

Truckload Market Overview

May 2026

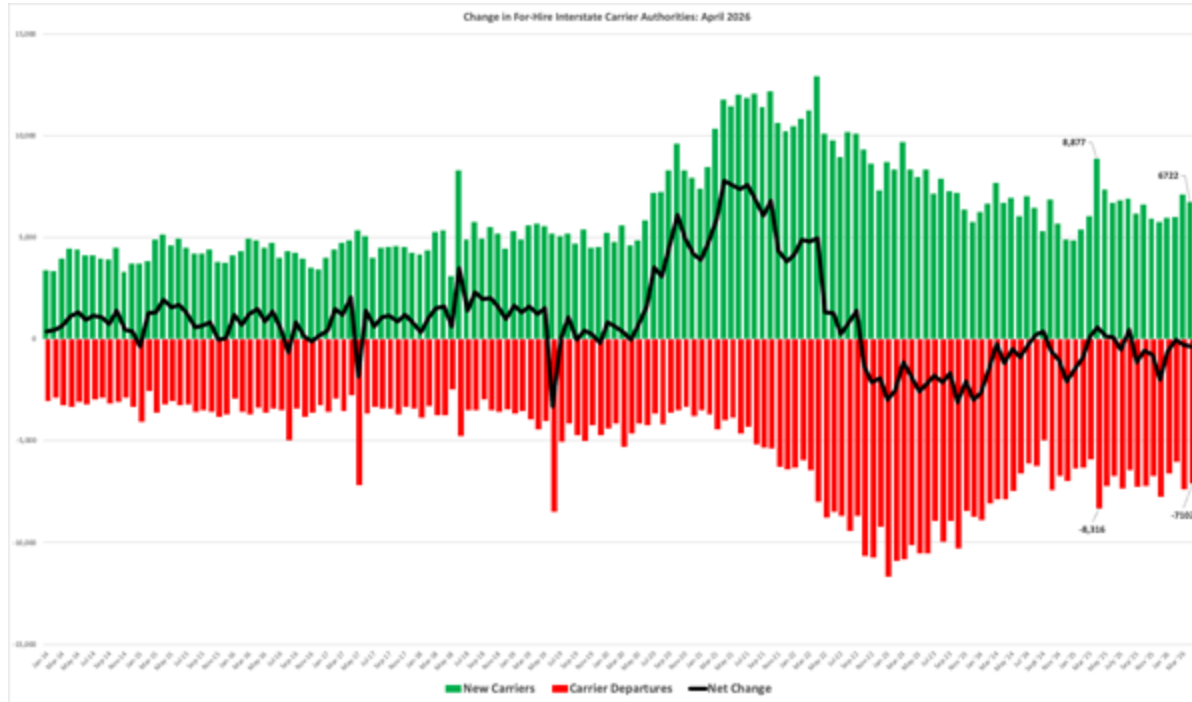
Dean Croke, Principal Analyst

State of the Market Summary

- **The reset has happened:** The market is currently in a supply-led repricing cycle rather than a demand-driven one. Supply is doing what demand won't. Spot rates have already reset, and contract rates are now beginning to catch up.
- **Structural Capacity Squeeze:** The industry is facing a structural capacity squeeze caused by converging factors including carrier attrition, fleet exits, regulatory headwinds on driver eligibility, stricter/more driver enforcement, updated rules on who can drive, how they're trained...all creating a multi-year supply shock. The capacity base is structurally thinner than it looks.
- **Shrinking Driver Pool:** The qualified driver pool is tightening as the "entry gate" closes; the FMCSA has removed approximately thousands of CDL schools from the Training Provider Registry, with thousands more on notice. Drug testing is the wildcard. The drivers being removed today are not coming back quickly.
- **Regulatory "Hot Zones":** Regulatory enforcement is intensifying in specific areas, particularly regarding ELP), the revocation of non-domiciled CDLs. DAT spot rates reflect the changes since last September.
- **Shift Toward Diversification:** Shippers are being encouraged to structurally diversify their capacity by rediscovering intermodal options and core contracted carriers to hedge against diesel and driver-availability risks. Carrier repricing pressure is widespread - 89% of survey respondents had carriers come back to renegotiate linehaul rates on the last 60 days.
- **Seasonal "Demand Stacking":** A "Spring demand stacking" effect is expected as construction, building materials, and seasonal reefer demand (planting/nursery) hit the network simultaneously along with a structural removal of supply.
- **The Bottom Line:** Demand is no longer falling, but it isn't yet strong enough to drive the market on its own. The current "tight" feeling in the market is still being driven by supply-side attrition. The stage is set for a **H2 2026 recovery**.

