Uber Freight

2025 Q3 Market update & outlook

September 2025

Market update & outlook

Executive summary – 2025 Q3

Macro Economy

- Tariffs are at their highest levels in decades
- Consumer spending slowed down and the manufacturing economy continued to contract.
- Capacity continued to exit the market, dipping well below the pre-pandemic levels.

US

- Expecting slightly heavier RFP season as shippers pursue accelerated timelines
- Rail car and container supply remain plentiful
- LTL demand remains low

Europe

- Capacity is still relatively fragile, sensitive to sudden surges and disruptions
- Inflation hit the medium-term target
- PMI climbed in June to it’s highest in 36 months

Mexico

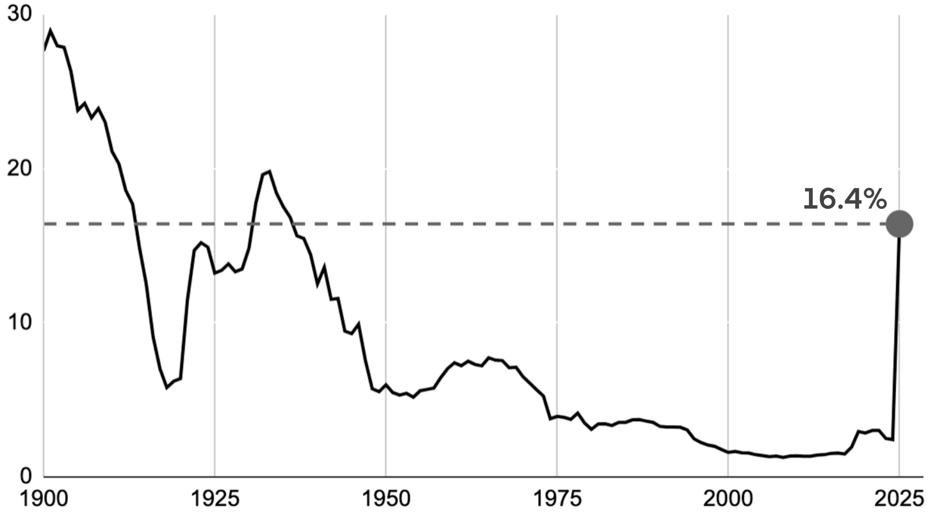
- Economy holding modest growth in 2025
- Inflation has eased significantly
- Nearshoring remains a strong driver of investment

Canada

- Industries targeted by U.S. tariffs continue to feel pressure
- New orders are at their lowest since late ’21
- New supply expected to slow by late 2025, which may help stabilize warehousing market conditions

Tariffs are at their highest levels in decades

Average effective tariff rate
Customs duty revenue as a percent of goods imports (Yale Budget Lab)



- The average effective tariff rate rose to 16.4%, the highest since 1936.
- Tariffs are expected to increase prices by 1.4%, an average loss of $1,900 per household per year.
- Tariffs disproportionately affect clothing, footwear, autos, and electrical equipment.
- For manufacturers, tariffs affect the prices of commodities (metals, minerals) and machinery.
- Signs of inflation have emerged in manufacturing (ISM PMI) and wholesale (PPI) sectors.

Sources: Yale Budget Lab

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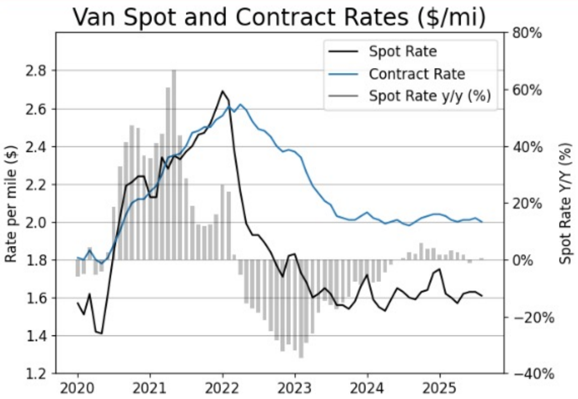
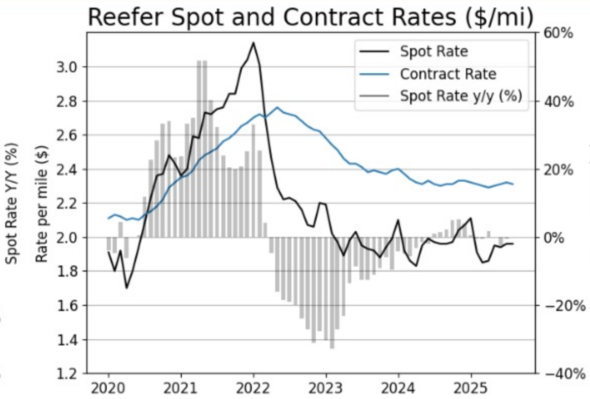
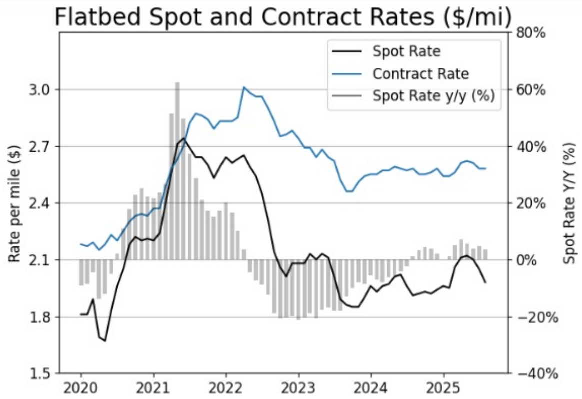
US Full Truckload

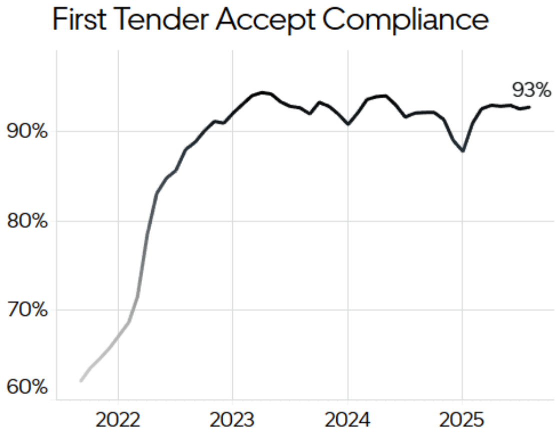
Seasonality remains the primary market driver

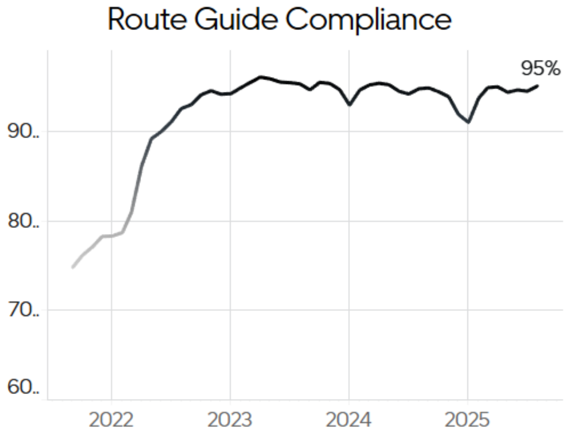
Spot rates have tracked their 2024 counterparts closely for most of 2025.

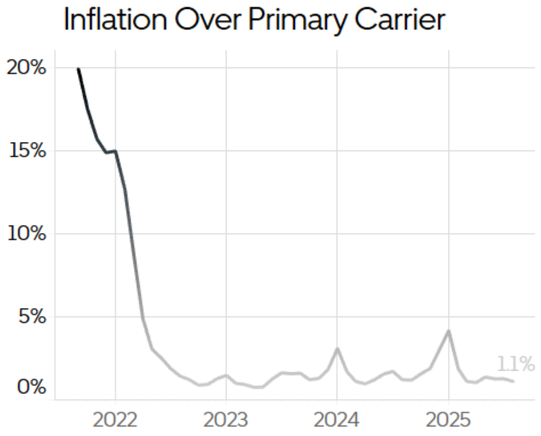








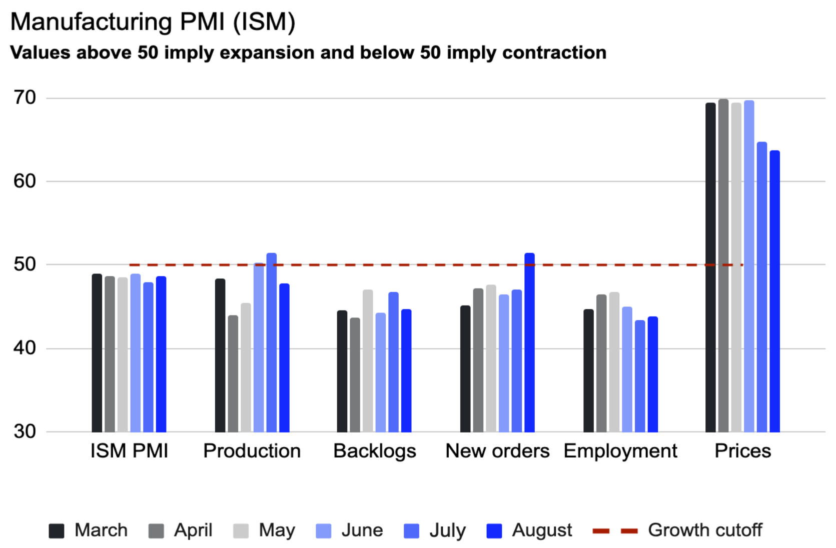


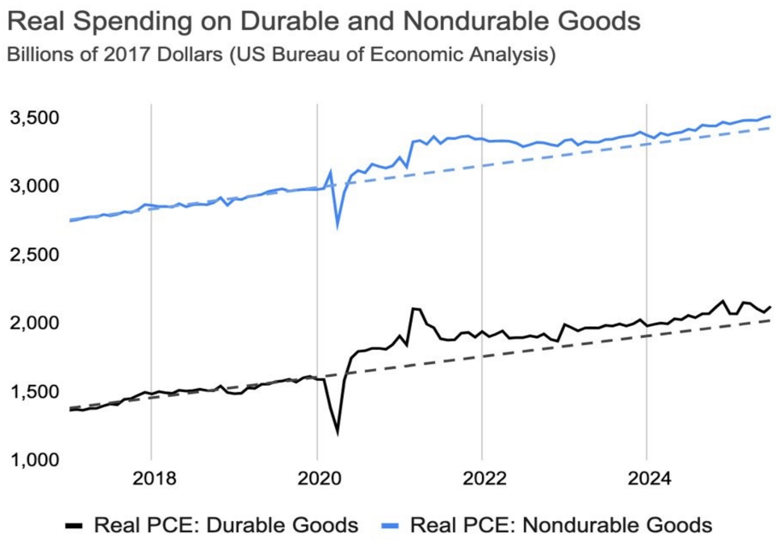


Sources: ACT Research, DAT, Uber Freight Data Insights

Key Factors Impacting Truckload Demand

Consumer spending slowed down and the manufacturing economy continued to contract.





