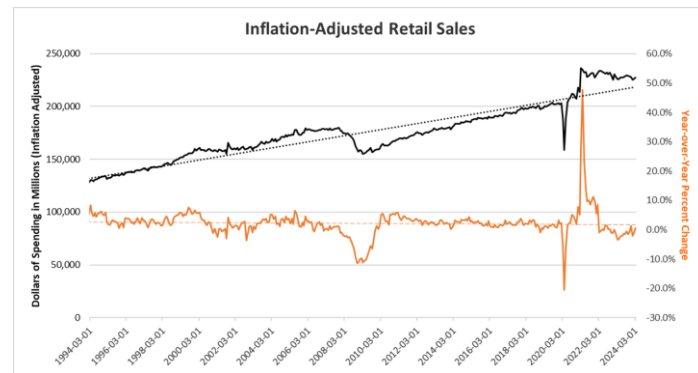
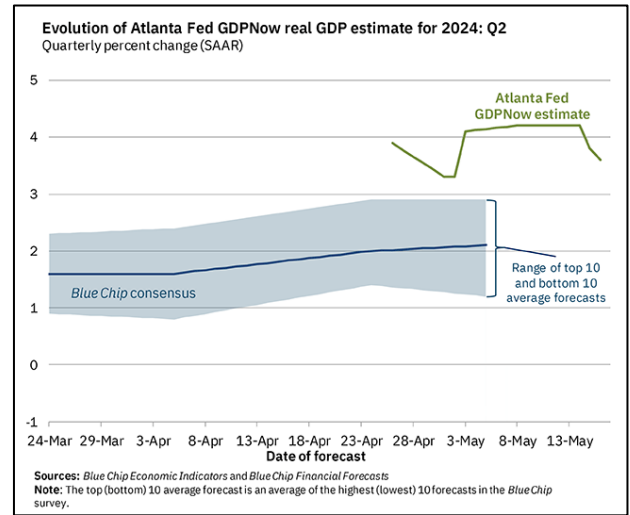


Factors Shaping Supply Chain & Logistics

Q2 GDP Trending at 3.6%. The Atlanta Fed GDPNOW estimate early in May is showing growth of 3.6% (down slightly from 3.8% earlier in April. Analysts were only looking for growth of less than 1% for Q2, and thus far, rolling economic data is still surprising to the upside. Gross private investment has improved through the quarter and is now showing quarterly growth of 7.3% versus prior estimates for 5.6%. This would include everything from housing investments to non-residential construction activity, investments in technology, etc. The key fact to consider is that investment and spending is not dropping off as much as expected.

Retail Sales Flattening. Different retail reports continue to suggest that 1) consumers are still spending but 2) at a flat rate. This is little growth in retail spending on a year-over-year basis (up just 0.6%) especially when adjusted for inflation. Without the inflation adjustments, the latest retail sales data for April showed it being flat between March and April and was 3% higher year-over-year. Again, stripping out inflation, it was unchanged. Once again, essential spending was still good, but non-essential spending (discretionary spending) was showing more pressure.

