

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 prior 3 weeks unloads have averaged approximately 900 unloads per week in line with the expected levels given the reduced capacity.

SPEED READ

- Loads on wheels were effectively unchanged overnight reflecting a nominal increase on CP offset by a reduction on US carriers. Loads on wheels remain below the 8,000 car threshold for the fifth consecutive day.
- The count of loads on wheels is expected to begin to rise in the coming days most notably on CP as a result of the resolution of the labour disruption and the resumption of freight operations effective with Thursday morning. CN traffic levels however are thought to remain around the 3,000 car mark in the short term - where they have been for the last three days with CN order volumes totaling only 6,000 cars in the last 2 weeks. Preliminary indications are that week 45 orders will be higher than the last two weeks which should increase traffic levels by early next week.
- Network fluidity deteriorated somewhat overnight, most notably on CP for the second consecutive day where the count of idle cars rose by more than 50% overnight reaching the highest levels in two weeks. As was noted yesterday the increase seen in the last 48 hours is likely a reflection of the 36 hour work stoppage that ended as of Thursday morning. Counts may increase again over the next 24 hours as operations on CP resume however we would expect to see counts begin to decline again within 48-72 hours.
- Week 44 unloads now tracking more than 700 unloads behind last week's pace attributable wholly to a 700+ unload drop off at Vancouver while Rupert remains slightly ahead and Thunder Bay slightly behind last week's pace. Over the last 48 hours Vancouver unloads have dropped 30% below the trailing 30 day average. Given the relative sparseness of the inbound pipeline as CP operations resume it is likely that unloads will remain below average levels in the coming days. Average daily unloads of 800 cars is required for the remainder of the week to reach 5,000 for the week.
- The Thunder Bay pipeline is re-charging based on the resumption of CP service and assuming timely inbound movement should be in a position to see strong unloads in the latter part of the week. The Prince Rupert pipeline is at its thinnest in months with only 420 cars in total and fewer than 100 inbound cars west of Edmonton. It is expected that unloads at the Port will drop off in the coming days.

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Loads on Wheels

- Loads on wheels were unchanged overnight - now at 7,354 - remains below the 8,000 car threshold for the fifth consecutive day and 20% below the trailing 30 day average
- While unchanged on the whole, CP (+106) volumes rose slightly while CN stood pat.
- On a net basis the increase in loads on wheels reflects principally higher volumes in the Vancouver corridor (+307) offset by declines in the US (-215) and Prince Rupert (-172) corridors.
- CN volumes were unchanged in total but reflect higher volumes in the Vancouver corridor offset by a decline in the Prince Rupert corridor. System wide CN loads on wheels now at 3,091 - 31% below the trailing 30 day average.
- CP volumes increased in 2 of 4 corridors led by Vancouver (+171). CP system wide loads on wheels now at 3,978 - below the 4,000 car threshold for the 11th consecutive day and 10% below the trailing 30 day average.
- Vancouver now at 4,639 - 17% below the trailing 30 day average.
- The Prince Rupert pipeline currently sits at 420 - down 30% overnight, at the lowest level seen in months and 56% below the trailing 30 day average.
- Thunder Bay volumes up slightly on both railways remaining below 1,000 cars and 11% below the trailing 30 day average - with 70% of traffic currently on CP.

Hopper Car Rationing

- No hopper car rationing has been reported for either CN or CP in week 43.

Loads Not Moving

- **The count of cars not moving for 48+ hours rose 43% (510 cars) overnight reflecting increases on both CN and CP. The count of idle cars now stands at 1,690.**
- CN
 - **The count of idle cars increased only slightly overnight - idle car counts now at 389.**
 - The number of cars idle for 4+ days down slightly overnight - now below 100 cars.
 - The count of cars not moving for 7+ days doubled overnight - now approaching 100 cars.
 - Vancouver represents only 58% of all idle cars.
- CP
 - **CP counts increased 55% overnight and has now increased by almost 900 cars over the last 48 hours. The count of idle cars on CP now at 1,301 - the highest level in two weeks.**
 - The number of cars idle for 4+ days down slightly overnight - remains near 350 cars.
 - The count of cars idle for 7+ days doubled overnight - now nearing 200 cars.
 - Vancouver continues to account for the majority of all idle cars (80%).
 - In total 66% of all idle cars are dwelling at origin locations.

