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FEBRUARY 2024

U.S. MARKET:	
Gross Domestic Product	**Real gross domestic product (GDP) increased at an annual rate of 3.2% in the fourth quarter of 2023 according to the "second" estimate** released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 4.9%. The increase in real GDP reflected increases in consumer spending, exports, state and local government spending, nonresidential fixed investment, federal government spending, and residential fixed investment that were partly offset by a decrease in private inventory investment. *Source: Bureau of Economic Analysis*
U.S. Trade Deficit	The goods and services deficit was **$62.2 billion in December 2023, up $0.3 billion from $61.9 billion in November**, revised. The December increase in the goods and services deficit reflected an increase in the goods deficit of $0.7 billion to $89.1 billion and an increase in the services surplus of $0.4 billion to $26.9 billion. For the three months ending in December the average goods and services deficit increased $0.5 billion to $62.7 billion. *Source: Bureau of Economic Analysis*
Import Volumes	December 2023 **imports were $320.4 billion, $4.2 billion more than November imports**, or an increase of 1.3%. December imports from South Korea ($10.4 billion) were the highest on record. December petroleum imports ($22.1 billion) were the highest since November 2022 ($22.7 billion). *Source: U.S. Census Bureau*
Export Volumes	December 2023 **exports were $258.2 billion, $3.9 billion more than November exports**, or an increase of 1.5%. December exports to Mexico ($23.8 billion) were the lowest since February 2022 ($23.6 billion). December real dollar exports of industrial supplies and materials ($50.4 billion) were the highest since September 2022 ($50.8 billion). *Source: U.S. Census Bureau*
Import & Export Price Index	**Prices for U.S. imports advanced 0.8% in January 2024 following a 0.7% decline the previous month**. Higher prices for both nonfuel and fuel imports contributed to the overall increase. Despite the January increase, U.S. import prices fell 1.3% over the past year and have not risen on a 12-month basis since January 2023. **U.S. export prices also advanced 0.8% in January 2024, after decreasing 0.7% in Decembe**r 2023. Higher nonagricultural export prices in January more than offset lower agricultural prices. Despite the January increase, U.S. export prices decreased 2.4% over the past 12 months. *Source: Bureau of Labor Statistics*
Unemployment Rate	Total U.S. nonfarm payroll employment **rose by 353,000 in January 2024, and the unemployment rate remained at 3.7%.** Job gains occurred in professional and business services, health care, retail trade, and social assistance. Employment declined in the mining, quarrying, and oil and gas extraction industry. **Georgia's unemployment rate came in at 3.4% for December 2023**, now ranking 25th in the U.S. of states with the lowest unemployment, tied with Arkansas, Colorado, and Oklahoma. Maryland shows the lowest level of unemployment at 1.9%. Nevada ranks highest in unemployment with a rate of 5.4%. ***Note: Releases for the State Employment and Unemployment for January 2024 and February 20024, will be published March 2024*** *Source: Bureau of Labor Statistics*
Labor Force Participation Rate	For January 2024 the labor force participation rate **came in at 62.5%, seeing no change from the previous month.** The labor force participation rate for January 2024 for those of **prime working age (25-54) ticked up to 83.3%.** *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 0.4% in January 2024 to 102.7, following a 0.2% decline in December 2023.** The LEI contracted by 3.0% over the six-month period between July 2023 and January 2024, a smaller decrease than the 4.1% decline over the previous six months. According to The Conference Board, "The U.S. LEI fell further in January, as weekly hours worked in manufacturing continued to decline and the yield spread remained negative. While the declining LEI continues to signal headwinds to economic activity, for the first time in the past two years, 6 out of its 10 components were positive contributors over the past six-month period (ending in January 2024**). As a result, the leading index currently does not signal recession ahead**." *Source: The Conference Board (the LEI is a composite of 10 economic indicators that together create an analytic system designed to signal peaks and troughs in the business cycle. The LEI reveals patterns in economic data in a clearer and more convincing manner than any individual component alone)*

