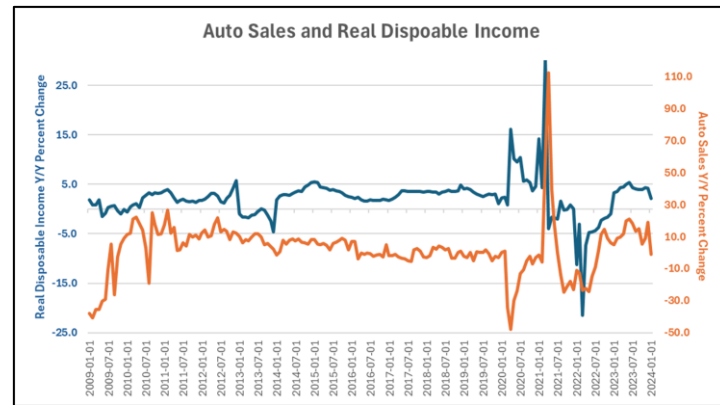
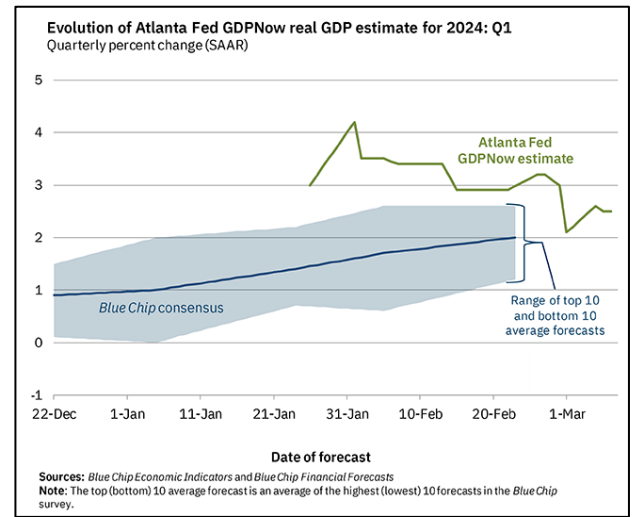


Factors Shaping Supply Chain & Logistics

Q1 GDP Trending Lower at 2.5%. The Atlanta Fed GDPNOW estimate early in March is showing growth of 2.5% (down from 3.2% earlier in February). Most analyst expectations for Q1 have risen to growth of 2.0% for the full quarter. Most forecasts have now removed recession risk from their forecasts. The latest from the Conference Board shows Q2 growth of 0.5%, a flat Q3, and slight growth of 1.3% for Q4. For the full year, this places growth of roughly 1.9% and the Conference Board expects 2025 to follow up with growth of 1.4%. This is a fairly moderate expectation, and largely in-line with the pre-pandemic decade GDP growth average of about 2%.

Disposable Income Outlook. Several durable goods categories have a direct correlation with disposable income. This is the income left over after taxes and mandatory spending to use on other purchases. In 2023, disposable income grew 4.2% but the outlook for 2024 shows it falling to 1.4% growth and the same growth rate will repeat in 2025. This affects industries such as automotive, and the chart at right shows the two in recent months and a dip in disposable income leading to a drop in auto sales. This creates a headwind for some segments of the economy.

