

Diesel Eases as the Strait Reopens, But Capacity Holds Firm

U.S. diesel fell to \$4.668/gal for the week ending 06/29/26 (EIA), its eighth consecutive weekly decline as the Strait of Hormuz reopened to oil traffic (The New York Times, 06/23/26) and the conflict premium drained out of crude. TL fuel surcharges eased to \$0.58/mi (FreightPlus FSC Schedule), leaving a 600-mile load carrying \$78 more in fuel than the pre-blockade baseline, down from \$174 at the May peak. But that relief is landing on a physically tight capacity market: van load-to-truck ratios sit well above year-ago levels, spot linehaul is climbing, and contract rates are running near 10% over 2025 (DAT). Falling fuel is not falling freight cost.

By FreightPlus Market Intelligence · Published July 7, 2026 · 12 min read

At a Glance

U.S. DIESEL · NATIONAL AVG	TL FSC · \$/MILE	VAN SPOT LINEHAUL · DAT	VAN LTR · DAT WEEKLY
\$4.668 -\$0.164 WoW · 8th straight decline	\$0.58 -\$0.03 WoW · eased with diesel	\$2.49/mi +\$0.07 WoW · loads ~35% > YoY	10.9 wk end 07/03/26 · from 12.8 · tight vs YoY

At a Glance sources: U.S. diesel, EIA weekly on-highway retail (week ending 06/29/26). TL FSC, FreightPlus FSC Schedule at \$4.668/gal. Van spot linehaul and Van LTR, DAT via TheTrucker.com (week ending 07/03/26). Red borders flag elevated metrics; fuel borders are green to reflect the direction of relief on operating costs.

Executive Summary

The defining story of July is the unwinding of a fuel shock. After the United States lifted its naval blockade of Iran in mid-June, the Strait of Hormuz began reopening to oil traffic (The New York Times, 06/23/26), and the conflict premium that pushed diesel above \$5.60/gal in May has drained out fast. U.S. on-highway diesel fell to \$4.668/gal for the week ending 06/29/26, an eighth consecutive weekly decline (EIA). TL fuel surcharges eased in step to \$0.58/mi (FreightPlus FSC Schedule).

That relief is genuine but incomplete, and it is a cost burden easing rather than a benefit arriving. Diesel remains well above the \$3.897/gal pre-blockade baseline (EIA, week ending 03/02/26), so carriers and shippers are still absorbing higher fuel than they were four months ago, roughly \$78 more per 600-mile load. The recovery in Gulf shipping is also fragile: a backlog of 500 to 600 vessels remains, traffic is a fraction of pre-conflict levels, and Iran and Oman are discussing transit fees (The New York Times, 06/23/26). EIA's June outlook still modeled the strait as closed in the near term (EIA STEO, June 2026); the on-the-ground reopening is running ahead of the official forecast.

Underneath the fuel move, the physical market is tight. Van load-to-truck ratios sit well above year-ago levels, spot linehaul rose again into the July 4 holiday week, and DAT contract rates are running near 10% over 2025 (DAT). Manufacturing is still expanding, with ISM PMI at 53.3% in June (ISM, June 2026), and truck tonnage rose 2.7% in June (ATA, June 2026). Falling fuel is landing on a firming freight market, not a soft one.

Diesel and Fuel Surcharges

U.S. on-highway diesel averaged \$4.668/gal for the week ending 06/29/26, down \$0.164 from the prior week and down \$0.971 from the May 11 reading of \$5.639/gal (EIA), an eighth straight weekly decline. The driver is geopolitical: with the U.S. naval blockade of Iran lifted and the Strait of Hormuz reopening to crude traffic (The New York Times, 06/23/26), the risk premium in oil has receded and diesel has followed. At these levels diesel is still a cost burden on both carriers and shippers, but the direction is relief on operating costs.

Week Ending	U.S. Avg (\$/gal)	Notes
05/11/26	\$5.639	May peak · blockade risk premium
05/18/26	\$5.596	Blockade still in effect
05/25/26	\$5.523	Easing begins
06/01/26	\$5.350	Blockade-lift talk builds
06/08/26	\$5.210	U.S. lifts naval blockade mid-June
06/15/26	\$5.059	Strait reopening; crude retreats
06/22/26	\$4.832	Oil flows resume via alt routes
06/29/26	\$4.668	Latest · 8th straight weekly decline

At \$4.668/gal, the FreightPlus TL fuel surcharge computes to \$0.58/mi and the IMDL surcharge to 34% of linehaul (FreightPlus FSC Schedule), down from \$0.61/mi the prior week. Each \$0.06 move in diesel steps the TL schedule by \$0.01/mi, so the eight-week slide from \$5.639 to \$4.668 has pulled the TL FSC down \$0.16/mi. As a separate contract component, the FSC is doing exactly what it should: passing the fuel decline through on the schedule's cadence without disturbing linehaul.