Pending Home Sales Index	Pending home sales **for December 2023 saw an increase of 8.3% with the Pending Home Sales Index coming in at 77.3.** Pending home sales surged in December, with month-over-month and year-over-year transaction gains in the Midwest, West, and South and losses in the Northeast. The National Association of Realtors (NAR) forecasts a 13% increase in existing-home sales from 2023 to 4.62 million in 2024. Says NAR, "**The housing market is off to a good start this year, as consumers benefit from falling mortgage rates and stable home prices.** Job additions and income growth will further help with housing affordability, but increased supply will be essential to satisfying all potential demand." ***Note: January 2024 Pending Home Sales Index not yet 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 January 2024 were at a seasonally adjusted annual rate of 1,331,000.** This is 14.8% below the revised December estimate of 1,562,000 and is 0.7% below the January 2023 rate of 1,340,000. **Single-family housing starts in January were at a rate of 1,004,000**; this is 4.7% below the revised December figure of 1,054,000. The January rate for units in buildings with five units or more was 314,000. *Source: U.S. Census Bureau*
Light-Vehicle Sales	New light-vehicle sales cooled at the start of 2024. **The January 2024 rate of 15.0 million units represents a decline of 5.6% compared with December 2023 and 0.7% compared with January 2023**. It is likely some of January's sales volume was pulled into December 2023, given the increase in OEM incentive spending seen at the end of 2023. According to J.D. Power, average incentive spending per unit likely totaled $2,346, down $287 compared with December 2023. In January, sales of alternative fuel vehicles continued to chip away at the market share held by internal combustion engines (ICE). **Sales of alternative fuel vehicles represented 18.2% of all new vehicles sold in January 2024. Battery electric vehicles** (BEVs) represented 7.4% of all new vehicles sold and BEV sales increased by 9% year-over-year. Looking ahead to the rest of 2024, new light-vehicle production is expected to increase in 2024. New light-vehicle inventory will rise slowly throughout the year as higher production is somewhat offset by higher demand. The forecast for new light-vehicle sales for all of 2024 is 15.9 million units. *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 $233.7 billion in January 2024. Disposable personal income (DPI), personal income less personal current taxes, increased $67.6 billion (0.3%). The increase in current-dollar personal income in January primarily reflected increases in government social benefits, personal income receipts on assets, and compensation. The increase in government social benefits was led by social security benefits, reflecting a 3.2% cost-of-living adjustment, and other government social benefits, primarily reflecting an increase in Affordable Care Act enrollments. **Personal outlays**, the sum of PCE, personal interest payments, and personal current transfer payments, increased $54.3 billion in January 2024. Personal saving was $779.3 billion in January and the personal saving rate—personal saving as a percentage of disposable personal income—was 3.8%. *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 December 2023 Personal Consumption Expenditures (PCE) increased $133.9 billion (0.7%). The PCE price index increased 0.2%. Excluding food and energy, the PCE price index increased 0.2% . Real PCE increased 0.5%; goods increased 1.1% and services increased 0.3%. ***Note: January 2024 Personal Consumption Expenditures Price Index not yet 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)*
Retail Sales	Advance estimates of U.S. retail and food services sales **for January 2024 were $700.3 billion, down 0.8% from the previous month**, and up 0.6% above January 2023. Total sales for the November 2023 through January 2024 period were up 3.1% from the same period a year ago. Nonstore retailers were up 6.4% from last year, while food services and drinking places were up 6.3% from January 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 **fourth quarter of 2023 was $285.2 billion, an increase of 0.8% from the third quarter of 2023**. Total retail sales for the fourth quarter of 2023 were estimated at $1,831.4 billion, an increase of 0.4% from the third quarter of 2023. The fourth quarter 2023 e-commerce estimate increased 7.5% from the fourth quarter of 2022 while total retail sales increased 2.8%. **E-commerce sales in the fourth quarter of 2023 accounted for 15.6 percent of total sales**. Total e-commerce sales for 2023 were estimated at $1,118.7 billion, an increase of 7.6% from 2022. Total retail sales in 2023 increased 2.1% From 2022. E-commerce sales in 2023 accounted for 15.4% of total sales. E-commerce sales in 2022 accounted for 14.7% of total sales. *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 Inde	The Consumer Confidence Index **fell in February 2024 to 106.7, down from a revised 110.9 in January**. February's decline in the Index occurred after three consecutive months of gains. However, as January was revised downward from the preliminary reading of 114.8, the data now suggest that there was not a material breakout to the upside in confidence at the start of 2024. Per The Conference Board, "**The decline in consumer confidence in February interrupted a three-month rise, reflecting persistent uncertainty about the US economy.** Confidence deteriorated for consumers under the age of 35 and those 55 and over, whereas it improved slightly for those aged 35 to 54." *Source: The Conference Board (the consumer confidence index is based on a monthly survey of 5,000 U.S. household. It is designed to gauge the financial health, spending power, and confidence of the average U.S. consumer. Base year 1985=100)*
Consumer & Producer Price Index	The **Consumer Price Index increased 0.3% in January 2024 after rising 0.2% in December 2023**. The index for all items less food and energy rose 0.4% in January. Indexes which increased in January include: shelter, motor vehicle insurance, and medical care. The index for used cars and trucks and the index for apparel were among those that decreased over the month. The **Producer Price Index for final demand increased 0.3% in January 2024**. Final demand prices declined 0.1% in December 2023 and advanced 0.1% in November 2023. The index for final demand services moved up 0.6% in January, the largest increase since rising 0.8% in July 2023. In January, most of the advance is attributable to prices for final demand services less trade, transportation, and warehousing, which climbed 0.%. The index for final demand less foods, energy, and trade services rose 0.6% in January 2024, the largest advance since moving up 0.6% in January 2023. *Source: U.S. Bureau of Labor Statistics (the CPI measures the change in prices paid by consumer for goods and services. Base year 1999=100; the PPI measures the average price changes by producers for domestically produced goods, services, and construction. Base year 2009=100)*
Small Business Optimism Index	The Small Business Optimism Index **decreased two points in January to 89.9, marking the 25th consecutive month below the 50-year average of 98**. The net percent of owners who expect real sales to be higher declined 12 points from December to a net negative 16% (seasonally adjusted), a very negative shift in expectations. Says the National Federation of Independent Business, "Small business owners continue to make appropriate business adjustments in response to the ongoing economic challenges they're facing**. In January, optimism among small business owners dropped as inflation remains a key obstacle on Main Street."** Also reported by NFIB: 39% of all owners reported job openings they could not fill in the current period; 59% of owners reported capital outlays in the last six months, up one point from December. *Source: National Federation of Independent Business*
Industrial Production & Capacity Utilization	**Industrial production edged down** 0.1% in January 2024 after recording no change in December 2023. In January, manufacturing output declined 0.5% and mining output fell 2.3%; winter weather contributed to the declines in both sectors. The index for utilities jumped 6.0%, as demand for heating surged following a move from unusually mild temperatures in December to unusually cold temperatures in. **Capacity utilization for the industrial sector** moved down 0.2 percentage points in January 2024 to 78.5%, a rate that is 1.1 percentage points below its long-run (1972–2023) average. Capacity utilization for manufacturing decreased to 76.6% in January, a rate that is 1.6 percentage points below its long-run average. *Source: The Federal Reserve (The industrial production and capacity utilization rates cover manufacturing, mining, and electric and gas utilities. The industrial detail provided by these measures helps illuminate structural developments in the economy)*
Manufacturing and Trade Inventories and Sales	Manufacturers' and **trade inventories for December 2023 were estimated at an end-of-month level of $2,556.0 billion**, up 0.4% from November 2023 and were up 0.4% from December 2022. The combined value of distributive **trade sales and manufacturers' shipments for December 2023 was estimated at $1,863.6 billion,** up 0.4% from November 2023 and was up 2.2% from December 2022. The total business inventories/sales ratio based on seasonally adjusted data at the end of December was 1.37. The December 2022 ratio was 1.40. *Source: U.S. Census Bureau*

