

U.S. MARKET:

Gross Domestic Product	The U.S. GDP increased at an annual rate of 2.2% in the fourth quarter of 2018, according to the third estimate released by the Bureau of Economic Analysis in late March. With this estimate for the fourth quarter, the general picture of economic growth remains the same; personal consumption expenditures (PCE), state and local government spending, and nonresidential fixed investment were revised down; imports, which are a subtraction in the calculation of GDP, were also revised down. (Source: US BEA) As of April 19, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the first quarter of 2019 is 2.8% . (Source: Federal Reserve Bank of Atlanta) <i>(The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</i>
U.S. Trade Deficit	The U.S. goods and services trade deficit decreased 3.4% in February 2019 to \$49.4 billion. In February, the U.S. had a trade surplus with South and Central America, Hong Kong, United Kingdom, Brazil, Singapore, Canada, and OPEC. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, South Korea, India, Taiwan, Saudi Arabia, and France. (Source: US DOC & Census Bureau)
Import Volumes	In February 2019, the U.S. imported \$211.6 billion of cargo, increasing 0.4% from January. The February volume of crude oil imports (173.7 million barrels) were the lowest since March 1992 . (Source: US Census)
Export Volumes	In February 2019, the U.S. exported \$139.5 billion of cargo, increasing 1.5% from January. (Source: US Census)
Import & Export Price Index	U.S. import prices increased 0.6% in March 2019. The March increase was led by higher fuel prices. U.S. export prices increased 0.7% in March 2019. Higher prices for both agricultural and nonagricultural commodities contributed to the March increase. (Source: Bureau of Labor Statistics)
Unemployment Rate	The unemployment rate in America was 3.8% in March 2019, unchanged from February. A preliminary 196,000 net new jobs were created in March 2019, up from a revised 20,000 jobs reported in February. In the first quarter of 2019, 541,000 net new jobs were created, the fewest for any quarter since Q3 2017 but still a solid number. The unemployment rate in Georgia was 3.9% in March 2019, unchanged the previous month. (Source: US DOL, GDOL, AAR)
Labor Force Participation Rate	The labor force participation rate was 63.0% in March 2019, down 0.3% from the previous month. The labor force participation rate for those of prime working age (25-54) was 82.5% in March, unchanged from 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>
Leading Economic Index	The Leading Economic Index for the U.S. increased 0.4% in March 2019, ending at a reading of 111.9. According to The Conference Board, "The US LEI picked up in March with labor markets, consumers' outlook, and financial conditions making the largest contributions. Despite the relatively large gain in March, the trend in the US LEI continues to moderate, suggesting that growth in the US economy is likely to decelerate toward its long term potential of about 2 percent by year end." (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>
Housing Starts	Existing home sales were an annualized and seasonally adjusted 1.16 million in February 2019, down 8.7% from January and well below the 2018 average of 1.25 million. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 101.9 in February 2019, down 1.0% from the previous month and 4.9% lower year-over-year, making this the fourteenth straight month of annual decreases. According to the National Association of Realtors, "In January, pending contracts were up close to 5 percent, so this month's 1 percent drop is not a significant concern. As a whole, these numbers indicate that a cyclical low in sales is in the past but activity is not matching the frenzied pace of last spring." (Source: U.S. DOC, National Association of Realtors)
Light Vehicle Sales	New light vehicle sales were an annualized and seasonally adjusted 17.5 million in March 2019, up 5.7% from the previous month but down 2.2% from March 2018. According to the Wall Street Journal, "Several factors are contributing to the [sales] slowdown. A record run of car sales eased pent-up demand...following the 2007-09 recession...Vehicle prices also have risen sharply, which, along with an uptick in interest rates, have put new wheels out of reach for some buyers. There also are more attractive used-car options as a record number of lightly used cars return from lease service, nudging more buyers toward the preowned lot." (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>
Personal Income	Personal Income increased 0.2% to \$18.0 trillion in February 2019. The increase in personal income in February primarily reflected increases in wages and salaries, government social benefits to persons, and proprietors' income that were partially offset by a decrease in personal interest income. During Q4 2018, Personal Income in Georgia was estimated at \$490.8 billion, an increase of 4.6% from Q3 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>
Retail Sales	Advanced estimates of retail and food service sales in March 2019 were \$514.1 billion, an increase of 1.6% from the previous month, and up 3.6% from March 2018. Non-store retail sales were 10.0% 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>

