



ECONOMIC INSIGHTS FEBRUARY, 2024

LMI

**TRUCK
TONNAGE**

PMI

**DAT NATIONAL
RATES**

RETAIL SALES

IMPORT TEUs

**CASS FREIGHT
INDEX**

DIESEL PRICE

**LTL PRICE
INDEX**

MONTHLY GDP



Info@myfreightworld.com



www.myfreightworld.com



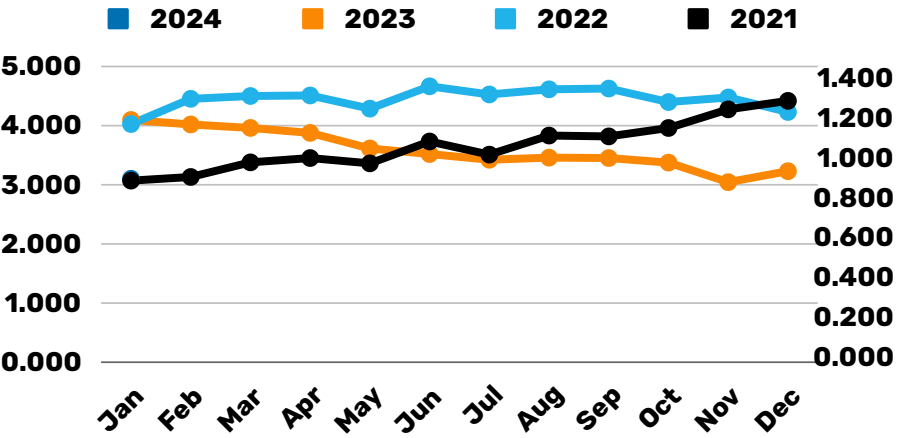
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Cass Freight Index

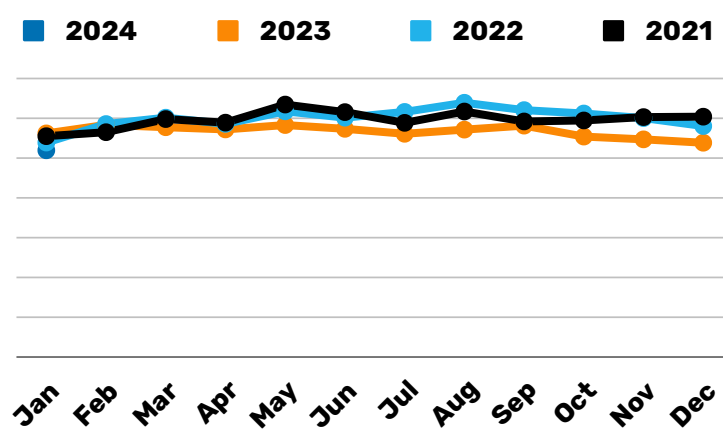
Source: Cass Information Systems

In the January 2024 Cass Freight Index Report, we saw a 7.6% year-over-year decrease in shipments and a 24.3% reduction in freight expenditures. The year-over-year decline in shipping volume is likely a result of 14 months of manufacturing contraction, along with the effects of inflation. The massive year-over-year reduction in expenditures stands out because of the correction that began in the spring/summer of 2023.