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Purchasing Managers Index, Manufacturing	The Manufacturing PMI **registered 49.1% in January 2024, up 2 percentage points** from the seasonally adjusted 47.1% recorded in December 2023. The overall economy continued in expansion for the 45th month after one month of contraction in April 2020. Two of the six biggest manufacturing industries (Transportation Equipment; and Chemical Products) registered growth in January. Says the Institute for Supply Management, "**The U.S. manufacturing sector continued to contract**, though at a marginal rate compared to December. Demand moderately improved, output remained stable, and inputs are accommodative." *Source: Institute for Supply Management (The PMI combines data on new orders, production, employment, supplier deliveries, and inventory. A reading above 50 % indicates that the manufacturing economy is generally expanding.)*
Purchasing Managers Index, Services	In January 2024, the Services PMI **registered 53.4%, 2.9 percentage points higher** than the seasonally adjusted reading of 50.5% for December 2023. The sector has grown in 43 of the last 44 months, with the lone contraction in December 2022. **The 7 industries reporting a decrease** in the month of January — listed in order — are: Information; Retail Trade; Real Estate, Rental & Leasing; Mining; Arts, Entertainment & Recreation; Wholesale Trade; and Finance & Insurance. Per the Institute for Supply Management, "Overall growth rate increase in January is attributable to faster growth of the New Orders, Employment, and Supplier Deliveries. The majority of respondents indicate that business is steady; however, **they are cautious due to inflation, associated cost pressures, and ongoing geopolitical conflicts**." *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 LMI **read in at 55.6 for January 2024, up 5.0 points from the December 2023 reading of 50.6. For the first time since September of 2019 every metric in the Logistics Managers' Index is reading in expansion territory**. The most significant move is the long-awaited return of Transportation Prices to expansion, its first appearance on the positive side of the ledger since June of 2022 at the start of the freight recession. This increase in price is largely driven by movements by retailers to increase Inventory Levels after a busy holiday season. This inventory rebuild also led to a considerable increase in the expansion of Inventory Costs. This is a marked shift for Inventory Costs, which registered their lowest reading ever in January 2024. Warehousing metrics continued their steady, sustainable rates of expansion, with all three (pricing, utilization, capacity) growing at slightly slower rates. **A longer period of growth is required to call an official end to the freight recession. However, when taken all together, January's report does offer evidence that the logistics industry could be moving back into a period of growth** after the long downturn that started in 2022. *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	Worker shortages have led many companies to invest in machines. They've also been training the workers they do have to use advanced technology so they can produce more with less. The result has been an unexpected productivity boom, which helps explain a great economic mystery: How has the world's largest economy stayed so healthy, with brisk growth and low unemployment, despite brutally high interest rates that are intended to tame inflation but that typically cause a recession? *Source: The Associated Press; link to article*

