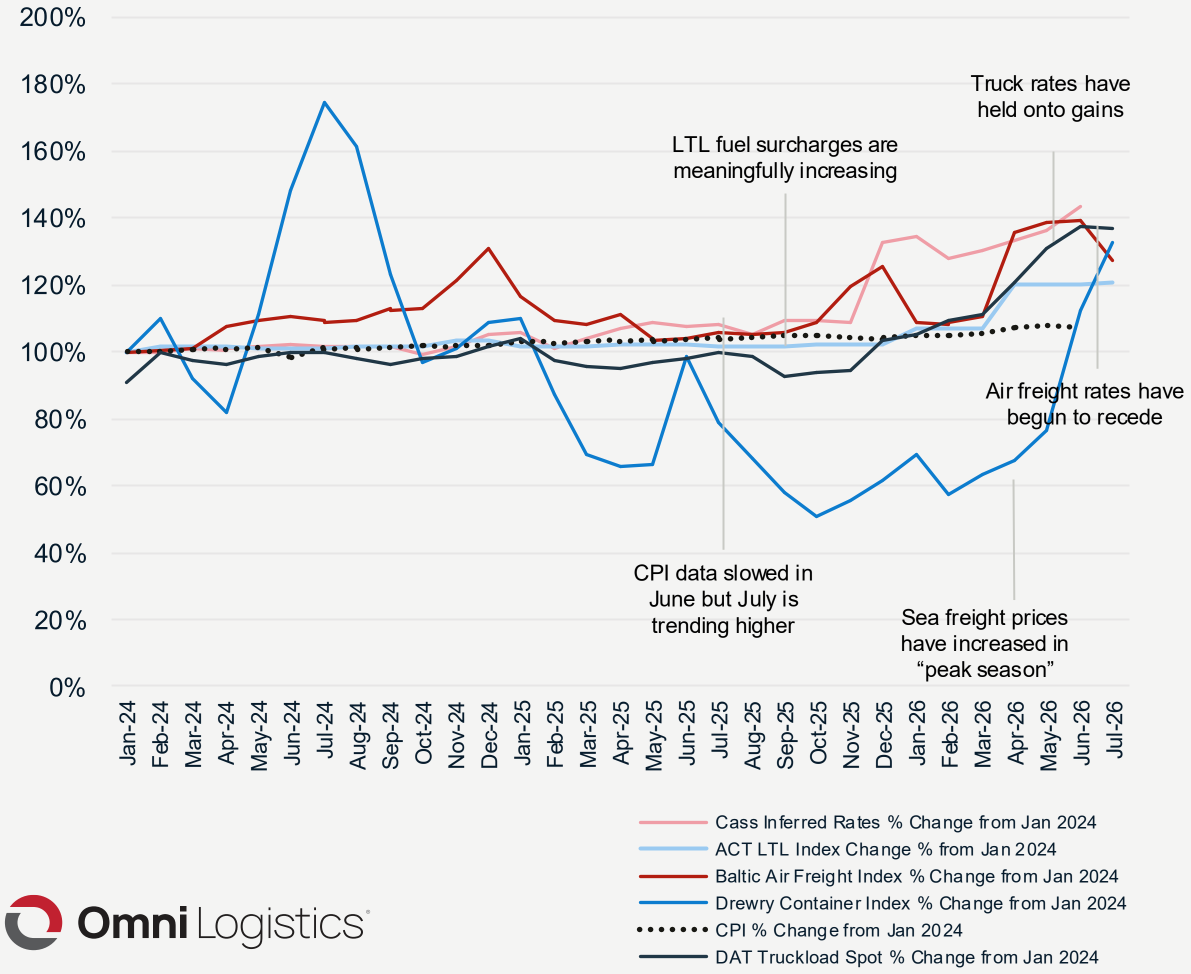
Omni Logistics

Market Insights

August 2026

Major Macro-Economic Indicators

Last Two Years Major Freight Rates vs. CPI Increase



Economic Sentiment

- The Logistics Managers Index increased to a 71.1 for June, indicating a level of rate expansion not seen since March 2022
- The Conference Boards consumer confidence index decreased to 90.8 in July from a 92.2 reading in June
- U-Mich consumer sentiment increased from 54.4 in July

