

Factors Shaping Supply Chain & Logistics

Macro Economy Continues to Perform Well. The Atlanta Fed GDPNOW estimate in April is showing growth of 2.9% (up sharply from 2.5% earlier in March). Most analyst expectations for Q1 remain at 2.1% for the full quarter. Consumer spending continues to be stable, and job creation is stable. There are concerns that inflation could start to reverse investment and spending, it remains too hot. But approximately 35% of businesses are still looking for qualified talent, which keeps wages stable and household income sufficient to prop up spending. With that accounting for 70% of GDP, it is keeping broader economic growth stable for now.

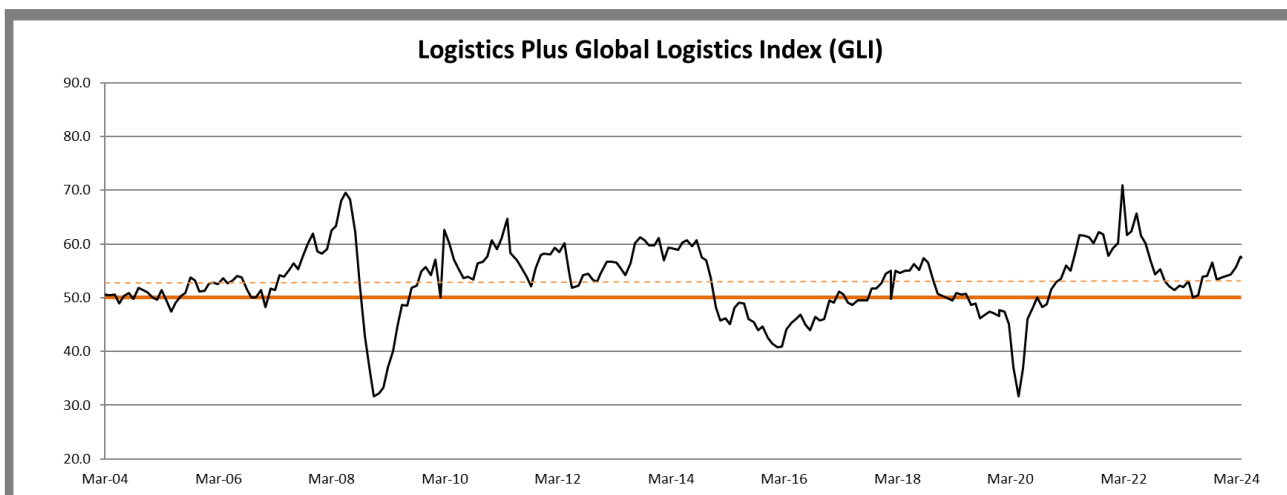
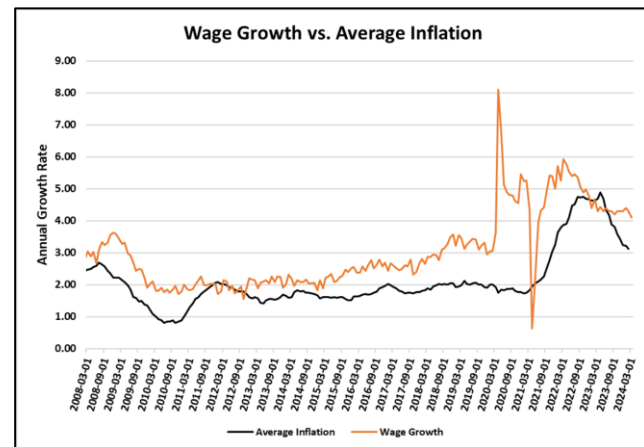
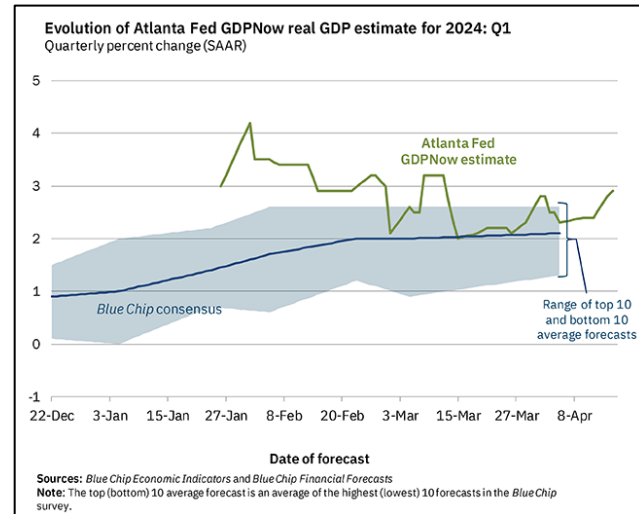
Will The Fed Pause Longer? Inflation rates were surprisingly higher than expected in the latest Consumer Price Index reading. Core inflation (stripping out food and energy) was running at 3.8% while the headline all-inclusive figure was 3.5%. The Fed's favorite indicator was still 3.1% through the end of February (latest available) and ahead of its target 2% rate. These inflation risks (62% of households are living check-to-check and inflation is a significant factor for them), a strong labor market, and stable GDP is likely to reduce the number of rate cuts for 2024. Currently most estimates are still calling for at least one rate cut before the end of the year.

