

LOGISTICS MARKET SNAPSHOT

U.S. MARKET:

Gross Domestic Product

Real gross domestic product (GDP) **increased at an annual rate of 3.0% in the 2nd quarter of 2024** according to the "second" estimate released by the U.S. Bureau of Economic Analysis. In the 1st quarter, real GDP increased 1.4%. Compared to the 1st quarter, the acceleration in real GDP in the 2nd quarter primarily reflected an upturn in private inventory investment and an acceleration in consumer spending. These movements were partly offset by a downturn in residential fixed investment.
Source: Bureau of Economic Analysis

U.S. Trade Deficit

The goods and services deficit was **\$73.1 billion in June 2024, down \$1.9 billion from \$75.0 billion in May 2024**, revised. The June decrease in the goods and services deficit reflected a decrease in the goods deficit of \$2.5 billion to \$97.4 billion and a decrease in the services surplus of \$0.6 billion to \$24.2 billion. For the three months ending in June, the average goods and services deficit increased \$1.5 billion to \$74.2 billion.
Source: Bureau of Economic Analysis

Import Volumes

June 2024 **imports were \$339.0 billion, \$2.0 billion more than May imports, or an increase of 0.6%**. June imports of capital goods (\$80.2 billion) were the highest on record. June imports from Taiwan (\$9.9 billion) were the highest on record.
Source: U.S. Census Bureau

Export Volumes

June 2023 **exports were \$265.9 billion, \$3.9 billion more than May exports, or an increase of 1.5%**. June exports of capital goods (\$54.2 billion) were the highest on record. June exports to Australia (\$3.1 billion) were the highest on record.
Source: U.S. Census Bureau

Import & Export Price Index

Prices for U.S. imports ticked up 0.1% in July 2024, after being unchanged the previous month. Higher nonfuel and fuel prices each contributed to the July advance. Nonfuel import prices ticked up 0.1% in July, after increasing 0.2% in June. Prices for nonfuel imports rose 1.2% from July 2023 to July 2024, the largest 12-month advance since the index increased 1.9% in December 2022. **Prices for U.S. exports advanced 0.7% in July 2024 following a 0.3% decrease in June** and a 0.7% drop in May. Higher nonagricultural prices in July more than offset lower prices for agricultural exports. The price index for U.S. exports increased 1.4% over the past year, the largest 12-month advance since the index rose 2.0% in January 2023. The price index for agricultural exports fell 1.6% in July, the first monthly decline since April 2024, and the largest 1-month decrease since August 2023. Lower prices in July for corn, wheat, fruit, soybeans, and meat all contributed to the drop in export agricultural prices.
Source: Bureau of Labor Statistics

Unemployment Rate

Total nonfarm payroll **employment edged up by 114,000 in July 2024. The unemployment rate rose by 0.2 percentage point to 4.3% in July**, and the number of unemployed people increased by 352,000 to 7.2 million. Employment continued to trend up in healthcare, in construction, and in transportation and warehousing, while information lost jobs. **Georgia's unemployment rate came in at 3.4% for July 2024**, ranking 22nd in the U.S. of states with the lowest unemployment, tied with Arizona and Pennsylvania. South Dakota shows the lowest level of unemployment at 2.0%. The District of Columbia ranks highest in unemployment with a rate of 5.5%.
Source: Bureau of Labor Statistics

Labor Force Participation Rate

For July 2024 the labor force participation rate **came in at 62.7%**, up from 62.6% the previous month. The labor force participation rate for July 2024 for those of **prime working age (25-54) read in at 84.0%**, up from 83.7% the previous month.
Source: U.S. Bureau of Labor Statistics (Workforce Participation Rate measures the share of Americans at least 16 years old who are either employed or actively looking for work)

