

LOGISTICS MARKET SNAPSHOT

StU.S. MARKET:

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 3.4% in the fourth quarter of 2023, according to the "third" estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 4.9%. The increase in real GDP primarily reflected increases in consumer spending, state and local government spending, exports, 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 **\$67.4 billion in January 2024, up \$3.3 billion from \$64.2 billion in December 2023, revised**. The January increase in the goods and services deficit reflected an increase in the goods deficit of \$3.0 billion to \$91.6 billion, and a decrease in the services surplus of \$0.3 billion to \$24.2 billion. **Year-over-year**, the goods and services deficit decreased \$2.9 billion, or 4.1% , from January 2023. The average goods and services deficit increased \$0.7 billion to \$64.8 billion for the 3 months ending in January.

Source: Bureau of Economic Analysis

Import Volumes

January 2024 **imports were \$324.6 billion, \$3.6 billion more than December 2023 imports**, or an increase of 1.1%. January imports of automotive vehicles, parts, and engines (\$40.9 billion) were the highest on record. January imports from South Korea (\$11.0 billion) were the highest on record.

Source: U.S. Census Bureau

Export Volumes

January 2024 **exports were \$257.2 billion, \$300 million more than December 2023 exports**, or an increase of 0.1%. January exports of capital goods (\$51.5 billion) were the highest on record. January exports to India (\$2.9 billion) were the lowest since January 2021 (\$2.8 billion).

Source: U.S. Census Bureau

Import & Export Price Index

U.S. import prices rose 0.3% in February 2024, after advancing 0.8% in January. Higher prices for both fuel and nonfuel imports contributed to the overall increase. Higher prices for petroleum and natural gas in February each contributed to the overall increase in import fuel prices. Higher prices for consumer goods; foods, feeds, and beverages; capital goods; and automotive vehicles in February more than offset lower prices for nonfuel industrial supplies and materials. **Prices for U.S. exports advanced 0.8% in February 2024 following a 0.9% increase the previous month**. Higher nonagricultural and agricultural prices contributed to the February advance. Higher prices for nonagricultural industrial supplies and materials, capital goods, and nonagricultural foods in February all contributed to the rise in nonagricultural export prices. Higher prices for nuts, fruit, vegetables, and wheat in February more than offset lower soybean prices.

Source: Bureau of Labor Statistics

Unemployment Rate

Total **U.S. nonfarm payroll employment rose by 275,000 in February 2024, and the unemployment rate increased to 3.9%**. Job gains occurred in health care, in government, in food services and drinking places, in social assistance, and in transportation and warehousing. Employment showed little change over the month in other major industries, including mining, quarrying, and oil and gas extraction; manufacturing; wholesale trade; information; financial activities; professional and business services; and other services. **Georgia's unemployment rate came in at 3.1% for February 2024**, now ranking 16th in the U.S. of states with the lowest unemployment, tied with Florida, Hawaii, Mississippi, and South Carolina. North Dakota shows the lowest level of unemployment at 2.0%. California ranks highest in unemployment with a rate of 5.3%.

Source: Bureau of Labor Statistics

Labor Force Participation Rate

For February 2024 the labor force participation rate **came in at 62.5%, seeing no change for 3 consecutive months**. The labor force participation rate for February 2024 for those of **prime working age (25-54) ticked up to 83.5%**.

Source: U.S. Bureau of Labor Statistics (Workforce Participation Rate measures the share of Americans at least 16 years old who are either employed or actively looking for work)

Leading Economic Index

The Leading Economic Index (LEI) for the U.S. increased by 0.1% in February 2024 to 102.8, following a 0.4% decline in January. Over the six-month period between August 2023 and February 2024, the LEI contracted by 2.6% — a smaller decrease than the 3.8% decline over the previous six months. Says The Conference Board, "The U.S. LEI rose in February 2024 for the first time since February 2022. Strength in weekly hours worked in manufacturing, stock prices, the Leading Credit Index, and residential construction drove the LEI's first monthly increase in 2 years." Despite February's increase, the Index still suggests some headwinds to 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)

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Pending Home Sales Index

The Pending Home Sales Index (PHSI) **increased to 75.6 in February 2024. Year over year, pending transactions were down 7.0%.** An index of 100 is equal to the level of contract activity in 2001. Month over month, contract signings climbed in the Midwest and South but sank in the Northeast and West. Compared to 1 year ago, pending home sales declined in all U.S. regions. "While modest sales growth might not stir excitement, it shows slow and steady progress from the lows of late last year," says the National Association of Realtors. "Ongoing job gains are clearly increasing demand along with more inventory."

