

# LOGISTICS MARKET SNAPSHOT

SEPTEMBER 2024

## U.S. MARKET:

### Gross Domestic Product

Real gross domestic product (GDP) **increased at an annual rate of 3.0% in the 2nd quarter of 2024**, according to the "third" estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP increased 1.6% (revised). The increase in real GDP primarily reflected increases in consumer spending, private inventory investment, and nonresidential fixed investment.

Source: Bureau of Economic Analysis

### U.S. Trade Deficit

The goods and services deficit was **\$78.8 billion in July 2024, up \$5.8 billion from \$73.0 billion in June, revised**. The July increase in the goods and services deficit reflected an increase in the goods deficit of \$5.6 billion to \$103.1 billion and a decrease in the services surplus of \$0.2 billion to \$24.3 billion. **For the 3 months ending in July**, the average goods and services deficit increased \$1.3 billion to \$75.7 billion.

Source: Bureau of Economic Analysis

### Import Volumes

July 2024 **imports were \$345.4 billion, \$7.1 billion more than June imports, or an increase of 2.1%**. The July quantity of crude oil imports (217.0 million barrels) was the highest since May 2019 (220.5 million barrels). July imports from Taiwan (\$13.0 billion) were the highest on record.

Source: U.S. Census Bureau

### Export Volumes

July 2024 **exports were \$266.6 billion, \$1.3 billion more than June exports, or an increase of 0.5%**. July exports of automotive vehicles, parts, and engines (\$13.4 billion) were the lowest since June 2022 (\$13.3 billion). July exports of capital goods (\$56.1 billion) were the highest on record.

Source: U.S. Census Bureau

### Import & Export Price Indexes

The **price index for U.S. imports fell 0.3% in August 2024**, after ticking up 0.1% from April to July. The August decline was the largest monthly drop since the index decreased 0.7% in December 2023. In spite of the August decline, U.S. import prices increased 0.8% over the past year. **U.S. export prices declined 0.7% in August 2024** following a 0.5% increase the previous month. Lower prices for nonagricultural and agricultural exports each contributed to the decrease in U.S. export prices in August. U.S. export prices fell 0.7% for the year ended in August, the first over-the-year drop since April 2024.

Source: Bureau of Labor Statistics

### Unemployment Rate

In **August 2024, the unemployment rate changed little at 4.2% and total nonfarm payroll employment increased by 142,000**. The number of unemployed people came in at 7.1 million. These measures are higher than a year earlier, when the jobless rate was 3.8% and the number of unemployed people was 6.3 million. Job gains occurred in construction and health care. **Georgia's unemployment rate came in at 3.6% for August 2024**, ranking 27th in the U.S. of states with the lowest unemployment. South Dakota shows the lowest level of unemployment at 2.0%. District of Columbia ranks highest in unemployment with a rate of 5.7%.

Source: Bureau of Labor Statistics

### Labor Force Participation Rate

For August 2024 the labor force participation rate **held steady at 62.7%, seeing no change from the previous month**. The labor force participation rate for August 2024 for those of **prime working age (25-54 years) had a reading of 83.9%**.

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. declined by 0.2% in August 2024 to 100.2 following a 6% decline in July**. Over the 6-month period between February and August 2024, the LEI fell by 2.3%, a smaller rate of decline than the 2.7% drop over the 6-month period between August 2023 and February 2024. Says The Conference Board, "The US LEI remained on a downward trajectory and posted its sixth consecutive monthly decline. The erosion continued to be driven by new orders, which recorded its lowest value since May 2023. **Overall, the LEI continued to signal headwinds to economic growth 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)

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## Pending Home Sales Index

The Pending Home Sales Index **increased to a reading of 70.6 in August 2024. Year over year, pending transactions were down 3.0%.** Says the National Association of Realtors, “A slight upward turn reflects a modest improvement in housing affordability, primarily because mortgage rates descended to 6.5% in August. However, contract signings remain near cyclical lows even as home prices keep marching to new record highs.” The **Northeast index diminished 4.6%** from last month to 61.6 while the **Midwest index intensified 3.2%** to 70.0. The **South index grew 0.1%** to 83.6 in August, while the **West index increased 3.2%** in August to 58.0.

