

JARRETT SUPPLY CHAIN REPORT



MARKET

- The Cass Freight Index, which measures overall North American freight volumes and expenditures, reported that shipment counts fell 3.5% month over month (m/m) in Jan. and fell 7.6% year over year (y/y). Freight expenditures fell 4% m/m and 24% y/y. ([Cass Information Systems February 2024](#))
- A once-booming U.S. warehousing market is coping with signs of contraction as businesses consolidate warehouses and in some cases upgrade existing sites rather than add facilities. ([WSJ February 2024](#))
- Trucking, warehousing and parcel-delivery companies added a combined 10,700 jobs from Dec. to Jan. The industry added jobs at a time when logistics companies have been coping with a faltering freight market for the past 20 months. ([WSJ February 2024](#))
- The average price for a gallon of diesel fuel was \$4.109 the week of Feb. 16. It is down 7.5% y/y. ([U.S. Energy Information Administration February 2024](#))

LESS-THAN-TRUCKLOAD (LTL)

- XPO's LTL segment reported a 9% y/y increase in revenue to \$1.19 billion in Q4. XPO believes it can increase pricing by a mid-teens percentage over time given the success of recent service improvements as well as future initiatives. The company reported a record-low claims ratio of 0.3% in the fourth quarter and said its on-time performance was 300 basis points better y/y. ([FreightWaves February 2024](#))
- Roadrunner has added 135 lanes to its long-haul LTL network, its biggest expansion since it restructured its network in 2021. Roadrunner also announced the launch of service to and from Portland, Ore., and across the U.S.-Canadian border to Toronto and

Montreal. ([JOC February 2024](#))

- Bankrupt trucking company Yellow has repaid a controversial \$700 million loan from the U.S. government, along with \$151 million in interest, using funds from the nearly \$1.9 billion that was raised during the Dec. auction of 153 company terminals. ([JOC February 2024](#))
- Saia Inc. has big growth plans in 2024 after picking up 28 terminals from bankrupt Yellow Corp.'s estate. It outlined a \$1 billion capital expenditures plan in its fourth-quarter report, which, if executed, would represent nearly one-third of its annual revenue. Saia plans to open 15 to 20 of those facilities this year. ([FreightWaves February 2024](#))

TRUCKLOAD(TL)

- Soft Transportation prices flipped to expansion for the first time in 19 months as retailers increased inventories. The Logistics Managers' Index (LMI) was up 5 percentage points to 55.6 in January with all eight components of the index signaling growth. The LMI is a diffusion index in which a reading above 50 indicates expansion while one below 50 signals contraction. ([FreightWaves February 2024](#))
- Knight-Swift Transportation Holdings, the largest U.S. truckload operator, is raising its stake in the LTL game by acquiring 10 additional terminals from bankrupt Yellow for \$2.2 million. ([JOC February 2024](#))
- Members of the Mexican Alliance of Carrier Organizations launched a strike on Feb. 15 with plans to disrupt traffic on major highways nationwide. Improving safety and security for truck drivers on Mexico's highways is at the heart of the protest. ([JOC February 2024](#))
- U.S. truckload rates increased slightly in Jan. Dry van spot rates were up 1.4% m/m, but are down 10.1% y/y. Flatbed spot rates were up 1.9% m/m, but down 10.2% y/y. The number of spot loads posted in Jan. increased 49.6% from Dec., but is down 36.7% y/y. ([DAT Freight & Analytics January 2023](#))

PARCEL

- UPS said it is looking at a potential sale or other strategic alternatives for its brokerage unit Coyote Logistics. Coyote was roughly the tenth-largest freight broker in the U.S. by revenue in 2022. ([WSJ February 2024](#))
- FedEx Corp., following rival UPS Inc.'s lead, said that it will restore money-back guarantees for its second-day morning air service in the domestic U.S. ([FreightWaves January 2024](#))

INTERNATIONAL

- Ocean carriers have suspended offering long-term agreements in the Asia-Europe market because of the impact of the Red Sea shipping disruption. ([JOC January 2024](#))
- Spot ocean prices are +70-100% y/y as ocean carriers have announced surcharges due to Red Sea/Suez Canal network disruptions across global lanes. Commentary indicates large contract ocean shippers are likely seeing 20-50% cost increases with surcharges. (Cleveland Research February 2024)
- Containerized imports recorded the highest month-over-month growth for Jan. in seven years, according to Descartes Datamyne, a data-analysis group. ([WSJ February 2024](#))
- The Drewry WCI composite index, which measures the bi-weekly ocean freight rate movements of 40-ft. containers in seven major maritime lanes, was \$3,733 per 40-ft. container on Feb. 15. It is up 99% y/y. ([Drewry February 2024](#))