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 February 2024 were at a seasonally adjusted annual rate of 1,521,000. This is 10.7% above the revised January estimate of 1,374,000 and is 5.9% above the February 2023 rate of 1,436,000. **Single-family housing starts in February were at a rate of 1,129,000;** this is 11.6% above the revised January figure of 1,012,000. The February 2024 rate for units in buildings with five units or more was 377,000.

Source: U.S. Census Bureau

Light-Vehicle Sales

New light-vehicle sales for February 2024 exceeded expectations, totaling 15.8 million units. This is up 6.3% from February 2023 and up 6% from January 2024, which had seen a 10-month low. According to J.D. Power, average incentive spending per unit is expected to total \$2,565 in February—an increase of 75.3% year over year and the highest level since May 2021. The average monthly payment on a new-vehicle finance contract should remain flat year-over-year at \$722. The crossover segment continues to grow and remains the largest new-vehicle segment in the industry. **Through February 2024, crossovers made up 49.9% of all new vehicles sold,** up 3.2 percentage points in market share from the same period last year. **Alternative-fuel vehicles represented 18% of all new vehicles sold** through February 2024, an increase of 3.6 percentage points in market share compared with the same period in 2023.

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 \$66.5 billion in February 2024. Disposable personal income (DPI), personal income less personal current taxes, increased \$50.3 billion (0.2%). The increase in current-dollar personal income in February primarily reflected increases in compensation and personal current transfer receipts that were partly offset by a decrease in personal income receipts on assets. **Personal outlays**—the sum of PCE, personal interest payments, and personal current transfer payments—increased \$149.9 billion in February 2024. Personal saving was \$745.7 billion in February and the personal saving rate was 3.6%.

Source: U.S. Bureau of Economic Analysis (personal income is the income that people get from wages and salaries, Social Security and other government benefits, dividends and interest, business ownership, and other sources; it does not include realized or unrealized capital gains or losses)

Personal Consumption Expenditures Price Index

Personal Consumption Expenditures (PCE) for February 2024 increased \$145.5 billion (0.8%). The PCE price index increased 0.3%. Excluding food and energy, the PCE price index increased 0.3%. Real DPI decreased 0.1% in February and real PCE increased 0.4%; goods increased 0.1% and services increased 0.6%.

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 February 2024 were \$700.7 billion, up 0.6% from the previous month, and up 1.5% above February 2023.** Total sales for the December 2023 through February 2024 period were up 2.1% from the same period a year ago. Retail trade sales were up 0.6% from January 2024, and up 0.8% above last year. Nonstore retailers were up 6.4% from last year, while food services and drinking places were up 6.3% from February 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.

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

Source: U.S. Census Bureau (E-Commerce sales are measured on a quarterly basis and include the sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated over an Internet, mobile device (M-commerce), extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be made online)

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Consumer Confidence Index

The **Consumer Confidence Index** was **104.7 in March 2024**, essentially unchanged from the downwardly revised **104.8 in February**. “Consumers’ assessment of the present situation improved in March, but they also became more pessimistic about the future”, says The Conference Board. “Consumers in the \$50,000-\$99,999 income group reported lower confidence in March, while confidence improved slightly in all other income groups. However, over the last six months, confidence has been moving sideways with no real trend to the upside or downside either by income or age group.” Consumers’ assessment of current business conditions fell slightly in March, with 19.5% of consumers saying **business conditions** were “good”. Consumers’ appraisal of the **labor market** was more positive in March, with 43.1% of consumers saying jobs were “plentiful”.
Source: The Conference Board (the consumer confidence index is based on a monthly survey of 5,000 U.S. household. It is designed to gauge the financial health, spending power, and confidence of the average U.S. consumer. Base year 1985=100)

