AUGUST
2026

STATE OF THE INDUSTRY

REPORT

SUPPLY CHAIN | DEDICATED TRANSPORTATION | FLEET MANAGEMENT SOLUTIONS

SONAR | Ryder Ever better.

Cooling off

July 22 , 2026 | 1 p.m. ET

Overview

The July freight market was characterized by a seasonal settling typical of the post-Fourth-of-July environment. Rejection rates and spot rates fell off their annual highs but held onto much of their annual gains. Demand continued to show strength across modes, especially in intermodal, where the cost savings remained significant compared to trucking.

Import demand was strong as shippers appeared to pull forward volume ahead of proposed tariffs, and that strength sustained at high levels into late July. Spot rates for containers hit their ceiling in early July before falling back, suggesting peak demand may have already arrived. Bookings data suggests a more moderated import environment may replace the peaks and valleys typical of late summer.

Intermodal demand was unseasonably strong in June, as domestic container demand grew around 13% y/y. Intermodal capacity remains ample, but recent J.B. Hunt earnings, along with the broader data, suggest that rate increases are coming later in the year.

Inflation concerns were reignited in early July when the ceasefire between Iran and the U.S. ended and the conflict escalated. Oil prices, and subsequently fuel prices, began climbing once again.

The labor market continued to flash low-hire/low-fire figures, illustrating a fairly stagnant environment, though one with relatively low unemployment. Participation rates are near multi-year lows, which may be a concern in the long run.

Manufacturing and upstream production figures grew once again, but at a slightly slower pace. Some concerns around frontloading exist, as employment figures are not growing, which would otherwise support sustained growth.

Macro indicators	**(y/y change)**
June. industrial prod. change	+0.1% (+1.1%)
June. retail sales change	+0.2%(+6.7%)
June. U.S. Class 8 orders	31,751 (+294%)
Mar. U.S. trailer orders	6,777 (-31%)

Truckload indicators	**(y/y change)**
Tender rejection rate	15.74% (+1071 bps)
Average dry van spot rate[1]	$3.53/mi (+52.8%)
LAX to DAL spot rate[2]	$3.49/mi (+43.6%)
CHI to ATL spot rate	$3.22/mi (+35.9%)

Tender volumes	**(y/y change)**
Atlanta	392.67 (+2.1%)
Dallas	340.57 (+19.3%)
Los Angeles	263.16 (+14.4%)
Chicago	228.83 (+4.7%)

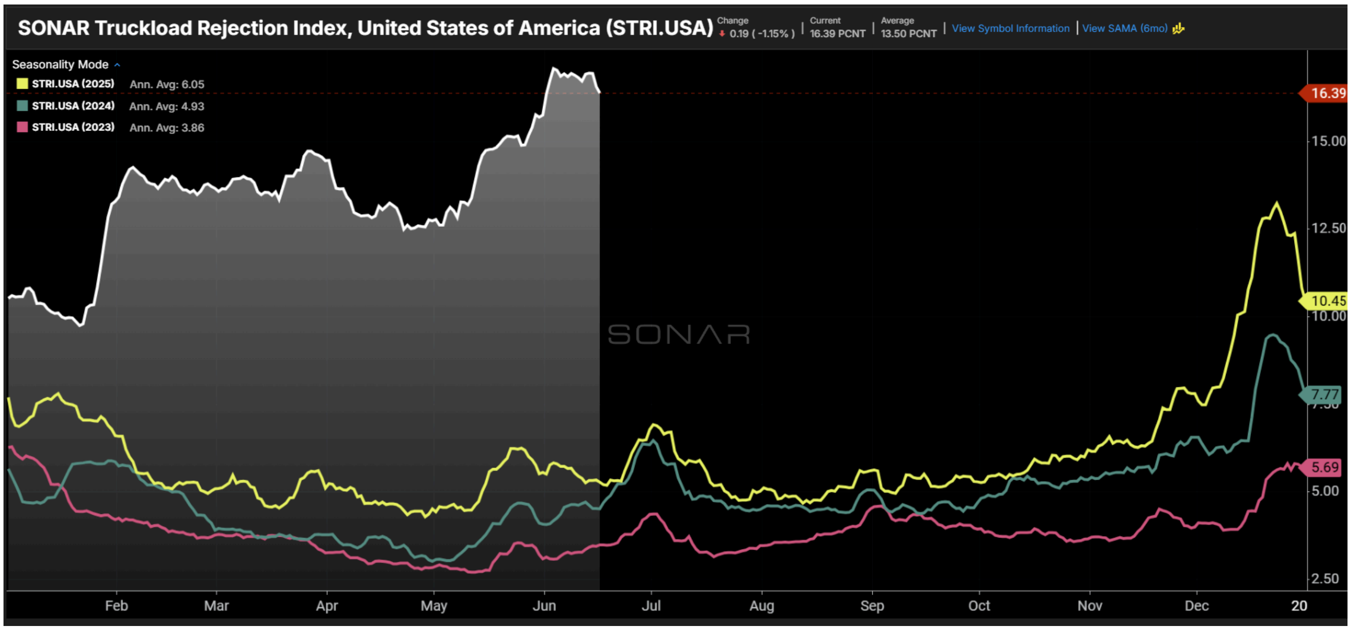
Tender rejections	**(y/y change)**
Atlanta	13.98% (+843 bps)
Dallas	15.31% (+952 bps)
Los Angeles	12.54% (+905 bps)
Chicago	14.78% (+1088 bps)

Zach Strickland
Director of Market Intelligence

[1] FreightWaves National Truckload Index
[2] FreightWaves TRAC spot rate

Truckload markets

The summer peak was more of a plateau, with a bump in tender rejections. Tender rejection rates normally fall slightly after Memorial Day before increasing rapidly ahead of the Fourth of July. This year, rejection rates stalled at elevated Memorial Day levels before rising about a percentage point ahead of the summer holiday.



Source: SONAR Truckload Rejection Index: 2026 (white),2025 (yellow), 2024 (blue) and 2023 (pink)

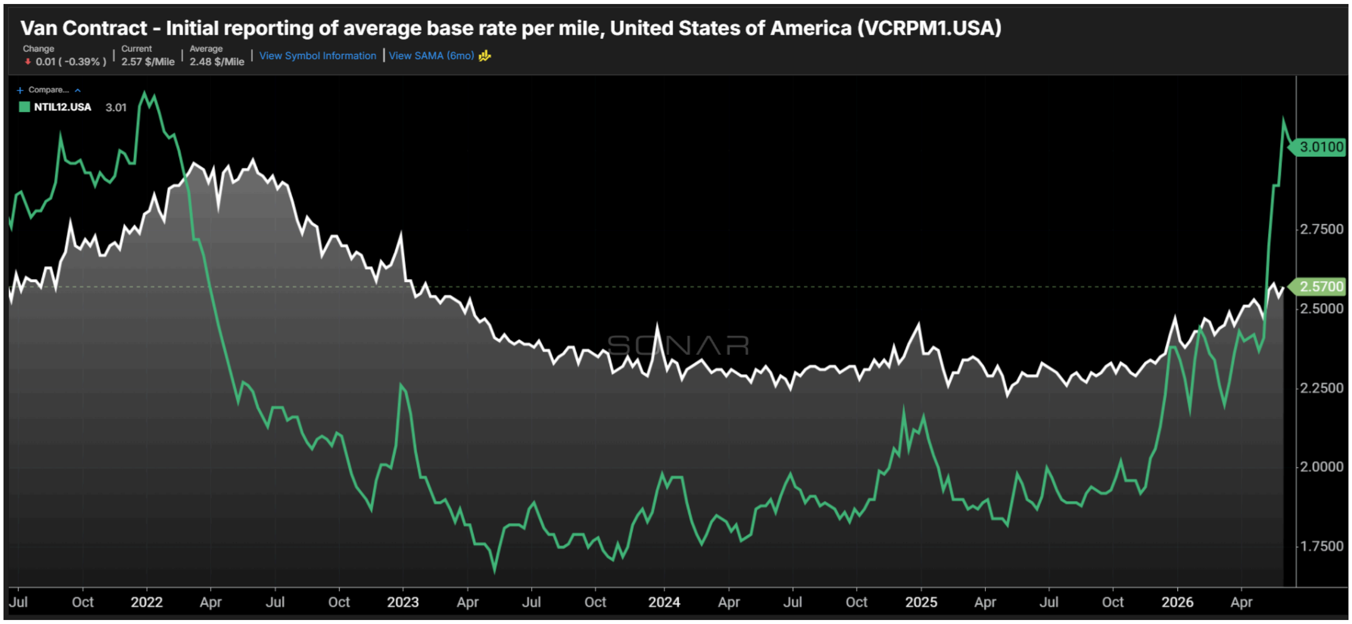
The SONAR Truckload Rejection Index (STRI) topped out at 17.68% more than a week before the Fourth — about six days earlier than normal. The holiday falling on a Saturday could have been a factor, as shippers avoided holiday service issues by shipping earlier or pushing lead times beyond the holiday.

