US road freight POV

January 2026

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KEARNEY

1. **US road freight overall perspective**

2. **Road freight: trends, challenges, and implications**
   - Market outlook
   - Rate and capacity trends
   - Latest industry updates

3. **Kearney’s POV**

As of January 2026

Market signals remain mixed, with early rate firming and tightening capacity pointing to gradual recovery, tempered by weak demand

Where is the market moving?

Trend

- Freight demand remains soft, with shipment volumes and indices below last year despite seasonal and weather-driven tightening.
- Spot rates and inferred freight rates have improved modestly, driven more by capacity dynamics than a broad demand rebound.
- Load-to-truck ratios rebounded sharply in December across van, reefer, and flatbed, signaling selective tightening momentum.

What can it mean for carriers?

Implications

- Seasonal tightening and capacity exits are improving spot market conditions, offering short-term leverage opportunities.
- Contract rate recovery remains slow, but narrowing spot–contract gaps indicate early normalization of pricing power.
- Recovery remains fragile, with sustainability dependent on post-seasonal demand follow-through and macro stabilization.

What can it mean for Shippers?

Impact

- Rates remain broadly stable, though faster spot gains versus contracts suggest diminishing downside opportunity in early 2026.
- Adequate capacity persists overall, but rising LTRs and regional tightening reduce flexibility in peak or weather-impacted lanes.
- Continued uncertainty around tariffs, trade flows, and inventories reinforces the need for agile sourcing and routing strategies.

Sources: FMCSA, Spot Inc, CASS; Kearney analysis

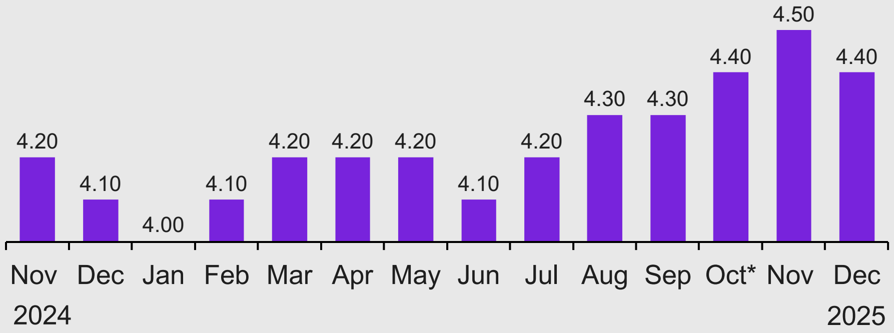
Original slides

Logistics overall perspective

Supply demand dynamics and macro-economic trends

Labor softens, inflation cools, while diesel prices remain a cost headwind

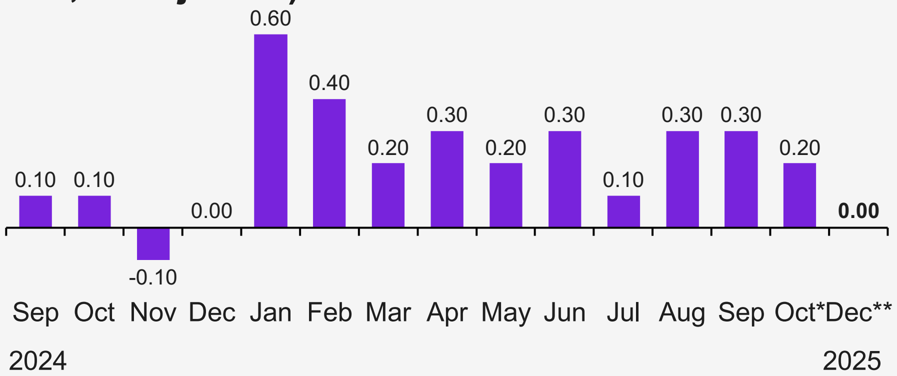
US unemployment rate %



Labor market softening signals freight demand risk

- Unemployment held at 4.4%, near a four-year high, confirming a gradual cooling in US labor conditions.
- Hiring momentum remains soft, with limited job gains and weakness in more cyclical sectors, such as retail.
- Elevated slack labor points to slower economic activity, reinforcing a cautious demand backdrop into 2026.

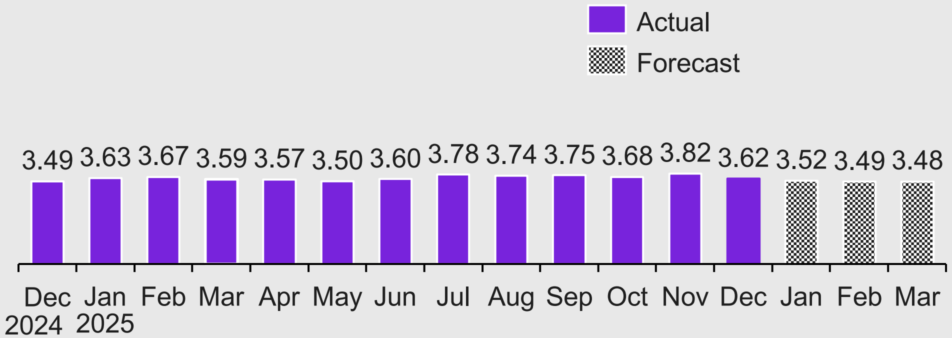
US inflation, Consumer Price Index, % change (m/m, unadjusted)



Inflation pressures continue to ease

- Headline CPI was flat m/m in December, with the last official reading confirming muted near-term price pressures.
- Core CPI rose a modest 0.2% m/m, with shelter remaining the primary driver while goods inflation stayed soft.
- Stable inflation momentum into year-end reinforces a cooling price environment heading into 2026

US retail diesel prices ($/gallon)



US diesel prices ease but stay above year-ago levels; near-term outlook stable

- US average retail diesel prices dipped in December 2025, averaging about $3.62 per gallon, down modestly from November but ~3.5% higher than a year ago.
- Outlook points to further gradual declines in 2026, with EIA and market forecasts projecting lower average retail diesel prices as crude costs ease.
- US threat to Iran might cause fuel spike in short term.

