

U.S. MARKET:

Gross Domestic Product	<p>The U.S. GDP increased at an annual rate of 2.9% in the fourth quarter of 2017, according to the third estimate released by the Bureau of Economic Analysis in late March. In the third quarter, real GDP increased 3.2%. The increase in real GDP in the fourth quarter reflected positive contributions from personal consumption expenditures (PCE), nonresidential fixed investment, exports, residential fixed investment, state and local government spending, and federal government spending that were partly offset by a negative contribution from private inventory investment. Imports, which are a subtraction in the calculation of GDP, increased. (Source: US BEA) As of April 16, the latest GDPNow model forecast for real GDP growth (seasonally adjusted annual rate) in the first quarter of 2018 is 1.9%. (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 1.6% in February 2018 to \$57.6 billion. In February, the U.S. had a trade surplus with South and Central America, Hong Kong, Brazil, United Kingdom, and Singapore. The U.S. had a trade deficit with China, European Union, Germany, Japan, Mexico, Italy, South Korea, India, Canada, OPEC, Taiwan, Saudi Arabia, and France. (Source: US DOC & Census Bureau)</p>
Import Volumes	<p>In February 2018, the U.S. imported \$214.2 billion of cargo, increasing 1.6% from January. The February imports of foods, feeds, and beverages (\$12.6 billion) and capital goods (\$57.8 billion) were the highest on record. (Source: US Census)</p>
Export Volumes	<p>In February 2018, the U.S. exported \$137.2 billion of cargo, increasing 2.3% from January. The February export of automotive vehicles, parts, and engines (\$14.8 billion) were the highest on record. (Source: US Census)</p>
Import & Export Price Index	<p>U.S. import prices were unchanged in March 2018. Higher prices for nonfuel prices offset declining prices for imported fuel. U.S. export prices increased 0.3% in March 2018, the ninth consecutive month for increases. In March, higher prices for agricultural exports drove the monthly advance, more than offsetting lower nonagricultural export prices. (Source: Bureau of Labor Statistics)</p>
Unemployment Rate	<p>The unemployment rate in America remained at 4.1% in March 2018, staying at the same rate it's been at since October 2017. A preliminary 103,000 net new jobs were created in March 2018, well below what most economists were expecting and down from 326,000 in February. March 2018 marked the 90th straight month of job creation, the longest such streak on record. The unemployment rate in Georgia was 4.5% in February 2018, the same as the previous month. (Source: US DOL, US BLS, GDOL)</p>
Labor Force Participation Rate	<p>The labor force participation rate slightly decreased to 62.9% in March 2018. The labor force participation rate for those of prime working age (25-54) was 82.1% in March. (Source: U.S. Bureau of Labor Statistics, AAR, FRED) <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 0.3% in March 2018, ending at a reading of 109.0. According to The Conference Board, "while the monthly gain is slower than in previous months, its six-month growth rate increased further and points to continued solid growth in the U.S. economy for the rest of the year. The strengths among the components of the leading index have been very widespread over the last six months. However, labor market components made negative contributions in March and bear watching in the near future." (Source: Conference Board Note: The LEI was recently revised the seasonally adjusted index to 2016 = 100) <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 February 2018, housing starts were an annualized 1,236,000 units, down 7.0% from the previous month and 4.0% lower compared to February 2017. The index of pending home sales (sales that haven't closed yet but contracts have been signed) was 107.5 in February 2018, up 3.1% from the previous month but 4.1% lower than February 2017. According to the National Association of Realtors, contract signings rebounded in most areas in February, but the gains were not large enough to keep up with last February's level, which was the second highest in over a decade (112.1). (Source: U.S. DOC, National Association of Realtors)</p>
Light Vehicle Sales	<p>New light vehicle sales were an annualized and seasonally adjusted 17.4 million in March 2018, up 2.5% from the previous month and 6.4% higher from March 2017. Analysts attributed higher vehicle sales in March to an extra selling day, generally good weather in many areas, and strong sales incentives. (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 0.4% to \$16.9 trillion in February 2018. The increase in February primarily reflected increases in wages and salaries and nonfarm proprietors' income. During Q4 2017, Personal Income in Georgia was estimated at \$457.8 billion, an increase of 1.2% from Q3 2017. In all of 2017, Personal Income in Georgia increased 3.8%. (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 March 2018 were **\$494.6 billion, an increase of 0.6%** from the previous month, and **up 4.5%** from March 2017. Non-store retail sales were **10.0% 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 fourth quarter of 2017, adjusted for seasonal variation, was \$119.0 billion, **an increase of 3.2%** from the third quarter of 2017 and **16.9% higher than the third quarter of 2016**. E-commerce sales in the fourth quarter of 2017 accounted for 9.1% of total sales. (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 **decreased to 127.7** in March 2018, **down 1.8%** from the 18-year high reached in February. According to The Conference Board, consumers' assessment of current conditions declined slightly, with business conditions the primary reason for the moderation. Consumers' short-term expectations also declined, including their outlook for the stock market, but overall expectations remain quite favorable. Despite the modest retreat in confidence, index levels remain historically high and suggest further strong growth in the months ahead. (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 **249.5 in March 2018, down 0.1%** from the previous month. A decline in the gasoline index more than outweighed increases in the indexes for shelter, medical care, and food to result in the slight seasonally adjusted decline. The Producer Price Index for final demand was **115.4 in March, an increase of 0.3%** from the previous month. In March, 70% of the rise in the final demand index is attributable to a 0.3% advance in prices for final demand services. (Source: US Bureau of Labor Statistics)

