

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index rose 0.3% during the month of July. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of June 10th thru July 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index decreased 2.2% in July. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of June 10th thru July 10th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index rose 0.6% in May 2014. The index's reading of 120 reached an all-time high and was up 3.8% from May 2013. (Source: US DOT)
Cass Freight Index	The June shipments index rose 2.4% over the previous month and rose 6.0% year-over-year. The June expenditures index rose 4.2% for the month, and increased 12.1% 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 May, the U.S. imported about \$239.8 billion of cargo. May U.S. imports fell 0.3% in terms of value from April, and rose 5.1% year-over-year. (Source: US Census)
Export Volumes	In May, the U.S. exported nearly \$195.5 billion of cargo, the highest on record . May U.S. exports have increased 1.0% in terms of value over the previous month and rose 4.1% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices rose 0.1% in June. Import prices rose 0.4% over the past year. The price index for U.S. exports decreased 0.4% in June. Export prices increased 0.5% year-over-year. <i>(Source: Bureau of Labor Statistics)</i>
Multimodal News Clips:	<ul style="list-style-type: none"> • CNBC has named Georgia as the No. 1 place for business in the nation. Georgia's best category, its workforce, was tops in the nation for the third year in a row. Georgia ties for first in infrastructure with America's busiest airport and one of its busiest ports. Georgia has ranked among the top 10 states in CNBC's business climate rankings over the last 10 years, and moves up from No. 8 last year. • The U.S. 3PL market gross revenue grew 3.2% in 2013, year-over-year. The 3PL market is expected to grow 5.2% in 2014. Net revenues will rise 4.3% to 67.4 billion and Domestic Transportation Management is expected to increase 7.5% this year. (Source: Armstrong & Associates) • Light vehicle sales in June 2014 rose 1.2% to an annualized 16.9 million, the highest since July 2006. June sales bring total U.S. light-vehicle deliveries for the first six months of 2014 to 8.12 million, up 4.2% over the same period last year. (Source: WardsAuto)

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in June 2014 fell 1.1% from May 2014. Freight traffic in June rose 3.6% from June 2013. Carloads excluding coal increased 6.7% 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 June 2014 was 6.7% higher than in June 2013, and rose 0.5% from May 2014. Intermodal loadings have experienced year-over-year gains for 55 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 May was 600.6, down 2.4% from the previous month and 0.6% 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 May 2014 increased by 1,808 employees to 166,097 employees, the highest since August 2007. Total Class 1 rail employment in May increased 1.1% , year-over-year. (Source: U.S. STB)
Short Line Rail Traffic	In June 2014, short line railroad shipments across North America rose 0.9% compared to the same month last year. A sampling of about 428 small railroads in the U.S. and Canada loaded 586,653 railcars and intermodal units during the month of June. (Source: RMI RailConnect Index rmiindemand.com)
Railroad News Clips:	<ul style="list-style-type: none"> • Railroads were using 79.1% of overall capacity in May 2014, up from a revised 78.9% in April and the highest capacity utilization since March 2008. Railroad utilization for manufacturing increased to 77% in May. (Source: Federal Reserve) • The cost for rail transportation increased 4.9% in 2013. Class I freight revenue per ton-mile increased 5.3% to 3.961 cents. Overall rail traffic was up 9.2%. Total carloads and intermodal volume for the year increased 8.1% and 10.6%, respectively. <i>(Source: Council of Supply Chain Management Professionals – State of Logistics Report)</i>

TRUCKING:

Trucking Volume

The ATA's seasonally adjusted cargo index **rose 1.0%** in May. The for-hire truck tonnage index **rose 3.4%** from May 2013. (Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload freight in June **rose 11%** compared to the previous month, and was **54% higher** year-over-year. Truck capacity **fell 20%** for the month, and was **down 2.8%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Diesel Prices

U.S. average diesel prices **fell 0.7¢ to \$3.91 per gallon** last week. The U.S. average diesel price was **8.5¢ higher** than the same week last year. The average price of diesel in the lower Atlantic states was \$3.88 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 3,300 employees** in June. The trucking workforce **increased 1.9%** 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 **26,255 units** in June 2014. June orders were **1.3% lower** than the previous month and **41% higher** year-over-year. Class 8 truck orders have now had **17 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 2.5%** in April 2014 year-over-year, totaling nearly **\$83.7 billion**. (Source: US DOT)

