

Looking to find key indicators for spot market rate trends in a market?

Use the Tender Lead Time Index

HERE'S WHAT YOU'RE LOOKING AT: CHART VIEW



This chart compares outbound tender rejection rates for the Dallas market (OTRI.DAL: BLUE LINE), measured in a percentage—to the Tender Lead Time Index in the Dallas market (TLT.DAL: RED LINE)—measured in days. SONAR Tickers: OTRI.DAL, TLT.DAL

HERE'S HOW YOU COULD USE IT

The Tender Lead Time Index is a daily index that measures the length of time in days between the load being offered and the requested pickup date. For example, Shipper A sends load request on June 8th with a pickup date of June 10th, this has a 2-day TLT.

When shippers start to see carrier cost increase, they normally increase tender lead times in an effort to control rising carrier cost. This identifies a correlation between tender lead times and outbound tender rejection rates, although it is not 100% accurate, you can see in the chart above how close TLT moves with tender rejection rates.

TLT is a tool you can use along with many other indices to help predict the direction of spot market rates in a market. Short TLT time signals that spot market rates have declined, and shippers might be taking advantage of the spot market rate to reduce carrier costs. i.e. TLT.LAX - 1.80 days



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