

# TL & LTL MONTHLY MARKET UPDATE

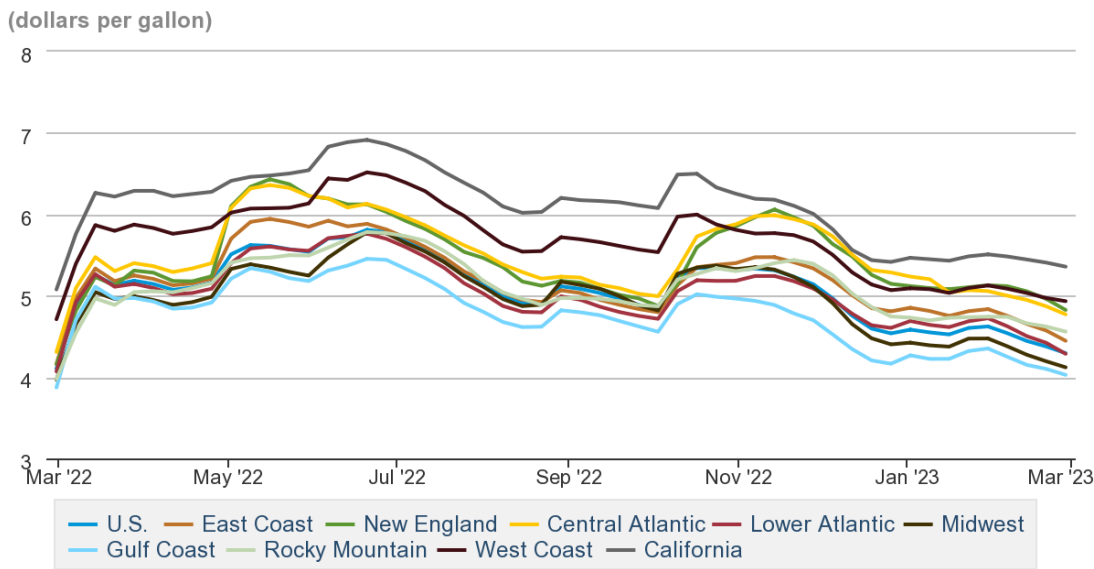
MARCH 2023



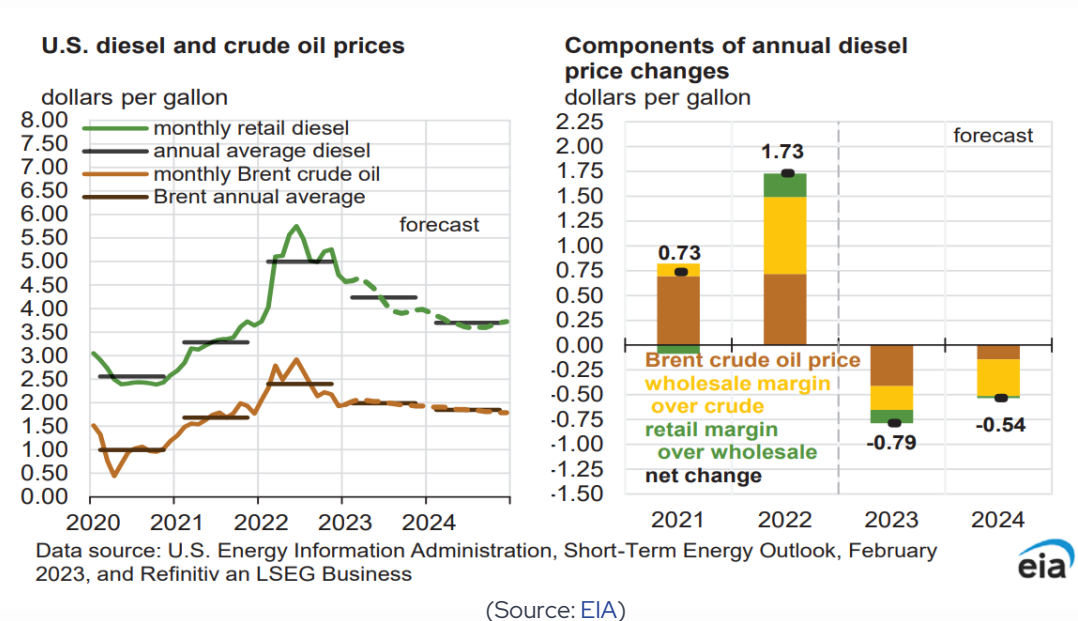
Diesel prices slightly decline

National average diesel prices declined marginally in February compared to January, finishing the last full week of the month at \$4.376/gal compared to \$4.622 /gal at the end of the prior