

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index was down 1.8% during the month of September. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of September 10th thru October 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index decreased 0.9% in September. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of September 10th thru October 10th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index fell 0.6% in August 2012. The index's reading of 109.0 was 0.9% higher year-over-year. (Source: US DOT)
Cass Freight Index	The September shipments index rose 2.2% over the previous month and fell 3.8% year-over-year. The September expenditures index increased 3.3% for the month, and increased 2.5% year over year. <i>(Source: Cass Information Systems Cassinfo.com) (Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
Import Volumes	In August, the U.S. imported about \$225.5 billion of cargo. August U.S. imports have decreased 0.1% in terms of value from July, and grew 1.5% year-over-year. (Source: US Census)
Export Volumes	In August, the U.S. exported more than \$181.3 billion of cargo. August U.S. exports have decreased 1% in terms of value over the previous month and grew 1.6% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices rose 1.1% in September. Import prices fell 0.6% over the past year. The price index for U.S. exports rose 0.8% in September, following a 1% increase in August. Export prices decreased 0.5% year-over-year. (Source: Bureau of Labor Statistics)
Multimodal News Clips:	<ul style="list-style-type: none"> Transportation employment increased 2.4% year-over-year in September. Transportation industries added 17,100 jobs in September from the previous month. The majority of the growth in the overall transportation industry came through the gaining of about 9,200 jobs in the transit and ground transportation sectors. The warehousing and storage sector added 4,300 jobs. Rail transportation added 1,400 jobs. (Source: Bureau of Labor Statistics) The 50 largest transportation and 3PL operators worldwide increased revenue 8.4% in 2011 to \$650.6 billion. There were 20 3PL companies on the Top 50 list, accounting for 36% of the group's revenue. The U.S. is home to 12 companies on the list, and most of the revenue for these companies is generated by domestic moves. (Source: SJ Consulting Group, JOC) In the last six months, U.S. online retail sales rose 16.1% to \$194.3 billion, accounting for about 4.6% of total sales. Future online business is slated to grow 10% annually to \$279 billion by 2015. This shift in the market is forcing more companies to invest in their own e-commerce fulfillment strategies. E-commerce has already fueled 30-40% growth in the Class-A real estate market. (Source: Department of Commerce)

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in September 2012 fell 0.7% from August 2012. Freight traffic in September fell 3.7% from September 2011. Carloads excluding coal and grain increased 3.7% over the previous year. <i>(Source: AAR.org) (Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
U.S. Intermodal Rail Traffic	Intermodal rail traffic in September 2012 was 2.5% higher than in September 2011 and 0.6% lower than August 2012 totals. Intermodal loadings experienced year-over-year gains for 34 straight months . <i>(Source: AAR.org) (Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
Railroad Fuel Price Index	The index of average railroad fuel prices in August was 635.4, up 9.7% from the previous month and 4% higher year-over-year. (Source: AAR.org) <i>(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)</i>
Freight Cars in Storage	The number of freight cars in storage has decreased to 309,261 (20.2% of the fleet) on October 1, down 1,965 from a month earlier. (Source: AAR.org) <i>(A freight car is "in storage" if it has had a loaded revenue move since 2005, but not in the past 60 days. <u>Decrease here = more demand</u>)</i>
Class 1 Railroad Employment	Railroad employment in August 2012 increased by 677 employees to 162,683 employees. Total Class 1 rail employment in August 2012 was 1.6% higher than it was in August 2011. (Source: U.S. STB)
Short Line Rail Traffic	In September 2012, short line railroad shipments across North America rose 3.9% compared to the same month last year. A sampling of about 422 small railroads in the U.S. and Canada loaded 542,317 railcars and intermodal units during the month of September. (Source: RMI RailConnect Index rmiondemand.com)

Railroad News Clips:

- CSX Transportation and Kansas City Southern Railway led all other major North American railways in year-over-year intermodal growth during the 3Q 2012. CSX intermodal volume **rose 8.6%**, while KCS experienced a **17.7% jump** in intermodal traffic. Norfolk Southern Railway intermodal volume **rose 4.5%**, while BNSF and Union Pacific saw traffic increase 3.5% and 2.9%, respectively.
- Genesee & Wyoming **completed its acquisition** of RailAmerica for **\$1.37 billion** and now awaits approval from the USDOT Surface Transportation Board to give G&W control of RailAmerica's railroads.