Leading Economic Index

The Leading Economic Index (LEI) for the U.S. **fell by 0.6% in July 2024 to 100.4 following a decline of 0.2% in June.** Over the six-month period ending in July 2024, the LEI fell by 2.1%, a smaller rate of decline than its -3.1% over the six-month period between July 2023 and January 2024. Says The Conference Board, **"The six-month annual growth rate no longer signals recession ahead.** A sharp deterioration in new orders, persistently weak consumer expectations of business conditions, softer building permits, and hours worked in manufacturing drove the decline, together with the still-negative yield spread. **These data continue to suggest headwinds in economic growth going forward."**
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)

LOGISTICS MARKET SNAPSHOT

Pending Home Sales Index

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

Note: The Pending Home Sales Index for the July 2024 survey period had not yet been released at time of Logistics Market Snapshot publication.

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 **July 2024** were at a **seasonally adjusted annual rate of 1,238,000**. This is 6.8% below the revised June estimate of 1,329,000 and is 16.0% below the July 2023 rate of 1,473,000. Single-family housing starts in July 2024 were at a rate of 851,000; this is 14.1% below the revised June figure of 991,000. **The July 2024 rate for units in buildings with 5 units or more was 363,000.**

Source: U.S. Census Bureau

Light-Vehicle Sales

New light-vehicle sales in **July 2024** had a **seasonally adjusted annual rate of 15.8 million units, down 0.8% year-over-year**. Total sales in July finished the month below expectations. A boost to July sales total was expected due to the CDK cyberattack in June, which limited many dealers' ability to process transactions. It appears there was no significant increase in July numbers from missed sales in June. **Estimates of retail deliveries in July 2024 were roughly flat compared with July 2023, while fleet deliveries declined by roughly 11%. This is the 2nd month in a row of year-over-year declines in fleet deliveries.** Only the small-car and CUV segment posted year-over-year market share gains, while all other major segments posted declines. This shift helps illustrate the demand for more affordable models. While new-vehicle inventory has increased steadily throughout the year, much of the mix on dealer lots now is skewed toward more expensive models. The lack of more affordable choices is likely limiting sales overall. **Alternative fuel vehicles represented 18.6% of all new vehicles sold so far this year.** Sales of hybrids and PHEVs have increased more than BEVs so far this year. Through the first seven months of the year, hybrid and plug-in hybrid (PHEV) sales have increased by 34.6% and 29.6% year-over-year, respectively. Through the first 7 months of the year, hybrid and PHEV sales have increased by 34.6% and 29.6% year-over-year, respectively.

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

Personal Income and Outlays

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

Note: The Personal Income and Outlays for the July 2024 survey period had not yet been released at time of Logistics Market Snapshot publication.

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

For June 2024, the personal consumption expenditures (PCE) increased \$57.6 billion (0.3%) and the PCE price index increased 0.1%. Excluding food and energy, the PCE price index increased 0.2%. **Within services**, the largest contributors to the increase were other services (led by international travel) and housing and utilities (led by housing). **Within goods**, the largest contributors to the increase were other nondurable goods (led by pharmaceutical and other medical products) and recreational goods and vehicles (led by information processing equipment). These increases were partly offset by decreases in motor vehicles and parts (led by new motor vehicles) and gasoline and other energy goods.

Note: The Personal Consumption Expenditures Price Index for the July 2024 survey period had not yet been released at time of Logistics Market Snapshot publication.

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)

LOGISTICS MARKET SNAPSHOT

Retail Sales

Advance estimates of U.S. retail and food services sales for July 2024 were \$709.7 billion, an increase of 1.0% from the previous month, and up 2.7% from July 2023. Total sales for the May 2024 through July 2024 period were up 2.4% from the same period a year ago. Retail trade sales were up 1.1% from June 2024, and up 2.6% from last year. **Nonstore retailers were up 6.7% from last year, while food services and drinking places were up 3.4% from July 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 2nd quarter of 2024 was \$291.6 billion, an increase of 1.3% from the 1st quarter of 2024. Total retail sales for the second quarter of 2024 were estimated at \$1,826.9 billion, an increase of 0.5% from the 1st quarter of 2024. The 2nd quarter 2024 e-commerce estimate increased 6.7% from the 2nd quarter of 2023 while total retail sales increased 2.1% in the same period. **E-commerce sales in the 2nd quarter of 2024 accounted for 16.0% 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)

