

LOGISTICS MARKET SNAPSHOT

U.S. MARKET:

Gross Domestic Product

Real gross domestic product (GDP) **increased at an annual rate of 1.3% in the first quarter of 2024, according to the "second" estimate** released by the Bureau of Economic Analysis. In the fourth 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 **\$69.4 billion in March 2024, down \$0.1 billion from \$69.5 billion in February**, revised. The March decrease in the goods and services deficit reflected an increase in the goods deficit of \$0.8 billion to \$92.5 billion and an increase in the services surplus of \$0.9 billion to \$23.1 billion. For the 3 months ending in March the average goods and services deficit increased \$1.7 billion to \$68.8 billion.
Source: Bureau of Economic Analysis

Import Volumes

March 2024 **imports were \$327.0 billion, \$5.4 billion less than February imports, or a decrease of 1.6%**. March imports from China (\$29.9 billion) were the lowest since March 2020 (\$19.6 billion). March imports from South Korea (\$11.6 billion) were the highest on record.
Source: U.S. Census Bureau

Export Volumes

March 2024 **exports were \$257.6 billion, \$5.3 billion less than February exports, or a decrease of 2.0%**. March exports to the Netherlands (\$7.8 billion) were the highest on record. March exports to Japan (\$6.8 billion) were the highest since August 2022 (\$7.5 billion)
Source: U.S. Census Bureau

Import & Export Price Indexes

The **price index for U.S. imports advanced 0.9% in April 2024**, the largest 1-month increase since the index rose 2.9% in March 2022. Prices for U.S. imports last declined on a monthly basis in December 2023. Import prices advanced 1.1% over the past 12 months, the largest over-the-year increase since December 2022. The **price index for U.S. exports declined 1.0% over the past year**, the smallest over-the-year drop since February 2023. U.S. export prices rose 0.5% in April 2024 following a 0.1% advance in March. Export prices have not decreased on a monthly basis since December 2023. Higher nonagricultural prices in April more than offset lower agricultural prices.
Source: Bureau of Labor Statistics

Unemployment Rate

in April 2024, the unemployment rate changed little at 3.9% and total nonfarm payroll employment increased by 175,000. This is lower than the average monthly gain of 242,000 over the prior 12 months. In April, job gains occurred in health care, in social assistance, and in transportation and warehousing. **Transportation and warehousing added 22,000 jobs**, with gains in couriers and messengers (+8,000) and warehousing and storage (+8,000). Over the prior 12 months, employment in transportation and warehousing had shown little net change. **Georgia's unemployment rate decreased to 3.1% for April 2024**, now ranking 16th in the U.S. of states with the lowest unemployment, tied Alabama, Hawaii, Maine, Montana, and Tennessee. North Dakota and South Dakota show the lowest level of unemployment at 2.0%. California ranks highest in unemployment with a rate of 5.3%.
Source: Bureau of Labor Statistics

Labor Force Participation Rate

For April 2024 the labor force participation rate **held steady at 62.7%, seeing no change from the previous month.** The labor force participation rate for April 2024 for those of **prime working age (25-54) had a reading of 83.5%**.
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 0.6% in April 2024 to 101.8 after decreasing by 0.3% in March.** Over the six-month period between October 2023 and April 2024, the LEI contracted by 1.9% — a smaller decrease than its 3.5% decline over the previous six months. Says The Conference Board, "Deterioration in consumers' outlook on business conditions, weaker new orders, a negative yield spread, and a drop in new building permits fueled April's decline. **While the LEI's six-month and annual growth rates no longer signal a forthcoming recession, they still point to serious headwinds to growth ahead.**"
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 **decreased 7.7% to a reading of 72.3 in April 2024. Year over year, pending transactions were down 7.4%.** While contract signings retreated in all regions compared to the previous month, the Midwest and West experienced the largest monthly declines. According to the National Association of Realtors, "The impact of escalating interest rates throughout April dampened home buying, even with more inventory in the market. **The Federal Reserve's anticipated rate cut later this year should lead to better conditions, with improved affordability and more supply.**"
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 **April 2024 were at a seasonally adjusted annual rate of 1,360,000.** This is 5.7% above the revised March estimate of 1,287,000, but is 0.6% below the April 2023 rate of 1,368,000. Single-family housing starts in April were at a rate of 1,031,000; this is 0.4% below the revised March figure of 1,035,000. **The April 2024 rate for units in buildings with five units or more was 322,000.**
Source: U.S. Census Bureau

