

Trucker Success

By OOFI • Jan 24, 2024

Smart Brevity® count: 2 mins...568 words

Welcome back. Today we'll discuss what the spot market cycle indicator has to say about the future of the freight market, and the Mary Johnston Scholarship, which is due by February 1st.

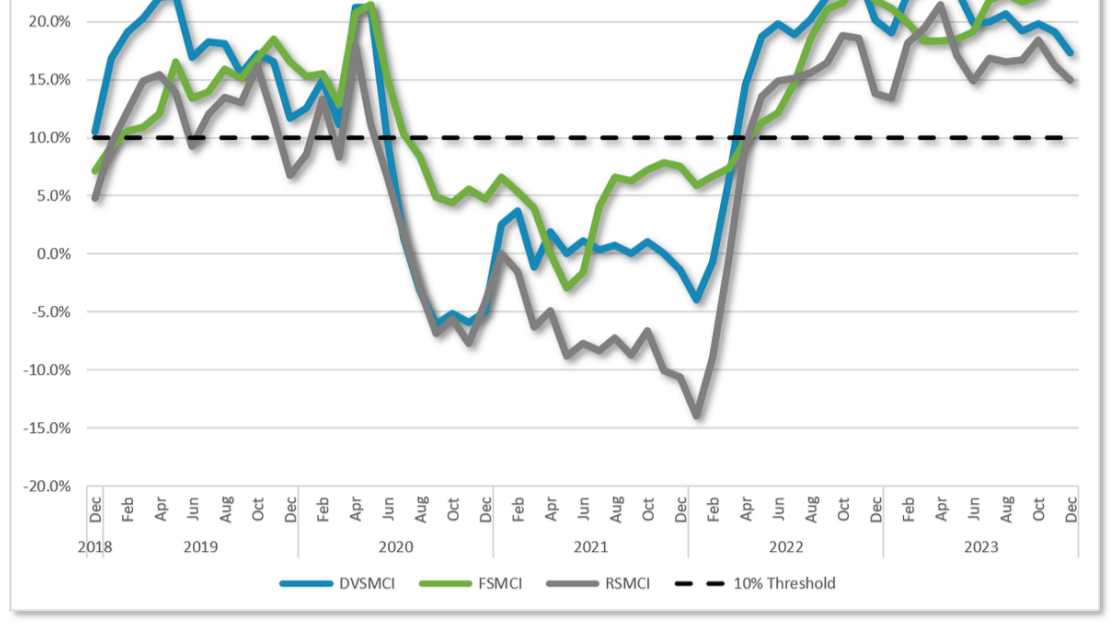
1 big thing: December's Market Update



The big picture: The Spot Market Cycle Indicator (SMCI), which we've calculated using DAT data courtesy of Eric W. and Jason Miller, is one of the best forward looking datasets that we have.

Why it matters: Whenever the SMCI for dry van (DVSMCI), flatbed (FSMCI), or reefer (RSMCI) crosses the 10% threshold, the spot market flips cycles.

- The market enters bull territory, meaning an upcycle where the rates are strong, when it dips below the threshold, and bear territory, meaning a downcycle where the rates are weak, when it rises above it.



Source: FRED | <https://fred.stlouisfed.org/series/HOUST> and <https://fred.stlouisfed.org/series/UNDCONTSA>

Our thoughts: There are still no signs that the freight market is about to turn upward again. While the van and reefer markets are trending in the right direction, we still are a long ways away from the 10% threshold.

- The DVSMCI dropped 9.5% month-over-month (M/M) and is 27.9% lower year-over-year (Y/Y).
- The FSMCI decreased 4.5% M/M and is 0.4% higher Y/Y.
- The RSMCI declined 7.7% M/M and is 19.2% lower Y/Y.

The bottom line: All three SMCI declined in December, which is a positive sign, but owner-operators should continue to plan for the market to remain soft until we start getting closer to the 10% threshold, which might not take place until at least the second half of 2024 at the earliest.

Go deeper: You can find our [full trucking market update here](#).

2. Trendlines: National spot rates for van, flatbed, reefer

Industry Trends	WEEK Jan 08-14 VS. Jan 01-07	MONTH Dec 2023 VS. Nov 2023	YEAR Dec 2023 VS. Dec 2022
Spot Load Posts	+8.5%	-23.3%	-57.2%
Spot Truck Posts	+42.0%	-14.3%	-20.2%
Van Load-To-Truck	-28.0%	-9.0%	-44.1%
Van Spot Rates	-0.3%	+1.6%	-12.5%
Flatbed Load-To-Truck	-9.9%	-7.1%	-47.9%
Flatbed Spot Rates	+0.7%	-0.7%	-12.5%
Reefer Load-To-Truck	-31.3%	-18.3%	-54.6%
Reefer Spot Rates	-1.5%	-0.7%	-12.4%
Fuel Prices	-1.2%	-6.6%	-15.7%

Source | DAT Trendlines

The bottom line: *Jan 8-14*, The first quarter, or “Quiet Season” in freight, is also impacted by a slowdown in Asian imports. Except for 2020, February import volumes are typically the low point each year before picking up in March and then steadily increasing to October, when import volumes peak.

