

LOGISTICS MARKET SNAPSHOT

OCTOBER 2024

U.S. MARKET:

Gross Domestic Product

Real gross domestic product (GDP) **increased at an annual rate of 2.8% in the 3rd quarter of 2024, according to the "advance" estimate** released by the U.S. Bureau of Economic Analysis. In the 2nd quarter, real GDP increased 3.0%. The increase in real GDP primarily reflected increases in consumer spending, exports, and federal government spending.
Source: Bureau of Economic Analysis

U.S. Trade Deficit

The goods and services deficit was **\$70.4 billion in August 2024, down \$8.5 billion from \$78.9 billion in July**, revised. The August decrease in the goods and services deficit reflected a decrease in the goods deficit of \$8.4 billion to \$94.9 billion and an increase in the services surplus of \$0.1 billion to \$24.4 billion. The average goods and services deficit decreased \$1.6 billion to \$74.1 billion for the three months ending in August.
Source: Bureau of Economic Analysis

Import Volumes

August 2024 **imports were \$342.2 billion, \$3.2 billion less than July imports, or a decrease of 0.9%**. August imports of services (\$67.9 billion) were the highest on record. August imports of other goods (\$11.5 billion) were the highest since December 2021 (\$11.5 billion).
Source: U.S. Census Bureau

Export Volumes

August 2024 **exports were \$271.8 billion, \$5.3 billion more than July exports, or an increase of 2.0%**. August non-petroleum exports (\$154.1 billion) were the highest on record. August exports of services (\$92.3 billion) were the highest on record.
Source: U.S. Census Bureau

Import & Export Price Indexes

The **price index for U.S. imports decreased 0.4% in September 2024**, the largest 1-month drop since a 0.7-percent decline in December 2023. The September decrease followed a 0.2% decline in August and 0.1% advances in July and June. U.S. import prices edged down 0.1% over the past year, the first 12-month drop since February 2024. The **price index for U.S. exports fell 0.7% in September 2024** following a decline of 0.9% the previous month. U.S. export prices decreased 1.1% for the 3rd quarter of 2024, the largest 3-month drop since December 2023. Lower prices for nonagricultural exports in September more than offset higher agricultural export prices. The price index for U.S. exports declined 2.1% over the past year, the largest 12-month decrease since January 2024.
Source: Bureau of Labor Statistics

Unemployment Rate

Total nonfarm payroll employment increased by 254,000 in September 2024, and the unemployment rate changed little at 4.1%. Employment continued to trend up in food services and drinking places, health care, government, social assistance, and construction. These measures are higher than a year earlier, when the jobless rate was 3.8% and the number of unemployed people was 6.3 million. **Georgia's unemployment rate for September 2024 was 3.6%**, ranking 26th in the U.S. of states with the lowest unemployment, tied with Idaho. South Dakota shows the lowest level of unemployment at 2.0%. The District of Columbia ranks highest in unemployment with a rate of 5.7%.
Source: Bureau of Labor Statistics

Labor Force Participation Rate

For September 2024 the labor force participation rate **held steady at 62.7%, seeing no change from the previous month**. The labor force participation rate for September 2024 for those of **prime working age (25-54) had a reading of 83.8%**.

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 US **declined by 0.5% in September 2024 to 99.7 following a 0.3% decline in August**. Over the 6-month period between March and September 2024, the LEI fell by 2.6%, more than its 2.2% decline over the previous 6-month period (September 2023 to March 2024). **"Weakness in factory new orders continued to be a major drag on the U.S. LEI in September as the global manufacturing slump persists,"** says The Conference Board. "Overall, the LEI continued to signal uncertainty for economic activity ahead and is consistent with The Conference Board expectation for moderate growth at the close of 2024 and into early 2025."
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)

Pending Home Sales Index

The Pending Home Sales Index **jumped 7.4% to 75.8 in September 2024, the highest level since March (78.3)**. Year-over-year, pending transactions ascended 2.6%. Says the National Association of Realtors, “Contract signings rose across all regions of the country as buyers took advantage of the combination of lower mortgage rates in late summer and more inventory choices. Further gains are expected if the economy continues to add jobs, inventory levels grow, and mortgage rates hold steady.” **The South PHSI improved 6.7% to 89.0 in September, unchanged from a year ago.** The West index ballooned by 9.8% from the prior month to 64.0, up 12.3% from September 2023. The Northeast PHSI expanded 6.5% from last month to 65.6, up 3.3% from September 2023. The Midwest index surged 7.1% to 75.0 in September, identical to the previous year.

