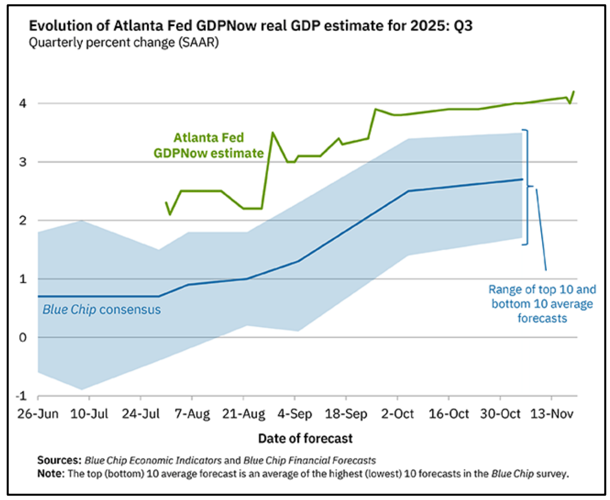
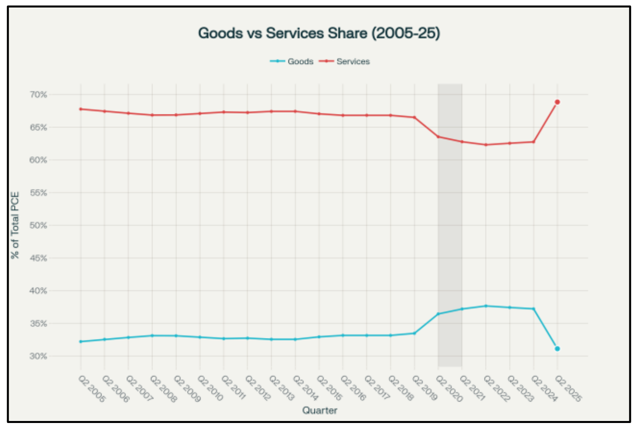
Factors Shaping Supply Chain & Logistics



Government Shutdown Impact on Economy. The Atlanta Fed GDPNOW estimate for Q3 is still showing it at 4.1% based on the latest data released. And Q3 could come in that high. But the government shutdown will weigh on quarterly growth since it stretched between Q3 and Q4. Some estimate that Q3 may actually come in below 2.5%, and Q4 could have been negatively impacted early-on as well. Ramping back up will take time, and the holiday impact on the economy typically slows growth anyway. Fundamentally however, consumer spending is stable (albeit sporadic as mentioned below), and nonresidential investment is stable. But cracks are showing in labor and investment spending.



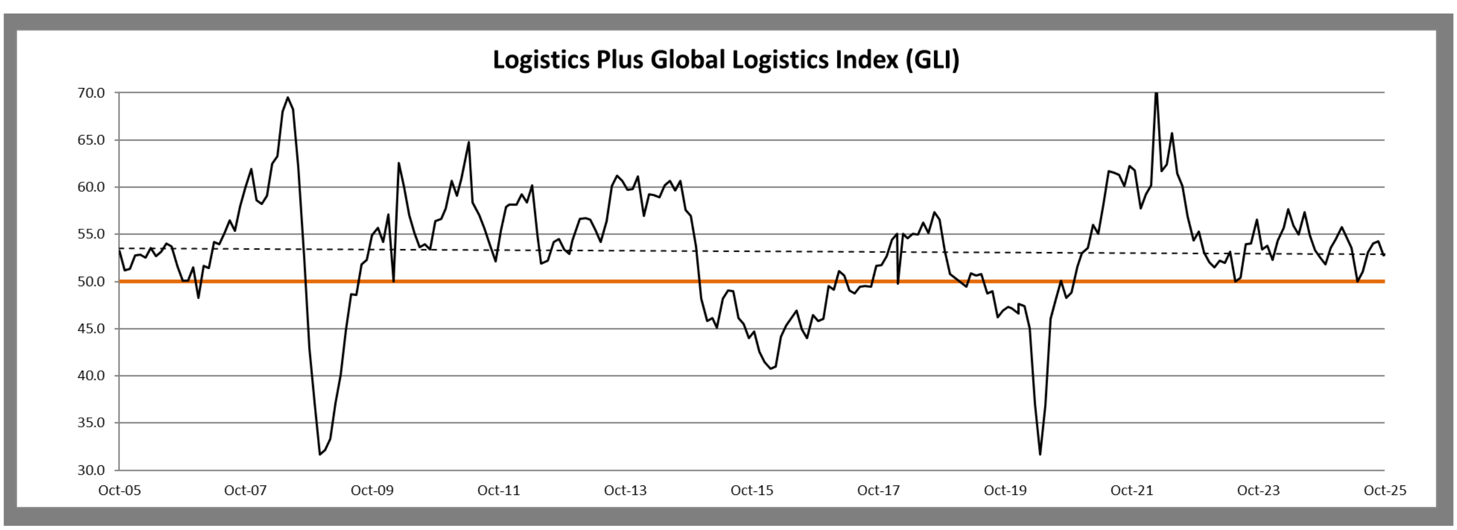
Why the Disconnect? There is a disconnect between strong economic growth and freight traffic. Historically, the freight sector has been a leading indicator for the economy. But since the pandemic, product purchases have lagged historical levels. Today, product purchases are 31.1% of the economy vs. a high of 37.2% during the pandemic. Analysis also shows that when factoring in the impact of inflation (the dollar purchasing fewer 'units' of goods), the freight sector may be seeing 16% fewer "freight units being moved" than during the peak in the pandemic. That's why GDP can be *humming* along, and the freight sector may still be *stumbling* along.

