

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index fell 7.4% 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 9.1% 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 rose 0.6% in August 2014. The index's reading of 120.9 was up 3.8% from August 2013. (Source: US DOT)
Cass Freight Index	The September shipments index fell 1.4% from the previous month and rose 0.7% year-over-year. The September expenditures index rose 0.8% for the month, and increased 3.5% 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 \$238.6 billion of cargo. August U.S. imports rose 0.1% in terms of value from July, and rose 3.7% year-over-year. (Source: US Census)
Export Volumes	In August, the U.S. exported nearly \$198.5 billion of cargo, the highest on record . August U.S. exports have increased 0.2% in terms of value over the previous month and rose 4.1% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices fell 0.5% in September. Import prices fell 0.9% over the past year. The price index for U.S. exports fell 0.2% in September. Export prices decreased 0.2% year-over-year. (Source: Bureau of Labor Statistics)
E-Commerce	E-commerce revenue in September is up 13% year-over-year , with e-commerce orders up 14% over the same period. Mobile orders accounted for 19% of all e-commerce orders in September, up 4% over last year. (Source: Custora E-Commerce Pulse)
Multimodal News Clips:	<ul style="list-style-type: none"> This year's holiday sales are expected to increase 4.1% to \$616.9 billion. Holiday sales on average have grown 2.9% over the past 10 years, including 2014 estimates, and are expected to represent 19.2% of the retail industry's annual sales of \$3.2 trillion. (Source: National Retail Federation) Total shipments handled by 3PL's rose 7.2% year-over-year in 2Q 2014, and jumped 8% from the previous quarter. According to a survey, the combined revenue of 3PLs rose 17.3% year-over-year to almost \$3 billion. (Source: Transportation Intermediaries Association) Global demand for material handling equipment is projected to increase 5% annually through 2018 to \$140 billion. Gains will be strongest for sales of automated conveyors and automated guided vehicles. Sales of automated warehouse equipment are expected to grow 6% in the U.S. during the same period. (Source: Freedonia Group)

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in September 2014 fell 0.5% from August 2014. Freight traffic in September rose 2.7% from September 2013. Carloads excluding coal increased 5.6% 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 2014 was 4.5% higher than in September 2013, and rose 0.2% from August 2014. Intermodal loadings have experienced year-over-year gains for 58 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 584.5, down 1.2% from the previous month and 6.0% 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>
U.S. Intermodal Rates	For the week of September 22, average intermodal rates totaled \$2,271 per 53-foot container, 9.1% higher year-over-year. (Source: IDS Transportation) <i>(The Intermodal Rate Index is a weekly reported average spot rate for 36 major U.S. intermodal lanes.)</i>
Class 1 Railroad Employment	Railroad employment in August 2014 increased by 850 employees to 167,988 employees. Total Class 1 rail employment in August increased 2.8% , year-over-year. (Source: U.S. STB)
Short Line Rail Traffic	In September 2014, short line railroad shipments across North America rose 6.0% compared to the same month last year. A sampling of about 429 small railroads in the U.S. and Canada loaded 601,837 railcars and intermodal units during the month of September. (Source: RMI RailConnect Index rmiindemand.com)

Railroad News Clips:

- The Georgia Ports Authority expects within the year to announce the second of **six inland intermodal terminals** it plans to develop to expand the port's reach across the Southeast. The inland terminal projects include collaboration between industries and economic development agencies to provide **direct intermodal routes** to the Ports of Savannah and Brunswick.
- Genesee & Wyoming saw a **10.5% increase** in traffic volumes for August 2014 year-over-year, totaling **179,184 carloads**. Commodity categories were led by agricultural products with a **24.9% increase** over the same month last year.

TRUCKING:

Trucking Volume

The ATA's seasonally adjusted cargo index **rose 1.6%** in August. The August index is **the highest on record**. The for-hire truck tonnage index **rose 4.5%** from August 2013. (Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload freight in September **fell 6.0%** compared to the previous month, and was **39% higher** year-over-year. Truck capacity **rose 7.8%** for the month, and **increased 17%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Diesel Prices

U.S. average diesel prices fell to **\$3.73 per gallon** last week. The U.S. average diesel price was **16.4¢ lower** than the same week last year. The average price of diesel in the lower Atlantic states was \$3.68 per gallon. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

Trucking Employment

The trucking industry workforce **increased by 3,800 employees** in September. The trucking workforce **increased 2.3%** 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 **24,477 units** in September 2014. September orders were **1.9% lower** than the previous month and **27% higher** year-over-year. Class 8 truck orders have now had **20 consecutive months** of year-over-year increases. (Source: FTR Associates | ftrassociates.com)

NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico, **increased 9.0%** in July 2014 year-over-year, totaling more than **\$83.3 billion**. (Source: US DOT)

Trucking News Clips:

- The number of 3PLs with LTL shipments has **risen 18.2%** year-over-year as more companies add LTL services. In 2009, fewer than 30% of 3PLs offered LTL services. In 2Q 2014, **70%** of 3PLs offered LTL shipments. The truckload sector accounts for **71%** of all 3PL activity, and LTL accounts for **10%** of activity. Truckload and intermodal shipments by 3PLs have risen **6.6%** and **4.3%**, respectively. (Source: Transportation Intermediaries Association)

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in August **increased 5.1%** from one year ago, and **rose 0.2%** from the previous month. North American air freight in August **rose 5.5%** year-over-year. (Source: IATA.org) *(Global air freight covers international and domestic scheduled air traffic.)*

Atlanta Air Cargo Traffic

In August, Hartsfield-Jackson Atlanta International Airport transported **52,187 metric tons** of cargo, a **1.2% increase** from the previous month and a **0.2% decrease** year-over-year. (Source: HJIA)

Air Freight Price Index

In August, the index of East-West air cargo rates **rose 0.5%** over the previous month, and was **6.2% higher** year-over-year. The average price of air cargo leaving the United States in August stood at **\$3.34 per kilogram**. (Source: Drewry) *(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.)*

Jet Fuel Prices

As of October 3, 2014, the global average jet fuel price was \$107.8 per barrel; **down 9.8%** from the previous month, and **12.9% 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:

- Air cargo traffic is projected to grow at an annual rate of **4.7%** over the next two decades, with global air freight traffic expected to **more than double** by 2033. The world freighter fleet is expected to grow with deliveries of **840 new factory-built airplanes** and **1,330 passenger-to-freighter conversion airplanes**. More than 52% of those deliveries are expected to replace retiring airplanes and the remainder used for growth. (Source: Boeing)

OCEAN FREIGHT:

Import Volumes

Import volume through major U.S. container ports is expected to total **1.53 million containers** in October, breaking the previous record set in August. In August, the latest month for which numbers are available, U.S. container ports handled 1.52 million TEUs, a **1.5% increase** from the previous month and a **2.1% increase** from the same month last year. Total U.S. containerized imports are expected to **increase 5.3%** in 2014. (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The October 10th SCFI comprehensive reading was **\$911 per FEU**; **up 1.9%** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$4,045 per FEU**, **up 26.2%** 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 **fell 7.3%** in September, ending at 1,063. The BDI has **fallen 10.3%** during the first half of October. (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, 2014, the bunker fuel surcharge will total **\$519 per FEU** for shipments to the West coast ocean ports and **\$980 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 Port of Savannah moved **891,408 TEUs** during the 1Q of the Fiscal Year, a **12.9% increase** over the same quarter last year. September's cargo grew at the same rate, with the Port of Savannah moving **295,698 TEUs**. (Source: GPA)

Port of Brunswick

The Port of Brunswick moved more than **3.4 million tons** of cargo during FY2014, an **11.6% improvement** over FY2013. For the third year in a row, the GPA achieved a **record total** for auto and machinery units with a **10% increase** in FY2014. (Source: GPA)

Ocean Freight Business News:

- A Project Partnership Agreement has been signed, allowing construction on the **Savannah Harbor Expansion Project** to begin. The project will cost approximately **\$706 million**. The State of Georgia has already set aside the required 40% of the total (**\$266 million**) in order to begin the project while it awaits congressional appropriations for the remaining 60% in federal funding.
- Maersk Line plans to invest **\$3 billion a year** for up to five years to order ships with a combined capacity of **425,000 TEUs** for delivery between 2017 and 2019. The 425,000 TEU capacity will represent about **30 ships of 14,000 TEUs**. The company's revenue from operations in 2013 totaled **\$3.7 billion**.
- The Port of Savannah could overtake New York-New Jersey as the **top port on the East Coast** within the next 10 years. The port is seeking to more than **double its container traffic** from 3 million TEUs to 6.5 million TEUs within a decade. More than **\$1.3 billion** in capital improvement plans include increasing the number of ship-to-shore cranes from 22 to 30 and rubber-tired gantry cranes from 116 to 169. Infrastructure improvements are already underway to directly connect the port to nearby interstates and inland intermodal terminals.

