Quarterly Intelligence

Q3 2026

Contents

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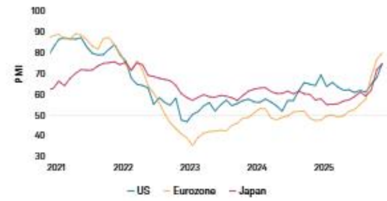
CHART 1A

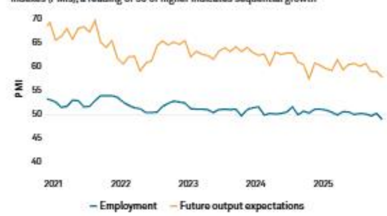
Factory input prices approaching 2022 peak
Seasonally-adjusted US, eurozone and Japan manufacturing input price Purchasing Managers' Indexes (PMIs); a reading of 50 or higher indicates sequential growth



Source: S&P Global © 2026 S&P Global

CHART 1B

Global employment, business confidence slipping
Seasonally-adjusted global employment and future output Purchasing Managers' Indexes (PMIs); a reading of 50 or higher indicates sequential growth



Source: S&P Global with J.P. Morgan. © 2026 S&P Global

CHART 1C

US manufacturing activity spikes
Seasonally-adjusted world, US, Asia, China and EU manufacturing Purchasing Managers' Indexes (PMIs); a reading of 50 or higher indicates sequential growth

Source: S&P Global © 2026 S&P Global

I. Global economic, trade and risk outlook

The bottom line: The worst of the global energy price shock caused by the war in the Middle East may be over, but the damage is already done, with manufacturing input prices surging and US consumer inflation accelerating.

Of oil and inputs: The recent US-Iran agreement to reopen the Strait of Hormuz puts the world on track for reduced fuel prices, which have been further insulated by US crude oil exports and China limiting its crude imports. Despite the ensuing drop in oil prices, however, S&P Global expects benchmark dated brent fuel to hover around $110 per barrel for the rest of the year. That's a 90% increase from S&P Global's pre-conflict projection published in February. Increased energy costs, coupled with the war's impact on other commodities like fertilizer, plastics and copper, have pushed the cost of manufacturing inputs close to their pandemic-era peak, according to the S&P Global purchasing managers' index (PMI) of manufacturing input prices. The US manufacturing input PMI jumped 16.6% year over year in May to the highest reading since July 2022 (Chart 1A). S&P Global is the parent company of the *Journal of Commerce*.

Making more with less: Global manufacturing employment plunged at the sharpest rate in almost six years in May, paralleling a descent of global business confidence, according to the S&P Global and J.P. Morgan employment and future output expectations PMIs (Chart 1B). There were net job cuts in Canada, the eurozone and Australia, while Japan saw hiring fall to a nine-month low. US manufacturing employment in June fell to the lowest level since the beginning of the COVID-19 pandemic, when job rolls cratered, according to the flash PMI. Despite the cuts, US factory production surged in May; the US manufacturing PMI hit 55.3 for the month, the highest reading since May 2022, exceeding manufacturing expansions in China, Asia and the eurozone (Chart 1C).

Primed for restocking: At the same time, US retail and wholesale inventories have fallen to lows not seen for more than three years, signaling a need to replenish stocks. The ratio of retail inventories to sales fell to 1.26 in March and April, the lowest since February 2023, while the wholesale inventories-to-sales ratio of 1.19 was the lowest since July 2021, according to data from the US Census Bureau (Chart 1D). Defying consumer inflation concerns, US retail sales expanded for the fourth straight month in May, rising 0.9% year over year, according to Commerce Department data. The US Bureau of Labor Statistics Consumer Price Index expanded at a 4.2% annualized rate in May, the highest since April 20223.

CHART 1D

Wholesale inventories fall to 5-year low
Ratio of end-of-month US retail, manufacturing, and wholesale inventories to monthly sales. A ratio of 2.5 indicates enough stock to cover 2.5 months of sales

Source: US Census Bureau © 2026 S&P Global

CHART 2A

Volatile trans-Pacific air rates remain elevated
Air cargo spot rates from China to US, in USD per kg

Source: Freightos © 2026 S&P Global

CHART 2B

Trans-Atlantic air rates slide from pre-war high
Air cargo spot rates from Europe to US, in USD per kg

Source: Freightos © 2026 S&P Global

II. Air cargo

The bottom line: Shipments of high-yielding data center components have replaced e-commerce as the main driver of trans-Pacific air cargo, a trend expected to continue for at least another 18 months.

