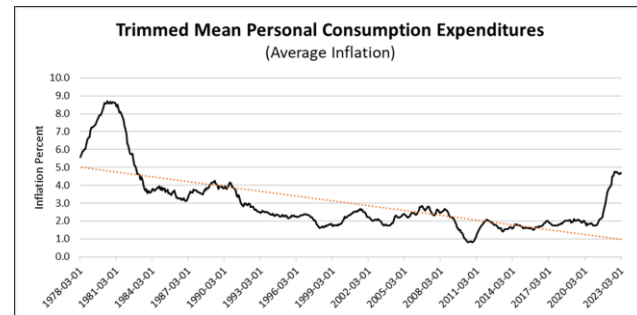
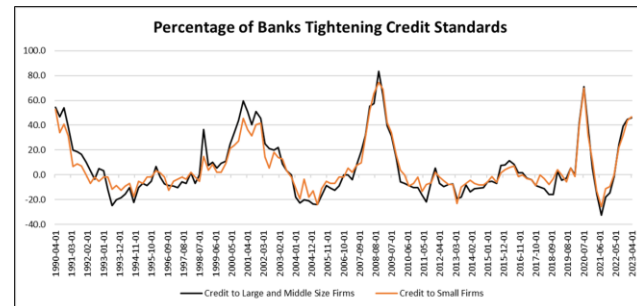
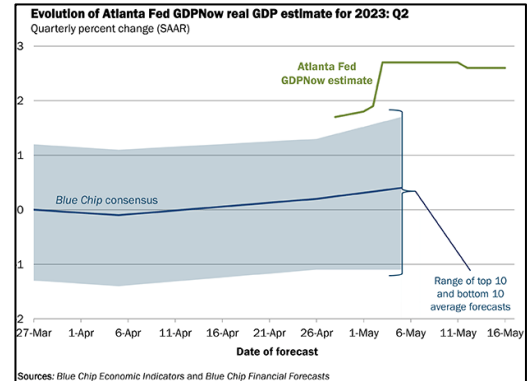


## Factors Shaping Supply Chain & Logistics

**Q2 GDP Stays Hot at 2.6%.** The [Atlanta Fed GDPNow](#) estimate for Q2 GDP is currently showing it growing at 2.6% based on data released thus far QTD. Subsequent reports could push it lower, but current trends are far outpacing forecasts of contraction for Q2 of 1.6%. GDP is still being boosted by consumer spending, some nonresidential construction activity, and services spending.

**Bank Tightening The Biggest Risk.** The latest data from the Federal Reserve show that 43% of banks in the US were tightening lending standards for industrial firms. Automotive lending standards were increasing at their second highest rate in a decade. A survey from the New York Fed recently showed that nearly 60% of households were reporting that it was harder to obtain credit than it was a year ago, that was the highest reading in a decade.

**Average Inflation Not Decreasing.** The Fed predicament continued as the latest reading on average inflation came in at 4.7%. This was the 8<sup>th</sup> month that the [Trimmed Mean Personal Consumption Expenditures \(TMPCE\)](#) figure was relatively unchanged. The Fed's target rate is still 2%, but until the TMPCE starts to show that it can move below 2.5%, interest rates will have to stay higher for longer.

