

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index was up 0.9% during the month of April. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of April 10th thru May 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index decreased 3% in April. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of April 10th thru May 10th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index fell 0.8% in March 2012 following an increase of 0.5% in February. The index's reading of 109.4 was 0.8% higher year-over-year. (Source: US DOT)
Cass Freight Index	The April shipments index rose 1.9% over the previous month and increased 0.2% year-over-year. The April expenditures index increased 3.4% for the month, and increased 5.1% year over year. <i>(Source: Cass Information Systems Cassinfo.com)</i> <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
Import Volumes	In March, the U.S. imported about \$238.6 billion of cargo, the highest on record . March U.S. imports have increased 5.2% in terms of value over the previous month and grew 8.4% year-over-year. (Source: US Census)
Export Volumes	In March, the U.S. exported more than \$186.8 billion of cargo, the highest on record . March U.S. exports have increased 2.9% in terms of value over the previous month and grew 7.3% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices decreased 0.5% in April, the first monthly decrease since a 0.4% decline in October 2011. Despite the April decline, import prices rose 0.5% over the past year. The price index for U.S. exports rose 0.4% in April, following a 1.5% increase in the first quarter of 2012. <i>(Source: Bureau of Labor Statistics)</i>
Multimodal News Clips:	<ul style="list-style-type: none"> • During the first quarter, intermodal traffic was up for all container sizes. Year-to-date, 53-foot container traffic surged 15.9%, 40-footers were up 3.1%, and 20-footers increased by 2.8% year-over-year. (Source: Intermodal Association of North America www.intermodal.org) • Compared to 4Q-2011, 4Q-2012 jobs in the transportation and warehousing sectors are expected to increase at a rate of 1.4% in the U.S. and should increase by 2.2% in Georgia. Logistics industry jobs in the state of Georgia will grow the most in Valdosta with 13.1% growth, and Columbus with 10% growth. (Source: Moody's Analytics) • The U.S. Postal Service lost \$3.2 billion in the fiscal second quarter, \$1.1 billion more than the year before. The agency blamed much of the losses on having to pre-fund retiree health benefits, not being able to close thousands of post offices and mail process centers, and being restricted from cutting some 120,000 workers and Saturday delivery. While revenue related to shipping and packages grew more than 13% in the second quarter year-over-year, mailing service revenue fell 3%. • Package delivery company UPS reported a 4.3% increase in first quarter revenue to \$13.1 billion from \$12.6 billion a year earlier. The company's operating profit rose 6.3% to \$1.6 billion year-over-year on a 4.3% increase in packages delivered, to 1 billion packages.

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in April 2012 decreased 2% from March 2012. Freight traffic in April fell 5.5% from April 2011. The decrease in freight rail traffic was mainly due to another decline in coal shipments. Carloads excluding coal increased 3.2% over the previous year. <i>(Source: AAR.org) (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 April 2012 was 3.6% higher than in April 2011 and 0.3% higher than March 2012 totals. Intermodal loadings have experienced year-over-year gains for 29 straight months . <i>(Source: AAR.org) (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 February was 659.6, up 4.2% from the previous month and 5.8% 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 307,957 (20.1% of the fleet) on May 1, up 8,633 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 in March 2012 increased by 1,295 employees to 160,523 employees, the highest since December 2008 . Total Class 1 rail employment in March 2012 was 3% higher than it was in March 2011. (Source: U.S. STB)

Short Line Rail Traffic

In April 2012, short line railroad shipments across North America **fell 0.5%** compared to the same month last year. A sampling of about 408 small railroads in the U.S. and Canada **loaded 510,679 railcars** and intermodal units during the month of April. (Source: RMI RailConnect Index | rmiondemand.com)

Railroad News Clips:

- CSX recorded a record first quarter profit for 2012 as earning **rose 13.7%** year-over-year to **\$449 million**. The company boosted first quarter revenue 6% to nearly **\$3 billion** despite volume rising only 1%. Although coal traffic fell 14% year-over-year, the revenue per coal carload **rose 10%** in the same period.
- Norfolk Southern also reported **record profit** for the first quarter, as the railroad's strong pricing **raised earnings 26%** year-over-year to **\$410 million**. The company's revenue **rose 6%** to a record **\$2.8 billion**.
- Recent increases in auto sales have **boosted rail traffic** for CSX, Norfolk Southern, Kansas City Southern, and Union Pacific. During the last week in March, the Class I railroads **hauled 17,283 carloads** of automobiles, the **most since June 2008**. (Source: AAR.org)

TRUCKING:

Over-the-Road Trucked Shipments

Over-the-Road Trucked Shipments **rose 0.1%** in April following a 0.3% increase in March and a 0.7% increase in February. Overall trucked shipments **decreased 1.9%** 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 0.2%** in March. The for-hire truck tonnage index **rose 2.7%** year-over-year. (Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload freight in April **rose 12%** compared to the previous month, and was **12% higher** year-over-year. Truck capacity **rose 3%** for the month, and was **up 13%** year-over-year. (Source: TransCore Freight Index | www.transcorefreightsolutions.com)

Diesel Prices

U.S. average diesel prices fell last week to **\$4.00 per gallon**, the fifth straight week of decline. Last week's average diesel price was **5.3¢ lower** than the previous week, and was **5.7¢ lower** than the same week last year. The average price of diesel in the lower Atlantic states was \$3.97 per gallon. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

Trucking Employment

The trucking industry **added 1,800 jobs** in April. The trucking workforce **increased 0.14%** from the previous month and **rose 3%** over the previous year. (Source: U.S. DOL)

Truck Orders

Orders for heavy-duty Class 8 trucks in North America are expected to total **17,200 units** in April 2012 after 20,025 units were ordered in March. April's projected Class 8 orders are **122% lower** 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 17.4%** in February compared to the same month in 2011, reaching **\$78.1 billion**. January was the **27th consecutive month** of year-over-year increases. (Source: US DOT)

Trucking News Clips:

- Con-way **more than tripled** its net profit in the first quarter, increasing earnings to **\$25.6 million** as revenue rose 9.7% to \$1.37 billion. The company's LTL unit, Con-way freight increased its operating profit **69.6%** year-over-year to **\$831 million** on a 1.5% growth in tonnage. Menlo Worldwide Logistics, Con-way's logistics division increased operating profit by **42.2%**. Con-way Truckload's operating profit **rose 48.9%**.
- Landstar System **increased its net profit 30%** to \$26.8 million as truck transportation revenue **rose 15.8%** to \$600.2 million in the first quarter. The truckload operator had the **best first quarter** in its history, increasing total revenue **13.5%** to \$649 million.
- Old Dominion Freight Line announced a **record revenue growth of 17.6%** that pushed profit **up 44%** year-over-year in the first quarter to **\$31.1 million**. The company saw revenue rise to \$497.1 million on a **9.5% increase in shipments** and higher pricing.

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in March **rose 0.3%** from one year ago and was **up 2.2%** from the previous month. North American air freight in March **rose 2%** 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 March, Hartsfield-Jackson Atlanta International Airport transported **56,718 metric tons** of cargo, a **12% increase** over the previous month and a **2.24% decrease** year-over-year. (Source: HJIA)

Air Freight Price Index

In March, average international air cargo prices **rose 7.3%** from the previous month. Average air freight rates were **up 2.8%** 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 May 4, 2012, the global average jet fuel price was \$130 per barrel; **down 5.4%** from the previous month, and **0.7% lower** year-over-year. (Source: IATA.org, platts.com)
(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)

Air Freight News Clips:

- Major Japanese international freight forwarder Kintetsu World Express reported that its group net profit **rose a record 21.1%** to \$119.31 million in FY 2011, which ended on March 31. KWE also announced its group revenue and profit forecasts for FY2012. Operating revenue is expected to **increase 13.5%** to \$3.75 billion, while operating profit should **increase 8.5%** to \$187.5 million.
- Nippon Express, Japan's largest international freight forwarder, said that its net profit **surged 215.5%** in FY2011, to **\$336.88 million**. The Tokyo-based company's group operating profit rose **18.6%** to **\$468.75 million**.