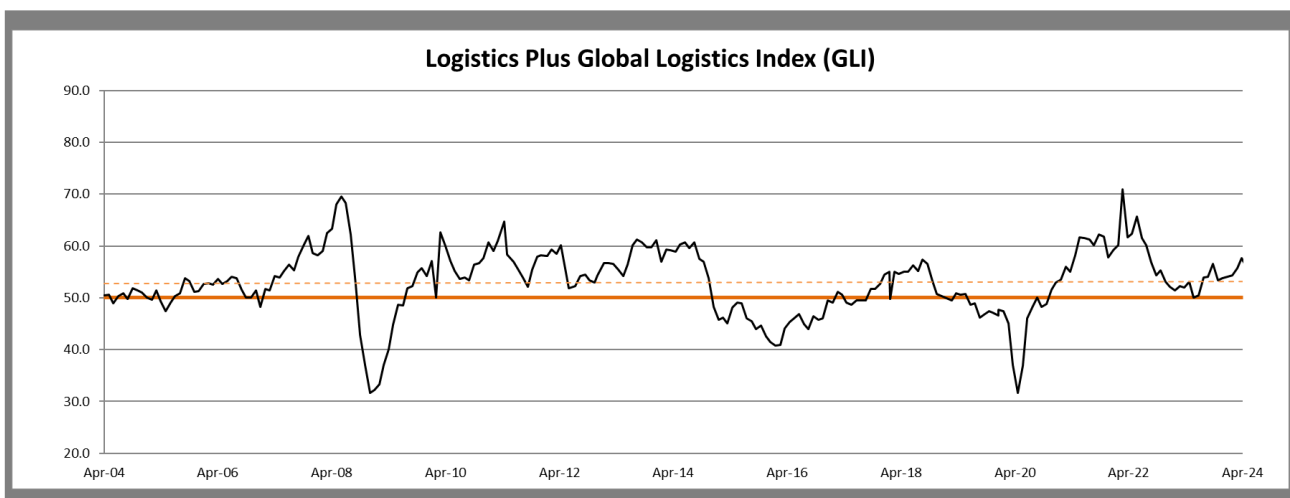


The LogisticsPULSE Global Logistics Index

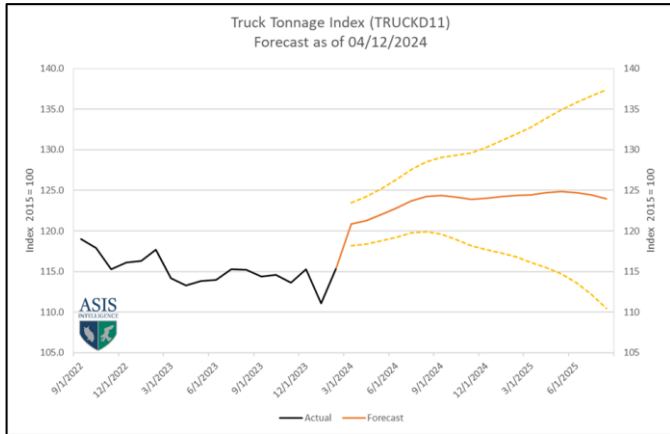
The GLI Slips Mildly in April

The LogisticsPULSE Global Logistics Index (GLI) came in at **55.9 in April**, down 1.8 points from 57.7 in March. It was still in expansion territory, above the long-term trendline, and was still showing some mild momentum early in Q2. The index was 4.8% higher Y/Y (it was 10.9% higher Y/Y last month) and was 2.9% lower M/M.

The GLI measures transportation demand across 22 global economic metrics and has been measured over twenty years of collected data.

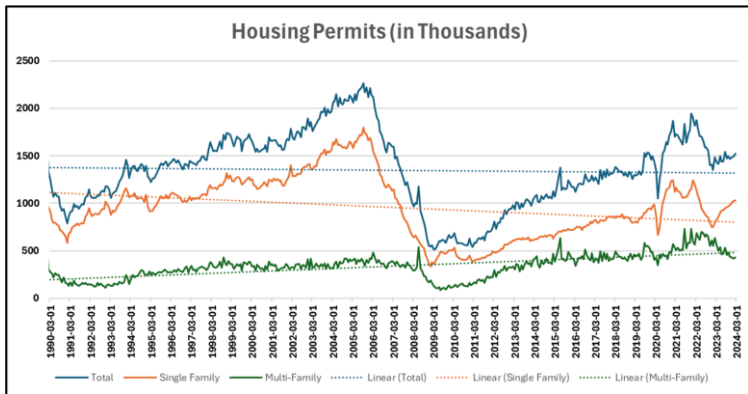


What's New & Important with North American Supply Chains?



Truck Tonnage Forecast Shows Optimism

The latest forecast for truck tonnage from Armada shows that there is some surprising upside in the outlook. This model has been showing 93% accuracy three months out and it is largely reacting to low inventory levels, stable consumer spending, good construction momentum, and stable (but uncertain) manufacturing activity. This will be the first time in more than 18 months that inventory-to-sales ratios are more in-line with historical levels. This energizes and activates upstream activity (inflows of raw materials, energy consumption, and labor demand) for assembly line activity. Generally, that is helping keep the outlook more positive than in prior years.

