

April 2026

Q2 2026



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TRENDS

Q2 2026 Market Update



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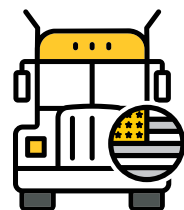
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CONTENT



**KEY MARKET
INDICATORS**



**U.S. TRUCKING
MARKET**



**TRAFFIX
FORECASTS**



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KEY MARKET INDICATORS

Demand is recovering while reduced capacity is driving a more reactive and volatile market.

The North American freight market is entering the next phase of its recurring cycle. Following the high rates seen during the COVID pandemic, freight rates remained stable at lower levels for over three years. We're seeing the end of that phase.

Less Capacity

A meaningful amount of truckload capacity exited the market during the prolonged low-rate environment. Continued regulatory enforcement, including English-language requirements and non-domiciled CDL scrutiny, is further constraining available drivers.

More Freight

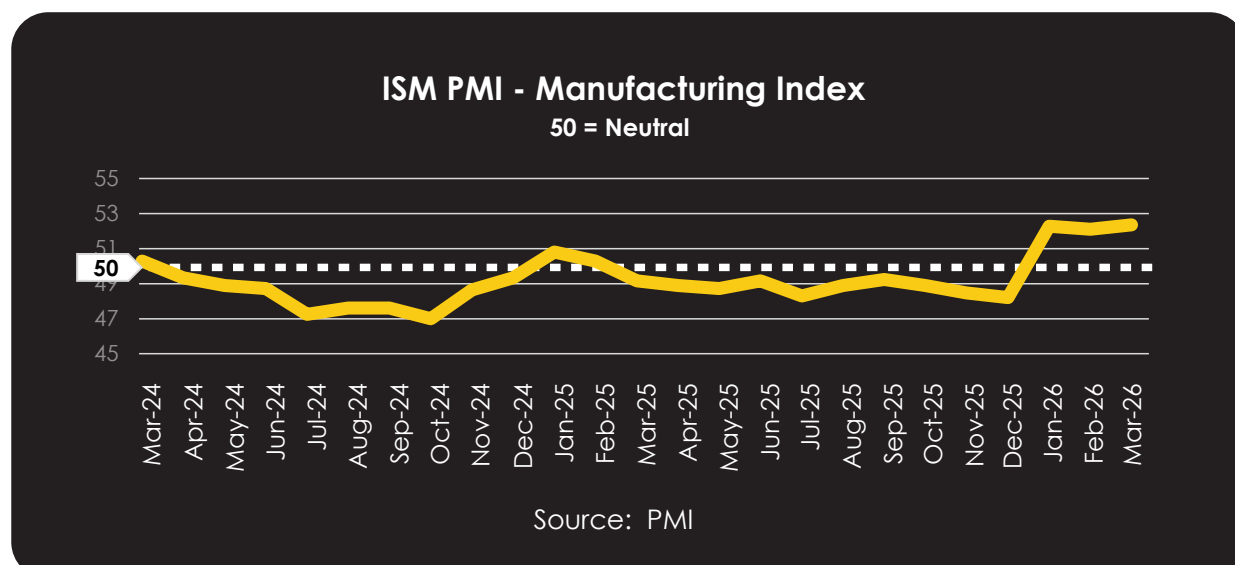
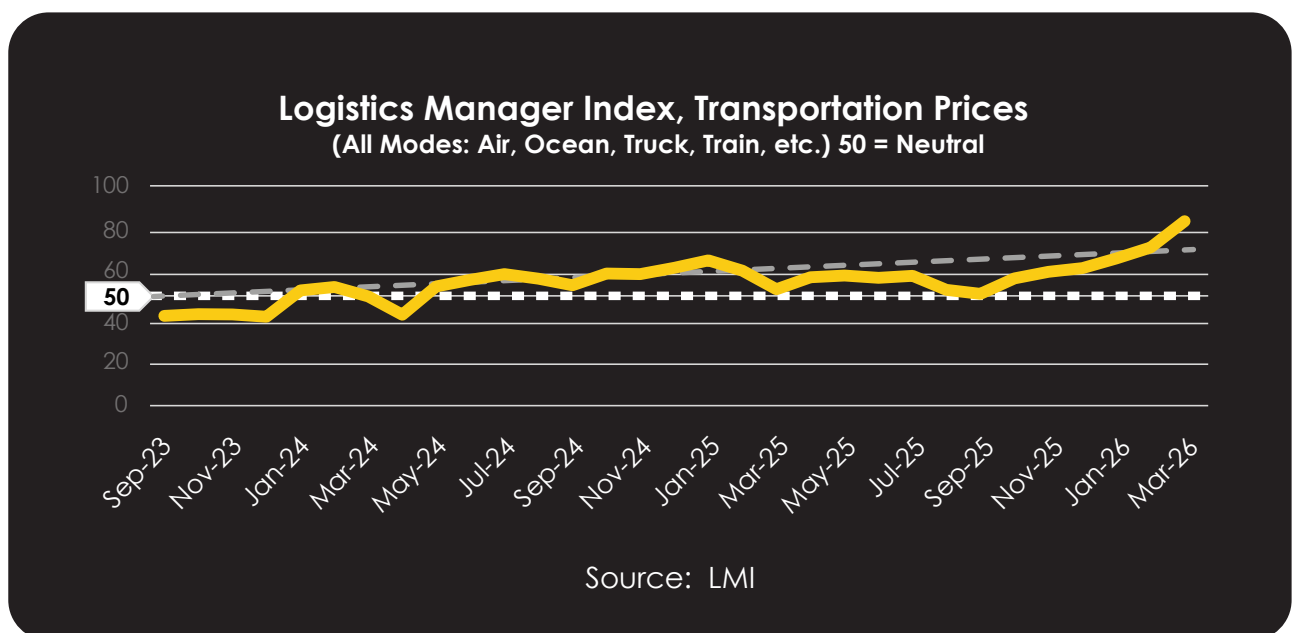
Freight volumes are back in growth mode. Lean inventories and stronger ordering are driving demand, while tighter carrier capacity is pushing rates upward.

