

The monthly ITS Supply Chain Report serves to inform ITS employees, partners, and customers of marketplace changes and updates. The information in this report combines data provided through DAT and various industry sources with insights from the ITS team.

EXECUTIVE SUMMARY

TRUCKING

The trucking market continues to see marginal shifts in rates across both the spot and contract markets as we move through peak season. Fuel prices have climbed to \$3.75 per gallon—their highest level since last July. Meanwhile, weather experts are sounding the alarm for an above-average hurricane season, which could disrupt major freight corridors and port operations as we enter what is historically the busiest time of year for domestic supply chains.

DRAYAGE

June imports rose 1.8% month over month—a notable contrast to typical midsummer trends. The top gateways for Chinese imports, particularly the Port of Los Angeles, saw major volume increases, while East Coast and secondary ports experienced significant declines in activity. This mixed performance highlights ongoing shifts in port routing and regional demand as tariff volatility continues to shape the national drayage market.

WAREHOUSING

The PPI for Warehousing and Storage declined 1.4% from May’s 155.4 to 153.1 in June 2025—marking a continued downtrend from March and signaling reduced pricing leverage for warehousing providers. Overall, the market appears to be undergoing a rebalancing event that presents new opportunities and challenges for shippers moving into the latter half of 2025.

ECONOMIC PERFORMANCE

The US economy is in a soft-landing phase—growth has slowed but remains positive, the labor market is cooling but stable, and inflation is gradually easing. The Fed remains cautious, delaying rate cuts until clearer signs of disinflation. At the same time, consumers are beginning to feel the pinch, and tariff volatility continues to influence broader economic trends.

DRY VAN REPORT – ANOTHER ABOVE-AVERAGE HURRICANE SEASON IS ON THE HORIZON

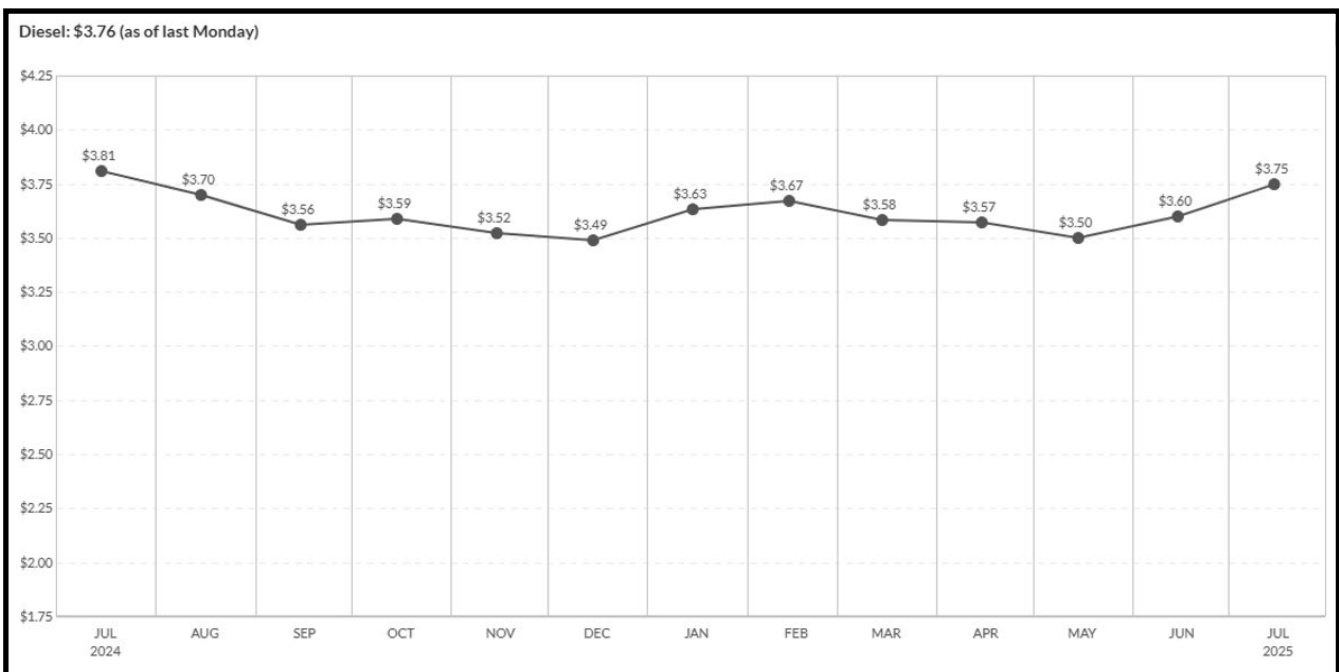
The National Oceanic and Atmospheric Administration (NOAA) predicts a 60% likelihood of an above-normal Atlantic hurricane season in 2025, which spans from June 1 to November 30. They also anticipate a 30% chance of a near-normal season and a 10% chance of a below-normal season.

