



# ECONOMIC INSIGHTS

JUNE 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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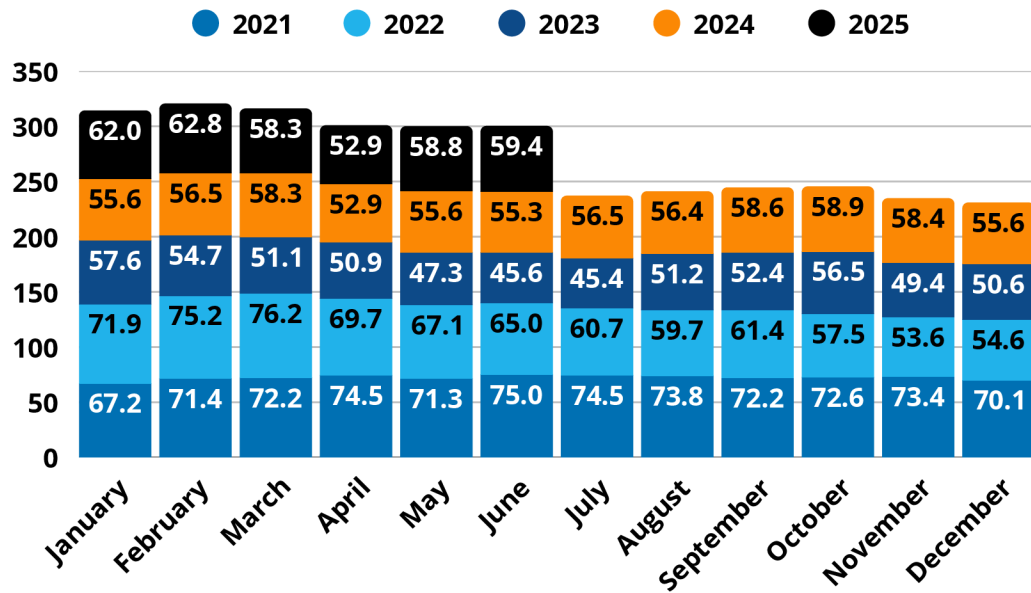


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# Logistics Manager's Index (LMI)

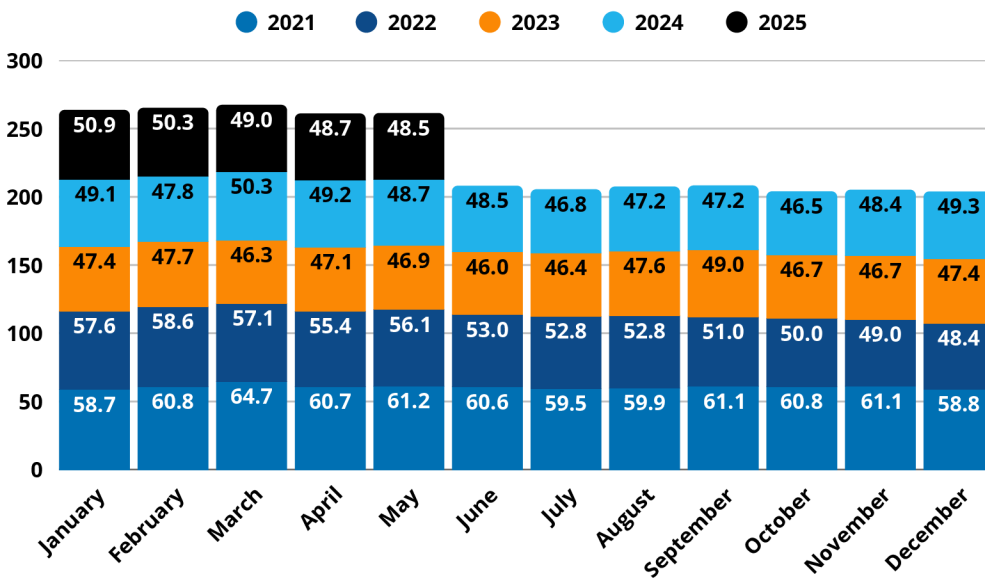
Source: The-LMI.com

The Logistics Managers' Index rose to 59.4 in May, continuing its upward trend with a modest 0.6-point gain from April. Inventory growth has slowed (to 51.5) while inventory holding costs surged to their highest level since late 2022 at 78.4, indicating Q1 stockpiles remain in warehouses. Warehousing capacity has flattened at 50.0, with tight utilization reflected in elevated prices (72.1). Transportation remains constrained: capacity stands at 54.7, utilization is muted (52.6), and freight prices continue to climb (63.1), demonstrating mounting cost pressures across the supply chain



