

Q3 2025 SHIPPER RATE REPORT

SONAR

 Trimble.

FIG. **LIST OF FIGURES** [\(Click to jump to figure/page.\)](#)

Executive Summary and Forecast

In the second quarter of 2025, the U.S. trucking industry continued to recover from a prolonged downturn while grappling with economic uncertainties and ever-shifting trade policies. On average, shippers found capacity easier to secure than in the prior two quarters, reflecting meaningful if not long overdue progress in the rebalancing of excess capacity to waning demand. The primary evidence for this progress being such a rebalancing — and not merely a chimera — was declining compliance along contracted lanes with a concordant decline in carrier rates on the spot market.

Trade policy under the second Trump administration continues to be characterized by volatility, rapid escalations, subsequent de-escalations, some finalized deals and some renewed threats. Despite promising talks between U.S. and Chinese officials in June and July, a more permanent trade deal has yet to be announced between the two countries. Instead, an extension of their 90-day ceasefire — under which tariff rates have been reduced to a fraction of their triple-digit baselines, and which was to expire on August 12 — was the only result. The deadline has now been moved out to November 10. Meanwhile, the U.S. has secured trade pacts with the European Union, Japan, Vietnam and others, though it lacks deals with its three largest trading partners: namely, Mexico, Canada and China.

It is not just these unresolved trade agreements that will influence freight demand in the latter half of the year, however: At the time of writing, there are several factors that might — judged by the relative lack of concern surrounding them — exert an outsized influence over truckload volumes. U.S. duties on Canadian softwood lumber will be more than doubled by mid-August, which will not only impact demand for the flatbed segment but also, by exacerbating the present housing affordability crisis and thus further constricting discretionary spending, dry van and reefer volumes.

Perhaps even more critical is President Donald Trump's recent ultimatum to Russia. In mid-July, Trump threatened steep secondary tariffs if Russia did not reach a peace deal with Ukraine by early September, though this deadline was later shortened to August 8. Though many details remain unclear, it appears that Trump is prepared to impose a 100% tariff rate on any country that imports Russian energy. The primary targets of this threat would thus be some of the U.S.' largest trading partners, China and India. Although China is not expected to respond to this threat, India's state-run refiners have already capitulated well in advance of the deadline.

Still, future trends in freight demand might not be the primary determinant of the trucking industry's health in the coming months. As mentioned above, fuel-inclusive spot rates fell to a national average of \$2.25 per mile in Q2. This decline marks a 4.3% tumble from the previous quarter, in line with our prior forecast for a quarterly loss between 3% and 7%.

Accordingly, with few reasons to think that carrier rates will rally in the second half of 2025, excess capacity is expected to continue trickling out of the market. Ordinarily, this culling would have occurred in the initial stages of the industry's downturn back in 2022. A perfect storm of pandemic-era loans and record profits during the COVID boom — coupled with the odd spike in freight demand or capacity shortages — have kept many carriers afloat during a years-long industry recession. But the clock is now running out; the industry will not find equilibrium until this process is concluded.

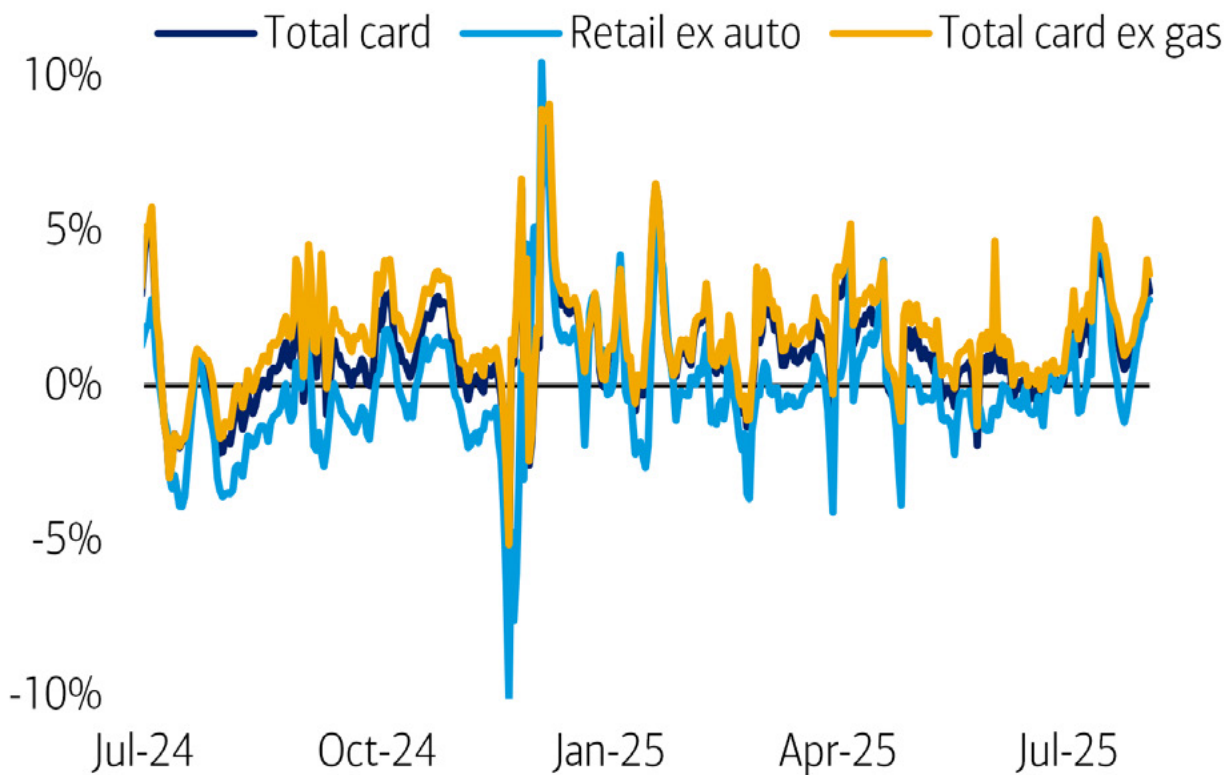
In light of these market conditions, we believe that dry van spot rates will see a slight bump in accordance with seasonality. Of the import volumes sourced from China during the new 90-day tariff pause, most will likely go to the rails. Still, even in the weakest years, truckload demand historically picks up at the end of August and the beginning of September, which — coupled with July's rally around Independence Day — should prove sufficient to effect a quarterly rise.

Consequently, we predict that spot rates in Q3 will rise 0.5% to 3% from the previous quarter, which would translate to rates remaining virtually unchanged from year-ago levels or else rising by as much as 1.2%. In 2024, spot rates suffered an unseasonal fall throughout September, a feat which has not otherwise occurred in recent memory. This unusual decline was primarily caused by a massive decline in the price

of diesel; spot rates are typically “all-in,” meaning shippers can leverage falling fuel prices for lower rates. Such a decline is unlikely to repeat itself this year: Although energy costs have fallen broadly, diesel fuel prices saw a 4.5% monthly surge in July that built on growth from June. Even if diesel prices fall in the back half of the quarter, it will likely average out to levels comparable to Q2’s.

FIGURE 1: U.S. CONSUMER SPENDING RALLIED AT THE END OF Q2 — A POSSIBLE SIGNAL THAT THE CONSUMER IS GAINING STEAM AFTER TARIFF UNCERTAINTIES LED TO A SOFT FIRST HALF

Total card, retail ex auto and total card ex gas spending, per HH, based on BAC aggregated card data (y/y %change of the 7-day ma of spending levels)

