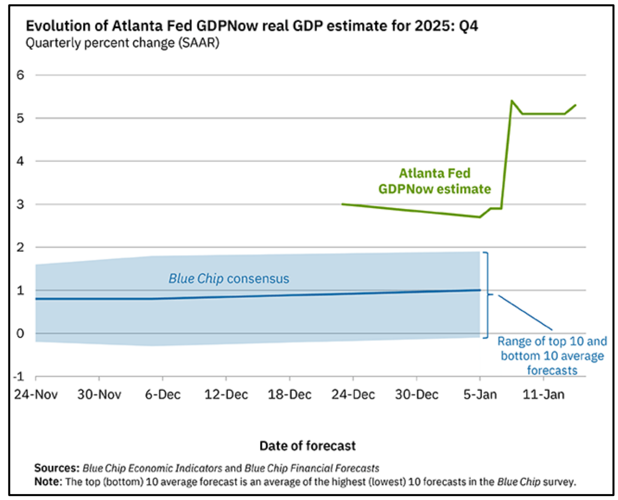
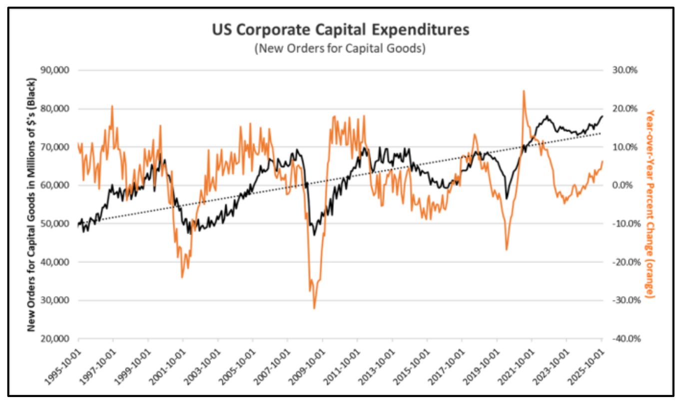
Factors Shaping Supply Chain & Logistics



US Economic Growth Remains Solid. The Atlanta Fed GDPNowcast data needs to be taken with a bit of caution; we still need to see more data (coming out of a noisy quarter for data) before we trust the 5.3% growth estimate. Blue Chip analysts are still looking for ~1%. Importantly, behind the data we see that consumer spending, nonresidential investment (construction, equipment purchases, automation, etc.), and modest government investment was still driving economic growth. Lagging sectors continued to be residential construction, general imports and inventory building activity. Generally, it shows an economy that is still modestly healthy.



