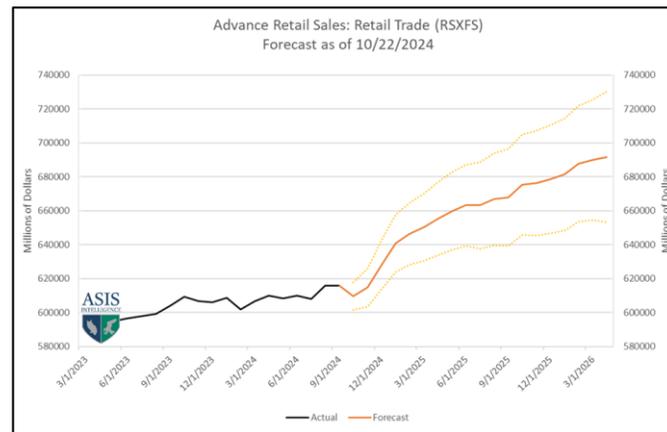
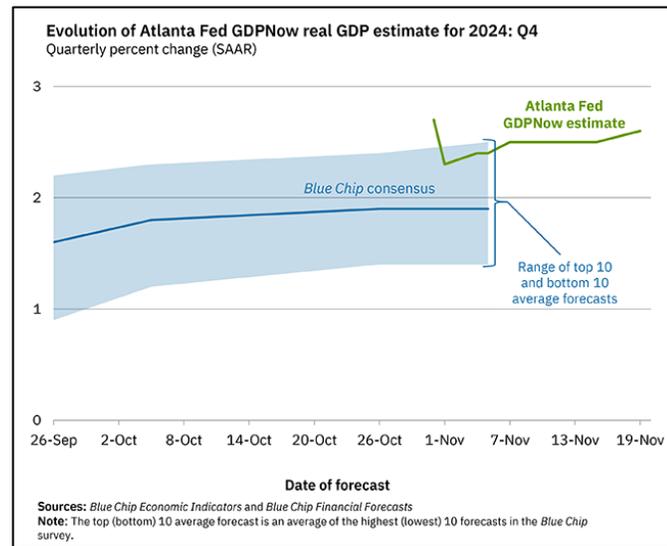


Factors Shaping Supply Chain & Logistics

Q4 Estimate for GDP Running Hot. The Atlanta Fed GDPNOW estimate in mid-November is showing growth of 2.6% (ahead of Blue-Chip Estimates for 1.9%). A year ago, Q4 grew at 2.5%; 2024 is running along with normal rates. The latest estimates from the Atlanta Fed show residential fixed investment growth running ahead of expectations and consumer spending largely continues to be stable. Looking forward, there are many questions about government spending and how much the new administration can impact that spending. In the near term, there is likely to be few immediate impacts on spending under the CHIPS or Infrastructure Act. Other spending could be subject to review.

Retail Outlook Remains Strong for 2025. The Armada forecast for retail sales shows a strong outlook for 2025. For the fourth quarter, it shows growth of nearly 5% vs. Q3, and 5.3% for the full year. As a proxy for consumer spending, which accounts for 70% of US GDP, it paints a good picture for much of 2025. Other sources are also looking at continuation of stable consumer spending activity. With the easing of inflation and a more accommodative Federal Reserve, the spending outlook is stronger.