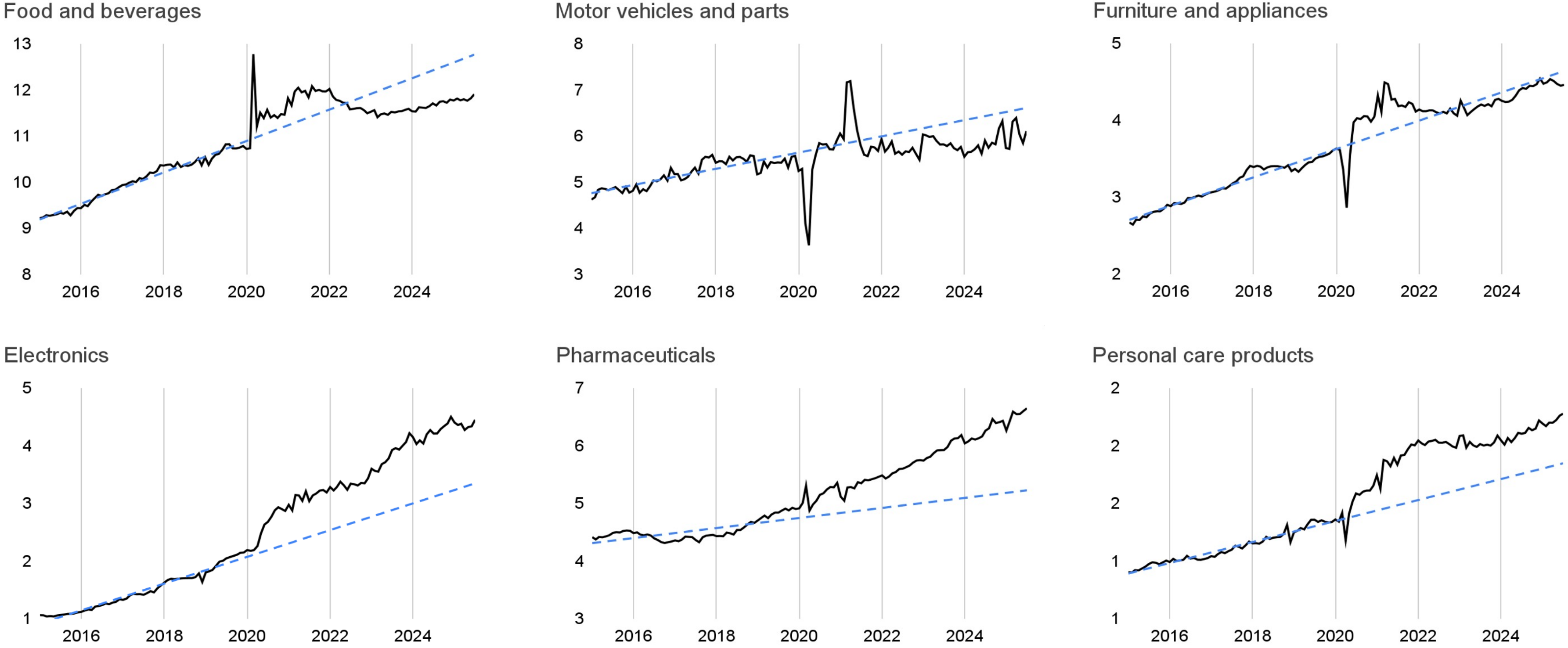
The ISM Purchasing Managers' Index (PMI) remained slightly below the expansion threshold of 50, indicating a mild contraction in the manufacturing sector. Employment was one of the most bearish components of the index, suggesting that the manufacturing sector is experiencing layoffs. Additionally, the Prices Index was above 60, pointing to inflation in the cost of commodities and raw materials.

Real spending on goods has remained largely stagnant in 2025. Spending on durable goods has fallen by 1.7% year-to-date; however, due to gains in the second half of the year, it remains 3.2% higher year-over-year. Meanwhile, spending on nondurable goods has increased by 1.2% year-to-date and is 2.7% higher than it was a year ago.

(1) Institute for Supply Management; (2) US Bureau of Economic Analysis

Key Factors Impacting Truckload Demand

Consumer spending did not recover uniformly after COVID. Growth was driven by electronics, pharmaceuticals, and personal care products (which do not produce a lot of freight). Freight-generating sectors have mostly stagnated.



Real spending on goods, 2017 Dollars (100M)

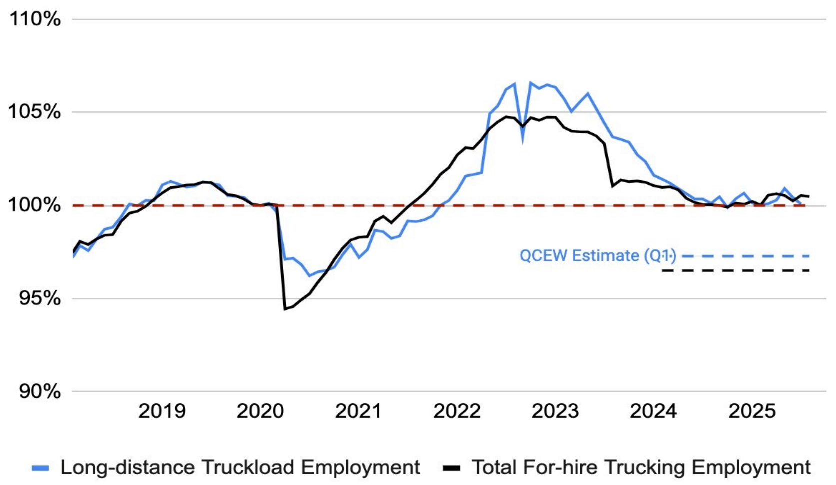
Sources: U.S. Bureau of Economic Analysis

Key Factors Impacting Truckload Supply

Capacity continued to exit the market, dipping well below the pre-pandemic levels.

Truckload employment [1]

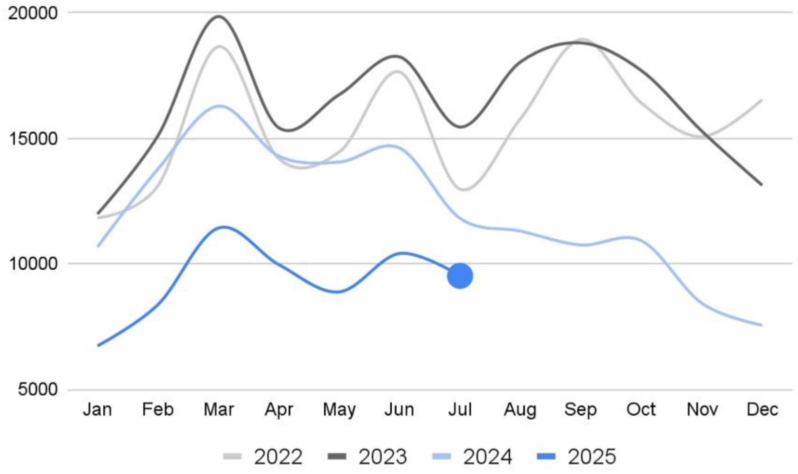
Seasonally adjusted, indexed to Jan 2020



While BLS reports have suggested a stabilization in trucking employment, the latest Quarterly Census of Employment and Wages (QCEW) survey indicates a continued capacity correction, with for-hire trucking employment declining 2.6% y/y. Reductions in the long-distance truckload sector were more pronounced, as employment fell 3.1% y/y and a significant 9% below its 2022 peak.

Dry van trailer sales [2]

Thousands, not seasonally adjusted



Carriers are still reluctant to order new tractors and trailers due to ongoing tariff uncertainty and the current freight recession. In the first seven months of 2025, dry van trailer sales dropped by 32% y/y, and Class 8 tractor sales fell by 15% compared to the same period in 2024. The consistently low net orders for both tractors and trailers suggest that more capacity is likely to exit the market.

(1) U.S. Bureau of Labor Statistics, (2) ACT Research

Current procurement headlines

Bid Activity

- Annual full-network RFP events continue to be the trend, with supplemental mini-RFPs (primarily conducted via Exchange Contract) utilized to support the route guide as needed between bid cycles
- Saw an extended RFP season due to shipper interest in deviating from their existing bid cycles in an attempt to capture savings
- Expecting slightly heavier RFP season as shippers pursue accelerated timelines and earlier RFP releases

Strategic Trends

- Most shippers are trying to keep their incumbents in place, if possible, through the RFP cycle, but will shift as needed for save
- Two-Round bidding events remain a best practice – Round-2 Expressive Feedback is a driver of additional rate compression depending on a carrier's level of competitiveness after Round-1, currently averaging an additional 3-5% in additional rate reduction in Round-2
- Volume cutoffs remain a key strategic discussion while preparing to release an RFP event: a low-volume strategy for coverage and backup carriers, presenting an opportunity for ISP-backed solutions

Carrier Behavior

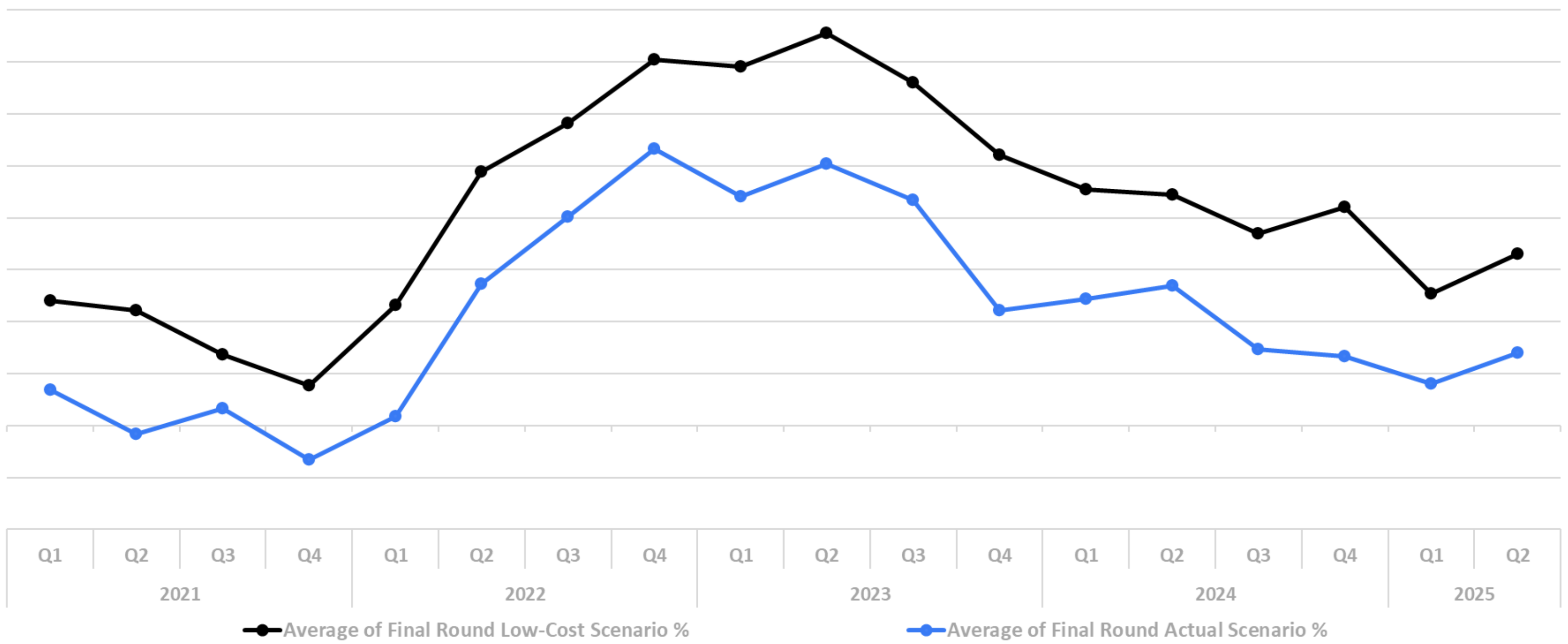
- TL carriers continue to cast a wide net in bids but are starting to narrow focus to preferred volume vs. any volume
- Mixed carrier earnings and shuffling RFP have caused carriers to look to replace lost freight quickly in Q2
- Brokers continue to be aggressive in an attempt to capture market share, but less shippers taking those rates
- Incumbent carriers trying to stay whole in RFPs. Some even push pricing increases with little success

Carrier Pricing Q3

- RFP pricing has been flat over the last 3 quarters, but an increase in savings opportunity through Q2 seems to indicate contract pricing is falling slightly again

Procurement Insights

Savings Gap Between Low-Cost & Final Scenario - Truckload



- This graph represents the difference between the Low-Cost procurement Scenario (Base) vs the final scenario
- The higher the data point, the higher the savings %
- The wider the gap, the more aggressive but potentially not viable pricing
- Final results have been flattening over the last 3 quarters, but savings appears to be increasing coming into Q3

Best practices for 2025

Carrier Management

- **Establish strategic relationships** with key providers in your network
- Understand your partners financials
- **Create symbiotic, long-term goals** with key partners
- **Partner with carriers** on company initiatives around technology, best practices, ease of doing business
- **Develop formal processes** to address service and performance improvement plans

Navigating Volatility

- **Understand where your rates are** to the market
- **Work with your carrier base** to understand their network and cost pressures
- **Work with strategic carriers for cost and price transparency** within your network and create an action plan for out-of-process lanes
- **Stay close to your incumbents** on critical lanes to understand price trends and capacity changes
- **Understand your carrier base's tracking and technology capabilities** and set clear expectations
- **Routing Guide** setup becomes more critical in a tightening market, such as backup carriers, low volume, etc.

