

U.S. MARKET:

Gross Domestic Product	<p>The U.S. GDP increased at an annual rate of 4.2% in the second quarter of 2018, according to the third estimate released by the Bureau of Economic Analysis in late September. With this third estimate for the second quarter, the general picture of economic growth remains the same; a downward revision to private inventory investment was offset by small upward revisions to most other GDP components. Imports, which are a subtraction in the calculation of GDP, were revised down slightly. (Source: US BEA) As of October 10, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the third quarter of 2018 is 4.2%. (Source: Federal Reserve Bank of Atlanta) <i>(The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</i></p>
U.S. Trade Deficit	<p>The U.S. goods and services trade deficit increased 6.2% in August 2018 to \$53.2 billion. In August, 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, OPEC, Taiwan, Saudi Arabia, United Kingdom, and France. (Source: US DOC & Census Bureau)</p>
Import Volumes	<p>In August 2018, the U.S. imported \$215.6 billion of cargo, increasing 0.8% from July. August imports of goods (\$213.9 billion) were the highest on record. (Source: US Census)</p>
Export Volumes	<p>In August 2018, the U.S. exported \$138.9 billion of cargo, decreasing 1.4% from July. August exports to South and Central America (\$14.1 billion) were the highest since December 2014. (Source: US Census)</p>
Import & Export Price Index	<p>U.S. import prices increased 0.5% in September 2018. The September advance was led by higher fuel prices. U.S. export prices were unchanged in September. (Source: Bureau of Labor Statistics)</p>
Unemployment Rate	<p>The unemployment rate in America fell to 3.7% in September 2018, the lowest rate since December 1969. A preliminary 134,000 net new jobs were created in September 2018, lower than what most economists expected. However, both August's and July's job gains were revised upward for a combined increase of 87,000 additional jobs. In the first nine months of 2018, 1.88 million net new jobs were created, an average of 208,000 per month. Health care led the way, accounting for 12% of the total 1.88 million new jobs. The unemployment rate in Georgia was 3.7% in September 2018, down from 3.8% the previous month. (Source: US DOL, GDOL, AAR)</p>
Labor Force Participation Rate	<p>The labor force participation rate remained at 62.7% in September 2018. The labor force participation rate for those of prime working age (25-54) was 81.8% in September, slightly down from 82.0% the previous month. (Source: U.S. Bureau of Labor Statistics, AAR, FRED) <i>(The Workforce Participation Rate measures the share of Americans at least 16 years old who are either employed or actively looking for work)</i></p>
Leading Economic Index	<p>The Leading Economic Index for the U.S. increased 0.5% in September 2018, ending at a reading of 111.8. According to The Conference Board, "The US LEI improved further in September, suggesting the US business cycle remains on a strong growth trajectory heading into 2019. However, the LEI's growth has slowed somewhat in recent months, suggesting the economy may be facing capacity constraints and increasingly tight labor markets. Economic growth could exceed 3.5 percent in the second half of 2018, but, unless the momentum in housing, orders and stock prices accelerates, that pace is unlikely to be sustained in 2019." (Source: Conference Board Note: The LEI was recently revised the seasonally adjusted index to 2016 = 100) <i>(The LEI is a composite of 10 economic indicators that together create an analytic system designed to signal peaks and troughs in the business cycle. The LEI reveals patterns in economic data in a clearer and more convincing manner than any individual component alone.)</i></p>
Housing Starts	<p>In August 2018, housing starts were an annualized 1,282,000 units, up 9.2% from the previous month and 9.4% higher than August 2017. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 104.2 in August 2018, down 1.8% from the previous month and 2.3% lower year-over-year. According to the National Association of Realtors, "Low inventory continues to contribute to the housing market slowdown. With prices having risen so quickly, many consumers were deciding to wait to list their homes hoping to see additional price and equity gains. However, with indications that buyers are beginning to pull out, price gains are going to decelerate and potential sellers are considering that now is a good time to list and bring more properties to the market." (Source: U.S. DOC, National Association of Realtors)</p>
Light Vehicle Sales	<p>New light vehicle sales were an annualized and seasonally adjusted 17.4 million in September 2018, up 4.8% from the previous month, down 5.9% from September 2017, and the most for any month this year. Sales last year were unusually high because buyers replaced hundreds of thousands of vehicles lost or damaged in Hurricane Harvey and Irma. Year-to-date sales were 12.84 million, fractionally ahead over the same period in 2017. (Source: AAR) <i>(Light vehicle sales record the number of domestically produced units of cars, SUVs, mini-vans, 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.)</i></p>
Personal Income	<p>Personal Income increased 0.3% to \$17.7 trillion in August 2018. The increase in personal income in August primarily reflected increases in wages and salaries, government social benefits to persons, and nonfarm proprietors' income. During Q2 2018, Personal Income in Georgia was estimated at \$477.8 billion, an increase of 4.2% from Q1 2018. (Source: U.S. Bureau of Economic Analysis) <i>(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 realized or unrealized capital gains or losses).</i></p>
Retail Sales	<p>Advanced estimates of retail and food service sales in September 2018 were \$509.0 billion, an increase of 0.1% from the previous month, and up 4.7% from September 2017. Non-store retail sales were 9.9% higher from the same month last year. (Source: US Census) <i>(Non-store retail sales are measured on a monthly basis and include internet-only sales outlets as well as other direct-to-customer channels)</i></p>

