



ECONOMIC INSIGHTS

OCTOBER 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



Info@myfreightworld.com



(877) 549-9438

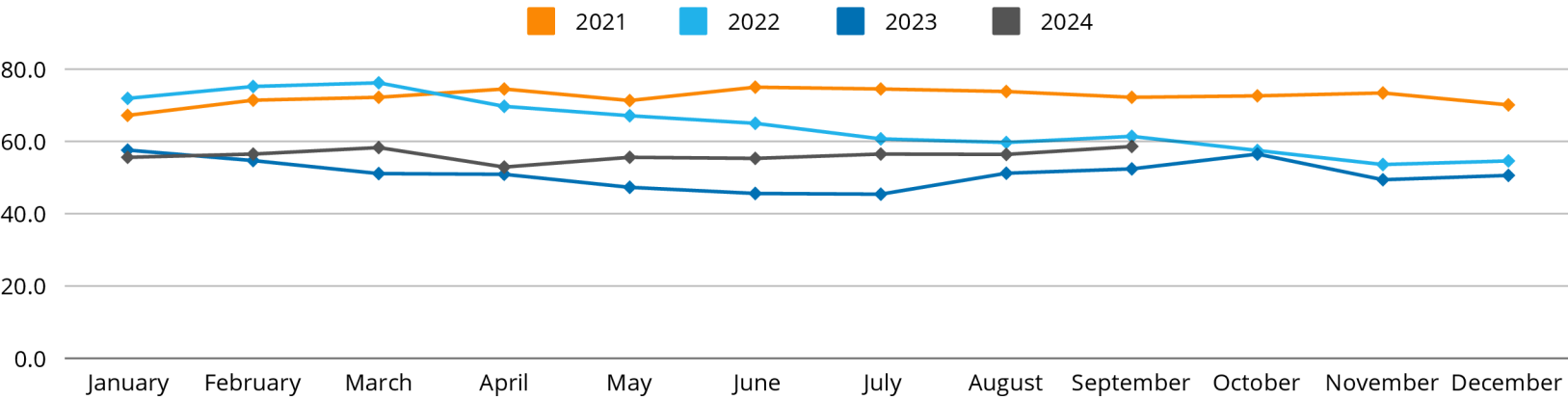


MyFreightWorld Inc.

Logistics Manager's Index (LMI)

Source: The-LMI.com

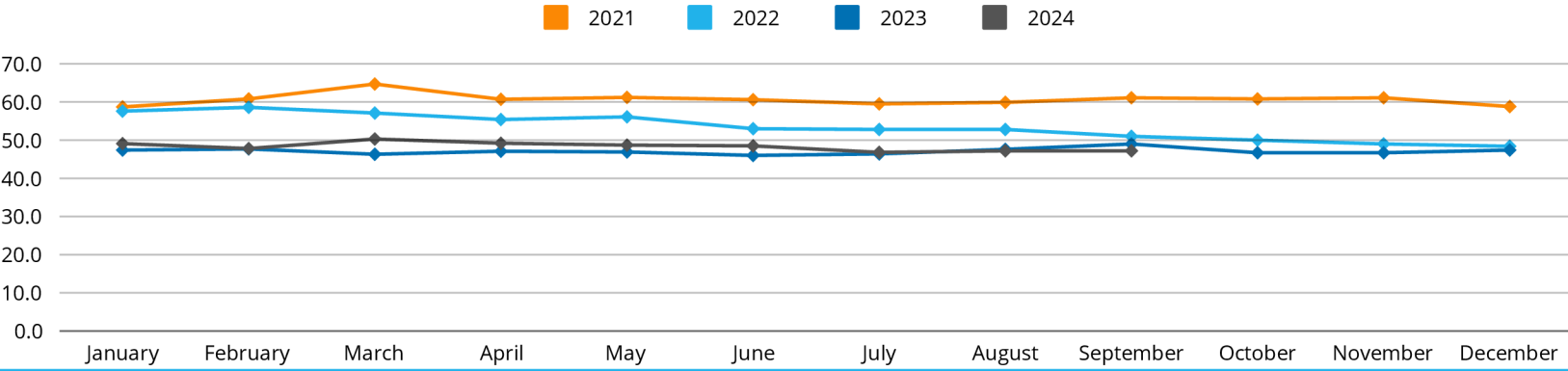
As of September 2024, the Logistics Managers' Index (LMI) rose to 58.6 from 56.4 in August, indicating a steady recovery from mid-2023 lows. The index shows expanding transportation capacity and moderate growth in warehousing utilization and transportation prices. This suggests a gradually stabilizing logistics environment for shippers, providing more flexibility in shipping strategies and stable pricing for budgeting logistics costs.



