



The Meter

Transportation (Trucking) Update (3-2026)

Produced By: Andy Vering, ASA

With Input From: Alan Harding, ASA

Introduction

False Spring & Market Signals

We've experienced one of the warmest winters I can remember here in Nebraska. Temperatures reached the upper 60s and even 70s in February — enough to get anyone excited for spring and the outdoor activities that come with it. And then, just as quickly, a blizzard rolls in. The famous “false spring” reminds us not to get too comfortable. We know it's coming, but it's hard not to get our hopes up.

That pattern feels familiar.

The trucking industry over the past several months has followed a similar cycle. Each time positive news surfaces — whether in new orders, inventory levels, or auction activity — optimism builds, only to cool off again a few weeks later. Despite those fluctuations, there are enough indicators moving in the right direction to suggest that 2026 should be a more profitable year for many in the industry.

Bankruptcies in 2026?

At the ELFA Conference, I was asked whether we expect to continue seeing bankruptcies in 2026. The honest answer is yes — we likely will.

For some companies, the financial damage from the past few years has already been done. Even in an improving market, it may not be enough to fully recover. These bankruptcies will be less a reflection of current market weakness and more the result of prolonged challenging conditions.

For Sale Fleet Truck Inventory Trends

On pages 7 and 8, you'll find the fleet tractor listings I track regularly. This quarter, I removed 2017 model-year units and added 2027 models. Even with that shift, we saw a noticeable decline in available trucks for sale.

That's typically a positive signal. It suggests end users are actively upgrading equipment. While we haven't yet seen this fully reflected in new truck sales, it is encouraging to see smaller operators willing to reinvest in their fleets.

Historically, about 70% of successful bidders are end users. In our last two auctions, that figure exceeded 80%. While this doesn't signal an immediate return to a strong market, auction trends often turn first — and these are constructive early indicators.

Auction Activity & Values

Auction inventories overall have remained relatively stable, though weekly volume has been inconsistent. One week we may see a 300-unit sale, followed by a 650-unit sale the next, regardless of location. Winter weather has caused some delays, as expected.

However, with auction values gradually trending upward, increased new truck purchases should eventually translate into higher auction volumes as well.

Depreciation & Equipment Segments

The absence of large, anticipated new costs tied to 2027 model-year trucks should help depreciation levels remain steady or potentially improve slightly.

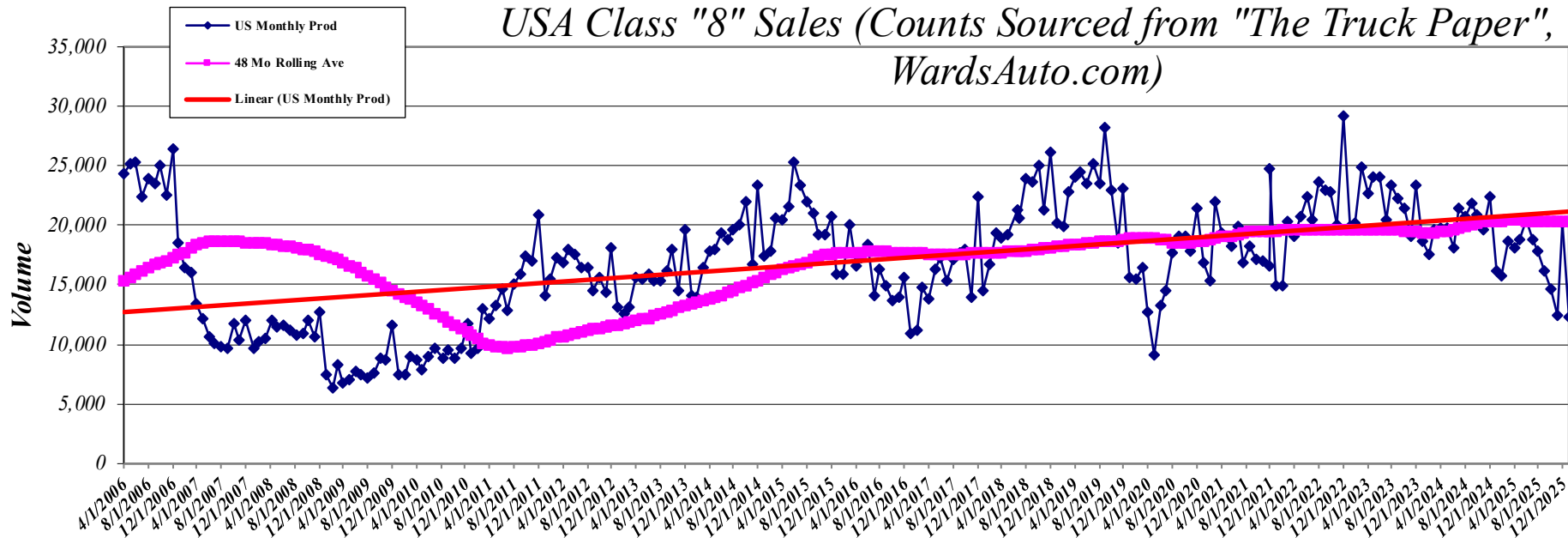
We are not anticipating major changes in the van or reefer markets, as inventory levels remain elevated. Bankruptcies and shutdowns over the past two years have kept supply high. As always, late-model equipment continues to command a premium.

Mergers & Acquisitions

Mergers and acquisitions are expected to remain a significant theme in 2026. For some, acquiring another company provides access to equipment and freight. For others, it offers a structured exit strategy. Many of the transactions closing this year were initiated in 2025 and are now reaching completion.

As always, we appreciate your feedback and welcome your input. This quarter's update includes supporting market charts to provide additional clarity around the trends we are tracking.