Fuel Cost Impact · vs. Pre-Blockade Baseline

Baseline: \$3.897/gal (week ending 03/02/2026, last EIA reading before the Strait of Hormuz blockade), TL FSC \$0.45/mi. Impact column shows added per-load fuel cost vs. that baseline over a standardized 600-mile load.

Week Ending	Diesel (\$/gal)	TL FSC (\$/mi)	delta vs. baseline (\$/mi)	Impact per 600-mi load
05/11/26	\$5.639	\$0.74	+0.29	+\$174.00
05/18/26	\$5.596	\$0.74	+0.29	+\$174.00
05/25/26	\$5.523	\$0.73	+0.28	+\$168.00
06/01/26	\$5.350	\$0.70	+0.25	+\$150.00
06/08/26	\$5.210	\$0.67	+0.22	+\$132.00
06/15/26	\$5.059	\$0.65	+0.20	+\$120.00
06/22/26	\$4.832	\$0.61	+0.16	+\$96.00
06/29/26	\$4.668	\$0.58	+0.13	+\$78.00

Even after eight weeks of decline, carriers and shippers are still paying more for fuel than before the blockade. At \$0.58/mi TL FSC, a 600-mile load carries \$78 more in fuel surcharge than at the \$3.897/gal baseline, down from the \$174 peak in the weeks ending 05/11 and 05/18 when diesel sat near \$5.60/gal. The burden is

shrinking, not gone: the impact has fallen \$96 per load off its peak but remains firmly positive. This is relief on an operating cost, not a windfall.

Fuel Forecast: Then vs. Now

The fuel forecast has swung hard with the strait. Bank of America raised its 2026 Brent average on the Hormuz disruption; the reopening now pulls the other way.

Metric	Prior Forecast	Current Forecast	Direction
Brent crude · 2026 avg (BofA Global Research)	\$61/bbl	\$77.50/bbl	▲ Raised on Hormuz
Brent crude · Jun-Jul avg (EIA STEO, Jun 2026)	strait-open basis	\$105/bbl	▲ Conflict premium

EIA's June outlook assumed the strait stayed closed in the near term, with traffic resuming in Q3 and pre-conflict levels not returning until early 2027 (EIA STEO, June 2026). BofA sees Brent reverting toward \$65 in 2027 as flows normalize (BofA Global Research). The June 23 reopening (The New York Times) is running ahead of the closed-strait assumption, which is why retail diesel at \$4.668/gal is already sliding toward the annual-average path faster than the June forecast implied.

Top Corridor Spotlight · Peak Produce + Post-Roadcheck

The peak-produce and post-Roadcheck basket tracks four reefer-heavy corridors that define midsummer capacity. Moves are shown as month-over-month and year-over-year changes from Greenscreens network-rate predictions for a July 7 pickup, with a model confidence score per lane.

Lane	Distance	MoM %	YoY %	Linehaul YoY %	Confidence
Yakima WA → Chicago IL	1955 mi	-0.1%	+28.5%	+27.9%	95/100
Salinas CA → Chicago IL	2253 mi	-2.1%	+43.5%	+45.7%	72/100
McAllen TX → Detroit MI	1699 mi	+19.3%	+60.9%	+68.5%	69/100
Atlanta GA → Boston MA	1125 mi	-4.6%	+59.7%	+63.6%	73/100

Every lane in the basket is up double digits year-over-year, confirming a broadly tighter market than mid-2025. McAllen TX to Detroit MI leads at +60.9% YoY, with linehaul ex-fuel up +68.5%; the Midwest-inbound lane has run hot since spring and reflects cross-border produce pulling equipment north. This move is large enough to warrant a second-source check before it reaches customers. The West Coast lanes tell the month-over-month story: Salinas CA to Chicago IL eased 2.1% MoM as the California deal shifted, and Yakima WA to Chicago IL remained flat (-0.1% MoM), both normal seasonal timing rather than demand loss.

