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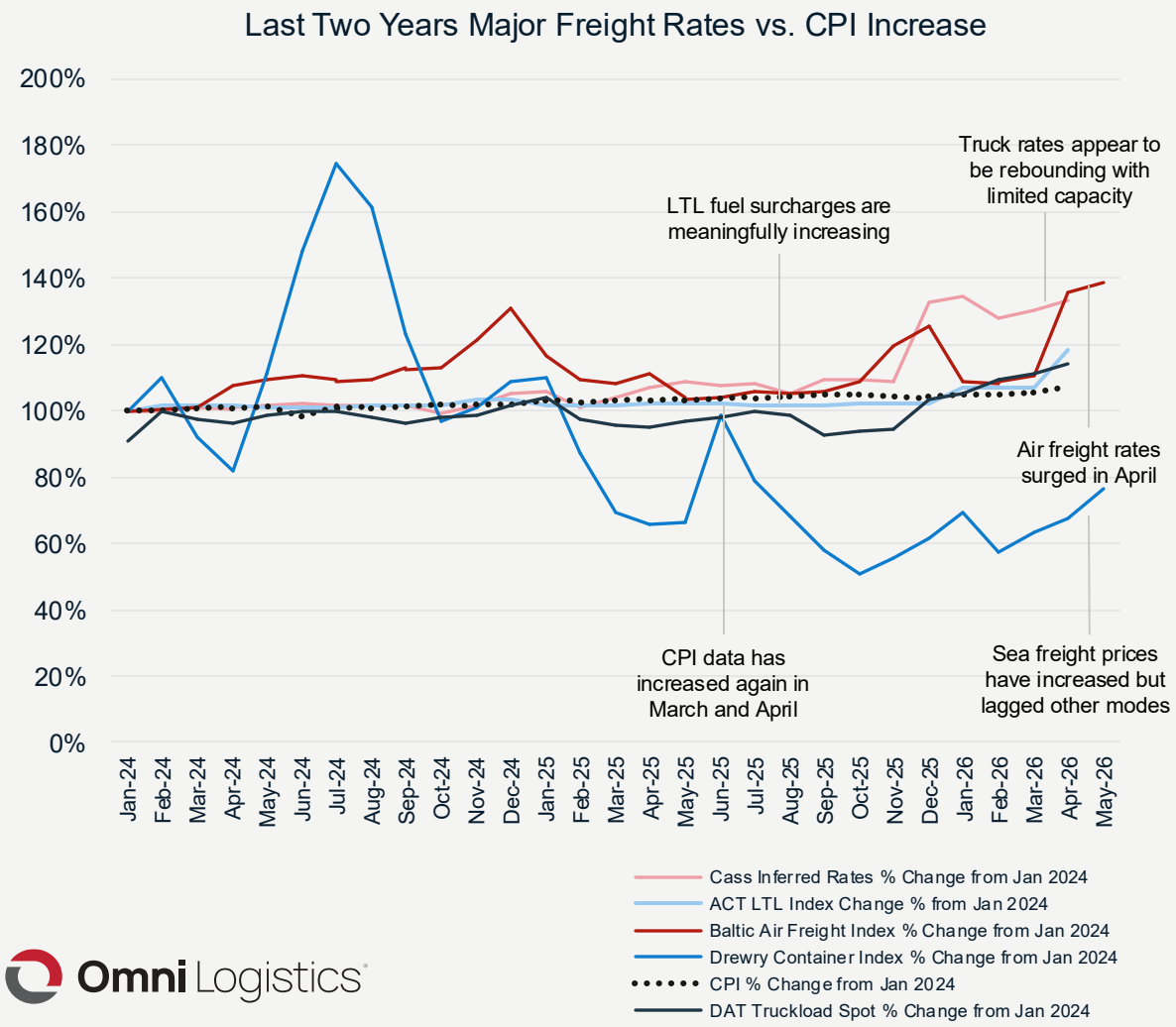
Market Insights

June 2026

Major Macro-Economic Indicators



Economic Sentiment

- The U-Mich consumer sentiment index fell again to 48.2, an all time low, driven by higher fuel prices.
- GDP for Q1 was revised down from 2% to 1.6% growth.