Tender lead times measure the average number of days between requested pickup and tender date. A load tendered on Monday with a requested pickup of Friday has a four-day lead time. Lead times have been increasing over the past several years, growing from an average of 3.3 days through the first six months of 2023 to 3.63 days this year. Most of that increase came last year, when the market was averaging rejection rates below 6%.

This runs a bit counter to expectations in a softer market, as shippers have historically waited to tender loads when capacity is plentiful. Shippers had an erratic ordering cycle last year, dominated by uncertainty in trade policy. This led to many goods being brought into the country early, allowing them to be moved earlier than typical. This is also reflected in the growth of intermodal as a share of surface transportation in the U.S.

As it relates to the current market, lead times hit their highest historic levels this past Fourth of July, averaging close to four days. With the holiday landing on a weekend, it should have been easier to manage, since there's no gap day to account for. In other words, lead times should be shorter when the holiday lands neatly around a weekend — but that wasn't the case this year.

Spot rates sustaining well above contract



Source: SONAR. National Truckload Index excluding fuel costs above $1.20/gal (white) and initially reported dry van contract rates (green).

Contract rates (VCRPM1) and spot rates — excluding estimated fuel costs above $1.20/gal, for comparison purposes — began to converge again after the holiday. The contract rate index shows long-term rates have increased roughly 15% year-over-year, due to both rate increases and route guide deterioration. The more volatile spot rates are up over 60% compared to the Fourth of July last year.

Fuel price volatility is a contributing factor in overstating the convergence, as fuel costs are not necessarily a driving force behind rate changes in this type of market. The NTIL12 is an estimated value that removes the daily cost of fuel. This isn't necessarily a reflection of how carriers are calculating their rates in the near term. Regardless, the direction was accurate, as contracts continued to climb while spot rates fell from a peak driven by the major holiday in early July. Spot rates still remain well above contract rates after hitting an all-time-high spread of $0.34 in late June.

The continued strength of spot rates will pull contract rates higher, though it is still unclear how the relationship between spot and contract will eventually settle out. The spot market has offered the strongest historical discounts to contract rates in recent years, as brokers helped connect thousands of smaller carriers to shippers. Some of those carriers will no longer be considered viable options, which should produce a higher baseline in the future — something already evident in the historically positive spread between the two figures today.

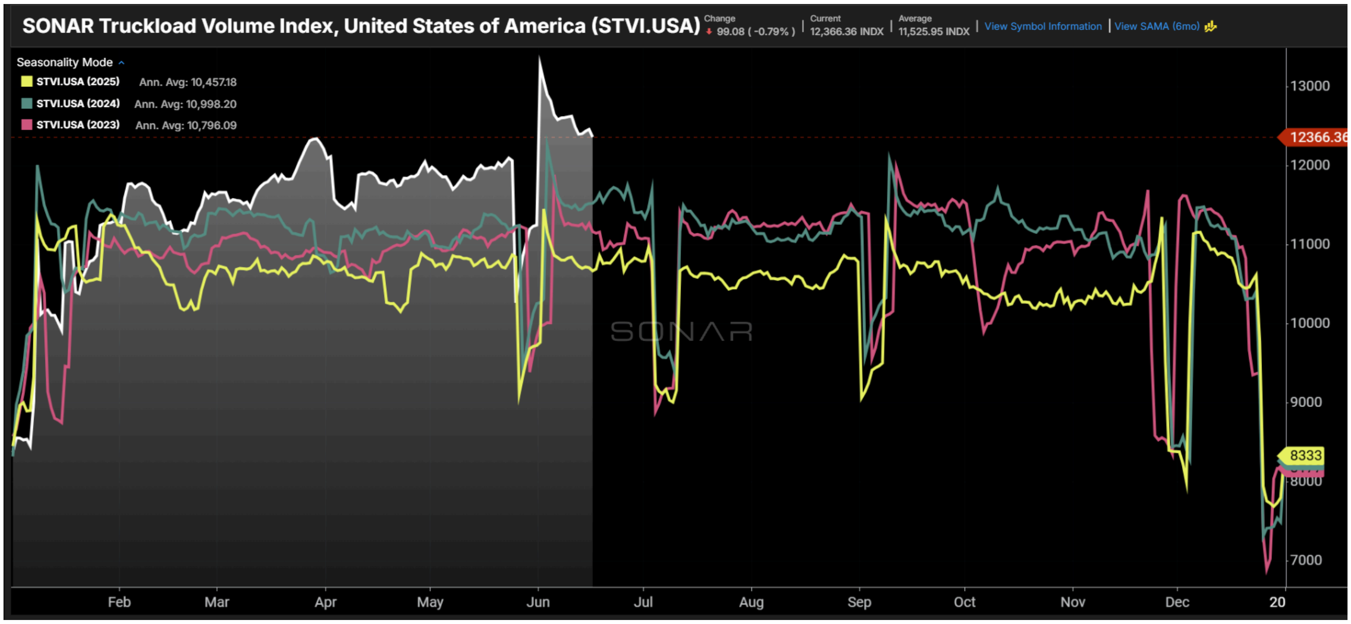


Chart: SONAR Truckload Volume Index: 2026 (white),2025 (yellow), 2024 (blue) and 2023 (pink).

Tender volumes peaked in early June and have been steadily declining over the past month. June typically sees the most shipping volume, as all industries become active during the month, though not necessarily peaking at the same time. Manufacturing, retail, food and beverage, and construction all have relatively strong periods in June. It's also the end of the second quarter, ahead of a major holiday, which prompts an extra sense of urgency as many take vacations. June was the strongest shipping month since COVID in terms of demand, supporting the claim that we have a healthy goods economy with little sign of demand-side changes in either direction.

