MAY
2026

STATE OF THE INDUSTRY

REPORT

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April 29, 2026 | 1 p.m. ET

Overview

The domestic freight market remained tight in April, but stabilized slightly compared to March. The flatbed space remains the most active and challenging to navigate with tender rejection rates hovering around all-time highs. Data center construction is assumed to be the primary driver as housing and commercial construction is subdued. Rig counts have expanded over the past month, but remain down y/y.

Volatility in oil markets continues to be driven by shifting headlines around the Strait of Hormuz, but the bigger risk is no longer short-term disruption—it's the growing likelihood of a prolonged supply shock. Even in a best-case scenario where the strait reopens quickly, market participants increasingly believe the logistical and infrastructure damage will take months, if not years, to fully unwind. Industry leaders and analysts warn that clearing vessel backlogs alone could stretch close to a year, while significant damage to regional energy facilities may take multiple years to repair.

This realization is pushing markets toward a more cautious—and in some cases, bearish—long-term outlook on supply. Scenarios ranging from partial reopening to a fragile ceasefire suggest sustained constraints, with oil prices potentially averaging well above recent norms. Meanwhile, near-term price action remains highly erratic, with sharp swings tied to incremental developments in the conflict.

For diesel consumers, April offered temporary relief as retail prices declined for much of the month. However, tightening fundamentals and rising crude benchmarks late in the period point to renewed upward pressure, setting the stage for higher fuel costs heading into May.

Fleet counts (six-month change)

Total for-hire fleets	300,027 (+8.8%)
Total private fleets	158,865 (+1.2%)
For-hire oil field specialization	20,190 (+1.4%)
Private fleet oil field specialization	8,256 (-1%)

Tractor counts (six-month change)

Total for-hire tractors	1,810,000 (+2.3%)
Total private tractors	766,799 (+0.6%)
For-hire oil field specialization	326,544 (-1%)
Private fleet oil field specialization	53,747 (+1%)

Active daily rig count (y/y change)

Permian Basin	241 (-11.4%)
Gulf Coast Basin	64 (-1.5%)
Anadarko Basin	57 (-6.6%)
Total	**562 (-8.6%)**

Crude oil prices per barrel (y/y change)

WTI crude	$107.69 (+78.24%)
Brent crude	$119.59 (+88.99%)
Brent-WTI Spread	**$11.90 (+345.9%)**

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Oil market

As oil markets swing up and down on whatever the latest piece of news is about how long and how deep supply will be impacted by the closure of the Strait of Hormuz, there is a deepening gloom that news about the short-term fate should not overlook that the effect on supplies in the long term is increasingly dire.

Numerous voices in oil markets–and it isn't just oil, you can hear them in agriculture, metals and petrochemicals–are saying that the strait could be fully opened tomorrow and the time needed to clean up the backlog and the impact should be measured in months.

You can see it in a report by the energy research team at Bank of America, led by Francisco Blanch.

Markets, the bank wrote, are starting to face "a sobering reality."

The "quick resolution scenario—with the assumption that full oil flows would be restored in Hormuz in short order—seems now highly unlikely," the report said.

Jim Fitterling, the CEO of Dow Chemical which is highly dependent on supply of raw material coming out of the Persian Gulf through the Strait of Hormuz, said much the same in an interview on CNBC.

"Everybody is tending to err on the side this is going to be over sooner, rather than longer," Fitterling said in the interview. "But some scenario planning that we did said that even if the straits were to reopen today, just to clear the logistics jam, to get the crude carriers moving, the LNG carriers, the petrochemical ships moving again, is going to take 275 days, maybe more now, because there have been more attacks and more damage in the Middle East since that scenario was put together."

In an interview on CNBC, Helima Croft, the global head of commodity strategy at RBC Capital Markets, echoed a similar theme.

"We do not have any indication that we are closer to reaching an agreement to restart flows through the Strait of Hormuz," Croft said. "There has been significant damage to regional energy infrastructure. By some accounts, 80 facilities have been damaged, a third severely damaged, which could take two to three years to bring those facilities back online."

The restart process, Croft said, will be "prolonged." And as of now, she added, it lacks an end date for the current standoff.

The BOA report tried to put a number on the reopening scenarios. Its base case of a relatively quick end to military action saw oil flows "mostly normalizing" but the third quarter. If that were the case, it would result in an average Brent price of $92.50 for the year. (Its average in 2025 was about $68/b).

But it has another scenario: a "fragile ceasefire."

“Under this case, military activity would be constrained but not eliminated, and Hormuz would remain heavily securitized, with limited crossings and thus rising oil prices,” the report said. “A strait that is neither fully open nor totally closed in 2Q/3Q may push Brent to average $120/bbl this year.”

