

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index remained flat during the month of October. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of October 10th thru November 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index rose 3.6% in October. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of October 10th thru November 10th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index rose 0.2% in September 2012. The index's reading of 109.2 was 15.8% higher than the April 2009 low during the recession. (Source: US DOT)
Cass Freight Index	The October shipments index fell 1.4% over the previous month and rose 5.4% year-over-year. The October expenditures index increased 1.6% for the month, and increased 8.4% 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 September, the U.S. imported about \$228.5 billion of cargo. September U.S. imports have increased 1.5% in terms of value from August, and grew 1.5% year-over-year. (Source: US Census)
Export Volumes	In September, the U.S. exported more than \$187 billion of cargo. September U.S. exports have decreased 3.1% in terms of value over the previous month and grew 3.5% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices rose 0.5% in October. Import prices rose 0.4% over the past year. The price index for U.S. exports remained the same in October, following a 0.8% increase in September. Export prices increased 1.4% year-over-year. (Source: Bureau of Labor Statistics)
Multimodal News Clips:	<ul style="list-style-type: none"> Seasonal hiring is at the highest level in five years. Retailers are expected to add as many as 625,000 temporary workers, up from 607,000 workers last year. Walmart and Amazon both expect to hire about 50,000 additional employees nationwide. Kohl's will add 52,700 workers, a 10% increase over last year. Shippers are also adding to the seasonal workforce. UPS plans to hire 55,000 seasonal workers to help handle the 527 million packages the company expects to deliver between Thanksgiving and Christmas. FedEx anticipates handling more than 280 million shipments during the same time. The company plans to hire 20,000 seasonal workers, the same as last year. The number of Wi-Fi enabled devices shipped in 2012 is expected to surpass 1.5 billion. Growth is occurring across many markets including mobile handsets, laptops, tablets, printers, TVs, and automobiles. Since 2009, over 9 billion Wi-Fi enabled devices have been shipped. U.S. poultry exports set year-to-date records, totaling \$4 billion and increasing 14% from the same period in 2011. The U.S. has exported 3 million metric tons through September 2012, a 6% increase over the first nine months of 2011. Egg exports during the same period also set a new record. Egg exports were up 17% year-over-year at \$184.9 million.

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in October 2012 fell 2.1% from September 2012. Freight traffic in October fell 6.1% from October 2011. Carloads excluding coal and grain increased 3.4% over the previous year. <i>(Source: AAR.org) (Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
U.S. Intermodal Rail Traffic	Intermodal rail traffic in October 2012 was 1.5% higher than in October 2011 and 1.2% lower than September 2012 totals. Intermodal loadings experienced year-over-year gains for 35 straight months . <i>(Source: AAR.org) (Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
Railroad Fuel Price Index	The index of average railroad fuel prices in September was 659.2, up 3.7% from the previous month and 7.8% 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 304,410 (19.8% of the fleet) on November 1, down 4,851 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. Decrease here = more demand)</i>
Class 1 Railroad Employment	Railroad employment in September 2012 decreased by 1,431 employees to 161,252 employees. Total Class 1 rail employment in September 2012 was 0.6% higher than it was in September 2011. (Source: U.S. STB)

Short Line Rail Traffic

In October 2012, short line railroad shipments across North America **rose 1.8%** compared to the same month last year. A sampling of about 423 small railroads in the U.S. and Canada **loaded 540,221 railcars** and intermodal units during the month of October. (Source: RMI RailConnect Index | rmiondemand.com)

Railroad News Clips:

- Union Pacific reported profit over **\$1 billion** in 3Q 2012, **up 10.6%** from last year's 3Q. These quarterly results were the **best ever** for the company. Freight revenue in the quarter was **\$5 billion**, increasing 4% from last year.
- Greenbrier Companies posted profit **increases of 807.9%** for its fiscal year 2012, which ended August 31. The railcar builder had net earnings of **\$58.7 million** compared with \$6.5 million for the prior fiscal year. The company's revenue for the full year reached a **record \$1.81 billion**, a 45% increase over the level in FY2011. New railcar deliveries for 2012 were a **record 15,000 units**.