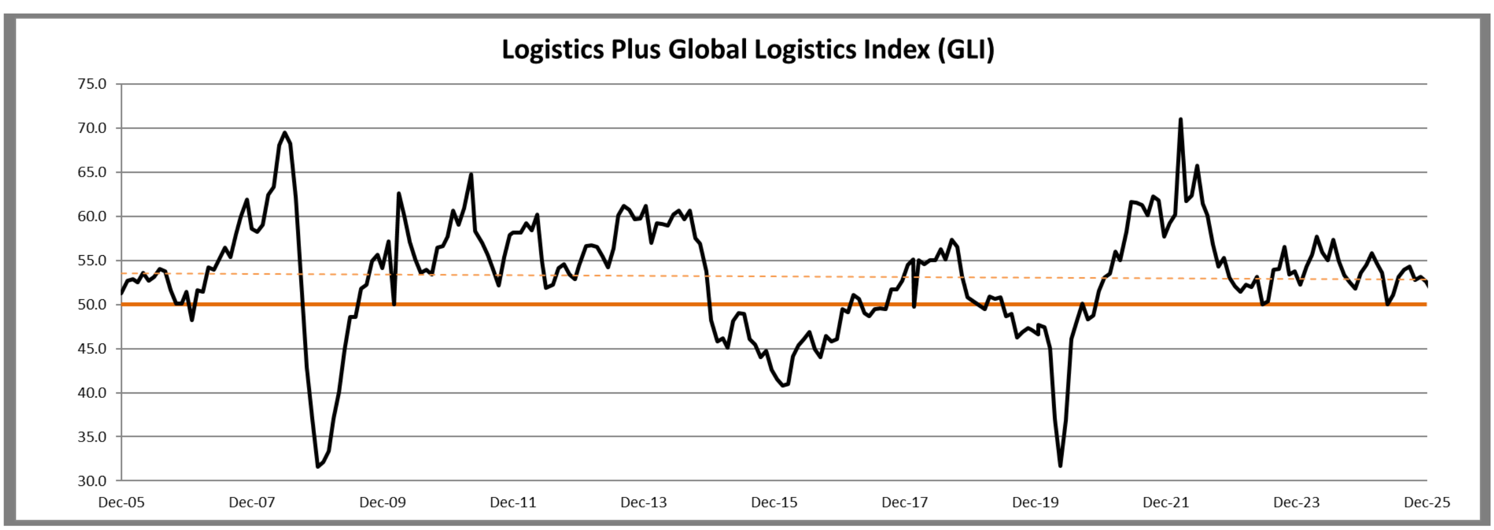
Corporate Spending Accelerates. Corporate investment and spending is critical for overall economic health and activity. The latest available data for capex spending showed it rising at a 6.2% annual rate toward the end of 2025. Spending related to data centers accounted for nearly 56% of this spending, but the remaining 44% was broad-based and included equipment and machinery, computers, electronics, and other items that improve productivity. If interest rates were improving (instead of rising at the time of writing), that would accelerate spending.

The LogisticsPULSE Global Logistics Index

Eases Again From Modest Growth Levels

The LogisticsPULSE Global Logistics Index (GLI) came in at **51.6 in December, down 1.7% from 52.6 in November**. It remained in expansion territory and was just slightly below the long-term trendline. The index was lower by 4.9% Y/Y (-1.7% Y/Y last month). The GLI functions like a Leading Index, it predicts what freight demand will look like in the coming 6 months. It remained above 50, a reasonable measure for the end of the year, but below last year.

The GLI measures transportation demand across 22 global economic metrics and has been measured over twenty years of collected data.



LOGISTICS+ PASSION FOR EXCELLENCE

What's New & Important with North American Supply Chains?

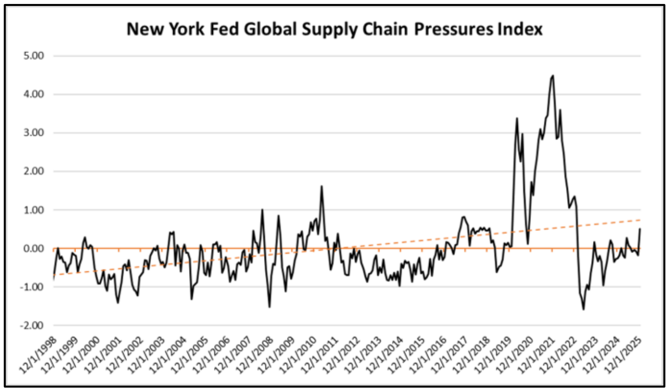
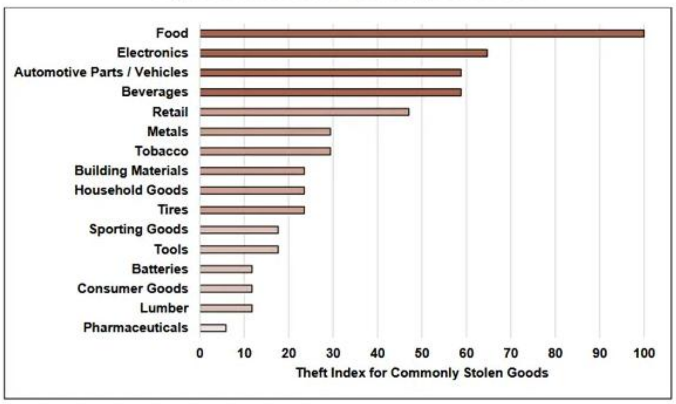