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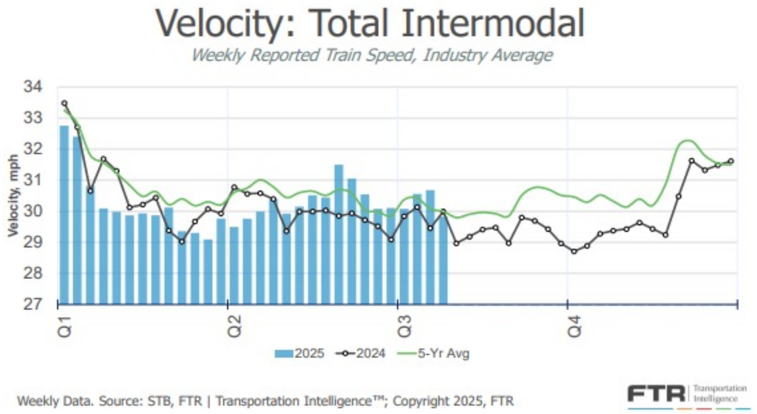
US Intermodal

Key factors impacting intermodal supply

- Container availability has tightened in Los Angeles in the third quarter as import volume has surged. Multiple providers have implemented peak season surcharges. There is still uncertainty on if the demand will persist after Labor Day.
- Rail car and container supply remain plentiful across the rest of the intermodal network.
- Railroad velocity has remained elevated and remains above both the levels in 2024 and the 5 year average.
- Dray capacity remains plentiful across the intermodal network.
- The railroads and asset providers have continued to focus on improving network balance, especially in getting equipment to Los Angeles.
- Union Pacific announced a new train service from their Inland Empire terminal in southern California going to Chicago. This will add five trains per week that will run from LA to Chicago starting in September.



*Sources: FTR August 2025 Intermodal Report

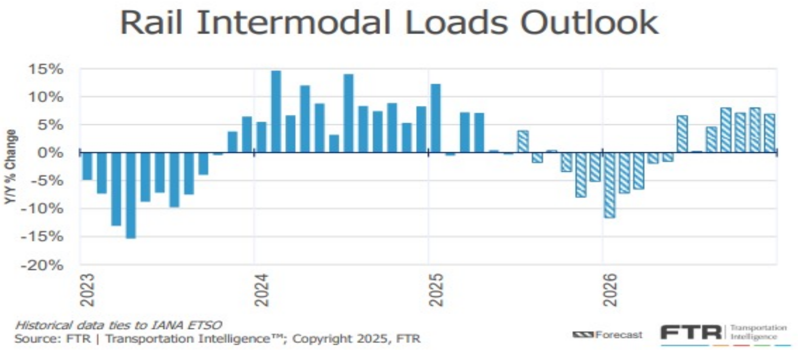
Key factors impacting intermodal demand

- Intermodal volume has fluctuated throughout 2025 as import volume has been impacted by ongoing tariff uncertainty. There was a spike in imports in July resulting in an increase in intermodal demand overall. That has subsided a bit in August and there is uncertainty on what the demand will be after Labor Day.

- Over-the-road capacity is still plentiful overall, which will impact intermodal demand.

- Shipper inventory levels are mixed, though many shippers have pre-bought inventory at times in 2024 and 2025 to try to beat the tariffs.

- There is quite a bit of uncertainty heading into the retail peak season. It is expected that at a minimum, demand will be lower than last year.



Slightly positive intermodal growth is expected in 2025 and 2026, growing 0.9% and 1.0%, respectively. Stagnant growth this year will be driven by weakness in U.S. volumes following the pull-forward and ongoing tariff uncertainty. In 2026, the weakness will be more attributable to stagnant economic conditions as a whole.

**Sources: FTR August 2025 Intermodal Report*

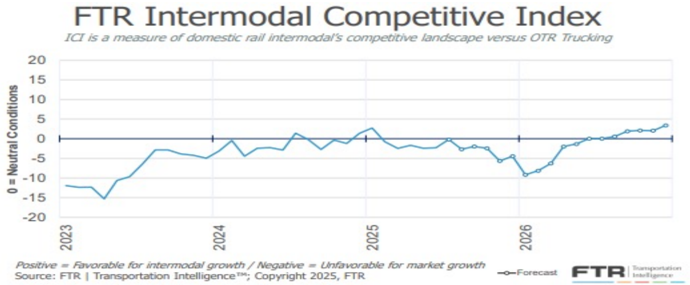
Current pricing, outlook, other updates

- Spot rates continue to be lower overall to compete with truck prices.

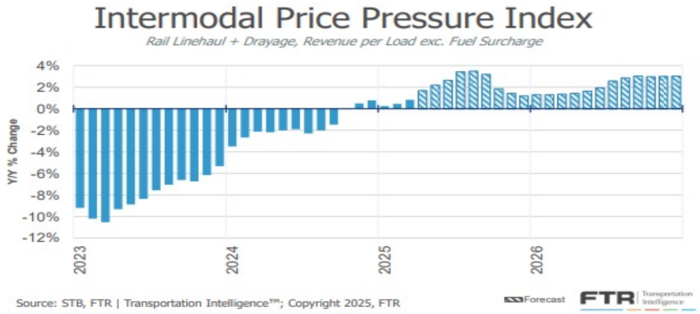
- The gains in price were limited during bid season. The price gains year to date have been mainly out of headhaul markets such as Los Angeles. Gains in price have been very limited and in fact rate decreases have been necessary to retain business on shorter haul lanes as well as backhaul lanes.

- The projection for the balance of 2025 and into early 2026 is that there will continue to be a minor year over year increase in rates.

- The big news in the industry in July was the announcement of the planned merger between Union Pacific and Norfolk Southern. This would create the first transcontinental railroad, and it would have a significant impact on intermodal should it be approved. The expectation is that it will take nearly two years for the Surface Transportation Board to review the proposed merger.



In June, FTR's Intermodal Competitive Index (ICI) held basically steady at -2.3 from -2.4 the month prior. While the aggregate number was stable, there were several notable changes in underlying components. The ICI is expected to remain negative for the next 12 months, bottoming out in January 2026.



After two consecutive years of y/y declines, domestic intermodal rates, excluding fuel surcharges, are expected to turn positive in 2025, growing 1.9%, followed by slightly stronger growth of 2.2% in 2026. Those forecasts are marginally softer than the rate growth in the prior outlook.

**Sources: FTR August 2025 Intermodal Report*

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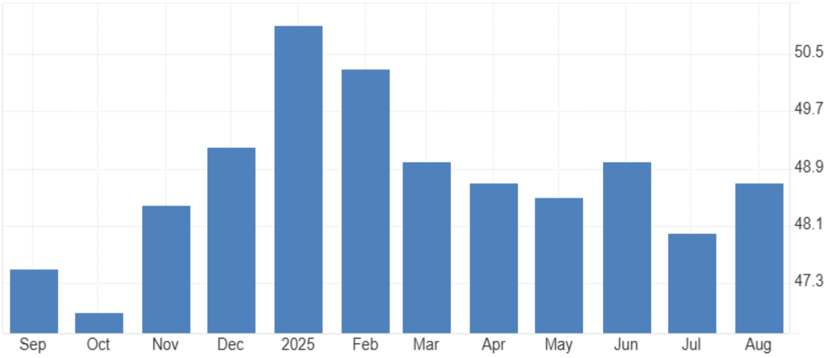
Less-than-truckload

LTL Market Trends

- LTL demand remained low through H1, down 4% year over year according to Cass Freight Index for Shipments.
- LTL carrier sentiment from recent conversations leans flat to down for H2 and early H1 2026
- ISM still in contraction territory through August signaling continued weak demand.
- Example y/y decline demonstrated by three carriers in the bottom right table.



ISM PMI Source: Trading Economics

May 2025 results, as compared with May 2024

Metric	Old Dominion	Saia	XPO
Revenue per day	-5.8%	Not disclosed	Not disclosed
LTL tonnage per day	-8.4%	-0.4%	-5.7%
LTL shipments per day	-6.8%	-3.2%	-5.0%
LTL weight per shipment	-1.9%	3.0%	-0.7%
Revenue per hundredweight	Not disclosed	Not disclosed	Not disclosed

Table: Pamella De Leon/CCJ • Source: Carrier company updates • Created with Datawrapper

Via CCJ – Link to Article

H2 2025 – Shipper outlook for next 12 months

- For non-carrier tariffs, we are expecting GRIs to remain in 3-5% range but can be negotiated down.
- We strongly recommend renewing with higher service incumbents and supplementing the network with niche regional or low-cost carriers.
- We expect any uptick in pricing and volume to be slow unless there is a sudden increase in demand for truckload capacity, which could shift volume shipments to LTL.
- The LTL industry remains healthy with good alternatives for shippers and LTL pricing should not have a dramatic impact on shipper’s budgets over the next 12 calendar months.
- The National Motor Freight Classification (NMFC) changes in 2025 created some disruption, but some carriers have eased their stance (i.e., FedEx Freight). This should continue to be an area of focus for all LTL shippers.

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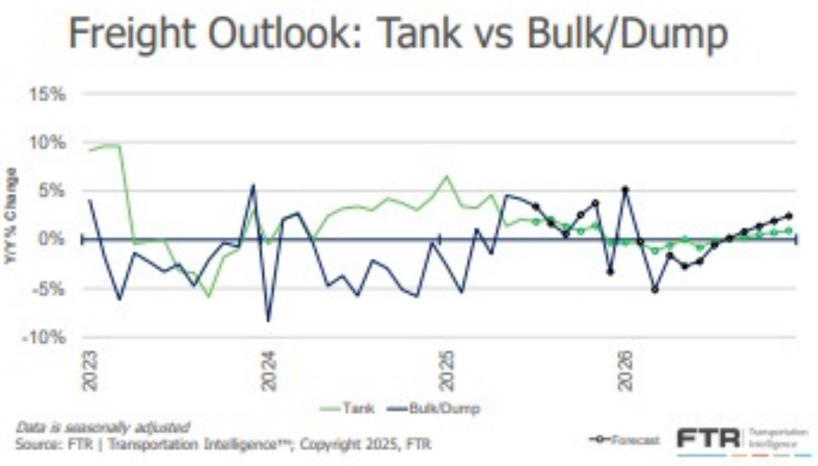
US Bulk

Bulk Market Trends

- Forecast (late 2025–2026): Stabilizes around 0% and nudges slightly positive by 2026, though some volatility remains.
- Stronger volume for fuels and building materials basically offset weaker growth in chemicals as the tank loadings forecast ticked up to +2.4% y/y from +2.3% previously.
- Higher volatility: Bulk truck shows bigger peak-to-trough swings than other equipment types, even when the trend is flat.
- Lagged recovery: It trails Bulk/Dump's rebound by a few quarters, flirting with 0% later in the cycle.
- Narrow forecast band: 2025–26 outlook hugs ±2% YoY, signaling stability rather than expansion.
- Planning cue: Expect steady volumes with episodic bumps—optimize utilization and service quality vs. counting on growth.



