TD Cowen/AFS Freight Index

April 2026

AFS is one of the most experienced 3PLs in the country; leveraging Freight Audit and Payment data enables AFS to unlock unrivaled insights into the overall freight market.

AFS has visibility to billions **in transportation spend** across multiple modes flowing into our systems annually providing maximum market insight.

The freight data comes from over **1,800 clients of all sizes and industries**, representing a comprehensive view of the overall market.

With AFS' deep expertise and **44 years of experience** across all transportation modes, we have significant market insights to project future trends and industry patterns.

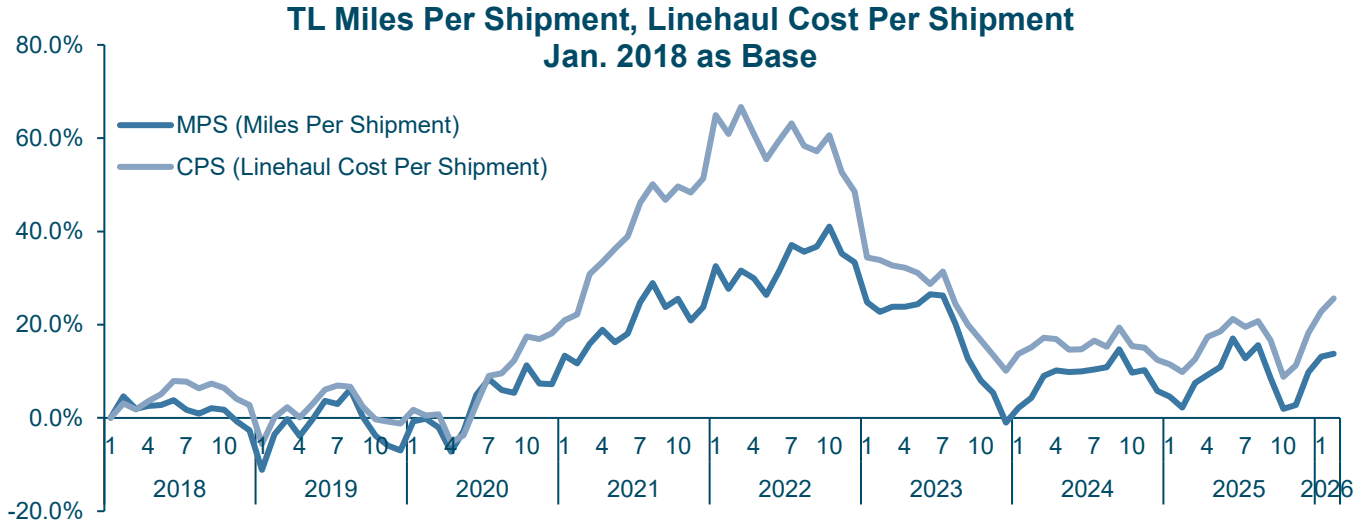
AFS' team of Data Scientists and Analysts applied Machine Learning algorithms and modeling techniques to examine the historical data for **Truckload, LTL and Parcel** since 2018.

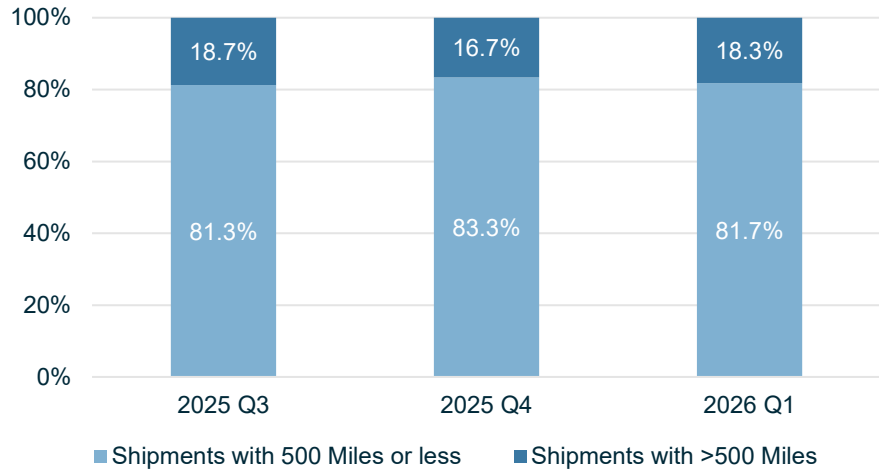
- The following rate indices are developed for these modes and quarterly rate predictions are provided using AFS freight data and macroeconomic variables.

Truckload

In Q1:2026, Truckload (TL) Linehaul Cost Per Shipment and Miles Per Shipment both experienced strong recovery with QOQ increases of 10.2% and 8.2%, respectively.

