

# Industry Update

## Outlook

- The freight market recovery is slower compared to prior cycles due to various factors, including trade policy and economic uncertainty.
- New tariffs are taking effect — President Trump has stated that the baseline tariff rate for the world will be 15%-20%.
- Increased documentation and customs complexity resulting from the suspension of de minimis exemption for imports valued at \$800 or less, which goes into effect on August 29, 2025.
- Skilled labor continues to be a challenge, and One Big Beautiful Bill (“OBBB”) immigration provisions coupled with updated guidance on English Language Proficiency requirements for commercial motor vehicle drivers may further impact labor availability.
- Ongoing tensions including Middle East conflicts, Red Sea attacks, and the ongoing Russia-Ukraine war continue to impact global supply chains, shipping routes and freight rates.

### +4.1%

Seaborne Container Imports  
Y/Y - YTD June 2025

### 0.0%

Truck Tonnage  
Y/Y - Monthly Average YTD  
June 2025

## Freight Market Indicators

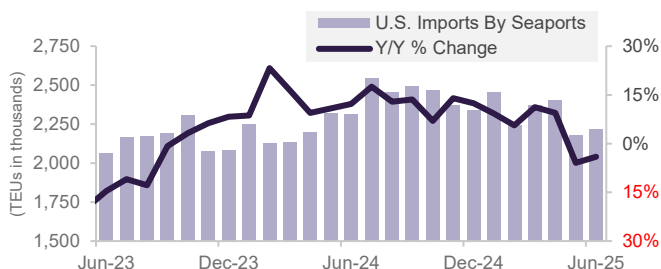
	Latest Release	Prior Period	vs. Prior Period	One Year Ago	Y/Y Change
Dry Van Linehaul Spot Rates (\$ per mile) <sup>(1)</sup>	\$2.02	\$1.99	1.5% ▲	\$2.05	(1.5%) ▼
Estimated Total For-Hire Trucking Authorities (000s) <sup>(1)</sup>	330.3	330.8	(0.1%) —	336.2	(1.7%) ▼
Cass Freight Shipments Index (2017 = 1) <sup>(1)</sup>	1.152	1.054	(0.2%) —	1.078	(2.4%) ▼
Industrial Warehouse Net Absorption (sq. ft. in MM) <sup>(2)</sup>	29.6	23.1	28.1% ▲	46.3	(36.1%) ▼
Weekly Average Rail Intermodal Units (000s) <sup>(1)</sup>	260.8	262.2	(0.5%) —	268.7	(2.9%) ▼

Latest Release: (1) June 2025, (2) Q2 2025. Note: Arrow colors are representative of the perceived impact to freight markets. ▲ = positive impact, ▼ = negative impact, — = no change

## U.S. Trade Policy Impact

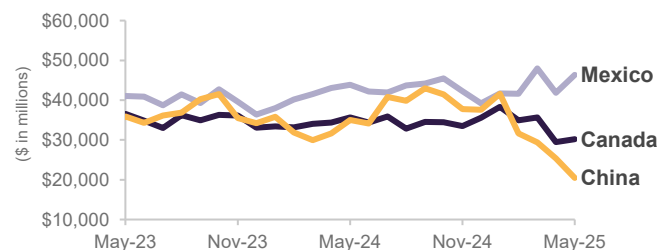
### Monthly Seaborne Container Imports

Import container volumes have been volatile in recent months. After increasing 8.9% through YTD April y/y, container imports declined -5.9% and -4.0% y/y in May and June, respectively, due to tariffs and a sharp decline in Chinese imports.



### Monthly Imports from Top Trade Partners

U.S. tariffs have led to recent declines in import volumes from China due to higher costs and supply chain shifts, while imports from Mexico and Canada have remained relatively more stable with the support of USMCA trade benefits.



Data updated as of 7/31/2025

Sources: Bloomberg, Federal Reserve Economic Data, U.S. Census Bureau, Descartes Datamyne, Department of Transportation, American Trucking Association, Cass Information Systems, FTR Transportation, FreightWaves, Journal of Commerce, Bureau of Economic Analysis, Truckstop.com, Cushman & Wakefield, White House Press Releases, Association of American Railroads, Wall Street Journal



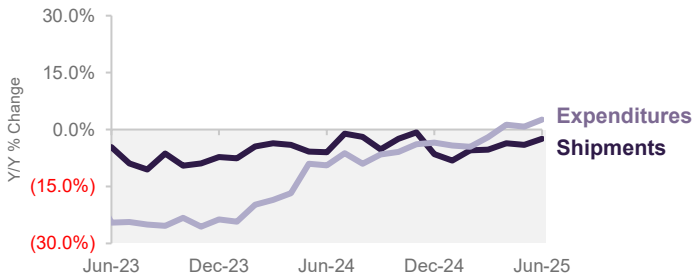
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## Freight Market Updates

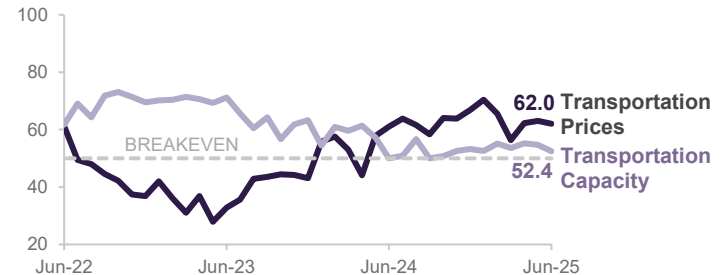
### Cass Freight Index

Cass Freight Shipments continue to flash negative y/y results as macro conditions have impacted demand. Freight costs rose for a 4<sup>th</sup> consecutive month reflecting modest increases in freight rates.