Bulk Market Trends

U.S. Truck Freight: Commodity Groups & Trailer Types

Seasonally Adjusted (000,000s of Loadings Originated)

	MONTH							QUARTER				
F = Forecast	Apr-25	May-25	Jun-25	Jul-25F	Aug-25F	Sep-25F	Oct-25F	Q1'25	Q2'25	Q3'25F	Q4'25F	Q1'26F
Total Truck Loadings	**59.16**	**59.48**	**59.57**	**59.12**	**58.99**	**58.86**	**58.70**	**177.50**	**178.20**	**176.96**	**175.86**	**175.72**
Active Truck Utilization Rate (%) [2]	93.6%	93.5%	93.8%	93.6%	93.5%	93.3%	92.9%	93.2%	93.6%	93.5%	92.7%	92.1%
Commodity Groups												
Food & Kindred Products	8.45	8.54	8.60	8.56	8.57	8.57	8.56	25.56	25.60	25.69	25.70	25.79
Stone, Clay, Glass & Concrete	4.78	4.77	4.80	4.76	4.75	4.74	4.71	14.28	14.35	14.25	14.09	14.02
Nonmetallic Minerals, Except Fuels	8.40	8.60	8.54	8.39	8.35	8.31	8.30	24.60	25.54	25.06	24.82	24.67
Chemicals & Allied Products	2.34	2.30	2.31	2.30	2.30	2.29	2.29	6.99	6.95	6.90	6.84	6.81
Transportation Equipment	5.01	5.15	5.13	4.98	4.94	4.90	4.85	15.59	15.29	14.81	14.51	14.60
All Other	30.17	30.11	30.19	30.11	30.09	30.05	29.99	90.48	90.47	90.25	89.91	89.83
Trailer Types												
Dry Van	20.06	20.27	20.30	20.09	20.03	19.98	19.91	61.02	60.63	60.10	59.66	59.75
Reefer Van	4.09	4.12	4.13	4.13	4.13	4.13	4.13	12.35	12.35	12.39	12.38	12.43
Flatbed	6.60	6.58	6.60	6.57	6.55	6.53	6.49	19.66	19.78	19.64	19.43	19.34
Specialized	9.14	9.09	9.09	9.10	9.09	9.09	9.08	27.31	27.33	27.28	27.22	27.24
Tank	6.13	6.10	6.15	6.12	6.12	6.11	6.10	18.39	18.39	18.35	18.29	18.28
Bulk/Dump	13.13	13.31	13.28	13.12	13.07	13.02	12.99	38.78	39.73	39.21	38.88	38.69
Y/Y % Change [1]												
Total Truck Loadings	**0.3%**	**1.2%**	**1.2%**	**1.3%**	**0.4%**	**-0.2%**	**0.6%**	**0.2%**	**0.9%**	**0.5%**	**-0.1%**	**-1.0%**
Commodity Groups												
Food & Kindred Products	0.5%	0.9%	0.2%	1.6%	0.8%	0.7%	3.0%	0.4%	0.5%	1.1%	2.3%	0.9%
Stone, Clay, Glass & Concrete	5.0%	6.3%	5.6%	3.4%	3.5%	2.7%	0.6%	4.2%	5.6%	3.2%	1.3%	-1.8%
Nonmetallic Minerals, Except Fuels	-4.9%	5.6%	4.8%	3.5%	1.3%	0.2%	2.9%	-5.5%	1.6%	1.6%	0.6%	0.3%
Chemicals & Allied Products	4.6%	0.4%	-0.5%	-0.6%	0.6%	0.2%	0.4%	6.9%	1.5%	0.1%	-0.4%	-2.6%
Transportation Equipment	-5.8%	-3.8%	-3.9%	-0.9%	-5.8%	-6.6%	-8.1%	-1.5%	-4.5%	-4.5%	-8.0%	-6.4%
All Other	1.8%	0.3%	1.0%	0.8%	0.7%	0.0%	0.8%	0.9%	1.0%	0.5%	0.3%	-0.7%
Trailer Types												
Dry Van	-1.1%	-0.3%	-0.8%	0.1%	-1.5%	-1.5%	-0.9%	-0.3%	-0.7%	-1.0%	-1.3%	-2.1%
Reefer Van	-0.6%	0.1%	1.2%	-0.1%	0.1%	-1.0%	1.2%	0.7%	0.2%	-0.4%	1.1%	0.7%
Flatbed	4.3%	3.1%	3.4%	2.2%	1.9%	1.1%	0.9%	3.0%	3.6%	1.7%	0.6%	-1.6%
Specialized	0.7%	-0.9%	-0.5%	0.5%	1.2%	0.0%	0.2%	0.0%	-0.2%	0.6%	-0.1%	-0.3%
Tank	4.6%	1.4%	2.1%	1.9%	2.1%	1.4%	0.9%	4.4%	2.7%	1.8%	0.7%	-0.6%
Bulk/Dump	-1.5%	4.5%	4.2%	3.4%	1.7%	0.6%	2.5%	-2.4%	2.3%	1.9%	0.9%	-0.2%

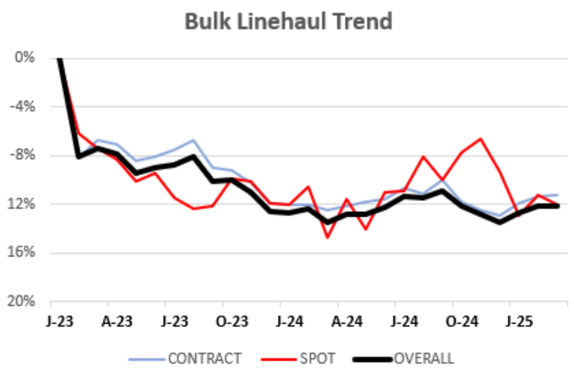
Summary

- Volumes are basically flat with a slight drift down.
- Chemicals (Q3'25F): 6.90M loadings vs 6.95M in Q2 (-0.7% q/q).
- Tank (Q3'25F): 18.35M vs 18.39M in Q2 (-0.2% q/q).
- YoY growth is low but positive in Q3, then cools into Q4/Q1'26.
- Chemicals YoY: +0.1% in Q3'25F → -0.4% in Q4'25F → -2.6% in Q1'26F.
- Tank YoY: +1.8% in Q3'25F → +0.7% in Q4'25F → -0.6% in Q1'26F.
- Share of total truck loadings stays steady.
- Chemicals: ~3.9% of total in Q2/Q3 (6.95/178.20; 6.90/176.96).
- Tank: ~10.3–10.4% of total (18.39/178.20; 18.35/176.96).
- Monthly cadence shows stability.
- Chemicals: Apr–Jun actual 2.34 → 2.30 → 2.31; Jul–Sep forecast 2.30 → 2.30 → 2.29.
- Tank: Apr–Jun 6.13 → 6.10 → 6.15; Jul–Sep 6.12 → 6.12 → 6.11.

Outlook cues

- Q4'25 → Q1'26: gentle sequential declines continue (Chemicals 6.84 → 6.81; Tank 18.29 → 18.28), with YoY turning mildly negative—i.e., softening but not collapsing.
- Context: overall active truck utilization eases from ~93.5% in Q3 to 92.7% in Q4, implying slightly less tightness but still a high-utilization environment for specialized equipment.

Uber Freight Bulk Network Trends



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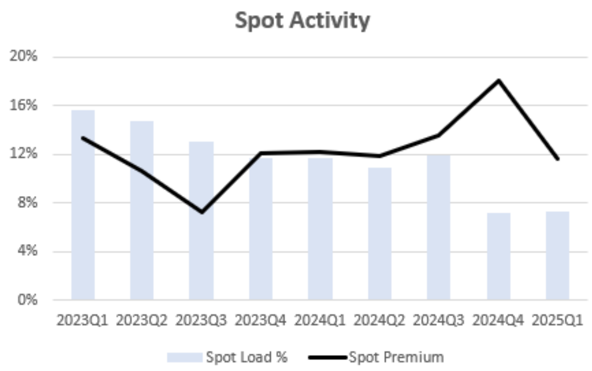
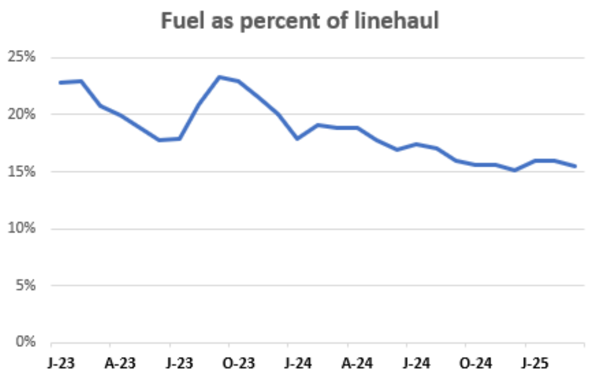




Source – Uber Freight TM

- Contract and overall rates rose slightly to start the year, then stabilized during Q1
- Overall rates rose slightly YoY
- Following an end-of-year rise, spot rates fell at the beginning of Q1 and then rose slightly during the quarter

- Spot volume remained low in Q1, level with the result from Q4, and down nearly 25% YoY, and over 50% compared to Q1 2023.
- Following a year-end spike in spot premiums, Q1 showed a drop back to levels seen in the first half of 2024

- Fuel surcharge costs mirror the path of the National DOE fuel rates. After gradual steady decline during 2024, fuel prices rose during January, then gradually dropped again during February and March,
- Q1 ended with the national average up 2.5% from the end of Q4, but down 10.1% YoY

Bulk Market Trends Spotlight – NA Intermodal via ISO Tanks

North America context

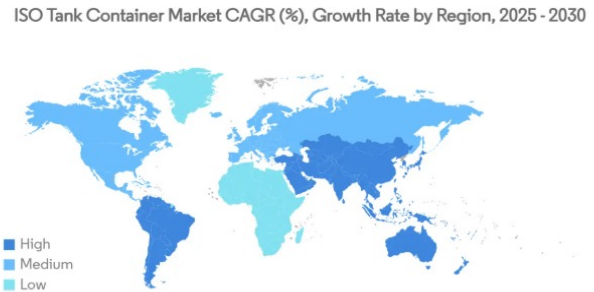
- Intermodal backdrop: mid-single-digit YoY growth through 2025.
- Hubs/corridors: Houston/Gulf Coast ↔ Midwest (Chicago), PNW, Ontario/Quebec, NY/NJ.

Planning cues (2025–26)

- Assume flat → modest growth in NA with stable utilization.
- Prioritize service quality, reliability, and repositioning over price-only plays.
- Anchor network Gulf Coast + Midwest; pre-book terminal capacity on peak lanes.

Sustainability

- 30% cost savings on shipments over 1,000 miles vs. tank trucks
- 50%+ emissions reduction
- 99.99% safety rate for hazardous materials via rail
- Rail moves one ton of freight 400 miles per gallon, enhancing sustainability.



North America Growth

- Mature, steady growth: Solid intermodal backdrop (IANA: +7.9% YoY Q2'24; intl. containers +13.3%).
- Regulatory tailwinds/requirements (US EPA PFAS rule) affect linings/cleaning standards.
- Canada's terminal network and Mexico nearshoring (+22.6% intermodal vs Q2'23) bolster regional flows.

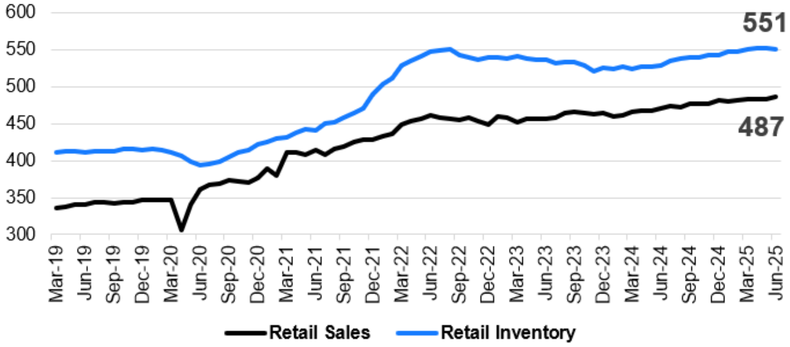
Uber Freight

Warehousing

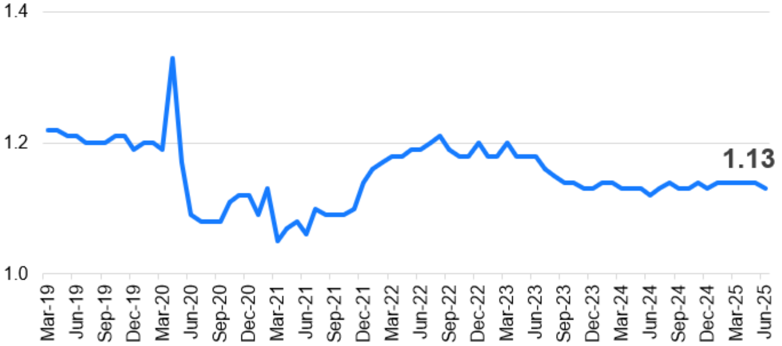
Inventory levels

Retail inventory & sales both hit all-time highs in Q3 2025.

