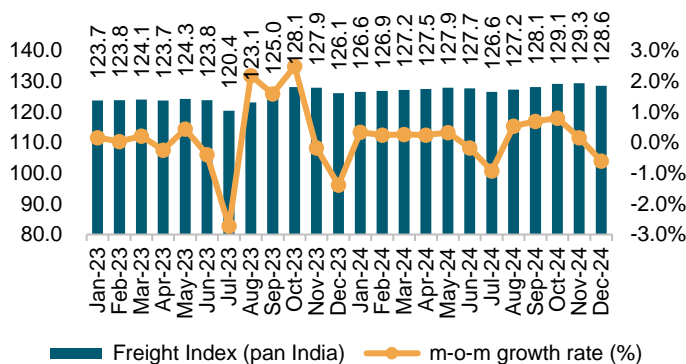


## Year-end sees restricted freight movement; freight index decreases over last month.

### Crisil pan-India freight index (CRISFrex)™



Source: Crisil Intelligence

Agricultural sentiments have remained steady in December. Farmers are feeling optimistic about the current season for a number of reasons, including a sufficient monsoon, on-time payments, and favorable crop prices. November witnessed a considerable movement of finished crops from farmlands to Mandis for procurement, whereas December, in comparison to November, witnessed restricted movement which resulted in a marginal decrease in freight rates for agricultural products.

The automotive sector faced moderated activity in December due to demand-side limitations in passenger vehicles (PV) and two-wheelers (2W). Although y-o-y growth remained either positive or steady for many manufacturers, month-over-month declines limited vehicle transportation from production facilities to dealerships. Elevated dealer inventories, particularly in the PV segment, further suppressed auto freight rates.

Freight transportation for steel and cement was restricted due to a slowdown in construction activities. Delays in project awarding, influenced by some state elections, further dampened construction-related demand.

In the FMCG/FMCD sector, cooler temperatures have led to a slowdown in demand for appliances like ACs,

refrigerators and cold beverages too; thus affecting freight movement. However, overall demand for these categories continues to show stability.

December's marriage season played a significant role in driving freight movement, particularly for parcels/loose goods, market load, and FMCG, with notable activity in northern states where weddings are celebrated extensively on large scales.

**For commodities like Agri products, Containers, Parcel/loose goods, Cement, Petroleum Tankers and Textiles; utilisation levels have remained stable over last month. Auto-carriers, FMCG/FMCD, Mining products and Steel witnessed dip in utilisation levels. Whereas Market load witnessed slight uptick in utilisation levels.**

### Freight rates for different combinations

No of combinations*	May -24	Jun -24	Jul -24	Aug -24	Sep -24	Oct -24	Nov -24	Dec -24
>1% Increase in freight rates	47	23	3	34	51	59	10	7
>1% Decrease in freight rates	42	34	54	5	2	6	11	44
Within ±1% of last month's freight rate	70	102	102	120	106	94	138	108
Total	159	159	159	159	159	159	159	159

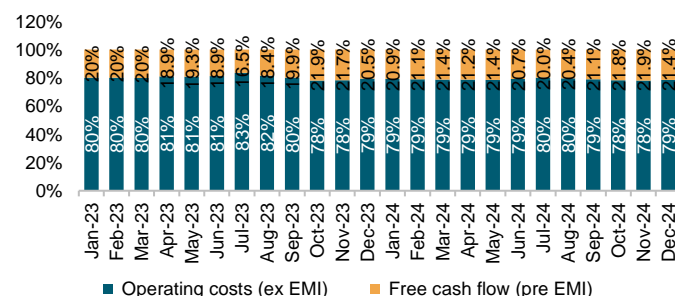
\* Refers to route-commodity combinations

Source: Crisil Intelligence

**In December 2024, ~68% of the combinations saw freight rates increase/decrease within 1% of last month's freight rates.**

