

LOGISTICS MARKET SNAPSHOT

U.S. MARKET:

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 2.8% in the second quarter of 2024 according to the "advance" estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP increased 1.4%. The increase in real GDP primarily reflected increases in consumer spending, private inventory investment, and nonresidential fixed investment.

Source: Bureau of Economic Analysis

U.S. Trade Deficit

The goods and services deficit was **\$75.1 billion in May 2024, up \$0.6 billion from \$74.5 billion in April 2024**, revised. The May increase in the goods and services deficit reflected an increase in the goods deficit of \$0.9 billion to \$100.2 billion and an increase in the services surplus of \$0.3 billion to \$25.1 billion. For the 3 months ending in May the average goods and services deficit increased \$2.0 billion to \$72.7 billion

Source: Bureau of Economic Analysis

Import Volumes

May 2024 **imports were \$336.7 billion, \$1.2 billion less than April imports, or a decrease of 0.3%**. The May quantity of crude oil imports (212.0 million barrels) was the highest since July 2019 (214.0 million barrels). May imports from Mexico (\$43.9 billion) were the highest on record.

Source: U.S. Census Bureau

Export Volumes

May 2024 **exports were \$261.7 billion, \$1.8 billion less than April 2024 exports, or a decrease of 0.7%**. May exports of automotive vehicles, parts, and engines decreased \$0.5 billion. May exports of industrial supplies and materials decreased \$2.1 billion.

Source: U.S. Census Bureau

Import & Export Price Indexes

The **price index for U.S. imports** was unchanged in June 2024, after declining 0.2% the previous month. The May decrease was the only 1-month decline recorded in the first half of 2024. Prices for U.S. imports advanced 1.6% for the year ended in June, the largest 12-month increase since a 3.2% rise in December 2022. The **price index for exports to China fell 0.4%** over the past 12 months. In contrast, prices for exports to Japan rose 0.5% in June 2024, after declining 0.4% in May 2024. The price index for exports to Mexico increased 1.9% in June 2024, after falling 1.0% in May 2024 and rising 2.0% in April 2024.

Source: Bureau of Labor Statistics

Unemployment Rate

For in June 2024 the **unemployment rate changed little at 4.1%**. Total nonfarm payroll **employment increased by 206,000** in June 2024 with job gains occurring in government, health care, social assistance, and construction. **Georgia's unemployment rate** came in at 3.3% for June 2024, now ranking 21st in the U.S. of states with the lowest unemployment, tied with Arizona, Arkansas, and Florida. South Dakota shows the lowest level of unemployment at 2.0%. District of Columbia ranks highest in unemployment with a rate of 5.4%.

Source: Bureau of Labor Statistics

Labor Force Participation Rate

For June 2024 the labor force participation rate **increased to 62.6%**. The labor force participation rate for June 2024 for those of **prime working age (25-54) had a reading of 83.7%**.

Source: U.S. Bureau of Labor Statistics (Workforce Participation Rate measures the share of Americans at least 16 years old who are either employed or actively looking for work)

Leading Economic Index

The Leading Economic Index (LEI) for the U.S. **declined by 0.2% in June 2024 to 101.1, following a decline of 0.4% in May 2024**. Over the first half of 2024, the LEI fell by 1.9%, a smaller decrease than its 2.9% contraction over the second half of last year. Says The Conference Board, **"The decline continued to be fueled by gloomy consumer expectations, weak new orders, negative interest rate spread, and an increased number of initial claims for unemployment**. However, due to the smaller month-on-month rate of decline, the LEI's long-term growth has become less negative, pointing to a slow recovery."

Source: The Conference Board (the LEI is a composite of 10 economic indicators that together create an analytic system designed to signal peaks and troughs in the business cycle. The LEI reveals patterns in economic data in a clearer and more convincing manner than any individual component alone)

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Pending Home Sales Index

The Pending Home Sales Index **increased 4.8% to a reading of 74.3 in June 2024. Year over year, the Northeast, Midwest and South registered declines, while the West increased.** According to the National Association of Realtors, “All four U.S. regions posted monthly gains in transactions.” The South PHSI increased 6.3% to 89.3 in June, dropping 3.9% from the prior year.

Source: National Association of Realtors (an index of 100 is equal to the level of contract activity in 2001)

Housing Starts

Privately-owned housing starts in **June 2024 were at a seasonally adjusted annual rate of 1,353,000.** This is 3.0% above the revised May 2024 estimate of 1,314,000, but is 4.4% below the June 2023 rate of 1,415,000. Single-family housing starts in June were at a rate of 980,000; this is 2.2% below the revised May figure of 1,002,000. **The June rate for units in buildings with five units or more was 360,000.**

Source: U.S. Census Bureau

Light-Vehicle Sales

New light-vehicle sales slipped in June 2024 in the wake of the CDK cyberattack that affected many dealers' operations. **Sales in June 2024 totaled 15.3 million units, down by 4.8% year over year and by 4% from May 2024.** According to Wards Intelligence, the cyberattack cost the industry 50,000 unit sales in June 2024. At the end of June 2024, new light-vehicle inventory on the ground and in transit totaled 2.82 million units. June's final inventory number is up 3.4% compared to May 2024 and is the highest level since November 2020's 2.88 million units. Alternative-fuel vehicles represented 18.2% of all new vehicles sold.

