

MARKET UPDATE

MAY 2026

MARKET TIGHTENING CONTINUES TO BUILD

During April, spot and contract rates continued to trend higher than this time last year. We continue to see capacity tightening and higher rejection rates across the U.S.

3 KEY TAKEAWAYS:

■ CAPACITY IS TIGHTENING FASTER THAN EXPECTED

Across every mode, the story in May is the same: capacity is shrinking and rates are climbing. Dry Van rejection rates are up 179% year-over-year. Reefer rejections are up 77% YOY. Spot rates on Dry Van are running 51% above last year. This is not a blip—it's a trend that is building momentum heading into summer. Customers who are still operating on 2024 planning assumptions need to update them now.

■ LTL PRICING IS AT ITS MOST AGGRESSIVE SINCE 2023

New LTL bids are running 12.5% above last year and 29% above May 2021 levels. On top of that, the NMFTA's new density-based 13-tier classification system is reshaping freight costs in ways most shippers haven't fully accounted for yet—with some low-density shippers projecting cost increases up to 50%. Customers with LTL contracts coming up for renewal in the next 90 days are walking into the toughest pricing environment in two years.

■ CONTINUED GEOPOLITICAL IMPACT

Three forces are hitting customers simultaneously from the outside: diesel is at \$5.60/gallon—up 60% year-over-year—driving fuel surcharges across every mode. Middle East corridor disruptions are adding time and cost to ocean lanes. Uncertainty around the USMCA review is also creating a policy wildcard for anyone with cross-border freight from Mexico or Canada. These aren't separate issues—they're compounding. Customers need a flexible, multi-mode strategy heading into summer, not a single-carrier plan.



TRANSPORTATION TRENDS

DRY VAN TRUCKLOAD

DLX MARKET VIEW

Dry Van market conditions have become very tight this month, as rejection remains up YOY, signaling continued pressure for higher rates. Capacity pressure is building, both spot and contract rates remain significantly higher than last year.

SPOT RATES

↑ **\$3.49/mi**

+13% MOM
+51.3% YOY

DOT blitz week contributed to a jump in spot rates.

CONTRACT RATES

↑ **\$2.48/mi**

+0.4% MOM
+9.3% YOY

Contracted rates held fairly steady during May, despite spot rates increasing again.

TENDER VOLUMES

↑ **7,666**

+3% MOM
+6% YOY

Increased tenders vs. previous month.

