

LOGISTICS MARKET SNAPSHOT

U.S. MARKET:

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 1.6% in the 1st quarter of 2024, according to the "advance" 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 \$68.9 billion in February, up \$1.3 billion from \$67.6 billion in January, revised**. The February increase in the goods and services deficit reflected a decrease in the goods deficit of \$0.3 billion to \$91.4 billion and a decrease in the services surplus of \$1.6 billion to \$22.5 billion. Year-to-date, the goods and services deficit decreased \$3.9 billion, or 2.8 percent, from the same period in 2023.
Source: Bureau of Economic Analysis

Import Volumes

February 2024 **imports were \$331.9 billion, \$7.1 billion more than January 2024 imports**, or an increase of 2.2%. February non-petroleum imports (\$245.7 billion) were the highest since October 2022 (\$248.0 billion). February imports of automotive vehicles, parts, and engines (\$41.9 billion) were the highest on record.
Source: U.S. Census Bureau

Export Volumes

February 2024 **exports were \$263.0 billion, \$5.8 billion more than January 2024 exports**, or an increase of 2.3%. February exports of foods, feeds, and beverages (\$15.5 billion) were the highest since June 2022 (\$16.2 billion). February exports of capital goods (\$53.0 billion) were the highest on record since January 2021 (\$2.8 billion). *Source: U.S. Census Bureau*

Import & Export Price Index

Prices for **U.S. imports advanced 0.4% in March 2024 following a 0.3% rise the previous month**. Higher prices for fuel and nonfuel imports contributed to the overall increase. The price index for import fuel rose 4.7% in March, after increasing 1.3% the previous month. Prices for nonfuel imports ticked up 0.1% in March following a 0.2% advance in February. Nonfuel import prices last recorded a monthly decline in October 2023. Prices for **U.S. exports advanced 0.3% in March 2024, after rising 0.7% in February and 0.8% in January**. Higher nonagricultural prices in March more than offset lower agricultural prices. Agricultural export prices decreased 0.7% in March following a 0.7% increase the previous month. Lower prices for soybeans, corn, and wheat in March more than offset higher meat prices. The price index for nonagricultural exports rose 0.4% in March, after increasing 0.6% in February.
Source: Bureau of Labor Statistics

Unemployment Rate

Total U.S. nonfarm payroll employment **rose by 303,000 in March 2024, and the unemployment rate changed little at 3.8%**. Job gains occurred in health care, government, and construction. Average hourly earnings for all employees on private nonfarm payrolls increased by 12 cents, or 0.3%, to \$34.69. Over the past 12 months, average hourly earnings have increased by 4.1%. **Georgia's unemployment rate came in at 3.1% for March 2024**. This is unchanged from the previous month, but now ranking 17th in the U.S. of states with the lowest unemployment, tied with Hawaii and South Carolina. North Dakota shows 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 March 2024 the labor force participation rate **came in at 62.7%, increasing from 62.5% from the previous month**. The labor force participation rate for March 2024 for those of **prime working age (25-54) decreased to 83.4%**.
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 0.3% in March 2024 to 102.4 after increasing by 0.2% in February**. Over the six-month period between September 2023 and March 2024, the LEI contracted by 2.2% — a smaller decrease than the 3.4% decline over the previous 6 months. "February's uptick in the U.S. LEI proved to be ephemeral as the Index posted a decline in March," says The Conference Board. "Negative contributions from the yield spread, new building permits, consumers' outlook on business conditions, new orders, and initial unemployment insurance claims drove March's decline". **Overall, the Index points to a fragile—even if not recessionary—outlook for the U.S. economy**. Indeed, rising consumer debt, elevated interest rates, and persistent inflation pressures continue to pose risks to economic activity in 2024.
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 for **March 2024** climbed **3.4%**, to a reading of **78.2**. Year over year, pending transactions were up **0.1%**. Says the National Association of Realtors, "This marks the best performance in a year, but it remains in a fairly narrow range over the last 12 months without a measurable breakout. Meaningful gains will only occur with declining mortgage rates and rising inventory." The Northeast, South and West posted monthly gains in transactions while the Midwest recorded a loss. Year-over-year, the Northeast and South registered decreases but the Midwest and West improved.