E-Commerce	<p>The estimate of U.S. retail e-commerce sales for the fourth quarter of 2018, adjusted for seasonal variation, was \$132.8 billion, an increase of 2.0% from the third quarter of 2018 and 12.1% higher than the fourth quarter of 2017. E-commerce sales in the fourth quarter of 2018 accounted for 9.9% 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 decreased to 124.1 in March 2019, down 5.6% from the previous month. According to The Conference Board, “Confidence has been somewhat volatile over the past few months, as consumers have had to weather volatility in the financial markets, a partial government shutdown and a very weak February jobs report. Despite these dynamics, consumers remain confident that the economy will continue expanding in the near term. However, the overall trend in confidence has been softening since last summer, pointing to a moderation in economic growth.” (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 254.1 in March 2019, up 0.4% from the previous month. The energy index increased 3.5% in March, accounting for about 60% of the seasonally adjusted all items monthly increase. The gasoline index increased sharply, and the electricity index also rose, although the natural gas index declined. The Producer Price Index for final demand was 117.9 in March 2019, up 0.6% from the previous month. In March, over 60% of the increase in the index for final demand can be traced to a 1.0% advance in prices for final demand goods. The index for final demand services moved up 0.3%. (Source: US Bureau of Labor Statistics)</p>
Small Business Optimism Index	<p>The Small Business Optimism Index was 101.8 during March 2019, up 0.1% from the previous month. According to the National Federation of Independent Business (NFIB), “Small business owners continue to create jobs, expand their operations, and are enjoying strong sales. Since Congress resolved the shutdown, uncertainty has declined as small business owners add jobs, increase sales, and invest in their businesses and employees.” Out of 10 index components, four posted gains, three were unchanged, and three 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 110.2 in March 2019, a decrease of 0.1% from the previous month and 2.8% higher than March 2018. Capacity Utilization for the industrial sector was 78.8% in March 2019, up 2.0% from March 2018. (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 \$1.45 trillion in February 2019, up 0.1% from the previous month and up 2.4% from February of the previous year. (Source: US Census)</p>
Manufacturing & Trade Inventory	<p>Total value of inventory on-hand is estimated at \$2.02 trillion in February 2019, up 0.3% from the previous month and up 4.9% from February of the previous year. (Source: US Census)</p>
Purchasing Managers Index	<p>The National PMI increased to 55.3% in March 2019, an increase of 1.1% from the previous month. With a reading above 50, the overall economy grew for the 119th consecutive month. New Orders increased 1.9% to 57.4%, and Production increased 1.0% to 55.8%. In March, 16 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 March 2019, Georgia’s PMI increased 1.2% month-over-month to 55.7%. New Orders in Georgia decreased to 50.0% and Production increased to 50.0%. In the month of March, Georgia’s PMI was 0.7% 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>Buoyed by the continued expansion of the global economy and a new entrant in Amazon, the world’s 50 largest logistics companies registered combined revenue of \$341 billion in 2018, a 14 percent increase from 2017. Amazon led the way with \$42.7 billion in third-party logistics revenue, less than 20 percent of the Seattle-based firm’s entire 2018 revenue of \$232 billion, according to research and consulting firm SJ Consulting Group. Although Amazon’s activities as a third-party logistics provider (3PL) would also have ranked it highest on this list during 2017, its third-party logistics activities had not been included in these rankings until this year, notes Mark D’Amico, senior analyst at SJ Consulting. As in previous years, this year’s Top 50 list calculates revenue from a broad range of logistics services, incorporating freight forwarding, air and ocean, truckload and less-than-truckload (LTL) brokerage, intermodal, warehousing, and dedicated trucking. (Source: joc.com, SJ Consulting Group)</p>
MULTIMODAL:	
Dow Jones Transportation Index	<p>Dow Jones Transportation Index decreased 0.5% in March 2019, ending at a reading of 10,407. <i>(A price-weighted average of 20 U.S. companies in the transportation industry, average of March 1st thru March 31st. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)</i></p>
NASDAQ Transportation Index	<p>NASDAQ Transportation Index decreased 2.3% in March 2019, ending at a reading of 5,043. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of March 1st thru March 31st)</i></p>
DOT Freight Transportation Service Index	<p>The USDOT’s freight transportation services index was 136.9 in February 2019, a decrease of 0.5% from the previous month and 3.2% higher than February 2018. The February decline in Freight TSI was driven by decreases in rail carloads, rail intermodal, and water, while air freight, pipeline and trucking grew. (Source: US BTS)</p>

