

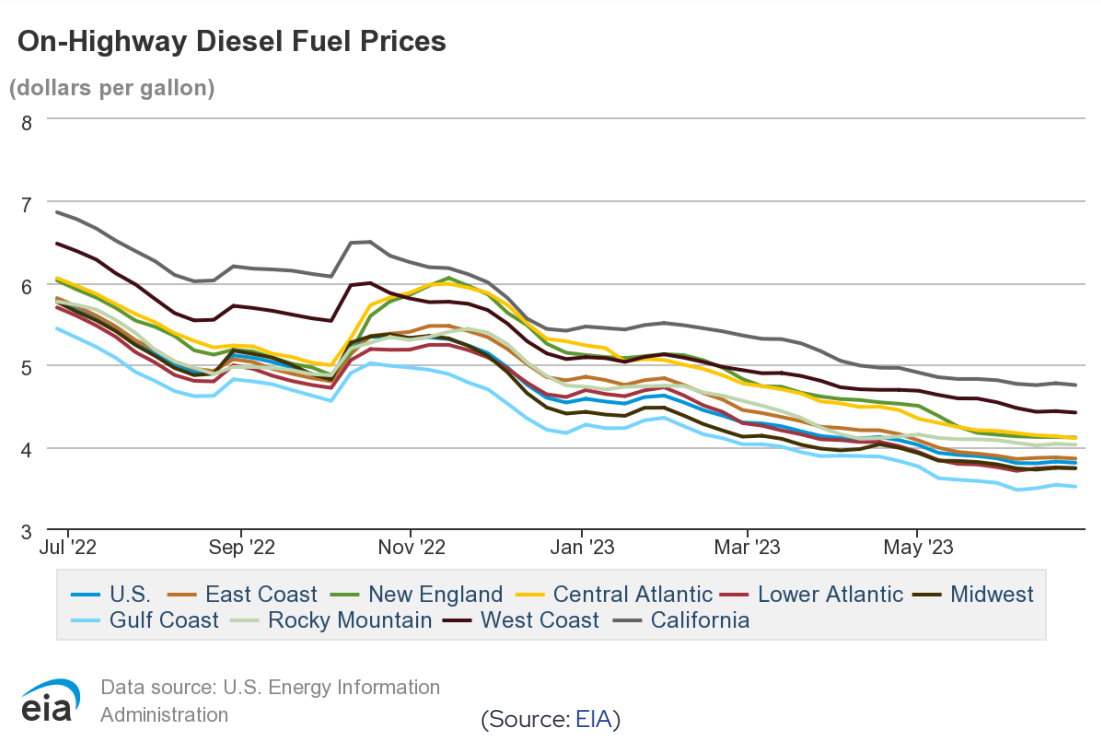
TL & LTL MONTHLY MARKET UPDATE

JULY 2023

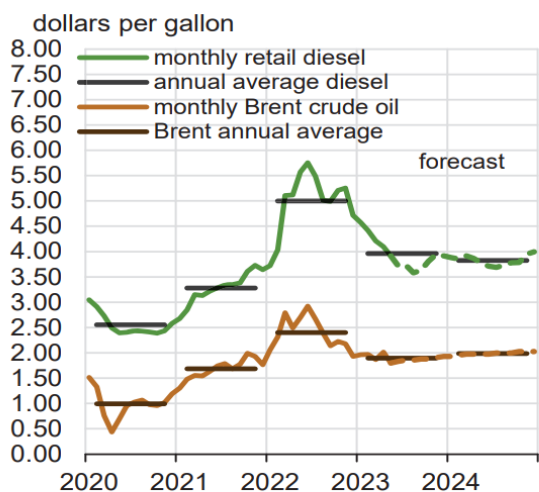


Diesel prices rebound in Mid-June after record lows

National average diesel prices slowed their downward slide in June, finishing the last full week of the month at \$3.801/gal compared to \$3.855/gal at the end of the prior month. This was down \$0.014 from the previous week and down \$1.982 relative to the preceding year. The EIA has continued to lower pricing guidance for the remainder of 2023 and 2024 but at a less drastic reduction than prior projections.