Light-Vehicle Sales

New light-vehicle sales in **April 2024 totaled 15.7 million units, roughly flat year-over-year and up 1.2% from March 2024.** Sales to fleet customers accounted for roughly 17% of April sales. With the sales mix shifting to more affordable models and with higher average incentive spending, the average transaction price is falling. **The average transaction price for April 2024 should be \$45,093, down 2.5% year over year.** Average monthly payments have also seen a slight decline as well despite the high interest-rate environment. According to J.D. Power, the average monthly payment in April 2024 will likely be \$724, down \$6 from April 2023.
Note: NADA Market Beat for October 2023 survey period had not yet been released at time of Logistics Market Snapshot publication.
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 \$65.3 billion in April 2024. Disposable personal income (DPI) —personal income less personal current taxes—increased \$40.2 billion, or 0.2%. The increase in current-dollar personal income in April primarily reflected increases in compensation, personal income receipts on assets, and government social benefits to persons. **Personal outlays—the sum of PCE, personal interest payments, and personal current transfer payments—increased \$42.8 billion in April 2024.** Personal saving was \$744.5 billion in April and the personal saving rate—personal saving as a percentage of disposable personal income—was 3.6%.
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 \$39.1 billion (0.2%) and the PCE price index increased 0.3%. Excluding food and energy, the PCE price index increased 0.2%. **Within services,** the largest contributors to the increase were housing and utilities (led by housing), health care (both outpatient services and hospitals), and financial services and insurance (led by financial service charges, fees, and commissions). These increases were partly offset by a decrease in transportation services (led by air transportation). **Within goods,** the largest contributors to the decrease were spending for recreational goods and vehicles (led by information processing equipment) and other nondurable goods (led by recreational items).
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 **April 2024 were \$705.2 billion, virtually unchanged from the previous month, but up 3.0% above April 2023.** Total sales for the February 2024 through April 2024 period were up 3.0% from the same period a year ago. Retail trade sales were virtually unchanged from March 2024, but up 2.7% above last year. Nonstore retailers were up 7.5% from last year, while food services and drinking places were up 5.5% from April 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.**
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 May 2024 to 102.0, up from 97.5 in April (a slight upward revision). Confidence improved after 3 consecutive months of decline.** Per The Conference Board, “The strong labor market continued to bolster consumers’ overall assessment of the present situation. Views of current labor market conditions improved in May, as fewer respondents said jobs were ‘hard to get,’ which outweighed a slight decline in the number who said jobs were plentiful”. Compared to last month, confidence improved among consumers of all age groups. In terms of income, those making over \$100K expressed the largest rise in confidence.

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 **Consumer Price Index increased 0.3% in April 2024, after rising 0.4% in March.** Over the last 12 months, the all-items index increased 3.4% before seasonal adjustment. Indexes which increased in April include shelter, motor vehicle insurance, medical care, apparel, and personal care. The indexes for used cars and trucks, household furnishings and operations, and new vehicles were among those that decreased over the month. The **Producer Price Index rose 0.5% in April 2024.** Final demand prices declined 0.1% in March and advanced 0.6% in February. The index for final demand less foods, energy, and trade services moved up 0.4% in April after rising 0.2% in March. For the 12 months ended in April, prices for final demand less foods, energy, and trade services increased 3.1%, the largest advance since climbing 3.4% for the 12 months ended April 2023.

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 **rose by 1.2 points in April 2024 to 89.7, marking the first increase of this year but the 28th consecutive month below the 50-year average of 98.** For April, 22% of owners reported that inflation was their single most important problem in their business, down 3 points from March but still the number one problem for small business owners. Says the National Federation of Independent Business, “Cost pressures remain the top issue for small business owners, including historically high levels of owners raising compensation to keep and attract employees. **Overall, small business owners remain historically very pessimistic as they continue to navigate these challenges. Owners are dealing with a rising level of uncertainty but will continue to do what they do best – serve their customers.**”

Source: National Federation of Independent Business

Industrial Production & Capacity Utilization

Industrial production was little changed in April 2024, and at 102.8% of its 2017 average was 0.4% lower than its year-earlier level. Manufacturing output decreased 0.3%; excluding motor vehicles and parts, manufacturing output edged down 0.1%. The index for mining fell 0.6%, and the index for utilities rose 2.8%. **Capacity utilization moved down to 78.4 percent in April,** a rate that is 1.2 percentage points below its long-run (1972–2023) average. Capacity utilization for manufacturing moved down 0.3% in April to 76.9%, a rate that is 1.3 percentage points below its long-run average. The operating rate for mining fell 0.6% to 92.1%, while the operating rate for utilities increased 1.8 percentage points to 71.0%.