Trucking News Clips:

- UPS is joining FedEx in the shift to **dimensional pricing** for ground shipments. UPS plans to start using dimensional weight to price shipments starting December 29, a few days before FedEx makes the shift on January 1, 2015. The use of dimensional pricing in ground shipments is projected to **boost package shipping costs 5-25%**, unless shippers make adjustments to reduce package size to match the size of the products they ship. LTL carriers are expected to make the switch to dimensional pricing next.
- LTL terminals nationwide are having a good year, despite the winter weather. Average tonnage per day is forecast to **rise 6.7%** year-over-year. Along with more freight that comes from increased manufacturing activity, carriers are getting better at pricing by lane and using technology to recoup transportation costs. LTL pricing is projected to **rise 3% to 4%** in 2014 to take advantage of increased pricing power.

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in May **increased 4.7%** from one year ago, and **rose 0.4%** from the previous month. North American air freight in May **rose 2.4%** 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 May, the index of East-West air cargo rates **fell 4.7%** from the previous month, and was **2.2% higher** year-over-year. The average price of air cargo leaving the United States in May stood at **\$3.22 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 June 27, 2014, the global average jet fuel price was \$124.3 per barrel; **up 2.2%** from the previous month, and **5.7% 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:

- Global spending on temperature-controlled pharmaceutical shipping will approach \$8.4 billion in 2014, a 12% increase year-over-year. Approximately \$5.6 billion will go to transportation services and storage, with the remainder spent on packaging, containers, sensors, and other devices. Spending on commercial cold chain pharmaceutical shipments is projected to reach \$10.3 billion by 2018, a 37% increase over 2013. (Source: Pharmaceutical Commerce)

OCEAN FREIGHT:

Import Volumes

Import volume through major U.S. container ports is expected to total **1.5 million containers** in July as retailers prepare for potential disruptions surrounding the expiring West Coast Port's labor contract. That's the **highest monthly volume** in at least five years. In May, the latest month for which numbers are available, U.S. container ports handled 1.48 million TEUs, a **3.7% increase** from the previous month and a **6.6% increase** from the same month last year. Total U.S. containerized imports are expected to **increase 4.1%** in 2014. (Source: NRF/Hackett Associates)

Shanghai Containerized Freight Index

The July 4th SCFI comprehensive reading was **\$1,029 per FEU; down 8%** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$3,598 per FEU, up 9.4%** 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 9%** in June, ending at **850**. The BDI has **fallen 1.6%** during the first half of July. (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

Savannah's container traffic reached **290,436 TEUs** in May, an **11.1% increase** year-over-year. Breakbulk cargo **increased by 11%** to reach 266,734 tons. Total tonnage for Georgia Ports **rose 10.5%** to reach **2.63 million tons**, a **record** for monthly volume. (Source: GPA)

Port of Brunswick

Georgia Ports moved **64,097 auto and machinery units** in May, **up 7.2%** over the same month last year and the third-highest total on record. (Source: GPA)

Ocean Freight Business News:

- The widening of the Panama Canal could eventually lead to a **90% increase** in cotton exports for U.S. South Atlantic and Gulf Coast ports, and a **66% reduction** in cotton exports through West Coast ports. Larger Post-Panamax vessels will **reduce ocean shipping freight rates from the U.S. to China by 28%** compared to current Panamax-sized vessels. (Source: Texas A&M Department of Agricultural Economics)
- Ocean freight rates are slowly increasing despite increasing capacity. Costs for ocean freight transport **rose 4.5%** in 2013. Carriers are retiring older, smaller container ships in favor of the larger container ships to **improve operating costs**. (Source: Council of Supply Chain Management Professionals – State of Logistics Report)
- Spot prices for high- and low-sulfur bunker fuel have **declined steeply** for the past several weeks following political unrest in the Middle East. The price of bunker fuels in Rotterdam, the Netherlands, a global indicator of bunker prices, has fallen more than **\$27 per metric ton** in two weeks.