Cass Freight Index	<p>The Cass Freight Shipments Index was 1.197 in March 2019, an increase of 2.0% from the previous month, and a decrease of 1.0% year-over-year. The Cass Freight Expenditures Index was 2.889 in March, an increase of 0.5% from the previous month and an increase of 6.1% year-over-year. According to Cass Information Systems, “With March down -1.0% — the fourth YoY negative month in a row — we are preparing to ‘change tack’ in our economic outlook. Yes, all of these still relatively small negative percentages are against extremely tough comparisons; yes, the two-year stacked increase was 10.8% for March; and yes, the Cass Shipments Index has gone negative before without being followed by a negative GDP. But, at a minimum, business plans and economic outlooks should be moderated or have contingency plans included or expanded.” (Source: Cass Information Systems Cassinfo.com) <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i></p>
Shippers Conditions Index	<p>The Shippers Conditions Index for January 2019 decreased from the previous month, to a reading of 1.4. According to FTR, “While conditions for shippers are forecast to remain neutral to positive over the coming months, it is possible that the duration and extent of flooding in the U.S. Midwest could be a headwind to those improvements, depending on where your freight is moving. Overall stable fuel prices and more available capacity than was experienced in 2018 will create a relatively calm environment.” (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for shippers)</i></p>
NAFTA Trade	<p>Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico totaled \$95.6 billion in January 2019, down 1.1% year-over-year. Trucks carried \$63.1 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)</p>
Multimodal News Clips:	<p>US freight improvement projects from rail to ports can compete for an infusion of as much as \$25 million each through the US Department of Transportation’s (USDOT’s) Better Utilizing Investments to Leverage Development (BUILD) fiscal year 2019 grants, formerly the Transportation Investment Generating Economic Recovery (TIGER) program. Congress appropriated a total of \$900 million to the program, a significant decline from the \$1.5 billion in last year’s awards. No more than \$90 million can be awarded to any single state. No more than \$450 million can be awarded to either rural or urban projects as a whole. Projects still in the planning or design phases cannot receive more than \$15 million. Applications are due by July 15. (Source: JOC.com)</p>

RAIL:

U.S. Freight Rail Traffic	<p>U.S. rail carloads in March 2019 were down 8.9% (93,616 carloads) from March 2018. In March, just 4 of the 20 carload commodity categories the AAR tracks saw carload gains, the fewest since July 2016. The 8.9% decline in March was the biggest percentage decline for total carloads for any month since May 2016, and follows a 2.7% decline in February. Weekly average total carloads in March 2019 were 239,286, the fourth lowest of any month since sometime prior to 1988, when AAR’s data begin. (Source: AAR.org) <i>(Report includes rail car-loadings by 20 different major commodity categories)</i></p>
U.S. Intermodal Rail Traffic	<p>U.S. intermodal originations were down 1.5% (16,387 containers and trailers) in March 2019 from March 2018. Combined with a 0.9% decline in February, this marks the first two-month decline since October 2016. Weekly average intermodal volume in March 2019 was 266,448 units, the second best for March in history (behind March 2018). For the first quarter, intermodal was down 0.6% (19,892 units). (Source: AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i></p>
Railroad Fuel Price Index	<p>The index of average railroad fuel prices in March 2019 was 408.6, up 4.6% from the previous month and 3.0% 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></p>
Class 1 Railroad Employment	<p>Railroad employment in February 2019 decreased 0.5% from the previous month to 145,800 employees total. The vast majority of the decline was in train and engine employment. (Source: U.S. STB, AAR)</p>
Short Line Rail Traffic	<p>In March 2019, short line railroad shipments across North America decreased 2.1% year-over-year. A sampling of about 500 short line and regional railroads loaded 352,268 railcars and intermodal units during the month of March. Trailer or container led gains with a 31.3% increase. Lumber and Wood Products led declines, with a decrease of 19.8%. (Source: Railinc Short Line and Regional Traffic Index)</p>
Railroad News Clips:	<p>Just a few months after presenting its plan to implement the principles of precision-scheduled railroading (PSR) by 2021, Norfolk Southern is confident the strategy is already working. Norfolk Southern decreased dwell time by 23% year-over-year in the first quarter while increasing train speed by 14% — two elements that contribute to the goal of improving overall efficiency at the railroad. The railroad’s operating ratio, a general marker of efficiency at the heart of PSR transitions, is down to 66% (from 69.3% in Q1 2018). However, in PSR implementation, it’s not as much the year-over-year improvements stakeholders are looking at — it’s the change since introducing PSR principles that matter to most. The railroad’s goal is to get this figure below 60% by 2021. (Source: Norfolk Southern, supplychaindiver.com)</p>