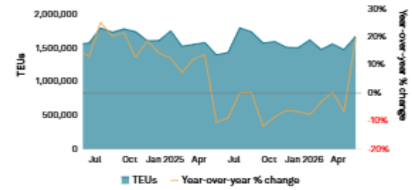
Stunning reversal: In the first four months of 2026, air freight shipments of high-tech goods from Asia to North America increased 70% year over year, while general cargo rose 3% and e-commerce imports fell 12%, according to aviation consultancy Aevean. The turnaround from the trans-Pacific e-commerce boom can be traced back to a single decision: the US eliminating its de minimis exemption for low-value imports from China on May 2, 2025. While overall US air freight imports from Asia rose 11% in January–April, high-tech volumes from key component-producing origins saw triple-digit percentage increases, with Taiwan skyrocketing 276% year over year, while shipments of AI-related components from Thailand soared 223% and volumes from Vietnam spiked 110%.

The new boom: Air freight analysts and executives predict demand from cargo-hungry US data center development will fill planes through the end of 2027, possibly longer. Hyperscale and cloud data center facilities construction concentrates primarily in Northern Virginia, Silicon Valley, Dallas and Chicago. Secondary clusters in central Washington state, Arizona and Texas are also expanding rapidly to support growing AI workloads. This growth is filling 46 freighter aircraft per day out of Asia with high-tech components such as semiconductors, memory chips and servers and lifting trans-Pacific air cargo rates. Elevated jet fuel prices due to the Iran war, which materially raised airline costs practically overnight, are still pushing prices up. Average China–US spot rates of $6.59 per kg in the week of July 3 were up 18.3% from the same week last year but down from a post-closure high of $7.43 per kg in the week of March 27, according to Freightos (Chart 2A).

Better balance: On the trans-Atlantic corridor, the arrival of airline summer schedules adds capacity and keeps supply and demand at relative equilibrium. US and EU negotiators will discuss proposed additional US tariffs of 10% to 12.5% on goods imported from 60 trading partners, including the EU, in early July, but uncertainty around those potential duties have not resulted in any significant frontloading of seasonal shipments. Unlike outbound trades from Asia, where fuel shortages are more acute, air freight pricing from Europe to the US has fallen steadily since the start of the Iran war. Average spot rates fell to $2.00 per kg in the week of July 3 from $2.71 per kg in the week of Feb. 27, though they remained 10.8% higher year over year, according to Freightos (Chart 2B).

CHART 3A

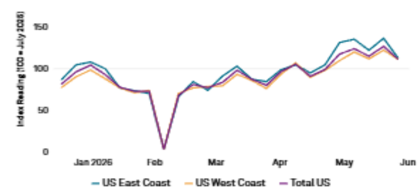
Frontloading brings early trans-Pacific peak
Containerized US imports from Asia, in laden TEUs, with year-over-year change



Source: S&P Global © 2026 S&P Global

CHART 3B

Forward trans-Pacific demand strength continues into June
Index of booking requests for US imports from China, including declined bookings



Source: Vizion © 2026 S&P Global

III. North America ocean container trades

The bottom line: An early trans-Pacific peak season is in full swing entering the third quarter, with frontloaded fall and holiday shipments, stretched vessel capacity and elevated bunker fuel costs pushing rates to their highest level in nearly two years. Import volumes should taper off through the summer, however, with bunker prices slowly reverting to pre-war levels once vessel traffic through the Strait of Hormuz resumes at scale.

Safety not guaranteed: Fully reopening the Strait of Hormuz would ease bunker fuel prices, but the timing of an eventual oil market reset remains unclear. On June 23, the International Maritime Organization (IMO) implemented a plan to evacuate the commercial vessels — and more than 11,000 seafarers — stranded inside the Persian Gulf, only to suspend that plan three days later after an attack on an Evergreen container ship transiting the southern Omani corridor, one of two routes carved out in the June 19 US–Iran ceasefire agreement. Describing the pause as "temporary," IMO Director-General Arsenio Dominguez said the evacuation framework would remain on hold pending the reaffirmation of safety guarantees. Although bunker costs have fallen from mid-March record highs, they remain elevated, especially in Asia. As of June 26, the average price of very low-sulfur fuel oil (VLSFO) in Singapore was still 36.6% higher than on Feb. 27, while the average price in Rotterdam was up 21.9%, according to data from marine fuel publication *Ship & Bunker*.