Retail sales & retail inventory (excluding auto industry) [(1)]



Inventory to sales ratio (excluding auto industry) [(1)]



Q2 2025 inventory:

- Retail inventory continued to increase in Q2 2025, hitting a new all-time high at **$552B** in May 2025.
- Retail sales continued to increase in Q2 2025, hitting a new all-time high at **$486B** in Jun 2025.
- The inventory-to-sales dipped back down to **1.13** in Jun 2025. This is on par with the 12-month running average of **1.13**.

Q2 2025 → Q3 2025 outlook:

- After a slight increase in inventories in May, the inventory-to-sales ratio in June signifies we are back to a level of lean inventory.
- Retailers that leverage data-driven inventory management and omnichannel fulfillment strategies will outperform in a market where consumer demand remains stable but nuanced. [(2)]

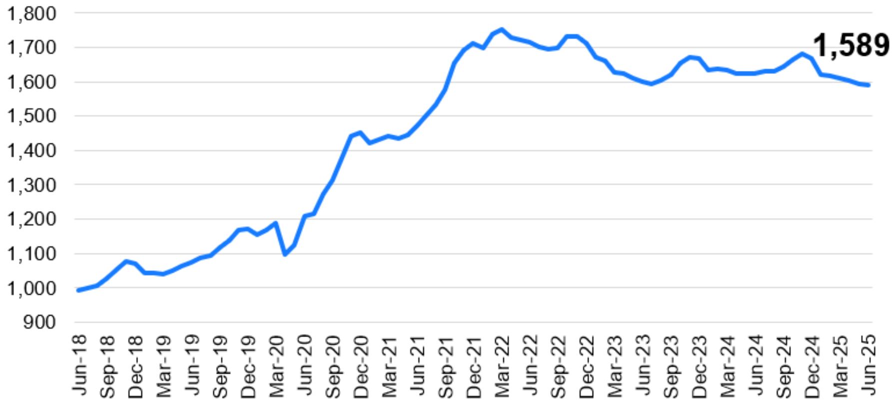
Source: [(1)] *US Census Bureau;* [(2)] *Deloitte Consumer Industry Outlook*

Uber Freight

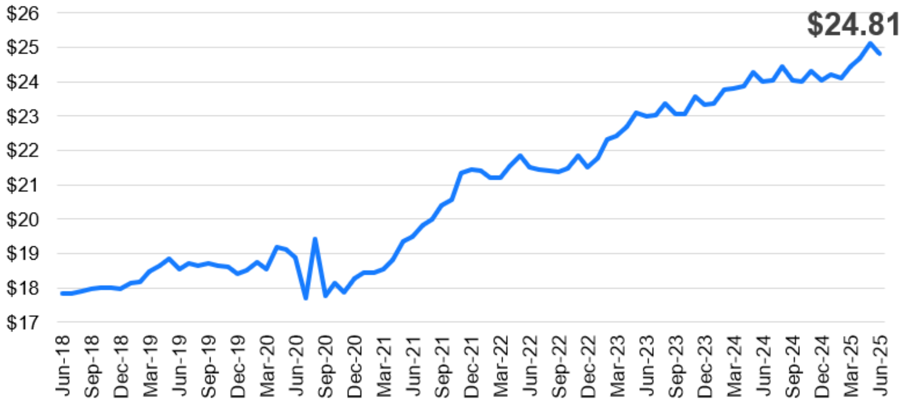
Warehouse labor trends

Warehouse employment decreases for the second straight quarter as wages hit a new all-time high in May 2025.

Warehouse Employment [1]
Thousands of employees



Warehouse Non-Supervisory Wages [1]
Per Hour Rate



The warehousing sector reached its lowest mark since **Sep 2021** at **1.59M** warehouse employees. After losing **59,200** jobs in **Q1 2025**, we saw another reduction of about **20,100** employees at the end of **Q2 2025**. This marks about a **4.7%** decline since the end of 2024. Though it is a relatively steep decline, employment levels are still well above pre-Covid levels.

Average warehouse non-supervisory wages jumped above **$25/hr.** for the first time ever in **May 2025** before settling at **$24.81/hr.** in **Jun 2025**. This is a **1.6%** increase QOQ and a **3.4%** increase YOY. The numbers support the ongoing competition to attract and retain top talent in the industry.

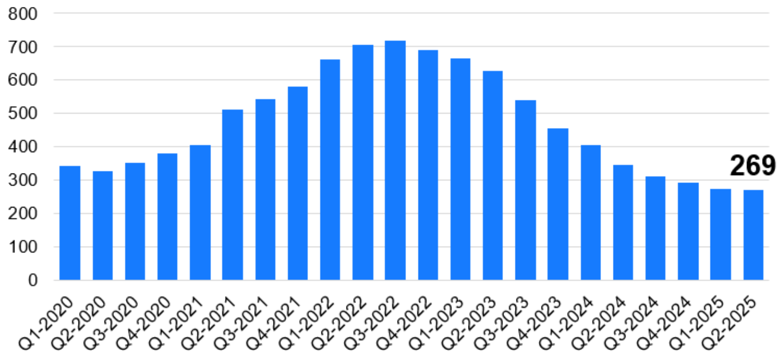
[1] *US Bureau of Labor Statistics*

Warehouse space outlook

Construction pipeline is shrinking, while new supply continues to outpace net demand

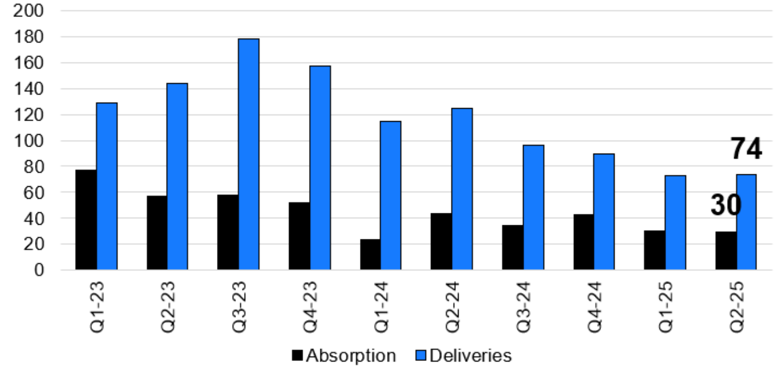
Under Construction [(1)]

Millions of Square Feet (MSF)



Net Absorptions & Completions [(1)]

Millions of Square Feet (MSF)



Q2 2025 Warehousing Recap:

- The pipeline has dissipated to its lowest level (268.6 MSF) since the close of 2017. [(1)]
- Nationally, the speculative share has fallen to 63%, hitting its lowest point in five years. [(1)]
- The West Region posted -2.3 MSF of net absorption, driven by significant occupancy losses in the Inland Empire and Los Angeles. [(1)]
- New completions fell to just 71.5 MSF, the lowest point since Q1 2019 (68.6 MSF) amid the shrinking under-construction pipeline. [(1)]

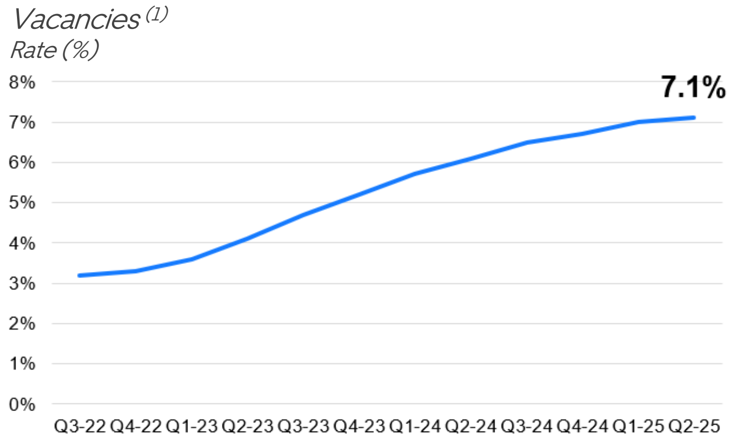
Q2 2025 → Q3 2025 Outlook:

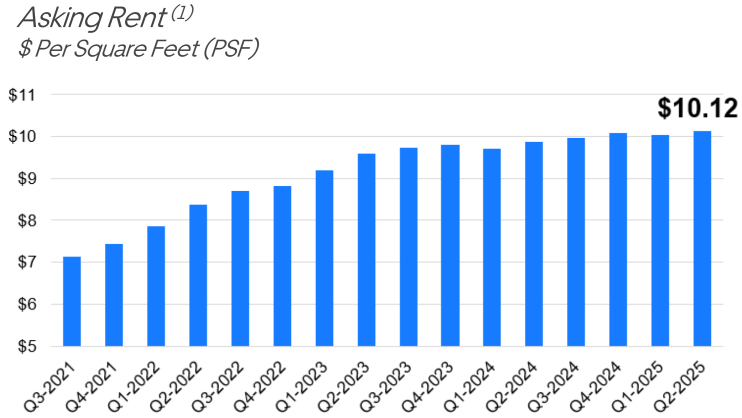
- New construction should continue to shrink throughout increased economic uncertainty, higher borrowing costs, and elevated vacancy rates. [(1)]
- Industrial demand is likely to remain soft due to weak consumer confidence, spending pullbacks, and inflation. [(1)]

[(1)] *Cushman & Wakefield*

Space availability and cost

Vacancies modestly rise while rent growth softens.





Q2 2025 Warehousing Recap:

- The U.S. industrial vacancy rate increased 30 bps QOQ to 7.0%, marking its highest level since 2014. [1]
- Although industrial rents continue to appreciate at a reasonably healthy clip overall—4.3% YOY, rates have held steady at $10.11 PSF over H2 2024. [1]

Q2 2025 → Q3 2025 Outlook:

- Slower speculative construction will help limit vacancy growth, with 2025 deliveries down 46% from 2024 and falling further in 2026. [2]
- As market conditions improve and supply and demand rebalance in late 2026, rent growth is projected to rebound toward the historical 3–4% range. [2]

[1] Cushman & Wakefield; [2] Colliers

Uber Freight

Europe

Factors affecting supply

Key points around capacity, pricing, and driver shortages

- The European contract rate index increased by 1.82% in the last three months and increased by 2.3% in the last 12 months.
- The European spot rate index increased by 3.23% in the last three months and by 4.9% over the last 12 months.
- Capacity is relatively fragile, being sensitive to sudden surges or disruptions.
- The Brent crude oil price fell during the quarter, starting at $74 per barrel in April and ending at $67 at the end of June. OPEC+ countries announced that they will increase production from August 2025 despite soft demand.
- HVO distribution is improving, leading to lower prices at the pump, but the price per litre is still c20% higher than diesel across the UK and EU.
- Tolling – The Netherlands, Sweden and Luxembourg introduced the CO2 element of the toll charges in March 2025 to comply with the Eurovignette Directive. This has increased toll prices by c2% in these countries for Euro 6 class 1 vehicles.

