

U.S. MARKET:

Gross Domestic Product	<p>The U.S. GDP increased at an annual rate of 3.0% in the third quarter of 2017 according to the advance estimate released by the Bureau of Economic Analysis in late October. In the second quarter, real GDP increased 3.1%. The advanced estimate for the third quarter was higher than most economist were expecting. (Source: US BEA) As of November 9, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the fourth quarter of 2017 is 3.3%. (Source: Federal Reserve Bank of Atlanta) <i>(The GDPNow forecast aggregates statistical model forecasts of 13 subcomponents that comprise GDP.)</i></p>
U.S. Trade Deficit	<p>The U.S. goods and services trade deficit increased 1.64% in September 2017 to \$43.5 billion. In September, the U.S. had a trade surplus with Hong Kong, South and Central America, Brazil, United Kingdom, Singapore, OPEC, Saudi Arabia, and Canada. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, South Korea, India, Taiwan, and France. (Source: US DOC & Census Bureau)</p>
Import Volumes	<p>In September 2017, the U.S. imported \$196.0 billion of cargo, increasing 1.2% from August. The September imports of foods, feeds, and beverages (\$11.8 billion) and capital goods (\$55.1 billion) were the highest on record. (Source: US Census)</p>
Export Volumes	<p>In September 2017, the U.S. exported \$130.6 billion of cargo, increasing 1.4% from August and the highest since December 2014. The September exports of industrial supplies and materials (\$38.4 billion) were the highest since December 2014. (Source: US Census)</p>
Import & Export Price Index	<p>U.S. import prices increased 0.24% in October 2017. Higher prices for both fuel and nonfuel imports contributed to the overall rise in import prices for October. U.S. export prices were unchanged in October 2017. The index has not recorded a decline since a 0.1% drop in June. Higher prices for agricultural exports were offset by lower prices for nonagricultural exports. (Source: Bureau of Labor Statistics)</p>
Unemployment Rate	<p>The unemployment rate in America decreased to 4.1% in October 2017, down from 4.2% the previous month and the lowest it's been since December 2000. A preliminary net 261,000 jobs were gained in October 2017, and the figure for September 2017 was revised sharply upward from a loss of 33,000 jobs to a gain of 18,000 jobs. If October's numbers hold after revisions, it will be the most job gains since July 2016. To some degree, job gains in October reflected businesses re-starting after hurricane-related shutdowns. The unemployment rate in Georgia was 4.3% in October 2017, down 4.5% from the previous month. (Source: US DOL, US BLS)</p>
Labor Force Participation Rate	<p>The labor force participation rate was 62.7% in October 2017, down 0.63% from the prior month. Part of the decline in the rate is due to baby boomer retirements, but the labor participation rate for younger workers is much lower today than in the past as well, though there's been some recent improvement. (Source: U.S. Bureau of Labor Statistics, AAR) <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></p>
Leading Economic Index	<p>The Leading Economic Index for the U.S. increased 1.16% in October 2017, ending at a reading of 130.4. According to The Conference Board, the October increase is due to the impact of the recent hurricanes dissipating. With the growth of the LEI, coupled with widespread strengths among its components, The Conference Board expects solid growth in the U.S. economy to continue through the holiday season and into the new year. (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></p>
Housing Starts	<p>In September, housing starts were an annualized 1,127,000 units, down 4.73% from the previous month but 6.1% higher than September 2016. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 106.0 in September 2017, unchanged from the previous month, but activity declined on an annual basis both nationally and in all major regions. According to the National Association of Realtors, demand exceeds supply in most markets, which is keeping price growth high and essentially eliminating any savings buyers would realize from the decline in mortgage rates from earlier this year. (Source: U.S. DOC, National Association of Realtors)</p>
Light Vehicle Sales	<p>New light vehicle sales were an annualized and seasonally adjusted 18.0 million in October 2017, down 2.6% from the previous month, 1.4% lower from October 2016, but the second highest month this year. (Source: AAR) <i>(Light vehicle sales record the number of domestically produced units of cars, SUVs, mini-vans, and light trucks that are sold. Because motor vehicle sales are a large part of consumer spending in the United States, the motor vehicle sales data can provide important information on consumer-spending trends and on the overall direction of the economy.)</i></p>
Personal Income	<p>Personal Income increased 0.41% to \$16.5 trillion in September 2017. The increase in September primarily reflected increases in wages and salaries and nonfarm proprietors' income. During Q2 2017, Personal Income in Georgia was estimated at \$450.4 billion, an increase of 1.0% from Q1 2017 and the 4th fastest growth rate in the country. (Source: U.S. Bureau of Economic Analysis) <i>(Personal income is the income received by a person from all sources. It includes income from domestic sources as well as the rest of the world. It does not include realized or unrealized capital gains or losses).</i></p>