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

Housing Starts

Privately-owned housing starts in **September 2024 were at a seasonally adjusted annual rate of 1,354,000**. This is 0.5% below the revised August estimate of 1,361,000 and is 0.7% below the September 2023 rate of 1,363,000. Single-family housing starts in September were at a rate of 1,027,000; this is 2.7% above the revised August figure of 1,000,000. **The September 2024 rate for units in buildings with five units or more was 317,000.**

Source: U.S. Census Bureau

Light-Vehicle Sales

New light-vehicle sales in **September 2024 totaled 15.8 million units, an increase of 0.5% year over year**. Following a strong start to the year in Q1 2024, where raw sales volumes were up 4.9% year over year, sales in Q2 and Q3 have declined by 0.5% and 1.9% year over year. The result: Through 9 months of the year, raw light-vehicle sales volume totaled 11.69 million units—an increase of just 0.7% year over year. **Sales of alternative-fuel vehicles have grown in 2024, but growth has not been equal across all powertrains. Conventional hybrid vehicles continue to be strong sellers, with sales up by 32.8% year over year through September.** Sales of plug-in hybrids (PHEV) and battery electric vehicles (BEV) have grown as well, but not as much as conventional hybrids. In September 2024, the Fed announced its first cut to the federal funds rate this cycle, lowering the targeted range by 50 basis points. While it is still too soon to see the effect on auto loan rates, **we expect that this first cut and expected subsequent cuts in Q4 2024 will lower rates on auto loan finance contracts and provide some relief to consumers struggling with vehicle affordability.**

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 \$50.5 billion (0.2% at a monthly rate) in August 2024. Disposable personal income (DPI), personal income less personal current taxes, increased \$34.2 billion (0.2%) and personal consumption expenditures (PCE) increased \$47.2 billion (0.2%). **Personal outlays**—the sum of PCE, personal interest payments, and personal current transfer payments—**increased \$48.3 billion** in August. Personal saving was \$1.05 trillion in August and the personal saving rate—personal saving as a percentage of disposable personal income—was 4.8%.

Note: Personal Income and Outlays for September 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 August 2024, personal consumption expenditures (PCE) **increased 0.2%** (\$47.2 billion) and the **PCE price index increased 0.1%**. Excluding food and energy, the PCE price index increased 0.1 percent. The \$47.2 billion increase in **current-dollar PCE** in August reflected an increase of \$54.8 billion in spending for services and a decrease of \$7.6 billion in spending for goods. **Within services**, the largest contributors to the increase were housing as well as financial services and insurance. **Within goods**, the largest contributor to the decrease was spending for new motor vehicles.

Note: Personal Consumption Expenditures Price Index for September 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)

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Retail Sales

Advance estimates of U.S. retail and food services sales for **September 2024 were \$714.4 billion, an increase of 0.4% from the previous month, and up 1.7% from September 2023.** Total sales for the July 2024 through September 2024 period were up 2.3% from the same period a year ago. Retail trade sales were up 0.3% from August 2024, and up 1.4% from last year. Nonstore retailers were up 7.1% from last year, while food services and drinking places were up 3.7% from September 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.**

Note: Release for Q3 2024 – U.S. Quarterly Retail E-Commerce Sales, will be published November 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 **increased in October 2024 to 108.7, up from 99.2 in September.** “Consumer confidence recorded the strongest monthly gain since March 2021, but still did not break free of the narrow range that has prevailed over the past two years,” says The Conference Board. **Consumers became more upbeat about the stock market: 51.4% of consumers expected stock prices to increase over the year ahead, the highest reading since the question was first asked in 1987. Only 23.6% expected stock prices to decline.** The share of consumers expecting higher interest rates over the next 12 months increased to 47.5% after declining for four months in a row.