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 March 2024** were estimated at an end-of-month level of \$2,539.0 billion, down 0.1% from February 2024 and were up 0.7% from March 2023. The combined value of distributive **trade sales and manufacturers’ shipments for March 2024** was estimated at \$1,858.0 billion, down 0.1% from February 2024 and up 2.1% from March 2023. The total **business inventories/sales ratio** based on seasonally adjusted data at the end of March was 1.37. The March 2023 ratio was 1.39.

Source: U.S. Census Bureau

Purchasing Managers Index, Manufacturing

For April 2024, the Manufacturing PMI **registered 49.2%, down 1.1 percentage points from the 50.3% recorded in March.** The overall economy continued in expansion for the 48th month after 1 month of contraction in April 2020. **The 9 manufacturing industries reporting growth in April** — in order — are: Nonmetallic Mineral Products; Printing & Related Support Activities; Primary Metals; Textile Mills; Electrical Equipment, Appliances & Components; Petroleum & Coal Products; Transportation Equipment; Chemical Products; and Plastics & Rubber Products. Per the Institute for Supply Management, “The U.S. manufacturing sector dropped back into contraction after growing in March, the first time since September 2022 that the sector reported expansion. Although demand improvement slowed, output remains positive, and inputs stayed accommodative.

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

In April 2024, the Services PMI registered **49.4%**, **2 percentage points lower than March's reading of 51.4%**. Economic activity in the services sector contracted in April for the first time since December 2022, ending a period of 15 consecutive months of growth. According to the Institute for Supply Management, "The decline in the composite index in April is a result of lower business activity, slower new orders growth, faster supplier deliveries and the continued contraction in employment." **The 12 services industries reporting growth in April** — listed in order — are: Accommodation & Food Services; Construction; Agriculture, Forestry, Fishing & Hunting; Utilities; Mining; Management of Companies & Support Services; Educational Services; Retail Trade; Finance & Insurance; Health Care & Social Assistance; Public Administration; and Wholesale Trade.

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 for reads in at **52.9 for April 2024. This is down (-5.4) from March's reading of 58.3, which was the highest rate of growth in 18 months.** While this still indicates growth in the logistics industry, this breaks what had been 4 consecutive months of increasing rates of expansion and is the slowest rate of growth observed so far in 2024. The slowed pace of growth is driven by a significant decrease in the expansion of Inventory Levels. This has cascading effects across the supply chain, as lower levels of inventory led to a loosening of both Warehousing and Transportation Capacity, slower expansion for Warehousing Utilization, and most importantly, Transportation Prices moving back into contraction. **There had been signs that the transportation market was moving back towards equilibrium. However, with the movements in other transportation metrics, Transportation Capacity component is now 17.3-points higher than Transportation Prices component (61.4 to 44.1) indicating that we are still firmly in a state of freight recession.**

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

At a time when freight demand remains depressed, coupled with excess truckload capacity and pricing remaining firmly in shippers' favor, one can point to any number of economic metrics to come up with opinions, or estimations, as to what is driving market conditions. To be clear, though, the metric leading that list still is very likely inflation, as it has been a major talking point in freight transportation and logistics circles for nearly two years, going back to when the April 2024 Consumer Price Index (CPI), saw a 3.4% annual gain, edging down from March's 3.5% reading.

Source: Logistics Management; [link to article](#)

INTERMODAL:

Dow Jones Transportation Average

As of May 30, 2024, the Dow Jones Transportation Average closed at a reading of **14,975.89**.

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 May 30, 2024, the NASDAQ Transportation Index closed at a reading of **6,431.59**.

