

Uber Freight

**Chemical Current**  
Supply chain newsletter for  
chemical shippers

February 2025

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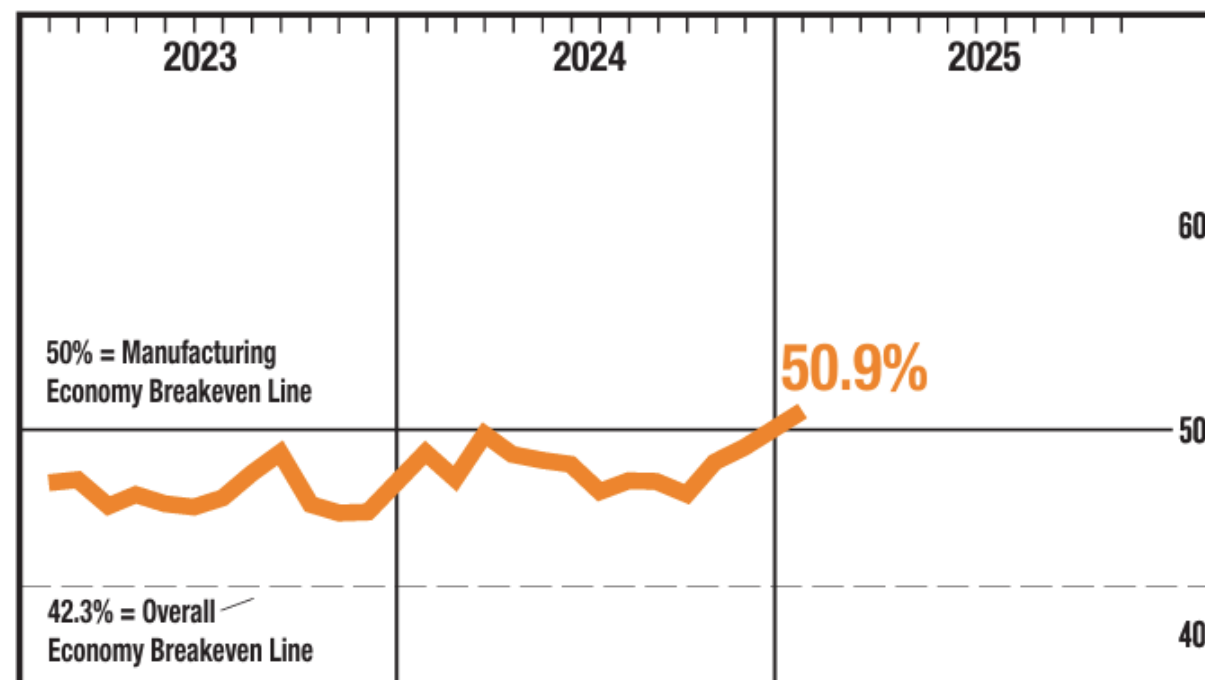


# February 2025



## Executive summary

In January, the ISM's US Manufacturing PMI rose to 50.9, signaling the first expansion after 26 months of contraction. Chemical manufacturing was among the sectors reporting growth, driven by slightly stronger-than-expected customer orders. Chemical import prices held steady, down 1.8% year-over-year, while export prices increased by 0.7%, reflecting a 4.1% rise compared to last year. Despite uncertainty regarding tariffs, optimism remains good as chemical manufacturers look forward to less regulatory burden and expect business conditions to improve soon.



Source: *Manufacturing ISM Report On Business* ([www.ismworld.org](http://www.ismworld.org))

# Chemical industry news and updates

## Production & prices

Chemical production fell by 1.2% due to disruptions from freezing temperatures in the Gulf Coast. While several sub-sectors, like organic chemicals and plastic resins, experienced declines, inorganic chemicals, specialty chemicals, and consumer products saw gains. Chemical prices increased 0.5% in January following five consecutive months of decline. This uptick was observed across most product categories, except for plastic resins, which saw a continued decline of 0.4%. Notable price increases were recorded in other specialty chemicals and inorganic chemicals, while synthetic rubber prices remained stable. On a year-over-year basis, chemical prices have risen 1.3%.

### Chemical Industry Production & Producer Prices

January 2025, (% Δ Y/Y using 3MMA)

	Production	Producer Prices
<b>Chemicals</b>	<b>3.2</b>	<b>0.0</b>
Agricultural Chemicals	10.3	0.2
Consumer Products	9.7	1.2
Basic & Specialty Chemicals	0.8	-0.7
Basic Chemicals	-0.2	-1.5
Inorganic Chemicals	-2.5	-0.9
Bulk Petrochem & Organics	-1.1	-3.1
Plastic Resins	3.5	-0.4
Synthetic Rubber	1.6	11.3
Manufactured Fibers	2.6	0.1
Specialty Chemicals	4.1	1.8
Coatings	4.5	0.4
Other Specialties	5.3	2.5
Feedstocks	n/a	23.3
Capacity Utilization	78.9%	n/a

Sources: Federal Reserve Board, Bureau of Labor Statistics, ACC

Indicator	M/M	Y/Y
Chemical Exports (Dec)	↓ 0.4%	↑ 1.2%
Plastic Resins Exports (volume) (Dec)	↑ 0.2%	↑ 7.4%
Chemical Producer Prices (Jan)	↑ 0.5%	↑ 1.3%
Chemical Import Prices (Jan)	~ 0.0%	↓ 1.8%
Major Resins Production (Dec)	↓ 1.4%	↑ 3.8%
Chemical Production (Jan)	↓ 1.2%	↑ 6.4%

