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STATE OF THE INDUSTRY

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SUPPLY CHAIN | DEDICATED TRANSPORTATION | FLEET MANAGEMENT SOLUTIONS

SONAR



Stabilizing but still fragile

September 22, 2026 | 1 p.m. ET

Overview

The freight market responded to Labor Day as expected, with demand continuing to be somewhat underwhelming on the truckload side. There was some unexpected volatility in tender rejection rates following the holiday, which disproportionately affected reefer and flatbed but was fairly widespread in dry van as well. While it's unclear how significant this will prove to be, it's a reminder that the market remains fragile.

Import demand rebounded as records were broken at ports like Charleston. The Port of Long Beach hit its third-highest container throughput for August on record. Spot rates remain elevated on geopolitical and fuel pressure, while demand is steady but not overwhelming.

International container volumes are running at or above last year's pace, though last year's demand faded sharply after Labor Day. Domestic intermodal volumes are up nearly 9% y/y on cost savings versus truckload, but rising diesel costs—flagged by J.B. Hunt after a 10% stock drop—are pushing rates higher, with high-single-digit increases expected and spot rates already signaling mounting cost pressure.

The Fed raised rates a quarter point to 3.75%-4.00% on September 16, even as trade tensions with Canada escalate: retaliatory tariffs and a looming U.S. import ban on Canadian alcohol, dairy, and vehicles take effect September 29, while the USMCA review remains stalled.

Labor and manufacturing data stayed comparatively steady, with payrolls, transportation employment, and factory orders all posting gains despite trade

uncertainty. Consumer spending rebounded in August, but accelerating diesel and gasoline prices are squeezing household and carrier budgets alike, and sentiment fell sharply.

Macro indicators (y/y change)

Aug. industrial prod. change	+0.1% (+1.1%)
Aug. retail sales change	+0.2% (+6.7%)
Aug. U.S. Class 8 orders	31,751 (+294%)
Aug. U.S. trailer orders	6,777 (-31%)

Truckload indicators (y/y change)

Tender rejection rate	14.42% (+925 bps)
Average dry van spot rate ¹	\$3.42/mi (+48.6%)
LAX to DAL spot rate ²	\$3.42/mi (+54.8%)
CHI to ATL spot rate	\$3.73/mi (+44.6%)

Tender volumes (y/y change)

Atlanta	378.76 (+1.7%)
Dallas	299.55 (-0.9%)
Los Angeles	256.28 (-1.9%)
Chicago	255.98 (+4.7%)

Tender rejections (y/y change)

Atlanta	9.02% (+482 bps)
Dallas	10.98% (+718 bps)
Los Angeles	7.5% (+402 bps)
Chicago	14.76% (+992 bps)

Zach Strickland

Director of Market Intelligence

DJ Donahue

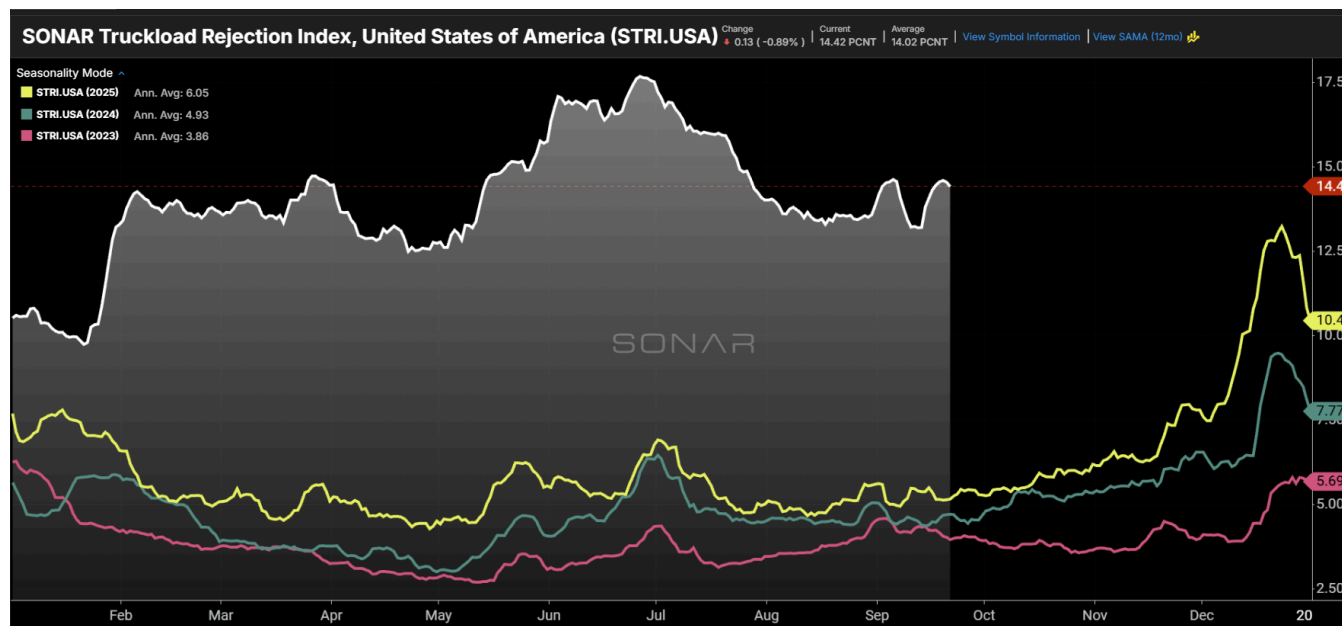
Lead Economist

¹ FreightWaves National Truckload Index

² FreightWaves TRAC spot rate

Truckload markets

The truckload market tightened seasonally, with both spot and rejection rates climbing to temporary peaks before subsiding. Labor Day is traditionally a milder seasonal tightener compared to the Fourth of July and Christmas, but during the COVID era it was the peak of the market. Those days appear to be in the rearview mirror, but the market is also showing that it is far from stable.

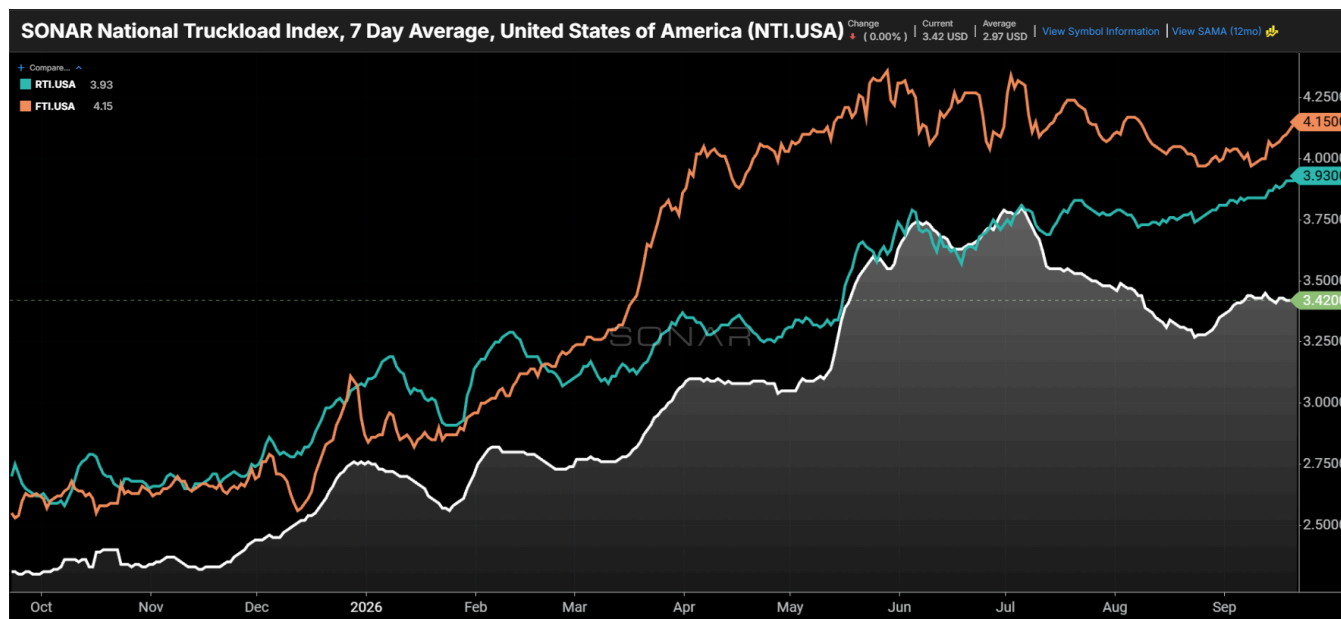


Source: SONAR Truckload Rejection Index: 2026 (white), 2025 (yellow), 2024 (blue) and 2023 (pink)

The SONAR Truckload Rejection Index (STRI) leveled off around 13.5% in August before jumping to 14.63% on September 5. The following week it fell back to trend at 13.2% and appeared to be resuming its softening until September 14, when it spiked unexpectedly. The most interesting part of this stretch came at the end, though limited historical data makes it difficult to fully analyze what it meant. Rejection rate increases were fairly widespread, but initially were driven by larger markets along the east and west coasts.

Regional rejection rates show that the recent jump is not isolated to a single market or region, but is fairly widespread. The lower-volume Northwest showed the most responsiveness, consistent with it being in the middle of harvest season. The high-volume Midwest has remained one of the most rejected regions over the past month and has shown some of the strongest resistance to declines. The mid-summer declines in rejection rates now appear to have been driven more by easing in the Southeast, Southwest, and West Coast — regions that are all fungible with intermodal usage. The Atlanta and Dallas markets showed some of the strongest growth rates in domestic container shipping by rail

over the past few months. The Northeast is not the softest region, but it is the most stable in terms of rejection rates.



Source: SONAR. National Truckload Index (white), Reefer Truckload Index (blue), Flatbed Truckload Index (orange).