Fuel prices bounce

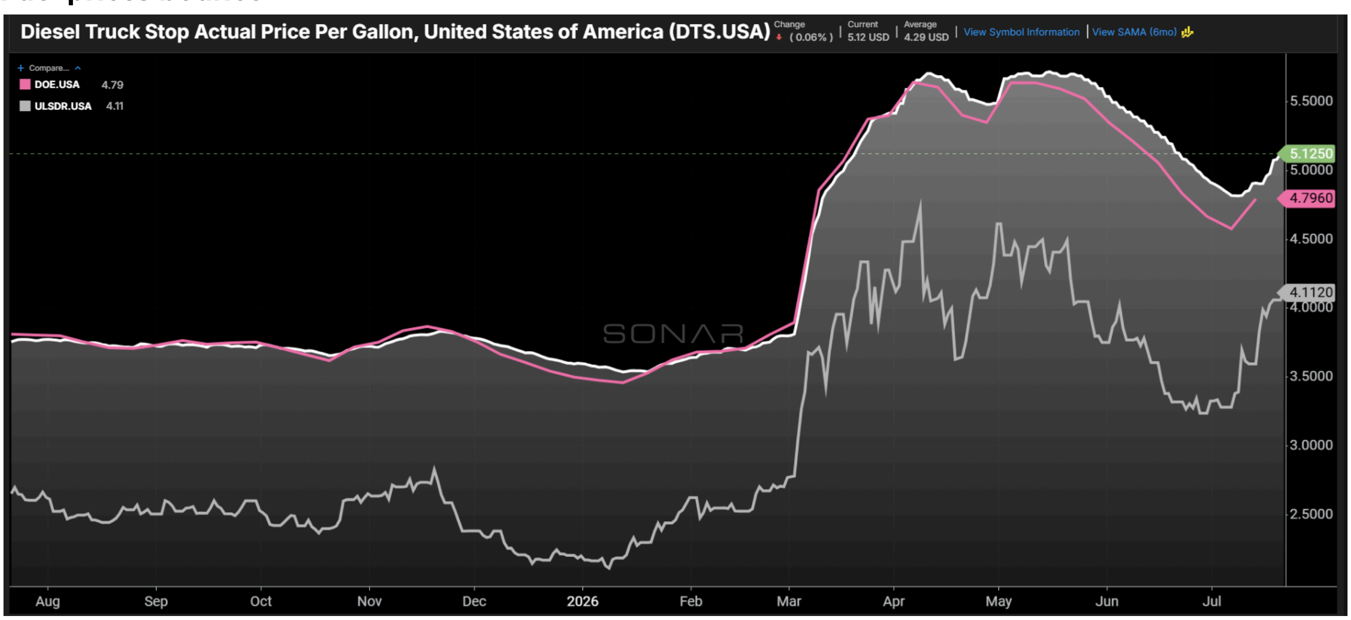
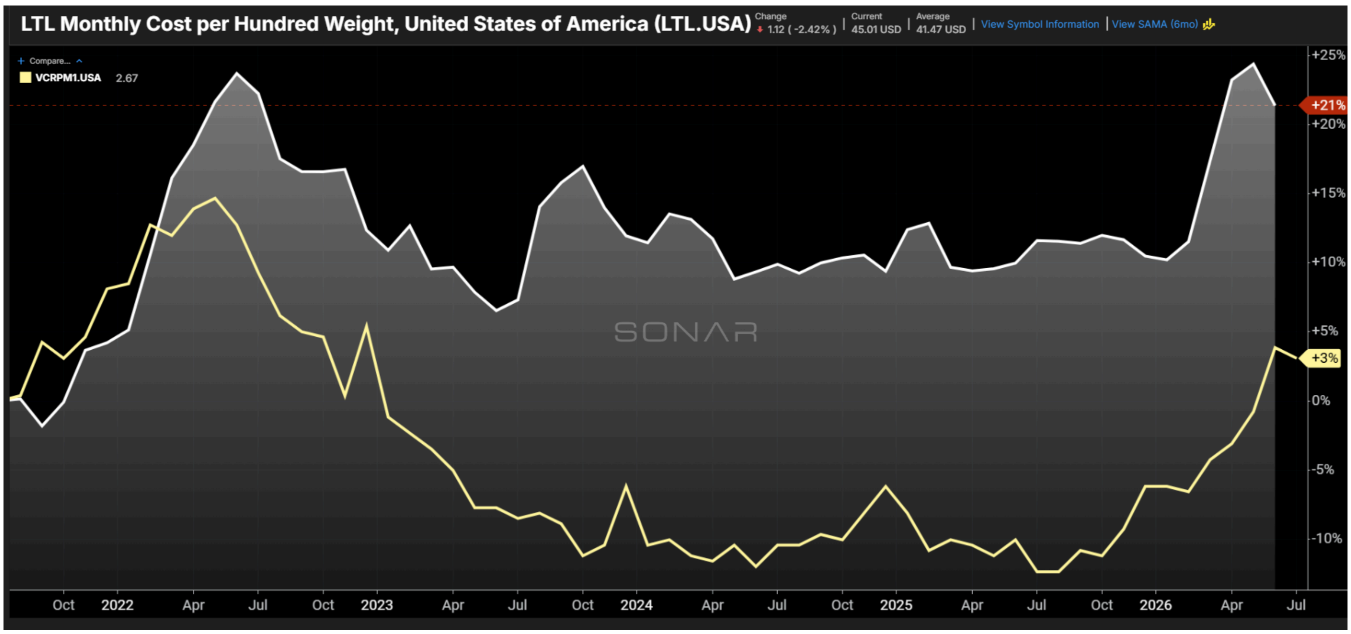


Chart: Diesel Truck Stop (DTS - white), DOE weekly ULSD price (pink), wholesale price ULSDR (grey)

Fuel prices rebounded higher after the end of the ceasefire between the U.S. and Iran in early July. By July 21, the average retail price of diesel was back above $5 and on par with late-to-mid June levels. WTI futures were also trading around $85 per barrel, the highest level since early June. Oil inventories have not improved and remain a concern, as the conflict — as of this writing — had escalated and was potentially in its worst state since it began in early March. If another ceasefire, or more hopefully an end to the conflict, were to occur, prices are expected to fall as well, but only slowly through the rest of the year.

LTL costs fall back on softer fuel

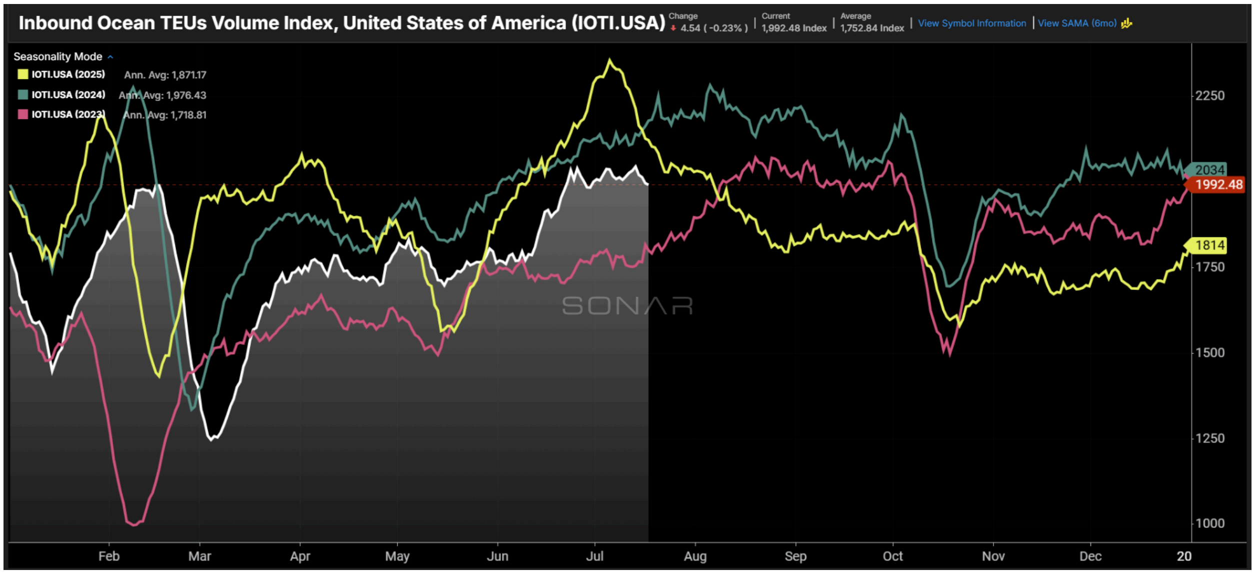


Source: SONAR. LTL monthly cost per hundred weight (white) compared to dry van contract (yellow) - national indices

LTL rates stabilized in June as fuel costs also waned. The LTL Monthly Cost Index measures the average cost of LTL transportation over the course of the year. The index spiked in March as fuel costs increased rapidly amid the Iranian conflict escalation, but has started falling back slightly. The primary read is that most of the increase in the cost of shipping LTL is fuel-driven and likely transitory. That doesn't mean carriers can rely on this revenue persisting over the next year — especially since many are already announcing early GRIs. With truckload rates up around 15% y/y, LTL rates will likely follow, but at a lesser clip. Elevated fuel revenues may actually inhibit further increases by keeping carriers less aggressive. LTL rates have been held at much higher levels since the end of the pandemic, thanks in large part to the exit of Yellow in 2023. Rates did fall back after a temporary jump on the heels of that exit, but have been slowly increasing since the spring of 2024.

Early peak or more of a plateau

Container bookings jumped 13% over the first two weeks of June, according to the Inbound Ocean TEUs Index (IOTI). The IOTI is a 14-day moving average, so it moves more slowly than the underlying data, which makes it easier to identify trends. The recent trend looks less like a peak and more like a plateau, as the index hovered around the 2,000 level from June 20-July 14.

