

## MULTIMODAL:

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| <b>Dow Jones Transportation Index</b>   | Dow Jones Transportation index was <b>flat</b> during the month of March.<br><i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of March 10<sup>th</sup> thru April 10<sup>th</sup>)</i>  |
| <b>NASDAQ Transportation Index</b>      | NASDAQ Transportation Index <b>remained flat</b> in March.<br><i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of March 10<sup>th</sup> thru April 10<sup>th</sup>)</i>  |
| <b>DOT Freight Transportation Index</b> | The USDOT's freight transportation services index <b>rose 0.5%</b> in February 2012 following a decrease of 3.6% in January. The index's reading of 110.3 was <b>3.7% higher</b> year-over-year. (Source: US DOT)   |
| <b>Cass Freight Index</b>               | The March shipments index <b>rose 2.1%</b> over the previous month and <b>decreased 1.3%</b> year-over-year. The March expenditures index <b>increased 1%</b> for the month, and <b>increased 4.3%</b> year over year.<br><i>(Source: Cass Information Systems   Cassinfo.com)</i><br><i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>   |
| <b>Import Volumes</b>                   | In February, the U.S. <b>imported</b> about <b>\$227.2 billion</b> of cargo. February U.S. imports have <b>decreased 2.6%</b> in terms of value over the previous month and <b>grew 7.6%</b> year-over-year. (Source: US Census)  |
| <b>Export Volumes</b>                   | In February, the U.S. <b>exported</b> more than <b>\$181.2 billion</b> of cargo, <b>the highest on record</b> . February U.S. exports have <b>increased 0.1%</b> in terms of value over the previous month and <b>grew 9.3%</b> year-over-year. (Source: US Census)   |
| <b>Import &amp; Export Price Index</b>  | U.S. import prices <b>increased 1.3%</b> in March after decreasing 0.1% during the previous month. The price index for U.S. exports <b>rose 0.8%</b> in March after a 0.4% increase in February. (Source: Bureau of Labor Statistics)   |
| <b>Multimodal News Clips:</b>           | <ul style="list-style-type: none"> <li>Atlanta-based <b>UPS</b> has agreed to a <b>\$6.8 billion</b> deal to buy European rival TNT express. The transaction will create the <b>world's largest shipping company</b>, with more than <b>\$60 billion</b> in annual revenue.</li> <li>U.S. <b>agricultural commodities trade increased 19%</b> during 2011, with exports <b>up 17.7%</b> and imports <b>up 20.9%</b>. The manufactured goods trade <b>increased 11.7%</b> last year, with exports <b>up 11.3%</b> and imports <b>up 11.8%</b>.</li> <li>Material handling equipment orders grew an estimated <b>16.3%</b> in 2011 and is forecasted to <b>grow up to 9%</b> in 2012 and <b>increase by 12%</b> in 2013. In addition, material handling equipment shipments grew an estimated 17.7% in 2011. Domestic demand for material handling equipment grew 19.2%. (Source: Material Handling Industry of America)</li> <li>The rising price of gasoline in America did not deter people from buying new cars in March. The big three U.S. automakers (Ford, Chrysler, and General Motors) said sales were strong last month with industry-wide <b>sales hitting 1.37 million units, a 6% year-over-year increase</b>. Chrysler sold more cars and small trucks than in <b>any month since March 2008</b>. Sales were <b>up by 5%</b> at Ford year-over-year, and <b>up 12%</b> at General Motors.</li> <li>In Q1 2012, the S&amp;P 500 index <b>rose by 12%</b>, its <b>best 1Q performance since 1998</b>. Japan's Niddei 225 had its <b>strongest first quarter in 24 years</b>, recouping nearly all the ground it lost in 2011. Germany's Dax 30 <b>rose by 18%</b> and even Greece's main index was <b>up by 7%</b>. Emerging markets also performed well: India's Sensex was <b>up by 13%</b>, while the main Hong Kong index <b>grew by 12%</b>.</li> </ul> |

