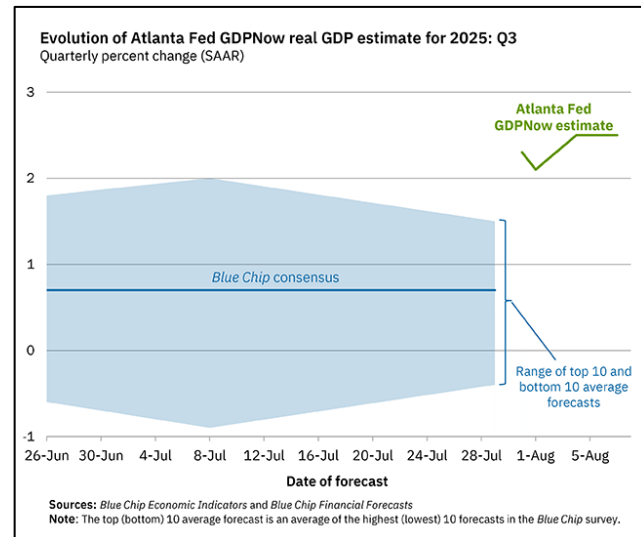


## Factors Shaping Supply Chain & Logistics

**Q3 GDP Still Above Expectations.** The Atlanta Fed GDPNOW estimate for Q3 is still ahead of expectations with growth near 2.5%. Blue-Chip Economists are still pessimistic with growth of just 0.8% and the Fed overall is looking for 1.5% this quarter. Consumer spending is still strong, and there was a slight uptick in nonresidential investment taking place. The big driver of growth is inventory building activity, which was accounting for nearly 33% of Q3 growth QTD. There are hints that some surges in equipment orders and new foot traffic are taking place across many markets – a hint that growth could accelerate in the coming months.

**Federal Reserve in a Tight Spot.** The Fed must control inflation and maintain full employment (driven by economic growth) at the same time. This is difficult, especially on the heels of a Producer Price Index showing inflation at the wholesale and retail levels was moving faster than expected through July. The Consumer Price Index was still tame but seeing wholesale prices increase could suggest that it is only a matter of time before the inflation surge hits consumers. The Fed had forecast that it would trim interest rates twice in the second half of the year. With a struggling US housing market (16% of GDP), that could be the case.



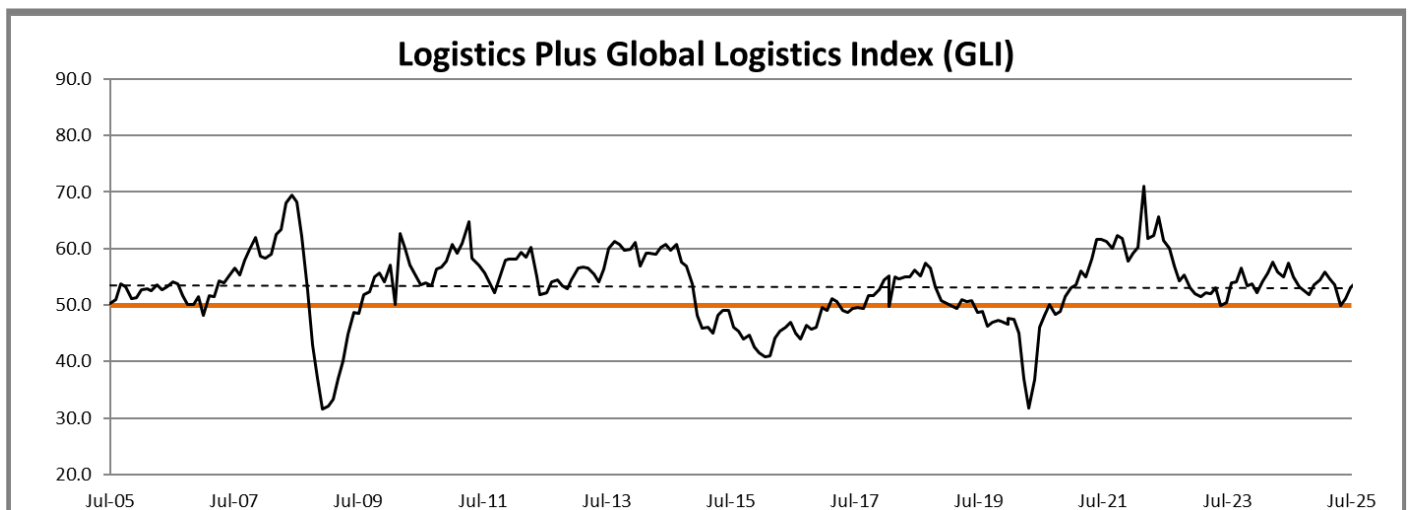
Variable	2025
Change in real GDP	1.4
March projection	1.7
Unemployment rate	4.5
March projection	4.4
PCE inflation	3.0
March projection	2.7
Core PCE inflation <sup>4</sup>	3.1
March projection	2.8
Memo: Projected appropriate policy path	
Federal funds rate	3.9
March projection	3.9