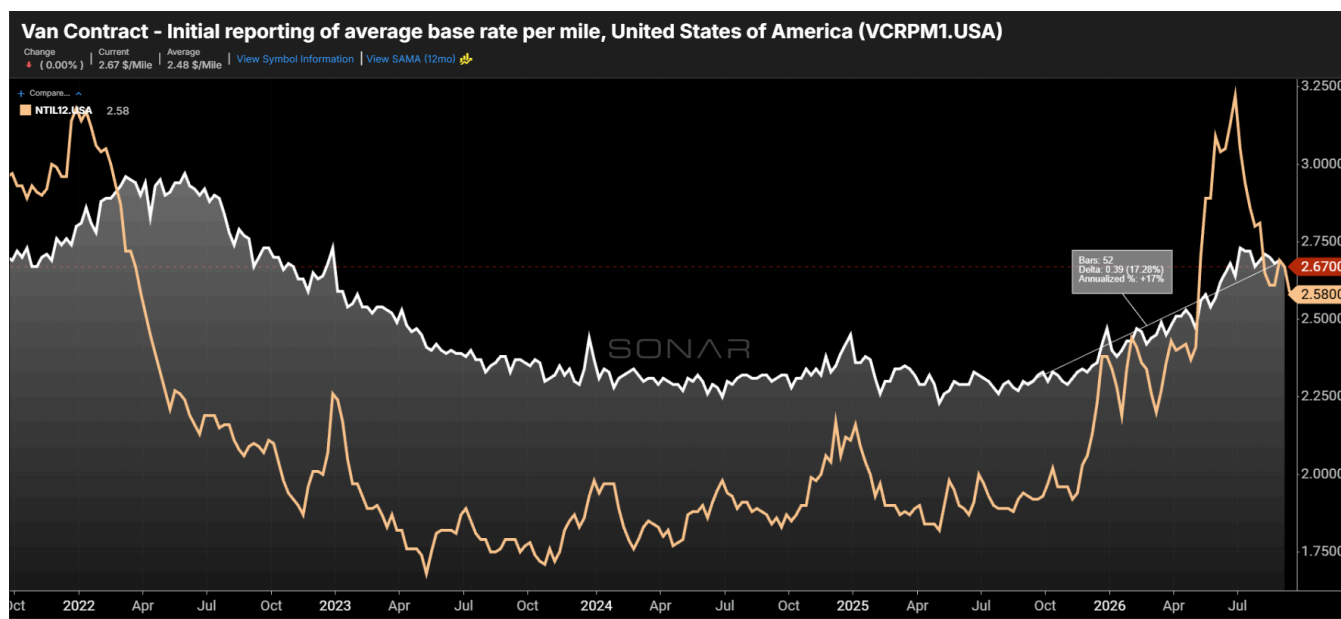
The National Truckload Index (NTI), which measures dry van spot rates including fuel, moved with the holiday period, showing decent reactivity — especially compared with the previous three years. The NTI increased roughly 5% over the holiday week before falling back. It should be noted that even though fuel is included and did increase during this period, that cost does not necessarily get passed along fully on the spot market. Also of note is the NTI's lagging relationship to tender rejections, as it has not yet had time to respond to the most recent jump in the STRI. Regardless of how that plays out, the read on the market from a capacity procurement standpoint is that it remains a fragile environment, easily disrupted. Relatively weak demand is offsetting a portion of the tightness. It seems safe to say that any surprises on the demand side would have a strong impact on rates.

Flatbed spot rates stabilized in August after receding slightly earlier in the month. Labor Day is not typically a strong seasonal moment for the sector, but the trend shows rates remaining elevated and much less responsive than earlier in the year. Flatbed rejection rates fell from May into early August before climbing higher over the past month. Rejections do a better job of reflecting a shift in this space, since spot rates are overwhelmingly influenced by AI investment spending. AI hyperscaler spending has shown very little sensitivity to cost, and transportation is a relatively small component of its total

spend. There has been a clear pullback in the flatbed space, likely due more to diminishing commercial construction investment outside of AI, an expiring CHIPS Act, and a weak housing market.

Both reefer spot and rejection rates continued their upward trajectories over the past month, as seasonally expected. Harvests have begun in many of the nation's northern areas, especially the Northwest. The RTI increased roughly 6% over the past month, including fuel. As with its dry van counterpart, spot rates aren't necessarily able to pass along input cost inflation unless the market allows it — so even if fuel costs rise, that doesn't translate immediately. The RTI increase should be viewed as consistent with a market that has tightened.

Contract rates level off



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

Contract rates (VCRPM1), which do not include fuel surcharges, stalled their climb over the past month and a half, leveling off around a 17% annual gain. Given that we reached this point much more quickly than expected, some stabilization is warranted while the market takes a breather. This index shouldn't simply be taken at face value as a measure of rate movement — it's more useful for inferring the value of long-term rates over time. Shippers or brokers that have not taken a rate increase over the past year are more exposed to the

higher end of rate increases this fall. For those that already have, that exposure is reduced, and will be much lower if spot and rejection rates continue to stabilize.

Since this invoice data is exposed to route-guide deterioration — the very thing tender rejections measure — it will rise as primary carriers fail to pick up freight and more expensive backup carriers take the loads. So this should be read more as an indicator of the current value of long-term truckload rates, one that can waver as rejection rates shift up or down.

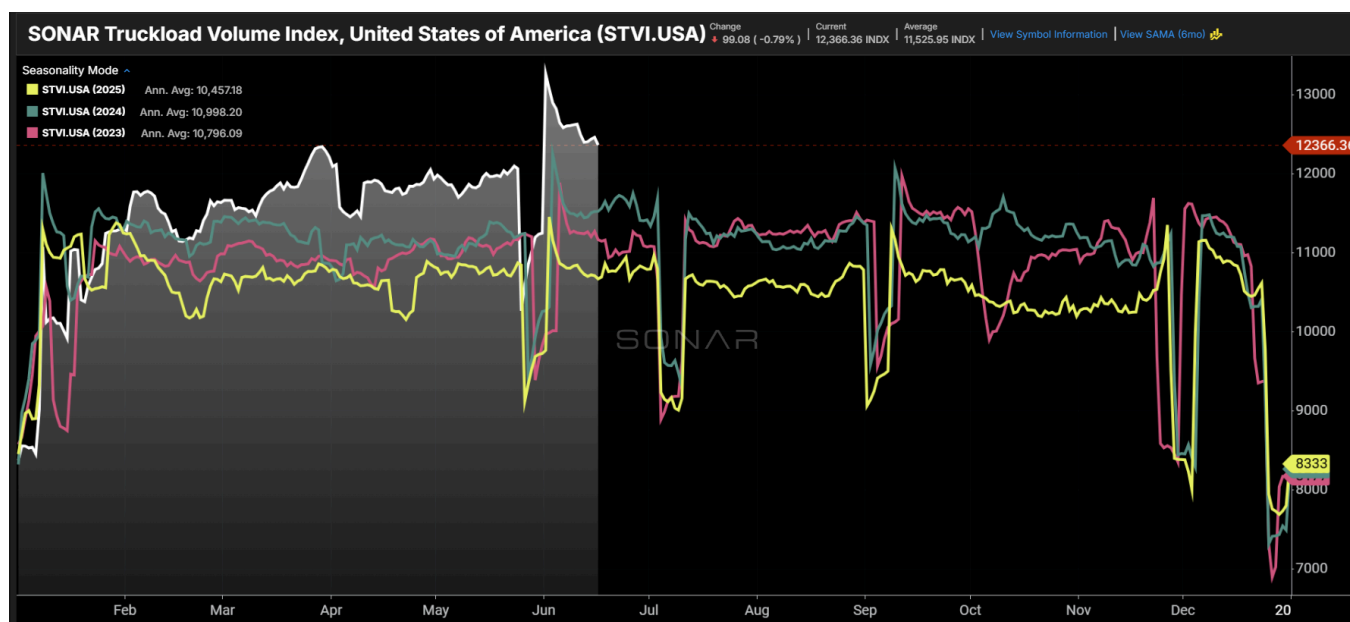


Chart: SONAR Truckload Volume Index: 2026 (white), 2025 (yellow), 2024 (blue) and 2023 (pink).

The SONAR Truckload Volume Index (STVI), which measures total tenders from shipper to carrier, was largely unimpressive throughout August and leading into Labor Day. After Labor Day, though, there was a strong initial surge suggesting some resurgence — though not long-lived enough to indicate the market had shifted. It is typical for demand to surge immediately following the holiday, but given the lackluster August, any signs of life are worth calling out.

Anyone monitoring surface transportation demand trends has to consider intermodal as part of the equation. Looking at accepted tender volumes (a low-end estimate of total truckload demand) and loaded rail container volumes, both were up annually after Labor Day. The same cannot be said for the week leading up to the holiday, when accepted volumes were 4% lower, international containers were flat, and domestic volumes were up 9%. It should also be noted that 2025 was a relatively weak demand year for trucking, which

makes that comparison a bit more telling. Many questions on the demand side of the freight market still loom as we approach the fourth quarter.

