JULY 2021

THE LOGISTICAL LOWDOWN MONTHLY

Economic Insights for the Logistics Professional

This is an interactive PDF. Hover over a statistic if you would like more detail.
**Not all data is updated monthly, the latest published data is reflected.*

KELLER LOGISTICS GROUP
WWW.KELLERLOGISTICS.COM

Commentary provided by the "Bowtie Economist," Elliot Eisenberg, Ph.D., internationally acclaimed economist and public speaker who has been featured in Bloomberg, Business Week, Bureau of National Affairs, Forbes, Fortune, and many other publications. Click on the bowties for related posts from the Bowtie Economist's blog, ECON70.com

US MARKET

ECONOMIST INSIGHT

21Q2 GDP growth will exceed 9%, and possibly even a mind-blowing 10%, encouraged by the residual effects of the $1.9 trillion American Rescue Plan, improving vaccination rates, solid improvement in job creation, and a strong demand for dining out, travel and other services. 21Q3 GDP growth should weigh in at 8%, and 21Q4 should close out the year at 7%. At worst, this year will experience the highest rate of growth since the recovery from the double-dip recession of the early 1980s, and at best, it could be the strongest since the very early 1950s!

8.3%
Gross Domestic Product

$68.9 Billion
U.S. Trade Deficit

5.8%
Unemployment Rate

$273.9 Billion
Import Volumes

$205 Billion
Export Volumes

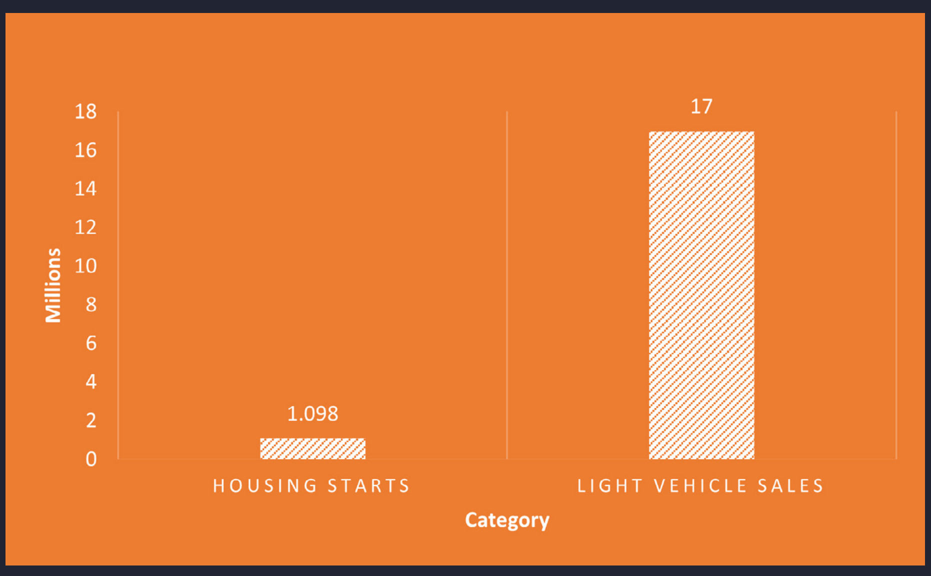
Imports + 1.1%
Exports + 2.2%
Import & Export Price Index

