

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index was up 3.7% during the month of November. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of Nov. 10th thru Dec. 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index was up 1.6% in November. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of Nov. 10th thru Dec. 10th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index fell 0.2% in October 2011 from the previous month. The index's reading of 109.4 was slightly below last month's peak and was the first monthly decrease after four consecutive increases. The index is up 4% year-over-year. (Source: US DOT)
Cass Freight Index	The November shipments index fell 2.3% from the previous month and decreased 2.9% year-over-year. The November expenditures index was down 1.2% for the month, and increased 14% 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 October, the U.S. imported about \$222.6 billion of cargo. October U.S. imports have decreased 1% in terms of value over the previous month and grew 11.9% year-over-year. (Source: US Census)
Export Volumes	In October, the U.S. exported more than \$179.2 billion of cargo. October U.S. exports have decreased 1.5% in terms of value over the previous month and grew 12.3% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices rose 0.7% in November following declines of 0.5% and 0.1% in the previous months. The price index for U.S. exports increased 0.1% in November after a 2.1% drop the previous month. <i>(Source: Bureau of Labor Statistics)</i>
Multimodal News Clips:	<ul style="list-style-type: none"> Retail sales in the U.S. holiday shopping season may rise 3.8% to a record \$469.1 billion, higher than an earlier forecast, helped by strong traffic on Black Friday. According to the NRF, a record 226 million shoppers visited stores and websites during the Thanksgiving weekend, up from 212 million last year. Total spending for the weekend reached an estimated \$52.4 billion, and nearly 38% of shoppers' total weekend spending was done online. (Source: National Retail Federation) Dollar General says it will open 1,425 stores by the end of 2012, expand its offering of perishable goods, and source more products from northern and western China. The company increased its inventory 4.6% year-over-year in the 3Q, largely due to the opening of 482 new stores and expansion of 544 others.

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in November 2011 increased 0.9% over October 2011. Freight traffic in November also increased 2.3% over November 2010, and was up 7.6% over November 2009. <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 November 2011 was 3.8% higher than November 2010, and 0.8% higher than October 2011 totals. Intermodal loadings have experienced year-over-year gains for 24 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 October was 605.9, down 0.9% from the previous month and 29% 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>
Freight Cars in Storage	The number of freight cars in storage has increased to 263,912 (17.3% of the fleet) on December 1, up 2,217 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>
Class 1 Railroad Employment	Railroad employment was up only 11 employees to 160,251 employees in October 2011. Total Class 1 rail employment in October 2011 was 3.9% higher than it was in October 2010. (Source: U.S. STB)
Short Line Rail Traffic	In November 2011, short line railroads across North America saw shipments rise 4.6% over the same month last year. A sampling of about 397 small railroads in the U.S. and Canada loaded 529,454 railcars and intermodal units during the month of November. (Source: RMI RailConnect Index rmiondemand.com)
Railroad News Clips:	<ul style="list-style-type: none"> Cordele Intermodal Services, Inc. ran its first intermodal train on December 1. CIS hopes to make Cordele, GA the next transportation hub in the southeast United States. The inaugural route from the Port of Savannah to its intermodal facility in Cordele marks the start of regular rail service between the two cities. North American railroads' seasonal peak in shipment may be extending into December to accommodate an increase in online Christmas shopping boosts demand for moving packages. Railroad intermodal units rose 4.7% in the first week of December. That growth rate may increase in coming weeks as shippers such as FedEx and UPS use railroads for delivery of online purchases.

TRUCKING:

Over-the-Road Trucked Shipments	Over-the-Road Trucked Shipments rose 0.1% in November following a 1.1% increase in October. Overall trucked shipments increased 0.9% on a year-over-year basis. (Source: Ceridianindex.com) <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 0.5% in October after rising 1.5% in September. The for-hire truck tonnage index rose 5.7% year-over-year in October, following a 5.8% increase in September. (Source: American Trucking Association Trucking.org)
Truckload Freight	The spot market for truckload freight in November fell 1.9% compared to the previous month, but was 55% higher year-over-year. Truck capacity rose 3.3% for the month, and was up 18% from November 2010. (Source: TransCore Freight Index www.transcorefreightsolutions.com)
Diesel Prices	U.S. average diesel prices fell last week, to \$3.28 per gallon. Last week's average diesel price was less than 1¢ lower than the previous week, and was 31¢ higher than the same week last year. Average diesel prices in the lower Atlantic states were \$3.259 per gallon. (Source: U.S. DOE) <i>(Reflects the costs and profits of the entire production and distribution chain.)</i>
Trucking Employment	The trucking industry added 3,600 jobs in November. The trucking workforce increased 0.28% over the previous month and rose 2.7% over the previous year. (Source: U.S. DOL)
Truck Orders	Orders for heavy-duty Class 8 trucks in North America are expected to total 20,700 units in November 2011, a 25% decline from the previous month. November Class 8 orders were 21% lower year-over-year, the first such decrease in over a 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 13.8% in September compared to the same month in 2010, reaching \$77.7 billion . August was the 22nd consecutive month of year-over-year increases. (Source: US DOT)
Trucking News Clips:	<ul style="list-style-type: none"> • A 12% increase in refrigerated food shipments sent spot market rates for refrigerated trucks up almost 2% during the Thanksgiving week. Reefer rates and refrigerated freight demand are expected to remain high through mid-December as grocery stores and food retailers stock up on holiday fare. (Source: TransCore Freight Solutions www.transcorefreightsolutions.com) • The driver turnover rate at large truckload carriers rose to 89% in the 3Q as trucking companies struggled to hire and retain experienced drivers. The driver turnover increased from 79% in the 2Q, hitting its highest point since early 2008. The turnover rate at small truckload carriers jumped 10 points to 57%. The rapid increase in driver turnover and the associated driver recruitment costs will likely push up driver pay and truckload rates in 2012. Costs reportedly can range from \$3,000 to \$8,000 per new driver. Less-than-truckload carriers have a turnover rate of only 10%. (Source: American Trucking Association)

AIR FREIGHT:

Air Cargo Traffic	Global air freight in October fell 4.8% from one year ago and was down 0.9% from the previous month. North American air freight in October fell 5% year-over-year. (Source: IATA.org) <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	In October, Hartsfield-Jackson Atlanta International Airport transported 54,994 metric tons of cargo, a 2.26% increase over the previous month and a 4.46% decrease year-over-year. (Source: HJIA)
Air Freight Price Index	In October, average international air cargo prices rose 14.7% over the previous month to the highest level since November 2010. Average air freight rates were down 4.4% year-over-year. (Source: Bureau of Labor Statistics) <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 December 9, 2011, the global average jet fuel price was \$124.6 per barrel; down 6.1% from the previous month, and 19.2% higher year-over-year. (Source: IATA.org) <i>(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)</i>
Air Freight News Clips:	<ul style="list-style-type: none"> • Shortages of hard disk drives caused by the flood in Thailand will result in a shortfall of 3.8 million shipment exports of PCs in the first quarter of 2012. Thailand's share of global HDD production is estimated at 40%-45%, and at least half of that capacity has been directly affected by floods. Worldwide PC shipments in the first quarter of 2012 will amount to 84.2 million units, compared to an earlier forecast of 88 million units. (Source: IHS) • The pharmaceutical logistics segment will grow 12% this year to \$63 billion. Biotech and pharmaceutical products represent the highest value per airlifted pound for any cargo. UPS has invested in five new pharmaceutical facilities in the past year and Lufthansa's cargo unit will dedicate six MD-11s by 2015 to handle pharmaceuticals alone.

OCEAN FREIGHT:

Import Volumes

Import shipment volume, in TEUs, at U.S. ports **decreased 2.12%** in November from the previous month and **increased 0.17%** from the previous year. The total number of inbound shipments in November **fell 1.73%** from October and **increased 0.27%** from November 2010. (Source: Zepol Corporation | zepol.com)

Shanghai Containerized Freight Index

The December 9th SCFI comprehensive reading was a record low **\$855.54 per FEU**; **down 1.4%** from the previous week, and nearly **24% lower** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$2,524 per FEU**, **down 0.4%** from the previous week.

(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 2.6%** in November, ending at **1,862**. The BDI has **increased 3.2%** for the first half of December, and is currently **84% higher** than its February low.