Purchasing Manager's Index: Manufacturing PMI

Source: The Institute for Supply Management (ISM)

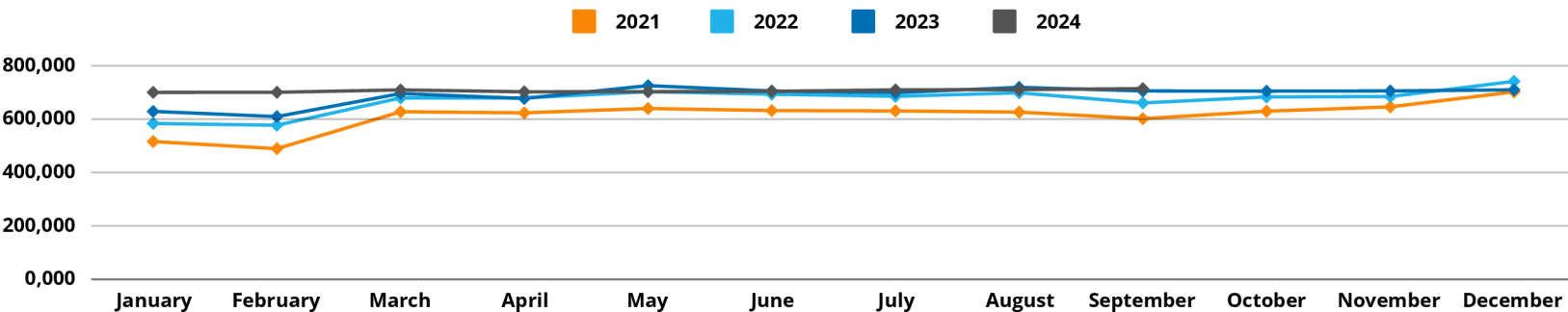
The ISM Manufacturing PMI for September 2024 remained at 47.2, indicating six months of contraction but stabilization compared to early 2023. While manufacturing output is low, supply chain disruptions are easing, particularly with improved supplier deliveries. However, declining new orders and a shrinking backlog may indicate weakened demand, potentially resulting in more competitive freight pricing as capacity increases.



