

LOGISTICS MARKET SNAPSHOT

U.S. MARKET:

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 1.4% in the first quarter of 2024, according to the "third" estimate released by the Bureau of Economic Analysis. In the 4th quarter of 2023, real GDP increased 3.4%. The increase in real GDP primarily reflected increases in consumer spending, residential fixed investment, nonresidential fixed investment, and state and local government spending that were partly offset by a decrease in private inventory investment.

Source: Bureau of Economic Analysis

U.S. Trade Deficit

The goods and services deficit was **\$74.6 billion in April 2024, up \$6.0 billion from \$68.6 billion in March (revised) and was the highest since October 2022 (\$75.3 billion)**. The April increase in the goods and services deficit reflected a \$5.9 billion increase in the goods deficit to \$99.2 billion and a \$0.1 billion decrease in the services surplus to \$24.7 billion. Year-to-date, the goods and services deficit increased \$5.5 billion, or 2.0%, from the same period in 2023.

Source: Bureau of Economic Analysis

Import Volumes

April 2024 **imports were \$338.2 billion, \$8.0 billion more than March imports (2.4%)**. April imports of capital goods (\$78.1 billion) were the highest on record. April imports from South Korea (\$11.6 billion) were the highest on record.

Source: U.S. Census Bureau

Export Volumes

April 2024 **exports were \$263.7 billion, \$2.1 billion more than March 2024 exports**, or an increase of 0.8%. April exports of capital goods increased \$1.9 billion. April exports of consumer goods increased \$1.2 billion.

since January 2021 (\$2.8 billion). Source: U.S. Census Bureau

Import & Export Price Index

Prices for U.S. imports decreased 0.4% in May 2024 following a 0.9% advance the previous month. Lower fuel and nonfuel import prices contributed to the overall decline. U.S. export prices fell 0.6% in May, after increasing 0.6% in April and a 1.5% advance for the first quarter of 2024. The May decrease was the first monthly drop since the index fell 0.7% in December 2023. **Prices for U.S. exports declined 0.6% in May 2024, after rising 0.6% the previous month**. The May decrease was the first monthly decline since the index fell 0.7% in December 2023. Lower prices for nonagricultural exports in May more than offset higher agricultural prices. Despite the drop in May, prices for U.S. exports rose 0.6% from May 2023 to May 2024, the first 12-month advance since January 2023.

Source: Bureau of Labor Statistics

Unemployment Rate

Total nonfarm payroll employment **increased by 272,000 in May 2024, and the unemployment rate changed little at 4.0%**. The number of unemployed people came in at 6.6 million. A year earlier, the jobless rate was 3.7%, and the number of unemployed people was 6.1 million. **Georgia's unemployment rate came in at 3.2% for May 2024** now ranking 21st in the U.S. of states with the lowest unemployment. North Dakota shows the lowest level of unemployment at 2.0%. The District of Columbia ranks highest in unemployment with a rate of 5.3%.

Source: Bureau of Labor Statistics

Labor Force Participation Rate

For May 2024 the labor force participation rate **came in at 62.5%, decreasing from 62.7% from the previous month**. The labor force participation rate for May 2024 for those of **prime working age (25-54) increased to 83.6% from the previous month**.

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. **decreased by 0.5% in May 2024 to 101.2, following a 0.6% decline in April**. Over the six-month period between November 2023 and May 2024, the LEI fell by 2.0% —a smaller decrease than its 3.4% contraction over the previous six months. "The U.S. LEI fell again in May, driven primarily by a decline in new orders, weak consumer sentiment about future business conditions, and lower building permits," says The Conference Board. **"While the Index's six-month growth rate remained firmly negative, the LEI doesn't currently signal a recession."**

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 (PHSI) **decreased 2.1% to a reading of 70.8 for May 2024**. Year over year, pending transactions were down 6.6%. According to the National Association of Realtors, “The market is at an interesting point with rising inventory and lower demand. Supply and demand movements suggest easing home price appreciation in upcoming months. **Inevitably, more inventory in a job-creating economy will lead to greater home buying, especially when mortgage rates descend.**”

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 May 2024 were at a seasonally adjusted annual rate of 1,277,000. This is 5.5% below the revised April estimate of 1,352,000 and is 19.3% below the May 2023 rate of 1,583,000. Single-family housing starts in May were at a rate of 982,000; this is 5.2% below the revised April figure of 1,036,000. **The May rate for units in buildings with five units or more was 278,000**.

