MYFREIGHTWORLD

ECONOMIC INSIGHTS

MAY 2025

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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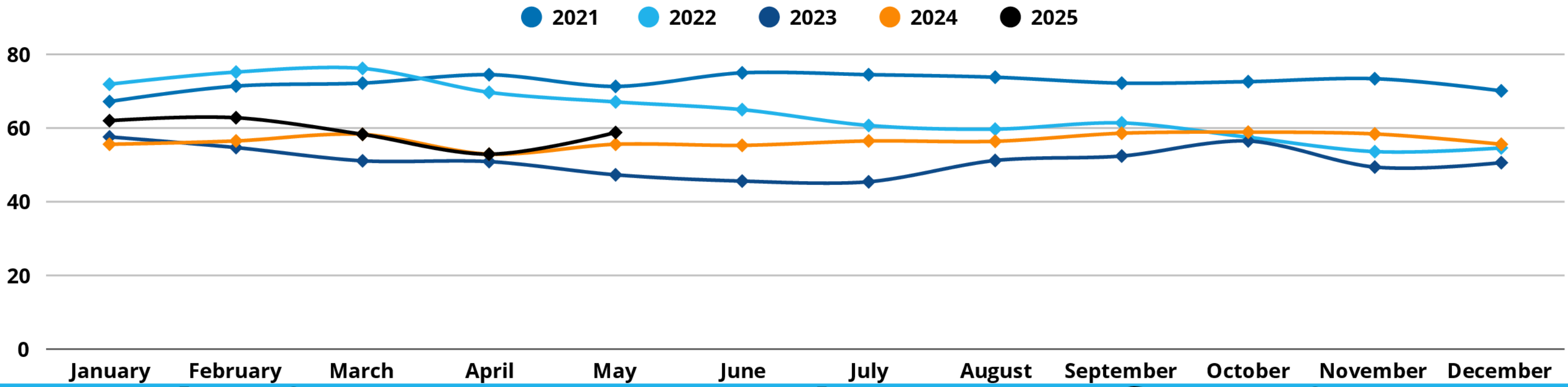
Logistics Manager's Index (LMI)

Source: The-LMI.com

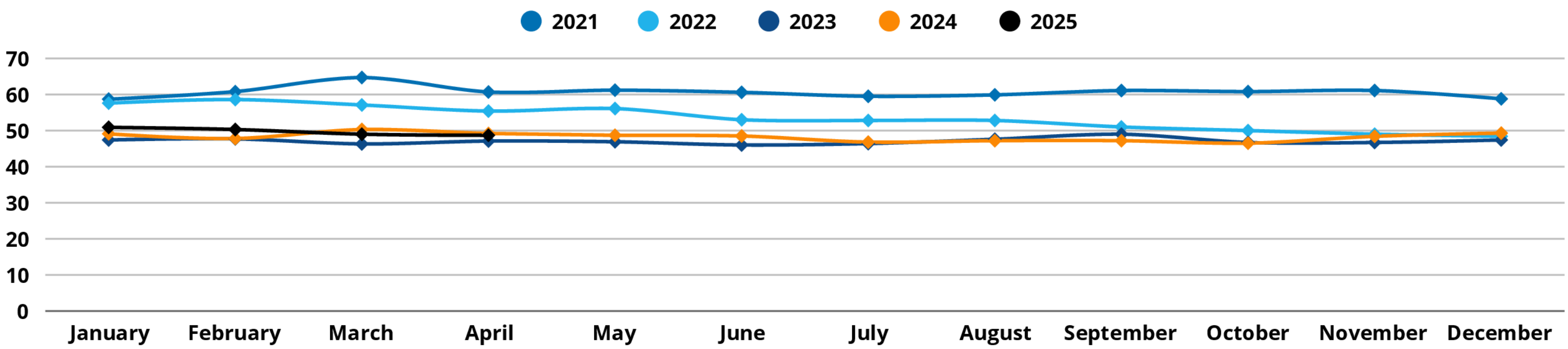
The Logistics Managers' Index rose to 58.8, up from 57.1 in March, signaling steady supply chain expansion. Inventory levels increased at a slower pace, reflecting seasonal normalization, while rising inventory costs suggest that Q1 stockpiles remain in storage. Warehousing utilization jumped to 72.3, hinting at a backlog buildup, and transportation capacity rebounded to 55.2. Despite a continued decline in transportation utilization, rising transportation prices at 62.3 highlight growing cost pressures. This environment calls for shippers to closely manage inventory and adapt to tightening freight conditions as Q2 progresses.