## Purchasing Manager's Index: Manufacturing PMI

Source: The Institute for Supply Management (ISM)

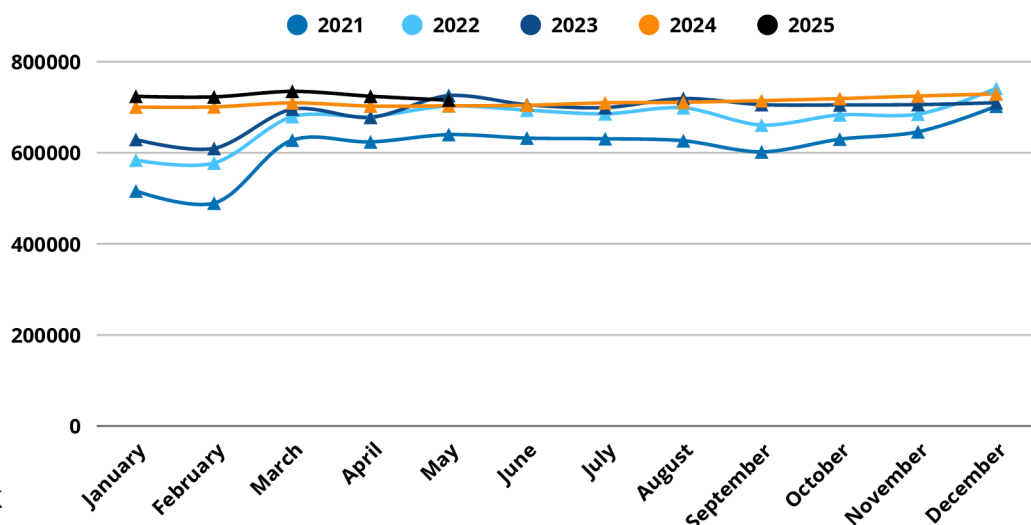


The Manufacturing PMI held steady at 48.7 in May, signaling continued contraction in factory activity. While new orders (45.4) and production (50.2) showed slight improvement, both remain near breakeven, reflecting ongoing demand uncertainty. Employment slipped to 51.1, while supplier deliveries quickened (52.4), suggesting loosened capacity. Price pressures persisted with the index at 57.0, and inventories softened (47.1), indicating cautious manufacturing output ahead of mid-year adjustments.