* October unemployment and inflation figures taken from estimates other than official BLS data.
** November data not released by BLS.
Sources: Chicago Fed, BLS, EIA; Kearney analysis

Road freight: trends, challenges, and implications

1. **Market outlook: global and US**
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Market signals remain mixed heading into 2026, as linehaul pricing firms and spot rates improve selectively, while freight volumes stay weak and fuel dynamics ease cost pressures

Road freight trends and challenges

1 Weak **demand**, decent **capacity**, and **tariff pressures** challenge fleets, though linehaul pricing climbed modestly in December as broader **freight activity remains under pressure.**

2 Truckload spot rates in December increased for **dry van and reefer by 1.5% and 0.9% y/y** respectively, whereas **decreased by 0.4%** y/y for **flatbed.**

3 Retail diesel prices in December are **5.43% lower m/m and 3.45% higher y/y** continuing y/y increase for the fifth consecutive time after 29 months of y/y decrease in fuel rates.

4 FTR reported North American Class 8 net orders **increased 108% m/m and 21% y/y in December to 42,200 units**, the strongest since October 22, well above 10-year December average of 29,000 units.

Indicators for trends

The **expenditures component** of the Cass Freight Index, **fell 1.9% m/m in December** and decreased by **0.6% y/y** after a 1.2% y/y dip in November.

The Cass Truckload **Linehaul** Index, decelerated to **2.1 % increase y/y in December** from 2.2% in November and rose **1% m/m** in December after a 0.1% increase in November.

The **shipments component** of the Cass Freight Index **fell 7.2% m/m in December,** whereas **y/y decline** of **7.5%** in December was a bit lower than full year decline of 6.1%.

Cass Inferred Freight Rate's **fell 1.3% m/m** in August with **9.8% y/y increase** which is outpacing most freight markets (as of September 2025).

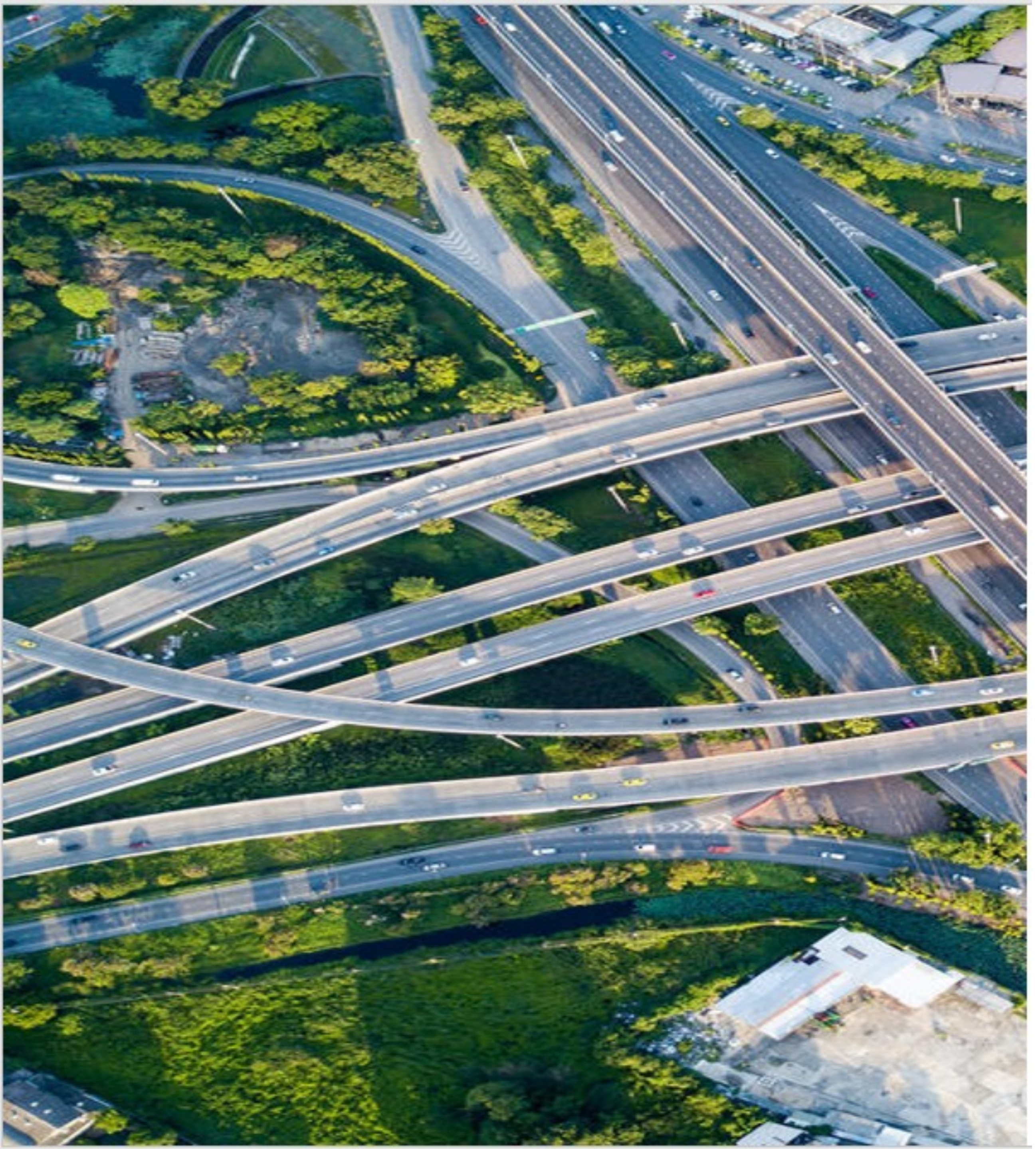
Sources: Morgan Stanley, C.H. Robinson, ACT Research, Freight Waves, ATRI Report; Kearney analysis

Rates remain broadly stable m/m while demand softens and capacity tightens, creating mixed near-term pricing signals across modes

- **Van** spot rates remain stable, **down 3.9% w/w** but up ~2.0% m/m, as weaker demand is offset by **tightening capacity** (van LTR +62.5% m/m).
- **Flatbed** pricing remains resilient, with spot rates **up 1.9% w/w** and supported by strong **y/y capacity tightening.**
- **Reefer** is the tightest market, with **LTR up 53.7% m/m** and ~90.9% y/y and spot rates up 2.9% w/w, signaling **growing carrier leverage.**