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 **March 2024** were at a seasonally adjusted annual rate of **1,321,000**. This is 14.7% below the revised February estimate of 1,549,000 and is 4.3% below the March 2023 rate of 1,380,000. **Single-family housing starts** in March were at a rate of 1,022,000; this is 12.4% below the revised February figure of 1,167,000. The March rate for units in buildings with five units or more was 290,000.

Source: U.S. Census Bureau

Light-Vehicle Sales

New light-vehicle sales for March 2024 totaled 15.5 million units—an increase of 3.8% compared with March 2023. March saw the highest raw sales volume for all of first-quarter 2024, even though March was down slightly from February. The first-quarter totaled 15.4 million units, an increase of 7% compared with first-quarter 2023. new-vehicle shoppers had many more vehicles to choose from versus last year. **New light-vehicle inventory on the ground and in-transit totaled 2.58 million units, an increase of 40.2% compared with March 2023**. As vehicle inventory and OEM incentives have risen, average transaction prices have fallen, with average incentive spending per unit totaling around \$2,800 in March 2023—a year-over-year increase of 66.6%. And the average new-vehicle transaction price in March 2024 is expected to total \$44,186, down 3.6% compared with March of last year. In first-quarter 2024, **alternative-fuel vehicles represented 18% of all new vehicles sold**.

Conventional hybrids, which were 8.6% of new-vehicle sales during this period, have had the largest gain in market share.

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 \$122.0 billion in March 2024. Disposable personal income (DPI), personal income less personal current taxes, increased \$104.0 billion (0.5%). The increase in current-dollar personal income in March primarily reflected an increase in compensation. Personal outlays—the sum of personal consumption expenditures, personal interest payments, and personal current transfer payments—increased \$172.1 billion in March. **Personal saving was \$671.0 billion in March 2024** and the personal saving rate—personal saving as a percentage of disposable personal income—was 3.2%.

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 **March 2024** increased **\$160.9 billion (0.8%)**. **The PCE price index increased 0.3%**. Excluding food and energy, the PCE price index increased 0.3%. Real PCE increased 0.5%; goods increased 1.1% and services increased 0.2%. **From the same month 1 year ago, the PCE price index for March increased 2.7%**. Prices for services increased 4.0% and prices for goods increased 0.1%. Food prices increased 1.5% and energy prices increased 2.6%. Excluding food and energy, the PCE price index increased 2.8% 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 **March 2024** were **\$709.6 billion, up 0.7%** from the previous month, and up 4.0% above March 2023. Total sales for the January 2024 through March 2024 period were up 2.1% from the same period a year ago. Retail trade sales were up 0.8 percent% from February 2024, and up 3.6% above last year. **Nonstore retailers were up 11.3% from last year, while food services and drinking places were up 6.5% from March 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)

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E-Commerce

U.S. retail e-commerce sales for the **fourth quarter of 2023 was \$285.2 billion, an increase of 0.8% from the third quarter of 2023**. Total retail sales for the fourth quarter of 2023 were estimated at \$1,831.4 billion, an increase of 0.4% from the third quarter of 2023. The fourth quarter 2023 e-commerce estimate increased 7.5% from the fourth quarter of 2022 while total retail sales increased 2.8%. **E-commerce sales in the fourth quarter of 2023 accounted for 15.6 percent of total sales**. Total e-commerce sales for 2023 were estimated at \$1,118.7 billion, an increase of 7.6% from 2022. Total retail sales in 2023 increased 2.1% from 2022. E-commerce sales in 2023 accounted for 15.4% of total sales. E-commerce sales in 2022 accounted for 14.7% of total sales.

Note: Release for Q1 2024 – U.S. Quarterly Retail E-Commerce Sales, will be published May 17, 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)

Consumer Confidence Index

The Consumer Confidence Index deteriorated for the 3rd consecutive month in **April 2024, retreating to 97.0 from a downwardly revised 103.1** in March. Despite these 3 months of weakness, the gauge continues to move sideways within a relatively narrow range that's largely held steady for more than two years. "Confidence retreated further in April, reaching its lowest level since July 2022 as consumers became less positive about the current labor market situation, and more concerned about future business conditions, job availability, and income," The Conference Board. **"Despite April's dip in the overall index, since mid-2022, optimism about the present situation continues to more than offset concerns about the future."**

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 0.4% in March 2024** on a seasonally adjusted basis, the same increase as in February. The index for all items less food and energy rose 0.4% in March, as it did in each of the 2 preceding months. Indexes which increased in March include: shelter, motor vehicle insurance, medical care, apparel, and personal care. 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.