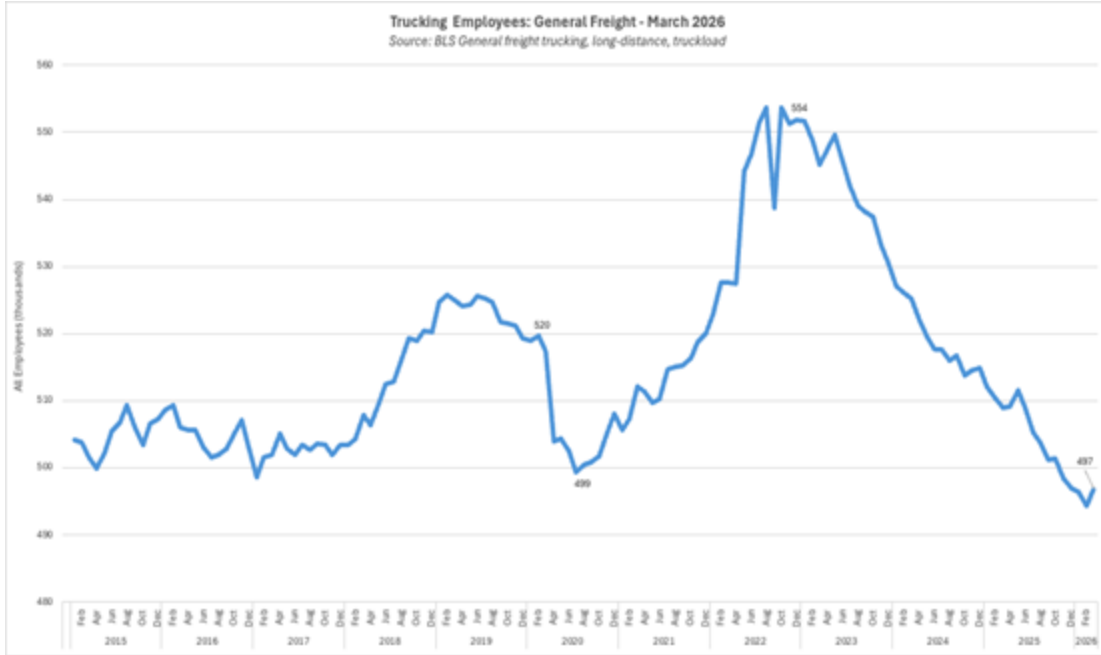
Truckload Capacity Trends

For-Hire Small Fleet Capacity: April 2026



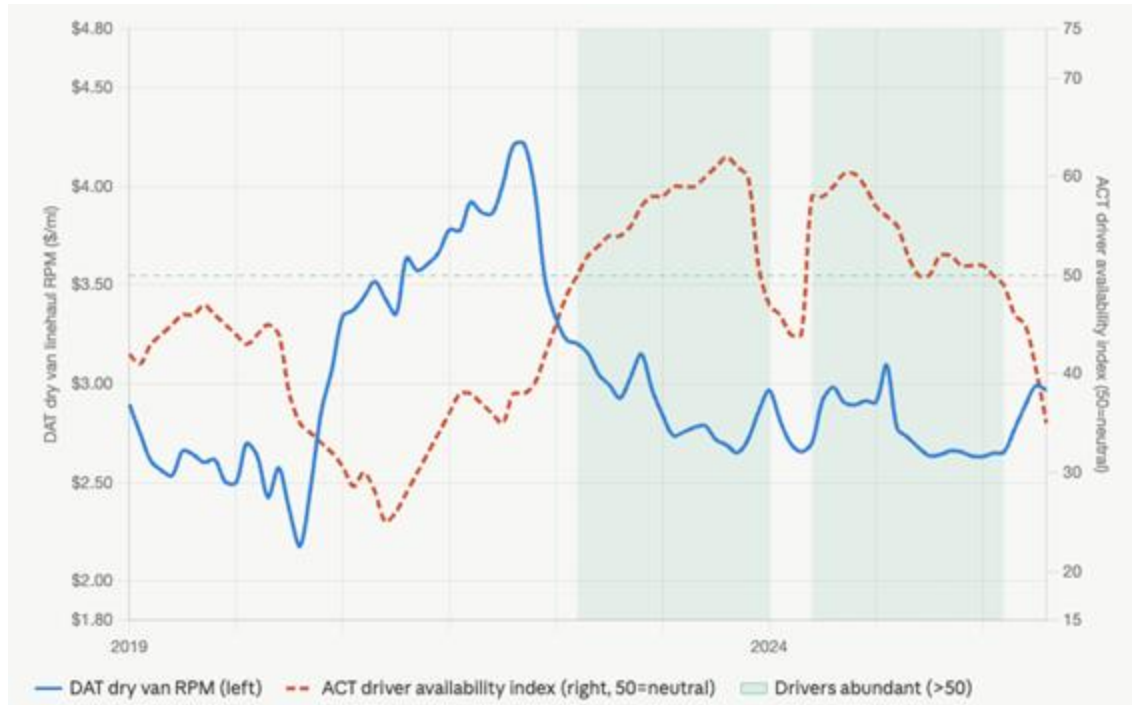
- The for-hire sector, after showing early signs of capacity addition over the last four months, reported a 6% decrease in new carrier entrants:
 - **down 6% m/m and**
 - **27% y/y.**
- Offsetting capacity gains were carrier exits (7,102):
 - **4% lower than last month and**
 - **15% lower than this time last year.**
 - **Identical to the 12-month rolling average.**
- Net change has been slightly negative for the last 6 months.

Trucking Capacity: Payroll Analysis



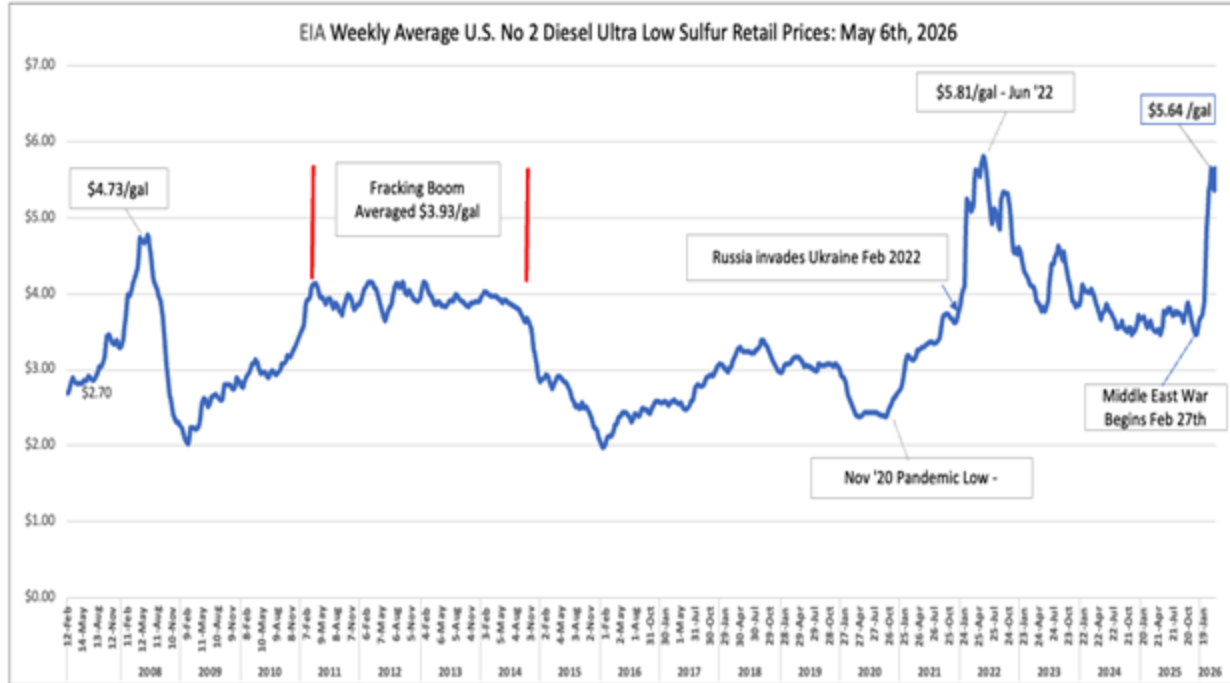
- The payroll decline from peak (August 2022) as of March 2026 is -57k (-10.26%).
- March long-distance trucking payrolls erased the losses in February (-0.42%), rising 0.49% and 2.4% y/y in March.
- CL8 truck orders **down 24% month over month on a seasonally adjusted basis**, but **up 201% year over year** because last April was an easy comp.
- ACT's read is basically **"seasonal cooling, not collapse."** April marks the start of the weaker order season,
- **Bottom line:** new truck orders have clearly **come off the February/March spike**, but ACT is still framing the market as **supported by pre-buy behavior and constrained supply**, not rolling over.