Rate/capacity	Industry trends	Week January 19–25 vs. January 12–18	Month December 2025 vs. November 2025	Year December 2025 vs. December 2024
Demand	Spot load posts	2.3% ↓	50.3% ↑	54.6% ↑
Supply	Spot truck posts	1.5% ↑	3.0% ↓	3.1% ↓
Capacity	Van load to truck	8.9% ↓	62.5% ↑	46.9% ↑
Rate	Van spot rates	3.9% ↓	2.0% ↑	1.5% ↑
Capacity	Flatbed load to truck	8.2% ↓	44.9% ↑	75.5% ↑
Rate	Flatbed spot rates	1.9% ↑	0.8% ↑	0.4% ↓
Capacity	Reefer load to truck	11.5% ↑	53.7% ↑	90.9% ↑
Rate	Reefer spot rates	2.9% ↑	0.4% ↑	0.9% ↑
Fuel	Fuel prices	2.5% ↑	2.5% ↓	3.0% ↓

Sources: Drewry Research March 2023, DAT Freight and Analytics; Kearney analysis



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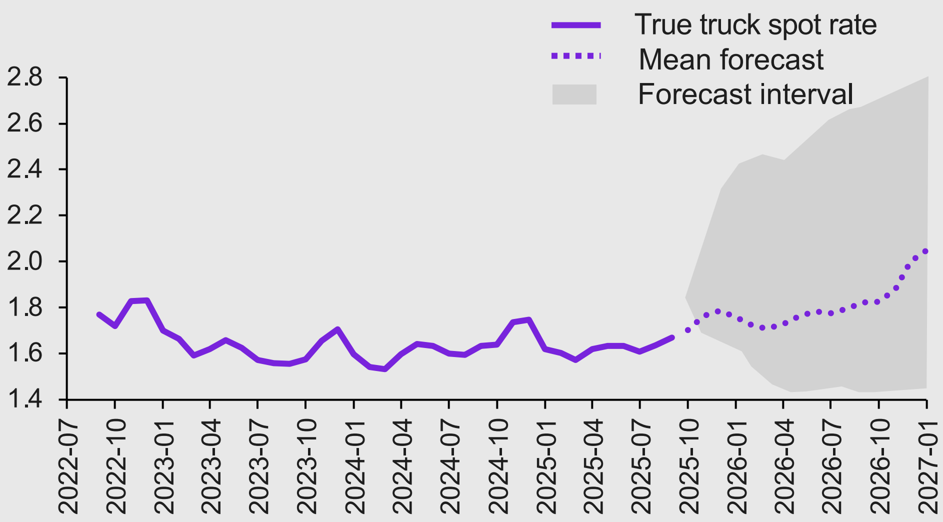
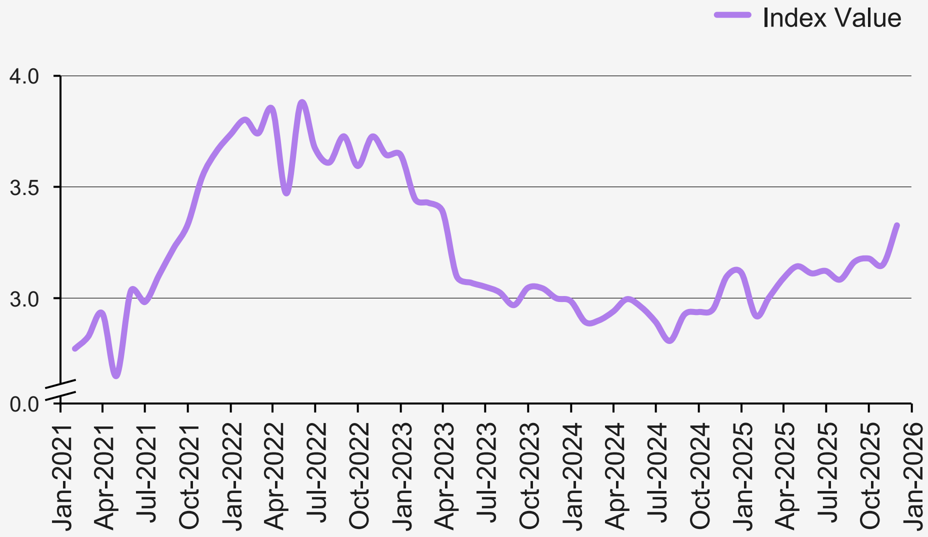
Spot rates improve modestly, inferred freight rates tick up without real pricing power

Morgan Stanley: US dry van spot rate



- As of January 2026, Morgan Stanley[1] predicts an increase in spot rate in both the next six months and the next 12 months.
  - **Base case prediction** is that the truck rate will move to $1.92 in six months and to $2.07 in 12 months.
  - **Bull and bear case predictions** based on a 95% empirical confidence interval are $2.43 and $1.51 in six months, respectively, and $2.89 and $1.48 in 12 months.

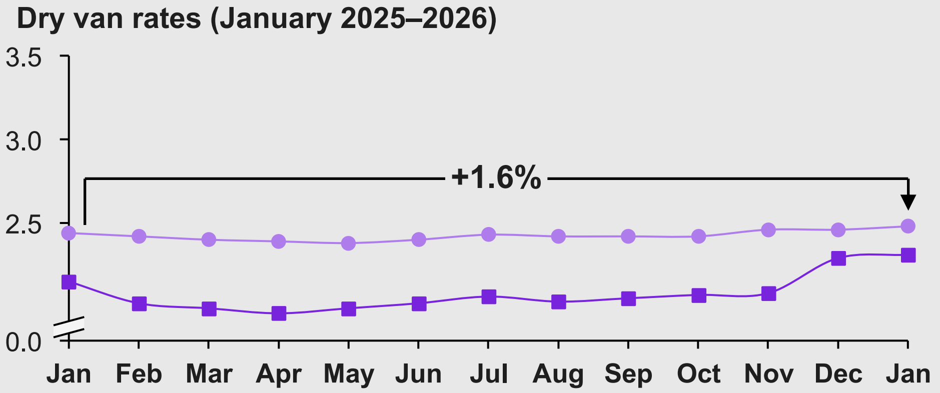
Cass Freight Index: inferred freight rates