NOAA forecasts between 13 and 19 named storms with winds reaching 39 mph or higher. Within this range, they expect 6-10 storms to intensify into hurricanes with winds of 74 mph or higher, and 3-5 of these to become major hurricanes, categorized as 3, 4, or 5, with wind speeds exceeding 111 mph. These projections come with a 70% confidence level.

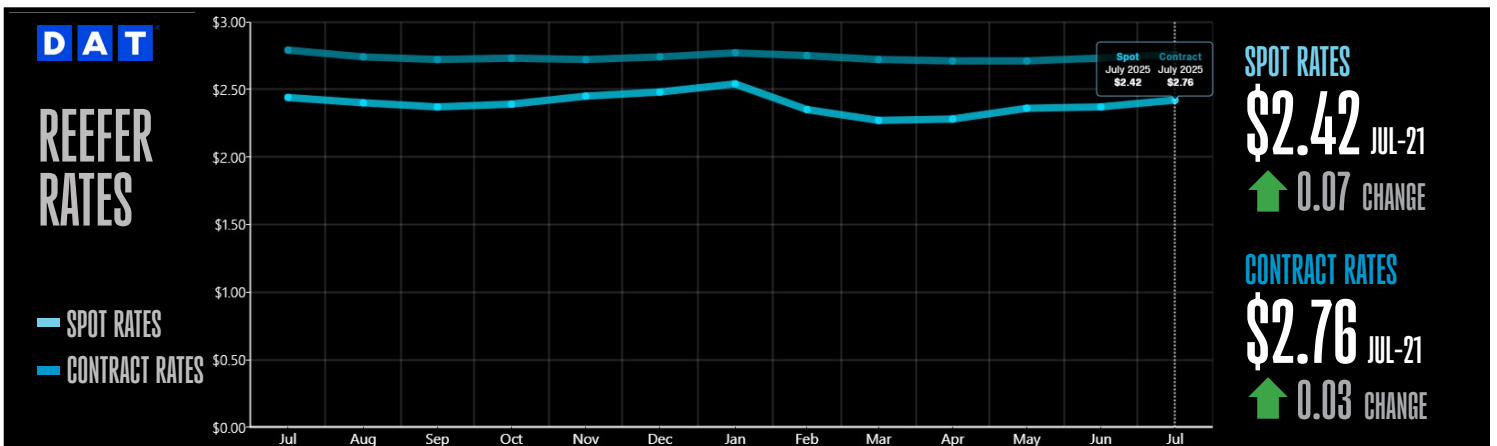
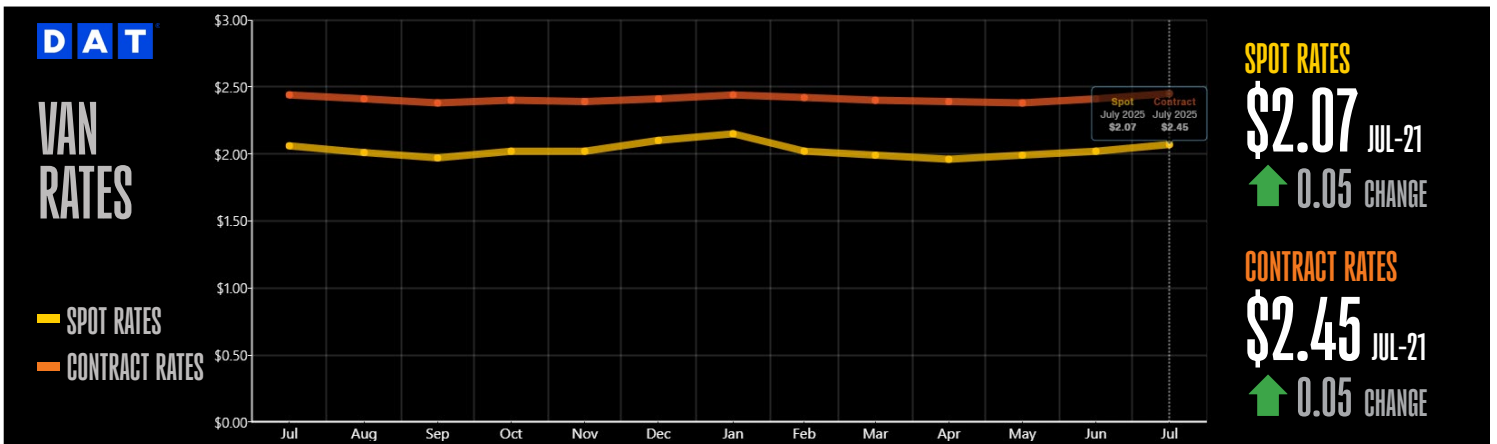
Commerce Secretary Howard Lutnick stated that NOAA and the National Weather Service are employing advanced weather models and hurricane tracking technologies to deliver real-time forecasts and warnings, ensuring heightened preparedness.