Driver Supply



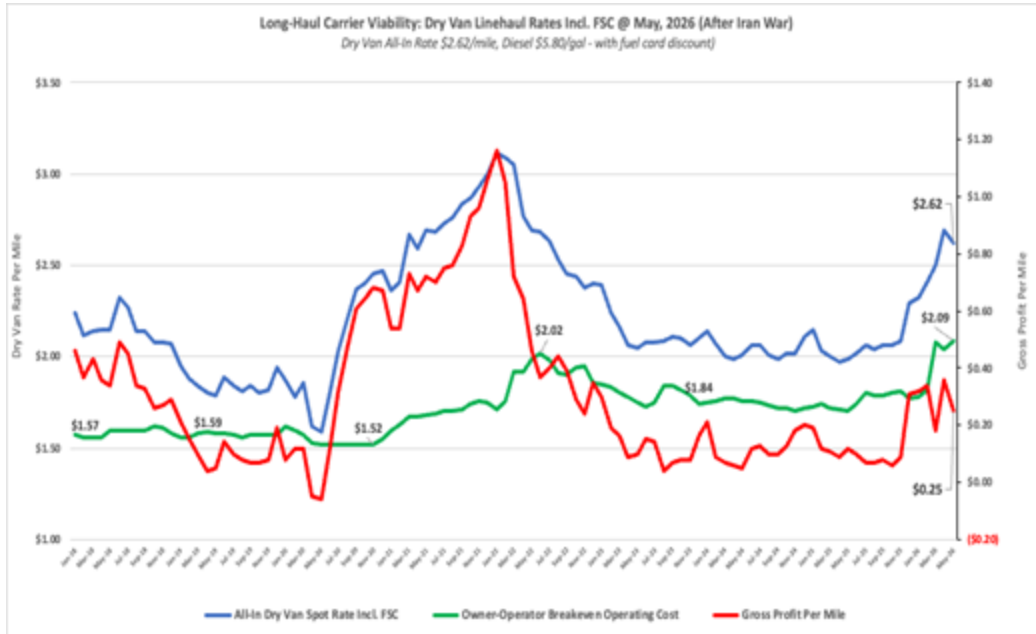
- ACT's Driver Availability Index plunged to 35.0 in March — down 4.8 points from February's 39.8 and well below the 40-level that triggered each of the last two rate cycles.
- The non-domiciled CDL rule took effect mid-March, but drivers were already exiting voluntarily from January onward — the regulatory tightening is just beginning to fully hit the market.
- As driver availability collapses, DAT dry van spot rates are rising — up ~25% year-over-year at end of April
- This is the third driver shortage of the past decade — and unlike the prior two, it's structurally reinforced by simultaneous regulatory actions on CDL training, ELP enforcement, and non-domiciled drivers, making a quick reversal far less likely.

Diesel Prices



- The EIA national average diesel price (EIA ULSD) of \$5.64/gal is the second-highest ever recorded.
- Over-the-road diesel (Pilot) is averaging \$5.75/gal, up 34% (\$1.45/gal) since late Feb.
- Physical market prices for crude oil suggest the balance of supply relative to demand is far worse than the futures market price indicates.
- Even if a ceasefire occurs, we are still looking at a 5+ week "air pocket" where physical supplies will be very tight and prices high.

Small Carrier Operating Costs

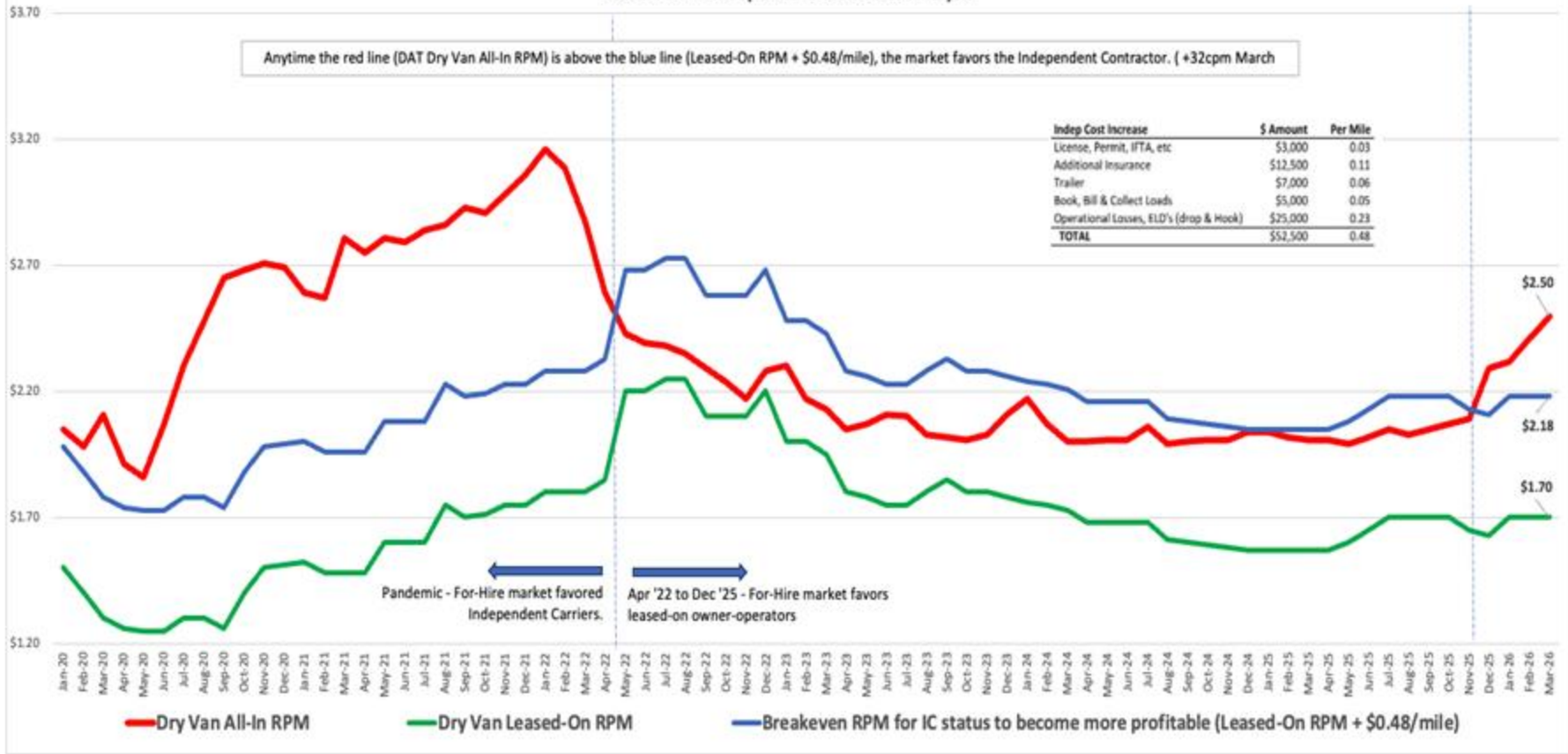


- The recent surge in diesel prices has increased operating costs by 13% or \$0.23/mile since Middle East War started, but higher spot rates continue to cushion the impact- margins are still positive.
- Total operating costs have risen from \$1.86/mile to \$2.09/mile incl fuel card discounts.
- It now costs a spot carrier an extra \$115/day for a 500-mile trip or the equivalent of an extra \$34,000k/year.
- May gross profit margins at +\$0.25/mile are now lower than pre-war levels of \$0.34/mile after initially plunging to \$0.18/mile in early March.
- Diesel is now 40% (vs 32% pre-war) of total costs or \$0.81/mile (\$0.59/mile pre-war).

