

A white semi-truck is driving on a two-lane road that curves through a dry, hilly landscape. The background features rolling hills and mountains under a clear sky. The foreground shows dry grass and some small trees. The overall scene is a typical highway landscape in an arid region.

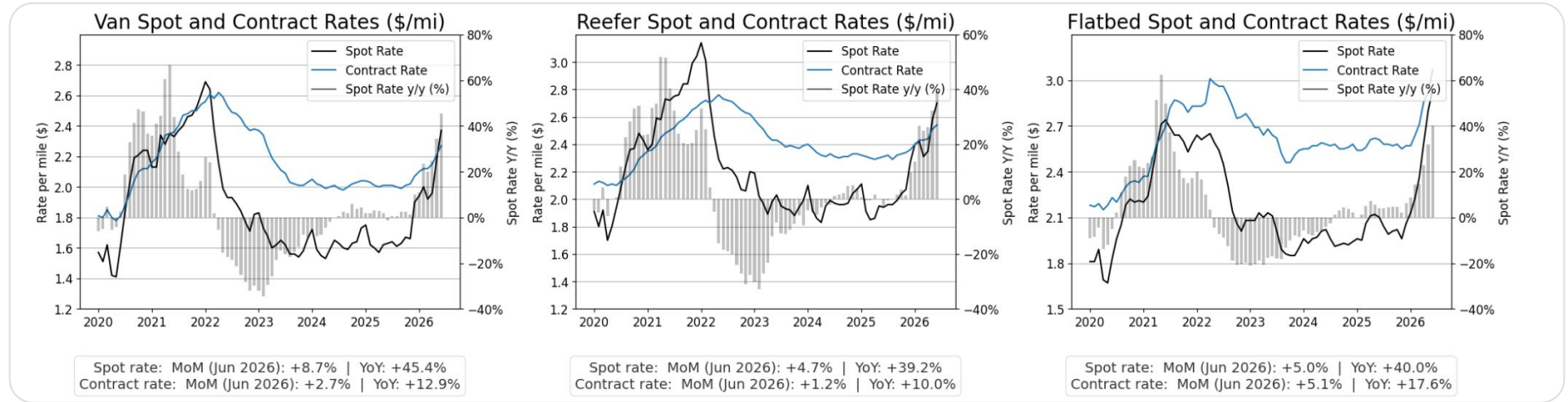
Macroeconomic and Market Update

External Overview

By Mazen Danaf, Principal Staff Applied Scientist at Uber Freight

Produce volumes propelled the spot market in June

The national average dry van spot rate exceeded \$3/mi for the first time since March 2022.



Spot rates surged:

