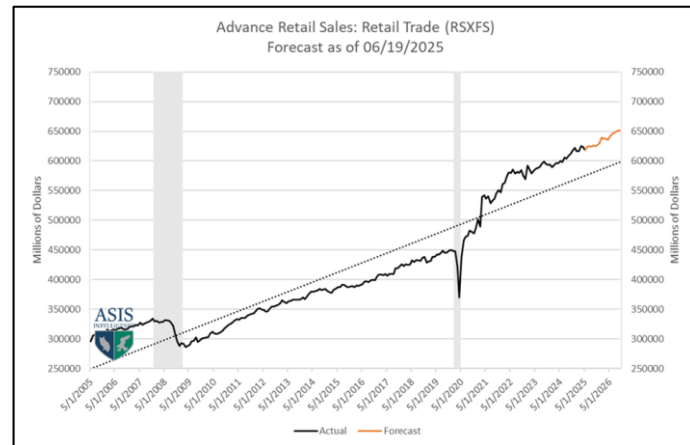
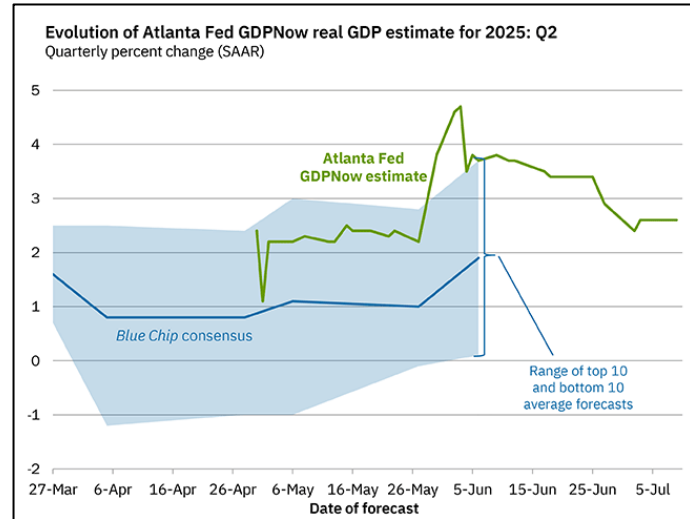


Factors Shaping Supply Chain & Logistics

Q2 GDP Remain Above Expectations. The Atlanta Fed GDPNOW estimate for Q2 is still ahead of expectations with growth near 2.6%. Even Blue-Chip Economists have increased their forecast to nearly 2%. Consumer spending is still strong, but there are concerns that lack of inventory building activity could slow Q3 activity. Once this initial wave of inbound freight is processed, they may not be chased with much. New orders for goods were lackluster in June and based on a few orders in July, there doesn't appear to be much chasing behind this wave of activity.

Retail Forecast Remains Healthy. The Armada forecast for retail sales shows a strong outlook. This forecast continues to have a 94.4% accuracy rate 6 months in advance; there is confidence in it. With the new tax bill being passed, most forecasts show up to \$7K a year for the average household in various tax benefits are possible – and much of that could translate into retail spending. That translates into an estimated boost of \$781B next year in potential consumer spending. With general retail inventories running 9.8% lower relative to sales vs the average prior to the pandemic, some risks of lingering stockouts are possible.