Expenditures



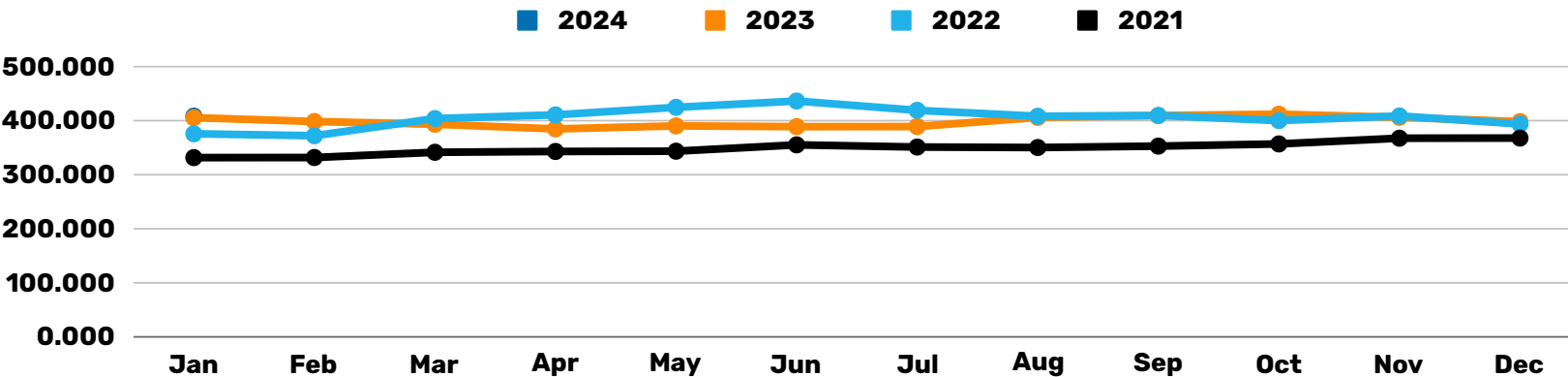
Shipments



LTL Producer Price Index

Source: Bureau of Labor Statistics

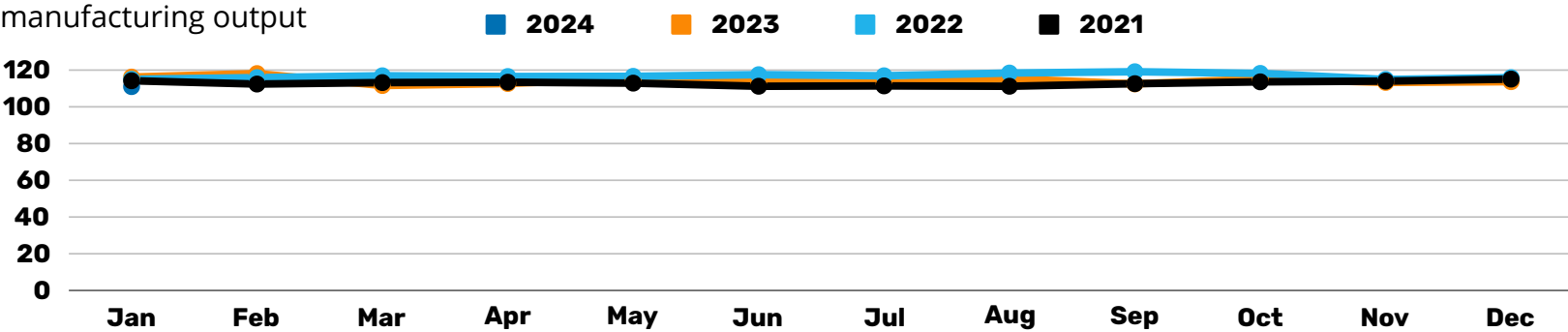
In January 2024, the LTL Producer Price Index stood at 408.425, marking a 2.56% month-on-month increase from 398.210, and a 0.71% year-on-year increase from 405.547. These fluctuations suggest escalating expenses in less-than-truckload shipping, which could potentially raise operational costs for shippers and influence freight pricing tactics.