month. This was down \$0.068 from the previous week and up \$0.321 over the preceding year. The agency updated its outlook predicting a gradual price decline through 2023 and into 2024. (Source: [EIA](#))

On-Highway Diesel Fuel Prices

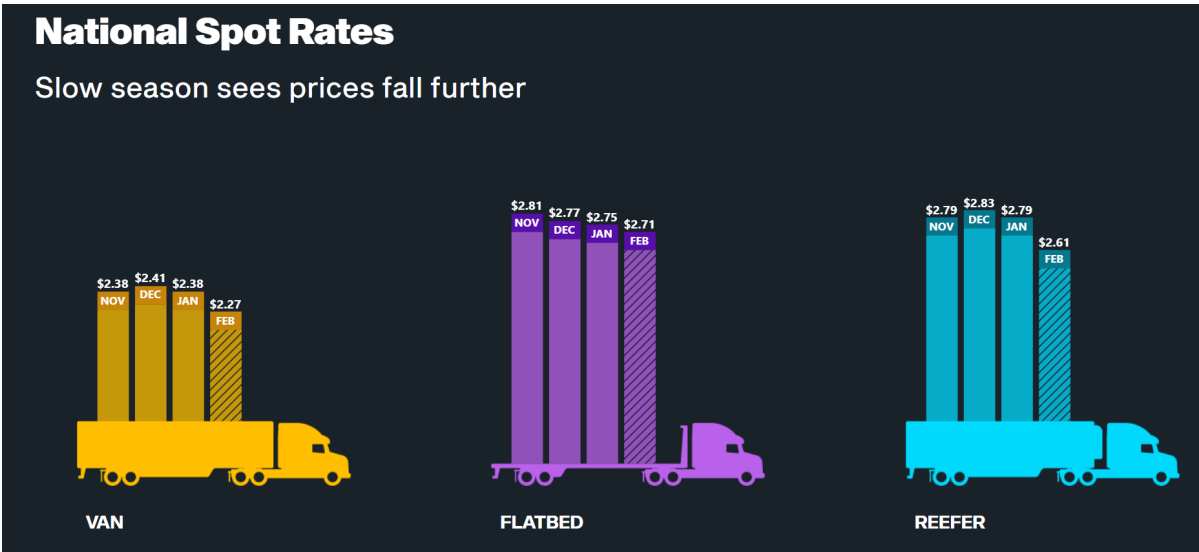


Data source: U.S. Energy Information Administration (Source: [EIA](#))



