

TL & LTL MONTHLY MARKET UPDATE

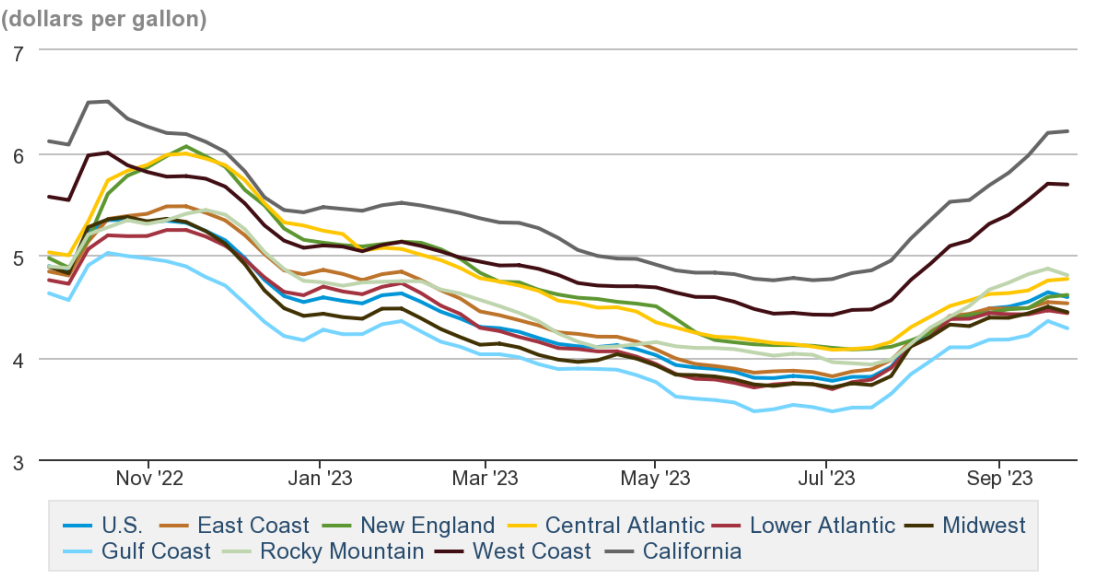
OCTOBER 2023



Diesel prices continue uptick, steady at end of September

National average diesel prices increased weekly throughout August, finishing the last full week of the month at \$4.586 /gal compared to \$4.475 /gal at the end of the prior month. This was down \$0.047 from the previous week and down \$0.303 relative to the preceding year. The EIA has continued increased projections for the remainder of 2023 but has lowered 2024 projections.

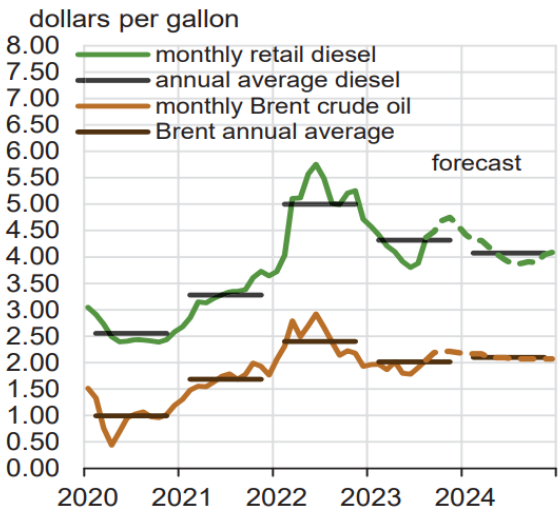
On-Highway Diesel Fuel Prices



eia Data source: U.S. Energy Information Administration

(Source: [EIA](#))

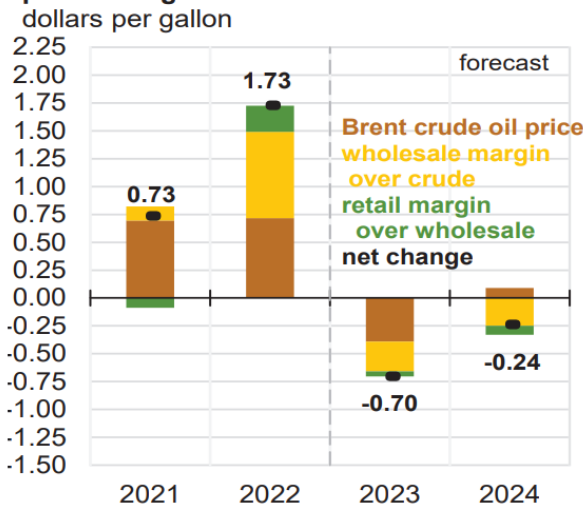
U.S. diesel and crude oil prices



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

(Source: [EIA](#))