- Van: 45% y/y excluding fuel
- Reefer: 39% y/y
- Flatbed: 40% y/y

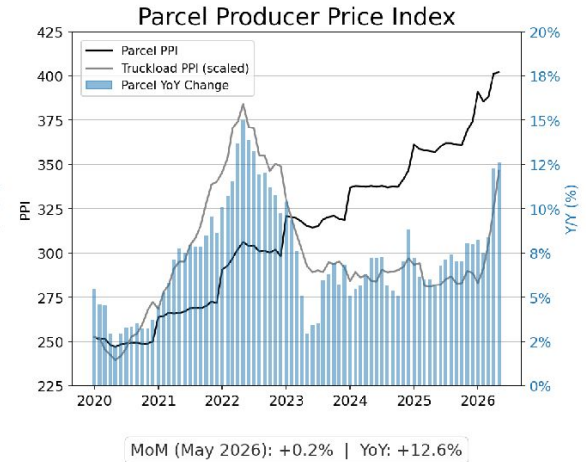
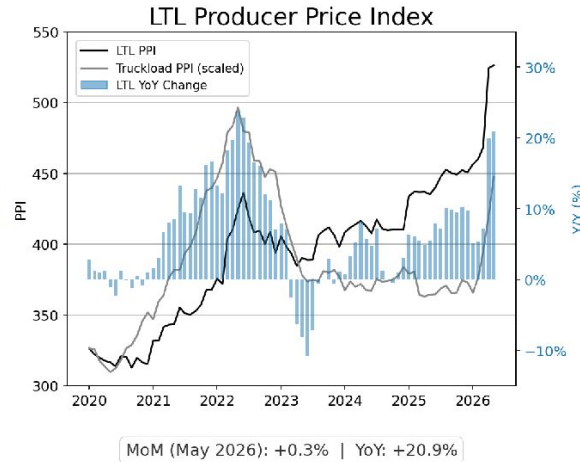
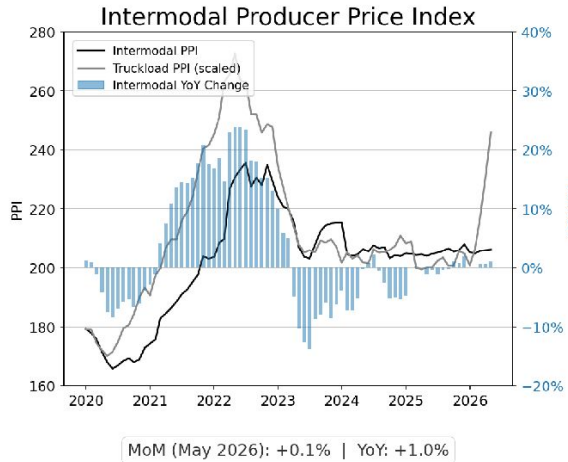
Contract rates followed

Contract rates rose across all trailer types (10% to 18% y/y).

Diesel prices fell

The average diesel price per gallon fell 10% m/m.

Intermodal rates remain flat, but are expected to rise



Intermodal rates were mostly flat

The intermodal PPI only rose 0.1% in May despite increases in diesel prices and competing truckload rates.

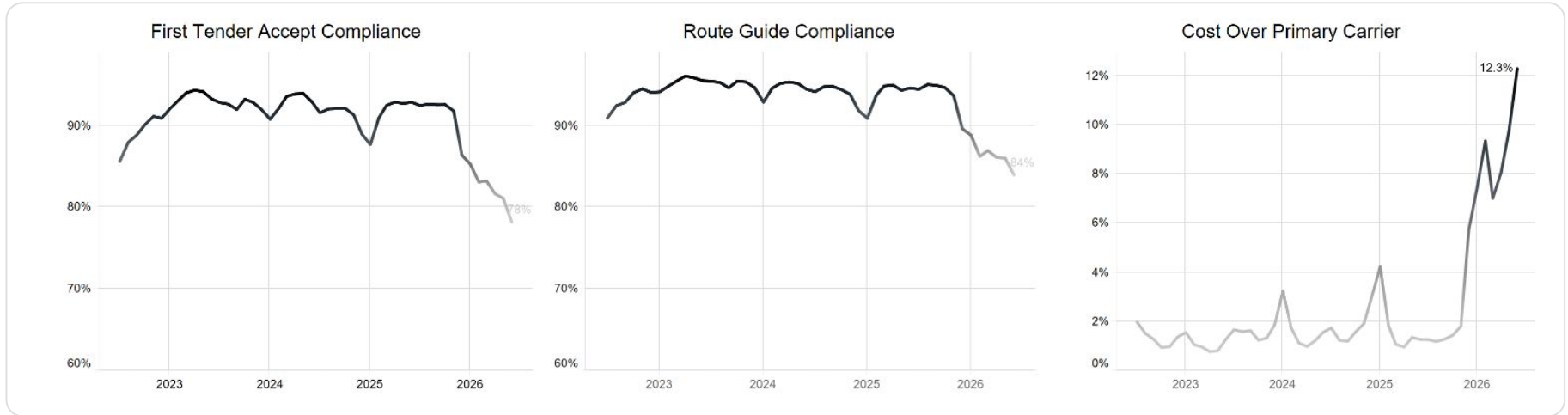
LTL prices hit an all-time high

The LTL PPI rose 12% in April and 0.3% in May, and was 20.9% higher than its year-ago level. This was mostly attributed to fuel.

