

MARKET UPDATE

OCTOBER 2026

MARKET CONDITIONS REMAIN TIGHT

3 KEY TAKEAWAYS:

■ REJECTIONS EASED, BUT THE MARKET ISN'T LOOSENING

Van and reefer tender rejections dropped month over month in October. Don't read that as relief. Spot rates rose or held steady across all modes: dry van +2% to \$3.48/mi, reefer +1% to \$3.97/mi and flatbed flat at \$3.62/mi. All three sit 44–49% above last year. Rejections are still far above 2025: van +107% year over year, reefer +43% and flatbed +17%. Flatbed rejections also jumped 28% in a single month to 18.18. Dry van tender volume are down 3% year over year while rejections have doubled. Less freight is being offered, and more of it is being turned down. That's shrinking capacity, not rising demand. Q4 holiday tightness is still ahead.

■ CONTRACT RATES ARE CATCHING UP TO SPOT, SO 2027 BIDS WILL RESET HIGHER

Contract rates moved this month. Dry van contract rates rose 2.6% to \$2.75/mi, narrowing the gap to spot rates to \$0.73/mi. Reefer contract rates jumped 6% to \$2.53/mi, but the gap to spot rates is still \$1.44/mi. Flatbed contract rates remain above spot rates, at \$4.05 versus \$3.62. Carriers are using contract pricing to recover a year of cost inflation. Expect that to carry into 2027 bid season. Shippers who protect routing guide capacity now will avoid paying spot prices later. LTL is doing the same thing: carriers are raising rates earlier and more sharply than usual.

■ WHAT YOU PAY BEYOND THE LINEHAUL RATE IS NOW THE BIGGER COST RISK

Diesel is at \$6.18/gal, up 77% year over year. Fuel surcharges are behind most of the LTL cost increase while base rates hold steady. On the water, fuel and security risks keep ocean rates high. But a wave of new ships and the return to the Red Sea favor shippers going into 2027 contracts. At the borders, Canada's 50% Section 338 duties, import bans and \$27.6B in counter-tariffs are now the baseline, not a pause. In Mexico, about 25,000 driver visas have been revoked, and El Paso is rejecting about 20% of loads. Across every mode, fuel terms, duties and border access now drive cost as much as the rate per mile.



TRANSPORTATION TRENDS

DRY VAN TRUCKLOAD

DLX MARKET VIEW

Dry van market conditions remain moderately tight this month, with a month-over-month decrease in rejections and small increases in rates. Volumes decreased, while rejections remain up year over year, indicating continued market tightness.

SPOT RATES

↑ **\$3.48/mi**

+2% MOM

+44.8% YOY

Spot rates increased again in October and remained above last year's levels.

CONTRACT RATES

↑ **\$2.75/mi**

+2.6% MOM

+18.5% YOY

Contract rates increased in October and remain above last year's levels.

TENDER VOLUMES

↓ **6,220**

-5% MOM

-3% YOY

Tender volume decreased from the previous month.