Port Performance

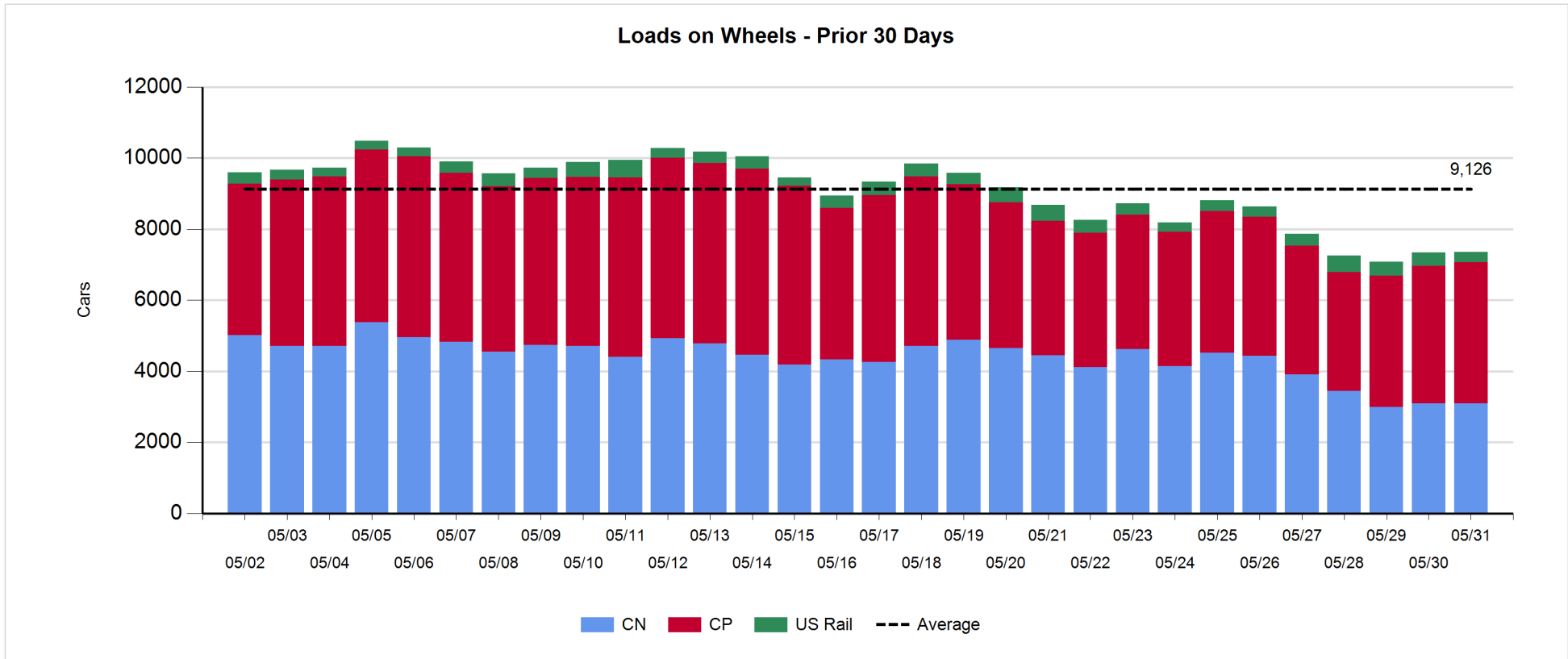
- CN and CP reported a total of 795 cars unloaded at the three western ports. Four days into week 44 unloads now lag last week's pace by more than 700 unloads reflecting a 700+ unload drop at Vancouver with Thunder Bay nominally lower and Prince Rupert still ahead of last week.
- Vancouver
 - 559 cars reported unloaded by CN and CP at the Port of Vancouver; CN - 287 and CP - 272.
 - There are fewer than 350 cars on hand at Vancouver waiting placement for unloading - with fewer than 200 cars arriving at the port in the last 24 hours.
 - CN and CP have 600+ cars enroute to Vancouver west of Alberta - only 300 Kamloops and west - with 60% of traffic currently moving on CN.
- Prince Rupert
 - 173 unloads reported at Prince Rupert resulting in week to date unloads continuing to run ahead of last week's pace.
 - Loads on wheels at 420 - the lowest level in months.
 - There are fewer than 100 cars west of Jasper - with about half of these Prince George and west.
 - There are currently less than 50 cars on site at the Port and with no cars west of Edmonton apart from those west of Jasper it is expected that unloads will drop off within a day.
- Thunder Bay
 - 63 unloads reported at Thunder Bay - now tracking nominally behind last week's pace.
 - There are fewer than 200 cars on site at Thunder Bay with no cars arriving at the Port in the prior 24 hours.
 - There are now 600+ cars enroute to Thunder Bay - 400 Winnipeg and east. Assuming timely movement of these cars into Thunder Bay there should be ample cars for unloading on the weekend.