Acting NOAA Administrator Laura Grimm highlighted that hurricane impacts, evidenced by inland flooding from hurricanes Helene and Debby in the previous year, extend beyond coastal regions. She emphasized NOAA’s crucial role in providing timely and precise forecasts and warnings, along with scientific expertise, to safeguard lives and property.

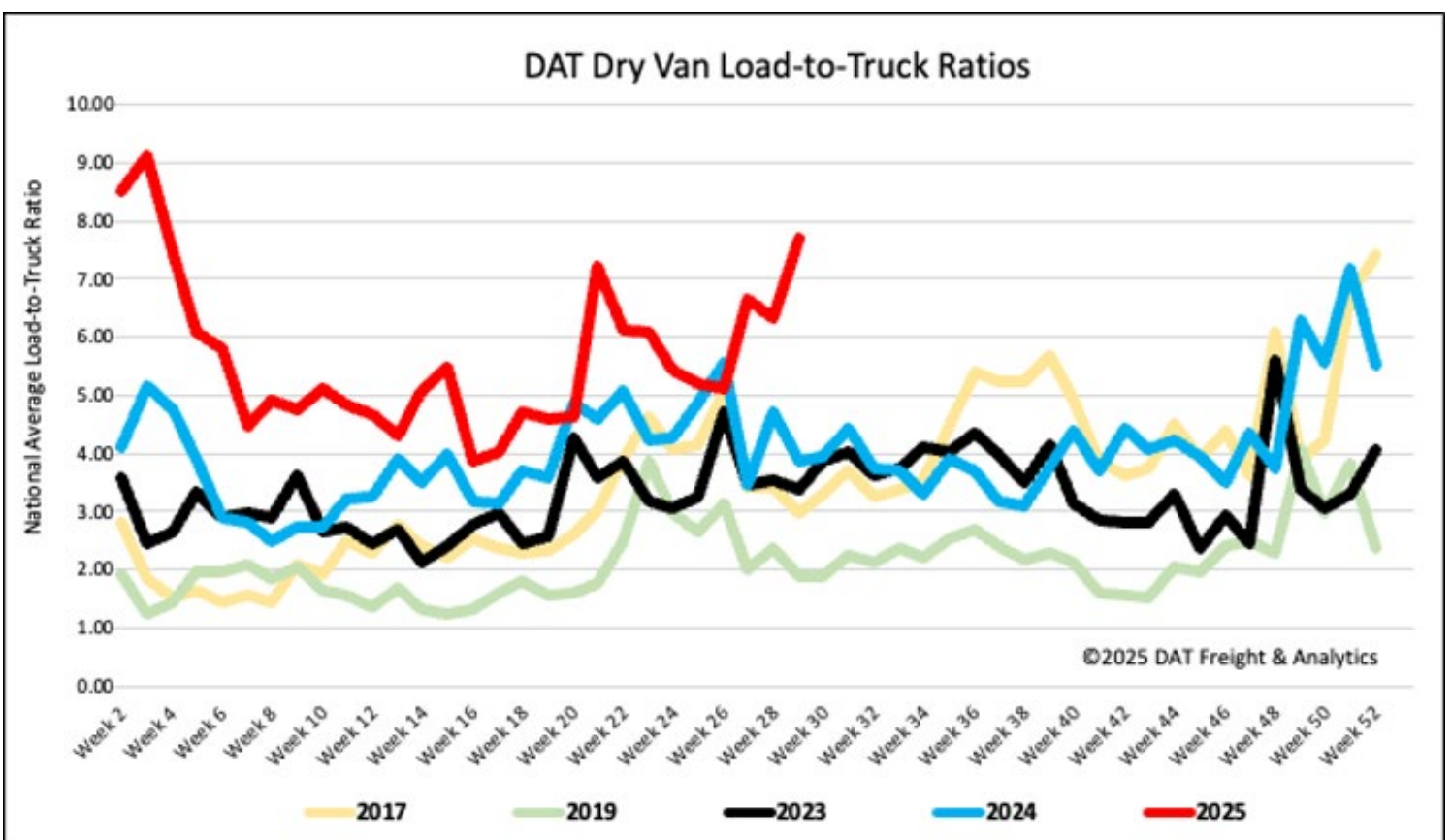