The LogisticsPULSE Global Logistics Index

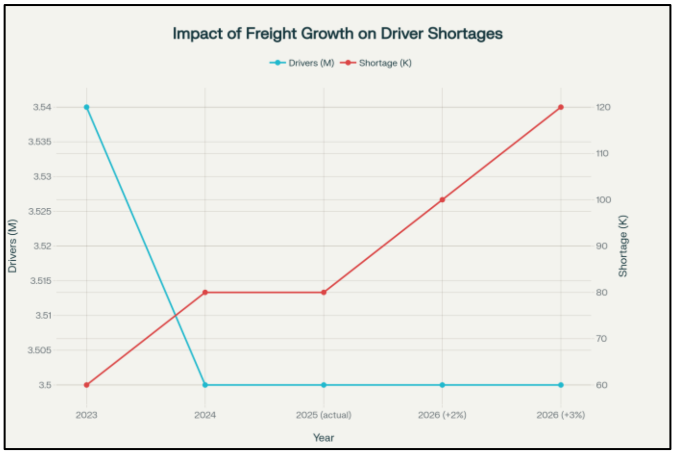
Flat in October M/M – Slightly Higher Y/Y

The LogisticsPULSE Global Logistics Index (GLI) came in at **53.1 in October, up a slight 0.5% from 52.8 in September**. It fell in-line with the long-term trendline. The index was higher by 2.3% Y/Y (it was 0.5% higher Y/Y last month). Remember that the GLI is like a Leading Index, it predicts what freight demand will look like in the coming 6 months. In this case, it is goldilocks (average historically but not booming nor receding).

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

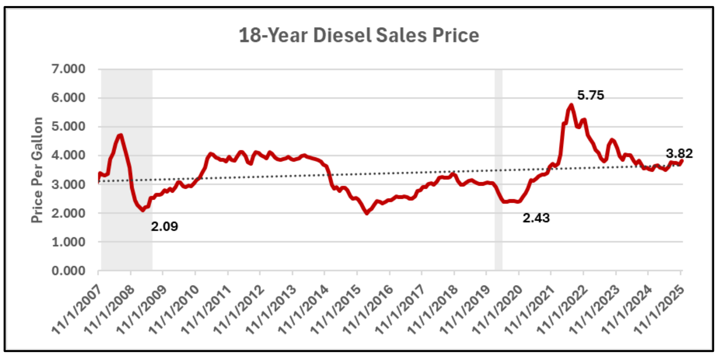


What's New & Important with North American Supply Chains?



Driver Shortages or Just Noise?