The LogisticsPULSE Global Logistics Index

The GLI Rises Sharply in March

The LogisticsPULSE Global Logistics Index (GLI) came in at **57.7 in March**, up 2.0 points from 55.7 in February. It was firmly in expansion territory and remained above the long-term trendline. The index was 10.0% higher Y/Y (it was 6.1% higher Y/Y last month) and was 3.3% higher M/M.

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



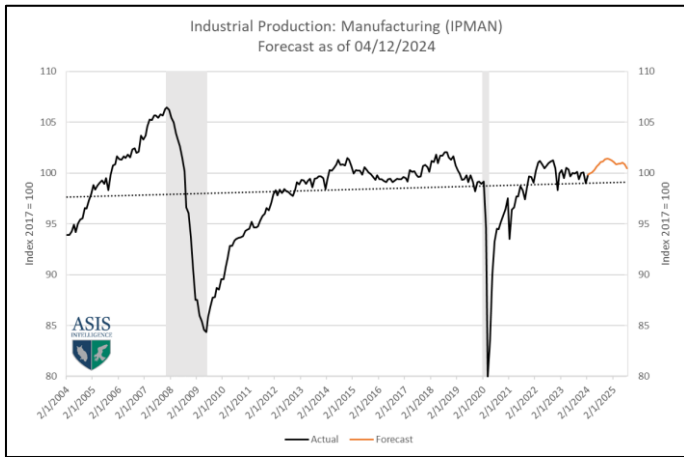
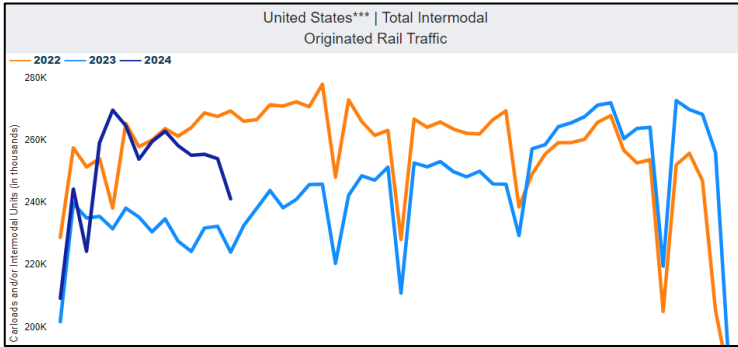
What's New & Important with North American Supply Chains?

Intermodal Showing Growth Early in Q2

Data from the [Association of American Railroads](#) is showing intermodal volumes rising by 9% YTD, and Canadian and Mexican volumes are also showing this stronger year-over-year trend. Volumes are still weaker than 2022's significant volume growth. Some timing of Easter could be at play, which is why the comparison YTD is important. Over the next couple of weeks, the impact of an earlier Easter will be accounted for. But this is generally following a story that has been developing in which consumer spending has remained stable, destocking trends have many retailers now sitting light in inventory, and fears of consumers slowing their spending patterns are fading.

