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On 17 Sep, 2018

The **July Edition of your Logistics Market Snapshot** is now available.



**JULY
2018**

**LOGISTICS
MARKET SNAPSHOT**

U.S. MARKET:

<p>Gross Domestic Product</p>	<p>The U.S. GDP increased at an annual rate of 2.0% in the first quarter of 2018, according to the third estimate released by the Bureau of Economic Analysis in late June. The increase in real GDP reflected positive contributions from nonresidential fixed investment, personal consumption expenditures (PCE), exports, federal government spending, and state and local government spending that were partly offset by a negative contribution from residential fixed investment and private inventory investments. Imports, which are a subtraction in the calculation of GDP, increased. (Source: US BEA) As of July 6, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the second quarter of 2018 is 3.8%. (Source: Federal Reserve Bank of Atlanta) <i>(The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</i></p>
<p>U.S. Trade Deficit</p>	<p>The U.S. goods and services trade deficit decreased 6.5% in May 2018 to \$463.1 billion. In May, the U.S. had a trade surplus with South and Central America, Hong Kong, Brazil, United Kingdom, Saudi Arabia, and Singapore. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, South Korea, India, Canada, OPEC, Taiwan, and France. (Source: US DOC & Census Bureau)</p>
<p>Import Volumes</p>	<p>In May 2018, the U.S. imported \$210.7 billion of cargo, increasing 0.5% from April. May imports of capital goods (\$59.0 billion) were the highest on record. (Source: US Census)</p>
<p>Export Volumes</p>	<p>In May 2018, the U.S. exported \$144.9 billion of cargo, increasing 2.6% from April and the highest on record. The May export of foods, feeds, and beverages (\$14.1 billion), capital goods (\$48.2 billion), non-petroleum goods (\$130.0 billion), and other goods (\$6.2 billion) were the highest on record. (Source: US Census)</p>
<p>Import & Export Price Index</p>	<p>U.S. import prices decreased 0.4% in June 2018, the largest monthly drop since the index decreased 0.5% in February 2016. Lower prices for nonfuel and fuel imports contributed to the June decline. U.S. export prices increased 0.3% in June, with higher nonagricultural prices more than offsetting decreasing prices for agricultural exports. (Source: Bureau of Labor Statistics)</p>
<p>Unemployment Rate</p>	<p>The unemployment rate in America increased to 4.0% in June 2018. The increase was thought to be due to the official number of unemployed rising by 499,000 and the official size of the labor force rising by 601,000. This indicates that many people who were previously not looking for work began to look, and thus are now being counted in the official unemployment number. A preliminary 213,000 net new jobs were created in June 2018, about equal to the average 215,000 in the first six months of 2018. In the first half of 2018, 1.29 million net new jobs were created, the most since 2015. The unemployment rate in Georgia was 4.1% in June 2018, down from 4.2% the previous month. (Source: US DOL, GDOL, AAR)</p>
<p>Labor Force Participation Rate</p>	<p>The labor force participation rate slightly increased to 62.9% in June 2018. The labor force participation rate for those of prime working age (25-54) was 82.0% in June, up from 81.8% the previous month. (Source: U.S. Bureau of Labor Statistics, AAR, FRED) <i>(The Workforce Participation Rate measures the share of Americans at least 16 years old who are either employed or actively looking for work)</i></p>
<p>Leading Economic Index</p>	<p>The Leading Economic Index for the U.S. increased 0.5% in June 2018, ending at a reading of 109.8. According to The Conference Board, "The widespread growth in leading indicators...does not suggest any considerable growth slowdown in the short-term." (Source: Conference Board Note: The LEI was recently revised the seasonally adjusted index to 2016 = 100) <i>(The LEI is a composite of 10 economic indicators that together create an analytic system designed to signal peaks and troughs in the business cycle. The LEI reveals patterns in economic data in a clearer and more convincing manner than any individual component alone.)</i></p>
<p>Housing Starts</p>	<p>In May 2018, housing starts were an annualized 1,350,000 units, up 5.0% from the previous month, 20.3% higher from May 2017, and the most for any month since July 2007. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 105.9 in May 2018, down 0.5% from the previous month. According to the National Association of Realtors, "This year's spring buying season will go down as one of unmet expectations. Realtors in most of the country continue to describe their markets as highly competitive and fast moving, but without enough new and existing inventory for sale, activity has essentially stalled. With the cost of buying a home getting more expensive, it's clear the summer months will be a true test for the housing market. One encouraging sign has been the increase in new home construction to a 10-year high." (Source: U.S. DOC, National Association of Realtors)</p>
<p>Light Vehicle Sales</p>	<p>New light vehicle sales were an annualized and seasonally adjusted 17.4 million in June 2018, up 3.2% from the previous month, 5.4% higher from June 2017, and tied for the highest level so far this year. Light truck sales (pickups, minivans, and SUVs) accounted for 68.0% of sales in June, and now typically outsell cars by 500,000 or more units per month. (Source: AAR) <i>(Light vehicle sales record the number of domestically produced units of cars, SUVs, mini-vans, and light trucks that are sold. Because motor vehicle sales are a large part of consumer spending in the United States, the motor vehicle sales data can provide important information on consumer-spending trends and on the overall direction of the economy.)</i></p>



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