There’s a lot more of the year to go in producing a full-year average. But as this monthly report is being written, the $120/b price is almost here.

Even as concerns are growing over the duration of the closure, markets continue to batter consumers with up-and-down swings on reports of short term progress or lack thereof in reopening the Strait of Hormuz.

April was volatile enough that it made March look almost tame by comparison. For consumers of oil and diesel in particular, an early month collapse in oil prices was followed by a slow increase in prices that was not linear, but still left them at the end of the month at a lot higher position than they were on April 8.

The optimism for lower prices got its biggest kick when a ceasefire was announced late on April 7. Brent, the world's crude benchmark, settled that day at $109.27/barrel on the CME commodity exchange.

The next day, Brent plummeted $14.50/b to settle at $94.75/b. After moving up and down for the next seven trading days, leading to a settlement of $90.38/b on April 17, the steady upward march resumed.

The result: a settlement that because of nothing but negative news undercutting any prospect of a reopening of the strait that might stick, Brent climbed to a settlement of $111.26/b on April 28. A day later, in one of the biggest one-day moves since the war began, Brent settled at $118.03/b, a gain of 6.08%. That’s just below the post-war high settlement of $118.35/b on March 31.

If there was any good news for diesel consumers during that climb, it was that the fuel did not outperform Brent to the upside.

In a comparison of ultra low sulfur diesel and Brent prices on the CME, the spread got as high as more than $1.90/gallon on March 20. Just before the war started at the beginning of March, the spread for the first two months of the year was about 81 cts/g.

But as diesel inventories have moved away from crisis level and turned to more normal levels, that diesel/Brent spread narrowed, falling to almost $1.30/g at the end of the month. So the recent increase in Brent has dragged ULSD up with it, but not at the same pace, at least not for now.

The scorecard on ULSD is that it settled at $4.4744/g on the day the ceasefire was announced, dropped to about $3.80/g the next day and didn't break through a $4/g settlement until April 29, when it settled at $4.1987/g.

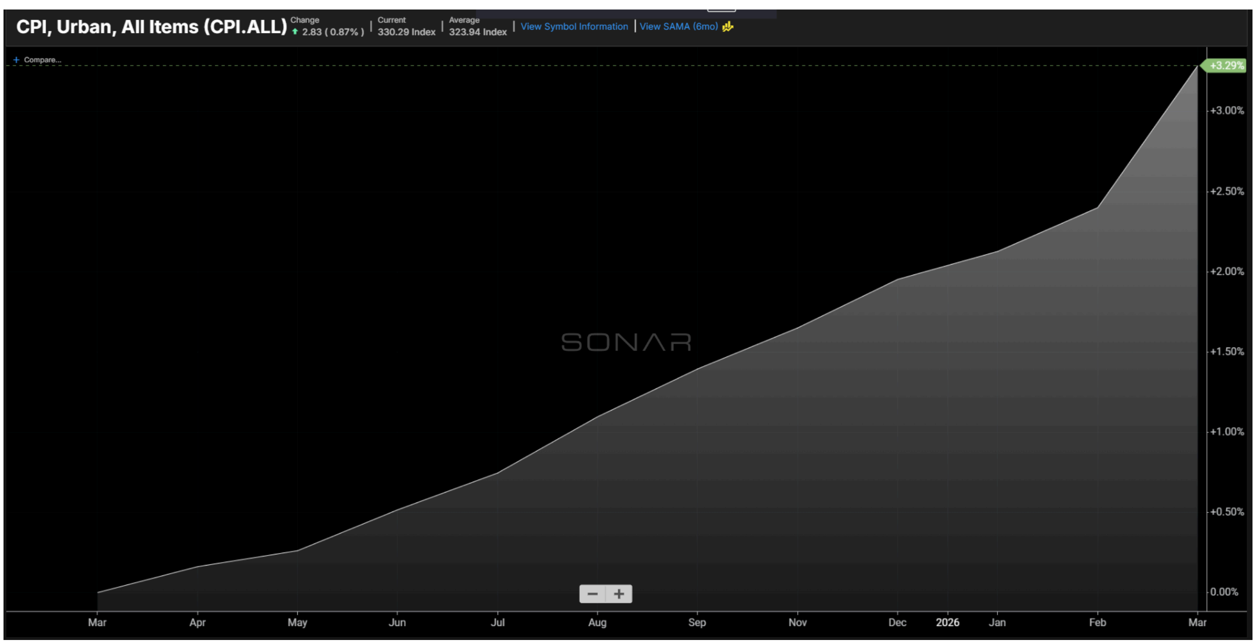
Retail prices, as measured by the daily AAA diesel average, provided good news for consumers for most of the month, at one point declining 17 out of 18 days, with the one non-decline day holding steady.

