

## MULTIMODAL:

<b>Dow Jones Transportation Index</b>	Dow Jones Transportation index was <b>up 2.9%</b> during the month of January. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of January 10<sup>th</sup> thru February 10<sup>th</sup>)</i>
<b>NASDAQ Transportation Index</b>	NASDAQ Transportation Index was <b>up 5.5%</b> in January. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of January 10<sup>th</sup> thru February 10<sup>th</sup>)</i>
<b>DOT Freight Transportation Index</b>	The USDOT's freight transportation services index <b>rose 3.9%</b> in December 2011 from the previous month, the <b>largest monthly rise in 17 years</b> . The index's reading of 113.7 surpassed the previous high of 113.3 in January 2005 and was <b>6.4% higher</b> year-over-year. Freight shipments have increased in 22 of the last 32 months, <b>rising 20.6%</b> during that period. (Source: US DOT)
<b>Cass Freight Index</b>	The January shipments index <b>fell 0.95%</b> from the previous month and <b>increased 3.6%</b> year-over-year. The January expenditures index <b>decreased 0.13%</b> for the month, and <b>increased 22.1%</b> year over year. (Source: Cass Information Systems   Cassinfo.com) <i>(Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)</i>
<b>Import Volumes</b>	In December, the U.S. <b>imported</b> about <b>\$227.6 billion</b> of cargo. December U.S. imports have <b>increased 1.3%</b> in terms of value over the previous month and <b>grew 11.3%</b> year-over-year. (Source: US Census)
<b>Export Volumes</b>	In December, the U.S. <b>exported</b> more than <b>\$178.8 billion</b> of cargo. December U.S. exports have <b>increased 0.7%</b> in terms of value over the previous month and <b>grew 9%</b> year-over-year. (Source: US Census)
<b>Import &amp; Export Price Index</b>	U.S. import prices <b>increased 0.3%</b> in January after falling 0.1% the previous month. The price index for U.S. exports <b>rose 0.2%</b> in January after a 0.5% decline in December. (Source: Bureau of Labor Statistics)
<b>Multimodal News Clips:</b>	<ul style="list-style-type: none"> <li>• Transportation employment <b>increased more than 2.4%</b> year-over-year in January, with rail employment <b>up 3.8%</b> and trucking <b>up 4%</b>. Transportation Industries added about <b>13,100 employees</b> in January, accounting for <b>5.4%</b> of the overall net employment gains added last month. (Source: Bureau of Labor Statistics)</li> <li>• Strong manufacturing growth is strengthening freight shipments and exports in the United States. The Institute for Supply Management's manufacturing index has indicated expansion for <b>30 consecutive months</b>. Factory production Manufacturers' orders for goods <b>rose 3%</b> in 2011, led by gains for cars, commercial airplanes, machinery, communications equipment, and primary metals.</li> <li>• The U.S. Postal Service reported <b>losses of \$3.3 billion</b> in its first fiscal quarter of the year. Basic operating expenses <b>increased 1%</b> while mail volume <b>fell 6%</b>. Large losses are expected to continue until a broad restructuring plan is put in place. Since 2009, the USPS has <b>lost \$20.7 billion</b>.</li> </ul>

