

MULTIMODAL:

Dow Jones Transportation Index Dow Jones Transportation index **rose 0.4** during the month of September. *(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of September 10th thru October 10th)*

NASDAQ Transportation Index NASDAQ Transportation Index **decreased 0.9%** in September. *(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of September 10th thru October 10th)*

DOT Freight Transportation Index The USDOT's freight transportation services index **rose 0.4%** in August 2013. The index's reading of 114.8 was **up 3.4%** from August 2012. (Source: US DOT)

Cass Freight Index The September shipments index **rose 2.7%** over the previous month and **rose 0.1%** year-over-year. The September expenditures index **rose 5.2%** for the month, and **increased 5.2%** year-over-year. (Source: Cass Information Systems | Cassinfo.com)
(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)

Import Volumes In July, the U.S. **imported** about **\$228.6 billion** of cargo. July U.S. imports **rose 1.6%** in terms of value from June, and **rose 0.8%** year-over-year. (Source: US Census)

Export Volumes In July, the U.S. **exported** more than **\$189.4 billion** of cargo. July U.S. exports have **decreased 0.6%** in terms of value over the previous month and **rose 3.3%** year-over-year. (Source: US Census)

Import & Export Price Index U.S. import prices were unchanged in August. Import prices **fell 0.4%** over the past year. The price index for U.S. exports **fell 0.5%** in August. Export prices **decreased 1.1%** year-over-year. (Source: Bureau of Labor Statistics)

Multimodal News Clips:

- Despite catastrophic predictions, neither the government shutdown nor the upcoming debt ceiling debate will negatively affect **U.S. creditworthiness**. According to Moody's Investors Service, "the shutdown has no effect on the government's ability to pay interest and principal on its debt obligations." The report added that the U.S. would continue to pay both interest and principal on its debts even if the debt ceiling is not raised by the October 17 deadline.

- According to NRF, retailers are expected to hire between **720,000 and 780,000 seasonal workers** this holiday season. Amazon.com, the world's largest e-commerce company, will hire **70,000** full-time seasonal workers in the U.S. to meet holiday order demand, a **40% increase** over last year. Wal-Mart, the world's biggest retailer, is hiring **55,000** seasonal workers and adding another **70,000** part-time and full-time workers. Other retailers like Macy's (**+83,000 hires**), Target (**+70,000 hires**), and Kohl's (**+50,000 hires**) have also announced plans for adding seasonal workers for the holidays.

- This year, online holiday sales are projected to **rise between 13% and 15%** over last year to as much as **\$82 billion**. Total holiday sales will experience an estimated **3.9% growth** to **\$602.1 billion**. (Source: shop.org, NRF)

- While government statistics websites have been neglected or blacked-out completely, some private and market-based solutions do continue to provide us with a look at the strength of the economy. When the Bureau of Labor Statistics failed to release a jobs report for the **first time since 1996**, a National Employment Report was released by ADP, one of the world's largest providers of human capital management solutions. In ADP's report, the U.S. private sector **added 166,000 employees**. The Trade, Transportation and Utilities segment added the most jobs with **54,000 employees** over the previous month. (Source: adpemploymentreport.com)

RAIL:

U.S. Freight Rail Traffic Railroad bulk carload freight in September 2013 **fell 0.8** from August 2013. Freight traffic in September **rose 0.7%** from September 2012. Carloads excluding coal and grain **increased 4.9%** over the previous year. (Source: AAR.org) *(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)*

U.S. Intermodal Rail Traffic Intermodal rail traffic in September 2013 was **4.4% higher** than in September 2012, and remained flat from August 2013. Intermodal loadings have experienced year-over-year gains for **45 straight months**. (Source: AAR.org) *(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)*

Railroad Fuel Price Index The index of average railroad fuel prices in August was 621.6, **up 2.4%** from the previous month and **2.2% lower** year-over-year. (Source: AAR.org)
(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)

Freight Cars in Storage The number of freight cars in storage has **decreased to 296,523** (19.3% of the fleet) on October 1, down 8,408 cars from a month earlier. (Source: AAR.org)
(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)

Class 1 Railroad Employment

Railroad employment in August 2013 **decreased by 536 employees** to 163,420 employees. Total Class 1 rail employment in August was **0.45% higher** than it was in August 2012. (Source: U.S. STB)

Short Line Rail Traffic

In September 2013, short line railroad shipments across North America **rose 3.5%** compared to the same month last year. A sampling of about 426 small railroads in the U.S. and Canada **loaded 565,599 railcars** and intermodal units during the month of September. (Source: RMI RailConnect Index | rmiondemand.com)

Railroad News Clips:

- U.S. intermodal pricing is expected to **rise** next year, largely because the competing trucking industry will have to increase its own rates as capacity tightens and overall freight demand builds. New federal regulations on trucking companies will increase company costs and the decrease the ability to retain drivers. Truckload line-haul rates are expected to **rise 3% to 5%** next year. Consequently, intermodal pricing will **rise 1% to 3%** year-over-year in 2014. (Source: Cass Information Systems)
- U.S. carloads of motor vehicles and parts **increased 12%** in September 2013 over the same month last year. Rail transport of petroleum and petroleum products also experienced year-over-year gains in September. U.S. carloads of petroleum **increased 10.4%** over September 2012, and were **71.8% higher** than September 2011.