Labor Force

- While the unemployment rate dropped to 4.2%, job gains were modest and below expectations at 57,000
- Labor force participation is at its lowest since June 1976, excluding pandemic years

Inflation vs Rates

- CPI increase YOY for June was 3.5%, a decline from May heavily driven by ebbing fuel prices
- US GDP growth sank to 1.5% in Q2 overall, but was a healthier 3.9% excluding trade and government spending as net imports of data center components
- Fed governors are split on actions to take, as rates were unchanged in July
- The latest WSJ economist survey shows a declining chance of recession but increased inflation

Inventories vs Sales

- Q2 consumer spending growth accelerated to 3.2%, up from 0.5% in Q1
- The Logistics Managers Index moved higher primarily on a rapid expansion in inventory levels and warehouse space has moved back into contraction territory – meaning less availability
- Groundbreaking on new build warehouses has meaningfully increased for the first time in 8 quarters

Omni Logistics

Sources: BLS, Conference Board, U-Mich, DAT, ACT Research, WSJ, CNBC, The LMI, Cushman and Wakefield, Baltic indexes, Drewry indexes, Cass indexes

International Trade & Freight Overview

Quick Digest

Renewed Strait of Hormuz Tensions Threaten Trade Flows

- **Outlook:** Shipping traffic through the Strait of Hormuz has begun to recover with military escorts supporting vessel movements, but continued regional tensions are sustaining risks to transit reliability, transportation costs, and global supply chains.

U.S. Frontloading Amid Supply Chain Uncertainty

- **Outlook:** Manufacturers continued building buffer inventories in June, their highest point since January 2023 while production backlogs tied to critical input shortages reached their highest levels since late 2022, signaling that supply chain bottlenecks are likely to persist through Q3.

USTR Implements New Section 301 Tariffs

- **Outlook:** Following the expiration of Section 122 global tariffs, USTR implemented new 10% to 12.5% Section 301 tariffs on imports from multiple trading partners effective July 24, with USMCA-qualified exemptions.

Geography Spotlights

United States	Europe	Asia	Middle-East Africa
- Effective July 22, additional 25% Section 301 tariff on Brazil imports, select exclusions. - Effective July 30, Section 232 Copper Smelt and Cast country of origin requirements. - Effective August 19, 50% tariff on Canadian imports. - DHS adds 43 companies to Xinjiang-Linked companies to UFLPA Entity List.	- EU-India Free Trade Agreement set for 2027 enforcement.	- Air and ocean carriers continue to reroute around conflict zones, increasing transit times, tightening capacity, and driving higher transportation costs across APAC trade networks.	- Port congestion at key gateways such as Apapa and ongoing Cape of Good Hope diversions continue to extend transit times and keep ocean costs elevated. - India-UK Comprehensive Economic and Trade Agreement (CETA) took effect on July 15, 2026.

Notable Themes

Renewed Hormuz Tensions Raise Supply Chain Costs
Shipping conditions in the Strait of Hormuz have retruned to pre-ceasefire levels. Longer alternative routings and higher fuel costs are driving up transportation expenses and supply chain risk.

Resilient Supply Chains Become a Strategic Imperative
The UN warns that climate risks, conflict, and economic pressures are increasing strain on global supply chains, reinforcing the importance of resilience, visibility, and risk management.

Climate Volatility as a Supply Chain Risk
Wildfires, Typhoon Bavi, drought-driven barge disruptions in Europe, and concerns over a potential Super El Niño are increasing risks to transportation networks, logistics capacity, and global supply chains.

Interesting Reads

- Forced Labor, Meet Section 301: New Tariffs Target 60 of America's Biggest Trading Partners
- Here's why it's so difficult for U.S. to fully reopen Hormuz
- Supply Chains Brace for Looming Threat of Super El Niño
- IRU report finds global truck driver shortage

Sources: DC Velocity, European Union Commission, Supply Chain Digital, Supply Chain Brain, Maritime Executive, Financial Express, Air Cargo Week

Omni Logistics

North America Freight Overview

Quick Digest

Record Import Volumes Reflect Ongoing Frontloading

- **Outlook:** As importers frontload shipments ahead of potential tariff increases, record container volumes (2.47 million TEUs in July) are placing added pressure on U.S. warehousing, drayage, and inland transportation capacity, particularly around major port gateways and distribution hubs.