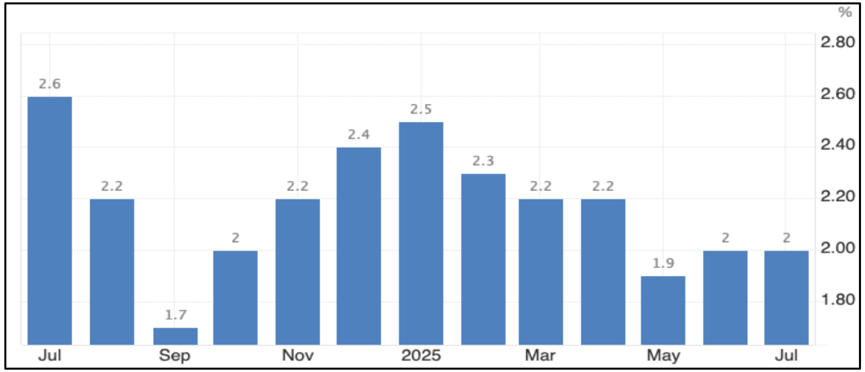
Factors affecting demand

Inflation hits medium term target, PMI improves but GDP growth forecasts for the Euro Area remain muted

GDP Economic Outlook (EO)

Region	2025 GDP Growth %	2026 GDP Growth %
Euro Area	1.0%	1.2%
World	2.9%	2.9%
G20	3.1%	3.0%

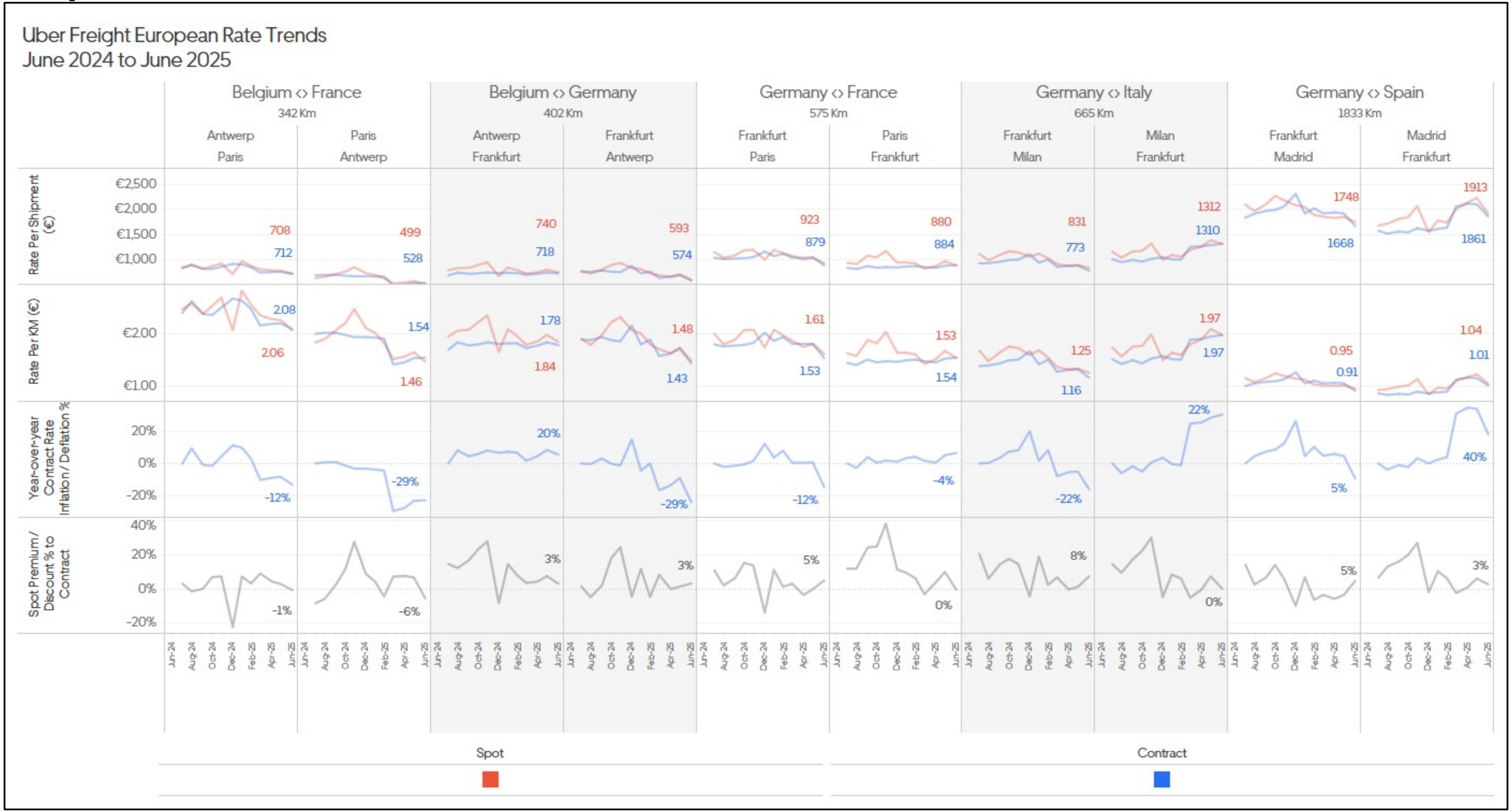
Euro Area annual inflation rate



Sources: OECD Economic Outlook, Eurostat

- The OECD has forecast euro area GDP growth at 1.0% for 2025, and 1.2% for 2026, highlighting persistent challenges such as higher trade barriers and policy uncertainty.
- The Euro area inflation rate was at 2.0% in June, down from the 2.2% in March. Inflation has now stabilised at the 2% medium term target, so the ECB decided to keep interest rates unchanged in July 2025.
- The Purchasing Managers Index (PMI) for the Euro Area climbed to 49.5 in June, up from 48.7 in March. The level is at it's highest for 36 months, but still remains just below the expansion threshold of 50.

European rate trends



Source: UPPLY.com

European rate trends

Source: UPPLY.com

Outlook: Freight supply and demand

- Euro area GDP growth is expected to be 1.0% in 2025, and 1.2% in 2026. The expectation is subdued but slightly improving demand, with increased stability given the recent tariff agreement between the EU and the US.
- Rates: Forecasts suggest that freight rates will stabilise with low levels of upwards pressure in the 1-2% range over the next 6 months.
- Fuel: Short bursts of price spikes remain possible if supply shocks occur but the general outlook for the next 3–6 months is for relatively stable or gently declining diesel prices in Europe.
- Drivers: The EU Commission, EU Council and EU Parliament have agreed to harmonize the minimal age for truck drivers to 18, which needs to be implemented within the next 4 years. EU countries may allow 17-years-old to drive a truck or van on their territory only, if accompanied by an experienced driver.

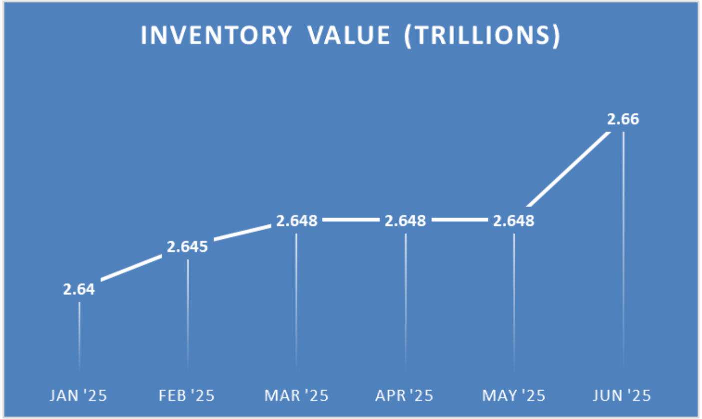
Recommendations

- As the market becomes more stable with modest rate growth, procure with medium term agreements and capacity commitments to handle any unforeseen supply shocks.
- In a fragmented market that limits the pace of digitalization, work with carriers to jointly understand the benefits of increased connectivity and visibility.

Uber Freight

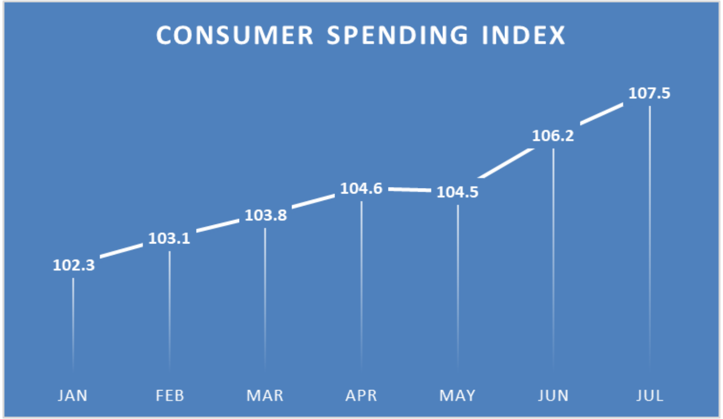
Ocean & Air Freight

Inventory Highs, Spending Lows
A shift in the cycle?



Inventory Levels ⬆ 0.2% in June

Remain high following demand surge post-liberation day. Traditional peak season volumes are in jeopardy as shippers look to deplete existing inventory.



Consumer Spending ⬆ 1.2% since June

Consumer spending down is cooling down, up only 1.2% since June. This is due to impact of tariffs, suppressed labor market and credit concerns.

Tariff Landscape

Where we stand and what's next

Several Agreements Finalized

- **Japan, EU, South Korea**: 15% tariffs in exchange for major investments and energy purchases.
- **Philippines & Indonesia**: 19% tariffs; U.S. gains market access and export advantages.
- **Pakistan**: Strategic deal focused on joint oil development.

Tariff Deals Still Pending

- **China**: 30% tariff under temporary truce; could rise to 145% if no extension is reached.
- **India, Brazil**: Facing 50% total tariffs due to geopolitical and sanction-related penalties.
- **Canada & Mexico**: Non-USMCA goods subject to 30–35% tariffs; Mexico granted 90-day negotiation window.

Other Trade Policy Considerations

- **Deminimis Exemption** ends August 29. All non-postal shipments under $800 will now be subject to full tariffs and formal customs entry
- **Transshipment enforcement.** Product rerouted to third countries to avoid tariffs may face a 40% penalty rate

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Navigating Headwinds

Ocean carriers adapt to shifting demand

- **Capacity Cuts & Blank Sailings**: Carriers are actively removing capacity due to weaker-than-expected demand following U.S. tariff changes effective August 7. MSC withdrew its Pearl service, and more blank sailings are expected
- **Reliability Improvements**: Global schedule reliability rose to **67.4%**, the highest since 2023. Asia–North America West Coast services hit **78% reliability**, signaling a more predictable peak season
- **U.S. exporters face severe container shortages and rising costs**, especially at Gulf Coast ports, with delays worsened by labor strikes and congestion in European hubs like Antwerp and Rotterdam.
- **Transpacific Rates**: Spot rates continue to slide, especially on the U.S. West Coast. GRIs (General Rate Increases) announced for August were mostly not implemented.

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Air Freight in Flux
Navigating shifts in global air cargo

- **Global airfreight tonnage declined for the second consecutive week**, down -2% WoW, with North America (-5%) and Europe (-3%) contracting significantly.
- **Asia Pacific exports show mixed signals**, with YoY growth of +7% to Europe led by Vietnam (+29%) and Hong Kong (+21%), while exports to the U.S. rose +1% WoW, marking the first YoY increase (+5%) since mid-April.
- **Global air cargo rates rose +1% WoW**, driven by Europe (+3%) and Asia Pacific (+1%), though YoY pricing remains down -1% overall, with sharp declines from MESA (-14%) and Vietnam (-29%) to the U.S.

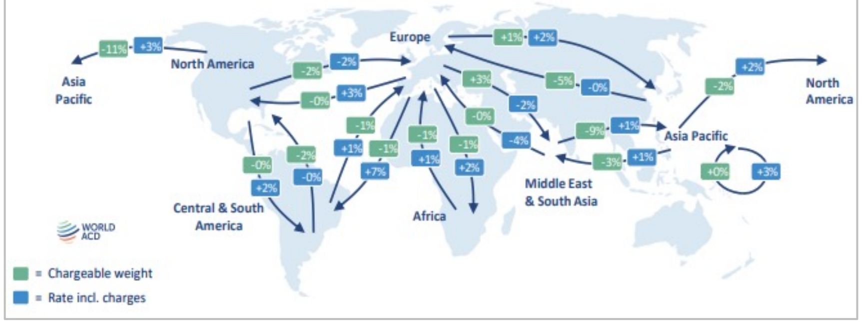
Origin Regions
last 2 to 5 weeks
WORLD ACD

	Capacity[1]			Chargeable weight[1]			Rate[1]		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		-0%	+6%		-1%	-2%		+1%	+7%
Asia Pacific		+1%	+6%		-2%	+7%		+1%	-3%
C. & S. America		+1%	+2%		-1%	+6%		-0%	-2%
Europe		+0%	+6%		+1%	+1%		+2%	+6%
M. East & S. Asia		-0%	+3%		-1%	+0%		-2%	-14%
North America		-1%	+8%		-5%	+2%		+2%	-0%
Worldwide		**-0%**	**+5%**		**-1%**	**+4%**		**+1%**	**-1%**

[1] 2Wo2W compares the last 2 weeks with the preceding 2 weeks this year. YoY compares the last 2 weeks with the same 2 weeks last year.