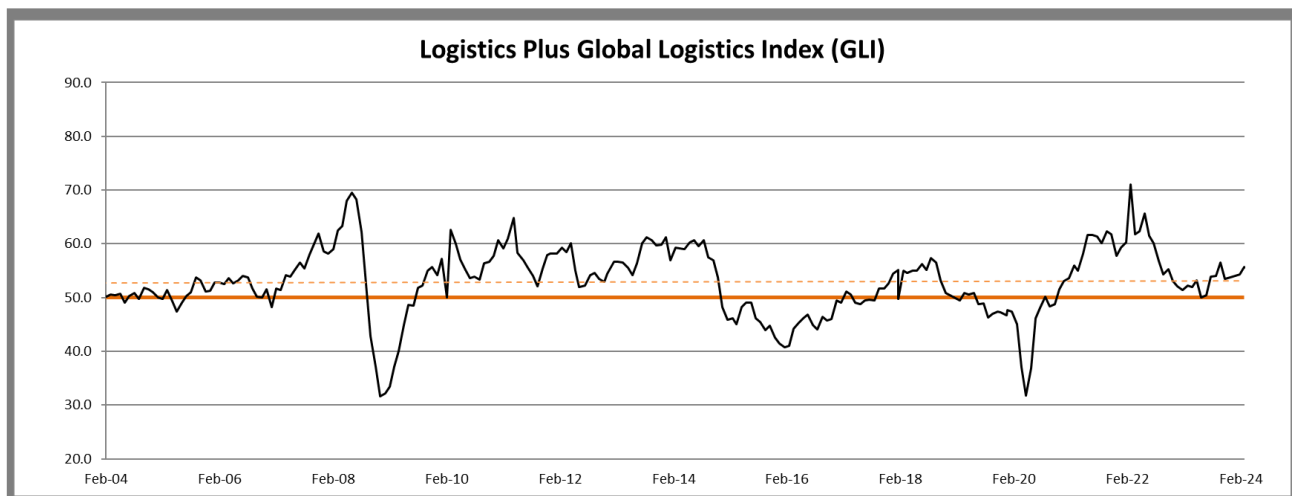


The LogisticsPULSE Global Logistics Index

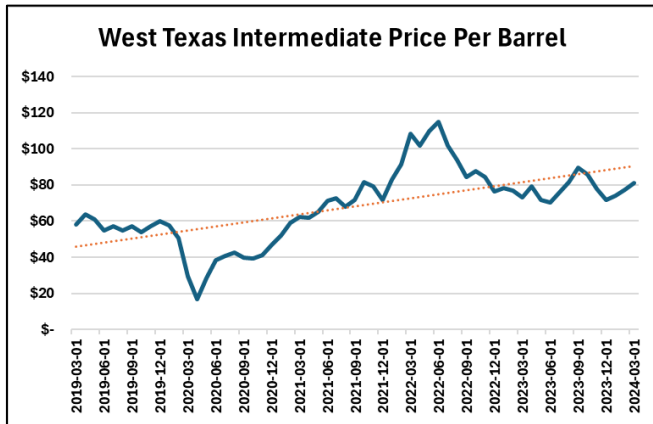
The GLI Improves Again in February

The LogisticsPULSE Global Logistics Index (GLI) came in at **55.7 in February**, up 1.4 points from 54.3 in January. It was still in expansion territory, above the long-term trendline, and was still showing some mild momentum early in Q1. The index was 6.1% higher Y/Y (it was 5.5% higher Y/Y last month) and was 2.4% higher M/M.

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

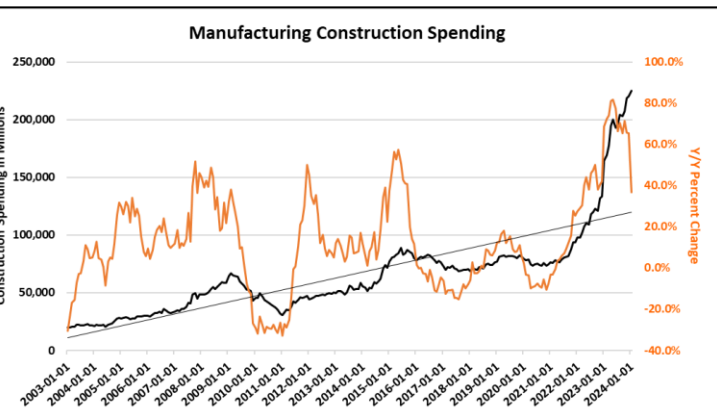


What's New & Important with North American Supply Chains?



Crude Oil Prices Move Up on Conflict Risk

Attacks on Russian refineries have sent the price of crude oil higher and subsequently have pushed gasoline and diesel prices up as well. At the time of writing, West Texas Intermediate Oil Prices were above \$81 a barrel, Brent North Sea Crude was \$85. Crude oil accounts for 45% of the price of a gallon of diesel, and with seasonal conversions of refineries to summer blends of fuels, production has been muted of late. Inventories in US storage for crude oil and certain types of refined fuels were also weaker as a result of refinery maintenance and seasonal conversions, and that has pushed prices higher in the interim. Conflict risk pushing petroleum prices higher is another story.