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 0.2% for September 2024,** the same increase as in August and July. Over the last 12 months, the all items index increased 2.4% before seasonal adjustment. The index for shelter rose 0.2% in September, and the index for food increased 0.4%. **Together, these two indexes contributed over 75% of the monthly all items increase.** The energy index fell 1.9% over the month, after declining 0.8% the preceding month.

The **Producer Price Index was unchanged in September 2024.** Final demand prices advanced 0.2% in August and were unchanged in July. The index for final demand less foods, energy, and trade services inched up 0.1% in September after rising 0.2% in August. For the 12 months ended in September, prices for final demand less foods, energy, and trade services increased 3.2%.

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

Small Business Optimism Index

The Small Business Optimism Index **rose by 0.3 points in September to 91.5. This is the 33rd consecutive month below the 50-year average of 98.** According to the National Federation of Independent Business, “**Small business owners are feeling more uncertain than ever.** Uncertainty makes owners hesitant to invest in capital spending and inventory, especially as inflation and financing costs continue to put pressure on their bottom lines.” A seasonally adjusted 34% of all small business owners reported job openings they could not fill in their current period, down 6 points from August and the lowest reading since January 2021. **Of the 59% of owners hiring or trying to hire in September, 90% 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 decreased 0.3% in September 2024 after advancing 0.3% in August. A strike at a major producer of civilian aircraft held down total industrial production growth by an estimated 0.3% in September, and the effects of two hurricanes subtracted an estimated 0.3%. Manufacturing output moved down 0.4% in September, and the index for mining fell 0.6%. **Capacity utilization edged down to 77.5% in September 2024,** a rate that is 2.2 percentage points below its long-run (1972–2023) average. Capacity utilization for manufacturing decreased 0.4% in September to 76.7%, a rate that is 1.6 percentage points below its long-run average. The operating rate for manufacturing fell 0.4 percentage point to 88.7%, while the operating rate for utilities rose 0.3 percentage point to 71.2%.

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)

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Manufacturing and Trade Inventories and Sales

Manufacturers' and **trade inventories for August 2024** were estimated at an end-of-month level of \$2,581.8 billion, up 0.3% from July 2024 and were up 2.4% from August 2023. The combined value of distributive **trade sales and manufacturers' shipments for August 2024** was estimated at \$1,876.8 billion, down 0.2% from July 2024, but was up 1.3% from August 2023. The total business inventories/sales ratio based on seasonally adjusted data at the end of August was 1.38. The August 2023 ratio was 1.36.

Source: U.S. Census Bureau

Purchasing Managers Index, Manufacturing

For April 2024, the Manufacturing PMI registered **49.2%, down 1.1 percentage points from the 50.3% recorded in March**. The Manufacturing PMI registered **47.2% in September 2024, matching the figure recorded in August**. Says the Institute for Supply Management, "U.S. manufacturing activity contracted again in September, and at the same rate compared to last month. Demand continues to be weak, output declined, and inputs stayed accommodative. **Companies showed an unwillingness to invest in capital and inventory due to federal monetary policy — which the U.S. Federal Reserve addressed by the time of this report** — and election uncertainty." Suppliers continue to have capacity, with lead times improving and shortages reappearing. Seventy-seven percent of manufacturing gross domestic product (GDP) contracted in September, up from 65% in August.

