

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index rose 6.3% 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 increased 9.3% 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 0.4% in April 2014. The index's reading of 117.6 was up 4.8% from April 2013. (Source: US DOT)
Cass Freight Index	The May shipments index rose 1% over the previous month and rose 3.6% year-over-year. The May expenditures index rose 1.1% for the month, and increased 11.2% 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 \$240.6 billion of cargo. April U.S. imports rose 1.2% in terms of value from March, and rose 5.4% year-over-year. (Source: US Census)
Export Volumes	In April, the U.S. exported more than \$193.3 billion of cargo. April U.S. exports have decreased 0.2% in terms of value over the previous month and rose 3.0% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices rose 0.1% in May. Import prices rose 0.4% over the past year. The price index for U.S. exports rose 0.1% in May. Export prices increased 0.5% year-over-year. (Source: Bureau of Labor Statistics)
Multimodal News Clips:	<ul style="list-style-type: none"> U.S. shippers on average expect their volume to rise 3.6% over the coming year, the highest forecast since 2010. Railcar and intermodal growth is expected to drive total freight volume, expanding 5% over the next 12 months. Domestic ground and ocean shipping traffic will increase between 3% and 4% during the same period. (Source: Wolfe Research) Manufacturers expect sales to increase by 4.1% and their work force to grow by 1.7% over the next 12 months. They plan to increase capital investment by 2.3%. Nearly 86% of manufacturers have a positive business outlook. Attracting and retaining a quality work force was the third-biggest business challenge cited by manufacturers. However, manufacturers are most concerned with the effects of government policy like rising health insurance costs and an unfavorable business climate due to taxes and regulations. (Source: National Association of Manufacturers)

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in May 2014 rose 1.3% from April 2014. Freight traffic in May rose 6.1% from May 2013. Carloads excluding coal increased 8.2% 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>
U.S. Intermodal Rail Traffic	Intermodal rail traffic in May 2014 was 8.0% higher than in May 2013, and fell 0.4% from April 2014. Intermodal loadings have experienced year-over-year gains for 54 straight months . (Source: AAR.org) <i>(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 615.1, up 2.2% from the previous month and 2.2% 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>
U.S. Intermodal Rates	For the week of June 2, intermodal rates rose less than 1% to \$2,141 per 53-foot container. The rise is the first in 6 weeks. Average intermodal spot rates are up 5.5% YTD and have increased 8.2% year-over-year. (Source: IDS Transportation/JOC) <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 April 2014 increased by 1,321 employees to 164,289 employees. Total Class 1 rail employment in April increased 0.8% , year-over-year. (Source: U.S. STB)
Short Line Rail Traffic	In May 2014, short line railroad shipments across North America rose 3.5% compared to the same month last year. A sampling of about 427 small railroads in the U.S. and Canada loaded 596,100 railcars and intermodal units during the month of May. (Source: RMI RailConnect Index rmiondemand.com)
Railroad News Clips:	<ul style="list-style-type: none"> In May 2014, 17 of the 20 commodity categories saw carload gains, the most since the spring of 2010. Grain saw the biggest carload gain in May, up 29.7% over the previous year. Lumber and wood products were up 18.9%; crushed stone, gravel and sand were up 14.6%; primary metal products were up 11.5%. (Source: AAR.org) So far in the second quarter, shipments of coal have increased 9.3% for Class I railroads. During the same period, agricultural shipments have increased 14.2%. Intermodal traffic has seen a 9.4% rise so far this quarter. (Source: Cowen and Company)

TRUCKING:

Trucking Volume

The ATA's seasonally adjusted cargo index **rose 1.5%** in April. The for-hire truck tonnage index **rose 4.8%** from April 2013. (Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload freight in May **fell 2.1%** compared to the previous month, and was **48% higher** year-over-year. Truck capacity **rose 6.4%** for the month, and was **up 1.4%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Diesel Prices

U.S. average diesel prices **fell 2.6¢** to **\$3.89 per gallon** last week. The U.S. average diesel price was **4.3¢ higher** than the same week last year. The average price of diesel in the lower Atlantic states was \$3.89 per gallon. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