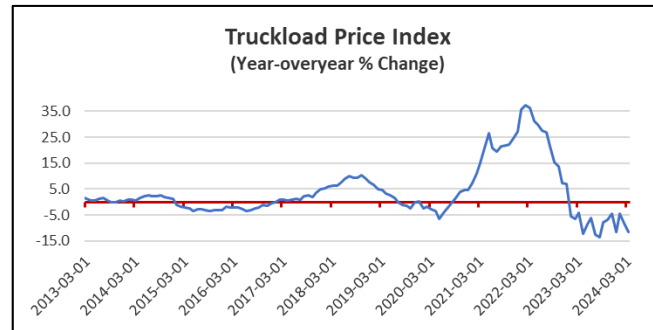
Drivers of Freight Volume Remain Optimistic

Studies have shown that one of the most closely correlated metrics to freight volumes (daily shipment counts) is Industrial Production for Manufacturing (IPMAN). There has been as much as an 87% correlation to daily freight movement. The chart at left shows the forecast for IPMAN from The Watch and it shows a good growth curve through most of 2024 before softening slightly in the front half of 2025. This correlation will be more tightly correlated now with global destocking trends ending. Movement in IPMAN will more directly relate to increases in freight activity in this cycle.



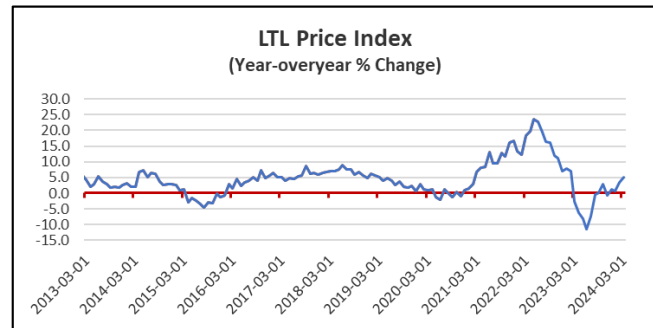
Full Truckload (FTL) Price Index:

Truckload prices were up 0.1% M/M (0.4% last month) in March (latest available) according to the Producer Price Index (includes both contract and spot rates). But they remain down sharply by 11.6% Y/Y (-8.1% adjusted from last month). (PCU484121484121)



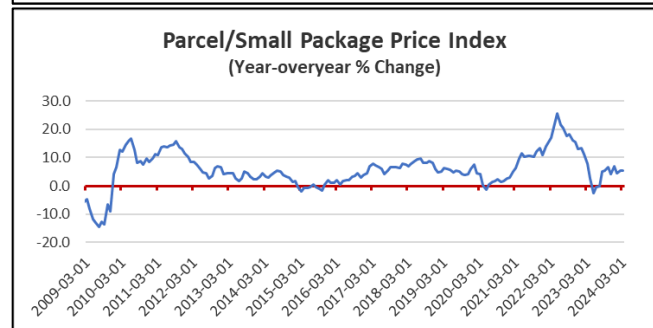
Less-Than-Truckload (LTL) Price Index:

LTL prices were higher by 0.5% M/M in March (latest available) and were up 5.2% Y/Y (up 3.4% last month). With inventories balanced and lean inventory practices in place, keeping shipment sizes smaller allows for a manageable strategy. In addition, with upticks in demand, the LTL sector is finally feeling the impact of Yellow's exit last year. (PCU4841224841221)



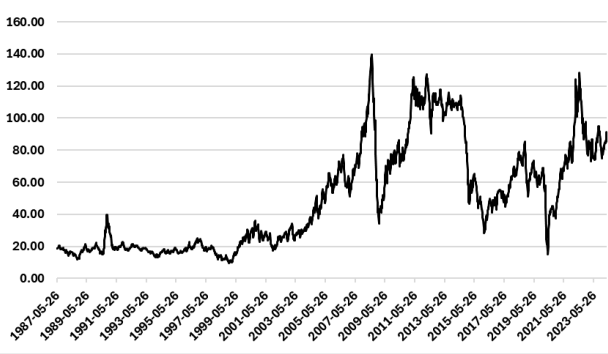
Parcel/Small Pack Price Index:

Prices for parcel and small package express courier services were still up by 5.3% Y/Y (also 5.3% higher last month); but they were down month-over-month in March by 0.4%. E-commerce sales surged and were 11.3% higher Y/Y (6.4% last month) and were sharply higher by 2.7% month-over-month in March (latest available). (PCU492110492110201)



What's New & Important with International Supply Chains?

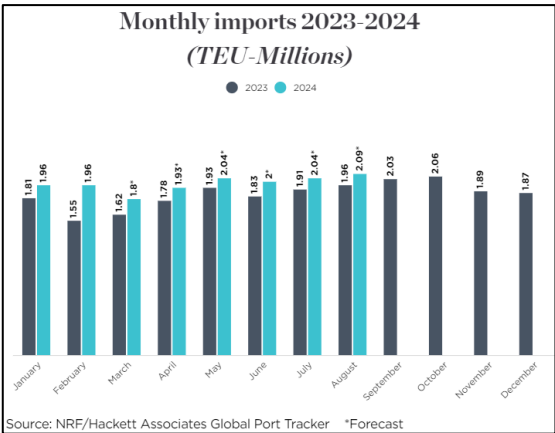
Brent North Sea Crude Per Barrel Price



Global Crude Oil Price Volatility Continues on Geopolitical Risk

At the time of writing, Brent North Sea Crude prices were still hovering near \$90 a barrel in the wake of the Iranian hijacking of a container ship in the Strait of Hormuz. Officials were warning in the wake of the April 14th launch of missiles and drones toward Israel that any reprisal attack by Israel could lead to a closure of the Strait of Hormuz. That would include the flow of oil. With the Red Sea situation already diverting oil shipments out of the Suez Canal, closure of the Strait of Hormuz would make it difficult to get oil out of the region, and crude prices would adjust quickly as a result. Some Wall Street banks have forecasted oil touching \$100 a barrel by July on these and other factors. Again, prices are volatile, watching the situation is wise.

Monthly imports 2023-2024
(TEU-Millions)

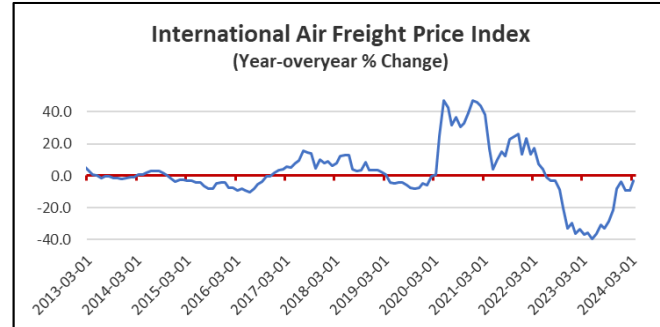


TEU Volume Estimates to Improve Y/Y?

The National Retail Federation and Hackett and Associates have released their latest [Global Port Tracker](#), and it shows a more optimistic view for TEU traffic in 2024. TEU's will average slightly more than 2 million units in the four months from May through August. If those figures hold, this is expected to boost total first half 2024 TEUs by 11% versus last year at this time. This would put total TEUs above the 2017-2019 average of 21.8M for the full year if these trends continue (2023 ended with 22.3M in volume).