E-Commerce	<p>The estimate of U.S. retail e-commerce sales for the second quarter of 2018, adjusted for seasonal variation, was \$127.3 billion, an increase of 3.9% from the first quarter of 2018 and 15.2% higher than the second quarter of 2017. E-commerce sales in the second quarter of 2018 accounted for 9.6% of total sales. (Source: US Census) <i>(E-Commerce sales are measured on a quarterly basis and include the sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated over an Internet, mobile device (M-commerce), extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be made online.)</i></p>
Consumer Confidence	<p>The Consumer Confidence Index increased to 138.4 in September 2018, up 2.8% from the previous month and the highest level in 18 years. According to The Conference Board, "Consumers' assessment of current conditions remains extremely favorable, bolstered by a strong economy and robust job growth. The Expectations Index surged in September, suggesting solid economic growth exceeding 3.0% for the remainder of the year. These historically high confidence levels should continue to support healthy consumer spending, and should be welcome news for retailers as they begin gearing up for the holiday season." (Source: The Conference Board) <i>(The consumer confidence index is based on a monthly survey of 5,000 U.S. household. It is designed to gauge the financial health, spending power, and confidence of the average U.S. consumer.)</i></p>
Consumer & Producer Price Index	<p>The Consumer Price Index for all urban consumers was 252.0 in September 2018, up 0.1% from the previous month. The shelter index continued to rise and accounted for over half of the monthly increase. The Producer Price Index for final demand was 116.5 in September, up 0.2% from the previous month. In September, a 0.3% rise in prices for final demand services contributed to the increase. (Source: US Bureau of Labor Statistics)</p>
Small Business Optimism Index	<p>The Small Business Optimism Index was 107.9 during September 2018, down 0.8% from the previous month but the third highest level recorded. According to the National Federation of Independent Business (NFIB), "In the small business half of the economy, 2018 has produced 45-year record high measures of job openings, hiring plans, actual job creation, compensation increases (actual and planned), profit growth, and inventory investment." Out of 10 index components, three posted gains, one was unchanged, and six declined. (Source: National Federation of Independent Business) <i>(This index collects data from small businesses on economic topics ranging from current job openings to expected credit conditions)</i></p>
Industrial Production and Capacity Utilization	<p>The Industrial Production Index was 108.5 in September 2018, an increase of 0.3% from the previous month and 5.1% higher than September 2017. Capacity Utilization for the industrial sector was 78.1% in September 2018, unchanged from the previous month and 1.8% higher than September 2017. (Source: Federal Reserve) <i>(The industrial production and capacity utilization rates cover manufacturing, mining, and electric and gas utilities. The industrial detail provided by these measures helps illuminate structural developments in the economy)</i></p>
Manufacturing & Trade Sales	<p>Total combined sales and manufacturing shipments totaled nearly \$1.46 trillion in August 2018, up 0.5% from the previous month and up 7.8% from August of the previous year. (Source: US Census)</p>
Manufacturing & Trade Inventory	<p>Total value of inventory on-hand is estimated at \$1.96 trillion in August 2018, up 0.5% from the previous month and up 4.2% from August of the previous year. (Source: US Census)</p>
Purchasing Managers Index	<p>The National PMI decreased to 59.8% in September 2018, a decrease of 150 basis points from the previous month. With a reading above 50 however, the overall economy grew for the 113th consecutive month. New Orders decreased 330 basis point to 61.8%, and Production increased 60 basis points to 63.9%. In September, 15 out of the 18 manufacturing industries tracked by the ISM reported growth. (Source: Institute for Supply Management) <i>(The PMI combines data on new orders, inventory, production, supplier deliveries, and employment. A reading above 50 indicates that the manufacturing economy is generally expanding.)</i></p>
Purchasing Managers Index in Georgia	<p>In September 2018, Georgia's PMI decreased 640 basis points month-over-month to 60.0%. However, it still remains at levels in line with sustained growth in the manufacturing sector. New Orders in Georgia decreased to 63.6% and Production decreased to 59.1%. In the month of September, Georgia's PMI was 20 basis points above the national PMI. (Source: Kennesaw State University) <i>(The PMI combines data on new orders, inventory, production, supplier deliveries, and employment. A reading above 50 indicates that the manufacturing economy is generally expanding.)</i></p>
U.S. Market News	<p>UPS is doubling down on automation to boost efficiency as it prepares for a busy peak season, executives said on a call with investors this month. The logistics provider broke ground last weekend on a "super hub" in Atlanta, which sorts 100,000 packages per hour. In total, UPS is opening 22 automated facilities around the world, either new or retrofitted, that have up to 35% higher efficiency than traditional buildings. UPS expects 70% of its ground volumes will be processed through automated facilities by the end of this year. From Black Friday through New Year's Day, UPS is forecasting record demand, and it expects to deliver 800 million packages during this peak season — with 37 million delivered on peak day. Automation is one way UPS is planning to handle soaring volumes. In addition to technology within facilities, UPS is deploying mobile tools and delivery apps to boost productivity on the road. Even with significant technology investments and automation in place, "the wave of volume we will manage requires about 100,000 seasonal employees," COO James Jay Barber said. The company hosted a one-day hiring blitz this month, known as "Brown Friday," to recruit seasonal employees. Barber said the number of applicants went up fivefold that day, and UPS is 60% to 70% of the way to its goal of 100,000 hires. (Source: UPS, supplychaindive.com)</p>