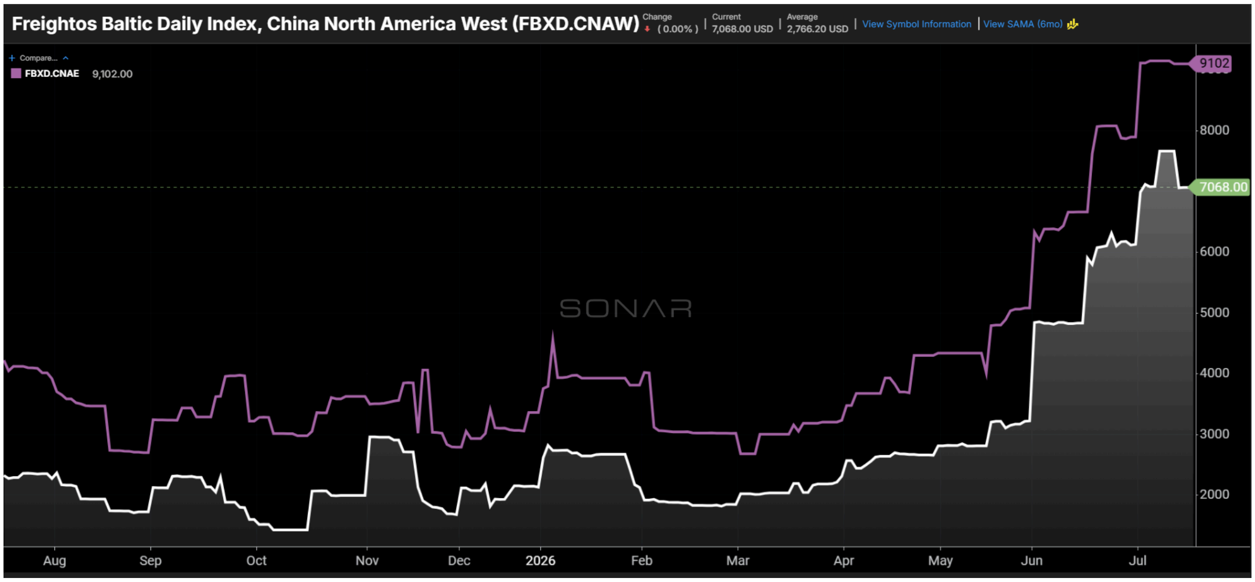


Source: SONAR. The Inbound Ocean TEU Volume Index, a measure of ocean demand taken at the point of overseas origin for 2026 (white), 2025 (yellow), 2024 (green), and 2023 (pink).

The Port of Long Beach posted its third-busiest June on record, with 779,000 TEUs moved — a 10.6% increase over last year. While year-over-year comparisons are increasingly challenging due to the turbulence around trade policy and tariff implementation, the growth is still impressive. A July beat would be even more impressive, as last year's import surge — which followed the removal of the 140% tariffs on China — created an unprecedented influx into the Southern California ports. As of July 14, this year is on pace to do so as well. The ports are reporting some sluggishness in container removal, as the average dwell time has increased to around 5 days from the 2-4 day target. This is a far cry from the 21+ day figure of the COVID era.

The Section 122 tariffs are set to expire on July 24, and at the time of writing there had been no signal on whether the newly reviewed Section 301 tariffs would replace them. Anticipation of this date appears to have had some influence on shippers ordering early, but not to the extent it has in the past. In many cases, the new tariffs would represent either a flat rate or a marginal 2.5% increase above the current level.

Possibly more impactful is the continued level of uncertainty keeping many businesses from making long-term plans. The on-again, off-again conflict with Iran is also playing a role in sustaining that uncertainty — both in the economy broadly and, more directly, in supply chain management.



Source: SONAR. Freightos Baltic Daily Index: China to North American West Coast (white), China to North American East Coast (orange), and China to North Europe (purple).

Container spot rates from China to North America increased significantly three times since June 1, with the last increase showing less stickiness, especially on the transpacific lanes. While the rates are influenced by fuel, they are also a product of expected demand, which many forecasts were projecting to slide by late July. The data supports some level of contraction, but not a complete shutdown of ordering.

It may be that we see a more consistent flow of containers, with more frequent undulations, rather than a traditional peak season. This could make it more challenging for transportation providers to project third- and fourth-quarter activity, with traditional seasonal patterns having been broken over the past two years.

Intermodal/Rail

Looks more like fall than summer

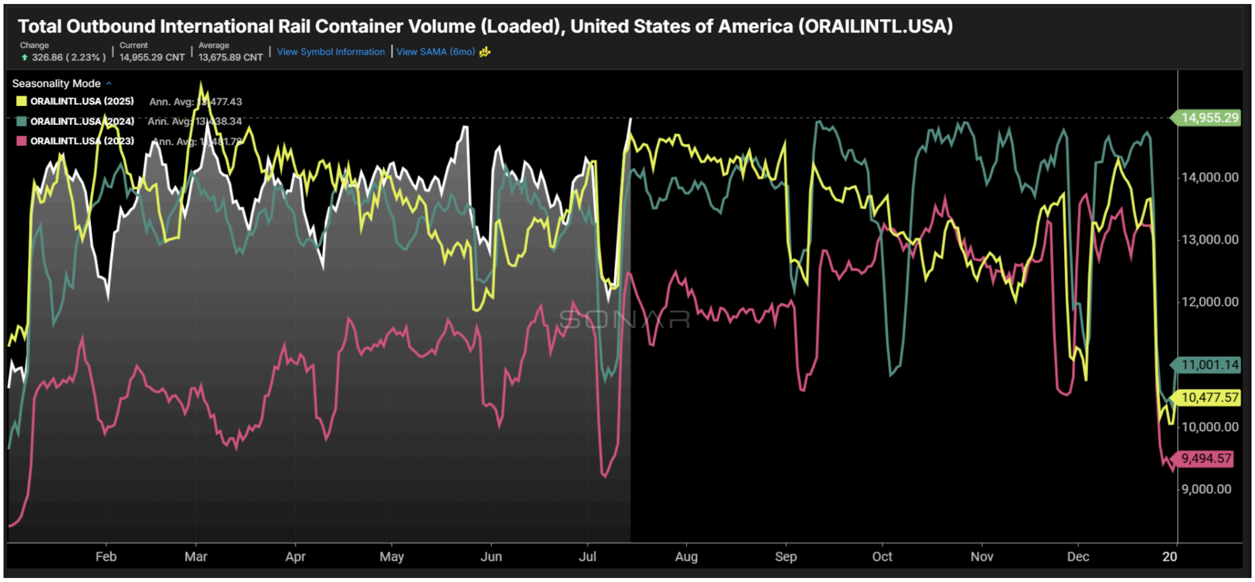


Chart: SONAR. Loaded international intermodal container volumes for 2026 (white), 2025 (yellow), 2024 (green), and 2023 (pink).

Intermodal continues to thrive in this frontloading environment, as it also appears to be holding onto share in the transcontinental lanes, with trucking becoming increasingly expensive. International loaded container demand had easy comps in May and early June, but that ended in late June. The import wave was exceptional in 2025, with international container flows remaining elevated into September before collapsing alongside imports in October. International container volumes were averaging approximately 1.8% higher y/y over the 7-day period ending July 14 — which was the peak summer demand period in 2025.

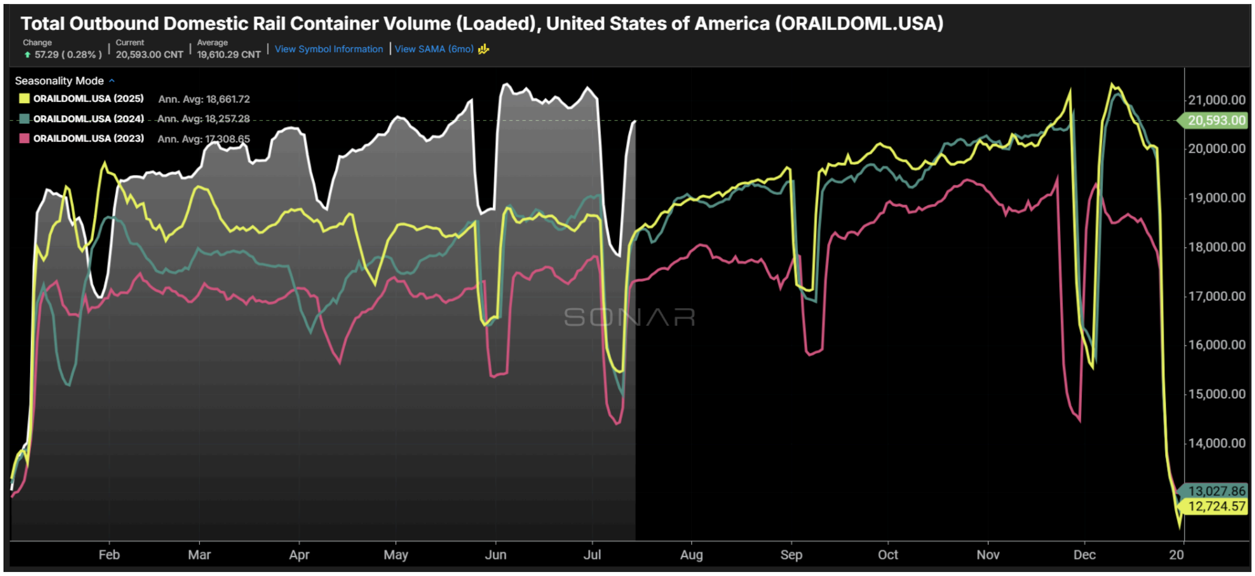


Chart: SONAR. Loaded domestic intermodal container volumes for 2026 (white), 2025 (yellow), 2024 (green), and 2023 (pink).