Rising Diesel Costs

Diesel prices have increased sharply in recent months, with costs up ~50% since early Q1. These increases are flowing through to transportation rates, with minimal lag, amplifying an already tightening market.

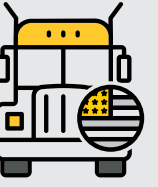
Q1 marks a changing freight and manufacturing environment as rates skyrocket and new orders support growth.

The Transportation Price Index from the Logistics Managers' Index (LMI) **has surged to its highest level since 2022, while the capacity index has dropped below 40**. This widening gap reflects a rapidly tightening freight environment, with pricing power shifting back to carriers.



U.S. manufacturing has returned to expansion territory for multiple consecutive months. New orders, production growth, and imports are contributing to increased freight demand, while inventory levels remain relatively lean.

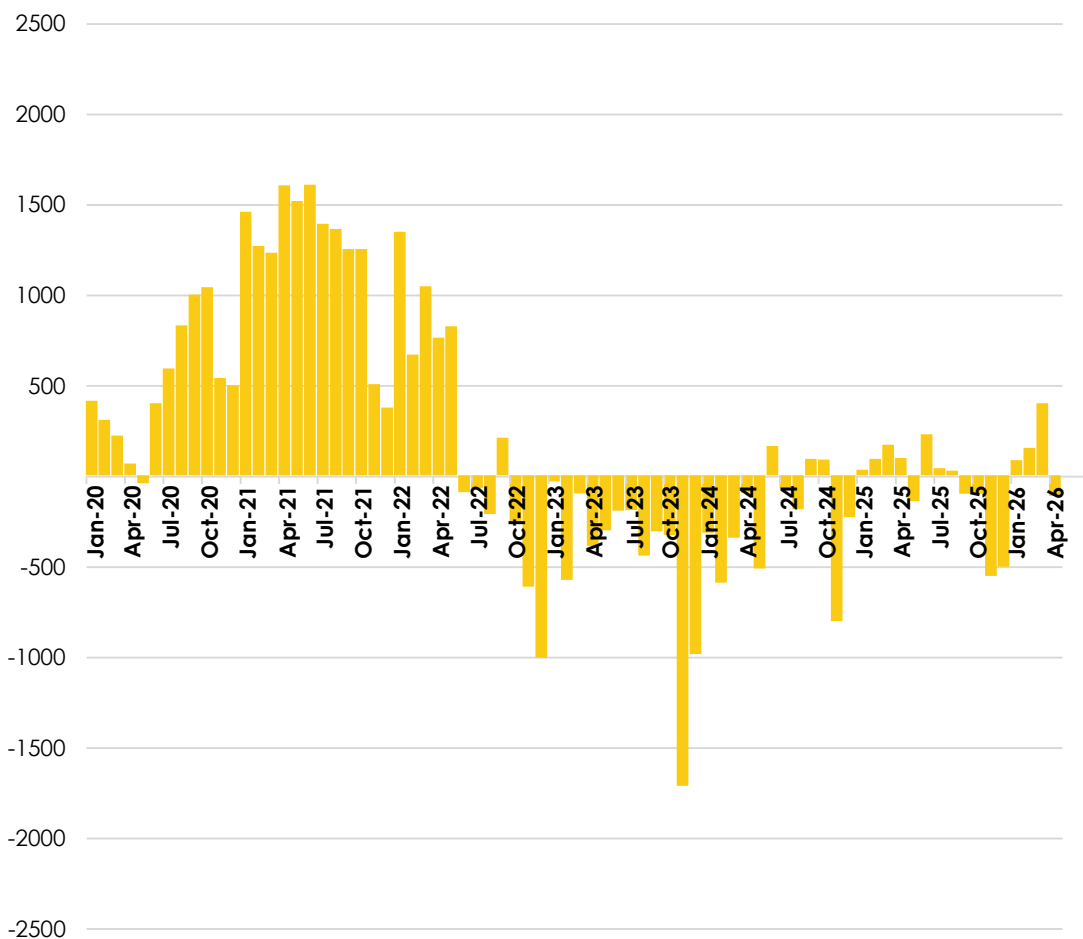
US TRUCKING MARKET



Capacity remains tight near-term, with only gradual recovery expected.

NET CHANGES IN TRUCKING AUTHORITIES, USA

SONAR CDNCA.USA



Source: FreightWaves Sonar Apr 13, 2026; Class 8 Orders

Q1 showed modest growth in U.S. trucking authorities, but levels remain below historical averages. Despite some re-entry, capacity is still insufficient relative to current demand.

Tender rejection rates have remained above 10% for over two months, reinforcing a structurally tight market. While higher rates should attract new capacity, this process will take time.

Regulatory enforcement continues to limit effective capacity, including English-language requirements and increased scrutiny of non-domiciled drivers.

Although Class 8 truck orders were strong in Q1, much of this reflects fleet replacement rather than true expansion.

