September 2026 Market Update: The Rearview & the Road Ahead

Demand Levels & Outlook

AI construction is carrying freight demand while factory growth cools

AI CAPEX IS THE DEMAND ENGINE

Data center construction put-in-place set another record in July. The index now reads 545 against a 2022 average of 100, so the country is building 5.45 times the data center volume of three years ago.

545	+52%	+187.2
INDEX LEVEL, 2022 = 100	SPEND, YEAR OVER YEAR	INDEX POINTS ADDED

MANUFACTURING PLANTS PULL BACK

Manufacturing plant construction spending fell 25% year over year. The single-year gain in data center building was nearly twice the entire level of construction that existed before large language models went mainstream.

THE RISK TO WATCH

A slowdown in AI capex would slow the wider economy, and a sharp downturn would likely tip it into recession. Frontier labs still losing unprecedented sums are the tell to monitor.

FACTORY DEMAND STILL EXPANDING

The ISM Manufacturing PMI read 54.6 in August, a point below July and short of the 55.2 expected. August was an eighth straight month of expansion, consistent with 2.4% annualized GDP growth.

ISM AUGUST	READING
Manufacturing PMI	54.6 (-1.0)
New orders	53.7 (-3.0)
Production	58.3
Backlog of orders	51.8 (-3.2)
Manufacturing employment	51.2
Customers' inventories	42.8 (too low)
Prices	71.1 (flat)

READ THROUGH

- Supplier deliveries slowed a ninth month at 59.3; no industry reported faster deliveries
- Raw materials prices rose for a 23rd consecutive month
- Employment held positive at 51.2 after 33 months of decline
- New-order comments cooled to 2-to-1 positive from 3.5-to-1

WHERE THE FREIGHT IS MOVING

Two-thirds of planned data centers are going up in rural areas, and the buildout reshapes lanes as much as it adds volume.

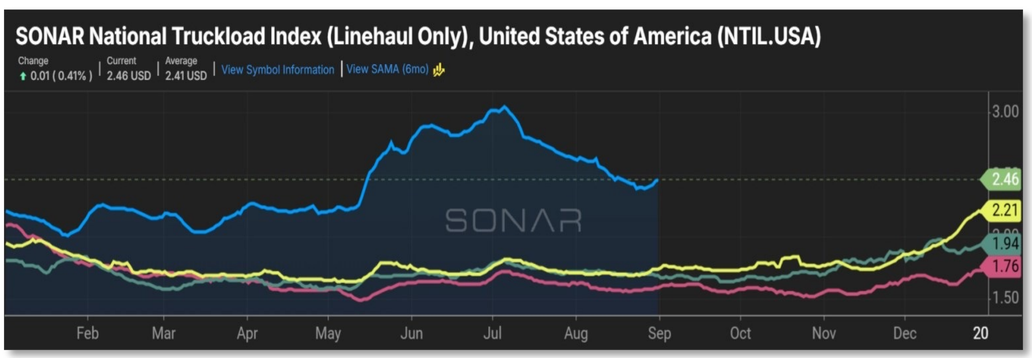
- 67% of planned developments are rural; 39% sit in counties with none today
- Flatbed and heavy haul are tightest, with spot rates at multiyear highs
- Truck traffic is spiking across Georgia and Texas
- Rail-to-site drayage is adding short-haul LTL volume

