

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index rose 6.1% during the month of October. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of October 10th thru November 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index increased 1.7% in October. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of October 10th thru November 10th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index rose 0.8% in September 2013, rising for the third consecutive month to its highest all-time level . The index's reading of 115.8 was up 4.3% from September 2012. (Source: US DOT)
Cass Freight Index	The October shipments index fell 3.5% over the previous month and fell 2% year-over-year. The October expenditures index fell 2.6% for the month, and increased 0.8% 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 August, the U.S. imported about \$228 billion of cargo. August U.S. imports remained steady in terms of value from July, and rose 0.9% year-over-year. (Source: US Census)
Export Volumes	In August, the U.S. exported more than \$189.2 billion of cargo. August U.S. exports have decreased 0.1% in terms of value over the previous month and rose 3.9% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices declined 0.7% in October. Import prices fell 2.0% over the past year. The price index for U.S. exports fell 0.5% in October. Export prices decreased 2.1% year-over-year. <i>(Source: Bureau of Labor Statistics)</i>
Multimodal News Clips:	<ul style="list-style-type: none"> • Amazon has unveiled a new partnership with the U.S. Postal Service to deliver packages on Sundays, starting with the Los Angeles and New York metropolitan areas. Amazon and USPS plan to launch the new service to several cities, including the Dallas, Houston, New Orleans, and Phoenix areas, among others. • Georgia has been named as the state with the best business climate in 2013 by <i>Site Selection Magazine</i>. In earning the top spot, the publication cited the state's many logistical advantages, cutting edge work-force training programs, and low-cost energy. The overall ranking is based on a survey of corporate site selectors and a set of criteria that includes the number of qualified projects and state tax burdens on companies. • Nationally, about 96.7 million square feet of distribution space is currently under construction, about half of which is speculative, with an average building size of 360,000 square feet. 12% of the current total and about 30% of the demand for big boxes, is related to e-commerce.

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in October 2013 fell 1% from September 2013. Freight traffic in October rose 1.5% from October 2012, the highest year-over-year percentage increase in 22 months. Carloads excluding coal and grain increased 5.6% 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 October 2013 was 6.8% higher than in October 2012, and rose 0.8% from September 2013. Intermodal loadings have experienced year-over-year gains for 46 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 September was 625.4, up 0.6% from the previous month and 5.1% lower 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 decreased to 283,242 (18.4% of the fleet) on November 1, down 13,281 cars from a month earlier. This is the largest monthly decline since April 1, 2011. (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>
Class 1 Railroad Employment	Railroad employment in September 2013 decreased by 183 employees to 163,237 employees. Total Class 1 rail employment in September was 1.2% higher than it was in September 2012. (Source: U.S. STB)
Short Line Rail Traffic	In October 2013, short line railroad shipments across North America rose 3% compared to the same month last year. A sampling of about 432 small railroads in the U.S. and Canada loaded 707,638 railcars and intermodal units during the month of October. (Source: RMI RailConnect Index rmiindemand.com)
Railroad News Clips:	<ul style="list-style-type: none"> • CSX and Norfolk Southern both experienced stock gains during 3Q 2013. CSX posted a 12% increase during the 3Q while Norfolk Southern reported a 7.7% increase. The share price for the short line railroad, Genesee & Wyoming, was up 10% for the quarter. • Intermodal traffic in the 3Q 2013 increased by 4.7%. Domestic container volume increased by 9.4% when compared to the 3Q 2012. The Southeast United States posted an increase of 11.3% in intermodal traffic in the 3Q. (Source: Intermodal Association of North America)

TRUCKING:

Trucking Volume

The ATA's seasonally adjusted cargo index **rose 1.4%** in September after rising 1.4% in August. The for-hire truck tonnage index **rose 8.4%** from September 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 October **rose 0.3%** compared to the previous month, and was **27% higher** year-over-year. Truck capacity **rose 24%** for the month, and was **down 0.9%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Diesel Prices

