

TL & LTL MONTHLY MARKET UPDATE

MAY 2024

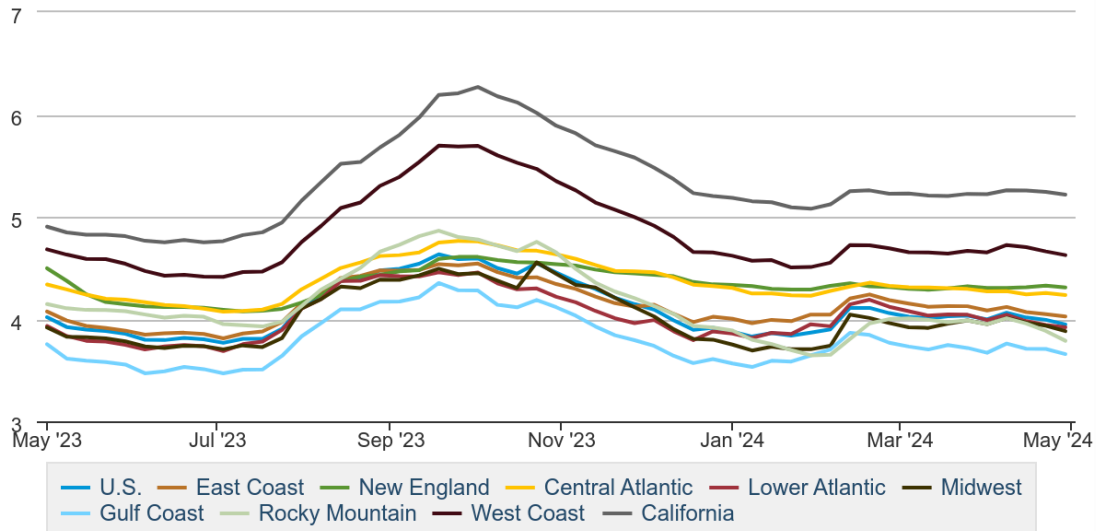


Diesel prices hold steady in April

National average diesel prices were stable in April, just as they were in March. Diesel prices finished the last full week of the month at \$3.947/gal, compared to \$4.034 /gal at the end of the prior month. This was down \$0.05 from the prior week and down \$0.13 relative to the preceding year. The EIA has reduced its 2024 projections by \$0.05.

On-Highway Diesel Fuel Prices

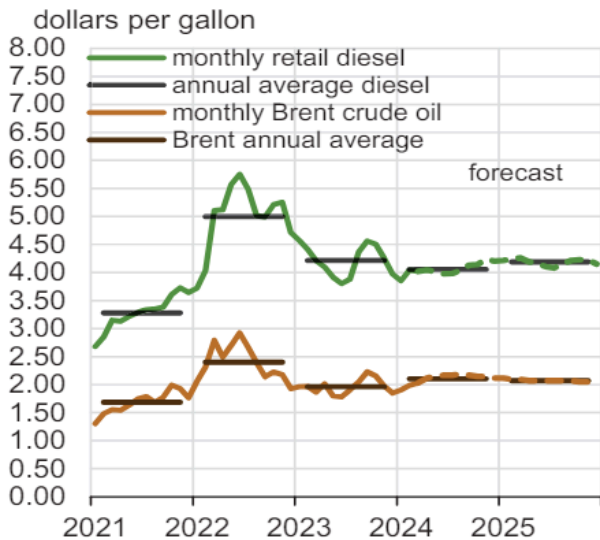
(dollars per gallon)



