

eShipping®

October 2023

INDUSTRY UPDATES

Monthly metrics, trends, and key takeaways on the state of the LOGISTICS INDUSTRY to help your business plan for the coming months.

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Less Than Truckload

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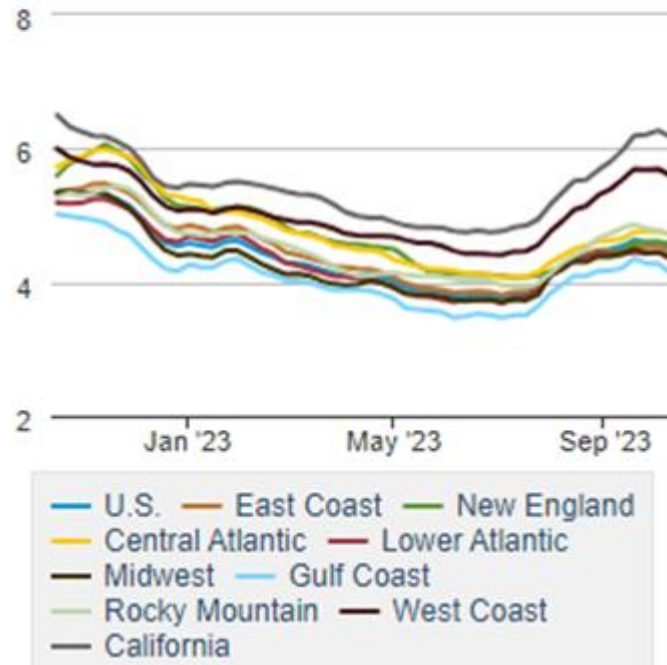
05

Warehousing

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On-Highway Diesel Fuel Prices

(dollars per gallon)



INDUSTRY UPDATES

LTL

Estes Express Confirms Cyberattack

- As LTL carriers were dealing with the additional freight from the Yellow bankruptcy, Estes confirmed being hit with a cyberattack turning their day-to-day routines upside down. Estes continues to make progress coming back fully online to support their customers.
- Estes has been in the news recently as it filed a successful stalking horse bid for terminals offered into the market by the bankrupt Yellow Corp. That bid came in at \$1.525 billion. (Yahoo Finance)

Fuel Is On The Decline In October From Yearly High In September

- Between September 18th and October 2nd, the average diesel price reached its highest point for any three-week period in 2023 at \$4.604. Subsequently, on October 9th, the price of fuel experienced a slight dip to \$4.498, marking the lowest value since August 28th, 2023.

INDUSTRY UPDATES

FTL

Carriers Hoping For Strong Seasonal/Holiday Demand

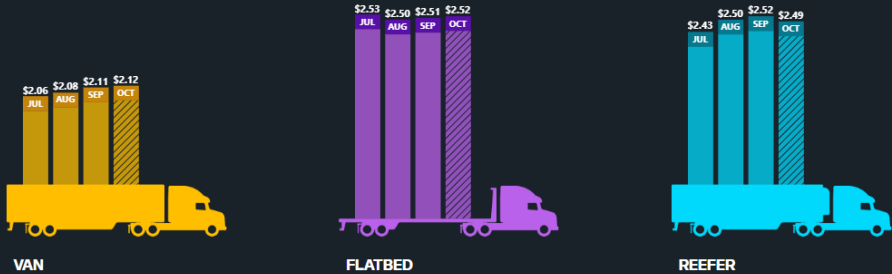
- Van and Flatbed Full Truckload markets see an uptick in average rates from August through September and into the start of October. As the summer has begun to cooldown, average refrigerated van rates have followed suit. (DAT.com/trendlines)
- With the holiday season fast approaching, trucks are hoping for the seasonal demand to kick off. So far, DAT is identifying lower spot load and spot truck postings from September to August, and from September YOY.

Christmas Tree Will Soon Be On The Move

- Christmas trees will soon move from the ground into our living rooms thanks to our trucking industry. According to the National Christmas Tree Association, trees are grown in all 50 states, with the highest volumes coming out of Oregon, North Carolina, Michigan, Pennsylvania, Wisconsin, and Washington.
- These states may experience tighter capacity due to this short harvesting season. Please plan for this time of year with longer lead times on full truckload shipments and flexible shipping/receiving hours to allow for the sourcing of reliable capacity.