But the sort of big gains being posted in futures markets at the end of the month certainly suggests that as May begins, it will be rising prices at the pump that diesel consumers will be facing.

National economic outlook

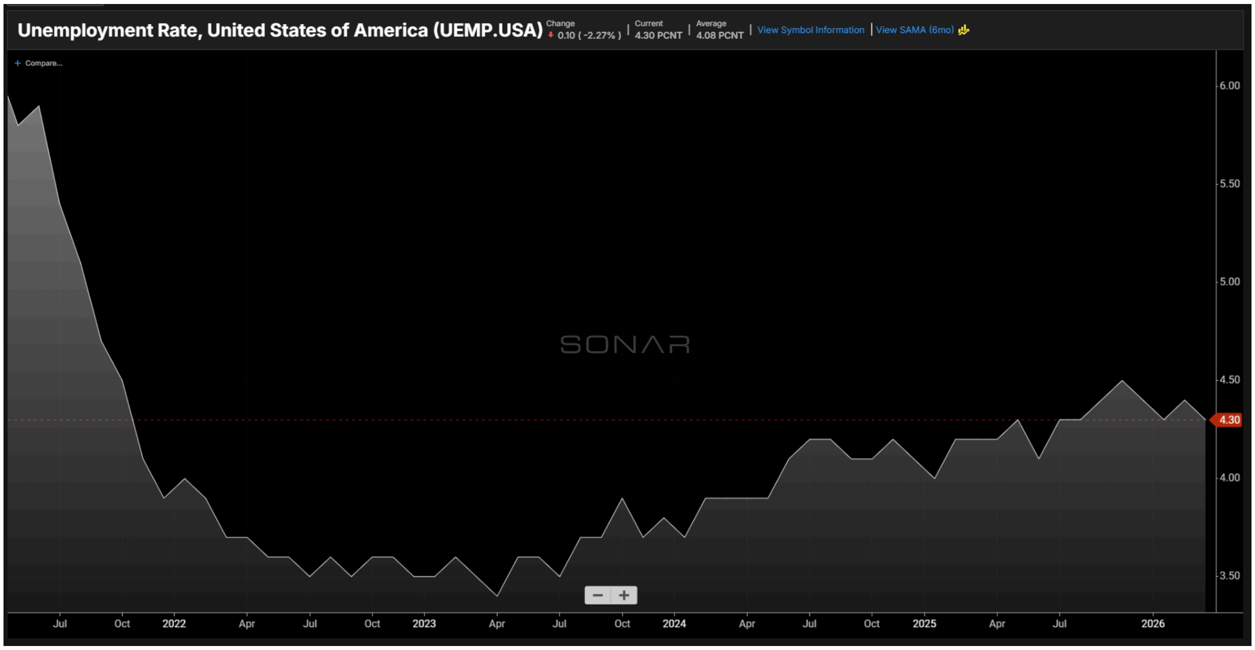
Iranian conflict remains top concern

The Strait of Hormuz remained a critical chokepoint and concern for the global economy throughout March and into mid-April. While the U.S. supply of oil and natural gas remained strong, pressure mounted from other countries that rely more heavily on oil and its derivatives shipped via tankers out of the Persian Gulf. Speculation and market pressures were the primary drivers pushing the price of crude oil above $112 for the first time since June 2022, when Russia invaded Ukraine. The primary concern is that global supplies would erode and inflation would expand rapidly beyond energy and fuel costs. Markets were erratic as rumors and reports painted a picture of uncertainty.



The CPI print for March produced an elevated figure of 3.3% annual growth, but as expected, most of that was driven by energy costs. The positive news is that everything outside of energy — which represents a supply-driven shock that should be temporary — was well within reason. The Fed still has to take the headline figure into account when making monetary policy decisions, though that calculus depends heavily on the labor market.

The BLS reported 178,000 jobs were created in March, following the 133,000 (revised higher) loss reported in February. This beat expectations, but was once again heavily dependent on the healthcare segment, which added 76,000 positions. This continues a longer-running trend of employment being driven largely by a single sector, as companies appear resistant to making strong investment decisions — reportedly due to continued uncertainty around the economic environment and the growing role of AI.



The unemployment rate ticked lower to 4.3%, down from 4.4% in February. This was partly reflected in a decline in labor force participation, which fell to 61.9% — its lowest level since November 2021. The overall read is that the labor market is holding in aggregate, but the underlying data reflects a general softening trend once the outperforming healthcare sector is removed.