Consumer Confidence Index

The Consumer Confidence Index rose in August 2024 to 103.3 from an upwardly revised 101.9 in July 2024. Per The Conference Board, "Overall consumer confidence rose in August but remained within the narrow range that has prevailed over the past two years. Consumers' assessments of the current labor situation, while still positive, continued to weaken, and assessments of the labor market going forward were more pessimistic. This likely reflects the recent increase in unemployment." Consumers were also less positive about future income. **Consumers were likely rattled by the financial market turmoil in early August, as they were less upbeat about the stock market.** In August, 46.9% of consumers expected stock prices to increase over the year ahead (down from 50.6% in July), while 27.2% expected a decrease (up from 23.1%).

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

Consumer & Producer Price Index

The **Producer Price Index for final demand increased 0.5% in September 2023.** Final demand prices rose 0.7% in August and 0.6% in July. Leading the increase in the final demand index in September, prices for final demand goods rose 0.9%. The index for final demand services advanced 0.3%. Prices for final demand less foods, energy, and trade services increased 0.2% in September, the fourth consecutive advance. For the 12 months ended in September, the index for final demand less foods, energy, and trade services moved up 2.8%. **The Producer Price Index for final demand increased 0.1% in July 2024.** Final demand prices rose 0.2% in June and were unchanged in May. The July rise in the index for final demand can be attributed to prices for final demand goods, which moved up 0.6%. In contrast, the index for final demand services fell 0.2%. Prices for final demand less foods, energy, and trade services advanced 0.3% in July after increasing 0.1% in June. For the 12 months ended in July, the index for final demand less foods, energy, and trade services moved up 3.3%.

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 2.2 points in July to 93.7, the highest reading since February 2022. However, this is the 31st consecutive month below the 50-year average of 98. Inflation remains the top issue among small business owners, with 25% reporting it as their single most important problem in operating their business, up 4 points from June. According to the National Federation of Independent Business, "The road ahead remains tough for the nation's small business owners despite this increase in optimism. Owners are heading towards unpredictable months ahead, not knowing how future economic conditions or government policies will impact them." A net 33% of business owners reported raising compensation in July 2024, down 5 points from June and the lowest reading since April 2021. A seasonally adjusted 38% of all small business owners reported job openings they could not fill in their current period, up 1 point from June. Of the 57% of owners hiring or trying to hire in July, **86% reported few or no qualified applicants for the positions they were trying to fill.**

Source: National Federation of Independent Business

Industrial Production & Capacity Utilization

Industrial production fell 0.6% in July 2024 after increasing 0.3% in June. Early July shutdowns concentrated in the petrochemical and related industries due to Hurricane Beryl held down the growth of industrial production by an estimated 0.3 percentage point. Manufacturing output stepped down 0.3% as the index for motor vehicles and parts fell nearly 8%; manufacturing excluding motor vehicles and parts rose 0.3%. **Capacity utilization moved down to 77.8% in July 2024,** a rate that is 1.9 percentage points below its long-run average. Capacity utilization for manufacturing moved down in July to 77.2%, a rate that is 1.1 percentage points below its long-run average. The operating rate for mining was unchanged at 88.8% in July, while the operating rate for utilities stepped down 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)

LOGISTICS MARKET SNAPSHOT

Manufacturing and Trade Inventories and Sales

Manufacturers' and **trade inventories for June 2024** were estimated at \$2,567.5 billion, up 0.3% from May 2024 and were up 2.1% from June 2023. The combined value of **distributive trade sales** and manufacturers' shipments for June 2024 was estimated at \$1,857.9 billion, down 0.1% from May 2024, but was up 2.2% from June 2023. The **total business inventories/sales ratio** at the end of June 2024 was 1.38. The June 2023 ratio was 1.38.