Region to Region
last 2 weeks

Last two weeks compared with the preceding two weeks (2Wo2W)



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Uber Freight

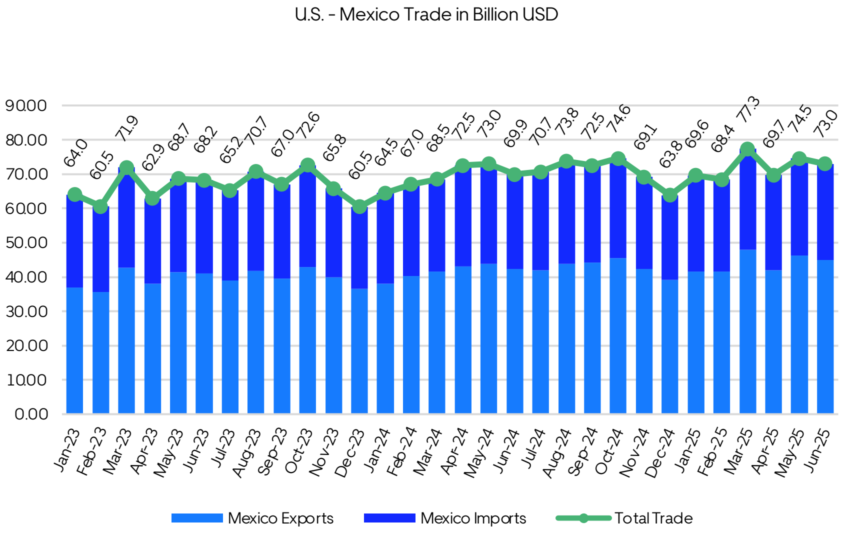
Mexico Truckload

Mexico economic outlook

Mexico economy

- Mexico's economy is holding modest growth in 2025, with Q2 expanding 0.6% QoQ and 1.2% YoY. Nearshoring under USMCA continues to attract investment, but new U.S. tariffs are adding pressure on exporters and raising uncertainty for the second half of the year.

- Forecasts for full-year growth remain weak, around 0.2–0.4%, with a slight recovery expected in 2026. Consumption and wages are providing some support, but productivity challenges, policy risks, and potential USMCA disputes keep the outlook cautious.



- Banxico cut its rate to 7.75%, slowing the pace of easing as inflation cooled to ~3.5%, though core remains above 4%. The peso is strong near 18.7 per USD, helping anchor prices, but trade tensions and USMCA risks will shape the path for policy and investor confidence.

Mexico economic outlook

Inflation:

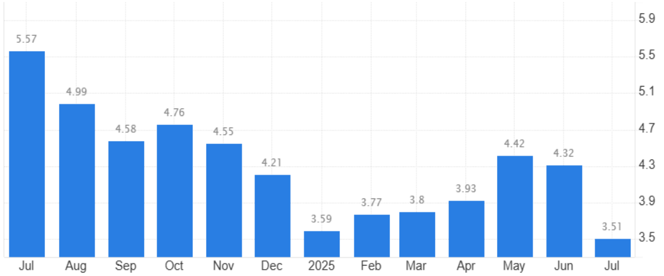
- Inflation in Mexico has eased significantly from 5.6% in mid-2024 to 3.5% in July 2025, as shown in the chart. Softer domestic demand, Banxico's earlier rate cuts, and a calmer global environment have helped anchor prices. However, core inflation remains above 4%, underscoring persistent underlying pressures.

- Tariffs have lifted prices in specific goods such as autos and food inputs, but broad pass-through has been contained so far. Banxico recently slowed the pace of rate cuts, balancing the need to support growth with maintaining credibility on price stability. Looking ahead, inflation is expected to converge near target by late 2025, though trade tensions and external shocks remain key risks.

Exchange Rate:

- The Mexican peso has strengthened significantly in 2025, appreciating from around 20.2 per USD in March to ~18.7 in late summer, making it one of the best-performing emerging market currencies this year. The rally has been supported by Banxico's cautious rate cuts, strong capital inflows, and record remittances, while a firm peso has also helped anchor inflation. Looking ahead, most forecasts expect some depreciation toward 19.8–20.0 per USD over the next 12 months, as trade frictions with the U.S. and weaker growth prospects weigh on sentiment.

Mexico Inflation 2024-2025



Source: Inegi (Instituto Nacional de Estadística y Geografía)

Exchange Rate USD/MXN

Source: Trading Economy

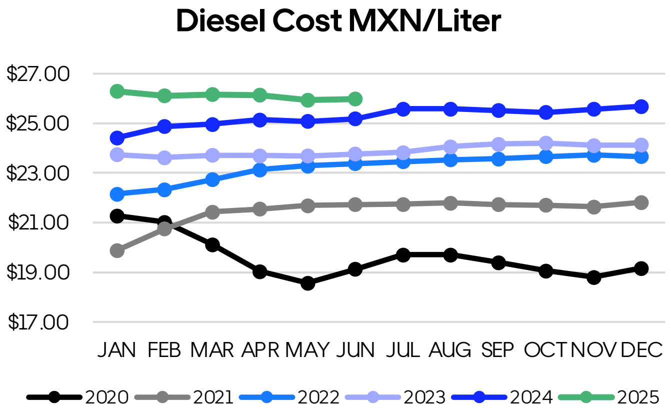
Mexico economic outlook

- Nearshoring remains a strong driver of investment into Mexico, as companies continue to relocate production closer to the U.S. market under the USMCA framework. Automotive, electronics, and pharmaceutical manufacturers are expanding operations to take advantage of tariff-free treatment and shorter supply chains. While this supports Mexico's role in regional manufacturing, the benefits are being tempered by U.S. trade frictions, with new tariffs already reducing export volumes in auto and other key sectors.
- Trade flows remain concentrated at major crossings like Laredo, which now handles nearly 40% of bilateral trade. Recent approvals for projects such as the Colombia Solidarity Bridge expansion and the Otay Mesa East port of entry aim to relieve congestion, but completion timelines extend several years. In the meantime, shippers continue to face delays and bottlenecks that add cost and risk to supply chains, particularly during seasonal peaks.
- Cargo theft remains a significant threat, with incidents increasingly violent along high-volume corridors. Rising insurance costs and security investments are reshaping supply chain decisions, adding to the structural challenges facing the sector.

Mexico current situation

Transportation cost and capacity

- Diesel prices remain elevated, averaging $25.9–26.0 MXN/L in mid-2025, a 6.5% increase YoY. This continues to put pressure on carriers' margins alongside higher tolls (5–9% hikes since January) and spare parts inflation. Carriers are adopting fuel-saving practices and renegotiating contracts with shippers to absorb part of the shock.
- Equipment availability remains ample in Mexico, but the driver shortage is limiting flexibility. Cross-border operations are further stressed by tighter U.S. enforcement of B1 visa driver rules and cabotage restrictions, creating uncertainty for shipper's dependent on consistent northbound flows.
- Freight volumes show mixed signals. After pre-tariff overflows in Q1, Q2 and Q3 have seen more normalized but uneven flows by sector: automotive exports are contracting, while nearshoring-related imports of inputs are sustaining activity at border crossings. Seasonal retail demand is expected to gradually tighten capacity heading into late Q3.
- Regulatory compliance remains a challenge, with stricter Carta Porte enforcement and new pre-export notification requirements adding paperwork, delays, and cost for carriers and shippers.



Source: gob.mx

Outlook

- Diesel has climbed above $26/L, a 6.5% YoY increase, while tolls rose 5–9% earlier this year and spare parts continue to see inflation. These factors are straining carrier margins, forcing them to adopt more fuel-efficient practices and revisit contract terms with shippers.
- Nearshoring flows in electronics and pharma keep momentum, but auto exports have contracted sharply under U.S. tariffs. As a result, freight demand is increasingly uneven by sector, imports of manufacturing inputs remain steady, while some export lanes are softening.
- Although equipment availability remains sufficient, driver shortages continue to limit flexibility. On top of this, stricter U.S. enforcement of English proficiency for B1 visa drivers is creating uncertainty for cross-border operations, putting additional stress on supply chains.
- Cargo theft remains one of the most pressing operational risks, with violent incidents rising on key corridors like México–Querétaro. Limited insurance availability and higher premiums add another layer of cost, forcing shippers and carriers to re-evaluate security strategies.

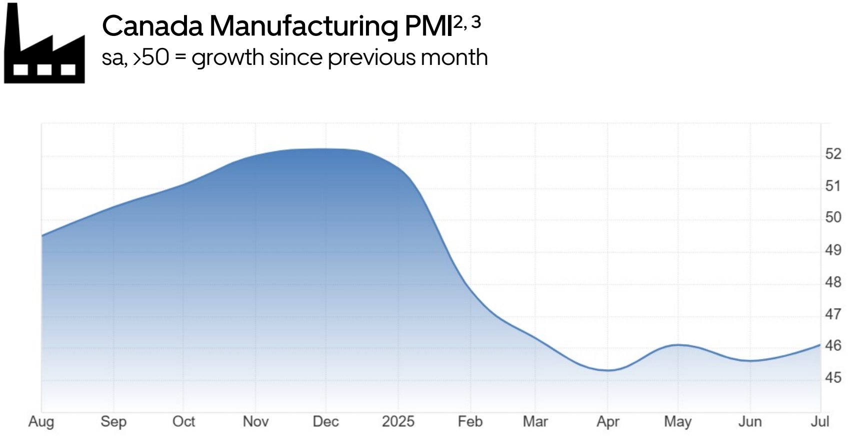
Recommendations

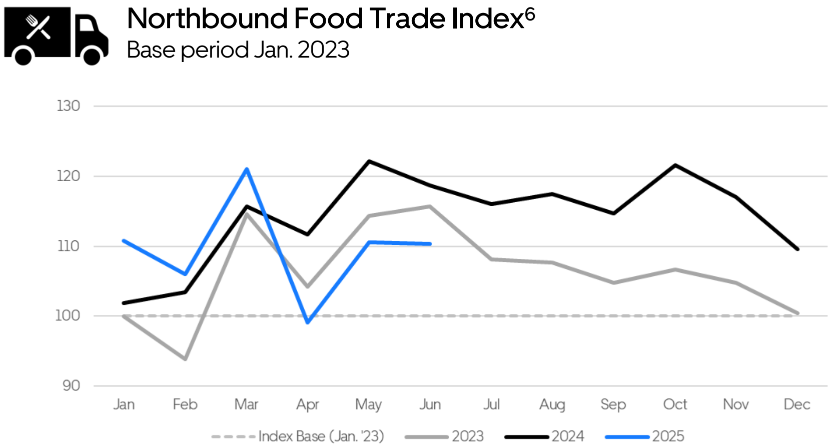
- Leverage secondary border crossings, explore transloading options, and integrate multimodal solutions to keep freight moving during congestion or peak demand.
- Work closely with your Uber Freight representatives to anticipate regulatory changes, tariff impacts, and shifting trade conditions that could affect your supply chain.
- Continue collaborating with core carriers to secure capacity, align on market shifts, and proactively adapt to changing operational dynamics.

Uber Freight

Canada

Q2 sees US trade weighing on XB freight market





While consumer confidence recovered through Q2[1] after historic March lows, upstream activity from manufacturers continue to reflect a lack of trust with the S&P PMI remaining in red through July[2]. Industries targeted by US tariffs felt pressure, as well as manufacturing across heavy industrial equipment, appliances and electronics all contracting on the year[4]. With Q2 marking the lowest point of US trade since 2020, PM Carney aims to break ground on normalizing relations through lifting retaliatory tariffs beginning September[5] in hopes of returning to a path of growth in Q3.