USA Class "8" Sales (Counts Sourced from "The Truck Paper", WardsAuto.com)



Historical By Month

The chart above shows historical trends that tend to repeat themselves. (Disclaimer: past activity does not necessarily indicate future activity.)

What are the data points and trends telling us now? (Some of my comments are repetitive, and may be found in previous newsletters, but again, repeating a notable point makes it more likely to be remembered.)

1: Trucking typically runs in a 7 to 8-year cycle [peak to peak OR trough to trough]. Expected, the new sales volume is above the 48MRA. The trend suggests we would see higher builds and values should erode more slowly. Obviously, the market has been thrown out of any typical trend, but keeping an eye on what recovery looks like from the past can give us an idea on what to look for. Sales should stay above the 48MRA barring any major economic changes for the next couple quarters.

2: Historical needs have grown from slightly lower than 15,000 Class 8 tractors per month (in the 2000's) to about 20,000 Class 8 tractors per month now. Since the pandemic low of 9,165 in May of 2020, we have been seeing quantities in the low 20,000s.

3: U.S. Sales ONLY: The 48MRA is the rolling average of all tractors 48 months old or newer. The 48MRA bottomed in 2/2011 (7-year low) with the 48MRA at 9,712. The previous 48MRA high was recorded in 5/2007 at an average of 18,678 (we are now above the high in 2007), which was six months after the actual monthly sales peak in 12/2006, when 26,462 units were sold. We marked a peak for monthly sales in 6/2015 with 25,369 units sold and now again in 9/2019 with 28,258 units sold. This 48MRA Cycle high of (12/2024) 20,407 is a new all-time high.

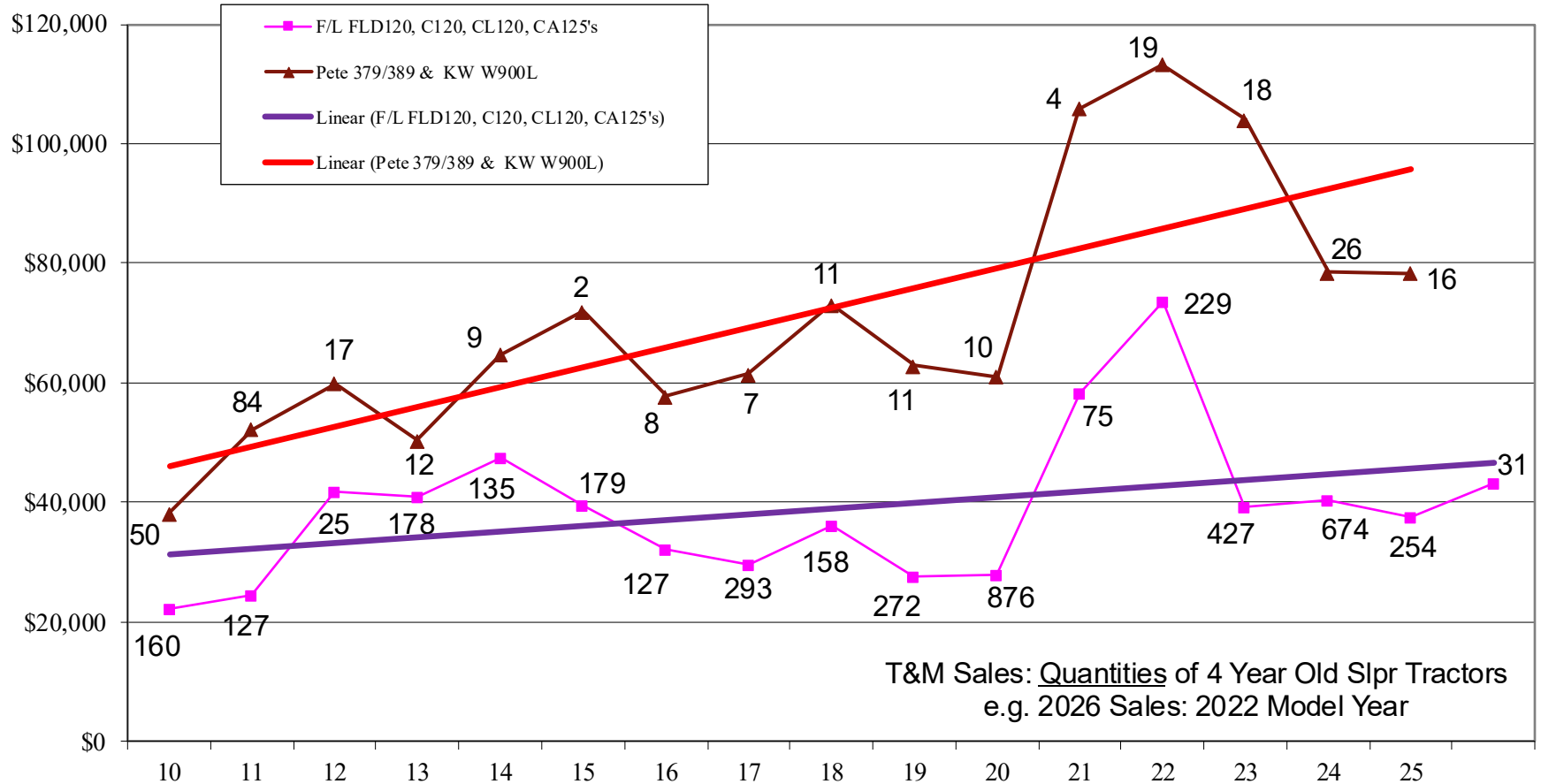
4: Actual Class 8 purchases have been down since the year-end. December 2019 of 23,119 to averaging 15,271 for the year in 2020 with the low at 9,165 in May. We are currently at 20,297 for 48MMR.