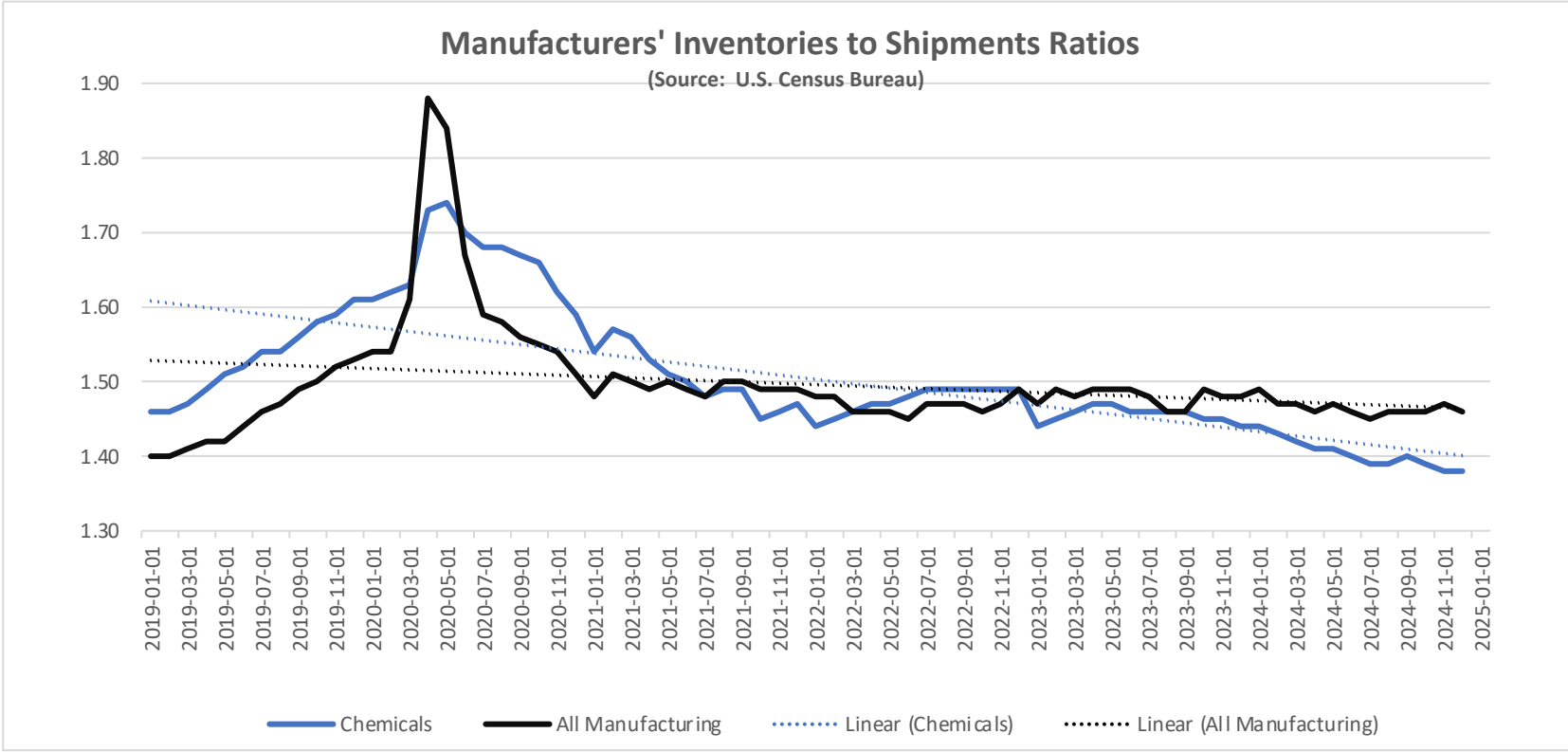
Source: American Chemistry Council ([www.americanchemistry.com](http://www.americanchemistry.com))

# Chemical transportation trends



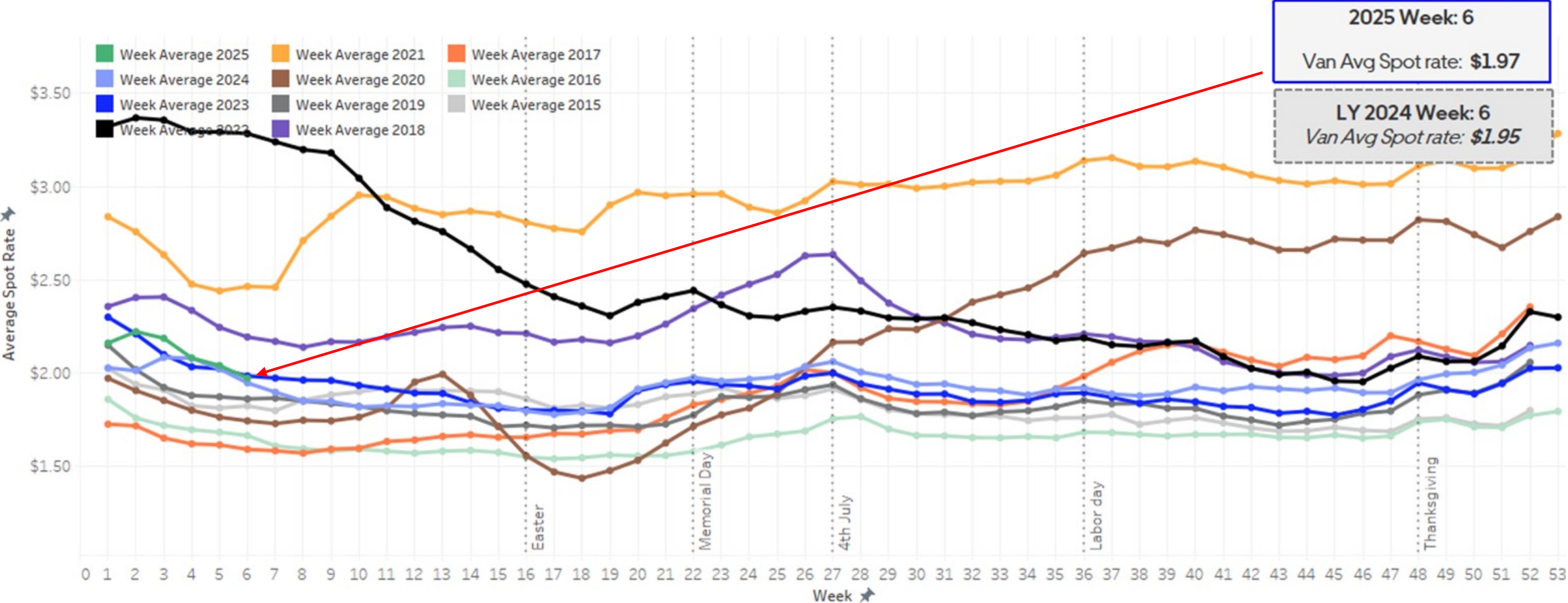
# Inventory levels

- December 2024, saw chemical manufacturers close out the year with inventory levels -14.8% below pre-pandemic levels (compared to February 2020) and down -4.2% on a YoY basis (when measured by inventories to shipment ratio).
- All manufacturers have also fallen below pre-pandemic levels, but at a much slower pace than chemicals (-5.2% lower than 2020).
- All manufactures had inventory to shipment levels down -1.4% YoY