Retail Sales

Advanced estimates of retail and food service sales in October 2017 were **\$486.6 billion, an increase of 0.2%** from the previous month, and **up 4.6%** from October 2016. Non-store retail sales were **down 0.3% from the previous month but were 6.8%** higher from the same month last year. (Source: US Census) *(Non-store retail sales are measured on a monthly basis and include internet-only sales outlets as well as other direct-to-customer channels)*

E-Commerce

The estimate of U.S. retail e-commerce sales for the third quarter of 2017, adjusted for seasonal variation, was \$115.3 billion, **an increase of 3.6%** from the second quarter of 2017 and **15.5% higher than the third quarter of 2016**. (Source: US Census) *(E-Commerce sales are measured on a quarterly basis and include the sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated over an Internet, mobile device (M-commerce), extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be made online.)*

Consumer Confidence

The Consumer Confidence Index **increased to 125.9** in October, **up 4.4%** from September and the **highest level in almost 17 years**. According to The Conference Board, consumers' assessment of current conditions improved, boosted by the job market which had favorable ratings. Consumers were also considerably more upbeat about the short-term outlook, with the prospect of improving business conditions as the primary driver. (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.)*

Consumer & Producer Price Index

The Consumer Price Index for all urban consumers was **246.6 in October, up 0.12%** from the previous month. The shelter index increased 0.3% and was the main factor in the increase. The Producer Price Index for final demand was **113.9 in October, an increase of 0.44%** from the previous month. (Source: US Bureau of Labor Statistics)

Small Business Optimism Index

The Small Business Optimism Index was 103.8 in October, an **increase of 0.78% from the previous month and 9.38% higher than October 2016**. According to the NFIB, in October more small business owners said they expect higher sales and think that now is a good time to expand. Owners became much more positive about the economic environment, which suggests a longer-run view. In the nearer term, they are more optimistic about real sales growth and improved business conditions through the end of the year. (Source: National Federation of Independent Business) *(This Index collects data from small businesses on economic topics ranging from current job openings to expected credit conditions)*

Industrial Production and Capacity Utilization

The Industrial Production Index was 106.1 in October 2017, **an increase of 0.86%** from the previous month and **2.9% higher than October 2016**. Industrial activity was boosted in October by a return to normal operations after Hurricanes Harvey and Irma suppressed production in August and September. Capacity utilization for the industrial sector **increased 0.78%** in October 2017 to 77.0%. (Source: Federal Reserve) *(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)*

Manufacturing & Trade Sales

Total combined sales and manufacturing shipments totaled nearly **\$1.39 trillion** in September 2017, **up 1.4% from August 2017 and up 6.4% from September of the previous year**. (Source: US Census)

Manufacturing & Trade Inventory

Total value of inventory on-hand is estimated at **\$1.88 trillion** in September 2017, **unchanged from August 2017 and up 3.5% from September of the previous year**. (Source: US Census)

