

**SUPPLY CHAIN**

# TRENDING

TRANSPORTATION / DISTRIBUTION / ECOMMERCE / MATERIAL HANDLING / INNOVATION

## TRANSPORTATION

### Truckload

- Outbound tender volumes have a slight growth trajectory over the last 4 months
- Tender rejection rates remain very low with a small bump in June. The market is showing signs of at least a temporary bottoming.
- Largest volume markets (shown as the tallest in graphic to the right) have been consistent for several months.



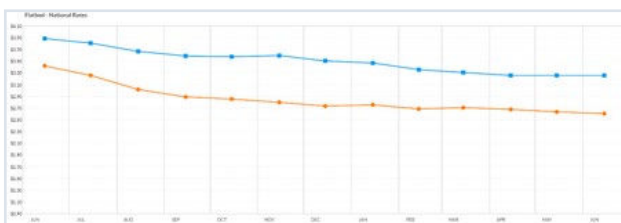
### Equipment Rating Trends:

#### Market Rates:

- Broker-to-Carrier Spot (w. fuel)
- Shipper-to-Carrier Spot (w. fuel)

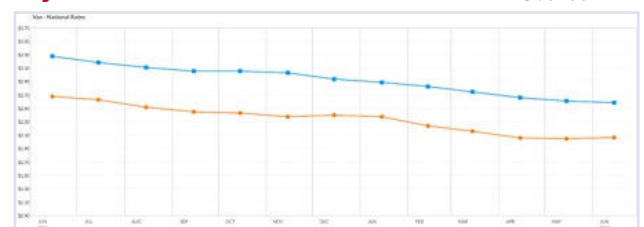
- Both dry van and reefer showed a slight uptick in spot prices while contract rate declined slightly. Spot rates continue to have a \$0.40-\$0.55 per mile cost discount compared to contract rates
- Flatbed continues to be the mode with the most stable pricing compared to dry van and reefer
- These factors signal a potential bottom of the market, but the prevailing sentiment is that pricing will not be climbing significantly in the next 4-6 months without a significant disruptive event

#### Flatbed



#### Dry Van

Source: DAT



#### Reefer





## IN THE NEWS

Significant labor deal reached with west coast port workers to avert supply chain interruptions.

**Read more:** [West Coast port labor deal reached; peak season chaos averted](#)

**Mergers and acquisitions continue, resulting in capacity leaving the market.** Recently:

- R&R Express acquired Taylor Transportation **Read more:** [R&R Express acquires North Carolina carrier Taylor Transportation](#)
- Trimac acquires Sylvain Lasalle, Inc. **Read more:** [Bulk hauler Trimac makes 2nd acquisition of 2023](#)
- Tiger Cool Express ends operations **Read more:** [Tiger Cool Express ceases operations amid financial troubles](#)

**Moving forward:** Look for areas to start locking in a portion of your volume's pricing.

## LTL

LTL demand is on the rise. Meanwhile, carriers are continuing to practice pricing discipline to lower their operating ratios (ORs). Carriers are using their increased capacity to strategically align with shippers that complement their network.

## IN THE NEWS



### Two Northeast LTL Carriers Combine

RIST Transport acquired AMA Transportation. The deal will expand direct service throughout New England for both companies. [Read more](#)



### ABF's New Labor Deal Equates to a \$6.50/HR Wage Increase

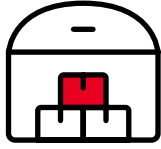
If signed, the new deal will provide wage increases, additional sick time, and revised profit-sharing. The agreement is set to become effective June 30th. The \$6.50 hourly wage increase will span over the five-year term. [Read more](#)

### Moving forward:

We are quickly approaching the single busiest time in our industry— End of Month, End of Quarter, End of Fiscal Year for many companies all at the same time. This always creates an influx of freight, exceeding capacity for many carriers. Now is the time to start planning for your volume. Advise your partners of any changes you may have that will impact your operating hours and capacity needs.