FUEL – FUEL PRICES REACH HIGHEST POINT THIS YEAR



VAN & REEFER NATIONAL RATES – SPOT, CONTRACT RATES SEE MARGINAL INCREASE



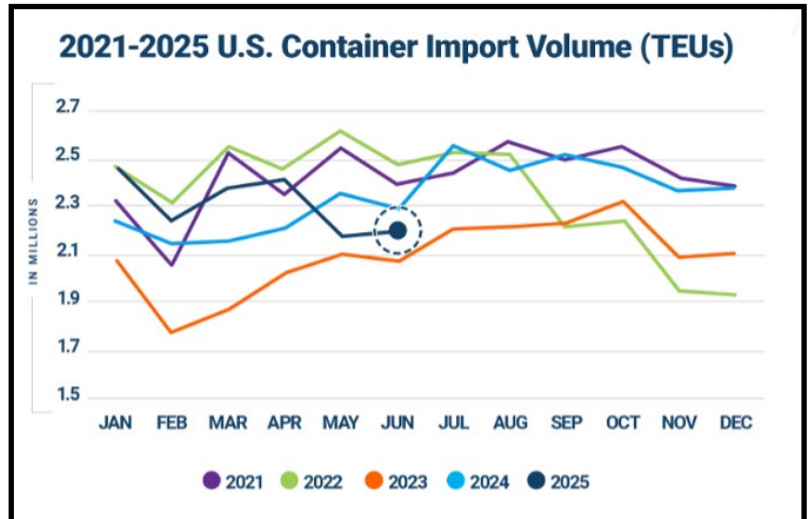
RATE TRENDS – LOAD-TO-TRUCK SPIKES AS SHIPMENT VOLUME RETURNS



US IMPORT VOLUMES – JUNE GROWTH NARROWS YOY DECLINE

IN JUNE 2025, US CONTAINER IMPORT VOLUME IS UP 1.8% FROM MAY 2025.