Labor Force

- The U.S. economy added 115,000 jobs in April, significantly more than was expected. Gains were largest in retail, transportation, and healthcare.
- Total unemployment ticked up slightly to 8.2% in March but was lower than a recent high of 8.7% in November.

Inflation vs Rates

- YoY inflation in April accelerated to 3.8% driven heavily by energy costs. Core inflation rose to 2.8% YoY, and .4% MoM – a greater pace than February and March.
- The new Federal Reserve Chief has openly expressed interest in lowering rates while acknowledging the need to contain inflationary pressures. Immediate rate cuts are not predicted by analysts.

Inventories vs Sales

- The inventory to sales ratio of retailers has decreased steadily in 2026.
- Consumer resilience at major retailers is somewhat stronger than all time low consumer sentiment readings indicate.
- Some auto dealership brands are still grappling with record high inventories well over historical industry targets.

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Sources: U-Mich, Conference Board, WSJ, BLS, DAT, Drewry, Baltic Indices, ACT Research, Cass

June 2026

International Trade & Freight Overview

Quick Digest

Middle East Conflict Accelerates Sea–Air Shifts, Pressures Rates

- **Outlook:** Extended ocean transit times linked to Middle East disruptions are driving increased sea–air conversions and congestion at key hubs like Dubai and Singapore. Elevated bunker fuel costs, blank sailings, and capacity constraints are expected to keep air and ocean rates firm in the near term.

Section 301 Proposal Targets 60 Countries

- **Outlook:** USTR is proposing new tariffs across imports from ~60 countries. A reduced 10% rate may apply to compliant countries, while others could face tariffs of up to 12.5%, signaling broader supply chain and cost impacts.

Peak Season Signals Emerge as Trans-Pacific Rates Stabilize

- **Outlook:** Trans-Pacific spot rates have leveled off, pointing to early peak-season demand rather than a slowdown. With the Strait of Hormuz closed, peak-season cargo flows are expected to push rates higher from an already elevated base driven by fuel costs, capacity controls, and congestion risk.

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Geography Spotlights

Americas	Europe	Asia	Middle-East Africa
- Supreme Court rules freight brokers can be held liable under state law for negligently hiring unsafe motor carriers. - Section 122 found unlawful, but tariff collection remains stayed. - Industrial Section 232 Tariffs reduced to 15% but expanded scope, effective June 8.	- €3 customs duty per item on low-value e-commerce parcels entering EU, starting July 1. - EU finalized terms of its U.S. trade deal, caps most U.S. tariffs at 15% while adding safeguards.	- China's Ministry of Transport issues fines for leading lines for under-declaring freight rates. - U.S. and Taiwan have finalized a trade and investment agreement, Section 232 tariff rates on specified imports from Taiwan at 15%.	- Containership transits through the Suez Canal–Red Sea corridor reached a 10-week high (May 17), driven by increased movements of larger vessels despite ongoing security risks.

Notable Themes

Cargo Security Risks Are Rising
Cargo theft patterns are shifting from physical theft to organized fraud and impersonation schemes. The evolving threat landscape is increasing risk and highlight importance of cargo security measures.

Peak Season Expected to Be Softer
Peak-season demand is tracking below historical norms as cautious ordering, excess vessel capacity, and uneven consumer demand persist.

Early Frontloading Tightens Asia–Europe Capacity
Shippers are pulling forward inventory on Far East–Europe lanes amid supply chain disruption concerns, rising fuel costs, and potential capacity shortages, driving early booking surges and tightening capacity.

