

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index was down 19% during July. <i>(Stock performance of twenty large, well-known U.S. companies within the transportation industry, average of July 10th thru August 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index was down 20% in July. <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 increased 2.6% in June 2011 from the previous month, the largest monthly increase since November 2009. The index is up 4.1% year-over-year.
Cass Freight Index	The July shipments index fell 3.7% from the previous month, but increased 11% year over year. The July expenditures index was down 2.1% for the month and up 29.5% year over year. <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 nearly than \$224 billion of cargo. June U.S. imports have decreased 0.8% in terms of value over the previous month and grew 13% year-over-year. (Source: US Census)
Export Volumes	In June, the U.S. exported about \$171 billion of cargo. June U.S. exports have decreased 2.3% in terms of value over the previous month and grew 12.9% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices decreased 0.5% in June, the first monthly decline since June 2010. The price index for U.S. exports rose 0.1% in June after rising 0.2% the previous month.
Multimodal Business News:	<ul style="list-style-type: none"> The Federal Reserve announced that it will seek to keep interest rates very low for at least the next two years, which could give transportation and other capital-intensive businesses a strong incentive to invest in equipment. UPS reported a 26% profit increase to \$1.7 billion in the 2Q 2011. The Atlanta-based company's supply chain and freight segment increased its operating profit 77% to \$235 million. The Home Depot posted a \$1.4 billion in profit for Q2, on revenue of \$20.2 billion. Profits per share rose 19.4% compared to Q2 last year. Home Depot expects continued sales growth this year, or a 2.5% increase over 2010. Same-store sales, a measure retailers use to compare stores open for at least a year, were up 4.3% in the quarter, or 3.5% at U.S. stores.

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in July 2011 increased 0.7% over June 2011. July's freight traffic decreased 1% since July 2010, and was up 3.1% over June 2009. (Source: AAR) <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 2011 was 1.3% higher than July 2010, but 0.8% lower than June 2011 totals. Intermodal loadings have experienced year-over-year gains for 20 straight months . (Source: AAR) <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 620.5, down 0.01% from the previous month, but 46% higher than the previous year. (Source: AAR) <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 276,943 (18.2% of the fleet) on August 1, up 707 cars from a month earlier. (Source: AAR) <i>(A freight car is "in storage" if it has had a loaded revenue move since 2005, but not in the past 60 days. <u>Decrease here = more demand</u>)</i>
Class 1 Railroad Employment	Railroad employment was up 1,818 employees to 159,340 employees in June 2011 over the previous month. (Source: U.S. STB, AAR)
Railroad Business News:	<ul style="list-style-type: none"> According to a survey by the Wolfe Trahan research group, shippers shifted freight transportation to intermodal at the fastest pace in eight years during the second quarter. The survey showed that shippers moved a net 4.5% of their volume from truck to rail, and also plan to move 3.6% more to rail over the next 6-12 months. Midwest Railcar Corporation announced plans to expand its fleet by 2,400 cars by the end of 2012, the most significant acquisition in the company's history. The railcar leasing and management firm has taken delivery of 900 new small-cube covered hoppers and expect an additional 900 hoppers next year. The company has also acquired 600 used general purpose railcars over the past 6 months.

TRUCKING:

Over-the-Road Trucked Shipments	Over-the-Road Trucked Shipments fell 0.2% in July following a strong 1% gain in June. Overall trucked shipments increased 1% on a year-over-year basis. <i>(From the Ceridian-UCLA Pulse of Commerce Index which is based on real-time fuel consumption data for over the road trucking)</i>
Trucking Volume	The ATA's seasonally adjusted cargo index rose 2.8% in June after dropping a revised 2% in May. The for-hire truck tonnage index rose 6.8% year-over-year to its highest level since January.
Truckload Freight	The spot market for truckload freight in July rose 9.5% from the previous month, and was 8.2% higher year-over-year. (Source: TransCore Freight Index)
Freight Rate Index	The freight rate index cost-per-mile increased to \$2.45 in August 2011, up from \$2.43 in July 2011. <i>(This Cost Per Mile (CPM) indicator is comprised of 8 main and 65 total cost and cost influencing components, it considers completely, every cost related to freight transport by land)</i>
Diesel Prices	U.S. average diesel prices fell last week, to \$3.90 per gallon. Last week's average diesel price was 4¢ lower than the previous week, and was 91¢ higher than the same week last year. Average diesel price in lower Atlantic states was \$3.877 per gallon. (Source: U.S. DOE) <i>(Reflects the costs and profits of the entire production and distribution chain.)</i>
Truck Orders	Orders for heavy-duty Class 8 trucks in North America are expected to total 18,800 units in July 2011, an 11% decrease from the previous month, but 61% higher year-over-year. (Source: ACT Research)
NAFTA Trade	Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico, was up 15.7% in May compared to the same month in 2010, reaching \$77.3 billion . May was the 18th consecutive month of year-over-year increases. (Source: US DOT)
Trucking Employment	The trucking industry added 1,300 jobs in July. The trucking workforce increased 0.1% over the previous month, the tenth consecutive month of employment gains. (Source: U.S. DOL)
Trucking Business News:	<ul style="list-style-type: none"> The nation's largest LTL carrier, FedEx Freight will raise its non-contract truck rates by 6.75% on September 6. FedEx Freight is following general rate increases by most of the other large LTL trucking companies in an effort to bolster LTL pricing throughout the industry. Con-way increased its net profit 111% to \$29.4 million in the 2Q 2011. The company's LTL operating profit rose 127.3%, while its truckload division's operating profit increased 101.1%.