*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 **August 2024 were at a seasonally adjusted annual rate of 1,356,000.** This is 9.6% above the revised July estimate of 1,237,000 and is 3.9% above the August 2023 rate of 1,305,000. Single-family housing starts in August were at a rate of 992,000; this is 15.8% above the revised July figure of 857,000. **The August 2024 rate for units in buildings with five units or more was 333,000.**

*Source: U.S. Census Bureau*

## Light-Vehicle Sales

**New light-vehicle sales in August 2024 totaled 15.1 million units, down 1.1% from August 2023's 15.3 million.** The August 2024 sales calendar included Labor Day weekend this year, which led to a raw sales volume totaling 1.42 million units, an increase of 7.6% year over year. According to J.D. Power, **average incentive spending per unit should total \$3,035 in August, an increase of 59.5% from August 2023.** J.D. Power expects the average **new-vehicle transaction price this August to be \$44,039, down 4.1% year over year.** Average transaction prices have decreased because of higher OEM incentives and discounts. Alternative-fuel vehicle sales increased in August. **Sales of hybrids, plug-in hybrids (PHEVs) and battery electric vehicles (BEVs) together represented 19% of all new vehicles sold this year.**

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

## Personal Income and Outlays

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

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

## Personal Consumption Expenditures Price Index

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

*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 **August 2024 were \$710.8 billion, an increase of 0.1% from the previous month,** and up 2.1% from August 2023. Total sales for the June 2024 through August 2024 period were up 2.3% from the same period a year ago. Retail trade sales were up 0.1% from July 2024, and up 2.0% from last year. **Nonstore retailers were up 7.8% from last year, while food services and drinking places were up 2.7% from August 2023.**

*Source: U.S. Census Bureau (Non-store retail sales are measured monthly and include internet-only sales outlets as well as other direct-to-customer channels)*

## E-Commerce

U.S. retail e-commerce sales for the 2nd quarter of 2024 **was \$291.6 billion, an increase of 1.3% from the 1st quarter of 2024.** Total retail sales for the second quarter of 2024 were estimated at \$1,826.9 billion, an increase of 0.5% from the 1st quarter of 2024. The 2nd quarter 2024 e-commerce estimate increased 6.7% from the 2nd quarter of 2023 while total retail sales increased 2.1% in the same period. **E-commerce sales in the 2nd quarter of 2024 accounted for 16.0% of total sales.**

**Note: Release for Q3 2024 – U.S. Quarterly Retail E-Commerce Sales, will be published November 2024.**

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

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## Consumer Confidence Index

The Consumer Confidence Index **fell in September 2024 to 98.7 from an upwardly revised 105.6 in August**. Consumers' assessments of current business conditions turned negative while views of the current labor market situation softened further. "Consumer confidence dropped in September to near the bottom of the narrow range that has prevailed over the past two years," says The Conference Board. "**September's decline was the largest since August 2021 and all five components of the Index deteriorated.**" Consumers were also more pessimistic about future labor market conditions and less positive about future business conditions and future income.

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

## Consumer & Producer Price Index

The **Consumer Price Index increased 0.2% for August 2024**, the same increase as in July. Over the last 12 months, the all items index increased 2.5% before seasonal adjustment. **Indexes which increased in August include** shelter, airline fares, motor vehicle insurance, education, and apparel. The indexes for used cars and trucks, household furnishings and operations, medical care, communication, and recreation were **among those that decreased over the month**.

The **Producer Price Index increased 0.2% in August 2024**, seasonally adjusted. Final demand prices were unchanged in July and rose 0.2% in June. For the 12 months ended in August the index for final demand advanced 1.7%. Prices for final demand less foods, energy, and trade services advanced 0.3% in August, the same as in July. For the 12 months ended in August, the index for final demand less foods, energy, and trade services moved up 3.3%.

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

## Small Business Optimism Index

The **Small Business Optimism Index fell by 2.5 points in August 2024 to 91.2, erasing all of July's gain**. This is the 32nd consecutive month below the 50-year average of 98. Inflation remains the top issue among small business owners, with 24% of owners reporting it as their top small business operating issue, down one point from July. According to the National Federation of Independent Business, "The mood on Main Street worsened in August, despite last month's gains. Uncertainty among small business owners continues to rise as expectations for future business conditions worsen." **Among owners reporting lower profits**, 31% blamed weaker sales, 17% blamed the rise in the cost of materials, 13% cited labor costs, and 10% cited lower selling prices. **For owners reporting higher profits**, 45% credited sales volumes, 35% cited usual seasonal change, and 10% cited higher selling prices.

