

# ECONOMIC INSIGHTS MARCH, 2024

**LMI** 

TRUCK TONNAGE

**PMI** 

DAT NATIONAL RATES

**RETAIL SALES** 

**IMPORT TEUS** 

CASS FREIGHT INDEX

**DIESEL PRICE** 

LTL PRICE INDEX

**MONTHLY GDP** 



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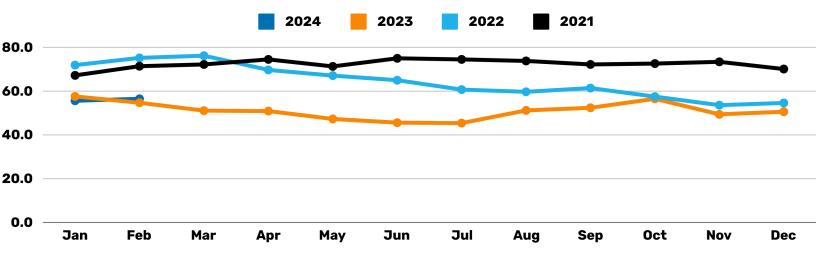


MyFreightWorld Inc.

### **Logistics Manager's Index (LMI)**

Source: Descartes

The February 2024 LMI reported at 56.5, its peak since October 2023, propelled by expanding inventory levels at 58.5. Warehousing capacity tightened to 52.8, alongside a notable rise in transportation prices to 57.6.



### Purchasing Manager's Index (PMI)

**Source:** The Institue for Supply Management (ISM)

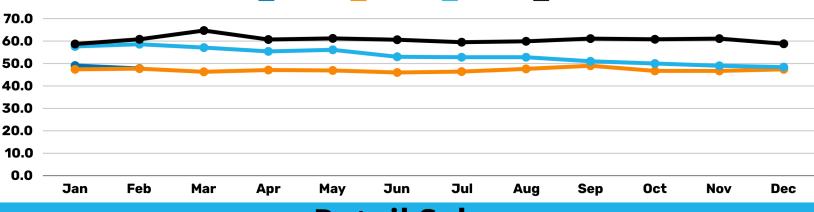
The ISM Manufacturing PMI continued its contraction for a 16th month at 47.8, with the New Orders and Production Indices below growth levels. Despite this, fabricated metals, chemical products, and transportation equipment industries witnessed expansion.

2023

2024

2022

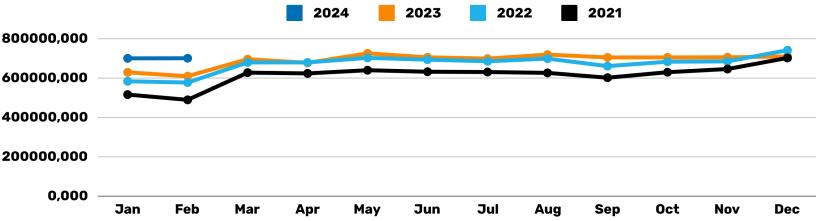
2021



## **Retail Sales**

Source: Census.gov

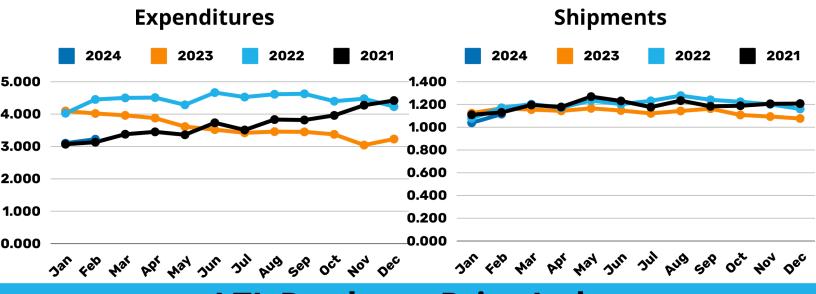
February 2024 saw U.S. retail and food service sales climb to \$700.7 billion, up 0.6% from January and 1.5% yearon-year. This period also recorded a 2.1% annual boost in overall sales, with a notable 6.4% jump for nonstore retailers.