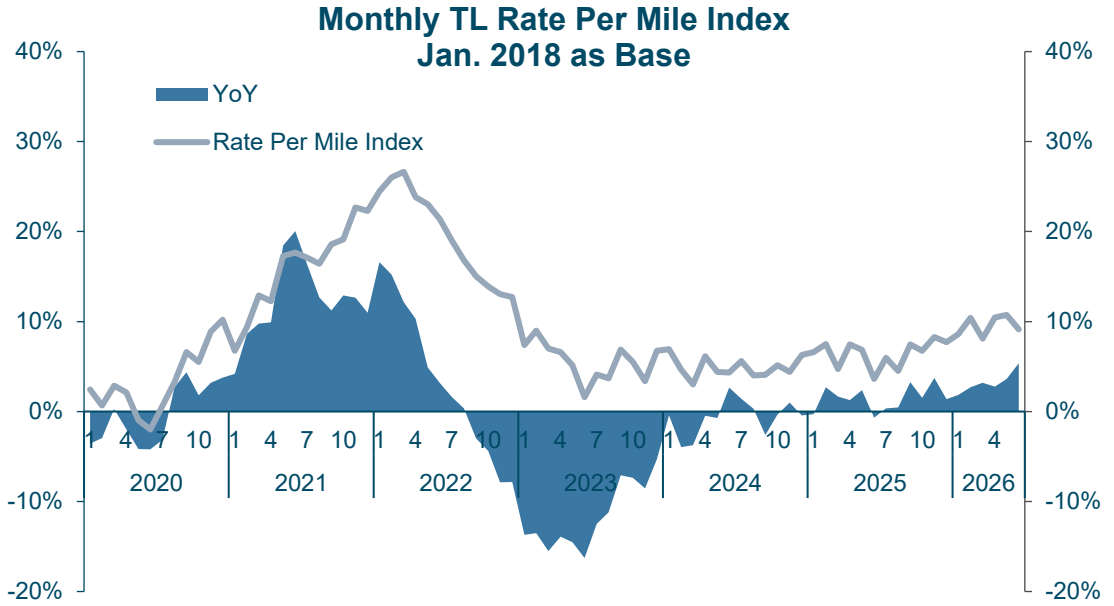
- Truckload Linehaul Cost Per Shipment (CPS) and Miles Per Shipment (MPS) moved in tandem in Q1:2026, with CPS outpacing MPS and beginning to drive a divergence between the two metrics.
  - Rebounding long-haul shipments, winter storm disruptions and constrained capacity, pushed CPS to a two-year high.
  - The ATA Truck Tonnage Index rose 2.6% month over month in February to its highest level in three years, signaling early signs of recovery driven more by tightening capacity (carrier exits) than a broad demand rebound.
  - Stricter FMCSA rules on non domiciled CDL eligibility, verification, and renewal are already contributing to reduced TL capacity in Q1:2026, with further constraints expected as licenses expire and enforcement tightens.





The TD Cowen/AFS Truckload Freight Index is projected to reach 10.1% in Q2:2026, its highest level in three years, increasing 1.0% QOQ and 4.0% YOY.

- The Truckload Freight Index continues to show upward momentum as underlying demand remaining stable, while recent geopolitical tensions in the Middle East contribute to broader supply chain uncertainty and cost pressure.
  - The U.S. economy decelerated to 0.5% in Q4:2025 from 4.4% in Q3:2025, as declines in government spending and exports weighed on overall activity.
  - Inflation eased to 2.4% in February before rising sharply to 3.3% in March, driven by higher energy prices linked to Middle East tensions and reaching its highest level in nearly two years.
  - The Federal Reserve held rates steady at its March meeting, maintaining a cautious stance amid stable inflation, rising oil prices, and ongoing trade uncertainty, with market expectations pointing to limited rate cuts in 2026.
- The TL Rate Per Mile Index is projected to reach 10.1% in Q2:2026, its highest level since 2023.