*Source: National Federation of Independent Business*

## Industrial Production & Capacity Utilization

In August 2024, **industrial production rose 0.8% after falling 0.9% in July**. Similarly, the output of manufacturing increased 0.9% in August after decreasing 0.7% during the previous month. This pattern was due in part to a recovery in the index of motor vehicles and parts, which jumped nearly 10% in August after dropping roughly 9% in July. At 103.1% of its 2017 average, total industrial production in August was the same as its year-earlier level.

**Capacity utilization moved up to 78.0% in August 2024**, a rate that is 1.7 percentage points below its long-run average. Capacity utilization for manufacturing increased 0.6 percentage point to 77.2% in August, a rate that is 1.1 percentage points below its long-run average. The operating rate for mining rose to 90.0% and the operating rate for utilities stepped down to 70.5%.

*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 July were estimated at **\$2,574.9 billion**, up 0.4% from June 2024 and were up 2.5% from July 2023. The combined value of distributive **trade sales and manufacturers' shipments** for July 2024 was estimated at **\$1,880.7 billion**, up 1.1% from June 2024 and was up 2.9% from July 2023. The total **business inventories/sales ratio** based on seasonally adjusted data at the **end of July was 1.37**. The July 2023 ratio was 1.37.

*Source: U.S. Census Bureau*

## Purchasing Managers Index, Manufacturing

The **Manufacturing PMI registered 47.2% in August 2024, up 0.4 percentage point from the 46.8% recorded in July**. Per the Institute for Supply Management, "While still in contraction territory, U.S. manufacturing activity contracted slower compared to last month. **Demand continues to be weak, output declined, and inputs stayed accommodative.**"

Demand remains subdued, as companies show an unwillingness to invest in capital and inventory due to current federal monetary policy and election uncertainty. Production execution was down compared to July, putting additional pressure on profitability. Suppliers continue to have capacity, with lead times improving and shortages not as severe. **Sixty-five percent of manufacturing gross domestic product (GDP) contracted in August, down from 86% in July.**

*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

For **August 2024, the Services PMI registered 51.5%**, 0.1 percentage point higher than July's figure of 51.4%. This indicates sector expansion in 6 of the 8 months in 2024. For a 2nd straight month, the slow growth indicated by the Services PMI reading was reinforced by panelists' comments. Slow-to-moderate growth was cited across many industries, while ongoing high costs and interest-rate pressures were often mentioned as negatively impacting business performance and driving softness in sales and traffic. According to the Institute for Supply Management, **"Although the Inventories Index increased by 3.1% into expansion territory in August, many respondents indicated their companies are still actively managing down their inventories."**

*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 56.4, down slightly (-0.1) from July's reading of 56.5. The overall index has now increased for 9 consecutive months.** The index has been remarkably consistent over the last 4 months as the logistics industry has continued its slow, steady expansion. The major move of the August report are Inventory Levels, which are up, breaking the streak of contraction that we had observed over the previous three months. This suggests that after running inventories down, firms are building them back up again in anticipation of Q4. This suggests a return to traditional patterns of seasonality that we have not seen since pre-COVID. This buildup of inventories is somewhat tempered by increases in both Warehousing Capacity and Transportation Capacity. Prices have increased in 7 of the last 8 months but are nowhere near the highs of 2020-2021. It is a marked shift from the 18 consecutive months of contraction from July 2022-December 2023.

*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

The Federal Reserve's long-awaited interest rate cut finally came to fruition earlier today, with a 0.5% reduction, to 4.75%-to-5%. This marks the first time there has been a rate cut in four years, with the last one coming in 2020, during the pandemic. As a benchmark tool that can help spur business activity through borrowing costs, this rate cut comes at a time when inflation is seeing declines, especially since it was at 9.1% in June 2022. For August, the most recent month of available data, it came in at 2.5%. Industry observers have been waiting for this cut for more than a while, as high inflation had a detrimental impact on both supply chain operations, labor, and related business activity.