Parcel delivery rates rose

Rates rose 3.4% in April and 0.2% in May, and were 12.6% higher y/y due to higher fuel costs, well above the typical range of 5%–8%.

Route guide performance deteriorated further in June



Higher tender rejections

The first tender acceptance rate fell to 78%, dipping below 80% for the first time in this cycle.

Higher spot volumes

A decrease in routing guide compliance to 84% led to an increase in spot market volumes, which were up 68% y/y.

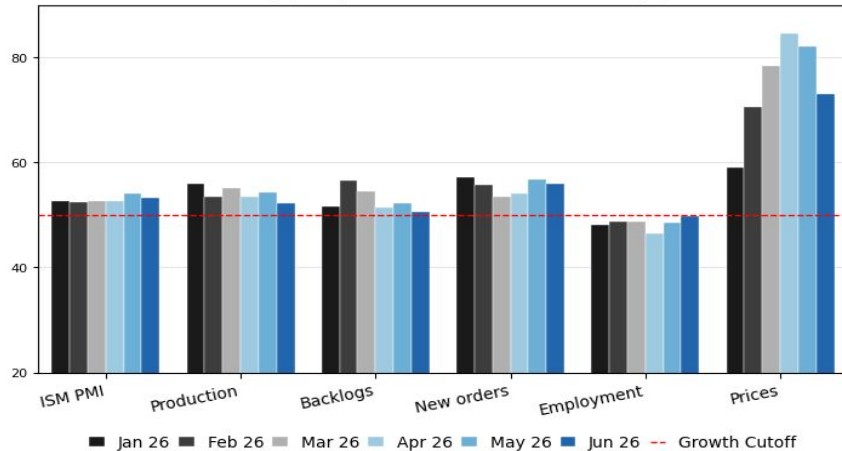
Higher shipper costs

The average additional cost over the primary carrier rose to 12.3% in June, driven by increased rejections and spot usage.

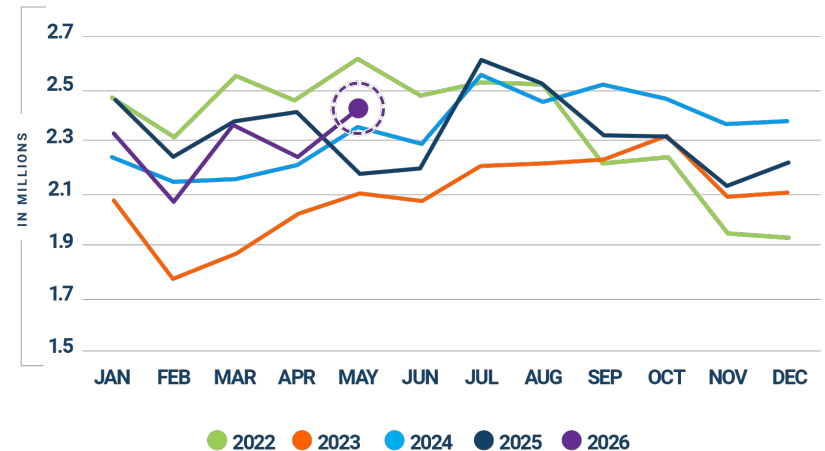
Manufacturing output and imports are both recovering

ISM Manufacturing PMI

Values above 50 imply expansion and below 50 imply contraction



2022-2026 U.S. Container Import Volume (TEUs)



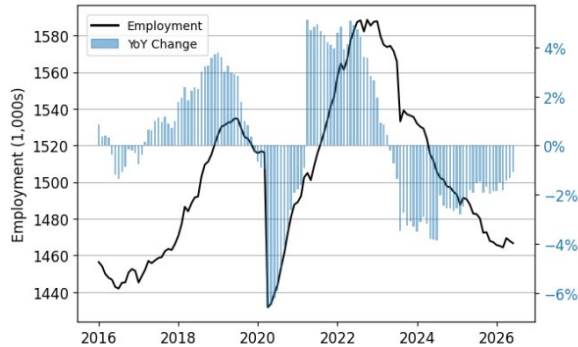
The ISM Manufacturing PMI dipped to 53.3 in June but remained above the 50 expansion threshold, signaling continued, albeit modest, growth. Driven by relative stability on both geopolitical and tariff fronts, the Prices index fell in June, indicating a slower—yet still elevated—rate of inflation.