## The LogisticsPULSE Global Logistics Index

### The GLI Continues to Grow in July

The LogisticsPULSE Global Logistics Index (GLI) came in at **54.0 in July, up 0.9 points from 53.1 in June (+1.5%)**. It is above the breakeven point and is now back in-line with the long-term trendline. The index was still lower by 1.5% Y/Y (it was 7.3% 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?



### Warning Light? Concern in the Housing Market Continues

The US housing market can account for as much as 16% of US GDP and a single average family home can generate 7 full truckloads of activity. It is a critical part of a healthy economy and at least three data points are concerning. The monthly supply of new homes has surged to 9.8 months of inventory on hand, the highest non-pandemic level since the Great Recession and we have to stretch back to the early 1980's prior to that to find a similar level. Starts are down 10% Y/Y and permits are down 8.4% Y/Y. It is not a housing collapse, but there is some pressure building in the sector and it likely needs a Federal Reserve rate cut to reverse these trends.

### US Exports to Surge? Maybe.

One of the positive by-products from US trade negotiations is that many come with an increase in US exports. Some estimates suggest that this increase could range from \$350B to \$450B annually when the deals are mature. This could have wide-ranging impacts on US distribution patterns / volumes and could hit as early as 2026. Traditional empty back-haul lanes may start to fill, and generally, could lead to more industrial activity closer to US export nodes.

### Full Truckload (FTL) Price Index:

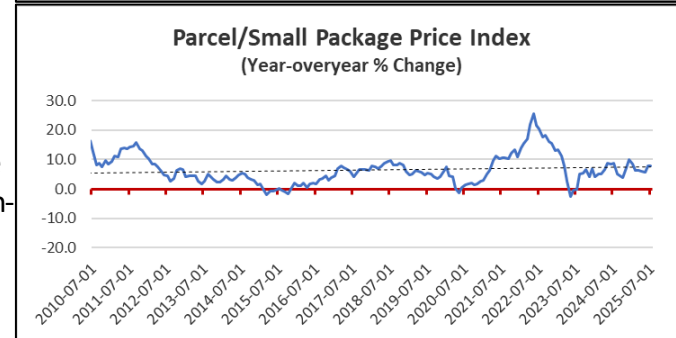
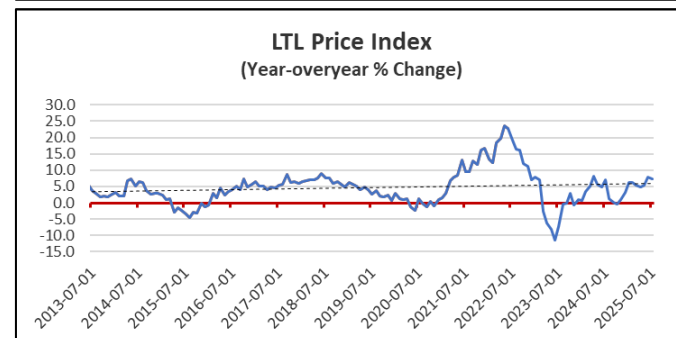
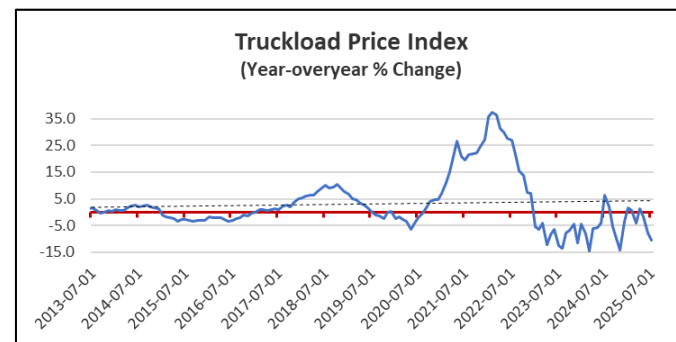
Truckload prices were up 1.1% M/M (-5.7% last month) in July (latest available) according to the Producer Price Index (includes both contract and spot rates). They were down 10.4% Y/Y (-7.8% adjusted from last month). (PCU484121484121)