Monthly Retail Sales

Source: Census.gov

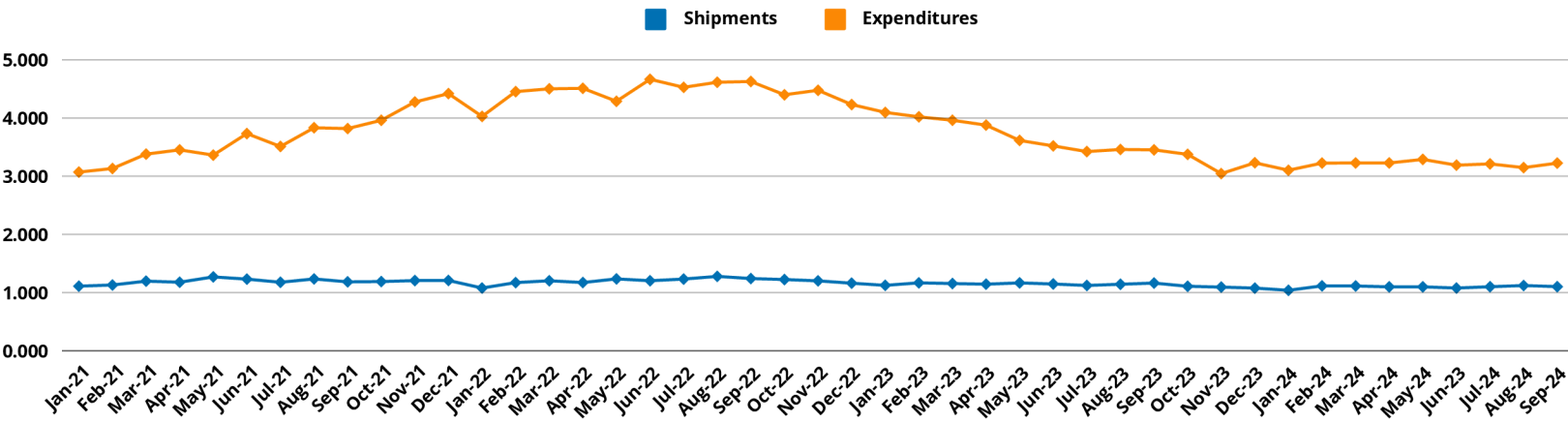
In September 2024, retail sales reached \$714.4 billion, a 0.4% increase from August and a 1.7% rise from September 2023, reflecting strong consumer spending. Nonstore retailers experienced a notable 7.1% year-over-year growth. As retail sales continue to rise, especially during the holiday season, shippers should prepare for increased demand and pressure on fulfillment operations in e-commerce and food service sectors.



Cass Freight Index

Source: Cass Information Systems

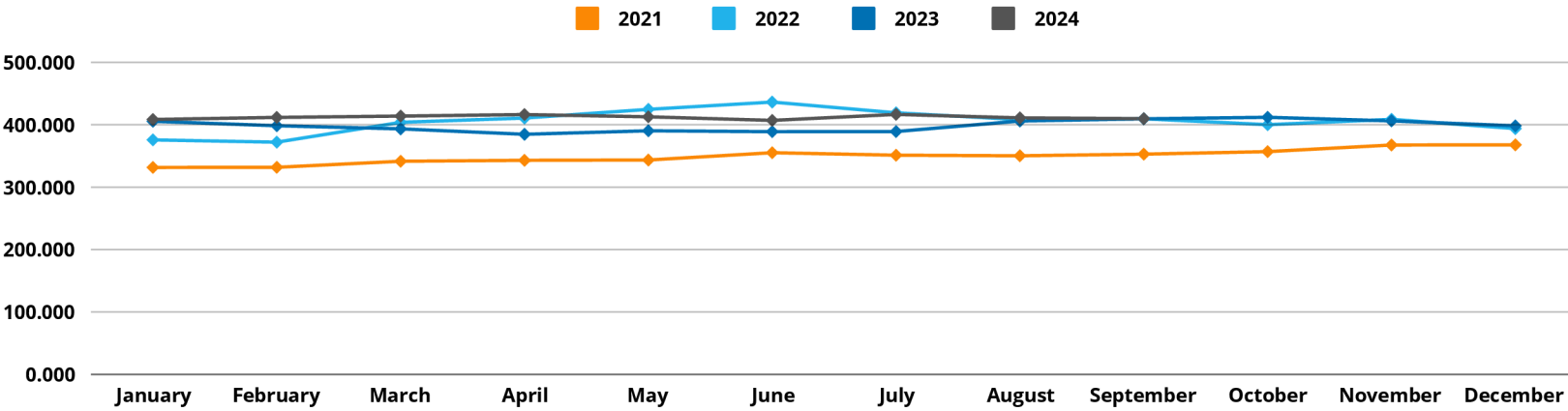
In September 2024, the Cass Freight Index for Shipments saw a slight decrease to 1.102, down 1.7% from August's 1.121 and reflecting a 5.2% year-over-year decline. This decrease underscores the ongoing softness in freight volumes as demand continues to taper. Despite this, freight expenditures rose to 3.224, a 2.4% increase month-over-month, driven by a rebound in freight rates. Year-over-year, expenditures were down by 6.6%, pointing to improved cost efficiency in freight management.