Small Business Optimism Index

The Small Business Optimism Index was 104.7 in March, **down 2.7% from the previous month**, but still one of the highest readings in its' 45-year history. For the first time since 1982, taxes received the fewest votes as the number 1 business problem for small business. Out of 10 components, two posted gains, eight declined, and zero remained unchanged. (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 107.2 in March 2018, **an increase of 0.5%** from the previous month and **4.3% higher than March 2017**. Capacity utilization for the industrial sector **increased 1.0%** in March 2018 to 78.0%. (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 **\$1.43 trillion** in February 2018, **up 0.4% from January 2018 and up 5.8% from February of the previous year**. (Source: US Census)

Manufacturing & Trade Inventory

Total value of inventory on-hand is estimated at **\$1.93 trillion** in February 2018, **up 0.6% from January 2018 and up 4.0% from February of the previous year**. (Source: US Census)

Purchasing Managers Index

The National PMI **decreased to 59.3%** in March 2018, a **decrease of 150 basis points** from the previous month but with a reading over 50 still reflecting an expanding manufacturing economy. New Orders **decreased 230 basis point to 61.9%** and Production **decreased 100 basis points to 61.0%**. In March, 17 out of the 18 manufacturing industries tracked by the ISM reported growth. (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 100 basis points month-over-month, to 66.7% in March 2018. New orders in Georgia **decreased to 62.5%** and production **increased to 75.0%**. In the month of March, Georgia's PMI was **740 basis points above** 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.)*

Earlier this month UPS published its annual “Global Pulse of the Online Shopper” study that shows consumer behavior in the realm of e-commerce is shifting. The study, which surveyed consumers from the United States, Asia, Europe, Canada, Mexico and Brazil, suggested that consumers from all over the world are purchasing from sellers outside of their residing countries more often, and are doing so increasingly by way of smartphone. As retailers continue to expand their strategies to encompass an international consumer base, their customers now have various outlets with potentially differing price-points to consider for the purchase a certain product, the study found. While less than half of American shoppers (47 percent), said they made international purchases, global competition for customers is increasing. For instance, 83 percent of Canadian shoppers made purchases from international retailers, followed by 81 percent of Brazilian shoppers and 78 percent of Mexican respondents. This is great news for consumers, but not-so-great news for retailers trying to compete in the international marketplace. Chief commercial officer for UPS, Alan Gershenhorn, addressed this phenomenon, saying that “to stand out, smart companies must recognize that, with competition now coming from around the world, consumers want different ways to make purchases, more convenient ways to receive them and innovative experiences from start to finish.” (Source: aircargoworld.com)