## Monthly Retail Sales

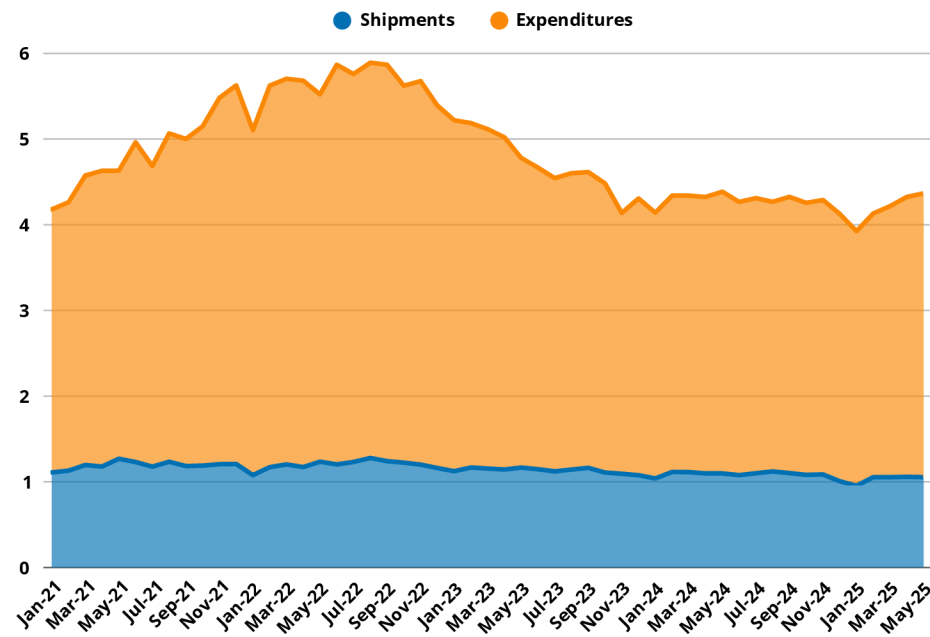
Source: Census.gov

U.S. Retail and Food Services Sales increased slightly to \$724.9 billion in May, reflecting a modest 0.1% month-over-month gain. Year-over-year, sales rose 2.3%, suggesting steady consumer demand despite ongoing inflationary pressures. Gains were supported by strength in nonstore retail and food services, while motor vehicle sales remained flat. The continued stability in retail spending highlights the resilience of the consumer sector heading into the back half of 2025.



# Cass Freight Index

Source: Cass Information Systems

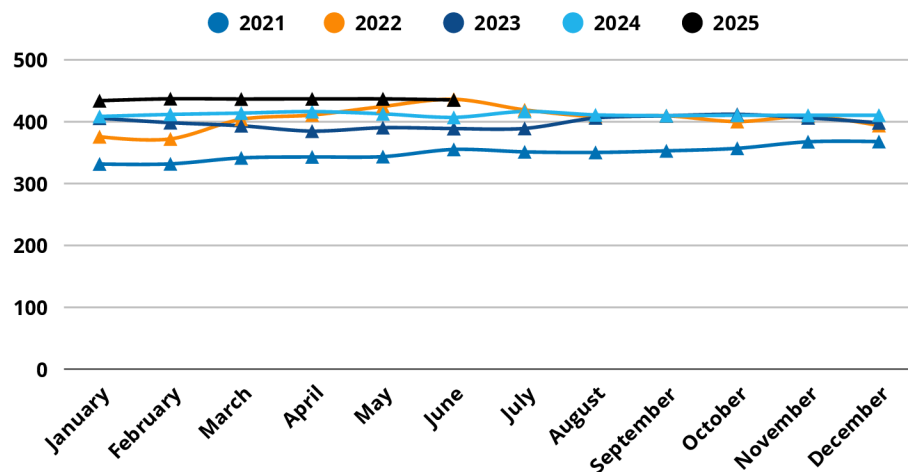


Freight activity remained subdued in May as the Cass Freight Index reported a 1.1% month-over-month decline in shipments and a 1.5% year-over-year drop, pointing to ongoing demand weakness across the network. Expenditures fell 1.8% from April and are now 8.1% lower than a year ago, underscoring the persistent deflationary pressure in the freight market. Inferred freight rates also declined by 0.7% month-over-month and 6.7% year-over-year, reflecting ample capacity and soft pricing dynamics. These indicators suggest shippers still hold the advantage in rate negotiations as the freight market continues to recalibrate.

