



ECONOMIC INSIGHTS

AUGUST 2024

LMI

PMI

Retail Sales

Cass Freight Index

LTL Producer Price Index

OTRI

ATA Truck Tonnage

DAT National Rates

Import TEUs

Diesel Price

Monthly GDP



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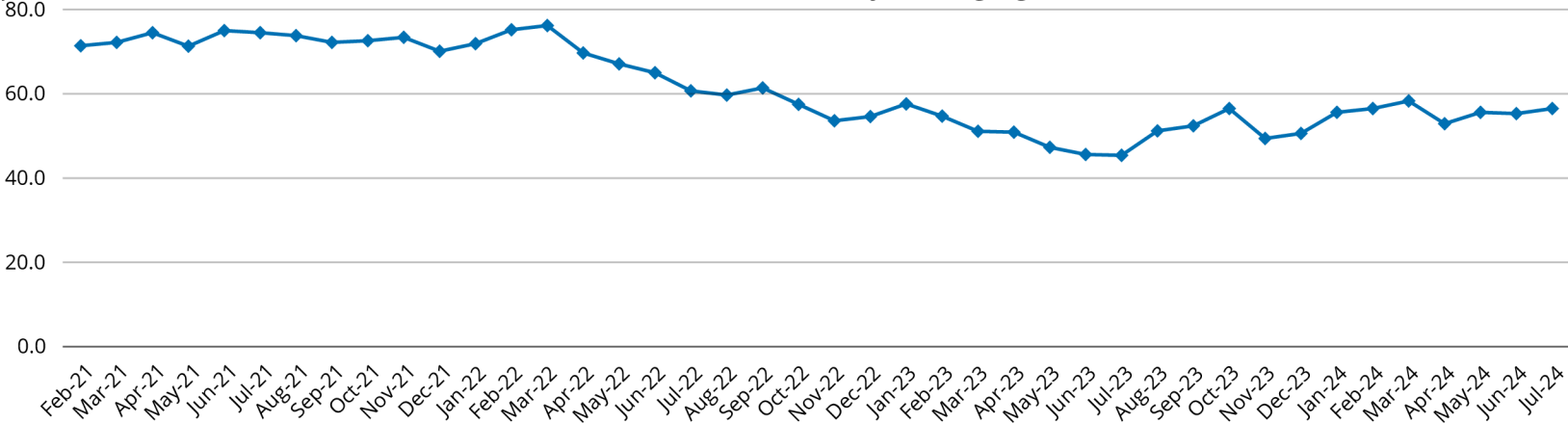


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Logistics Manager's Index (LMI)

Source: The-LMI.com

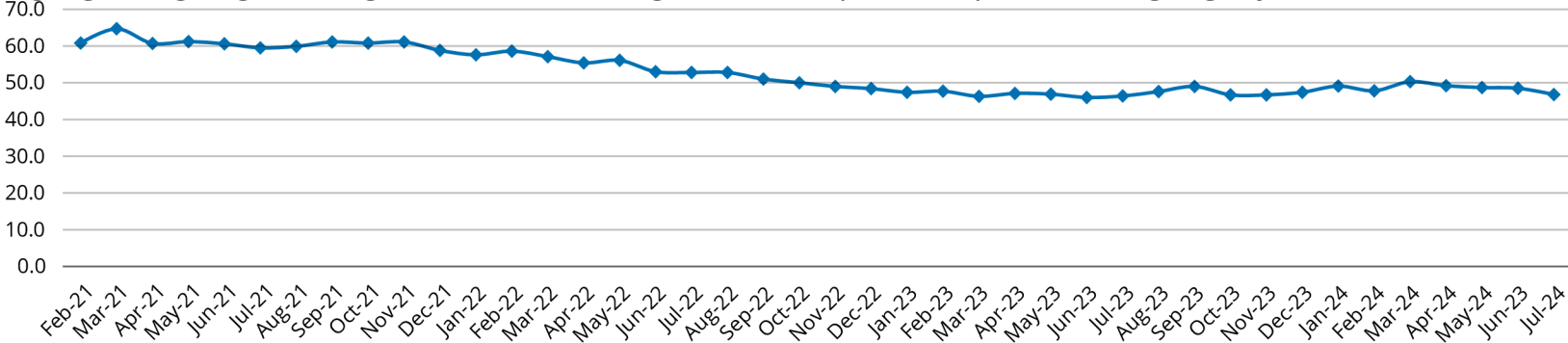
The Logistics Managers' Index (LMI) rose to 56.5, signaling continued expansion in the logistics sector for the eighth straight month. This upward trend reflects sustained growth across logistics activities, with a focus on inventory management. Upstream firms are proactively increasing inventories in preparation for the upcoming peak season, while downstream firms remain cautious, carefully managing their stock levels to control costs.