INTERMODAL:

Dow Jones Transportation Average	As of February 28, 2024, the Dow Jones Transportation Average **closed at a reading of 15,706.21.** *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 February 28, 2024, the NASDAQ Transportation Index **closed at a reading of 7,119.00.** *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 **December 2023 measured 139.1, 1.3% below the all-time high of 141.0** reached in August 2019. The December 2023 index of 139.1 is 46.4% higher than the low in April 2009 during the recession (95.0). The December freight index increase followed a decrease in November and was the fifth increase in six months, leaving the index 1.6% above the June level. The December increase is due to seasonally adjusted increases in air freight, rail carload, rail intermodal and trucking, while pipeline and water declined. *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 3.5% month-over-month** in January 2024 but was consistent with December 2023 in seasonally adjusted (SA) terms. Despite the harsh weather impact, the January decline was in line with normal seasonality. On a year-over-year basis, the index declined 7.6% year-over-year, after a 7.2% year-over-year decline in December 2023. The **expenditures component of the Cass Freight Index fell 4.0% month-over-month add 24% year-over-year in January 2024**. Against a slightly smaller decline in freight shipments (-3.5% month-over-month, it's inferred that overall paid rates were down 0.5% month-over-month in January. U.S. freight spending fell 19% in 2023, after a record 38% surge in 2021 and another 23% increase in 2022.
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 came in **with a reading of 6.4 December 2023** as shippers saw unusually stable conditions during the month. However, entering 2024 the outlook is weaker as fuel prices stop dropping steadily and freight rates become a bit less favorable. According to FTR Transportation Intelligence, "We are seeing firmer freight demand than our forecasts had been indicating, and that will start chipping away at the favorable capacity utilization and rate environments that have benefitted shippers for some time. **Shippers should start mulling over how they will respond to a freight market that is considerably more balanced and, therefore, more susceptible to volatility**."
Source: FTR Transportation Intelligence (Figures below zero indicate a less-than-ideal environment for shippers)

North American Transborder Freight

Total transborder freight moved by all modes of transportation between the U.S. and North American countries Canada and Mexico for December 2023 was valued at $121.6 billion, down 0.1% compared to December 2022. **Freight between the U.S. and Canada** totaled $61.1 billion, up 0.7% from December 2022. **Freight between the U.S. and Mexico** totaled $60.4 billion, down 0.9% from December 2022. **Air moved** $4.6 billion of freight, down 10.3% compared to December 2022. **Pipelines moved** $9.1 billion of freight, down 10.3% compared to December 2022. **Railways moved** $16.4 billion of freight, up 2.6% compared to December 2022. **Trucks moved** $73.2 billion of freight, down 0.9% compared to December 2022. **Vessels moved** $11.0 billion of freight, up 7.0% compared to December 2022.
Source: U.S. Bureau of Transportation Statistics