Purchasing Managers Index

The National PMI **decreased to 58.7%** in October 2017, a **decrease of 210 basis points** from the previous record-holding month. New orders **decreased 120 basis point to 63.4%** and production **decreased 120 basis points to 61.0%**. According to the Institute for Supply Management, comments from respondents reflected expanding business conditions, with new orders, production, employment, order backlogs and exports all continuing to grow in October. In October, 16 out of the 18 manufacturing industries tracked by the ISM reported growth during the month. (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 decreased 190 basis points month-over-month, to 56.4% in October 2017. New orders in Georgia **decreased to 57.1%** and production **decreased to 50.0%**. With readings above 50, Georgia's manufacturing activity continues to expand, but at a more moderate pace. In the month of October, Georgia's PMI was 230 basis 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.)*

According to Deloitte’s 32nd Annual Holiday Survey, free shipping is much more important to holiday shoppers than fast shipping. According to the study, the definition of what constitutes "fast shipping" appears to be changing as more retailers and delivery companies offer expedited shipping programs. About 54% of holiday shoppers surveyed said "fast shipping" means delivery in two days or less. Shoppers also are showing a negative attitude toward extra fees required for expedited shipping programs, as 64% of respondents said they would not be willing pay extra for two-day shipping. Respondents also indicated they would pay, on average, just under four dollars (\$3.80) to guarantee next-day delivery. Retailers are finding other ways to redefine both fast and free. More merchants have started offering buy online/pick-up in-store and 43% of shoppers surveyed said they plan to take advantage of these BOPIS programs this holiday season. (Source: SupplyChainDive.com)

U.S. Market News

MULTIMODAL:

Dow Jones Transportation Index

Dow Jones Transportation Index **decreased 1.57%** in October 2017 ending at a reading of 9,758. (A price-weighted average of 20 U.S. companies in the transportation industry, average of October 1st thru October 31st. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.)

NASDAQ Transportation Index

NASDAQ Transportation Index **decreased 1.42%** in October 2017, ending at a reading of 4,711. (Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of October 1st thru October 31st)

DOT Freight Transportation Service Index

The USDOT's freight transportation services index was 129.2 in September 2017, an **increase of 0.2%** from the previous month, 6.7% higher than September 2016, and the **highest level of all time**. September was the third all-time high in a row, and the fourth in five months. Significant increases in trucking and pipeline led the September increase while other modes declined. (Source: US DOT)

Cass Freight Index

The September shipments index **decreased 0.9%** from the previous month to 1.147 and **increased 3.2%** year-over-year. Data is suggesting that the consumer is starting to spend a little, although not with brick and mortar retailers. The September expenditures index **increased 0.3%** from the previous month to 2.507, and **increased 4.6%** year-over-year. Although not as strong as August, September's increase was still respectable and indicative of an economy that is continuing to expand. (Source: Cass Information Systems | Cassinfo.com) (Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)

Shippers Conditions Index

The Shippers Conditions Index for August 2017 **decreased to -6.7**, primarily due to short-term fuel cost increases caused by Hurricane Harvey disruptions. In addition to the fuel cost increase, the more negative SCI reading was also impacted by increased logistic costs for shippers that are expected to continue into 2018. Spot prices have begun to increase due to full capacity utilization. Pressure on contract pricing is expected to increase by the end of 2017 and into 2018, keeping the SCI index in negative territory through the period. (Source: FTR Transportation Intelligence | ftrintel.com) (Figures below zero indicate a less-than-ideal environment for shippers)

Multimodal News Clips:

Earlier this month UPS announced that it has joined the Blockchain in Trucking Alliance, a forum for the development of blockchain technology standards and education for the freight industry. According to UPS, they want to leverage blockchain technology to facilitate execution and visibility of trusted transactions between UPS, its customers and government customs agencies. Blockchain, a digital database using blocks that are linked and secured by cryptography, can be used to keep record of any information or assets. This includes physical assets, like transportation containers, or virtual assets, like digital currencies. In particular, UPS is exploring blockchain applications in its customs brokerage business. UPS is one of the world's largest customs brokers, and a key objective of its brokerage strategy is to digitize transactions. Blockchain technology would help by improving transaction accuracy and by replacing existing paper-heavy and manual processes. (Source: UPS)

RAIL:

U.S. Freight Rail Traffic

Originations of carloads in October 2017 totaled 1,065,777 an **increase of 2.03%** from the previous month and a **decrease of 0.1%** from October 2016. Average total weekly carloads in October 2017 (266,444) were the lowest for the month of October since sometime prior to 1988, when AAR's records began. In the first ten months of 2017, total U.S. rail carloads were 11.17 million, **up 3.4% over the same period last year**. (Source: AAR.org) (Report includes rail car-loadings by 20 different major commodity categories)

U.S. Intermodal Rail Traffic

Intermodal rail traffic totaled 1.14 million units in October 2017, **an increase of 5.5% from the previous month and 6.4% higher than October 2016**. Weekly average intermodal volume in October 2017 (286,039) were the **highest in history**. In week 42, the third week of October, intermodal volume was 291,046 units, the **highest single week in U.S. rail history**. It's almost certain that this year will break 2015's annual intermodal record. (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 October 2017 was 376.6, **up 1.48%** from the previous month and **15.6% higher** year-over-year. (Source: AAR.org)
(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)

Class 1 Railroad Employment

Railroad employment in September 2017 **decreased 0.44% from the previous month** to 146,673 employees total, the sixth straight month-to-month decline and the lowest employment total since the STB started collecting employment data in 1997. In September, virtually all of the employment decline was in categories other than train and engine. Since peaking in June 2015, total non-train and engine employment has fallen 14.3%, with declines occurring virtually every month since then. (Source: U.S. STB, AAR)

Short Line Rail Traffic

In September 2017, short line railroad shipments across North America **decreased 9.07% from the previous month and decreased 2.5% year-over-year**. A sampling of about 500 short line and regional railroads **loaded 337,782 railcars** and intermodal units during the month of September. Nonmetallic minerals led gains, up 23.2% over the previous year, and crushed stone, sand and gravel carloads were up 21% from September 2016. (Source: Railinc Short Line and Regional Traffic Index)

Railroad News Clips:

The Georgia Ports Authority (GPA) has approved rail and gate expansion projects that will increase capacity at its Garden City Terminal at the Port of Savannah, the port authority announced earlier this month. The board approved expenditures of \$42.27 million as part of GPA's \$128 million Mason Mega Rail Terminal, which will double the Port of Savannah's on-dock rail capacity to 1 million containers per year and position it to rapidly increase service to an arc of inland markets from Memphis to Chicago. Construction is scheduled to begin next month and be completed by the end of 2020. (Source: AmericanShipper.com, GPA)

TRUCKING:

Truck Tonnage Index

The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 147.6 in October 2017, an **increase of 3.3% from the previous month and an increase of 9.9% from October 2016**. According to the ATA, this increase is the result of several factors, including consumption, factory output, construction and improved inventory levels throughout the supply chain. (Source: American Trucking Associations | Trucking.org)

Truckload Freight

The spot market for truckload-freight available for pick-up in September **increased 1.4%** compared to the previous month, and was **114% higher** year-over-year. Truck capacity **increased 13%** for the month, and **increased 0.9%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Trucking Conditions Index

The Trucking Conditions Index **increased to a reading of 3.5 in September 2017**. According to FTR, recent weakness in the TCI stems from 2 conditions that are not expected to last. First was the surge in diesel pricing that accompanied the hurricanes. While diesel prices have not come back down, they have slowed their upward trajectory. Second, contract pricing has started to show signs of awakening following nearly 6 months of strong spot price increases and the weather-fueled surges of recent months. While there has been moderation in the spot market environment over the last month, rates continue to be up over 20%, and capacity continues to remain tight. (Source: FTR Transportation Intelligence | ftrintel.com) *(Figures below zero indicate a less-than-ideal environment for trucking)*

Diesel Prices

As of November 20, 2017 the U.S. average diesel price was **\$2.91 per gallon**. The U.S. average diesel price was **\$0.49 higher** than the same week last year. The average price of diesel in the Southeastern Atlantic states was **\$2.78 per gallon, 4.4% 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 **decreased by approximately 100 employees to 1,473,500 employees total** in October 2017. The trucking industry workforce **decreased 0.01%** over the previous month and **increased 0.26%** over October 2016. (Source: U.S. Bureau of Labor Statistics)