Containerized domestic intermodal volume has continued its impressive run, surpassing last year's levels by 10-15% from mid-June to mid-July. The domestic intermodal container volume chart looks more like a seasonal truckload chart than a typical intermodal chart, which tends to see more of a bulge in September and October. This raises the question of whether this is some form of early peak, or whether fall demand will exceed historic norms and stress infrastructure. Rail speeds have slowed, but that doesn't necessarily mean service is falling short of what's needed.

Transcontinental (west-to-east) demand has been driving the unseasonal increase for both international and domestic containers, but the eastern half of the country has also participated meaningfully. The good news for shippers is that the growth in demand is stress-testing infrastructure that has so far been able to manage.

J.B. Hunt's Q2 earnings call highlighted exceptional demand and an increasingly expensive truckload market as factors helping drive growth. Gains in intermodal helped offset a loss of profitability in truckload during the quarter.

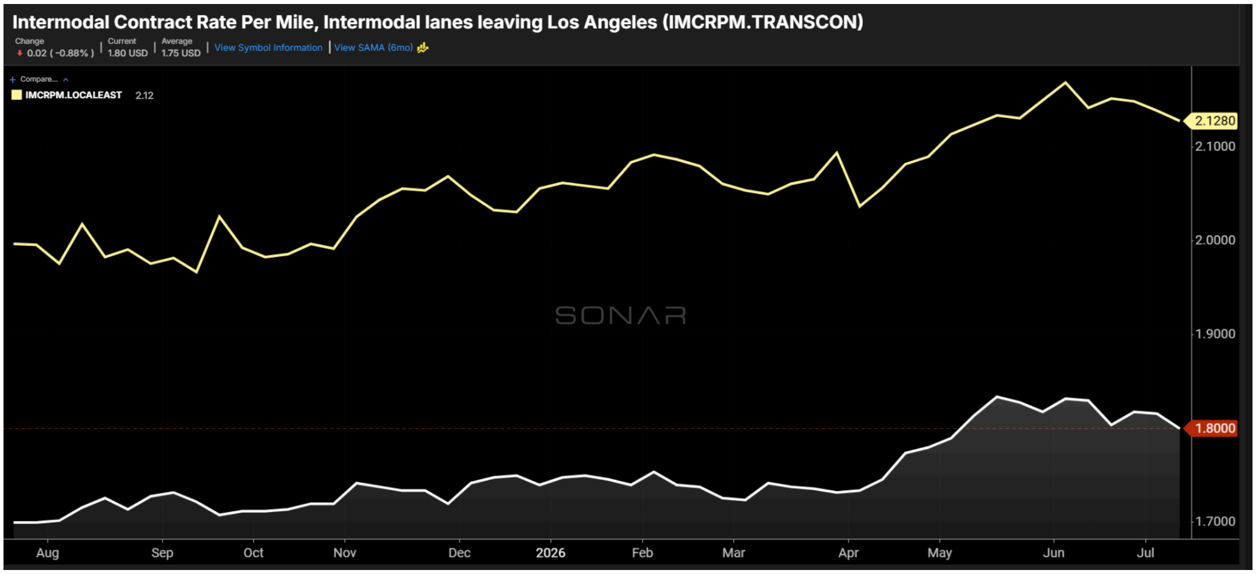


Chart: FreightWaves SONAR. Average domestic intermodal contract rates for an average of five long-haul transcontinental lanes (white) and nine "local east" lanes (yellow). Rates include fuel surcharges, but exclude all other accessorials.

Rates have not increased proportionately to demand or the truckload market. This lack of increase doesn't necessarily mean rates are poised to spike, but it does suggest some rate increase is likely — though not to the same degree as trucking, given intermodal's lower exposure to fuel. The current savings rate compared to truckload is over 30% in many transcon lanes, such as Los Angeles-to-Chicago and Los Angeles-to-Dallas.

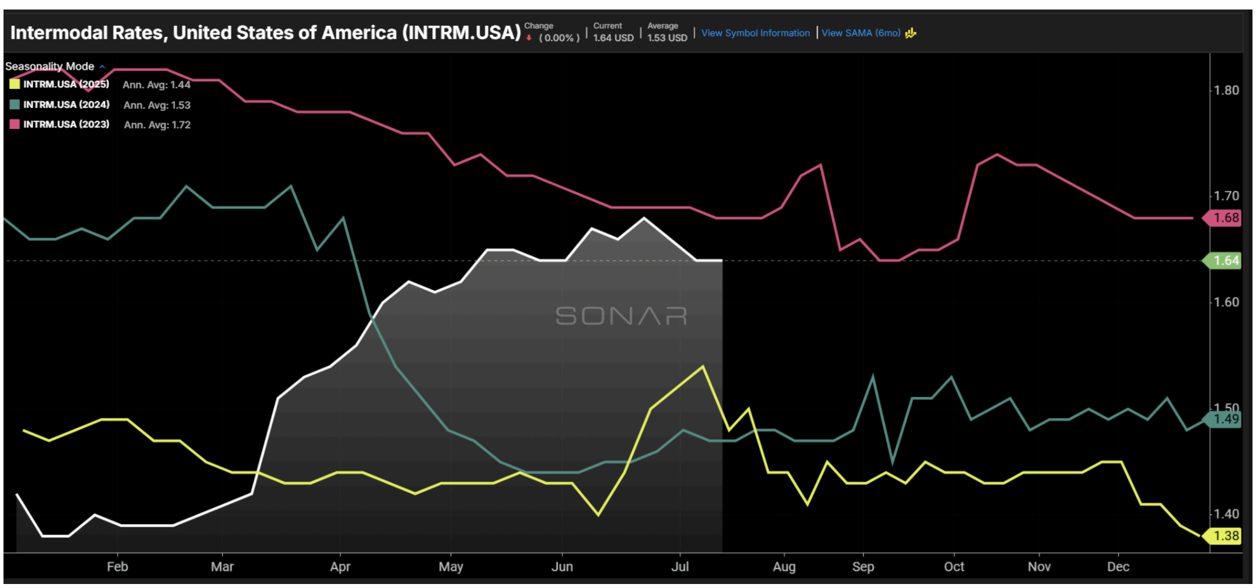
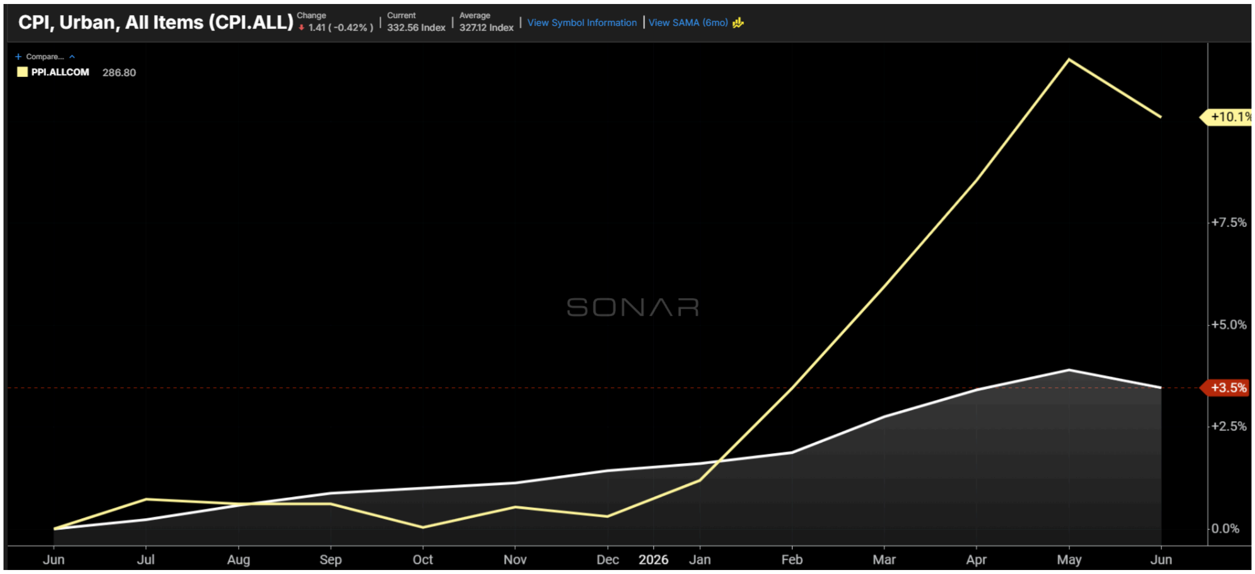


Chart: SONAR. *Average intermodal spot rates to move 53-foot containers door to door, including fuel surcharges for 2026 (white), 2025 (yellow), 2024 (green), and 2023 (pink).*

Macro Trends and Other Events We're Watching

Headline inflation came in much cooler than expected in June, registering 3.5% annual growth versus a 3.8% expectation and May's 4.2% figure. Core values, excluding food and energy, were up 2.6% compared to a 2.8% expectation, unchanged from May. As anticipated, energy was the primary driver, but it shouldn't be ignored that other items were still above the 2% target. The reading is broadly positive given the context, as it suggests inflation may have peaked and could be normalizing. The caveat is that the ceasefire in Iran ended in early July, and oil prices have started climbing again. Until there is clarity on whether the Strait of Hormuz will remain permanently open, the inflation figure will continue to be a focus.