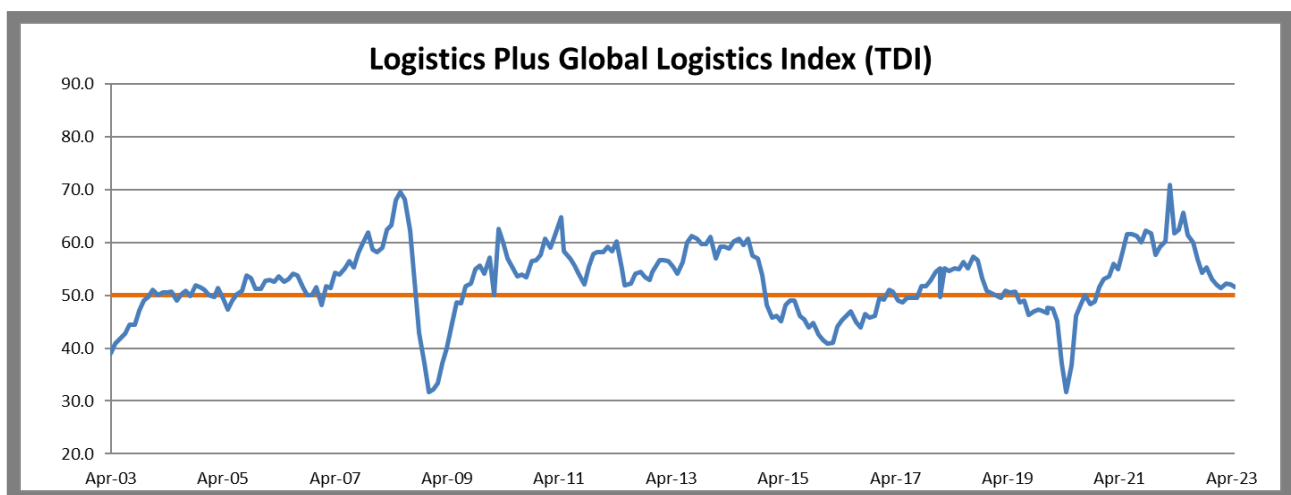


## The LogisticsPULSE Global Logistics Index

### The GLI Continues to Slide in April

The LogisticsPULSE Global Logistics Index (GLI) came in at 51.6 in April, slightly lower than the 52.0 level in March. Once again, it remained marginally in the expansion phase. The index was 16.0% lower Y/Y (it was 15.8% lower Y/Y last month) and was 0.7% lower M/M. But it was still 2.0% higher vs. the same pre-pandemic period in 2019.

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

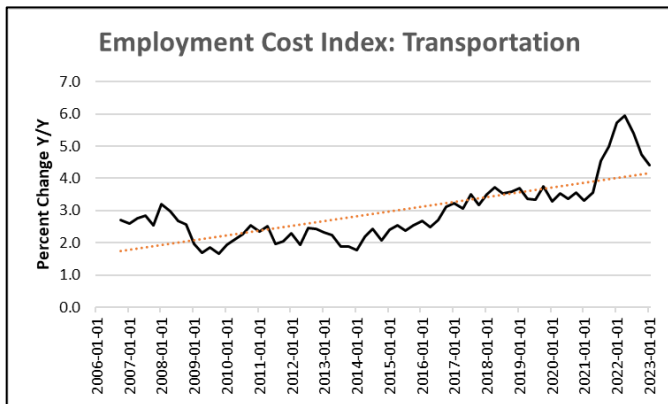


## What's New & Important with North American Supply Chains?

Item	Monthly		Percent Change	Year to Date		
	Mar	Feb		2023	2022	Percent Change 2023/2022
	2023	2023				
Total:	276,405	267,765	3.2	812,896	786,685	3.3
Excluding transportation:	179,007	178,485	0.3	531,653	524,031	1.5
Excluding defense:	259,365	250,664	3.5	759,946	740,748	2.6
Manufacturing with unfilled orders:	196,363	187,871	4.5	578,007	566,361	2.1
Primary metals:	20,103	20,085	0.1	62,423	63,189	-1.2
Fabricated metal products:	36,248	36,197	0.1	109,558	110,550	-0.9
Machinery:	38,079	38,057	0.1	116,373	113,820	2.2
Computers and electronic products:	24,697	24,232	1.9	70,597	68,887	2.5
Computers and related products:	2,370	2,329	1.8	6,554	4,999	31.1
Communications equipment:	3,043	3,048	-0.2	8,699	9,483	-8.3
Electrical equipment, appliances, and components:	14,333	14,224	0.8	42,215	38,953	8.4
Transportation equipment:	97,398	89,280	9.1	281,243	262,654	7.1

### Industries Seeing Continuing Growth

Many sectors in the US are showing continuous growth for now. Nonresidential construction, automotive, aerospace, fast-moving-consumer-goods, food and beverage, and several other sectors are showing growth in the most recent data tracked. Although pressure has built in some of the non-essential goods (seasonal merchandise at discount retailers, some sporting goods, apparel, and even home improvement was slowing in Q1); a stable jobs market is keeping the potential for consumer spending positive. Whether consumers can fight through inflationary pressures which continue, is another story.