Daily Loads on Wheels - 5/31/2018

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN	366	420	279	91	1,935	3,091
CP	120		714	449	2,695	3,978
Short Line	23				9	32
US Rail				253		253
	509	420	993	793	4,639	7,354

Change in Loads on Wheels - Prior 24 Hours

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN	33	-172	16	-16	138	-1
CP	-1		31	-95	171	106
Short Line	17				-2	15
US Rail				-104		-104
	49	-172	47	-215	307	16

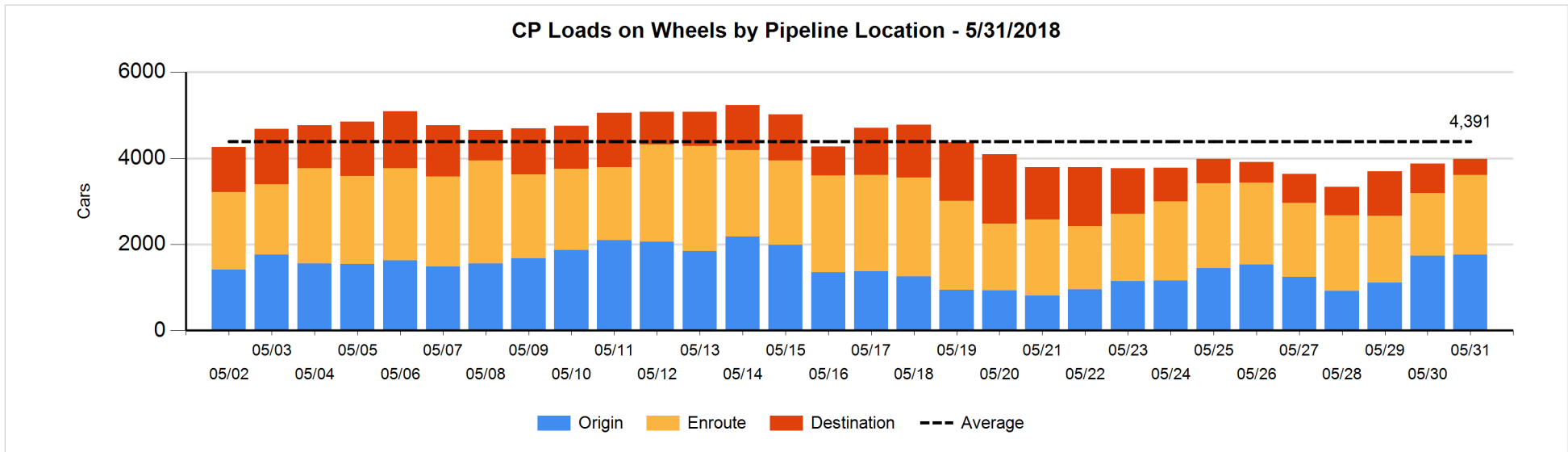
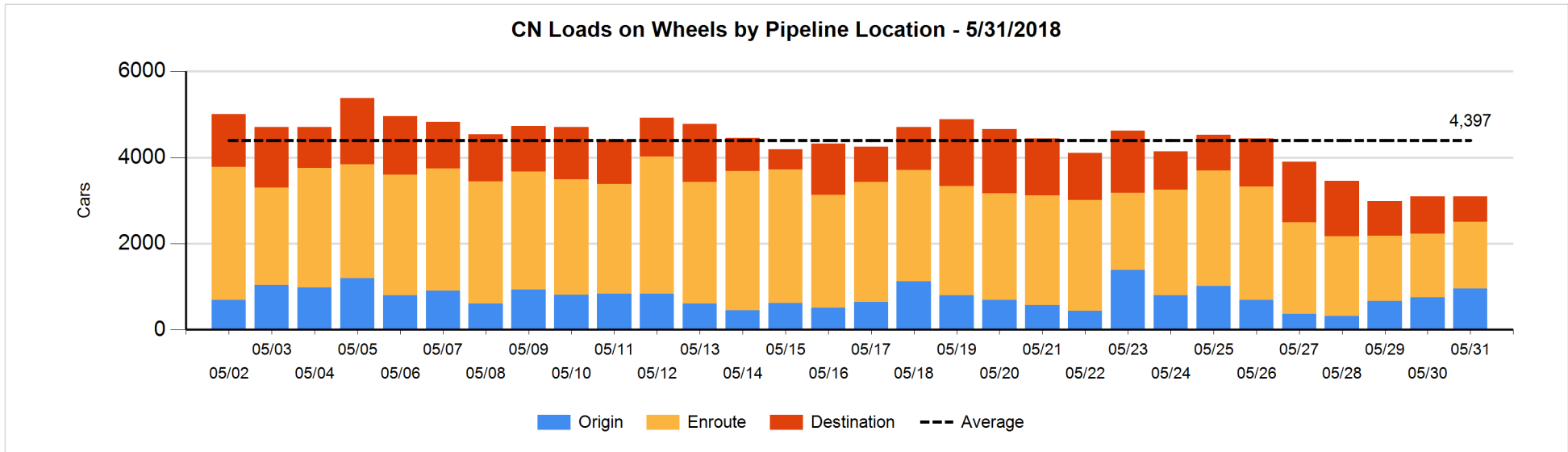