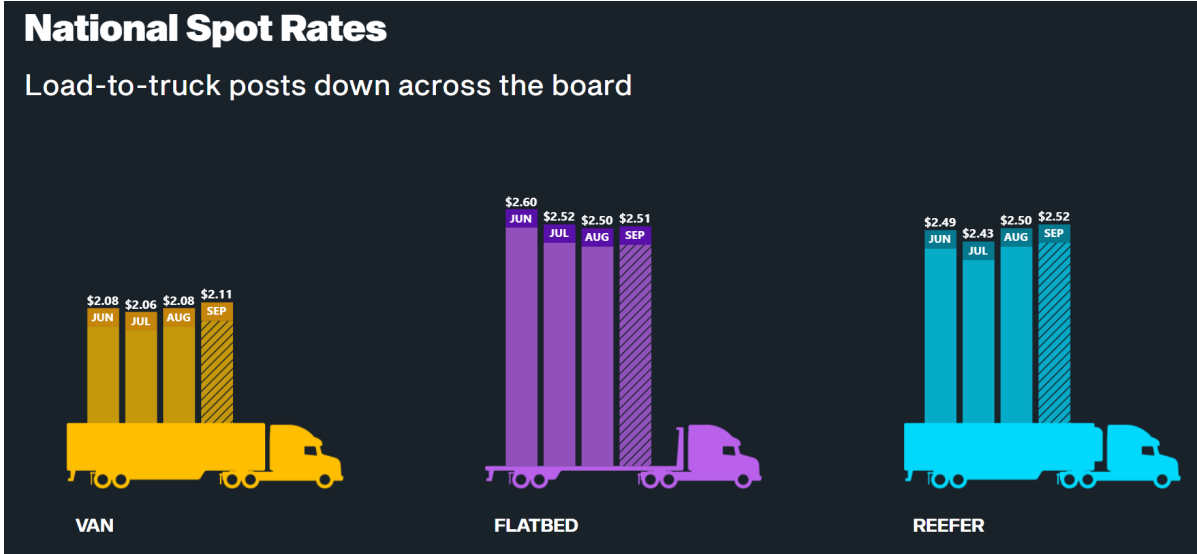
Components of annual diesel price changes



eia

September spot rates hold steady

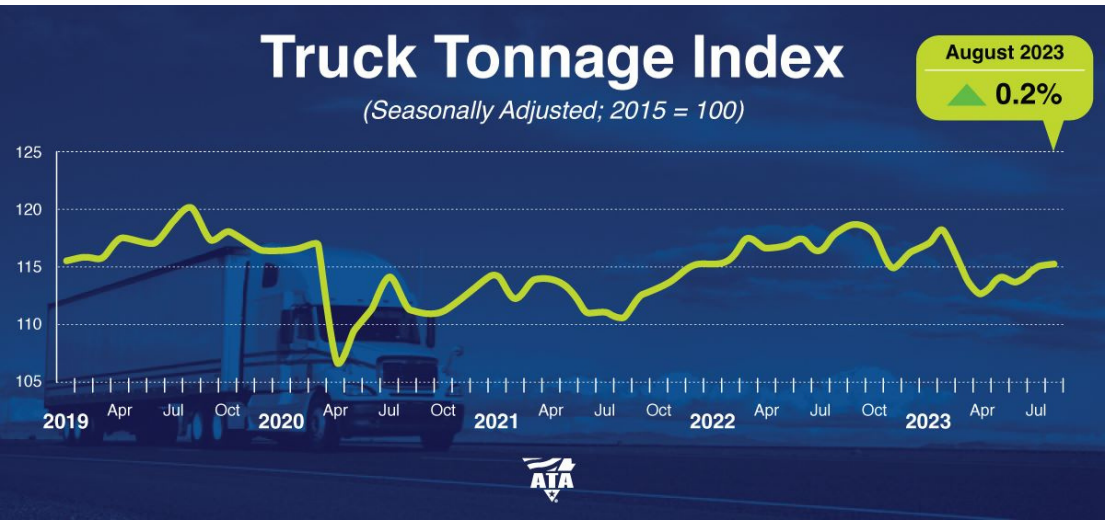
After a sluggish summer, September rates held mostly flat from August. The usual bump in spot rates between June and August was inverted from what we normally see during the peak summer months. Carriers are optimistic that we've hit bottom and are waiting for the uptick as we enter fall and the following holiday season. If the holiday influx is as disappointing as this summer, it will be a long winter for truckload carriers.



(Source: DAT)

Truck tonnage index increases in Aug hot on heels of July increase

American Trucking Associations' advanced seasonally adjusted (SA) For-Hire Truck Tonnage Index increased by 0.2% in August after rising 1.1% in July. When factored in with the spot quote index, experts believe that the market bottom was hit and that we are starting to see a slight increase in tonnage and rates.



(Source: [ATA](#))

News from around the industry

Estes Express wins \$1.52B bid For Yellow terminals

Estes Express edged out Old Dominion with a \$1.52B bid to acquire Yellow's terminals in the first major redistribution of assets since Yellow declared bankruptcy. The most likely scenario is that Estes will use these terminals to grow into new geographic areas, upgrade their current terminals by moving into a former Yellow location, and then sell off the other locations that do not suit their needs to other LTL carriers or businesses. (Source: [Logistics Management](#))

FedEx cost cuts outrunning revenue weakness, for now

Despite sluggish revenue from FedEx Express, Ground, and Freight, the company had favorable results for its first fiscal quarter ending August 31. Cost-cutting measures across all sectors yielded strong gains in earnings per share of \$4.55, which significantly outperformed the consensus target of \$3.73 to \$3.77. (Source: [FreightWaves](#))

Market outlook

Since our last monthly update, truckload pricing and fuel rates have been relatively stagnant. The LTL network is still adjusting to the new normal without Yellow. LTL carrier service has deteriorated nationwide as networks adapt to increases of 4,000 to 7,000 bills per day for the larger national carriers. Regional carriers have been somewhat shielded from the tide of freight but are still experiencing network stress in key regions across the country.

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

Sources: EIA, DAT, ATA, Logistics Management, FreightWaves

LTL carrier CCFS acquires Express 2000

CrossCountry Freight Solutions has acquired the assets of Express 2000. The deal adds three new terminals to their 50-terminal network in St. Louis, Springfield, and Kansas City. The two carriers had previously been under an interline agreement. (Source: [FreightWaves](#))