Purchasing Manager's Index: Manufacturing PMI

Source: The Institute for Supply Management (ISM)

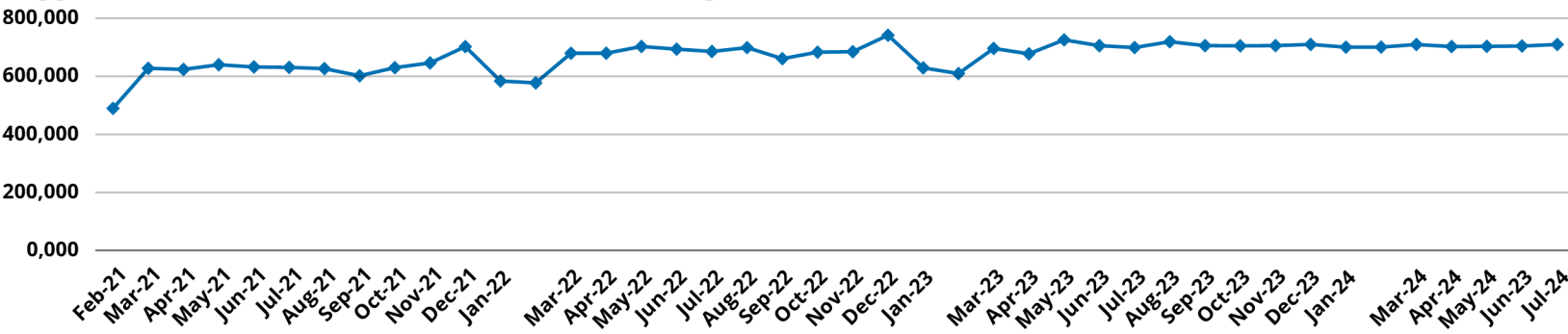
The July 2024 Purchasing Managers' Index (PMI) fell to 46.8, signaling contraction in the manufacturing sector. New Orders declined to 47.4%, Production dipped to 45.9%, and Employment dropped sharply to 43.4%. Meanwhile, Supplier Deliveries grew to 52.6%, and Prices increased slightly to 52.9%, reflecting rising input costs. Inventories fell to 44.5%, while New Export Orders and Imports saw minor increases. These indicators highlight ongoing challenges in manufacturing, with some pressure points easing slightly.



