

Note to Reader

Today's report indicates that there were no unloads at Prince Rupert or Thunder Bay on the weekend. At the time of publication we are unable to confirm if this information is correct or stems from the late reporting of unload events by CN and CP.

SPEED READ

- Loads on wheels declined by nearly 800 cars (9%) overnight reflecting lower volumes on both CN and CP. Volumes have declined by 1,100 cars in the prior 48 hours, falling below the 8,000 car threshold for the first time in months.
- The count of loads on wheels is expected to continue to decline in the coming days. CN order volumes have totaled only 6,000 cars in the last 2 weeks combined and this low level of demand in conjunction with the pending CP labour disruption is expected to negatively impact the volume of traffic moving in all corridors.
- CP has communicated to its customers that strike notices have been issued by both the Teamster and IBEW unions for a work stoppage effective Tuesday May 29 at 22:00. CP has also advised that it has begun an orderly shutdown of its network and has issued embargo notices for all traffic originating in Canada destined to Canada or the US and originating in the US destined to Canada. In addition to reducing the volume of loads on wheels it is expected that the count of idle cars will continue to rise and unloads to decrease.
- Network fluidity has been negatively impacted on both railways over the last 48 hours with the count of idle cars more than doubling in that timeframe. Idle car counts for both railways combined has now risen above 1,700 cars. While the CP labour disruption will impact CP most directly CN may also be impacted negatively in the coming days to the extent that cars are destined for interchange to CP most notably in the Vancouver corridor.
- Week 43 unloads came in just above 7,800 reflecting primarily stronger unloads at Vancouver.

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Loads on Wheels

- Loads on wheels declined for the 2nd consecutive day falling 9% (769 cars) overnight - now at 7,870 - below the 8,000 car threshold for the first time in a number of months and 18% below the trailing 30 day average
- The change in loads on wheels reflects lower volumes on CN (-530) and CP (-274).
- On a net basis the reduction in loads on wheels is attributable primarily to reduced volumes in the Vancouver corridor (-791).
- CN volumes fell in 3 of 5 corridors led by Vancouver (-459). System wide CN loads on wheels now at 3,909 - below the 4,000 car threshold for the first time in months and 18% below the trailing 30 day average.
- CP volumes also declined principally in the Vancouver corridor (-324) offset by a slight increase in the Thunder Bay corridor. CP system wide loads on wheels now at 3,632 - below the 4,000 car threshold for the seventh consecutive day and 20% below the trailing 30 day average.
- Vancouver now at 4,330 - the lowest level in more than 30 days and 26% below the trailing 30 day average.
- The Prince Rupert pipeline currently sits at 923 - unchanged overnight and 11% below the trailing 30 day average.
- Thunder Bay volumes increased for the fourth consecutive day and now above 1,000 cars - 13% below the trailing 30 day average - with 60% of traffic moving on CN.

Hopper Car Rationing

- No hopper car rationing has been reported for either CN or CP in week 42.

Loads Not Moving

- **The count of cars not moving for 48+ hours increased for the second consecutive day increasing by more than 1,000 cars in the last 2 days reflecting increases on both CN and CP. The count of idle cars now stands at 1,760 - more than double the levels of two days ago.**
- CN
 - **The count of idle cars more than doubled in the last 24 hours marking the second consecutive day of increased counts. Idle car counts now at 834.**
 - The number of cars idle for 4+ days doubled overnight - remains below 150 cars.
 - The count of cars not moving for 7+ days unchanged overnight - remains below 25 cars.
 - Vancouver represents 33% of all idle cars while Prince Rupert counts rose significantly overnight surpassing 350 cars or 43% of all idle cars.
- CP
 - **CP counts rose 35% (242 cars) overnight and have nearly tripled over the course of the last two days. The count of idle cars on CP now at 926.**
 - The number of cars idle for 4+ days up 25% overnight - now above 200 cars.
 - The count of cars idle for 7+ days down 30% - now below 100 cars.
 - Vancouver continues to account for the majority of all idle cars (55%).
 - In total 80% of all idle cars are dwelling at origin locations.