AIR FREIGHT:

Air Cargo Traffic	Global air freight in June fell 3% from one year ago and was down 1.3% over the previous month. North American air freight decreased 2.9% in June year-over-year. (Source: IATA) <i>(Global air freight covers international scheduled air traffic; domestic traffic is not included. North American traffic includes only domestic freight traffic.)</i>
Atlanta Air Cargo Traffic	Total air cargo at HJIA increased 3.16% from 318,869 MT (Jan 2010 – June 2010) to 328,930 MT (Jan 2011 – June 2011) — with international air cargo increasing by 2% over the same 6 month comparison. (Source: HJIA)
Air Freight Price Index	In June, average international air cargo prices fell 2.6% from the previous month. Average air freight rates were down 9.9% year-over-year, the eighth consecutive month of decline. (Source: JOC) <i>(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.)</i>
Jet Fuel Prices	As of August 5, 2011, the global average jet fuel price was \$125 per barrel; down 2.2% from the previous month, and 33.6% higher year-over-year. (Source: IATA) <i>(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)</i>
Air Freight Business News:	<ul style="list-style-type: none"> Shipco Transport, the non-vessel-operating common carrier, will launch four direct services out of Atlanta to South Africa, India, Saudi Arabia, and Italy. Shipco's new direct services from Atlanta will significantly improve transit times versus the traditional route via New York. Cathay Pacific Airways will buy eight Boeing 777-200 freighters to be delivered between 2013 and 2016 as the carrier expands its fleet and phases out older aircraft. The Boeing 777-200F will burn 15% to 24% less fuel than Cathay's current freighter aircraft.

OCEAN FREIGHT:

Import Volumes

Import shipment volume, in TEUs, at U.S. ports **increased 2.45%** in July over the previous month, but **decreased 4.1%** from the previous year. The total number of shipments in July **increased 3.49%** from June while also showing a **decrease of 3%** from July 2010. (Source: Zepol)

Retail Freight Volumes

The NRF is projecting an **increase of 10.4%** for containerized retail shipments in September. June, the latest month for which data is available, saw a **2.6% decrease** in retail traffic for the month and a **5% decrease** in retail traffic for the year. June's year-over-year decline was the first in **18 months**. (Source: National Retail Federation)

Container Rates

Container rates for the week of August 15th **increased 21.5%** in the, as carrier members of the Transpacific Stabilization Agreement implemented long-postponed peak season surcharges. The average **spot price rose to \$1,853** per FEU from \$1,525 in the previous week following several weeks of flat rates. This benchmark rate was **still 32% lower** than the \$2,737 per FEU rate in the same week last year, and **12.6% below** the \$2,119 per FEU high for 2011 in early January. (Source: JOC & Drewry Inc.) (Based on Drewry Shipping Consultants' research and derived from shipping rates from Hong Kong to Los Angeles. The rate is based on a full 40-foot container load or FEU, excluding terminal-handling charges in Hong Kong.)

Shanghai Containerized Freight Index

The August 5th SCFI rate was **\$1,019.16 per FEU; up 0.6%** from the previous week, and **34% lower** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$3081 per FEU, down 0.4%** from the previous week. (Source: JOC)
(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 11.25%** in July, ending with a cost of **\$1,256**. The BDI has **decreased 1.9%** for the first half of August. (Source: The Baltic Exchange)
(The Baltic Dry Index is an index that tracks and averages worldwide international shipping prices of various dry bulk cargoes.)

Bunker Fuel Prices

Average bunker fuel price was **up 3.6%** or \$30/MT to \$844.90/MT in July 2011. By mid-August, bunker fuel prices were **down 4%** to \$810.96/MT. (Source: Bunker Index)
(The Bunker Index is the average global bunker fuel price from individual ports; measure in \$US per MT or megaton)

Port of Savannah

In FY2011, container traffic was **up 11%**, totaling **2,927,338 TEUs**. The port's container volume **increased 11.5%** over the previous fiscal year, and break-bulk cargo handled at Savannah's Ocean Terminal was **up 33.7%** as it moved **1,107,870 tons**. (Source: GPA)

Port of Brunswick

In FY2011, the Port of Brunswick moved a total of 465,342 automobile and machinery units, an increase of **40.1%**. Breakbulk tonnage totaled **170,309 tons**, a **34.6% increase** over FY2010. (Source: GPA)

Ocean Freight Business News:

- Growth in U.S. containerized imports **slowed to 4%** in the second quarter after **rising 9%** in the first three months of 2011. During the first half of the year, containerized imports rose 6.3% to **8.36 million TEUs**. For the full year, containerized imports are expected to **rise 4.7%** and exports are projected to **increase 10%**. (Source: PIERS)
- Vega Biofuels, Inc. is set to begin construction of a bio-coal plant in **Cordele, Georgia** that will produce green energy bio-coal from timber waste. Vega Biofuels has chosen the location because of the amount of viable biomass feedstock available in timber-rich South Georgia. The company will use **Cordele's Inland Port** to transport the bio-coal to the **Port of Savannah**.
- Logistec USA, a leading marine and environmental services provider, will invest **\$5 million** in Georgia's **Port of Brunswick** to expand its capacity to handle exports of biomass fuels made from Georgia's wood and peanut pellets. Under the agreement with the Georgia Ports Authority, Logistec will upgrade the terminal to handle up to **1 million tons** of wood pellets and chips annually under the first phase of the project.
- Neptune Orient Lines reported a **\$57 million loss** for 2Q 2011 after recording a **\$100 million profit** during the same time last year. The APL parent company warns that it will record a **loss** for the year if rate and capacity conditions don't improve.

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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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WAREHOUSING & DISTRIBUTION:

Industrial Vacancy	The U.S. average industrial vacancy rate was 9.8% during Q2 2011, down from 10.1% in the previous quarter. Overall vacancy dropped from 13.9% in Q1 2011 to 13.6% in Atlanta during the second quarter. (Source: Grubb & Ellis)
Warehouse Rent Rates	In Q2 2011, warehouse and distribution rental rates in the US averaged \$4.38 per square foot , up from \$4.37/square foot in the previous quarter. Rental rates for warehouse space averaged \$3.40/square foot in Atlanta and \$3.71/square foot in Savannah. (Source: Cushman & Wakefield)
Industrial Absorption	Net absorption in the US during Q2 2011 totaled +32.8 million square feet , 160% more than the +12.6 million square feet absorbed in the first quarter. Absorption in Atlanta was the fourth highest in the country with +3.5 million square feet . (Source: Cushman & Wakefield) <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 decreased 4.4 points to 50.9 in July 2011. July's PMI was the lowest since July 2009, but has indicated expansion in the manufacturing sector for the 24th consecutive month . New orders decreased 2.4 points to 49.2 and production decreased 2.2 points to 52.3. (Source: ISM) <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>
Purchasing Managers Index in Georgia	Georgia's PMI decreased 6.2 points to 50.7 in July, slightly lower than the national index of 50.9. New orders in Georgia were down 8.3 points to 50 and production was down 8.1 points to 51.7. (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>
W&D Business News:	<ul style="list-style-type: none"> Vacancy rates for warehouses and distribution centers near U.S. seaports declined to 8.5% this year compared to a rate of 9.7% nationally, according to real estate firm Jones Lang LaSalle. The Port of Savannah was ranked sixth on the company's index of the top 12 U.S. port markets for industrial real estate. Life Science Logistics LLC, which focuses on health care supply chains, will lease a 255,000 square foot space in the metro Atlanta market. The new location will allow pharmaceutical, medical device, and biotech companies to more easily distribute their products.

U.S. MARKET:

Gross Domestic Product	The U.S. GDP increased 1.3% in the second quarter 2011 according to the first preliminary estimate released by the BEA. (Source: US BEA)
U.S. Trade Deficit	The U.S. trade deficit increased by 4.4% in June to \$53.1 billion, as exports decreased 2.3% to \$170.9 billion and imports decreased 0.8% to \$223.9 billion. (Source: US DOC & Census Bureau)
Consumer Confidence	Increased to 59.5% in July 2011 from 57.6% in June 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>
Unemployment Rate	The unemployment rate in America fell to 9.1% in July 2011, the first decline after three straight monthly increases. Approximately 117,000 jobs were created in July. June 2011 job gains revised upward from 18,000 to 46,000. (Source: US DOL)
Leading Economic Index	The Leading Economic Index for the U.S. increased 0.3% in June to 115.3 (2004=100), following a 0.8% increase in May and a 0.3% decline 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 rose in June to \$390.4 Billion, up 0.5% from the previous month, and up 8.5% from July 2010. Non-store retailer sales were up 14.1% from July 2010. (Source: US Census)
Manufacturing & Trade Sales	Total combined sales and manufacturing shipments totaled nearly \$1.188 Trillion in June 2011, up 0.4% from May and up 12.4% from the previous year. (Source: US Census)
Manufacturing & Trade Inventory	Total value of inventory on hand is estimated at \$1.518 Trillion in June 2011, up 0.3% from May and up 11.1% from June 2010. (Source: US Census)
Housing Starts	In June, housing starts increased 14.6% to an annual rate of 629,000 units. Building permits (an indicator of future housing starts) increased 2.5% to an annual rate of 624,000.