

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index fell 2.8% during the month of August. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of July 10th thru August 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index decreased 4.0% in August. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of July 10th thru August 10th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index fell 0.9% in June 2014. The index's reading of 120 reached an all-time high and was up 2.8% from June 2013. (Source: US DOT)
Cass Freight Index	The July shipments index fell 3.9% over the previous month and rose 4.2% year-over-year. The July expenditures index fell 3.9% for the month, and increased 6.7% 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 June, the U.S. imported about \$237.4 billion of cargo. June U.S. imports fell 1.2% in terms of value from May, and rose 4.6% year-over-year. (Source: US Census)
Export Volumes	In June, the U.S. exported nearly \$195.9 billion of cargo, the highest on record . June U.S. exports have increased 0.1% in terms of value over the previous month and rose 2.9% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices fell 0.2% in July. Import prices rose 0.8% over the past year. The price index for U.S. exports remained the same in July. Export prices increased 0.4% year-over-year. <i>(Source: Bureau of Labor Statistics)</i>
Multimodal News Clips:	<ul style="list-style-type: none"> Overall freight tonnage in the U.S. is expected to grow 23.5% from 2013 to 2025. Freight revenues are projected to increase 72% during the same period. Trucking's share of freight tonnage will grow from 69.1% in 2013 to 71.4% in 2025. (Source: American Trucking Association IHS Global Insight) Oil production in North Dakota hit more than 1 million barrels per day in April and May, becoming the second-largest oil producing U.S. state, beating out California and Alaska. North Dakota produces 12% of total U.S. oil production. North Dakota's oil output is expected to climb to 1.5 million barrels per day by 2017. (Source: U.S. DOE) The U.S. Postal Service experienced a net loss of \$2 billion during the 3Q 2014. Operating revenue ended the period at \$16.5 billion, a 6.6% increase on mail price increases. Operating expenses increased by \$1.5 billion, year-over-year to \$18.4 billion.

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in July 2014 rose 2.4% from June 2014. Freight traffic in July rose 6.3% from July 2013. Carloads excluding coal increased 11.7% 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 July 2014 was 5.5% higher than in July 2013, and fell 0.9% from June 2014. Intermodal loadings have experienced year-over-year gains for 56 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 June was 594.0, down 1.1% from the previous month and 0.4% 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 25, intermodal rates fell 1.7% to \$2,117 per 53-foot container. Average intermodal spot rates are up 5.3% YTD and have increased 5.0% 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 June 2014 increased by 42 employees to 166,139 employees. Total Class 1 rail employment in June increased 1% , year-over-year. (Source: U.S. STB)
Short Line Rail Traffic	In July 2014, short line railroad shipments across North America rose 4.1% compared to the same month last year. A sampling of about 429 small railroads in the U.S. and Canada loaded 735,552 railcars and intermodal units during the month of July. (Source: RMI RailConnect Index rmiondemand.com)
Railroad News Clips:	<ul style="list-style-type: none"> Norfolk Southern generated a record \$562 million in net income during the 3Q 2014, a 21% increase year-over-year. Income from railway operations experienced a 22% increase to \$1 billion. Overall operating revenues rose 9% to a record \$3 billion. The company's intermodal revenues rose 11% year-over-year to \$650 million, and coal revenues increased 7% to \$672 million.

AUGUST 2014 LOGISTICS MARKET SNAPSHOT

- U.S. carload gains were led by motor vehicles and parts, **increasing 35.9%** over the previous year. Automotive carloads averaged 16,648 in July 2014, their **highest** for July since 2002. Other commodities showing carload growth in July included metallic ores **(+31.9%)**; petroleum and petroleum products **(+19.9%)**; grain **(+18.7%)**. (Source: AAR.org)
- Carloads of crushed stone, sand, and gravel **increased 15.9%** year-over-year. Much of the growth in this category comes from frac sand. Frackers are expected to use nearly **95 billion pounds** of sand this year, **up 30%** over 2013. In 2013, Class I railroads originated nearly 381,000 carloads of industrial sand, more than double the 181,000 carloads originated in 2010. (Source: AAR.org | Wall Street Journal)

TRUCKING:

Trucking Volume

The ATA's seasonally adjusted cargo index **fell 0.8%** in June. The for-hire truck tonnage index **rose 2.3%** from June 2013. (Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload freight in July **fell 11%** compared to the previous month, and was **40% higher** year-over-year. Truck capacity **rose 16%** for the month, and **increased 7.3%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Diesel Prices