Trucking Employment

The trucking industry workforce added 1,500 employees in May. The trucking workforce **increased 1.6%** 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 **26,605 units** in May 2014. May orders were **6.2% higher** than the previous month and **14% higher** year-over-year. Class 8 truck orders have now had **16 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 5.6%** in March 2014 year-over-year, totaling nearly **\$84.3 billion**. (Source: US DOT)

Trucking News Clips:

- Trucking and logistics company Schneider reported its **seventh straight year** of declining cargo thefts and a **20% drop** in truckload thefts. Since 2006, Schneider says it has seen a **91% decline** of truckload thefts. Nationwide, the number of stolen freight incidents **decreased 9%** last year, the first industry-wide decrease since 2009. (Source: CargoNet)
- Available truck capacity will **increase between 1.0% and 1.5%** this year, the **first increase since 2007**. Retail sales of heavy trucks are projected at **222,000 units** in 2014, with about 190,000 tractors directly replacing older equipment. The number of Class 8 trucks currently in service is estimated at approximately **2 million tractors**. (Source: ACT Research)

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in April **increased 3.2%** from one year ago, and **fell 1.1%** from the previous month. North American air freight in April **rose 2.6%** year-over-year. (Source: IATA.org)
(Global air freight covers international and domestic scheduled air traffic.)

Atlanta Air Cargo Traffic

In April, Hartsfield-Jackson Atlanta International Airport transported **48,675 metric tons** of cargo, an **8% decrease** from the previous month and a **3.3% decrease** year-over-year. (Source: HJIA)

Air Freight Price Index

In April, the index of East-West air cargo rates **rose 1.5%** from the previous month, and was **5.5% higher** year-over-year. The average price of air cargo leaving the United States in April stood at **\$3.38 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 June 6, 2014, the global average jet fuel price was \$119.5 per barrel; **down 2.2%** from the previous month, and **2.2% 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:

- Air freight volumes at airports around the world **rose 4.8%** in April, year-over-year. North American air freight experienced the **largest regional increase**, rising 6.1% over the previous April. Global air cargo activity has **increased 3.7% YTD**. (Source: Airports Council International)

OCEAN FREIGHT:

Import Volumes

Import volume through major U.S. container ports is expected to **surge 7.5%** in June over the same month last year as retailers prepare for potential disruptions surrounding the expiring West Coast Port's labor contract. In April, the latest month for which numbers are available, U.S. container ports handled 1.43 million TEUs, a **9.9% increase** from the previous month and a **10.3% increase** from the same month last year. Total U.S. containerized imports are expected to **increase 6.5%** in the first half of 2014. (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The June 6th SCFI comprehensive reading was **\$1,088 per FEU; up 10.8%** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$3,286 per FEU, up 5.9%** 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 remained steady in May, ending at **934**. The BDI has **risen 7.5%** during the first half of June. (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 July 1 and September 30, 2014, the bunker fuel surcharge will total **\$516 per FEU** for shipments to the West coast ocean ports and **\$990 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 moved 2.52 million tons of cargo in April, a **4.6% increase** over the same month last year. Container traffic reached 266,930 TEUs during the month, a **3.1% increase** and the **highest April on record**. Breakbulk cargo saw the largest increase during the month of April, **improving by 26.4%** to reach 232,834 tons. (Source: GPA)

Port of Brunswick

Georgia Ports moved **67,963 auto and machinery units** in April, **up 17.8%** over the same month last year. Total roll-on/roll-off units moved for the fiscal year-to-date **reached a record 571,054 units**. (Source: GPA)

Ocean Freight Business News:

- The president's signing of the Water Resources Reform and Development Act of 2014 has authorized construction for the **Savannah Harbor Expansion Project**. The State of Georgia will develop an agreement with the U.S. Army Corps of Engineers to define how the costs of the project, estimated at **\$706 million**, will be shared between the state and federal government. Georgia has already set aside **\$266 million** towards construction and will be able to begin construction this year.
- The number of idle containerships is decreasing. There are currently **45 containerships** of over 5,000 TEUs that have been idle for more than six months, including **31 units** idle for over 12 months. At least **20 ships** that have been idle for over four months are to be **reactivated** soon, amounting to **80,000 TEUs**. (Source: Alphaliner)
- The Georgia Ports Authority agreed to an **\$86.5 million** purchase of **four new ship-to-shore cranes** and **20 new rubber-tired gantry cranes**. The four new cranes should arrive in February of 2016, bringing the number of super post-Panamax and post-Panamax cranes to **29**.