Implications Lower liquidity in cross-border assets as return loads grew scarcer YoY through Q2[6]. Annual seasonality in spot dampened, adding pressure to contract rates through early Q3.

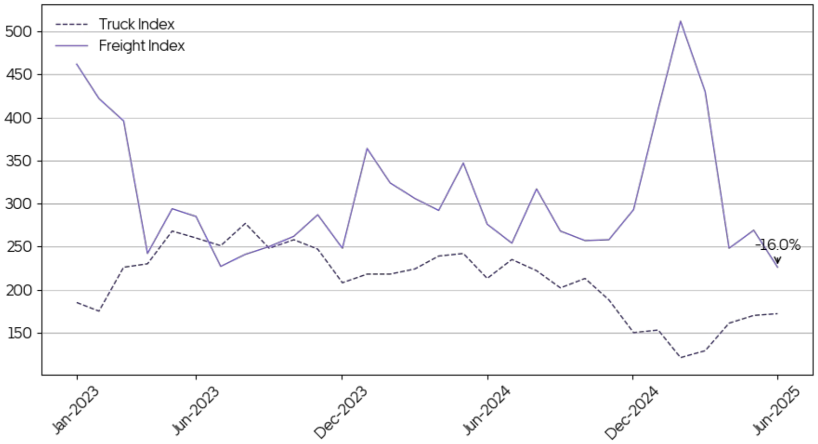
Sources [1] RBC Consumer Spending Tracker. August 2025. [2] S&P Global, Canada Manufacturing PMI®. July 2025. [3] tradingeconomics.com [4] Statistics Canada, GDP at basic prices 36-10-0434-01. . [4] Statistics Canada, International merchandise trade. 12-10-0011-01. [5] CBC. Carney ends most counter-tariffs as Trump trade talks continue. Accessed August 22nd. link. . [6] US Census Bureau, USA Trade® Online, HS Codes 2-8, 15-21, May 2025. Published July 2025.

Spot stable through June, Contract cools in May after peak

Transportation Capacity

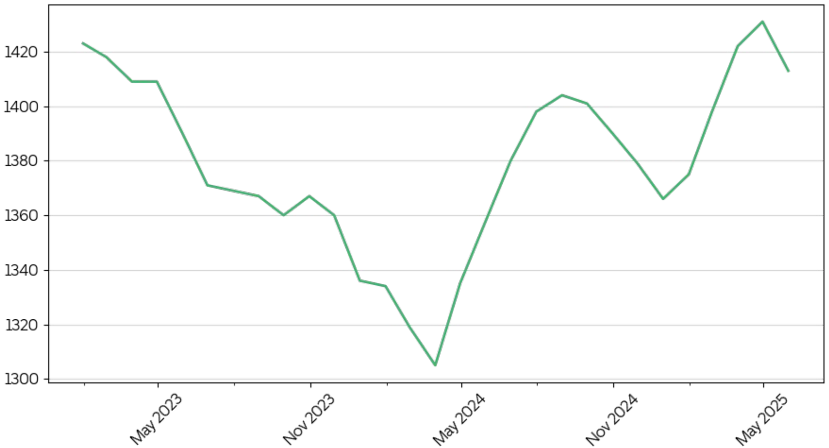
Spot Freight Index[1]

Monthly Trends, Freight and Trucks



Contracted Base Freight Cost Index[2]

4-Month Moving Average



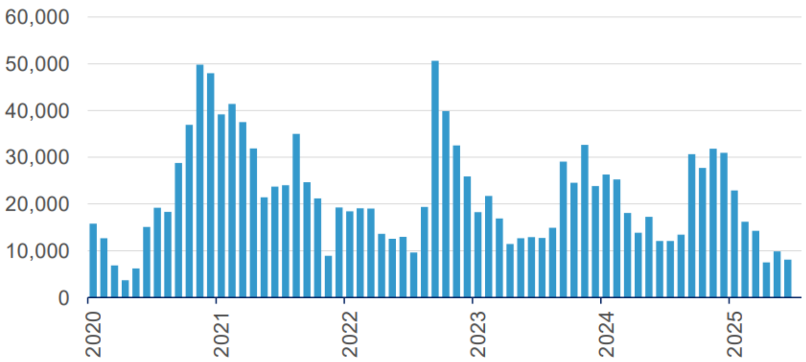
Sources [1] Loadlink, Freight Index. June 2025. [2] Nulogx, Base Freight Cost Index. May 2025.

New Orders lowest since late ‘21, Delivery Times at ‘13 levels

Transportation Capacity

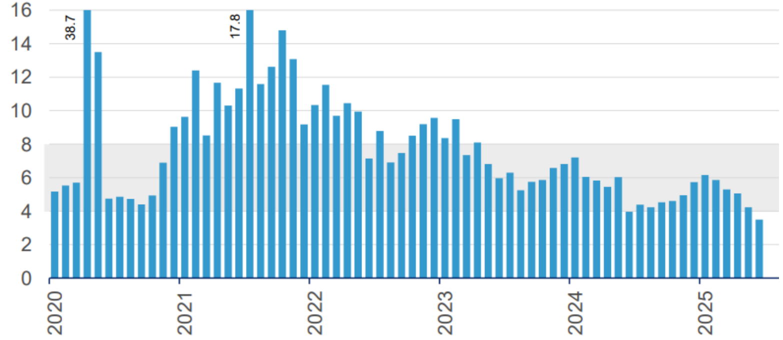
New Class 8 Truck Orders[1]

Monthly Orders, Canada & US



New Truck Lead Time[1]

Average Lead Time in Months, Class 8 Trucks Backlog-to-Build Ratio



- NA Class 8 truck **orders** fell 18% in June but down 33% YoY. Orders likely to stay low until 2026 slots open late summer.
- **Production** up 2% in June, though **down 29% YoY** (largest YoY gap since Aug ‘20).
- Order-to-**delivery lead time dropped to** 3.5 months (**lowest in 12 years**).

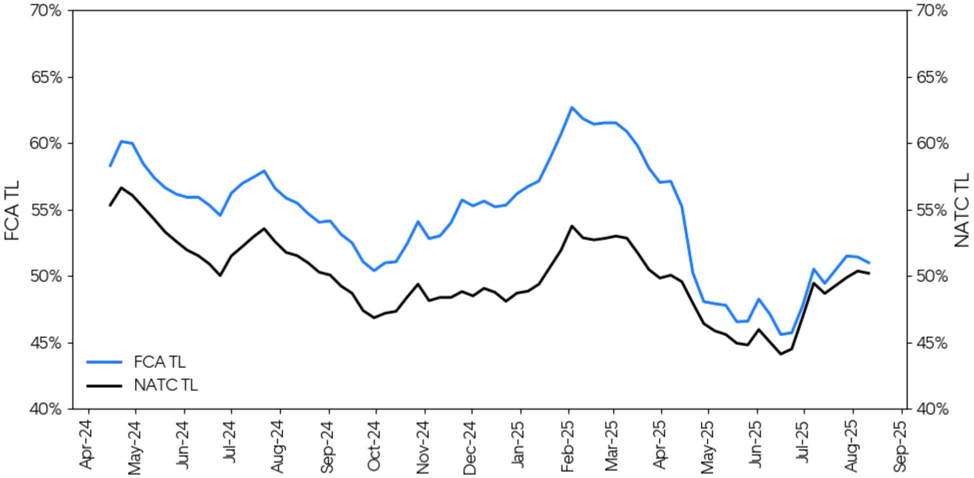
Sources [1] Truck & Trailer Outlook. FTR Transportation Intelligence. August 2025 .

Softer late-Q3 outlook as key indices slide through August

Fuel Prices

NATC & FCA TL Prices

%LH, Weekly Average



Fuel prices **look to soften late summer after regaining ground lost through H1.** Looking ahead, OPEC projects continued moderate demand growth and steady supply, limiting risks of a sharp price surge[1].

Key energy index trends[2] through Q3 **suggest continued volatility with a brief drawback to close out the quarter.** Continued vigilance is needed around potential trade or geopolitical shocks later in the year.

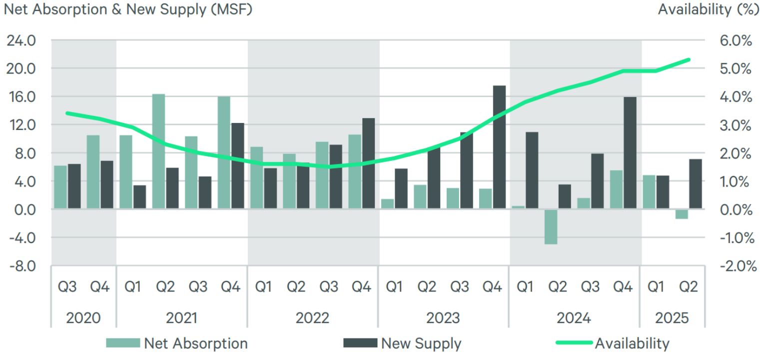
Sources [1] OPEC, Monthly Oil Market Report August 2025. Access Link. [2] Oil Price Charts: Western Canadian Select, WTI Crude, Heating Oil.. oilprice.com.

Availability momentum accelerates as trade uncertainty softens demand

National Warehousing Update: Q2 ‘25

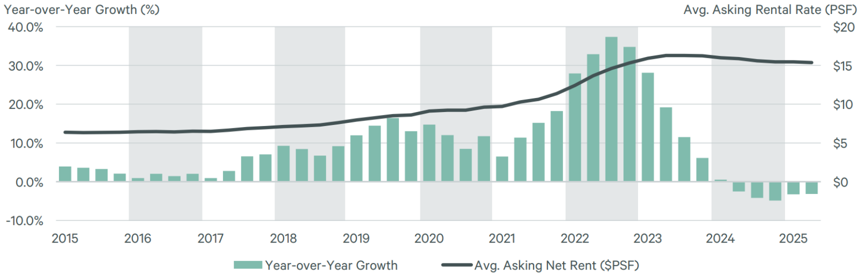
National Industrial Real Estate Supply & Demand[1]

New Supply & Net Absorption (in MSF)



National Average Asking Net Rental Rate[1]

Year-on-Year Growth (%)



Sublease availability hit new highs, especially in Toronto and Waterloo Region, contributing further to rising vacancy. While construction starts rebounded in the quarter—boosted by major projects like Amazon's new Ottawa facility—most of the new pipeline is speculative and only partially pre-leased, keeping upward pressure on future availability rates. Average asking rents softened modestly, declining around 3% year-over-year, with larger markets seeing the greatest downward pressure, while select smaller markets still posted some growth.

Looking ahead, new supply is expected to slow by late 2025 and into 2026, which may help stabilize market conditions. However, ongoing economic headwinds and trade policy uncertainty are likely to cap demand growth, with landlords expected to rely more on tenant incentives rather than further broad-based rent reductions to attract and retain occupiers.

Sources [1]CBRE Research, Canadian Industrial Market Report. Q2 '25. [2]Cushman & Wakefield, Canada Industrial MarketBeat. Q2 '25.

Recommendations

Optimize cross-border flows

- Explore non-resident importer status to leverage duty mitigation strategies.
- Zone Skip international parcel shipments through pre-labelling and consolidating into LTL at origin, and clearing customs as a consolidated entry.

Maintain access to capacity through RFQs or mini-bids as the market rebalances

- Forecast, simulate and optimize contract volume % to determine desirable exposure to market through RFP cycle.
- Leverage spot volume to widen carrier base between contract cycles.
- Evaluate, standardize, and renegotiate accessorial charges across your carrier base.

Implement network efficiencies

- Optimize for long-distance: Sailing schedules to create consolidation opportunities and MSTL
- Explore multi-stop truckload or pooling alternatives as potential replacements for conventional hub-and-spoke LTL shipping methods.
- Avoid national tariffs through zone skipping, tendering cargo as regional carriers from a deconsolidation point

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