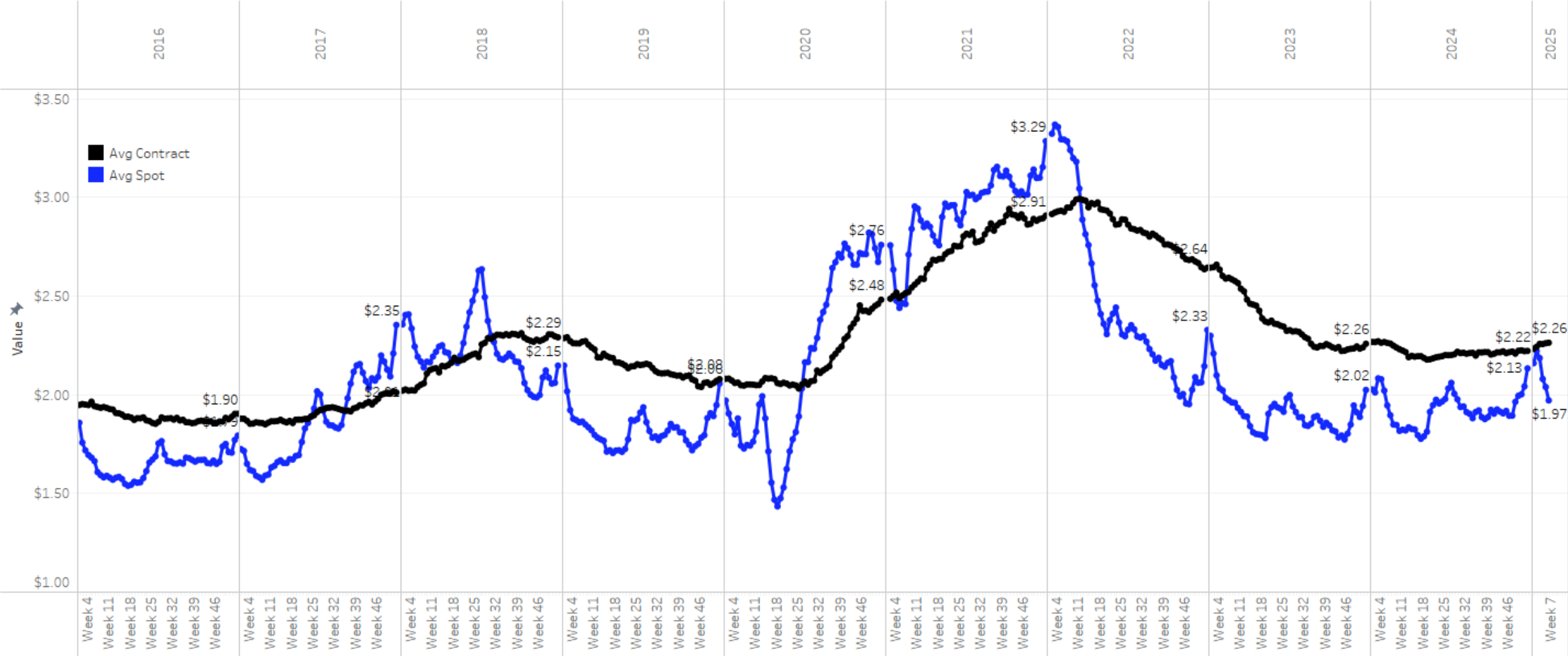
# Truckload (TL) trends

Weekly average dry van spot rate (Week 6)



# Uber Freight 2025

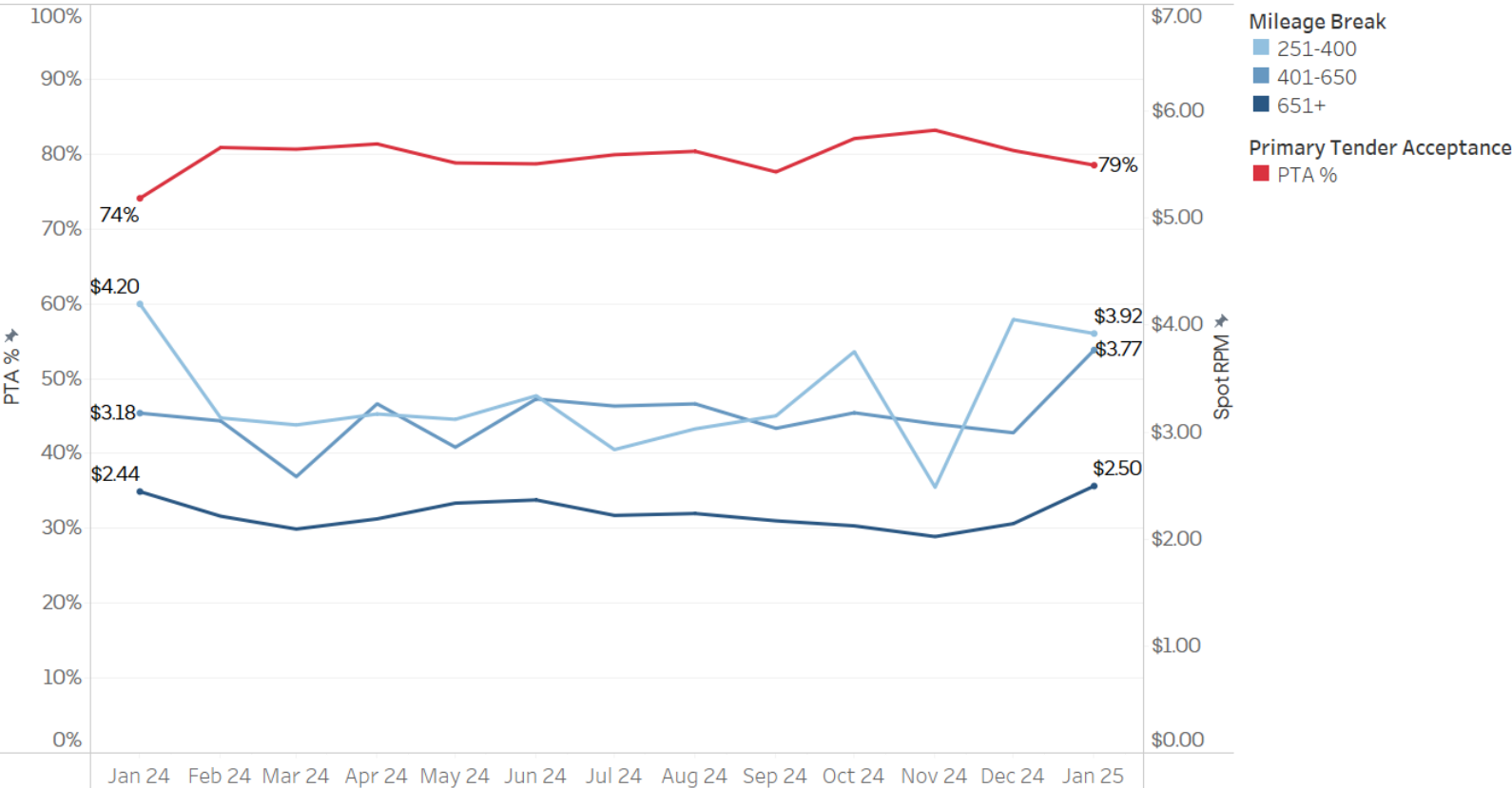
Weekly Average Van Spot vs Contract rates