Fuel prices hit new highs

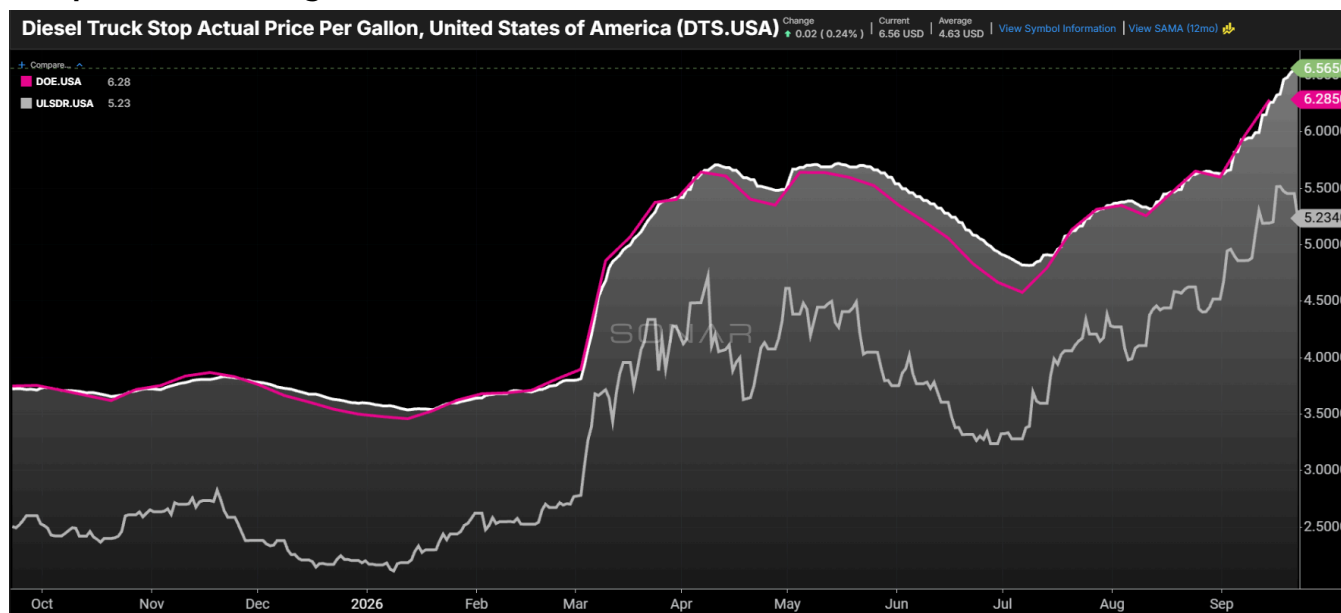
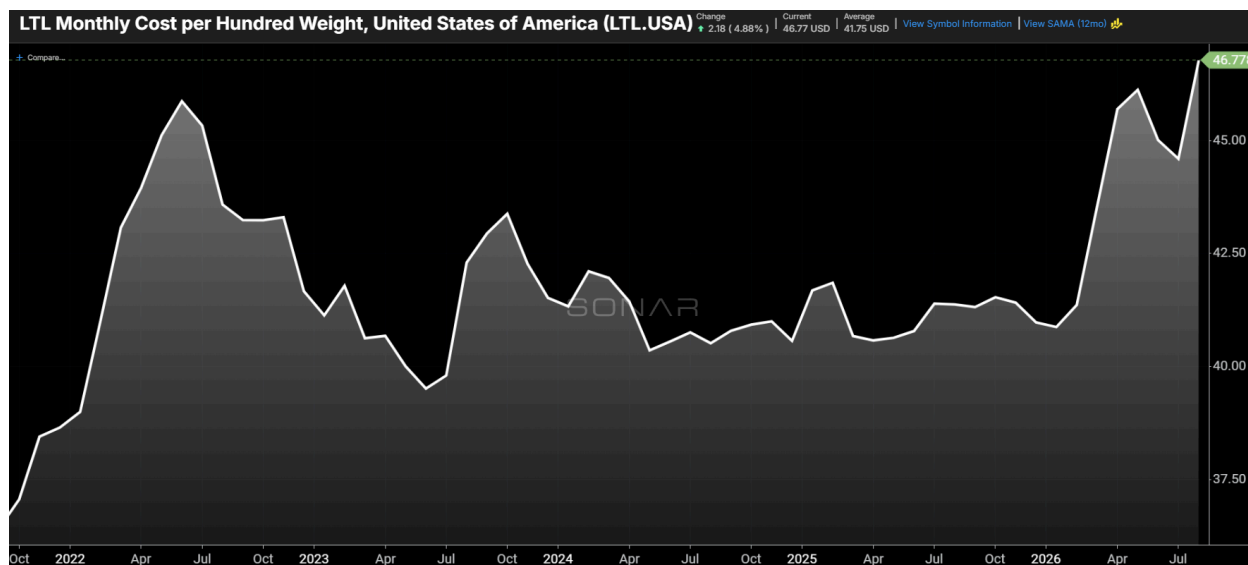


Chart: Diesel Truck Stop (DTS - white), DOE weekly ULSD price (pink), wholesale price ULSDR (grey)

Diesel costs are now at record levels, surpassing the highs set after Russia invaded Ukraine. While speculation drives most of the movement in oil prices, derivatives like diesel are more closely tethered to supply and demand imbalances. Diesel typically accounts for 20-25% of the total cost of operating a truck, but that percentage may be growing in the spot market, since rates have actually pulled back from their summer highs. The outlook for oil looks fairly grim, as there is no clear endpoint in sight for the war in Iran, the primary driver of oil price inflation. That doesn't necessarily mean there won't be one, but based on all available information, procurement teams and anyone building a budget should plan on elevated diesel costs for the foreseeable future.

LTL costs bounce back



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

The LTL monthly cost-per-hundredweight index (LTL.USA), which measures LTL linehaul rates plus fuel surcharge, showed a sharp spike in August, likely driven primarily by rising fuel prices. There's a strong case that many shippers have also increased usage, based on mid-quarter reports from the larger carriers. LTL is heavily influenced by the industrial sector, which has posted decent gains this year, but LTL's guaranteed capacity could also be a factor as shippers struggle to secure consistent truckload capacity. Under the surface, rates have been a mixed bag, with some carriers trading volume for yield and others pursuing the opposite strategy. LTL remains largely a market-share game between carriers, with some added demand potentially coming from modal conversion and industrial sector growth.

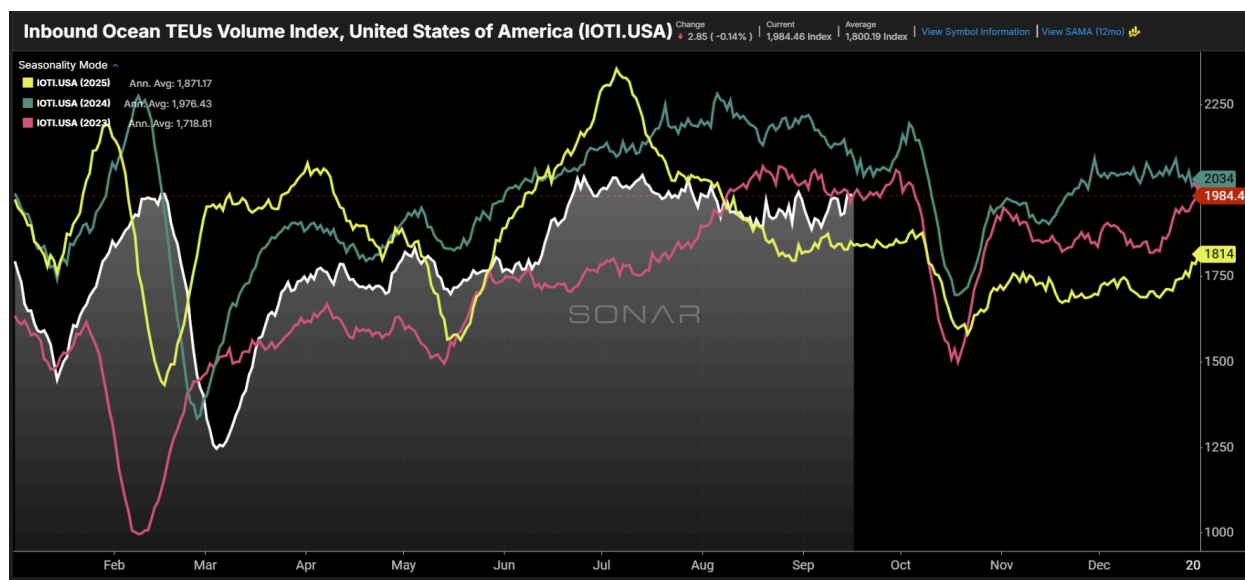
ArcBest posted accelerating tonnage growth (+9% y/y) on heavier average shipment weights and raised its Q3 asset-light operating income guidance to \$10–12 million from \$6–8 million (Sept. 9). XPO's August tonnage rose 3.7% y/y, keeping it on track for its mid-single-digit Q3 tonnage guidance. Saia's tonnage jumped 8.7% y/y on easier comps, though its two-year stacked growth actually decelerated, and its new terminals are running at lower margins than its legacy network, pressuring Q3 profitability. Old Dominion showed the opposite pattern — tonnage stayed slightly negative (-0.9% y/y), but revenue per hundredweight accelerated to +12.4% y/y, reflecting a pricing-over-volume strategy.

Maritime

Continued strength, rate resilience

The maritime sector is the most exposed to the geopolitical chaos of an increasingly protectionist world and the Iranian War, but the end result has been somewhat

underwhelming. Container bookings and spot rates for loads entering the U.S. were stable, though elevated, throughout August and into early September.

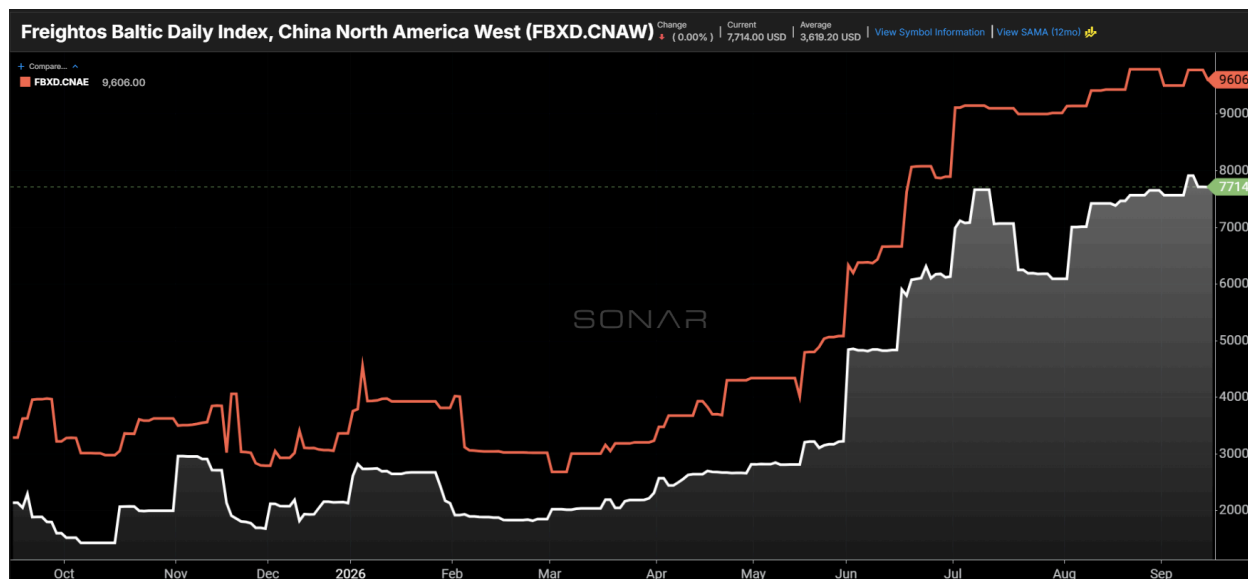


Source: SONAR. The Inbound Ocean TEU Volume Index, a measure of ocean demand taken at the point of overseas origin for 2026 (white), 2025 (yellow), 2024 (green), and 2023 (pink).

