

## MULTIMODAL:

<b>Dow Jones Transportation Index</b>	Dow Jones Transportation index was <b>down 1%</b> during the month of July. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of July 10<sup>th</sup> thru August 10<sup>th</sup>)</i>
<b>NASDAQ Transportation Index</b>	NASDAQ Transportation Index <b>decreased 4.2%</b> in July. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of July 10<sup>th</sup> thru August 10<sup>th</sup>)</i>
<b>DOT Freight Transportation Index</b>	The USDOT's freight transportation services index <b>fell 0.1%</b> in June 2012 following a steady index rate in May. The index's reading of 109.5 was <b>1.6% higher</b> year-over-year. (Source: US DOT)
<b>Cass Freight Index</b>	The July shipments index <b>fell 0.7%</b> over the previous month and <b>increased 1.8%</b> year-over-year. The July expenditures index <b>decreased 2.0%</b> for the month, and <b>increased 0.9%</b> year over year. <i>(Source: Cass Information Systems   Cassinfo.com) (Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
<b>Import Volumes</b>	In June, the U.S. <b>imported</b> about <b>\$227.9 billion</b> of cargo. June U.S. imports have <b>decreased 1.5%</b> in terms of value from May, and <b>grew 2.2%</b> year-over-year. (Source: US Census)
<b>Export Volumes</b>	In June, the U.S. <b>exported</b> more than <b>\$185 billion</b> of cargo, <b>the highest on record</b> . June U.S. exports have <b>increased 1.7%</b> in terms of value over the previous month and <b>grew 0.7%</b> year-over-year. (Source: US Census)
<b>Import &amp; Export Price Index</b>	U.S. import prices <b>decreased 0.6%</b> in July, the fourth consecutive month of decline. Import prices <b>fell 3.2%</b> over the past year. The price index for U.S. exports <b>rose 0.5%</b> in July, following a 1.7% decrease in June. Export prices <b>fell 1.2%</b> year-over-year. (Source: Bureau of Labor Statistics)
<b>Multimodal News Clips:</b>	<ul style="list-style-type: none"> <li>Transportation employment <b>increased more than 1.9%</b> year-over-year in July. Transportation industries <b>added about 6,900 employees</b>. Trucking employment <b>grew by 3,100 jobs</b> last month, and <b>rose 3.3%</b> year-over-year. The water transport sector <b>added 1,100 jobs</b>, a <b>1.7% increase</b> from June and <b>up 9.8%</b> year-over-year. Manufacturing employment <b>spiked by 25,000</b>, more than twice economists' forecasts. Transportation equipment jobs <b>increased by 20,500 jobs</b>. (Source: U.S. Bureau of Labor Statistics)</li> <li>Global demand for <b>material handling products</b> is forecast to <b>climb 4%</b> annually through 2016 to <b>\$123.6 billion</b>, according to a new study from The Freedonia Group. India and China will likely see the <b>fastest gains</b> due to the rising manufacturing output that will spur demand for distribution equipment. The U.S. market, which accounted for <b>22% of global sales</b> in 2011, is expected to remain the leading consumer through 2016.</li> </ul>

## RAIL:

<b>U.S. Freight Rail Traffic</b>	Railroad bulk carload freight in July 2012 <b>remained steady</b> from June 2012. Freight traffic in July <b>fell 0.7%</b> from July 2011. Coal and grain shipments continued to be the main cause of the decline in shipments. Carloads excluding coal and grain <b>increased 1.4%</b> 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>
<b>U.S. Intermodal Rail Traffic</b>	Intermodal rail traffic in July 2012 was <b>5.6% higher</b> than in July 2011 and <b>2.5% lower</b> than June 2012 totals. Intermodal loadings experienced year-over-year gains for <b>32 straight months</b> . <i>(Source: AAR.org) (Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
<b>Railroad Fuel Price Index</b>	The index of average railroad fuel prices in June was 556.5, <b>down 9.5%</b> from the previous month and <b>10.3% lower</b> 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>
<b>Freight Cars in Storage</b>	The number of freight cars in storage has <b>decreased to 314,971</b> (20.6% of the fleet) on August 1, down 2,710 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. Decrease here = more demand)</i>
<b>Class 1 Railroad Employment</b>	Railroad employment in June 2012 <b>increased by 611 employees</b> to 163,159 employees. Total Class 1 rail employment in June 2012 was <b>2.4% higher</b> than it was in June 2011. (Source: U.S. STB)
<b>Short Line Rail Traffic</b>	In July 2012, short line railroad shipments across North America <b>rose 0.6%</b> compared to the same month last year. A sampling of about 420 small railroads in the U.S. and Canada <b>loaded 510,989 railcars</b> and intermodal units during the month of July. (Source: RMI RailConnect Index   rmiondemand.com)
<b>Railroad News Clips:</b>	<ul style="list-style-type: none"> <li><b>Genesee &amp; Wyoming</b> will purchase <b>RailAmerica</b> in a <b>\$1.4 billion deal</b> that will combine the <b>two largest</b> short-line and regional railroad operators in North America. Following the transaction, GWI will own <b>111 railroads, 15,100 miles of track, and 1,000 locomotives</b>. If the transaction is approved by the federal Surface Transportation Board, the merger could give GWI a <b>10% earnings boost</b> in 2013.</li> </ul>