# Hazardous materials tendering trends

- Spot Rate per Mile (RPM) for long haul (> 650 miles) dry van Truckload (TL) Hazmat has shown recent signs of strength, finishing January 2025 at \$2.50/mi, up 23.7% from the recent lows of November 2024. Would need to see trend sustained for several more weeks to have significant meaning.
- Primary Tender Acceptance (PTA) for Hazmat Truckload (TL) began the year at 79%, up 5% year-over-year compared to January 2024

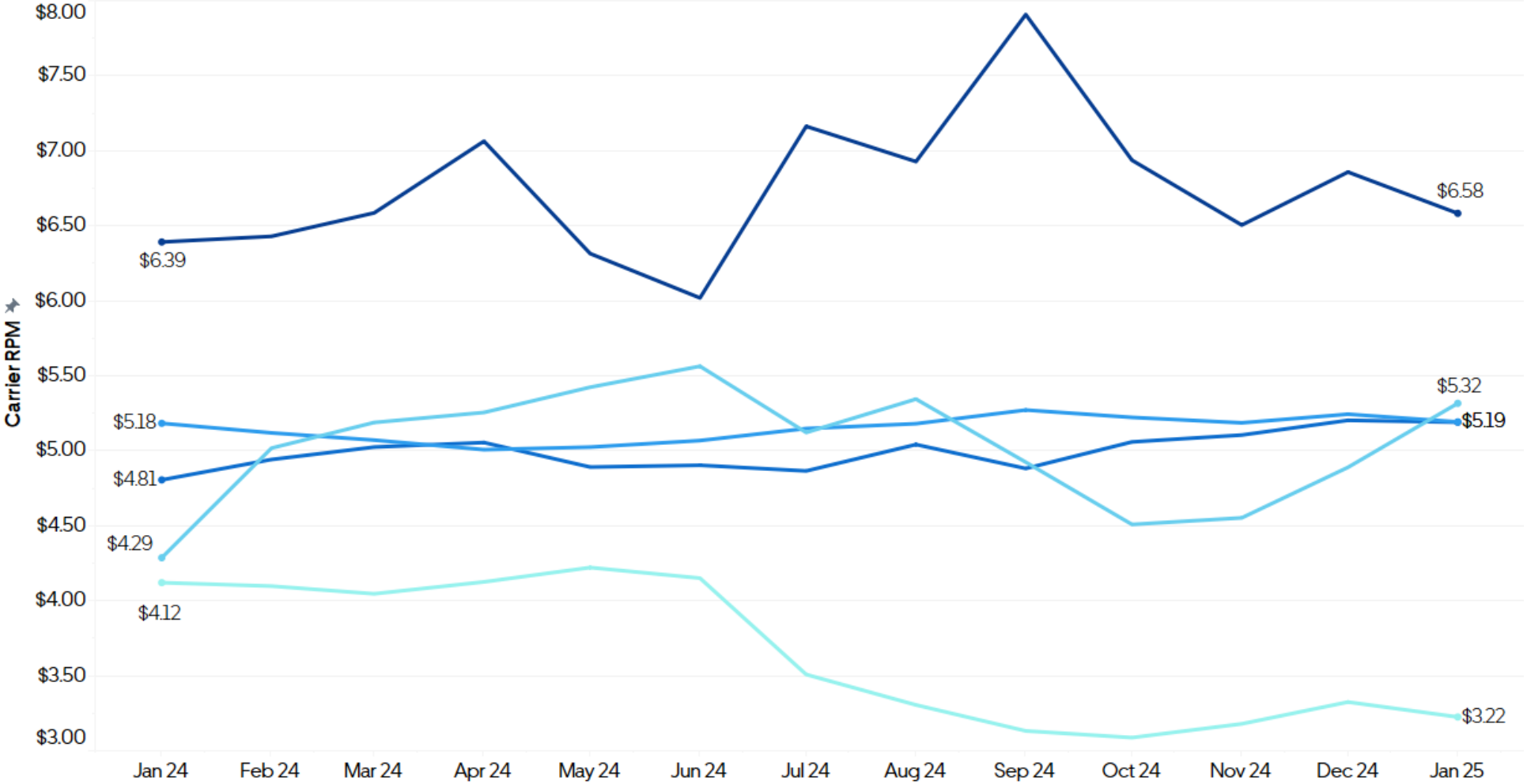
Hazmat TL: PTA % vs Spot RPM by Mileage Break (Trailing 13 Months)





# Bulk pricing trends

Bulk Rate per Mile by Equipment Type(Trailing 13 Months)



- **Multi-Compartment & Liquid Bulk Tankers** both close out January 2025 at \$5.19/mi
- **Dry Bulk Tanker RPM** continues to see downward pressure
- **ISO Tank/Intermodal** rates increase for the third consecutive month as shippers prepare for tariff impacts

Bulk Equipment Type

- Dry Bulk Tanker
- ISO Tank/Intermodal Container
- Liquid Bulk Tanker
- Multi-Compartment Bulk Trailer
- Specialized

# Diesel fuel pricing trends



Current national diesel price - **\$3.660/gal**  
*(As of 2/17/25)*



Brent Crude - **\$76.23 (\$/bbl)**  
*(As of 2/10/25)*



WTI Crude - **\$72.73 (\$/bbl)**  
*(As of 2/10/25)*

Current dry van  
fuel surcharge



**\$0.48** (\$0.00)

→ Rate is neutral

Source: DAT (as of 2/17/25)