## RAIL:

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|-------------------------------------|--|
| <b>U.S. Freight Rail Traffic</b>    | Railroad bulk carload freight in March 2012 <b>decreased 3.4%</b> from February 2012. Freight traffic in March <b>fell 5.8%</b> from March 2011. The decrease in freight rail traffic was mainly due to a decline in coal shipments. Carloads excluding coal <b>increased 2.4%</b> over the previous year. (Source: AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i> |
| <b>U.S. Intermodal Rail Traffic</b> | Intermodal rail traffic in March 2012 was <b>3.5% higher</b> than in March 2011 and <b>2.3% higher</b> than February 2012 totals. Intermodal loadings have experienced year-over-year gains for <b>28 straight months</b> . (Source: AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>  |
| <b>Railroad Fuel Price Index</b>    | The index of average railroad fuel prices in February was 633.2, <b>up 4.4%</b> from the previous month and <b>12.8% higher</b> year-over-year. (Source: AAR.org)<br><i>(Average monthly price for gallons purchased by freight railroads; Includes federal excise taxes, transportation, and handling expenses)</i>   |
| <b>Freight Cars in Storage</b>      | The number of freight cars in storage has <b>increased to 299,324</b> (19.6% of the fleet) on April 1, up 9,819 cars from a month earlier. (Source: AAR.org)<br><i>(A freight car is "in storage" if it has had a loaded revenue move since 2005, but not in the past 60 days. <a href="#">Decrease here = more demand</a>)</i>  |
| <b>Class 1 Railroad Employment</b>  | Railroad employment was <b>down 105 employees</b> to 159,228 employees in February 2012. Total Class 1 rail employment in February 2012 was <b>3.1% higher</b> than it was in February 2011. (Source: U.S. STB)  |

## Short Line Rail Traffic

In March 2012, short line railroad shipments across North America **fell 1.3%** compared to the same month last year. A sampling of about 400 small railroads in the U.S. and Canada **loaded 631,031 railcars** and intermodal units during the month of March. (Source: RMI RailConnect Index | rmiindemand.com)

## Railroad News Clips:

- Eco-Energy Holdings is **developing an ethanol unit train terminal** and storage facility in Cartersville, Georgia that will mainly serve the Atlanta area. **CSX** will provide rail service upon completion of the terminal, which will have the capacity to handle more than **16.8 million gallons** of ethanol per month, while the storage facility will have about **8.4 million gallons** of tank space.
- A surge of U.S. auto sales in March helped **boost railroad shipments** of motor vehicles and equipment up nearly **19%** year-over-year. Additionally, the auto dealerships' restocking efforts should **ramp-up volume growth this month**.

## TRUCKING:

### Over-the-Road Trucked Shipments

Over-the-Road Trucked Shipments **rose 0.3%** in March following a 0.7% increase in February. Overall trucked shipments **decreased 2.2%** on a year-over-year basis. (Source: Ceridianindex.com)  
*(From the Ceridian-UCLA Pulse of Commerce Index which is based on real-time fuel consumption data for over the road trucking)*

### Trucking Volume

The ATA's seasonally adjusted cargo index **rose 0.5%** in February. The for-hire truck tonnage index **rose 5.5%** year-over-year. (Source: American Trucking Association | Trucking.org)

### Truckload Freight

The spot market for truckload freight in February **surged 35%** compared to the previous month, but was **8.7% lower** year-over-year. Truck capacity **fell 8.9%** for the month, and was **up 15%** year-over-year. (Source: TransCore Freight Index | www.transcorefreightsolutions.com)

### Diesel Prices

U.S. average diesel prices rose last week, to **\$4.15 per gallon**, the **highest price** since the week ending August 18, 2008. Last week's average diesel price was **0.6¢ higher** than the previous week, and was **7¢ higher** than the same week last year. The average price of diesel in the lower Atlantic states was \$4.11 per gallon. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

### Trucking Employment

The trucking industry **lost 1,900 jobs** in March. The trucking workforce **decreased 0.14%** from the previous month and **rose 3.2%** over the previous year. (Source: U.S. DOL)

### Truck Orders

Orders for heavy-duty Class 8 trucks in North America are expected to total **20,000 units** in March 2012 after 22,500 units were ordered in February. March Class 8 orders were **31.5% lower** year-over-year. (Source: ACT Research | actresearch.net)

### NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico, was **up 11.5%** in January compared to the same month in 2011, reaching **\$75.5 billion**. January was the **26<sup>th</sup> consecutive month** of year-over-year increases. (Source: US DOT)

## Trucking News Clips:

- A **16% leap** in intermodal loads helped push 1Q revenue **up 17%** to \$1.17 billion at J.B. Hunt Transport Services. The trucking company's 1Q net profit **rose 35%** year-over-year to \$67.7 million, while its operating revenue **rose 29.8%** to \$116.6 million.
- Truckload pricing was **7.2% higher** in March than a year ago. High truckload rates and tight capacity are pushing intermodal prices up as well. Intermodal linehaul costs **rose** in March from February, and were just **0.1% lower** than a year ago. (Source: Cass Information Systems)