Leased-On vs Independent Contractor Analysis

Anytime the red line (DAT Dry Van All-In RPM) is above the blue line (Leased-On RPM + \$0.48/mile), the market favors the Independent Contractor. (+32cpm March)

Indep Cost Increase	\$ Amount	Per Mile
License, Permit, IFTA, etc	\$3,000	0.03
Additional Insurance	\$12,500	0.11
Trailer	\$7,000	0.06
Book, Bill & Collect Loads	\$5,000	0.05
Operational Losses, ELD's (drop & Hook)	\$25,000	0.23
TOTAL	\$52,500	0.48



THE DIESEL CRISIS: FREIGHT CARRIERS AT A BREAKING POINT

A survey of 543 carriers reveals a near-universal struggle with rising diesel prices, leading to severe operational strain and shrinking market capacity.

SHRINKING MARKET CAPACITY



93.7%
SIGNIFICANTLY
IMPACTED

Nearly all surveyed carriers report that rising diesel prices are heavily effecting their operations.



17.9%
OF TRUCKS ARE PARKED

Significant portions of the fleet are being pulled off the road due to costs.

ACTION TAKEN	PERCENTAGE OF CARRIERS
Driving Fewer Miles	44.9%
Load-Weight Selectivity	43.6%
Lane Avoidance	28.4%

Carriers are reducing availability through load-weight selectivity, lane avoidance, and driving fewer miles.



SHIFTS IN CARRIER BEHAVIOR



85.5%
BIDDING HIGHER
ON LOADS

The vast majority of carriers are raising prices to offset fuel costs.

61.1%
VIEW RATES AS
NON-COMPETITIVE

Current
Platform
Rates

Broader
Market
Rates

Most carriers perceive current platform rates as lower than the broader market.



56.2%
INCREASED RATE
SELECTIVITY

Carriers are becoming much more selective about which posted rates they will accept.

Demand Trends

Cardboard Box Index



- **Box shipments** are down 12% from the 2021 peak and 1.9% year-over-year
- **The lag is the signal** - boxes lead by about a year — they reflect the volume of goods moving through the supply chain, while rates reflect what happens when carriers can't absorb that volume fast enough. The same lag runs in reverse: boxes started falling in 2022, and rates followed into the trough by 2023.
- **Q1 2026 is the divergence to watch.** The supply-driven rate recovery running against a demand-side box contraction historically resolves one of two ways: either box demand recovers and rates hold, or box demand stays weak and the rate spike fades.

ISM Purchasing Managers Index



- U.S. manufacturing expanded for the fourth month, holding steady at **52.7%**.
- New orders rose to **53.5%**, showing resilience despite geopolitical uncertainty.
- Executives warn that the "cost shock" hasn't fully landed yet but will impact supply chains soon.
- The ISM noted that a number of positive new orders comments reflected customers ordering to get ahead of price increases rather than genuine demand growth — a pull-forward signal, not a durable inflection.

Container Imports



- Year-to-date 2026 imports **trail 2025 levels by 4.8%**, and April volumes fell 3.2% from March with China-origin imports down 15.3% year over year.
- The divergence between rates (rising) and TEU volumes (softening) is the key 2026 story — supply-side tightening is doing the rate work that demand isn't.
- **Softer import volumes** arriving at ports means less drayage, fewer short-haul repositioning moves, and thinner load density in inland distribution lanes.
- **Weakening Forward Demand:** Retailers are stalling restocking efforts due to rising inflation and falling consumer confidence. TEU vols down 7% by Dec.

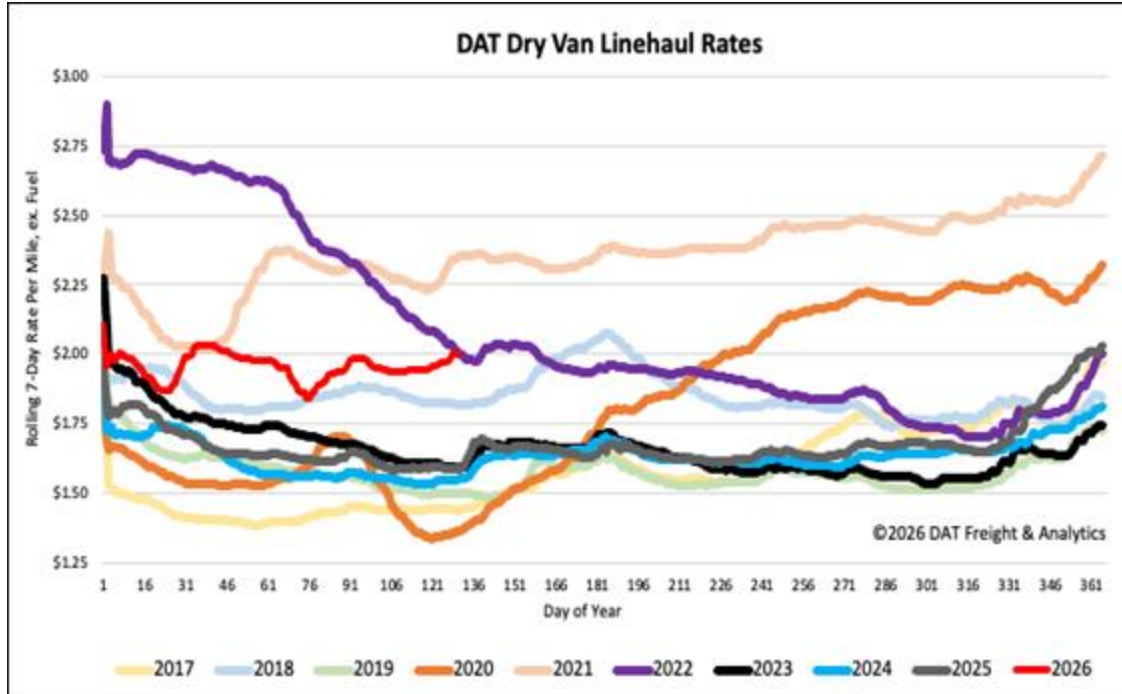
Flatbed Demand - Residential Construction



- March brought a massive surge for housing starts, with single-family units topping one million for the first time in over a year.
- Single-family housing starts surged 9.7% in March, and posted an 8.9% gain year-over-year.
- The more cautious read for flatbed demand, however, is in the permits data. New housing permits dropped 10.8% month-over-month in March and fell 7.4% from a year ago, landing at 1.37 million — well below February's 1.54 million pace.
- The West led the regional recovery with an 18% monthly jump in new single-family units, followed by the Northeast at 11% and the South at 8.5%.

