

Weekly Trucking Insight | APRIL 20, 2022

TALENT INTELLIGENCE

# Freight Market Normalizing?

 **RANDALL  
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# Overview

## Job Board Searches and Clicks

→ Last week, search activity fell by 5%, while click activity decreased by 11%.

## Spot Freight Market

- Spot rates (including fuel) fell 1 cent from the previous week.
- Total load postings declined 9%.
- Overall truck availability decreased 7%.

## Story of the Week

- In recent weeks, some in trucking media have predicted a “trucking bloodbath” and a wave of bankruptcies to hit smaller, newer trucking companies.
- Eric Starks, CEO and Chairman of FTR Transportation Intelligence, believes the freight market will normalize to pre-COVID patterns rather than falling into a real recession.
- While it may not technically qualify as a recession, the upcoming months will be tough for owner-operators and carriers.
  - ◆ Owner-operators who bought equipment at inflated prices are the most likely to get crunched.

# Numbers at a Glance

## SPOT RATES (INCLUDING FUEL)

WoW:  Down 1¢ per mile

## SPOT RATES BY SEGMENT (INCLUDING FUEL)

WoW: Dry Van  Down 12¢ per mile

WoW: Refrigerated  Up 8¢ per mile


WoW: Flatbed  Flat

## LOAD POSTING VOLUME

WoW:  Down 9%

## LOAD VOLUME BY SEGMENT

WoW: Dry Van  Down 9%

WoW: Refrigerated  Up 1%

WoW: Flatbed  Down 11%

## TRUCK AVAILABILITY

WoW:  Down 7%

## TRUCK DRIVER SEARCHES

WoW:  Down 5%

MoM:  Down 15%

YoY:  Up 2%

## CLICKS ON TRUCK DRIVER POSTINGS

WoW:  Down 11%

MoM:  Down 15%

YoY:  Up 44%

# This Week in Job Board Searches & Clicks

## Searches and Clicks on Job Aggregator Partner Network<sup>1</sup>

### TRUCK DRIVER SEARCHES

vs. 1 Week Ago:

↓ 5%

vs. 1 Month Ago:

↓ 15%

vs. 1 Year Ago:

↑ 2%

### CLICKS ON TRUCK DRIVER POSTINGS

vs. 1 Week Ago:

↓ 11%

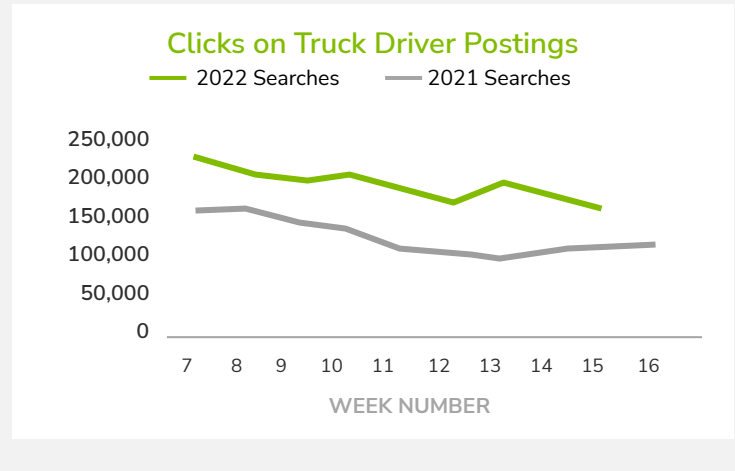
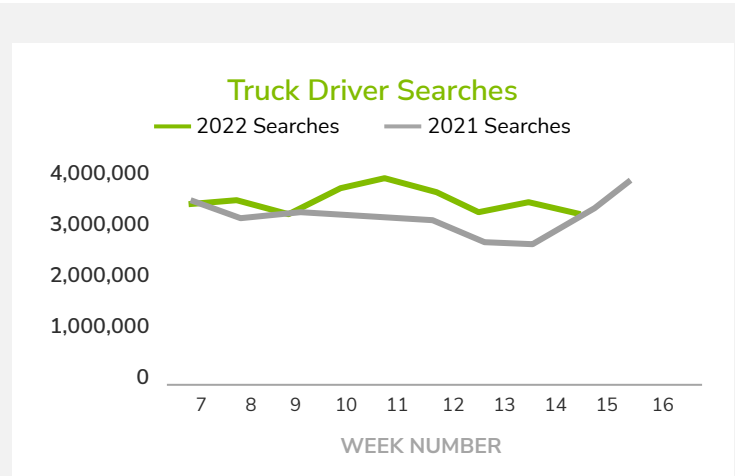
vs. 1 Month Ago:

↓ 15%

vs. 1 Year Ago:

↑ 44%

<sup>1</sup> Job board data is aggregated from many partners.



# This Week in Spot Freight

Dry van sees largest weekly spot rate drop of the year.<sup>2</sup>

**Spot rates (including fuel) fell nearly 1 cent from the previous week.**

**Dry Van: -12¢ CPM | Refrigerated: +8¢ CPM | Flatbed: FLAT**

*Note: Beginning with next week's commentary, FTR will be formally revising our estimates of recent fuel surcharges based on analysis of data since March's unprecedented surge in diesel prices. Because of this impending change, they are not sharing rates excluding fuel.*

**Total load postings decreased 9% when compared to the previous week.**

- Posting volume was 29% below the same 2021 week but 69% above the five-year average for the week.
- Load availability was up slightly on the West Coast but down in all other regions.

**Dry Van: -9% WoW | Refrigerated: +1% WoW | Flatbed: -11% WoW**

**Overall truck availability decreased 7% from the previous week.**

- The overall load-to-truck ratio fell to its lowest level since December 2020.

<sup>2</sup> Data is taken from FTR via Truckstop. To read the full weekly report, [click here](#).



## WoW Spot Freight

Spot Rates Including Fuel Charges

↓ 1¢ WoW

Total Load Postings

↓ 9% WoW

Overall Truck Availability

↓ 7¢ WoW

# Story of the Week

## Rates down, fuel up: Is a 'trucking bloodbath' on the way?<sup>3</sup>

**In recent weeks, some in trucking media have predicted a “trucking bloodbath” and a wave of bankruptcies to hit smaller, newer trucking companies.**

These predictions are in response to softening spot rates and record-high diesel prices. Since these doomsday predictions went mainstream, many publicly traded fleets have seen their stock drop double digit percentages.

### Is a 'freight recession' imminent?

Eric Starks, CEO and Chairman of FTR Transportation Intelligence, believes the freight market will normalize to pre-COVID patterns rather than falling into a real recession. He believes that freight will come off the peak that it has been on for nearly two years now and will go back to a normal level., and defines “normalize” as freight rates increasing 3% to 5% over a year instead of the 20% to 30% increases in recent years. He points to inventory levels and the mix between manufactured freight and consumer goods as both being in the process of normalizing. 70% to 80% of freight is manufactured goods, so even if consumer demand starts to ease, manufacturing will still want those trucks.

Because supply chain restraints continue to limit truck availability, supply of trucks and drivers did not match demand over the past year and a half. While this was bad for trucking companies over the past 18 months, it is now insulating the industry from the usual oversupply that occurs on the end of a boom time.

<sup>3</sup> Lockie, Alex. ["Is a 'trucking bloodbath' on the way for owner-ops as rates soften against record-high diesel?"](#) 9 Apr 2022. *ccdigital.com*.

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## Story of the Week

**While it may not technically qualify as a recession, the upcoming months will be tough for owner-operators and carriers.**

Owner-operators who bought equipment at inflated prices are the most likely to get crunched; the recent fuel cost increases and spot rate drops are felt most heavily by owner-operators.

Drivers tend to work less when they make more money. If loads end up less profitable, owner-operators will take on more loads and miles.

If spot rates continue to fall, owner-ops can either take their trucks into contract work with big fleets or park their trucks and walk away. Todd Amen, President of ATBS, does not expect “an explosion of bankruptcies” but does expect some bankruptcies.



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