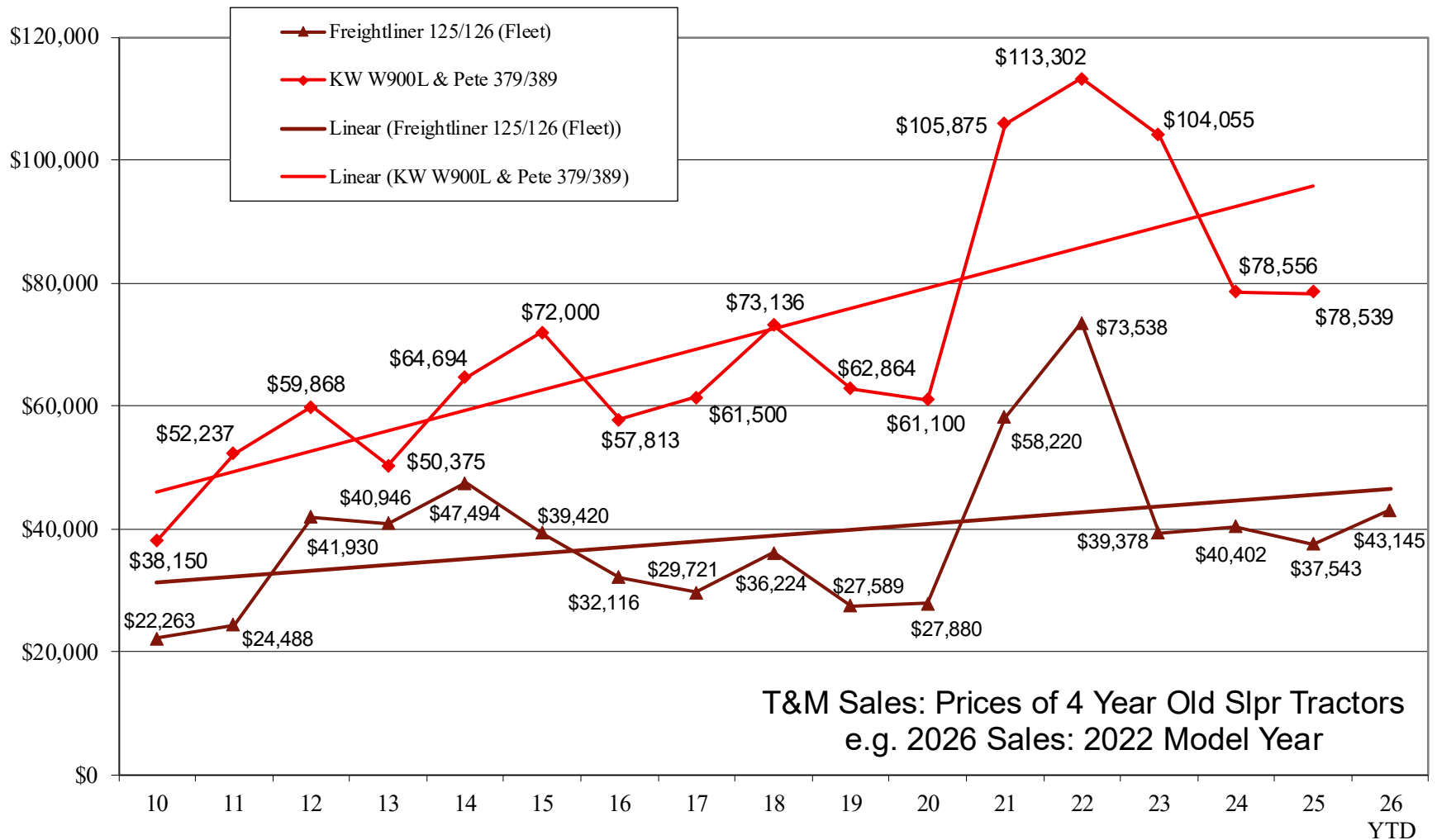
5: Since the drawdown (20%-30%) from July 2015 to July 2017, tractor prices had improved significantly, up until 2019. 2019 was a tough year at the auction level of trade. 2020 showed improvement, and 2021 finished strong. Sales have been relatively stable but down Y/Y. Interest rates have hindered purchases along with an election year that will generally make buyers hesitate.

6: We have been consistently below the trendline since the end of 2024. We had that nice bump in December before year end, and January dipped back down. This will be something to watch in the near future. Smaller fleets seem to be investing in newer replacement equipment at auction. New sales seem to follow that same trend with a 60 to 90 day lag.

7: The market is ready for increased sales. New truck and trailer sales and orders are still running low. It's repetitive, but confidence is still wavering for the future and how much to invest without a clearer road ahead. I would anticipate at least some increase in the sales numbers in 2026 as replacing equipment and potential for a better market develops a clearer road forward.

This chart shows the True Value Guide Quantities of 4-year-old tractors. Here are total actual sales of the Freightliner Cascadia (Fleet) and the O/O Spec'd Petes and KWs. Not much change this quarter. We have not had any of the KW or Pete O/O trucks that match this criteria yet this year, but have sold 31 of the 2022 model year Cascadias so far. We have seen an increase in the values over last year, but keep in mind it is a newer model year so the increase is not quite as dramatic but definitely there.





Above are T&M Sales by average annual prices. (As usual, I have combined the Peterbilt 379/389 and Kenworth W900L tractors since both are generally considered to be spec'd as Owner-Operator (O/O) tractors.)