Supply Side: Capacity Stays Tight as Fuel Relief Arrives

The supply side is where this market's tension lives. Fuel is easing, but trucks are not getting easier to find.

Load-to-Truck Ratio · DAT Public Weekly

Equipment	Current LTR	Week 6/27 LTR	June LTR
Van	10.87	12.88	10.61
Reefer	21.30	24.47	19.97
Flatbed	42.05	56.94	59.37

Van load-to-truck ratio was 10.87 for the week beginning 07/04/26, down from 12.8 the prior week (DAT via TheTrucker.com), a holiday-week dip as carriers parked for Independence Day rather than a loosening of the market: DAT load posts still ran roughly 35% above year-ago levels. Read the signal by direction, not by the absolute. DAT changed its LTR methodology in 2025, so today's numbers are not comparable to pre-2025 rules of thumb, and the direction remains tight. For contract-heavy shippers who feel insulated from spot: the spot LTR is the leverage gauge your carriers bring to every renewal. When spot tightens, primary carriers negotiate contract rates from strength, so this metric shapes your bid outcomes even when you never touch the spot board.

Driver and fleet capacity. Small-carrier bankruptcies continued through the first half of 2026 as the freight recession that began in 2022 ground on (FreightWaves; altLINE, 2026). STG Logistics restructured about \$1.2 billion in debt in January, and regional carriers such as Standard Forwarding wound down. Each exit pulls trucks out of the network and firms the capacity floor under rates.

Spot pricing. DAT reported national van spot linehaul at \$2.49/mi for the July 4 holiday week, up 7 cents week over week, with spot rates rising 3 to 10 cents across all three equipment types even as volumes dipped for the holiday (DAT via TheTrucker.com). May spot levels were already sharply higher year-over-year: van \$2.89, reefer \$3.35, and flatbed \$3.65, a record (DAT).

Regulatory. FMCSA published three deregulatory final rules on June 22, effective July 22, removing the CDL self-reporting requirement, the in-cab ELD operator's-manual requirement, and a license-plate-lamp rule (FreightWaves, June 2026). None touch hours-of-service, and the net capacity effect is marginal, but they trim compliance friction at the edges.

Structural. The Supreme Court's May 14 ruling in *Montgomery v. Caribe Transport II* established that freight brokers can face state-law negligent-selection claims (DLA Piper; Logistics Management, 2026). Near-term operational change is limited, but it raises broker compliance cost and carrier-vetting rigor, a slow structural pressure on the industry cost base.

Watch list for the next 60 days. Source: FreightPlus internal capacity calendar.

Window	Event	Expected Capacity Impact
Through late July	Produce Season	Reefer demand surges nationally; competition for equipment in Southeast, Southwest, West Coast; dry van and flatbed feel indirect pressure.
Mid-July to September	Back-to-School Season	Retail, apparel, school-supply demand; retail corridors tighten; parcel-heavy lanes pressured.
Through October	Construction Season	Flatbed tightens (lumber, steel, aggregates); infrastructure projects draw equipment from general freight.
August onward (peak Aug-Oct)	Hurricane Season	Gulf Coast and Southeast vulnerability; storm prep and recovery tie up capacity; FEMA and

		relief freight displace capacity.
Wks 35-36 · Aug 31-Sept 7	Labor Day	Long weekend disrupts flow; driver home time; displacement and retail build-up.
Wk 39 · late September	End of Quarter Rush	Shippers rush to meet quarter-end targets; carrier demand spikes; rate pressure on high-volume corridors.

Demand Side: Manufacturing Expands, Freight Firms

Demand is holding up. ISM's Manufacturing PMI registered 53.3% in June, a sixth straight month of expansion, though down 0.7 point from May (ISM, June 2026). New orders stayed firm at 56%, while the prices index fell sharply from 82.1 to 73.0, its largest single-month drop since July 2022, a direct read-through of the fuel and commodity relief from the strait reopening.

Freight volumes confirm the strength. ATA's truck tonnage index rose 2.7% in June (ATA, June 2026), extending a turnaround, and DAT load posts ran roughly 35% above year-ago levels even in the holiday-shortened first week of July (DAT via TheTrucker.com). The pricing reset has moved from spot into contract: DAT aggregate contract rates are running near 10% over 2025.