## LTL Producer Price Index

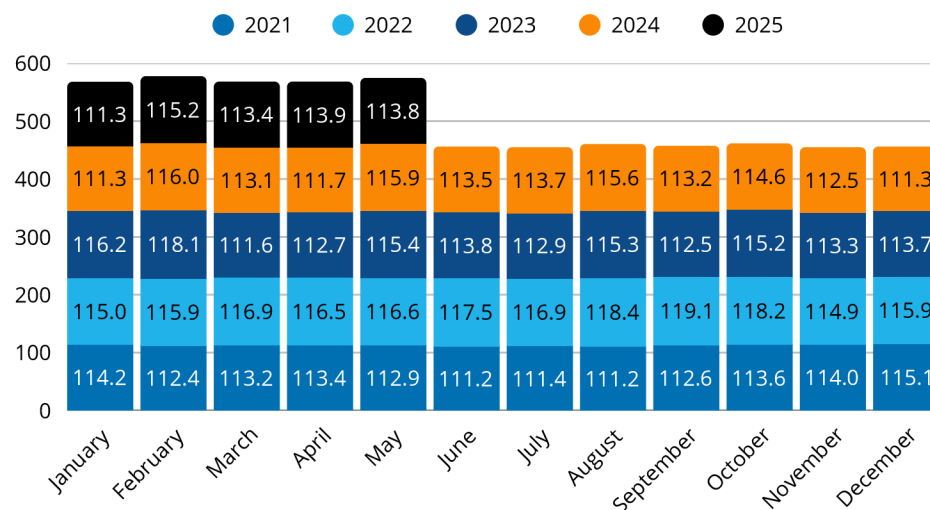
Source: Bureau of Labor Statistics

LTL pricing remained elevated in May, with the Producer Price Index for long-distance LTL trucking registering at 437.0. This marks a modest increase from April and a 4.9% rise year-over-year, indicating ongoing upward pressure on rates despite subdued overall freight demand. Factors such as labor costs, regional imbalances, and capacity constraints in key shipping lanes continue to support pricing strength in the LTL segment. Shippers should remain attentive to contract terms and explore multimodal solutions to help offset persistent cost inflation in this space.



## Truck Tonnage

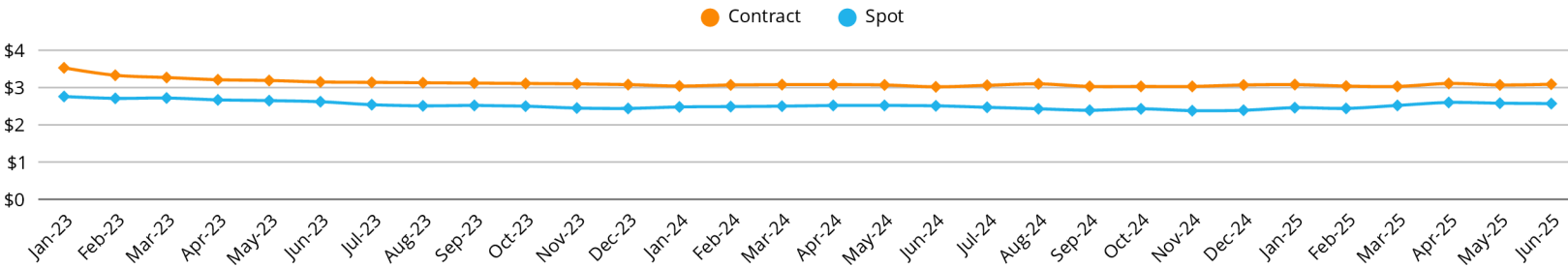
Source: American Trucking Association



May's ATA data shows freight tonnage contracting slightly, as the 113.8 reading fell 0.1% m/m and 1.3% y/y, marking the first annual decline of 2025. Interestingly, the not-seasonally adjusted figure remains elevated —up 2.9%—demonstrating underlying seasonal demand. For shippers, this pinch in tonnage underscores the importance of closely monitoring capacity trends and maintaining agile transportation strategies as markets navigate a bumpy demand landscape.