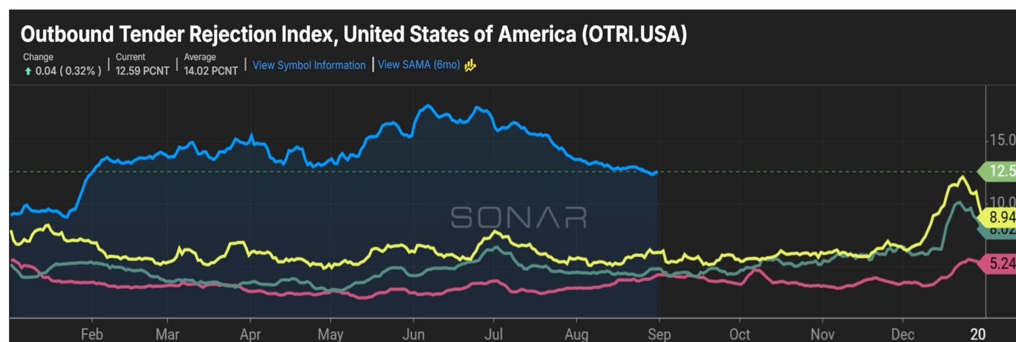
WATCH ITEM: THE DROP-OFF

Truck traffic falls off sharply once a site is finished. A completed data center generates a fraction of the moves of a 200,000-square-foot warehouse, so price the lane, not the boom.

CAPACITY IS THE OTHER HALF

The Logistics Managers' Index put transportation capacity at 40 in August, still contracting, while transportation prices read 90. Shippers are paying for tight trucks, not booming volume.





Source: FreightWaves, Institute for Supply Management, U.S. Census Bureau and BEA, Logistics Managers' Index

Supply, Capacity & Carrier Operating Costs

Record diesel and record cost per mile as carriers keep pulling trucks out

DIESEL SETS A RECORD

Retail diesel hit an all-time high of $5.85 a gallon on September 4, the equivalent of $245.70 a barrel for a fleet paying the national average.

$5.85	+57.6%	$245.70
PER GALLON, SEPT. 4 RECORD	VS. A YEAR AGO	PER BARREL EQUIVALENT

INVENTORIES ARE NOT BUILDING

- Distillate stocks are 10% below last year, with no seasonal build
- Refiners run at 97% utilization, so refining is not the constraint
- Distillate exports run 25% above 2025
- A normal Autumn draw points to roughly 70 million barrels

REFINING MARGINS, NOT CRUDE

Crude is elevated but not at a record: Brent is $98.48, and WTI is $93.79. Refiners' margins are the difference, adding roughly $100 a barrel to what carriers pay at the pump.

COST PER MILE AT AN ALL-TIME HIGH

ATRI put the average cost of operating a truck at $2.336 per mile in 2025, up 3.4% and the highest in the study's history. Costs rose in every major category.

2025 OPERATING COST	VS. 2024
All-in, per mile	$2.336 (+3.4%)
Excluding fuel, per mile	$1.854 (+4.2%)
Tolls	+13.2%
Repair and maintenance	+8.6%
Driver benefits	+6.6%
Tires	+6.4%
Driver pay	below inflation

WHY MAINTENANCE IS RISING

Fleets are running older trucks more miles to avoid high equipment prices. Carriers over 1,000 trucks lifted equipment spending 16.1% while small fleets spent less than the year before.

CAPACITY KEEPS LEAVING

Carriers cut trucks at the fastest rate since the freight recession began in 2022, and thin margins are forcing the decisions.

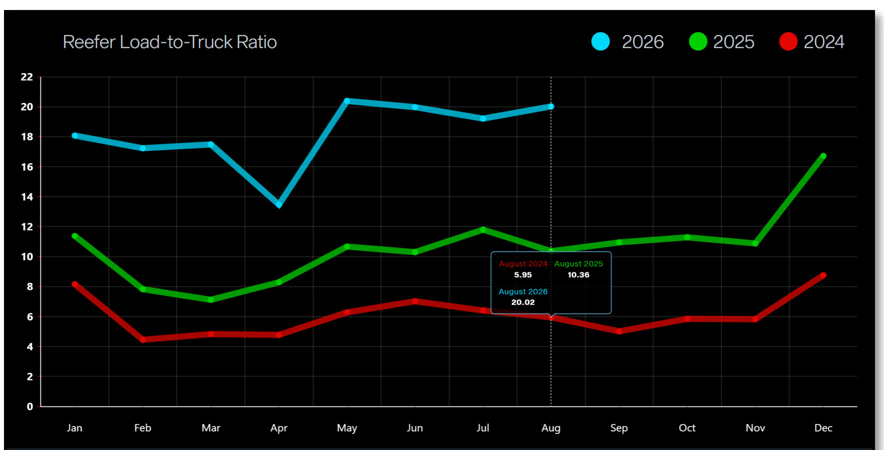
- Fleets cut truck counts 2.4%; another 10% of trucks sat unseated
- Non-driver staffing fell 7.8% during 2025
- Truckload and reefer margins stayed below 1%; flatbed averaged a 0.5% loss
- Only LTL and fleets over 1,000 trucks earned healthy margins