USMCA Not Renewed, Enters Annual Review Process

- **Outlook:** The U.S. declined to extend the USMCA during the agreement's first joint review. The trade pact remains fully in force, with annual reviews scheduled going forward, and is currently set to remain effective through 2036 unless the three countries agree otherwise.

Truckload and LTL Rates Expected to Rise in Q3

- **Outlook:** Truckload and LTL rates are expected to climb further in Q3 as carrier capacity tightens, signaling continued upward pressure on domestic transportation costs. Flatbed rates reached an all-time high above $3.00 per mile in July, driven by stronger truckload pricing, seasonal freight demand, and continued investment in AI infrastructure projects.

Key Figures

30%
of freight theft incidents involved strategic or digital fraud tactics, including website spoofing and phishing schemes.

18%
YoY leap in warehouse construction from lows in 2025.

10.1%
YoY increase in intermodal container loads traveling on railroads in late June

Notable Themes

Cross-Border Capacity Tightens
Mexico's driver shortage and stricter U.S. cabotage enforcement are increasing pressure on cross-border trucking capacity, creating potential transportation challenges for North American supply chains.

Tightening Capacity Pushes Truckload Rates Higher
Tightening truck capacity is pushing rates higher and reducing pricing leverage for shippers, despite only moderate freight demand growth.

U.S. Supply Chains Reach Strongest Levels Since 2022
Inventory growth and increased warehouse and transportation utilization pushed U.S. supply chain activity to its highest level since 2022, signaling continued inventory replenishment and pre-tariff stockpiling.

Interesting Reads

- Forecast: shippers to face elevated costs for two years
- Mexico's trucking labor crunch intensifies, IRU warns
- Oil price shocks ripple through trucking shipping markets
- Port of Los Angeles offers incentives up to $300k to buy electric dray trucks
- Borderlands Mexico: Cross-border trade tops $87B in May

Sources: Freight Waves, Transport Topics WSJ, Cushman and Wakefield, DC Velocity, SupplyChain24,

AUGUST 2026

North America LTL Freight Overview

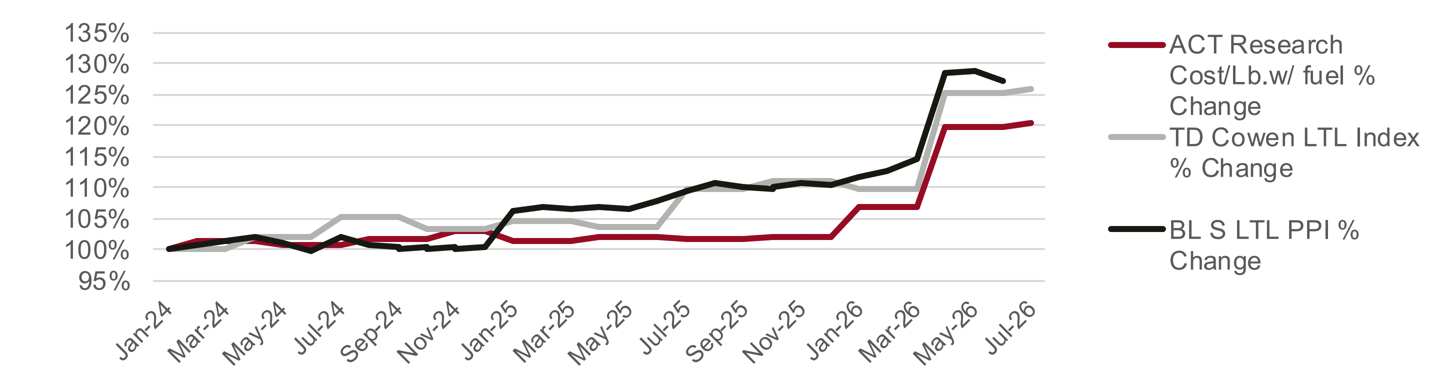
Quick Digest

Fuel Surcharges Drive LTL Rate Increases
- **Outlook:** Rising diesel prices and fuel surcharges are emerging as a primary driver of higher LTL costs, pushing rates to record levels and creating continued upward pressure on domestic transportation spend.

