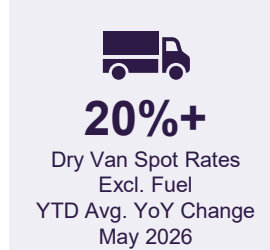


# Industry Update

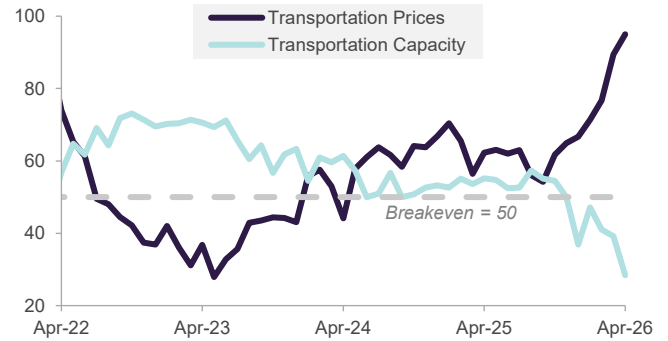
## 2026 Progress & Outlook

- The freight market is in the early stages of a recovery cycle primarily driven by capacity constraints, gradually stabilizing demand, and improving pricing dynamics. While consumer sentiment remains pressured, improving industrial and manufacturing activity is increasingly supporting freight volumes despite ongoing macroeconomic uncertainty.
- Ongoing trade policy shifts and geopolitical disruptions are continuing to drive longer-term reconfiguration of sourcing strategies, supporting structurally higher supply chain complexity and transportation demand.
- Industry participants continue to invest in automation, digital technologies, and operational efficiency initiatives to enhance productivity, reduce costs, and improve long-term resiliency.



## Logistics Managers' Index: Transportation Prices & Capacity

- **Market Tightening:** Transportation prices have rebounded sharply while capacity has fallen well below breakeven, reflecting continued freight market tightening where demand is increasingly outpacing available capacity, contributing to improving carrier leverage and higher transportation prices.
- **Widening Gap (Prices vs. Capacity):** The growing divergence reflects a tightening freight market, where reduced capacity and pockets of demand growth are supporting improved pricing dynamics and upward pressure on rates.
- **Strategic Implication:** The current environment suggests sustained upward pressure on transportation costs and tighter service conditions, making it critical for shippers to lock in capacity early, revisit contract structures, and invest in network efficiency to mitigate volatility.

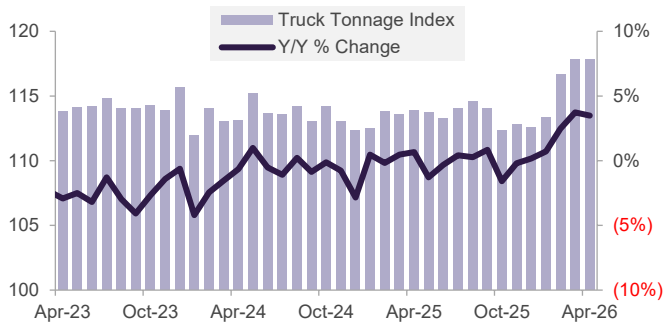


## Domestic Transportation: Trucking

Improving truck utilization and rates should support margin recovery, particularly for scaled operators with cost discipline and contract exposure.

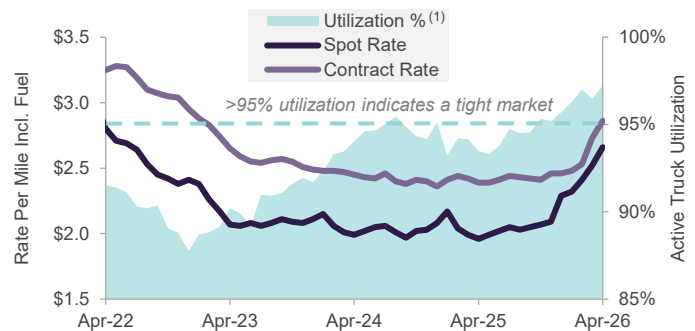
### Truck Tonnage

Truck tonnage has improved modestly through April as expanding industrial and manufacturing activity support improving freight volumes



### Active Truck Utilization & Dry Van Truckload Rates

Narrowing spot-to-contract spreads signal tightening, often preceding broader contract rate resets upward if utilization stays above ~95%



<sup>(1)</sup> April 2026 utilization is projected based on the latest FTR Intel forecast. Data updated as of 6/1/2026.

Sources: Bloomberg, Truckstop, Cushman & Wakefield, Logistics Managers' Index, American Trucking Associations, FTR Intel, DAT Freight, Association of American Railroads, Descartes Datamyne, Drewry.



Transportation & Logistics  
Industry Specialty Team

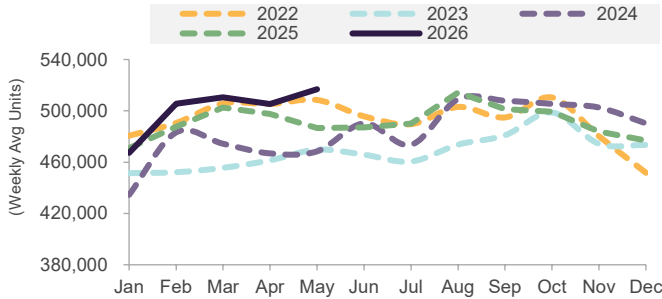
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## Domestic Transportation: Rail

Volume growth and service improvements should expand margins, particularly as tighter truck capacity improves pricing dynamics across modes.