Figure 8: Theft Index for Commonly Stolen Goods



Source: Transport Topics

The Three Factors Being Watched in Transportation

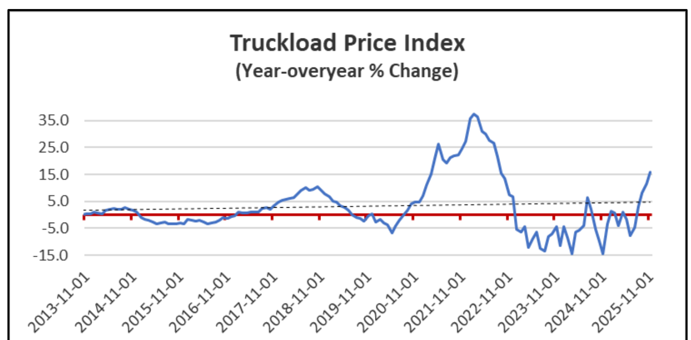
Managers are watching three factors to signal that a return to "normal" is underway and that conditions become fluid and supply chain continuity is in place. First, inventory rebuilding activity after tariff and macro uncertainty is the first signal, and that isn't clear at this time. The second is spending emerging out of policy-driven investments leading to onshoring, manufacturing, data centers, and energy. Estimates suggest that more than $5 trillion is still being allocated for the US (in total investment – some estimates as high as $12T) – the question is only "when"? Lastly, easing interest rates would be the third catalyst, especially as it pertains to stimulating the housing market.

Theft-in-Transit Could Ramp Up in 2026

Cargo theft enters 2026 from a structurally higher baseline, with U.S.–Canada incidents up 27% year over year and average losses exceeding $200K per event. Strategic "paper" thefts—fraudulent pickups, identity spoofing, and fictitious carriers—are exploding, with some analyses citing more than 1,400% growth in strategic thefts since 2022. Food, beverages, electronics, and auto parts are expected to be top theft targets in 2026, forcing shippers to rethink lane selection, dwell times, and security protocols at handoff points.

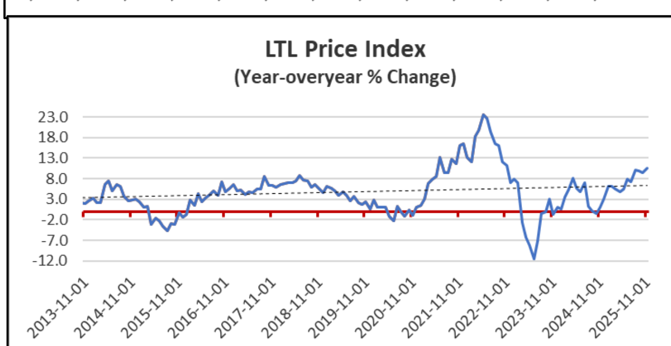
Full Truckload (FTL) Price Index:

Truckload prices were sharply higher by 0.6% M/M (-0.7% last month) in November (latest available) according to the Producer Price Index (includes both contract and spot rates). They were up 15.9% Y/Y (+11.4% adjusted from last month) against easier comps from last year. (PCU484121484121)



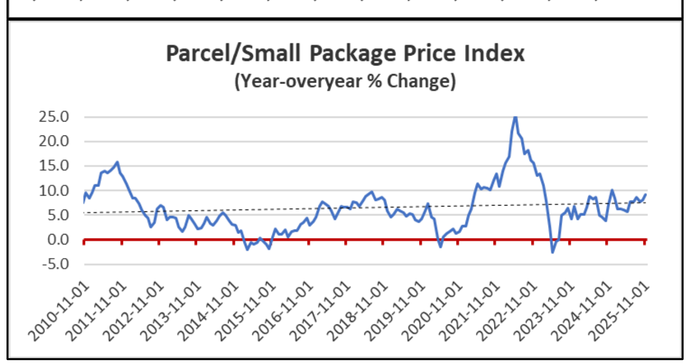
Less-Than-Truckload (LTL) Price Index:

LTL prices remained higher in November (latest available) rising by 10.5% Y/Y (up 9.5% last month) against easier comparisons to last year at this time. The PPI was sharply higher by 1.0% M/M. Diesel prices surged in November, which suggests that a portion of the price increase in the PPI was fuel related. Stripping out the impact of fuel, prices were still up 8.8% Y/Y. (PCU4841224841221)



Parcel/Small Pack Price Index:

Prices for parcel and small package express courier services were higher by 9.2% Y/Y (8.0% higher last month); and were higher by 2.9% in November. E-commerce sales were 7.2% higher Y/Y (7.5% last month) and were higher by 0.4% month-over-month in November (latest available and not seasonally adjusted). (PCU492110492110201)



What's New & Important with International Supply Chains?

Mexico Import partners	Total Import Value ($)	Import share (%)
1. USA	$ 255.94 billion	42.8%
2. China	$ 114.49 billion	19.1%
3. Germany	$ 21.23 billion	3.5%
4. Japan	$ 20.62 billion	3.4%
5. South Korea	$ 19.49 billion	3.3%
6. Taiwan	$ 14.32 billion	2.4%
7. Brazil	$ 13.42 billion	2.2%
8. Canada	$ 13.1 billion	2.2%
9. Malaysia	$ 11.99 billion	2%
10. Vietnam	$ 11.58 billion	1.9%

WEF Report on Global Supply Chain Resiliency

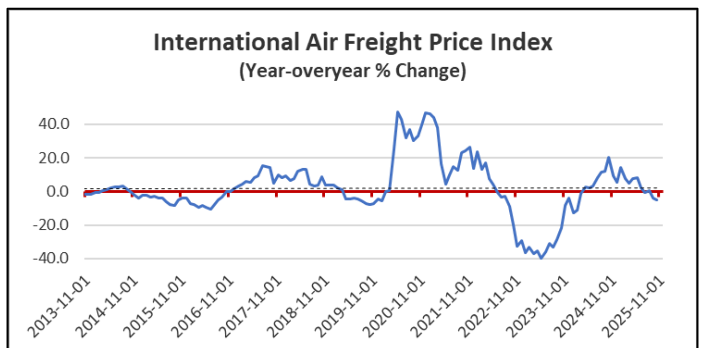
The World Economic Forum (WEF) released a report focused on the outlook for the Global Value Chain in 2026, and they found that "structural volatility" is now a permanent operating condition for multinational supply chains. They recommend three key principles for supply chain managers including: 1) to become ecosystem orchestrators, not just end-to-end operators; 2) to build distributed scale, not concentrated scale; and 3) design optionality for growth, not simply redundancy for risk mitigation. Words like flexibility, agility, and institutional readiness are sprinkled throughout. Here is a link to the PDF that discusses it in detail: **PDF**.

Mexico Tariffs on Non-FTA Trading Partners Starts

Mexico's 5-50% tariffs are now in force, impacting imports from China, Brazil, India, Indonesia, Russia, South Korea, Taiwan, Thailand, Turkey, and additional countries without trade deals with Mexico. Products that will see the heaviest impacts include light vehicles and automotive parts, textiles and apparel, household appliances, plastics, steel, aluminum, paper and cardboard, glass, furniture, toys, footwear, leather goods, motorcycles, trailers, and cosmetics/personal care items. The measures are framed as part of "Plan México" and a broader industrial policy shift: "if you want to sell in Mexico you must produce in Mexico", particularly ahead of the 2026 USMCA review and under US pressure over Chinese transshipments.