Manufacturing

Industrial activity broke its slump and expanded throughout 1Q

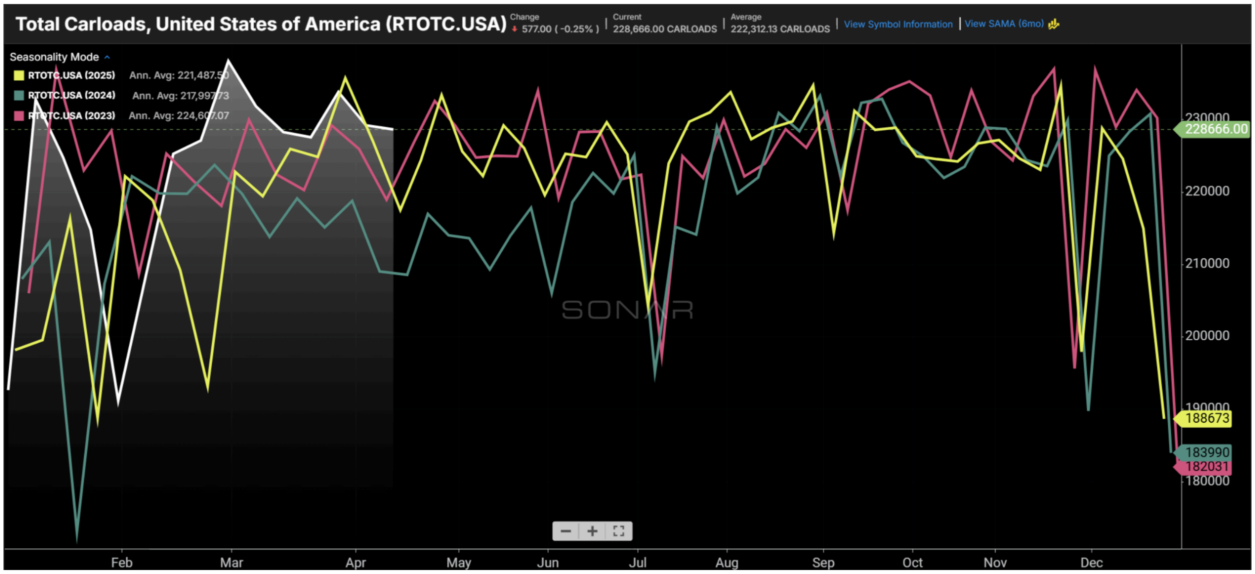
The Institute of Supply Management (ISM), Purchasing Managers' Index (ISM.PMI), continues to support the view that manufacturing activity is expanding. The ISM.PMI ticked reading was 52.7 in March, indicating that the industrial economy for three consecutive months and had been in expansion throughout the first quarter. That marks a sea change, since prior to January 2026, that index showed that the industrial economy had been in contraction for 26 consecutive months.

The Institute for Supply Management also continued to provide optimistic readings in the forward-looking New Orders Index, which was 53.5, showing expansion in new orders. While that reading was down from 55.8 in February, it was still only the third time it showed new order expansion since August and one of the highest readings since February 2022. Similarly, the Backlog of Orders Index also showed expansion with a reading of 54.4 percent. Meanwhile, inventory metrics showed additional declines, with the Inventory Index of 47.1, down from 41.1 in February. The combination of rising new orders and declining inventory levels suggests that additional order volume should remain strong in the coming months.

Respondents to the ISM survey generally provided comments that were more guarded (64 percent of comments were negative) than the bullish headline ISM numbers indicate. Despite the Supreme Court overruling the IEEPA tariffs, respondents cited an expectation that tariffs would return in some form. In addition, they also cited the conflict in Iran as adding a new layer of uncertainty and putting pressure on input costs, which is making U.S.-produced products less competitive. As a result, industrial companies are managing headcount tightly, which is consistent with the employment index remaining in contraction at 48.7. Some respondents mentioned recalibrating supply chain expectations in response to higher energy prices. In addition to energy, metals (aluminum, in particular) continue to be inflationary, and some respondents are citing memory price escalation that cannot be mitigated in other areas.

The most recent Federal Reserve Board of Governors data on Industrial Production and Capacity Utilization, released April 16th, shows that after growing at an annual rate of 0.7% in the fourth quarter, industrial production and manufacturing grew at a 2.4% and 3.0% annual rate, respectively, in the first quarter. Some suggest Industrial Production presents a more representative view of the industrial economy than the ISM PMI since it reflects actual, rather than planned, activity and sentiment.

Ways that the industrial economy translates to freight demand include rail carload traffic, flatbed truckload demand, and LTL demand. Rail carload traffic, which is reported each week by the Association of American Railroads, historically grows when the industrial economy does, as it is industrial-heavy after excluding coal and agriculture.



