

MULTIMODAL:

Dow Jones Transportation Index	Dow Jones Transportation index rose 5.7% during the month of February. <i>(Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of February 10th thru March 10th)</i>
NASDAQ Transportation Index	NASDAQ Transportation Index increased 6.0% in February. <i>(Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of February 10th thru March 10th)</i>
DOT Freight Transportation Index	The USDOT's freight transportation services index fell 2.8% in January 2014. The index's reading of 113.6 was up 1.3% from January 2013. (Source: US DOT)
Cass Freight Index	The February shipments index rose 7.3% over the previous month and fell 0.4% year-over-year. The February expenditures index rose 6.8% for the month, and increased 6.4% 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 January, the U.S. imported about \$231.6 billion of cargo. January U.S. imports rose 0.6% in terms of value from December, and rose 1.2% year-over-year. (Source: US Census)
Export Volumes	In December, the U.S. exported nearly \$192.5 billion of cargo. January U.S. exports have increased 0.6% in terms of value over the previous month and rose 3% year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices rose 0.9% in February. Import prices fell 1.1% over the past year. The price index for U.S. exports rose 0.4% in February. Export prices decreased 1.3% year-over-year. (Source: Bureau of Labor Statistics)
Multimodal News Clips:	<ul style="list-style-type: none"> The state of Georgia has experienced a record increase in both exports and imports for the fourth consecutive year. According to the Census Bureau, the state moved up one position ranking in both exports and imports in 2013. Georgia increased to the 11th largest exporting state from the 12th. The state also increased from the 9th largest importing state to the country's 8th largest importing state. The Home Depot's online sales increased 50% year-over-year in the 3Q and 4Q 2013. Online sales amounted to \$585 million in the 3Q, about 3% of the company's total sales. The Home Depot will spend \$300 million this year on e-commerce-related improvements such as additional fulfillment centers, mobile technology, facility enhancements, and a warehouse management system.

RAIL:

U.S. Freight Rail Traffic	Railroad bulk carload freight in February 2014 rose 0.3% from January 2014. Freight traffic in February fell 1.1% from February 2013. Carloads excluding coal increased 0.5% over the previous year. <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 February 2014 was 1.1% higher than in February 2013, and fell 2.2% from January 2014. Intermodal loadings have experienced year-over-year gains for 51 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 January was 592.9, down 1.2% from the previous month and 0.03% lower 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 decreased to 255,634 (16.6% of the fleet) on March 1, down 11,914 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 in January 2014 decreased by 524 employees to 162,286 employees. Total Class 1 rail employment in January was 0.15% higher than it was in January 2013. (Source: U.S. STB)
Short Line Rail Traffic	In February 2014, short line railroad shipments across North America fell 2.4% compared to the same month last year. A sampling of about 427 small railroads in the U.S. and Canada loaded 545,613 railcars and intermodal units during the month of February. (Source: RMI RailConnect Index rmiondemand.com)
Railroad News Clips:	<ul style="list-style-type: none"> U.S. Class I railroads originated 108,590 carloads of crude oil in 4Q 2013, bringing total Class I crude oil originations for the year to 407,642 carloads. That's a 74% increase over the 233,819 carloads originated in 2012. In 2013, crude oil accounted for 1.4% of total U.S. Class I originations. (Source: AAR.org) U.S. freight railroads estimate they will spend about \$26 billion to build, maintain, and upgrade their rail networks. In recent years, railroads have spent about 17% of annual revenue on capital expenditures, whereas the average U.S. manufacturer spends about 3%. (Source: AAR.org)

TRUCKING:

Trucking Volume

The ATA's seasonally adjusted cargo index **fell 4.3%** in January. The for-hire truck tonnage index **rose 1.2%** from January 2013. (Source: American Trucking Association | Trucking.org)

Truckload Freight

The spot market for truckload freight in February **rose 8.8%** compared to the previous month, and was **86% higher** year-over-year. Truck capacity **fell 12%** for the month, and was **down 22%** year-over-year. (Source: DAT Trendlines | www.dat.com)

Diesel Prices

U.S. average diesel prices rose **0.5¢ to \$4.02 per gallon** last week. The U.S. average diesel price was **0.7¢ lower** than the same week last year. The average price of diesel in the lower Atlantic states was \$3.97 per gallon. (Source: U.S. DOE) *(Reflects the costs and profits of the entire production and distribution chain.)*

Trucking Employment

The trucking industry workforce remained steady in February after posting a gain of 3,200 in January. The trucking workforce **increased 1.1%** 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 **28,876 units** in February 2014, the highest February since 2006. February orders were **27% higher** than the previous month and **25% higher** year-over-year. (Source: FTR Associates | ftrassociates.com)

NAFTA Trade

Surface transport-related trade between the U.S. and its NAFTA partners, Canada and Mexico, **increased 6.5%** in December compared to the same month last year, totaling more than **\$71.8 billion**. (Source: US DOT)

Trucking News Clips:

- The ATA quarterly driver turnover rate for large truckload carriers **dropped to 91%** in the 4Q from 97% in the previous quarter. Driver turnover rate has stayed above 90% for the **eighth straight quarter**.

