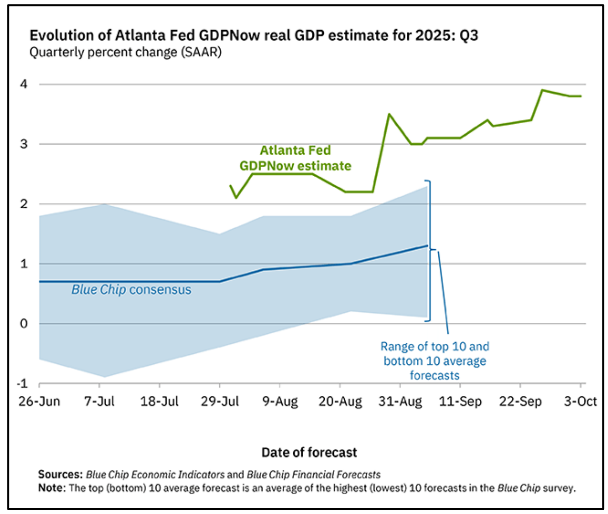
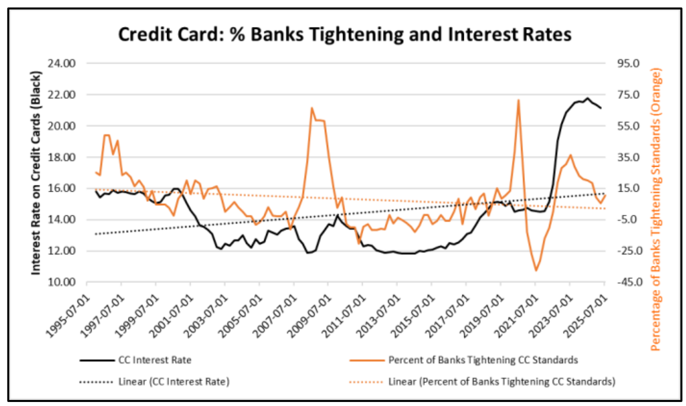
Factors Shaping Supply Chain & Logistics



Q3 GDP Reports Stall – But at 3.8%. The Atlanta Fed GDPNOW estimate for Q3 is blowing away expectations with growth near 3.8%, but new updates will be delayed until the government shutdown ends. The IMF has now joined others in raising their projection for US GDP in 2025, bumping it to 2%. This is still modest and weaker than current data is showing. If current trends were to simply continue through the end of Q3 and just post average performance in Q4, full year GDP would be closer to 2.2-2.5%. That would be in-line with historical averages. Again, the anchor of the economy continues to be the US consumer, providing more than half of the current growth contribution.