Composite Truckload Rate Per Mile Freight Index

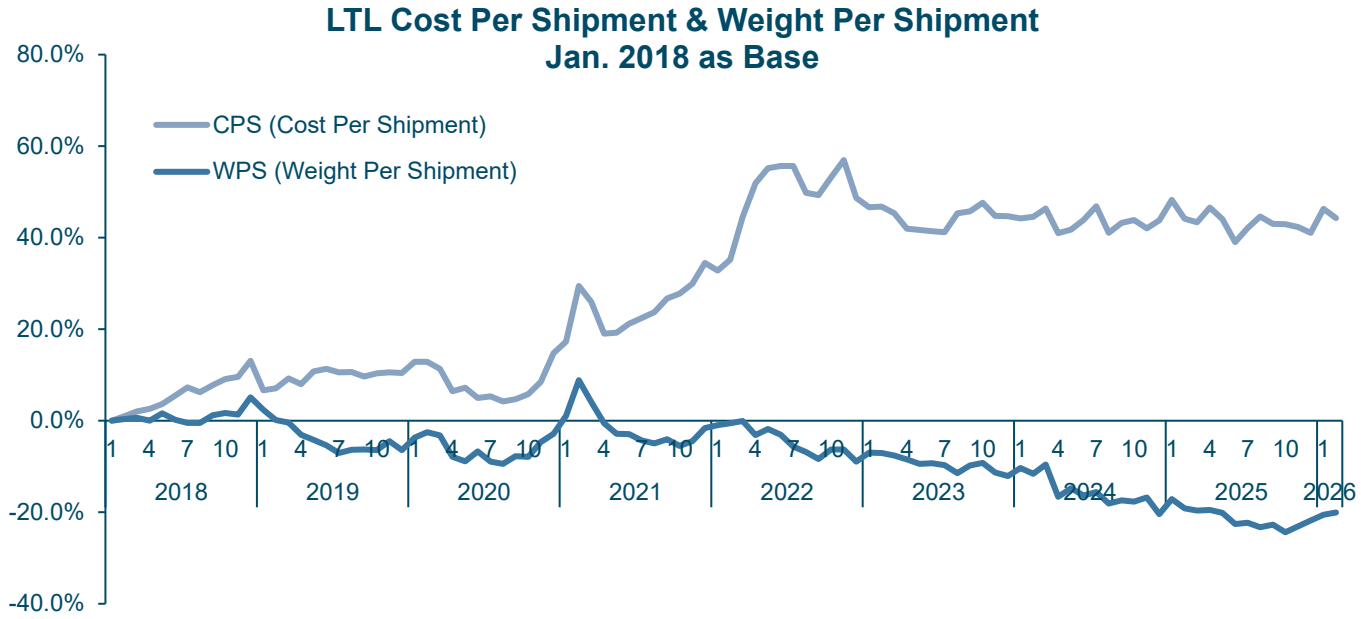
Year	Q1	Q2	Q3	Q4
2023	7.8%	4.3%	4.8%	5.2%
2024	4.9%	5.0%	4.6%	5.2%
2025	6.2%	5.9%	6.0%	7.6%
2026	9.0%	**10.1%**		

Jan. 2018 = Base, Q2:2026 forecasted

LTL

LTL Cost Per Shipment and Weight Per Shipment reversed the downward trend in Q1:2026, increasing 3.0% and 3.8% QOQ.

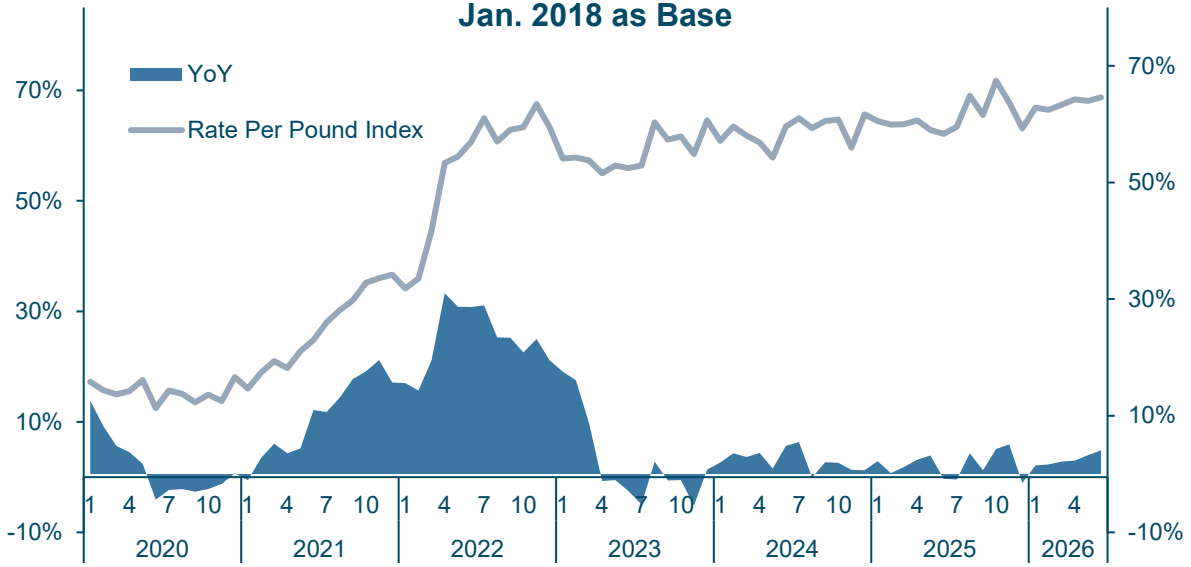
- LTL demand stabilized with early signs of recovery in Q1:2026, as improving shipment weights, fuel surcharge, and pricing discipline drove higher Cost Per Shipment (CPS).
  - Weight Per Shipment (WPS) rose 3.8% QOQ, first quarterly gain in two years.
  - Ongoing global energy disruptions drove a sharp increase in fuel costs, with diesel prices rising significantly QOQ. EIA March diesel averaged $4.92 per gallon, reflecting a nearly 36% increase from earlier in the quarter and putting upward pressure on transportation costs.
  - LTL Cost Per Shipment (CPS) has remained elevated since 2022 despite declining shipment weights, as a 2.0% YOY reduction in WPS has been largely offset by sustained carrier yield management, resulting in minimal CPS erosion.