## RAIL:

<b>U.S. Freight Rail Traffic</b>	Railroad bulk carload freight in January 2012 <b>decreased 1.8%</b> from December 2011. Freight traffic in January <b>increased 0.1%</b> over January 2011, and was <b>up 8.3%</b> over January 2010. <i>(Source: AAR.org) (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 January 2012 was <b>1.7% higher</b> than January 2011 and <b>1.3% lower</b> than December 2011 totals. Intermodal loadings have experienced year-over-year gains for <b>26 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 November was 586.8, <b>down 6.9%</b> from the previous month and <b>18.7% higher</b> 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>
<b>Freight Cars in Storage</b>	The number of freight cars in storage has <b>increased to 283,236</b> (18.6% of the fleet) on February 1, up 9,846 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>
<b>Class 1 Railroad Employment</b>	Railroad employment was <b>down 402 employees</b> to 159,717 employees in December 2011. Total Class 1 rail employment in December 2011 was <b>3.4% higher</b> than it was in December 2010. (Source: U.S. STB)
<b>Short Line Rail Traffic</b>	In January 2011, short line railroad shipments across North America <b>remained steady</b> with the same month last year. A sampling of about 400 small railroads in the U.S. and Canada <b>loaded 477,817 railcars</b> and intermodal units during the month of January. (Source: RMI RailConnect Index   rmiindemand.com)
<b>Railroad News Clips:</b>	<ul style="list-style-type: none"> <li>• Intermodal rail shipments rose 16.8% year-over-year in the week ending February 4 due to steady freight demand and unseasonably warm weather. An increase in manufacturing also helped to strengthen rail shipments of raw products and finished goods during the week. Metallic ore and auto shipments were <b>up 64.2% and 42%</b>, respectively, while shipments of petroleum products <b>rose 40.5%</b> year-over-year.</li> </ul>

- C.H. Robinson Worldwide is adding **500 new intermodal containers** into its U.S. shipping network as the freight broker seeks to add greater flexibility in shifting business between modes. The company spent some **\$6.7 million** on the 53-foot containers in the fourth quarter. Intermodal business makes up only about **3%** of the company's overall net revenue, but was its **fastest growing transportation operation** in the quarter.

## TRUCKING:

### Over-the-Road Trucked Shipments

Over-the-Road Trucked Shipments **fell 1.7%** in January following a 0.4% increase in December. 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 6.8%** in December. The for-hire truck tonnage index **rose 10.5%** year-over-year in December. December's surge in freight helped push total tonnage **up 5.9%** for 2011, the **biggest year-over-year freight gain for trucking since 1998**.  
(Source: American Trucking Association | Trucking.org)

### Truckload Freight

The spot market for truckload freight in January **fell 18%** compared to the previous month, but was **7.1% higher** year-over-year. Truck capacity **fell 11%** for the month, but was **up 13%** year-over-year.  
(Source: TransCore Freight Index | www.transcorefreightsolutions.com)

### Diesel Prices

U.S. average diesel prices rose last week, to \$3.94 per gallon. Last week's average diesel price was **9¢ higher** than the previous week, and was **41¢ higher** than the same week last year. Average diesel prices in the lower Atlantic states were \$3.93 per gallon. (Source: U.S. DOE)  
*(Reflects the costs and profits of the entire production and distribution chain.)*

### Trucking Employment

The trucking industry **added 5,300 jobs** in January. The trucking workforce **increased 0.4%** over the previous month and **rose 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 **25,200 units** in January 2012 after 30,293 units were ordered in December. January Class 8 orders were **7.7% 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 12.7%** in November compared to the same month in 2010, reaching **\$76.7 billion**. November was the **24<sup>th</sup> consecutive month** of year-over-year increases. (Source: US DOT)

### Trucking News Clips:

- New federal regulations will likely cause truck rates to **rise** in 2012. Truckload rates are expected to rise between **2% and 6%** during the year, possibly even increasing as much as 8%. Less-than-truckload rates will **increase more quickly** in 2012, rising between **3% and 10%** for the year. (Source: Stifel Nicolaus)
- Roadrunner Transportation Services increased its net profit **77%** in the fourth quarter to **\$6.9 million**. Roadrunner, one of the fastest-growing U.S. trucking companies, increased its net profit **more than eight-fold** in 2011 to **\$25.9 million**, compared with \$2.8 million in 2010.