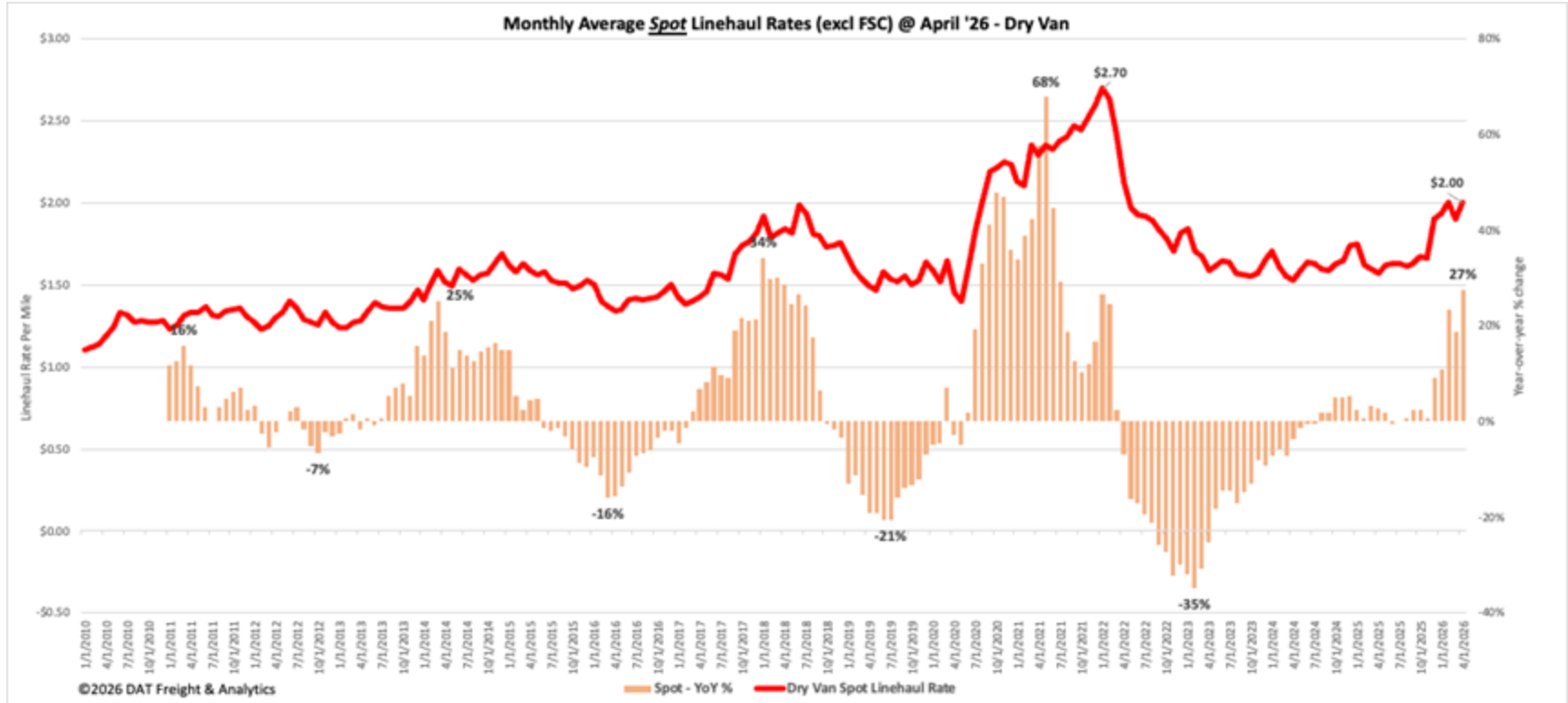
Spot Rate Trends

Rate Trends - Dry Van

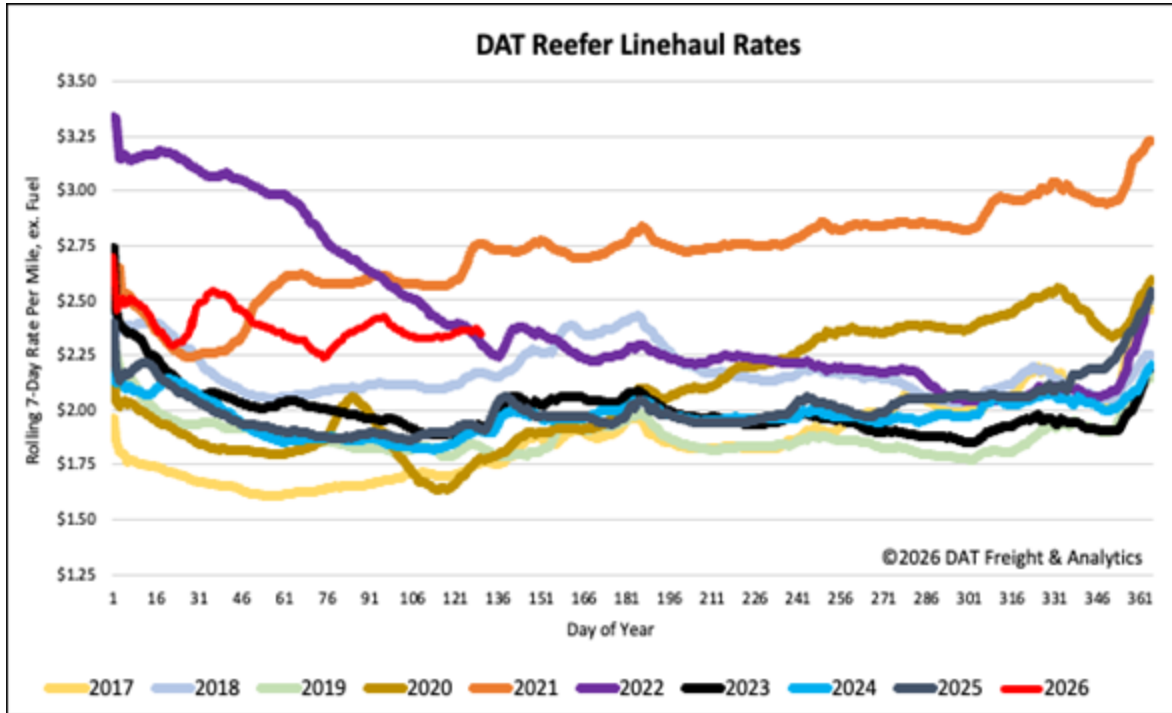


- The national 7-day average linehaul spot rate for dry vans (excluding fuel) rose by an additional cent, reaching \$2.01 per mile.
 - \$0.41 (26%) higher y/y
 - \$0.47 (24%) above the five-year average.
- DAT's top 50 lanes, based on load volume, remained flat last week, settling the average at \$2.36 per mile.
- The 13-state Midwest region, which accounts for nearly half of the country's load volume and serves as a critical economic barometer, saw average linehaul rates hold steady at \$2.29 per mile.