The TD Cowen/AFS LTL Freight Index is expected to set a record high of 68.4% in Q2:2026, up 0.9% QOQ and 3.2% YOY.

- LTL carriers continue to focus on yield and profitability by favoring high-margin freight and maintaining service quality, supported by a strengthening rate environment.
  - Crude oil prices surged in March 2026, rising over 50% from January levels. It is expected to remain elevated and volatile in the near term, sustaining upward pressure on cost.
  - March ISM manufacturing PMI rose to 52.7%, marking a third consecutive month of expansion, with gains in new orders and production signaling early recovery in industrial activity and gradual support for freight demand.
- The TD Cowen/AFS LTL Freight Index is forecast to reach 68.4% in Q2:2026, marking a tenth consecutive quarterly YOY increase and reinforcing stable LTL pricing trends.

Monthly LTL Rate Per Pound Index
Jan. 2018 as Base



LTL Rate Per Pound Freight Index

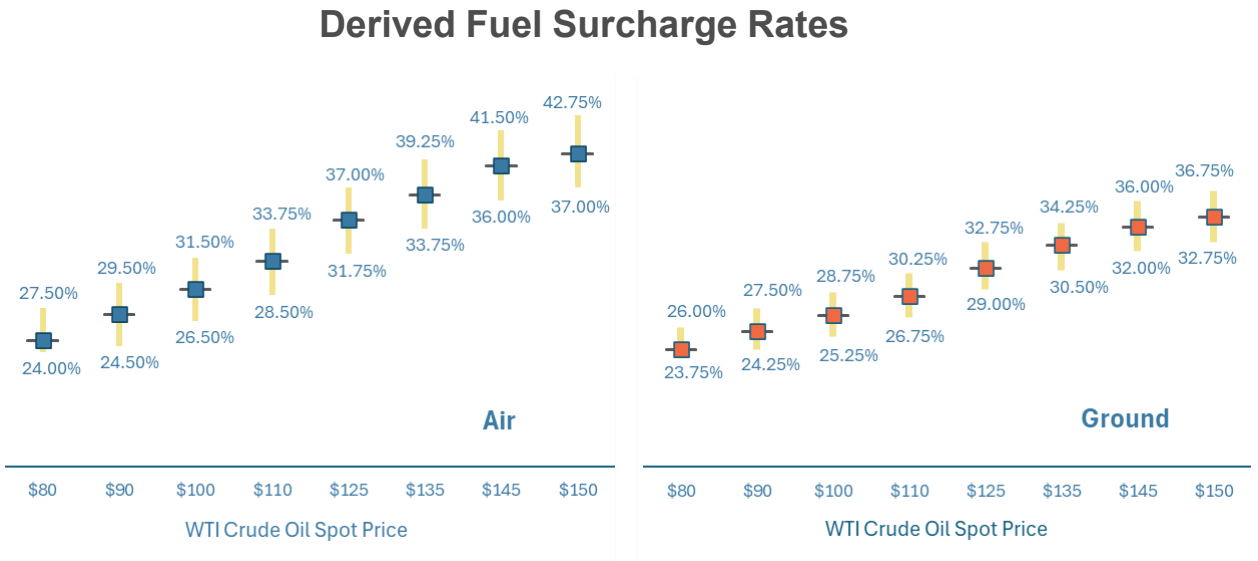
Year	Q1	Q2	Q3	Q4
2023	57.4%	55.4%	60.6%	61.3%
2024	61.0%	62.3%	64.1%	63.0%
2025	63.9%	63.2%	66.9%	67.8%
2026	66.9%	**68.4%**		