Current reefer  
fuel surcharge

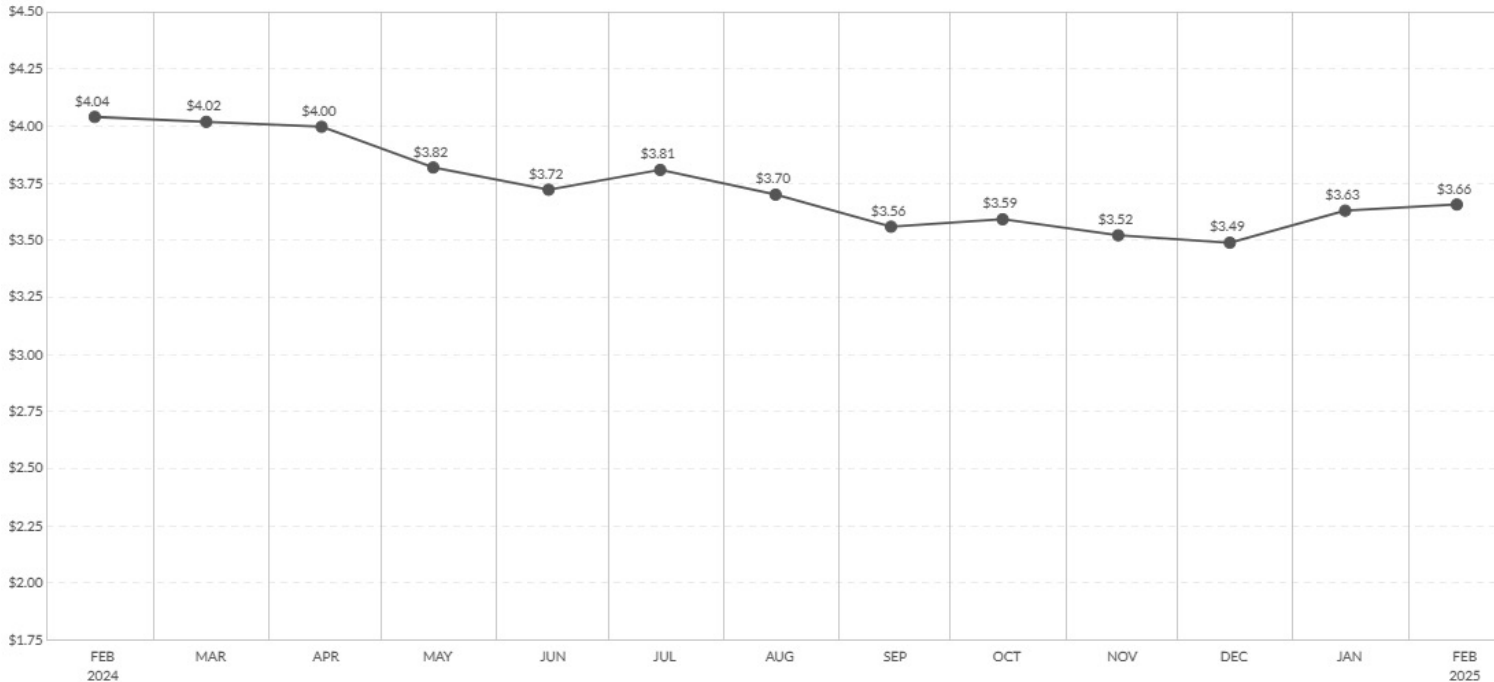


**\$0.52** (\$0.00)

→ Rate is neutral

Source: DAT (as of 2/17/24)

## 1 Year national diesel fuel averages



Source: DAT

- WTI is set for its fourth consecutive weekly loss, whereas Brent is poised to end a three-week decline.
- The International Energy Agency (IEA) projected that global oil demand growth would rise to 1.1 million barrels per day in 2025, up from 870,000 barrels per day last year. The IEA's latest report also forecast that supply would increase by 1.6 million barrels per day, reaching 104.5 million barrels per day in 2025.

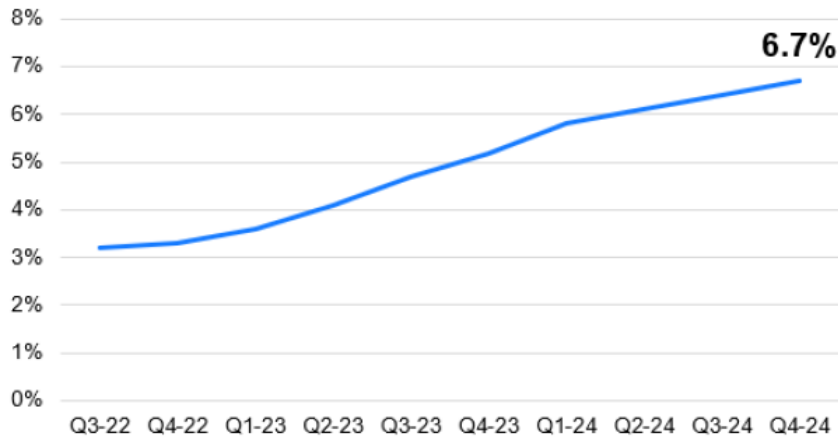
# Warehousing trends

## Space availability and cost

Vacancies and asking rents both increased but at a slower rate than previous quarters

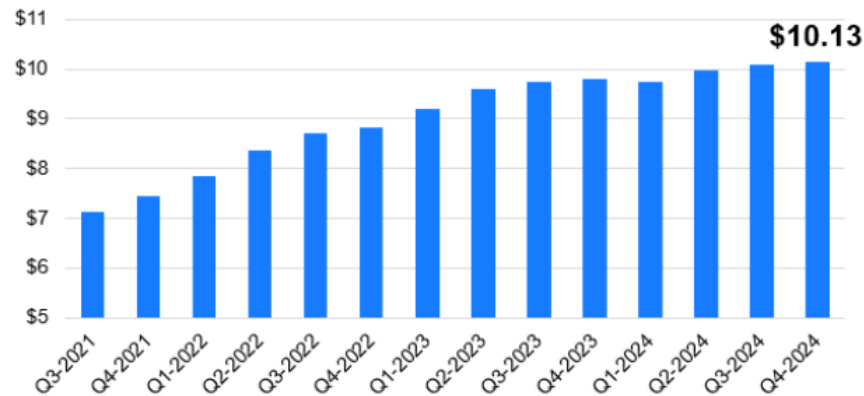
Vacancies<sup>(1)</sup>

Rate (%)



Asking Rent<sup>(1)</sup>

\$ Per Square Feet (PSF)



### Q4 2024 Warehousing Recap:

- The overall vacancy rate ticked up by 20 basis points (bps) in the fourth quarter to 6.7%. This was the smallest quarterly increase since the market cooldown began in late 2022. <sup>(1)</sup>
- The national average asking rent for industrial space rose by 0.9% QOQ to \$10.13 per square foot (psf). Some rent increases were tied to deliveries of vacant, speculative industrial products priced at a premium over market averages. <sup>(1)</sup>
- Some markets with high speculative development or modest demand totals, such as Austin, Phoenix, Greenville, and Las Vegas—posted double-digit vacancy rates. <sup>(1)</sup>

