

U.S. MARKET:

Gross Domestic Product	The U.S. GDP increased at an annual rate of 3.2% in the third quarter of 2016 according to the second estimate released by the Bureau of Economic Analysis in late November. In the second quarter, real GDP increased 1.4%. (Source: US BEA) The latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the fourth quarter of 2016 is 2.6%. (Source: Federal Reserve Bank of Atlanta) <i>(The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</i>
U.S. Trade Deficit	The U.S. goods and services trade deficit increased 17.6% in October to \$42.6 billion. Exports of goods decreased 2.76% to \$126.6 billion and imports of goods increased 1.52% to \$186.5 billion. (Source: US DOC & Census Bureau)
Consumer Confidence	The Consumer Confidence Index increased to 107.7 in November 2016, up 6.25% from October. A more favorable assessment of current conditions coupled with a more optimistic short-term outlook helped boost confidence, according to The Conference Board. (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 4.6% in November 2016, the lowest rate it's been since August 2007 . A preliminary 178,000 net new jobs were created in November 2016, 10.5% more than October . Employment gains occurred in professional and business services and in health care. The unemployment rate in Georgia was 5.2% in October. (Source: US DOL)
Workforce Participation Rate	The workforce participation rate decreased 0.15% to 62.7 in November. Little movement has been seen in recent months. (Source: U.S. Bureau of Labor Statistics) <i>(The Workforce Participation Rate measures the share of Americans at least 16 years old who are either employed or actively looking for work)</i>
Leading Economic Index	The Leading Economic Index for the U.S. increased 0.2% in September to a reading of 124.4. Housing permits, unemployment insurance claims, and the interest rate spread were the main components lifting the index in September. (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>
Industrial Production and Capacity Utilization	The Industrial Production Index was 103.9 in November, a decrease of 0.4% from the previous month and 0.6% lower year-over-year. Capacity utilization for the industrial sector decreased 0.5% from the previous month to 75.0%. (Source: Federal Reserve) <i>(The industrial production and capacity utilization rates cover manufacturing, mining, and electric and gas utilities. The industrial detail provided by these measures helps illuminate structural developments in the economy)</i>
Retail Sales	Advanced estimates of retail and food service sales in November were \$465.5 billion, an increase of 0.1% from the previous month, and up 3.8% from November 2015. Non-store retailer sales were up 11.5% from last year, and includes internet-only sales outlets as well as other direct-to-customer channels. (Source: US Census)
Manufacturing & Trade Sales	Total combined sales and manufacturing shipments totaled nearly \$1.32 trillion in October 2016, up 0.8% from September and up 2.1% from October of the previous year . (Source: US Census)
Manufacturing & Trade Inventory	Total value of inventory on hand is estimated at \$1.81 trillion in October 2016, down 0.2% from September and up 0.4% from October of the previous year . (Source: US Census)
Housing Starts	In October, housing starts were an annualized 1,320,000 units, up 25.5% from the previous month and the most for any month since August 2007. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 110.0 in October, up 0.1% from the previous month . (Source: U.S. DOC)
Consumer & Producer Price Index	The consumer price index for all urban consumers fell 0.2% to 241.3 in November on a seasonally adjusted basis from the previous month. The producer price index for final demand was 110.8 in November, an increase of 0.4% from the previous month. (Source: US Bureau of Labor Statistics)

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation Index increased 12.1% in November 2016, ending at a reading of 8,981. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of Nov. 1st thru Nov. 30th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index increased 14.8% in November 2016, ending at a reading of 4,013. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of Nov. 1st thru Nov. 30th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index increased 1.0% in October, to a reading of 122.0. The increase was due to growth in trucking and rail intermodal, while all other modes declined. (Source: US DOT)