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 **decreased by 0.9 of a point in March 2024 to 88.5, the lowest level since December 2012**. This is the 27th consecutive month below the 50-year average of 98. According to the National Federation of Independent Business, "Owners continue to manage numerous economic headwinds and inflation has once again been reported as the top business problem on Main Street (while) the labor market has only eased slightly." Owners' plans to fill open positions continue to slow, with 37% of all owners reporting job openings they could not fill in the current period. The net percent of owners raising average selling prices rose seven points from February to a net 28%, seasonally adjusted.

Source: National Federation of Independent Business

Industrial Production & Capacity Utilization

Industrial production rose 0.4% in March 2024 but declined at an annual rate of 1.8% in the first quarter. Manufacturing output increased 0.5% in March, boosted in part by a gain of 3.1% in motor vehicles and parts; factory output excluding motor vehicles and parts moved up 0.3%. At 102.7 percent of its 2017 average, total industrial production in March was unchanged compared with its year-earlier level. **Capacity utilization moved up to 78.4 percent in March 2024**, a rate that is 1.2 percentage points below its long-run (1972–2023) average. Capacity utilization for manufacturing moved up 0.3 percentage points in March to 77.4%, a rate that is 0.8 percentage points below its long-run average.

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 February 2024 were estimated at an end-of-month level of \$2,567.5 billion, up 0.4% from January 2024 and were up 1.0% from February 2023. The combined value of distributive **trade sales and manufacturers' shipments** for February 2024 was estimated at \$1,866.5 billion, up 1.6% from January 2024 and up 1.0% from February 2023. The total business inventories/sales ratio based on seasonally adjusted data at the end of February was 1.38. The February 2023 ratio was 1.37.

Source: U.S. Census Bureau

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Purchasing Managers Index, Manufacturing

Economic activity in the manufacturing sector expanded in March 2024 after contracting for 16 consecutive months. The **Manufacturing PMI registered 50.3% in March, up 2.5 percentage points from the 47.8% recorded in February.** According to the Institute for Supply Management, “The U.S. manufacturing sector moved into expansion for the first time since September 2022. Demand was positive, output strengthened, and inputs remained accommodative. Production execution surged compared to January and February, as panelists’ companies reenter expansion. **Suppliers continue to have capacity but are showing signs of struggling, due in large part to their raw material supply chains.**” The 9 manufacturing industries reporting growth in March — in order — are: Textile Mills; Nonmetallic Mineral Products; Paper Products; Petroleum & Coal Products; Primary Metals; Food, Beverage & Tobacco Products; Fabricated Metal Products; Chemical Products; and Transportation Equipment.

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.)

Purchasing Managers Index, Services

For the 15th consecutive month, economic activity in the services sector **expanded in March 2024 as the Services PMI registered 51.4%**, 1.2 percentage points lower than February’s reading of 52.6%. The sector has grown in 45 of the last 46 months, with the lone contraction in December 2022. Per the Institute for Supply Management, “**The decrease in the rate of growth in March and the decline in the composite index is a result of slower new orders growth, faster supplier deliveries and a contraction in employment.**” The 12 services industries reporting growth in March — listed in order — are: Accommodation & Food Services; Professional, Scientific & Technical Services; Agriculture, Forestry, Fishing & Hunting; Educational Services; Construction; Management of Companies & Support Services; Utilities; Retail Trade; 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 reads in at 58.3 for March 2024.** This is up 1.8 from February’s reading of 56.5. This is the fastest rate of expansion in the overall index since the reading of 61.2 from 18 months ago in September 2022. The logistics industry is at a healthier place than it was then. However, that reading from 18 months ago was largely inflated by unwanted inventories and high Warehousing Costs along with an anemic freight market. March 2024 is a different story as we are seeing long-planned inventory expansions, along with more efficient levels of utilization in both warehousing and transportation as the drivers of growth. The level of 58.3 is within half a standard deviation from the all-time average of 62.2, suggesting that the overall logistics industry is now at the low end of what we would consider healthy and normal growth.