Purchasing Manager's Index: Manufacturing PMI

Source: The Institue for Supply Management (ISM)

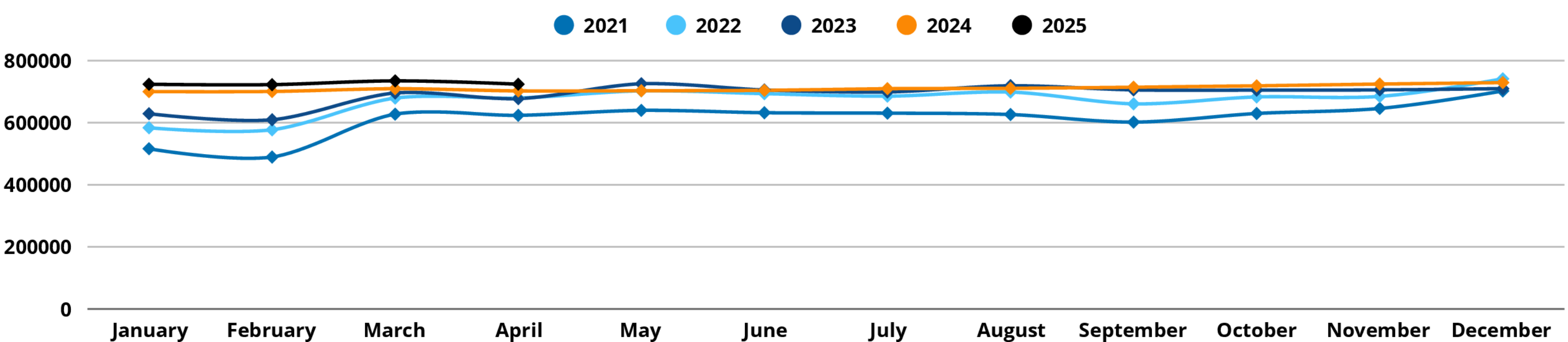
This past month, the Manufacturing PMI slipped to 48.7, continuing a mild contraction in factory activity. New orders rose to 47.2, while production declined to 44.0, halting earlier gains. Employment edged up to 46.5, and supplier deliveries slowed to 55.2, hinting at steady demand. Inventories eased to 50.8, with low customer stock levels at 46.2. Prices climbed to 69.8, and export orders fell sharply to 43.1. This signals persistent pressure on input costs, urging shippers to stay alert to global manufacturing and cost shifts.