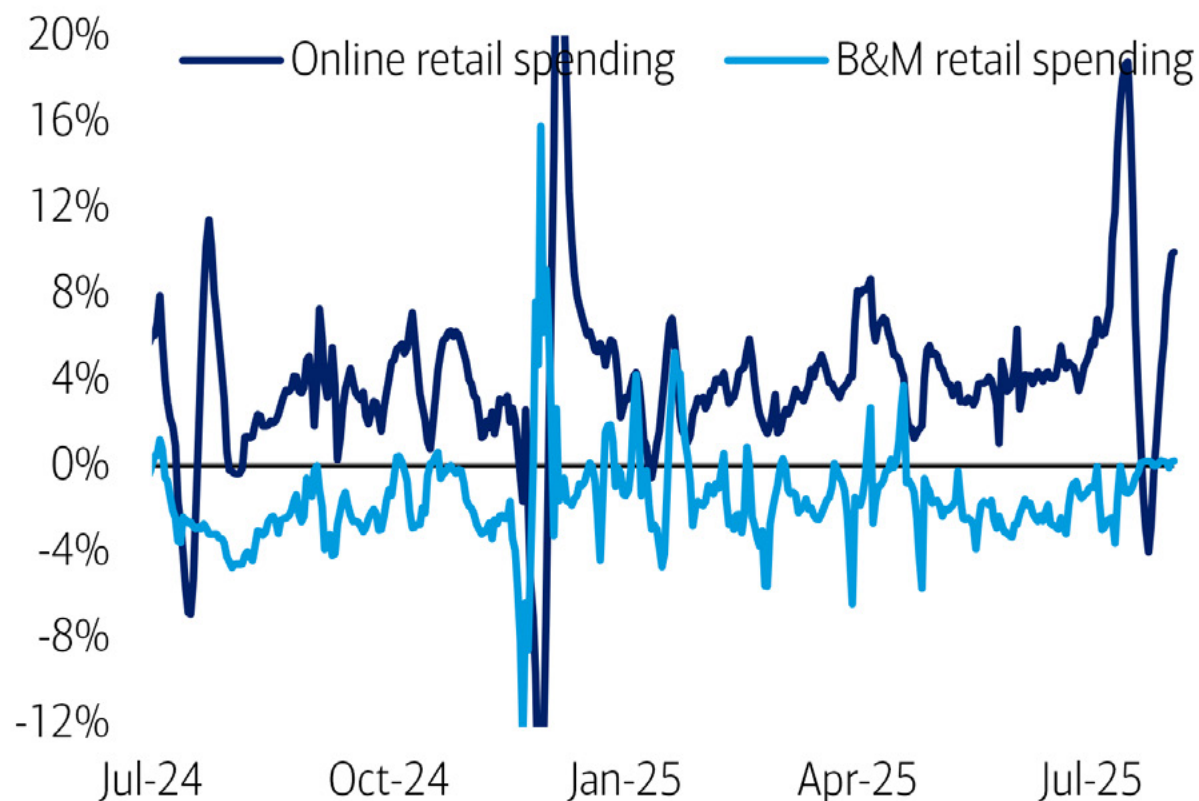


Source: BAC internal data

Source: Bank of America

FIGURE 2: BRICK-AND-MORTAR RETAILERS CEDED MORE SHARE TO E-COMMERCE

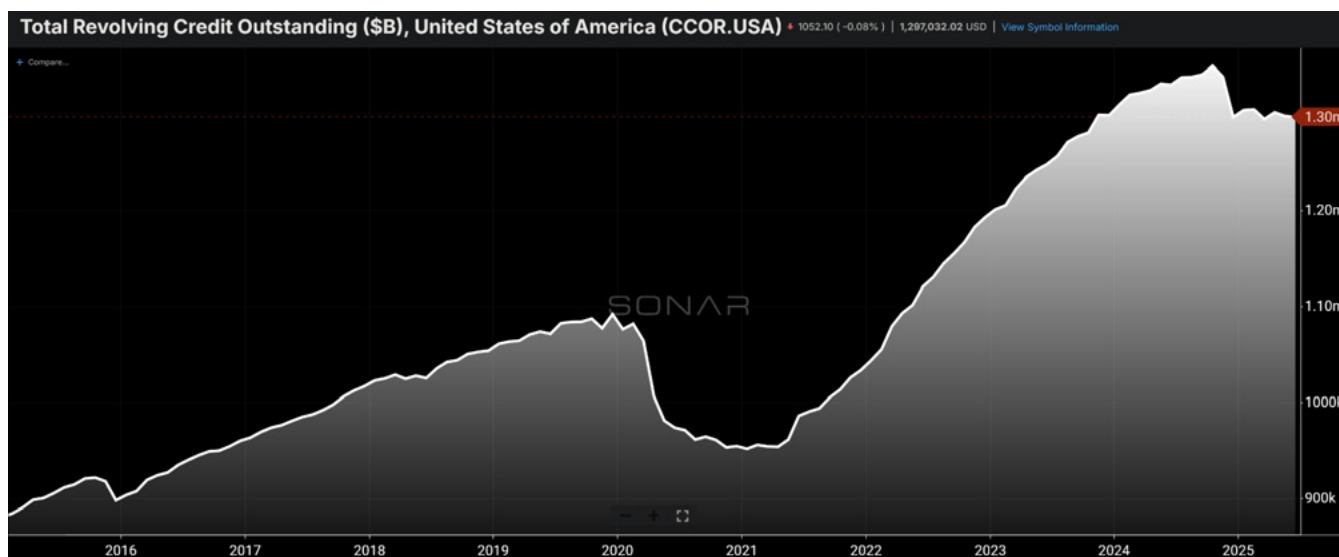
Online (card not present) and B&M retail spending, per HH, based on BAC aggregated card data (y/y %change of 7-day ma of spending levels)



Source: BAC internal data. Note: B&M retail means retail purchases at the store. Card not present is largely online but could include purchases made over the phone.

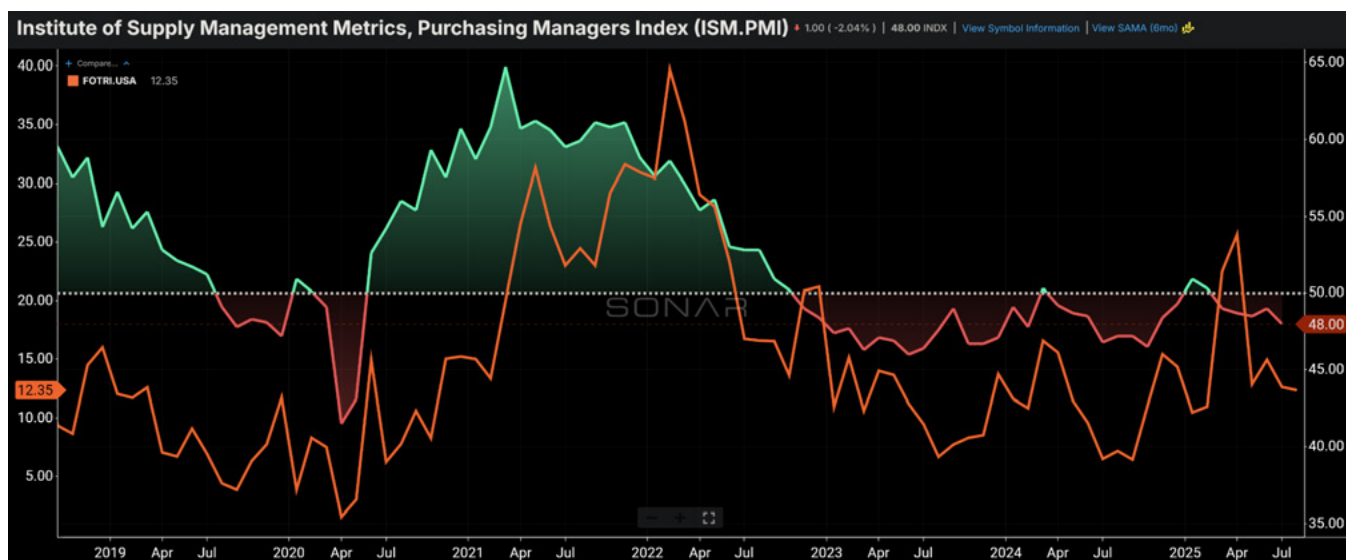
Source: Bank of America

FIGURE 3: CONSUMERS CONTINUE TO ACCUMULATE REVOLVING CREDIT DEBT, GREATLY OUTPACING PRE-PANDEMIC LEVELS



(CHART: SONAR, TOTAL REVOLVING CREDIT OUTSTANDING {IN BILLION USD})

FIGURE 4: U.S. INDUSTRIAL ECONOMY'S FUTURE IN DOUBT AS MULTIPLE TRADE WARS DERAIL RECOVERY



(CHART: SONAR, PURCHASING MANAGERS' INDEX {GREEN/RED; RIGHT AXIS} COMPARED WITH THE NATIONAL FLATBED OUTBOUND TENDER REJECT INDEX {ORANGE; LEFT AXIS})

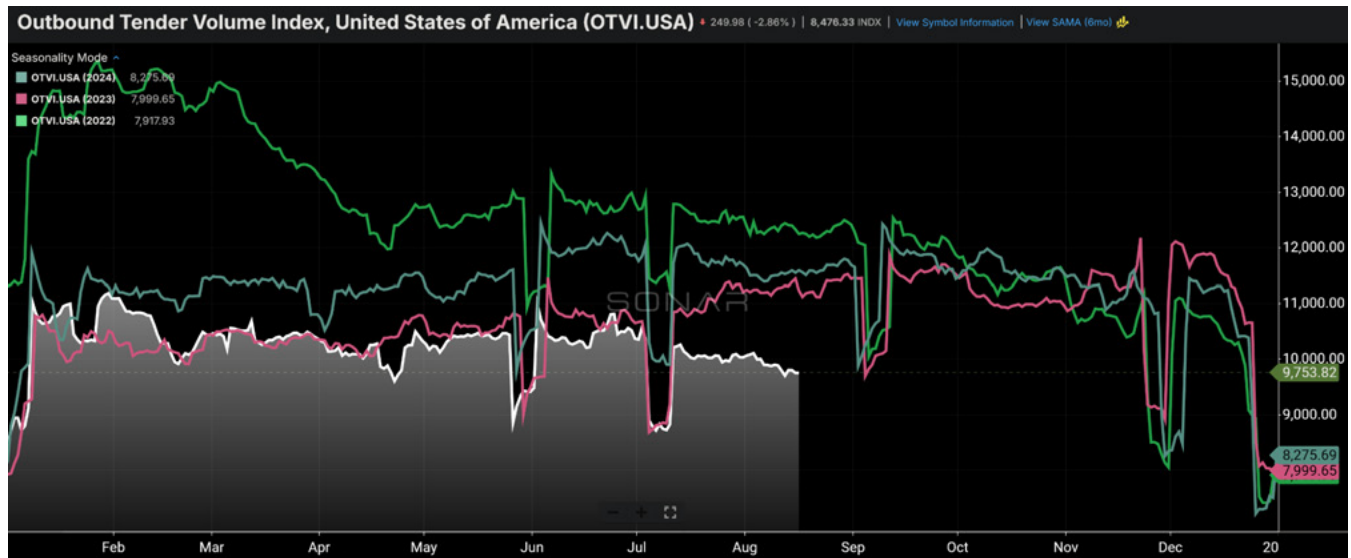
FIGURE 5: KEY FREIGHT MARKET METRICS FROM PREVIOUS SEVEN QUARTERS

METRIC	DAILY AVERAGES (QoQ Change)						
	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Tender Load Volumes Index (OTVI.USA)	-0.8%	-6.6%	12.3%	0.6%	6.12%	-3.62%	-1.73%
Tender Rejection Rate (OTRI.USA)	9.0%	11.0%	-3.4%	11.2%	32.3%	1.74%	-7.17%
Inbound Ocean TEUs Index (IOTI.USA)	-3.7%	3.2%	-0.8%	15%	13.6%	-4.67%	1.03%
National Truckload Index (NTI.USA)*	0.4%	2.2%	-2.2%	0.9%	2.62%	0%	-4.26%