REJECTION VOLUMES

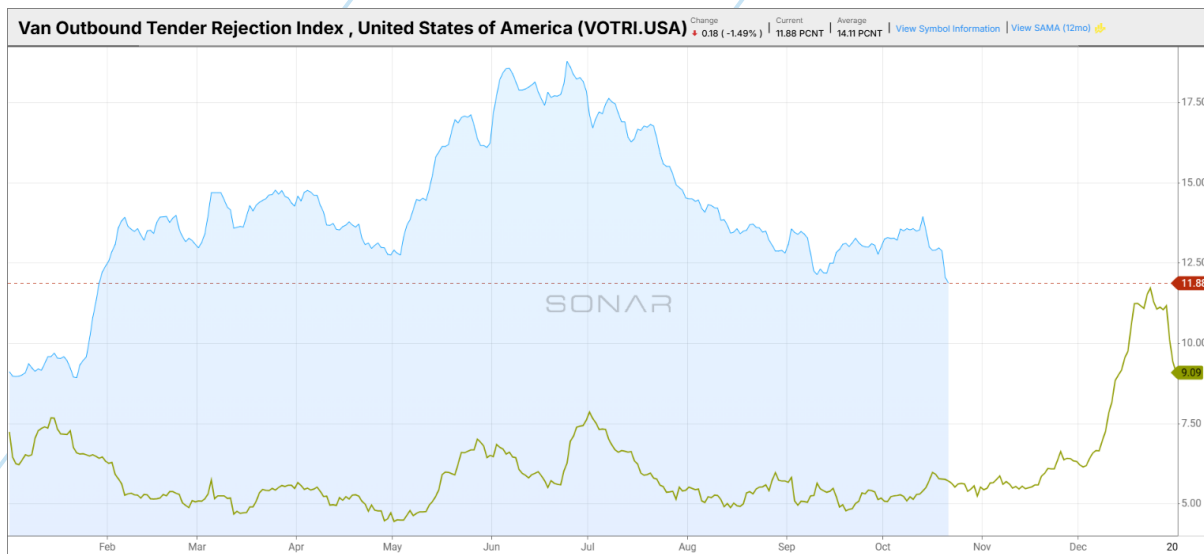
↓ **11.88**

-10% MOM

+107% YOY

Rejections decreased month over month in October but remain elevated compared with last year.

VAN OUTBOUND TENDER REJECTION INDEX



TRANSPORTATION TRENDS

REFRIGERATED TRUCKLOAD

MARKET VIEW

Refrigerated market conditions are moderately tight, as rejections remain elevated year over year. Capacity continues to affect rejections and rates. Watch for tighter capacity in Q4, particularly around the holidays.

SPOT RATES

↑ **\$3.97/mi**

+1% MOM

+49.1% YOY

October spot rates show a slight increase from September.

CONTRACT RATES

↑ **\$2.53/mi**

+6% MOM

+10.5% YOY

Contract rates increased in October as the spot market remains high.

TENDER VOLUMES

↑ **1,272**

+2% MOM

+7% YOY

Tender volume increased slightly month over month and remains above last year's levels.

REJECTION VOLUMES

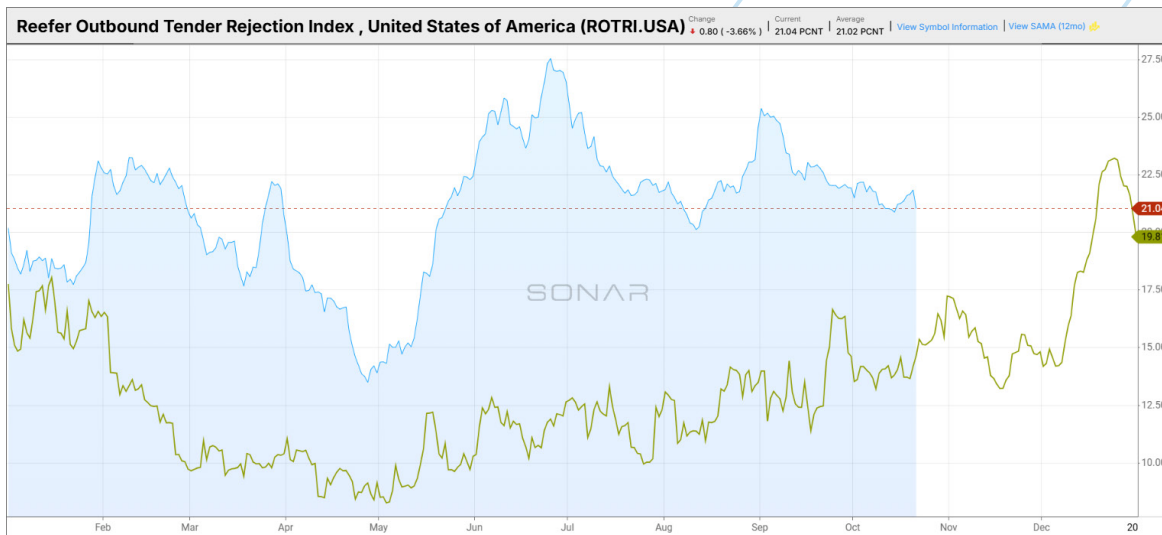
↓ **21.04**

-7% MOM

+43% YOY

Rejections dropped in October compared with September but remain elevated year over year, contributing to higher spot rates.