Manufacturing Growth Supports LTL Demand
- **Outlook:** U.S. manufacturing expanded for a sixth consecutive month in June, with new orders remaining strong, supporting continued improvement in LTL freight demand, and reinforcing expectations for firmer domestic transportation markets.

LTL Demand Strengthens as Truckload Capacity Tightens
- **Outlook:** LTL carriers are reporting stronger demand, heavier shipments, and rising yields as tightening truckload capacity shifts more freight into LTL networks. Pricing remains firm, supporting expectations for continued increased rates through the second half of 2026.

Major LTL Cost Indices



Notable Themes

LTL Costs Increasing
While fuel surchargers have risen, LTL, as a freight mode, has increased in demand and seen limitations in supply, roughly in line with truckload volumes.

Federal Enforcement Tightens Trucking Capacity
Increased FMCSA enforcement and new driver qualification requirements are reducing available truck capacity, contributing to higher TL and LTL rates, and tighter freight markets.

LTL Market Consolidation and Expansion Continue
Carriers are repositioning networks and service offerings to capture growth opportunities, with Amazon expanding LTL services and ArcBest streamlining operations under ABF Freight.

Interesting Reads

- TDCowen/AFS findings point to higher prices across all major modes of freight
- Major carrier Arcbest is consolidating its brands and will operate as an LTL carrier under the ABF Freight brand
- Experts Predict Soaring Demand for US-Mexico Freight Transport as Nearshoring Picks Up

Sources: TD-Cowen/AFS, BLS, ACT Research, Freight Waves, WSJ, SupplyChain24, Transport Topics, Commercial Carrier Journal

Omni Logistics

Air Freight Overview

Quick Digest

Global Air Cargo Demand and Capacity Continue to Grow

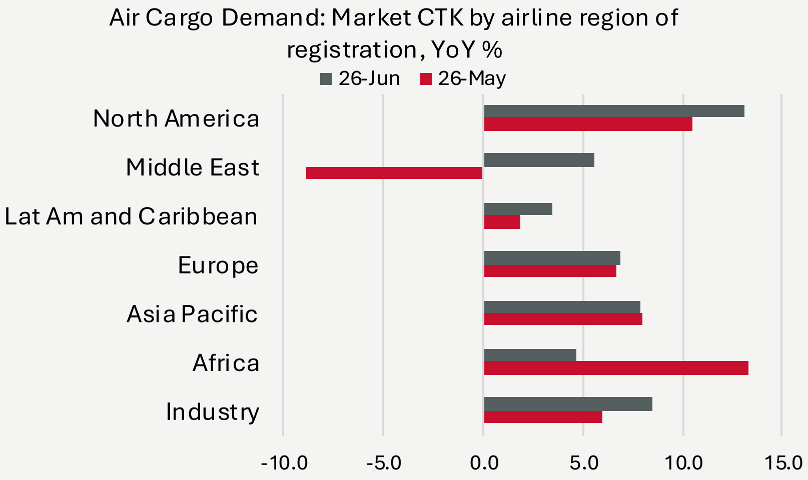
- **Outlook:** Global air cargo demand rose 8.5% YoY in June, supported by the partial restoration of Middle East capacity and continued strength in AI and semiconductor-related shipments. Capacity increased 4.4% but continued to lag demand growth.