Consumer & Producer Price Index

The **Consumer Price Index** increased **0.4% in February 2024 on a seasonally adjusted basis, after rising 0.3% in January**. The index for all items less food and energy rose 0.4% in February, as it did in January. Indexes which increased in February include: shelter, airline fares, motor vehicle insurance, apparel, and recreation. The **Producer Price Index for final demand** rose **0.6% in February 2024** (seasonally adjusted). Final demand prices increased 0.3% in January and edged down 0.1% in December 2023. In February, nearly 2/3 of the rise in final demand prices can be traced to the index for final demand goods, which advanced 1.2%. The index for final demand less foods, energy, and trade services increased 0.4% in February after rising 0.6% in January.

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 in February 2024 to 89.4, marking the 26th consecutive month below the 50-year average of 98**. Twenty-three percent of small business owners reported that inflation was their single most important business problem in operating their business, up three points from last month and replacing labor quality as the top problem. Says the National Federation of Independent Business, “While inflation pressures have eased since peaking in 2021, small business owners are still managing the elevated costs of higher prices and interest rates. **The labor market has also eased slightly as small business owners are having an easier time attracting and retaining employees.**”

Source: National Federation of Independent Business

Industrial Production & Capacity Utilization

Industrial production edged up 0.1% in February 2024 after declining 0.5% in January. In February, the output of manufacturing rose 0.8% and the index for mining climbed 2.2%. Both gains partly reflected recoveries from weather-related declines in January. The index for utilities fell 7.5% in February because of warmer-than-typical temperatures. **Capacity utilization for the industrial sector remained at 78.3% in February 2024**, a rate that is 1.3 percentage points below its long-run average. Capacity utilization for manufacturing increased 0.6 percentage points to 77% in February, a rate that is 1.2 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 January 2024 were estimated at an end-of-month level of \$2,555.0 billion**, virtually unchanged from December 2023, but were up 0.4% from January 2023. The combined value of distributive **trade sales and manufacturers’ shipments for January 2024 was estimated at \$1,833.3 billion**, down 1.3% from December 2023 and was down 1.2% from January 2023. The total business inventories/sales ratio based on seasonally adjusted data at the end of January was 1.39. The January 2023 ratio was 1.37.

Source: U.S. Census Bureau

Purchasing Managers Index, Manufacturing

Economic activity in the manufacturing sector contracted **in February 2024 as the Manufacturing PMI registered 47.8%, down 1.3 percentage points from the 49.1% recorded in January**. Per the Institute for Supply Management, “Demand is at the early stages of recovery, and production execution is relatively stable compared to January, as companies begin to prepare for expansion. Suppliers continue to have capacity but are showing signs of struggling, due in part to their raw material supply chains. Forty percent of manufacturing gross domestic product (GDP) contracted in February, down from 62% in January. **More importantly, the share of sector GDP registering a composite PMI calculation at or below 45% — a good barometer of overall manufacturing weakness — was 1% in February, compared to 27% in January and 48% in December 2023.**”

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

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Purchasing Managers Index, Services

Economic activity in the services sector expanded in February 2024 as the **Services PMI registered 52.6%, 0.8 percentage points lower than January's reading of 53.4%**. The composite index indicated growth in February for the 14th consecutive month after a reading of 49% in December 2022, which was the first contraction since May 2020 (45.4%). Per the Institute for Supply Management, "The slight decrease in the rate of growth in February is a result of faster supplier deliveries and the contraction in the Employment Index. The majority of **respondents are mostly positive about business conditions, however, respondents remain concerned about inflation, employment 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 **Logistics Manager's Index reads in at 56.5 in February 2024**. This is up 0.9 from January's reading of 55.6 and is tied with October 2023 for the highest reading for the overall index in the last year. For the second month in a row, this growth is bolstered by expansion in all eight sub-metrics captured in the index. This is driven by a continued expansion in Inventory Levels which has led to a tightening in Warehousing Capacity and growth across all 3 transportation metrics. Particularly notable is the expansion in Transportation Prices, which have reached their fastest rate of growth since the start of the freight recession in June 2022. Interestingly, Transportation Capacity was also up this month, bumping it higher than the Transportation Prices metric and suggesting that we have not yet entered a true growth period in 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