# REAL ESTATE



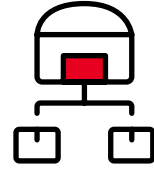
**89 MSF**

of vacant supply was added in Q1, the largest quarter-over-quarter increase on record<sup>2</sup>



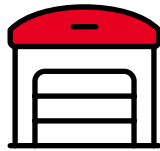
**144.1 MSF**

of construction completed, with only 43% occupied – a drop from 73% in 2022<sup>2</sup>



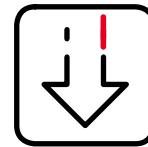
**2.8%**

quarterly increase in net asking rents, moving to \$9.91 per sq.ft.<sup>2</sup>



**100 KSF**

buildings and smaller most popular<sup>2</sup>



**57%**

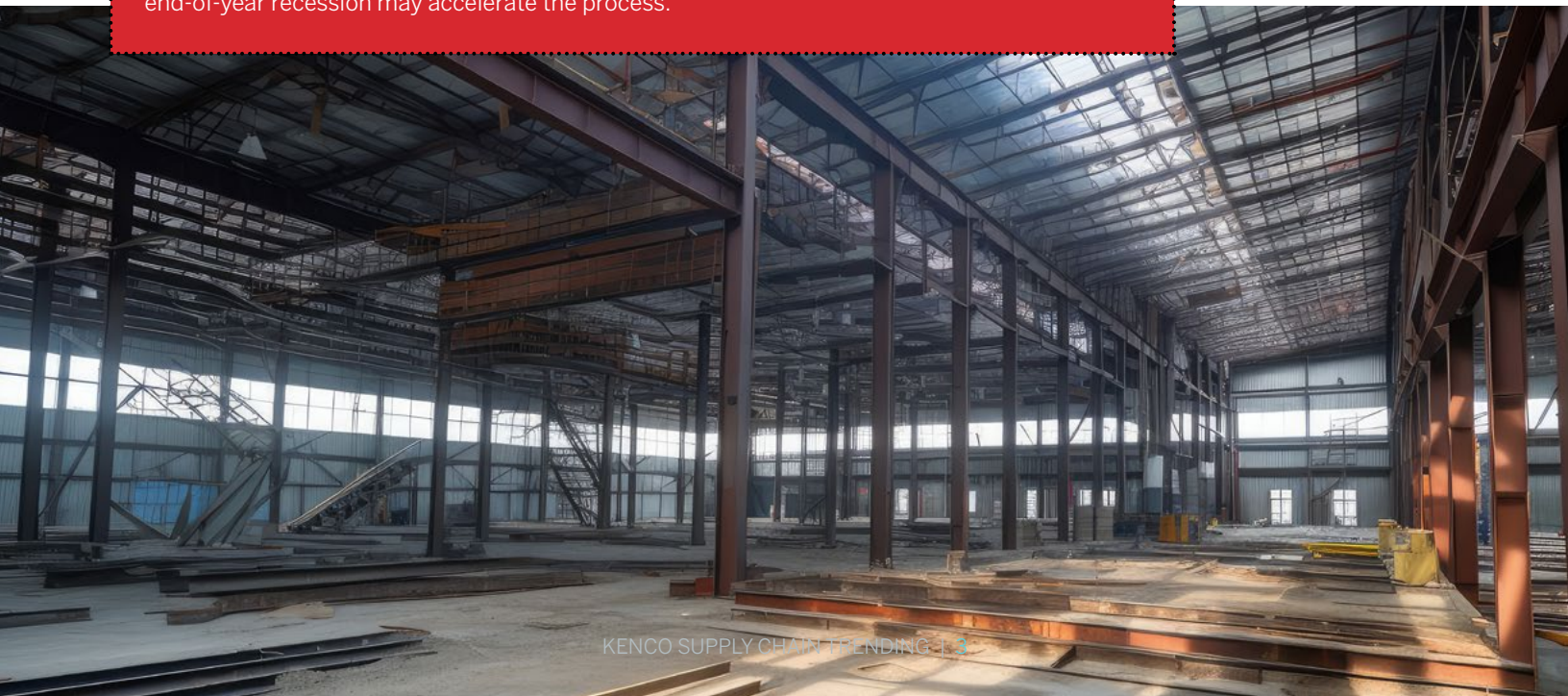
drop in net absorption YOY, totaling 39.4 million<sup>3</sup>

## Moving forward:

While the real estate market conditions are showing signs of improvement for tenants, an end-of-year recession may accelerate the process.