REEFER OUTBOUND TENDER REJECTION INDEX



TRANSPORTATION TRENDS

FLATBED

DLX MARKET VIEW

The flatbed market remains tighter than last year. Spot rates held steady in October, while contract rates declined slightly and rejections increased.

SPOT RATES

Flat \$3.62/mi

0% MOM
+44% YOY

Modest upward movement continues to be reflected in higher rates each month.

CONTRACT RATES

↓ **\$4.05/mi**

-0.5% MOM
+32% YOY

Contract rates dropped slightly in October.

TENDER VOLUMES

↓ **26,029**

-10% MOM
+12% YOY

Tender volume dropped again this month.

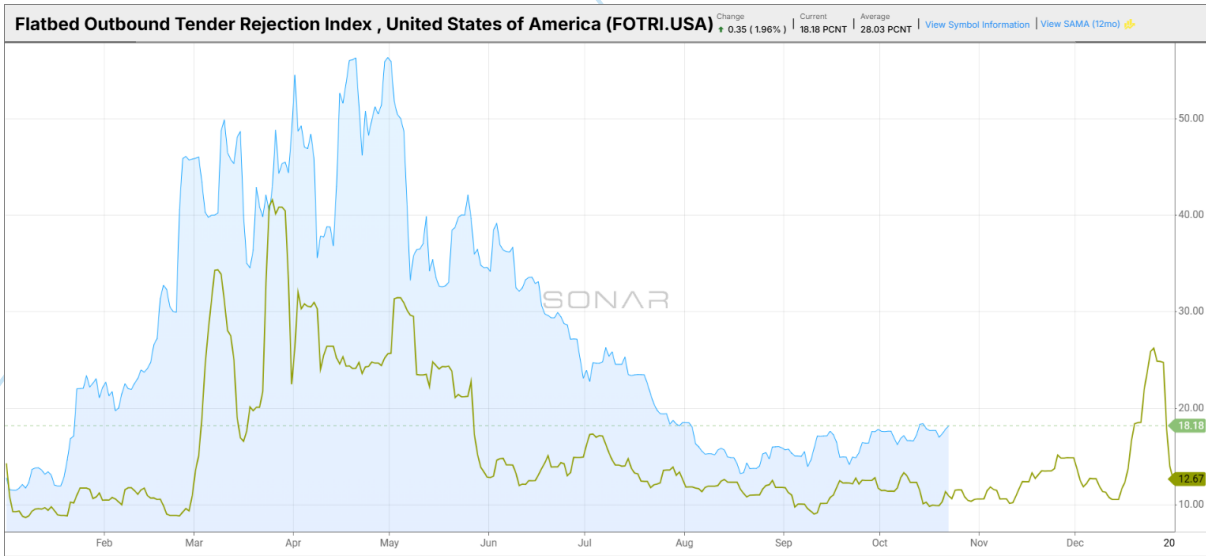
REJECTION VOLUMES

↑ **18.18**

+28% MOM
+17% YOY

Rejections increased this month and remain elevated year over year, despite steady spot rates.

FLATBED OUTBOUND TENDER REJECT INDEX



TRANSPORTATION TRENDS

LESS-THAN-TRUCKLOAD

DLX MARKET VIEW

LTL costs keep climbing into Q4, but the cause matters for your strategy. Base linehaul rates are holding fairly steady. Fuel surcharges are behind most of the increase. Carriers are also raising rates earlier than usual, and classification rules keep changing. **Here's what you need to know this month.**

SONAR's LTL cost-per-hundredweight index (LTL.USA) has been rising since March. When you exclude fuel using a standard surcharge table, base linehaul rates are close to flat. Carrier results show the same thing. Old Dominion's revenue per hundredweight was up **11.3%** quarter-to-date, but only **4.8%** excluding fuel. Diesel averaged **\$6.28/gal** the week of October 19, up about **\$2.66** from a year ago. It's been above \$6 since September, and futures point to about \$6/gal through January.

On October 9, NMFTA members voted down the mixed-commodity rule (Item 640). It was the second time the rule failed in 2026, mainly because of concerns about listing hazardous materials separately on the bill of lading. A new vote is expected, but no date is set. TForce Freight and Central Transport both switched to NMFTA's standard 13-tier freight classification scale. Billing errors on those carriers' lanes are likely to show up in the first invoice cycle.