Source: National Automobile Dealers Association (Light vehicle sales record the number of domestically produced units of cars, SUVs, mini-vans, and light trucks that are sold. Because motor vehicle sales are a large part of consumer spending in the United States, the motor vehicle sales data can provide important information on consumer-spending trends and on the overall direction of the economy)

Personal Income and Outlays

Personal income increased \$50.4 billion (0.2% at a monthly rate) in June 2024. Disposable personal income (DPI), personal income less personal current taxes, increased \$37.7 billion (0.2%). The increase in current-dollar personal income in June primarily reflected increases in compensation and personal current transfer receipts. **Personal outlays—the sum of PCE, personal interest payments, and personal current transfer payments—increased \$59.3 billion in June 2024.** Personal saving was \$703.0 billion in June and the personal saving rate—personal saving as a percentage of disposable personal income—was 3.4%.

Source: U.S. Bureau of Economic Analysis (personal income is the income that people get from wages and salaries, Social Security and other government benefits, dividends and interest, business ownership, and other sources; it does not include realized or unrealized capital gains or losses)

Personal Consumption Expenditures Price Index

Personal consumption expenditures (PCE) increased \$57.6 billion (0.3%) and the PCE price index increased 0.1%. Excluding food and energy, the PCE price index increased 0.2%. **Within services,** the largest contributors to the increase were other services (led by international travel) and housing and utilities (led by housing). **Within goods,** the largest contributors to the increase were other nondurable goods (led by pharmaceutical and other medical products) and recreational goods and vehicles (led by information processing equipment). These increases were partly offset by decreases in motor vehicles and parts (led by new motor vehicles) and gasoline and other energy goods.

Source: U.S. Bureau of Economic Analysis (the PCE price index is a measure of the prices that people living in the United States, or those buying on their behalf, pay for goods and services; it is known for capturing inflation (or deflation) across a wide range of consumer expenses and reflecting changes in consumer behavior)

Retail Sales

Advance estimates of U.S. **retail and food services sales for June 2024 were \$704.3 billion, virtually unchanged but up 2.3%** above June 2023. Total sales for the April 2024 through June 2024 period were up 2.5% from the same period a year ago. **Retail trade sales were down 0.1% from May 2024,** but up 2.0% above last year. Nonstore retailers were up 8.9% from last year, while food services and drinking places were up 4.4% from June 2023.

Source: U.S. Census Bureau (Non-store retail sales are measured monthly and include internet-only sales outlets as well as other direct-to-customer channels)

E-Commerce

U.S. retail e-commerce sales for the first quarter of 2024, adjusted for seasonal variation, **was \$289.2 billion, an increase of 2.1% from the fourth quarter of 2023.** Total retail sales for the first quarter of 2024 were estimated at \$1,820.0 billion, a decrease of 0.1% from the fourth quarter of 2023. The first quarter 2024 e-commerce estimate increased 8.6% from the first quarter of 2023 while total retail sales increased 1.5% in the same period. **E-commerce sales in the first quarter of 2024 accounted for 15.9% of total sales.**

Note: Release for Q2 2024 – U.S. Quarterly Retail E-Commerce Sales, will be published August 19, 2024.

Source: U.S. Census Bureau (E-Commerce sales are measured on a quarterly basis and include the sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated over an Internet, mobile device (M-commerce), extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be made online)

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Consumer Confidence Index

The Consumer Confidence Index **rose in July 2024 to 100.3, up from 97.8 in June (a downward revision)**. Per The Conference Board, “Even though consumers remain relatively positive about the labor market, they still appear to be concerned about elevated prices and interest rates, and uncertainty about the future; things that may not improve until next year.” Compared to last month, consumers were somewhat less pessimistic about the future. Expectations for future income improved slightly, but consumers remained generally negative about business and employment conditions ahead.