# **Cass Freight Index**

**Source:** Cass Information Systems

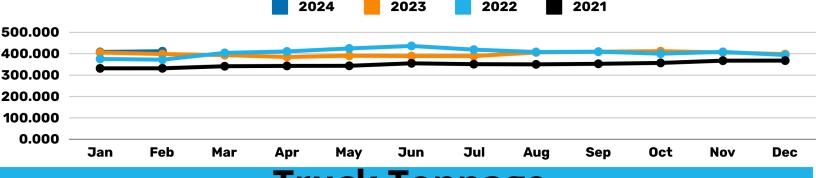
The Cass Transportation Index reported a 19.8% annual decline in freight expenditures and a 4.5% decrease in shipments as of February 2024. However, the month saw a 7.3% rise in shipments and a 4.0% increase in expenditures, suggesting a positive turn amid strong labor market conditions and rising freight demand.



#### LTL Producer Price Index

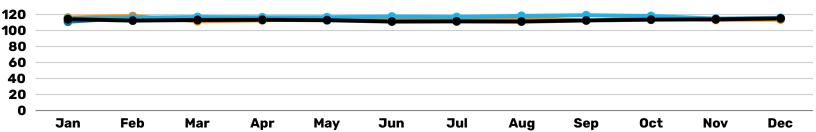
Source: Bureau of Labor Statistics

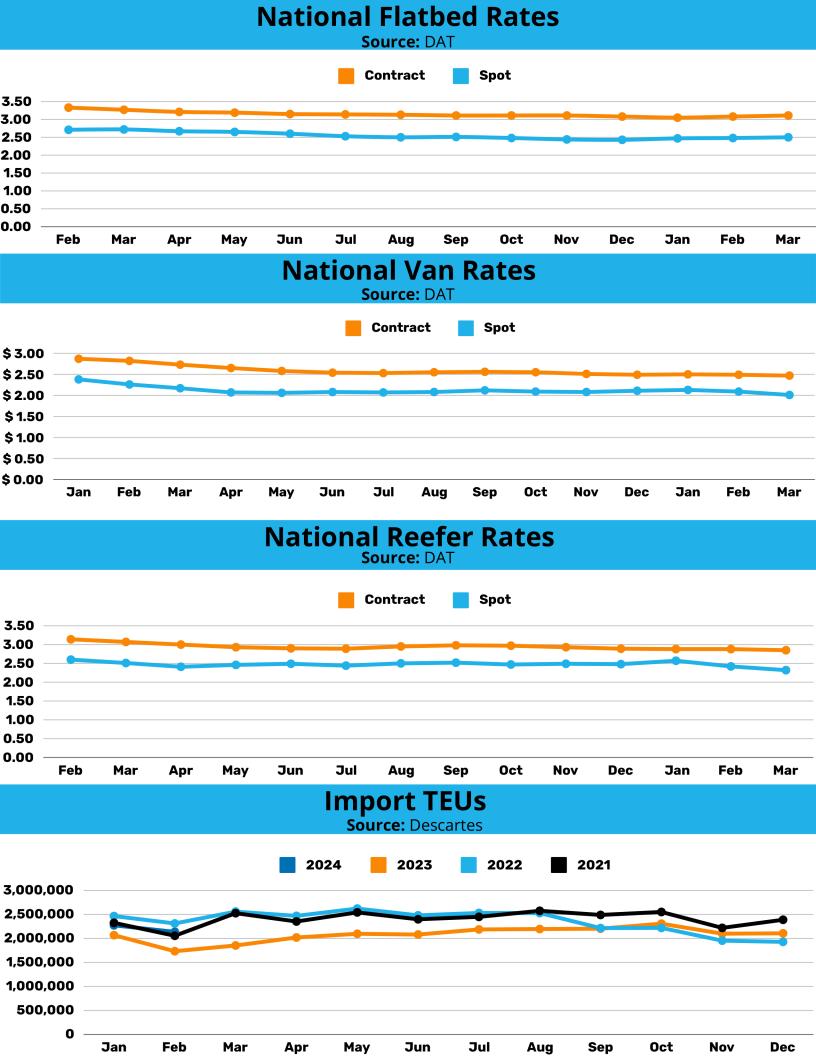
The February 2024 Producer Price Index (PPI) for Less-than-Truckload (LTL) freight registered at 411.772, indicating a pricing landscape that shippers need to navigate with strategic planning. This figure represents the cost pressures within the LTL shipping industry. For shippers, it translates to heightened freight costs, necessitating a closer evaluation of budget allocations and potential shifts to more cost-effective shipment consolidation strategies. Despite cost concerns, the current index also reflects the ongoing demand for LTL services, signifying a robust freight market.