Retail Sales

Source: Census.gov

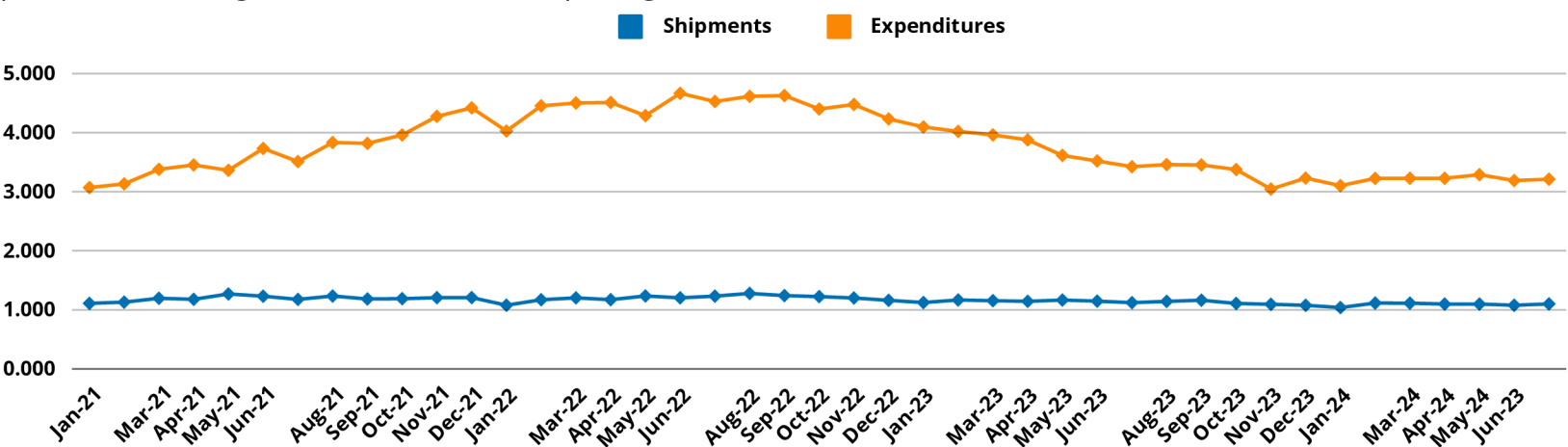
Retail sales for July 2024 reached \$709.7 billion, marking a slight month-over-month increase of 0.1%. Year-over-year, sales grew by 2.7% compared to July 2023. Total sales from May through July were up 2.4% from the same period last year, indicating steady growth. Nonstore retailers saw a significant increase in sales, growing by 6.7% from June, highlighting the continued strength of online shopping channels. These metrics suggest a stable retail environment with notable gains in e-commerce.



Cass Freight Index

Source: Cass Information Systems

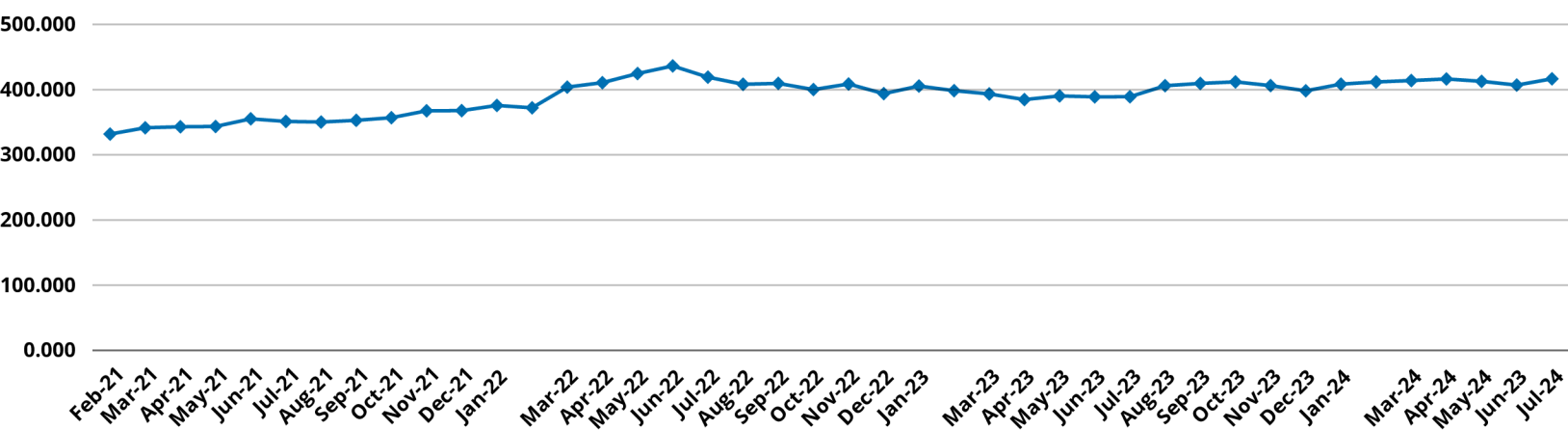
Reported a 3% increase in shipments, reaching 1.110 and reversing a four-month decline. Expenditures also rose by 0.7% to 3.211. However, Inferred Freight Rates dipped by 2.2%, with a reading of 2.893, returning to levels seen earlier in the year. The Truckload Linehaul Index fell by 1% to 137.5, marking its second consecutive month of contraction. These metrics indicate a mixed outlook, with some recovery in shipment volumes but ongoing pressures on freight rates and truckload pricing.