U.S. Market News

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation Index increased 0.1% in March 2018, ending at a reading of 10,396. <i>(A price-weighted average of 20 U.S. companies in the transportation industry, average of March 1st thru March 31st. The index includes railroads, airlines, trucking, marine transportation, delivery services, and logistics companies.</i>
NASDAQ Transportation Index	NASDAQ Transportation Index increased 0.3% in March 2018, ending at a reading of 5,147. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of March 1st thru March 31st)</i>
DOT Freight Transportation Service Index	The USDOT's freight transportation services index was 127.5 in February 2018, a decrease of 0.1% from the previous month but 4.3% higher than February 2017. The February decrease was narrow in terms of modes, with only a large decrease in pipeline combined with a smaller drop in trucking. Meanwhile, rail carloads, rail intermodal, air freight and water all increased. (Source: US BTS)
Cass Freight Index	The Cass Freight Shipments Index was 1.209 in March 2018, an increase of 0.9% from the previous month, and an increase of 11.9% year-over-year. According to the Index report, “although seasonally the weakest part of the year, the first quarter of 2018 is clearly signaling that, barring a ‘shock event’, 2018 will be an extraordinarily strong year for transportation and the economy.” The Cass Freight Expenditures Index was 2.723 in March, unchanged from the previous month and an increase of 15.6% year-over-year. According to Cass Information Systems, March’s 15.6% increase signals that “capacity is tight, demand is strong, and shippers are willing to pay for services to get goods picked up and delivered in modes throughout the transportation industry.” (Source: Cass Information Systems Cassinfo.com) <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
Shippers Conditions Index	The Shippers Conditions Index for January 2018 decreased to a reading of -11.1 . According to FTR, rate growth year-over-year is expected to accelerate in Q2 before easing slightly in the second half of 2018. FTR notes that “we are beginning to see the implementation, by both shippers and carriers, of the productivity enhancements that we have been expecting to happen. The elevated rate environment is not expected to be a short-lived event and continued progress will be necessary. There seems to be no single solution, and we are seeing many different routes to addressing the tight capacity environment, from changing driver requirements to increased driving school enrollment to increasing detention payments.” (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for shippers)</i>
NAFTA Trade	Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico totaled \$96.6 billion in January 2018, up 3.4% from the previous month, and up 9.9% year-over-year. January marked the 15th straight month in which the year-over-year value of U.S. NAFTA freight increased from the same month of the previous year. Trucks carried \$60.6 billion 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)

Multimodal News Clips:

The U.S. Department of Transportation (USDOT) has announced a new infrastructure project funding program that will supplant the popular Transportation Investment Generating Economic Recovery (TIGER) grant program. The USDOT published a notice of funding opportunity for interested parties to apply for \$1.5 billion in discretionary grants through the new Better Utilizing Investments to Leverage Development (BUILD) transportation grant program. The BUILD grant program will replace the TIGER program, which was introduced in 2009. Fiscal-year 2018 BUILD grants can be used for road, bridge, transit, rail, port or intermodal projects. Grants will be awarded on a competitive basis for projects that will have a "significant local or regional impact," USDOT officials said in a press release. Projects seeking BUILD funding will be evaluated on merit criteria that includes safety, economic competitiveness, quality of life, environmental protection, state of good repair, innovation, partnership and additional non-federal revenue for future transportation infrastructure investments. The department intends to award a greater share of the grants to projects located in rural areas; at least 30 percent of funds must be awarded to projects in rural communities. (Source:progressiverailroading.com)

RAIL:

U.S. Freight Rail Traffic

Originations of carloads in March 2018 totaled 1,050,653 units, an **increase of 2.2%** from the previous month and an **increase of 3.6%** from March 2017. Total carloads averaged 262,663 per week in March 2018, the most for March since 2014. For the first three months of 2018, total carloads were down 0.3%, or 9,027 carloads, to 3.30 million. Other than 2016, this year had the fewest January-March carloads since sometime prior to 1988, when AAR's data began. (Source: AAR.org) *(Report includes rail car-loadings by 20 different major commodity categories)*