In June 2025, US container import volumes rebounded modestly to 2,217,675 TEUs, up 1.8% from May and narrowing the year-over-year decline to 3.5%. This follows May’s sharp 9.7% month-over-month drop driven by tariff volatility and shifting trade policy. Compared to June 2019, volumes are up 12.9%, indicating structural demand strength despite ongoing headwinds. Year-to-date, total imports through June are tracking 3.8% above 2024, though growth has slowed compared to earlier in the year.



MONTH-OVER-MONTH PORT VOLUMES – VOLUMES INCREASE AGAINST SEASONAL TRENDS

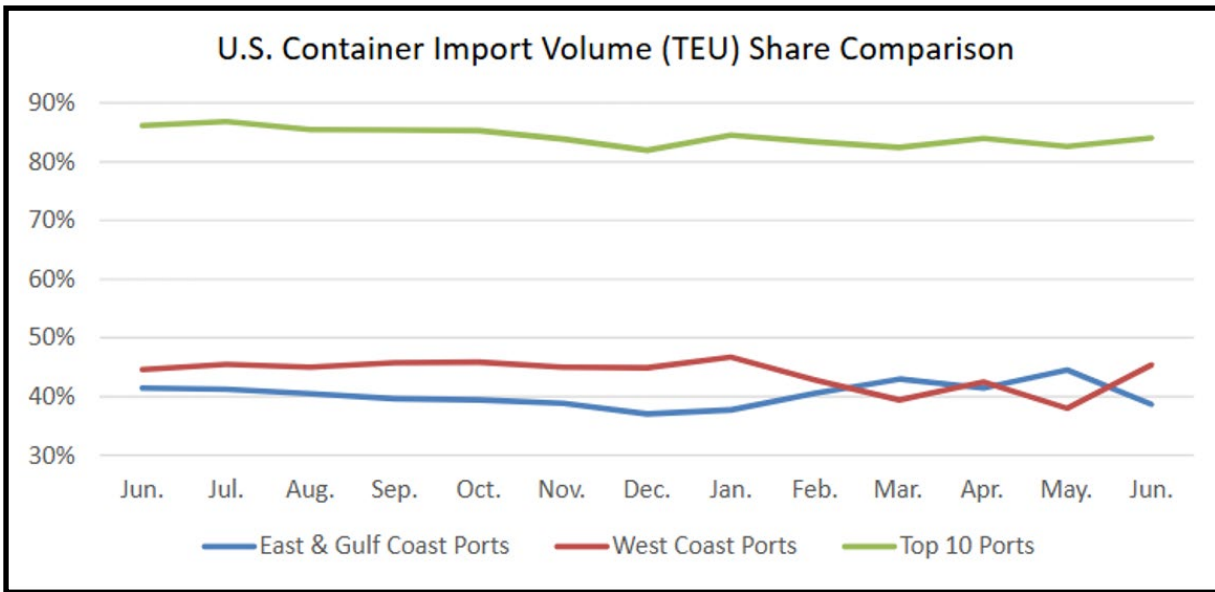
	2019	2020	2021	2022	2023	2024	2025
May	2,086,934	1,690,205	2,542,619	2,622,465	2,097,313	2,346,382	2,177,453
June	1,964,178	1,828,474	2,399,143	2,480,946	2,081,793	2,297,979	2,217,675
TEU Delta	-122,756	138,268	-143,476	-141,519	-15,520	-48,402	40,222
% Change	-5.9%	8.2%	-5.6%	-5.4%	-0.7%	-2.1%	1.8%

Historically, June posts a decline from May, with 2020 being the only recent exception—until now. In 2025, imports rose 1.8% month-over-month, breaking the tradition of a midsummer slump. This modest gain likely reflects stabilization after April frontloading and the initial shock of new tariffs, along with early effects of the May 14 US–China tariff reduction agreement and the pause on Liberation Day tariffs from nearly all countries (now set to expire August 1), which may have combined to contribute to the small recovery.