WHAT THIS MEANS FOR YOU:

Check the freight classes and densities on your active lanes, especially with TForce and Central. Misclassification is one of the most common things freight audits catch. It's much cheaper to fix ahead of time than to dispute after billing.

BOTTOM LINE:

Base LTL rates are stable. Your total LTL cost is rising because of fuel, earlier rate increases and classification changes. Shippers who negotiate their fuel terms, finish year-end bids early and keep class data clean will be best positioned for 2027.

KEY TAKEAWAYS

- Fuel surcharges continue to drive cost increases, so manage your fuel exposure.
- Carriers are raising rates earlier, and the market is slowly tightening.
- Classification accuracy is a cost risk to manage now.

TRANSPORTATION TRENDS

OCEAN FREIGHT

DLX MARKET VIEW

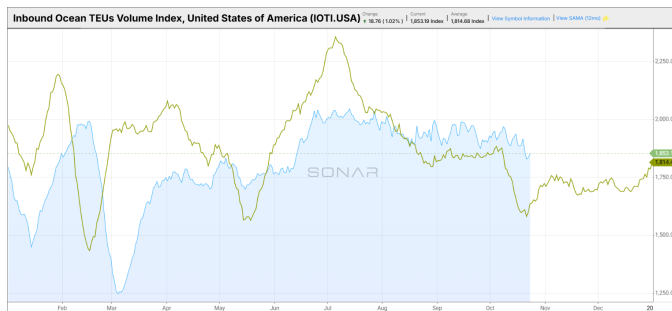
U.S. imports are still running strong. Ocean rates stay high because of fuel costs and security risks. But a large wave of new ships and the return to the Red Sea are setting up a very different 2027.

Here's what you need to know this month.

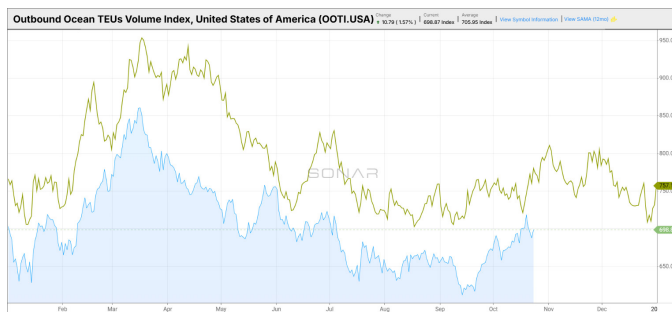
THREE THINGS ARE HOLDING RATES UP:

- **Fuel costs:** High ship fuel costs, plus emergency fuel surcharges such as CMA CGM's, effective October 1.
- **Security risks:** Ongoing disruption in the Strait of Hormuz and the Middle East.
- **Canceled sailings:** Carriers are skipping sailings to support rates as demand cools.

INBOUND OCEAN TEUs VOLUME INDEX



OUTBOUND OCEAN TEUs VOLUME INDEX



IMPORT VOLUME

↓ **2,546,261 TEUs**

-2.2% MOM

+10.3% YOY

Carriers are returning to the Red Sea. Freightos expects Suez traffic to fully recover by Q1 2027. Shorter routes mean each ship makes more trips, which adds usable capacity. At the same time, more than **14M TEUs** of new vessel capacity are on order, about **42%** of today's fleet. Shipping group BIMCO expects the fleet to grow **9%** in 2027 and the market to weaken. Carriers are pushing rate increases now to set a high starting point for 2027 contract talks. Some freight forwarders doubt those increases will hold.

WHAT THIS MEANS FOR YOU:

Don't lock in long-term rates at today's high levels. Consider shorter contract terms or rates tied to a market index. Time your 2027 negotiations to capture the softening that's expected.

BOTTOM LINE:

Demand is solid and rates are high for now. But additional vessel capacity is coming in 2027, and that gives shippers better negotiating power. Account for that added capacity in your ocean strategy.