LTL Producer Price Index

Source: Bureau of Labor Statistics

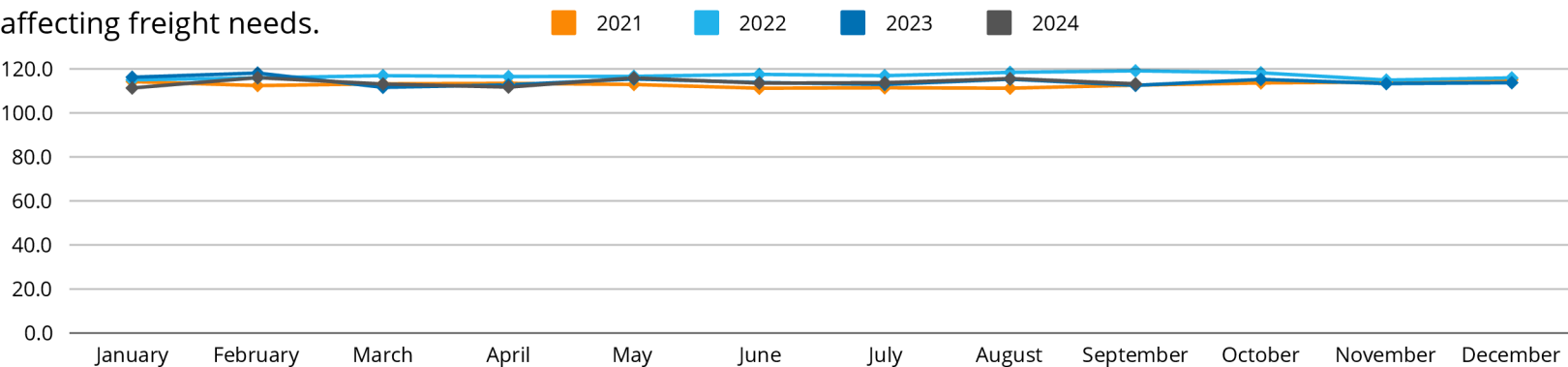
The LTL Producer Price Index (PPI) for September 2024 registered at 409.774, remaining relatively flat compared to August's 410.982. This marks a slight decrease of 0.3% month-over-month, and the index continues to show stability with minimal fluctuation. However, year-over-year, the September figure reflects a modest 0.1% increase, indicating that LTL costs are holding steady after a period of heightened volatility throughout 2023.



Truck Tonnage

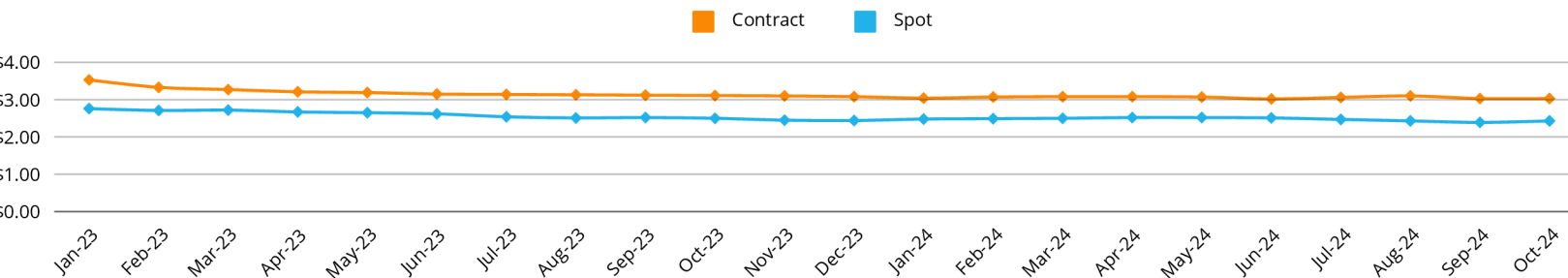
Source: American Trucking Association

In September 2024, the ATA Truck Tonnage Index fell by 2.1%, continuing a trend of declining freight demand amidst slowing economic activity. Year-over-year, tonnage decreased by 4.1%, marking the seventh straight month of declines. This reduction is mainly due to weaker manufacturing output and economic uncertainties affecting freight needs.