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

Companies that move goods around and serve as a bellwether for the American economy sent up a smoke signal in the month of April. The Dow Jones Transportation Average has tumbled to levels last seen in November 2023. Moreover, the losses pushed the index deep below its 200-day moving average, a long-term trend indicator that traders closely watch. It is also on pace for the worst month since October. The declines come despite encouraging results from United Airlines Holdings Inc., whose upbeat outlook suggested the consumer is staying strong. That puts the focus on trucking and logistics companies, two of which — JB Hunt Transport Services Inc. and Knight-Swift Transportation Holdings Inc. — warned of challenging conditions in the freight industry, including weak prices that were eroding margins.

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

INTERMODAL:

Dow Jones Transportation Average

As of April 29, 2024, the Dow Jones Transportation Average **closed at a reading of 15,213.56.**

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 April 29, 2024, the NASDAQ Transportation Index **closed at a reading of 6,492.90.**

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 Transportation Services Index (TSI) **rose 3.1% in February 2024 to 138.1. and was 2.3% below the all-time high of 141.3** reached in August 2022. The Freight TSI increased in February due to seasonally adjusted increases in trucking, air freight, rail carload, rail intermodal, and water; pipeline declined. The February increase was the largest increase since July 2020, a few months after the beginning of the COVID-19 pandemic.

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

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Freight Index for Shipments and Expenditures

The **shipments component of the Freight Index fell 0.2% month-over-month in March 2024**, as for-hire demand remains broadly consistent. The 3.6% year-over-year decline was the smallest in a year, and although freight demand is broadly better than the for-hire market, it's still hard to see amid ongoing private fleet growth. The **expenditures component of the Freight Index rose 0.1% month-over-month but fell 18% year-over-year in March**. U.S. freight spending fell 19% in 2023, after a record 38% surge in 2021 and another 23% increase in 2022. It is set to decline about another 14% in 1H'24, assuming normal seasonal patterns from here, and 9% 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)

Shippers Conditions Index

The **February 2024 Shippers Conditions Index (SCI) fell to -1.4 from January's reading of 3.4**. This is the first time since September 2023 the index has fallen into negative territory. In both months the culprit was the same: Diesel prices. Fuel costs aside, the SCI would have been positive in February, although other elements of shippers' market conditions deteriorated slightly as well. Per FTR Transportation Intelligence, "We expect a steady but **incremental tightening of the truck market to yield a modestly tougher environment for shippers**. However, we do not see anything like 2021 or 2018 on the horizon."

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

North American Transborder Freight

Total transborder freight moved by all modes of transportation between the U.S. and North American countries Canada and Mexico for **February 2024 was \$128.9 billion, up 7.5% compared to February 2023**. Freight **between the U.S. and Canada** equaled \$61.9 billion, up 4.4% from February 2023. Freight **between the U.S. and Mexico** equaled \$67.0 billion, up 10.6% from February 2023. **Air moved \$4.6 billion of freight**, up 16.1% compared to February 2023. **Pipelines moved \$8.1 billion of freight**, down 15.2% compared to February 2023. **Railways moved \$17.1 billion of freight**, up 2.8% compared to February 2023. **Trucks moved \$83.4 billion of freight**, up 9.9% compared to February 2023. **Vessels moved \$10.0 billion of freight**, up 15.7% compared to February 2023.

Source: U.S. Bureau of Transportation Statistics

Intermodal News Clip

Intermodal chassis manufacturers are scaling back production as a result of weak demand as well as a supply overhang, company executives said. Chassis builder CIE Manufacturing has trimmed production based on market conditions, said VP of Sales and Marketing Ben Evans. The company operates U.S. production facilities in South Gate, Calif. and Emporia, Va. It is owned by China International Marine Containers. "The market is extremely soft," he said. "Demand is down across the board." Evans noted this was true for both carriers and leasing companies.