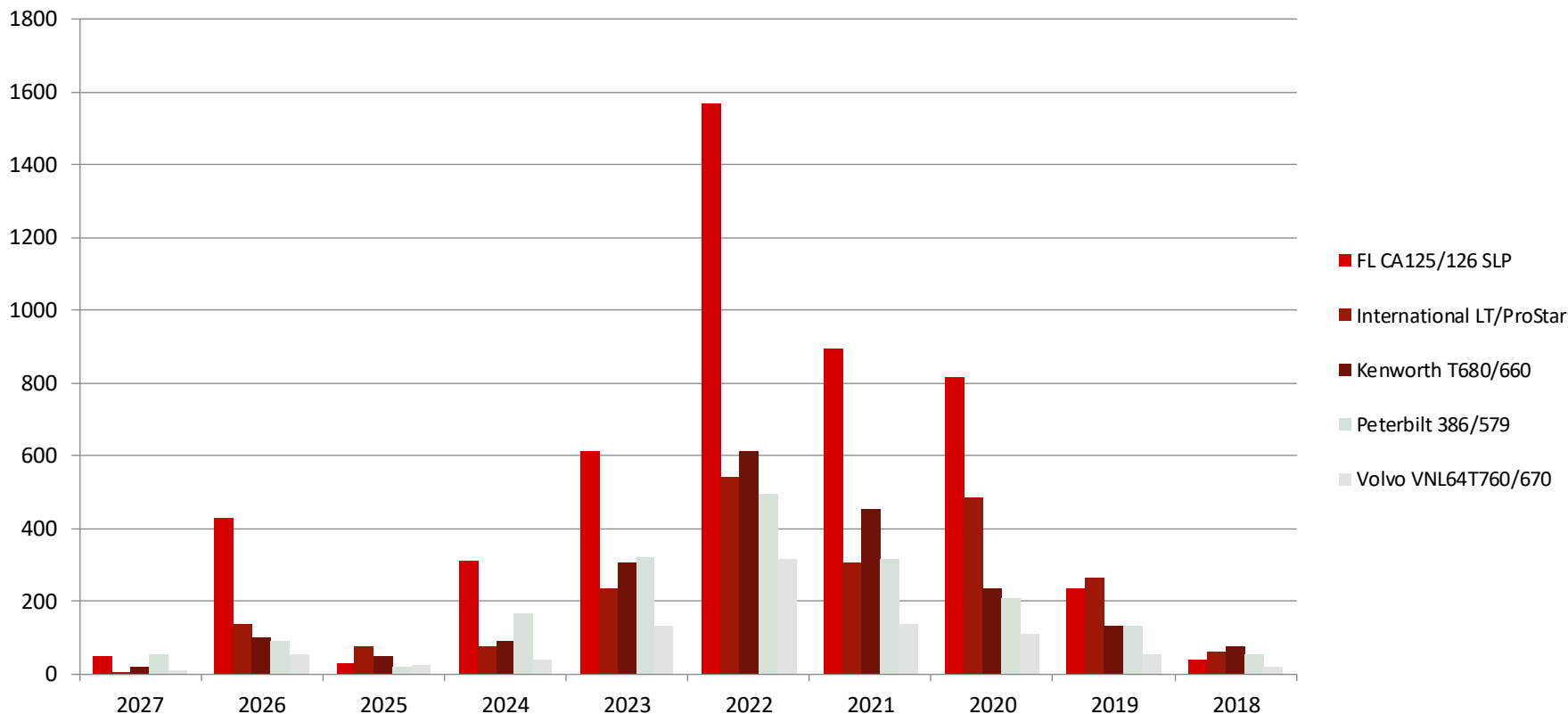
We have not seen much change in the O/O tractors. As stated on the previous page you can see the increase, but year change will boost the number with it being less of a factor by the next newsletter.

The trends (red and purple lines) over time have been higher, but the price declines are clearly evident (2001-2003 & 2008-2011 & 2015-2017 & 2019 and 2020). Remember, RCN is up (from material costs, EPA requirements, technology and safety/comfort improvements); additionally, inflation is included in the sale prices, thus the upward trendline.

Here are results at our auctions since 1999 on 4-year-old Cascadia sleeper trucks. I finished out 2025 and wanted to add the year over year change. These have been the most used fleet trucks on the market and the volatility they have had at the 4-year-old level is wild. These are averages for the entire year at auction, not just outlier values. I am hopeful for the 2026 numbers to stay above 115% by the end of the year.