MULTIMODAL:

Dow Jones Transportation Index	<p>Dow Jones Transportation Index increased 0.7% in September 2018, ending at a reading of 11,379. (A price-weighted average of 20 U.S. companies in the transportation industry, average of September 1st thru September 30th. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)</p>
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NASDAQ Transportation Index	NASDAQ Transportation Index increased 0.4% in September 2018, ending at a reading of 5,613. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of September 1st thru September 30th)</i>
DOT Freight Transportation Service Index	The USDOT's freight transportation services index was 135.3 in August 2018, an increase of 0.1% from the previous month, 1.7% higher than August 2017 and the third highest level of all time . The August increase in the Freight TSI was driven by increases in trucking, water, and air. Pipeline and rail intermodal decreased and rail carloads remained stable. (Source: US BTS)
Cass Freight Index	The Cass Freight Shipments Index was 1.241 in September 2018, an increase of 1.1% from the previous month, and an increase of 8.2% year-over-year. The Cass Freight Expenditures Index was 2.990 in September, an increase of 2.5% from the previous month and an increase of 19.3% year-over-year. According to Cass Information Systems, "Despite all the recent turmoil in the financial markets and the resulting concerns about the strength of the economy, the Cass Freight Shipments Index is clearly signaling that the U.S. economy, at least for now, continues to be extraordinarily strong. Simply stated, when shipment volume is up 8.2%, it is the result of an expanding economy." (Source: Cass Information Systems Cassinfo.com) <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
Shippers Conditions Index	The Shippers Conditions Index for July 2018 slightly decreased from the previous month, to a reading of -9.9 . Earlier in the year the SCI reading was in double digit negative territory. FTR forecasts the index to be moderate from this point forward until reaching the "least unfavorable" level on this cycle around mid-2019. According to FTR, "Stabilization in rail service levels and some easing in the trucking market led to a steady SCI this month. But conditions have not shown any sign of improvement for shippers as they head toward peak season and a potential end-of-year rush before new tariffs take effect on January 1. While things are stable, the SCI indicates that things remain far from ideal for shippers." (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for shippers)</i>
NAFTA Trade	Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico totaled \$101.2 billion in July 2018, down 4.7% from the previous month, and up 13.5% year-over-year. July marked the 21st straight month in which the year-over-year value of U.S. NAFTA freight increased from the same month of the previous year. Trucks carried \$62.7 billion of U.S.-NAFTA freight and continued to be the most heavily utilized mode for moving goods to and from both U.S.-NAFTA partners. (Source: US BTS)
Multimodal News Clips:	Legislation introduced earlier this month takes a hard look at giving non-highway freight-based transportation infrastructure initiatives a more prominent seat at the table. The bill focuses on improving the country's freight systems through making key investments in ports, railways, and intermodal hubs, with a major emphasis on improving the Nationally Significant Freight and Highway Projects Program, also known as INFRA. INFRA's chief objective is to make needed investments in critical freight and highway needs. The key components of the introduced bill focus on removing the cap on INFRA grants to multimodal freight projects, enhancing transparency and administration of the INFRA grant program to ensure that the best projects receive funding, and ensuring that safety remains a priority for the INFRA grant program. (Source: Logistics Management)