Long Term Spot Rate Trends - Dry Van

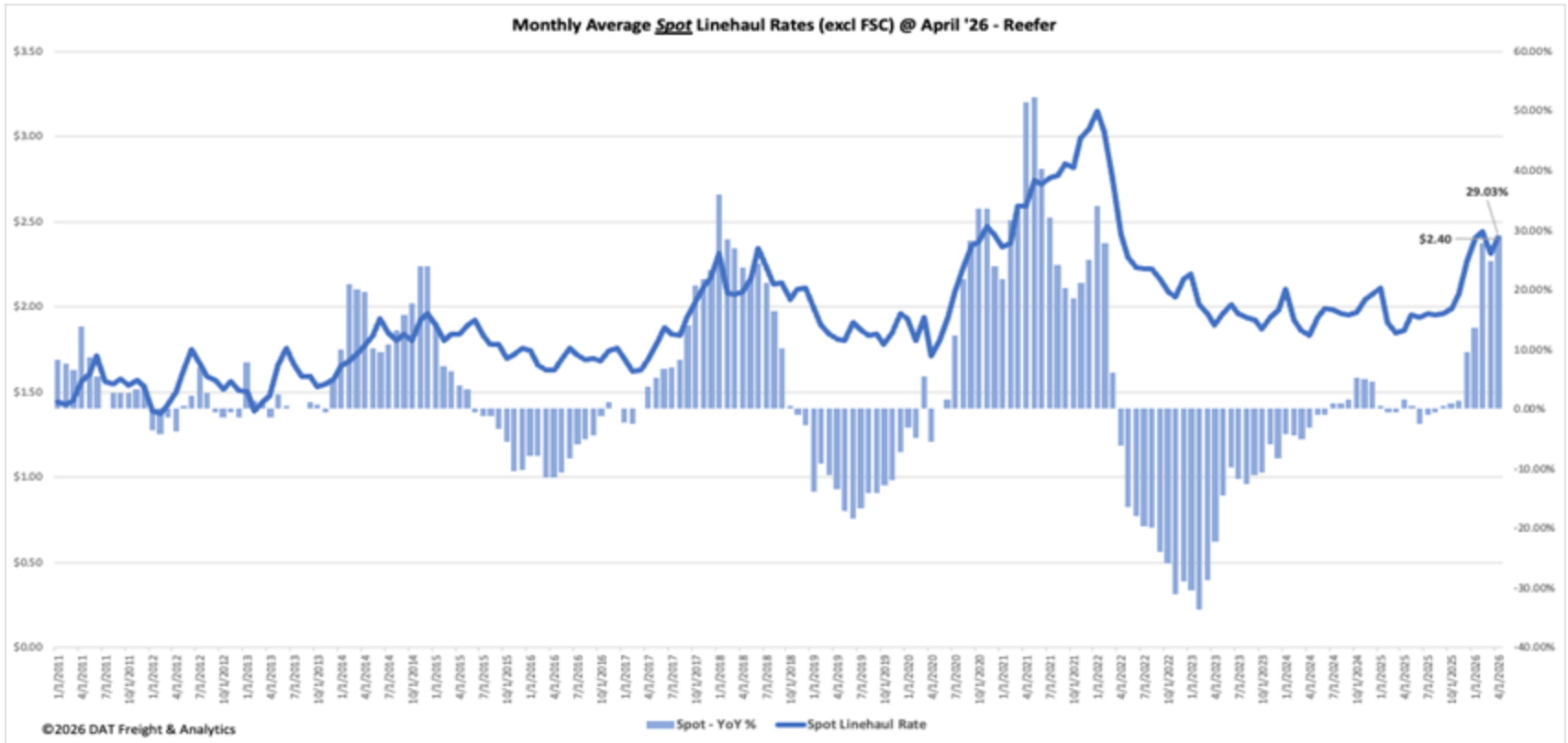


Rate Trends - Reefer

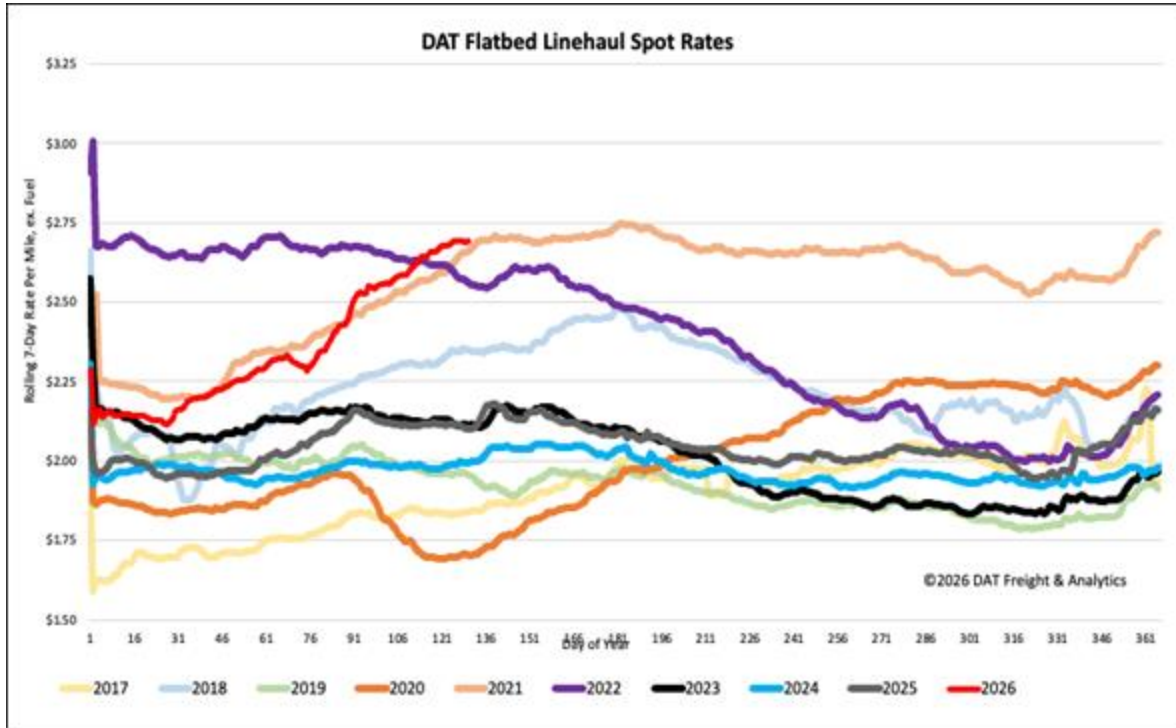


- Reefer linehaul rates remain remarkably stable, fluctuating by no more than a cent and maintaining an average of \$2.36 per mile last week.
 - 23% (\$0.44) above last year's rates
 - 20% (\$0.47) higher than the five-year average, excluding the 2021-2022 pandemic peaks.
- Truckload rates for fruit and vegetable shipments in key produce regions are averaging \$3.55 per mile.
 - Down nearly \$0.30 per mile over the past week, bringing rates to a level almost identical to the \$3.56 per mile seen in early May of last year.