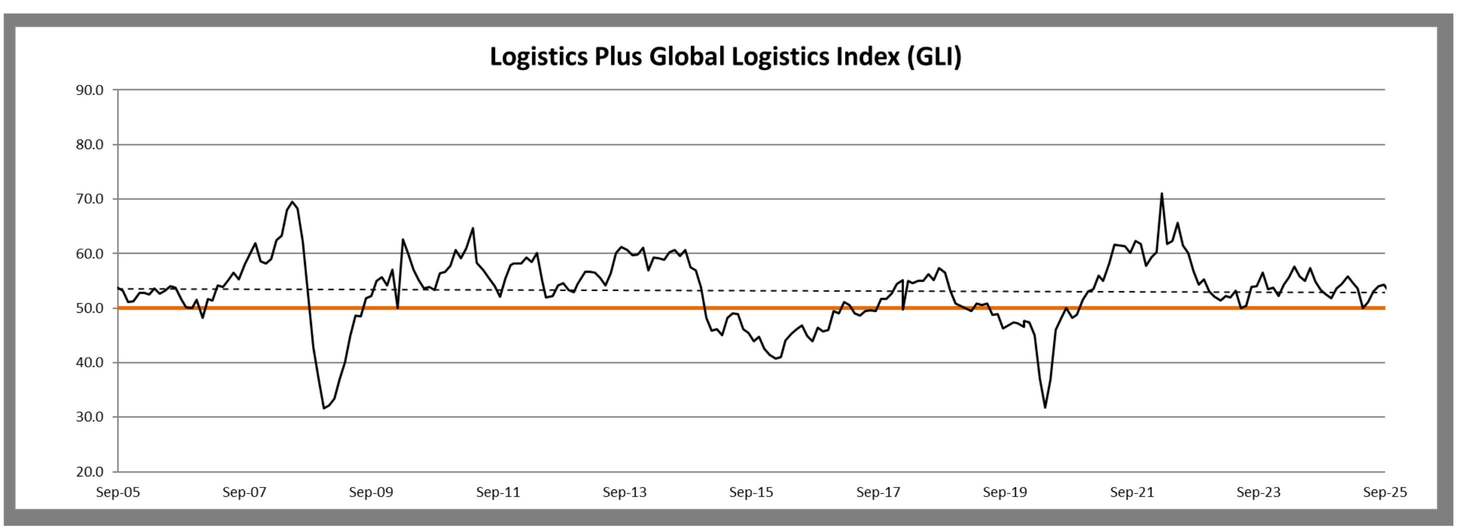
Credit Markets Key to Watch. Historically, economic challenges typically show up early in credit markets and banking. Though Q3, banks reported that lending and default rates were "reasonable". But banks were beginning to tighten standards for credit card loans. Roughly 9.2% (orange line in chart on the right) were tightening conditions, which is down from the period between 2022 and 2024 but remains elevated from the long-term average. For now, however, despite higher interest rates borrowing continues to be strong and consumers are still spending without a credit crisis or overtightening conditions looming – for now.

The LogisticsPULSE Global Logistics Index

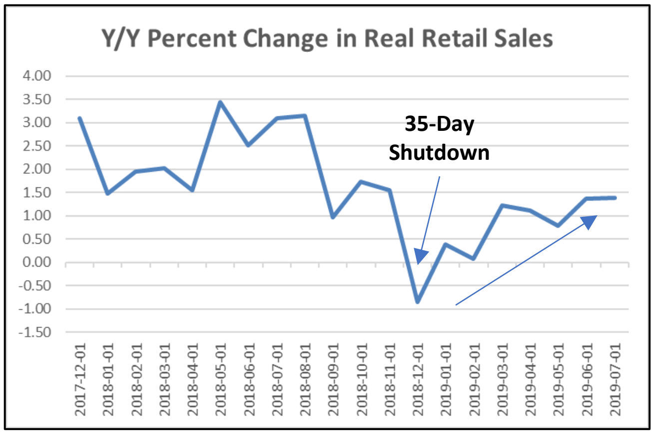
Mild Easing of the GLI in September – But Still in Expansion

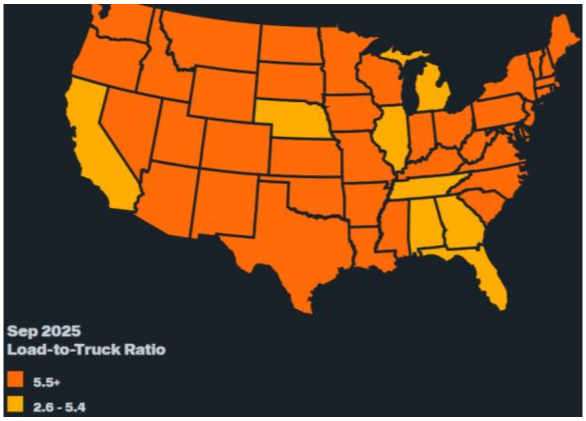
The LogisticsPULSE Global Logistics Index (GLI) came in at **52.8 in September, down 2.0% from 54.3 in August**. It remained above the breakeven point and is still above the long-term trendline. The index was higher by 0.5% Y/Y (it was 3.9% higher Y/Y last month). The GLI should continue to inch upward in the coming months as we get deeper 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?





