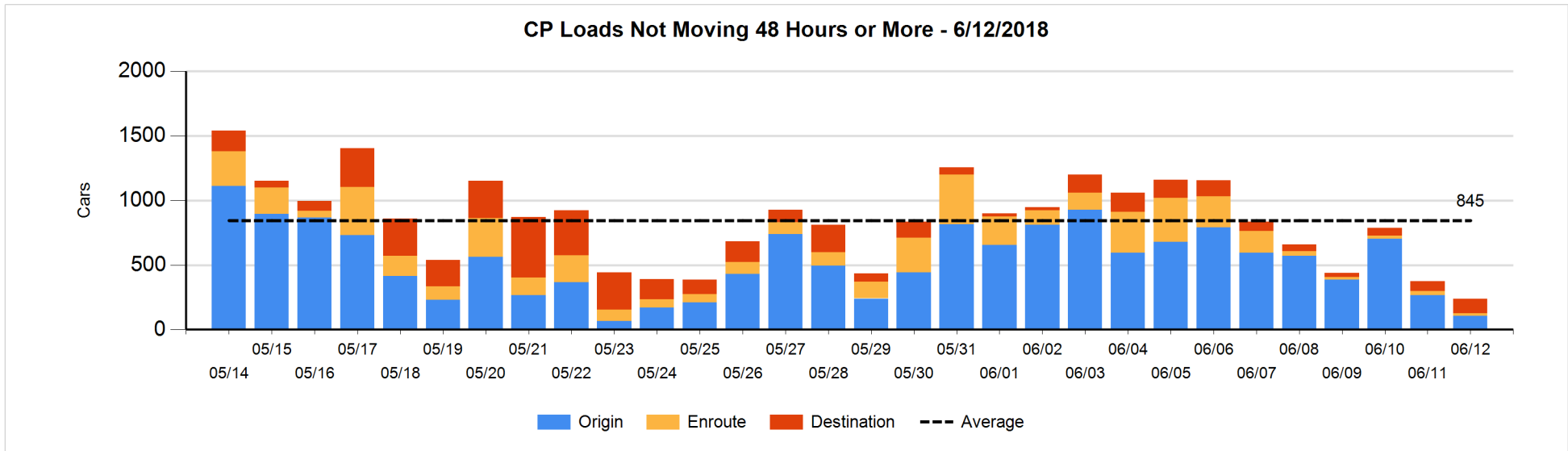
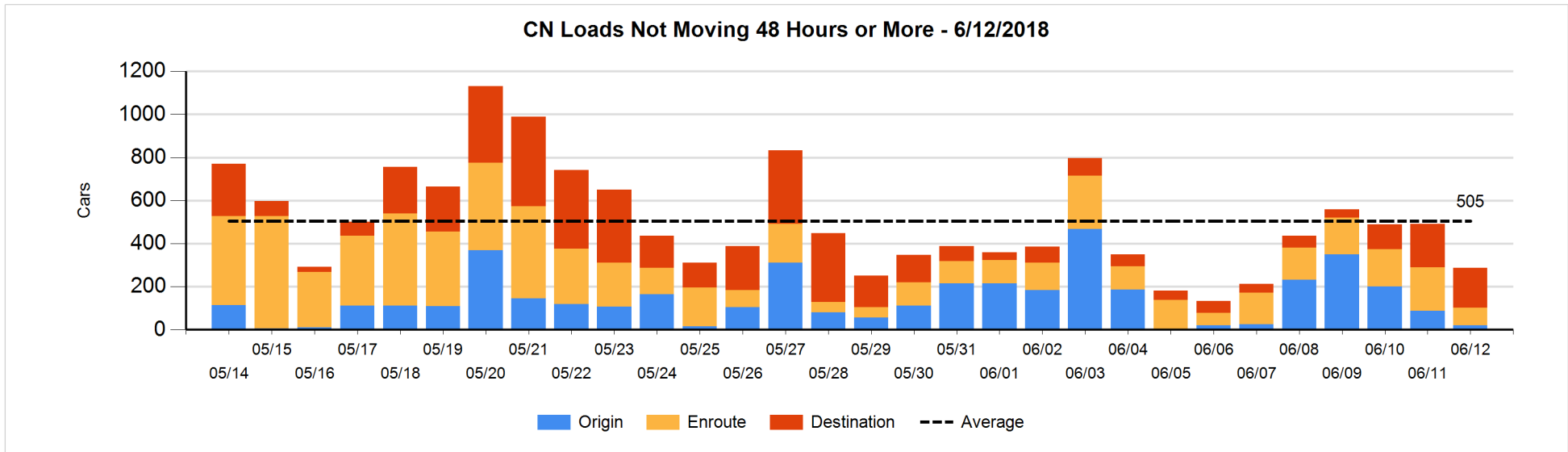