Total U.S. carload traffic, as reported by the Association of American Railroads, is up 0.6% year over year, in the past four weeks (ending April 11th), and is up 4.0% year over year, year-to-date. In the past several weeks, there has been a surge in traffic tied to commodity prices and the U.S.'s competitive advantage of having low natural gas prices. In particular, in the past four weeks, the chemicals and petroleum segments are up 5.6% and 8.7%, year over year, respectively. On their fourth quarter earnings calls, the Class I railroads issued generally cautious statements on the industrial economy, which contributed to guidance for total revenue, with pricing only growing in the mid single-digit range, on average. But traffic is beating those expectations, highlighting momentum in the industrial economy.

Consumer Conditions & Retail

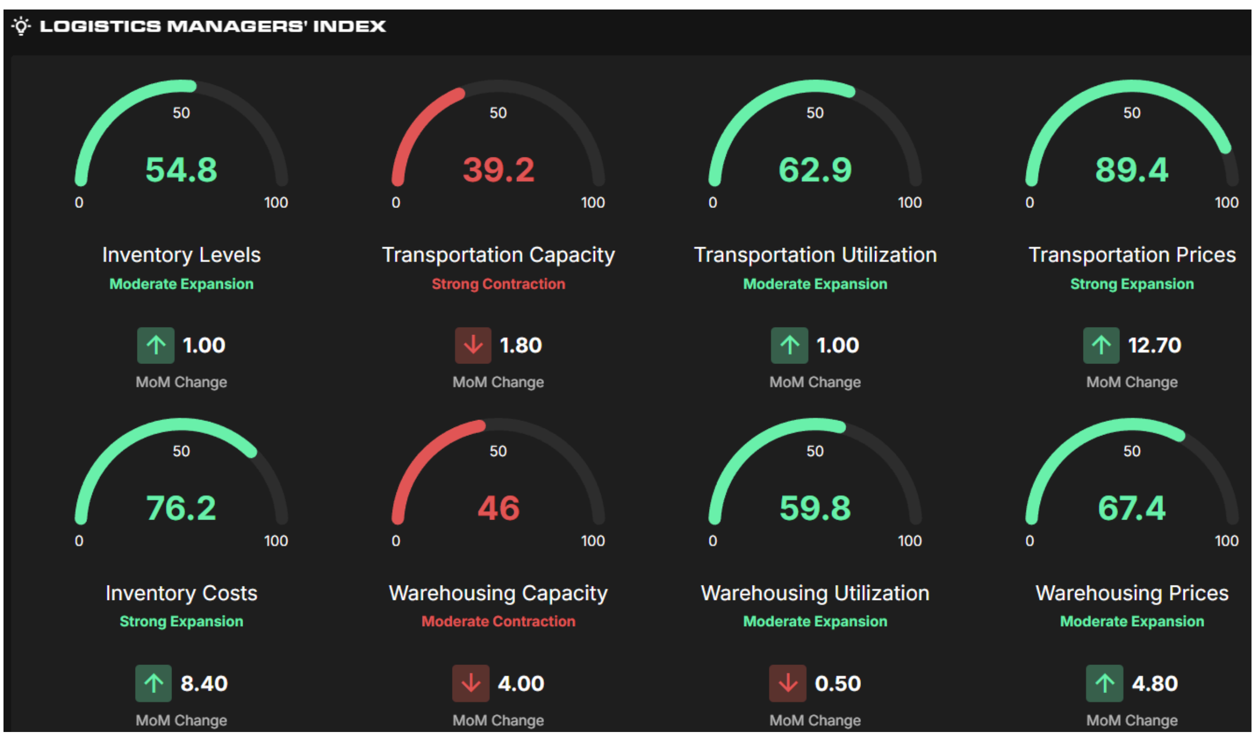
Is gloomy consumer sentiment starting to translate to a drop in retail sales?

Data from the Bureau of Economic Analysis for February (released April 9th) shows that Personal Consumption Expenditures increased 2.8% from February 2025 and increased 3.0%, excluding food and energy. A rising CPI (3.3%, up from 2.4% due primarily to rising energy costs) is leaving average households with slightly less disposable income (DPI – personal income less personal current taxes), which was down 0.1% in March from the prior month. While personal consumption expenditures (up 0.5%) continue to rise, consumers are pulling back in recreation and food/beverages. Retail sales continue to exceed dour sentiment surveys that show some of the lowest readings in history in recent months in the University of Michigan sentiment survey. It had shown some improvement in early March, but those gains were immediately erased upon the onset of the war with Iran, and it is currently about 9% below year-ago levels. The war has hit sentiment across income groups as it intensified concerns over rising inflation and declining asset prices.