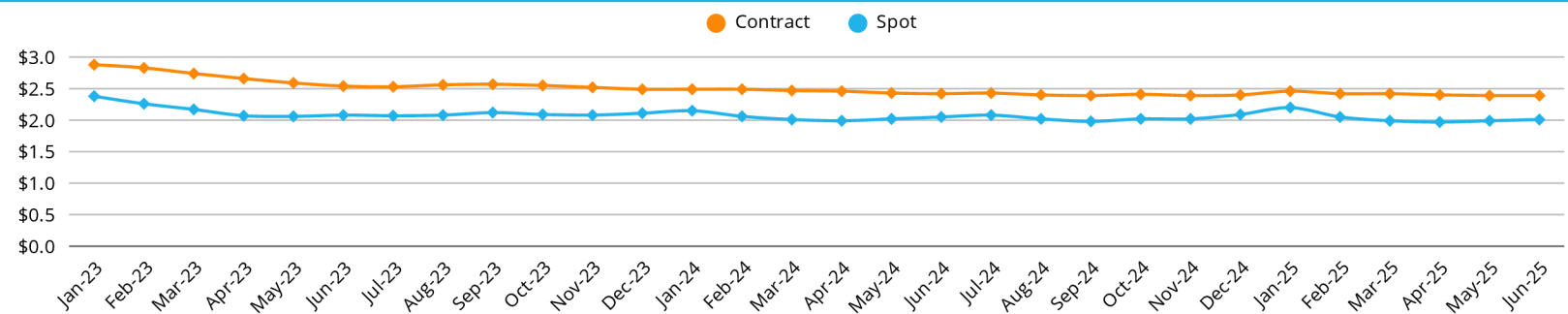
# National Flatbed Rates

Source: DAT



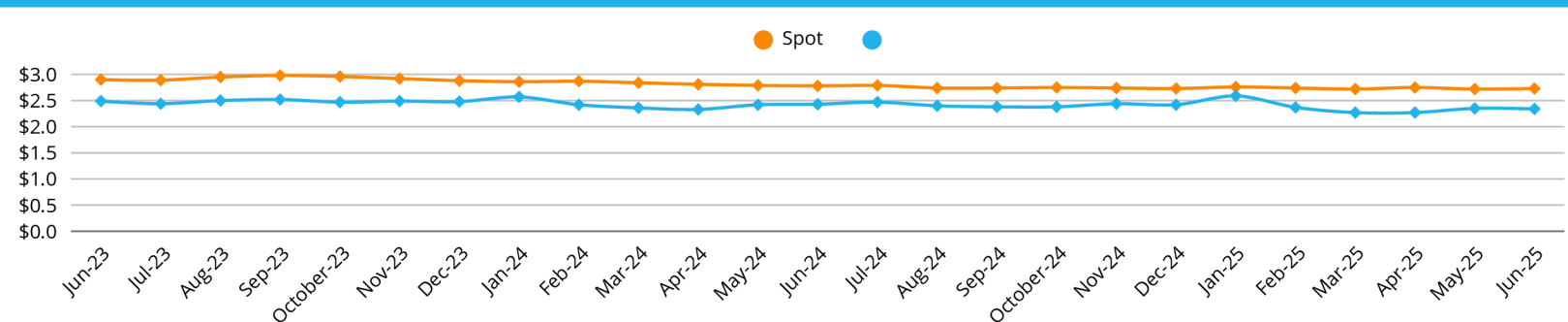
# National Van Rates

Source: DAT



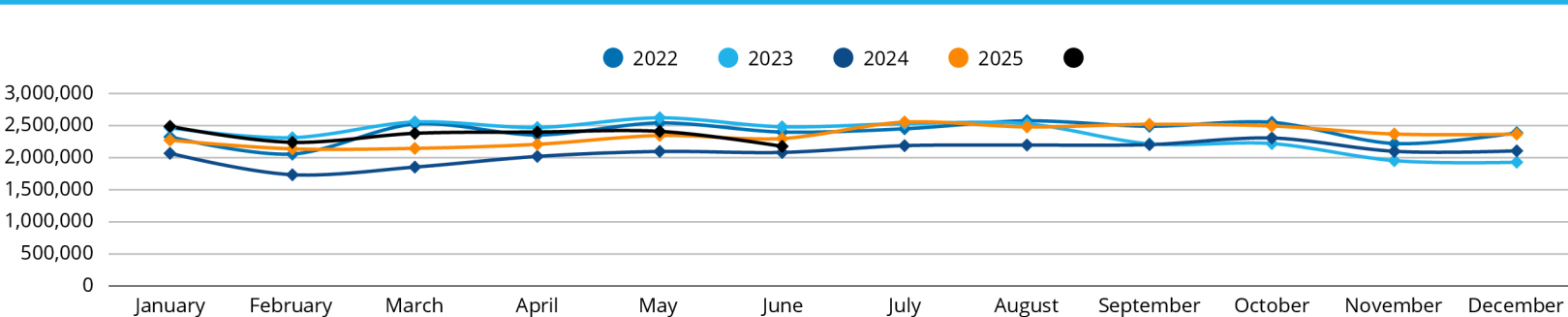