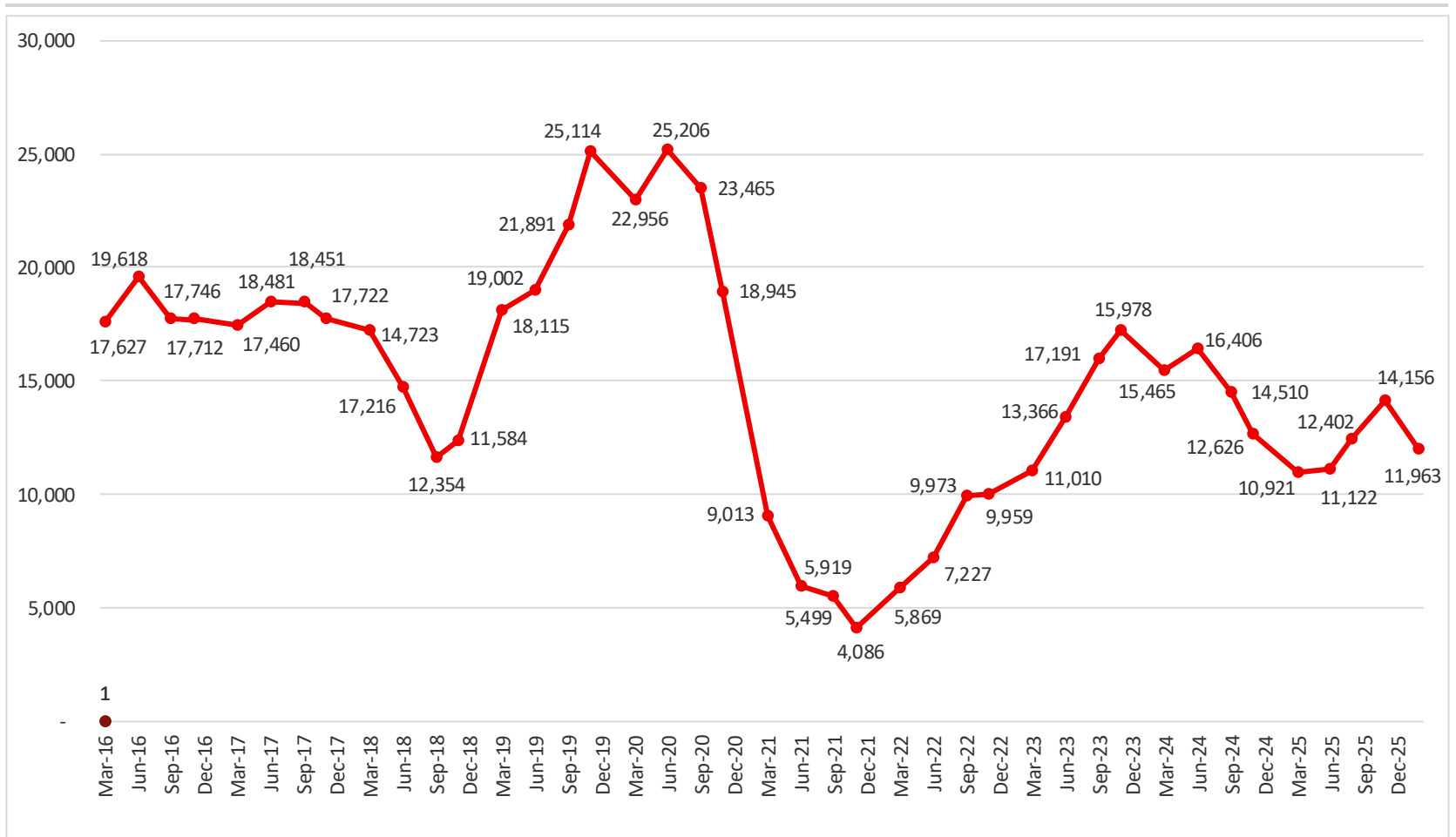
Freightliner 125/126 (Fleet)				
Sale Year	Model Year	Quantity	Average	
99	1995	146	\$21,949	
00	1996	116	\$17,228	78.49%
01	1997	174	\$17,932	104.09%
02	1998	100	\$18,868	105.22%
03	1999	34	\$22,191	117.61%
04	2000	83	\$23,015	103.71%
05	2001	89	\$23,815	103.48%
06	2002	12	\$24,146	101.39%
07	2003	13	\$25,635	106.17%
08	2004	67	\$22,780	88.86%
09	2005	147	\$17,930	78.71%
10	2006	160	\$22,263	124.17%
11	2007	127	\$24,488	109.99%
12	2008	25	\$41,930	171.23%
13	2009	178	\$40,946	97.65%
14	2010	135	\$47,494	115.99%
15	2011	179	\$39,420	83.00%
16	2012	127	\$32,116	81.47%
17	2013	293	\$29,721	92.54%
18	2014	158	\$36,224	121.88%
19	2015	272	\$27,589	76.16%
20	2016	876	\$27,880	101.05%
21	2017	75	\$58,220	208.82%
22	2018	229	\$73,538	126.31%
23	2019	427	\$39,378	53.55%
24	2020	765	\$40,402	102.60%
25	2021	254	\$37,543	92.92%
26 YTD	2022	31	\$43,145	114.92%

What is available to the marketplace today? (Feb. 25, 2026) After seeing inventory levels on the rise since June of 2025, we saw a large decline since December. Even including the covid years with a low of 4,086 we have averaged 14,868 since keeping track in November 2015. Now sitting at 11,963, we are still in a good position for increasing prices for used trucks in 2026. With any sustained positive movement in the spot and contract rates, we won't have a lot of inventory to chew through forcing those higher values. Notice not a lot of 2023 and newer models being offered compared to historical volumes.



25-Feb-26	Sleeper Tractors For Sale On TruckPaper.com: Feb, 25, 2026									Ave. Age	2020.87	
Make	2027	2026	2025	2024	2023	2022	2021	2020	2019	2018	Total	% of Total
FL CA125/126 SLP	48	428	29	311	613	1566	897	813	234	40	4,979	41.620%
International LT/ProStar	6	138	74	75	235	543	307	485	263	61	2,187	18.281%
Kenworth T680	17	98	46	90	308	614	451	234	130	75	2,063	17.245%
Peterbilt 579	54	88	21	163	319	494	318	207	130	53	1,847	15.439%
Volvo VNL64T760/670/660	11	52	23	37	131	316	138	108	53	18	887	7.415%
Year	136	804	193	676	1,606	3,533	2,111	1,847	810	247	11,963	100.000%

Using information from charts like the prior page shows the listings per quarter over the last 10 years. Prior to 2020, we only went back 9 years as opposed to 10 as we do now. This chart shows the peaks and valleys of used truck prices and has followed them well over the last 10 years. The drastic movements during covid make it look more extreme, but the elevated numbers in 2019 shows well how so much inventory equates to lower values. Well, I admit I did not see that drastic of decline of inventory levels on truck listings. It's a good sign it just happened sooner than I anticipated. Hopefully the values continue to follow the current trends.