Consumer packaged goods (CPG) companies are starting to feel more pressure from changes in consumer behavior since their clientele comprises all income levels, including those that are disproportionately impacted by rising energy prices. Looking for value, consumers are shopping more in value and club stores. CPG companies have adjusted pack sizes, both by introducing more single-serving items for consumers, minimizing cash outflow, and offering bulk packs for consumers trying to minimize per-serving costs. Finally admitting that GLP-1 drugs are causing consumers to eat less, CPG companies are introducing products to match diminished cravings. CPG companies are also dealing with volatile ingredient markets, including ingredients that are impacted by the ~30% surge in fertilizer prices.

Companies are keeping inventory levels leaner to hedge against the potential for a more pronounced drop in consumer spending and also to mitigate historically high warehousing costs. A more just-in-time approach may increase the time-sensitivity of many goods, supporting demand for long-haul truckload at the expense of rail intermodal (though intermodal volume is likely to be supported by other factors, such as a significant rate discount to truckload, as described below).

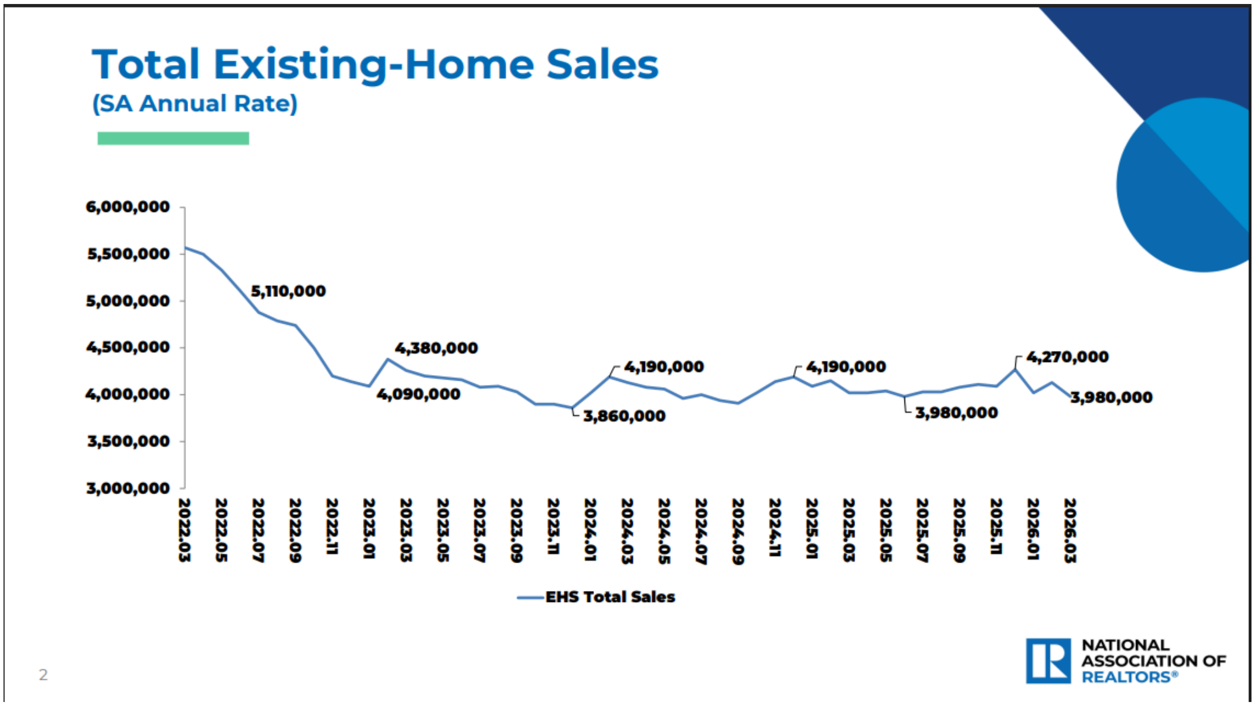
After the Logistics Managers' Index reported one of the biggest declines in inventory in December, it rebounded to moderate expansion in the first three months of the year (with readings in January, February, and March of 53.9, 53.8, and 54.8, respectively.



The NRF's latest Retail Monitor report highlights consumer spending that picked up in March. According to the NRF, total retail sales, excluding auto dealers and gas stations, increased 7.05% year over year in March, which marks a slight acceleration from the prior two months. The NRF attributes the growth to higher tax refunds (average of $3,521, up 11% y/y), which more than offset the negative impact of energy price inflation. The only NRF category that declined on a year-over-year basis is building and garden supply stores, which were down 0.47% year over year.