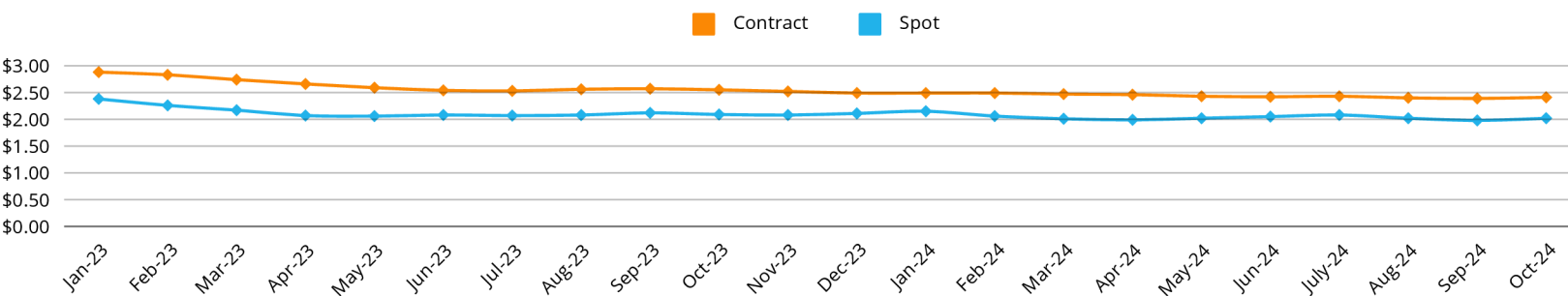
National Flatbed Rates

Source: DAT



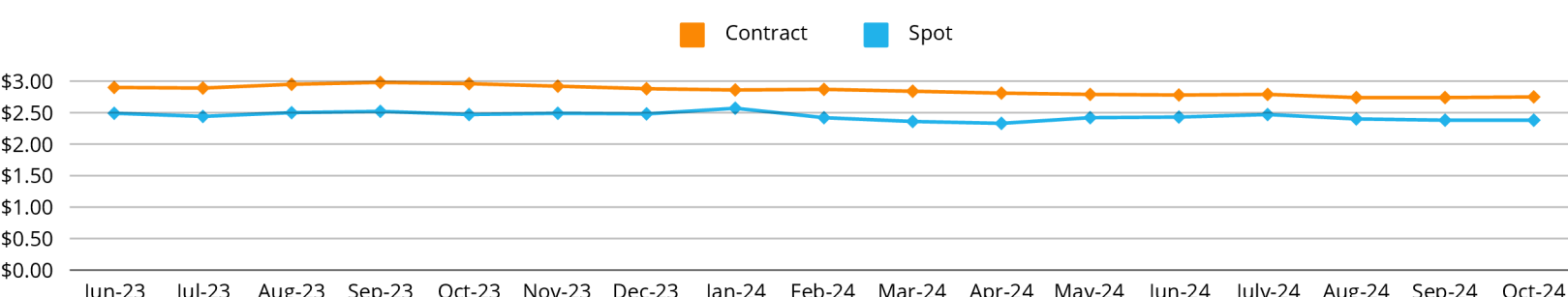
National Van Rates

Source: DAT



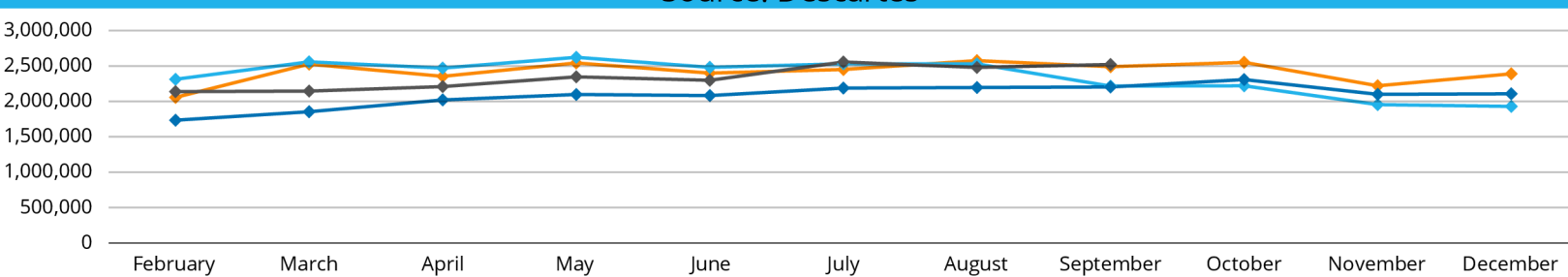