The Inbound Ocean TEU Volume Index (IOTI) measures ordering activity on a 14-day moving average and leads customs activity by a few weeks. The IOTI increased approximately 4% from mid-August to mid-September. While this is a mild movement in the context of the index's history, it runs counter to seasonal expectations. Late August is traditionally the end of import peak season. This year's "peak" has been more moderate but elongated, as shippers appear to be managing rising inventory costs by ordering just enough to get by. This is supported by the Logistics Managers' Index inventory levels figure of 52 in August — a reading above 50 indicates inventory levels increasing faster than the replenishment rate.

This suggests that shippers have become very good at managing inventory, or possibly that demand simply hasn't moved meaningfully in one direction or the other — both can be true. While the late May/early June increase suggested a pull-forward environment, it now looks more like a fluid just-in-time cycle than a preemptive ordering strategy. The result was the third-highest monthly volume for August on record. August container levels were 3.3% higher than last year and 21.5% higher than pre-pandemic 2019 levels. The port complexes of New York/New Jersey recorded some of the strongest monthly gains, up 7.2% over July, while Savannah was up 9.2%. Of the top 10 ports, Oakland posted the only meaningful decline, down 7.4%. Los Angeles was off 0.4%, but Long Beach offset this and then some with a 2.8% gain.

The Panama Canal postponed its planned draft restriction of 47.5 feet to October 1, citing new lake data and national security concerns. The Canal Authority may be getting caught up in the broader geopolitics, given its importance to trade and seafaring.



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

Container spot rates barely moved over the course of the month. Rates from China to the North American East Coast went from roughly \$9,432 in mid-August to roughly \$9,606 in mid-September. Rates to the West Coast increased from roughly \$7,422 to \$7,714. Fuel costs and the geopolitical issues noted above are the main factors cited, along with some demand pressure — though the demand argument is harder to reconcile, since it remains muted compared to other years with similar pressure, at least proportionally.

Intermodal/Rail

Cost headwinds

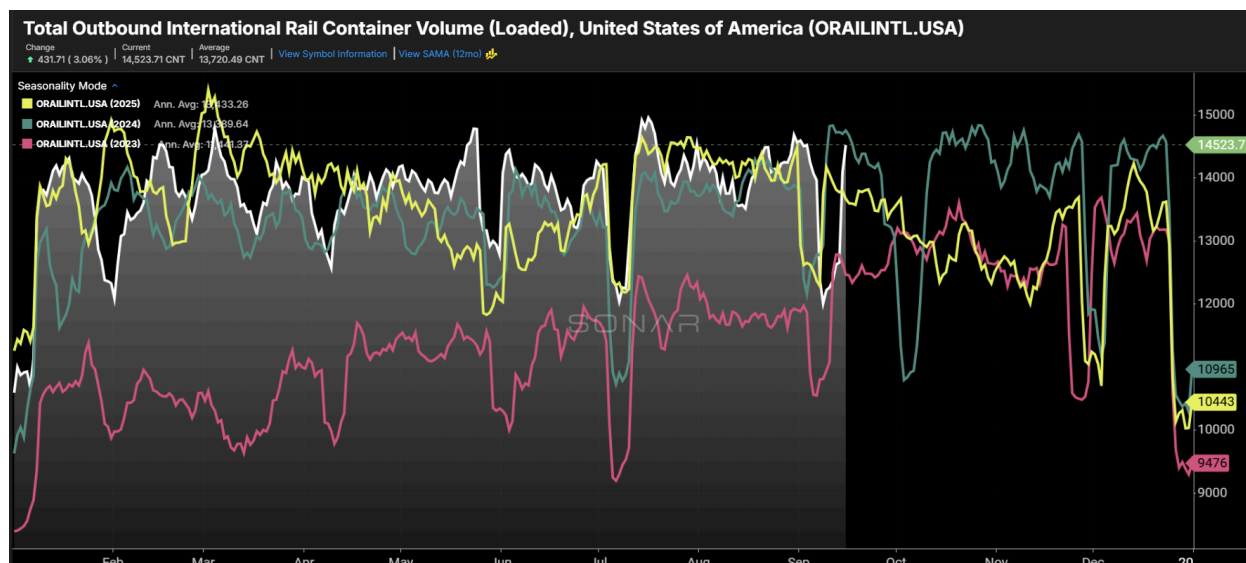


Chart: SONAR. Loaded international intermodal container volumes for 2026 (white), 2025 (yellow), 2024 (green), and 2023 (pink).

International container volumes improved in the second half of the year, moving at or slightly above the previous year's levels through much of the past month. For context, last year ran fairly hot after a record-breaking June from an import perspective, before those volumes softened dramatically after Labor Day. If that relationship with import demand holds, we should continue to see elevated levels of international containers into October.

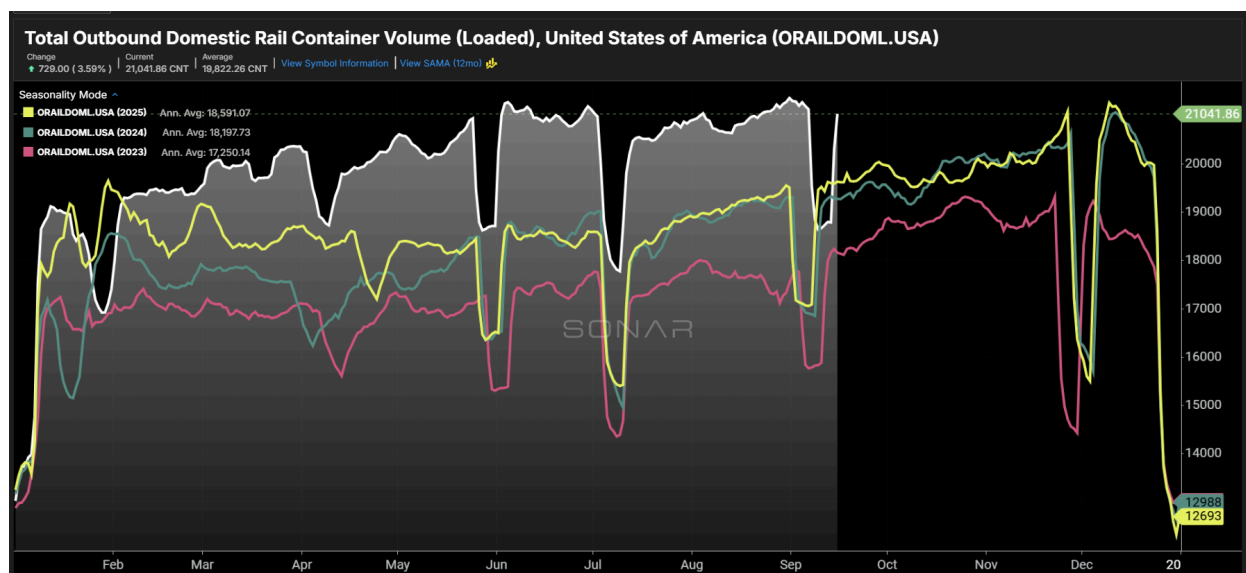


Chart: SONAR. Loaded domestic intermodal container volumes for 2026 (white), 2025 (yellow), 2024 (green), and 2023 (pink).

Domestic container volumes continued to outpace last year by a hefty margin, averaging nearly 9% higher y/y from mid-August to mid-September. Domestic volumes are benefiting

from significant cost savings compared to truckload, along with increased order lead times. Warehousing costs are also elevated, and while warehousing isn't a direct competitor to intermodal, rail's slightly slower transit times can be an advantage when timed properly to keep freight out of storage facilities or intermediate stop-offs. J.B. Hunt flagged significant headwinds from the cost of diesel, which sent its stock down 10% in mid-September. The carrier, which operates one of the nation's largest domestic intermodal networks, rarely gives guidance at this level. There are two key takeaways: one, that rates are likely to increase for the shipping community; and two, that there may be some demand-side erosion given the tremendous cost pressure on end users and businesses.