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

LTL prices were higher in July (latest available) rising by 7.3% Y/Y (up 7.8% last month) against easier comparisons to last year at this time. Domestic volumes were also higher by a marginal 1.7% M/M, showing some mild sequential improvements. (PCU4841224841221)

### Parcel/Small Pack Price Index:

Prices for parcel and small package express courier services remained high at 7.8% Y/Y (7.7% higher last month); and were higher month-over-month in July by 1.1%. E-commerce sales were 4.5% higher Y/Y (8.3% last month) and were higher by 0.4% month-over-month in June (latest available and not seasonally adjusted). (PCU492110492110201)



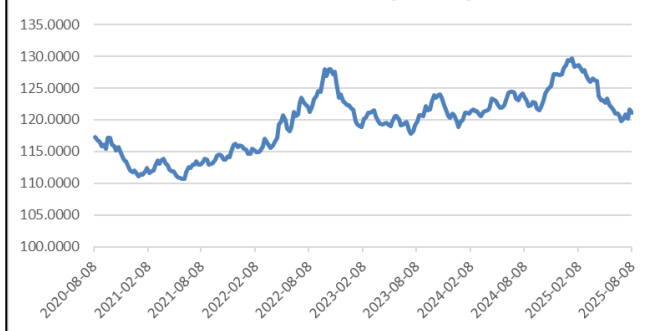
## What's New & Important with International Supply Chains?



### Peak Season to Transition into Just-In-Time Scrambling?

New order activity is sluggish as we get deeper into August, primarily because many supply chain managers front-loaded peak season inventory to avoid tariff pressures. But reports are also circulating that many managers may have simply downshifted into a more traditional JIT approach, keeping inventories lean but being willing to reorder tuck-in orders throughout the peak as needed. That could change what is normally a heavy rush on the front end and spread-out freight volumes and activity across multiple months. If true, this would make the global supply chain more predictable overall, despite some congestion at a few ports currently.

**US Dollar Index (Broad)**

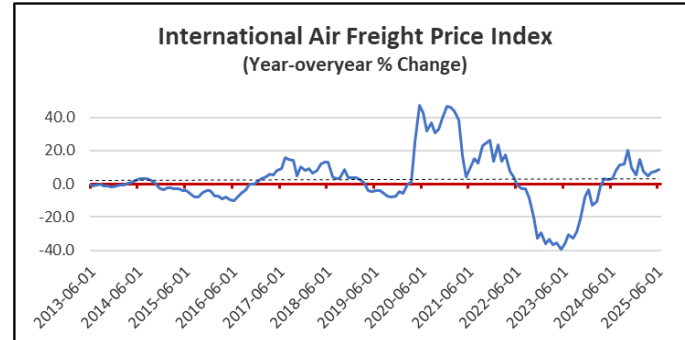


### US Dollar Trend a Concern for Global Trade?

Supply chain managers are watching the US dollar closely after it slipped by 9.4% YTD and was down 4.6% from last year through August 14<sup>th</sup>. When the US dollar is weaker, it adds to price pressures from tariffs and other inflationary factors (supply shortages, bottlenecks, etc.). This can have a drag effect on new orders and is part of the reason that supply chain activity could remain muted deeper into the peak this year. Recent inflation data has worked to push the dollar slightly higher in the past 48 hours, but the longer-term trend through the end of the year is expected to keep it trending lower against a bucket for foreign currency.

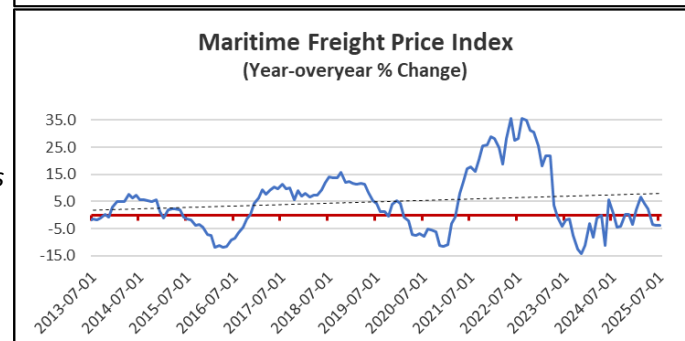
### Airfreight Price Index:

The airfreight price index was higher by 3.3% M/M in June (not seasonally adjusted and the latest available; down 3.8% last month) and was higher on a Y/Y basis, rising by 8.8% (up an adjusted 7.3% last month). (IC131)