Loads Not Moving 48 Hours or More - 6/12/2018

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN						
Origin				2	19	21
Enroute	39	13		14	16	82
Destination	2		17	5	161	185
	41	13	17	21	196	288
CP						
Origin				94	13	107
Enroute	4		6	3	4	17
Destination	2		89	1	20	112
	6		95	98	37	236
US Rail / Short Line						
Origin						
Enroute				25		25
Destination	1			27	8	36
	1			52	8	61

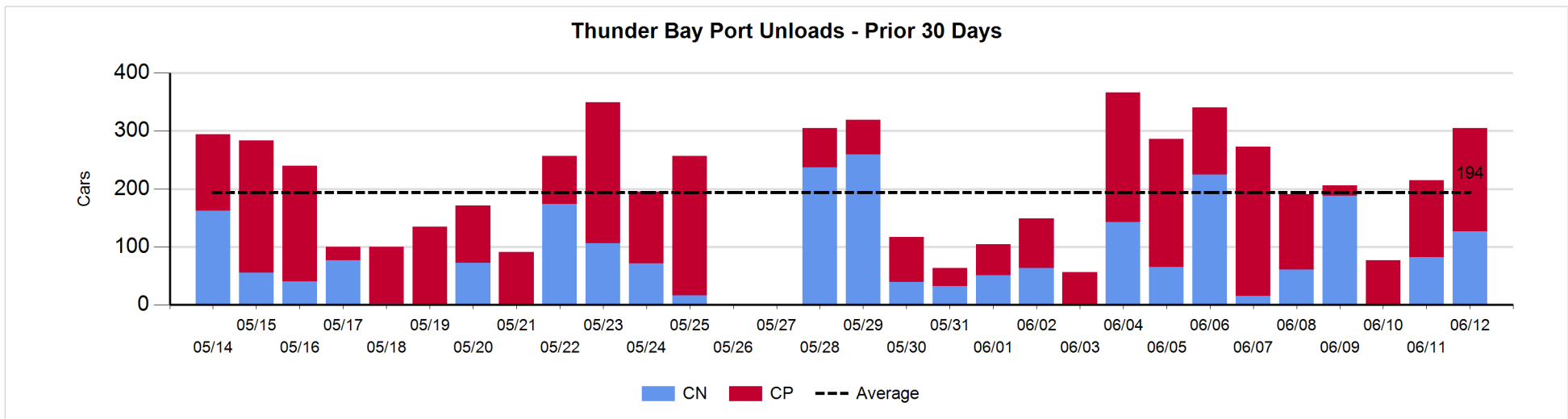
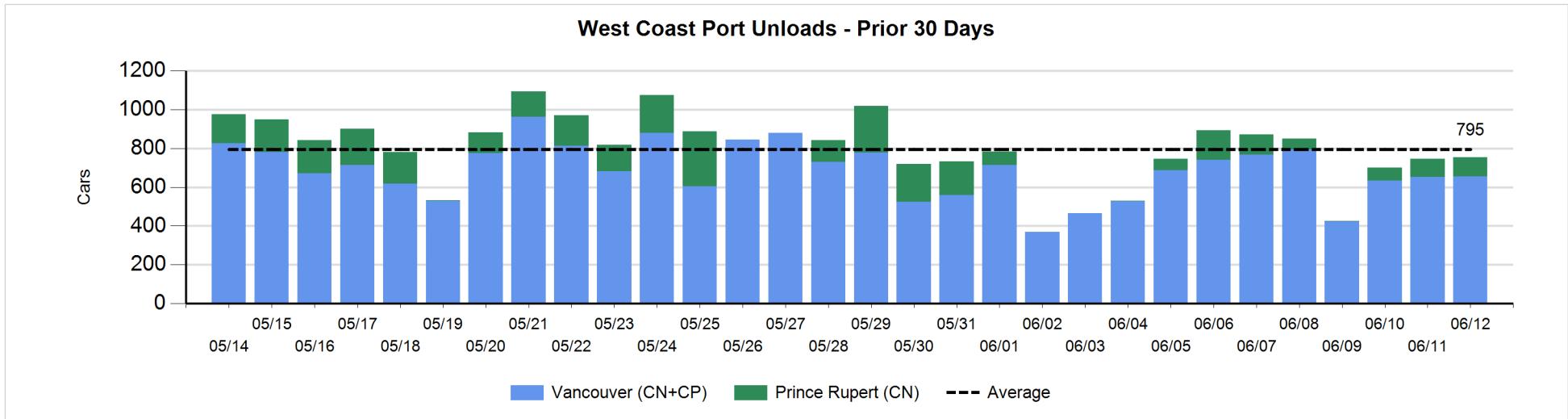
Change in Loads Not Moving 48 Hours or More - 6/12/2018