Inflation is the headline economic figure for the moment for two reasons. The first is that it affects consumption: inflation that grows faster than wages means consumers can afford less. Many businesses have forecasted lower demand on this basis and have ordered fewer goods. If conditions change, the risk of insufficient inventory levels rises.

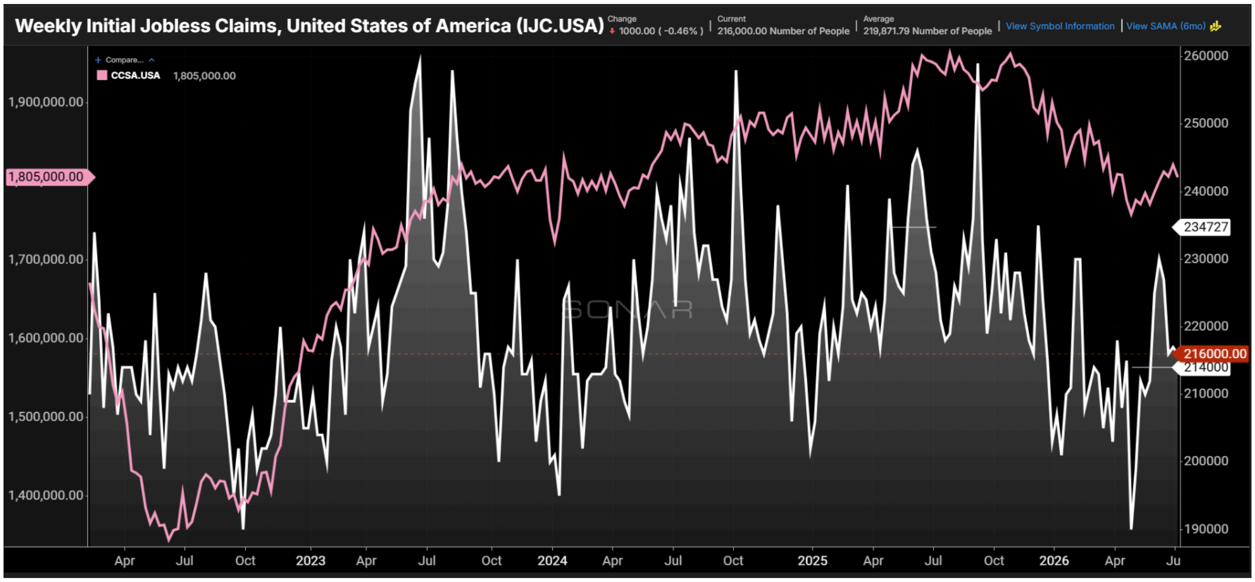
The second, more indirect effect is inflation's influence on monetary policy. If the Fed raises interest rates to curb demand, businesses will invest less, which also reduces demand for freight. There is less expectation that this will happen following June's report.

The labor market is the second key component of the Fed's dual mandate, and it is signaling healthy but fairly stagnant activity. While May's BLS figures were surprisingly positive, they were revised downward in June, from 172K to 129K. The BLS also reported a paltry 56K in nonfarm payroll job creation, missing the ~115K expectation by a wide margin.

Healthcare remained one of the primary growth sectors, with business and professional services also showing strength. Leisure and hospitality had the largest downward revisions, as the sector reportedly saw weaker-than-expected seasonal hiring — suggesting people are traveling less to the US, both internationally and possibly domestically.

ADP's June report, which excludes government hiring, painted a similar picture, missing expectations to the downside with 98K jobs created versus a 110K expectation. Manufacturing was a particular weak spot, echoing the ISM report's findings.

The weak job growth figures were not reflected in the unemployment rate, which fell to 4.2% on significantly lower participation. The BLS Labor Force Participation Rate fell from 61.8% in May to 61.5% in June — one of the fastest monthly declines in recent years, and, more importantly, a continuation of a seven-month trend. The 61.5% reading is the lowest since March 2021, during the COVID pandemic. Lower immigration and demographic shifts — as baby boomers exit the workforce faster than younger generations can replace them — are cited by many economists as the primary drivers.

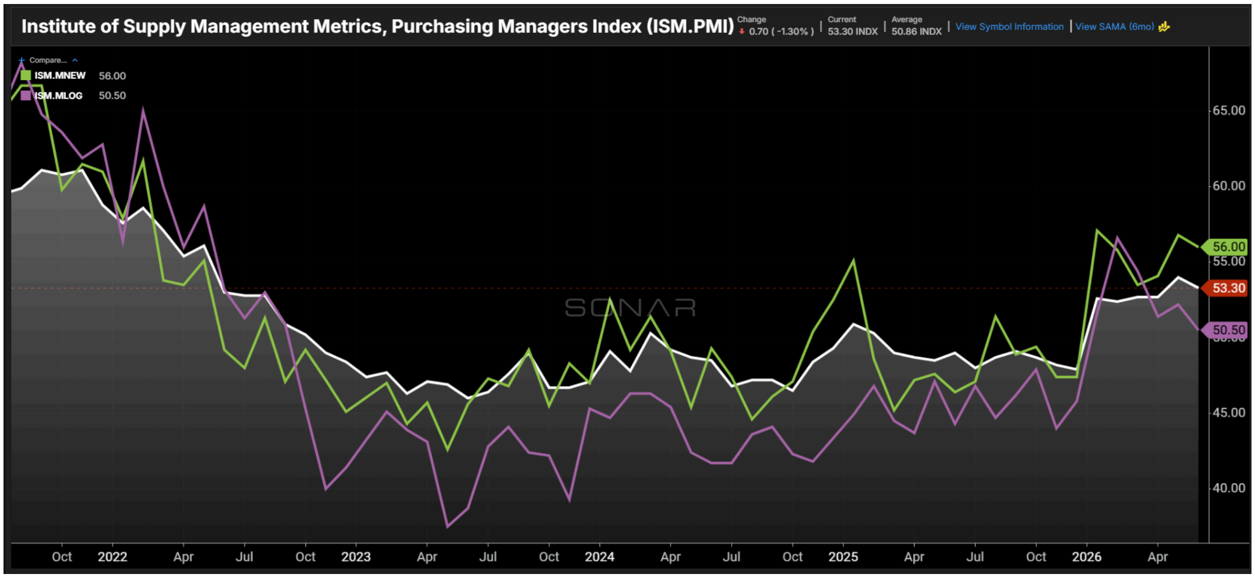


On the other end of the labor market spectrum, separations are not growing meaningfully, and initial jobless claims are averaging well below last year's late spring/early summer average of roughly 234K per week. Continued claims have been inching higher since early April but remain below last year's averages. The data continues to support the low-hire/low-fire narrative and sluggish investment in growth outside the AI technology space.