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 **March 2024 measured 136.2, 3.6% below the all-time high of 141.3 reached in August 2022.** The Freight TSI decreased in March due to seasonally adjusted decreases in trucking, air freight, rail carload, rail intermodal and water, while pipeline grew. **Year to date, for-hire freight shipments measured by the index were down 1.4% in March compared to the end of 2023.** The March freight index decrease was the 5th in 7 months, leaving the index 1.8% below its level in August 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 fell 1.3% month-over-month in April 2024**, as for-hire demand remains broadly soft. Underlying volumes did show improvement in Q1, as the shipments component of the Cass Freight Index rose about 2.0% from Q4 of 2023 (seasonally adjusted). Lunar New Year timing and/or the Baltimore bridge may have temporarily affected April data, but at this pace, volumes are at risk of giving up those gains in Q2. The **expenditures component of the Cass Freight Index** was unchanged in April 2024, and down 17% year-over-year. The expenditures component of the Cass Freight Index fell 19% in 2023, after a record 38% surge in 2021 and another 23% increase in 2022. It is set to decline about another 16% in the first half of 2024, assuming normal seasonal patterns from here, and 10% for the full year.

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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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."

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 United States and North American countries Mexico and Canada for **March 2024 was valued at \$133.5 billion, down 5.6%** compared to March 2023. Freight **between the U.S. and Mexico** totaled \$68.5 billion, down 5.0% from March 2023. Freight **between the U.S. and Canada** totaled \$65.1 billion, down 6.2% from March 2023. **Trucks** moved \$86.1 billion of freight, down 4.5% compared to March 2023. **Railways** moved \$18.5 billion of freight, down 0.4% compared to March 2023. **Vessels** moved \$10.2 billion of freight, down 5.4% compared to March 2023. **Pipelines** moved \$8.6 billion of freight, down 15.4% compared to March 2023. **Air** moved \$4.4 billion of freight, down 14.0% compared to March 2023.

Source: U.S. Bureau of Transportation Statistics

Intermodal News Clip

Federal transportation officials are calling on breakbulk cargo owners, carriers and other stakeholders to help identify which corridors and facilities should be deemed critical to the multimodal transport of freight across the U.S. Developing an in-depth map of freight routes, which will also include points where cargo enters and exits the US, will be key to supporting the movement of breakbulk cargoes necessary for the growth of the industrial sector, Allison Dane Camden, deputy assistant secretary for multimodal freight infrastructure and policy for the US Department of Transportation, told the Journal of Commerce. "Heavy-haul and out-of-gauge freight movement may not show up in national level freight volume estimates, but it is absolutely critical to the success of the Biden-Harris administration's efforts to re-invigorate the American industrial base," Camden said. The DOT has published a request for information (RFI) in the Federal Register to solicit written input from the public on what considerations should be included in the project. A 60-day comment period closes June 11.

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

RAIL:

U.S. Freight Rail Traffic

U.S. railroads originated **848,882 carloads in April 2024, down 6.5%**, or 58,751 carloads, from April 2023. U.S. railroads also originated **1,018,569 containers and trailers in April 2024, up 8.6%**, or 80,471 units, from the same month last year. Combined U.S. **carload and intermodal originations in April 2024 were 1,867,451, up 1.2%**, or 21,720 carloads and intermodal units from April 2023. Per the Association of American Railroads, "Excluding coal, year-over-year carload volumes have experienced a three-month consecutive increase. In April, out of the 20 carload categories monitored, 9 showed growth, with several experiencing marginal declines. **Additionally, sustained consumer spending and heightened port activity contributed to the 8th consecutive year-over-year rise** in intermodal traffic for April."

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%.

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 **April 2024 was 122,967 workers**, up from 122,941 workers in March 2024. Total number of workers in April 2023 was 121,391.

Source: U.S. Surface Transportation Board

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Rail Freight News Clip

Global container terminal operator DP World is launching an intermodal service to transport finished vehicles by rail from Mexico to the United States and Canada. The company said it will implement an industry-first solution based on using 53-foot intermodal containers with racking systems to transport finished vehicles by rail beginning June 1. DP World's "cars in containers" service arrives as North America's automotive logistics sector faces shortages in roll-on/roll-off and multilevel railcar capacity, officials said.