National Reefer Rates

Source: DAT



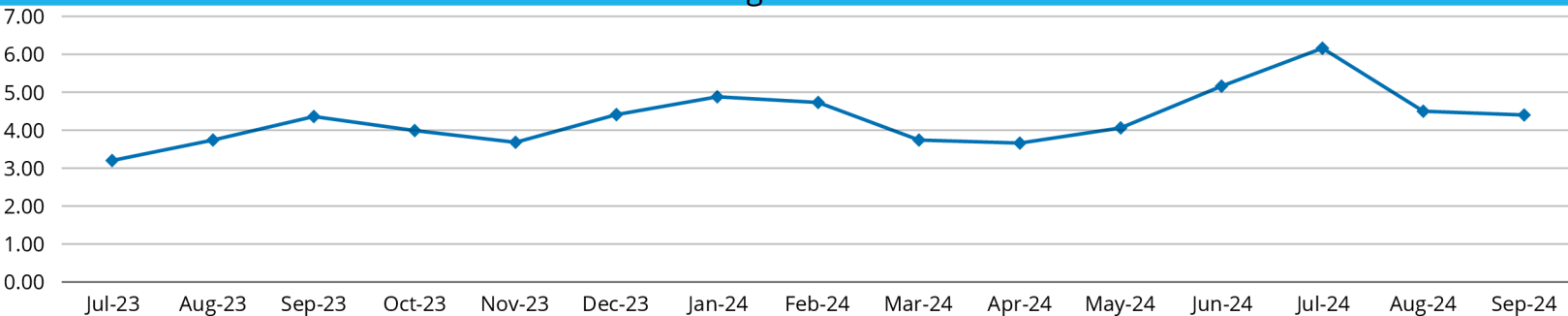
Import TEUs

Source: Descartes



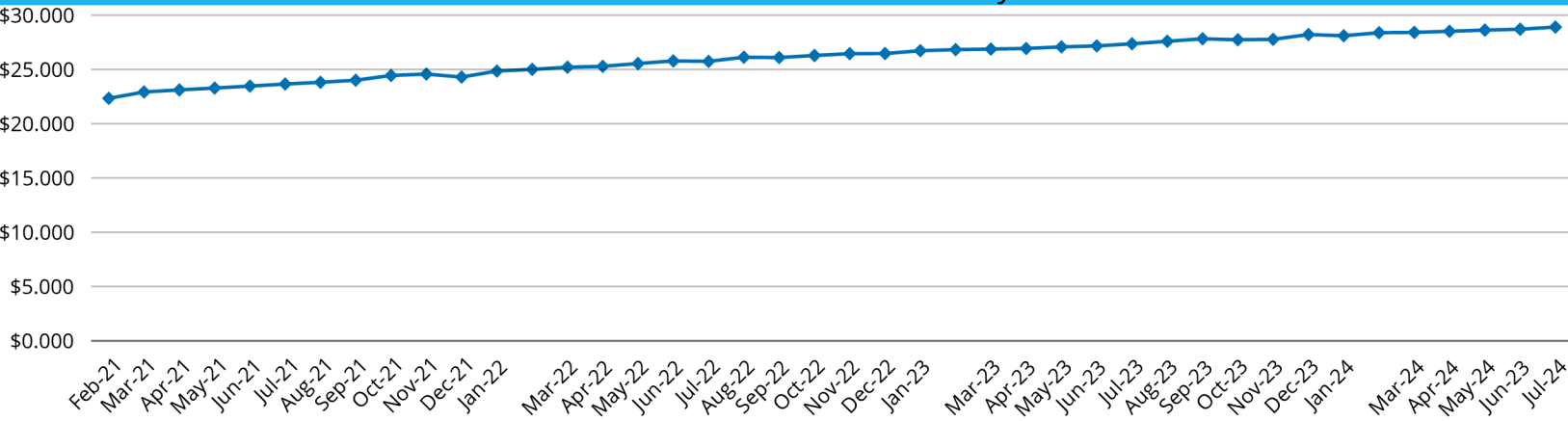
Outbound Tender Rejection Index (OTRI)