Government Shutdowns and Consumer Spending Patterns

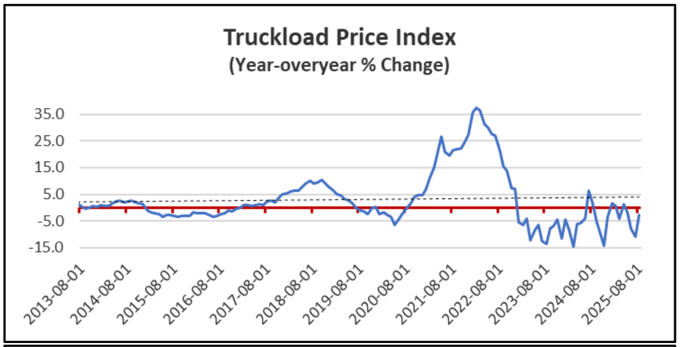
There are many questions surrounding consumer spending and the impact on the economy from the government shutdown. Historically, it has a mild impact on GDP in the quarter in which it happens (trims .01-.02 points from quarterly growth). But once the government reopens, spending typically resumes. Oddly, spending on the front-end of a government shutdown typically increases but then take a hard dive if the shutdown has duration. Retail spending then recovers, and data historically shows that it will be a bit stronger than expected in the following quarter, but the net effect when all is said and done is generally "almost a wash". If some layoffs become permanent this time around, that would be different than prior cycles. But the reported figures are small in comparison to the overall job market.

Harvest Season Hits

DAT Trendlines national map of load-to-truck-ratios shows tight capacity in spot truckload markets, primarily in all heavy harvest areas. However, regions near US ports remain modestly balanced. The latest data through October 11th shows the LTR at 6.04, up sharply from 3.01 in 2023 and 4.13 in 2024. And yet surprisingly, there is still enough capacity to keep conditions on the pricing front tame. Rates on the spot market fluctuate between flat to up 1% in recent months/weeks, but that might not hold if the LTR remains elevated.

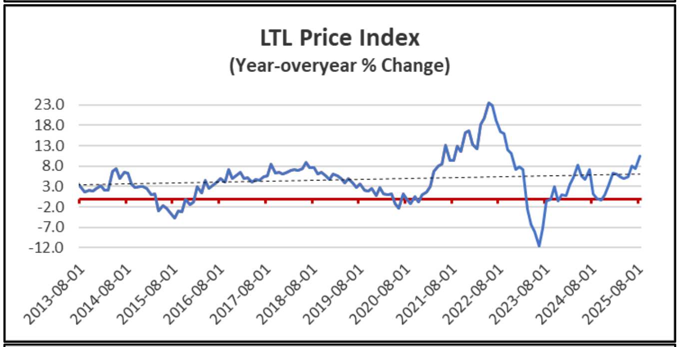
Full Truckload (FTL) Price Index:

Truckload prices were up sequentially 1.7% M/M (0.6% last month) in August (latest available) according to the Producer Price Index (includes both contract and spot rates). They were down 2.6% Y/Y (-10.9% adjusted from last month). (PCU484121484121)
(Latest available through Aug; the Sep data not available due to shutdown)



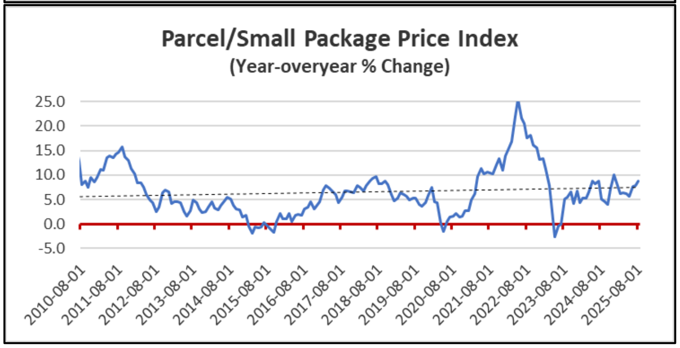
Less-Than-Truckload (LTL) Price Index:

LTL prices were sharply higher in August (latest available) rising by 10.5% Y/Y (up 7.3% last month) against easier comparisons to last year at this time. The PPI was also higher by a marginal 1.5% M/M, showing stable and consistent sequential improvements. (PCU4841224841221)
(Latest available through Aug; the Sep data not available due to shutdown)



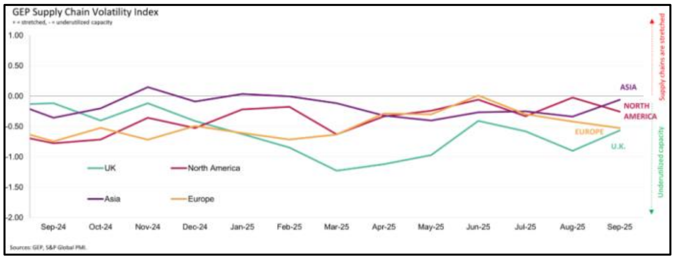
Parcel/Small Pack Price Index:

Prices for parcel and small package express courier services shot up at 8.7% Y/Y (7.8% higher last month); but were unchanged month-over-month in August. E-commerce sales were 10.1% higher Y/Y (7.8% last month) and were higher by 2.0% month-over-month in August (latest available and not seasonally adjusted). (PCU492110492110201)
(Latest available through Aug; the Sep data not available due to shutdown)



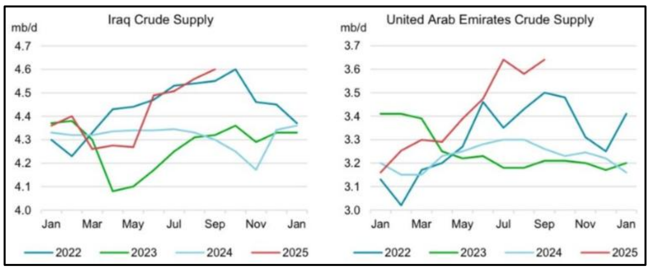
What's New & Important with International Supply Chains?

Asian Activity Inches Up While NA and Europe Decelerate



The GEP Supply Chain Volatility Index showed that Asian markets experienced their strongest increase in input ordering in more than 10 years through September. In North America and Europe, most markets were decelerating and losing momentum. The report showed that most companies were keeping inventories balanced, but product availability was not a problem across all markets. Staffing and transportation capacity was not a problem across most markets. Other sources are showing something similar, that most global supply chain issues are "normalized" and even the pressures of price increases were reportedly muted by most measures.

OPEC+ Boosting Daily Output

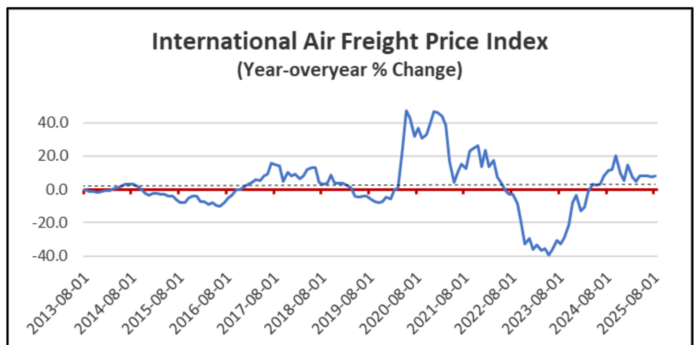


At the time of writing, crude oil prices were showing a lot of down pressure. West Texas Intermediate was pushing below $59 a barrel and Brent was near $62. The EIA still has its forecast for WTI falling below $46 a barrel by January, a level that would begin to pull diesel prices down by ~20 cents a gallon but would also start to shut off petroleum sector production. Foreign production of oil is expected to exceed demand for most of the rest of the year and well into mid-2026 based on current output. Countries like Iraq and the UAE have sharply increased their daily output. Global fuel pries should react accordingly, and fuel surcharge prices should ease.