Bankruptcies, deportations, and revoking of CDL licenses is estimated to have stripped significant capacity out of the trucking market – but sluggish freight environments have masked the exit. The ATA still suggests that a "normal" freight environment by 2028 will lead to 100K-150K drivers' shortages (mostly due to Baby Boomer retirements with 22 million reaching retirement age by 2030). But it will take a 2-3% increase in loaded miles growth for any real driver shortages to "show up" in the current environment beyond "normal" (~80K). The 20K estimated to be stripped out of California and Nevada is merely a regional blip (but could have some regional impacts on capacity). Note that a number of states are rapidly changing CDL issuance policy, which will slow bringing on new drivers when the freight tide shifts.

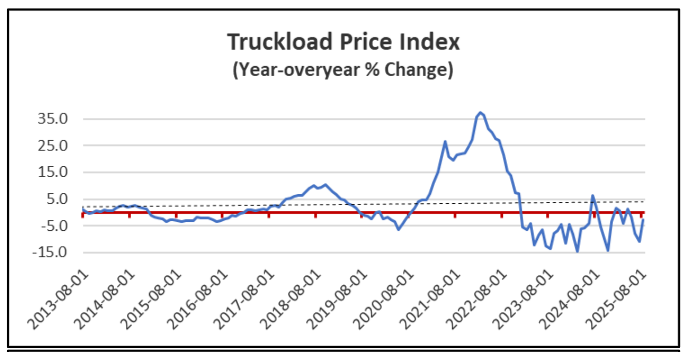


Diesel Prices Not Moving Despite Oil Price Drop

Oil prices are expected to fall into the $50 range by Q1. And despite oil accounting for 41% of the price of a gallon of diesel, diesel prices are expected to remain elevated. The problem is US exports of diesel and loss of refinery capacity. The US is expected to lose nearly 3% of its refining capacity due to closures in California by the middle of 2026. In addition, the US exported nearly 28% of its daily refined diesel capacity this year – helping to backstop European losses and sales to other trading partners.

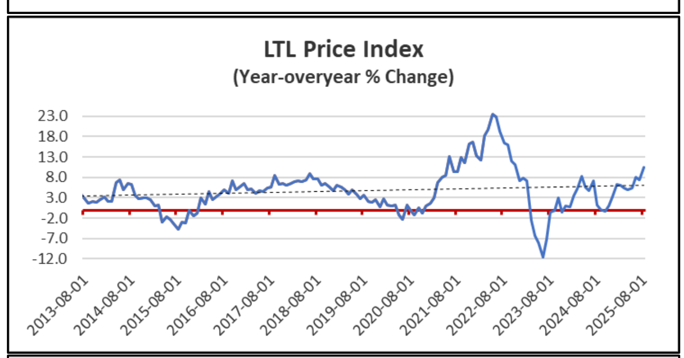
Full Truckload (FTL) Price Index:

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/Oct data not available due to shutdown)



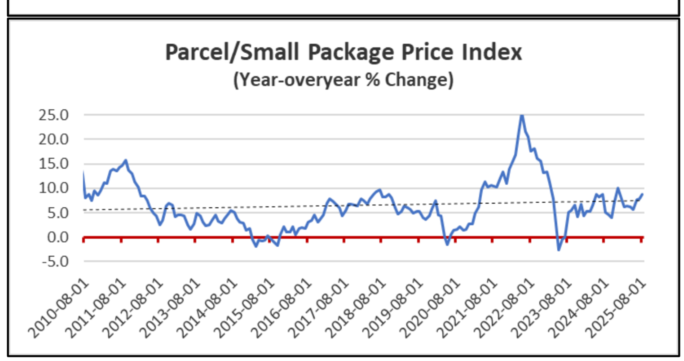
Less-Than-Truckload (LTL) Price Index:

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/Oct data not available due to shutdown)