Source: U.S. Census Bureau

Purchasing Managers Index, Manufacturing

The Manufacturing PMI **registered 46.8% in July 2024, down 1.7 percentage points from the 48.5% recorded in June**. The overall economy continued in expansion for the 51st month after 1 month of contraction in April 2020. Per the Institute for Supply Management, "U.S. manufacturing activity entered deeper into contraction. Demand was weak again, output declined, and inputs stayed generally accommodative." **The five manufacturing industries reporting growth in July are:** Printing & Related Support Activities; Petroleum & Coal Products; Miscellaneous Manufacturing; Furniture & Related Products; and Nonmetallic Mineral Products.

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

Purchasing Managers Index, Services

For July 2024, the Services PMI **registered 51.4%, 2.6 percentage points higher than June's figure of 48.8%**. The reading in July marked the 5th time the composite index has been in expansion territory in 2024. Economic activity in the services sector expanded in July, a trend that has been interrupted only 3 times — though 2 in the last four months — since early in the coronavirus pandemic. **The 10 services industries reporting growth in July — listed in order — are:** Arts, Entertainment & Recreation; Accommodation & Food Services; Mining; Construction; Management of Companies & Support Services; Transportation & Warehousing; Public Administration; Finance & Insurance; Health Care & Social Assistance; and Utilities.

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 July 2024 Logistics Manager's Index **reads in at 56.5 in, up 1.2 points from June's reading of 55.3 and marks 8 consecutive months of expansion**. Last July, the overall index read in at 45.4 which is its lowest score in the 8-year history of the LMI. The reading is still below the all-time average of 61.9. Inventory Levels are increasing Upstream but are contracting Downstream. **This suggests that retailers are keeping inventories lean at the start of Q3**, while manufacturers, wholesalers, and distributors are building up goods in anticipation of increased demand later in the year. There is a combination of excess capacity contraction and increasing demand due to imports and growth in manufacturing. Respondents are predicting that these dynamics will hold for the foreseeable future, **suggesting that the freight recession is potentially ending**. One possible obstacle to this is that there is some evidence that the surge in imports was due to Upstream firms building up inventories early to stay ahead of tariffs and the potential shipping delays that are common in the back half of the year. If this is the case and imports do slow down, it could portend a slowdown in parts of the freight market.

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

Investment in logistics startups plummeted to \$2.9 billion in 2023, down almost 90% from a peak of \$25.6 billion in 2021 and the lowest total since 2015, according to a report from research from consulting firm McKinsey released Aug. 1. The cratering of venture capital investment into logistics technology last year signals not only a freight market cooling from the overheated frenzy of the COVID-19 pandemic but an admission that venture capitalists (VCs) are pivoting their focus from disruption to enablement. It seems like a lifetime ago, but the roots of the logistics technology investment boom took hold in 2012 — eight years before the pandemic-fueled funding surge — back when now-name brand companies such as Flexport, Freightos and Convoy were just being founded.

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

INTERMODAL:

Dow Jones Transportation Average

As of August 27, 2024, the Dow Jones Transportation Average **closed at a reading of 15,833.14**.

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 August 27, 2024, the NASDAQ Transportation Index **closed at a reading of 6,437.31**.

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

LOGISTICS MARKET SNAPSHOT

Freight Transportation Services Index

The level of for-hire freight shipments in **June 2024 measured 138.6 and was 2.3% below the all-time high of 141.8 reached in August 2022.** The Freight TSI decreased in June due to seasonally adjusted decreases in trucking, air freight, and water, while rail carload, rail intermodal and pipeline grew. The June freight index decrease was the 3rd in 4 months, leaving the index 0.4% above its level in February 2024. It followed an increase in May, leaving the index 2.3% above its level in April 2024.