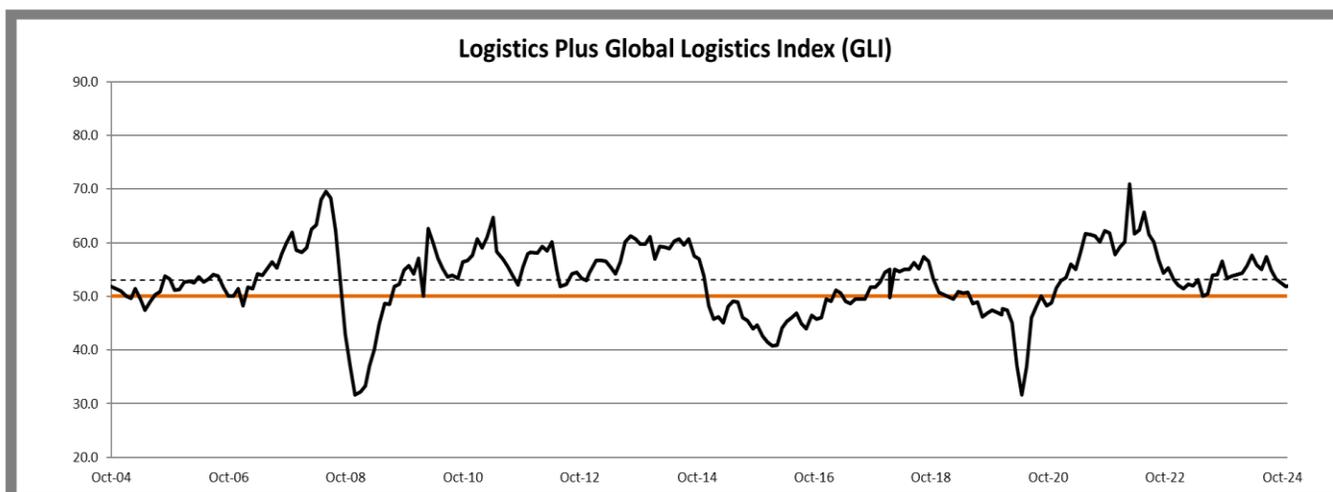


The LogisticsPULSE Global Logistics Index

The GLI Falls Again in October

The LogisticsPULSE Global Logistics Index (GLI) came in at **51.8 in October**, down .7 points from 52.5 in September. It was still in expansion territory and just below the long-term trendline, but surprisingly again came in weaker this month. The index was 3.0% lower Y/Y (it was 7.1% lower Y/Y last month) and was 1.3% lower M/M.

The GLI measures transportation demand across 22 global economic metrics and has been measured over twenty years of collected data.



What's New & Important with North American Supply Chains?



Photo: Fox LiveNow

January Deadline for Port Negotiations Nearing

Negotiations between the ILA and USMX had recently broken down over the use of automation. The 45,000-worker strike that hit East Coast Ports in early October was postponed in the wake of hurricanes Helene and Milton, but the January 15th deadline for reaching an agreement on the final provisions in the contract is quickly approaching. Many shippers continue to use mitigation strategies headed into the end of the year, many opting for alternative ports of entry for early Q1 cargoes. Negotiations will be ongoing, but a “deal” is elusive at the moment.

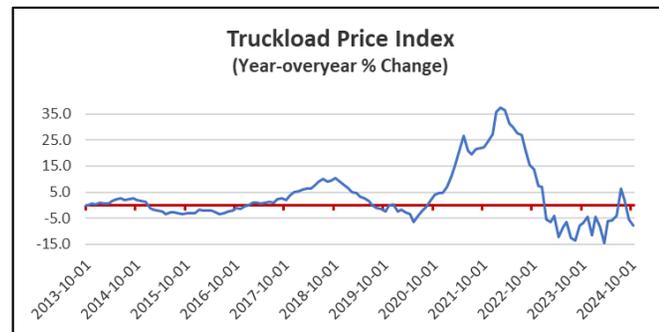
Truck Emissions Regulations Under Watchful Eye

Aggressive truck emissions standards that mandate no more than 0.035 grams of Nox per horsepower hour by 2027 has put the industry in a tough position. Many firms are reporting that compliant engines are “non-existent” or sold out. A recent estimate suggested that this could add \$10,000 in operating costs to purchase and maintain that equipment per truck for firms. Sales of trucks (especially for California operations – which just withstood a legal challenge to their state rules on emissions) are down 50% Y/Y, suggesting that operators may be weighing whether to purchase yet. The incoming administration may find it difficult to reverse the order.



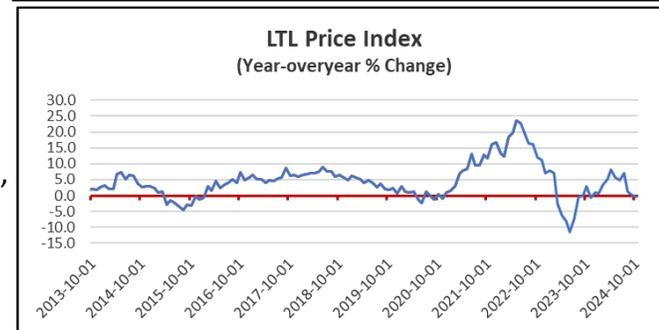
Full Truckload (FTL) Price Index:

Truckload prices were down 1.3% M/M (-2.6% last month) in October (latest available) according to the Producer Price Index (includes both contract and spot rates). They were down 7.7% Y/Y (5.4% adjusted from last month). (PCU484121484121)