A year of muted cargo demand, especially relative to the historic highs of the pandemic, translated into sales struggles in 2023 for more than three-quarters of the world's biggest third-party logistics providers (3PLs). Only nine of the Journal of Commerce's Top 40 3PLs grew revenue in 2023, as clear a sign as any that demand and rate levels came crashing back to Earth last year. The impacts of the Red Sea crisis, which emerged in the second half of December, came far too late to rescue any growth ambitions for most logistics companies. Of the 31 that saw revenue decline in 2023, all but five saw it drop by at least 10%. And of the remaining 26, 16 saw revenue decline by more than 20%. Nine 3PLs saw revenue fall by more than 30%, including three of the top five, while three companies experienced a drop of more than 40%.

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

INTERMODAL:

Dow Jones Transportation Average

As of March 27, 2024, the Dow Jones Transportation Average **closed at a reading of 16,028.55**.

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 March 27, 2024, the NASDAQ Transportation Index **closed at a reading of 7,283.19**.

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 amount of freight carried by the for-hire transportation industry fell 3.1% in January 2024 from December 2023, falling after a one-month increase. From January 2023 to January 2024 the index fell 2.0%. **January's Freight TSI measured 134.1 and was 5.2% below the all-time high of 141.4 reached in August 2022**. The Freight TSI decreased in January due to seasonally adjusted decreases in trucking, air freight, rail carload, rail intermodal and water, while pipeline grew.

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 7.3% month-over-month in February 2024**, as operations recovered from weather effects and with a Leap Day, which was the main factor behind the 2.0% month-over-month, seasonally adjusted. On a year-over-year basis, the index declined 4.5% — the smallest decline in ten months. While seasonality remains soft in the near term and there are no more extra days on the calendar, underlying volumes have shown improvement. The **expenditures component of the Cass Freight Index rose 4.0% month-over-month, but fell 20% year-over-year in February 2024**. With shipments up 7.3% from the previous month, Cass Information Systems infers that overall rates were down 3.1% month-over-month in February. U.S. freight spending, as measured by the expenditures component, fell 19% in 2023, after a record 38% surge in 2021 and another 23% increase in 2022. It is set to decline about another 14% in the 1st half of 2024, assuming normal seasonal patterns from here.

Source: Cass Information Systems (Based upon transportation dollars and measures the total amount spent on freight and shipments of Cass clients comprised of over 400 shipping companies)

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Shippers Conditions Index

The **January 2024 Shippers Conditions Index (SCI) fell 3 points to a reading of 3.4**. While still positive, the SCI was the weakest it has been since September. The most significant changes from December 2023 conditions were less favorable freight rates and a slowdown in fuel cost decreases. One factor related to rates was the brief spike in trucking spot rates due to winter weather in the middle of the month. FTR Transportation Intelligence expects the SCI to move closer to neutral market conditions, which are represented in the index by a reading of 0.

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 **January 2024 was valued at \$124.2 billion**, down 1.3% compared to January 2023. Freight between **the U.S. and Mexico: \$64.5 billion**, up 0.9% from January 2023. Freight between **the U.S. and Canada: \$59.7 billion**, down 3.5% from January 2023. **Air moved \$4.1 billion** of freight, down 13.7% compared to January 2023. **Pipelines moved \$9.7 billion** of freight, down 7.3% compared to January 2023. **Railways moved \$15.6 billion** of freight, down 6.9% compared to January 2023. **Trucks moved \$79.5 billion** of freight, up 2.3% compared to January 2023. **Vessels moved \$10.0 billion** of freight, down 4.1% compared to January 2023.