U.S. Intermodal Rail Traffic

Intermodal rail traffic totaled 1,082,239 units in March 2018, a **decrease of 2.0% from the previous month but 6.5% higher than March 2017 and the best March in history for U.S. intermodal**. For the first three months of 2018, U.S. intermodal volume was up 5.5%, or 181,304 units, over the same period in 2017. According to AAR, at this point there's no reason to think this won't be a record year for intermodal, breaking the record set last year. (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 March 2018 was 396.7, **down 1.3%** from the previous month and **23.8% 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 February 2018 **increased 0.34% from the previous month** to 144,815 employees total, the first month-to-month increase in 11 months. (Source: U.S. STB, AAR)

Short Line Rail Traffic

In February 2018, short line railroad shipments across North America **decreased 5.3% from the previous month and decreased 0.8% year-over-year**. A sampling of about 500 short line and regional railroads **loaded 320,474 railcars** and intermodal units during the month of February. Chemicals led gains with a 14.6% increase. Trailer or containers led declines for the third consecutive month, down 25.7%. (Source: Railinc Short Line and Regional Traffic Index)

Railroad News Clips:

Earlier this month the U.S. House of Representatives passed a pair of rail data and information security bills. One bill, H.R. 4921, would direct the Surface Transportation Board to implement an improvement plan for its information security system, as recommended by the Department of Transportation Office of the Inspector General (DOT IG). According to officials from the T&I Committee, the bill is intended to provide effective, long-term improvements to the STB's information security program. The other bill, H.R. 4925, instructs the Federal Railroad Administration (FRA) to develop a plan and timeline to implement the recommendations of the DOT IG to improve the management and collection of railroad safety data. Officials said the legislation would ensure greater accuracy and quality of safety data collected and reported by the FRA. "The Transportation and Infrastructure Committee bills passed today by the House will address cybersecurity challenges facing our rail systems, help federal agencies better prepare for changing technology threats and fill gaps in tracking, identifying and mitigating rail safety risks," said ranking T&I Member Peter DeFazio. (Source: railwayage.com)

TRUCKING:

Truck Tonnage Index

The ATA's seasonally adjusted For-Hire Truck Tonnage Index was 110.0 in March 2018, a **decrease of 1.1% from the previous month but an increase of 6.3% from March 2017**. According to ATA Chief Economist Bob Costello, "While [we] expect the pace of growth to continue moderating in the months ahead, if for no other reason than year-over-year comparisons will become more difficult as tonnage snapped back in May of 2017, the levels of freight will remain good going forward." (Source: American Trucking Associations | Trucking.org. Note: ATA recently revised the seasonally adjusted index to 2015 = 100)