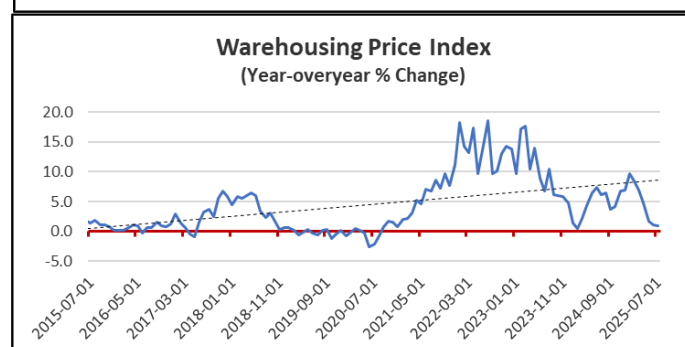
### Ocean Freight Price Index:

The blended PPI for maritime service in July was 3.7% lower Y/Y (3.8% lower last month), but it was up 13% M/M (4.7% 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 higher by 0.5% in July (latest data available and -1.5% last month after adjustments) but was higher Y/Y by 0.9% (1.1% 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 primary 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

R

A

G















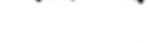






Demand > CapacityDemand, Capacity balancedDemand < Capacity

Source: DHL, Accenture Cargo

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

### Air Cargo Spot Rates Higher Y/Y in Week 31

Average global air cargo spot rates were 2% higher Y/Y while total tonnage was up by 2% Y/Y. The tariff uncertainty across several markets continued to be the largest issue. Asia Pacific volumes were up 8% Y/Y but rates were still rangebound being down 3% 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									
	Capacity <sup>1</sup>			Chargeable weight <sup>1</sup>			Rate <sup>1</sup>		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		-2%	+6%		-3%	-0%		-1%	+4%
Asia Pacific		+1%	+5%		-1%	+8%		+1%	-3%
C. & S. America		+2%	+1%		-1%	+5%		+1%	-2%
Europe		-0%	+5%		+3%	+3%		-1%	+4%
M. East & S. Asia		-1%	+2%		-1%	+1%		+0%	-12%
North America		+0%	+11%		-2%	+2%		+2%	+0%
Worldwide		-0%	+5%		-0%	+5%		+0%	-2%

<sup>1</sup> 2Wo2W compares the last 2 weeks with the preceding 2 weeks this year. YoY compares the last 2 weeks with the same 2 weeks last year.

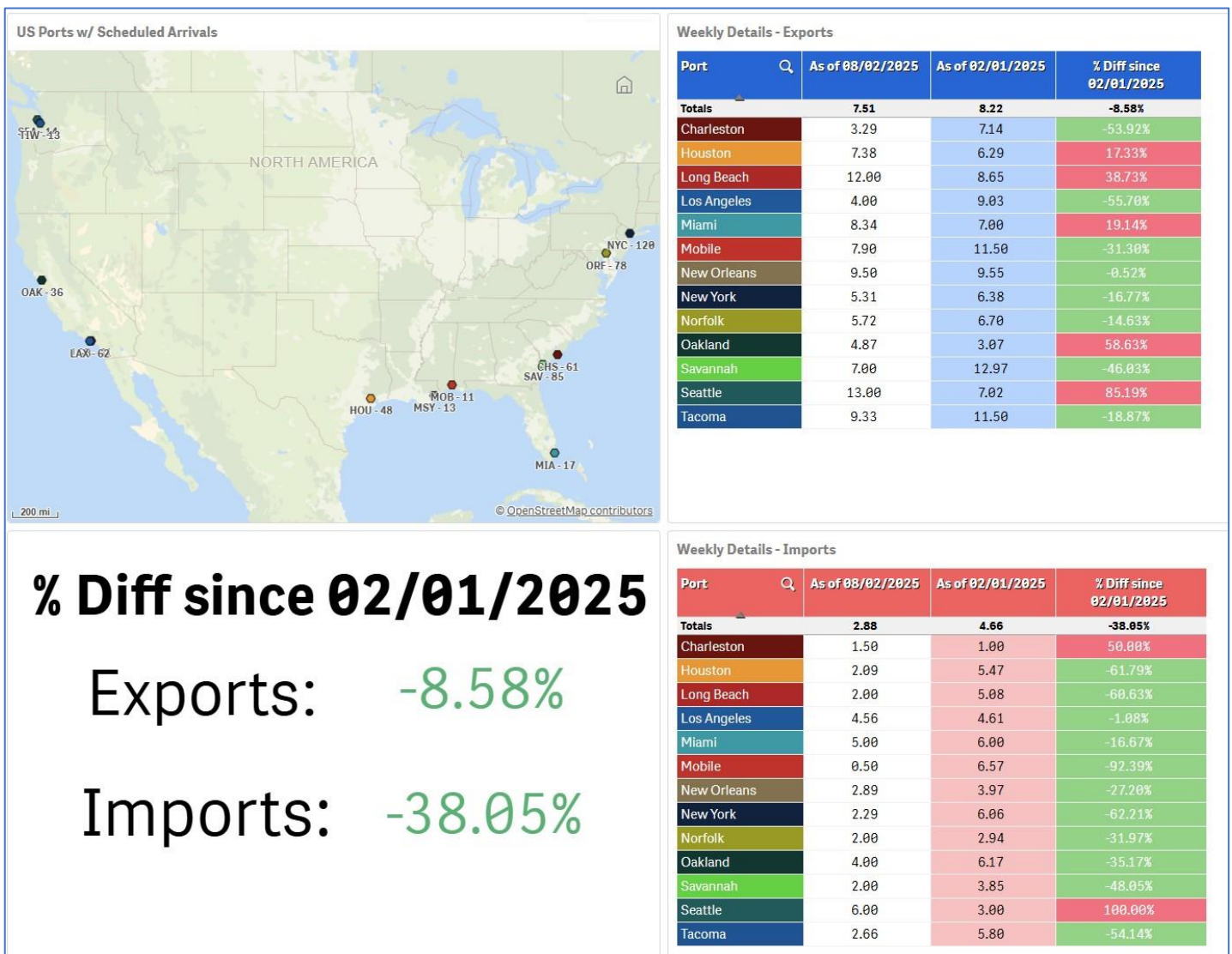
## The LogisticsPULSE Port Congestion Index