Source: The Conference Board (the consumer confidence index is based on a monthly survey of 5,000 U.S. household. It is designed to gauge the financial health, spending power, and confidence of the average U.S. consumer. Base year 1985=100)

Consumer & Producer Price Index

The June 2024 **Consumer Price Index declined 0.1% after being unchanged in May 2024**. Over the last 12 months, the all items index increased 3.0% before seasonal adjustment. Indexes which increased in June include shelter, motor vehicle insurance, household furnishings and operations, medical care, and personal care. The indexes for airline fares, used cars and trucks, and communication were among those that decreased over the month. The **Producer Price Index advanced 0.2% in June 2024**. Final demand prices were unchanged in May and increased 0.5% in April. On an unadjusted basis, the index for final demand **rose 2.6% for the 12 months ended in June 2024, the largest advance since moving up 2.7% for the 12 months ended March 2023**. Prices for final demand less foods, energy, and trade services were unchanged in June 2024 following a 0.2% advance in May 2024. For the 12 months ended in June 2024, the index for final demand less foods, energy, and trade services moved up 3.1%

Source: U.S. Bureau of Labor Statistics (the CPI measures the change in prices paid by consumer for goods and services. Base year 1999=100; the PPI measures the average price changes by producers for domestically produced goods, services, and construction. Base year 2009=100)

Small Business Optimism Index

The Small Business Optimism Index **reached the highest reading of the year in June 2024 at 91.5**, a one-point increase from last month. The last time the index was higher was in December of 2023 when it reached 91.9. Even so, this marks the 30th month below the historical average of 98. **Inflation is still the top small business issue, with 21% of owners reporting it as their single most important problem in operating their business**, down one point from May. Says the National Federation of Independent Business, “Main Street remains pessimistic about the economy for the balance of the year. Increasing compensation costs has led to higher prices all around. **Meanwhile, no relief from inflation is in sight for small business owners as they prepare for the uncertain months ahead.**”

Source: National Federation of Independent Business

Industrial Production & Capacity Utilization

Industrial production rose 0.6% in June 2024 after advancing 0.9% in May 2024. For the second quarter as a whole, industrial production increased at an annual rate of 4.3%. Manufacturing output moved up 0.4% in June 2024 and rose 3.4% in the second quarter. In June 2024, the indexes for mining and utilities posted gains of 0.3% and 2.8%, respectively. **Capacity utilization moved up to 78.8% in June 2024**, a rate that is 0.9 percentage point below its long-run average. Capacity utilization for manufacturing moved up in June to 77.9%, a rate that is 0.4 percentage point below its long-run average. The operating rate for mining rose 0.3 percentage point in June to 89.3%, while the operating rate for utilities increased 1.8 percentage points to 73.8%.

Source: The Federal Reserve (The industrial production and capacity utilization rates cover manufacturing, mining, and electric and gas utilities. The industrial detail provided by these measures helps illuminate structural developments in the economy)

Manufacturing and Trade Inventories and Sales

Manufacturers’ and trade inventories for May 2024 were estimated at an end-of-month level of \$2,558.5 billion, up 0.5% from April 2024 and were up 1.6% from May 2023. The combined value of distributive **trade sales and manufacturers’ shipments for May 2024** was estimated at \$1,861.4 billion, virtually unchanged from April 2024, but was up 2.0% from May 2023. The total business inventories/sales ratio based on seasonally adjusted data at the end of May was 1.37. The May 2023 ratio was 1.38.

Source: U.S. Census Bureau

Purchasing Managers Index, Manufacturing

The Manufacturing **PMI registered 48.5% in June 2024, down 0.2 percentage point from the 48.7% recorded in May 2024**. The overall economy continued in expansion for the 50th month after one month of contraction in April 2020. U.S. manufacturing activity continued in contraction at the close of the Q2. Demand was weak again, output declined, and inputs stayed accommodative. The 9 industries reporting contraction in June 2024— in the following order — are: Textile Mills; Machinery; Fabricated Metal Products; Wood Products; Transportation Equipment; Plastics & Rubber Products; Food, Beverage & Tobacco Products; Electrical Equipment, Appliances & Components; and Computer & Electronic Products.

Source: Institute for Supply Management (The PMI combines data on new orders, production, employment, supplier deliveries, and inventory. A reading above 50 % indicates that the manufacturing economy is generally expanding.)

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Purchasing Managers Index, Services

For June 2024, the Services PMI registered 48.8%, 5 percentage points lower than May's figure of 53.8%. The reading in June was a reversal compared to May and the second in contraction territory in the last 3 months. Before April, the services sector grew for 15 straight months following a composite index reading of 49% in December 2022; the last contraction before that was in May 2020 (45.4%). There is notably lower business activity, and a contraction in new orders for the second time since May 2020, and continued contraction in employment. **Survey respondents report that in general, business is flat or lower, and although inflation is easing, some commodities have significantly higher costs.** Panelists indicate that slower supplier delivery performance is due primarily to transportation challenges, not increases in demand.

Source: Institute for Supply Management (The PMI combines data on business activity, new orders, employment, supplier deliveries, and inventory. A reading above 50% indicates that the manufacturing economy is generally expanding.)