Despite global geopolitical disruptions, stable U.S. tariff policies led to a recovery in imports. In May, U.S. containerized imports totaled 2.43M TEUs, up 6.6% from April and 11.5% y/y. However, stability may be short-lived: importers face looming proposals that would hit 60 countries with new tariffs of 10% to 12.5%.

Trucking employment fell in June despite the tightening market

Truck transportation (CES, BLS employment)

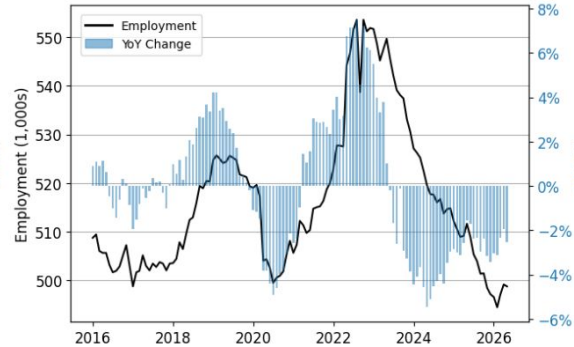
Thousands of employees, seasonally adjusted



MoM (Jun 2026): -0.1% | YoY: -1.1%

Long-distance truckload (CES, BLS employment)

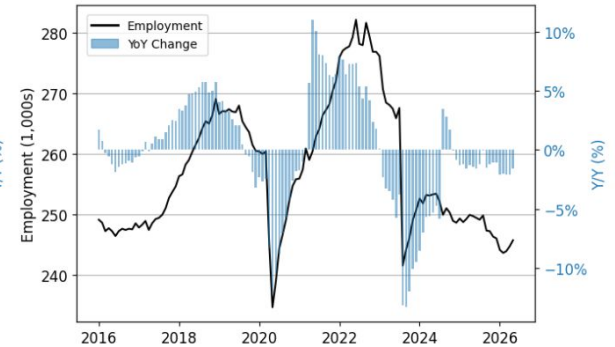
Thousands of employees, seasonally adjusted



MoM (May 2026): -0.1% | YoY: -2.5%

LTL freight (CES, BLS employment)

Thousands of employees, seasonally adjusted



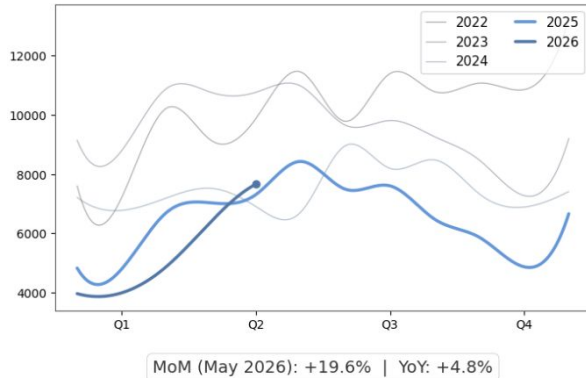
MoM (May 2026): +0.4% | YoY: -1.6%

Trucking employment typically lags spot rates by a few months; as rates rise, carriers generally accelerate hiring. Currently, however, carriers are navigating a strict regulatory landscape. Trucking employment fell 0.1% month-over-month in June and was down 1.1% year-over-year. In the long-distance truckload sector specifically, employment was 2.5% lower year-over-year as of May. **If employment fails to recover, the current market tightness could be prolonged.**

