

INNOVATION   LOGISTICS	2013 MARKET SNAPSHOT
MULTIMODAL:	
Dow Jones Transportation Index	Dow Jones Transportation index <b>fell 0.7%</b> during the month of May. (Stock performance of twenty large, well-known U.S. companies in the transportation industry, average of May 10 <sup>th</sup> thru June 10 <sup>th</sup> )
NASDAQ Transportation Index	NASDAQ Transportation Index <b>increased 2.8%</b> in May. (Averaged share weights of NASDAQ-listed companies classified as transportation companies, average of May 10 <sup>th</sup> thru June 10 <sup>th</sup> )
DOT Freight Transportation Index	The USDOT's freight transportation services index <b>fell 1.2</b> % in April 2013. The index's reading of 112.4 was <b>up 1.2</b> % from April 2012. (Source: US DOT)
Cass Freight Index	The May shipments index <b>rose 2.9%</b> over the previous month and <b>fell 0.3%</b> year-over-year. The May expenditures index <b>remained the same</b> for the month, and <b>decreased 2.6%</b> year-over-year. (Source: Cass Information Systems   Cassinfo.com) (Based upon transportation dollars and shipments of Cass clients comprised of over 400 shipping companies)
Import Volumes	In April, the U.S. <b>imported</b> about <b>\$227.7 billion</b> of cargo. April U.S. imports <b>rose 2.4%</b> in terms of value from March, and <b>fell 1.4%</b> year-over-year. (Source: US Census)
Export Volumes	In April, the U.S. <b>exported</b> more than <b>\$187.4 billion</b> of cargo. April U.S. exports have <b>increased 1.2%</b> in terms of value over the previous month and <b>rose 1.7%</b> year-over-year. (Source: US Census)
Import & Export Price Index	U.S. import prices <b>fell 0.6%</b> in May. Import prices <b>fell 1.9%</b> over the past year. The price index for U.S. exports <b>fell 0.5%</b> in May. Export prices <b>decreased 0.9%</b> year-over-year. (Source: Bureau of Labor Statistics)
Multimodal News Clips:	<ul> <li>U.S. sales of new and refurbished pallets will expand 3.5% annually through 2017. Pallet demand in 2017 is expected to reach 1.3 billion units, valued at \$16.9 billion. Wood pallets are the most commonly used type, but metal and plastic pallets will register more impressive sales gains. (Source: The Freedonia Group)</li> </ul>
	<ul> <li>The U.S. manufacturing sector declined by \$200 million between 2000 and 2010, but the decline has stopped and output is projected to increase by \$1 billion between 2010 and 2020. The stabilization and expansion of U.S. manufacturing will have a positive impact on the economy, logistics industries, and on demand for industrial real estate space in the coming decade. (Source: NAIOP Research Foundation)</li> </ul>
RAIL:	
U.S. Freight Rail Traffic	Railroad bulk carload freight in May 2013 <b>rose 2.8%</b> from April 2013. Freight traffic in May <b>rose 0.7%</b> from May 2012. Carloads excluding coal and grain <b>increased 3.6%</b> over the previous year. (Source: AAR.org) (Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)
U.S. Intermodal Rail Traffic	Intermodal rail traffic in May 2013 was <b>3% higher</b> than in May 2012 and <b>1.1% higher</b> than April 2013 totals. Intermodal loadings have experienced year-over-year gains for <b>42 straight months</b> . (Source: AAR.org) (Report includes rail car-loadings by 19 different major commodity categories as well as intermodal units)
Railroad Fuel Price Index	The index of average railroad fuel prices in April was 602.1, <b>down 2.8</b> % from the previous month and <b>7.5</b> % <b>lower</b> year-over-year. (Source: AAR.org)