Daily Loads on Wheels By Pipeline Location - 5/31/2018

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN						
Origin	50	110	48	6	744	958
Enroute	255	273	103	76	845	1,552
Destination	61	37	128	9	346	581
	366	420	279	91	1,935	3,091
CP						
Origin	56		171	108	1,419	1,754
Enroute	64		543	292	962	1,861
Destination				49	314	363
	120		714	449	2,695	3,978
US Rail / Short Line						
Origin	5					5
Enroute	2			155		157
Destination	16			98	9	123
	23			253	9	285

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

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN						
Origin	45	-98	-54	-5	318	206
Enroute	-14	46	102	-9	-52	73
Destination	2	-120	-32	-2	-128	-280
	33	-172	16	-16	138	-1
CP						
Origin	-1		-169	-2	185	13
Enroute	0		231	-60	244	415
Destination			-31	-33	-258	-322
	-1		31	-95	171	106
US Rail / Short Line						
Origin	5					5
Enroute	0			39		39
Destination	12			-143	-2	-133
	17			-104	-2	-89

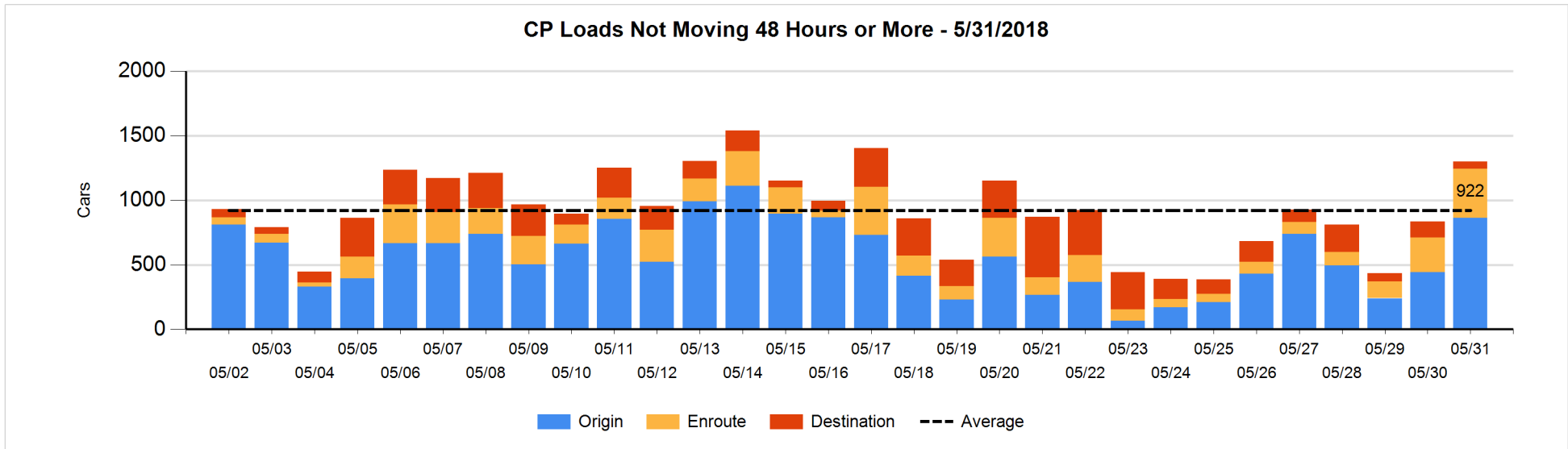
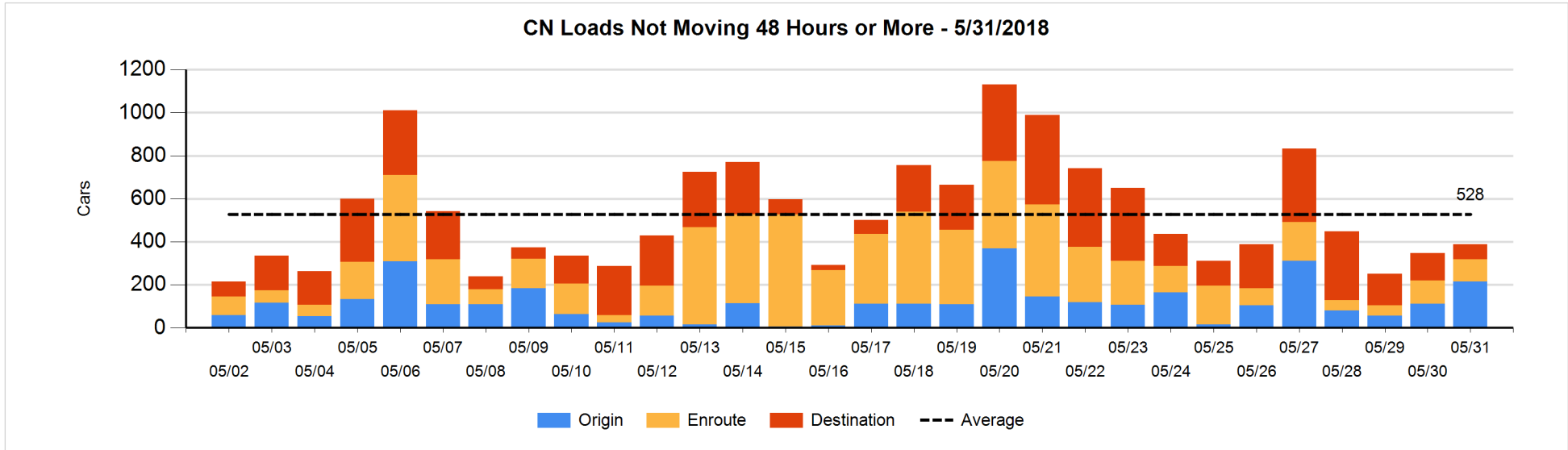


Loads Not Moving 48 Hours or More - 5/31/2018

	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN						
Origin	1	8			206	215
Enroute	81	2		9	11	103
Destination	58	1	2	1	9	71
	140	11	2	10	226	389
CP						
Origin			115	55	692	862
Enroute	7		11	55	309	382
Destination				24	33	57
	7		126	134	1034	1301
US Rail / Short Line						
Origin						
Enroute	2			27		29
Destination	4			20	6	30
	6			47	6	59