(Source: www.bloomberg.com/quote/BDI: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 **remained fairly steady** (down 0.2%) to end the month of November at \$829.85/MT. By mid-December, bunker fuel prices had **fallen 1.1%** to \$818.24/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 October 2011, total container traffic was **down 6.7%**, with import container volumes down by 9.43% and export loaded volumes up by 3.48% for the month. Break-bulk commodities, however, continued to **lead annual growth**, reporting October **increases of 10.4%** handling **207,545 tons**. (Source: GPA)

Port of Brunswick

In September 2011, the Port of Brunswick recorded **56.2% growth** over last September's 110,403 tons, to reach **172,453 tons** for the month. (Source: GPA)

Ocean Freight News Clips:

- The Port of Savannah's intermodal capacity will be increased by a **\$6.5 million** project to **add 1.2 miles** of rail track at the container transfer terminal. After completion of the project later next year, the ports' intermodal facilities will have nearly **nine miles** of rail track served by CSX and Norfolk Southern.
- The retail shipping industry forecast a **0.3% increase** in December container imports through major U.S. ports and **raised its outlook** for the 1Q 2012. December retail container traffic is expected to total **1.15 million TEUs**. The forecast for January 2012 was revised upward to **1.15 million TEUs** from the previously forecast **1.1 million TEUs**.
- Several carriers have announced **planned rate increases** at the start of January, marking a rebound in trans-Pacific spot rates after **prices hit their lowest point in 23 months** recently. **Stronger retail sales in the U.S. and an early Chinese New Year** are rebuilding confidence in the companies.
- The liner carrier Mediterranean Shipping Co. has added the **Port of Savannah** to its Golden Gate service between Asia and the U.S. East Coast. The service is currently operated with **12 MSC vessels** which have an average capacity of **7,996 TEUs**.

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WAREHOUSING & DISTRIBUTION:

Industrial Vacancy	The U.S. average industrial vacancy rate was 9.99% during Q3 2011, down from 10.3% in the previous quarter. Overall vacancy was 13.8% in Atlanta and 14.2% in Savannah during the third quarter. (Source: Colliers International)
Warehouse Rent Rates	In Q3 2011, warehouse and distribution rental rates in the US averaged \$4.53 per square foot . Rental rates for warehouse space averaged \$3.26/square foot in Atlanta and \$3.95/square foot in Savannah. (Source: Colliers International)
Industrial Absorption	Net absorption in the US during Q3 2011 totaled +36.5 million square feet . Atlanta led cities in the South and was third highest overall in the U.S. with over +4 million square feet absorbed in the quarter, which is the highest quarterly amount in 4.5 years and puts ATL on track to finish the year with its largest occupancy gain since 2007 . Savannah had +863,000 square feet of industrial space absorbed in the 3Q. (Source: Colliers International) <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 increased 1.9 points to 52.7 in November 2011. The November PMI has indicated expansion in the manufacturing sector for the 28th consecutive month . New orders increased 4.3 points to 56.7 and production increased 6.5 points to 56.6. (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>
Purchasing Managers Index in Georgia	Georgia's PMI rose 9.2 points to 52.4 in November, the highest reading since July. New orders in Georgia increased 9.7 points to 58.7 and production increased 10.5 points to 54.1. (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 News Clips:	<ul style="list-style-type: none"> • Bed Bath & Beyond announced the selection of Pendergrass, Georgia for their new 810,000 square-foot e-commerce fulfillment center. This facility, once complete, is expected to employ 900 and be an investment of approximately \$50 million.

U.S. MARKET:

Gross Domestic Product	The U.S. GDP increased 2.0% in the third quarter 2011 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 decreased by 1.6% in October to \$43.5 billion. Exports decreased 0.8% to \$179.2 billion and imports decreased 1% to \$222.6 billion. (Source: US DOC & Census Bureau)
Consumer Confidence	Increased to 56 in November 2011 from 40.9 in October 2011. November's index reading was at its highest level in four months, and was the highest month-to-month increase since April 2003. (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 8.6% in November 2011, the lowest level since March 2009 . Approximately 120,000 jobs were created in November. September and October job gains were revised upward by 72,000 jobs. (Source: US DOL)
Leading Economic Index	The Leading Economic Index for the U.S. increased 0.9% in October to 117.4 (2004=100), following a 0.1% increase in September and a 0.3% increase in August. (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 November to \$399.3 Billion, up 0.2% from the previous month, and up 6.7% from November 2010. Non-store retailer sales were up 13.9% from last year. (Source: US Census)
Manufacturing & Trade Sales	Total combined sales and manufacturing shipments totaled nearly \$1.218 Trillion in October 2011, up 0.7% from September and up 10.9% from the previous year. (Source: US Census)
Manufacturing & Trade Inventory	Total value of inventory on hand is estimated at \$1.546 Trillion in October 2011, up 0.8% from September and up 8.7% from October 2010. (Source: US Census)
Housing Starts	In October, housing starts decreased 0.3% to an annual rate of 628,000 units. Building permits (an indicator of future housing starts) increased 10.9% to an annual rate of 589,000. (Source: U.S. DOC)