* INCLUSIVE OF FUEL

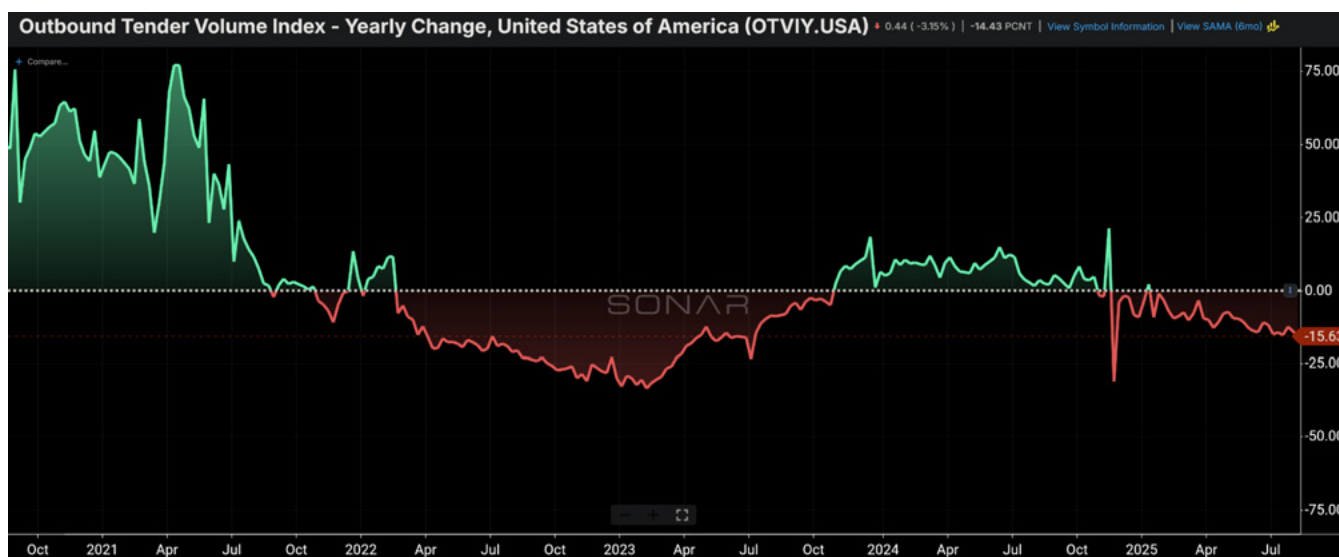
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FIGURE 6: NATIONAL OUTBOUND TENDER VOLUME INDEX

(CHART: SONAR, NATIONAL OUTBOUND TENDER VOLUME INDEX YTD 2025 {WHITE}, COMPARED TO FULL-YEAR 2024 {BLUE}, 2023 {PINK} AND 2022 {GREEN})

FIGURE 7: NATIONAL OUTBOUND TENDER VOLUME INDEX — YEAR-OVER-YEAR PERCENTAGE CHANGE



(CHART: SONAR, NATIONAL OUTBOUND TENDER VOLUME INDEX SHOWN AS A YEARLY PERCENT CHANGE)

Q1 2025 Review of Truck Capacity (Supply)

Ending the previous three quarters' nascent rebalancing of carriers' supply to market demand, shippers in Q2 once again found capacity easier to secure than in the prior quarter. Though it is easy to infer that Q2's interruption spells doom for the trucking industry's hope of a recovery, there are a few caveats. First and foremost is the simple fact that tender rejections in Q2 were up nearly 40% on a yearly basis, though this growth remains uneven and regionally disparate — the Southeast, for example, has suffered acute shortages while West Coast markets remained relatively loose.

National capacity has indeed continued to show a gradual rebalancing, with excess supply waning as carrier exits accelerate and demand pressures build, whether due to seasonal factors or economic uncertainties. The national average tender rejection rate in Q2 faced difficult comps, as January was host to severe winter storms that saw rejections spike to a year-to-date high that has still yet to be matched.

Tender rejections, a measure of capacity relative to demand, are primarily driven by two forces. The first, and most common, scenario occurs when carriers abandon their previously contracted freight to pursue higher-paying opportunities in spot markets.

Roughly three of every 50 contracted loads were rejected in the quarter, with tender rejections rising to nearly 8% at the end of Q2 (thanks to the seasonal boost from the Independence Day holiday). Such levels are within range of the dynamic equilibrium one sees in a solid freight economy, in which rejection rates vary from 5% to 10%.

Yet carrier rates in the spot market (discussed below) saw negative growth on both a quarterly and yearly basis in Q2. This lack of growth, despite the unending march of broad inflation, suggests that carriers were not defaulting on their contracted freight because of temptation.

The second factor behind rising tender rejections, then, is a sheer lack of capacity in a volatile market. This lack can occur both on a regional and national scale: In July, as an instance of the former, capacity was strained due to the confluence of reefer demand spikes during a marked heat wave and the massive frontloading of imports.

But absolute capacity shortages have also played a role, with a slow, uneven exodus of excess capacity shaken up by market volatility from tariffs and other disruptions. As noted above, the constant threat of escalating tariffs has led to uneven surges in demand, straining capacity in import-heavy lanes. When spot rates rally under these circumstances, it can momentarily convince moribund carriers to persist in a hostile market for just a little bit longer. What might appear to be the light at the end of the tunnel can instead be the headlights of a fast approaching train.

In the long run, however, signs point to the trucking industry's status quo of a highly fragmented carrier base giving way to consolidation. Carrier exits and bankruptcies surged in the first half of 2025, with thousands of companies facing closures or filing for bankruptcy across the U.S. Financial pressures remain intense: High insurance premiums (\$10,000 to \$15,000 annually for most owner-operators), maintenance and repair costs, and servicing debt on equipment purchases all eat at carriers' margins, especially for small fleets.

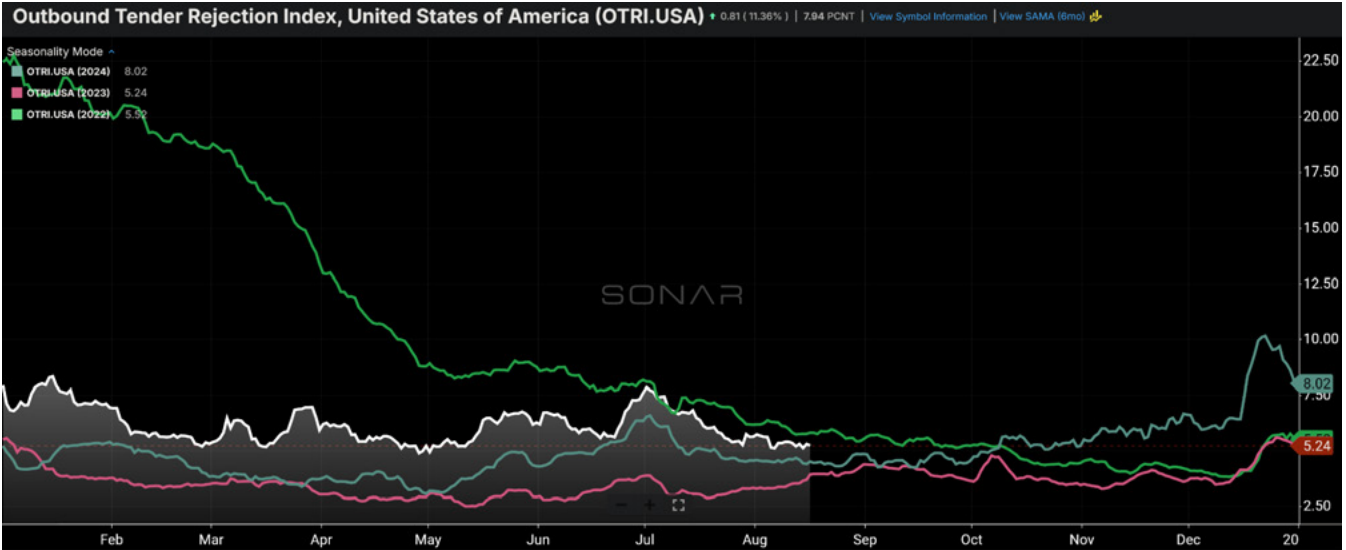
Moreover, as discussed in previous reports, loans from pandemic-era programs are now fully in collections for delinquents. Per data shared with FreightWaves in 2024, the Small Business Administration (SBA) injected roughly \$390 billion of inexpensive credit into the economy in 2020-21.