Intermodal News Clip

This month, J.B. Hunt Transport Services, a subsidiary of trucking and intermodal services bellwether J.B. Hunt, said that its J.B. Hunt Transport Inc. subsidiary inked a multiyear deal with global retail giant Walmart, with a key component of the deal being its acquisition of Walmart's intermodal assets, including its operational intermodal container and chassis fleets. J.B. Hunt officials described this deal as a strategic service agreement focused on increasing both companies' respective current volume and capacity commitments, with a focus on driving long-term value. What's more, this is far from the first time the companies have collaborated with J.B. Hunt noting it has worked closely with Walmart to provide efficient transportation solutions for decades.
Source: Logistics Management; link to article

RAIL:

U.S. Freight Rail Traffic

U.S. railroads originated **1,025,168 carloads in January 2024**, down 7.2%, or 79,725 carloads, from January 2023. U.S. railroads also originated **1,206,014 containers and trailers in January 2024**, up 5.5%, or 63,195 units, from the same month last year. **Combined U.S. carload and intermodal originations in January 2024 were 2,231,182**, down 0.7%, or 16,530 carloads and intermodal units from January 2023. "In January, severe winter weather significantly disrupted railroad and rail customer operations in much of the country," says the Association of American Railroads. "**Moreover, uncertainty remains in the economy, especially in sectors that are important to railroads, like manufacturing.** Because of these factors, January is not necessarily a harbinger of what's to come for rail traffic in the months ahead."
Source: Association of American Railroads (Report includes rail car-loadings by 20 different major commodity categories)

Railroad Fuel Price Index

The index of **average railroad fuel prices for January 2024 was 509.3** This is a month-over-month decrease of 1.92%, and a year-over-year decrease of 20.96%.

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 **January 2024 was 122,677 workers**, a decrease from 122,343 workers in December 2023. Total number of workers in January 2023 was 119,245. *Source: U.S. Surface Transportation Board*
Rail Freight News Clip	Cargo moved by rail at the Port of Savannah reached 47,132 containers in January 2024, an increase of 10,000 boxes, or 27 %. "Customers 250 miles inland and greater are tapping Savannah as their port of choice for ag exports, manufacturing components and retail goods," said Georgia Ports Authority President and CEO Griff Lynch. "The investments we've made in rail capacity have not only increased the number of containers the Port of Savannah can handle each year, but extended our reach to new markets that can be served effectively by Garden City Terminal." GPA put the finishing touches on its $220 million Mason Mega Rail project last year, providing 24 miles of on-terminal track. *Source: Georgia Ports Authority; link to article*
ROAD:	
Cowen/AFS Freight Index	**Truckload Rates:** Truckload (TL) average Linehaul Cost Per Shipment continued its downward trend in Q4:2023, with a decline of 24.0% YOY and 7.6% QOQ. The Q1:2024 TD Cowen/AFS Truckload Freight Index is expected to stay flattish at 4.6%, down slightly by 0.2% QOQ and 2.9% YOY. **LTL Rates:** In Q4:2023, LTL Cost Per Shipment witnessed a modest decrease of 0.7% QOQ, accompanied by a 0.4% QOQ decline in Weight Per Shipment. As LTL carriers absorbed Yellow's volume in the second half of 2023, the absence of a resurgence in demand is likely to exert downward pressure on rates in Q1:2024. No significant increase on fuel surcharge is expected in Q1:2024, barring any substantial impact from the recent disruptions in the Red Sea. The most recent pattern of subtle fluctuations in the LTL Rate Per Pound is expected to continue into Q1:2024, reflecting a decrease of 0.7% QOQ. **Express Parcel Rates**: Despite the Demand Surcharges taking effect in Q4:2023, the Express Parcel rates declined by 2.2% QOQ, driven by unfavorable service mix and discount changes. Express Parcel saw an unusually significant mix shift. Traditionally, the Q4 premium service mix is 3 to 5 percentage points lower than Q3. However, in Q4:2023 the premium service mix dropped by 6.3 percentage points QOQ. TD Cowen/AFS Express Parcel Freight Index will reach 1.8% in Q1:2024, reflecting a 1.6% QOQ increase and a 2.2% YOY decrease. **Ground Parcel Rates:** Parcel carriers have "fueled" the fire by introducing fuel surcharge hikes atypically disconnected from previous General Rate Increase (GRI) announcements of late 2023. Ground Parcel rates showed a modest increase of 0.7% QOQ in Q4:2023 mainly influenced by higher accessorial charges, average zone and fuel, despite a 3.7% QOQ drop in average billed weight. Ground Parcel Cost Per Package rebounded in Q4:2023, driven by favorable changes in accessorial charges, zone and fuel. *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 in **January 2024 declined 0.6% from the previous month** after rising by 0.4% month-over-month in December 2023. The 5.9% year-over-year decline was the narrowest in the past year. The January index level was a new cycle low but within 1% of the average of the past six months as the market rebalances. As a broad truckload market indicator, this index includes both spot and contract freight. **With spot rates steady over the past several months, downward pressure on the larger contract market is lessening, with some instances of contract rate increases bucking the downtrend recently**. *Source: Cass Information Systems (this index measures the per-mile change in linehaul rates and is an indicator of market fluctuations in per-mile dry van truckload pricing in the U.S. and does not include other components like fuel and accessorials. Provides trends in baseline truckload prices)*
Truck Tonnage Index	The For-Hire Truck Tonnage Index **decreased 3.5% in January 2024 after increasing 1.2% in December 2023.** In January, the index equaled 111.0 compared with 115.0 in December. "January's data was a snap back to reality for anyone thinking the freight market was about to turn the corner," says the American Trucking Associations. "**Bad winter weather in January likely hurt volumes, not to mention sharp drops in a number of drivers of tonnage including retail sales, housing starts and manufacturing output**." Compared with January 2023, the seasonally adjusted index fell 4.7%, which was the eleventh straight year-over-year decrease. In December, the index was down 0.8% from a year earlier. *Source: American Trucking Associations (Note: ATA recently revised the seasonally adjusted index to 2015 = 100)*
Truckload Freight, Van	The **national van load-to-truck ratio for January 2024 was 2.69.** The December 2023 ratio was 1.93 and the January 2023 ratio was 3.01. **Georgia's load-to-truck ratio** for vans for January 2024 remained steady, averaging 1.1 – 2.5 loads for every truck. February 2024 **spot rates** (national average) for dry van freight fell 8 cents from the previous month to a rate of $2.07. **Contract rates** registered an average of $2.50 for the same month. The average outbound van rate for the Southeast region registered at $2.01 for January 2024. *Source: DAT Freight & Analytics*