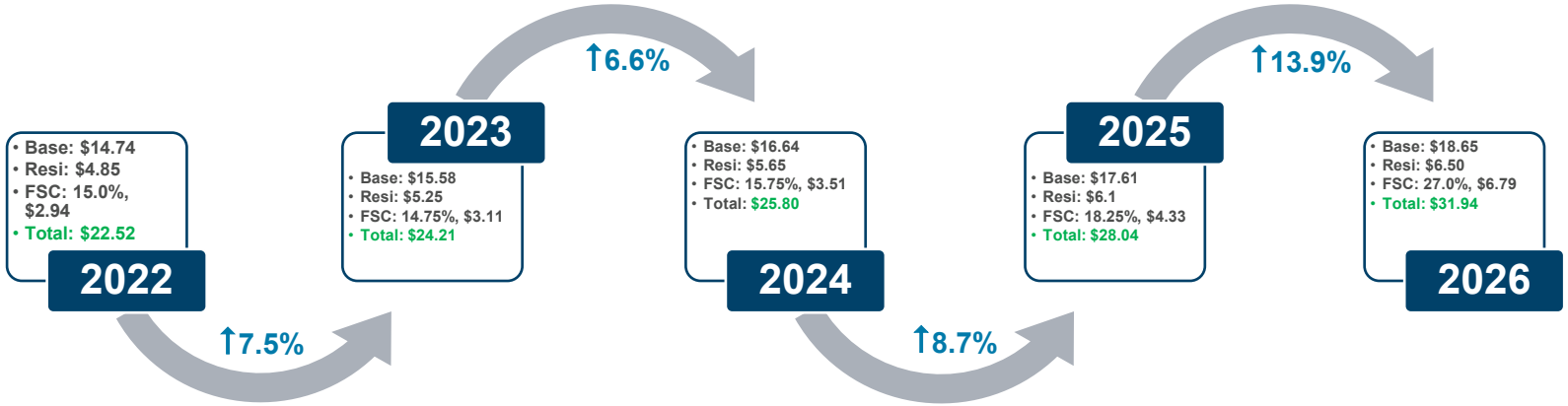
Jan. 2018 = Base, Q2:2026 forecasted

Parcel

Parcel carrier fuel surcharges are rising again, but this time more closely aligned with underlying cost increases driven by global fuel market disruptions.

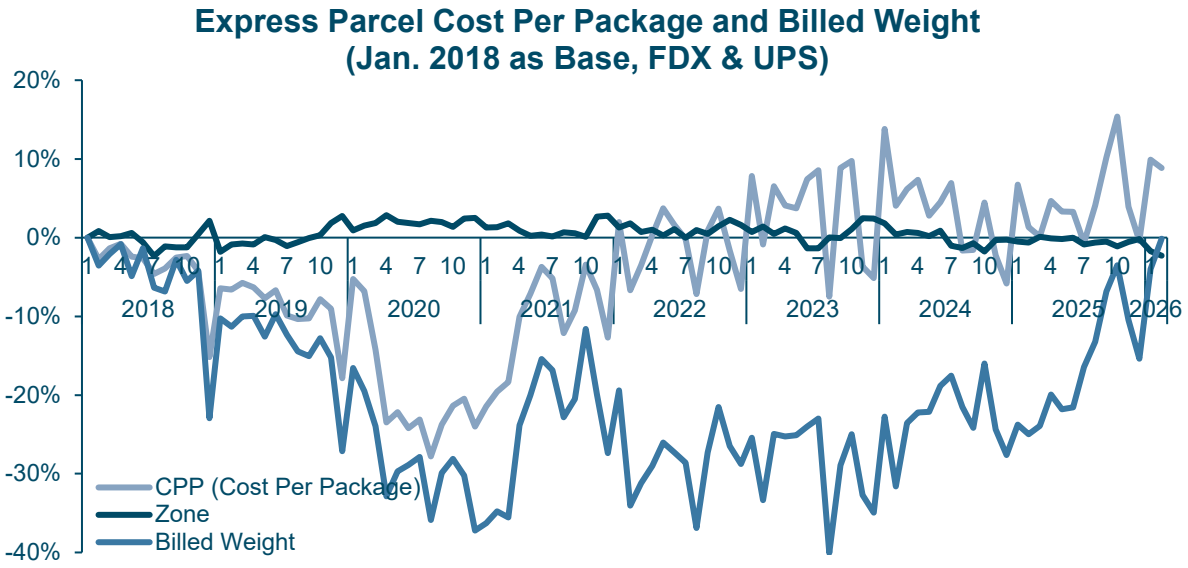
- Escalating geopolitical tensions in the Middle East have driven a sharp increase in crude oil prices, and our model indicates that both air and ground fuel surcharges are likely to rise materially should elevated oil prices persist.
- Carrier responses to rising fuel costs are expanding, with USPS, Amazon, and OnTrac implementing changes, while recent UPS updates will keep fuel surcharges elevated even if diesel prices decline, signaling potential for further adjustments across the market.