Airfreight Price Index:

The airfreight price index was higher by 0.1% M/M in August (not seasonally adjusted and the latest available; up 5.3% last month) and was higher on a Y/Y basis, rising by 8.2% (up an adjusted 7.7% last month). (IC131)

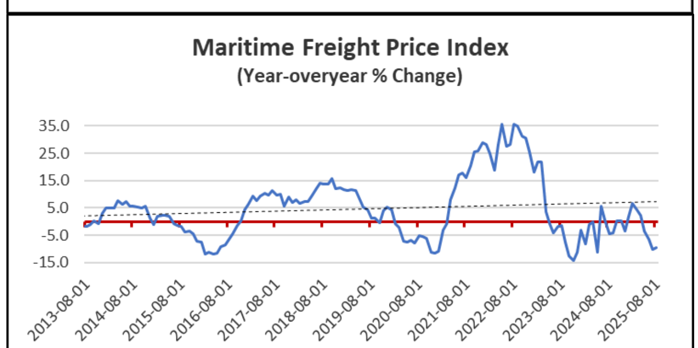
(Latest available through Aug; the Sep data not available due to shutdown)



Ocean Freight Price Index:

The blended PPI for maritime service in August was 9.4% lower Y/Y (10.2% lower last month), and it was down 0.8% M/M (-3.0% last month and not seasonally adjusted). (PCU483111483111). *Note: Fed PPI tracks domestic US maritime prices, both contract & spot, and is based on survey data.*

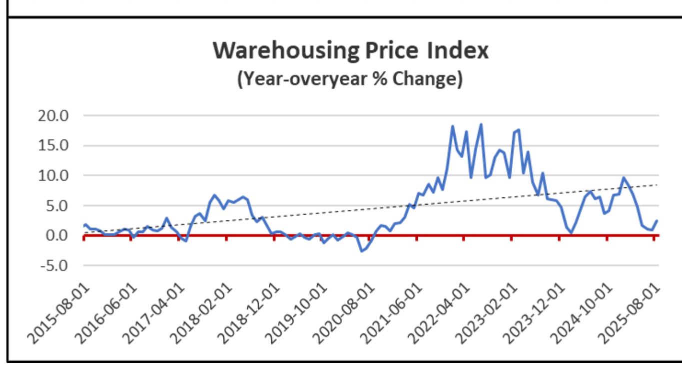
(Latest available through Aug; the Sep data not available due to shutdown)



Warehousing Price Index:

Warehousing prices were higher by 0.4% in August (latest data available and 0.5% last month after adjustments) but was higher Y/Y by 2.4% (0.9% last month). Warehouse vacancy rates edged up to 7.5% in August, the highest reading since 2013. (PCU49314931)

(Latest available through Aug; the Sep data not available due to shutdown)



Global Maritime and Air Cargo Observations

DHL Shows Market Conditions Generally Balanced

DHL expects Intra-Asia, Asia to IPBC, Africa, and Oceania to have demand stronger than capacity through October with a few of those markets remaining that strong into December. Most markets are seeing capacity far exceeding demand for the rest of the year, a few are balanced. (IPBC: India, Pakistan, Bangladesh, and Sri Lanka / Ceylon; Oceania: Australia and New Zealand)

Market development on key regional tradelanes, 2025

for top 18 regional tradelanes

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

Origin	Destination	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Forecast Oct	Nov	Dec
Asia (excl. IPBC)	Asia (excl. IPBC)	R				R	R	R		R	R		
	North America	R					R	R			G		
	Europe	R					R	R			G		R
	Middle East	R				G		R	R				R
	IPBC									R	R	R	
	Latin America (WC)	G		G	G	G	R				G	G	G
	Latin America (EC)	G		G	G	G	R						
	Africa	R		G	G	G	G			R	R		
	Oceania	R								R	R	R	
IPBC	Asia (excl. IPBC)									G	G	G	G
	North America									G	G	G	R
	Europe									G	G	G	R
Europe	Asia (excl. IPBC)		G	G	G	G	G	G	G	G	G	G	G
	North America	R	R			R		G	G	G	G	G	G
	Latin America (WC)				R	R	R	R	R	R	R	R	R
	Latin America (EC)	G	G	G	G	G	G	G	G	G	G	G	G
North America	Asia	G	G	G	G	G	G	G	G	G	G	G	G
Latin America	North America	R											