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. **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 managed to rise slightly, 0.1%, in April 2024, marking the 3rd straight slight increase.** The year-over-year decline continued to gradually narrow to 3.8%. This index has been in a very tight range, from 140.4 to 142.0, over the past ten months as the market finds a floor. 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 some 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 **declined 1.2% in April 2024 after decreasing 2.2% in March. In April, the index equaled 111.7**, compared with 113.1 in March. Says the American Trucking Associations, "The truck freight market remained soft in April as seasonally adjusted volumes fell for the second straight month. **With a rebound in freight remaining elusive, it is likely that additional capacity will leave the industry in the face of continued softness in the market.**"

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 April 2024 was 3.51.** The March 2024 ratio was 3.13 and the April 2022 ratio was 2.64. **Georgia is 1 of 8 states with highest load-to-truck ratios** for vans for April 2024, averaging 5.5+ loads for every truck. For May 2024, **the spot rate** (national average) for dry van freight increased 3 cents from the previous month to a reading of \$2.02. **Contract rates** registered an average of \$2.44 for the same month. The average outbound van rate for the Southeast region came in at \$2.06 for May 2024.

Source: DAT Freight & Analytics

Truckload Freight, Refrigerated

The national **load-to-truck ratio for refrigerated hauls fell to 4.78 loads per truck in April 2024.** The March 2024 ratio was 4.83 and the April 2023 ratio was 3.86. **Georgia's load-to-truck ratio** for April 2024 averaged 5.6 – 11.9 reefer loads per truck. The average national **spot market reefer rate for May 2024 was \$2.42 per mile**, increasing nearly a dime from the previous month. Contract rates for reefers averaged \$2.82 for the same month. The average outbound rate for the **Southeast region for reefer freight** registered at \$2.49 for May 2024.

Source: DAT Freight & Analytics

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Trucking Conditions Index

The Trucking Conditions Index **fell in March 2024 to -7.25, the most negative reading since September 2023. The February reading was -5.31.** Highly unfavorable freight rates were the principal headwind for the trucking industry in March as the market remains soft for trucking companies. Financing costs also were a significant negative factor in the TCI while other contributors to the index were generally stable.

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

Diesel Prices

As of May 27, 2024, the **U.S. average diesel price was \$3.75 per gallon.** This is a 19-cent decrease month-over-month and a dime lower than the same week in 2023. The average price of diesel in the **Lower Atlantic states came in at \$3.77 per gallon,** showing a 14-cent drop from the previous month. Prices were a few cents lower during the same period in 2023, averaging \$3.74 per gallon.

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

Trucking Employment

April 2024 numbers (preliminary) for the trucking industry **read at 1,557,800 employees,** decreasing from 1,558,100 employees (preliminary) for March 2024.

Source: U.S. Bureau of Labor Statistics

Trucking Earnings & Hours

For March 2024, the average earnings (preliminary) for occupations commonly found in truck transportation **were \$31.06/hour,** increasing from the previous month's rate of \$30.97. March 2024 showed **average weekly hours totaling 40.2 hours** (preliminary) up from 39.8 hours in February 2024.

Source: U.S. Bureau of Labor Statistics

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

North American Class 8 orders for April 2024 came in at 14,000 units, down 28.0% from March but up 12.5% year-over-year. Class 8 orders for the past 12 months total 267,700 units. OEMs continue to fill build slots at a healthy rate. Although most OEMs saw declining orders, some saw small increases. "Despite the month-over-month decline, the fact that orders were up significantly from the April 2023 level indicates that the market is still solid", says FTR. **"The persistent stagnation in the freight markets has not deterred fleets from being willing to order new equipment."**

Source: FTR Transportation Intelligence

Road Freight News Clip

Heavy truck executives are telling the federal government to tap the brakes before going all in on the electrification of heavy trucks. Industry executives testified before Congress on the technological, operational, and financial challenges fleets face as federal and state regulations mandate the adoption of battery-electric trucks. Additionally, the American Trucking Associations (ATA) is backing a Congressional Review Act resolution that would overturn the Phase 3 Greenhouse Gas emissions standards set by the Biden administration's Environmental Protection Agency (EPA). ATA calls the EPA's goals for heavy-duty vehicles "unachievable."

Source: SupplyChain 24/7; [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.