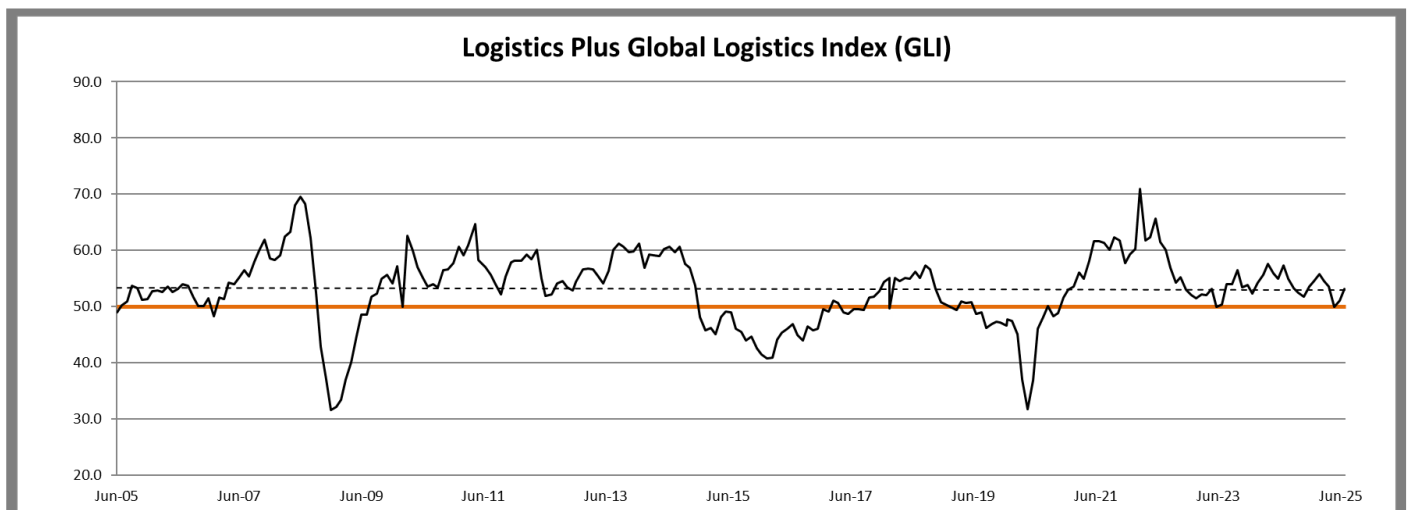


The LogisticsPULSE Global Logistics Index

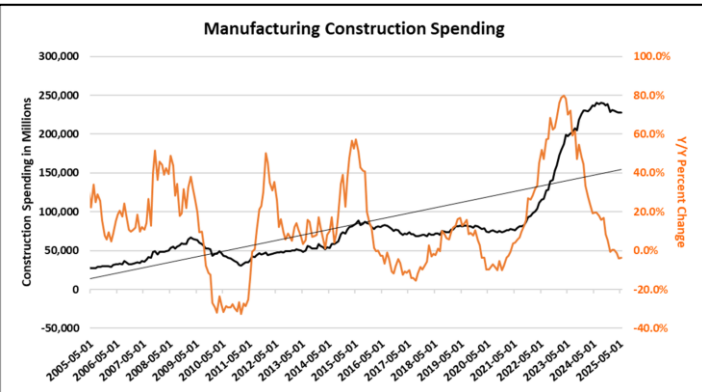
The GLI Pops in June

The LogisticsPULSE Global Logistics Index (GLI) came in at **53.1 in June, up 2.0 points from 51.1 in May (+3.9%)**. It is above the breakeven point but remained slightly below the long-term trendline. The index was still lower by 7.3% Y/Y (it was 6.5% lower Y/Y last month). The GLI should continue to inch upward in the coming months as we slip into the peak season, even if overall volumes remain sluggish compared to last year.

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

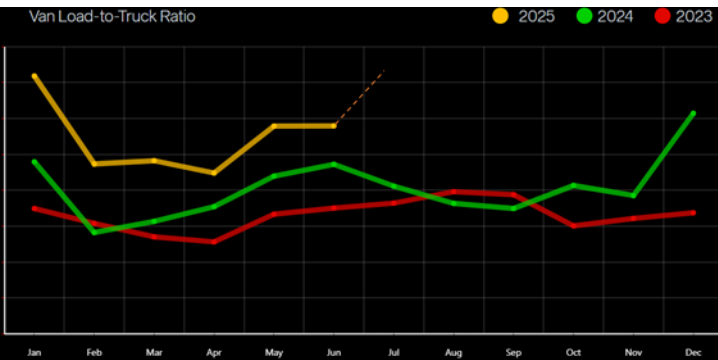


What's New & Important with North American Supply Chains?