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The U.S. average industrial vacancy rate was **7.9%** during Q1 2014, down from 8.1% in the previous quarter. Overall vacancy was **11.0%** in Atlanta and **8.9%** in Savannah during the first quarter. (Source: Colliers International)

Warehouse Rent Rates

In Q1 2014, warehouse and distribution rental rates in the US averaged **\$4.91 per square foot**, up from \$4.84 per square foot in the previous quarter. Rental rates for warehouse space averaged **\$3.22 per square foot** in Atlanta and **\$3.95 per square foot** in Savannah. (Source: Colliers International)

Industrial Absorption

Net absorption in the US during Q1 2014 totaled more than **+46.4 million square feet**. Atlanta's overall absorption during the 1Q was **the highest in the nation**, totaling **+5.8 million square feet**. (Source: Colliers International)
(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 **fell 0.1 points** to 55.3 in June 2014. New orders **rose 2.0 points** to 58.9 and production **decreased 1.0 point** to 60.0. (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 **rose 0.5 of a point** to 57.3 in June. New orders in Georgia **fell 2.8 points** to 65.4 and production fell 2.4 points to 63.5. Georgia's PMI is now **2.0 points** above 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:

- Keurig will open a manufacturing facility in Douglas County, Georgia to support the production of pods for the company's new Keurig Cold beverage platform. The new **585,000 square foot manufacturing center** will represent an investment of **\$337 million** over the next five years and will create approximately **550 new jobs**.
- Kroger has planned to relocate to a new **1 million square foot distribution center** in Forest Park, Georgia. The company will invest more than **\$175 million** over the next five years in the project, **creating 120 new jobs**. The new distribution center will service existing operations in Alabama, Georgia, South Carolina, and Tennessee.
- Toppan Printing Co. will **create 80 new jobs** and **invest \$100 million** into a new facility in Georgia's first eco-friendly park located in Griffin, Georgia. The **127,000 square foot facility** will provide unique packaging solutions for the U.S. market, with future plans to serve European markets.

U.S. MARKET:

Gross Domestic Product	The U.S. GDP decreased 2.9% in the first quarter of 2014 according to the third estimate released by the Bureau of Economic Analysis. (Source: US BEA)
U.S. Trade Deficit	The U.S. trade deficit decreased by 5.6% in May to \$44.4 billion. Exports rose 1.0% to \$195.5 billion and imports fell 0.3% to \$239.8 billion. (Source: US DOC & Census Bureau)
Consumer Confidence	The Consumer Confidence Index increased to 85.2 in June 2014, up 3 points from the previous month. (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 fell to 6.1% in June 2014 as there were 288,000 net new jobs . (Source: US DOL)
Leading Economic Index	The Leading Economic Index for the U.S. increased 0.5% in May to 101.7 (2004=100), following at 0.3% increase in April and a 1.0% increase in March. (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 May to \$439.9 billion , up 0.2% from the previous month, and up 4.5% above May 2013. Non-store retailer sales were up 8.1% from last year. (Source: US Census)
Manufacturing & Trade Sales	Total combined sales and manufacturing shipments totaled nearly \$1.34 Trillion in May 2014, up 0.4% from April and up 4.6% from the previous year. (Source: US Census)
Manufacturing & Trade Inventory	Total value of inventory on hand is estimated at \$1.73 Trillion in May 2014, up 0.5% from April and up 5.6% from May 2013. (Source: US Census)
Housing Starts	In May, housing starts fell 6.5% to an annual rate of 1,001,000 units. Building permits (an indicator of future housing starts) fell 6.4% to an annual rate of 991,000. Year-over-year, housing starts and building permits in May increased 9.4% and decreased 1.9% , respectively. (Source: U.S. DOC)
Consumer & Producer Price Index	The consumer price index for all urban consumers increased 0.4% in May from the previous month. Over the last 12 months, the all items index increased 2.1% . The producer price index for finished goods fell 0.2% in May from the previous month. Prices for finished goods rose 2% 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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