Early but brief: The trans-Pacific peak season came early again this year as US importers frontload cargo to get ahead of rising bunker fuel surcharges, price hikes from Asian suppliers and a new round of tariffs. Actual containerized US imports from Asia spiked 19.5% year over year in May after declining 4.3% in the first four months of 2026, according to PIERS, a sister product of the *Journal of Commerce* within S&P Global, and booking data from maritime analyst Vizion suggests that growth continued into June (Charts 3A and 3B). But according to the latest Global Port Tracker forecast from the National Retail Federation and Hackett Associates, the wave of frontloaded volumes will recede in the third quarter, with total US imports projected to slide 8.4% year over year in July, 8.6% in August and 2.2% in September. Despite stronger-than-expected demand and rates, carriers had been relatively disciplined in their vessel deployments, but that looks set to change in July. Container lines deployed 1.98 million TEUs of capacity on the trans-Pacific in June, up from 1.8 million TEUs in March and roughly the same

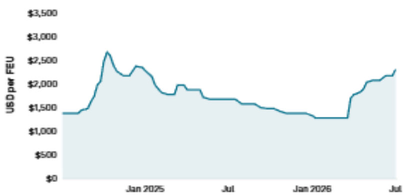
CHART 3C

Trans-Pacific spot rates near two-year high
Container spot rates from North Asia to US West and East coasts, in USD per FEU

Source: Platts, S&P Global © 2026 S&P Global

CHART 3D

Trans-Atlantic rate growth slows after initial bunker bump
Container spot rates from North Europe to US East Coast, in USD per FEU



Source: Platts, S&P Global © 2026 S&P Global

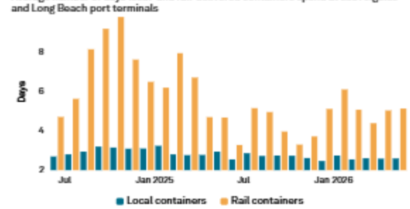
as in June 2025; barring additional blank sailings, planned capacity will jump to 2.28 million TEUs in July, up from 2.08 million in the same month last year, according to Xeneta subsidiary eeSea.

The heat is on: Eastbound trans-Pacific rate growth since the war in Iran began accelerated from mid-May amid the early demand peak. Following a series of successful general rate increases (GRIs) and peak season surcharges (PSSs) — in addition to war-linked emergency fuel surcharges and higher bunker adjustment factors (BAFs) — shippers are essentially paying double what they agreed to in annual service agreements for contract freight and an even higher premium for spot market cargo. Most retailers secured rates of about $1,700 to $1,900 per FEU from Asia to the West Coast in their 2026–27 service contracts, most of which took effect on May 1. However, BAFs that reset quarterly increased by about $300 to $400 per FEU on July 1, and most carriers, emboldened by the unexpected surge in demand in May and June, have imposed PSSs of $2,000 per FEU, pushing the all-in price upwards of $4,000 per FEU. Average spot rates from North Asia to the US West Coast reached $6,400 per FEU in the week of June 26, up more than 250% since the beginning of the Iran war and 148.1% from the same week last year and the highest since the August 2024, according to Platts, also part of S&P Global (Chart 3C). And carriers aren't stopping there; they imposed another GRI on July 1 that, if successful, would boost spot rates to $7,500 per FEU.

Summer slowdown: There are no signs that the brief demand rally on the westbound trans-Atlantic trade — after a lackluster first four months to start the year — will continue into the typically quiet summer months. US imports from North Europe rose 6.2% year over year in May after falling 4.2% in January–April, while volumes from the Mediterranean swung to a 22.8% gain from a 9.5% loss, according to PIERS. But carriers and forwarders say forward bookings from US importers remain relatively soft, evidenced by spot rates that ticked up only slightly in May and June. Elevated bunker fuel costs and a tighter supply environment pushed average rates from North Europe to the US East Coast to $2,060 per FEU in the first week of May, up 58.5% from the start of the Iran war, according to Platts (Chart 3D). Unlike in the trans-Pacific, however, those gains slowed considerably in May and June, with spot rates rising 11.7% to $2,300 per FEU at the end of the second quarter. After trimming capacity slightly in June, carriers will increase deployments in July and August. But at 561,460 TEUs, total planned capacity between Europe, the Mediterranean and the US in July will still be 4.6% lower than in July 2025, according to eeSea.