Data source: U.S. Energy Information Administration

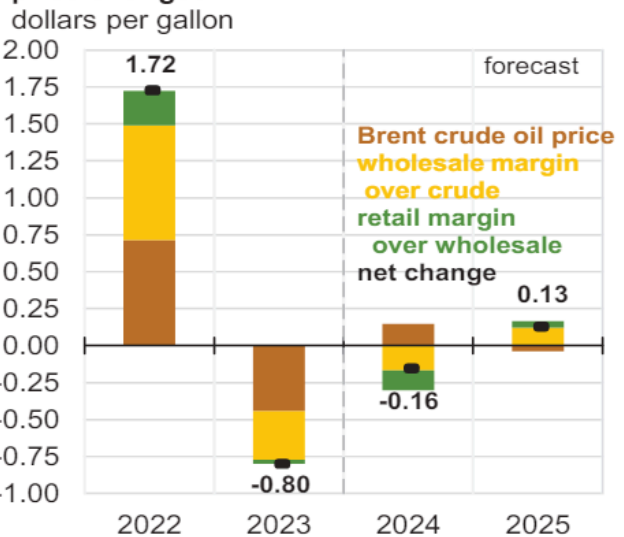
(Source: [EIA](#))

U.S. diesel and crude oil prices



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, April 2024, and Refinitiv an LSEG Business

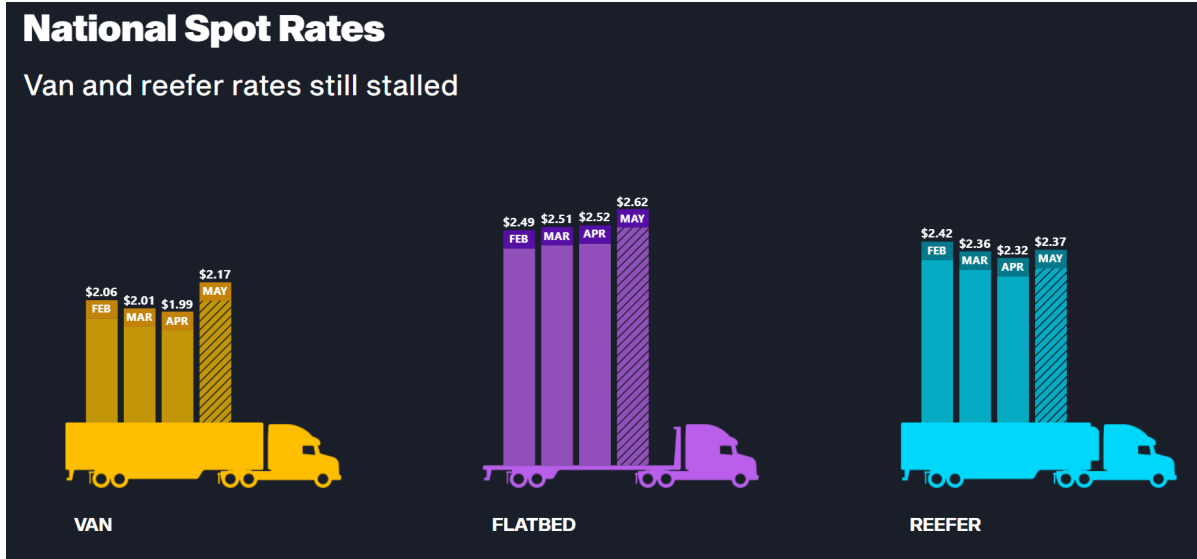
Components of annual diesel price changes



(Source: [EIA](#))