Interesting Reads

- Cargo theft dips in Q1, but fraud schemes surge, report says
- EU Warns Companies to Diversify Supply Lines From China Faster
- Duty Drawback Explained: A Retailer's Guide to Recovering Import Costs
- UN Cuts Global GDP Growth Forecast
- USTR Proposes 301 Tariffs on 60 Countries Following Forced Labor Findings; Requests Comments Before July 7th Hearing

Sources: Freight Waves, Journal of Commerce, Customs & International Trade Law Blog, Trade Strategies Today, EU Commission, The Loadstar, Transport Topics, Supply Chain Brain, Supply Chain 24/7, International Trade Insights

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North America LTL Freight Overview

Quick Digest

Fuel Costs Drive LTL Pricing Pressure

- **Outlook:** Diesel prices remain elevated above $5.50/gallon in May, with many LTL carriers implementing surcharge rates exceeding 50%. Fuel continues to be the primary driver of LTL price increases, sustaining upward pressure through April and May.

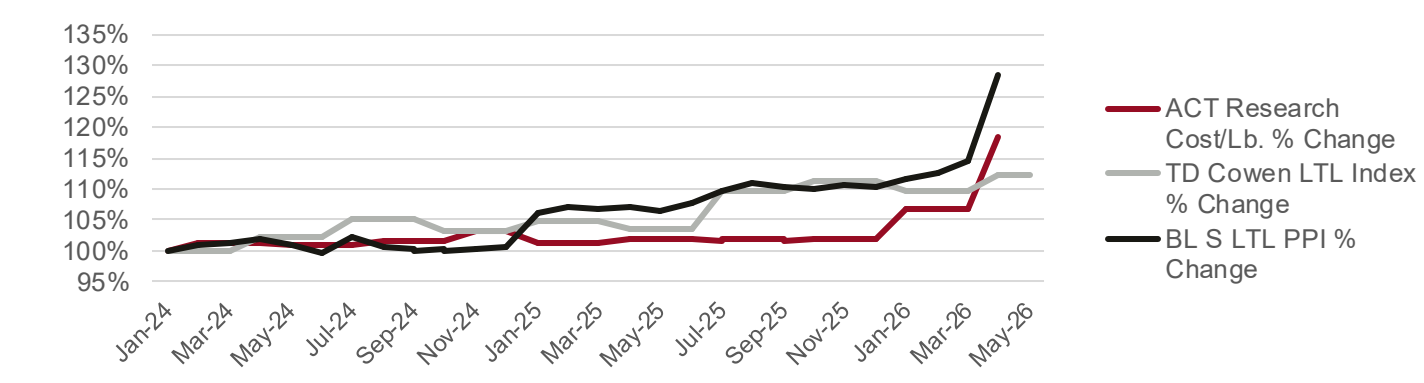
Housing Activity Supports Freight Demand

- **Outlook:** While single-family home sales declined month-over-month, multi-family construction rose 23.3% year-over-year. Increased housing activity is expected to drive building materials demand across LTL, flatbed, and dry van networks.

Industrial Output Signals Freight Growth

- **Outlook:** U.S. industrial production increased 0.7% in April, reversing a decline in March. Strengthening industrial activity is likely to support increased downstream LTL freight volumes.

Key Figures



Notable Themes

Emissions Rules Drive Cost and Uncertainty
Low-NOx regulations set for 2027, with potential for postponement, will significantly increase equipment costs, with unresolved rule details adding uncertainty. This is expected to disrupt fleet planning and accelerate pre-buy behavior ahead of implementation.

LTL Near Term Forecast
Short term LTL volumes are down in H1 of this year but that long term projections remain, with 2026 expected to be the highest net volumes since 2022. Operating costs have also increased on average.

Inventory Drawdowns Pressure JIT Models
Overall inventories have been drawn down, and the haulage market is tight, making just-in-time logistics a riskier business proposition than previous conditions allowed.