Tractor deliveries are ramping up as orders remain strong

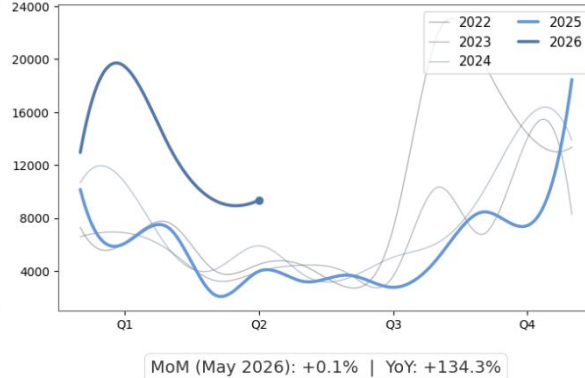
Sleeper Tractor Sales

Source: ACT Research



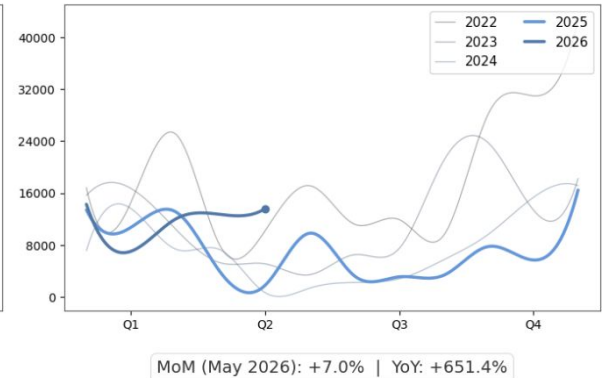
Sleeper Tractor Orders

Source: ACT Research



Van Trailer Orders

Source: ACT Research

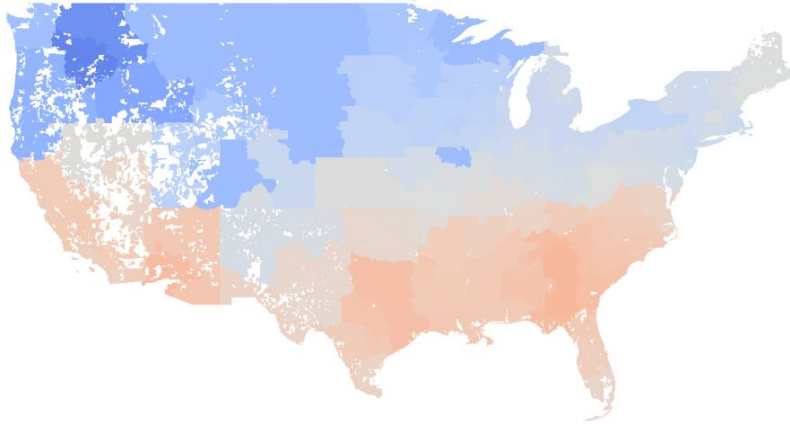


Driven by a tight market, carriers continue to aggressively order new equipment. Class 8 sleeper orders surged 134% y/y in May, while trailer orders skyrocketed 651% y/y. Tractor sales also posted a strong 19.6% m/m increase, marking their first positive y/y growth since June 2025. Year-to-date, tractor and trailer orders are up 117% and 39% YoY, respectively. **However, a full capacity recovery remains in its early stages and is expected to span several quarters.**