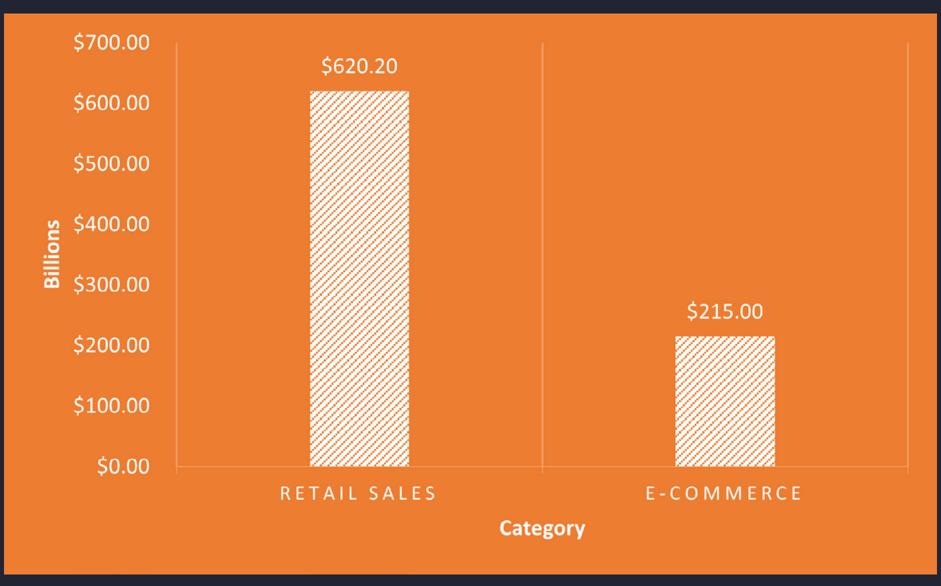
ECONOMIST INSIGHT

While inflation has certainly made its presence felt over the last few months by doubling from 2% to 4%, the Fed has been masterful in reassuring investors and markets that this inflationary pressure is short-term and will subside over the next 12 months. As a result, interest rates have remained pleasantly unchanged. Next on the Fed's agenda is tapering of their purchases of $80 billion/month in Treasuries and $40 billion/month in mortgage-backed securities, which should commence in early 2022, with interest rate hikes starting in 2023. I suspect the 10-year Treasury rate will end 2021 up by a quarter point.

