

JARRETT SUPPLY CHAIN REPORT



MARKET

- According to the *Cass Freight Index*, US freight shipments declined 1.9% in November versus October. On a year over year (yoy) basis, shipments fell 0.4%. ([SupplyChainDigest December 2022](#))
- The Logistics Managers' Index (LMI) reported a prices subindex reading of 37.4 which was 4.8 points lower than October and “the sharpest rate of contraction we have read in the history of the LMI,” the report said. Expectations for prices one year from now stand at 42.1. ([FreightWaves December 2022](#))
- The S&P Global US Manufacturing PMI fell to 46.2 in December of 2022 from 47.7 in November, well below forecasts of 47.7, preliminary estimates showed. The reading pointed to the biggest contraction in factory activity since May of 2020, driven by subdued demand and a faster fall in output. ([Trading Economics December 2022](#))
- The average price for a gallon of diesel fuel in the US was \$4.54 the week of December 26th. The price has declined now for 7 consecutive weeks. ([US Energy Information Administration November 2022](#))

Less-than-Truckload (LTL)

- Freight volumes at large LTL carriers have softened in the fourth quarter, and some trucking companies have responded with temporary layoffs and other cutbacks. However, despite the downturn, LTL revenue and pricing remain elevated compared with a year ago and pre-pandemic norms. ([JOC December 2022](#))
- Across the LTL industry, General Rate Increases (GRIs) are coming in level or a little light of last year's increases as freight demand has moderated from the all-time highs that extended into early 2022. Old Dominion Freight Lines announced a 4.9% GRI, ArcBest announced a 5.9% GRI, TForce Freight and Forward Air both announced 5.9% GRIs, and FedEx Freight said base rates will increase as much as 7.9% at the beginning of the year. ([FreightWaves December 2022](#))

TRUCKLOAD (TL)

- US for-hire truck tonnage saw its single-largest monthly decrease (2.5%) in November since early 2020 as freight demand, already falling from unsustainable 2021 levels, cooled even faster, according to the American Trucking Associations (ATA). ([JOC December 2022](#))
- US truckload rates plummeted throughout 2022 but appear to be settling above “normal” pre-pandemic levels. National average monthly dry-van spot rates, including fuel surcharges, hit a high of \$3.11 per mile in January before dropping to \$2.38 per mile in November, according to DAT Freight & Analytics. DAT and others predict the truckload spot market will hit bottom by mid-2023, or earlier. “We believe the bottoming process is beginning as spot rates are now further below costs than ever before,” Tim Denoyer, senior analyst at ACT Research, said in November. ([JOC December 2022](#))

PARCEL

- Shippers using FedEx Corp. and UPS Inc. can expect 8-10% price increases in 2023 once rate and various “accessorial,” or add-on, charges are factored in, according to an annual forecast published Monday by consultancy TransImpact LLC. ([FreightWaves December 2022](#))

MARITIME

- The Freightos Baltic Daily Index (FBX) assessed China-West Coast rates at \$1,378 per forty-foot equivalent unit (FEU) on December 26. They are down 93% from their all-time high in September 2021 and have returned to pre-Covid levels. FBX put China-East Coast spot rates at \$2,905 per FEU on December 26, down 87% from their peak in September 2021, albeit still up \$295 per FEU or 11% from pre-Covid levels. ([FreightWaves December 2022](#))
- The Ports of Los Angeles and Long Beach will phase out the option to collect a terminal dwell fee on January 24, 2023. Neither port had ever issued the fee since it was first announced in October, 2021. The dwell fee was set to apply to ocean carriers in cases where imports were left on marine terminals for longer than nine days. Officials with the San Pedro Bay ports complex said the threat of a fee contributed to a 92% decline in aging cargo over the last 14 months. ([SupplyChainDive December 2022](#))