LTL Producer Price Index

Source: Bureau of Labor Statistics

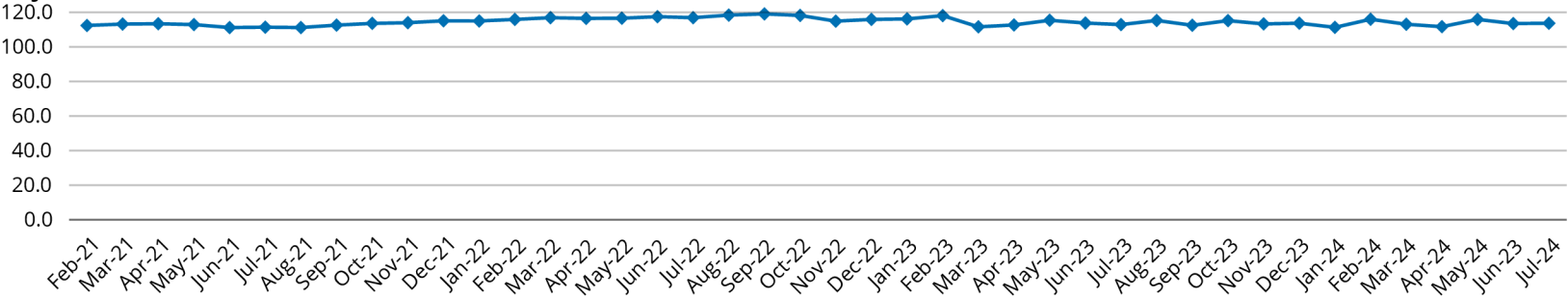
The LTL (Less-Than-Truckload) Producer Price Index for July 2024 stands at 416.578. This index measures the average change over time in the selling prices received by domestic producers for their output in the LTL sector. The current value indicates the ongoing trends in pricing within the LTL market, reflecting the cost pressures and pricing strategies that carriers are experiencing. This index indicates inflationary trends in the freight industry.



Truck Tonnage

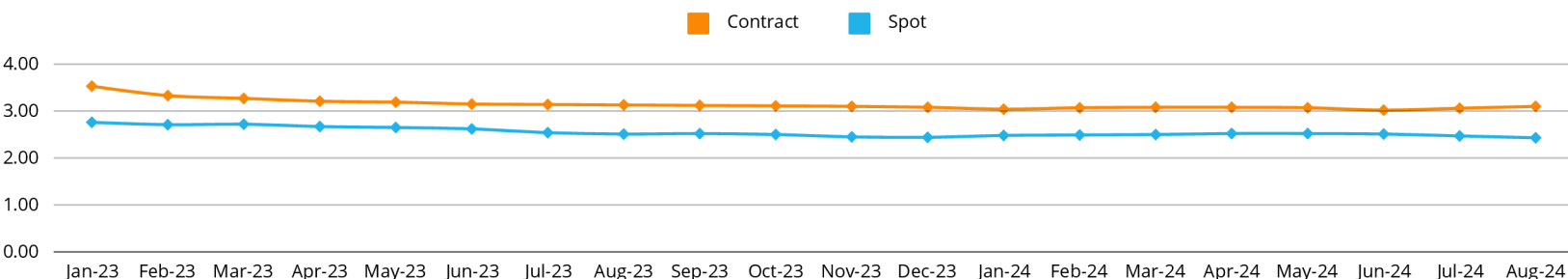
Source: American Trucking Association

The ATA For-Hire Truck Tonnage Index dropped to 113.5 in July, with a slight month-over-month decrease of 0.3% following a 2.0% rise in June. The index is down just 0.9% yearly, suggesting that the market may be slowly stabilizing. The not-seasonally adjusted index performed better, reporting 116.7 in July, which is 3.4% higher than in June.