TRUCKING:

Truck Tonnage Index

The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 113.2 in March 2019, a **decrease of 2.3% from the previous month and an increase of 1.6% from March 2018**. According to ATA Chief Economist Bob Costello, "In March, and really the first quarter in total, tonnage was negatively impacted by bad winter storms throughout much of the U.S. While I expected tonnage to moderate in the first quarter, the late Easter holiday and the winter storms made it worse. It is likely that tonnage will improve in the second quarter, although year-over-year gains will be significantly below the 2018 annual increase of 6.7%." (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 March 2019 **increased 8.7%** compared to the previous month, and was **54.7% lower** year-over-year. Truck capacity **increased 16.1%** for the month, and **increased 36.1%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Refrigerated Trucking

In March 2019, the load-to-truck ratio for refrigerated loads **decreased to 2.93** loads per truck. In March, the national reefer rate was \$2.17 per mile, \$0.04 lower than the previous month. (Source: DAT Trendlines | www.dat.com)

Trucking Conditions Index

The Trucking Conditions Index in February 2019 **decreased to a reading of 1.71**, the lowest reading for the index since August 2017. According to FTR, "We continue to see modest weakening in trucking conditions due to the near-term easing of freight rates and volumes, but we should remain generally above neutral during the coming year. However, we are close enough to neutral that negative TCI readings are now a possibility." (Source: FTR Transportation Intelligence | ftrintel.com) (Figures below zero indicate a less-than-ideal environment for trucking)

Diesel Prices

As of April 22, 2019 the U.S. average diesel price was **\$3.14 per gallon**. The U.S. average diesel price was **\$0.01 higher** than the same week last year. The average price of diesel in the Lower Atlantic states was **\$3.03 per gallon, 3.5% 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 **decreased by approximately 1,200 employees to 1,514,900 employees total** in March 2019. The trucking industry workforce **decreased 0.1%** over the previous month and **increased 1.9%** over March 2018. (Source: U.S. Bureau of Labor Statistics)

Trucking Earnings and Hours

The average earnings of truck transportation employees were \$24.88/hour in February 2019, **unchanged** from the previous month. The average weekly hours totaled 41.0 in February, **up 0.2%** 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 15,200 units in March 2019, **down 8%** from the previous month, **down 67%** from March 2018, and the **lowest March for orders since 2010**. According to FTR, "Most fleets ordered well in advance of their need for trucks in 2019. OEM production slots were scarce in 2018 and supplier constraints caused disruptions in supply, so fleets didn't want to get shutout this year. Now so many build slots have been reserved, fleets that are currently placing orders for delivery this year don't have many options." Preliminary March 2019 net trailer orders totaled **13,500 units, down 43%** from February, **52% lower** than March 2018, and the **lowest March since 2008**. According to FTR, "This low order number is not surprising. Backlogs had fallen little so far in 2019, and are at unreasonable levels. Fleets still need more trailers, based on the robust production, so demand has not changed in the short run. The weak orders are totally the result of the lack of available production openings. However, cancellations will continue to be a factor due to a large, fluid, backlog." (Source: FTR Transportation Intelligence | ftrintel.com)

