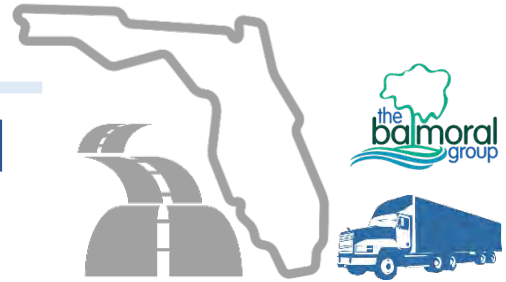


February 2024: Turnaround Not Coming Until Late 2024



Publicly traded companies across the board believe a turnaround in the freight market will happen in the second half of 2024. While the market is still weak and 2024 has started off soft, many companies believe the bottom of this freight recession is nearing or has reached the bottom. Many don't expect a turnaround until later this year, as the change will be gradual and not immediate. Data from the Department of Transportation continues to show declining trucking authorities (capacity exiting the market, supply declining). Companies expect restocking of goods to happen soon (inventories are down after holiday peaks) and many note a shift from "just-in-case" stocking of goods (policy during COVID to not run out of goods) back to the more typical "just-in-time" policy of stocking. However, opinions are mixed on when demand will rise enough to completely balance the market again. The American Trucking Association (ATA) reports a large decline in tonnage, in part due to weather impacts, but also because of lower demand. Reductions in interest rates later this year could be needed to stimulate demand, according to the ATA. However, shipping volumes for specialized trucking, which may transport construction materials, have been above normal for all of February, while spot rates remain at normal levels (see pg. 2 for details).

Total spot load availability

Weekly index, 100 = 2014 average



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

Source: FTR Weekly Report, February 26th, 2024.

- Truckload volumes declined compared to previous years in the past week. Volumes were about 0.5% below the same week last year, but more than 40% below the 5-year average.
- Truck availability (postings) increased 1.5% and the ratio of loads to trucks declined.
- Reports indicate that bad weather in January pushed prices higher.

- Spot rates are 5% below the 5-year average and compared to last year.
- Flatbed rates have increased the past few weeks and are 6.5% lower than the same week in 2023 and around 2% below the 5-year average.
- Flatbed volumes were about 12% more than this week in 2023 and only 28% below the 5-year average for this week.

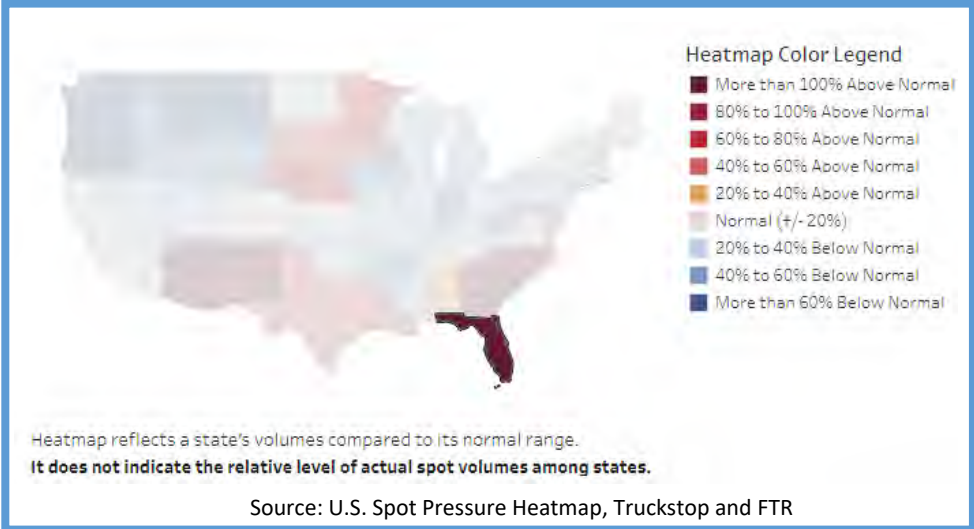
Total spot rates

Weekly broker-posted rate per mile



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

Source: FTR Weekly Report, February 26th, 2024.



- For the week ending February 25th, 2024 volumes for specialized trucking were more than 100% above normal.
- A “normal” period is based on analysis of historical seasonal data and how the trucking industry would look during a normal growth period.

- For the week ending February 25th, 2024 spot rates for specialized trucking were normal.
- Specialized trucking is utilized for oversized, sensitive, or fragile cargo.
- Fabricated structural elements used in FDOT projects utilize specialized transport.