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Truckload Freight, Refrigerated

The national **load-to-truck ratio for refrigerated hauls jumped to 4.14 loads per truck in January 2024.** The December 2023 ratio was 2.58 and the January 2023 ratio was 4.86. **Georgia's load-to-truck ratio** for January 2024 averaged 2.3 – 5.5 reefer loads per truck. The average national **spot market reefer rate for February 2024 was $2.43 per mile,** falling 14 cents from the previous month. Contract rates for reefers averaged $2.88 for the same month. The average outbound rate for the **Southeast region for reefer freight** is currently the lowest in the U.S., registering at $2.21.
Source: DAT Freight & Analytics

Trucking Conditions Index

The Trucking Conditions Index for December 2023 **fell to a reading of -4.31 from the -1.35 reading in November 2023**. Although December's index was weaker than November's, it otherwise indicated the least negative overall market conditions for carriers since May. December's decrease was due mostly to a higher cost of capital and a deterioration in freight rates. The outlook remains below neutral market conditions through 2024. **There are indications that larger carriers are no longer absorbing the bulk of driver capacity displaced by failing small carriers, suggesting a steady tightening of capacity that eventually could spark a turn in the market.** If the recent upturn in diesel prices continues, the capacity drain among small carriers might accelerate.
Source: FTR Transportation Intelligence (Figures below zero indicate a less-than-ideal environment for trucking)

Diesel Prices

As of February 26, 2024, the **U.S. average diesel price was $4.05 per gallon**. This is a 19-cent increase month-over-month and 24 cents lower than the same week in 2023. The average price of diesel in the **Lower Atlantic states came in at $4.12 per gallon**, showing a 16-cent jump from the previous month. Prices were $4.28 per gallon during the same period in 2023.
Source: U.S. Energy Information Administration (Reflects the costs and profits of the entire production and distribution chain)

Trucking Employment

January 2024 numbers (preliminary) for the trucking industry **read at 1,555,700 employees,** increasing from 1,553,300 employees (preliminary) for December 2023.

Source: U.S. Bureau of Labor Statistics

Trucking Earnings & Hours

For December 2023, the average earnings (preliminary) for occupations commonly found in truck transportation **were $30.74/hour**, a jump from the previous month's rate of $30.56. December 2023 showed **average weekly hours totaling 40.8 hours** (preliminary) up from 40.5 hours in November 2023.