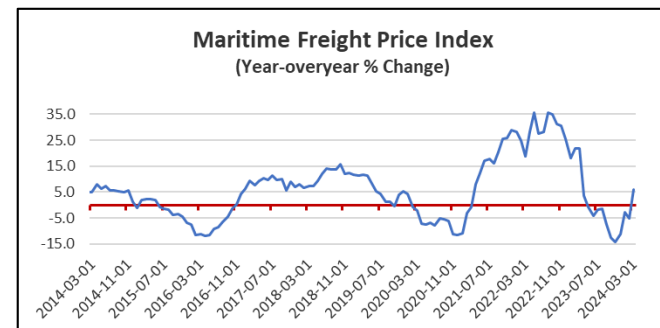
Airfreight Price Index:

The airfreight price index was higher by 1.2% M/M in March (latest available and down 4.3% last month) and was lower on a Y/Y basis, falling by 3.3% (down 9.0% last month). With easing Easter and Lunar New Year scrambling, air cargo demand softened headed into the early part of Q2. (IC131)



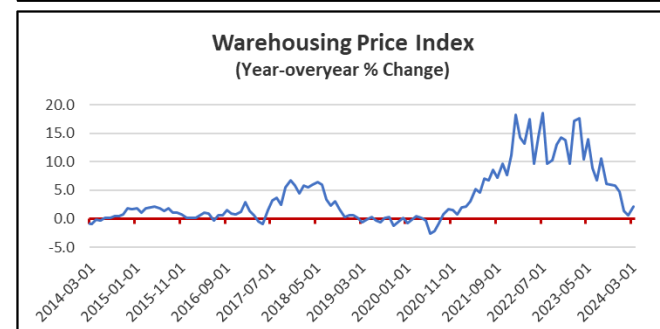
Ocean Freight Price Index:

The blended PPI for maritime service in March was 6.0% higher Y/Y (-5.1% last month), and it was up 0.8% M/M (-0.2% last month). The PPI data was adjusted this month and was still reflecting the challenges with re-routing around the Red Sea. New GRIs are starting to hit contract rates, and despite some slight easing of spot rates over the past two weeks they remain higher. (PCU483111483111)



Warehousing Price Index:

Warehousing prices were higher in March (latest data available) with rates up 1.2% M/M (+3.0% last month) and was higher Y/Y by 2.2% (+0.6% 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.

- Even with the Port of Baltimore closed, the Container Processing Time (in days) for containers Imported into the US is now taking about 7.92% less time, or about half a day less than what it was in mid-October 2023. However, the processing time for Exports from these same ports is also taking by about 23.79% longer than prior, or about a day and half more than it was in mid- October 2023.
- The US Ports with the greatest amount of Imported TEU’s currently are in New York, Los Angeles & Long Beach and are being processed in about 3.09 days. The highest volume of Exported TEU’s are Norfolk, Houston and Charleston and they are completing the export process in about 12.67 days.
- The port with the greatest number of scheduled vessel arrivals is Charleston, Norfolk and New York, where Seattle, Tacoma, Mobile and Miami have the fewest.

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

Port	As of 04/08/2024	As of 10/09/2023	% Diff since 10/09/2023
Totals	9.05	7.31	23.79%
Charleston	15.00	12.00	25.00%
Houston	8.00	7.00	14.29%
Long Beach	5.35	5.80	-7.76%
Los Angeles	9.28	6.22	49.20%
Miami	14.00	7.00	100.00%
Mobile	9.00	7.00	28.57%
New Orleans	9.00	8.00	12.50%
New York	2.00	6.00	-66.67%
Norfolk	15.00	5.00	200.00%
Oakland	8.00	6.00	33.33%
Savannah	9.00	11.00	-18.18%
Seattle	9.00	7.00	28.57%
Tacoma	5.00	7.00	-28.57%