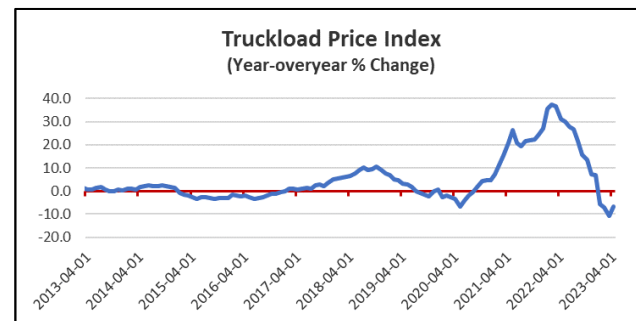


### Operating Costs Remain High for Carriers

The Employment Cost Index includes wages and benefit costs for carriers and the chart at right shows that the year-over-year growth rate is still trending slightly ahead of historical growth rates. The index itself is still at historic highs, and many smaller trucking firms are feeling the pressure. A combination of higher debt service on new assets, higher insurance and labor costs as shown here are keeping operating costs higher. Now, with capacity loosening and low volumes creating price pressure, some data is starting to show independent truckers and small firms beginning to exit the market (but not yet at 2008 rates since fuel is relatively lower).

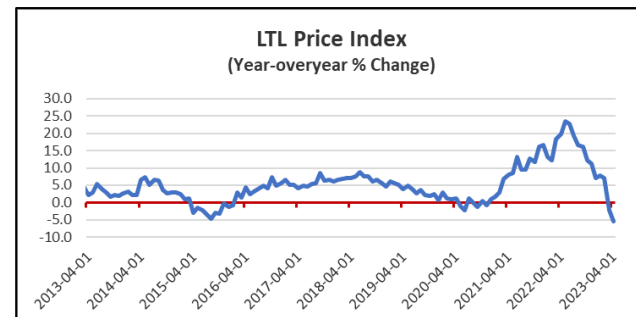
### Full Truckload (FTL) Price Index:

Truckload prices were down 2.4% M/M (-2.5% lower last month) in April (latest available) according to the Producer Price Index (includes both contract and spot rates). They were down 6.6% Y/Y (10.8% lower last month). (PCU484121484121)



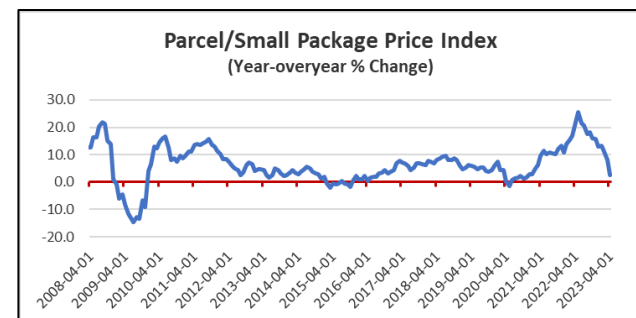
### Less-Than-Truckload (LTL) Price Index:

LTL prices were 1.4% lower month-over-month in April (latest available) and were lower by 5.5% Y/Y (-2.2% last month). Many analysts are calling April as perhaps the trough in freight activity. E-commerce activity is still growing solidly, which helps fuel the LTL sector. Still, prices are above historic levels despite this near-term deceleration off the 2021 peak. (PCU4841224841221)



### Parcel/Small Pack Price Index:

Prices for parcel and small package express courier services were 2.6% higher Y/Y (7.9% last month); but they were down month-over-month in April by 1.5%. E-commerce sales were still 8.0% higher Y/Y (12.3% last month) and were 1.2% higher month-over-month in April (latest available). (PCU492110492110201)



## What's New & Important with International Supply Chains?

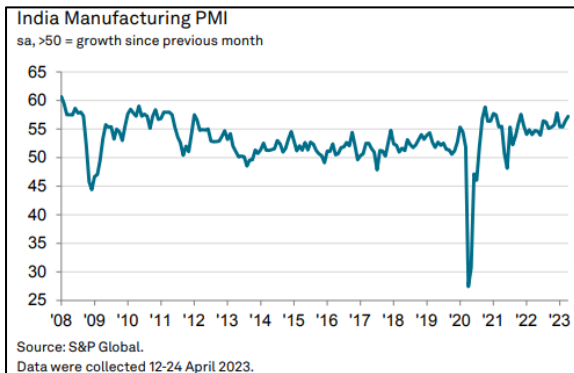
Country	Current Month	Latest Month Manuf. PMI	Prior Month Manuf. PMI	M/M Change
Global PMI	Apr	49.6	49.6	0.0
Eurozone PMI	Apr	45.8	47.3	-1.5
US	Apr	50.2	49.2	1.0
China	Apr	49.5	50.0	-0.5
Canada	Apr	50.2	48.6	1.6
Mexico	Apr	51.1	51.0	0.1
Japan	Apr	49.5	49.2	0.3
Germany	Apr	44.5	44.7	-0.2
South Korea	Apr	48.1	47.6	0.5
UK	Apr	47.8	47.9	-0.1
France	Apr	45.6	47.3	-1.7