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 rose 3.0% month-over-month in July 2024 after 4 straight declines.** The year-over-year decline in shipments moderated to 1.1% in July from 6.0% in June. Goods demand continues to grow slowly, but private fleet capacity additions are slowing, which appears to be reducing the pressure on for-hire shipments. The **expenditures component of the Cass Freight Index rose 0.7% month-over-month in July 2024.** The 6.2% year-over-year decline narrowed from a 9.4% drop in June. With shipments up 3.0% month-over-month, we infer from the smaller 0.7% rise in expenditures that rates were down 2.2% month-over-month in July. The expenditures component declined another 16% in 1H'24, and assuming normal seasonal patterns from here, will decline about 11% this 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 Shippers Conditions Index **for June 2024 fell to 0.3 from the May 2024 reading of 4.5** as moderating fuel costs kept the index out of marginally negative territory. Freight-related factors deteriorated slightly during the month. According to FTR Transportation Intelligence, **"The days of consistently favorable freight market conditions for shippers are over, but the market does not really look tough for them, either.** Over the forecast horizon, we do not expect the market to be even remotely as challenging as the one that shippers endured from late 2020 through mid-2022, and shippers might even fare better than they anticipate. The biggest wild card in the near term probably is the cost of fuel."

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 Mexico and Canada for **June 2023 was valued at \$134.2 billion**, down 0.4% compared to June 2023. **Freight between the U.S. and Canada was \$64.3 billion**, down 3.0% from June 2023. **Freight between the U.S. and Mexico was \$69.9 billion**, up 2.1% from June 2023; **Mexico has continued to lead Canada in freight dollar value** for the last 16 months. **Trucks moved \$86.9 billion** of freight, down 1.8% compared to June 2023. **Railways moved \$17.5 billion** of freight, up 2.6% compared to June 2023. **Vessels moved \$10.4 billion** of freight, up 1.4% compared to June 2023. **Pipelines moved \$8.9 billion** of freight, up 10.0% compared to June 2023. **Air moved \$4.6 billion** of freight, down 4.3% compared to June 2023.

Source: U.S. Bureau of Transportation Statistics

Intermodal News Clip

Intermodal is continuing growth in 2024, according to the Intermodal Quarterly report from the Intermodal Association of North America (IANA). Total intermodal volume rose 7.9% year-over-year (YoY) in Q2 2024 – the third consecutive quarter of YoY growth, including an 8.8% increase reported last quarter. International volume showed the greatest intermodal gains in Q2, with international containers adding 13.3%. "With containerized imports on the rise, especially on the U.S. West Coast, the outlook for international containers moving by rail is forecast to move up 13.8% for full-year 2024, notwithstanding the tougher comparisons that lie ahead," the IANA report states. "Transload volume from those imports and steady production volume will be an opportunity, albeit limited by excess trucking capacity, for domestic intermodal providers."

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

RAIL:

U.S. Freight Rail Traffic

U.S. railroads originated **1,073,191 carloads in July 2024**, down 2.1%, or 23,353 carloads, from July 2023. U.S. railroads also originated **1,319,818 containers and trailers in July 2024**, up 8.4%, or 102,549 units, from the same month last year. Combined U.S. carload and intermodal originations in **July 2024 were 2,393,009**, up 3.4%, or 79,196 carloads and intermodal units from July 2023. In July 2024, 12 of the 20 carload commodity categories saw carload gains compared with July 2023. **These included: grain, up 26.5%; chemicals, 3.1%; and petroleum & petroleum products, up 8.5%. Commodities that saw declines in July 2024 from July 2023 included: coal, down 11.0%; crushed stone, sand & gravel, down 10.6%; and motor vehicles & parts, down 9.1%.**

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

LOGISTICS MARKET SNAPSHOT

Railroad Fuel Price Index

The index of **average railroad fuel prices for July 2024 was 514.3**. This is a month-over-month increase of 4.12%, and a year-over-year decrease of 1.5%.

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 **July 2024 was 121,085 workers**, a decrease from 121,697 workers in June 2024. Total number of workers in July 2023 was 122,816.