Additional Factors... to consider for a bias (positive or negative)



- Crude oil prices have trended upward since the start of 2026 after bottoming in mid-December, with prices returning to the mid-\$60 per barrel range. Weather-related supply disruptions and escalating tensions with Iran have contributed to recent upward pressure. Despite the early year rebound, analysts expect oil prices to decline over the course of 2026 as global production exceeds demand, leading to rising inventories. Current forecasts call for an average price of approximately \$60 per barrel in 2026. Natural gas prices rose sharply in January, increasing 81% from December levels due to elevated heating demand, reduced production, and significant inventory withdrawals. The United States is expected to exit the withdrawal season at the end of March. Prices are projected to increase moderately through 2026 and 2027. Renewable generation is also expected to expand, with solar output projected to increase 17% in 2026 and an additional 23% in 2027. Wind generation is forecast to rise 6% and 7%, respectively, over the same period. OPEC+ producers have reconfirmed plans to maintain current production quotas through March, though global production is projected to exceed demand through 2027. U.S. crude oil reserves, which averaged approximately 600 million barrels between 2019 and 2022, declined sharply and bottomed in 2023. Since then, inventories have been rebuilt and currently stand near 415.5 million barrels.
- **Building Activity (Home, Office, etc.):** U.S. housing starts rose 6.2% month-over-month in December, marking the second consecutive monthly increase and lifting starts to their highest level since July. The rebound follows October's 15-month low. Single-family housing starts increased 4.1%, the strongest pace since February, while multi-family starts (five units or more) surged 10.1% to a three-month high. Regionally, activity rose sharply in the West (up 37.4%) and increased in the Northeast (5.6%) and Midwest (2.3%). In contrast, starts declined 2.8% in the South. For the full year, housing starts were down 0.6% compared to 2024. As a cyclical and interest-rate-sensitive sector, housing is often viewed as a broad indicator of economic momentum. Meanwhile, the national average 30-year mortgage rate has continued to ease, declining to 5.82%, which may provide incremental support to construction activity in the months ahead.
- **Trucking Industry:** The 2026 U.S. trucking industry is transitioning out of a prolonged downturn into a stabilization phase marked by slow, uneven freight recovery. Rather than a broad-based expansion, the market is shifting toward disciplined, selective growth. Freight demand remains soft overall, with volumes still below historical norms. However, modest contractual rate increases of 2–5% year over year is expected as supply-side pressures begin to rebalance the market. Capacity continues to tighten as elevated operating costs (including fuel, insurance, financing, and higher equipment prices) force smaller carriers and owner-operators to exit. This contraction is expected to persist throughout 2026. Regulatory enforcement (including CDL compliance, ELD oversight, and driver qualification scrutiny) could result in an estimated 250,000–400,000 drivers exiting the industry, disproportionately impacting the spot and one-way truckload market. The truckload market is tightening primarily due to supply-side disruption rather than a meaningful surge in demand. Years of oversupply are reversing as carriers reduce fleet sizes, operate at or below replacement-level equipment purchases, and shift away from volatile one-way freight toward more stable dedicated contract operations. Overall, 2026 is shaping up to be a foundational rebalancing year, as capacity corrects faster than demand improves, setting the stage for gradual margin recovery rather than a cyclical boom.

Additional Factors Continued

- **Consumers:** U.S. retail sales unexpectedly stalled in December, following a 0.6% increase in November and falling short of forecasts for a 0.4% gain. The strongest gains were seen with building materials and garden equipment dealers (+1.2%), while miscellaneous retailers and furniture stores posted the weakest results (-0.9%). Bank lending rates remained unchanged at 6.75% in January, slightly above the long-term average of 6.55% (1950–2026). Personal spending increased 0.4% in December, matching November's pace. Meanwhile, the household savings rate edged down to 3.6% in December, compared to a 2025 high of 5.5% in April. Despite softer headline retail data, broader spending measures remain resilient. Total card spending per household rose 2.6% year over year, the strongest pace in nearly two years. However, spending and wage growth continue to diverge by income. Higher-income households are driving momentum (spending up 2.5% YoY; wages up 3.7% YoY), while middle- and lower-income households are experiencing more modest gains (spending up 1.0% and 0.3%, respectively). The income growth gap is now the widest in nearly five years. Overall, the consumer remains stable and adaptive, but increasingly segmented. Spending resilience persists, though it is being supported more by financial buffers and behavioral adjustments than by broad-based income acceleration.
- **Inflation:** In January, the annual inflation rate rose to 2.4%, slightly below the 2.5% consensus estimate and down from December's 2.7% reading. Core CPI eased to 2.5% year over year, matching forecasts and down from 2.6% in December. On a month-over-month basis, Core CPI increased 0.3% in January, in line with expectations and above December's 0.2% gain. Producer prices rose 0.5% month over month, matching December's pace but exceeding the 0.3% consensus estimate. The Federal Reserve's preferred inflation gauge, Core Personal Consumption Expenditures (PCE), registered 3.0% year over year in December, up from November. On a monthly basis, Core PCE rose 0.4%, accelerating from 0.2% the prior month. Market participants currently expect two rate cuts in 2026, with reductions anticipated at the July and October meetings totaling 50 basis points.



Trailers

- **Ag Trailers:** Auction volumes have declined significantly since the start of the year, reflecting normal seasonal trends. Equipment values have seen a slight uptick, though the increase has not been material. The Fertilizer Price Index peaked in August and have since moderated, but it remains above first-quarter 2025 levels. Corn prices per bushel remained flat compared to last quarter. Grain trailer backlogs trended lower throughout 2025 and are now approaching 2024 averages, while average net orders have declined relative to 2024.
- **Pneumatic Trailers:** In the open market (Truck Paper), smaller cube units represent 41% of available inventory, unchanged from last quarter. Total pneumatic supply is down 5% from Q4 levels. Since last quarter, new pricing has remained relatively flat. The Aluminum Price Index has remained generally stable since 2023, with periodic fluctuations. After bottoming in the second half of 2023, it has trended upward and is now approaching 2022 highs. Backlogs for both liquid and bulk tanks have declined by more than 50% in 2025 compared to 2024. Net builds for liquid tanks have increased above the 2024 average, while bulk tank production has remained relatively flat.
- **Flatbeds and Drop Decks:** New model-year pricing has risen over the past year, marking a shift from a multi-year downward trend in new equipment costs. The national spot rate remained relatively flat throughout 2025 but began trending upward in December and is currently holding at \$2.71. The Load-to-Truck Ratio (LTR) surged sharply early in 2025 before trending lower for the rest of the year. As of January, it has rebounded near 2025 highs. The LTR measures posted loads versus available trucks on load boards. A higher ratio indicates tight capacity, more loads than trucks, giving carriers pricing power and often pushing spot rates higher. Conversely, a lower ratio signals excess capacity, with more trucks than loads, placing downward pressure on rates. Seasonal patterns, construction cycles, and broader freight demand all influence these fluctuations, making the LTR a key leading indicator of market conditions and pricing direction. Meanwhile, platform trailer backlogs have increased by approximately 20% compared to the 2024 full-year average, and net builds have risen roughly 25% over the same period.