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 **September 2024 the Services PMI registered 54.9%, 3.4 percentage points higher than August's figure of 51.5%**. The reading in September marked the 7th time the composite index has been in expansion territory this year. According to the Institute for Supply Management, "Concerns over political uncertainty are more prevalent than last month and pricing of supplies remains an issue with supply chains continuing to stabilize. The interest-rate cut was welcomed; however, labor costs and availability continue to be a concern across most industries." **The 12 services industries reporting growth in September** — listed in order — are: Real Estate, Rental & Leasing; Management of Companies & Support Services; Accommodation & Food Services; Mining; Public Administration; Health Care & Social Assistance; Finance & Insurance; Construction; Transportation & Warehousing; Information; Educational Services; 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 Logistics Manager's Index for **September 2024 reads in at 58.6, up 2.2 points from August's reading of 56.4 and at its highest levels since two years ago in September 2022**. The overall index has now increased for 10 consecutive months, providing strong evidence that the logistics industry is back on solid footing. We saw a continuation of August's trends in September as Inventory Levels increased. This is largely driven by the long-expected restocking of Downstream retailers. This represents some modicum of relief for Upstream supply chains, where goods had been building up like rainclouds waiting for the eventual downstream release as we move into Q4. This shift is reflected in the significantly higher rates of both Downstream Warehousing Prices and Transportation Prices, signaling that retail supply chains are whirring back into motion for peak season. **The fact that peak season is happening at all should be a bit of a relief for the logistics industry – and economy as a whole – since the country has not really seen a traditional seasonal peak since 2021** (or possibly even 2019 if you don't consider 2020 or 2021 to be "normal").

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

As procurement and supply chain teams continue to adjust to inflation and cost pressures, the United States is gearing up for a significant presidential election. Regardless of the outcome, the results will undoubtedly impact businesses and supply chains—potentially driving global market volatility. C-suite executives are already highly attuned to geopolitical uncertainty. According to an Economist Impact survey, one out of three C-suite executives identify geopolitical impacts as the top concern for organizational risk in the next 12-18 months. These abrupt changes place supply chains in the spotlight, as teams must guide their companies through unforeseen scenarios.

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

INTERMODAL:

Dow Jones Transportation Average

As of October 29, 2024, the Dow Jones Transportation Average **closed at a reading of 16,308.79**.

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.)

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NASDAQ Transportation Index

As of October 29, 2024, the NASDAQ Transportation Index **closed at a reading of 7,053.90.**

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 level of for-hire freight shipments in **August 2024 measured 139.9, 1.1% below the all-time high of 141.5 reached in August 2019.** The index increased in August due to seasonally adjusted increases in water, rail carload, rail intermodal, trucking, and air freight. Pipeline declined. August 2024 for-hire freight shipments were up 1.0% from the same month of previous year.

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

Freight Index for Shipments and Expenditures

The **shipments component of the Cass Freight Index fell 1.7% month-over-month in September 2024,** after a 1.0% increase in August. Shipments declined by 5.2% year-over-year in September after a 1.9% year-over-year drop in August. In a sign that private fleet insourcing still isn't finished, the decline comes as Class 8 tractor sales jumped in Q3 after supply constraints in Q2. The **expenditures component of the Cass Freight Index rose 2.4% month-over-month** in September 2024 despite another decline in fuel prices. The year-over-year decline in expenditures moderated to 6.6% from 9.0% in August. It is inferred that the 2.4% increase in expenditures included rates up 4.2% month-over-month in August. The expenditures component declined 16% in 1H'24, and assuming normal seasonal patterns from here, will decline 11%-12% 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 **August 2024 rose to 2.9 from the 0.5 reading in July 2024** due to falling fuel costs and weaker freight rates. Factors that tend to have a more indirect impact on shippers – freight volume and capacity utilization – were nearly neutral contributors during the month. According to FTR Transportation Intelligence “A shipper-friendly market is hanging on, and we see few clear signs that the situation will change much soon. **Our outlook is for a more neutral environment in 2025, but we do not see much on the horizon that will make for more than just a marginally unfavorable market for shippers overall.**”