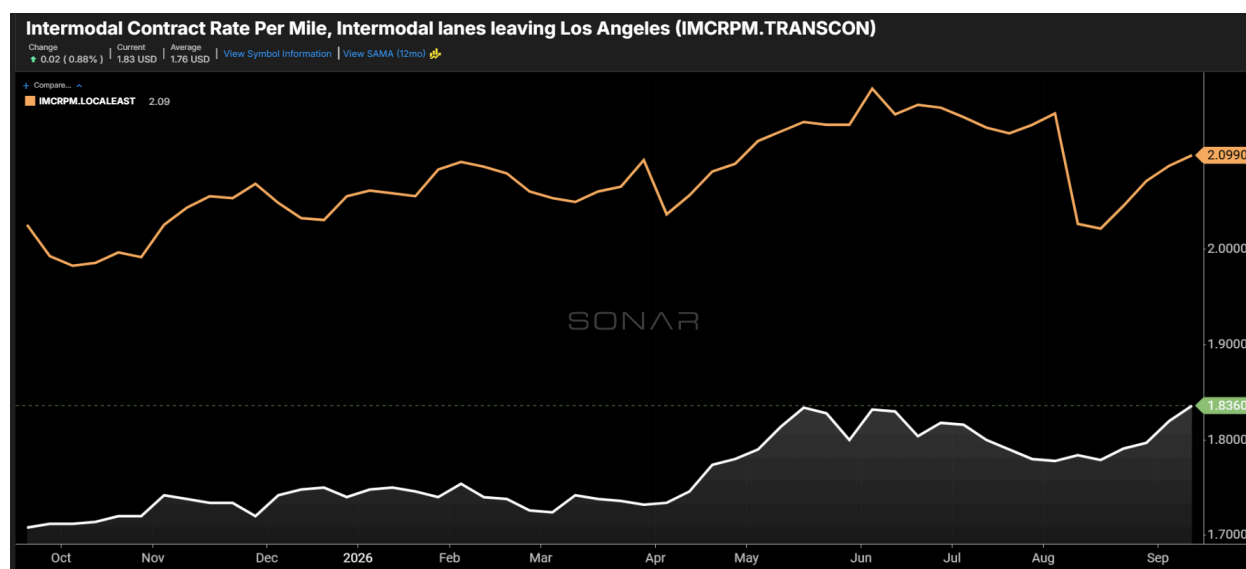


Chart: FreightWaves SONAR. Average domestic intermodal contract rates for an average of five long-haul transcontinental lanes (white) and nine "local east" lanes (yellow). Rates include fuel surcharges, but exclude all other accessorial.

Rates are facing more upward pressure, especially on the transcontinental lanes. Fuel is a major component of this, but the savings compared to truckload still overwhelmingly favor rail. There's no evidence of a strong structural shift in the transportation cost picture, but most new rates go into effect over the next few months. Many expect high-single-digit increases, though fuel costs could shift what actually happens, as railroads weigh how rising fuel surcharges might affect volumes.

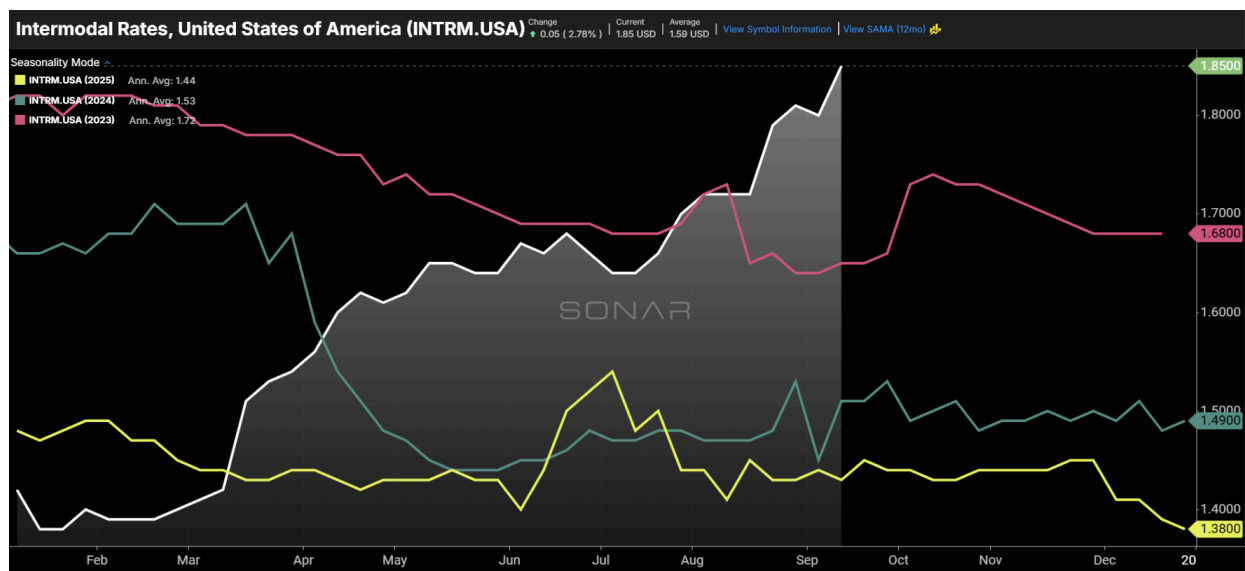
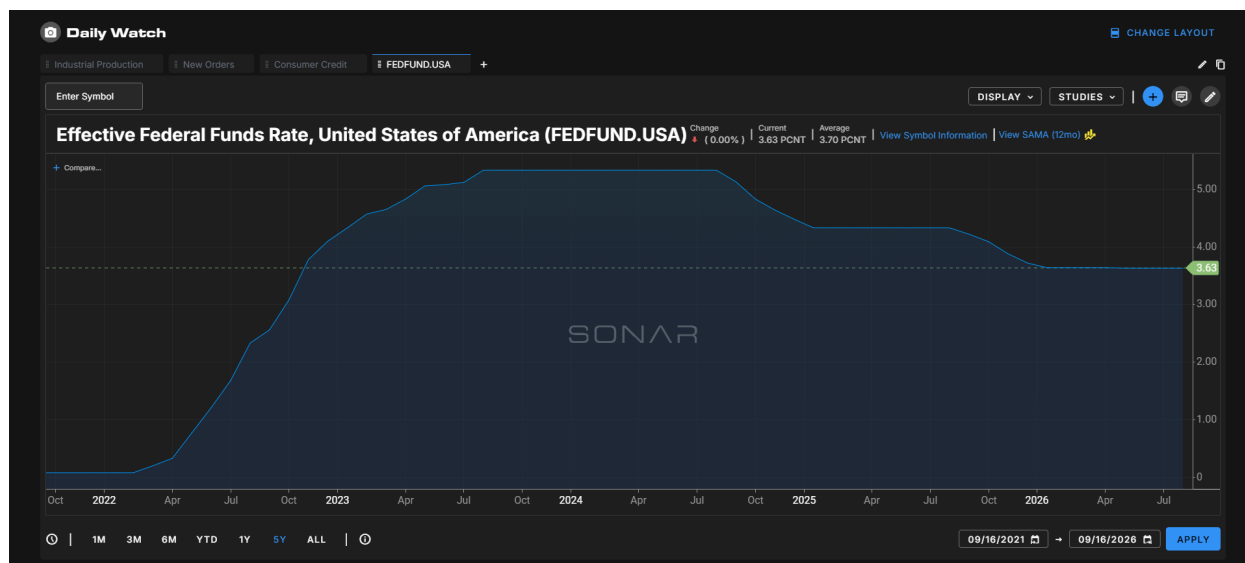


Chart: SONAR. Average intermodal spot rates to move 53-foot containers door to door, including fuel surcharges for 2026 (white), 2025 (yellow), 2024 (green), and 2023 (pink).

Intermodal spot rates (INTRM), which represent a very small share of intermodal freight, suggest a significant amount of cost pressure building within the sector leading into and following Labor Day as peak container shipping season begins. These rates include fuel, so it's hard to isolate how much of this is demand-driven, but the end result supports J.B. Hunt's mid-September warning about cost pressure headwinds in the sector.

Macro Trends and Other Events We're Watching

The Federal Open Market Committee raised the target range for the federal funds rate by a quarter percentage point, to 3.75% - 4.00%, on September 16, in a 12-0 vote. The Committee's statement characterized economic activity as expanding at a solid pace, citing resilient domestic spending, strong productivity growth, and robust capital investment, and noted that job gains have kept pace with the workforce while the unemployment rate has changed little. The Committee described inflation as elevated and said the rate increase would support a "timelier return" to its stated 2% goal, measured by PCE. A higher policy rate raises the marginal cost of carrying inventory, financing equipment, and floating receivables, a modest but direct cost pressure on capital-intensive carriers and equipment lessors across the freight sector.



SONAR Tickers: FEDFUND.USA

Trade tensions between the United States and Canada remained elevated following the collapse of bilateral trade talks in late August. Canada's Department of Finance imposed retaliatory tariffs of 15%, 25%, and 50% on roughly C\$27.6 billion in U.S. imports effective September 8, in response to the 50% tariffs the United States placed on a broad range of Canadian products under Proclamation 11048, effective August 22. On September 8, POTUS signed Proclamation 11063, invoking Section 338 of the Tariff Act of 1930, which converts certain of those tariffed Canadian products, specifically alcoholic beverages, dairy products, and motor vehicle products, from a 50% duty to an outright import ban, effective September 29 at 12:01 a.m. Eastern time; goods imported before that date remain subject to the 50% duty rather than the ban. The administration also modified the underlying tariff list effective September 15, removing rock salt and cement while adding all-terrain vehicles and additional dairy products. It should be noted that Canadian imports of the products banned comprise a relatively small portion of the U.S. markets. The largest overall net-imported category, spirits, is primarily composed of Canadian whiskies, liqueurs, and cordials.