Source: FreightWaves SONAR



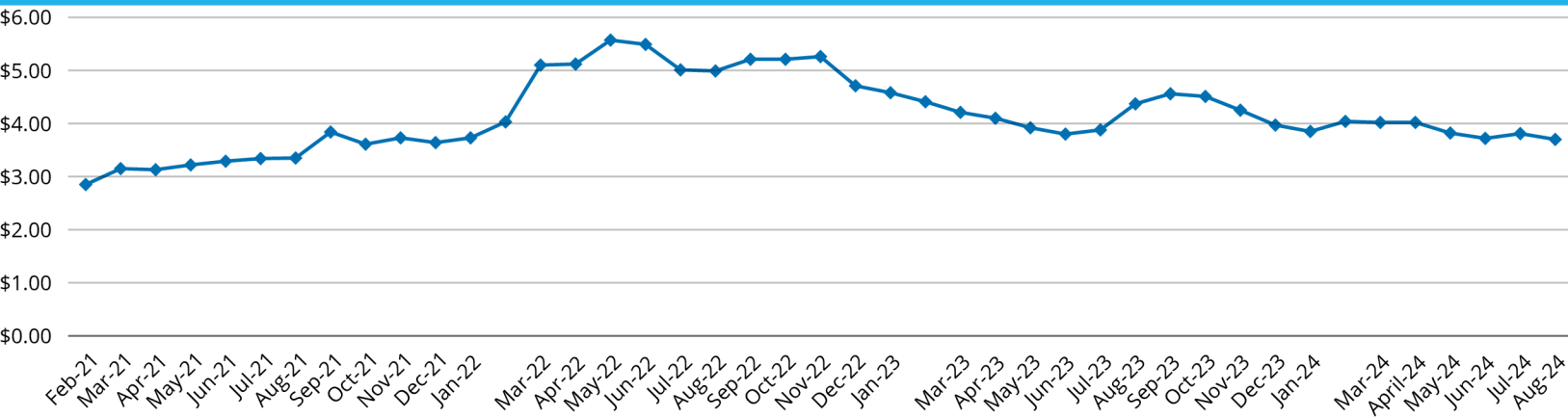
Monthly GDP (In Trillions)

Source: Bureau of Economic Analysis



US Diesel Price

Source: US EIA



Future Outlook

As we move further into Q4, shippers continue to face a mixed economic landscape. The Logistics Managers' Index (LMI) rose to 58.6 in September 2024, signaling consistent growth in warehousing capacity and inventory utilization. However, the manufacturing sector remains in contraction, as reflected by the ISM Manufacturing PMI, which held steady at 47.2%. This ongoing contraction suggests weaker demand for freight services in the manufacturing space, with lower production and new orders impacting freight volumes.

On the consumer side, retail sales have remained resilient, growing 1.7% year-over-year, which is helping to support demand in certain shipping sectors, particularly retail and e-commerce. However, the Cass Freight Index reported a 1.7% month-over-month decline in shipments, reinforcing a more subdued outlook for overall freight volumes. Despite this, expenditures increased by 2.4% in September, driven largely by rising freight rates, highlighting the ongoing cost pressures in the freight market.

Looking ahead, shippers will need to remain focused on optimizing transportation costs and closely monitoring inventory levels. While LTL Producer Price Index (PPI) data shows relative stability, a slight softening in rates offers a potential cost-saving opportunity for shippers. As economic uncertainties continue into Q4, particularly with fuel price fluctuations and evolving capacity dynamics, strategic freight planning will be critical to navigating the potential volatility in both demand and pricing.



MyFreightWorld Inc.



Info@myfreightworld.com



(877) 549-9438