Change in Loads Not Moving 48 Hours or More - 5/31/2018

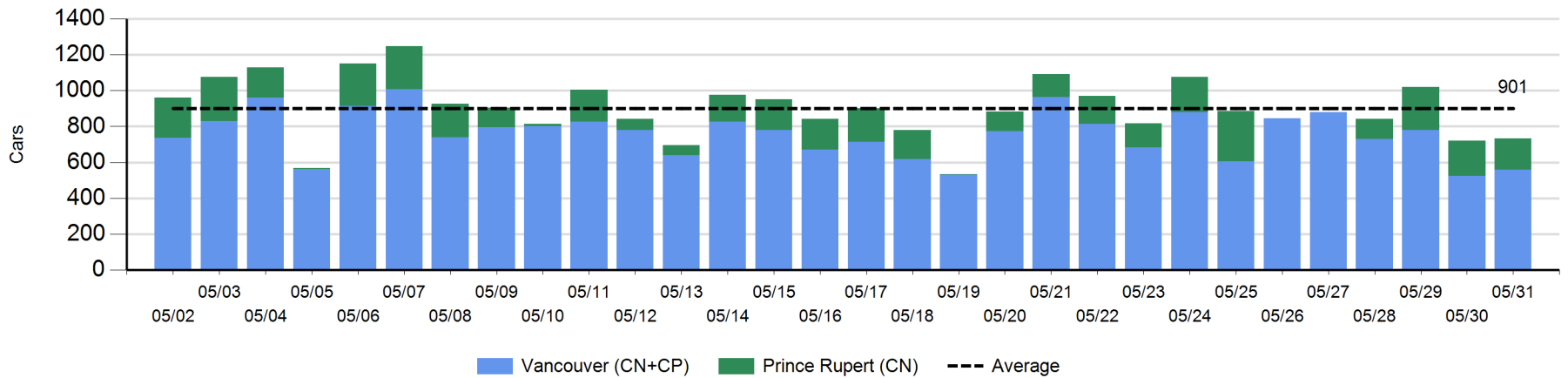
	E Canada	Prince Rupert	Thunder Bay	USA/MEX	Vancouver	Total
CN						
Origin	0	0			104	104
Enroute	0	-4		0	-1	-5
Destination	21	-20	-1	-2	-54	-56
	21	-24	-1	-2	49	43
CP						
Origin			103	48	269	420
Enroute	-8		-1	-68	190	113
Destination				4	-70	-66
	-8		102	-16	389	467
US Rail / Short Line						
Origin						
Enroute	0			-1		-1
Destination	0			-7	-4	-11
	0			-8	-4	-12



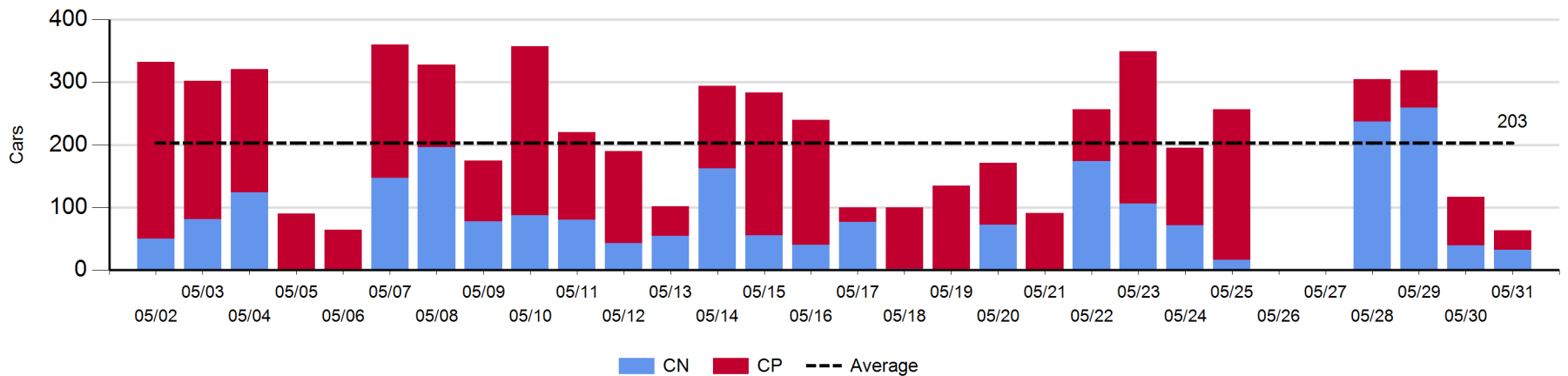
Port Unloads - 5/31/2018

	Prince Rupert	Vancouver	West Coast Total	Thunder Bay	Total
CN	173	287	460	32	492
CP		272	272	31	303
	173	559	732	63	795

West Coast Port Unloads - Prior 30 Days



Thunder Bay Port Unloads - Prior 30 Days



Port Terminal Status

Vancouver

Daily Activity for 5/31/2018

	Cars Arrived	Cars Received in Interchange	Cars Delivered in Interchange	Cars Placed for Unloading	Loads on Wheels at Destination As of 5/31/2018
CN	160			194	346
CP	13			353	314
SRY				4	9

Port Unloads

	05/31	05/30	Week To Date	Last Week
CN	287	283	1,341	2,856
CP	272	242	1,251	2,809
SRY	2	18	42	74