Trucking News Clip

The Department of Transportation (DOT) sent a Notice of Proposed Rule Making (NPRM) covering changes to hours-of-service (HOS) regulations in the trucking industry to the White House Office of Management and Budget (OMB) for review, Secretary of Transportation Elaine Chao said this month at the Mid-America Trucking Show. "While I can't go through the specifics of this proposal, let me note that the Department understands the strong interest in increasing flexibility and is giving it serious consideration," Chao said. OMB will review the NPRM and send it back to the DOT where any needed changes will be made. The notice will then be posted on the Federal Register for a public comment period, the length of which is yet to be determined. The DOT will use feedback from the public comment period to help shape the final rule before implementation. Under current HOS rules, drivers can be on the road no more than 11 hours in a 14-hour period. If they stop to avoid rush hour or are stuck in a port waiting for a container, the clock on this 14-hour period keeps going. Drivers want more flexibility and the ability to stop the clock on the 14-hour period if they take a break. This has become even more of an issue for drivers since the use of electronic logging devices (ELD) became mandatory. (Source: supplychaindive.com)

AIR FREIGHT:

Air Cargo Traffic	<p>Global air freight traffic in February 2019 was down 4.7% compared to February 2018, the slowest annual rate of growth in three years. According to the IATA, "We have noted previously that a pull-back in FTK growth was to be expected following the temporary boost to air freight demand from the global inventory restocking cycle, which delivered near double-digit growth in 2017. However, the growth declines being observed currently go well beyond that effect, reflecting the increasing headwinds to freight demand from the weakness observed in global trade and economic indicators as well as a number of the key air freight demand drivers." (Source: IATA.org,) <i>(Global air freight covers international and domestic scheduled air traffic.)</i></p>
Atlanta Air Cargo Traffic	<p>In February 2019, Hartsfield-Jackson Atlanta International Airport transported 53,325 metric tons of cargo, a 0.7% increase from the previous month and a 0.8% decrease year-over-year. (Source: HJAIA)</p>
Air Freight Price Index	<p>In February 2019, average airfreight rates for East-West routes decreased 15.0% over the previous month to \$2.47 per kilogram. The decline reflects the downturn in demand for airfreight in the first quarter of 2019 that is being experienced internationally by many airports and carriers. (Source: Drewry, aircargoworld.com) <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></p>
Jet Fuel Prices	<p>As of April 18, 2019 the global average jet fuel price was \$84.69 per barrel; up 5.1% from the previous month, and 4.1% lower 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></p>
Air Freight News Clips:	<p>Package-delivery drones are getting closer to takeoff. Regulators gave Alphabet's Inc.'s Wing Aviation unit the first U.S. authorization to operate a fleet of unmanned package-delivery aircraft, the WSJ's Andy Pasztor reports, a move that could jumpstart commercial-drone services nationwide. The decision is a regulatory coup for Wing in a young but fiercely competitive industry. Amazon.com Inc. and other companies are vying for similar approvals to transport food and small consumer goods to residential customers. The Federal Aviation Administration nod is relatively limited, however, and doesn't resolve longstanding industry hurdles such as security concerns and restrictions of commercial drone flights over populated areas. For now, the green light covers only a rural area around Blacksburg, Va., but it pushes an experimental project into a commercial arena and may provide a template for other drone delivery proposals. (Source: The Wall Street Journal)</p>

OCEAN FREIGHT:

Import Volumes by Ocean	<p>In February 2019, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.62 million TEUs, a 14.3% decrease from the previous month and 4.0% lower than February 2018. February is traditionally the slowest month of the year because of Lunar New Year factory shutdowns in Asia and the lull between retailers' holiday and summer seasons. (Source: NRF/Hackett Associates)</p>
Shanghai Containerized Freight Index	<p>The April 19th SCFI comprehensive reading was \$761 per FEU, up 4.7% from last month. The spot rate for shipments to the U.S. East Coast was \$2,634 per FEU, up 12.7% 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></p>
Baltic Dry Index	<p>The Baltic Dry Index increased 3.8% in March 2019, ending at 689. Year-to-date, the index decreased 35.4%. (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></p>
Port of Savannah	<p>The Port of Savannah moved 410,326 TEUs in March 2019, a 31.5% increase from the previous month and 15.5% higher compared to March 2018. In March, intermodal rail volumes increased by 26%. The GPA also achieved a record low dwell time for intermodal boxes during the month, with containers averaging just 27 hours from vessel to outbound rail. For the fiscal year-to-date, containers moved by rail are up 22%, compared to the same period in the previous fiscal year, to reach 701,000 TEUs. (Source: GPA)</p>
Port of Brunswick	<p>Roll-on/Roll-off cargo at Colonel's Island Terminal in Brunswick and Ocean Terminal in Savannah is up 6%, or 24,300 units of cars, trucks and tractors, for a total of 428,303 units for the fiscal year to date. (Source: GPA)</p>
Ocean Freight Business News:	<p>Maersk, Hapag-Lloyd, MSC, and Ocean Network Express (ONE) have formed the Digital Container Shipping Association after receiving regulatory approval from the Federal Maritime Commission. The purpose of the organization is to create digital standards for the ocean shipping industry "to create value and to quickly overcome the pain points in the industry," according to a press release. All of the association's work will be published and available for free. This effort by several major players in the ocean shipping industry was forecasted in November when Maersk, CMA CGM, Hapag-Lloyd, MSC and ONE confirmed plans to form a global association of ocean shipping lines with the purpose of creating open source tools to speed up digitization in the industry. At the time, regulatory approval was a concern since the interested members represented 60% of the market. CMA CGM is not included in the announcement, but the announcement said the association is in talks with several other shipping lines, and two additional carriers are nearing membership. (Source: supplychaindive.com)</p>