Interesting Reads

- Walmart is expanding its LTL consolidation program with its major suppliers
- The EPA proposed delaying stricter emission standards for light and medium duty vehicles until model year 2029
- DHL E-commerce signed a multi-year ~$10B deal with the USPS for final mile delivery

Sources: BLS, Loadstar , Freight Waves, EPA, ACT Research, TD/Cowen/AFS, EIA, Truck News

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June 2026

North America Freight Overview

Quick Digest

Supreme Court Ruling Expands Broker Liability

- **Outlook:** A unanimous Supreme Court decision allows freight brokers to be sued under state negligence law for hiring unsafe carriers, placing greater scrutiny on carrier-vetting practices. Expected to drive stricter screening, higher compliance and insurance costs, and further tighten capacity across the trucking market.

FMCSA Launches Motus to Combat Trucking Fraud

- **Outlook:** The FMCSA has rolled out its new Motus registration platform, using biometric identity verification and unified systems to reduce fraud and improve oversight.

Fuel Costs Drive Truckload Rate Increases Despite Soft Demand

- **Outlook:** Truckload rates rose in April, driven primarily by higher fuel surcharges rather than stronger demand, as freight volumes declined and linehaul rates remained relatively flat. Elevated diesel costs continue to pressure carriers and support higher pricing, even in a softer freight environment.

Key Figures

25%
YoY increase in dry van spot mileage rates, net fuel, in April – compared to a 6.7% YoY increase in contract rates.

$2.67
April average per-mile spot truckload dry van rate, including fuel.

$5.3B
Estimated annual maintenance costs for the additional 113,000 lane-miles of road added across the U.S. between 2018 and 2024.

Notable Themes

Elevated Flat Bed Rates
Rates for flat bed trucks absolutely spiked in April, with unusually tight capacity meeting the regular start of "construction season"

Regulatory Shifts Tighten Driver Supply
Regulatory removals of non-domicile drivers are tightening truckload capacity, with stricter visa requirements expected to limit near-term driver replenishment and keep capacity constrained.

Cargo Theft Risks Evolve
Nearly half of Q1 cargo theft incidents involved carriers with previously clean histories, signaling a shift toward more sophisticated fraud.

Interesting Reads

- House Leaders Graves, Larsen Unveil 5-Year Highway Bill
- STB accepts revised UP-NS merger application, while putting review process on hold
- Supreme Court Ruling Reshapes Risk for Freight Brokers
- 'Montgomery' ruling likely to raise pressure on trucking insurance, broker vetting

Sources: ACT Research, DAT, Transportation for America, Taxpayers for Common Sense, Supply Chain 24/7, Transport Topics, Trucking Info, WSJ, Yahoo Finance, Loadstar, Trucking Info, Fleet Owner

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Air Freight Overview

Quick Digest

Air Cargo Demand Rebounds Amid Shift Trade Flows

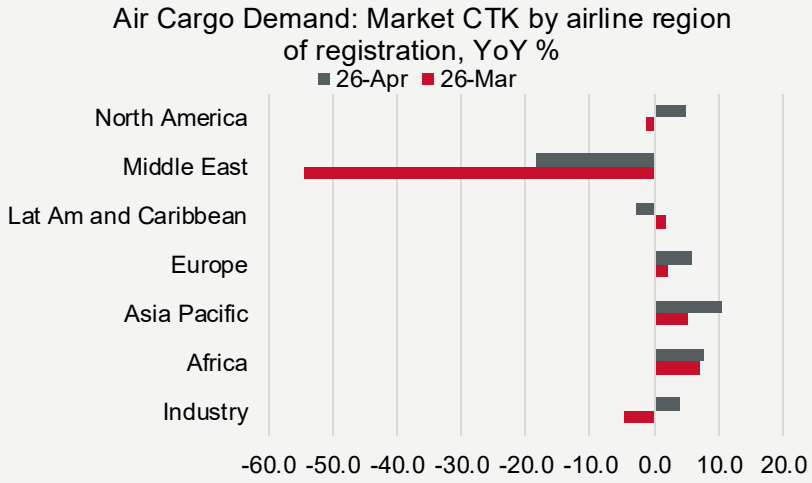
- **Outlook:** Air cargo demand grew 4% YoY, rebounding after a March decline. Market resilience continues amid Middle East disruptions shifting routing, with APAC outbound volumes up 10.5%.