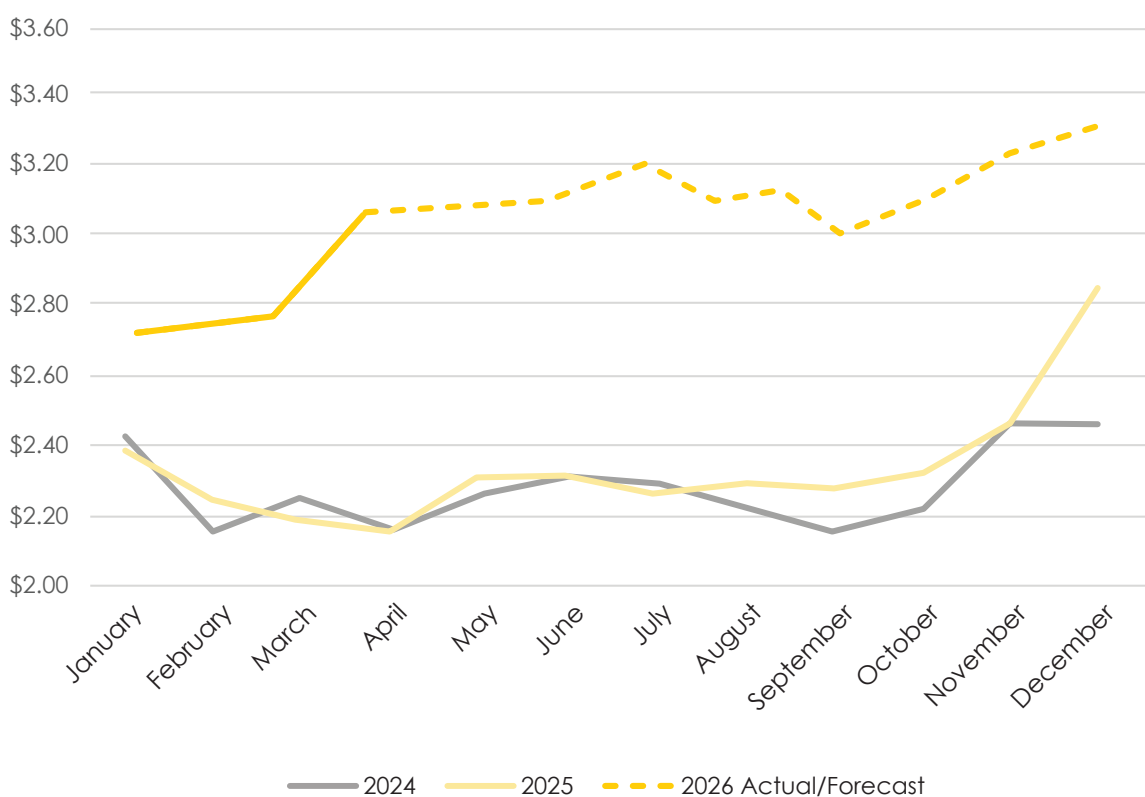
Capacity is improving slowly but will likely remain tight through peak season.

Fuel is accelerating rate increases, but underlying supply-demand dynamics remain the primary driver of inflation

TRAFFIX US RPM 2026 Forecast

(with 2 year prior)

Historicals from SONAR NTI.USA



Source: FreightWaves Sonar Apr 13, 2026

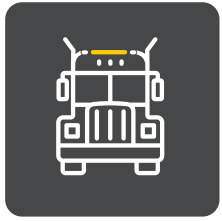
- ✓ Freight volumes have returned to growth, with March up ~8% YoY and reaching multi-year highs
- ✓ Linehaul rates (excluding fuel) are up ~30% YoY, confirming that rate pressure is not driven by fuel alone
- ✓ Elevated spot rates are expected to continue pushing contract rates higher over the coming quarters
- ✓ Diesel prices remain a key wildcard, with limited downside expected in the near term
- ✓ Downside risk remains tied to broader economic slowdown, which could rebalance supply and demand



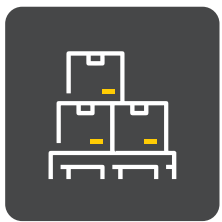


TRAFFIX FORECASTS

Insights and predictions by mode



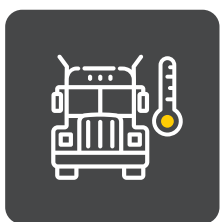
Dry-van: Dry van rates are expected to remain elevated through mid-2026, supported by strong freight demand and tight capacity. Contract rate increases will continue as shippers adjust to sustained spot market pressure.



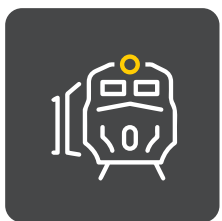
LTL: LTL pricing is expected to remain stable to moderately higher, supported by carrier discipline and improving demand. Limited capacity growth should sustain pricing strength.



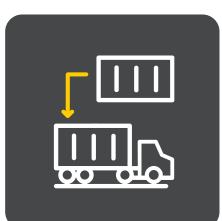
Flatbed: Flatbed markets are tightening rapidly due to construction, infrastructure, and industrial demand. Expect continued upward pressure on rates through peak season.



Temperature Controlled: Reefer capacity is tightening ahead of produce season. Seasonal volatility is expected, with elevated rates persisting through the summer months.