AIR FREIGHT:

Air Cargo Traffic

Global air freight traffic in January **increased 4.5%** from one year ago, and **rose 1.7%** over the previous month. North American air freight in January **fell 0.7%** year-over-year. (Source: IATA.org) *(Global air freight covers international and domestic scheduled air traffic.)*

Atlanta Air Cargo Traffic

In January, Hartsfield-Jackson Atlanta International Airport transported **45,542 metric tons** of cargo, a **9% decrease** from the previous month and a **9% decrease** year-over-year. (Source: HJIA)

Air Freight Price Index

In January, the index of East-West air cargo rates **fell 7.5%** from the previous month, and was **1.8% higher** year-over-year. The average price of air cargo leaving the United States in January stood at **\$3.31 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 February 28, 2014, the global average jet fuel price was \$124.1 per barrel; **down 0.7%** from the previous month, and **4.2% lower** 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:

- Delta Air Lines' **\$2.7 billion profit** for 2013 was the **highest net profit in airline history**. The previous record was German carrier Lufthansa's 2007 profit of \$2.6 billion.
- Global **air cargo demand growth** is projected to hit **4%** this year, a significant increase over the previously forecast 2.1% growth rate for 2014. This projected cargo growth and improved passenger demand is expected to offset increased fuel prices to improve profitability throughout the industry. Airline profits are expected to total **\$18.7 billion** in 2014. Higher jet fuel costs will **add \$3 billion** to the industry's bill this year. (Source: IATA.org)
- American Airlines and United Airlines reported year-over-year cargo growth of 11.2% and 7.5%, respectively, in February. American Airlines totaled 173,529 cargo ton miles while United Airlines logged 182,913 cargo ton miles during the month.

OCEAN FREIGHT:

Import Volumes

U.S. vessel imports in January 2014 totaled nearly **1.6 million TEUs**, **up 5.7%** from the previous year. The number of shipments in January totaled **802,948 units**, a **6.9% increase** year-over-year. (Source: Zepol Corporation | zepol.com)

Shanghai Containerized Freight Index

The March 7th SCFI comprehensive reading was **\$934 per FEU**; **down 12.9%** year-over-year. The spot rate for shipments to the U.S. East Coast was **\$3,186 per FEU**, **down 4.4%** 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 **rose 13.3%** in February, ending at **1,258**. The BDI has **risen 17.4%** during the first half of March. (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 April 1 and June 30, 2014, the bunker fuel surcharge will total **\$527 per FEU** for shipments to the West coast ocean ports and **\$985 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

The Port of Savannah moved **259,159 TEUs** in January 2014, a **12.5% increase** over the same month last year. Freight moved across all terminals totaled **2.45 million tons**, a **7.3% increase** year-over-year.
(Source: GPA)

Port of Brunswick

Colonel's Island Terminal at the Port of Brunswick led GPA terminals to a **6.1% increase** in automobile and heavy equipment units moved during the fiscal year to date. Including Savannah's Ocean Terminal, the GPA moved **386,070 units** of roll-on/roll-off cargo, with Brunswick handling most of those moves (372,146) from July through January. (Source: GPA)

Ocean Freight Business News:

- Import volume through major U.S. container ports is expected to **increase 12.4%** in March from the same month last year. In January, the latest month for which numbers are available, U.S. container ports handled 1.36 million TEUs, a **5.3% increase** over the previous month and a **4.1% increase** over the same month last year. Total U.S. containerized imports are expected to **increase 4.1%** in 2014.
(Source: NRF/Hackett Associates)
- Maersk Line, the world's largest container line, posted a profit of **\$1.51 billion** in 2013, a **228% increase** over the \$461 million it earned in 2012. The increase in profit was due to higher volumes and steep cost cuts, which offset lower freight rates.
- The container ship capacity on ultra large container vessels, or ships with a capacity of more than 10,000 TEUs, will increase by 31.4% this year, followed by a further 30% in 2015. (Source: Drewry)