# National Reefer Rates

Source: DAT



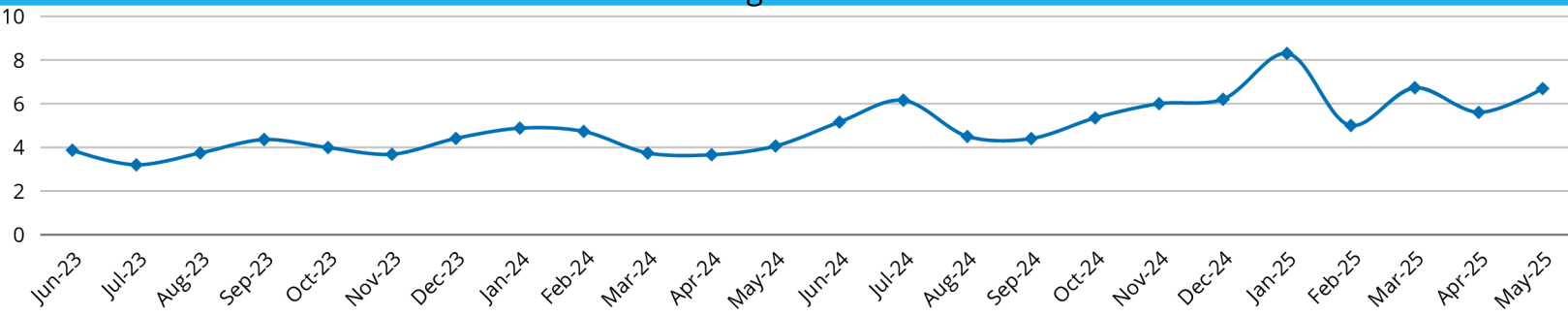
# Import TEUs

Source: Descartes



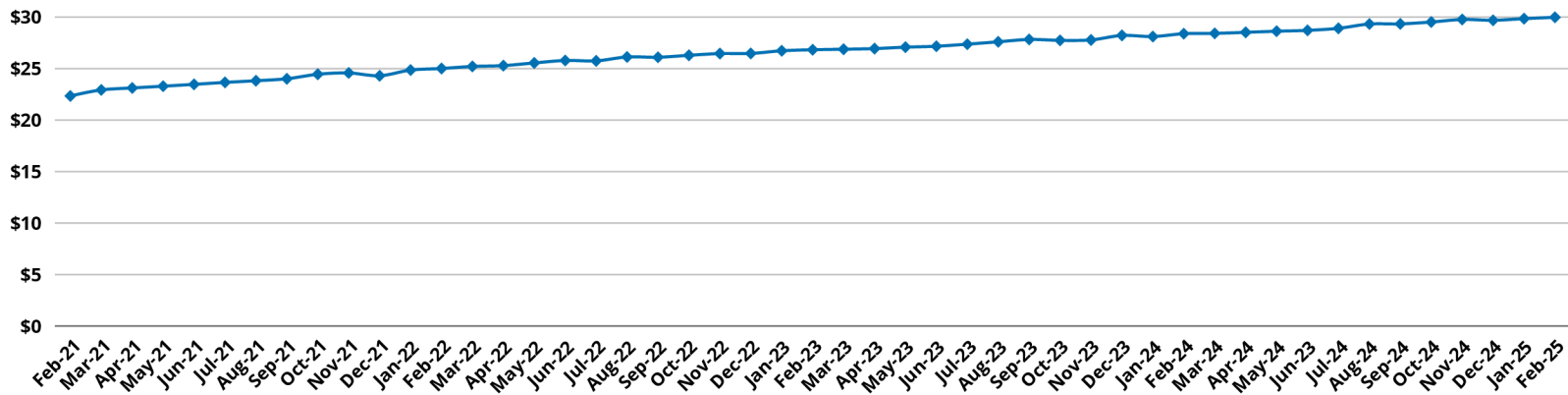
# Outbound Tender Rejection Index (OTRI)