Port Performance

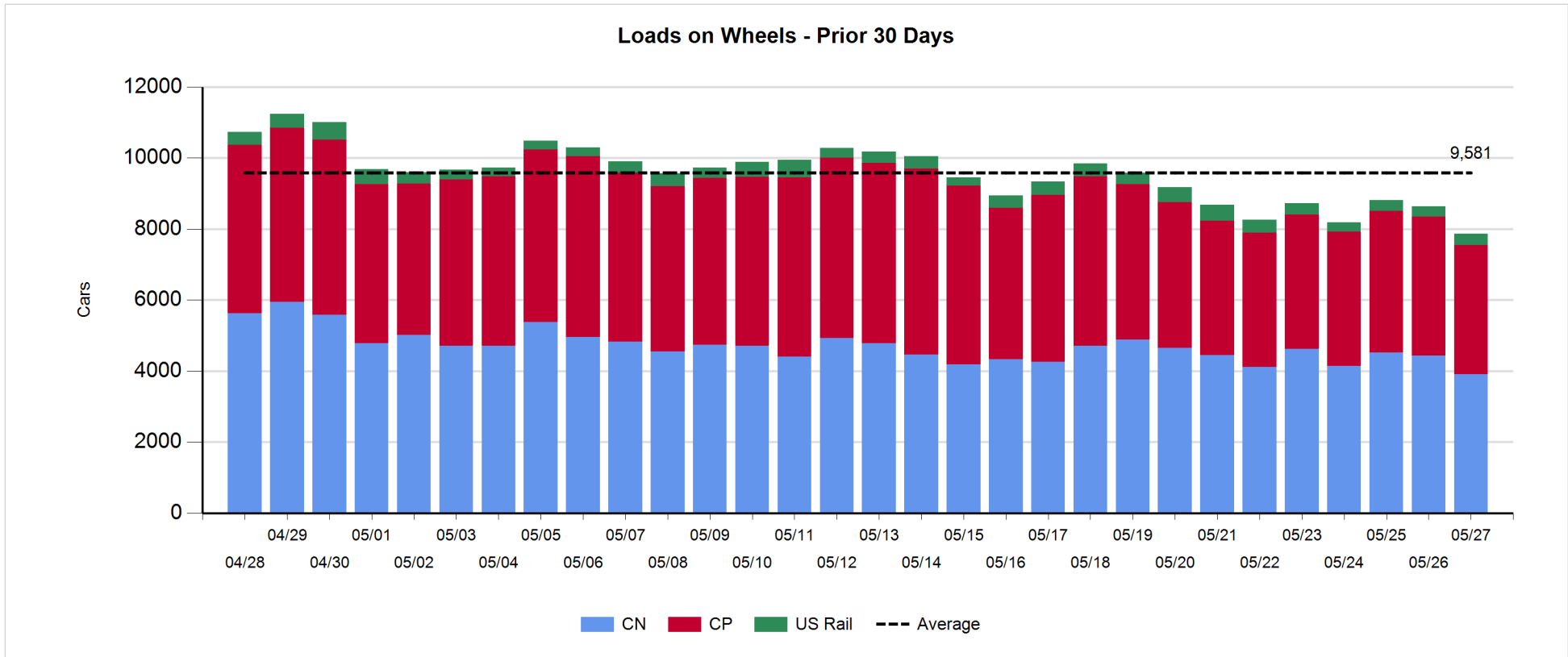
- CN and CP reported a total of 880 cars unloaded at the three western ports. Week 43 port unloads, despite poor finishes to the week at both Prince Rupert and Thunder Bay, came in just under 7,800 for the week some 500 unloads more than the prior week driven by higher unloads at Vancouver.
- Vancouver
 - 880 cars reported unloaded by CN and CP at the Port of Vancouver; CN - 459 and CP - 421.
 - There are 900 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 700+ cars enroute to Vancouver west of Alberta - 450+ Kamloops and west - with 60% of traffic currently moving on CP.
- Prince Rupert
 - No unloads were reported at Prince Rupert both days this past weekend yet finished the week only 50 unloads behind the prior week.
 - Loads on wheels below 1,000 cars.
 - There are 250 cars west of Jasper - 100 Prince George and west.
 - There are currently some 300 cars on site at the Port combined with cars enroute should provide the opportunity for good unloads in the coming days.
- Thunder Bay
 - No unloads reported at Thunder Bay both days this past weekend leading to week 43 performance that fell short of the prior week by just under 200 unloads.
 - There are currently 400+ cars on site at Thunder Bay with 150 cars arriving in the prior 24 hours.
 - There are 300+ cars enroute to Thunder Bay - nearly all of which are Winnipeg and east.
 - With the majority of cars on hand on CN it is expected that unloads should be relatively robust for the next couple of days although there are only a total of 600 cars currently in CN's Thunder Bay pipeline which may negatively impact unload performance later in the week.