WAREHOUSING & DISTRIBUTION:

Industrial Vacancy

The U.S. average industrial vacancy rate was **7.9%** during Q4 2013, down from 8.1% in the previous quarter. The U.S. vacancy rate is now at its lowest level since Q1 2006. Overall vacancy was **11.7%** in Atlanta during the fourth quarter. (Source: Newmark Grubb Knight Frank)

Warehouse Rent Rates

In Q4 2013, warehouse and distribution rental rates in the US averaged **\$5.40 per square foot**, up from \$5.27/SF in the previous quarter. Rental rates for warehouse space averaged **\$3.77 per square foot** in Atlanta. (Source: Newmark Grubb Knight Frank)

Industrial Absorption

Net absorption in the US during Q4 2013 totaled nearly **+45.7 million square feet**. Atlanta's overall absorption during the 4Q was **2.73 million square feet**. In 2013, net absorption in the U.S. totaled **+156.5 million square feet**, the highest annual level of demand since 2007. For the year, Atlanta registered the **third-highest absorption rate** in the country, with **+11 million square feet**.
(Source: Newmark Grubb Knight Frank) *(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 **rose 1.9 points** to 53.2 in February 2014. New orders **rose 3.3 points** to 54.5 and production **decreased 6.6 points** to 48.2. (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 6.7 points** to 56.7 in February, the highest reading since March 2013. New orders in Georgia **rose 13.1 points** to 58.3 and production **rose 13.7 points** to 54.2. Georgia's PMI is now **3.5 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:

- Niagara Bottling, the nation's largest private label bottled water supplier, will establish a new facility in Coweta County, Georgia. The company's new **450,000 square foot facility** will represent a **\$52 million** investment and will create more than **40 jobs** in the area.
- Gerresheimer Peachtree City, a manufacturer of complex drug delivery systems, will expand in Fayette County, Georgia, **creating 120 jobs** and investing **double-digit millions** into the expansion. The German-based company will build an additional **60,000 square foot manufacturing facility** on its 35-acre campus.

- Inalfa Roof Systems, a leading global provider of vehicle roof systems, will expand its recently completed 165,000 square foot regional headquarters in Cherokee County, Georgia by an **additional 45,000 square feet**. The company will invest an additional **\$6 million** and create **100 new jobs** in addition to the 300 already announced in June 2013.

U.S. MARKET:

Gross Domestic Product

The U.S. GDP **increased 2.4%** in the fourth quarter of 2013 according to the second estimate released by the Bureau of Economic Analysis. (Source: US BEA)

U.S. Trade Deficit

The U.S. trade deficit **increased by 0.3%** in January to \$39.1 billion. **Exports rose 1.8%** to \$192.5 billion and **imports rose 0.6%** to \$231.6 billion. (Source: US DOC & Census Bureau)

Consumer Confidence

The Consumer Confidence Index **decreased to 78.1** in February 2014, **down 0.8 points** from the previous month. (Source: The Conference Board) *(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.)*

Unemployment Rate

The unemployment rate in America **increased to 6.7%** in February 2014 as there were **175,000 net new jobs**. (Source: US DOL)

Leading Economic Index

The Leading Economic Index for the U.S. **increased 0.3%** in January to 99.5 (2004=100), following no change in December and a 0.9% increase in November. (Source: 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 February to **\$427.2 billion, up 0.3%** from the previous month, and **up 1.5%** above February 2013. Non-store retailer sales were **up 6.3%** from last year. (Source: US Census)

Manufacturing & Trade Sales

Total combined sales and manufacturing shipments totaled more than **\$1.3 Trillion** in January 2014, **down 0.9%** from December and **up 2.5%** from the previous year. (Source: US Census)

Manufacturing & Trade Inventory

Total value of inventory on hand is estimated at **\$1.72 Trillion** in January 2014, up 0.4% from December and **up 3.9%** from January 2013. (Source: US Census)

Housing Starts

In January, housing starts **fell 16%** to an annual rate of 880,000 units. Building permits (an indicator of future housing starts) **fell 5.4%** to an annual rate of 937,000. Year-over-year, housing starts and building permits in January **decreased 2%** and **1.3%**, respectively. (Source: U.S. DOC)

Consumer & Producer Price Index

The consumer price index for all urban consumers **increased 0.1%** in January from the previous month. Over the last 12 months, the all items index **increased 1.6%**. The producer price index for finished goods **fell 0.1%** in February from the previous month. Prices for finished goods **rose 0.9%** 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:

Page Siplon, Executive Director | psiplon@georgia.org | 912.966.7867