Nonresidential Construction Surge Coming?

A major provision in the tax bill signed in July allows for 100% depreciation of the cost of a new industrial building or equipment as long as it is put into service before 2030. Normally, that depreciation schedule could take 30-40 years. With this benefit being “front loaded”, a majority of the \$5T to \$8T committed capital to the US for building out datacenters, energy infrastructure, and industrial manufacturing activity could overwhelm the construction sector in 2026 and 2027. This seems like a long way off, but projects could be shovel ready and impacting resource availability, labor, and other market factors as early as Q4 of this year. This could tighten truck driver capacity, an old theme that may be resurrected next year.



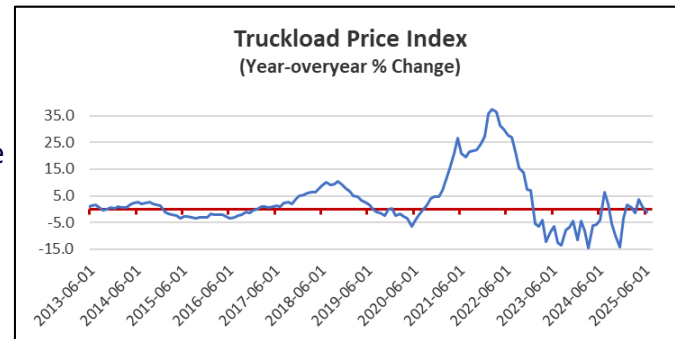
Load-to-Truck-Ratios Surge

DAT reported through July 12th that load-to-truck-ratios jumped to 7.43, significantly higher than ratios over the past two years (depicted in the DAT graph on the left). This can obviously change, but the current situation is related to the current wave of freight hitting the LA Basin ports (breaking records for June). Inbound volumes are not expected to continue this rate through August (once these volumes are cleared) and spot rates may be indicative of this. Spot rates through the 13th are down 1% W/W and are up just 0.5% Y/Y.

Source: DAT Trendlines

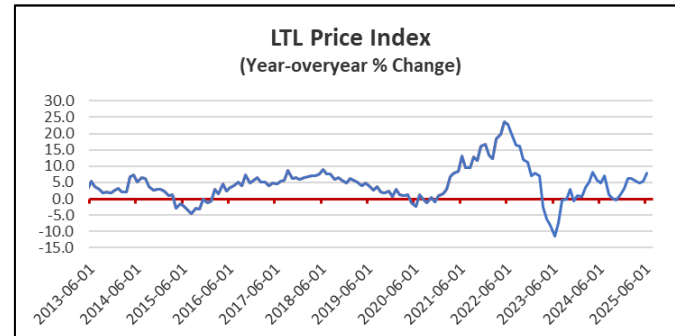
Full Truckload (FTL) Price Index:

Truckload prices were down 1.5% M/M (+2.2% last month) in June (latest available) according to the Producer Price Index (includes both contract and spot rates). They were down 1.1% Y/Y (+1.1% adjusted from last month). (PCU484121484121)



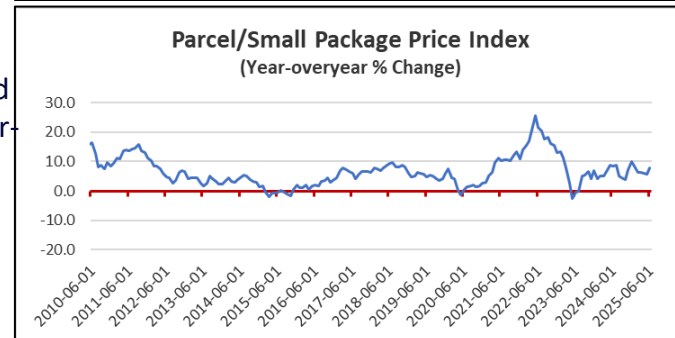
Less-Than-Truckload (LTL) Price Index:

LTL prices were higher in June (latest available) rising by 7.8% Y/Y (up 5.4% last month) against easier comparisons to last year at this time. Domestic volumes were also higher by a marginal 0.9% M/M, showing some mild sequential improvements. (PCU4841224841221)



Parcel/Small Pack Price Index:

Prices for parcel and small package express courier services surged by 7.7% Y/Y (5.7% higher last month); and were higher month-over-month in June by 1.2%. E-commerce sales were 8.3% higher Y/Y (8.7% last month) and were higher by 0.9% month-over-month in May (latest available and not seasonally adjusted). (PCU492110492110201)



What's New & Important with International Supply Chains?

Country PMI	Trade with US (in billions)	Current Month	Latest Month PMI	Prior Month PMI	M/M Change
US		June	52.9	52.0	0.9
Global PMI	\$ 4,700	June	50.3	49.5	0.8
Canada	\$ 665	June	45.6	46.1	-0.5
Mexico	\$ 661	June	46.3	46.7	-0.4
China	\$ 655	June	50.4	48.3	2.1
Eurozone PMI	\$ 632	June	49.5	49.4	0.1
ASEAN	\$ 369	June	48.6	49.2	-0.6
Japan	\$ 210	June	50.1	49.4	0.7
Germany	\$ 201	June	49.0	48.3	0.7
South Korea	\$ 161	June	48.7	47.7	1.0
UK	\$ 118	June	47.7	46.4	1.3
Taiwan	\$ 114	June	47.2	48.6	-1.4
India	\$ 113	June	58.4	57.6	0.8
Vietnam	\$ 113	June	48.9	49.8	-0.9

New Order Sluggishness

Global manufacturing activity was mixed through the end of June; 17 countries remained in contraction and 9 of 30 fell month-over-month. But the bigger story was the new orders component. As mentioned earlier, new orders across the board (except India) were generally weaker than expected. Not only were domestic volumes for most countries lower, but foreign export orders were being impacted by US trade negotiations. Most buyers are still taking a "wait and see" attitude toward new orders and many are waiting for trade deadlines looming on August 1st for clarity on the future trade environment.

Tariff Rates Coming In Higher Than Expected

Fewer than a handful of countries have announced trade agreements with the US. The UK (which the US had a trade surplus with) got a blanket 10% tariff. Vietnam (in which the US had a sizeable trade deficit with) settled at a 20% rate. The latest was Indonesia which came in reportedly at 19%. Studies showed that a blended net tariff rate of 15-18% could strip nearly a full percentage point off of GDP (which could be offset by growth elsewhere, but that's the headwind it can create). Remember that most tariff impacts are still coming, many firms have not yet felt the full impact yet.



Airfreight Price Index:

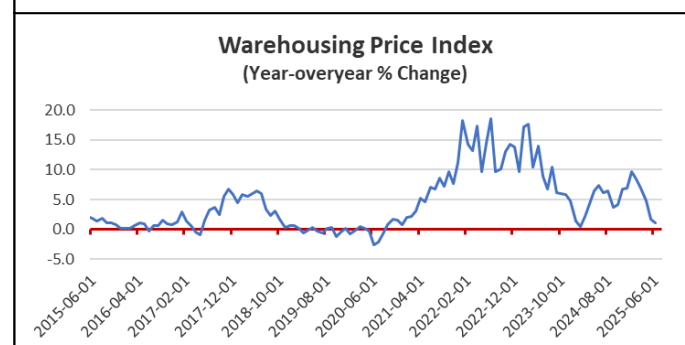
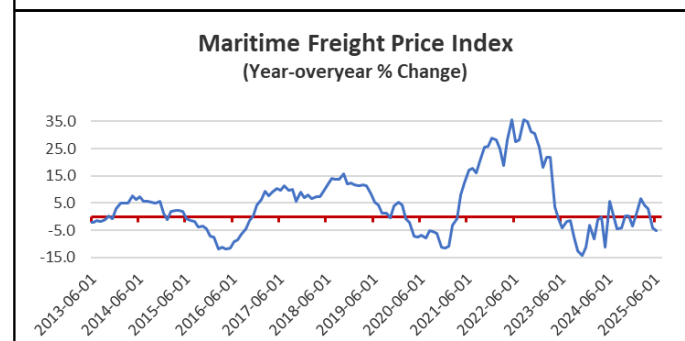
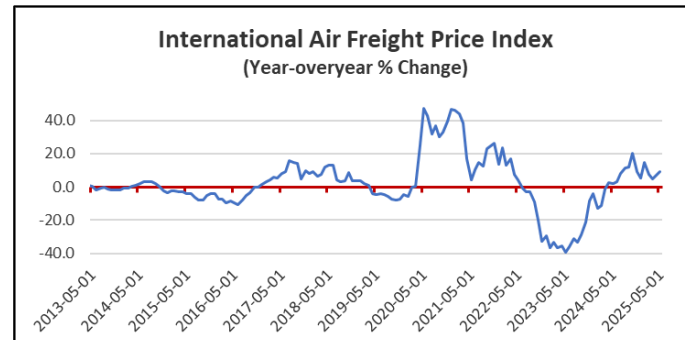
The airfreight price index was lower by 2.2% M/M in May (not seasonally adjusted and the latest available; up 5.2% last month) and was higher on a Y/Y basis, rising by 9.1% (up an adjusted 6.9% last month). (IC131)

Ocean Freight Price Index:

The blended PPI for maritime service in June was 5.1% lower Y/Y (4.1% lower last month), but it was up 3.8% M/M (-3.6% last month and not seasonally adjusted). (PCU483111483111). *Note: Fed PPI tracks domestic US maritime prices, both contract & spot, and is based on survey data.*

Warehousing Price Index:

Warehousing prices were lower by 1.5% in June (latest data available and -3.7% last month after adjustments) but was higher Y/Y by 1.1% (1.7% last month). Warehouse vacancy rates are still high despite the recent wave of inbound freight. (PCU49314931)



Global Maritime and Air Cargo Observations

DHL Expects Capacity to Remain Balanced in Asia-US Lanes

DHL expects tightening between Asia and many markets except the US. Asia to North America trade lanes are expected to remain balanced between now and the end of Q3.

Market Development on Key Regional Tradelanes														
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
Asia	→ Intra	R	R	R	R	A	A	A	R	R	Forecast	R	A	A
	→ N. America	R	R	R	R	A	A	A	A	R		A	A	A
	→ Europe	R	R	R	R	A	A	A	A	A		R	A	A
	→ Middle East	R	R	R	R	A	A	A	G	A		R	R	R
	→ S. America	R	R	R	G	A	G	G	G	R		R	R	A
	→ Africa	R	R	R	R	A	G	G	G	G		A	A	A
	→ Oceania	R	R	R	R	A	A	A	A	A		A	A	A
	→ East Med	R	R	R	R	A	A	A	A	A		R	R	R
East MED	→ Europe	R	R	G	R	A	A	A	A	A	A	A	A	
Europe	→ N. America	G	G	A	R	R	A	A	R	R	R	A	A	
	→ Asia	A	A	A	A	G	G	G	G	G	G	G	G	
N. America	→ Asia	G	G	G	G	G	G	G	G	G	G	G	G	
S. America	→ N. America	G	G	A	R	A	A	A	A	A	A	A	A	



















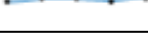
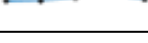
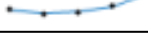
<

Source: DHL, Accenture Cargo

R Demand > Capacity A Demand, Capacity balanced G Demand < Capacity

Air Cargo Spot Rates Unchanged Y/Y in Week 27

Average global air cargo spot rates were unchanged Y/Y while total tonnage was up by 3% Y/Y. The tariff uncertainty across several markets continued to be the largest issue. Asia Pacific volumes were up 7% Y/Y but rates were still rangebound being down 2% in the same period. As the market moves closer to Q4, many firms could use small tuck-in orders in expedited lanes to fill stockouts – and much of that will move via air cargo.