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

North American Transborder Freight

Total transborder freight moved between the U.S. and North American countries Canada and Mexico by **all modes of transportation for August 2024 was valued at \$136.7 billion,** down 0.9% compared to August 2023. Freight **between the U.S. and Canada:** \$ 63.0 billion, down 6.4% from August 2023. Freight **between the U.S. and Mexico:** \$73.8 billion, up 4.2% from August 2023. Mexico continued to lead Canada in freight dollar value for the last 18 months. **Trucks moved** \$90.7 billion of freight, up 3.3% compared to August 2023. **Railways moved** \$16.9 billion of freight, down 4.3% compared to August 2023. **Vessels moved** \$9.8 billion of freight, down 17.2% compared to August 2023. **Vessels moved** 19.6% less mineral fuels. **Pipelines moved** \$8.9 billion of freight, down 9.0% compared to August 2023. **Air moved** \$4.7 billion of freight, down 8.8% compared to August 2023.

Source: U.S. Bureau of Transportation Statistics

Intermodal News Clip

Tracking intermodal rail volumes in the major North American geographies, one thing that catches the eye is the relatively poor performance of intermodal in the US-Mexico cross border market. Cross-border steel-wheel revenue moves fell 8.5% year over year in the first eight months of 2024 and have run behind 2023 levels every month so far in 2024 except for April, according to data from the Intermodal Association of North America's (IANA's) European Technical Standard Order (ETSO) database. This seems at odds with news coverage speaking of a “boom” in the volume of freight crossing the border, driven by near-shoring and “tariff washing” of Chinese goods moving to the US via Mexico.

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

RAIL:

U.S. Freight Rail Traffic

U.S. rail traffic for the week ending October 26, 2024 **totaled 519,415 carloads and intermodal units,** up 4.2% compared with the same week last year. **Total carloads were 228,829 carloads,** up 0.9% compared with the same week in 2023, while U.S. weekly **intermodal volume was 290,586 containers and trailers,** up 6.9% compared to 2023. **Seven of the 10 carload commodity groups posted an increase** compared with the same week in 2023. They included motor vehicles and parts, up 2,408 carloads, to 16,444; chemicals, up 1,506 carloads, to 32,838; and farm products excl. grain, and food, up 1,308 carloads, to 18,091. **Commodity groups that posted decreases** compared with the same week in 2023 were coal, down 3,132 carloads, to 59,981; metallic ores and metals, down 2,341 carloads, to 18,085; and nonmetallic minerals, down 332 carloads, to 32,084.

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

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Railroad Fuel Price Index

The index of **average railroad fuel prices for September 2024 was 463.0, down from 486.3 the previous month.** The index for September 2023 was 676.7, or difference of 37.50% year-over-year.

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 **September 2024 was 120,399 workers,** down from 120,611 workers in the previous month. Total number of workers in September 2023 was 122,464.

Source: U.S. Surface Transportation Board

Rail Freight News Clip

The Surface Transportation Board (STB) has approved applications from CSX and Canadian Pacific Kansas City to create a new direct interchange in Alabama by acquiring lines operated by G&W's Meridian & Bigbee Railroad, eliminating the need for it to serve as an intermediary carrier. The transaction was announced in June 2023, and the Class I railways submitted applications to the regulator in October 2023. The approval announced by STB in October this year is effective from November 16, 2024.

Source: Railway Gazette International ; [link to article](#)

ROAD:

Cowen/AFS Freight Index

Truckload Rates: The much-anticipated rate cut by the Federal Reserve finally happened, but the immediate effect on truckload rates is expected to be minimal. In the near term, truckload freight markets continue to be characterized by low demand and excess capacity. In Q3 2024, linehaul cost per shipment recorded its seventh consecutive quarter with a YoY decline. Looking to Q4 2024, the truckload rate per mile index is expected to stay near the floor established six quarters ago. **LTL Rates:** The LTL freight market in Q3 showed a continuation of established trends, with strict carrier pricing discipline working to maintain yields in a low-demand environment. Carrier pricing discipline is expected to hold in Q4 2024, with the LTL freight index projected to reach 65.0% above the 2018 baseline. **Express Parcel Rates:** For Q3, higher discounts and lower net fuel surcharges added up to the express parcel rate per package index dropping significantly, from 4.5% in Q2 to 1.6%. The index projects a further 0.2% drop in express parcel rate per package in Q4. **Ground Parcel Rates:** For Q3, the ground parcel rate per package index fell significantly, down to its lowest level since 2021 – 20.3% above the 2018 baseline. Looking ahead to Q4, competitive pricing pressure will continue to dominate the holiday shipping season, with a notable trend of growing discounts for large customers.