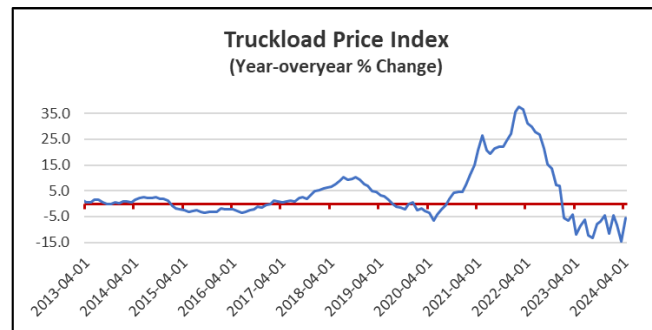


Importance of Housing and Trucking

US single family home permits (which provide a forward-looking outlook for housing activity) were still showing 18.6% Y/Y growth and the number of new permits was above any period between 2007 and 2021. Housing construction is a double-edged sword for trucking. Each new home creates 7 full truckloads of demand (for the internal fixtures only – not the shell) and construction is the top competitor for CDL drivers. Not only does it add volume, but it tightens capacity as it strips drivers out of the sector.

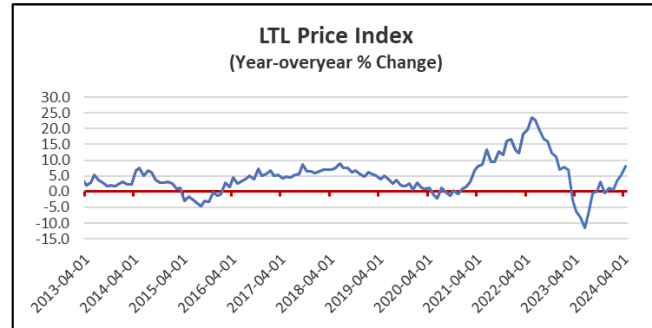
Full Truckload (FTL) Price Index:

Truckload prices were up 0.6% M/M (-3.1% last month) in April (latest available) according to the Producer Price Index (includes both contract and spot rates). They were down 5.6% Y/Y (-14.5% adjusted from last month). (PCU484121484121)



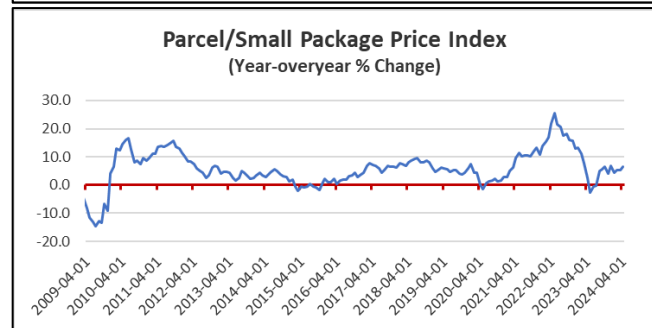
Less-Than-Truckload (LTL) Price Index:

LTL prices were higher by 0.6% month-over-month in April (latest available) and were up 8.2% Y/Y (up 5.2% last month). A continuing theme, prices have stabilized largely as part of the global destocking process that has been occurring and now the demand for building inventories going into the spring and summer season. Capacity also remains tighter in the wake of the Yellow exit. (PCU4841224841221)

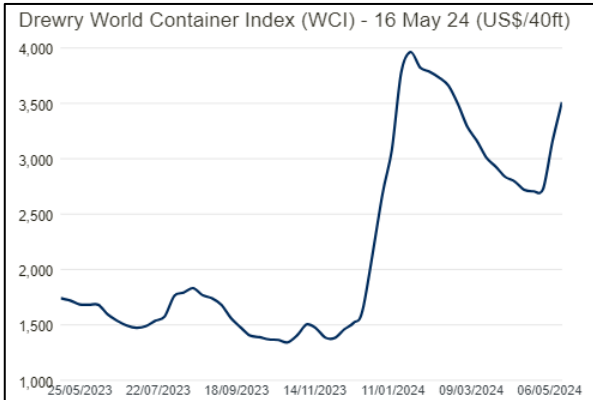


Parcel/Small Pack Price Index:

Prices for parcel and small package express courier services increased again by 6.6% Y/Y (5.3% higher last month); but were down month-over-month in April by 0.2%. E-commerce sales were 7.5% higher Y/Y (6.4% last month) but were lower by 1.2% month-over-month in April (latest available). (PCU492110492110201)



What's New & Important with International Supply Chains?