Daily Loads on Wheels - 5/27/2018

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN	220	923	600	127	2,039	3,909
CP	182		452	740	2,258	3,632
Short Line	60				33	93
US Rail				236		236
	462	923	1,052	1,103	4,330	7,870

Change in Loads on Wheels - Prior 24 Hours

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN	-67	0	0	-4	-459	-530
CP	0		56	-6	-324	-274
Short Line	12				-8	4
US Rail				31		31
	-55	0	56	21	-791	-769

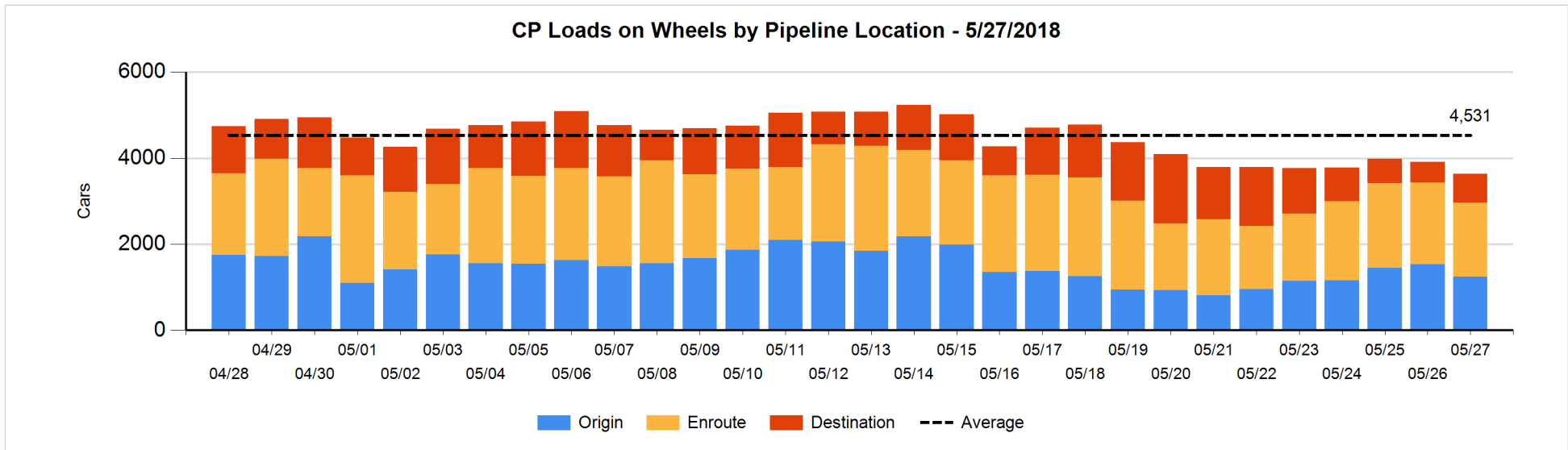
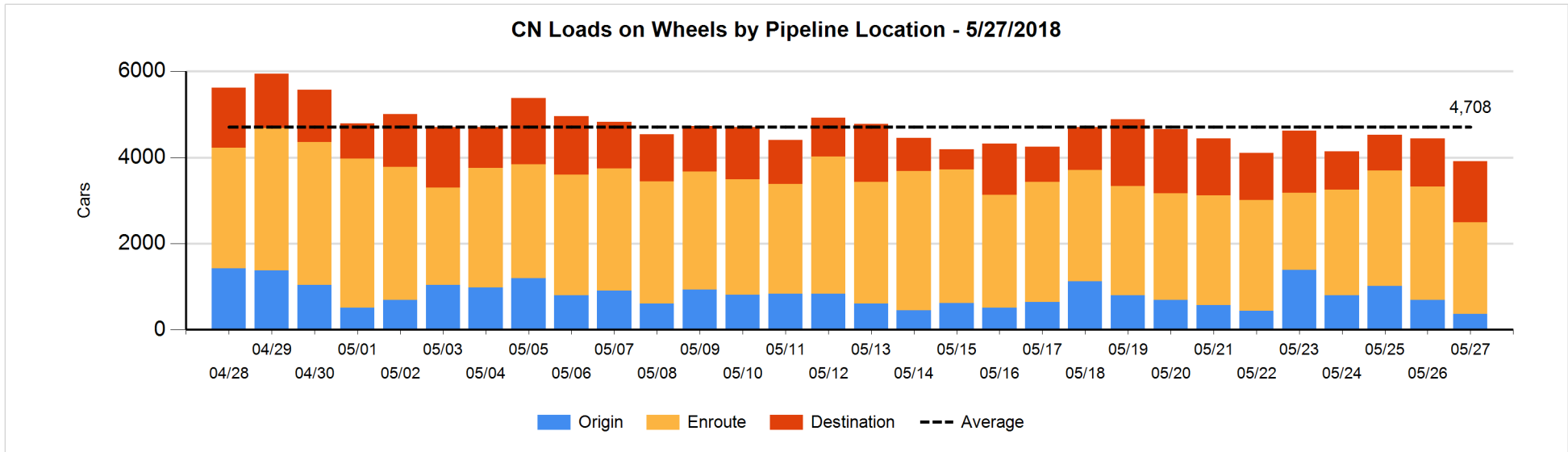