Banned Good	2025 Canadian Imports Value (Million USD)	2025 US Market Size (Million USD)	Can Imp % of US Mkt Size	US 2025 FAS Trade Balance (Million USD)
Beer	19.2	35,900	0.05%	-2.6
Molasses	0.8	8,980	0.01%	11.3
Motorcycles >800cc	80.6	6,100	1.32%	39.1

Non-Alcoholic Beer	4.8	583	0.83%	-2.2
Spirits	673	36,410	1.85%	-495.7
Whey/Dairy	34.9	1,800	1.94%	33.6
Wine	62.1	13,480	0.46%	41.8

Import and Trade Balance Data Source: USITC DataWeb

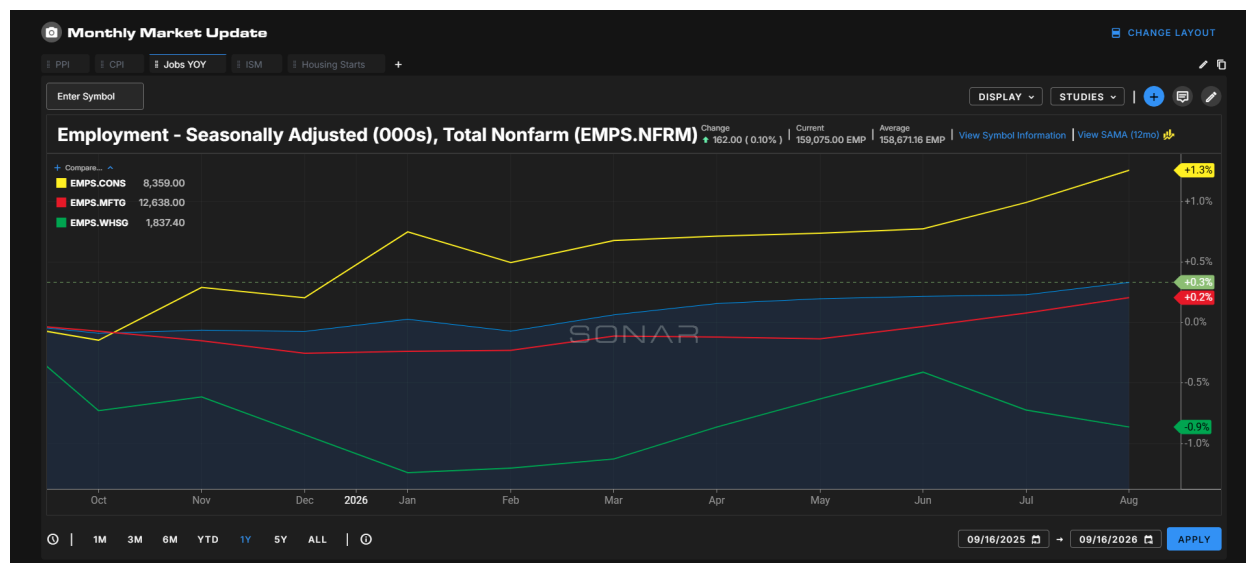
U.S. Market Size Data Sources: Mordor Intelligence, Distilled Spirits Council of U.S., Grand View Research, Brewers Assoc.

Import prices, a direct read on tariff cost pass-through, rose 0.7% in August following a 0.3% decline in July, and were up 7.0% over the twelve months ended August, the largest year-over-year increase since 2022, according to BLS's Import and Export Price Indexes release published September 16; nonfuel import prices, which strip out the volatile petroleum and natural gas categories, were up 5.5% over the same twelve months, also the largest such increase since 2022. Export prices rose 0.6% in August and were up 8.6% over the twelve months ended August. For carriers moving cross-border traffic through Great Lakes, Northeast, and Pacific Northwest gateways, the shift from tariff to outright prohibition on entire product categories is a more disruptive supply-chain event than a duty increase, since banned goods cannot move at any price after the effective date, and rerouting or resourcing of affected freight lanes will likely begin ahead of the September 29 deadline.

Separately, the United States and Mexico held a fourth round of talks in early September as part of the mandatory 2026 joint review of the United States-Mexico-Canada Agreement. The two governments remain apart on several core issues, including Washington's push for a 50% U.S.-made content requirement for vehicles to qualify for preferential USMCA access, the existing 40% labor value content rule requiring a \$16-per-hour wage floor, Section 232 duties of 25% on autos and 50% on steel and aluminum, and U.S. and Canadian demands for nondiscriminatory access to Mexico's electricity market. The original July 1 deadline for concluding the review passed without resolution, and no date has been set for a fifth round. Because USMCA preferential treatment underpins a substantial share of cross-border truckload freight moving through Laredo, El Paso, and other Mexican border crossings, continued uncertainty over automotive content rules is likely to keep shippers and carriers cautious about long-term lane commitments in cross-border automotive freight until the review concludes.

The Bureau of Labor Statistics reported that total nonfarm payroll employment rose by 162,000 in August (+0.10% of the July employment base), following a July gain of 21,000 (+0.01%), itself revised up from an initially reported decline of 23,000. Combined, employment in June and July was revised 55,000 higher than previously reported, with June revised up 11,000 and July revised up 44,000. Within the industry detail,

manufacturing employment rose to 12,638,000 in August from 12,622,000 in July, a gain of 16,000 jobs (+0.13%), while transportation and warehousing employment rose to 6,606,300 from 6,601,300, a gain of 5,000 jobs (+0.08%). For a freight-dependent economy, sustained, if modest, growth in transportation and warehousing payrolls alongside upward revisions to the two prior months suggests carrier and warehouse hiring has not stalled despite the trade uncertainty described above.



SONAR Tickers: EMPS.NFRM, EMPS.MFTG, EMPS.WHSG, EMPS.CON

The unemployment rate held at 4.1% in August, unchanged from July, while the labor force participation rate rose to 61.6% from 61.4%. The number of persons marginally attached to the labor force, meaning those who wanted and were available for work and had looked within the past year but not the past four weeks, fell to 1.7 million in August from 1.8 million in July, a decline of roughly 100,000. Discouraged workers, a subset of the marginally attached who had stopped looking specifically because they believed no jobs were available to them, fell to 441,000 from 476,000, a decline of 35,000, or about 7.4%. BLS itself characterized both August changes as "little changed" relative to this series' typical month-to-month volatility, but the reported declines provide useful context for the unchanged headline unemployment rate: fewer workers on the margins of the labor force withdrew from active job search in August than in July. For the freight labor market specifically, a stable unemployment rate combined with continued transportation and warehousing payroll growth suggests carriers are not yet competing for drivers and warehouse staff against a deteriorating broader labor market.

Taken together, trade policy remains the dominant source of near-term uncertainty for freight, even as the FOMC removed one source of ambiguity by raising rates a quarter point on September 16. Tariff and counter-tariff actions against Canada are shifting from cost increases toward outright market access restrictions on specific product categories, import

prices are rising at their fastest twelve-month pace since 2022, and the USMCA joint review remains unresolved past its original deadline. Against that backdrop, the labor market data are comparatively steady, with nonfarm, manufacturing, and transportation and warehousing payrolls all posting gains and the unemployment rate holding flat. That steadiness is a modest positive for freight demand, but it will not by itself offset the disruption an outright ban on entire Canadian product categories, or a higher cost of capital following the rate increase, could bring to affected lanes.

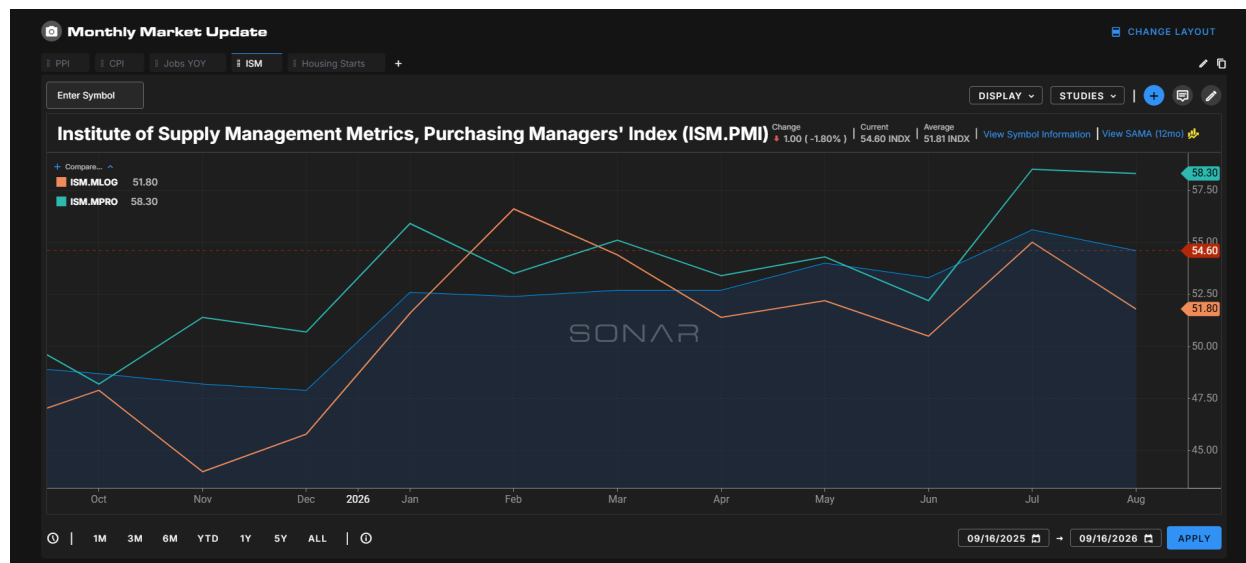
Manufacturing

New orders for manufactured goods rose 0.9%, or \$5.8 billion, to \$663.6 billion in July, according to the Census Bureau's Full Report on Manufacturers' Shipments, Inventories, and Orders, released September 2, the most recent data available. That followed a 0.2% decline to \$657.8 billion in June. Within the July total, new orders for transportation equipment rose 2.3% to \$116.2 billion from \$113.6 billion, the largest dollar gain among major industry categories. Transportation equipment orders serve as a leading indicator of truck, trailer, and railcar production schedules, and the July increase points to steadier near-term equipment-related freight movement even as the broader factory orders series has been uneven month to month.

The Census Bureau's Advance Report on Durable Goods, released August 26, showed new orders for durable goods increasing 1.1%, or \$3.6 billion, to \$339.3 billion in July, building on a revised 0.5% gain in June. Durable goods orders capture long-lived manufactured equipment, including machinery, computers, and transportation equipment, much of which moves via flatbed, heavy-haul, or intermodal freight, and two consecutive monthly increases suggest modest but sustained demand for the equipment-related freight tied to this category.