Age Profile of Loaded Cars Waiting Placement for Unloading

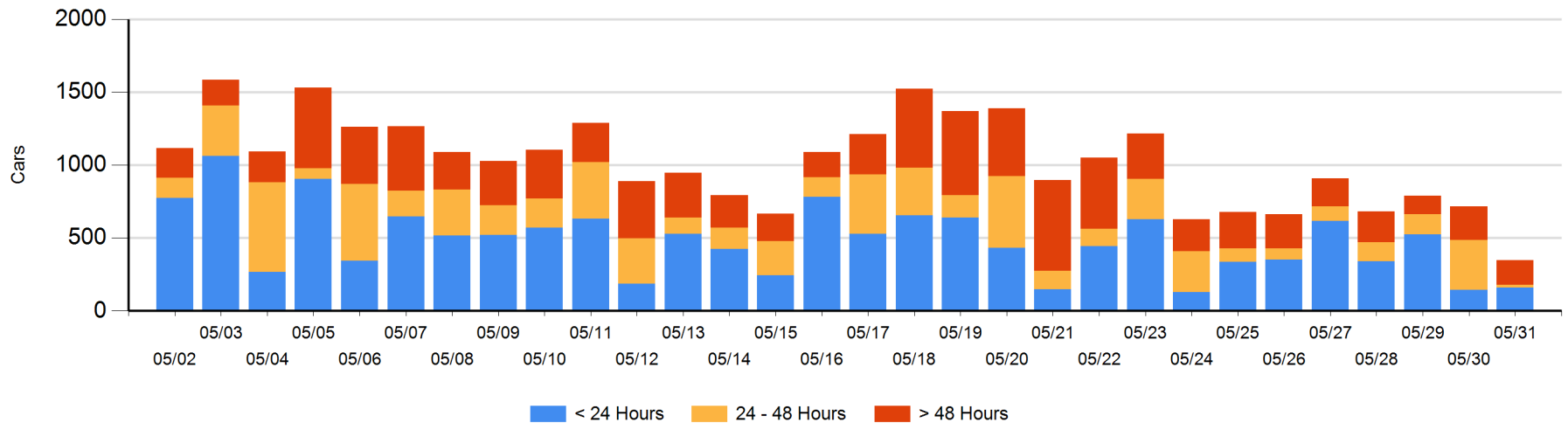
Today

	< 24 Hrs	24 - 48 Hrs	> 48-72 Hrs	> 72 Hrs	Total On Hand
CN	160	20	1	3	184
CP			121	43	164
SRY					0

Change in Last 24 Hours

	< 24 Hrs	24-48 Hrs	48 - 72 Hrs	> 72 Hrs
CN	15	-141	-63	-23
CP		-180	52	-29
SRY				

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



Port Terminal Status

Prince Rupert

Daily Activity for 5/31/2018

	Cars Arrived	Cars Received in Interchange	Cars Delivered in Interchange	Cars Placed for Unloading	Loads on Wheels at Destination As of 5/31/2018
CN		52		72	37