TRUCKING:

Trucking Volume

The ATA's seasonally adjusted cargo index **rose 1.4%** in August after falling 0.6% in July. The for-hire truck tonnage index **rose 6.9%** from August 2012, the largest year-over-year gain since December 2011. (Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload freight in September **fell 3.1%** compared to the previous month, and was **30% higher** year-over-year. Truck capacity **fell 6%** for the month, and was **up 11%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Diesel Prices

U.S. average diesel prices fell **2.2¢ to \$3.90 per gallon** last week. The U.S. average diesel price was **20¢ lower** than the same week last year. The average price of diesel in the lower Atlantic states was \$3.84 per gallon. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

Trucking Employment

Trucking industry employment remained flat in August after posting a gain of 6,300 in July. The trucking workforce **increased 1.9%** 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 **19,777 units** in September 2013. September orders were **3% higher** than the previous month, and **29% higher** year-over-year. (Source: FTR Associates | ftrassociates.com)

NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico, **increased 6.8%** in July compared to the same month last year, totaling **\$76.5 billion**. (Source: US DOT)

Trucking News Clips:

- A national survey of private fleet operators revealed that **67%** of the respondents expect their operations to **grow in the coming years**. Currently, **about 48%** of the Class 8 trucks on the road are in private fleets, according to the NPTC survey for 2012. Private fleet operators have also been more successful at retaining drivers. Driver turnover in the private fleets is **11%**, mainly because private fleet drivers typically have **shorter routes and higher pay** than drivers working with for-hire trucking companies. (Source: National Private Truck Council)
- The annualized turnover rate at large truckload fleets rose two percentage points to **99%** in the 2Q 2013. The increase in turnover at large fleets pushed the rate to its highest point since the 3Q 2012. Turnover at truckload fleets with less than \$30 million in annual revenue remained unchanged at **82%** while turnover at less-than-truckload fleets fell 9 percentage points to **6%**, the **lowest level in two years**. (Source: American Trucking Association | Trucking.org)

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AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in August **increased 3.6%** from one year ago, and **rose 0.8%** from the previous month. North American air freight in August **rose 0.7%** year-over-year. (Source: IATA.org)
(Global air freight covers international and domestic scheduled air traffic.)

Atlanta Air Cargo Traffic

In July, Hartsfield-Jackson Atlanta International Airport transported **50,106 metric tons** of cargo, a **1.6% decrease** from the previous month and a **7.5% decrease** year-over-year. (Source: HJIA)

Air Freight Price Index

In August, the index of East-West air cargo rates rose 2.7% from the previous month. The average price of air cargo leaving the United States in August stood at **\$3.15 per kilogram**. (Source: Drewry) *(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.)*

Jet Fuel Prices

As of October 11, 2013, the global average jet fuel price was \$125.10 per barrel; **down 0.9%** from the previous month, and **9.1% 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:

- Global semiconductor sales increased for the **sixth straight month** and reached **\$25.87 billion** in August. August's worldwide sales of semiconductors represented a **6.4% increase** over the same month last year, the industry's largest year-over-year growth since March 2011. Sales in the Americas **increased by 23.3%** year-over-year. (Source: Semiconductor Industry Association)
- In 2013, the global airline industry is expected to generate **\$11.7 billion** in profit on \$708 billion in revenues, a downgrade from the \$12.7 billion profit projected in June of this year. Airlines are expected to reach a profit of **\$16.4 billion** next year on **cargo growth of 3.7%** in 2014. (Source: IATA.org)

OCEAN FREIGHT:

Import Volumes

Import shipment volume at U.S. ports totaled **1.61 million TEUs** in August, the **2nd highest monthly volume since July 2007**. U.S. vessel imports **decreased 5%** from the previous month and **rose 0.5%** year-over-year. (Source: Zepol Corporation | zepol.com)

Shanghai Containerized Freight Index

The October 11th SCFI comprehensive reading was **\$894 per FEU**; **down 28%** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$3,205 per FEU**, **down 12.8%** 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 **rose 75.9%** in September, ending at **2,003**. The BDI has **decreased 0.9%** during the first half of October. (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 October 1 and December 31, 2013, the bunker fuel surcharge will total **\$530 per FEU** for shipments to the West coast ocean ports and **\$975 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

In August, the Port of Savannah moved a **record-setting 280,873 TEUs** of cargo. TEU shipments in August **increased 13.8%** over the previous month and **rose 3.8%** year-over-year. The Port of Savannah in August also experienced a **record-breaking month in containers, container tons, total tonnage, truck moves, and intermodal shipments**. (Source: GPA)

Port of Brunswick

For the second year in a row, the GPA achieved a record total for auto and machinery units with an **11.7% improvement** in FY2013, moving 636,942 units. The Port of Brunswick is now the **3rd busiest port in the U.S. for total roll-on/roll-off cargo, and the #1 for new automobile imports** (Port of NY is now 2nd). (Source: GPA)

