

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index was down 1.4% during the month of May. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of May 10th thru June 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index decreased 3.1% in May. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of May 10th thru June 10th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index rose 0.2% in April 2012 following a decrease of 0.8% in March. The index's reading of 109.6 was 2.5% higher year-over-year. (Source: US DOT)
Cass Freight Index	The May shipments index rose 1.8% over the previous month and increased 2.2% year-over-year. The May expenditures index increased 2.2% for the month, and increased 5.6% year over year. <i>(Source: Cass Information Systems Cassinfo.com)</i> <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
Import Volumes	In April, the U.S. imported about \$233 billion of cargo, the second highest on record . April U.S. imports have decreased 1.7% in terms of value from March's record-setting month, and grew 6.3% year-over-year. <i>(Source: US Census)</i>
Export Volumes	In April, the U.S. exported more than \$182.9 billion of cargo, also the second highest on record . April U.S. exports have decreased 0.8% in terms of value over the previous record-setting month and grew 4.1% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices decreased 1% in May, after recording no change the previous month. Import prices fell 0.3% over the past year. The price index for U.S. exports fell 0.4% in May, following a 0.4% increase in April. <i>(Source: Bureau of Labor Statistics)</i>
Multimodal News Clips:	<ul style="list-style-type: none"> • Sales of U.S. new single-family homes in April 2012 increased 3.3% over March's revised rate, and were 9.9% higher year-over-year. (Source: US Census) • According to the 23rd annual State of Logistics report, U.S. business logistics costs rose 6.6% in 2011. Logistics costs totaled \$1.28 trillion last year, up \$79 billion from 2010 but still below the peak of \$1.39 trillion in 2007. Transportation costs were up 6.2% overall last year because of higher rates. • The worldwide supply chain management (SCM) software market totaled \$7.7 billion in 2011, a 12.3% increase from 2010. It was the second year of double-digit growth for the SCM software market. SAP continued to lead the SCM software market, accounting for 19.9% of the worldwide market. Oracle was the number two vendor with 16.9% market share. Ariba experienced the strongest growth among the top five vendors with SCM software revenue increasing 46.5% in 2011. • The U.S. Department of Agriculture announced that the country's agricultural exports in the 3Q of FY2012 will reach \$134.5 billion, the second-highest level on record and \$3.5 billion greater than the previous forecast. Exports to Canada and Mexico are both forecast up this quarter to new records, while exports to China are up \$1.5 billion due to demand for cotton, pork, dairy, and tree nuts.

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in May 2012 increased 1.8% from April 2012. Freight traffic in May fell 2.8% from May 2011. The decrease in freight rail traffic was mainly due to another decline in coal and grain shipments. Carloads excluding coal increased 4.2% 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 May 2012 was 3.5% higher than in May 2011 and 0.6% lower than April 2012 totals. Intermodal loadings experienced year-over-year gains for 30 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 April was 650.8, down 1.3% from the previous month and 1.2% lower 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 increased to 312,938 (20.4% of the fleet) on June 1, up 4,981 cars 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 April 2012 increased by 1,353 employees to 161,876 employees, the highest since November 2008 . Total Class 1 rail employment in April 2012 was 3.3% higher than it was in April 2011. <i>(Source: U.S. STB)</i>
Short Line Rail Traffic	In May 2012, short line railroad shipments across North America rose 2% compared to the same month last year. A sampling of about 415 small railroads in the U.S. and Canada loaded 646,251 railcars and intermodal units during the month of May. (Source: RMI RailConnect Index rmiondemand.com)

Railroad News Clips:

- Intermodal shipments on major U.S. railroads in the week ending June 9 **rose 3.8%** year-over-year and **jumped 15.2%** from the previous week. Carload volume in the same week **fell 1.7%** year-over-year but **rose 7.6%** over the prior week. Petroleum products, metallic ores, lumber and wood products, and motor vehicles and equipment volumes **saw double-digit increases** on a year-over-year basis. (Source: AAR.org)
- CIT Rail has ordered **3,500 tank and covered hopper railcars**. The railcar lessor ordered the cars from multiple manufacturers and expects them to be delivered throughout this year and 2013. The most recent purchases bring the company's investment in tank cars and covered hoppers to nearly **\$1.5 billion** since 2011. CIT Rail leases more than **100,000 railcars** and **450 locomotives** to about **500 customers**.

TRUCKING:

Over-the-Road Trucked Shipments

Over-the-Road Trucked Shipments **rose 0.8%** in May following a 0.1% increase in April and a 0.3% increase in March. Overall trucked shipments **decreased 0.6%** 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 **fell 1.1%** in April after rising 0.6% in March. The for-hire truck tonnage index **rose 3.5%** year-over-year. (Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload freight in May **rose 2%** compared to the previous month, and was **12% higher** year-over-year. Truck capacity **rose 6.8%** for the month, and was **up 21%** year-over-year. (Source: TransCore Freight Index | www.transcorefreightsolutions.com)

Diesel Prices

U.S. average diesel prices fell last week to **\$3.78 per gallon**, the **lowest price in nine months** and the **ninth straight week of decline**. Last week's average diesel price was **6.5¢ lower** than the previous week, and was **17.3¢ lower** than the same week last year. The average price of diesel in the lower Atlantic states was \$3.72 per gallon. (Source: U.S. DOE)
(Reflects the costs and profits of the entire production and distribution chain.)