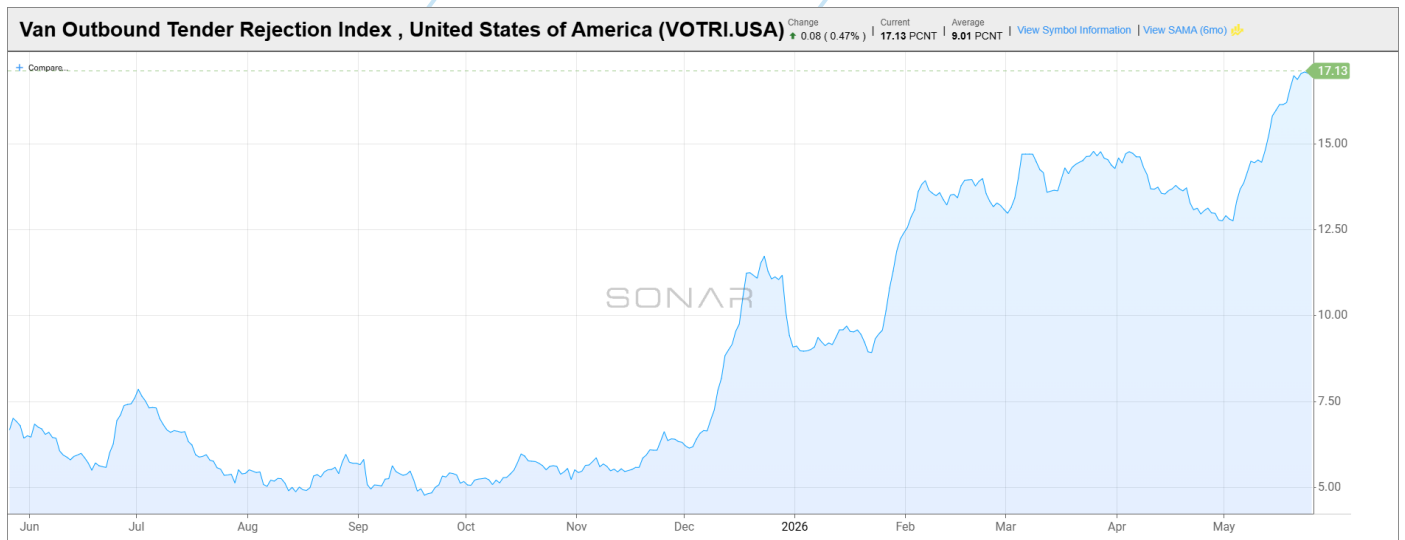
REJECTION VOLUMES

↑ **16.62**

+25% MOM
+179% YOY

Rejections continue to outpace both MOM and YOY.

VAN OUTBOUND TENDER REJECTION INDEX



TRANSPORTATION TRENDS

REFRIGERATED TRUCKLOAD

DLX MARKET VIEW

Refrigerated market conditions remain moderately tight, with rejections up MOM and YOY. The reefer spot market continues to put pressure on contracted rates, pushing more carriers into the spot market vs. contracted.

SPOT RATES

↑ **\$3.61/mi**

+10% MOM
+39.6% YOY

DOT blitz week contributed to a jump in spot rates.

CONTRACT RATES

↑ **\$2.34/mi**

+9% MOM
+4.9% YOY

Contract rates continue to rise as the spot market remains inflated.

TENDER VOLUMES

↑ **1,142**

+2% MOM
-9% YOY

Early freight demand returns but remains down vs. last year.

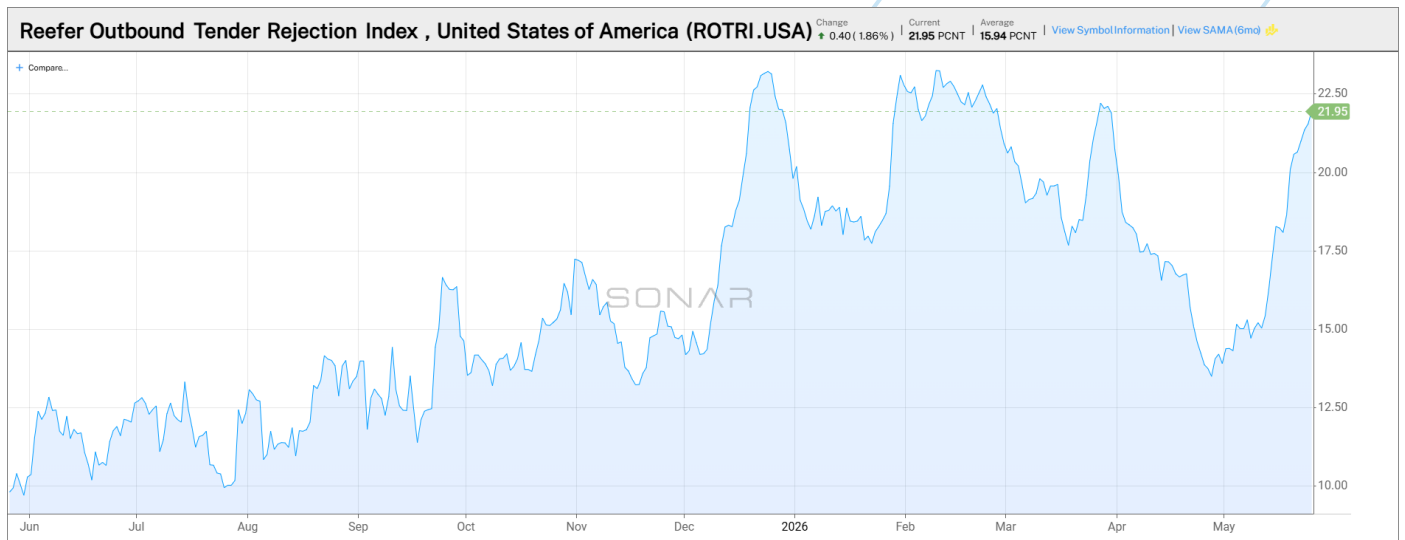
REJECTION VOLUMES

↑ **20%**

+26% MOM
+77% YOY

Rejections up month over month and continue to remain inflated vs. last year.