## AIR FREIGHT:

### Air Cargo Traffic

Global air freight in December **rose 0.2%** from one year ago and **rose 1.7%** from the previous month. North American air freight in December **fell 1.1%** 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 December, Hartsfield-Jackson Atlanta International Airport transported **53,829 metric tons** of cargo, a **2.5% increase** over the previous month and a **4.22% decrease** year-over-year. (Source: HJIA)

### Air Freight Price Index

In December, average international air cargo prices **fell 3.2%** from the previous month. Average air freight rates were **down 0.4%** 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 February 3, 2012, the global average jet fuel price was \$130.59 per barrel; **up 0.9%** from the previous month, and **10.1% 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:

- Hong Kong International Airport retained its title as the **world's largest cargo airport** in 2011 despite a decline in volume resulting from Asia's slowing exports. Cargo volume at HKIA fell 4.6% from 2010 to **3.94 million metric tons**. Second-ranked Memphis International Airport, the home base of FedEx, made up some ground as volume fell slightly to 3.9 million metric tons. **Atlanta remained ranked 10<sup>th</sup> in the USA and 30<sup>th</sup> in the World**.

- Japan's two largest freight forwarders posted impressive earnings despite a slump in overseas demand and recovering from an earthquake and tsunami. Nippon Express saw net profit **surge 67.3%** in the final nine months of 2011. Japan's largest international forwarder's profit rose to **\$222.41 million**. Kintetsu World Express, Japan's second-largest forwarder, posted a net profit of **\$97.5 million, up 16.5%** year-over-year during the same period.

## OCEAN FREIGHT:

### Import Volumes

Import shipment volume, in TEUs, at U.S. ports **increased 13.4%** in January from the previous month and **increased 5.8%** from the previous year. The total number of inbound shipments in January **increased 12%** from December and **increased 6.4%** from January 2011. The port of Savannah saw the **largest increase** in TEU imports in January, an **increase of 26%**. (Source: Zepol Corporation | zepol.com)

### Shanghai Containerized Freight Index

The February 3<sup>rd</sup> SFCI comprehensive reading was **\$970.71 per FEU; down 1.2%** from the week before the Chinese New Year, and **12.1% lower** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$2,957 per FEU, down 6.6%** 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 **decreased 58%** in January, ending at **680**. The BDI has **increased 10.1%** for the first half of February. (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 3.7%** to end the month of January at \$848.95/MT. By mid-February, bunker fuel prices had **risen 3%** to \$874.09/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 2011, the Port of Savannah handled a record 2.95 million TEUs, a 4.3% increase over 2010 container traffic. (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:

- The Mediterranean Shipping Company has added **Savannah** to its weekly Golden Gate Service between the East Coast and Asia. The 12-vessel service includes the **largest ships ever** to call on Georgia's deepwater ports. The Golden Gate Service will deploy vessels ranging in capacity from **6,700 to 9,200 TEUs**.
- Container ship owner-charterer Rickmers Maritime posted a **\$40.3 million net profit** for 2011 following a \$28.6 million **loss** in 2010. The Singapore-based company expects **steady performance** in 2012. Most of the companies **16 ships** are chartered through 2013.
- The Port of Savannah has received additional funding for the **Savannah Harbor Expansion Project (SHEP)**, a plan to deepen the Savannah Harbor to a depth of 48 feet. The port secured a total of **\$134 million** in state funds with an additional **\$46.7 million** proposed by Governor Nathan Deal. The U.S. Army Corps of Engineers allocated an extra **\$2.5 million** to the project with an added **\$4.8 million** for maintenance dredging. Additionally, the **President Obama's 2013 budget proposal included an additional \$2.8 million** for the project.
- TEU imports of the top 100 Non-Vessel Operating Common Carriers increased in January by **13.3%** from December of 2011. Compared to January of 2011, imports are also **up 11.8%**.