Logistics Managers' Index

The Logistics Manager's Index reads in at 55.3 in June 2024, down slightly (-0.3) from May's reading of 55.6 and indicating a moderate rate of expansion in the overall index. This marks the 10th of 11 readings, and 7th consecutive reading of expansion in the overall index. As mentioned above, **this increase was largely a function of positive movements in the transportation market contrasting with a moderate contraction in inventories and slowing rates of expansion in the warehousing market** – particularly Warehousing Utilization which is down. Most of the growth came in the second half of the month however, particularly from Inventory Levels, which moved from contraction to expansion as June went on.

Source: Logistics Manager's Index (The LMI score is a combination eight unique components that make up the logistics industry, including: inventory levels and costs, warehousing capacity, utilization, and prices, and transportation capacity, utilization, and prices. The LMI is calculated using a diffusion index, in which any reading above 50% indicates that logistics is expanding; a reading below 50% is indicative of a shrinking logistics industry.)

U.S. Market News Clip

Labor unions, maritime shipping interests and other supply chain businesses have formed a new trade group to push for more domestic infrastructure investment to safeguard the supply chain. The Supply Chain Council includes Prologis, Johnson Controls, Sierra Northern Rail Company, SSA Marine, Laborers' International Union of North America, and the Pacific Merchant Shipping Association, as board members. Josh Wood, CEO of the Supply Chain Council, said that before Covid, supply chain segments were most often viewed independently, and the need to focus on interconnectedness of freight segments has continued to increase with the supply chain experiencing major headwinds.

Source: CNBC; [link to article](#)

INTERMODAL:

Dow Jones Transportation Average

As of July 29, 2024, the Dow Jones Transportation Average closed at a reading of 15,895.24.

Source: Marketwatch (A price-weighted average of 20 U.S. companies in the transportation industry. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)

NASDAQ Transportation Index

As of July 29, 2024, the NASDAQ Transportation Index closed at a reading of 6,562.02.

Source: Marketwatch, Inc (A capitalization-weighted stock market index designed to measure the performance of all NASDAQ stocks in the transportation sector.)

Freight Transportation Services Index

The level of for-hire freight shipments in May 2024 measured 137.8 and was 2.8% below the all-time high of 141.8 reached in August 2022. This index increased in May 2024 due to seasonally adjusted increases in trucking, air freight, rail intermodal, and water, while rail carload and pipeline declined. Year to date, for-hire freight shipments measured by the index were down 0.7% in May 2024 compared to the end of 2023.

Source: U.S. Bureau of Transportation Statistics (TSI is based on the amount of freight carried by the for-hire transportation industry)

Freight Index for Shipments and Expenditures

The shipments component of the Cass Freight Index was down 1.8% month-over-month in June 2024, amid ongoing softness in for-hire demand. On a year over year basis, shipments were 6.0% lower, following a 5.8% year over year decline in May 2024. Amid slowing economic growth, goods demand is still broadly flattish. The insourcing of freight via private fleet capacity additions as the main driver of the year-over-year decline in for-hire volumes. The expenditures component of the Cass Freight Index fell 3.0% month-over-month in June 2024. The 9.4% year-over-year decline was similar to the 9.0% drop in May 2024. With shipments down 1.8% month-over-month, Cass infers the 3.0% decline in expenditures included rates down 1.2% month-over-month in June 2024.

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Source: Cass Information Systems (Based upon transportation dollars and measures the total amount spent on freight and shipments of Cass clients comprised of over 400 shipping companies)

Shippers Conditions Index

The **Shippers Conditions Index for May 2024 improved to 4.5 from April's 3.0 reading**. Falling diesel prices bolstered a favorable rate environment for shippers while other factors were only marginally favorable and mostly stable month over month. FTR forecasts that the index will move closer to neutral territory and then turn slightly negative by late this year as **key freight dynamics – volume, utilization, and rates – start to become at least occasionally unfavorable for shippers**. Says FTR Transportation Intelligence, "May was almost a repeat of April aside from fuel costs. Freight rates were the most favorable for shippers they had been in a year, but we expect them to return to the softer climate seen during the first quarter.

Source: FTR Transportation Intelligence (Figures below zero indicate a less-than-ideal environment for shippers)

North American Transborder Freight

Total transborder freight moved by all modes of transportation between the U.S. and North American countries Canada and Mexico for **May 2024 was valued at \$138.9 billion, up 2.0% compared to May 2023**. Freight **between the U.S. and Canada**: \$66.0 billion, down 2.4% from May 2023. Freight **between the U.S. and Mexico**: \$73.0 billion, up 6.3% from May 2023. **Trucks moved** \$90.9 billion of freight, up 2.0% compared to May 2023. **Railways moved** \$18.5 billion of freight, up 4.3% compared to May 2023. **Vessels moved** \$9.9 billion of freight, up 3.9% compared to May 2023. **Pipelines moved** \$9.5 billion of freight, up 3.5% compared to May 2023.