Trailers Continued

- **Dry Vans and Reefers:** New model-year costs have moved higher after several years of decline. In 2025, dry van backlogs declined 25% compared to the 2024 average, while reefer backlogs fell approximately 50% year over year. Despite weaker backlogs, production strengthened. Dry van net builds increased 10% over the 2024 average, and in the past two months, builds have run more than double the 2025 average pace. Reefer net builds rose roughly 30% over the 2024 average, with January production also more than double the 2025 average. Spot rates for dry vans remained flat through most of 2025 before turning higher in November; reefer rates began rising in October. The Load-to-Truck Ratio (LTR) for both segments was volatile throughout 2025 but finished the year near its highs. To start this year, dry van LTRs have pulled back modestly, while reefers have continued to strengthen. Currently, spot rates stand at \$2.42 for dry vans and \$2.90 for reefers, with Load-to-Truck Ratios of 8.23 and 18.08, respectively.
- Auction quantities facilitated by Taylor & Martin experienced substantial growth in recent years, increasing 124% from 2021 to 2022 and rising an additional 158% in 2023. However, that upward momentum reversed in 2024, with volumes declining by 2,337 units, a 9% decrease compared to 2023. For the full year 2025, auction volumes declined another 9.5% relative to 2024 levels. Through the first two months of 2026, volumes are up 20% year over year, though this increase is partially attributable to the 10 Roads Express liquidation and may not reflect underlying market demand.
- Overall, the trailer market is showing signs of stabilization. Backlogs have reset lower in several segments, but pricing, production, and freight indicators are beginning to be firm in select areas. While activity remains measured and uneven, supply adjustments appear to be occurring ahead of a broader demand recovery. At this stage, the market reflects early-cycle normalization rather than full expansion.