Cass Freight Index	The October shipments index increased 0.9% from the previous month to 1.121 and increased 2.7% year-over-year. This is the first year-over-year increase in the last 20 months . The October expenditures index decreased 2.2% for the month to 2.343, and decreased 3.8% year-over-year. Data is beginning to suggest that the American consumer is starting to spend a little more and that the industrial economy's rate of deceleration has eased. (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 October, the U.S. imported \$186.5 billion of cargo, increasing 1.5% from September. The October imports of goods were the highest since September 2015. (Source: US Census)
Export Volumes	In October, the U.S. exported \$123.1 billion of cargo, decreasing 2.8% from September. The October exports of capital goods were the highest since December 2015 (\$127.6 billion). (Source: US Census)
Import & Export Price Index	U.S. import prices decreased 0.3% in November. The November drop was primarily led by decreasing fuel prices. U.S. export prices decreased 0.1% in November, as declining nonagricultural prices led the overall decrease. (Source: Bureau of Labor Statistics)
Shippers Conditions Index	The Shippers Conditions Index for September declined to a reading of -2.4 , which was expected after the increase in August. FTR expects that because there is still plenty of truck & rail capacity, and rates remain stable, any significant changes won't be seen until late Q1 or Q2 of 2017. (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for shippers)</i>
E-Commerce	E-Commerce revenue was up 9% in November compared to November 2015. Mobile shopping (phones and tablets) accounted for 31% of online shopping, up from 29% in November 2015. The estimate of U.S. retail e-commerce sales for the third quarter of 2016, adjusted for seasonal variation, was \$101.3 billion, an increase of 4.0% from the second quarter of 2016. (Source: Custora E-Commerce Pulse, US Census)
Multimodal News Clips:	<ul style="list-style-type: none"> U.S. light vehicle sales were a seasonally adjusted and annualized 17.8 million in November 2016. Sales were down 2.1% from November 2015, but last November was the highest-volume sales month since July 2005. (Source: AAR) Amazon has started a Prime Air drone delivery trial in the UK, working with two consumers who can now order their goods by drone. The service is restricted to small items for now, focusing on delivering packages up to five pounds in 30 minutes or less. On December 7, 2016, Prime Air delivered its first order, an Amazon Fire TV and bag of popcorn, using a highly automated drone. It took 13 minutes from customer click to package delivery. Over time, Amazon plans to expand the trial to a dozen or more, and later to hundreds of consumers who live within a few miles of its first Prime Air fulfillment center near Cambridge, England. (Source: Supply Chain 24/7)

RAIL:	
U.S. Freight Rail Traffic	Originations of carloads in November 2016 totaled 1,319,008, an increase of 26.6% from November 2015 and the first year-over-year increase since January 2015 . One reason for the gain in November is that carloads didn't fall as much in November from October this year as they usually do. From 2000 through 2015, weekly carloads in November were, on average, 3.5% lower than they were in October. This year, weekly average carloads in November were just 1.1% lower than in October. (Source: AAR.org) <i>(Report includes rail car-loadings by 20 different major commodity categories as well as intermodal units)</i>
U.S. Intermodal Rail Traffic	Intermodal rail traffic totaled 1,319,189 units in November 2016, an increase of 28.8% from November 2015 . This is the first year-over-year monthly increase for intermodal in nine months. U.S. railroads originated 12,478,621 containers and trailers in the first 11 months of 2016, down 2.5% from the first 11 months of 2015. Depending on how December turns out, 2016 will be the second- or third-highest intermodal year in history. (Source: AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
Intermodal Competitive Index	The Intermodal Competitive Index increased to a reading of 4.95 in September. The September reading reflects increased utilization rates in the over-the-road truck market and stabilizing fuel prices, among other factors. (Source: FTR Transportation Intelligence ftrintel.com) <i>(Index includes factors like relative rates vs. truck, industry capacity vs. demand, fuel prices, and intermodal service levels. Figures above 0 indicate favorable conditions for intermodal to compete with truck)</i>
Railroad Fuel Price Index	The index of average railroad fuel prices in October was 325.8, up 8.9% from the previous month and 1.6% higher year-over-year. (Source: erAAR.org) <i>(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)</i>
Class 1 Railroad Employment	Railroad employment in October decreased 0.38% from the previous month , to 151,900 employees total, and the lowest employment total for the industry since July 2010. In October, employment fell across the major rail labor categories, including maintenance of way and structures, maintenance of equipment, and train and engine. These three categories account for more than 80% of the rail workforce. (Source: U.S. STB)

Short Line Rail Traffic

In November 2016, short line railroad shipments across North America **increased 4.2%** compared to the same month last year. A sampling of about 431 small railroads in the U.S. and Canada **loaded 656,468 railcars** and intermodal units during the month of November. November 2016 was comprised of 5 weeks, compared to the 4 weeks making up November 2015. (Source: RailConnect Index | GE Transportation)

Railroad News Clips:

- The Mexican government has been deploying troops at various troubled areas in response to rising vandalism and theft targeting both railway lines and automotive cargo. Thieves were boarding trains carrying finished vehicles that had stopped, or slowed down, and were stealing tires, batteries, and other parts. As many as 1,000 troops have been deployed at various hotspots in the country, including Guanajuato and other parts of the central Bajlo region. (Source: Automotive Logistics)

TRUCKING:

Truck Tonnage Index

The ATA's seasonally adjusted For-Hire Truck Tonnage Index **decreased by 0.22% to 131.6** in October. Compared with October 2015, the SA index fell 0.9%, the second straight year-over-year decline. ATA expects the bottom of the current tonnage cycle should be near, and that truck freight should gradually improve soon. (Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload-freight available for pick-up in November **increased 4.6%** compared to the previous month, and was **87% higher** year-over-year. Truck capacity **decreased 3.3%** for the month, and **increased 5.1%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Trucking Conditions Index