61.6%
Labor Force Partcipation

+1.3 %
Leading Economic Index





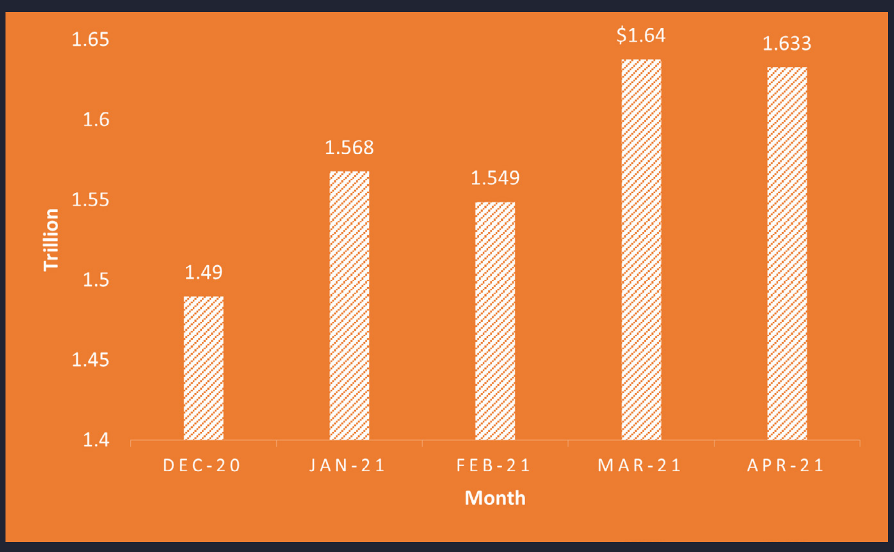
Personal Income
decreased 13.1%

Consumer Confidence
decreased to 117.2

Consumer & Producer Price Index
269.19

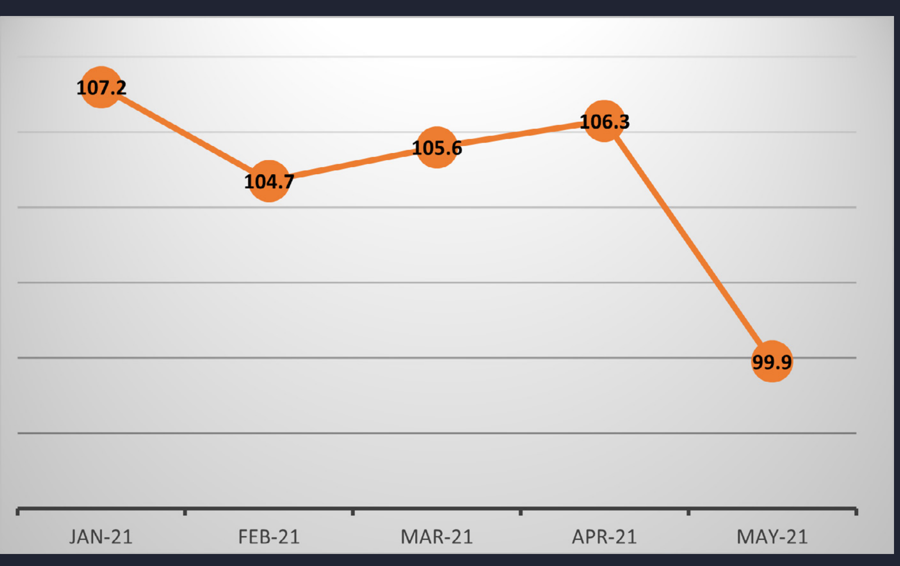
ECONOMIST INSIGHT

As the economy returns to a post-pandemic normal, spending patterns are undergoing change. To which, real consumer spending in May fell 0.4% M-o-M. This decline was not across the board; real durable goods spending declined 4.3%, while real spending on non-durables eased 0.5%. In a preview of coming attractions, real spending on services, which is 60% of overall spending, rose 0.4%, showing a strong shift away from purchases of goods. This increased spending on services is being driven largely by households with incomes greater than $200,000, who boosted restaurant spending by 16%. Even households with incomes between $31,000-$60,000 boosted such spending by 5%. And with savings rates 50% above pre-pandemic levels, there is clearly more gas in the tank.

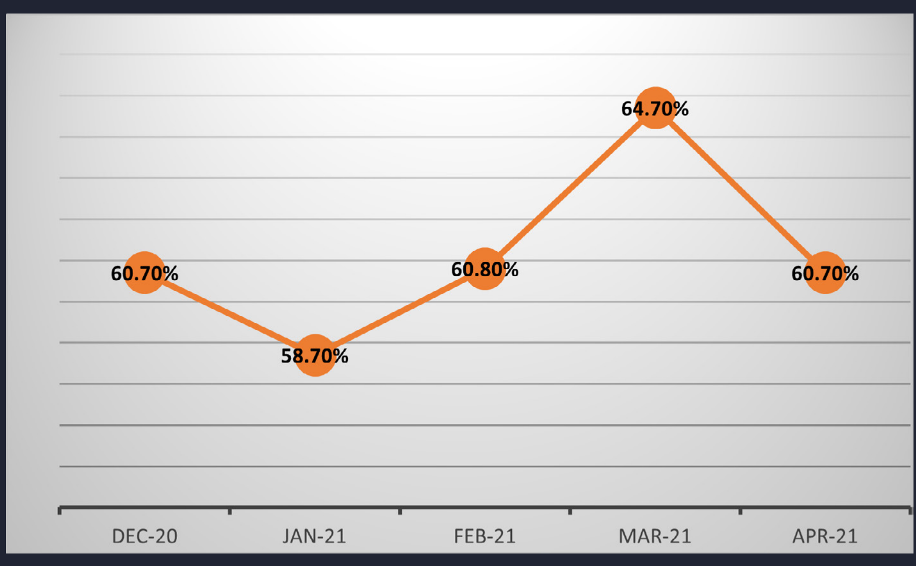


Manufacturing & Trade Sales

Manufacturing & Trade Inventory



Industrial Production & Capacity Utilization Index



Purchasing Managers Index (PMI)

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Small Business Optimism Index
down 0.2 points from the previous month

71.3%
Logistics Manager's Index (LMI)

MULTIMODAL

Dow Jones Transportation Index	14,976.97
NASDAQ Transportation Index	6,403.69
DOT Freight Transportation Service Index	136.8
Cass Freight Index	1.269
Shippers Conditions Index	-11.9
North American Transborder Freight	$107.4 BILLION
U.S. Freight Rail Traffic	524,112

TRUCKING

Truck Tonnage Index
For-Hire Truck Tonnage Index was 113.7 in May 2021

Truckload Freight
Increased 3.4% compared to the previous month

Refrigerated Trucking
12.96 loads per truck

Trucking Conditions Index
Achieved a record-high reading of 16.82

Diesel Prices
$3.287 per gallon

Trucking Employment
1,479.7 employees total

Trucking Earnings and Hours
$26.77/hour

U.S. Truck & Trailer Orders
23,600 units

WAREHOUSING & DISTRIBUTION

4.9% INDUSTRIAL VACANCY	$6.90/SF WAREHOUSE RENT RATES	82.3 MSF INDUSTRIAL ABSORPTION
1,408.8 Million WAREHOUSE EMPLOYMENT	$22.89 WAREHOUSE AVERAGE WAGE	40.5 WAREHOUSE AVERAGE HOURS

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Data courtesy of the Georgia Center of Innovation for Logistics