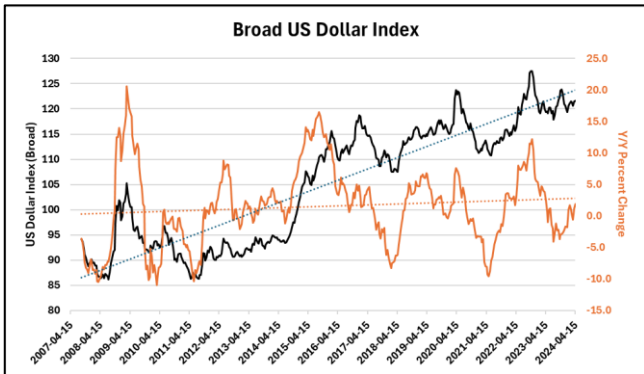
% Diff since 10/09/2023

Exports
23.79%

Imports
-7.92%

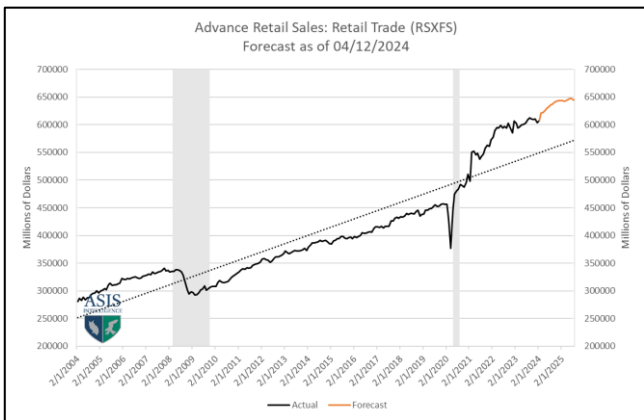
Port	As of 04/08/2024	As of 10/09/2023	% Diff since 10/09/2023
Totals	3.56	3.87	-7.92%
Charleston	2.00	3.00	-33.33%
Houston	2.00	4.00	-50.00%
Long Beach	4.73	3.90	21.28%
Los Angeles	2.55	5.36	-52.43%
Miami	4.00	1.00	300.00%
Mobile	5.00	6.00	-16.67%
New Orleans	2.00	5.00	-60.00%
New York	2.00	4.00	-50.00%
Norfolk	6.00	4.00	50.00%
Oakland	7.00	3.00	133.33%
Savannah	5.00	4.00	25.00%
Seattle	2.00	3.00	-33.33%
Tacoma	2.00	4.00	-50.00%

Special Topics in Supply Chain & Logistics:



US Dollar Providing Support to Imports / Pushback on Exports

The US dollar has been finding some strength against a big bucket of broad currencies. The US dollar index is up 4.9% YTD. This could lead to more intermodal activity, as a stronger dollar essentially discounts products procured from abroad. This cycle took place in 2014 and led to sharp inventory building activity that year. The difference this time around will be the cost of capital. Higher interest rates will limit the amount of inventory that some companies are willing to forgo. If a company has a lot of cash on hand and can avoid a higher cost of capital, they may decide to take this period to stockpile, especially if they are buying from motivated sellers willing to discount even further in parts of Asia or Europe.



Retail Spending Outlook Stable for 2024 and Into 2025

The latest models from The Watch show retail sales growing at just over 5% this year after climbing by 4.2% in the past two years. Typically, with these forecast models, it is important to look at the general bias in the curves – and there continues to be a positive bias. In other words, all of the economic influences that shape retail spending appear to be pushing the curve upward. Whether the final year comes in with growth of 5% or something slightly shy of that, generally there is a strong demand curve for products and consumer spending continues to be stable. This is also why freight outlooks are generally stronger, perhaps more so than the past 18 months as companies destock and go back into stronger reorder cycles.

What's New at Logistics Plus?

Intro to MyLogisticsPlus: a Powerful, Custom-Built Customer Portal

The world keeps changing. You need world-class technology to keep up with your business's growing demands. MyLogisticsPlus™ is a powerful, custom-built portal personalized to meet all your integration, order processing, transportation management, invoicing, and reporting requirements. [Watch Video](#)



LP Ranks Among Transport Topics 2024 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, ranking 82nd overall. Logistics Plus also ranked as the 38th largest dry storage warehousing firm and the 66th largest freight brokerage firm. [Read More](#)



Introducing Logistics Plus Scandinavia

The Logistics Plus Scandinavia (aka LP Scandinavia) team officially began operations on February 1st, 2024. As LP aims to strengthen and expand its global network, the new LP Scandinavia office will offer domestic, regional, and global logistics services. LP Scandinavia seeks to deliver a wide range of logistics services. [Read More](#)