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 rose 0.3% month-over-month in September 2024, the 1st increase after 4 straight monthly declines.** The year-over-year decline of 3.5% widened slightly from 3.3% in August. While this has narrowed from a 15% year-over-year decline a year ago, it seems unlikely to turn positive until early 2025. As a broad truckload market indicator, this index includes both spot and contract freight. **Spot rates have started to increase, but although we've heard of isolated instances of contract rate increases, contract bids remain very competitive.**

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

Truck Tonnage Index

The For-Hire Truck Tonnage Index **decreased 2.1% in September 2024 after rising 1.7% in August.** In September, the index equaled 113.2 compared with 115.6 in August. "After increasing a total of 2.1% in July and August, tonnage fell by that amount in September," says American Trucking Associations. "Freight has been very choppy this year, but despite the latest drop, tonnage is up 1.8% since hitting a low in January. **No doubt, the climb up has been slow and difficult as manufacturing activity remains flat, but the trend is up, not down.**"

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 September 2024 was 3.49** down from previous month's ratio was 3.63. The September 2023 ratio was 3.87. **Georgia's load-to-truck ratio** for vans for September 2024 averaged 2.6 – 5.4 loads for every truck. For October 2024, the **spot rate** (national average) for dry van freight averaged \$2.02 while **contract rates** registered an average of \$2.41. The average outbound van rate for the Southeast region came in at \$1.88 for October 2024.

Source: DAT Freight & Analytics

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Truckload Freight, Refrigerated

The national **load-to-truck ratio for refrigerated hauls averaged 5.01 loads per truck in September 2024**, down from 5.95 the previous month. The September 2023 ratio was 5.11. **Georgia's load-to-truck ratio for September 2024 averaged 2.3 – 5.5 reefer loads per truck.** The average national **spot market reefer rate for October 2024 was \$2.38 per mile**, holding steady from the previous month. Contract rates for reefers averaged \$2.73, also with no change from the previous month. The average outbound rate for the **Southeast region for reefer freight** registered at \$2.09 for October 2024.

Source: DAT Freight & Analytics

Trucking Conditions Index

The Trucking Conditions Index **improved in August 2024 to -1.39, up from the reading of -5.59 in July.** A return to consistent decreases in fuel prices was the biggest factor in better market conditions for carriers in August, although all factors improved at least minimally. According to FTR Transportation Intelligence, **“Trucking is en route to more favorable conditions next year, but the road remains bumpy as both freight volume and capacity utilization are still soft, keeping rates weak.** Our forecasts continue to show the truck freight market starting to favor carriers modestly before the second quarter of next year.”

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

Diesel Prices

As of October 28, 2024, the **U.S. average diesel price was \$3.57 per gallon.** This is a 3-cent increase over last month and \$0.88 higher than the same week in 2023. The average price of diesel in the **Lower Atlantic states came in at \$3.51 per gallon**, increasing a nickel from the previous month. Prices were \$0.70 higher during the same period in 2023, averaging \$4.21 per gallon.

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

Trucking Employment

September 2024 numbers (preliminary) for the trucking industry **read at 1,543,600 employees**, decreasing from 1,544,100 employees (preliminary) for August 2024.

Source: U.S. Bureau of Labor Statistics

Trucking Earnings & Hours

For August 2024, the average earnings (preliminary) for occupations commonly found in truck transportation **were \$31.33/hour**, decreasing from the previous month's rate of \$31.40. August 2024 showed **average weekly hours totaling 40.4 hours** (preliminary) up from 39.9 hours in July 2024.

