

THE BOTTOM LINE

Spot market conditions are following the typical seasonal trendline

Consumer spending remains resilient

High volumes of carriers continue to leave the spot market

OVERVIEW

- ▶ Spot market conditions are stable leading into holiday season
 - ▶ Spot market rates are following the normal August-September trendline
- ▶ Overall transportation demand remains elevated as consumers continue to spend
 - ▶ Total truck tonnage still trending over 5% higher YoY¹
- ▶ Diesel prices fell from record highs in June but may move higher through end of 2022
 - ▶ Crude prices are largely stable
 - ▶ Potential oil production cuts and global energy supply disruptions are risk factors for the balance of the year
- ▶ Spot capacity attrition remains high as increasing volumes of carriers exit the market
 - ▶ Nearly 7,000 carriers had their authority revoked in August²
- ▶ Solid consumer spending and a persistently strong labor market are keeping recession at bay
 - ▶ Growth in consumer spending has slowed but has yet to lose ground
 - ▶ Overall spending levels held flat in both June and July
 - ▶ Consumer confidence rose in August after three consecutive months of decline
 - ▶ Job creation remains strong, with over 300,000 new jobs created in August
 - ▶ Monthly job gains over the past three months are over double the monthly average in 2019
 - ▶ Labor participation is improving but is still a challenge
- ▶ Inflation may have peaked, but significant cost pressures remain in many sectors
 - ▶ Gasoline prices have fallen significantly, but food prices continue to rise
- ▶ Industrial production and manufacturing metrics declining amid weakening demand
 - ▶ ISM manufacturing index is at lowest level since June 2020
 - ▶ Industrial production activity increased slightly in July but will likely continue to face headwinds
- ▶ Housing activity continues to soften
 - ▶ New housing starts fell nearly 10% in July
 - ▶ Mortgage rates generally fell in July and August but may be on the rise again



Van

- Van market conditions continue to weaken prior to holiday season
- Rates will likely lift through Q4 as imports flow through the domestic supply chain
- 2022 van spot rates expected to decrease 18.9% YoY²



Reefer

- Reefer spot rates also declined in August
- Higher food prices are pressuring volumes in grocery
- 2022 reefer spot rates expected to decrease 17.2% YoY²



Flatbed

- Flatbed rates fell from record levels in Q2
- Higher interest rates are eroding demand in housing and construction
- 2022 flatbed spot rates expected to decrease 6.3% YoY²



International

- Strong container volumes persist for both Trans-Pacific and Trans-Atlantic moves
 - Imports from Asia remain elevated despite expectations for a steep volume drop
 - Trans-Atlantic volumes continue to increase, applying pressure to Atlantic and Gulf ports
- Congestion has significantly eased on the West Coast and has worsened on the East & Gulf Coasts
 - Asian imports to East Coast ports increased over 14% YoY; Gulf Coast volumes increased over 24%³
 - West Coast vessel backlogs are nearly clear at the Port of LA-LB

¹ Source: American Trucking Association

² Source: FTR Transportation Intelligence

³ Source: PIERS

SEPTEMBER CONCLUSIONS

Spot conditions are stable and following the seasonal trend

Broader economic conditions are holding up thanks to strong consumer spending and employment numbers

Spot capacity attrition remains high

WANT TO LEARN MORE WAYS HOW TQL CAN SUPPORT YOUR BUSINESS?

[CONTACT AN EXPERT](#)

[LEARN MORE](#)