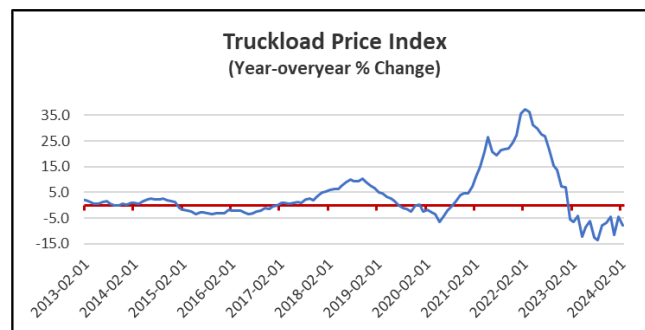


Latest on Reshoring Activity

The US distribution system is going to be bolstered and perhaps altered slightly by surging manufacturing construction and a global supply chain diversification trend. Construction of manufacturing facilities is running at nearly \$225B (against a normal \$50B in annual spending rate in the decade prior to the pandemic). As these facilities come online in 2024/2025/2026, freight patterns will change, and the various modes of transportation will need to be responsive to it. LTL and TL will benefit the most directly.

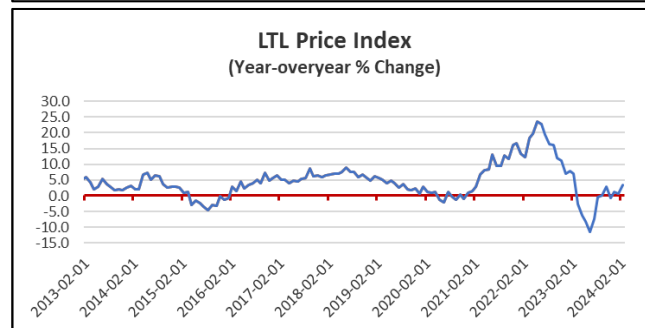
Full Truckload (FTL) Price Index:

Truckload prices were up 0.4% M/M (0.5% last month) in February (latest available) according to the Producer Price Index (includes both contract and spot rates). They were down 7.9% Y/Y (-4.6% adjusted from last month). (PCU484121484121)



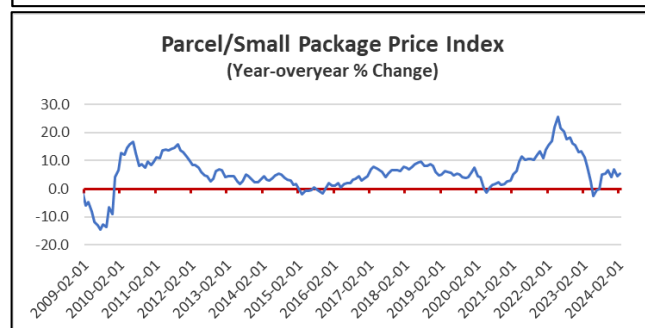
Less-Than-Truckload (LTL) Price Index:

LTL prices were higher by 0.8% month-over-month in February (latest available) and were up 3.4% Y/Y (up 0.7% 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. (PCU4841224841221)



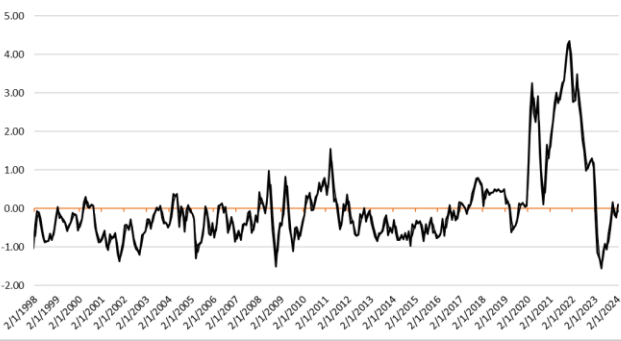
Parcel/Small Pack Price Index:

Prices for parcel and small package express courier services increased again by 5.3% Y/Y (4.3% higher last month); and were up month-over-month in February by 0.8%. E-commerce sales were 6.4% higher Y/Y (7.4% last month) and were lower by 0.1% month-over-month in February (latest available). (PCU492110492110201)



What's New & Important with International Supply Chains?

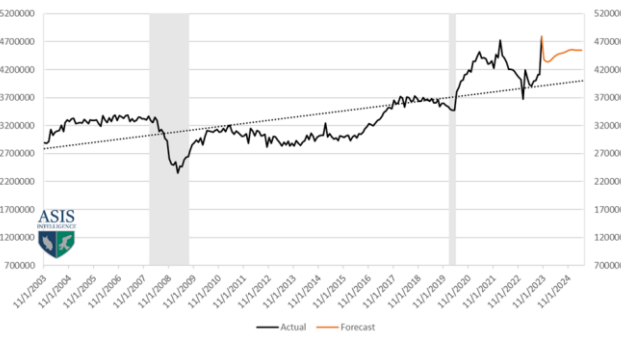
New York Fed Global Supply Chain Pressures Index



