

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index was up 5.4% during the month of December. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of December 10th thru January 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index was up 2.6% in December. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of December 10th thru January 10th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index rose 0.1% in November 2011 from the previous month. The index's reading of 109.5 was up 4% year-over-year. Freight shipments have increased in 21 of the last 31 months, rising 16.1% during that period. (Source: US DOT)
Cass Freight Index	The December shipments index remained steady from the previous month and increased 0.7% year-over-year. The December expenditures index was up 0.18% for the month, and increased 18.8% year over year. (Source: Cass Information Systems Cassinfo.com) <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
Import Volumes	In November, the U.S. imported about \$225.6 billion of cargo. November U.S. imports have increased 1.3% in terms of value over the previous month and grew 12.7% year-over-year. (Source: US Census)
Export Volumes	In November, the U.S. exported more than \$177.8 billion of cargo. November U.S. exports have decreased 0.9% in terms of value over the previous month and grew 10.3% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices decreased 0.1% in December after rising 0.8% the previous month. The price index for U.S. exports fell 0.5% in December after a 0.1% increase in November. (Source: Bureau of Labor Statistics)
Multimodal News Clips:	<ul style="list-style-type: none"> Transportation employment increased more than 1.5% year-over-year in December, with rail employment up 3.9% and trucking up 3.2%. Transportation Industries added about 50,200 employees in December, accounting for 25.1% of the overall net employment gains added last month. (Source: Bureau of Labor Statistics)

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in December 2011 increased 1.8% over November 2011. Freight traffic in December also increased 7.3% over December 2010, and was up 18.6% over December 2009. (Source: AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
U.S. Intermodal Rail Traffic	Intermodal rail traffic in December 2011 was 9.4% higher than December 2010, and 0.4% higher than November 2011 totals. Intermodal loadings have experienced year-over-year gains for 25 straight months . (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 November was 630.0, up 4% from the previous month and 31% 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>
Freight Cars in Storage	The number of freight cars in storage has increased to 273,390 (18% of the fleet) on January 1, up 9,478 cars from a month earlier. (Source: AAR.org) <i>(A freight car is "in storage" if it has had a loaded revenue move since 2005, but not in the past 60 days. <u>Decrease here = more demand</u>)</i>
Class 1 Railroad Employment	Railroad employment was down 132 employees to 160,119 employees in November 2011. Total Class 1 rail employment in November 2011 was 3.3% higher than it was in November 2010. (Source: U.S. STB)
Short Line Rail Traffic	In December 2011, short line railroads across North America saw shipments rise 8.6% over the same month last year. A sampling of about 400 small railroads in the U.S. and Canada loaded 475,693 railcars and intermodal units during the month of December. (Source: RMI RailConnect Index rmiindemand.com)
Railroad News Clips:	<ul style="list-style-type: none"> General Electric Co. reported that its transportation subsidiary completed the purchase of software maker RMI. RMI makes software designed to improve productivity of railroads, rail shippers and railcar leasing companies. GE said rail freight volume could nearly double in the next 25 years. RMI headquarters will remain in Atlanta, Georgia. CSX Transportation is expected to gain more than \$230 million in annual revenue from nearly \$1.4 billion in facility investments made by its customers. CSX said 124 customers in 17 states expanded facilities or built new ones along the company's rail lines. Short-line rail operator Genesee & Wyoming increased carloads 7.9% year-over-year in the 4Q 2011. In North America, carload traffic was up 2.2% in December from a year ago and increased 2.7% from November totaling 64,649 carloads. Metal shipments in North America increased 31.7% year-over-year in December.

TRUCKING:

Over-the-Road Trucked Shipments

Over-the-Road Trucked Shipments **rose 0.2%** in December following a 0.1% increase in November and a 1.1% increase in October. Overall trucked shipments **decreased 0.7%** on a year-over-year basis. (Source: Ceridianindex.com)

(From the Ceridian-UCLA Pulse of Commerce Index which is based on real-time fuel consumption data for over the road trucking)

Trucking Volume

The ATA's seasonally adjusted cargo index **rose 0.3%** in November after rising 0.5% in October. The for-hire truck tonnage index **rose 6%** year-over-year in November, following a 5.7% increase in October.

(Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload freight in December **fell 14%** compared to the previous month, but was **25% higher** year-over-year. Truck capacity **rose 9%** for the month, and was **up 24%** from year-over-year.

(Source: TransCore Freight Index | www.transcorefreightsolutions.com)

Diesel Prices

U.S. average diesel prices rose last week, to \$3.38 per gallon. Last week's average diesel price was **8¢ higher** than the previous week, and was **29¢ higher** than the same week last year. Average diesel prices in the lower Atlantic states were \$3.38 per gallon. (Source: U.S. DOE)

(Reflects the costs and profits of the entire production and distribution chain.)