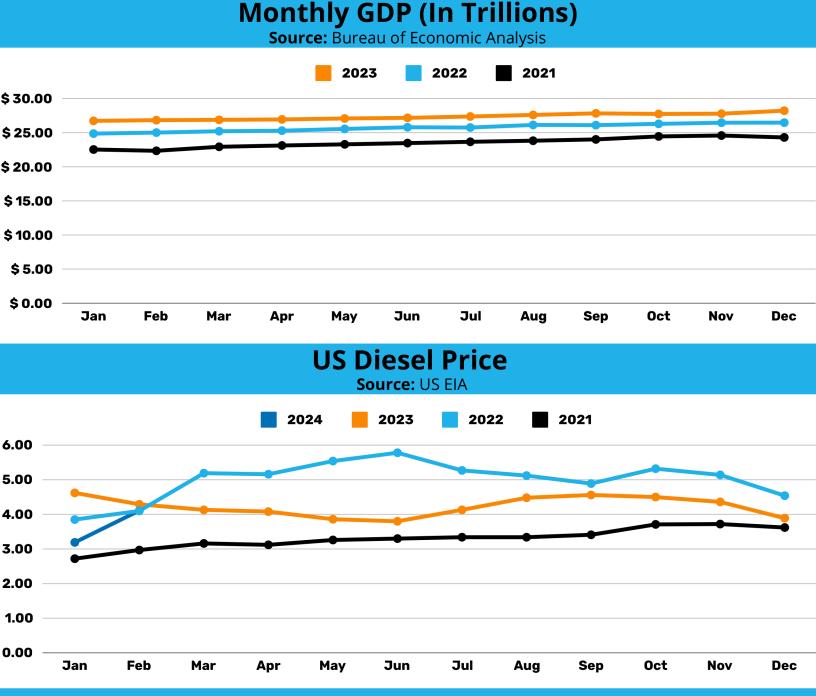


# Truck Tonnage Source: American Trucking Association

The ATA Truck Tonnage Index for February showed a promising 4.3% month-to-month increase, hinting at a trend towards recovery in the trucking industry. Despite this upward movement, the index still reflects a 1.4% contraction compared to last year. As a major indicator of economic health—given trucking's role in transporting a vast majority of domestic freight—these figures suggest fluctuating market conditions but also a potential stabilization in the sector.







# **Future Outlook**

The reported increase in the ATA Truck Tonnage Index suggests a recovery trend in the trucking industry, yet the contrast with a year-over-year contraction highlights the ongoing challenges. Similarly, the rise in the Less-than-Truckload (LTL) Producer Price Index to 411.772 underlines significant cost pressures. Shippers should leverage these insights to forecast expenses and adjust their budgeting strategies accordingly, ensuring they are prepared for fluctuating costs while exploring opportunities for more efficient shipment consolidation.

Moreover, the variable movements in the Cass Transportation Index—with a significant year-over-year drop in freight expenditures but a recent monthly uptick in both expenditures and shipments—signal a market striving towards stabilization. This environment demands that shippers remain agile; adjusting operational strategies to meet the dynamic demands of the market. Implementing robust planning and monitoring systems will be crucial for maintaining competitiveness. Integrating data-driven decision-making processes can help shippers navigate these complexities, optimize logistics operations, and capitalize on emerging opportunities as the market continues to evolve.