\$37 billion of these funds were lent to the transportation and warehousing sector (NAICS 48-49) across 419,500 loans. For context, there are approximately 724,000 businesses employing a total of 726,000 people in this sector. Of those, 540,000 — or 75% — work at firms with a maximum of four employees.

In other words, this sector is dominated by small businesses, 58% of which received an average of \$88,000 in essentially free money. Yet the bill is now coming due, as is evidenced by the aforementioned bankruptcy filings and layoffs.

On a national scale, capacity will continue to trickle quietly out of the market in Q3. The largest risk to shippers therefore is their growing yet concealed vulnerability to sudden melt-ups. Such melt-ups might be triggered by a severe weather event (say, a hurricane) that prompts a mass reshuffling of capacity, or else might be produced by the final, widespread exhaustion of carriers that have long been operating with ever-thinning margins.

FIGURE 8: NATIONAL OUTBOUND TENDER REJECTION INDEX

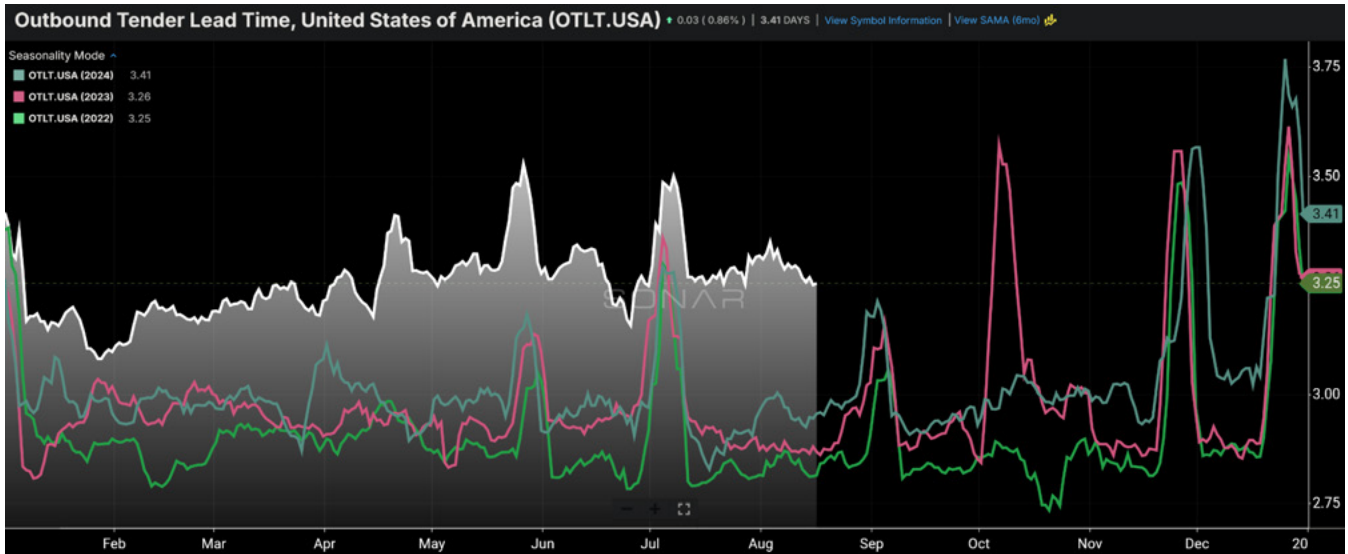


(CHART: SONAR, NATIONAL OUTBOUND TENDER REJECTION INDEX YTD 2025 {WHITE}, COMPARED TO FULL-YEAR 2024 {BLUE}, 2023 {PINK} AND 2022 {GREEN})

FIGURE 9: NET CHANGES IN TRUCKING AUTHORITIES



(CHART: SONAR, NET CHANGES IN TRUCKING AUTHORITIES)

FIGURE 10: NATIONAL OUTBOUND TENDER LEAD TIME

(CHART: SONAR, NATIONAL OUTBOUND TENDER LEAD TIME {IN DAYS} YTD 2025 {WHITE}, COMPARED TO FULL-YEAR 2024 {BLUE}, 2023 {PINK} AND 2022 {GREEN})

Capacity — New Class 8 Truck Orders

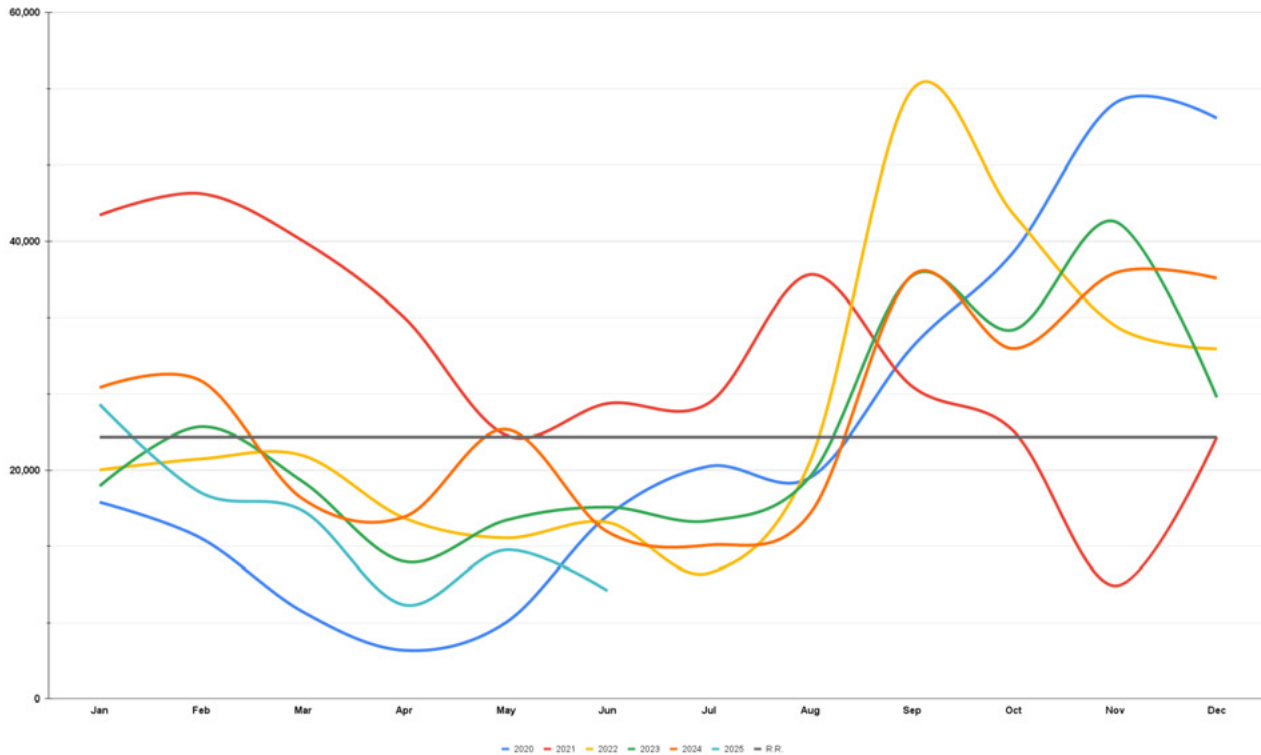
Compared with 2024, bookings of new Class 8 trucks in the second quarter fell by an average of 43%. The U.S. automotive industry is among the most vulnerable to a trade war with Mexico and Canada; this fact holds doubly true for manufacturers of Class 8 trucks. According to FTR's analysis, roughly 40% of the United States' Class 8 trucks are built in Mexico, with around two-thirds of Canada's Class 8 trucks built in the U.S.

Tariffs were a pressure point from the first day of the new Trump administration, with Mexico and Canada being the primary nations accused over trade

imbalances. Yet even aside from the impact that tariffs are having on automotive supply chains, Trump's whiplash-inducing trade policies have made it more difficult for businesses to plan their investments. Accordingly, enterprise fleets have held back on future equipment purchases and will continue to do so for the time being.

New orders are pacing at an annualized rate of 181,910 trucks for 2025 — dangerously close to 2019's recessionary low of 180,995 trucks. Even if demand sees a seasonal boost in the second half of the year, it will be no small feat to meet ACT Research's estimate of replacement demand, which currently sits at 275,000 units.