Source: U.S. Census Bureau

Light-Vehicle Sales

New light-vehicle sales in May 2024 totaled 15.9 million units, up 2.4% from May 2023 and up 0.8% from April 2024. Retail sales accounted for 82.1% of May’s overall sales total. And overall sales increases in May were driven in part by sales of more affordable car and CUV models. **Year to date through May 2024, alternative-fuel vehicles represented 17.9% of all new vehicles sold—an increase of 2.5 percentage points of market share from the same period in 2023**. New light-vehicle inventory on the ground and in transit totaled 2.73 million units at the end of May, down 0.3% from the start of the month and up 50.3% from May 2023. As new-vehicle inventory has grown, so have manufacturer incentives. According to J.D. Power, **average incentive spending per unit is expected to total \$2,640, an increase of 48.1% compared with May 2023**.

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 \$114.1 billion (0.5%) in May 2024. Disposable personal income (DPI), personal income less personal current taxes, increased \$94.0 billion (0.5%). The increase in current-dollar personal income in May primarily reflected increases in compensation, personal income receipts on assets, and government social benefits. **Personal outlays increased \$56.4 billion in May 2024**. Personal saving was \$806.1 billion in May and the personal saving rate—personal saving as a percentage of disposable personal income—was 3.9%.

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) for May 2024 increased \$47.8 billion (0.2 percent). The PCE price index decreased less than 0.1%. Excluding food and energy, the PCE price index increased 0.1%. Real PCE increased 0.3%; goods increased 0.6% and services increased 0.1%. From the same month 1 year ago, the PCE price index for May increased 2.6%. Prices for goods decreased 0.1% and prices for services increased 3.9%. Food prices increased 1.2% and energy prices increased 4.8%. Excluding food and energy, the PCE price index increased 2.6% from one year ago.

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 May 2024 were \$703.1 billion, up 0.1% from the previous month**, and up 2.3% above May 2023. Total sales for the March 2024 through May 2024 period were up 2.9% from the same period a year ago. Retail trade sales were up 0.2% from April 2024, and up 2.0% above last year. **Nonstore retailers were up 6.8% from last year, while food services and drinking places were up 3.8% from May 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 percent 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 Conference Board Consumer Confidence Index **dipped in June to 100.4, down from 101.3 in May**. Says the Conference Board, “Confidence pulled back in June but remained within the same narrow range that’s held throughout the past two years, as strength in current labor market views continued to outweigh concerns about the future. However, if material weaknesses in the labor market appear, Confidence could weaken as the year progresses”. **The decline in confidence between May and June was centered on consumers aged 35-54. By contrast, those under 35 and those 55 and older saw confidence improve this month.** No clear pattern emerged in terms of income groups. On a six-month moving average basis, confidence continued to be highest among the youngest (under 35) and wealthiest (making over \$100K) consumers.”

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 **Producer Price Index rose 0.2% in March 2024, seasonally adjusted**. The March increase in the index for final demand is attributable to a 0.3% rise in prices for final demand services. In contrast, the index for final demand goods edged down 0.1%. The index for final demand less foods, energy, and trade services moved up 0.2% in March after rising 0.3% in February. The **Producer Price Index declined 0.2% in May 2024, seasonally adjusted**. Final demand prices increased 0.5% in April and edged down 0.1% in March. On an unadjusted basis, the index for final demand advanced 2.2% for the 12 months ending in May. Prices for final demand less foods, energy, and trade services were unchanged in May following a 0.5% increase in April. For the 12 months ended in May, the index for final demand less foods, energy, and trade services rose 3.2%

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 May at 90.5, a 0.8-point increase but still the 29th month below the historical average of 98**. Says the National Federation of Independent Business, “The small business sector is responsible for the production of over 40% of GDP and employment, and a crucial portion of the economy. **But for 29 consecutive months, small business owners have expressed historically low optimism and their views about future business conditions are at the worst levels seen in 50 years.** Small business owners need relief as inflation has not eased much on Main Street.” Owners’ plans to hire rose 3 points in May to a seasonally adjusted net 15%, the highest reading of the year. Seasonally adjusted, a net 28% of owners plan price hikes in May, up 2 points from April.