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Freight Cars in Storage	The number of freight cars in storage has <b>decreased to 299,573</b> (19.5% of the fleet) on June 1, down 7,912 cars from a month earlier. (Source: AAR.org) (A freight car is "in storage" if it has had a loaded revenue move since 2005, but not in the past 60 days. <u>Decrease here = more demand</u> )
Class 1 Railroad Employment	Railroad employment in April 2013 increased by 716 employees to 163,775 employees. Total Class 1 rail employment in April was 1.1% higher than it was in April 2012. (Source: U.S. STB)
Short Line Rail Traffic	In May 2013, short line railroad shipments across North America <b>rose 9.9%</b> compared to the same month last year. A sampling of about 426 small railroads in the U.S. and Canada <b>loaded 723,431 railcars</b> and intermodal units during the month of May. (Source: RMI RailConnect Index   rmiondemand.com)
Railroad News Clips:	<ul> <li>The U.S. oil boom has been big business for railroads as refiners shift from pipeline to rail. The amount of U.S. crude oil being moved by railroads has increased 166% in the past 12 months. Much of this increase has come from the Bakken shale formation in North Dakota, where crude production has jumped 250% since 2009. 71% of all Bakken crude now leaves the region by train, compared with 25% in January 2012. Only 20% travels by pipeline, down from 61% in 2011. (Source: AAR, Bloomberg Industries)</li> </ul>
	<ul> <li>Genesee &amp; Wyoming's May 2013 North American rail traffic was up 150% year-over-year and up 6% over the previous month, totaling a new high of 145,335 carloads. G&amp;W's North American traffic in May was 9.8% higher than the combined total carloads handled by G&amp;W and RailAmerica in May 2012 before the acquisition.</li> </ul>



TRUCKING:	
Trucking Volume	The ATA's seasonally adjusted cargo index <b>fell 0.2%</b> in April after rising 0.9% in March. The for-hire truck tonnage index <b>rose 4.3%</b> year-over-year. (Source: American Trucking Association   Trucking.org)
Truckload Freight	The spot market for truckload freight in May rose 3.1% compared to the previous month, and was 9.9% lower year-over-year. Truck capacity fell 0.4% for the month, and was up 24% year-over-year. (Source: DAT Trendlines   www.dat.com)
Diesel Prices	U.S. average diesel prices fell to \$3.85 per gallon, down 2¢ since last week. The U.S. average diesel price was 6.8¢ higher than the same week last year. The average price of diesel in the lower Atlantic states was \$3.76 per gallon. (Source: U.S. DOE) (Reflects the costs and profits of the entire production and distribution chain.)
Trucking Employment	The trucking industry <b>lost 700 jobs</b> in May after posting gains of 11,700 in April. The trucking workforce <b>decreased 0.05%</b> over the previous month and <b>increased 3%</b> 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 <b>22,541 units</b> in May 2013. May orders were <b>2.1% lower</b> than the previous month, and <b>27.7% higher</b> 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, <b>decreased 4%</b> in March compared to the same month last year, totaling <b>\$83.5 billion</b> . (Source: US DOT)
Trucking News Clips:	• In 2012, trucks moved <b>9.4 billion tons</b> of freight, or <b>68.5% of all domestic shipments</b> . During the same period, trucking generated <b>\$642.1 billion</b> in gross freight-related revenues, or 80.7% of the nation's freight bills. (Source: American Trucking Association   Trucking.org)
	<ul> <li>In the past month, ABF Freight System and UPS Freight announced 5.9% general rate increases, effective May 28 and June 10, respectively. Con-way Freight will raise its LTL rates 5.9% on June 24. On June 10, FedEx Freight announced a 4.5% GRI in non-contract base rates effective July 1. Other large carriers are expected to follow suit over the next several weeks.</li> </ul>