Source: U.S. Bureau of Transportation Statistics

Intermodal News Clip

Allied Market Research recent report, titled, "Intermodal Freight Transportation Market by Type, End User Industry: Global Opportunity Analysis and Industry Forecast, 2023-2032". According to the report, the intermodal freight transportation market was valued at \$42.5 billion in 2022, and is estimated to reach \$109.5 billion by 2032, growing at a CAGR of 10.4% from 2023 to 2032. A key driver propelling its growth is the increase in need for efficient and sustainable logistics solutions. However, economic constraints in emerging markets pose a significant restraint, hindering the market's full potential. Amidst these challenges lies an opportunity for modal shift assessment, which could render intermodal freight services more competitive and attractive.

Source: Yahoo! Finance; [link to article](#)

RAIL:

U.S. Freight Rail Traffic

U.S. railroads **originated 885,864 carloads in June 2024**, down 1.7%, or 15,019 carloads, from June 2023. U.S. railroads also **originated 1,074,646 containers and trailers in June 2024**, up 8.7%, or 85,896 units, from the same month last year. Combined **U.S. carload and intermodal originations in June 2024 were 1,960,510**, up 3.8%, or 70,877 carloads and intermodal units from June 2023. Per the Association of American Railroads, "Recent declines in coal shipments are **balanced by growth in other sectors, including chemicals, motor vehicles, and intermodal shipments**. Freight rail serves as a reflection of the broader economy, and the increase in motor vehicles and intermodal traffic indicates resilient consumer spending across various industries."

Source: Association of American Railroads (Report includes rail car-loadings by 20 different major commodity categories)

Railroad Fuel Price Index

The index of **average railroad fuel prices for June 2024 was 493.5**, down from 500.6 the previous month. The index for June 2023 was 506.5, or difference of 2.6%.

Source: Association of American Railroads (Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)

Class 1 Railroad Employment

Total railroad employment for **June 2024 was 121,697 workers**, down from 122,518 workers in May 2024. Total number of workers in April 2023 was 122,864.

Source: U.S. Surface Transportation Board

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Rail Freight News Clip

Federal regulators are summoning executives from the major freight railroads to a rare public hearing to explain how their companies plan to invest in and grow their business amid concern over recent negative volume trends. In a notice published Friday, the Surface Transportation Board, which regulates railroad rates and service, said it also welcomes railroad customers, suppliers and rail labor to testify during the two-day hearing on Sept. 16 and 17 at STB headquarters in Washington, D.C. To back its assertion, the STB pointed to a recent report published by the Federal Reserve of St. Louis showing railroad carload traffic declining 28% from May 2014 to May 2024. Those participants, according to the notice, include representatives from Class 1 railroads BNSF, Canadian National, Canadian Pacific Kansas City Limited, CSX, Norfolk Southern, and Union Pacific Railroad.

Source: FreightWaves; [link to article](#)

ROAD:

Cowen/AFS Freight Index

Truckload Rates: Data from Q3 validates last quarter's expectation that truckload rates found a floor. The rate per mile index stayed relatively flat with modest growth from Q2 to Q3, and that trend of sequential improvement is expected to continue in Q4, in line with expectations for a muted peak season. Data from Q3:2023 indicated a continued decline in both cost per shipment (CPS) and miles per shipment (MPS), likely due to shippers' efforts to optimize inventories and logistics networks. The truckload rate per mile index established a floor in Q2 2023 of 4.3% above the January 2018 baseline, and Q3 2024 is expected to be the sixth straight quarter with rates bouncing along that bottom. The index projects rate per mile to drop slightly to 4.7% in Q3 2024, a 0.3% decline from the 5.0% mark of the previous quarter. In Q2 2024, average linehaul cost per shipment also declined, down 2.7% quarter-over-quarter (QoQ), as the share of short-haul shipments remained relatively flat.

LTL Rates: Declining weight per shipment and a lower average fuel surcharge drove a 2.6% QoQ decline in LTL cost per shipment in Q2 2024, though rate per pound showed modest QoQ growth – a testament to carrier discipline and graduated pricing structures that make lighter shipments more expensive. Looking ahead to Q3, the LTL rate per pound index is projected to reach 63.2% – a slight 0.3% QoQ increase as market conditions remain steady and carriers maintain discipline.

Parcel Rates: Parcel carriers find themselves in a contradictory cycle – frequently hiking surcharges to squeeze additional revenue from limited demand, but simultaneously deploying heavy discounting to compete for those modest volumes. Repeated increases to fuel surcharges even as fuel prices are falling have resulted in a growing divergence between surcharges and the actual price of fuel. The ground fuel surcharge would be 5.5% lower if FedEx and UPS allowed the ground fuel surcharge to purely follow market dynamics based on the EIA on-highway diesel (DAS) price. However, major discounts spurred by the low-demand environment blunt the effect of the surcharge hikes.

Source: AFS Logistics (An index providing a snapshot of less-than-truckload shipping, full truckload shipping, and parcel shipping.)