Source: National Federation of Independent Business

Industrial Production & Capacity Utilization

Industrial production rose 0.9% in May 2024. Manufacturing output posted a similar gain of 0.9% after declining in the previous 2 months. The index for mining increased 0.3% in May, and the index for utilities advanced 1.6%. At 103.3% of its 2017 average, total industrial production in May was 0.4% than its year-earlier level. **Capacity utilization moved up to 78.7% in May 2024**, a rate that is 0.9 percentage point below its long-run (1972–2023) average. Capacity utilization for manufacturing moved up in May to 77.1%, a rate that is 1.1 percentage points below its long-run average. The operating rate for mining inched up 0.2 percentage point to 92.7%, while the operating rate for utilities increased 0.9 percentage point to 71.5%.

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 April 2024 were estimated at an end-of-month level of \$2,545.2 billion, up 0.3% from March 2024 and were up 1.0% from April 2023. The combined value of **distributive trade sales and manufacturers’ shipments for April 2024** was estimated at \$1,862.4 billion, up 0.3% from March 2024 and up 2.2% from April 2023. The total **business inventories/sales ratio at the end of April 2024 was 1.37**. The April 2023 ratio was 1.38.

Source: U.S. Census Bureau

Purchasing Managers Index, Manufacturing

Economic activity in the manufacturing sector contracted in May for the second consecutive month and the 18th time in the last 19 months. **The Manufacturing Purchasing Managers Index registered 48.7% in May, down 0.5 percentage points from the 49.2% recorded in April**. U.S. manufacturing activity continued in contraction after growing in March, the first expansion for the sector since September 2022. Demand was soft again, output was stable, and inputs stayed accommodative. Demand remains elusive as companies demonstrate an unwillingness to invest due to current monetary policy and other conditions. These investments include supplier order commitments, inventory building and capital expenditures. **Production execution continued to expand but was essentially flat compared to the previous month. Suppliers continue to have capacity, with lead times improving and shortages not as severe.**

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

Economic activity in the services sector grew in May 2024 after contracting in April for the first time since December 2022. The **Services Purchasing Managers Index registered 53.8%**, 4.4 percentage points higher than April's reading of 49.4%. Per The Institute for Supply Management, **"The increase in May is a result of notably higher business activity, faster new orders growth, and slower supplier deliveries despite the continued contraction in employment.** Survey respondents indicated that overall business is increasing, with growth rates continuing to vary by company and industry." The 5 industries reporting a decrease in the month of May are: Retail Trade; Agriculture, Forestry, Fishing & Hunting; Arts, Entertainment & Recreation; Accommodation & Food Services; and Mining.

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 Manager's Index

The **Logistics Manager's Index reads in at 55.6 in May of 2024.** This is up 2.7 points from April's reading of 52.9. With this reading the index has now expanded in 9 of the last 10 months and for the last 6 months in a row. The most notable change this month is Transportation Price which increased – from contracting at 44.1 to expanding at 57.8 – the highest level since June of 2022. **However, the freight recession that began in mid-2022 will not be over until Transportation Prices are consistent above Transportation Capacity.** The other significant change for May 2024 is decreasing Inventory Levels (-4.5 points) from mild growth at 51.0 to contraction at 46.5. **It is worth noting that inventories did increase for Downstream firms (51.6) and contracted (44.2) for Upstream firms. Despite this, Warehousing Utilization was up 8.9 points to 64.0.** While this may seem at odds with contracting inventories, it is partially explained by a similar split between Downstream firms (69.4) and Upstream firms (61.3).