Trucking Earnings and Hours

The average earnings of truck transportation employees were \$23.59/hour in September 2017, **up 0.25%** from the previous month. The average weekly hours totaled 41.9 in September, **down 0.48%** 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 **35,700 units** in October 2017, an **increase of 61.8%** from the previous month, and **159.1% higher year-over-year**. Order volume for October met FTR's expectations of a very strong order month. According to FTR, the market continues to follow their expectations and market fundamentals remain solid as 2018 approaches. North American Class 8 orders for the past twelve months have totaled 261,500 units. Preliminary October 2017 net trailer orders came in at **33,600 units, up 56.2%** from the previous month and **up 66.3%** from October 2016. Flatbed demand continues to be sturdy as the housing and energy markets continue to grow. Renewed energy activity is also helping tankers and lowbeds. Orders are expected to be healthy for the next two months as fleets complete placing orders for 2018 requirements. (Source: FTR Transportation Intelligence | ftrintel.com)

NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico totaled \$94.4 billion in September 2017, **down 3.08%** from the previous month, but **up 3.6%** year-over-year. September marked the eleventh straight month in which the year-over-year value of U.S. NAFTA freight increased from the same month of the previous year. The value of commodities moving by vessel increased 28.6%, pipeline by 9.1%, and truck by 2.9%. Rail decreased by 3.3% and air decreased by 3.4%. The large percentage increase in the value of goods moving by vessel is due in part to an increase in the unit value and a 6.1% increase in the volume of mineral fuels traded. Trucks carried 64.3% of U.S.-NAFTA freight and continued to be the most heavily utilized mode for moving goods to and from both U.S.-NAFTA partners. (Source: US BTS)

Trucking News Clip

Earlier this month, the Federal Motor Carrier Safety Administration (FMCSA) granted a temporary waiver from the electronic logging device (ELD) mandate to agricultural commodity carriers. Truckers hauling agriculture loads and livestock will receive an additional 90 days to comply with the ELD mandate. The waiver gives such haulers until mid-March to adopt an ELD. According to the FMCSA, they will soon publish a public notice in the Federal Register announcing the compliance extension, as well as a notice with fresh guidance for livestock haulers relative to both the ELD mandate and hours of service. The notice will include a precise definition of the drivers who will receive the 90-day waiver. A spokesperson for the FMCSA said the compliance extension stems from ongoing discussions with those in the ag transporting business. A coalition of groups representing livestock haulers petitioned the agency in late October to request a compliance extension. (Source: overdriveonline.com)

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in September 2017 **increased by 9.2% year-over-year**, well ahead of the five and ten-year average rates (4.4% and 3.2%, respectively). According to the IATA, September's annual growth rate was the slowest since April, and the upward trend in seasonally-adjusted cargo volumes has eased. (Source: IATA.org.) *(Global air freight covers international and domestic scheduled air traffic.)*

Atlanta Air Cargo Traffic

In September 2017, Hartsfield-Jackson Atlanta International Airport transported **57,411 metric tons** of cargo, a **0.89% increase** from the previous month and a **2.49% increase** year-over-year. (Source: HJIAA)

Air Freight Price Index

The latest report from Drewry shows that airfreight rates in September 2017 rose to their highest average rate since January with a seasonal boost, climbing to \$2.68 for the month, according to Drewry's East-West Airfreight Price Index. This brings airfreight rates to about where they were last September, when they stood only a penny higher, at \$2.69. The jump in rates during the month was expected with typical seasonal trends. (Source: Drewry, Air Cargo World) *(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 17, 2017 the global average jet fuel price was \$6976.50 per barrel; **up 8.5%** from the previous month, and **35.0% 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:

An executive order was signed earlier this month that is designed to speed the approval of drone flights over crowds and for longer distances. The order, a response to calls from companies making and using drones, will allow local governments to apply to the Federal Aviation Administration for waivers allowing them to conduct tests of deliveries, drone air-traffic systems, long-range flights and other uses generally prohibited under current rules. Under the three-year program, localities are being encouraged to partner with the private sector to propose a wide range of drone operations, such as allowing package deliveries, and the FAA will determine whether to accept them into the pilot program on a case-by-case basis. (Source: SupplyChain247.com)

OCEAN FREIGHT:

Import Volumes by Ocean

In September 2017, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.76 million TEUs, a **2.3% decrease** from the previous month but **10.5% higher** from September 2016. According to the National Retail Federation and Hackett Associates, after months of record-setting volume as retailers stocked up for a busy holiday season, imports at the nation's major container ports should be essentially flat this month compared with the same time last year. Stores and warehouses are full, and it's time for consumers to begin shopping. Retailers have been bringing in merchandise since late summer, and supply is ready to meet the increased demand that has been building throughout the year. (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The November 24th SCFI comprehensive reading was **\$705.19 per FEU**, **down 5.65%** from last month. The **spot rate for shipments to the U.S. East Coast was \$1,681 per FEU**, **down 4.22%** from the previous month. (Source: Shanghai Shipping Exchange | www1.chineseshipping.com.cn/en) *(The Shanghai Containerized Freight Index reflects the spot rates of the Shanghai container transport market. It is a weekly reported average spot rate of 15 major container trade routes exported from Shanghai to regions around the globe.)*

Baltic Dry Index

The Baltic Dry Index **increased 12.2%** in October 2017, ending at 1,522. The BDI is in the seasonal high shipping cycle where vessels were fixed before the year-end, as commodities like iron ore shipments are scheduled much earlier before winter. Furthermore, the ongoing the coal conference held in Barcelona, had also impacted the index as well in October. (Source: www.bloomberg.com/quote/BDIY:IND, Seatrade-Maritime) *(The Baltic Dry Index is an index that tracks and averages worldwide international shipping prices of various dry bulk cargoes.)*

Port of Savannah

The Port of Savannah moved **409,813 TEUs** in October 2017, a **26.0% increase from the previous month, 32.0% higher year-over-year, and the first time in the GPA's history it's topped 400,000 TEUs in a single month.** For the fiscal year-to-date, (July 1-Oct 31) the Port of Savannah moved **1.42 million TEUs**, up by 155,050 or 12.3%. (Source: GPA)

Port of Brunswick

American Honda Motor Company nearly tripled its business through the Port of Brunswick in Fiscal Year 2017, adding 34,700 vehicles over the previous year. According to the GPA, Honda's increased volumes were the result of numerous factors, including Colonel's Island's prime location, additional capacity and teamwork. During the annual State of the Port hosted by the Brunswick-Golden Isles Chamber of Commerce last month, it was announced that the GPA had increased capacity at the Colonel's Island facility, already the nation's single largest auto processing terminal, by 50% in FY17. GPA grew the Brunswick auto port from 60,000 auto processing spaces to 90,000 spaces. (Source: GPA)

Ocean Freight Business News:

- Global loaded container traffic is on track to break the 200 million TEU threshold this year for the first time ever, shipping consultancy Drewry said citing recent port and trade statistics. According to Drewry, "the Global Container Port Throughput Index shows no sign of slowing down, with the latest reading for September being nearly 10 points above the same month in 2016. Ignoring the monthly fluctuations, the trend has been relentlessly positive in 2017, following on from a more muted growth pattern last year." The fastest growing regions were North America (+12.6%), Latin America (+11.1%) and China (10.3%); the slowest was Europe (4.4%). (Source: worldmaritimenews.com)
- The Georgia Ports Authority welcomed the arrival of four massive ship-to-shore cranes Wednesday, Nov. 22, 2017, at the Port of Savannah's Garden City Terminal. Once commissioned, the new cranes will bring Savannah's fleet to 30. Six additional cranes will arrive in 2020. When all are commissioned, the upgrade will allow the nation's largest single container facility to move nearly 1,300 containers per hour. The first of the new cranes will go into service in February. Two more will be commissioned in March, with the final crane going into service in April. (Source: GPA)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The **nationwide vacancy remained low during the third quarter of 2017, ending at 5.5%**. It is down from 5.6% in Q3 2016. None of the 46 markets tracked by NGKF had a double-digit vacancy rate as of Q3 2017. According to NCREIF, U.S. industrial is the only core property sector to have achieved a double-digit unlevered total return in 2016, totaling 12.4% overall. Industrial outperformed the second-best performing sector, retail, by 550 basis points between the second quarter of 2016 and the second quarter of 2017. The vacancy rate in **Atlanta, GA was 7.7%** in Q3 of 2017. (Source: NGKF)