TRUCKING:

Trucking Volume

The ATA's seasonally adjusted cargo index **fell 0.9%** in August after rising a revised 0.4% in July. The for-hire truck tonnage index **rose 3.2%** year-over-year. (Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload freight in September **fell 11%** compared to the previous month, and was **4.5% lower** year-over-year. Truck capacity **fell 9.1%** for the month, and was **up 17%** year-over-year. (Source: TransCore Freight Index | www.transcorefreightsolutions.com)

Diesel Prices

U.S. average diesel prices rose to **\$4.094 per gallon**, rising **1.5¢** last week. The U.S. average diesel price was **37¢ higher** than the same week last year. The average price of diesel in the lower Atlantic states was \$4.009 per gallon. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

Trucking Employment

The trucking industry **added 700 jobs** in September. The trucking workforce **increased 0.15%** over the previous month and **rose 3.6%** over the previous year. (Source: U.S. Bureau of Labor Statistics)

Truck Orders

Orders for heavy-duty Class 8 trucks in North America are expected to total **15,205 units** in September 2012, the second-lowest month for orders since August 2010. September orders were **4.6% lower** than the previous month and **35% lower** than the same month last year. (Source: FTR Associates | ftrassociates.com)

NAFTA Trade

Surface transport-related trade between the U.S., Canada, and Mexico, was **up 4.6%** in July compared to the same month in 2011, reaching **\$75.7 billion**. July was the **32nd consecutive month** of year-over-year increases. (Source: US DOT)

Trucking News Clips:

- Less-than-truckload carriers are **raising rates 3-4%** despite slow growth. According to the brokerage and investment firm Stifel Nicolaus, rate increases show LTL carriers are focused on improving margins damaged during the recession rather than gaining market share.

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in August **fell 0.8%** from one year ago and also **declined 0.8%** from the previous month. North American air freight in July **grew 1.8%** year-over-year. (Source: IATA.org)
(Global air freight covers international and domestic scheduled air traffic. North American traffic includes only domestic freight traffic.)

Atlanta Air Cargo Traffic

In July, Hartsfield-Jackson Atlanta International Airport transported **53,759 metric tons** of cargo, a **2.13% decline** from the previous month and a **2.1% decrease** year-over-year. (Source: HJIA)

Air Freight Price Index

In August, the average international air cargo rate was **\$3.32 per kilogram**, **falling 13.1%** from the previous month. Average air freight rates were **down 17.5%** year-over-year. (Source: Bureau of Labor Statistics)
(The Drewry Air Freight Price Index is based on the average of rates (\$US per kg) for cargoes of 100+kg to 1,000+kg cargoes from Shanghai to London, Moscow, Prague, New York, and Los Angeles.)

Jet Fuel Prices

As of October 5, 2012, the global average jet fuel price was \$134.40 per barrel; **down 1.1%** from the previous month, and **11% 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:

- Delta Air Lines flew 201.7 million cargo ton-miles in September, an **increase of 3.2%** year-over-year. YTD, Delta has flown **1.8 billion cargo ton-miles**, a **1.1% increase** over the same period last year.
- About **460,000 new airline pilots** will be needed over the next 20 years to fly the world's aircraft according to a study by Boeing. Additionally, the study projects that more than **600,000 maintenance technicians** will be needed. Considering that air cargo currently accounts for about 10% of global air operations, between 45,000 and 50,000 pilots would be needed to fly all-cargo aircraft between now and 2031. During the same period, global air cargo is expected to **grow 5.2%** a year.