The Trucking Conditions Index for October was 2.84, down from September's reading of 5.47. While current readings are in low positive territory, the index remains on course to reflect improving conditions for carriers as capacity tightens from regulations being implemented. This will improve pricing and margins for trucking companies through next year. The Trucking Conditions Index is forecast to reach its peak in late 2017 or early 2018. (Source: FTR Transportation Intelligence | ftrintel.com) *(Figures below zero indicate a less-than-ideal environment for trucking)*

Diesel Prices

As of December 12, 2016 the U.S. average diesel price was **\$2.49 per gallon**. The U.S. average diesel price was **\$0.15 higher** than the same week last year. The average price of diesel in the Southeastern Atlantic states was **\$2.42 per gallon, 2.8% less than the national average price**. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

Trucking Employment

The trucking industry workforce **increased by approximately 1,100 employees to 1,470,000 employees total** in November. The trucking industry workforce **increased 0.07%** over the previous month and **increased 0.66%** over November 2015. (Source: U.S. Bureau of Labor Statistics)

Trucking Earnings and Hours

The average earnings of truck transportation employees were \$22.88/hour in October, **up 0.88%** from the previous month. The average weekly hours totaled 41.9 in October, **down 0.71%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

U.S. Truck & Trailer Orders (Class 8)

Preliminary data for heavy-duty Class 8 trucks net orders in North America were **19,342 units** in November 2016, an **increase of 40%** from the previous month. FTR expected medium-sized and smaller fleets to delay their initial 2017 orders until after the U.S. November election. Final October net trailer orders came in at 20,200 units, **up 71%** from September and **down 38%** year-over-year. (Source: FTR Transportation Intelligence | ftrintel.com)

NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico totaled \$91.1 billion in September 2016, **decreasing 2.3%** year-over-year. The total value of cross-border freight has declined from the same month of the previous year in 20 of the past 21 months beginning in January 2015 with only an increase of 0.7% in August 2016. (Source: US DOT)

Trucking News Clip

- The Federal Motor Carrier Safety Administration (FMCSA) is extending the implementation date of the final stage of its Unified Registration System (URS). The URS will combine multiple reporting forms into a single, online "smart form" that streamlines the registration and renewal process, improves efficiency, reduces errors, and strengthens safety for the motoring public. The FMCSA needs additional time to securely migrate data from multiple legacy platforms into a new central database and to conduct further compatibility testing with its state partners. They will publish a Federal Register Notice in early January 2017 announcing the revised regulatory compliance dates. (Source: Fleet Owner)

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in October **increased 8.2%** in the past 12 months, **and increased 2.7% year-to-date**. This is the fastest pace since the disruption seen at U.S. west coast seaports during February 2015. October's data tie in with broader signs of a stronger-than-expected peak season for air freight in 2016. (Source: IATA.org) *(Global air freight covers international and domestic scheduled air traffic.)*

Atlanta Air Cargo Traffic

In October, Hartsfield-Jackson Atlanta International Airport transported **58,565 metric tons** of cargo, a **4.5% increase** from the previous month and a **4.3% increase** year-over-year. (Source: HJIAIA)

Air Freight Price Index

The latest Drewry East-West Airfreight Price Index **increased 5.1 points to 97.0 in October, the highest level this year**, but below the 99.7 reached in October 2015. Drewry expects to see prices strengthen further in November before easing off in December and early 2017. (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 December 9, 2016, the global average jet fuel price was \$63.80 per barrel; **up 13%** from the previous month, and **27.2% higher** 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:

- 2016 will be the third consecutive year (and the third year in the industry's history), in which airlines will make a return on invested capital (7.9%) which is above the weighted average cost of capital (6.9%). IATA expects a net profit of \$35.6 billion in 2016, the highest absolute profit generated by the airline industry and the highest net profit margin (5.1%). (Source: Supply Chain 24/7)

OCEAN FREIGHT:

Import Volumes

In October, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.67 million TEUs, a **4.6% increase** from September and a **7.4% increase** from October 2015. (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The December 9th SCFI comprehensive reading was **\$797.62 per FEU; down 3.3%** from last month. The spot rate for shipments to the U.S. East Coast was **\$2,340 per FEU, down 12.3%** from the previous month. (Source: Shanghai Shipping Exchange | www1.chineseshipping.com.cn/en, American Shipper) *(The Shanghai Containerized Freight Index is a weekly reported average export spot rate from Shanghai for 15 different trade lanes.)*