Monthly Retail Sales

Source: Census.gov

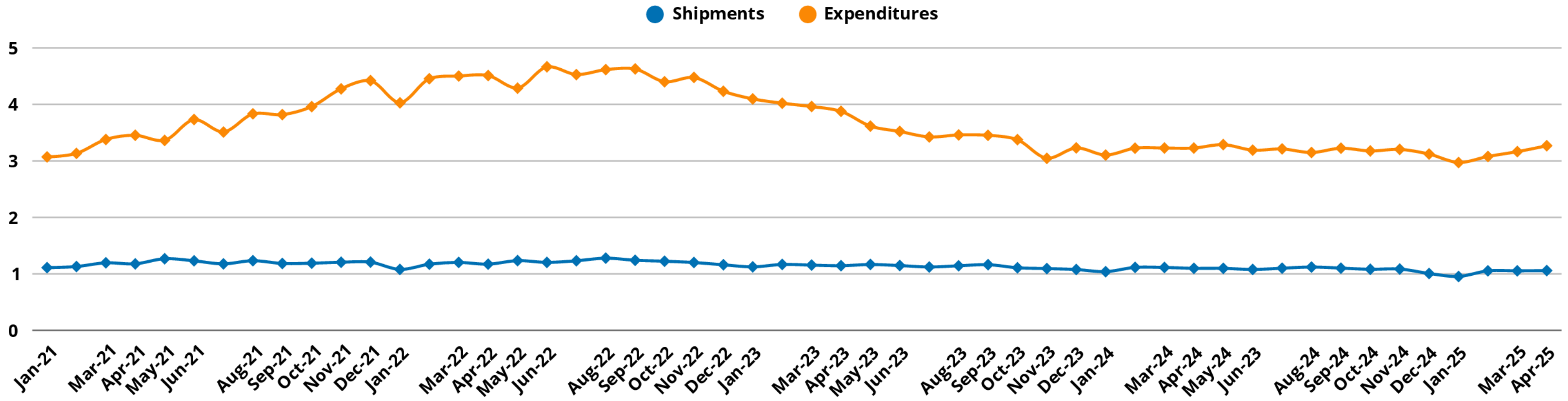
U.S. retail and food services sales reached $724.1 billion, a slight 0.1% increase from March and a 5.2% rise year-over-year. Retail trade sales dipped 0.1% from the previous month but were up 4.7% compared to April 2024. Notably, motor vehicle and parts dealers experienced a 9.4% year-over-year increase, while food services and drinking places saw a 7.8% rise. These figures suggest that consumer spending remains resilient, particularly in the automotive and dining sectors, contributing to steady freight demand.



Cass Freight Index

Source: Cass Information Systems

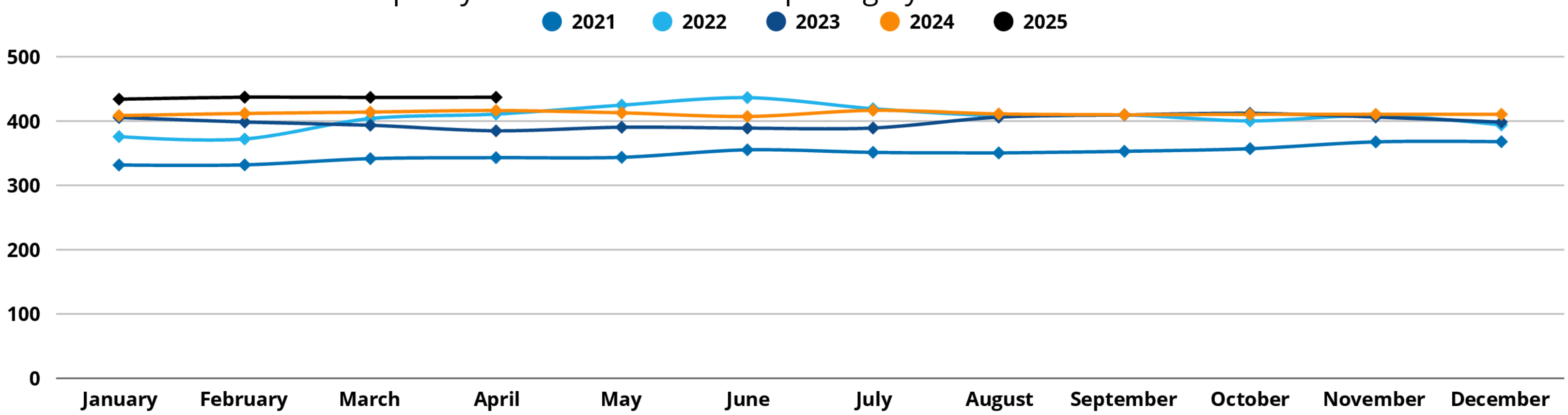
IThe Cass Freight Index signaled a modest rebound in freight activity. Shipments rose 0.4% month-over-month (0.3% seasonally adjusted), though they remained 3.6% below April 2024 levels. Expenditures increased by 3.3% month-over-month (2.2% seasonally adjusted), marking the first year-over-year gain in 28 months at 1.2%. This uptick in spending was primarily driven by rising freight rates, as inferred freight rates climbed 2.9% month-over-month and 5.1% year-over-year, indicating a shift toward higher-cost modes and increasing cost per shipment.