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OCEAN FREIGHT:

Import Volumes	Import shipment volume, in TEUs, at U.S. ports decreased 3% in August from the previous month and fell 0.3% from the previous year. Seven of the top ten U.S. ports posted decreases in TEU imports for August. The Port of L.A. decreased 3.9% and the Port of Oakland saw a 7% decline in TEU volume from July. The Port of Savannah , however, had a fairly significant 7.6% increase in imports over July. (Source: Zepol Corporation zepol.com)
Shanghai Containerized Freight Index	The September 28 th SCFI comprehensive reading was \$1,247.34 per FEU ; down 1% from the previous week, and 28.1% higher year-over-year. The spot rate for shipments to the U.S. East Coast was \$3,677 per FEU , up 27.1% from the previous year. (Source: Shanghai Shipping Exchange www1.chineseshipping.com.cn/en) <i>(The Shanghai Containerized Freight Index is a weekly reported average export spot rate from Shanghai for 15 different trade lanes.)</i>
Ocean Bulk Freight Rates	The Baltic Dry Index rose 11.3% in September, ending at 777 . The BDI has risen an additional 19% during the first half of October. (Source: www.bloomberg.com/quote/BDI:IND) <i>(The Baltic Dry Index is an index that tracks and averages worldwide international shipping prices of various dry bulk cargoes.)</i>
TSA Bunker Surcharges	Between October 1 st and December 31 st , 2012, the bunker fuel surcharge will total \$527 per FEU for shipments to the West coast ocean ports and \$1,020 per FEU for shipments to the East coast and Gulf ports. (Source: Transpacific Stabilization Agreement) <i>(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.)</i>
Port of Savannah	The Georgia Ports Authority posted increases across all reporting categories for the first two months of FY2013. The GPA reported 5.6% growth in tonnage , an increase of 240,000 tons from the same period in FY2012. Additionally, growth in intermodal activity at the ports was significant during August and led to a record month, handling 29,364 intermodal rail moves . (Source: GPA)
Port of Brunswick	The Port of Brunswick achieved 48.4% growth in total tonnage for the month of August and 30.2% growth on the fiscal YTD . Colonel's Island terminal in Brunswick moved 109,694 auto and machinery units in July and August, an increase of 37% over the same period in FY2012. (Source: GPA)
Ocean Freight Business News:	<ul style="list-style-type: none"> • Import volume through major U.S. container ports is expected to increase 9.9% in October as stores stock up for the holiday season. Total U.S. containerized imports in 2012 are expected to total 16 million TEUs, up 4.1% over 2011, after recording a fairly poor August in many top ports. (Source: NRF/Hackett Associates) • The International Longshoremen's Association and United States Maritime Alliance negotiations continue this week and are "making substantial progress on a wide range of tough issues" according to the federal mediators assisting with the talks. The ILA has not had a coast-wide work stoppage since 1977. • The Panama Canal recorded record tonnage of 333.7 million Panama Canal tons during FY2012, which ended September 30. The figure represents a 3.6% increase over FY2011. It surpasses the previous record of 312.9 million tons recorded in 2007. • Maersk has announced that it plans to increase rates for refrigerated cargo, and that the rate hike will go into effect on January 1, 2013. The \$1,500 per FEU increase will be implemented on a global basis and amounts to an average increase of 30% per shipment.

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy	The U.S. average industrial vacancy rate was 9.43% during Q2 2012, down from 9.68% in the previous quarter. Overall vacancy was 12.92% in Atlanta and 14.04% in Savannah during the second quarter. (Source: Colliers International)
Warehouse Rent Rates	In Q2 2012, warehouse and distribution rental rates in the US averaged \$4.78 per square foot . Rental rates for warehouse space averaged \$3.23/square foot in Atlanta and \$3.95/square foot in Savannah. (Source: Colliers International)
Industrial Absorption	Net absorption in the US during Q2 2012 totaled +40.5 million square feet . Absorption during the 2Q totaled more than +2.5 million square feet in Atlanta and -136,000 square feet in Savannah. (Source: Colliers International) <i>(Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)</i>
Purchasing Managers Index	The National PMI rose 1.9 points to 51.5 in September 2012. New orders increased 5.2 points to 52.3 and production rose 2.3 points to 49.5. (Source: Institute for Supply Management) <i>(The PMI combines data on new orders, inventory, production, supplier deliveries, and employment. A reading above 50 indicates that the manufacturing economy is generally expanding.)</i>

Purchasing Managers Index in Georgia

Georgia's PMI **rose 1.6 points** to 52.0 in September. New orders in Georgia **increased 8 points** to 58 and production **decreased 5.6 points** to 50. Georgia's PMI of 52.0 **outperformed the national PMI by 0.5 point** and has remained above 50 for the **ninth consecutive month**. (Source: Kennesaw State University)
(The PMI combines data on new orders, inventory, production, supplier deliveries, and employment. A reading above 50 indicates that the manufacturing economy is generally expanding.)