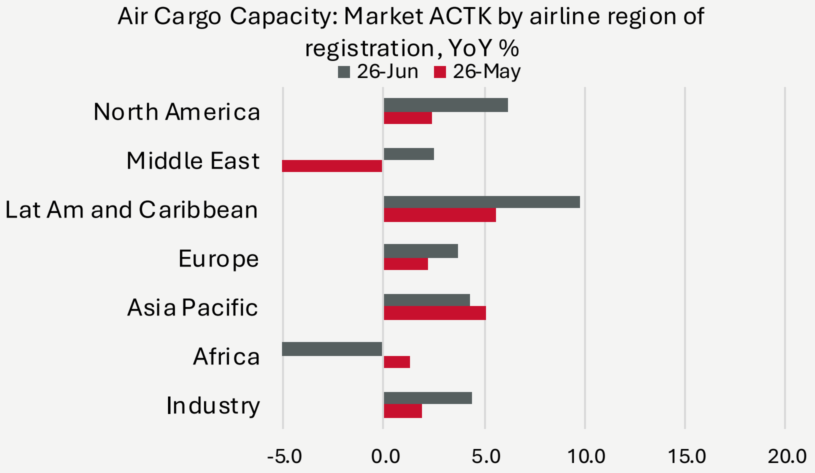
Jet Fuel Prices Remain Volatile

- **Outlook:** Jet fuel prices declined in June as Middle East tensions eased, but recent geopolitical developments have reversed that trend, renewing upward pressure on airline operating costs and air freight rates.

Air Freight Volatility Persists Across Key Trade Lanes

- **Outlook:** Air freight markets across Asia, South Asia, and Europe remain volatile as Middle East airspace restrictions, elevated fuel costs, and reduced hub connectivity constrain capacity. Indirect capacity through key Gulf hubs remains below pre-conflict levels, keeping spot rates elevated and increasing pressure on direct Asia-Europe services.





Notable Themes

EU Low-Value Import Rules Disrupt E-Commerce Flows
New EU customs requirements on low-value imports are increasing compliance burdens and reducing Asia-Europe e-commerce air cargo volumes.

Air Cargo Markets Defy Expectations
Middle East disruptions have reversed expectations for declining air freight rates in 2026, with rates now forecast to increase as geopolitical risk, constrained capacity, and strong demand from AI infrastructure and semiconductor shipments continue to support the market.

Middle East Air Capacity Gradually Normalizes
Major Gulf hubs remain operational and are progressively restoring schedules, although ongoing airspace considerations continue to require selective rerouting and operational adjustments.

Interesting Reads

- HKIA busiest cargo airport for 15th time
- Asia shippers report continued volatility and predict demand growth in H2
- Semiconductor and AI demand fuels air cargo boom in June
- Hong Kong to Europe volumes slump as new EU rules kick in
- Xeneta Raises 2026 Air Feight Outlook

Sources: IATA, Stat Times, Air Cargo Week, Air Cargo News, Air Cargo Week, Aero Times

Omni Logistics

Ocean Freight Overview

Quick Digest

Early Peak Season Reshapes Ocean Freight Demand

- **Outlook:** Retailers and importers are accelerating shipments ahead of potential August tariff actions, pushing peak season activity into the May–July timeframe rather than the traditional October peak. August container imports are expected to moderate to 2.22 million TEUs, representing a 4.5% year-over-year decrease.

Sea Freight Rates and Port Congestion Remain Elevated

- **Outlook:** Global ocean freight markets continue to face congestion and extended transit times. Rates from Asia and South Asia to Europe and the U.S. remain elevated, driven by early peak-season demand, ongoing Red Sea diversions, and carrier surcharges.

Hormuz Disruptions Reduce Ocean Schedule Reliability

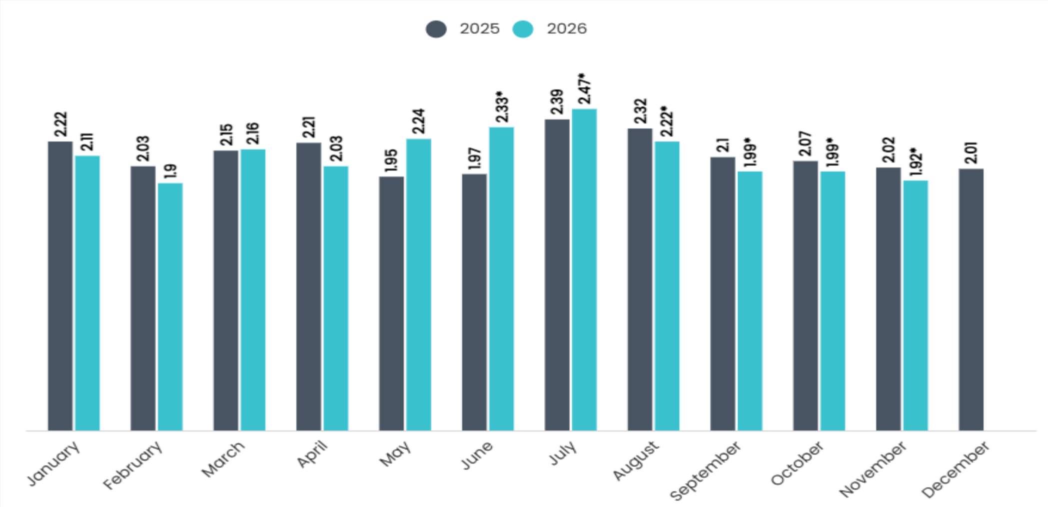
- **Outlook:** Strait of Hormuz disruptions and vessel rerouting continue to reduce schedule reliability and increase transit variability across global ocean networks.