Source: U.S. Surface Transportation Board

Rail Freight News Clip

Norfolk Southern Railway formalized its environmental sustainability program and established the rail industry's first chief sustainability officer in 2007; published its first sustainability report in 2008; and in 2021 set an ambitious science-based target to reduce greenhouse gas emissions (GHG) intensity 42% by 2034. Although NS has focused on running the railroad in a more environmentally friendly way for the past 18 years, it wasn't until January of this year that the Class I announced it had published its first "Climate Transition Plan," an 80-page roadmap that details how NS will achieve and measure its decarbonization efforts.

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

ROAD:

Cowen/AFS Freight Index

Truckload Rates: Data from Q3 validates last quarter's expectation that truckload rates found a floor. The rate per mile index stayed relatively flat with modest growth from Q2 to Q3, and that trend of sequential improvement is expected to continue in Q4, in line with expectations for a muted peak season. Data from Q3:2023 indicated a continued decline in both cost per shipment (CPS) and miles per shipment (MPS), likely due to shippers' efforts to optimize inventories and logistics networks. The truckload rate per mile index established a floor in Q2 2023 of 4.3% above the January 2018 baseline, and Q3 2024 is expected to be the sixth straight quarter with rates bouncing along that bottom.

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

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

Note: The Cowen-AFS Q3 2024 Report/Q4 2024 Forecast will be released October 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 (TLI) **fell 1.0% month-over-month in July 2024 for the 2nd straight month as the soft market balance persists and overcapacity keeps bids highly competitive**. The year-over-year decline of 3.2% widened from 2.4% in June. While this has narrowed from a 15% year-over-year decline a year ago, it seems unlikely to turn positive quickly. With spot rates steady over the past year, downward pressure on the larger contract market is lessening, **but recent slight increases in spot rates are not yet enough to turn contract rates higher**.

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

Truck Tonnage Index

The For-Hire Truck Tonnage Index **increased 0.3% in July 2024 after declining 1.8% in June. In July, the index equaled 113.7 (2015=100) compared with 113.3 in June**. "While July wasn't a strong month, we see continued evidence that the truck freight market is likely turning a corner, albeit slowly," says the American Trucking Associations. "**Some of July's small gain was likely due to strong import activity**, especially at West Coast seaports." Retail sales and factory output grew slightly from a year earlier also helped truck tonnage for July.

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

LOGISTICS MARKET SNAPSHOT

Truckload Freight, Van

The **national van load-to-truck ratio for July 2024 was 4.18**, decreasing from June's ratio of 4.72. The July 2023 ratio was 3.64. **Georgia's load-to-truck ratio** for vans for July 2024 averaged 2.6 – 5.4 loads for every truck. For August 2024, the **spot rate** (national average) for dry van freight decreased 5 cents from the previous month to a rate of \$2.01. **Contract rates** registered an average of \$2.40 for the same month. Month-over-month, the average **outbound van rate for the Southeast region** registered at \$1.93 for August 2024.

Source: DAT Freight & Analytics

Truckload Freight, Refrigerated

The national **load-to-truck ratio for refrigerated hauls averaged 6.52 loads per truck in July 2024**. The previous month's ratio was 7.03 and the July 2023 ratio was 5.43. **Georgia's load-to-truck ratio** for July 2024 averaged 2.3 – 5.5 reefer loads per truck. The average national **spot market reefer rate for August 2024 was \$2.40 per mile**, decreasing 4 cents from the previous month. Contract rates for reefers averaged \$2.74 for the same month. The average outbound rate for the **Southeast region for reefer freight** registered at \$2.14 for August 2024.

Source: DAT Freight & Analytics

Trucking Conditions Index

The Trucking Conditions Index **stayed in positive territory for June 2024, but it weakened to 0.95 from May's 2.24 reading**. Details matter, however, as core freight dynamics improved for trucking companies during June while higher financing costs and a slowing of diesel price decreases were substantial offsets. FTR expects general improvement in market conditions for carriers, but the this index could see both positive and negative readings in the coming months before the index turns consistently positive by the end of this year, according to FTR's current forecast.