In June 2025, container volumes at the top 10 US ports increased 3.1% compared to the previous month, with a combined net gain of 55,733 TEUs (see Figure 3). The growth was driven by the West Coast, where Los Angeles saw a 29.1% increase (up 103,884 TEUs), Long Beach saw an 18.8% increase (up 58,492 TEUs), and Tacoma increased 33.3% (up 16,142 TEUs). However, most other major ports experienced declines. Savannah posted the steepest loss at 16.9%, followed by Houston (-15.8%), Charleston (-14.8%), and Norfolk (-14.3%). Volumes at New York/New Jersey fell by 3.3%. This mixed performance underscores ongoing shifts in port routing and regional demand, with top West Coast gateways gaining a larger share of import volumes in June.

Port	TEU Change	% Change
Los Angeles, CA	103,884	29.1%
Long Beach, CA	58,492	18.8%
New York/New Jersey	(10,971)	-3.3%
Savannah, GA	(39,349)	-16.9%
Houston, TX	(25,435)	-15.8%
Norfolk, VA	(18,169)	-14.3%
Charleston, SC	(16,365)	-14.8%
Oakland, CA	(7,625)	-10.1%
Tacoma, WA	16,705	33.3%
Baltimore, MD	(4,872)	-9.8%
Total Top 10 Ports	55,733	3.1%

MONTH-OVER-MONTH PORT VOLUMES – VOLUMES INCREASE AGAINST SEASONAL TRENDS



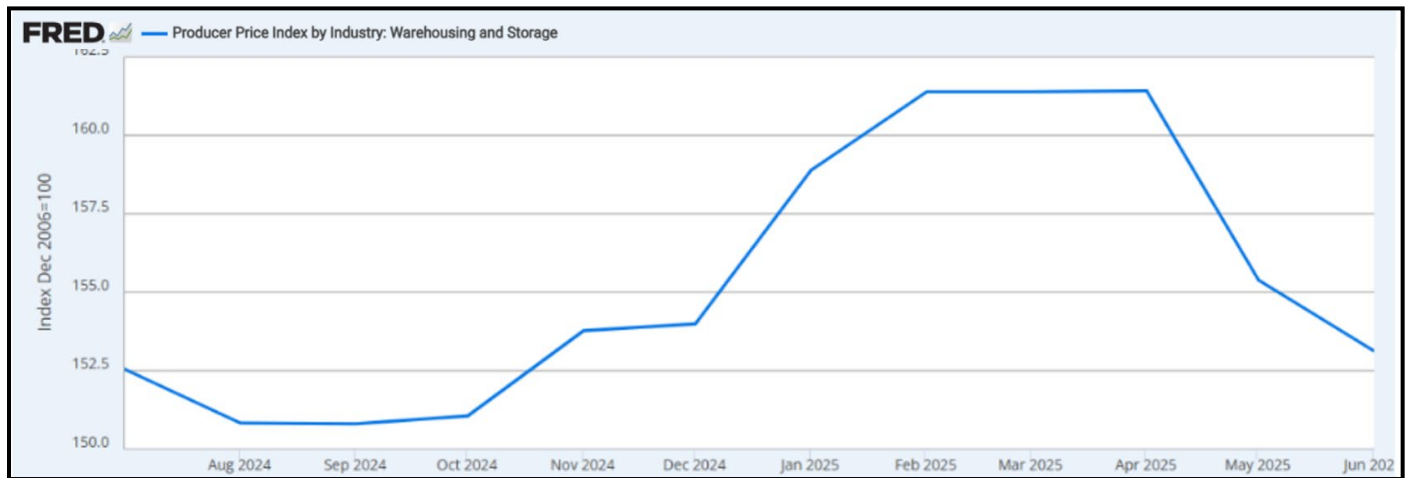
In June 2025, top West Coast ports rebounded sharply, increasing their volume share to 45.4%, up from 38.1% in May. Meanwhile, top East and Gulf Coast ports saw their share fall to 38.7%, a significant drop from the previous month’s 44.5%. The reversal suggests a partial rebalancing of trade flows reflecting the impact of the US–China trade truce, whereby tariffs on imports from China were reduced from the staggering 145% set in April to 30% effective mid-May. The trend also aligns with modest gains in China-origin imports, which typically enter through Pacific-facing ports. Overall, the top 10 US ports handled 84.1% of total imports in June, up from 82.6% in May.