U.S. average diesel prices **fell 1¢ to \$3.84 per gallon** last week. The U.S. average diesel price was **5.3¢ lower** than the same week last year. The average price of diesel in the lower Atlantic states was \$3.80 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 2,300 employees** in July. The trucking workforce **increased 2.1%** 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 **29,516 units** in July 2014, the second best July ever. July orders were **12.4% higher** than the previous month and **71% higher** year-over-year. Class 8 truck orders have now had **18 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 5.8%** in May 2014 year-over-year, totaling nearly **\$86.3 billion**. (Source: US DOT)

Trucking News Clips:

- The **truck driver shortage** has been a limiting factor for the trucking capacity in the U.S., causing trucking rates to increase at a faster pace. To combat this, trucking companies may need to **raise driver wages** as much as **15% to 25%** over the next few years. Swift Transportation, the nation's largest truckload carrier, will give drivers the **largest pay increase** in the company's history sometime during the current quarter.
- Saia, the 10th -largest LTL carrier, saw a **6.9% increase** in LTL tonnage driven by a **5.5% gain** in shipments and a **1.4% increase** in weight per shipment. The company increased revenue 12.9% to **\$330.4 million** during the 2Q 2014.

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in June **increased 2.3%** from one year ago, and **rose 0.1%** from the previous month. North American air freight in June **rose 2.3%** year-over-year. (Source: IATA.org)
(Global air freight covers international and domestic scheduled air traffic.)

Atlanta Air Cargo Traffic

In May, Hartsfield-Jackson Atlanta International Airport transported **51,248 metric tons** of cargo, a **5.3% increase** from the previous month and a **1.2% decrease** year-over-year. (Source: HJIA)

Air Freight Price Index

In June, the index of East-West air cargo rates **rose 2.5%** over the previous month, and was **7.8% higher** year-over-year. The average price of air cargo leaving the United States in June stood at **\$3.30 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 August 1, 2014, the global average jet fuel price was \$120.5 per barrel; **down 1.4%** from the previous month, and **4.1% 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:

- During the first half of the 2014, the air freight industry experienced a **4.1% increase** in volume as capacity **rose by 3.6%**. Middle Eastern air cargo saw the highest growth in volume with a **10% increase** year-over-year. North American volume **grew 1.6%**. Airline companies are optimistic about state of the industry with **56%** of airlines expecting higher volumes over the next year. (Source: IATA.org)

OCEAN FREIGHT:

Import Volumes

Import volume through major U.S. container ports is expected to hit an all-time record **1.54 million containers** in August. In June, the latest month for which numbers are available, U.S. container ports handled 1.48 million TEUs, a **0.4% decrease** from the previous month and a **9.1% increase** from the same month last year. Total U.S. containerized imports are expected to **increase 3.6%** in 2014. (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The August 8th SCFI comprehensive reading was **\$1,172 per FEU**; **up 2.7%** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$4,187 per FEU**, **up 21.5%** 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 15.5%** in July, ending at 755. The BDI has **risen 10.7%** during the first half of August. (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 reached an **all-time high** in container trade in July, moving **293,889 TEUs**, a **19.2% increase** year-over-year. Over **2.52 million tons** of cargo moved through Georgia Ports in July, **up 12.8%** over the same month last year. Breakbulk cargo **increased by 7%** to reach 226,493 tons. Roll-on/Roll-off traffic **rose 8.5%** during the same period. (Source: GPA)

Port of Brunswick

The Port of Brunswick's dedicated auto and machinery terminal moved 674,327 roll-on/roll-off units in FY2014. Savannah's Ocean Terminal added another 26,375 for a record total of 700,702 units, a 10% increase over the previous fiscal year. (Source: GPA)

Ocean Freight Business News:

- A recent report has announced that Samsung will build a minimum of three **19,200-TEU ships** for Scorpio Group, which will charter the ships to Mediterranean Shipping Co. If true, these would be the **largest containerships ever constructed**. The report stated that the ships would cost about **\$153 million** each, be delivered in 2015, and that there is an option for three additional sister ships. (Source: Lloyd's List)
- Capacity for refrigerated cargo on containership fleets is expected to **increase by 22%** over the next five years. Reefer box capacity is expected to grow from 1.6 million FEU slots in 2013 to **1.9 million slots** in 2018. Reefer container volumes are forecast to rise by **20.5 million tons** over this same period. (Source: Drewry)
- Russia has imposed a ban on imports of fruits and vegetables, beef, pork, poultry, fish, and dairy products from the U.S., European Union, Canada, Australia, and Norway — countries that have recently imposed sanctions on Russia — for 1 year. In 2013, the U.S. exported over **\$650 million** worth of dairy, meat, fruit, vegetables, poultry, and fish. This accounts for **1.3%** of all U.S. food exports in those categories.