CHART 4A

LA-LB fluid amid early import peak
Average number of days local- and rail-delivered containers spend at Los Angeles and Long Beach port terminals



Source: Pacific Merchant Shipping Association © 2026 S&P Global

CHART 4B

NY-NJ container dwells dip in June
Seven-day moving average number of hours containers spend at New York and New Jersey marine terminals

Source: Vizion © 2026 S&P Global

IV. North America container port and interior flow

The bottom line: Major US container gateways are entering the third quarter with little to no congestion despite an unexpected frontloading rush that began in May. Projections call for that wave of imports to recede over the summer, keeping marine and inland terminals relatively fluid.

Western front: Frontloading of US imports in anticipation of higher bunker fuel costs and possible tariff increases on July 24 was concentrated heavily on the West Coast, particularly in the ports of Los Angeles and Long Beach. Inland point intermodal (IPI) shipments through Southern California have direct services to virtually all major inland hubs in the eastern half of the country, whereas IPI services through the Pacific Northwest are routed primarily through Chicago. Laden container imports through Los Angeles, Long Beach, Oakland and the Northwest Seaport Alliance of Seattle and Tacoma (NWSA) grew a combined 26.8% year over year in May, outpacing 12% national growth for the month, according to PIERS. But that growth was not distributed evenly, with volume gains in Long Beach (36.6%) and Los Angeles (25.6%) leading the way, and much smaller increases — both on percentage basis and in terms of absolute volumes — reported at the NWSA (13.6%) and Oakland (7%). Despite the sudden influx of cargo, however, West Coast marine terminals remained fluid, evidenced by steady container dwell times in May, according to data from the Pacific Merchant Shipping Association and Infor Nexus (Chart 4A).

Volatile volumes: Imports through Northeast and mid-Atlantic ports continued to fluctuate from month to month in the second quarter, as relatively subdued overall demand gave way to frontloading in May. Combined inbound container volumes through the ports of New York and New Jersey, Virginia, Baltimore, Philadelphia, Boston and Wilmington (Delaware) fell 5.7% year over year in the first four months of 2026 before ticking up 3.7% in May, according to PIERS. That growth likely accelerated in June given the longer transit times for all-water services from Asia to the US East Coast. In contrast to frontloaded cargo that boosted import volumes by 5.8% in May, terminals in New York and New Jersey also experienced vessel delays and reroutings due to severe winter weather during the quarter. Just 186 container ships called New York-New Jersey terminals in April, the lowest monthly since July 2025, according to data from Sea-web, also part of S&P Global. Despite the volatility, the busiest East Coast gateway remained fluid, with import container dwell times hovering between 70 and 100 hours, according to data from Vizion (Chart 4B).

Even so, complaints from drayage operators in New York-New Jersey of challenges in returning empty containers prompted the Port Authority of New York and New Jersey to issue a new fee for ocean carriers that do not quickly evacuate empties. Of the six Northeast ports, only Virginia managed to grow its imports during the first five months of the year, with a 2.6% increase attributed primarily to increased intermodal rail service. In February, Virginia completed dredging its harbor to a 55-foot depth, which will allow it to handle fully loaded ultra-large container vessels, and is roughly halfway through construction of a fifth ultra-large container vessel berth scheduled to begin operations in 2027.

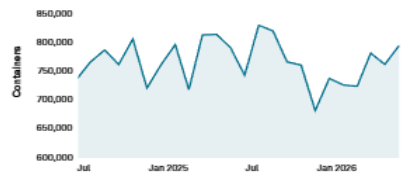
Southern slog: Southeast ports saw inbound container volumes fall across the board in early 2026, and the frontloading of imports in May and June may not be enough to offset those declines. Total imports through the Southeast fell 6.4% in the first five months of the year, but the overall results mask significant variation between individual ports due to the markets they serve. The Port of Savannah, which accounts for just over half of Southeast inbound container trade, recorded a 2.1% year-over-year dip in imports, while volumes into Charleston tumbled 12% for the period. The steeper decline largely reflects the fact that Charleston primarily serves South Carolina's industrial manufacturers and their particular restocking needs. Due to the uncertainty surrounding consumer demand, Charleston plans to halt vessel operations at its Hugh Leatherman terminal starting in August, with yard operations and container retrieval expected to wind down through July. Charleston port officials said the temporary closure was necessary due to forecasts for a weaker second-half of 2026. Other ports more leveraged to consumer and retail goods, however, are also seeing volume declines due to the uncertain outlook for consumer demand. Imports through the Port of Jacksonville, for example, plummeted 21% year over year through May.

