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[Logistics Market Snapshot - August 2018](#) **[1]**

On 17 Sep, 2018

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



**AUGUST
2018**

**LOGISTICS
MARKET SNAPSHOT**

U.S. MARKET:

| | |
|--|---|
| Gross Domestic Product | The U.S. GDP increased at an annual rate of 4.1% in the second quarter of 2018, according to the advanced estimate released by the Bureau of Economic Analysis in late July. The increase in real GDP reflected positive contributions from personal consumption expenditures (PCE), exports, nonresidential fixed investment, federal government spending, and state and local government spending that were partly offset by negative contributions from residential fixed investment and private inventory investments. Imports, which are a subtraction in the calculation of GDP, increased. (Source: US BEA) As of August 3, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the third quarter of 2018 is 4.4% . (Source: Federal Reserve Bank of Atlanta) <i>(The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</i> |
| U.S. Trade Deficit | The U.S. goods and services trade deficit increased 7.2% in June 2018 to \$46.3 billion. In June, the U.S. had a trade surplus with South and Central America, Hong Kong, Brazil, United Kingdom, and Singapore. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, South Korea, India, Canada, OPEC, Taiwan, Saudi Arabia, and France. (Source: US DOC & Census Bureau) |
| Import Volumes | In June 2018, the U.S. imported \$212.0 billion of cargo, increasing 0.7% from May. June imports of industrial supplies and materials (\$48.8 billion) and petroleum (\$19.6 billion) were the highest since December 2014 . (Source: US Census) |
| Export Volumes | In June 2018, the U.S. exported \$143.2 billion of cargo, decreasing 1.2% from May. The June export of industrial supplies and materials (\$46.3 billion) and petroleum (\$15.4 billion) were the highest on record . (Source: US Census) |
| Import & Export Price Index | U.S. import prices were unchanged in July 2018. Falling nonfuel prices in July offset higher fuel prices. U.S. export prices decreased 0.5% in July, the first monthly decrease since June 2017 and the largest since the index fell 0.6% in May 2017. Lower prices for agricultural exports drove the decline in July. (Source: Bureau of Labor Statistics) |
| Unemployment Rate | The unemployment rate in America decreased to 3.9% in July 2018, down from 4.0% in June. The decrease was mainly because of a 389,000 increase in the number of people who told BLS that they're employed. A preliminary 157,000 net new jobs were created in July 2018, down from June (248,000) and May (268,000) but still a solid number. In the first seven months of 2018, 1.50 million net new jobs were created, the most since 2015 . Net new jobs have been positive for 94 consecutive months, the longest streak on record . The unemployment rate in Georgia was 3.9% in July 2018, down from 4.1% the previous month. (Source: US DOL, GDOL, AAR) |
| Labor Force Participation Rate | The labor force participation rate remained at 62.9% in July 2018 . The labor force participation rate for those of prime working age (25-54) was 82.1% in July, up from 82.0% 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> |
| Leading Economic Index | The Leading Economic Index for the U.S. increased 0.6% in July 2018, ending at a reading of 110.7. According to The Conference Board, "The strengths among the components of the leading index were very widespread, with unemployment claims, the financial components, and the ISM® New Orders Index making the largest positive contributions." (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> |
| Housing Starts | In June 2018, housing starts were an annualized 1,170,000 units, down 12.3% from the previous month, 4.2% lower from June 2017, and the lowest amount in nine months . The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 106.9 in June 2018, up 0.9% from the previous month. According to the National Association of Realtors, "After two straight months of pending sales declines, home shoppers in a majority of markets had a little more success finding a home to buy last month. The positive forces of faster economic growth and steady hiring are being met by the negative forces of higher home prices and mortgage rates. Even with slightly more homeowners putting their home on the market, inventory is still subpar and not meeting demand. As a result, affordability constraints are pricing out some would-be buyers and keeping overall sales activity below last year's pace." (Source: U.S. DOC, National Association of Realtors) |
| Light Vehicle Sales | New light vehicle sales were an annualized and seasonally adjusted 16.7 million in July 2018, down 3.1% from the previous month, 3.4% lower from July 2017, and the lowest level since August 2017 . Year-to-date sales were 9.93 million, slightly ahead of the same period in 2017 (9.81 million). (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> |



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