

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index was up 6.9% during the month of October. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of October 10th thru November 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index was up 2.3% in October. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of October 10th thru November 10th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index increased 0.9% in September 2011 from the previous month. The index's reading of 109.6 was the highest reading since July 2008. The index is up 4.4% year-over-year. (Source: US DOT)
Cass Freight Index	The October shipments index fell 10% from a record high in September, but increased 2.2% year-over-year. The September expenditures index was down 4% for the month, and increased 16.1% 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>
Import Volumes	In September, the U.S. imported about \$223.5 billion of cargo. September U.S. imports have increased 0.3% in terms of value over the previous month and grew 11.9% year-over-year. (Source: US Census)
Export Volumes	In September, the U.S. exported more than \$180.4 billion of cargo (the highest on record). September U.S. exports have increased 1.4% in terms of value over the previous month and grew 15.9% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices decreased 0.6% in October. The price index for U.S. exports fell 2.1% in October after advancing 0.4% the previous month. (Source: Bureau of Labor Statistics)
Multimodal News Clips:	<ul style="list-style-type: none"> • Transportation employment increased more than 2% year-over-year in October, with rail employment up 3.8% and trucking up 2.9%. Transportation industries added about 16,500 employees in October, accounting for nearly 21% of the overall net employment gains added last month. (Source: Bureau of Labor Statistics) • The country's largest parcel delivery companies are gearing up for the holiday season. UPS announced it will hire 55,000 seasonal workers, a 1% increase over last year as the Atlanta-based company expects to ship more than 120 million packages in the last week before Christmas. FedEx plans to hire 20,000 seasonal workers to handle holiday deliveries this year, nearly 18% more than the carrier hired a year ago.

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in October 2011 increased 0.5% over September 2011. Freight traffic in October also increased 1.7% over October 2010, and was up 10.4% over October 2009. (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 October 2011 was 3.6% higher than October 2010, and 0.8% higher than September 2011 totals. Intermodal loadings have experienced year-over-year gains for 23 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 September was 611.6, remaining steady since the previous month and 39% higher over the previous 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 261,695 (17.2% of the fleet) on November 1, up 1,378 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 133 employees to 160,240 employees in September 2011. (Source: U.S. STB)
Short Line Rail Traffic	In October 2011, short line railroads across North America saw shipments rise 6.02% over the same month last year. A sampling of about 390 small railroads in the U.S. and Canada loaded 489,398 railcars and intermodal units during the month of October. (Source: RMI RailConnect Index rmiindemand.com)
Railroad News Clips:	<ul style="list-style-type: none"> • U.S. railcar manufacturers are getting a big boost from companies involved in oil and natural gas production. Trains transport as much as 2,500 tons of sand for a single hydraulic fracturing project. When the process is complete, tank cars haul the newly discovered fuel away. This demand has helped power U.S. railcar production to a three-year high. The energy industry may require 50,000 new railcars in the next 3-4 years in addition to the 65,044 already in backlog through 2012. (Source: Bloomberg) • Domestic intermodal traffic grew 6.3% in the 3Q 2011, offsetting weaker marine container business to leave overall box traffic up 1.4% year-over-year. Combined international and domestic rail volume topped 3.65 million intermodal units in the 3Q, the 7th straight quarter of year-over-year increases. (Source: IANA)

TRUCKING:

Over-the-Road Trucked Shipments

Over-the-Road Trucked Shipments **rose 1.1%** in October following a 1% decline in September. Overall trucked shipments **increased 1.3%** 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 1.6%** in September after falling a revised 0.5% in August. The for-hire truck tonnage index **rose 5.9%** year-over-year in September, following a 5.2% increase in August. (Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload freight in October **remained stable** compared to the previous month, and was **36% higher** year-over-year. Truck capacity **rose 5.5%** for the month, but was **down 1.2%** from October 2010. (Source: TransCore Freight Index | www.transcorefreightsolutions.com)

Diesel Prices

U.S. average diesel prices rose last week, to \$3.99 per gallon. Last week's average diesel price was **10¢ lower** than the previous week, and was **80¢ higher** than the same week last year. Average diesel prices in the lower Atlantic states were \$3.906 per gallon. (Source: U.S. DOE)

Trucking Employment

The trucking industry **added 3,100 jobs** in October. The trucking workforce **increased 0.24%** over the previous month and **rose 2.9%** over the previous year. (Source: U.S. DOL)

NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico, was **up 18.3%** in August compared to the same month in 2010, reaching **\$80.4 billion**. August was the **21st consecutive month** of year-over-year increases. (Source: US DOT)