Port Unloads

	05/31	05/30	Week To Date	Last Week
CN	173	195	720	901

Age Profile of Loaded Cars Waiting Placement for Unloading

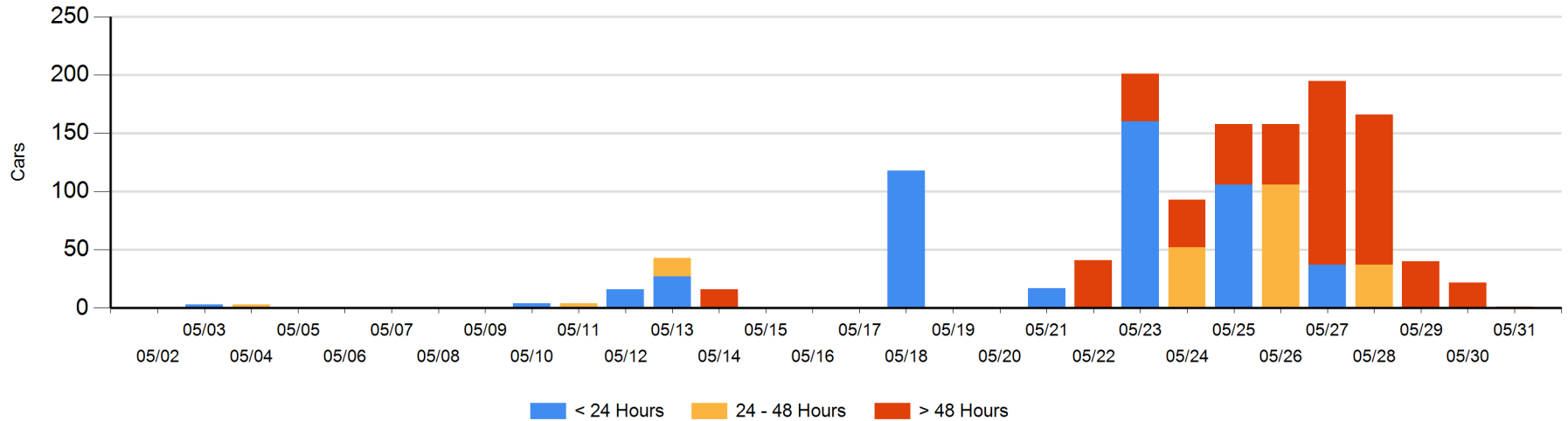
Today

	< 24 Hrs	24 - 48 Hrs	> 48-72 Hrs	> 72 Hrs	Total On Hand
CN				1	1

Change in Last 24 Hours

	< 24 Hrs	24-48 Hrs	48 - 72 Hrs	> 72 Hrs
CN				-21

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



Port Terminal Status

Thunder Bay

Daily Activity for 5/31/2018

	Cars Arrived	Cars Received in Interchange	Cars Delivered in Interchange	Cars Placed for Unloading	Loads on Wheels at Destination As of 5/31/2018
CN				72	128
CP				18	

Port Unloads

	05/31	05/30	Week To Date	Last Week
CN	32	39	567	367
CP	31	78	237	782

Age Profile of Loaded Cars Waiting Placement for Unloading

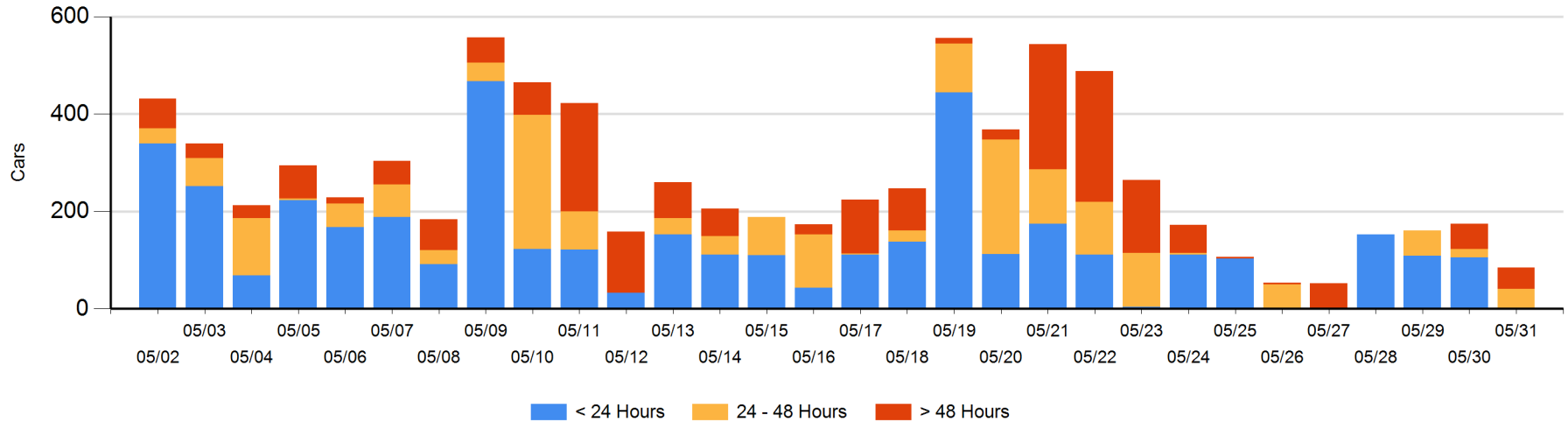
Today

	< 24 Hrs	24 - 48 Hrs	> 48-72 Hrs	> 72 Hrs	Total On Hand
CN		41		44	85
CP					0

Change in Last 24 Hours

	< 24 Hrs	24-48 Hrs	48 - 72 Hrs	> 72 Hrs
CN	-105	41	-52	44
CP		-18		

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>