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[Logistics Market Snapshot - November 2018](#) [1]

On 28 Nov, 2018

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NOVEMBER 2018 | **LOGISTICS MARKET SNAPSHOT**

U.S. MARKET:

- Gross Domestic Product** The U.S. GDP increased at an annual rate of 3.3% in the third quarter of 2018, according to the advance estimate released by the Bureau of Economic Analysis in late October. The increase in real GDP in the third quarter reflected positive contributions from personal consumption expenditures (PCE), private inventory investment, state and local government spending, federal government spending, and nonresidential fixed investment that were partly offset by negative contributions from exports and residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased. (Source: US BLS) As of November 5, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the fourth quarter of 2018 is 2.9%. (Source: Federal Reserve Bank of Atlanta) The Atlanta Bureau reports that the third quarter increase of 0.3 percentage points was the largest since 2014.
- U.S. Trade Deficit** The U.S. goods and services trade deficit increased 1.8% in September 2018 to \$14.0 billion. In September, the U.S. had a trade surplus with South and Central America, Hong Kong, Brazil, and Singapore. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, South Korea, India, Canada, CPEC, Taiwan, Saudi Arabia, United Kingdom, and France. (Source: US BOC & Census Bureau)
- Import Volumes** In September 2018, the U.S. imported \$219.1 billion of cargo, increasing 1.8% from August and the highest amount on record. September imports of services (\$47.5 billion) were the highest on record as well. (Source: US Census)
- Export Volumes** In September 2018, the U.S. exported \$145.9 billion of cargo, increasing 2.0% from August. September exports of industrial supplies and materials (\$46.9 billion) were the highest on record. (Source: US Census)
- Import & Export Price Index** U.S. import prices increased 0.3% in October 2018, the largest monthly increase since a 2.0% rise in May. Higher fuel and nonfuel prices contributed to the October increase. U.S. export prices increased 0.4% in October after recording no change in September. Higher nonagricultural prices more than offset decreasing agricultural prices. (Source: Bureau of Labor Statistics)
- Unemployment Rate** The unemployment rate in America was 4.7% in October 2018, unchanged from September and the lowest rate since December 2007. A preliminary 250,000 net new jobs were created in October 2018, far more than what most economists expected. Job gains in September were revised downward to 118,000. In the first ten months of 2018, 2.13 million net new jobs were created, an average of 213,000 per month. The unemployment rate in Georgia was 5.4% in October 2018, down from 5.7% the previous month. (Source: US DOL, BLS, AAR)
- Labor Force Participation Rate** The labor force participation rate was 62.9% in October 2018, up from 62.7% the previous month. The labor force participation rate for those of prime working age (25-54) was 62.9% in October, up from 62.8% the previous month. (Source: U.S. Bureau of Labor Statistics, AAR, FRED) The labor force participation rate measures the share of Americans aged 16 and over who are either employed or actively looking for work.
- Leading Economic Index** The leading economic index for the U.S. increased 0.3% in October 2018, ending at a reading of 112.3. According to the Conference Board, "The U.S. LEI increased slightly in October, and the pace of improvement slowed for the first time since May. The index still points to robust economic growth in early 2019, but the rapid pace of growth may already have peaked. While near-term economic growth should remain strong, longer-term growth is likely to moderate to about 2.5 percent by mid- to late 2019." (Source: Conference Board) Note: The LEI was recently revised to account for changes in the business cycle. The LEI is a composite of 10 economic indicators that together create an analysis system designed to signal gains and troughs in the business cycle. The LEI is a composite of 10 economic indicators that together create an analysis system designed to signal gains and troughs in the business cycle. The LEI is a composite of 10 economic indicators that together create an analysis system designed to signal gains and troughs in the business cycle.
- Housing Starts** In September 2018, housing starts were an annualized 1,301,000 units, down 5.3% from the previous month and 3.7% higher than September 2017. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 108.4 in September 2018, up 0.3% from the previous month and 1.8% lower year-over-year. According to the National Association of Realtors, "When compared to the year 2008, when the housing market was considered very healthy and home sales figures were roughly equivalent, the affordability conditions were much lower compared to now. So even though affordability has been falling recently, the demand for housing should remain steady." (Source: US BOC, National Association of Realtors)
- Light Vehicle Sales** New light vehicle sales were an annualized and seasonally adjusted 17.5 million in October 2018, up 0.8% from the previous month, up 0.9% from October 2017, and the most for any month this year. Taken together, September (17.4 million) and October suggest that the second-half slowdown that began in July has moderated. Year-to-date sales were 14.1 million, essentially flat with last year and fractionally lower over the same period in 2015 and 2016. (Source: AAR) Light vehicle sales record the number of domestically produced units of cars, SUVs, minivans, 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.
- Personal Income** Personal income increased 0.2% to \$17.7 trillion in September 2018. The increase in personal income in September primarily reflected increases in wages and salaries, government social benefits to persons, and rental income of persons that were partially offset by a decrease in proprietors' income. During Q3 2018, personal income in Georgia was estimated at \$477.4 billion, an increase of 4.2% from Q3 2017. (Source: U.S. Bureau of Economic Analysis) Personal income is the income received by a person from all sources. It includes income from domestic sources as well as the rest of the world. It does not include net interest received on securities held by individuals.

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