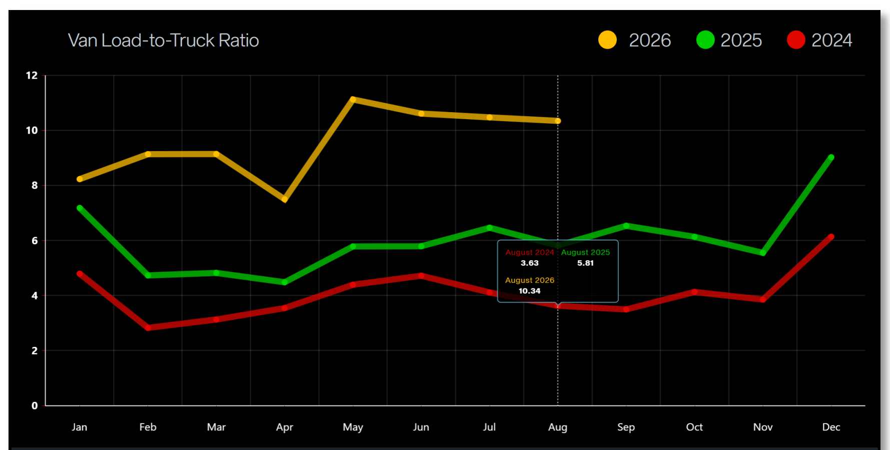
THE LMI READ

AUGUST LMI	READING
Transportation capacity	40
Transportation prices	90 (+3.1)
Transportation utilization	70.6 (+5.6)
Aggregate logistics costs	243.6 (+4.1)
12-month pricing outlook	86.1

Capacity contraction slowed 11.6 points in August but stayed deep in contraction.

Source: DAT

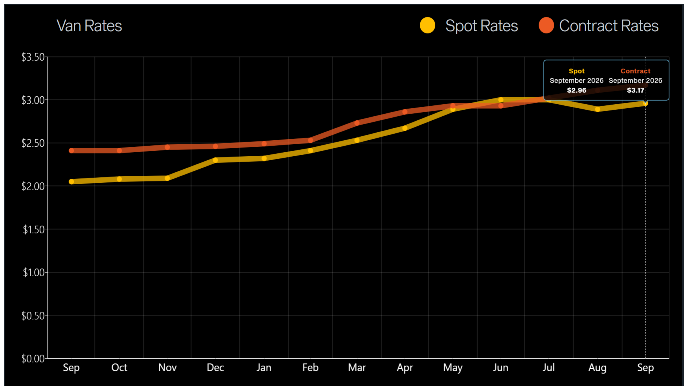




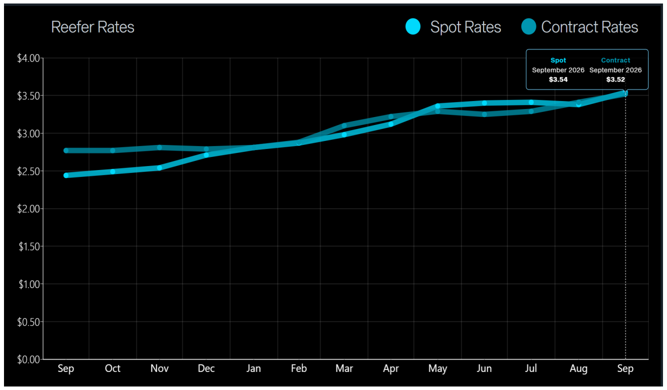
Contract & Spot Market Rate Trends

Rates hold near their highs as trucks return, but capacity is still far short of last year