RAIL:

U.S. Freight Rail Traffic	Originations of carloads in September 2018 totaled 1,066,826 units, a decrease of 23.0% from the previous month but an increase of 2.6% from September 2017, marking the seventh straight year-over-year monthly increase. Total carloads averaged 266,707 per week in September 2018, the most for any September since 2015 . For the first nine months of 2018, total carloads were up 2.0%, or 199,538 carloads, over the same time period the previous year. (Source: AAR.org) <i>(Report includes rail car-loadings by 20 different major commodity categories)</i>
U.S. Intermodal Rail Traffic	Intermodal rail traffic totaled 1,127,385 units in September 2018, a decrease of 21.9% from the previous month but 6.2% higher than September 2017 . The month-over-month decline was expected due to the Labor Day holiday weekend. Average weekly intermodal volume in September 2018 was 281,846 units, easily the all-time record for September . The last two weeks of September were the two highest-volume intermodal weeks in history for U.S. railroads . Year-to-date intermodal volume through September totaled 10,832,004 units, up 6.0% over the same period last year and the highest January-September total ever . (Source: AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
Railroad Fuel Price Index	The index of average railroad fuel prices in September 2018 was 457.4 up 3.3% from the previous month and 23.3% higher year-over-year. (Source: AAR.org) <i>(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)</i>
Class 1 Railroad Employment	Railroad employment in August 2018 increased 0.5% from the previous month to 148,136 employees total, the seventh straight month-to-month increase . In August, the majority of the increase was seen in the train and engine category which rose by 551 employees. (Source: U.S. STB, AAR)
Short Line Rail Traffic	In August 2018, short line railroad shipments across North America increased 5.0% from the previous month and increased 5.1% year-over-year . A sampling of about 500 short line and regional railroads loaded 391,330 railcars and intermodal units during the month of August. Nonmetallic minerals led gains with a 31.3% increase. Coal led declines for the fourth consecutive month, with a decrease of 16.5%. (Source: Railinc Short Line and Regional Traffic Index)

Railroad News Clips:

CSX will cut 230 more domestic intermodal pairs and 65 international intermodal pairs as of Jan. 3, 2019. The service change announcement, originally made through its Fast Facts service, is part of a multi-year strategy to offer a more reliable, less redundant and higher density rail transportation service. The intermodal shifts are part of a master plan by CSX to consolidate its railroad network in order to provide more direct origin-and-destination pairs. At this year's investor conference, the railroad said by 2020 it hopes to have slashed its workforce to 21,000 employees (from 27,200 in 2017), its cars online to 109,000 (from 136,000), its locomotives to 2,420 (from 3,000), and have transitioned from 12 to just four hump yards on its network (one per operating region). As a result, cutting intermodal pairs can result in reduced fuel costs and lead times, as total miles traveled by trains are reduced. It can also free up real estate and allow CSX to sell unused track to other lines. (Source: Supplychaindive.com, CSX)

TRUCKING:

Truck Tonnage Index

The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 111.8 in September 2018, a **decrease of 0.8% from the previous month and an increase of 2.9% from September 2017**. According to ATA Chief Economist Bob Costello, "Truck freight slowed at the end of the third quarter. As anticipated, the year-over-year gains have slowed on strength a year earlier, but there is no doubt that freight softened in August and September. Despite the decreases late in the quarter, based on July's strength, third quarter tonnage rose 0.1% from the second quarter and 5.2% from the same period in 2017." (Source: American Trucking Associations | Trucking.org. Note: ATA recently revised the seasonally adjusted index to 2015 = 100)