FIGURE 11: NEW CLASS 8 TRUCK ORDERS (ACT RESEARCH)



Sources: ACT Research, FreightWaves

FIGURE 12: NEW CLASS 8 TRUCK ORDERS — ABSOLUTE MONTHLY VALUES (2017-2024)

	2018	2019	2020	2021	2022	2023	2024	2025	Y/Y	M/M
JAN	49,136	16,105	17,204	42,307	21,041	18,624	27,212	25,744	-5.4%	-30%
FEB	40,271	16,854	14,040	44,190	21,006	23,790	27,802	18,031	-35.1%	-30%
MAR	46,593	15,783	7,632	40,049	21,301	19,010	17,494	16,456	-5.9%	-8.7%
APR	34,735	14,859	4,251	33,353	15,820	12,016	15,920	8,227	-48.3%	-50%
MAY	35,721	10,886	6,690	23,072	14,081	15,623	23,563	13,034	-44.7%	58.4%
JUN	42,213	12,979	16,010	25,824	15,444	16,773	14,611	9,463	-35.2%	-27.4%
JUL	52,618	10,298	20,359	25,876	11,025	15,573	13,451			
AUG	53,040	11,119	19,389	37,096	20,892	19,513	16,262			
SEP	42,781	12,692	30,768	27,323	53,271	36,974	37,031			
OCT	43,526	21,864	39,089	23,391	42,359	32,287	30,643			
NOV	28,114	17,483	52,104	9,902	32,630	41,732	37,236			
DEC	21,381	20,073	50,760	22,937	30,623	26,352	36,773			
	490,129	180,995	278,296	355,320	298,493	278,267	297,998	90,955		
Y/Y CHANGE	65.30%	-63.07%	53.76%	27.68%	-15.99%	-6.78%	7.09%	-69.48%		
MONTHLY AVG	40,844	15,082	23,191	29,610	24,874	23,189	24,833	15,159		
ANNUALIZED	490,129	180,995	278,296	355,320	298,493	278,267	297,998	181,910		
REPL. RATE	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000		
MONTHLY R.R.	22,917	22,917	22,917	22,917	22,917	22,917	22,917	22,917		
SHORTFALL/OVER-CAPACITY	-9%	4%	0%	-3%	-1%	0%	-1%	4%		

Sources: ACT Research, FreightWaves

Capacity — Used Truck Prices

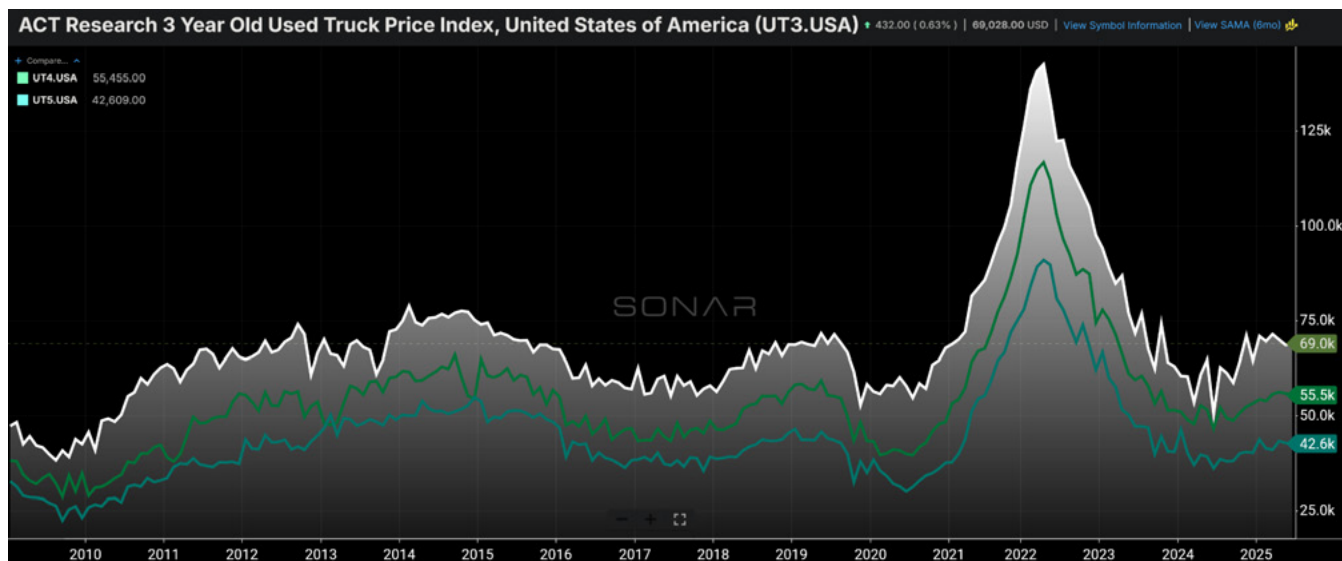
The past two quarters' surprising rebound in used truck prices levelled out in Q2: The average price of a three-year-old truck moderated slightly from Q1, whereas prices of four- and five-year-old trucks ticked up by equal measure. Prices of used equipment are currently battered by crosswinds: On the one hand, the impact of tariffs against Mexico and Canada is driving up the cost of new trucks, which (as discussed in the section above) is already weighing heavily on demand. Accordingly, the supply of lightly used trucks will shrink as fleets hold onto their equipment for longer, which should in turn drive up prices for used trucks.

On the other hand, the fundamentals of trucking markets are still considerably weak, with much of what

little freight demand there is going to the reascendant railroads. Despite the growing number of layoffs and bankruptcies among carriers, there is yet too much capacity to be satisfied by present volumes. Without a compelling reason for carriers to enter (or re-enter) the industry, prices of used equipment will probably be limited by weak demand.

Also of note: The Environmental Protection Agency's emissions standards from 2024, which were expected to inflate the cost of trucks from model years 2027 to 2032, are unlikely to be imposed under the Trump administration. This regulation would have driven demand for used trucks exempt from the standards, but the market appears likely to remain untouched by this particular price pressure.

FIGURE 13: ACT RESEARCH USED TRUCK PRICES



(CHART: SONAR, ACT RESEARCH PRICE FOR 3-YEAR-OLD TRUCKS {WHITE}, 4-YEAR-OLD TRUCKS {GREEN} AND 5-YEAR-OLD TRUCKS {BLUE})

FIGURE 14: AVERAGE USED TRUCK PRICES BY QUARTER

AVERAGE USED TRUCK PRICES BY AGE							
	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
3 years old	\$67,078	\$58,148	\$58,694	\$60,916	\$66,657	\$70,665	\$69,211
4 years old	\$53,115	\$49,259	\$50,313	\$50,086	\$52,161	\$54,643	\$55,874
5 years old	\$41,845	\$41,143	\$38,314	\$38,167	\$40,214	\$42,022	\$42,896

Sources: ACT Research, FreightWavesOLD TRUCKS {BLUE}}

Q2 2025 Review of Load Volumes (Demand)

Throughout the second quarter, trends in truckload volumes were largely dictated by escalating tensions between the U.S. and several of its top trading partners. In Q1, shippers reacted strongly to President Trump's earliest threats of steep tariffs by massively frontloading imports. This initial shock gave way to a sharper slowdown in maritime activity — specifically in ocean bookings, which fell 25% from the start of Q2 to its midpoint.

Even so, the trucking industry had not been the primary beneficiary of this year's imports in the previous quarter, as most of that volume went instead to the rails. So it was in the second quarter: Despite falling 2.2% from Q1, Q2 intermodal volumes were still up 2.9% over year-ago levels as the rails accommodated the remaining import stragglers as well as their seasonal freight.

Truckload demand, largely relegated to the sidelines during this dramatic affair, did not see as drastic a quarterly decline. Tender volumes were down only 1.7% from the quarter prior, though they did suffer a 10.6% yearly loss. Performances were varied across modes: Reefer demand was buffeted by 2025's uneven produce and beverage seasons, tumbling 10.2% from Q1; flatbed volumes, thanks to the seasonal pickup in construction demand, rose 7.4%.

Maritime demand, meanwhile, kicked off the quarter with a lingering hangover from Q1's aggressive frontloading. This air pocket was driven by the April 5 imposition of a 10% baseline tariff on all imports, followed by the adoption of country-specific levies four days later. At the same time, Trump signed an executive order that disqualified Chinese-origin goods for the *de minimis* exemption, effective May 2.

These developments, among others, led to an unseasonal decline in import volumes from Q1 to Q2. In Q2 2024, the volume of twenty-foot equivalent units (TEUs) cleared by U.S. customs rose 5.2% on a quarterly basis. This year, however, import TEUs fell 5.1% over the same period.

Still, import bookings rose greatly from their mid-quarter lull after the U.S. and China jointly announced an accord in which both parties suspended the bulk of their newly implemented tariffs for 90 days. Under this ceasefire, the effective U.S. tariff rate on China fell from 145% to 30%, while China's dropped from 125% to 10%. This news was taken as an encouraging sign for a more permanent deal between the two trading partners, especially after U.S. and Chinese officials held negotiations in June and July.

But as of August, no such deal has been announced. Instead, both parties agreed to seek an extension of their 90-day truce, which was otherwise set to expire on August 12. Another 90-day extension was granted the day before this expiration, with the new deadline set for November 10.

Meanwhile, there has been a flurry of dealmaking with many of the U.S.' other trade partners, including the European Union, Japan, Vietnam, South Korea, Indonesia and others. Conspicuously absent from this list, however, are the U.S.' top three trading partners: Mexico, Canada and China. While the U.S. agreed to extend the suspension of Trump's reciprocal tariffs against Mexico for an additional 90 days (or until the last week of October), no such arrangement was made with Canada.

One day prior to the August 1 deadline, after which all countries without trade deals or extensions were saddled with the full brunt of the reciprocal tariffs announced in April, Trump tightened the screws on Canada. Prime Minister Mark Carney declared that Canada plans to recognize the State of Palestine at a September meeting of the United Nations. Trump, in an online response, said that Canada's position "will make it very hard for us to make a Trade Deal [sic] with them."

