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[Logistics Market Snapshot - September 2016](#) **[1]**

On 21 Sep, 2016



# SEPTEMBER LOGISTICS MARKET SNAPSHOT 2016

MULTIMODAL:	
<b>Dow Jones Transportation Index</b>	Dow Jones Transportation Index <b>increased 1.2%</b> during the month of August 2016, ending at a reading of 7,878. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of August 1<sup>st</sup> thru August 31<sup>st</sup>)</i>
<b>NASDAQ Transportation Index</b>	NASDAQ Transportation Index <b>was unchanged</b> in August 2016, remaining at a reading of 3,367. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of August 1<sup>st</sup> thru August 31<sup>st</sup>)</i>
<b>DOT Freight Transportation Index</b>	The USDOT's freight transportation services index <b>increased 1.6%</b> in July, rising for the fourth consecutive month, and was <b>the highest level recorded</b> . The increase was due to growth in trucking and rail carloads, as well as the growth in mining, utility, and manufacturing sectors of the economy. The index's reading of 124.6 was 31.6% above the April 2009 low during the most recent recession. (Source: US DOT)
<b>Cass Freight Index</b>	The July shipments index <b>remained unchanged</b> from the previous month at 1.11 and <b>decreased 2.6%</b> year-over-year. The July expenditures index <b>decreased 0.6%</b> for the month to 2.35, and <b>decreased 5.1%</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 July, the U.S. <b>imported \$184.4 billion</b> of cargo, <b>decreasing 1.0%</b> from June. The July imports from Canada (\$21.6 billion) were the lowest since July 2010 (\$21.3 billion). (Source: US Census)
<b>Export Volumes</b>	In July, the U.S. <b>exported \$124.1 billion</b> of cargo, <b>increasing 2.9%</b> from June. The July exports of foods, feeds, and beverages (\$14.7 billion) were the <b>highest on record</b> . (Source: US Census)
<b>Import &amp; Export Price Index</b>	U.S. import prices <b>decreased 0.2%</b> in August, the first monthly decrease since the index fell 0.5% in February. The August downturn was driven by lower fuel prices. U.S. export prices <b>decreased 0.8%</b> in August, the first monthly drop since the index edged down 0.1% in March and the largest decline since the index fell 0.9% in January. Lower prices for both agricultural and nonagricultural exports contributed to the overall drop in export prices. (Source: Bureau of Labor Statistics)
<b>Shippers Conditions Index</b>	The Shippers Conditions Index was at a near-neutral reading of <b>-0.7 in June</b> , reflecting slow freight growth typical of late recovery status and a lull in the new capacity-constraining regulations that are not yet in full effect. (Source: FTR Transportation Intelligence   ftrintel.com) <i>(Figures below zero indicate a less-than-ideal environment for shippers)</i>
<b>E-Commerce</b>	E-Commerce revenue was up 9% in August compared to August 2015. Mobile shopping (phones and tablets) accounted for 32% of online shopping, up from 28% in August 2015. The estimate of U.S. retail e-commerce sales for the second quarter of 2016, adjusted for seasonal variation, was \$97.3 billion, an increase of 4.5% from the first quarter of 2016. (Source: Custora E-Commerce Pulse, US Census)
<b>Multimodal News Clips:</b>	<ul style="list-style-type: none"> <li>U.S. light vehicle sales were a seasonally adjusted and annualized <b>16.9 million in August 2016</b>, down 5.0% from July and down 3.4% from August 2015. Year-to-date through August, sales of 11.6 million in 2016 are virtually the same as in 2015. That means the sales pace this year is still very healthy by historical standards, yet some project that it could trigger a new round of discounting and production cutbacks by automakers. (Source: AAR)</li> <li>UPS plans to hire 95,000 temporary employees during the peak holiday season as a means of keeping up with the growing e-commerce volumes. Most of the added employees are drivers or package handlers, and some are later hired as full-time employees. Analysts are expecting UPS to generate a solid performance in 2016. (Source: Supply Chain 24/7)</li> </ul>

RAIL:	
<b>U.S. Freight Rail Traffic</b>	Originations of carloads in August 2016 totaled 1,347,989, a <b>decrease of 6.6%</b> from August 2015 and the <b>19<sup>th</sup> straight year-over-year monthly decline</b> . That said, the 6.6% decline was the lowest year-over-year monthly decline in almost a year. Weekly average total carloads in August 2016 were 269,598, the <b>highest weekly average for any month since October 2015</b> . (Source: AAR.org) <i>(Report includes rail car-loadings by 20 different major commodity categories as well as intermodal units)</i>
<b>U.S. Intermodal Rail Traffic</b>	Intermodal rail traffic totaled 1,327,274 units in August 2016, a <b>decrease of 4.8% from August 2015</b> . This is the sixth straight year-over-year monthly decline for intermodal. Average weekly intermodal volume in August (265,455 units) was the most for any month so far in 2016, but they were the lowest weekly average for an August since 2013. (Source: AAR.org) <i>(Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)</i>
<b>Intermodal Competitive Index</b>	The Intermodal Competitive Index <b>fell to a reading of 0.6</b> in July. Intermodal volume was unexpectedly weak across the board in July, and lower diesel prices were also a factor in the decline in intermodal volume. July 2016 had two fewer working days than July 2015, a 9% difference, which may have affected the numbers as well. (Source: FTR Transportation Intelligence   ftrintel.com) <i>(Index includes factors like relative rates vs. truck, industry capacity vs. demand, fuel prices, and intermodal service levels. Figures above 0 indicate favorable conditions for intermodal to compete with truck)</i>

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