



Market Update: The Rearview & the Road Ahead

Demand Levels & Outlook

Three forces are converging on shippers this month: a Supreme Court ruling that reshapes broker liability, an energy shock from the Iran conflict, and the fastest run-up in trucking costs since 2022.

+15.3%

Trucking rates paid by shippers, YoY

April 2026, a new record high

\$5.64

U.S. average diesel price, mid-May

+62% YoY, just \$0.06 shy of the 2022 peak

84.6

Factory input-cost pressure

ISM survey, highest reading since April 2022

+20–25%

Expected freight spend, YoY

Across all modes, including fuel

BROKER LIABILITY JUST EXPANDED

Supreme Court ruled 9-0 in *Montgomery v. Caribe Transport II* that freight brokers can be sued under state law for negligent hiring of unsafe carriers.

Brokers previously carried only a \$75K bond. They are now exposed to claims on the same scale as the trucking companies themselves.

Expect stricter carrier vetting, higher insurance costs passed through to rates, and the exit of smaller, riskier carriers.

ENERGY SHOCK IS REIGNITING INFLATION

The Strait of Hormuz carries 20% of the world's oil and gas. Closure has pushed U.S. diesel to \$5.64, within \$0.06 of the 2022 record.

Wholesale prices rose 6% YoY in April; consumer prices accelerated to 3.8% from 2.4% in January.

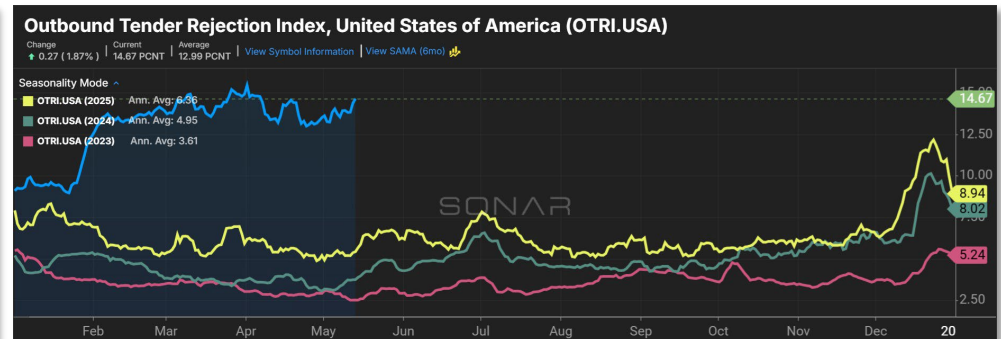
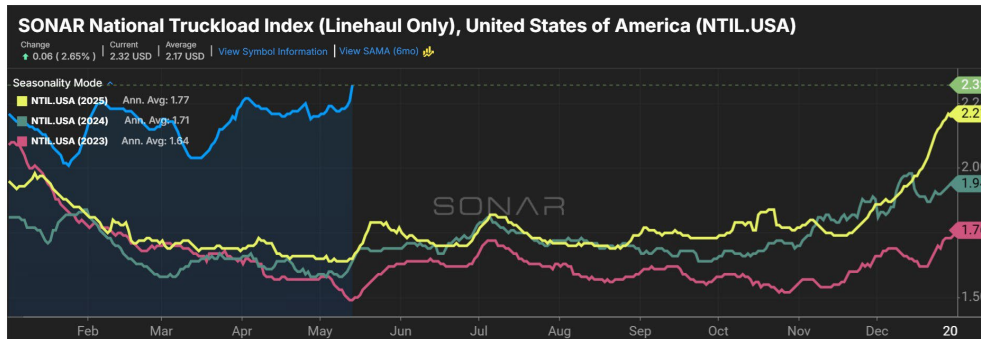
Forecasters now see headline inflation reaching 4.5% near-term, with risk skewed higher if the conflict drags on.

DEMAND IS HOLDING (BUT STRETCHED)

U.S. factories expanded for a 4th straight month; new orders are still growing despite the volatility.

Input costs jumped to their highest level in three years while factory hiring contracted, a recipe for further price pass-through.

Semiconductor prices are up 25% YoY against a historic norm of small annual declines, a sign supply chains remain tight.



Supply, Capacity & Carrier Operating Costs

Freight prices are at a record high, while available truck capacity is near a record low, the widest gap supply chains have ever recorded.

THE PRICE-VS-CAPACITY GAP, APRIL 2026

66.6

Freight prices index hit 95 while truck capacity dropped to 28.4, the biggest spread in the 9½-year history of the Logistics Managers' Index survey.

25,500

New heavy-truck orders

Down 34% from March on normal seasonality, but up nearly 200% YoY. 2026 orderbook now up 110% YoY.

+4,000

Trucking jobs added

Biggest hiring gain since Sept 2023, the first real sign of carriers adding capacity after a multi-year recession.

242.4

Aggregate logistics-cost index

Highest reading since April 2022. Levels above 240 have historically preceded broader supply-driven inflation.