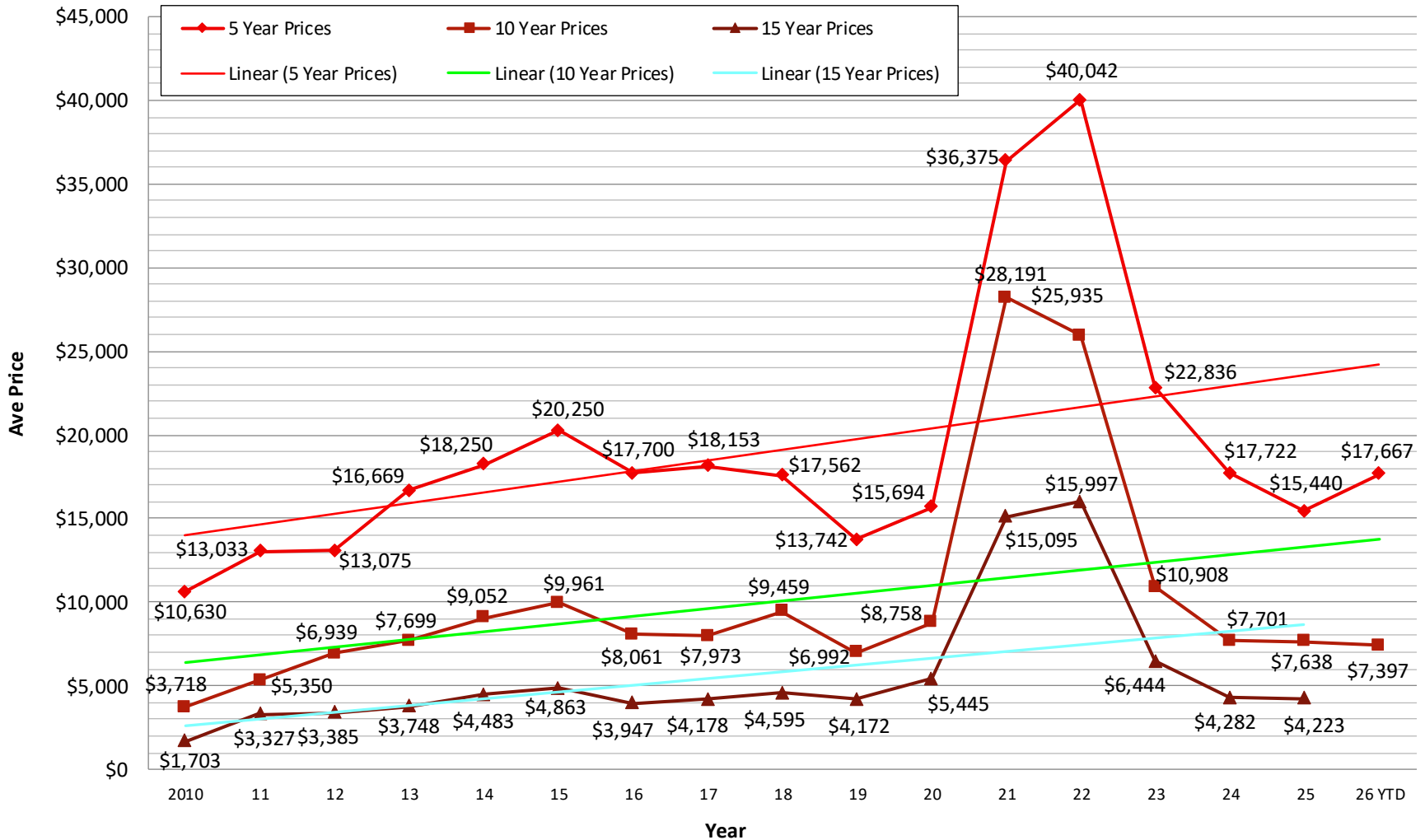


T&M Auction Results:
Tracking 5, 10 & 15-Year-Old A/R Dry Vans

5, 10 & 15-Year-Old Dry Vans sales (Taylor & Martin Auctions) are charted below:

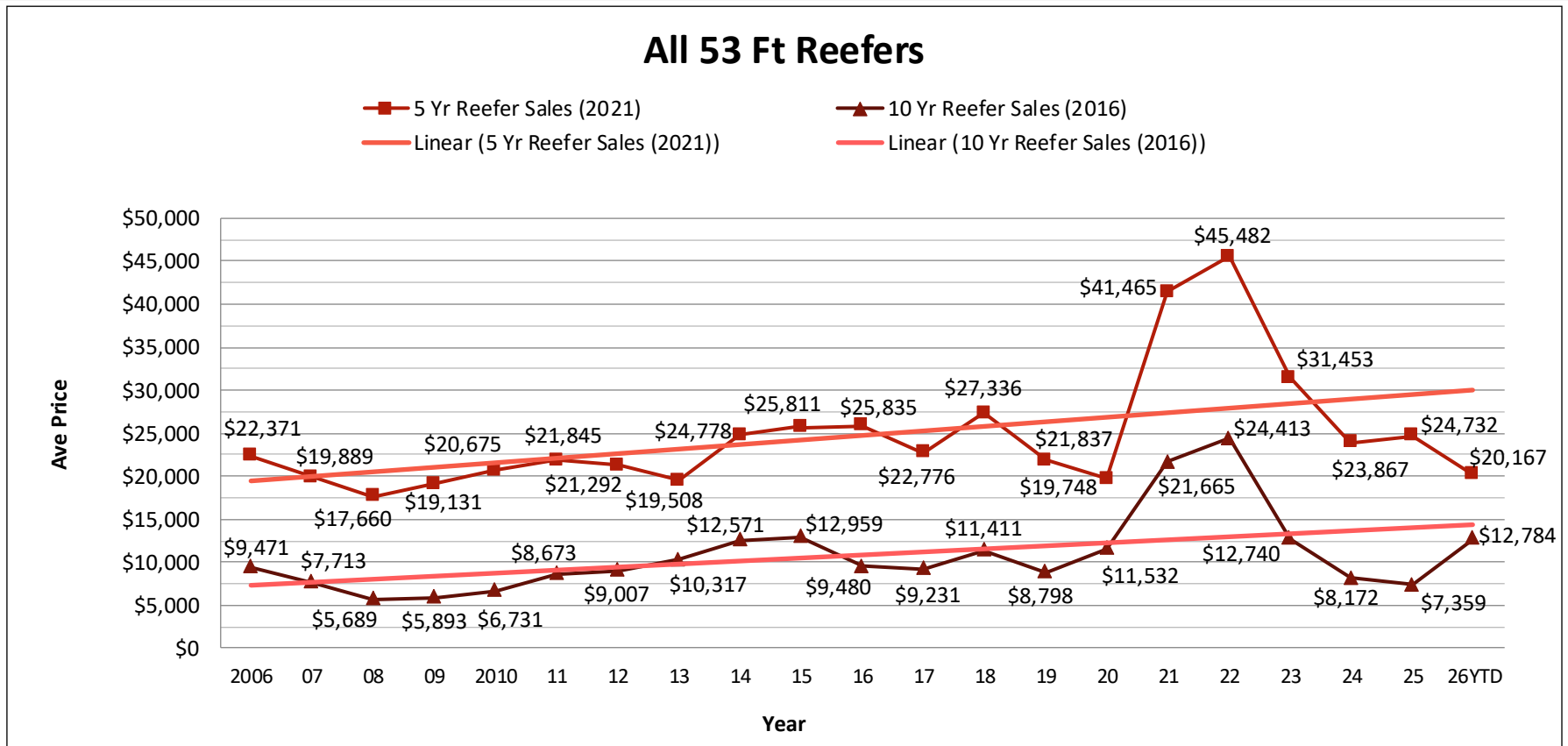
Not a lot of change here either. The 5 and 10-year-old vans remained level, but we lost a little ground on the 15-year-old vans. Van market has at least leveled out although it has been on the low end. We are anticipating some improvement to values in 2026 but probably won't make it close to the trend line in the next 12 months.

T&M Auction Results: Tracking 5 Yr, 10 Yr & 15 Yr Old A/R Dry Vans



5 & 10-Year-Old Refrigerated Trailer sales (Taylor & Martin Auctions) are charted below:

Reefers: Both 5 & 10-Year-Old. Not much excitement here either. Reefers continue to perform similarly to vans. This chart is a little misleading due to limited volume of these specific model years. We are anticipating a slight increase in used values, but as in vans not a huge rise. Potential for 10% increase y/y.



IMPORTANT NOTICE: The preceding newsletter is the opinion of the author and is based upon information known to the author. No guarantee as to past or future directions are expressed or implied herein. This message is intended for the addressee and may contain confidential, privileged information. You may use, copy or disclose this information contained in this e-update as you see fit. I only ask that you reference your source.