Source: U.S. Bureau of Labor Statistics

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

Preliminary North American Class 8 net orders for **January 2024 came in at 26,400 units, up 2% from December 2023 and up 35% year-over-year.** Total Class 8 orders over the past three months are running at an annualized rate of 354,000 units. The annualized rate over the past six months has been 327,000 units. Orders for the previous 12 months equaled 259,000 units. Per FTR Transportation Intelligence, "Build slots continue to be filled at a healthy rate. With January orders coming in at a rate that was comparable to the previous month, the market is still performing at a high level historically. Fleets continue to be willing to order new equipment despite uncertainty in the freight market. **Order levels were above the historical average and above seasonal trends, although we still expect 2024 activity to reflect replacement demand**".
Source: FTR Transportation Intelligence

Road Freight News Clip

The Federal Maritime Commission (FMC) has issued final rules for detention and demurrage billing that should shield port truckers from being on the hook for those charges. But cargo receivers may still face the fees even if they did not contract for the cargo's transportation. Those are among the highlights of the FMC's long-anticipated final rules for detention and demurrage billing practices, which were released this month. Port truckers have frequently been hit with unexpected detention and demurrage bills on containers they haul, even though they do not have a contract with an ocean carrier or marine terminal.
Source: Journal of Commerce; link to article

AIR:

Air Cargo Traffic

For December 2023, **global air cargo traffic saw a notable year-on-year increase of 10.8% marking the most substantial annual growth in air cargo tonne-kilometers (CTKs) over the past two years.** This surge brought the annual average 2023 figures to within 1.9% of the traffic seen in 2022. Air cargo demand reached 22.8 billion CTKs in December and is the most significant annual growth since October 2021. While this performance is partly due to a base effect (the decline in CTKs for most of 2022), it also reflects strong, continuous year-over-year demand growth over the past four months and robust month-on-month growth since April 2023.
Source: International Air Transport Association (Global air freight covers international and domestic scheduled air traffic.)

Jet Fuel Prices

As of February 23, 2024, the global average jet fuel price **ended at $109.66/bbl, increasing 0.8% from the previous month.** This is a 2.4% decline, year-over-year.

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

Air Freight News Clip

The rapid rise of fast-fashion e-commerce retailers such as Shein and Temu is upending the global air cargo industry, as they increasingly vie for limited air-cargo space to woo consumers with rapid transit times. Their growing popularity - Shein and Temu together send almost 600,000 packages to the United States every day, according to a June 2023 report by the U.S. Congress - is boosting air-freight costs from Asian hubs like Guangzhou and Hong Kong, making off-peak seasons almost disappear and causing capacity shortages. "The biggest trend impacting air freight right now is not the Red Sea, it's Chinese e-commerce companies like Shein or Temu", said Basile Ricard, director of Greater China operations at freight forwarder Bollore Logistics.
Source: Reuters; link to article

OCEAN:

Shanghai Containerized Freight Index

As of February 23, 2024 the China Shanghai Containerized Freight Index **reading was $2,109.91 per TEU.** This is a 3.22% decrease from the previous month, **and a 76.11% jump year-over year**.

Source: Shanghai Shipping Exchange (The Shanghai Containerized Freight Index reflects the spot rates of the Shanghai container transport market. It is a weekly reported average spot rate of 15 major container trade routes exported from Shanghai to regions around the globe. The SCFI is typically measured in USD per TEU. However, for services to the US West Coast and East Coast, measurement is in USD per FEU.

Georgia Ports Authority

The **Port of Savannah handled 428,000 twenty-foot equivalent container units** in January 2024, an increase of 6,300 containers, or 1.5% compared to the same month last year. **The Port of Brunswick, Colonel's Island Terminal handled 65,400 units of Roll-on/Roll-off cargo in January**. After a strong showing with 51 Ro/Ro vessel calls last month, GPA is on track to handle a record of approximately 800,000 vehicles in Fiscal Year 2024. The Authority's monthly average for Ro/Ro cargo is 69,000 units for the fiscal year to date, compared to a monthly average of 60,400 units for the same period last fiscal year.
Source: Georgia Ports Authority