WAREHOUSING CAPACITY – DECLINING PPI SIGNALS MARKET REBALANCE

The purpose of the index is to track the Producer Price Index for warehousing and storage and offer a regional markets overview to optimize warehousing and delivery costs.

Warehousing costs are estimated to account for 13% of the total supply chain expenses, while last-mile delivery holds the largest share at 41% of the total supply chain costs.

PRODUCER PRICE INDEX BY INDUSTRY: WAREHOUSE AND STORAGE



JUNE 2025 – The PPI for Warehousing and Storage declined 1.4% from May’s 155.4 to 153.1 in June 2025—marking a continued downtrend from March’s 161 level and signaling reduced pricing leverage for warehousing providers. This trend aligns with broader PPI data showing modest goods inflation (+0.3%) and a 0.9% decline in transportation and warehousing service prices during June. Together, these shifts reinforce a market moving away from peak pricing toward more balanced terms, offering leverage to occupiers as supply and capacity realign in late 2025.

ECONOMIC RECAP – US ECONOMY ENTERS SOFT LANDING

+ General Outlook:

In June 2025, the US economy continued to grow modestly in Q2 2025, with estimates pointing to between 1.7 and 2.0% annualized rate. Growth has slowed from the stronger pace seen in 2023–2024 as higher interest rates and tighter credit weigh on business investment and consumer spending. Growth was supported by resilient consumer services, government spending, and strong labor markets, while housing and manufacturing remained mixed. In summary, the US economy in June 2025 is in a soft-landing phase—growth has slowed but remains positive, the labor market is cooling but stable, and inflation is gradually easing. The Fed remains cautious, delaying rate cuts until clearer signs of disinflation. Consumers are beginning to feel the pinch, but corporate and market fundamentals are holding up. Risks are balanced but leaning slightly to the downside due to elevated rates and credit fatigue.

+ Inflation:

Inflation is creeping higher, with both headline and core CPI increasing. Tariffs are a growing factor, particularly on durable goods, serving as a key headwind to disinflation efforts. The reversal from May suggests upward momentum, complicating any plans for Fed rate cuts. July and August CPI reports will be critical before the Fed's September meeting.

- **Core Inflation:** Core CPI (excluding food and energy) increased 0.2% month-over-month and 2.9% year-over-year. Headline CPI increased 0.3% month-over-month (seasonally adjusted), up from 0.1% in May. This is the largest monthly increase since January.
- **Federal Reserve Actions:** The Fed held the federal funds rate steady at 4.25 %–4.50%, marking the fourth consecutive pause after a series of cuts last year. Fed's preferred gauge, core PCE, likewise stalled around 2.7 and 2.8%—keeping inflation above target. Experts projected two cuts by year-end, but timing remains uncertain—with markets now favoring a September cut rather than July.

+ Market Update:

In June 2025, the US stock market experienced a solid gain. Tech led the charge: the Technology sector posted a nearly 9.9% gain, while Consumer Discretionary was also robust at 7.3% growth. Only consumer staples slipped, down between 1.5% and 2%.