Global Maritime Concerns Continue

Continued attacks on shipping in the Red Sea and off the coast of Somalia; Black Sea volatility, Baltic Sea drone attacks, Panama Canal bottlenecks, and saber rattling in the Spratly Island Chain (80% of global trade flows through this region) near the Philippines is once again creating uncertainty and uneasiness. The latest New York Fed Global Supply Chain Pressures Index is still balanced, but it is showing a bias toward a higher-pressure environment and well-off low-pressure levels hit last fall. If copy-cat attacks on maritime shipping in other markets were to break out (examples in Somalia and Yemen are showing other “bad actors” how to defeat defense forces), it could create some real pressures that could prove difficult to get out of.

Air Revenue Ton Miles of Freight and Mail
(AIRRTMFMD11)
Forecast as of 02/07/2024



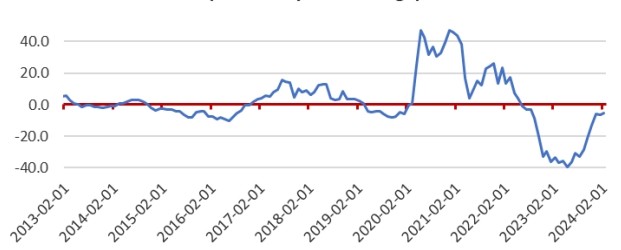
Air Cargo Forecast Shows Strength

After two years of volatility, one forecast for air cargo revenues shows a stable growth environment over the next 18 months. The forecast shows a soft period in Q1, but then shows strong recovery and growth that is likely driven by a global environment focused on lean inventory management. Again, after a destocking period over the past 18 months, purchasing managers want to keep inventories lean, and using some tuck-in orders that are generally smaller but move by faster modes (like air cargo) save them money in the short-term when the cost of capital for holding inventory is so high. This is not a hard and fast rule, but it is fueling a better outlook.

Airfreight Price Index:

The airfreight price index was lower by 4.7% M/M in February (latest available and up 7.0% last month) and was lower on a Y/Y basis, falling by 5.2% (down 6.5% last month). Global manufacturing continued to improve in February, and production interruptions during the Lunar new Year pushed more tuck-in orders that would move via air. (IC131)

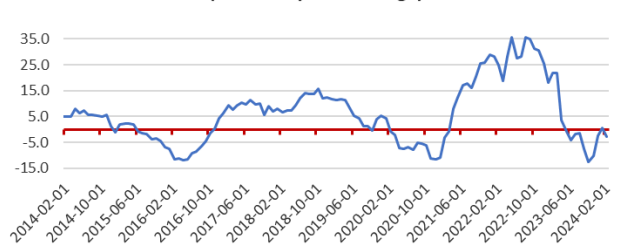
International Air Freight Price Index
(Year-over-year % Change)



Ocean Freight Price Index:

The blended PPI for maritime service in February was 2.9% lower Y/Y (0.4% higher last month), and it was down 0.2% M/M (-2.7% last month). The PPI data was adjusted this month and reflected the challenges in the Red Sea. That continues to be a developing situation, and spot rates are easing week-over-week, but remain higher Y/Y in most Asian trade lanes. (PCU483111483111)

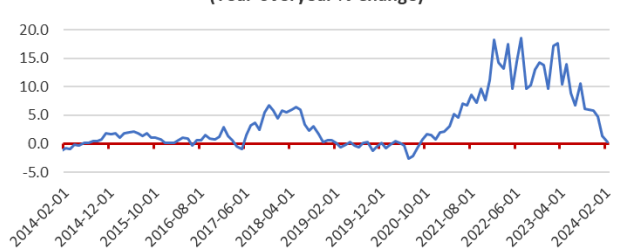
Maritime Freight Price Index
(Year-over-year % Change)



Warehousing Price Index:

Warehousing prices were higher in February (latest data available) with rates up 2.6% M/M (+0.6% last month) and was higher Y/Y by 0.3% (+1.4% last month). (PCU49314931)

Warehousing Price Index
(Year-over-year % Change)