Truckload Linehaul Index

The Truckload Linehaul Index, which measures monthly fluctuations in per-mile truckload linehaul rates, **fell 1.0% month-over-month in June 2024** as the soft market balance persists, as shippers wring out a little more savings following a period of stability. As a broad truckload market indicator, this index includes both spot and contract freight. **With spot rates steady over the past year, downward pressure on the larger contract market is lessening**, but recent slight increases in spot rates are not yet enough to turn contract rates higher.

Source: Cass Information Systems (this index measures the per-mile change in linehaul rates and is an indicator of market fluctuations in per-mile dry van truckload pricing in the U.S. and does not include other components like fuel and accessories. Provides trends in baseline truckload prices)

Truck Tonnage Index

The For-Hire Truck Tonnage Index **decreased 1.6% in June 2024 after increasing 3% in May**. In June, the index equaled 113.5 (2015=100) compared with 115.3 in May. According to American Trucking Associations, "It appears that truck freight tonnage is slowly going in the right direction since hitting a recent low in January. Despite June's decline, the second quarter average was 0.2% above the first quarter and only 0.2% below the second quarter in 2023, **which are good signs that truck freight might be finally turning the corner.**"

Source: American Trucking Associations (Note: ATA recently revised the seasonally adjusted index to 2015 = 100)

Truckload Freight, Van

The **national van load-to-truck ratio for June 2024 was 4.72**. The May 2024 ratio was 4.39 and the June 2023 ratio was 3.5. **Georgia's average load-to-truck ratios** for vans for June 2024, averaged around 5.5+ loads for every truck. For July 2024, the **spot rate** (national average) for dry van freight came in at \$2.07. **Contract rates** registered an average of \$2.43 for the same month. The average outbound van rate for the Southeast region came in at \$2.07 for July 2024.

Source: DAT Freight & Analytics

Truckload Freight, Refrigerated

The national **load-to-truck ratio for refrigerated hauls increased to 7.03 loads per truck in June 2024**. The May 2024 ratio was 6.28 and the June 2023 ratio was 5.78. **Georgia's load-to-truck ratio** for June 2024 averaged 5.6 – 11.9 reefer loads per truck. The average national **spot market reefer rate for July 2024 was \$2.44 per mile**, while contract rates for reefers averaged \$2.79 for the same month. The average outbound rate for the **Southeast region for reefer freight** registered at \$2.37 for June 2024.

Source: DAT Freight & Analytics

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Trucking Conditions Index

The **Trucking Conditions Index rose in May 2024 to 2.24 from the -1.95 reading for April 2024** due to falling diesel prices and a freight rate environment that was less negative for carriers than has typically been the case over the past couple of years. May's TCI likely is an outlier as we expect readings to return to negative territory through at least late this year. According to FTR Transportation Intelligence, **"Trucking is in the initial stages of a recovery, although it might be months before market participants perceive much change.** A big piece of May's positive TCI was lower fuel costs, but freight rates also were much less unfavorable for carriers than usual since the fourth quarter of 2022."

Source: FTR Transportation Intelligence (Figures below zero indicate a less-than-ideal environment for trucking)

Diesel Prices

As of July 29, 2024, the **U.S. average diesel price was \$3.76 per gallon.** Showing little to no change month-over-month and \$0.36 lower than the same week in 2023. The average price of diesel in the **Lower Atlantic states came in at \$3.75 per gallon,** a 4-cent decrease from the previous month. Prices were a \$0.35 higher during the same period in 2023, averaging \$4.10 per gallon.

Source: U.S. Energy Information Administration (Reflects the costs and profits of the entire production and distribution chain)

Trucking Employment

June 2024 numbers (preliminary) for the trucking industry **came in at 1,548,600 employees,** a decrease from 1,548,700 employees (preliminary) for May 2024.

Source: U.S. Bureau of Labor Statistics

Trucking Earnings & Hours

For May 2024, the average earnings (preliminary) for occupations commonly found in truck transportation **were \$31.29/hour,** decreasing from the previous month's rate of \$31.32. May 2024 showed **average weekly hours totaling 40.2 hours** (preliminary) up from an even 40.0 hours in April 2024.

Source: U.S. Bureau of Labor Statistics

U.S. Truck & Trailer Orders (Class 8)

North American Class 8 orders for for June totaled 13,100 units, down 33% month-over-month (m/m) and 6% year-over-year (y/y). Class 8 orders for the past 12 months have now totaled 273,700 units. June's orders are on the low side of normal market results, but this follows a 5-month period of sustained strength in orders averaging 25% higher than the prior year. After averaging close to 18,000 units during the first three months of the year, orders have continued to slow at a seasonally expected rate, averaging just under 16,000 units in the most recent three months. Build slots for Class 8 trucks are being filled at a steady, albeit slowing, pace.