U.S. average diesel prices fell **2.5¢** to **\$3.83 per gallon** last week. The U.S. average diesel price was **15¢ lower** than the same week last year. The average price of diesel in the lower Atlantic states was \$3.79 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 October after posting a gain of 1,300 in September. The trucking workforce **increased 1.6%** 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 **25,960 units** in October 2013. October orders were **39% higher** than the previous month, **14% higher** year-over-year, and were the highest since December 2011. (Source: FTR Associates | ftrassociates.com)

NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico, **increased 2.5%** in August compared to the same month last year, totaling nearly **\$80 billion**. (Source: US DOT)

Trucking News Clips:

- Saia reported a **\$12.9 million profit** for the 3Q 2013, an **increase of 39.5%** year-over-year. Quarterly revenue totaled \$293.1 million, an increase of 5.4% from the previous year. Three other U.S.-based LTL motor carriers also reported increased profits. Roadrunner, Con-way, and Old Dominion Freight Line increased their profits by **34%, 21%, and 18%**, respectively.

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in September **increased 0.5%** from one year ago, and remained steady from the previous month. North American air freight in September **rose 0.9%** year-over-year. (Source: IATA.org) *(Global air freight covers international and domestic scheduled air traffic.)*

Atlanta Air Cargo Traffic

In August, Hartsfield-Jackson Atlanta International Airport transported **52,290 metric tons** of cargo, a **4.4% increase** from the previous month and a **5.8% decrease** year-over-year. (Source: HJIA)

Air Freight Price Index

In September, the index of East-West air cargo rates rose 3.2% from the previous month. The average price of air cargo leaving the United States in September stood at **\$3.24 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 November 8, 2013, the global average jet fuel price was \$119.80 per barrel; **down 3.3%** from the previous month, and **1.1% 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:

- The U.S. Department of Justice has filed a **proposed settlement** with US Airways and American Airlines to resolve its lawsuit challenging their planned merger. If approved by the court, the settlement will resolve the department's competitive concerns and the lawsuit. Under the terms of the deal, the airlines are required to divest important facilities at seven key airports across the country to low cost carrier airlines. (Source: JOC.com)

OCEAN FREIGHT:

Import Volumes

Import shipment volume at U.S. ports totaled **1.64 million TEUs** in September. U.S. vessel imports **increased 2%** from the previous month and **rose 7%** year-over-year. (Source: Zepol Corporation | zepol.com)

Shanghai Containerized Freight Index

The November 8th SCFI comprehensive reading was **\$1,090 per FEU**; **down 12.9%** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$3,078 per FEU**, **down 8.9%** 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 23.5%** in October, ending at **1,525**. The BDI has **increased 0.4%** during the first half of December. (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. Bulk cargo in Brunswick reached 1.75 million tons in FY2013, **more than double** the amount moved in FY2012. (Source: GPA)

Ocean Freight Business News:

- Import volume through major U.S. container ports is expected to **increase 3.3%** in November. In September, the latest month for which numbers are available, U.S. container ports handled 1.43 million TEUs, a **3.6% decrease** over the previous month and a **2% increase** over the same month last year. Total U.S. containerized imports are expected to **increase 2.3%** in 2013. (Source: NRF/Hackett Associates)
- U.S. containerized exports **jumped 8.2%** year-over-year in August to nearly **1.1 million TEUs**. This was the **highest year-over-year increase** since June 2012 and the **highest monthly volume** since March 2012. August containerized exports **rose 11%** over the previous month. (Source: PERS)
- All four of the new **super post-Panamax** ship-to-shore cranes that arrived at the Port of Savannah in June are now fully operational at Georgia Ports Authority's Garden City Terminal. Each new crane can lift up to **65 tons**. When the deeper Panama Canal opens in 2015, the average vessel calling on the U.S. East Coast is expected to shift from a capacity of 4,500 TEUs to approximately **9,000 TEUs**.