Truck Tonnage

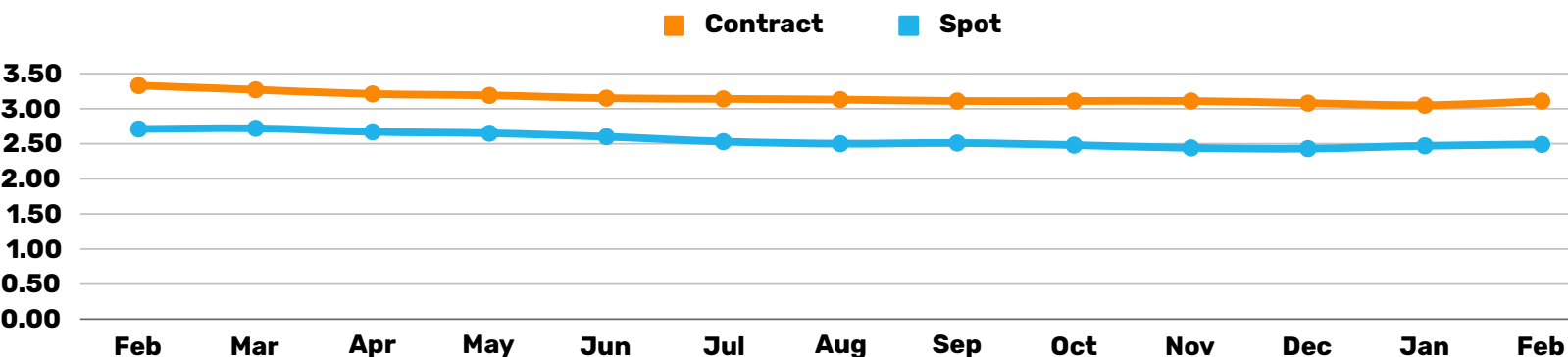
Source: American Trucking Association

The ATA Truck Tonnage Index decreased 3.5% in January, falling to 111.0 from December's 115.0. This marks the 11th consecutive year-over-year decline, with a 4.7% drop compared to January 2023. Winter weather was a likely driver in impacting freight volumes, with other notable factors including a decline in retail sales and manufacturing output