Origin Regions last 2 to 5 weeks									
WORLD ACD	Capacity ¹			Chargeable weight ¹			Rate ¹		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		-1%	+6%		-2%	+2%		+2%	+8%
Asia Pacific		+2%	+4%		+1%	+7%		+2%	-2%
C. & S. America		-1%	-1%		-5%	+2%		+0%	-2%
Europe		+1%	+1%		+5%	-0%		+2%	+6%
M. East & S. Asia		-0%	+1%		+9%	+1%		+3%	-9%
North America		-2%	-2%		-3%	+0%		-0%	+0%
Worldwide		-0%	+1%		+1%	+3%		+2%	+0%

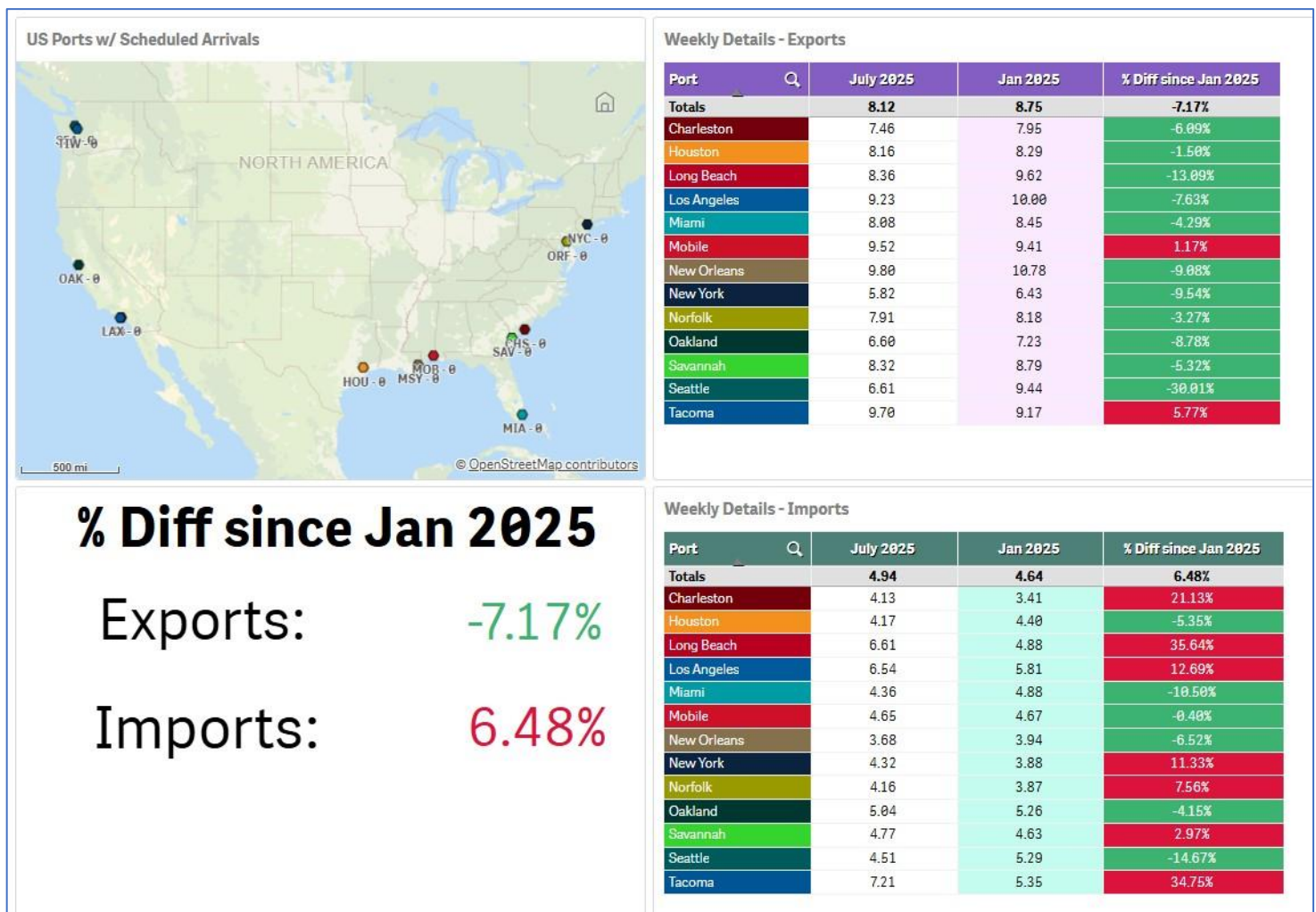
The LogisticsPULSE Port Congestion Index