Source: Transport Topics; [link to article](#)

RAIL:

U.S. Freight Rail Traffic

U.S. railroads **originated 866,865 carloads in March 2024**, down 3.5%, or 31,101 carloads, from March 2023. U.S. railroads also **originated 1,022,321 containers and trailers in March 2024**, up 11.7%, or 106,903 units, from the same month last year. **Combined U.S. carload and intermodal originations in March 2024 were 1,889,186**, up 4.2%, or 75,802 carloads and intermodal units from March 2023. "Large swaths of rail traffic reflect broader economic changes," says the Association of American Railroads. "This growth was driven largely by chemicals, petroleum products, and autos, critical components of our economy. Conversely, coal volumes continue to decline due to ongoing shifts in electricity generation markets. **Intermodal was again a bright spot in March, reflecting stable consumer spending, increasing port activity, and a reduction in inventory destocking.**"

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 March 2024 was 541.3** This is a month-over-month decrease of 2.37%, and a year-over-year decrease of 6.85%.

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 **March 2024 was 122,941 workers**, a decrease from the 123,941 workers in February 2024. Total number of workers in March 2023 was 120,668.

Source: U.S. Surface Transportation Board

LOGISTICS MARKET SNAPSHOT

Rail Freight News Clip

CSX has unveiled its first hydrogen-powered locomotive, marking a significant milestone in sustainable freight transportation. This pioneering achievement is the result of a successful partnership between CSX and Canadian Pacific Kansas City (CPKC) and demonstrates the company's commitment to innovation and environmental stewardship. The hydrogen locomotive was converted from an existing diesel locomotive using a hydrogen conversion kit developed by CPKC. The transformation took place at the CSX locomotive shop in Huntington, W.Va.

Source: *Progressive Railroading*; [link to article](#)

ROAD:

Cowen/AFS Freight Index

In Q1 2024, **the truckload rate per mile index fell slightly**, from 5.2% above the January 2018 baseline in Q4 2023 to 4.9%. Cost per shipment continued to slide in Q1 2024, down 16.7% year-over-year (YoY) and 2.0% quarter-over-quarter (QoQ) – consistent with established trends as a greater share of short haul shipments pushed down average linehaul cost. In Q2 2024, **the index projects LTL rates will remain at the escalated levels** upheld since the Yellow collapse in Q3 of 2023, at 59.4%; above the January 2018 baseline and a 2.4% YoY increase. This expectation represents a modest 0.4% increase from Q1 2024, driven in part by anticipated higher fuel surcharges due to global crude oil production cuts. **As the parcel market continues to face sagging demand**, both FedEx and UPS are prioritizing network improvement, cost reduction and targeted revenue generation through pricing changes. Carriers typically communicate updates to fuel and other accessorial charges as part of annual general rate increase (GRI) announcements, but in recent months, carriers have made several out-of-cycle changes. Since the 2024 GRI announcements, UPS and FedEx have increased fuel surcharges three times, boosted demand surcharges, and expanded the delivery area surcharge (DAS) to more ZIP codes.

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

Truckload Linehaul Index

Stability continued for the **Truckload Linehaul Index in March 2024, with a 0.2% month-over-month increase after a 0.1% month-over-month increase in February**. The 4.7% year-over-year decline continued to gradually narrow. The index has been in a very tight range, from 140.4 to 142.0, over the past nine months as the market finds a floor. 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 2% in March 2024 after increasing 4% in February. In March, the index equaled 113.4 compared with 115.7 in February. Per the American Trucking Associations, "Tonnage in March suggests that truck freight volumes remain lackluster, and it is clear the truck freight recession continued through the first quarter." Compared with March 2023, the index fell 1%, which was the 13th straight year-over-year decline, but the 2nd smallest over that period. In February, the index was down 1.7% from a year earlier.

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 March 2024 was 3.13**. The February ratio was 2.82 and the March 2023 ratio was 2.7. **Georgia's load-to-truck ratio** for vans for February 2024 remained steady, averaging 2.6 – 5.4 loads for every truck. April 2024 **spot rates** for dry van freight averaged at a rate of \$2.00. **Contract rates** registered an average of \$2.46 for the same month. The average outbound van rate for the Southeast region registered at \$1.95 for March 2024.