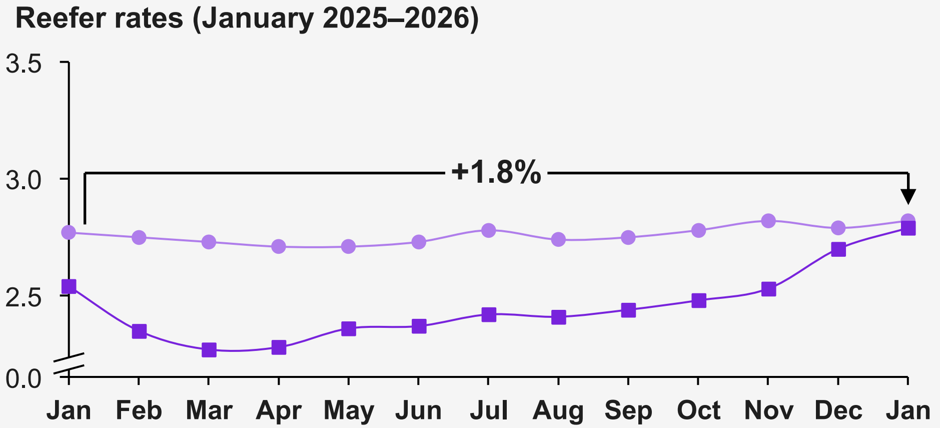
- Inferred freight rates increased 5% m/m in December; they're up 7.4% y/y. The y/y gain is largely mix-driven as volumes shift from LTL toward FTL.
- Rates are up ~7% y/y in December, reflecting recovery from weaker late-2024 levels rather than a sharp underlying pricing inflection.
- Momentum has improved modestly, with inferred rates up ~4% since June on a seasonally adjusted basis, signaling stabilization after the 2024 downturn.
- The rate gains reflect lower shipment volumes paired with relatively stable spend, implying higher costs per shipment rather than a broad-based improvement in underlying pricing power.

[1] Survey of shipper and carrier sentiment that is forward-looking
Sources: Morgan Stanley, Cass; Kearney analysis

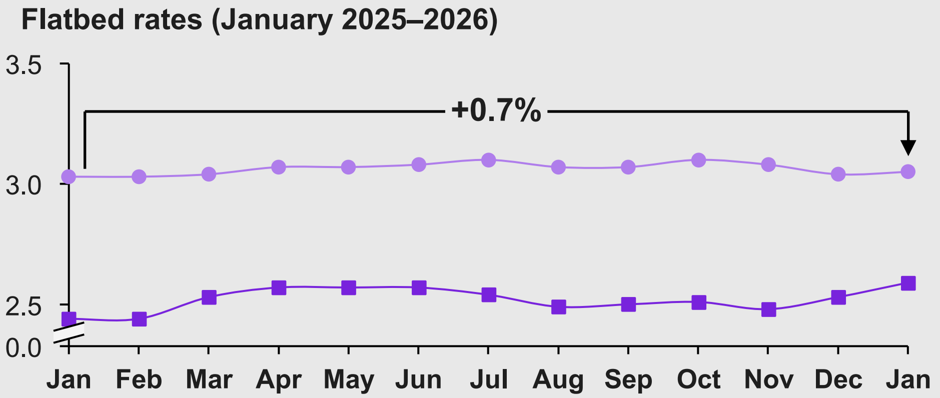
Monthly rate increases remain modest, though signs of tightening persist as spot rates rise faster than contracts, narrowing the spot–contract gap across modes



- **Contract rates** of van truckload **went up 1.6%** from January 2025 to January 2026.
- **Spot rates** of van truckload **increased 7.4%** from January 2025 to January 2026.



- **Contract rates** of reefer truckload **increased by 1.8%** from January 2025 to January 2026.
- **Spot rates** of reefer truckload **increased by at 9.8%** from January 2025 to January 2026.

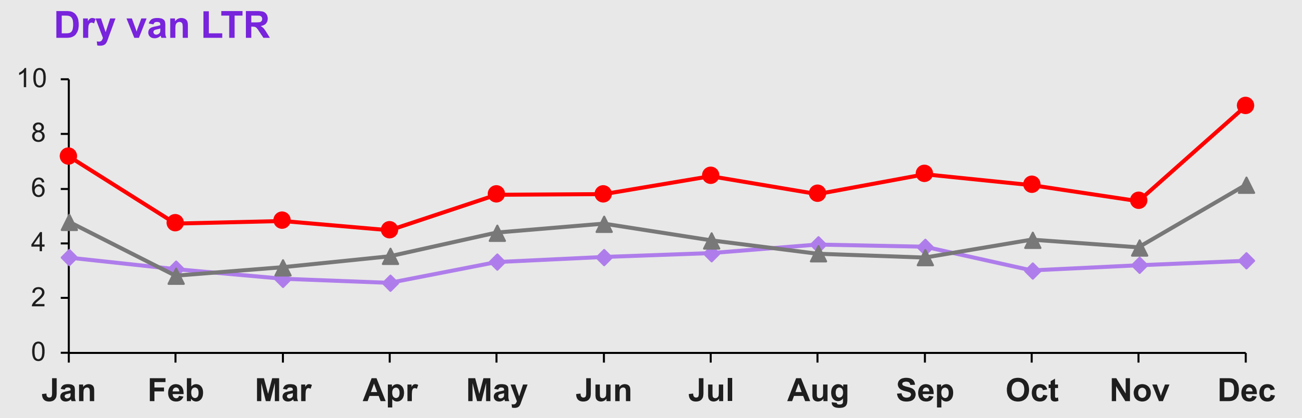


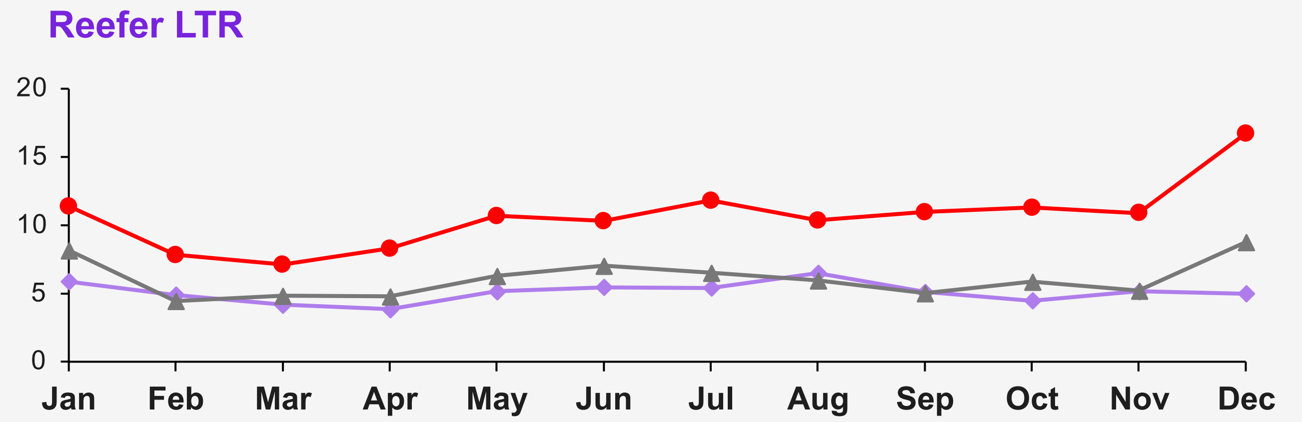
- **Contract rates** of flatbed truckload increased by **0.7%** from January 2025 to January 2026.
- **Spot rates** of flatbed truckload **increased by 6.1%** from January 2025 to January 2026.