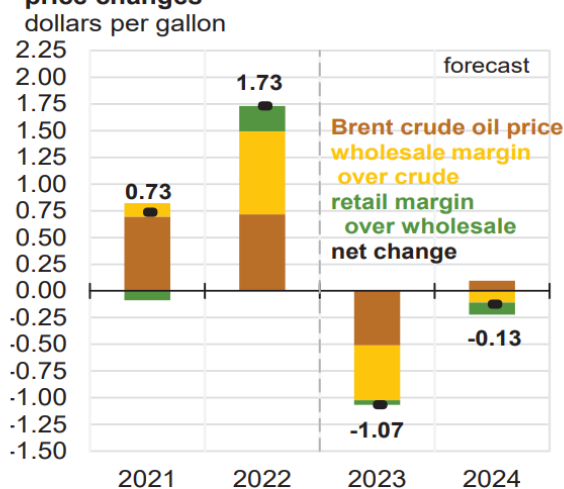


U.S. diesel and crude oil prices



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

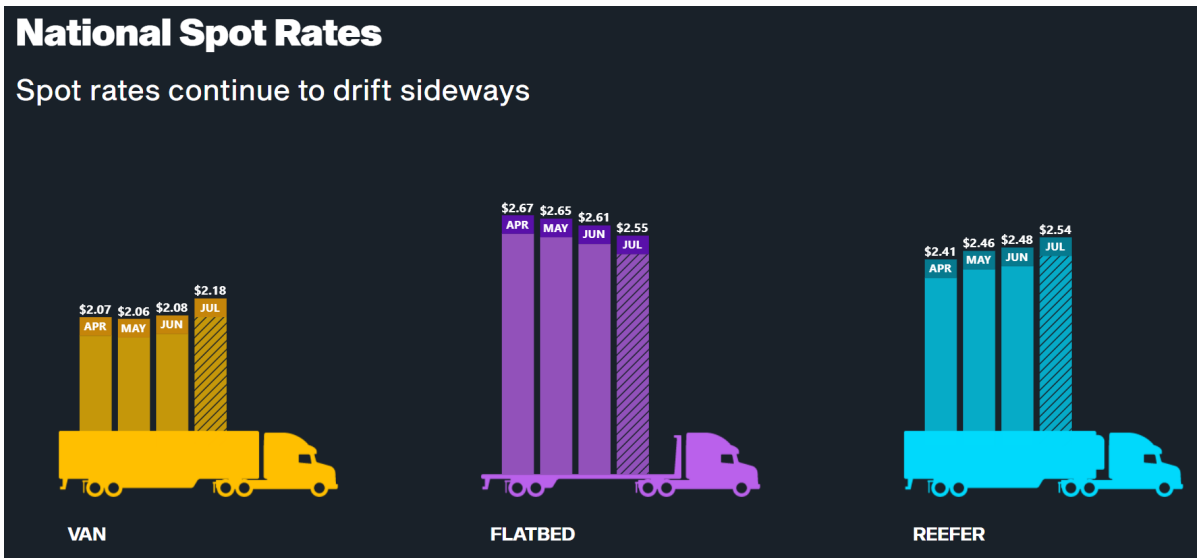
Components of annual diesel price changes



(Source: EIA)

DAT spot rates recover after hitting historic lows

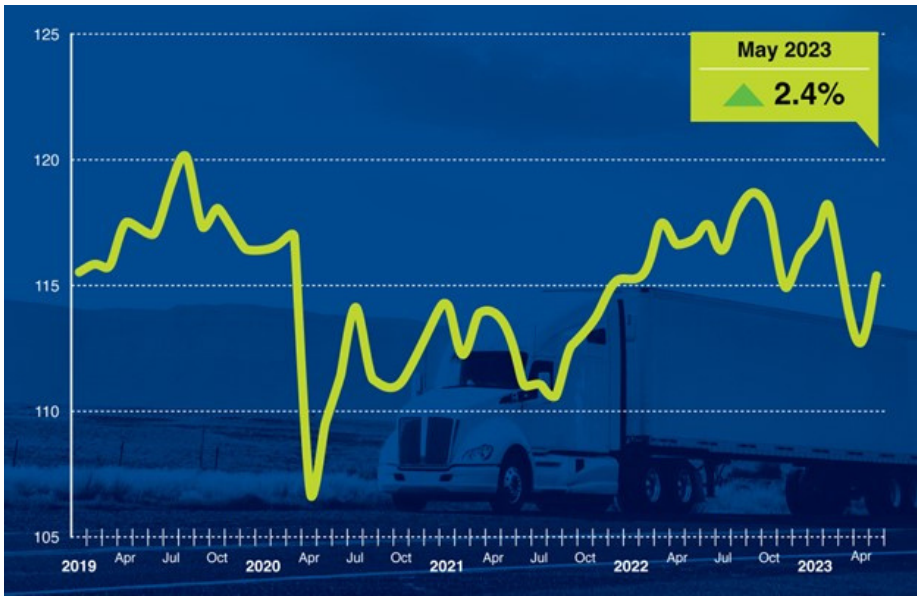
June spot rates signaled a much-needed recovery after months of rate deterioration. July indicators are showing a modest recovery. Flatbed rates continue to decline due to a consistent slowdown, particularly in the manufacturing sector.



(Source: DAT)

Truck tonnage index declines for second consecutive month

After dropping 4.5% in March and April, the adjusted truck tonnage improved by 2.4% in May. The slight recovery is a positive sign, but we are still in recession territory. Compared to May 2022, the index is down 1.4%, the 3rd straight year-over-year decrease.



(Source: ATA)

News from around the industry

Yellow calls on White House to get Teamsters to table

As Yellow's cash begins to run low, the urgency to close a deal with the Teamsters and restructure their debt is becoming increasingly concerning. The publicity surrounding the situation is also making the situation even more dire for the LTL carrier. As shippers and 3PLs alike watch the feud unfold, they'll be more likely to start pushing their freight elsewhere, which will only exacerbate and expedite Yellow's growing list of problems. (Source: [FreightWaves](#))

Spot market struggles with prolonged bottom

DAT's spot market analysis indicates that we may have reached the bottom, but how long will we stay there? As we head further into the summer, the usual uptick in volumes and pricing has lagged behind historical benchmarks. Produce season has had lackluster increases in spot rates, and as we head into the 4th of July, the usual upticks are not showing their typical results. (Source: [Transport Topics](#))

Market outlook

The uncertainty surrounding Yellow's future is concerning for anyone utilizing the LTL space. IL2000 has been working on contingency plans on a client-by-client basis to mitigate any service disruptions. Any potential shutdown of this magnitude will cause a ripple effect across the supply chain whether or not shippers or 3PLs are using Yellow today. Ten percent of the LTL market would need to be absorbed into the remaining carrier base, and while carriers will prioritize their current customers, to gain new market share they will need to look at Yellow's book of business. This will cause operational changes and administrative backlogs.

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

Sources: EIA, DAT, ATA, FreightWaves, Transport Topics, The Motley Fool

Why LTL stocks surged last week

Shares of XPO, Old Dominion, and Saia were all up last week due to the increasing concerns regarding Yellow's financial stability and looming collapse. Yellow comprises approximately 10% market share of all LTL freight, which will likely be absorbed by the remaining national LTL carriers in the marketplace. (Source: [TheMotleyFool](#))