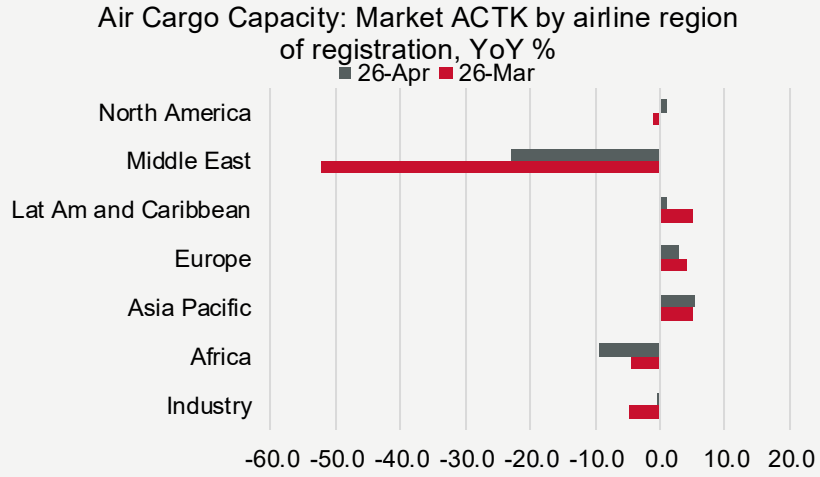
Air Capacity Recovers Despite Middle East Disruptions

- **Outlook:** Air cargo capacity declined .4% YoY but improved from a 4.7% drop in March. Middle East capacity had fallen but is stabilizing as carriers restore networks.

Jet Fuel Costs Drive Surcharge Increases

- **Outlook:** Jet fuel rose 121% YoY in April, slightly above March levels. Elevated costs are establishing a higher baseline and driving increased carrier surcharges and rate pressure.





Notable Themes

Cost Pressures Drive Carrier Surcharges
Following sharp 100% increases in jet fuel and global supply constraints, carriers have implemented significant surcharges to offset costs, with volatility continuing to influence yield management.

Network Disruptions in Middle East
Major carriers such as EK, QR, and EY have recovered some of their network since the start of the conflict, but carriers continue to operate less than 60% of their pre-conflict capacity creating significant challenges with global capacity and yields

AI Demand Drives Airfreight Surge
AI infrastructure demand to Europe and North America is up 57% YoY the equivalent of 16 daily freighters. Taiwan is leading the way while Vietnam and Thailand are also seeing high demand - putting a crunch on capacity in these markets.

Interesting Reads

- Hong Kong airport cargo rises 4.9% to 423,000 tonnes in April
- Air cargo demand grew 4% year-on-year in April
- Awesome Cargo completes A330P2F fleet with final freighter delivery
- Emirates SkyCargo expands freighter network to Toronto Pearson Airport
- High-tech volumes boost Asia-US volumes in Q1
- Air cargo carriers add fuel surcharges driven by Iran war