Truckload Freight	The spot market for truckload-freight available for pick-up in March 2018 increased 27% compared to the previous month, and was 92% higher year-over-year. Truck capacity increased 14% for the month, and decreased 7.0% year-over-year. (Source: DAT Trendlines www.dat.com)
Refrigerated Trucking	In March 2018, refrigerated loads posted on load boards increased 23% while refrigerated truck posts increased 15% , compared to February. That caused the load-to-truck ratio to increase 7% to 10.5 loads per truck. The ratio was up 68% compared to March 2017. In March, the national reefer rate was \$2.40 per mile. That was \$0.01 lower than the previous month. Compared to March 2017, the rate was \$0.53 higher. (Source: DAT Trendlines www.dat.com)
Trucking Conditions Index	The Trucking Conditions Index increased to a reading of 15.41 in February 2018 , the highest level since the index began in 1992 and reflecting an environment for carriers that has never been better, according to FTR. FTR notes there's been "record levels of trucks and trailers ordered in the first quarter of 2018 and, as that equipment is delivered, we may see some of the capacity pressures relieved. More likely is that freight demand will gradually slow over the course of the year. This can be a challenging time for carriers as they try to balance the short-term and long-term needs of the business. This freight environment won't stay around forever, and both carriers and shippers will be striving to balance those competing requirements." (Source: FTR Transportation Intelligence ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for trucking)</i>
Diesel Prices	As of April 16, 2018 the U.S. average diesel price was \$3.10 per gallon . The U.S. average diesel price was \$0.50 higher than the same week last year. The average price of diesel in the Southeastern Atlantic states was \$2.99 per gallon, 3.5% less than the national average price . (Source: U.S. DOE) <i>(Reflects the costs and profits of the entire production and distribution chain.)</i>
Trucking Employment	The trucking industry workforce increased by approximately 6,700 employees to 1,478,800 employees total in March 2018. The trucking industry workforce increased 0.46% over the previous month and increased 0.22% over March 2017. (Source: U.S. Bureau of Labor Statistics)
Trucking Earnings and Hours	The average earnings of truck transportation employees were \$23.90/hour in February 2018, up 0.4% from the previous month. The average weekly hours totaled 41.1 in February, up 1.2% 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 46,300 units in March 2018, an increase of 15% from the previous month, 103% higher year-over-year, and the third highest month on record . March's orders were well above expectations as demand for trucks are at record levels. Fleets are attempting to add capacity as fast as possible in a dynamic market. Preliminary March 2018 net trailer orders came in at 27,500 units, down 16% from the previous month, but up 34% from March 2017 and reflective of a typical seasonal decline. According to FTR, the freight growth numbers are very impressive across all trailer segments, especially flatbeds. Fleets are ordering trailers at a record pace to catch up to freight demand. (Source: FTR Transportation Intelligence ftrintel.com)
Trucking News Clip	The Federal Motor Carrier Safety Administration (FMCSA) has granted an exemption from the 30-minute rest break requirement for trucks hauling petroleum products. Under certain conditions, fuel trucks can operate for twelve hours a day without triggering the rest break requirement. With this exemption, FMCSA recognized that "these drivers receive several short 'breaks' each day when they unload...at service stations." The National Tank Truck Carriers and the Trucking Association of Massachusetts jointly applied for the exemption in August 2017. The two organizations requested that FMCSA exempt the drivers that would be on-duty more than twelve hours so long as their vehicles were carrying petroleum products and were equipped with an electronic logging device (ELD). FMCSA agreed that the time these drivers spend unloading provides rest that is equivalent to, and often great than, rest from the traditional 30-minute rest break. Accordingly, the exemption allows these drivers a 14-hour window to make their fuel runs. (Source: Fleetowner.com)

AIR FREIGHT:

Air Cargo Traffic	Global air freight traffic in February 2018 increased by 6.8% year-over-year . According to the IATA, The changing timing of Lunar New Year can distort annual FTK growth rates during January and February, so it is good practice to consider both months together to get a clearer view of the strength of demand at the start of each year. The latest data indicate a strong start to 2018 for annual growth: FTKs flown in January and February combined were 7.7% higher than in the same period of 2017 – the strongest start to a year on this basis since 2015 . (Source: IATA.org.) <i>(Global air freight covers international and domestic scheduled air traffic.)</i>
Atlanta Air Cargo Traffic	In February 2018, Hartsfield-Jackson Atlanta International Airport transported 53,752 metric tons of cargo, an 8.09% increase from the previous month and a 3.27% increase year-over-year. (Source: HJAIA)
Air Freight Price Index	Airfreight rates in February 2018 increased to \$2.84 per kg, a 3% increase from the previous month. Year-over-year, airfreight rates in February 2018 were 14.2% above February 2017, marking only the second time in six years such an increase has occurred in February. (Source: Drewry, aircargoworld.com) <i>(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.)</i>

Jet Fuel Prices

As of April 20, 2018 the global average jet fuel price was \$88.30 per barrel; **up 10.3%** from the previous month, and **37.5% 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:

Boeing is planning for more gains in the air freight market. The aerospace giant said it will increase production of 767 planes from 2.5 to 3 a month starting in 2020. "We do see long-term strength in the (air cargo) market," Boeing's CEO Dennis Muilenburg said during an earnings call, citing stronger global trade and e-commerce. "That's part of what's factored into our decision to increase the 767 production rate from 2.5 to 3 per month in 2020." Air freight demand last year grew at its fastest clip since 2010, according to the International Air Transport Association, an industry group. Boeing has 99 firm orders for 767s, 61 of them freighters and 38 of them military tankers, a spokesman for the company said. Boeing has recently seen an uptick in orders for other freight aircraft. In the summer of 2016, Boeing suggested it could end production of the original jumbo jet — the Boeing 747 — as airlines eschewed the plane in favor of more fuel-efficient models. But United Parcel Service in February helped extend the plane's life, doubling its order for the four-engine aircraft to 28. UPS also ordered up four new Boeing 767 freighters, and is converting three other passenger aircraft. (Source: cnbc.com)

OCEAN FREIGHT:

Import Volumes by Ocean

In February 2018, the latest month for which after-the-fact numbers are available, U.S. container ports handled 1.69 million TEUs, a **4.1% decrease** from the previous month but **15.8% higher** from February 2017, with the year-over-year number skewed because of fluctuations in when Lunar New Year factory shutdowns occur in Asia each year. According to the National Retail Federation and Hackett Associates, imports at the nation's major retail container ports are expected to grow 5.6% the first half of the year compared to the first half of 2017, however the NRF cautioned that the growth could be affected in the future if the developing trade war between the United States and China continues to escalate. (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The April 20th SCFI comprehensive reading was **\$674 per FEU, down 0.2%** from last month. The **spot rate for shipments to the U.S. East Coast was \$2,193 per FEU, up 9.2%** 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 **decreased 11.8%** in March 2018, ending at 1,055. Despite the forecasts of ship brokers, the downward trend in the Panamax sector continued. The delivery cost of Panamax lots of agricultural commodities from the US Gulf ports to China increased, while on Brazil-China route the cost grew. Active grain trade in South America may become an additional incentive for Baltic Dry Index strengthening next month. (Source: www.bloomberg.com/quote/BDIY:IND, blackseagrains.net) *(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 **355,208 TEUs** in March 2018, a **4.1% increase** from the previous month and **13.9% higher** compared to March 2017. For the fiscal year to date (July-March), TEU container trade grew by 9%, or 255,786 additional units for a total of 3.08 million, a **new record for Savannah**. Intermodal rail volumes **jumped by 20%** in March and **15.4%** for the fiscal year to date, for a total of 318,454 containers handled over nine months – **another record for the GPA**. The GPA recently broke ground on its Mason Mega Rail Terminal, on which the Port of Savannah will build 10,000-foot unit trains within its own footprint. From the expanded rail infrastructure at Garden City Terminal, Class I rail providers CSX and Norfolk Southern will provide direct rail service to major Southeast and Midwestern markets from Memphis to St. Louis, Chicago to Cincinnati. An added benefit is that the Mason Mega Rail project will move all rail switching on terminal – improving vehicle traffic flow around the port. (Source: GPA)

Port of Brunswick

In March, Colonel's Island Terminal in Brunswick handled 66,144 cars, trucks and tractors, while Ocean Terminal added 4,050, for a total 70,194, a **17.2% increase**. For the fiscal year to date, Mayor's Point breakbulk terminal in Brunswick **grew by 44%** (34,515 tons) to reach 112,728 tons of forest products. At East River Terminal, bulk cargo **expanded by 34%** from July-March (189,918 tons) for a total of 750,384 tons. (Source: GPA)

Ocean Freight Business News:

Earlier this month CMA CGM, a worldwide leading shipping company, announced it has reached an agreement to acquire an equity stake of nearly 25% of CEVA Logistics, a global leading player in the logistics sector. The goal of the acquisition, CMA CGM says, is to reinforce and grow its presence in the logistics sector. Commenting on the proposed transaction, Rodolphe Saadé, Chairman and CEO of CMA CGM stated: “With this proposed investment in CEVA, CMA CGM makes a significant move, in line with its development strategy. CEVA is a major player in the logistics business, which is closely related to the shipping industry. Together, the two companies will also explore possible cooperations allowing us to propose an ever more differentiated and qualitative offering while integrating services beyond maritime transport.” (Source:www.cma-cgm.com)

WAREHOUSING & DISTRIBUTION:

<p>Industrial Vacancy</p>	<p>The nationwide vacancy remained low during the first quarter of 2018, ending at 5.3%. The nationwide vacancy rate was 5.3% in Q4 2017 and 5.4% in Q1 2017. None of the 49 markets tracked by NGKF had a double-digit vacancy rate as of Q1 2018. According to NGKF, this speaks to the overall strength of the national industrial market and also helps to explain why investors have been keen on this product type. According to NCREIF, U.S. industrial is the only core property sector to have achieved a double-digit unlevered total return during 2017, totaling 13.1% overall. Industrial outperformed the second-best performing sector, apartments, by 691 basis points during 2017. The vacancy rate in Atlanta, GA was 7.9% in Q1 of 2018. (Source: NGKF)</p>
<p>Warehouse Rent Rates</p>	<p>In Q1 2018, the average asking rent across the U.S. was \$6.67/SF, up 2.5% from the prior quarter and the highest average recorded this cycle. According to NGKF, modern distribution centers that meet the needs of online retailers, complete with higher ceiling heights and automated warehouse and management control systems, have seen strong national rent growth because of consistently robust demand. The average asking rent in Atlanta was \$4.96/SF in Q1 2018. (Source: NGKF)</p>
<p>Industrial Absorption</p>	<p>Net absorption in the U.S. leveled off during Q1 2018, totaling 45.7 million square feet. This was the lowest quarterly absorption total recorded since the third quarter of 2013. Of the 49 industrial markets tracked by NGKF, 14 absorbed 1 million square feet or more in Q1, including Atlanta which absorbed 2.8 million square feet. (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>
<p>Warehouse Employment</p>	<p>The nationwide warehousing industry workforce increased by 2,500 employees to 1,016,600 employees total in March 2018. The warehouse industry workforce increased 0.22% from the previous month and increased 7.57% year-over-year. (Source: U.S. Bureau of Labor Statistics)</p>
<p>Warehouse Earnings and Hours</p>	<p>The average earnings of warehousing & storage employees across the U.S. were \$19.87/hour in February 2018, down 0.2% from the previous month. The average weekly hours totaled 41.6 in February, down 0.5% from the previous month. (Source: U.S. Bureau of Labor Statistics)</p>

W&D Business News:

- Logistics company GEODIS and French unmanned aerial vehicle (UAV) maker Delta Drone have released a new timeline for their UAV system, which would replace the need for human labor in the inventory-warehouse setting. The partnering companies are now entering the industrial production phase of the project after two years in development and say the system will be fully operational by the end of 2018. In a statement from the companies, the system is described as “plug and play” — meaning it can be implemented into various facilities without having to mold each warehouse’s configuration to accommodate the system. Once installed, the drones are designed to be fully independent, autonomously charging on a “robot-equipped” ground base. The companies claim the system will be a cost-effective investment due to its potential to minimize labor costs and maximize production, as the drones are able to operate at all hours of the day and require no human supervision. (Source: aircargoworld.com)
- Taurus USA, a leading firearms manufacturer, will create 300 jobs and invest more than \$22.5 million in infrastructure and operations to establish a firearms manufacturing plant in Bainbridge. Taurus USA will build a new 200,000-square-foot facility in Decatur County, Georgia with 180,000 square feet of space for manufacturing and 20,000 square feet of administrative space. New jobs will include skilled labor positions, administrative personnel, customer service representatives and management teams. Construction will begin in September 2018. (Source: Georgia.org)

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