The Federal Reserve Bank of New York's Empire State Manufacturing Survey, covering responses collected September 2-10, showed the General Business Conditions Index falling to 7.6 in September from 20.6 in August, a decline of 13.0 points, though the index remained in positive territory. New orders fell to 2.0 from 17.3, and shipments fell to -3.2 from 11.7, while prices paid rose to 63.1 from 58.6, edging above the survey's four-year high, and prices received rose to 28.1 from 22.7. The employment index was little changed at 10.6 in September from 9.3 in August, and the average workweek index rose sharply to 17.0 from 6.9, its highest reading in roughly five years. The survey's six-month-ahead outlook eased to 29.0 from 32.1. NY Fed economic research advisor Richard Deitz noted that, on the heels of strong growth in August, New York State manufacturing activity continued to pick up modestly in September, with employment growing at a solid pace while pricing pressures intensified. The combination of slowing new orders and shipments alongside a longer average workweek and rising input costs suggests New York-area manufacturers are managing current volumes with existing staff rather than expanding capacity, a pattern that points to steady, rather than growing, near-term freight demand from the region.

The Institute for Supply Management's Manufacturing PMI registered 54.6% in August, down from 55.6% in July, marking the eighth consecutive month the index has signaled expansion following a ten-month contraction period. The New Orders Index eased to 53.7% in August from 56.7% in July, while the Supplier Deliveries Index rose to 59.3%, indicating slower supplier delivery performance for a ninth consecutive month. Slower supplier deliveries alongside continued, if decelerating, order growth suggest freight networks are still absorbing manufacturing demand without significant slack, a combination that has historically supported truckload utilization even as growth moderates.



SONAR Tickers: ISM.PMI, ISM.MPRO, ISM.MLOG

The Federal Reserve Bank of Dallas's Texas Manufacturing Outlook Survey showed its general business activity index climbing to 11.6 in August from 1.3 in July, in the survey's most recent release, published August 31. The production index rose to 16.1 from 10.1, and the new orders index increased to 22.0 from 6.4, over the same period. The September survey had not yet been released as of this writing. Because Texas anchors Gulf Coast port traffic, Permian Basin activity, and cross-border trade through Laredo, the acceleration in Texas factory output and new orders is directly relevant to truckload and cross-border freight volumes moving through the state's freight corridors.

The Federal Reserve's G.17 Industrial Production and Capacity Utilization release, published August 18 and the most recent available as of this writing (the August edition had not yet posted), showed total industrial production rising 0.2% in July, following a 0.3% gain in June, and up 1.1% from a year earlier. Manufacturing output also rose 0.2% in July after a 0.3% June gain, with manufacturing output excluding motor vehicles and parts up a stronger 0.4%; durable goods manufacturing rose 0.7%, business equipment output rose 0.8%, and construction supplies output rose 0.8%, while consumer goods production fell 0.4%, on a 1.4% drop in durable consumer goods. Motor vehicles and parts production fell 2.1% in July,

the sharpest decline among major durable-goods categories. Capacity utilization for total industry edged up to 76.3% in July from 76.2% in June, still 3.1 percentage points below its 1972–2025 long-run average; manufacturing capacity utilization rose to 76.0% from 75.9%, 2.2 points below its long-run average. Broad-based growth in business equipment and construction supplies output, alongside a sharp pullback in motor vehicle production specifically, suggests freight tied to industrial and construction inputs is expanding even as auto-sector freight faces a near-term headwind from the motor vehicle production decline.

Taken together, national and regional manufacturing indicators describe an industrial base still expanding but decelerating on several fronts. Factory orders and durable goods orders both posted gains in July, and ISM's national index remained in expansion territory in August despite cooling new orders and slower supplier deliveries. Regionally, Texas manufacturing accelerated sharply in August, while New York's Empire State survey showed conditions softening from a strong August reading even as employment and hours worked increased. Industrial production data, the most recent available covering July, showed broad-based growth outside the motor vehicle sector, consistent with the equipment and construction-related order strength seen elsewhere in this section. Collectively, the available data point to a manufacturing sector generating steady, if uneven, order and equipment-related freight volume, with the Texas-New York regional divergence and the motor-vehicle-specific production decline standing out as the clearest soft spots.

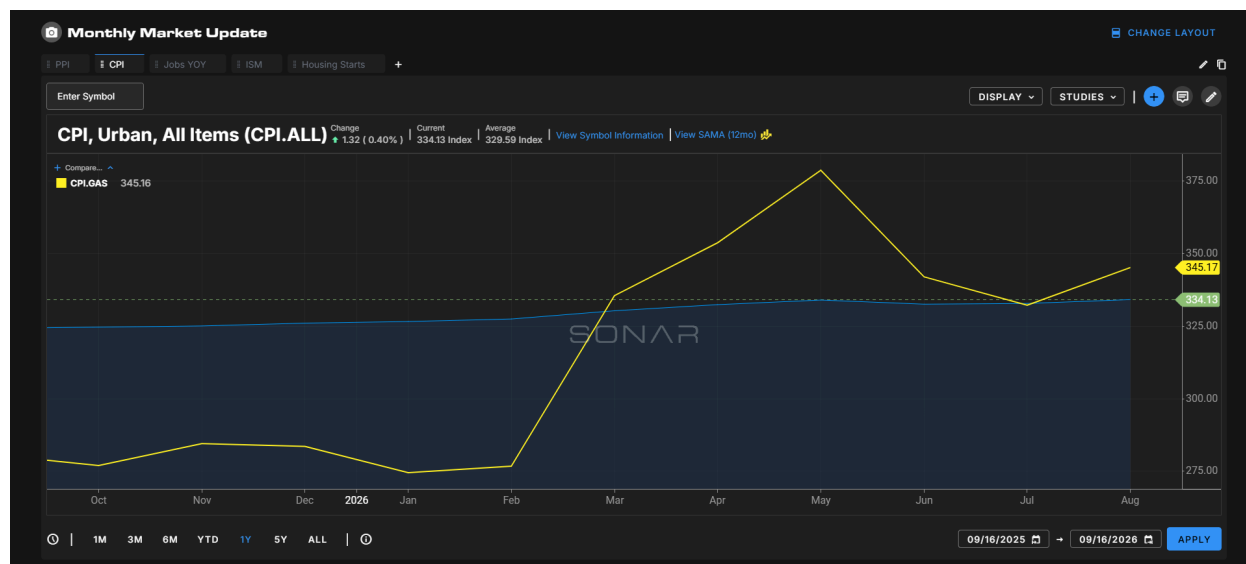
Consumer and Retail

The Census Bureau's Advance Monthly Retail Trade and Food Services report for August, released September 16, showed retail and food services sales rising 1.2%, seasonally adjusted, to \$773.9 billion, following a downwardly revised 0.5% decline in July to \$764.5 billion; sales excluding motor vehicles and parts rose 1.4%, and sales excluding both motor vehicles and gasoline stations rose 1.2%. Total sales were up 6.0% from August 2025. Sales at building material and garden equipment and supplies dealers fell 0.2%, seasonally adjusted, to \$42,227 million in August, following a 0.1% decline in July to \$42,318 million, though the category remained up 5.1% from a year earlier. A broad-based August rebound in general retail sales, alongside a second straight monthly decline in the building-materials category specifically, suggests general consumer-goods freight volumes strengthened into August even as the freight tied to construction and home-improvement retail continued to soften, consistent with the housing data described below.

The Federal Reserve's G.19 Consumer Credit release, published September 8, showed total consumer credit growing at a seasonally adjusted annual rate of 4.2% in July, up from 3.4% in June, with the outstanding balance rising to \$5,186.2 billion from \$5,168.1 billion. Revolving credit, mainly credit card balances, grew 2.5% in July after 6.0% in June, reaching \$1,357.2 billion outstanding, up from \$1,354.4 billion. Nonrevolving credit, comprising auto loans and other installment debt and excluding real-estate-secured borrowing, grew 4.8% in July after 2.5% in June, with balances rising to \$3,829.0 billion from \$3,813.7 billion. The G.19's quarterly

Terms of Credit Card Plans table puts the average rate on accounts assessed interest at 22.15% for the second quarter of 2026; third-quarter figures, covering a period that does not close until September 30, have not yet been published. Nonrevolving credit's July acceleration is consistent with continued household financing of vehicle and durable-goods purchases, a signal that supports steady, rather than deteriorating, freight demand tied to auto shipments and home-goods movement.

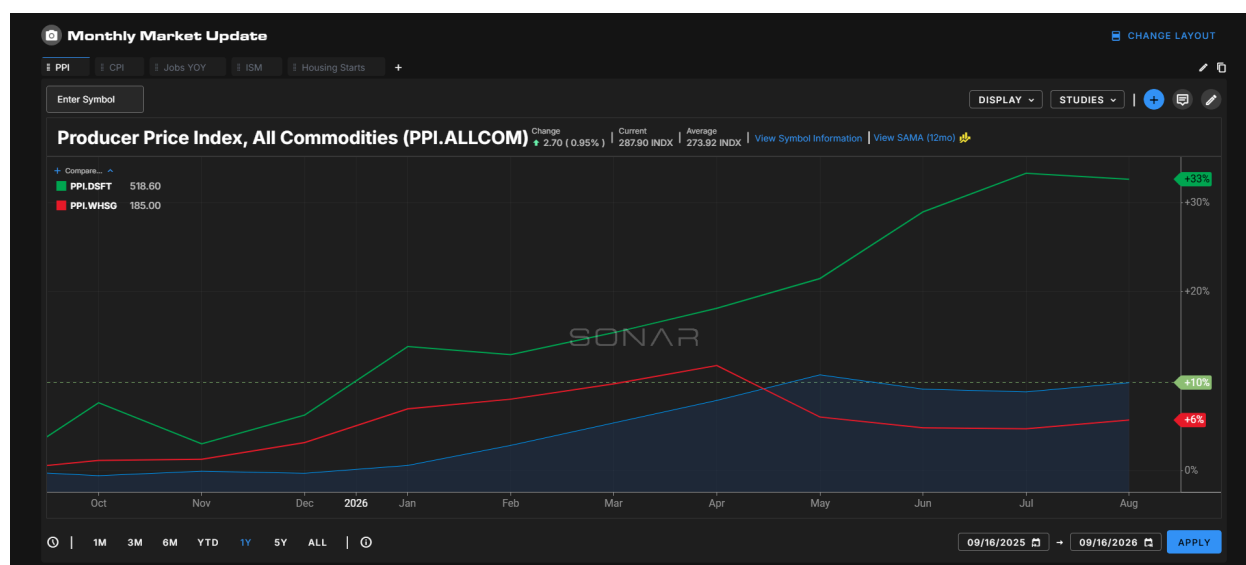
The Bureau of Labor Statistics' Consumer Price Index release for August, published September 11, showed the CPI-U index for all urban consumers rising 0.4% on a seasonally adjusted basis, following a 0.1% rise in July, with the unadjusted index level at 334.980, up from 333.918. The all-items index was up 3.4% over the twelve months ended August, matching the 3.4% twelve-month increase reported for July. The gasoline index rose 3.9% on a seasonally adjusted basis in August, after falling 2.9% in July; over the twelve months ended August, gasoline was up 27.4%, compared with a 24.6% twelve-month gain reported in July. Money spent at the pump is money unavailable for other retail purchases, and the accelerating gasoline index points to tightening discretionary purchasing capacity, a constraint on the consumer-goods demand that underlies truckload and less-than-truckload freight volumes.