- Earlier this month, Genesee & Wyoming reported 2Q net income of **\$36.4 million**, a **17% increase** over the same quarter last year. GWI's total operating revenues **increased \$7.8 million**, or 3.7%, to **\$217.4 million**.
- RailAmerica also recorded a profit during 2Q 2012. The company said its 2Q revenue **increased 12%** year-over-year to **\$156.1 million**. RailAmerica reported a net income of **\$11.4 million, up 31%** over the same period last year. Growth was driven largely by an increase in non-freight revenue, which **increased 26%** to \$42.5 million. Freight revenue **grew 8%** to \$113.6 million.
- Union Pacific has reported a 2Q 2012 net income of **\$1 billion, up 27.4%** over the same quarter last year, on slightly higher carloads. Quarterly operating revenue **increased 7%** in the 2Q to **\$5.2 billion**. Union Pacific said its **operating ratio of 67%** was its all time quarterly best.

## TRUCKING:

### Trucking Volume

The ATA's seasonally adjusted cargo index **rose 1.2%** in June after falling 1% in May. The for-hire truck tonnage index **rose 3.2%** year-over-year. (Source: American Trucking Association | Trucking.org)

### Truckload Freight

The spot market for truckload freight in July **fell 24%** compared to the previous month, and was **1.9% higher** year-over-year. Truck capacity **remained the same** for the month, and was **up 8.1%** year-over-year. (Source: TransCore Freight Index | www.transcorefreightsolutions.com)

### Diesel Prices

U.S. average diesel prices rose last week to **\$3.97 per gallon**. U.S. diesel prices **rose at the fastest pace since March 2011, jumping 11.5¢** last week. The U.S. average diesel price was **13¢ higher** than the same week last year. The average price of diesel in the lower Atlantic states was \$3.90 per gallon. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

### Trucking Employment

The trucking industry **added 3,100 jobs** in July. The trucking workforce **increased 0.23%** over the previous month and **rose 3.3%** over the previous year. (Source: U.S. Bureau of Labor Statistics)

### Truck Orders

Orders for heavy-duty Class 8 trucks in North America are expected to total **12,568 units** in July 2012, the lowest month for orders since August 2010. June orders were **23% lower** than the previous month, and **32% lower** than the same month last year. (Source: FTR Associates | ftrassociates.com)

### NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico, was **up 8.3%** in May compared to the same month in 2011, reaching **\$83.8 billion**. May was the **30<sup>th</sup> consecutive month** of year-over-year increases. (Source: US DOT)

### Trucking News Clips:

- Saia, a multiregional less-than-truckload carrier, **increased its net profit 253%** in 2Q 2012 to \$11.9 million, while operating profit **jumped 157%** to \$21.2 million. Revenue for the quarter **increased 8.1%** year over year to \$288 million. Revenue per LTL shipment **increased 10.6%**.
- Roadrunner Transportation Systems acquired two **refrigerated truckload carriers**. The carrier purchased R&M Transportation and Sortino Transportation for **\$24.4 million**. The two companies had about **\$64.5 million** in combined revenue in 2011. Roadrunner **spent \$208 million** on acquisitions in the first six months of 2012.