Baltic Dry Index

The Baltic Dry Index **increased 40.5%** in November, ending at 1,204, the highest level seen in two years. Analysts suggest that the cyclical improvement they have been expecting may now be occurring, and should provide a boost to productivity growth. (Source: www.bloomberg.com/quote/BD1Y: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 2016, the bunker fuel surcharge will total **\$264 per FEU** for shipments to the West coast ocean ports and **\$525 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 Port of Savannah moved **300,671 TEUs** in November 2016, a **0.3% decrease** from the previous month and a **6.5% increase** from November 2015. A strengthening export market and busy peak holiday season fueled the year-over-year growth. (Source: GPA)

Port of Brunswick

The Water Infrastructure Improvements for the Nation Act, or WIIN, passed the House and Senate earlier this month. The bill includes authorization for a study to address the navigation needs in Brunswick's harbor, and possibly allow money to be available for widening a turn-in-channel and a turning basin to ensure that the massive 950-foot ships that are using the recently renovated Panama Canal are able to continue using Brunswick's port. (Source: Golden Isles News)

Ocean Freight Business News:

- Four new Super Post Panamax ship-to-shore cranes have arrived at the Garden City Terminal, bringing the Port of Savannah's total to 26, more than any other terminal in the U.S. These cranes can work the largest ships calling on the U.S. East Coast, reaching across vessels 22 containers wide. The new cranes, along with the Savannah Harbor deepening, help to accommodate a move in the world fleet toward larger ships. Through its expanded locks, the Panama Canal can now accommodate vessels with a capacity of 14,000 TEUs—nearly triple the size of the canal's previous maximum. (Source:GPA)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The **nationwide vacancy rate was 5.8%** at the end of the third quarter in 2016, a 16-year low. It is down from 6.1% in Q2 and 6.5% in Q3 of 2015. The decline from the second quarter is notable this late in the cycle, when construction has already ramped up; it demonstrates the magnitude of demand that is driving the market. The industrial vacancy rate in Savannah, GA was 2.6% in Q3 of 2016. (Source: NGKF, Colliers)

Warehouse Rent Rates

In Q3 2016, the average asking rent across the U.S. was \$5.96/SF triple net, up 1.8% from the prior quarter and up 5.9% from a year ago. It was the strongest four-quarter rent gain in the current cycle. The average asking rent in Atlanta was \$4.63/SF. (Source: NGKF)

Industrial Absorption	<p>Net absorption in the US during Q3 2016 totaled 76.5 million square feet, setting an all-time record nearly 7 million square feet above the previous record set in Q4 2015. Year-to-date, 24 mega-big-box projects with at least 1 million square feet have been delivered, including four in metro-Atlanta. (Source: NGKF) <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></p>
Warehouse Employment	<p>The warehousing industry workforce increased by 3,100 employees to 879,800 employees total in November. The warehouse industry workforce increased 0.35% from the previous month and increased 5.69% year-over-year. (Source: U.S. Bureau of Labor Statistics)</p>
Warehouse Earnings and Hours	<p>The average earnings of warehousing & storage employees were \$19.33/hour in October, up 1.9% from the previous month. The average weekly hours totaled 42.5 in October, up 0.71% from the previous month. (Source: U.S. Bureau of Labor Statistics)</p>
Purchasing Managers Index	<p>The National PMI increased to 53.2% in November 2016, an increase of 130 basis points over the previous month and the third consecutive month indicating growth in the manufacturing economy. New orders increased 90 basis points to 53%. Production increased 40 basis points to 56%. (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></p>
Purchasing Managers Index in Georgia	<p>Georgia's PMI increased 650 basis points month-over-month, to 60.0 in November. New orders in Georgia increased to 55.6 and production increased to 63.9. Georgia's PMI is now 680 basis points above 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></p>
W&D Business News:	<ul style="list-style-type: none"> Industrial developers are eyeing logistics projects, including warehousing and distribution centers, at major border crossing points along the U.S.-Mexican border. Industrial real estate needs in El Paso and McAllen in Eastern Texas, differ from those of businesses in Laredo. El Paso and McAllen are more focused on supporting manufacturing to the immediate region south of the border while Laredo is more focused on the NAFTA highway and central Mexico, according to CBRE. (Source: JOC) Instead of building new warehouses, Amazon is turning to merchants who sell on its marketplace for extra warehouse space in order to offer a wider array of products to more people, and get those items to them as quickly as possible. Amazon's Seller Fulfilled Prime program now lets merchants sell things on Amazon as "Prime Eligible" even if Amazon doesn't handle packaging and delivery. This way, merchants who able to meet "a high bar" for shipping speed and customer service can use the Prime label on orders and ship them out themselves. Previously, sellers could have their items shipped directly from Amazon and participate in the Prime program that way, but they then have to pay fees to store their items in Amazon's warehouses, as well as for packing and picking orders. Amazon said it's boosted the inventory available for Prime delivery within two business days by six million items under its Seller Fulfilled Prime program. (Source: Supply Chain 24/7)

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