Source: U.S. Bureau of Transportation Statistics

Intermodal News Clip

Intermodal business through the Port of Savannah has experienced double-digit growth through the first two months of the year, including an almost 40% year-over-year jump in February alone. The gains come as laden imports grew 19% and laden exports rose 10% year over year in February, according to the Georgia Ports Authority (GPA), a sign that the disruption in the Red Sea has not yet forced cargo away from the US East Coast. The biggest increases in intermodal traffic through Savannah are imports destined for Atlanta, Memphis, Nashville and the inland port in northwest Georgia. GPA told the Journal of Commerce that approximately 20,000 containers have been moved from Savannah to Atlanta in the first two months of 2024, up nearly 40% year over year. The port handled 9,929 import loads destined for Atlanta, up from 6,294 in February 2023.

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

RAIL:

U.S. Freight Rail Traffic

U.S. railroads **originated 885,548 carloads in February 2024**, down 1.3%, or 11,410 carloads, from February 2023. U.S. railroads also **originated 1,040,312 containers and trailers in February 2024**, up 10.9%, or 102,140 units, from the same month last year. Combined U.S. carload and **intermodal originations in February 2024 were 1,925,860**, up 4.9%, or 90,730 carloads and intermodal units from February 2023. "In February, U.S. rail traffic recovered from disruptions caused by severe winter weather in January. However, a closer look at February's rail traffic data shows elements that inspire optimism and elements that call for caution," says the Association of American Railroads. "Intermodal volumes have consistently grown over the past six months, **signaling increased confidence among consumers and retailers. At the same time, carloads of industrial products remain below levels from last spring and summer**, reflecting ongoing challenges in the industrial sector."

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 February 2024 was 554.3** This is a month-over-month decrease of 8.46%, and a year-over-year decrease of 8.36%.

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 **February 2024 123,377 workers**, an increase from the 122,677 workers in January 2024. Total number of workers in February 2023 was 120,210.

Source: U.S. Surface Transportation Board

Rail Freight News Clip

The Federal Transit Administration (FTA) is soliciting public comments on proposed mandatory minimum standards to protect those who perform track work for transit-rail agencies. The proposed rule would apply to transit-rail and state safety oversight agencies. The proposed rule calls for such agencies to create a protection program geared at personnel who work on or around rail tracks; implement comprehensive training for workers; and ensure that unsafe acts and conditions are reported. Comments on the proposed rulemaking are due May 24.

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

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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.

Note: The Cowen-AFS Q1 2024 Report/Q2 2024 Forecast will be released April 2024.

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

Truckload Linehaul Index

Stability continued for the **Truckload Linehaul Index in February 2024, with a 0.1% increase from January**, after falling by 0.6% month-over-month in January. The 5.4% year-over-year decline was the narrowest in the past year. The index has been in a very tight range from 140.4 to 142.0 over the past eight months as the market rebalances. **With spot rates steady over the past several months**, downward pressure on the larger contract market is lessening, with some instances of contract rate increases bucking the downtrend recently.

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

Truck Tonnage Index

The **For-Hire Truck Tonnage Index increased 4.3% in February 2024 after decreasing 3.2% in January**. In February, the index equaled 116.0 compared with 111.3 in January. "After a very soft January, due in part to winter storms, truck tonnage snapped back in February," says the American Trucking Associations. "**February's level was the highest in a year**, yet the index still contracted from a year earlier, suggesting truck freight remains in a recession." Compared with February 2023, the index fell 1.4%, which was the twelfth straight year-over-year decline. In January, the index was down 4.5% 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 February 2024 was 2.82**. The January ratio was 4.79 and the February 2023 ratio was 7.45. **Georgia's load-to-truck ratio** for vans for February 2024 increased, averaging 2.6 – 5.4 loads for every truck. March 2024 **spot rates** (national average) for dry van freight dropped a nickel from the previous month to a rate of \$2.01. **Contract rates** registered an average of \$2.49 for the same month. The average outbound van rate for the Southeast region registered at \$1.96 for February 2024.

Source: DAT Freight & Analytics

Truckload Freight, Refrigerated

The national **load-to-truck ratio for refrigerated hauls fell to 4.44 loads per truck in February 2024**. The January 2024 ratio was 8.14 and the February 2023 ratio was 13.94. **Georgia's load-to-truck ratio** for February 2024 averaged 5.6 – 11.9 reefer loads per truck, increasing from the previous month. The average national **spot market reefer rate for March 2024 was \$2.35 per mile**, decreasing 7 cents from the previous month. Contract rates for reefers averaged \$2.87 for the same month. The average outbound rate for the **Southeast region for reefer freight** is currently registering at \$2.14.