As a result, a 35% tariff on Canadian imports — the bulk of which comprises oil and gas products, but which also includes motor vehicles and parts — went into effect in August. Obviously, this move will most affect Northern truckload markets, especially those in Michigan, New York and Washington.

Furthermore, flatbed demand will be impacted by the late-July hike of anti-dumping duties on Canadian softwood lumber imports, which almost tripled from 7.66% to 20.56%. Coupled with other tariffs currently in place, this raise brought the total levies on Canadian softwood lumber — most of which goes towards constructing homes — to 27.3%.

In spite of this raise, cross-border lumber moves might still see a brief rally as, in March, the U.S. Department of Commerce issued a preliminary determination on the countervailing duty rate for Canadian softwood lumber. This order, which will face its final review on August 8, would raise the rate from 6.74% to 14.4%, bringing the total from 27.3% to 34.6%.

It might seem digressive to fixate on the minutiae of Canadian lumber imports, but this move threatens to have an outsized effect on freight demand across all modes. For one, Canada is the largest foreign supplier of softwood to the U.S., accounting for 85.5% of its total lumber imports and up to 30% of its overall consumption. Roughly 20% of these imports travel via trucks, comprising 200,000 flatbed loads per year.

Moreover, housing prices have continued to skyrocket throughout 2025 despite high mortgage rates. In June, the median price of an existing single-family home rose to \$441,500, per the National Association of Realtors. New construction of single-family homes requires, on average, around 30,000 board feet of softwood — which does not include manufactured products like cabinets, doors and windows. Canadian imports alone thus account for the construction of approximately 400,000 homes annually.

In short, housing costs are set to continue their meteoric rise under these tariffs. The average U.S. household already spends a third of its budget on housing and less than 10% on non-essential items. Discretionary spending is thus set to constrict further as home prices climb, which will be a headwind for dry van and reefer volumes alike.

There is also a curveball that could play havoc with these trade discussions and deals: In a meeting with NATO Secretary General Mark Rutte on July 14, President Donald Trump threatened steep secondary tariffs against Russia if it did not reach a peace deal with Ukraine by early September. On July 29, Trump accelerated this deadline to "ten days from today" (i.e., August 8) in a seemingly spur-of-the-moment decision.

Though many of the details of this ultimatum remain unclear, it appears that Trump is ready to impose a 100% tariff rate on any country that imports Russian energy. The most probable candidates facing this threat are China and India — both important trading partners with the U.S., to put it mildly. Trade talks with India have soured as Trump, in an online post from July 31, proclaimed, “I don’t care what India does with Russia. They can take their dead economies down together, for all I care.”

This development is especially confusing to many of the U.S.’ largest manufacturers that have viewed India as a relatively safe haven for their overseas operations. In April, when it seemed that China would suffer the most from Trump’s tariff policies, Apple accelerated its plans to produce the majority of iPhones sold in the U.S. at factories in India, now aiming to achieve this goal by the end of 2026.

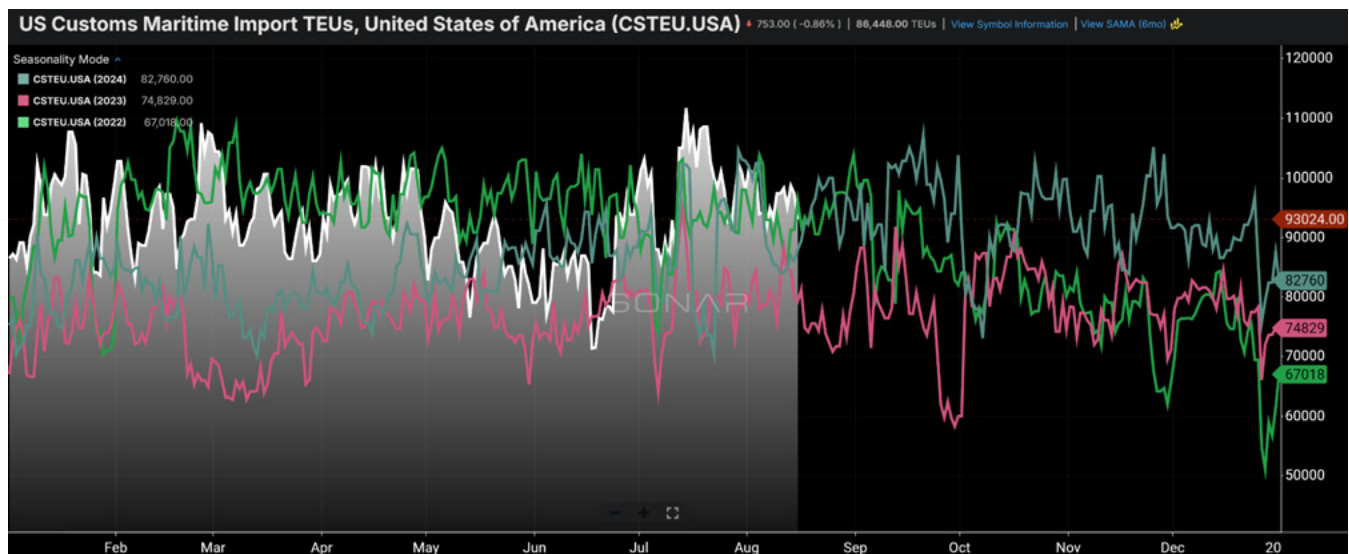
Traders were unconvinced by Trump’s appetite to follow through on this ultimatum and impose additional tariffs against China and India. Surprisingly, oil prices fell on the news from July 14. Deutsche Bank

analysts explained this counterintuitive drop by noting the “sizable delay” of the initial 50-day deadline.

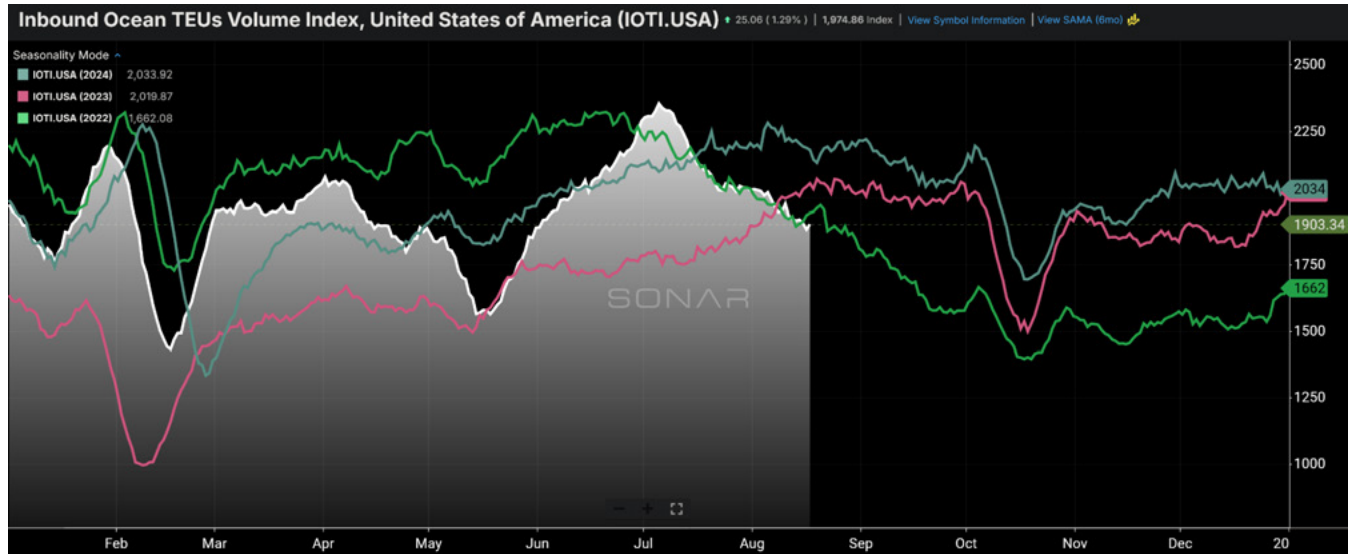
Yet, as of July 31, Trump’s threat was compelling enough to India: The country’s state refiners, which represent roughly two-thirds of India’s refining capacity, temporarily ceased purchasing Russian crude oil. This move appears significant at first glance, as Russia accounts for approximately one-third of India’s oil purchases. Yet private firms, not state-controlled refiners, are the primary buyers of Russian energy. Still, India’s state-run refiners do regularly buy Russian oil and are turning to alternative supplies from the Middle East and West Africa.

Turning to the domestic industrial sector, U.S. manufacturers are showing signs of a renewed optimism for the second half of 2025. While firms held reservations about business conditions in July, many of the sector’s key sentiment indices — the Empire State Manufacturing Survey, the Texas Manufacturing Outlook Survey, Philadelphia’s Manufacturing Business Outlook Survey, among others — all pointed to expectations for growth over the coming six months.