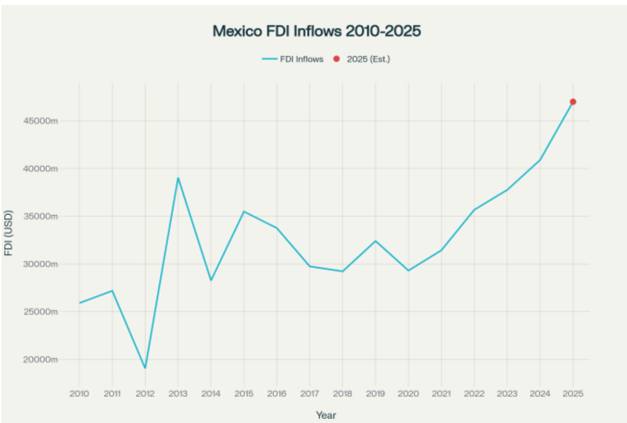


Parcel/Small Pack Price Index:

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/Oct data not available due to shutdown)



What's New & Important with International Supply Chains?



US/China Trade Agreement On and Off

Expect the trade agreement between the US and China to be volatile. Despite a strong handshake agreement struck earlier this month, disputes continue – primarily over rare earth materials being purchased by the US Defense Department. China has agreed to increase grain purchases and US oil, and the US has lifted duties on Chinese-made ships (which will ease potential cost burdens on inbound container fees – at least temporarily). But tensions over trade, the South China Sea and Taiwan/Japan are keeping conditions "stirred up". Unfortunately, this volatility is like to continue deep into 2026 and will create constant work-arounds and keep trade in flux.

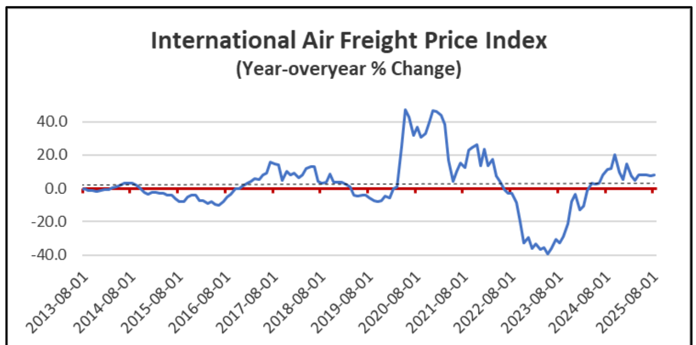
Mexico FDI Surges on Nearshoring Trend

Foreign Direct Investment (FDI) in Mexico hit a record $40.9 billion in the first 9 months of 2025, up 14.5% Y/Y. More than 36% of this was tied to new manufacturing capacity led by advanced manufacturing, automotive (including EV and battery cluster manufacturing) electronics, and aerospace. Reinvestment by existing companies in Mexico accounted for nearly 80% of this increase in spending. But since the trade war heated up this year, more than 400 major investment projects estimated to hit $170 billion have been announced, suggesting that this is just the tip of the iceberg for shifting sourcing and global distribution.

Airfreight Price Index:

The airfreight price index was higher by 0.1% M/M in August (not seasonally adjusted and the <u>latest available</u>; 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)

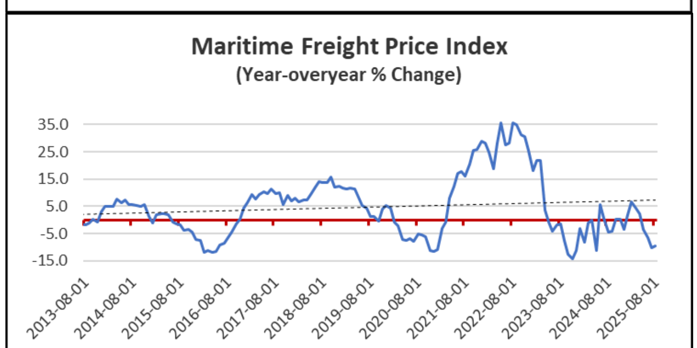
(Latest available through Aug; the Sep/Oct data not available due to shutdown)



Ocean Freight Price Index:

The <u>blended</u> 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.*

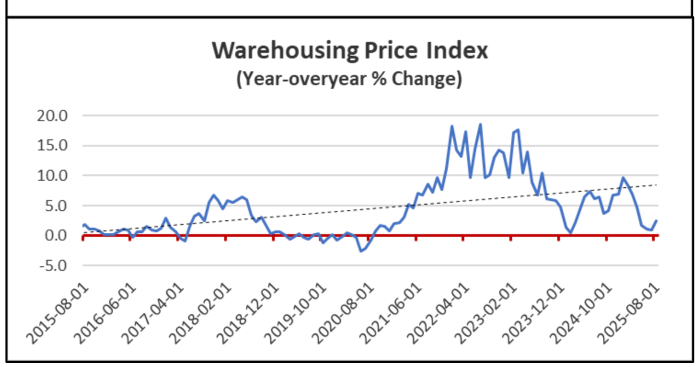
(Latest available through Aug; the Sep/Oct data not available due to shutdown)



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/Oct data not available due to shutdown)



Global Maritime and Air Cargo Observations

DHL Shows Some Tides Shifting in Pricing on Maritime – Europe Port Delays and Blank Sailings a Factor

DHL expects carriers to be managing capacity more closely after the Chinese Golden week, which is helping elevate global pricing. Blank sailings continue to increase, GRIs are holding for the most part (especially on main haul lanes), and some spot regional port issues have pushed up prices and have temporarily delayed loading/unloading in Europe.

Market development on key regional tradelanes, 2025

for top 18 regional tradelanes

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

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

Source: DHL Global Forwarding

DHL Global Forwarding | OFR Market Update | November 2025

Air Cargo Spot Rates Mixed Y/Y in Week 45, Volumes Stronger Y/Y but Soften W/W in November

Average global air cargo spot rates were 4% lower Y/Y once again through November 9th , while total tonnage was up by 6% Y/Y. North American rates were up 1% Y/Y while volumes were up 2%. The strongest lanes in the first week of November were Asia Pacific (volumes up 10%) while the weakest from a volume perspective were from Africa (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		+0%	+12%		-6%	-3%		+2%	+1%
Asia Pacific		+1%	+6%		-0%	+10%		+4%	-6%
C. & S. America		+3%	+10%		-2%	+6%		+5%	-3%
Europe		-5%	+4%		-2%	+2%		+3%	-0%
M. East & S. Asia		+1%	+11%		-1%	+5%		-0%	-19%
North America		-3%	-1%		-1%	+2%		+5%	+1%
Worldwide		**-1%**	**+5%**		**-1%**	**+6%**		**+4%**	**-4%**

[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

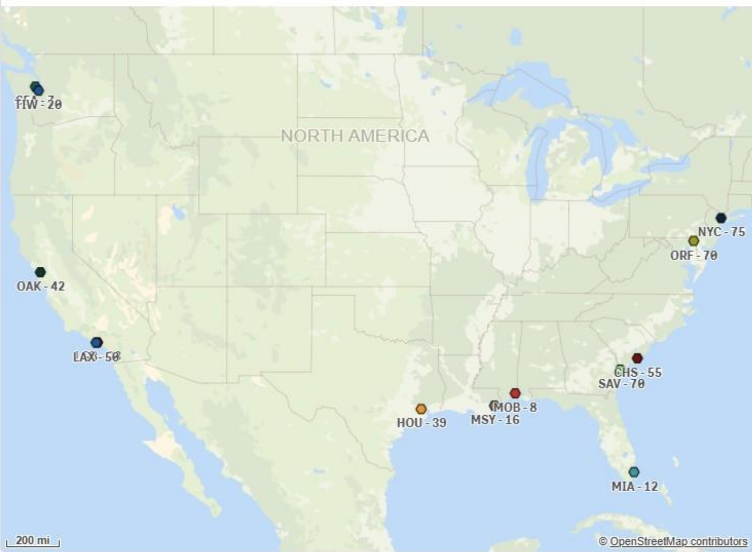
U.S. Container Imports and Exports Processing Continue to Show Aggregate Improvements