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

Diesel Prices

As of August 26, 2024 the **U.S. average diesel price was \$3.65 per gallon**. This is an 11-cent decrease month-over-month and \$0.82 lower than the same week in 2023. The average price of diesel in the **Lower Atlantic states came in at \$3.62 per gallon**, a dime lower than the previous month's price. At this time last year, prices averaged \$4.38 per gallon.

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

Trucking Employment

July 2024 numbers (preliminary) for the trucking industry **read at 1,544,700 employees**, decreasing from 1,547,100 employees (preliminary) for June 2024.

Source: U.S. Bureau of Labor Statistics

Trucking Earnings & Hours

For June 2024, the average earnings (preliminary) for occupations commonly found in truck transportation **were \$31.20/hour**, a decrease from the previous month's rate of \$31.27. June 2024 showed **average weekly hours totaling 40.7 hours** (preliminary) up from 40.2 hours in May 2024.

Source: U.S. Bureau of Labor Statistics

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

North American Class 8 orders for July 2024 totaled 12,400 units, down 6% month-over-month and 7% year-over-year. Class 8 orders for the past 12 months have now totaled 272,900 units. July's orders are somewhat below seasonal expectations but the decline is unsurprising given the strong order performance in the first 5 months of the year and the typically weak seasonal order period. Says FTR Transportation Intelligence, "OEMs experienced a somewhat mixed market this month with vocational markets mildly underperforming conventional, but the overall picture was steady. **Despite stagnant freight markets, fleets continue to invest in new equipment, albeit at a slowing pace.**"

Source: FTR Transportation Intelligence

Road Freight News Clip

Many veterans have taken jobs in the trucking industry after leaving the military. The transition to civilian life hasn't always been easy for them, but some have found healing by selflessly helping to improve the lives of fellow veterans. Here are three stories of veterans and company leaders who have assisted ex-soldiers in finding employment and set up nonprofit organizations to support them.

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

LOGISTICS MARKET SNAPSHOT

AIR:

Air Cargo Traffic

Industry-wide air cargo demand rose 13.6% year-over-year maintaining record year-to-date demand. Asia Pacific carriers recorded the largest expansion with 17.7% year-over-year, and demand on the Middle East-Europe trade lane outpaced all others with an impressive 32.2% annual surge. The extraordinary global traffic levels seen last month were driven by international routes, which surged by 14.3% YoY. **Airlines are able to take advantage of cross-border e-commerce demand from consumers in the US and Europe, as well as the continued capacity constraints in maritime shipping, which favor a partial modal shift from sea to air.** As has been the case since October 2023, carriers from all regions experienced expansions in international traffic compared to the previous year, with July displaying solid growth rates in the range of 6% to 18%.
Source: International Air Transport Association (Global air freight covers international and domestic scheduled air traffic.)

Jet Fuel Prices

As of August 23, 2024, the global average jet fuel price read in at **\$92.25/bbl, a decrease of 9.2% from the previous month.** This is a 17.9% 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

Freight forwarders and shippers are continuing to push for longer term air cargo deals as they look to avoid potential rate hikes due to the risk of supply chain disruption. A half-year market report from analyst Xeneta shows that contracts of more than six months accounted for 54% of the market in the second quarter of 2024 compared with 30% a year earlier. Spot deals (one-month contracts) in the second quarter accounted for 10% of the market against 12% for the period in 2023, three-month deals are at 18% of the market compared with 23% last year and six-month deals are at 18% compared with 35%. The analyst said the move towards longer term deals has been ongoing since last year, but the motivation for doing so has evolved.