## AIR FREIGHT:

### Air Cargo Traffic

Global air freight in February **rose 5.2%** from one year ago and was **down 1.2%** from the previous month. North American air freight in February **rose 0.1%** 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 February, Hartsfield-Jackson Atlanta International Airport transported **50,653 metric tons** of cargo, a **5.9% decrease** from the previous month and a **2% decrease** year-over-year. (Source: HJIA)

### Air Freight Price Index

In February, average international air cargo prices **fell 6.7%** from the previous month. Average air freight rates were **up 4.3%** 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 March 30, 2012, the global average jet fuel price was \$139.30 per barrel; **up 2.1%** from the previous month, and **2.9% 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:

- FedEx's profit **more than doubled** during its fiscal third quarter, fueled by record holiday package shipping. FedEx posted a net income of **\$521 million, up 126%** from a year earlier, as revenue rose 9% to \$10.56 billion.
- Lufthansa Cargo's operating earnings fell to **\$326 million** in 2011 from a record \$406 million in 2010, but it was the German airline's **second-best performance ever** despite slower Chinese traffic, surging fuel costs, and a night flight ban at its Frankfurt hub.

## OCEAN FREIGHT:

### Import Volumes

Import shipment volume, in TEUs, at U.S. ports **increased 11.9%** in March from the previous month and **rose 6.2%** from the previous year. The total number of TEU imports in Q1 2012 has **outpaced the first quarter numbers for the past three years**. (Source: Zepol Corporation | zepol.com)

### Shanghai Containerized Freight Index

The April 6<sup>th</sup> SCFI comprehensive reading was **\$1,374.90 per FEU; up 2%** from the previous week, and **34.6% higher** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$3,207 per FEU, up 7.6%** from 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 **increased 24.5%** in March, ending at **934**. The BDI has **increased 2.8%** for the first half of April. (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.)*

### Bunker Fuel Price Index

Average bunker fuel price **rose 0.5%** to end the month of March at \$898.62/MT. By mid-April, bunker fuel prices had **dropped 1%** to \$889.51/MT. (Source: bunkerindex.com)  
*(The Bunker Index is the average global bunker fuel price from individual ports; measure in \$US per MT or megaton)*

### Port of Savannah

In February, the Port of Savannah handled **237,077 TEUs**, a **0.6% increase** over container traffic in February 2011. (Source: GPA)

### Port of Brunswick

In 2011, the Port of Brunswick handled a record 495,000 auto and machinery units, up 23% from the previous year. (Source: GPA)

### Ocean Freight Business News:

- After 15 years of study, the United States Army Corps of Engineers announced last week that it had released the final documents for the **Savannah Harbor Expansion Project**. The project is estimated to cost **\$652 million** and will provide **\$174 million in annual net benefits** to the nation. The Savannah Harbor Expansion Project will **increase the depth of the Savannah River** by an additional five feet to **47 feet** at mean low water.
- Import volume through major U.S. container ports are expected to **increase 3.2%** this month compared with the same month last year. U.S. containerized imports are expected to **rise 2.2%** during the first half of the year to 7.3 million TEUs. The National Retail Federation projects that for the calendar year, retail sales in the U.S. will **grow 3.4%** to **\$2.53 trillion**. (Source: NRF/Hackett Associates)
- Container shipping lines in the Westbound Transpacific Stabilization Agreement have announced further **rate hikes** for dry and refrigerated cargoes to boost revenues on U.S.-to-Asia shipping lanes. The WTSA is recommending a dry container rate **boost of \$50 per FEU** from West Coast ports and an **increase of \$100 per FEU** for all other ports, starting May 15. For Refrigerated cargoes, WTSA lines are recommending **increases of \$200 per FEU**.