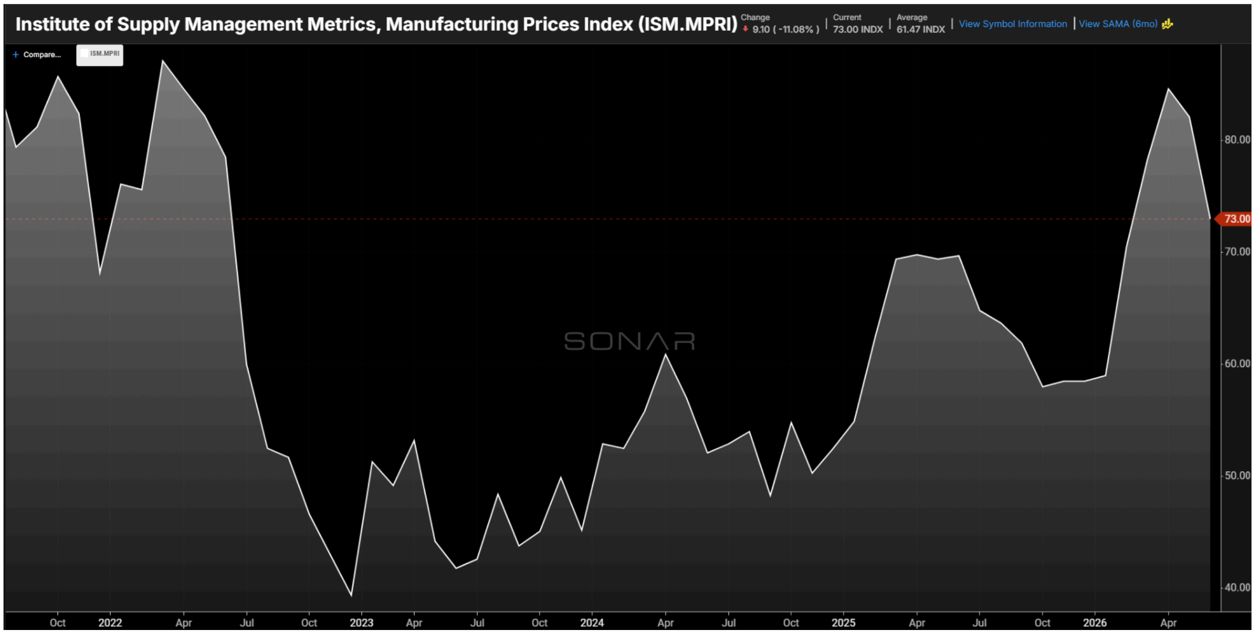
Manufacturing

Expansion Continues, but Cooler Than May

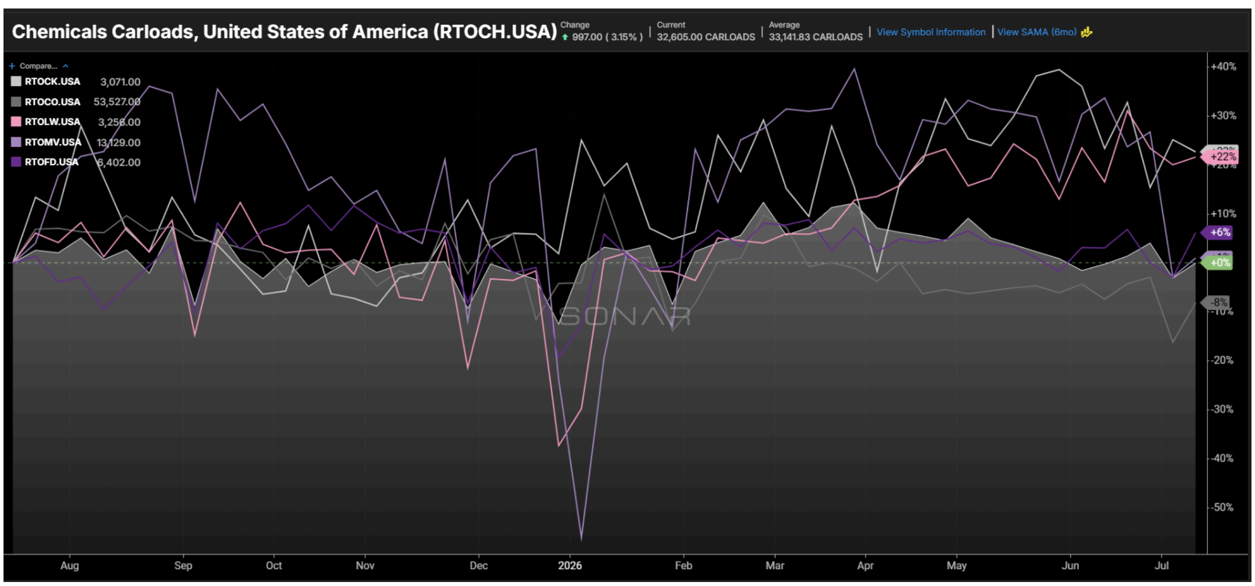
The Institute for Supply Management (ISM) survey registered a 53.3 PMI in June, marking the sixth straight month of expansion. The reading was 0.7 percentage points lower than May's and came in 0.7 points below expectations as well. New orders — a key indicator of future freight demand — were down slightly from May, with a reading of 56 versus 56.8. None of these sequential declines is cause for real concern. The employment component, which has been a soft spot in the report this year, improved from 48.6 to 49.7, though it remains in contraction.



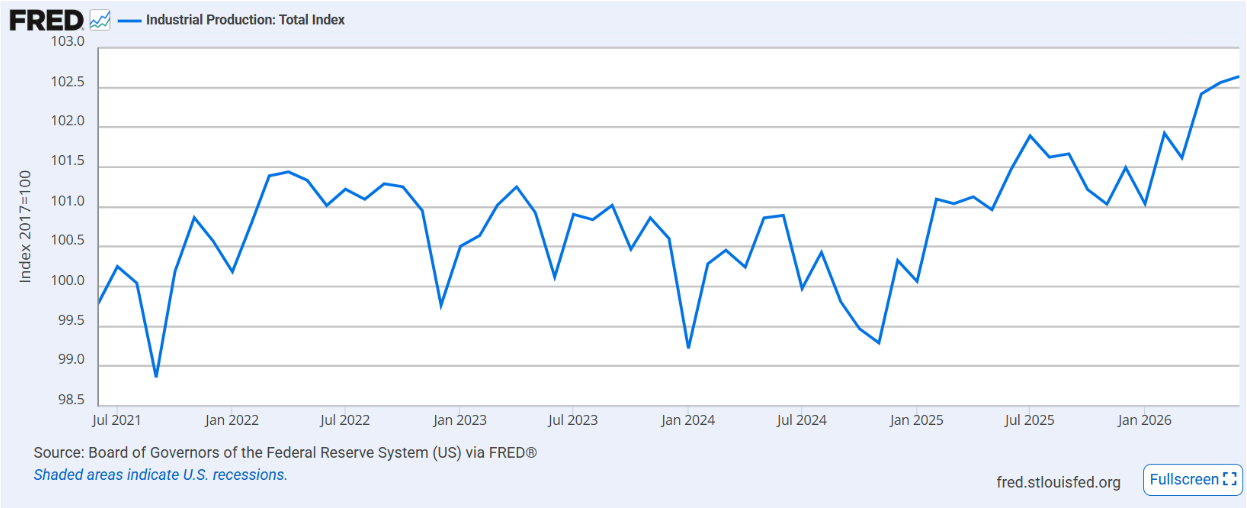
The biggest positive was a reduction in price pressures: the prices index dropped sharply from 82.1 to 73, though it remains inflationary. The biggest negative, aside from continued weakness in employment, was export orders moving into contraction, falling to 48.5 from 50.6 in May.



Overall, the report supports continued factory activity through the summer, with the sector growing at a measured — if slightly cooler — pace in June. Manufacturing job growth remains a concern, as companies are still not hiring despite increased output.



Rail carloads in June provided a stronger signal for the manufacturing sector than the surveys did. Chemical carloads showed modest 1% annual growth, while metals and ores continued to grow at an accelerated rate. Steel carload volumes were up 13% for the 28-day period ending July 4, with metallic ore volumes up 34%. The growth was broad-based across the carload data, which is a positive sign to many economists, as it indicates multiple sectors are contributing rather than just one or two. Coal is the one laggard in the data, though this has less to do with production levels than with substitution toward other energy sources, such as natural gas. Intermodal containers, which relate less to manufacturing and more to retail and consumption, continued their robust growth as well, increasing 11% over the same period.