Sources: Air Cargo News, Stat Times, IATA, Fin Channel

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Ocean Freight Overview

Quick Digest

Strait of Hormuz Transits Increase with U.S. Security Support

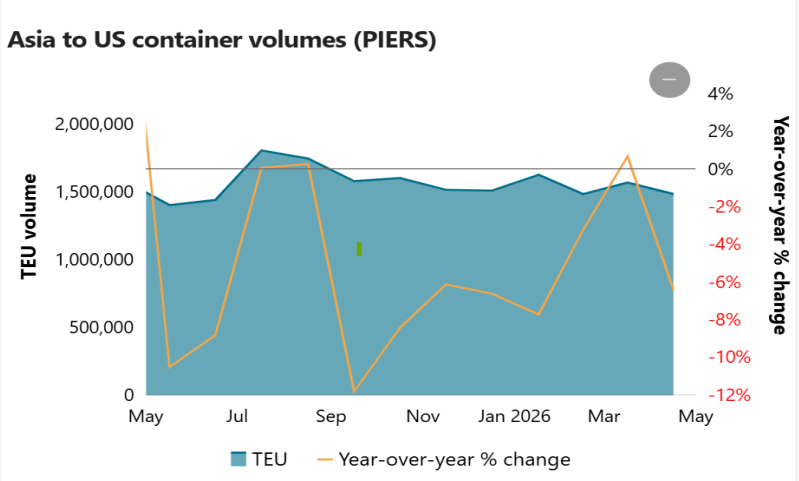
- **Outlook:** Vessel transits through the Strait of Hormuz are beginning to recover as U.S. military support provides navigational guidance and improves confidence among shipowners. Ongoing security risks and geopolitical uncertainty continue to constrain volumes and elevate operational risk.

Early Peak Season Signals Emerge

- **Outlook:** Spot rates from Asia to the U.S. have jumped as carriers add seasonal capacity and bookings surge earlier than usual, pointing to a potential early start to peak season. Ongoing blank sailings and surcharges are also tightening capacity and contributing to upward rate pressure.

Panama Canal Demand Surges as Alternative Route

- **Outlook:** The closure of the Strait of Hormuz is increasing Panama Canal traffic as energy cargoes reroute through safer corridors, expected to keep transit costs and congestion risks high. The Panama Canal expects no transit restrictions through December 31, 2026, while monitoring El Niño conditions.



Key Figures

$919
average price per ton of very low sulfur fuel

8.3%
YOY drop in U.S. inbound volume

11.7%
increase container prices across eight major trade lanes per 40-foot box

~4
day vessel wait at Qingdao

Notable Themes

Fuel Costs Ease, but Volatility Persists
Oil prices have softened on expectations of a Middle East de-escalation, easing bunker fuel pressure. However, ongoing geopolitical uncertainty continues to drive volatility across freight markets.

Capacity Management Remains to Carrier Strategy
Carriers are actively using blank sailings and service adjustments to manage capacity and protect margins after weak Q1 performance. Expected to persist even as near-term demand strengthens, tightening available space and supporting rates.

Infrastructure Investment
Ocean carriers and governments are increasing investment in ports and maritime infrastructure to boost capacity and resilience, with key projects in regions like the U.S. inland ports, middle east lanes and major Asian hubs.

Interesting Reads

- Guangzhou begins work on $2 billion fifth development phase at Nansha port
- Could new Zim offer start bidding war?
- Georgia Ports' $5B bet: Rewriting supply chain logistics
- Iran Widens Area it Defines as the Strait of Hormuz

Sources: JOC, Port Technology, American Shipper, GPA, PN, Yahoo, PERS, World Grain, Drewry's Container Capacity Insight, Seavantage, Atlantic Council, Loadstar