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

U.S. business spending on logistics services dropped 11% in 2023 to \$2.4 trillion as supply chains normalized in the wake of massive disruption caused by the COVID crisis. Logistics costs are still relatively high after rising 22.4% in 2021 and nearly 20% in 2022 from a baseline of \$1.5 trillion prior to the pandemic. More significantly, the ratio of business logistics costs to nominal U.S. GDP last year was 8.7%, compared to 9.1% in 2022 and 7.7% in 2019. The lower the ratio, the more efficient the country's logistics system because the cost of moving goods consumes a smaller piece of the total economic pie. Between 2012 and 2019, the ratio of logistics expenses to GDP only ticked above 8% one time.

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

INTERMODAL:

Dow Jones Transportation Average

As of June 27, 2024, the Dow Jones Transportation Average **closed at a reading of 15,265.97.**

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 June 27, 2024, the NASDAQ Transportation Index **closed at a reading of 6,438.31.**

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 Freight Transportation Services Index (TSI) **fell 1.1% in April 2024 from March, measuring 134.9,** falling for the 2nd consecutive month. This was 4.5% below the all-time high of 141.2 reached in August 2022. The Freight TSI decreased in April due to seasonally adjusted decreases in trucking, air freight, rail carload, rail intermodal, pipeline, and water. The decrease was the 3rd decrease in 4 months.

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 unchanged month over month in May 2024, amid ongoing softness in for-hire demand. The index fell 3.1% month over month in seasonally adjusted terms to a 46-month low. According to Cass Information Systems, "We think the 5.8% year over year decline in the shipments component of the Cass Freight Index was due in part to the consolidation of LTL shipments into TLs and/or insourced to private fleets. The Cass data set has considerable LTL mix, and LTL shipments have been consolidated into truckloads at an outsized pace over the past year." The **expenditures component of the Cass Freight Index,** which measures the total amount spent on freight, was up 1.9% month over month in May 2024. The 9% year over year decline narrowed from down 17% in April. With shipments flat month over month, Cass Information Systems infers the 1.9% increase in total freight expenditures was due to rates being up 1.9% month over month in May.

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)

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JUNE 2024

Shippers Conditions Index

The Shippers Conditions Index for March 2024 **improved to a reading of 1.2 from February's reading of -1.4**. Stable diesel prices and slightly more favorable rates resulted in a better market for shippers during March, but conditions look to deteriorate somewhat in the coming months. Says FTR Transportation Intelligence, **"The next couple of months still look favorable for shippers, but we expect the index to trend toward more neutral and slightly negative readings by the second half of this year due to modestly stronger capacity utilization and less favorable rates.** Even so, we expect any weakness in shippers' market conditions over the next couple of years to be far milder than what they had encountered from late 2020 through the middle of 2022."

*Note: Shipper Conditions Index for April 2024 survey period not yet released at time of Logistics Market Snapshot publication.
Source: FTR Transportation Intelligence (Figures below zero indicate a less-than-ideal environment for shippers)*

North American Transborder Freight

Transborder freight moved by all modes of transportation between the U.S. and North American countries Canada and Mexico for April 2024 was \$138.0 billion, up 9.0% compared to April 2023. Freight between the **U.S. and Mexico: \$72.5 billion**, up 15.4% from April 2023. Freight between the **U.S. and Canada: \$65.5 billion**, up 2.7% from April 2023. **Mexico has continued to lead Canada in freight dollar value for the last 14 months. Trucks moved \$90.5 billion** of freight, up 11.5% compared to April 2023. **Railways moved \$18.2 billion** of freight, up 3.1% compared to April 2023. **Vessels moved \$9.7 billion** of freight, up 5.3% compared to April 2023. **Pipelines moved \$9.4 billion** of freight, up 13.8% compared to April 2023. **Air moved \$4.6 billion** of freight, down 3.0% compared to April 2023.