Plenty of room: Gulf Coast ports likewise saw containerized cargo volumes fall in the first four months of the year amid ongoing demand uncertainty before spiking in May as shippers frontloaded fall and holiday shipments. Imports landing on the Gulf Coast jumped 12.7% year over year for the month after slipping 2.8% through April, according to PIERS. Despite the strong May volumes, however, ocean carriers seem to be withdrawing vessel capacity from the region. A total of 515 container ships called at Gulf Coast ports in the third quarter through June 24, down from 606 vessel transits in the first quarter, according to Sea-web. The bellwether Port of Houston, which handles roughly three-quarters of the region's containerized freight, handled 75 vessels in the first three and a half weeks of June, down from 91 in May.

CHART 4C

IPI volumes down yoy in 6 of 8 months through May

North American international intermodal (IPI) loads



Source: Intermodal Association of North America

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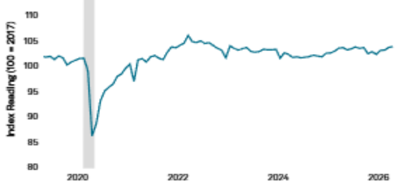
Those numbers may have also been impacted by the increasing number of tanker and other bulk commodity ships calling Houston after the port widened its channel to better accommodate two-way vessel traffic. Other metrics show Houston's terminals are operating at half their capacity. According to data from the Port of Houston Authority, yard utilization at its container terminals averaged roughly 44% for the last week of June, up only slightly from 39% at the end of March. Mobile, which has become the second-busiest port on the Gulf Coast is coming off completion of a dredging project that has brought its harbor down to 50 feet, allowing it to handle super-post-Panamax ships that cannot call Houston while fully laden. While the deepening was largely finished in February, port sources say ocean carriers have deferred service network revisions centered on Mobile's deeper harbor due to a lack of demand. Imports through Mobile inched up 0.5% through May, with a 23.5% surge in March offsetting declines in each of the four other months.

Fluidity intact: International intermodal volume declined 3.1% year over year in April and May after sliding 4.3% in the first quarter, according to the Intermodal Association of North America (IANA) (Chart 4C). IPI shipments from the Southwest to Midwest fell 4.9% in the three months ended in May, while volumes from the Northwest to Midwest dropped 12.3% and freight from the Midwest to the Southwest plunged 12.8%. The one exception was the Northeast to Midwest, which includes routes connecting the ports of New York and New Jersey and Virginia with the Ohio Valley and Chicago; volumes on that corridor climbed 9.2% during the same period. The international intermodal network has remained generally uncongested, with trucker complaints, mostly related about turn times being below expectations and poor communication with railroads, primarily focused on terminals in Chicago, including those operated by BNSF Railway, Norfolk Southern Railway and Union Pacific Railroad (UP).

CHART 5A

Trucking demand ticks up just 0.3% YTD through April
For-hire trucking ton-mile index seasonally adjusted



Notes: Shaded areas indicate US recessions
Source: Fed, Census Bureau, BEA, and BLS by Jason Miller, PhD © 2026 S&P Global

CHART 5B

Truckload capacity bounces off index low
The Journal of Commerce Truckload Capacity Index (TCI), a measure of actual truck counts at a group of large publicly owned truckload carriers

Source: Company reports, JOC analysis © 2026 S&P Global

V. US trucking

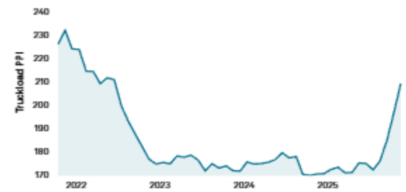
The bottom line: The new capacity crunch is here, as a federal regulatory crackdown and rapid cost inflation pushes drivers — and some truckload carriers — out of the industry and truckload rates higher. In response, shippers are shifting freight across modes, putting upward pressure on intermodal and less-than-truckload (LTL) pricing.