Daily Loads on Wheels By Pipeline Location - 5/27/2018

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN						
Origin	7	130		33	192	362
Enroute	140	434	259	88	1,214	2,135
Destination	73	359	341	6	633	1,412
	220	923	600	127	2,039	3,909
CP						
Origin	55		313	96	774	1,238
Enroute	121		55	569	981	1,726
Destination	6		84	75	503	668
	182		452	740	2,258	3,632
US Rail / Short Line						
Origin						
Enroute	2			177		179
Destination	58			59	33	150
	60			236	33	329

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

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN						
Origin	-1	-143		17	-200	-327
Enroute	-20	11	-100	-21	-365	-495
Destination	-46	132	100	0	106	292
	-67	0	0	-4	-459	-530
CP						
Origin	0		38	-114	-222	-298
Enroute	0		-38	90	-215	-163
Destination	0		56	18	113	187
	0		56	-6	-324	-274
US Rail / Short Line						
Origin						
Enroute	0			8		8
Destination	12			23	-8	27
	12			31	-8	35

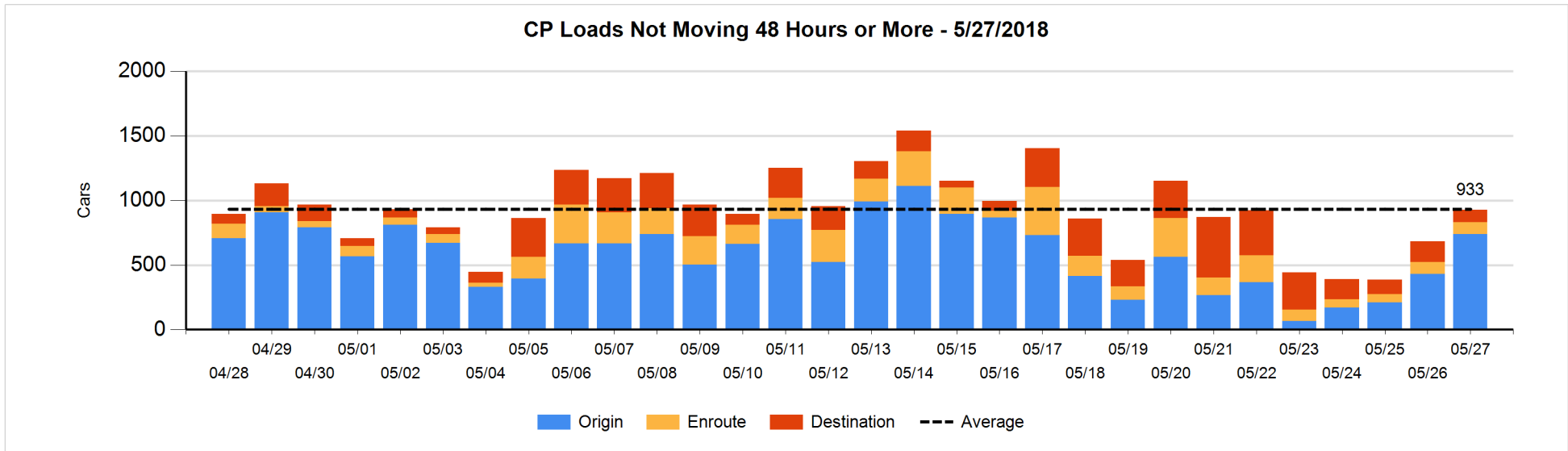
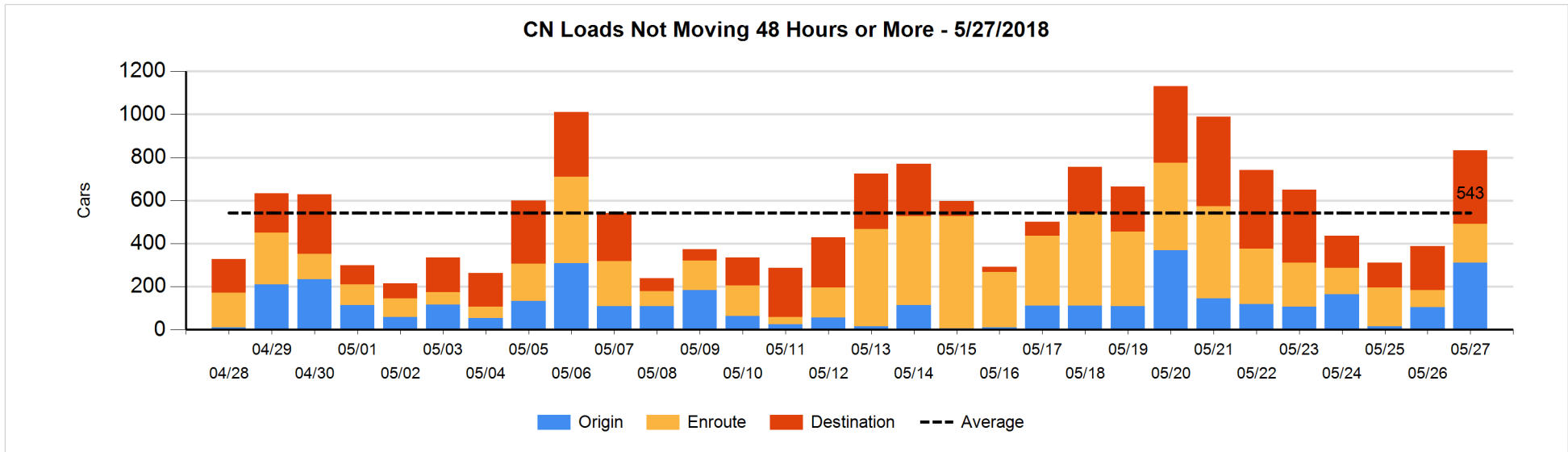


Loads Not Moving 48 Hours or More - 5/27/2018

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN						
Origin	7	106		8	191	312
Enroute	60	95		6	19	180
Destination	50	157	62	6	67	342
	117	358	62	20	277	834
CP						
Origin	55		221	96	366	738
Enroute	1		4	7	80	92
Destination	1		26	8	61	96
	57		251	111	507	926
US Rail / Short Line						
Origin						
Enroute	1			65		66
Destination	46			22	19	87
	47			87	19	153