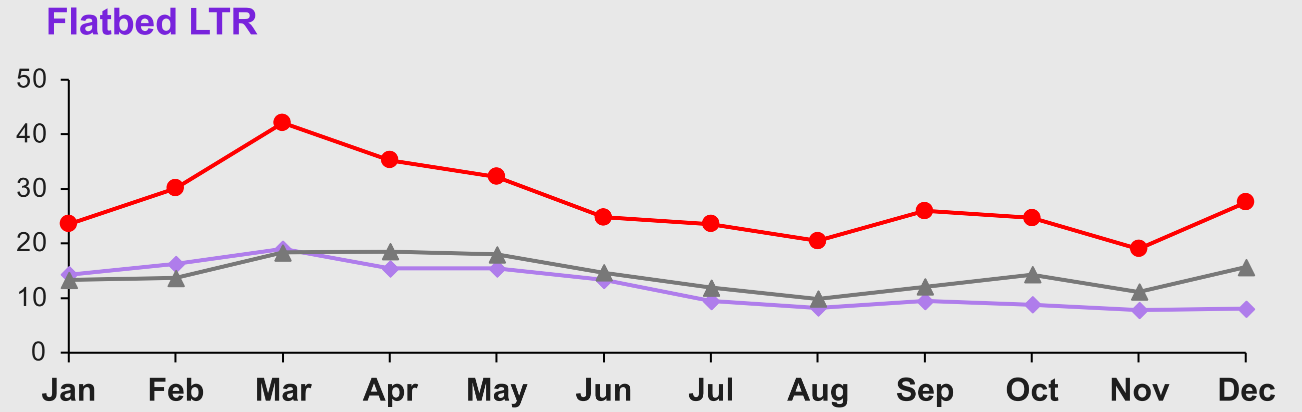
Contract rates — Spot rates

Sources: DAT Freight and Analytics; Kearney analysis

Capacity Trends, North America: **LTR rebound in December as dry van and reefer surge and flatbed moves higher—pointing to potential renewed tightening momentum after November's pullback**







2023 2024 2025

Key insights

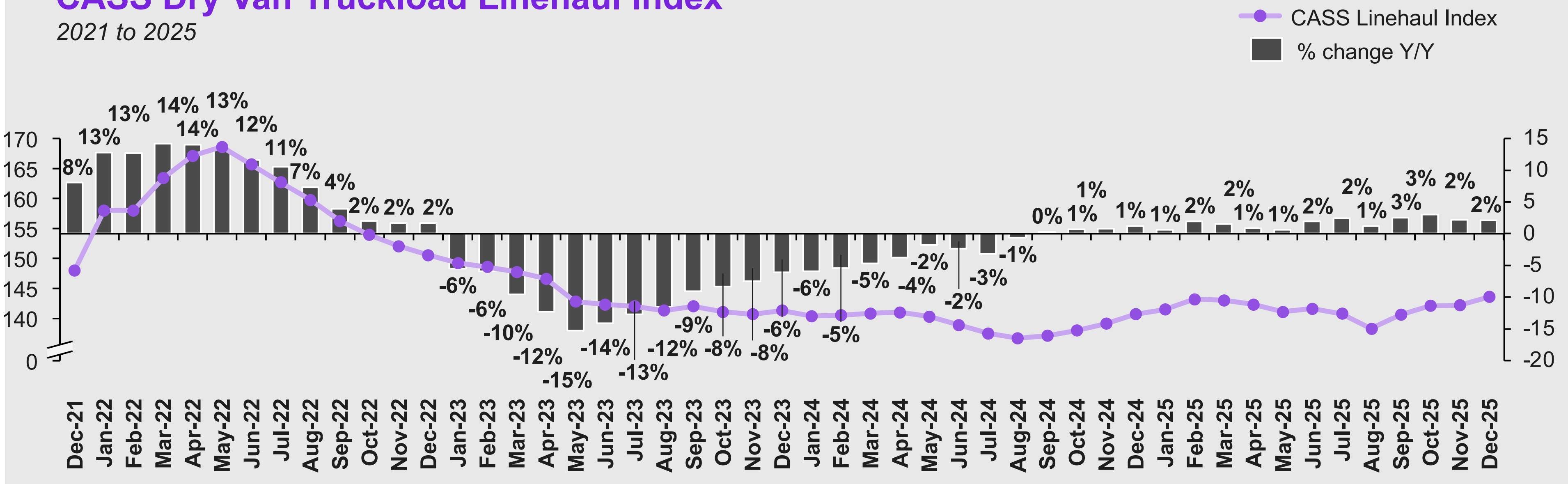
- **Dry van LTR ratio rebounded in December**, rising **~63% m/m** after declining **~9% in November**, reflecting a sharp pickup in spot demand toward year-end.
- **Reefer LTR ratio surged in December**, increasing **~54% m/m** following a relatively flat November, signaling strong seasonal tightening.
- **Flatbed LTR ratio strengthened in December**, climbing **~45% m/m** after falling **~23% in November**, indicating renewed pressure after the prior month's softening.