Short-term market outlook: Summer and peak season

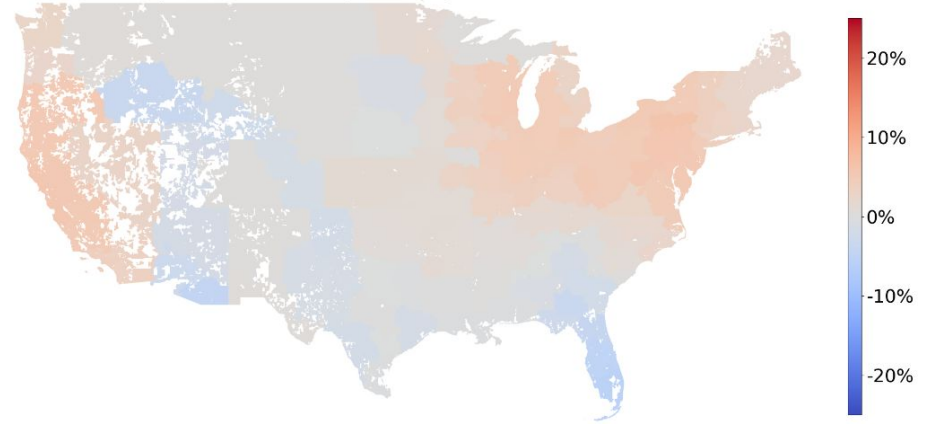
Seasonal Pressure in July

Spot rates relative to year average (% , historical)



Seasonal Pressure in September

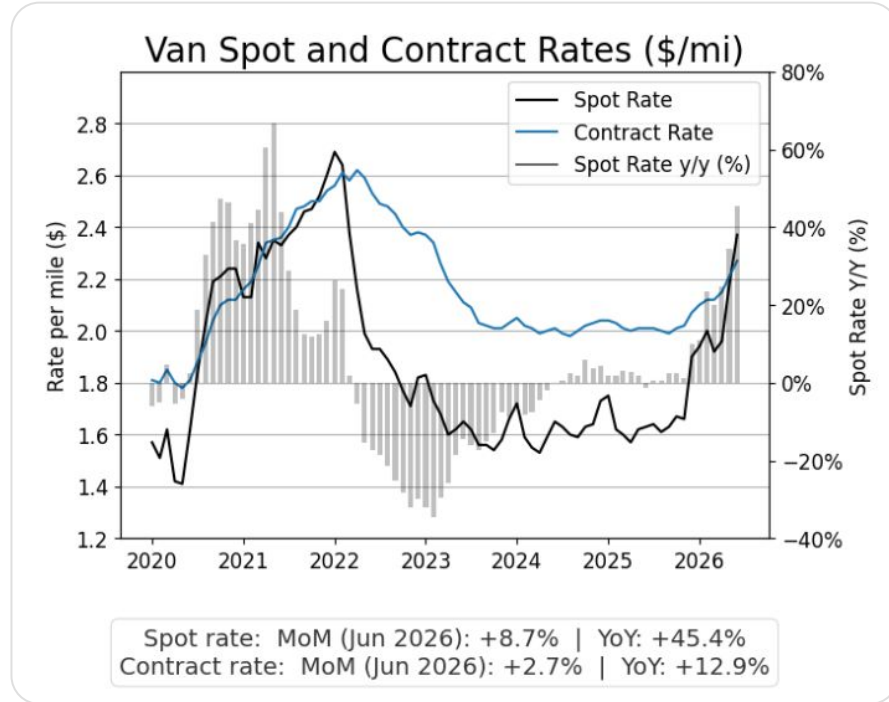
Spot rates relative to year average (% , historical)



Following the 4th of July, the market typically enters a period of stabilization as demand cools between the summer produce rush and the Q4 peak season. Some Southern markets are expected to remain tight in July. In addition, as the weeks progress, capacity will begin to tighten in Western and Northern regions, particularly around port hubs, as shippers prepare for the upcoming peak season. **If nationwide tightness persists in August and September, prepare for a tighter peak season in Q4.**

Long-term outlook remains inflationary for the rest of 2026

Revised forecasts expect a 25% to 30% increase in spot rates, and a 10% to 15% increase in contract rates over 2025.



Demand

Manufacturing and imports continue to recover. Wholesale inventories remain low relative to sales.

Supply

Capacity begins to increase following the tight market, but remains at critically low levels.

Short-term outlook

Expect the market to stabilize after July 4th; otherwise, brace for a tight peak season.

Long-term outlook

Tight market through 2026. Spot rates projected to surpass 2025 levels by 25% to 30%, with contract rates 10%-15% higher.