Source: U.S. Bureau of Transportation Statistics

Intermodal News Clip

May was a good month for the Appalachian Regional Port in Northwest Georgia, which receives shipments of containers by rail and loads them onto trucks for transport to markets in the Mid-South and Midwest. The inland terminal in Murray County moved a record 3,600 containers last month, the Georgia Ports Authority reported Thursday. The facility, with easy access to I-75 and U.S. 411, has a capacity of 50,000 containers per year. A 10-year development plan will then double that capacity.

Source: Calhoun Times; [link to article](#)

RAIL:

U.S. Freight Rail Traffic

U.S. railroads originated 1,060,801 carloads in May 2024, down 6.0%, or 67,145 carloads, from May 2023. U.S. railroads also originated 1,281,248 containers and trailers in May 2024, up 7.6%, or 90,744 units, from the same month last year. Combined U.S. carload and intermodal originations in May 2024 were 2,342,049, up 1.0%, or 23,599 carloads and intermodal units from May 2023. **Some commodities that saw gains in May 2024 from May 2023 included:** petroleum & petroleum products (+15.4%); chemicals (+3.2%); grain (+ 4.7%). **Commodities that saw declines in May 2024 from May 2023 included:** coal (-22.0%); crushed stone, sand & gravel (-11.4%); primary metal products (-7.2%). "At first glance, rail traffic in May seems to display mixed signals," says the Association of American Railroads. "While coal's continued decline has led to a decrease in total carloads, a closer examination reveals that carloads (excluding coal) increased for the 4th consecutive month. **Although it is unlikely that we will witness a reversal in coal's trend, other commodities—such as intermodal traffic and petroleum—hold greater growth potential and will likely be more important strategically for railroads in the future.**"

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 April 2024 was 541.1, down from 541.3 the previous month.** The index for April 2023 was 551.7, or difference of 1.93%.

Note: The Index of Monthly Railroad Fuel Prices for May 2024 survey period not yet released at time of Logistics Market Snapshot publication.

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 **May 2024 was 122,518 workers**, a decrease from 122,967 workers in April 2024. Total number of workers in May 2023 was 122,391.

Source: U.S. Surface Transportation Board

Rail Freight News Clip

A new federal rule finalized this month aims to ensure first responders can find out what hazardous chemicals are on a train almost immediately after a derailment so they can respond appropriately. Too often in past disasters like last year's Norfolk Southern derailment in East Palestine, Ohio, firefighters risked their lives trying to extinguish a blaze without knowing the right way to respond.

Source: U.S. News & World Report; [link to article](#)

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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.

LTL Rates: Prior to the Yellow bankruptcy, analysts expected that the collapse of the nation's third-largest LTL carrier would send a supply-side shock to pricing. The Q3 index data validates that expectation, revealing 2.2% quarter-over-quarter (QoQ) rate growth. The lift in costs can be attributed to carriers exercising restraint in advance of Yellow's demise, former Yellow freight shifting to new carriers with higher average pricing, and a rise in fuel surcharges.

Express Parcel Rates: Data shows the effects of higher discounting and falling billed weight in Q3:2023, which were more than enough to offset an increased fuel surcharge, for a net decline in cost-per-package QoQ. Looking ahead, the index projects a quarterly increase that falls in line with the established pace of growth from Q3 to Q4 in previous years.

Ground Parcel Rates: In Q3:2023, ground parcel rates experienced their first year-over-year decline since 2019, as carriers used more aggressive discounting to secure volume in a softening market. Looking ahead, the index projects a mild quarterly increase consistent with a muted peak season, but for the second-straight quarter, rates would still be lower than they were a year prior.

Note: The Cowen-AFS Q2 2024 Report/Q3 2024 Forecast will be released July 2024.

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 **fell 0.5% month-over-month in May 2024** as the market finds balance, after 3 straight and slight monthly increases. The year-over-year decline continued to gradually narrow to 1.7%. While this has narrowed from a 15% year-over-year decline a year ago, it seems unlikely to turn positive quickly. As a broad truckload market indicator, this index includes both spot and contract freight. **With spot rates steady over the past several months, downward pressure on the larger contract market is lessening, with few instances of contract rate increases bucking the downtrend recently.**

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 **increased 3.6% in May 2024** after decreasing 1.0% in April. In May, the index equaled 115.9 compared with 111.9 in April. According to the American Trucking Associations, **"May was the first month since February 2023 that tonnage increased both sequentially and from a year earlier. While there was clearly an increase in freight before the Memorial Day holiday, it is still too early to say whether this is the start of a long-awaited recovery in the truck freight market."** Compared with May 2023, the index rose 1.5% -- the first year-over-year gain in 15 months. In April, the index was down 1.3% from a year prior.