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The U.S. average industrial vacancy rate was **7.7%** during Q2 2014, down from 7.9% in the previous quarter. Overall vacancy was **10.7%** in Atlanta and **7.1%** in Savannah during the second quarter. (Source: Colliers International)

Warehouse Rent Rates

In Q2 2014, warehouse and distribution rental rates in the US averaged **\$4.97 per square foot**, up from \$4.91 per square foot in the previous quarter. Rental rates for warehouse space averaged **\$3.29 per square foot** in Atlanta and **\$3.95 per square foot** in Savannah. (Source: Colliers International)

Industrial Absorption

Net absorption in the US during Q2 2014 totaled nearly **+49 million square feet**. Overall absorption totaled **+2.3 million square feet** in Atlanta and **+796,000 square feet** in Savannah during the second quarter. Through the first half of 2014, Atlanta has experienced the **highest absorption rate in the nation**, absorbing nearly **+8.4 million square feet** of industrial real estate space. (Source: Colliers International) *(Absorption is the net change in occupied space between two points in time. Positive absorption means that previously unoccupied space is being occupied.)*

Purchasing Managers Index

The National PMI **fell 2.4 points** to 56.6 in September 2014. New orders **fell 6.7 points** to 60.0 and production **increased 0.1 of a point** to 64.6. (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 4.5 points** to 56.8 in September. New orders in Georgia **rose 7.3 points** to 68.2 and production fell 8.2 points to 61.4. Georgia's PMI is now **0.2 of a point** 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.)*

W&D Business News:

- Polytech Fibers, a Georgia-based polyester fiber manufacturer, will create **114 jobs** and invest more than **\$12 million** into its new **80,000 square-foot manufacturing facility** in Chatsworth, Georgia over the next three years.
- Haso USA Inc., a Tokyo-based manufacturer of personal use cleaning products, will create **170 jobs** and invest **\$7 million** in a new location in Gwinnett County, Georgia. The **100,000 square-foot facility** will manufacture personal wet wipes, mopping wipes, and dusting products.
- Neaton Rome Inc., a leading automotive product manufacturer, will expand in Floyd County, Georgia, creating **50 jobs** and investing **\$8 million** into the project.
- Asama Coldwater Manufacturing (ACM), a leading automotive brake manufacturer, will expand in Warrenton, Georgia, creating **40 jobs** at a new **80,000 square-foot** machining and painting facility.

U.S. MARKET:

Gross Domestic Product

The U.S. GDP **increased 4.6%** in the second quarter of 2014 according to the third estimate released by the Bureau of Economic Analysis. (Source: US BEA)

U.S. Trade Deficit

The U.S. trade deficit **decreased by 0.5%** in August to \$40.1 billion. **Exports rose 0.2%** to \$198.5 billion and **imports rose 0.1%** to \$238.6 billion. (Source: US DOC & Census Bureau)

Consumer Confidence

The Consumer Confidence Index **decreased to 86.0** in September 2014, **down 7.9 points** from the previous month. (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.)

Unemployment Rate

The unemployment rate in America **fell to 5.9%** in September 2014 as there were **248,000 net new jobs**. (Source: US DOL)

Leading Economic Index

The Leading Economic Index for the U.S. **increased 0.2%** in August to 103.8 (2004=100), following a 1.1% increase in July and a 0.7% increase 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 and food service sales rose in September to **\$442.2 billion**, down **0.3%** from the previous month, and **increased 4.3%** above September 2013. Non-store retailer sales were **up 6.8%** from last year. (Source: US Census)

Manufacturing & Trade Sales

Total combined sales and manufacturing shipments totaled more than **\$1.36 Trillion** in July 2014, **up 0.8%** from June and **up 5.3%** from the previous year. (Source: US Census)

Manufacturing & Trade Inventory

Total value of inventory on hand is estimated at **\$1.75 Trillion** in August 2014, **up 0.2%** from July and **up 5.7%** from August 2013. (Source: US Census)

Housing Starts

In August, housing starts **fell 14.4%** to an annual rate of 956,000 units. Building permits (an indicator of future housing starts) **fell 5.6%** to an annual rate of 998,000. Year-over-year, housing starts and building permits in August **increased 8.0%** and **5.3%**, respectively. (Source: U.S. DOC)

Consumer & Producer Price Index

The consumer price index for all urban consumers **decreased 0.2%** 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 remained flat in August from the previous month. Prices for finished goods **rose 1.8%** 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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