LTL Producer Price Index

Source: Bureau of Labor Statistics

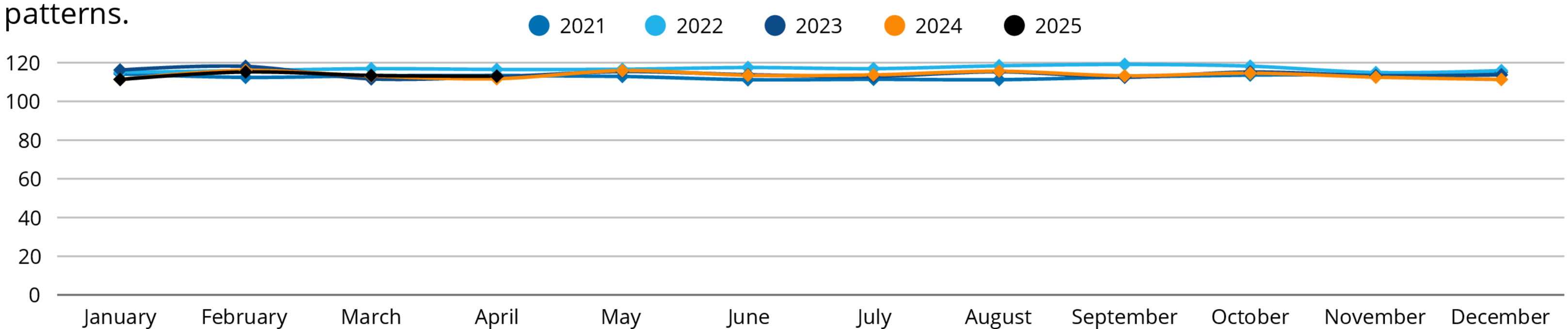
The Producer Price Index (PPI) for General Freight Trucking, Long-Distance Less Than Truckload (LTL) rose slightly to 436.873, up from 436.680 in March. This represents a 5.5% increase compared to April 2024, indicating sustained cost pressures in the LTL sector. The modest month-over-month uptick suggests that while LTL rates remain elevated, the pace of increase is stabilizing. Shippers should remain vigilant, as persistent demand and constrained capacity continue to influence pricing dynamics.



Truck Tonnage

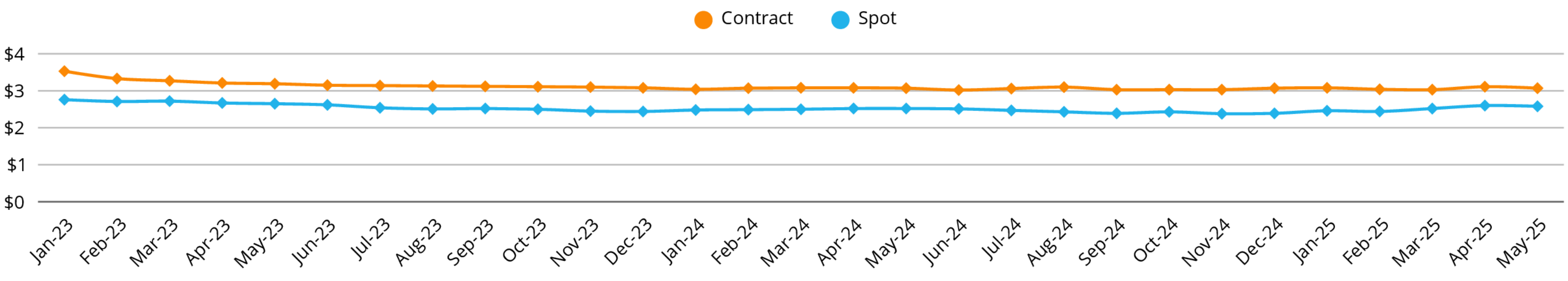
Source: American Trucking Association

In April 2025, the ATA For-Hire Truck Tonnage Index declined 0.3% month-over-month to 113.0, following a 1.5% drop in March. Year-over-year, the index decreased by 1.8%, indicating a continued softening in freight volumes. The not seasonally adjusted index stood at 109.0 in April, down from 120.4 in March, reflecting typical seasonal patterns.



