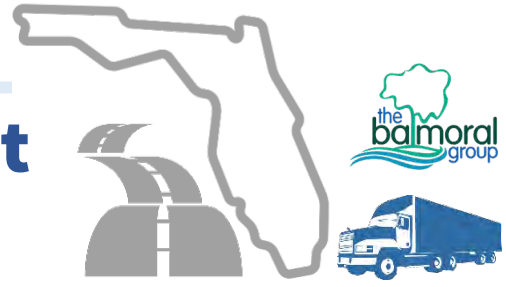


June 2023: Trucking Market Still in Recession



The trucking market has not changed much since last month, with low spot rates, low rejection rates (indicating loosening capacity), and below average consumer demand.

Inventories are declining as seasonal demand remains lower than normal. Contract rates remain higher than spot rates and spot rates are expected to be reactive and volatile as supply and demand balance out. Some analysts believe that the inflection point has not yet been reached and are hoping the turning point into a rebound occurs soon. Prices are expected to remain low through 2023, but could increase in 2024 due to inflation. Some rates could increase as much as 5.9% to 6.9% as shippers build their budgets for next year. While Class 8 truck orders are usually an indication of the health of the freight market, this is not the case right now. The backlog of orders remain strong as midsized and large trucking fleets catch up on the normal annual expansion of their fleets after falling behind during the pandemic. According to a recent survey, shippers are more inclined to use green shipping solutions if available. In addition, 59% of carriers plan to add EVs to their fleets by the end of 2023.

Total spot load availability

Weekly index, 100 = 2014 average



Source: Truckstop, FTR - <http://freight.frintel.com/spotmarketinsights>

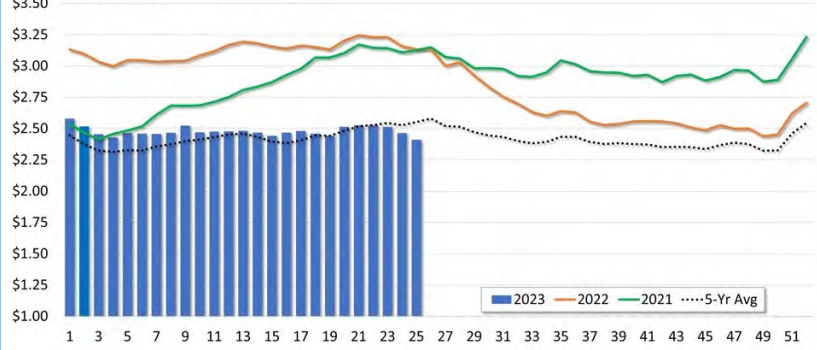
Source: FTR Weekly Report, June 26th, 2023

- Truckload volumes remain below the 5-year average, and well below 2021 and 2022 volumes. Volumes were about 43% below the same week last year, and almost 31% below the 5-year average.
- Rates have slightly dipped from the 5-year average over the past few weeks. Rates were down 23% compared to the same week last year.

- Flatbed rates are 26% lower than the same week in 2022 and around 4% below the 5-year average.
- Flatbed volumes were about 50% lower than this week in 2022 and 39% below the 5-year average for this week.
- Carbon emissions reducing technology could add \$25K to class 8 truck prices, but they'd have substantially lower operating costs.

Total spot rates

Weekly broker-posted rate per mile



Source: Truckstop, FTR - <http://freight.frintel.com/spotmarketinsights>

Source: FTR Weekly Report, June 26th, 2023