OCEAN FREIGHT:

Import Volumes

Import shipment volume, in TEUs, at U.S. ports **increased 9.2%** in April from the previous month and **rose 7.2%** over the previous year. YTD, April has shown the **highest number of TEU imports**, with over 1.52 million TEUs imported, and the **second-largest number of shipments**, with 756,000 processed. U.S. imports are expected to show **further increases** during the summer months with spikes in May, July, and August. (Source: Zepol Corporation | zepol.com)

Shanghai Containerized Freight Index

The May 4th SCFI comprehensive reading was **\$1,501.46 per FEU**; **up 0.9%** from the previous week, and **40.5% higher** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$3,579 per FEU**, **up 0.6%** from the previous year. (Source: Shanghai Shipping Exchange | www1.chineseshipping.com.cn/en)
(The Shanghai Containerized Freight Index is a weekly reported average export spot rate from Shanghai for 15 different trade lanes.)

Ocean Bulk Freight Rates

The Baltic Dry Index **increased 23.7%** in April, ending at **1,155**. The BDI has **fallen 1.5%** for the first half of May. (Source: www.bloomberg.com/quote/BDIY:IND)
(The Baltic Dry Index is an index that tracks and averages worldwide international shipping prices of various dry bulk cargoes.)

Bunker Fuel Price Index

Average bunker fuel price **fell 1.4%** to end the month of April at \$885.74/MT. By mid-May, bunker fuel prices had **fallen 3.4%** to \$855.28/MT. (Source: bunkerindex.com)
(The Bunker Index is the average global bunker fuel price from individual ports; measure in \$US per MT or megaton)

Port of Savannah

In March, the Georgia Ports Authority marked its **highest monthly numbers ever**, handling **2.37 million tons of freight**, including **2.03 million tons** of containerized cargo. Container traffic was **9.2% higher** year-over-year, totaling **259,796 TEUs**. 203 vessels called on the Port of Savannah in March, an **increase of 10.9%** over February's vessel calls. (Source: GPA)

Port of Brunswick

In March, the Port of Brunswick handled **57,001 auto and machinery units**, an **increase of 30%** from the previous year and a **79% increase** over March 2010. (Source: GPA)

Ocean Freight Business News:

- Last month, an additional **\$46.7 million** was approved for the **Savannah Harbor deepening project**. The new funds were passed by the General Assembly as a part of the Governor's FY 2013 budget request, bringing the total of dedicated state dollars to **\$181.1 million**.
- Import volume through major U.S. container ports is expected to **increase 3.4%** this year over 2011 to **\$2.53 trillion**. In March, the latest month for which numbers are available, containerized imports at U.S. ports were **up 14.1%** from February and were **8.5% higher** year-over-year. (Source: NRF/Hackett Associates)
- In 1956, the cost of shipping goods by ocean represented about **15%** of their value; today it's **less than 1%** on average. Freight rates today are **less** than they were 20 years ago, while vessel, fuel, terminal, and other costs have **risen significantly**.
- Norway's Wilhelmsen boosted first quarter operating profit by **84%** from a year ago to **\$106 million**, driven by record earnings and revenue at its global car carrier and rolling cargo fleet. At the end of March, the operating companies in the group **controlled 137 ships**, up from 128 a year ago, accounting for **23% of the global market capacity**.
- The active container ship fleet has soared to a record **15 million TEUs**, driven by deliveries of new vessels and a sharp reduction in the number of laid-up ships. **Sixty-two new container ships** with a total capacity of **455,000 TEUs** have been delivered since the beginning of the year, 23 of which exceeded 10,000 TEUs each.