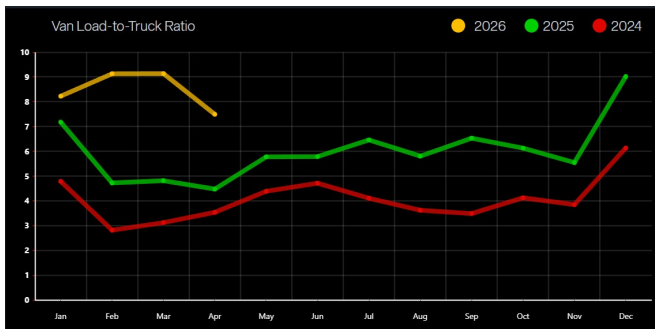
FUEL IS THE IMMEDIATE HEADWIND

Carrier operating conditions swung from a 4-year high in February to mildly negative in March, dragged down entirely by diesel. Truck rates and diesel prices have historically moved together. When fuel spikes, freight invoices follow within weeks. Tighter EPA emissions rules in 2027 are also expected to pull truck purchases forward into late 2026.

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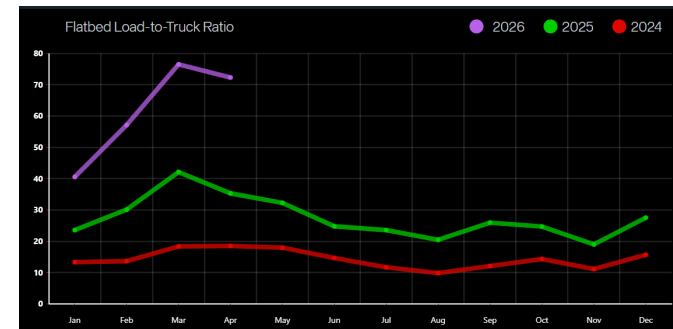
VAN LOAD-TO-TRUCK RATIO - Running well above 2024 and 2025 levels. Capacity is the tightest it's been in years.



REEFER LOAD-TO-TRUCK RATIO - Reefer demand is far outrunning truck supply.



FLATBED LOAD-TO-TRUCK RATIO - Surged to 82.8 — up 41% in a week as carriers paused for Roadcheck.



Contract & Spot Market Rate Trends

Spot-market rates have raced ahead of contract rates, and the gap that protected shippers in 2023 is closing fast.

SPOT MARKET

+35–40% vs. last year

Brokers now face new liability for the carriers they hire, so vetting and insurance costs land here first.

CONTRACT

+10% vs. last year

The +10% understates the true increase. Primary carriers are rejecting loads, pushing freight to costlier backup providers.

DRY VAN

\$2.22 / mile

- Weekly change: + \$0.21 (record)
- Vs. last year: +32%
- Vs. 5-year average: +30%
- Loads per truck available: 13.4

Driven by roadcheck capacity crunch

REEFER

\$2.68 / mile

- Weekly change: + \$0.32 (record)
- Vs. last year: +32%
- Produce hubs avg.: \$3.91 / mile
- Loads per truck available: 27.6

Produce season hitting peak

FLATBED

\$2.79 / mile

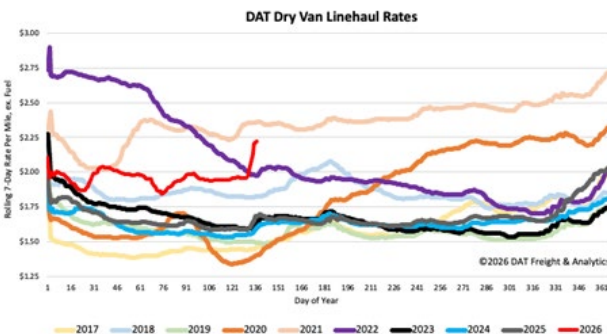
- Weekly change: + \$0.10
- Vs. last year: +28%
- 9-week run: +\$0.48 (+20%)
- Loads per truck available: 82.8

Data-center build-out keeps demand strong

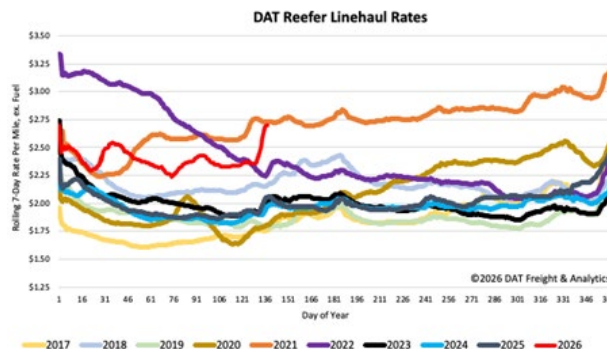
WHAT THIS MEANS FOR SHIPPERS

Even shippers locked into contract rates are paying more as carriers reject loads and freight reroutes to costlier providers. The Supreme Court ruling will add a fresh insurance and vetting cost on top, most visible in spot pricing, and the 25–30% spot-to-contract discount of 2023 is fading.

DRY VAN LINEHAUL RATES - Record +\$0.21 weekly jump pushed rates 30% above the 5-year average.



REEFER LINEHAUL RATES - \$2.68/mi after a record +\$0.32 weekly surge, roadcheck and produce season hit at once.



FLATBED LINEHAUL RATES - Nine straight weeks of gains (+\$0.48, +20%) as AI-driven construction demand outpaces capacity.