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 two full days, or 39%, slower than what it was in mid May 2025. The processing time for Exports from these same ports is also slower, taking about three quarters of a day longer, or 8.6%, more than it was in mid May 2025.
- The US Ports with the greatest amount of Imported TEU's currently are in New York, Oakland and Charleston and are processed in about 3.45 days. The highest volume of Exported TEU's are found in Tacoma, Oakland and New York and they are completing the export process in about 6.67 days.
- The ports with the greatest number of scheduled vessel arrivals are New York, Norfolk and Savannah, whereas Miami, Mobile and Seattle 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 11/11/2025	As of 05/13/2025	% Diff since 05/13/2025
Totals	6.51	7.13	-8.64%
Charleston	3.00	8.36	-64.11%
Houston	6.71	7.36	-8.83%
Long Beach	10.00	5.46	83.15%
Los Angeles	0.00	9.09	-100.00%
Miami	6.00	7.85	-23.57%
Mobile	9.23	8.50	8.59%
New Orleans	7.00	10.25	-31.71%
New York	6.00	7.81	-23.18%
Norfolk	6.50	6.11	6.38%
Oakland	8.00	5.69	40.60%
Savannah	5.22	7.39	-29.36%
Seattle	11.00	2.70	307.41%
Tacoma	6.00	6.10	-1.64%

% Diff since 05/13/2025

Exports: -8.64%

Imports: -39.21%

Weekly Details - Imports

Port	As of 11/11/2025	As of 05/13/2025	% Diff since 05/13/2025
Totals	3.11	5.11	-39.21%
Charleston	3.00	3.92	-23.47%
Houston	5.46	4.73	15.43%
Long Beach	4.51	4.79	-5.85%
Los Angeles	0.00	5.39	-100.00%
Miami	5.00	10.24	-51.17%
Mobile	3.00	4.00	-25.00%
New Orleans	1.00	2.34	-57.26%
New York	3.47	4.94	-29.76%
Norfolk	3.00	4.46	-32.74%
Oakland	3.88	4.23	-8.27%
Savannah	2.72	4.64	-41.38%
Seattle	2.90	9.00	-67.78%
Tacoma	2.43	3.73	-34.85%

Special Topics in Supply Chain & Logistics:

Source: [Geology.com]

Special Area of Focus: China

China stands as the world's second-largest economy and the largest trading nation, playing a central role in global manufacturing, technology, and supply chains.

In 2025, China's nominal GDP reached $19.4 trillion, ranking 2nd globally behind the U.S. The country's economy expanded an estimated 4.8% year-over-year in 2025, benefiting from recovering domestic demand and robust exports despite ongoing tariff pressures. China remains the largest economy in Asia and a key engine of global trade growth. In the first half of 2025, total external trade in goods surpassed $3.2 trillion, with a 7.4% increase year-over-year. Exports accounted for $1.85 trillion (57.8%), while imports totaled $1.35 trillion (42.2%).

The U.S. is China's largest trading partner outside East Asia. In 2024, U.S.–China goods trade reached $582 billion, with $438.7 billion in U.S. imports from China and $143.2 billion in U.S. exports to China. China remains among the top three U.S. trading partners, despite the trade disagreements between parties.

China's exports to the U.S. and the world are dominated by electronics and electrical equipment (over 30% of total exports), machinery, vehicles, and a growing share of green technologies including electric vehicles and solar products. Other major exports include textiles, furniture, and consumer goods.

Imports are led by integrated circuits and semiconductors (about $228 billion), crude oil ($171 billion), as well as agricultural products, automobiles, industrial inputs, and advanced machinery.

What's New at Logistics Plus?

Logistics Plus Expands European Operations with New Spain Division

Logistics Plus is proud to announce the opening of Logistics Plus Spain (LP Spain), headquartered in Barcelona. The new branch is being led by CEO Salvador Martín and Managing Director Frederic Solàs, two seasoned logistics professionals with extensive experience. Read More

Introducing Logistics Plus Pakistan

Logistics Plus is pleased to announce the official opening of its new branch office in Karachi, Pakistan. This expansion marks a significant milestone in our global network growth strategy as we continue to expand our company footprint in the South Asia region. Read More

Logistics Plus Unveils Joe Moore Award Mural in Downtown Erie

Logistics Plus, in partnership with local Erie muralist Jason Mumford and the Joe Moore Award (JMA) foundation, hosted a ceremony to officially unveil a new 25×40 foot, large-scale mural celebrating the prestigious Joe Moore Award, college football's top honor for offensive linemen. 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