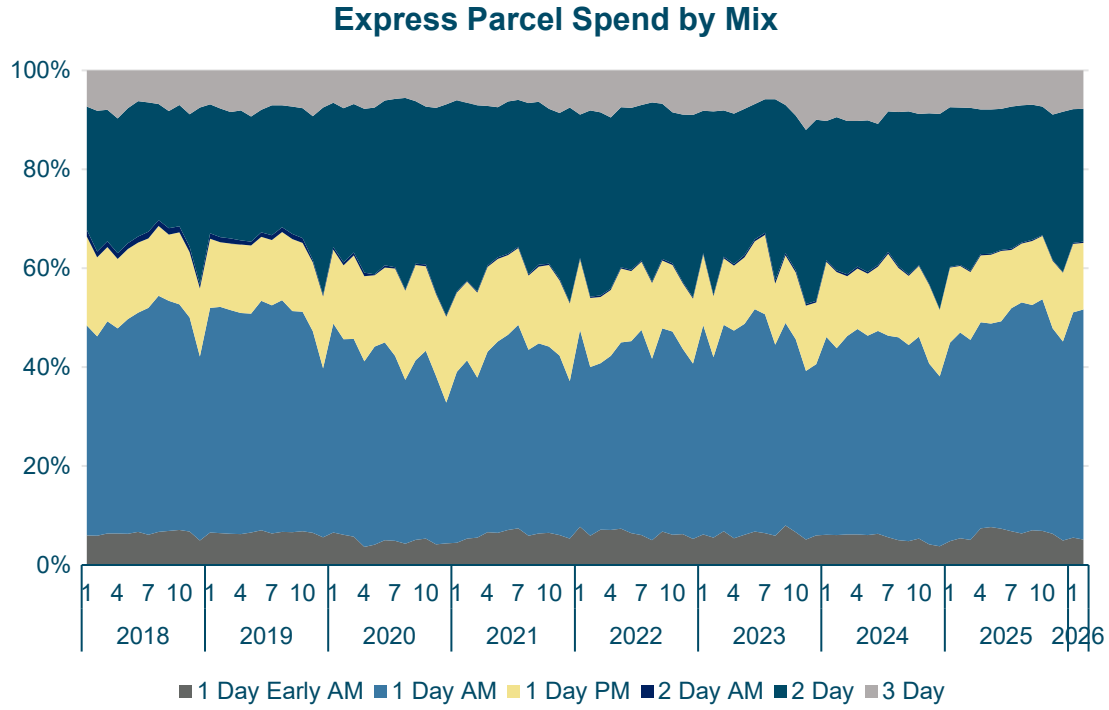




Express Parcel

Express Parcel Cost Per Package rose 2.6% QOQ in Q1:2026, driven primarily by rising fuel surcharges, carrier GRIs and seasonal service mix shifts.



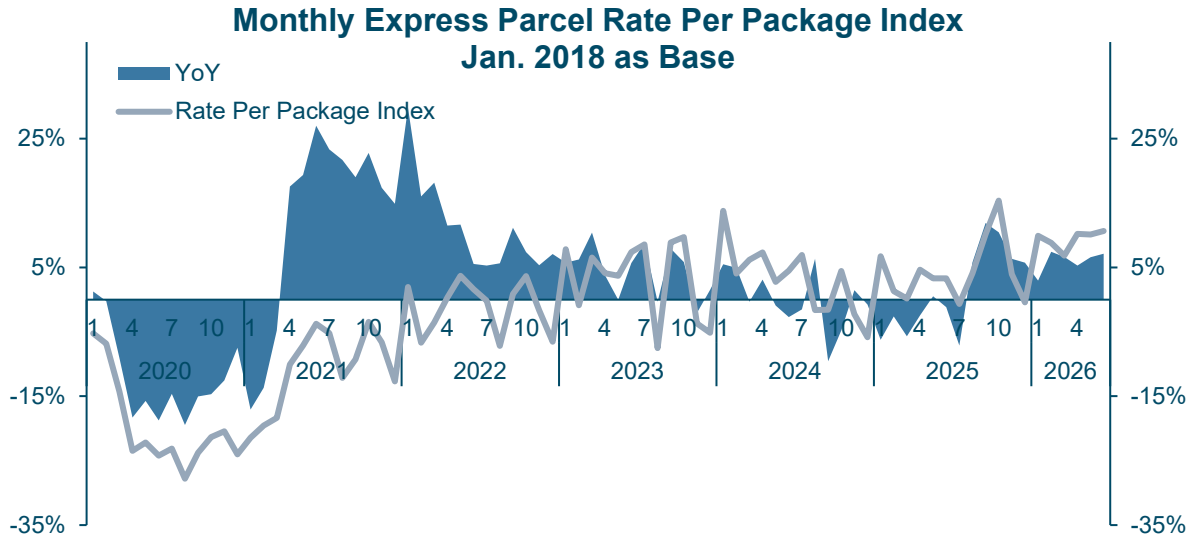


- Express Parcel Cost Per Package (CPP) exceeded forecasts in Q1:2026, driven by a sharp increase in fuel surcharge (especially March) and shifts in service mix.
  - Carrier 2026 GRI became fully effective in Q1:2026, leading to higher Cost Per Package.
  - USGC jet fuel prices increased 9.2% YOY in Q1:2026, with a steep March spike accelerating the YOY increase to 38%. Adding carrier adjustments, March fuel surcharges were approximately 46% higher than Q1:2025 levels.

- Average weight increases and a favorable seasonal service mix contributed to higher CPP, partially offset by lower accessorial charges and lower average zones in Q1:2026.

The TD Cowen/AFS Express Parcel Freight Index is projected to reach a record high of 10.3% in Q2:2026, increasing 1.7% QOQ and 6.4% YOY.

- Reinforcing a strategy that has been in place for the past few quarters, carriers are doubling down on cost discipline and margin protection.
  - FedEx and UPS are reinforcing higher-margin shipments and B2B segments, with success ultimately driven by execution.
  - Yield focus persists, with burden distributed unevenly between small/medium shippers and large shippers.
- Fuel surcharges remain a cornerstone of carrier pricing strategy, continuing to support revenue quality and sustain profitability.
  - Broader carrier actions on fuel-related surcharges are reinforcing the underlying cost justification and are likely emboldening FedEx and UPS to pursue further adjustments.
- The TD Cowen/AFS Express Parcel Freight Index is expected to achieve historic high of 10.3% in Q2:2026, up 6.4% YOY.