### 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 almost two full days, or 38.05%, better than what it was in early February 2025. The processing time for Exports from these same ports is also improved, taking about half a day less, or 8.5%, than it was in early February 2025.
- The US Ports with the greatest amount of Imported TEU's currently are in Long Beach, New York and Los Angeles and are processed in about 2.95 days. The highest volume of Exported TEU's are found in Houston, Los Angeles and New York and they are completing the export process in about 5.56 days.
- The ports with the greatest number of scheduled vessel arrivals are New York, Savannah and Norfolk, whereas New Orleans, Tacoma and Mobile have the fewest.

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



## Special Topics in Supply Chain & Logistics:

### Special Area of Focus: Denmark/Norway/Sweden (Scandinavia)

Denmark is expected to have a 2025 GDP of \$496 billion with growth at 3.6% but perhaps slowing to 2.0% in 2026. The population of Denmark is relatively small at just 5.9 million. Denmark is a large exporter of pharmaceuticals, industrial goods, and services sectors.

Compared to Scandinavia (Denmark, Sweden, Norway collectively) with a combined GDP of \$1.7 Trillion. Sweden had GDP of \$660 billion and a population of 10.5 million, it is still a small region, but important one. Norway is a heavy energy exporter with more than \$550 billion in GDP and population of 5.6 million.

Trade with the US is important for Denmark. The US accounted for 17.3% of Denmark's total exports, while accounting for smaller percentages of the other two countries (Sweden ~9.1% and Norway ~2.5%).

Danish exports to the US were heavily in industrial machinery, pharma, chemicals, furniture, pork/canned ham, wind turbines, and plastic toys (primarily LEGO).

Swedish exports to the US were in cars, pharma/biotech, refined petroleum, lab reagents, and machinery/electrical equipment.

Norwegian exports were primarily in energy, and small amounts at just 2.5% of Norway's total exports.



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

## What's New at Logistics Plus?

### Logistics Plus Named Exclusive Logistics Provider of the Joe Moore Award

Logistics Plus is proud to announce it has been named the Exclusive Logistics Provider of the Joe Moore Award, an honor bestowed annually to the most outstanding offensive line unit in college football. The Joe Moore Award media team made the [official announcement](#) earlier this week. [Read More](#)

### Jim Berlin Discusses Ukraine War with Steve Scully on SiriusXM

Jim Berlin, Founder and CEO of Logistics Plus (LP), was featured on the 7/21/25 episode of The Briefing with Steve Scully on SiriusXM. Jim discusses the ongoing war in Ukraine, his firsthand experiences visiting the country, the company's work within the country, and more. [Listen to Podcast](#)

### Brian Russell Featured on Business Spotlight

Brian Russell, Project Manager & DELTA Team at Logistics Plus, was featured on the Business Spotlight program. Brian highlights the unique origins, projects, and future of the DELTA team, sharing valuable insights on achieving success in the logistics industry. [Listen to Podcast](#)