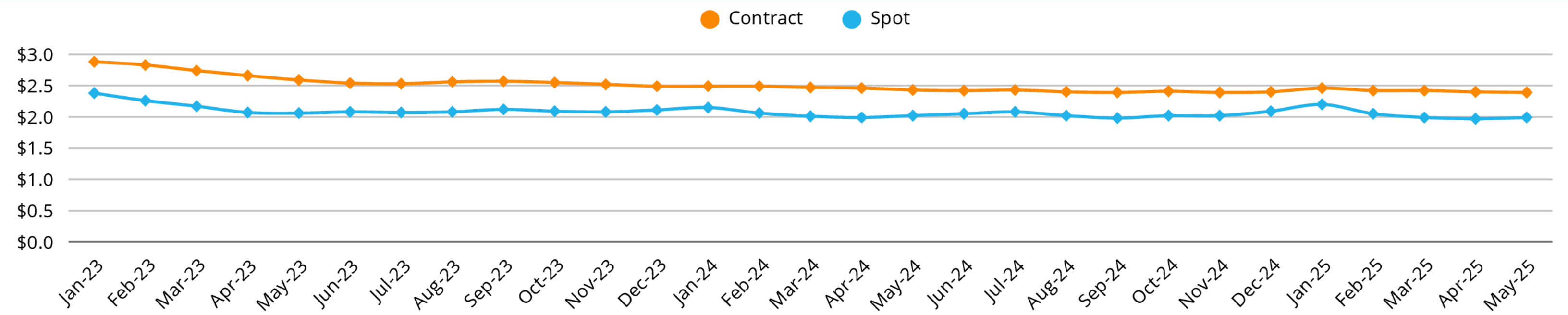
National Flatbed Rates

Source: DAT



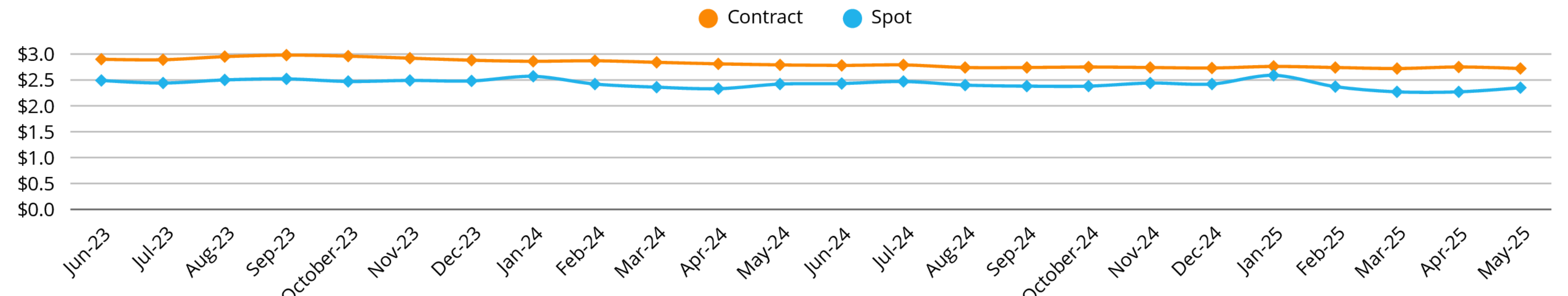
National Van Rates

Source: DAT



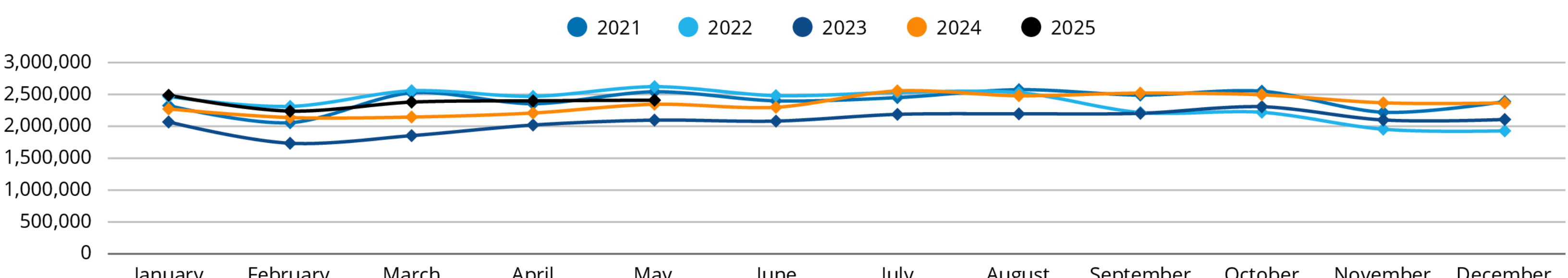