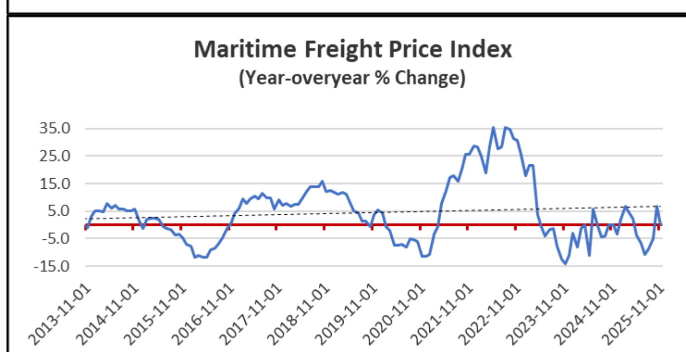
Airfreight Price Index:

The airfreight price index was lower by 0.6% M/M in November (not seasonally adjusted and the latest available; up 0.6% last month) and was lower on a Y/Y basis, falling by 5.3% (down an adjusted 4.1% last month). (IC131)



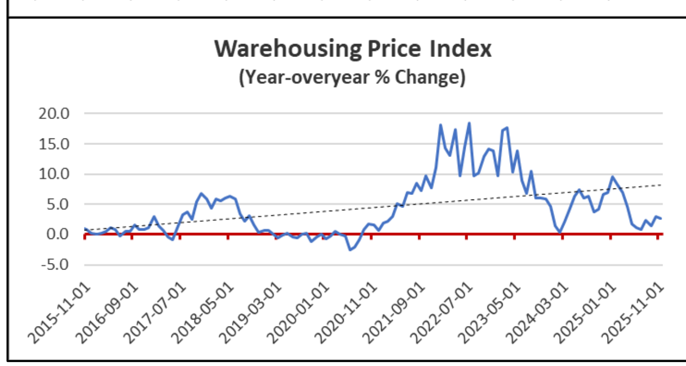
Ocean Freight Price Index:

The blended PPI for maritime service in November was 0.1% lower Y/Y (6.7% higher last month), but it was down sharply by 9.3% M/M (+10.9% last month and not seasonally adjusted).Seasonality was playing a heavy role in the M/M comparison along with early inbounding of inventories in the prior months to jump tariff pressure (PCU483111483111). *Note: Fed PPI tracks domestic US maritime prices, both contract & spot, and is based on survey data.*



Warehousing Price Index:

Warehousing prices were higher by 1.5% in November (latest data available and +1.7% last month after adjustments) but was higher Y/Y by 2.7% (+3.0% last month). Cold chain warehousing construction is expected to grow at a 20-25% CAGR through 2030, current electricity shortages is delaying some project starts. (PCU49314931)



Global Maritime and Air Cargo Observations

Global Maritime Market Expecting Tighter Conditions Outbound from Asia

DHL expects carriers to see demand exceeding supply on Asia origin lanes in January and February. Some suggestion that a combination of weather delays and rebalancing (blank sailings) are congesting some ports (primarily intra-Asia and intra-Europe). Pre-Chinese New Year shipping will also accelerate key trade lanes headed into the end of the month.

Market development on key regional tradelanes, 2025

for top 18 regional tradelanes

R Demand > Capacity   A Demand, Capacity balanced   G Demand < Capacity

Origin	Destination	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Forecast	Jan	Feb	Mar
Asia (excl. IPBC)	Asia (excl. IPBC)		R	R	R		R	R	R	R		R	R	
	North America			R	R			G		G		R	G	
	Europe			R	R			G		R		R	R	
	Middle East		G		R	R			R			R		
	IPBC						R	R		R		R	R	
	Latin America (WC)	G	G	R				G	G			G	R	
	Latin America (EC)	G	G	R					G			G	R	
	Africa	G	G	G			R	R					G	G
	Oceania						R	R	R	R		R	R	R
IPBC	Asia (excl. IPBC)						G	G	G	G		G	G	G
	North America						G	G	G				G	G
	Europe						G	G	G					G
Europe	Asia (excl. IPBC)	G	G	G	G	G	G	G	G	G		G	G	G
	North America		R		G	G	G	G	G	G		G	G	G
	Latin America (WC)	R	R	R	R	R	R	R	R	R			R	R
	Latin America (EC)	G	G	G	G	G	G	G	G	G		G	G	G
North America	Asia	G	G	G	G	G	G	G	G	G		G		
Latin America	North America													

Source: DHL Global Forwarding

DHL Global Forwarding | OFR Market Update | January 2026

Air Cargo Spot Rates Mixed in Week 2

Average global air cargo spot rates were 1% lower Y/Y through January 11th , while total tonnage was up by 4% Y/Y. North American rates were down 2% Y/Y while volumes were higher by 4%. The strongest lanes in the first weeks of January were MEA and S. Asia (volumes up 14%) while the weakest from a volume perspective were Europe and Africa (-6% and -5% respectively).