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 May 2024 was 4.39**. The previous month's ratio was 3.54 and the May 2023 ratio was 3.33. **Georgia's load-to-truck ratio** for vans for May 2024 increased from the previous month, averaging 5.5+ loads for every truck. June 2024 **spot rates** for dry van freight averaged at a rate of \$2.05. **Contract rates** registered an average of \$2.42 for the same month. The average outbound van rate for the Southeast region registered at \$2.10 for June 2024.

Source: DAT Freight & Analytics

Truckload Freight, Refrigerated

The national **load-to-truck ratio for refrigerated hauls read in at 6.28 loads per truck for May 2024**. The April 2024 ratio was 4.78 and the May 2023 ratio was 7.55. **Georgia's load-to-truck ratio** for May 2024 averaged 5.6 – 11.9 reefer loads per truck. The average national **spot market reefer rate for June 2024 was \$2.43 per mile**, a penny increase from the previous month. Contract rates for reefers averaged \$2.80 for the same month. The average outbound rate for the **Southeast region for reefer freight** registered at \$2.44.

Source: DAT Freight & Analytics

Trucking Conditions Index

The Trucking Conditions Index (TCI) indicated a more hospitable environment for carriers in **April 2024 but remained negative at a reading of -1.95, up from -7.25 in March**. Both freight rates and financing costs were less negative, and freight volume improved. **The TCI has not been positive in any month since early 2022 and likely will be mostly mildly negative for the rest of the year.** The index could see some outlying positive readings as it moves closer to neutral territory. According to FTR Transportation Intelligence, **"Better days are in sight for trucking companies, but the market still needs to work through the tough combination of too much capacity and sluggish freight demand.** The May payroll jobs figures for trucking offered some encouragement that this transition is underway, but a healthier situation for carriers will require continued rightsizing of capacity and stronger volume."

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

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Diesel Prices

As of June 28, 2024, the **U.S. average diesel price was \$3.76 per gallon**. This is a penny increase month-over-month and 4 cents lower than the same week in 2023. The average price of diesel in the **Lower Atlantic states came in at \$3.79 per gallon**, showing a 2-cent increase from the previous month. Prices were \$3.89 per gallon during the same period in 2023.

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

Trucking Employment

May 2024 numbers (preliminary) for the trucking industry **read at 1,550,100 employees, decreasing** from 1,555,500 employees (preliminary) for April 2024.

Source: U.S. Bureau of Labor Statistics

Trucking Earnings & Hours

For April 2024, the average earnings (preliminary) for occupations commonly found in truck transportation **were \$31.29/hour**, increasing from the previous month's rate of \$31.07. April 2024 showed **average weekly hours totaling an even 40.0 hours** (preliminary) down from 40.2 hours in March 2024.

Source: U.S. Bureau of Labor Statistics

Truck & Trailer Orders (Class 8)

Preliminary Class 8 net **orders for May 2024 totaled 18,900 units, up 25% month-over-month** and 37% year-over-year. Class 8 orders for the past 12 months totaled 273,900 units. **This level of orders is above recent demand trends and 2% above the average for the month of May over the past decade.** The levels seen this month further abate worries of any rapid demand decline, and the market is performing moderately above replacement level for orders. After maintaining an average level of around 20,700 units over the previous 3 months, orders have continued to slow at a seasonally typical rate, averaging 17,900 units in the last 3 months. Says FTR Transportation Intelligence, "OEMs are actively filling build slots at a steady pace. Along with the month-over-month increase, **the fact that orders were up significantly from the May 2023 level indicates that the market remains on a solid footing despite near-term challenges.**"

Source: FTR Transportation Intelligence

Road Freight News Clip

Truck drivers trade group the Owner-Operator Independent Drivers Association (OOIDA) has joined a lawsuit challenging the U.S. Environmental Protection Agency's (EPA) new standards for cutting heavy-duty (HD) vehicle emissions, saying that the electric vehicle (EV) technology needed to support the change is yet ready for deployment at that scale.