Global Maritime Costs Continue to Rise

After softening slightly in Q1, many reports suggest that maritime rates continue to increase. New General Rate Increases seek to add up to \$1,000 per 40ft equivalent in some trade lanes (which may or may not affect contract rates). This was also reflected in the Drewry World Container Index shown at left. The challenges in the Red Sea continue to be a factor and keeping “freight on water longer” is still stripping out (by some estimates) 10-20% of global maritime capacity out of the market. Any disruptions in throughput (labor issues, inbound intermodal distribution capacity, etc.) could quickly lead to some sharp increases in spot rates with capacity compression taking place.

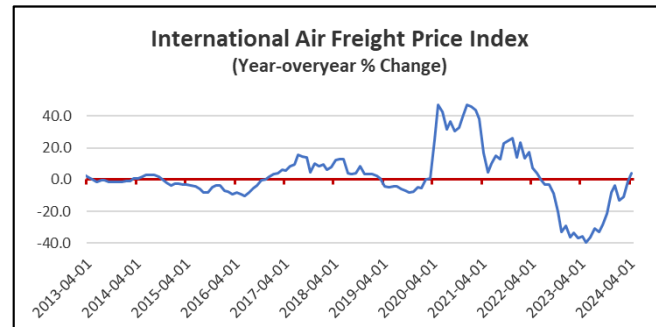


Storm Season Starts

Although this is not the official start of the Atlantic Hurricane season, forecasters are watching this year's season very closely. The past two years have posed few supply chain disruptions from hurricane activity. But this year could be different. The end of a strong El Nino cycle and waters in the Gulf that remain warm both provide the fuel for strong storms and reduces the wind shear that would normally tear the tops out of storms. If the Atlantic is indeed more active, watch everything from oil prices to distribution continuity, supplies for rebuilding, etc. A storm in the Pacific is not expected to impact transits, but it is perfectly on time as the Pacific season started 5/15.

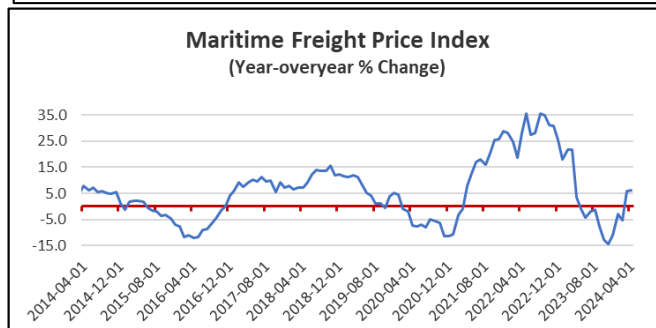
Airfreight Price Index:

The airfreight price index was higher by 3.9% M/M in April (latest available and up 6.2% last month) and was higher on a Y/Y basis, rising by 4.2% (down 0.8% last month). Global manufacturing was stable in April. (IC131)



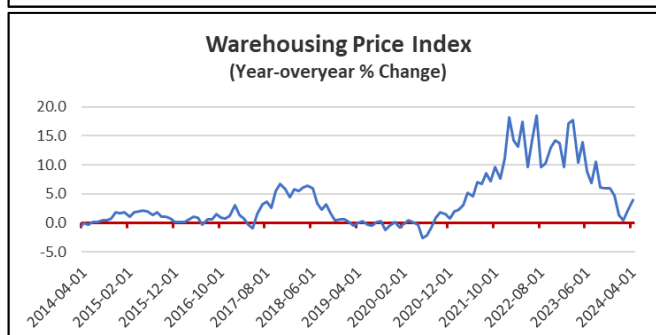
Ocean Freight Price Index:

The blended PPI for maritime service in April was 6.2% higher Y/Y (6.0% higher last month), but it was down 0.4% M/M (0.8% last month). New GRIs this month reportedly will attempt to add \$1,000 per FEU to many trade lanes. The challenges from the Red Sea were still a factor. Shippers are watching labor negotiations closely for the months to come and may move shipments early as a result. (PCU483111483111)



Warehousing Price Index:

Warehousing prices were higher in April (latest data available) with rates up 1.9% M/M (+1.3% last month) and was higher Y/Y by 4.0% (+2.1% last month). (PCU49314931)



The LogisticsPULSE Port Congestion Index

U.S. Container Imports and Exports Processing Continue to Show Aggregate Improvements

Port congestion can have a big impact on supply chains. The **LogisticsPULSE Port Congestion Index (PCI)** is a data-driven tool that calculates how much congestion there is at critical U.S. ports.