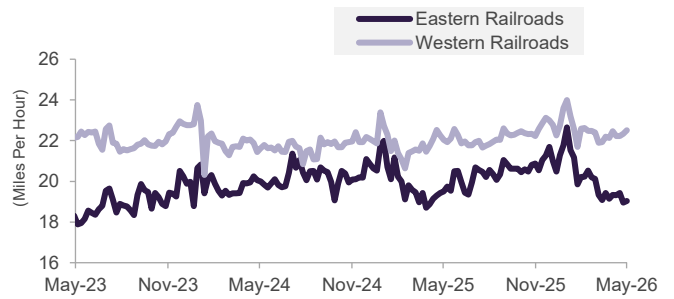
### Rail Carloads & Intermodal Units

Rail volumes are up modestly year-to-date, supported by improving intermodal demand and stabilization across key freight categories



### Class I Train Velocity

Western railroads have maintained relatively stable train speeds, while eastern networks continue to experience service variability

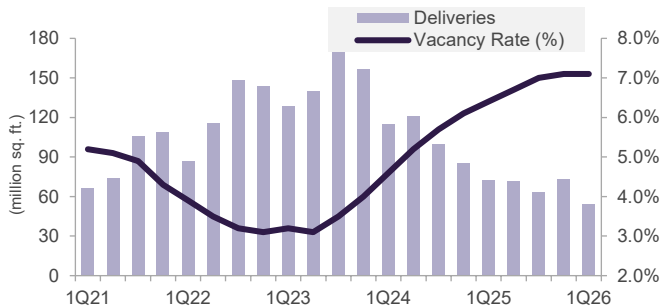


## Industrial Warehousing

Elevated vacancy and moderating rents may pressure near-term returns and slow lease-up activity, though market fundamentals are improving.

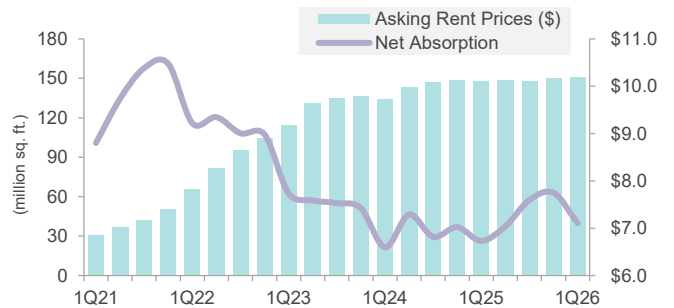
### Vacancy Rates & Construction Deliveries

New industrial development activity has slowed as the market continues to rebalance toward more normalized market conditions



### Asking Rent & Net Absorption

Industrial leasing activity has improved modestly year-over-year despite broader macro headwinds, while asking rents are moderating

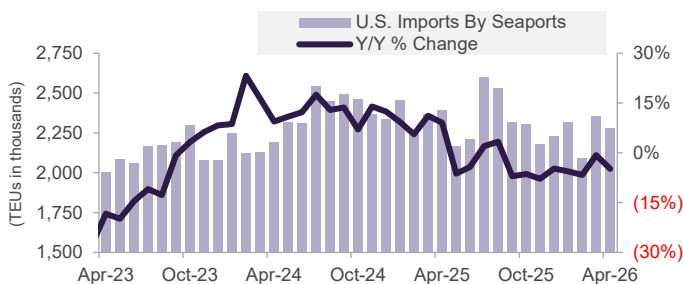


## Maritime Updates

Capacity management will remain critical particularly as new vessel deliveries increase global capacity over the next 12–24 months.

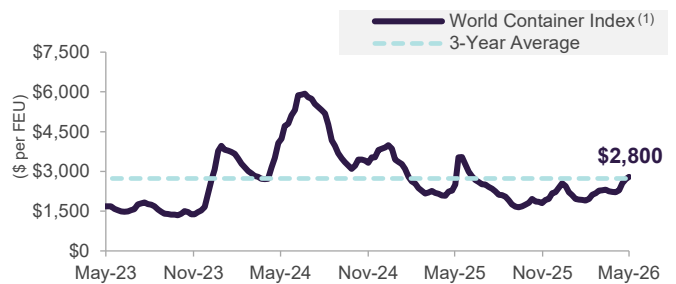
### Monthly Seaborne Container Imports

YTD container volumes have declined modestly from elevated prior-year levels amid softer consumer demand and inventory normalization



### Ocean Shipping Rates

The Drewry World Container Index is stabilizing as ocean carriers continue implementing service and capacity management initiatives



(1) The Drewry World Container Index tracks actual spot freight rates in USD per 40-foot container across eight major East-West trade routes. Data updated as of 6/1/2026.

Sources: Bloomberg, Truckstop, Cushman & Wakefield, Logistics Managers' Index, American Trucking Associations, FTR Intel, DAT Freight, Association of American Railroads, Descartes Datamyne, Drewry.