Source: U.S. Bureau of Labor Statistics

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

North American Class 8 net orders **for September 2024 reached 30,000 units, marking a 107% month-over-month increase but a 4% year-over-year decline.** This figure falls in line with seasonal expectations as the average September order level over the last seven years is 32,170 units. Given the current stagnation in the truck freight market from a volume and rate perspective, this is a very balanced order number and suggests an initial, healthy level of demand for new trucks in 2025 as September is typically the opening of order boards for the following year. **“Despite stagnant freight markets, fleets continue to invest in new equipment, albeit at replacement demand levels in 2024 to date”**, says FTR Transportation Intelligence. “We expect a modest increase in September backlogs once the final Class 8 market data is released later this month.”

Source: FTR Transportation Intelligence

Road Freight News Clip

The way that shippers and carriers classify loads of less than truckload (LTL) freight to determine delivery rates is set to change in 2025 for the first time in decades, introducing a new approach that is designed to support more standardized practices. Those changes to the National Motor Freight Classification (NMFC) are necessary because the current approach is “complex and outdated,” according to industry group the National Motor Freight Traffic Association (NMFTA). Businesses throughout the logistics sector will be affected by the transition, since the NMFC is a critical tool for setting prices that is used daily by transportation providers, trucking fleets, third party logistics providers (3PLs), and freight brokers.

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

LOGISTICS MARKET SNAPSHOT

AIR:

Air Cargo Traffic

Global Cargo Tonne-Kilometers (CTK) **increased by 11.4% year-on-year last month, delivering the 9th consecutive month with double-digit demand growth and the 2nd straight month with record year-to-date demand levels.** International CTK added 12.4% relative to last year, driven by all regions and major trade lanes. Global air cargo capacity, measured in Available Cargo Tonne-Kilometers (ACTK), saw 6.2% growth year-on-year in August, seeing slower growth than in the months prior but at the same time delivering record capacity levels. **Despite global record capacity and falling fuel prices, the global air cargo yield maintains a moderate upward trend.**

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

Jet Fuel Prices

As of October 25, 2024, the global average jet fuel price **ended at \$89.56/bbl, an increase of 4.1% from the previous month.** This is a 20.3% 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

Amazon has officially entered the for-hire air cargo market, making capacity on its large fleet of cargo jets broadly available for the first time to freight forwarders and other businesses after previously providing airlift to a limited set of companies. Amazon for years quietly sold space on its cargo jets to a handful of clients. Now it is fully externalizing the service to capitalize on excess capacity after working out the kinks for moving high volumes of third-party freight.

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

OCEAN:

Shanghai Containerized Freight Index

As of October 25, 2024, the China Shanghai Containerized Freight Index **reading was \$2,185.33 per FEU.** This is a 2.32% increase from the previous month, **and a 73.34% increase year-over year.**

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

Georgia Ports Authority

The **Georgia Ports Authority handled 450,700 twenty-foot equivalent container units last month**, an increase of 12% or approximately 48,000 TEUs, compared to the same month last year, its 2nd busiest September on record. September import loads totaled 234,630 TEUs in Savannah, up 17% or approximately 34,735 TEUs. Export loads were down 8.8% or 9,800 TEUs to 101,730 compared to the same month last year. **The inland terminal at Appalachian Regional Port handled 3,000 containers in September, an increase of 11 percent or 300 boxes.** It was a record quarter for the ARP, moving more than 10,000 containers July through September. **At the Port of Brunswick, Colonel's Island Terminal handled 78,430 units of vehicles and high/heavy equipment in September, an increase of 10% or nearly 7,000 units compared to September 2023.**

Source: Georgia Ports Authority

Ocean Freight News Clip

Container carrier Hapag-Lloyd is the latest ocean transportation provider to report a robust financial boost from disruptions on key shipping routes. The Hamburg, Germany-based liner operator on Friday raised full-year 2024 earnings estimates as vessel operators divert around Houthi rebel attacks on ships transiting the Red Sea, leading to longer voyages and higher rates for shippers. Based on unaudited data, Hapag-Lloyd saw pretax earnings of \$3.6 billion in the first nine months of 2024, down from \$4.5 billion in the same period a year ago.