Origin Regions

last 2 to 5 weeks

WORLD ACD

Origin Regions	Capacity[1]			Chargeable weight[1]			Rate[1]		
	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		-11%	+3%		-20%	-5%		+2%	+8%
Asia Pacific		-7%	+5%		-17%	+6%		-7%	-1%
C. & S. America		-6%	+10%		-15%	+7%		-1%	-4%
Europe		-8%	+9%		-38%	-6%		-3%	+2%
M. East & S. Asia		-2%	+8%		+1%	+14%		-4%	-16%
North America		-4%	+3%		-15%	+4%		+1%	-2%
Worldwide		**-6%**	**+5%**		**-20%**	**+4%**		**-4%**	**-1%**

[1] 2Wo2W compares the last 2 weeks with the preceding 2 weeks this year. YoY compares the last 2 weeks with the same 2 weeks last year.

Source: World ACD Weekly Air Cargo Trends Report

The LogisticsPULSE Port Congestion Index

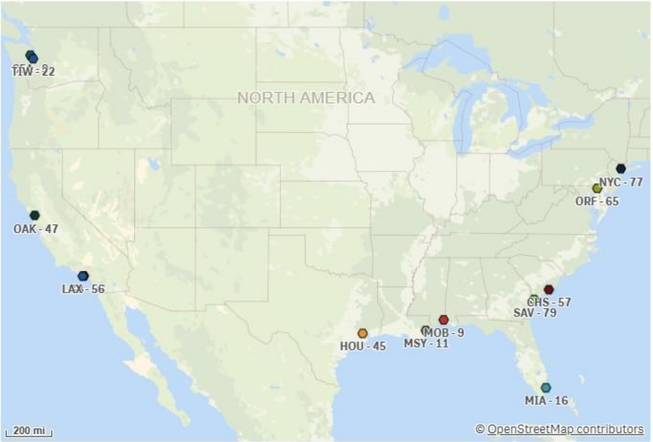
U.S. Container Imports and Exports Processing Continue to Show Aggregate Improvements

Port congestion can have a big impact on supply chains. The **LogisticsPULSE Port Congestion Index** (PCI) is a data-driven tool that calculates how much congestion there is at critical U.S. ports.

- For containers imported into the USA, the Container Processing Time (in days) is approximately a full day and a half, or 29.40%, slower than what it was in mid July 2025. January has typically been the slowest time of year for Import processing times.
- The processing time for Exports from these same ports is also slower than usual, taking about three days more, or 37.77%, than it was in mid July 2025. Like Imports, January is usually the time of year with the longest Export processing times.
- The US Ports with the greatest amount of imported TEU's currently are in Oakland, Charleston and Seattle and are processed in about 5.38 days. The highest volume of Exported TEU's are found in Oakland, Tacoma and Seattle and they are completing the export process in about 11.73 days.
- The ports with the greatest number of scheduled vessel arrivals are Savannah, New York and Norfolk, whereas Seattle, Mobile and New Orleans have the fewest..