*Source: Logistics Management; [link to article](#)*

## INTERMODAL:

### Dow Jones Transportation Average

As of September 27, 2024, the Dow Jones Transportation Average **closed at a reading of 16,185.90.**

*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 September 27, 2024, the NASDAQ Transportation Index **closed at a reading of 6,772.25.**

*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 July 2024 measured by the Freight TSI equaled 139.0 and was 1.7% below the all-time high of 141.4 reached in August 2019.** The Freight TSI decreased in July due to seasonally adjusted decreases in pipeline and water, while rail carload, rail intermodal, trucking and air freight grew. the July freight index decrease was the 4th in 5 months. Year to date, for-hire freight shipments measured by the index were at the same level as in July compared to the end of 2023.

*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 1.0% month-over-month in August 2024**, after a 3.0% increase in July. Shipments declined by 1.9% year-over-year in August after a 1.1% year-over-year drop in July. These were the smallest declines in 18 months as goods demand continues to grow slowly, and slowing capacity additions reduce the pressure on for-hire shipments. After rising 0.6% in 2022, the index declined 5.5% in 2023. The **expenditures component of the Cass Freight Index fell 2.0% month-over-month in August 2024.** Fuel price declines combined with lower market rates, and the 9.0% year-over-year decline widened from a 6.2% drop in July. In seasonally adjusted terms, the index fell 1.3% month-over-month, with shipments up 1.0% and overall rates down 2.3%. The expenditures component of the Cass Freight Index 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)*

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## Shippers Conditions Index

The Shippers Conditions Index for June 2024 fell to 0.3 from the May reading of 4.5 as moderating fuel costs kept the index out of marginally negative territory. Freight-related factors deteriorated slightly during the month. According to FTR Transportation Intelligence, “The days of consistently favorable freight market conditions for shippers are over, but the market does not really look tough for them, either. We do not expect the market to be even remotely as challenging as the one that shippers endured from late 2020 through mid-2022. **The biggest wild card in the near term probably is the cost of fuel.**”

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

## North American Transborder Freight

Total transborder freight moved by all modes of transportation between the U.S. and North American countries Canada and Mexico for July 2024 was **\$134.2 billion, up 5.6% compared to July 2023**. Freight between the U.S. and Canada was \$63.5 billion, up 2.8% from July 2023. Freight between the U.S. and Mexico: \$70.7 billion, up 8.2% from July 2023. **Mexico continued to lead Canada in freight dollar value for the last 17 months. Trucks** moved \$86.8 billion of freight, up 8.4% compared to July 2023. **Railways** moved \$16.0 billion of freight, down 6.8% compared to July 2023. **Vessels** moved \$10.5 billion of freight, down 8.1% compared to July 2023. **Vessels moved 13.2% less mineral fuels. Pipelines** moved \$10.2 billion of freight, up 25.1% compared to July 2023. **Pipelines carried 25.1% more mineral fuels (87.2% imports). Air** moved \$5.0 billion of freight, up 12.3% compared to July 2023.

Source: U.S. Bureau of Transportation Statistics

## Intermodal News Clip

Intermodal transportation offers a solution to the chronic truck driver shortage, as well as frequent shortages of capacity for over-the-road hauls. Why, then, isn't intermodal commanding a bigger share of the domestic freight market? That question was explored at the recent Intermodal Expo of the Intermodal Association of North America (IANA) in Long Beach, California. International shippers have responded by incorporating rail into their routings for freight destined for interior points. Inland points intermodal (IPI) moves, driven by a surge in imports from Asia, have recently been up by around 15% from their low in the immediate post-pandemic period, said Larry Gross, president and founder of Gross Transportation Consulting. According to research from S&P Global Market Intelligence, August marked the 12th straight month of improvement in U.S. seaborne imports of containerized freight, with a year-over-year rise of 10.8%. A corresponding spike in domestic intermodal hasn't been seen in that same period, with domestic containers only rising by about 5%, Gross said. Overall, he added, intermodal's share of the long-haul market is around 10%. “Domestic intermodal market share [is] stuck in neutral, and has been for the last six quarters,” he said. “We lost quite a bit of share during the pandemic and have not been able to get it all back.”