### North America Primary Markets See Manufacturing Expansion

Nineteen countries had manufacturing sectors in contraction in April. Markets in Europe were generally in deep contraction with a range of PMI's stretching roughly from 46 points to 44. Readings that low typically suggest that the broader economies in those countries were in recession. Asian markets had PMIs that were contracting, but they were just barely under the 50 midpoint. The US, Canada, and Mexico had slightly expanding manufacturing sectors despite new orders being sluggish across those markets. We believe that Europe and Asia will improve, rather than North American markets declining and joining them.

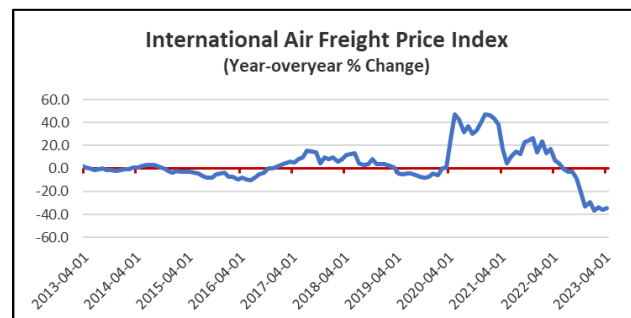
### India Sectors Accelerating

India has successfully navigated a complex geopolitical environment and has effectively become a resource of choice for manufacturing and services outsourcing. The Indian PMIs for both manufacturing and services sectors were the strongest in the world in April, and it shows that the Indian economy is accelerating (graph from [S&P Global see PMI report here](#)). Trade show activity shows that Indian business development managers are trying to capture some of the supply chain diversification trend as companies try to reduce Chinese market risk. This is a market to continue to watch in the quarters ahead.



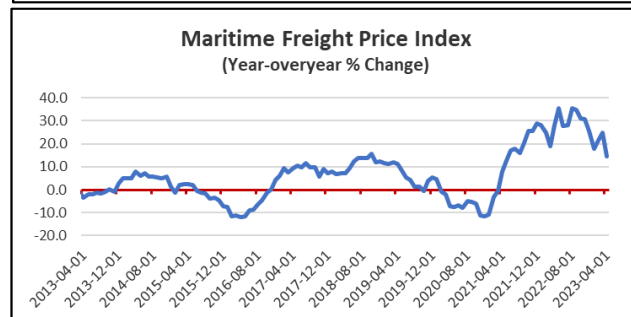
### Airfreight Price Index:

The airfreight price index came in 1.0% lower M/M in April (latest available) and was lower on a Y/Y basis, falling by 34.2% (down 35.6% last month). There was some interesting surges in air cargo volumes between Italy and China, reportedly surrounding the movement of medical equipment. Some surges of regional air cargo volumes are possible, despite total volumes overall remaining weaker regardless of what lane they are in. (IC131)



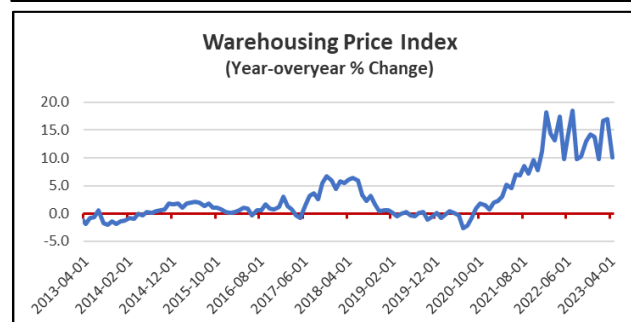
### Ocean Freight Price Index:

The blended PPI for maritime service in April was 14.7% higher Y/Y (24.9% last month), and it fell 0.4% M/M (also -0.4% last month). Sailing capacity is still available despite continued increases in blank sailings that are stripping some capacity out of the market, which also keeps prices elevated. (PCU483111483111)