Tight squeeze: Trucking freight volumes will likely remain moderate in the third quarter, but continued capacity cuts and elevated diesel fuel costs will keep pressure on truckload and LTL rates through the end of the year. North American domestic surface transportation demand, including intermodal rail, as measured by the Cass Freight Shipments Index, declined on a year-over-year basis in each of the first five months of 2026. The US trucking ton-mile index from Michigan State University, a measure of trucking demand, increased by an average of 0.3% year over year from January through April, the latest month for which data is available (Chart 5A). Some of that can be attributed to increased US manufacturing activity, but analysts and trucking executives say much of the "growth" the industry is experiencing is actually the result of shippers shifting freight between carriers and modes as truckload capacity becomes more dislocated. The gradual exit of many of the small trucking companies that hit the highways during the COVID-19 pandemic and the roughly 200,000 truck drivers with non-domiciled commercial driver's licenses, according to the US Department of Transportation, is behind the capacity crunch. Third-party provider ITS Logistics expects 20% to 30% of total US truckload capacity to leave the for-hire market over the next two years, while other estimates have put that number at 10% to 15% of the market.

Fuel and frontloading: That capacity destruction, along with war-inflated diesel fuel prices and frontloaded imports, will continue to push truckload pricing up after hitting a more than three-year high in the second quarter. The *Journal of Commerce* Truckload Capacity Index, which tracks truck fleets at large truckload carriers, grew for the second straight period in the first quarter after falling to an all-time low in the third quarter of 2025 (Chart 5B). But the TCI remained below pre-pandemic levels, and much of the increase resulted from acquisitions among the component carriers, rather than organic growth. The already shrinking pool of available capacity will get even shallower if the federal government mandates stricter drug testing rules for drivers, and unlike in previous cycles, higher rates don't appear to be attracting new drivers to the industry. Although direct US imports represent a small percentage of

CHART 5C

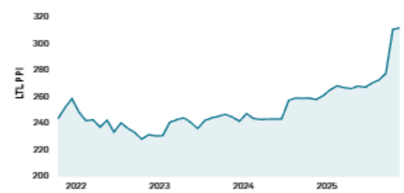
Truckload pricing hits 41-month high in May
US long-haul truckload producer price index (PPI)



Source: US Bureau of Labor Statistics © 2026 S&P Global

CHART 5D

Already record LTL costs keep climbing
US long-haul less-than-truckload (LTL) producer price index (PPI)



Source: US Bureau of Labor Statistics © 2026 S&P Global

domestic truck freight, the second-quarter surge in trans-Pacific imports from Asia sets up domestic inland moves this summer and into fall. If there is a higher-than-expected increase in truckload demand, the trucks won't be there to meet it. That would exacerbate truckload rate growth that was already accelerating in the second quarter. Average selling prices rose 8.4% year over year in March, 15.7% in April and 22.9% in May to reach their highest level since December 2022, according to the US Bureau of Labor Statistics long-distance truckload producer price index (PPI) (Chart 5C).

New heights: Facing shipment delays and a sharp increase in truckload rates due to significantly tighter capacity, shippers are diverting freight from truckload to intermodal rail, LTL and even parcel carriers. That diversion, alongside higher fuel surcharges, is supporting higher LTL rates despite a long-term decline in volumes that continued in the first quarter of 2026, though some carriers reported slightly higher daily shipment counts and weights early in the second quarter. LTL contract renewal rates have been rising by mid-single-digit percentages, according to carriers, driving overall costs to an all-time high. The US BLS long-haul LTL PPI has risen in each month of 2026 on a sequential basis and in 29 of the last 30 months on a year-over-year basis, setting a yet another new record in May (Chart 5D).

CHART 6A

Diesel shock boosts intermodal volumes
North American domestic intermodal rail volume, 53-foot containers and trailers, with year-over-year change

Source: Intermodal Association of North America

© 2026 S&P Global

VI. Domestic intermodal rail

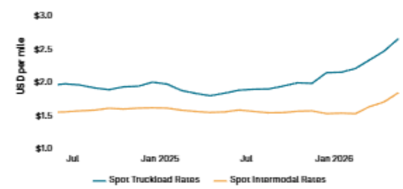
The bottom line: A fuel-driven rush of freight from truckload to intermodal rail is sapping inland drayage capacity and slowly pushing up intermodal pricing, leaving shippers a shrinking window to lock in savings before a broader reset. Rail service has remained relatively strong amid the increased volumes, but the addition of frontloaded imports will provide another stress test for the intermodal network in the third quarter.