Source: FTR Transportation Intelligence

Road Freight News Clip

Deaths from crashes involving at least one large truck fell 11% in 2023, according to the latest data from the Federal Motor Carrier Safety Administration, hitting the lowest point in 6 years. The drop in fatalities – from 5,417 in 2022 to 4,807 in 2023 – followed a corresponding 7% decrease in crashes overall that involved at least one large truck, which fell from 168,816 to 156,553. Injuries resulting from such crashes decreased 3%, from 76,550 to 74,001. Large-truck crashes and fatalities spiked in 2021, during the height of the pandemic, but have come down in each of the past two years since then. The 4,807 deaths in 2023 was the lowest since 2018, when FMCSA recorded 4,984 fatalities.

Source: FreightWaves; [link to article](#)

AIR:

Air Cargo Traffic

June 2024 brought the seventh straight month of industrywide double-digit demand growth. Global Cargo Tonne-Kilometers (CTK) saw a 14.1% expansion year-on-year (YoY) in June, concluding the first half of 2024 with record year-to-date demand levels. After seasonal adjustment, CTK grew by 0.9% last month compared to the month before. International air cargo volumes rose by 15.6% compared to June 2023, supported by all regions and major trade lanes. Carriers from Asia Pacific and Latin America recorded the highest annual growth, and demand on the Africa-Asia and Middle East-Europe route areas expanded by over 30% YoY. Industry-wide Available Cargo Tonne-Kilometers (ACTK) exhibited an 8.8% annual increase in June, registering record capacity levels year-to-date. International air cargo demand grows in all world regions and major route areas in June. These extraordinary global traffic levels are driven by international routes, which surged by 15.6% YoY in June, supported by booming e-commerce and repeated disruptions in container shipping.

Source: International Air Transport Association (Global air freight covers international and domestic scheduled air traffic.)

Jet Fuel Prices

As of July 26, 2024, the global average jet fuel price **ended at \$98.68/bbl, a decrease of 1.8% from the previous month.** This is a 12.1% decline, year-over-year.

Source: International Air Transport Association (the weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)

LOGISTICS MARKET SNAPSHOT

Air Freight News Clip

The cargo airline owned by Danish shipping powerhouse A.P. Moller-Maersk will soon deploy its first Boeing 777 freighter on an existing route between Europe and China, injecting a dose of capacity as businesses face limited access to dedicated freighter service in a tight market. Maersk Air Cargo accepted its first 777 freighter from Boeing following a handover ceremony in Seattle, the company announced Friday. The aircraft is scheduled to arrive at its home base in Billund, Denmark, on Saturday. Maersk said the second of two freighters on order will be delivered later this quarter.

Source: FreightWaves; [link to article](#)

OCEAN:

Shanghai Containerized Freight Index

As of July 26, 2024, the Shanghai Containerized Freight Index reading was **\$3,447.87 per TEU**. This is a 24.20% increase from the previous month, and a **111.227% increase year-over year**.

Source: Shanghai Shipping Exchange (The Shanghai Containerized Freight Index reflects the spot rates of the Shanghai container transport market. It is a weekly reported average spot rate of 15 major container trade routes exported from Shanghai to regions around the globe.)

Georgia Ports Authority

The Georgia Ports Authority presented a check for \$50,000 to the Wesley Community Centers of Savannah on July 26th and promised \$100,000 more over the next two years. "We believe the development of the next generation begins in early childcare and childhood education," said Georgia Ports President and CEO Griff Lynch. "That's why we're proud to support the Wesley Community Centers of Savannah." Mayor Johnson said the Wesley Community Centers have had a lasting positive effect on Savannah. "The oldest Wesley kids are now in their 70s," he noted. The organization is a nationally-accredited childcare facility celebrating 75 years of service this year. The funds will help support renovating and reopening the Wesley Early Childhood Education Center, providing a welcoming space for infants to 4-year-olds to begin a lifetime of learning.

Source: Georgia Ports Authority

Ocean Freight News Clip

The Supreme Court's late June ruling weakening the power of federal agencies gives ocean carriers a more favorable landscape to challenge imminent and future rulemaking from the Federal Maritime Commission (FMC). The high court's overruling of the so-called Chevron doctrine — in place for 40 years — means federal agencies, from the Federal Motor Carrier Administration to the Maritime Administration, can no longer rely on their own interpretation of their powers when the law is fuzzy. That puts a bigger bullseye on proposed FMC rulemaking that aims to determine when it's unreasonable for ocean carriers to refuse to deal or negotiate with respect to vessel space. The passage of the Ocean Shipping Reform Act of 2022 (OSRA-22) was a direct Congressional response to complaints from agriculture exporters, and to a lesser extent importers, that ocean carriers refused to accept their cargoes during record US port congestion in 2021 and 2022.