■ Stock Market Performance:

- **S&P 500 Index:** S&P 500 surged 4.96% in June, bringing its year-to-date gain to approximately 5.5%.
- **Dow Jones Industrial Average:** Rose 4.32%, marking solid gains across major indices.
- **Nasdaq Composite:** 6.6% increase for the month, propelled by strength in tech and AI sectors.

■ **Bond Market:** In June 2025, bond markets displayed resilience—supported by elevated yields, strong coupon income, and unwavering investor demand. However, the mix of tariff-induced inflation, fiscal pressures, and Fed uncertainty means caution is warranted.

- **Yield Surge:** In June, Treasury yields edged lower as markets increasingly priced in Federal Reserve rate cuts later in 2025, likely beginning in July.
- **Treasuries:** The 30 year Treasury yield slipped from mid 4.90s to 4.78%, averaging 4.89%. While this is not a drastic move, it is a clear retreat from spring highs.
- **Corporate Bonds:** High-yield bonds outpaced investment-grade in June, reflecting tight credit spreads and sustained investor appetite. Core US bonds saw positive returns, driven by falling yields amid softer growth and inflation data.
- **Municipal Bonds:** The S&P Municipal Bond Investment Grade Index delivered a total return of 0.728% in June 2025.

ECONOMIC RECAP – US ECONOMY ENTERS SOFT LANDING (cont.)**+ Labor Market:**

June's labor market shows steady but soft job growth, heavily skewed toward government and healthcare. Private sector hiring remains sluggish, and the labor force retreat is ongoing. Overall, the labor market continues to hold up, but momentum is slowing. Key watchpoints include private job growth, participation trends, and rising underemployment.

- **Job Creation:** The US economy added a net gain of 147,000 in June, matching the 12 month average of ~146,000.
- **Unemployment Rate:** Unemployment rate remained stable at 4.1%, consistent with May and year-over-year data.

+ Consumer Trends:

June 2025 retail sales and consumer spending data indicate a resilient US economy, with consumers maintaining spending levels despite challenges such as tariffs and inflation. While certain sectors show signs of price sensitivity, overall economic indicators suggest continued growth, supported by strong labor markets and consumer confidence. Confidence dropped sharply in June, with future outlook turning cautious and recession worries rising, while current conditions remained modestly upbeat due to a stable labor market. The implementation of new tariffs has led to increased prices in certain categories, prompting consumers to become more price-sensitive. Despite these challenges, consumer spending remains resilient, supported by steady income growth and delayed tariff impacts.

- **Retail Sales and Consumer Spending:** June retail sales rose by 0.6%, reversing two consecutive monthly declines and surpassing the 0.2% increase forecasted by economists. Core retail sales, excluding autos, gasoline, building materials, and food services, increased by 0.5%, aligning with GDP calculations and suggesting sustained consumer spending momentum.
- **Consumer Confidence:** The Conference Board's Consumer Confidence Index dropped from 98.4 in May to 93.0 in June, a decrease of 5.4 points, erasing nearly half of May's gains. The setback was broad based: sentiment on current business conditions, job availability, future income, and business outlook all weakened.

+ Outlook risks:

The US economy in mid-2025 is characterized by a delicate balance. Resilient consumer spending and employment provide support, while inflationary pressures and political uncertainties introduce challenges. The Federal Reserve's cautious approach to monetary policy, coupled with the evolving impacts of trade policies, will be pivotal in shaping the economic trajectory in the second half of the year. A few contributing factors include:

- **Tariff Volatility:** The full economic effects of recent tariffs are beginning to manifest, with potential disruptions in trade flows and increased costs for businesses and consumers.
- **Investor Sentiment:** While the stock market has reached record highs, concerns about rising Treasury yields, labor market softness, and political interference with the Fed could pose risks to sustained market gains.
- **Political Pressures:** Speculation about potential changes in Fed leadership, particularly regarding President Trump's stance on Chairman Powell, introduces uncertainty into monetary policy effectiveness and market stability.
- **Global Economic Uncertainty:** A marked slowdown in global growth, with risks of growth falling below 2%, could affect US exports and investment.