Source: DHL Global Forwarding

DHL Global Forwarding | OFR Market Update | October 2025

Air Cargo Spot Rates Weaker Y/Y in Week 40, Volumes Stronger Y/Y but Soften W/W in Early October

Average global air cargo spot rates were 5% lower Y/Y once again through October 13th, while total tonnage was up by 2% Y/Y (unchanged from September's rates). North American rates were down 1% Y/Y while volumes were up 2%. The strongest lanes in the first two weeks of October were Central and South America (volumes up 2%) while the weakest from a volume perspective were from Asia Pacific (down 3%).

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%	+9%		-2%	-0%		+1%	+4%
Asia Pacific		-3%	+1%		-3%	+5%		+3%	-7%
C. & S. America		+0%	+4%		+2%	+1%		+2%	-2%
Europe		-1%	+3%		+0%	-0%		+2%	+2%
M. East & S. Asia		-0%	+4%		-0%	-2%		+1%	-22%
North America		-2%	-2%		-2%	+2%		+1%	-1%
Worldwide		**-2%**	**+1%**		**-1%**	**+2%**		**+2%**	**-5%**

[1] 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.

Source: World ACD Weekly Air Cargo Trends Report

The LogisticsPULSE Port Congestion Index

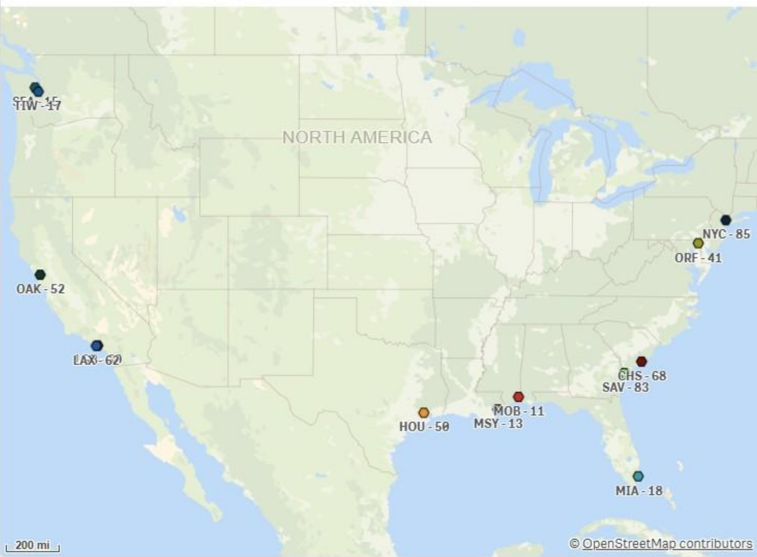
U.S. Container Imports and Exports Processing Continue to Show Aggregate Improvements

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 approximately a full day, or 17.19%, faster than what it was in early April 2025. The processing time for Exports from these same ports is however slower, taking about half a day longer, or 7.38%, more than it was in early April 2025.
- The US Ports with the greatest amount of Imported TEU's currently are in Los Angeles, Long Beach and New York and are processed in about 3.50 days. The highest volume of Exported TEU's are found in Los Angeles, Tacoma and Houston and they are completing the export process in about 8.71 days.
- The ports with the greatest number of scheduled vessel arrivals are New York, Savannah and Charleston, whereas New Orleans, Seattle and Mobile have the fewest.