## AIR FREIGHT:

### Air Cargo Traffic

Global air freight traffic in June **rose 0.8%** from one year ago and was **up 0.6%** from the previous month. North American air freight in June **rose 4.5%** 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 June, Hartsfield-Jackson Atlanta International Airport transported **54,755 metric tons** of cargo, a **1% decline** from the previous month and a **3.24% decrease** year-over-year. (Source: HJIA)

### Air Freight Price Index

In June, average international air cargo prices **fell 8.3%** from the previous month. Average air freight rates were **down 17.5%** 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 August 3, 2012, the global average jet fuel price was \$126 per barrel; **up 6.6%** from the previous month, and **0.6% 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:

- Readers of Executive Travel magazine named **Hartsfield-Jackson Atlanta International Airport** the nation's **"best domestic airport"** for the publication's 2012 Leading Edge Awards.

## OCEAN FREIGHT:

### Import Volumes

Import shipment volume, in TEUs, at U.S. ports **increased 9%** in July from the previous month and **rose 10.8%** over the previous year. July saw the **highest volume of imports** seen in one month since August 2010, **raising expectations** for this year's holiday season. (Source: Zepol Corporation | zepol.com)

### Shanghai Containerized Freight Index

The August 3<sup>rd</sup> SCFI comprehensive reading was **\$1,369.57 per FEU**; **up 3.2%** from the previous week, and **34.4% higher** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$3,990 per FEU**, **up 38%** 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 **fell 10.7%** in July, ending at **897**. The BDI has **fallen an additional 14.8%** during the first half of August. (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.)*

### TSA Bunker Surcharges

Between July 1 and September 30, 2012, the bunker fuel surcharge will total **\$580 per FEU** for shipments to the West coast ocean ports and **\$1,119 per FEU** for shipments to the East coast and Gulf ports. (Source: Transpacific Stabilization Agreement) *(The Transpacific Stabilization Agreement is a research and discussion forum of major ocean container shipping lines that carry cargo from Asia to ports in the U.S.)*

### Port of Savannah

The Georgia Ports Authority achieved **record volumes** in FY2012 for **total tonnage, containers, and autos**. Georgia ports boosted overall tonnage to **26.5 million** for an increase of 561,038 tons. The Port of Savannah moved more than **2.98 million TEUs**, a **1.9% increase** over FY2011. The port now hosts the **most shipping services** of any port on the East Coast, for a total of 40 weekly services. Total vessel calls in Savannah reached 2,916 in FY2012, an **increase of 2.2%** over last FY. (Source: GPA)

### Port of Brunswick

Activity at the Port of Brunswick boosted the GPA's total auto and machinery traffic by more than **19%** during FY2012. Georgia Ports reached **569,984** roll-on/roll-off units moved across all terminals during the FY. Breakbulk cargo saw **15.6% growth** over FY2011, to 2.53 million tons. (Source: GPA)

### Ocean Freight Business News:

- Import volume through major U.S. container ports is expected to **increase 6.3%** in August compared with the same month last year. Total U.S. containerized imports in 2012 are expected to **rise 4.8%** over last year. U.S. ports followed by Global Port Tracker **handled 1.41 million TEUs** in June, the latest month for which numbers are available. June's total container traffic was **4.7% higher** over the previous month and **10.7% higher** over the previous year.
- The global container equipment fleet **grew 8.5%** to **31.25 million TEUs** in 2011, compared with 7% growth in 2010. Up to **70%** of the additions to the container fleet likely occurred in the first half of 2011, before the drop in new ship orders. The slowdown in the latter half of 2011 was likely due to a misreading of demand, which was worsened by a weak peak season.
- The number of pirate attacks **dropped by a third** in the first half of 2012. Overall, **177 incidents** were reported to the International Maritime Bureau Piracy Reporting Center in the first six months of 2012, compared to 266 incidents for the same period in 2011. The decrease in the overall number is primarily due to the decline in Somali piracy activity, dropping from **163 incidents** in the first six months of 2011 to **69 incidents** in 2012.
- Hapag-Lloyd will **raise rates** in the trans-Atlantic trades starting October 1, 2012. The carrier said that westbound rates from North Europe and the Mediterranean to North America will go up by **\$320 per TEU** and **\$400 per FEU**. Rates from the east coasts of North America to North Europe and the Mediterranean will rise by **\$200 per TEU** and **\$400 per FEU**.