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

## RAIL:

## U.S. Freight Rail Traffic

Total U.S. weekly rail traffic for the **week ending September 21 was 522,112 carloads and intermodal units**, up 6.0% compared with the same week last year. Total **carloads for this week were 232,818 carloads**, down 0.6% compared with the same week in 2023, while U.S. weekly **intermodal volume was 289,294 containers and trailers**, up 12.0% compared to 2023. Six of the 10 carload commodity groups posted an increase compared with the same week in 2023. They included grain, up 2,812 carloads, to 20,897; chemicals, up 2,071 carloads, to 33,139; and miscellaneous carloads, up 1,799 carloads, to 10,313. Commodity groups that posted decreases compared with the same week in 2023 included coal, down 4,987 carloads, to 63,164; metallic ores and metals, down 2,699 carloads, to 19,979; and nonmetallic minerals, down 2,382 carloads, to 32,096.

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 August 2024 was 486.3, down from 514.3 the previous month**. The index for August 2023 was 622.7, or a 22.59% decrease year-over-year.

Source: Association of American Railroads (Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)

## Class 1 Railroad Employment

Total railroad employment for **August 2024 was 120,611 workers**, down from 121,085 workers in July 2024. Total number of workers in August 2023 was 122,792.

Source: U.S. Surface Transportation Board

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## Rail Freight News Clip

Add train traffic to the coming flurry of activity surrounding Hyundai Motor Company's manufacturing complex near Savannah. When at full capacity, the 16-million-square-foot assembly plant along Interstate 16 in Bryan County is expected to churn out 300,000 electric vehicles per year. More than two-thirds of those will travel hundreds of miles as rail cargo before they carry passengers of their own, the South Korean automaker says. About 70% of the newly built EVs – more than 200,000 annually – will be hauled by train for at least 500 miles, said Hyundai spokeswoman Bianca Johnson. Those with closer destinations will be moved by truck, she added.

Source: Savannah Morning News; [link to article](#)

## ROAD:

## Cowen/AFS Freight Index

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

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

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

**Note: The Cowen-AFS Q3 2024 Report/Q4 2024 Forecast will be released October 2024.**

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

## Truckload Linehaul Index

The **Truckload Linehaul Index fell 0.6% month-over-month in August 2024**, the 4th straight monthly decline as the soft market balance persists and overcapacity keeps bids highly competitive. The year-over-year decline of 3.3% widened slightly from 3.2% in July. While this has narrowed from a 15% year-over-year decline a year ago, it seems unlikely to turn positive quickly. With spot rates steady over the past year, downward pressure on the larger contract market is lessening, **but recent slight increases in spot rates are not yet enough to turn contract rates higher.**

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

## Truck Tonnage Index

The For-Hire Truck Tonnage Index **grew 1.8% in August 2024 after rising 0.4% in July**. In August, the index equaled 115.8 compared with 113.8 in July. Compared with August 2023, the index increased 0.7%. According to the American Trucking Associations, "August tonnage levels rose to the highest level since February 2023. Not only does the latest robust gain show freight levels are coming off the bottom, but so does the sequential pattern over the last eight months. **This month-to-month pattern is more important than looking at the year-over-year percent changes since we are at an inflection point in the freight market.**"

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 August 2024 was 3.64**. The July 2024 ratio was 4.18 and the August 2023 ratio was 3.96. **Georgia's load-to-truck ratios** for vans for August 2024 averaged 2.6 – 5.4 loads for every truck. For September 2024, **spot rates** (national average) for dry van freight read at \$1.98. **Contract rates** registered an average of \$2.40 for the same month. The average outbound van rate for the Southeast region came in at \$1.87 for August 2024.

Source: DAT Freight & Analytics



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## Truckload Freight, Refrigerated

The national **load-to-truck ratio for refrigerated hauls averaged 5.96 loads per truck in August 2024**. The July 2024 ratio was 6.52 and the August 2023 ratio was 6.51. **Georgia's load-to-truck ratio for August 2024 averaged 2.3 – 5.5 reefer loads per truck**. The average national **spot market reefer rate** for September 2024 was \$2.38 per mile. **Contract rates for reefers** averaged \$2.74 for the same month. The average outbound rate for the **Southeast region for reefer freight** registered at \$2.08 for August 2024.