Sources: DC Velocity, NRF/Hackett Associates Global Port Tracker, Material Handling & Logistics, Journal of Commerce, Freight Waves, Sea News, Maritime Executive

Omni Logistics

Forecasted Monthly Imports

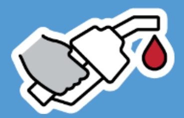
(2025-2026)



Notable Themes

Uneven, Early Peak Season Tightens Ocean Capacity
Importers are accelerating shipments ahead of peak season and potential trade disruptions, creating earlier demand spikes and reducing booking flexibility across key trade lanes.

Port Congestion and Red Sea Diversions Extend Transit Times
Delays at major hubs including Shanghai, Singapore, Hamburg, and Antwerp, combined with ongoing Cape of Good Hope rerouting, are extending transit times and disrupting schedule reliability.



Geopolitics Fuel Ocean Rate Spikes
Conflict in the Middle East and accelerated inventory stocking have driven significant volatility and elevated rates across Asia-U.S. ocean trade lanes.

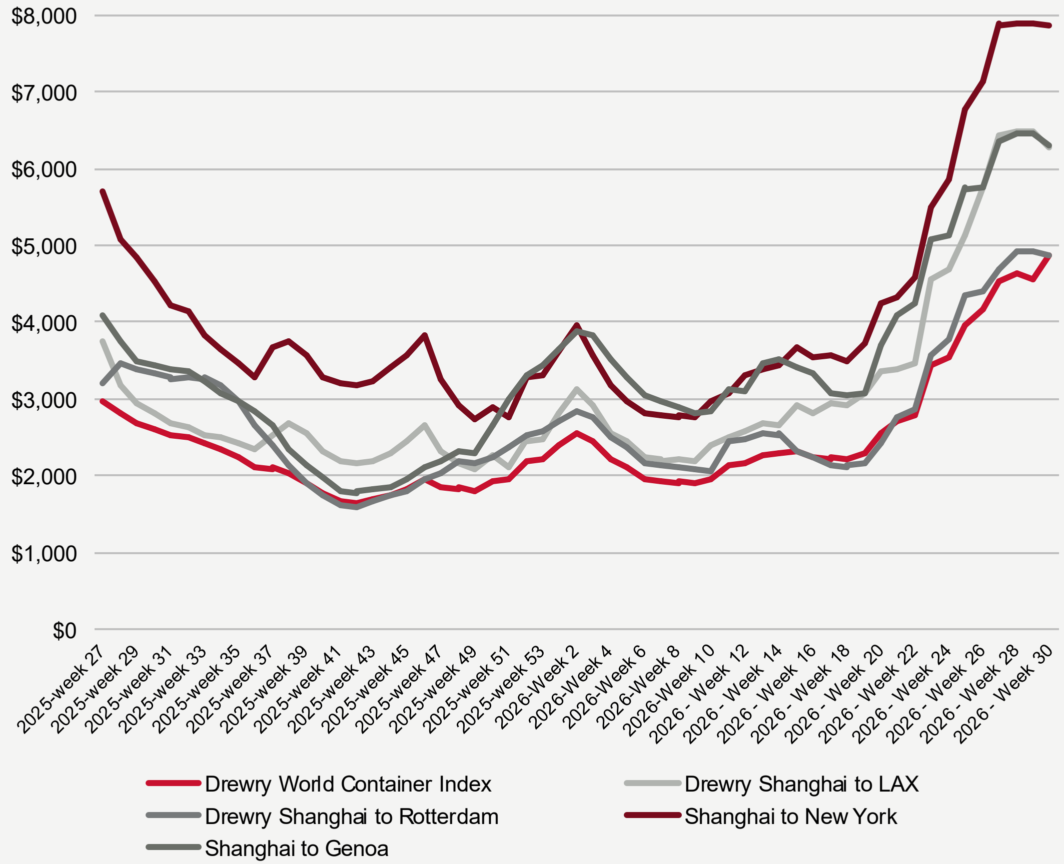
Interesting Reads

- Trump's Jones Act waiver sparks long-term policy fight
- Xeneta: Peak Season for Ocean Freight Started Two Months Early
- New test program puts nuclear container ships on the horizon
- Latest trans-Pac rate push by carriers will test resilience of early peak
- FedEx Supply Chain deal marks critical step in larger strategy

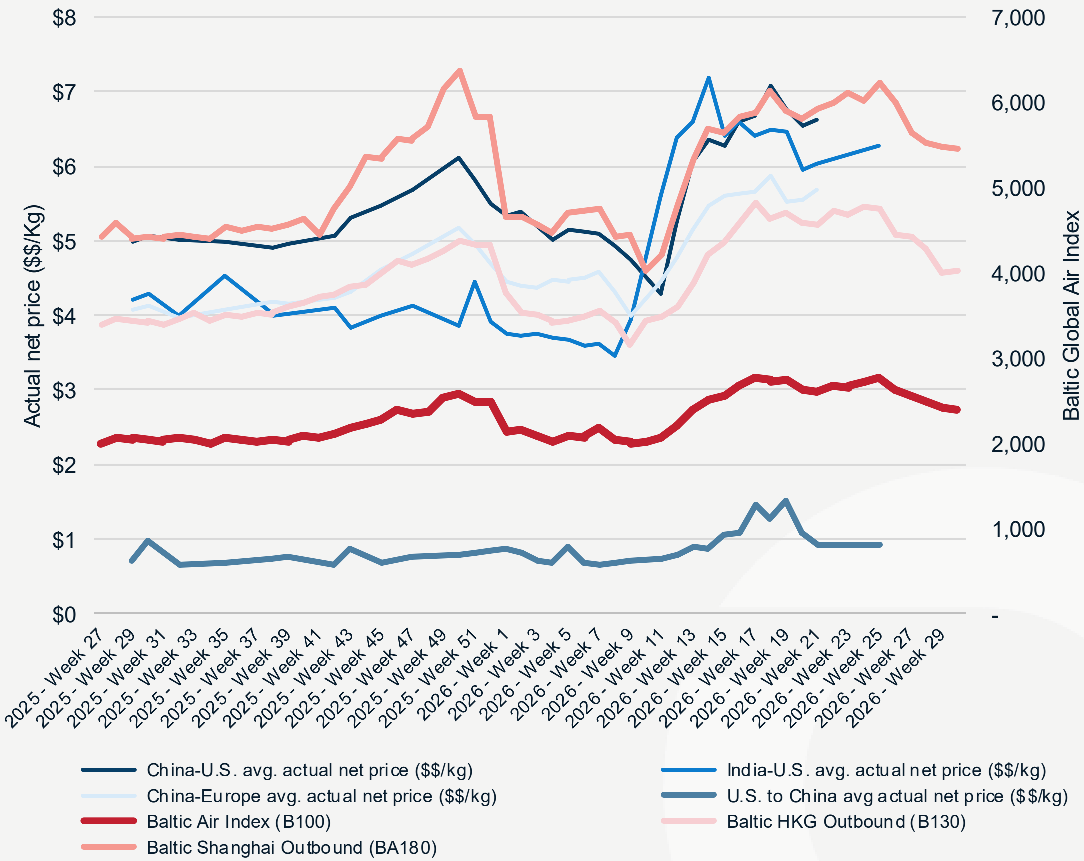
AUGUST 2026

Market Rates: Ocean & Air

World Container Market Rates – Last 52 Weeks



Major Air Freight Market Rates – Last 52 Weeks



Omni Logistics

Sources: Drewry, Baltic Air Indexes, TAC

AUGUST 2026

Customs & Trade Compliance Trends Overview

Quick Digest

New Section 301 Tariffs, USMCA Exclusions

- **Outlook:** New 10%–12.5% Section 301 tariffs took effect on July 24 for 60 countries. The duties may stack with existing Section 301 measures, while qualifying USMCA imports from Canada and Mexico remain exempt.