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 taking less than a half day longer, or about 6.48% more than it was in January 2025. The processing time for Exports from these same ports is however improved by more than half a day, or 7.17% faster than January 2025.
- The US Ports with the greatest amount of Imported TEU's currently are in Los Angeles, New York and Long Beach and are being processed in about 5.82 days. The highest volume of Exported TEU's are found in Los Angeles, Houston and Savannah and they are completing the export process in about 8.57 days.

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



Special Topics in Supply Chain & Logistics:



Source: [Geology.com](https://www.geology.com)

Special Area of Focus: Brazil

Brazil has the world's 9th largest GDP worldwide at \$2.18 trillion in 2024. Brazilian foreign trade is about 34% of GDP—lower than most similar-size economies, indicating a relatively closed market. It was the 25th largest exporter in the world and the 26th largest importer. It's top trading partners in order were China, the US, Argentina, Netherlands, and Spain.

The US has a trade surplus with Brazil of \$7.4B (2024) on total trade estimated to be \$92 billion (U.S. exports to Brazil: \$49.7B; U.S. imports from Brazil: \$42.3B) in 2024. This made Brazil the 16th largest trading partner with the US.

U.S. exports to Brazil grew by ~11.3% from 2023 to 2024 and U.S. imports from Brazil increased by ~8.3% in the same period.

Top Brazilian export products were mineral fuels (17% of total exports), oil seeds (13%), ores (mainly iron at 10.4%), meat (7.3%), sugar (5.6%), machinery and computers (3.9%), iron and steel, vehicles, coffee and tea, and food industry waste and fodder all at 3.5% of total exports.

Imports into the country include oil (15.3%), machinery (14.4%), electrical machinery (12.0%), vehicles (7.8%), fertilizers (6.9%), organic chemicals (5.8%), pharma (4.7%), plastics (4.5%), chemicals (2.8%), and precision instruments (2.7%).

What's New at Logistics Plus?

When Is Air Freight Worth the Cost?

In today's fast-paced global market, getting goods from one place to another quickly can make all the difference. As businesses strive to meet customer demands and manage supply chains efficiently, air freight emerges as a vital option. [Read More](#)



The LTL Landscape: Giants and Hidden Gems

The U.S. LTL industry is a fascinating mix of massive national carriers and agile regional specialists. According to analysts, the top 25 LTL carriers control over 80% of total market capacity and revenue, underscoring a highly consolidated industry structure. [Read More](#)



LP CMO Scott Frederick Featured on Business Spotlight

Scott Frederick, CMO & LTL Carrier Relations at Logistics Plus was featured on the Business Spotlight program, produced in partnership with WPSE Money Radio. Business Spotlight is a monthly 30-minute program that airs regionally and streams globally. [Listen to Podcast](#)