But the shipping industry disagrees on how much leeway FMC has in meeting the law that was rushed through Congress and shoved onto the agency with limited guidance from its authors. How the FMC will ultimately seek to meet the OSRA requirement will be revealed when the agency releases its finalized rulemaking, which could be any day now.

Source: Journal of Commerce; [link to article](#)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

Although the national vacancy rate edged higher to 6.1%, the 40-basis-point (bp) increase was the lowest quarterly rise since the first quarter of 2023. This is the highest the vacancy rate has been in almost nine years, but it still stands well below the 10-year, pre-pandemic (2010-2019) average of 7%. The South region has the highest midyear vacancy rate at 6.9%, largely due to the 98 msf of speculative space delivered since the start of 2024. Meanwhile, the West region has seen vacancy increase by 90 bps QOQ to 6.4%, as occupiers continued to consolidate operations and shed excess space in some markets.

Savannah, GA reported a vacancy rate of 7.9% for Q2 2024, compared to 3.6% for Q2 2023. Atlanta, GA reported a vacancy rate of 7.8% for Q2 2024, compared to 5.8% in Q2 2023.

Source: Cuman & Wakefield

LOGISTICS MARKET SNAPSHOT

Warehouse Rent Rates

Asking rent growth will likely moderate further and end 2024 at 3.0% before decelerating to 2.2% of growth in 2025. **Rent growth is expected to accelerate back to the mid-single digits in 2026** amid tightening vacancy rates. Asking rents once again edged higher to \$9.97 per square foot (psf), up just 3.7% year-over-year (YOY), the lowest growth rate since 2020. **For Savannah, GA** the average asking rental rate for Q2 2024 (preliminary) was \$6.97, compared to \$6.54 for Q2 2023. **For Atlanta, GA** the average asking rental rate for Q2 2024 was \$6.93, compared to \$7.07 for Q2 2023.

Source: Cushman & Wakefield

Industrial Absorption

The U.S. industrial market posted 46.3 msf of net absorption in the second quarter, more than doubling the total registered in the previous quarter. **Almost all of the overall absorption recorded nationwide continued to be tied to the delivery of new industrial product with tenants in place.** Amid the rapidly thinning pipeline and continued positive net absorption, the industrial market is poised to tighten in the second half of next year. The tailwinds of e-commerce growth, onshoring and nearshoring, and a resilient consumer all set the stage for fundamentals to trend positively going forward, albeit at a pace below 2021 and 2022 highs. **For Savannah, GA,** Q2 2024 net absorption registered at 3,714,747 compared to 4,409,878 for Q2 2023. **For Atlanta, GA, Q2 2024** net absorption registered 3,442,406 compared to 236,773 for Q2 2023.

Source: Cushman & Wakefield (Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)

Warehouse Employment

Preliminary June 2024 numbers for the warehousing industry workforce comes in at **1,771,500 employees, a decrease from 1,773,800 employees** for May 2024 (preliminary).

Source: U.S. Bureau of Labor Statistics

Warehouse Earnings & Hours

May 2024 average hourly earnings in the warehousing and storage subsector comes in at **\$24.81/hour (preliminary), 4 cents higher than the April 2024 rate.** The **average weekly hours were 39.2 for May 2024** (preliminary) relatively unchanged from 39.3 hours in April 2024.

Source: U.S. Bureau of Labor Statistics

Warehouse & Distribution News Clip

Logistics real estate investment trust Prologis raised its earnings forecast despite total revenue tumbling 18 percent to \$2 billion and peak vacancy rates, as the company remains optimistic about demand, due to port volumes on both the East and West Coasts, as well as stronger lease proposal activity. And despite who ends up winning the 2024 presidential election, Prologis doesn't expect any potential changes to tariff policies to impact the business directly. "We don't see a radical demand shift between markets or in terms of overall need for our kind of product. So, that's the main driver," said Hamid Moghadam, co-founder, chairman and CEO of Prologis. Moghadam acknowledged that potential second-order effects from the tariffs could influence the wider economy.

Source: Sourcing Journal; [link to article](#)

The free Logistics Market Snapshot is compiled and prepared monthly
by the Georgia Center of Innovation

LOGISTICS MARKET SNAPSHOT



The Georgia Center of Innovation's logistics team is the leading statewide resource for fueling logistics industry growth and global competitiveness. The Center works to address the needs and opportunities of companies of any size involved in logistics and freight transportation – both providers and heavy consumers of logistics services. The Center provides industry knowledge and technical expertise, connections to state resources in research and innovation, and joins together an extensive cross-sector industry network. As an industry focused component of the Georgia Department of Economic Development (GDEcD) the Center has main offices in Savannah and

Atlanta with activity in all parts of the State.

The Center represents all segments of the logistics industry and provides a unique platform for companies to network, address industry issues and share knowledge. **Simply put, the Center is a catalyst to help logistics-enabled businesses clear the path to innovation and growth.**

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