Intermodal: Intermodal volumes are expected to grow 10% year-over-year as shippers take advantage of cost and capacity benefits. Networks and capacity are well-positioned to support continued growth into 2026.



Drayage: Drayage markets remain volatile but balanced. Capacity is generally available, though port activity and container surges may create localized disruptions.



Canada-U.S. Cross-border: Canada–US cross-border capacity remains available as less volume in general coming from either side of the border. Rates are expected to move largely in line with broader North American truckload trends throughout produce season.



U.S.-Mexico Cross-border: The U.S.–Mexico cross-border market is expected to see consistent volume growth with localized capacity constraints, especially in high-demand lanes like Laredo–Bajío. As a result, rates will trend upward gradually while service reliability becomes more critical for successful execution.



Warehousing: Shippers are continuing to shift to lean inventory strategies, which make smaller, downstream warehouses more viable. Both standard and temp-controlled space is widely available in metro markets. Although prices are increasing slightly, they remain stable compared to the historical trend.





TRAFFIX FORECASTS: 2026 BUDGETING GUIDANCE

Three Planning Scenarios for the Remainder of 2026

1

Volumes Stabilize, Capacity Tightens

Freight demand remains positive, diesel stays elevated, and capacity recovery remains gradual. Spot rates stay well above 2025 levels, while contract rates continue to rise through regular and short-term bids. For the remainder of 2026, **plan for freight costs to be 10–15% higher than 2025**, especially for shipments exposed to the spot market.

2

Tightening Case: Demand + Fuel Keep Accelerating

Manufacturing recovery broadens, inventories stay lean, and seasonal demand collides with constrained capacity. Diesel remains elevated or moves higher again, pushing both all-in and linehaul rates further upward. **Plan for 15–20% cost inflation versus 2025**, with spot-exposed lanes and shorter lead-time freight seeing the greatest pressure.

3

Softer Case: Demand Moderates, But No True Reset

Economic growth cools and freight volumes flatten, but reduced carrier capacity prevents a return to the loose market conditions of the past several years. Rates stabilize rather than retrace meaningfully. **Plan for 7–12% cost inflation versus 2025**, with volatility easing but costs remaining structurally above prior-year levels.

Planning Guidance:

Do **not** budget the remainder of 2026 assuming a return to 2025 freight conditions. Current market levels should be treated as a **new floor, not a temporary spike**. For most shippers, a practical budgeting range is **low-double-digit transportation inflation versus 2025**, with meaningful upside risk for truckload, spot-heavy networks, temp-controlled freight, and shorter-haul lanes.



TRAFFIX FORECASTS:

Freight markets steady near term, shifting toward tighter conditions



- ✓ Freight demand has returned to growth, with volumes now consistently above 2025 levels and trending toward multi-year highs
- ✓ Truckload capacity remains constrained after years of carrier exits, with regulatory enforcement and rising costs limiting near-term recovery
- ✓ Spot rates have surged and contract rates are now resetting upward, with base rates already up high-single digits and continuing to climb
- ✓ Linehaul rates have reached multi-year highs independent of fuel, confirming this is a true supply/demand shift, not just a fuel-driven spike
- ✓ Diesel has accelerated rapidly, adding cost pressure, but underlying market tightness is the primary driver of rate inflation
- ✓ The market has moved into a new phase where modest demand growth drives outsized rate increases due to reduced capacity

TRAFFIX RECOMMENDATIONS:

- 🎯 **Budget for a Higher Baseline:** Treat current rate levels as a new floor, not a temporary peak. Budget for double-digit freight inflation vs. 2025, with upside risk in truckload, spot-exposed lanes, and shorter-haul freight.
- 🎯 **Lock in Capacity Strategically:** Contract rates are still catching up to spot. Use bid cycles and mini-bids to secure capacity before further rate resets, especially in core lanes and seasonal freight.
- 🎯 **Reduce Spot Market Exposure:** Spot markets remain volatile and elevated. Shift toward contracted and diversified carrier networks where possible to limit exposure to peak pricing and disruption risk.