Source: DAT Freight & Analytics

## Trucking Conditions Index

The Trucking Conditions Index **for July 2024 fell to a -5.59 reading from +0.95 in June as freight rates were the least favorable for trucking companies since April** and most other factors were weaker than they had been in June. FTR still expects overall trucking conditions to turn consistently favorable for carriers by early 2025 and for the TCI to see a mix of positive and negative readings in the interim. Says FTR Transportation Intelligence, "Carriers surely are tired of the 'prosperity is just around the corner' message, but the freight market distortions of the past four years still are resolving. Although the latest employment data suggests that larger trucking operations have largely rightsized, the market still has far more very small carriers than it did before the pandemic. **While the Federal Reserve's easing of interest rates certainly will help, the effects will not be instantaneous.**"

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

## Diesel Prices

As of September 23, 2024, the **U.S. average diesel price was \$3.53 per gallon**, a 12-cent decrease month-over-month. The price for the same week in 2023 was \$4.58. The average price of diesel in the **Lower Atlantic states came in at \$3.46 per gallon**, showing a 16-cent drop from the previous month. Prices were almost a dollar higher during the same period in 2023, averaging \$4.42 per gallon.

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

## Trucking Employment

August 2024 numbers (preliminary) for the trucking industry **read at 1,543,500 employees**, decreasing from 1,544,900 employees (preliminary) for July 2024.

Source: U.S. Bureau of Labor Statistics

## Trucking Earnings & Hours

For July 2024, the average earnings (preliminary) for occupations commonly found in truck transportation **were \$31.39/hour**, increasing from the previous month's rate of \$31.21. July 2024 showed **average weekly hours totaling 39.9 hours** (preliminary) down from 40.7 hours in June 2024.

Source: U.S. Bureau of Labor Statistics

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

North American Class 8 orders **in August 2024 totaled 13,400 units, up 2% month-over-month (m/m) but down 16% year-over-year (y/y)**. Class 8 orders for the past 12 months have now totaled 271,000 units. August orders came in below seasonal expectations as the average m/m increase from July to August has been around 20% over the past seven years. The combination of a stagnant truck freight market and full or nearly full 2024 order boards presumably are the main factors behind a smaller than typical increase. Based on performance for the year to date (YTD), orders are running slightly below replacement demand levels at an average of 18,735 net orders per month. **"Despite stagnant freight markets, fleets continue to invest in new equipment, albeit at a slower pace"** says FTR Transportation Intelligence. "We expect further reductions in backlogs once the final Class 8 market data is released later this month and continued growth in already record-high inventory levels. **Pressure on OEMs to reduce production rates is mounting.**"

Source: FTR Transportation Intelligence

## Road Freight News Clip

While driver detention has decreased slightly in recent years, the overall costs of being detained at customer facilities for more than two hours remain substantial, according to a new analysis by the American Transportation Research Institute. Truck driver detention is defined as the additional time a commercial motor vehicle driver must wait at a customer facility to pick up or deliver freight beyond their scheduled appointment time. In 2023, drivers reported being detained during 39.3% of deliveries, resulting in major consequences for industry productivity and safety, according to ATRI's 2024 survey released this month.

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

# LOGISTICS MARKET SNAPSHOT

SEPTEMBER 2024

## AIR:

### Air Cargo Traffic

**For July 2024, industry-wide air cargo demand rose 13.6% year-over-year maintaining record year-to-date demand.** Asia Pacific carriers recorded the largest expansion with 17.7% year-over-year, and demand on the Middle East-Europe trade lane outpaced all others with an impressive 32.2% annual surge. The extraordinary global traffic levels seen last month were driven by international routes, which surged by 14.3% YoY. **Airlines are able to take advantage of cross-border e-commerce demand from consumers in the US and Europe, as well as the continued capacity constraints in maritime shipping, which favor a partial modal shift from sea to air.** As has been the case since October 2023, carriers from all regions experienced expansions in international traffic compared to the previous year, with July displaying solid growth rates in the range of 6% to 18%.

**Note: IATA Air Cargo Market Analysis for the August 2024 survey period had not yet been released at time of Logistics Market Snapshot publication.**

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

### Jet Fuel Prices

As of September 20, 2024, the global average jet fuel price **ended at \$85.23/bbl, a decrease of 9.0% from the previous month.** This is a 24.1% 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

U.S. Sens. the Rev. Raphael Warnock, a member of the Senate Commerce Committee, which oversees transportation policy, and Jon Ossoff announced \$63,646,755 in federal funds secured for airports across Georgia, including some \$3.76 million for the Southwest Georgia Regional Airport in Albany. The grants were awarded by the Federal Aviation Administration's Airport Improvement Program and made possible in part by the Bipartisan Infrastructure Law. Awardees for the latest set of grants include the Columbus Airport, DeKalb-Peachtree Airport, Dalton Municipal Airport, Polk County Airport, Southwest Georgia Regional Airport, Augusta Regional Airport, Savannah/Hilton Head International Airport, and GDOT.

