

# TL & LTL MONTHLY MARKET UPDATE

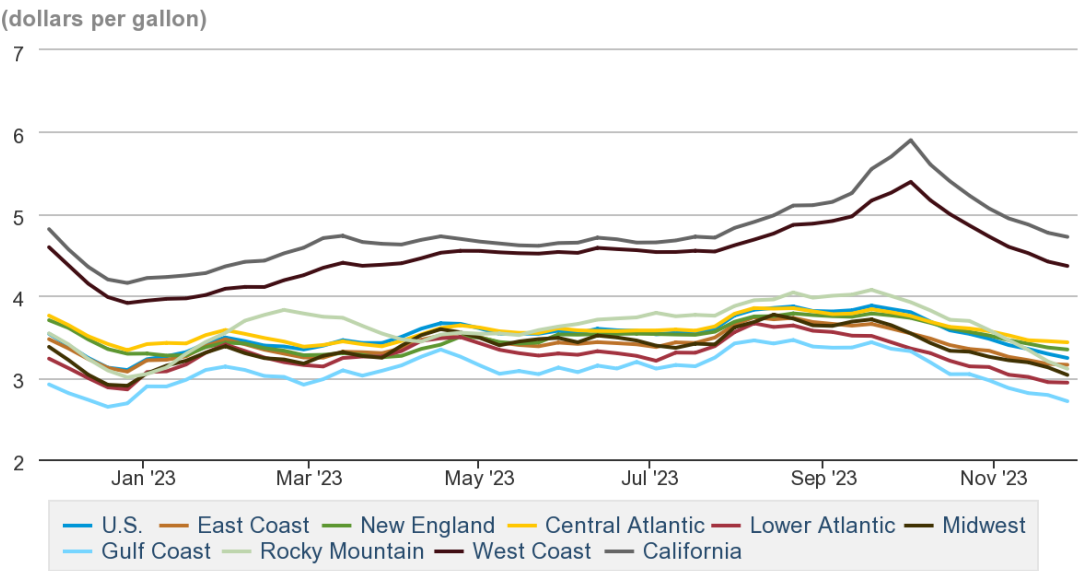
DECEMBER 2023



## Diesel prices continue decline in November

National average diesel prices continued their downward trend throughout November, finishing the last full week of the month at \$4.146 /gal compared to \$4.454 /gal at the end of the prior month. This was down \$0.063 from the previous week and down \$0.995 relative to the preceding year. The EIA has lowered projections for the remainder of 2023 by \$0.03 and held their 2024 projections relative to their prior release.

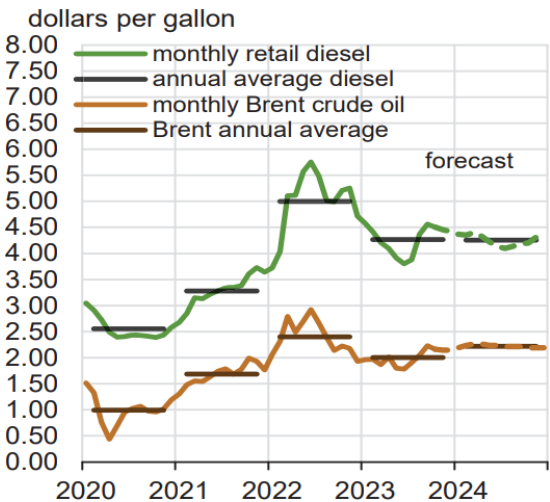
### Regular Gasoline Prices



Data source: U.S. Energy Information Administration

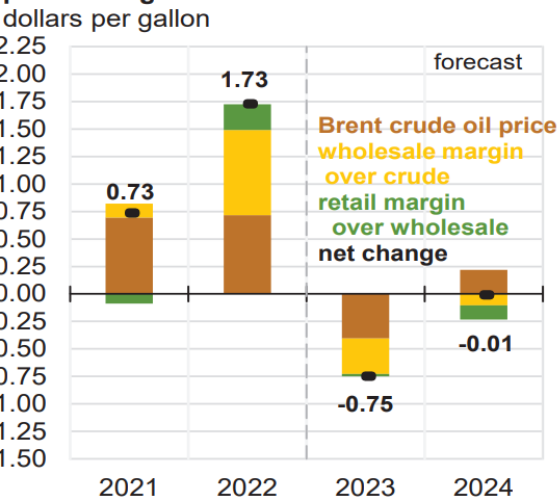
(Source: [EIA](#))

### U.S. diesel and crude oil prices



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, November 2023, and Refinitiv an LSEG Business

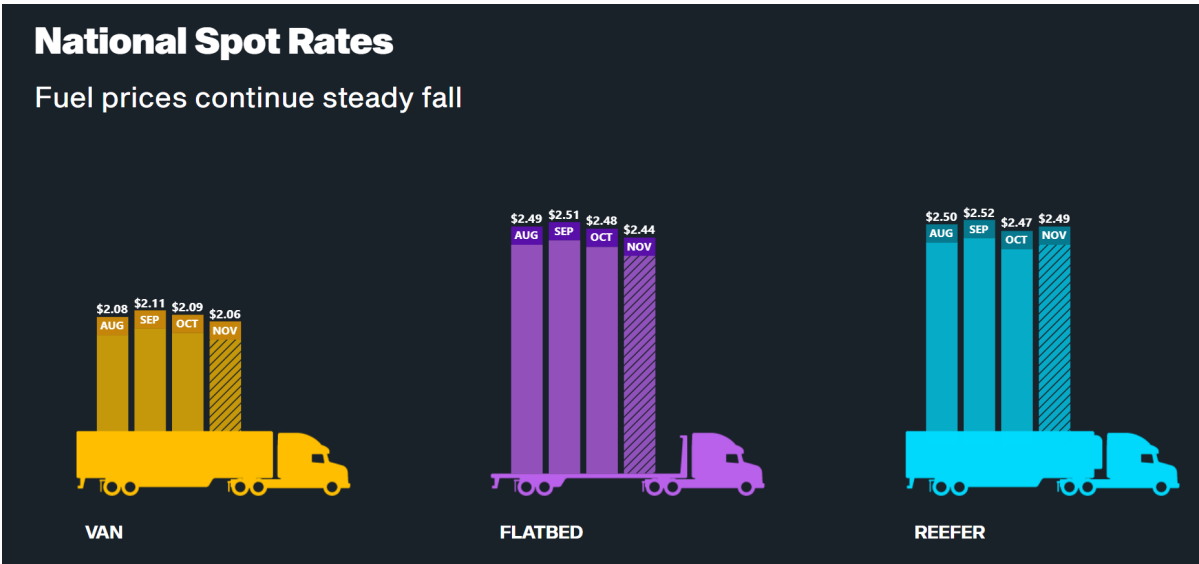
### Components of annual diesel price changes