Change in Loads Not Moving 48 Hours or More - 5/27/2018

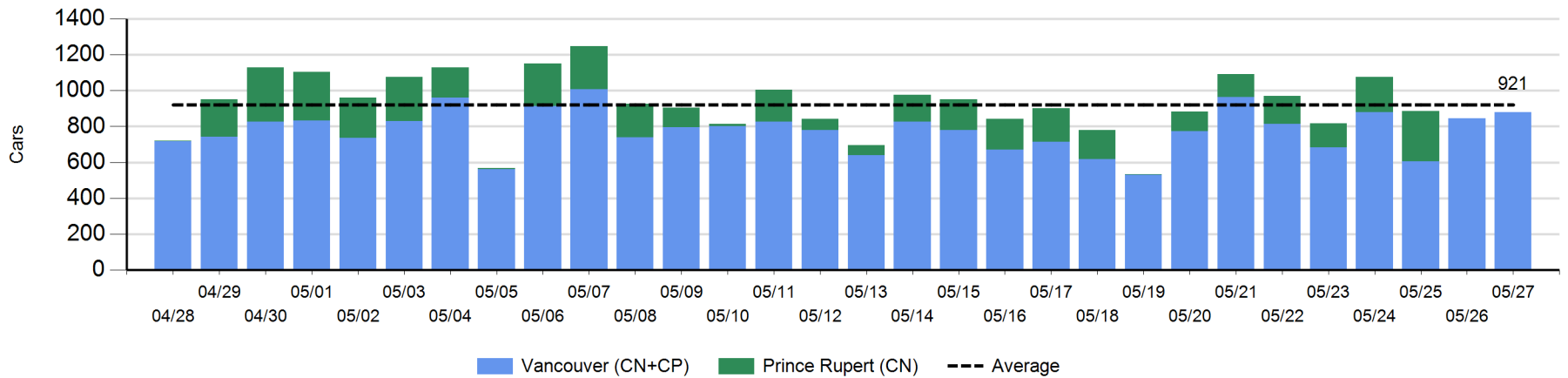
	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN						
Origin	0	105		3	100	208
Enroute	7	92		0	2	101
Destination	-6	105	47	2	-11	137
	1	302	47	5	91	446
CP						
Origin	0		221	0	88	309
Enroute	0		-7	-1	5	-3
Destination	0		3	7	-74	-64
	0		217	6	19	242
US Rail / Short Line						
Origin						
Enroute	0			34		34
Destination	39			1	-4	36
	39			35	-4	70



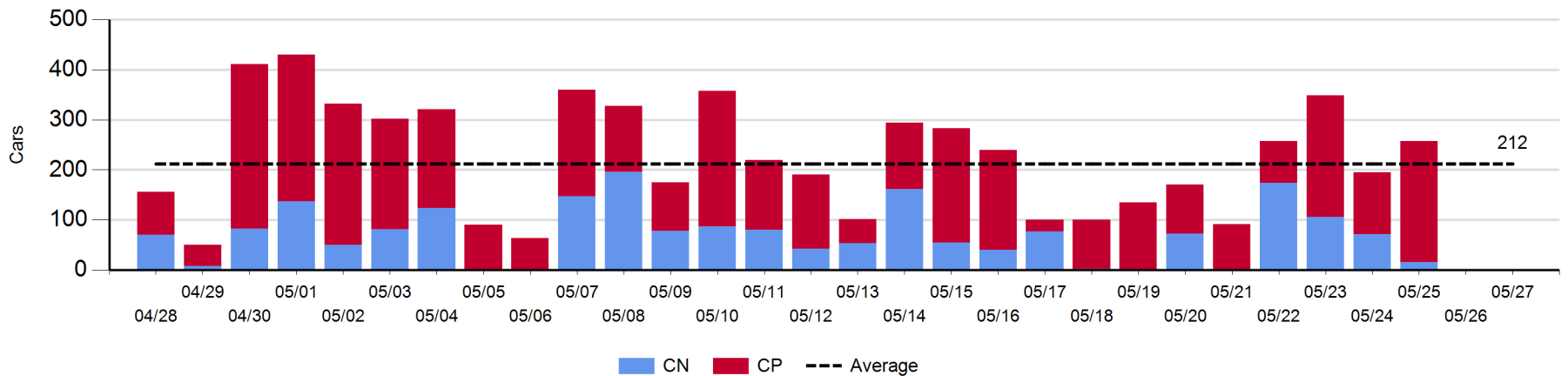
Port Unloads - 5/27/2018

	Prince Rupert	Vancouver	West Coast Total	Thunder Bay	Total
CN		459	459		459
CP		421	421		421
		880	880		880

West Coast Port Unloads - Prior 30 Days



Thunder Bay Port Unloads - Prior 30 Days



Port Terminal Status

Vancouver

Daily Activity for 5/27/2018

	Cars Arrived	Cars Received in Interchange	Cars Delivered in Interchange	Cars Placed for Unloading	Loads on Wheels at Destination As of 5/27/2018
CN	500	173	200	304	633
CP	598	199	173	515	503
SRY		1		5	33

Port Unloads

	05/27	05/26	Week To Date	Last Week
CN	459	404	2,856	2,264
CP	421	440	2,809	2,651
SRY	8	6	74	82