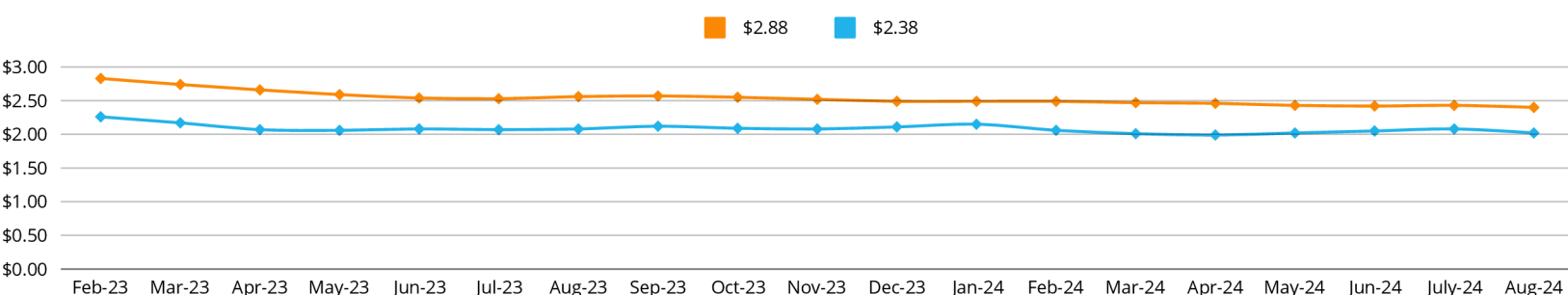
National Flatbed Rates

Source: DAT



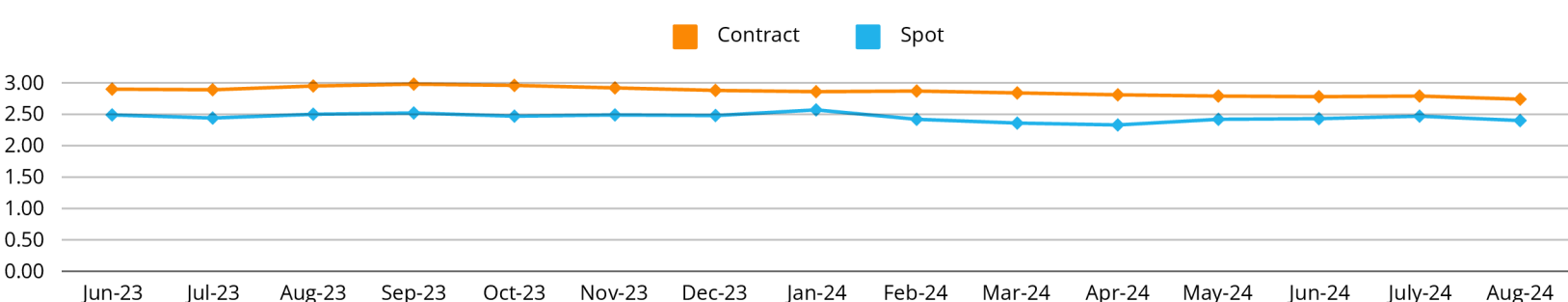
National Van Rates

Source: DAT



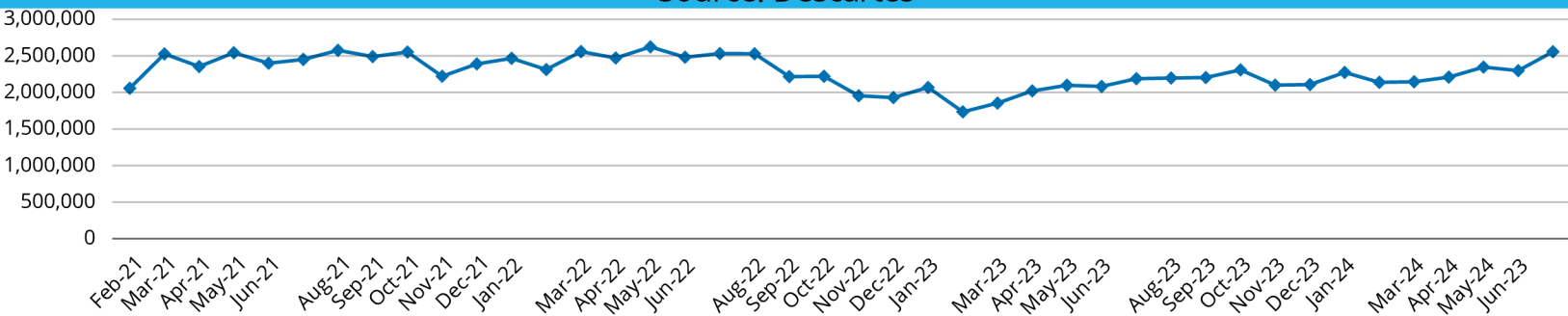