Sources:

1. Cushman Wakefield
2. CBRE
3. Lee & Associates





# MHE

- Narrow Aisle Equipment lead times are still out over 2 years, at an average of 107 weeks.
- Equipment payment factors have stabilized, although the rates are 6.3% higher than a year ago.
- Narrow Aisle and Sit-down lift prices have remained steady for several months, with scrubber pricing remaining stable since March.
- Racking lead times have started to increase on the east coast, while west coast lead times remain quicker. Assessing speed over cost is going to be important – west coast may be faster, but you'll pay for additional freight.

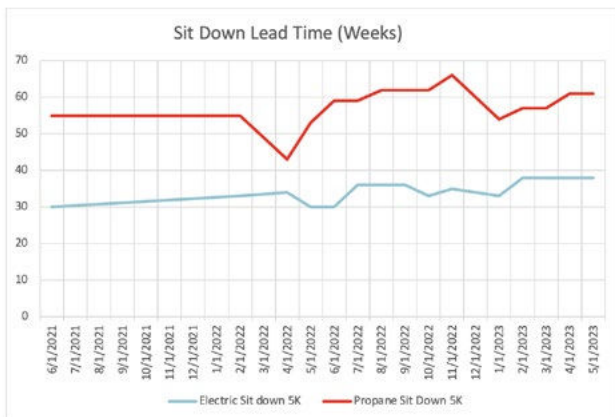
## Equipment Lead Times:

### Narrow Aisle

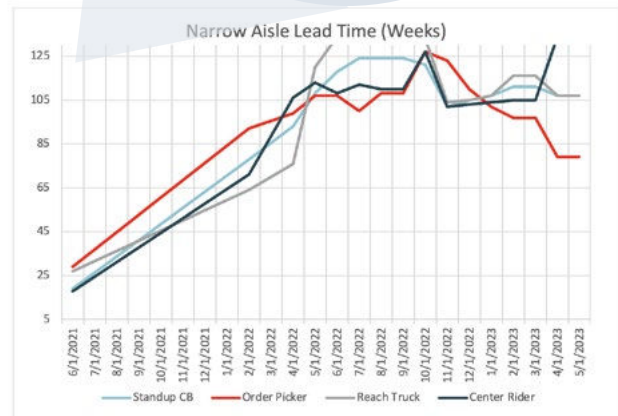
- Lead times have jumped up for center riders while order pickers have dropped:
  - 79 weeks for order pickers
  - 107 weeks for reach trucks
  - 107 weeks for standups
  - 134 weeks for center rider pallet jacks
- Narrow aisle equipment deliveries continue to get pushed as delivery dates draw near, making it difficult to predict actual delivery because of continued global supply chain issues.

### Sit Down Electric & Propane

- 38 week lead time for sit down electric
- 57 week lead time for propane lifts – a small increase MOM

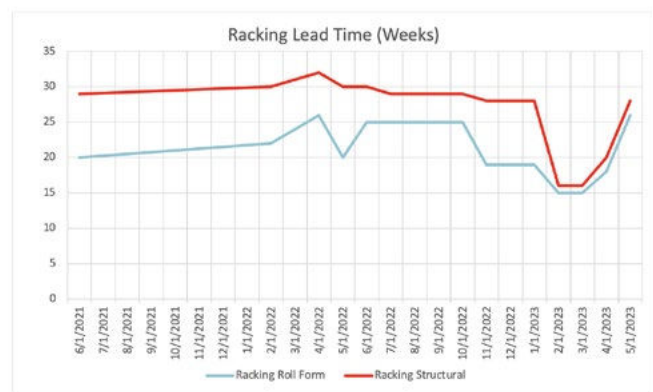


**107 wks**  
average lead time



### Racking

Lead times for racking are increasing on the east coast. Lead time for roll form is 26 weeks. Lead time for structural is at 28 weeks. West coast racking plant is about around 12 weeks lead time right now.



### Moving forward:

Continue to order and reorder your MHE at the first sign of need. Standardize your layouts, equipment, and racking across sites to provide agility with MHE.

## ABOUT KENCO

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