Source: American Shipper; [link to article](#)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

Both vacant speculative deliveries and some additional sublease vacancies **pushed the U.S. industrial vacancy rate up from 6.1% in the second quarter to 6.4% in the third.** Although higher than the lows posted in 2021 and 2022, the vacancy rate remains below pre-pandemic averages, at 7%. Of the 84 markets tracked by Cushman & Wakefield, 48 had vacancy rates at 6% or lower at the close of the quarter. However, 2/3 of U.S. markets experienced quarter-over-quarter increases in vacancy rates. While vacant sublease space continued to tick higher nationally, the bulk of new sublease vacancies were concentrated in a handful of markets, led by Los Angeles, Phoenix, Chicago and the Inland Empire. **Savannah, GA reported a vacancy rate of 9.0% for Q3 2024, compared to 4.6% in Q3 2023. Atlanta, GA reported a vacancy rate of 8.1% for Q3 2024, compared to 5.8% in Q3 2023.**

Source: Cuman & Wakefield

LOGISTICS MARKET SNAPSHOT

Warehouse Rent Rates

The U.S. average asking rental rate **increased by 4.3% year-over-year to \$10.08 per square foot (psf), surpassing the \$10 psf mark for the first time in history.** While rent growth has moderated in 2024 compared to the double-digit gains of 2022 and 2023, some markets continue to report robust gains. Of the 84 markets tracked, 58 reported year-over-year rent growth, and 12 reported rent growth of 10% or higher. Conversely, 26 markets reported annual rent declines, with the largest decreases mostly occurring in markets on the West Coast. **For Savannah, GA** the average asking rental rate for Q3 2024 was \$6.56, compared to \$6.97 for Q3 2023. **For Atlanta, GA** the average asking rental rate for Q3 2024 was \$7.18, compared to \$6.90 for Q3 2023.

Source: Cushman & Wakefield

Industrial Absorption

Net absorption was modest in the third quarter, as some large occupiers continued to shed unneeded space due to cooling consumer demand and shifting of inventory strategies. **With 29.4 million square feet (msf) in the third quarter, net absorption was down 35% quarter-over-quarter but was 40% stronger than the first quarter of 2024.** As in recent years, much of the positive net absorption is tied to the delivery of either build-to-suit or preleased speculative developments, continuing the trend that new, high-quality product continues to outperform. Eight markets yielded more than 5 msf of YTD net growth, and 60% of the industrial markets recorded positive absorption during that time. Meanwhile, eight markets accounted for the majority of negative YTD absorption, led by Los Angeles, Oakland/East Bay, Northern New Jersey and Seattle. **For Savannah, GA, Q3 2024 net absorption registered at 134,905 compared to 6,607,110 for Q3 2023. For Atlanta, GA, Q3 2024 net absorption registered 1,758,313 compared to 2,494,760 for Q3 2023.**

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

Warehouse Employment

Preliminary September 2024 numbers for the warehousing industry workforce comes in at **1,770,600 employees, dropping from 1,781,600 employees** for August 2024 (preliminary).

Source: U.S. Bureau of Labor Statistics

Warehouse Earnings & Hours

August 2024 average hourly earnings in the warehousing and storage subsector comes in at **\$24.91/hour (preliminary), less than the July rate of \$24.73.** The **average weekly hours were 40.9 for August 2024** (preliminary) up from 40.6 hours in July 2024.

Source: U.S. Bureau of Labor Statistics

Warehouse & Distribution News Clip

While the overall commercial real estate industry is under duress with banks and other lenders seizing control of distressed commercial properties at the highest rate in 10 years, there are signs of recovery in the industrial market. Supply is abating, and demand and rental rates are increasing in most U.S. markets. Leading this rebound is the logistics sector which, by and large, has avoided the worst fallout brought about by high interest rates and economic uncertainties. New leases, new construction, and improved financials by several key logistics players are clear signs that the warehousing sector is well in the lead of the industrial real estate comeback.

Source: Supply Chain Xchange; [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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