National Reefer Rates

Source: DAT



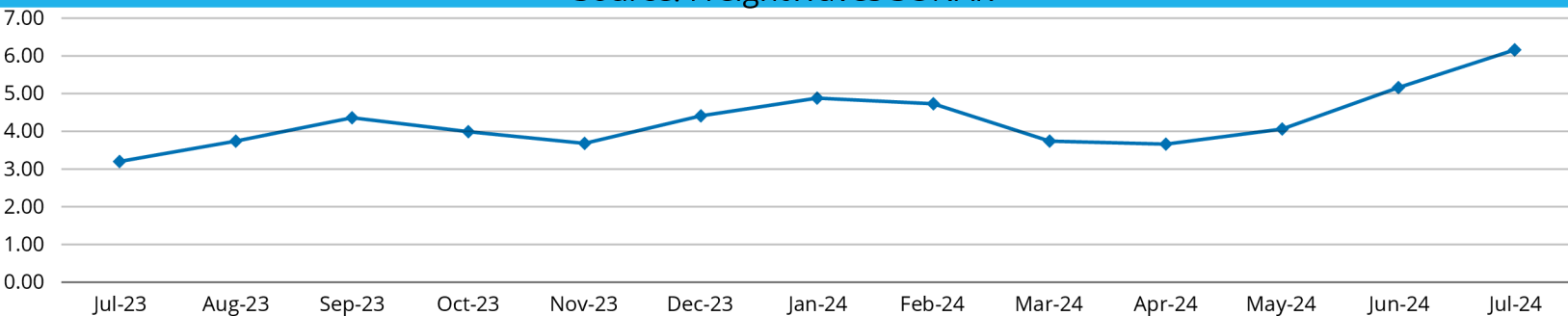
Import TEUs

Source: Descartes



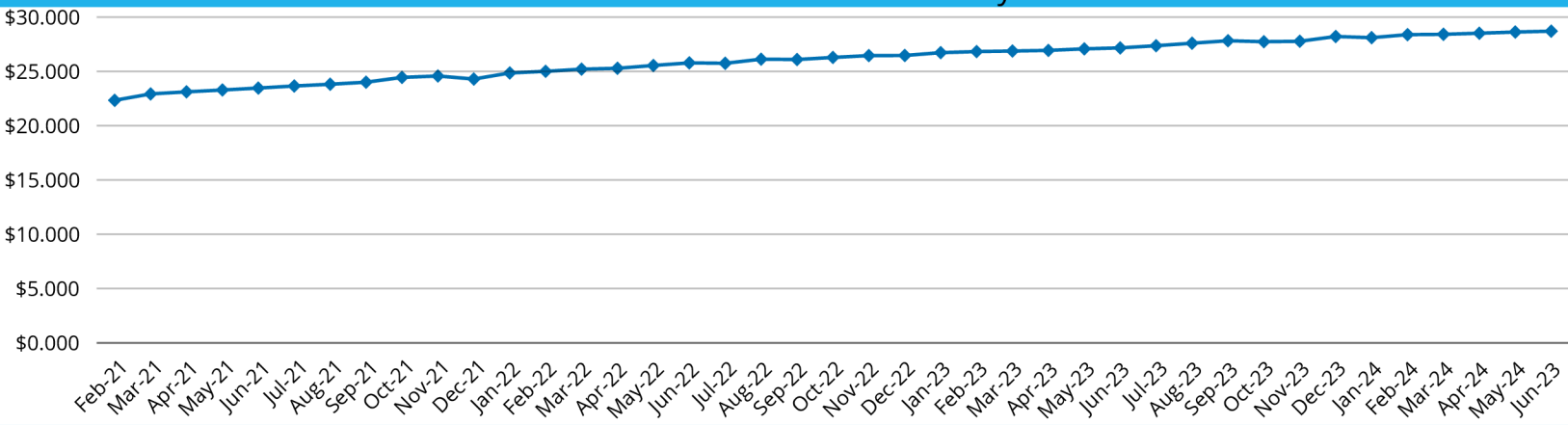
Outbound Tender Rejection Index (OTRI)