Note: Load-to-truck ratios represent the number of loads posted for every truck posted on DAT Load Board. The load-to-truck ratio is a sensitive, real-time indicator of the balance between spot market demand and capacity. Changes in the ratio often signal impending changes in rates
Sources: DAT Freight and Analytics; Kearney analysis

Truckload pricing posts a second modest gain as capacity tightens despite weak freight demand

CASS Dry Van Truckload Linehaul Index

2021 to 2025

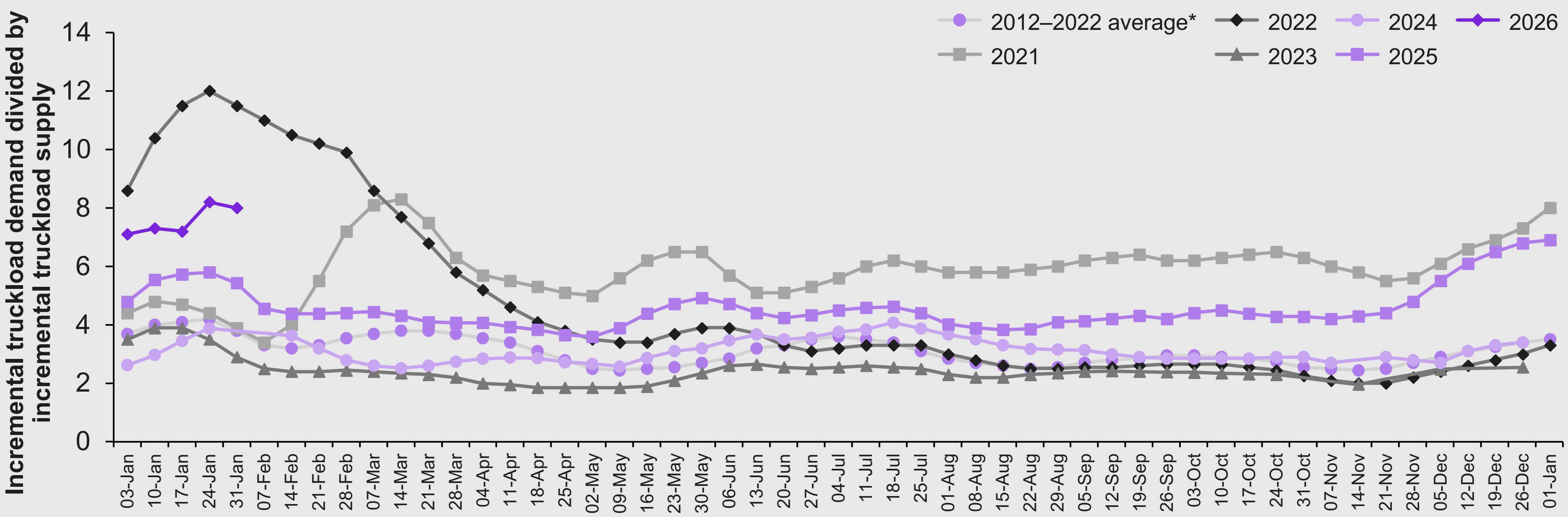


- The Cass Truckload Linehaul Index increased 0.9% m/m in December, after staying flat in November.
- The y/y increase softened to 2.1% in December from 2.2% in November.
- Capacity conditions remain fluid, weather-related disruptions have temporarily tightened available capacity and supported spot rate momentum, but seasonal slowing in freight volumes persists. The balance briefly favored carriers in December, even as broader trends point to ongoing contraction in for-hire capacity and slower investment.

Sources: Cass; Kearney analysis

Dry van conditions strengthen on seasonal tightening, but pricing power recovery remains gradual amid soft demand

Morgan Stanley Dry Van Truckload Freight Index

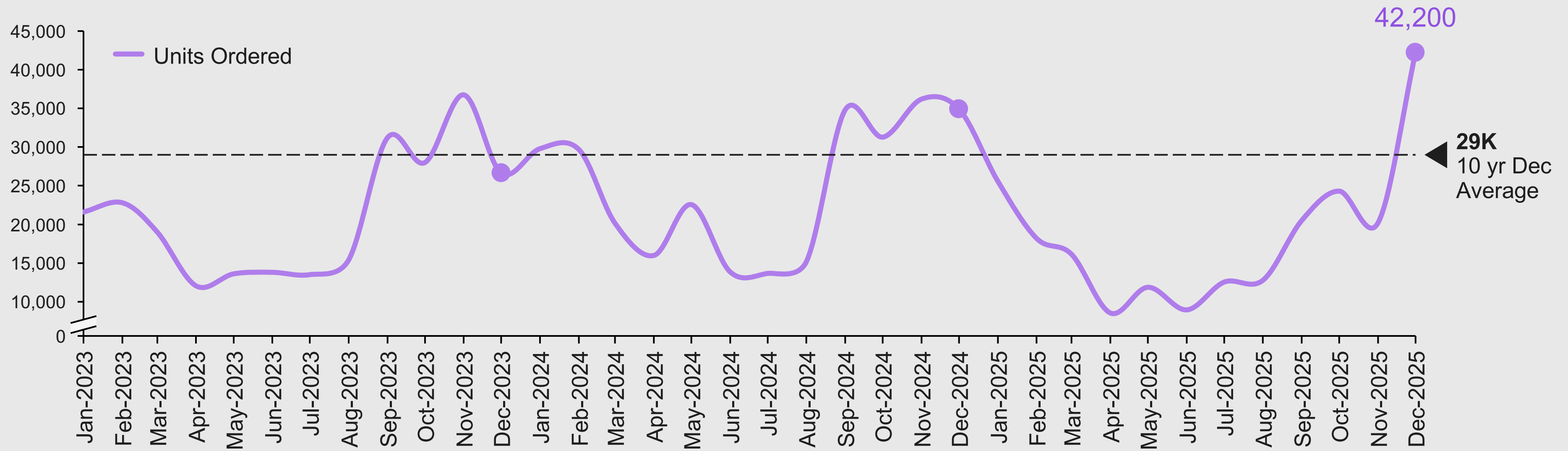


- The Morgan Stanley Dry Van Truckload Freight Index rebounded sharply into late December and January, remaining well above long-term averages, with recent strength driven largely by supply-side dynamics rather than a surge in demand.
- On a y/y basis, the index remains well above late-2024 levels, reflecting a tighter demand–supply balance, though recent gains may be partly weather-related and require confirmation as conditions normalize.
- Recent strength appears driven by seasonal tightening and temporary capacity disruptions, rather than a confirmed upcycle, with sustainability dependent on post-weather normalization into spring.