Ocean Freight News Clip

The Georgia Ports Authority approved a $29 million contract for an overpass over Louisville Road that aims to curb neighborhood traffic and aid truck flow exiting Ocean Terminal. Although the bridge will connect from port-owned land to a state right of way, the GPA is footing the bill. The overpass would be a truck-only exit bridge, which will also fly over the Springfield Canal, from the terminal to U.S. Route 17. The bridge is planned to be 970-foot and single laned until it connects to an existing on-ramp at U.S. 17, according to the construction bid.
Source: The Savannah Morning News; link to article

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The record new supply coming online coupled with moderating demand and occupiers right sizing their footprints have led to another rise in vacancy for the U.S. industrial market. **At 4.7%, the overall vacancy rate climbed 70 basis points (bps) quarter-over-quarter (QOQ) — up 120 bps since the start of the year.** The rate, however, still sits 210 bps below the 15-year average of 6.8%. While many markets have recorded upticks in vacancy over the last few quarters, 40 of the 83 markets are boasting rates at 4% or lower. Some key markets in the South and West are continuing to experience tight conditions despite slowing demand for space. **Savannah, GA reported a vacancy rate of 4.6%** for Q3 2023, compared to 0.9% for Q3 2022. **Atlanta, GA reported a vacancy rate of 5.5%** for Q3 2023, compared to 2.9% in Q3 2022.

Note: Next release for Q1 2024 – U.S National Industrial Vacancy, will be published April 2024
Source: Cushman & Wakefield

Warehouse Rent Rates

The overall **industrial average asking rental rate inched higher to $9.73 per square foot (psf), up just 0.9% from the second quarter**. Three of the four regions posted modest gains quarter-over-quarter, but the West region recorded a 0.6% decrease in the average rent. Amid cooling demand, year-over-year rent growth slowed for the fourth straight quarter to 12.3% in Q3 2023. The Northeast region saw a 16.6% rise YOY while the South region posted an 11.1% increase during that time. Many landlords are keeping rents steady, but some have begun to lower rates in existing sub-Class A facilities. Meanwhile, the additional new speculative supply, priced well above the market average, has continued to exert upward pressure on the average rental rates in markets where healthy delivery totals have occurred. **For Savannah, GA the average asking rental rate for Q3 2023 was $7.41**, compared to $6.14 for Q3 2022. **For Atlanta, GA the average asking rental rate for Q3 2023 was $6.70**, compared to $7.06 for Q3 2022.

Note: Next release for Q1 2024 – U.S. National Asking Rents, will be published April 2024
Source: Cushman & Wakefield

Industrial Absorption

Although absorption totals continued to moderate each of the last four quarters, net growth is still occurring. The 46.2 million square feet (msf) of overall net absorption registered in the third quarter was 12.7% lower than what was registered during the previous quarter and pushed the YTD total to 174.1 msf. This puts the market on pace to eclipse 210 msf by the close of 2023. Of the 83 markets tracked by this report, 63% recorded positive absorption during the third quarter, led by Dallas/Fort Worth, Savannah, Charlotte and Houston, all of which exceeded 4 msf of net occupancy gains. Conversely, just 7 markets posted negative absorption of 1 msf or greater, led by Northern and Central New Jersey and the Inland Empire. For Savannah, GA, Q3 2023 net absorption registered at 6,607,110 compared to 7,538,835 for Q3 2022. For Atlanta, GA, Q3 2023 net absorption registered at 2,600,533 compared to 4,432,738 for Q3 2022.

Note: Next release for Q1 2024 – U.S National Industrial Absorption, will be published April 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 January 2024 numbers for the warehousing industry workforce comes in at **1,779,000 employees, an increase from 1,773,500 employees** for December 2023 (preliminary).

Source: U.S. Bureau of Labor Statistics

Warehouse Earnings & Hours

December 2023 average hourly earnings in the warehousing and storage subsector comes in at **$23.34/hour (preliminary), dropping from the previous month's rate of $23.58**. The **average weekly hours were 40.1 for December 2023** (preliminary) down from 41.1 hours in November 2023.

Source: U.S. Bureau of Labor Statistics

Warehouse & Distribution News Clip

Family Dollar has agreed to pay nearly $42 million after admitting to storing food, drugs, medical devices, and cosmetics in unsanitary conditions at a distribution center in Arkansas, the US Department of Justice said in a press release. The warehouse in West Memphis, Arkansas, closed in 2022 after an FDA inspection uncovered huge numbers of dead and alive rodents as well as dead birds. The DOJ said on Monday that the $41.675 million fine and forfeiture was the US' largest-ever monetary criminal penalty in a food-safety case.
Source: Business Insider; link to article

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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