THE KEY DEVELOPMENTS AFFECTING OCEAN IMPORTERS RIGHT NOW:

- Imports are strong, but peak season is behind us and freight is moving west.
- Ocean rates remain high because of fuel costs and security risks.
- More ships are coming, which favors shippers in 2027 contract negotiations.

TRANSPORTATION TRENDS

CROSS-BORDER FREIGHT

DLX MARKET VIEW

Canada

The number: U.S.–Canada transborder freight reached \$66.3B in August 2026. That's up 5.6% from July and 17.1% from August 2025, a sharp rebound from July's \$62.8B. Trucks carried \$35.2B, or 53.1% of the total by value. Top gateways: Detroit (\$13.9B), Port Huron (\$8.4B) and Buffalo (\$7.1B).

In the truck market, Canada's problem is freight imbalance, not a driver shortage. Exports to the U.S. are holding firm while northbound backhauls are weak. Rates on select corridors are up 20–35% in six weeks. Tender rejections rose from about 4% to 5.5% year over year and are expected to climb into year-end. LoadLink's index puts Canadian truck capacity near a five-year low.

Mexico

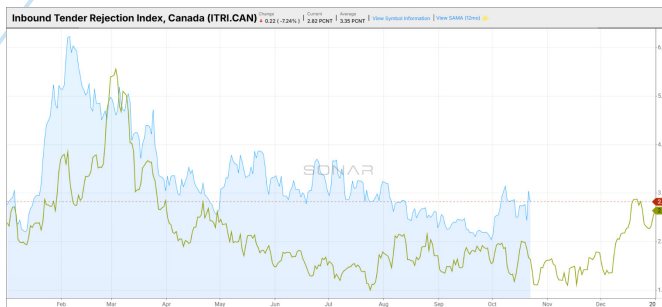
The number: U.S.–Mexico transborder freight reached \$94.3B in August 2026. That's down 0.5% from July but up 26.7% from a year ago, outpacing Canada by nearly 10 percentage points. Trucks carried \$73.9B, or 78.4% of U.S.–Mexico freight by value. Laredo alone moved \$37.7B, more than the next two ports in the country combined (Ysleta at \$15.8B and Detroit at \$13.9B).

The trade volume is still there, but the border crossing is the choke point. U.S. authorities have now revoked visas for about 25,000 Mexican drivers. Mexican trucking associations estimate a shortage of more than 90,000 drivers.

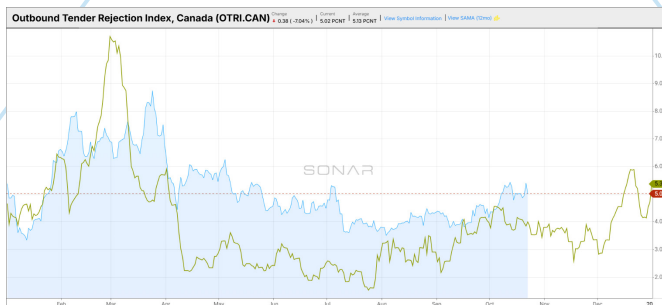
Tender rejections vary widely by crossing:

- **El Paso** Tender Rejection Rate **20%**
- **Otay Mesa** Tender Rejection Rate **10%**
- **Laredo** Tender Rejection Rate **7.78%**

INBOUND TENDER REJECTION INDEX, CANADA



OUTBOUND TENDER REJECTION INDEX, CANADA



KEY TAKEAWAYS

Canada

- This is the new baseline, not a pause. Talks are suspended, the U.S. is "holding fast" and Canada's counter-tariffs haven't moved since September 8. Plan your Q4 and 2027 programs around both sets of duties staying in place.
- The truck squeeze comes from freight imbalance, not drivers. Rates are up 20–35% on select corridors with weak northbound backhauls. Shippers who can offer consistent southbound volume will get the best pricing.
- Tariff savings are still being left on the table. Manufacturing drawback is confirmed on Section 338 duties, and goods entering a foreign-trade zone (FTZ) need privileged foreign status (PF) to lock in the rate. With a lawsuit pending, keep clean entry records in case refunds become possible.