* The index measures the demand for dry-van truckload services compared to the supply.
Sources: Morgan Stanley Research; Kearney analysis

Class 8 order surge signals deferred fleet buy catch-up and early response to some capacity tightening, but weak demand keeps the freight outlook uncertain

FTR Transport Intelligence: Class 8 New Orders

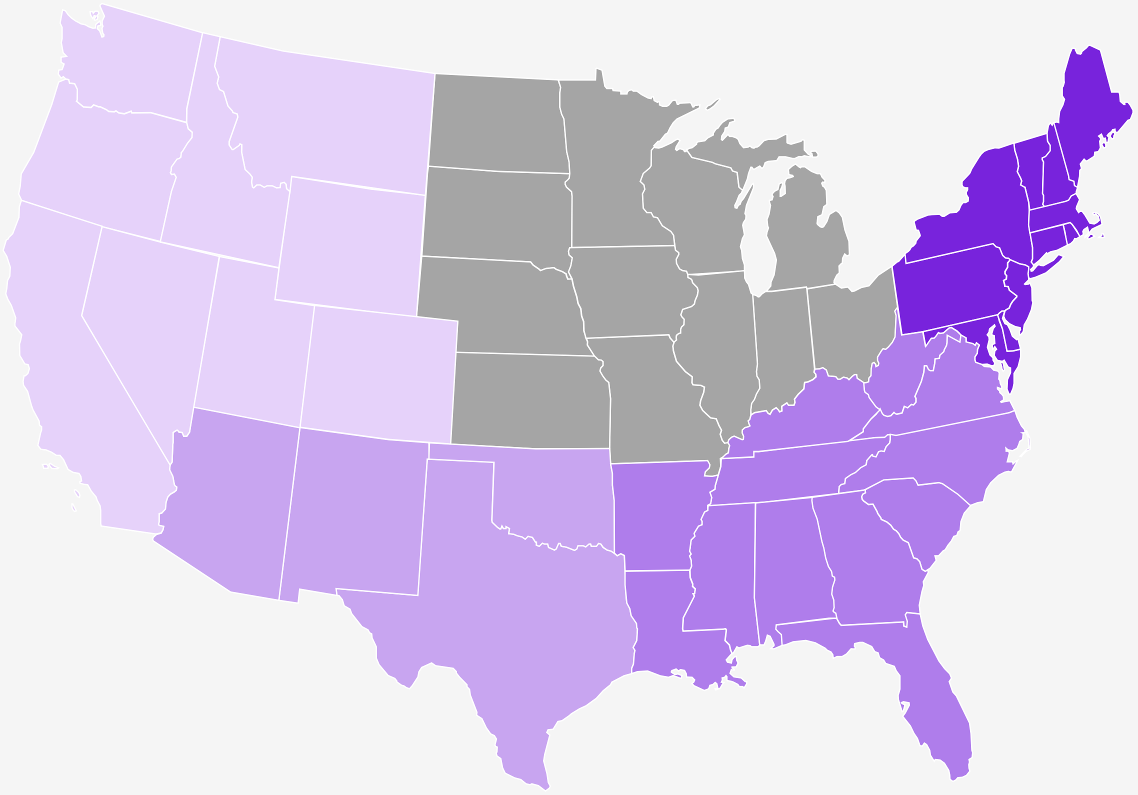


- **Strong December orders reflect deferral, not recovery:** Class 8 orders rose 108% m/m and 21% y/y to 42,200 units, highest since Oct'22, well above the 10-year December average of 29,000.
- **Policy clarity unlocked buying amid weak fundamentals:** Tariff and EPA visibility drove tactical orders, while demand softness and constrained fleet profitability persist.
- **Shippers should watch freight market signals into mid-2026:** Sustained freight volume, rate recovery, and EPA clarity into mid-2026 will drive a true equipment upcycle but if demand stays flat or weak, the new orders will fatten available capacity.

Sources: FTR Transport Intelligence; Kearney analysis

Spot rates edge higher as seasonal tightness lifts select regions, while west and central regions remain adequately supplied

US regions trucking overview (December 2025)



Northeast Southeast Southwest West Midwest

⬀ Increase ⬄ Stable ⬂ Decline

US regions	Spot rates	Capacity*
Northeast	⬀	⬂
Southeast	⬀	⬂
Midwest	⬀	⬄
Southwest	⬀	⬄
West	⬀	⬄

* Capacity decline indicates tightened capacity and vice versa.
Sources: DAT, Truckstop; Kearney analysis

Shippers remain structurally advantaged, but rising volatility shifts the focus from rate chasing to execution and flexibility

Lower cost risk, higher execution risk

- Shippers retain some leverage overall but face lane-level tightening + service risk as the market bottoming completed in 2025, setting up tighter conditions for 2026 open.
- Spot exposure becomes more volatile as seasonal LTR spikes reduce surge capacity.
- As spot–contract gaps narrow, contracted rates look less “expensive.”

Cost savings can be had; further spot gains will threaten load tender accepts.

Short term (Q1 2026)

Flexibility becomes more valuable than scale

- Shippers retain optionality as capacity remains sufficient, but less reliable in peaks.
- Pricing negotiations still drive annual resets, but more lane-specific tactics needed.
- Volatility, not (yet) demand recovery, drives rate movement and service variability.

Rigid contracts underperform; flexible sourcing outperforms

Medium term (H1 2026)