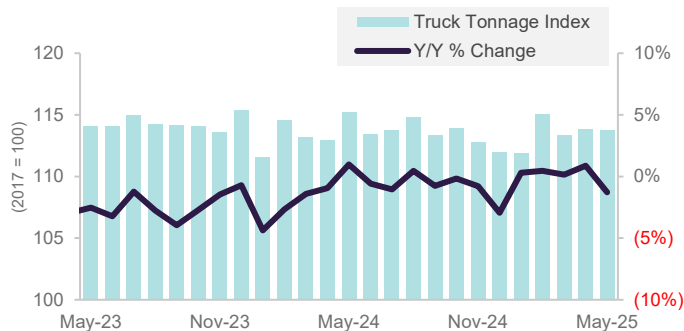
### Logistics Managers' Index

Despite modest YTD June 2025 growth, the Logistics Managers' Index (LMI) has remained above the breakeven threshold of 50, signaling continued expansion in U.S. logistics activity.



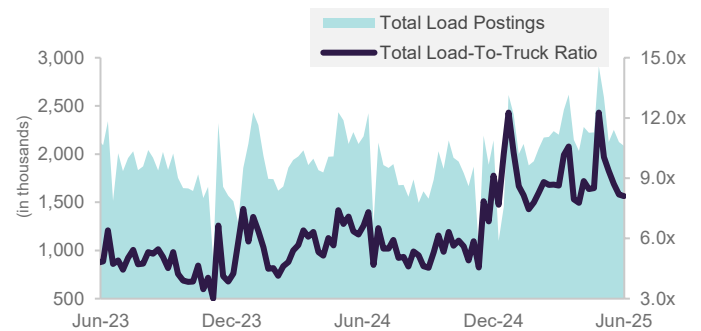
### Truck Tonnage Index

After positive readings earlier in the year, the month of May marked the first y/y decline in truck tonnage, as freight activity slowed amid new tariff announcements and ongoing trade policy uncertainty.



### Truckload<sup>(1)</sup> Shipments Postings

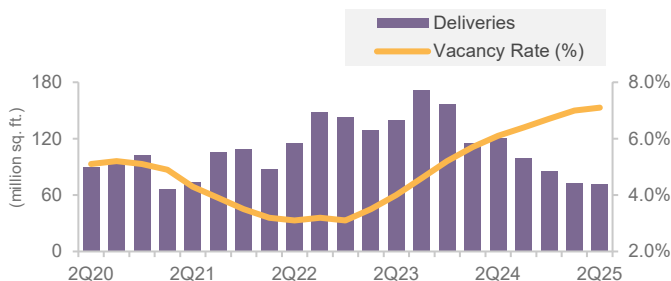
Load postings and the total-load-to-truck ratio peaked around mid-May amid tightening capacity, but monthly trends leveled off by late May as freight volumes softened.



## Warehousing Market Updates

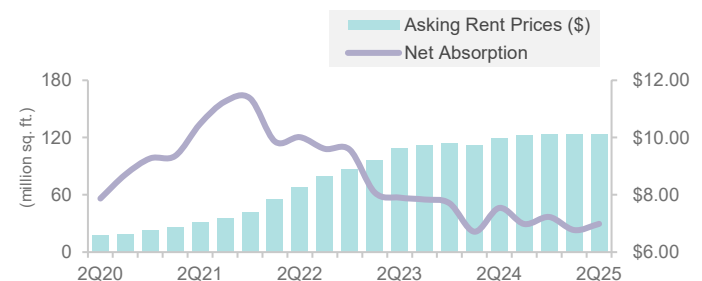
### Vacancy Rates and Construction Deliveries

Vacancy rates have continued to increase, now exceeding 7% for a 2<sup>nd</sup> consecutive quarter, as warehousing supply remains in abundance following two years of record new construction deliveries.



### Asking Rent Prices and Net Absorption

Rent rates have moderated around \$10.00 / sq. ft. and net absorptions remain low as the market is adjusting and leasing activity is taking longer to catch up to unprecedented supply growth.



(1) Truckload refers to dry van, reefer, and flatbed.  
Data updated as of 7/31/2025

Sources: Bloomberg, Cass Information Systems, Logistics Managers' Index, American Trucking Association, DAT Freight & Analytics, Cushman & Wakefield