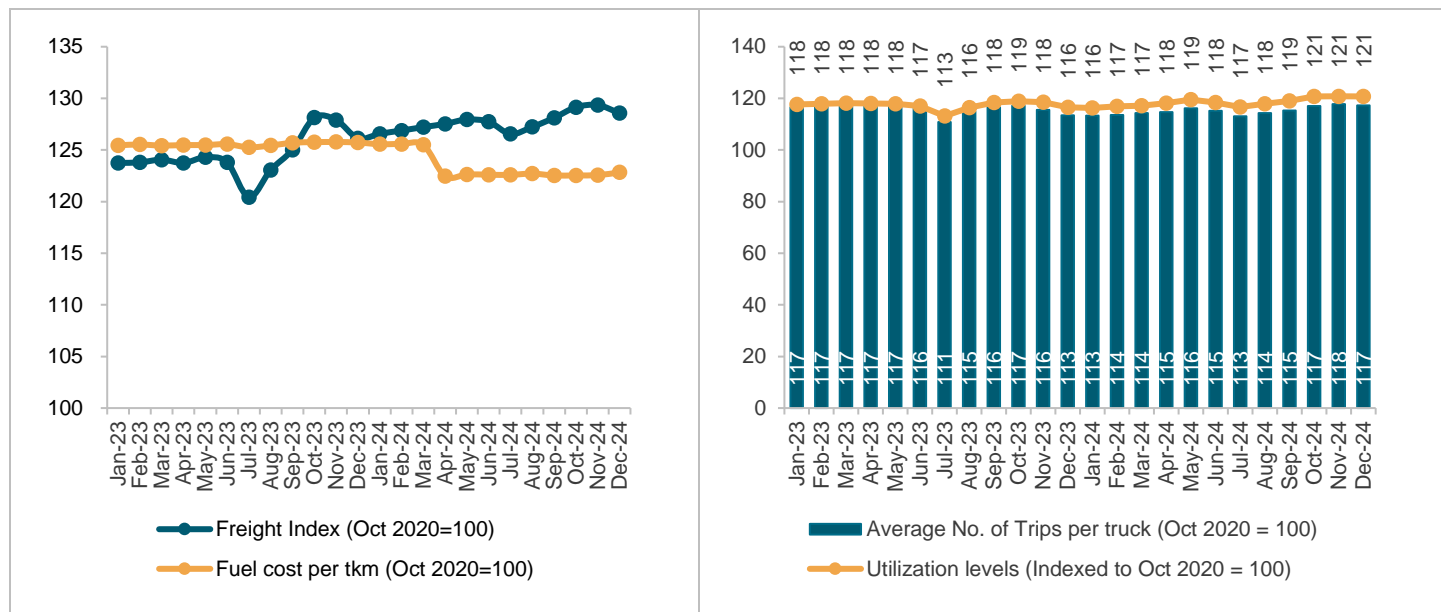
### Transporter profitability margins

Stability/decrease in freight rates for most commodities have resulted in ~0.52% decrease in free cash flow (FCF; pre-equated monthly instalment, or EMI) for transporters.



Source: Crisil Intelligence

## Freight rates and utilisation trend



Source: Crisil Intelligence

## Freight rates have either decreased or remained stable for most commodities in December'24 month (October 2020 pan-India average =100)

Commodity	Oct-20	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Agri-products	106	126	126	124	125	125	123	124	124	124	125	123
Auto-carriers	83	112	112	112	113	113	112	113	114	115	115	114
Cement	105	139	140	141	141	140	138	139	139	141	141	140
Container	83	98	98	98	98	99	98	99	99	99	99	99
FMCG/FMCD	135	167	167	169	171	172	170	171	174	175	176	174
Market load	101	129	130	130	129	128	127	127	128	129	129	128
Mining products	88	134	135	135	135	134	132	133	132	133	133	132
Parcel/loose goods	116	138	138	139	139	139	138	139	141	142	142	142
Petroleum tankers	86	111	111	111	111	112	111	112	112	113	113	112
Steel	85	110	111	111	112	111	110	111	112	113	113	112
Textiles	84	119	119	120	120	119	119	119	120	121	121	120

Notes:

- 1) The freight analysis is based on Crisil's assessment of 159 unique application combinations across 32 routes and 11 commodity types.
- 2) Operating costs include fuel, driver, toll, maintenance, and tyre costs.

Source: Crisil Intelligence

## **CRISFrex™ and FCF signals**

Freight rates have decreased either marginally or significantly for commodities like Agri products, Auto-carriers, Cement, FMCG/FMCD, Market Load, Mining products, Petroleum Tankers, Steel and Textiles and FMCG/FMCD. Whereas rates have remained stable for Containers and Parcel/loose goods.

As a result, overall CRISFrex have shown decline in December'24 month.

## **Methodology**

Crisil incorporates the views of 100-150 transporters to understand freight dynamics and operational aspects such as number of trips undertaken and key cost heads (fuel, driver, toll, tyre, and maintenance).

This exercise is conducted on a closed sample of 159 route-commodity combinations, spanning 32 routes, 11 commodity types, and five truck platforms with differing load bodies, depending on the commodity carried.

Crisil's analysis provides an aggregated view of the data collected to arrive at a holistic picture of the overall trucking scenario in India.

## CRISIL Intelligence analytical contacts

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Crisil Intelligence is a leading provider of research, consulting, risk solutions and advanced data analytics, serving clients across government, private and public enterprises. We leverage our expertise in data-driven insights and strong benchmarking capabilities to help clients navigate complex external ecosystems, identify opportunities and mitigate risks. By combining cutting-edge analytics, machine learning and AI capabilities with deep industry knowledge, we empower our clients to make informed decisions, drive business growth and build resilient capacities.

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