Age Profile of Loaded Cars Waiting Placement for Unloading

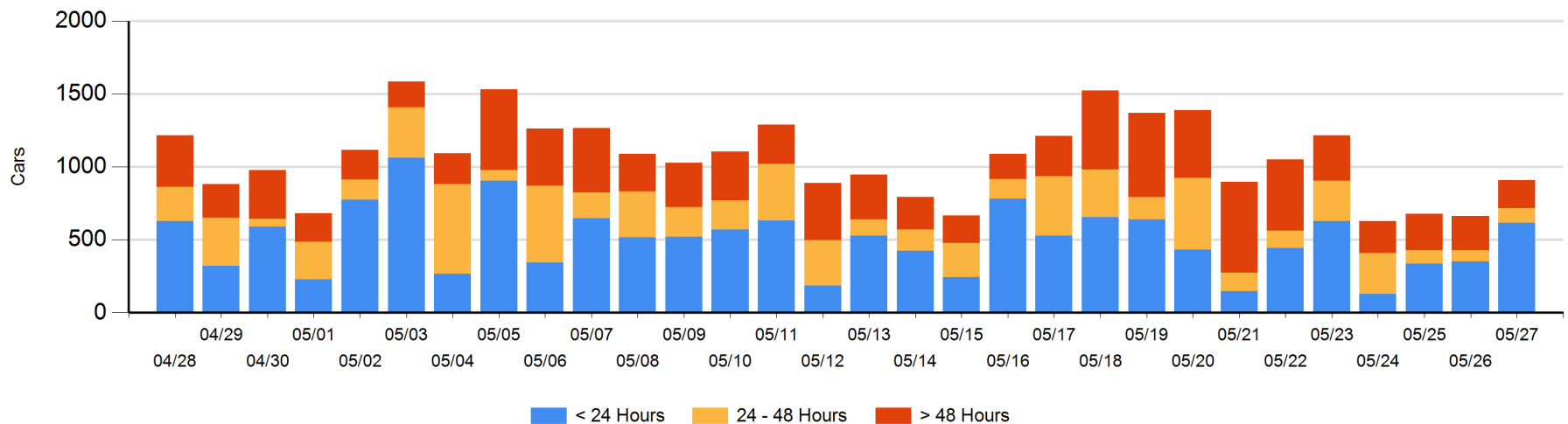
Today

	< 24 Hrs	24 - 48 Hrs	> 48-72 Hrs	> 72 Hrs	Total On Hand
CN	348	14	1	55	418
CP	269	85	65	73	492
SRY					0

Change in Last 24 Hours

	< 24 Hrs	24-48 Hrs	48 - 72 Hrs	> 72 Hrs
CN	302	13	-24	-18
CP	-36	8	52	-49
SRY				

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



Port Terminal Status

Prince Rupert

Daily Activity for 5/27/2018

	Cars Arrived	Cars Received in Interchange	Cars Delivered in Interchange	Cars Placed for Unloading	Loads on Wheels at Destination As of 5/27/2018
CN	132			95	359