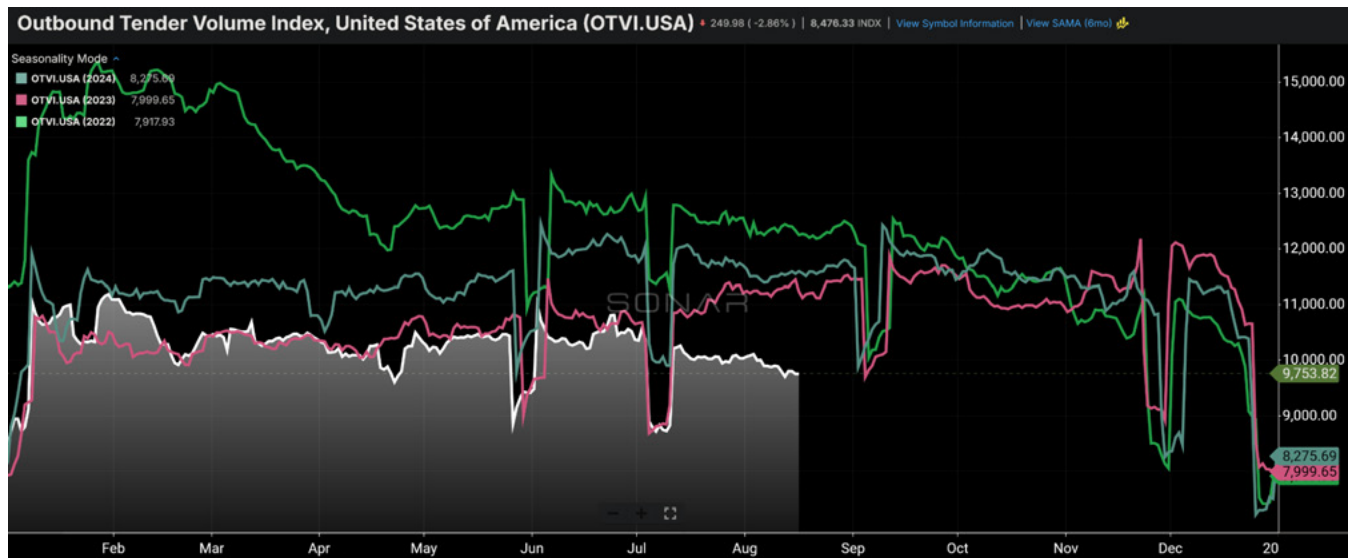
FIGURE 15: U.S. CUSTOMS MARITIME IMPORT VOLUMES



(CHART: SONAR, CONTAINERIZED AND NONCONTAINERIZED U.S. CUSTOMS MARITIME IMPORT VOLUMES YTD 2025 {WHITE}, COMPARED TO FULL-YEAR 2024 {BLUE}, 2023 {PINK} AND 2022 {GREEN})

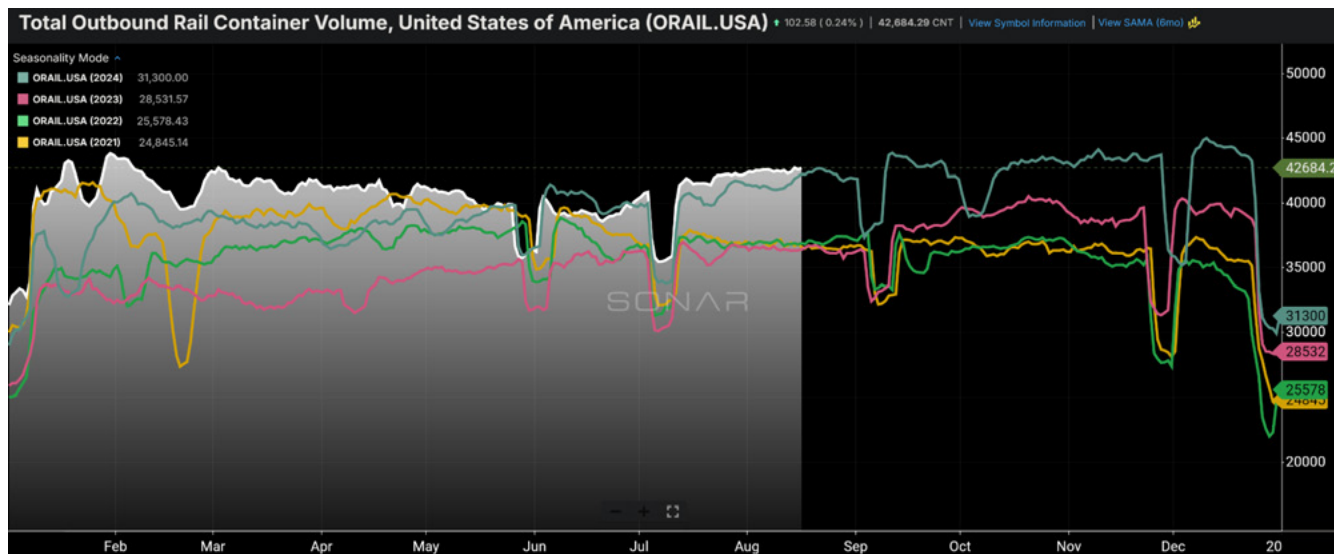
FIGURE 16: INBOUND OCEAN TEUS VOLUME INDEX

(CHART: SONAR, INBOUND OCEAN TEUs VOLUME INDEX BY DEPARTURE DATE FROM THE ORIGIN PORT YTD 2025 {WHITE}, COMPARED TO FULL-YEAR 2024 {BLUE}, 2023 {PINK} AND 2022 {GREEN})

FIGURE 17: CONTRACT LOAD ACCEPTED VOLUME

(CHART: SONAR, CONTRACT LOAD ACCEPTED VOLUME YTD 2025 {WHITE}, COMPARED TO FULL-YEAR 2024 {BLUE}, 2023 {PINK} AND 2022 {GREEN})

FIGURE 18: TOTAL OUTBOUND RAIL CONTAINER VOLUME



(CHART: SONAR, SEVEN-DAY MOVING AVERAGE OF CONTAINERIZED INTERMODAL VOLUME YTD 2025 {WHITE}, COMPARED TO FULL-YEAR 2024 {BLUE}, 2023 {PINK}, 2022 {GREEN} AND 2021 {YELLOW})

Review of Trucking Rates

Coming off a period of relative stability at the end of the previous quarter, spot rates experienced moderate volatility in Q1, influenced by disruptions to seasonal demand norms and broader economic pressures. On a national level, all-in spot rates saw an initial peak at \$2.35 per mile in early April, buoyed by a brief uptick in reefer volumes during the tail-end of the early produce season as well as lingering imports that were frontloaded ahead of tariff concerns. However, rates softened into May amid weaker consumer spending, falling below \$2.20 per mile at the quarter's midpoint.

Then came the curveball of the Commercial Vehicle Safety Alliance's International Roadcheck, also known colloquially as "Blitz Week." Blitz Week is a perennial, 72-hour period in which nearly all commercial vehicles and drivers on the road are inspected for regulatory compliance. Given that the dates of these inspections are announced well in advance — this year, Blitz Week took place May 13-15 — it is not uncommon for smaller carriers to halt operations over the period, avoiding the delays common with truck inspections.

In the pre-pandemic period and the booming years of 2020-22, Blitz Week had an outsized impact on tender rejections and therefore spot rates. But its impact had been rather muted in recent years, as struggling carriers were loath to turn down a paying load. This year, however, Blitz Week saw a return to form: Linehaul spot rates jolted 6.7% over the seven-day period ended May 19, an 11-cent gain per mile. The impact of Memorial Day sales events, which typically showcase bulky durable goods like furniture and home appliances, sustained this rally into the first days of June.

Excepting the run-up to Independence Day, however, rates sank quickly back to their end-of-Q1 levels and did not budge afterward. Averaging \$2.25 per mile throughout the quarter, the National Truckload Index (NTI) — a seven-day moving average of national dry van spot rates inclusive of fuel and other accessorials — fell 4.3% from Q1, in line with our prior forecast for a quarterly loss between 3% and 7%.

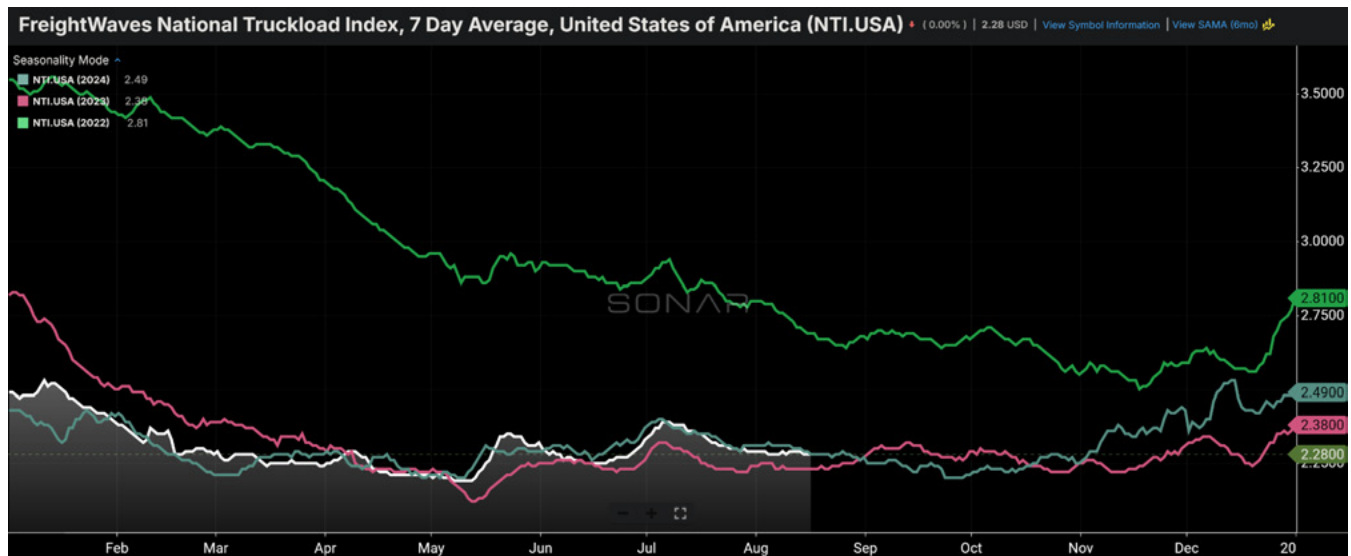
Relative to Q1, contract rates in Q2 were similarly muted, reflecting bid cycles that favored shippers amid capacity-demand imbalances. Contract rates —

exclusive of fuel surcharges and other accessorial — averaged \$2.29 per mile, down 2.1% from Q1's average and on the higher end of our previous forecast for a 0.5% to 3% quarterly loss. Yearly comparisons were more favorable, since contract rates were unchanged from Q2 2024. Considering the uninterrupted march of inflation, however, this lack of growth is a pyrrhic victory at best.