(Source: [EIA](#))

### November spot rates hit record lows

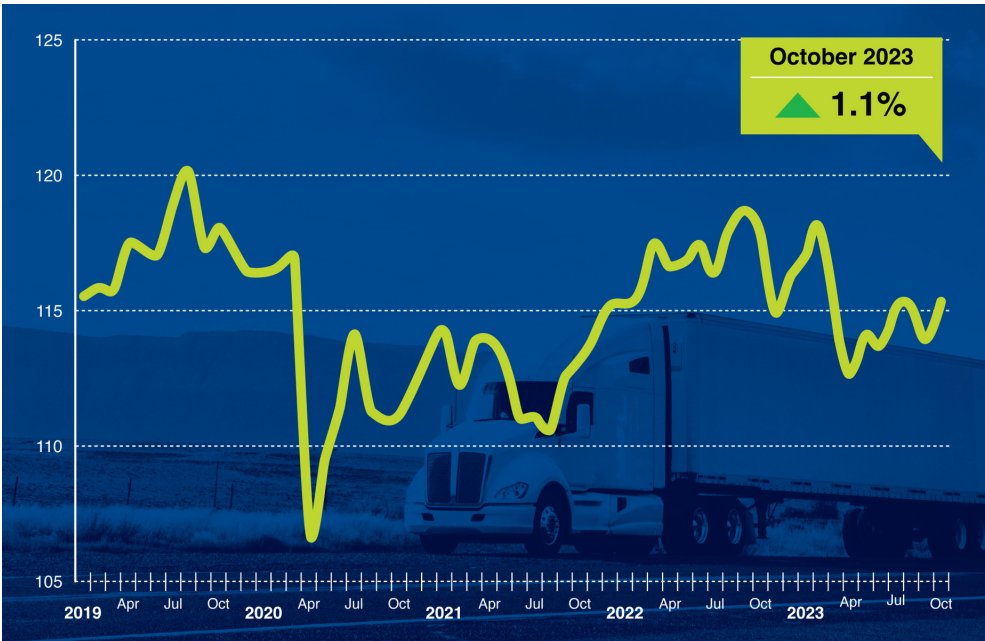
Record low spot rates continue to deteriorate as we head into the holiday season. After marginal gains in August and September, October spot rates worsened to mid-summer levels. November numbers are coming in weaker than October. Reefer rates in November are trending slightly upward, but there is no sign of recovery in the near term.



(Source: DAT)

### Truck tonnage index increases after falling in September

American Trucking Associations’ advanced seasonally adjusted (SA) For-Hire Truck Tonnage Index increased by 1.1% in October after falling 1.1% in September. After hitting bottom in April, tonnage has risen steadily but is still well below 2022 with eight straight year-over-year decreases.



(Source: ATA)



## News from around the industry

### Biden administration announces massive logistics plan

The lingering effects of the COVID pandemic are still rippling through the US supply chain. Less capacity and fewer options exist than ever. The White House is working to collect macro-level freight data to work with international partners and strengthen the domestic US supply chain. (Source: [FreightWaves](#))

### 3PLs get fresh legal win in fight to block liability in truck accidents

Precedents are beginning to strengthen 3PLs' disinvolvement when things go wrong, sometimes tragically, if freight is on the road. While there is still some uncertainty and cases where 3PLs have been liable, this latest ruling strengthens prior rulings that 3PLs have no direct connection to motor vehicles and cannot be found liable. (Source: [FreightWaves](#))

### Annual LTL GRIs slightly ahead of schedule

LTL carriers across the board are implementing GRIs ahead of schedule. These increases only impact customers utilizing a carrier's standard or blanket rates on their current rate bases. Old Dominion announced a 4.9% increase effective 12/4/23. Saia announced a 7.5% GRI effective on 12/4/23, two months earlier than usual and one percentage point higher. (Source: [FreightWaves](#))

## Market outlook

Spot truckload rates continue to hold at record lows throughout 2023. There has been a slight uptick in contract tonnage, but it remains to be seen if that trend will continue, and if so, will it help drive up spot pricing? The usual events that drive up rates, such as the summer holidays and the Thanksgiving to Christmas inventory buildup, have had negligible effects.

As we enter the close of 2023, we look back on another tumultuous year with major players in LTL, truckload, and the 3PL sector closing their doors. Carriers are still navigating the changes in freight allocation and expanding rapidly to cope with an influx in freight. LTL carriers are just as involved in the real estate business as in the freight business.

As always, you can contact your IL2000 Client Services team if you have any questions.

Sources: EIA, DAT, ATA, FreightWaves