Rate Trends - Reefer

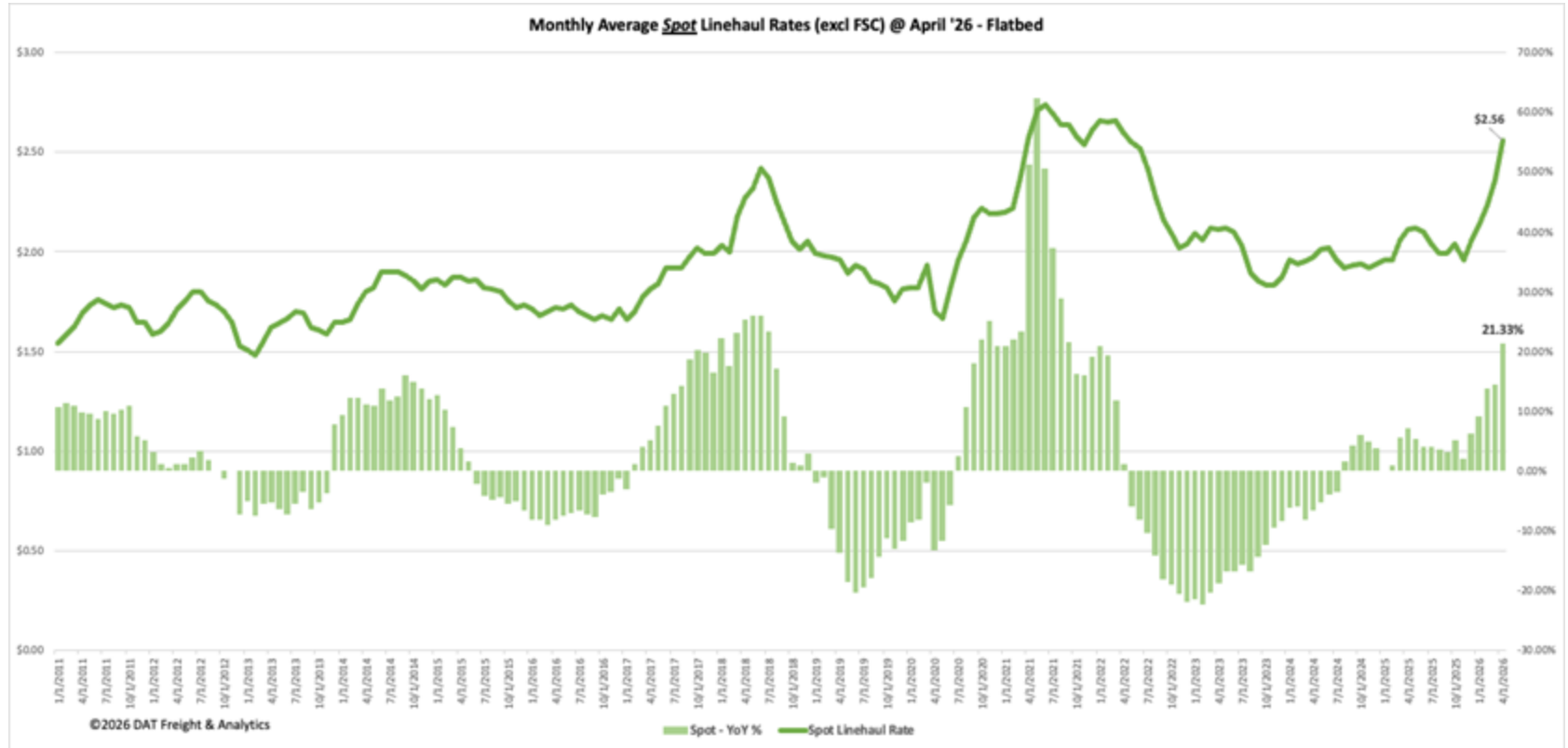


Rate Trends - Flatbed



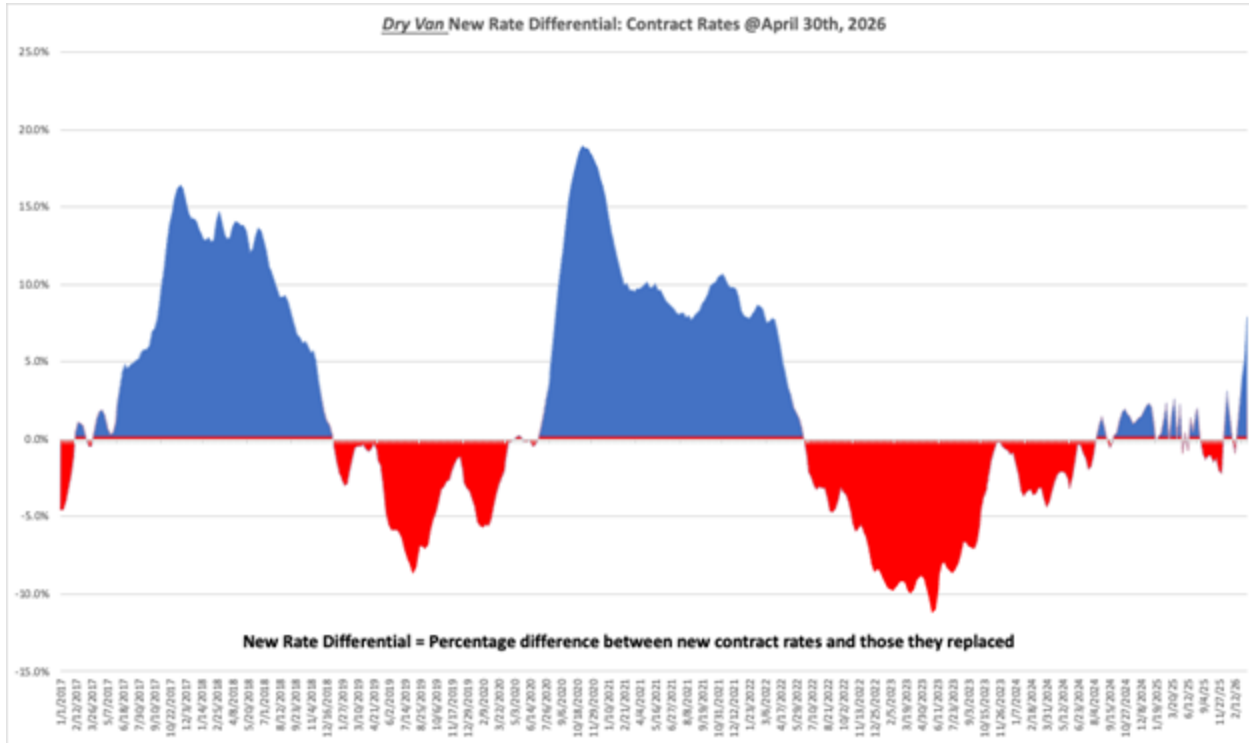
- Flatbed rates have entered a plateau phase, rising by only a cent to an average of \$2.70 per mile after a seven-week stretch of \$0.05 weekly gains.
- Despite this slowdown, the segment has grown by \$0.39 per mile (15%) over the past two months, marking the highest Week 19 rates ever recorded. Current pricing sits within \$0.05 of the record set in early July 2021.
- Compared to historical benchmarks, the current rate remains significantly higher, outperforming the same period last year by \$0.59 (28%) and exceeding the five-year average (excluding pandemic-era data) by \$0.72 (27%).