Trucking News Clips:

- The multiregional less-than-truckload carrier Saia nearly **doubled** its net profit year-over-year in the third quarter as revenue **rose 14%** to \$268 million. The Georgia-based trucking company's net profit **increased 93.5%** to \$4.8 million while operating profit **climbed 41.4%** to 9.6 million. LTL tonnage for the company **rose 2.6%** in the 3Q from a year earlier, though shipments were flat.
- A **30% increase** in shipments pushed 3Q gross revenue **up 40%** year-over-year to \$159 million at Echo Global Logistics. The Chicago-based truck freight broker increased its 3Q profit by **80%** year-over-year to **\$3.3 million** due to tighter truckload capacity.
- Con-way posted a 3Q net profit of **\$29.1 million**, compared to a loss of \$8.2 million during the same quarter last year. Steady freight demand in the LTL and truckload markets boosted Con-way's total revenue **8.4%** to \$1.38 billion.

AIR FREIGHT:

Air Cargo Traffic

Global air freight in September **fell 3%** from one year ago and was **down 1%** over the previous month. North American air freight in September **remained stable** year-over-year. (Source: IATA.org)
(Global air freight covers international scheduled air traffic; domestic traffic is not included. North American traffic includes only domestic freight traffic.)

Atlanta Air Cargo Traffic

In August, Hartsfield-Jackson Atlanta International Airport transported **52,462 metric tons** of cargo, a **4% decrease** since July and a **1.74% decrease** year-over-year. (Source: HJIA)

Air Freight Price Index

In October, import air freight prices were down **2.3%** from the previous month, and are **up 10%** year-over-year. Export air freight prices were down **0.8%** from the previous month, and are **up 15%** year-over-year (Source: Bureau of Labor and Statistics)

Jet Fuel Prices

As of November 11, 2011, the global average jet fuel price was \$133.40 per barrel; **up 7.4%** from the previous month, and **30% higher** year-over-year. (Source: IATA.org)
(The weekly index and price data shows the global average price paid at the refinery for aviation jet fuel)

Air Freight News Clips:

- Expeditors International's net profit **rose 11%** during 3Q 2011 to **\$106.6 million**, despite a 4% decline in gross revenue in a weakening freight shipping market. The Seattle-based freight forwarder said net revenue **expanded 8%** over the same quarter a year ago to offset lower volumes.
- Two of Japan's largest international freight forwarders are reporting good news for the first half of their FY2011, which started in April. Nippon Express, Japan's largest forwarder, saw **profit surge 133.9%** to \$128 million. Kintetsu World Express, the second-largest forwarder in Japan, reported a **profit of \$60.5 million**, a 19.3% year-over-year increase.

OCEAN FREIGHT:

Import Volumes

Import shipment volume, in TEUs, at U.S. ports **increased 0.33%** in October from the previous month and **decreased 1%** from the previous year. The total number of inbound shipments in October **rose 1%** from September and **increased 1%** from October 2010. (Source: Zepol Corporation | zepol.com)

Shanghai Containerized Freight Index

The November 18th SCFI comprehensive reading was a **record low \$885.38 per FEU**; down \$12.80 from the previous week, and **nearly 28% lower year-over-year**. The spot rate for shipments to the **U.S. East Coast was \$2,626 per FEU, down \$83** 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 and a comprehensive index.)

Ocean Bulk Freight Rates

The Baltic Dry Index (BDI) **increased 4.2%** in October, ending at **1,965**. The BDI has **decreased 4%** for the first half of November. The BDI reached its **highest point** in 2011 during October, **up 108%** from its February low. (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 was up 3% or \$25.49/MT to \$829.85/MT in October 2011. By mid-November, bunker fuel prices were up 2.2% to \$848.74/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

The four-month period from July through October 2011 saw **109,036 intermodal container moves, a 14% growth** over the same period last year. Year-to-date volumes were boosted by the port's largest month ever for rail transfers in August, with a monthly total of 28,610. (Source: GPA)

Port of Brunswick

October 2011 brought a **10.4% or 207,545 ton increase** in the handling of break-bulk commodities. The FYTD increase represents **14.9% up-tick or a total of 797,486 tons for the first four months** of FY2012. (Source: GPA)

Ocean Freight News Clips:

- Wallenius-Wilhelmsen's 3Q operating profit **surged 135%** to **\$175 million** on strong growth in the Norwegian car carrier's trade lanes and investment disposal. Excluding investment sale gains, operating profit increased **\$30.3 million, or 40.8%** year-over-year, while total income was **up 33.6%** at **\$953.8 million**.
- Break-bulk activity in the ports of **Brunswick** and **Savannah** continues to lead port growth, reporting **16.3% quarterly increases** and **31.8% September increases**. Heavy automobile and machinery throughput is leading the volume surge. Brunswick's quarterly output, measured in tonnage, showed a **24.8% increase** over last year, rising from 363,374 tons to 453,358 tons. (Source: GPA)
- The Georgia Ports Authority's plan to **deepen the Savannah River** is moving ahead after a South Carolina environmental board unanimously reversed its earlier ruling to block the project. South Carolina's Department of Health and Environmental Control initially objected to the **deepening of the river to 48-feet** from the current 42-feet, but changed its position after reaching an agreement with the Army Corps of Engineers and the GPA that resolved all outstanding environmental issues.
- Taiwan's Yang Ming Marine confirmed its plans to order **five 16,000 TEU vessels** at CSBC Corp Taiwan, Taiwan's biggest shipbuilder. The full price for the order, if all options are taken, would be **\$747 million**.

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WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The U.S. average industrial vacancy rate was **10.1%** during Q3 2011, down from 10.4% in the previous quarter. Overall vacancy was **10.5%** in Atlanta and **13.2%** in Savannah during the third quarter. (Source: Cushman & Wakefield)

Warehouse Rent Rates

In Q3 2011, warehouse and distribution rental rates in the US averaged **\$4.41 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 Q3 2011 totaled **+48.8 million square feet**, 287% more than the +12.6 million square feet absorbed in the first quarter. YTD absorption in Atlanta was the second highest in the country with **+9 million square feet**. (Source: Cushman & Wakefield)
(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 **decreased 0.8 points** to 50.8 in October 2011. The October PMI has indicated expansion in the manufacturing sector for the **27th consecutive month**. New orders **increased 2.8 points** to 49.6 and production **fell 1.1 points** to 50.1. (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 5.5 points** to 43.2 in October. New orders in Georgia **increased 3.4 points** to 48.4 and production **fell 3.1 points** to 43.5. (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 News Clips:

- The commercial real estate firm Grubb & Ellis expects the industrial real estate market to return to pre-recession levels **by the end of the year**. The company reports that of the **153 million square feet** of warehouse and distribution space vacated during the recession, about **132 million square feet** has been **reabsorbed** in the last six quarters.
- Atlanta's industrial real estate market is on track to finish the year with its **largest occupancy gain since 2007**. Industrial absorption topped **4 million square feet** in the third quarter; the **highest quarterly amount in 4.5 years**. (Source: Colliers International)

U.S. MARKET:

Gross Domestic Product

The U.S. GDP **increased 2.5%** in the third quarter 2011 according to the first preliminary estimate released by the Bureau of Economic Analysis. (Source: US BEA)

U.S. Trade Deficit

The U.S. trade deficit **decreased by 4%** in September to \$43.1 billion. **Exports increased 1.4%** to \$180.4 billion and **imports increased 0.3%** to \$223.5 billion. (Source: US DOC & Census Bureau)

Consumer Confidence

The Consumer Confidence Index **decreased to 39.8%** in October 2011 from 45.4% in September 2011. (Source: The Conference Board) *(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.)*

Unemployment Rate

The unemployment rate in America **fell to 9.0%** in October 2011. Approximately **80,000 jobs** were created in October. August and September job gains were **revised upward** by 102,000 jobs. (Source: US DOL)

Leading Economic Index

The Leading Economic Index for the U.S. **increased 0.2%** in September to 116.4 (2004=100), following a 0.3% increase in August and a 0.6% increase in July. (Source: The 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 October to **\$397.7 Billion**, **up 0.5%** from the previous month, and **up 7.2%** from October 2010. Non-store retailer sales were **up 11.1%** from last year. (Source: US Census)

Manufacturing & Trade Sales

Total combined sales and manufacturing shipments totaled nearly **\$1.210 Trillion** in September 2011, **up 0.62%** from August and **up 11.6%** from the previous year. (Source: US Census)

Manufacturing & Trade Inventory

Total value of inventory on hand is estimated at **\$1.532 Trillion** in September 2011, **down 0.04%** from August and **up 9%** from September 2010. (Source: US Census)

Housing Starts

In September, housing starts **increased 15%** to an annual rate of 658,000 units. Building permits (an indicator of future housing starts) **decreased 5%** to an annual rate of 594,000. (Source: U.S. DOC)