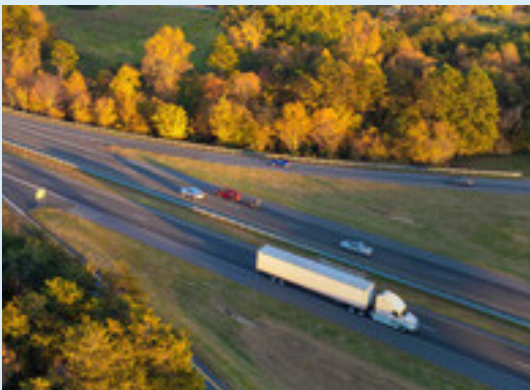
Mexico

- **Each border crossing** is its own market. El Paso is rejecting about 20% of loads and Laredo about 8%, so price and plan by port, not by "the border."
- **Spot rates have reset higher.** Laredo–Dallas is up 43% year over year, and FreightWaves expects border tightness to last well into 2027. Locking in dedicated or contract capacity beats buying on the spot market.
- **Tariff relief isn't final until it's signed.** A 15% auto tariff rate is on the table but not final, and the negotiating round that would finalize it still has no date. Model your 2027 landed costs at today's 25% and 50% rates.

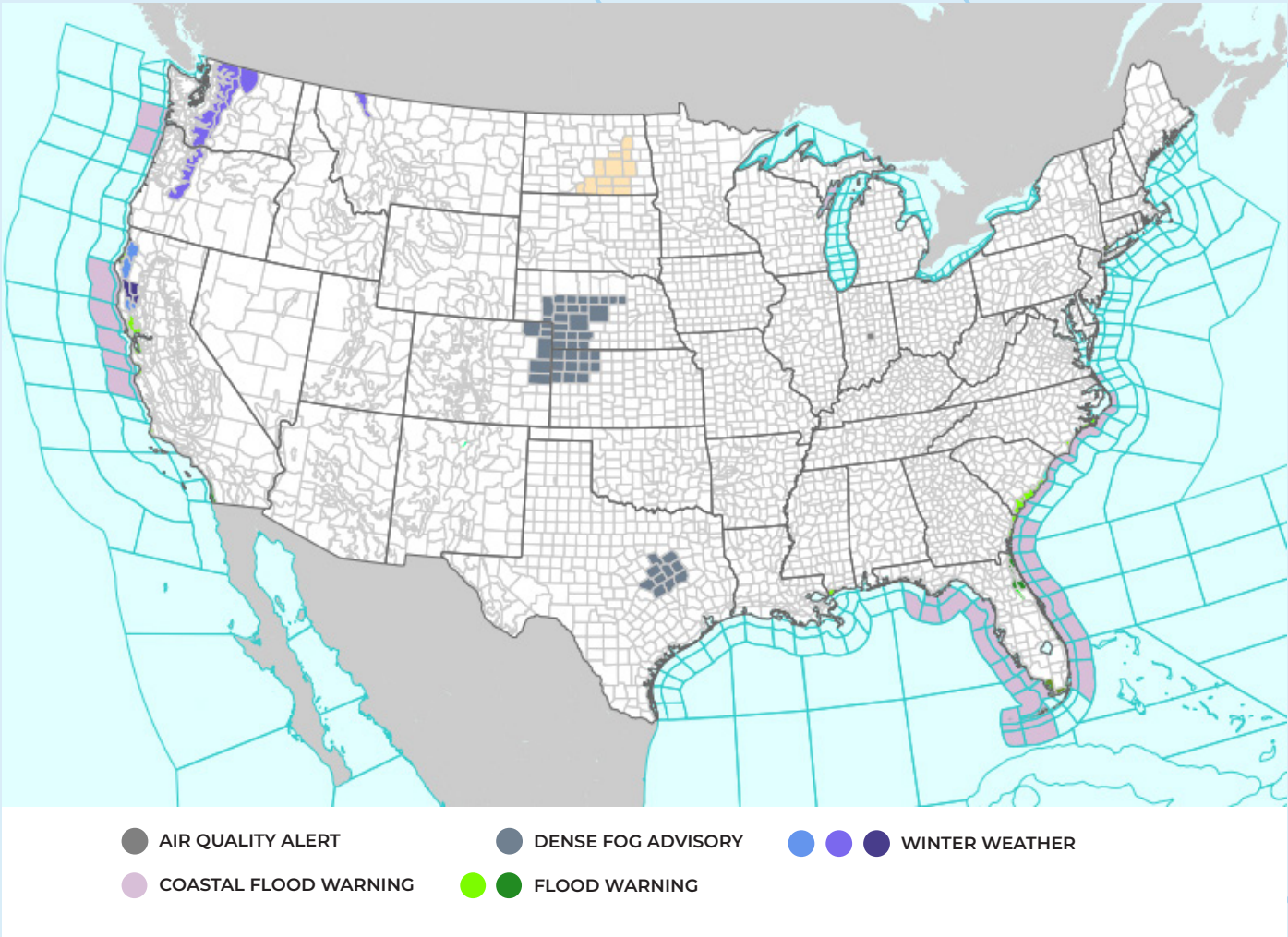
WEATHER

DLX MARKET VIEW

As we move through fall, we will need to keep a close eye on winter weather. Colder conditions will begin to affect capacity, rates and transit times.



ACTIVE WEATHER ALERTS