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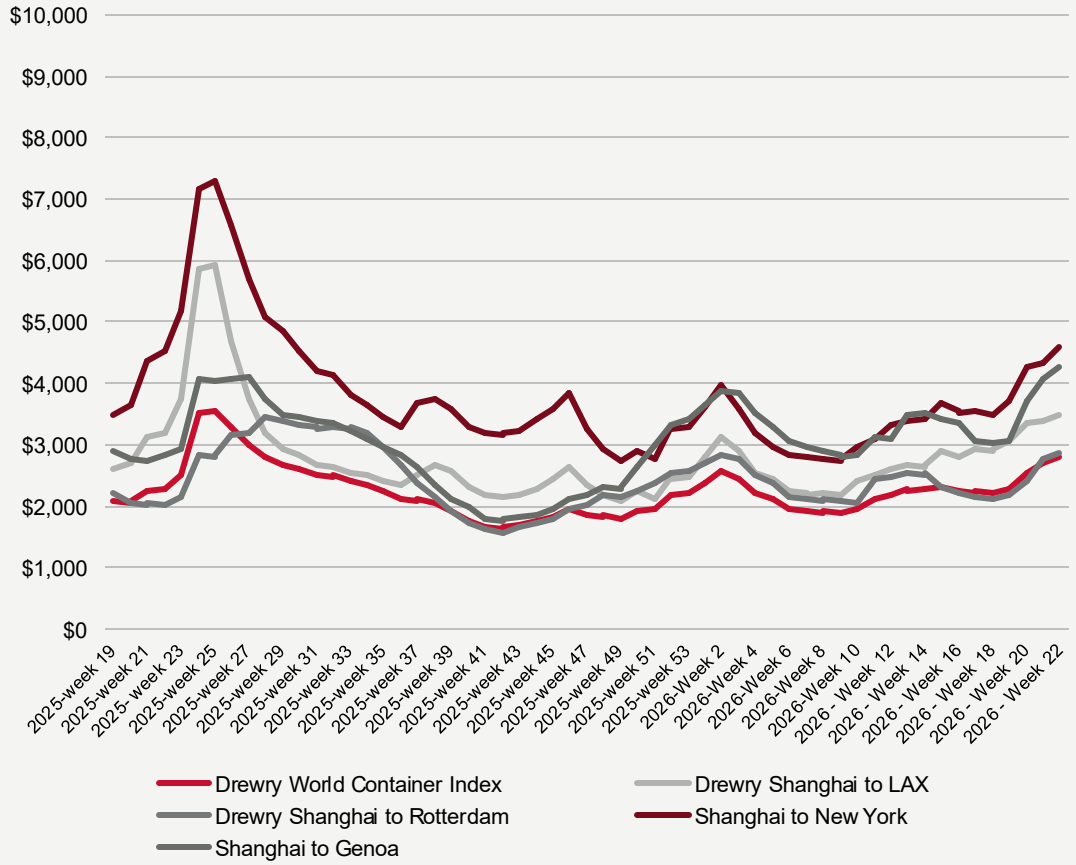
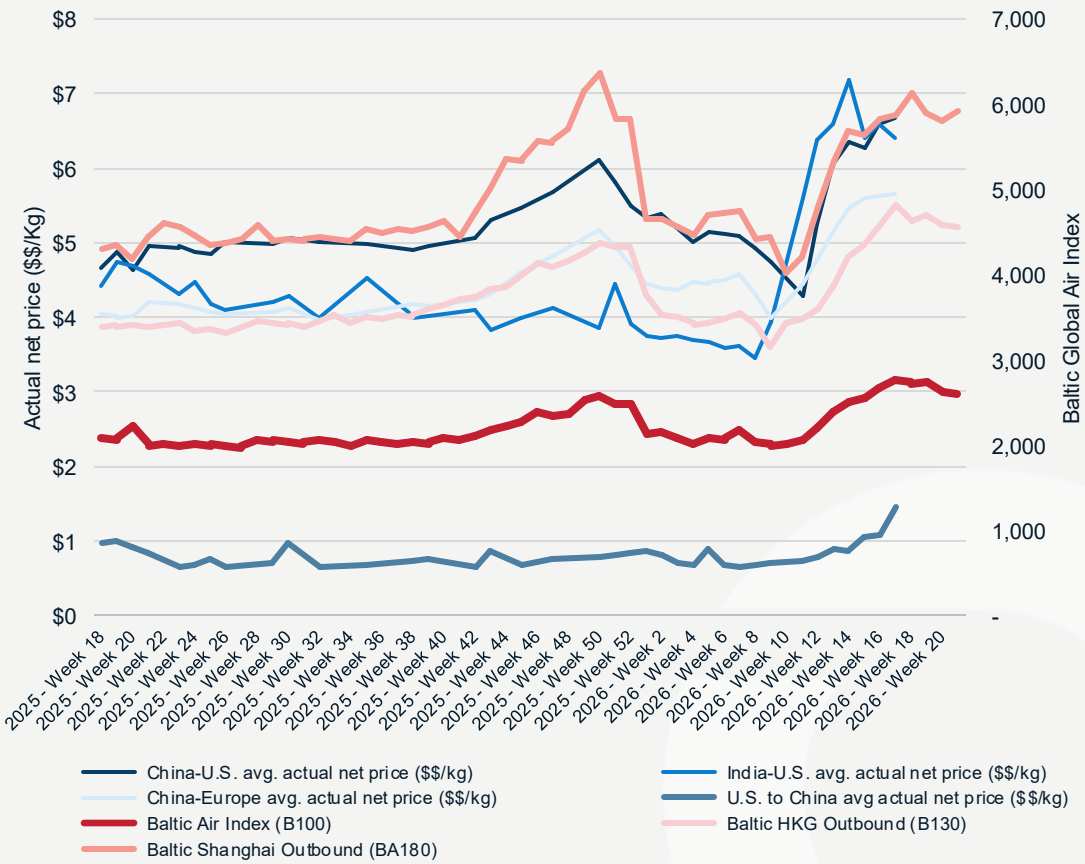
Market Rates: Ocean & Air