TRUCKING:

Trucking Volume

The ATA's seasonally adjusted cargo index **rose 0.4%** in September after falling 0.9% in August. The for-hire truck tonnage index **rose 2.4%** year-over-year, the smallest year-over-year increase since December 2009. (Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload freight in October **fell 3.8%** compared to the previous month, and was **8.2% lower** year-over-year. Truck capacity **fell 28%** for the month, and was **up 41%** year-over-year. (Source: TransCore Freight Index | www.transcorefreightsolutions.com)

Diesel Prices

U.S. average diesel prices fell to **\$3.98 per gallon**, down **3¢** since last week. The U.S. average diesel price was **7¢ lower** than the same week last year. The average price of diesel in the lower Atlantic states was \$3.912 per gallon. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

Trucking Employment

The trucking industry **added 3,600 jobs** in October. The trucking workforce **increased 0.27%** 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 **22,760 units** in October 2012, the **highest number of monthly orders** in the year to date. October orders were **50% higher** than the previous month. (Source: FTR Associates | ftrassociates.com)

NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico, was **up 2.6%** in August compared to the same month in 2011, reaching **\$82.5 billion**. August was the **33rd consecutive month** of year-over-year increases. (Source: US DOT)

Trucking News Clips:

- Container lessor Textainer Group reported a 3Q profit of **\$50.7 million**, **up 10.6%** over 3Q 2011. Profit in the first nine months of 2012 was \$146.4 million, **up 8.7%** year-over-year. Container lessors are projected to provide more than **65% of all new container demand** in 2012 and could meet or exceed 70% next year.
- Intermodal shipments **rose 3.2%** in the third quarter, putting it on course for a record year. The IANA reported that the 3Q showed a **5.8% rise** in domestic shipments and a **0.9% improvement** in international freight to **3.77 million moves**.
- In 2011, **10.4 million trucks** entered the U.S. from Canada and Mexico. Last year, goods valued at more than **\$1.06 trillion** crossed the U.S. border, **15% higher** than in 2010 and **44% higher** than 2009. (Source: US DOT)

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in September **increased 0.6%** from one year ago and **fell 0.6%** from the previous month. North American air freight in September **fell 1%** 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 September, Hartsfield-Jackson Atlanta International Airport transported **53,929 metric tons** of cargo, a **1.6% decline** from the previous month and a **3.1% decrease** year-over-year. (Source: HJIA)

Air Freight Price Index

In September, the average international air cargo rate was **\$3.56 per kilogram**, **rising 7.5%** from the previous month. Average air freight rates were **down 11.3%** 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 November 2, 2012, the global average jet fuel price was \$124.70 per barrel; **down 5%** from the previous month, and **3.2% lower** year-over-year. (Source: IATA.org, platts.com)
(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)

Air Freight News Clips:

- The U.S. House of representatives recently approved legislation to ensure the U.S. will not participate in a European Union plan to tax American and other nations' aircraft operators and air carriers for emissions when flying into or out of the EU. The European Union Emissions Trading Scheme Prohibition Act of 2011 now goes to the president for his signature.

OCEAN FREIGHT:

Import Volumes

Import shipment volume, in TEUs, at U.S. ports **decreased 6.8%** in October from the previous month and **fell 4.8%** over the previous year. (Source: Zepol Corporation | zepol.com)

Shanghai Containerized Freight Index

The November 2nd SCFI comprehensive reading was **\$1,251.20 per FEU**; **up 1.7%** from the previous week, and **36.1% higher** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$3,379 per FEU**, **up 16.8%** over the previous year. (Source: Shanghai Shipping Exchange | www1.chineseshipping.com.cn/en)
(The Shanghai Containerized Freight Index is a weekly reported average export spot rate from Shanghai for 15 different trade lanes.)

Ocean Bulk Freight Rates

The Baltic Dry Index **rose 28.7%** in October, ending at **1,000**. The BDI has **risen an additional 1.1%** during the first half of November. (Source: www.bloomberg.com/quote/BDIY:IND)
(The Baltic Dry Index is an index that tracks and averages worldwide international shipping prices of various dry bulk cargoes.)

TSA Bunker Surcharges

Between October 1 and December 31, 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) *(The Transpacific Stabilization Agreement is a research and discussion forum of major ocean container shipping lines that carry cargo from Asia to ports in the U.S.)*

Port of Savannah

The 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:

- Import volume through major U.S. container ports is expected to **increase 5.9%** in November despite the temporary closure of some ports by super-storm Sandy. Total U.S. containerized imports in 2012 are expected to total **16.1 million TEUs**, **up 4.5%** over 2011. (Source: NRF/Hackett Associates)
- The federal government gave final regulatory approval to deepen the Savannah River to 47 feet, from its current 42 feet, at a cost of \$652 million. The Army Corps of Engineers said construction on the massive project could begin as early as summer 2013, and Georgia port officials hope to have the work finished by 2016.
- The CMA CGM Marco Polo, the **world's largest containership** at **16,000 TEUs** began operation on November 7. The **state of the art vessel** was the **first of three** that will be built by Daewoo Shipbuilding and Marine Engineering in South Korea.
- Maersk Line posted a 3Q 2012 net operating profit of **\$498 million** from a year-earlier loss of \$289 million. The Danish carrier, the world's largest, saw revenue **increase 5.7%** to \$6.96 billion in the third quarter. Total traffic **increased by 4%** to 9 million TEUs because of stronger growth in Africa and the Americas.
- Container Carrier Matson reported net income of **\$19.1 million** for the 3Q, a **jump of 119.5%** from the \$8.7 million earned in 3Q 2011. Third quarter revenue was \$401.4 million, **up 5.5%** year-over-year.