During the Q2 earnings season, truckload carriers reported results largely mirroring the prior year, with

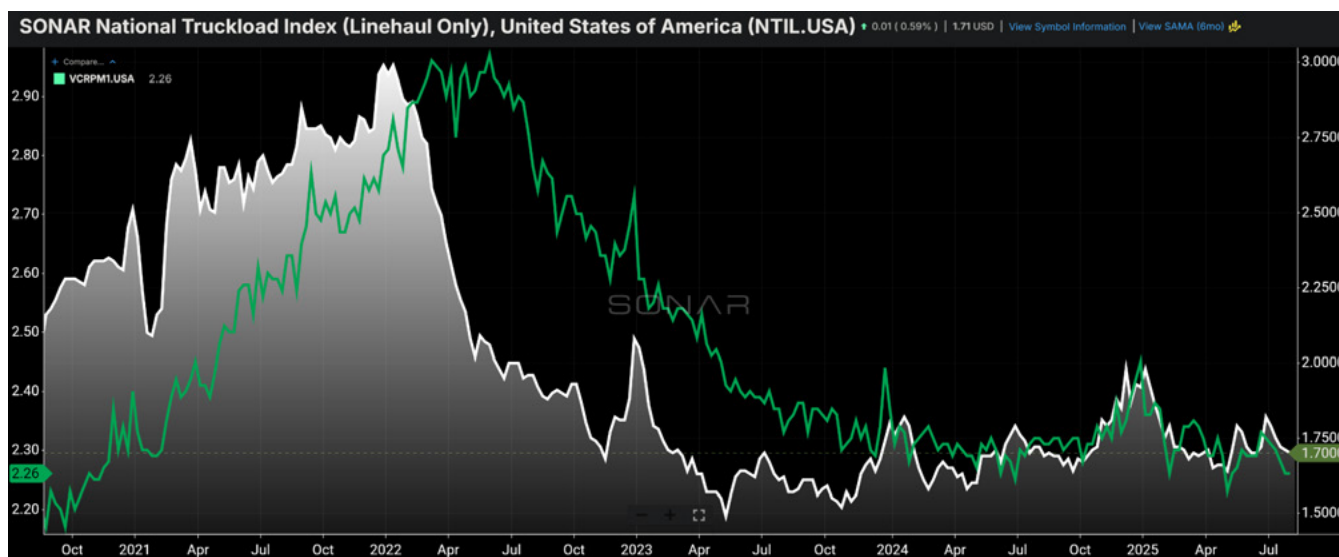
some sequential improvements but acknowledgment of a tough freight market persisting into the third quarter. Many singled out tariff impacts as weighing on their revenue. Looking to the future, potential non-seasonal rallies could emerge if import volumes resurge once more, though the closure of many U.S. trade deals makes this scenario unlikely. Ongoing wage downshifts and economic softness are more likely to sustain downward pressure on rates, favoring shippers in the next bid cycle.

FIGURE 19: NATIONAL TRUCKLOAD INDEX (INCLUSIVE OF FUEL)



(CHART: SONAR, NATIONAL TRUCKLOAD INDEX YTD 2025 {WHITE}, COMPARED TO FULL-YEAR 2024 {BLUE}, 2023 {PINK} AND 2022 {GREEN})

FIGURE 20: NATIONAL TRUCKLOAD INDEX (LINEHAUL ONLY, EXCLUDING FUEL) — COMPARED TO INITIALLY REPORTED VAN CONTRACT RATES (EXCLUDING FUEL)



(CHART: SONAR, NATIONAL TRUCKLOAD INDEX, LINEHAUL ONLY 2024-25 {WHITE, RIGHT AXIS} COMPARED TO INITIALLY REPORTED VAN CONTRACT RATES {GREEN, LEFT AXIS})

Trucking Forecast for the Third Quarter of 2025

The manufacturing sector, the largest driver of domestic truckload demand, showed signs of renewed weakness in July. The S&P Global US Manufacturing PMI fell to 49.8, marking the first contraction of 2025 after a solid first half. July's stumble was caused by a slowdown in new orders and output growth. Similarly, the Institute for Supply Management's U.S. Manufacturing PMI declined to 48 in July, with subindexes for new orders, production and employment all in contraction. One respondent to the ISM's survey from the transportation equipment sector remarked that "ongoing tariff uncertainties and softening consumer demand are weighing on investment decisions."

Yet while U.S. industrial activity appears to be cooling, maritime imports provided an appreciable bump to truckload volumes in July. U.S. container imports reached 2.62 million TEUs, just shy of the all-time record, fueled by the recent extension of the U.S.-China tariff truce. Ocean bookings also surged in early July, peaking ahead of the traditional timeline

as shippers front-loaded goods to hedge against potential tariff escalations. This activity translated into stronger truckload demand within coastal markets, though much of the volume has already moved inland, potentially leaving Q3's later months softer than usual.

The extension of the tariff truce on August 12 for another 90 days — preventing U.S. tariffs on Chinese goods from rising to 145% and Chinese retaliatory duties to 125% — offers some short-term relief. However, surveyed manufacturers expressed mixed sentiments, with some citing the pause as a positive for near-term planning but others warning that unresolved trade tensions could dampen longer-term growth. This comes amid a steady but watchful Federal Reserve, which held interest rates at 4.25% to 4.5% in July, though markets anticipate a potential cut in September if inflation continues to moderate.

In short, truckload demand in Q3 must balance the front-loaded strength of July imports against softening manufacturing indicators, both of which

could shift with any new trade policy developments. Capacity, meanwhile, continues to show faint signs of tightening: Tender rejections held onto early July's holiday-induced gains for a few weeks longer than in previous years; 2025's rejection rates have consistently outperformed those of 2024 in the year to date.

Seasonality Considerations

The bears may have a point in the near term as elevated interest rates continue to pressure marginal carriers, potentially accelerating capacity exits. However, Q3's traditional drivers — including back-to-school shipments, early holiday preparations and the tail end of beverage season — could sustain volumes if consumer spending holds up. Retail sales rose 0.5% in July, down from June's 0.9% but still indicative of resilient demand, though a softening job market poses risks.

Shippers that front-loaded imports due to tariff fears may now face quieter ocean activity, with container rates falling amid overcapacity. This could shift more volume to the rails where intermodal volumes have been steady, but trucks stand to benefit from any urgency in inland movements. If consumer demand outpaces current inventories, as seen in July's solid retail figures, there could be a scramble for capacity — especially if the tariff truce aids a return to normal peak season patterns. A further deescalation in the U.S.-China trade war, now extended into November,

might stabilize seasonality and support domestic manufacturing recovery.

Rate Inflation Forecast for Q3 2025

Our team at FreightWaves expects spot rates to rise 0.5% to 3% on a quarterly basis in Q3. The quarter faces favorable comps, given Q2's tumbling from the first quarter's holiday rate momentum and weather-induced rallies. While much of July's import volumes are likely to go to the rails, it is worth noting that even in the weakest years, truckload demand historically picks up at the end of August and the beginning of September. This expected rally, taken together with July's gains from Independence Day, should prove sufficient to bring about a quarterly rise of some slight degree.

Despite their depreciation over the past few quarters, contract rates are still higher than spot rates by a spread that is just outside a normal range. Although a number of enterprise carriers noted that they faced greater-than-expected pressure on contract rates in the most recent bid season, there appears to be little room for these rates to decline further. Rather, it is more probable that contract rates will persist in a holding pattern for the remainder of the year and even into 2026. Therefore, we do not expect that contract rates will change more than 2% in either direction, though a slight decline looks more likely than a minor rise.

FreightWaves

FreightWaves SONAR gives subscribers access to aggregated freight data to analyze domestic and global freight market activity. FreightWaves' current and historical data is generated from thousands of exclusive sources representing more than \$200 billion of contract and spot freight transactions. Using SONAR's Market Dashboard, users leverage thousands of data points across major North American transportation lanes to observe supply chain movement and trends. Supply chain, logistics and global operations organizations use SONAR to identify transportation-related efficiencies and opportunities.

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