## WAREHOUSING & DISTRIBUTION:

### Industrial Vacancy

The U.S. average industrial vacancy rate was **9.3%** during Q2 2012, **down 0.3%** from the previous quarter. Overall vacancy was **9.8%** in Atlanta and **12.4%** in Savannah during the second quarter. (Source: Cushman & Wakefield)

### Warehouse Rent Rates

In Q2 2012, warehouse and distribution rental rates in the US averaged **\$4.30 per square foot**. Rental rates for warehouse space averaged **\$3.37/square foot** in Atlanta and **\$3.62/square foot** in Savannah. (Source: Cushman & Wakefield)

### Industrial Absorption

Net absorption in the US during Q2 2012 totaled **+41.55 million square feet**. Absorption during the 2Q totaled nearly **+2.4 million square feet** in Atlanta and **+158,000 square feet** in Savannah. The Atlanta market has experienced **28.8% growth** in industrial leasing activity year-over-year. (Source: Cushman & Wakefield)  
*(Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)*

## Purchasing Managers Index

The National PMI **rose 0.1 point** to 49.8 in July 2012. New orders **increased 0.2 point** to 48.0 and production **rose 0.3 points** to 51.3.

(Source: Institute for Supply Management) *(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.)*

## Purchasing Managers Index in Georgia

Georgia's PMI **fell 3.2 points** to 51.8 in July. New orders in Georgia **increased 3.2 points** to 56.8 and production was **down 0.8 point** to 54.5. Georgia's PMI of 51.8 **outperformed the national PMI by 2 points** and has remained above 50 for the **seventh consecutive month**.

(Source: Kennesaw State University) *(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.)*

## W&D Business News:

- This month, CEVA Logistics reported second quarter revenue of \$1.81 billion Euro or **\$2.2 billion U.S., up 5.5% annually**. Revenues for its Freight Management unit were **up 9%** for the quarter, and its Contract Logistics business showed a **3% annual gain**.
- Over the past year, the amount of vacant space on the market has **decreased by 3.8%**, or 47.4 million square feet (msf). With **six consecutive quarters of declining vacancies**, the U.S. overall vacancy rate declined to 9.3% (the **lowest vacancy rate since 4Q 2008**). The lack of new construction in 2011 has given the industrial market a chance to recover. By mid-year 2012, **17.5 msf** of new supply was added to the inventory and markets are still showing signs of improvement. An additional **49.2 msf** is currently under construction. (Source: Cushman & Wakefield)

## U.S. MARKET:

### Gross Domestic Product

The U.S. GDP **increased 1.5%** in the second quarter of 2012 according to the first preliminary estimate released by the Bureau of Economic Analysis. (Source: US BEA)

### U.S. Trade Deficit

The U.S. trade deficit **decreased by 10.7%** in June to \$42.9 billion, the lowest since December 2010. **Exports increased 0.9** to \$185 billion and **imports decreased 1.5%** to \$227.9 billion. **U.S. exports in June were the highest on record**. (Source: US DOC & Census Bureau)

### Consumer Confidence

The Consumer Confidence Index **increased to 65.9** in July 2012 from 62.0 in June 2012.

(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 **rose to 8.3%** in July 2012. Approximately **163,000 net new jobs** were created in July, up from the **64,000 new jobs** created in June. (Source: US DOL)

### Leading Economic Index

The Leading Economic Index for the U.S. **decreased 0.3%** in June to 95.6 (2004=100), following a 0.4% increase in May and a 0.1% decline in April. (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 grew in July to **\$403.9 billion, up 0.8%** from the previous month, and **up 4.1%** above July 2011. Non-store retailer sales were **up 11.8%** from last year. (Source: US Census)

### Manufacturing & Trade Sales

Total combined sales and manufacturing shipments totaled nearly **\$1.23 Trillion** in June 2012, **down 1.1%** from May and **up 3%** from the previous year. (Source: US Census)

### Manufacturing & Trade Inventory

Total value of inventory on hand is estimated at **\$1.58 Trillion** in June 2012, **up 0.1%** from May and **up 5%** from June 2011. (Source: US Census)

### Housing Starts

In June, housing starts **increased 6.9%** to an annual rate of 760,000 units. Building permits (an indicator of future housing starts) **fell 3.7%** to an annual rate of 755,000. (Source: U.S. DOC)

### Consumer & Producer Price Index

The consumer price index for all urban consumers was **unchanged** in July from the previous month. Over the last 12 months, the all items index **increased 1.4%**. The producer price index for finished goods **increased 0.3%** in July from the previous month. Prices for finished goods **rose 0.5%** over the previous year.

(Source: US Bureau of Labor Statistics)

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