Trucking Employment

The trucking industry **added 5,100 jobs** in December. The trucking workforce **increased 0.40%** over the previous month and **rose 3.2%** over the previous year. (Source: U.S. DOL)

Truck Orders

Orders for heavy-duty Class 8 trucks in North America are expected to total **30,100 units** in December 2011, a **45% increase** from the previous month. December Class 8 orders were **15.8% higher** year-over-year.

(Source: ACT Research | actresearch.net)

NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico, was **up 12%** in October compared to the same month in 2010, reaching **\$79 billion**. August was the **23rd consecutive month** of year-over-year increases. (Source: US DOT)

Trucking News Clips:

- The Federal Motor Carrier Safety Administration (FMCSA) released its final "hours of service" rule for truckers, **reducing from 82 to 70 hours** the maximum number of hours a truck driver can work within a seven-day period. The final rule also retains the current **11-hour daily driving limit**, maintains a **30 minute break** after eight consecutive hours on duty, and keeps the maximum driving window at **14 consecutive hours** after coming on-duty.
- Truckload line-haul rates **rose 0.7%** in December from the previous month and were **up 8.6%** year-over-year. The Cass Truckload Line-haul Index rose to 109.2 last month, up from 108.4 in November, as truckload carriers wrapped up the holiday shopping season. (Source: Cass Information Systems | Cassinfo.com)

AIR FREIGHT:

Air Cargo Traffic

Global air freight in November **fell 3.1%** from one year ago and **rose 1.1%** from the previous month. North American air freight in November **fell 0.8%** year-over-year. (Source: IATA.org)

(Global air freight covers international and domestic scheduled air traffic. North American traffic includes only domestic freight traffic.)

Atlanta Air Cargo Traffic

In November, Hartsfield-Jackson Atlanta International Airport transported **52,504 metric tons** of cargo, a **4.5% decrease** over the previous month and a **4.79% decrease** year-over-year. (Source: HJIA)

Air Freight Price Index

In October, average international air cargo prices **rose 14.7%** over the previous month to the highest level since November 2010. Average air freight rates were **down 4.4%** year-over-year.

(Source: Bureau of Labor Statistics) *(The Drewry Air Freight Price Index is based on the average of rates (\$US per kg) for cargoes of 100+kg to 1,000+kg cargoes from Shanghai to London, Moscow, Prague, New York, and Los Angeles.)*

Jet Fuel Prices

As of January 6, 2012, the global average jet fuel price was \$126.8 per barrel; **down 2.8%** from the previous month, and **12.1% higher** year-over-year. (Source: IATA.org)

(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)

Air Freight News Clips:

- Southwest Airlines' newly constructed **26,000 square foot cargo facility** at Hartsfield-Jackson Atlanta International Airport will open for business on February 12, 2012. Southwest Airlines expects the Atlanta cargo operation to be one of the **largest** in their system. The launch of this facility will coincide with Southwest's initiation of passenger service to Atlanta.
- IAG, the merged British Airways-Iberia carrier, saw cargo traffic in December **jump 11.5%** year-over-year, helping to drive 2011 traffic **6.4% higher** than in 2010. The December gain was largely due to a **16.9% surge** in British Airways volume that made up for a 10.2% drop in Iberia's cargo traffic.

OCEAN FREIGHT:

Import Volumes	Import shipment volume, in TEUs, at U.S. ports decreased 8.2% in December from the previous month and increased 1.5% from the previous year. The total number of inbound shipments in November fell 6.5% from November and increased 2.3% from December 2010. (Source: Zepol Corporation zepol.com)
Shanghai Containerized Freight Index	The January 6 th SCFI comprehensive reading was \$975.31 per FEU ; up 2.9% from the previous week, and 13.5% lower year-over-year. The spot rate for shipments to the U.S. East Coast was \$2,940 per FEU , up 1.7% from the previous week. (Source: Shanghai Shipping Exchange www1.chineseshipping.com.cn/en) <i>(The Shanghai Containerized Freight Index is a weekly reported average export spot rate from Shanghai for 15 different trade lanes.)</i>
Ocean Bulk Freight Rates	The Baltic Dry Index decreased 5.8% in December, ending at 1,738 . The BDI has decreased 35% for the first half of January. (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>
Bunker Fuel Price Index	Average bunker fuel price fell 1% to end the month of December at \$818.94/MT. By mid-January 2012, bunker fuel prices had risen 4.4% to \$854.61/MT. (Source: bunkerindex.com) <i>(The Bunker Index is the average global bunker fuel price from individual ports; measure in \$US per MT or megaton)</i>
Port of Savannah	In November 2011, total container traffic was down 8.2% from the previous month, but increased 5.3% year-over-year. (Source: GPA)
Port of Brunswick	In September 2011, the Port of Brunswick recorded 56.2% growth over last September's 110,403 tons, to reach 172,453 tons for the month. (Source: GPA)
Ocean Freight Business News:	<ul style="list-style-type: none"> A new report shows that U.S. containerized trade with China is more than four times that of its trade with Japan, the second largest partner. Containerized trade with China increased 125% between 2003 and 2010, to \$270.3 billion. In that period, trade with India grew by the biggest percentage, up 154% to \$18.6 billion. (Source: Bureau of Transportation Statistics) Import volume through major U.S. container ports should be nearly flat in January before rising later this spring. U.S. containerized imports are expected to rise 1.3% in the 1Q 2012 and should increase 2.8% for the year. Port Tracker estimates that total volumes will increase 10.5% in March 2012. (Source: NRF/Hackett Associates)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy	The U.S. average industrial vacancy rate was 9.1% during Q4 2011, down from 9.2% in the previous quarter. Overall vacancy was 10.8% in the South and 14.5% in Atlanta during the fourth quarter. (Source: Cassidy Turley)
Warehouse Rent Rates	In Q4 2011, warehouse and distribution rental rates in the US averaged \$5.05 per square foot . Rental rates for warehouse space averaged \$4.41/square foot in the South and \$3.50/square foot in Atlanta. (Source: Cassidy Turley)
Industrial Absorption	Net absorption in the US during Q4 2011 totaled +27 million square feet . Absorption in the South led the regions with +12.4 million square feet . Atlanta led cities in the South and was second highest overall in the U.S. with over +2.7 million square feet absorbed in the 4Q. (Source: Cassidy Turley) <i>(Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)</i>
Purchasing Managers Index	The National PMI increased 1.2 points to 53.9 in December 2011. The December PMI has indicated expansion in the manufacturing sector for the 29th consecutive month . New orders increased 0.9 points to 57.6 and production increased 3.3 points to 59.9. (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>
Purchasing Managers Index in Georgia	Georgia's PMI fell 5 points to 47.4 in December, after rebounding 9.2 points in November. New orders in Georgia fell 8.1 points to 50.0 and production decreased 7.8 points to 46.3. (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>
W&D Business News:	<ul style="list-style-type: none"> Atlanta-based Americold Logistics has signed an agreement with Yum Brands Inc. to manage and move some of its warehousing and trucking centers in China. Yum Brand's controls the Kentucky Fried Chicken, Pizza Hut, and Taco Bell chains, currently managing more than 38,000 restaurants in 110 countries and territories. Industrial real estate demand is expected to increase in 2012, resulting in lower vacancy rates and raised rental rates. Net absorption is expected to rise 15% to +130 million square feet in 2012. Industrial vacancy is projected to fall to 8.7% by the end of the year. Average warehouse rents are expected to increase to \$4.44 per square foot in 2012 from \$4.23 in 2011. (Source: Grubb & Ellis)

U.S. MARKET:

Gross Domestic Product

The U.S. GDP **increased 1.8%** in the third quarter 2011 according to the third preliminary estimate released by the Bureau of Economic Analysis. (Source: US BEA)

U.S. Trade Deficit

The U.S. trade deficit **increased by 10.4%** in November to \$43.5 billion. **Exports decreased 0.9%** to \$177.8 billion and **imports increased 1.3%** to \$225.6 billion. (Source: US DOC & Census Bureau)

Consumer Confidence

Increased to 64.5 in December 2011 from 55.2 in November 2011. Consumer confidence has **risen 23.6 points** in the past two months, and was at its **highest level** in eight months. (Source: The Conference Board) *(The consumer confidence index is based on a monthly survey of 5,000 U.S. households. It is designed to gauge the financial health, spending power, and confidence of the average U.S. consumer.)*

Unemployment Rate

The unemployment rate in America **fell to 8.5%** in December 2011, the **lowest level since February 2009**. Approximately **200,000 jobs** were created in December. (Source: US DOL)

Leading Economic Index

The Leading Economic Index for the U.S. **increased 0.5%** in November to 118.0 (2004=100), following a 0.9% increase in October and a 0.1% increase in September. (Source: Conference Board) *(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.)*

Retail Sales

Retail and food service sales rose in December to **\$400.6 billion, up 0.1%** from the previous month, and **up 6.5%** from December 2010. Non-store retailer sales were **up 10.6%** from last year. (Source: US Census)

Manufacturing & Trade Sales

Total combined sales and manufacturing shipments totaled nearly **\$1.221 Trillion** in November 2011, **up 0.3%** from October and **up 9.6%** from the previous year. (Source: US Census)

Manufacturing & Trade Inventory

Total value of inventory on hand is estimated at **\$1.55 Trillion** in November 2011, **up 0.3%** from October and **up 8.5%** from November 2010. (Source: US Census)

Housing Starts

In November, housing starts **increased 9.3%** to an annual rate of 685,000 units. Building permits (an indicator of future housing starts) **increased 5.7%** to an annual rate of 681,000. (Source: U.S. DOC)

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