- [Go deeper](#)

3. Hot Topics



Every week truckers call in to OOIDA's headquarters with issues they are confronting on a daily basis. Below are the most recent topics.

What truckers are talking about:

- DOL Independent Contractor Rule
- AB5 misconceptions.
- CARB rules for 2024.

What's next: If you are experiencing any of these situations or have additional ones, contact OOIDA's Business Services Department at Dale_Watkins@ooida.com

4. Education: Mary Johnston Scholarship



The big picture: The OOIDA Mary Johnston Scholarship Program has been assisting the children, grandchildren and legal dependents of OOIDA members in their efforts to gain a higher education since 1998. Annually, OOIDA awards one \$2,000/year and four \$1,000/year scholarships.

Why it matters: We have awarded over \$432,000 to 125 students. We are taking scholarship applications for the 2024/2025 academic year.

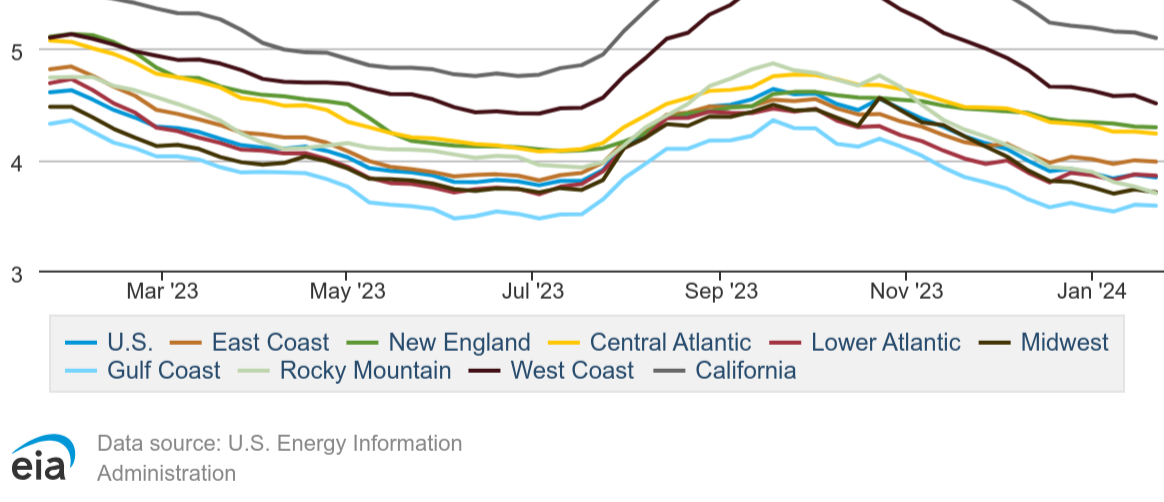
- **Deadline** is February 1, 2024.

Go deeper: Details available at <https://www.ooida.com/scholarship-program/>

5. Diesel Prices - January 23

On-Highway Diesel Fuel Prices

(dollars per gallon)

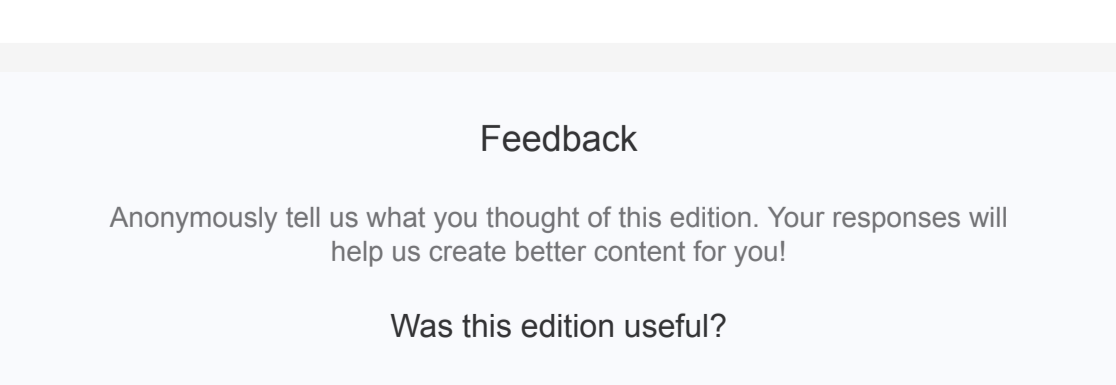


Data source: U.S. Energy Information Administration

What's new: *Jan 23*. The average retail price for diesel ticked downward compared to last week according to the Energy Information Administration's most recent report.

- **Week-to-week:** the national average price per gallon of diesel is now \$3.838, down 0.025 cents from last week.
- **That national average** is \$0.766 lower than it was last year.
- This week's largest change occurred in the West Coast minus California region where prices decreased \$0.091 from \$4.083 to \$3.992. Of the five primary regions, all experienced decreases.

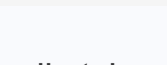
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Feedback

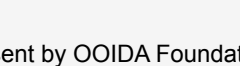
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