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The U.S. average industrial vacancy rate was **7.9%** during Q1 2014, equal to the vacancy rate in the previous quarter. Overall vacancy was **11.7%** in Atlanta during the first quarter. (Source: Newmark Grubb Knight Frank)

Warehouse Rent Rates

In Q1 2014, warehouse and distribution rental rates in the US averaged **\$5.40 per square foot**, equal to the rent rates in the previous quarter. Rental rates for warehouse space averaged **\$3.77 per square foot** in Atlanta. (Source: Newmark Grubb Knight Frank)

Industrial Absorption

Net absorption in the US during Q1 2014 totaled nearly **+45.7 million square feet**. Atlanta's overall absorption during the 1Q was **+2.7 million square feet**. (Source: Newmark Grubb Knight Frank)
(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 **rose 0.5 points** to 55.4 in May 2014. New orders **rose 1.8 points** to 56.9 and production **increased 5.3 points** to 61.0. (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 5.9 points** to 56.8 in May. New orders in Georgia **fell 6.8 points** to 68.2 and production remained at 65.9. Georgia's PMI is now **1.4 points** 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:

- Surya, an India-based textile company, has announced plans to build a new corporate office and distribution facility in Cartersville, Georgia. The state-of-the-art **1,000,000 square-foot facility** will represent a **\$30 million investment** and **create 200 new jobs** over the next few years.
- Southern Ionics, a Mississippi-based chemical manufacturer will **create 125 jobs** and invest more than **\$100 million** in Georgia over the next two years. The company will complete its two new mines and a new mineral sand processing plant by mid-2015.
- Dasan Machineries, a Korea-based defense manufacturer, will invest **\$30 million** in a new manufacturing plant in Gwinnett County, Georgia. The facility will be the company's first headquarters in the United States. The project will **create 150 new jobs** over the next three years.
- Hanil E Hwa Interior Systems will expand its existing LaGrange, Georgia facility, creating **80 new jobs** and investing **\$5.5 million** over the next two years. The Korea-based auto supplier provides a variety of auto parts to Kia Motors Manufacturing Georgia, including interior systems, panels, and bumpers.

U.S. MARKET:

Gross Domestic Product

The U.S. GDP **decreased 1%** in the first quarter of 2014 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 **increased by 6.9%** in April to \$47.2 billion. **Exports fell 0.2%** to \$193.3 billion and **imports rose 1.2%** to \$240.6 billion. (Source: US DOC & Census Bureau)

Consumer Confidence

The Consumer Confidence Index **increased to 83.0** in March 2014, **up 1.3 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 **remained at 6.3%** in May 2014 as there were **217,000 net new jobs**. (Source: US DOL)

Leading Economic Index

The Leading Economic Index for the U.S. **increased 0.4%** in April to 101.4 (2004=100), following a 1% increase in March and a 0.5% 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 rose in May to **\$437.6 billion**, **up 0.3%** from the previous month, and **up 4.3%** above May 2013. Non-store retailer sales were **up 7.4%** from last year. (Source: US Census)

Manufacturing & Trade Sales

Total combined sales and manufacturing shipments totaled nearly **\$1.34 Trillion** in April 2014, **up 0.7%** 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 **\$1.73 Trillion** in April 2014, up 0.6% from March and **up 5.0%** from April 2013. (Source: US Census)

Housing Starts

In April, housing starts **rose 13.2%** to an annual rate of 1,072,000 units. Building permits (an indicator of future housing starts) **rose 8.0%** to an annual rate of 1,080,000. Year-over-year, housing starts and building permits in April **increased 26.4%** and **3.8%**, respectively. (Source: U.S. DOC)

Consumer & Producer Price Index

The consumer price index for all urban consumers **increased 0.3%** in April from the previous month. Over the last 12 months, the all items index **increased 1.8%**. The producer price index for finished goods **fell 0.2%** in May from the previous month. Prices for finished goods **rose 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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