Housing & Construction

Existing home sales fell 3.6% M/M to a seasonally adjusted rate of 3.98 million units in March, which was the lowest reading since last June. The recent trajectory has caused the National Association of Realtors (NAR) to adjust its sales forecast lower from 14% to 4% growth in 2026.



Market sentiment remains weak as job market stagnation and rising prices and mortgage rates keep many homeowners locked in place with sub 4% mortgages. Mortgage rates reversed course in March, moving from below 6% in late February and getting close to 6.5% by early April. Rates did recover slightly as market risk fell on optimism around the war in Iran being resolved, but nothing is sitting on solid ground.

Housing starts and construction data releases for March and February were delayed until late April, but there is little to suggest single family construction will rebound as permits for January were down 5.8% Y/Y and single family permits down 0.9%. The separation in January starts and permits data suggests builders have diminishing expectations for demand. The housing market outlook for the rest of the year looks fairly anemic as builder sentiment reported by the NAHB hit a four-year low in April with a value of 34, falling from 38 in March.

Flatbed safety is exacting but essential

Given the open nature of flatbed trailers, it is arguably more important for flatbed drivers to follow best safety practices than for drivers in any other mode. This is compounded by the fact that flatbed drivers are uniquely responsible for ensuring that their loads are properly secured and, if necessary, covered by tarps. Otherwise, cargo can shift or even fall in transit, harming not only drivers and their equipment but also fellow motorists.

Thus, drivers should first choose high-quality straps, chains and binders that are designed to withstand the weight and type of cargo being transported. When loading, drivers must be careful to confirm that cargo is distributed evenly across the deck to maintain stability and to prevent excessive stress on specific areas of the flatbed. If applicable, drivers should employ edge or corner protectors to protect straps from sharp edges as well as sensitive cargo from damage caused by undistributed downward force.

Flatbeds also serve a vital role for the domestic oil and gas industry, in part because safety can be compromised by the (often) time-sensitive nature of such deliveries. As such, it is critical that the pre-trip inspection be fully carried out, not only with regard to the vehicle and trailer but also to the rigging equipment used, checking for frays or other signs of excessive wear.

Finally, special attention should be paid to the surroundings when the flatbed is not in use, particularly during loading and unloading. Trucks should be parked on a surface that is as flat as possible, taking care that the truck is not only level from front to back but also untroubled by side grades. To be sure, side grades need special attention when the truck is in motion, such that a heavy object does not suddenly shift forward into the cab or backward into any traffic. When dealing with hazardous materials, drivers should be aware of potential obstacles during loading and unloading that could impede an evacuation route.

Truck capacity outlook

The trucking capacity outlook is showing signs that capacity is exiting the market, which is needed to firm up pricing, but at a relatively slow rate. The back half of the year is traditionally a period when capacity tightens across modes. But with all the added capacity throughout the year, the usual tightening was muted throughout the fourth quarter of 2023.

The interesting growth areas haven't necessarily been in carriers or tractors but in the number of trailers added over the past few years. When the market reacted to the COVID-19 pandemic, semiconductor shortages prevented new truck order backlogs from being worked through. This led to fleets investing elsewhere, namely in trailer counts, which was one of the first areas addressed when the increased rates were sustained throughout the back half of 2020 and early '21.

With rates falling rapidly, the growth in capacity will likely return to levels closer to 2019 until some of the capacity added over the past year is removed from the market.

Total Fleets, Tractors and Trailers				**Percent Change since February 2022**		
Time Period	**Carriers**	**Tractors**	**Trailers**	**% Carriers**	**% Tractors**	**% Trailers**
Jul-22	498,170	2,780,000	4,298,588	5.75%	1.83%	14.34%
Feb-22	471,102	2,730,000	3,759,410			
Total For-Hire Fleets, Tractors and Trailers				**Percent Change since February 2022**		
Time Period	**Carriers**	**Tractors**	**Trailers**	**% Carriers**	**% Tractors**	**% Trailers**
Jul-22	300,027	1,810,000	3,022,330	8.76%	2.26%	1.00%
Feb-22	275,856	1,770,000	2,992,449			
Total Private Fleets, Tractors and Trailers				**Percent Change since February 2022**		
Time Period	**Carriers**	**Tractors**	**Trailers**	**% Carriers**	**% Tractors**	**% Trailers**
Jul-22	158,865	766,799	1,147,612	1.20%	0.63%	49.63%
Feb-22	156,979	761,967	766,961			

Source: Federal Motor Carrier Safety Administration monthly census data.