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The U.S. average industrial vacancy rate was **8.2%** during Q2 2014, down from 8.3% in the previous quarter. Overall vacancy was **11.5%** in Atlanta and **9.5%** in the South during the first quarter. (Source: Cassidy Turley)

Warehouse Rent Rates

In Q2 2014, warehouse and distribution rental rates in the US averaged **\$5.14 per square foot**, up from \$5.13 per square foot in the previous quarter. Rental rates for warehouse space averaged **\$3.60 per square foot** in Atlanta and **\$4.74 per square foot** in the South. (Source: Cassidy Turley)

Industrial Absorption

Net absorption in the US during Q2 2014 totaled more than **+34.7 million square feet**. Atlanta's overall absorption during the 2Q was **the third-highest in the nation**, totaling **+1.9 million square feet**. (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.)

Purchasing Managers Index

The National PMI **rose 1.8 points** to 57.1 in July 2014. New orders **rose 4.5 points** to 63.4 and production **increased 1.2 points** to 61.2. (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 8.9 points** to 48.4 in July. New orders in Georgia **fell 25.9 points** to 39.5 and production fell 13.5 points to 50. Georgia's PMI is now **8.7 points** below 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:

- Valmiera Glass will locate to Dublin, Georgia to establish its first U.S.-based headquarters. The Latvia-based fiberglass manufacturer will invest **\$20 million** in a new **80,000 square-foot manufacturing facility** and create **150 new jobs**.
- Beaulieu International Group will establish its **U.S. headquarters** in Cartersville, Georgia. The Belgian textile company plans to **create 350 jobs** over the next five years. In the first phase, the manufacturing plant will design and produce **47 million square-yards** of cushion vinyl for commercial and residential applications.

U.S. MARKET:

Gross Domestic Product	The U.S. GDP increased 4% in the second quarter of 2014 according to the first estimate released by the Bureau of Economic Analysis. (Source: US BEA)
U.S. Trade Deficit	The U.S. trade deficit decreased by 7% in June to \$41.5 billion. Exports rose 0.1% to \$195.9 billion and imports fell 1.2% to \$237.4 billion. (Source: US DOC & Census Bureau)
Consumer Confidence	The Consumer Confidence Index increased to 90.9 in July 2014, up 4.5 points from the previous month and the highest since October 2007 . (Source: The Conference Board) <i>(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.)</i>
Unemployment Rate	The unemployment rate in America rose to 6.2% in July 2014 as there were 209,000 net new jobs . (Source: US DOL)
Leading Economic Index	The Leading Economic Index for the U.S. increased 0.3% in June to 102.2 (2004=100), following a 0.7% increase in May and a 0.3% increase in April. (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 in July remained the same from the previous month, and increased 4.3% above July 2013. Non-store retailer sales were up 6.7% from last year. (Source: US Census)
Manufacturing & Trade Sales	Total combined sales and manufacturing shipments totaled nearly \$1.35 Trillion in June 2014, up 0.3% from May and up 4.7% from the previous year. (Source: US Census)
Manufacturing & Trade Inventory	Total value of inventory on hand is estimated at \$1.74 Trillion in June 2014, up 0.4% from May and up 5.8% from June 2013. (Source: US Census)
Housing Starts	In June, housing starts fell 9.3% to an annual rate of 893,000 units. Building permits (an indicator of future housing starts) fell 4.2% to an annual rate of 963,000. Year-over-year, housing starts and building permits in June increased 7.5% and 2.7% , respectively. (Source: U.S. DOC)
Consumer & Producer Price Index	The consumer price index for all urban consumers increased 0.3% in June from the previous month. Over the last 12 months, the all items index increased 2.1% . The producer price index for finished goods rose 0.1% in July from the previous month. Prices for finished goods rose 1.7% 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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