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy	The U.S. average industrial vacancy rate was 9.6% during Q1 2012, down from 10% in the previous quarter. Overall vacancy was 10.4% in Atlanta and 12.5% in Savannah during the first quarter. (Source: Cushman & Wakefield)
Warehouse Rent Rates	In Q1 2012, warehouse and distribution rental rates in the US averaged \$4.27 per square foot . Rental rates for warehouse space averaged \$3.40/square foot in Atlanta and \$3.71/square foot in Savannah. (Source: Cushman & Wakefield)
Industrial Absorption	Net absorption in the US during Q1 2012 totaled +23.5 million square feet . Absorption during the 1Q totaled nearly +620,000 square feet in Atlanta. (Source: Cushman & Wakefield) <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 rose 1.4 points to 54.8 in April 2012. The April PMI has indicated expansion in the manufacturing sector for the 33rd consecutive month . New orders increased 3.7 points to 58.2 and production rose 2.7 points to 61.0. (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 rose 3.1 points to 63.8 in April. New orders in Georgia increased 4.4 points to 72.9 and production was up 6.3 points to 72.9. Georgia's PMI of 63.8 outperformed the national PMI by 9 points and has remained above 60 for the third consecutive month . (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"> Baxter International will locate a new bio-pharmaceutical manufacturing facility near Interstate 20 east of Atlanta as well as plasma centers throughout Georgia that will employ approximately 1,500 people across the state. Total investment by the company will exceed \$1 billion. Baxter's new Georgia facility will manufacture plasma-based therapies that treat chronic and life-threatening illnesses.

U.S. MARKET:

Gross Domestic Product	The U.S. GDP increased 2.2% in the first quarter of 2012 according to the preliminary estimate released by the Bureau of Economic Analysis. (Source: US BEA)
U.S. Trade Deficit	The U.S. trade deficit increased by 14.1% in March to \$51.8 billion. Exports increased 2.9 to \$186.8 billion and imports increased 5.2% to \$238.6 billion. U.S. imports and exports in March were the highest on record . (Source: US DOC & Census Bureau)
Consumer Confidence	The Consumer Confidence Index decreased to 69.2 in April 2012 from 70.2 in March 2012. (Source: The Conference Board) <i>(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.)</i>
Unemployment Rate	The unemployment rate in America fell to 8.1% in April 2012, the lowest level since January 2009 . Approximately 115,000 net new jobs were created in April, down from 154,000 new jobs created in March. (Source: US DOL)
Leading Economic Index	The Leading Economic Index for the U.S. increased 0.3% in March to 95.7 (2004=100), following a 0.7% increase in February and a 0.2% increase in January. (Source: Conference Board) <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>
Retail Sales	Retail and food service sales rose in April to \$408 billion, up 0.1% from the previous month, and up 6.4% from April 2011. Non-store retailer sales were up 11% from last year. (Source: US Census)
Manufacturing & Trade Sales	Total combined sales and manufacturing shipments totaled nearly \$1.24 Trillion in March 2012, up 0.6% from February and up 5.8% from the previous year. (Source: US Census)
Manufacturing & Trade Inventory	Total value of inventory on hand is estimated at \$1.58 Trillion in March 2012, up 0.3% from February and up 6.6% from March 2011. (Source: US Census)
Housing Starts	In April, housing starts increased 2.6% to an annual rate of 717,000 units, which is 30% higher than April 2011. Building permits (an indicator of future housing starts) fell 7.0% to an annual rate of 715,000, but still up 24% over April 2011. (Source: U.S. DOC)
Consumer & Producer Price Index	The consumer price index for all urban consumers increased 0.3% in April over the previous month. Over the last 12 months, the all items index increased 2.3% . The producer price index for finished goods fell 0.2% in April from the previous month. Prices for finished goods increased 1.9% over the previous year. (Source: US Bureau of Labor Statistics)

MAY 2012

LOGISTICS MARKET SNAPSHOT

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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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