Source: FreightWaves SONAR



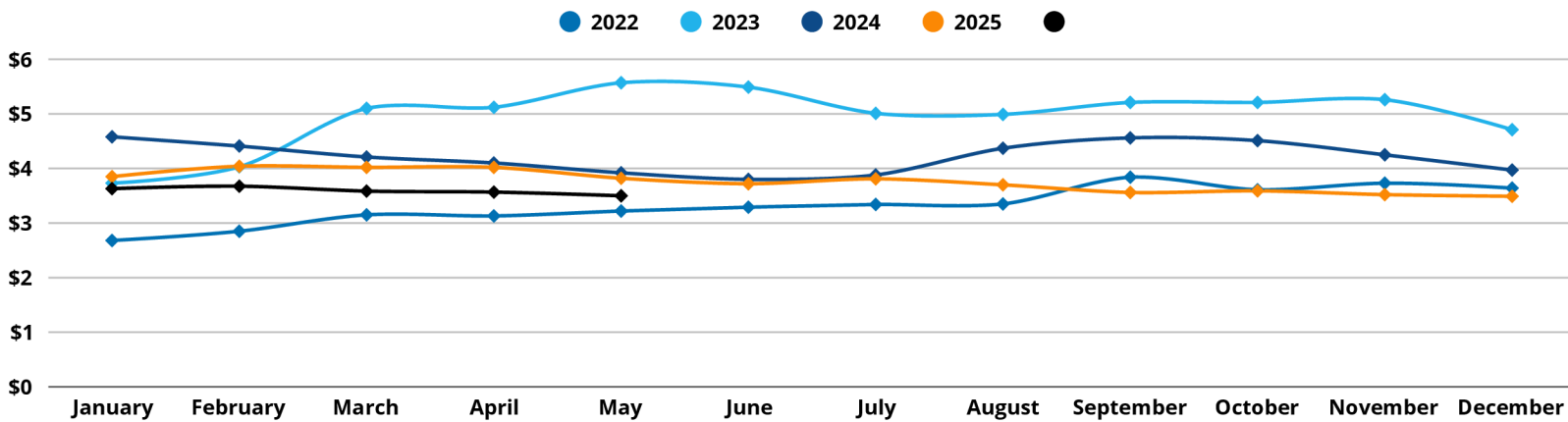
# Monthly GDP (In Trillions)

Source: Bureau of Economic Analysis



## US Diesel Price

Source: US EIA



## Future Outlook

As we move into the second half of 2025, the freight and logistics landscape is showing signs of cautious momentum. The Logistics Managers' Index remains in expansion at 59.4, suggesting healthy supply chain activity, while import volumes dipped to 2.18 million TEUs, reflecting potential trade recalibrations amid geopolitical uncertainty. Manufacturing continues to contract with the PMI at 48.5, signaling persistent weakness in industrial output, yet steady consumer spending—seen in the \$715.4 billion retail sales figure—offers a foundation for freight stability heading into Q3.

Despite soft shipment volumes per the Cass Freight Index (1.054), transportation expenditures are climbing, indicating cost pressures that aren't necessarily driven by demand. Rising LTL rates (now at 435.205), increased contract and spot rates across truckload modes, and elevated diesel prices (\$3.499) suggest shippers may face a tighter cost environment even as volumes remain modest. Meanwhile, flatbed and reefer rates continue to push higher, hinting at mode-specific demand spikes, especially for construction and perishable goods.

Looking ahead, shippers should prepare for a mixed-demand environment characterized by sticky transportation costs and continued manufacturing headwinds. Flexibility will be essential—leveraging mode-shifting, locking in favorable contract rates early, and strengthening carrier partnerships can help mitigate risk. As consumer demand persists and certain sectors show resilience, smart capacity planning and cost optimization will be key to ensuring smooth operations in an increasingly complex freight market.



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