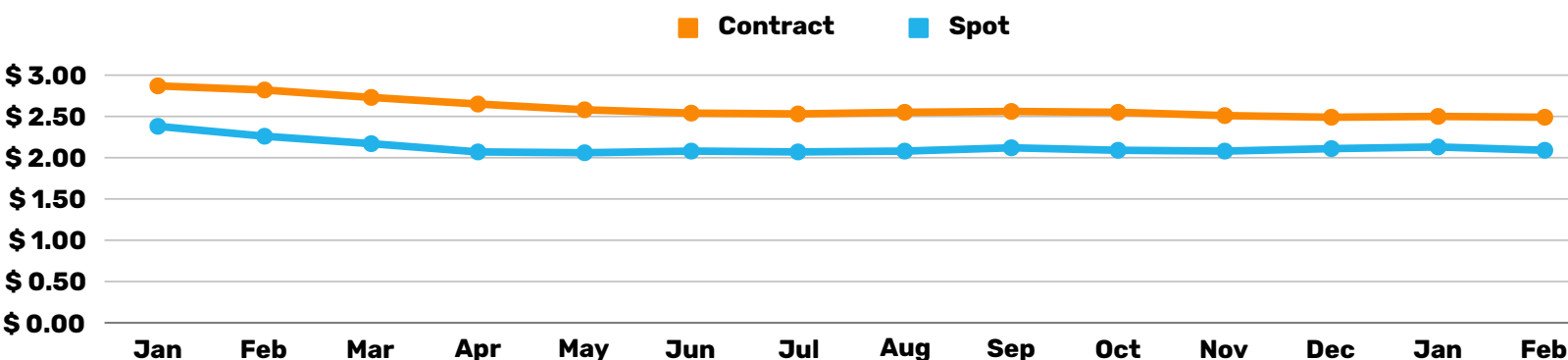
National Flatbed Rates

Source: DAT



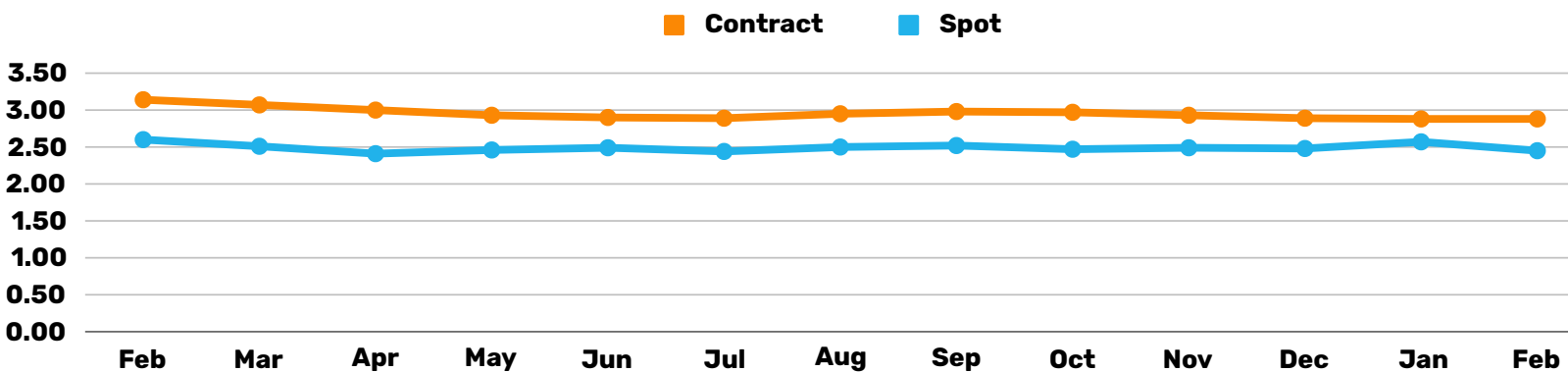
National Van Rates

Source: DAT



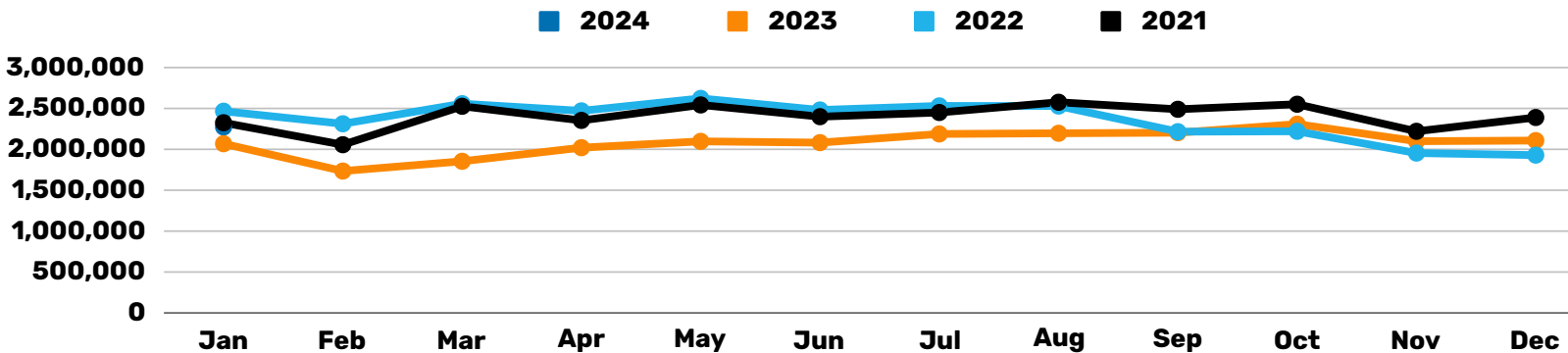
National Reefer Rates

Source: DAT



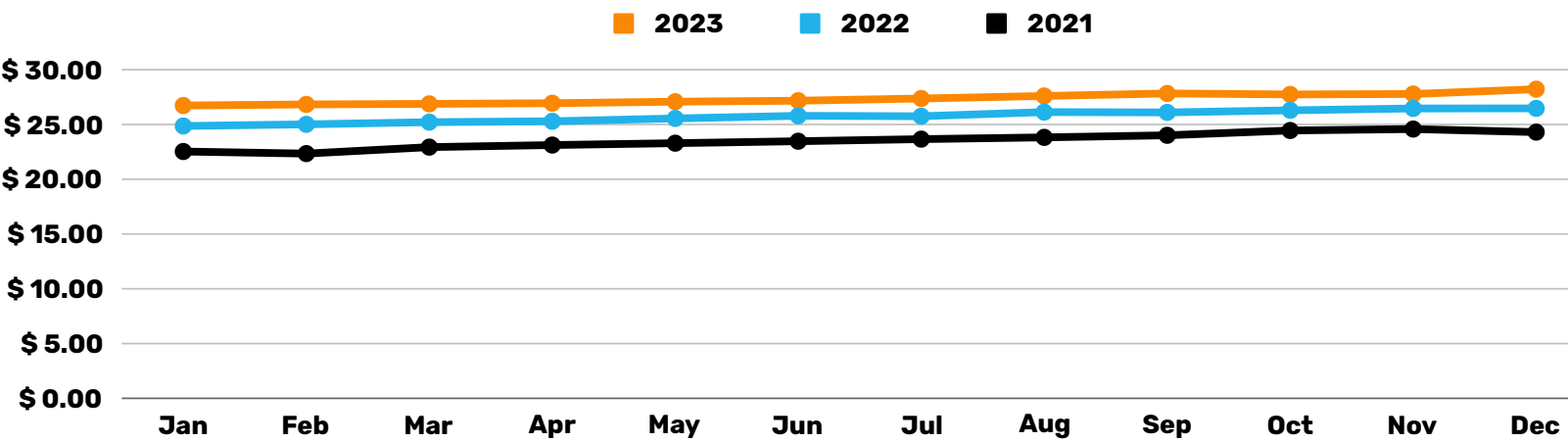
Import TEUs

Source: Descartes



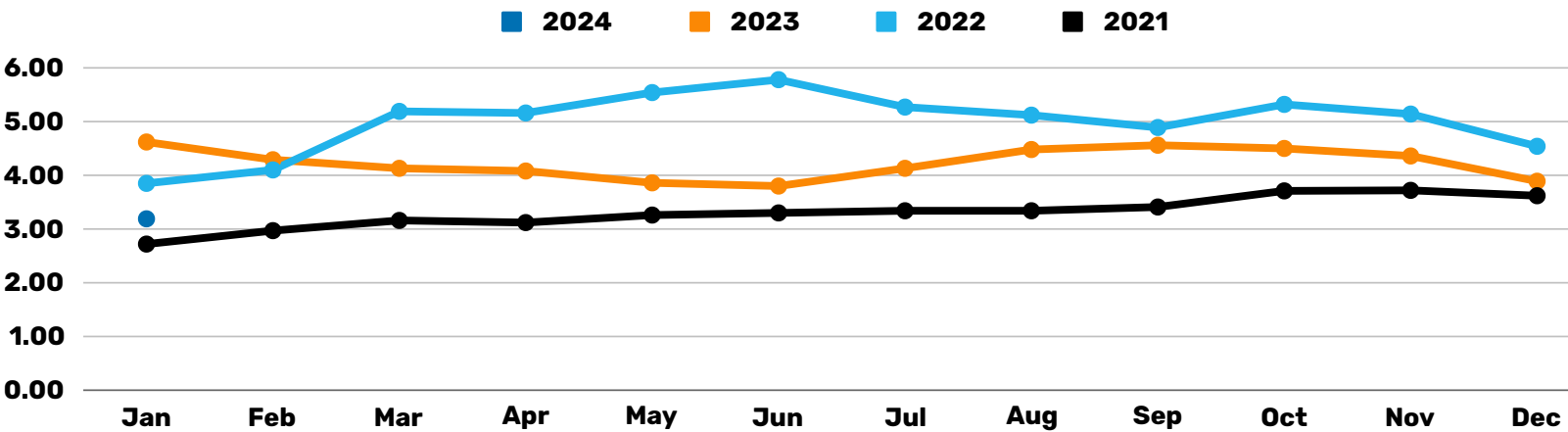
Monthly GDP (In Trillions)

Source: Bureau of Economic Analysis



US Diesel Price

Source: US EIA



Future Outlook

Economic growth continues to plug along, as interest rate increases seem to be a thing of the past and individuals and companies alike both look forward to an interest rate *decrease* as soon as May or June.

Pricing power remains in control of LTL carriers at the moment, with no signs of that changing anytime soon. We are expecting to see more Full Truckload carriers exit the market, as spot rates remain very low. For now though, the ratio of available capacity to available loads remains high and until that changes we expect spot rates to remain low.

As shippers request more specialized services, carriers will adjust rates to reflect the value of these services for both FTL and LTL shipments. Employing flexible logistics strategies, such as utilizing various transportation modes and carriers, can help navigate rate fluctuations effectively. Establishing strong relationships with carriers and negotiating long-term contracts can offer more stable pricing and improved service commitments, aiding in managing the impact of changing rates.