Source: Albany Herald; [link to article](#)

## OCEAN:

### Shanghai Containerized Freight Index

As of September 27, 2024, the China Shanghai Containerized Freight Index **reading was \$2,135.08 per TEU.** This is a 32.49% decrease from the previous month, **and an 82.61% increase year-over year.**

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

### Georgia Ports Authority

The Georgia Ports Authority (GPA) Board approved **measures to add 50 more acres of paved vehicle storage at Colonel's Island Terminal** at the Port of Brunswick. The infrastructure expansion will allow GPA to more efficiently accommodate increased trade crossing the docks at Colonel's Island. **The Port of Brunswick handled 74,630 units of Ro/Ro cargo in August 2024,** an increase of 21.4% or 13,175 units compared to the same month a year ago. **In the container business, the Port of Savannah handled more than 490,000 TEUs,** an increase of 18.6% or 76,750 TEUs. It was GPA's 2nd busiest August on record, after only 2022, when pandemic-related demand sent August volumes over 575,000 TEUs. GPA President and CEO Griff Lynch says last month's increase is influenced by customers front-loading cargo ahead of the holiday peak season.

Source: Georgia Ports Authority

### Ocean Freight News Clip

Key industry and government officials are urging US dockworkers and their employers to avoid a strike at East and Gulf coast ports this week, though many facilities are already bracing for a shutdown. "We are coordinating with partners across the supply chain to prepare for any potential impacts," said Steve Burns, a spokesman for the Port Authority of New York and New Jersey, the nation's busiest Atlantic gateway for containers. "We urge both sides to find common ground and keep the cargo flowing for the good of the national economy." The US Maritime Alliance, a group representing ocean carriers and port terminal operators, and the International Longshoremen's Association have no talks planned before their contract expires at the end of September 30.

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



## WAREHOUSING & DISTRIBUTION:

### Industrial Vacancy

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

*Note: Next release for Q3 2024 – U.S. National Industrial Vacancy, will be published October 2024*

*Source: Cuman & Wakefield*

### Warehouse Rent Rates

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

*Note: Next release for Q3 2024 – U.S. National Asking Rents, will be published October 2024*

*Source: Cushman & Wakefield*

### Industrial Absorption

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

*Note: Next release for Q3 2024 – U.S. National Industrial Absorption, will be published October 2024*

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

### Warehouse Employment

Preliminary August 2024 numbers for the warehousing industry workforce comes in at **1,791,800 employees, increasing from 1,787,900 employees** for July 2024 (preliminary).

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

### Warehouse Earnings & Hours

July 2024 average hourly earnings in the warehousing and storage subsector comes in at **\$24.73/hour (preliminary), a nickel less than the June 2024 rate.** The **average weekly hours were 40.6** for July 2024 (preliminary) up from 40.3 hours in June 2024.

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

### Warehouse & Distribution News Clip

Envisioning something the size of 19 million square feet is hard for anyone to picture. That's nearly 15 times the amount of floor space contained within Bank of America Plaza, the city's tallest building. Or 12 Lenox Square malls. Or about four Atlantic Stations. Something of that scope is a massive development even when compared to Atlanta's most notable landmarks. In documents filed this month with the state, a development team outlined a planned 19 million-square-foot, mixed-use industrial park in rural Lamar County — about an hour south of Atlanta — called Legacy 75 Trade Center. Doug Adams, a Henry County developer, estimates the new project's worth at nearly \$1.4 billion, which could present transformative change for the rural county of fewer than 20,000 residents.

*Source: The Atlanta Journal-Constitution; [link to article](#)*

# LOGISTICS MARKET SNAPSHOT

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



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

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

**For more information about Georgia's Center of Innovation, Logistics please contact:**  
**Malissa MacKay- [mmackay@georgia.org](mailto:mmackay@georgia.org) – 912-966-7842 – [www.georgialogistics.com](http://www.georgialogistics.com)**