Source: DAT Freight & Analytics

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Trucking Conditions Index

The Trucking Conditions Index for January 2024 improved to **-1.41, up from the December reading of -4.3**, indicating a less challenging financial environment for carriers. Freight rates and financing costs were not as negative as they had been during the prior month, although fuel costs were not as favorable as they had been, either. The outlook for trucking conditions has improved but remains in negative territory for most of the year. Says FTR Transportation Intelligence, “Our forecast for freight volume is modestly stronger, but excess capacity continues to temper our expectations for a market revival. **Absent a triggering event like a surge in fuel prices, for example, we see a continued gradual drain of capacity that will not begin to shift market fundamentals for months.**”

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

Diesel Prices

As of March 25, 2024, the **U.S. average diesel price was \$4.03 per gallon**. This is a 2-cent decrease month-over-month and 9 cents lower than the same week in 2023. The average price of diesel in the **Lower Atlantic states came in at \$4.04 per gallon**, showing a 8-cent decrease from the previous month. Prices were \$4.08 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

February 2024 numbers (preliminary) for the trucking industry read at **1,551,200 employees**, decreasing from 1,551,500 employees (preliminary) for January 2024.

Source: U.S. Bureau of Labor Statistics

Trucking Earnings & Hours

For January 2024, the average earnings (preliminary) for occupations commonly found in truck transportation were **\$31.06/hour**, increasing from the previous month’s rate of \$30.69. January 2024 showed **average weekly hours totaling 39.2 hours** (preliminary) down from 40.8 hours in December 2023.

Source: U.S. Bureau of Labor Statistics

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

Class 8 **preliminary net orders for February 2024 came in at 25,700 units, down 9% from January** but up 11% year-over-year. This order number is consistent with recent demand trends and is above seasonal expectations. Orders for the past 12 months have totaled 263,700 units. According to FTR Transportation Intelligence, “Build slots continue to be filled at a reasonable rate. With February orders coming in at a rate that was comparable to December 2023, the market is still performing at a solid level. **Despite the weakness in the freight markets that has persisted for more than a year, fleets continue to be willing to order new equipment.** Order levels were above the historical average and above seasonal trends, but our expectations for replacement output by the end of this year remain unchanged.”

Source: FTR Transportation Intelligence

Road Freight News Clip

The persistent low freight rate environment paired with higher costs is encouraging fleets to come up with creative solutions to save costs in the form of solar panels on tractor trailers. Dry van carrier GP Transco is installing solar panels on its entire fleet of around 600 trucks after testing the tech on 10 trucks over a six-month period. In an interview with FreightWaves, Brett Wilkie, vice president of maintenance and safety for GP Transco, estimated that the technology will save \$1,700 per tractor per year. This was calculated assuming an average diesel price of \$4 per gallon and annual mileage of 110,000 miles per truck.

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

AIR:

Air Cargo Traffic

Global air cargo traffic recorded 20.8 billion cargo tonne-kilometers (CTKs) for January 2024. This is a non-negligible 8.8% drop following the seasonal December 2023 peak, which is typically driven by the Holiday season, inventory management, and other year-end business transactions. At the same time, the January reading marks a remarkable increase of 18.4% compared to January 2023. This is the 2nd consecutive month of double-digit year-over-year growth. Over the past three decades, equally high annual growth rates have only been observed a handful of times, namely in the aftermaths of 9/11 (2002), the SARS outbreak (2004), the Global Financial Crisis (2009- 2010), and the COVID-19 pandemic (2021).