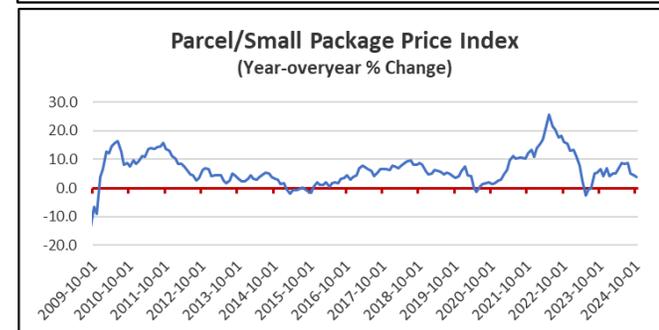
Less-Than-Truckload (LTL) Price Index:

LTL prices were essentially flat, rising by just 0.1% month-over-month in October (latest available) but were down 0.4% Y/Y (up 0.1% last month). As mentioned last month, when demand returns, the capacity lost during the Yellow bankruptcy will show more accurately. (PCU4841224841221)



Parcel/Small Pack Price Index:

Prices for parcel and small package express courier services increased by 3.9% Y/Y (4.5% higher last month); but were slightly lower month-over-month in October by -0.2%. E-commerce sales were 7.0% higher Y/Y (6.9% last month) and were higher by 0.3% month-over-month in October (latest available). (PCU492110492110201)



What's New & Important with International Supply Chains?

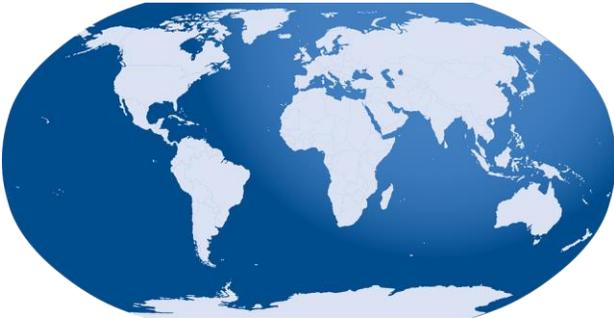
Inventory to Sales Ratios Still Mixed

The global supply chain is still struggling to get inventories under control. Approximately 29.2% of US businesses are understocked and another 18.4% are balanced. Those supply chains are back in cycle (sectors 1-10 in the table at right). But more than 52.5% are still overstocked (sectors 11-19 at left). This is one of the reasons why global manufacturing activity is still sluggish and new orders are weaker. When compared to 2019, approximately 54% of businesses are balanced or understocked, painting a slightly better picture than when comparing it to the decade prior to the pandemic. In addition, when stripping out aircraft and extremely expensive durable goods, only 21% are overstocked and just 14.7% against October of 2019. Therefore, the market is close to “balanced”, and now just awaits a stronger demand environment.

Asia Manufacturing Sector Reacting to New Orders

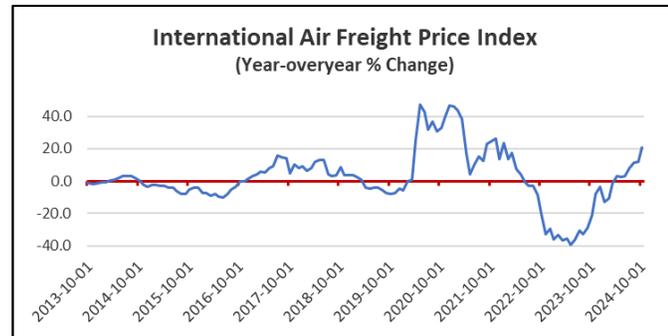
Purchasing managers worried about tariffs on Asian goods have started to pick up some pre-emptive ordering to get ahead of those potential moves early next year. Manufacturing activity across many Asian nations picked up in October at an unseasonable rate. Some of the move was also driven by stimulus being pumped into the Chinese economy to try and stimulate growth, which has also created some moderate near-term regional demand.