## WAREHOUSING & DISTRIBUTION:

### Industrial Vacancy

The U.S. average industrial vacancy rate was **10%** during Q4 2011, down from 10.1% in the previous quarter. Overall vacancy was **10.7%** in Atlanta and **12.5%** in Savannah during the fourth quarter. (Source: Cushman & Wakefield)

### Warehouse Rent Rates

In Q4 2011, warehouse and distribution rental rates in the US averaged **\$4.25 per square foot**. Rental rates for warehouse space averaged **\$3.38/square foot** in Atlanta and **\$3.71/square foot** in Savannah. (Source: Cushman & Wakefield)

### Industrial Absorption

Net absorption in the US during Q4 2011 totaled **+27 million square feet**. Absorption in the South led the regions with **+12.4 million square feet**. Atlanta led cities in the South and was second highest overall in the U.S. with over **+2.7 million square feet** absorbed in the 4Q. (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.)*

<b>Purchasing Managers Index</b>	The National PMI <b>increased 1 point</b> to 54.1 in January 2012. The January PMI has indicated expansion in the manufacturing sector for the <b>30<sup>th</sup> consecutive month</b> . New orders <b>increased 2.8 points</b> to 57.6 and production <b>fell 3.2 points</b> to 55.7. (Source: Institute for Supply Management) <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>rose 4.9 points</b> to 52.3 in January. New orders in Georgia <b>remained at 50.0</b> and production <b>decreased 3.0 points</b> to 43.3. (Source: Kennesaw State University) <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>Industrial Developments International (IDI) broke ground on a build to suit <b>559,407 square-foot</b> industrial facilities in Suwannee, Georgia. <b>Mitsubishi Electric Cooling &amp; Heating</b> will occupy the property in February of next year. The building will serve as the corporate headquarters for the training, office, distribution, and cooling and heating divisions.</li> <li>IDI also began construction of a <b>650,000 square-foot</b> business center in southwest Atlanta, Georgia. The business center will eventually include <b>five buildings</b> that will total <b>1.2 million square feet</b> of warehouse space.</li> </ul>

## U.S. MARKET:

<b>Gross Domestic Product</b>	The U.S. GDP <b>increased 2.8%</b> in the fourth quarter 2011 according to the first estimate released by the Bureau of Economic Analysis. (Source: US BEA)
<b>U.S. Trade Deficit</b>	The U.S. trade deficit <b>increased by 3.7%</b> in December to \$48.8 billion. <b>Exports increased 0.7%</b> to \$178.8 billion and <b>imports increased 1.3%</b> to \$227.6 billion. (Source: US DOC & Census Bureau)
<b>Consumer Confidence</b>	The Consumer Confidence Index <b>decreased to 61.1</b> in January 2012 from 64.2 in December 2011. (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 8.3%</b> in January 2012, the <b>lowest level since February 2009</b> . Approximately <b>243,000 net new jobs</b> were created in January. (Source: US DOL)
<b>Leading Economic Index</b>	The Leading Economic Index for the U.S. <b>increased 0.4%</b> in December to 94.3 (2004=100), following a 0.2% increase in November and a 0.6% increase in November. (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>
<b>Retail Sales</b>	Retail and food service sales rose in January to <b>\$401.4 billion, up 0.4%</b> from the previous month, and <b>up 5.8%</b> from January 2011. Non-store retailer sales were <b>up 4.9%</b> from last year. (Source: US Census)
<b>Manufacturing &amp; Trade Sales</b>	Total combined sales and manufacturing shipments totaled nearly <b>\$1.23 Trillion</b> in December 2011, <b>up 0.7%</b> from November and <b>up 8.9%</b> from the previous year. (Source: US Census)
<b>Manufacturing &amp; Trade Inventory</b>	Total value of inventory on hand is estimated at <b>\$1.55 Trillion</b> in December 2011, <b>up 0.4%</b> from November and <b>up 7.7%</b> from December 2010. (Source: US Census)
<b>Housing Starts</b>	In December, housing starts <b>decreased 4.1%</b> to an annual rate of 657,000 units. Building permits (an indicator of future housing starts) <b>fell 0.1%</b> to an annual rate of 679,000. (Source: U.S. DOC)

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