Source: FreightWaves SONAR



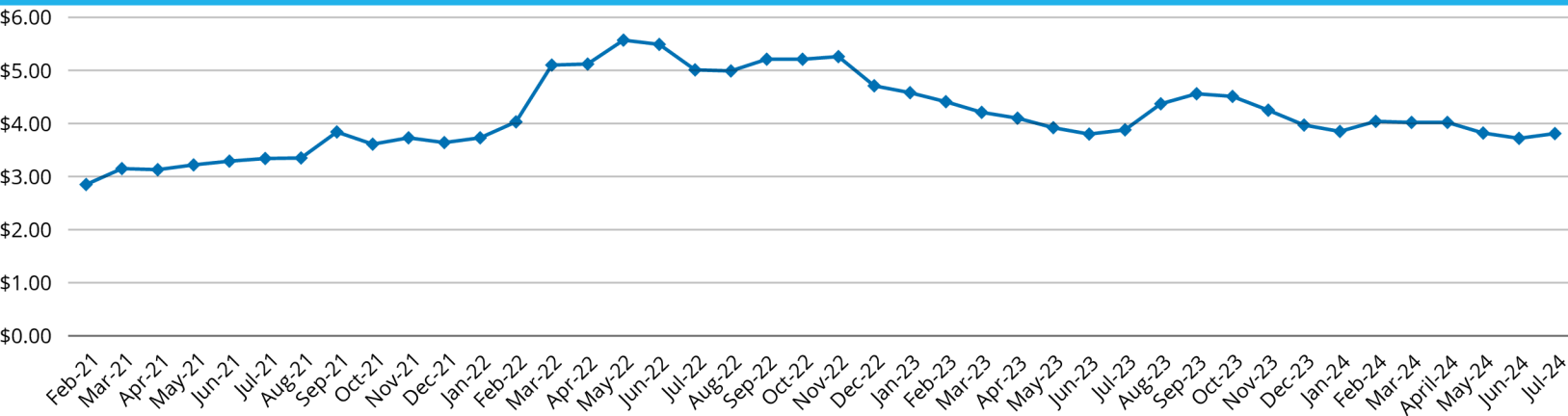
Monthly GDP (In Trillions)

Source: Bureau of Economic Analysis



US Diesel Price

Source: US EIA



Future Outlook

The metrics reported suggest a mixed but cautiously optimistic outlook looking ahead. The slight month-over-month decrease in the ATA For-Hire Truck Tonnage Index, combined with a modest year-over-year decline of 0.9%, indicates that while the market has faced challenges, it may be slowly stabilizing. The not-seasonally adjusted index's increase of 3.4% in July highlights some seasonal strength, suggesting that demand might pick up in the near term.

For manufacturers, this data implies that while there has been a slowdown in freight activity, the worst might be over. The slight recovery in shipment volumes, as reflected in the Cass Freight Index, coupled with stable expenditure levels, could indicate that manufacturers are adjusting their production and inventory strategies to align with the current market dynamics. As freight rates have stabilized, this could lead to more predictable logistics costs, enabling manufacturers to plan more effectively for the rest of the year.

Shippers, particularly those in the LTL and truckload sectors, may see some relief as market conditions begin to stabilize. The decrease in the Truckload Linehaul Index, alongside stable pricing in the LTL sector, suggests that while the market remains competitive, there are opportunities for strategic cost management. Shippers should continue to monitor these trends closely, as the balance between supply and demand could shift rapidly, impacting their logistics strategies and overall cost structures moving forward.



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