REEFER OUTBOUND TENDER REJECTION INDEX



TRANSPORTATION TRENDS

FLATBED

DLX MARKET VIEW

The flatbed market still reflects a tighter market than last year, but May seems to be better than what we saw in April. Flatbed pricing is elevated, with the Midwest emerging as the most active and competitive region for flatbed capacity.

SPOT RATES

↑ **\$3.62/mi**

+5% MOM
+41% YOY

Spot rates inched upwards again last month.

CONTRACT RATES

↑ **\$3.78/mi**

+2% MOM
+23% YOY

Rates continued to follow the same pattern as the spot market.

TENDER VOLUMES

↓ **41,661**

-18% MOM
+37% YOY

Tender volume drops this month.

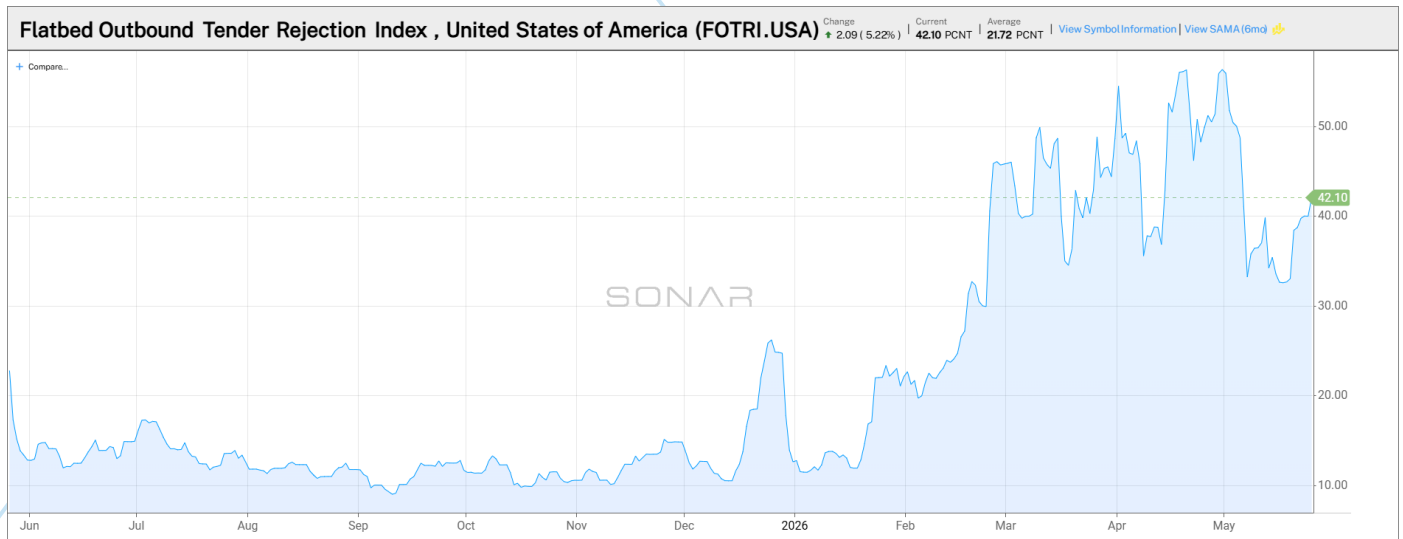
REJECTION VOLUMES

↓ **38.44**

-34% MOM
+42 YOY

Rejections ease slightly in April.

FLATBED OUTBOUND TENDER REJECT INDEX



TRANSPORTATION TRENDS

LESS-THAN-TRUCKLOAD

DLX MARKET VIEW

LTL pricing is at its most intense upward momentum since Yellow's exit in mid-2023, with new bids running 12.5% above last year and 29% above May 2021 levels. The upward pressure on Full Truckload rates continues to push overflow freight into LTL networks.