(data shown below is container processing time, in days, by port)

US Ports w/ Scheduled Arrivals



Weekly Details - Exports

Port	As of 01/08/2026	As of 07/10/2025	% Diff since 07/10/2025
Totals	**4.86**	**7.81**	**-37.77%**
Charleston	10.00	7.58	31.93%
Houston	0.00	7.61	-100.00%
Long Beach	0.00	7.61	-100.00%
Los Angeles	0.00	8.56	-100.00%
Miami	6.00	7.05	-14.89%
Mobile	7.99	7.16	11.59%
New Orleans	4.00	7.57	-47.16%
New York	0.00	7.66	-100.00%
Norfolk	0.00	6.66	-100.00%
Oakland	10.00	8.13	23.00%
Savannah	0.00	12.11	-100.00%
Seattle	16.00	5.02	218.73%
Tacoma	9.19	8.81	4.31%

% Diff since 07/10/2025

Exports:

-37.77%

Imports:

-29.40%

Weekly Details - Imports

Port	As of 01/08/2026	As of 07/10/2025	% Diff since 07/10/2025
Totals	**4.08**	**5.78**	**-29.40%**
Charleston	7.01	3.10	126.13%
Houston	0.00	5.81	-100.00%
Long Beach	0.00	4.03	-100.00%
Los Angeles	0.00	5.92	-100.00%
Miami	19.81	6.19	220.03%
Mobile	5.09	16.00	-68.19%
New Orleans	5.00	6.00	-16.67%
New York	0.00	3.58	-100.00%
Norfolk	0.00	1.90	-100.00%
Oakland	6.12	5.22	17.24%
Savannah	0.00	4.23	-100.00%
Seattle	3.00	6.82	-56.01%
Tacoma	7.00	6.31	10.94%

Global Purchasing Managers Index (PMI) Readings for Recent Month

The Global PMI is one of the most closely watched economic indicators, tracking demand for manufacturing and services. The PMI can range between 0 and 100. If the index reading is above 50, it indicates an economic expansion. A reading below 50 indicates an economic contraction, with readings closer to 0 indicating a higher degree of contraction. A reading of 50 indicates no change in the environment.

- Global manufacturing and economic conditions were "stable" with most manufacturing indexes improving from conditions a year ago and only one country worldwide with a contracting services sector (typically accounting for 60-70% of GDP contributions for most developed nations). Based on this, the global economy was growing at a modest rate.
- Noticeable improvements were seen in Asian markets in December with modest intra-Asia preordering taking place.
- The Eurozone was mixed with key economic anchor Germany still struggling with contraction. But the UK, Netherlands, Ireland, France, and Greece were showing reasonable growth.

		Manufacturing				Services			
Country PMI	Trade with US (in billions)	Current Month	Latest Month PMI	Prior Month PMI	M/M Change	Current Month	Latest Month PMI	Prior Month PMI	M/M Change
US		Dec	51.8	52.2	-0.4	Dec	52.5	54.1	-1.6
Global PMI	$ 4,700	Dec	50.4	50.5	-0.1	Dec	52.4	52.7	-0.3
Canada	$ 665	Dec	48.6	48.4	0.2	Dec	46.5	44.3	2.2
Mexico	$ 661	Dec	46.1	47.3	-1.2				
China	$ 655	Dec	50.1	49.9	0.2	Dec	52.0	52.1	-0.1
Eurozone PMI	$ 632	Dec	48.8	49.6	-0.8	Dec	52.4	53.6	-1.2
ASEAN	$ 369	Dec	52.7	53.0	-0.3				
Japan	$ 210	Dec	50.0	48.7	1.3	Dec	51.6	53.2	-1.6
Germany	$ 201	Dec	47.0	48.2	-1.2	Dec	52.7	53.1	-0.4
South Korea	$ 161	Dec	50.1	49.4	0.7				
UK	$ 118	Dec	50.6	50.2	0.4	Dec	51.4	51.3	0.1
Taiwan	$ 114	Dec	50.9	48.8	2.1				
India	$ 113	Dec	55.0	56.6	-1.6	Dec	58.0	59.8	-1.8
Vietnam	$ 113	Dec	53.0	53.8	-0.8				
Netherlands	$ 88	Dec	51.1	51.8	-0.7				
Ireland	$ 88	Dec	52.2	52.8	-0.6	Dec	54.8	58.5	-3.7
Switzerland	$ 87	Dec	45.8	49.7	-3.9				
Italy	$ 83	Dec	47.9	50.6	-2.7	Dec	51.5	55.0	-3.5
France	$ 80	Dec	50.7	47.8	2.9	Dec	50.1	51.4	-1.3
Brazil	$ 78	Dec	47.6	48.8	-1.2	Dec	53.7	50.1	3.6
Singapore	$ 65	Dec	50.3	50.2	0.1				
Thailand	$ 60	Dec	57.4	56.8	0.6				
Australia	$ 39	Dec	51.6	51.6	0.0	Dec	51.1	52.8	-1.7
Indonesia	$ 37	Dec	51.2	53.3	-2.1				
Russia	$ 36	Dec	48.1	48.3	-0.2	Dec	52.3	52.2	0.1
Spain	$ 35	Dec	49.6	51.5	-1.9	Dec	57.1	55.6	1.5
Hong Kong	$ 34	Dec	51.9	52.9	-1.0				
Philippines	$ 23	Dec	50.2	47.4	2.8				
Poland	$ 11	Dec	48.5	49.1	-0.6				
Greece	$ 3	Dec	52.9	52.7	0.2				