Trucking Employment

The trucking industry **added 7,300 jobs** in May. The trucking workforce **increased 0.5%** over the previous month and **rose 3.4%** over the previous year. (Source: U.S. DOL)

Truck Orders

Orders for heavy-duty Class 8 trucks in North America are expected to total **18,000 units** in May 2012 after 17,200 units were ordered in April. (Source: ACT Research | actresearch.net)

NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico, was **up 15.6%** in March compared to the same month in 2011, reaching **\$85.8 billion**. March was the **28th consecutive month** of year-over-year increases. (Source: US DOT)

Trucking News Clips:

- FedEx Freight, the nation's largest stand-alone less-than-truckload carrier announced a **rate increase of 6.9%** that will take effect on July 9. General rate increases don't cover the majority of LTL freight, but they are a barometer for trucking industry demand. Most of FedEx's competitors are expected to **follow suit with rate increases later this summer**.
- Schneider National and CSX Transportation have expanded their multiyear **partnership** to allow the truckload shipper to provide intermodal service at two rail ramps in Ohio. Intermodal growth in the Eastern U.S. **led** the overall market in the first quarter. Domestic intermodal volume **jumped 14.9%** year-over-year last quarter.

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in April **fell 4.2%** from one year ago and was **down 1.1%** from the previous month. North American air freight in April **fell 8.2%** 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 April, Hartsfield-Jackson Atlanta International Airport transported **52,677 metric tons** of cargo, a **7.1% decrease** from the previous month and a **5.5% decrease** year-over-year. (Source: HJIA)

Air Freight Price Index

In April, average international air cargo prices **dipped 0.8%** from the previous month. Average air freight rates were **down 3.6%** 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 June 8, 2012, the global average jet fuel price was \$114.20 per barrel; **down 11.5%** from the previous month, and **15% 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:

- Global semiconductor sales are boosting the air cargo industry. Sales of semiconductors totaled **\$24.1 billion** in April, **rising 3.4%** from the previous month. Semiconductor manufacturers gain roughly **82%** of their revenues from exports and typically ship the product via air.

- Atlanta's Hartsfield-Jackson International airport was named **the most efficient cargo airport in the world for the third time in the last four years**. Readers of *Air Cargo Week* magazine picked the winner based on investment in cargo services, special facilities, cargo clearance times and future development plans. **Three nearby interstates** allow goods to be transported by truck to **80% of the U.S. population** within a two-day drive from the airport.
- Japan's All Nippon Airways (ANA) and Japan Airlines (JAL) saw growth in international cargo volumes for the **third consecutive month**. The volume of international cargo ANA carried in FY2011 totaled 514,200 tons, **up 4%** from the previous FY. JAL's international cargo in April totaled 20,593 tons, an **increase of 4.3%**.

OCEAN FREIGHT:

Import Volumes	Import shipment volume, in TEUs, at U.S. ports increased 5.6% in May from the previous month and rose 3.5% over the previous year. YTD, May has shown the highest number of TEU imports , with over 1.6 million TEUs imported. (Source: Zepol Corporation zepol.com)
Shanghai Containerized Freight Index	The June 8 th SCFI comprehensive reading was \$1,414.72 per FEU ; up 2% from the previous week, and 35.1% higher year-over-year. The spot rate for shipments to the U.S. East Coast was \$3,774 per FEU , up 22.4% 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 decreased 21.5% in May, ending at 904 . The BDI has remained steady for the first half of June. (Source: www.bloomberg.com/quote/BDIY:IND) <i>(The Baltic Dry Index is an index that tracks and averages worldwide international shipping prices of various dry bulk cargoes.)</i>
Bunker Fuel Price Index	Average bunker fuel price fell 7.1% to end the month of May at \$882.50/MT. By mid-June, bunker fuel prices had fallen 13% to \$781.14/MT. (Source: bunkerindex.com) <i>(The Bunker Index is the average global bunker fuel price from individual ports; measure in \$US per MT or megaton)</i>
Port of Savannah	In April, the Port of Savannah handled 248,886 TEUs , following a record month in March. April's shipments represented a 4.2% decrease from April 2011. Ocean Terminal, Savannah's break bulk facility handled 132,441 tons of break bulk cargo in April, up 18.8% or 20,981 tons from the same month last year. (Source: GPA)
Port of Brunswick	The Georgia Ports Authority marked a record month in April for Autos and the fourth busiest month in the Authority's history for total tonnage. In April, the Port of Brunswick handled 59,926 auto and machinery units , an increase of 57.7% over the previous year. The Brunswick facility is the nation's fifth busiest port for total import-export Ro/Ro cargo , and the third busiest port for the export of U.S.-made vehicles and machinery . (Source: GPA)
Ocean Freight Business News:	<ul style="list-style-type: none"> Average spot rates on eastbound trans-Pacific trade surged 20% this week as carriers put a peak-season surcharge into effect on June 10. This week's benchmark rate is 52.1% higher than the same week last year. The benchmark rate has increased 88.1% YTD after the implementation of three general rate increases. Import volume through major U.S. container ports is expected to increase up to 20% during the peak season later this summer over last year. Retail sales have seen 22 straight months of year-over-year increases. Growth in retail container volumes is expected to increase 9% in September and 19.9% in October, traditionally the strongest months for imports from Asia. (Source: NRF/Hackett Associates) The idle container fleet has dropped by 47% in the last three months as freight rates continue to increase. The idle fleet has dropped from just above 900,000 TEUs in mid-March to around 480,000 TEUs by mid-June. (Source: BIMCO)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy	The U.S. average industrial vacancy rate was 9.66% during Q1 2012, down from 9.78% in the previous quarter. Overall vacancy was 13.35% in Atlanta and 13.73% in Savannah during the first quarter. (Source: Colliers International)
Warehouse Rent Rates	In Q1 2012, warehouse and distribution rental rates in the US averaged \$4.72 per square foot . Rental rates for warehouse space averaged \$3.18/square foot in Atlanta and \$3.95/square foot in Savannah. (Source: Colliers International)
Industrial Absorption	Net absorption in the US during Q1 2012 totaled +22.7 million square feet . Absorption during the 1Q totaled nearly +995,000 square feet in Atlanta, and +216,000 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 **fell 1.3 points** to 53.5 in May 2012. The May PMI has indicated expansion in the manufacturing sector for the **34th consecutive month**. New orders **increased 1.9 points** to 60.1 and production **fell 5.4 points** to 55.6. (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 **fell 1.9 points** to 61.9 in May. New orders in Georgia **decreased 7.5 points** to 65.4 and production was also **down 7.5 points** to 65.4. Georgia's PMI of 61.9 **outperformed the national PMI by more than 8 points** and has remained above 60 for the **fourth 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:

- Nordic Logistics and Warehousing, one of the nation's **largest cold storage warehouse companies**, is moving into the Savannah area. The Atlanta-based company has broken ground on its new cutting-edge, temperature-controlled storage facility less than six miles from the **Port of Savannah**. The first phase of the **400,000-square-foot**, \$50 million facility will open by the end of this year. The new facility expects to hire up to **200 employees** upon completion.
- Kuehne+Nagel, one of the world's leading global logistics services providers, is relocating to a new **211,000-square-foot** office and logistics facility in Atlanta, approximately three miles from **Hartsfield-Jackson International Airport**. The company will **more than double** its current square footage with the relocation in 2013.

U.S. MARKET:

Gross Domestic Product

The U.S. GDP **increased 1.9%** in the first quarter of 2012 according to the second preliminary estimate released by the Bureau of Economic Analysis. (Source: US BEA)

U.S. Trade Deficit

The U.S. trade deficit **decreased by 4.9%** in April to \$50.1 billion. **Exports decreased 0.8** to \$182.9 billion and **imports decreased 1.7%** to \$233 billion. **U.S. imports and exports in March were the second highest on record**. (Source: US DOC & Census Bureau)

Consumer Confidence

The Consumer Confidence Index **decreased to 64.9** in May 2012 from 68.7 in April 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 **rose to 8.2%** in May 2012, up from 8.1% from the previous month. Approximately **69,000 net new jobs** were created in May, down from **77,000 new jobs** created in April. (Source: US DOL)

Leading Economic Index

The Leading Economic Index for the U.S. **decreased 0.1%** in April to 95.5 (2004=100), following a 0.3% increase in March and a 0.7% increase in February. (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 and food service sales fell in May to **\$404.6 billion**, **down 0.2%** from the previous month, but **up 5.3%** from May 2011. Non-store retailer sales were **up 12.4%** from last year. (Source: US Census)

Manufacturing & Trade Sales

Total combined sales and manufacturing shipments totaled nearly **\$1.25 Trillion** in April 2012, **up 0.2%** from March and **up 5.4%** from the previous year. (Source: US Census)

Manufacturing & Trade Inventory

Total value of inventory on hand is estimated at **\$1.575 Trillion** in April 2012, **up 0.4%** from March and **up 6%** from April 2011. (Source: US Census)

Housing Starts

In April, housing starts **increased 2.6%** to an annual rate of 492,000 units. Building permits (an indicator of future housing starts) **fell 7%** to an annual rate of 715,000. (Source: U.S. DOC)

Consumer & Producer Price Index

The consumer price index for all urban consumers **decreased 0.3%** in May from the previous month. Over the last 12 months, the all items index **increased 1.7%**. The producer price index for finished goods **fell 1%** in May from the previous month. Prices for finished goods **decreased 0.2%** over the previous year. (Source: US Bureau of Labor Statistics)

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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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