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AIR FREIGHT:	
Air Cargo Traffic	Global air freight traffic in April <b>increased 1.4</b> % from one year ago, and <b>rose 0.5</b> % from the previous month. North American air freight in April <b>fell 0.1</b> % year-over-year. (Source: IATA.org) (Global air freight covers international and domestic scheduled air traffic. North American traffic includes only domestic freight traffic.)
Atlanta Air Cargo Traffic	In March, Hartsfield-Jackson Atlanta International Airport transported <b>56,265 metric tons</b> of cargo, a <b>17% increase</b> from the previous month and a <b>0.8% decrease</b> year-over-year. (Source: HJIA)
Air Freight Price Index	In April, the index of East-West air cargo rates <b>rose 1.9 points</b> from March. The average price of air cargo leaving the United States in April stood at <b>\$3.21 per kilogram</b> .  (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 May 31, 2013, the global average jet fuel price was \$114.30 per barrel; <b>up 1.5%</b> from the previous month, and <b>2.9% lower</b> 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:	<ul> <li>Worldwide airline share prices continued to rise last month, with a 2% gain in May compared to April, resulting in a 15% rise so far this year. Markets continue to anticipate better airline financial performance from restructuring efforts and an easing in cost pressures from the recent decline in jet fuel prices. (Source: IATA.org)</li> </ul>
	<ul> <li>The global airline industry is expected to add more than 35,000 new planes at a cost of \$4.8 trillion over the next 20 years. The largest amount of demand will come in the single-aisle category, totaling nearly 25,000 planes at a cost of \$2.29 trillion. The Asia-Pacific region is expected to demand the largest amount, approximately 13,000 new planes. Europe and North America will add approximately 7,000 new aircraft each during the same period. (Source: Boeing)</li> </ul>



OCEAN FREIGHT:	
Import Volumes	Import shipment volume, in TEUs, at U.S. ports <b>increased 3%</b> in May from the previous month and <b>fell 2.2%</b> year-over-year. U.S. vessel imports in May increased for the second consecutive month and are the highest since last August. The number of bills of lading, or total shipments, filed with U.S. Customs totaled <b>786 thousand</b> in May, <b>up 2.5%</b> from April. (Source: Zepol Corporation   zepol.com)
Shanghai Containerized Freight Index	The June 7 <sup>th</sup> SCFI comprehensive reading was <b>\$982 per FEU</b> ; <b>down 30.6%</b> year-over-year. The spot rate for shipments to the U.S. East Coast was <b>\$3,102 per FEU</b> , <b>down 17.8%</b> 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 <b>fell 36.1%</b> in May, ending at <b>809</b> . The BDI has <b>increased 11.2%</b> during the first half of June. (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, 2013, the bunker fuel surcharge will total \$527 per FEU for shipments to the West coast ocean ports and \$980 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	Georgia Ports moved <b>2.4 million tons</b> of cargo in April 2013, a <b>4.7% increase</b> year-over-year and the <b>highest tonnage on record</b> . The Port of Savannah achieved a <b>4% increase</b> in container traffic for April, moving 258,951 TEUs. (Source: GPA)
Port of Brunswick	Georgia Ports moved <b>57,709</b> auto/machinery units in April, its third highest month for roll-on, roll-off cargo. Bulk cargo led tonnage growth, more than doubling last April's performance to reach 253,908 tons, a <b>111.2%</b> increase. Liquid bulk was up <b>38.4%</b> . (Source: GPA)
Ocean Freight Business News:	• Import volume through major U.S. container ports is expected to <b>increase 1.1%</b> in June. In April, the latest month for which numbers are available, U.S. container ports handled 1.31 million TEUs, a <b>0.1% decrease</b> over the same month last year. Total U.S. containerized imports are expected to <b>increase 1.9%</b> during the first half of 2013. (Source: NRF/Hackett Associates)
	<ul> <li>Subaru has chosen Georgia as its gateway into the Southeastern U.S., and will soon start importing five of its models through the Port of Brunswick. The Japanese carmaker will move 15,000 vehicles through Georgia annually.</li> </ul>
	<ul> <li>During the second quarter, overall confidence levels in the shipping industry increased to their highest level in 2 ½ years. The average confidence level expressed by respondents in the market in which they operate was 5.9 on a scale from 1 to 10, making it the highest figure since the 6.0 recorded in November 2010. Geographically, confidence levels were highest for the shipping industry in North America (6.0), while levels in Europe and Asia were at 5.8. (Source: Moore Stephens)</li> </ul>