Since February 2022, the total number of fleets, which is filtered to those that report having at least one tractor and 20,000 or more annual miles per tractor on their MCS150 forms, has increased by 5.75%. Carriers have to report the data only once every two years, so the growth over the past two years is evident from the rise in July's numbers compared to February's. The average fleet size (number of tractors divided by fleet count) declined from 5.8 to 5.5, which indicates that growth is stemming from smaller carriers entering the market.

Growth in carrier and tractor counts is emerging from for-hire carriers, which is expected as the number of owner-operators has increased dramatically over the past two years. Overall, the number of carriers has jumped by 8.8% since February, but the number of tractors has increased by only 2.3%. This signals that owner-operators are the largest group to experience growth between February and July 2022.

While the for-hire side of the trucking industry is experiencing gains in carriers and tractors, private fleets are where most of the growth in trailer counts is originating. Between February and July 2022, private fleet trailer counts increased by 49%. Again, it is important to note that carriers have to report this number only biennially, so it really shows the growth over the past two years.

The for-hire market may see some consolidation — and bankruptcies — over the next six to 12 months, but it may not actually show up in the data, with carriers having to report only once every two years and new carriers always entering the market. As the freight market softens, the difference is that drivers will return to the umbrella of large enterprise carriers and thus may actually be double counted at some point in the future.

Total Fleets, Trucks and Trailers with oilfield or liquid/gas specialization				6 month % Change		
Time Period	Carriers	Tractors	Trailers	% Carriers	% Tractors	% Trailers
Feb-22	28,446	380,291	1,074,897	0.7%	-0.5%	0.9%
6 months ago	28,260	382,131	1,065,222			

Total For-Hire Fleets, Trucks and Trailers with oilfield or liquid/gas specialization				6 month % Change		
Time Period	Carriers	Tractors	Trailers	% Carriers	% Tractors	% Trailers
Feb-22	20,190	326,544	923,705	1.4%	-0.7%	1.2%
6 months ago	19,906	328,902	912,408			

Total Private Fleets, Trucks and Trailers with oilfield or liquid/gas specialization				6 month % Change		
Time Period	Carriers	Tractors	Trailers	% Carriers	% Tractors	% Trailers
Feb-22	8,256	53,747	151,192	-1.2%	1.0%	-1.1%
6 months ago	8,354	53,229	152,814			

Source: FMCSA monthly census data.

The capacity landscape for carriers with oil and gas exposure was relatively unchanged from six months ago as their numbers have increased across the board. The largest rise is in the for-hire market, where the number of carriers has risen by 1.4%.

Even with additional carriers in the market, the number of available tractors has declined by nearly 1%, indicating a couple of things: Smaller carriers are entering the market, and larger carriers with exposure to oil and gas are thinning out their fleets.

While the number of tractors has declined in the past six months, for-hire carriers have added trailer capacity to their fleets, increasing the number of available trailers by 1.2% in the six-month span.

Private fleets haven’t experienced the same fate, as there were 98 fewer private carriers operating in the oil and gas space over the past six months. Those continuing to operate have added to their fleets, however, as the number of available tractors has increased by 1%.

Total Fleets, Tractors and Trailers with oilfield or liquid/gas specialization in California

Time Period	Carriers	Tractors	Trailers
Jul-22	993	15,858	11,629

Total For-Hire Fleets, Tractors and Trailers with oilfield or liquid/gas specialization in California

Time Period	Carriers	Tractors	Trailers
Jul-22	549	3,651	5,262

Total Private Fleets, Tractors and Trailers with oilfield or liquid/gas specialization in California

Time Period	Carriers	Tractors	Trailers
Jul-22	395	11,799	5,967

Source: FMCSA monthly census data.

Nearly 1,000 carriers based in California were operating in oil field services or liquid/gas specialization as of last July. The vast majority, in both the overall trucking industry and the oil and gas industry, were for-hire carriers. More than 55% of the fleets in California that operate in the space are for-hire carriers, whereas private fleets make up just under 40% of carriers.

Private fleets do make up the vast majority of tractors in California. Of the 15,858 total tractors that operate in the oil and gas industry, 11,799 are from private fleets, which is roughly 75%. For-hire fleets have an average of 6.65 tractors, compared to private fleets with nearly 300 tractors in operation.

The difference in trailers is less dramatic as for-hire fleets have 45% of the trailers in California. But it is important to note that this data only includes owned trailers and not those that carriers have leased.

Ultimately, the capacity outlook appears quite different than it did at the beginning of 2022. The extreme growth over the past two years has passed its peak and is slowly starting to correct itself. However, having to report counts to the FMCSA only once every two years may mean the data does not show the capacity exiting the market as quickly as it actually does.

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