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN						
Origin	-1			0	-66	-67
Enroute	-6	-86		-3	-24	-119
Destination	-12		-81	-7	83	-17
	-19	-86	-81	-10	-7	-203
CP						
Origin				-45	-114	-159
Enroute	-12		0	-2	0	-14
Destination	2		47	-5	-9	35
	-10		47	-52	-123	-138
US Rail / Short Line						
Origin						
Enroute				0		0
Destination	0			-13	0	-13
	0			-13	0	-13



Port Unloads - 6/12/2018

	Prince Rupert	Vancouver	West Coast Total	Thunder Bay	Total
CN	100	359	459	127	586
CP		295	295	178	473
	100	654	754	305	1,059



Port Terminal Status

Vancouver

Daily Activity for 6/12/2018

	Cars Arrived	Cars Received in Interchange	Cars Delivered in Interchange	Cars Placed for Unloading	Loads on Wheels at Destination As of 6/12/2018
CN	462	337	148	517	1,126
CP	643	123	339	288	433
SRY		27		4	48

Port Unloads

	06/12	06/11	Week To Date	Last Week
CN	359	442	801	2,649
CP	295	211	506	1,926
SRY	4	12	16	54

Age Profile of Loaded Cars Waiting Placement for Unloading

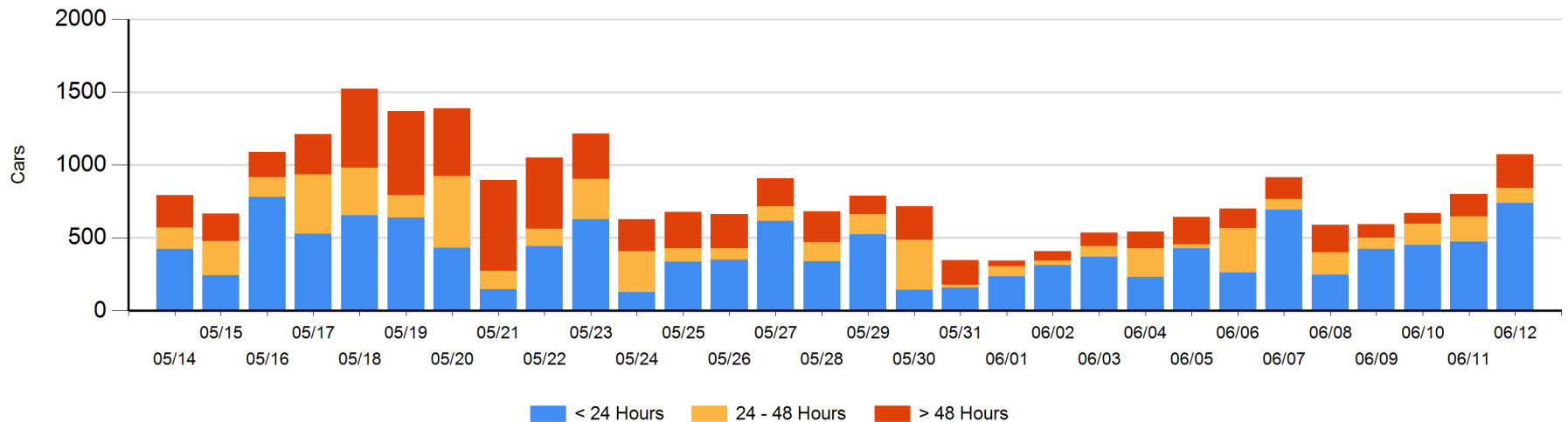
Today

	< 24 Hrs	24 - 48 Hrs	> 48-72 Hrs	> 72 Hrs	Total On Hand
CN	300	42	164	30	536
CP	439	61	5	34	539
SRY					0