Source: DC Velocity; [link to article](#)

AIR:

Air Cargo Traffic

The air cargo sector experienced the 5th month of double-digit demand growth in a row, **as airlines recorded 21.7 billion cargo tonne-kilometers (CTKs) globally in April 2024**. This represents a 6.5% reduction month-over-month but also an 11.1% increase year-over-year. The largest contributors to this strong traffic performance in April were carriers from Asia Pacific and Europe, which together contributed 2/3 to the annual increase. This contrasts with the preceding 7 months, where the bulk of the annual rise had stemmed from airlines registered in Asia Pacific and the Middle East, even though the latter is one of the smaller regions by traffic volume. On the supply side, **industry-wide available cargo tonne-kilometers (ACTKs) saw a 7.1% annual increase last month**. The persistent capacity growth driven by returning passenger aircraft experienced a reduction in pace.

Note: Air Cargo Market Analysis for May 2024 survey period not yet released at time of Logistics Market Snapshot publication.

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

Jet Fuel Prices

As of June 28, 2024, the global average jet fuel price **ended at \$103.16/bbl, increasing 3.2% month-over-month**. This is a 8.3% decline from the same period in 2023.

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

Air Freight News Clip

Greenhouse gas emissions from air freight operators have increased by 25% since 2019, as companies have ramped up their capacity in a push for faster delivery times. Research from a climate policy group found that the U.S. is responsible for 40% of the world's air freight greenhouse gas emissions. Just three operators — FedEx, UPS and Amazon Air — also generated more than 27% of the industry's carbon emissions globally in 2023, along with 50% of domestic air freight emissions in the United States.

Source: Supply Chain Brain; [link to article](#)

LOGISTICS MARKET SNAPSHOT

OCEAN:

Shanghai Containerized Freight Index

As of June 28, 2024, the China Shanghai Containerized Freight Index reading was \$3,714.32 per TEU. This is a 31.5% increase from the previous month, and a 118.3% jump 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. The SCFI is typically measured in USD per TEU. However, for services to the US West Coast and East Coast, measurement is in USD per FEU.

Georgia Ports Authority

The Port of Brunswick handled an all-time record of 86,577 units of Roll-on/Roll-off cargo in May 2024, an increase of more than 18,000 units or 26% compared to May 2023. Overall, auto processors moved just over 23,000 auto exports and 54,550 auto imports in May. At 4,300 units, high/heavy machinery more than tripled GPA's monthly average for the fiscal year through April. Exports totaled 3,440 units, while import units totaled 860. The May performance brings Georgia Ports volumes for the current fiscal year to date (July 1, 2023-May 31, 2024) to 796,000 units of autos and high/heavy machinery, up 20% compared to FYTD 2023. The auto port at Colonel's Island Terminal handled 57 vessels in May, an increase of 12 ships compared to the same month last year.

Source: Georgia Ports Authority

Ocean Freight News Clip

Yang Ming Marine Transport believes the early peak season shows no signs of slowing, with initial volumes booked for the third quarter higher than last year amid strong demand from US and European consumers. Still, Taiwan's second-largest ocean carrier remained cautious about the overall outlook for the second half of 2024. "Entering the third quarter, customer demand is still higher than last year," Peter Su Yu-Wen, Yang Ming's CFO and senior vice president, said during an investors' webinar. "For July, we should be able to maintain the same situation as June."