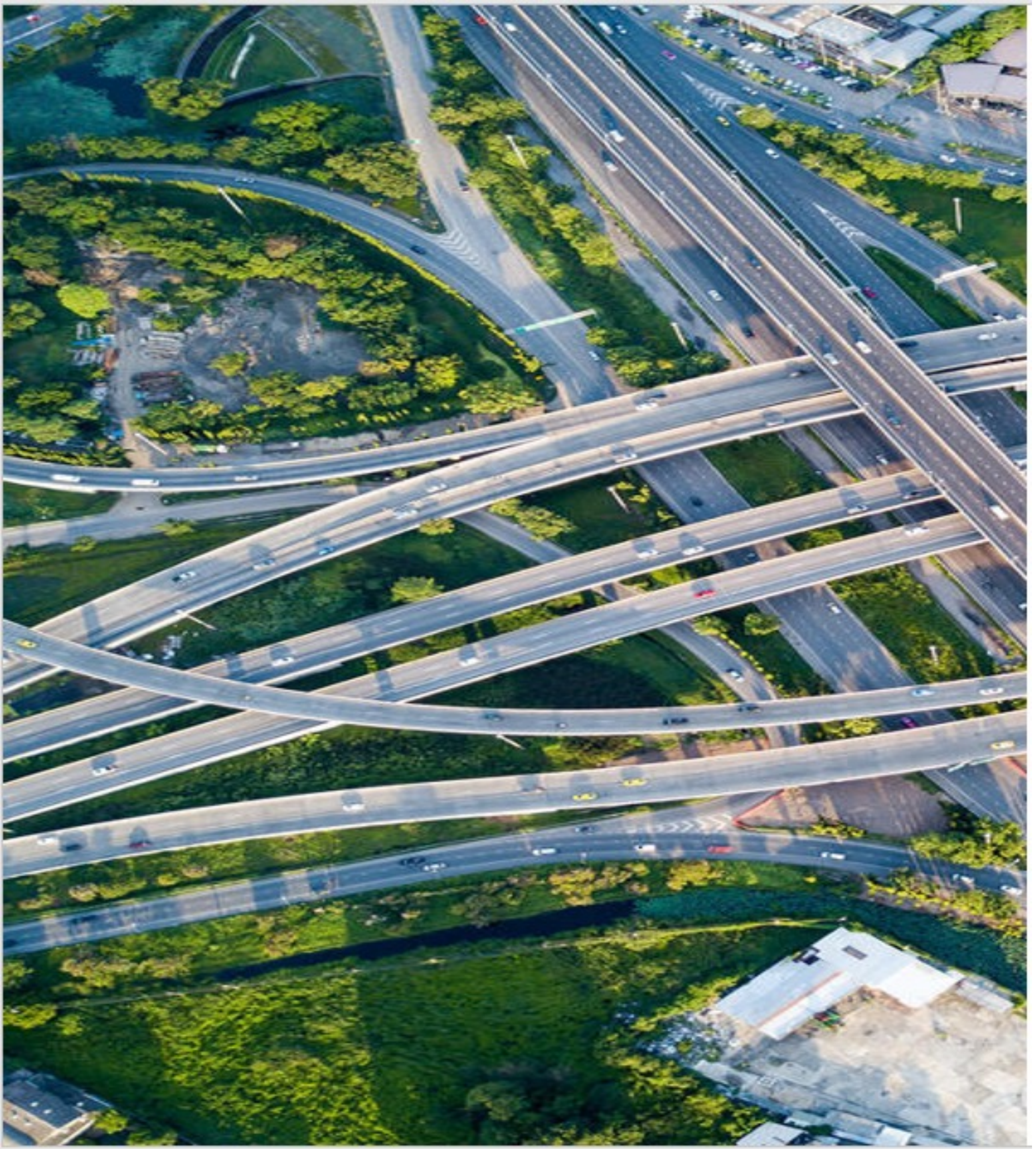
Structural volatility reshapes shipper advantage

- Shippers benefit from structurally solid capacity, but face episodic tightening events.
- Rate power swings faster, favoring shippers with real-time market visibility.
- Network and routing agility outweigh pure rate benchmarks.

Competitive advantage shifts to those who manage volatility, not cycles.

Long term (2026–2027)

Source: Kearney analysis



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Incremental market updates

Transportation capacity hits four-year low as rates surge

Overview

– **Capacity collapse:** December transportation capacity fell to 36.9, the lowest since 2021 and first contraction since the freight recession began.

– **Rates and utilization rise:** Utilization jumped to 58.2, and pricing reached 66.7, marking the strongest freight conditions in over three years.

– **Inventory shock:** Inventory levels plunged to an all-time low of 35.1, signaling extreme contraction across supply chains.

Implications

– **Market tightening:** Sharp capacity losses alongside rising rates point to sustained freight tightening into 2026.

– **Restocking cycle ahead:** Record inventory drawdowns suggest inventory rebuilds over the next 12 months.

– **Demand sensitivity:** Freight recovery depends on consumers absorbing higher prices without slowing demand.

Sources: FreightWaves; Kearney analysis

Southeast states waive trucking rules for storm relief

Overview

– **Emergency waivers issued:** Georgia, Mississippi, and North Carolina suspended HOS rules and select weight, tax, and permit requirements ahead of a major winter storm.

– **Relief-only flexibility:** 14-day waivers apply solely to trucks hauling essential supplies such as fuel, food, and utility equipment.

– **Safety still enforced:** Fatigued drivers are prohibited from operating, and waivers end once drivers switch to non-relief loads.

Implications

– **Temporary capacity boost:** Extended driving windows and weight relief improve freight movement during emergency response.

– **Operational complexity:** Carriers must track state-specific rules on weights, escorts, permits, and documentation.

– **Short-lived impact:** Relief measures are time-bound and unlikely to affect broader freight supply-demand dynamics.

Thank you

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Data sources (1/2)

Key data sources	Kearney subscribed	Data points available in the source	Typical uses of data
Kearney State of Logistics	Yes	CSCMP's annual report, market trend and suggestions on next level planning	Annual macro and modal trends; costs and cost structures
Kearney Shipper Compass	Yes	Kearney's logistics perspectives, executive insights for budgeting/forecasting, service expectations, and optimizing	Quarterly macro and modal trends; price points
Oxford economics	Yes	Data points on GDP, CPI, unemployment percentage and diesel prices	Quarterly macroeconomic trends and consumer sentiment
Morgan Stanley Report	Yes	Dry van spot rate index (historical and forecast)	Spot rates trend and predication
ACT Research	Yes	Market intelligence	Trailer demand and related information
CO_2mpare tool/CDP database	Yes	Organization specific emissions targets and emissions value	Sustainability trends and industry wide initiatives
D&B/Factiva	Yes	Supplier details-revenue, business type etc.	Top supplier Insights
ATRI	Yes		
C.H. Robinson	Open	Market trend, DAT data analytics	NA market rate trends, capacity trends

Data sources (2/2)

Key data sources	Kearney subscribed	Data points available in the source	Typical uses of data
CASS Freight Index data	Open	CASS Dry Van Truckload Linehaul Index, Cass Freight Index—shipments	Shipment volume, freight rate trends
DAT Freight & Analytics	Open	Dry van, reefer and flatbed rates, regional dry van and reefer rates	Contract/spot rate trends and capacity by truck type and by region
Freight Waves	Open	Market Intelligence and trends, bidding process survey	Market trends, market event trends amongst shippers
Crane Logistics	Open	Market intelligence	Market trends and industry news
Inbound Logistics	Open	Market intelligence and trends	Road Freight top supplier details, latest market trends
US Bureau of Labor Statistics	Open	US BLS long-haul less-than-truckload producer price index (PPI)	Monthly demand dynamics in North America
UPS/FedEx annual report	Open	Industry outlook	Market trends, demand supply dynamics, key industry challenges
Coyote Logistics	Open	Coyote curve	Rate trends and prediction
World Economic Forum	Open	Macroeconomic insights	Market demand, supply dynamics