### DAT spot rates continue winter dip

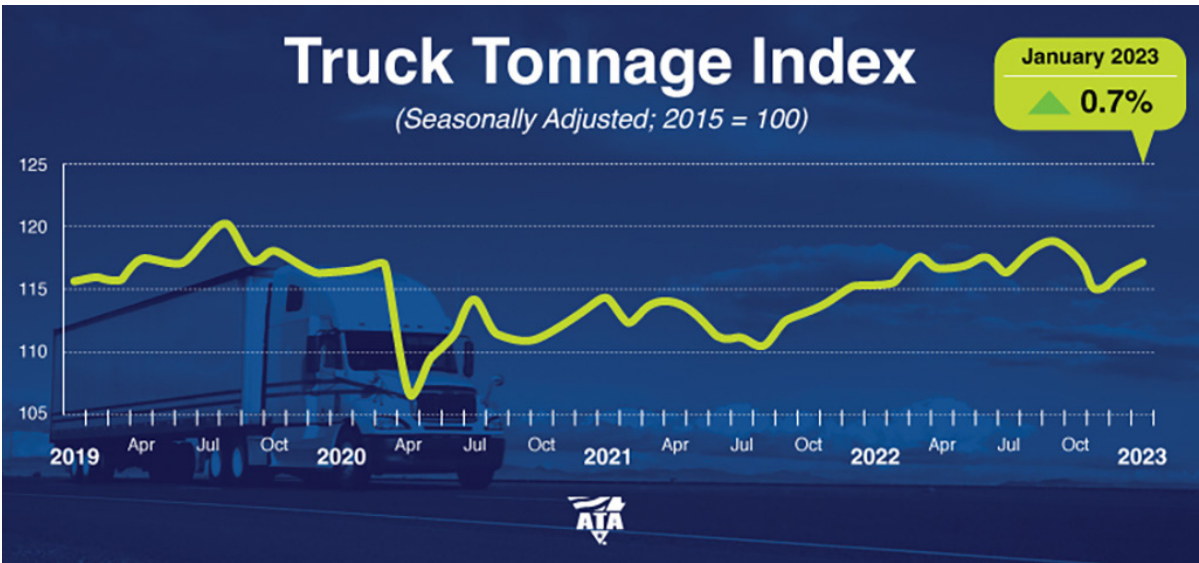
Spot rates continued to decline after what seemed like a slight rebound in January. As February data continues to be collected, the projections signal a continued drop in the spot market rates to record lows, particularly for dry van and reefer equipment.



(Source: DAT)

### 2023 kicks off with an uptick in tonnage

Despite a weak Q4, the ATA reports that truck tonnage increased 0.8 from December to January, starting 2023 with a slight uptick in the seasonally adjusted index. January 2023 increased 1.5% from the same time the prior year, signaling steady growth leading into the spring season.



(Source: ATA)

## Boom, bust, or a bit of both: US, global economies are a confounding mix

Will we experience a recession in 2023? The answer to that question seems to be becoming more complicated each day. Consumer spending habits are behaving counter-intuitively to the recent wave of rate increases. Markets sensitive to rate hikes, such as housing, have slowed. However, people have opted to continue spending at record levels elsewhere. (Source: [Reuters](#))

### News from around the industry

#### Dynamic LTL Pricing? Will it ever catch on?

LTL carriers are pushing the use of dynamic LTL pricing as API integrations become more robust and provide better data. This allows carriers to offer near real-time pricing based on their freight density needs at a more granular level. However, the intricacies of scheduling pickups and deliveries that require additional services, which are becoming more commonplace, could prove to be headwinds. (Source: [FreightWaves](#))

#### Saber-rattling begins ahead of LTL labor negotiations

Amid a rapidly evolving labor market, LTL union leaders are pushing for lucrative agreements

and vow to fight to secure these deals. ABF Freight's collective bargaining agreement expires June 30th, and Tforce's expires July 31st. Yellow, undergoing significant changes to its operation, will ramp up its negotiations later this year for its March 2024 renewal. (Source: [FreightWaves](#))

#### Trucking industry grapples with Q4 slowdown

Many freight carriers experienced financial stagnancy in Q4 due to price deterioration after years of pricing gains, high inventories, slowing volumes, and increasing inflation. Most analysts agree this signifies returning to a normal cycle after several years of COVID disruptions. (Source: [Transport Topics](#))

### Market outlook

The economic outlook remains cloudy, and economists are still split as to whether we will experience an upturn or continue the current downturn by the end of the year. Inflation is slowing, but consumer spending remained strong even as interest rates rose, surprising many economists. As a result, we may see more rate increases to curb inflation as the Federal Reserve accepts that this will likely become a multi-year effort.

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

Sources: EIA, DAT, ATA, Reuters, FreightWaves, Transport Topics