National Spot Rates

Spot rates dip slightly



DAT

INDUSTRY UPDATES

International

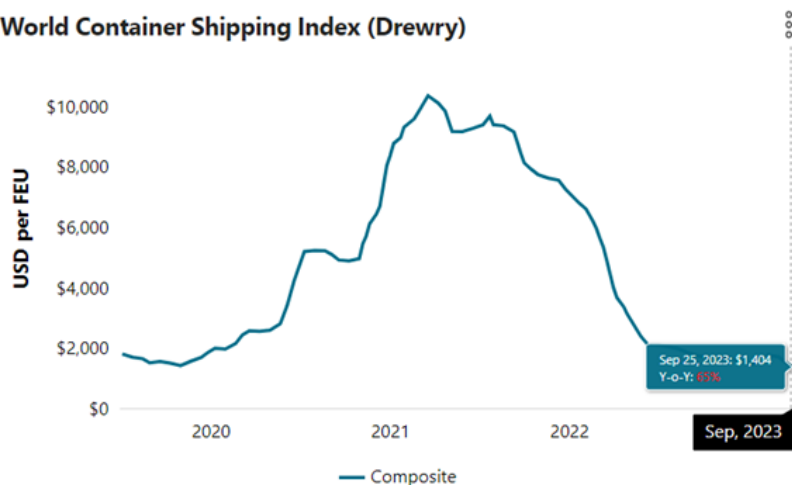
Carriers Looking To Stabilize Rates By Continuing To Blank Sailings

- Transpacific ocean overcapacity will continue to put downward pressure on rates, which carriers will attempt to stabilize through blanked sailings and other capacity reduction measures but blanked sailings – often announced at the last minute – will mean poorer schedule reliability. (Freightos)
- Trans-Pacific carriers have announced blank sailings for October totaling 20% of total capacity for the month to the West and East coasts, according to Sea-Intelligence Maritime Analysis. (JOC)
- Container imports to the U.S. reached 21.9 million TEUs in August, falling 12.6% year on year, but increasing 0.8% from July, according to Descartes Datamyne.

Israel Ports Continue to Operate At This Time

- ZIM continues to operate and accept bookings to and from Israel. At this time, despite the war situation in Israel, all local ports, in Ashdod, Haifa and Eilat, are operating as usual. (Zim)

World Container Shipping Index (Drewry)