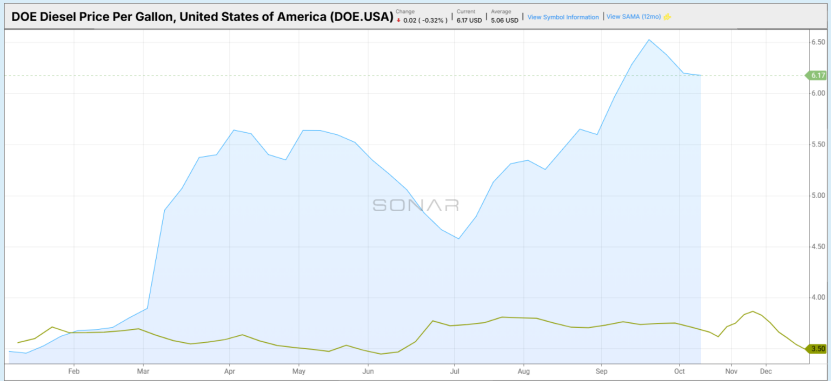


CARRIER INDICATORS

FUEL

↓ **\$6.18/gallon**
-2% MOM
+77% YOY

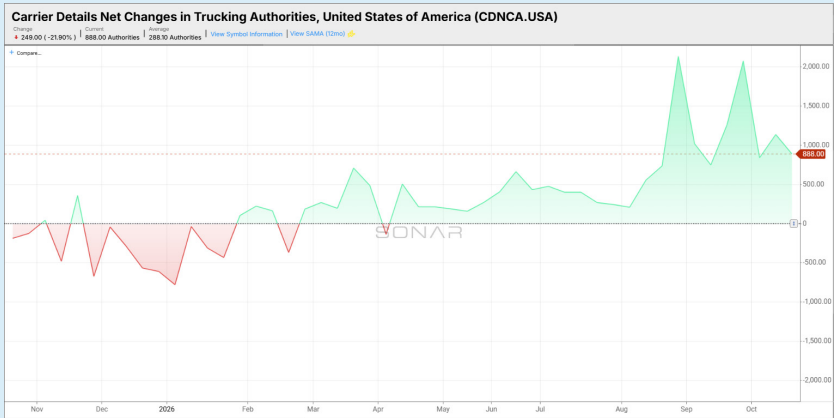
DOE DIESEL PRICE PER GALLON



CARRIER AUTHORITIES

The number of carrier authorities remains above last year's level but has dropped as we approach the end of October. It's critical to verify that a carrier has the proper operating authority before using it for any load. As capacity remains tight, the number of authorities is expected to grow in response to market demand.

CARRIER DETAILS NET CHANGES IN TRUCKING AUTHORITIES



MACRO-ECONOMIC INDICATORS

INVENTORY LEVELS

↑ **79.9**

Moderate increase from September levels.

PRODUCER PRICE INDEX

↑ **12.82% MOM**

PPI increased in September.

CONSUMER PRICE INDEX

↑ **3.72% MOM**

Slight increase from September.

UNEMPLOYMENT

↑ **4.2%**

Unemployment increased slightly to 4.2% in September and remained at that level into October.