Sudden shift: The swift increase in truckload costs due to soaring diesel fuel prices accelerated a diversion of cargo to intermodal that otherwise might have unfolded gradually over several quarters. Railroads have absorbed the new volumes without broad network disruptions, but signs of strain are showing downstream, particularly in drayage among large asset-based intermodal marketing companies such as Hub Group, J.B. Hunt Transport Services and Schneider National. Industry executives told the *Journal of Commerce* that the abruptness of the shift, rather than the magnitude of the volumes, caught fleets short of driver capacity. In the three months since the start of the Middle East war, domestic container volumes rose 8.9% from the previous three months and 8.8% year over year, according to the Intermodal Association of North America (IANA) (Chart 6A). If fuel prices ease and volume growth moderates in the third quarter, drayage providers should have more room to rebuild drayage capacity, but hiring enough drivers will not be a quick fix, especially in markets where fleet sizes were trimmed during the nearly four-year freight recession.

Surcharge season: In response to the increase in volumes, Union Pacific Railroad (UP) has raised spot pricing and imposed PSSs on outbound loads from Southern California. Those PSSs, currently at $300 per container for high-volume shippers who exceed their weekly contractual allotments and $500 per container for low-volume "aggregate" shippers, could increase or extend beyond Southern California if volumes continue to grow in the third quarter, and private-asset providers will likely follow suit. Hub Group, Schneider, STG Logistics and Swift Intermodal have used PSSs in prior tight markets, typically in the range of $500 to $1,000 per container. Sources have told the *Journal of Commerce* that J.B. Hunt pre-negotiated peak surcharges in contracts with many customers, which could give those shippers more cost visibility than they had in previous cycles. Because surcharges generally apply only when customers exceed their weekly allotment, and the count resets each Sunday, disciplined load planning and delaying shipments that aren't time critical — or tendering them to other providers — can reduce

CHART 6B

Truckload rate growth outpacing intermodal
Average spot rates for US truckload and domestic intermodal rail, in USD per mile



Source: Journal of Commerce Intermodal Savings Index

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CHART 6C

Intermodal train speeds slip amid sudden volume spike
Rolling four-week average of US Class I intermodal train speeds, in miles per hour

Source: Surface Transportation Board

© 2026 S&P Global

exposure. Spot intermodal rates, which often move in stride with surcharges, began to rise late in the second quarter across all western railroad options. As peak season heats up over the next three months, shippers should expect UP to adjust spot market rates tactically to encourage the smooth flow of freight out of the West Coast and timely return of equipment.

Limited-time offer: Intermodal contract pricing is also increasing, even though the rates agreed upon in January technically remain valid. Shippers are reporting more tender rejections and "give-backs" from intermodal providers as demand outstrips the capacity built into those contracts. A contract rate is useful only when the provider can accept the load. As tender acceptance weakens, shippers must go deeper into their routing guides, where backup providers and higher-cost contract options become necessary to secure coverage. Even so, rail remains significantly cheaper than truckload pricing in both the spot and contract markets. Average spot truckload rates, including fuel, on 120 indexed lanes jumped 45 cents per mile in May compared with pre-war pricing in February, while spot intermodal pricing increased 31 cents per mile, according to data underpinning the *Journal of Commerce* Intermodal Savings Index (Chart 6B). What's more, the 81-cent delta between the two in May was the widest since January 2022. For contract loads, average truckload pricing rose 39 cents per mile during the same period, compared with a 22-cent hike in intermodal, leaving the largest gap between them since October 2022. That means shippers that can secure equipment, dependable drayage and consistent tender acceptance still have an opportunity to capture meaningful savings, but these conditions won't last forever. The market is repricing through tender rejections and give-backs first, and a broader rate reset is likely to follow in the second half, potentially positioning providers to put those higher prices into contracts during the 2027 contract bid cycle.

Service slippage: Rail performance was steady in the second quarter, but some signs of stress are beginning to appear in the data. Average US intermodal train speeds slipped to 28.9 mph in June from 29.8 mph in April to 30.3 mph in June 2025, according to the Surface Transportation Board (Chart 6C). The STB also reported more loaded and empty intermodal railcars sitting idle for at least 48 hours in June than a year earlier, with much of the deterioration concentrated at BNSF Railway. A sustained increase in idle containers and railcars would indicate that additional volume is starting to overwhelm terminals, crews or network capacity, but preliminary data and anecdotal reports from the biannual *Journal of Commerce* Intermodal Service Scorecard survey show no measurable impact on BNSF customers.

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