Source: Air Cargo News; [link to article](#)

OCEAN:

Shanghai Containerized Freight Index

As of August 23, 2024, the China Shanghai Containerized Freight Index **reading was \$3,097.63 per FEU.** This is a 10.7% decrease from the previous month, **and a 101.3% jump year-over year.**

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

Georgia Ports Authority

The **Georgia Ports Authority (GPA) handled 5.25 million twenty-foot equivalent container units (TEU) in fiscal year 2024,** which ended June 30, 2024. The performance constitutes a decrease of 2.3% or 123,000 TEUs compared to the previous year. Compared to the pre-pandemic year of FY2019, GPA's fiscal performance equates to a 3% compound annual growth rate. **GPA had a record year in Roll-on/Roll-off cargo, handling 876,000 units of autos and high/heavy machinery in FY2024,** an increase of 21% or 152,435 units compared to FY2023. Growth factors included demand from American consumers, growing import-export trade with both Europe and Asia, new car manufacturers choosing Brunswick, and diverted cargo from Baltimore during April and May. **The Authority recently completed construction of its new Garden City Terminal West facility** and continues to add new Ship-to Shore cranes and Rubber Tire Gantry cranes built by the Finnish company, Konecranes. Georgia Ports is the only operator in the U.S. using 100% Konecranes in its fleet.

Source: Georgia Ports Authority

Ocean Freight News Clip

Walmart has begun offering ocean freight capacity and customs clearance services for sellers using its online marketplace. The product, called Walmart Cross Border, is initially being offered on a port-to-door basis for full containerloads from three load ports in China — Yantian, Shanghai and Ningbo. The offering portends growing demand from overseas sellers for something resembling end-to-end logistics services that encompass ocean freight and customs coordination. Walmart brings consumer demand through its online marketplace, helping sellers reach buyers they might not ordinarily be able to access.

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

LOGISTICS MARKET SNAPSHOT

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

Although the national vacancy rate edged higher to 6.1%, the 40-basis-point (bp) increase was the lowest quarterly rise since the first quarter of 2023. This is the highest the vacancy rate has been in almost nine years, but it still stands well below the 10-year, pre-pandemic (2010-2019) average of 7%. The South region has the highest midyear vacancy rate at 6.9%, largely due to the 98 msf of speculative space delivered since the start of 2024. Meanwhile, the West region has seen vacancy increase by 90 bps QOQ to 6.4%, as occupiers continued to consolidate operations and shed excess space in some markets. **Savannah, GA** reported a vacancy rate of 7.9% for Q2 2024, compared to 3.6% for Q2 2023. **Atlanta, GA** reported a vacancy rate of 7.8% for Q2 2024, compared to 5.8% in Q2 2023.

Note: Next release for Q3 2024 – U.S. National Industrial Vacancy, will be published October 2024
Source: Cushman & Wakefield

Warehouse Rent Rates

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

Note: Next release for Q3 2024 – U.S. National Asking Rents, will be published October 2024
Source: Cushman & Wakefield

Industrial Absorption

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

Note: Next release for Q3 2024 – U.S. National Industrial Absorption, will be published October 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 July 2024 numbers for the warehousing industry workforce comes in at **1,794,900 employees, jumping up from 1,784,200 employees** for June 2024 (preliminary).

Source: U.S. Bureau of Labor Statistics

Warehouse Earnings & Hours

June 2024 average hourly earnings in the warehousing and storage subsector comes in at **\$24.76/hour (preliminary), a decrease from the May 2024 rate of \$24.79.** The **average weekly hours were 40.3 for June 2024** (preliminary) up from 39.2 hours in May 2024.

Source: U.S. Bureau of Labor Statistics

Warehouse & Distribution News Clip

A new report details Amazon's impact in Georgia. As of January 2024, Amazon Inc. has created about 34,000 full- and part-time jobs in Georgia, according to the Seattle-based company's latest economic impact report. The report, produced by Keystone Strategy, found that Amazon has invested more than \$18.5 billion in Georgia since 2010. This amount includes both investments in infrastructure and the company's compensation to employees. "As Georgia continues to break economic records all across the state, partners like Amazon are essential to creating jobs and opportunities here in the best place for opportunity," said Georgia Gov. Brian Kemp in a prepared statement.

Source: Atlanta Business Chronicle; [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.**

**For more information about Georgia's Center of Innovation, Logistics please contact:
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