- Great news as the Container Processing Time (in days) for containers Imported into the US is now taking about 16.82% less time, or about 3/4 a day less than what it was in mid-November 2023. However, the processing time for Exports from these same ports is also taking by about 24.62% longer than prior, or about a day and half more than it was in mid- November 2023.
- The US Ports with the greatest amount of Imported TEU’s currently are in Long Beach, New York & Los Angeles and are being processed in about 4.5 days. The highest volume of Exported TEU’s is also Long Beach, New York & Los Angeles and they are completing the export process in about 9 days.
- The port with the greatest number of scheduled vessel arrivals is New York and Los Angles, where Seattle, Charleston & Mobile have the fewest.

(data shown below is container processing time, in days, by port)

US Ports w/ Scheduled Arrivals

Port	As of 05/08/2024	As of 11/08/2023	% Diff since 11/08/2023
Totals	9.46	7.59	24.62%
Charleston	14.00	12.00	16.67%
Houston	15.00	10.00	50.00%
Long Beach	9.00	8.21	9.62%
Los Angeles	10.00	9.49	5.37%
Miami	9.00	9.00	0.00%
Mobile	7.00	5.00	40.00%
New Orleans	9.00	7.00	28.57%
New York	8.00	2.00	300.00%
Norfolk	10.00	4.00	150.00%
Oakland	6.00	8.00	-25.00%
Savannah	8.00	9.00	-11.11%
Seattle	12.00	7.00	71.43%
Tacoma	6.00	8.00	-25.00%

Weekly Details - Exports

% Diff since 11/08/2023

Exports
24.62%

Imports
-16.80%

Port	As of 05/08/2024	As of 11/08/2023	% Diff since 11/08/2023
Totals	3.36	4.04	-16.80%
Charleston	3.00	3.00	0.00%
Houston	3.00	4.00	-25.00%
Long Beach	6.88	3.71	85.44%
Los Angeles	3.85	3.85	0.00%
Miami	3.00	3.00	0.00%
Mobile	3.00	3.00	0.00%
New Orleans	3.00	5.00	-40.00%
New York	3.00	5.00	-40.00%
Norfolk	1.00	4.00	-75.00%
Oakland	6.00	4.00	50.00%
Savannah	3.00	4.00	-25.00%
Seattle	3.00	5.00	-40.00%
Tacoma	2.00	5.00	-60.00%

Weekly Details - Imports

Special Topics in Supply Chain & Logistics:

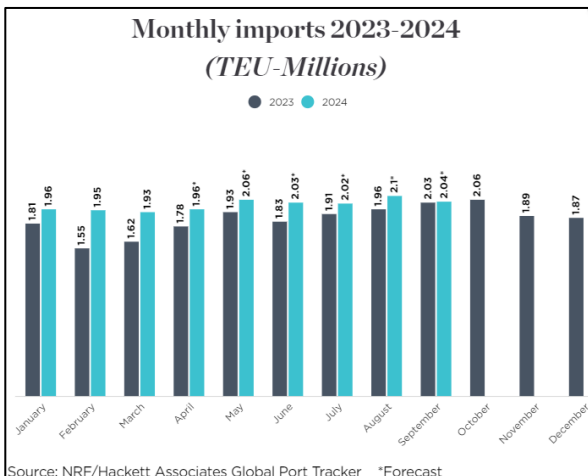
Country	PMI	Manufacturing				Services				
		Trade with US (in billions)	Current Month	Latest Month PMI	Prior Month PMI	M/M Change	Current Month	Latest Month PMI	Prior Month PMI	M/M Change
US			Apr	50.0	51.9	-1.9	Apr	51.3	51.7	-0.4
Global PMI	\$ 4,700	Apr	50.3	50.6	-0.3	Apr	52.5	52.4	0.1	
Canada	\$ 665	Apr	49.4	49.8	-0.4	Apr	49.3	46.4	2.9	
Mexico	\$ 661	Apr	51.0	52.2	-1.2					
China	\$ 655	Apr	51.4	51.1	0.3	Apr	52.5	52.7	-0.2	
Eurozone PMI	\$ 632	Apr	45.7	46.1	-0.4	Apr	53.3	51.5	1.8	
ASEAN	\$ 369	Apr	51.0	51.5	-0.5					
Japan	\$ 210	Apr	49.0	47.2	1.8	Apr	54.6	54.1	0.5	
Germany	\$ 201	Apr	49.6	48.2	1.4	Apr	53.2	50.1	3.1	
South Korea	\$ 161	Apr	49.4	49.8	-0.4					
UK	\$ 118	Apr	49.1	50.3	-1.2	Apr	55.0	53.1	1.9	
Taiwan	\$ 114	Apr	50.2	49.3	0.9					
India	\$ 113	Apr	58.8	59.1	-0.3	Apr	60.8	61.2	-0.4	
Vietnam	\$ 113	Apr	50.3	49.9	0.4					
Netherlands	\$ 88	Apr	51.3	49.7	1.6					
Ireland	\$ 88	Apr	47.6	49.6	-2.0	Apr	53.3	56.6	-3.3	
Switzerland	\$ 87	Apr	41.4	45.2	-3.8					
Italy	\$ 83	Apr	47.3	50.4	-3.1	Apr	54.3	54.6	-0.3	

Mixed Manufacturing Activity Signals

Coverage of the global manufacturing sector is a continuing theme. Nineteen of 30 markets showed manufacturing activity that was weaker month-over-month. Only thirteen markets were in contraction (which is lower than prior months), but survey respondents were sending a confusing story. Generally, new orders were weaker (which was a surprise given some hints that early building of peak inventories would take place). But despite weaker new orders, input costs were rising (on higher transportation and raw material costs and stable labor rates) and yet manufacturers are seeing a pushback from customers on higher factory-gate prices. This creates a profit margin squeeze. And despite all of this, manufacturers remain optimistic about the next 6 months ahead.

Early Inbound Container Activity for the Peak?

The NRF and Hackett Associates Global Port Tracker is expecting on average 2 million TEUs or more over the next 5 months. There is some speculation that fears of rising tariffs, labor negotiations, and ongoing pressures in the Middle East may push sourcing managers to try and bring inventories for the peak season into the US earlier this year. In addition, a strong US dollar and manufacturers willing to discount has encouraged many buyers to consider stockpiling certain products. That could create some interesting distribution volumes throughout the US in the coming 60-90 days. Some notes suggest that maritime capacity in some lanes is tighter than usual and could be a sign that early movement of peak season inventory is taking place.



What's New at Logistics Plus?

LP is Named a 2024 Top 100 Logistics & Supply Chain Technology Provider

Logistics Plus is proud to announce that it has been named a Top 100 Logistics & Supply Chain Technology Provider for 2024 by *Inbound Logistics* magazine. The list, curated annually by the editors of *Inbound Logistics*, recognizes 100 logistics companies whose solutions are central to solving problems. [Read More](#)



Derek Berlin Moderates 2024 U.S.-Ukraine Partnership Forum Discussion

Logistics Plus Senior Vice President, Global Government Solutions Derek Berlin recently moderated a panel discussion on Risk Management at the 2024 U.S.-Ukraine Partnership Forum Discussion. This is the second annual public forum hosted by the U.S. Chamber of Commerce in partnership with the U.S. government on activating U.S. private sector support for Ukraine's recovery and reconstruction. [Watch Video](#)



Logistics Plus Attends the UA-NL Economic Recovery Forum

Logistics Plus attended the UA-NL Economic Recovery Promotion Business Forum as part of the Rebirth of the Ukraine Trade Mission. The forum was held on April 26th and 27th at the World Horti Center in Naaldwijk, Netherlands. [Read More](#)