For shippers, the contract-versus-spot gap is closing from the spot side up. When spot linehaul rises toward contract, carriers gain leverage in renewals, and that dynamic reaches even primarily-contract shippers through their next bid cycle. The demand backdrop does not argue for waiting out the tightness in hopes it fades on its own.

Risk Factors

UPSIDE RISKS · RATES HIGHER

Capacity attrition. Small-carrier bankruptcies continue even as the freight recession fades, as years of thin margins finally catch up with weaker operators (FreightWaves); every exit removes trucks and firms the rate floor.

Produce and construction overlap. Reefer produce season runs through July and flatbed construction season through October (FreightPlus capacity calendar), tightening dry van indirectly.

Fragile fuel relief. The strait reopening is fragile; any Iranian interference could collapse transit again (The New York Times, 06/23/26), re-spiking diesel and FSC.

Broker-liability regime. The Montgomery ruling (05/14/26) raises broker risk and vetting cost (DLA Piper), which can flow into rates as exposure gets priced in.

DOWNSIDE RISKS · RATES LOWER

Crude reverting to surplus. BofA sees Brent falling toward \$65 in 2027 as the strait normalizes (BofA Global Research); lower fuel eases FSC and softens all-in pricing.

Demand decelerating. ISM PMI slipped to 53.3% in June from 54.0%, with production down (ISM, June 2026); freight demand growth is cooling at the margin.

Spot mean-reversion. DAT spot volume has run about 35% above year-ago; a normalization as post-blockade urgency fades would pull spot rates down.

Deregulatory easing. FMCSA's three June 22 deregulatory rules (effective 07/22/26) trim compliance friction (FreightWaves), a modest tailwind to available capacity.

FreightPlus Position

Fuel. Diesel is easing but still elevated. Keep the FSC working as a separate contract component, not folded into linehaul. The choice between a weekly-reset and a monthly-lag FSC schedule matters more in a fast-moving market than the headline rate: at current volatility, monthly-lag contracts risk roughly a \$0.05/mi billing mismatch on high-mileage lanes when diesel moves this fast. Model the mechanism at a realistic annual-average diesel, not at today's spot reading.

Spot rates. Spot linehaul is climbing and contract is following (DAT). We read the strength as capacity-driven rather than demand-driven, so it is real but not guaranteed durable. Hold spot exposure where flexibility matters, and convert to contract on lanes where you need certainty on tight equipment.

Capacity strategy through Q3. Produce, construction, and hurricane season overlap through the quarter (FreightPlus capacity calendar). Line up committed capacity now on reefer-adjacent and flatbed-competing dry van lanes. FreightPlus can develop a capacity contingency plan for high-exposure lanes ahead of the Labor Day and quarter-end windows.

Contract bid timing. For RFPs landing this quarter, model the FSC mechanism choice (weekly-reset vs. monthly-lag) at a realistic annual-average diesel rather than pricing diesel into linehaul. Separate what carriers earn ex-fuel from the surcharge cadence: the linehaul number should reflect capacity and lane economics; the FSC schedule should reflect fuel. Conflating the two is where mid-market bids go wrong.

Bottom Line

Fuel relief is real but partial and fragile. Diesel has fallen eight straight weeks to \$4.668/gal as the Strait of Hormuz reopened, but a 600-mile load still carries \$78 more in fuel surcharge than before the blockade, and the reopening could reverse on any Iranian interference (The New York Times, 06/23/26).

The capacity market is tight independent of fuel. Van LTR remains well above year-ago, spot linehaul is rising, contract is near 10% over 2025 (DAT), and small-carrier attrition continues. Do not let falling diesel disguise a firming rate floor.

Separate fuel from freight in every contract conversation. Manage the FSC as its own mechanism, weekly-reset or monthly-lag, and price linehaul on capacity and lane economics. If you remember three things this month: fuel is easing but still a burden, capacity is tight, and the FSC schedule is a lever you set deliberately.

Sources

EIA Weekly U.S. No. 2 Diesel Retail Prices; FreightPlus FSC Schedule; Greenscreens network-rate predictions; DAT (via TheTrucker.com); ATA Truck Tonnage Index (June 2026); ISM Manufacturing PMI (June 2026); EIA Short-Term Energy Outlook (June 2026); Bank of America Global Research; FMCSA (June 2026 final rules); DLA Piper and Logistics Management (Montgomery v. Caribe Transport II, May 14, 2026); FreightWaves; The New York Times (Strait of Hormuz reopening, June 23, 2026); FreightPlus internal capacity calendar.