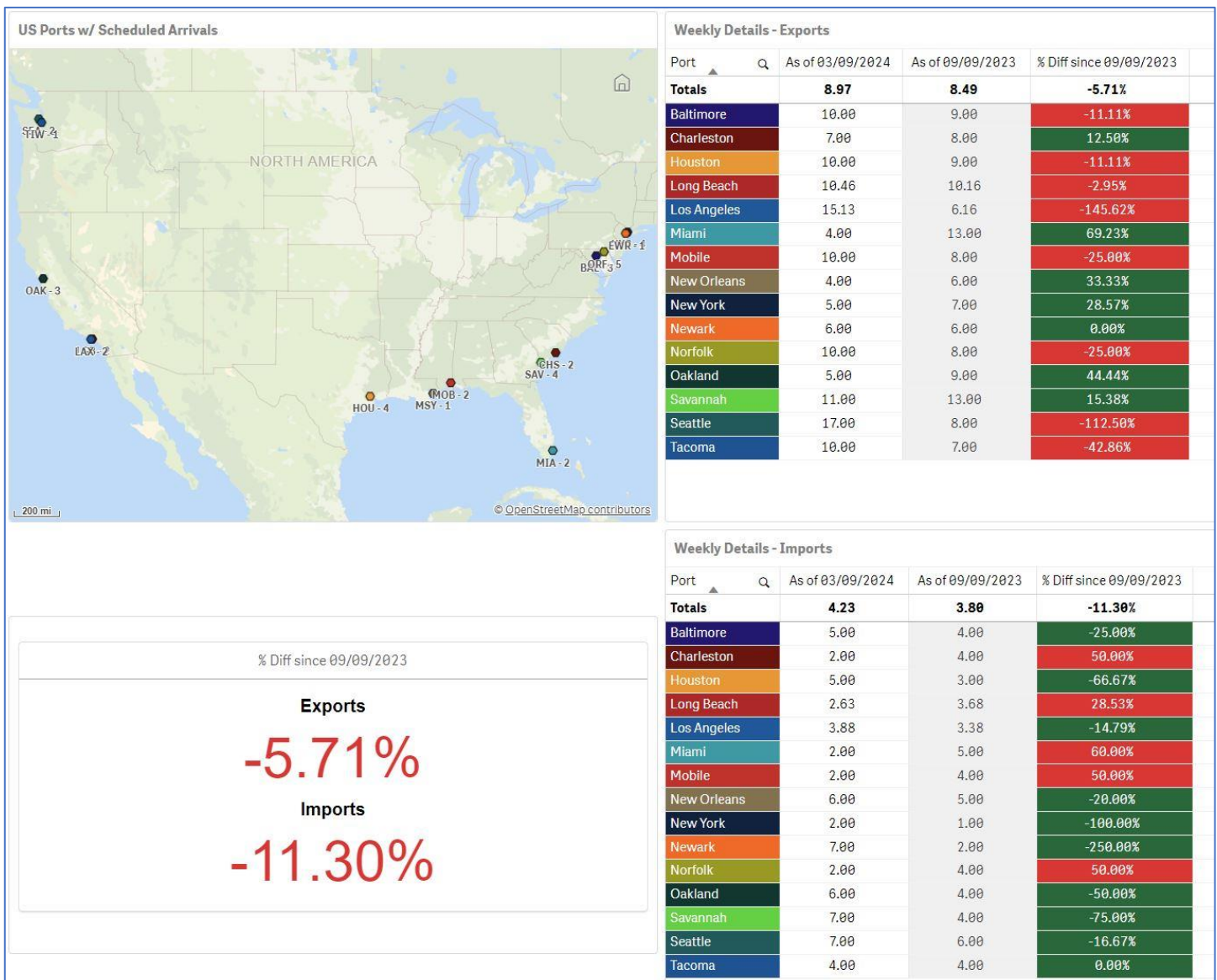
The LogisticsPULSE Port Congestion Index

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.

- For containers Imported into the USA, the Container Processing Time (in days) is now taking about 11.3% longer, or a little less than a half day slower, than what it was in mid-September 2023. Similarly, the processing time for Exports from these same ports is also taking by about 5.71% longer than prior, or about quarter day more than it was in mid-September 2023.
- The US Ports with the greatest amount of Imported TEU's currently are in New York, Los Angeles & Houston and are being processed in about 3.63 days. The highest volume of Exported TEU's are Long Beach, Norfolk and New York and they are completing the export process in about 8.49 days.
- The port with the greatest number of scheduled vessel arrivals is Norfolk, followed by New York, Savannah and Houston, where Tacoma, New Orleans and Newark have the fewest.