The NMFTA's new 13-tier density-based classification has introduced real cost volatility—low-density shippers are seeing higher freight classes, with some projecting cost increases up to 50%. Unlike truckload, LTL carriers operate on fixed networks with high terminal costs, which is why base rates and accessorials charges keep climbing even during softer demand environment.

- **Review contracts now.** If your LTL contract is up for renewal in the next 90 days, your new rate will reflect current market benchmarks—12.5% above last year. Starting that conversation early matters.
- **Audit your freight profile.** Under density-based pricing, the way your freight is classified today may not be the same as six months ago. Review weight, dimensions, and commodity class before your next bid cycle.
- **Consolidate where possible.** Borderline LTL shipments that could move as partial TL or intermodal should be re-evaluated. The breakpoint has changed at current LTL pricing levels.
- **Watch accessorials closely.** Carriers are scrutinizing surcharge recovery more aggressively. Items like fuel, residential delivery, limited access, and liftgate charges are adding up faster than shippers expect. Build them into your total cost view.
- **Plan for a tighter second half.** Pricing is expected to firm further by mid-year. Industrial restocking, continued truckload tightening, and reduced network capacity all point in the same direction. The shippers who move now on strategy will have better options than those who wait.

KEY TAKEAWAYS

- Rates are rising and the pace is accelerating.
- Continued TL pressure is pushing freight into the LTL network.
- Accessorials and fuel are adding up faster than expected.

TRANSPORTATION TRENDS

OCEAN FREIGHT

DLX MARKET VIEW

U.S. ocean import volumes pulled back in April after a strong March rebound. Tariff uncertainty, China sourcing diversification, and Middle East corridor disruptions are reshaping how and where freight moves. The data still shows resilience above pre-pandemic levels—but forward demand is weakening and importers need a flexible strategy heading into summer.

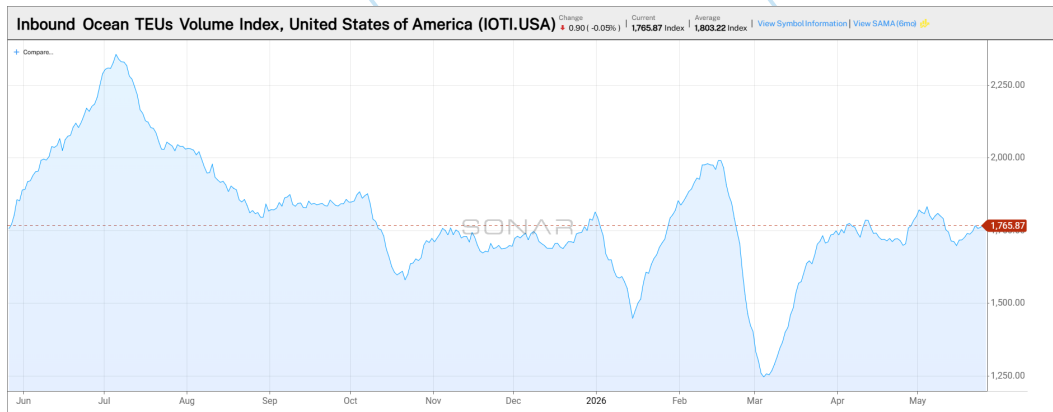
IMPORT VOLUME

↓ **2,277,965 TEUs**
 -3.2% MOM
 +9.11% YOY

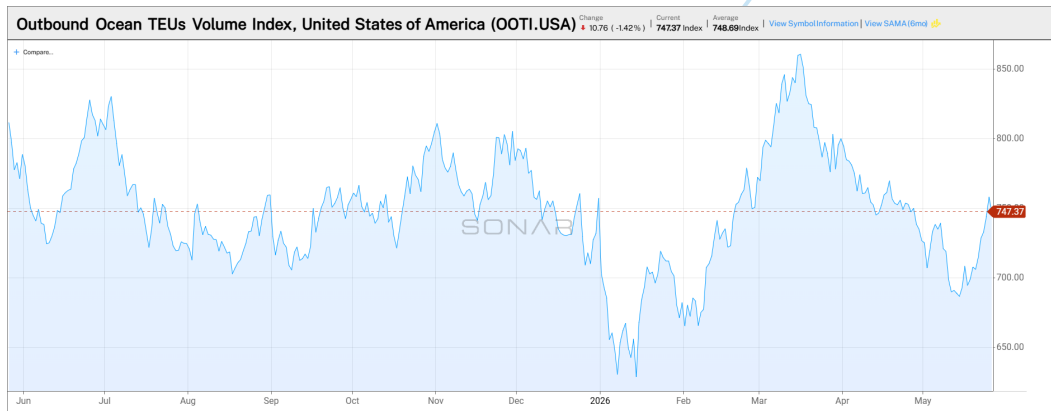
The key developments affecting ocean importers right now:

- April volumes pulled back—but the YOY comparison is misleading.
- Middle East disruptions are adding time and cost to ocean lanes.
- China sourcing is contracting—and it's structural, not seasonal.
- Tariff uncertainty is suppressing inventory restocking.

INBOUND OCEAN TEUs VOLUME INDEX



OUTBOUND OCEAN TEUs VOLUME INDEX



TRANSPORTATION TRENDS

CROSS-BORDER FREIGHT

DLX MARKET VIEW

Cross-border freight into the U.S. is under pressure from multiple directions heading into May. On the Mexico side, driver shortages, compliance enforcement, and cargo theft are shrinking usable capacity faster than demand data suggests. On the Canada side, a carrier crackdown on driver misclassification is pulling trucks off cross-border lanes—right as truckload costs are running 16–17% above last year. The USMCA review on July 1 adds a policy wildcard that shippers need to be planning for now.

KEY TAKEAWAYS

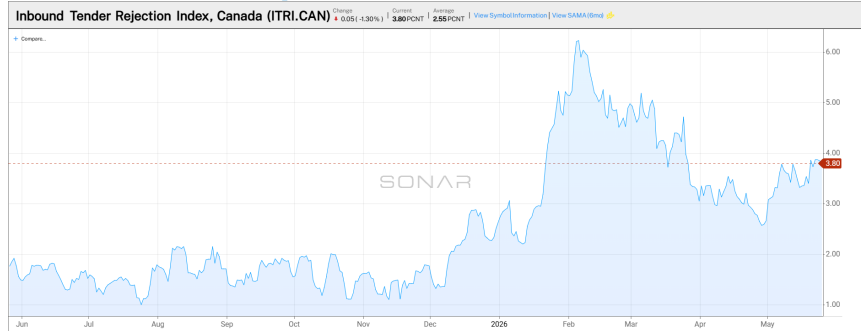
Mexico

- **No Capacity**—Demand looks fine, usable capacity is not.
- **Carrier costs are rising fast- Rate request are coming.**
- **Cargo theft remains a serious risk.**

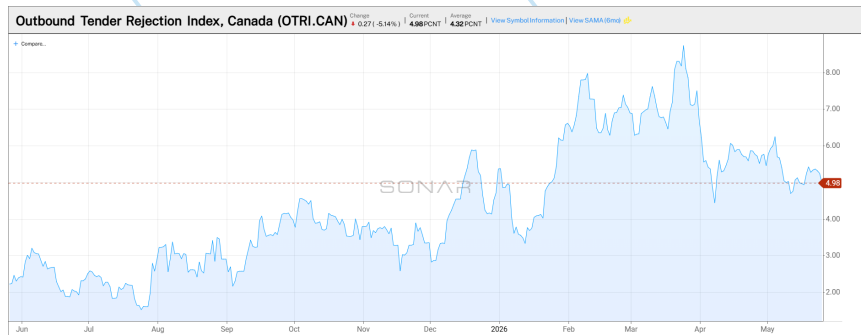
Canada

- **Driver crackdown putting pressure on capacity.**
- **Spot rates are not as stable as they appear.**
- **Carrier identity theft is the primary cargo risk on the Canadian corridor.**