WAREHOUSING & DISTRIBUTION:	
Industrial Vacancy	The U.S. average industrial vacancy rate was <b>8.6%</b> during Q1 2013, down from 8.7% in the previous quarter. Overall vacancy was <b>9.2%</b> in Atlanta and <b>11.7%</b> in Savannah during the first quarter. (Source: Cushman & Wakefield)
Warehouse Rent Rates	In Q1 2013, warehouse and distribution rental rates in the US averaged \$4.76 per square foot. Rental rates for warehouse space averaged \$3.32/square foot in Atlanta and \$3.57/square foot in Savannah. (Source: Cushman & Wakefield)
Industrial Absorption	Net absorption in the US during Q1 2013 totaled nearly <b>+34.8 million square feet</b> . Absorption during the 1Q totaled <b>+0.66 million square feet</b> in Atlanta.  (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 <b>fell 1.7 points</b> to 49.0 in May 2013. New orders <b>fell 3.5 points</b> to 48.8 and production <b>decreased 4.9 points</b> to 48.6. (Source: Institute for Supply Management) ( <i>The PMI combines data on new orders, inventory, production, supplier deliveries, and employment.</i> A reading above 50 indicates that the manufacturing economy is generally expanding.)
Purchasing Managers Index in Georgia	Georgia's PMI <b>fell 1 point</b> to 53.8 in May. New orders in Georgia <b>rose 0.3 points</b> to 58.3 and production <b>fell 1.8 points</b> to 54.2. Georgia's PMI is <b>4.8 points higher</b> than the national PMI. (Source: Kennesaw State University) ( <i>The PMI combines data on new orders, inventory, production, supplier deliveries, and employment</i> . A reading above 50 indicates that the manufacturing economy is generally expanding.)
W&D Business News:	<ul> <li>U.S. 3PL market gross revenues increased by 6% in 2012 to \$141.8 billion. Domestic transportation management led financial results for 3PL segments in 2012, increasing 9.2%. 3PL revenues are expected to increase 4.7% in 2013 to \$148.4 billion. (Source: Armstrong &amp; Associates)</li> </ul>



U.S. MARKET:	
Gross Domestic Product	The U.S. GDP <b>increased 2.4%</b> in the first quarter of 2013 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 <b>increased by 8.5%</b> in April to \$40.3 billion. <b>Exports rose 1.2%</b> to \$187.4 billion and <b>imports rose 2.4%</b> to \$227.7 billion. (Source: US DOC & Census Bureau)
Consumer Confidence	The Consumer Confidence Index <b>increased to 76.2</b> in May 2013 from 68.1 in April 2013. (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 increased to 7.6% in May 2013 as there were 175,000 net new jobs. (Source: US DOL)
Leading Economic Index	The Leading Economic Index for the U.S. <b>increased 0.6%</b> in April to 95.0 (2004=100), following a 0.2% decrease in March and a 0.4% increase in February. (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 May to \$421 billion, up 0.6% from the previous month, and up 4.3% above May 2012. Non-store retailer sales were up 11.3% from last year. (Source: US Census)
Manufacturing & Trade Sales	Total combined sales and manufacturing shipments totaled nearly \$1.27 Trillion in April 2013, down 0.1% from March and up 1.5% from the previous year. (Source: US Census)
Manufacturing & Trade Inventory	Total value of inventory on hand is estimated at \$1.66 Trillion in April 2013, up 0.3% from March and up 4.2% from April 2012. (Source: US Census)
Housing Starts	In April, housing starts <b>fell 16.5%</b> to an annual rate of 853,000 units. Building permits (an indicator of future housing starts) <b>rose 14.3%</b> to an annual rate of 1,017,000. Year-over-year, housing starts and building permits in April have <b>increased 13.1%</b> and <b>35.8%</b> , respectively. (Source: U.S. DOC)
Consumer & Producer Price Index	The consumer price index for all urban consumers <b>increased 0.1%</b> in May from the previous month. Over the last 12 months, the all items index <b>increased 1.4%</b> . The producer price index for finished goods <b>increased 0.5%</b> in May from the previous month. Prices for finished goods <b>rose 1.7%</b> over the previous year. (Source: US Bureau of Labor Statistics)

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