### Warehousing Price Index:

Warehousing prices were flat in April (latest data available) with rates unchanged M/M (+0.5% last month) but was higher Y/Y by 10.1% (+17.0% last month). (PCU49314931)



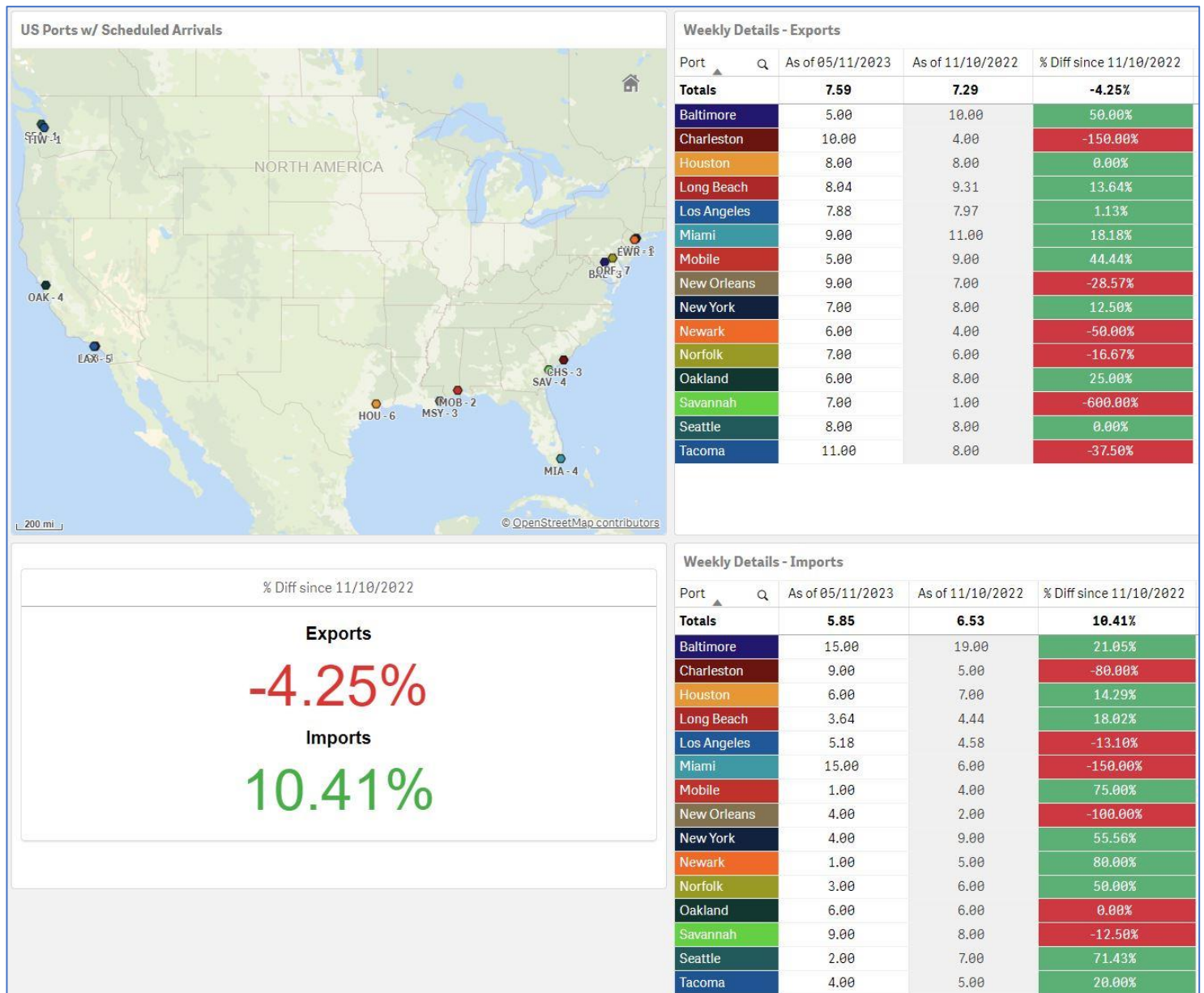
## The LogisticsPULSE Port Congestion Index

### U.S. Ports In Better Shape Than Earlier This Year

Port congestion is one of the biggest shipping problems faced by U.S. corporations today. The **LogisticsPULSE Port Congestion Index (PCI)** is a data-driven tool that can help calculate how much congestion there is at specific ports in the USA and around the world.

