LTL and Truckload Monthly Market Update: May 2022

Is the market cooling? Diesel remains stubbornly expensive. Record profits for one carrier.

Is the market cooling?

According to a report from FreightWaves, load tender volume was down year over year for April, showing a slowdown in the transportation market as inflation and other factors lead to a dip in consumer confidence and retail consumption.
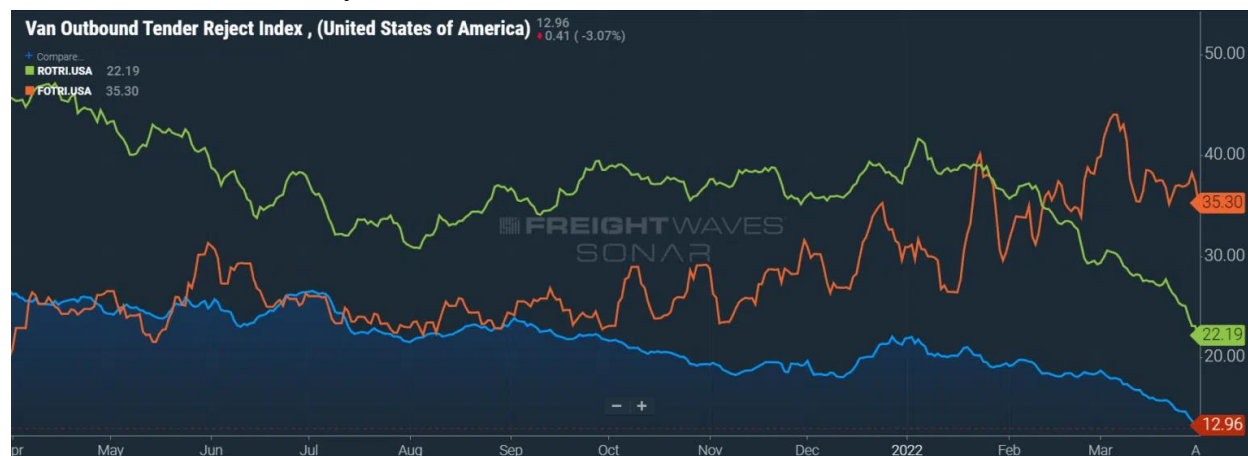
Outbound Tender Volume Index

Source FreightWaves

While volumes declined, load tender rejection rates continue to drop, signaling that carriers have more capacity and are accepting more contract loads rather than looking to cash in on the spot market. It will be interesting to see if this is just a seasonal dip, or if the softness continues even as we move into the typically busy summer months.
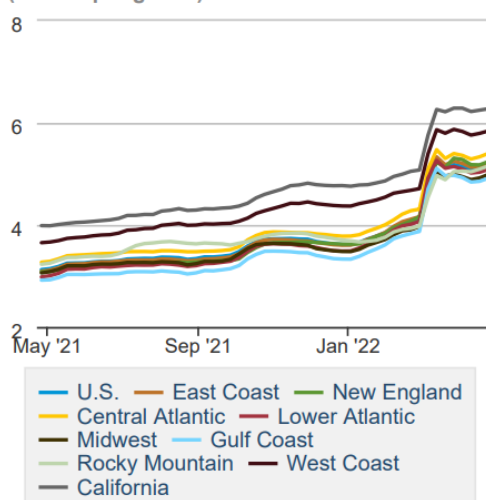
Van Outbound Tender Reject Index

Source [FreightWaves](#)

Diesel remains stubbornly expensive:

Even as gasoline prices decline slightly nationwide, diesel fuel prices remain at record highs. For the last week of April, average diesel prices were up more than $2.00 per gallon over last year, a nearly 40% increase.
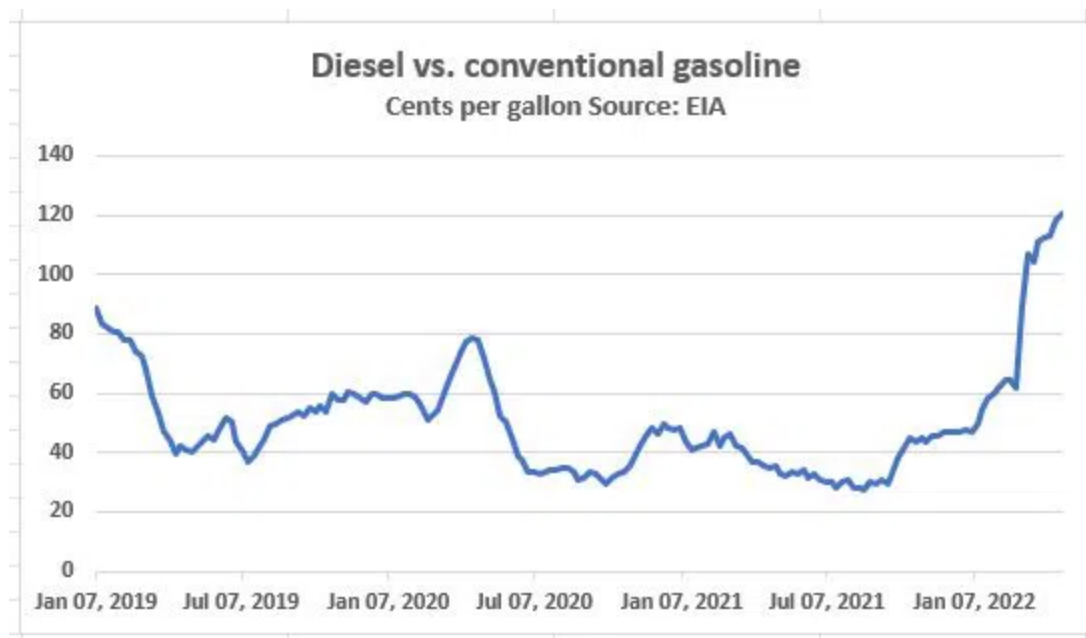

Source [EIA](#)

Diesel vs. conventional gasoline
Cents per gallon Source: EIA

Source [Freight Waives](#)

The disparity between the price of gasoline and diesel, and between the price of diesel and crude oil, is likely due to several factors, including the costs of refining low sulfur diesel and the disruption of the global market for diesel caused by the war in Ukraine.

Record profits for one carrier:

Even as there are signs that freight volumes may be softening, one carrier reported a record Q1. Old Dominion freight line reported a 32.9% increase in revenue year over year for the quarter with a 12% increase in daily tonnage.

The carrier predicts strong results to continue in Q2, citing continued tight capacity in the LTL market.

Time will tell if this prediction holds true, or if we start to see a loosening of LTL capacity mirroring the TL market.

Source [Transport Topics](#)

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