INBOUND TENDER REJECTION INDEX, CANADA



OUTBOUND TENDER REJECTION INDEX, CANADA



WEATHER

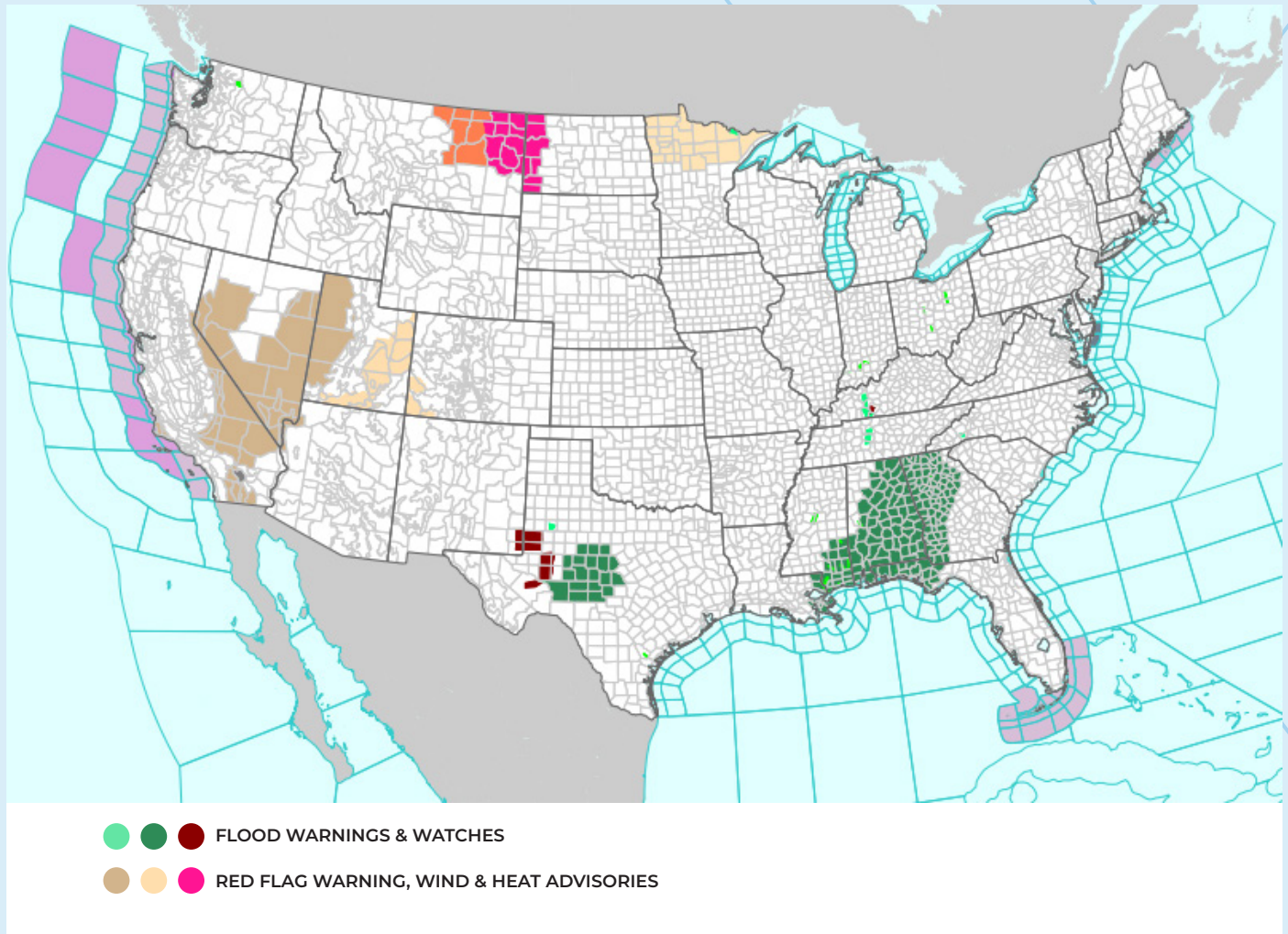
BE PREPARED FOR SEVERE SPRING WEATHER IMPACTS.

DLX MARKET VIEW

Severe spring weather continues to be the biggest potential supply chain disruptor that shippers are currently facing. Parts of the U.S. are starting to see rising temperatures and summer heat, increasing the need for temperature controlled solutions in some regions.