### Q4 2024 → Q1 2025 Outlook:

- The pace of increase slowed significantly in the fourth quarter, suggesting vacancy may approach peak levels in the first half of 2025 amid softer completion totals and a moderation in space dispositions. <sup>(1)</sup>
- Asking rent growth is anticipated to slow to just over 2% in 2025 and 2026 before rising back to the 3% range (growth will continue to be market-dependent). <sup>(1)</sup>

<sup>(1)</sup>Cushman & Wakefield

# Warehousing Summary

- Consumer spending has been increasing for the last three quarters and at a faster rate each quarter (0.8%; 1.4%; & 1.7%).
- Retail inventory landed at \$553B in Nov 2024, this is only 1.7% away from the all-time high in Aug 2022.
- Warehouse employment rose in Q4 2024 continuing the 2023 trend of shippers adding labor power to handle the holiday season.
- Warehouse wages hovering around \$24/hr. bumping up ~1.5% for holiday hiring.
- The supply for new warehouse space is outpacing the demand which will continue to drive vacancies to increase and the pipeline for new construction to dwindle.
- Vacancies increased by 0.3%, slowest quarterly increase since 2022.
- Asking rents increased by 0.5%, as the rate of growth is expected to continue cooling down in 2025.
- Asking rent prices in the Mid-Atlantic region increased the most in 2024, up 6.4% compared to last year.
- The West region asking rent prices are the highest in the country, but overall costs lowered by 2.2% last year.
- Price of steel is down 13% and wooden pallets is down 6% when compared to last year.