Source: *DAT Freight & Analytics*

Truckload Freight, Refrigerated

The national **load-to-truck ratio for refrigerated hauls increased to 4.83 loads per truck in March 2024** from the previous month. The February 2024 ratio was 4.45 and the March 2023 ratio was 4.17. **Georgia's load-to-truck ratio** for March 2024 averaged 5.6 – 11.9 reefer loads per truck, holding steady from the previous month. The average national **spot market reefer rate for April 2024 was \$2.32 per mile**, decreasing 4 cents from the previous month. Contract rates for reefers averaged \$2.85 for the same month. The average outbound rate for the **Southeast region for reefer freight** is currently registering at \$2.16.

Source: *DAT Freight & Analytics*

Trucking Conditions Index

The Trucking Conditions Index for **February 2024 fell to -5.31 from January's reading of -1.41. A sharp increase in diesel prices was the principal factor in the deterioration in market conditions for carriers**. With the recent increase in crude prices, fuel costs could remain a drag on the TCI in the near term, but freight market dynamics likely will move gradually toward a less challenging environment for carriers. Says FTR Transportation Intelligence, "Trucking companies should see more favorable conditions in the fourth quarter and in 2025, although risks to a recovery are still significant. **The biggest issue remains the imbalance between capacity and demand**, which continues to depress utilization. Diesel prices are a wild card as an escalation might push out more operations that are struggling financially."

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

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Diesel Prices

As of April 29, 2024, the **U.S. average diesel price was \$3.94 per gallon**. This is a 9-cent decrease month-over-month and 14 cents lower than the same week in 2023. The average price of diesel in the **Lower Atlantic states came in at \$3.91 per gallon**, showing a 8-cent decrease from the previous month. Prices were \$4.00 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

March 2024 numbers (preliminary) for the trucking industry **read at 1,558,900 employees**, increasing from 1,553,800 employees (preliminary) for February 2024.

Source: U.S. Bureau of Labor Statistics

Trucking Earnings & Hours

For February 2024, the average earnings (preliminary) for occupations commonly found in truck transportation **were \$30.96/hour**, decreasing from the previous month's rate of \$30.99. February 2024 showed **average weekly hours totaling 39.9 hours** (preliminary) up from 39.2 hours in January 2024.

Source: U.S. Bureau of Labor Statistics

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

Class 8 preliminary net orders for March 2024 came in at 18,200 units, down 34% from February and 4% below March 2023. Orders for the past 12 months have totaled 264,800 units. Like February's activity, March orders are consistent with the recent demand trend and are in line with seasonal expectations. After maintaining an average level of around 27,000 units for the last 3 months, orders appear to be slowing at a seasonally typical rate. **"Despite weakness in the freight markets that has persisted for more than a year, fleets continue to be willing to order new equipment"** says FTR Transportation Intelligence. Build slots continue to be filled at a healthy rate. With March orders comparable to the March 2023 level, the market is still performing at a solid level.

Source: FTR Transportation Intelligence

Road Freight News Clip

Legislation and regulation affecting trucking is downshifting as the election year moves into full swing, but the most prominent lobby representing truck owner-operators is keeping the pressure on lawmakers and the administration to do right by its members. "The unfortunate reality is that this particular Congress is totally engaged in election season, and rather than focusing on some of the issues we would like to see them focus on, they're pretty much engaged in doing what they think they need to do to retain or gain seats," said Todd Spencer, president of the Owner-Operator Independent Drivers Association. "But we also know the world goes on after November. And it doesn't really matter who gets elected, we're going to do our best to work with whoever is in office and pursue those things that we think are in the interest of our members."

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

AIR:

Air Cargo Traffic

The air cargo industry registered a total of 19.7 billion cargo tonne-kilometers (CTKs) in February 2024, representing an increase of 11.9% year-over-year. Industry-wide air cargo capacity, measured by available cargo tonne-kilometers (ACTK), increased by 13.4% year-over-year, largely due to the continued expansion of international passenger belly-hold capacity. **The growing air cargo demand reflects buoyant international traffic which benefits from booming e-commerce and possibly, though to a lesser extent, a recently increased interest in sea-air services** because of the ongoing capacity constraints in maritime shipping, among other factors. Overall, air cargo demand appears set to continue the upward trend in CTKs that started early last year.