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

US Ports w/ Scheduled Arrivals



Weekly Details - Exports

Port	As of 10/01/2025	As of 04/02/2025	% Diff since 04/02/2025
Totals	8.18	7.62	7.38%
Charleston	7.51	9.92	-24.29%
Houston	8.00	5.75	39.13%
Long Beach	10.00	9.26	7.99%
Los Angeles	9.28	7.02	32.19%
Miami	7.05	9.00	-21.67%
Mobile	10.10	8.00	26.25%
New Orleans	14.00	6.88	103.49%
New York	5.37	6.01	-10.65%
Norfolk	6.82	7.59	-10.14%
Oakland	6.00	7.28	-17.58%
Savannah	7.57	8.80	-13.98%
Seattle	5.84	5.82	0.34%
Tacoma	8.84	7.74	14.21%

% Diff since 04/02/2025

Exports: 7.38%

Imports: -17.19%

Weekly Details - Imports

Port	As of 10/01/2025	As of 04/02/2025	% Diff since 04/02/2025
Totals	3.66	4.42	-17.19%
Charleston	3.93	3.53	11.33%
Houston	6.00	3.48	72.41%
Long Beach	2.93	4.24	-30.90%
Los Angeles	4.28	4.81	-11.02%
Miami	1.97	4.00	-50.75%
Mobile	5.46	7.83	-30.27%
New Orleans	1.00	4.83	-79.30%
New York	3.29	3.64	-9.62%
Norfolk	3.00	3.85	-22.08%
Oakland	8.11	5.34	51.87%
Savannah	3.05	4.13	-26.15%
Seattle	1.57	2.00	-21.50%
Tacoma	3.00	5.79	-48.19%

Special Topics in Supply Chain & Logistics:

Source: [Geology.com]

Special Area of Focus: Philippines

The Philippines stands as a mid-sized but fast-growing global economy, with a strengthening role in electronics manufacturing and regional trade networks.

In 2025, the Philippines' nominal GDP was $498B, ranking 33rd globally according to IMF and World Economics data. The country's economy expanded 5.5% Y/Y in Q2 2025, on the back of a recovery in manufacturing, construction, and services. It remains the 5th largest economy in Southeast Asia, following Indonesia, Thailand, Malaysia, and Singapore. Total external trade in goods in 1H of 2025 was $107B, marking a 9.2% increase Y/Y.

Imports accounted for $65.7B (61.4%), and exports of $41.3B (38.6%).

The US is a top 5 trading partner for the Philippines. In 2024, the U.S. / Philippines trade value reached $36.8B, $22.7B in U.S. imports from the Philippines and $14.1B in U.S. exports to the Philippines. That puts the Philippines in the top 30 U.S. trading partners globally and among the largest in ASEAN after Vietnam, Thailand and Singapore.

Exports from the Philippines are dominated by semiconductors and electronics (52.5% of total exports), other manufactured items (9.5%), industrial machinery (5%) and agricultural products.

Imports are focused on electronic components (22%), oil and coal (13%), transportation equipment and machinery (12%), and manufacturing commodities (iron and steel, plastics, etc.).

What's New at Logistics Plus?

Logistics Plus and Kingston Wharves Announce Partnership to Support FF&E Hospitality Projects in Jamaica

Logistics Plus announced a new partnership with Kingston Wharves Limited (KWL) to support furniture, fixtures, and equipment (FF&E) for hospitality projects throughout Jamaica. [Read More]

LP is Prominently Featured in the September 2025 AJOT


LNG continues to provide opportunities for project cargo

Logistics Plus and some of its prominent professionals are featured in the September 2025 issue of the American Journal of Transportation. One article on AI and data centers, another article on data centers, and a third article on LNG project cargo. [Read More]

Logistics Plus Brazil Opens São Paulo Warehouse

Logistics Plus Brazil (also known as LP Brazil) is pleased to announce its expansion with the addition of a new warehouse in São Paulo. The São Paulo warehouse officially began operations in July 2025, complementing the existing suite of solutions already offered by LP Brazil. [Read More]

Thank you for reading the *LogisticsPULSE Supply Chain Executive Briefing*. As we head into 2026, we'd love your feedback. This quick survey takes less than 2 minutes and will help us make the briefing even more valuable to you. Thank you!

Quick Survey