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The **nationwide vacancy rate was 5.0%** at the end of the first quarter of 2019, unchanged from the previous quarter and down from 5.1% in Q4 2018. None of the 49 markets tracked by NGKF had a double-digit vacancy rate during Q1 2019. The vacancy rate in **Atlanta, GA was 7.0%** in Q1 of 2019. (Source: NGKF)

Warehouse Rent Rates

In Q1 2019, the average asking rent across the U.S. was **\$7.24/SF, up 1.5%** from the prior quarter and **9.2% higher** from one year ago. Nine industrial markets experienced double digit rent growth over the past year. Industrial rents have increased in each quarter since Q3 2011, affirming the incredible resilience and consistency of the market. **The average asking rent in Atlanta was \$5.26/SF in Q1 2019.** (Source: NGKF)

Industrial Absorption

Net absorption in the U.S. **decreased** during the first quarter of 2019, posting 36.7 million square feet of net absorption compared with 65.1 million square feet in the prior quarter. The dip in absorption can be attributed to a lack of vacant inventory, rather than a reduction in demand, as leasing activity proceeds at a feverish pace. Of the 49 industrial markets tracked by NGKF, 15 absorbed 1 million square feet or more in Q1 2019. (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 1,700 employees** to 1,186,500 employees total in March 2019. The warehouse industry workforce **increased 0.1%** from the previous month and **increased 6.2%** 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 \$20.33/hour in February 2019, **unchanged** from the previous month. The average weekly hours totaled 40.2 in February, **down 1.2%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

W&D Business News:

- As the need for flexible, efficient, and automated e-commerce fulfillment as same-day delivery becomes the norm, robots will be the norm in warehouses by 2025. According to a report by ABI Research, over 4 million commercial robots will be installed in over 50,000 warehouses by 2025. This is up from just under 4,000 robotic warehouses in 2018. Global adoption of warehouse robotics will also be spurred by the increasing affordability and return on investment of a growing variety of infrastructure-light robots as they are an attractive and versatile alternative to traditional fixed mechanical automation or manual operations. "Flexibility and efficiency have become primary differentiators in the e-commerce fulfillment market as retailers and 3PLs struggle to cope with volatile product demand, seasonal peaks, and rising consumer delivery expectations," said Nick Finill, senior analyst at ABI Research. "Robots enable warehouses to scale operations up or down as required while offering major efficiency gains and mitigating inherent challenges associated with labor and staffing." (Source: mhlnews.com, ABI Research)
- Chick-fil-A, one of the nation's top quick-service restaurant chains, will begin construction on the chain's first company-owned distribution center in Cartersville, Georgia that will create up to 300 jobs. The distribution center will open initially as a pilot facility in the summer of 2019, serving as a learning lab while the full-scale permanent facility is being built. At a nearby site, the new, full-scale distribution center will open in the summer of 2020, with the capacity to serve up to 300 restaurants. There are more than 18,000 Chick-fil-A Team Members who currently serve customers in restaurants across the state of Georgia. The new positions at the full-scale facility in Bartow County will include drivers, warehouse team members, leadership team members, and administrative staff. (Source: Georgia.org)

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