National Reefer Rates

Source: DAT



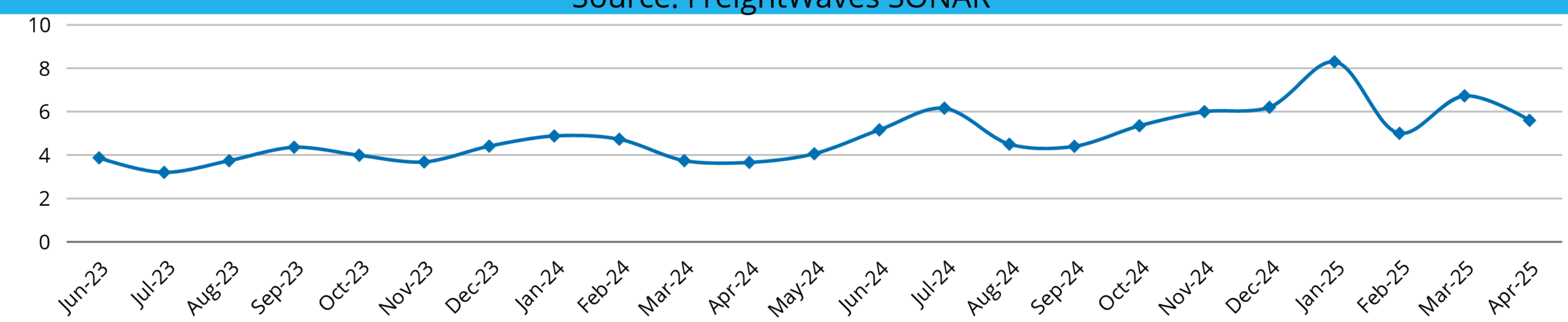
Import TEUs

Source: Descartes



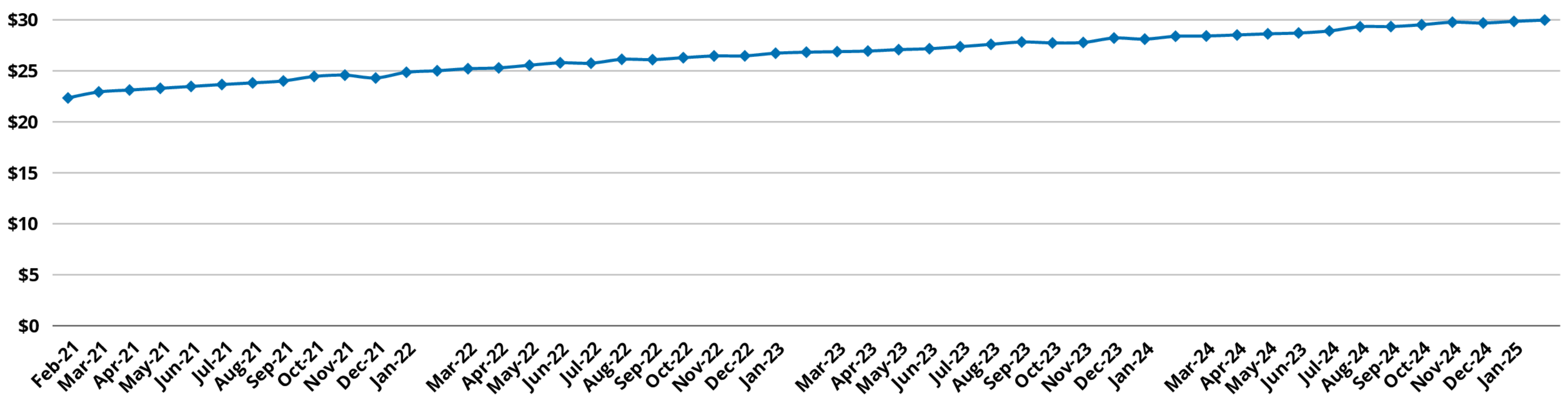
Outbound Tender Rejection Index (OTRI)