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

Jet Fuel Prices

As of April 26, 2024, the global average jet fuel price **ended at \$105.13/bbl, decreasing 2.2% from the previous month**. This is a 6.4% 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)

Air Freight News Clip

United Parcel Service expects its newly won U.S. Postal Service (USPS) air cargo contract to be profitable in its first year and throughout the more than five-year deal, after rival FedEx struggled with the business, Chief Executive Carol Tome said on Tuesday. Atlanta-based UPS will become the No. 1 USPS air cargo service provider on Sept. 30. It replaces FedEx, which was paid \$1.75 billion in fiscal 2023 to provide Priority Mail and other speedy air services for the quasi-governmental agency.

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

LOGISTICS MARKET SNAPSHOT

OCEAN:

Shanghai Containerized Freight Index

As of April 26, 2024, the China Shanghai Containerized Freight Index **reading was \$1,940.63 per TEU**. This is a 11.42% increase from the previous month, **and a 60.68% 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 Georgia Ports Authority **handled 436,000 twenty-foot equivalent container units (TEUs) in March 2024, for an increase of 18.5% compared to the same month last year**. Loaded import containers gained 24% to 211,000 TEUs, while export loads increased 14% to 128,000. Intermodal rail cargo reached 44,902 containers at the Port of Savannah in March, an increase of 22% and a 17% increase fiscal year-to-date. The Port of Savannah moved more than 3 million tons of cargo in March, while handling 154 vessels between Garden City and Ocean terminals. The Port of Brunswick **handled 77,236 units of Roll-on/Roll-off (Ro/Ro) cargo in March 2024. This is an increase of 13,438 units or 21% over the same month last year**. From July 2023 through March 2024, GPA has moved 628,937 total units of Ro/Ro cargo, an increase of 88,200 or 16%. The monthly average is 69,882 units, **meaning Georgia Ports could handle an all-time record of 800,000 units by the end of its fiscal year in June**. Among GPA's March Ro/Ro volumes, 4,210 units were high and heavy cargo. Machinery volumes now total 20,113, an increase of 6,887 units or 34% through the first 9 months of the fiscal year, which ends June 30, 2024. Colonel's Island handled a record 52 vessels in March, up 11 vessels or 27% compared to March 2023. Based on its monthly average, **Colonel's Island is on track to handle a record 572 ships by the end of June. The previous record was 534, set in FY2015**.

Source: Georgia Ports Authority

Ocean Freight News Clip

Healthy demand, expected scrapping, and a range of factors limiting the pipeline for new ships are keeping the heavy-lift and multipurpose fleet in equilibrium. Of the 1,070 vessels in the market, roughly one-third are 16 years or older, placing them in a category where they can no longer serve certain shippers that require ships to be no older than 15 years, said Yorck Niclas Prehm, head of research at shipbroker Toepfer Transport. Limitations on supply come from many factors, including increasing costs to build specialized ships, quandaries over which type of new fuel will be mandated over a new ship's lifespan and shipyard reticence to use shipowner designs over pre-existing designs. That will cause the fleet to shrink slightly from current levels, as scrapping ramps up from 2026, Prehm said.

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.

Source: Cushman & 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.

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.**

Source: *Cushman & Wakefield*

Warehouse Employment

Preliminary March 2024 numbers for the warehousing industry workforce comes in at **1,757,200 employees, falling from 1,762,700 employees** for February 2024 (preliminary).

Source: *U.S. Bureau of Labor Statistics*

Warehouse Earnings & Hours

February 2024 average hourly earnings in the warehousing and storage subsector comes in at **\$24.70/hour (preliminary), showing no change from the previous month**. The **average weekly hours were an even 39.0 for February 2024 (preliminary)**, a decrease from 39.6 hours in January 2024.

Source: *U.S. Bureau of Labor Statistics*

Warehouse & Distribution News Clip

Demand for forklifts, aisle trucks, container handlers, and similar equipment is on the rise, thanks to infrastructure development projects around the world. Demand for industrial vehicles for material handling and transportation tasks is set to grow at a compound annual growth rate (CAGR) of nearly 5% by 2030, bringing the total market size to \$64.3 billion globally. The growth is being driven by initiatives aimed at modernizing transportation networks, building new warehouses, and enhancing logistics capabilities. "As regions prioritize infrastructure improvements to bolster economic growth, the demand for industrial vehicles, including tow tractors and container handlers, is steadily increasing," according to the report released by research firm Markets and Markets.

Source: *DC Velocity*; [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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