April spot rates holding at record lows

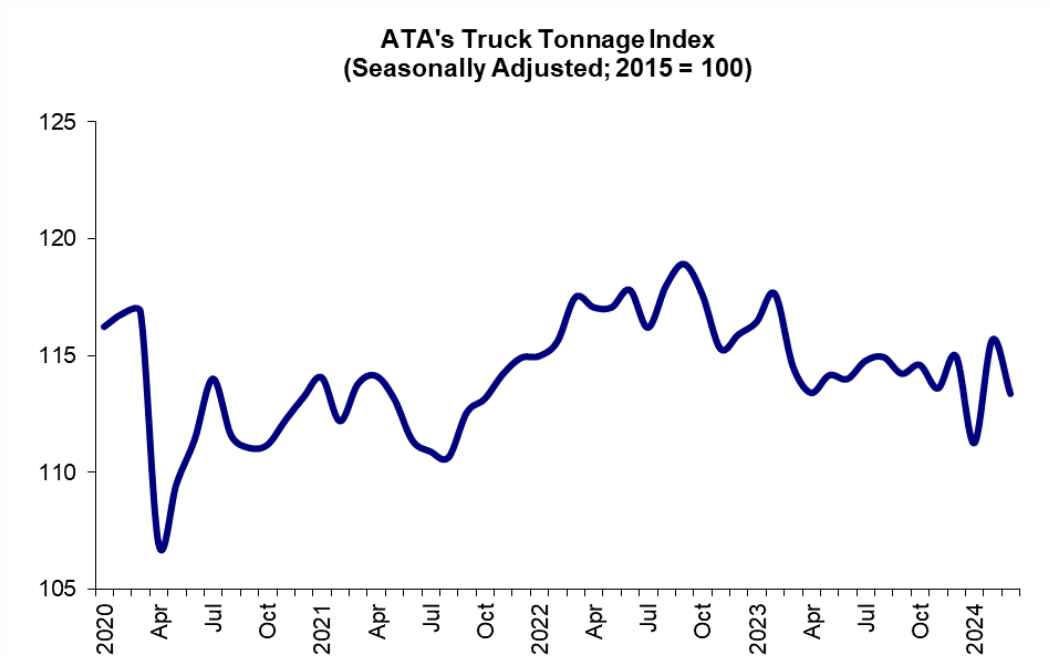
April spot rates showed no signs of reversing their downward trend for both van and reefer, with a marginal increase for flatbed. Projections indicate more of the same in the near term. As produce season kicks off, historical rates typically begin to increase. However, the rates are holding flat for the time being. Whether or not spot rates will show any sign of a seasonal spike, particularly for reefers, remains to be seen.



(Source: [DAT](#))

Truck tonnage index down 2% in March

American Trucking Associations' advanced seasonally adjusted (SA) For-Hire Truck Tonnage Index decreased by 2% in March after increasing by 4.3% in February. The index is down 1% from March 2023, suggesting the freight recession remains after thirteen consecutive months of year-over-year decline.



(Source: [ATA](#))

News from around the industry

Estes to open at least 20 freight terminals in 2024

Estes plans to open 20 out of the 24 terminals purchased from Yellow in 2024. Eight of those facilities are projected to be operational by the end of June. These 20 facilities will increase Estes' operation by 985 doors across their national network. Saia and XPO are also in the early stages of relaunching former Yellow terminals into their networks. (Source: [FreightWaves](#))

AI attacks are becoming more common in the logistics industry

Cyber-attack attempts are becoming rampant as AI makes them easier to attempt and more effective. AI attacks are becoming more prevalent in the logistics industry. Estes experienced a massive attack earlier this year, shutting down their systems completely. Shortly after Estes recovered, regional carrier Ward was attacked and victimized. (Source: [SupplyChainBrain](#))

US carriers illegally hiring Mexican drivers, sources say

Carriers are urging authorities to investigate what they believe is the rampant misuse of Mexico-based B-1 Visas. These Visas are meant to prevent foreign nationals from competing with US truckers in loads within the United States. Companies are allegedly setting up cross-border operations to get Mexican drivers to haul northbound cross-border shipments into the US, which is legal. Once these drivers are over the border, they are illegally assigned intra-US work at significantly reduced pay standards relative to American drivers. (Source: [FreightWaves](#))

Market Outlook

Many major truckload carriers are posting very poor results following their Q1 2024 earnings calls. J.B. Hunt's operating income is down 30%, PAM Transport posted a 104.2% operating ratio, Heartland Express posted a 105.3% operating ratio, and both Schneider and Knight-Swift cut their 2024 projections. As costs continue to increase, there is still excess capacity pinning rates to the floor. Demand is still soft, but the beginning of produce season and summer holidays on the horizon historically strengthen freight demand.

We will be here for you no matter what the future holds for LTL and Truckload.

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

Sources: EIA, DAT, ATA, FreightWaves, SupplyChainBrain