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

Jet Fuel Prices

As of May 27, 2024, the global average jet fuel price **ended at \$99.85/bbl, a decrease of 9.4% from the previous month.** This is a 11.1% 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

Conventional thinking suggests the unexpected strength of the air cargo market so far this year is ready to cool off for the summer, as freight activity normally does each year. It's not happening — yet. Global airfreight volumes didn't subside after China's Lunar New Year holiday in February, as many industry professionals anticipated, and are still going strong, albeit with ebbs and flows. The primary catalysts remain Asian exporters shifting modes because of slower ocean transits around the Red Sea conflict zone and robust bookings by Chinese e-commerce platforms fulfilling orders in Europe and North America. Air cargo demand grew 11% year over year in April — the fourth month in a row that has happened, and the momentum has carried over into early May with volumes up 12% to 16%.

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

OCEAN:

Shanghai Containerized Freight Index

As of May 24, 2024, the China Shanghai Containerized Freight Index reading was **\$2,703.43 per FEU**. This is a 32.85% increase from the previous month, and a **93.30% 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

In its busiest month ever for autos and heavy equipment, the Georgia Ports Authority **handled a record 80,600 units of Roll-on/Roll-off cargo in April 2024, an increase of more than 44.0%, or 24,760 units**, compared to the same month last year. In addition to organic growth, diversions from the Port of Baltimore increased volumes at Colonel's Island Terminal. **Approximately 9,000 import vehicles were diverted to Brunswick, as well as another 1,000 units of high/heavy equipment.** Heavy machinery exports were up by 500 units compared to GPA's monthly average of 246 units for fiscal year 2024. "We are expecting the impact of diverted cargo to taper off in June, as the Port of Baltimore works to fully restore service," says GPA President and CEO Griff Lynch. In container trade, the Port of Savannah **moved 441,000 twenty-foot equivalent container units in April, an increase of 8.0%, or more than 32,000 TEUs** compared to the same month last year. It was GPA's 3rd busiest April on record after 2021 and 2022. Import loads reached 211,900 TEUs, up 8.3% or 16,200 TEUs compared to April 2023. Export loads accounted for 122,500 TEUs last month, an increase of 4,235 TEUs or 3.6%.

Source: Georgia Ports Authority

Ocean Freight News Clip

Count Mediterranean Shipping Company (MSC) as another ocean carrier resuming service to the Port of Baltimore. The world's largest container shipping company by cargo transported is adding the port back in as a destination to multiple service lines, following in the footsteps of rival carriers Maersk and Hapag-Lloyd. MSC is returning to Baltimore two months after the collapse of the city's Francis Scott Key Bridge, which temporarily blocked access to the port and forced it to shutter operations. The bridge collapsed into the Patapsco River when a container ship exiting the port lost power and crashed into one of its support columns. Six workers on the bridge died in the accident. According to several customer advisories, bookings to and from Baltimore are open for acceptance. Reservations for ships entering Baltimore are subject to space availability.

Source: Sourcing Journal; [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

LOGISTICS MARKET SNAPSHOT

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

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 April 2024 numbers for the warehousing industry workforce comes in at **1,775,600 employees, jumping from 1,768,000 employees** for March 2024 (preliminary).

Source: U.S. Bureau of Labor Statistics

Warehouse Earnings & Hours

March 2024 average hourly earnings in the warehousing and storage subsector comes in at **\$24.69/hour (preliminary), a penny less than the February 2024 rate.** The **average weekly hours were 37.9 for March 2024** (preliminary) up from 37.2 hours in February 2024.

Source: U.S. Bureau of Labor Statistics

Warehouse & Distribution News Clip

Despite the U.S. industrial market experiencing a decline in leasing activity last year, 2023 was a record year for Savannah, Georgia, which saw approximately 15.7 million square feet of industrial space leased. Big-box leases made up most of this activity with 12.9 million sq. ft absorbed. Big-box leases are classified as any industrial transaction 200,000 sq. ft. or greater. Savannah's record year made it North America's top industrial growth market in 2023. Savannah's growth rate of 12.9% was more than twice that of second place Phoenix. Savannah's 12.9 million sq. ft. of big-box leases also qualified it as the seventh strongest market in North America. Comparatively, Georgia's capital, Atlanta, ranked fifth on the list with 16.9 million sq. ft. of big-box leases signed.

Source: Savannah CEO; [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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