Express Parcel Rate Per Package Freight Index

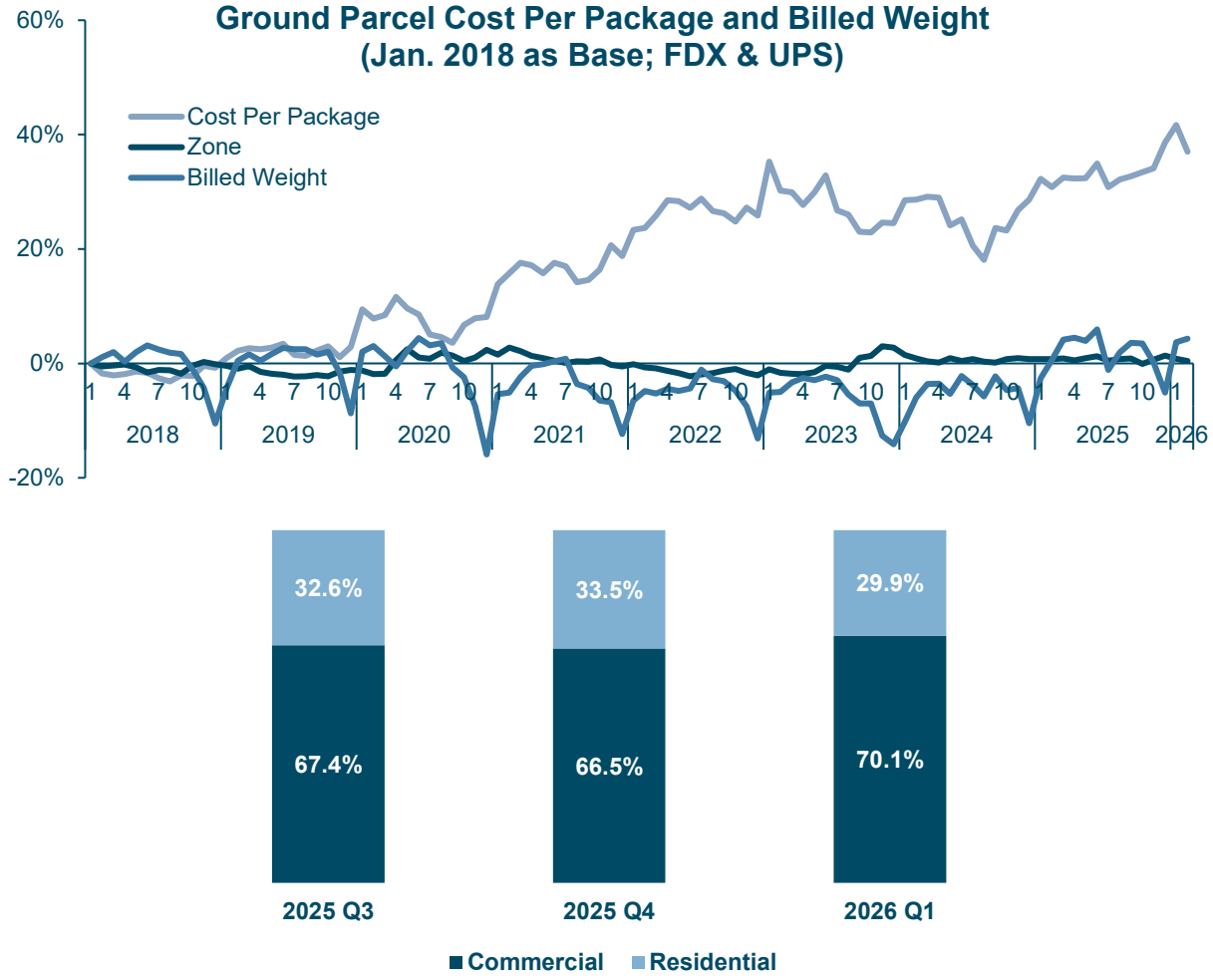
Year	Q1	Q2	Q3	Q4
2023	4.1%	3.8%	2.4%	0.9%
2024	4.5%	4.5%	0.7%	(1.7%)
2025	2.6%	3.7%	4.2%	5.7%
2026	8.5%	**10.3%**		