Rate Trends - Flatbed



Contract Freight Market Update

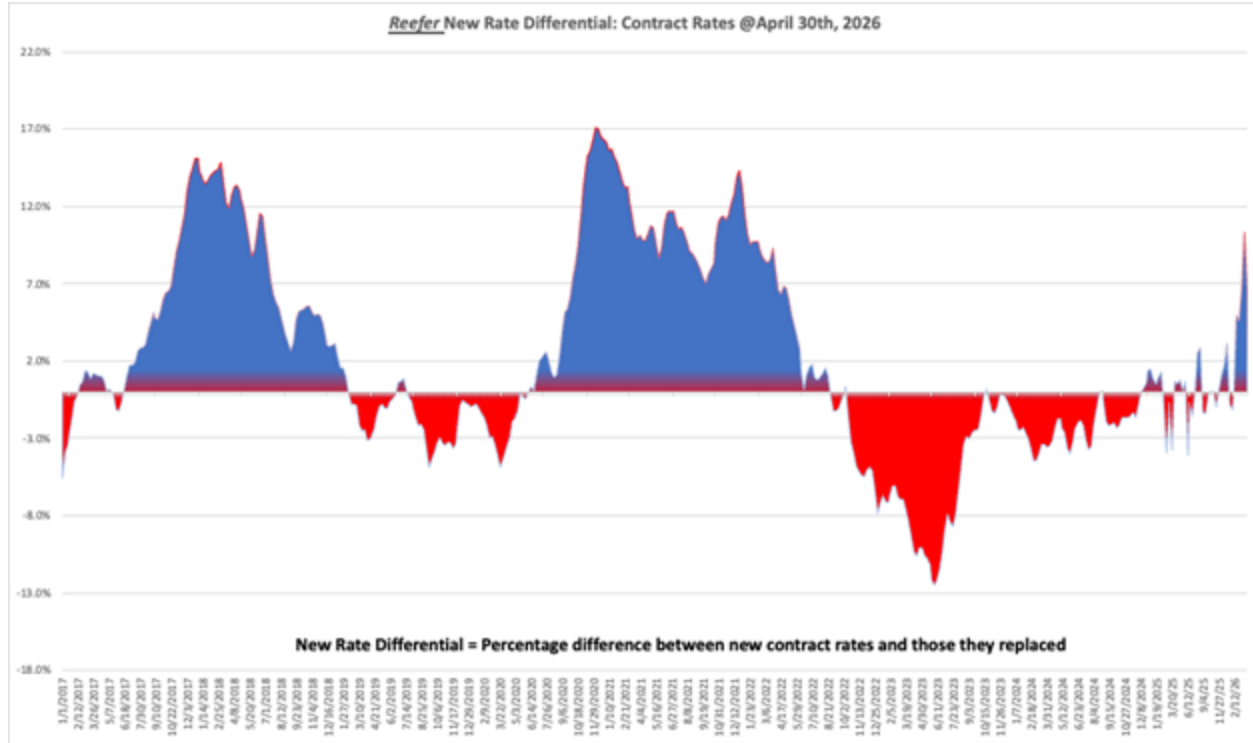
Dry Van Contract New Rate Development



Dry Van NRD for April 30th

- Replacement rates are in the positive **up 8.0%** (5.2%)
- This means that new contract rates are almost 8% higher than the rates being replaced.
- Pricing power has shifted to carriers.
- YTD up 2.8%
- Rolling 12-month average 0.8%
- Rolling 2-year average 0.2%

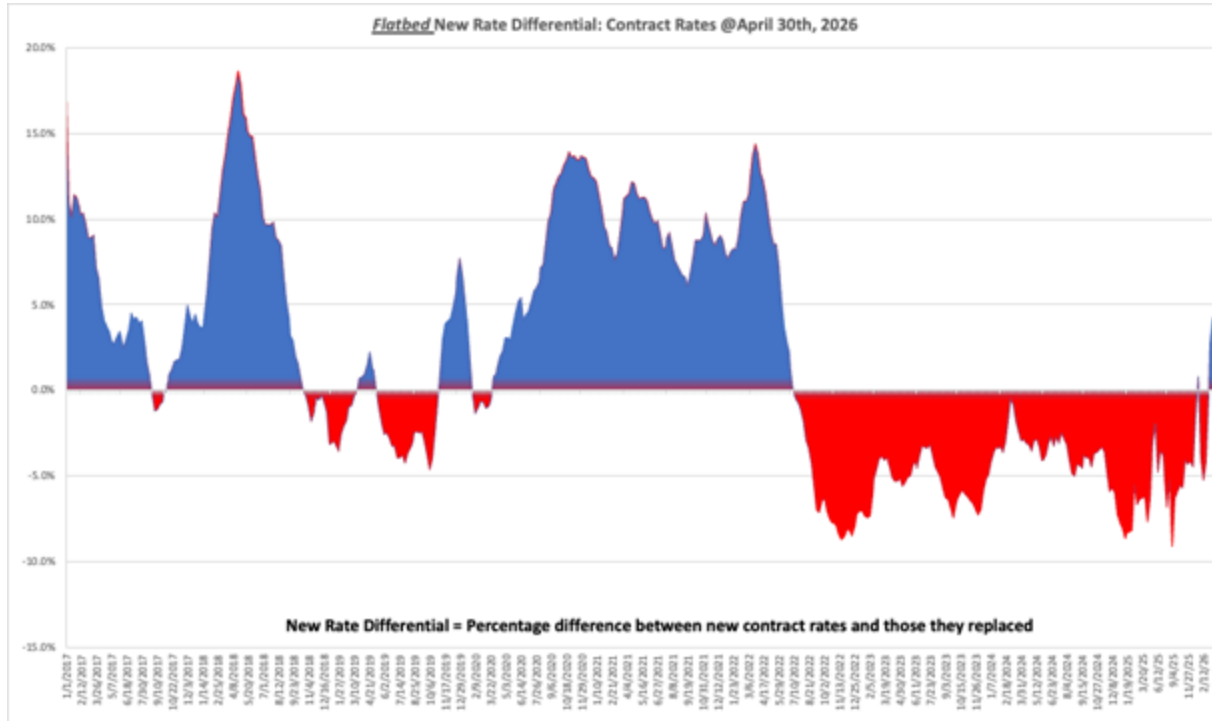
Reefer New Rate Development



Reefer NRD for April 30th

- Replacement rates are in the positive **up 6.7%** (10.3%)
- This means that new contract rates are almost 7% higher than the rates being replaced.
- Pricing power has shifted to carriers.
- YTD up 3.8%
- Rolling 12-month average 1.2%
- Rolling 2-year average -0.5%

Flatbed New Rate Development



Flatbed NRD for April 30th

- Replacement rates are up for the third reporting period, **up 4.6%** (4.1%)
- This means that new contract rates are almost 5% higher than the rates being replaced.
- Pricing power is shifting to carriers.
- YTD up -0.3%
- Rolling 12-month average -3.7%
- Rolling 2-year average -4.3%

Thank You.