Ocean Freight Business News:

- Import volume through major U.S. container ports is expected to **increase 9.1%** in October as retailers continue to stock up for the holiday season. In August, the latest month for which numbers are available, U.S. container ports handled 1.48 million TEUs, a **2.5% increase** over the previous month and a **3.8% increase** over the same month last year. Total U.S. containerized imports are expected to **increase 2.7%** in 2013. (Source: NRF/Hackett Associates)
- At the Port of Brunswick's East River Terminal, biofuels including wood pellets reached 815,337 tons and helped drive the terminal to a **23% increase** in bulk cargo in FY2013 over the previous fiscal year. During the same time, Brunswick's Colonel's Island moved 148,712 tons of corn and 792,453 tons of soybean meal, for a total of 941,165 tons, **nearly five times more** than in FY2012. (Source: GPA)
- UPS has announced plans to begin a **temperature-sensitive shipping program** for ocean freight early next year. This announcement coincides with current UPS cold-chain offerings. The new ocean option is ideal for **large-volume shipments** for shippers who are primarily concerned about cost or are concerned about regulatory issues.

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy	The U.S. average industrial vacancy rate was 8.63% during Q2 2013, down from 8.83% in the previous quarter. Overall vacancy was 12.6% in Atlanta and 12.54% in Savannah during the second quarter. (Source: Colliers International)
Warehouse Rent Rates	In Q2 2013, warehouse and distribution rental rates in the US averaged \$4.81 per square foot , up from \$4.77/SF in the previous quarter. Rental rates for warehouse space averaged \$3.26 per square foot in Atlanta and \$3.95 per square foot in Savannah. (Source: Colliers International)
Industrial Absorption	Net absorption in the US during Q2 2013 totaled nearly +42 million square feet . Atlanta's overall absorption during the 2Q was, by far, the highest in the U.S. with more than +4.5 million square feet . (Source: Colliers International) <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 0.5 of a point to 56.2 in September 2013, the highest level since April 2011. New orders fell 2.7 points to 60.5 and production increased 0.2 point to 62.6. (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 0.6 of a point to 49.1 in September. New orders in Georgia fell 9 points to 43.5 and production rose 2.8 points to 47.8. Georgia's PMI is now 7.1 points below 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>
W&D Business News:	<ul style="list-style-type: none"> • Mannington Mills Inc. will expand its Morgan County, Georgia production facility, investing more than \$50 million and adding 219 jobs in the next few years. The floorcovering manufacturer will roughly double the size of the current facility's footprint. • Hyundai Dymos is opening a manufacturing plant in West Point, Georgia to manufacture seats for Kia Motors Manufacturing Georgia. The facility will create 350 jobs and represents a \$35 million investment. • Yachiyo of America has announced plans to build a manufacturing plant in Carrollton, Georgia. The new 130,000-square-foot facility will bring more than 200 jobs within three years and will cost approximately \$30 million. The Japanese automotive supplier will manufacture plastic fuel tanks and sunroofs.

U.S. MARKET:

Gross Domestic Product	The U.S. GDP increased 2.5% in the second quarter of 2013 according to the third estimate released by the Bureau of Economic Analysis. (Source: US BEA)
U.S. Trade Deficit	The U.S. trade deficit increased by 13.3% in July to \$39.1 billion. Exports fell 0.6% to \$189.4 billion and imports rose 1.6% to \$228.6 billion. (Source: US DOC & Census Bureau)
Consumer Confidence	The Consumer Confidence Index decreased to 79.7 in September 2013. (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>
Unemployment Rate	The unemployment rate in America decreased to 7.3% in August 2013 as there were 169,000 net new jobs . The August unemployment rate was the lowest since November 2008 . However, the labor force participation rate fell to 63.2% in August, its lowest level since 1978 . (Source: US DOL)
Leading Economic Index	The Leading Economic Index for the U.S. increased 0.7% in August to 96.6 (2004=100), following a 0.5% increase in July and no change in June. (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 August to \$426.6 billion , up 0.2% from the previous month, and up 4.7% above August 2012. Non-store retailer sales were up 10.2% from last year. (Source: US Census)
Manufacturing & Trade Sales	Total combined sales and manufacturing shipments totaled more than \$1.29 Trillion in July 2013, up 0.6% from June and up 4.6% from the previous year. (Source: US Census)
Manufacturing & Trade Inventory	Total value of inventory on hand is estimated at \$1.66 Trillion in July 2013, up 0.4% from June and up 4.6% from July 2012. (Source: US Census)
Housing Starts	In August, housing starts rose 0.9% to an annual rate of 891,000 units. Building permits (an indicator of future housing starts) fell 3.8% to an annual rate of 918,000. Year-over-year, housing starts and building permits in August have increased 19% and 11% , respectively. (Source: U.S. DOC)
Consumer & Producer Price Index	The consumer price index for all urban consumers increased 0.1 in August from the previous month. Over the last 12 months, the all items index increased 1.5% . The producer price index for finished goods was rose 0.3 in August from the previous month. Prices for finished goods rose 1.4% over the previous year. (Source: US Bureau of Labor Statistics)