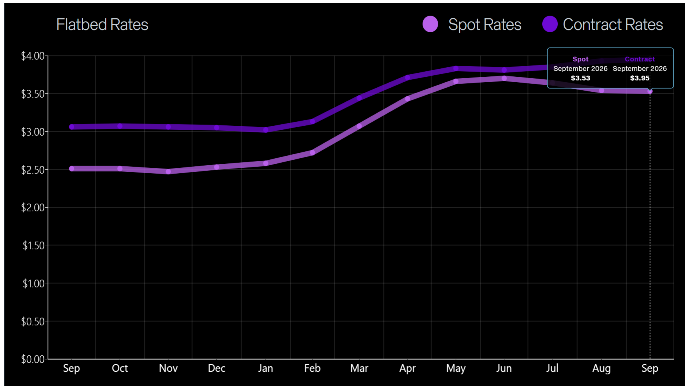
DRY VAN LINEHAUL SPOT RATES



REEFER LINEHAUL SPOT RATES



FLATBED LINEHAUL SPOT RATES



Source: DAT

DRY VAN SPOT RATES

SPOT LINEHAUL	WEEK 36
National average	**$2.21/mi**
Vs. last year	+$0.55 (+33.6%)
Vs. 9-year average	+$0.39 (+21.4%)

MARKET CONDITIONS

- Load posts eased 0.9%, still 42.2% above last year
- Truck posts rose 1.4%, still 17.2% below last year
- Load-to-truck ratio 11.47 from 11.73, versus 6.68
- Bellwether outbound rate $2.91/mi, +36.9%

35-DAY RATECAST

The 35-day forecast puts dry van at $2.20 per mile in mid-October, with the widest band of the three at plus or minus $0.08. That sits $0.53 above the same date last year.

Great Lakes led week over week at +3.4%. The top 10 origins carried 87.8% of outbound loads.

REEFER SPOT RATES

SPOT LINEHAUL	WEEK 36
National average	**$2.74/mi**
Vs. last year	+$0.70 (+34.4%)
Vs. 9-year average	+$0.58 (+27.2%)

MARKET CONDITIONS

- Load posts eased 0.9%, still 70.8% above last year
- Truck posts climbed 5.3%, still 18.7% below last year
- Load-to-truck ratio 21.49 from 22.84, versus 10.23
- Bellwether outbound rate $3.63/mi, +35.8%

35-DAY RATECAST

The 35-day forecast puts reefer at $2.68 per mile in mid-October, with the narrowest band at plus or minus $0.06. That sits $0.60 above the same date last year.

Pacific Northwest led week over week at +5.8%. Produce lanes continue to anchor demand.

FLATBED SPOT RATES

SPOT LINEHAUL	WEEK 36
National average	**$2.66/mi**
Vs. last year	+$0.63 (+31.2%)
Vs. 9-year average	+$0.55 (+26.1%)

MARKET CONDITIONS

- Load posts fell 7.3%, still 46.2% above last year
- Truck posts added 4.1%, still 11.0% below last year
- Load-to-truck ratio 36.44 from 40.92, versus 22.18
- Bellwether outbound rate $3.30/mi, +30.5%

35-DAY RATECAST

The 35-day forecast puts flatbed at $2.63 per mile in mid-October, plus or minus $0.07, and $0.57 above last year.

Truck availability is down double digits from a year ago for every equipment type, which keeps rates near their highs.