Sources: S&P Global, Caixin, JP Morgan, Jibun Bank, Nevi, BME, CIPS

- **Looking forward:**
  - Input prices and rising labor costs were a factor across most markets, and with selling prices facing resistance from customers, many manufacturers were seeing margin compression.
  - New orders inched up in December, but many firms reported that it was likely getting ahead of the Lunar New Year. Most firms were still approaching inventory building activity conservatively and would wait until deeper into Q1 before building inventories more aggressively.
  - This sets up a more aggressive Q2 with most sector forecasts showing a Q2 'modest surge' in activity.

Special Topics in Supply Chain & Logistics:

Special Area of Focus: Canada

Map source: Geology.com

Canada's economy is roughly $2.5T and is growing at about 2% Y/Y, placing it among the world's 10 largest economies by GDP. Canada relies heavily on integrated supply chains with the US and other major partners for growth and stability.

Three key factors to consider relating to the Canadian economy:

- Domestic demand is an important anchor, with household consumption and services accounting for half of GDP, helping buffer the economy against swings in external demand and commodity prices.
- Commodity and services export strength give Canada a durable competitive advantage: energy, metals, and agricultural products combine with strong financial, transportation, and tourism services, providing diversified growth.
- There is an ongoing competitiveness push: policies under USMCA, along with federal and provincial incentives, aim to attract investment into autos, batteries, critical minerals, and clean energy manufacturing.

The US is Canada's number one export destination. Other key export destinations include China, the United Kingdom, Japan, and Mexico (in that order by value). The top 5 sectors for Canadian product exports include 1) mineral fuels and oils (crude oil, natural gas, refined products), 2) vehicles, 3) machinery and appliances, 4) wood, pulp, and paper products, and 5) agri-food products such as cereals and meat.

Key import source nations include the US, China, Mexico, Germany, and Japan in that order. The ranking of top 5 products/sectors imported are 1) machinery and appliances, 2) electrical and electronic equipment, 3) vehicles and parts, 4) consumer goods such as textiles, clothing, and household items, and 5) mineral fuels and specialized energy products, often tied to regional refining and pipeline logistics.

What's New at Logistics Plus?

Logistics Plus Year-in-Review 2025 Wrap-Up Video

In 2025, Logistics Plus delivered more than freight. We delivered moments… milestones… and missions that mattered. This year was about partnerships. Customers. Carriers. Teams. Communities. This is what we delivered together. Across the globe, our teams moved the extraordinary. Read More

Outsourced Warehousing Solutions for Manufacturers and Distributors

For Fortune 1000 manufacturers and distributors, warehousing is no longer just a place to store inventory. It's a performance engine that influences service levels, cash flow, resiliency, and total landed cost. That's why more organizations are turning to outsourced warehousing solutions. Read More

"The Weight of Greatness" Story of the Joe Moore Award Trophy

The Weight of Greatness documentary, a Trench Life film presented by the Joe Moore Award, gives you a look at what it takes to move the biggest trophy in college sports…the Joe Moore Award. Watch Documentary Video