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The U.S. average industrial vacancy rate was **8.3%** during Q3 2013, down from 8.5% in the previous quarter. Overall vacancy was **12.3%** in Atlanta and **9.1%** in the South during the third quarter. (Source: Cassidy Turley)

Warehouse Rent Rates

In Q3 2013, warehouse and distribution rental rates in the US averaged **\$5.11 per square foot**, up from \$5.05/SF in the previous quarter. Rental rates for warehouse space averaged **\$3.48 per square foot** in Atlanta and **\$4.68 per square foot** in the South. (Source: Cassidy Turley)

Industrial Absorption

Net absorption in the US during Q3 2013 totaled nearly **+30.5 million square feet**. Atlanta's overall absorption during the 3Q was **968,000 square feet**. Absorption in the South led all other regions, totaling more than **+9.5 million square feet**. (Source: Cassidy Turley) *(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 0.2 of a point** to 56.4 in October 2013, the highest level since April 2011. New orders **rose 0.1 point** to 60.6 and production **decreased 1.8 points** to 60.8. (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 **rose 4.5 points** to 53.6 in October, the state's largest increase since March 2013. New orders in Georgia **rose 11.1 points** to 54.5 and production **rose 2.2 points** to 50.0. Georgia's PMI is now **1.9 points below** the national PMI. (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:

- King's Hawaiian, will expand its existing operations in Hall County, Georgia, representing a **\$100 million** investment. The company plans to double the size of its current facility and will construct a neighboring **120,000-square-foot facility**, tripling its production capacity and creating more than **400 additional jobs** by 2016.
- Southwire, a leading manufacturer of wire and cable, will expand its presence in Carroll County, Georgia, **creating 375 jobs** and **investing \$95 million** over the next four years.
- Bryan County, Georgia has been selected as the location of a new quartz countertop manufacturing plant. Caesarstone's new facility will **create 180 jobs** and represents a **\$70-\$100 million investment**.
- Parkdale Mills, the country's largest manufacturer of spun yarn, will expand its production plants in Rabun Gap, Georgia. The company will hire **210 new employees** and invest **\$85 million** in the expansion project.

U.S. MARKET:

Gross Domestic Product

The U.S. GDP **increased 2.8%** in the third quarter of 2013 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 **increased by 0.4%** in August to \$38.8 billion. **Exports fell 0.1%** to \$189.2 billion and **imports remained steady** at \$228 billion. (Source: US DOC & Census Bureau)

Consumer Confidence

The Consumer Confidence Index **decreased to 71.2** in October 2013. (Source: The Conference Board) *(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.)*

Unemployment Rate

The unemployment rate in America **increased to 7.3%** in October 2013 as there were **204,000 net new jobs**. About 932,000 people left the labor force during the month, causing the labor force participation rate to **fall to 62.8%** in October, its **lowest level since 1978**. This was the third-highest monthly increase in people falling out of the labor force in U.S. history. (Source: US DOL)

Leading Economic Index

The Leading Economic Index for the U.S. **increased 0.7%** in September to 97.1 (2004=100), following a 0.7% increase in August and a 0.4% increase in July. (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 September to **\$425.9 billion, down 0.1%** from the previous month, and **up 3.2%** above September 2012. Non-store retailer sales were **up 8.9%** from last year. (Source: US Census)

Manufacturing & Trade Sales

Total combined sales and manufacturing shipments totaled more than **\$1.29 Trillion** in August 2013, **up 0.3%** from July and **up 4.2%** from the previous year. (Source: US Census)

Manufacturing & Trade Inventory

Total value of inventory on hand is estimated at **\$1.67 Trillion** in August 2013, up 0.3% from July and **up 3.1%** from August 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 0.2** in September from the previous month. Over the last 12 months, the all items index **increased 1.2%**. The producer price index for finished goods **fell 0.1%** in September from the previous month. Prices for finished goods **rose 0.3%** over the previous year. (Source: US Bureau of Labor Statistics)

To sign-up to receive these free monthly snapshots, visit: www.GeorgiaLogistics.com

For more information about the **Logistics Market Snapshot** or the many other resources and services of the **Georgia Center of Innovation for Logistics** please contact:

Page Siplon, Executive Director | psiplon@georgia.org | 912.966.7867