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The U.S. average industrial vacancy rate was **9%** during Q3 2012, down from 9.1% in the previous quarter. Overall vacancy was **10.6%** in the South and **13.9%** in Atlanta during the third quarter. (Source: Cassidy Turley)

Warehouse Rent Rates

In Q3 2012, warehouse and distribution rental rates in the US averaged **\$5.02 per square foot**. Rental rates for warehouse space averaged **\$4.53/square foot** in the South and **\$3.43 /square foot** in Atlanta. (Source: Cassidy Turley)

Industrial Absorption	Net absorption in the US during Q3 2012 totaled +27.5 million square feet . Absorption during the 3Q totaled more than +10.76 million square feet in the South and +1.1 million square feet in Atlanta. (Source: Cassidy Turley) <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 0.2 points to 51.7 in October 2012. New orders increased 1.9 points to 54.2 and production rose 2.9 points to 52.4. (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 fell 0.3 points to 51.7 in October. New orders in Georgia decreased 8 points to 50 and production increased 4.3 points to 54.3. Georgia's PMI of 51.7 is equal to the national PMI and has remained above 50 for the tenth consecutive month . (Source: Kennesaw State University) <i>(The PMI combines data on new orders, inventory, production, supplier deliveries, and employment. A reading above 50 indicates that the manufacturing economy is generally expanding.)</i>
W&D Business News:	<ul style="list-style-type: none"> FedEx Ground unveiled its new 216,000 square foot automated distribution facility in Norcross, Georgia. The facility cost \$43 million and is expected to bring 225 immediate jobs and another 55 jobs in two years. Enova Energy plans to build a \$100 million plant near Macon, Georgia that will convert pine trees into wood pellets. This plant is one of several that the company will build in Georgia to take advantage of South Georgia's large timber acreage. Better Brands of South Georgia completed the purchase of Flint Beverage Co. and plans to add 30,000 square feet to a 70,000 square foot facility in Albany, Georgia. The beverage distributor expects to hire another 50-55 employees in the near future.

U.S. MARKET:

Gross Domestic Product	The U.S. GDP increased 2.0% in the third quarter of 2012 according to the first preliminary estimate released by the Bureau of Economic Analysis. (Source: US BEA)
U.S. Trade Deficit	The U.S. trade deficit decreased by 5.1% in September to \$41.5 billion. Exports increased 3.1% to \$187 billion and imports increased 1.5% to \$228.5 billion. (Source: US DOC & Census Bureau)
Consumer Confidence	The Consumer Confidence Index increased to 72.2 in October 2012 from 68.4 in September 2012. (Source: The Conference Board) <i>(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.)</i>
Unemployment Rate	The unemployment rate in America rose to 7.9% in October 2012 as there were 171,000 net new jobs , up from the revised 148,000 new jobs created in September. (Source: US DOL)
Leading Economic Index	The Leading Economic Index for the U.S. increased 0.6% in September to 95.9 (2004=100), following a 0.4% decrease in August and a 0.4% decrease in July. (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>
Retail Sales	Retail and food service sales fell in October to \$411.6 billion, down 0.3% from the previous month, and up 3.8% above October 2011. Non-store retailer sales were up 7.2% from last year. (Source: US Census)
Manufacturing & Trade Sales	Total combined sales and manufacturing shipments totaled \$1.26 Trillion in September 2012, up 1.4% from August and up 4.4% from the previous year. (Source: US Census)
Manufacturing & Trade Inventory	Total value of inventory on hand is estimated at \$1.61 Trillion in September 2012, up 0.7% from August and up 6.2% from September 2011. (Source: US Census)
Housing Starts	In September, housing starts jumped 15% to an annual rate of 872,000 units, the highest rate in four years . Building permits (an indicator of future housing starts) rose 11.6% to an annual rate of 894,000. (Source: U.S. DOC)
Consumer & Producer Price Index	The consumer price index for all urban consumers increased 0.6% in September from the previous month. Over the last 12 months, the all items index increased 2% . The producer price index for finished goods decreased 0.2% in October from the previous month. Prices for finished goods rose 2.3% over the previous year. (Source: US Bureau of Labor Statistics)

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