# Chemical supply chain overview

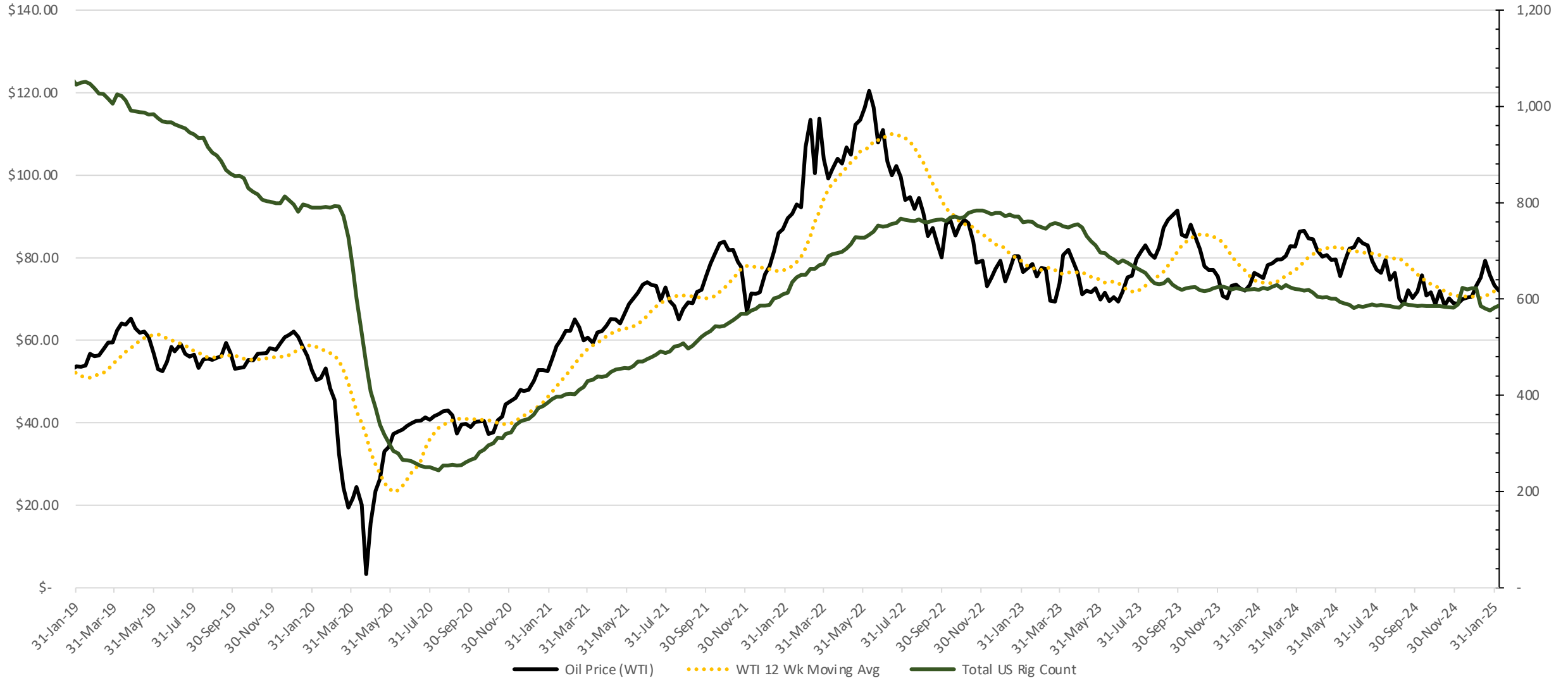


# Chemical industry news and updates: Energy

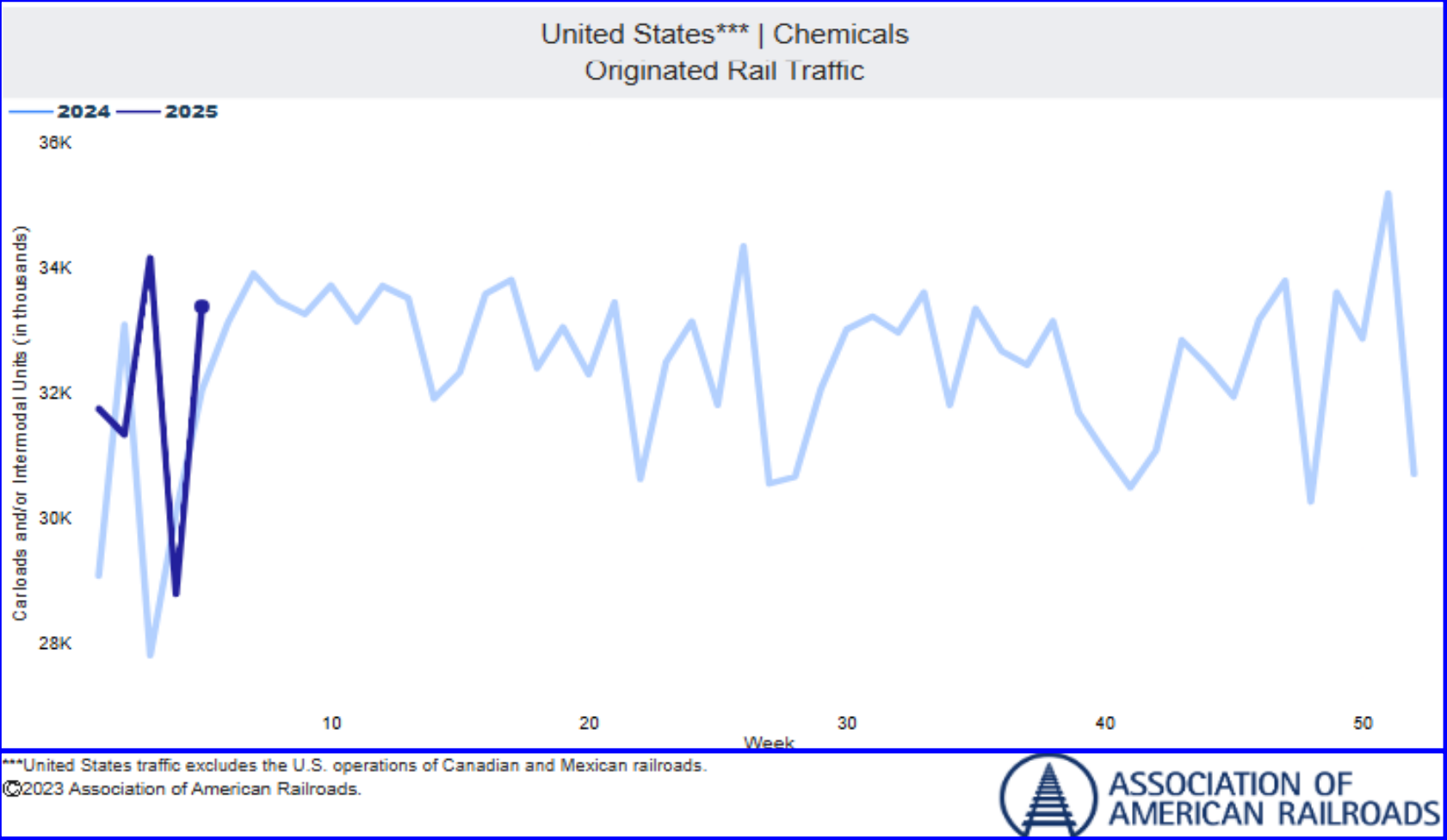
*\*12-week moving average of WTI prices and US Rig Counts have historic correlation*

- US Rig counts are up to 588, but still down -5.62% YoY
- OPEC held steady on its global oil consumption forecasts for 2025 and 2026 but highlighted potential uncertainty due to the possible impact of tariffs.

## Baker Hughes Total US Rig Count verse WTI Price



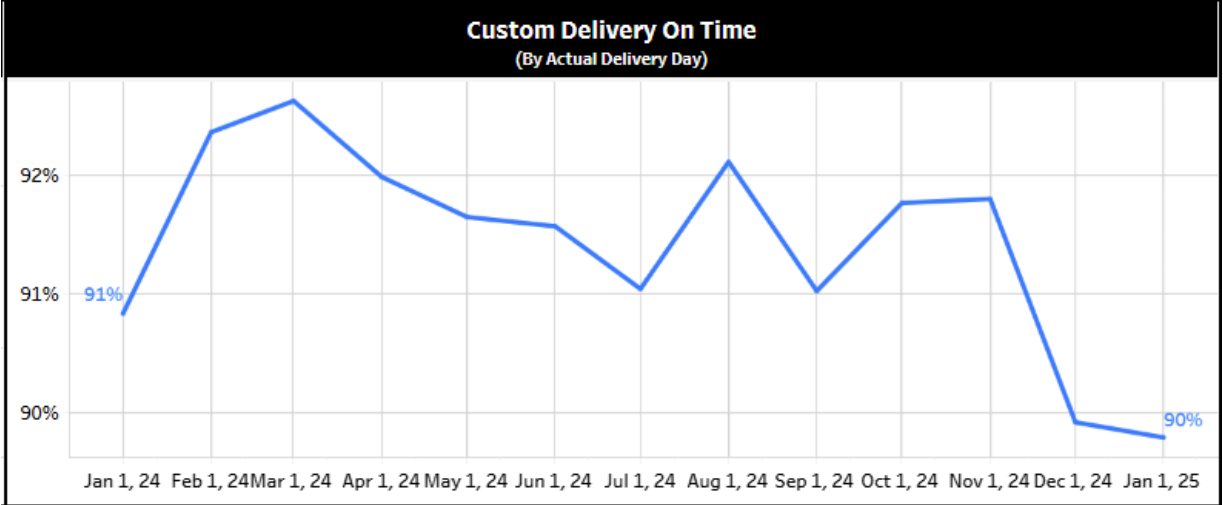
# Weekly rail traffic - Chemicals



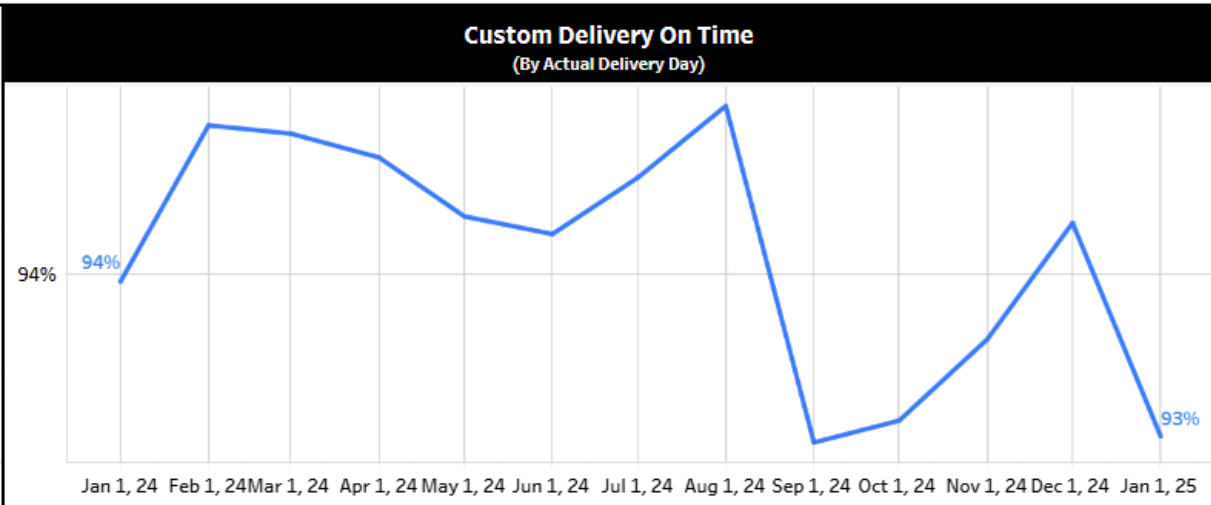
Data from the Association of American Railroads shows that chemical railcar loadings reached 34,390 during the week ending February 8. This marks a 5.2% year-over-year increase (based on a 13-week moving average), a 4.6% rise compared to the same period last year, and an upward trend for 8 of the past 13 weeks.