[SONAR Tickers: CPI.ALL, CPI.GAS](#)

The Bureau of Labor Statistics' Producer Price Index release for August, published September 10, showed the not-seasonally-adjusted price index for water transportation of freight up 16.7% over the twelve months ended August, with the seasonally adjusted index unchanged from July to August after a 1.2% rise from June to July. The index for warehousing, storage, and related services rose 4.0% unadjusted over the same twelve-month period, with the seasonally adjusted index up 0.6% from July to August, reversing a 0.1% decline the month before. Both series are drawn from BLS Table 2, within

the transportation and warehousing services for intermediate demand category, which posted an aggregate unadjusted twelve-month increase of 9.2%. The release attributed over a third of August's increase in the broader final-demand goods index to a 24.1% jump in diesel fuel prices, and BLS's intermediate-demand tables show the No. 2 diesel fuel index up 77.8% unadjusted over the twelve months ended August, after a 24.1% seasonally adjusted increase from July to August alone, reversing declines of 17.8% and 5.0% in the two prior months. The EIA's Gasoline and Diesel Fuel Update, released September 15, put the U.S. average retail diesel price at \$6.285 per gallon for the week ending September 14, up 5.3% from the prior week's \$5.967 and up 68.1% from \$3.739 a year earlier; the U.S. average retail gasoline price stood at \$4.319 per gallon for the same week, up 3.9% from the prior week's \$4.157 and up 36.3% from \$3.168 a year earlier. Diesel's week-over-week acceleration outpacing gasoline's, on top of the PPI's July–August seasonally adjusted jump, suggests intermediate-demand pricing pressure in the freight sector is currently concentrated in fuel costs rather than broad-based rate increases, and the scale of the diesel move has direct implications for carrier operating costs and, by extension, freight rates industry-wide.



[SONAR Tickers: PPI.ALLCOM, PPI.WHSG, PPI.DSFT](#)

The University of Michigan Surveys of Consumers' preliminary reading for September put the Index of Consumer Sentiment at 47.8, down from the final August reading of 51.7. The September preliminary figure included a Current Economic Conditions index of 50.9 and an Index of Consumer Expectations of 45.8, with survey director Joanne Hsu noting that year-ahead inflation expectations rose to 4.6% from 4.0% and long-run inflation expectations rose to 3.4%. Declining sentiment alongside rising inflation expectations signals reduced consumer willingness to spend on discretionary goods, a headwind for the retail and consumer-goods volumes that feed truckload and parcel freight demand.

Taken together, the consumer-economy data describe a household sector that increased overall retail spending in August, per the broad-based sales rebound, while continuing to finance vehicle and durable-goods purchases through nonrevolving credit, against a backdrop of sharply accelerating diesel and gasoline prices and a sharp drop in consumer sentiment. Rising fuel costs at both the producer and consumer level point in one direction: a growing share of household and carrier budgets is being absorbed by fuel, a constraint the August retail rebound has so far absorbed but that the sentiment data suggest may not persist. Building-materials retail sales moved opposite the broader retail total, reinforcing the softness already evident in the housing data below.

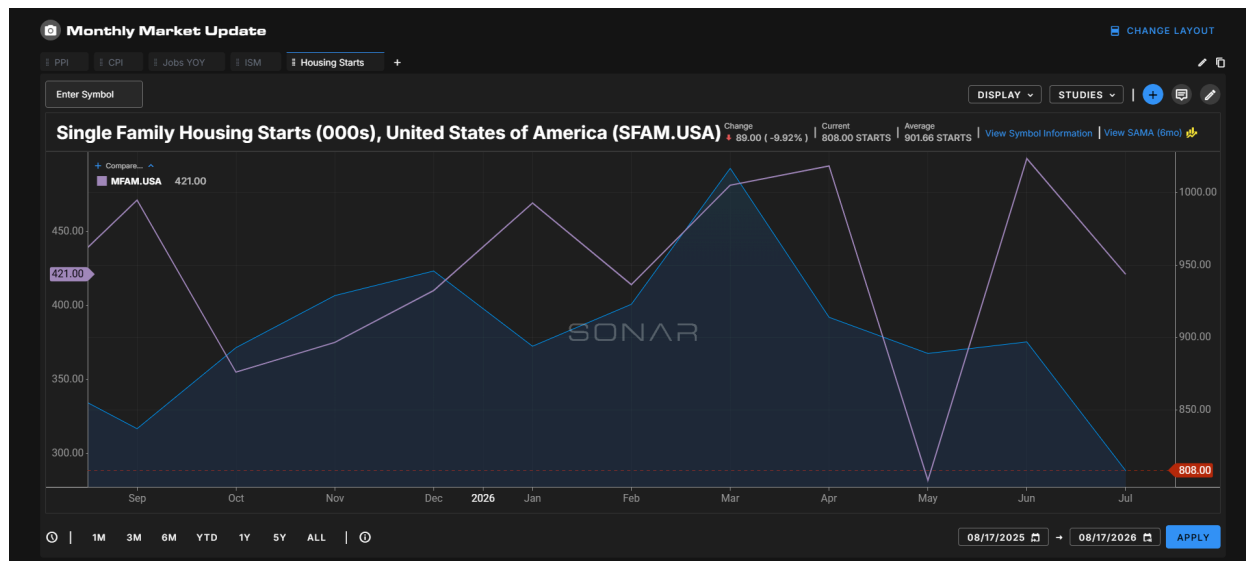
Construction and Housing

Freddie Mac's Primary Mortgage Market Survey put the average rate on a 30-year fixed-rate mortgage at 6.76% for the week ending September 10, up from 6.71% the prior week and above the 6.35% recorded a year earlier. The Census Bureau's Housing Vacancies and Homeownership survey put the national homeownership rate at 65.0% in the second quarter of 2026, down from 65.3% in the first quarter and unchanged from the second quarter of 2025. Elevated borrowing costs and a flat homeownership rate continue to constrain the pool of moving-related household goods freight generated by home purchases, since higher rates suppress the transaction volume that typically accompanies a change of residence and the associated demand for household-goods carriers and last-mile furniture and appliance delivery.

The National Association of Realtors reported that existing-home sales fell 2.0% in August to a seasonally adjusted annual rate of 3.98 million, following a 1.7% decline in July to 4.06 million. The Census Bureau's New Residential Sales report showed new single-family home sales at a seasonally adjusted annual rate of 607,000 in July, down from 678,000 in June. The median price of an existing home sold in August was \$429,100, up 1.6% from a year earlier but down from July's median of \$434,100; the median price of a new home sold in July was \$393,800, down from June's \$403,100, while the average new-home sales price rose to \$508,800 from \$488,900. Softening sales volumes across both existing and new construction, alongside declining new-home transaction pricing, point to continued softness in near-term demand for moving-related household goods freight and for the flatbed and dry van freight tied to new-home construction materials and finished-goods delivery.

Total privately owned housing starts fell 12.4% in July to a seasonally adjusted annual rate of 1,239,000 units, down from 1,415,000 in June, according to the Census Bureau's New Residential Construction report. Single-family starts declined 9.9% to 808,000 units from 897,000 in June, while multi-family starts of five units or more fell 15.6% to 421,000 units from 499,000. August starts data had not yet been published as of this writing; the Census Bureau's next release is scheduled for September 17. The broad-based pullback across both single-family and multi-family starts signals reduced near-term demand for flatbed freight

hauling lumber, drywall, and other structural building materials, as well as for carriers moving HVAC equipment, cabinetry, and other finishing materials to jobsites.



[SONAR Tickers: SFAM.USA, MFAM.USA](#)

The NAHB/Wells Fargo Housing Market Index rose one point to 35 in August from 34 in July, with component readings of 39 for current sales conditions, 43 for six-month sales expectations, and 23 for prospective buyer traffic. Readings below 50 indicate that more builders view conditions as poor than good, and the index has remained below that threshold for well over a year. Persistently subdued builder sentiment, even with a modest month-over-month improvement, is consistent with the muted single-family starts data and suggests building-materials freight volumes are unlikely to see a near-term rebound.

NAR's Pending Home Sales Index, a leading indicator of existing-home sales based on signed contracts, fell 2.3% in July to 71.2, its second consecutive monthly decline following a 5.4% drop in June. Because pending sales typically convert to closed existing-home sales within one to two months, the July reading points to continued softness in existing-home sales, and by extension moving-related freight, heading into the fall.

Taken together, these indicators describe a housing market still constrained by elevated financing costs, with mortgage rates near 6.8%, homeownership essentially flat, and sales, construction, and builder sentiment all either declining or holding at historically weak levels. For the freight industry, this combination points to continued softness in moving-related household goods volumes, building-materials flatbed freight, and appliance and furniture last-mile delivery through the remainder of 2026, with the pending sales and housing starts data offering little indication of a near-term inflection.

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