Change in Last 24 Hours

	< 24 Hrs	24-48 Hrs	48 - 72 Hrs	> 72 Hrs
CN	-2	-124	83	22
CP	266	56	-31	3
SRY				

Loaded Cars on Hand Vancouver Waiting for Placement - Last 30 Days All Railways



Port Terminal Status

Prince Rupert

Daily Activity for 6/12/2018

	Cars Arrived	Cars Received in Interchange	Cars Delivered in Interchange	Cars Placed for Unloading	Loads on Wheels at Destination As of 6/12/2018
CN	98			98	116

Port Unloads

	06/12	06/11	Week To Date	Last Week
CN	100	94	194	437

Age Profile of Loaded Cars Waiting Placement for Unloading

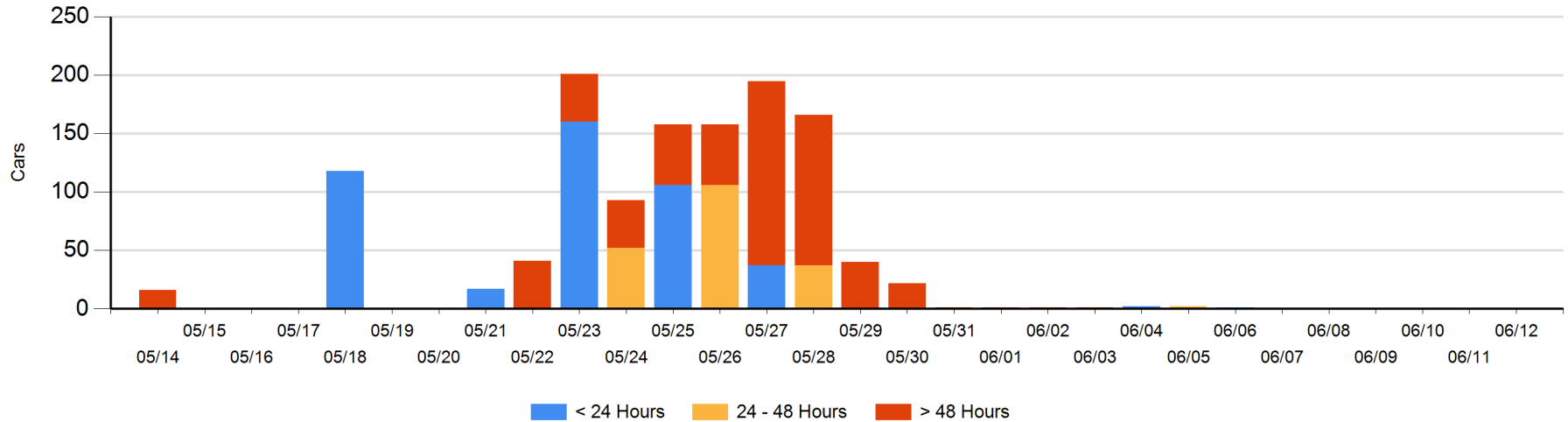
Today

	< 24 Hrs	24 - 48 Hrs	> 48-72 Hrs	> 72 Hrs	Total On Hand
CN					0

Change in Last 24 Hours

	< 24 Hrs	24-48 Hrs	48 - 72 Hrs	> 72 Hrs
CN				

Loaded Cars on Hand Prince Rupert Waiting for Placement - Last 30 Days All Railways



Port Terminal Status

Thunder Bay

Daily Activity for 6/12/2018

	Cars Arrived	Cars Received in Interchange	Cars Delivered in Interchange	Cars Placed for Unloading	Loads on Wheels at Destination As of 6/12/2018
CN	32			25	73
CP	27			79	360