World Container Market Rates – Last 52 Weeks



Major Air Freight Market Rates – Last 52 Weeks



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Sources: Drewry, Baltic Air Indexes, TAC

June 2026

Customs & Trade Compliance Trends Overview

Quick Digest

Appeals Court Temporarily Keeps Section 122 Global Tariffs in Place

- **Outlook:** A federal trade court has found the 10% Section 122 tariffs unlawful, but an appellate stay allows continued duty collection while the case proceeds.

Section 232 Tariffs Expand Across Key Sectors

- **Outlook:** Section 232 tariffs of up to 100% on certain patented pharmaceuticals and inputs begin July 31, 2026, with broader application in September, while select industrial and agricultural equipment tariffs are being reduced or adjusted effective June 8.

EU Implements €3 Low-Value Parcel Duty

- **Outlook:** Starting July 1, 2026, all non-EU parcels valued under €150 will incur a uniform €3 customs duty per item, replacing the duty-free threshold.

Regulatory & Tariff Updates

Americas	Europe	Asia
- Reduced Section 232 tariffs on certain steel and aluminum derivative products, 15% effective June 8. - Brazil removes import tax for goods under $50. - USTR proposes 10-12.5% section 301 tariff on 60 countries. - USTR proposes 25% Section 301 tariff, specific BR products.	- EU low-value parcel duty, effective July 1. - EU-U.S. trade deal reached, final vote is now set for mid-June.	- US-China establish trade board, focused on which products will be subject to tariffs, and which may be exempt. - China implemented zero-tariff treatment for 53 African countries, effective May 1. - US sets Taiwan tariffs at 15% on auto parts, wood, aircraft parts.

Notable Themes

Tariff Uncertainty Persists
New and existing tariff measures remain in flux as legal challenges, policy shifts, and emerging actions create an increasingly uncertain duty landscape.

E-Commerce Duty Landscape Continues to Fragment
Diverging e-commerce duty policies will drive market-specific pricing, fulfillment shifts, and greater compliance complexity for importers.

New Agreements Drive Trade Diversification
New agreements and preferential programs are accelerating trade diversification, as countries seek to reduce reliance on major economies. This trend is driving new sourcing options and shifting global trade flows.

Interesting Reads

- Zero tariff fuels China-Africa trade surge as policy delivers benefits
- Commerce Releases Applications for Onshoring Agreements to Reduce Section 232 Tariffs
- Trump to Appeal Order Allowing Tariff Refunds to Importers

Sources: iContainer, Washington Tariff & Trade Letter, Trade Strategiess Today, EU Council, Supply Chain Brain, International Trade Today

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