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

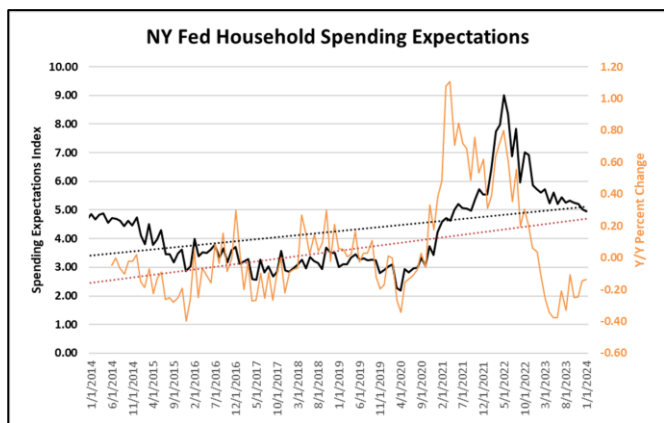


Special Topics in Supply Chain & Logistics:

Country	Current Month	Manufacturing			M/M Change	Current Month	Services			M/M Change
		Latest Month	Prior Month	PMI			Latest Month	Prior Month	PMI	
Global PMI	Feb	50.3	50.0		0.3	Feb	52.4	52.3		0.1
Eurozone PMI	Feb	46.5	46.6		-0.1	Feb	50.2	48.4		1.8
US	Feb	52.2	50.7		1.5	Feb	52.3	52.5		-0.2
China	Feb	50.9	50.8		0.1	Feb	52.5	52.7		-0.2
Canada	Feb	49.7	48.3		1.4	Feb	46.6	45.8		0.8
Mexico	Feb	52.3	50.2		2.1					
Japan	Feb	47.2	48.0		-0.8	Feb	52.9	53.1		-0.2
Germany	Feb	42.5	45.5		-3.0	Feb	48.3	47.7		0.6
South Korea	Feb	50.7	51.2		-0.5					
UK	Feb	47.5	47.0		0.5	Feb	53.8	54.3		-0.5
France	Feb	47.1	43.1		4.0	Feb	48.4	45.4		3.0
India	Feb	56.9	56.5		0.4	Feb	60.6	61.8		-1.2
Italy	Feb	48.7	48.5		0.2	Feb	52.2	51.2		1.0
Taiwan	Feb	48.6	48.8		-0.2					
Brazil	Feb	54.1	52.8		1.3	Feb	54.6	53.1		1.5
Spain	Feb	51.5	49.2		2.3	Feb	54.7	52.1		2.6
Russia	Feb	54.7	52.4		2.3	Feb	51.1	55.8		-4.7

Another Month of Improving Global Manufacturing Activity

Evidence continues to show that the world is emerging out of a destocking period, and now after two consecutive months of moderate improvement in global manufacturing activity, confidence is growing that this will be a better year for total supply chain demand (upstream movement of raw materials and energy and downstream finished goods distribution and management). Fourteen countries still had manufacturing sectors in contraction, but more than half of those were marginally in contraction (slight improvements will move them into expansion territory). Input prices remain stable across most regions of the world, a few areas are experiencing some deflation. New orders were picking up slightly across the board through February, but another month of data is important to get.



Household Spending Expectations Remain Stable

The New York Federal Reserve has released its latest household spending expectations and despite a downtrend that started in 2022, it remains at historically high levels. Compared to the period between the Great Recession and the Pandemic, current spending expectations are still higher than that entire decade. There are three primary segments of US households (upper, middle, and lower income) and those segments that earn more than \$50K a year are still finding stable job environments, good wage growth, and they can weather high inflation better than lower income segments. Upper- and middle-income segments continue to spend. Industries across the supply chain that support those segments continue to experience stable demand.

What's New at Logistics Plus?

Logistics Plus Opens New Miami, Florida Warehouse

Logistics Plus is pleased to announce the opening of a new 182 thousand square foot warehouse at 9575 NW 174th Street, in Miami, Florida. Logistics Plus also has a facility in Doral, Florida, from which it has been operating for the past two years.

[Read Story](#)



Francisco Tijerina Featured on WPSE Business Spotlight

Francisco Tijerina, Director of Logistics Plus Mexico, was featured on the weekly Business Spotlight program. In this month's Logistics Plus segment, Francisco gives an in-depth update on Logistics Plus Mexico's activities, growth, expansion, and more. [Listen to Podcast](#)



Introducing Logistics Plus Makati, Philippines

The Logistics Plus Supply Chain Philippines (aka LP Philippines) team officially began operations in Makati City in January 2024. As Logistics Plus aims to strengthen and expand its global network, the new LP Philippines office will offer both domestic and global logistics services [Read More](#)