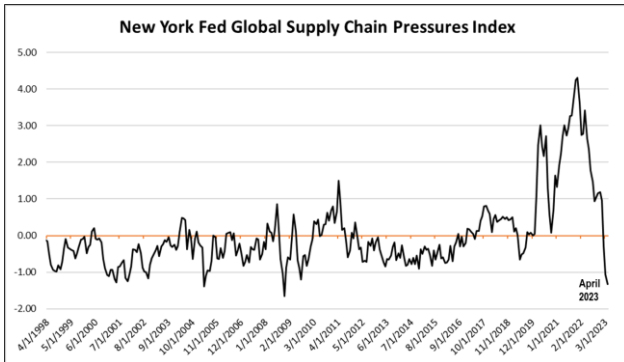
- For Imports, the Container Processing Time (in days) is about the same as it was in November 2022. The time to process Exports is down by almost an entire day, or 10% better than November 2022.
- The ports currently with the greatest amount of Imported TEU's are Los Angeles and Long Beach, processing them in about 8 days. The highest volume of Exported TEU's are from Long Beach and Oakland and are being processed in about 9.8 days.
- The ports with the greatest number of scheduled Vessel arrivals are Norfolk, Houston and Los Angeles. The ports of Tacoma, Newark and Seattle have the fewest.

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



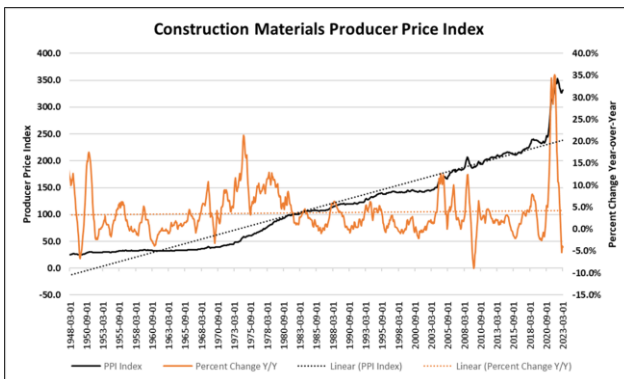


## Special Topics in Supply Chain & Logistics:



### Update: Global Supply Chain Pressures Index Falls Further

In April, the Global Supply Chain Pressures Index has dropped once again and is approaching near 30-year lows. This is somewhat in some contrast to reports that are surfacing about some supply chain challenges with product availability. The movement of goods via various modes of transportation are stable (which is what the GSCPI illustrates), but this does not mean that some products are in short supply and stockouts of materials are still present. Automotive, aerospace, and construction sectors are still feeling some pressures from a product availability standpoint.



### Some Supply Chains Not In Cycle, The Scramble Continues

Construction firms are reporting that the supply chain for electronic and electrical equipment are still not in cycle. Some suppliers have now extended their delivery expectations from delays of 6 months to as high as 14 months. This is holding up construction projects, especially on the nonresidential side of the industry. On a global basis, it also creates some challenges in keeping those supply chains intact and items like copper are in high demand while inventories are very low. These conditions are keeping construction prices high as the Producer Price Index shows at left. Prices are still historically higher, despite some near-term deceleration.

## What's New at Logistics Plus?

### LP Ranks Among Transport Topics 2023 Top 100 Logistics Companies

Logistics Plus is proud to announce that it has been named to the annual Transport Topics Top 100 list of North America's largest logistics companies based on gross revenue for the most recent 12-month period. Logistics Plus made the final 100th spot and also ranked as the 44th largest dry storage warehousing firm and the 61st largest freight brokerage firm. [Read More](#)

### Logistics Plus Poland Recent Projects

The Logistics Plus (LP) Poland project cargo team has been busy since the start of the year, completing several projects across the country. Listed below (and highlighted in the video) are some of the most recent projects handled by LP Poland. [Watch Video](#)

### Logistics Plus Phoenix Warehouse Solutions

The Logistics Plus Phoenix 1 (PHX1) warehouse officially opened in May 2022. Not long after, the company opened another warehouse (PHX2) right down the road. Logistics Plus offers more than 1.7 million square feet of storage and fulfillment space in the Phoenix region between the two facilities. [Watch Video](#)