Source: World Container Index assessed by Drewry

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Chart info

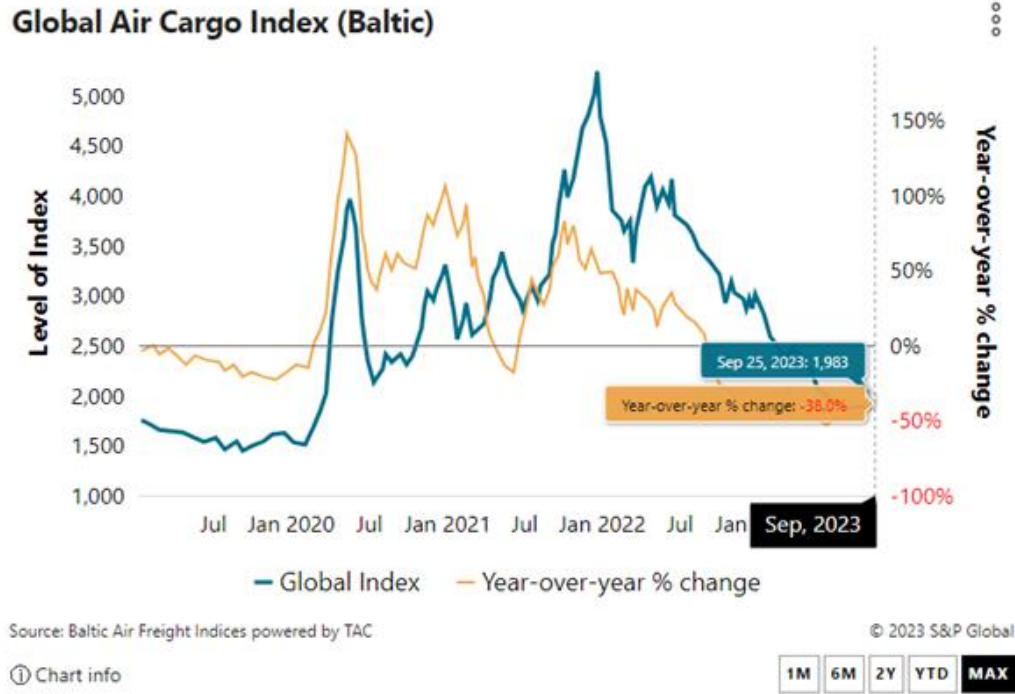
6M 1Y YTD MAX

INDUSTRY UPDATES

International

Air Cargo Capacity To Demand Continues to Widen

- The gap between air cargo capacity and demand continues to widen globally. In September, the global air cargo capacity increased by 11% compared to the previous year, attributed to the gradual return of passenger air services to the market. Notably, capacity on trade lanes departing from the Asia-Pacific region surged by 32% year over year, while demand rose by 9%, as reported by WorldACD. (JOC)
- Meanwhile, the spot air rates for general cargo from China to the US rose by 7% from the previous month, driven primarily by the pre-Golden Week rush, according to Xeneta.
- Additionally, the Vietnam to the US air cargo market experienced a remarkable recovery in late September, soaring by 30% compared to the previous month, following a seasonal low in early August, as stated by Xeneta.



INDUSTRY UPDATES

Parcel

UPS 'Demand' Surcharges

- UPS increased demand surcharges on Additional Handling, Large Package, and Over Maximum shipments starting 10/1/2023. These will be in effect until 1/13/2024:

L. Demand Surcharge – Applied to Additional Handling and Large Packages

A Demand Surcharge will apply to packages that require Additional Handling³ and Large Packages³ for all U.S. domestic, U.S. import, and U.S. export shipments for qualifying customers.⁴ A Demand Surcharge will apply to all packages that are Over Maximum Limits for all U.S. domestic, U.S. import, and U.S. export shipments. The Demand Surcharges will apply in the amounts set forth below.

Other Charges	January 15, 2023 until September 30, 2023	October 1, 2023 until January 13, 2024
Additional Handling ³	\$3.50 per package	\$6.90 per package
Large Package Surcharge ³	\$40.00 per package	\$74.90 per package
Over Maximum Limits	\$0.00 per package	\$410.00 per package

- UPS will also assess demand surcharges for customers shipping more than 20k packages / week. There will be two waves of charges:

Service Level	January 15, 2023 until October 28, 2023		
	>105% to 125% of Baseline Volume	>125% to 150% of Baseline Volume	>150% of Baseline Volume
UPS SurePost [®]	\$0.40 Per package	\$0.50 Per package	\$0.60 Per package
UPS Ground Residential	\$0.40 Per package	\$0.50 Per package	\$0.60 Per package
UPS Next Day Air Residential	\$0.40 Per package	\$0.50 Per package	\$0.60 Per package
All Other UPS Air Residential	\$0.40 Per package	\$0.50 Per package	\$0.60 Per package

Service Level	October 29, 2023 until January 13, 2024					
	>105% to 125% of Baseline Volume	>125% to 150% of Baseline Volume	>150% to 200% of Baseline Volume	>200% to 300% of Baseline Volume	>300% to 400% of Baseline Volume	>400% of Baseline Volume
UPS SurePost [®]	\$1.35 Per package	\$1.85 Per package	\$2.15 Per package	\$2.60 Per package	\$4.45 Per package	\$6.40 Per package
UPS Ground Residential	\$1.35 Per package	\$1.85 Per package	\$2.15 Per package	\$2.60 Per package	\$4.45 Per package	\$6.40 Per package
UPS Next Day Air Residential	\$2.40 Per package	\$2.90 Per package	\$3.20 Per package	\$3.65 Per package	\$5.50 Per package	\$7.50 Per package
All Other UPS Air Residential	\$2.40 Per package	\$2.90 Per package	\$3.20 Per package	\$3.65 Per package	\$5.50 Per package	\$7.50 Per package

If you are currently shipping 20k packages a week, we suggest you contact your UPS rep for projections on the impact demand surcharges will have during the holiday season.

INDUSTRY UPDATES

Warehousing

Warehouse Growth Continues Within The US

- The expansion of warehouses in the United States persists, despite a slowdown in freight demand and stagnant economic growth. Notably, Illinois and Texas are experiencing significant growth in this sector.
- This expansion is primarily attributed to shifts in supply chain dynamics brought about by the pandemic. For instance, shippers now prioritize the ability to swiftly determine the destination for their freight, given the heightened importance of meeting merchandise demands. Consequently, there has been an increased reliance on ports along the West Coast, Gulf Coast, and East Coast, leading to a surge in warehousing and distribution assets.