Port Unloads

	06/12	06/11	Week To Date	Last Week
CN	127	82	209	697
CP	178	133	311	1,042

Age Profile of Loaded Cars Waiting Placement for Unloading

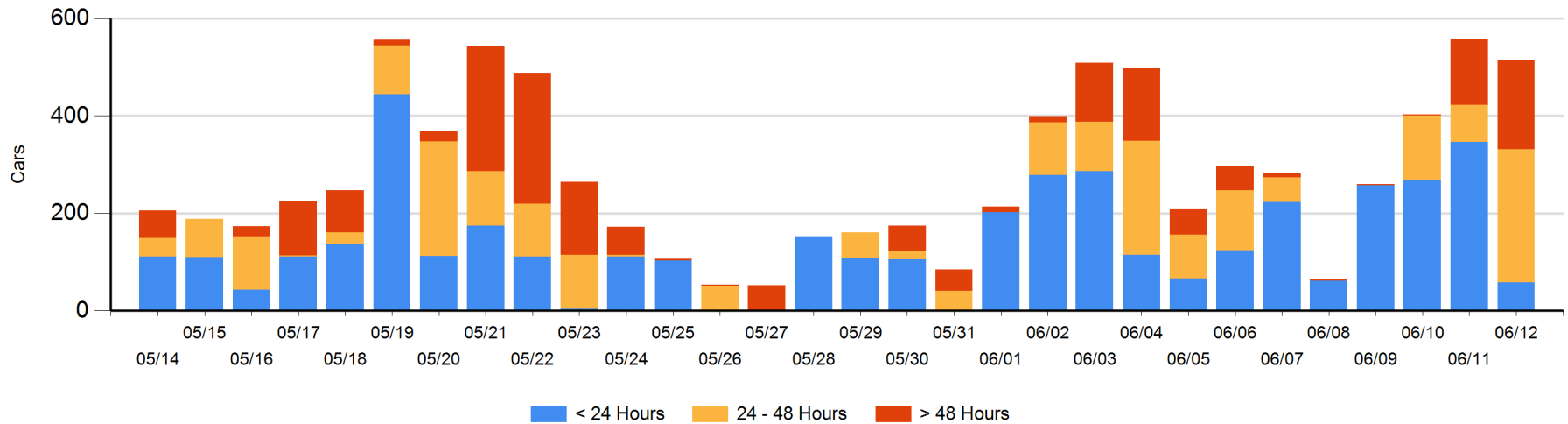
Today

	< 24 Hrs	24 - 48 Hrs	> 48-72 Hrs	> 72 Hrs	Total On Hand
CN	31			94	125
CP	27	273	77	11	388

Change in Last 24 Hours

	< 24 Hrs	24-48 Hrs	48 - 72 Hrs	> 72 Hrs
CN	7		-94	94
CP	-295	196	38	9

Loaded Cars on Hand Thunder Bay Waiting for Placement - Last 30 Days All Railways



Measurement Definitions

Loads on Wheels	<p>Count of loaded rail cars including all rail cars that have been released loaded at origin and have not been reported by the railway as unloaded at destination.</p> <p>Counts include all rail cars (hopper cars and boxcars) moving within a pipeline.</p>
Loads Not Moving	<p>Loaded rail cars for which the railways have not reported a movement event for 48 hours or more whether the rail car is at origin, enroute or at destination.</p>
Port Unloads	<p>Count of rail cars reported by railways as unloaded at the western port destinations of Vancouver, Prince Rupert and Thunder Bay.</p> <p>Unload counts include all rail cars (hopper cars and boxcars) unloaded by all receivers including major port terminals, transloaders and other receivers.</p>
Cars Arrived	<p>Count of rail cars reported as arrived at the destination railway terminal.</p>
Cars Received in Interchange	<p>Count of rail cars received in interchange by each railway within a destination railway terminal. Interchange activity is tracked for the Vancouver and Thunder Bay pipelines as applicable.</p>
Cars Delivered in Interchange	<p>Count of rail cars delivered in interchange by each railway within a destination railway terminal. Interchange activity is tracked for the Vancouver and Thunder Bay pipelines as applicable.</p>
Cars Placed for Unloading	<p>Count of rail cars reported by the railways as placed loaded at the receiver's facility for unloading.</p>
Loads on Wheels at Destination	<p>Count of rail cars that remain under load within the destination railway terminal including rail cars that have been reported as placed for unloading but not yet reported as unloaded.</p>
Waiting Placement for Unloading	<p>Count of rail cars that have been reported as arrived at the destination railway terminal but not reported as placed for unloading by the railway.</p> <p>For the Ports of Vancouver, Prince Rupert and Thunder Bay the count of rail cars waiting placement for unloading is categorized by age – i.e. the elapsed time from arrival at destination to the current report date.</p>