Jan. 2018 = Base, Q2:2026 forecasted

Ground Parcel

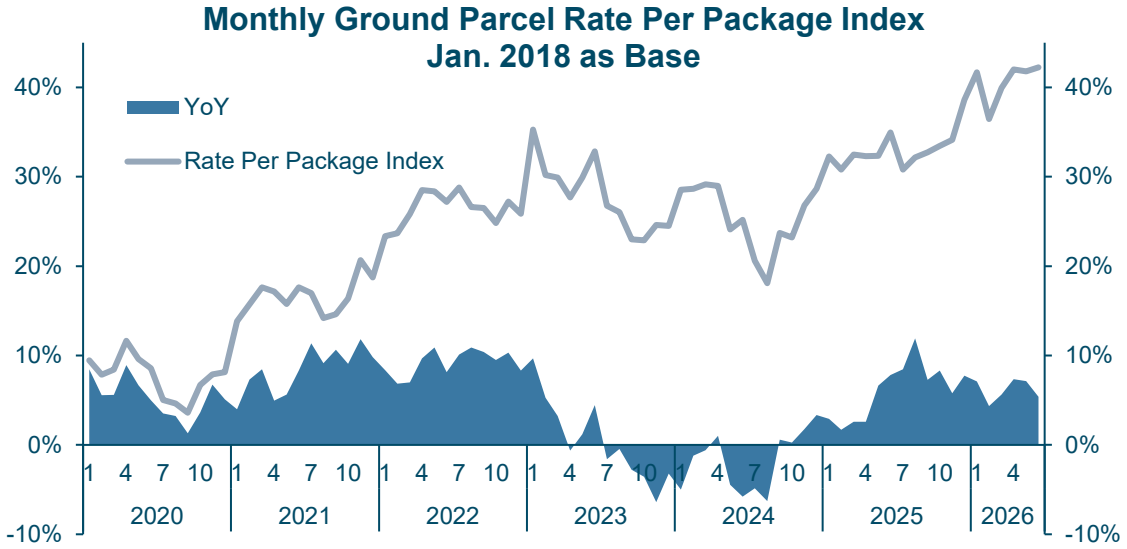
In Q1:2026, Ground Parcel Cost Per Package rose 2.8% QOQ to 39.3%, marking a second consecutive quarter at record high levels.

- Ground Parcel Cost Per Package (CPP) reached a new record in Q1:2026, driven by elevated fuel surcharges and carriers GRIs.
  - Both FedEx and UPS raised their list rates and surcharges, driving higher CPP in Q1:2026.
  - Strait of Hormuz disruptions drove higher crude oil prices, leading to an approximate 10% YOY increase in diesel fuel in Q1:2026, with Ground fuel surcharges rising 26.7% YOY.
  - Discounting remained a primary lever for revenue management, with Q1:2026 highlighting divergence in Ground strategy as UPS tightened pricing while FedEx used deeper discounts to drive share gains.
  - GRI-related increases in accessorial charges were offset partially by the expiration of Demand Surcharges in mid-January and a lower share of residential shipments in Q1:2026.



A new record for the TD Cowen AFS Ground Parcel Freight Index is expected in Q2:2026, reaching 42.0% with 6.6% YOY increase and 1.9% QOQ increase.

- The TD Cowen/AFS Ground Parcel Freight Index is forecasted to reach another record in Q2:2026, marking the third consecutive record high.
  - Elevated diesel prices and rising carrier fuel surcharges are expected to continue driving upward pressure on CPP, as oil prices are unlikely to see near-term relief even if geopolitical tensions ease.
  - Despite stated pricing strategy, divergence in discount practices across carriers may begin to erode overall discipline over time, with potential for further increases in discount levels.
- Record-high parcel indices signal a structurally higher cost environment, requiring shippers to proactively optimize carrier mix, service selection, and contract strategy to manage sustained pricing pressure.



Ground Parcel Rate Per Package Freight Index

Year	Q1	Q2	Q3	Q4
2023	31.0%	28.9%	23.4%	23.8%
2024	28.8%	26.2%	20.8%	26.3%
2025	31.8%	33.2%	31.8%	35.5%
2026	39.3%	**42.0%**		

Jan. 2018 = Base, Q2:2026 forecasted

Appendix

For companies who ship, we end shipping cost **uncertainty**.

More than **1,800** clients in **35** countries

11.7 years average client tenure

$13B Global shipment dataset available for benchmarking

$11B Transportation spend under management

$183M Saved for our Clients Annually

"As capacity further tightens, freight rates increase, and e-commerce flourishes, customers can benefit from the transportation cost savings and visibility achieved through a relationship with 3PLs such as AFS Logistics." – **Armstrong & Associates**

AFS named in the **GARTNER**[1] 2023 Market Guide for Freight Audit and Payment Providers[2] and **GARTNER**[1] 2023 Market Guide For Benchmarking Services For Transportation Rates And Logistics Performance Metrics.

AFS is a group of shipping strategists that helps more than 1,800 companies across 35 countries better understand their freight costs. The company has over $11 billion in transportation spend under management, and uses that data along with decades of truckload, LTL and parcel experience to help advise, optimize and manage client shipping programs. AFS provides support throughout the process of buying, planning, executing and settling transportation services, constantly assessing performance to ensure shippers only pay what they should and get the service and operational outcomes they deserve.

The company was founded in 1982 and employs more than 380 teammates across the U.S. and Canada. AFS is regularly part of the Inc. 5000 list of fastest growing companies.

To learn more, visit www.afs.net.