Sector	September Sales (Millions)	9/12/09 - 09/12/19 10-YR Average	Sep-24	ISR Percent Above/Below Pre-pandemic
Total Business		1.34	1.38	3.0%
1 Automotive		2.49	1.27	-49.0%
2 Retail		1.43	1.33	-7.0%
3 Merchant Wholesalers		1.29	1.34	3.9%
4 Manufacturing		1.35	1.46	8.1%
1 General Merchandise (ie. Walmart)	76,118	1.43	1.30	-9.1%
2 Drugs Wholesalers	95,220	1.09	1.00	-8.3%
3 Hardware, Plumbing, Heating Wholesalers	20,615	2.32	2.14	-7.8%
4 Paper Wholesalers (ie. National Paper)	7,826	1.09	1.01	-7.3%
5 Food and Beverage Stores	84,108	0.78	0.74	-5.1%
6 Furniture, Appliance Stores (ie. NFM)	18,747	1.63	1.58	-3.1%
7 Apparel Stores	26,285	2.39	2.33	-2.5%
8 Household Appliances/Electronics Wholesalers	76,145	1.10	1.10	0.0%
9 Chemical Wholesalers	12,651	1.17	1.17	0.0%
10 Grocery Wholesalers	75,603	0.68	0.70	2.9%
11 Building Material Stores (ie. Home Depot)	36,464	1.85	1.92	3.8%
12 Department Stores (ie. Nordstrom's)	10,887	1.90	2.02	6.3%
13 Commercial Equipment Wholesalers	52,416	1.09	1.16	6.4%
14 Computer Wholesale Distributors	25,011	0.79	0.85	7.6%
15 Durable Goods Wholesalers	325,872	1.59	1.76	10.7%
16 Lumber and Construction Material Wholesalers	17,739	1.49	1.73	16.1%
17 Machinery Wholesalers (ie. John Deere, Vermeer)	52,700	2.60	3.02	16.2%
18 Furniture Wholesalers	8,804	1.71	1.99	16.4%
19 Alcohol Wholesale Distributors	14,760	1.31	1.62	23.7%



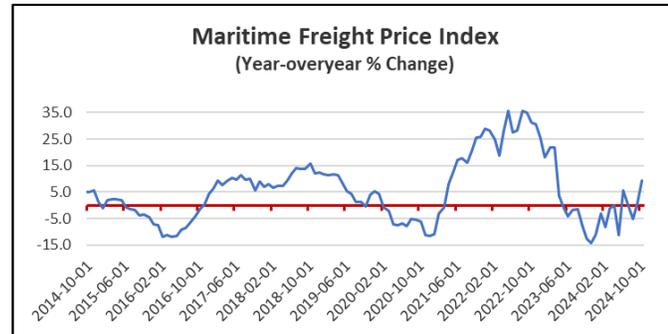
Airfreight Price Index:

The airfreight price index was higher by 8.4% M/M in October (latest available and up 4.4% last month) and was sharply higher on a Y/Y basis, rising by 20.8% (up 12.0% last month). Again, tuck-in orders and express shipments of emergency supplies should boost this further in early Q4. (IC131)



Ocean Freight Price Index:

The blended PPI for maritime service in October was 9.5% higher Y/Y (0.8% higher last month in adjusted data), and it was up 2.7% M/M (+1.6% last month). (PCU483111483111). *Note: Fed PPI tracks domestic US maritime prices, both contract & spot, and is based on survey data. The Drewry World Container Index (see next page) tracks global spot container prices.*



Warehousing Price Index:

Warehousing prices were higher in October (latest data available) with rates up 0.4% M/M (0.0% last month) and was higher Y/Y by 4.5% (3.7% last month). (PCU49314931)



Global Maritime and Air Cargo Observations

Maritime Capacity Continuing Seasonal Easing

Many lanes are now becoming balanced, but the outlook ahead shows some potential tightening again in Asia to Europe and ME trade lanes. Drewry was also reporting some easing, despite the composite container index remaining 134% higher Y/Y through Nov 14th. Asia to US EC were still up 99% Y/Y and Asia to US WC were 113% higher.

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Asia	→ Intra	R	R	A	R	R	R	R	R	R	A	A	A
	→ N. America	R	R	A	A	A	R	R	R	R	A	A	A
	→ EURO	R	R	R	A	R	R	R	R	R	A	R	R
	→ Middle East	R	R	R	R	R	R	R	R	R	A	R	R
	→ S. America	G	G	G	G	R	R	R	R	R	G	A	R
	→ Africa	R	R	R	A	R	R	R	R	R	R	R	G
	→ Oceania	R	R	R	A	R	R	R	R	R	R	A	A
	→ East MED	R	R	R	A	R	R	R	R	R	R	G	R
East MED	→ EURO	R	R	R	R	R	R	R	G	R	R	R	R
EURO	→ N. America	G	G	G	G	G	G	G	A	R	R	R	A
	→ Asia	A	G	G	G	G	A	A	A	A	A	A	A
N. America	→ Asia	A	A	G	G	G	G	G	G	G	G	G	G
S. America	→ N. America	G	G	G	G	G	G	G	A	R	R	R	R

● Demand > Capacity
 ● Demand, Capacity balanced
 ● Demand < Capacity

Forecast

Source: DHL

Air Cargo Spot Rates Still 12% Higher Y/Y

Global air cargo rates were increasing through early November and remained at annual highs. Rates were higher by 12% year-over-year.



