



Beyond the Bottom: How Freight Leaders Are Positioning for the Next Cycle

Strategic Insight for Shippers, Carriers and Investors

The global freight market in 2025 remains on unsteady footing, with clear signals that the industry has yet to move past the bottom of the downturn. While rates appear to have stabilized, deeper structural imbalances and tariff-driven demand shifts continue to cloud the path to recovery. To stay ahead, organizations must act decisively — rebalancing networks, increasing agility and rethinking freight strategy to unlock value in a still-volatile landscape.

Pricing Strategies Amid Fragile Stability: Where to Lock In vs. Stay Agile

Despite surface-level rate stability, especially in truckload and ocean freight, the pricing environment in 2025 remains fragile and under pressure from overcapacity.

Truckload and Intermodal

After a steep decline through 2023, both spot and contract truckload rates stabilized in 2024 but show no signs of a meaningful rebound in 2025. Intermodal rates remain weak, weighed down by excess capacity and the deflationary effect of tariff-induced slowdowns. Experts anticipate a muted recovery deferred until late 2026 or 2027.¹

Ocean Freight

Following a dramatic 59% rate increase post-April, driven by resumed U.S.-Asia trade flows, container rates have since dropped to \$2,602.²

This is well below pandemic-era highs and oversupply in vessel capacity is likely to cap any upside.³ Rate volatility remains tied closely to geopolitical and policy developments.

Strategic Moves to Consider: Shippers should treat current rate conditions as fragile, not favorable. Forward contracts may offer cost certainty, but value lies in balancing contractual commitment with flexible routing strategies that mitigate geopolitical and seasonal risks.

Planning for Uneven Recovery: How to Adjust Capital and Resource Allocation

Volume trends remain inconsistent across freight modes. Any rebound will be mode and trade-lane specific and likely driven by temporary policy or trade distortions rather than an industry-wide recovery.

Truckload

Demand remains soft, with C.H. Robinson reporting YoY revenue and volume declines (8% in Q1 2025). While some operational gains cushion the blow, the company says volume normalization is unlikely before 2027.⁴ This reflects the broader volume trends in the market, as the Cass Shipment Freight Index declined 2.4% YoY in June and is trending towards an overall annual decline in 2025.⁵

Intermodal and Rail

Short-term gains from truck-to-rail shifts (+12% intermodal growth at Hub in 2024) are likely to fade in 2025 as tariff pull-forward effects diminish.⁶

Ocean Freight

Container lines like Hapag-Lloyd posted 9% volume growth in early 2025, reflecting transitory recovery from earlier tariff pauses.⁷ Long-term overcapacity, evidenced by a 30% orderbook-to-fleet ratio through 2029, limits the likelihood of strong sustained growth.⁸

Strategic Moves to Consider: To unlock value during this period of volume volatility, companies should:

- Diversify origin-destination routing to protect service levels
- Reconfigure contracts to introduce variable cost structures
- Assess embedded capacity inefficiencies that erode margin. Network diversification and mode agility will be crucial in managing cost and capacity risk over the next 12–18 months.

Unlocking Advantage in Peak Season: Mitigating Margin Compression and Disruption Risk

As the industry heads into peak season, both shippers and carriers are facing a landscape shaped by risk aversion, political uncertainty and fragmented demand planning.

Shippers

Large retailers are aggressively front-loading imports in anticipation of potential port strikes (West Coast) and tariff escalations (USTR measures beginning October 2025). This may create short-term volume surges followed by demand cliffs later in Q4. Smaller retailers, meanwhile, are displaying hesitancy — limiting holiday orders amid cost uncertainty and sluggish consumer confidence.⁹

Carriers

Industry leaders are doubling down on productivity, with route optimization, margin improvement and digital brokerage tools at the forefront.¹⁰ Capacity oversupply remains a major drag in truckload, but intermodal and ocean carriers are actively reconfiguring networks and investing in greener fleets to maintain cost efficiency and ESG alignment.¹¹

Strategic Moves to Consider: The 2025 peak season will be defined by front-loaded volume, compressed margins and execution risk. Firms can differentiate through agile demand forecasting, flexible routing and investments in predictive technology.

Final Thought: Turning Turbulence into Transformation

We are not past the bottom. Rather, we are navigating the flat stretch before the next ascent. In this environment, strategic discipline matters more than optimism. The winners in this cycle will be those who treat turbulence as a transformation window. Firms that focus on network flexibility, cost resilience and policy awareness will be best positioned to lead once the freight cycle turns. Until then, expect turbulence, and plan accordingly.



Endnotes

- ¹ Young, Matthew, "[Economic Fallout From Tariffs Will Likely Delay TL Demand Rebound for C.H. Robinson](#)," Morningstar Company Reports (May 5, 2025).
- ² "[World Container Index](#)," Drewry Supply Chain Advisors (July 17, 2025).
- ³ UPS, "[United Parcel Service, Inc. \(NYSE:UPS\) Q3 2024 Earnings Call Transcript](#)."
- ⁴ See Young, Supra Note 1.
- ⁵ "[Cass Transportation Index Report – June 2025](#)," Cass Freight Index.
- ⁶ Young, Matthew, "[Economic Fallout From U.S. Tariffs will Likely Derail Intermodal Rate Rebound for Hub Group](#)," Morningstar Company Reports," (May 9, 2025).
- ⁷ Hapag-Lloyd AG, "[Investor Presentation Hamburg, Q1 2025 Results](#)," (May 14, 2025).
- ⁸ JPMorgan Research, "Sustainability – The Long View: Fishing for a ‘Nice’ Catch: Exploring European Blue Economy Investment Opportunities," JPMorgan Research.
- ⁹ UPS, "[United Parcel Service, Inc. \(UPS\) Q1 2025 Earnings Call Transcript](#)," UPS Investor Relations.
- ¹⁰ FedEx, "[FedEx Q3 FY25 Earnings Call Transcript](#)," FedEx Investor News.
- ¹¹ Kawasaki Kisen Kaisha, Ltd., "[Briefing Sessions for Investors, Q1 2025](#)," K Line Investor Relations.

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