Truckload Freight

The spot market for truckload-freight available for pick-up in September 2018 **decreased 11%** compared to the previous month, and was **0.8% higher** year-over-year. Truck capacity **decreased 9.3%** for the month, and **increased 24%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Refrigerated Trucking

In September 2018, refrigerated loads posted on load boards **decreased 14%** while refrigerated truck posts **decreased 6%**, compared to the previous month. That caused the load-to-truck ratio to **decrease 8%** to 8.1 loads per truck. The ratio was **32% lower** compared to September 2017. In September, the national reefer rate was \$2.52 per mile, \$0.03 higher than the previous month and \$0.28 higher than September 2017. (Source: DAT Trendlines | www.dat.com)

Trucking Conditions Index

The Trucking Conditions Index in August 2018 **decreased to a reading of 10.24** but continues to reflect a very positive carrier environment. According to FTR, "The August TCI reading is the lowest of 2018 so far, but prior to this year the TCI had not been higher than 10.24 since December 2015. In other words, the moderation we see in trucking conditions really just highlights how phenomenal the first half of 2018 was. Based on our current forecast, trucking conditions will remain positive at least through 2019." (Source: FTR Transportation Intelligence | ftrintel.com) *(Figures below zero indicate a less-than-ideal environment for trucking)*

Diesel Prices

As of October 22, 2018 the U.S. average diesel price was **\$3.38 per gallon**. The U.S. average diesel price was **\$0.58 higher** than the same week last year. The average price of diesel in the Southeastern Atlantic states was **\$3.25 per gallon, 3.9% less than the national average price**. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

Trucking Employment

The trucking industry workforce **increased by approximately 4,900 employees to 1,487,900 employees total** in September 2018. The trucking industry workforce **increased 0.3%** over the previous month and **increased 0.9%** over September 2017. (Source: U.S. Bureau of Labor Statistics)

Trucking Earnings and Hours

The average earnings of truck transportation employees were \$24.43/hour in August 2018, **up 0.5%** from the previous month. The average weekly hours totaled 42.1 in August, **down 0.9%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

U.S. Truck & Trailer Orders (Class 8)

Preliminary data for heavy-duty Class 8 trucks net orders in North America were 42,278 units in September 2018, **down 19%** from the previous record-holding month but **92% higher** year-over-year. According to FTR, "The pressure is on fleets to add capacity to keep up with a robust freight market. The economy is surging right now, putting stress on shippers to find trucks to deliver goods on time. Fleets don't want to be stuck in the same situation next year, so they are placing huge orders for trucks well ahead of time." Preliminary September 2018 net trailer orders exceeded expectations, coming in at **56,000 units, up 59%** from the previous month, **up 133%** from September 2017, and **exceeding the previous record from October 2014 by over 10,000 trailers**. FTR notes that "The fleets have ordered an enormous amount of Class 8 trucks for 2019 and now are ordering the trailers to go with them. They want to reserve build slots throughout next year, so they can have equipment ready for what is anticipated to remain a vibrant freight market. This is the equivalent of tickets going on sale for a wildly popular concert and quickly selling out. Some dry van OEMs are largely booked up for 2019." (Source: FTR Transportation Intelligence | ftrintel.com)

Trucking News Clip

Uber Technologies Inc has announced it is entering the trailer leasing business. The business, called Powerloop, will be a part of Uber Freight and will rent trailers to carriers under a trailer-pool model that any eligible carrier can use. The model aims to cut delays in transportation by loading trailers at designated sites, without a driver present. According to Max Pike, program manager of strategic projects at Uber Freight, "Drivers running power-loads through trailer pool programs spend less time waiting around at facilities and more time on the road moving freight." Currently available only in Texas, Powerloop already is being used by Anheuser-Busch and others. Uber Freight plans to roll the program out throughout the country. (Source: Uber, Supplychaindive.com)

AIR FREIGHT:

Air Cargo Traffic	Global air freight traffic in August 2018 increased by 2.3% year-over-year , unchanged from in July and less than half the five-year average pace (5.1%). According to the IATA, "The main factor behind the slowdown in annual FTK growth since mid-2017 has been a much-reduced boost from the inventory restocking cycle. Recall that growth in air freight volumes outpaced that of global goods trade by a wide margin last year as firms turned to air freight from other modes of transport to restock inventory levels quickly. Amid signs that the inventory restocking cycle peaked in late-2017, the slowdown in FTK growth is a typical pattern, consistent with similar periods in the past." (Source: IATA.org.) <i>(Global air freight covers international and domestic scheduled air traffic.)</i>
Atlanta Air Cargo Traffic	In August 2018, Hartsfield-Jackson Atlanta International Airport transported 59,799 metric tons of cargo, a 9.7% increase from the previous month and a 1.2% increase year-over-year. (Source: HJAIA)
Air Freight Price Index	In July 2018, average airfreight rates for East-West routes increased \$0.06 year-over-year. The figure is calculated using a combination of the base rate, the fuel surcharge and the security surcharge, but excluding door delivery costs. However, according to the August edition of Drewry Sea & Air Shipper Insight, "Drewry's East-West Airfreight Price Index shows a broad softening of rates in July from the previous month, slipping three percentage points... Drewry expects there is no discernible upward pressure on rates in August." (Source: Drewry, aircargonews.net) <i>(The Drewry East-West Air Freight Price Index is based on the average of rates (\$US per kg) for air freight services on 21 major East-West routes.)</i>
Jet Fuel Prices	As of October 19, 2018 the global average jet fuel price was \$95.26 per barrel; up 3.5% from the previous month, and 36.3% higher year-over-year. (Source: IATA.org, platts.com) <i>(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)</i>
Air Freight News Clips:	Delta Air Lines has entered a partnership with Airbus to use the jet manufacturer's Skywise platform to track data on its aircraft operations and component parts. The airline will use Skywise's predictive analytics capabilities to anticipate maintenance needs. "Skywise Predictive Maintenance enables them to turn unscheduled maintenance into scheduled maintenance," Airbus said. Through the use of predictive analytics, Delta can recognize when an airplane or component will need maintenance well in advance of a major problem occurring. Since the cost of minor maintenance and upkeep is significantly lower than a major repair or even replacement of a part, Delta expects Skywise will help it tap into cost savings. The partnership is also a benefit for Airbus, as it can tap into the data collected to pinpoint areas for improvement and leverage that information in future component design and construction. (Source: Airbus, Delta, Supplychaindive.com)

OCEAN FREIGHT:

Import Volumes by Ocean	In August 2018, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.89 million TEUs, a 0.6% decrease from the previous month but 3.4% higher than August 2017. According to the National Retail Federation, "Retailers are continuing to import merchandise in order to meet consumer demand even though tariffs are now in place on roughly half the goods imported from China and the trade war is still escalating. Retailers are doing their best to mitigate the impact on their customers, but they are not able to quickly or easily change their sourcing. That means these tariffs will eventually mean higher prices for American consumers." (Source: NRF/Hackett Associates)
Shanghai Containerized Freight Index	The October 19 th SCFI comprehensive reading was \$926 per FEU, up 4.1% from last month. The spot rate for shipments to the U.S. East Coast was \$3,304 per FEU, down 5.7% from the previous month. (Source: Shanghai Shipping Exchange www1.chineseshipping.com.cn/en) <i>(The Shanghai Containerized Freight Index reflects the spot rates of the Shanghai container transport market. It is a weekly reported average spot rate of 15 major container trade routes exported from Shanghai to regions around the globe.)</i>
Baltic Dry Index	The Baltic Dry Index decreased 2.5% in September 2018, ending at 1,540. Compared to September 2017, the index increased 13.6% . (Source: www.bloomberg.com/quote/BDIY:IND .) <i>(The Baltic Dry Index is an index that tracks and averages worldwide international shipping prices of various dry bulk cargoes.)</i>
Port of Savannah	The Port of Savannah moved 364,150 TEUs in September 2018, a 3.1% decrease from the previous month, but 12.0% higher compared to September 2017 and the 23rd consecutive month of year-over-year growth . GPA ended the first quarter of Fiscal Year 2019 (July-September) with 1.1 million TEUs handled. The performance was good for 10.8% growth (109,164 TEUs) compared to the first quarter of FY2018. Cargo moving by rail at the 1,200-acre Garden City Terminal continues to outpace Savannah's overall TEU growth, expanding by 35% in September and 30% for the fiscal year to date , on volumes of 41,183 and 131,819 containers, respectively. (Source: GPA)
Port of Brunswick	In September 2018, Roll-on/Roll-off cargo increased 37.6% at the Port of Brunswick. Automotive and heavy equipment units increased by 13,811 in September for a total of 50,515 units. (Source: GPA)