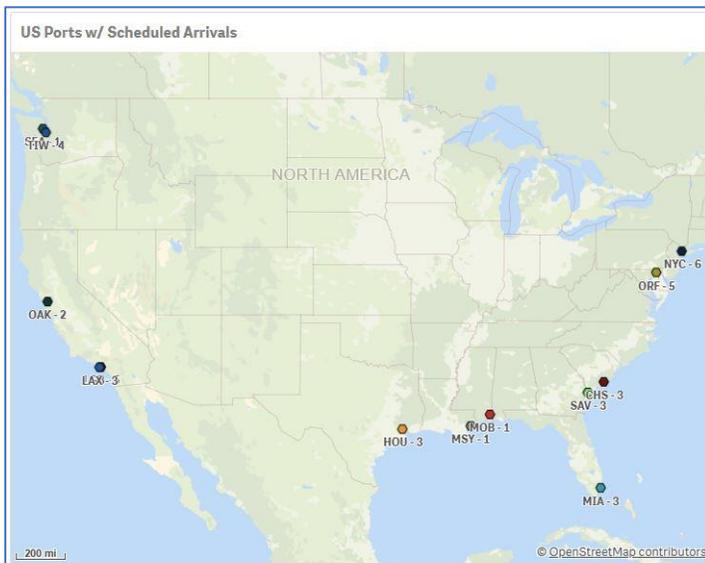
The LogisticsPULSE Port Congestion Index

U.S. Container Imports and Exports Processing Continue to Show Aggregate Improvements

Port congestion can have a big impact on supply chains. The **LogisticsPULSE Port Congestion Index (PCI)** is a data-driven tool that calculates how much congestion there is at critical U.S. ports.

- For containers Imported into the USA, the Container Processing Time (in days) is almost two whole days less than what it was in mid-May 2024. The processing time for Exports from these same ports is taking about a quarter of a day longer, or 6% more, than it was in mid-May 2024. Trans Shipments are the slightest bit faster than before.
- The US Ports with the greatest amount of Imported TEU's currently are in Long Beach, Savannah and Tacoma and are being processed in about 2.70 days. The highest volume of Exported TEU's are found in Long Beach, Los Angeles & Savannah and they are completing the export process in about 3.45 days.
- The port with the greatest number of scheduled vessel arrivals is New York, Long Beach and Norfolk, whereas New Orleans, Mobile and Seattle have the fewest.

(data shown below is container processing time, in days, by port)



% Diff since 05/15/2024

Exports: **6.38%**

Imports: **-57.48%**

Trans Shipments: **-0.14%**

Weekly Details - Exports

Port	Q	As of 11/13/2024	As of 05/15/2024	% Diff since 05/15/2024
Totals		5.87	5.52	6.38%
Charleston		7.65	14.34	-46.65%
Houston		0.14	5.57	-97.49%
Long Beach		5.24	6.05	-13.39%
Los Angeles		11.13	5.25	112.00%
Miami		0.32	0.48	-33.33%
Mobile		12.00	0.36	3233.33%
New Orleans		7.00	10.59	-33.96%
New York		10.13	8.41	20.45%
Norfolk		5.68	6.35	-10.55%
Oakland		7.80	0.34	2194.12%
Savannah		2.42	3.47	-30.26%
Seattle		0.31	6.00	-94.83%
Tacoma		6.55	4.58	43.01%

Weekly Details - Imports

Port	Q	As of 11/13/2024	As of 05/15/2024	% Diff since 05/15/2024
Totals		1.33	3.12	-57.48%
Charleston		0.63	2.18	-71.10%
Houston		0.63	2.01	-68.66%
Long Beach		3.88	4.79	-19.00%
Los Angeles		2.82	3.66	-21.67%
Miami		0.47	1.34	-64.93%
Mobile		0.55	7.46	-92.63%
New Orleans		0.29	1.75	-83.43%
New York		0.39	2.46	-84.15%
Norfolk		1.46	3.33	-56.16%
Oakland		1.38	4.96	-72.18%
Savannah		3.65	2.83	28.98%
Seattle		0.55	2.73	-79.85%
Tacoma		0.56	1.15	-51.30%