W&D Business News:

- GenAgain Technologies has relocated its headquarters from Tuscaloosa, Alabama to **Lithia Springs, Georgia**. The company plans to invest up to **\$75 million** in Atlanta and create as many as **200 jobs** as it builds several area plants to convert plastic waste into synthetic crude oil. GenAgain will initially open a **\$15 million, 63,000 square foot** production plant that will employ about **40 people**.
- Home Depot's **1.1 million square foot** e-commerce rapid deployment center is underway in **McDonough, Georgia**. Home Depot has shifted its development focus from new stores to fulfillment centers such as this one which is expected to be complete in **June 2013**.
- General Biofuels Georgia, LLC will construct a wood pellet manufacturing plant in **Sandersville, Georgia**, investing **\$60 million** and **creating 35 jobs**. Pellets from the plant will be loaded into railcars for transport by the Sandersville Railroad and Norfolk Southern Railway to the Port of Savannah.
- Foss Manufacturing will open a **manufacturing and distribution operation** in Rome, Georgia, investing **\$15 million and creating 150 new jobs** over three years. Foss is one of the world's largest needle-punch based manufacturers.
- Kenco, a 3PL based in Chattanooga, Tennessee, has announced plans for a new facility to be located in **Bryan County, Georgia**. The company will occupy **230,000 square feet** and plans to employ over **50 people** in the next few years.
- Gulf States Cold Storage is in the process of retrofitting a **Pooler, Georgia** warehouse as a refrigerated distribution center. The company specializes in frozen poultry and the new distribution facility will have the capacity to handle **4 million pounds** of product a week.

U.S. MARKET:

Gross Domestic Product

The U.S. GDP **increased 1.3%** in the second quarter of 2012 according to the third estimate released by the Bureau of Economic Analysis. (Source: US BEA)

U.S. Trade Deficit

The U.S. trade deficit **increased by 4.1%** in August to \$44.2 billion. **Exports decreased 1%** to \$181.3 billion and **imports decreased 0.1%** to \$225.5 billion. (Source: US DOC & Census Bureau)

Consumer Confidence

The Consumer Confidence Index **increased to 70.3** in September 2012 from 61.3 in August 2012. (Source: The Conference Board) *(The consumer confidence index is based on a monthly survey of 5,000 U.S. households. It is designed to gauge the financial health, spending power, and confidence of the average U.S. consumer.)*

Unemployment Rate

The unemployment rate in America **fell to 7.8%** in September 2012 despite only adding **114,000 net new jobs**, down from the revised **142,000 new jobs** created in August. (Source: US DOL)

Leading Economic Index

The Leading Economic Index for the U.S. **decreased 0.1%** in August to 95.7 (2004=100), following a 0.5% increase in July and a 0.5% decrease in June. (Source: Conference Board)
(The LEI is a composite of 10 economic indicators that together create an analytic system designed to signal peaks and troughs in the business cycle. The LEI reveals patterns in economic data in a clearer and more convincing manner than any individual component alone.)

Retail Sales

Retail sales grew in September to **\$412.9 billion, up 1.1%** from the previous month, and **up 5.4%** above September 2011. Non-store retailer sales were **up 10.5%** from last year. (Source: US Census)

Manufacturing & Trade Sales

Total combined sales and manufacturing shipments totaled **\$1.25 Trillion** in August 2012, **up 0.5%** from July and **up 3.1%** from the previous year. (Source: US Census)

Business Inventories on Hand

August 2012 business inventory on hand were \$1.61 Trillion, **up 0.6% from July** and **up 5.3% from August 2011**. (Source: US Census)

Housing Starts

In August, housing starts **increased 2.3%** to an annual rate of 750,000 units. Building permits (an indicator of future housing starts) **fell 1%** to an annual rate of 803,000. (Source: U.S. DOC)

Consumer & Producer Price Index

The consumer price index for all urban consumers **increased 0.6%** in August from the previous month. Over the last 12 months, the all items index **increased 1.7%**. The producer price index for finished goods **increased 1.7%** in August from the previous month. Prices for finished goods **rose 2%** over the previous year. (Source: US Bureau of Labor Statistics)