Port Unloads

	05/27	05/26	Week To Date	Last Week
CN			901	950

Age Profile of Loaded Cars Waiting Placement for Unloading

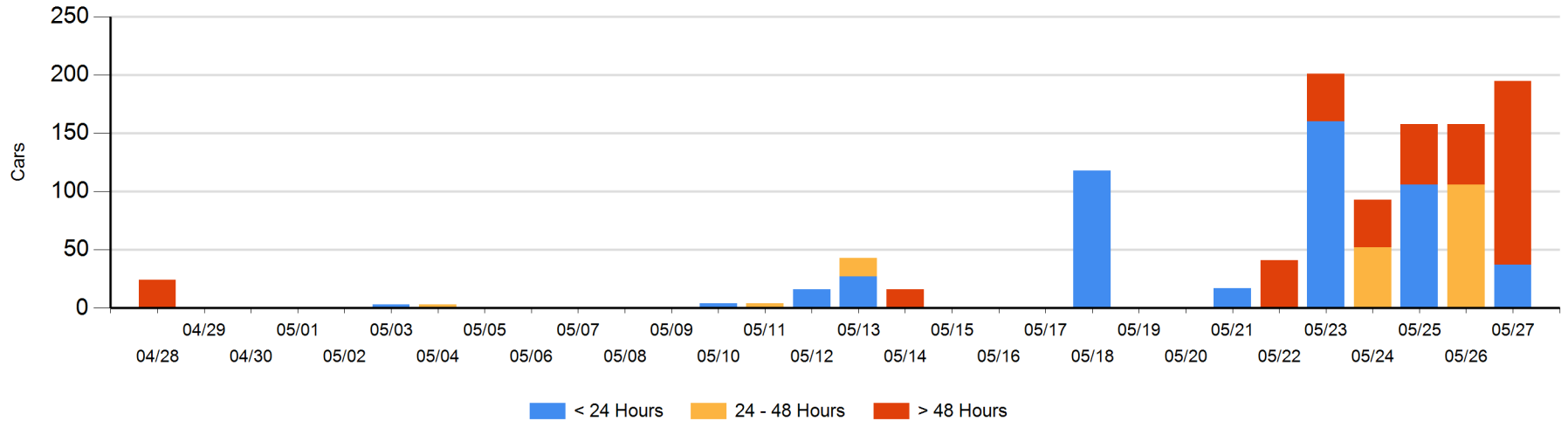
Today

	< 24 Hrs	24 - 48 Hrs	> 48-72 Hrs	> 72 Hrs	Total On Hand
CN	37		106	52	195

Change in Last 24 Hours

	< 24 Hrs	24-48 Hrs	48 - 72 Hrs	> 72 Hrs
CN	37	-106	106	0

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



Port Terminal Status

Thunder Bay

Daily Activity for 5/27/2018

	Cars Arrived	Cars Received in Interchange	Cars Delivered in Interchange	Cars Placed for Unloading	Loads on Wheels at Destination As of 5/27/2018
CN	100			100	341
CP	56			58	84

Port Unloads

	05/27	05/26	Week To Date	Last Week
CN			367	408
CP			782	915

Age Profile of Loaded Cars Waiting Placement for Unloading

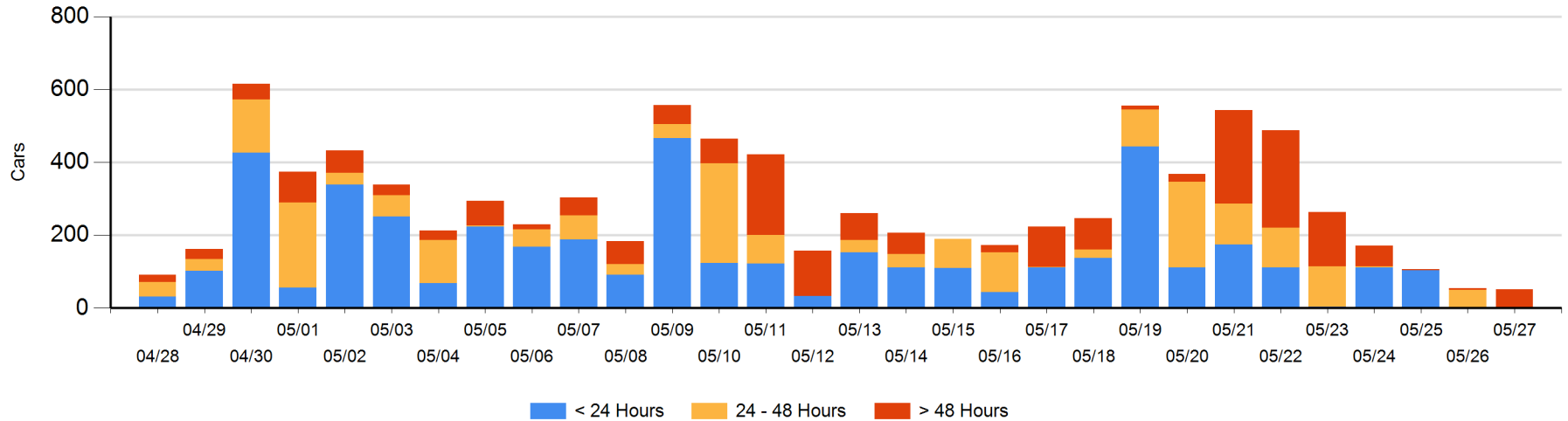
Today

	< 24 Hrs	24 - 48 Hrs	> 48-72 Hrs	> 72 Hrs	Total On Hand
CN			48	4	52
CP					0

Change in Last 24 Hours

	< 24 Hrs	24-48 Hrs	48 - 72 Hrs	> 72 Hrs
CN		-48	48	0
CP	-2			

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>