Weekly Details - Trans Shipments

Port	Q	As of 11/13/2024	As of 05/15/2024	% Diff since 05/15/2024
Totals		7.75	7.76	-0.14%
Charleston		13.00	8.00	62.50%
Houston		0.44	6.43	-93.16%
Long Beach		14.84	10.82	37.15%
Los Angeles		13.36	8.50	57.18%
Miami		7.00	7.00	0.00%
Mobile		0.72	14.67	-95.09%
New Orleans		5.00	11.00	-54.55%
New York		7.30	4.00	82.50%
Norfolk		8.88	6.88	29.07%
Oakland		7.00	5.00	40.00%
Savannah		8.00	7.19	12.30%
Seattle		8.00	5.00	60.00%
Tacoma		7.11	6.38	11.44%

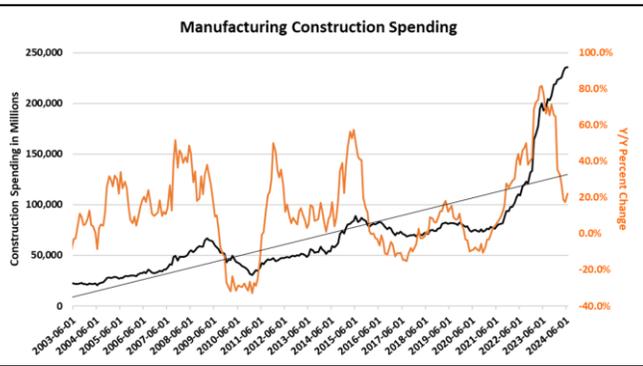
Special Topics in Supply Chain & Logistics:

US Manufacturing Buildout Continues to Remain Strong

Construction spending in the US manufacturing sector is still growing at a 20.5% growth rate on more than \$235 billion in annual spending (a normal rate was roughly \$60B prior to the pandemic). Construction firms are gearing up for what they believe to be acceleration of the reshoring trend under the new administration. The threat of tariffs and trade wars helped push many sourcing managers to seek sourcing diversification over the past four years and that trend is likely to continue. Other markets are also witnessing gains under this shift in foreign sourcing including India, Vietnam, Singapore, Mexico, and other ASEAN members. As many of these assembly lines begin production in 2025 and 2026, it could affect distribution and lane-specific tonnage volumes in some US markets.

Could the Red Sea Get Relief Soon?

The incoming Trump Administration has signaled that it might take a harder stance with Houthi Rebels that continue to fire on commercial ships. More than 130 ships have been attacked between October 2023 and July of 2024 (latest counts available) with 77 being hit in the process. The US and European forces have been “playing defense”, simply knocking down inbound missiles when fired upon. Israel and the US have recently conducted limited offensive strikes on weapons stockpiles. But that could change. The incoming administration could lift restrictions on retaliation from US forces and initiate an end to Houthi strikes. The move would help ease global container capacity constraints (prior to increases in broader global demand) and help ease price inflation as reported earlier.



What's New at Logistics Plus?

Frank Knafelz Featured on WPSE Business Spotlight

Frank Knafelz, Senior Vice President, was recently featured on the LP Radio Business Spotlight program. Frank discusses his background, role with the company, different verticals and industries he focuses on, challenges in the supply chain industry, and more. [Listen to Podcast](#)



Logistics Plus Vietnam & Denmark Autoclave Project

The Logistics Plus (LP) Vietnam and Denmark teams successfully coordinated and completed the export of a 40-ton autoclave from Vietnam to New Zealand. This complex operation involved careful planning and many factory visits to ensure the safe and timely loading of the heavy equipment. [Learn More](#)



Logistics Plus Indonesia Cyclotron Project

As part of an ongoing project, the Logistics Plus Indonesia team continues to make history by delivering cyclotrons to hospitals and healthcare facilities nationwide. Highlights of the most recent cyclotron project are in this new video. [Watch Video](#)



In the wake of recent supply chain disruptions, check out and subscribe to the logisticsplus.com/globalalerts page.