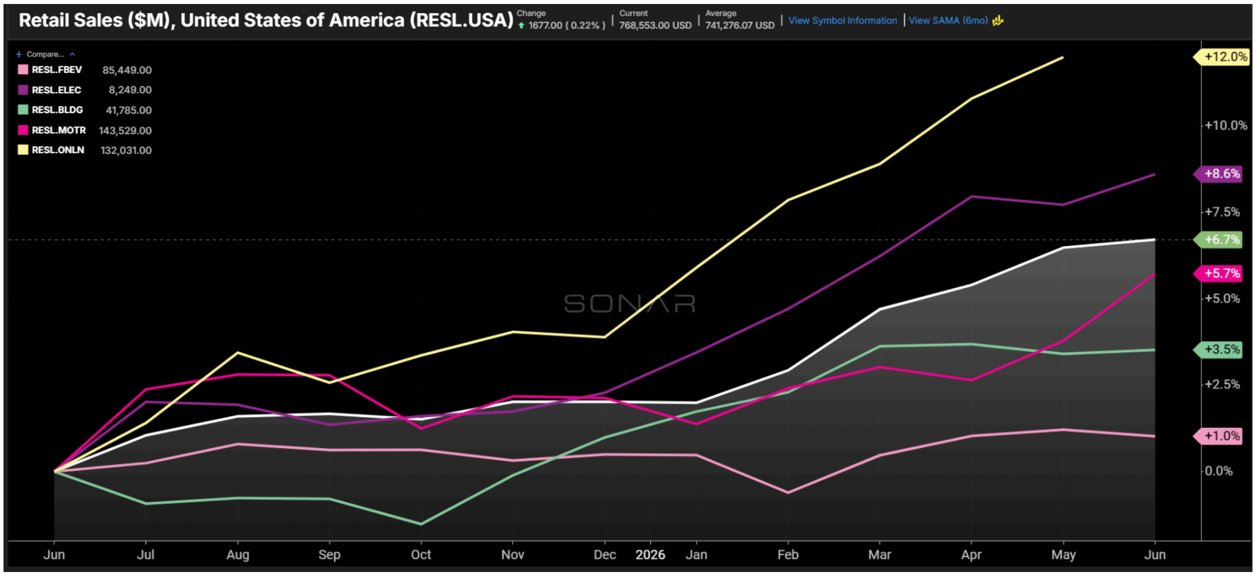


June's industrial production report showed modest 0.1% growth versus May, slightly below the 0.2% expectation. Consumer goods led the charge, posting a 0.3% increase compared to -0.6% in May. Business equipment and construction moved the other direction, each falling 0.4%

Consumer Conditions & Retail

Resillient, but for how long?

Retail data from the National Retail Federation (NRF) Retail Monitor showed strength in June, with total sales up 4.26%. Category strength was broad, with health and personal care up 12.87% y/y and general merchandise up 9.9%. Electronics and clothing each increased roughly 14% annually. The report also noted that last June's figures were notably weak, creating an easy comparison; critics would also argue that inflation is inflating these figures, and that many consumers are spending temporary tax refunds rather than sustained income, putting future readings in question. Prime Day also fell about a month earlier this year, which may have pulled some spending forward and exaggerated June's growth.



Advance estimates of U.S. retail and food services sales for June 2026 — adjusted for seasonal variation and holiday and trading-day differences, but not for price changes — were $768.6 billion, up 0.2 percent (±0.4 percent) from the previous month and up 6.7 percent (±0.5 percent) from June 2025. Total sales for the April–June 2026 period were up 6.4 percent (±0.5 percent) from the same period a year ago. May was revised up: the April-to-May percent change was revised from +0.9 percent (±0.4 percent) to +1.0 percent (±0.2 percent).

Since these figures are not adjusted for inflation, a few points are needed for a clean interpretation. Declining gas prices were a drag on the overall figure — excluding the pullback from May's highs, monthly growth would have been +0.7%, which should be viewed positively. Autos and parts were one of the biggest contributors, rising 1.9%, with e-commerce also up 1.9% thanks to Amazon Prime Day. Sporting goods and hobbies also got a boost from the World Cup.

Consumer sentiment, as reported by the University of Michigan, rose significantly in June, climbing from May's all-time low of 44.8 to 49.5, largely due to the now-ended ceasefire with Iran. While the June reading showed marked improvement, it remains well below historical norms, with inflation the primary concern.

Despite the negative sentiment, actual spending looks solid. May personal consumption expenditures (PCE) increased 0.7%, alongside a similar rise in personal income; real PCE was up 0.3%. Most of the growth came from durable goods, led by motor vehicles and parts (+0.9%) and recreational goods and vehicles (+0.8%). Savings rates held steady near four-year lows, at 3%.

Consumer debt is a bit of a mixed bag. Revolving credit fell in May compared to April, down roughly 4.6% m/m, while nonrevolving credit increased about 1.6% — suggesting consumers pulled back on credit card spending in favor of larger purchases, such as autos. The most concerning trend is the rise in delinquency rates across the board. Q1 delinquency rates rose for all debt categories, most notably for student loans, followed by mortgages and HELOCs in terms of annual increase. This is a trend worth monitoring for overall consumer health going forward.

Overall, spending remains resilient despite a strong headwind of negative sentiment. The low savings rate also suggests this pace may be unsustainable unless inflation eases or income growth improves. Negative sentiment hasn't mattered yet, but that doesn't mean it never will — it remains worth watching, especially alongside the savings and debt data. There is nothing alarming in the trends yet, but consumer health will need to improve, or retail figures will eventually stumble.

Housing & Construction

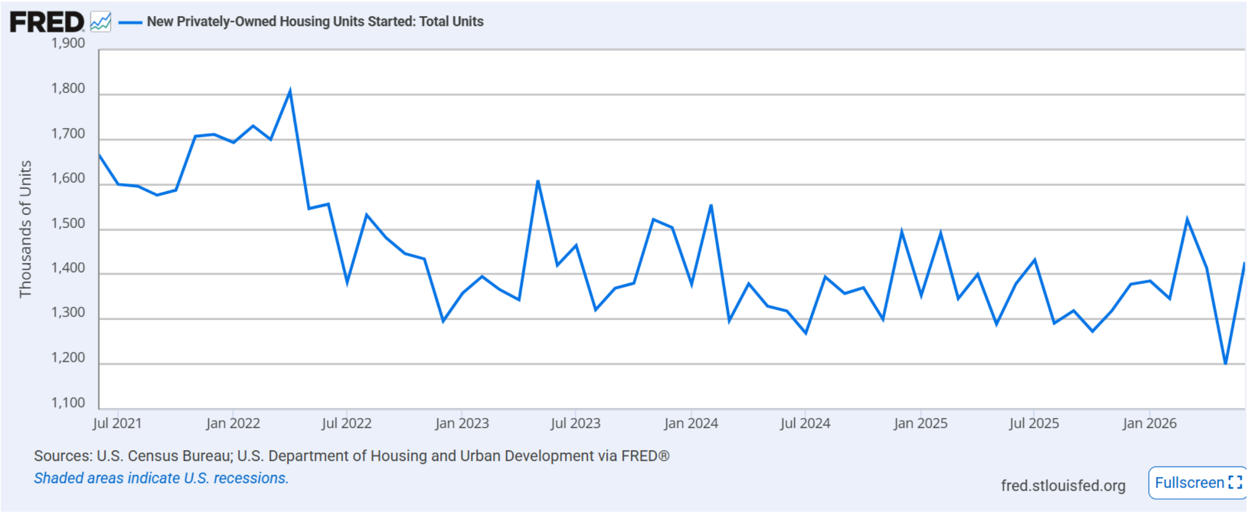
Still weak, but not improving

The housing market remains weak — not a new development — but the broader construction market does appear to be softening as well, which is new. Construction spending in May increased just 0.1% versus April but was down 1.5% y/y. Supply constraints appear to be the primary driver of weakness on the existing-home sales side: resale inventory is relatively thin by historical standards, with only 4.6 million units available compared to the 6 million considered a balanced market. Existing home sales declined 2.4% in June but were up 2.8% y/y.

New home sales, as reported by the Census Bureau, were down 7.3% in May compared to April and down 6.8% y/y. Unlike existing homes, oversupply is closer to the truth in the new-home market, as builders are sitting on 10.3 months of available inventory — and rising. This could help explain the declining starts (as of the July 17 report) and permits.

Privately-owned housing starts in June were at a seasonally adjusted annual rate of 1,427,000. This is 19.0 percent (±15.9 percent) above the revised May estimate of 1,199,000 and 3.5 percent (±14.3 percent)* above the June 2025 rate of 1,379,000.

Note that the margin of error (±14.3%) means the year-over-year comparison isn't statistically significant, and even the month-over-month jump is only borderline given the wide confidence interval — starts data is notoriously volatile.



Single-family housing starts in June were at a rate of 895,000, 0.2 percent (±10.2 percent)* below the revised May figure of 897,000. Multi-family (5+ units) starts were at 513,000 — this segment drove essentially all of the headline gain.

Multi-family units were overbuilt during and following the pandemic, but rents are now firming, encouraging builders to resume activity. Single-family builders remain hesitant, with permits hovering near multi-year lows. Mortgage rates remain a factor, as many homeowners who purchased before the post-pandemic rate spike are reluctant to move and take on a higher rate. The stagnant job market is also a factor: businesses are hiring and firing less frequently, leaving employees less mobile as a result.

Nonresidential spending is contracting as CHIPS Act-driven building booms fade.

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