## WAREHOUSING & DISTRIBUTION:

### Industrial Vacancy

The U.S. average industrial vacancy rate was **9.1%** during Q1 2012, remaining the same as the previous quarter. Overall vacancy was **10.7%** in the South and **14.5%** in Atlanta during the first quarter. (Source: Cassidy Turley)

### Warehouse Rent Rates

In Q1 2012, warehouse and distribution rental rates in the US averaged **\$5.05 per square foot**. Rental rates for warehouse space averaged **\$4.44/square foot** in the South and **\$3.46/square foot** in Atlanta. (Source: Cassidy Turley)

### Industrial Absorption

Net absorption in the US during Q1 2012 totaled **+17.7 million square feet**. Absorption during the 1Q totaled **+5.5 million square feet** in the South and **+210,000 square feet** in Atlanta. (Source: Cassidy Turley)  
*(Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)*

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| <b>Purchasing Managers Index</b>            | The National PMI <b>rose 1 point</b> to 53.4 in March 2012. The March PMI has indicated expansion in the manufacturing sector for the <b>32<sup>nd</sup> consecutive month</b> . New orders <b>decreased 0.4 points</b> to 54.5 and production <b>rose 3 points</b> to 58.3. (Source: Institute for Supply Management)<br><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>   |
| <b>Purchasing Managers Index in Georgia</b> | Georgia's PMI <b>remained flat</b> at 61 in March. New orders in Georgia <b>increased 0.2 of a point</b> to 68.5 and production was <b>up 3.3 points</b> to 66.7. (Source: Kennesaw State University)<br><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>  |
| <b>W&amp;D Business News:</b>               | <ul style="list-style-type: none"> <li>• Carter's, the country's largest branded marketer of baby and young children's apparel, has announced the opening of a <b>new distribution center</b> in Braselton, Georgia this summer. The <b>one-million-square-foot</b> facility will support the company's e-commerce, retail, and wholesale businesses and will create more than <b>600 jobs</b> by 2015.</li> <li>• Vega Biofuels has leased a <b>90,000 square foot building</b> in Cordele, Georgia for the company's bio-coal manufacturing plant. The facility is adjacent to the new <b>Cordele Inland Port</b>, offering direct rail access to the <b>Port of Savannah</b>.</li> </ul> |

## U.S. MARKET:

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| <b>Gross Domestic Product</b>              | The U.S. GDP <b>increased 3%</b> in the fourth quarter 2011 according to the third estimate released by the Bureau of Economic Analysis. (Source: US BEA)  |
| <b>U.S. Trade Deficit</b>                  | The U.S. trade deficit <b>decreased by 12.4%</b> in February to \$46 billion. <b>Exports increased 0.1%</b> to \$181.2 billion and <b>imports decreased 2.7%</b> to \$227.2 billion. (Source: US DOC & Census Bureau)  |
| <b>Consumer Confidence</b>                 | The Consumer Confidence Index <b>decreased to 70.2</b> in March 2012 from 71.6 in February 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>   |
| <b>Unemployment Rate</b>                   | The unemployment rate in America <b>fell to 8.2%</b> in March 2012, the <b>lowest level since January 2009</b> . Approximately <b>120,000 net new jobs</b> were created in March, down from <b>240,000 new jobs</b> created in February. (Source: US DOL)  |
| <b>Leading Economic Index</b>              | The Leading Economic Index for the U.S. <b>increased 0.7%</b> in February to 95.5 (2004=100), following a 0.2% increase in January and a 0.5% increase in December. (Source: Conference Board)<br><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> |
| <b>Retail Sales</b>                        | Retail and food service sales rose in March to <b>\$411.1 billion, up 0.8%</b> from the previous month, and <b>up 6.5%</b> from March 2011. Non-store retailer sales were <b>up 9.3%</b> from last year. (Source: US Census)   |
| <b>Manufacturing &amp; Trade Sales</b>     | Total combined sales and manufacturing shipments totaled nearly <b>\$1.24 Trillion</b> in February 2012, <b>up 0.7%</b> from January and <b>up 7.6%</b> from the previous year. (Source: US Census)  |
| <b>Manufacturing &amp; Trade Inventory</b> | Total value of inventory on hand is estimated at <b>\$1.58 Trillion</b> in February 2012, <b>up 0.6%</b> from January and <b>up 7.6%</b> from February 2011. (Source: U.S. Census)   |
| <b>Housing Starts</b>                      | In February, housing starts <b>decreased 1.1%</b> to an annual rate of 698,000 units. Building permits (an indicator of future housing starts) <b>rose 5.1%</b> to an annual rate of 717,000. (Source: U.S. DOC)   |
| <b>Consumer &amp; Producer Price Index</b> | The consumer price index for all urban consumers <b>increased 0.3%</b> in March over the previous month. Over the last 12 months, the all items index <b>increased 2.7%</b> . The producer price index for finished goods was unchanged in March from the previous month. Prices for finished goods <b>increased 2.8%</b> over the previous year. (Source: U.S. Bureau of Labor Statistics)  |

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