Warehouse Rent Rates

In Q3 2017, the average asking rent across the U.S. was **\$6.36/SF, up 1.4%** from the prior quarter **and up 5.5%** from Q3 2016. Eight of the 46 markets tracked by NGKF experienced gains in the average asking rent over the past four quarters. According to NGKF, rents are rising especially rapidly for modern distribution centers that meet the needs of online retailers, complete with higher ceiling heights and automated warehouse and management control systems. **The average asking rent in Atlanta was \$4.77/SF in Q3 2017.** (Source: NGKF)

Industrial Absorption

Net absorption in the U.S. during Q3 2017 remained robust, totaling 53.9 million square feet. While demand remained strong, it was **down 36.1%** from Q3 2016 but **up 2.1%** from the previous quarter. Of the 46 industrial markets tracked by NGKF, 20 absorbed 1 million square feet or more in Q3, led by California's Inland Empire with 6.4 million square feet and **Atlanta posting a strong total of 3.7 million square feet of absorption.** One of the **largest leases of the quarter was signed by online fashion retailer ASOS, for 1.0 million square feet in Atlanta, Georgia.** (Source: NGKF) *(Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)*

Warehouse Employment

The nationwide warehousing industry workforce **increased by 3,100 employees** to 960,400 employees total in October 2017. The warehouse industry workforce **increased 0.32%** from the previous month and **increased 3.08%** year-over-year. (Source: U.S. Bureau of Labor Statistics)

Warehouse Earnings and Hours

The average earnings of warehousing & storage employees across the U.S. were \$19.60/hour in September 2017, **up 0.67%** from the previous month. The average weekly hours totaled 42.1 in September, **down 0.71%** from the previous month. (Source: U.S. Bureau of Labor Statistics)

W&D Business News:

- In its 2017 U.S. Holiday Trends Guide, CBRE looked into various holiday season trends including what CBRE called “Warehouse Space, On Demand.” The report explained that this trend is being paced by online sales essentially creating instant, short-term demand for warehouse and distribution center space. The way the pop-up warehouse model works, according to CBRE, is with short-term industrial space being matched with suppliers, which has resulted in higher efficiency and lower costs. In the report, CBRE said that as the demand for goods grows or shrinks, so does the demand for warehouse space, which makes projecting warehouse demand manageable on a broad scale, given that reliable macroeconomic projections are available. By matching owners of excess warehouse space with users, or retail shippers, that need it temporarily, it provides a way for both parties to “easily match both sides of the transaction...with greater transparency and fewer transaction costs to the process.” (Source: Logisticsmgmt.com, CBRE)
 - Amazon announced they will create more than 500 full-time jobs at a new fulfillment center in Macon-Bibb County. This will be Amazon’s fourth fulfillment center in Georgia. Amazon currently has three operating fulfillment centers in Georgia located in Jefferson, Lithia Springs and Union City as well as a facility in Braselton that supports customer fulfillment. Employees at the new facility will pick, pack and ship large-sized items for customers including household furniture, sporting equipment and gardening tools. Amazon will lease 1 million square feet of industrial space in Macon for the facility. Newly created jobs will include warehouse, management and supervisory positions. (Source: Georgia.org)
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