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

Jet Fuel Prices

As of March 22, 2024, the global average jet fuel price **ended at \$109.08/bbl, decreasing 0.5% from the previous month**. This is a 2.9% 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)

LOGISTICS MARKET SNAPSHOT

Air Freight News Clip

E-commerce picked up at the start of the pandemic and decreased again in 2022 because capacity was so low, but now it is rising again. During the 'Air Cargo Market Dynamics 2024 and the E-commerce Opportunity' session, Ludwig Hausmann, senior partner at consulting firm McKinsey said that the percentage of e-commerce air cargo had jumped 10% in the space of five years, with further growth expected. In 2017, the cross-border e-commerce share of total air cargo volume was 10%; in 2022, this had jumped to 20% and in 2027 this percentage is expected to be between 20-25%. "This is a fundamental shift in how this industry operates. And we're not seeing a decline. It's likely going to level out at a third or so," Hausmann said.
Source: Air Cargo News; [link to article](#)

OCEAN:

Shanghai Containerized Freight Index

As of March 22, 2024 the China Shanghai Containerized Freight Index reading was **\$1,732.57 per TEU**. This is a 19.64% decrease from the previous month, and a **62.41% jump year-over year**.

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

Georgia Ports Authority

The Georgia Ports Authority handled 451,670 twenty-foot equivalent container units (TEUs) in February 2024, for an increase of 56,880 TEUs or 14.4% compared to the same month last year. Loaded import containers gained 19% to 219,000 TEUs, while export loads increased 10% to 121,930. Intermodal rail cargo set a February record in Savannah last month. Rail volumes at the port's Mason Mega Rail Terminal ramped up to 46,890 containers, an increase of 39% or 13,060 lifts compared to February 2023. Rail accounted for 19% of GPA's February container trade, with the remainder moving by truck.
Source: Georgia Ports Authority

Ocean Freight News Clip

Three U.S. Congressmen accompanied Georgia Gov. Brian Kemp on a visit to the Georgia Ports Authority on Monday to show unified support for funding a new study on deepening the Savannah River channel less than two years after crews finished dredging the channel to 47 feet. U.S. Reps Buddy Carter (R-St. Simons), Mike Collins (R-Jackson), and Sam Graves (R-Missouri) all serve on the U.S. House Committee that authorizes the Water Resources Development Act, which authorizes U.S. Army Corps of Engineers activities.
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

LOGISTICS MARKET SNAPSHOT

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

Warehouse Employment

Preliminary February 2024 numbers for the warehousing industry workforce comes in at **1,758,700 employees, falling from 1,765,500 employees** for January 2024 (preliminary).

Source: U.S. Bureau of Labor Statistics

Warehouse Earnings & Hours

January 2024 average hourly earnings in the warehousing and storage subsector comes in at **\$24.66/hour (preliminary), rising from the previous month's rate of \$24.38**. The **average weekly hours were 39.5 for January 2024** (preliminary) dropping from 42.0 hours in December 2023.

Source: U.S. Bureau of Labor Statistics

Warehouse & Distribution News Clip

Automation has been touted as the key to ramping up warehouse efficiency in a time of rising demand and a chronic shortfall of labor. But it comes with its own set of problems. Chief among them is the upfront investment required to equip a warehouse with robots and other modern-day systems that streamline and speed up operations while requiring fewer people on the floor. It's more than a matter of swapping out a human for a robot to perform a traditional task, notes Mor Peretz, chief executive officer and co-founder of CaPow, creator of a power-delivery system for robotic fleets. Today's warehouse is a different animal, one that must fulfill multiple needs, from the movement of pallet-sized loads to retailers and distribution centers, to the processing of individual orders for e-commerce customers.

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

LOGISTICS MARKET SNAPSHOT

The free Logistics Market Snapshot is compiled and prepared monthly by the Georgia Center of Innovation



The Georgia Center of Innovation’s logistics team is the leading statewide resource for fueling logistics industry growth and global competitiveness. The Center works to address the needs and opportunities of companies of any size involved in logistics and freight transportation – both providers and heavy consumers of logistics services. The Center provides industry knowledge and technical expertise, connections to state resources in research and innovation, and joins together an extensive cross-sector industry network. As an industry focused component of the Georgia Department of Economic Development (GDEcD) the Center has main offices in Savannah and Atlanta with activity in all parts of the State.

The Center represents all segments of the logistics industry and provides a unique platform for companies to network, address industry issues and share knowledge. **Simply put, the Center is a catalyst to help logistics-enabled businesses clear the path to innovation and growth.**

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