# Chemical vertical on-time delivery by mode

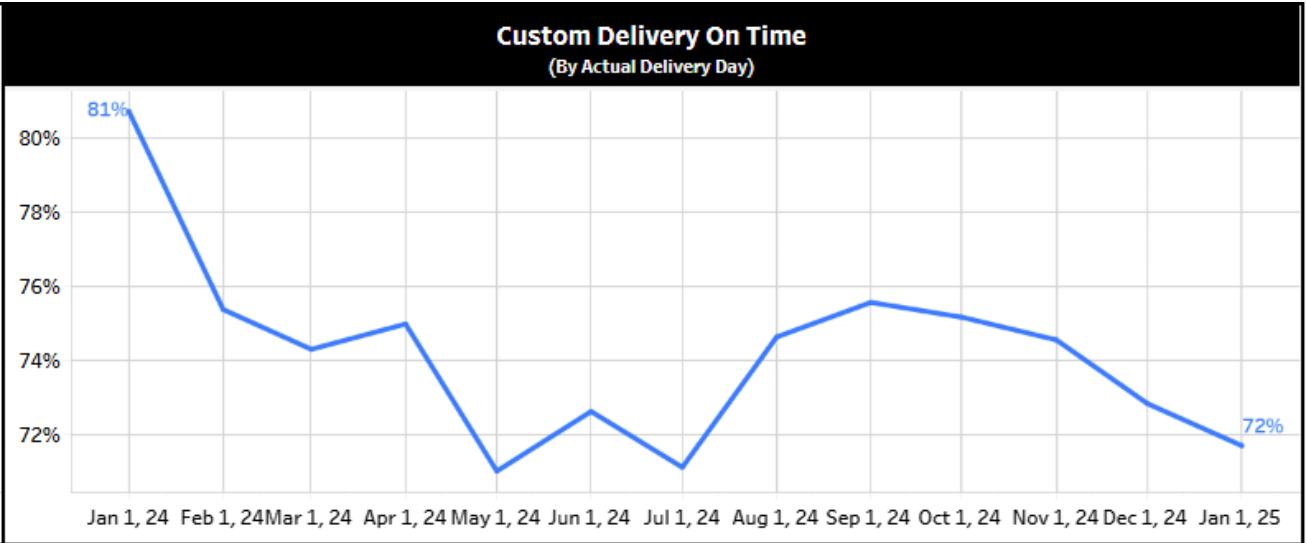
LTL



TL

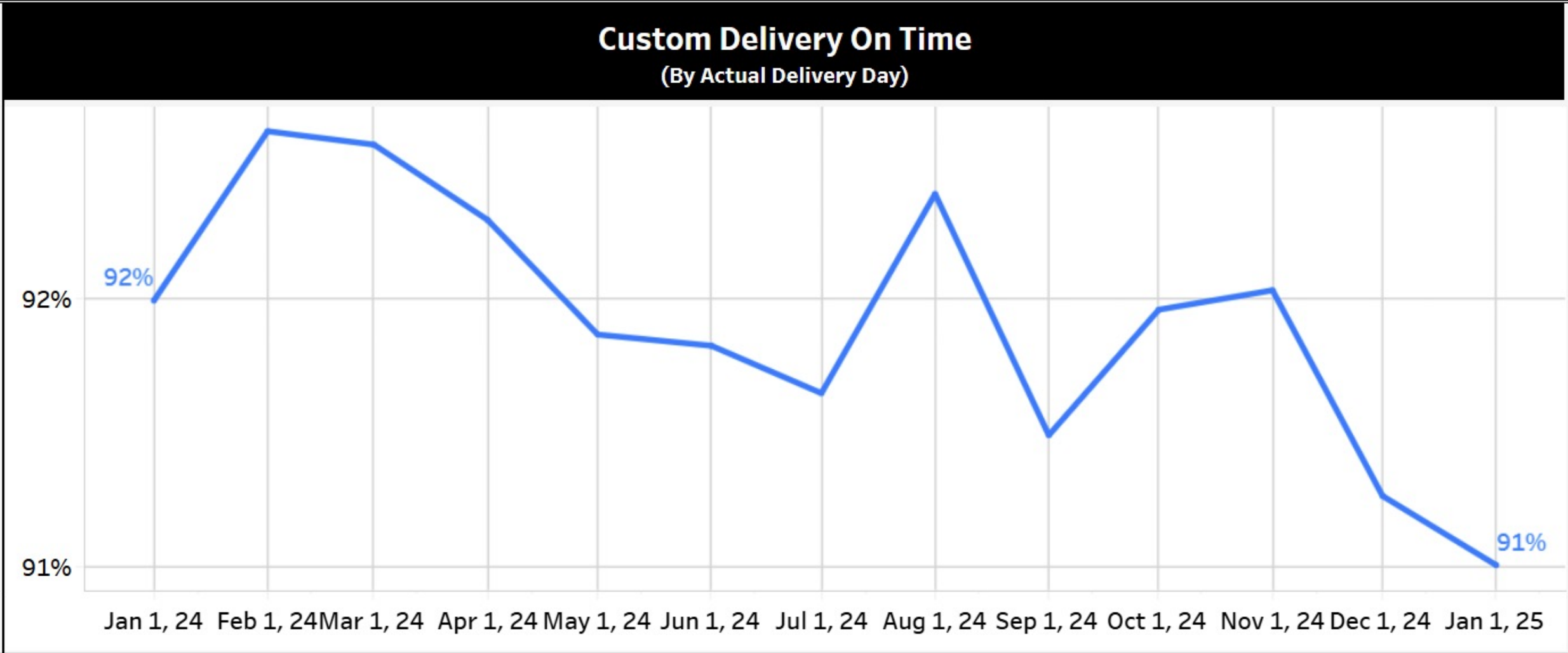


Other





# Chemical vertical on-time delivery\*



\*More than 170,000 shipments each month, including all modes and two-hour tolerance for delivery appointments

Uber Freight

We partner with some of the world's largest chemical companies to manage their complex logistics

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