ACTIVE WEATHER ALERTS



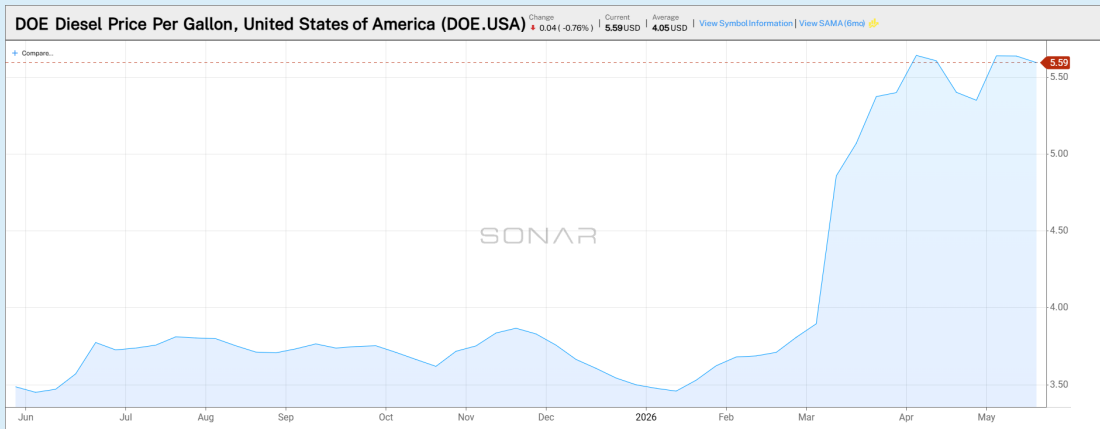
CARRIER INDICATORS

FUEL

↑ **\$5.60/gallon**
+4% MOM
+60% YOY

Fuel prices continue to rise as Middle East unrest continues.

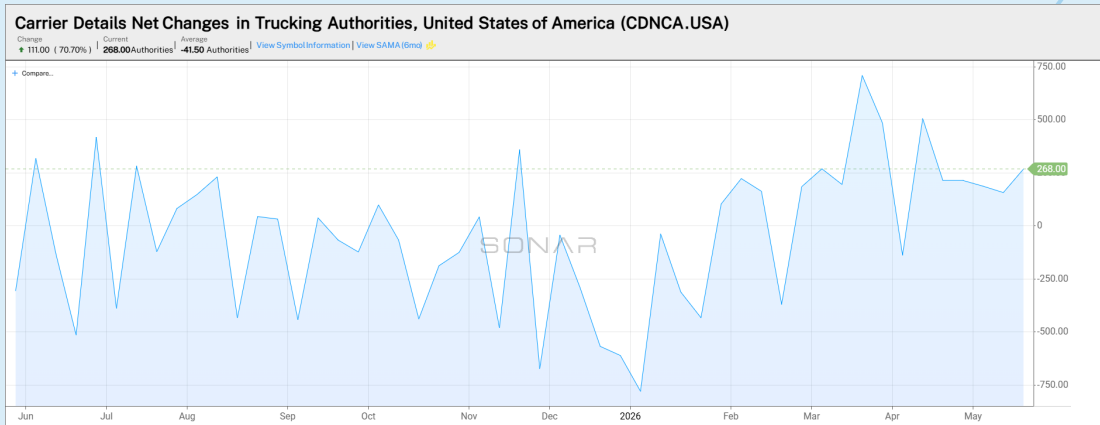
DOE DIESEL PRICE PER GALLON



CARRIER AUTHORITIES

May is reflecting a continued uptick like April in relation to carrier authorities entering the market. It's critical to ensure any carrier has the proper operating authority prior to utilizing them on any load. As capacity continues to show tightness, authorities will continue to grow based on the demand in the market.

CARRIER DETAILS NET CHANGES IN TRUCKING AUTHORITIES



MACRO-ECONOMIC INDICATORS

INVENTORY LEVELS

↑ **56.3**

Moderate increase in inventory levels compared to last month.

PRODUCER PRICE INDEX

↑ **9.84%**

Significant growth in the construction and agricultural sectors.

CONSUMER PRICE INDEX

↑ **3.78%**

Produce season, rising housing costs, and consumers purchasing outdoor and travel goods drive the CPI up.

UNEMPLOYMENT

↓ **4.3%**

115k jobs added in April—Health care, transportation and warehousing, and retail trade add to the big increase in jobs for April.

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