Source: FreightWaves SONAR



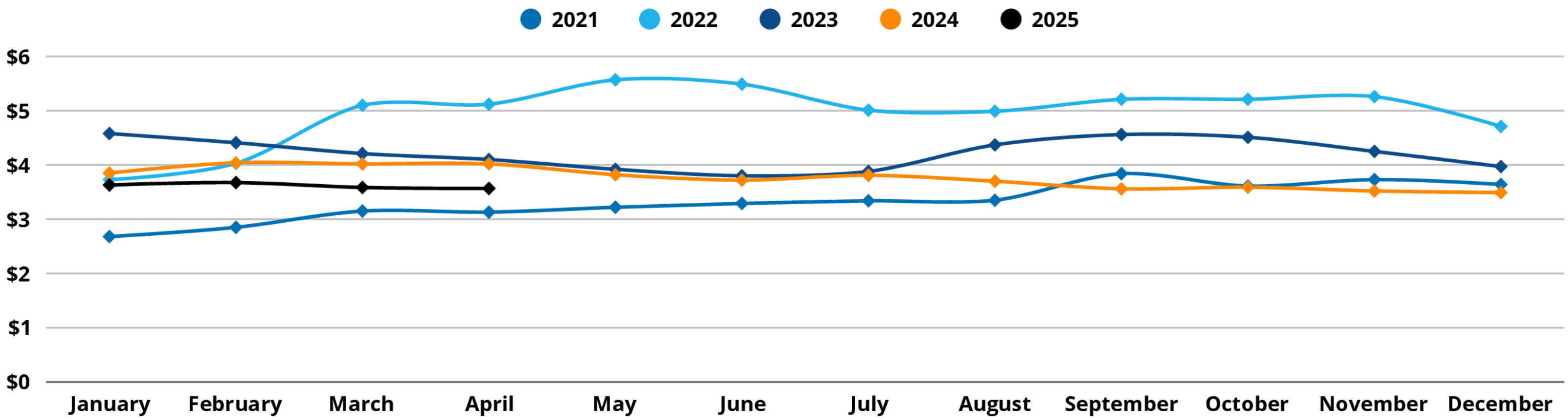
Monthly GDP (In Trillions)

Source: Bureau of Economic Analysis



US Diesel Price

Source: US EIA



Future Outlook

As Q2 winds down, the freight market continues to send mixed signals. Consumer demand is holding strong and inventory restocking is underway, but manufacturing activity remains sluggish and shipping costs are steadily on the rise. While the overall logistics sector is expanding, the underlying data points to growing cost pressures, tightening space, and capacity constraints that shippers can't afford to ignore.

Manufacturing hasn't quite found its footing, and freight volumes are only inching back, with Cass and ATA both reflecting that slowdown. Still, strong retail sales and higher freight spending suggest the market isn't backing down—it's just adjusting to new conditions. LTL and inferred freight rates are rising, hinting that cost pressure will be a continued theme for the rest of the year, especially if current trends persist through summer.

For shippers, this is the time to get ahead of market shifts. Use June to lock in flexible contracts, explore new warehousing options, and keep a close eye on carrier performance and pricing dynamics. The road ahead looks bumpy, but with proactive planning and the right logistics partners, there's plenty of opportunity to stay agile and come out ahead.

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