Canada Section 338 Tariffs Effective August 19

- **Outlook:** The U.S. announced an additional 50% tariff on certain Canadian imports under Section 338, effective August 19, 2026. Covered goods remain subject to the tariff regardless of USMCA eligibility, while products subject to Section 232 tariffs are excluded.

Copper Reporting Requirements Expand Under Section 232, Effective July 30

- **Outlook:** Importers of certain copper products must report the country of smelt and country of cast on customs entries. Companies should ensure this origin information is available to customs brokers to avoid potential entry delays.

IEEPA Refund Update: CIT Orders Reliquidation in Phase 3

- **Outlook:** CBP to reliquidate certain entries under CAPE Phase 3. Importers with entries liquidated +80 days ago may consider obtaining a CIT reliquidation order to pursue refunds, including for entries currently covered by a protest.

Regulatory & Tariff Updates

U.S.	EU / UK
• New postal informal entry process for eligible mail shipments valued at $2,500 or less, fully compliant effective Oct. 22, 2026. • USMCA review remains in place through July 2028.Additional duties on certain patented pharmaceuticals, APIs, and medical devices implemented under Section 29, while generic pharmaceuticals and related ingredients remain exempt. • Additional 50% tariff on certain Canadian-origin products under Section 338 expected to take effect Aug. 19, 2026. • Beginning July 16, 2026, CBP will deactivate inactive ACE Importer of Record (IOR) accounts with no filings in the prior 12 months and no open post-entry activity.	• EU Forced Labor Product Ban Regulation effective Dec. 14, 2027; compliance portal now open. • EU facing pressure to crack down on unexpected fees tied to its new €3 duty on low-value e-commerce imports. • EU revised its Deforestation Regulation (EUDR) ahead of its Dec. 30, 2026 implementation, while maintaining due diligence and traceability requirements for covered commodities.

Notable Themes

Tariff Expansion Accelerates
A steady stream of new tariff actions across multiple sectors and countries signals a more aggressive trade enforcement environment, increasing cost and compliance risks for global importers.

Forced Labor Emerges as a Trade Policy Priority
New U.S. tariffs and forthcoming EU forced labor regulations reflect heightened compliance expectations and supply chain scrutiny for importers worldwide.

Duty Evasion Enforcement Increases
A record $1 billion in recovered duties under Enforce and Protect Act (EAPA) highlights growing U.S. enforcement of trade compliance and duty evasion schemes.

Interesting Reads

- Trump offers to cut aluminum tariffs for companies building in US
- Mandatory CPSC eFiling is Here
- EU Forced Labor Ban Portal is Open – And the Clock is Ticking
- CBP Trade Notice: Inactive for Entry Purposes Status
- The revised EU Deforestation Directive: What compliance should do now

Sources: MSN, Sandler, Travis & Rosenberg, P.A, JD Supra, U.S. CBP, International Trade Today, KPMG, Transport Topics, Compliance Week, Sandler, Travis & Rosenberg, P.A, Customs & Trade Law Blog, MSN

Omni Logistics

General Disclaimer

The information in this presentation has been sourced from third-parties and is intended for general and informational purposes only. While this presentation is provided to customers to provide factual data and content regarding market or industry conditions, it does not reflect the views or positions of Forward Air Corporation (“Forward”) or Omni Logistics (“Omni”, together with Forward, the “Company”).

The Company does not guarantee the accuracy, completeness or reliability of the information provided, and this presentation does not constitute investment advice, nor is it warranted to be complete, timely, accurate or suitable for a particular purpose. Additionally, the information included in this presentation, including any trends or market insights discussed, may not necessarily be indicative of the Company’s own business and results of operations.


Omni Logistics®