Ocean Freight Business News:

Rolls-Royce is partnering with Intel to conquer the immense amount of data required to make autonomous container ships a reality. The data required to facilitate autonomous ships is greater in size and complexity than that necessary for autonomous road vehicles because of the increased variability of the environment. Sensors need to sense farther ahead because of the slower maneuvering and stopping speeds. Cameras need to see above and underneath the water line, requiring more granularity and larger file sizes. And with weather a large factor, various types of radar and other sensors must be combined as well. Rolls-Royce estimates that the total tonnage of data for an autonomous ship could be one terabyte of data per vessel, per day — the equivalent of 250 high definition feature-length films, according to the company. Rolls-Royce has said that it aims to have autonomous ships in action by 2025, but before that can happen, global regulations need some work. (Source: Supplychaindive.com, Rolls-Royce)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The **nationwide vacancy was 5.1%** at the end of the third quarter of 2018, matching the previous quarter's rate but down 20 basis points year-over-year. None of the 49 markets tracked by NGKF had a double-digit vacancy rate as of Q3 2018. According to NGKF, this speaks to the overall strength of the national industrial market and also helps to explain why investors have become keen on this product type. According to NCREIF, the U.S. industrial sector achieved a 3.58% total return during Q2 2018, significantly outperforming all other property sectors. Industrial outperformed the second-best performing sector, hotel, by 163 basis points during Q2 2018. The vacancy rate in **Atlanta, GA was 7.2%** in Q3 of 2018. (Source: NGKF)

Warehouse Rent Rates

In Q3 2018, the average asking rent across the U.S. was **\$6.96/SF, up 2.7%** from the prior quarter, **8.4% higher** from one year ago, **and the highest average recorded this cycle**. According to NGKF, e-commerce tenants are demanding top-quality distribution centers that can offer higher ceiling heights and automated warehouse management systems, which are helping to drive rents to record highs. **The average asking rent in Atlanta was \$5.18/SF in Q3 2018.** (Source: NGKF)

Industrial Absorption

Net absorption in the U.S. decreased by nearly 12.9 million square feet during Q3 2018, totaling 49.7 million square feet, the lowest quarterly absorption total recorded since the third quarter of 2013. Of the 49 industrial markets tracked by NGKF, 20 absorbed 1 million square feet or more in Q3, led by Atlanta which absorbed 5.4 million square feet. (Source: NGKF) *(Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)*

Warehouse Employment

The nationwide warehousing industry workforce **increased by 8,400 employees** to 1,049,800 employees total in September 2018. The warehouse industry workforce **increased 0.8%** from the previous month and **increased 9.4%** year-over-year. (Source: U.S. Bureau of Labor Statistics)

Warehouse Earnings and Hours

The average earnings of warehousing & storage employees across the U.S. were \$20.08/hour in August 2018, **down 0.3%** from the previous month. The average weekly hours totaled 42.6 in August, **down 0.2%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

W&D Business News:

- Five multistory warehouses are being built in at least three U.S. markets this year, as developers look for ways to meet rising industrial real estate demand amid high e-commerce growth. U.S. industrial real estate demand has outpaced supply for 32 consecutive quarters, largely the result of rapid e-commerce growth. With consumers expecting faster delivery times, there's a looming shortage of urban infill sites for new "last-mile" delivery and a budding trend of multistory warehouse development. The key variables for multistory warehouse development are high population density, strong e-commerce penetration, and tight market conditions for suitable last-mile fulfillment buildings and development sites. While efficiently accommodating the 53-foot trucks commonly used in U.S. logistics is a challenge, multistory warehouses are underway or in the pipeline in New York City, Seattle and San Francisco. If successful, these new projects could set an example for developers in other cities that face similar conditions. (Source: CBRE, Supplychaindive.com)
- Wincore Window Company LLC, a leading American manufacturer of premium vinyl windows and fiberglass entry door systems, will create 150 new jobs and invest \$6.5 million in a manufacturing facility in Swainsboro. Wincore currently employs 340 people nationwide. The company will occupy an existing 75,000-square-foot manufacturing facility in Swainsboro and begin operations in April 2019. Wincore products include both new construction and retrofit vinyl windows and sliding patio doors, as well as a full line of classic and decorative glass fiberglass entry systems. (Source: Georgia.org)

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For more information about the **Logistics Market Snapshot** or the many other resources and activities of the **Georgia Center of Innovation for Logistics** please contact:
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