

JARRETT SUPPLY CHAIN REPORT



MARKET

- The Cass Freight Index, which measures overall North American freight volumes and expenditures, reported that shipment counts rose 1.7% month over month (m/m) in September but fell 6.3% year over year (y/y). Freight expenditures fell 0.2% m/m and 25.4% y/y. ([Cass Information Systems October 2023](#))
- US LTL capacity tightens further due to Estes cyberattack outage. ([JOC October 2023](#))
- Demand for warehousing and distribution centers in the U.S. continues to rise despite economic headwinds, driven by higher levels of inventory and changing distribution needs. ([JOC October 2023](#))
- The average price for a gallon of diesel fuel was \$4.498 the week of Oct. 9. It is down 13.9% y/y, but up 19.4% from its 2023 low of \$3.767 the week of July 3. ([U.S. Energy Information Administration September 2023](#))

Less-than-Truckload (LTL)

- Estes Express Lines is making progress restoring its technology infrastructure following a cyberattack on Oct. 2. Estes lost access to its website, email and freight tracking systems. As of Sunday, Oct. 8 telephone lines to local terminals had been restored and electronic data interchange (EDI) communications were back online, the company told the Journal of Commerce. It did not say when all systems are expected to be restored. ([JOC October 2023](#))
- Analysts are raising earnings expectations for LTL carriers heading into the third-quarter earnings season. The move follows confirmation that several public carriers were successful onboarding freight that was put back into the market after Yellow closed its doors. Third-quarter estimates rose 17% for Saia, 5% for Old Dominion Freight Lines and 6% for XPO. ([FreightWaves October 2023](#))

TRUCKLOAD (TL)

- U.S. truckload rates increased slightly in September. Dry van spot rates were up 1.7% from Aug. to Sept. The number of spot loads posted in Sept. decreased 12.3% from Aug., and are down 43.4% y/y. ([DAT Freight & Analytics October 2023](#))
- U.S. truck tonnage increased 0.2% in Aug. after rising 1.1% in July. “The evidence is growing that tonnage hit bottom in April and continues its slow climb upwards,” said ATA Chief Economist Bob Costello. ([American Trucking Associations September 2023](#))
- Class 8 retail sales in Sept. fell from the year-ago period for the second straight month, Wards Intelligence reported. Sales declined 3.2%, while also dropping 4.8% from Aug. However, Class 8 sales year-to-date were up 12.9% to 202,335 units, compared with 179,247 at this time in 2022. ([Transport Topics October 2023](#))

PARCEL

- DHL Express, the international air delivery service of DHL, will impose a 5.9% general rate increase on its U.S.-originating shipments in 2024. The 2024 increase matches the 5.9% rate increases imposed by UPS and FedEx. ([FreightWaves October 2023](#))
- Parcel deliveries covering the last mile posted their best on-time performance in Aug. since the onset of the COVID-19 pandemic nearly three-and-a-half-years ago, according to a recent report published by IT provider project44. ([FreightWaves October 2023](#))
- OnTrac, the largest regional parcel-delivery carrier, announced on Friday, Sept. 15 its peak holiday surcharges. Shippers tendering the highest residential volumes each week during the cycle will pay a \$6.40-per-package surcharge. ([FreightWaves September 2023](#))

MARITIME

- U.S. imports have been rising m/m since Feb. They were up sequentially yet again in Sept., according to data released by Descartes Systems Group. Descartes said U.S. imports were up 0.3% versus Aug. and are up 27% from the low point in Feb. amid

Chinese New Year. Although they are down from their inflated levels seen during the one-off COVID-era shipping boom of 2021-2022 they are up 8% vs. 2019, 9% vs. 2018 and 15.5% vs. 2017. ([FreightWaves September 2023](#))

- The Drewry WCI composite index, which measures the bi-weekly ocean freight rate movements of 40-ft. containers in seven major maritime lanes, was \$1,389.50 per 40-ft. container on Oct. 5. It has dropped 62.3% when compared with the same week last year. It is now 2% below the 2019 pre-pandemic rates of \$1,420. ([Drewry October 2023](#))
- Ocean carriers to implement carbon emission surcharges in 2024. CMA CGM, Maersk and Hapag-Lloyd are rolling out fees to comply with new European Union regulations aimed at reaching carbon neutrality. Emissions surcharges will be updated every quarter. ([SupplyChainDive October 2023](#))