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

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The vacancy rate in Q1 climbed another 60 basis points (bps) to 5.8% as new speculative supply pushed the rate higher for the fifth straight quarter. Although the vacancy rate is elevated compared to the previous three years, it is still 120 bps below the 10-year pre-pandemic average of 7%. Regionally, the Midwest boasted the tightest vacancy rate in the first quarter at 4.9%, while the South recorded the highest rate at 6.6% as much of the new supply delivered (54%) was concentrated there. Meanwhile, the sublease vacancy rate ticked higher quarter-over-quarter (QOQ) by 10 bps to 0.6%. Vacant sublet space, however, yielded its lowest quarterly change since Q3 2022 at just 4.8%, a sign that it may be plateauing. Savannah, GA reported a vacancy rate of 7.0% for Q1 2024, compared to 0.2% for Q1 2023. Atlanta, GA reported a vacancy rate of 7.2% for Q1 2024, compared to 3.9% in Q1 2023.

Note: Next release for Q2 2024 – U.S. National Industrial Vacancy, will be published July 2024

Source: Cuman & Wakefield

Warehouse Rent Rates

Rent growth is also coming back down to earth. In Q1 2024, industrial rents grew 6% annually vs. 10% in 2023 and 20% in 2022. The U.S. average asking rental rate was flat quarter-over-quarter at \$9.73 per square foot (psf). The Northeast region finished the quarter with the highest rates (\$13.65 psf) in the U.S.; asking rents in the Northeast were up 9.2% year-over-year (YOY), the highest annual growth rate of any region. Some of the markets which recorded the sharpest growth in the previous three years have seen modest declines since early 2023 as the market rebalances. Of the 16 markets which posted annual rent growth of 10% or higher in Q1 2024, 9 were in the South region. In 18 markets, asking rents declined YOY, up from 15 markets at year-end 2023. For Savannah, GA the average asking rental rate for Q1 2024 (preliminary) was \$6.78, compared to \$6.48 for Q1 2023. For Atlanta, GA the average asking rental rate for Q1 2024 was \$7.12, compared to \$7.07 for Q1 2023.

Note: Next release for Q2 2024 – U.S. National Asking Rents, will be published July 2024

Source: Cushman & Wakefield

LOGISTICS MARKET SNAPSHOT

Industrial Absorption

Tenant demand slowed in the first quarter, **down from 48 million square feet (msf) observed in the prior quarter and from the 77 msf recorded one year ago**. Despite the weaker quarter, there were several bright spots. Eight markets posted more than 1 msf of quarterly net occupancy gains in Q1 2024. **Markets which have seen healthy new supply totals with tenants in place propelled absorption, such as Houston (5.1 msf), Savannah (3.6 msf), Chicago (2.8 msf) and Austin (2.4 msf)**. Of the 83 U.S. markets tracked here, there were 39 markets that registered negative absorption in Q1. These declines largely reflect occupiers that either took on too much space during the pandemic and are now giving some of the space back, or, shedding space as they consolidate operations in realization or anticipation of slowing demand for goods. **For Savannah, GA, Q1 2024 net absorption registered at 3,593,969 compared to 2,159,187 for Q1 2023. For Atlanta, GA, Q1 2024 net absorption registered 2,077,266 compared to 4,429,370 for Q1 2023.**

Note: Next release for Q2 2024 – U.S. National Industrial Absorption, will be published July 2024.

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 May 2024 numbers for the warehousing industry workforce comes in at **1,772,100 employees, an increase from 1,771,400 employees** for April 2024 (preliminary).

Source: U.S. Bureau of Labor Statistics

Warehouse Earnings & Hours

April 2024 average hourly earnings in the warehousing and storage subsector comes in at **\$24.78/hour (preliminary), increasing from \$24.65 the previous month**. The **average weekly hours were 39.3 for April 2024** (preliminary), a decrease from 39.8 hours in March 2024.

Source: U.S. Bureau of Labor Statistics

Warehouse & Distribution News Clip

Humanoid robots will now actively collaborate with other cobots at a Spanx warehouse facility in the US. To that extent, pure-play contract logistics provider GXO Logistics has signed an agreement with Agility Robotics to deploy its Digit bipedal robot at its warehouse. The move comes after the companies trialed Digit as a proof-of-concept pilot in late 2023 at the Spanx facility in Flowery Branch, Georgia.

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

LOGISTICS MARKET SNAPSHOT

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



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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