

MatchBack Systems COVID-19 Impact & Response

Updates – 3/19/2020 through 3/27/2020

3/27/2020 - MatchBack Systems Import Index

MatchBack Systems first Import Freight Index

Import supply is the most significant factor for empty containers to move international and domestic export freight. The COVID-19 pandemic has significantly impacted container supply locations, volumes and fluidity. Along with our Import Gateway Analysis, you begin to see the overall impact and change in our Index (see under Analysis section).

We will track the weekly import volumes YoY from a basket of MatchBack Systems customers across a base of ocean carriers, 3PLs and port truckers. We have indexed the volumes from January 2019 and will provide weekly updates on actual deliveries and, even more importantly, forecast the next several weeks.

We have seen a 34% decrease in imports YTD, but note the wave of imports planned to start in week 16. This will likely be followed by a trough as demand dwindles from non-essential importers, like retail, and unplanned DC closures delay the reload and return of the empty container.

We will continue to share the analysis with the industry and provide container optimization opportunities for our customers.

3/23/2020 - Delivery - The Next Link in the Supply Chain to be Challenged

As China production increases and product begins to flow, will companies be able to accept the shipments?

From empty containers in NAM to production in Asia, we've been tracking the global supply chain flow of containers and product. The next wave will break over the distribution centers.

Anecdotally we have heard of several businesses closing for two weeks and not accepting their deliveries. More companies have adopted this approach in the last few days.

We are seeing a series of companies announce closures or retooling of the supply chains to move critical product only. Amazon is accepting only "[essential deliveries](#)"; [automotive](#) and [manufacturing](#) plants are shuttering over concern for employee safety or lack of supplies. This will further delay the unload, reposition and reload of containers.

We will continue to monitor each link of the supply chain as we move forward.

3/23/2020 - MatchBack Systems Predicts Waves, not a Steady State of Container Supply

Restarting of the global supply chain will roll through the industry in waves. We anticipate surges, declines and delays in the supply chain.

After the Lunar New Year slowdown, there was the shuttering of Asian production to combat COVID-19 for most of February. Next was the repositioning of empty containers from NAM and EU to support the production.

We are now preparing to see a surge as carriers deliver initial Asia supply to NAM and EU. This surge will tax the port and trucking communities as they cope with infrastructure challenges – labor, delivery locations and even toll booths being manned.

This surge will be followed by a decline or trough as exports are loaded and additional empty containers are repositioned back to Asia.

Global supply chain delays will lengthen the period between the wave and trough as it will take months for fluidity to return to the market. Containers will be out of position; container throughput will be lowered as facilities are slowed, closed or otherwise impacted as the fluidity of the supply chain is challenged by the global response to COVID-19.

3/20/2020 - MatchBack Systems Gateway Analysis

This week's Gateway Analysis Highlights:

- A pick up week over week in overall imports planned, but still down 26% year over year.
- Chicago, Atlanta, Memphis, Columbus, Detroit, LA and NY/NJ show the greatest YoY negative impact for cargo flows.
- From a percent, Detroit has less than half the import container availability YoY.
- Conversely, we see imports increasing in some markets from 2019 – Omaha, Charleston and Kansas City.